PALMDALE WATER DISTRICT
A CENTURY OF SERVICE

September 13, 2018

BOARD OF DIRECTORS
ROBERT E. ALVARADO
Division 1
JOE ESTES
Division 2
MARCO HENRIQUEZ
Division 3
KATHY MAC LAREN
Division 4
VINCENT DINO
Division 5

DENNIS LaMOREAUX
General Manager
ALESHIRE & WYNDER LLP
Attorneys

ACWA
PROUD MEMBER

AGENDA FOR A MEETING OF THE FINANCE COMMITTEE OF THE PALMDALE WATER DISTRICT

Committee Members: Marco Henriquez-Chair, Robert Alvarado to be held at the District's office at 2029 East Avenue Q, Palmdale

THURSDAY, SEPTEMBER 20, 2018

4:30 p.m.

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

Agenda item materials, as well as materials related to agenda items submitted after distribution of the agenda packets, are available for public review at the District's office located at 2029 East Avenue Q, Palmdale (Government Code Section 54957.5). Please call Dawn Deans at 661-947-4111 x1003 for public review of materials.

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

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

1) Roll call.

2) Adoption of agenda.

3) Public comments for non-agenda items.

4) Action Items: (The public shall have an opportunity to comment on any action item as each item is considered by the Committee prior to action being taken.)

4.1) Consideration and possible action on approval of minutes of meeting held August 23, 2018.

4.2) Discussion and overview of Cash Flow Statement and Current Cash Balances as of July 2018. (Financial Advisor Egan)

4.3) Discussion and overview of Financial Statements, Revenue, and Expense and Departmental Budget Reports for July 2018. (Finance Manager Williams)

4.4) Discussion and overview of committed contracts issued. (Finance Manager Williams)

4.5) Consideration and possible action on Resolution No. 18-10 being a Resolution of the Board of Directors of the Palmdale Water District Adopting a Reserve Policy. (Finance Manager Williams)

4.6) Discussion and overview of key points of 2019 Budget. (Finance Manager Williams)

5) Information items.

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

5.2) Other.

6) Board members' requests for future agenda items.

7) 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:	September 12, 2018	**September 20, 2018**
TO:	FINANCE COMMITEE	**Committee Meeting**
FROM:	Mr. Bob Egan, Financial Advisor	
RE:	***AGENDA ITEM NO. 4.2 – DISCUSSION AND OVERVIEW OF CASH FLOW STATEMENT AND CURRENT CASH BALANCES AS OF JULY 2018.***	

Attached is the Investment Funds Report and current cash balance as of July 2018. The reports will be reviewed in detail at the Finance Committee meeting.

PALMDALE WATER DISTRICT
INVESTMENT FUNDS REPORT
July 31, 2018

			July 2018	June 2018
CASH				
1-00-0103-100	Citizens - Checking		(193,618.86)	(22,827.71)
1-00-0103-200	Citizens - Refund		2,411.87	(1,297.78)
1-00-0103-300	Citizens - Merchant		193,212.73	148,488.93
		Bank Total	**2,005.74**	**124,363.44**
1-00-0110-000	PETTY CASH		300.00	300.00
1-00-0115-000	CASH ON HAND		5,400.00	5,400.00
		TOTAL CASH	**7,705.74**	**130,063.44**
INVESTMENTS				
1-00-0135-000	**Local Agency Investment Fund**	**Acct. Total**	**12,064.36**	**12,007.38**
1-00-0120-000	**UBS Money Market Account General (SS 11469)**			
	UBS RMA Government Portfolio		1,685,695.20	2,472,764.83
	UBS Bank USA Dep acct		250,000.00	250,000.00
	Accrued interest		13,813.41	12,958.82
			1,949,508.61	**2,735,723.65**

US Government Securities

CUSIP #	Issuer	Maturity Date	Rate	PAR	Market Value	Market Value
912828N22	US Treasury Note	12/15/2018	1.250	1,000,000	996,710.00	996,090.00
912828C24	US Treasury Note	02/28/2019	1.490	1,000,000	995,630.00	995,120.00
				2,000,000	**1,992,340.00**	**1,991,210.00**

Certificates of Deposit

	Issuer	Maturity Date	Rate	Face Value		
1	Sallie Mae Bank	09/04/2018	1.800	200,000	199,946.00	199,856.00
2	Medallion Bank	09/07/2018	1.750	200,000	199,982.00	199,924.00
3	Midland States Bank	02/28/2019	1.400	240,000	239,042.40	238,694.40
4	Key Bank	03/29/2019	1.500	240,000	238,987.20	238,612.80
5	Safra National Bank	04/30/2019	1.850	240,000	239,395.20	239,088.00
6	Wells Fargo	05/20/2019	1.250	240,000	238,267.20	237,871.20
7	Capital Bank	06/17/2019	1.850	200,000	198,832.00	198,588.00
8	Discover Bank	07/24/2019	1.850	200,000	198,960.00	198,820.00
9	BMO Harris Bank	08/26/2019	2.350	240,000	239,800.80	239,724.00
				2,000,000	**1,993,212.80**	**1,991,178.40**
			Acct. Total		**5,935,061.41**	**6,718,112.05**
1-00-1110-000	**UBS Money Market Account Capital (SS 11475)**					
	UBS Bank USA Dep acct				50,726.96	50,712.55
	UBS RMA Government Portfolio				-	-
			Acct. Total		**50,726.96**	**50,712.55**
1-00-0125-000	**UBS Access Account General (SS 11432)**					
	UBS Bank USA Dep acct				70,077.95	60,156.82
	UBS RMA Government Portfolio				-	-
	Accrued interest				33,576.07	34,230.26
					103,654.02	**94,387.08**

US Government Securities

CUSIP #	Issuer	Maturity Date	Rate	PAR	Market Value	Market Value
912828KD1	US Treasury Note	02/15/2019	2.610	1,500,000	1,503,930.00	1,504,635.00
912828P53	US Treasury Note	02/15/2019	0.750	1,000,000	991,910.00	990,940.00
912828P95	US Treasury Note	03/15/2019	1.000	1,358,000	1,347,448.34	1,346,171.82
9128283N8	US Treasury Note	12/31/2019	1.875	1,000,000	990,310.00	991,060.00
				4,858,000	**4,833,598.34**	**4,832,806.82**

Certificates of Deposit

	Issuer	Maturity Date	Rate	Face Value		
1	BMW Bank	11/15/2018	1.960	240,000	240,002.40	239,947.20
2	La Salle Bank	03/01/2019	1.350	240,000	238,963.20	238,608.00
3	American Express	04/29/2019	1.440	240,000	239,097.60	238,744.80
4	Synchrony Bank	04/14/2020	1.850	240,000	237,264.00	236,940.00
5	JP Morgan Chase Bank	11/18/2020	1.600	240,000	231,655.20	231,180.00
6	Bank of Baroda NY	11/23/2020	1.600	77,000	74,337.34	74,187.19
7	Comenity Cap Bank	01/19/2021	1.900	163,000	160,900.56	160,714.74
				1,440,000	**1,422,220.30**	**1,420,321.93**
			Acct. Total		**6,359,472.66**	**6,347,515.83**
			Total Managed Accounts		**12,357,325.39**	**13,128,347.81**
1-00-1121-000	**UBS Rate Stabilization Fund (SS 24016) -** *District Restricted*					
	UBS Bank USA Dep acct				10,958.64	10,679.70
	UBS RMA Government Portfolio				-	-
	Accrued interest				495.11	161.10
					11,453.75	**10,840.80**

Certificates of Deposit

	Issuer	Maturity Date	Rate	Face Value		
1	Webbank UT US	12/19/2018	1.400	240,000	239,431.20	239,208.00
2	Ally Bank UT US	12/24/2018	1.500	240,000	239,496.00	239,282.40
				480,000	**478,927.20**	**478,490.40**
			Acct. Total		**490,380.95**	**489,331.20**
		GRAND TOTAL CASH AND INVESTMENTS			**12,855,412.08**	**13,747,742.45**
		Increase (Decrease) in Funds			**(892,330.37)**	

