PALMDALE WATER DISTRICT

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Board of Directors

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STEVE R. CORDOVA
Division 5

October 5, 2012

Agenda for Regular Meeting of the Board of Directors of the Palmdale Water District to be held at the District's office at 2029 East Avenue Q, Palmdale

Wednesday, October 10, 2012

7:00 p.m.

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

Agenda item materials, as well as materials related to agenda items submitted after distribution of the agenda packets, are available for public review at the District's office located at 2029 East Avenue Q, Palmdale. Please call Dawn Deans at 661-947-4111 x1003 for public review of materials.

PUBLIC COMMENT GUIDELINES: **The prescribed time limit per speaker is three-minutes. Please refrain from public displays or outbursts such as unsolicited applause, comments, or cheering. Any disruptive activities that substantially interfere with the ability of the District to carry out its meeting will not be permitted and offenders will be requested to leave the meeting.**

Each item on the agenda shall be deemed to include any appropriate motion, resolution, or ordinance to take action on any item.

1) Pledge of Allegiance.

2) Roll Call.

3) Adoption of Agenda.

4) Public comments for non-agenda items.

5) Presentations:

   5.1) No presentations scheduled.

6) Action Items - Consent Calendar (The public shall have an opportunity to comment on any action item as each item is considered by the Board of Directors prior to action being taken.)

6.1) Approval of minutes of regular meeting held September 26, 2012.

6.2) Payment of bills for October 10, 2012.

7) Action Items - Action Calendar (The public shall have an opportunity to comment on any action item as each item is considered by the Board of Directors prior to action being taken.)

7.1) Status report on Cash Flow Statement and Current Cash Balances as of August, 2012. (Financial Advisor Egan)

7.2) Status report on 2012 Financial Statements, Revenue and Expense and Departmental Budget Reports for August, 2012. (Finance Manager/CFO Williams)

7.3) Status report on committed contracts issued. (Engineering Manager Knudson)

7.4) Consideration and possible action to investigate refunding of 1998 and 2004 Series Certificates of Participation. (Financial Advisor Egan)

7.5) Consideration and possible action on proposal received from Siemens Industry, Inc. to supply an alternative Granular Activated Carbon (GAC) Media for full scale testing. (Operations Manager Thompson II)

7.6) Consideration and possible action to revise PWD Rules & Regulations Section 4.08 to include use of District Logo. (General Manager LaMoreaux)

7.7) Consideration and possible action on adding Section 4.10 – Directors' Social Media Communications Policy to PWD Rules & Regulations. (General Manager LaMoreaux/Outreach Committee)

7.8) Consideration and possible action on Board and staff attendance at conferences, seminars, and training sessions as follows:

a) Dionex Ion Chromatography Training to be held December 3–7, 2012 in Bannockburn, IL.

8) Information Items:

8.1) Reports of Directors: Meetings, Committee meetings, and general report.

8.2) Report of General Manager.

a) District vacancies.

b) Bill assistance status.

8.3) Report of Attorney.

9) Public comments on closed session agenda matters.

10) Closed session under:

10.1) Government Code Section 54956.9(a), existing litigation: *Antelope Valley Ground Water Cases.*

10.2) Government Code Section 54956.9(a), existing litigation: *United States, et al. v. J-M Manufacturing Company, Inc., et al., United States District Court for the Central District of California Case No. ED CV06-0055-GW.*

10.3) Government Code Section 54956.9(a), pending litigation: *Central Delta Water Agency vs. Department of Water Resources, Sacramento Superior Court Case No. 34-2010-80000561.*

10.4) Government Code Section 54956.9(a), pending litigation: *Velez v. City of Palmdale, et al, Los Angeles Superior Court Case No. MC023216.*

11) Public report of any action taken in closed session.

12) Board members' requests for future agenda items.

13) Adjournment.

Michael Williams,
Finance Manager/CFO

DDL/MAW/dh

PALMDALE WATER DISTRICT

BOARD MEMORANDUM

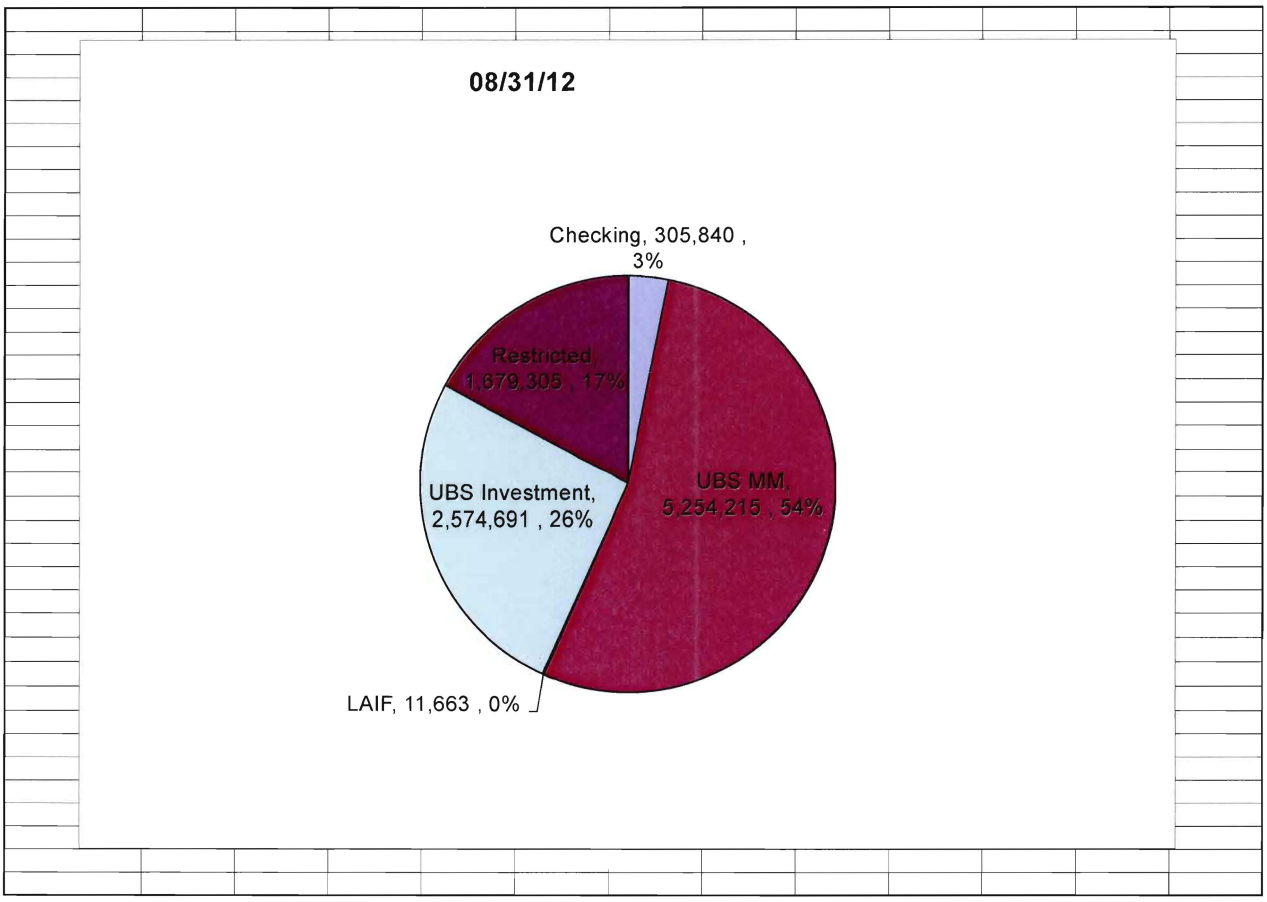
DATE:	October 3, 2012	**October 10, 2012**
TO:	BOARD OF DIRECTORS	**Board Meeting**
FROM:	Mr. Bob Egan, Financial Advisor	
RE:	***AGENDA ITEM NO. 7.1 – STATUS REPORT ON CASH FLOW STATEMENT AND CURRENT CASH BALANCES AS OF AUGUST, 2012***	

Attached is the Investment Funds Report and current cash balance as of August, 2012. The reports will be reviewed in detail at the Board Meeting.

PALMDALE WATER DISTRICT
INVESTMENT FUNDS REPORT

				August 31, 2012				
DESCR							August-12	July-12
A/C #							VALUE	VALUE
CASH								
0-0103	Citizens/US Bank - Checking						162,887.53	645,792.34
0-0104	Citizens- Merchant						139,252.96	59,372.38
						Bank cash	302,140.49	705,164.72
0-0119	PETTY CASH						300.00	300.00
0-0120	CASH ON HAND						3,400.00	3,400.00
	TOTAL CASH						305,840.49	708,864.72
INVESTMENTS								
0-0110	UBS ACCOUNT SS 11469 GG							
	UBS RMA Government Portfolio						5,004,203.42	2,881,906.66
	UBS Bank USA Dep acct						250,000.00	250,000.00
							5,254,203.42	3,131,906.66
0-1110	UBS ACCOUNT SS 11475 GG							
	UBS Bank USA Dep acct						11.99	250,000.00
	UBS RMA Government Portfolio						0.00	1,726,704.50
							11.99	1,976,704.50
0-0115	LAIF						11,662.57	11,662.57
0-0111	UBS ACCOUNT SS 11432 GG							
	UBS Bank USA Dep acct						41,642.64	250,000.00
	UBS RMA Government Portfolio						0.88	794,140.80
	Accrued interest						6,742.05	4,085.80
	US GOVERNMENT SECURITIES:							
	ISSUE			EXPIR			MARKET	MARKET
	DATE		ISSUER	DATE	RATE	PAR	VALUE	VALUE
			FHLB	10/26/15	1.625	500,000	520,235.00	520,135.00
			FHLB	03/28/17	1.00	500,000	500,280.00	500,725.00
			FNMA	06/28/17	1.125	500,000	502,520.00	
			FNMA	07/17/17	1.2	500,000	502,605.00	502,300.00
			FNMA	08/22/17	0.625	500,000	500,665.00	
						2,500,000.00	2,526,305.00	1,523,160.00
	TOTAL MANAGED ACCOUNT						2,574,690.57	2,571,386.60
	TOTAL INVESTMENTS						7,840,568.55	7,691,660.33
	TOTAL UNRESTRICTED CASH						8,146,409.04	8,400,525.05
RESTRICTED CASH								
0-1120	1998 Debt Reserve Fund							
		FHLB par 1.4Mil matures 10/18/13 3.625% interest					1,453,074.00	1,456,756.00
		Federated Treasury Obligation MM					207,481.67	207,481.67
		Accrued interest					18,749.30	14,520.13
	TOTAL Restricted CASH						1,679,304.97	1,678,757.80
	GRAND TOTAL CASH AND RESTRICTED CASH						9,825,714.01	10,079,282.85
			Checking		305,840			
			UBS MM		5,254,215			
			LAIF		11,663			
			UBS Investment		2,574,691			
			Restricted		1,679,305			
				Total	9,825,714			

PALMDALE WATER DISTRICT
INVESTMENT FUNDS REPORT



REVISED 10/03/12	2012 January	2012 February	2012 March	2012 April	2012 May	2012 June	2012 July	2012 August	2012 September	2012 October	2012 November	2012 December	YTD
Water Sales	1,407,565	1,436,524	1,558,529	1,497,910	1,650,872	2,005,547	2,291,232	2,402,584	2,335,331	1,983,766	1,941,288	1,556,933	22,068,081
	1,407,565	1,436,524	1,558,529	1,497,910	1,650,872	2,005,547	2,291,232	2,402,584	2,335,331	1,983,766	1,941,288	1,556,933	
Beginning Balance	9,581,172	10,345,101	9,804,471	8,086,077	9,219,435	10,240,691	10,246,324	10,079,283	9,825,714	7,625,704	7,113,970	7,213,001	
Water Receipts	1,689,691	1,424,941	1,673,663	1,522,158	1,589,687	1,863,677	2,042,046	2,358,043	2,362,232	2,124,392	1,958,279	1,710,675	22,319,484
Other													
Total Operating Revenue	1,689,691	1,424,941	1,673,663	1,522,158	1,589,687	1,863,677	2,042,046	2,358,043	2,362,232	2,124,392	1,958,279	1,710,675	
Operating Expenses:													
Total Operating Expenses excl GAC	1,262,300	1,771,202	1,784,873	1,418,678	1,416,937	1,705,314	1,693,126	1,954,919	1,420,932	1,482,701	1,411,243	1,546,592	18,868,817
													3,450,667
Non-Operating Revenue Expensess:													
Assessments, net	476,956	134,001	7,936	1,496,518	696,673	2,854	401,253	145,546			150,420	1,942,219	5,454,377
Special Avek CIF Payment													0
Interest	6,501	650	1,860	1,849	1,539	2,157	4,864	3,909	2,000	2,000	2,000	2,000	31,330
Grant Re-imbursement													0
Capital Improvement Fees	693,287	0	0	0	531,216	30,923	0						1,255,426
													0
DWR Refund					36,235	257,410							293,645
Other /Palmdale Redevel Agncy		44,554	11,229	11,229	13,118	124,953	16,981	6,266	12,000	12,000	12,000	12,000	276,330
Total Non-Operating Revenues	1,176,744	179,205	21,025	1,509,596	1,278,781	418,297	423,098	155,721	14,000	14,000	164,420	1,956,219	7,311,108
Capital Expenditures	(273,428)	(268,365)	(190,677)	(323,525)	(86,084)	(414,837)	(93,229)	(271,931)	(343,925)	(324,000)	(259,000)	(164,000)	(3,013,001)
GAC					(219,829)		(213,723)	(216,776)	(217,991)	(216,776)	(216,776)	(216,776)	(1,518,647)
SWP Capitalized	(566,283)	(104,714)	(129,747)	(118,652)	(118,650)	(118,650)	(611,172)	(118,650)	(148,298)	(118,649)	(118,650)	(118,650)	(2,390,765)
Prepaid Insurance (paid) refunded			(64,852)					(187,306)					(252,158)
Bond Payments Interest			(1,207,096)						(1,207,096)				(2,414,192)
Principal									(1,220,000)				(1,220,000)
System Work for AVEK													0
Butte payments										(490,000)			(490,000)
Capital leases	(495)	(495)	(35,838)	(37,540)	(5,712)	(37,540)	(20,936)	(17,751)	(18,000)	(18,000)	(18,000)	(18,000)	(228,307)
Legal adjudication fees													0
Total Cash Ending Balance	10,345,101	9,804,471	8,086,077	9,219,435	10,240,691	10,246,324	10,079,283	9,825,714	7,625,704	7,113,970	7,213,001	8,815,877	(11,527,070)
											Budget	8,100,000	(765,295)
actual cash											diff	(715,877)	

PALMDALE WATER DISTRICT

BOARD MEMORANDUM

DATE:	October 4, 2012	**October 10, 2012**
TO:	Board of Directors	**Board Meeting**
FROM:	Michael Williams, Finance Manager/CFO	
VIA:	Mr. Dennis LaMoreaux, General Manager	
RE:	***AGENDA ITEM 7.2 - STATUS REPORT ON 2012 FINANCIAL STATEMENTS, REVENUE AND EXPENSE AND DEPARTMENTAL BUDGET REPORTS FOR AUGUST, 2012***	

Discussion:

Presented here are Balance Sheet and Profit/Loss Statement for the period ending August 31, 2012. Also included are Year-To-Year comparisons, and Month-To-Month comparisons for both revenue and expense. Finally, I have provided individual departmental budget reports through the month of August, 2012.

With 8 month of the budget year complete, target percentages should be at or below 66.6% for expenditures and at or above that mark for revenue. I will discuss some areas of the statements during the presentation.

Balance Sheet:

- Page 1 is our balance sheet on August 31, 2012. There are no significant changes to report on.

Profit/Loss Statement:

- Page 3 is our profit/loss statement on August 31, 2012.
- Operating revenue is at 65% of budget.
- Cash operating expense is at 62% of budget.
- All departments are operating at 66% of budget or lower with the exception of Administrative Services which is at 68%.

Year-To-Year Comparison P&L:

- Page 7 is our comparison of August 2011 to August 2012.
- Total operating revenue is up by $12.5K or .5%.
- Operating expenditures are up by $35K or 2%.
- Page 8 is a graphic presentation of the water consumption comparison. Units billed were up 70 units or 3% with total revenue per unit consumed down by $0.06 or 2.52%. There were 93 more active connections this August compared to last year.

Revenue Analysis Year-To-Date:

- Page 9 is our comparison of revenue, year to date.

- Operating revenue is up in 2012 by $239k or 1.71% compared to 2011. In addition, looking at strictly our water sales revenue we continue to exceed last year's levels by $465K.
- Total revenue is up $1 Million or 5.7%. This is due to the Capital Improvement Fees received.

Expense Analysis Year-To-Date:

- Page 11 is our comparison of expense, year to date.
- Cash Operating Expenses in 2012 are up by $777K or 5.6% compared to 2011.
- Total Expenses are up in 2012 by $1.2M or 6% compared to 2011.

Departments:

- Pages 14 through 22 are detailed budgets of each department. As stated earlier, all departments are below the target 66.6% except for Administrative Services on page 19. The higher percentage is due primarily to the increased number of meter and register replacements.

Non-Cash Definitions

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

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

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

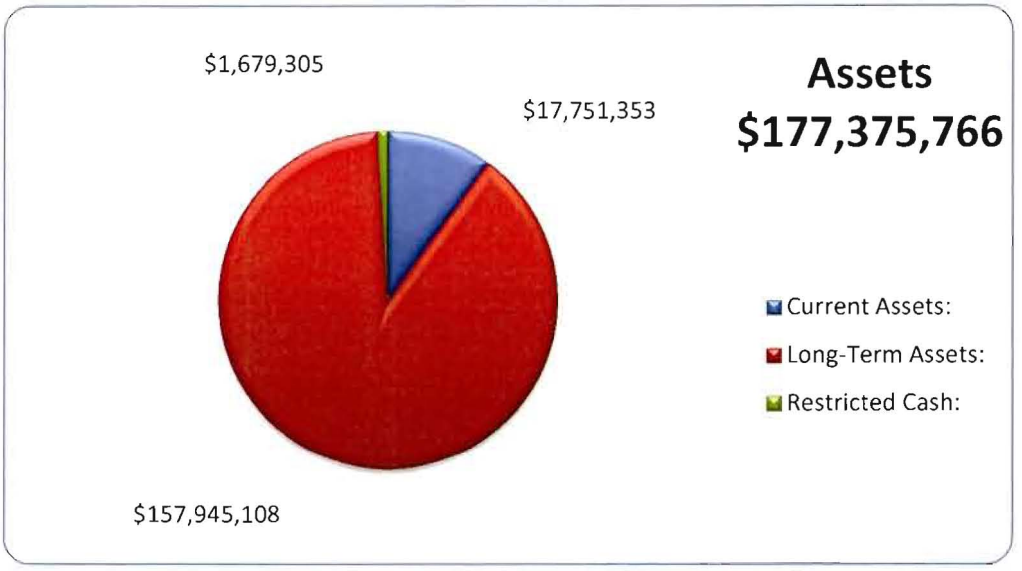
Service Cost Construction: The value of material, parts & supplies from inventory used to construct, repair and maintain our asset infrastructure.

