PALMDALE WATER DISTRICT

2010 BUDGET

Approved: December 16, 2009

PALMDALE WATER DISTRICT
2010 BUDGET
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SECTION I
EXECUTIVE SUMMARY

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PALMDALE WATER DISTRICT

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December 14, 2009

TO: Palmdale Water District Customers

FROM: Randy Hill, General Manager

RE: 2010 BUDGET – EXECUTIVE SUMMARY

Enclosed for your review is the Palmdale Water District proposed 2010 Budget following revisions made at the December 11, 2009 public workshop.

In 2009 the Board of Directors approved a new rate structure to accomplish several goals at once including:

1. A water budget based conservation rate.
2. Collect revenue to pay for the development of additional water supply from penalty tiers.
3. Collect revenue equal to annual depreciation to fund needed replacements of pipelines, wells, reservoirs, etc.
4. Increase the amount of revenue collected from the monthly service charge so that our fixed costs and fixed revenues are more closely aligned.
5. Collect revenue to pay for water quality expenses primarily GAC media replacement, this was set as a separate fee.
6. Adjust revenue to cover increased operating expenses since a rate adjustment had not been made for many years (2005) and the District has significantly higher costs from inflation and adding additional staff.

The combination of these factors led to a significant rate increase. The majority of the rate increase pays for water supply, asset replacement, and water quality.

New Rate Structure

During 2009 the District implemented a new conservation based water pricing plan that conforms to legislation (AB 2882 signed by the Governor September 30, 2008) that became state law effective January 1, 2009 (now codified in the California Water Code commencing with Section 370 – see Appendix D). The rate structure provides each customer with a water budget and the water use charges increase significantly for water used above the provided allocation. Approximately 81% of our water is being used in Tier 1 at a rate of $0.64 per each 748 gallons. On average only 5% of our water is used in the highest penalty tier. A review of

revenues from 2008 compared to 2009 indicates our customers experienced a 24% rate increase on average.

	Percent Water Used by Allocation				
	July	Aug	Sep	Oct	Jul-Oct Avg.
Tier 1 Charges	86%	86%	78%	75%	81%
Tier 2 Charges	6%	6%	8%	9%	7%
Tier 3 Charges	3%	3%	5%	5%	4%
Tier 4 Charges	2%	2%	3%	3%	3%
Tier 5 Charges	3%	3%	6%	8%	5%
Total Tiers 2-5	**14%**	**14%**	**21%**	**25%**	**19%**

Analysis of Projected Revenue versus Actual

The District used the data available (five months from July through November) to estimate the 2010 budget revenue. Our projection of revenue for the fixed monthly service charge is estimated with a greater degree of certainty than revenue from the commodity charges which are varying significantly. Water demand has dropped by 9-13% compared to a model projection of around 2%. This drop in water demand reduces our revenue and will mean the full recovery of fixed costs will reduce the amount of revenue available to the various Board approved funds.

Supply and Demand

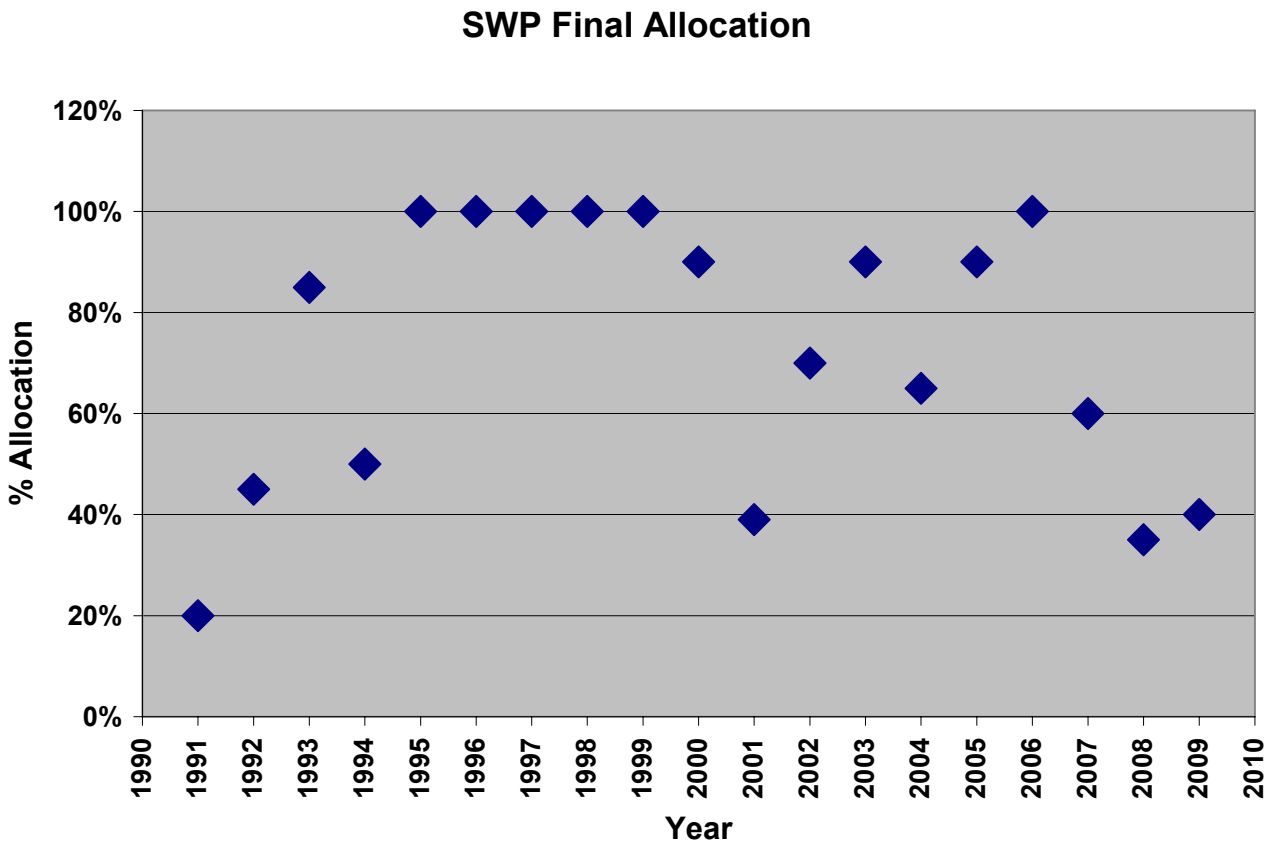
The District obtains its water supply from imported water from the Sacramento-San Joaquin Delta through the State Water Project, groundwater wells, and surface water conveyed via the dam at Littlerock Creek. These sources of supply are no longer sufficient to reliably meet existing customer demands. The District has already had to make emergency purchases of other water to ensure adequate supply. On the supply side, at a 30% allocation of State Water Project the District would receive 4,260 acre-feet of the District's 21,300 acre-foot annual entitlement. The dam at Littlerock Creek in most years provides 3,000 acre-feet of supply although it has delivered zero in some years, including 1987, 2002 and 2007. The District's current groundwater capacity from existing extraction wells is estimated at 14,000 acre-feet per year. Summing these supply sources provides a little more than 21,000 acre-feet of supply. Our water demand in both 2006 and 2007 was around 28,000 acre-feet dropping to 25,000 acre-feet in 2008, and is estimated to be 21,000 acre-feet in 2009. Clearly our demand is greater than our likely future supply, and immediate action is needed to assure that our community has sufficient water supply. The District rate increase included additional funds to develop new water supplies while adopting a rate structure to encourage water conservation to balance supply and demand.

For example in 2008 our maximum day demand was 36 million gallons with 15.6 million gallons coming from groundwater and 20.4 million gallons from surface water. The ultimate reliability would be to have groundwater production available to offset surface water use. The District in the Strategic Water Resources Plan adopted in 2009 has committed to moving towards an increase in groundwater use for increased reliability. Our average new well

production is around 1,000 gpm so it would take a minimum of 14 new wells ($21 million at $1.5 million for each well) to provide 100% backup to the surface water used on the maximum day in 2008.

At a very minimum, supply must be greater than demand by an amount equal to unaccounted for water losses. The District currently has unaccounted water loss of 11.4%. Most of this water is assumed to be lost to leaky pipes. Other losses result from water meters that slow down as they wear, unmetered flushing, fire fighting, and stolen water.

The recent drop in customer water demand will be helpful as we enter 2010 with the lowest initial allocation (since 1967) of available imported water in the history of the State Water Project. We have been given an initial allocation of only 5% of the capacity we pay for, although we expect it increase by year's end. Fortunately the District planned for a shortage and the water level behind Littlerock Dam is full and we have carryover water under our state contract to begin the water year. Over time the State Water Project has become less reliable and we have become more dependent on it. We need to increase our water supplies and decrease our water use to increase total reliability.



The State of California has enacted a new law requiring a 20% reduction of water use by the year 2020. California's average water use is 192 gallons per person per day and the statewide 2020 goal is 154 gallons per person per day. Prior to our rate increase the PWD average use was above the state average at around 197-200 gallons per person per day. The last four months

indicate that the PWD water rate has resulted in conservation and our use is currently around 182-186 gallons per person per day. With continued efforts PWD should be able to meet the required 2020 water use reductions.

The District 2010 budget includes funding additional water supply projects such as wells, and funds for customer rebates to encourage further conservation. This year the District will continue to work on potential agreements to temporarily acquire the use of water from other users, similar to the two year contract we negotiated with Butte County which ended in 2009. The District is also participating in a reconnaissance level study to explore the potential to participate in the construction of a new dam in Northern California. In the future if the District agreed to move forward with such a project, we would need to identify the revenue to pay for the project as well as identifying the new water supply that would be available to our community. Our budget also begins the process of evaluating local potential recharge locations that would benefit our existing wells.

Rate Increase Eliminated

The District rate study recommended an additional rate increase in January 2010 of 14%. This increase would have generated approximately $2.2 million in revenue. Those revenues were earmarked for additional funding levels to the water supply and asset replacement categories. The Board of Directors has chosen to eliminate the increase at this time, and the proposed budget was prepared using the existing rates.

Revenue and Expenditure Cash Summary

This year's budget includes several new types of tables to assist reviewers in understanding the District's financial plans. The "Summary of Revenue and Expenditures" table (page 19) shows revenues and expenses on a cash basis. This removes from the financial view those items which are not cash in nature such as depreciation, post employment benefits, etc. It is also shows for the first time in one place our use of cash for both operations and capital purposes and also our use of cash from reserves. This table shows a balanced budget of $28,968,000 with revenues matching expenditures.

Funds Analysis

Another set of new tables are those showing the Funds Analysis. The Board adopted a funds reserve policy in March 2009 as shown in Appendix C. The Funds Analysis tables show the beginning balance for the Board's reserve funds, then the sources and uses for the year, and then the estimated end of year balance. For purposes of being thorough we are including three such tables: 1) the Funds Analysis estimate for the 2009 budget 2) the Funds Analysis estimate for 2009 year end and 3) the Funds Analysis estimate for the 2010 budget.

2009 Fund Usage

At the beginning of the 2009 budget year the District anticipated issuing $20 million in bonds to reimburse ourselves for cash used from reserves to build improvements to the water treatment plant. A lawsuit by the City of Palmdale prevented, and continues to prevent, the issuance of

those bonds. Consequently the District severely restricted its cash flow by cancelling existing projects, putting a hold on capital spending, laying off employees, reducing benefits, instituting a hiring freeze, and going to mandatory unpaid furloughs. In 2009 the sources for funds was $8.4 million or $0.2 million better expected. 2009 uses were $14 million or $0.3 million more than budgeted and our $12.2 million in proposed 2009 capital projects were held to only $3.1 million. Our 2009 end of year balance is estimated to be $9.6 million as budgeted. However, most of this improvement in our cash position came at the end of the year with tax revenues and grant payments in December. Our low cash position was $3.2 million in June 2009. The uses included eliminating the Dam Self Insurance Reserve which generated $5 million.

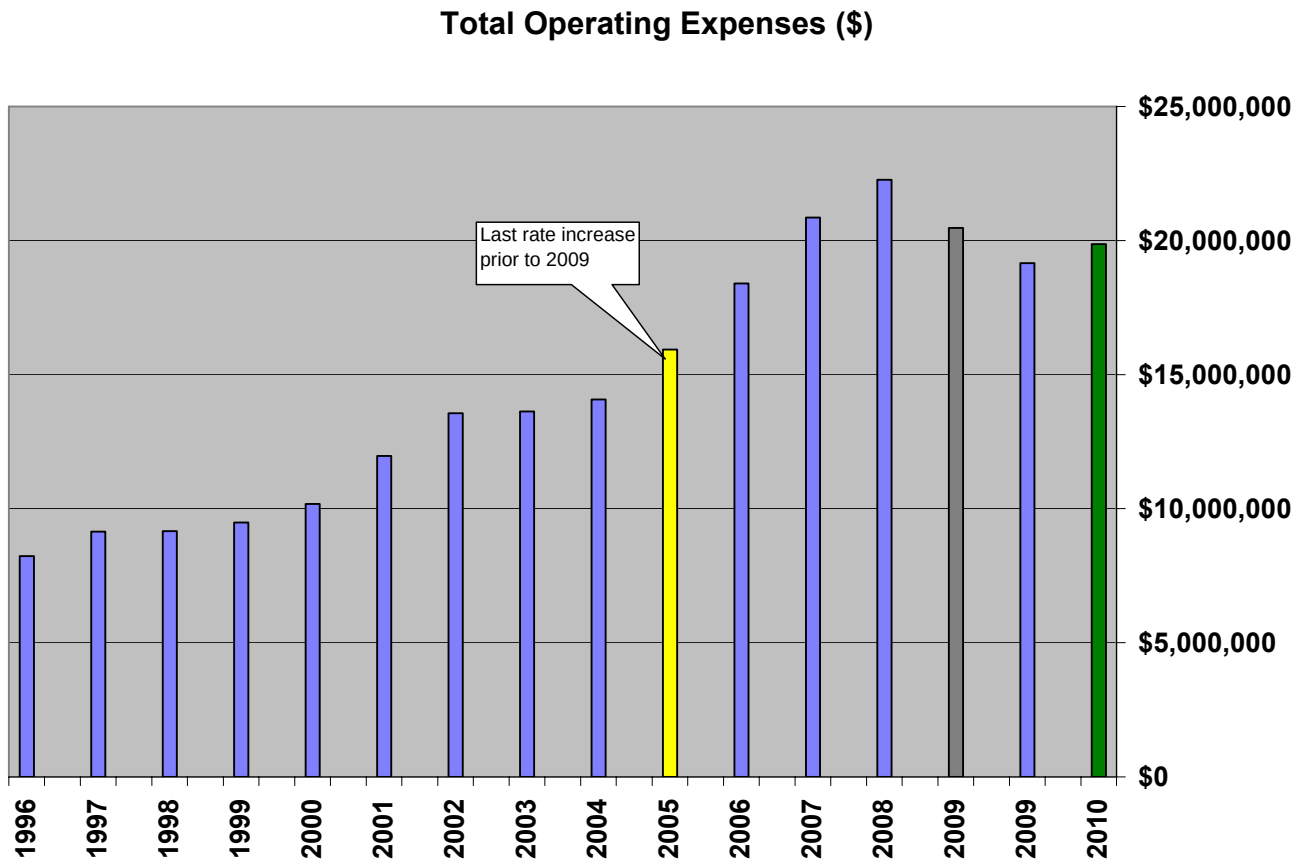
2010 Proposed Fund Usage

The Funds Analysis for the 2010 budget shows $6.4 million in sources. Those sources will enter the various Reserve Funds set aside by the Board with the most significant being:

- $2 million to Water Quality with $1.2 million in uses to replace and regenerate GAC and also conduct pilot projects on various media performance.
- $1.9 million to Asset Replacement with $4.0 million in budgeted uses which will empty the reserve.
- $1.6 million for our Operating reserve for needed cash on hand. This will be less than the reserve policy by providing only 2 months instead of 3 months reserve.
- $0.7 million to Water Supply with $2.2 million in budgeted uses.