PALMDALE WATER DISTRICT

2018 Cash Flow Report (Based on Nov. 8, 2017 Approved Budget)

	January	February	March	April	May	June	July	August	September	October	November	December	YTD	Budget 2019 Carryover Information
Total Cash Beginning Balance (BUDGET)	**14,278,355**	**12,591,298**	**12,125,487**	**9,811,099**	**10,852,433**	**11,101,609**	**10,602,468**	**10,269,501**	**10,564,441**	**8,273,846**	**8,294,757**	**8,535,850**		
Total Cash Beginning Balance	**14,278,355**	**14,185,206**	**14,474,248**	**13,088,750**	**14,753,769**	**15,025,830**	**13,747,742**	**12,855,412**	**12,753,362**	**10,360,152**	**10,353,851**	**10,795,255**		
Budgeted Water Receipts	1,670,000	1,520,000	1,595,000	1,740,000	1,800,000	1,967,500	2,390,000	2,400,000	2,450,000	2,260,000	2,005,000	1,790,000	23,587,500	
Water Receipts	**2,116,603**	**1,774,995**	**1,931,155**	**1,961,685**	**1,876,558**	**1,910,375**	**2,378,794**	2,400,000	2,450,000	2,260,000	2,005,000	1,790,000	24,855,165	
DWR Refund (Operational Related)				**3,133**			**5,148**						8,281	
Other													-	
Total Operating Revenue (BUDGET)													-	
Total Operating Revenue (ACTUAL)	2,116,603	1,774,995	1,931,155	1,964,818	1,876,558	1,910,375	2,383,942	2,400,000	2,450,000	2,260,000	2,005,000	1,790,000	24,863,446	
Total Operating Expenses excl GAC (BUDGET)	(1,718,376)	(1,415,195)	(1,718,255)	(1,670,308)	(1,740,651)	(1,641,522)	(1,935,060)	(1,855,136)	(1,964,289)	(1,653,641)	(1,539,559)	(1,669,723)	(20,521,714)	
GAC (BUDGET)	(169,500)			(169,500)		(169,500)		(169,500)		(169,500)		(162,000)	(1,009,500)	
Operating Expenses excl GAC (ACTUAL)	**(1,769,807)**	**(1,433,115)**	**(1,387,688)**	**(1,747,506)**	**(1,976,442)**	**(2,041,400)**	**(2,102,253)**	(1,855,136)	(1,964,289)	(1,653,641)	(1,539,559)	(1,669,723)	(21,140,559)	
GAC		**(169,477)**				**(169,477)**		**(169,477)**	(169,500)	(169,500)		(162,000)	(1,009,431)	
Prepaid Insurance (paid)/refunded			**(62,653)**					**(33,363)**					(96,016)	
Total Operating Expense (ACTUAL)	(1,769,807)	(1,602,592)	(1,450,341)	(1,747,506)	(1,976,442)	(2,210,877)	(2,102,253)	(2,057,976)	(2,133,789)	(1,823,141)	(1,539,559)	(1,831,723)	(22,246,006)	
Non-Operating Revenue Expenses:														
Assessments, net (BUDGET)	696,050	264,605	18,650	2,197,790	760,795	13,325	86,225	134,500	-	-	137,500	2,640,560	6,950,000	
Actual/Projected Assessments, net	**701,263**	**620,847**	**9,652**	**1,846,539**	**694,915**	**19,792**	**202,238**	**166,793**	-	-	137,500	2,640,560	7,040,099	
Asset Sale/Unencumbered Money (Taxes)				**7,346**	**10,182**		**2,401**						19,929	
RDA Pass-through (Successor Agency)						**403,992.27**						250,000	653,992	
Interest	**15,415**	**14,909**	**15,158**	**16,980**	**15,691**	**16,922**	**19,098**	7,500	7,500	7,500	7,500	7,500	151,672	
Market Adjustment	**(10,587)**	**(9,273)**	**(1,384)**	**(3,365)**	**2,993**	**(1,366)**	**6,291**						(16,691)	
Grant Re-imbursement		**18,520**				**29,147**				178,000			225,667	
Capital Improvement Fees - Infrastructure				**288**	**8,806**	**4,277**		8,223		12,500		12,500	46,595	
Capital Improvement Fees - Water Supply					**20,295**			50,000		50,000		50,000	170,295	
DWR Refund (Capital Related)				**102,567**	**63,603**		**29,147**		43,750			43,750	282,817	
Other	0	22	-	-	-	**(1)**	**3,074**	5,000	5,000	5,000	5,000	5,000	28,095	
Total Non-Operating Revenues (BUDGET)													-	
Total Non-Operating Revenues (ACTUAL)	**706,091**	**645,025**	**23,426**	**1,970,356**	**816,485**	**472,763**	**262,248**	**237,516**	**56,250**	**253,000**	**150,000**	**3,009,310**	**8,602,469**	
Non-Operating Expenses:														
Budgeted Capital Expenditures	(238,494)	(214,207)	(166,000)	(246,000)	(560,041)	(315,000)	(195,000)	(120,000)	(145,000)	(328,000)	(90,000)	-	(2,617,742)	
Budgeted Capital Expenditures (Committed During Year)					(78,440)	(115,485)	(110,000)	(110,000)	(137,490)	(10,000)	(10,000)		(571,415)	
Actual/Projected Capital Expenditures	**(212,684)**	**(206,512)**	**(25,461)**	**(150,188)**	**(113,469)**	**(198,789)**	**(522,916)**	(422,296)		(316,122)		(1,300,000)	(3,468,435)	(892,378)
WRB Capital Expenditures									(300,000)			(300,000)	(600,000)	(513,500)
Const. of Monitoring Wells/Test Basin (Water Supply)	**(112,490)**	**(115,024)**	**(26,385)**	**(138,979)**	**(104,239)**	**(28,083)**	**(22,792)**	(80,125)		(131,000)		(4,378)	(763,496)	(127,490)
Grade Control Structure (Water Supply)	**(33,598)**	**(32,887)**	**(36,486)**	**(58,809)**	**(52,790)**		**(106,519)**			(75,000)		(107,000)	(503,089)	(231,750)
SWP Capitalized	**(686,846)**	**(167,019)**	**(189,997)**	**(167,019)**	**(167,019)**	**(167,019)**	**(686,843)**	(167,018)	(196,327)	(167,018)	(167,018)	(167,018)	(3,096,161)	
Investment in PRWA						**(300,000)**								
Butte County Water Transfer						**(747,466)**						(751,304)	(1,498,771)	
Bond Payments - Interest			**(1,036,228)**						(1,174,371)				(2,210,599)	
Principal			**(569,131)**						(1,087,953)				(1,657,084)	
Capital leases - Holman Capital (2017 Lease)	**(89,477)**						**(89,477)**						(178,953)	
Capital leases - Enterprise FM Trust (Vehicles)	**(2,678)**	**(2,678)**	**(1,918)**	**(3,326)**	**(2,696)**	**(4,664)**	**(3,393)**	**(7,824)**	(2,693)	(2,693)	(2,693)	(2,693)	(39,946)	
Capital leases - Wells Fargo (Printers)	**(8,265)**	**(4,266)**	**(4,132)**	**(4,327)**	**(4,327)**	**(4,327)**	**(4,327)**	(4,327)	(4,327)	(4,327)	(4,327)	(4,327)	(55,610)	
Total Non-Operating Expenses (ACTUAL)	**(1,146,037)**	**(528,385)**	**(1,889,738)**	**(522,648)**	**(444,540)**	**(1,450,349)**	**(1,436,267)**	**(681,590)**	**(2,765,671)**	**(696,160)**	**(174,038)**	**(2,636,720)**	**(14,072,144)**	
Total Cash Ending Balance (BUDGET)	**12,591,298**	**12,125,487**	**9,811,099**	**10,852,433**	**11,101,609**	**10,602,468**	**10,269,501**	**10,564,441**	**8,273,846**	**8,294,757**	**8,535,850**	**11,703,986**		
Total Cash Ending Balance (ACTUAL)	**14,185,206**	**14,474,248**	**13,088,750**	**14,753,769**	**15,025,830**	**13,747,742**	**12,855,412**	**12,753,362**	**10,360,152**	**10,353,851**	**10,795,255**	**11,126,121**		
											Budget	**11,703,986**	**Carryover**	(1,765,118)
											Difference	**(577,865.08)**	**Adj. Difference**	(2,342,983)
2017 Cash Ending Balance (ACTUAL)	**13,217,019**	**13,413,293**	**11,445,512**	**13,404,252**	**14,487,121**	**13,647,746**	**13,715,473**	**14,093,379**	**12,241,820**	**12,375,922**	**12,406,841**	**14,456,175**		

Indicates actual expenditures/revenues:

Indicates anticipated expenditures/revenues:

PALMDALE WATER DISTRICT

BOARD MEMORANDUM

DATE:	September 11, 2018	**September 20, 2018**
TO:	Finance Committee	**Committee Meeting**
FROM:	Michael Williams, Finance Manager/CFO	
VIA:	Mr. Dennis LaMoreaux, General Manager	
RE:	***AGENDA ITEM 4.3 – DISCUSSION AND OVERVIEW OF FINANCIAL STATEMENTS, REVENUE, AND EXPENSE AND DEPARTMENTAL BUDGET REPORTS FOR JULY 2018***	

Discussion:

Presented here are the Balance Sheet and Profit/Loss Statement for the period ending July 31, 2018. Also included are Year-To-Year Comparisons and Month-To-Month Comparisons for both revenue and expense. Finally, I have provided individual departmental budget reports for the month of July 2018.

This is the seventh month of the District's Budget Year 2018. The target percentage is 58%. Revenues ideally are at or above, and expenditures ideally are below.

Balance Sheet:

- Page 1 is our balance sheet on July 31, 2018.
- The significant change here is the booking of Assessments Receivable for the FY 18/19.

Profit/Loss Statement:

- Page 3 is our profit/loss statement on July 31, 2018.
- Operating revenue is at 57% of budget.
- Cash operating expense is at 56% of budget.
- All departmental budgets are at or below the target percentage, except for Operations and the reason was discussed last month.
- Revenues have exceeded expenses for the month by $67K, and year-to-date revenues have exceeded expenditures by $65K.
- Page 6 is showing the distribution of expense between labor and operations. Labor costs are currently at 51% of total expenses with salaries making up 35% of that.

Year-To-Year Comparison P&L:

- Page 7 is our comparison of July 2017 to July 2018.
- Total operating revenue is up $38K, or 2%.
- Operating expenditures are up $212K, or 10%.
- Page 7-1 is our comparison of July 2016 to July 2018.
- Total operating revenue was up $39K, or 2%.
- Total operating expenses were up $765K, or 50%.

- Page 8 and 8-1 is a graphic presentation of the water consumption comparison for 2017 and 2016, respectively.
    - Units billed in acre feet for 2017 comparison were down by 168, or 8.5%.
    - Total revenue per unit sold was up $0.30, or .08%.
    - Total revenue per connection was up $1.38, or 1.5%.
    - Units billed per connection was down 2.77, or 8.5%.

    - Units billed in acre feet for 2016 comparison were down by 100, or 5%.
    - Total revenue per unit sold was up $0.21, or 7%.
    - Total revenue per connection was up $1.38, or 1%.
    - Units billed per connection is down 1.74, or 5.5%.

Revenue Analysis Year-To-Date:

- Page 9 is our comparison of revenue, year-to-date.
- Operating revenue through July 2018 is up $795K, or 6%.
- Retail water revenue from all areas are up by $571K from last year. That's shown by the combined green highlighted area.
- Retail water sales, including the drought surcharge but excluding meter fees, is up $241K.
- Total revenue is up $334K.
- Operating revenue is at 57% of budget, last year was at 55% of budget.

Expense Analysis Year-To-Date:

- Page 11 is our comparison of expense, year-to-date.
- Cash Operating Expenses through July 2018 are up $1.2MM, or 8.7%, compared to 2017, note that the 2018 budget is approximately $2.5MM higher.
- Total Expenses are up $181K, or 1%. The small increase is due primarily to reduced water purchases and depreciation expense year-to-date.

Departments:

- Pages 14 through 24 are detailed individual departmental budgets for your review.

Non-Cash Definitions:

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

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

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

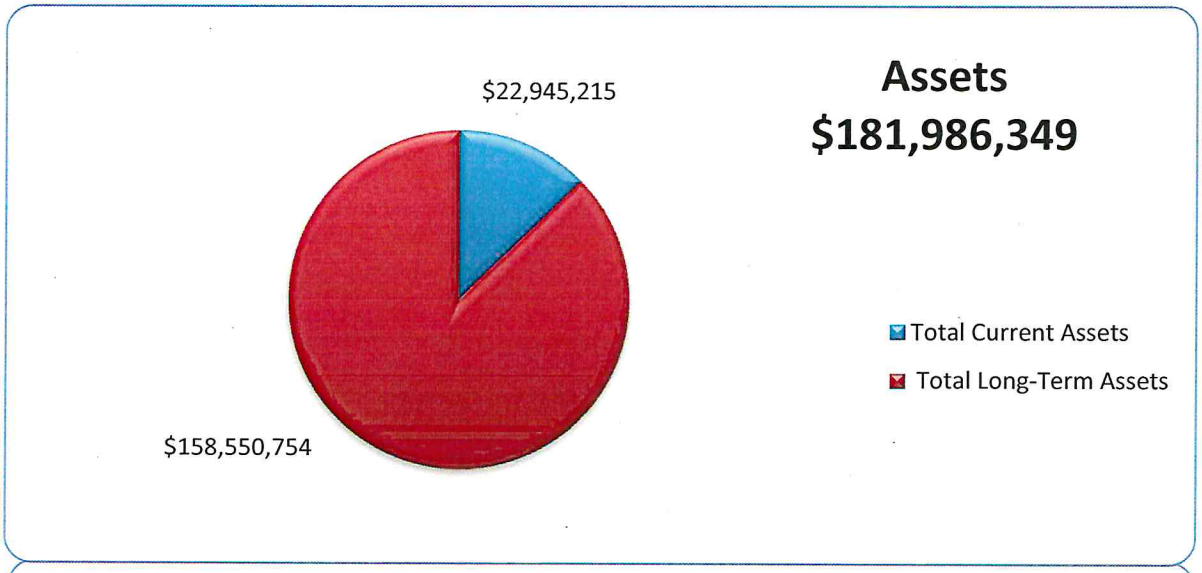
Service Cost Construction: The value of material, parts & supplies from inventory used to construct, repair and maintain our asset infrastructure.

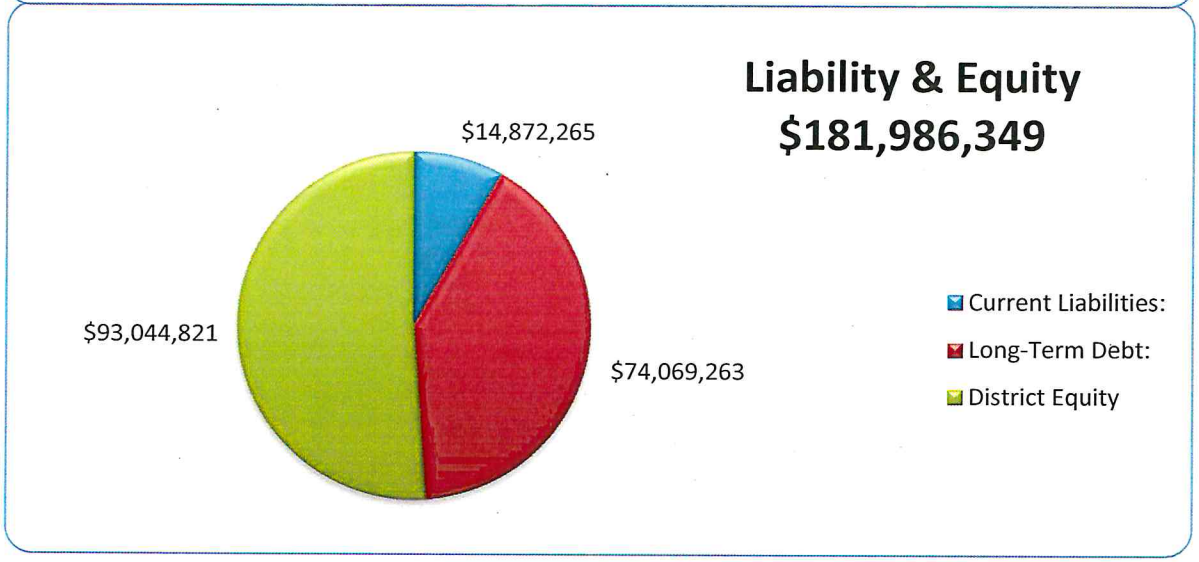
Capitalized Construction: The value of our labor force used to construct our asset infrastructure.