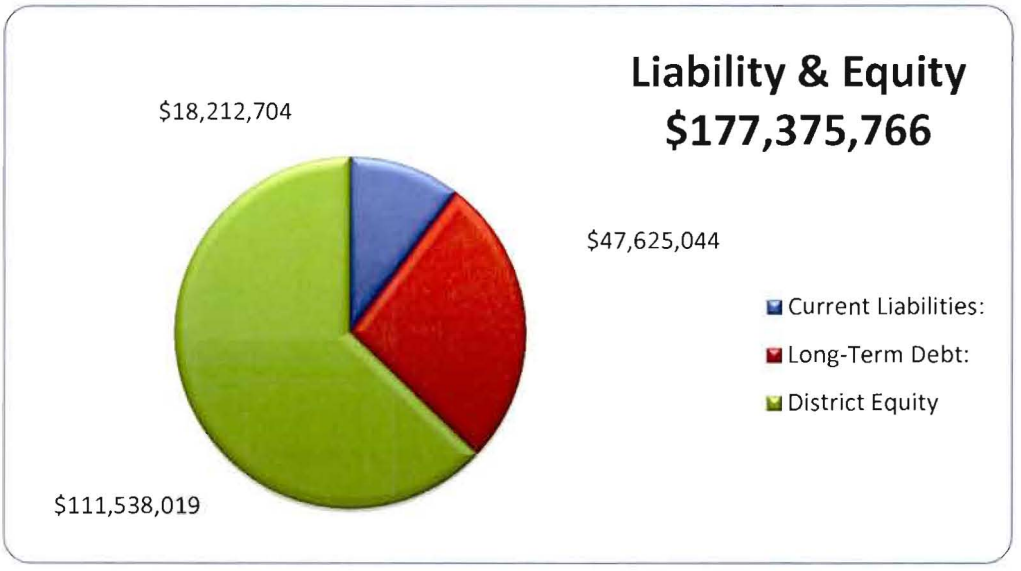
Capitalized Construction: The value of our labor force used to construct our asset infrastructure.

Palmdale Water District
Balance Sheet Report
For the Eight Months Ending 8/31/2012

	August 2012	July 2012
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 307,071	$ 710,326
Investments	7,818,470	7,669,562
Market Adjustment	-	-
	$ 8,125,541	$ 8,379,888
Receivables:		
Accounts Receivables - Water Sales	$ 2,225,427	$ 2,157,973
Accounts Receivables - Miscellaneous	66,859	69,841
Allowance for Uncollected Accounts	(264,336)	(264,336)
	$ 2,027,949	$ 1,963,478
Interest Receivable	$ -	$ -
Assessments Receivables	6,628,487	5,774,033
Meters, Materials and Supplies	730,236	662,977
Prepaid Expenses	239,139	225,872
Total Current Assets	**$ 17,751,353**	**$ 17,006,247**
Long-Term Assets:		
Property, Plant, and Equipment, net	$ 121,536,267	$ 121,744,146
Participation Rights in State Water Project, net	35,729,946	35,740,241
Bond Issuance Cost, Net	678,895	682,053
	$ 157,945,108	$ 158,166,440
Restricted Cash:		
Debt Reserve Fund - 1998 Bonds	$ 1,679,305	$ 1,678,758
Rate Stabilization Fund	-	-
Installment Payment Account - 2004 Bonds	-	-
Installment Payment Account - 1998 Bonds	-	-
	$ 1,679,305	$ 1,678,758
Total Long-Term Assets & Restricted Cash	**$ 159,624,413**	**$ 159,845,198**
Total Assets	**$ 177,375,766**	**$ 176,851,445**
LIABILITIES AND DISTRICT EQUITY		
Current Liabilities:		
Current Interest Installment of Long-term Debt	$ 1,005,913	$ 804,730
Current Principal Installment of Long-term Debt	1,220,000	1,220,000
Accounts Payable and Accrued Expenses	5,298,073	5,643,766
OPEB Liability	5,605,393	5,469,703
Deferred Assessments	5,083,324	4,583,326
Total Current Liabilities	**$ 18,212,704**	**$ 17,721,526**
Long-Term Debt:		
1998 - Certificates of Participation	$ 11,823,034	$ 11,817,907
2004 - Certificates of Participation	35,802,009	35,802,922
Total Liabilities	**$ 65,837,748**	**$ 65,342,355**
District Equity		
Revenue from Operations	$ (2,197,645)	$ (2,226,574)
Retained Earnings	113,735,664	113,735,664
Total Liabilities and District Equity	**$ 177,375,766**	**$ 176,851,445**

BALANCE SHEET AS OF AUGUST 31, 2012

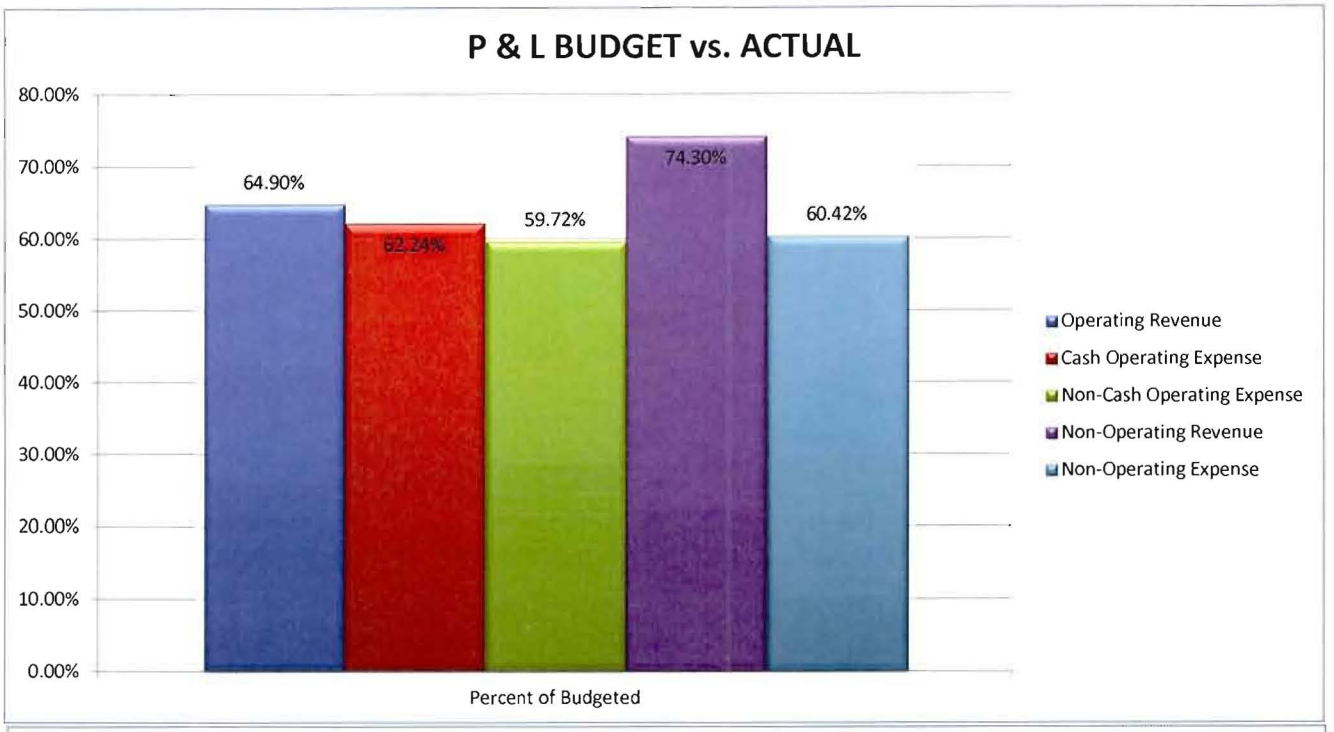


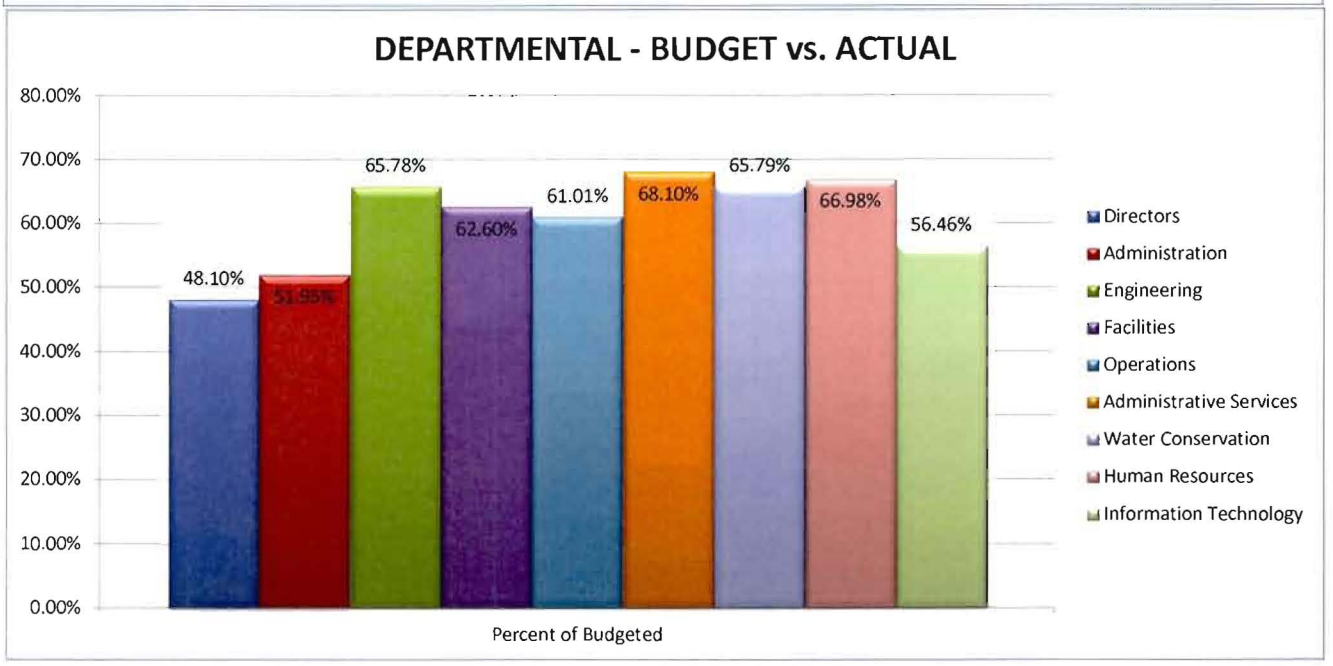


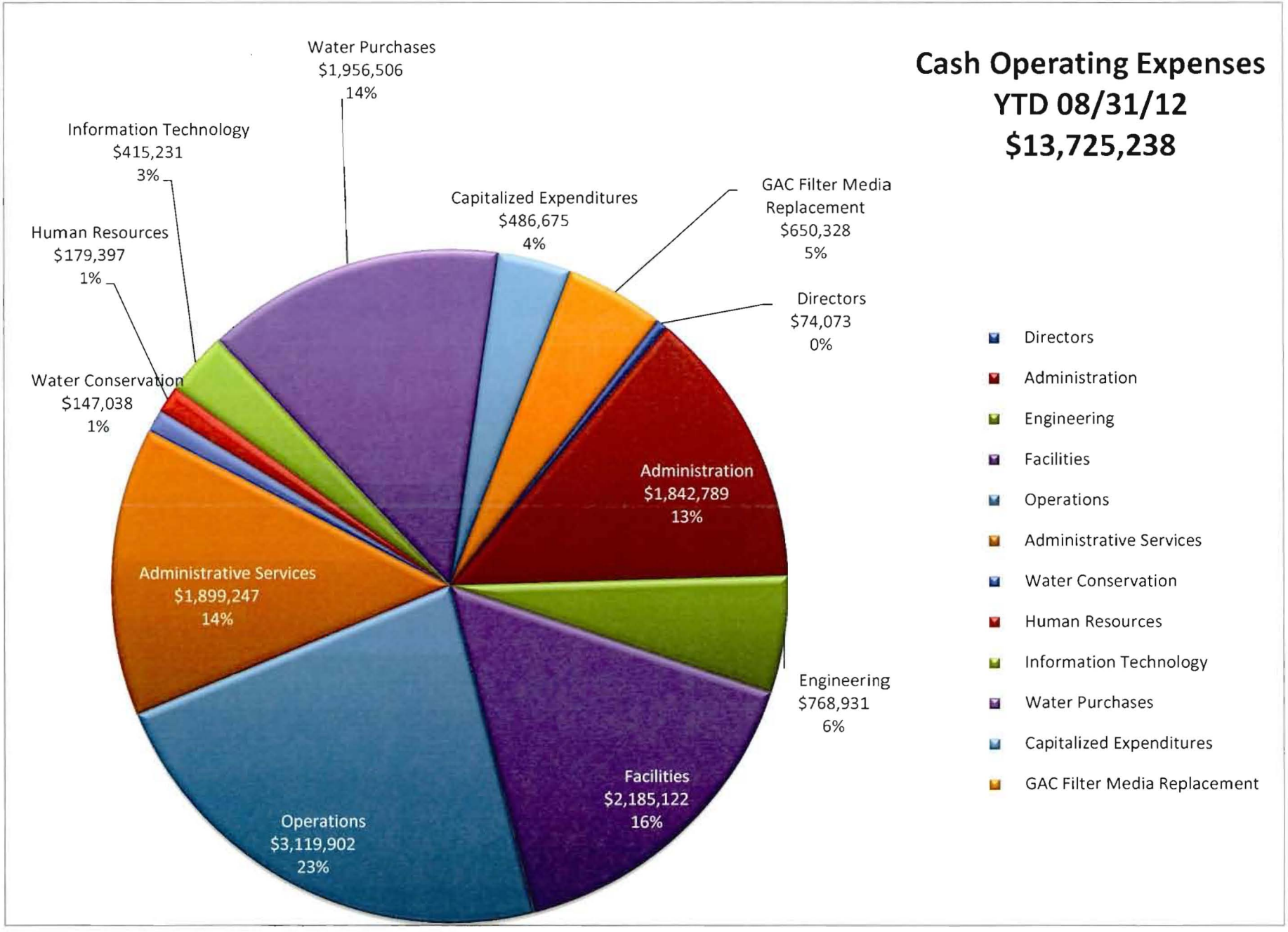
Palmdale Water District
Consolidated Profit and Loss Statement
For the Eight Months Ending 8/31/2012