Operating Budget

Below is a graph of operating expenditures from 1996 to 2009 which also shows the proposed 2010 budget. The costs shown are the top nine Operating Expense lines from the Income Statement (from Directors to Water Purchases, excluding GAC costs for comparative purposes.) Over the last year the District has demonstrated its ability to control operating costs. Our staff scrutinized expenditures, renegotiated contracts, and controlled overtime expenditures to reduce total operating costs. Our projected end of year expenditures for 2009 are between the expenditures for years 2006 and 2007. Our proposed 2010 budget includes additional staffing, but due to cost control measures the total proposed expenses are lower than actual 2007 expenses, and we intend for total 2010 expenses to be on budget. The District is doing more with less, and is continuing its practice of continuous improvement.



Fixed versus Variable

The District's fixed costs (those which do not vary based on the amount of water delivered) for 2010 are estimated at $15.1 million, but fixed revenues generated by monthly service fees will only generate $10.1 million in revenue, so the remaining $5.0 million in costs must be covered by using revenue from commodity charges.

Labor Expenses

The budget proposes a staffing level of 88 employees as shown in the organizational chart (see page 35) that was approved by the Board on November 18, 2009. This new organizational chart reduced the staffing levels from 2009 by eliminating seven positions and adding three positions (another two engineering positions are identified for future consideration). The proposed budget calls for ending the hiring freeze and filling the new positions (Service Worker 1, Information Technology Manager, and Community& Government Affairs Coordinator). The net budget impact of the changes is a decrease in operating costs compared to the previous year of $180,000 per year.

Total direct labor cost is $6.3 million and benefit expenses are an additional $3.2 million. Benefits costs as a percent of direct labor are 50% on average.

The District has completed a salary survey and proposes a new methodology for setting salary levels using data produced by the Association of California Water Agencies (ACWA). The

proposed salary levels which will be considered as a separate item by the Board of Directors are accounted for in the proposed budget. The changes as proposed increase operating costs approximately $106,800 and future reductions of frozen employee wages will be approximately $90,000 for a long term increase of $16,700 per year.

COLA

To evaluate potential cost of living adjustments (COLA) for employees, the District utilizes the United States Department of Labor Consumer Price Index (CPI) for all urban consumers in the Los Angeles-Riverside-Orange County, CA area (Series Id: CUURA421SAO and CUUSA421SAO). The purpose of considering a COLA is to adjust salaries so that earning potential remains stable.

No COLA was provided in 2009. The index for reference in September 2008 was 227.449 and was 225.264 in October 2009 showing that consumer prices have dropped about 1% for that period. The budget includes a 3% COLA allowance or $57,500 for the 4 month period from September to December 2010. The cost of living will be reviewed in August/September 2010 and if appropriate staff will recommend a COLA for Board consideration at that time.

Litigation Expenses

The District is defending itself in four lawsuits brought upon it by the City of Palmdale, and PWD has filed one lawsuit against the City. The cost of these efforts is considerable and the District continues to encourage the City to enter mediation discussions. Additionally the court case to determine groundwater rights in the Antelope Valley is also entering the trial phase. PWD continues to meet with other principles to seek a settlement and progress is being made. The additional cost of these efforts is estimated to be $700,000 greater than the 2009 budget.

Capital Budgets

The capital budget pages include seven categories of capital expenditures: studies and planning, new equipment, replacement equipment, general projects, replacement projects, new capital projects, and capital projects funded by connection fees. This year each budget includes a three year projection of future costs to assist the policy makers and the public to see likely impacts of future years. Also the funding source for each project is identified.

Pipe Replacement Program

Some of the delayed 2009 capital projects resulted in certain higher operating costs such as the delayed pipe replacements resulting in extensive leak repair expenses. By the end of December we estimate having a total of 590 leaks compared to 435 in 2008, this is an increase of 155 leaks for the year or a 35% increase. Leak repair expense was set higher than previous years and is still projected to be $160,000 over budget.

We have numerous old pipes that are far past their useful life. We have 80 miles of pipelines that are 30 years or older which represents 20% of our existing system. We are experiencing unaccounted water losses of 11.4% which is largely attributed to leaking pipes. The District is

implementing a pipeline replacement program subject to available funds. The 2010 budget proposes the replacement of 4.9 miles of pipe (See Appendix B for full detail on future pipe replacement costs).

Year		Age				
Begin	End	Begin	End	Pipe Length (ft)	Pipe Length (miles)	Percent of Total
1945	**1949**	**64**	**60**	**4,727**	**1**	**0%**
1950	**1954**	**59**	**55**	**47,128**	**9**	**2%**
1955	**1959**	**54**	**50**	**84,866**	**16**	**4%**
1960	**1964**	**49**	**45**	**61,272**	**12**	**3%**
1965	**1969**	**44**	**40**	**121,988**	**23**	**6%**
1970	**1974**	**39**	**35**	**63,435**	**12**	**3%**
1975	**1979**	**34**	**30**	**37,074**	**7**	**2%**
1980	1984	29	25	157,305	30	7%
1985	1989	24	20	637,305	121	30%
1990	1994	19	15	528,855	100	25%
1995	1999	14	10	104,088	20	5%
2000	2004	9	5	157,788	30	7%
2005	2009	4	0	120,450	23	6%
			Totals	2,126,281	403	100%
			Pipe 30 years or older	420,490	80	20%
			Pipe 40 years or older	319,981	61	15%
			Pipe 50 years or older	136,721	26	6%

In the future a similar table should be developed for our aging well infrastructure as many of our existing wells are approaching the end of their useful life.

In general the District is behind in replacing portions of its outdated infrastructure. Our rate increase is generating revenue to allow us to address this weakness, and we will replace facilities on a priority basis subject to the availability of funds. The 2009 rate study prepared for the District indicates that additional increases will be necessary in the future to meet our needs for facility replacements and water supply. At this time the Board is not authorizing increases.

Noteworthy capital expenses include 4.9 miles of pipeline replacement for 2010, 1 new well and 1 well rehab, and a backhoe replacement. CEQA work is budgeted to implement the Strategic Water Resource Plan, recycled water, and Littlerock sediment removal.

Budget is provided for the hardware, software, and consulting needed to overhaul the District's web site.

A number of energy related projects may be proposed this year that are not detailed in the capital project listings. Potential projects may include motor replacements, light fixture upgrades, solar panels, and wind turbines. The capital necessary to construct these facilities would be generated through a Power Purchase Agreement (PPA). The District would enter into a long term agreement to purchase power via the PPA in exchange for the constructed facilities. This arrangement if beneficial would be brought separately to the Board for consideration.

Conclusion

The Palmdale Water District has developed an aggressive operating budget cutting costs below 2007 actual levels and the Board of Directors made it even more aggressive by reducing another $808,500. All revenues generated above expenses are being directed by Board policy to replace pipelines, develop new water supply, replace granular activated carbon for water quality, and assist customers with rebates for water conservation.

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SECTION II
SUMMARIES

SUMMARY OF REVENUES AND EXPENDITURES

FUND ANALYSIS

PROJECT REQUEST SUMMARY
(Three Year Breakdown)

2010 FUND SOURCE SUMMARY

INCOME STATEMENT

FIVE YEAR CASH FLOW

DEPARTMENTAL STAFFING

ORGANIZATIONAL CHART

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Palmdale Water District
Budget 2010
Summary of Revenues and Expenditures

Cash Basis		
Activity	**Estimated Cash Revenues**	**Estimated Cash Expenditures**
Net Water Sales	$ 11,000,000	
Meter Fees	10,100,000	
Other Operating Revenue	1,300,000	
Water Quality Fees	2,000,000	
Net Assessments	2,000,000	
Capital Improvement Fees (CIF)	500,000	
Water Supply Connection Fees	200,000	
Grants - State & Federal	500,000	
Interest and Other Non-operating Revenue	250,000	
Cash from Fund Balance	**707,500**	
Directors		$ 147,500
Administration		3,808,000
Engineering		975,000
Facilities		4,970,000
Operations		3,421,500
Administrative Services		3,452,000
Water Conservation		285,500
Human Resources		206,500
Water Purchases		2,325,000
Capital Expensed		936,000
Project Funds:		
Water System Connection Fund		500,000
Source Water Supply Fund		2,242,500
Asset Replacement Fund		3,822,000
Water Quality Fund		1,216,000
TOTAL	**$ 28,557,500**	**$ 28,557,500**

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Palmdale Water District
Funds Analysis – 2009 Budget (as proposed)

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. Current category of funds were established by Resolution No. 09-03 passed and adopted March 11, 2009 (See Appendix C for verbaige for the Reserve Fund Policy).

2009 Budget (as proposed)

			2009 Budget		
	Sources of Cash	**Beginning Balance 12/31/2008**	**Sources**	**Uses**	**Balance 12/31/2009**
	Net Operating Income		$ (3,884,300)		
	Net Non-Operating Income		8,130,000		
	Depreciation/Amortization Add Back		5,100,000		
	Expenditures Capital Add Back		(1,130,000)		
			$ 8,215,700		
	Reserve Funds				
1	Water Facilities Connection Fees (CIF)	$ 100,000	$ 500,000	$ 600,000	$ -
2	Water Supply Connection Fees	-	-	-	-
3	Debt Service Reserve Fund	2,819,266	-	1,277,515	1,541,751
4	Dam Self Insurance Reserve	5,000,000	-	-	5,000,000
	Total Legally Restricted	**$ 7,919,266**	**$ 500,000**	**$ 1,877,515**	**$ 6,541,751**
5	Rate Stabilization Fund	$ 1,122,572	$ 200,000	$ -	$ 1,322,572
6	O&M Operating Reserve (3 months cash operating expenses)	5,500,000	-	-	5,500,000
7	Supplemental Water Supply Fund	-	1,500,000	-	1,500,000
8	Asset Replacement Fund (% of annual depreciation)	-	5,265,700	11,018,997	(5,753,297)
9	Conservation Program Fund	-	250,000	240,000	10,000
10	Water Quality Service Fee	-	500,000	-	500,000
11	Unrestricted Reserves	583,003	-	583,003	-
	Total Board Restricted	**$ 7,205,575**	**$ 7,715,700**	**$ 11,842,000**	**$ 3,079,275**
	Total Funds	**$ 15,124,841**	**$ 8,215,700**	**$ 13,719,515**	**$ 9,621,026**

Equipment	$ 377,000
Capital projects - General Fund	8,750,000
Capital projects - CIP	3,075,000
	$ 12,202,000

Palmdale Water District
Funds Analysis – 2009 Estimated End of Year (Actual)

2009 Estimated End of Year (Actual)

			2009 Budget		
Sources of Cash		**Beginning Balance 12/31/2008**	**Sources**	**Uses**	**Balance 12/31/2009**
	Net Operating Income		$ (3,300,000)		
	Net Non-Operating Income		7,640,000		
	Depreciation/Amortization Add Back		5,200,000		
	Expenditures Capital Add Back		(1,100,000)		
			$ 8,440,000		
Reserve Funds					
1	Water Facilities Connection Fees (CIF)	$ 100,000	$ 11,000	$ 111,000	$ -
2	Water Supply Connection Fees	-	-	-	-
3	Debt Service Reserve Fund	2,819,266	-	1,266,266	1,553,000
4	Dam Self Insurance Reserve	5,000,000	-	5,000,000	-
	Total Legally Restricted	**$ 7,919,266**	**$ 11,000**	**$ 6,377,266**	**$ 1,553,000**
5	Rate Stabilization Fund	$ 1,122,572	$ -	$ 1,122,562	$ 10
6	O&M Operating Reserve (3 months cash operating expenses)	5,500,000	-	3,427,978	2,072,022
7	Supplemental Water Supply Fund	-	2,500,000	-	2,500,000
8	Asset Replacement Fund (% of annual depreciation)	-	4,579,000	2,454,435	2,124,565
9	Conservation Program Fund	-	250,000	40,000	210,000
10	Water Quality Service Fee	-	1,100,000	-	1,100,000
11	Unrestricted Reserves	583,003	-	583,003	-
	Total Board Restricted	**$ 7,205,575**	**$ 8,429,000**	**$ 7,627,978**	**$ 8,006,597**
	Total Funds	**$ 15,124,841**	**$ 8,440,000**	**$ 14,005,244**	**$ 9,559,597**

Equipment	$ 280,000
Capital projects - General Fund	3,135,244
Capital projects - CIP	2,300,000
Capital Expensed	(2,566,806)
	$ 3,148,438

Palmdale Water District
Funds Analysis – 2010 Budget (Proposed)

2010 Budget (Proposed)

	Sources of Cash	Projected Beginning Balance 12/31/2009	2010 Budget Sources	2010 Budget Uses	Projected Balance 12/31/2010
	Net Operating Income		$ (2,139,736)		
	Adjustment - Water Quality (GAC Media)		1,216,000		
	Adjustment - Depreciation/Amortization Add Back		5,200,000		
	Adjustment - Post Employment Benefits (GASB 45)		521,736		
	Adjustment - Bad Debt		75,000		
	Adjustment - Service Costs Construction		200,000		
	Adjustment - Capitalized Construction		(1,200,000)		
	Net Non-Operating Income		3,565,000		
	Cash from Revenues above Expenses to place into funds		**$ 7,438,000**		
	Reserve Funds				
1	Water Facilities Connection Fees (CIF)	$ -	$ 500,000	$ 500,000	$ -
2	Water Supply Connection Fees	-	200,000	-	200,000
3	Debt Service Reserve Fund	1,553,000	-	3,000	1,550,000
4	Dam Self Insurance Reserve	-	-	-	-
	Total Legally Restricted	**$ 1,553,000**	**$ 700,000**	**$ 503,000**	**$ 1,750,000**
5	Rate Stabilization Fund	$ 10	$ -	$ -	$ 10
6	O&M Operating Reserve (3 months cash operating expenses)	2,072,022	1,993,000	112,000	3,953,022
7	Supplemental Water Supply Fund	2,500,000	756,565	2,242,500	1,014,065
8	Asset Replacement Fund (% of annual depreciation)	2,124,565	1,863,435	3,822,000	166,000
9	Conservation Program Fund	210,000	125,000	250,000	85,000
10	Water Quality Service Fee	1,100,000	2,000,000	1,216,000	1,884,000
11	Unrestricted Reserves	-	-	-	-
	Total Board Restricted	**$ 8,006,597**	**$ 6,738,000**	**$ 7,642,500**	**$ 7,102,097**
	Total Funds	**$ 9,559,597**	**$ 7,438,000**	**$ 8,145,500**	**$ 8,852,097**

Equipment	$ 643,000
Capital projects - General Fund	$ 7,448,500
Capital projects - CIP	$ 875,000
Capital Expensed	$ (936,000)
	$ 8,030,500

Palmdale Water District
Budget 2010
Capital Projects – Expenditure Summary (Three Year Breakdown)

PALMDALE WATER DISTRICT
2010 BUDGET

	PROJECT EXPENDITURE SUMMARY BUDGETING YEAR AMOUNT		
	2010	**2011**	**2012**
Studies and Planning Documents	690,500	50,000	-
New Equipment	298,500	130,000	-
Replacement Equipment	344,500	240,000	-
General Projects	1,758,000	-	-
Replacement Capital Projects	4,525,000	5,395,000	1,085,000
New Capital Projects	475,000	4,250,000	1,500,000
New Capital Projects (CIF)	875,000	3,500,000	4,000,000
Annual Project Expenditures: [1]	8,966,500	13,565,000	6,585,000
3-Yr Total:	29,116,500		

[1] The 2010 total amount includes items classified under capital expense. This amount is removed for the fund analysis calculation due to the amount of $936,000 being factored into the net operating income already.

