Since 1918

PALMDALE WATER DISTRICT

2029 East Avenue Q • Palmdale, California 93550 • Telephone (661) 947-4111
Fax (661) 947-8604
www.palmdalewater.org
Facebook: palmdalewaterdistrict
Twitter: @palmdaleH2O

Board of Directors

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Division 1

JOE ESTES
Division 2

GLORIA DIZMANG
Division 3

KATHY MAC LAREN
Division 4

VINCENT DINO
Division 5

ALESHIRE & WYNDER
Attorneys

September 3, 2015

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, September 9, 2015

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 (Government Code Section 54957.5). Please call Dawn Deans at 661-947-4111 x1003 for public review of materials.

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

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

1) Pledge of Allegiance.
2) Roll Call.
3) Adoption of Agenda.
4) Public comments for non-agenda items.
5) Presentations:
   5.1) None at this time.

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

6.1) Approval of minutes of regular meeting held August 26, 2015.

6.2) Payment of bills for September 9, 2015.

6.3) Approval of Financial Planning Services for State Grant and Low Interest Loan Funding to Implement Palmdale Regional Groundwater Recharge & Recovery Project. ($28,500.00 – 2013A Water Revenue Bond – Assistant General Manager Knudson/Finance Committee)

6.4) Approval to award contract for the disposal of obsolete Asbestos pipe and fittings currently stored at the District yard. ($26,875.00 – Budgeted – Facilities Manager Moore)

6.5) Approval to reject claim of Brian Johnson. (Finance Manager Williams)

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

7.1) Status report on Cash Flow Statement and Current Cash Balances as of July, 2015. (Financial Advisor Egan/Finance Committee)

7.2) Status report on Financial Statements, Revenue, and Expense and Departmental Budget Reports for July 31, 2015. (Finance Manager Williams/Finance Committee)

7.3) Status report on committed contracts issued and water revenue bond projects. (Assistant General Manager Knudson/Finance Committee)

7.4) Consideration and possible action on Resolution No. 15-14, a Resolution of the Board of Directors of Palmdale Water District Revising Section 7 of Resolution No. 15-9 Accelerating and Amending Penalties for Violating Mandatory Water Conservation Regulations for the Purpose of Achieving the Mandated 32% Reduction in Potable Water Use. (Deputy Water & Energy Resources Director Thompson II)

7.5) Consideration and possible action on developing a third-party water conservation website for the Antelope Valley State Water Contractors Association. (Assistant General Manager Knudson)

7.6) Consideration and possible action on rescheduling the first regular Board meeting in November due to the Veteran’s Day holiday. (General Manager LaMoreaux)

7.7) Consideration and possible action to authorize the creation of an Ad Hoc Committee to review Director compensation and expenses and the President to appoint its members. (President Mac Laren)

7.8) Consideration and possible action on authorization of the following conferences, seminars, and training sessions for Board and staff attendance within budget amounts previously approved in the 2015 Budget:

a) None at this time.

8) Information Items:

8.1) Reports of Directors:

a) Meetings/General Report.

b) Standing Committee/Assignment Reports (Chair):

1) Finance Committee
2) Facilities Committee

8.2) Report of General Manager.

8.3) Report of General Counsel.

9) Public comments on closed session agenda matters.

10) Break prior to closed session.

11) Closed session under:

11.1) Conference with Legal Counsel – Existing Litigation: A closed session will be held, pursuant to Government Code §54956.9 (d)(1), to confer with Special Litigation Counsel regarding pending litigation to which the District is a party. The title of such litigation is as follows: *Antelope Valley Ground Water Cases.*

11.2) Conference with Legal Counsel – Potential Litigation: A closed session will be held, pursuant to Government Code §54956.9 (d)(4), to confer with District General Counsel regarding to determine whether to initiate litigation, one case.

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

13) Board members' requests for future agenda items.

14) Adjournment.

Dennis D. LaMoreaux

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DENNIS D. LaMOREAUX,
General Manager

DDL/dd

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

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

DATE: September 2, 2015 **September 9, 2015**

TO: BOARD OF DIRECTORS **Board Meeting**

FROM: Mr. Matthew R Knudson, Assistant General Manager

VIA: Mr. Dennis D. LaMoreaux, General Manager

RE: ***AGENDA ITEM NO. 6.3 – APPROVAL OF FINANCIAL PLANNING SERVICES FOR STATE GRANT AND LOW INTEREST LOAN FUNDING TO IMPLEMENT PALMDALE REGIONAL GROUNDWATER RECHARGE & RECOVERY PROJECT. ($28,500.00 – 2013A WATER REVENUE BOND – ASSISTANT GENERAL MANAGER KNUDSON/FINANCE COMMITTEE)***

Recommendation:
Staff recommends the Board approve the Scope of Work for Financial Planning Services for State Grant and Low Interest Loan Funding to Implement the Palmdale Regional Groundwater Recharge & Recovery Project with PFM in the not-to-exceed amount of $28,500.00. This item will be reviewed with the Finance Committee at their September 3, 2015 meeting.

Alternative Options:
The alternative is to not approve this Scope of Work.

Impact of Taking No Action:
The District will not have assistance developing the required information for the Proposition 1 grant funding program or California State Revolving Fund program.

Background:
The District is in the preliminary design phase for the Palmdale Regional Groundwater Recharge & Recovery Project. This Project will enhance storage opportunities in the Antelope Valley and will enable the District and other entities to bank water. Financial options for this Project must now be considered.

Strategic Plan Initiative:
This work is part of Strategic Initiative No. 1 – Outstanding Water Management and Strategic Initiative No. 4 – Regional Leadership.

Budget:
This work is under the 2013A Water Revenue Bond.

Supporting Documents:
- Scope of Work for Financial Planning Services for State Grant and Low Interest Loan Funding to Implement the Palmdale Regional Groundwater Recharge & Recovery Project

Palmdale Water District

Scope of Work
for
Financial Planning Services for State Grant and Low Interest Loan Funding
to implement
Palmdale Regional Groundwater Recharge and Recovery Project

August 2015

Proposed Scope of Work. One of the important aspects of this scope of work is to develop the financial information that is required for inclusion in the construction grant and low interest loan funding request to the Proposition 1 Water Recycling Program and the California State Revolving Fund (SRF). If all required funds for project implementation cannot be obtained from a water recycling grant and a SRF loan, other funding sources will need to be obtained.

To accomplish this, PFM ("Consultant") will work with Palmdale Water District (District) staff to evaluate a range of reasonable financing scenarios to support the District's investment in the Palmdale Regional Groundwater Recharge and Recovery Project and the required revenues to repay construction and annual operating costs.

The analyses will include an evaluation of the costs, benefits and impacts on the District's rates, reserves and overall financial condition. In addition, Consultant will evaluate different marketing and credit rating strategies to help identify financing at the most favorable cost and repayment terms.

Background. The District is in the preliminary design phase for its Palmdale Regional Groundwater Recharge and Recovery Project. This project includes a recycled water component as well as necessary pipelines, recharge basins and groundwater recovery wells. In addition, the project will enhance storage opportunities, enabling the District and potentially others to bank water in the groundwater aquifer.

Consultant Tasks. Consultant will complete the following tasks.

Task 1 Initial Meeting with District to Establish Funding Scenarios

Consultant will meet with District staff to develop a range of reasonable funding sources for financial capital prior to starting the financial evaluation.

Financing sources may include, but are not limited to the following:

a. State Revolving Fund Loans
b. State and federal grants (e.g., Proposition 1, RIFIA)[1]
c. Tax-exempt revenue bonds (issued by the District or a JPA)

d. Special district bonds (e.g., assessment or CFD)
e. Participation agreements (e.g., banking partners)

Consultant will evaluate the four most reasonable funding scenarios which could include, but is not limited to, the financing structures as shown in the Table below:

Potential Funding Scenarios Total Capital Cost = $85,000,000				
	Scenario 1	**Scenario 2**	**Scenario 3**	**Scenario 4**
Grant Funding	$15,000,000	$15,000,000	$15,000,000	n/a
SRF Loan (1.663%)	$70,000,000	$35,000,000	n/a	n/a
Municipal Bond (%)	n/a	$35,000,000	$35,000,000	$35,000,000
Private Equity (%)	n/a	n/a	$35,000,000	$15,000,000
Other (%)	n/a	n/a	n/a	$35,000,000
Repayment period	30 yrs	30 yrs	30 yrs	30 yrs
Start Construction	2016	2016	2016	2016
End Construction	2018	2018	2018	2018
Start Operation	2019	2019	2019	2019

Task 2 Evaluate financing strategies and structures for each Scenario.

Consultant will develop financing models showing cash flow for each scenario, including potential impact on water rates and charges. The Consultant will use as a baseline the data presented in the District's Water Rate Study of 2014 when evaluating impacts on water rates and charges. The model will account for connection fee revenues, which will be a large source of repayment of loans (regardless of form.) Consultant will also evaluate different debt structures to enable the District to evaluate potential risks of each financing tool.

The financial model shall include all costs including but not limited to capital costs, annual operations and maintenance, costs of pumping energy, purchases of wastewater from LA County Sanitation District No. 20, cost of water from the State Water Project and reserve funds for future repair and replacement of project features.

Task 3 Compare Scenarios and Complete a Sensitivity Analysis

- Compare Scenarios on a Net Present Value (NPV) basis
- Recommend a preferred funding scenario
- Complete a sensitivity analysis on preferred funding scenario
    - Effect of change in market interest rates
    - Effect of droughts and water conservation for a 100%, 90% and 75% available water supply
    - Other sensitivity factors??
- Demonstrate the financial and repayment viability of preferred funding scenario

Task 4 Provide a summary report . Consultant will prepare a report showing financial impacts under each of the financing scenarios, as well as a recommendation as to what -scenario or combination of financing tools would be most effective.

The report shall be narrative in nature with supporting tables and figures and include at a minimum the following topics

A. Describe Sources of Financing
   - Proposition 1 Water Recycling Grant Funding
   - State Revolving Fund Low Interest Loan
   - Municipal Bond Market
   - Other sources

B. Assumptions in Funding Scenarios
   - Interest rates
   - Inflation
   - Annual operations and maintenance costs
   - Cost of SWP water
   - Cost of water from wastewater treatment plant
   - Reserve funds for repair and replacement
   - Other partners financial requirement
   - Repayment period
   - Other??

C. Financial Analysis of Funding Scenarios
   - Cash flow for each Scenario
   - Debt structure
   - Risks
   - Comparison of Scenarios based on NPV

D. Preferred Funding Scenario

   - Describe preferred funding scenario
   - Pricing Policy for Repayment of Preferred Funding Scenario
     - Impact on water rates and charges
     - Connection fee revenues
     - Unit Costs in dollars per acre-foot

Proposed Schedule and Timeframe. It is expected that all work on the financing scenarios will be completed by November 15, 2015, with a draft report available for staff review by October 1, 2015.

Personnel. The following PFM employees will conduct work on this project.

Brian Thomas, Managing Director
Christine Dawood, Senior Managing Consultant
Maria Figueroa, Senior Analyst
John Medall, Analyst

Fee proposal. PFM proposes to complete this work on a time and material basis at the following billing rates:

Managing Director - $325/hour
Senior Managing Consultant - $295/hour
Senior Analyst – $250
Analyst - $225/hour

Not-to-Exceed Fee: PFM proposes to complete the financing plan and scenario evaluation within a maximum fee of $28,500, plus direct expenses, which will be capped at $500.

Proposed Person-Hours and Billing Rates by Tasks

	Managing Dir.		Sr Consultant		Sr Analyst		Analyst		Total Hours	Total Cost
Rate	$325		$295		$250		$225			
	Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost		
Task 1	3	$975	3	$885					6	$1,860
Task 2	3	$975	10	$2,950	15	$3,750	15	$3,375	43	$11,050
Task 3	3	$975	5	$1,475	15	$3,750	15	$3,475	38	$9,575
Task 4	5	$1,625	10	$2,950	3	$750	3	$675	21	$6,000

Deliverables:

Consultant will provide 7 copies of draft and final reports. One electronic copy of the draft and final reports and data shall be provided in original format such as Microsoft Word and Microsoft Excel

PALMDALE WATER DISTRICT

BOARD MEMORANDUM

DATE:	September 2, 2015	**September 9, 2015**
TO:	BOARD OF DIRECTORS	**Board Meeting**
FROM:	Mr. Tim Moore, Facilities Manager	
VIA:	Mr. Matthew Knudson, Assistant General Manager Mr. Dennis D. LaMoreaux, General Manager	
RE:	***AGENDA ITEM NO. 6.4 – APPROVAL TO AWARD CONTRACT FOR THE DISPOSAL OF OBSOLETE ASBESTOS CONCRETE PIPE AND FITTINGS CURRENTLY STORED AT THE DISTRICT YARD. ($26,875.00 – BUDGETED – FACILITIES MANAGER MOORE)***	

Recommendation:
Staff recommends accepting the proposal from Alliance Environmental Group, Inc. (Alliance) in the amount of $26,875.00 for the removal and proper disposal of obsolete Asbestos Concrete (AC) pipe. This item will be reviewed by the Facilities Committee at their September 8, 2015 meeting.

Financial Impact:
The approval of said proposal will be done though a re-allocation of uncommitted project funds from the 2015 Budget. Currently we have 13 projects that remain uncommitted in the amount of $1,047,000. We will re-allocate the funds from the uncommitted to this project, and this will be handled as a plant expenditure. Since this is a District issue instead of one single department, this charge will be placed against general ledger account number 1-00-5021-000 and all inventory disposal will be charged to here as well.

Background:
The District has been storing an assortment of Asbestos Concrete (AC) pipe at the District facility yard for over 20-years and has no future need or use of said AC pipe. The obsolete pipe needs to be wrapped, loaded, and disposed of by qualified individuals. Alliance will be responsible to obtain the proper permits, provide all labor to wrap and load the AC pipe for transport, and dispose of all material at an approved landfill with all of the proper manifest.

The removal of said AC pipe will satisfy a recommendation the District received from ACWA/JPIA, which recommends removing the obsolete pipe from the District's yard if said pipe has no intended use.

Upon approval, staff will work with legal to ensure an acceptable agreement is in place with Alliance prior to beginning work.

Supporting Documents
- Proposal from Alliance Environmental Group, Inc.
- Proposal from ACT Environmental Services
- List of AC Pipe and Fittings

Strategic Plan Element
Strategic Initiative No. 3 – Infrastructure Management

680 Flinn Avenue, Unit 32, Moorpark, CA 93021 Ph: 805-378-6590 Fx: 805-222-2372
Lic. # 716538 - D.O.S.H. # 630
www.alliance-enviro.com
info@alliance-enviro.com

Proposal/Contract

Project: **Palmdale Water District**
"Property" Address: 2029 East Avenue Q
City: Palmdale State: CA Zip: 93550
Contact: Frank Gonzalez
Work No.: (661) 456-1051
Mobile No.: (760) 793-0349 Home No.: (661) 456-1051
Claim Number: _____

Customer [X] **Billing Party** [ ]
Palmdale Water District
Address: 2029 East Avenue Q
City: Palmdale State: CA Zip: 93550
Contact: Frank Gonzalez
Phone No.: (661) 456-1051
Fax No.: _____

Scheduled Start Date: Scheduled Completion Date:
Total Bid Amount: **$26,875.00** Deposit Required: **$0.00** Balance Due on Completion: **$26,875.00**
Asbestos - $16,750.00
Hazardous Waste Disposal - $8,200.00
Notification Fee - $675.00
Equipment Rental - $1,250.00

SCOPE OF WORK (Description of Project, Materials to be Used, and/or Equipment to be Installed)

The following estimate is for the removal and disposal of 103,641 lbs of transite pipe.
Scope of Work:

1. Notify required local regulatory agency prior to job start if applicable.
   Antelope Valley Air Quality Management District 10 Day Notification. - Fees included in cost.
2. Isolate work areas.
3. Set up the shower decontamination system adjacent to work area(s).
4. Remove and dispose of asbestos containing:
   a. 103,641 lbs of pipe
5. Transport, manifest and dispose of waste at an EPA landfill.
   Note: This estimate included 6 non friable asbestos waste cans (40 yards each). Additional cans may be required if estimated weight exceeds anticipated amount. Additional asbestos disposal will be at $1400.00 each (40 yard) can.

This estimate is weather permitting. Alliance will use excavator to assist in removal. Excavator costs $1250.00 weekly. Should weather cause project to be delayed, Alliance will charge additional for equipment rental.
Note: Alliance must notify local air quality management district prior to starting work.

DEPOSIT may not exceed $1,000 or 10 percent of Contract Amount, whichever is less. Customer shall pay Alliance the Deposit prior to Alliance scheduling work. In the event of failure to pay any of the amount due in this invoice, all collection costs and/or attorney fees in the collection of any such amount will be paid by the Customer. Interest at the rate of 1.5% per month, or the maximum rate allowed by law whichever is less, will be charged on accounts past due more than 30 days. In the event of failure to pay any of the amount due, all collection costs and/or attorney fees in the collection of any such amount will be paid by the Customer. In the event that an insurance company issues a check to the owner for payment for services performed by Alliance, please endorse the check and forward it to Alliance upon the completion of the job.

Some of the services performed by Alliance require the use of EPA approved chemicals. It is the Customer's responsibility to notify Alliance of any potential health concerns or known sensitivity to chemicals. I have read and understand that if I have concerns I am to notify JC Black.

_____ _____
(Signature) (Date)

Any and all hazardous waste fees are to be paid by the generator, not Alliance Environmental Group, Inc. This is including but not limited to ALL generator fees from the State Board of Equalization and Department of Toxic Substance Control.

Customer acknowledges and authorizes Alliance to sign the Hazardous Waste Manifest "on behalf of" the generator.

Customer Initial _____

The State Board of Equalization will assess a fee for each generator that produces five tons or more of hazardous waste. **This assessed fee is not included in this contract amount.** Please be aware that if you generate more than five tons of hazardous waste, the BOE will bill you the required fee.
Current fees are as follows:

Generator Size:	Fee:	Generator Size:	Fee:
Less than 5 tons/year	$0.00	25 but less than 50 tons/year	$1,594.00
5 but less than 25 tons/year	$199.00	50 but less than 250 tons/year	$3,986.00

Contact your AEG Project Manager/Estimator (JC Black) for assistance in approximating your Generator Fee. Notice:
Recent lead laws require that any pre 1978 structure where lead paint will be disturbed must have the paint tested or it will be presumed positive. Alliance Environmental Group, Inc. strongly recommends that these painted surfaces be tested for lead content prior to performing work. If Alliance Environmental Group, Inc. has not been provided lead testing results, it will be assumed that all surfaces contain lead. Alliance Environmental Group, Inc. will profile and characterize these materials for the proper handling and disposal. Pending results of the lead profile characterization, additional disposal cost may be charged at a price to be determined by Alliance Environmental Group, Inc.

CONTRACT

Alliance Environmental Group, Inc. (hereinafter referred to as "Alliance"), and the undersigned homeowner or tenant (hereinafter referred to as "Customer") agree as follows: The previous page and above portion of this page are incorporated herein as part of the Contract between the parties.

1. SCOPE OF WORK: In consideration of the payment specified above, Alliance is hereby authorized to furnish all labor, materials, and equipment necessary to perform removal and disposal of asbestos, lead, mold, and/or other materials and/or to perform hazardous remediation of hazardous materials, all as specified in the above agreed Scope of Work, in material compliance with applicable laws and regulations. Alliance agrees to use reasonable best efforts to complete the Scope of Work. However, Customer acknowledges and agrees that this Agreement is for Alliance's effort and not for any particular results. ALLIANCE MAKES NO REPRESENTATION OR WARRANTY THAT THE WORK DESCRIBED IN THE SCOPE OF WORK WILL RESULT IN THE ELIMINATION OF ASBESTOS, LEAD, MOLD, AND/OR OTHER HAZARDOUS MATERIALS CONTAMINATION ("HAZARDS CONTAMINATION") FROM THE AREAS DESCRIBED IN THE SCOPE OF WORK OR THAT SUCH HAZARDS CONTAMINATION WILL NOT REAPPEAR IN SUCH AREAS OR OTHER AREAS OF THE PROPERTY. ALLIANCE MAKES NO REPRESENTATION OR WARRANTY REGARDING HAZARDS CONTAMINATION IN AREAS, INCLUDING ADJOINING AREAS, NOT SPECIFIED IN THE SCOPE OF WORK, NOR THAT SUCH HAZARDS CONTAMINATION WILL NOT MIGRATE TO AREAS DESCRIBED IN THE SCOPE OF WORK FOLLOWING COMPLETION OF OR DURING THE SCOPE OF WORK. Without limiting the foregoing, Customer specifically waives and releases Alliance from any claim for damages (a) arising out of, connected with or related to Hazards Contamination, (b) on account of work recommended by Alliance but not accepted by Customer or Insurer, and (c) for any consequential, incidental or punitive damages, or for loss of use, property or profits of whatever kind arising out of or in connection with performance of Scope of Work.

2. START DATE AND COMPLETION DATE: California Law requires that Contractor start this project within (20) days of execution of this Contract subject to Alliance's ability to obtain permits and Customer's ability to obtain financing if Customer is buying the property in question, subject to delay caused by any processing and obtaining permits may required which may extend Start Date and correspondingly delay the Completion Date.

3. EXCLUSIONS: Any work that is not specifically included in Scope of Work shall not be any part of this Contract. Removal of inaccessible asbestos, mold, or lead-containing materials is not covered in the Contract amount and additional charges will apply if materials must be removed to uncover same. Doors, lights, ceiling fans, curtains and other items may need to be removed by Alliance to perform work and Alliance does NOT rebuild or reinstall these items.Plumbing supply lines may be faulty and may need to be replaced. This cost is not covered in the Contract Amount. Contents and appliances need to be removed from work area prior to abatement. Additional costs will be applied if contents need to be removed, unless otherwise stated in the Scope of Work. Unless otherwise stated in the Scope of Work, the cost of third party clearance testing is not part of the Contract Amount.

4. DAMAGE: Incidental damage to doors, door casings, windows, window sills, baseboards, walls, wallpaper, wood, paneling, painted surfaces, and to contents or Customer personal items left in work area may occur as a result of work performed, including but not limited to taping plastic barriers to walls and other surfaces. Every reasonable attempt will be made to minimize such occurrences. Alliance shall not pay/reimburse for, nor does it do any, repairs, repainting, rebuilding or replacement of such "incidental damages, and such is not included in the Scope of Work.

Due to odors caused by chemicals used for mastic removal, the work areas will be razor scraped to remove the majority of mastic but residual mastic may be left after scraping and will be sealed with an E.P.A. approved encapsulant.

5. SITE ACCESS: Customer agrees to ensure that prior to any work undertaken by Alliance, the site of the work, the area from which the work is controlled, and any storage area used by Alliance in connection with the work (collectively referred to hereinafter as the "Site"), shall be vacated and remain closed to all persons (other than ALLIANCE employees) for the duration of the project. In the event that any individual other than ALLIANCE employees enters the Site, Customer agrees that ALLIANCE shall not be held liable for any claims, including, without limitation, any claims relative to asbestos, lead, mold and/or hazardous remediation exposure arising there from, and including, without limitation, any claims of negligence by ALLIANCE; and that Customer will indemnify and hold harmless ALLIANCE from all such claims, including costs of defense.

6. DIFFERING SITE CONDITIONS: If ALLIANCE encounters subsurface, latent, unusual or unknown physical conditions in the work area differing materially from those indicated in its initial inspection or the Scope of Work, ALLIANCE will promptly notify Customer or Insurer. If such conditions cause an increase in the cost of, or the time required for, performance of the Scope of Work, appropriate equitable adjustments in Scope of Work, price and completion date shall be made.

7. EXTRA WORK AND CHANGE ORDERS: Customer and Alliance, or Insurer (defined below) and Alliance, may change the Scope of Work at any time and from time to time, including changes in scope, methods, scheduling or performance requirement, but no such change shall be effective unless and until an agreed written Change Order is made and executed, including appropriate adjustments to the overall price and completion date of the Scope of Work. Subject to the following, if Alliance undertakes additional or different work notwithstanding the absence of a Change Order, it will not operate as a waiver of this provision, and Alliance will nevertheless be entitled to appropriate equitable adjustments to the price and completion date terms of the Scope of Work. All phone quotes are subject to field verification. Extra work and Change Orders become part of the Contract once the order is prepared in writing and signed by the parties. The Change Order must describe the scope of the extra or change, the cost to be added or subtracted from the contract, and the effect the order will have on the schedule of progress payments, if any. Change Orders required by the building department at the jobsite shall be considered incorporated into the contract without being signed by both parties.

8. ELIMINATION OF CONDITIONS: Customer acknowledges that it, and not Alliance, is responsible for the elimination of any and all conditions from the Property that may cause or contribute to re-contamination by Mold or other Irritants, including but not limited to standing water, faulty plumbing, leaks, dampness from condensation, damaged wood, roof leaks, direct wood to soil contact, improperly protected exterior wood surfaces, landscaping above foundation grade line, and improperly installed irrigation.

9. UTILITIES; STORAGE: Customer agrees to provide to Alliance, free of charge, reasonable use of electrical power, light, water, and storage space necessary for the proper undertaking and completion of the Services at the Property.

10. FORCE MAJEURE: Alliance shall not be deemed to default nor be liable for damages for any failure or delay in performance of its work which arise out of causes beyond its reasonable control. Such causes may include, without limitation, acts of God, acts of terrorists or terrorist organizations, the public enemy, acts of government in either its sovereign or contractual capacity, fires, floods, earthquakes, epidemics, quarantine restrictions, strikes, freight embargoes, material shortages, or unusual severe weather. In the event work by Alliance is delayed by such causes, the completion date will be extended accordingly.

11. MECHANICS LIEN WARNING: Anyone who helps improve your property, but who is not paid, may record what is called a mechanics' lien on your property. A mechanics' lien is a claim, like a mortgage or home equity loan, made against your property and recorded with the county recorder.

Even if you pay your contractor in full, unpaid subcontractors, suppliers, and laborers who helped to improve your property may record mechanics' liens and sue you in court to foreclose the lien. If a court finds the lien is valid, you could be forced to pay twice or have a court officer sell your home to pay the lien. Liens can also affect your credit.

To preserve their right to record a lien, each subcontractor and material supplier must provide you with a document called a "20-day Preliminary Notice." This notice is not a lien. The purpose of the notice is to let you know what the person who sends you the notice has the right to record a lien on your property if he or she is not paid.

BE CAREFUL. The Preliminary Notice can be sent up to 20 days after the subcontractor starts work or the supplier provides material. This can be a big problem if you pay your contractor before you have received the Preliminary Notices. You will not get Preliminary Notices from your prime contractor or from laborers who work on your project. The law assumes that you already know they are improving your property.