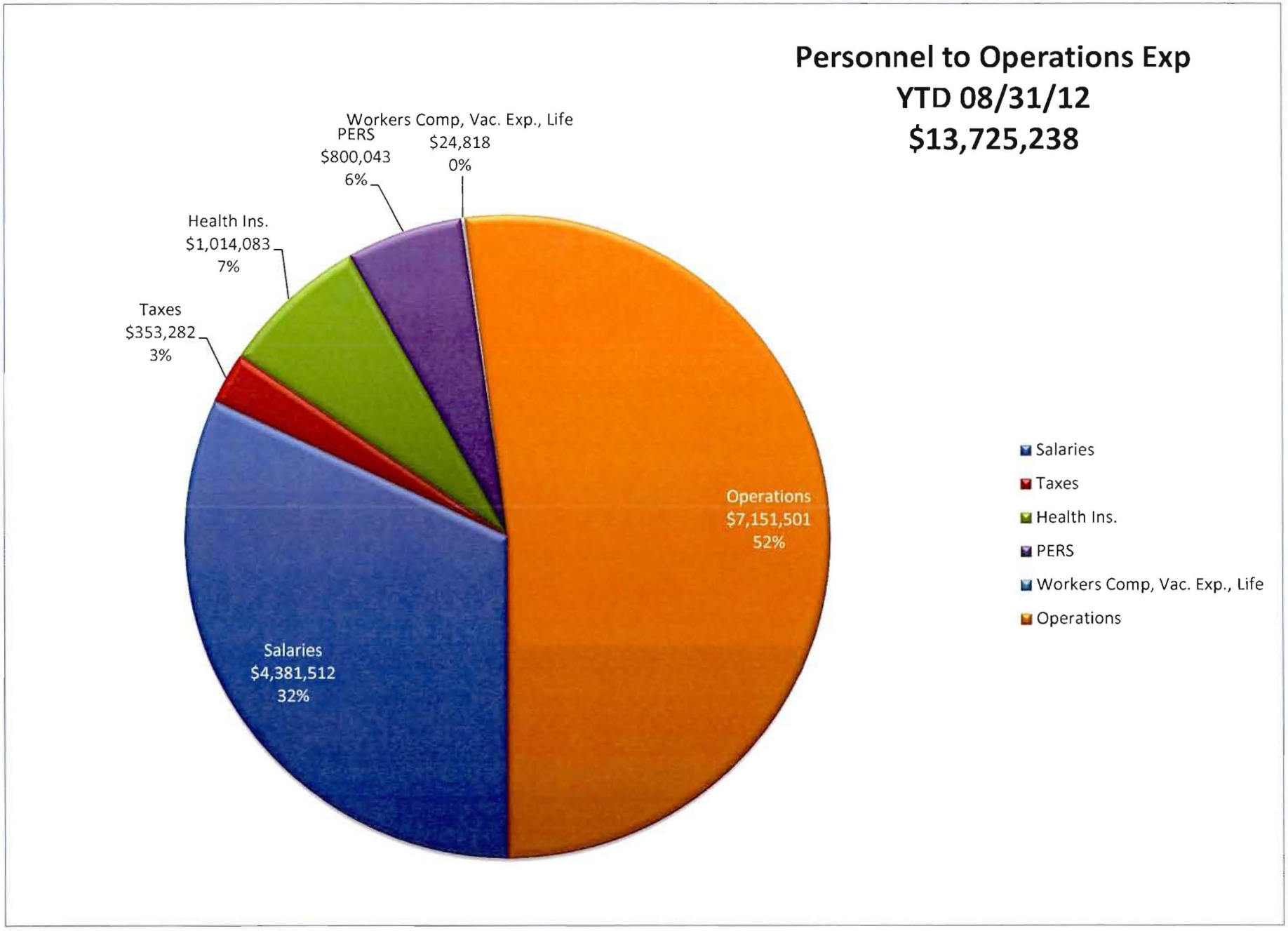
	Thru July	August	Year-to-Date	Adjustments	Adjusted Budget	% of Budget
Operating Revenue:						
Wholesale Water	$ -	$ -	$ -		$ 175,000	0.00%
Water Sales	3,926,090	1,152,212	5,078,302		8,145,000	62.35%
Meter Fees	6,033,913	862,128	6,896,040		10,400,000	66.31%
Water Quality Fees	850,706	202,050	1,052,756		1,550,000	67.92%
Elevation Fees	288,027	72,236	360,263		525,000	68.62%
Other	806,148	113,958	920,106		1,250,000	73.61%
Total Water Sales	**$ 11,904,884**	**$ 2,402,584**	**$ 14,307,467**	**$ -**	**$ 22,045,000**	**64.90%**
Cash Operating Expenses:						
Directors	$ 65,026	$ 9,046	$ 74,073		$ 154,000	48.10%
Administration	1,690,862	151,927	1,842,789		3,547,000	51.95%
Engineering	639,092	129,839	768,931		1,169,000	65.78%
Facilities	1,829,861	355,261	2,185,122		3,490,500	62.60%
Operations	2,597,721	520,220	3,119,902		5,113,750	61.01%
Administrative Services	1,585,285	313,962	1,899,247		2,788,750	68.10%
Water Conservation	123,242	23,795	147,038		223,500	65.79%
Human Resources	146,040	33,357	179,397		267,850	66.98%
Information Technology*	375,647	39,584	415,231	(1,300)	735,450	56.46%
Water Purchases	2,013,870	55,876	2,069,746		2,800,000	73.92%
Water Recovery	(113,240)	-	(113,240)		(200,000)	56.62%
Capitalized Expenditures*	483,760	2,914	486,675	1,300	413,800	117.61%
GAC Filter Media Replacement	650,328	-	650,328		1,550,000	41.96%
Total Cash Operating Expenses	**$ 12,087,495**	**$ 1,635,782**	**$ 13,725,238**	**$ -**	**$ 22,053,600**	**62.24%**
Non-Cash Operating Expenses:						
Depreciation	$ 4,076,984	$ 565,586	$ 4,642,570		$ 7,800,000	59.52%
OPEB Accrual Expense	1,194,635	147,678	1,342,313		2,000,000	67.12%
Bad Debts	3,675	(67)	3,608		100,000	3.61%
Service Costs Construction	58,260	5,777	64,037		125,000	51.23%
Capitalized Construction	(454,815)	(208,347)	(663,162)		(1,000,000)	66.32%
Total Non-Cash Operating Expenses	**$ 4,878,739**	**$ 510,627**	**$ 5,389,366**	**$ -**	**$ 9,025,000**	**59.72%**
Net Operating Profit/(Loss)	**$ (5,061,351)**	**$ 256,175**	**$ (4,807,137)**	**$ -**	**$ (9,033,600)**	**53.21%**
Non-Operating Revenues:						
Assessments (Debt Service)	$ 2,186,342	$ 360,452	$ 2,546,794		$ 4,000,000	63.67%
Assessments (1%)	846,450	139,550	986,000		1,500,000	65.73%
DWR Fixed Charge Recovery	435,918	-	435,918		-	
Interest	19,590	3,909	23,499		60,000	39.17%
Capital Improvement Fees	1,233,339	-	1,233,339		1,286,848	95.84%
State Grants	-	-	-		250,000	0.00%
Other	115,429	6,266	121,695		100,000	121.69%
Total Non-Operating Revenues	**$ 4,837,067**	**$ 510,177**	**$ 5,347,245**	**$ -**	**$ 7,196,848**	**74.30%**
Non-Operating Expenses:						
Interest on Long-Term Debt	$ 1,459,884	$ 208,555	$ 1,668,439		$ 2,490,000	67.01%
Amortization of SWP	902,615	128,945	1,031,560		1,680,000	61.40%
Capital Lease	-	-	-		212,000	0.00%
Water Conservation Programs	32,330	5,424	37,754		150,000	25.17%
Total Non-Operating Expenses	**$ 2,394,829**	**$ 342,924**	**$ 2,737,753**	**$ -**	**$ 4,532,000**	**60.41%**
Net Earnings	**$ (2,619,112)**	**$ 423,428**	**$ (2,197,645)**	**$ -**	**$ (6,368,752)**	**34.51%**

* Budget adjustments by General Manager per Appendix A


P & L BUDGET vs. ACTUAL
80.00%
70.00%
60.00%
50.00%
40.00%
30.00%
20.00%
10.00%
0.00%
64.90%
62.24%
59.72%
74.30%
60.42%
Percent of Budgeted
Operating Revenue
Cash Operating Expense
Non-Cash Operating Expense
Non-Operating Revenue
Non-Operating Expense


DEPARTMENTAL - BUDGET vs. ACTUAL
80.00%
70.00%
60.00%
50.00%
40.00%
30.00%
20.00%
10.00%
0.00%
48.10%
65.78%
62.60%
61.01%
68.10%
65.79%
66.98%
56.46%
Percent of Budgeted
Directors
Administration
Engineering
Facilities
Operations
Administrative Services
Water Conservation
Human Resources
Information Technology


Cash Operating Expenses
YTD 08/31/12
$13,725,238
Water Purchases
$1,956,506
14%
Information Technology
$415,231
3%
Capitalized Expenditures
$486,675
4%
GAC Filter Media
Replacement
$650,328
5%
Human Resources
$179,397
1%
Directors
$74,073
0%
Water Conservation
$147,038
1%
Administration
$1,842,789
13%
Administrative Services
$1,899,247
14%
Engineering
$768,931
6%
Facilities
$2,185,122
16%
Operations
$3,119,902
23%
Directors
Administration
Engineering
Facilities
Operations
Administrative Services
Water Conservation
Human Resources
Information Technology
Water Purchases
Capitalized Expenditures
GAC Filter Media Replacement


Personnel to Operations Exp
YTD 08/31/12
$13,725,238
Workers Comp, Vac. Exp., Life
$24,818
0%
PERS
$800,043
6%
Health Ins.
$1,014,083
7%
Taxes
$353,282
3%
Operations
$7,151,501
52%
Salaries
$4,381,512
32%
Salaries
Taxes
Health Ins.
PERS
Workers Comp, Vac. Exp., Life
Operations

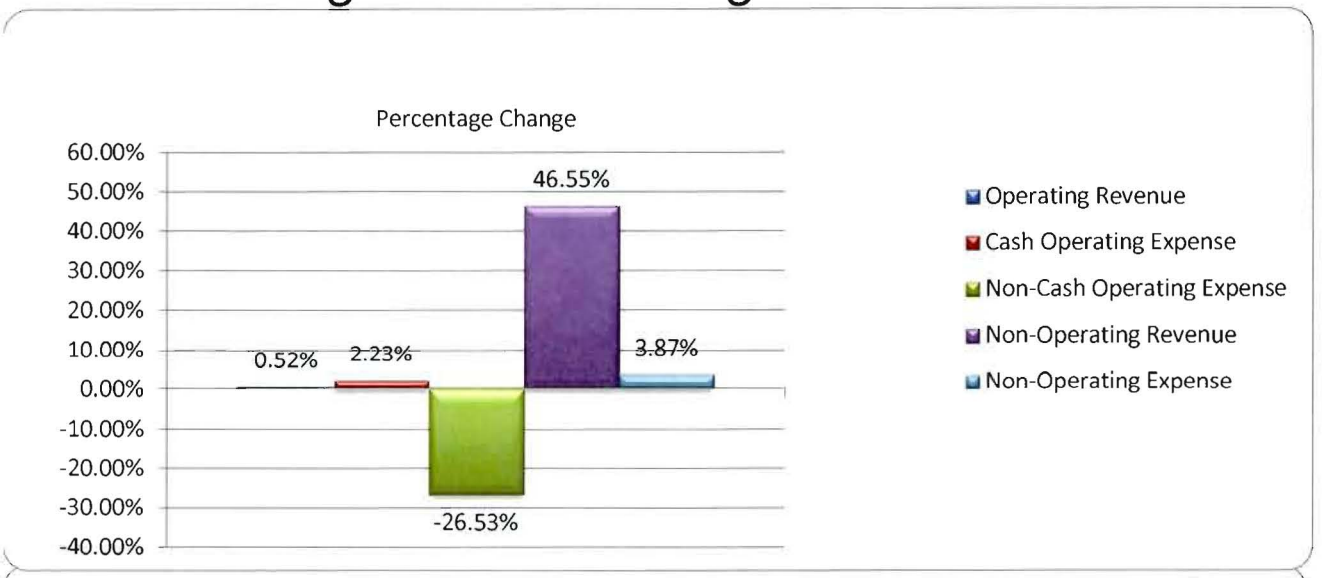
Palmdale Water District
Profit and Loss Statement
Year-To-Year Comparison - August

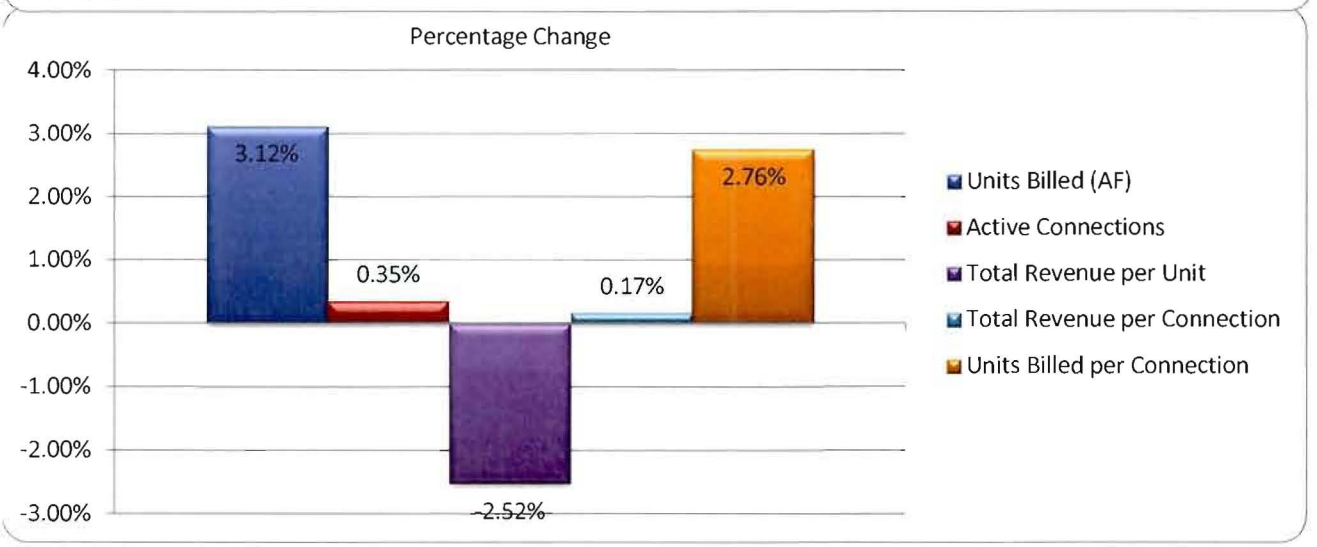
	2011 August	2012 August	Change	% Change
Operating Revenue:				
Wholesale Water	$ -	$ -	$ -	
Water Sales	1,094,986	1,152,212	57,226	5.23%
Meter Fees	899,824	862,128	(37,697)	-4.19%
Water Quality Fees	197,640	202,050	4,410	2.23%
Elevation Fees	73,173	72,236	(937)	-1.28%
Other	124,432	113,958	(10,474)	-8.42%
Total Water Sales	**$ 2,390,055**	**$ 2,402,584**	**$ 12,529**	**0.52%**
Cash Operating Expenses:				
Directors	$ 12,530	$ 9,046	$ (3,484)	-27.81%
Administration	236,042	151,927	(84,115)	-35.64%
Engineering	116,816	129,839	13,023	11.15%
Facilities	323,977	355,261	31,284	9.66%
Operations	464,065	520,220	56,154	12.10%
Administrative Services	279,128	313,962	34,834	12.48%
Water Conservation	21,588	23,795	2,208	10.23%
Human Resources	19,701	33,357	13,657	69.32%
Information Technology	40,444	39,584	(860)	-2.13%
Water Purchases	97,967	55,876	(42,091)	-42.96%
Water Recovery	(12,292)	-	12,292	-100.00%
Capitalized Expenditures	192	2,914	2,723	1419.87%
GAC Filter Media Replacement	-	-	-	
Total Cash Operating Expenses	**$ 1,600,157**	**$ 1,635,782**	**$ 35,625**	**2.23%**
Non-Cash Operating Expenses:				
Depreciation	$ 561,735	$ 565,586	$ 3,851	0.69%
OPEB Accrual Expense	201,311	147,678	(53,633)	-26.64%
Bad Debts	2	(67)	(69)	-2971.24%
Service Costs Construction	7,683	5,777	(1,906)	-24.81%
Capitalized Construction	(75,764)	(208,347)	(132,584)	175.00%
Total Non-Cash Operating Expenses	**$ 694,968**	**$ 510,627**	**$ (184,341)**	**-26.53%**
Net Operating Profit/(Loss)	**$ 94,930**	**$ 256,175**	**$ 161,245**	**169.86%**
Non-Operating Revenues:				
Assessments	$ 333,333	$ 500,002	$ 166,669	50.00%
DWR Fixed Charge Recovery	-	-	-	
Interest	21,854	3,909	(17,945)	-82.11%
Capital Improvement Fees	-	-	-	
State Grants	-	-	-	
Other	(7,074)	6,266	13,339	-188.58%
Total Non-Operating Revenues	**$ 348,114**	**$ 510,177**	**$ 162,063**	46.55%
Non-Operating Expenses:				
Interest on Long-Term Debt	$ 212,801	$ 208,555	$ (4,246)	-2.00%
Amortization of SWP	117,346	128,945	11,599	9.88%
Capital Lease	-	-		
Water Conservation Programs	-	5,424	5,424	
Total Non-Operating Expenses	**$ 330,147**	**$ 342,924**	**$ 12,777**	3.87%
Net Earnings	**$ 112,897**	**$ 423,428**	**$ 310,531**	**275.06%**

Consumption Comparison

	2011	2012
Units Billed	981,506	1,012,123
Active	26,280	26,373
Vacant	1,363	1,269
Rev/unit	$ 2.44	$ 2.37
Rev/con	$ 90.95	$ 91.10
Unit/con	37.35	38.38

YEAR-TO-YEAR COMPARISON
August '11 -To- August '12





	2011	2012	Change	
Units Billed (AF)	2,253	2,324	70	3.12%
Active Connections	26,280	26,373	93	0.35%
Non-Active	1,363	1,269	-94	-6.90%
Total Revenue per Unit	$2.44	$2.37	-$0.06	-2.52%
Total Revenue per Connection	$90.95	$91.10	$0.15	0.17%
Units Billed per Connection	37.35	38.38	1	2.76%

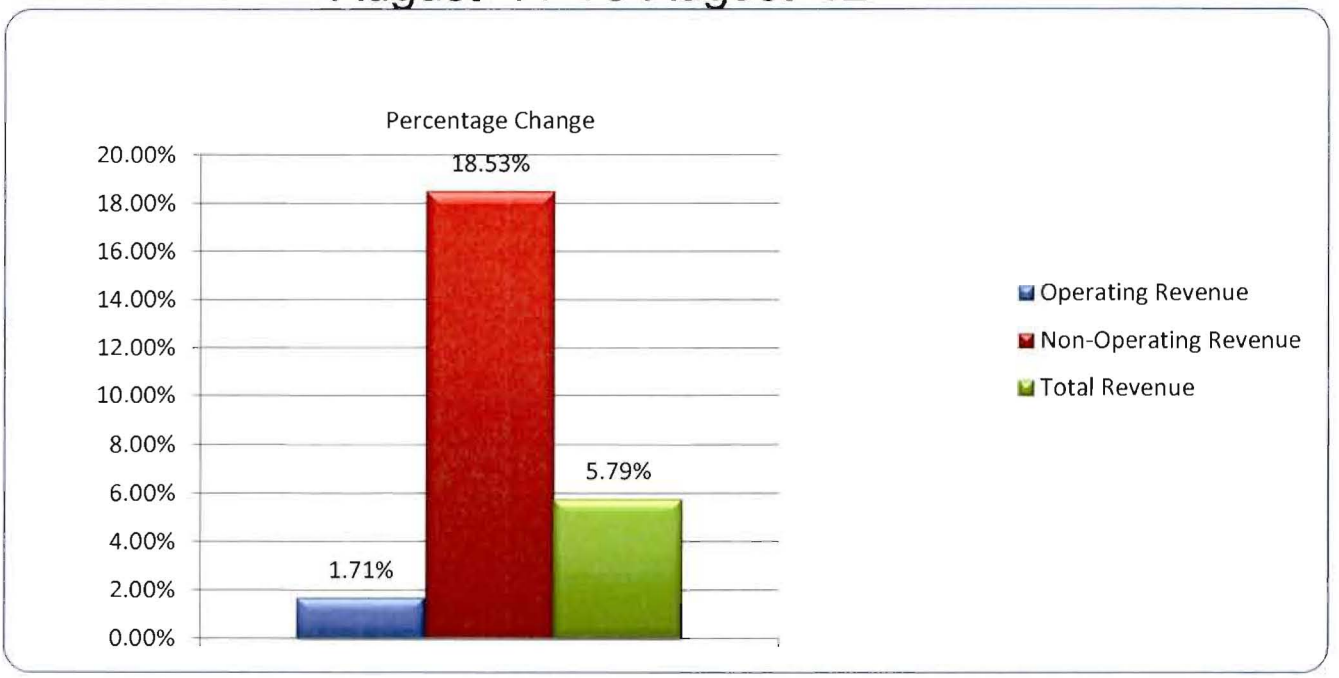
Palmdale Water District
Revenue Analysis
For the Eight Months Ending 8/31/2012

