PALMDALE WATER DISTRICT

2011 BUDGET

Approved: December 22, 2010

PALMDALE WATER DISTRICT
2011 BUDGET
TABLE OF CONTENTS

SECTION I EXECUTIVE SUMMARY 5

SECTION II SUMMARIES 17

- Summary of Revenues and Expenditures 19
- Summary of Revenues and Expenditures – 2010 Projected 21
- Funds Analysis – 2009 End of Year (Actual) 22
- Funds Analysis – 2010 Budget (as proposed) 23
- Funds Analysis – 2010 – Estimated End of Year (Actual) 24
- Funds Analysis – 2011 Budget (Proposed) 25
- Capital Projects – Expenditure Summary (Three-Year Breakdown) 26
- Capital Projects – 2011 Fund Breakdown Summary 28
- Income Statement 31
- Income Statement – General Information 32
- 2011 Operating Expenses (Proposed – excluding non-cash expenses) – Graph 33
- 2011 Departmental Expenses (Proposed) – Graph 34
- 5-Year Cash Flow (Aggregate) 35
- 2011 Departmental Staffing Budget 37
- Organizational Chart 39

SECTION III DEPARTMENTAL BUDGETS 41

- Administration Department 43
- Engineering Department 49
- Facilities Department 55
- Operations Department 61
- Administrative Services Department 67
- Water Conservation Department 73
- Human Resources Department 79
- Information Technology Department 83

(Continued next page)

SECTION IV SUMMARY BUDGET EXPENDITURE REQUESTS 87
Studies and Planning Documents 89
Safety and Regulatory Compliance 90
New Equipment 91
Replacement Equipment 92
Budget 2011 93
General Projects 93
Replacement Capital Projects 94
New Capital Projects 96
New Capital Projects (CIF) 97

APPENDIXES 98
APPENDIX A BUDGET CONTROL GUIDELINES 100
APPENDIX B DISTRICT INFORMATION 104
APPENDIX C RESOLUTION No. 09-03 –RESERVE POLICY 114
APPENDIX D CALIFORNIA WATER CODE – SECTION 370-374 120
APPENDIX E GLOSSARY 126

SECTION I
EXECUTIVE SUMMARY

THIS PAGE INTENTIONALLY LEFT BLANK

PALMDALE WATER DISTRICT

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

2011 BUDGET – EXECUTIVE SUMMARY#

FOR: **PALMDALE WATER DISTRICT CUSTOMERS AND STAKEHOLDERS**

FROM: **DENNIS LaMOREAUX, GENERAL MANAGER**

Introduction

Thank you for your interest in Palmdale Water District. This document is the approved 2011 Palmdale Water District Budget. The following Executive Summary provides an overview of the District, its Strategic Plan, and how the 2011 Budget relates to the Strategic Plan.

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

Palmdale Water District enters its 93rd year as a public agency in 2011 and retains its focus of providing a critical service to its customers through this approved Budget. The focus is identified in the District's Strategic Plan, including the Mission Statement shown in the heading. The Strategic Plan also identifies the Core Values exercised by the District and the Strategic Elements required to accomplish its Mission. The management Strategic Elements provide the framework for the remaining 2011 Budget discussion. They are:

- ✓ ***Financial Management***
- ✓ ***Administrative Management***
- ✓ ***Infrastructure Management***
- ✓ ***Natural Resources Management***
- ✓ ***Personnel Management***

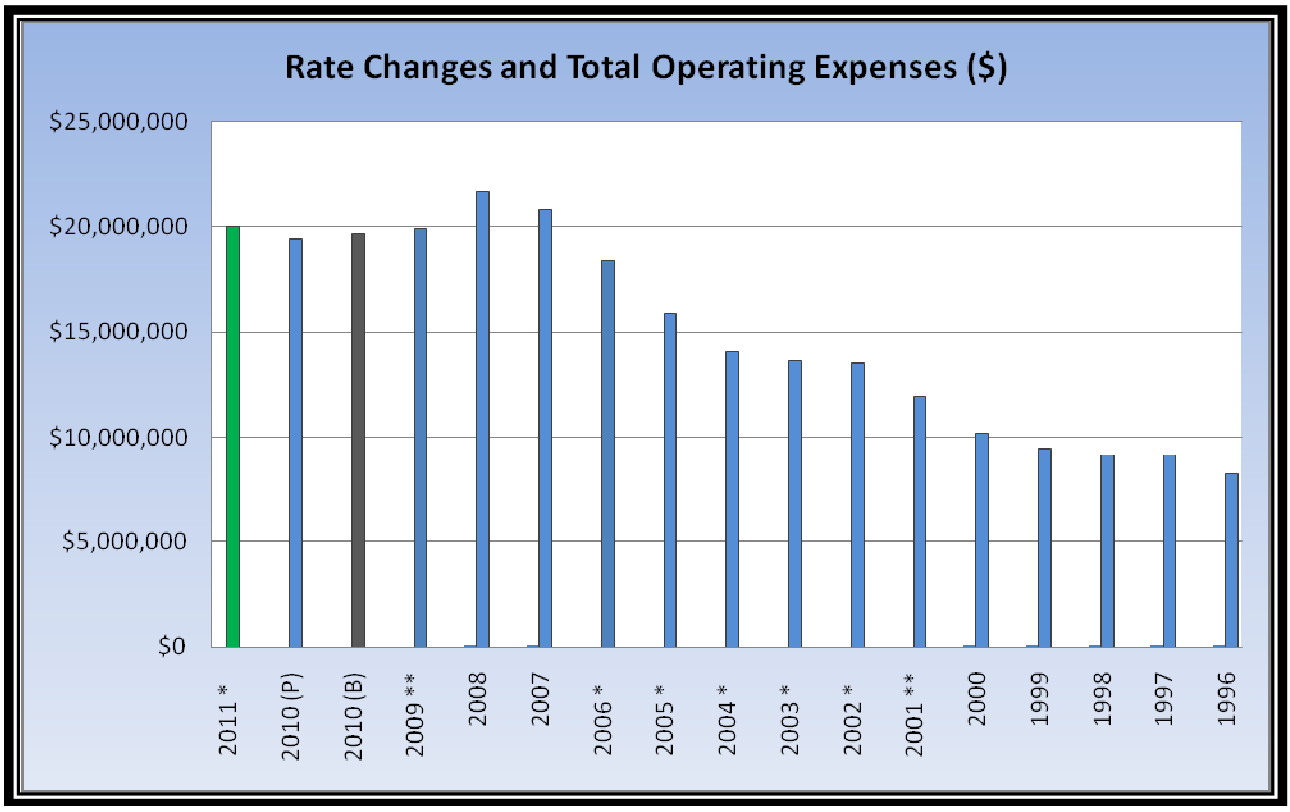
❖ ***Financial Management***

The underlying purpose of the 2011 Budget is to continue financial planning of the public's funds to assure financial stability and demonstrate responsible stewardship of those funds. The District's overall financial position is stable. However, the reserve levels remain low. The 2011 Budget projects a conservative revenue year and maintains 98% of the current reserves while offering the necessary services and infrastructure care needed to provide long-term stability.

Operating Budget

The following is a graph of operating expenditures from 1996 to 2010 and shows the 2011 Budget. The costs shown are the top ten Operating Expense lines from the Income Statement (from Directors to Water Purchases, excluding GAC costs for comparative purposes.)

Fixed versus Variable - The District's fixed costs (those which do not vary based on the amount of water delivered) for 2011 are estimated at $14.59 million. Fixed revenues generated by monthly service fees will generate $10.65 million in revenue, so the remaining $3.94 million in costs must be covered by using revenue from commodity charges.



NOTES:
- * Water Rate Increase
- ** Water Rate Increase and Water Rate Restructure
- (B) Budget
- (P) Projected

Approved Water Rate Changes and Structure Review

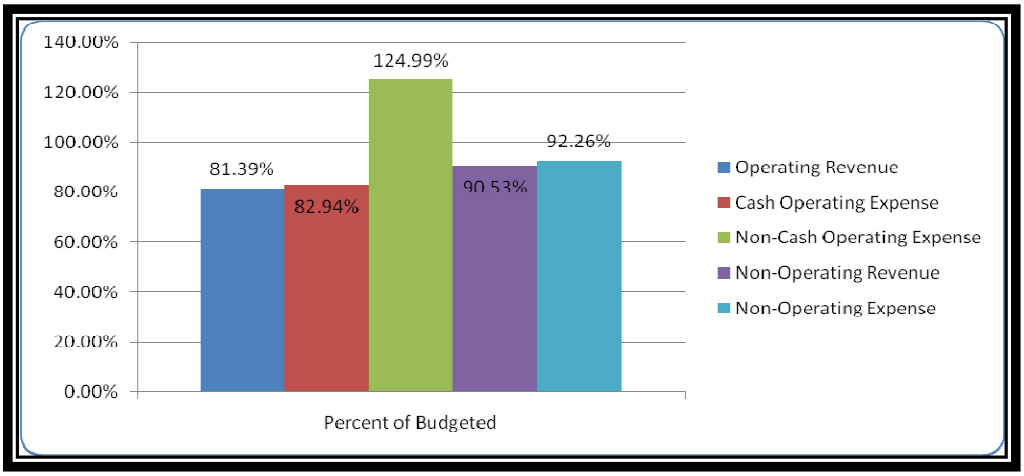
The preceding graph also shows the District's water rate changes and restructuring during the same time period. The year 2000 water rate increase and restructuring introduced a five-tier increasing block rate system, an additional four-tiered elevation rate system, and preapproved increases for the next five years. The year 2005 water rate changes included updates from the year 2000 water rate study and again set five years of preapproved increases. However, in 2006, a California Supreme Court ruling invalidated any further increases without the District complying with Proposition 218 procedures to adjust the water rates.

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

The 8% increase approved through the 2009 Proposition 218 process for 2011 was also avoided in the 2011 Budget. The Budget includes a 5% increase in the meter and commodity charges, leaves the water quality fee the same, and updates and revises the elevation booster charges to reflect actual costs from the last five year time period.

Analysis of Projected Revenue versus Actual

The 2010 Budget projected operational revenues of $24.4 million. However, continuing efforts by District customers to conserve, a wet winter, and a cooler than normal summer led to a projected revenue amount of $21.6 million. The 2011 Budget is based on a conservative, similar amount of water being consumed by our customers. The intent of this is to avoid another over projection of revenues in 2011. The operational revenue projection in the 2011 Budget is $23.4 million. The following chart shows the status of District revenues and expenses relative to the 2010 Budget as of November 30, 2010.



Revenue and Expenditure Cash Summary

The 2011 Budget continues to include several 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 also shows in one place the District's use of cash for both operations and capital purposes and the effect on reserve levels. This table shows balanced revenues and expenditures of $21,750,550. This includes the District's operations contributing $1,926,450 to the non-operating expenses and a $166,550 reduction in reserves from $7,106,374 to $6,939,824. A major goal of District staff in managing the 2011 Budget is to avoid the projected 2% decrease in reserves.

Funds Analysis

The Board of Directors adopted a funds reserve policy in March, 2009, included 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 each. For purposes of being thorough, three summary tables are included: 1) the Funds Analysis estimate for the 2010 budget; 2) the Funds Analysis estimate for 2010 year end; and 3) the Funds Analysis estimate for the proposed 2011 budget.

The Funds Analysis for the 2011 budget shows $5.16 million in sources. Those sources will enter the various Reserve Funds set aside by the Board with the most significant being:

- $1.6 million to Water Quality with $1.5 million in uses to replace and regenerate GAC and also conduct pilot projects on various media performance.
- $1.3 million to Asset Replacement for a balance of $1.01 with $.98 million in budgeted uses leaving a balance of approximately $25,000.
- $1.45 million for to O&M Operating Reserve for needed cash on hand leaving a balance of $3.26 million. This will be less than the reserve policy by providing only 1.5 months instead of 3 months reserve. (Business interruption insurance is being sought to provide for the Reserve Policy minimums in the event of an emergency.)
- $275,000 to Water Supply for a balance of $813,067 with $635,000 in budgeted uses.

❖ ***Administrative Management***

The 2011 Budget continues to support the policies, procedures, and practices needed to operate in an effective manner. This also includes monitoring activities, meeting current and future regulations and requirements, and developing and improving operational efficiencies.

Monitoring Performance Indicators / Benchmarking

The District conducts many activities that are similar to other water agencies in California, the Western USA, and the nation. This allows the District to gauge its activities in relationship to other agencies. This benchmarking is helpful to see what areas of the District's operations stand out as being good or needing improvement. The following table is a summary of results from the American Water Works Association Benchmarking study for the years of 2005 and 2010. The study includes several ways to compare information. The best comparison is with all sizes of water agencies in the Western USA.

Performance Indicator		Western USA (All Sizes)			PWD			
Description	Desirable	25th per.	Median	75th per.	2005	Within 50% percentile?	2010	Within 50% percentile?
Customer Accounts/Employees	Higher	292	385	595	25,032 / 78 = 321	Yes	25,947 / 88 = 295	Yes
Average MGD/Employee	Higher	0.20	0.29	0.50	23.3MGD / 78 = 0.30	Yes	17.8 MGD / 88 = 0.20	Yes
Customer Service Cost/Account	Lower	22.7	35.9	51.5	898,801 / 25,032 = 35.9	Yes, Median	943k / 25,947 = 36.3	Yes
12-month Water Loss Percentage	Lower	4.1	6.2	11.5	(Loss/Production) x 100 = 6.05	Yes	(Loss/Production) x 100 = 9.1	Yes
Water System Integrity (Leaks/Mile)	Lower	16.9	36.4	59.6	[154 / 392] x 100 = 39.3	Yes	[763 / 405] x 100 = 188.0	No, Very High
O & M Cost/Account	Lower	244	387	621	15.931k / 25,032 = 636	No, High	21.364k / 25,947 = 823	No, High
O & M Cost/MG Billed	Lower	860	1,441	2,239	15.931k / 7.999 MG = 1,992	Yes	21.364k / 5.920 MG = 3,609	No, High
Water Treatment Cost / MG	Lower	85	310	517	4.172k / 15,047 AF = 850	No, High	4.548k / 11,991 AF = 1,164	No, Very High

*Page Number in AWWA Benchmarking Performance Indicators for Water and Wastewater Utilities: Survey Data and Analysis Report

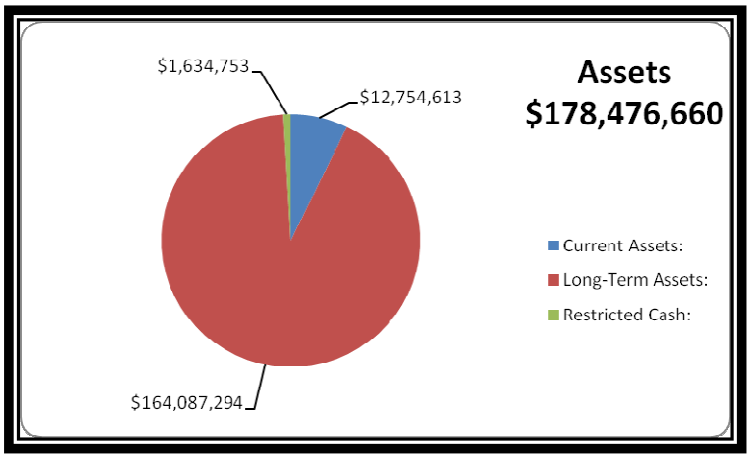
This comparison reinforces the emphasis in the 2011 Budget to replace old water mains, increase efficiency, and reduce staff through attrition. These areas have declined between 2005 and 2010. However, it should be noted that comparisons using water production reflect a significant reduction in water usage by District customers that may increase with normal weather conditions and water availability.

Litigation Expenses

There continue to be two main areas of litigation that are funded in the 2011 Budget to protect the District customers' interests. The District is defending itself in lawsuits brought upon it by the City of Palmdale and in lawsuits against the City. The cost of these efforts is considerable. The District has attempted to reach a settlement in these matters with the City. However, the efforts are unsuccessful to date. Additionally, the Antelope Valley Adjudication case persists. Its purpose is to determine groundwater pumping rights in the Antelope Valley. While complicated, the District continues to meet with other parties in the lawsuit to seek a settlement and avoid future phases of trial.

❖ ***Infrastructure Management***

A major goal of the 2011 Budget is to continue maintenance of the District's infrastructure. This is important to manage the operations and maintenance costs due to emergency repairs or failures. As shown above, the number of leak repairs on District water mains has increased dramatically. Therefore, the 2011 Budget funds water main replacement in the worst areas and provides a priority list of additional replacement projects should available revenues increase. The following chart illustrates the large amount of fixed assets, as of November 30, 2010, in the facilities and water distribution system owned and operated by the District.