PROTECT YOURSELF FROM LIENS. You can protect yourself from liens by getting a list from your contractor of all the subcontractors and material suppliers that work on your project. Find out from your contractor when these subcontractors started work and when these suppliers delivered goods or materials. Then wait 20 days, paying attention to the Preliminary Notices you receive.

PAY WITH JOINT CHECKS. One way to protect yourself is to pay with a joint check. When your contractor tells you it is time to pay for the work of a subcontractor or supplier who has provided you with a Preliminary Notice, write a joint check payable to both the contractor and the subcontractor or material supplier.

For other ways to prevent liens, visit CSLB's website at www.cslb.ca.gov <http://www.cslb.ca.gov> or call CSLB at 1-800-321-CSLB (2752).

Remember, if you do nothing, you risk having a lien placed on your home. This can mean that you may have to pay twice, or face the forced sale of your home to pay what you owe.

12. COMMERCIAL GENERAL LIABILITY INSURANCE (CGL): Alliance carries CGL insurance written by Commerce & Industry Ins. Co. You may call the insurance company at (949)851-8800 to check Alliance's coverage.

13. WORKERS' COMPENSATION INSURANCE: Alliance carries workers' compensation insurance for employees.

14. INFORMATION ABOUT CONTRACTORS STATE LICENSE BOARD (CSLB): See Attached Notice .

15. INSURANCE TRANSACTION AND INSURANCE AUTHORIZATION TO RELEASE FUNDS: When Contract for Scope of Work is between Alliance and Customer's insurance company ("Insurer"), Customer shall nevertheless be jointly and severally liable with Insurer to pay Alliance all amounts due to Alliance. Customer's signature on this Contract grants Alliance the Customer's power of attorney to sign/endorse Insurer checks and/or drafts payable to the Customer, including as result of Customer's claim to Insurer for property damages, concerning or intended to be in payment for Alliance's work. Customer agrees checks from Insurer will be sent directly to Alliance.

NOTICE OF INFORMATION ABOUT CONTRACTORS STATE LICENSE BOARD

CSLB is the state consumer protection agency that licenses and regulates construction contractors. You may contact CSLB for information about the licensed contractor you are considering, including information about disclosable complaints, disciplinary actions and civil judgments that are reported to CSLB. Use only licensed contractors. If you file a complaint against a licensed contractor within the legal deadline (usually four years), CSLB has authority to investigate the complaint. If you use an unlicensed contractor, CSLB may not be able to help you resolve your complaint. Your only remedy may be in civil court, and you may be liable for damages arising out of any injuries to the unlicensed contractor or the unlicensed contractor's employees. For more information: VISIT: CSLB's website at www.cslb.ca.gov. CALL: CSLB at 1-800-3321-CSLB (2752). WRITE: CSLB at P.O. Box 26000, Sacramento, CA 95826.

Customer authorizes payment for the services rendered to be paid directly to Alliance from Insurer or its authorized agent. If the Scope of Work is not a covered loss, Customer acknowledges that payment in full will be made upon completion of work.

*** YOU, THE CUSTOMER, ARE ENTITLED TO A COMPLETELY FILLED IN COPY OF THIS CONTRACT, SIGNED BY BOTH YOU AND ALLIANCE, BEFORE ANY WORK MAY BE STARTED.**

*** YOU, THE CUSTOMER, MAY CANCEL THIS TRANSACTION AT ANY TIME PRIOR TO THE THIRD BUSINESS DAY AFTER THE DATE OF THIS TRANSACTION. SEE ATTACHED NOTICE OF CANCELLATION FORM FOR EXPLANATION OF THIS RIGHT.**

Customer signature below is acknowledgement that Customer has received THREE-DAY RIGHT TO CANCEL form.

THIS CONTRACT WILL NOT BECOME BINDING ON THE PARTIES UNTIL ACCEPTED BY AN AUTHORIZED REPRESENTATIVE OF ALLIANCE, AT ALLIANCE'S OFFICES.

CUSTOMER: ALLIANCE ENVIRONMENTAL GROUP, INC.:

Dated: _____ Representative: _____

Print Name: _____ _____

(Printed Name) (Signature)

_____

(Signature)

NOTICE OF RIGHT TO CANCEL

Project: Palmdale Water District Enter Date of Transaction:_____

You, the Buyer, have the right to cancel this contract within three (3) business days. You may cancel by e-mailing, mailing, faxing, or delivering a written notice to the contractor at the contractor's place of business by midnight of the third business day after you received a signed and dated copy of the contract that includes this notice. Include your name, your address, and the date you received the signed copy of the contract and this notice.

If you cancel, the contractor must return to you anything paid within 10 days of receiving the notice of cancellation.

For your part, you must make available to the contractor at your residence, in substantially as good condition as you received it, any goods delivered to you under the contract or sale. Or, you may, if you wish, comply with the contractor's instructions on how to return the goods at the contractor's expense and risk.

If you do make the goods available to the contractor and the contractor does not pick them up within 20 days of the date of your notice and cancellation, you may keep them without any further obligation.

If you fail to make the goods available to the contractor, or if you agree to return the goods to the contractor and fail to do so, then you remain liable for performance of all obligations under the contract.

To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice, or any other written notice, or send a fax, to Alliance, 990 W. Tenth Street, Azusa, California 91702, fax 626-633-3599 or e-mail to info@alliance-enviro.com, not later than midnight, three days from today. If you do decide to cancel via e-mail, please add 'CANCELLATION' to the subject line.

I herby cancel this transaction. _____(Date).

ACT
environmental services

Palmdale Water District
2029 E Ave Q,
Palmdale, CA 93550
(661) 947-4111

Agreement to Remove Asbestos Concrete Pipe

Advanced Chemical Transport, Inc. (ACT) is pleased to submit the following services agreement to Palmdale Water District at their facility located at 2029 E Avenue Q, Palmdale, CA 93550:

Item	Deliverable	Fee
1	Prepare a Rule 1403, Procedure 5 document and permit (including fees) for submittal to the Antelope Valley Air Quality Management District.	$2,100.00
2	Provide all labor, equipment, and materials to wrap, load, and remove asbestos concrete pipes (transite), as outlined in the document provided to ACT by the Palmdale Water District. ACT shall utilize asbestos workers certified by the State of California Department of Industrial Relations (DIR), Department of Occupational Safety and Health (DOSH).	$14,710.00
3	Transport and dispose of all material at an approved landfill.	$10,386.00
4	Confirmation sample and report by a State of California Certified Asbestos Consultant (CAC).	$2,400.00
Total Estimate Fee		**$29,596.00**

ACT will invoice when the project is completed. The invoice is due net (30) days upon submission.

T 408.548.5050
F 408.548.5052
1210 Elko Dr., Sunnyvale CA, 94089
www.advancedchemical.net

ACT
environmental services

ACT appreciates your confidence in our abilities. If you have any questions or need further assistance, please do not hesitate to contact me. If this agreement and the terms and conditions are satisfactory to you, please sign below and return a copy to ACT.

For ACT

8/10/18

Mike Przewoznik **Date**
Senior Account Manager

For Palmdale Water District

Date

T 408.548.5050
F 408.548.5052
1210 Elko Dr., Sunnyvale CA, 94089
www.advancedchemical.net

Assorted A/C Pipe

Size (inch x foot)	Qty.	Aprox. Ft.	Tot. Length in Feet	Weight Lbs./per ft.	Total Weight in Lbs.
4 x 3.25	9	31	204	8	1,632
4 x 6.5	8	53			
4 x 10	4	41			
4 x 13	6	79			
4 x 13 - cl.200	11	144	144	10	1,440
6 x 3.25	52	170	718	13	9,334
6 x 6.5	14	92			
6 x 13	35	456			
8 x 3.25	99	323	585	19	11,115
8 x 6.5	24	157			
8 x 13	59	105			
10 x 3.25	41	135	703	31	21,793
10 x 6.5	27	177			
10 x 13	30	391			
12 x 3.25	49	161	552	42	23,184
12 x 6.5	24	157			
12 x 13	18	234			
14 x 3.25	5	17	57	54	3,078
14 x 13	3	40			
16 x 3.25	48	157	445	67	29,815
16 x 6.5	22	144			
16 x 13	11	144			
Asst. couplings	60	75	75	30	2,250
			3,483' Total Length		**103,641* Total Lbs.**

Aproximately 52 tons of AC Pipe

PALMDALE WATER DISTRICT

BOARD MEMORANDUM

DATE:	August 26, 2015	**September 9, 2015**
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 JULY, 2015.***	

Attached is the Investment Funds Report and current cash balance as of July 31, 2015. The reports will be reviewed in detail at the Board meeting.

PALMDALE WATER DISTRICT
INVESTMENT FUNDS REPORT

				July 31, 2015				
							July-15	June-15
	DESCR							
CASH								
0-0103	Citizens/US Bank - Checking						(203,355.54)	548,740.30
0-0104	Citizens- Merchant						100,143.29	137,110.01
						Bank cash	(103,212.25)	685,850.31
0-0119	PETTY CASH						300.00	300.00
0-0120	CASH ON HAND						5,400.00	5,400.00
	TOTAL CASH						(97,512.25)	691,550.31
INVESTMENTS								
0-0110	UBS ACCOUNT SS 11469 GG							
	UBS RMA Government Portfolio						5,189,599.52	4,605,291.15
	UBS Bank USA Dep acct						250,000.00	250,000.00
			Accrued interest				1,621.34	3,298.73
							5,441,220.86	4,858,589.88
			CD'S	Due	Rate	Face Value		
		1	Bank of Baroda	07/23/15	0.35	240,000		240,021.60
		2	Comenity Bank	07/28/15	0.45	200,000		199,736.00
		3	Peoples United CT	07/28/15	0.30	240,000		240,021.60
		4	Bank of India	07/28/15	0.30	23,000		23,002.07
		5	Safra Nat'l	07/30/15	0.45	240,000		240,048.00
		6	Standard B&T	07/30/15	0.45	57,000		57,007.98
		7	Everbank	01/15/16	0.50	240,000	240,170.40	240,175.20
		8	Horizon Financial	01/15/16	0.30	240,000	239,956.80	239,923.20
		9	Hardin county	01/20/16	0.35	240,000	240,007.20	239,980.80
		10	Level One bank	01/21/16	0.35	40,000	40,001.20	39,996.80
		11	Firsy Merit	01/22/16	0.45	240,000	240,115.20	240,110.40
						2,000,000	1,000,250.80	2,000,023.65
						Total acct	6,441,471.66	6,858,613.53
0-1110	UBS ACCOUNT SS 11475 GG							
	UBS Bank USA Dep acct						250,000.00	250,000.00
	UBS RMA Government Portfolio						357,552.34	357,544.47
						Total acct	607,552.34	607,544.47
0-0115	LAIF					Total acct	11,756.41	11,740.58
0-0111	UBS ACCOUNT SS 11432 GG							
	UBS Bank USA Dep acct						250,000.00	250,000.00
	UBS RMA Government Portfolio						437,667.89	437,659.31
			Accrued interest				8,321.52	5,106.41
	US GOVERNMENT SECURITIES:							
	ISSUE DATE		ISSUER	EXPIR DATE	RATE	PAR	MARKET VALUE	MARKET VALUE
			FNMA	10/26/2015	1.625	500,000	501,640.00	502,365.00
			FFCB	6/2/2016	0.375	1,000,000	1,000,100.00	1,000,500.00
			FHLB	12/28/2017	0.95	500,000	498,050.00	497,765.00
						2,000,000	1,999,790.00	2,000,630.00
			CD'S	Due	Rate	Face Value		
		1	Sallie Mae Bank	11/06/15	0.85	240,000	240,360.00	240,439.20
		2	Goldman Sachs Bk	11/07/16	1.00	240,000	240,708.00	240,979.20
		3	CIT Bank	11/06/17	1.60	240,000	240,297.60	240,280.80
		4	BMW Bank	11/15/18	2.00	240,000	241,384.80	242,724.00
		5	American Express	4/29/2019	1.45	240,000	237,252.00	238,653.60
		6	Synchrony Bank	4/14/2020	1.85	240,000	237,021.60	238,039.20
		7						
						1,440,000	1,437,024.00	1,441,116
				TOTAL MANAGED ACCOUNT			4,132,803.41	4,134,511.72
	TOTAL INVESTMENTS						11,193,583.82	11,612,410.30
	UBS ACCOUNT SS 24016				UBS USA		250,000.00	250,000.00
			Rate Stabilization Fund		UBS AG		230,267.09	230,258.18
							480,267.09	480,258.18
	GRAND TOTAL CASH AND INVESTMENTS						11,576,338.66	12,784,218.79
		Summary:						
		Checking		(97,512)		Incr (Decr)	(1,207,880.13)	
		UBS MM		7,049,024				
		LAIF		11,756				
		UBS Investment		4,132,803				
		Rate Stab fund		480,267		BNY Mellon		
			Total	11,576,339		Construction	2,127,496.18	2,707,278.67

PALMDALE WATER DISTRICT

2015 Cash Flow Report

	January	February	March	April	May	June	July	August	September	October	November	December	YTD
Budgeted Water Sales	1,665,617	1,645,827	1,701,805	1,717,590	1,933,174	2,100,833	2,336,905	2,377,838	2,191,667	2,101,685	1,823,592	1,806,467	23,403,000
Actual/Projected Water Sales	**1,574,657**	**1,508,991**	**1,555,455**	**1,737,099**	**1,707,376**	**1,744,859**	**1,984,220**	2,100,000	2,000,000	2,000,000	1,600,000	1,550,000	21,062,656
Beginning Balance	**12,989,489**	**13,129,226**	**13,311,353**	**10,792,096**	**12,454,470**	**13,232,397**	**12,784,219**	**11,576,339**	**11,011,020**	**8,691,520**	**9,040,714**	**8,650,786**	
Water Receipts	**1,955,377**	**1,333,287**	**1,882,461**	**1,715,041**	**1,541,540**	**1,900,537**	**1,790,744**	2,100,000	2,000,000	2,000,000	1,600,000	1,550,000	21,368,987
DWR Refund (Operational Related)				**37,515**									37,515
Other					**122,850**			**23,893**	126,015				272,758
Total Operating Revenue (BUDGET)	1,955,377	1,805,677	1,780,736	1,691,040	1,777,997	2,046,064	2,312,079	2,377,838	2,191,667	2,101,684	1,823,591	1,806,466	23,670,217
Total Operating Revenue (ACTUAL)	1,955,377	1,333,287	1,882,461	1,752,556	1,664,390	1,900,537	1,790,744	2,123,893	2,126,015	2,000,000	1,600,000	1,550,000	21,679,260
Total Operating Expenses excl GAC (BUDGET)	1,941,325	1,336,683	1,620,620	1,268,042	1,457,882	1,415,451	2,043,912	1,725,160	1,626,092	1,790,975	1,788,698	1,539,261	19,554,101
Total Operating Expenses excl GAC (ACTUAL)	**1,220,357**	**1,283,474**	**1,934,657**	**1,515,586**	**1,595,351**	**1,452,485**	**2,238,601**	1,345,000	1,545,000	1,520,000	1,480,000	1,300,000	18,430,511
													2,632,144
Non-Operating Revenue Expensess:													
Budgeted Assessments, net	658,043	301,052	8,169	2,023,311	743,899	7,993	82,865	175,695	-	-	147,607	2,901,366	7,050,000
Actual/Projected Assessments, net	**720,946**	**275,795**	**15,646**	**2,199,772**	**803,305**	**11,911**	**81,982**	**138,249**	-	-	147,607	2,901,366	7,296,579
RDA Pass-through (Successor Agency)					**331,200**							170,000	501,200
Interest	**3,425**	**3,617**	**4,221**	**3,604**	**3,164**	**3,823**	**3,965**	4,000	4,000	4,000	4,000	4,000	45,820
Market Adjustment	**6,917**	**(4,350)**	**6,676**	**951**	**(625)**	**(4,479)**	**(4,705)**	800	800	800	800	800	4,385
Grant Re-imbursement										306,915		178,085	485,000
Capital Improvement Fees		**19,315**	**101,633**	**17,754**				**215,189**					353,891
DWR Refund (Capital Related)			**39,207**	**65,731**	**35,221**	**113,573**							253,732
Other	**608**	**3,971**	**2,270**	**4,259**	**21**	**63**	**32**	500	500	500	500	500	13,723
Total Non-Operating Revenues (BUDGET)	677,843	500,852	512,969	2,043,111	1,013,699	27,793	152,665	195,495	19,800	19,800	167,407	3,091,168	8,422,601
Total Non-Operating Revenues (ACTUAL)	**731,896**	**298,348**	**169,653**	**2,292,071**	**1,172,287**	**124,891**	**81,275**	**358,738**	**5,300**	**312,215**	**152,907**	**3,254,751**	**8,954,330**
Non-Operating Expenses:													
Budgeted Capital Expenditures	(549,456)	(580,000)	(945,000)	(710,000)	(545,000)	(178,000)	(187,000)	(115,000)	(135,000)	(35,000)	(10,000)	(10,000)	(3,999,456)
Actual/Projected Capital Expenditures	**(549,456)**	**(41,022)**	**(478,918)**	**(300,653)**	**(251,559)**	**(164,467)**	**(151,873)**	(687,974)	(162,407)	(75,000)	(34,816)		(2,898,145)
Uncommitted Capital Expenditures								(427,000)	(210,000)	(160,000)	(235,000)	(50,000)	(1,082,000)
WRB Capital Expenditures												(675,386)	(675,386)
GAC			**(297,759)**	**(298,286)**				(340,000)			(185,000)		(1,121,045)
SWP Capitalized	**(754,079)**	**(185,988)**	**(213,428)**	**(187,871)**	**(187,871)**	**(187,871)**	**(672,129)**	(187,388)	(219,319)	(187,388)	(187,387)	(187,387)	(3,358,106)
Butte County Water Transfer						**(648,151)**						**(648,151)**	(1,296,303)
Prepaid Insurance (paid)/refunded		**81,446**		**(62,561)**				(36,620)	(197,480)				(215,215)
Bond Payments - Interest			**(1,105,798)**						(1,097,735)				(2,203,533)
Principal			**(520,179)**						(998,242)				(1,518,421)
Capital leases - Go West (2012 Lease)	**(17,296)**	**(17,296)**	**(17,296)**	**(17,296)**	**(17,296)**	**(17,296)**	**(17,296)**	(17,296)	(17,296)	(17,296)	(17,296)	(17,296)	(207,553)
Capital leases - GE Capital (Printer Lease)	**(6,347)**	**(3,174)**	**(3,336)**	-	**(6,672)**	**(3,336)**	-	(6,672)	(3,336)	(3,336)	(3,336)	(3,336)	(42,882)
Total Cash Ending Balance (BUDGET)	**12,377,388**	**12,241,913**	**9,741,797**	**11,292,763**	**11,870,085**	**11,659,383**	**11,027,929**	**11,557,846**	**9,479,577**	**9,386,831**	**9,190,876**	**11,650,994**	
Total Cash Ending Balance (ACTUAL)	**13,129,226**	**13,311,353**	**10,792,096**	**12,454,470**	**13,232,397**	**12,784,219**	**11,576,339**	**11,011,020**	**8,691,520**	**9,040,714**	**8,650,786**	**10,573,981**	(14,618,588)
											Budget	**11,500,000**	(3,032,113)
											Difference	**(926,019)**	

PALMDALE WATER DISTRICT

BOARD MEMORANDUM

DATE:	September 2, 2015	**September 9, 2015**
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 FINANCIAL STATEMENTS, REVENUE, AND EXPENSE AND DEPARTMENTAL BUDGET REPORTS FOR JULY 31, 2015***	

Discussion:

Presented here are the Balance Sheet and Profit/Loss Statement for the period ending July 31, 2015. Also included are Year-To-Year Comparisons and Month-To-Month Comparisons for both revenue and expense. Finally, I have provided individual departmental budget reports for the month of July, 2015.

This is the seventh month of the District's Budget Year 2015. The target percentage is 58%. Revenues ideally are at or above, and expenditures ideally are below.

Balance Sheet:

- Page 1 is our balance sheet on July 31, 2015.
- The significant change is the increase in receivables of approximately $6 MM due to recognition of assessments due the District.
- The recognition is in both assets and liabilities.

Profit/Loss Statement:

- Page 3 is our profit/loss statement on July 31, 2015.
- Operating revenue is at 50% of budget.
- July was the first month of the Drought Surcharge @ $146K; will look at the significance of the surcharge later.
- Cash operating expense is at 51% of budget.
- Both operating revenue and expense are tracking at 50% of budget. Also note that year-to-date revenue exceeds expense by approximately $290K. The $146K from drought surcharge is the main reason.
- Finance and Human Resources are a little above target percentage due to expense related to the drought messaging through billing, continued unemployment claims, and safety training.

Year-To-Year Comparison P&L:

- Page 7 is our comparison of July, 2014 to July, 2015.
- Total operating revenue is down $330K, or 14%, due to reduced water consumption. If not for the surcharge, revenue would be down $477K.

- Operating expenditures are up by $316K, or 21%. The reason is last year we received $302K under water recovery to offset expense; nothing in the category this year.
- Make note here that water sales for July are down $345K alone, so the drought surcharge is essential in maintaining financial stability. I recommend we continue with stage 1 surcharge to sustain operations.
- Page 8 is a graphic presentation of the water consumption comparison. Units billed in acre feet were down by 594, or 27.5%. Total revenue per unit sold is up $0.45, or 18%, total revenue per connection is down $18.08, or 21.6%, and units billed per connection is down 9.8, or 27.7%.

Revenue Analysis Year-To-Date:

- Page 9 is our comparison of revenue, year-to-date.
- Operating revenue through July, 2015 is down $1.16MM, or 9%.
- Retail water sales from all areas are down by $1.11MM from last year. That's shown by the combined green highlighted area. If you exclude the meter fees, we are down $1.33MM.
- The drought surcharge of $146K is helping to offset the huge decreases in revenue.
- Total revenue is down $590K due to change in the recording of assessment revenue and reduced consumption.
- Operating revenue is at 50% of budget; last year was at 53% of budget.

Expense Analysis Year-To-Date:

- Page 11 is our comparison of expense, year-to-date.
- Cash Operating Expenses through July, 2015 are down $928K, or 8%, compared to 2014.
- Total Expenses are down $954K, or 5%.

Departments:

- Pages 14 through 23 are detailed individual departmental budgets for your review.
- Finance Budget, page 19, is tracking high because of the emergency drought message included with billing under contractual services.
- Human Resources, page 21, is tracking high due to continued unemployment claims under employee expense and required safety training.

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.

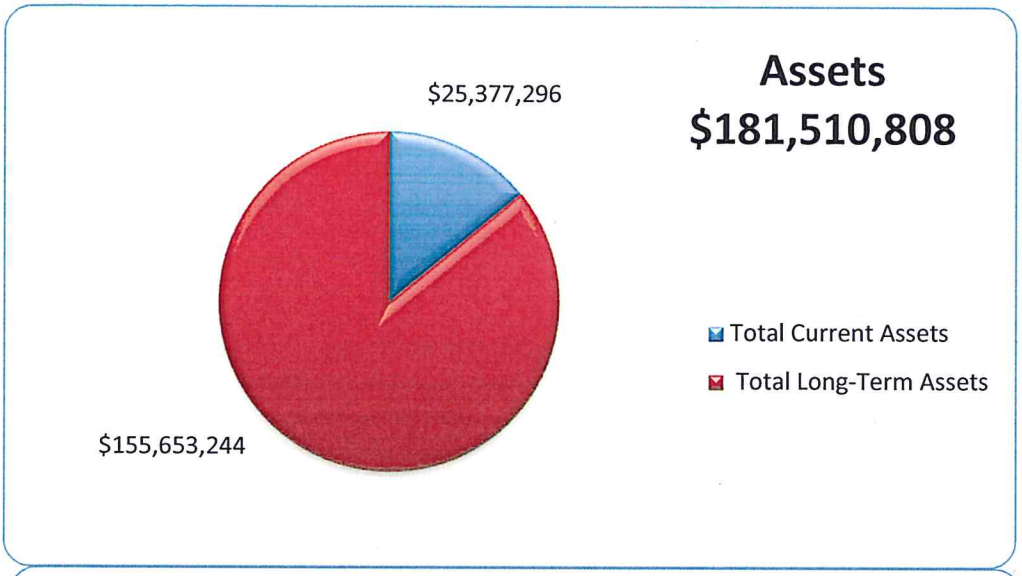
Service Cost Construction: The value of material, parts & supplies from inventory used to construct, repair and maintain our asset infrastructure.

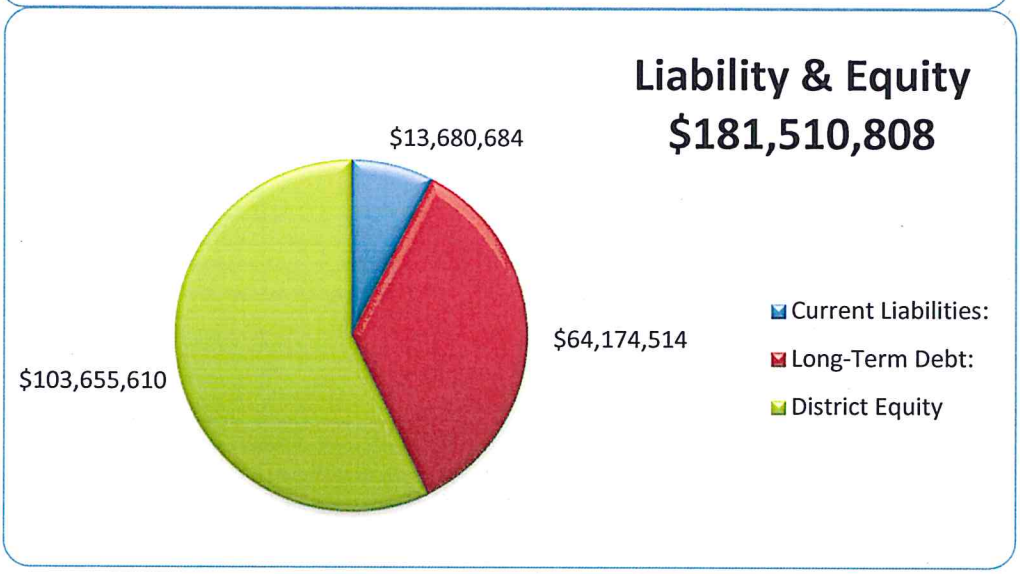
Capitalized Construction: The value of our labor force used to construct our asset infrastructure.

