Since 1918

PALMDALE WATER DISTRICT

2029 East Avenue Q • Palmdale, California 93550 • Telephone (661) 947-4111
Fax (661) 947-8604
www.palmdalewater.org
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Board of Directors

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Division 5

ALESHIRE & WYNDER
Attorneys

November 19, 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, November 25, 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.**

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) Drought Report-Review of "Water Conservation and Reduction in Water Demand Efforts Report as of October, 2015." (PIO/Conservation Director McNutt)

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 November 9, 2015.

6.2) Payment of bills for November 25, 2015.

6.3) Approval of Association of California Water Agencies (ACWA) 2016 annual agency dues. ($22,106.67 – Budgeted – General Manager LaMoreaux)

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

7.1) Consideration and possible action on 2016 Budget. (General Manager LaMoreaux)

7.2) Consideration and possible action on revisions to Cash for Grass Program. (PIO/Conservation Director McNutt)

7.3) Consideration and possible action on Professional Services Agreement with The Mathis Consulting Group for training for cultural improvements for 2015-2016. ($43,750.00 – Budgeted – General Manager LaMoreaux)

7.4) 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) California Special Districts Association "Special District Leadership Academy Conference" to be held January 24 – 27, 2016 in La Quinta.

8) Information Items:

8.1) Reports of Directors:

a) Meetings/General Report.

b) Standing Committee/Assignment Reports (Chair):

1) Antelope Valley State Water Contractors Association

2) Palmdale Recycled Water Authority

8.2) Report of General Manager.

a) November, 2015 written report.

8.3) Report of General Counsel.

9) Public comments on closed session agenda matters.

10) Break prior to closed session.

11) Closed session under:

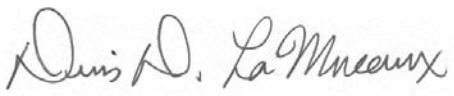
11.1) Conference with Legal Counsel – Potential Litigation: A closed session will be held, pursuant to Government Code §54956.9 (d)(4), to confer with District General Counsel regarding to determine whether to initiate litigation, one case.

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

13) Presentation to Director Dizmang. (President Mac Laren)

14) Board members' requests for future agenda items.

15) Adjournment.



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: November 18, 2015 **November 25, 2015**

TO: BOARD OF DIRECTORS **Board Meeting**

FROM: Mr. Dennis D. LaMoreaux, General Manager

RE: ***AGENDA ITEM NO. 6.3 – APPROVAL OF ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA) 2016 ANNUAL AGENCY DUES.***

Recommendation:

Staff recommends the Board approve the District's 2016 annual agency dues in the Association of California Water Agencies (ACWA) in the not-to-exceed amount of $22,106.67.

Alternative Options:

The alternative is to not approve the District's 2016 membership in ACWA.

Impact of Taking No Action:

The District's current ACWA membership will expire, and the District will be forced to obtain insurance benefits through a different agency.

Background:

The District has been a member of ACWA for many years. The attached memorandum from Mr. Tim Quinn, ACWA's Executive Director, outlines the annual membership fee as well as the services provided through ACWA. The District takes advantage of ACWA's cost-saving insurance opportunities obtaining its property liability insurance, workers' compensation insurance, and employee health benefits package through ACWA. ACWA also keeps its members abreast of key state and federal legislative and regulatory water issues, and ACWA's annual conferences provide training for the Board and staff.

Strategic Plan Initiative:

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

Budget:

This is under Budget Item No. 1-02-4165-000 Memberships/Subscriptions.

Supporting Documents:

- 2016 ACWA agency dues invoice and membership dues calculation worksheet
- Memorandum regarding ACWA's 2016 Membership Dues

Association of California Water Agencies

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RECEIVED
NOV 05 2015

Date: November 2, 2015

Palmdale Water District

2029 E Ave Q

Palmdale, CA 93550

Delta Sustainability Assessment	$1,381.67
2016 Annual Agency Dues	$20,725.00

Total Amount Due	$22,106.67

Thank you for your continued support with ACWA. Please remit payment by **January 6, 2016**.

******MEMBERSHIP DUES*******MEMBERSHIP DUES********MEMBERSHIP DUES*******

Association of California Water Agencies 910 K Street, Suite 100, Sacramento, California 95814-3577 • 916.441.4545 FAX 916.325.4849
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www.acwa.com

Association of California Water Agencies
2016 Member Dues Calculation

Date: November 2, 2015

ID Number: 954

Name: Palmdale Water District

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(1) Operating Expenses	$30,081,188.00
(2) All Other Expenses	
(3) Total Expenses	**$30,081,188.00**
<<< LESS >>>	
(4) Purchased Power	
(5) Water Purchases	$3,164,037.00
(6) Groundwater Replenishment	
(7) Depreciation	$7,166,973.00
(8) Fixed Assets	
(9) Total Adjusted Expenses	**$19,750,178.00**
<<< LESS >>>	
(10) Pumping	
(11) Total Expenses Adjusted For Pumping	
(12) Line 11 times 2	$39,500,356.00
(13) Dues O&M (lessor of line 9 or 12)	$19,750,178.00
DUES AMOUNT	**$20,725.00**

***** THIS IS NOT A BILL – PLEASE DO NOT PAY FROM THIS WORKSHEET *****

Association of
California Water Agencies
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MEMORANDUM

TO: ACWA Public Water Agency Members

FROM: Tim Quinn, Executive Director

DATE: October 30, 2015

SUBJECT: ACWA's 2016 Membership Dues

Each fall, the ACWA Board of Directors determines the Association's budget for the following year. This year, the Board met on September 25 to discuss and approve the final 2016 budget, following review by ACWA's Budget Subcommittee and Finance Committee.

The Board upheld the already approved 5.5% increase in the dues schedule for 2016, as envisioned in the two-year budget plan adopted by the Board in September 2014. The budget also reflects other modifications to the dues schedule as recommended earlier this year by a special member Dues Task Force, including a three-year phase-out of the Delta Sustainability Assessment (DSA).

The DSA was established by the ACWA Board in 2009 to fund a portion of the association's Delta-related activities. It has been included in the ACWA dues statements for member agencies that rely – directly or indirectly – on water from the Delta watershed and use that water outside the watershed. These Delta-related activities also required significant staff resources. Over time, those activities have evolved to position ACWA as the most prominent advocate of a statewide, comprehensive action plan of which Delta solutions are only a part. The Strategic Plans approved by the Board in recent years supported ACWA's engagement on the Delta as part of a comprehensive solution, while focusing ACWA's energies on a broad array of other elements, including groundwater management, storage, headwaters, water transfers, local resource development, and others. Under these circumstances, the criteria that justified the application of the DSA in 2009 applied less over time. Upon recommendation of the Dues Task Force, the Board decided to phase out the assessment. The phase-out will reduce payments from DSA members over three years, however, the offset will result in an increase for non-DSA paying agencies reflecting the increased commitment of ACWA staff to implement a statewide comprehensive plan.

ACWA's dues are based on the operations and maintenance (O&M) expenses for individual public agency members, which vary from year to year. If there was an increase or decrease in your O&M, the actual dollar increase associated with your agency's dues increase can vary from 0-5.5%. Additionally, the result of the Board's action to phase out the DSA results in an additional 2% adjustment to the dues table for each of the three years.

We thank you for your membership and want take a quick moment to give you a snapshot of what your dues contribution allows ACWA to continue to provide an array of high quality of services to its members.

Some of those ACWA services include:

- Advocacy on key state and federal legislative and regulatory water issues.
- Award-winning communication tools for members, like the Value of Water, Chromium 6, and Save Our Water toolkits.
- Cost-saving opportunities through ACWA/JPIA insurance for liability, property workers compensation and employee benefits programs.
- Up-to-date water news with ACWA News, eNews, acwa.com, and more.
- Networking opportunities through ACWA's annual conferences and other events.
- Access to a robust Outreach Network to advance key bills and issues.
- Member pricing on events, products and services.

Also, to learn more about what ACWA is currently working on for its members, please visit www.acwa.com and view our Membership Benefits sheet online.

We look forward to your continued membership in 2016. If you have any questions about your ACWA dues, please contact ACWA's Member Services Group Manager Tiffany Giammona at (916) 441-4545 or via email at tiffanyg@acwa.com

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AGENDA ITEM NO. 7.1



PALMDALE WATER DISTRICT

OPERATING BUDGET – Calendar Year 2016

2029 E Avenue Q
Palmdale CA 93550
PalmdaleWater.org - (661) 947-4111

PALMDALE WATER'S VISION:

To strive for excellence in providing high quality, reasonably priced water in a growing Antelope Valley by participating in local and regional water issues as a strong advocate for our customers, public education, asset management, water conservation, planning and securing additional water supplies, continuing our commitment to operate efficiently with the help of emerging technologies, challenging, motivating and rewarding our employees and offering premium customer service in all we do.

PALMDALE WATER'S MISSION:

Providing high quality water to our current and future customers at a reasonable cost.

Palmdale Water's Strategic Plan:

The District's strategic plan are initiative based so they remain dynamic and match the ever-changing environmental conditions. Below are the initiative categories that were established in 2015 and proposed 2016.

CY 2015

Initiative No. 1 - Outstanding Water Management	**Initiative No. 2 - Increased Efficiency**	**Initiative No. 3 - Infrastructure**	**Initiative No. 4 - Regional Leadership**	**Initiative No. 5 - Exceptional Customer Service**

CY 2016

Initiative No. 1 - Water Resource Reliability	**Initiative No. 2 – Organizational Excellence**	**Initiative No. 3 – Systems Efficiency**	**Initiative No. 4 - Financial Health and Stability**	**Initiative No. 5 – Regional Leadership**	**Initiative No. 6 – Customer Care and Advocacy**

Palmdale Water's Strategic Plan – Proposed 2016

Initiative No. 1 - Water Resource Reliability

- 2015 Urban Water Management Plan, drought response
- Palmdale Regional Groundwater Recharge & Recovery Project
- Littlerock Reservoir Sediment Removal Project
- Recycled water allocation and use
- Granular Activated Carbon (GAC) use and research

Initiative No. 2 – Organizational Excellence

- Optimize outsourcing opportunities
- Maintain formal management/supervisor training and development program
- Maintain competitive compensation and benefits package
- Employee wellness program
- Succession planning
- Board/staff events to develop innovative ideas and awards

Initiative No. 3 – Systems Efficiency

- Water system Master Plan update and related EIR
- Reinvestment in aging infrastructure
- Investment, implementation, and training plan for new technology
- Computerized maintenance management software (CMMS)
- Explore energy independence

Initiative No. 4 - Financial Health and Stability

- Pursue Federal and State funding opportunities
- Sustainable and balanced rate structure
- Maintain adequate reserve levels
- Maintain high level bond rating

Initiative No. 5 – Regional Leadership

- Create a regional best practices Antelope Valley partnership
- Enhance community partnerships and expand school programs in water education
- Continue to educate and engage elected officials in water related issues
- Emphasize the importance and long history of the District as a community asset
- Enhance community opportunities for the youth of the Antelope Valley
- Continue to evaluate District internship needs

Initiative No. 6 – Customer Care and Advocacy

- Customer Care accessibility through automation
- Evaluate, develop, and market additional payment options
- Improve customer account management tools
- Enhance customer experience through assessment of infrastructure, processes, and policies to maximize the Customer Care experience

The above strategic initiatives were established through involvement with the Board of Directors and Management Staff. These 6 strategic initiatives serve as the driving force behind the CY 2016 budget as presented over the next several pages.

OPERATING BUDGET

The Palmdale Water District CY 2015 budget had near normal water sales projections under a voluntary water conservation plan. This was further changed in April 2015 when Governor Brown issued an executive order calling for mandatory drought-emergency conservation of 25%. With this order in place, the District was required to reach an individual mandated reduction of 32% through February 2016. The District's 2016 budget reflects accordingly the reduced water sales continuing into calendar year 2016. (District Management was informed on November 13 that Governor Brown has signed an extension of his original executive order extending mandatory water cutbacks till October 2016 if drought conditions persist through January 2016.)

The District's CY 2016 Operating Revenues are budgeted at $22.0 million compared to $23.4 in the CY 2015 budget, an overall 5.8% decrease. Operating Revenues by category are summarized below:

	FY 2015 BUDGET	FY 2016 BUDGET	% Change
OPERATING REVENUES:			
Water consumption sales	$ 8,775,500	$ 7,505,000	(14.5%)
Monthly meter service charge	11,506,000	12,253,000	6.5%
Water quality fees	1,146,500	934,500	(18.5%)
Elevation Fees	525,000	400,000	(23.8%)
Other water service charges	1,350,000	860,000	(36.3%)
TOTAL OPERATING REVENUES:	**$ 23,303,000**	**$ 21,952,500**	**(5.8%)**

The District's CY 2016 Operating Expenses are budgeted at $22.9 million compared to $23.5 in the CY 2015 budget, an overall 1.5% decrease. Operating Expenses by category are summarized below:

OPERATING EXPENSES:			
Source of supply - purchased water	$ 3,696,500	$ 2,609,500	(29.4%)
Administration	4,007,450	4,863,100	21.4%
Finance and customer care	3,390,225	3,185,500	(6.0%)
Engineering	1,435,755	1,485,650	3.5%
Facilities	7,310,525	7,454,250	2.0%
Operations and production	2,959,000	2,906,250	(1.8%)
Water conservation	543,500	564,750	3.9%
TOTAL OPERATING EXPENSES:	**$ 23,342,955**	**$ 23,069,000**	**(1.2%)**

The CY 2016 capital portion of the budget includes expenditures of $2.04 million representing a 51% decrease from the CY 2015 budget of $4.17 million. The major contributing factor for this decrease is the reduction in operating revenue due to continued mandatory drought restrictions, updating the water quality and elevation fee calculations, and changes in the District's collection process fee.

Revenues

Due to California's mandated drought-emergency conservation, the District has budgeted 16,500 acre feet of potable water sales for CY 2016, compared to 18,800 acre feet of potable water sales for CY 2015. The corresponding reduction in CY 2016 budgeted revenue is a decrease of $1.27 million or 14.5% compared to budgeted revenue in CY 2015. The multi-year rate schedule adopted in 2014, from the Bartle Wells rate study, is shown in the table below. Each of the multi-year adjustments are calculated at 5.5% for CY 2016 through CY 2019 and applied to both the monthly meter charge and commodity rates.

Tiered Commodity Rates ($/ccf)

	Current	CY 2016	CY 2017	CY 2018	CY 2019
Tier 1	0.75	0.79	0.83	0.88	0.93
Tier 2	0.86	0.91	0.96	1.01	1.07
Tier 3	2.43	2.56	2.70	2.85	3.01
Tier 4	3.66	3.86	4.07	4.29	4.53
Tier 5	4.73	4.99	5.26	5.55	5.86
Tier 6	6.08	6.41	6.76	7.13	7.52

Monthly Meter Charge

	Current	CY 2016	CY 2017	CY 2018	CY 2019
1" and Smaller	32.05	33.81	35.67	37.63	39.70
1.5"	96.15	101.44	107.02	112.91	119.12
2"	147.45	155.56	164.12	173.15	182.67
3"	267.14	281.83	297.33	313.68	330.93
4"	438.13	462.23	487.65	514.47	542.77
6"	865.61	913.22	963.45	1,016.44	1,072.34
8"	1,378.58	1,454.40	1,534.39	1,618.78	1,707.81
10"	1,977.06	2,085.80	2,200.52	2,321.55	2,449.24

(Continued on next page)

The CY 2016 budget also continues the District's effort to mitigate costs related to the water quality fee and elevation booster surcharge. In 2015 the District negotiated a long term contract related to the purchase expense for Granular Activated Carbon (GAC) used during the water treatment process.

District staff has also reviewed Edison rate structures to maximize potential savings as they relate to the elevation booster surcharge. This includes optimized run times to take advantage of lower power costs during off-peak times. The District has also moved to a pro-active maintenance schedule of booster and well facilities to lessen the impact on expenses related to emergency equipment failures. This has allowed for the District to control costs for rate payers living in higher elevation zones.