Palmdale Water District
Balance Sheet Report
For the Seven Months Ending 7/31/2018

	July 2018	June 2018
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 7,706	$ 130,063
Investments	12,357,325	13,128,348
	$ 12,365,031	$ 13,258,411
Receivables:		
Accounts Receivables - Water Sales	$ 1,939,781	$ 1,846,410
Accounts Receivables - Miscellaneous	47,686	39,829
Allowance for Uncollected Accounts	(153,668)	(153,668)
	$ 1,833,799	$ 1,732,570
Assessments Receivables	$ 7,333,517	$ 735,755
Meters, Materials and Supplies	1,347,203	1,002,403
Prepaid Expenses	65,665	85,615
Total Current Assets	**$ 22,945,215**	**$ 16,814,754**
Long-Term Assets:		
Property, Plant, and Equipment, net	$ 105,735,205	$ 105,846,125
Participation Rights in State Water Project, net	48,384,231	47,914,126
Investment in PRWA	1,392,933	1,392,933
2013A Bonds - Insurance & Surety Bond	201,234	201,901
CalPERS Contributions	2,837,150	2,245,577
	$ 158,550,754	**$ 157,600,661**
Restricted Cash:		
Rate Stabilization Fund	490,381	489,331
Total Long-Term Assets & Restricted Cash	**$ 159,041,135**	**$ 158,089,992**
Total Assets	**$ 181,986,349**	**$ 174,904,747**
LIABILITIES AND DISTRICT EQUITY		
Current Liabilities:		
Current Interest Installment of Long-term Debt	$ 684,940	$ 513,705
Current Principal Installment of Long-term Debt	1,087,953	1,087,953
Accounts Payable and Accrued Expenses	6,882,706	6,699,011
Deferred Assessments	6,216,667	0
Total Current Liabilities	**$ 14,872,265**	**$ 8,300,669**
Long-Term Debt:		
Pension-Related Debt	$ 10,574,743	$ 9,143,384
OPEB Liability	15,023,799	14,916,190
2013A Water Revenue Bonds	41,884,695	41,886,946
2012 - Private Placement Loan	5,975,322	5,968,525
2017 - Capital Lease Payable	610,703	610,703
Total Long-Term Liabilities	**$ 74,069,263**	**$ 72,525,748**
Total Liabilities	**$ 88,941,529**	**$ 80,826,416**
District Equity		
Revenue from Operations	$ (1,893,846)	$ (1,700,122)
Retained Earnings	94,938,666	95,778,452
Total Liabilities and District Equity	**$ 181,986,349**	**$ 174,904,747**

BALANCE SHEET AS OF JULY 2018

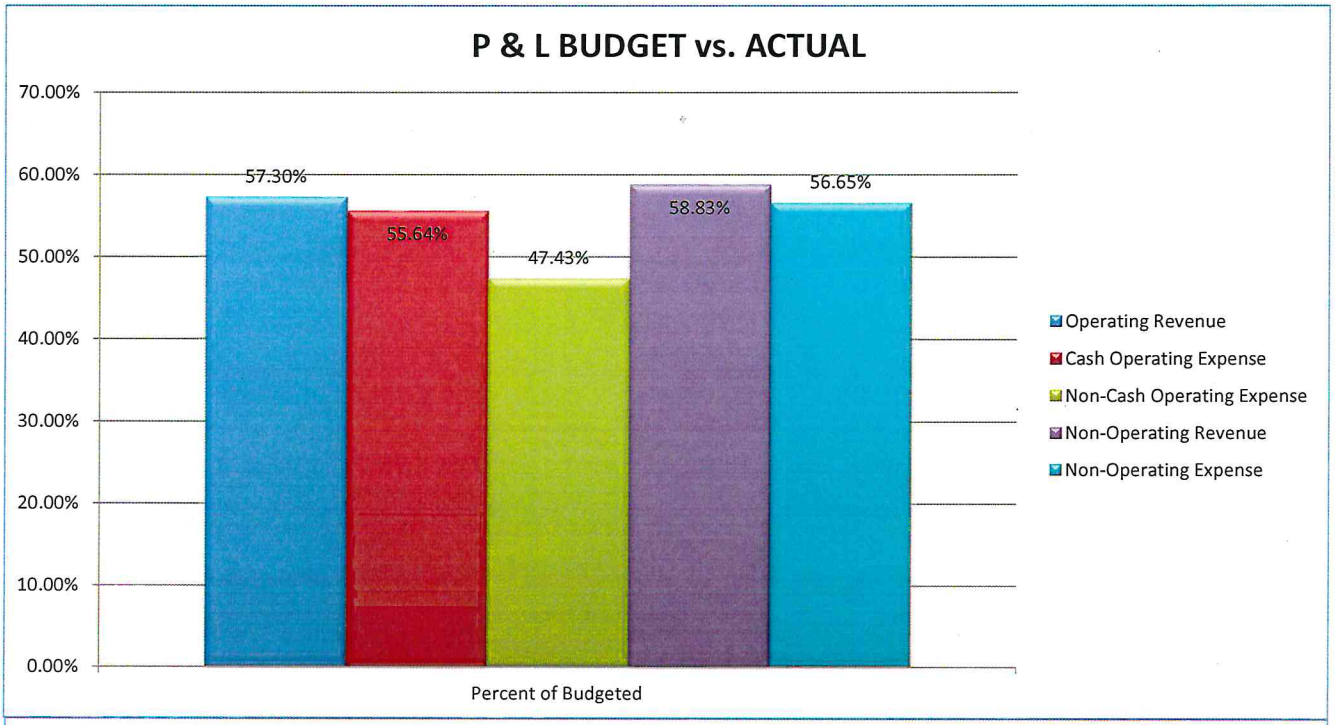


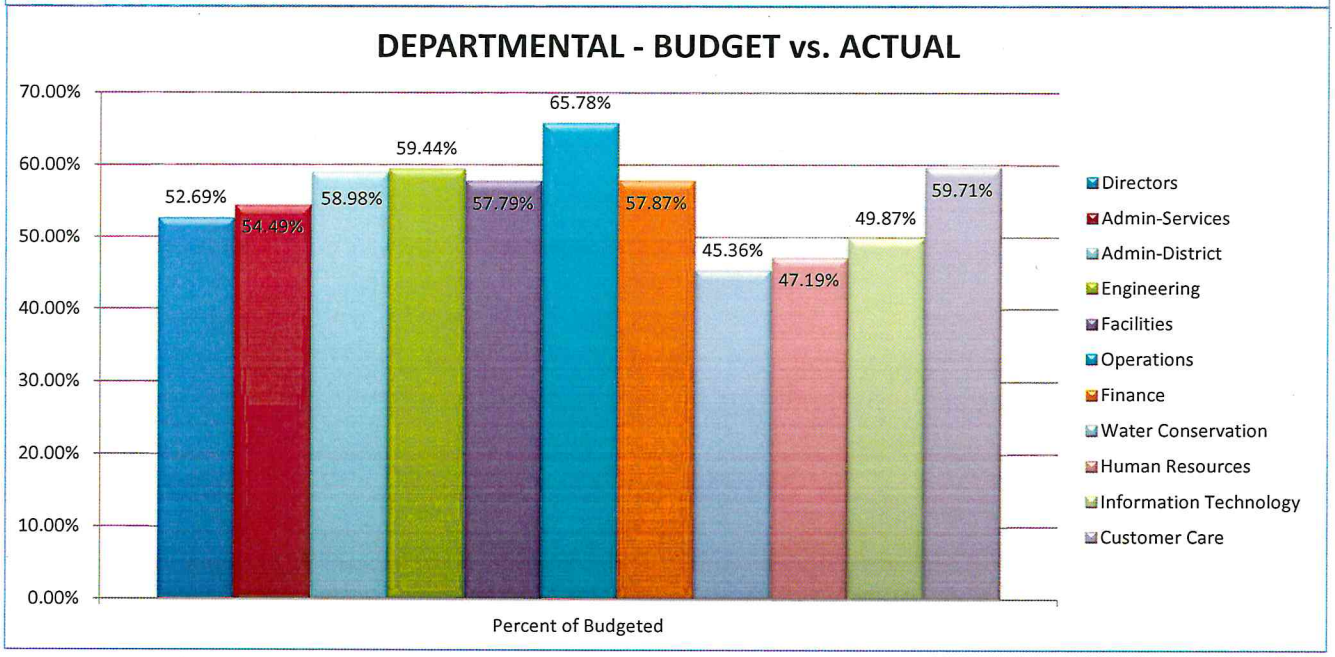


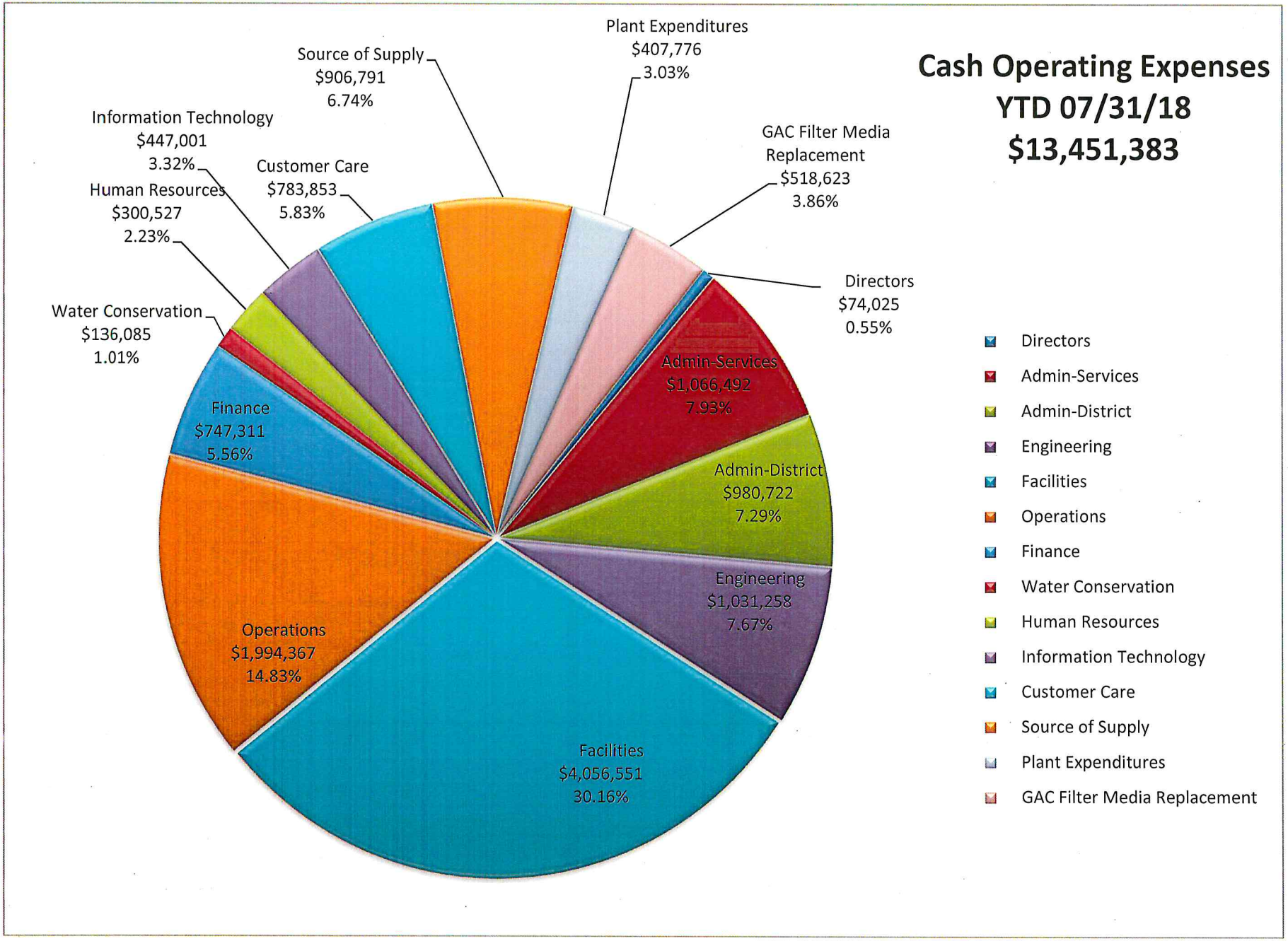
Palmdale Water District
Consolidated Profit and Loss Statement
For the Seven Months Ending 7/31/2018