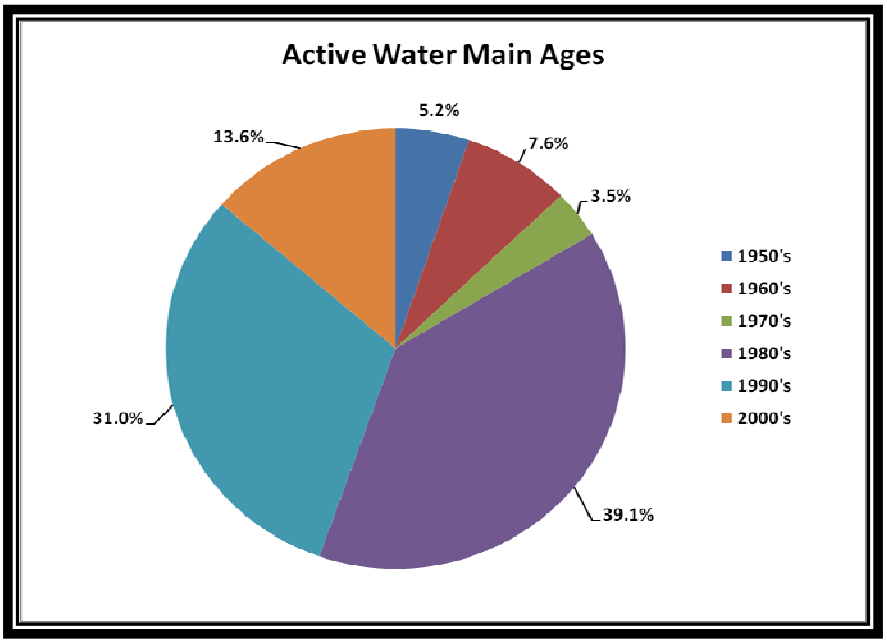


Infrastructure Spending Review

As stated above, the 2011 Budget provides for nearly $1.0 million in asset replacements. The majority of this is for water main replacement projects with the remainder for other facilities and equipment. The District was very active over the last ten years in maintaining its infrastructure and adding to it. During that period, $20.0 million went into replacing or improving infrastructure, $57.6 million for improvements to the Leslie O. Carter Water Treatment Plant, and $22.6 million in capital improvement projects that expanded the District's water distribution system and were funded by development. These investments total $100.2 million.

Water Main Replacement Program Review

Appendix "B" of the 2011 Budget contains a table detailing the water mains owned by the District totaling 405 miles. These have been installed over time as the water distribution system grew to accommodate new customers. Many of these water mains installed in the 1950's and earlier are failing and require a large effort by the Facilities Department to repair and maintain. They also account for most of the District's 9.1% water losses. The District began replacing these water mains in the late 1980's. This effort totals fifty-nine (59) miles or 73% of the 1950's era water mains and is continued in the 2011 Budget. As stated above, revenues received above projections in the 2011 Budget will first be directed to water main replacement projects. The following chart illustrates the current age makeup of the water distribution system.

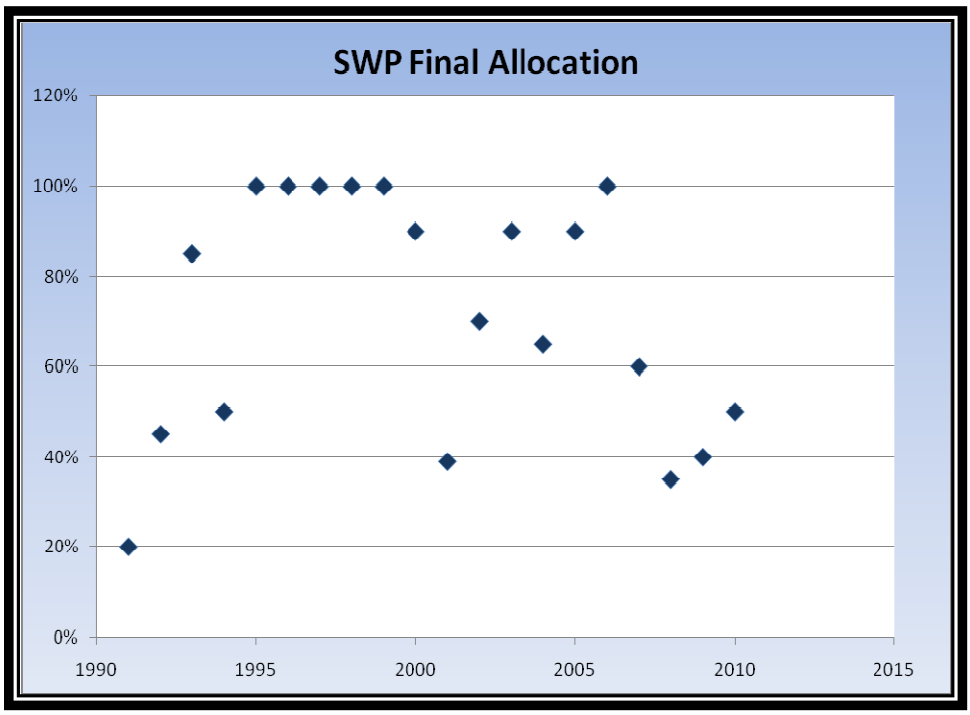


Other important infrastructure expenses include $300,000 to rehabilitate a well and $360,000 for ongoing steel water tank maintenance. CEQA work is budgeted to implement the Strategic Water Resource Plan, Recycled Water Master Plan, and Littlerock Reservoir sediment removal permitting.

❖ ***Natural Resources Management***

The 2011 Budget supports providing sustainable, high quality water through the development and implementation of a Strategic Water Resources Plan, continued funding of the District's share of the California State Water Project, water conservation activities, and work leading to sediment maintenance in Littlerock Reservoir. The District has three main sources of water supply: the California State Water Project (SWP), Littlerock Dam and Reservoir, and pumped groundwater.

The SWP typically provides the largest share of water to meet customer demands followed by groundwater and then Littlerock Dam. However, the SWP supply is highly variable due to hydrology in Northern California and environmental problems in the Bay-Delta area west of Stockton. These factors have caused the long-term reliability to drop from over 75% of the District's 21,300 acre-feet Table "A" amount to 60%. The following graph of yearly allocations illustrates the variability and reduction in reliability.



Supply and Demand

The initial 2011 allocation from the SWP was set as 25% in early December, 2010 and moved to 50% later in the month. This, in combination with runoff into Littlerock Reservoir, is expected to provide adequate water supplies to meet the District customers' projected water demands in 2011. The 2011 water demand projection is 19,000 acre-feet or 6.2 billion gallons of water. This reflects a per capita water usage by District customers of 166 gallons/day/person. The 2010per capita water usage was 159 gallons/day/person. The lowest prior usage was 170 gallons/day/person occurring in March, 1992 during a multiyear drought.

The State of California enacted a law in 2009 requiring a 20% reduction of water use by the year 2020. California's average water use is 192 gallons per person per day. The statewide 2020 goal is 154 gallons per person per day. The District's per capita water use was in the 220 to 230 gallons/day/person range prior to 2007. Therefore, current usage is likely below the 2020 target usage. With continued water conservation efforts, the District expects to meet the required 2020 water use goal.

The 2011 Budget also includes funds for customer rebates to encourage further conservation as well as continued educational programs for area school children, participation in a reconnaissance level study to explore the potential to participate in the construction of a new

dam in Northern California, and staffing to work on the purchase of additional water supplies for future years.

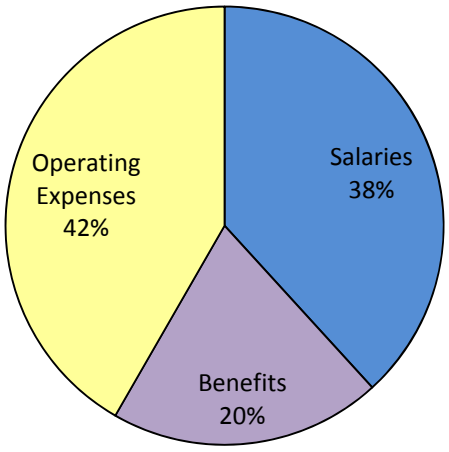
❖ ***Personnel Management***

The 2011 Budget continues to support providing a safe, productive, and rewarding work environment by funding employee related programs. These include improved internal communications, training, and education. The Budget also provides for a certain amount of attrition and a discussion about the long term sustainability of current employee benefits.

Labor Expenses

The budget proposes a staffing level of 88 employees as shown in the 2011 Departmental Staffing Summary, (Pages 35 and 36). The changes from 2010 include not funding the Community & Government Affairs Coordinator position, filling an Equipment Mechanic position, and changing a Senior Equipment Mechanic to an Equipment Mechanic Supervisor.

Total direct labor cost is $6.4 million and benefit expenses are an additional $3.4 million. Benefits costs as a percent of direct labor are 52% on average. Total Personnel costs are 58% of the operating budget. These are illustrated in the following chart.



Departmental Expenses		
Salaries	$	6,419,000
Benefits		3,373,000
Operating Expenses		7,001,250
Total	$	16,793,250

The District completed a salary survey in 2010 and adjusted its salary ranges using data produced by the Association of California Water Agencies (ACWA). This is anticipated again in 2011 to keep the District's salary ranges competitive.

Cost of Living Adjustments (COLA)

The 2011 Budget includes funding, $58,700, for an estimated COLA of 3% for the four months of September through December, 2011. This amount is available to adjust salaries so that earning potential remains stable. To evaluate a potential 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 for the July through following June time period. The cost of living will be reviewed in August, 2011. While the funding is provided, no COLA will be implemented until the evaluation is completed and the Board of Directors approves a COLA.

No COLA was provided in 2009 and 2010 due to low CPI numbers. The 2010 evaluation found the 2009 and 2010 indexes were 225.226 and 226.048, respectively, showing that consumer prices changed less than 1% for that period.

❖ ***Conclusion***

The 2011 Palmdale Water District Budget provides the planning and framework necessary to continue as a strong foundation for the community of Palmdale. In summary, it addresses current and future water supplies, infrastructure maintenance, administrative and personnel issues, and financial stewardship of its customers' resources.

The following sections of the 2011 Budget provide summary and detailed information about the District operations under the Budget. Section II contains financial and staffing summaries; Section III contains the individual department descriptions, 2010 Water Year Indicators, 2010 Accomplishments, 2011 Objectives, and budgets; Section IV contains summary tables of the projects and equipment for 2011 and projections for 2012 and 2013, and; Appendixes A through E provide additional information about the District.

SECTION II
SUMMARIES

SUMMARY OF REVENUES AND EXPENDITURES

FUND ANALYSIS

PROJECT REQUEST SUMMARY
(Three-Year Breakdown)

2011 FUND SOURCE SUMMARY

INCOME STATEMENT

FIVE-YEAR CASH FLOW

DEPARTMENTAL STAFFING

ORGANIZATIONAL CHART

THIS PAGE INTENTIONALLY LEFT BLANK

Palmdale Water District
Budget 2011
Summary of Revenues and Expenditures

Cash Basis

Activity	Estimated Cash Revenues	Estimated Cash Expenditures
Net Water Sales	$ 9,400,000	
Meter Fees	10,650,000	
Elevation Fees	560,000	
Other Operating Revenue	1,175,000	
Attrition and Adjustments	292,000	
Water Quality Fees (Restricted Use)	1,600,000	
Increase in Cash (From Operating)	**(1,926,450)**	
Directors		$ 142,000
Administration		3,176,000
Engineering		1,127,000
Facilities		3,317,000
Operations		5,071,050
Administrative Services		2,762,200
Water Conservation		212,500
Human Resources		273,000
Information Technology		712,500
Water Purchases		2,800,000
Capital Expensed		557,300
Water Quality Expense (GAC)		1,600,000
SUBTOTAL OPERATING	**$ 21,750,550**	**$ 21,750,550**
Projected Beginning Cash - 01/01/2011	**$ 8,162,970**	
Assessments received	5,000,000	
Capital Improvement Fees	250,000	
State Grants	500,000	
Interest on Investments	120,000	
Other Income	175,000	
Payments for State Water Project		2,655,000
Principal Paid on Long Term Debt		1,170,000
Interest Paid on Long Term Debt		2,465,000
Acquistion of Property, Plant & Equipment (Carryover)		1,048,596
Acquistion of Property, Plant & Equipment (Current Year)		1,618,000
Lease Payments		230,000
	$ 14,207,970	$ 9,186,596
Projected Ending Cash - Non-Operating	5,021,374	
Increase in Cash (From Operating)	1,926,450	
Projected Ending Cash - 12/31/2011	**$ 6,947,824**	

Palmdale Water District
Budget 2011
Summary of Revenues and Expenditures – 2010 Projected

Cash Basis		
Activity	**Estimated Cash Revenues**	**Estimated Cash Expenditures**
Net Water Sales	$ 8,050,000	
Meter Fees	10,060,000	
Elevation Fees	825,000	
Other Operating Revenue	1,150,000	
Water Quality Fees (Restricted Use)	1,550,000	
Increase in Cash (From Operating)	**(4,336,205)**	
Directors		$ 131,750
Administration		3,741,950
Engineering		1,086,250
Facilities		3,012,000
Operations		4,547,845
Administrative Services		2,859,000
Water Conservation		202,500
Human Resources		206,750
Information Technology		410,750
Water Quality Expense (GAC)		1,100,000
SUBTOTAL OPERATING	**$ 17,298,795**	**$ 17,298,795**
Projected Beginning Cash - 01/01/2010	**$ 8,663,548**	
Assessments received	5,488,000	
Capital Improvement Fees	137,500	
State Grants	1,304,812	
Interest on Investments	130,000	
Other Income	1,037,086	
Water Purchases		2,896,618
Payments for State Water Project		2,654,371
Principal Paid on Long Term Debt		1,125,000
Interest Paid on Long Term Debt		2,511,406
Acquistion of Property, Plant & Equipment		3,746,786
	$ 16,760,946	$ 12,934,181
Projected Ending Cash - Non-Operating	3,826,765	
Increase in Cash (From Operating)	4,336,205	
Projected Ending Cash - 12/31/2010	**$ 8,162,970**	

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

Fund levels reflect the fiscal viability of the District. These funds have been set aside pursuant to legal requirements or action by the Board of Directors. 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).

Sources of Cash		Beginning Balance 12/31/2008	2009 Budget Sources	2009 Budget Uses	Actual Ending Balance 12/31/2009
	Net Operating Income		$ (3,965,076)		
	Net Non-Operating Income		3,535,704		
	Depreciation/Amortization Add Back		5,971,865		
	Expenditures Capital Add Back		(872,080)		
			$ 4,670,413		
Reserve Funds					
1	Water Facilities Connection Fees (CIF)	$ 100,000	$ 37,115	$ 137,115	$ -
2	Water Supply Connection Fees	-	-	-	-
3	Debt Service Reserve Fund	2,819,266	-	1,261,868	1,557,398
4	Dam Self Insurance Reserve	5,000,000	-	5,000,000	-
	Total Legally Restricted	**$ 7,919,266**	**$ 37,115**	**$ 6,398,983**	**$ 1,557,398**
5	Rate Stabilization Fund	$ 1,122,572	$ -	$ 1,122,713	$ (141)
6	O&M Operating Reserve (3 months cash operating expenses)	5,500,000	-	2,459,660	3,040,340
7	Supplemental Water Supply Fund	-	1,500,000	-	1,500,000
8	Asset Replacement Fund (% of annual depreciation)	-	1,789,345	567,347	1,221,998
9	Conservation Program Fund	-	250,000	-	250,000
10	Water Quality Service Fee	-	1,093,953	-	1,093,953
11	Unrestricted Reserves	583,003	-	583,003	-
	Total Board Restricted	**$ 7,205,575**	**$ 4,633,298**	**$ 4,732,723**	**$ 7,106,150**
	Total Funds	**$ 15,124,841**	**$ 4,670,413**	**$ 11,131,706**	**$ 8,663,548**

Equipment	$ 344,610
Capital projects - General Fund	3,343,778
Capital projects - CIP	2,515,878
Capital Expensed	(387,458)
Fixed Asset Adds (Audited 2009)	$ 5,816,808

NOTE: The 2009 End of Year (Actual) came in less than projected in the 2010 Budget. Total projected funds were shown in the approved 2010 Budget being $9,559,597 with actual audited funds being $8,663,548. This difference was a combination of higher costs associated with purchased water for $1,338,000 over projected. This amount was offset by additional operating revenue for $658,000 over projected generated by a combination of rate increase and changes in fee structure that went into effect during the last six months of the year.

Palmdale Water District
Funds Analysis – 2010 Budget (as proposed)

	Sources of Cash	Actual Ending Balance 12/31/2009	2010 Budget Sources	2010 Budget Uses	Projected Balance 12/31/2010
	Net Operating Income		$ (2,475,781)		
	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		3,365,000		
	Cash from Revenues above Expenses to place into funds		**$ 6,901,955**		
	Reserve Funds				
1	Water Facilities Connection Fees (CIF)	$ -	$ 500,000	$ 500,000	$ -
2	Water Supply Connection Fees	-	-	-	-
3	Debt Service Reserve Fund	1,557,398	117,602	-	1,675,000
4	Dam Self Insurance Reserve	-	-	-	-
	Total Legally Restricted	**$ 1,557,398**	**$ 617,602**	**$ 500,000**	**$ 1,675,000**
5	Rate Stabilization Fund	$ (141)	$ 141	$ -	$ -
6	O&M Operating Reserve (3 months cash operating expenses)	3,040,340	842,507	112,000	3,770,847
7	Supplemental Water Supply Fund	1,500,000	841,565	2,242,500	99,065
8	Asset Replacement Fund (% of annual depreciation)	1,221,998	2,950,140	4,138,629	33,509
9	Conservation Program Fund	250,000	100,000	250,000	100,000
10	Water Quality Service Fee	1,093,953	1,550,000	1,216,000	1,427,953
11	Unrestricted Reserves	-	-	-	-
	Total Board Restricted	**$ 7,106,150**	**$ 6,284,353**	**$ 7,959,129**	**$ 5,431,374**
	Total Funds	**$ 8,663,548**	**$ 6,901,955**	**$ 8,459,129**	**$ 7,106,374**

Equipment	$ 643,000
Capital projects - General Fund	$ 6,549,129
Capital projects - CIP	$ 875,000
Capital Expensed	$ (936,000)
	$ 7,131,129

NOTE: Net operating income reflects budget amendments made throughout the 2010 calendar year. Changes in sources have been adjusted accordingly to match the projected cash from revenues. End of Year 2010 reflects projected fund balance shown in the 2011 Budget Cash Flow ending cash. Actual ending balance for 12/31/2009 was updated to reflect the actual cash balance shown in the 2009 audit.