	2012 Thru July	August	Year-to-Date	Adjusted Budget	% of Budget	2011 to 2012 Comparison: Thru July	August	Year-to-Date	% Change
Operating Revenue:									
Wholesale Water	$ -	$ -	$ -	$ 175,000		$ -	-	-	0.00%
Water Sales	3,926,090	1,152,212	5,078,302	8,145,000	62.35%	261,731	57,226	318,957	6.70%
Meter Fees	6,033,913	862,128	6,896,040	10,400,000	66.31%	55,095	(37,697)	17,399	0.25%
Water Quality Fees	850,706	202,050	1,052,756	1,550,000	67.92%	87,266	4,410	91,676	9.54%
Elevation Fees	288,027	72,236	360,263	525,000	68.62%	38,287	(937)	37,351	11.57%
Other	806,148	113,958	920,106	1,250,000	73.61%	(214,974)	(10,474)	(225,448)	-19.68%
Total Water Sales	**$ 11,904,884**	**$ 2,402,584**	**$ 14,307,467**	**$ 22,045,000**	**64.90%**	**$ 227,406**	**$ 12,529**	**$ 239,935**	**1.71%**
Non-Operating Revenues:									
Assessments	$ 3,032,792	$ 500,002	$ 3,532,794	$ 5,500,000	64.23%	$ 199,453	$ 166,669	$ 366,121	11.56%
DWR Fixed Charge Recovery	435,918	-	435,918	-		(155,599)	(591,517)	(155,599)	-26.31%
Interest	19,590	3,909	23,499	60,000	39.17%	(33,961)	(17,945)	(51,906)	-68.84%
Capital Improvement Fees	1,233,339	-	1,233,339	1,286,848	95.84%	701,107	-	701,107	131.73%
State Grants	-	-	-	250,000	0.00%	(76,200)	-	(76,200)	
Other	115,429	6,266	121,695	100,000	121.69%	38,929	13,339	52,268	75.29%
Total Non-Operating Revenues	**$ 4,837,067**	**$ 510,177**	**$ 5,347,245**	**$ 7,196,848**	**74.30%**	**$ 673,728**	**$ (429,454)**	**$ 835,792**	**18.53%**
Total Revenue	**$ 16,741,951**	**$ 2,912,761**	**$ 19,654,712**	**$ 29,241,848**	**67.21%**	**$ 901,134**	**$ (416,925)**	**$ 1,075,727**	**5.79%**

	2011 Thru July	August	Year-to-Date	Adjusted Budget	% of Budget
Operating Revenue:					
Water Sales	$ 3,664,359	$ 1,094,986	$ 4,759,345	$ 9,400,000	50.63%
Meter Fees	5,978,817	899,824	6,878,642	10,650,000	64.59%
Water Quality Fees	763,440	197,640	961,080	1,600,000	60.07%
Elevation Fees	249,740	73,173	322,913	560,000	
Other	1,021,122	124,432	1,145,554	1,175,000	97.49%
Total Water Sales	**$ 11,677,478**	**$ 2,390,055**	**$ 14,067,533**	**$ 23,385,000**	**60.16%**
Non-Operating Revenues:					
Assessments	$ 2,833,339	$ 333,333	$ 3,166,673	$ 5,000,000	63.33%
DWR Fixed Charge Recovery	591,517	-	591,517	-	
Interest	53,551	21,854	75,405	120,000	62.84%
Capital Improvement Fees	532,232	-	532,232	250,000	212.89%
State Grants	76,200	-	76,200	500,000	15.24%
Other	76,500	(7,074)	69,426	175,000	39.67%
Total Non-Operating Revenues	**$ 4,163,339**	**$ 348,114**	**$ 4,511,453**	**$ 6,045,000**	**74.63%**
Total Revenue	**$ 15,840,817**	**$ 2,738,169**	**$ 18,578,985**	**$ 29,430,000**	**63.13%**

REVENUE COMPARISON YEAR-TO-DATE

August '11-To-August '12



Palmdale Water District
Operating Expense Analysis
For the Eight Months Ending 8/31/2012

	2012 Thru July	August	Year-to-Date	Adjusted Budget	% of Budget	2011 to 2012 Comparison Thru July	August	Year-to-Date	% Change
Cash Operating Expenses:									
Directors	$ 65,026	$ 9,046	$ 74,073	$ 154,000	48.10%	$ (17,100)	$ (3,484)	$ (20,584)	-21.75%
Administration	1,690,862	151,927	1,842,789	3,547,000	51.95%	(846,499)	(84,115)	(930,614)	-33.55%
Engineering	639,092	129,839	768,931	1,169,000	65.78%	(20,494)	13,023	(7,470)	-0.96%
Facilities	1,829,861	355,261	2,185,122	3,490,500	62.60%	(5,238)	31,284	26,046	1.21%
Operations	2,597,721	520,220	3,117,941	5,113,750	60.97%	77,752	56,154	133,907	4.49%
Administrative Services	1,585,285	313,962	1,899,247	2,788,750	68.10%	47,734	34,834	82,568	4.55%
Water Conservation	123,242	23,795	147,038	223,500	65.79%	11,413	2,208	13,621	10.21%
Human Resources	146,040	33,357	179,397	267,850	66.98%	24,294	13,657	37,950	26.83%
Information Technology	375,647	39,584	415,231	736,750	56.36%	375,647	(860)	111,238	36.59%
Water Purchases	2,013,870	55,876	2,069,746	2,800,000	73.92%	857,819	(42,091)	815,728	65.05%
Water Recovery	(113,240)	-	(113,240)	(200,000)	56.62%	(36,116)	12,292	(23,823)	26.64%
Capitalized Expenditures	483,760	2,914	486,675	412,500	117.98%	319,479	2,723	322,201	195.90%
GAC Filter Media Replacement	650,328	-	650,328	1,550,000	41.96%	216,356	-	216,356	49.85%
Total Cash Operating Expenses	**$ 12,087,495**	**$ 1,635,782**	**$ 13,723,277**	**$ 22,053,600**	**62.23%**	**$ 1,005,048**	**$ 35,625**	**$ 777,124**	**5.66%**
Non-Cash Operating Expenses:									
Depreciation	$ 4,076,984	$ 565,586	$ 4,642,570	$ 7,800,000	59.52%	$ 117,174	$ 3,851	$ 121,025	2.68%
OPEB Accrual Expense	1,194,635	147,678	1,342,313	2,000,000	67.12%	255,573	(53,633)	201,939	17.71%
Bad Debts	3,675	(67)	3,608	100,000	3.61%	(45,808)	(69)	(45,877)	-92.71%
Service Costs Construction	58,260	5,777	64,037	125,000	51.23%	30,429	(1,906)	28,523	80.32%
Capitalized Construction	(454,815)	(208,347)	(663,162)	(1,000,000)	66.32%	205,079	(132,584)	72,495	-9.85%
Total Non-Cash Operating Expenses	**$ 4,878,739**	**$ 510,627**	**$ 5,389,366**	**$ 9,025,000**	**59.72%**	**$ 562,447**	**$ (184,341)**	**$ 378,106**	**7.02%**
Non-Operating Expenses:									
Interest on Long-Term Debt	$ 1,459,884	$ 208,555	$ 1,668,439	$ 2,490,000	67.01%	$ (29,724)	$ (4,246)	$ (33,971)	-2.00%
Amortization of SWP	902,615	128,945	1,031,560	1,680,000	61.40%	81,193	11,599	92,792	9.88%
Capital Lease	-	-	-	212,000	0.00%	-	-	(1,035)	-100.00%
Water Conservation Programs	32,330	5,424	37,754	150,000	25.17%	31,295	5,424	36,720	1.39%
Total Non-Operating Expenses	**$ 2,394,829**	**$ 342,924**	**$ 2,737,753**	**$ 4,532,000**	**60.41%**	**$ 82,764**	**$ 12,777**	**$ 94,506**	**3.58%**
Total Expenses	**$ 19,361,063**	**$ 2,489,333**	**$ 21,850,396**	**$ 35,610,600**	**61.36%**	**$ 1,650,259**	**$ (135,939)**	**$ 1,249,736**	**6.07%**

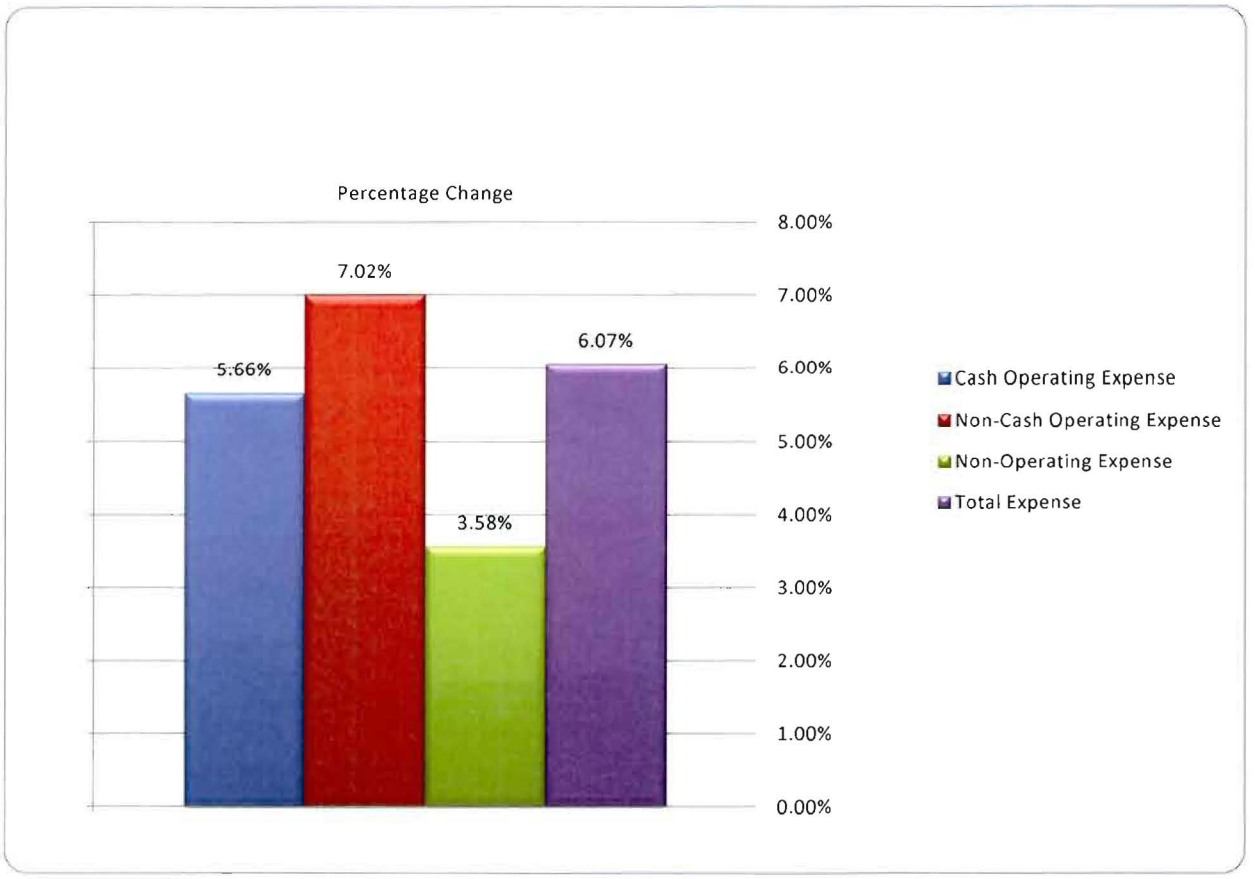
Palmdale Water District
Operating Expense Analysis
For the Eight Months Ending 8/31/2012

2011 to 2012 Comparison

	2011 Thru July	August	Year-to-Date	Adjusted Budget	% of Budget
Cash Operating Expenses:					
Directors	$ 82,126	$ 12,530	$ 94,657	$ 146,200	64.74%
Administration	2,537,360	236,042	2,773,402	3,176,000	87.32%
Engineering	659,586	116,816	776,402	1,127,000	68.89%
Facilities	1,835,099	323,977	2,159,075	3,317,000	65.09%
Operations	2,519,969	464,065	2,984,034	5,071,050	58.84%
Administrative Services	1,537,551	279,128	1,816,679	2,762,200	65.77%
Water Conservation	111,829	21,588	133,416	212,500	62.78%
Human Resources	121,747	19,701	141,447	273,000	51.81%
Information Technology	263,550	40,444	303,994	712,500	42.67%
Water Purchases	1,156,051	97,967	1,254,018	3,000,000	41.80%
Water Recovery	(77,124)	(12,292)	(89,417)	(200,000)	44.71%
Capitalized Expenditures	164,282	192	164,473	557,300	29.51%
GAC Filter Media Replacement	433,972	-	433,972	1,600,000	27.12%
Total Cash Operating Expenses	**$ 11,345,997**	**$ 1,600,157**	**$ 12,946,153**	**$ 21,754,750**	**59.51%**
Non-Cash Operating Expenses:					
Depreciation	$ 3,959,810	$ 561,735	$ 4,521,545	$ 6,850,000	66.01%
OPEB Accrual Expense	939,063	201,311	1,140,374	550,000	207.34%
Bad Debts	49,483	2	49,485	100,000	49.49%
Service Costs Construction	27,830	7,683	35,513	125,000	28.41%
Capitalized Construction	(659,894)	(75,764)	(735,657)	(1,000,000)	73.57%
Total Non-Cash Operating Expenses	**$ 4,316,292**	**$ 694,968**	**$ 5,011,260**	**$ 6,625,000**	**75.64%**
Non-Operating Expenses:					
Interest on Long-Term Debt	$ 1,489,608	$ 212,801	$ 1,702,409	$ 2,541,000	67.00%
Amortization of SWP	821,422	117,346	938,768	1,579,000	59.45%
Capital Lease	-	-	-	-	
Water Conservation Programs	1,035	-	1,035	-	
Total Non-Operating Expenses	**$ 2,312,065**	**$ 330,147**	**$ 2,642,212**	**$ 4,120,000**	**64.13%**
Total Expenses	**$ 17,974,354**	**$ 2,625,272**	**$ 20,599,626**	**$ 32,499,750**	**63.38%**

EXPENSE COMPARISON YEAR-TO-DATE

August '11-To-August '12



Palmdale Water District
2012 Directors Budget
For the Eight Months Ending Friday, August 31, 2012

	YTD ACTUAL 2012	ORIGINAL BUDGET 2012	ADJUSTMENTS 2012	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-01-4000-000 Directors Pay	$ 26,400	$ 45,000	$ -	$ 18,600	58.67%
Employee Benefits					
1-01-4005-000 Payroll Taxes	2,077	5,500		3,423	37.76%
1-01-4010-000 Health Insurance	44,921	93,500		48,579	48.04%
Subtotal (Benefits)	46,998	99,000	-	48,579	47.47%
Total Personnel Expenses	$ 73,398	$ 144,000	$ -	$ 67,179	50.97%
OPERATING EXPENSES:					
1-01-4050-000 Directors Travel, Seminars & Meetings	675	10,000		9,325	6.75%
Subtotal Operating Expenses	675	10,000	-	9,325	6.75%
Total O & M Expenses	$ 74,073	$ 154,000	$ -	$ 76,504	48.10%

Palmdale Water District
2012 Administration Budget
For the Eight Months Ending Friday, August 31, 2012

	YTD ACTUAL 2012	ORIGINAL BUDGET 2012	ADJUSTMENTS 2012	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-02-4000-000 Salaries	$ 327,613	$ 479,250		$ 151,637	68.36%
1-02-4000-100 Overtime	6,575	6,000		(575)	109.59%
1-02-4000-200 On-Call	35,362	64,000		28,638	55.25%
Subtotal (Salaries)	$ 369,551	$ 549,250		$ 179,699	67.28%
Employee Benefits					
1-02-4005-000 Payroll Taxes	24,912	42,000		17,088	59.31%
1-02-4010-000 Health Insurance	59,150	76,750		17,600	77.07%
1-02-4015-000 PERS	61,305	90,500		29,195	67.74%
1-02-4020-000 Worker's Compensation	69,674	200,000		130,326	34.84%
1-02-4025-000 Vacation Benefit Expense	(51,524)	35,000		86,524	-147.21%
1-02-4030-000 Life Insurance	6,668	7,500		832	88.91%
Subtotal (Benefits)	$ 170,185	$ 451,750	$ -	$ 281,565	37.67%
Total Personnel Expenses	$ 539,737	$ 1,001,000	$ -	$ 461,263	53.92%
OPERATING EXPENSES:					
1-02-4050-000 Staff Travel	$ 5,855	$ 8,000		$ 2,145	73.18%
1-02-4050-100 General Manager Travel	3,994	5,000		1,006	79.89%
1-02-4060-000 Staff Conferences & Seminars	754	3,000		2,246	25.13%
1-02-4060-100 General Manager Conferences & Seminars	1,549	4,500		2,951	34.42%
1-02-4070-000 Employee Expense	23,662	40,000		16,338	59.16%
1-02-4080-000 Other Operating	11,058	20,000		8,942	55.29%
1-02-4110-000 Consultants	114,365	200,000		85,635	57.18%
1-02-4125-000 Insurance	207,984	325,000		117,016	64.00%
1-02-4130-000 Bank Charges	68,492	130,000		61,508	52.69%
1-02-4135-000 Groundwater Adjudication	154,972	925,000		770,028	16.75%
1-02-4140-000 Legal Services	360,473	475,000		114,527	75.89%
1-02-4150-000 Accounting Services	18,941	20,000		1,059	94.71%
1-02-4155-000 Contracted Services	18,303	50,000		31,697	36.61%
1-02-4165-000 Memberships/Subscriptions	67,045	110,000		42,955	60.95%
1-02-4170-000 Elections	78,451	70,000		(8,451)	112.07%
1-02-4175-000 Permits	7,364	20,000		12,636	36.82%
1-02-4180-000 Postage	17,236	30,000		12,764	57.45%
1-02-4190-100 Public Relations - Publications	16,225	30,000		13,775	54.08%
1-02-4190-900 Public Relations - Other	1,314	1,000		(314)	131.40%
1-02-4200-000 Advertising	3,639	3,000		(639)	121.30%
1-02-4205-000 Office Supplies	12,516	20,000		7,484	62.58%
1-02-4215-200 Natural Gas - Office Building	2,093	5,000		2,907	41.87%
1-02-4220-200 Electricity - Office Building	31,293	50,000		18,707	62.59%
1-02-4230-100 Maint & Repair - Office Building	75,473	-		(75,473)	
1-02-6300-100 Supplies - Janitorial	-	1,500		1,500	0.00%
Subtotal Operating Expenses	$ 1,303,052	$ 2,546,000	$ -	$ 1,242,948	51.18%
Total Departmental Expenses	$ 1,842,789	$ 3,547,000	$ -	$ 1,704,211	51.95%