	CY 2014	CY 2015	CY 2016
Water Quality Fee ($/ccf)	0.20	0.14	0.13
Elevation Booster Surcharge ($/ccf)			
Base	-	-	-
Zone A1	0.13	0.12	0.10
Zone A2	0.41	0.44	0.48
Zone A3	0.89	0.97	1.06

Expenses

Included in the CY 2016 Operational Budget are operating expenses similar to CY 2015 year end forecasts. The CY 2016 operating expenses, with the exception of salaries and related expenses, show an overall decrease from the CY 2015 Budget. This reflects the lower costs associated with decreased water purchases and treatment/production costs. The District is also seeing a decrease in general maintenance and repair related expenses reflective of the increased effort to replace aging infrastructure and equipment.

During CY 2016, the District will continue its outreach to the rate payers with regards to conservation efforts. This will include funding of the District's water rebate programs in the amount of $200,000.

Capital Projects

The CY 2016 capital expenditure budget includes expenditures of $360,000 for projects, equipment, and planning studies that were contractually committed to in 2015, but will be expensed in 2016. These projects are shown on the Capital Expenditures Summary – Page 5.

The CY 2016 capital expenditure budget also includes $750,000 for the District's participation and operational capacity of the proposed Upper Amargosa Recharge Project. As part of the 2013A Series Water Revenue Bond, the District committed $8,500,000 in replacement capital and water supply projects. The $750,000 is the amount that was over the actual contractual commitment for the various projects funded from the 2013A Series Water Revenue Bond.

Continuing Palmdale Water District's commitment to the orderly replacement of capital infrastructure (which is part of the District's Strategic Plan), staff will focus on replacing and upgrading necessary water production, storage, and distribution infrastructure as well as invest in new information technology. The proposed Capital Expenditures list contains $150,000 for projects related to safety and regulatory requirements, $3,355,000 for replacement capital/equipment, and $960,000 for information technology enhancements.

The District will also continue to implement the design, permitting, and financial planning necessary to improve the long-term water supply and reliability projects. The proposed Capital Expenditures list includes $1,140,000 to continue to move forward with the projects that will plan for and implement long-term water supply reliability for the District's current and future customers.

BUDGET

SUMMARY

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Calendar Year 2016 Budget

Comparative Statement of Revenues, Expenses, and Changes in Net Position

	CY 2013 ACTUAL	CY 2014 ACTUAL	CY 2015 FORECAST	CY 2015 BUDGET	CY 2016 BUDGET
OPERATING REVENUES:					
Water sales - Wholesale (AVEK & LCID)	192,316	218,627	100,000	225,000	160,000
Water sales - commodity charge	9,025,493	8,283,444	6,745,000	8,550,500	7,345,000
Monthly meter service charge	11,059,700	11,321,843	11,658,000	11,506,000	12,253,000
Water quality fees	1,650,551	1,564,800	893,000	1,146,500	934,500
Elevation fees	553,631	477,654	370,000	525,000	400,000
Other water service charges	1,643,319	1,475,268	1,150,000	1,350,000	860,000
TOTAL OPERATING REVENUES	**24,125,011**	**23,341,636**	**20,916,000**	**23,303,000**	**21,952,500**
OPERATING EXPENSES:					
Source of supply - purchased water	3,205,345	3,164,037	2,400,045	3,696,500	2,609,500
Administration	3,111,692	3,794,424	4,394,297	4,007,450	4,863,100
Finance and customer care	3,397,795	3,650,150	3,321,183	3,390,225	3,185,500
Engineering	1,460,236	1,289,492	1,296,390	1,435,755	1,485,650
Facilities	3,408,556	4,270,413	6,676,348	7,310,525	7,454,250
Operations and production	5,685,516	5,875,735	2,636,493	2,959,000	2,906,250
Water conservation	396,176	361,146	563,484	543,500	564,750
TOTAL OPERATING EXPENSES	**20,665,315**	**22,405,396**	**21,288,241**	**23,342,955**	**23,069,000**
Operating income before overhead absorption	**3,459,696**	**936,239**	**(372,241)**	**(39,955)**	**(1,116,500)**
Overhead absorption	217,333	508,818	65,000	79,000	875,000
Operating income before depreciation expense	**3,677,028**	**1,445,057**	**(307,241)**	**39,045**	**(241,500)**
Depreciation expense	(7,483,036)	(7,166,973)	(8,050,000)	(7,550,000)	(7,200,000)
OPERATING INCOME(LOSS)	(3,806,008)	(5,721,916)	(8,357,241)	(7,510,955)	(7,441,500)
NON-OPERATING REVENUE(EXPENSE):					
Property taxes and assessment for State Water Project	7,316,688	7,063,784	7,550,000	7,050,000	6,695,000
State Water Project, long-term dept and amortization	(4,945,826)	(3,994,899)	(4,021,129)	(3,690,000)	(4,266,000)
Other non-operating revenues/(expenses), net	429,662	(395,351)	161,946	35,000	35,000
TOTAL NON-OPERATING REVENUES, NET	**2,800,524**	**2,673,534**	**3,690,817**	**3,395,000**	**2,464,000**
Income/(Loss) before Capital Contributions	**(1,005,484)**	**(3,048,382)**	**(4,666,424)**	**(4,115,955)**	**(4,977,500)**
CAPITAL CONTRIBUTIONS:					
Capital improvement fees	244,949	13,547	354,000	50,000	50,000
Grant funding	-	-	307,000	-	178,000
TOTAL CAPITAL CONTRIBUTIONS	**244,949**	**13,547**	**661,000**	**50,000**	**228,000**
CHANGE ON NET POSITION	**(760,535)**	**(3,034,835)**	**(4,005,424)**	**(4,065,955)**	**(4,749,500)**
Net Position, Beginnning of year	**109,432,704**	**108,672,169**	**105,637,335**	**105,637,335**	**101,631,911**
Net Position, End of year	**108,672,169**	**105,637,335**	**101,631,911**	**101,571,380**	**96,882,411**

Calendar Year 2016 Budget

Balance Sheet

	CY 2013 ACTUAL	CY 2014 ACTUAL	CY 2015 FORECAST	CY 2015 BUDGET	CY 2016 BUDGET
Cash and Investments	12,216,474	12,982,056	10,909,526	9,748,659	9,905,842
Cash and Investments - Restricted	7,761,016	4,410,779	1,191,152	1,971,180	-
Accounts Receivable	6,996,643	6,618,098	6,515,000	6,750,000	6,750,000
Materials and Supply Inventory	832,364	1,572,698	873,347	880,000	900,000
Fixed Assets	148,064,127	148,665,430	151,125,000	151,500,000	153,300,000
Other Assets	9,715,906	8,733,778	10,000,000	9,500,000	6,500,000
TOTAL ASSETS	**185,586,530**	**182,982,839**	**180,614,025**	**180,349,839**	**177,355,842**
Accounts Payable & Accrued Expenses	1,194,538	1,328,302	1,500,000	1,500,000	2,000,000
Current portion, Loans	1,642,972	1,695,606	1,734,738	1,734,738	1,657,739
Other Liabilities & OPEB	16,765,882	18,808,363	22,106,870	21,851,146	24,983,781
Non-current portion, Loans	57,310,968	55,513,234	53,742,470	53,742,470	51,909,225
Change in Net Position	108,672,169	105,637,335	101,631,911	101,571,380	96,882,411
TOTAL LIABILITIES AND NET POSITION	**185,586,530**	**182,982,839**	**180,715,989**	**180,399,734**	**177,433,156**

Statement of Cash Flows

	CY 2013 ACTUAL	CY 2014 ACTUAL	CY 2015 FORECAST	CY 2015 BUDGET	CY 2016 BUDGET
CASH & INVESTMENTS - Beginning of year	**8,852,185**	**12,216,474**	**12,989,419**	**12,989,419**	**10,909,526**
OPERATING ACTIVITIES					
Operating revenues, adjusted net	24,125,011	23,341,636	21,016,000	23,403,000	22,052,500
Operating expenses, adjusted net	20,665,315	22,405,397	19,782,245	22,596,600	20,568,850
NET CASH PROVIDED BY OPERATING ACTIVITIES	3,459,696	936,239	1,233,755	806,400	1,483,650
OTHER SOURCES AND USES OF CASH					
Assessments received	7,316,688	7,063,785	7,550,000	7,050,000	6,695,000
Payments for State Water Project	(2,821,029)	(2,390,962)	(3,278,807)	(3,295,203)	(3,274,746)
Long-term Debt & Capital Leasing	(3,848,771)	(3,946,790)	(3,939,453)	(3,939,453)	(3,936,422)
Acquisition and construction of capital assets	(1,817,663)	(1,249,083)	(4,167,887)	(3,752,504)	(2,039,166)
Other	595,368	359,756	522,500	(110,000)	68,000
NET CASH PROVIDED BY OTHER SOURCES AND USES	(575,407)	(163,294)	(3,313,648)	(4,047,160)	(2,487,334)
NET INCREASE (DECREASE) IN CASH	2,884,289	772,945	(2,079,893)	(3,240,760)	(1,003,684)
Rate Stabilization Fund	480,000	-	-	-	-
CASH & INVESTMENTS - End of year	**12,216,474**	**12,989,419**	**10,909,526**	**9,748,659**	**9,905,842**

Calendar Year 2016 Budget
Capital Expenditures Summary

Project Type	*Committed Contracts - Carry over from CY 2015 Budget*	*CY 2016*
Planning	2015 Urban Water Management Plan Update	90,000
New Equipment	Valve Exercising Truck	120,000
Replacement Capital	Well No. 15 Rehabilitation	150,000
	Subtotal:	***360,000***

Project Type	*Water Revenue Bond Projects - Funded from General Fund*	*CY 2016*
Water Supply	Upper Amargosa Recharge Project	750,000
	Subtotal:	***750,000***

Project Type	*Requested Projects for 2016*	*CY 2016*
Replacement Capital	Meter Replacement Program - Purchase (Qty. 4,588)	1,115,000
General Project	CIS Software Replacement	675,000
Replacement Capital	Water Main and Service Line Replacement Projects	600,000
Water Supply	Palmdale Regional Groundwater Recharge and Recovery - Pilot	400,000
Water Supply	Littlerock Sediment Removal Final EIR/EIS	275,000
Replacement Capital	NaOCL Generator Replacement - (3 Well Sites and 45th St. Booster Station)	265,000
Replacement Capital	Meter Replacement Program - Installation (Qty. 4,588)	200,000
Water Conservation	2016 Water Rebates - Controllers, Turf Replacement, etc.	200,000
Planning	Customer Lobby Improvements and Remodel - Design	175,000
Planning	2014 Water System Master Plan - EIR	140,000
Replacement Capital	Brine Storage Tanks - Well Sites (Qty. 8)	130,000
Water Supply	Littlerock Sediment Removal Permitting	125,000
Replacement Capital	Parking Lot Re-Surfacing - Administration and N.O.B.	115,000
Replacement Equipment	Replacement Vehicles/Fleet (3)	100,000
Replacement Capital	Palmdale Ditch Improvements	75,000
New Equipment	Bucket Truck (Looking at Lease Option)	75,000
New Capital	Additional Brine Tank - WTP	65,000
Replacement Capital	As-Needed Engineering and Design Services	50,000
Safety	ARC Flash Hazard Analysis - Wells, Boosters, and WTP	50,000
Regulatory	Generator/Engine Emissions - WTP 250 kW	50,000
Replacement Capital	WTP SCADA Radio Replacement	50,000
Replacement Capital	Well 25 Rehabilitation	50,000
Replacement Capital	Well 26 Rehabilitation	50,000
Replacement Capital	Well 29 Rehabilitation	50,000
New Equipment	Hi-Speed Document Scanners (Qty. 4)	50,000
New Equipment	FIS/HR Upgrade (Dynamics GP)	50,000
New Equipment	Power Broom	35,000
New Equipment	District Data Storage (Additional Space)	35,000
New Equipment	Tele-Conference Bridge	25,000
New Equipment	WTP WiFi System	25,000
New Equipment	Mobility Project	25,000

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Calendar Year 2016 Budget

Capital Expenditures Summary *(Continued)*

New Equipment	GIS Extended Capabilities	25,000
Planning	WTP Security Improvements - Feasibility	25,000
New Equipment	Handheld GPS Data Collection Equipment	20,000
Regulatory	Generator/Engine Emissions - 25th St. and 45th St. Booster Stations	20,000
New Equipment	Trailered Hot Water Pressure Washer	20,000
New Equipment	Data Center UPS System (Symmetra)	20,000
New Capital	Entry Way Buildings - GAC and Filter Galleries (Saftey Issue)	20,000
New Capital	GAC Staging Area (2000 Sq. Ft.)	20,000
New Capital	Sedimentation Basin Loading Docks/Access Improvements	20,000
New Capital	Office/Work Space Improvements for Electronic Techs.	15,555
Safety	Fire Doors and Fire Alarm Replacement - Admin. Building	15,000
Replacement Equipment	Submersible Mixer - Spare Dolarbee Unit (GridBee)	14,000
Safety	Fleet Lighting Improvements - Phase 2 of 3	10,000
New Equipment	Upgrade Conference Rooms (Projector Installation)	10,000
Replacement Equipment	Replacement Rock Drill, Pavement Breaker & Clay Spade (Qty. 2)	8,000
Safety	Crane Rigging	5,000
New Equipment	RobinAir Service System (HVAC)	5,000
Replacement Capital	Small Kitchen Remodel (Main Office)	4,000
New Capital	Sludge Pump Station Flow Meter	4,000
	Subtotal:	***5,605,555***
	Total All Capital:	***6,715,555***

DEPARTMENTS

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Calendar Year 2016 Budget

Departmental Budgets

ADMINISTRATION

GL #	Description	CY 2013 ACTUAL	CY 2014 ACTUAL	CY 2015 FORECAST	CY 2015 BUDGET	CY 2016 BUDGET
1-00-4085-000	Post Employment Benefits - Administrative Expense	(176,201)	(135,956)	-	(204,000)	-
1-01-4000-000	Directors Pay	49,950	71,100	62,000	45,000	50,000
1-01-4005-000	Payroll Taxes - Directors	3,821	5,405	5,000	5,500	5,500
1-01-4010-000	Health Insurance - Directors	45,405	53,150	58,000	58,000	59,000
1-01-4050-000	Director's Travel, Seminars & Meetings	3,229	15,677	14,000	10,000	14,000
1-02-4000-000	Salaries - Administration	493,945	787,919	914,000	860,500	897,000
1-02-4000-100	Salaries - Overtime	7,450	7,992	7,500	8,250	8,250
1-02-4000-200	Salaries - On-Call/Stand-By Time	57,569	53,711	92,000	67,500	95,000
1-02-4005-000	Payroll Taxes - Administration	30,878	49,348	63,000	66,000	68,500
1-02-4010-000	Health Insurance - Administration	80,560	110,746	133,750	134,000	135,000
1-02-4015-000	PERS - Administration	86,034	148,467	-	169,000	-
1-02-4015-001	PERS - Unfunded Liability	-	-	189,500	-	379,000
1-02-4015-100	PERS - Administration - Employer (Classic)	-	-	98,750	-	104,500
1-02-4015-200	PERS - Administration - Employee (Classic)	-	-	47,000	-	47,000
1-02-4020-000	Worker's Comp	110,558	118,517	105,000	125,000	125,000
1-02-4025-000	Vacation Benefit Expense	33,866	1,748	24,000	35,000	35,000
1-02-4030-000	Life Insurance/EAP Program	7,283	7,572	7,500	8,000	8,000
1-02-4050-000	Staff Travel	6,058	11,286	-	-	-
1-02-4050-100	General Manager Travel	6,056	7,808	6,500	5,000	5,000
1-02-4060-000	Conferences & Seminars	1,150	3,670	-	-	-
1-02-4060-100	General Manager - Conferences and Seminars	2,631	3,460	6,000	4,000	4,000
1-02-4070-000	Employee Expense	24,014	-	-	-	-
1-02-4080-000	Other Operating	19,627	18,355	17,500	20,000	20,000
1-02-4085-000	Post Employment Benefits - Administration	86,604	127,129	181,420	181,500	183,250
1-02-4110-000	Consultants	42,590	121,710	145,000	175,000	160,000
1-02-4125-000	Insurance	254,505	275,100	299,000	285,000	300,000
1-02-4130-000	Bank Charges	118,886	136,637	145,000	140,000	140,000
1-02-4135-000	Groundwater Adjudication	299,901	228,195	100,000	75,000	80,000
1-02-4140-000	Legal Services	121,927	183,460	160,000	160,000	160,000
1-02-4150-000	Accounting Services	23,692	25,285	25,000	25,000	27,500
1-02-4155-000	Contracted Services -	27,955	-	-	-	-
1-02-4155-205	Contracted Services - Landscape Services	-	10,200	-	-	-
1-02-4155-210	Contracted Services - Janatorial Services	-	14,375	-	-	-
1-02-4155-215	Contracted Services - Elevator	-	3,112	-	-	-
1-02-4165-000	Memberships/Subscriptions	207,832	22,955	134,000	210,000	210,000
1-02-4170-000	Elections	-	-	-	-	50,000
1-02-4175-000	Permits	9,230	9,061	17,500	10,000	17,500
1-02-4180-000	Postage	16,640	25,085	23,000	27,500	25,000
1-02-4190-100	Public Relations - Publications	33,949	17,002	12,500	35,000	30,000
1-02-4190-900	Public Relations - Other	1,201	706	-	1,000	1,000
1-02-4200-000	Advertising	2,095	2,439	3,500	3,500	4,000
1-02-4205-000	Office Supplies	17,886	25,888	16,500	18,000	18,000
1-02-4210-000	Office Furniture	-	-	8,250	-	-
1-02-4215-200	Natural Gas - Buildings	3,529	3,954	-	-	-
1-02-4220-200	Electricity - Buildings	45,805	53,108	-	-	-