Palmdale Water District
Balance Sheet Report
For the Seven Months Ending 7/31/2015

	July 2015	June 2015
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ (97,512)	$ 691,550
Investments	11,193,584	11,612,418
2013A Bonds - Project Funds	2,127,496	2,612,693
	$ 13,223,568	$ 14,916,661
Receivables:		
Accounts Receivables - Water Sales	$ 1,779,889	$ 1,567,636
Accounts Receivables - Miscellaneous	86,315	52,404
Allowance for Uncollected Accounts	(200,199)	(200,199)
	$ 1,666,005	$ 1,419,840
Interest Receivable	$ -	$ -
Assessments Receivables	7,932,223	1,014,205
Meters, Materials and Supplies	2,446,603	2,473,624
Prepaid Expenses	108,898	99,342
Total Current Assets	**$ 25,377,296**	**$ 19,923,673**
Long-Term Assets:		
Property, Plant, and Equipment, net	$ 113,237,246	$ 113,103,387
Participation Rights in State Water Project, net	41,925,355	41,426,103
Investment in PRWA	265,420	165,420
2013A Bonds - Insurance & Surity Bond	225,222	225,889
	$ 155,653,244	**$ 154,920,799**
Restricted Cash:		
Rate Stabilization Fund	480,267	480,258
Total Long-Term Assets & Restricted Cash	**$ 156,133,511**	**$ 155,401,057**
Total Assets	**$ 181,510,808**	**$ 175,324,730**
LIABILITIES AND DISTRICT EQUITY		
Current Liabilities:		
Current Interest Installment of Long-term Debt	$ 731,823	$ 548,867
Current Principal Installment of Long-term Debt	1,175,427	1,175,427
Accounts Payable and Accrued Expenses	5,356,767	5,506,585
Deferred Assessments	6,416,667	-
Total Current Liabilities	**$ 13,680,684**	**$ 7,230,880**
Long-Term Debt:		
Pension-Related Debt	$ 1,019,485	$ 1,019,485
OPEB Liability	10,504,359	10,337,002
2013A Water Revenue Bonds	43,445,719	43,447,969
2012 - Certificates of Participation	9,075,698	9,068,900
2011 - Capital Lease Payable	129,254	144,044
Total Long-Term Liabilities	**$ 64,174,514**	**$ 64,017,400**
Total Liabilities	**$ 77,855,198**	**$ 71,248,280**
District Equity		
Revenue from Operations	$ (1,981,725)	$ (1,560,884)
Retained Earnings	105,637,335	105,637,335
Total Liabilities and District Equity	**$ 181,510,808**	**$ 175,324,730**

BALANCE SHEET AS OF JULY 31, 2015



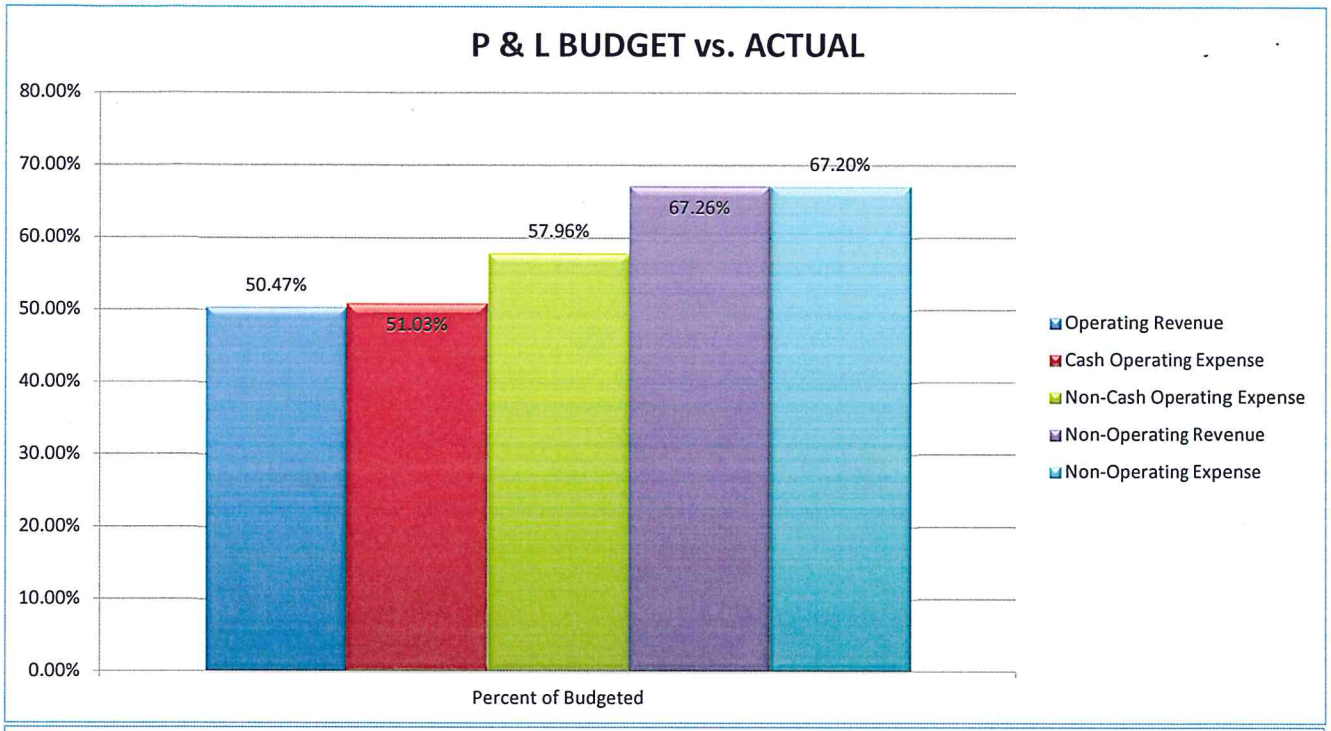


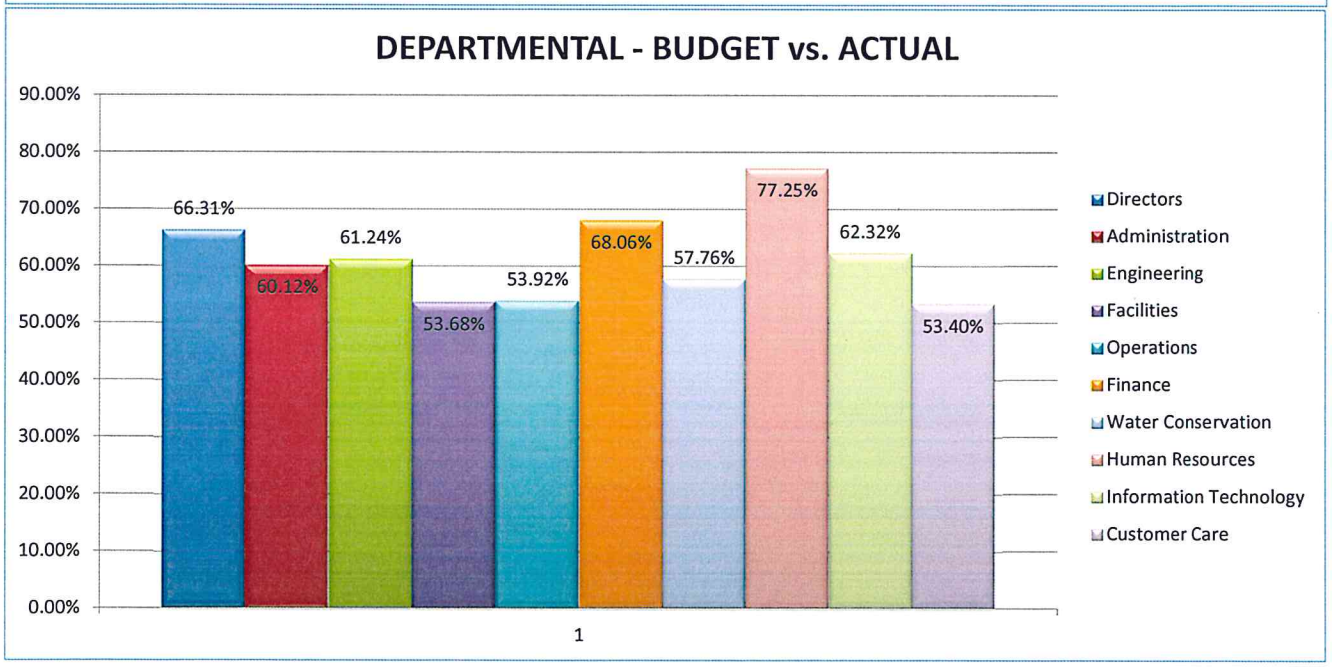
Palmdale Water District
Consolidated Profit and Loss Statement
For the Seven Months Ending 7/31/2015

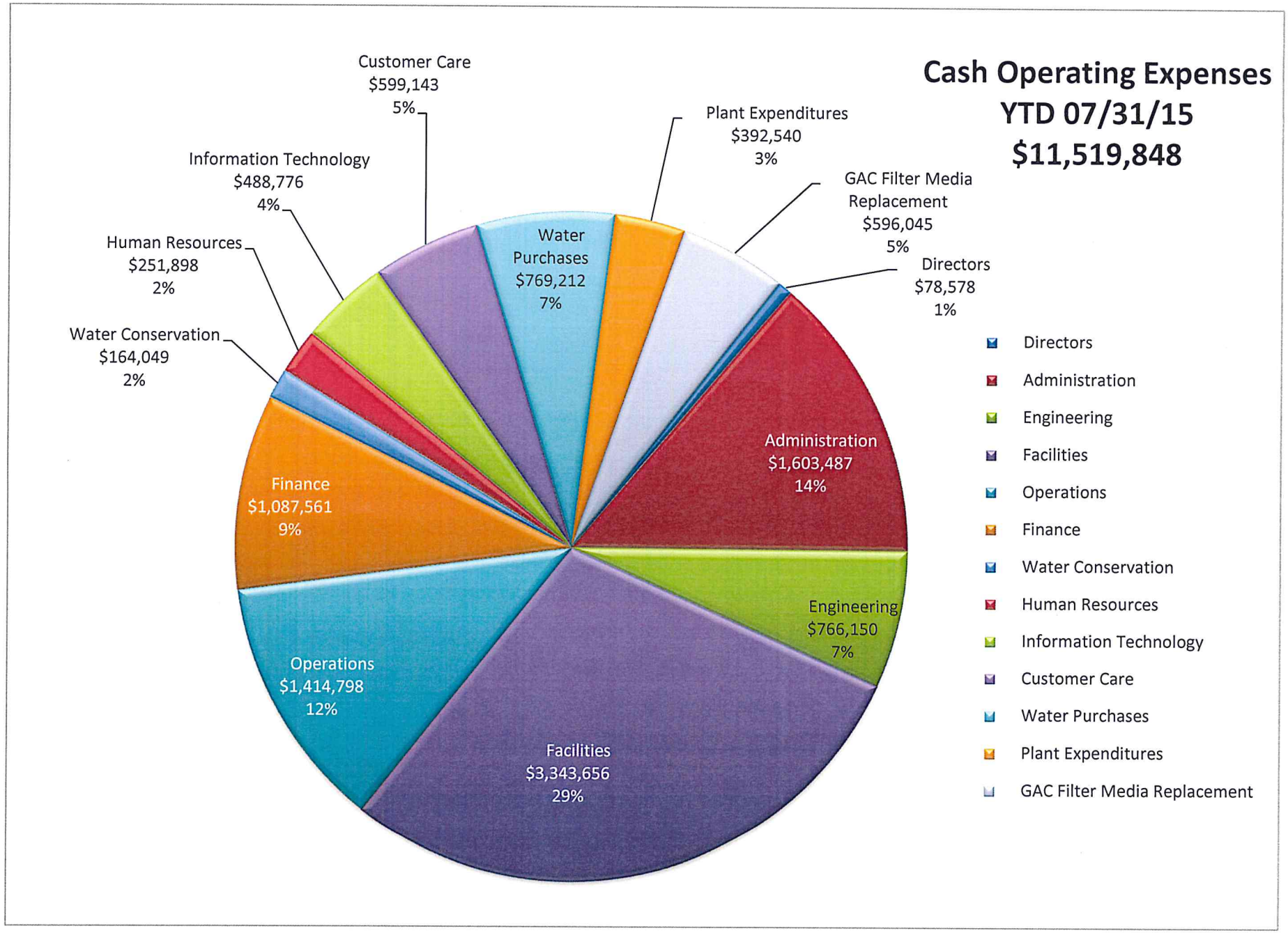
	Thru June	July	Year-to-Date	Adjustments	Adjusted Budget	% of Budget
Operating Revenue:						
Wholesale Water	$ 10,720	$ -	$ 10,720		$ 225,000	4.76%
Water Sales	2,842,386	628,351	3,470,737		8,550,500	40.59%
Meter Fees	5,826,821	972,174	6,798,995		11,506,000	59.09%
Water Quality Fees	407,064	94,615	501,679		1,146,500	43.76%
Elevation Fees	165,355	40,529	205,884		525,000	39.22%
Other	576,090	102,185	678,275		1,450,000	46.78%
Drought Surcharge	-	146,366	146,366		-	
Total Operating Revenue	**$ 9,828,435**	**$ 1,984,220**	**$ 11,812,656**	**$ -**	**$ 23,403,000**	**50.47%**
Cash Operating Expenses:						
Directors	$ 68,318	$ 10,260	$ 78,578		$ 118,500	66.31%
Administration	1,453,731	149,756	1,603,487		2,667,250	60.12%
Engineering*	593,703	172,447	766,150	(1,600)	1,251,150	61.24%
Facilities**	2,705,554	638,102	3,343,656	230,775	6,228,775	53.68%
Operations	1,137,722	277,077	1,414,798		2,624,000	53.92%
Finance**	934,424	153,138	1,087,561	(1,352,725)	1,598,025	68.06%
Water Conservation	131,909	32,140	164,049		284,000	57.76%
Human Resources	212,453	39,445	251,898		326,100	77.25%
Information Technology*	341,758	147,018	488,776	1,600	784,350	62.32%
Customer Care**	432,286	166,857	599,143	1,121,950	1,121,950	53.40%
Water Purchases*	1,094,780	11,509	1,106,289	(21,000)	2,379,000	46.50%
Water Purchases-Prior Year OAP	(36,045)	-	(36,045)		250,000	-14.42%
Water Recovery	(337,077)	-	(337,077)		(100,000)	337.08%
Plant Expenditures	403,283	(10,742)	392,540		1,146,500	34.24%
GAC Filter Media Replacement	596,045	-	596,045		1,896,000	31.44%
Total Cash Operating Expenses	**$ 9,732,843**	**$ 1,787,005**	**$ 11,519,848**	**$ (21,000)**	**$ 22,575,600**	**51.03%**
Non-Cash Operating Expenses:						
Depreciation	$ 3,206,557	$ 535,911	$ 3,742,468		$ 6,450,000	58.02%
OPEB Accrual Expense	1,101,480	183,580	1,285,060		2,000,000	64.25%
Bad Debts	3,414	3,166	6,580		100,000	6.58%
Service Costs Construction	25,993	1,489	27,482		125,000	21.99%
Capitalized Construction	(560,580)	(52,698)	(613,278)		(1,000,000)	61.33%
Total Non-Cash Operating Expenses	**$ 3,776,864**	**$ 671,448**	**$ 4,448,312**	**$ -**	**$ 7,675,000**	**57.96%**
Net Operating Profit/(Loss)	**$ (3,681,272)**	**$ (474,233)**	**$ (4,155,505)**	**$ 21,000**	**$ (6,847,600)**	**60.69%**
Non-Operating Revenues:						
Assessments (Debt Service)	$ 2,679,000	$ 443,333	$ 3,122,333		$ 5,100,000	61.22%
Assessments (1%)	1,177,200	140,000	1,317,200		1,950,000	67.55%
DWR Fixed Charge Recovery	253,732	-	253,732		100,000	253.73%
Interest	26,918	(739)	26,179		35,000	74.80%
Capital Improvement Fees	138,702	-	138,702		50,000	277.40%
Other	11,192	32	11,224		5,000	224.48%
Total Non-Operating Revenues	**$ 4,286,745**	**$ 582,626**	**$ 4,869,371**	**$ -**	**$ 7,240,000**	**67.26%**
Non-Operating Expenses:						
Interest on Long-Term Debt	$ 1,140,551	$ 189,248	$ 1,329,799		$ 2,111,000	62.99%
Amortization of SWP	1,037,262	172,877	1,210,139		1,679,000	72.07%
Change in Investments in PRWA	14,005	-	14,005		-	
Water Conservation Programs*	114,531	27,117	141,648	21,000	221,000	64.09%
Total Non-Operating Expenses	**$ 2,306,349**	**$ 389,242**	**$ 2,695,591**	**$ 21,000**	**$ 4,011,000**	**67.20%**
Net Earnings	**$ (1,700,876)**	**$ (280,849)**	**$ (1,981,725)**	**$ -**	**$ (3,618,600)**	**54.76%**

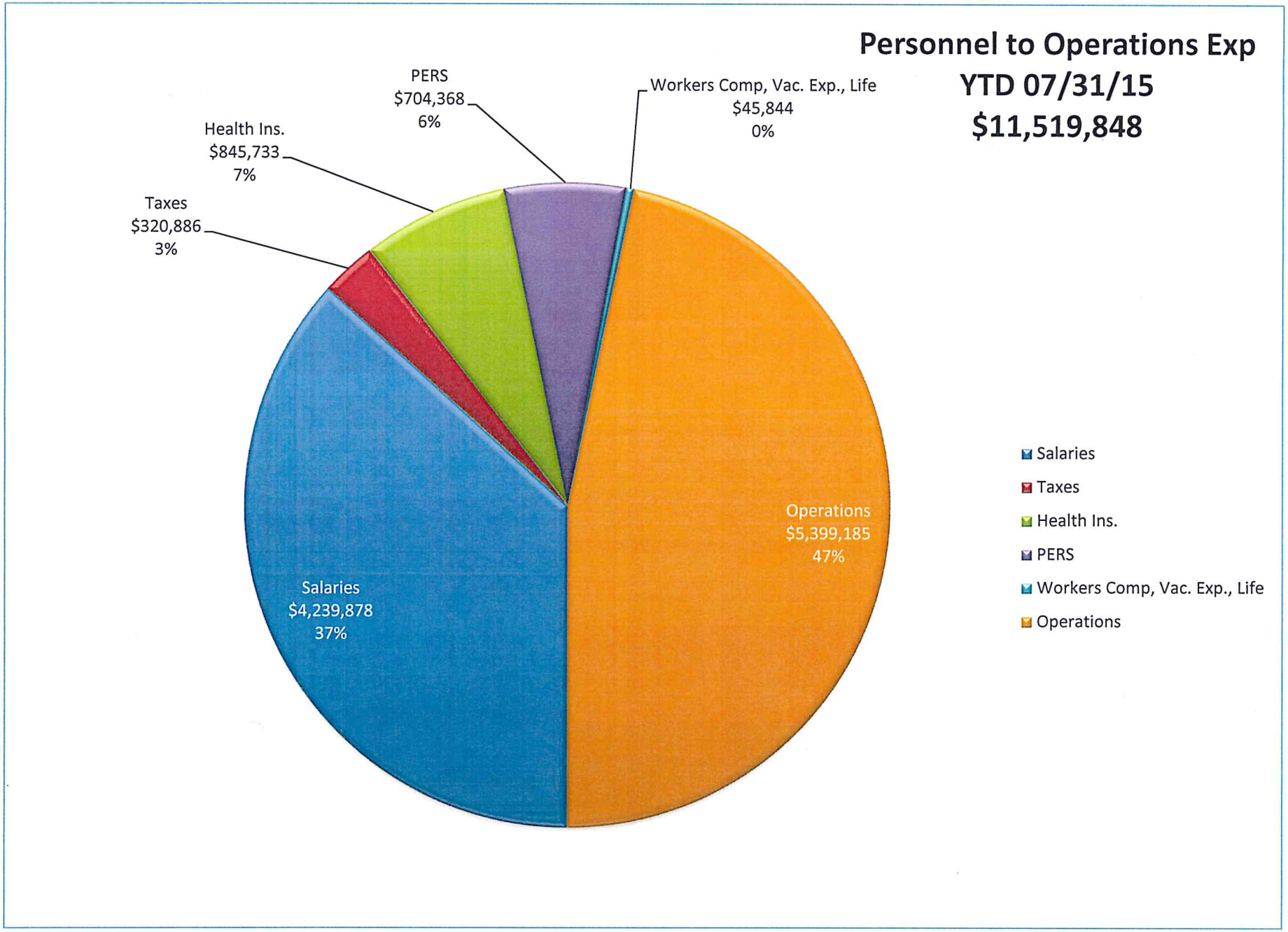
* Budget adjustments by General Manager per Appendix A
** Budget adjustment by Board action 04/08/15

OTHER OPERATING REVENUE	
Account Setup Charge($25)	$1,850.00
Account Setup Charge/CC ($35)	$3,570.00
Door Tag Fee($20)	$44,880.00
Lock Broken or Missing($15)	$30.00
Pulled Meter Service Charge($60)	$120.00
Repair Angle Stop($440.00)	-$440.00
Shut-Off Charge($30)	$3,060.00
Standard Trip Charge($15)	$150.00
Waste Water 2nd Notice($50.00)	$100.00
Late Fees	$35,886.85
NSF Fee	$450.00
	$89,656.85


P & L BUDGET vs. ACTUAL
80.00%
70.00%
60.00%
50.00%
40.00%
30.00%
20.00%
10.00%
0.00%
50.47%
51.03%
57.96%
67.26%
67.20%
Percent of Budgeted
Operating Revenue
Cash Operating Expense
Non-Cash Operating Expense
Non-Operating Revenue
Non-Operating Expense


DEPARTMENTAL - BUDGET vs. ACTUAL
90.00%
80.00%
70.00%
60.00%
50.00%
40.00%
30.00%
20.00%
10.00%
0.00%
66.31%
60.12%
61.24%
53.68%
53.92%
68.06%
57.76%
77.25%
62.32%
53.40%
1
Directors
Administration
Engineering
Facilities
Operations
Finance
Water Conservation
Human Resources
Information Technology
Customer Care


Cash Operating Expenses
YTD 07/31/15
$11,519,848
Customer Care
$599,143
5%
Information Technology
$488,776
4%
Human Resources
$251,898
2%
Water Conservation
$164,049
2%
Water Purchases
$769,212
7%
Plant Expenditures
$392,540
3%
GAC Filter Media Replacement
$596,045
5%
Directors
$78,578
1%
Administration
$1,603,487
14%
Engineering
$766,150
7%
Facilities
$3,343,656
29%
Operations
$1,414,798
12%
Finance
$1,087,561
9%
Directors
Administration
Engineering
Facilities
Operations
Finance
Water Conservation
Human Resources
Information Technology
Customer Care
Water Purchases
Plant Expenditures
GAC Filter Media Replacement


Personnel to Operations Exp
YTD 07/31/15
$11,519,848
PERS
$704,368
6%
Workers Comp, Vac. Exp., Life
$45,844
0%
Health Ins.
$845,733
7%
Taxes
$320,886
3%
Operations
$5,399,185
47%
Salaries
$4,239,878
37%
Salaries
Taxes
Health Ins.
PERS
Workers Comp, Vac. Exp., Life
Operations

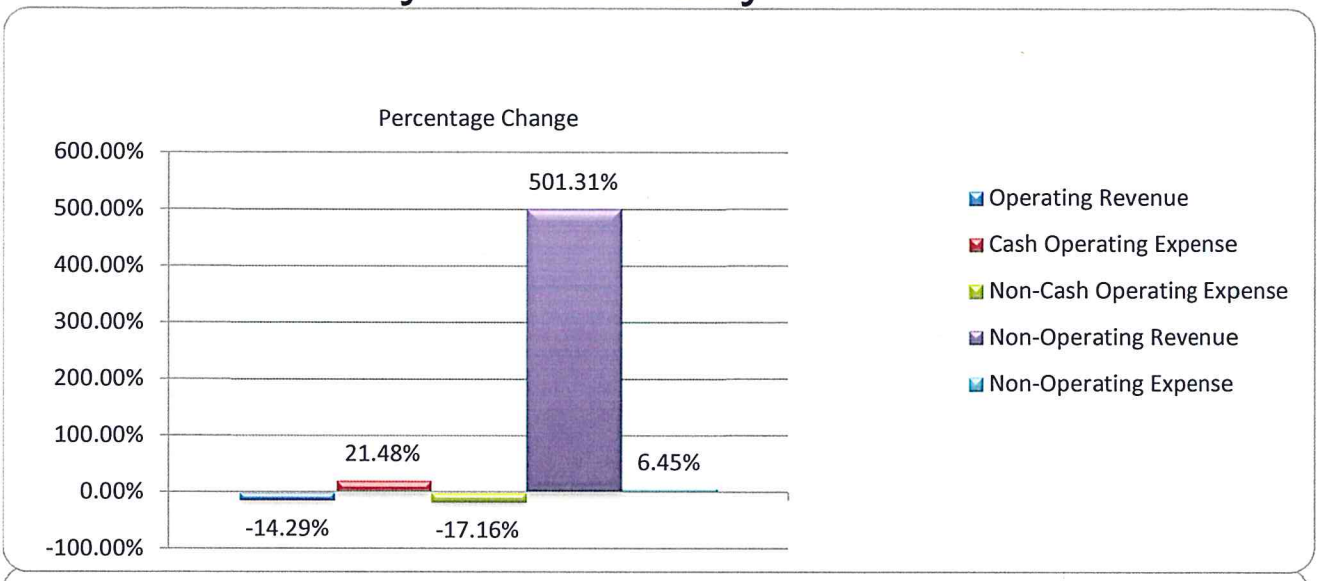
Palmdale Water District
Profit and Loss Statement
Year-To-Year Comparison - July