Palmdale Water District
2012 Engineering Budget
For the Eight Months Ending Friday, August 31, 2012

	YTD ACTUAL 2012	ORIGINAL BUDGET 2012	ADJUSTMENTS 2012	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-03-4000-000 Salaries	$ 501,622	$ 767,000		$ 265,378	65.40%
1-03-4000-100 Overtime	873	7,500		6,627	11.64%
Subtotal (Salaries)	$ 502,495	$ 774,500		$ 272,005	64.88%
Employee Benefits					
1-03-4005-000 Payroll Taxes	40,976	59,250		18,274	69.16%
1-03-4010-000 Health Insurance	105,222	158,000		52,778	66.60%
1-03-4015-000 PERS	94,965	144,250		49,285	65.83%
Subtotal (Benefits)	$ 241,163	$ 361,500	$ -	$ 120,337	66.71%
Total Personnel Expenses	$ 743,658	$ 1,136,000	$ -	$ 392,342	65.46%
OPERATING EXPENSES:					
1-03-4050-000 Staff Travel	$ 3,800	$ 4,250		$ 450	89.42%
1-03-4060-000 Staff Conferences & Seminars	1,005	2,750		1,745	36.55%
1-03-4155-000 Contracted Services	2,093	6,000		3,907	34.88%
1-03-4165-000 Memberships/Subscriptions	1,810	3,000		1,190	60.32%
1-03-4250-000 General Materials & Supplies	1,308	2,000		692	65.42%
1-03-8100-100 Computer Software - Maint. & Support	15,257	15,000		(257)	101.71%
Subtotal Operating Expenses	$ 25,273	$ 33,000	$ -	$ 7,727	76.59%
Total Departmental Expenses	$ 768,931	$ 1,169,000	$ -	$ 400,069	65.78%

Palmdale Water District
2012 Facilities Budget
For the Eight Months Ending Friday, August 31, 2012

		YTD ACTUAL 2012	ORIGINAL BUDGET 2012	ADJUSTMENTS 2012	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:						
1-04-4000-000	Salaries	$ 944,692	$ 1,424,000		$ 479,308	66.34%
1-04-4000-100	Overtime	18,807	45,000		26,193	41.79%
	Subtotal (Salaries)	$ 963,499	$ 1,469,000		$ 505,501	65.59%
Employee Benefits						
1-04-4005-000	Payroll Taxes	79,698	112,500		32,802	70.84%
1-04-4010-000	Health Insurance	259,789	394,000		134,211	65.94%
1-04-4015-000	PERS	181,649	266,000		84,351	68.29%
	Subtotal (Benefits)	$ 521,135	$ 772,500	$ -	$ 251,365	67.46%
	Total Personnel Expenses	$ 1,484,634	$ 2,241,500	$ -	$ 730,673	66.23%
OPERATING EXPENSES:						
1-04-4050-000	Staff Travel	$ -	$ 3,000		3,000	0.00%
1-04-4060-000	Staff Conferences & Seminars	449	3,000		2,551	14.97%
1-04-4155-000	Contracted Services	13,117	33,000		19,883	39.75%
1-04-4215-200	Natural Gas - Buildings	1,760	4,500		2,740	39.12%
1-04-4220-200	Electricity - Buildings	21,942	17,500		(4,442)	125.38%
1-04-4225-000	Maint. & Repair - Vehicles	26,905	45,000		18,095	59.79%
1-04-4230-100	Maint. & Rep. Office Building	536	18,000		17,464	2.98%
1-04-4235-110	Maint. & Rep. Equipment	3,530	7,500		3,970	47.07%
1-04-4235-400	Maint. & Rep. Operations - Wells	63,256	150,000		86,744	42.17%
1-04-4235-405	Maint. & Rep. Operations - Boosters	33,358	50,000		16,642	66.72%
1-04-4235-410	Maint. & Rep. Operations - Shop Bldgs	6,375	10,000		3,625	63.75%
1-04-4235-415	Maint. & Rep. Operations - Facilities	8,534	15,000		6,466	56.89%
1-04-4235-420	Maint. & Rep. Operations - Water Lines	217,655	400,000		182,345	54.41%
1-04-4235-425	Maint. & Rep. Operations - Littlerock Dam	16,177	25,000		8,823	64.71%
1-04-4235-430	Maint. & Rep. Operations - Palmdale Dam	18,459	25,000		6,541	73.84%
1-04-4235-435	Maint. & Rep. Operations - Palmdale Canal	373	5,000		4,627	7.45%
1-04-4235-455	Maint. & Rep. Operations - Heavy Equipment	23,782	40,000		16,218	59.45%
1-04-4235-460	Maint. & Rep. Operations - Storage Reservoirs	104	7,500		7,396	1.39%
1-04-6000-000	Waste Disposal	15,276	20,000		4,724	76.38%
1-04-6100-100	Fuel and Lube - Vehicle	105,713	130,000		24,287	81.32%
1-04-6100-200	Fuel and Lube - Machinery	36,962	43,000		6,038	85.96%
1-04-6200-000	Uniforms	11,428	20,000		8,572	57.14%
1-04-6300-100	Supplies - Misc.	28,014	50,000		21,986	56.03%
1-04-6300-800	Supplies - Construction Materials	27,651	100,000		72,349	27.65%
1-04-6400-000	Tools	10,323	12,000		1,677	86.02%
1-04-7000-100	Leases -Equipment	8,809	15,000		6,191	58.73%
	Subtotal Operating Expenses	$ 700,488	$ 1,249,000	$ -	$ 548,512	56.08%
	Total Departmental Expenses	$ 2,185,122	$ 3,490,500	$ -	$ 1,279,185	62.60%

Palmdale Water District
2012 Operation Budget
For the Eight Months Ending Friday, August 31, 2012

		YTD ACTUAL 2012	ORIGINAL BUDGET 2012	ADJUSTMENTS 2012	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:						
1-05-4000-000	Salaries	$ 1,093,613	$ 1,619,250		$ 525,637	67.54%
1-05-4000-100	Overtime	53,581	60,000		6,419	89.30%
	Subtotal (Salaries)	$ 1,147,194	$ 1,679,250		$ 532,056	68.32%
Employee Benefits						
1-05-4005-000	Payroll Taxes	93,312	128,500		35,188	72.62%
1-05-4010-000	Health Insurance	244,916	367,500		122,584	66.64%
1-05-4015-000	PERS	207,370	304,000		96,630	68.21%
	Subtotal (Benefits)	$ 545,598	$ 800,000	$ -	$ 254,402	68.20%
	Total Personnel Expenses	$ 1,692,792	$ 2,479,250	$ -	$ 780,039	68.28%
OPERATING EXPENSES:						
1-05-4050-000	Staff Travel	$ 4,236	$ 8,000		$ 3,764	52.94%
1-05-4060-000	Staff Conferences & Seminars	3,746	9,500		5,754	39.43%
1-05-4120-100	Training - Lab Equipment	-	3,500		3,500	0.00%
1-05-4155-000	Contracted Services	41,572	59,000		17,428	70.46%
1-05-4175-000	Permits	12,858	51,000		38,143	25.21%
1-05-4215-100	Natural Gas - Wells & Boosters	53,506	150,000		96,494	35.67%
1-05-4215-200	Natural Gas - WTP	666	3,000		2,334	22.21%
1-05-4220-100	Electricity - Wells & Boosters	789,191	1,450,000		660,809	54.43%
1-05-4220-200	Electricity - WTP	61,466	185,000		123,534	33.22%
1-05-4230-110	Maint. & Rep. - Office Equipment	-	500		500	0.00%
1-05-4235-110	Maint. & Rep. Operations - Equipment	2,175	15,000		12,825	14.50%
1-05-4235-410	Maint. & Rep. Operations - Shop Bldgs	2,134	6,000		3,866	35.57%
1-05-4235-415	Maint. & Rep. Operations - Facilities	21,582	38,000		16,418	56.79%
1-05-4235-445	Maint. & Rep. Operations - Telemetry	94	2,250		2,156	4.17%
1-05-4235-450	Maint. & Rep. Operations - Hypo Generator	307	7,250		6,943	4.24%
1-05-4236-000	Palmdale Lake Management	12,964	15,000		2,036	86.43%
1-05-4250-000	General Material & Supplies	335				
1-05-4270-300	Telecommunication - Other	1,681	2,250		569	74.70%
1-05-4300-300	Testing - Edison	-	12,000		12,000	0.00%
1-05-6000-000	Waste Disposal	1,997	15,000		13,003	13.31%
1-05-6200-000	Uniforms	6,620	10,000		3,380	66.20%
1-05-6300-100	Supplies - Misc.	14,266	15,000		734	95.10%
1-05-6300-200	Supplies - Hypo Generator	1,631	6,750		5,119	24.16%
1-05-6300-300	Supplies - Electrical	-	3,500		3,500	0.00%
1-05-6300-400	Supplies - Telemetry	6,928	7,500		572	92.38%
1-05-6300-600	Supplies - Lab	26,334	35,000		8,666	75.24%
1-05-6300-700	Outside Lab Work	31,105	65,000		33,895	47.85%
1-05-6400-000	Tools	2,072	6,500		4,428	31.87%
1-05-6500-000	Chemicals	327,647	450,000		122,353	72.81%
1-05-7000-100	Leases -Equipment	-	3,000		3,000	0.00%
	Subtotal Operating Expenses	$ 1,427,110	$ 2,634,500	$ -	$ 1,207,724	54.17%
	Total Departmental Expenses	$ 3,119,902	$ 5,113,750	$ -	$ 1,987,763	61.01%

Palmdale Water District
2012 Administrative Services Budget
For the Eight Months Ending Friday, August 31, 2012

	YTD ACTUAL 2012	ORIGINAL BUDGET 2012	ADJUSTMENTS 2012	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-06-4000-000 Salaries	$ 1,012,314	$ 1,531,250		$ 518,936	66.11%
1-06-4000-100 Overtime	11,781	25,000		13,219	47.12%
Subtotal (Salaries)	$ 1,024,095	$ 1,556,250		$ 532,155	65.81%
Employee Benefits					
1-06-4005-000 Payroll Taxes	84,123	119,250		35,127	70.54%
1-06-4010-000 Health Insurance	249,292	381,000		131,708	65.43%
1-06-4015-000 PERS	192,988	286,500		93,512	67.36%
Subtotal (Benefits)	$ 526,402	$ 786,750	$ -	$ 260,348	66.91%
Total Personnel Expenses	$ 1,550,498	$ 2,343,000	$ -	$ 779,284	66.18%
OPERATING EXPENSES:					
1-06-4050-000 Staff Travel	$ -	$ 250		250	0.00%
1-06-4060-000 Staff Conferences & Seminars	928	1,000		72	92.84%
1-06-4155-300 Contracted Services	5,761	14,500		8,739	39.73%
1-06-4155-100 Contracted Services - Infosend	149,894	205,000		55,106	73.12%
1-06-4165-000 Memberships/Subscriptions	-	500		500	0.00%
1-06-4230-110 Maintenance & Repair - Office Equipment	117	1,000		883	11.66%
1-06-4235-440 Maint. & Rep. Operations - Large Meters	2,128	10,000		7,872	21.28%
1-06-4235-470 Maint. & Rep. Operations - Meter Exchanges	152,075	125,000		(27,075)	121.66%
1-06-4250-000 General Material & Supplies	2,145	4,000		1,855	53.62%
1-06-4260-000 Business Forms	3,502	10,000		6,498	35.02%
1-06-4270-100 Telecommunication - Office	11,342	30,000		18,658	37.81%
1-06-4270-200 Telecommunication - Cellular Stipend	10,565	17,000		6,435	62.15%
1-06-4270-300 Telecommunication - Cellular	980	3,000		2,020	32.68%
1-06-4300-200 Testing - Large Meter Testing	7,520	21,500		13,980	34.98%
1-06-7000-100 Leases - Equipment	1,792	3,000		1,208	59.72%
Subtotal Operating Expenses	$ 348,749	$ 445,750	$ -	$ 97,001	78.24%
Total Departmental Expenses	$ 1,899,247	$ 2,788,750	$ -	$ 876,285	68.10%

Palmdale Water District
2012 Water Conservation Budget
For the Eight Months Ending Friday, August 31, 2012

	YTD ACTUAL 2012	ORIGINAL BUDGET 2012	ADJUSTMENTS 2012	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-07-4000-000 Salaries	$ 97,905	$ 151,750		$ 53,845	64.52%
1-07-4000-100 Overtime	1,000	1,250		250	80.03%
Subtotal (Salaries)	$ 98,906	$ 153,000		$ 54,094	64.64%
Employee Benefits					
1-07-4005-000 Payroll Taxes	8,006	12,000		3,994	66.72%
1-07-4010-000 Health Insurance	12,740	15,500		2,760	82.19%
1-07-4015-000 PERS	19,511	28,500		8,989	68.46%
Subtotal (Benefits)	$ 40,256	$ 56,000	$ -	$ 15,744	71.89%
Total Personnel Expenses	$ 139,162	$ 209,000	$ -	$ 69,588	66.58%
OPERATING EXPENSES:					
1-07-4050-000 Staff Travel	$ 28	$ 1,000		$ 972	2.78%
1-07-4060-000 Staff Conferences & Seminars	299	500		201	59.80%
1-07-4190-300 Public Relations - Landscape Workshop/Training	407	2,500		2,093	16.26%
1-07-4190-400 Public Relations - Contests	-	500		500	0.00%
1-07-4190-500 Public Relations - Education Programs	3,995	5,000		1,005	79.89%
1-07-4190-700 Public Relations -General Media	875	3,000		2,125	29.17%
1-07-6300-100 Supplies - Misc.	2,273	2,000		(273)	113.63%
Subtotal Operating Expenses	$ 7,876	$ 14,500	$ -	$ 6,624	54.31%
Total Departmental Expenses	$ 147,038	$ 223,500	$ -	$ 76,213	65.79%

Palmdale Water District
2012 Human Resources Budget
For the Eight Months Ending Friday, August 31, 2012

	YTD ACTUAL 2012	ORIGINAL BUDGET 2012	ADJUSTMENTS 2012	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-08-4000-000 Salaries	$ 105,474	$ 127,500		$ 22,026	82.72%
Employee Benefits					
1-08-4005-000 Payroll Taxes	8,432	10,000		1,568	84.32%
1-08-4010-000 Health Insurance	11,517	17,250		5,733	66.76%
1-08-4015-000 PERS	16,130	24,000		7,870	67.21%
Subtotal (Benefits)	$ 36,078	$ 51,250	$ -	$ 15,172	70.40%
Total Personnel Expenses	$ 141,552	$ 178,750	$ -	$ 37,198	79.19%
OPERATING EXPENSES:					
1-08-4050-000 Staff Travel	$ 231	$ 3,000		$ 2,769	7.69%
1-08-4060-000 Staff Conferences & Seminars	250	2,000		1,750	12.50%
1-08-4095-000 Employee Recruitment	515	3,000		2,485	17.17%
1-08-4100-000 Employee Retention	1,855	1,500		(355)	123.67%
1-08-4105-000 Employee Relations	2,405	3,500		1,095	68.72%
1-08-4110-000 Consultants	-	1,000		1,000	0.00%
1-08-4120-100 Training-Safety Consultants	17,118	38,000		20,882	45.05%
1-08-4121-000 Safety Program	-	1,000		1,000	0.00%
1-08-4165-000 Membership/Subscriptions	1,946	1,600		(346)	121.62%
1-08-4165-100 HR/Safety Publications	198	1,000		802	19.84%
1-08-6300-500 Supplies - Safety	13,327	33,500		20,173	39.78%
Subtotal Operating Expenses	$ 37,845	$ 89,100	$ -	$ 51,255	42.48%
Total Departmental Expenses	$ 179,397	$ 267,850	$ -	$ 88,453	66.98%

Palmdale Water District
2012 Information Technology Budget
For the Eight Months Ending Friday, August 31, 2012