Palmdale Water District
Funds Analysis – 2010 – Estimated End of Year (Actual)

	Sources of Cash	Actual Ending Balance 12/31/2009	2010 Budget Sources	2010 Budget Uses	Projected Balance 12/31/2010
	Net Operating Income		$ (6,223,795)		
	Adjustment - Water Quality (GAC Media)		1,100,000		
	Adjustment - Depreciation/Amortization Add Back		6,800,000		
	Adjustment - Post Employment Benefits (GASB 45)		545,000		
	Adjustment - Bad Debt		50,000		
	Adjustment - Service Costs Construction		100,000		
	Adjustment - Capitalized Construction		(1,000,000)		
	Net Non-Operating Income		3,151,000		
	Cash from Revenues above Expenses to place into funds		**$ 4,522,205**		
	Reserve Funds				
1	Water Facilities Connection Fees (CIF)	$ -	$ 137,500	$ 137,500	$ -
2	Water Supply Connection Fees	-	-	-	-
3	Debt Service Reserve Fund	1,557,398	117,602	-	1,675,000
4	Dam Self Insurance Reserve	-	-	-	-
	Total Legally Restricted	**$ 1,557,398**	**$ 255,102**	**$ 137,500**	**$ 1,675,000**
5	Rate Stabilization Fund	$ (141)	$ 141	$ -	$ -
6	O&M Operating Reserve (3 months cash operating expenses)	3,040,340	842,507	482,000	3,400,847
7	Supplemental Water Supply Fund	1,500,000	641,565	1,603,498	538,067
8	Asset Replacement Fund (% of annual depreciation)	1,221,998	1,197,890	1,664,785	755,103
9	Conservation Program Fund	250,000	35,000	35,000	250,000
10	Water Quality Service Fee	1,093,953	1,550,000	1,100,000	1,543,953
11	Unrestricted Reserves	-	-	-	-
	Total Board Restricted	**$ 7,106,150**	**$ 4,267,103**	**$ 4,885,283**	**$ 6,487,970**
	Total Funds	**$ 8,663,548**	**$ 4,522,205**	**$ 5,022,783**	**$ 8,162,970**

Equipment	$ 306,500
Capital projects - General Fund	3,434,883
Capital projects - CIP	59,400
Capital Expensed	(360,000)
	$ 3,440,783

Palmdale Water District
Funds Analysis – 2011 Budget (Proposed)

			2011 Budget		
	Sources of Cash	**Projected Beginning Balance 12/31/2010**	**Sources**	**Uses**	**Projected Balance 12/31/2011**
	Net Operating Income		$ (4,990,550)		
	Adjustment - Water Quality (GAC Media)		1,600,000		
	Adjustment - Depreciation/Amortization Add Back		6,850,000		
	Adjustment - Post Employment Benefits (GASB 45)		550,000		
	Adjustment - Bad Debt		100,000		
	Adjustment - Service Costs Construction		125,000		
	Adjustment - Capitalized Construction		(1,000,000)		
	Net Non-Operating Income		1,925,000		
	Cash from Revenues above Expenses to place into funds		**$ 5,159,450**		
	Reserve Funds				
1	Water Facilities Connection Fees (CIF)	$ -	$ 250,000	$ 250,000	$ -
2	Water Supply Connection Fees	-	-	-	-
3	Debt Service Reserve Fund	1,675,000	25,000	-	1,700,000
4	Dam Self Insurance Reserve	-	-	-	-
	Total Legally Restricted	**$ 1,675,000**	**$ 275,000**	**$ 250,000**	**$ 1,700,000**
5	Rate Stabilization Fund	$ -	$ -	$ -	$ -
6	O&M Operating Reserve	$ 3,400,847	1,450,000	1,592,000	3,258,847
7	Supplemental Water Supply Fund	$ 538,067	275,000	635,000	178,067
8	Asset Replacement Fund	$ 755,103	1,309,450	2,047,596	16,957
9	Conservation Program Fund	$ 250,000	250,000	250,000	250,000
10	Water Quality Service Fee	$ 1,543,953	1,600,000	1,600,000	1,543,953
11	Unrestricted Reserves	$ -	-	-	-
	Total Board Restricted	**$ 6,487,970**	**$ 4,884,450**	**$ 6,124,596**	**$ 5,247,824**
	Total Funds	**$ 8,162,970**	**$ 5,159,450**	**$ 6,374,596**	**$ 6,947,824**

Equipment	$ 115,700
Capital projects - General Fund	$ 3,624,196
Capital projects - CIP	$ -
Capital Expensed	$ (557,300)
	$ 3,182,596

Palmdale Water District
Budget 2011
Capital Projects – Expenditure Summary (Three-Year Breakdown)

	PROJECT EXPENDITURE SUMMARY		
	BUDGETING YEAR AMOUNT		
	2011	**2012**	**2013**
Studies and Planning Documents	185,000	70,000	-
Safety & Regulatory Requirements	9,600	8,000	-
New Equipment	251,200	333,000	-
Replacement Equipment	187,800	110,600	-
General Projects	1,275,000	782,600	385,000
Replacement Capital Projects	1,600,000	5,031,000	6,510,000
New Capital Projects	200,000	4,425,000	1,600,000
New Capital Projects (CIF)	-	1,875,000	2,000,000
GAC Media Replacement	1,600,000	1,600,000	1,600,000
Annual Project Expenditures: [1]	5,308,600	14,235,200	12,095,000
3-Yr Total:	31,638,800		

[1] The 2011 total amount includes items classified under capital expense. This amount is removed for the fund analysis calculation due to the amount of $557,300 being factored into the net operating income already.

THIS PAGE INTENTIONALLY LEFT BLANK

Palmdale Water District
Budget 2011
Capital Projects – 2011 Fund Breakdown Summary

	2011 FUND BREAKDOWN					
	O&M	CF	WS	AR	CON	WQ
Studies and Planning Documents	-	-	185,000	-	-	-
Safety & Regulatory Requirements	9,600	-	-	-	-	-
New Equipment	111,200	-	-	140,000	-	-
Replacement Equipment	4,500	-	-	183,300	-	-
General Projects	65,000	-	-	960,000	250,000	-
Replacement Capital Projects	375,000	-	300,000	925,000	-	-
New Capital Projects	-	-	150,000	50,000	-	-
New Capital Projects (CIF)	-	-	-	-	-	-
GAC Media Replacement (6 Contactors)	-	-	-	-	-	1,600,000
	565,300	-	635,000	2,258,300	250,000	1,600,000
2011 Total Tie-out:	5,308,600					

		2011 Lease Items
Equipment	439,000	323,300
Capital Projects - General Fund	3,269,600	960,000
Capital Projects - CIF	-	
Captialized Expeditures	(565,300)	8,000
	3,143,300	1,291,300
Potential Lease Option 2011/2012 Items:	1,496,300	2,893,300

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 2011
Capital Projects – 2011 Fund Breakdown Summary (Continued)

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

Palmdale Water District
Budget 2011
Income Statement

	PROPOSED 2011	PROJECTED 2010	BUDGET [2] 2010	ACTUAL 2009	ACTUAL 2008	ACTUAL 2007	ACTUAL 2006
Operating Revenue							
Water Sales	9,400,000	8,050,000	11,000,000	12,593,502	16,501,377	18,558,430	18,485,862
Meter Fees	10,650,000	10,060,000	10,100,000	5,603,197	-	-	-
Water Quality Fees	1,600,000	1,550,000	2,000,000	1,093,953	-	-	-
Elevation Fees	560,000	825,000	-	-	-	-	-
Other	1,175,000	1,150,000	1,300,000	1,966,942	1,099,949	1,559,870	1,658,818
	23,385,000	21,635,000	24,400,000	21,257,594	17,601,326	20,118,299	20,144,680
Operating Expenses							
Directors	142,000	131,750	147,500	125,558	168,954	77,555	123,013
Administration	3,176,000	3,741,950	4,208,400	3,889,224	3,994,635	4,466,951	2,928,662
Engineering	1,127,000	1,086,250	975,000	1,356,206	1,427,495	1,599,573	1,526,076
Facilities	3,317,000	3,012,000	3,267,050	3,814,813	3,863,464	3,560,101	4,154,813
Operations	5,071,050	4,547,845	5,160,595	3,826,877	4,353,161	4,673,332	4,692,584
Administrative Services	2,762,200	2,859,000	2,782,750	2,672,331	3,339,449	2,369,067	2,800,534
Water Conservation	212,500	202,500	285,500	252,339	543,167	131,567	117,515
Human Resources	273,000	206,750	209,750	69,376	205,375	84,448	91,628
Information Technology	712,500	410,750	565,500	631,228	-	-	-
Water Purchases [3]	2,800,000	3,281,500	2,600,000	3,916,072	3,781,195	3,865,152	1,921,629
Water Purchases - OAP Chrg (Prior Year)	200,000	688,500					
Water Recovery	(200,000)	(265,000)	(275,000)	(431,139)	(512,505)	(170,337)	(188,213)
Water Quality (GAC Media) [4]	1,600,000	1,100,000	1,216,000	-	-	-	-
Capitalized Expenditures	557,300	360,000	936,000	-	-	-	-
Cash Expenses	21,750,550	21,363,795	22,079,045	20,122,885	21,164,390	20,657,409	18,168,241
Depreciation	6,850,000	6,800,000	5,200,000	5,971,865	5,008,033	5,075,145	5,148,086
Post Employment Benefit (GASB 45) [5]	550,000	545,000	521,736	535,321	521,734	-	-
Bad Debts	100,000	50,000	75,000	155,338	122,873	-	69,378
Service Costs Construction	125,000	100,000	200,000	(116,319)	164,806	-	-
Capitalized Construction	(1,000,000)	(1,000,000)	(1,200,000)	(1,446,419)	(1,373,880)	(822,134)	(938,891)
Non-Cash Expenses	6,625,000	6,495,000	4,796,736	5,099,785	4,443,566	4,253,011	4,278,573
Net Operating Income/(Loss)	(4,990,550)	(6,223,795)	(2,475,781)	(3,965,076)	(8,006,630)	(4,792,121)	(2,302,134)
Non-operating Revenues							
Assessments	5,000,000	5,750,000	6,000,000	5,991,668	5,484,434	4,364,640	4,161,462
Interest	120,000	130,000	200,000	317,118	1,023,293	1,971,034	1,819,772
Market Adj. on Investments	-	(12,500)	-	(268,917)	(33,610)	452,608	54,408
Capital Improvement Fees	250,000	137,500	500,000	37,115	619,845	3,664,400	9,108,104
Water Supply Connection Fees [6]	-	-	-	-	-	-	-
Grants - State & Federal	500,000	-	500,000	1,304,813	30,000	129,618	-
Sale of Real Property	-	944,000	-	-	998,649	-	-
Other [7]	175,000	105,000	50,000	103,519	676,946	190,611	220,845
	6,045,000	7,054,000	7,250,000	7,485,315	8,799,557	10,772,911	15,364,591
Non-operating Expenses							
Interest Paid & Amortization on long-term debt	2,541,000	2,588,000	2,551,000	2,632,385	2,674,023	2,712,009	2,746,923
Amortization of SWP	1,579,000	1,315,000	1,334,000	1,317,226	1,094,735	1,018,995	959,020
	4,120,000	3,903,000	3,885,000	3,949,611	3,768,758	3,731,004	3,705,943
Net Non-operating Income/(Loss)	1,925,000	3,151,000	3,365,000	3,535,704	5,030,799	7,041,907	11,658,648
Net Earnings(Loss)	(3,065,550)	(3,072,795)	889,219	(429,372)	(2,975,831)	2,249,786	9,356,514

Palmdale Water District
Budget 2011
Income Statement – General Information

	Percentage Change From Previous Year					
	PROPOSED 2011	PROJECTED 2010	ACTUAL 2009	ACTUAL 2008	ACTUAL 2007	ACTUAL 2006
Operating Revenue	8.09%	-11.33%	20.77%	-12.51%	-0.13%	22.00%
Operating Expenses	2.00%	35.40%	14.77%	4.48%	-0.60%	8.77%
Non-operating Revenues	-14.30%	-2.70%	-14.94%	-18.32%	-29.88%	56.97%
Non-operating Expenses	5.56%	0.46%	4.80%	1.01%	0.68%	0.78%

Footnotes:

[2] 2010 Budget contains all amendments made during the current fiscal year. Original Cash Expense amount was $21,743,000 and $7,450,000 for Non-operating Revenue approved December 16, 2010. Total Net Earnings was forecasted in the adopted budget in the amount of $1,425,264.

[3] 2010 charges were higher by $688,000 due to OAP charges for 2008/2007 and 2009/2008 being assessed. These charges are shown separate due to them being over and above normal budgetry amounts and were not factored into the 2010 Budget.

[4] GAC filter media purchases are directly offset by the revenues from the water quality fee for prior year. The 2011 Budget includes the possible replacement of up to six contactors, which makes up the majority of the water quality expense.

[5] Post employment accrual expense (OPEB) was added as a compliance requirement for GASB 45 (2008).

[6] Water supply connection fees will be charged to developers to offset new source water supply. This charge's effective date was pushed back to mid-year 2011 after completion of CEQA study as outlined by the Strategic Water Resource plan.

[7] 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.

General Information:

Depreciation for 2010 Projected was higher due to the Water Treatment Plant improvements being moved over from Construction in Process to the Fixed Asset schedule. This was the major contributing factor in the change from $5,200,000 to projected $6,800,000.

Projected federal grant funds were adjusted to coincide with the potential revenue receipt due to the required construction projects only being completed by the end of 2010 year.

Projected revenue for 2010 were less than expected due to heavy rains in the early part of the year as well as conservation efforts by our customers.

Cost Factors and Assumptions:

Cost of Living possible increase maximum of 3% effective September 1, 2011 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 18.004% for 6 months (Jan. thru Jun.) and 19.200% for 6 months (Jul thru Dec.).

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.

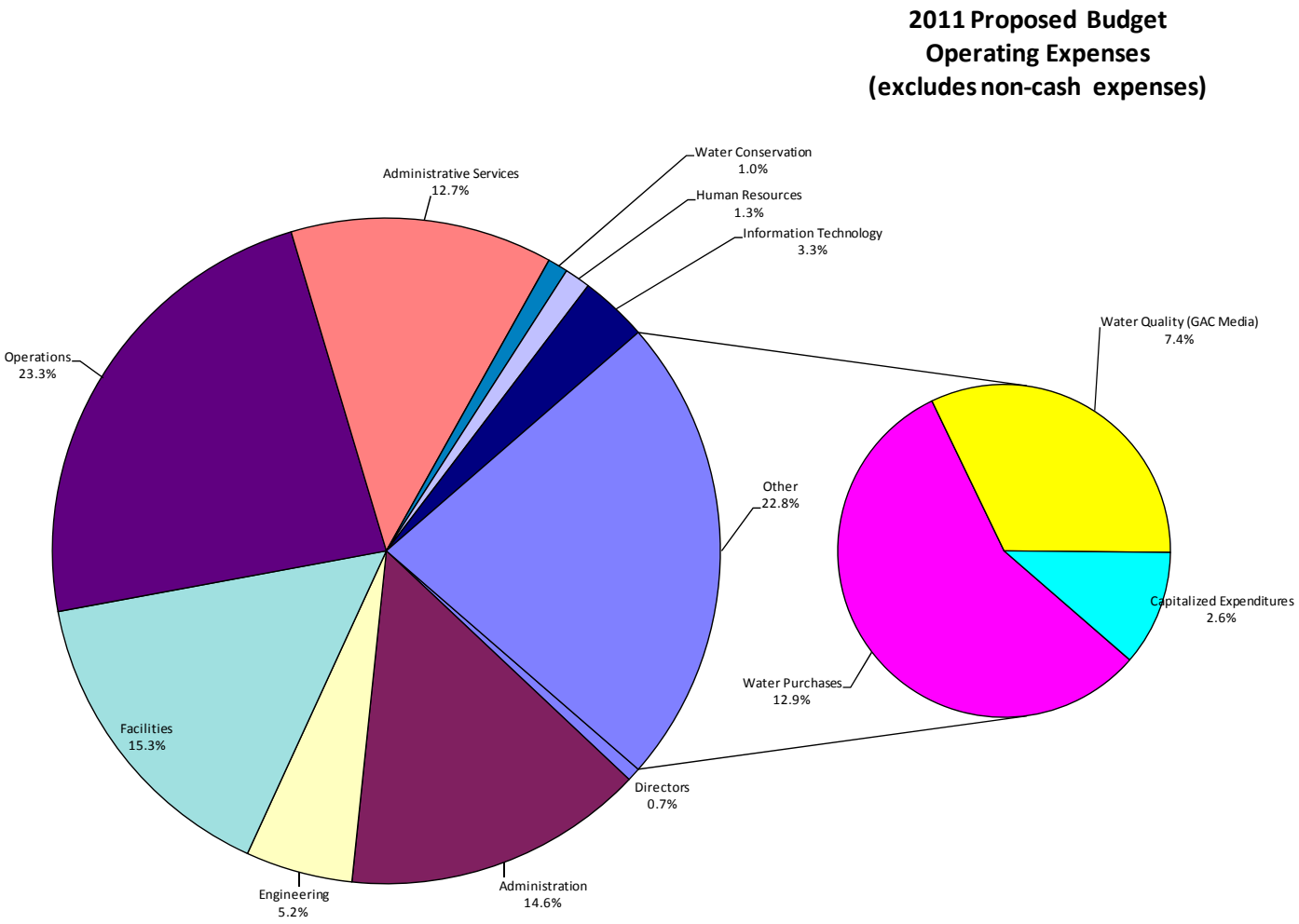
Health insurance rates have risen with a blended average for the three medical plans being an increase of 14.1% and the dental insurance was 4.53%.