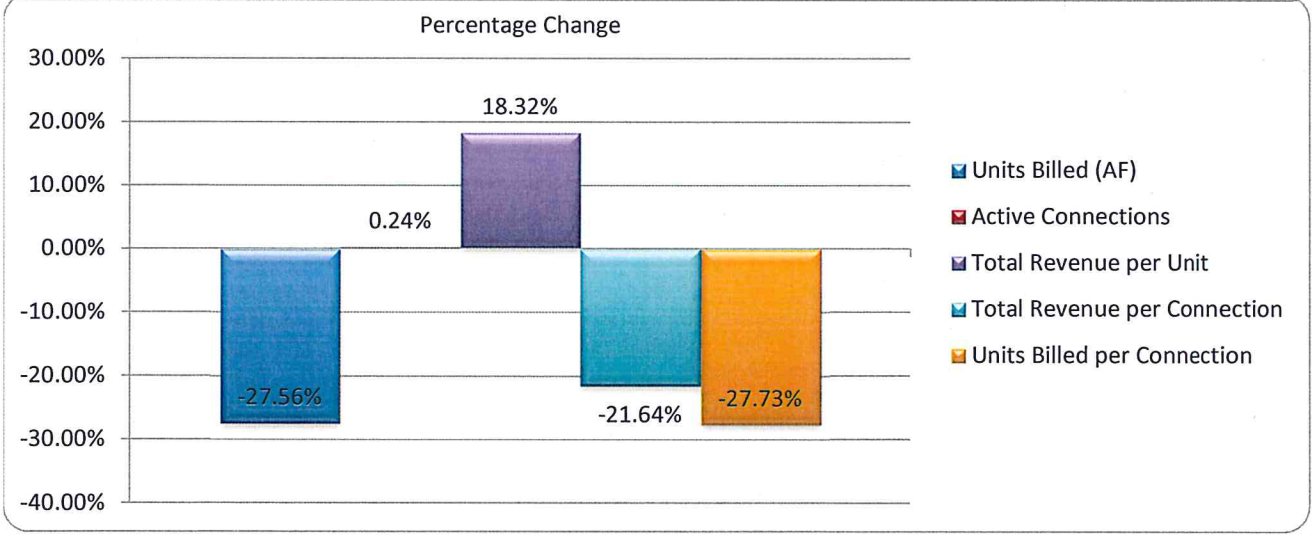
	2014 July	2015 July	Change	% Change
Operating Revenue:				
Wholesale Water	$ 43,402	$ -	$ (43,402)	-100.00%
Water Sales	974,152	628,351	(345,800)	-35.50%
Meter Fees	947,584	972,174	24,590	2.60%
Water Quality Fees	185,525	94,615	(90,910)	-49.00%
Elevation Fees	59,200	40,529	(18,671)	-31.54%
Other	105,068	102,185	(2,883)	-2.74%
Drought Surcharge	-	146,366	146,366	
Total Operating Revenue	**$ 2,314,930**	**$ 1,984,220**	**$ (330,710)**	**-14.29%**
Cash Operating Expenses:				
Directors	$ 15,532	$ 10,260	$ (5,273)	-33.95%
Administration	243,191	149,756	(93,435)	-38.42%
Engineering	126,181	172,447	46,266	36.67%
Facilities	346,414	638,102	291,688	84.20%
Operations	557,331	277,077	(280,254)	-50.29%
Finance	290,520	153,138	(137,383)	-47.29%
Water Conservation	11,237	32,140	20,903	186.02%
Human Resources	27,850	39,445	11,595	41.63%
Information Technology	62,346	147,018	84,672	135.81%
Customer Care	-	166,857	166,857	
Water Purchases	34,362	11,509	(22,853)	-66.51%
Water Purchases-Prior Year OAP	-	-	-	
Water Recovery	(302,201)	-	302,201	-100.00%
Plant Expenditures	58,223	(10,742)	(68,966)	-118.45%
GAC Filter Media Replacement	-	-	-	
Total Cash Operating Expenses	**$ 1,470,988**	**$ 1,787,005**	**$ 316,018**	**21.48%**
Non-Cash Operating Expenses:				
Depreciation	$ 1,006,510	$ 535,911	$ (470,599)	-46.76%
OPEB Accrual Expense	166,875	183,580	16,705	10.01%
Bad Debts	172	3,166	2,993	
Service Costs Construction	(137,158)	1,489	138,647	-101.09%
Capitalized Construction	(225,819)	(52,698)	173,121	-76.66%
Total Non-Cash Operating Expenses	**$ 810,580**	**$ 671,448**	**$ (139,133)**	**-17.16%**
Net Operating Profit/(Loss)	**$ 33,362**	**$ (474,233)**	**$ (507,595)**	**-1521.47%**
Non-Operating Revenues:				
Assessments (Debt Service)	$ 63,234	$ 443,333	$ 380,100	601.10%
Assessments (1%)	16,971	140,000	123,029	724.92%
DWR Fixed Charge Recovery	-	-	-	
Interest	2,543	(739)	(3,282)	-129.08%
Capital Improvement Fees	-	-	-	
Other	14,145	32	(14,113)	-99.77%
Total Non-Operating Revenues	**$ 96,893**	**$ 582,626**	**$ 485,734**	501.31%
Non-Operating Expenses:				
Interest on Long-Term Debt	$ 194,872	$ 189,248	$ (5,624)	-2.89%
Amortization of SWP	159,510	172,877	13,367	8.38%
Change in Investments in PRWA	-	-	-	
Water Conservation Programs	11,274	27,117	15,843	140.53%
Total Non-Operating Expenses	**$ 365,656**	**$ 389,242**	**$ 23,586**	6.45%
Net Earnings	**$ (235,401)**	**$ (280,849)**	**$ (45,447)**	**19.31%**

Consumption Comparison

	2014	2015
Units Billed	938,344	679,783
Active	26,455	26,518
Vacant	914	859
Rev/unit	$ 2.47	$ 2.92
Rev/con	$ 83.53	$ 65.45
Unit/con	35.47	25.63

YEAR-TO-YEAR COMPARISON
July '14 -To - July '15





	2014	2015	Change	
Units Billed (AF)	2,154	1,561	-594	-27.56%
Active Connections	26,455	26,518	63	0.24%
Non-Active	914	859	-55	-6.02%
Total Revenue per Unit	$2.47	$2.92	$0.45	18.32%
Total Revenue per Connection	$83.53	$65.45	-$18.08	-21.64%
Units Billed per Connection	35.47	25.63	-9.83	-27.73%

Palmdale Water District
Revenue Analysis
For the Seven Months Ending 7/31/2015

	2015 Thru June	July	Year-to-Date	Adjusted Budget	% of Budget
Operating Revenue:					
Wholesale Water	$ 10,720	$ -	$ 10,720	$ 225,000	4.76%
Water Sales	2,842,386	628,351	3,470,737	8,550,500	40.59%
Meter Fees	5,826,821	972,174	6,798,995	11,506,000	59.09%
Water Quality Fees	407,064	94,615	501,679	1,146,500	43.76%
Elevation Fees	165,355	40,529	205,884	525,000	39.22%
Other	576,090	102,185	678,275	1,450,000	46.78%
Drought Surcharge	-	146,366	146,366	-	
Total Water Sales	**$ 9,828,435**	**$ 1,984,220**	**$ 11,812,656**	**$ 23,403,000**	**50.47%**
Non-Operating Revenues:					
Assessments (Debt Service)	$ 2,679,000	$ 443,333	$ 3,122,333	$ 5,100,000	61.22%
Assessments (1%)	1,177,200	140,000	1,317,200	1,950,000	67.55%
DWR Fixed Charge Recovery	253,732	-	253,732	100,000	253.73%
Interest	26,918	(739)	26,179	35,000	74.80%
Capital Improvement Fees	138,702	-	138,702	50,000	277.40%
Other	11,192	32	11,224	5,000	224.48%
Total Non-Operating Revenues	**$ 4,286,745**	**$ 582,626**	**$ 4,869,371**	**$ 7,240,000**	**67.26%**
Total Revenue	**$ 14,115,180**	**$ 2,566,846**	**$ 16,682,026**	**$ 30,643,000**	**54.44%**

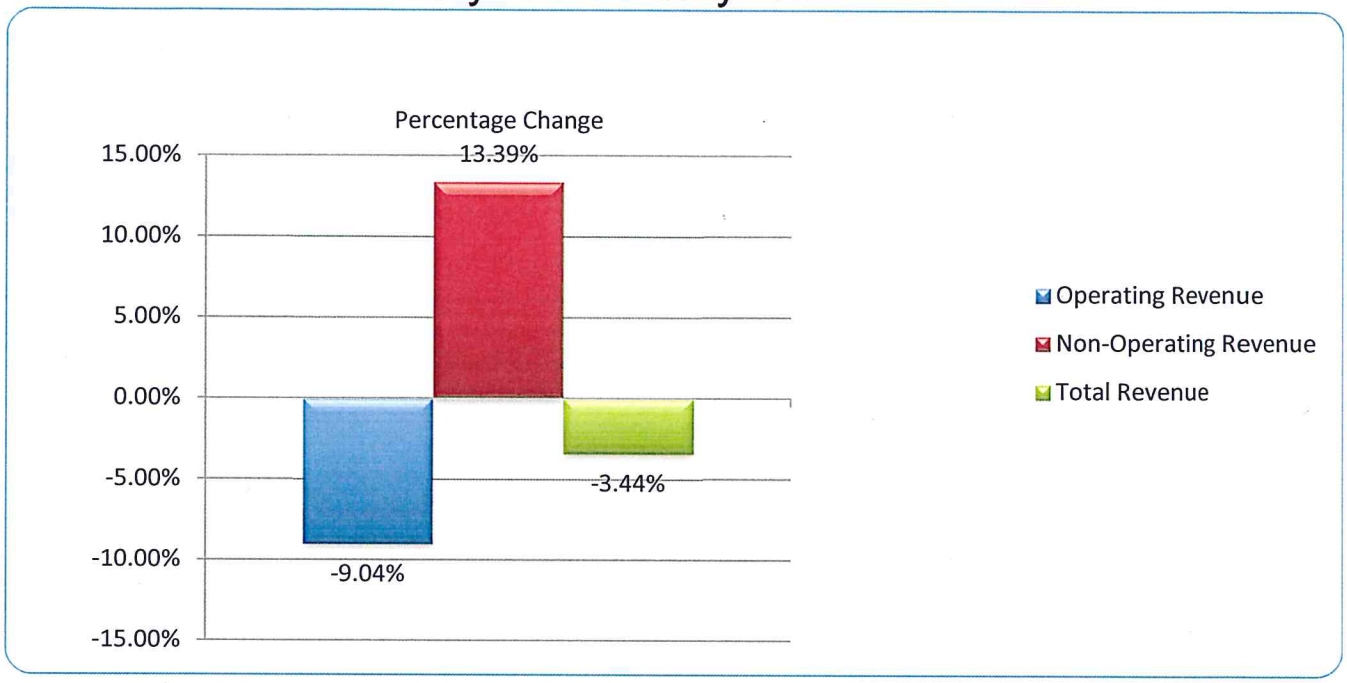
	2014 Thru June	July	Year-to-Date	Adjusted Budget	% of Budget
Operating Revenue:					
Wholesale Water	$ 38,791	$ 43,402	$ 82,193	$ 225,000	36.53%
Water Sales	3,414,720	974,152	4,388,871	9,053,000	48.48%
Meter Fees	5,632,568	947,584	6,580,152	11,255,000	58.46%
Water Quality Fees	673,805	185,525	859,330	1,638,000	52.46%
Elevation Fees	201,468	59,200	260,668	525,000	49.65%
Other	701,935	105,068	807,003	1,700,000	47.47%
Drought Surcharge	-	-	-	-	
Total Water Sales	**$ 10,624,496**	**$ 2,271,528**	**$ 12,896,025**	**$ 24,171,000**	**53.35%**
Non-Operating Revenues:					
Assessments (Debt Service)	$ 2,749,948	$ 63,234	$ 2,813,181	$ 4,400,000	63.94%
Assessments (1%)	1,120,518	16,971	1,137,490	1,800,000	63.19%
DWR Fixed Charge Recovery	133,539	-	133,539	100,000	133.54%
Interest	30,950	2,543	33,493	25,000	133.97%
Capital Improvement Fees	9,889	-	9,889	150,000	6.59%
Other	152,660	14,145	166,805	185,000	90.16%
Total Non-Operating Revenues	**$ 4,197,504**	**$ 96,893**	**$ 4,294,397**	**$ 6,660,000**	**64.48%**
Total Revenue	**$ 14,822,001**	**$ 2,368,421**	**$ 17,190,421**	**$ 30,831,000**	**55.76%**

2014 to 2015 Comparison

	Thru June	July	Year-to-Date	% Change
Wholesale Water	$ (28,070)	$ (43,402)	$ (71,473)	-86.96%
Water Sales	(572,334)	(345,800)	(918,135)	-20.92%
Meter Fees	194,253	24,590	218,842	3.33%
Water Quality Fees	(266,741)	(90,910)	(357,651)	-41.62%
Elevation Fees	(36,113)	(18,671)	(54,784)	-21.02%
Other	(125,845)	(2,883)	(128,728)	-15.95%
Drought Surcharge	-	146,366	146,366	
Total Water Sales	**$ (834,852)**	**$ (330,710)**	**$ (1,165,562)**	**-9.04%**
Assessments (Debt Service)	$ (70,948)	$ 380,100	$ 309,152	10.99%
Assessments (1%)	56,682	123,029	179,710	15.80%
DWR Fixed Charge Recovery	120,193	-	120,193	
Interest	(4,032)	(3,282)	(7,314)	-21.84%
Capital Improvement Fees	128,813	-	128,813	1302.59%
Other	(141,468)	(14,113)	(155,581)	-93.27%
Total Non-Operating Revenues	**$ 89,240**	**$ 485,734**	**$ 574,974**	**13.39%**
Total Revenue	**$ (745,611)**	**$ 155,023**	**$ (590,588)**	**-3.44%**

REVENUE COMPARISON YEAR-TO-DATE

July '14-To-July '15



Palmdale Water District
Operating Expense Analysis
For the Seven Months Ending 7/31/2015

	2015					2014 to 2015 Comparison			
	Thru June	July	Year-to-Date	Adjusted Budget	% of Budget	Thru June	July	Year-to-Date	% Change
Cash Operating Expenses:									
Directors	$ 68,318	$ 10,260	$ 78,578	$ 118,500	66.31%	$ 200	$ (5,273)	$ (5,073)	-6.06%
Administration	1,453,731	149,756	1,603,487	2,667,250	60.12%	(424,038)	(93,435)	(517,473)	-24.40%
Engineering	593,703	172,447	766,150	1,251,150	61.24%	89,148	46,266	135,413	21.47%
Facilities	2,705,554	638,102	3,343,656	6,228,775	53.68%	1,263,345	291,688	1,555,033	86.94%
Operations	1,137,722	277,077	1,414,798	2,624,000	53.92%	(1,441,921)	(280,254)	(1,722,174)	-54.90%
Finance	934,424	153,138	1,087,561	1,598,025	68.06%	(596,215)	(137,383)	(733,597)	-40.28%
Water Conservation	131,909	32,140	164,049	284,000	57.76%	64,285	20,903	85,187	108.02%
Human Resources	212,453	39,445	251,898	326,100	77.25%	105,117	11,595	116,711	86.33%
Information Technology	341,758	147,018	488,776	784,350	62.32%	(66,864)	84,672	17,808	3.78%
Customer Care	432,286	166,857	599,143	1,121,950	53.40%	432,286	166,857	599,143	
Water Purchases	1,094,780	11,509	1,106,289	2,379,000	46.50%	(122,876)	(22,853)	(145,729)	-11.64%
Water Purchases-Prior Year OAP	(36,045)	-	(36,045)	250,000	-14.42%	(36,728)	-	(36,728)	
Water Recovery	(337,077)	-	(337,077)	(100,000)	337.08%	(248,512)	302,201	53,689	-13.74%
Plant Expenditures	403,283	(10,742)	392,540	1,146,500	34.24%	(848,219)	(68,966)	(917,185)	-70.03%
GAC Filter Media Replacement	596,045	-	596,045	1,896,000	31.44%	586,874	-	586,874	
Total Cash Operating Expenses	**$ 9,732,843**	**$ 1,787,005**	**$ 11,519,848**	**$ 22,575,600**	**51.03%**	**$ (1,244,118)**	**$ 316,018**	**$ (928,101)**	**-8.06%**
Non-Cash Operating Expenses:									
Depreciation	$ 3,206,557	$ 535,911	$ 3,742,468	$ 6,450,000	58.02%	$ (103,390)	$ (470,599)	$ (573,990)	-13.30%
OPEB Accrual Expense	1,101,480	183,580	1,285,060	2,000,000	64.25%	100,230	16,705	116,936	10.01%
Bad Debts	3,414	3,166	6,580	100,000	6.58%	(21,189)	2,993	(18,196)	-73.44%
Service Costs Construction	25,993	1,489	27,482	125,000	21.99%	20,121	138,647	158,768	-120.93%
Capitalized Construction	(560,580)	(52,698)	(613,278)	(1,000,000)	61.33%	(22,681)	173,121	150,440	-19.70%
Total Non-Cash Operating Expenses	**$ 3,776,864**	**$ 671,448**	**$ 4,448,312**	**$ 7,675,000**	**57.96%**	**$ (26,910)**	**$ (139,133)**	**$ (166,043)**	**-3.73%**
Non-Operating Expenses:									
Interest on Long-Term Debt	$ 1,140,551	$ 189,248	$ 1,329,799	$ 2,111,000	62.99%	$ (23,951)	$ (5,624)	$ (29,575)	-2.18%
Amortization of SWP	1,037,262	172,877	1,210,139	1,679,000	72.07%	80,202	13,367	93,569	8.38%
Change in Investments in PRWA	14,005	-	14,005	-					
Water Conservation Programs	114,531	27,117	141,648	221,000	64.09%	59,677	15,843	75,520	114.20%
Total Non-Operating Expenses	**$ 2,306,349**	**$ 389,242**	**$ 2,695,591**	**$ 4,011,000**	**67.20%**	**$ 115,928**	**$ 23,586**	**$ 139,514**	**5.49%**
Total Expenses	**$ 15,816,056**	**$ 2,847,695**	**$ 18,663,751**	**$ 34,261,600**	**54.47%**	**$ (1,155,100)**	**$ 200,471**	**$ (954,629)**	**-4.87%**

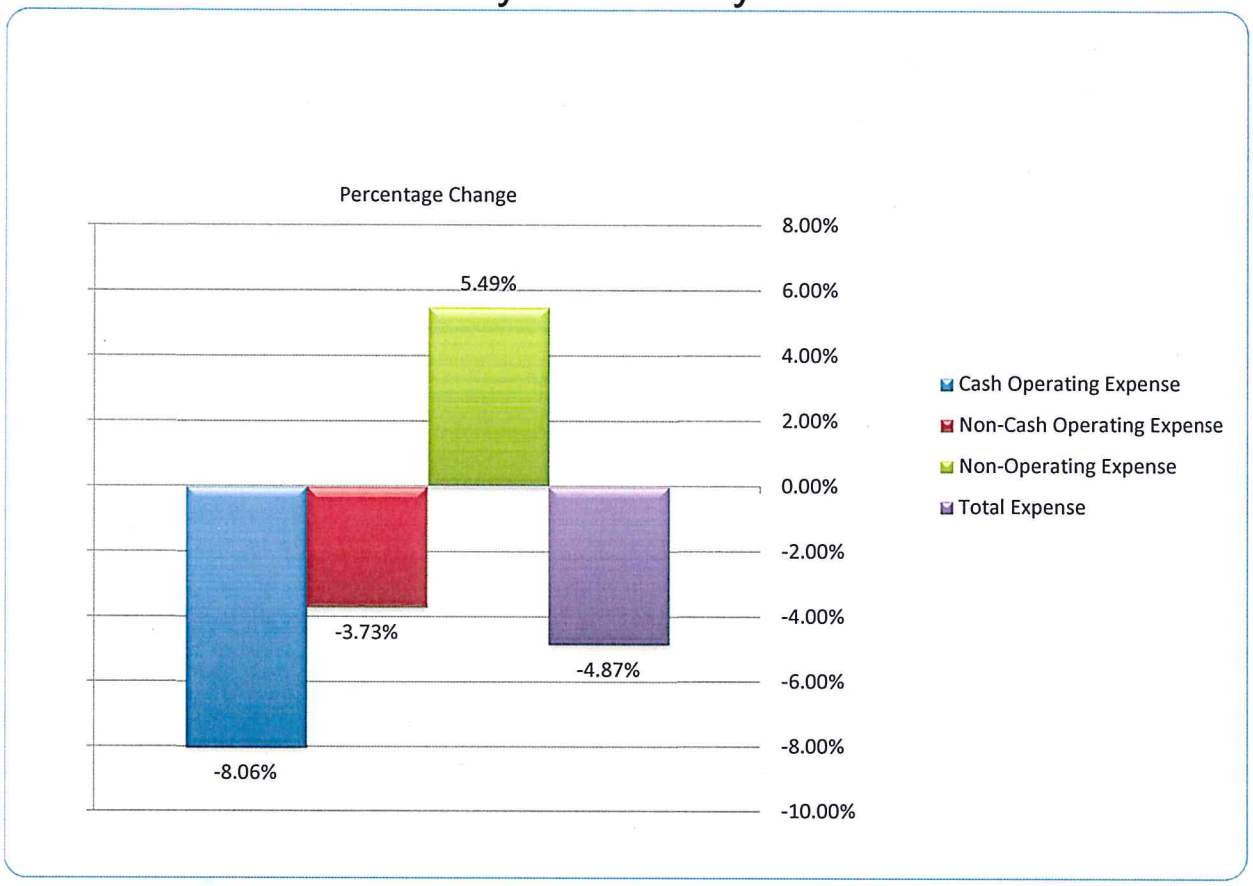
Palmdale Water District
Operating Expense Analysis
For the Seven Months Ending 7/31/2015

2014 to 2015 Comparison

	2014 Thru June	July	Year-to-Date	Adjusted Budget	% of Budget
Cash Operating Expenses:					
Directors	$ 68,118	$ 15,532	$ 83,650	$ 114,500	73.06%
Administration	1,877,769	243,191	2,120,960	3,490,000	60.77%
Engineering	504,555	126,181	630,736	1,079,800	58.41%
Facilities	1,442,209	346,414	1,788,623	3,408,500	52.48%
Operations	2,579,642	557,331	3,136,973	5,453,500	57.52%
Finance	1,530,638	290,520	1,821,159	2,968,750	61.34%
Water Conservation	67,624	11,237	78,861	270,000	29.21%
Human Resources	107,336	27,850	135,186	215,300	62.79%
Information Technology	408,623	62,346	470,968	828,600	56.84%
Customer Care	-	-	-	-	
Water Purchases	1,217,657	34,362	1,252,019	2,400,000	52.17%
Water Purchases-Prior Year OAP	683	-	683	250,000	0.27%
Water Recovery	(88,565)	(302,201)	(390,766)	(100,000)	390.77%
Plant Expenditures	1,251,502	58,223	1,309,725	2,143,500	61.10%
GAC Filter Media Replacement	9,171	-	9,171	1,638,000	0.56%
Total Cash Operating Expenses	**$ 10,976,961**	**$ 1,470,988**	**$ 12,447,949**	**$ 24,160,450**	**51.52%**
Non-Cash Operating Expenses:					
Depreciation	$ 3,309,947	$ 1,006,510	$ 4,316,458	$ 7,350,000	58.73%
OPEB Accrual Expense	1,001,250	166,875	1,168,124	2,000,000	58.41%
Bad Debts	24,604	172	24,776	100,000	24.78%
Service Costs Construction	5,873	(137,158)	(131,285)	125,000	-105.03%
Capitalized Construction	(537,899)	(225,819)	(763,718)	(1,000,000)	76.37%
Total Non-Cash Operating Expenses	**$ 3,803,774**	**$ 810,580**	**$ 4,614,355**	**$ 8,575,000**	**53.81%**
Non-Operating Expenses:					
Interest on Long-Term Debt	$ 1,164,501	$ 194,872	$ 1,359,374	$ 2,111,000	64.39%
Amortization of SWP	957,060	159,510	1,116,570	1,679,000	66.50%
Water Conservation Programs	54,854	11,274	66,128	143,000	46.24%
Total Non-Operating Expenses	**$ 2,176,416**	**$ 365,656**	**$ 2,542,072**	**$ 3,933,000**	**64.63%**
Total Expenses	**$ 16,957,151**	**$ 2,647,224**	**$ 19,604,376**	**$ 36,668,450**	**53.46%**

EXPENSE COMPARISON YEAR-TO-DATE

July '14-To-July '15



Palmdale Water District
2015 Directors Budget
For the Seven Months Ending Friday, July 31, 2015

	YTD ACTUAL 2015	ORIGINAL BUDGET 2015	ADJUSTMENTS 2015	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-01-4000-000 Directors Pay	$ 34,500	$ 45,000	$ -	$ 10,500	76.67%
Employee Benefits					
1-01-4005-000 Payroll Taxes	2,625	5,500		2,875	47.73%
1-01-4010-000 Health Insurance	33,808	58,000		24,192	58.29%
Subtotal (Benefits)	36,433	63,500	-	24,192	57.37%
Total Personnel Expenses	$ 70,933	$ 108,500	$ -	$ 34,692	65.38%
OPERATING EXPENSES:					
1-01-4050-000 Directors Travel, Seminars & Meetings	7,644	10,000		2,356	76.44%
Subtotal Operating Expenses	7,644	10,000	-	2,356	76.44%
Total O & M Expenses	$ 78,578	$ 118,500	$ -	$ 37,048	66.31%

Palmdale Water District
2015 Administration Budget
For the Seven Months Ending Friday, July 31, 2015

		YTD ACTUAL 2015	ORIGINAL BUDGET 2015	ADJUSTMENTS 2015	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:						
1-02-4000-000	Salaries	$ 544,584	$ 860,500		$ 315,916	63.29%
1-02-4000-100	Overtime	4,348	8,250		3,902	52.70%
1-02-4000-200	On-Call	50,011	67,500		17,489	74.09%
	Subtotal (Salaries)	$ 598,943	$ 936,250	$ -	$ 337,307	63.97%
Employee Benefits						
1-02-4005-000	Payroll Taxes	$ 40,229	$ 66,000		25,771	60.95%
1-02-4010-000	Health Insurance	78,034	134,000		55,966	58.23%
1-02-4015-000	PERS	127,183	169,000		41,817	75.26%
1-02-4020-000	Worker's Compensation	53,440	125,000		71,560	42.75%
1-02-4025-000	Vacation Benefit Expense	(11,642)	35,000		46,642	-33.26%
1-02-4030-000	Life Insurance	4,046	8,000		3,954	50.57%
	Subtotal (Benefits)	$ 291,290	$ 537,000	$ -	$ 245,710	54.24%
	Total Personnel Expenses	$ 890,233	$ 1,473,250	$ -	$ 583,017	60.43%
OPERATING EXPENSES:						
1-02-4050-100	General Manager Travel	$ 3,777	$ 5,000		1,223	75.53%
1-02-4060-100	General Manager Conferences & Seminars	3,440	4,000		560	86.00%
1-02-4080-000	Other Operating	13,221	20,000		6,779	66.10%
1-02-4110-000	Consultants	94,439	175,000		80,561	53.97%
1-02-4125-000	Insurance	174,544	285,000		110,456	61.24%
1-02-4130-000	Bank Charges	84,616	140,000		55,384	60.44%
1-02-4135-000	Groundwater Adjudication	76,224	75,000		(1,224)	101.63%
1-02-4140-000	Legal Services	107,522	160,000		52,478	67.20%
1-02-4150-000	Accounting Services	19,797	25,000		5,203	79.19%
1-02-4165-000	Memberships/Subscriptions	84,633	210,000		125,367	40.30%
1-02-4175-000	Permits	13,119	10,000		(3,119)	131.19%
1-02-4180-000	Postage	15,050	27,500		12,450	54.73%
1-02-4190-100	Public Relations - Publications	9,083	35,000		25,917	25.95%
1-02-4190-900	Public Relations - Other	-	1,000		1,000	0.00%
1-02-4200-000	Advertising	2,018	3,500		1,482	57.66%
1-02-4205-000	Office Supplies	11,773	18,000		6,227	65.41%
	Subtotal Operating Expenses	$ 713,254	$ 1,194,000	$ -	$ 480,746	59.74%
	Total Departmental Expenses	$ 1,603,487	$ 2,667,250	$ -	$ 1,063,763	60.12%