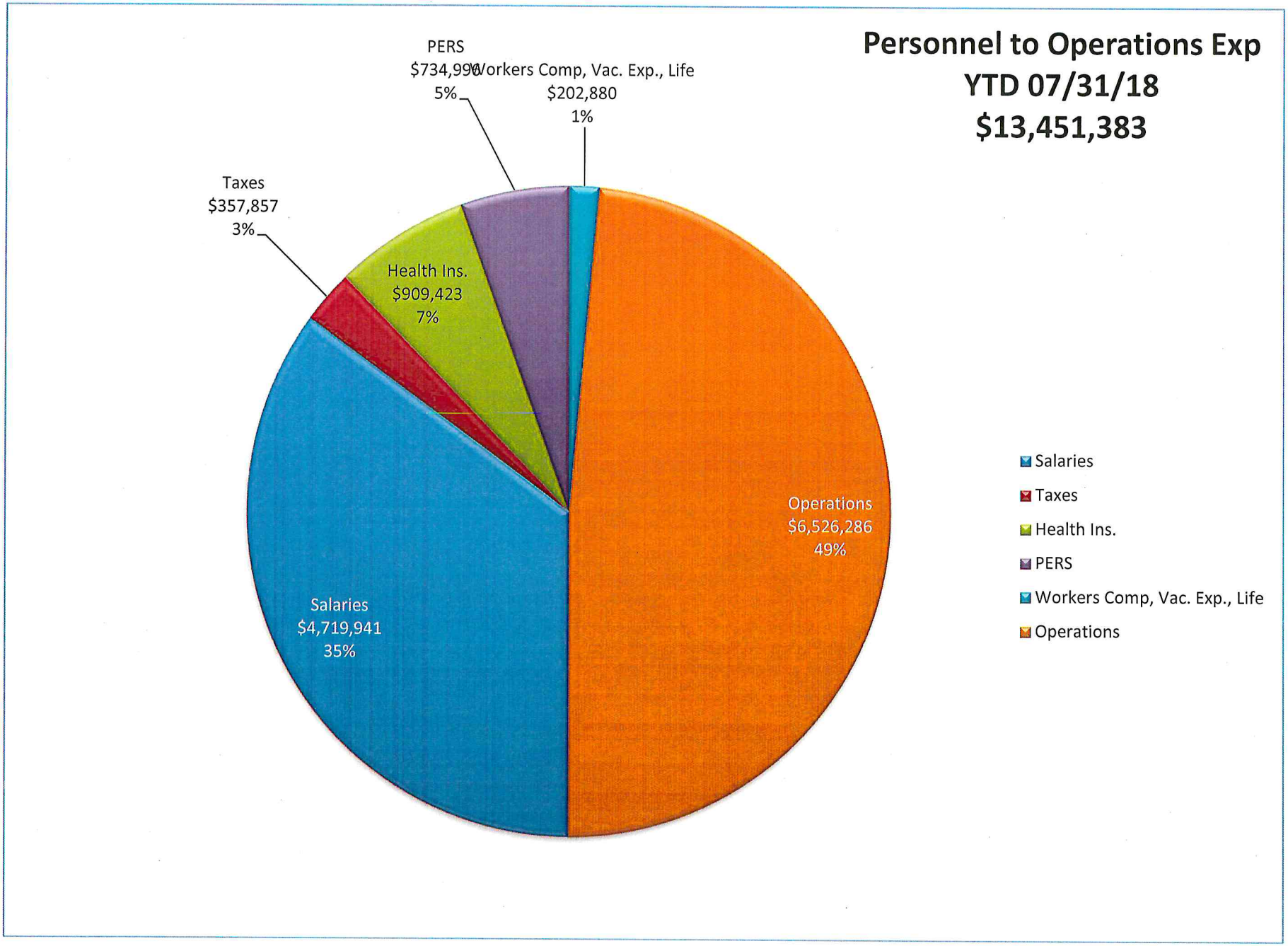
	Thru June	July	Year-to-Date	Adjustments	Adjusted Budget	% of Budget
Operating Revenue:						
Wholesale Water	$ 95,338	$ 117,765	$ 213,103		$ 160,000	133.19%
Water Sales	3,445,121	947,034	4,392,155		8,320,000	52.79%
Meter Fees	6,583,928	1,098,795	7,682,723		13,006,500	59.07%
Water Quality Fees	329,156	86,635	415,792		941,000	44.19%
Elevation Fees	148,596	42,549	191,145		360,000	53.10%
Other	553,426	68,336	621,762		800,000	77.72%
Total Operating Revenue	**$ 11,155,564**	**$ 2,361,114**	**$ 13,516,679**	**$ -**	**$ 23,587,500**	**57.30%**
Cash Operating Expenses:						
Directors	$ 64,353	$ 9,672	$ 74,025		$ 140,500	52.69%
Administration-Services	891,764	174,729	1,066,492		1,957,200	54.49%
Administration-District*	916,835	63,886	980,722	40,000	1,770,000	55.41%
Engineering**	873,543	157,716	1,031,258	72,000	1,734,900	59.44%
Facilities**	3,487,678	568,874	4,056,551	(72,000)	7,019,750	57.79%
Operations	1,660,461	333,905	1,994,367		3,032,007	65.78%
Finance	628,303	119,008	747,311		1,291,250	57.87%
Water Conservation	113,848	22,236	136,085		300,000	45.36%
Human Resources	248,201	52,326	300,527		636,850	47.19%
Information Technology	402,472	44,529	447,001		896,350	49.87%
Customer Care	669,023	114,830	783,853		1,312,700	59.71%
Source of Supply-Purchased Water	572,884	333,908	906,791		2,100,000	43.18%
Plant Expenditures	279,171	128,606	407,776		1,144,000	35.64%
GAC Filter Media Replacement	349,146	169,477	518,623		840,000	61.74%
Total Cash Operating Expenses	**$ 11,157,682**	**$ 2,293,702**	**$ 13,451,383**	**$ 40,000**	**$ 24,175,507**	**55.64%**
Net Cash Operating Profit/(Loss)	**$ (2,117)**	**$ 67,413**	**$ 65,295**	**$ (40,000)**	**$ (588,007)**	**-11.10%**
Non-Cash Operating Expenses:						
Depreciation	$ 2,681,407	$ 442,632	$ 3,124,039		$ 6,000,000	52.07%
OPEB Accrual Expense	766,260	127,710	893,971		2,300,000	38.87%
Bad Debts	83,189	1,999	85,188		50,000	170.38%
Service Costs Construction	66,022	2,092	68,113		125,000	54.49%
Capitalized Construction	(356,842)	(79,426)	(436,268)		(600,000)	72.71%
Total Non-Cash Operating Expenses	**$ 3,240,037**	**$ 495,007**	**$ 3,735,043**	**$ -**	**$ 7,875,000**	**47.43%**
Net Operating Profit/(Loss)	**$ (3,242,154)**	**$ (427,594)**	**$ (3,669,748)**	**$ (40,000)**	**$ (8,463,007)**	**43.36%**
Non-Operating Revenues:						
Assessments (Debt Service)	$ 2,642,500	$ 440,417	$ 3,082,917		$ 5,125,000	60.15%
Assessments (1%)	1,279,021	145,317	1,424,338		2,375,000	59.97%
DWR Fixed Charge Recovery	166,170	-	166,170		175,000	94.95%
Interest	72,092	25,389	97,481		90,000	108.31%
CIF - Infrastructure	13,372	-	13,372		62,500	21.39%
CIF - Water Supply	20,295	-	20,295		187,500	10.82%
Grants - State and Federal	18,520	29,147	47,667		178,000	26.78%
Other	22	3,074	3,095		60,000	5.16%
Total Non-Operating Revenues	**$ 4,211,990**	**$ 643,343**	**$ 4,855,334**	**$ -**	**$ 8,253,000**	**58.83%**
Non-Operating Expenses:						
Interest on Long-Term Debt	$ 1,082,908	$ 176,448	$ 1,259,356		$ 2,063,500	61.03%
Amortization of SWP	1,240,892	216,738	1,457,630		2,851,000	51.13%
Change in Investments in PRWA	302,008	-	302,008		300,000	100.67%
Water Conservation Programs	55,242	5,196	60,438		221,000	27.35%
Total Non-Operating Expenses	**$ 2,681,049**	**$ 398,382**	**$ 3,079,431**	**$ -**	**$ 5,435,500**	**56.65%**
Net Earnings	**$ (1,711,213)**	**$ (182,633)**	**$ (1,893,846)**	**$ (40,000)**	**$ (5,645,507)**	**33.55%**

* Budget adjustment by Board action 05/29/18
** Budget adjustment by Board action 08/13/18


P & L BUDGET vs. ACTUAL
70.00%
60.00%
50.00%
40.00%
30.00%
20.00%
10.00%
0.00%
57.30%
55.64%
47.43%
58.83%
56.65%
Percent of Budgeted
Operating Revenue
Cash Operating Expense
Non-Cash Operating Expense
Non-Operating Revenue
Non-Operating Expense


DEPARTMENTAL - BUDGET vs. ACTUAL
70.00%
60.00%
50.00%
40.00%
30.00%
20.00%
10.00%
0.00%
52.69%
54.49%
58.98%
59.44%
57.79%
65.78%
57.87%
45.36%
47.19%
49.87%
59.71%
Percent of Budgeted
Directors
Admin-Services
Admin-District
Engineering
Facilities
Operations
Finance
Water Conservation
Human Resources
Information Technology
Customer Care


Cash Operating Expenses
YTD 07/31/18
$13,451,383
Plant Expenditures
$407,776
3.03%
Source of Supply
$906,791
6.74%
Information Technology
$447,001
3.32%
Customer Care
$783,853
5.83%
Human Resources
$300,527
2.23%
GAC Filter Media
Replacement
$518,623
3.86%
Directors
$74,025
0.55%
Water Conservation
$136,085
1.01%
Admin-Services
$1,066,492
7.93%
Finance
$747,311
5.56%
Admin-District
$980,722
7.29%
Engineering
$1,031,258
7.67%
Operations
$1,994,367
14.83%
Facilities
$4,056,551
30.16%
Directors
Admin-Services
Admin-District
Engineering
Facilities
Operations
Finance
Water Conservation
Human Resources
Information Technology
Customer Care
Source of Supply
Plant Expenditures
GAC Filter Media Replacement


Personnel to Operations Exp
YTD 07/31/18
$13,451,383
PERS
$734,990
5%
Workers Comp, Vac. Exp., Life
$202,880
1%
Taxes
$357,857
3%
Health Ins.
$909,423
7%
Operations
$6,526,286
49%
Salaries
$4,719,941
35%
Salaries
Taxes
Health Ins.
PERS
Workers Comp, Vac. Exp., Life
Operations