Palmdale Water District
Budget 2010
Capital Projects – 2010 Fund Breakdown Summary

	2010 FUND BREAKDOWN					
	O&M	**CF**	**WS**	**AR**	**CON**	**WQ**
Studies and Planning Documents	70,000	-	607,500	-	-	13,000
New Equipment	126,500	-	-	172,000	-	-
Replacement Equipment	94,500	-	-	250,000	-	-
General Projects	210,000	-	10,000	85,000	250,000	1,203,000
Replacement Capital Projects	360,000	-	1,000,000	3,165,000	-	-
New Capital Projects	75,000	-	250,000	150,000	-	-
New Capital Projects (CIF)	-	500,000	375,000	-	-	-
	936,000	500,000	2,242,500	3,822,000	250,000	1,216,000
2010 Total Tie-out:	8,966,500					

Equipment	643,000
Capital Projects - General Fund	7,448,500
Capital Projects - CIF	875,000
Captialized Expeditures	(936,000)
	8,030,500

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

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Palmdale Water District
2010 Budget
Income Statement

		PROPOSED 2010	PROJECTED 2009	BUDGET 2009	ACTUAL 2008	ACTUAL 2007	ACTUAL 2006
Operating Revenue							
Water Sales (Includes Elevation Fees)		11,000,000	19,400,000	19,200,000	16,501,377	18,558,430	18,485,862
Meter Fees		10,100,000	-	-	-	-	-
Water Quality Fees		2,000,000	-	-	-	-	-
Other		1,300,000	1,200,000	1,400,000	1,099,949	1,559,870	1,658,818
		24,400,000	20,600,000	20,600,000	17,601,326	20,118,299	20,144,680
Operating Expenses							
Directors		147,500	152,000	176,700	168,954	77,555	123,013
Administration		3,808,000	3,497,700	2,980,100	3,994,635	4,466,951	2,928,662
Engineering		975,000	1,257,750	1,346,100	1,427,495	1,599,573	1,526,076
Facilities		4,970,000	5,714,850	5,557,600	5,543,094	5,736,573	6,322,103
Operations		3,421,500	2,487,500	2,272,400	2,673,531	2,496,860	2,525,294
Administrative Services		3,452,000	3,345,750	3,295,350	3,920,763	2,400,544	2,840,959
Water Conservation		285,500	213,700	576,200	543,167	131,567	117,515
Human Resources		206,500	84,846	372,000	205,375	84,448	91,628
Water Purchases	[2]	2,600,000	2,400,000	3,900,000	3,781,195	3,865,152	1,921,629
Water Recovery		(275,000)	(253,000)	(350,000)	(512,505)	(170,337)	(188,213)
Water Quality (GAC Media)	[3]	1,216,000	-	-	-	-	-
Capitalized Expenditures		936,000	-	-	-	-	-
Cash Expenses		21,743,000	18,901,096	20,126,450	21,745,704	20,688,886	18,208,666
Depreciation		5,200,000	5,200,000	5,100,000	5,008,033	5,075,145	5,148,086
Post Employment Benefit (GASB 45)	[4]	521,736	521,736	521,736	521,734	-	-
Bad Debts		75,000	58,000	57,500	122,873	-	69,378
Capitalized Construction		(1,200,000)	(1,300,000)	(1,130,000)	(1,373,880)	(822,134)	(938,891)
Non-Cash Expenses		4,796,736	4,679,736	4,879,586	4,443,566	4,253,011	4,278,573
Net Operating Income/(Loss)		(2,139,736)	(2,980,832)	(4,406,036)	(8,587,944)	(4,823,598)	(2,342,559)
Non-operating Revenues							
Assessments		6,000,000	5,420,000	4,000,000	5,484,434	4,364,640	4,161,462
Interest		200,000	275,000	850,000	1,023,293	1,971,034	1,819,772
Market Adj. on Investments		-	(260,000)	-	(33,610)	452,608	54,408
Capital Improvement Fees		500,000	11,000	500,000	619,845	3,664,400	9,108,104
Water Supply Connection Fees	[5]	200,000	-	-	-	-	-
Grants - State & Federal		500,000	1,150,000	1,480,000	30,000	129,618	-
Sale of Real Property		-	950,000	950,000	998,649	-	-
Other	[6]	50,000	94,000	350,000	676,946	190,611	220,845
		7,450,000	7,640,000	8,130,000	8,799,557	10,772,911	15,364,591
Non-operating Expenses							
Interest Paid & Amortization on long-term debt		2,551,000	2,556,000	2,555,000	2,674,023	2,712,009	2,746,923
Amortization of SWP		1,334,000	1,200,000	1,150,000	1,094,735	1,018,995	959,020
		3,885,000	3,756,000	3,705,000	3,768,758	3,731,004	3,705,943
Net Non-operating Income/(Loss)		3,565,000	3,884,000	4,425,000	5,030,799	7,041,907	11,658,648
Net Earnings(Loss)		1,425,264	903,168	18,964	(3,557,145)	2,218,310	9,316,089

Palmdale Water District
2010 Budget
Income Statement – General Information

	Percentage Change From Previous Year				
	BUDGET	PROJECTED	ACTUAL	ACTUAL	ACTUAL
Operating Revenue	18.45%	0.00%	-12.51%	-0.13%	22.00%
Operating Expenses	-1.70%	-4.10%	4.48%	-0.60%	8.77%
Non-operating Revenues	-8.36%	-6.03%	-18.32%	-29.88%	56.97%
Non-operating Expenses	4.86%	1.38%	1.01%	0.68%	0.78%

General Notes:

[2] Re-allocation of water purchase rights acquired from Butte County were re-apportioned to the 2009/10 assessments.

[3] GAC filter media purchases are directly offset by the revenues from the water quality fee for prior year. The 2010 Budget includes the replacement of four contactors (two virgin and two reactivated), which makes up the majority of the water quality expense.

[4] Post employment accrual expense (OPEB) was not included in 2009 budget number. This item was a compliance requirement for GASB 45 in the 2008 audit.

[5] Water supply connection fees will be charged to developers to offset new source water supply. This charge will go into effect mid-year 2010 after completion of CEQA study as outlined by the Strategic Water Resource plan.

[6] Other revenues in the non-operating revenues contains $393,829 that was collected from energy refunds/rebates for 2008. This was a single line item in prior year budget and was blended for this year.

Cost Factors and Assumptions:

Cost of Living possible increase maximum of 3% effective September 1, 2010 subject to Board approval (Review will occur in August).

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

PERS is calculated at 17.39% for 6 months and 17.70% for 6 months

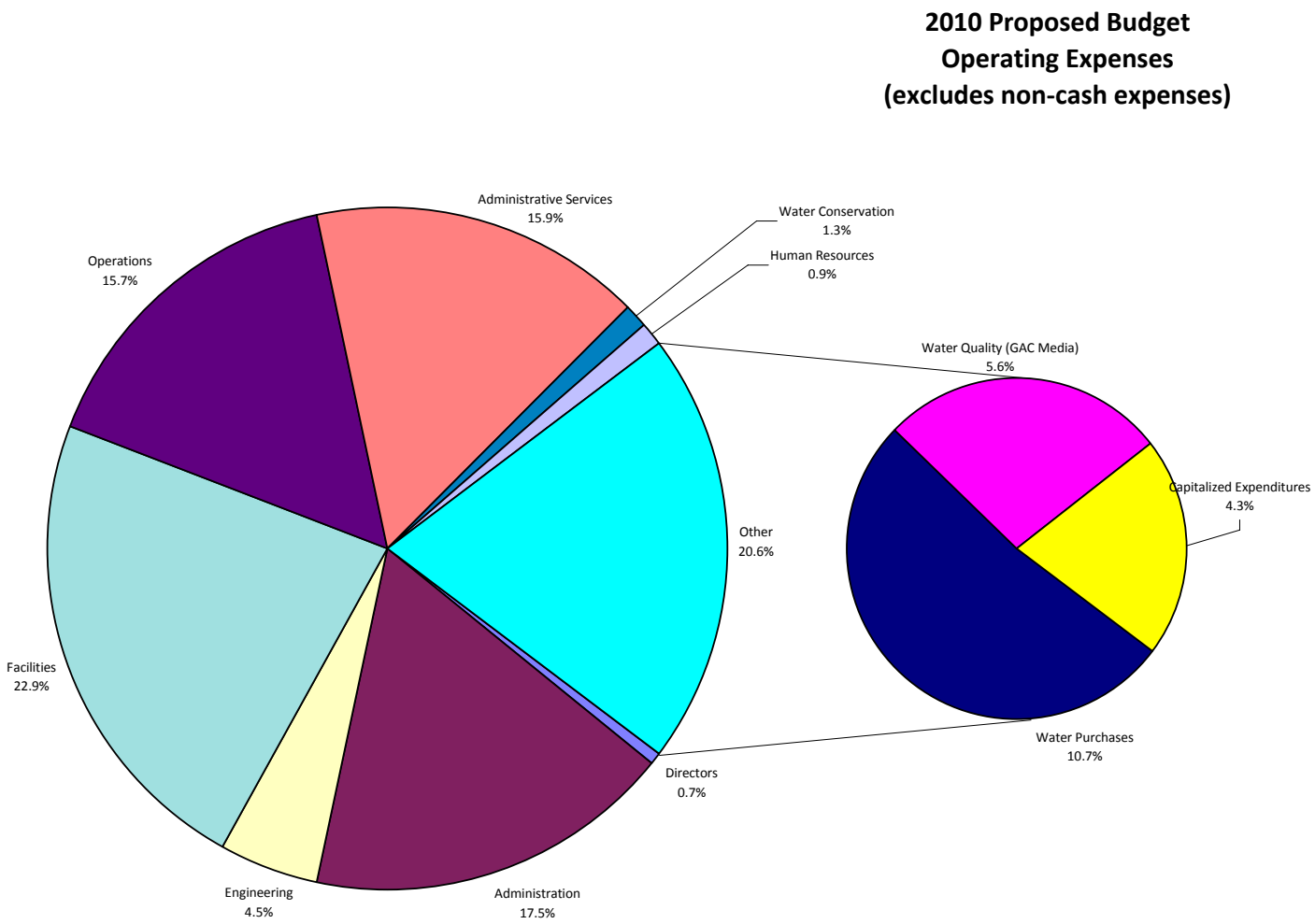
Employee benefits includes the cost of medical, dental & vision plans as well as the employee assistance program and on the job life insurance death benefit.

Health insurance rates have risen with a blended average for the three medical plans being an increase of 5.7% and the dental insurance was 6.3%.

Health insurance includes benefits to directors that qualify for benefits based on years of service as a director.

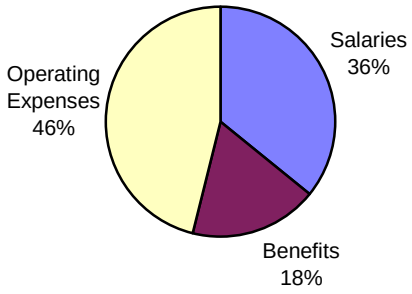
Southern California Edison has notified us of a rate increase that will go into effect starting the beginning of 2010. The blended increase was 0.323% for all Edison customer groups and was part of application number A.09-04-002 filed with the PUC.

Palmdale Water District
2010 Proposed Operating Expenses (excluding non-cash expenses) – Graph



Palmdale Water District
2010 Departmental Expenses (Proposed) – Graph

2010 Departmental Expenses (Proposed)



Departmental Expenses		
Salaries	$	6,189,000
Benefits		3,097,000
Operating Expenses		7,980,000
Total	$	17,266,000

Palmdale Water District
Budget 2010
5-Year Cash Flow (Aggregate)

	Proposed 2010	Projected 2009	2008	2007	2006
Beginning Cash	9,559,597	15,124,841	34,513,978	57,644,229	61,866,814
Operating Activities					
Net Operating Revenues	24,400,000	20,600,000	17,586,328	20,135,697	19,778,011
Net Operating Expenses	20,527,000	22,838,000	19,804,272	19,186,212	16,325,468
Net cash provided by operating activities	3,873,000	(2,238,000)	(2,217,944)	949,485	3,452,543
Other Sources and Uses of Cash					
Assessments received	6,127,000	4,977,000	5,262,788	4,974,252	4,178,858
Payments for State Water Project	(4,200,000)	(2,845,000)	(2,104,193)	(1,755,786)	(1,824,566)
Capital Improvement Fees Received	500,000	11,000	619,845	3,667,974	9,999,180
Water Supply Connection Fees Received	200,000	-	-	-	-
Acquisition of Property, Plant & Equipment	(4,271,095)	(4,825,244)	(19,931,092)	(28,674,587)	(18,491,611)
Principal Paid on Long Term Debt	(1,125,000)	(1,080,000)	(1,040,000)	(1,005,000)	(970,000)
Interest Paid on Long Term Debt	(2,511,405)	(2,556,000)	(2,595,824)	(2,632,782)	(2,667,016)
State Grants and Other Income	500,000	2,716,000	1,705,595	187,038	225,845
Interest on Investments	200,000	275,000	911,688	1,159,155	1,874,182
Net Cash Provided by Other Sources and Uses	(4,580,500)	(3,327,244)	(17,171,193)	(24,079,736)	(7,675,128)
Net Increase (Decrease) in Cash	(707,500)	(5,565,244)	(19,389,137)	(23,130,251)	(4,222,585)
Cash End of Year	8,852,097	9,559,597	15,124,841	34,513,978	57,644,229
Less Restricted Cash	1,750,000	1,553,000	3,941,838	1,392	18,943,541
Available Operating Cash	7,102,097	8,006,597	11,183,003	34,512,586	38,700,688

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Palmdale Water District
2010 Departmental Staffing Budget

POSITION	2010	2009
ADMINISTRATION:		
General Manager/CEO	1	1
Assistant General Manager/COO	1	1
Executive Assistant	1	1
Administrative Assistant	1	1
SUBTOTAL:	4	4
ENGINEERING:		
Engineering Manager	1	1
Project Manager	1	1
Construction Inspector	3	3
CAD/GIS Specialist	2	2
Engineering Technician	1	3
USA Technician		1
SUBTOTAL:	8	11
FACILITIES:		
Facilities Manager	1	1
Construction Supervisor	1	1
Senior Service Worker	3	3
Service Workers	11	10
Maintenance Worker		1
Warehouse Worker	2	2
Senior Equipment Mechanic	1	1
Equipment Mechanic	3	4
SUBTOTAL:	22	23
OPERATIONS:		
Operations Manager	1	1
Treatment Plant Supervisor	1	1
Plant Operators	7	7
Maintenance Worker	1	1
Administrative Technician	1	1
Water Quality Supervisor	1	1
Laboratory Analyst	2	2
Cross Connection Technician	1	1
Systems Supervisor	1	1
Pump Operator	2	3
Electrician	2	2
Electronic Technician	2	2
SUBTOTAL:	22	23