Palmdale Water District
2015 Engineering Budget
For the Seven Months Ending Friday, July 31, 2015

	YTD ACTUAL 2015	ORIGINAL BUDGET 2015	ADJUSTMENTS 2015	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-03-4000-000 Salaries	$ 498,635	$ 809,000		$ 310,365	61.64%
1-03-4000-100 Overtime	2,833	6,750		3,917	41.98%
Subtotal (Salaries)	$ 501,469	$ 815,750		$ 314,281	61.47%
Employee Benefits					
1-03-4005-000 Payroll Taxes	38,538	61,000		22,462	63.18%
1-03-4010-000 Health Insurance	85,221	154,500		69,279	55.16%
1-03-4015-000 PERS	79,596	142,000		62,404	56.05%
Subtotal (Benefits)	$ 203,355	$ 357,500	$ -	$ 154,145	56.88%
Total Personnel Expenses	$ 704,824	$ 1,173,250	$ -	$ 468,426	60.07%
OPERATING EXPENSES:					
1-03-4155-000 Contracted Services	54,639	61,500		6,861	88.84%
1-03-4165-000 Memberships/Subscriptions	1,451	2,000		549	72.57%
1-03-4250-000 General Materials & Supplies	2,075	2,500		425	83.01%
1-03-8100-100 Computer Software - Maint. & Support*	3,160	13,500	(1,600)	10,340	23.41%
Subtotal Operating Expenses	$ 61,326	$ 79,500	$ (1,600)	$ 18,174	77.14%
Total Departmental Expenses	$ 766,150	$ 1,252,750	$ (1,600)	$ 486,600	61.16%

* Budget adjustments by General Manager per Appendix A

Palmdale Water District
2015 Facilities Budget
For the Seven Months Ending Friday, July 31, 2015

		YTD ACTUAL 2015	ORIGINAL BUDGET 2015	ADJUSTMENTS 2015	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:						
1-04-4000-000	Salaries	$ 1,126,816	$ 2,049,000		$ 922,184	54.99%
1-04-4000-100	Overtime	50,643	65,000		14,357	77.91%
	Subtotal (Salaries)	$ 1,177,459	$ 2,114,000	$ -	$ 936,541	55.70%
Employee Benefits						
1-04-4005-000	Payroll Taxes	91,186	157,000		65,814	58.08%
1-04-4010-000	Health Insurance	267,098	466,000		198,902	57.32%
1-04-4015-000	PERS	187,692	362,000		174,308	51.85%
	Subtotal (Benefits)	$ 545,976	$ 985,000	$ -	$ 439,025	55.43%
	Total Personnel Expenses	$ 1,723,435	$ 3,099,000	$ -	$ 1,375,565	55.61%
OPERATING EXPENSES:						
1-04-4155-000	Contracted Services	$ 69,903	$ 125,000		$ 55,097	55.92%
1-04-4175-000	Permits-Dams	3,508	50,000		46,492	7.02%
1-04-4215-100	Natural Gas - Wells & Boosters	113,672	236,000		122,328	
1-04-4215-200	Natural Gas - Buildings	3,554	9,000		5,447	39.48%
1-04-4220-100	Electricity - Wells & Boosters	878,849	1,515,000		636,151	
1-04-4220-200	Electricity - Buildings	53,618	75,000		21,382	71.49%
1-04-4225-000	Maint. & Repair - Vehicles	18,994	40,000		21,006	47.48%
1-04-4230-100	Maint. & Rep. Office Building	3,912	15,000		11,088	26.08%
1-04-4235-110	Maint. & Rep. Equipment	4,372	6,500		2,128	67.27%
1-04-4235-400	Maint. & Rep. Operations - Wells	53,334	75,000		21,666	71.11%
1-04-4235-405	Maint. & Rep. Operations - Boosters	18,835	50,000		31,165	37.67%
1-04-4235-410	Maint. & Rep. Operations - Shop Bldgs	1,396	10,000		8,604	13.96%
1-04-4235-415	Maint. & Rep. Operations - Facilities	19,417	15,000		(4,417)	129.45%
1-04-4235-420	Maint. & Rep. Operations - Water Lines	102,788	240,000		137,212	42.83%
1-04-4235-425	Maint. & Rep. Operations - Littlerock Dam	-	15,000		15,000	0.00%
1-04-4235-430	Maint. & Rep. Operations - Palmdale Dam	580	7,500		6,920	7.73%
1-04-4235-435	Maint. & Rep. Operations - Palmdale Canal	524	10,000		9,476	5.24%
1-04-4235-440	Maint. & Rep. Operations - Large Meters**	853	-	7,870	7,017	10.84%
1-04-4235-445	Maint. & Rep. Operations - Telemetry	3,170	2,250		(920)	140.89%
1-04-4235-450	Maint. & Rep. Operations - Hypo Generators	555	12,000		11,445	4.63%
1-04-4235-455	Maint. & Rep. Operations - Heavy Equipment	27,825	35,000		7,175	79.50%
1-04-4235-460	Maint. & Rep. Operations - Storage Reservoirs	1,398	5,000		3,602	27.96%
1-04-4235-470	Maint. & Rep. Operations - Meters Exchanges**	63,352	-	211,950	148,598	29.89%
1-04-4250-100	General Supplies - Hot Tapping Program	5,549	-		(5,549)	
1-04-4270-300	Telecommunication - Other	2,056	2,750		694	74.78%
1-04-4300-200	Testing - Large Meters**	4,185	-	10,955	6,770	38.20%
1-04-4300-300	Testing - Edison Testing	-	6,000		6,000	0.00%
1-04-6000-000	Waste Disposal	8,207	25,000		16,793	32.83%
1-04-6100-100	Fuel and Lube - Vehicle	42,303	130,000		87,697	32.54%
1-04-6100-200	Fuel and Lube - Machinery	21,213	43,000		21,787	49.33%
1-04-6200-000	Uniforms	16,162	22,500		6,338	71.83%
1-04-6300-100	Supplies - General	29,538	47,500		17,962	62.19%
1-04-6300-200	Supplies - Hypo Generators	371	6,500		6,129	5.71%
1-04-6300-300	Supplies - Electrical	-	3,000		3,000	0.00%
1-04-6300-400	Supplies - Telemetry	2,733	5,000		2,267	54.65%
1-04-6300-800	Supplies - Construction Materials	24,056	35,000		10,944	68.73%
1-04-6400-000	Tools	9,935	12,000		2,065	82.79%
1-04-7000-100	Leases -Equipment	9,504	12,500		2,996	76.03%
	Subtotal Operating Expenses	$ 1,620,222	$ 2,899,000	$ 230,775	$ 1,509,553	51.77%
	Total Departmental Expenses	$ 3,343,656	$ 5,998,000	$ 230,775	$ 2,885,119	53.68%

** Budget adjustment by Board action 04/08/15

Palmdale Water District
2015 Operation Budget
For the Seven Months Ending Friday, July 31, 2015

		YTD ACTUAL 2015	ORIGINAL BUDGET 2015	ADJUSTMENTS 2015	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:						
1-05-4000-000	Salaries	$ 636,225	$ 1,104,500		$ 468,275	57.60%
1-05-4000-100	Overtime	34,358	53,750		19,392	63.92%
	Subtotal (Salaries)	$ 670,582	$ 1,158,250	$ -	$ 487,668	57.90%
Employee Benefits						
1-05-4005-000	Payroll Taxes	50,879	90,750		39,871	56.07%
1-05-4010-000	Health Insurance	126,100	200,000		73,900	63.05%
1-05-4015-000	PERS	105,063	203,000		97,937	51.76%
	Subtotal (Benefits)	$ 282,042	$ 493,750	$ -	$ 211,708	57.12%
	Total Personnel Expenses	$ 952,625	$ 1,652,000	$ -	$ 699,375	57.66%
OPERATING EXPENSES:						
1-05-4155-000	Contracted Services*	$ 75,639	$ 67,500	$ 12,200	$ 4,061	94.90%
1-05-4175-000	Permits	12,620	40,000		27,380	31.55%
1-05-4215-200	Natural Gas - WTP	652	3,000		2,348	21.73%
1-05-4220-200	Electricity - WTP	67,155	125,000		57,845	53.72%
1-05-4230-110	Maint. & Rep. - Office Equipment	-	500		500	0.00%
1-05-4235-110	Maint. & Rep. Operations - Equipment	7,991	11,500		3,509	69.49%
1-05-4235-410	Maint. & Rep. Operations - Shop Bldgs	720	6,000		5,280	12.00%
1-05-4235-415	Maint. & Rep. Operations - Facilities	26,140	45,000		18,860	58.09%
1-05-4235-450	Maint. & Rep. Operations - Hypo Generator	-	18,000		18,000	0.00%
1-05-4235-500	Maint. & Rep. Operations - Wind Turbine	2,975	6,000		3,025	49.58%
1-05-4236-000	Palmdale Lake Management*	12,763	15,000	10,000	12,237	51.05%
1-05-6000-000	Waste Disposal	2,256	14,000		11,744	16.11%
1-05-6200-000	Uniforms	8,643	12,000		3,357	72.02%
1-05-6300-100	Supplies - General	7,065	15,000		7,935	47.10%
1-05-6300-600	Supplies - Lab	27,163	35,000		7,837	77.61%
1-05-6300-700	Outside Lab Work	43,110	64,000		20,890	67.36%
1-05-6400-000	Tools	3,865	6,500		2,635	59.46%
1-05-6500-000	Chemicals*	162,767	485,000	(22,200)	300,033	35.17%
1-05-7000-100	Leases -Equipment	651	3,000		2,349	21.69%
	Subtotal Operating Expenses	$ 462,174	$ 972,000	$ -	$ 509,826	47.55%
	Total Departmental Expenses	$ 1,414,798	$ 2,624,000	$ -	$ 1,209,202	53.92%

* Budget adjustments by General Manager per Appendix A

Palmdale Water District
2015 Finance Budget
For the Seven Months Ending Friday, July 31, 2015

		YTD ACTUAL 2015	ORIGINAL BUDGET 2015	ADJUSTMENTS 2015	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:						
1-06-4000-000	Salaries**	$ 531,463	$ 1,546,000	$ (727,000)	$ 287,537	64.89%
1-06-4000-100	Overtime**	4,124	19,000	(13,500)	1,376	74.97%
	Subtotal (Salaries)	$ 535,586	$ 1,565,000	$ (740,500)	$ 288,914	64.96%
Employee Benefits						
1-06-4005-000	Payroll Taxes**	40,964	118,500	(54,000)	23,536	63.51%
1-06-4010-000	Health Insurance**	103,877	316,000	(173,000)	39,123	72.64%
1-06-4015-000	PERS**	100,735	297,000	(132,000)	64,265	61.05%
	Subtotal (Benefits)	$ 245,576	$ 731,500	$ (359,000)	$ 126,924	65.93%
	Total Personnel Expenses	$ 781,162	$ 2,296,500	$ (1,099,500)	$ 415,838	65.26%
OPERATING EXPENSES:						
1-06-4155-000	Contracted Services **	$ 9,027	$ 24,750	$ (16,950)	$ (1,227)	115.73%
1-06-4155-100	Contracted Services - Infosend	122,380	205,000		82,620	59.70%
1-06-4165-000	Memberships/Subscriptions	110	500		390	22.00%
1-06-4230-110	Maintenance & Repair - Office Equipment**	-	1,000	(500)	500	0.00%
1-06-4235-440	Maint. & Rep. Operations - Large Meters**	2,129	10,000	(7,870)	1	99.97%
1-06-4235-470	Maint. & Rep. Operations - Meter Exchanges**	138,045	350,000	(211,950)	5	100.00%
1-06-4250-000	General Material & Supplies**	1,812	6,000	(1,500)	2,688	40.26%
1-06-4260-000	Business Forms**	6,261	10,000	(3,500)	239	96.32%
1-06-4270-100	Telecommunication - Office	10,346	12,000		1,654	86.22%
1-06-4270-200	Telecommunication - Cellular Stipend	10,400	17,000		6,600	61.18%
1-06-4300-200	Testing - Large Meter Testing**	4,044	15,000	(10,955)	1	99.98%
1-06-7000-100	Leases - Equipment	1,845	3,000		1,155	61.50%
	Subtotal Operating Expenses	$ 306,399	$ 654,250	$ (253,225)	$ 94,626	76.40%
	Total Departmental Expenses	$ 1,087,561	$ 2,950,750	$ (1,352,725)	$ 510,464	68.06%

** Budget adjustment by Board action 04/08/15

Palmdale Water District
2015 Water Conservation Budget
For the Seven Months Ending Friday, July 31, 2015

		YTD ACTUAL 2015	ORIGINAL BUDGET 2015	ADJUSTMENTS 2015	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:						
1-07-4000-000	Salaries	$ 101,192	$ 175,000		$ 73,808	57.82%
1-07-4000-100	Overtime	812	1,000		188	81.21%
	Subtotal (Salaries)	$ 102,004	$ 176,000		$ 73,996	57.96%
Employee Benefits						
1-07-4005-000	Payroll Taxes	7,838	13,500		5,662	58.06%
1-07-4010-000	Health Insurance	23,373	38,000		14,627	61.51%
1-07-4015-000	PERS	11,180	20,000		8,820	55.90%
	Subtotal (Benefits)	$ 42,392	$ 71,500	$ -	$ 29,108	59.29%
	Total Personnel Expenses	$ 144,396	$ 247,500	$ -	$ 102,916	58.34%
OPERATING EXPENSES:						
1-07-4190-300	Public Relations - Landscape Workshop/Training	$ 98	$ 1,000		$ 902	9.75%
1-07-4190-400	Public Relations - Contests	602	1,000		398	60.19%
1-07-4190-500	Public Relations - Education Programs	-	2,500		2,500	0.00%
1-07-4190-700	Public Relations -General Media	9,366	25,000		15,635	37.46%
1-07-4190-900	Public Relations - Other	6,212	2,000		(4,212)	310.61%
1-07-6300-100	Supplies - Misc.	3,376	5,000		1,624	67.52%
	Subtotal Operating Expenses	$ 19,653	$ 36,500	$ -	$ 16,847	53.84%
	Total Departmental Expenses	$ 164,049	$ 284,000	$ -	$ 119,763	57.76%

Palmdale Water District
2015 Human Resources Budget
For the Seven Months Ending Friday, July 31, 2015

		YTD ACTUAL 2015	ORIGINAL BUDGET 2015	ADJUSTMENTS 2015	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:						
1-08-4000-000	Salaries	$ 90,680	$ 101,000		$ 10,320	89.78%
Employee Benefits						
1-08-4005-000	Payroll Taxes	6,957	7,750		794	89.76%
1-08-4010-000	Health Insurance	11,574	18,000		6,426	64.30%
1-08-4015-000	PERS	3,965	6,500		2,535	61.00%
	Subtotal (Benefits)	$ 22,496	$ 32,250	$ -	$ 9,754	69.75%
	Total Personnel Expenses	$ 113,175	$ 133,250	$ -	$ 20,075	84.93%
OPERATING EXPENSES:						
1-08-4050-000	Staff Travel	$ 15,120	$ 25,250		$ 10,130	59.88%
1-08-4060-000	Staff Conferences & Seminars	14,146	20,500		6,354	69.00%
1-08-4070-000	Employee Expense	32,991	40,000		7,009	82.48%
1-08-4095-000	Employee Recruitment	1,565	3,000		1,435	52.15%
1-08-4100-000	Employee Retention	8,864	20,000		11,136	44.32%
1-08-4105-000	Employee Relations	2,727	3,500		773	77.91%
1-08-4110-000	Consultants	-	1,000		1,000	0.00%
1-08-4120-100	Training-Safety	38,959	30,000	5,000	(3,959)	111.31%
1-08-4120-200	Training-Speciality	10,479	26,000	(5,000)	10,521	49.90%
1-08-4121-000	Safety Program	200	1,000		800	20.02%
1-08-4165-000	Membership/Subscriptions	319	1,600		1,281	19.94%
1-08-4165-100	HR/Safety Publications	154	1,000		846	15.44%
1-08-6300-500	Supplies - Safety	13,200	20,000		6,800	66.00%
	Subtotal Operating Expenses	$ 138,722	$ 192,850	$ -	$ 54,128	71.93%
	Total Departmental Expenses	$ 251,898	$ 326,100	$ -	$ 74,202	77.25%

Palmdale Water District
2015 Information Technology Budget
For the Seven Months Ending Friday, July 31, 2015

	YTD ACTUAL 2015	ORIGINAL BUDGET 2015	ADJUSTMENTS 2015	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-09-4000-000 Salaries	$ 133,169	$ 221,500		$ 88,331	60.12%
1-09-4000-100 Overtime	2,034	2,500		466	81.35%
Subtotal (Salaries)	$ 135,203	$ 224,000		$ 88,797	60.36%
Employee Benefits					
1-09-4005-000 Payroll Taxes	10,290	17,000		6,710	60.53%
1-09-4010-000 Health Insurance	23,004	37,500		14,496	61.34%
1-09-4015-000 PERS	24,390	44,000		19,610	55.43%
Subtotal (Benefits)	$ 57,684	$ 98,500	$ -	$ 40,816	58.56%
Total Personnel Expenses	$ 192,886	$ 322,500	$ -	$ 129,147	59.81%
OPERATING EXPENSES:					
1-09-4155-000 Contracted Services	$ 62,892	$ 125,000		$ 62,108	50.31%
1-09-4165-000 Memberships/Subscriptions	150	1,000		850	15.00%
1-09-4270-000 Telecommunications	44,423	77,750		33,327	57.14%
1-09-8000-100 Computer Equipment - Computers	13,417	20,000		6,583	67.08%
1-09-8000-200 Computer Equipment - Laptops*	5,944	5,000	1,600	656	90.06%
1-09-8000-300 Computer Equipment - Monitors	-	2,000		2,000	0.00%
1-09-8000-500 Computer Equipment - Toner Cartridges	494	3,000		2,506	16.48%
1-09-8000-550 Computer Equipment - Telephony	362	2,500		2,138	14.48%
1-09-8000-600 Computer Equipment - Other	1,540	20,000		18,460	7.70%
1-09-8100-100 Computer Software - Maint. and Support	43,218	44,000		782	98.22%
1-09-8100-140 Computer Software - Starnik	68,675	110,000		41,325	62.43%
1-09-8100-150 Computer Software - Dynamics GP Support	46,283	36,000		(10,283)	128.56%
1-09-8100-200 Computer Software - Software and Upgrades	8,492	14,000		5,508	60.66%
Subtotal Operating Expenses	$ 295,890	$ 460,250	$ 1,600	$ 165,960	64.07%
Total Departmental Expenses	$ 488,776	$ 782,750	$ 1,600	$ 295,108	62.32%

* Budget adjustments by General Manager per Appendix A

Palmdale Water District
2015 Customer Care Budget
For the Seven Months Ending Friday, July 31, 2015

	YTD ACTUAL 2015	ORIGINAL BUDGET 2015	ADJUSTMENTS 2015	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-10-4000-000 Salaries**	$ 389,333	$ -	$ 727,000	$ 337,667	53.55%
1-10-4000-100 Overtime**	4,119	-	13,500	9,381	30.51%
Subtotal (Salaries)	$ 393,452	$ -	$ 740,500	$ 347,048	53.13%
Employee Benefits					
1-10-4005-000 Payroll Taxes**	31,380	-	54,000	22,620	58.11%
1-10-4010-000 Health Insurance**	93,644	-	173,000	79,356	54.13%
1-10-4015-000 PERS**	64,564	-	132,000	67,436	48.91%
Subtotal (Benefits)	$ 189,588	$ -	$ 359,000	$ 169,412	52.81%
Total Personnel Expenses	$ 583,040	$ -	$ 1,099,500	$ 516,460	53.03%
OPERATING EXPENSES:					
1-10-4155-000 Contracted Services**	$ 9,277	$ -	$ 16,950	$ 7,673	54.73%
1-10-4230-110 Maintenance & Repair-Office Equipment**	-	-	500	500	0.00%
1-10-4250-000 General Material & Supplies**	5,355	-	1,500	(3,855)	357.01%
1-10-4260-000 Business Forms**	1,471	-	3,500	2,029	42.03%
Subtotal Operating Expenses	$ 16,103	$ -	$ 22,450	$ 6,347	71.73%
Total Departmental Expenses	$ 599,143	$ -	$ 1,121,950	$ 522,807	53.40%

** Budget adjustment by Board action 04/08/15

AGENDA ITEM NO. 7.3

Project Payment Schedule

Updated: September 3, 2015

= Approved for Payment
= 2014 Budget Carryover

Planned Expenses	2015 Budget	Payee	Approved Contract	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15
Committed Contracts / Projects																
Water Revenue Bond Projects	-	BV Construstion and City of Palmdale	675,386													729,558
Storage Tank Maintenance (Year 2 of 6) - RCP03	330,000	Superior Tank	330,000										330,000			
Water System Master Plan Update (WO# 14-404) - PL02	45,000	MWH	196,043	9,363		18,599	5,370	4,477		2,098	12,223	13,146	25,000	25,178		
Meter Replacement Program (Purchase 2014 Carry Over)		Inland Waterworks	788,148	416,782	314,597											
Meter Replacement Program (Purchase 2015) - RCP01	900,000	Inland Waterworks	784,447				454,752		329,695							
Meter Replacement Program (Installation) - RCP02	325,000	Bob O Construction	153,985						23,171	50,702	27,677	45,120	7,315			
Hydrologic and Energy Database - PL04	67,000	DCSE	69,730						28,500	19,160			22,070			
3-Inch Air Diaphram Pump - NE03	5,000		5,000				5,000									
Emergency Repair of Storage Tank at Well 18/19 Site	-	Superior Tank	32,500										32,500			
Brine Storage Tanks - RCP07	125,000	Evoqua	136,250						25,000			95,375				
NaOCL Generator Replacement - RCP08	150,000	D&H / Evoqua	162,855								85,892	69,429				
Dredging @ Lake Outlet Structure / Mechanical Repairs	-	Fontaine				57,115										
Lobby Schematic Design	-	Itzen	56,600		7,124		13,424	6,948				7,000	22,104			
Security Improvement Project (Feasibility/Design/Inspection)	-	Exante 360			5,000	2,000				3,868	560	4,235	1,120	10,000	10,000	
Security System Upgrades - PRO05	250,000	Siemens	259,816										100,000	75,000	34,816	50,000
Natural Gas Engine Emissions Analyzer - NE10	15,000	Murcal	13,335			13,335										
Generator/Engine Emissions (Well No. 2A and 3A) - SF05	20,000	Murcal	19,316				19,316									
Well No. 7A Electrical Transformer - RCP10	35,000	CED	19,511				19,511									
Production Flow Meter Replacement - RCP09	25,000	Harrington	40,303									40,303				
Diesel Tamper - RE03	5,000	Dowd Supply	4,268				4,268									
HVAC at WTP - PRO10	10,000	Circulating Air	8,980							8,182						
Shop/Mechanic Truck w/ Crane and Compressor - NE05	100,000	Five Star Ford	101,599							101,599						
Fleet Lighting Improvements (Phase 1 of 3) - SF03	10,000	TBD	10,000								1,014		2,995	2,995		
Shop Tools - NE02	25,000	TBD	25,000							1,700	606		20,000			
Replacement Fleet (4) 3/4 Ton Trucks		Wondries	143,751				143,751									
Replacement Vehicles/Fleet - RE02	30,000	TBD	30,000										30,000			
Valve Exercising Truck - NE08	100,000	Wondries/CTEC	119,219											80,000		40,000
docSTAR Smart Automation Project		docSTAR			4,331	15,259										
Subtotal	**2,572,000**	**---**	**4,186,042**	**426,145**	**331,052**	**106,308**	**665,392**	**11,425**	**406,366**	**187,309**	**127,972**	**274,609**	**593,104**	**193,173**	**44,816**	**819,558**
Budgeted Projects																
Well No. 15 Rehabilitation - RCP13	300,000	TBD	TBD											100,000	200,000	
Well No. 30 Rehabilitation - RCP12	50,000	TBD	TBD												50,000	
2015 Urban Water Management Plan Update - PL01	40,000	TBD	TBD												10,000	10,000
2014 Water System Master Plan Update (EIR) - PL03	140,000	TBD	TBD													40,000
ARC Flash Hazard Analysis - SF01	62,000	TBD	TBD											20,000	22,000	20,000
Palmdale Ditch Improvements - RCP05	75,000	TBD	TBD										20,000			
Parking Lot Re-Surfacing - RCP-4	100,000	TBD	TBD												100,000	
WTP Security Stystem Upgrade - PRO04	5,000	TBD	TBD											5,000		
Sludge Pump Station Flow Meter - PRO06	4,000	TBD	TBD										4,000			
Replacement Vehicles/Fleet - RE02	85,000	TBD	TBD										30,000			
Rock Drill / Clay Spade - RE01	8,000	TBD	TBD										8,000			
Acquisition of Tax Defaulted Properties - NCC02	28,000	LA County	TBD												28,000	
Subtotal	**897,000**	**---**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**62,000**	**125,000**	**410,000**	**70,000**
Water Quality Fee Funded Projects																
GAC Replacement at WTP - F400 and Reactivated	806,500	Calgon	806,500	275,350			297,759									485,000
GAC Replacement at WTP - AC1230CX	300,000	Evoqua	300,000					298,286								
GAC Replacement at Underground Booster Station	40,000	Evoqua	40,000												40,000	
Subtotal	**1,146,500**	**---**	**1,146,500**	**275,350**	**-**	**-**	**297,759**	**298,286**	**-**	**-**	**-**	**-**	**-**	**-**	**40,000**	**485,000**