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

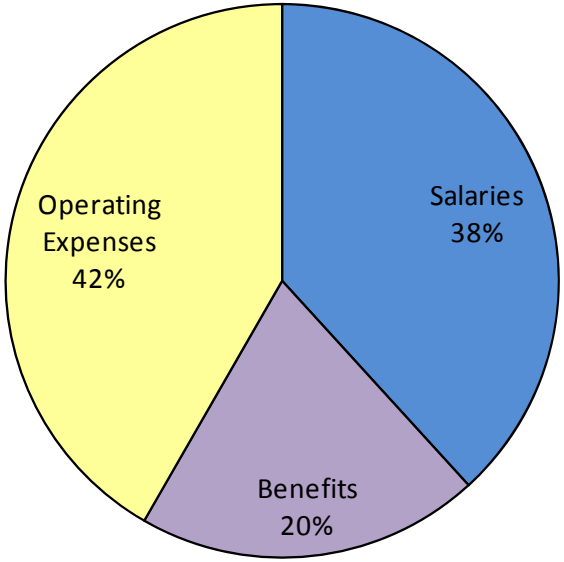
Southern California Edison (SCE) has notified us of a rate increase that will go into effect starting in 2011. The precentage of increase is projected at 4.1% for all Edison customer groups and was part of Energy Resource Recovery Account (ERRA) filled with the California Public Utilities Commission (PUC) decision D.10-02-019 and will go into effect January 1, 2011. SCE also has a related increase from the 2009 General Rate Case (GRC) in decision D.09-03-025 showing a 2011 increase of 4.35%.

Operating Revenue estimates were based on the potential sales of 19,000 ac. ft. of water for the 2011 Budget.

Palmdale Water District
2011 Operating Expenses (Proposed – excluding non-cash expenses) – Graph



Palmdale Water District
2011 Departmental Expenses (Proposed) – Graph



Departmental Expenses		
Salaries	$	6,419,000
Benefits		3,373,000
Operating Expenses		7,001,250
Total	$	16,793,250

Palmdale Water District
Budget 2011
5-Year Cash Flow (Aggregate)

	Proposed 2011	Projected 2010	2009	2008	2007	2006
Beginning Cash	8,162,970	8,663,548	15,124,841	34,513,978	57,644,229	61,866,814
Operating Activities						
Net Operating Revenues	23,634,644	21,531,000	20,168,920	17,586,328	20,135,697	19,778,011
Net Operating Expenses	21,533,194	20,091,413	19,314,655	19,804,272	19,186,212	16,325,468
Net cash provided by operating activities	2,101,450	1,439,587	854,265	(2,217,944)	949,485	3,452,543
Other Sources and Uses of Cash						
Assessments received	5,000,000	5,488,000	5,677,001	5,262,788	4,974,252	4,178,858
Payments for State Water Project	(2,655,000)	(2,654,371)	(4,690,034)	(2,104,193)	(1,755,786)	(1,824,566)
Capital Improvement Fees Received	250,000	137,500	37,115	619,845	3,667,974	9,999,180
Water Supply Connection Fees Received	-	-	-	-	-	-
Acquisition of Property, Plant & Equipment	(2,666,596)	(3,746,786)	(6,150,350)	(19,931,092)	(28,674,587)	(18,491,611)
Capital Leasing	(230,000)	-	-	-	-	-
Principal Paid on Long Term Debt	(1,170,000)	(1,125,000)	(1,080,000)	(1,040,000)	(1,005,000)	(970,000)
Interest Paid on Long Term Debt	(2,465,000)	(2,511,406)	(2,554,756)	(2,595,824)	(2,632,782)	(2,667,016)
State Grants and Other Income	500,000	2,341,898	1,152,767	1,705,595	187,038	225,845
Interest on Investments	120,000	130,000	292,699	911,688	1,159,155	1,874,182
Net Cash Provided by Other Sources and Uses	(3,316,596)	(1,940,165)	(7,315,558)	(17,171,193)	(24,079,736)	(7,675,128)
Net Increase (Decrease) in Cash	(1,215,146)	(500,578)	(6,461,293)	(19,389,137)	(23,130,251)	(4,222,585)
Cash End of Year	6,947,824	8,162,970	8,663,548	15,124,841	34,513,978	57,644,229
Less Restricted Cash	1,700,000	1,675,000	1,557,398	3,941,838	1,392	18,943,541
Available Operating Cash	5,247,824	6,487,970	7,106,150	11,183,003	34,512,586	38,700,688

THIS PAGE INTENTIONALLY LEFT BLANK

Palmdale Water District
2011 Departmental Staffing Budget

POSITION	2011	2010	2009
ADMINISTRATION:			
General Manager	1	1	1
Assistant General Manager/COO	1	1	1
Executive Assistant	1	1	1
Administrative Assistant	1	1	1
SUBTOTAL:	4	4	4
ENGINEERING:			
Engineering Manager	1	1	1
Project Manager	1	1	1
Construction Inspector	3	3	3
Cross Connection Technician	1	1	1
Engineering Technician	3	3	5
USA Technician			1
SUBTOTAL:	9	9	12
FACILITIES:			
Facilities Manager	1	1	1
Construction Supervisor	1	1	1
Senior Service Worker	3	3	3
Service Workers	11	11	10
Maintenance Worker			1
Warehouse Technician	2	2	2
Senior Equipment Mechanic	1	1	1
Equipment Mechanic	3	3	4
SUBTOTAL:	22	22	23
OPERATIONS:			
Operations Manager	1	1	1
Treatment Plant Supervisor	1	1	1
Plant Operators	6	7	7
Senior Maintenance Mechanic	1	1	
Maintenance Mechanic	1	1	
Maintenance Worker			1
Administrative Technician	1	1	1
Water Quality Supervisor	1	1	1
Laboratory Analyst	2	2	2
Systems Supervisor	1	1	1
Pump Operator	2	2	3
Electrician	2	2	2
Electronic Technician	2	2	2
SUBTOTAL:	21	21	22

Palmdale Water District
2011 Departmental Staffing Budget (continued)

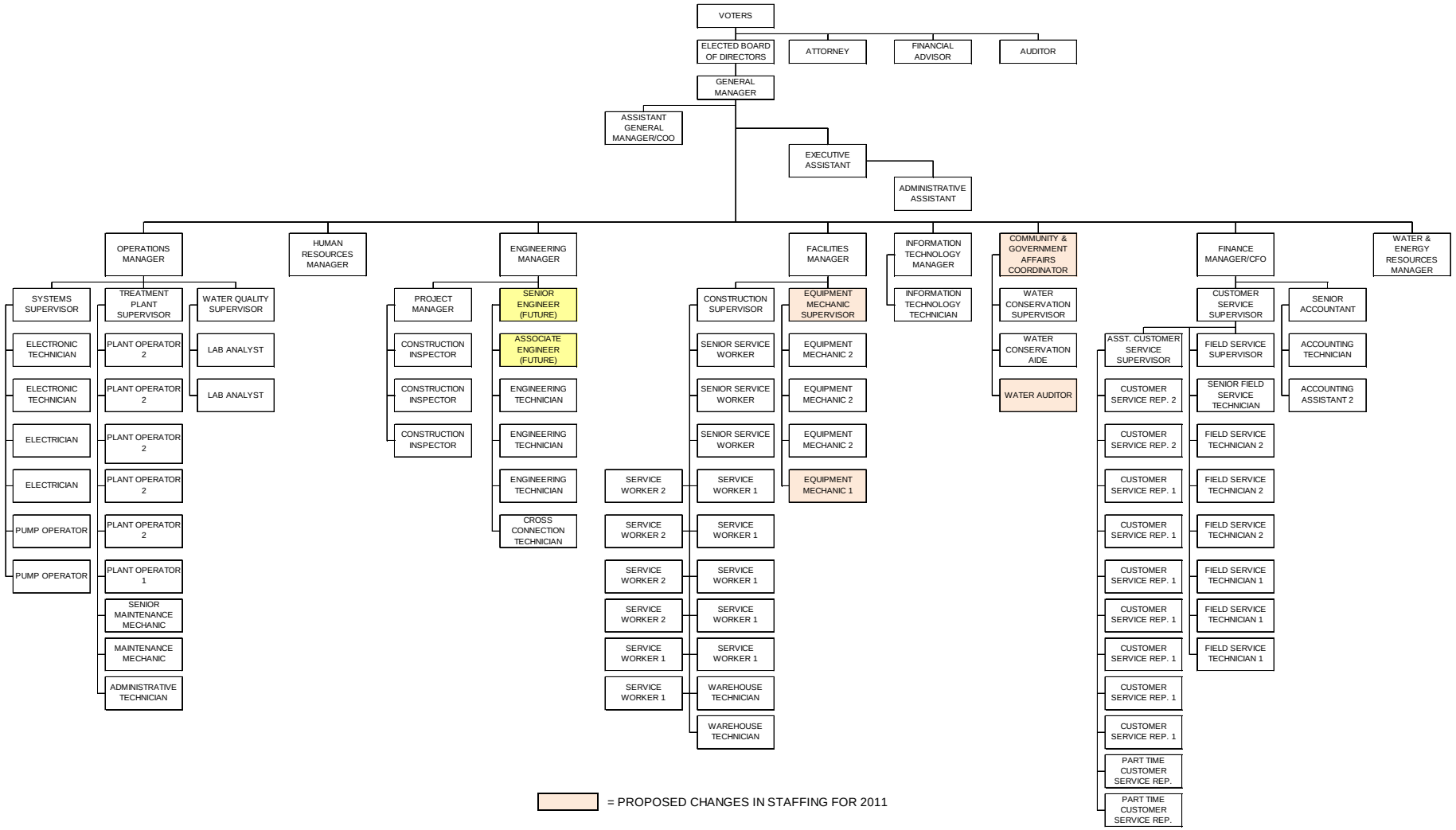
POSITION	2011	2010	2009
ADMINISTRATIVE SERVICES:			
Finance Manager/CFO	1	1	1
Senior Accountant	1	1	1
Accounting Technician	1	1	1
Accounting Assistant	1	1	1
Customer Service Supervisor	1	1	1
Assistant Customer Service Supervisor	1	1	1
Customer Service Representative	9	9	9
Part time Customer Service Representative	2	2	2
Field Service Supervisor	1	1	1
Senior Field Service Technician	1	1	1
Field Service Technician	6	6	6
SUBTOTAL:	25	25	25
WATER CONSERVATION:			
Community & Government Affairs Coordinator	1	1	
Water Conservation Supervisor	1	1	1
Water Conservation Aide	1	1	1
SUBTOTAL	3	3	2
HUMAN RESOURCES:			
Human Resources Manager	1	1	1
Risk Management & Safety Coordinator			1
SUBTOTAL:	1	1	2
WATER & ENERGY:			
Water & Energy Resources Manager	1	1	1
SUBTOTAL:	1	1	1
INFORMATION TECHNOLOGY:			
Information Technology Manager	1	1	
Information Technology Technician	1	1	1
SUBTOTAL:	2	2	1
DISTRICT TOTAL:	**88**	**88**	**92**

Proposed Positions & Changes for 2011

FACILITIES:	
Senior Equipment Mechanic	Title Change to Equipment Mechanic Supervisor
Equipment Mechanic (New Position – 10 Months)	1
WATER CONSERVATION:	
Community & Government Affairs Coordinator	Position will not be funded but stays in chart.
Water Auditor (New Position – 9 Months)	No longer included in the 2011 budget.

2011 PROPOSED DISTRICT TOTAL: 89

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



THIS PAGE INTENTIONALLY LEFT BLANK

SECTION III
DEPARTMENTAL BUDGETS

THIS PAGE INTENTIONALLY LEFT BLANK

Administration Department

THIS PAGE INTENTIONALLY LEFT BLANK

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 2011
Board of Directors

Directors			BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:			2011	2010	2010	2009	2008	2007	2006
1-01-4035-000	Directors Fees		45,000	46,500	54,000	72,305	69,372	58,844	76,614
Benefits									
1-01-4005-000	Payroll Taxes	[8]	4,200	4,000	-	-	-	-	-
1-01-4010-000	Health Insurance		85,000	73,750	73,500	28,723	76,343	-	-
		Subtotal (Benefits)	85,000	73,750	73,500	28,723	76,343	-	-
		Personnel Expenses	130,000	120,250	127,500	101,028	145,715	58,844	76,614
OPERATING EXPENSES:									
1-01-4050-000	Director's Travel, Seminars & Meetings		12,000	11,500	20,000	24,531	23,239	18,711	46,399
		Total Operating Expense	12,000	11,500	20,000	24,531	23,239	18,711	46,399
		Total Departmental Expenses	142,000	131,750	147,500	125,558	168,954	77,555	123,013

[8] All taxes paid by directors were included in the Administration Department budget. They have been moved out to show the directors portion that are paid during the year.

Palmdale Water District
Budget 2011
Administration

Administration			BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:			2011	2010	2010	2009	2008	2007	2006
1-02-4000-000	Salaries		560,000	755,000	660,000	819,814	647,760	1,419,131	706,870
Employee Benefits									
1-02-4005-000	Payroll Taxes		43,000	40,000	51,000	56,583	47,609	96,670	51,518
1-02-4010-000	Health Insurance		90,000	124,000	95,500	165,482	59,267	272,532	144,297
1-02-4015-000	Pers		102,000	109,000	115,000	120,476	89,548	218,973	105,121
1-02-4020-000	Worker's Comp		200,000	190,000	205,000	211,309	213,943	203,234	197,981
1-02-4025-000	Vacation Benefit Expense		35,000	-	55,000	(18,716)	89,107	44,312	311,901
1-02-4030-000	Life Insurance/EAP Program		7,500	3,800	4,000	4,013	3,550	3,070	1,305
	Subtotal (Benefits)		477,500	466,800	525,500	539,148	503,025	838,791	812,123
	Personnel Expenses		1,037,500	1,221,800	1,185,500	1,358,962	1,150,785	2,257,922	1,518,993
OPERATING EXPENSES:									
1-02-4050-000	Staff Travel		8,000	9,500	10,000	13,867	8,917	27,589	15,220
1-02-4050-100	General Manager Travel		5,000	2,500	6,000	3,144	7,597	9,875	14,551
1-02-4060-000	Staff Conferences & Seminars		3,000	2,250	3,000	2,417	1,656	17,835	9,794
1-02-4060-100	General Manager Conferences & Seminars		4,500	2,250	4,500	2,224	4,420	3,731	9,619
1-02-4070-000	Employee Expense		50,000	65,500	40,000	83,892	39,273	56,514	30,360
1-02-4080-000	Other Operating		15,000	28,000	10,000	9,621	51,815	106,558	10,205
1-02-4110-000	Consultants		180,000	240,000	304,000	591,470	527,905	382,911	208,992
1-02-4115-100	Settlements - City of Palmdale		-	20,000	20,000	-	-	-	-
1-02-4115-200	Settlements - Mr. Hill's Contract		-	377,900	377,900	-	-	-	-
1-02-4125-000	Insurance		350,000	300,000	350,000	356,796	289,284	202,811	160,373
1-02-4130-000	Bank Charges		125,000	142,000	72,000	101,906	74,389	85,929	73,273
1-02-4135-000	Groundwater Adjudication	[9]	425,000	475,000	500,000	259,125	366,077	539,777	-
1-02-4140-000	Legal Services	[10]	600,000	455,000	900,000	682,644	606,028	262,936	302,653
1-02-4150-000	Accounting Services		25,000	24,000	25,000	23,399	23,001	25,430	17,020
1-02-4155-000	Contracted Services		50,000	29,000	50,000	43,456	72,280	139,600	203,934
1-02-4160-000	Collection Related Fees		-	-	-	570	(10)	(20)	(10)
1-02-4165-000	Memberships/Subscriptions		110,000	122,000	75,000	144,172	102,130	112,344	102,094
1-02-4170-000	Elections		-	77,000	70,000	-	67,017	-	37,317
1-02-4175-000	Permits		20,000	8,500	26,000	31,160	28,173	25,573	12,404
1-02-4180-000	Postage		45,000	22,000	60,000	41,117	63,928	46,234	39,559
1-02-4190-100	Public Relations - Publications		32,000	31,000	32,000	42,573	38,712	65,997	38,737
1-02-4190-200	Public Relations - Chamber of Commerce		-	-	-	315	4,679	7,384	7,600
1-02-4190-800	Public Relations - Youth Sponsorship		-	-	-	2,000	2,000	2,000	2,600
1-02-4190-900	Public Relations - Other		1,000	1,000	1,000	19,770	7,564	25,288	4,252
1-02-4200-000	Advertising		3,000	4,000	2,500	1,190	2,645	1,137	8,227
1-02-4205-000	Office Supplies		20,000	18,500	20,000	18,849	40,109	-	-
1-02-4210-000	Office Furniture		-	-	-	-	438	-	-
1-02-4215-200	Natural Gas - Office Building		3,500	3,250	3,500	2,583	4,134	2,917	3,392
1-02-4220-200	Electricity - Office Building		44,000	42,000	40,000	36,534	43,093	43,441	46,023
1-02-4230-100	Maintenance & Repair - Office Building		18,000	16,500	18,000	15,106	16,596	106	-
1-02-6300-100	Supplies - Janitorial		1,500	1,500	2,500	363	-	-	-
	Total Operating Expense		2,138,500	2,520,150	3,022,900	2,530,262	2,843,850	2,193,897	1,358,189
1-02-4900-000	Budget Inclusion Expense		-	-	-	-	-	15,132	51,480
	Total Departmental Expenses		3,176,000	3,741,950	4,208,400	3,889,224	3,994,635	4,466,951	2,928,662

[9] Groundwater adjudication continues to move forward and is entering into trial phase III. Staff will continue to participate in the mediation meeting with all involved parties.