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

	2017 July	2018 July	Change	% Change
Operating Revenue:				
Wholesale Water	$ 41,163	$ 117,765	$ 76,603	186.10%
Water Sales	1,025,578	947,034	(78,543)	-7.66%
Meter Fees	1,063,469	1,098,795	35,326	3.32%
Water Quality Fees	103,303	86,635	(16,668)	-16.14%
Elevation Fees	47,399	42,549	(4,850)	-10.23%
Other	41,493	68,336	26,843	64.69%
Total Operating Revenue	**$ 2,322,404**	**$ 2,361,114**	**$ 38,710**	**1.67%**
Cash Operating Expenses:				
Directors	$ 7,687	$ 9,672	$ 1,985	25.82%
Administration-Services	153,891	174,729	20,837	13.54%
Administration-District	86,850	63,886	(22,964)	-26.44%
Engineering	142,186	157,716	15,530	10.92%
Facilities	562,691	568,874	6,183	1.10%
Operations	249,690	333,905	84,215	33.73%
Finance	106,991	119,008	12,017	11.23%
Water Conservation	19,951	22,236	2,285	11.46%
Human Resources	24,708	52,326	27,618	111.78%
Information Technology	52,296	44,529	(7,767)	-14.85%
Customer Care	105,699	114,830	9,132	8.64%
Source of Supply-Purchased Water	359,850	333,908	(25,942)	-7.21%
Plant Expenditures	40,232	128,606	88,374	219.66%
GAC Filter Media Replacement	169,477	169,477	-	
Total Cash Operating Expenses	**$ 2,082,198**	**$ 2,293,702**	**$ 211,504**	**10.16%**
Non-Cash Operating Expenses:				
Depreciation	$ 462,754	$ 442,632	$ (20,122)	-4.35%
OPEB Accrual Expense	182,900	127,710	(55,189)	-30.17%
Bad Debts	-	1,999	1,999	
Service Costs Construction	13,290	2,092	(11,198)	-84.26%
Capitalized Construction	(40,409)	(79,426)	(39,017)	96.55%
Total Non-Cash Operating Expenses	**$ 618,535**	**$ 495,007**	**$ (123,528)**	**-19.97%**
Net Operating Profit/(Loss)	**$ (378,329)**	**$ (427,594)**	**$ (49,265)**	**13.02%**
Non-Operating Revenues:				
Assessments (Debt Service)	$ 427,833	$ 440,417	$ 12,583	2.94%
Assessments (1%)	138,833	145,317	6,484	4.67%
DWR Fixed Charge Recovery	-	-	-	#DIV/0!
Interest	13,296	25,389	12,093	90.95%
CIF - Infrastructure	46,224	-	(46,224)	
CIF - Water Supply	277,954	-	(277,954)	
Grants - State and Federal	37,500	29,147	(8,354)	
Other	134	3,074	2,940	2198.21%
Total Non-Operating Revenues	**$ 941,775**	**$ 643,343**	**$ (298,431)**	-31.69%
Non-Operating Expenses:				
Interest on Long-Term Debt	$ 180,607	$ 176,448	$ (4,159)	-2.30%
Amortization of SWP	216,738	216,738	-	0.00%
Change in Investments in PRWA	-	-	-	
Water Conservation Programs	6,300	5,196	(1,104)	-17.52%
Total Non-Operating Expenses	**$ 403,645**	**$ 398,382**	**$ (5,263)**	-1.30%
Net Earnings	**$ 159,801**	**$ (182,633)**	**$ (342,434)**	**-214.29%**

Consumption Comparison

	2017	2018
Units Billed	860,860	787,801
Active	26,652	26,674
Vacant	766	723
Rev/unit	$ 2.70	$ 3.00
Rev/con	$ 87.14	$ 88.52
Unit/con	32.30	29.53

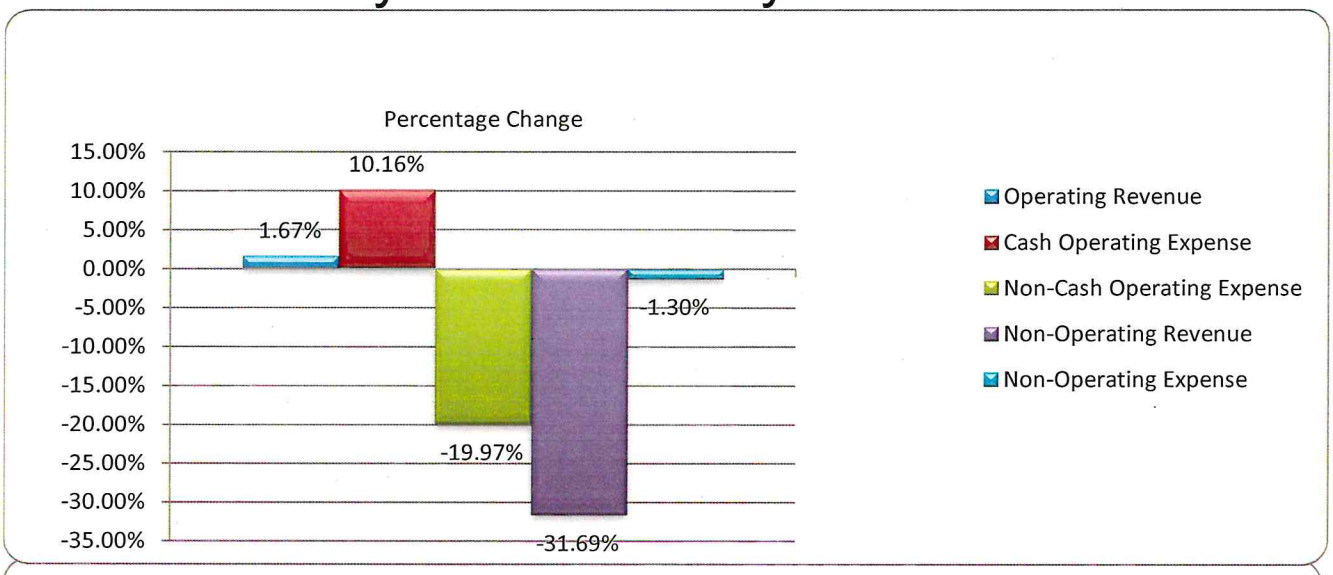
Palmdale Water District
Profit and Loss Statement
Year-To-Year Comparison-2 Years - July

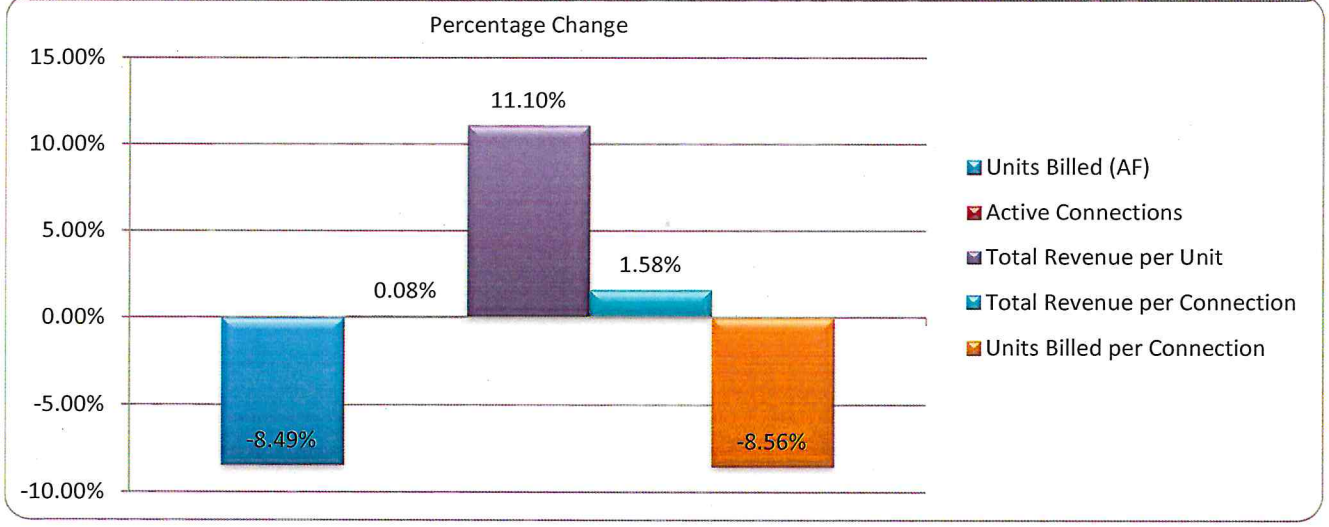
	2016 July	2018 July	Change	% Change
Operating Revenue:				
Wholesale Water	$ 1,953	$ 117,765	$ 115,813	
Water Sales	882,839	947,034	64,195	7.27%
Meter Fees	1,016,145	1,098,795	82,650	8.13%
Water Quality Fees	108,103	86,635	(21,468)	-19.86%
Elevation Fees	45,709	42,549	(3,160)	-6.91%
Other	63,435	68,336	4,901	7.73%
Drought Surcharge	203,554	-	(203,554)	-100.00%
Total Operating Revenue	**$ 2,321,738**	**$ 2,361,114**	**$ 39,377**	**1.70%**
Cash Operating Expenses:				
Directors	$ 6,196	$ 9,672	$ 3,476	56.10%
Administration-Services	166,240	174,729	8,489	5.11%
Administration-District	15,264	63,886	48,623	318.55%
Engineering	107,998	157,716	49,718	46.04%
Facilities	533,481	568,874	35,393	6.63%
Operations	298,304	333,905	35,601	11.93%
Finance	108,476	119,008	10,532	9.71%
Water Conservation	17,841	22,236	4,395	24.64%
Human Resources	23,632	52,326	28,694	121.42%
Information Technology	75,992	44,529	(31,463)	-41.40%
Customer Care	114,427	114,830	403	0.35%
Source of Supply-Purchased Water	11,776	333,908	322,132	2735.49%
Plant Expenditures	48,656	128,606	79,949	164.31%
GAC Filter Media Replacement	-	169,477	169,477	
Total Cash Operating Expenses	**$ 1,528,284**	**$ 2,293,702**	**$ 765,418**	**50.08%**
Non-Cash Operating Expenses:				
Depreciation	$ 456,107	$ 442,632	$ (13,475)	-2.95%
OPEB Accrual Expense	-	127,710	127,710	
Bad Debts	14,334	1,999	(12,335)	-86.06%
Service Costs Construction	34,572	2,092	(32,481)	-93.95%
Capitalized Construction	(30,136)	(79,426)	(49,289)	163.55%
Total Non-Cash Operating Expenses	**$ 474,877**	**$ 495,007**	**$ 20,130**	**4.24%**
Net Operating Profit/(Loss)	**$ 318,577**	**$ (427,594)**	**$ (746,171)**	**-234.22%**
Non-Operating Revenues:				
Assessments (Debt Service)	$ 440,417	$ 440,417	$ (0)	0.00%
Assessments (1%)	142,917	145,317	2,401	1.68%
DWR Fixed Charge Recovery	(926)	-	926	
Interest	3,178	25,389	22,211	698.93%
CIF - Infrastructure	234,459	-	(234,459)	
CIF - Water Supply	-	-	-	
Grants - State and Federal	-	29,147	-	
Other	21,977	3,074	(18,903)	-86.01%
Total Non-Operating Revenues	**$ 842,021**	**$ 643,343**	**$ (227,824)**	-27.06%
Non-Operating Expenses:				
Interest on Long-Term Debt	$ 184,638	$ 176,448	$ (8,189)	-4.44%
Amortization of SWP	196,900	216,738	19,838	10.08%
Change in Investments in PRWA	-	-	-	
Water Conservation Programs	9,590	5,196	(4,394)	-45.82%
Total Non-Operating Expenses	**$ 391,128**	**$ 398,382**	**$ 7,254**	1.85%
Net Earnings	**$ 769,471**	**$ (182,633)**	**$ (981,250)**	**-127.52%**