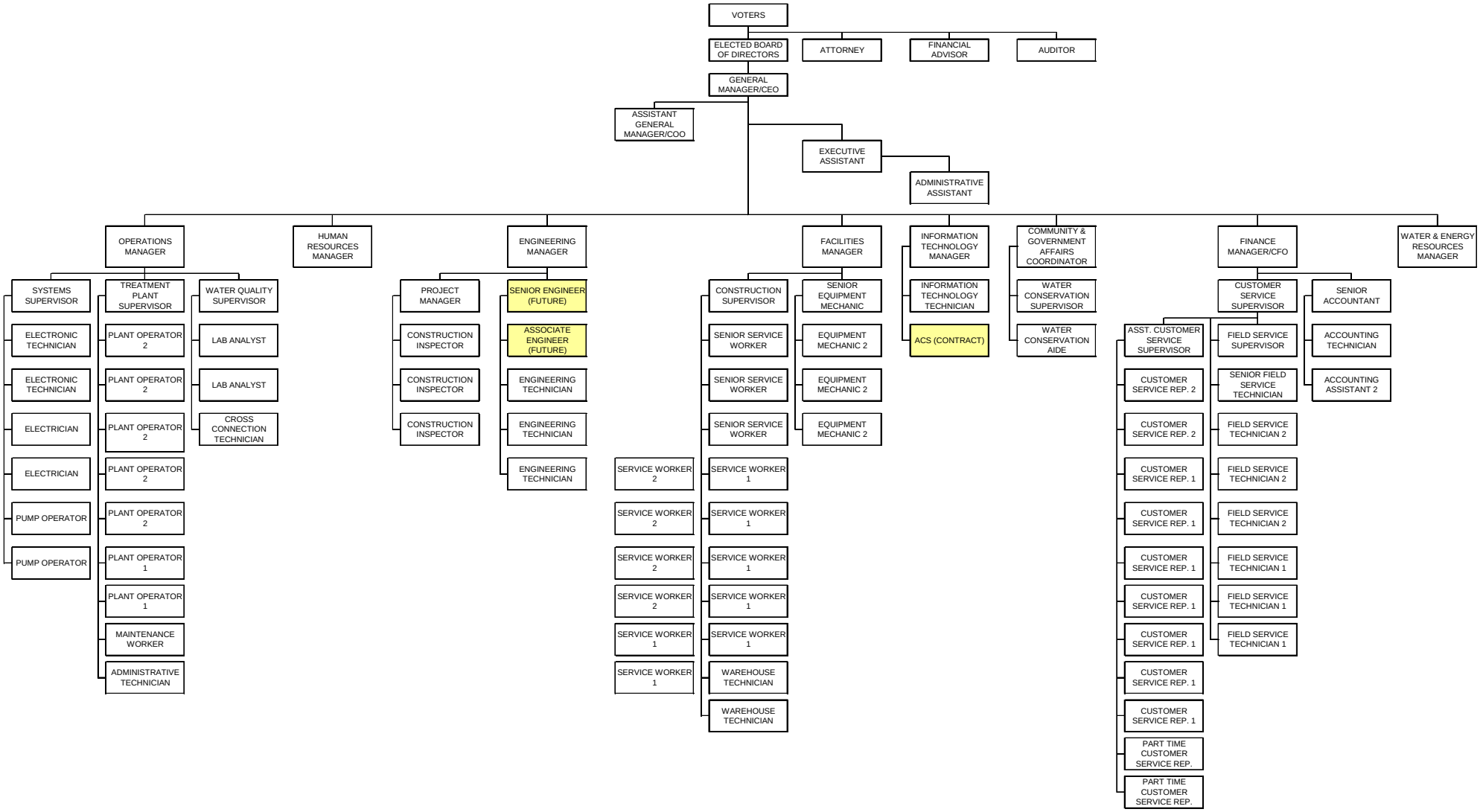
Palmdale Water District
2010 Departmental Staffing Budget (continued)

POSITION	2010	2009
ADMINISTRATIVE SERVICES:		
Finance Manager/CFO[7]	1	1
Senior Accountant	1	1
Accounting Technician	1	1
Accounting Assistant	1	1
Customer Service Supervisor	1	1
Assistant Customer Service Supervisor	1	1
Customer Service Representative	9	9
Part time Customer Service Representative	2	2
Field Service Supervisor	1	1
Senior Field Service Technician	1	1
Field Service Technician	6	6
SUBTOTAL:	25	25
WATER CONSERVATION:		
Community & Government Affairs Coordinator	1	
Water Conservation Supervisor	1	1
Water Conservation Aide	1	1
SUBTOTAL	3	2
HUMAN RESOURCES:		
Human Resources Manager	1	1
Risk Management & Safety Coordinator		1
SUBTOTAL:	1	2
WATER & ENERGY:		
Water & Energy Resources Manager	1	1
SUBTOTAL:	1	1
INFORMATION TECHNOLOGY:		
Information Technology Manager	1	
Information Technology Technician	1	1
SUBTOTAL:	2	1
DISTRICT TOTAL:	**88**	**92[8]**

[7] Administrative Services Manager oversees the contract with ACS for one outsourced information technologies positions. This contract will be moved over to the Information Technology Manager when the position is filled.

[8] The amount shown in the board report and passed on November 18, 2009 Board Meeting as agenda item 9.6.Staffing levels for 2009 were shown at 94 employees. This included the two positions that were contracted from ACS for I.T. services. Moving forward for 2010 the total employees does not include the ACS contract employees.

Palmdale Water District
Organizational Chart
(Approved by Board of Directors on November 18, 2009)



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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 2010
Board of Directors

Directors		BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2010	2009	2009	2008	2007	2006
1-01-4035-000	Directors Fees	54,000	57,500	70,000	69,372	58,844	76,614
Benefits							
1-01-4010-000	Health Insurance	73,500	69,500	69,100	76,343	-	-
	Subtotal (Benefits)	73,500	69,500	69,100	76,343	-	-
	Personnel Expenses	127,500	127,000	139,100	145,715	58,844	76,614
OPERATING EXPENSES:							
1-01-4050-000	Director's Travel, Seminars & Meetings	20,000	25,000	37,600	23,239	18,711	46,399
	Total Operating Expense	20,000	25,000	37,600	23,239	18,711	46,399
	Total Departmental Expenses	147,500	152,000	176,700	168,954	77,555	123,013

Palmdale Water District
Budget 2010
Administration

Administration			BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:			2010	2009	2009	2008	2007	2006
1-02-4000-000	Salaries		660,000	660,500	643,500	647,760	1,419,131	706,870
Employee Benefits								
1-02-4005-000	Payroll Taxes		51,000	50,100	39,100	47,609	96,670	51,518
1-02-4010-000	Health Insurance		95,500	77,000	77,500	59,267	272,532	144,297
1-02-4015-000	Pers		115,000	86,100	72,600	89,548	218,973	105,121
1-02-4020-000	Worker's Comp		205,000	187,000	196,000	213,943	203,234	197,981
1-02-4025-000	Vacation Benefit Expense		55,000	40,000	93,500	89,107	44,312	311,901
1-02-4030-000	Life Insurance		4,000	4,000	3,400	3,550	3,070	1,305
	Subtotal (Benefits)		525,500	444,200	482,100	503,025	838,791	812,123
	Personnel Expenses		1,185,500	1,104,700	1,125,600	1,150,785	2,257,922	1,518,993
OPERATING EXPENSES:								
1-02-4050-000	Staff Travel		10,000	12,000	4,000	8,917	27,589	15,220
1-02-4050-100	General Manager Travel	[9]	6,000	2,500	4,700	7,597	9,875	14,551
1-02-4060-000	Staff Conferences & Seminars		3,000	3,000	3,000	1,656	17,835	9,794
1-02-4060-100	General Manager Conferences & Seminars		4,500	2,000	4,500	4,420	3,731	9,619
1-02-4070-000	Employee Expense		40,000	50,000	40,500	39,273	56,514	30,360
1-02-4080-000	Other Operating		10,000	22,000	46,000	51,815	106,558	10,205
1-02-4085-000	Retiree Benefit Expense		-	-	68,000	-	-	-
1-02-4110-000	Consultants		300,000	600,000	275,000	527,905	382,911	208,992
1-02-4115-000	Settlements		-	-	-	350,000	-	-
1-02-4125-000	Insurance		350,000	351,000	242,000	289,284	202,811	160,373
1-02-4130-000	Bank Charges		72,000	73,000	72,000	74,389	85,929	73,273
1-02-4135-000	Groundwater Adjudication	[10]	500,000	320,000	385,000	366,077	539,777	-
1-02-4140-000	Legal Services	[11]	900,000	600,000	300,000	606,028	262,936	302,653
1-02-4150-000	Accounting Services		25,000	20,000	20,000	23,001	25,430	17,020
1-02-4155-000	Contracted Services		50,000	50,000	63,000	72,280	139,600	203,934
1-02-4160-000	Collection Related Fees		-	1,000	-	(10)	(20)	(10)
1-02-4165-000	Memberships/Subscriptions		75,000	60,000	81,000	102,130	112,344	102,094
1-02-4170-000	Elections		70,000	-	-	67,017	-	37,317
1-02-4175-000	Permits		26,000	25,000	26,000	28,173	25,573	12,404
1-02-4180-000	Postage		60,000	55,000	70,000	63,928	46,234	39,559
1-02-4190-100	Public Relations - Publications		32,000	45,000	42,400	38,712	65,997	38,737
1-02-4190-200	Public Relations - Chamber of Commerce		5,000	500	5,000	4,679	7,384	7,600
1-02-4190-800	Public Relations - Youth Sponsorship		-	2,000	2,000	2,000	2,000	2,600
1-02-4190-900	Public Relations - Other		-	20,000	7,100	7,564	25,288	4,252
1-02-4200-000	Advertising		2,500	2,000	2,600	2,645	1,137	8,227
1-02-4205-000	Office Supplies		20,000	20,000	30,000	40,109	-	-
1-02-4210-000	Office Furniture		-	-	-	438	-	-
1-02-4215-200	Natural Gas - Office Building		3,500	2,000	3,700	4,134	2,917	3,392
1-02-4220-200	Electricity - Office Building		40,000	38,000	39,000	43,093	43,441	46,023
1-02-4230-100	Maintenance & Repair - Office Building		18,000	17,000	18,000	16,596	106	-
	Total Operating Expense		2,622,500	2,393,000	1,854,500	2,843,850	2,193,897	1,358,189
1-02-4900-000	Budget Inclusion Expense		-	-	-	-	15,132	51,480
	Total Departmental Expenses		3,808,000	3,497,700	2,980,100	3,994,635	4,466,951	2,928,662

[9] Increase in General Manager travel is for the attendance of State Water Project meetings.

[10] Groundwater adjudication is moving towards trial phase and will require more time by the attorneys' and staff.

[11] Legal services were estimated at rates similar to the last six months of invoicing. This will cover the costs associated with general legal council and the current City of Palmdale litigation.

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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.

2009 WATER YEAR INDICATORS:

1) 5 Water improvement projects approved.
2) 3 Water improvement projects completed.
3) 4 District construction projects completed.
4) 35 Inspection work orders actively being overseen for completion and closure of the work order.
5) 2,652 USA tickets received with 1,012 requiring street marks.

2009 WATER YEAR ACCOMPLISHMENTS:

1) Provided input and staff time for various state reports.
2) Maintained tracking program for equivalent units for the Capital Improvement program annual update.
3) Updated water service maps, gate books, and 1000' scale maps.
4) Updated total quantification miles of pipe, number of valves, fire hydrants, air vacs, and other facilities.
5) Researched numerous records related to Antelope Valley Groundwater Adjudication.
6) Completed survey and related reporting for both Littlerock and Palmdale Dam.
7) Completed the preparation of the Recycled Water System Master Plan.
8) Completed the preparation of the Strategic Water Resources Plan
9) Completed the Water Treatment Plant Improvements Phase II project and filed Notice of Completion.
10) Continued working with consultant on the preparation of the District's 2008 Water System Master Plan Programmatic EIR.
11) Continued working with consultant on the preparation of the Littlerock Reservoir Sediment Removal Project EIR/EIS.
12) Completed the Palmdale Ditch Enclosure Project and met the requirements to obtain grant funding.
13) Continued overseeing the contract for the re-coating and maintenance for various storage tanks.
14) Continued overseeing the implementation of the Distribution System SCADA Upgrade project.
15) Completed the design of the water main replacement project in 30th Street East between Palmdale Boulevard and Avenue R.
16) Completed the design of the water main replacement project in 8th Street East and Avenue P-8.
17) Completed the design of the water main replacement project in Avenue Q-7
18) Completed the design for the installation of a new pressure reducing valve at 32nd Street East and Pearblossom Highway.

2010 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 permits for the Littlerock Reservoir Sediment Removal Project.
4) Complete the design and award a contract for the construction of the Grade Control Structure at Littlerock Dam.
5) 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 various Capital Improvement Projects.
8) Complete the design and construction of the various asset replacement projects that have been identified in the 2010 Budget.
9) Complete and certify the CEQA document associated with the Recycled Water System Master Plan.
10) Complete and Certify the CEQA document associated with the Strategic Water Resources Plan.

Palmdale Water District
Budget 2010

Engineering		BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2010	2009	2009	2008	2007	2006
1-03-4000-000	Salaries	650,000	875,000	914,000	915,817	856,024	888,935
Employee Benefits							
1-03-4005-000	Payroll Taxes	50,000	67,000	69,900	67,362	64,643	68,436
1-03-4010-000	Health Insurance	123,000	147,250	175,900	152,827	161,761	144,494
1-03-4015-000	PERS	112,000	136,000	159,300	131,897	132,138	126,992
	Subtotal (Benefits)	285,000	350,250	405,100	352,086	358,542	339,922
	Personnel Expenses	935,000	1,225,250	1,319,100	1,267,903	1,214,566	1,228,857
OPERATING EXPENSES:							
1-03-4050-000	Staff Travel	3,500	2,500	3,500	2,963	9,819	10,567
1-03-4060-000	Staff Conferences & Seminars	3,500	500	3,500	2,945	9,889	7,907
1-03-4155-000	Contracted Services	18,500	18,500	-	-	-	-
1-03-4165-000	Memberships/Subscriptions	2,500	2,500	5,000	4,755	-	-
1-03-4250-000	General Materials & Supplies	2,000	1,000	2,000	1,745	-	-
1-03-4330-000	Inspection - Non Recovered	-	-	-	-	-	945
1-03-4230-110	Maintenance & Repair - Office Equipment	-	-	1,000	-	95	1,086
1-03-8100-100	Computer Software - Maint. & Support	10,000	7,500	12,000	14,944	-	-
	Total Operating Expense	40,000	32,500	27,000	27,352	19,803	20,505
1-03-4900-000	Budget Inclusion Expense	-	-	-	132,240	365,204	276,714
	TOTAL	975,000	1,257,750	1,346,100	1,427,495	1,599,573	1,526,076

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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, 9 hydro-pneumatic tanks and hypochlorite disinfection equipment at 32 of the above sites.