TOTALS			Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15
Monthly Planned Expenses (Including Water Quality)	---	---	5,332,542	701,495	331,052	655,335	963,151	309,711	406,366	187,309	127,972	274,609	655,104	318,173	494,816	1,374,558
TOTAL Monthly 2014 Carryover Projects (Excluding Water Quality)	---	---	4,186,042	426,145	467,679	90,973										
TOTAL 2015 YTD Budgeted Expenses (Including Water Quality)	----	---			7,124	662,459	1,625,610	1,935,321	2,341,687	2,528,996	2,656,967	2,931,576	3,586,680	3,904,853	4,399,669	5,774,227

Water Revenue Bond - Series 2013A

Updated: September 3, 2015

Project	Work Order	Description	Allocated Based on Bond	Contractual Commitment	Payout to Date	Grant Funds/Operating Budget	Uncommitted Bond $
Spec. 1204	603-12	Ave. Q - Q-3, Division and Sumac	$ 725,000	$ 765,085	$ 765,085	$ -	$ (40,085)
Spec. 1201	606-11	20th, Puerta, Sweetbriar, and 22nd St. E.	$ 1,450,000	$ 1,487,261	$ 1,487,261	$ -	$ (37,261)
Spec. 1205	605-12	Frontier, 31st St. E., etc. between Ave. Q and Q-4	$ 1,200,000	$ 1,239,232	$ 1,056,064	$ 485,000	$ (39,232)
Spec. 1207	607-12	10th St. E. between Ave. P and Palmdale Blvd.	$ 1,400,000	$ 1,309,180	$ 1,170,315	$ -	$ 90,820
LRDSR	501-04	Littlerock Sediment Removal (EIR/EIS/Permits)	$ 975,000	$ 515,925	$ 502,074	$ -	$ 459,075
LCGRRP	400-12	Littlerock Recharge and Recovery (Feasibility)	$ 1,500,000	$ 769,891	$ 769,891	$ -	$ 730,109
UAR	TBD	Upper Amargosa Recharge (Project Capacity)	$ 1,250,000	$ 1,250,000	$ 93,380	$ 244,558	$ -
Spec. 0905	601-09	15th St. E. between Ave. P and Ave. Q (Material)	$ -	$ 362,984	$ 362,984	$ -	$ (362,984)
PRGRRP	501-04	Palmdale Regional Recharge and Recovery (Permits)	$ -	$ 1,530,000	$ 490,137		$ (1,530,000)
Totals:			**$ 8,500,000**	**$ 9,229,558**	**$ 6,697,190**	**$ 729,558**	**$ (729,558)**

Requisition No.	Payee	Date Approved	Invoice No.	Project	Payment Amount
2	Issuance Costs	Jul 8, 2013	N/A	WRB	$ 24,815.84
3	BV Construction - Progress Payment #1	Jul 9, 2013	1	Spec. 1204	$ 98,552.53
4	JT Eng. - Design Progress Payment	Jul 17, 2013	5187	Spec. 1207	$ 9,108.00
5	BV Construction - Progress Payment #2	Aug 5, 2013	2	Spec. 1204	$ 145,175.44
6	BV Construction - Progress Payment #3-4	Sep 4, 2013	3 and 4	Spec. 1204	$ 167,790.43
7	Aspen - EIR/EIS Progress Payment	Sep 30, 2013	1116.002-01	LRDSR	$ 18,499.60
8	BV Construction - Progress Payment #5	Sep 30, 2013	5	Spec. 1204	$ 46,862.08
9	BV Construction - Progress Payment #6	Oct 24, 2013	6	Spec. 1204	$ 51,052.05
10	Aspen - EIR/EIS Progress Payment	Oct 24, 2013	1116.002-02	LRDSR	$ 8,410.32
11	BV Construction - Progress Payment #7	Nov 7, 2013	7	Spec. 1204	$ 87,960.50
12	BV Construction - Progress Payment #8	Dec 4, 2013	8	Spec. 1204	$ 70,650.08
13	Aspen - EIR/EIS Progress Payment	Dec 4, 2013	1116.002-03	LRDSR	$ 11,054.97
14	Kennedy/Jenks - Progress Payment	Jan 2, 2014	78236	LCGRRP	$ 24,066.25
14	BV Construction - Progress Payment #1	Jan 2, 2014	1	Spec. 1201	$ 29,925.00
14	BV Construction - Progress Payment #9	Jan 2, 2014	9	Spec. 1204	$ 58,787.84
14	Aspen - EIR/EIS Progress Payment	Jan 2, 2014	1116.002-04	LRDSR	$ 36,178.95
14	JT Eng. - Design Progress Payment	Jan 2, 2014	5200	Spec. 1207	$ 9,518.00
15	BV Construction - Progress Payment #2 & #3	Jan 21, 2014	2 & 3	Spec. 1201	$ 114,095.00
16	Aspen - EIR/EIS Progress Payment	Feb 24, 2014	1116.002-05	LRDSR	$ 4,917.47
16	BV Construction - Progress Payment #4 & #5	Feb 24, 2014	4 & 5	Spec. 1201	$ 131,743.15
17	BV Construction - Retention Payment	Mar 3, 2014	10	Spec. 1204	$ 38,254.26
17	Kennedy/Jenks - Progress Payment	Mar 3, 2014	79010 & 80391	LCGRRP	$ 113,652.66
18	BV Construction - Progress Payment #6	Mar 31, 2014	6	Spec. 1201	$ 126,834.50
18	Aspen - EIR/EIS Progress Payment	Mar 31, 2014	1116.002-06 and 07	LRDSR	$ 17,080.04
19	Kennedy/Jenks - Progress Payment	Apr 16, 2014	78236	LCGRRP	$ 28,228.60
19	BV Construction - Progress Payment #7	Apr 16, 2014	7	Spec. 1201	$ 252,741.80
20	BV Construction - Progress Payment #8	May 15, 2014	8	Spec. 1201	$ 69,825.00
20	Aspen - EIR/EIS Progress Payment	May 15, 2014	1116.002-08	LRDSR	$ 33,388.96
20	Kennedy/Jenks - Progress Payment	May 15, 2014	82422 & 80900	LCGRRP	$ 135,858.74
21	BV Construction - Progress Payment #9	Jun 4, 2014	9	Spec. 1201	$ 67,260.00
21	Aspen - EIR/EIS Progress Payment	Jun 4, 2014	1116.002-09	LRDSR	$ 31,845.93
22	BV Construction - Progress Payment #10	Jun 30, 2014	10	Spec. 1201	$ 139,498.00
23	Kennedy/Jenks - Progress Payment	Jun 30, 2014	83735	LCGRRP	$ 30,172.21
23	Aspen - EIR/EIS Progress Payment	Jun 30, 2014	1116.002-10	LRDSR	$ 10,672.32
24	BV Construction - Progress Payment #11	Jul 21, 2014	11	Spec. 1201	$ 141,217.50

Requisition No.	Payee	Date Approved	Invoice No.	Project	Payment Amount
24	Kennedy/Jenks - Progress Payment	Jul 21, 2014	84147	LCGRRP	$ 26,431.83
24	Aspen - EIR/EIS Progress Payment	Jul 21, 2014	1116.002-11	LRDSR	$ 6,274.20
25	BV Construction - Progress Payment #12	Aug 19, 2014	12	Spec. 1201	$ 84,386.60
25	Aspen - EIR/EIS Progress Payment	Aug 19, 2014	1116.002-12	LRDSR	$ 11,115.51
26	BV Construction - Progress Payment #13	Sept 10, 2014	13	Spec. 1201	$ 47,654.85
26	Aspen - EIR/EIS Progress Payment	Sept 10, 2014	1116.002-13	LRDSR	$ 37,715.30
27	BV Construction - Progress Payment #14	Sept 29, 2014	14	Spec. 1201	$ 122,741.90
27	PWD - Reimbursement	Sept 29, 2014	N/A	Spec. 0905	$ 260,611.31
28	Cedro Construction - Progress Payment #1	Oct 14, 2014	1	Spec. 1207	$ 310,752.41
28	City of Palmdale - Recharge Project	Oct 14, 2014	PWD-2014	UAR	$ 38,402.47
29	Aspen - EIR/EIS Progress Payment	Oct 23, 2014	1116.002-14	LRDSR	$ 56,223.72
29	Kennedy/Jenks - Progress Payment	Oct 23, 2014	87036	LCGRRP	$ 80,732.32
30	BV Construction - Progress Payment #15	Nov 12, 2014	15	Spec. 1201	$ 84,974.65
30	Aspen - Bio and Cultural Report	Nov 12, 2014	3277.001-01	Spec. 1205	$ 10,608.08
30	Cedro Construction - Progress Payment #2	Nov 12, 2014	2	Spec. 1207	$ 195,802.84
31	ANM Construction - Paving	Nov 17, 2014	011115-1	Spec. 0905	$ 102,373.00
32	Aspen - Bio and Cultural Report	Nov 26, 2014	3277.001-02	Spec. 1205	$ 1,147.81
32	Aspen - EIR/EIS Progress Payment	Nov 26, 2014	1116.002-15	LRDSR	$ 76,161.79
33	Kennedy/Jenks - Progress Payment	Dec 29, 2014	88741	LCGRRP	$ 71,831.14
33	BV Construction - Progress Payment #16 (Retention)	Dec 29, 2014	16 - Retention	Spec. 1201	$ 74,363.05
33	Aspen - EIR/EIS Progress Payment	Dec 29, 2014	1116.002-16	LRDSR	$ 6,136.99
34	Cedro Construction - Progress Payment #3	Jan 7, 2015	3	Spec. 1207	$ 294,189.21
35	BV Construction - Progress Payment #1	Jan 26, 2015	1	Spec. 1205	$ 152,445.08
35	Aspen - EIR/EIS Progress Payment	Jan 26, 2015	1116.002-17	LRDSR	$ 13,105.63
36	Kennedy/Jenks - Progress Payment	Feb 2, 2015	89538	LCGRRP	$ 78,066.17
37	BV Construction - Progress Payments #2 and #3	Feb 19, 2015	2 and 3	Spec. 1205	$ 195,962.20
37	Aspen - EIR/EIS Progress Payment	Feb 19, 2015	1116.002-18	LRDSR	$ 8,814.60
38	BV Construction - Progress Payment #4	Mar 9, 2015	4	Spec. 1205	$ 123,500.00
38	Cedro Construction - Progress Payment #4	Mar 9, 2015	4	Spec. 1207	$ 70,371.25
39	BV Construction - Progress Payment #5	Mar 31, 2015	5	Spec. 1205	$ 144,210.00
39	Aspen - EIR/EIS Progress Payment	Mar 31, 2015	1116.002-19	LRDSR	$ 12,057.52
39	Kennedy/Jenks - Progress Payment	Mar 31, 2015	90983	LCGRRP	$ 134,407.47
40	Cedro Construction - Progress Payment #5	Apr 13, 2015	5	Spec. 1207	$ 116,680.99
41	BV Construction - Progress Payment #6	Apr 27, 2015	6	Spec. 1205	$ 125,003.43
41	Aspen - EIR/EIS Progress Payment	Apr 27, 2015	1116.002-20	LRDSR	$ 7,540.62
42	Cedro Construction - Progress Payment #6	May 19, 2015	6	Spec. 1207	$ 103,592.13
43	BV Construction - Progress Payment #7	Jun 8, 2015	7	Spec. 1205	$ 72,296.90
43	Aspen - Native American Monitoring	Jun 8, 2015	3277.001-03	Spec. 1205	$ 7,702.52
43	Aspen - EIR/EIS Progress Payment	Jun 8, 2015	1116.002-21	LRDSR	$ 44,109.14
44	Aspen - EIR/EIS Progress Payment	Jun 23, 2015	1116.002-22	LRDSR	$ 34,285.59
44	Cedro Construction - Progress Payment #7	Jun 23, 2015	7	Spec. 1207	$ 60,299.73
45	BV Construction - Progress Payment #8	Jul 15, 2015	8	Spec. 1205	$ 111,492.00
45	Kennedy/Jenks - Progress Payment	Jul 15, 2015	93555	LCGRRP	$ 46,443.99
45	Kennedy/Jenks - Progress Payment	Jul 15, 2015	93556	PRGRRP	$ 251,714.21
46	Aspen - EIR/EIS Progress Payment	Jul 21, 2015	1116.002-23	LRDSR	$ 16,484.80
46	Aspen - Native American Monitoring	Jul 21, 2015	3277.001-04	Spec. 1205	$ 4,152.75
46	City of Palmdale - Recharge Project	Jul 21, 2015	PWD-2015	UAR	$ 54,977.18
47	BV Construction - Progress Payment #9	Aug 11, 2015	9	Spec. 1205	$ 107,542.76
47	Kennedy/Jenks - Progress Payment	Aug 11, 2015	94435	PRGRRP	$ 238,422.35

PALMDALE WATER DISTRICT

BOARD MEMORANDUM

DATE: September 3, 2015 **September 9, 2015**

TO: BOARD OF DIRECTORS **Board Meeting**

FROM: Mr. Jon M. Pernula, Water and Energy Resources Director

VIA: Mr. Dennis D. LaMoreaux, General Manager

RE: ***AGENDA ITEM NO. 7.4 – CONSIDERATION AND POSSIBLE ACTION ON RESOLUTION NO. 15-14, A RESOLUTION OF THE BOARD OF DIRECTORS OF PALMDALE WATER DISTRICT REVISING SECTION 7 OF RESOLUTION NO. 15-9 ACCELERATING AND AMENDING PENALTIES FOR VIOLATING MANDATORY WATER CONSERVATION REGULATIONS FOR THE PURPOSE OF ACHIEVING THE MANDATED 32% REDUCTION IN POTABLE WATER USE.***

Recommendation:

Staff recommends the Board adopt Resolution No. 15-14 Revising Section 7 of Resolution No. 15-9 Accelerating and Amending the Penalties for Violating Mandatory Water Conservation Regulations for the Purpose of Achieving the Mandated 32% Reduction in Potable Water Use.

Background:

On May 27, 2015, the Board of Directors adopted Resolution No. 15-9 Declaring an Elevated Water Shortage Emergency and Adopting Stage 3 of Palmdale Water District's Urban Water Management Plan in order to achieve a State mandated 32% reduction in potable water use. The District's achieved conservation of 29% from June through August 2015 is short of the 32% mandated goal. The vast majority of District customers have reduced water use and are following the emergency water conservation restrictions. That being said, there are still some District customers who have not yet made their best effort to comply and are watering on restricted days and off hours. District staff determined that one of the best ways to address the disparity of participation in critical conservation efforts required to meet mandated goals is in accelerating and amending the penalties for violating mandatory water conservation regulations. It appears that the most fair and effective way to improve conservation without penalizing the majority of customers who have been diligent in following the regulations is to address those who remain in non-compliance. The recommended changes would remove the warning notice for first time violations and replace it with a $50 fine while also raising the fine for a second violation from $50 to $250.

Strategic Plan Initiative:

This work is part of Strategic Initiative No. 1 – Strategic Water Management.

Budget:

Conservation resulting from adoption of Resolution No. 15-14 may have a negative impact on revenues from decreased water sales.

Supporting Documents:

- Resolution No. 15-14
- Historic R-GPCD Comparison
- July 2015 Water Conservation Report by Supplier
- Emergency Conservation Regulation Update prepared by the California Water Boards Office of Research, Planning, and Performance dated September 1, 2015

PALMDALE WATER DISTRICT
RESOLUTION NO. 15-14

RESOLUTION OF THE BOARD OF DIRECTORS OF PALMDALE WATER DISTRICT REVISING SECTION 7 OF RESOLUTION 15-9 ACCELERATING AND AMENDING PENALTIES FOR VIOLATING MANDATORY WATER CONSERVATION REGULATIONS FOR THE PURPOSE OF ACHIEVING THE MANDATED 32% REDUCTION IN POTABLE WATER USE

WHEREAS, Palmdale Water District ("District") is a water district empowered to provide water service within District boundaries; and

WHEREAS, due to inadequate snowfall and rainfall, opposition to the development and construction of water supply facilities, and legal restrictions on the flow of State Water Project water to Southern California, California in general, and the Antelope Valley, in particular, is experiencing shortages in water supplies; and

WHEREAS, the State Water Project allocation for 2015 has been established at a critically low 20% and deliveries have, therefore, been drastically curtailed in response to the inadequacy of water supplies; and

WHEREAS, groundwater supplies which provide a supplemental source of water to the District, are limited in nature, being subjected to increased demands, and now subject to legal rulings arising from a groundwater basin adjudication action that further limit the District groundwater supplies; and

WHEREAS, conservation of water by all District consumers that have not already conserved will help relieve the problems caused by the shortage in water supplies; and

WHEREAS, the District has attempted, through its public information program, to advise and alert the consumers to the serious nature of the water supply situation. Customers have made significant progress in water use efficiency from pre-2009 by exceeding the State required 20% reduction by the year 2020 under SBX 7-7, but the District has not experienced any significant reduction in consumer demand compared to 2013; and

WHEREAS, on January 17, 2014, Governor Edmund G. Brown Jr. issued a Proclamation January 17, 2014 declaring a State of Emergency to exist in California due to severe drought conditions; and

WHEREAS, on April 25, 2014, Governor Edmund G. Brown Jr. further issued an Executive Order to strengthen the state's ability to manage water and habitat effectively in drought conditions and called on all Californians to redouble their efforts to conserve water; and

WHEREAS, on April 1, 2015, Governor Edmund G. Brown Jr. further issued an Executive Order to re-affirm the orders and provisions contained in the January 17, 2014 Proclamation, the April 25 Proclamation, and Executive Orders B-26-14 and B-28-14 and mandated further restrictions

and programs for the purpose of achieving a statewide reduction in potable water use through February 28, 2016; and

WHEREAS, on May 5, 2015, The State Water Resource Control Board adopted Resolution 2015-0032, prescribing mandatory 32% conservation for Palmdale Water District from June 1, 2015-February 28, 2016 compared to the same months in 2013; and further affirmed the restrictions and programs specified in Executive Order B-29-15; and

WHEREAS, the District adopted Resolution No. 14-9 on May 14, 2014 urging heightened water conservation by customers in response to drought and the April 25, 2014 Governor's Proclamation; and

WHEREAS, Water Code Section 1058.5 grants the State Water Resources Control Board the authority to adopt emergency regulations in certain drought years in order to: "prevent the waste, unreasonable use, unreasonable method of use, or unreasonable method of diversion, of water, to promote water recycling or water conservation;" and

WHEREAS, on July 15, 2014, the State Water Resources Control Board adopted emergency water conservation regulations prohibiting all individuals from engaging in certain water use practices and would require mandatory conservation-related actions of public water suppliers during the current drought emergency; and

WHEREAS, following the making of findings as required by law, the District has the power and authority to adopt mandatory water conservation measures within its boundaries pursuant to Part 5 of the Irrigation District Law, codified at Division 11 of the California Water Code; and

WHEREAS, the District is required to comply with State law, including regulations adopted by the State Water Resources Control Board (SWRCB), codified at Title 23 of the California Code of Regulations and is authorized pursuant thereto to implement its requirements; and

WHEREAS the District now desires to comply with the SWRCB emergency water conservation regulations and to implement the Stage 3 Water Shortage Emergency Plan contained in the District's 2010 Urban Water Management Plan, including mandatory water rationing which measures shall be implemented.

WHEREAS, *the District's achieved conservation of 29% from June through August 2015 is short of the 32% mandated goal the fines set forth in Section 7 of this resolution shall be revised in order to improve the overall level of compliance with mandatory water restriction found herein.*

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

Section 1: Findings: The Board of Directors of the District hereby finds and declares as follows:

1) On July 15, 2014, the State Water Resources Control Board issued mandatory Emergency Water Conservation Regulations prohibiting all individuals from engaging in certain

water use practices and requiring the District to implement its mandatory water conservation measures.

2) The State Water Project water available to the District is a critically low (20%) allocation.

3) Continued production of water from the groundwater basin without proportionate recharge of the basin through stream runoff, rainfall, and snow melt could result in irreparable damage to the storage capacity of the basin aquifers and impair the long-term water delivery capability of the District.

4) Voluntary water conservation measures have not resulted in the recommended 25% reduction in consumption.

5) At present, without supplemental supplies, the anticipated water available to the District is insufficient to meet anticipated demands.

6) Should existing drought conditions continue, or should the District lose its water production capacity, there may be insufficient water available for human consumption, sanitation and fire protection.

Section 2: Declaration of Stage 3 Water Shortage Emergency: The Board of Directors of the District, in accordance with the foregoing findings, hereby determines and declares the existence of an emergency condition of water shortage within its service area and further determines and declares that the regulations and restrictions on delivery of water and consumption of water within its service area as hereinafter set forth are necessary, in the sound discretion of the Board of Directors of the District, to conserve the water supply for the greatest public benefit with particular regard to domestic use, sanitation, and fire protection.

Section 3: Authorization to Implement Restrictions on Water Consumption: The Board of Directors of the District hereby authorizes the General Manager of the District to take specific steps to meet water conservation goals, regulations, and restrictions on water consumption as hereinafter set forth.

Section 4: Conservation Goal and Authorized Actions. The conservation goal of the District and the State Water Board is a reduction in water use of thirty-two percent (32%) when compared against usage in 2013, which goal is mandatory through February 28, 2016. The General Manager is authorized to implement Action 1 Paragraphs 1 through 13 of this Resolution to meet said conservation goal.

Action 1. Mandatory Water Conservation Regulations. The General Manager shall take all steps necessary to advise the District's customers of the following mandatory regulations and to enforce them in accordance with the District's existing Waste of Water Policy:

1. There shall be no hose washing of sidewalks, walkways, buildings, walls, patios, driveways, parking areas or other paved surfaces, or

walls, except to eliminate conditions dangerous to public health or safety or when required as surface preparation for the application of architectural coating or painting.

2. Washing of motor vehicles, trailers, boats and other types of equipment shall be done only with a hand-held nozzle for quick rinses, except that washing may be done with reclaimed wastewater or by a commercial car wash using recycled water.

3. No water shall be used to clean, fill or maintain levels in decorative fountains, ponds, lakes or other similar aesthetic structures unless such water is part of a closed recycling system.

4. No restaurant, hotel, cafe, cafeteria or other public place where food is sold, served or offered for sale, shall serve drinking water to any customer unless expressly requested and shall display a notice to that effect.

5. All water users shall repair all leaks from indoor and outdoor plumbing fixtures within one week of discovery.

6. No lawn, landscape, or other turf area shall be watered more often than two (2) days per week nor during the hours between 10:00 a.m. and 6:00 p.m. Water days will be set as follows: Wednesdays and Saturdays only.

7. Irrigation with potable water of ornamental turf on public street medians is prohibited.

8. Irrigation with potable water outside of newly constructed homes and buildings not delivered by drip or microspray is prohibited.

   Exemption:

   a. No watering hour restrictions during the months of November, December, January, February, and March. Watering can occur between the hours of 6:00 a.m. and 6:00 p.m.

9. No water users shall cause or allow the water to run off landscape areas into adjoining streets, sidewalks, or other paved areas due to incorrectly directed or maintained sprinklers or excessive watering. If cited, random acts of vandalism will be considered in any appeal.

10. No water shall be applied to outdoor landscapes during and within 48 hours of measurable rainfall.

11. The owner and manager of every hotel, motel, inn, guest house, bed and breakfast facility, and short-term commercial lodging shall post a notice of such shortage and any necessary compliance measures.

12. Commercial nurseries, golf courses, parks, school yards, and other public open space, and landscaped areas shall be prohibited from watering lawn, landscaping, and other turf areas no more than two (2) days a week (Wednesdays and Saturdays) and between the hours of 6:00 a.m. and 6:00 p.m. except that there shall be no restriction on watering utilizing reclaimed water or where public use requires a modified and approved watering schedule.

    Exemptions:

    a. Athletic field watering can occur between the hours of 6:00 p.m. and 10:00 a.m. the following morning.

    b. No watering hour restrictions during the months of November, December, January, February, and March. Watering can occur between the hours of 6:00 a.m. and 6:00 p.m.

    c. Watering schedules must be adhered to at all times. The District requires advance written notice of any maintenance activities requiring water use between the hours of 6:00 a.m. and 6:00 p.m.

13. The use of water from fire hydrants shall be limited to fire fighting and related activities and other uses of water for municipal purposes shall be limited to activities necessary to maintain the public health, safety, and welfare. Ongoing water system improvement projects are also exempt under this section and may continue to use construction meters in accordance with standard District policy.

Action 2: Mandatory Water Rationing: Upon specific authorization by the Board of Directors, the General Manager shall implement a phased water rationing to protect the water supply of the District and to guarantee adequate supply for domestic use, sanitation, and fire protection as follows:

1. Stage 3: Water Rationing: An over thirty percent (30%) reduction in water deliveries to all District customers.

Action 3: Adoption of Drought Surcharge: Upon specific authorization by the Board of Directors, the General Manager shall implement a phased drought surcharge to cover costs due to lost revenue during mandatory water cutbacks.

1. Stage 1: Drought Surcharge: A 45 cent surcharge on all non-essential usage tiers (Tiers 2-6). This will be effective on water use as of June 1, 2015.

Section 5: Duration of Water Emergency: The regulations, restrictions, and actions set forth herein shall take full force and effect immediately upon authorization by the Board of Directors and shall remain in full force and effect through February 28, 2016 or until otherwise directed by the SWRCB.

Section 6: Appeal: Decisions made by the District under the regulations set forth in this Resolution may be appealed by consumers in accordance with the procedure set forth in the District Rules and Regulations.

Section 7: Violation: A violation of the regulations and restrictions set forth herein will result in progressive warnings, fines, or result in the discontinuance of service to consumers willfully violating the conservation measures set forth herein or such other penalty or restriction as may be allowed by law. The Stage 3 fines under Water Shortage Emergency Plan (2010 UWMP) will be set as follows:

1. *First violation will result in a fine of $50.*
2. *Second violation will result in fine of $250.*
3. *Third violation will result in a fine of $500.*
4. *Fourth violation will result in discontinuance of service.*

Section 8: Severability: If any portion of this Resolution is found to be unconstitutional or invalid, the District hereby declares that it would have enacted the remainder of this Resolution regardless of the absence of any such valid part.

Section 9: Effective Date: This Resolution shall take effect immediately.

BE IT FURTHER RESOLVED, that the Board of Directors finds that the provisions of this Resolution are exempt from the provisions of the California Environmental Quality Act as an action to mitigate emergency conditions and as a rate setting measure pursuant to Public Resources Code §21080(b)(4) and (8).

PASSED AND ADOPTED at a regular meeting of the Board of Directors of Palmdale Water District held on September 9, 2015.