(Continued on next page)

Calendar Year 2016 Budget

Departmental Budgets

ADMINISTRATION *(Continued)*

GL #	Description	CY 2013 ACTUAL	CY 2014 ACTUAL	CY 2015 FORECAST	CY 2015 BUDGET	CY 2016 BUDGET
1-08-4000-000	Salaries - Human Resources	90,676	95,372	110,000	101,000	112,500
1-08-4000-100	Salaries - Overtime	-	-	-	-	-
1-08-4000-200	Salaries - Intern Program	-	9,249	48,300	55,750	80,000
1-08-4005-000	Payroll Taxes - Human Resources	6,677	8,333	12,225	7,750	17,750
1-08-4010-000	Health Insurance - Human Resources	-	16,993	17,750	18,000	18,250
1-08-4015-000	PERS - Human Resources	434	6,170	-	6,500	-
1-08-4015-300	PERS - Human Resources - Employer (PEPRA)	-	-	7,000	-	7,500
1-08-4050-000	Staff Travel	60	1,721	26,000	25,250	27,500
1-08-4060-000	Conferences & Seminars	-	749	22,000	20,500	25,000
1-08-4070-000	Employee Expense	-	40,673	60,000	40,000	45,000
1-08-4085-000	Post Employment Benefits - Human Resources	21,651	25,426	25,917	26,000	26,250
1-08-4090-000	Temporary Staffing	59,256	-	-	-	-
1-08-4095-000	Employee Recruitment	3,611	18,848	2,500	3,000	3,000
1-08-4100-000	Employee Retention	1,457	17,757	20,000	20,000	20,000
1-08-4105-000	Employee Relations	3,506	2,683	3,500	3,500	3,500
1-08-4110-000	Consultants	-	-	-	1,000	1,000
1-08-4120-100	Training - Employee, Safety, etc.	25,710	13,031	45,000	35,000	35,000
1-08-4120-200	Training - Specialty	-	-	20,000	21,000	25,000
1-08-4121-000	Safety/HR Programs	-	68	500	1,000	1,000
1-08-4165-000	Memberships/Subscriptions	599	1,093	500	1,600	1,600
1-08-4165-100	HR/Safety Publications	289	1,546	500	1,000	1,000
1-08-6300-500	Supplies - Safety	7,400	18,245	20,000	20,000	20,000
1-09-4000-000	Salaries - Information Technology	220,881	221,954	224,650	221,500	228,500
1-09-4000-100	Salaries - Overtime	2,583	1,676	2,500	2,500	2,500
1-09-4005-000	Payroll Taxes - Information Technology	16,193	16,153	17,350	17,000	17,500
1-09-4010-000	Health Insurance - Information Technology	41,624	38,400	37,000	37,500	38,000
1-09-4015-000	PERS - Information Technology	38,495	44,888	37,000	44,000	-
1-09-4015-100	PERS - Information Technology - Employer (Classic)	-	-	25,000	-	20,000
1-09-4015-200	PERS - Information Technology - Employee (Classic)	-	-	12,000	-	12,250
1-09-4050-000	Staff Travel	997	397	-	-	-
1-09-4060-000	Conferences & Seminars	11,402	12,628	-	-	-
1-09-4085-000	Post Employment Benefits - Information Technology	43,302	50,852	51,834	52,000	52,250
1-09-4155-300	Contracted Services - Computer Vendors	56,850	-	-	-	-
1-09-4155-905	Contracted Services - Offsite Services	-	4,920	5,000	5,000	5,000
1-09-4155-910	Contracted Services - Printer Services	-	3,957	3,000	1,500	3,000
1-09-4155-915	Contracted Services - Website Design Services	-	33,535	20,000	45,000	45,000
1-09-4155-920	Contracted Services - Telephony Services	-	1,200	-	3,500	3,500
1-09-4155-925	Contracted Services - Cloud Services	-	29,775	25,000	25,000	25,000
1-09-4155-930	Contracted Services - Network Services	-	43,509	42,500	45,000	45,000
1-09-4165-000	Memberships/Subscriptions	-	1,607	2,000	1,000	2,000

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Calendar Year 2016 Budget

Departmental Budgets

ADMINISTRATION *(Continued)*

GL #	Description	CY 2013 ACTUAL	CY 2014 ACTUAL	CY 2015 FORECAST	CY 2015 BUDGET	CY 2016 BUDGET
1-09-4270-100	Telecommunication - Office Phone	16,235	16,897	16,500	16,500	16,500
1-09-4270-125	Telecommunication - Office Backbone	13,188	14,035	18,750	18,750	18,750
1-09-4270-150	Telecommunication - WTP Backbone	13,188	13,188	14,350	13,500	15,000
1-09-4270-300	Telecommunication - Cellular (Data)	12,199	22,079	26,000	29,000	29,000
1-09-8000-100	Computer Equipment - Computers	18,251	21,104	20,000	20,000	20,000
1-09-8000-200	Computer Equipment - Mobility	-	579	7,000	6,600	10,000
1-09-8000-300	Computer Equipment - Monitors	493	-	-	2,000	2,000
1-09-8000-400	Computer Equipment - Printers	12	-	-	-	-
1-09-8000-500	Computer Equipment - Printer Supplies	1,324	1,883	1,000	3,000	3,000
1-09-8000-550	Computer Equipment - Telephony	-	-	500	2,500	2,500
1-09-8000-600	Computer Equipment - Other	8,684	38,264	3,000	20,000	40,000
1-09-8100-100	Computer Software - Maintenance & Support	37,321	50,332	50,000	44,000	60,000
1-09-8100-140	Computer Software - Starnik	94,800	166,375	110,000	110,000	130,000
1-09-8100-150	Computer Software - Dynamics GP	27,796	40,580	49,000	36,000	60,000
1-09-8100-200	Computer Software - Software and Upgrades	6,441	322	10,000	14,000	20,000
	Departmental Totals:	**3,111,692**	**3,794,424**	**4,394,297**	**4,007,450**	**4,863,100**

Calendar Year 2016 Budget

Departmental Budgets

FINANCE AND CUSTOMER CARE

GL #	Description	CY 2013 ACTUAL	CY 2014 ACTUAL	CY 2015 FORECAST	CY 2015 BUDGET	CY 2016 BUDGET
1-00-5025-000	Provision for Bad Debt	(19,586)	16,594	48,000	100,000	50,000
1-06-4000-000	Salaries - Finance	1,524,644	1,540,946	801,000	819,000	673,750
1-06-4000-100	Salaries - Overtime	32,826	18,203	4,750	5,500	5,500
1-06-4005-000	Payroll Taxes - Finance	119,116	120,148	61,500	64,500	51,500
1-06-4010-000	Health Insurance - Finance	344,111	334,581	136,000	143,000	83,000
1-06-4015-000	PERS - Finance	272,569	306,168	-	165,000	-
1-06-4015-100	PERS - Finance - Employer (Classic)	-	-	94,500	-	59,000
1-06-4015-200	PERS - Finance - Employee (Classic)	-	-	43,000	-	35,500
1-06-4015-300	PERS - Finance - Employer (PEPRA)	-	-	500	-	-
1-06-4050-000	Staff Travel	412	269	-	-	-
1-06-4060-000	Conferences & Seminars	920	562	-	-	-
1-06-4085-000	Post Employment Benefits - Finance	509,482	584,797	246,213	246,250	183,250
1-06-4155-100	Contracted Services - INFOSEND	185,652	200,535	198,000	205,000	225,000
1-06-4155-200	Contracted Services - INFOSEND (Drought Related)	-	3,224	4,000	-	-
1-06-4155-300	Contracted Services - Vendors	9,088	-	-	-	-
1-06-4155-605	Contracted Services - Assessor Data (Realquest)	-	9,900	1,650	1,750	-
1-06-4155-610	Contracted Services - Credit Reporting Services	262	3,979	290	300	-
1-06-4155-615	Contracted Services - AMR Services (Itron)	-	6,298	-	-	-
1-06-4155-620	Contracted Services - Letter Extractor (OPEX)	-	2,590	2,500	2,500	2,500
1-06-4155-625	Contracted Services - GASB45 Actuarial	-	-	3,150	3,250	3,500
1-06-4165-000	Memberships/Subscriptions	-	220	220	500	500
1-06-4230-110	Mtce & Rep Office - Equipment	-	-	-	500	500
1-06-4235-440	Mtce & Rep Operations - Large Meters	7,520	45,117	2,130	2,130	-
1-06-4235-470	Mtce & Rep Operations - Meter Exchanges	351,146	392,128	138,045	138,050	-
1-06-4250-000	General Material & Supplies	8,056	5,111	3,000	4,500	3,000
1-06-4260-000	Business Forms	10,394	8,675	7,500	6,500	7,500
1-06-4270-100	Telecommunication - Office	10,863	13,814	18,500	12,000	12,000
1-06-4270-200	Telecommunication - Cellular Stipend	14,465	15,570	18,075	17,000	18,500
1-06-4270-300	Telecommunication -Cellular	213	-	-	-	-
1-06-4300-200	Testing - Large Meter Testing	13,140	18,122	4,045	4,045	-
1-06-7000-100	Lease Expense - Equipment	2,501	2,600	3,100	3,000	3,000
1-10-4000-000	Salaries - Customer Care	-	-	767,000	727,000	944,000
1-10-4000-100	Salaries - Overtime	-	-	8,000	13,500	10,000
1-10-4005-000	Payroll Taxes - Customer Care	-	-	63,250	54,000	68,750
1-10-4010-000	Health Insurance - Customer Care	-	-	176,500	173,000	221,000
1-10-4015-000	PERS - Customer Care	-	-	-	132,000	-
1-10-4015-100	PERS - Customer Care - Employer (Classic)	-	-	75,750	-	77,000
1-10-4015-200	PERS - Customer Care - Employee (Classic)	-	-	36,250	-	38,000
1-10-4015-300	PERS - Customer Care - Employer (PEPRA)	-	-	4,250	-	5,000
1-10-4085-000	Post Employment Benefits - Customer Care	-	-	323,965	324,000	366,250
1-10-4155-005	Contracted Services - Assessor Data (Realquest)	-	-	8,250	8,250	10,000
1-10-4155-010	Contracted Services - Credit Reporting Services	-	-	3,500	3,700	4,000
1-10-4155-015	Contracted Services - AMR Services (Itron)	-	-	5,800	5,000	6,000
1-10-4230-110	Mtce & Rep Office - Equipment	-	-	-	500	500
1-10-4250-000	General Material & Supplies	-	-	6,500	1,500	7,500
1-10-4260-000	Business Forms	-	-	2,500	3,500	10,000
	Departmental Totals:	**3,397,795**	**3,650,150**	**3,321,183**	**3,390,225**	**3,185,500**

Calendar Year 2016 Budget

Departmental Budgets

ENGINEERING

GL #	Description	CY 2013 ACTUAL	CY 2014 ACTUAL	CY 2015 FORECAST	CY 2015 BUDGET	CY 2016 BUDGET
1-03-4000-000	Salaries - Engineering	802,373	678,494	810,000	809,000	831,250
1-03-4000-100	Salaries - Overtime	5,977	9,781	5,000	6,750	6,750
1-03-4005-000	Payroll Taxes - Engineering	60,690	54,550	62,750	61,000	63,750
1-03-4010-000	Health Insurance - Engineering	165,163	134,005	137,600	154,500	147,500
1-03-4015-000	PERS - Engineering	139,915	136,655	-	142,000	-
1-03-4015-100	PERS - Engineering - Employer (Classic)	-	-	74,000	-	78,000
1-03-4015-200	PERS - Engineering - Employee (Classic)	-	-	34,700	-	38,000
1-03-4015-300	PERS - Engineering - Employer (PEPRA)	-	-	8,450	-	9,000
1-03-4050-000	Staff Travel	4,218	2,881	-	-	-
1-03-4060-000	Conferences & Seminars	1,460	1,515	-	-	-
1-03-4085-000	Post Employment Benefits - Engineering	194,860	203,408	233,255	233,500	235,500
1-03-4155-000	Contracted Services	11,023	-	-	-	-
1-03-4155-305	Contracted Services - GIS Services	-	50,000	55,000	40,000	40,000
1-03-4155-310	Contracted Services - Reproduction	-	-	-	18,000	18,000
1-03-4155-315	Contracted Services - Prod./Demand Database	-	-	-	-	2,500
1-03-4155-320	Contracted Services - Plotter/Scanner	-	2,763	-	2,500	2,500
1-03-4155-325	Contracted Services - Backflow Software	-	-	-	1,000	1,000
1-03-4165-000	Memberships/Subscriptions	1,390	1,889	2,250	2,000	2,500
1-03-4250-000	General Material & Supplies	6,268	2,162	2,750	2,500	3,000
1-03-8100-100	Computer Software - Maintenance and Support	66,900	11,391	10,000	12,900	31,000
	Departmental Totals:	**1,460,236**	**1,289,492**	**1,435,755**	**1,485,650**	**1,510,250**