2009 WATER YEAR INDICATORS:

1) 27,098 Meters in service
2) 9,067 System valves in service
3) 406.7 Miles of pipe in service
4) 425 Emergencies to which the department responded

2009 WATER YEAR ACCOMPLISHMENTS:

Mechanics and Facilities Staff

1. Performed 1,316 hours of daily tank, well and booster station inspections.
2. Performed 1,181 hours of building and grounds maintenance. Included general upkeep of grounds, fence repairs, building repairs, graffiti removal, continuous cleaning and reorganizing for storage. Performing approximately 81 hours of miscellaneous repairs, re-roofed 2 well sites and booster buildings, painted and labeling of pipes at 6 Well Sites. Monthly cleaning on solar panels located on the east bays.
3. Performed 2,628 hours of maintenance on wells, boosters and storage reservoirs. This included scheduled preventive maintenance (PM) and 85 natural gas engine and generator inspections. Repairs included performing approximately 26 miscellaneous repairs to pumps, motors and engines, rehab and repairs including replacing 500 HP motor at Well 7 and emergency repairs to Wells 6, 10 and 32. Mechanics also replaced bearings and seals and rotating element at 45th Street Booster. Construction Crew abandoned Well 24 building, plumbing and pedestal.
4. Performed 460 hours of facilities training. This included training on confined space, right to know, haz-mat, backhoe, rigging, traffic control & flagging, lock-out - tag-out, forklift, leadership, teamwork and supervisor training.
5. Performed 63 hours of meter repair and vault maintenance exchanging meters and repairing leaks. This included fabrication of compound meter vault lids and repairs to pipe and installation of the compound meters.
6. Performed 957 hours of treatment plant repairs.
7. Performed 1,467 hours of vehicle and equipment maintenance and repair activities performing miscellaneous repairs, 135 scheduled PM's and 51 truck, trailer and crane inspections.
8. Repaired 361 Angle Stops as of 10-31-2009.
9. Conducted work on the District's flushing program (Water Quality) that utilized 188,140 cubic feet (1,402,287 Gallons) of water flushed.
10. Conducted the valve exercising program, which included exercising 169 system valves and 18 fire hydrants.

2009 WATER YEAR ACCOMPLISHMENTS (continued):

11. Installed 2 new residential services.
12. As of 10-31-2009 the total number of leaks repaired included 476 mainline and 32 service line leaks (508 Total).
13. Replaced 7 sections of aged pipe in the system that failed with schedule 40 steel and protective coating for pipe.
14. Construction crew replaced 3300 feet of existing 6" double dipped and wrapped steel line with 12" ductile iron pipe (Avenue P-8 and 8th ST E)
15. Construction crew replaced 260 feet of 6" double dipped and wrapped steel line with 8' ductile iron pipe (Avenue Q-7 and 4th ST E)
16. Repaired (3) fire hydrant laterals with new pipe due to pipe failure.
17. Construction crew is currently replacing 450 feet of 6" double dipped and wrapped with 8" ductile iron pipe (Avenue Q-7 to 3rd ST E)
18. Abandoned fire hydrant and Air-Vac at 50th ST E & Pearblossom Hwy and ran straight connection to 16" ductile iron pipe for contactor.

Operations Staff

1. Finished the work with the District Engineering Department, Flowers & Baum, Carollo Engineers, Cushman Construction and ProUsys (S.C.A.D.A.) to concluded Phase II of the Treatment Plant Optimization Project, resolving the Water Treatment Plant Phase 2 Project SCADA issues.
2. Staff has completed emergency repairs to Wells 6, 7 and 32. This involved disconnecting and pulling the motors, level transducers, columns and pumps, as well as rehabilitation and installation to return the sites to service.
3. Completed development work on Well 26. This involved chemical treatment of the well. The site was returned to service.
4. Concluded the installation of a flow meter totalizer for the new Mag-Meter on the Palmdale Ditch. This involved pulling the cable from the meter (150'), installing a pull box (outside), installing a switch for control power and running new conduit and wiring for a 120-volt feed into an enclosure for the totalizer.
5. Completed the upgrade of wiring and replacement of the soft starts at Well 10, Well 7, 3600 Booster #2 and the north surface wash pump at the Water Treatment Plant.
6. Replaced the level transducers on the 25th Street Tanks, 50th Street Tank (south tank), 2.6M Tank at the Treatment Plant, Tovey Tank and at the 3900 Tank site. Staff has also replaced the level transducers at Wells 22 and 33 and installed new transducers at the 3M Tank and 47th Street Tank.
7. Installed new check valves at Well 14 and at the North Wash Pump Basin at the Water Treatment Plant.
8. Replaced the terminal blocks for the hydro generator at the D.W.R. Building. This involved removal of the failed terminal blocks, installation of the new blocks and rewiring to the panel. This has eliminated many of the faults and fails on the hydro generator panel.

2009 WATER YEAR ACCOMPLISHMENTS (continued):

9. The Operations and Construction Staffs have completed the installation of the new ultra mag-meters (beta test program) at Wells 30, 10, 35 and 2. With the help of the Construction Crew (removing old meters, welding new spools and new meter installation), the Operators and Technicians finished rewiring to control panels, calibration of new meters and re-plumbing of the dose lines. They have installed 4 meters total: 1-12", 1-8", and 2-6" at the District's well sites. The McCrometer beta test program released a new product line of ultra mag-meters at NO charge to the District. This is an estimated savings of $20,000.00.
10. Staff continues to perform hydraulic monitoring of all ground water supplies.
11. Completed the installation of the Algae Ultrasound Probe at the Littlerock Lake Inlet to Palmdale Lake. The prep work involved trenching a 300-foot ditch, installing 300+ feet of conduit and wiring, and the building and programming of a control panel.
12. Staff has installed 110 volt power at the effluent meter vault and installed new wiring for the vault sump pump at the Water Treatment Plant.
13. Completed the maintenance and calibration of the turbidity meters, pressure transmitters and dosing pumps at the Water Treatment Plant.
14. Completed relocating the wiring of the #4 Chlorine Feed Pump in the Chemical Feed Room.
15. Staff has resolved the wiring and calibration issues on the #2 sodium hypochlorite feed pump at the Water Treatment Plant.
16. Operations Staff assisted Xantrex Technology technicians with the replacing the lug ends, installing a new control board (twice) and replacing the capacitors for the solar inverter at the Main Office back shop.
17. Staff has continued to upgrade all District electrical panels to bring up to current electrical wiring codes.
18. Completed the repairs of the mechanical switch-gear at the Main Office. This involved removing the mechanism on the main electrical panel, replacing the broken components, and returning it to service.
19. Installed a valve actuator at the D.W.R. turn-out valve, replaced the wiring and programmed the turn-out valve and traveling screen to be controlled by SCADA at the Water Treatment Plant.
20. Replaced the wiring for the 25th Street Tank site seismic valve, after the contractor hit the wiring at the site. Staff pulled 170' of new wire, repositioned the valves and calibrated the controllers.
21. Staff has continued to maintain all District electrical and SCADA panels and complete as-built wiring diagrams of them.
22. Operations staff completed the development of Well 10. This involved pulling the pump, installing a new 50 HP submersible motor and pump, and installing new 4" column pipe. They upgraded the motor control center (MCC) by installing a new soft start and wiring, programming the soft start, and then chemically treating the well. This has improved the water quality and brought the efficiency of the unit from 35 percent to 70 percent at over 206 gpm. The well is now producing 206 gallons per minute with a 60% efficiency rate (62% efficiency is the highest rate for submersible wells). This also reduces the overall kWh from 1198 kWh usage to 1000 kWh per acre-foot, entitling the District to Edison rebate incentives and lowering overall operational costs. The site has returned to service.
23. Staff has reprogrammed the communication protocol at PCM 11 (Lake Outlet) from poll by exception to direct read access, decreasing the communication times between the devices.
24. Staff has continued to replace the oil dripper reservoirs with 15-gallon reservoirs at multiple well sites.

2009 WATER YEAR ACCOMPLISHMENTS (continued):

25. The Operations and Mechanical Staff completed installation of the new front lobby kiosk and televisions. This involved the installation of seven lateral runs of new cat-5 cables and power sources for the kiosk and televisions. The Staff also patched and painted the entire lobby, improved the a/c venting system and had the front double doors repaired.
26. Staff assisted with Edison maintenance and hydraulic testing at all District well sites.
27. Completed the repairs for the seismic controller at the WTP Lake Outlet. They rebuilt the control panel, ran new wiring and replaced the back-up batteries. They also calibrated the unit on site, synchronized it to SCADA and monitored the operation of the valve actuator, returning it to service.
28. The Staff calibrated all well and reservoir level transducers.
29. Staff maintained and calibrated chlorine residual analyzers at District wells and booster sites.
30. Operations Staff continued maintaining and upgrading sodium hypochlorite generation systems as necessary.

2010 OBJECTIVES:

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

Palmdale Water District
Budget 2010

Facilities			BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:			2010	2009	2009	2008	2007	2006
1-04-4000-000	Salaries	[12]	1,260,000	1,860,000	1,730,000	1,749,709	1,546,240	920,092
Employee Benefits								
1-04-4005-000	Payroll Taxes	[12]	97,000	142,500	132,000	132,410	118,280	73,422
1-04-4010-000	Health Insurance	[12]	290,000	375,500	333,500	342,028	333,328	210,617
1-04-4015-000	PERS	[12]	215,000	286,000	299,000	236,356	240,619	146,781
	Subtotal (Benefits)		602,000	804,000	764,500	710,794	692,227	430,820
	Personnel Expenses		1,862,000	2,664,000	2,494,500	2,460,503	2,238,467	1,350,912
OPERATING EXPENSES:								
1-04-4050-000	Staff Travel		3,000	-	3,000	2,552	11,200	14,231
1-04-4060-000	Staff Conferences & Seminars		4,000	-	4,000	4,529	17,472	13,150
1-04-4155-000	Contracted Services		40,000	58,000	70,000	70,378	49,121	47,309
1-04-4215-100	Natural Gas - Wells & Boosters		325,000	210,000	340,000	335,842	558,842	590,273
1-04-4215-200	Natural Gas - Buildings		4,000	3,000	3,500	3,044	3,301	2,409
1-04-4220-100	Electricity - Wells & Boosters		1,350,000	1,200,000	1,359,000	1,264,499	1,545,224	1,513,545
1-04-4220-200	Electricity - Buildings		20,000	17,000	10,800	9,547	2,321	5,297
1-04-4225-000	Maint. & Repair - Vehicles		45,000	41,000	45,000	46,535	28,449	39,300
1-04-4230-110	Maint. & Rep. Office - Equipment		500	-	500	491	961	-
1-04-4235-110	Maint. & Rep. Operations - Equipment		5,000	5,000	5,000	8,032	4,491	3,079
1-04-4235-400	Maint. & Rep. Operations - Wells		250,000	142,000	250,000	253,112	251,185	497,511
1-04-4235-405	Maint. & Rep. Operations - Boosters		62,000	59,500	62,000	68,243	87,279	130,686
1-04-4235-410	Maint. & Rep. Operations - Shop Bldgs		3,000	2,250	3,300	5,303	5,941	2,218
1-04-4235-415	Maint. & Rep. Operations - Facilities		45,000	365,000	45,000	68,849	117,605	32,825
1-04-4235-420	Maint. & Rep. Operations - Water Lines	[13]	525,000	550,000	390,000	426,049	307,612	203,899
1-04-4235-425	Maint. & Rep. Operations - Littlerock Dam		20,000	20,000	20,000	1,219	38,152	38,810
1-04-4235-430	Maint. & Rep. Operations - Palmdale Dam		20,000	25,000	20,000	21,158	28,345	21,789
1-04-4235-435	Maint. & Rep. Operations - Palmdale Canal		5,000	-	5,000	9,571	-	3,410
1-04-4235-445	Maint. & Rep. Operations - Telemetry		1,000	-	1,000	2,346	5,126	623
1-04-4235-450	Maint. & Rep. Operations - Hypo Generators		10,000	1,000	11,100	36,760	4,064	5,060
1-04-4235-455	Maint. & Rep. Operations - Heavy Equipment		20,000	19,000	20,000	14,208	16,327	35,214
1-04-4235-460	Maint. & Rep. Operations - Storage Reservoirs		5,000	1,000	5,000	386	22,207	198,241
1-04-4270-300	Telecommunication - Other		2,500	2,500	2,500	2,659	2,723	1,905
1-04-4300-300	Testing - Edison Testing		13,000	8,500	13,000	10,170	4,845	13,000
1-04-5010-000	Service Costs Construction		-	-	-	15,859	40,936	1,206,987
1-04-6000-000	Waste Disposal		25,000	20,000	25,000	25,954	17,176	39,353
1-04-6100-100	Fuel and Lube - Vehicle		80,000	80,000	80,000	121,767	91,873	74,628
1-04-6100-200	Fuel and Lube - Machinery		30,000	17,500	35,000	29,898	29,484	43,283
1-04-6200-000	Uniforms		28,000	33,500	31,000	35,342	27,687	22,094
1-04-6300-100	Supplies - Misc.		125,000	111,000	126,000	132,776	105,661	103,477
1-04-6300-200	Supplies - Hypo Generators		10,000	10,000	10,000	9,358	22,153	10,015
1-04-6300-300	Supplies - Electrical		5,000	1,000	6,300	5,136	1,172	2,680
1-04-6300-400	Supplies - Telemetry		7,500	3,000	9,500	12,860	32,323	30,189
1-04-6400-000	Tools		7,500	4,500	9,500	10,493	7,136	5,461
1-04-7000-100	Leases -Equipment		12,000	10,000	12,000	13,401	9,588	8,653
	Total Operating Expense		3,108,000	3,020,750	3,033,000	3,078,326	3,497,982	4,960,604
1-04-4900-000	Budget Inclusion Expense		-	30,100	30,100	4,265	124	10,587
	TOTAL		4,970,000	5,714,850	5,557,600	5,543,094	5,736,573	6,322,103

[12] Salaries and Benefits are reduced for 2010 due to shift of operations staff members back to the production department. These positions report to the systems supervisor on the new organization chart adopted November 18, 2009.

[13] Maintenance related to the repair of water lines has increased due to older pipelines starting to develop more leaks. Leak count reached 508 for January through October. Cost will be similar until some of these pipelines can be replaced as identified in the capital project listing.

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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 operational control of the Districts 23 active ground water wells, 17 reservoir sites, 15 booster stations, 14 pressure regulating stations, and 9 hydro pneumatic tanks. The department is also responsible for maintaining compliance with all Federal, State, and local regulations on water quality standards, updating watershed sanitary survey and development of wellhead protection as a source water protection plan, energy management, and pumping efficiency, as well as handling customer related water quality complaints and water quality analysis.