		YTD ACTUAL 2012	ORIGINAL BUDGET 2012	ADJUSTMENTS 2012	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:						
1-09-4000-000	Salaries	$ 142,484	$ 195,250		$ 52,766	72.98%
1-09-4000-100	Overtime	1,414	3,000		1,586	47.13%
	Subtotal (Salaries)	$ 143,898	$ 198,250		$ 54,352	72.58%
Employee Benefits						
1-09-4005-000	Payroll Taxes	11,747	15,500		3,754	75.78%
1-09-4010-000	Health Insurance	26,536	40,000		13,464	66.34%
1-09-4015-000	PERS	26,127	37,000		10,873	70.61%
	Subtotal (Benefits)	$ 64,409	$ 92,500	$ -	$ 28,091	69.63%
	Total Personnel Expenses	$ 208,307	$ 290,750	$ -	$ 80,857	71.64%
OPERATING EXPENSES:						
1-09-4050-000	Staff Travel	$ 122	$ 3,000		2,878	4.07%
1-09-4060-000	Staff Conferences & Seminars	8,167	15,000		6,833	54.45%
1-09-4120-100	Cogsdale Reimplementation & Templates*	21,075	70,000	(20,000)	28,925	42.15%
1-09-4155-300	Contracted Services - Computer Vendors*	74,983	105,000	(1,300)	28,717	72.31%
1-09-4165-000	Memberships/Subscriptions	240	500		260	48.00%
1-09-8000-100	Computer Equipment - Computers	36,865	45,000		8,135	81.92%
1-09-8000-200	Computer Equipment - Laptops	-	10,000		10,000	0.00%
1-09-8000-300	Computer Equipment - Monitors	726	2,000		1,274	36.29%
1-09-8000-400	Computer Equipment - Printers	1,905	2,500		595	76.20%
1-09-8000-500	Computer Equipment - Toner Cartridges	5,374	3,000		(2,374)	179.14%
1-09-8000-600	Computer Equipment - Other*	35,074	35,000	5,500	5,426	86.60%
1-09-8100-100	Computer Software - Maint. and Support*	3,711	70,000	(5,500)	60,789	5.75%
1-09-8100-150	Computer Software - Cogsdale Maint and Support	-	70,000		70,000	0.00%
1-09-8100-200	Computer Software - Software and Upgrades*	18,681	15,000	20,000	16,319	53.38%
	Subtotal Operating Expenses	$ 206,924	$ 446,000	$ (1,300)	$ 237,776	46.53%
	Total Departmental Expenses	$ 415,231	$ 736,750	$ (1,300)	$ 318,633	56.46%

* Budget adjustments by General Manager per Appendix A

Engineering Department Projected Payout Schedule
October - 2012

AGENDA ITEM NO. 7.3

Project Title	2012 Budget	Budget No.	Payee	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Littlerock Dam Sediment Removal	*$ 270,000*	*NCP02*													
EIR/EIS			*Aspen*		*$ 11,719*	*$ 3,257*	*$ 3,966*		*$ 23,343*	*$ 12,399*		*$ 14,998*	*$ 5,060*	*$ 14,000*	*$ 14,000*
Cost Recovery Payment			*USFS*		*$ 119,416*										
Spec. No. 0903 - 9th/12th Street East	*$ 683,000*	*RCP08*	*VCI*	*$ 182,825*	*$ 137,230*	*$ 187,320*	*$ 104,529*	*$ 86,084*							
Acquisition of Tax Defaulted Property	*$ 18,000*	*NCC04*	*LA County*										*$ 18,000*		
Annual Tank Maint. (Year 5 of 5)	*$ 360,000*	*RCP05*	*Utility Services*						*$ 355,147*						
Well No. 11A Rehabilitation	*$ 200,000*	*RCP23*	*Layne*				*$ 215,030*					*$ 87,321*			
Avenue S and Downing - Water Main Replacement	*$ 125,000*	*RCO18*	*TBD*						*$ 36,347*						
Spec. No. 0902 - Ave. Q-3, Division, Sumac	*$ 525,000*	*RCP07*	*TBD*								*$ 203,768*	*$ 60,941*		*$ 250,000*	*$ 225,000*
3600' Hydro-Pneumatic Tank Replacement	*$ -*	*N/A*	*Superior Tank*										*$ 20,000*	*$ 50,000*	*$ 20,000*
Well No. 3A Rehabilitation	*$ -*	*N/A*	*Layne*							*$ 12,667*		*$ 112,956*			
			Reed Electric									*$ 19,709*			
Water Meter Exchange	*$ -*	*N/A*	*Tejon*											*$ 15,000*	*$ 10,000*
Lighting Replacement	*$ -*	*N/A*	*ORION*							*$ 68,163*	*$ 68,163*				
WTP Security System	*$ 50,000*	*NCP01*	*Protection 1*										*$ 20,000*		
Total Projected Payout:				$ 182,825	$ 268,365	$ 190,577	$ 323,525	$ 86,084	$ 414,837	$ 93,229	$ 271,931	$ 295,925	$ 63,060	$ 329,000	$ 269,000

Water Quality Fund	2012 Budget	Budget No.	Payee	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2012 Granular Activated Carbon Supply	*$ 1,550,000*	*N/A*													
2012 Change-Outs			*Calgon*					*$ 219,829*		*$ 216,776*	*$ 216,776*	*$ 217,991*	*$ 216,776*	*$ 216,776*	*$ 216,776*
Sanitary Survey Update			*Black & Veatch*										*$ 10,000*	*$ 20,000*	*$ 16,550*
Chromium VI Study			*WQTS*									*$ 359*	*$ 1,266*	*$ 3,000*	*$ 3,000*
Total Water Quality Projected Payout:				$ -	$ -	$ -	$ -	$ 219,829	$ -	$ 216,776	$ 216,776	$ 218,350	$ 228,042	$ 239,776	$ 236,326

= Approved for Payment

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MEMORANDUM

To: Dennis LaMoreaux, General Manager, Palmdale Water District
Mike Williams, Finance Manager, Palmdale Water District
Bob Egan, Financial Advisor, Palmdale Water District

From: Mark Northcross

Date: October 3, 2012

RE: Refinancing opportunities for the Palmdale Water District

Introduction. The District's potential settlement of litigation with the Palmdale Water District creates an opportunity to refinance both the 1998 and 2004 COP issues of the District with cash flow savings to the District. The 1998 COP's can be called now with no call premium. The 2004 COP issue can be called beginning October 1, 2014, with no call premium. The 1998 COP's have a final maturity of October 1, 2023. The 2004 COP's have a much longer final maturity of October 1, 2034. The interest rate on both the outstanding 1998 and 2004 COP's is slightly under 5%.

Refinancing through a private placement. In the last year commercial banks have become very aggressive in direct purchases of municipal debt obligations. This is particularly true for water and sewer utility credits. Commercial banks have been offering fixed interest rates out to 12 years at rates significantly below the "normal" municipal bond market. As a result, 75% of the debt issues structured by our firm in the last year have been done as private placements with commercial banks. This approach has the additional advantages of not requiring a disclosure document (official statement) or a credit rating from one or more of the rating services. Consequently, the front end costs of issuing debt through a private placement are significantly lower.

This approach, in our opinion, works very well for a refinancing of the 1998 COP's. With a final maturity of 2023, commercial banks can make a fixed interest rate commitment through the final maturity of the 1998 COP's. We have received one bid so far from Alliance Bank for a fixed interest rate of 3.1% through the 2023 final maturity on the 1998 COP's. The cash flow savings associated with this refinancing offer are discussed later in this memorandum.

The 2004 COP's can also be refinanced through a private placement. However, while Alliance Bank will support an amortization schedule for a refinancing of these COP's through 2034, it will only make a fixed rate commitment through 2023. As a result Alliance Bank would require a rate reset after 2023 for a refinancing of the 2004 COP's. Consequently, while the 3.1% rate through 2023 results in significant cash flow savings for the District on the 2004 COP's, there is no assurance that cash flow savings would continue after 2023.

Interested private placement banks. Because of the new regulations on financial advisors pending as a result of the Federal Dodd Frank legislation, we work through an intermediary in securing private placement funding for our clients. Accordingly, we have been working with Mike Cavanaugh of Southwest Securities for several months in finding one or more commercial banks willing to purchase debt obligations of the District. So far, one bank, Alliance Bank, has committed to purchasing debt obligations of the District at a fixed interest rate of 3.1%, fixed through 2023. Citizens Business Bank has also shown interest in purchasing the District's debt, but has not completed credit review or provided an indicative interest rate. In all, about 8 banks have been contact regarding refinancing the 1998 COP's.

Refinancing benefits, costs and risks. The table below shows the benefits for a refinancing of the 1998 COP refinancing, and the benefits and risks of refinancing the 2004 COP's. A refinancing of the 1998 COP's through Alliance Bank will result in annual cash flow savings of $114,000, and present value savings of $1.15 million, an amount equal to 9.2% of the amount of the refinanced 1998 COP's.

Determining the benefit from refinancing the 2004 COP's through a private placement is more difficult because of the risk associated with the rate reset in 2024. If the rate remains at the 3.1% rate quote by Alliance Bank through the final maturity in 2034, the savings are very large: $275,000 in average annual cash flow savings, and present value savings of $4.6 million. However, if the rate reset goes up by 1%, to 4.1% in 2024, the average annual cash flow savings decline to $18,000 per year, and the present value savings are only $450,000.

	Scenario		
	Fixed rate through original maturity	Rate reset at original rate	Rate reset up 1%
COP Issue	1998	2004	2004
Refinancing interest rate through 2023	3.10%	3.10%	3.10%
Final maturity	2023	2034	2034
Average Annual cash flow savings	114,000	275,000	18,000
Par Value of refunded COP's	12,505,000	35,560,000	35,560,000
Present value savings	1,146,000	4,648,000	451,000
Present value savings as a % of par value of COP's refunded	9.16%	13.07%	1.27%

Consequently, while a private placement for the refinancing of the 1998 COP's has strong benefits for the District. A privately placed refinancing of the 2004 COP's only has significant benefits to the District if the rate reset in 2024 is at or near the level the original rate is set at.

The City's finance team for purposes of a private placement is comprised of NHA Advisors as financial advisor, Straddling, Yocca, Carlson & Rauth as bond counsel, and Southwest Securities as the placement agent required by the Dodd Frank legislation. NHA Advisor's proposed fee is $45,000, Southwest Securities proposed fee is $15,000. The Stradling Yocca firm is still considering its fee proposal at this

time, due to its unreimbursed costs in support of the District over the last 4 years. We believe nevertheless that all costs of issuance combined for this transaction will not exceed $125,000.

The debt service reserve fund for the 1998 COP's. The original 1998 COP issue satisfied the investors requirement for a debt service reserve fund (equal to one year's debt service) through the issuance of a surety bond by FGIC, a municipal bond insurer. FGIC went bankrupt during the 2008 financial meltdown, resulting in a technical default on the 1998 COP's, since the surety was no longer provided by a financially solvent institution. The legal documents for the 1998 COP's required that the District make up for this default by putting up cash from its own reserves in an amount equal to the reserve requirement. As a result, the District has encumbered about $1.5 million in cash for this purpose. This money cannot be used for any other purpose until the 1998 COP's are paid in full in 2023.

Alliance Bank has indicated that they are likely to not require a debt service reserve fund for the refinancing of the 1998 COP's. If so, then this money will be freed up for general purposes of the District as soon as the refinancing of the 1998 COP's closes. Note that for Alliance Bank to confirm that they will not require a reserve fund, they need certain information from the District, as described elsewhere in this memorandum.

Note that while the 2004 COP's carry the same FGIC surety bond for a debt service reserve fund, the legal documents for that transaction do not require the District to satisfy any technical default by appropriating cash.

Refinancing through a public offering. The benefits of refinancing the 1998 and/or 2004 COP's through a public offering are determined by market conditions at the time of sale, and the likely credit rating of the District. Under current market conditions and with the current BBB credit rating of the District (from S&P) the likely interest rate on a public offering for a refinancing of the 1998 COP's would be higher than the bid from Alliance Bank. In addition, the District would be paying additional costs of issuance for a credit rating, and for a disclosure document. If the District could succeed in getting its credit rating upgraded to A-, then it is possible that a public offering could generate results as good, or maybe even better than the private placement.

A public offering has significantly more uncertainty for the District. The District will not know what the actual interest rate will be until the refinancing COP's are actually sold, unlike the case with a private placement, where the interest rate is known now. The District will need to spend about $15,000 for a credit rating, in effect betting that the rating will be upgraded.

Consequently, we recommend refinancing the 1998 COP's through a private placement with Alliance Bank, or with Citizens Business Bank, should they make a commitment of fund the transaction.

We do not recommend refinancing the 2004 COP's through a private placement. We believe that the rate reset risk is not justified. We recommend doing this refinancing as a public offering when present value savings equal to at least 4% of the par value of COP's refinanced can be achieved. If the municipal bond market holds steady through the first part of 2013, savings of this level can be achieved. The main obstacle to savings on this transaction now is the long period of time between the closing of a refinancing and the time when the old 2004 COP's can be called. During this escrow period the proceeds of the refinancing are earning at most 0.25% while the old COP's awaiting call and prepayment through the escrow carry an interest rate of almost 5%.

Recommendations and Next Steps. We recommend that the District schedule Board action to approve the refinancing of the 1998 COP's at its first regularly scheduled meeting in November, Wednesday, November 14th. We need certain data to complete credit review with Alliance Bank, and with Citizens Business Bank:

1) An estimate of how much additional revenue could be generated in the event that the Board chose to implement the last remaining two years of the original rate increase, now allowed by the settlement agreement with the City. Alliance Bank is not asking for a commitment to raise rates, but just wants to know how much money is potentially available through the remaining authorization for rate increases authorized by the District's last 218 process.
2) 10 Largest ratepayers for fiscal year 2011
3) 10 largest property taxpayers for fiscal year 2011

We should have a formal commitment letter from Alliance Bank within one week of providing them with this data. We hope to get a similar turn around from Citizens Business Bank. Accordingly, we hope to have final commitment letters for a private placement of a refinancing of the 1998 COP's by late October. With Board action on November 14th, a private placement can close on November 20th.

With respect to the 2004 COP's, we recommend serious consideration be given to a public offering of refinancing COP's for this issue in the first part of calendar year 2013. We do not believe at this time that a private placement is appropriate for this potential refinancing.

PALMDALE WATER DISTRICT

BOARD MEMORANDUM

DATE:	October 4, 2012	**October 10, 2012**
TO:	BOARD OF DIRECTORS	**Board Meeting**
FROM:	Joe Kerschner, Water Quality Supervisor	
VIA:	Peter Thompson Jr., Operations Manager	
	Mr. Dennis LaMoreaux, General Manager	
RE:	***AGENDA ITEM NO. 7.5 – CONSIDERATION AND POSSIBLE ACTION ON PROPOSAL RECEIVED FROM SIEMENS INDUSTRY, INC. TO SUPPLY ALTERNATIVE GRANULAR ACTIVATED CARBON (GAC) MEDIA FOR FULL SCALE TESTING***	

Recommendation:

I am recommending that we move forward with a full scale evaluation of the enhanced GAC product and accept the proposal submitted by Siemens Industry, Inc.

Financial Impact:

After several negotiation meetings, Siemens Industry, Inc. has presented us with a proposal that will enable us to evaluate their product in one of our GAC contactors. The proposal is budget neutral in that the enhanced GAC will be delivered to us at the same cost we are currently paying for the coal based product from Calgon Carbon. The proposal includes the evaluation of virgin carbon initially, followed by an evaluation of the same product after reactivation.

In the event that at the conclusion of our evaluation, we determine that PWD will continue on its current course with Calgon Carbon, Siemens will reactivate and replace the coal based GAC it removed. Thus, PWD will be made whole without any charge beyond that which was originally planned for in the GAC budget.

Background:

During the course of the last 18 months we have pilot tested a new GAC product produced by Siemens Industry, Inc. It has shown itself to be very effective at Total Organic Carbon (TOC) removal. Our pilot studies indicate that it may have a higher TOC removal capacity for a given bed volume than the coal based product we are currently using. A full scale evaluation is required to determine if this new product can benefit the Palmdale Water District and help us achieve our mission of providing high quality water at a reasonable cost.

Supporting Documents:

Proposal from Siemens Industry, Inc.

Strategic Plan Element:

Water Quality

Confidentiality Statement

This document and all information contained herein are the property of Siemens Industry, Inc. The design concepts and information contained herein are proprietary to Siemens Industry, Inc. and are submitted in confidence. They are not transferable and must be used only for the purpose for which the document is expressly loaned. They must not be disclosed, reproduced, loaned or used in any other manner without the express written consent of Siemens Industry, Inc. In no event shall they be used in any manner detrimental to the interest of Siemens Industry, Inc. All patent rights are reserved. Upon the demand of Siemens Industry, Inc., this document, along with all copies or extracts, and all related notes and analyses, must be returned to Siemens Industry, Inc. or destroyed, as instructed by Siemens Industry, Inc. Acceptance of the delivery of this document constitutes agreement to these terms and conditions.

Terms and Conditions

In the event Siemens Industry, Inc. is the selected vendor for the products and services contemplated in the subject bid, Siemens Industry, Inc. desires to negotiate a mutually agreeable set of terms and conditions to govern such transaction (including issues such as warranty, indemnity, appropriate limitations of liability and other substantive terms and conditions). Siemens Industry, Inc. will not be obligated to supply products or services pursuant to such bid unless and until the parties have entered into an agreement with terms and conditions mutually agreed in writing by the parties.

August 29, 2012

Palmdale Water District
2029 East Avenue
Palmdale, CA 93550
Attn: Mr. Kershner

Re: ENHANCED COCONUT GAC FULL SCALE PILOT SCOPE OF WORK

Dear Mr. Kershner,

Siemens Industry, Inc. ("SII"), Customer Services Division, is pleased to provide the following scope of work.

SII SCOPE OF WORK

Item #1 Initial Fill:

- SII to remove existing GAC Media from one filter (7040 cu.ft.). Note: SII to store this material in Red Bluff, CA for potential react and return after the reactivated CX trial is complete.
- SII to provide and install into the empty filter via slurry trailer 7040 cu.ft. of virgin Westates® Enhanced Coconut Shell Carbon - AquaCarb® CX 1230 (AC1230CX).

Item #2 Changeout:

- After the effluent from the filter reaches >1 mg/l TOC or <30% TOC reduction, SII will remove and reactivate the spent AC1230CX.
- SII to return the reactivated AC1230CX plus virgin AC1230CX makeup for a total of 7040 cu.ft. and install into the empty filter via slurry trailer. Note: SII retains ownership of this GAC.

Item #3 End of Project

- SII to remove the spent CXS
- SII to reactivate spent from Item #1, add virgin makeup and replace 7040 cu.ft.

PALMDALE SCOPE OF WORK

- Disinfection of empty filter prior to installation of the virgin AC1230CX, if required
- Disinfection of the empty filter prior to installation of the reactivated AC1230CX, if required
- Utilities to facilitate GAC transfers into the filter (air and water)
- Backwash of GAC
- Analytical

COMMERCIAL TERMS

- Proposal pricing valid for 30 days from date of proposal

- SII terms and conditions are attached hereto and are incorporated into this proposal by reference
- Terms of payment are net 30 days
- SII's price does not include, and SII shall not be responsible for, any taxes, permits, tariffs, duties or fees (or any incremental increases to such taxes, permits, tariffs, duties or fees enacted by governmental agencies) unless specifically agreed herein or otherwise by SII in writing.
- Spent carbon disposal / reactivation service is contingent upon profile approval completion (typically 5-10 business days upon receipt of representative spent carbon sample and Spent Carbon Profile Form).