Calendar Year 2016 Budget

Departmental Budgets

FACILITIES

GL #	Description	CY 2013 ACTUAL	CY 2014 ACTUAL	CY 2015 FORECAST	CY 2015 BUDGET	CY 2016 BUDGET
1-04-4000-000	Salaries - Facilities	1,307,909	1,553,408	1,922,000	2,049,000	2,154,750
1-04-4000-100	Salaries - Overtime	51,484	78,544	90,000	65,000	100,000
1-04-4005-000	Payroll Taxes - Facilities	106,666	129,425	156,000	157,000	171,500
1-04-4010-000	Health Insurance - Facilities	380,429	349,246	427,500	466,000	465,500
1-04-4015-000	PERS - Facilities	224,502	278,180	-	362,000	-
1-04-4015-100	PERS - Facilities - Employer (Classic)	-	-	181,000	-	182,000
1-04-4015-200	PERS - Facilities - Employee (Classic)	-	-	85,500	-	86,000
1-04-4015-300	PERS - Facilities - Employer (PEPRA)	-	-	19,000	-	20,000
1-04-4050-000	Staff Travel	731	6,943	-	-	-
1-04-4060-000	Conferences & Seminars	2,225	1,652	-	-	-
1-04-4085-000	Post Employment Benefits - Facilities	482,078	559,371	751,598	751,750	811,000
1-04-4155-000	Contracted Services -	65,671	-	-	-	-
1-04-4155-405	Contracted Services - Landscape Svcs (NOB-Shop)	-	1,675	11,000	15,500	15,500
1-04-4155-410	Contracted Services - Landscape Svcs (Wells)	-	28,640	30,000	26,000	30,000
1-04-4155-415	Contracted Services - Alarm Services	-	3,076	3,125	5,000	5,000
1-04-4155-420	Contracted Services - Janatorial Services	-	7,143	30,000	24,000	24,000
1-04-4155-425	Contracted Services - Pest Control Svcs (All Loc)	-	1,729	3,500	5,500	5,500
1-04-4155-430	Contracted Services - Pest Control Svcs (Plm Dam)	1,920	23,040	23,050	23,000	23,000
1-04-4155-435	Contracted Services - Elevator Services	-	-	3,225	3,500	3,500
1-04-4155-440	Contracted Services - SCADA Software	-	-	12,000	12,000	15,000
1-04-4155-445	Contracted Services - SCADA Hardware	-	-	-	3,500	20,000
1-04-4155-450	Contracted Services - Seismic Valve Controllers	-	-	-	6,000	7,500
1-04-4155-455	Contracted Services - Annual Tank Service	-	319,100	330,000	330,000	330,000
1-04-4155-499	Contracted Services - Miscellaneous	-	5,357	1,000	1,000	1,000
1-04-4175-000	Permits - Dams	45,887	27,026	30,000	50,000	50,000
1-04-4215-100	Natural Gas - Wells & Boosters	-	-	180,000	236,000	225,000
1-04-4215-200	Natural Gas - Buildings	3,185	3,052	7,500	9,000	9,000
1-04-4220-100	Electricity - Wells & Boosters	-	-	1,400,000	1,515,000	1,480,000
1-04-4220-200	Electricity - Buildings	19,777	22,579	85,750	75,000	88,000
1-04-4225-000	Mtce & Rep - Vehicles	33,536	28,861	30,000	40,000	35,000
1-04-4230-100	Mtce & Rep Office - Office Building	4,036	11,007	6,500	15,000	15,000
1-04-4235-110	Mtce & Rep Operations - Equipment	7,156	10,424	6,000	6,500	6,500
1-04-4235-400	Mtce & Rep Operations - Wells	41,435	81,768	72,500	75,000	75,000
1-04-4235-405	Mtce & Rep Operations - Boosters	56,137	29,172	30,000	50,000	50,000
1-04-4235-410	Mtce & Rep Operations - Shop Buildings	9,209	8,959	3,000	10,000	10,000
1-04-4235-415	Mtce & Rep Operations - Facilities	13,145	9,395	28,000	15,000	15,000
1-04-4235-420	Mtce & Rep Operations - Water Lines	242,173	313,799	200,000	240,000	225,000
1-04-4235-425	Mtce & Rep Operations - Littlerock Dam	-	3,164	-	15,000	15,000
1-04-4235-430	Mtce & Rep Operations - Palmdale Dam	-	1,020	1,000	7,500	7,500
1-04-4235-435	Mtce & Rep Operations - Palmdale Canal	230	960	1,000	10,000	10,000
1-04-4235-440	Mtce & Rep Operations - Large Meters	-	-	2,000	7,870	10,000
1-04-4235-445	Mtce & Rep Operations - Telemetry	-	-	3,500	2,250	4,000
1-04-4235-450	Mtce & Rep Operations - Hypo Generators	-	-	1,000	12,000	10,000

(Continued on next page)

Calendar Year 2016 Budget

Departmental Budgets

FACILITIES *(Continued)*

GL #	Description	CY 2013 ACTUAL	CY 2014 ACTUAL	CY 2015 FORECAST	CY 2015 BUDGET	CY 2016 BUDGET
1-04-4235-455	Mtce & Rep Operations - Heavy Equipment	29,289	54,748	46,000	35,000	45,000
1-04-4235-460	Mtce & Rep Operations - Storage Reservoirs	223	381	3,000	5,000	5,000
1-04-4235-470	Mtce & Rep Operations - Meter Exchanges	-	-	125,000	211,950	225,000
1-04-4250-100	General Material & Supplies - Hot Tapping Program	-	-	5,550	-	-
1-04-4270-300	Telecommunication - Other	-	-	3,550	2,750	4,000
1-04-4300-200	Testing - Large Meter Testing	-	-	12,000	10,955	12,500
1-04-4300-300	Testing - Edison Testing	-	-	-	6,000	30,000
1-04-6000-000	Waste Disposal	21,687	12,987	13,000	25,000	20,000
1-04-6100-100	Fuel and Lube - Vehicle	114,837	115,177	85,000	130,000	105,000
1-04-6100-200	Fuel and Lube - Machinery	25,012	41,755	36,500	43,000	40,000
1-04-6200-000	Uniforms	20,783	22,624	25,500	22,500	22,500
1-04-6300-100	Supplies - General	39,783	51,515	47,000	47,500	47,500
1-04-6300-200	Supplies - Hypo Generators	-	-	1,000	6,500	6,500
1-04-6300-300	Supplies - Electrical	-	-	500	3,000	3,000
1-04-6300-400	Supplies - Telemetry	-	-	4,000	5,000	5,000
1-04-6300-800	Supplies - Construction Materials	33,398	48,419	45,000	35,000	35,000
1-04-6400-000	Tools	11,207	11,065	20,000	12,000	25,000
1-04-7000-100	Lease Expense - Equipment	12,817	14,027	14,000	12,500	12,500
7-00-4235-420	PRWA - Mtce & Rep Operations - Water Lines	-	-	8,500	-	-
7-00-6300-100	PRWA - Supplies - General	-	-	14,000	-	-
	Departmental Totals:	**3,408,556**	**4,270,413**	**6,676,348**	**7,310,525**	**7,454,250**

Calendar Year 2016 Budget

Departmental Budgets

OPERATIONS AND PRODUCTION

GL #	Description	CY 2013 ACTUAL	CY 2014 ACTUAL	CY 2015 FORECAST	CY 2015 BUDGET	CY 2016 BUDGET
1-05-4000-000	Salaries - Operations	1,620,378	1,496,842	1,078,500	1,104,500	1,094,750
1-05-4000-100	Salaries - Overtime	96,652	96,084	53,000	53,750	56,000
1-05-4005-000	Payroll Taxes - Operations	130,648	126,006	86,000	90,750	78,500
1-05-4010-000	Health Insurance - Operations	357,431	319,084	206,000	200,000	206,000
1-05-4015-000	PERS - Operations	274,670	292,061	-	203,000	-
1-05-4015-100	PERS - Operations - Employer (Classic)	-	-	105,000	-	133,000
1-05-4015-200	PERS - Operations - Employee (Classic)	-	-	50,000	-	50,000
1-05-4015-300	PERS - Operations - Employer (PEPRA)	-	-	6,500	-	7,000
1-05-4050-000	Staff Travel	9,618	8,563	-	-	-
1-05-4060-000	Conferences & Seminars	6,177	3,472	-	-	-
1-05-4085-000	Post Employment Benefits - Operations	454,673	533,945	336,923	337,000	340,000
1-05-4120-100	Training - Lab Equipment	-	6,867	-	-	-
1-05-4120-200	Training - SCADA Network	3,729	5,401	-	-	-
1-05-4155-000	Contracted Services -	127,564	-	-	-	-
1-05-4155-505	Contracted Services - Landscape Services	-	1,620	1,620	2,000	2,000
1-05-4155-510	Contracted Services - Alarm Services	-	900	900	1,000	1,000
1-05-4155-515	Contracted Services - Janatorial Services	-	5,989	-	-	-
1-05-4155-520	Contracted Services - Pest Control Services	-	400	-	-	-
1-05-4155-525	Contracted Services - Wind Turbine Services	3,507	10,769	40,000	30,000	25,000
1-05-4155-530	Contracted Services - CMMS Software	-	10,025	2,000	10,000	10,000
1-05-4155-535	Contracted Services - SCADA Software	-	11,509	-	-	-
1-05-4155-540	Contracted Services - Lab Software	-	1,470	-	1,500	1,500
1-05-4155-545	Contracted Services - Lab Equipment Services	-	2,970	20,000	6,000	20,000
1-05-4155-550	Contracted Services - Water Quality Services	-	24,883	27,200	25,000	32,000
1-05-4155-555	Contracted Services - SCADA Hardware	-	3,574	-	-	-
1-05-4155-560	Contracted Services - Seismic Valve Controllers	-	5,685	-	-	-
1-05-4155-599	Contracted Services - Miscellaneous	-	-	-	2,000	2,000
1-05-4175-000	Permits	36,598	28,733	28,000	40,000	40,000
1-05-4215-100	Natural Gas - Wells & Boosters	152,638	309,877	-	-	-
1-05-4215-200	Natural Gas - Water Treatment Plant	2,571	1,616	1,500	3,000	3,000
1-05-4220-100	Electricity - Wells & Boosters	1,455,798	1,682,458	-	-	-
1-05-4220-200	Electricity - Water Treatment Plant	112,683	147,472	100,000	125,000	125,000
1-05-4230-110	Mtce & Rep Office - Equipment	395	463	-	500	500
1-05-4235-110	Mtce & Rep Operations - Equipment	10,787	17,730	10,000	11,500	11,500
1-05-4235-410	Mtce & Rep Operations - Shop Buildings	15,254	10,301	2,250	6,000	6,000
1-05-4235-415	Mtce & Rep Operations - Facilities	49,150	84,532	38,000	45,000	45,000
1-05-4235-445	Mtce & Rep Operations - Telemetry	4,807	663	-	-	-
1-05-4235-450	Mtce & Rep Operations - Hypo Generators	22,296	48,265	-	18,000	18,000
1-05-4235-500	Mtce & Rep Operations - Wind Turbine	-	6,183	9,500	6,000	10,000
1-05-4236-000	Palmdale Lake Management	10,114	10,575	22,000	25,000	-
1-05-4270-300	Telecommunication - Other	2,784	3,087	-	-	-
1-05-4300-300	Testing - Edison Testing	5,385	9,770	-	-	-
1-05-6000-000	Waste Disposal	23,904	24,600	4,000	14,000	20,000
1-05-6200-000	Uniforms	12,355	14,763	14,100	12,000	12,000

(Continued on next page)

Calendar Year 2016 Budget

Departmental Budgets

OPERATIONS AND PRODUCTION *(Continued)*

GL #	Description	CY 2013 ACTUAL	CY 2014 ACTUAL	CY 2015 FORECAST	CY 2015 BUDGET	CY 2016 BUDGET
1-05-6300-100	Supplies - General	21,774	24,817	9,000	15,000	15,000
1-05-6300-200	Supplies - Hypo Generators	3,750	6,535	-	-	-
1-05-6300-300	Supplies - Electrical	2,414	405	-	-	-
1-05-6300-400	Supplies - Telemetry	7,819	2,055	-	-	-
1-05-6300-600	Supplies - Lab	35,310	35,387	35,000	35,000	40,000
1-05-6300-700	Outside Lab Work	103,006	44,565	67,000	64,000	92,000
1-05-6400-000	Tools	5,807	6,827	6,500	6,500	6,500
1-05-6500-000	Chemicals	502,609	384,205	275,000	463,000	400,000
1-05-7000-100	Lease Expense - Equipment	460	1,729	1,000	3,000	3,000
	Departmental Totals:	**5,685,516**	**5,875,735**	**2,636,493**	**2,959,000**	**2,906,250**

WATER CONSERVATION

GL #	Description	CY 2013 ACTUAL	CY 2014 ACTUAL	CY 2015 FORECAST	CY 2015 BUDGET	CY 2016 BUDGET
1-07-4000-000	Salaries - Water Conservation	159,129	113,405	177,000	175,000	195,500
1-07-4000-100	Salaries - Overtime	1,104	2,792	1,250	1,000	2,000
1-07-4005-000	Payroll Taxes - Water Conservation	12,244	9,373	13,750	13,500	15,000
1-07-4010-000	Health Insurance - Water Conservation	27,415	22,807	37,250	38,000	38,000
1-07-4015-000	PERS - Water Conservation	28,866	16,332	-	20,000	-
1-07-4015-100	PERS - Water Conservation - Employer (Classic)	-	-	7,500	-	8,000
1-07-4015-200	PERS - Water Conservation - Employee (Classic)	-	-	3,600	-	4,000
1-07-4015-300	PERS - Water Conservation - Employer (PEPRA)	-	-	5,550	-	6,000
1-07-4050-000	Staff Travel	571	1,224	-	-	-
1-07-4060-000	Conferences & Seminars	1,338	695	-	-	-
1-07-4085-000	Post Employment Benefits - Water Conservation	43,302	50,852	51,834	52,000	52,250
1-07-4190-300	Public Relations - Landscape Workshop/Training	243	71	250	1,000	1,000
1-07-4190-400	Public Relations - Contests	709	-	1,000	1,000	1,000
1-07-4190-500	Public Relations - Education Programs	906	413	-	2,500	2,500
1-07-4190-700	Public Relations - General Media	1,535	4,418	40,000	25,000	25,000
1-07-4190-900	Public Relations - Other	180	787	8,000	2,000	2,000
1-07-4500-000	Drought Enforcement Expense	-	-	5,000	7,500	7,500
1-07-6300-100	Supplies - General	3,472	7,710	4,000	5,000	5,000
2-00-5100-100	Conservation - Rebates	115,163	130,267	207,500	200,000	200,000
	Departmental Totals:	**396,176**	**361,146**	**563,484**	**543,500**	**564,750**

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APPENDIX

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Calendar Year 2016
Glossary of Terms

ACH	Automated Clearing House (ACH) is an electronic network for financial transactions in the United States. ACH processes large volumes of credit and debit transactions in batches. At the District, we are receiving bill payments for customers through Metavante.
ACWA	Association of California Water Agencies – Association of California Water Agencies represents and provides key services to its members. From legislation, to regulatory activity, to broad policy issues, ACWA is on the front lines in Sacramento and in Washington, D.C. as a constant and respected advocate for California's public water agencies. ACWA's involvement at the state and federal level has helped shape laws and policies that affect ACWA member agencies and their customers. (http://www.acwa.com)
AWWA	American Water Works Association – American Water Works Association is the authoritative resource on safe water, sharing knowledge on water resource development, water and wastewater treatment technology, water storage and distribution, and utility management and operations. AWWA provides knowledge, information and advocacy to improve the quality and supply of water in North America and beyond and advances public health, safety and welfare by uniting the efforts of the full spectrum of the water community. (http://www.awwa.org)
BMP	Best Management Practice (BMP) is a practice or combination of practices determined to be the most effective, practicable means for protecting natural resources.
CalPERS	See PERS
CDPH	California Department of Public Health – State agency that oversees and regulates the public drinking water systems. This includes the certification and licensing of water treatment and distribution system operators. (http://www.cdph.ca.gov)
CEQA	California Environmental Quality Act - The California Environmental Quality Act is a California law (California Public Resources Code section 21000 et seq.) passed in 1970, shortly after the Federal Government passed the National Environmental Policy Act. CEQA does not directly regulate land uses, but instead requires development projects submit documentation of their potential environmental impact. (http://ceres.ca.gov/ceqa)
CIF	Capital Improvement Fee – Capital improvement fees were established to provide funds for the construction of District facilities to meet water demands. These fees are collected from developers so they can contribute toward the cost of construction of these future facilities as specified by the District's Master Plan.
CMMS	Computerized maintenance management system is a software package that maintains a computer database of information about an organization's maintenance operations related to equipment, assets and property.
CSDA	California Special Districts Association – California Special Districts Association is the recognized voice for all special districts. CSDA provides advocacy, outreach and member services, while educating policy makers and the public on the vital importance of local services provided by special districts in California. (http://www.csda.net)

Calendar Year 2016
Glossary of Terms

CUWCC	The California Urban Water Conservation Council was created to increase efficient water use statewide through partnerships among urban water agencies, public interest organizations, and private entities. The Council's goal is to integrate urban water conservation Best Management Practices into the planning and management of California's water resources.
DSOD	Division of Safety of Dams – Department of Water Resources program entrusted to protect people against loss of life and property from dam failure.
DWR	California Department of Water Resources – State agency that oversees the operation of the State Water Project (SWP). (http://www.water.ca.gov)
DBP	Disinfection By-Products are potentially toxic chemical compounds that are formed in extremely low concentrations during the disinfection of water supplies.
EBPP	Electronic Bill Presentment and Payment.
EIR	Environmental Impact Report – An EIR is a public document used by a government agency to analyze environmental effects of a proposed project. It also allows for the identification of alternatives and to disclose possible ways to reduce or avoid possible environmental damage.
EIS	Environmental Impact Study – See EIR
EPA	Environmental Protection Agency – The federal agency responsible for setting and enforcing water quality standards.
ET	Evapotranspiration, or "ET," is the combination of water that is lost from the soil through evaporation and through transpiration from plants as a part of their metabolic processes. "ET" is simply the amount of water needed by a particular plant, tree, or turf grass.
GAC	Granular Activated Carbon – Granular activated carbon is a form of carbon that has been processed to make it extremely porous and thus to have a very large surface area available for adsorption or chemical reactions. These carbons are therefore preferred for all adsorption of gases and vapors as their rate of diffusion are faster. Granulated carbons are used for water treatment, deodourisation and separation of components of flow system.
GASB	Governmental Accounting Standards Board – The Governmental Accounting Standards Board exists to establish and improve standards of state and local governmental accounting and financial reporting. By doing this, the result is useful information for users of financial reports and guide and educate the public, including issuers, auditors, and users of those financial reports. (http://www.gasb.org)
GIS	Geographical Information System – Geographical information system captures, stores, analyzes, manages, and presents data that is linked to location. Technically, a GIS is a system, which includes mapping software and its application to remote sensing, land surveying, aerial photography, mathematics, photogrammetry, geography, and tools that can be implemented with GIS software.