2008 WATER YEAR INDICATORS:

1) Treated 15,221.2* acre-feet of surface water, 66.14% of total production, (0.64% less than 07/08).
2) Pumped 7,792.75* acre feet of ground water, 39.64% of total production, (22.55% more than 07/08).
3) 23,013.9* Total acre feet of water produced for Water Year, (9.32% less than 07/08).
4) Operated Water Treatment Plant 8,245.75* hours.
5) Received 16,470.7* acre feet of State Project Water (15.8% more than 07/08).
6) Drew 88.4 acre feet of water from Littlerock Reservoir.
7) Presently maintain 37.1** million gallons of potable water in distribution reservoir storage, (as of October 01, 2009).
8) Presently maintain 4,082.8 acre feet of water in Lake Palmdale at an elevation of 2,812.3 feet above sea level, and approximately 3,125 acre-feet in Littlerock reservoir at an elevation of 3,265.6 feet above sea level.

** Water Year: October 1, 2008 to September 30, 2009*
*** Maximum Storage for 24 hr period of September 30 to October 01, 2009*

2009 WATER YEAR ACCOMPLISHMENTS:

1) Completed Annual Laboratory re-certification including Bacteriological, Inorganic and General Chemistry analysis.
2) Submitted a monitoring plan to California Department of Public Health thereby completing initial requirements of the Ground Water Rule.
3) Initiated Unregulated Contaminants Monitoring Rule 2 required by U.S. EPA UCMR2.
4) Completed 2009 U.S. EPA Lead and Copper Sampling and reporting requirements
5) Continued Lake monitoring and management plan. Operated and executed contracted factory maintenance schedule for seven solar bee pond circulators in Palmdale Lake.
6) Continued to utilize distribution system strategies to reduce TTHM levels.
7) Continued to improve treatment plant maintenance plans and SOP's.
8) Continued to perform jar testing of chemical coagulants Ferric Chloride and Cationic Polymer) which in conjunction with phase 1 flocculation / sedimentation basin improvements continues to produce lower overall settled water and effluent water turbidities.

2009 WATER YEAR ACCOMPLISHMENTS (continued):

9) Monitored water supplies for Radioactivity, MTBE, TTHM's and Hexavalent Chromium as well as other constituents required by law.
10) Utilized GAC contactors to substantially reduce disinfection byproducts, providing a higher quality of water.

2010 WATER YEAR GOALS:

1) Complete final requirements of the Ground Water Rule.
2) Continue development and execution of an effective lake monitoring program and clean up of Lake Palmdale shoreline.
3) Prepare for the Stage 2 Disinfection Byproduct Rule by testing, operating, and evaluating GAC performance.
4) Prepare for the Stage 2 Disinfection Byproduct Rule by evaluating and adjusting distribution system operation practices.
5) Continue monitoring of constituents under the Unregulated Contaminants Monitoring Rule2 (UCMR2) based on EPA approved schedule for 2010.
6) Continue working with District Engineering and California Department of Public health to acquire permit amendments for Phase I and Phase II Water Treatment Plant Upgrades.
7) Continue to refine plant and distribution systems operational practices to reduce costs and optimize water quality.
8) Continue jar testing of coagulants to further reduce chemical costs and optimize treatment.
9) Initiate work on a comprehensive treatment plant operations and maintenance manual.
10) Continue to improve and update routine maintenance schedules to reflect plant upgrades and related new equipment.
11) Continue to perform compliance monitoring of water supplies for Radioactivity, MTBE, and Hexavalent Chromium, Cyanide, General Physical, General Mineral, Inorganics & Organics as well as other constituents required by law.
12) Continue to promote education and conservation through informational tours and a proactive positive response in handling water quality complaints.
13) Maintain excellent interdepartmental cooperation through clear communication and promoting the understanding and respect of all staffs contributions towards our shared mission.
14) Encourage continued education and training for the purpose of equipping staff with the knowledge necessary to deal effectively with current and future water industry challenges.

Palmdale Water District
Budget 2010

PALMDALE WATER DISTRICT
2010 BUDGET

Operations			BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:			2010	2009	2009	2008	2007	2006
1-05-4000-000	Salaries	[14]	1,615,000	1,056,000	1,010,000	1,029,133	884,419	1,219,330
Employee Benefits								
1-05-4005-000	Payroll Taxes	[14]	123,500	81,000	77,300	78,362	67,483	98,460
1-05-4010-000	Health Insurance	[14]	320,000	182,500	189,000	163,256	123,361	189,445
1-05-4015-000	PERS	[14]	277,500	165,000	174,000	155,386	139,321	186,277
	Subtotal (Benefits)		721,000	428,500	440,300	397,004	330,165	474,182
	Personnel Expenses		2,336,000	1,484,500	1,450,300	1,426,137	1,214,584	1,693,512
OPERATING EXPENSES:								
1-05-4050-000	Staff Travel		5,500	1,000	3,500	6,783	7,810	18,133
1-05-4060-000	Staff Conferences & Seminars		3,000	1,000	2,000	7,079	7,555	9,200
1-05-4155-000	Contracted Services		66,500	47,000	56,000	68,896	44,473	24,023
1-05-4175-000	Permits		50,000	75,000	30,000	41,263	46,076	29,638
1-05-4215-200	Natural Gas - Water Treatment Plant		4,000	2,000	4,000	3,312	1,686	2,045
1-05-4220-200	Electricity - Water Treatment Plant	[15]	150,000	190,000	50,000	33,291	127,723	39,284
1-05-4230-110	Maint. & Rep. Office - Equipment		500	-	500	92	1,195	1,200
1-05-4235-110	Maint. & Rep. Operations - Equipment		10,000	5,000	12,000	12,879	28,832	18,306
1-05-4235-410	Maint. & Rep. Operations - Shop Bldgs		5,000	4,000	5,000	10,765	15,034	25,531
1-05-4235-415	Maint. & Rep. Operations - Facilities		35,000	22,000	35,000	32,936	61,825	31,407
1-05-4236-000	Palmdale Lake Management		35,000	30,000	35,000	35,271	22,015	21,811
1-05-4240-000	Maint. & Repair - Wind Turbine		-	-	-	630	6,480	-
1-05-6000-000	Waste Disposal		42,000	3,000	30,000	49,864	51,965	16,642
1-05-6200-000	Uniforms		14,000	13,000	12,000	14,026	11,917	10,318
1-05-6300-100	Supplies - Misc.		15,000	10,000	15,000	21,951	11,869	15,978
1-05-6300-600	Supplies - Lab		35,000	33,000	27,000	26,827	30,232	21,929
1-05-6300-700	Outside Lab Work		85,000	65,000	70,000	64,587	80,082	59,695
1-05-6400-000	Tools		5,000	2,000	5,000	4,405	3,415	4,661
1-05-6500-000	Chemicals		520,000	500,000	400,000	752,392	604,698	415,338
1-05-7000-100	Leases -Equipment		5,000	-	5,000	35,151	37,231	27,703
	Total Operating Expense		1,085,500	1,003,000	797,000	1,222,400	1,202,113	792,842
5-4999	Budget Inclusion Expenses		-	-	25,100	24,994	80,163	38,940
	TOTAL		3,421,500	2,487,500	2,272,400	2,673,531	2,496,860	2,525,294

[14] Salaries and Benefits are increased for 2010 due to shift of operations staff members back to the production department from facilities. These positions report to the systems supervisor on the new organization chart adopted November 18, 2009.

[15] Electricity costs for the running of the water treatment plant have increased due to changes in the net metering contract on the wind turbine and increased demand usage. This is due to the second phase of the plant coming fully online and the production from the wind turbine covering approximately 45% of the cost compared to 80% in the past.

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ADMINISTRATIVE SERVICES DEPARTMENT

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Administrative Services Department

DESCRIPTION:

The Administrative Services 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 department is also responsible for overseeing the outsource contract for information services.

The customer service portion of the Administrative Services 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.

2009 WATER YEAR INDICATORS:

1) 6,171 +/- Account Transfers (New Applications).*
2) Responded to 2,750 +/- non-District related or non-application based customer service orders.*
3) Issued 15,505 door tags, 1,719 shutoffs, and processed 773 returned check (NSF) related door tags/shutoffs.*
4) Processed 241,505 payments: Make up was 134,685 mail payments, 71,870 front counter, 13,126 credit card by telephone, 17,303 online credit cards and 4,521 ACH (Metavante).
5) 17,950 acre feet of water billed.*
6) 25,555 total active customer accounts*.
7) 27,658 total customers (active and inactive).

* All numbers are based on a reporting period of January 1 through October 31, 2009.

2009 WATER YEAR ACCOMPLISHMENTS:

Finance Staff

1) Completed the annual audit and required reporting to outside governing agencies.
2) Provided technical, financial, and acquisition support to all departments.
3) Provided monthly financial reports to General Manager and Board of Directors.
4) Provided employee compensation in a timely manner.
5) Liquidated District's obligations in a timely manner.
6) Completed cost of service/rate study this included providing financial information to consultants, potential cost estimates to other agencies and implementation of new rates per proposition 218.
7) Completed the initial re-implementation of the enterprise software packages.
8) Implemented the GASB 45 regulation as it relates to measuring and reporting post employment benefit liability.

Customer Service Staff

1) Continued cross training of office staff in various areas (billing, image scanning, collections, cash handling and mail payments) to enable the office to operate efficiently.

2009 WATER YEAR ACCOMPLISHMENTS (continued):

2) Provided Customer Service staff with additional training/education to promote effective customer service practices/programs to meet the changing needs of our customers.
3) Using various communication channels to promote our online website (signs in lobby area and night drop, news letter, talking with customers to name a few). Thus enabling our customers to be able to access their accounts online at any time to view their bills and make payments via Credit Card or ATM card as well as perform other activities such as: address change request, closing their water service account, establishing a new water service account and the like.
4) Coordinating the large meter repair, and testing as well as overseeing replacement of large meters to improve accuracy and reliability.
5) Overseeing, coordinating and maintaining the replacement of radio read meters in various routes.

2010 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) Provide technical support for the 2010 meter change out project.
5) Upgrade/install fifteen computers as part of the computer replacement program.
6) Replace 5 servers, upgrade internet backbone, and web site redesign.
7) Complete the re-implementation of the enterprise software packages.

Customer Service Staff

1) Continue to provide Customer Service staff with additional training/education to foster effective customer service practices/programs to meet the changing needs of our customers.
2) Enabling additional bill payment avenues by activating other website payment activities so that customers can pay their bills on-line using eCheck (electronic check) or EFT (electronic fund transfers).
3) Cross training office personnel in various areas (mail payment handling, scanning, collections, cash handling, and the like) to help the office efficiency.
4) Continue to maintain the radio read meters through out the District to maintain billing accuracy and efficiency.
5) Continue to conduct real-time auditing of radio-read routes at least twice a year to ensure that the radio read units operate effectively.
6) Continue to test, repair, or replace existing radio read infrastructure.
7) Oversee large meter repair, replacement and/or testing.
8) Upgrading existing telephone system with an IVR (interactive voice recognition) system so that customers can call in, inquire about balances on their accounts and pay their bills at any time. This system will also allow us to quickly contact customers in specific areas in case of emergency shut downs.

Palmdale Water District
Budget 2010

Administrative Services		BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2010	2009	2009	2008	2007	2006
1-06-4000-000	Salaries	1,655,000	1,665,000	1,613,000	1,751,372	981,532	1,029,376
Employee Benefits							
1-06-4005-000	Payroll Taxes	127,000	127,000	123,300	134,500	73,023	81,875
1-06-4010-000	Health Insurance	360,000	337,750	346,800	319,002	196,752	197,986
1-06-4015-000	PERS	283,000	255,000	199,200	280,419	150,833	157,131
1-06-4020-000	Worker's Compensation	-	-	80,000	-	-	-
	Subtotal (Benefits)	770,000	719,750	749,300	733,921	420,609	436,992
	Personnel Expenses	2,425,000	2,384,750	2,362,300	2,485,293	1,402,140	1,466,368
OPERATING EXPENSES:							
1-06-4050-000	Staff Travel	5,000	1,000	10,600	14,873	10,168	6,023
1-06-4060-000	Staff Conferences & Seminars	3,000	1,000	6,000	11,608	5,119	4,390
1-06-4120-100	Computer Application Training (District wide)	140,000	225,000	90,000	170,360	-	-
1-06-4155-000	Contracted Services	-	35,000	26,000	16,708	-	-
1-06-4155-100	Contracted Services - Infosend	220,000	200,000	220,000	213,477	210,932	194,002
1-06-4155-200	Contracted Services - ACS	300,000	278,000	340,000	237,160	-	-
1-06-4155-300	Contracted Services - Computer Vendors	48,000	-	-	-	-	-
1-06-4165-000	Memberships/Subscriptions	500	500	500	610	-	-
1-06-4210-000	Office Furniture	-	-	-	7,040	-	-
1-06-4230-100	Maintenance & Repair - Office Building	-	-	-	-	37,465	47,326
1-06-4230-110	Maintenance & Repair - Office Equipment	7,500	8,000	-	7,587	3,535	3,924
1-06-4230-120	Maintenance & Repair - Office Computers	-	-	-	9,424	763	3,245
1-06-4235-440	Maint. & Rep. Operations - Large Meters	12,500	14,000	7,000	7,898	6,990	7,418
1-06-4250-000	General Material & Supplies	10,000	7,500	10,000	15,197	-	-
1-06-4260-000	Business Forms	7,500	4,500	10,000	11,748	10,152	13,951
1-06-4270-100	Telecommunication - Office	30,000	24,000	29,000	28,464	26,709	26,177
1-06-4270-200	Telecommunication - Cellular	20,000	20,000	15,000	17,956	10,301	8,549
1-06-4270-300	Telecommunication - Other	-	-	-	-	3,289	5,933
1-06-4300-100	Testing - Meter Testing	3,500	-	-	-	-	-
1-06-4300-200	Testing - Large Meter Testing	20,000	14,000	22,500	13,302	7,075	-
1-06-6300-100	Supplies - Misc.	-	-	-	-	34,835	37,089
1-06-7000-100	Leases - Equipment	2,000	1,500	2,000	1,304	1,151	1,840
1-06-8000-100	Computer Equipment - Computers	30,000	-	43,300	48,376	13,689	12,688
1-06-8000-300	Computer Equipment - Monitors	1,500	-	-	-	-	-
1-06-8000-400	Computer Equipment - Printers	2,500	10,000	-	-	-	-
1-06-8000-500	Computer Equipment - Toner Cartridges	11,000	1,000	-	-	-	-
1-06-8000-600	Computer Equipment - Other	9,500	21,000	15,000	13,819	-	-
1-06-8100-100	Computer Software - Maint. and Support	48,000	90,000	82,350	83,254	-	-
1-06-8100-150	Computer Software - Cogsdale Maint. and Support	30,000	-	-	-	-	-
1-06-8100-200	Computer Software - Software and Upgrades	65,000	5,000	3,800	18,921	17,025	24,492
	Total Operating Expense	1,027,000	961,000	933,050	949,086	399,198	397,047
1-06-4900-000	Budget Inclusion Expense	-	-	-	486,384	599,206	977,544
	TOTAL	3,452,000	3,345,750	3,295,350	3,920,763	2,400,544	2,840,959

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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.