[10] Legal services were less than expected due to time table of trial phase of lawsuits with the City of Palmdale has not been established. Budget amount will cover the costs associated with general legal council and the current City of Palmdale litigation as it moves through appeals.

THIS PAGE INTENTIONALLY LEFT BLANK

Engineering Department

THIS PAGE INTENTIONALLY LEFT BLANK

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.

2010 WATER YEAR INDICATORS:

1) Three water improvement projects approved.
2) Two water improvement projects completed.
3) Five District construction projects completed.
4) 21 Inspection work orders actively being overseen for completion and closure of the work order.
5) 1,753 USA tickets received with 712 requiring street marks.

2010 ACCOMPLISHMENTS:

1) Provided input and staff time for various state reports.
2) Updated water service maps, gate books, and 1000' scale maps.
3) Updated total quantification miles of pipe, number of valves, fire hydrants, air vacs, and other facilities.
4) Completed survey and related reporting for both Littlerock and Palmdale Dam.
5) Continued working with consultant on the preparation of the District's Water System Mater Plan Programmatic EIR.
6) Continued working with consultant on the preparation of the Littlerock Reservoir Sediment Removal Project EIR/EIS.
7) Continued working of fulfilling the requirements to comply with the various permits associated with the Palmdale Ditch Enclosure Project.
8) Continued overseeing the contract for the re-coating and maintenance for various storage tanks.
9) Completed the design and construction oversight for the water main replacement project in 30th Street East between Palmdale Boulevard and Avenue R.
10) Completed the design and construction oversight for the water main replacement project in area east of 30th Street East and north of Palmdale Boulevard.
11) Completed the design and construction oversight for the water main replacement project in Barrel Springs Road, east of Sierra Highway.

2011 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 2011 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 2011

Engineering			BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:			2011	2010	2010	2009	2008	2007	2006
1-03-4000-000	Salaries	[11]	750,000	748,000	650,000	840,032	915,817	856,024	888,935
Employee Benefits									
1-03-4005-000	Payroll Taxes		57,500	57,500	50,000	63,897	67,362	64,643	68,436
1-03-4010-000	Health Insurance		152,500	126,500	123,000	149,853	152,827	161,761	144,494
1-03-4015-000	PERS		135,500	126,000	112,000	136,000	131,897	132,138	126,992
	Subtotal (Benefits)		345,500	310,000	285,000	349,749	352,086	358,542	339,922
	Personnel Expenses		1,095,500	1,058,000	935,000	1,189,781	1,267,903	1,214,566	1,228,857
OPERATING EXPENSES:									
1-03-4050-000	Staff Travel		3,500	3,500	3,500	6,494	2,963	9,819	10,567
1-03-4060-000	Staff Conferences & Seminars		3,500	2,250	3,500	775	2,945	9,889	7,907
1-03-4155-000	Contracted Services		5,000	-	18,500	13,816	-	-	-
1-03-4165-000	Memberships/Subscriptions		2,500	3,000	2,500	2,692	4,755	-	-
1-03-4250-000	General Materials & Supplies		2,000	1,000	2,000	752	1,745	-	-
1-03-4330-000	Inspection - Non Recovered		-	-	-	-	-	-	945
1-03-4230-110	Maintenance & Repair - Office Equipment		-	-	-	-	-	95	1,086
1-03-8100-100	Computer Software - Maint. & Support		15,000	18,500	10,000	15,135	14,944	-	-
	Total Operating Expense		31,500	28,250	40,000	39,662	27,352	19,803	20,505
1-03-4900-000	Budget Inclusion Expense		-	-	-	126,763	132,240	365,204	276,714
	Total Departmental Expenses		1,127,000	1,086,250	975,000	1,356,206	1,427,495	1,599,573	1,526,076

[11] Salary projections were higher in 2010 due to the Cross-Connection Controller position reporting to Engineering instead of Operations. This change has been corrected on the organizational chart shown on page 33. Projections for 2011include the cost for this position in the Engineering Department salaries.

THIS PAGE INTENTIONALLY LEFT BLANK

Facilities Department

THIS PAGE INTENTIONALLY LEFT BLANK

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.

2010 WATER YEAR INDICATORS:

1) 28,067 Meters in service
2) 9,151 System valves in service
3) 408 Miles of pipe in service
4) 616 Emergencies to which the department responded

2010 ACCOMPLISHMENTS:

1) Performed 123 hours of daily tank, well and booster station inspections.
2) Performed 1,267 hours of building and grounds maintenance. This maintenance included general upkeep of grounds, fence repairs, building repairs, graffiti removal, continuous cleaning and reorganizing for storage. Performed quarterly maintenance on all HVAC units. Pulled pump #3 from backwash basin for diagnosis and repair. Removed inspected and re-installed pump #4 at water treatment plant backwash basin to diagnose problem with pump #3 cavitation issue. Performed approximately 239 hours of miscellaneous repairs. Monthly cleaning on solar panels located on the east storage building (back shop).
3) Performed 2,225 hours of maintenance on wells, boosters and storage reservoirs. This included scheduled preventive maintenance (PM) and 13 natural gas engine and generator inspections. Repairs included performing approximately 7 miscellaneous repairs to pumps, motors and engines, rehabilitation and repairs. Also, included was the full rehabilitation to Well 2, which included rebuilding the electric motor, rebuilt combination drive gear and video log before restoring well into service. Well 7 had the motor re-installed after emergency repairs were made and well 16 had pumping equipment installed. Performed well maintenance at Well 19 removing pump equipment for inspection. Replaced both Booster pumps at 5 MG Booster Station fabricating spools, stands and booster pump bases needed to retrofit for new pump motors.
4) Performed 985 hours of facilities training. This included training on CPR, confined space, right to know, haz-mat, backhoe, rigging, traffic control & flagging, lock-out - tag-out, forklift, air vac rebuilding, asbestos pipe training, underground locating training and teamwork, leadership and supervisor training.
5) Performed 154 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 138 hours of treatment plant repairs.
7) Performed 2,401 hours of vehicle and equipment maintenance and repair activities performing miscellaneous repairs, 104 scheduled PM's and 64 truck, trailer and crane inspections.
8) Repaired 319 Angle Stops as of 10-31-2010.
9) Conducted work on the District's flushing program (Water Quality) that utilized 145,745 cubic feet (1,090,173 Gallons) of water flushed.

2010 ACCOMPLISHMENTS (continued):

10) Conducted the valve-exercising program, which included exercising 228 system valves and 23 fire hydrants.
11) Replaced magnetic flow meter at 3900' tank site, replaced 45' of failing pipe from storage tank to vault with new 4" bypass and continued pipe replacement to frontage road, and fabricated new vault with lid.
12) Installed 4 Sample Stations for 2011 compliance sample site plan.
13) Construction crew completed final section replacement of 620' of 1957 double dipped and wrapped Steel pipe from Sumac to Stanridge on Avenue Q7 that was located behind curb that had 2 sections of failed pipe and numerous leaks allowing for abandonment of pipe and replacing 470' of sidewalk.
14) Replaced 2 fire hydrant laterals due to pipe failure.
15) Construction Crew is currently switching 27 services on 12th ST E to newer water main allowing abandonment of 1800' of 1951 double dipped and wrapped steel pipe.
16) Installed 2 new residential Services
17) As of 10-31-2010 the total number of leaks repaired included 717 mainline and 46 service line leaks (763 Total).
18) Replaced 6 sections of aged pipe in the system that failed with schedule 40 steel and protective coating for pipe.

2011 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 for pipe identification and overall appearance.
6) Implement Air-Vac rebuild maintenance program to ensure proper operation.
7) Improve warehouse material storage combining existing bays with construction crew for better workflow, distribution of parts and inventory tracking, re-organizing of yard and existing storage containers to allow for better overall storage and security.
8) Continue to install new magnetic flow meters at well sites as necessary to improve accuracy of production tracking.

Palmdale Water District
Budget 2011

Facilities			BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:			2011	2010	2010	2009	2008	2007	2006
1-04-4000-000	Salaries	[12]	1,434,000	1,348,000	1,260,000	1,805,916	1,749,709	1,546,240	920,092
Employee Benefits									
1-04-4005-000	Payroll Taxes		110,000	101,000	97,000	138,153	132,410	118,280	73,422
1-04-4010-000	Health Insurance		337,000	278,000	290,000	376,151	342,028	333,328	210,617
1-04-4015-000	PERS		252,000	217,000	215,000	289,605	236,356	240,619	146,781
	Subtotal (Benefits)		699,000	596,000	602,000	803,908	710,794	692,227	430,820
	Personnel Expenses		2,133,000	1,944,000	1,862,000	2,609,824	2,460,503	2,238,467	1,350,912
OPERATING EXPENSES:									
1-04-4050-000	Staff Travel		3,000	1,500	3,000	-	2,552	11,200	14,231
1-04-4060-000	Staff Conferences & Seminars		3,000	1,250	4,000	315	4,529	17,472	13,150
1-04-4155-000	Contracted Services		33,000	15,000	40,000	53,815	70,378	49,121	47,309
1-04-4215-200	Natural Gas - Buildings		4,500	4,250	4,000	3,655	3,044	3,301	2,409
1-04-4220-200	Electricity - Buildings		17,500	12,500	20,000	14,019	9,547	2,321	5,297
1-04-4225-000	Maint. & Repair - Vehicles		45,000	30,000	45,000	42,323	46,535	28,449	39,300
1-04-4230-110	Maint. & Rep. Office - Equipment		-	-	500	75	491	961	-
1-04-4235-110	Maint. & Rep. Operations - Equipment		5,000	3,250	5,000	5,894	8,032	4,491	3,079
1-04-4235-400	Maint. & Rep. Operations - Wells		150,000	50,000	250,000	79,159	253,112	251,185	497,511
1-04-4235-405	Maint. & Rep. Operations - Boosters		50,000	37,500	62,000	22,803	68,243	87,279	130,686
1-04-4235-410	Maint. & Rep. Operations - Shop Bldgs		3,000	2,500	3,000	2,302	5,303	5,941	2,218
1-04-4235-415	Maint. & Rep. Operations - Facilities		25,000	32,000	45,000	19,903	68,849	117,605	32,825
1-04-4235-420	Maint. & Rep. Operations - Water Lines	[13]	370,000	450,000	525,000	592,699	426,049	307,612	203,899
1-04-4235-425	Maint. & Rep. Operations - Littlerock Dam		25,000	26,000	20,000	15,297	1,219	38,152	38,810
1-04-4235-430	Maint. & Rep. Operations - Palmdale Dam		25,000	26,250	20,000	24,219	21,158	28,345	21,789
1-04-4235-435	Maint. & Rep. Operations - Palmdale Canal		5,000	-	5,000	-	9,571	-	3,410
1-04-4235-455	Maint. & Rep. Operations - Heavy Equipment		40,000	70,000	40,000	27,959	14,208	16,327	35,214
1-04-4235-460	Maint. & Rep. Operations - Storage Reservoirs		5,000	250	5,000	582	386	22,207	198,241
1-04-4250-000	General Material & Supplies		-	-	-	125	-	-	-
1-04-4250-100	Materials - Hot Tapping		-	1,050	1,050	-	-	-	-
1-04-5010-000	Service Costs Construction		-	-	-	-	15,859	40,936	1,206,987
1-04-6000-000	Waste Disposal		20,000	20,000	25,000	19,513	25,954	17,176	39,353
1-04-6100-100	Fuel and Lube - Vehicle	[14]	115,000	80,000	80,000	76,099	121,767	91,873	74,628
1-04-6100-200	Fuel and Lube - Machinery	[15]	43,000	28,000	30,000	13,162	29,898	29,484	43,283
1-04-6200-000	Uniforms		20,000	13,000	28,000	32,891	35,342	27,687	22,094
1-04-6300-000	Supplies		-	-	-	3,418	-	-	-
1-04-6300-100	Supplies - Misc.		50,000	50,000	125,000	112,308	132,776	105,661	103,477
1-04-6300-600	Supplies - Construction Materials	[16]	100,000	90,000	-	-	-	-	-
1-04-6400-000	Tools		12,000	8,500	7,500	7,015	10,493	7,136	5,461
1-04-7000-100	Leases -Equipment		15,000	15,200	12,000	11,333	13,401	9,588	8,653
	Total Operating Expense		1,184,000	1,068,000	1,405,050	1,180,883	1,398,696	1,321,510	2,793,314
1-04-4900-000	Budget Inclusion Expense		-	-	-	24,106	4,265	124	10,587
	Total Departmental Expenses		3,317,000	3,012,000	3,267,050	3,814,813	3,863,464	3,560,101	4,154,813

[12] Salaries are higher due to an increase in water main leaks. Some of these leaks have been repaired after hours requiring additional overtime salary expense.

[13] Maintenance related to the repair of water lines continues to increase due to older pipelines developing more leaks. However, to better account for these costs the portion for meter exchange related expenses has been moved under the Administrative Services budget.

[14] Increased fuels casts are projected for 2011due to higher oil prices. One other change being made is to move towards five cycles of fuel purchases instead of the traditional four. This could counter some of the project increase.

[16] Construction material cost have been segmented out of the Supplies - Miscellaneous account to better account for costs related to pipeline repair.

THIS PAGE INTENTIONALLY LEFT BLANK

Operations Department

THIS PAGE INTENTIONALLY LEFT BLANK

Operations Department

DESCRIPTION:

The Operations Department operates the Water Treatment Plant (WTP), 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.

2010 WATER YEAR INDICATORS:

1) Treated 12,386.5* acre-feet of surface water, 61.0% of total production, (18.62% less than 2008/09).
2) Pumped 7,918.1* acre-feet of ground water, 39.0% of total production, (1.61% more than 2008/09).
3) 20,304.6* Total acre-feet of water produced for Water Year, (11.77% less than 2008/09).
4) Operated Water Treatment Plant 8,303.1* hours.
5) Received 11,261.0* acre-feet of State Project Water (31.63% less than 2008/09).
6) Drew 1,939.6 acre-feet of water from Littlerock Reservoir (1851.2 ac/ft more than 2008/09).
7) Presently maintain 34.1** million gallons of potable water in distribution reservoir storage, (as of October 01, 2010).
8) Presently maintain 3901.3 acre-feet of water in Lake Palmdale at an elevation of 2,811.5 feet above sea level, and approximately 2,400*** acre-feet in Littlerock reservoir at an elevation of 3,263.4 feet above sea level.

* Water Year: October 1, 2009 to September 30, 2010
** Maximum Storage for 24 hr period of September 30 to October 01, 2010
*** Total storage includes a reduction of 500 ac/ft due to estimated sediment build up.

2010 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 requirements of the Ground Water Rule.
3) Completed Unregulated Contaminants Monitoring Rule 2 required by U.S. EPA UCMR2.
4) Continued lake monitoring and management plan. Operated and executed contracted factory maintenance schedule for seven Solar Bee® pond circulators in Lake Palmdale. Installation of additional Solar Bee® will be concluded by year-end.
5) Operated and executed contracted factory maintenance schedule for five Solar Bee® pond circulators in potable storage reservoirs. Installed additional Solar Bee® in Lower El Camino tank.
6) Utilized improved distribution strategies to improve water quality and increase energy efficiency.
7) Continued to improve treatment plant maintenance plans and standard operating procedures (SOP).