Consumption Comparison

	2016	2018
Units Billed	831,559	787,801
Active	26,592	26,674
Vacant	813	723
Rev/unit	$ 2.79	$ 3.00
Rev/con	$ 87.31	$ 88.52
Unit/con	31.27	29.53

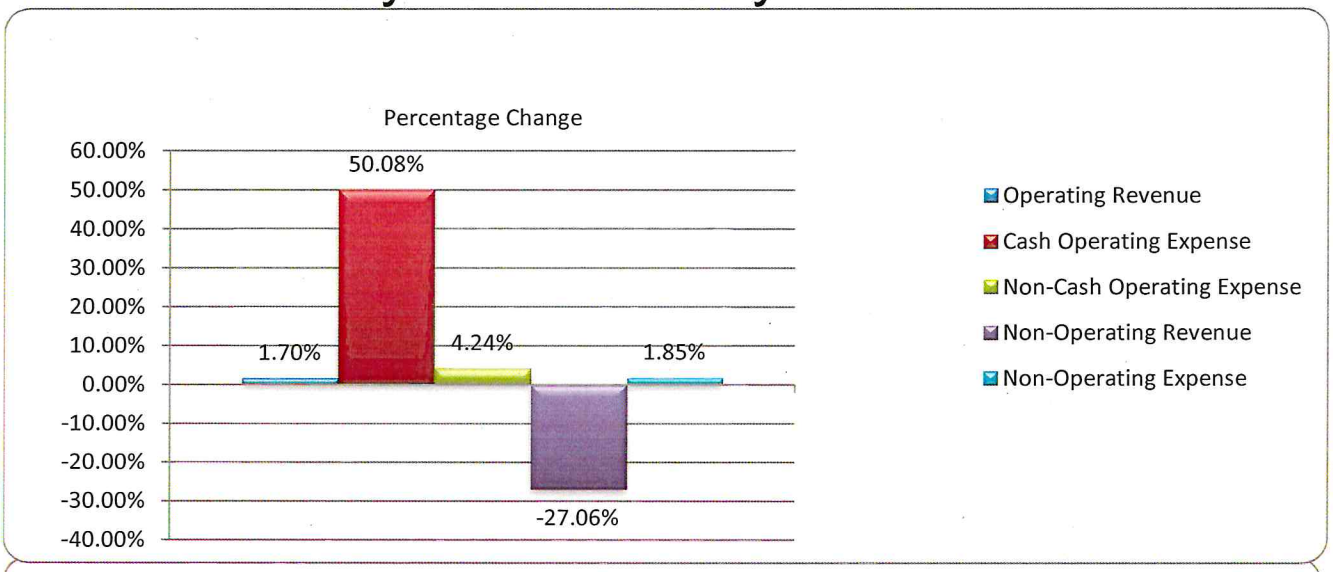
YEAR-TO-YEAR COMPARISON
July 2017 -To - July 2018

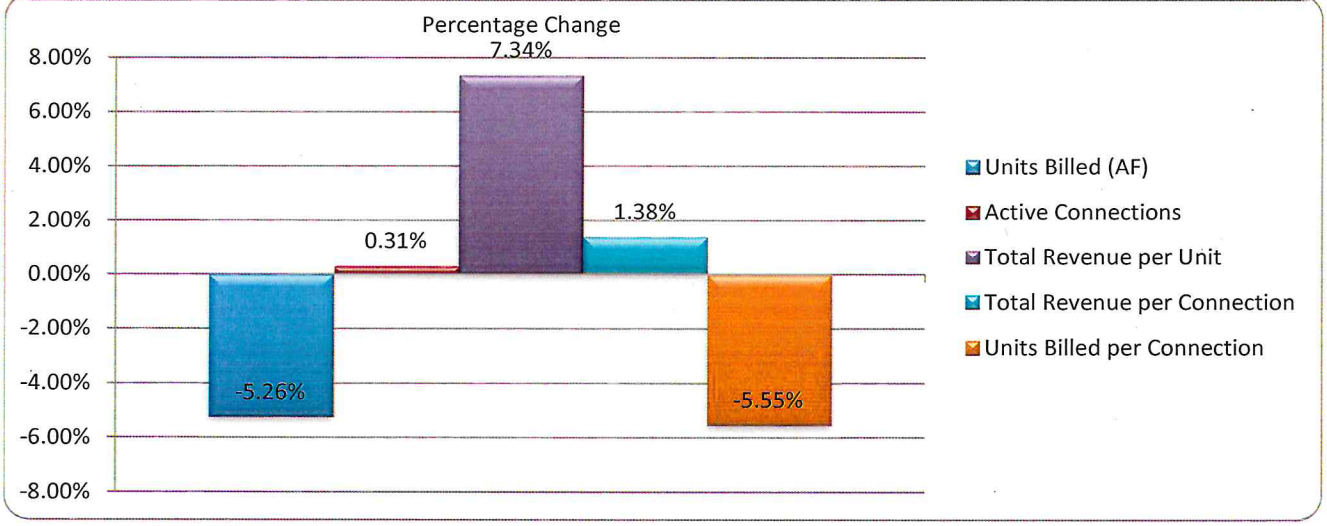




	2017	2018	Change	
Units Billed (AF)	1,976	1,809	-168	-8.49%
Active Connections	26,652	26,674	22	0.08%
Non-Active	766	723	-43	-5.61%
Total Revenue per Unit	$2.70	$3.00	$0.30	11.10%
Total Revenue per Connection	$87.14	$88.52	$1.38	1.58%
Units Billed per Connection	32.30	29.53	-2.77	-8.56%

YEAR-TO-YEAR COMPARISON
July 2016 -To -July 2018





	2016	2018	Change	
Units Billed (AF)	1,909	1,809	-100	-5.26%
Active Connections	26,592	26,674	82	0.31%
Non-Active	813	723	-90	-11.07%
Total Revenue per Unit	$2.79	$3.00	$0.21	7.34%
Total Revenue per Connection	$87.31	$88.52	$1.21	1.38%
Units Billed per Connection	31.27	29.53	-1.74	-5.55%

Palmdale Water District
Revenue Analysis
For the Seven Months Ending 7/31/2018

2018

	Thru June	July	Year-to-Date	Adjusted Budget	% of Budget
Operating Revenue:					
Wholesale Water	$ 95,338	$ 117,765	$ 213,103	$ 160,000	133.19%
Water Sales	3,445,121	947,034	4,392,155	8,320,000	52.79%
Meter Fees	6,583,928	1,098,795	7,682,723	13,006,500	59.07%
Water Quality Fees	329,156	86,635	415,792	941,000	44.19%
Elevation Fees	148,596	42,549	191,145	360,000	53.10%
Other	553,426	68,336	621,762	800,000	77.72%
Drought Surcharge	-	-	-	-	
Total Water Sales	**$ 11,155,564**	**$ 2,361,114**	**$ 13,516,679**	**$ 23,587,500**	**57.30%**
Non-Operating Revenues:					
Assessments (Debt Service)	$ 2,642,500	$ 440,417	$ 3,082,917	$ 5,125,000	60.15%
Assessments (1%)	1,279,021	145,317	1,424,338	2,375,000	59.97%
DWR Fixed Charge Recovery	166,170	-	166,170	175,000	94.95%
Interest	72,092	25,389	97,481	90,000	108.31%
CIF - Infrastructure	13,372	-	13,372	62,500	21.39%
CIF - Water Supply	20,295	-	20,295	187,500	10.82%
Grants - State and Federal	18,520	29,147	47,667	178,000	26.78%
Other	22	3,074	3,095	60,000	5.16%
Total Non-Operating Revenues	**$ 4,211,990**	**$ 643,343**	**$ 4,855,334**	**$ 8,253,000**	**58.83%**
Total Revenue	**$ 15,367,555**	**$ 3,004,458**	**$ 18,372,012**	**$ 31,840,500**	**57.70%**

2017

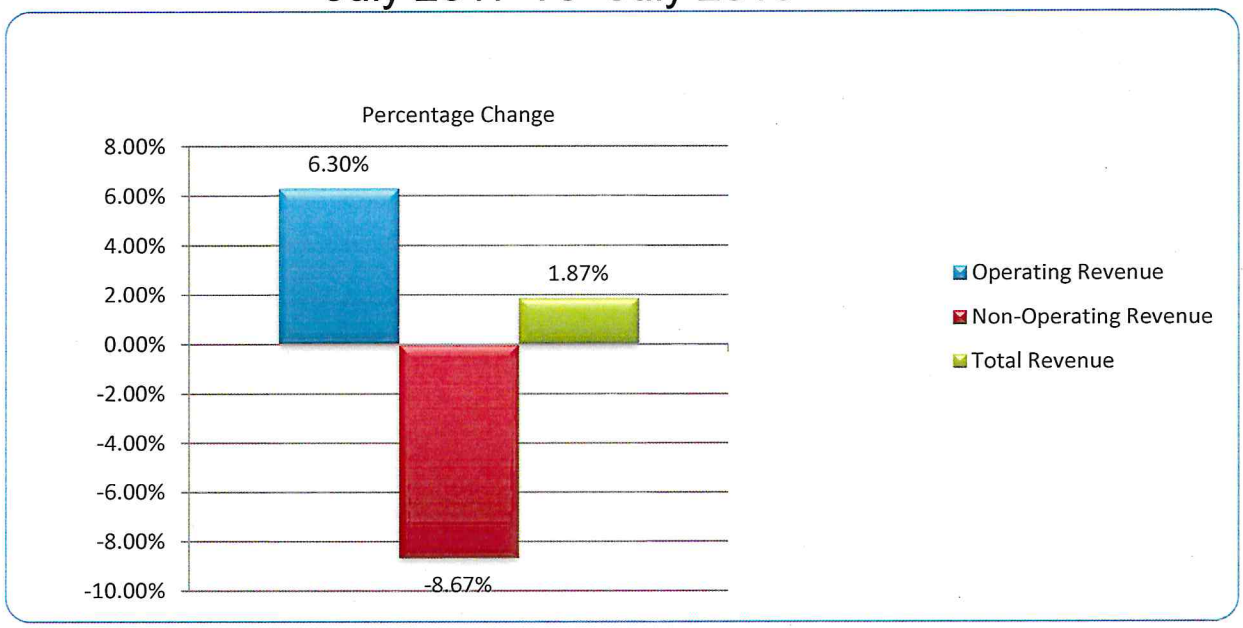
	Thru June	July	Year-to-Date	Adjusted Budget	% of Budget
Operating Revenue:					
Wholesale Water	$ 52,973	$ 41,163	$ 94,135	$ 160,000	58.83%
Water Sales	3,042,613	1,025,578	4,068,190	8,002,000	50.84%
Meter Fees	6,355,789	1,063,469	7,419,257	12,475,500	59.47%
Water Quality Fees	333,995	103,303	437,298	862,500	50.70%
Elevation Fees	138,291	47,399	185,690	340,000	54.61%
Other	408,839	41,493	450,332	960,000	46.91%
Drought Surcharge	66,226	-	66,226	-	
Total Water Sales	**$ 10,345,752**	**$ 2,281,242**	**$ 12,626,994**	**$ 22,800,000**	**55.38%**
Non-Operating Revenues:					
Assessments (Debt Service)	$ 2,470,557	$ 427,833	$ 2,898,390	$ 5,000,000	57.97%
Assessments (1%)	1,194,533	138,833	1,333,366	1,957,500	68.12%
DWR Fixed Charge Recovery	159,796	-	159,796	200,000	79.90%
Interest	29,218	13,296	42,514	60,000	70.86%
CIF - Infrastructure	111,926	46,224	158,150	57,500	275.04%
CIF - Water Supply	336,778	277,954	614,732	192,500	319.34%
Grants - State and Federal	-	37,500	37,500	178,000	21.07%
Other	71,465	134	71,599	60,000	119.33%
Total Non-Operating Revenues	**$ 4,374,273**	**$ 941,775**	**$ 5,316,047**	**$ 7,705,500**	**68.99%**
Total Revenue	**$ 14,720,025**	**$ 3,223,016**	**$ 17,943,041**	**$ 30,505,500**	**58.82%**