Calendar Year 2016
Glossary of Terms

IVR	Interactive Voice Recognition.
MOU	Memorandum of Understanding is a document describing a bilateral or multilateral agreement between parties. It expresses a convergence of will between the parties, indicating an intended common line of action.
MTBE	Methyl tertiary-butyl ether (MTBE) is a chemical compound that is manufactured by the chemical reaction of methanol and isobutylene. MTBE is produced is almost exclusively used as a fuel additive in motor gasoline.
O&M	Operations and Maintenance – Operations and Maintenance are the activities related to the performance of routine, preventive, predictive, scheduled, and unscheduled actions aimed at preventing equipment failure or decline with the goal of increasing efficiency, reliability, and safety.
OPEB	Other Post-Employment Benefits – Other Post-Employment Benefits obligations are primarily for retiree health care costs but also can include other benefits such as insurance.
PEPRA	California Public Employees' Pension Reform Act Of 2013. The District has adopted PEPRA provisions on January 1, 2013. For a better understanding of this act refer to the CalPERS employers' circular located at the following URL. http://www.calpers.ca.gov/eip-docs/employer/cir-ltrs/2012/200-055-12.pdf
PERS or CalPERS	California Public Employees' Retirement System – The State retirement system covering Palmdale Water District employees and retirees. The retirement program provides retirement income levels dependent on age and length of participation.
RFP	Request for proposals.
SCADA	Supervisory Control and Data Acquisition is a system that collects data from various sensors at a factory, plant or in other remote locations and then sends this data to a central computer, which then manages and controls the data.
SWC	The State Water Contractors is a non-profit association of 27 public agencies from Northern, Central and Southern California that purchase water under contract from the California State Water Project. (http://www.swc.org)
SWP	California State Water Project – Administered by the Department of Water Resources (DWR), the State Water Project is the nation's largest state-built water and power development and conveyance system. Its purpose is to deliver water, control flooding, generate power, provide recreational opportunities, and enhance habitats for fish and wildlife.

Calendar Year 2016
Glossary of Terms

TTHM	Trihalomethanes (THM) are a group of four chemicals that are formed along with other disinfection byproducts when chlorine or other disinfectants used to control microbial contaminants in drinking water react with naturally occurring organic and inorganic matter in water. The EPA is in charge of regulating the total trihalomethanes (TTHM) at a maximum allowable annual average in drinking water.
VOC	Volatile Organic Compounds are ground-water contaminants of concern because of very large environmental releases, human toxicity, and a tendency for some compounds to persist in and migrate with ground-water to drinking-water supply wells
WI-FI	A popular technology that allows an electronic device to exchange data or connect to the internet wirelessly using radio waves.

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:	November 18, 2015	**November 25, 2015**
TO:	BOARD OF DIRECTORS	**Board Meeting**
FROM:	Mike McNutt, PIO/Conservation Director	
VIA:	Mr. Dennis D. LaMoreaux, General Manager	
RE:	***AGENDA ITEM NO. 7.2 – CONSIDERATION AND POSSIBLE ACTION ON REVISIONS TO CASH FOR GRASS PROGRAM.***	

Recommendation:

Staff recommends the Board of Directors consider the District's altering current rebate programs and options to better suit the current needs of the community and to strengthen water conservation initiatives. This includes restructuring the Cash for Grass Program to promote an incentive based approach to reducing water consumption. This incentive based approach will immediately reduce outdoor water consumption and provide opportunities to the community to landscape their yards with xeriscape or other drought tolerant landscape to reduce the use of water.

Alternative Options:

Not supporting this initiative will continue to promote subjectivity of lawn quality to determine rebate amounts and the ability of the program to continue long-term.

Impact of Taking No Action:

Continued negative public image demonstrating an abandonment of the community during a crisis due to lack of funds in the 2016 budget and the inability to transfer funds from another under budgeted account line item.

Background:

The restructuring of the Cash for Grass (C4G) Program to an incentive based approach would promote water conservation while eliminating continued watering during summer months when outdoor watering is at its peak. The restructuring of the C4G Program would allow for residents who want to take part in the program to submit an application based on the "new" criteria and discontinue water usage on their lawns now.

The new criteria is as follows:

The District would take the average of the highest water usage months from the years 2013-2014 (June – September) and compare that average to the reduction found from the same months in the year 2015. Currently, the C4G Program has a sliding scale of ($0.50 - $2.00 per sq/ft) depending on the quality of the lawn. The new plan criteria incentivizes the customer in a similar fashion but uses a percentage of water consumption reduction as the criteria for the rebate. A 10% reduction = $0.50, 20% = $1.00, 30% = $1.50, and 40% = $2.00.

The District will begin accepting new applications beginning January 1, 2016. Caps on rebate funding could be instituted to provide longevity of the program.

Strategic Plan Initiative:

This work is part of Strategic Initiative #1 by encouraging the maintenance of reserves and encourage conservation through education and Strategic Initiative #5 by implementing Best Management Practices to conserve water.

Budget:

This is under Budget Item PRO14. The total of $200,000 is for ALL rebates and program advertising.

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: November 18, 2015 **November 25, 2015**

TO: BOARD OF DIRECTORS **Board Meeting**

FROM: Mr. Dennis D. LaMoreaux, General Manager

RE: ***AGENDA ITEM NO. 7.3 – CONSIDERATION AND POSSIBLE ACTION ON PROFESSIONAL SERVICES AGREEMENT WITH THE MATHIS CONSULTING GROUP FOR TRAINING FOR CULTURAL IMPROVEMENTS IN 2015-2016.***

Recommendation:

A Professional Services Agreement for training for cultural improvements in 2015-2016 with The Mathis Consulting Group in the not-to-exceed amount of $43,750.00 is presented for the Board's consideration.

Background:

The Mathis Consulting Group has been working with the District since 2013 to help grow the District into a high performance team and to create a healthy culture. The Mathis Consulting Group has presented the attached Professional Services Agreement for 2015-2016 to assist with the General Manager's evaluation, provide coaching for Department Managers, and facilitate President's Dinners.

Strategic Plan Initiative:

This work is part of Strategic Initiative No. 1 – Regional Leadership.

Budget:

This is under Budget Item No. 1-02-4110-000 – Consultants.

Supporting Documents:

- Professional Services Agreement between The Mathis Consulting Group and the District for training for cultural improvements in 2015-2016.

PROFESSIONAL SERVICES AGREEMENT WITH DR. WILLIAM MATHIS d/b/a/ MATHIS CONSULTING GROUP

for Training for Cultural Improvements in 2015-2016

This PROFESSIONAL SERVICES AGREEMENT (herein "Agreement") is made and entered into this ___ day of November, 2015 by and between PALMDALE WATER DISTRICT, a special district organized and existing under the provisions of California Water Code, (hereinafter referred to as "District"), and DR. WILLIAM MATHIS d/b/a/ Mathis Consulting Group (hereinafter referred to as "Consultant").

WHEREAS, in 2013, the Board of Directors undertook both Culture Survey measurement and focus groups to set a clear baseline of service in order to grow the District into a high performance team with a healthy culture and progressive practices;

WHEREAS, the Board initiated a 5-year effort in 2013 to effect Culture Changes and Best Practices in the District;

WHEREAS, Consultant previously provided professional consulting services in conjunction with its efforts to continue its Culture Changes and Best Practice Initiative, including Culture Surveys, Focus Groups, Manager Training, and Strategic Planning Updates;

WHEREAS, District continues to require professional consulting services in conjunction with its efforts to continue its Cultural Improvements, including setting goals for the General Manager, coaching Department Directors in leadership development, and facilitating President's Dinners;

WHEREAS, Consultant warrants and represents that he has demonstrated expertise in providing such services and is qualified to provide the professional services required by District;

WHEREAS, District and Consultant desire to enter into this Agreement for the provision of professional consulting services as delineated in the Scope of Work attached hereto as Exhibit "A," subject to the terms and conditions of this Agreement;

NOW THEREFORE, in consideration of the promises and covenants hereinafter contained, it is mutually agreed as follows:

1.0 SERVICES OF CONSULTANT

1.1 Scope of Services. In compliance with all of the terms and conditions of this Agreement, Consultant shall perform the work or services set forth in the "Scope of Services" attached hereto as Exhibit "A" and incorporated herein by reference. Consultant warrants that all work or services set forth in the Scope of Services will be performed in a competent, professional and satisfactory manner. Additional terms and conditions of this Agreement, if any, which are made a part hereof are set forth in the "Special Requirements" attached hereto as Exhibit "B" and incorporated herein by this reference. In the event of a

conflict between the provisions of Exhibit "B" and any other provisions of this Agreement, the provisions of Exhibit "B" shall govern.

1.2 Compliance With Law. All work and services rendered hereunder shall be provided in accordance with all ordinances, resolutions, statutes, rules and regulations of the District and any federal, state or local governmental agency of competent jurisdiction.

1.3 Licenses, Permits, Fees and Assessments. Consultant shall obtain, at his sole cost and expense, such licenses, permits and approvals as may be required by law for the performance of the services required by this Agreement. Consultant shall procure, at his expense, all permits required by governmental authorities and shall comply with all applicable local, state and federal regulations and statutes including CalOSHA requirements.

2.0 COMPENSATION

2.1 Contract Sum. For the services rendered pursuant to this Agreement, Consultant shall be compensated in an amount not exceeding the maximum contract amount of Forty Three Thousand Seven Hundred and Fifty Thousand Dollars ($43,750), including expenses ("Contract Sum").

2.2 Method of Payment. Provided that Consultant is not in default under the terms of this Agreement, Consultant shall be paid monthly, together with approved expenses, within thirty (30) days from and after District's receipt of a billing statement for services rendered, or upon completion of the Scope of Services or Term, whichever event shall first occur.

3.0 COORDINATION OF WORK

3.1 Representative of Consultant. Dr. Bill Mathis is hereby designated as being the representative of Consultant authorized to act on its behalf with respect to the work or services specified herein and make all decisions in connection therewith.

3.2 Contract Officer. District's General Manager, or his designee, is hereby designated as being the representative of District authorized to act in its behalf with respect to the work and services specified herein and make all decisions in connection therewith ("Contract Officer"). District may designate another Contract Officer by providing written notice to Consultant.

3.3 Prohibition Against Subcontracting or Assignment. Consultant shall not contract with any entity to perform in whole or in part the work or services required hereunder without the express written approval of the District. Neither this Agreement nor any interest herein may be assigned or transferred, voluntarily or by operation of law, without the prior written approval of District. Any such prohibited assignment or transfer shall be void.

3.4 Independent Contractor. Neither District nor any of its employees shall have any control over the manner, mode or means by which Consultant, its agents or employees, perform the services required herein, except as otherwise set forth on Exhibit "A". Consultant shall perform all services required herein as an independent contractor of District and shall

remain under only such obligations as are consistent with that role. Consultant shall not at any time or in any manner represent that it or any of its agents or employees are agents or employees of District.

4.0 INSURANCE AND INDEMNIFICATION

4.1 Insurance. Consultant shall procure and maintain, at its sole cost and expense, in a form and content satisfactory to District, during the entire term of this Agreement including any extension thereof, the following policies of insurance:

(a) Commercial General Liability Insurance. A policy of commercial general liability insurance using Insurance Services Office "Commercial General Liability" policy form CG 00 01, with an edition date prior to 2004, or the exact equivalent. Coverage for an additional insured shall not be limited to its vicarious liability. Defense costs must be paid in addition to limits. Limits shall be no less than $1,000,000.00 per occurrence for all covered losses and no less than $2,000,000.00 general aggregate.

(b) Workers' Compensation Insurance. A policy of workers' compensation insurance on a state-approved policy form providing statutory benefits as required by law with employer's liability limits no less than $1,000,000.00 per accident for all covered losses.

(c) Automotive Insurance. A policy of comprehensive automobile liability insurance written on a per occurrence basis in an amount not less than $1,000,000.00 per accident, combined single limit. Said policy shall include coverage for owned, non-owned, leased and hired cars.

(d) Professional Liability or Error and Omissions Insurance. A policy of errors and omissions insurance in an amount not less than $1,000,000.00 per claim with respect loss arising from the actions of Consultant performing professional services hereunder on behalf of the District.

All of the above policies of insurance shall be primary insurance and shall name the District, its officers, employees and agents as additional insureds. The insurer shall waive all rights of subrogation and contribution it may have against District, its officers, officials, employees, agents, representatives, and volunteers, and their respective insurers. Moreover, the insurance policy must specify that where the primary insured does not satisfy the self-insured retention, any additional insured may satisfy the self-insured retention in order to assure coverage as an "additional insured." All of said policies of insurance shall be endorsed to: PALMDALE WATER DISTRICT, a public corporation organized and existing under the provisions of California Water Code.

Consultant agrees that the provisions of this Section 4.1 shall not be construed as limiting in any way the extent to which Consultant may be held responsible for the payment of damages to any persons or property resulting from Consultant's activities or the activities of any person or persons for which Consultant is otherwise responsible.

The insurance required by this Agreement shall be satisfactory only if issued by companies qualified to do business in California, rated "A" or better in the most recent edition of Best Rating Guide, The Key Rating Guide or in the Federal Register, and only if they are of a financial category Class VII or better, unless such requirements are waived by the Senior Risk Management Analyst of District due to unique circumstances.

In the event that the Consultant is authorized to subcontract any portion of the work or services provided pursuant to this Agreement, the contract between the Consultant and such subcontractor shall require the subcontractor to maintain the same policies of insurance that the Consultant is required to maintain pursuant to this Section 4.1.

4.2 Indemnification.

(a) Indemnity for Professional Liability. When the law establishes a professional standard of care for Consultant's services, to the fullest extent permitted by law, Consultant shall indemnify, defend and hold harmless District and District's Parties from and against any and all losses, liabilities, damages, costs and expenses, including attorneys' fees and costs to the extent same are caused in whole or in part by any negligent or wrongful act, error or omission of Consultant, its officers, agents, employees or subcontractors (or any entity or individual for which Consultant shall bear legal liability) in the performance of professional services under this Agreement.