2010 ACCOMPLISHMENTS (continued):

8) Continued to perform jar testing of chemical coagulants Ferric Chloride and Cationic Polymer to improve turbidity and TOC removal as well as improve efficiency in dosing.
9) Monitored water supplies for Radioactivity, MTBE, TTHM's and Hexavalent Chromium and all other constituents required by law.
10) GAC contactors were utilized to reduce disinfection byproducts and taste and odor compounds, thereby providing a higher quality of water.
11) Initiated work on WTP Operations and Maintenance Manual.
12) Improvements to distribution equipment, controls and operational strategies lead to reduced pressure fluctuations within the distribution system. Occurrences of pressures above 25 PSI at 2800 zone boosters were reduced from 48 to two, when comparing April through October 2009 to the same period in 2010.
13) Constructed and utilized a pilot plant for testing GAC media. This has lead to an improved understanding of the operational characteristics of GAC contactors as well as valuable comparisons of media types.
14) Initiated a thorough quality assurance program to evaluate GAC media prior to installation.
15) Completed repairs to WTP main building roof.
16) Continued upgrading, standardizing and documenting SCADA and electrical panels.
17) Continued to diligently install, upgrade, maintain and repair a wide variety of critical distribution equipment to ensure reliable and efficient operations of the distribution system.
18) Began in-house effort to improve performance of the Hydro-Turbine.
19) Initiated upgrade of Distribution and WTP SCADA software.
20) Assisted in the installation of a flow meter to the influent of the GAC contactors and utilized it to improve the operation of the contactors.
21) Participated in the design, fabrication, and installation of a new effluent NaOCl dosing point.
22) Established a dedicated maintenance group within the department.
23) Completed improvements to the filter aid feed system thereby improving performance.
24) Initiated improved backwashing practices that have increased filter runtimes and reduced the use of clean water for backwashing.

2011 OBJECTIVES:

1) Continue development and execution of an effective lake monitoring program and cleanup of Lake Palmdale shoreline.
2) Prepare for the Stage 2 Disinfection Byproduct Rule by testing, operating, and evaluating GAC performance as well as evaluating and adjusting distribution system operational practices.
3) Continue to refine plant and distribution systems operational practices to reduce costs and optimize water quality.
4) Continue jar testing of coagulants to further reduce chemical costs and optimize treatment.
5) Complete work on a comprehensive treatment plant operations and maintenance manual and submit for approval to CDPH.
6) Firmly establish a WTP Maintenance Program, including personnel, routine maintenance schedules to reflect plant upgrades and related new equipment.
7) Establish a comprehensive CMMS (Computerized Maintenance Management System).
8) Complete and implement a Clear SCADA Software System to enhance operations of the Distribution System and WTP.

2011 OBJECTIVES (continued):

9) Add necessary equipment to the water quality lab to improve the ability to assess water quality issues quickly and reduce outside laboratory reliance and costs.
10) Establish and implement a fully functioning security system for the WTP.
11) Continue to perform compliance monitoring of water supplies for Radioactivity, MTBE, and Hexavalent Chromium, Cyanide, General Physical, General Mineral, Inorganics & Organics and all other constituents required by law.
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 staff's contributions towards our shared mission.
14) Encourage continued education and training in order to equip staff with the knowledge necessary to deal effectively with current and future water industry challenges.
15) Continue to upgrade, standardize, maintain and repair distribution and WTP facilities to ensure reliable and efficient performance.

Palmdale Water District
Budget 2011

Operations			BUDGET 2011	PROJECTED 2010	BUDGET 2010	ACTUAL 2009	ACTUAL 2008	ACTUAL 2007	ACTUAL 2006
PERSONNEL BUDGET:									
1-05-4000-000	Salaries	[17]	1,615,000	1,540,000	1,615,000	1,042,903	1,029,133	884,419	1,219,330
Employee Benefits									
1-05-4005-000	Payroll Taxes	[17]	123,500	121,000	123,500	77,119	78,362	67,483	98,460
1-05-4010-000	Health Insurance	[17]	380,000	291,000	320,000	196,526	163,256	123,361	189,445
1-05-4015-000	PERS	[17]	289,000	244,000	277,500	165,528	155,386	139,321	186,277
	Subtotal (Benefits)		792,500	656,000	721,000	439,173	397,004	330,165	474,182
	Personnel Expenses		2,407,500	2,196,000	2,336,000	1,482,076	1,426,137	1,214,584	1,693,512
OPERATING EXPENSES:									
1-05-4050-000	Staff Travel		10,800	4,500	5,500	1,755	6,783	7,810	18,133
1-05-4060-000	Staff Conferences & Seminars		10,800	3,000	3,000	1,791	7,079	7,555	9,200
1-05-4120-100	Training - Lab Equipment		7,500	-	-	-	-	-	-
1-05-4155-000	Contracted Services		73,500	55,000	66,500	38,078	68,896	44,473	24,023
1-05-4175-000	Permits		51,000	66,000	50,000	65,330	41,263	46,076	29,638
1-05-4215-100	Natural Gas - Wells & Boosters		150,000	125,000	325,000	170,615	335,842	558,842	590,273
1-05-4215-200	Natural Gas - Water Treatment Plant		3,000	2,000	4,000	2,022	3,312	1,686	2,045
1-05-4220-100	Electricity - Wells & Boosters		1,440,000	1,340,000	1,350,000	1,183,602	1,264,499	1,545,224	1,513,545
1-05-4220-200	Electricity - Water Treatment Plant	[18]	190,000	182,000	150,000	187,565	33,291	127,723	39,284
1-05-4230-110	Maint. & Rep. Office - Equipment		500	500	500	375	92	1,195	1,200
1-05-4235-110	Maint. & Rep. Operations - Equipment		15,000	12,000	10,000	4,821	12,879	28,832	18,306
1-05-4235-410	Maint. & Rep. Operations - Shop Bldgs		6,000	2,500	5,000	6,858	10,765	15,034	25,531
1-05-4235-415	Maint. & Rep. Operations - Facilities		38,000	30,000	35,000	20,507	32,936	61,825	31,407
1-05-4235-445	Maint. & Rep. Operations - Telemetry		2,250	750	1,000	-	2,346	5,126	623
1-05-4235-450	Maint. & Rep. Operations - Hypo Generators		7,250	1,000	10,000	1,065	36,760	4,064	5,060
1-05-4236-000	Palmdale Lake Management		21,000	9,500	35,000	30,577	35,271	22,015	21,811
1-05-4240-000	Maint. & Repair - Wind Turbine		-	-	-	-	630	6,480	-
1-05-4250-000	General Material & Supplies		-	-	-	-	-	-	-
1-05-4270-300	Telecommunication - Other		2,250	2,750	2,500	2,718	2,659	2,723	1,905
1-05-4300-300	Testing - Edison Testing		10,000	12,000	13,000	5,225	10,170	4,845	13,000
3-05-4300-100	R&D - Filter Media Testing		13,000	-	-	-	-	-	-
1-05-4320-000	EPA / Regulatory Compliance		-	-	-	-	-	-	-
1-05-6000-000	Waste Disposal		36,000	3,000	42,000	3,029	49,864	51,965	16,642
1-05-6200-000	Uniforms		10,000	6,000	14,000	13,091	14,026	11,917	10,318
1-05-6300-100	Supplies - Misc.		15,000	14,000	15,000	9,898	21,951	11,869	15,978
1-05-6300-200	Supplies - Hypo Generators		6,750	4,500	10,000	8,991	9,358	22,153	10,015
1-05-6300-300	Supplies - Electrical		2,700	-	5,000	483	5,136	1,172	2,680
1-05-6300-400	Supplies - Telemetry		8,250	7,500	7,500	3,633	12,860	32,323	30,189
1-05-6300-600	Supplies - Lab		35,000	32,000	35,000	27,525	26,827	30,232	21,929
1-05-6300-700	Outside Lab Work		67,500	65,000	85,000	74,404	64,587	80,082	59,695
1-05-6400-000	Tools		6,500	5,000	5,000	2,596	4,405	3,415	4,661
1-05-6500-000	Chemicals		420,000	350,000	520,000	460,632	752,392	604,698	415,338
1-05-7000-100	Leases -Equipment		4,000	1,250	5,000	-	35,151	37,231	27,703
1-05-8100-200	Computer Software - Software and Upgrades		-	15,095	15,095	-	-	-	-
	Total Operating Expense		2,663,550	2,351,845	2,824,595	2,327,188	2,902,030	3,378,585	2,960,132
1-05-4900-000	Budget Inclusion Expenses		-	-	-	17,614	24,994	80,163	38,940
	Total Departmental Expenses		5,071,050	4,547,845	5,160,595	3,826,877	4,353,161	4,673,332	4,692,584

[17] Salary projections are lower for 2010 due to the Cross-Connection Controller position reporting to Engineering instead of Operations. This change has been corrected on the organizational chart shown on page XX. Projections for 2011 show all positions being filled within this department starting at the beginning of the new year.

[18] Electricity costs for the running of the water treatment plant were higher due to the wind turbine being offline for a portion of the year and increased demand usage within the new plant. 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 prior years.

Administrative Services Department

THIS PAGE INTENTIONALLY LEFT BLANK

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 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.

2010 WATER YEAR INDICATORS:

1) 5,976 +/- Account Transfers (New Applications).*
2) Responded to 4,088 +/- non-District related or non-application based customer service orders.*
3) Issued 19,547 door tags, 1,932 shutoffs, and processed 617 returned check (NSF) related door tags/shutoffs.*
4) Processed 251,315 payments: Make up was 129,670 mail payments, 64,428 front counter, 16,223 credit card by telephone, 34,198 online credit cards and 6,798 ACH (Metavante).
5) 18,432 acre feet of water billed.*
6) 25,947 total active customer accounts*.
7) 27,624 total customers (active and inactive).

* All numbers are based on a reporting period of January 1 through October 31, 2010.

2010 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 the initial re-implementation of the enterprise software packages.

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.
2) Completed the implementation of new rate structure with individual water budgets.
3) Provided Customer Service staff with additional training/education to promote effective customer service practices/programs to meet the changing needs of our customers.
4) Using various communication channels to promote our online website (signs in lobby area and night drop, newsletter, 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.

2010 ACCOMPLISHMENTS (continued):

5) Coordinating the large meter repair, and testing as well as overseeing replacement of large meters to improve accuracy and reliability.
6) Overseeing, coordinating and maintaining the replacement of radio read meters in various routes.

2011 OBJECTIVES:

Finance Staff

1) Complete year-end audit and required financial reporting in a timely manner.
2) Continue to provide technical, financial, and acquisition support to all departments.
3) Continue to provide monthly financial reports to the General Manager and Board of Directors.
4) Complete 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 throughout 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 contact customers quickly in specific areas in case of emergency shutdowns.
9) Implement Electronic Bill Presentment and Payment option to our customers.

Palmdale Water District
Budget 2011

Administrative Services			BUDGET 2011	PROJECTED 2010	BUDGET 2010	ACTUAL 2009	ACTUAL 2008	ACTUAL 2007	ACTUAL 2006
PERSONNEL BUDGET:									
1-06-4000-000	Salaries	[19]	1,540,000	1,630,000	1,655,000	1,612,399	1,751,372	981,532	1,029,376
Employee Benefits									
1-06-4005-000	Payroll Taxes	[19]	118,000	124,000	127,000	123,066	134,500	73,023	81,875
1-06-4010-000	Health Insurance	[19]	365,000	337,500	360,000	321,174	319,002	196,752	197,986
1-06-4015-000	PERS	[19]	276,500	271,000	283,000	258,327	280,419	150,833	157,131
	Subtotal (Benefits)		759,500	732,500	770,000	702,567	733,921	420,609	436,992
	Personnel Expenses		2,299,500	2,362,500	2,425,000	2,314,966	2,485,293	1,402,140	1,466,368
OPERATING EXPENSES:									
1-06-4050-000	Staff Travel		1,000	1,250	5,000	481	14,873	10,168	6,023
1-06-4060-000	Staff Conferences & Seminars		500	750	3,000	270	11,608	5,119	4,390
1-06-4155-000	Contracted Services		-	-	-	35,340	16,708	-	-
1-06-4155-100	Contracted Services - Infosend		205,000	227,000	220,000	220,054	213,477	210,932	194,002
1-06-4165-000	Memberships/Subscriptions		500	500	500	195	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		2,000	9,000	7,500	8,874	7,587	3,535	3,924
1-06-4235-440	Maint. & Rep. Operations - Large Meters	[20]	41,000	35,000	17,500	12,240	7,898	6,990	7,418
1-06-4235-470	Maint. & Rep. Operations - Meter Exchanges	[21]	125,000	123,000	-	-	-	-	-
1-06-4250-000	General Material & Supplies		4,000	3,250	10,000	8,726	15,197	-	-
1-06-4260-000	Business Forms	[22]	10,000	21,500	18,000	10,497	11,748	10,152	13,951
1-06-4270-100	Telecommunication - Office		30,000	30,000	30,000	25,606	28,464	26,709	26,177
1-06-4270-200	Telecommunication - Cellular	[23]	20,000	23,500	20,750	17,382	17,956	10,301	8,549
1-06-4270-300	Telecommunication - Other		-	-	-	63	-	3,289	5,933
1-06-4300-100	Testing - Meter Testing	[24]	-	-	3,500	183	-	-	-
1-06-4300-200	Testing - Large Meter Testing		21,500	20,000	20,000	16,135	13,302	7,075	-
1-06-6300-000	Supplies		-	-	-	-	-	34,835	37,089
1-06-7000-100	Leases - Equipment		2,200	1,750	2,000	1,319	1,304	1,151	1,840
	Total Operating Expense		462,700	496,500	357,750	357,365	367,772	367,721	356,622
1-06-4900-000	Budget Inclusion Expense		-	-	-	-	486,384	599,206	977,544
	Total Departmental Expenses		2,762,200	2,859,000	2,782,750	2,672,331	3,339,449	2,369,067	2,800,534

[19] Salaries and Benefits are reduced for 2011 due to shift of staff members into the new Information Technology Department.

[20] Maintenance related to the repair of large meters has increased due to the need to replace obsolete Neptune compound meters. These meters will be phased out and replaced with newer units over the course of the year.

[21] Maintenance related to the general repair of meters, registers, and Itron ERTs have been separated out from the Maintenance & Repair Operations - Water Lines account in the Facilities Department. This is to better track the associated expenses during the year and better project water line repair costs in the Facilities Department. Currently the field service personnel carry out the repair on the meters and related components.

[22] Business forms included a one time charge for angle stop hanger tags for the 2010 year. The amount of this charge was $11,523.75 and will not be necessary for the 2011 budget.

[23] Telecommunications - Cellular includes all costs related to cellular phone stipends for employees as well as two District owned cellular phones. The two District owned phones are used by the oncall agent (after hours) and the on-duty water treatment plant operator. The water treatment plant phone is used when the on-duty operator goes out to do tasks related to Palmdale Lake and DWR outlet stucture.

[24] The Testing - Meter Testing account has been consolidated into the Testing - Large Meter Testing account. No increase in the 2011 budget is needed for this consolidation.

THIS PAGE INTENTIONALLY LEFT BLANK

Water Conservation Department

THIS PAGE INTENTIONALLY LEFT BLANK

Water Conservation Department

DESCRIPTION:

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

2010 ACCOMPLISHMENTS:

1) Provide tours of both Littlerock Dam and WTP for elementary schools throughout the year.
2) Participated in the City of Lancaster's Home & Garden Show.
3) Participated in the City of Palmdale's Thursday Night on the Square events.
4) Partnered with the City of Palmdale in their "Fix a Leak Day" program.
5) Participated in carrying out high school speech contest by collaborating with Quartz Hill Water District and Los Angeles County Waterworks.
6) Planned and developed six bi-monthly PWD "Water News" inserts distributed with customer bills.
7) Planned and developed the monthly PWD employee newsletter.
8) Carried out four landscape workshops and three "Cash for Grass" landscape-training workshops during the year.
9) Develop monthly water use reports for the Palmdale School District and Antelope Valley Union High School District's (AVUHSD) Palmdale High School.
10) Plan, develop and execute rebate programs throughout the year including; "Cash for grass," washing machine rebates, toilet rebates, MP rotator rebates, smart controller rebates, and PWD/HydroPoint smart controller program.
11) Generated necessary press releases throughout the year for water conservation rebates, public information and general PWD public relations.
12) Developed promotional media for water conservation rebates and public information.
13) Compiled water use data on rebate customers for water savings throughout the year.
14) Assisted the Administrative Service Department's customer service group with customer leak and variance applications.
15) Assisted the Administrative Service Department's field service group with their meter replacement written program and sent a copy to the Department of Water Resources (DWR).
16) Compiled water use information for 2009 year to comply with AB 1420 and answered question sheets for Engineering Department and AB 1420 consultant.
17) Assisted the Water and Energy Manager with Urban Water Management Plan documentation.
18) Outlined compliance and budget sheets for BMP's.
19) Compiled necessary data for reporting the CUWCC BMP's.
20) Provided information and contractor to environmental committee on Natural Solutions Pete Knight High school landscape soil amendment/water use reduction program.

2011 OBJECTIVES:

1) Plan, develop and execute class contests for elementary schools.
2) Provide six tours for elementary schools throughout the year.
3) Provide six classroom presentations to elementary schools throughout the year.
4) Plan, develop and execute PWD's six bi-monthly "Water News" billing inserts.
5) Plan, develop and execute PWD's monthly employee newsletter.
6) Continue compiling water use data on rebate customers for water savings throughout the year.
7) Continue monthly water use reports for the Palmdale School District and AVUHSD Palmdale High School.
8) Plan, develop and execute two to three "Fix a leak Workshops."
9) Plan, develop and execute six landscape workshops.
10) Continue executing rebate programs including: "Cash for grass," washing machine rebates, toilet rebates, MP rotator rebates, smart controller rebates, and PWD/HydroPoint smart controller program.
11) Continue helping Water and Energy, Manager with Urban Water Management Plan documentation.
12) Plan, develop, and complete compliance worksheets for CUWCC and turn into the Department of Water Resources (DWR).
13) Plan, develop and execute press releases for water conservation rebates, public information and general PWD public relations.
14) Plan, develop and execute promotional media for water conservation rebates and public information.
15) Provide contractor updates to environmental committee on Natural Solutions/Pete Knight High School landscape soil amendment/water-use reduction program.
16) Develop and provide conservation materials for the City of Lancaster's Home and Garden Show.