2017 to 2018 Comparison

	Thru June	July	Year-to-Date	% Change
Operating Revenue:				
Wholesale Water	$ 42,365	$ 76,603	$ 118,968	126.38%
Water Sales	402,508	(78,543)	323,965	7.96%
Meter Fees	228,139	35,326	263,465	3.55%
Water Quality Fees	(4,838)	(16,668)	(21,506)	-4.92%
Elevation Fees	10,305	(4,850)	5,455	2.94%
Other	144,586	26,843	171,430	38.07%
Drought Surcharge	(66,226)	-	(66,226)	-100.00%
Total Water Sales	**$ 756,839**	**$ 38,710**	**$ 795,550**	**6.30%**
Non-Operating Revenues:				
Assessments (Debt Service)	$ 171,943	$ 12,583	$ 184,527	6.37%
Assessments (1%)	84,488	6,484	90,972	6.82%
DWR Fixed Charge Recovery	6,374	-	6,374	3.99%
Interest	42,874	12,093	54,967	129.29%
CIF - Infrastructure	(98,554)	(46,224)	(144,778)	-91.55%
CIF - Water Supply	(316,483)	(277,954)	(594,437)	-96.70%
Grants - State and Federal	18,520	(8,354)	10,167	
Other	(71,444)	2,940	(68,504)	-95.68%
Total Non-Operating Revenues	**$ (162,282)**	**$ (298,431)**	**$ (460,714)**	**-8.67%**
Total Revenue	**$ 594,557**	**$ (259,721)**	**$ 334,836**	**1.87%**

REVENUE COMPARISON YEAR-TO-DATE

July 2017-To- July 2018



Palmdale Water District
Operating Expense Analysis
For the Seven Months Ending 7/31/2018

	2018					2017 to 2018 Comparison			
	Thru June	July	Year-to-Date	Adjusted Budget	% of Budget	Thru June	July	Year-to-Date	% Change
Cash Operating Expenses:									
Directors	$ 64,353	$ 9,672	$ 74,025	$ 140,500	52.69%	$ 9,076	$ 1,985	$ 11,060	17.57%
Administration-Services	891,764	174,729	1,066,492	1,957,200	54.49%	(20,411)	20,837	426	0.04%
Administration-District	916,835	63,886	980,722	1,730,000	56.69%	222,584	(22,964)	199,620	25.56%
Engineering	873,543	157,716	1,031,258	1,662,900	62.02%	148,647	15,530	164,177	18.93%
Facilities	3,487,678	568,874	4,056,551	7,091,750	57.20%	395,091	6,183	401,274	10.98%
Operations	1,660,461	333,905	1,994,367	3,032,007	65.78%	213,242	84,215	297,457	17.53%
Finance	628,303	119,008	747,311	1,291,250	57.87%	16,745	12,017	28,762	4.00%
Water Conservation	113,848	22,236	136,085	300,000	45.36%	5,464	2,285	7,749	6.04%
Human Resources	248,201	52,326	300,527	636,850	47.19%	87,863	27,618	115,481	62.41%
Information Technology	402,472	44,529	447,001	896,350	49.87%	66,045	(7,767)	58,279	14.99%
Customer Care	669,023	114,830	783,853	1,312,700	59.71%	67,185	9,132	76,317	10.79%
Source of Supply-Purchased Water	572,884	333,908	906,791	2,100,000	43.18%	(359,381)	(25,942)	(385,323)	-29.82%
Plant Expenditures	279,171	128,606	407,776	1,144,000	35.64%	118,184	88,374	206,558	102.65%
GAC Filter Media Replacement	349,146	169,477	518,623	840,000	61.74%	(3,202)	-	(3,202)	-0.61%
Total Cash Operating Expenses	**$ 11,157,682**	**$ 2,293,702**	**$ 13,451,383**	**$ 24,135,507**	**55.73%**	**$ 967,131**	**$ 211,504**	**$ 1,178,635**	**8.76%**
Non-Cash Operating Expenses:									
Depreciation	$ 2,681,407	$ 442,632	$ 3,124,039	$ 6,000,000	52.07%	$ (668,494)	$ (20,122)	$ (688,616)	-18.06%
OPEB Accrual Expense	766,260	127,710	893,971	2,300,000	38.87%	(331,137)	(55,189)	(386,326)	-30.17%
Bad Debts	83,189	1,999	85,188	50,000	170.38%	33,715	1,999	35,714	72.19%
Service Costs Construction	66,022	2,092	68,113	125,000	54.49%	279	(11,198)	(10,920)	-13.82%
Capitalized Construction	(356,842)	(79,426)	(436,268)	(600,000)	72.71%	(47,513)	(39,017)	(86,530)	24.74%
Total Non-Cash Operating Expenses	**$ 3,240,037**	**$ 495,007**	**$ 3,735,043**	**$ 7,875,000**	**47.43%**	**$ (1,013,149)**	**$ (123,528)**	**$ (1,136,677)**	**-30.43%**
Non-Operating Expenses:									
Interest on Long-Term Debt	$ 1,082,908	$ 176,448	$ 1,259,356	$ 2,063,500	61.03%	$ (5,240)	$ (4,159)	$ (9,399)	-0.74%
Amortization of SWP	1,240,892	216,738	1,457,630	2,851,000	51.13%	(59,521)	-	(59,521)	-3.92%
Change in Investments in PRWA	302,008	-	302,008	300,000	100.67%	195,845	-	195,845	184.48%
Water Conservation Programs	55,242	5,196	60,438	221,000	27.35%	14,077	(1,104)	12,973	27.33%
Total Non-Operating Expenses	**$ 2,681,049**	**$ 398,382**	**$ 3,079,431**	**$ 5,435,500**	**56.65%**	**$ 145,161**	**$ (5,263)**	**$ 139,899**	**4.76%**
Total Expenses	**$ 17,078,768**	**$ 3,187,090**	**$ 20,265,858**	**$ 37,446,007**	**54.12%**	**$ 99,143**	**$ 82,713**	**$ 181,856**	**0.91%**

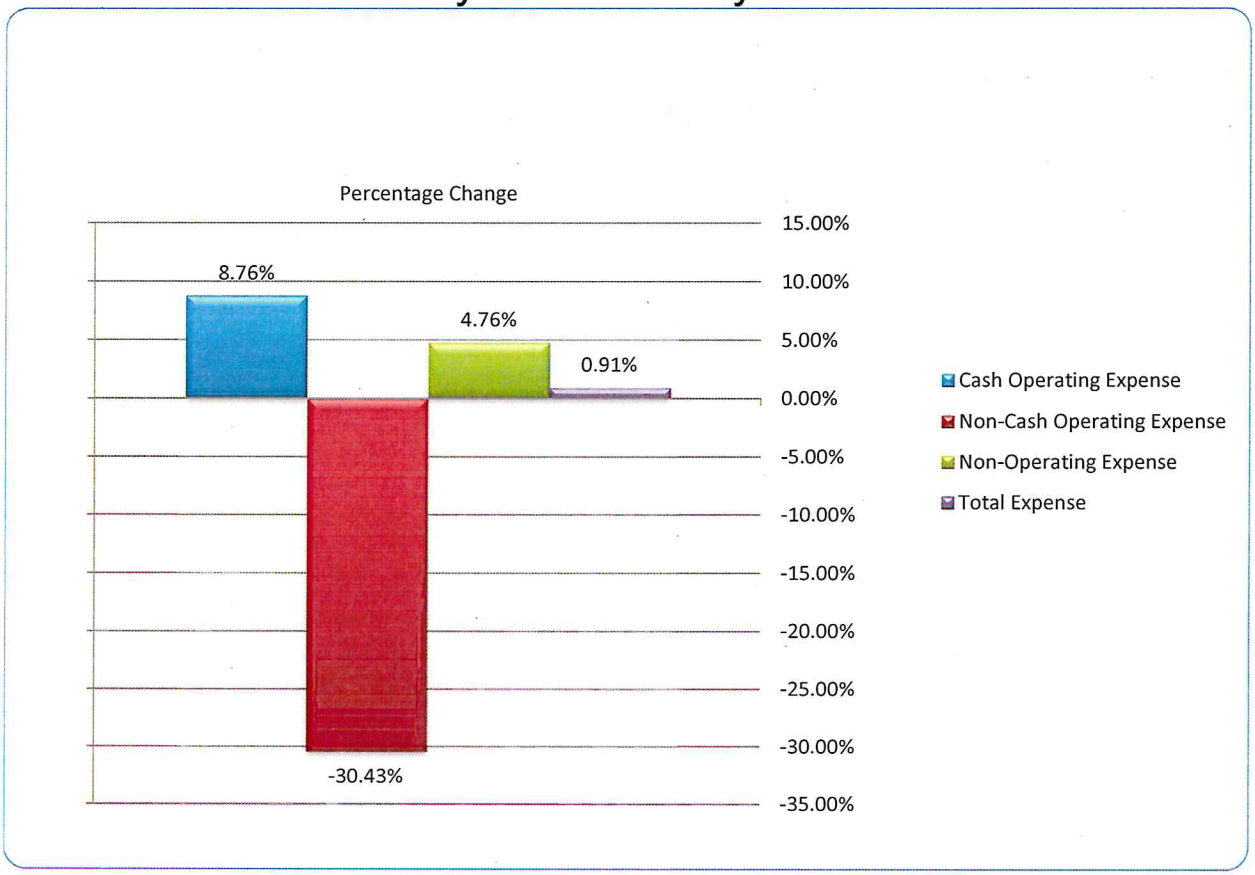
Palmdale Water District
Operating Expense Analysis
For the Seven Months Ending 7/31/2018

2017 to 2018 Comparison

	2017 Thru June	July	Year-to-Date	Adjusted Budget	% of Budget
Cash Operating Expenses:					
Directors	$ 55,278	$ 7,687	$ 62,965	$ 115,500	54.52%
Administration-Services	912,175	153,891	1,066,066	1,925,000	55.38%
Administration-District	694,252	86,850	781,102	1,509,500	51.75%
Engineering	724,896	142,186	867,082	1,451,500	59.74%
Facilities	3,092,586	562,691	3,655,277	6,626,000	55.17%
Operations	1,447,219	249,690	1,696,909	2,546,250	66.64%
Finance	611,558	106,991	718,549	1,246,500	57.65%
Water Conservation	108,385	19,951	128,336	230,000	55.80%
Human Resources	160,338	24,708	185,046	313,100	59.10%
Information Technology	336,426	52,296	388,722	804,750	48.30%
Customer Care	601,838	105,699	707,537	1,278,000	55.36%
Source of Supply-Purchased Water	932,265	359,850	1,292,114	2,190,000	59.00%
Plant Expenditures	160,987	40,232	201,218	574,292	35.04%
GAC Filter Media Replacement	352,349	169,477	521,826	862,500	60.50%
Total Cash Operating Expenses	**$ 10,190,551**	**$ 2,082,198**	**$ 12,272,749**	**$ 21,672,892**	**56.63%**
Non-Cash Operating Expenses:					
Depreciation	$ 3,349,901	$ 462,754	$ 3,812,655	$ 6,000,000	63.54%
OPEB Accrual Expense	1,097,397	182,900	1,280,297	2,350,000	54.48%
Bad Debts	49,474	-	49,474	50,000	98.95%
Service Costs Construction	65,743	13,290	79,033	125,000	63.23%
Capitalized Construction	(309,329)	(40,409)	(349,738)	(750,000)	46.63%
Total Non-Cash Operating Expenses	**$ 4,253,185**	**$ 618,535**	**$ 4,871,720**	**$ 7,775,000**	**62.66%**
Non-Operating Expenses:					
Interest on Long-Term Debt	$ 1,088,147	$ 180,607	$ 1,268,754	$ 2,228,000	56.95%
Amortization of SWP	1,300,413	216,738	1,517,151	2,238,000	67.79%
Change in Investments in PRWA	106,162	-	106,162	100,000	106.16%
Water Conservation Programs	41,165	6,300	47,465	135,500	35.03%
Total Non-Operating Expenses	**$ 2,535,888**	**$ 403,645**	**$ 2,939,533**	**$ 4,701,500**	**62.52%**
Total Expenses	**$ 16,979,624**	**$ 3,104,378**	**$ 20,084,002**	**$ 34,149,392**	**58.81%**