PRICING

Item #1: Initial Fill and First Year Fee: *Removal of 7040 cu. ft of spent carbon and installation of virgin AC1230CX GAC as described above and the yearly use of 7040 cu. ft. of CX carbon.*	**$215,000**
Item #2: Changeout: *Remove, reactivate and reinstall the reactivated AC1230CX with virgin AC1230CX for 7040 cu. ft. as described above.*	**$215,000**
Item #3: End of Project: *Remove spent CXS and replace with 7040 cu.ft. reactivated GAC removed in Item #1 plus virgin GAC makeup.*	**$150,000**

Thank you for this opportunity to provide this quotation. Please contact me at 415.699.9528 if you have questions or if we may be of further assistance. We look forward to working with you on this project.

Sincerely,

David M. Jordan

David M. Jordan
Siemens Industry, Inc.
Customer Services Division

Attachments:
Standard Terms and Conditions
AC1230CX Data Sheet

Siemens Industry, Inc., Water Technologies Business Unit
Terms and Conditions

1. Applicable Terms. These terms, together with any quotation, purchase order or acknowledgement issued or signed by Seller (the "Seller's Documentation"), comprise the complete and exclusive statement of the agreement between the parties (the "Agreement") and supersede any terms contained in Customer's documents, unless separately signed by Seller. Whether the terms set forth herein are included in an offer, acceptance or acknowledgment by Seller, such offer, acceptance or acknowledgment is conditioned on Customer's assent to these terms. Seller rejects all additional or different terms in any of Customer's forms or documents. The Agreement governs the scope of work set forth in Seller's Documentation. For the purposes of this Agreement, goods shall include equipment, leased equipment and media goods (collectively, the "Goods").

2. Payment. Customer shall pay Seller the full fee as set forth in Seller's Documentation. Seller's price does not include, and Seller shall not be responsible for, any taxes, permits, tariffs, duties or fees (or any incremental increases to such taxes, permits, tariffs, duties or fees enacted by governmental agencies) unless specifically agreed in Seller's Documentation or otherwise by Seller in writing. If Seller is required to pay any such charges, Customer shall immediately reimburse Seller. All payments are due within 30 days after receipt of invoice. Customer shall be charged the lower of 1 ½% interest per month or the maximum legal rate on all amounts not received by the due date and shall pay all of Seller's reasonable costs (including attorneys' fees) of collecting amounts due but unpaid. All orders are subject to credit approval.

3. Scope of Services. Seller shall provide the Goods and services specifically described in Seller's Documentation during normal business hours, unless otherwise specified in Seller's Documentation. Performance by Seller that is requested or required by the Customer outside of these hours will be charged at Seller's then current schedule of rates and will be in addition to the charges outlined in Seller's Documentation. Where the Customer requests additional Goods or services which are outside of the scope of work itemized in Seller's Documentation, Seller may provide those Goods and services at standard time and material rates and conditions then in effect.

4. Ownership of Materials. All devices, equipment, designs (including drawings, plans and specifications), estimates, prices, notes, electronic data and other documents or information prepared or disclosed by Seller in connection with the provision of Goods and services hereunder, and all related intellectual property rights, shall remain Seller's property. Seller grants Customer a non-exclusive, non-transferable license to facilitate Customer's use thereof. Customer shall not disclose any such material to third parties without Seller's prior written consent.

5. Changes. Seller shall not implement any changes in the scope described in Seller's Documentation unless Customer and Seller agree in writing to the details of the change and any resulting price, schedule or other contractual modifications. This includes any changes necessitated by a change in applicable law.

6. Warranty. Seller warrants to Customer that the Goods shall materially conform to the description in Seller's Documentation and shall be free from defects in material and workmanship and services shall be performed in a good and workmanlike manner. The foregoing warranty shall not apply to any Goods that are specified or otherwise demanded by Customer and are not manufactured or selected by Seller, as to which (i) Seller hereby assigns to Customer, to the extent assignable, any warranties made to Seller and (ii) Seller shall have no other liability to Customer under warranty, tort or any other legal theory. Customer's service warranty is ninety days from the date of the service provided. If Customer is purchasing Goods from Seller then Seller's warranty period for Goods (except for media goods) is the earlier of one year from acceptance or eighteen months from delivery. In the event of a warranty claim, Seller shall, at its sole option and as Customer's sole and exclusive remedy, repeat the service at its own expense, repair or replace the affected parts or refund the price paid to Seller therefor. If Seller determines that any warranty claim is not, in fact, covered by this warranty, Customer shall pay Seller its then customary charges for any additionally required Goods or service. Seller's warranty is conditioned on Customer (a) operating and maintaining the Goods in accordance with Seller's instructions, (b) not making any unauthorized repairs or alterations, and (c) not being in default of any payment obligation to Seller. Seller's warranty does not cover (a) media goods (such as, but not limited to, granular activated carbon media) once such media goods are installed and testing proves material conformance to Seller's Documentation; (b) damage caused by chemical action or abrasive material or misuse which has damaged the equipment serviced; and (c) improper installation (unless installed by Seller). THE WARRANTIES AND REMEDIES SET FORTH IN THIS SECTION ARE SELLER'S SOLE AND EXCLUSIVE WARRANTIES THEREFOR. SELLER MAKES NO OTHER WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR PURPOSE.

7. Indemnity. Seller shall indemnify, defend and hold Customer harmless from any claim, cause of action or liability incurred by Customer as a result of third party claims for personal injury, death or damage to tangible property to the extent caused by Seller's negligence. Seller shall have the sole authority to direct the defense of and settle any indemnified claim. Seller's indemnification is conditioned on Customer (a) promptly, within the warranty period, notifying Seller of any claim, and (b) providing reasonable cooperation in the defense of any claim.

8. Force Majeure. Under no circumstances shall either Seller or Customer have any liability for any breach (except for payment obligations) caused by extreme weather or other act of God, strike or other labor shortage or disturbance, fire, accident, war or civil disturbance, delay of carriers, failure of normal sources of supply, change in law or other act of government or any other cause beyond such party's reasonable control.

9. Cancellation. Either party may terminate the scope of work specified in Seller's Documentation by providing reasonable notice sufficient to avoid costs incurred by the other party. If Customer cancels or suspends any such scope of work for any reason other than Seller's breach, Customer shall pay Seller for work performed prior to cancellation or suspension and any other direct costs incurred by Seller as a result of such cancellation or suspension.

10. LIMITATION OF LIABILITY. NOTWITHSTANDING ANYTHING ELSE TO THE CONTRARY, SELLER SHALL NOT BE LIABLE FOR ANY CONSEQUENTIAL, INCIDENTAL, SPECIAL, PUNITIVE OR OTHER INDIRECT DAMAGES, AND SELLER'S TOTAL LIABILITY ARISING AT ANY TIME FROM THE SALE OR USE OF THE GOODS AND/OR SERVICES SHALL NOT EXCEED THE PRICE PAID TO SELLER THERFOR. THESE LIMITATIONS APPLY WHETHER THE LIABILITY IS BASED ON CONTRACT, TORT, STRICT LIABILITY OR ANY OTHER THEORY.

11. Leased Equipment. Any leased equipment ("Leased Equipment") provided by Seller shall at all times be the property of Seller with the exception of certain miscellaneous installation materials purchased by the Customer, and no right or property interest is transferred to the Customer hereunder, except the right to use any such Leased Equipment as provided herein. Customer agrees that it shall not pledge, lend, or create a security interest in, part with possession of, or relocate the equipment. Customer shall be responsible to maintain the Leased Equipment in good and efficient working order. Upon the expiration or termination of this Agreement, Customer shall promptly make any Leased Equipment available to Seller for removal. Customer hereby agrees that it shall grant Seller access to the Leased Equipment location and shall permit Seller to take possession of and remove the Leased Equipment without resort to legal process and hereby releases Seller from any claim or right of action for trespass or damages caused by reason of such entry and removal.

12. Miscellaneous. If these terms are issued in connection with a government contract, they shall be deemed to include those federal acquisition regulations that are required by law to be included. No part of the Agreement may be changed or cancelled except by a written document signed by Seller and Customer. No course of dealing or performance, usage of trade or failure to enforce any term shall be used to modify the Agreement. If any of these terms is unenforceable, such term shall be limited only to the extent necessary to make it enforceable, and all other terms shall remain in full force and effect. Customer may not assign or permit any other transfer of the Agreement without Seller's prior written consent. The Agreement shall be governed by the laws of the State of Delaware without regard to its conflict of laws provisions.

Westates® Enhanced Coconut Shell Carbon: AquaCarb® 1230CX

Background

Historically, coconut shell based activated carbons have been typically limited to applications involving trace VOC removal from groundwater or where the background water was relatively high in purity. For applications such as surface water, where the water stream being treated would be relatively high in natural organic matter (NOM) or total organic carbon (TOC), bituminous coal based carbons have been predominantly used for decades. With their microporous pore structure, coconut shell carbons simply did not perform as well as coal based carbons in these applications... until now.

Siemens AquaCarb® 1230CX enhanced coconut shell carbon combines the benefits of both carbon types; an activated carbon with the high micropore structure of coconut shell, and the faster kinetics of bituminous coal. The resulting product provides excellent trace VOC removal capacity and adsorptive performance to remove taste, odor and other organic contaminants.

Applications

Applications where AquaCarb® CX Series enhanced coconut shell carbon is a suitable, high performance alternative to coal based carbons include:

- Surface water treatment – taste and odor removal
- Surface water treatment – disinfection by product (DBP) or DBP precursor removal
- Bulk organic/TOC removal from water

Reactivation Options

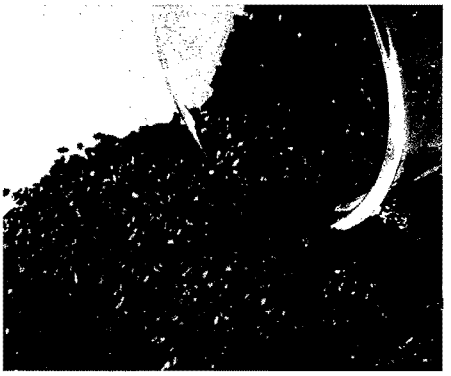
In addition to our AquaCarb® CX virgin carbon, Siemens also offers options for carbon reactivation service and AquaCarb® CXS enhanced reactivated coconut carbon. Carbon reactivation is an environmentally-friendly process that minimizes waste by recycling and reusing spent carbon. Reactivation restores the surface area and pore volume of the spent carbon to a point close to that of a virgin carbon. In fact, the process of carbon reactivation is very similar to the process of creating virgin activated carbon. Reactivated carbons provide a cost-effective alternative to virgin carbon and continue to provide excellent performance in many treatment applications.

Siemens has over 20 years experience in carbon reactivation.

To learn if AquaCarb® CX virgin-grade or CXS reactivated enhanced coconut shell carbon is right for your application, contact your local Siemens sales representative or call 866.613.5620.

Features and Benefits:

- ANSI/NSF Standard 61 classified for use in potable water applications
- Fully conforms to physical, performance and leachability requirements established by the current ANSI/AWWA B604 (which includes the Food Chemical Codex requirements)
- Retains inherent micropore structure from base coconut carbon, providing excellent VOC adsorption capacity
- Contains superior mesopore structure, providing improved adsorption kinetics and adsorption capacity for larger molecular weight compounds
- Modified pore structure leads to longer bed life between carbon exchanges, and lower life cycle costs
- A detailed quality assurance program guarantees consistent quality from lot to lot and shipment to shipment

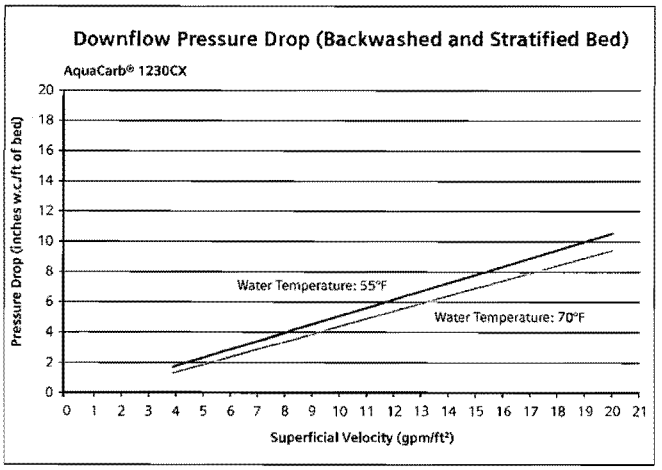


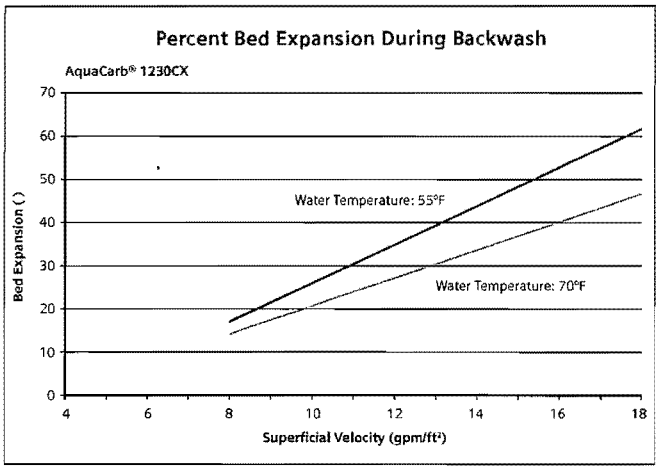
Typical Properties	
Parameter	**AquaCarb® 1230CX**
Mesh Size	12 x 30
Effective Size, mm	0.6 – 0.85
Uniformity Coefficient	2.0
Iodine, mg/g	1100
Hardness	95
Abrasion	85
AD, g/cc	0.40 - 0.49
Water Soluble Ash, wt%	2

Safety Note: Under certain conditions, some compounds may oxidize, decompose or polymerize in the presence of activated carbon causing a carbon bed temperature rise that is sufficient to cause ignition. Particular care must be exercised when compounds that have a peroxide-forming tendency are being adsorbed. In addition the adsorption of VOCs will lead to the generation of heat within a carbon bed. These heats of reaction and adsorption need to be properly dissipated in order to fully assure the safe operation of the bed.

Wet activated carbon readily adsorbs atmospheric oxygen. Dangerously low oxygen levels may exist in closed vessels or poorly ventilated storage areas. Workers should follow all applicable state and federal safety guidelines for entering oxygen depleted areas.

All information presented herein is believed reliable and in accordance with accepted engineering practices. Siemens makes no warranties as to the completeness of this information. Users are responsible for evaluating individual product suitability for specific applications. Siemens assumes no liability whatsoever for any special, indirect or consequential damages arising from the sale, resale or misuse of its products.





Siemens Industry, Inc.
866-613-5620

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P A L M D A L E W A T E R D I S T R I C T

B O A R D M E M O R A N D U M

DATE: October 5, 2012 **October 10, 2012**

TO: BOARD OF DIRECTORS **Board Meeting**

FROM: Mr. Dennis D. LaMoreaux, General Manager

RE: ***AGENDA ITEM NO. 7.6 – CONSIDERATION AND POSSIBLE ACTION TO REVISE PWD RULES AND REGULATIONS SECTION 4.08 TO INCLUDE USE OF DISTRICT LOGO***

Recommendation:

It is recommended to update the District's Rules and Regulations Section 4.08 – Use of District Letterhead to include the use of the District logo as it is also District property.
.

Supporting Documents:

- Section 4.08 of the Palmdale Water District's Rules and Regulations

4.08: USE OF DISTRICT LETTERHEAD AND LOGO BY DIRECTORS

District letterhead and/or logo shall only be used by Directors for District business and may not be used for any personal matters including campaign materials. For most matters, prior Board authorization is required before District letterhead and/or logo may be used regardless of cost. However, the Board President or other authorized Director may use District letterhead and/or logo for routine District matters, such as communication with the Association of California Water Agencies and other governmental agencies. Directors must use their own letterhead when writing letters to the editor of any newspaper or publication. Copies of any correspondence on District letterhead signed by a Director shall be distributed to all Directors.

P A L M D A L E W A T E R D I S T R I C T

B O A R D M E M O R A N D U M

DATE: October 5, 2012 **October 10, 2012**

TO: BOARD OF DIRECTORS **Board Meeting**

FROM: Mr. Dennis D. LaMoreaux, General Manager

RE: ***AGENDA ITEM NO. 7.7 – CONSIDERATION AND POSSIBLE ACTION ON ADDING SECTION 4.10 – DIRECTORS' SOCIAL MEDIA COMMUNICATIONS POLICY TO PWD RULES & REGULATIONS***

Recommendation:

Staff and the Outreach Committee recommend the addition of Section 4.10 – Directors' Social Media Communications Policy to the District's Rules & Regulations.

Background:

Having no clearly defined policy on Directors' communications through social and other electronic media, the Outreach Committee met and reviewed recommended guidelines by legal counsel that ensure compliance with the Brown Act while respecting Directors rights to communicate with their constituents within the District's subject matter jurisdiction. Legal counsel was directed to develop a policy on this matter from the guidelines approved by the Outreach Committee.

Strategic Plan Element:

This work is part of Strategic Element 5.0 Administrative Management.

Budget:

Development of a Directors' Social Media Communications Policy will have no financial impact.

Supporting Documents:

- Proposed Section 4.10 of the Palmdale Water District's Rules and Regulations

4.10 - DIRECTORS' SOCIAL MEDIA COMMUNICATIONS POLICY

1. **Introduction/Purpose:** In light of advances in information and communications technology, the Board of Directors of Palmdale Water District (the "District") adopts this policy to ensure continued compliance with the Brown Act in connection with certain social media and other electronic communications, while respecting a director's right to express himself or herself on issues within the District's subject matter jurisdiction, and to enhance directors' communications with their constituents.

2. **Application:** This policy shall apply only to directors' communications in the following social or electronic media:

   a. District's website;
   b. District's Facebook page;
   c. other directors' individual Facebook pages, but only as to issues within the District's subject matter jurisdiction;
   d. water industry websites and blogs; and
   e. Palmdale community websites and blogs, but only as to issues within the District's subject matter jurisdiction.