Palmdale Water District
Budget 2011

Water Conservation		BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2011	2010	2010	2009	2008	2007	2006
1-07-4000-000	Salaries	150,000	148,500	200,000	143,633	148,730	-	-
Employee Benefits								
1-07-4005-000	Payroll Taxes	11,500	11,500	15,500	10,988	11,378	-	-
1-07-4010-000	Health Insurance	15,500	12,750	24,000	13,524	14,701	-	-
1-07-4015-000	PERS	27,000	24,750	34,500	23,179	17,350	-	-
	Subtotal (Benefits)	54,000	49,000	74,000	47,692	43,429	-	-
	Personnel Expenses	204,000	197,500	274,000	191,324	192,159	-	-
OPERATING EXPENSES:								
1-07-4050-000	Staff Travel	1,000	750	1,000	268	4,077	-	-
1-07-4060-000	Staff Conferences & Seminars	500	500	500	100	2,653	-	-
1-07-4190-300	Public Relations - Landscape Workshop/Training	2,500	500	500	158	291	-	-
1-07-4190-400	Public Relations - Contests	1,500	-	-	-	2,631	-	-
1-07-4190-500	Public Relations - Education Programs	1,000	500	2,000	1,678	9,943	-	-
1-07-4190-700	Public Relations - General Media	-	-	-	13,544	34,093	-	-
1-07-6300-100	Supplies - Misc.	2,000	2,750	7,500	1,912	9,757	-	-
	Water Awareness	-	-	-	-	78,421	131,567	117,515
	Total Operating Expense	8,500	5,000	11,500	17,659	141,866	131,567	117,515
1-07-4900-000	Budget Inclusion Expense	-	-	-	43,356	209,142	-	-
	Total Departmental Expenses	212,500	202,500	285,500	252,339	543,167	131,567	117,515

THIS PAGE INTENTIONALLY LEFT BLANK

Human Resources Department

THIS PAGE INTENTIONALLY LEFT BLANK

Human Resources Department

DESCRIPTION:

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

2010 ACCOMPLISHMENTS:

1) Developed and implemented first Wellness Program for District employees.
2) Held Employee Benefits/Health Fair including 14 vendors and keynote speaker.
3) Completed Compensation Survey.
4) Recruited and/or completed hiring process for eight positions.
5) Completed District's Employee Communications Plan.
6) Completed Employee Manual revisions.
7) Co-authored Customer Service Plan.
8) Completed Illness & Injury Program.
9) Implemented Workers' Compensation Procedures.
10) Implemented Performance Management System for 2010.
11) Completed Cost-of-Living Research and Presentation.

2011 OBJECTIVES:

1) Continue enhancements of Safety & Risk Management programs.
2) Implement and train staff on new Employee Procedural Manual.
3) Implement enhanced hiring process.
4) Implement Phase II of District Wellness Program.
5) Coordinate Employee Benefits/Health Fair.
6) Develop Employee-specific Training Policy & Program.
7) Develop Succession Plan for staffing.
8) Enhance New Employee Orientation Process.

Palmdale Water District
Budget 2011

Human Resources			BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:			2011	2010	2010	2009	2008	2007	2006
1-08-4000-000	Salaries		124,000	106,750	95,000	-	-	-	-
Employee Benefits									
1-08-4005-000	Payroll Taxes		9,500	8,250	7,500	-	-	-	-
1-08-4010-000	Health Insurance	[25]	38,000	13,750	22,000	-	14,701	-	-
1-08-4015-000	Pers		23,000	17,250	16,500	-	-	-	-
	Subtotal (Benefits)		70,500	39,250	46,000	-	14,701	-	-
	Personnel Expenses		194,500	146,000	141,000	-	14,701	-	-
OPERATING EXPENSES:									
1-08-4050-000	Staff Travel		2,000	1,750	1,500	-	-	-	-
1-08-4060-000	Staff Conferences & Seminars		2,000	1,500	1,500	-	-	-	-
1-08-4090-000	Temporary Staffing		-	-	-	9,640	90,179	-	-
1-08-4095-000	Employee Recruitment		3,000	4,250	5,000	4,386	4,057	4,702	6,836
1-08-4100-000	Employee Retention		1,000	1,000	1,000	717	1,100	-	-
1-08-4105-000	Employee Relations		3,000	2,250	3,000	2,494	17,389	-	-
1-08-4110-000	Consultants		1,000	1,000	8,000	15,602	39,662	11,400	13,975
1-08-4120-100	Training - Safety/HR Consultants		30,000	20,000	27,500	15,742	21,525	50,016	54,747
1-08-4121-000	Safety/HR Program		1,000	-	500	2,417	13,102	7,326	5,372
1-08-4165-000	Memberships/Subscriptions		1,000	500	750	-	-	-	-
1-08-4165-100	HR/Safety Publications		1,000	-	-	-	-	-	-
1-08-6300-500	Supplies - Safety		33,500	28,500	20,000	18,378	3,660	11,005	10,698
	Total Operating Expense		78,500	60,750	68,750	69,376	190,674	84,448	91,628
	Total Departmental Expenses		273,000	206,750	209,750	69,376	205,375	84,448	91,628

[25] Human Resources Benefits include costs associated with Cobra benefits for the person that held the Risk Management & Safety Coordinator position. This individual is re-imbursing the District for his portion of the Cobra costs and is included in the other operating revenue portion.

Information Technology Department

THIS PAGE INTENTIONALLY LEFT BLANK

Information Technology Department

DESCRIPTION:

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

2010 ACCOMPLISHMENTS:

1) Provide technical and acquisition support to all departments
2) Conducted software upgrades for Microsoft Office to Office 2007, Adobe Acrobat Pro upgrade and numerous service pack upgrades to the utility billing software.
3) Repaired faulty media player in Boardroom
4) WTP Lab network wiring project
5) Replacement of four critical servers and twenty outdated desktop computers
6) Upgraded firewall to increase network security
7) Replaced anti-virus software
8) Created test environment for utility billing software
9) Replaced failed video recording device to support security cameras
10) Replaced faulty entrance keypad on North door
11) Initiated redesign of the District website

2011 OBJECTIVES:

1) Upgrade database server hardware and software to support Microsoft SQL 2008
2) Upgrade financial system software along with the utility billing software to version 10
3) Replace existing analog/digital phone system with digital VoIP system with full call center capabilities
4) Upgrade network infrastructure to support converged data and VoIP network
5) Implement network monitoring software to support converged network
6) Virtualization of our servers to save money on equipment, heating/cooling, electricity, and to reduce the manpower hours needed to manage the servers
7) Implement a centralized storage area network that meets the current district needs and will scale up to meet the needs of the District for at least 10 years
8) Modernize our antiquated backup system to better meet the needs of the District
9) Implement a Disaster Recovery plan for mission critical data and network equipment
10) Test, identify, label, and reroute (as needed) existing network data connections
11) Conduct Social Engineering penetration testing on a random sampling of District employees to identify existing vulnerabilities; train PWD staff how to identify and report Social Engineering attacks; and retest a random sampling of staff to gauge the effectiveness of the training
12) Continue replacement of desktops, laptops, and workstations
13) Microsoft Office Upgrade to Office 2010

Palmdale Water District
Budget 2011

Information Technology			BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		[26]	2011	2010	2010	2009	2008	2007	2006
1-09-4000-000	Salaries		201,000	-	-	-	-	-	-
Employee Benefits									
1-09-4005-000	Payroll Taxes		15,500	-	-	-	-	-	-
1-09-4010-000	Health Insurance		39,000	-	-	-	-	-	-
1-09-4015-000	PERS		35,000	-	-	-	-	-	-
	Subtotal (Benefits)		89,500	-	-	-	-	-	-
	Personnel Expenses		290,500	-	-	-	-	-	-
OPERATING EXPENSES:		[26]							
1-09-4050-000	Staff Travel		1,500	-	-	-	-	-	-
1-09-4060-000	Staff Conferences & Seminars		10,000	-	-	-	-	-	-
1-09-4120-100	Cogsdale Reimplementation and Templates		120,000	70,000	140,000	218,683	170,360	-	-
1-09-4155-200	Contracted Services - ACS		-	98,000	164,000	271,244	237,160	-	-
1-09-4155-300	Contracted Services - Computer Vendors		62,000	35,000	48,000	-	-	-	-
1-09-4165-000	Memberships/Subscriptions		500	-	-	-	-	-	-
1-09-8000-100	Computer Equipment - Computers		45,000	31,000	30,000	-	48,376	13,689	12,688
1-09-8000-200	Computer Equipment - Laptops		7,500	-	-	-	-	-	-
1-09-8000-300	Computer Equipment - Monitors		1,000	750	1,500	-	-	-	-
1-09-8000-400	Computer Equipment - Printers		2,500	4,000	2,500	5,748	-	-	-
1-09-8000-500	Computer Equipment - Toner Cartridges		12,000	11,500	11,000	1,070	-	-	-
1-09-8000-600	Computer Equipment - Other		20,000	25,500	25,500	17,397	13,819	-	-
1-09-8100-100	Computer Softw are - Maint. and Support		55,000	40,000	48,000	112,596	83,254	-	-
1-09-8100-150	Computer Softw are - Cogsdale Maint. and Support		70,000	45,000	30,000	-	-	-	-
1-09-8100-200	Computer Softw are - Softw are and Upgrades		15,000	50,000	65,000	4,492	18,921	17,025	24,492
	Total Operating Expense		422,000	410,750	565,500	631,228	581,314	31,477	40,425
	Total Departmental Expenses		712,500	410,750	565,500	631,228	581,314	31,477	40,425

[26] Information Technology has been added as a new department for the 2011budget. All of the accounts listed have been segmented out from the Administrative Services Department. Any prior year balances are shown strictly for prior year balancing and most of the associated expenses occurred within the other department for historical review.

SECTION IV
SUMMARY BUDGET EXPENDITURE REQUESTS

STUDIES AND PLANNING DOCUMENTS

SAFETY AND REGULATORY COMPLIANCE

NEW EQUIPMENT

REPLACEMENT EQUIPMENT

GENERAL PROJECTS

REPLACEMENT CAPITAL PROJECTS

NEW CAPITAL PROJECTS

NEW CAPITAL PROJECTS (CIF)

THIS PAGE INTENTIONALLY LEFT BLANK

Palmdale Water District
Budget 2011
Studies and Planning Documents

REQ. #	DESCRIPTION	Dept.	2011 FUND SOURCE BREAKDOWN			BUDGETING YEAR AMOUNT		
			O&M	WS	WQ	2011	2012	2013
Studies and Planning Documents								
PL01	Garden Bar Study (New Source Water - CO)	ADM	-	40,000	-	40,000	-	-
PL02	Recycled Water Master Plan - CEQA (CO)	ENG	-	-	-	-	60,000	-
PL03	Strategic Water Resources Plan - CEQA (CO)	ENG	-	125,000	-	125,000	-	-
PL04	Johnson Controls - Energy Savings Study (CO)	ENG	-	-	-	-	-	-
PL05	2010/2011 Urban Water Management Plan (Update - CO)	ENG	-	20,000	-	20,000	-	-
PL06	PWD Personnel Vulnerability Test & Training	IT	-	-	-	-	10,000	-
			-	185,000	-	185,000	70,000	-
		Total Fund Source:	185,000					

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 2011
Safety and Regulatory Compliance

REQ. #	DESCRIPTION	Dept.	2011 FUND SOURCE BREAKDOWN		BUDGETING YEAR AMOUNT		
			O&M	AR	2011	2012	2013
Safety and Regulatory Compliance							
SF01	Roof Access Ladders (Back Shop Buildings)	FAC	4,000	-	4,000	-	-
SF02	Automated Electronic Debfibrillator (AED - Qty. 5)	HR	-	-	-	8,000	-
SF03	Permanent Brine Tank Ladder Installation	OPS	5,600	-	5,600	-	-
			9,600	-	9,600	8,000	-
		Total Fund Source:	9,600				

Palmdale Water District
Budget 2011
New Equipment

REQ. #	DESCRIPTION	Dept.	2011 FUND SOURCE BREAKDOWN		BUDGETING YEAR AMOUNT		
			O&M	AR	2011	2012	2013
New Equipment							
NE01	ArcGIS Server Technology (CO)	ENG	-	-	-	75,000	-
NE02	Project Management & Planning Software (CO)	ENG	-	-	-	40,000	-
NE03	Warehouse Storage Racks	FAC	-	-	-	15,000	-
NE04	Pipe Cutter (Chain Saw for Large Diameter Pipe)	FAC	3,200	-	3,200	-	-
NE05	2011 Utility Truck w/Crane & Air Compressor	FAC	-	-	-	75,000	-
NE06	Diesel Powered Tamper (Qty. 2)	FAC	8,000	-	8,000	-	-
NE07	Refrigerant Recovery Equipment & HVAC Service Tools	FAC	5,000	-	5,000	-	-
NE08	Service Truck Tools	FAC	-	-	-	10,000	-
NE09	Crew Truck	FAC	-	-	-	80,000	-
NE10	CMMS Software (FAC/OPS)	Multiple	95,000	-	95,000	-	-
NE11	PDA/Barcode Scanners (CMMS Software)	FAC	-	-	-	12,000	-
NE12	Customer Service IVR Telephony System (CO)	IT	Consolidated with PRO06		-	-	-
NE13	Lab Equipment for DBP & VOC Analysis	OPS	-	140,000	140,000	-	-
NE14	Ultrameter II (Portable Multi-parameter Probe)	OPS	-	-	-	2,800	-
NE15	TOC Clean Stream 6 Module	OPS	-	-	-	8,200	-
NE16	Surface Wash Pump (Spare)	OPS	-	-	-	15,000	-
			111,200	140,000	251,200	333,000	-
		Total Fund Source:	251,200				
		Potential Lease Items:	148,000				

Palmdale Water District
Budget 2011
Replacement Equipment

REQ. #	DESCRIPTION	Dept.	2011 FUND SOURCE BREAKDOWN		BUDGETING YEAR AMOUNT		
			O&M	AR	2011	2012	2013
Replacement Equipment							
RE01	9055 Replacement Printer/Copier (Front Office)	ASR	-	15,000	15,000	-	-
RE02	Replacement Wheel Loader (CO)	FAC	Re-evaluated see RE06 - RE08		-	-	-
RE03	2011 1/2-Ton Truck (Replaces 281-26)	FAC	-	20,000	20,000	-	-
RE04	Replacement Truck Mounted Air Compressors (Truck 88 & 89)	FAC	-	-	-	40,000	-
RE05	Automotive Scan Tool	FAC	-	-	-	10,000	-
RE06	Backhoe (Used)	FAC	-	60,000	60,000	-	-
RE07	Dump Truck (Used)	FAC	-	50,000	50,000	-	-
RE08	Loader (Used)	FAC	-	-	-	50,000	-
RE09	Replacement Voice Mail Server (CO)	IT	Consolidated with PRO06		-	-	-
RE10	Upgrade to Internet Backbone Hardware (CO)	IT	4,500	-	4,500	-	-
RE11	Replacement Turbidimeters (Qty. 4)	OPS	-	-	-	10,600	-
RE12	Replacement Toughbook Laptops (Qty. 2)	OPS	-	13,300	13,300	-	-
RE13	Replacement Sedan (Replaces 281-23)	FAC	-	25,000	25,000	-	-
			4,500	183,300	187,800	110,600	-
		Total Fund Source:	187,800				
		Potential Lease Items:	183,300				