President, Board of Directors Palmdale Water District	Secretary, Board of Directors Palmdale Water District

APPROVED AS TO FORM:

Aleshire & Wynder, LLP,
District Legal Counsel

Since 1918

PALMDALE WATER DISTRICT

2029 East Avenue Q • Palmdale, California 93550 • Telephone (661) 947-4111
Fax (661) 947-8604
www.palmdalewater.org
Facebook: palmdalewaterdistrict
Twitter: @palmdaleH2O

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Division 5

ALESHIRE & WYNDER LLP
Attorneys

September 2, 2015

Historic R-GPCD Comparison*

Emergency Order Period	2007		2013		2015/16	
	Gallons	% Change	Gallons	% Change	Gallons	% Change
June	239.8	-	177.9	(25.8)	129.0	(46.2)
July	267.6	-	191.5	(28.4)	123.8	(53.7)
August	261.1	-	190.9	(26.9)	142.8	(45.3)
September	*198.9*	-	*172.0*	*(13.6)*		
October	*157.7*	-	*135.1*	*(14.3)*		
November	*130.2*	-	*102.0*	*(21.6)*		
December	*88.2*	-	*81.1*	*(8.1)*		
January	*103.8*	-	*77.9*	*(24.9)*		
February	*106.1*	-	*80.2*	*(24.4)*		
Averages**	256.2		186.8	(27.0)	131.9	(48.4)

Notes: * All R-GPCD Calculated using 2015 Emergency Order Method
% Change is calculated from 2007

** Months to date only

20% by 2020 12-Month Average Total GPCD Baseline = 220
2015 12-Month Average Total GPCD Goal = 198
2020 12-Month Average Total GPCD Goal = 176

ACWA

July 2015 Water Conservation Report by Supplier (by hydro region, then R-GPCD)

402 suppliers reporting for July

Supplier Name	Hydrologic Region	Cumulative Savings (June 2015 - July 2015)*		Monthly Savings (July 2015)		
		Conservation Standard	Cumulative Percent Saved (as compared to July 2013)	Monthly Percent Saved (as compared to July 2013)	Estimated Monthly R-GPCD	Total Population Served
Rubio Canyon Land and Water Association	South Coast	36%	31.8%	34.6%	160.2	9,600
Valley Center Municipal Water District	South Coast	36%	42.6%	48.1%	161.9	25,455
Riverside Highland Water Company	South Coast	36%	34.4%	39.7%	164.1	14,781
Las Virgenes Municipal Water District	South Coast	36%	35.2%	37.2%	169.0	75,384
Norco City of	South Coast	36%	25.8%	23.8%	170.4	25,891
Golden State Water Company Ojai	South Coast	36%	35.6%	38.7%	174.8	7,188
California Water Service Company Palos Verdes	South Coast	36%	32.5%	33.1%	178.6	69,884
East Orange County Water District	South Coast	36%	38.5%	40.3%	199.2	3,247
Yucaipa Valley Water District	South Coast	36%	25.0%	28.0%	213.9	44,171
California Water Service Company Westlake	South Coast	36%	34.6%	38.2%	220.9	19,463
Golden State Water Company Cowan Heights	South Coast	36%	38.8%	41.5%	227.5	7,254
Los Angeles County Public Works Waterworks District 29	South Coast	36%	25.7%	27.1%	233.6	22,208
Redlands City of	South Coast	36%	24.2%	20.5%	243.2	77,852
Valley Water Company	South Coast	36%	32.4%	34.6%	258.0	9,900
Serrano Water District	South Coast	36%	45.4%	46.0%	267.9	6,641
Santa Fe Irrigation District	South Coast	36%	42.5%	47.5%	312.9	19,839
Crestline Village Water District	South Lahontan	8%	25.7%	26.0%	52.2	7,454
San Bernardino County Service Area 64	South Lahontan	32%	32.3%	36.3%	62.2	14,031
Lake Arrowhead Community Services District	South Lahontan	16%	35.1%	35.2%	66.9	21,827
Mammoth Community Water District	South Lahontan	20%	43.5%	46.6%	80.9	16,739
Phelan Pinon Hills Community Services District	South Lahontan	32%	16.0%	24.9%	81.6	25,160
Golden State Water Company Barstow	South Lahontan	24%	30.9%	36.7%	96.8	31,209
Adelanto City of	South Lahontan	20%	10.0%	16.0%	102.7	28,723
Apple Valley Ranchos Water Company	South Lahontan	28%	33.1%	36.4%	115.1	62,602
Rosamond Community Service District	South Lahontan	28%	32.3%	43.5%	117.4	17,700
Palmdale Water District	South Lahontan	32%	31.7%	35.3%	123.8	116,183
Hesperia Water District City of	South Lahontan	32%	28.1%	34.3%	131.0	91,627
Victorville Water District	South Lahontan	28%	28.3%	32.9%	134.2	125,874
Los Angeles County Public Works Waterworks District 40	South Lahontan	32%	41.1%	40.1%	141.6	207,148
California Water Service Company Antelope Valley	South Lahontan	36%	44.3%	45.9%	176.8	3,385
Indian Wells Valley Water District	South Lahontan	36%	21.0%	29.4%	204.1	31,120
California City City of	South Lahontan	36%	22.3%	24.8%	204.9	14,120
Quartz Hill Water District	South Lahontan	36%	41.0%	43.6%	208.4	20,352
Reedley City of	Tulare Lake	24%	25.8%	34.8%	81.5	24,194

** Cumulative savings is used to assess supplier compliance with mandatory 25 percent statewide conservation.*

Data pulled 20 August 2015

Emergency Conservation Regulation Update

Office of Research, Planning, and Performance

September 1, 2015

CALIFORNIA Water Boards

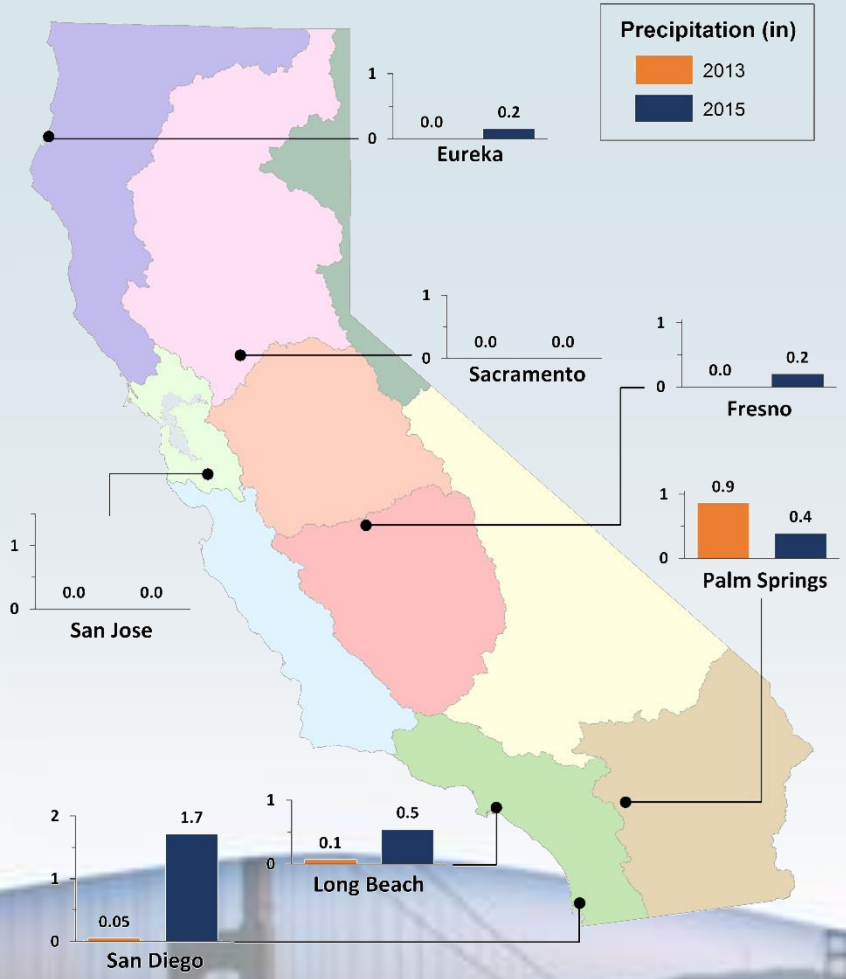
Status of Implementation

- Water production data collected from June 2014 through July 2015 (14 months)
- Second month with statewide goal to reduce total potable urban water use by 25 percent
- 402 (of 411) urban water suppliers submitted July production and enforcement numbers
- June compliance assessed for all 411 suppliers; enforcement actions taken where necessary

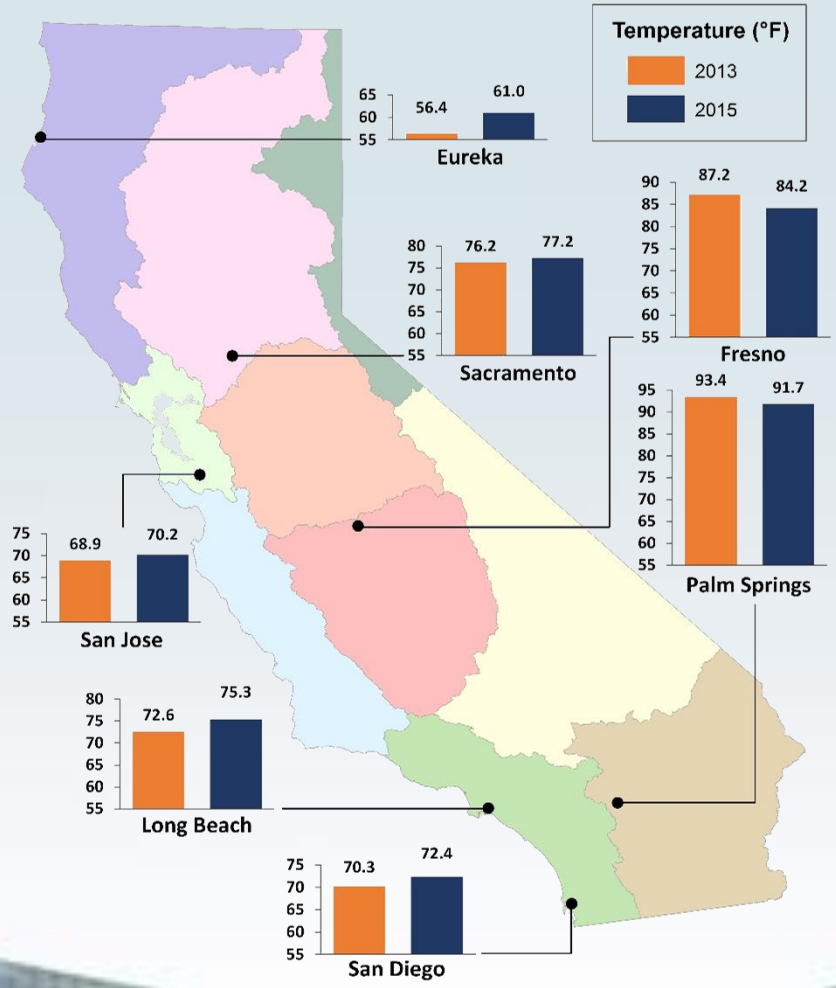
July Weather Conditions

(Select Cities)

Precipitation



Temperature

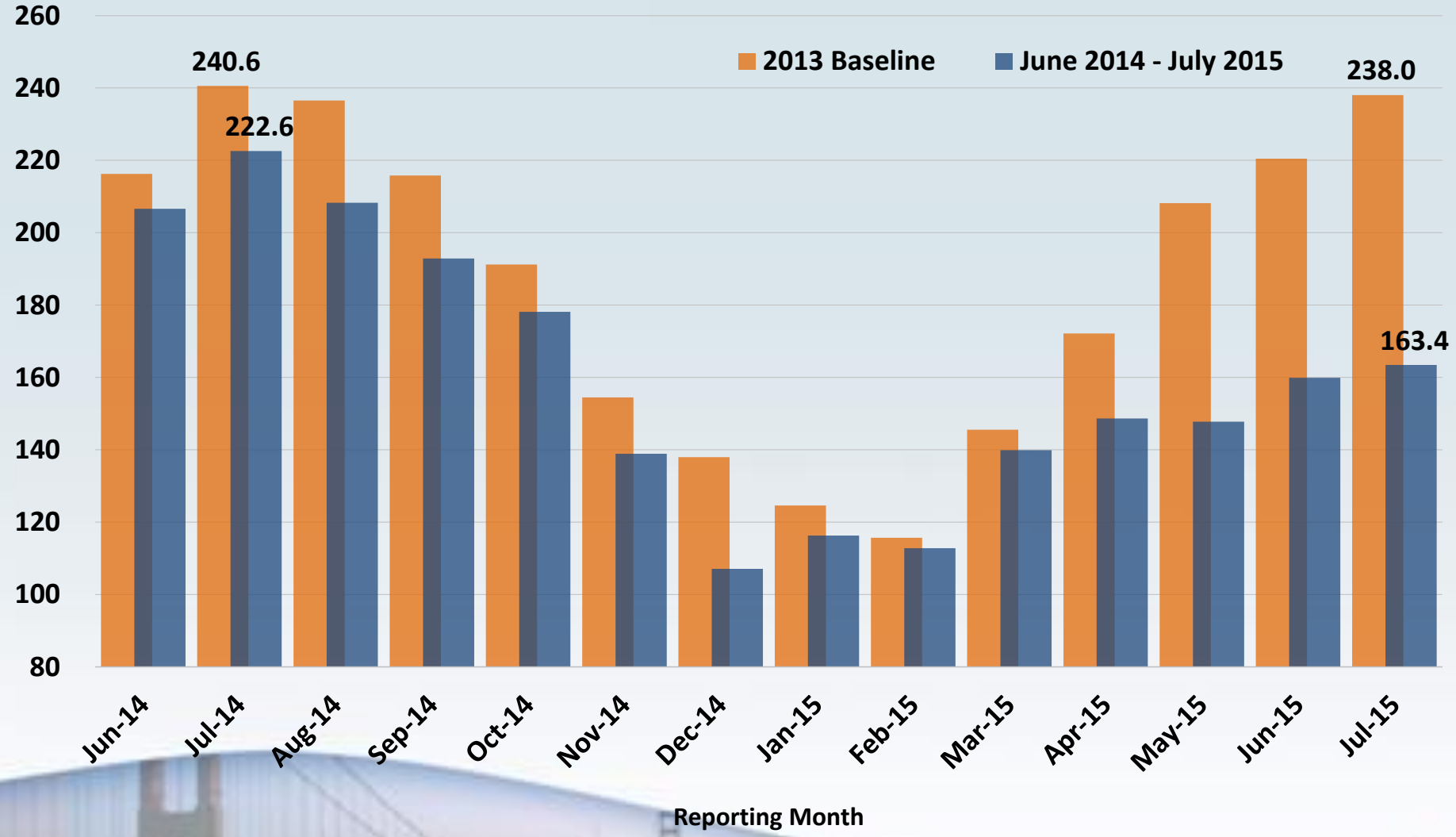


Statewide, July 2015 was cooler and wetter than July 2013

Data Source: U.S. Climate Data http://www.usclimatedata.com/

Statewide Water Conservation Results

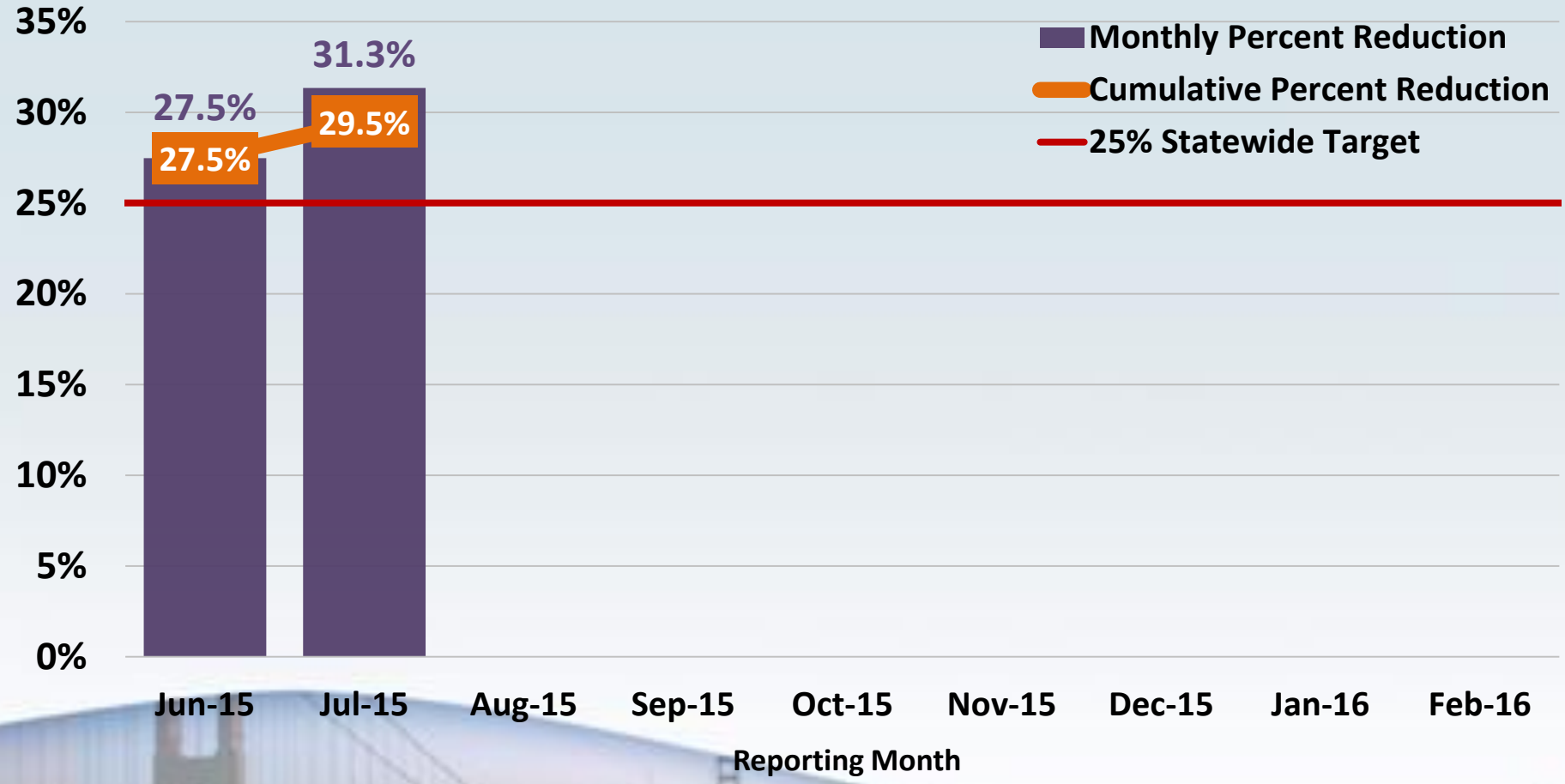
Water Production June 2014 - July 2015 (Billion Gallons)



July 2015 savings (74.6 billion gallons) is four times more than July 2014 savings (18.0 billion gallons)

Statewide Water Conservation Results
Water Production Percentage Reduction

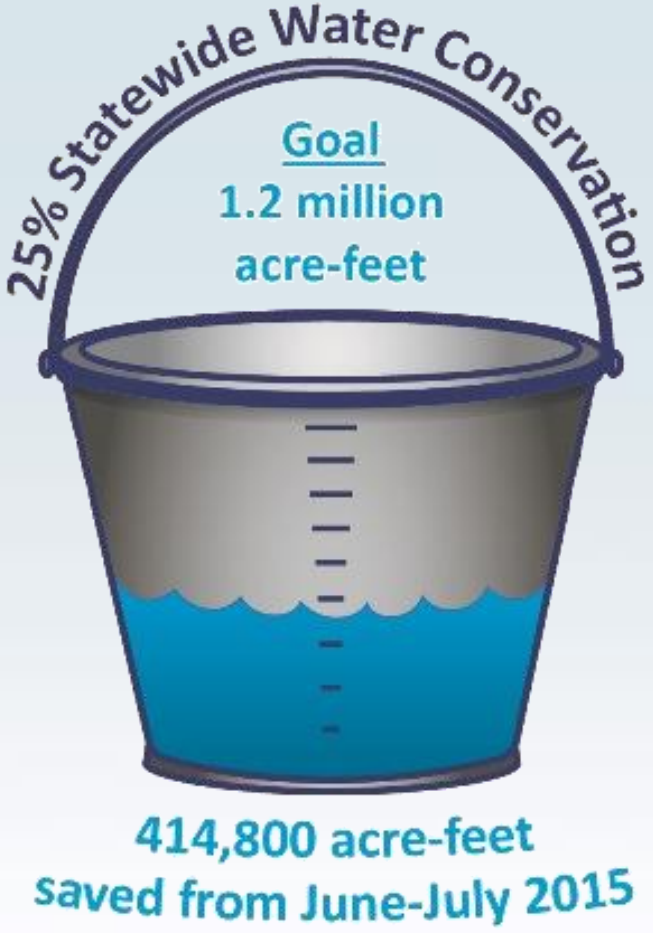
(Compared to 2013)



July 2015 savings (74.6 billion gallons; 228,940 acre-feet) brings cumulative statewide savings to 31.3%

Cumulative Savings (June - July 2015)

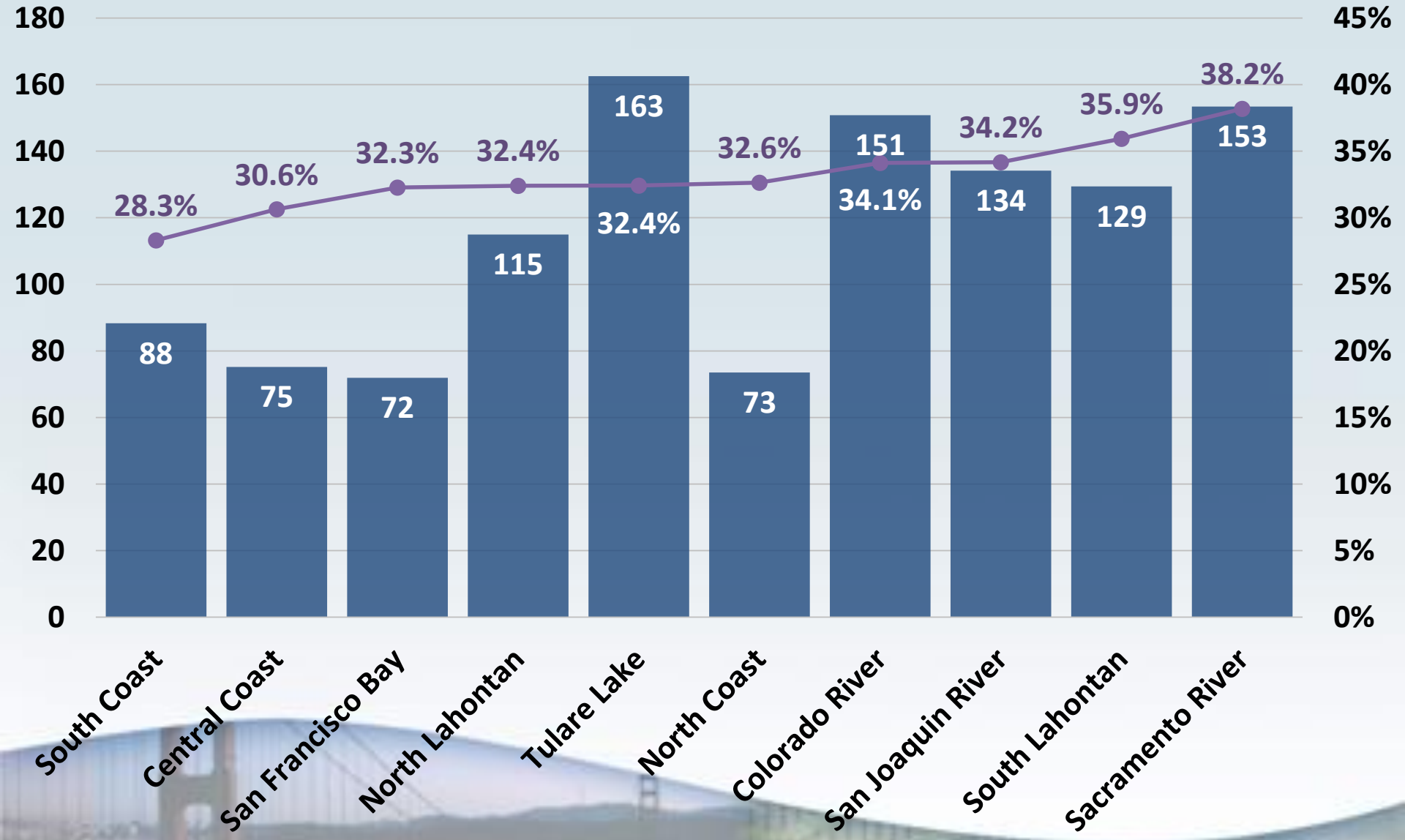
- 414,800 acre-feet (135.2 billion gallons)
- 35 % towards goal



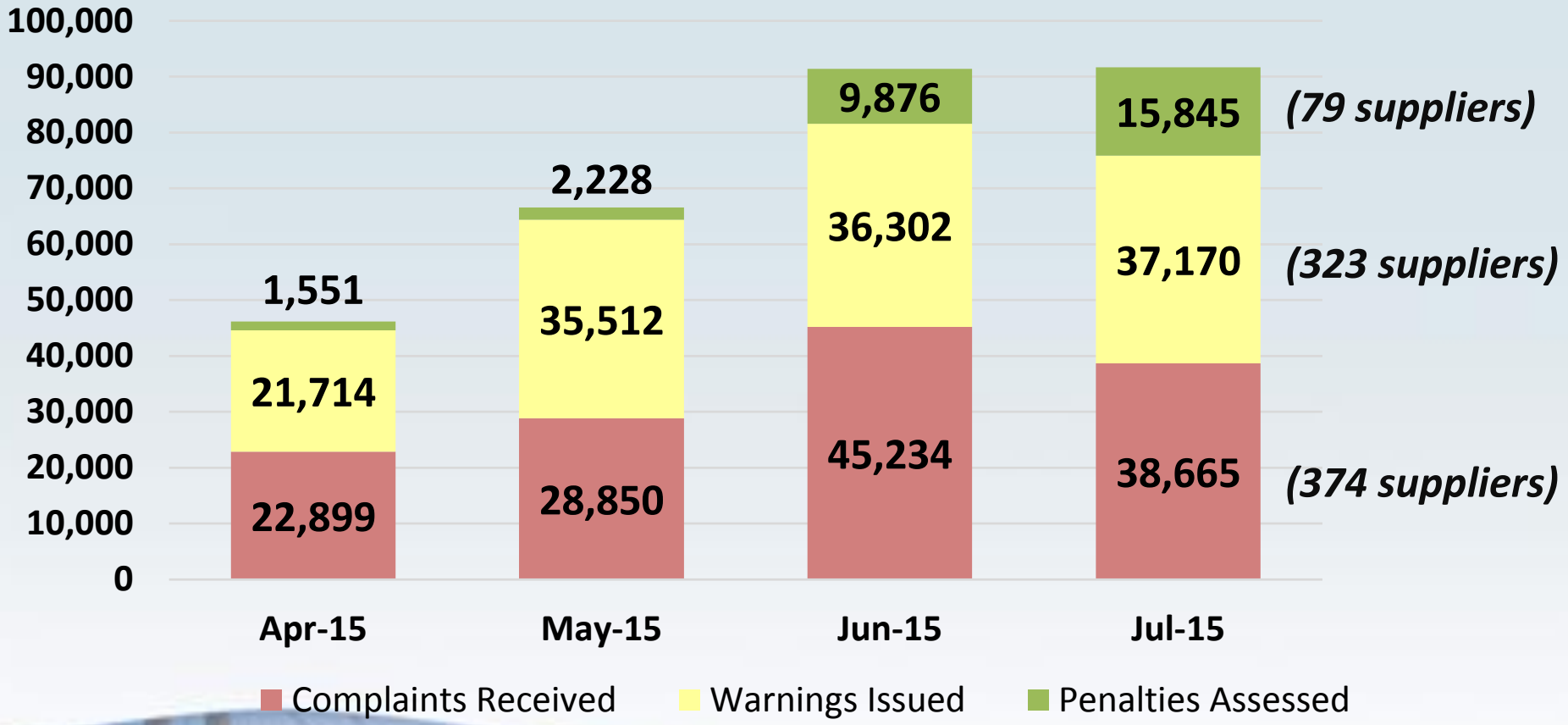
July 2015 Residential Gallons per Capita per Day