2008 WATER CONSERVATION INDICATORS:

1. Plan, develop and execute class contests for elementary schools
2. Provide tours for elementary schools through out the year
3. Plan, provide and attend the City of Lancaster's Home Show Event
4. Plan, provide and attend the City of Lancaster's Poppy Festival
5. Plan, develop and execute the 2008 Water Fair & Festival, (Landscape Extravaganza)
6. Helped to plan and executive the Palmdale Chamber of Commerce small events
7. Develop Business Plan for Water Conservation Garden Park

2008 WATER YEAR ACCOMPLISHMENTS:

1) Planned, developed and executed class contests for elementary schools
2) Provided tours for elementary schools through out the year
3) Planned, provided and attended the City of Lancaster's Home Show Event
4) Planned, provided and attended the City of Lancaster's Poppy Festival
5) Planned, developed and executed the 2008 Water Fair & Festival, (Landscape Extravaganza)
6) Helped to plan and executive the Palmdale Chamber of Commerce small events
7) Planned, and developed Business Plan for Water Conservation Garden Park
8) Attended and spoke at various agencies and groups concerning restrictions to water use
9) Provided and executed action items for water use restrictions
10) Provided information and help on conservation BMP's Strategic Water Resources Plan
11) Planned, developed and executed PWD's quarterly "Water News"
12) Planned, developed and executed PWD's monthly employee news letter
13) Developed monthly water use reports for City of Palmdale and the Palmdale Elementary School District/ Palmdale High School District

2010 OBJECTIVES:

1) 2010 Water Conservation Program
2) Develop class contests for elementary schools and high school landscape projects
3) Provide tours for elementary schools
4) Provide educational materials for City of Lancaster's Home Show Event
5) Provide display and educational materials for City of Lancaster's Poppy Festival
6) Provide display and educational materials for City of Palmdale's Fall Festival
7) Plan develop, and execute several Palmdale Chamber of Commerce events
8) Plan, develop, and execute ET-Based Controller Program
9) Plan, Turf tech Program
10) Grass replacement, irrigation upgrade program
11) Provide information and help on conservation BMP's for the Strategic Water Resources Plan
12) Provide information and help on the new water budget rate structure
13) Develop monthly water use reports for City of Palmdale and the Palmdale Elementary School District/ Palmdale High School District.
14) Plan, Water Conservation Garden Park relocation, and possibly build an educational kiosk at new location site.
15) Plan, design and execute a landscape design booklet and install two complete landscapes at the local nursery.
16) Plan, develop and execute PWD's quarterly "Water News"
17) Plan, develop and execute PWD's monthly employee news letter
18) Monitor the District's Waste of Water Policy and Resolution 07-09

Palmdale Water District
Budget 2010

Water Conservation		BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2010	2009	2009	2008	2007	2006
1-07-4000-000	Salaries	200,000	144,000	155,000	148,730	-	-
Employee Benefits							
1-07-4005-000	Payroll Taxes	15,500	11,200	11,800	11,378	-	-
1-07-4010-000	Health Insurance	24,000	13,500	17,100	14,701	-	-
1-07-4015-000	PERS	34,500	22,500	26,800	17,350	-	-
	Subtotal (Benefits)	74,000	47,200	55,700	43,429	-	-
	Personnel Expenses	274,000	191,200	210,700	192,159	-	-
OPERATING EXPENSES:							
1-07-4050-000	Staff Travel	1,000	500	2,000	4,077	-	-
1-07-4060-000	Staff Conferences & Seminars	500	500	1,500	2,653	-	-
1-07-4190-300	Public Relations - Landscape Workshop/Training	500	500	1,000	291	-	-
1-07-4190-400	Public Relations - Contests	-	-	-	2,631	-	-
1-07-4190-500	Public Relations - Education Programs	2,000	2,000	2,000	9,943	-	-
1-07-4190-700	Public Relations - General Media	-	16,500	21,500	34,093	-	-
1-07-4190-900	Public Relations - Other	-	-	2,000	-	-	-
1-07-6300-100	Supplies - Misc.	7,500	2,500	10,500	9,757	-	-
	Water Awareness	-	-	-	78,421	131,567	117,515
	Total Operating Expense	11,500	22,500	40,500	141,866	131,567	117,515
1-07-4900-000	Budget Inclusion Expense	-	-	325,000	209,142	-	-
	Total Departmental Expenses	285,500	213,700	576,200	543,167	131,567	117,515

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HUMAN RESOURCES DEPARTMENT

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Human Resources Department

DESCRIPTION:

The Human Resources Department manages the District's personnel related tasks. This includes dealing with the employee health and benefit plans, training, and safety related tasks.

Palmdale Water District
Budget 2010

Human Resources		BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2010	2009	2009	2008	2007	2006
1-08-4000-000	Salaries	95,000	-	201,500	-	-	-
Employee Benefits							
1-08-4005-000	Payroll Taxes	7,500	-	15,400	-	-	-
1-08-4010-000	Health Insurance	22,000	27,846	33,700	14,701	-	-
1-08-4015-000	Pers	16,500	-	34,900	-	-	-
	Subtotal (Benefits)	46,000	27,846	84,000	14,701	-	-
	Personnel Expenses	141,000	27,846	285,500	14,701	-	-
OPERATING EXPENSES:							
1-08-4050-000	Staff Travel	1,500	-	2,000	-	-	-
1-08-4060-000	Staff Conferences & Seminars	1,500	-	1,000	-	-	-
1-08-4090-000	Temporary Staffing	-	-	11,000	90,179	-	-
1-08-4095-000	Employee Recruitment	5,000	3,000	-	4,057	4,702	6,836
1-08-4100-000	Training	1,000	1,000	1,500	1,100	-	-
1-08-4105-000	Employee Relations	3,000	2,500	6,000	17,389	-	-
1-08-4110-000	Consultants	8,000	20,000	20,000	39,662	11,400	13,975
1-08-4120-100	Training - Safety	25,000	10,000	30,000	21,525	50,016	54,747
1-08-4121-000	Safety Program	500	500	-	13,102	7,326	5,372
1-08-6300-500	Supplies - Safety	20,000	20,000	15,000	3,660	11,005	10,698
	Total Operating Expense	65,500	57,000	86,500	190,674	84,448	91,628
1-08-4900-000	Budget Inclusion Expense			-	-	-	-
	Total Departmental Expenses	206,500	84,846	372,000	205,375	84,448	91,628

SECTION IV
SUMMARY BUDGET EXPENDITURE REQUESTS

STUDIES AND PLANNING DOCUMENTS

NEW EQUIPMENT

REPLACEMENT EQUIPMENT

GENERAL PROJECTS

REPLACEMENT CAPITAL PROJECTS

NEW CAPITAL PROJECTS

NEW CAPITAL PROJECTS (CIF)

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Palmdale Water District
Budget 2010
Studies and Planning Documents

REQ. #	DESCRIPTION	Dept.	2010 FUND SOURCE BREAKDOWN			BUDGETING YEAR AMOUNT		
			O&M	WS	WQ	2010	2011	2012
Studies and Planning Documents								
PL01	Recycled Water Master Plan - CEQA	ENG	-	60,000	-	60,000	-	-
PL02	Strategic Water Resources Plan - CEQA	ENG	-	250,000	-	250,000	-	-
PL03	ASR Injection - CEQA	ENG	-	50,000	-	50,000	-	-
PL04	CPT Testing (Percolation Site Study)	ENG	-	17,500	-	17,500	-	-
PL05	Johnson Controls - Energy Savings Study	ENG	70,000	-	-	70,000	30,000	-
PL06	2010/2011 Urban Water Management Plan (Update)	ENG	-	30,000	-	30,000	20,000	-
PL07	Garden Bar Study (New Source Water)	ADM	-	200,000	-	200,000	-	-
PL08	GAC Media Pilot Study	OPS	-	-	10,000	10,000	-	-
PL09	Enhanced Coagulant Study	OPS	-	-	3,000	3,000	-	-
			70,000	607,500	13,000	690,500	50,000	-
		Total Fund Source:	690,500					

Abbreviation Explanation	
O&M	= Capital Expensed
WS	= Source Water Supply Fund
WQ	= Water Quality Fund

Palmdale Water District
Budget 2010
New Equipment

REQ. #	DESCRIPTION	Dept.	2010 FUND SOURCE BREAKDOWN		BUDGETING YEAR AMOUNT		
			O&M	AR	2010	2011	2012
New Equipment							
NE01	ArcGIS Server Technology	ENG	-	-	-	75,000	-
NE02	Project Management & Planning Software	ENG	-	-	-	40,000	-
NE03	25th St. Booster Station - Chlorine Analyzer	FAC	9,000	-	9,000	-	-
NE04	45th St. Booster Station - Chlorine Analyzer (Qty. 2)	FAC	16,500	-	16,500	-	-
NE05	Grundfos Alldos Dose Pumps (Qty. 5 - Booster Stations)	FAC	27,000	-	27,000	-	-
NE06	SolarBee Installation - Palmdale Lake (Qty. 1)	OPS	57,000	-	57,000	-	-
NE07	WTP Maintenance Room Equipment	OPS	10,000	-	10,000	-	-
NE08	Chemical Splash Curtains (Safety Item)	OPS	2,000	-	2,000	-	-
NE09	Water Purifier - Lab Grade (Sampling Water)	OPS	5,000	-	5,000	-	-
NE10	Customer Service IVR Telephony System (CO)	ASR	-	150,000	150,000	-	-
NE11	Itron Mobile Collector Lite (Qty. 2)	ASR	-	22,000	22,000	-	-
NE12	Payment Kiosk (Front Lobby)	ASR	-	-	-	15,000	-
			126,500	172,000	298,500	130,000	-
		Total Fund Source:	298,500				

Abbreviation Explanation
O&M= Capital Expensed
AR= Asset Replacement Fund

Palmdale Water District
Budget 2010
Replacement Equipment

REQ. #	DESCRIPTION	Dept.	2010 FUND SOURCE BREAKDOWN		BUDGETING YEAR AMOUNT		
			O&M	AR	2010	2011	2012
Replacement Equipment							
RE01	Replacement Backhoe (2812)	FAC	-	145,000	145,000	-	-
RE02	Replacement Wheel Loader	FAC	-	-	-	240,000	-
RE03	Diesel Engine Retrofit (Vehicles-2010 Air Quality Compliance)	FAC	44,000	-	44,000	-	-
RE04	Replacement SCADA Blade Servers - Distribution and WTP	FAC	-	56,000	56,000	-	-
RE05	Turbidimeter - Replacement for Hach Units (Qty. 1)	OPS	4,000	-	4,000	-	-
RE06	Wonderware Upgrade - WTP (Licensing & Support)	OPS	42,000	-	42,000	-	-
RE07	Replacement Voice Mail Server (CO)	ASR	-	9,000	9,000	-	-
RE08	Upgrade to Internet Backbone Hardware (CO)	ASR	4,500	-	4,500	-	-
RE09	9055 Replacement Printer (WTP)	ASR	-	10,000	10,000	-	-
RE10	Replacement Servers (Qty. 3 - Exchange, Control01, & Control02) [16]	ASR	-	30,000	30,000	-	-
			94,500	250,000	344,500	240,000	-
		Total Fund Source:	344,500				

Abbreviation Explanation
O&M= Capital Expensed
AR= Asset Replacement Fund

[16] RE10 was changed from Computer Server Virtualization over to replacement of only end of life servers. This change was made at the special board meeting held December 16, 2009.

Palmdale Water District
Budget 2010
General Projects

REQ. #	DESCRIPTION	Dept.	2010 FUND SOURCE BREAKDOWN					BUDGETING YEAR AMOUNT		
			O&M	WS	AR	WQ	CON	2010	2011	2012
General Projects										
PRO01	GIS Mapping & Hydraulic Model	ENG	25,000	-	-	-	-	25,000	-	-
PRO02	WTP Operations Building Roof Repairs	ENG	50,000	-	-	-	-	50,000	-	-
PRO03	Office Remodel	ENG	30,000	-	-	-	-	30,000	-	-
PRO04	SolarBee Chemical Injection Kit/Building Upgrade (5M Reservoir)	FAC	-	-	-	23,000	-	23,000	-	-
PRO05	SolarBee Chemical Injection Kit (Lower El Camino)	FAC	-	-	-	44,000	-	44,000	-	-
PRO06	GAC Media Replacement (Four Contactors)	OPS	-	-	-	1,100,000	-	1,100,000	-	-
PRO07	Rehabilitation of Lake Sample Station	OPS	-	-	-	6,000	-	6,000	-	-
PRO08	Chemical Feeders - Relocation (Qty. 3)	OPS	-	-	-	30,000	-	30,000	-	-
PRO09	Filter Bay 10 - Piping Repair	OPS	-	-	35,000	-	-	35,000	-	-
PRO10	Pipe Gallery Entry Way Buildings	OPS	30,000	-	-	-	-	30,000	-	-
PRO11	WTP Irrigation System Retrofit (Raw/Recycled Water)	OPS	-	10,000	-	-	-	10,000	-	-
PRO12	Super Scraper Upgrade (Qty. 2 - Power Units)	OPS	-	-	50,000	-	-	50,000	-	-
PRO13	Web Server/Web Site Redesign	ASR	75,000	-	-	-	-	75,000	-	-
PRO14	Controllers, Turf Replacement, Water Efficient Devices Rebates	WC	-	-	-	-	250,000	250,000	-	-
PRO15	Landscape Design Booklet (Shared costs with other agencies)	WC	-	-	-	-	-	-	-	-
			210,000	10,000	85,000	1,203,000	250,000	1,758,000	-	-
		Total Fund Source:	1,758,000							

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 2010
Replacement Capital Projects

REQ. #	DESCRIPTION	Dept.	2010 FUND SOURCE BREAKDOWN			BUDGETING YEAR AMOUNT		
			O&M	WS	AR	2010	2011	2012
Replacement Capital Projects								
RCP01	Well No. 24A - Design & Const. (Rep. Lanc. Subbasin - CO)	ENG	-	1,000,000	-	1,000,000	-	-
RCP02	Spec. No. 0805 - 30th Street East / Palmdale Blvd (3000 L.F.)	ENG	-	-	475,000	475,000	-	-
RCP03	Spec. No. 0901 - Avenue Q-4 / 30th - 32nd Street East (8500 L.F.)	ENG	-	-	750,000	750,000	-	-
RCP04	Spec. No. 0902 - Avenue Q-3 / Division - Sumac Ave (6500 L.F.)	ENG	-	-	600,000	600,000	-	-
RCP05	Spec. No. 1001 - Avenue Q / 10th to 20th ST E (5500 L.F.)	ENG	-	-	700,000	700,000	-	-
RCP06	Spec. No. 0903 - 9th Street East / s/o Avenue Q (3000 L.F.)	ENG	-	-	-	-	400,000	-
RCP07	Spec. No. 1002 - Barrel Springs Road (2250 L.F.)	ENG	-	-	375,000	375,000	-	-
RCP08	Spec. No. 0904 - Avenue Q-5 / 16th Street East (3000 L.F.)	ENG	-	-	-	-	400,000	-
RCP09	Spec. No. 0905 - 15th Street East / Avenue P-8 (1500 L.F.)	ENG	-	-	-	-	250,000	-
RCP10	Replacement Project - Puerta Ave (1500 L.F.)	ENG	-	-	-	-	200,000	-
RCP11	Replacement Project - 22nd ST E (3500 L.F.)	ENG	-	-	-	-	-	375,000
RCP12	Replacement Project - 12th ST E from Ave Q to Ave Q5 (3250 L.F.)	ENG	-	-	-	-	-	350,000
RCP13	Well 15 Building - Design & Construction	ENG	-	-	-	-	150,000	-
RCP14	Well No. 16 - Design & Const. (Rep. Pearland Subbasin - CO)	ENG	-	-	-	-	500,000	-
RCP15	Storage Tank Re-Coatings - Annual Maint. Contract (Year 3-5)	ENG	360,000	-	-	360,000	360,000	360,000
RCP16	Well No. 11A - Design & Const. (Rep. Lancaster Subbasin)	ENG	-	-	-	-	600,000	-
RCP17	Distribution SCADA Upgrades - Construction (CO)	ENG	-	-	-	-	1,600,000	-
RCP18	Dredging at WTP Inlet Structure - Construction (CO)	ENG	-	-	-	-	200,000	-
RCP19	Well 20 Rehabilitation	FAC	-	-	-	-	150,000	-
RCP20	Well 2 Rehabilitation	FAC	-	-	250,000	250,000	-	-
RCP21	Radio-Read Meters	ASR	-	-	-	-	413,000	-
RCP22	Installation of Radio-Read Meters	ASR	-	-	-	-	62,000	-
RCP23	Security Access System - Main Office/N.O.B./Back Access Gates	ASR	-	-	15,000	15,000	110,000	-
			360,000	1,000,000	3,165,000	4,525,000	5,395,000	1,085,000
		Total Fund Source:	4,525,000					