(b) Indemnity for Other Than Professional Liability. Other than in the performance of professional services and to the full extent permitted by law, Consultant shall indemnify, defend and hold harmless District and District's Parties from and against any liability (including liability for claims, suits, actions, losses, expenses or costs of any kind, whether actual, alleged or threatened, including attorneys' fees and costs, court costs, defense costs and expert witness fees), where the same arise out of are a consequence of, or are in any way attributable to, in whole or in part, the performance of this Agreement by Consultant or by any individual or entity for which Consultant is legally liable, including but not limited to officers, agents, employees or subcontractors of Consultant.

5.0 TERM

5.1 Term. Unless earlier terminated in accordance with Section 5.2 below, this Agreement shall continue in full force and effect until December 31, 2016 or until the Scope of Services is fully performed, which ever shall first occur.

5.2 Termination Prior to Expiration of Term. Either party may terminate this Agreement at any time, with or without cause, upon fourteen days' (14) prior written notice to the other party. Upon receipt of the notice of termination, Consultant shall immediately cease all work or services hereunder except as may be specifically approved by the Contract Officer. In the event of termination by the District, Consultant shall be entitled to compensation for all

services rendered prior to the effectiveness of the notice of termination and for such additional services specifically authorized by the Contract Officer and District shall be entitled to reimbursement for any compensation paid in excess of the services rendered.

6.0 MISCELLANEOUS

6.1 Covenant Against Discrimination. Consultant covenants that, by and for itself, its heirs, executors, assigns and all persons claiming under or through it, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin, or ancestry in the performance of this Agreement. Consultant shall take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, color, creed, religion, sex, marital status, national origin or ancestry.

6.2 Non-Liability of District Officers and Employees. No officer or employee of District shall be personally liable to the Consultant, or any successor in interest, in the event of any default or breach by District or for any amount which may become due to the Consultant or to its successor, or for breach of any obligation of the terms of this Agreement.

6.3 Conflict of Interest. No officer or employee of District shall have any financial interest in this Agreement nor shall any such officer or employee participate in any decision relating to the Agreement which affects his financial interest or the financial interest of any corporation, partnership or association in which he is, directly or indirectly, interested, in violation of any state statute or regulation. Consultant warrants and represents that it has not paid or given and will not pay or give any third party any money or other consideration for obtaining this Agreement. When requested by the Contract Officer, prior to the District's execution of this Agreement, Consultant shall provide District with an executed statement of economic interest.

6.4 Notice. Any notice or other communication either party desires or is required to give to the other party or any other person shall be in writing and either served personally or sent by prepaid, first-class mail, in the case of District, to District's General Manager and to the attention of the Contract Officer, Palmdale Water District, 2029 E. Avenue Q Street, Palmdale, California 93550, and in the case of the Consultant, to the person at the address designated on the execution page of this Agreement.

6.5 Interpretation. The terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against either party by reason of the authorship of this Agreement or any other rule of construction which might otherwise apply.

6.6 Integration Amendment. It is understood that there are no oral agreements between the parties hereto affecting this Agreement and that this Agreement supersedes and cancels any and all previous negotiations, arrangements, agreements and understandings, if any, between the parties, and none shall be used to interpret this Agreement. This Agreement may be amended at any time by a writing signed by both parties.

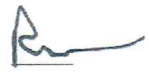
6.7 Severability. In the event that part of this Agreement shall be declared invalid or unenforceable by a valid judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining portions of this Agreement which are hereby declared as severable and shall be interpreted to carry but the intent of the parties hereunder unless the invalid provision is so material that its invalidity deprives either party of the basic benefit of their bargain or renders this Agreement meaningless.

6.8 Waiver. No delay or omission in the exercise of any right or remedy by a nondefaulting party on any default shall impair such right or remedy or be construed as a waiver. A party's consent to or approval of any act by the other party requiring the party's consent or approval shall not be deemed to waive or render unnecessary the other party's consent to or approval of any subsequent act. Any waiver by either party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

6.9 Attorneys' Fees. If either party to this Agreement is required to initiate, defend or made a party to any action or proceeding in any way connected with this Agreement, the prevailing party in such action or proceeding, in addition to any other relief which may be granted, shall be entitled to reasonable attorneys' fees, whether or not the matter proceeds to judgment.

6.10 Corporate Authority. The persons executing this Agreement on behalf of the parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said party, (iii) by so executing this Agreement, such party is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which said party is bound.

6.11 Warranty & Representation of Non-Collusion. No official, officer, or employee of District has any financial interest, direct or indirect, in this Agreement, nor shall any official, officer, or employee of District participate in any decision relating to this Agreement which may affect his/her financial interest or the financial interest of any corporation, partnership, or association in which (s)he is directly or indirectly interested, or in violation of any corporation, partnership, or association in which (s)he is directly or indirectly interested, or in violation of any State or municipal statute or regulation. The determination of "financial interest" shall be consistent with State law and shall not include interests found to be "remote" or "noninterests" pursuant to Government Code Sections 1091 or 1091.5. Consultant warrants and represents that it has not paid or given, and will not pay or give, to any third party including, but not limited to, any official, officer, or employee of the District, any money, consideration, or other thing of value as a result or consequence of obtaining or being awarded any agreement. Consultant further warrants and represents that (s)he/it has not engaged in any act(s), omission(s), or other conduct or collusion that would result in the payment of any money, consideration, or other thing of value to any third party including, but not limited to, any official, officer, or employee of the District, as a result of consequence of obtaining or being awarded any agreement. Consultant is aware of and understands that any such act(s), omission(s) or other conduct resulting in the payment of money, consideration, or other thing of value will render this Agreement void and of no force or effect.

Consultant's Authorized Initials 

6.12 Prevailing Wages. Where applicable, Consultant shall comply with Labor Code Section 1775. In accordance with said Section 1775, the Consultant shall forfeit as a penalty to the District, a penalty in such amount as the Labor Commissioner shall determine for each calendar day or portion thereof for each worker paid less than the stipulated prevailing rates for such work or craft in which such worker is employed for any work done under this Agreement by them or by any sub-consultant under them in violation of the provisions of the Labor Code and, in particular, Labor Code Sections 1770 to 1780, inclusive. In addition to said penalty and pursuant to said Section 1775, the difference between such stipulated prevailing wage rates and the amount paid to each worker for each calendar day or portion thereof for which each worker was paid less than the stipulated prevailing wage rate shall be paid to each worker by the Consultant.

In accordance with Labor Code Section 1775, the Consultant shall forfeit as a penalty to the District, a penalty in such amount as the Labor Commissioner shall determine for each calendar day or portion thereof for each worker paid less than the stipulated prevailing rates for such work or craft in which such worker is employed for any work done under this Agreement by hem or any sub-contractor under them in violation of the provisions of the Labor Code and, in particular, Labor Code Sections 1770 to 1780, inclusive. In addition to said penalty and pursuant to said Section 1775, the difference between such stipulated prevailing wage rates and the amount paid to each worker for each calendar day or portion thereof for which each worker was paid less than the stipulated prevailing wage rate shall be paid to each worker by the Consultant.

Consultant shall also comply with the Project Labor Agreement entered into by and between the District and signatory Building and Construction Trades Councils and the Signatory Building and Construction Trades Council and Unions dated 2015 (the "Project Labor Agreement"). To the extent the Consultant retains any sub-contractors, of whatever tier, to perform any work for the district, the Consultant shall require all its subcontractors, of whatever tier, to review the Project Labor Agreement and Prevailing Wage Requirements and to be bound thereto for all work within the scope of this Agreement. Consultant agrees to sign either a letter of assent (as shown in Project Labor Agreement Attachment A), or a letter of non-applicability

6.13 Ownership of Documents. District will make available to Consultant such materials from its files as may be required by Consultant to perform the Scope of Services. Such materials shall remain the property of the District while in Consultant's possession. Upon termination of the Agreement or completion of work under the Agreement, Consultant shall turn over to the District any District property or materials in its possession and any calculations, notes, reports, electronic files or other materials prepared by Consultant in the performance of these services.

District may utilize any material prepared or work performed by Consultant in any manner, which District deems proper without additional compensation to Consultant. Consultant shall have no responsibility or liability for any revisions, changes or corrections made by District or any use or reuse pursuant to this paragraph unless Consultant accepts such responsibility in writing.

Consultant shall not make public information releases or otherwise publish any information obtained or produced by it as a result of, or in connection with, the performance of services under the Agreement without prior written consent of District.

Consultant shall not publish or use any advertising, sales promotion or publicity in matters relating to services, equipment, products, reports, and material furnished by Consultant in which District's name is used or its identity is implied without prior written approval by the District.

6.14 Jurisdiction and Venue. The validity, interpretation, and performance of this Agreement shall be controlled by and construed under the laws of the State of California. The parties hereto do hereby consent to the jurisdiction of the Superior Court of California, Los Angeles County, or the United States District Court for the Central District of California in the event any dispute arises in conjunction herewith.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the parties have executed and entered into this Agreement as of the date first written above.

"DISTRICT"
PALMDALE WATER DISTRICT

_____
Dennis D. LaMoreaux, General Manager

APPROVED AS TO FORM:
ALESHIRE & WYNDER, LLP

_____
Eric Dunn, General Counsel

"CONSULTANT"
Dr. Bill Mathis d/b/a/ Mathis Consulting Group

By: _____
Name: Bill Mathis
Title: Owner

Address: 312 Deer Hollow
Napa Ca. 94558

Phone: 707-333-2095
E-Mail: dr.bill@mathisgroup.net

[END OF SIGNATURES]

Exhibit "A"

SCOPE OF SERVICES

1. Assist Board in setting 4-6 meaningful goals for the General Manager's evaluation in 2016. (December 2015)

2. Initiate coaching sessions monthly with the Department Directors in preparation for leadership development with their supervisor team:

   - Home Resources – 2 hrs./45 day increments
   - General Manager/Assistant General Manager
   - Facilitate Director
   - Operations Directors
   - PIO/Conservation
   - Customer Care

   10 Meetings per year as 2 hrs. per meeting and preparation: **Cost = $15,000**

3. After coaching session with Directors, Dr. Mathis will co-lead a leadership meeting with supervisors to implement skills and planning improvement that require targeted goals plus meeting organizational objectives. 10 meetings at 2 hrs. per coaching session with Directors:

   Cost = $15,000

4. Facilitate Evaluation of General Manager with Board & Booklet
   10 hrs. **Cost = $4,000**

5. Facilitate 3 President's Dinners + Scribe

   Cost = $6,000

6. Board support/special projects on assignment; 10 hrs.

   Cost = $3,750

Total Contract: $43,750

AGENDA ITEM NO. 7.4

CSDA "SPECIAL DISTRICT LEADERSHIP ACADEMY CONFERENCE"
La Quinta, California
January 24 – 27, 2016

NAME:_____

_____

ADVANCE REGISTRATION DEADLINE**:** DECEMBER 23, 2015

MEALS: ___YES ___NO SPOUSE: ___YES ___NO SPOUSES' TOUR: ___YES ___NO

DEPARTMENTAL TRAVEL BUDGET:

REGISTRATION:_____ TRAVEL:_____
TOTAL REMAINING BALANCE:_____

PROPOSED EXPENSES:
Registration: _____
Transportation:_____
Meals:* _____
Miscellaneous: _____
TOTAL: _____

*DIRECTORS: Expenses are outlined in Section 4.06.1 of the District's Rules and Regulations.
*FOR STAFF: Meal limitations are outlined on pages 30 and 31 of the District's Employee Manual.
Please review these limitations.

HOTEL ACCOMMODATIONS: ___YES ___NO REGISTRATION DEADLINE:___1-4-16_
ARRIVAL DATE/TIME:_____ DEPARTURE DATE/TIME:_____

TYPE OF ACCOMMODATIONS:
_____ SINGLE (1 PERSON)
_____ DOUBLE (2 PEOPLE)
_____ (2 PEOPLE/2 BEDS)

AIRLINE RESERVATIONS: ___YES ___NO

DEPART FROM _____ on _____ at _____ AM/PM
(airport) (date) (time)

RETURN FROM _____ on _____ at _____ AM/PM
(airport) (date) (time)

SUPERVISOR APPROVAL:_____DATE:_____

Special District Leadership Academy Conference

A Comprehensive Governance Conference for Elected and Appointed Directors/Trustees

January 24 – 27, 2016 | Embassy Suites La Quinta Hotel & Spa

This conference content is based on the CSDA Special District Leadership Academy's (SDLA) groundbreaking, curriculum-based continuing education program, which recognizes the necessity for the board and general manager to work closely toward a common goal. SDLA provides the knowledge base to perform essential governance responsibilities.

Have you already completed the Special District Leadership Academy? Now you can participate in advanced courses for experienced board members who have already completed all four modules of the Special District Leadership Academy.

Why Attend

Local boards are the reason why local control is local. Special district boards are the voices of the community. They are also a large reason why special districts exist. The truth is that every elected or appointed public official needs to worry about governance; governance is what boards do. It's what they bring to the table. Governance is taking the wishes, needs, and desires of the community and transforming them into policies that govern the district. Survival of special districts depends, in large part, on how well we do our jobs as boards.

Earn Credit Incentive Points

Special District Risk Management Authority (SDRMA) is committed to establishing a strategic partnership with our members to provide maximum protection, help control losses and positively impact the overall cost of property/liability and workers' compensation coverage through the Credit Incentive Program. Credit incentive points can be earned based on an agency's attendance at the Special District Leadership Academy Conference reducing SDRMA member's annual contribution amount.

Where to Stay

Embassy Suites La Quinta Hotel & Spa
50777 Santa Rosa Plaza
La Quinta, CA 92253
The Embassy Suites La Quinta is the ideal place for relaxing spa breaks, leisurely vacations and local business trips. This all-suite hotel is located in the picturesque Palm Springs valley, playing host to some of the most spectacular golf courses in the country.

First Time Attendees
If you have not completed the Special District Leadership Academy, this is the place to start! During the course of this conference you will complete all four modules of the Academy. You must participate in all first-time attendee education sessions to earn your certificate at the conclusion of the conference.

Sunday, January 24

5:30 – 7:00 p.m. Registration and Networking Reception

Take a moment to network with your peers from throughout the state at this informal networking reception. Reception includes light appetizers.

Monday, January 25

8:30 – 10:00 a.m.

Building a Foundation for Good Governance
David Aranda

In this informational session, the instructor will lay the ground work for good governance in your district. Attendees will discover:

Why good governance is so important to the overall well-being of the district.
The traits of effective directors.
How to move your board from "I" to "we," including how to become an effective team, establish team standards, and essential conditions for team building.

This session covers Module 1 of the Special District Leadership Academy: Governance Foundations.

10:00 – 10:30 a.m. Break (All Attendees)

10:30 a.m. – 12:30 p.m. Building a Foundation for Good Governance (continued)

12:30 – 1:30 p.m. Lunch provided (All Attendees)

1:45 – 3:00 p.m. Fulfilling Your Districts' Mission - Charting the Course

Martin Rauch, Rauch Communication Consultants

This conference session will highlight the importance of setting the direction for your district. Learn the basics of direction setting along with how to avoid planning pitfalls. Attendees will walk through the steps of establishing your district's mission, vision, values and strategic goals and how to communicate those objectives to your constituents.

This session covers Module 2 of the Special District Leadership Academy: Setting Direction/Community Leadership.

3:00 – 3:30 p.m. Break (All Attendees)

3:30 – 4:30 p.m. Fulfilling Your District's Mission: Charting the Course (continued)

5:30 – 7:00 p.m Sip and Savor Evening Reception

Join us for a lively evening of networking and refreshments.
Sponsored by SDRMA

Tuesday, January 26

8:30 – 10:00 a.m. Get the Word Out! Best Practices for Communication and Outreach

Martin Rauch, Rauch Communication Consultants

This session looks at common communication breakdowns and areas for improvement in public agency communications. It will discuss proper and effective communication methods including:

Identifying audiences.
Responding to public input.
Media relations.
Legislative outreach and advocacy.

This session covers Module 2 of the Special District Leadership Academy: Setting Direction/Community Leadership.