- Average statewide July 2015 R-GPCD = 98
  - Lowest supplier R-GPCD = 30
  - Highest supplier R-GPCD = 402
- July 2015 R-GPCD same as June 2015 (98); down from July 2014 (133)
- 55 GPCD is the performance standard for **indoor** use
  - 24 suppliers representing 2.3 million people report July total (indoor and outdoor) R-GPCD less than 55

July 2015 Water Conservation Results



July 2015 Supplier Enforcement Actions



16 suppliers still allow outdoor irrigation 7 days a week

Conservation Tools







Noteworthy July 2015 Achievements

July 2015 conservation exceeded conservation standard by 20% and cumulative conservation exceeded conservation standard by 20%

- Alameda County Water District
- San Gabriel Valley Water Company
- California-American Water Company Sacramento District
- Hayward, City of
- Sunnyvale, City of
- San Buenaventura, City of
- California-American Water Company San Diego District
- Santa Cruz, City of
- Santa Barbara, City of
- Goleta Water District
- Dublin San Ramon Services District
- Pleasanton, City of
- California Water Service Company Livermore
- Calaveras County Water District
- Soquel Creek Water District
- North Coast County Water District
- Livermore, City of Division of Water Resources
- Mammoth Community Water District
- Menlo Park, City of
- Westborough Water District
- California Water Service Company Redwood Valley

Supplier Compliance Priorities: June v July

	Compliance Priority	# of Suppliers in June (Jun-15 savings)	# of Suppliers in July (cumulative Jun-15 - Jul-15 savings)	
1	Greater than 15% from meeting standard	**16**	**4**	*(110,947 people served)*
2	Between 5% and 15% from meeting standard	**74**	**49**	*(2.4 million people served)*
3	Between 1% and 5% of meeting standard	**59**	**59**	*(4.1 million people served)*
0	Met or within 1% of standard	**263**	**290**	*(29.2 million peopled served)*
	Number of Suppliers Reporting	**412**	**402**	*(35.9 million people served)*

Enforcement Actions on June Supplier Compliance

- 8 Conservation Orders Issued
- 74 Information Orders Issued
- 59 Warning Letters Issued
- Cease and Desist Orders in cases of willful violation of an Information or Conservation Order
- More information at http://www.waterboards.ca.gov/water_issues/programs/conservation_portal/enforcement.shtml

Next Steps

- Review Information Orders responses
- Issue additional Conservation and Information Orders where necessary
- Issue responses to Alternate Compliance Requests
- Potential future workshops

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: September 3, 2015 **September 9, 2015**

TO: BOARD OF DIRECTORS **Board Meeting**

FROM: Mr. Dennis D. LaMoreaux, General Manager

RE: ***AGENDA ITEM NO. 7.5 – CONSIDERATION AND POSSIBLE ACTION ON DEVELOPING A THIRD-PARTY WATER CONSERVATION WEBSITE FOR THE ANTELOPE VALLEY STATE WATER CONTRACTORS ASSOCIATION***

Recommendation:
Staff recommends there be no third-party water conservation website for the Antelope Valley State Water Contractors Association (AVSWCA).

Alternative Options:
The alternative is to develop a third-party website for the AVSWCA.

Impact of Taking No Action:
No third-party website will be developed for the AVSWCA.

Background:
The AVSWCA has an existing website, www.avswca.org, and pays a monthly fee for this website. Content is provided by the three AVSWCA member agencies and managed by Antelope Valley State Water Contractors Association Controller, Tom Barnes.

AVSWCA Commissioner Weisenberger recommends a third-party website be developed specifically for water conservation items and programs with the cost of this website divided among the member agencies of the AVSWCA.

District staff recommends no third-party water conservation website be developed but that a page be created on the AVSWCA's website for water conservation content and links to the member agencies water conservation pages. This option can be implemented at little to no cost.

Strategic Plan Initiative:
This work is part of Strategic Initiative No. 4 – Regional Leadership.

Budget:
Staff's recommendation will have no impact to the budget.

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: September 3, 2015 **September 9, 2015**

TO: BOARD OF DIRECTORS **Board Meeting**

FROM: Mr. Dennis D. LaMoreaux, General Manager

RE: ***AGENDA ITEM NO. 7.6 – CONSIDERATION AND POSSIBLE ACTION ON RESCHEDULING THE FIRST REGULAR BOARD MEETING IN NOVEMBER DUE TO THE VETERAN'S DAY HOLIDAY.***

Recommendation:

Staff has no recommendation on this item.

Background:

The first Regular Board Meeting in November falls on November 11, which is Veteran's Day. Veteran's Day is a District holiday.

Strategic Plan Initiative:

This work is part of Strategic Initiative No. 2 – Increased Efficiency.

Budget:

This item will not impact the Budget.

Supporting Documents:

None.

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:	September 3, 2015	**September 9 2015**
TO:	BOARD OF DIRECTORS	**Board Meeting**
FROM:	Mr. Dennis D. LaMoreaux, General Manager	
RE:	***AGENDA ITEM NO. 7.7 – CONSIDERATION AND POSSIBLE ACTION TO AUTHORIZE THE CREATION OF AN AD HOC COMMITTEE TO REVIEW DIRECTOR COMPENSATION AND EXPENSES AND THE PRESIDENT TO APPOINT ITS MEMBERS.***	

Attached for your information is a copy of Articles 4.07.3, 4.07.4, and 4.07.5 and Appendix V of the District's Rules and Regulations.

Supporting Documents:

- Article 4.07.3
- Article 4.07.4
- Article 4.07.5
- Appendix V

4.07.3 DIRECTOR COMPENSATION (Revised 12-11-09)

(a) The District has set Director compensation as provided herein, pursuant to Water Code, Section 20200, *et seq.* and Government Code, Section 53232, *et seq.* The Board of Directors shall be compensated for attendance at regular and special meetings of the Board, including committee meetings, and other functions as approved in advance by the Board of Directors, at a rate of $150.00 per day up to the maximum number of days per month and the maximum annual compensation allowable by law. In addition, Directors shall be entitled to compensation for a day of service in attendance at all meetings and occurrences listed and as indicated in Appendix V, as the Board of Directors has determined those meetings and occurrences constitute performance of official duties rendered as members of the Board. Each Director shall submit, on a form provided by PWD and signed by the Director, the number of days of attendance for which compensation shall be made. Email or FAX submittal of the form shall be acceptable with signature to follow. Compensation for purely social functions is not allowable.

(b) Requests for compensation and expense reimbursement relating to any meeting or event not listed in Appendix V shall not be approved, unless the Board determines that the meeting constitutes one of the following:

(i) A conference or organized educational activity conducted in compliance with Government Code Section 54952.2, including, but not limited to, required ethics training pursuant to Government Code Section 53234, *et seq.*

(ii) A meeting or event attended at the formal request of the Board, including an event to recognize, any employee of the District, or members of the public.

(iii) A meeting or event necessary to further communications with representatives of regional, state and national government on District functions.

(iv) A meeting or event of regional, state and national organizations whose activities affect the District's interests.

4.07.4 DIRECTOR EXPENSES

The District has set the reimbursement for Director expenses as provided herein, pursuant to Water Code, Section 20200, *et seq.* and Government Code, Section 53232, *et seq.* Directors shall be compensated for actual, reasonable and necessary expenses incurred for participating in activities approved in advance by the Board of Directors or as allowed as indicated in Appendix V attached hereto, and that further the goals and interests of the District.

Directors shall exercise prudence in all expenditures. Requests for reimbursement must be accompanied by receipts and documentation and shall be submitted on a form provided by the District and signed by the Director. Email or FAX submittal of the form shall be acceptable with signature to follow.

All requests for reimbursement shall be submitted monthly to the General Manager after the expenses were incurred or expenditures made. The General Manager shall ensure prompt payment of the reimbursable expenses and all questions regarding payment of reimbursable expenses to the staff shall be directed to the General Manager. The Finance Committee shall periodically review Director's expense reports and shall prepare such reports and documents as may be required under Government Code Section 53065.5 and Government Code 53232.3.

This policy is intended to result in no personal gain or loss to a Director and no reimbursement shall be allowed for transportation, lodging, meals or

incidental expenses of family members or guests of a Director traveling with the Director to an authorized event.

4.07.5 REPORTS TO GOVERNING BOARD

At the regular meeting of the Board following any meeting, conference, educational activity or other authorized event for which compensation for a day of services or reimbursement of expenses is requested, the Director attending the event shall give a brief report on the meeting or event. If more than one Director of the District attended the same meeting, a joint report may be made. Reports may be written or oral.

4.08: SPEAKING ENGAGEMENTS AND/OR PRESENTATIONS BY DIRECTORS

The District recognizes the importance of interaction with the community it serves and encourages opportunities for interaction that provides the most accurate information available. This often takes the form of speaking and giving presentations to community and other groups on behalf of the District. Community groups, whether formal or informal, are likely to focus on particular areas of the District's operations and policies. These include topics such as water rates and structure, water quality, state and local water conditions, water conservation and efficiency, and business and infrastructure planning.

The District therefore establishes these rules to ensure the community's needs are met and that the District is accurately represented. Members of the Board of Directors shall not make any presentation on behalf of the District, without the prior approval of the Board, as provided herein. Presentations made on behalf of the District, and therefore governed by these rules, include any speaking engagement or public presentation at any event to any group, entity, or association, related to any matter that relates to the business of the District, unless the Director makes the disclaimers required in these rules.

APPENDIX V

GUIDELINES FOR DIRECTOR COMPENSATED MEETINGS AND ACTIVITIES

AND

DIRECTOR MEETING REPORT FORM

Palmdale Water District Guidelines for Director Compensated Meetings and Activities				
Organization/Affiliation	Meeting, Event, or Function	Critieria	Director Fee	Expenses
Palmdale Water District	Business Functions: Board meetings, Committee meetings, Appointed Position meetings (i.e. AVSWCA, Plant 42 ERAB), and General Manager initiated meetings.	All meetings and functions sponsored or conducted by the District; all Board-approved chair, member, and alternate committee and liaison assignments as provided; legislative meetings and trips for District related business.	X	X
	Internal District Activities: Staff meetings, Employee Lunches, Employee Appreciation Events, and Christmas Lunch/Dinner, etc.		-	-
	Water Awareness Activities: Landscape Workshops, Blue Ribbon Water Week, Water Awareness Month Activity, etc.	Director compensation only if scheduled to work a booth or some aspect of the event.	X	X
Antelope Valley water purveyors	Public Board and committee meetings of AVEK, LCID, QHWD, RCSD, LACWW District 40, and mutual water companies.	All meetings in this category can be claimed for compensation during the first year of a new director's term. All meetings and functions sponsored or conducted by these organizations where business with PWD is directly referenced as an agenda item can be claimed for compensation by all directors.	X	X
Areas Served by the District	Meetings of the Palmdale City Council, Palmdale Planning Commission, Los Angeles County Regional Planning, and Los Angeles County Board of Supervisors.	All meetings in this category can be claimed for compensation during the first year of a new director's term. All meetings and functions sponsored or conducted by these organizations where business with PWD is directly referenced as an agenda item can be claimed for compensation by all directors.	X	X
Antelope Valley Integrated Regional Water Management Group	Monthly meetings scheduled through completion of Plan.	Meetings will be compensated for one director per month unless an Ad-Hoc Committee is formed for this issue. Both assigned directors would then be eligible for attendance compensation.	X	X
Association of California Water Agencies (ACWA)	ACWA Spring and Fall Conferences (including ACWA/JPIA meetings), Federal and State Legislative Conferences. Region 8 meetings, ACWA-appointed committee meetings, Public Water Agency Group meetings, and other ACWA-sponsored events.	All meetings, functions, and tours, sponsored or conducted by this organization and confirmed in advance by PWD Board action.	X	X
California Special Districts' Association (CSDA)	Annual Conference, educational functions, legislative meetings, CSDA-appointed committee meetings, and other CSDA-sponsored events.	All meetings, functions, and tours, sponsored or conducted by this organization and confirmed in advance by PWD Board action.	X	X
Water Education Foundation	Annual briefings and water-related tours.	All meetings, functions, and tours, sponsored or conducted by this organization and confirmed in advance by PWD Board action.	X	X
Director Training Programs	CSDA Governance Academy and Special District Institute Certificate of Completion.	All new directors are encouraged to complete one or both of these programs in their first two years on the Board in addition to any legally required training.	X	X
Palmdale Chamber of Commerce	Annual dinner, monthly business meetings, business mixers, monthly luncheons, Christmas Parade, and other special events.	Attendance not compensable unless speaking on behalf of the District.	-	X
Other Antelope Valley Non-Governmental Organizations	Meetings of the A.V. Board of Trade, A.V. Building Industry Association, Palmdale Sheriff Boosters, Chambers of Commerce, etc.	Attendance not compensable unless speaking on behalf of the District.	-	X
Other Antelope Valley Governmental Organizations	Meeting of the Sanitation Districts of Los Angeles County Districts 14 and 20, Lahontan Regional Water Quality Control Board (Southern California), Lancaster City Council, town councils, etc.	Attendance not compensable unless speaking on behalf of the District.	-	X
Other Community Events	Antelope Valley Fair, Home & Garden Show, Palmdale Fall Festival, Palmdale Thursday Nights at the Square, Summer Concerts, Poppy Festival, etc.	Attendance not compensable unless speaking on behalf of the District, scheduled to work a booth on behalf of the District, or otherwise act as a formal representative of the District.	-	-

Approved by Palmdale Water District Board of Directors on July 11, 2007

DIRECTOR MEETING REPORT FORM

NAME:_____ **DATE:**_____

NAME OF ORGANIZATION/MEETING:

LOCATION/DATE OF MEETING:

GENERAL SUBJECT MATTER OF MEETING:

KEY POINT(S) RELATING TO PWD OPERATIONS AND/OR POLICIES:

LIST OF NEW CONTACT(S) AND HOW THEY CAN BENEFIT PWD:

MINUTES OF REGULAR MEETING OF THE WATER SUPPLY & RELIABILITY COMMITTEE OF THE PALMDALE WATER DISTRICT, JULY 20, 2015:

A regular meeting of the Water Supply & Reliability Committee of the Palmdale Water District was held Monday, July 20, 2015, at 2029 East Avenue Q, Palmdale, California, in the Board Room of the District office. Chair Dizmang called the meeting to order at 2:00 p.m.

1) Roll Call.

Attendance:	**Others Present:**
Water Supply & Reliability Cmte:	Dennis LaMoreaux, General Manager
Gloria Dizmang, Chair	Robert Alvarado, PWD Director
Vincent Dino, Committee Member	Jon Pernula, Water & Energy Resources Director
	Peter Thompson II, Deputy Water & Energy Res. Dir.
	Danielle Henry, Administrative Assistant
	1 member of the public

2) Adoption of Agenda.

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

3) Public Comments.

There were no public comments.

4) Action Items:

4.1) Consideration and Possible Action on Approval of Minutes of Meeting Held June 29, 2015.

It was moved by Committee Member Dino, seconded by Chair Dizmang, and unanimously carried to approve the minutes of the Water Supply & Reliability Committee meeting held June 29, 2015, as written.

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

Water & Energy Resources Director Pernula reviewed the water supply projections and charts included in the agenda packets through June, 2015, which show a 28%

reduction in water demand compared to 2013, and stated that projections, budgeted, and actual consumption numbers are tracking as expected.

Mr. Ron Cunningham, Palmdale resident, then inquired about the reduced supply affecting water pressure after which General Manager LaMoreaux clarified the operation of the water system, mandatory reductions, and the District's water supply.

4.3) Status on the Operations of the State Water Project. (Water & Energy Resources Director Pernula)

Water & Energy Resources Director Pernula reviewed total rainfall to date and stated that the State Water Project allocation remains at 20% followed by discussion of temperature and salinity issues.

4.4) Discussion of the Consultant Selection Process for the Preparation of the District's 2015 Urban Water Management Plan. (Water & Energy Resources Director Pernula)

Water & Energy Resources Director Pernula stated that the guidelines and long-term reliability reports for the preparation of the 2015 Urban Water Management Plan are not yet available; that a workshop is scheduled in Castaic Lake with the State Water Contractors to discuss the uniformity of the 2015 Urban Water Management Plans; and that he recommends the District's 2015 Urban Water Management Plan be prepared by Kennedy Jenks Consultants to ensure compliance with the guidelines, and after a brief discussion of the Request for Proposals and Request for Qualifications process, the Committee directed staff to develop a Request for Qualifications for the preparation of the District's 2015 Urban Water Management Plan.

5) Project Updates.

5.1) Status on Drought. (Water & Energy Resources Director Pernula)

Water & Energy Resources Director Pernula distributed projections on the increasing probability of El Nino conditions for the winter of 2015/spring of 2016 and stated that these same indications occurred last year but to a lesser degree; that an El Nino will not alleviate the drought as conditions are predicted to be warmer; and that the District will utilize local surface water in Littlerock Reservoir if there are heavy rains.

5.2) Drought Management Task Force. (Water & Energy Resources Director Pernula)

Water & Energy Resources Director Pernula stated that the Drought Management Task Force met last week; that the focus of the meeting was to centralize documentation showing the District's efforts and results to comply with the State Water Resources Control Board's mandates; and that customers are doing a good job to reduce water use after which General Manager LaMoreaux stated that the District's Drought Report for June will be presented at Wednesday's Board Meeting.

Mr. Ron Cunningham, Palmdale resident, then inquired about watering days after which General Manager LaMoreaux reviewed the District's process for selecting watering day restrictions followed by discussion of gardening work, daily demands, and the District's 32% mandatory reduction compared to other reductions of 15%.

5.3) Littlerock Dam Sediment Removal Project. (Assistant General Manager Knudson)

General Manager LaMoreaux stated that Assistant General Manager Knudson is on a conference call with the Forest Service and the Department of Water Resources regarding the release of the EIR/EIS for this Project for public review followed by discussion of previous improvements and use of sediment, the discovery of the arroyo toad, Forest Service delays, and restoring and maintaining 1992 Littlerock Reservoir levels.

5.4) Palmdale Recycled Water Authority. (General Manager LaMoreaux)

General Manager LaMoreaux stated that there was no Authority meeting in July; that a status conference call is scheduled next week on progress by Los Angeles County Waterworks to remove themselves from the business of recycled water; that four new recycled water contracts will then be entered into with the water reallocated depending on where it is generated; and that the Authority intends to meet in August to review this progress and review the process of using recycled water for construction purposes.

5.5) City of Palmdale's Upper Amargosa Recharge Project. (Assistant General Manager Knudson)

General Manager LaMoreaux stated that the design drawings for this Project are approximately 80% complete and that an archeological find was discovered near the tie-in point to the aqueduct causing delays.

5.6) Palmdale Regional Groundwater Recharge and Recovery Project. (Assistant General Manager Knudson)

General Manager LaMoreaux stated that a meeting is scheduled for tomorrow between the District, Kennedy/Jenks Consultants, the Sanitation Districts, and Lahontan to provide an overview of this Project to Lahontan as they are an important agency in the permitting process and that there may be partnership options for this Project through the District's various water purchase opportunities.

6) Information Items.

6.1) Water Purchase Opportunities. (Water & Energy Resources Director Pernula)

Water & Energy Resources Director Pernula stated that staff continues work on potential water purchase and long-term lease opportunities.

6.2) Other.

Water & Energy Resources Director Pernula stated that the level at Littlerock Reservoir increased due to recent rains; that staff anticipates 1,000 acre feet of water from this source; and that the water will be transported to Palmdale Lake after assessment.

Mr. Ron Cunningham, Palmdale resident, then inquired about restrictions on new residential construction after which General Manager LaMoreaux stated that there was a presentation to the Board regarding the District's planning efforts and fees for future growth and that new growth is based on new supply followed by discussion of drought management, new construction, and state requirements.

There were no further information items.

7) Board Members' Requests for Future Agenda Items.

There were no requests for future agenda items.

It was then stated that the next Water Supply & Reliability Committee meeting will be held August 24, 2015 at 2:30 p.m.

8) Adjournment.

There being no further business to come before the Water Supply & Reliability Committee, the meeting was adjourned at 2:59 p.m.

Gloria A. Ledesma
Chair

MINUTES OF MEETING OF THE FINANCE COMMITTEE OF THE PALMDALE WATER DISTRICT, AUGUST 10, 2015:

A meeting of the Finance Committee of the Palmdale Water District was held Monday, August 10, 2015, at 2029 East Avenue Q, Palmdale, California, in the Board Room of the District office. Chair Dizmang called the meeting to order at 10:31 a.m.

1) Roll Call.

Attendance:	**Others Present:**
Finance Committee:	Dennis LaMoreaux, General Manager
Gloria Dizmang, Chair	Matt Knudson, Assistant General Manager
Vincent Dino, Committee Member	Mike Williams, Finance Manager
	Dennis Hoffmeyer, Accounting Supervisor
	Danielle Henry, Administrative Assistant
	1 member of the public

2) Adoption of Agenda.

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

3) Public Comments.

There were no public comments.

4) Action Items:

4.1) Consideration and Possible Action on Approval of Minutes of Meeting Held July 6, 2015.

It was moved by Committee Member Dino, seconded by Chair Dizmang, and unanimously carried to approve the minutes of the Finance Committee meeting held July 6, 2015, as written.

4.2) Discussion and Overview of Cash Flow Statement and Current Cash Balances as of June, 2015. (Financial Advisor Egan)

Accounting Supervisor Hoffmeyer reviewed the investment funds and cash flow reports as of June, 2015, including the decrease in cash due to the Butte payment, maturing cds, bond proceed payments, water sales, assessments, DWR refunds, and

anticipated EPA grant funds later in the year after which General Manager LaMoreaux stated that revenue projections for the remainder of the year include estimated Drought Surcharge Fees but expense projections do not reflect any reductions in expenses due to using less water.

4.3) Discussion and Overview of Financial Statements, Revenue, and Expense and Departmental Budget Reports for June 30, 2015. (Finance Manager Williams)

Finance Manager Williams reviewed the balance sheet, profit and loss statement, year-to-year comparisons, month-to-month comparisons, consumption comparisons, and revenue and expense analysis reports for the period ending June 30, 2015 and then stated that most departments are operating at or below the targeted expenditure percentage of 50% and reviewed line items over-budget followed by discussion of bad debts, service cost construction, non-operating expenses, the remaining Cash for Grass payouts, the reduction in water consumption, and the Water Quality Fee.

4.4) Discussion and Overview of Committed Contracts Issued and Water Revenue Bond Projects. (Assistant General Manager Knudson)

Assistant General Manager Knudson reviewed the status of approved 2015 engineering projects included in the Committed Contracts and Payout Schedule, including those projects contractually committed, budgeted projects but not yet committed with these projects listed in order of priority, and payments for projects funded from the Water Revenue Series 2013A Bonds followed by discussion of the benefits to the District from the meter replacement project.

4.5) Consideration and Possible Action on Revisions to the Palmdale Water District's Rate Assistance Program. (Finance Manager Williams)

Finance Manager Williams stated that staff recommends several revisions to the Rate Assistance Program to update and enhance the Program, and after a brief discussion of these revisions, it was moved by Committee Member Dino, seconded by Chair Dizmang, and unanimously carried that the Committee concurs with staff's recommendation to revise the Rate Assistance Program and that these revisions be presented to the full Board for consideration at the August 26, 2015 Regular Board meeting. The Committee then commended staff on their recommended revisions to enhance the Rate Assistance Program.

4.6) Consideration and Possible Action on Setting Palmdale Water District's Assessment Rates for Fiscal Year 2015-2016 and Adoption of Resolution No. 15-13 Regarding Said Rates. (Financial Advisor Egan)

General Manager LaMoreaux reviewed the purpose of the assessment rates and stated that information for the assessment rate calculations is anticipated to be received prior to the August 12 Regular Board meeting and that this item has been placed on that agenda for consideration.

5) Information Items.

5.1) Status of Debt Service Coverage. (Financial Advisor Egan)

Accounting Supervisor Hoffmeyer stated that the District continues to meet the Debt Service Coverage and is now 1.28 after which Chair Dizmang requested this information be provided to all Board members for their information.

5.2) Other.

Finance Manager Williams stated that the Request for Proposals for the Customer Information System and the timeline for the 2016 Budget process were included with the agenda packet and that copies have also been provided to the full Board.

He then stated that the kiosk has been operational for three weeks, and 56 cash payments have been processed.

General Manager LaMoreaux stated that as a result of the water main replacement project and the meter replacement project, the twelve-month water loss average has been reduced from 12% in January to 9% in June; that the State only uses total production numbers to determine their water reduction requests; and that the District reports the amount of water produced on a monthly basis, but per capita numbers do not factor in water losses.

It was then determined that the next Finance Committee meeting will be held September 3, 2015 at 10:30 a.m.

There were no additional information items.

6) Board Members' Requests for Future Agenda Items.

There were no further requests for future agenda items.

7) Adjournment.

There being no further business to come before the Finance Committee, the meeting was adjourned at 11:13 a.m.

Chair