Palmdale Water District
Budget 2011
General Projects

REQ. #	DESCRIPTION	Dept.	2011 FUND SOURCE BREAKDOWN				BUDGETING YEAR AMOUNT		
			O&M	AR	WQ	CON	2011	2012	2013
General Projects									
PRO01	Booster Pump Replacement (3M Tank Site)	FAC	-	-	-	-	-	20,000	-
PRO02	Booster Station Spare Parts	FAC	-	-	-	-	-	25,000	-
PRO03	Well 15 - Scheduled Maintenance	FAC	-	-	-	-	-	40,000	-
PRO04	Web Server/Web Site Redesign (CO - Completion)	IT	45,000	-	-	-	45,000	-	-
PRO05	Upgrade Network Infrastructure	IT	-	340,000	-	-	340,000	-	-
PRO06	Replacement Telephone System	IT	-	250,000	-	-	250,000	-	-
PRO07	Network Cabling Test & Label	IT	-	-	-	-	-	8,000	-
PRO08	Network Monitoring Software	IT	-	-	-	-	-	4,000	-
PRO09	Server Virtualization, SAN, Backup, Disaster Recovery	IT	-	240,000	-	-	240,000	-	-
PRO10	Entry Way Buildings - GAC & Filter Galleries (CO)	OPS	-	-	-	-	-	39,000	-
PRO11	Additional Brine Tank	OPS	-	-	-	-	-	55,000	-
PRO12	Distribution SCADA Radio Upgrade	OPS	-	130,000	-	-	130,000	135,000	135,000
PRO13	DWR Building Rehabilitation **	OPS	-	-	-	-	-	35,000	-
PRO14	Epoxy Recoating Containment Area - South Chemical Building	OPS	-	-	-	-	-	35,000	-
PRO15	Filter Deck Hatch Repair	OPS	-	-	-	-	-	12,000	-
PRO16	GAC Staging Area (2000 Sq. Ft.)	OPS	-	-	-	-	-	32,500	-
PRO17	Lake Outlet Sample Platform	OPS	-	-	-	-	-	7,500	-
PRO18	Level Transmitters - NaOCl Tanks (Well & Booster Sites)	OPS	-	-	-	-	-	-	-
PRO19	Old Lab Rehabilitation	OPS	-	-	-	-	-	8,500	-
PRO20	Re-Engineering of Wash Water Return Manifold **	OPS	-	-	-	-	-	50,000	-
PRO21	Sed Basin Loading Docks	OPS	-	-	-	-	-	9,000	-
PRO22	Sludge Level Indicators	OPS	-	-	-	-	-	7,500	-
PRO23	WTP NaOCl Gen Electrode Rehabilitation (In-house Repair)	OPS	20,000	-	-	-	20,000	-	-
PRO24	2011 Water Rebate Program - Controllers, Turf Replacement, etc.	WC	-	-	-	250,000	250,000	250,000	250,000
PRO25	Landscape Design Booklet (Shared costs with other agencies)	WC	-	-	-	-	-	9,600	-
			65,000	960,000	-	250,000	1,275,000	782,600	385,000
		Total Fund Source:	1,275,000						
		Potential Lease Items:	960,000						

Palmdale Water District
Budget 2011
Replacement Capital Projects

REQ. #	DESCRIPTION	Dept.	2011 FUND SOURCE BREAKDOWN			BUDGETING YEAR AMOUNT		
			O&M	WS	AR	2011	2012	2013
Replacement Capital Projects								
RCP01	Radio-Read Meters	ASR	-	-	-	-	413,000	1,605,000
RCP02	Installation of Radio-Read Meters	ASR	-	-	-	-	35,000	140,000
RCP03	Well No. 24A - Design & Const. (Rep. Lanc. Subbasin - CO)	ENG	-	-	-	-	500,000	-
RCP04	Dredging at WTP Inlet Structure - Construction (CO)	ENG	-	-	-	-	200,000	-
RCP05	Storage Tank Re-Coatings - Annual Maint. Contract (Year 4 of 5)	ENG	360,000	-	-	360,000	360,000	400,000
RCP06	Spec. No. 1001 - Avenue Q / 10th to 20th ST E (GROUP 15)	ENG	-	-	625,000	625,000	-	-
RCP07	Spec. No. 0902 - Avenue Q-3 / Division - Sumac Ave (GROUP 16)	ENG	-	-	-	-	615,000	-
RCP08	Spec. No. 0903 - 9th/12th Street East s/o Avenue Q (GROUP 1)	ENG	-	-	300,000	300,000	200,000	-
RCP09	Replacement Project - 15th ST E & Avenue P8 (GROUP 4)	ENG	-	-	-	-	625,000	-
RCP10	Replacement Project - 22nd ST E from Ave Q to Ave Q5 (GROUP 8)	ENG	-	-	-	-	950,000	-
RCP11	Spec. No. 0904 - Avenue Q-5 / 16th Street East (GROUP 2)	ENG	-	-	-	-	275,000	-
RCP12	Replacement Project - Avenue P14 (GROUP 5)	ENG	-	-	-	-	50,000	-
RCP13	Replacement Project - Avenue Q1-5 & 5th ST E (GROUP 13)	ENG	-	-	-	-	40,000	-
RCP14	Replacement Project - Avenue Q1-3 & 15th ST E (GROUP 6)	ENG	-	-	-	-	43,000	-
RCP15	Replacement Project - Avenue P4-5 & 10th ST E (GROUP 7)	ENG	-	-	-	-	-	815,000
RCP16	Replacement Project - Avenue Q, Q4 & Frontier (GROUP 9)	ENG	-	-	-	-	-	1,100,000
RCP17	Replacement Project - Avenue S10 & 40th ST E (GROUP 10)	ENG	-	-	-	-	-	180,000
RCP18	Replacement Project - Avenue S & Dow ning (GROUP 11)	ENG	-	-	-	-	-	102,000
RCP19	Replacement Project - Camares, Lago Lindo & Barrel Spgs (GROUP 12)	ENG	-	-	-	-	-	288,000
RCP20	Replacement Project - Division, 2nd & 3rd ST E (GROUP 14)	ENG	-	-	-	-	-	1,260,000
RCP21	Well 20 Abandonment	FAC	15,000	-	-	15,000	-	-
RCP22	Well 20A - Design & Const.	FAC	-	-	-	-	600,000	-
RCP23	Well 11A Rehabilitation	FAC	-	300,000	-	300,000	-	-
RCP24	Well 4A Rehabilitation	FAC	-	-	-	-	-	250,000
RCP25	Security Access System - Main Office/N.O.B./Back Gates (CO)	IT	-	-	-	-	125,000	-
RCP26	Plate Settlers - Beam Replacement Project	OPS	-	-	-	-	-	370,000
			375,000	300,000	925,000	1,600,000	5,031,000	6,510,000
		Total Fund Source:	1,600,000					

Palmdale Water District
Budget 2011
New Capital Projects

REQ. #	DESCRIPTION	Dept.	2011 FUND SOURCE BREAKDOWN			BUDGETING YEAR AMOUNT		
			O&M	WS	AR	2011	2012	2013
New Capital Projects								
NCP01	WTP Security System (CO)	ENG	-	-	50,000	50,000	175,000	-
NCP02	Solar Power System - Constructed under power purchase agreement	ENG	-	-	-	-	-	-
NCP03	Littlerock Dam Sediment Removal - EIR/Grade Control/Dredging (CO)	ENG	-	150,000	-	150,000	4,250,000	1,600,000
			-	150,000	50,000	200,000	4,425,000	1,600,000
		Total Fund Source:	200,000					

Palmdale Water District
Budget 2011
New Capital Projects (CIF)

REQ. #	DESCRIPTION	Dept.	2011 FUND SOURCE BREAKDOWN		BUDGETING YEAR AMOUNT		
			CF	WS	2011	2012	2013
New Capital Projects (CIF)							
NCC01	Well No. 34A - Design & Construction (Lanc. Subbasin)	ENG	-	-	-	1,500,000	-
NCC02	Recycled Water System Design	ENG	-	-	-	125,000	-
NCC03	Recycled Water System Construction	ENG	-	-	-	250,000	2,000,000
			-	-	-	1,875,000	2,000,000
		Total Fund Source:	-				

APPENDIXES

APPENDIX A
BUDGET CONTROL GUIDELINES

APPENDIX B
DISTRICT INFORMATION

APPENDIX C
RESOLUTION No. 09-03 – RESERVE POLICY

APPENDIX D
CALIFORNIA WATER CODE – SECTION 370-374

APPENDIX E
GLOSSARY

THIS PAGE INTENTIONALLY LEFT BLANK

APPENDIX A
BUDGET CONTROL GUIDELINES

THIS PAGE INTENTIONALLY LEFT BLANK

BUDGET CONTROL GUIDELINES

The 2011 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 2011 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.

THIS PAGE INTENTIONALLY LEFT BLANK

APPENDIX B
DISTRICT INFORMATION

THIS PAGE INTENTIONALLY LEFT BLANK

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

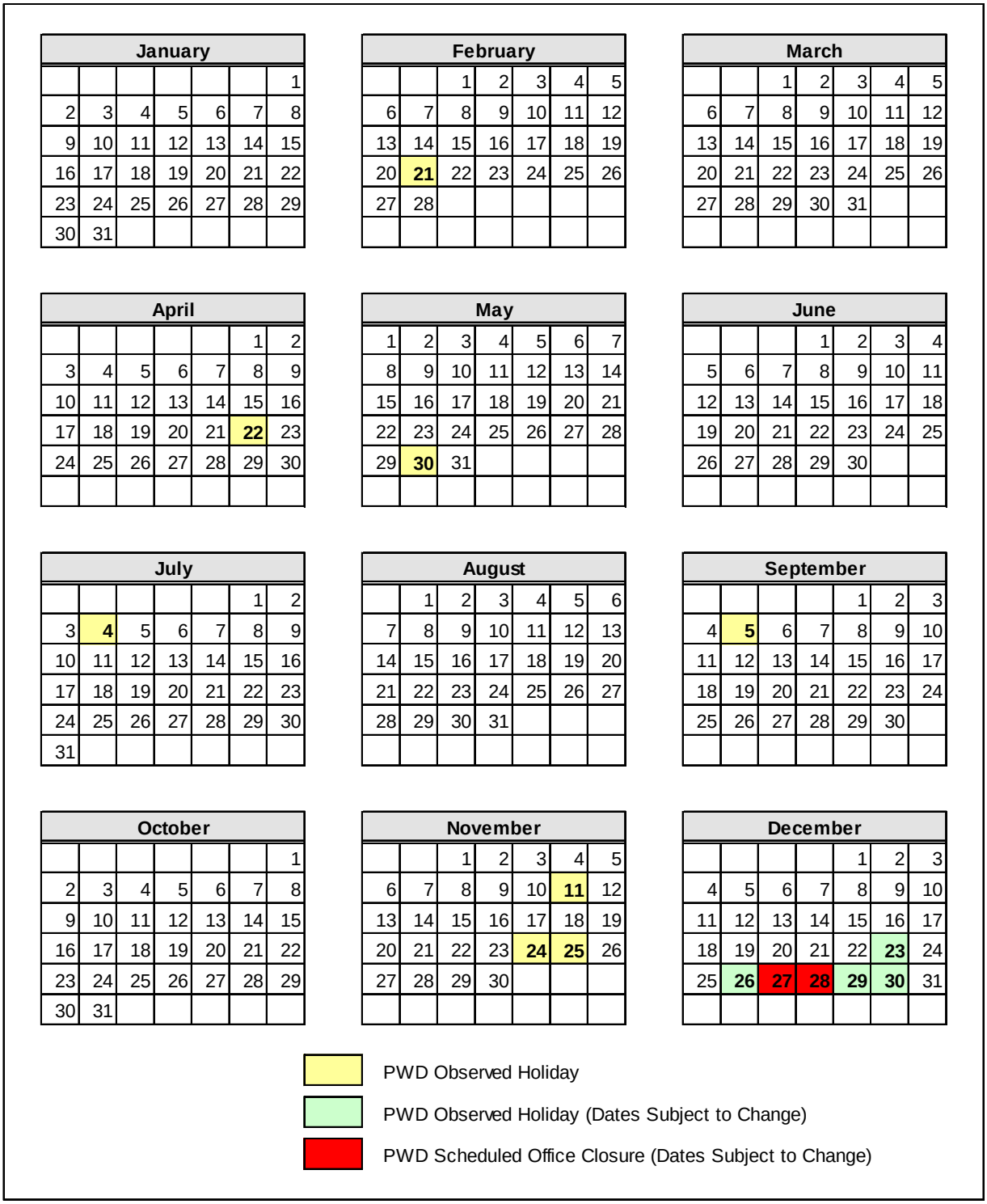
Commodity Rates ($/ccf)	
Tiers	
Tier 1	0.64
Tier 2	2.50
Tier 3	3.20
Tier 4	4.16
Tier 5	5.03
Water Quality Fee ($/ccf)	
0.20	
Elevation Booster Surcharge ($/ccf)	
B	-
A1	0.23
A2	0.49
A3	1.71

PALMDALE WATER DISTRICT
2011 Proposed Water Rate Schedule – 5%

Meter Fee Charge (Effective 01/01/2011)	
5/8”	24.97
1”	47.44
1-1/2”	84.89
2”	129.84
3”	234.72
4”	384.55
6”	759.11
8”	1,208.58
10”	1,732.98

Commodity Rates ($/ccf)	
Tiers	
Tier 1	0.67
Tier 2	2.63
Tier 3	3.36
Tier 4	4.37
Tier 5	5.28
Water Quality Fee ($/ccf)	
0.20	
Elevation Booster Surcharge ($/ccf)	
B	-
A1	0.16
A2	0.35
A3	0.70

PALMDALE WATER DISTRICT
2011 Holiday Observance Calendar



February 21 – Presidents Day
July 4 - Independence Day
November 24 & 25 – Thanksgiving

April 22 – Good Friday
September 5 – Labor Day
December 23 & 26 - Christmas

May 30 – Memorial Day
November 11 – Veterans Day
December 29 & 30 – New Years

THIS PAGE INTENTIONALLY LEFT BLANK

PALMDALE WATER DISTRICT
Yearly Memberships and Subscriptions
2011

Memberships:

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

PALMDALE WATER DISTRICT
Yearly Memberships and Subscriptions (Continued)
2011

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
15. Expert Exchange (Information Technology)

PALMDALE WATER DISTRICT
Installed Pipeline Chart – Detail Breakdown

Length of Pipe (ft) by Year Constructed Source: GIS MainLine feature class data as of Nov 9, 2010															$/in-dia 11.50
Pipe Diameter (in)	1945-1949 (65 - 61)	1950-1954 (60 - 56)	1955-1959 (55 - 51)	1960-1964 (50 - 46)	1965-1969 (45 - 41)	1970-1974 (40 - 36)	1975-1979 (35 - 31)	1980-1984 (30 - 26)	1985-1989 (25 - 21)	1990-1994 (20 - 16)	1995-1999 (15 - 11)	2000-2004 (10 - 6)	2005-2009 (5 - 1)	Total Length (ft)	Replacement Cost ($)
4	16	1,657	2,622	2,283	764	3,537	599	4,346	8,576	5,259	2,078	1,294	628	33,660	$ 1,548,349
5	0	3,544	0	0	0	0	0	0	0	0	0	0	0	3,544	203,769
6	1,170	20,251	44,024	9,241	31,687	10,067	10,020	18,985	81,819	90,961	6,468	34,625	21,975	381,292	26,309,169
8	0	6,939	4,493	11,831	17,366	16,981	7,795	61,041	295,310	235,541	43,924	70,134	53,634	824,990	75,899,060
10	0	1,641	0	0	2,792	4,072	0	14,156	59,627	29,572	0	2,312	1,255	115,426	13,273,973
12	0	2,002	21,467	24,322	38,274	12,031	1,605	17,567	101,646	100,927	34,840	36,952	26,433	418,065	57,693,016
14	0	0	0	439	0	0	0	3,202	11,624	3,480	0	0	0	18,745	3,017,945
16	0	0	2,283	1,152	3,772	5,300	0	29,256	47,225	54,108	7,558	9,823	10,181	170,658	31,400,995
18	0	0	0	0	516	0	0	5,907	2,522	2,275	208	775	0	12,203	2,525,926
20	0	0	0	0	5,911	0	0	0	50,010	37,283	0	0	3,209	96,413	22,174,900
24	0	0	0	0	11,842	0	3,333	0	18,940	5,013	0	0	17,704	56,832	15,685,742
30	0	0	0	0	0	0	0	0	1,650	0	625	0	304	2,579	889,793
36	0	0	0	0	0	0	0	0	0	0	1,073	0	0	1,073	444,027
42	0	0	0	0	0	0	0	0	1,516	0	689	0	0	2,205	1,065,015
48	0	0	0	0	0	0	0	0	0	0	441	0	0	441	243,399
Totals (LF)	1,186	36,033	74,889	49,267	112,925	51,988	23,351	154,459	680,464	564,419	97,905	155,915	135,324	2,138,125	$ 252,375,077
Totals (Miles)	0.2	6.8	14.2	9.3	21.4	9.8	4.4	29.3	128.9	106.9	18.5	29.5	25.6	404.9	
Cumulative (LF)	1,186	37,219	112,108	161,375	274,300	326,288	349,639	504,098	1,184,562	1,748,981	1,846,886	2,002,801	2,138,125		
Cumulative (Miles)	0	7	21	31	52	62	66	95	224	331	350	379	405		
Replacement Cost ($)	$ 81,459	$ 2,780,647	$ 6,954,101	$ 5,470,068	$ 14,850,907	$ 5,523,348	$ 2,577,454	$ 18,299,055	$ 83,206,639	$ 66,462,514	$ 12,060,722	$ 16,234,031	$ 17,874,133	$252,375,077	
Cumulative Replacement cost ($)	$ 81,459	$ 2,862,106	$ 9,816,207	$ 15,286,275	$ 30,137,182	$ 35,660,530	$ 38,237,985	$ 56,537,040	$139,743,678	$206,206,193	$218,266,915	$234,500,946	$252,375,079		

THIS PAGE INTENTIONALLY LEFT BLANK

APPENDIX C
RESOLUTION No. 09-03 –RESERVE POLICY

THIS PAGE INTENTIONALLY LEFT BLANK

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 and 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

THIS PAGE INTENTIONALLY LEFT BLANK

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.

THIS PAGE INTENTIONALLY LEFT BLANK

APPENDIX E
GLOSSARY

THIS PAGE INTENTIONALLY LEFT BLANK

Palmdale Water District
Budget 2011
Glossary

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

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

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

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

CalPERS See PERS

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

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

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

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

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

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

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

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

EIS Environmental Impact Study – See EIR

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

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

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

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

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

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

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

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

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

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

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

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

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.

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