10:00 a.m. – 10:30 a.m. Break (All Attendees)

10:30 a.m. – 12:00 p.m. Defining Board and Staff Roles and Relationships

Oliver Yee, Liebert Cassidy Whitmore and Pete Kampa, Kampa Community Solutions

This conference session will teach participants how to determine the HR health of their district through:

Identifying the board's role in human resources.
Recognizing HR red flags and positive indicators.
Determining essential HR policies.
Covering confidentiality and legal liabilities.
Evaluating the general manager.

This session covers Module 4 of the Special District Leadership Academy: Board's Role in Human Resources

12:00 – 1:00 p.m. Lunch Provided (All Attendees)

1:15 – 4:00 p.m. Defining Board and Staff Roles and Relationships (continued)

2:45 – 3:00 p.m. Break (All Attendees)

3:00 – 4:00 p.m. Defining Board and Staff Roles and Relationships (continued)

Open Evening

Wednesday, January 27

8:30 – 10:00 a.m. Show Me the Money! What Do Board Members Need to Know about District Finances?

David Becker, James Marta & Company LLP, Certified Public Accountants

This session will provide an overview of financial concepts, reports, and policies. Attendees will learn:

How to ask the right questions.
How to link the finance process to the district mission.
Budget process, budget assessment, communicating budget information to the public.
How to develop and analyze capital improvement plans and reserve guidelines.

This session covers Module 3 of the Special District Leadership Academy: Board's Role in Finance and Fiscal Accountability.

10:00 – 10:30 a.m. Break (All Attendees)

10:30 a.m. – 12:00 p.m. Show Me the Money! What Do Board Members Need to Know about District Finances? (continued)

12:00 – 12:30 p.m. Graduation Certificate Distribution

Early Bird Registration Fees on or before December 23

- **CSDA Member:** $600
- **Non-Member:** $900

Save more by sending more!
Additional attendee from the same district

- **CSDA Member:** $400
- **Non-Member:** $600

Regular Registration Fees after December 23

- **CSDA Member:** $650
- **Non-Member:** $975

Save more by sending more!
Additional attendee from the same district

- **CSDA Member:** $450
- **Non-Member:** $675

Attendees Will Learn

1. Working as a team: The roles of the board and staff.
2. Attributes and characteristics of highly effective boards.
3. How culture, norms, values, and operating styles influence the district.
4. Specific jobs that the board must perform.
5. How individual values, skills, and knowledge help to shape how effective boards operate.
6. The importance of moving from "I" to "we" as the governance team.
7. The board's role in setting direction for the district.
8. The board's role in finance and fiscal accountability.
9. Much more!
10. Register Today!

Location

Embassy Suites La Quinta Hotel & Spa

50777 Santa Rosa Plz
La Quinta, CA 92253

Room Rate

$159 single/ double plus tax

Room Reservations

Room reservations are available by calling (800-EMBASSY) or 760-777-1711 and requesting the California Special Districts Association rate of $159 night plus tax. All reservations must be guaranteed with a credit card or advance payment. Reservations must be received by January 4, 2016, however room availability is limited and may sell out before that date.

Contact CSDA

California Special Districts Association
1112 I Street
Sacramento, CA 95814

1 877 924 2732
meganh@csda.net

Megan Hemming, Professional Development Director

More about SDLA

Local boards are the reason, and really the only reason, why local control is local. Special district boards are the voices of the community. We are also a large reason why special districts exist.

The truth is that every elected or appointed public official needs to worry about governance. Governance is what boards do. It is what they bring to the table. Governance is taking the wishes, needs and desires of the community and transforming them into policies that govern the district. Survival of special districts depends in large part on how well boards do their jobs.

Whether you are new to the board or someone who has served for many years, this conference provides essential tools and information to effectively govern your district!

MINUTES OF REGULAR MEETING OF THE COMMISSIONERS OF THE ANTELOPE VALLEY STATE WATER CONTRACTORS ASSOCIATION, OCTOBER 15, 2015.

A regular meeting of the Commissioners of the Antelope Valley State Water Contractors Association was held Thursday, October 15, 2015, at the Palmdale Water District at 2029 East Avenue Q, Palmdale. Chair Hogan called the meeting to order at 6:33 p.m.

1) Pledge of Allegiance.

Chair Hogan led the pledge of allegiance.

2) Roll Call.

Attendance:	**Others Present:**
Barbara Hogan, Chair	Matt Knudson, AVSWCA General Mngr.
Robert Alvarado, Vice Chair	Travis Berglund, LCID Manager
Neal Weisenberger, Secretary	George Lane, Alt. Commissioner
Leo Thibault, Treasurer-Auditor	Danielle Henry, Administrative Assistant
Keith Dyas, Cmsnr.	0 members of the public
Kathy Mac Laren, Cmsnr. -- EXCUSED ABSENCE	Tom Barnes, Controller -- EXCUSED ABSENCE

3) Public Comments for Non-Agenda Items.

There were no public comments.

4) Consideration and Possible Action on Minutes of Regular Meeting Held September 17, 2015.

It was moved by Commissioner Weisenberger, seconded by Commissioner Alvarado, and unanimously carried by all members of the Board of Commissioners present at the meeting to approve the minutes of the regular meeting held September 17, 2015, as written.

5) Payment of Bills.

Commissioner Thibault reviewed the bills received for payment and then moved to pay the bills received from PWD in the amount of $885.96 for staff services and from

AVEK in the amount of $548.01 for staff services. The motion was seconded by Commissioner Alvarado and unanimously carried by all members of the Board of Commissioners present at the meeting.

6) Discussion and Possible Action on the Recommendation of the Member Agencies General Managers Regarding Regional Leadership of Water Conservation Efforts. (General Manager Knudson)

After a brief discussion of the AVSavesWater.com website design, of the negotiated monthly website maintenance cost, and of Littlerock Creek Irrigation District's financial support for the site, General Manager Knudson stated that he will bring this item back to Palmdale Water District's Board for reconsideration of financial support based on the member agency breakdown of State Water Project Table A allocations.

Chair Hogan recommended that this item remain on the agenda to allow time for the LCID and PWD Boards to consider.

7) Discussion and Possible Action on 2015 SMART Landscaping Expo with AVEK as the Lead Agency. (Commissioner Weisenberger/Controller Barnes)

Commissioner Weisenberger stated that there is still a need for vendors at the 2015 SMART Landscaping Expo and that the next AVEK Water Conservation Committee meeting is scheduled for October 30 at 8:30 a.m., and after a brief discussion of the floor plan and stage set-up for the Expo, General Manager Knudson informed the Commissioners that Controller Barnes met with staff from PWD and LCID to provide direction on roles and responsibilities for the Expo.

8) Report of General Manager.

a) Update on Revenue, Expenditures and Change in Net Position.

General Manager Knudson provided a brief update of the Association's Revenue, Expenditures and Change in Net Position and the Budget status report.

b) Update on Antelope Valley Integrated Regional Water Management Planning (AVIRWMP) Stakeholders Meetings.

General Manager Knudson informed the Commissioners that the AVIRWMP Stakeholders Group will be meeting on October 28 at 9:30 a.m. at the City of Palmdale's Larry Chimbole Center; that the meeting has been advertised on the Los Angeles County notifications website; and that the status of the various agencies projects and Proposition 1 grant funding will be the main agenda topics of the meeting.

c) Update on Status of Agreement Related to Regional Control of Water from the State Water Project.

General Manager Knudson reported that staff has not yet received a response from the Department of Water Resources on the draft agreement requesting regional control of water from the State Water Project and informed the Commissioners that the feedback received from both LCID and AVEK was incorporated in the draft agreement after which Commissioner Dyas stated that AVEK's General Manager Flory is available for any assistance needed with the agreement.

9) Report of Controller.

a) Update on the "California Water Fix."

Chair Hogan stated that this item will be carried over to the next meeting when Controller Barnes is present to provide the update.

10) Reports of Commissioners.

Commissioner Thibault requested that a budget comparison for the current and prior year be provided on a quarterly basis followed by a discussion of JPIA representation for the Association. It was then determined to include an item on the next agenda for "Discussion and possible action on ACWA/JPIA representative."

Commissioner Dyas reported that General Manager Knudson provided an excellent presentation on the Palmdale Regional Recharge and Recovery Project at AVEK's last Board meeting and thanked him for the presentation.

He then reported that former AVEK Director, Carl Hunter, recently passed away.

Commissioner Weisenberger reported that the last Smart Landscaping Workshop for 2015 will be held on October 17 at 9:00 a.m. at the Antelope Valley College; that the Workshop will be a walking tour of the trees on the AVC campus; that the hot topic of the last Water Conservation Coalition meeting was swimming pool rebates; and that a representative from Sharon Runner's office is planning to pursue legislation on swimming pools followed by a brief discussion of swimming pool rebate ideas and water quantities for filling pools and spas. General Manager Knudson then suggested that this be reviewed as a potential plan to submit for Proposition 1 grant funding.

11) Report of Attorney.

No attorney was present.

12) Commission Members' Requests for Future Agenda Items.

It was determined that "Discussion and possible action on the recommendation of the member agencies general managers regarding regional leadership of water conservation efforts" and "Update on the California Water Fix" be carried over to the next agenda and that "Discussion and recap on the 2015 SMART Landscaping Expo" and "Discussion and possible action on ACWA/JPIA Representative" be added to the next meeting agenda.

There were no further requests for future agenda items.

13) Consideration and Possible Action on Scheduling the Next Association Meeting.

It was determined that the next regular meeting of the Association will be held November 12, 2015 at 6:30 p.m. at PWD.

14) Adjournment.

There being no further business to come before the Commissioners, the regular meeting of the Commissioners of the Antelope Valley State Water Contractors Association was adjourned at 7:00 p.m.

Secretary

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: November 18, 2015 **November 25, 2015**

TO: BOARD OF DIRECTORS **Board Meeting**

FROM: Mr. Dennis D. LaMoreaux, General Manager

RE: ***AGENDA ITEM NO. 8.2 – November, 2015 General Manager Report***

The following is the November report to the Board. It is organized to follow the District's five adopted strategic initiatives and is intended to provide a general update on the month's activities. A detailed list of all the specific projects under each of the initiatives will still be provided on a quarterly basis.

This report also includes charts that show the effects of the District's efforts in several areas. These include status in complying with the State Water Resources Control Board's (SWRCB) conservation mandate, the District's total per capita water use trends, the water loss trends for both 12 and 24 month running averages, mainline leaks, and 20 x 2020 status. The reason for including these are explained in the report.

Outstanding Water Management

This initiative includes conservation efforts, water supply projects, and water planning. Recent highlights are as follows:

- The District customers' cumulative water saving from June to the end of October as compared to 2013 is 28.5%. This is very close to our goal of 32%. However, this puts the District into the 1% to 5% below goal range and will likely result in a written warning from the SWRCB. Tentative information for the first few weeks of November show still more effort is needed to keep close to our goal. This is shown on the chart titled "PWD SWRCB Emergency Order Water Production Status." The District's long-term conservation efforts can easily be seen in the chart titled "PWD 12-Month Running Average Total Per Capita Water Use." **The District's customers have actually cut their water use by 42% from the baseline number of 220.**

  The decline in water conservation led to the staff's proposal and Board's approval of increased fines for the first two steps of violations. Additional staff time was allowed to look for those customers who are not following the water use restrictions to help the overall reduction amount. To date, there are 122 appeals of fines from this effort.

- There was some progress with the United States Forest Service (USFS) in approving and releasing the Draft Environmental Impact Report/Environmental Impact Statement (EIR/EIS) for the Littlerock Reservoir Sediment Project for public review with the release expected by the end of the year. A presentation will be made to the Board when it is released.

- Work on the preliminary design and California Environmental Quality Act (CEQA) study continued for the Palmdale Regional Groundwater Recharge and Recovery Project with several meetings to work on financing, partners, additional groundwater modeling, preliminary designs, and presentations to Antelope Valley East-Kern Water Agency (AVEK) and the Antelope Valley Integrated Regional Water Management (AVIRWM) Group. The Draft EIR for this project is also planned to be released for public review and comment before the end of the year. A planning grant of $75,000 from the State of California was approved, and the agreement was signed for this project.

- Kennedy/Jenks was awarded a contract to assist the District in preparing the 2015 Urban Water Management Plan. Work will begin soon. The deadline for submitting the report is currently June 30, 2016.

Increased Efficiency

This initiative includes efforts to restructure staff duties and activities to more efficiently provide service to our customers. Recent highlights are as follows:

- The transition to electronic time keeping is nearing completion and is planned to be fully used starting in 2016.

- Regular small group meetings with management were started and will continue on a regular basis.

- Approved organizational changes for the Facilities Department are being implemented.

- The 2015 Salary Survey was approved by the Board of Directors and will become effective January, 2016.

- A draft update of the Strategic Plan was presented to the Board at the September 30 President's Dinner. It will be presented to the Board for consideration and action in January, 2016.

Infrastructure

This initiative largely focuses on the state of the District's infrastructure. Recent highlights are as follows:

- Installation of the long awaited security upgrades for the headquarters and maintenance areas is continuing.

- The water main replacement at 30th Street East and Avenue Q is complete. The water main replacement for a section of Tierra Subida Avenue is in process by District crews. The effects of the District's efforts in replacing failing water mains can be seen in the reduced number of mainline leaks. This is illustrated in the chart titled "Mainline Leak History."

- The effect of both water main and water meter replacement is shown on the chart titled "PWD Water Loss History." The percentage of unaccounted water or water loss is stabilized.

Regional Leadership

This initiative includes efforts to involve the community, be involved in regional activities, and be a resource for other agencies in the area. Recent highlights are as follows:

- The Palmdale Recycled Water Authority (PRWA) met in November. It was reported there are now 13 recycled water construction meters in use. A transfer of 1,600 acre feet (AF) of contracted recycled water from the City of Palmdale to the PRWA is now in process. A planning grant of $75,000 from the State of California was approved, and the agreement was signed for the Phase II pipeline from McAdam Park to Massari Park.

- Meetings were also held with the Antelope Valley State Water Contractors and with staff of other agencies.

- The California Aqueduct was blocked by a mudslide on October 15 which drastically affected AVEK's ability to produce water for its customers. The District was contacted on October 21 to provide any assistance to AVEK and its customers. The District began supplying water to AVEK at the existing interconnection at Avenue P and Division Street on October 22. This has ended and shows the importance of the District's agreements with neighboring agencies.

Exceptional Customer Service

This initiative includes efforts to better serve our customers. Recent highlights are as follows:

- The lobby kiosk is continuing to give customers another choice for making a payment at the District office. Despite some minor problems, it has continued to take customer payments. Options are being explored for the customer's ability to make payments at other sites in the area.

- The Customer Care Department is continuing to define its role and find ways to better help customers. The Department will be serving customers refreshments in the lobby next week as a way of thanking them for their efforts at saving water.