Palmdale Water District
Budget 2010
New Capital Projects

REQ. #	DESCRIPTION	Dept.	2010 FUND SOURCE BREAKDOWN			BUDGETING YEAR AMOUNT		
			O&M	WS	AR	2010	2011	2012
New Capital Projects								
NCP01	Flow Meter - GAC Media Influent Line	ENG	75,000	-	-	75,000	-	-
NCP02	WTP Security System	ENG	-	-	150,000	150,000	-	-
NCP03	Solar Power System - Constructed under power purchase agreement	ENG	-	-	-	-	-	-
NCP04	Littlerock Dam Sediment Removal - EIR/Grade Control/Dredging	ENG	-	250,000	-	250,000	4,250,000	1,500,000
			75,000	250,000	150,000	475,000	4,250,000	1,500,000
	Total Fund Source:		475,000					

Abbreviation Explanation	
O&M	= Capital Expensed
WS	= Source Water Supply Fund
AR	= Asset Replacement Fund

Palmdale Water District
Budget 2010
New Capital Projects (CIF)

REQ. #	DESCRIPTION	Dept.	2010 FUND SOURCE BREAKDOWN		BUDGETING YEAR AMOUNT		
			CF	WS	2010	2011	2012
New Capital Projects (CIF)							
NCC01	Well No. 34A - Design & Construction (Lanc. Subbasin)	ENG	-	-	-	-	1,500,000
NCC02	Well No. 36 - Design & Construction (Lanc. Subbasin - CO)	ENG	500,000	-	500,000	1,000,000	-
NCC03	Well No. 37 - Design & Construction (Lanc. Subbasin)	ENG	-	-	-	1,500,000	-
NCC04	Well No. 38 - Design & Construction (Lanc. Subbasin)	ENG	-	-	-	-	1,500,000
NCC05	Recycled Water System Design	ENG	-	125,000	125,000	-	-
NCC06	Recycled Water System Construction	ENG	-	250,000	250,000	1,000,000	1,000,000
			500,000	375,000	875,000	3,500,000	4,000,000
		Total Fund Source:	875,000				

Abbreviation Explanation		
O&M	=	Capital Expensed
CF	=	Water System Connection Fund

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APPENDIXES

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APPENDIX A
BUDGET CONTROL GUIDELINES

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BUDGET CONTROL GUIDELINES

The 2010 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 2010 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
2010 Water Rate Schedule

Meter Fee Charge (Revised 09/30/2009)	
5/8”	23.78
1”	45.18
1-1/2”	80.85
2”	123.66
3”	223.54
4”	366.24
6”	722.96
8”	1,151.03
10”	1,650.46

Commodity Rates ($/ccf)	
Tiers	
Tier 1	0.64
Tier 2	2.50
Tier 3	3.20
Tier 4	4.16
Tier 5	5.03
Water Quality Fee ($/ccf)	
0.20	
Elevation Booster Surcharge ($/ccf)	
B	-
A1	0.23
A2	0.49
A3	1.71

PALMDALE WATER DISTRICT
2010 Holiday Observance Calendar

January						
					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**	

PWD Observed Holiday

PWD Observed Holiday (Dates Subject to Change)

January 1 – New Years Day
Memorial Day – May 31
Veterans Day – November 11
New Years - December 30 and 31

February 15 – Presidents Day
Independence Day – July 5
Thanksgiving – November 25 & 26

April 2 – Good Friday
Labor Day – September 6
Christmas – December 23 & 24

PALMDALE WATER DISTRICT
Yearly Memberships and Subscriptions
2010

Memberships:

1. A.C.W.A.
2. A.C.W.A. USA
3. A.W.W.A.
4. A.W.W.A. Research Foundation
5. Antelope Valley Board of Trade
6. Antelope Valley State Water Contractors Association
7. Association of State Dam Safety Officials
8. C.S.D.A. annual membership
9. California Municipal Treasures Association
10. California Society of Municipal Finance Officers
11. California Utilities Emergency Association
12. Foundation for Cross-Connection Control & Hydraulic Research
13. Greater Antelope Valley Economic Alliance
14. Local Agency Formation Commissions (LAFCO)
15. National Notary Association
16. Palmdale Chamber of Commerce
17. State Water Contractors
18. SWC – Bay Delta Fund
19. Underground Service Alert

PALMDALE WATER DISTRICT
Yearly Memberships and Subscriptions (Continued)
2010

Subscriptions:

1. A.W.W.A. magazine
2. A.W.W.A. Safe Drinking Water updates
3. Antelope Valley Press
4. B.N.I. Building News (Standard Spec. Books)
5. Bentley Systems - Software subscription/updates
6. Blue Book software updates
7. Engineering News Record
8. Environmental Compliance Alert
9. First American Real Estate Solutions – Property Data Information (Win2Data)
10. Micro-Station Manager
11. Regional Planning Agenda subscription
12. TCI – Credit Reporting System
13. U.S. Water News
14. West Publishing – Calif. Water Codes update

PALMDALE WATER DISTRICT
Installed Pipeline Chart – Detail Breakdown

Length of Pipe (ft) by Year Constructed Source: GIS MainLine feature class data as of Jan 14, 2009															$/in-dia 10
Pipe Diameter (in)	**1945-1949 (64-60)**	**1950-1954 (59-55)**	**1955-1959 (54-50)**	**1960-1964 (49-45)**	**1965-1969 (44-40)**	**1970-1974 (39-35)**	**1975-1979 (34-30)**	**1980-1984 (29-25)**	**1985-1989 (24-20)**	**1990-1994 (19-15)**	**1995-1999 (14-10)**	**2000-2004 (9-5)**	**2005-2009 (4-0)**	**Total Length (ft)**	**Replacement Cost ($)**
4	783	2,258	3,364	2,820	1,024	4,064	1,263	4,391	6,177	3,391	2,384	1,326	780	34,024	$ 1,360,962
5	0	3,544	0	0	275	0	0	0	0	0	0	0	0	3,819	190,954
6	3,944	22,420	45,656	13,940	32,621	11,967	12,419	19,129	73,056	84,140	7,618	34,755	21,206	382,872	22,972,297
8	0	11,005	9,922	15,532	19,354	20,774	12,289	61,707	280,877	224,496	46,197	70,537	51,340	824,031	65,922,504
10	0	4,007	0	0	3,402	6,310	0	15,316	56,323	27,278	0	2,746	0	115,382	11,538,151
12	0	3,894	22,842	26,047	39,356	13,727	3,697	17,871	95,040	95,670	35,900	37,244	15,449	406,737	48,808,429
14	0	0	0	472	0	0	0	3,219	11,611	3,442	0	0	0	18,744	2,624,150
16	0	0	3,081	2,461	4,607	6,593	0	29,536	43,499	51,295	8,472	10,283	10,164	169,991	27,198,621
18	0	0	0	0	667	0	0	6,137	1,928	1,891	681	898	0	12,202	2,196,398
20	0	0	0	0	6,530	0	0	0	49,125	37,252	0	0	2,216	95,123	19,024,646
24	0	0	0	0	14,151	0	7,406	0	16,280	0	0	0	18,991	56,829	13,638,871
30	0	0	0	0	0	0	0	0	1,650	0	625	0	304	2,579	773,734
36	0	0	0	0	0	0	0	0	0	0	1,073	0	0	1,073	386,112
42	0	0	0	0	0	0	0	0	1,509	0	697	0	0	2,206	926,529
48	0	0	0	0	0	0	0	0	0	0	441	0	0	441	211,651
Totals (LF)	4,727	47,128	84,866	61,272	121,988	63,435	37,074	157,305	637,075	528,855	104,088	157,788	120,450	2,126,052	$ 217,774,010
Totals (Miles)	1	9	16	12	23	12	7	30	121	100	20	30	23	403	
Cumulative (LF)	4,727	51,856	136,721	197,994	319,982	383,417	420,491	577,796	1,214,871	1,743,727	1,847,815	2,005,603	2,126,052		
Cumulative (Miles)	1	10	26	38	61	73	80	109	230	330	350	380	403		
Replacement Cost ($)	$ 267,982	$ 3,361,168	$ 6,901,726	$ 5,777,281	$ 14,182,745	$ 5,875,630	$ 3,999,907	$ 16,217,011	$ 67,931,190	$ 53,831,916	$ 11,112,400	$ 14,331,988	$ 13,983,067	$ 217,774,010	
Cumulative Replacement cost ($)	$ 267,982	$ 3,629,150	$ 10,530,876	$ 16,308,157	$ 30,490,902	$ 36,366,531	$ 40,366,438	$ 56,583,449	$ 124,514,639	$ 178,346,555	$ 189,458,955	$ 203,790,943	$ 217,774,010		

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APPENDIX C
RESOLUTION No. 09-03 –RESERVE POLICY

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RESOLUTION NO. 09-03

PALMDALE WATER DISTRICT'S RESERVE POLICY

WHEREAS, the Board of Directors wants to ensure that the District will at all times have sufficient funding available to meet its operating, capital and debt service cost obligations.

WHEREAS, the Board of Directors recognizes the need to establish the finances necessary to secure additional water supply for the benefit of existing and future customers.

WHEREAS, the Board of Directors is establishing sound financial policies to promote favorable bond ratings in capital markets so that municipal bonds can be used for the future financing of projects.

WHEREAS, the Board of Directors need to include requirements imposed by law for the handling of developer related fees.

WHEREAS, the Board of Directors wants financial planning to address the planned needs for capital projects and equipment purchases.

WHEREAS, the Board of Directors wants to charge existing customers a fair share of the cost for the future replacement of facilities that are used to provide them service.

WHEREAS, the Board of Directors wants some reserve for unanticipated and unforeseeable expenses.

WHEREAS, the Board of Directors wants to avoid significant rate fluctuations in the future.

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

WHEREAS, this action rescinds Resolution No.'s 05-9 and 08-31 and establishes the Palmdale Water District Reserve Policy as follows:

Legally Restricted Reserves:
The Water Facilities Connection Fees 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. Water Facilities Connection Fees:

PWD will maintain a connection fee account with funds collected from developers to pay for the new facilities necessary to deliver water service to 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. 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.

2. Water Supply Connection Fees:

PWD will maintain a connection fee account with funds collected from developers to pay for developing additional sources of water needed to support the water demands of new development. The District will use the funds to pursue a variety of supply sources including projects that produce additional imported water, water transfers, recycled water, conservation, groundwater rights, water banking, or any other project that increases water supply.

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. Reserve funds for each revenue bond issue will be used to make the last two semi-annual debt service payments for that issue. Annual interest earnings on bond reserve funds shall be applied to each year's debt service payments. Reserve funds related to state revolving fund loans shall be treated identically to revenue bond reserve funds as these loans are contractually defined as parity debt to the District's senior lien bonds.

As part of the 1998 bond documents, the District purchased insurance to secure an improved interest rate for the bonds. The insurance company was required to maintain a financial reserve to meet the lender's requirements. The municipal bond market was affected by the subprime mortgage crisis. During the crisis, our monoline insurer (FGIC) incurred heavy losses and consequently the credit rating of the insurer was downgraded. As a result, the District is required to maintain a reserve in lieu of insurance equivalent to the annual principal and interest of the bonds.

4. Dam Self Insurance:

The District has set aside $5 million for self-insurance of the Littlerock Dam as part of the 1998 Bond Documents. If the 1998 COP issue is refinanced, this reserve will be eliminated and the moneys will be available to the Board as an unrestricted reserve.

Board Restricted 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.

5. Rate Stabilization Fund:

This fund is governed by legal bond covenants for the District's revenue bonds. The purpose of the fund is to assist in smoothing rates to pay PWD debt service and to assure that minimum debt service coverage ratios required by the District's bond covenants would be met in the future. Funds deposited into this reserve are treated as operating revenues in the year of deposit and will be treated as such in years of use for the purposes of computing the District's debt service coverage ratio.

This fund is applied in the five-year financial plan and annual rate model along with other reserve funds to smooth future rate increases. This fund provides a buffer should revenue estimates in any year not meet projections. The Rate Stabilization Fund will be drawn down to smooth rate increases. Specifically, they will be applied in any year where other revenues are not sufficient to meet the required debt service coverage ratio. They will also be applied if meeting only minimum coverage levels could result in the District's bond ratings being downgraded.

6. O&M Operating Reserve:

The O&M Operating Reserve will vary over time with a goal of maintaining three months average operating expenses excluding depreciation. 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.

7. Supplemental Water Supply Fund:

To ensure water supply reliability, an additional water supply of at least 8,000 acre-feet is to be obtained for existing customers. This increase is necessary due to the decreased reliability of the State Water Project (63% reliability) and to offset supply losses related to restrictions on groundwater pumping in the Antelope Valley. Water rates will be set at a sufficient level to pay for the added water supply assuming a cost of $3,500 per acre-foot plus financing costs to be paid through bond financing. Annual payments are estimated at $2.25 million for $28 million in principal repaid at 5% over 20 years. The funds can be used on any project that develops new supply, conserves existing supplies, or reuses water.

8. Asset Replacement Fund:

This fund pays for the replacement of existing facilities and equipment as it reaches the end of its useful life or for major repairs that extend the useful life of facilities. The 2009 budget shows depreciation of $5.1 million for the year. The policy is to "fund depreciation" at 100% beginning in 2009.

9. Conservation Program Fund:

This fund is set aside for conservation programs or programs that develop new water supply. The fund may pay for rebates, design, construction, equipment, or program related operating costs. It will be funded from "penalty tiers" by the incremental variable amounts charged customers for water use above their base allocation.

10. Water Quality Service Fee:

This fee pays for water quality improvements including ongoing operating costs of granular activated carbon (GAC) and water quality efforts including operating expenses, studies, design, and construction.

11. 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:

The Palmdale Water District Reserve Policy is hereby approved retroactive to December 2008, and the General Manager is directed to follow this Reserve Policy in managing available funds and investments of the District. 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 11th day of March, 2009 by the following vote:

Ayes: Jeff Storm, David Gomez, Linda Godin, Richard Wells, Raul Figueroa
Noes: None
Absent: None
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
(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.

APPENDIX E
GLOSSARY

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Palmdale Water District
Budget 2010
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. With 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.

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)

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

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 vapours 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 end 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)

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.

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.

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 – 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 State Water Contractors – 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)

SWP California State Water Project – Administered by the Department of Water Resources (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.