3. **Tone and Tenor of Communications:** The Board acknowledges that all communications made by a District director, whether in his or her capacity as a director or in his or her individual capacity, have the potential to reflect on the District and the Board, as a whole. Directors' social media and other electronic communications shall be professional and civil, and shall not include profanity, personal attacks or racial slurs. In addition, in making such communications, directors shall not disclose confidential or closed session information, particularly regarding ongoing litigation, personnel issues or proprietary District information.

4. **District Website:** Each director may, from time to time, post informative newsletters to communicate District events and accomplishments to their constituents. Directors must refrain from using their newsletters to respond to any items included in another director's newsletter.

5. **District Facebook Page:**

   a. Subject to the limitations set forth in subdivisions (b) and (c) of this Section 5, directors may post communications on the District's Facebook page that will not be reasonably construed to constitute the development of a collective concurrence or commitment to make a decision on a matter within the District's subject matter jurisdiction.

   b. With respect to comments on the District's Facebook page, not more than two (2) directors may comment on any post on the District's Facebook page;

provided, however, that if a District director posted the initial comment, then only one (1) other director may comment on that post. Directors should refrain from knowingly commenting on any post that concerns an issue that it is reasonably anticipated the Board of Directors will consider in the future.

c. With respect to "likes" on the District's Facebook page, directors may "like" any post or comment on that page so long as the post or comment concerns a prior event or occurrence; provided, however, that if a District director posted the initial post or comment, then only one (1) other director may "like" that post or comment. For any posts or comments concerning future events or occurrences or issues that it is reasonably anticipated the Board of Directors will consider in the future, directors should refrain from "liking" any such post or comment, and in all cases not more than two (2) directors may "like" that same post or comment.

6. Other Social Media Sites or Blogs, including Palmdale Community Sites:

a. For any substantive discussion regarding an issue within the District's subject matter jurisdiction, the director must include a disclaimer that the comment or statement made by the director is the director's personal view or position and not the view or position of the District.

b. Upon becoming aware of a posting, comment or statement by a District director on any website or blog (other than the District's website or District's Facebook page, as described in Sections 4 and 5, above), other directors shall refrain from posting on the same website or blog comments or statements in response to that director's post, comment or statement if that post, comment or statement concerns subject matter that is within the District's subject matter jurisdiction.

4.10 - DIRECTORS' SOCIAL MEDIA COMMUNICATIONS POLICY

1. **Introduction/Purpose:** In light of advances in information and communications technology, the Board of Directors of Palmdale Water District (the "District") adopts this policy to ensure continued compliance with the Brown Act in connection with certain social media and other electronic communications, while respecting a director's right to express himself or herself on issues within the District's subject matter jurisdiction, and to enhance directors' communications with their constituents.

2. **Application:** This policy shall apply only to directors' communications in the following social or electronic media:

   a. District's website;
   b. District's Facebook page;
   c. other directors' individual Facebook pages, but only as to issues within the District's subject matter jurisdiction;
   d. water industry websites and blogs; and
   e. Palmdale community websites and blogs, but only as to issues within the District's subject matter jurisdiction.

3. **Tone and Tenor of Communications:** The Board acknowledges that all communications made by a District director, whether in his or her capacity as a director or in his or her individual capacity, have the potential to reflect on the District and the Board, as a whole. Directors' social media and other electronic communications shall be professional and civil, and shall not include profanity, personal attacks or racial slurs. In addition, in making such communications, directors shall not disclose confidential or closed session information, particularly regarding ongoing litigation, personnel issues or proprietary District information.

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PALMDALE WATER DISTRICT

Memo

Date: 9/26/2012

To: Peter Thompson II, Operations Manager

From: Joe Kerschner, Water Quality Supervisor

CC:

Re: Dionex Ion Chromatography Training Attendance

It is vital that we have two lab analysts that can competently operate the IC to monitor nitrates in our wells as well as bromide levels in the lake and aqueduct. Currently we only have one.

Audel Narez has been performing the duties of Laboratory Analyst very well for approximately one year in the PWD laboratory. He is proficient at running all of the "Wet Chemistry" and Bacteriological analyses performed in our lab. I would like to have him trained in Ion Chromatography theory as well as the proper operation of the equipment and software. The manufacturer is able to provide Audel with more in-depth training than our lab staff is able due to time constraints.

The Water Quality Laboratory has included sufficient funds in the 2012 budget to send Audel to this training. I have attached a copy of the course descriptions for your review.

I am requesting that the board approve this request for Audel Narez to attend Ion Chromatography training at an estimated cost of $3,795.

If you have any questions, please contact me.

Sincerely,

Joe Kerschner

Water Quality Supervisor

DIONEX

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Chromeleon Level 1: An Introduction to Chromeleon

This one-day beginner-level course is designed for chromatographers new to the Chromeleon® chromatography data system. Starting from the initial application launch, the course covers all basic aspects of Chromeleon, allowing a new user to perform all steps required to operate their chromatography system and run, process and report samples.

The class includes extensive examples and hands-on exercises throughout. Topics to be covered include, but are not limited to, basic navigation and key concepts, interactive instrument operation, setup and execution of automated runs, basic integration and quantification, basic reporting and file management. Each participant will have access to a Chromeleon laboratory workstation, configured with a simulated Dionex IC and/or HPLC system, although most of the material applies equally to alternative configurations.

Course Outline:

- Getting started
- General navigation
- Manual instrument operation
- Setup and execution of automated runs
- Working with data
- Basic integration
- Basic calibration and quantification
- Basic reporting and report editing

Who Should Attend:

Chromatographers who are new to Chromeleon or current Chromeleon users who wish to review the basics.

Course Requirements:

Prior experience of Chromeleon is not required, but participants should have a working knowledge of the fundamentals of chromatography, as well as familiarity with Microsoft Windows.

Pricing:

r contact us.training.analyze@thermofisher.com.

Course Part

Course Name	Duration	Number	Price
Chromeleon 6.8 Level 1: An Introduction to Chromeleon	1 day	031650	$600 (call for Canadian pricing)
Chromeleon 7.1 Level 1: An Introduction to Chromeleon	1 day	031650	$600 (call for Canadian pricing)

Schedule and Registration:

View the most current schedule and self register on the Unity Lab Services registration page found here.

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Chromeleon Level 2: Next steps in Chromeleon

This one-day intermediate-level course is designed to expand your Chromeleon® skills developed through practical experience or through the Level 1 class. Building on the foundation of the Level 1 class, this course extends the detail and scope of the principles learned, allowing the user to achieve higher levels of flexibility and automation within Chromeleon.

The class includes extensive examples and hands-on exercises throughout. Topics include, but are not limited to, system configuration, data management, data processing and quantification, and reporting, all covered to a more in-depth level, including discussion of some of the internal workings of Chromeleon. Each participant will have access to a Chromeleon laboratory workstation, configured with a simulated Dionex IC and/or HPLC system, although most of the material applies equally to alternative configurations.

Course Outline

- Understanding Client/Server architecture
- System configuration
- Data management
- The Chromeleon database
- Understanding and using Chromeleon dynamic updating
- Intermediate-level data processing
- Report customization

Who Should Attend:

Chromatographers who have a sound working knowledge of Chromeleon and are looking to expand their knowledge.

Course Requirements:

Participants must have already completed Chromeleon Level 1 training, or have equivalent experience.

Pricing:

Course Name	Course Duration	Part Number	Price
Chromeleon 6.8 Level 2: Next Steps in Chromeleon	1 day	031762	$650 (contact us for Canadian pricing)

Chromeleon 7.1 Level 2: Next Steps in Chromeleon	1 day	031762	$650 (contact us for Canadian pricing)

Schedule and Registration:

View the most current course offerings and self-register at the Unity Lab Services registration page found here

Questions:

Please send all training inquiries to us.training.analyze@thermofisher.com.

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Ion Chromatography Theory and Operation

The Ion Chromatography Theory & Operation training courses are designed to develop fundamental and operational skills of new users of IC systems. This course is strongly recommended for IC users with a minimum of 2 months of hands-on experience who would like to further expand their knowledge on the principles of ion chromatography, how to successfully operate their IC system, and properly maintain its consumables.

Course Pre-requisites: Completion of Chromeleon Software courses (Levels 1 & 2) or equivalent

Class size is limited to 10 attendees.

Specific System/Hardware focused Courses Include:

- Principles of Ion Chromatography
- Eluent Preparation for Ion Chromatography – Tips & Tricks
- RFIC Eluent Generation Technology (Care & Operation)
- Detectors & Suppressors (Care & Operation)
    - Conductivity Detection
    - Amperometry Detection
- Columns (Care & Operation)
- AS Injection Modes (Simultaneous & Sequential)
- ICS-5000 Capillary Systems – Special Considerations
- Theory of Troubleshooting
- Laboratory (hands-on) exercises
    - IC System Installation, Setup & Equilibration
    - Making "Low-Noise & Voids-Free" Plumbing Connections
    - 1-pt Calibration Curve
    - Method Calibration / Data Processing
    - System Shutdown (Short- & Long-term)

Because we will be using Dionex Chromeleon Software for system control and data manipulation, Chromeleon Level 1 and Chromeleon Level 2 courses are required for all of the Basic IC operation and troubleshooting courses.

Chromeleon Level 1 & 2 courses are held the two days preceding most basic IC courses.
Chromeleon Level 1 and Chromeleon Level 2 courses require separate registration and purchasing.
Refer to links below.

Basic IC Operation and Troubleshooting

Who Should Attend:

New users of Dionex instrumentation with one to two months of hands on experience.

Pre-Requisites:

Completion of Chromeleon Level 1 and Chromeleon Level 2 training courses

Pricing:

Please sign up for the hardware that you are using.

Hardware Platforms	Part Number	Price
ICS 5000/3000	065228	$1275 (call for Canadian pricing)
ICS 1100/1600/2100	065230	$1275 (call for Canadian pricing)

Schedule and Registration:

View the most current course offerings and self-register at the Unity Lab Services registration page found here

Questions:

Please send all training inquiries to us.training.analyze@thermofisher.com.

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MINUTES OF MEETING OF THE WATER SUPPLY & RELIABILITY COMMITTEE OF THE PALMDALE WATER DISTRICT, JULY 27, 2012:

A meeting of the Water Supply & Reliability Committee of the Palmdale Water District was held Friday, July 27, 2012, at 2029 East Avenue Q, Palmdale, California, in the Board Room of the District office. Chair Dexter called the meeting to order.

1) Roll Call.

Attendance:	**Others Present:**
Water Supply & Reliability Cmte:	Dennis LaMoreaux, General Manager
Gordon Dexter, Chair	Robert Alvarado, PWD Director
Gloria Dizmang, Committee Member	Jon Pernula, Water & Energy Resources Mngr.
	Matt Knudson, Engineering Manager
	Danielle Doll, Administrative Assistant
	0 members of the public

2) Adoption of Agenda.

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

3) Public Comments.

There were no public comments.

4) Action Items:

4.1) Consideration and Possible Action on Approval of Minutes of Meeting Held June 15, 2012.

It was moved by Committee Member Dizmang, seconded by Chair Dexter, and unanimously carried to approve the minutes of the Water Supply & Reliability Committee meeting held June 15, 2012, as written.

4.2) Presentation of Monthly Water Demand and Supply Status. (Water & Energy Resources Manager Pernula)

Water & Energy Resources Manager Pernula stated that the District's current gallons per capita per day usage is lower than projected 2020 and 2015 goals; that water demand and production are slightly higher than projected; that surface treated water has

increased due to the Butte water purchase; and then reviewed additional water production graphs included in the agenda packets followed by discussion of educating homebuyers on the benefit of xeriscaping rather than turf landscaping, realtors being held responsible for a tenant's bill, the State Water Project and the District's 65% allocation, weather patterns for next year, water storage projects south of the Delta, local water storage and existing water banks, the District's banked water, water storage banking projects identified in the District's Strategic Water Resources Plan, the adjudication process, and forming a future water banking authority.

4.3) Consideration and Possible Action on Strategic Water Resources Plan. (Water & Energy Resources Manager Pernula)

Water & Energy Resources Manager Pernula stated that the Notice of Determination for the Strategic Water Resources Plan has been signed and will be filed with the County and the State Clearinghouse and that he and Engineering Manager Knudson are scheduled to meet next week to discuss alternatives and probable projects for establishing fees.

4.4) Discussion of the District's Water Banking Opportunities. (Chair Dexter)

Water & Energy Resources Manager Pernula stated that in addition to the opportunities previously mentioned, other opportunities are under discussion and negotiation followed by discussion of the District's 2,600 acre feet of banked water, additional supplies used during the worst period of drought, and improved water transfers through the State Water Project.

5) Project Updates.

5.1) Recycled Water Master Plan. (Water & Energy Resources Manager Pernula)

Water & Energy Resources Manager Pernula stated that there is no change in the status of the Recycled Water Master Plan.

5.2) Garden Bar Water Supply and Power Project. (Water & Energy Resources Manager Pernula)

Water & Energy Resources Manager Pernula stated that the partners for the Garden Bar Water Supply and Power Project have publicly stated that this Project is on hold until future development indicating a need for future demand occurs and that the District will be kept informed as this Project proceeds followed by discussion of Metropolitan's participation in this Project.

5.3) Water Purchase Opportunities. (Water & Energy Resources Manager Pernula)

Water & Energy Resources Manager Pernula stated that he will provide additional information as the details for additional water purchase opportunities proceed followed by discussion of other agencies pursuing water purchase opportunities, State Water Project Table A permanent solutions including capacity components and pre-1914 water, and Chromium 6 levels near the Colorado River.

5.4) Water Treatment and Transportation Agreement Between Palmdale Water District and Antelope Valley East Kern Water Agency – Acton Water Treatment Plant. (Engineering Manager Knudson)

Engineering Manager Knudson stated that the potable and raw water system for this Project have been tied in; that the contractor is continuing to work on clean-up items; that a flow test will be conducted in the next few weeks; and that the District is discussing a joint ribbon cutting ceremony with AVEK to announce the completion of this Project.

5.5) Littlerock Dam Sediment Removal Project. (Engineering Manager Knudson)

Engineering Manager Knudson stated that the Board approved the MOU with the Forest Service for this Project; that a revised project description has been provided to the Forest Service based on their comments; and that clarification is being provided regarding the Forest Service's recreation obligations at Littlerock Dam.

6) Public Comments on Closed Session Agenda Matters.

7) Closed Session Under:

7.1) Government Code Section 54956.9(a), Existing Litigation: *Antelope Valley Ground Water Cases.*

8) Public Report of Any Action Taken in Closed Session.

There was no closed session.

9) Information Items.

Water & Energy Resources Manager Pernula thanked the Committee for their support of the District's water resources projects followed by discussion of the District's efforts to ensure water supply, the complexity of these efforts, and development fees to cover infrastructure.

Committee Member Dizmang inquired about fire hydrant flushing followed by discussion of flushing dead-end water mains and the elimination of dead-end water mains in the distribution system.

There were no additional information items to discuss.

10) Board Members' Requests for Future Agenda Items.

General Manager LaMoreaux recommended an item for "Status on the operations of the State Water Project" be included on the next agenda.

There were no further requests for future agenda items.

The next Water Supply & Reliability Committee meeting was then scheduled for August 17, 2012 at 3:00 p.m.

11) Adjournment.

There being no further business to come before the Water Supply & Reliability Committee, the meeting was adjourned.

Chair

P A L M D A L E W A T E R D I S T R I C T

B O A R D M E M O R A N D U M

DATE: October 4, 2012 **October 10, 2012**

TO: BOARD OF DIRECTORS **Board Meeting**

FROM: Mr. Dennis D. LaMoreaux, General Manager

RE: ***AGENDA ITEM NO. 8.2 – REPORT OF GENERAL MANAGER – DISTRICT VACANCIES***

All budgeted positions are currently filled with the following exceptions:

Position	**Department**	**Comment**
Human Resources Manager	Human Resources	Retired
Field Service Supervisor	Administrative Services	Retired
Construction Supervisor	Facilities	Retired
Treatment Plant Supervisor	Operations	Retired
Senior Maintenance Mechanic	Operations	
Service Worker	Facilities	

P A L M D A L E W A T E R D I S T R I C T

M E M O R A N D U M

DATE: August 30, 2012

TO: Mr. Dennis LaMoreaux, General Manager

FROM: Mr. Matthew R. Knudson, Engineering Manager

RE: ***OVERVIEW OF SCE ENERGY ASSISTANCE FUND***

I spoke with a representative of Southern California Edison (SCE) about their Payment Assistance Program/Energy Assistance Fund and the following summarizes that discussion:

SCE started the Energy Assistance Fund approximately 30 years ago with minimal participation and limited funding. 2012 looks like the first year that they will have funds in place to offer the program for the full 12-month period. When they first started the program, it was only offered during the summer months due to limited funds.

As a private utility, SCE funds 50% of the program through fundraisers, voluntary employee contributions, and voluntary customer contributions. The remaining 50% is a match contribution made by the SCE stakeholders.

SCE sends all monies received through fundraisers, voluntary contributions, and stakeholder match funds to United Way who is responsible for qualifying the customers and disbursing funds based on the customer's needs. SCE historically has paid an 8-12% fee/charge to the non-profit organization to administer the program, but is looking at negotiating a flat fee.

SCE has a very large service area and therefore they work directly with 80+ community-based agencies that are located in the neighborhoods and communities for individuals that are in need of assistance. The community-based agency receives the application from the customer and then submits the application to United Way for final approval. If the application is approved, United Way disburses funds directly to Edison to credit the customer's account. This process takes approximately 2-months to complete. The maximum assistance amount is up to $100, based on the actual amount owed and is only available once in a 12-month period. To receive assistance, a customer must make a request through a community-based agency and customers must meet the following requirements in order to receive assistance.

- The bill must be in the name of the customer seeking assistance
- The address on the bill must be the customer's primary residence
- The customer must meet income guidelines

Based on this information and discussion with SCE on their program, I recommend the District take the following steps to further look into a similar program as an option for the District:

- Contact other public water agencies to see if there are others offering a similar program
- Contact local non-profit agencies such as the Salvation Army to see if they could administer this type of program for the District
- Discuss how the program can be funded for the District (i.e. fundraisers, contributions, etc.)