INFORMATION
AND
CHARTS

1. PWD Strategic Initiatives Overview
2. PWD SWRCB Emergency Order Water Production Status
3. PWD 12-Month Running Average Total Per Capita Water Use
4. PWD Water Loss History
5. Mainline Leak History
6. Historic R-GPCD Comparison

PWD Strategic Initiatives Overview:

Outstanding Water Management

Water Conservation Education
Littlerock Reservoir Sediment Management
Littlerock Creek Groundwater Recharge and Recovery Study
Palmdale Recycled Water Authority – Recycled Water Use
2015 Urban Water Management Plan

Increased Efficiency

Standardized Project Management and Reporting
Outsourcing Payroll and Re-utilizing Staff
Optimizing Use of Mobile Technology

Infrastructure

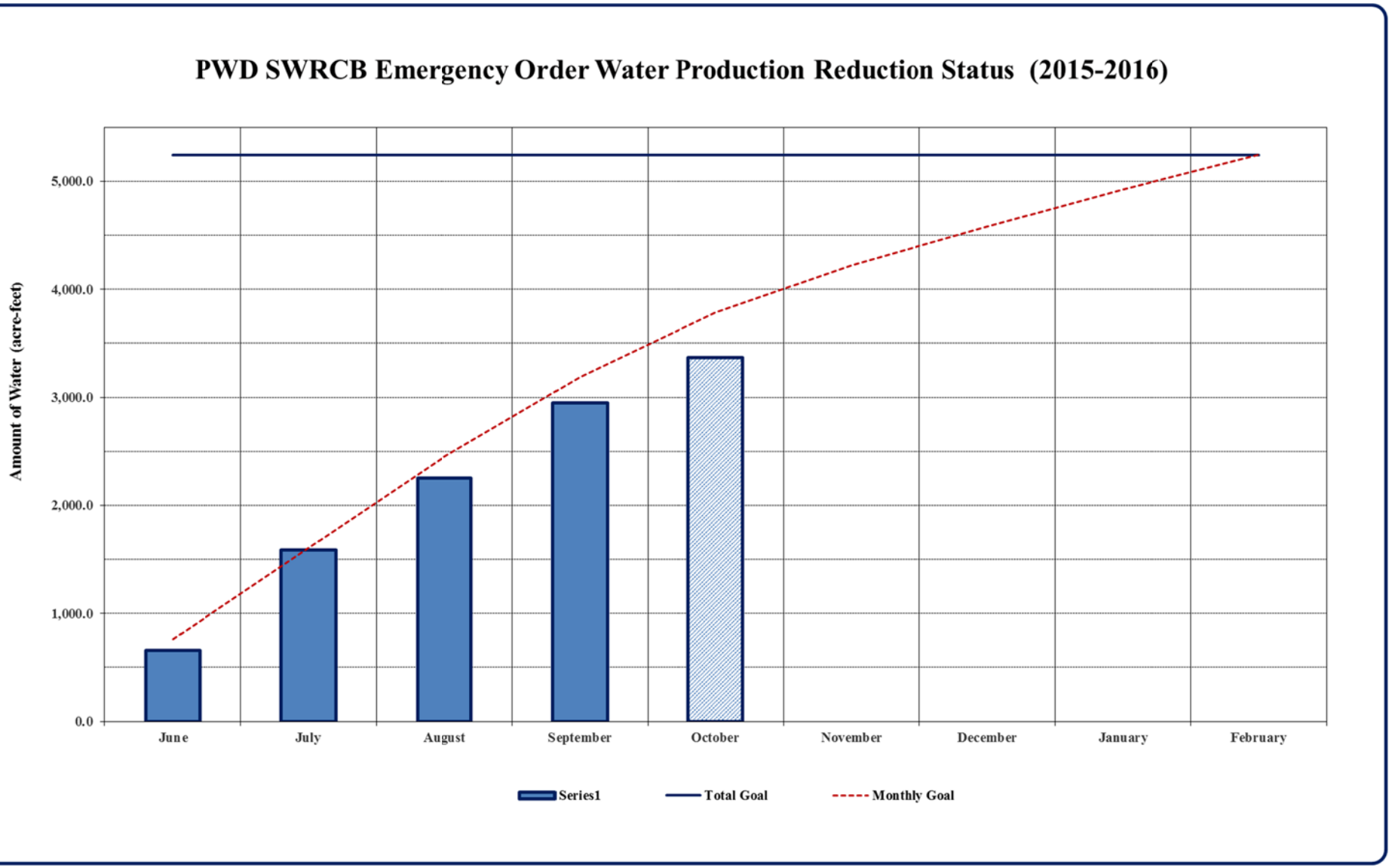
Update Security of Facilities
Update Water System Master Plan
Water Main and Meter Replacements
Maintaining Financial Health

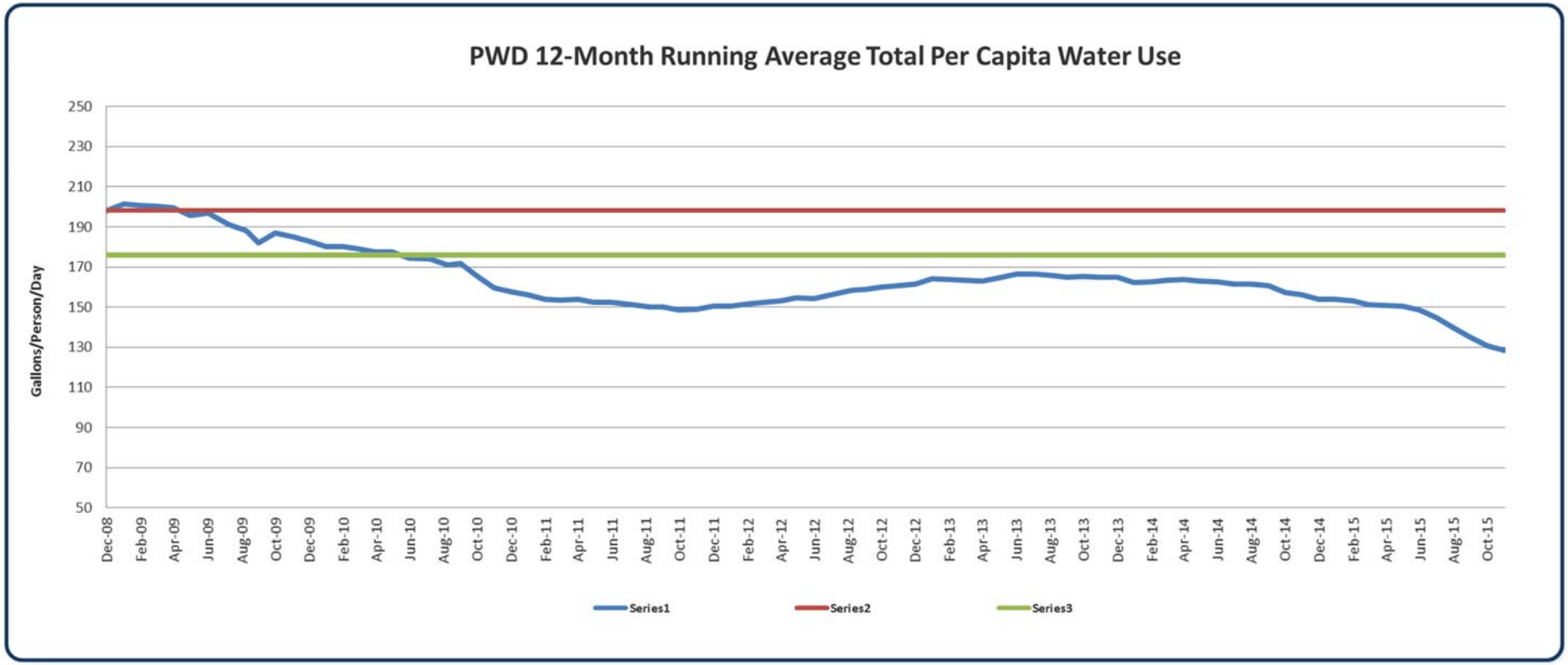
Regional Leadership

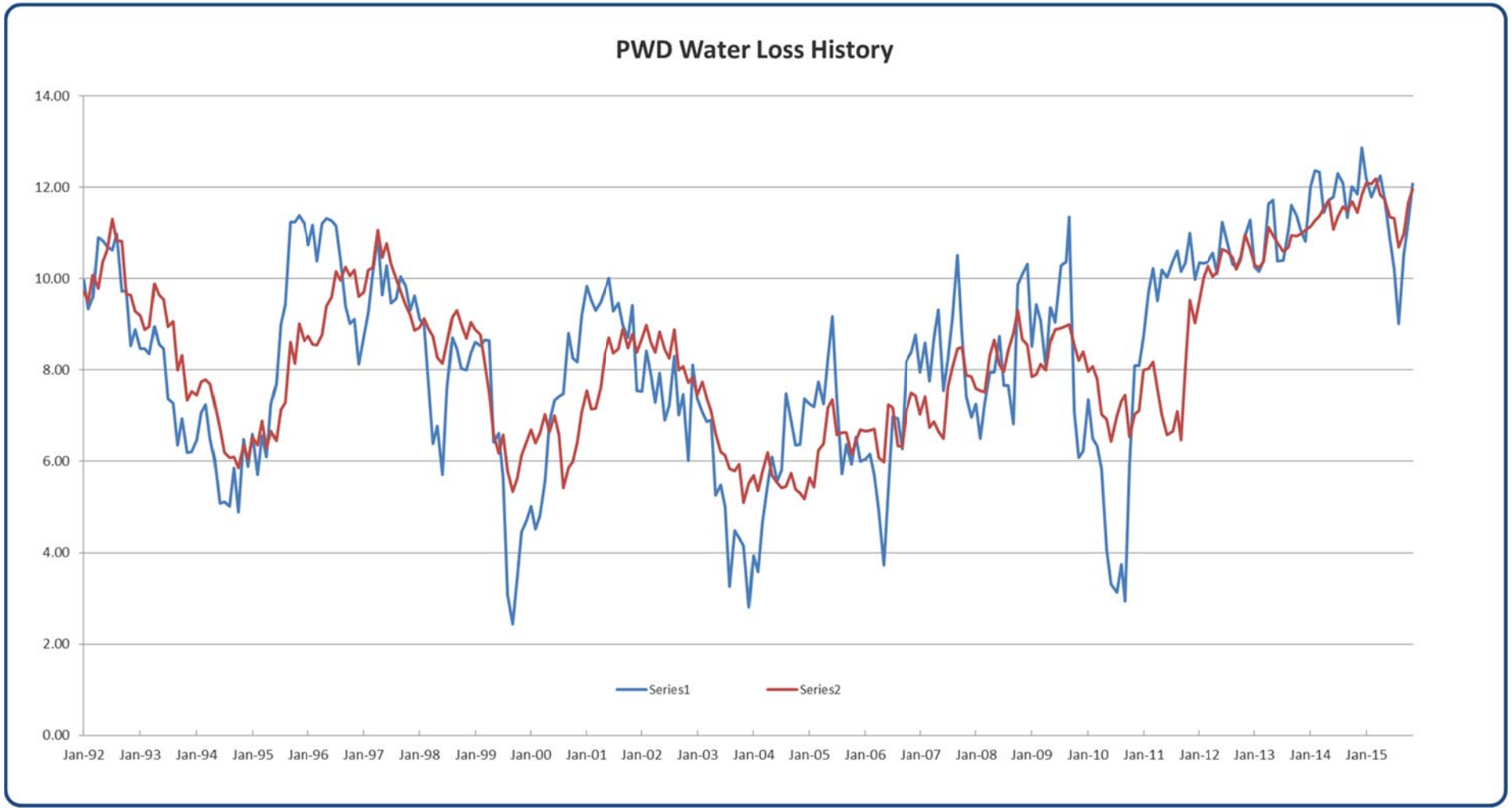
Increased Communications/Publications
Utilization of Intern Programs
Sharing Technical Knowledge
Active Participation in Regional Efforts
AVIRWMP, AVSWCA, PRWA, AV Water Partners, etc.
Implementing Improved Water Budget Rate Structure

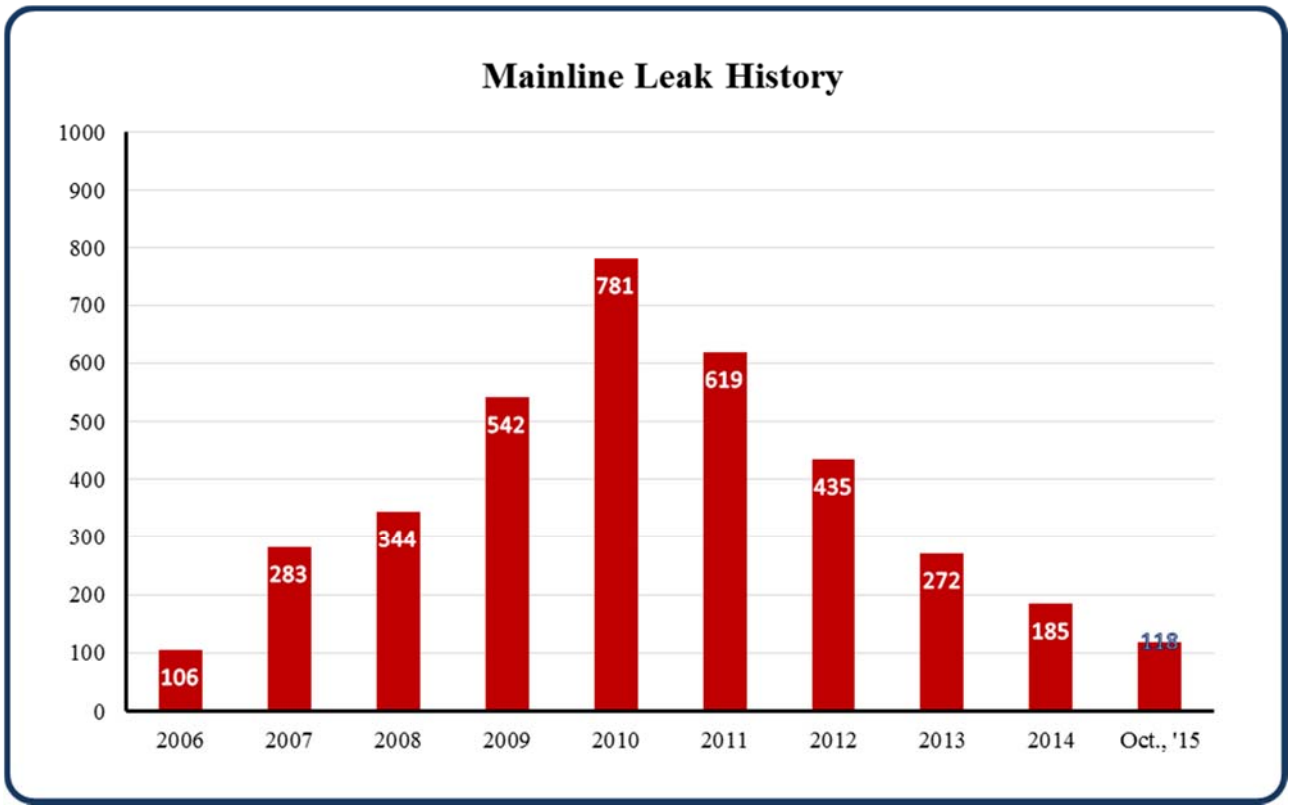
Exceptional Customer Service

Staff Performance Management
Additional Payment Options and Locations
Improving Customer Service Policies and Experience


PWD SWRCB Emergency Order Water Production Reduction Status (2015-2016)
Amount of Water (acre-feet)
5,000.0
4,000.0
3,000.0
2,000.0
1,000.0
0.0
June
July
August
September
October
November
December
January
February
Series1
Total Goal
Monthly Goal


PWD 12-Month Running Average Total Per Capita Water Use
Gallons/Person/Day
250
230
210
190
170
150
130
110
90
70
50
Dec-08
Feb-09
Apr-09
Jun-09
Aug-09
Oct-09
Dec-09
Feb-10
Apr-10
Jun-10
Aug-10
Oct-10
Dec-10
Feb-11
Apr-11
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Feb-14
Apr-14
Jun-14
Aug-14
Oct-14
Dec-14
Feb-15
Apr-15
Jun-15
Aug-15
Oct-15
Series1
Series2
Series3


PWD Water Loss History
14.00
12.00
10.00
8.00
6.00
4.00
2.00
0.00
Series1
Series2
Jan-92
Jan-93
Jan-94
Jan-95
Jan-96
Jan-97
Jan-98
Jan-99
Jan-00
Jan-01
Jan-02
Jan-03
Jan-04
Jan-05
Jan-06
Jan-07
Jan-08
Jan-09
Jan-10
Jan-11
Jan-12
Jan-13
Jan-14
Jan-15



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)	128.0	(52.2)
August	261.1	-	190.9	(26.9)	147.6	(43.5)
September	198.9	-	172.0	(13.6)	120.1	(39.6)
October	157.7	-	135.1	(14.3)	108.0	(31.5)
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**	225.0		173.5	(21.8)	126.5	(42.6)

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
Current 12-Month Average Total GPCD = 128 or 42% Reduction