EXPENSE COMPARISON YEAR-TO-DATE

July 2017-To-July 2018



Palmdale Water District
2018 Directors Budget
For the Seven Months Ending Tuesday, July 31, 2018

	YTD ACTUAL 2018	ORIGINAL BUDGET 2018	ADJUSTMENTS 2018	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-01-4000-000 Directors Pay	$ -	$ -	$ -	$ -	
Employee Benefits					
1-01-4005-000 Payroll Taxes	2,364	5,500		3,136	42.98%
Subtotal (Benefits)	2,364	5,500	-	3,136	42.98%
Total Personnel Expenses	$ 2,364	$ 5,500	$ -	$ 3,136	42.98%
OPERATING EXPENSES:					
1-01-xxxx-007 Director Share - Alvarado, Robert	$ 18,150	$ 27,000		$ 8,850	67.22%
1-01-xxxx-008 Director Share - Mac Laren, Kathy	9,026	27,000		17,974	33.43%
1-01-xxxx-009 Director Share - Estes, Joe	17,373	27,000		9,627	64.34%
1-01-xxxx-010 Director Share - Dino, Vincent	11,005	27,000		15,995	40.76%
1-01-xxxx-011 Director Share - Henriquez, Marco	16,108	27,000		10,892	59.66%
Subtotal Operating Expenses	71,662	135,000	-	10,892	53.08%
Total O & M Expenses	$ 74,025	$ 140,500	$ -	$ 14,028	52.69%

Palmdale Water District
2018 Administration District Wide Budget
For the Seven Months Ending Tuesday, July 31, 2018

	YTD ACTUAL 2018	ORIGINAL BUDGET 2018	ADJUSTMENTS 2018	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-02-5070-001 On-Call	$ 41,822	$ 90,000		$ 48,178	46.47%
Subtotal (Salaries)	$ 41,822	$ 90,000	$ -	$ 48,178	46.47%
Employee Benefits					
1-02-5070-002 PERS-Unfunded Liability	$ 308,944	$ 568,500		259,556	54.34%
1-02-5070-003 Workers Compensation	244,545	280,000		35,455	87.34%
1-02-5070-004 Vacation Benefit Expense	(45,375)	25,000		70,375	-181.50%
1-02-5070-005 Life Insurance	3,711	6,500		2,789	57.09%
Subtotal (Benefits)	$ 511,825	$ 880,000	$ -	$ 368,175	58.16%
Total Personnel Expenses	$ 553,647	$ 970,000	$ -	$ 416,353	57.08%
OPERATING EXPENSES:					
1-02-5070-006 Other Operating	$ 13,880	$ 20,000		6,120	69.40%
1-02-5070-007 Consultants	76,748	70,000		(6,748)	109.64%
1-02-5070-008 Insurance	140,783	305,000		164,217	46.16%
1-02-5070-009 Groundwater Adjudication	25,470	50,000		24,530	50.94%
1-02-5070-010 Legal Services	52,809	150,000		97,191	35.21%
1-02-5070-011 Memberships/Subscriptions	21,164	125,000		103,836	16.93%
1-02-5070-099 100th Anniversary*	96,221	40,000	40,000	(16,221)	120.28%
Subtotal Operating Expenses	$ 427,075	$ 760,000	$ 40,000	$ 372,925	53.38%
Total Departmental Expenses	$ 980,722	$ 1,730,000	$ 40,000	$ 789,278	55.41%

* Budget adjustment by Board action 05/29/18

Palmdale Water District
2018 Administration Services Budget
For the Seven Months Ending Tuesday, July 31, 2018

	YTD ACTUAL 2018	ORIGINAL BUDGET 2018	ADJUSTMENTS 2018	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-02-4000-000 Salaries	$ 652,001	$ 1,215,500		$ 563,499	53.64%
1-02-4000-100 Overtime	3,005	9,000		5,995	33.39%
Subtotal (Salaries)	$ 655,006	$ 1,224,500	$ -	$ 569,494	53.49%
Employee Benefits					
1-02-4005-000 Payroll Taxes	$ 48,428	$ 86,500		38,072	55.99%
1-02-4010-000 Health Insurance	93,925	171,500		77,575	54.77%
1-02-4015-000 PERS	62,102	141,000		78,898	44.04%
Subtotal (Benefits)	$ 204,456	$ 399,000	$ -	$ 194,544	51.24%
Total Personnel Expenses	$ 859,462	$ 1,623,500	$ -	$ 764,038	52.94%
OPERATING EXPENSES:					
1-02-4050-000 Staff Travel	$ 11,278	$ 14,000	$ -	$ 2,722	80.55%
1-02-4050-100 General Manager Travel	4,721	5,000		279	94.42%
1-02-4060-000 Staff Conferences & Seminars	1,050	6,000		4,950	17.50%
1-02-4060-100 General Manager Conferences & Seminars	2,499	4,000		1,501	62.48%
1-02-4130-000 Bank Charges	102,814	140,000		37,186	73.44%
1-02-4150-000 Accounting Services	9,250	27,500		18,250	33.64%
1-02-4175-000 Permits	11,807	17,500		5,693	67.47%
1-02-4180-000 Postage	9,060	25,000		15,940	36.24%
1-02-4190-100 Public Relations - Publications	20,626	30,000		9,374	68.75%
1-02-4190-700 Public Affairs - Marketing/Outreach	14,017	25,000		10,983	56.07%
1-02-4190-710 Public Affairs -Advertising	50	4,000		3,950	1.24%
1-02-4190-730 Public Affairs -Conference/Seminar/Travel	1,025	2,500		1,475	41.00%
1-02-4190-750 Public Affairs - Membership	450	700		250	64.29%
1-02-4200-000 Advertising	2,858	4,000		1,142	71.44%
1-02-4205-000 Office Supplies	15,526	18,000		2,474	86.26%
1-02-4210-000 Office Furniture	-	5,000		5,000	0.00%
Subtotal Operating Expenses	$ 207,031	$ 328,200	$ -	$ 121,169	63.08%
Total Departmental Expenses	$ 1,066,492	$ 1,951,700	$ -	$ 885,208	54.64%

Palmdale Water District
2018 Engineering Budget
For the Seven Months Ending Tuesday, July 31, 2018

	YTD ACTUAL 2018	ORIGINAL BUDGET 2018	ADJUSTMENTS 2018	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-03-4000-000 Salaries	$ 656,178	$ 1,058,750		$ 402,572	61.98%
1-03-4000-100 Overtime	22,759	9,000		(13,759)	252.88%
Subtotal (Salaries)	$ 678,938	$ 1,067,750	$ -	$ 388,812	63.59%
Employee Benefits					
1-03-4005-000 Payroll Taxes	51,529	78,750		27,221	65.43%
1-03-4010-000 Health Insurance	131,145	209,750		78,605	62.52%
1-03-4015-000 PERS**	63,358	132,750		69,392	47.73%
Subtotal (Benefits)	$ 246,032	$ 421,250	$ -	$ 175,218	58.41%
Total Personnel Expenses	$ 924,970	$ 1,489,000	$ -	$ 564,030	62.12%
OPERATING EXPENSES:					
1-03-4050-000 Staff Travel	$ 3,956	$ 3,000		$ (956)	131.87%
1-03-4060-000 Staff Conferences & Seminars	4,377	3,000		(1,377)	145.91%
1-03-4060-001 Staff Training - Auto CAD Civil 3D**	1,879	13,000	(11,000)	121	93.94%
1-03-4155-000 Contracted Services**	27,140	40,000	(6,000)	6,860	79.82%
1-03-4165-000 Memberships/Subscriptions	1,873	2,500		627	74.93%
1-03-4250-000 General Materials & Supplies	7,952	10,400		2,448	76.46%
1-03-8100-100 Computer Software - Maint. & Support	59,112	102,000		42,888	57.95%
1-03-8100-200 Computer Software - SCADAWatch**	-	-	89,000	89,000	0.00%
Subtotal Operating Expenses	$ 106,289	$ 173,900	$ 72,000	$ 139,611	43.22%
Total Departmental Expenses	$ 1,031,258	$ 1,662,900	$ 72,000	$ 703,642	59.44%

** Budget adjustment by Board action 08/13/18

Palmdale Water District
2018 Facilities Budget
For the Seven Months Ending Tuesday, July 31, 2018

		YTD ACTUAL 2018	ORIGINAL BUDGET 2018	ADJUSTMENTS 2018	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:						
1-04-4000-000	Salaries	$ 1,243,024	$ 2,134,500		$ 891,476	58.23%
1-04-4000-100	Overtime	91,736	115,000		23,264	79.77%
	Subtotal (Salaries)	$ 1,334,760	$ 2,249,500	$ -	$ 914,740	59.34%
Employee Benefits						
1-04-4005-000	Payroll Taxes	104,080	178,000		73,920	58.47%
1-04-4010-000	Health Insurance	329,369	491,750		162,381	66.98%
1-04-4015-000	PERS	115,933	260,000		144,067	44.59%
	Subtotal (Benefits)	$ 549,381	$ 929,750	$ -	$ 380,369	59.09%
	Total Personnel Expenses	$ 1,884,142	$ 3,179,250	$ -	$ 1,295,108	59.26%
OPERATING EXPENSES:						
1-04-4050-000	Staff Travel	$ 3,459	$ 3,000		$ (459)	115.29%
1-04-4060-000	Staff Confrences & Seminars	1,050	13,000		11,950	8.08%
1-04-4155-000	Contracted Services	399,463	530,000		130,537	75.37%
1-04-4175-000	Permits-Dams	50,951	25,000		(25,951)	203.80%
1-04-4215-100	Natural Gas - Wells & Boosters	116,326	225,000		108,674	51.70%
1-04-4215-200	Natural Gas - Buildings	4,074	9,000		4,926	45.26%
1-04-4220-100	Electricity - Wells & Boosters	702,653	1,320,000		617,347	53.23%
1-04-4220-200	Electricity - Buildings	45,888	88,000		42,112	52.15%
1-04-4225-000	Maint. & Repair - Vehicles	15,385	35,000		19,615	43.96%
1-04-4230-100	Maint. & Rep. Office Building	6,614	25,000		18,386	26.45%
1-04-4235-110	Maint. & Rep. Equipment	1,542	12,000		10,458	12.85%
1-04-4235-400	Maint. & Rep. Operations - Wells	45,239	100,000		54,761	45.24%
1-04-4235-405	Maint. & Rep. Operations - Boosters	18,559	80,000		61,441	23.20%
1-04-4235-410	Maint. & Rep. Operations - Shop Bldgs	15,510	25,000		9,490	62.04%
1-04-4235-415	Maint. & Rep. Operations - Facilities	12,016	50,000		37,984	24.03%
1-04-4235-420	Maint. & Rep. Operations - Water Lines	157,263	300,000		142,737	52.42%
1-04-4235-425	Maint. & Rep. Operations - Littlerock Dam	487	15,000		14,513	3.25%
1-04-4235-430	Maint. & Rep. Operations - Palmdale Dam	550	7,500		6,950	7.33%
1-04-4235-435	Maint. & Rep. Operations - Palmdale Canal	1,110	10,000		8,890	11.10%
1-04-4235-440	Maint. & Rep. Operations - Large Meters	8,499	35,000		26,501	24.28%
1-04-4235-445	Maint. & Rep. Operations - Telemetry	275	5,000		4,725	5.50%
1-04-4235-450	Maint. & Rep. Operations - Hypo Generators	727	10,000		9,273	7.27%
1-04-4235-455	Maint. & Rep. Operations - Heavy Equipment	17,882	45,000		27,118	39.74%
1-04-4235-460	Maint. & Rep. Operations - Storage Reservoirs	11,532	5,000		(6,532)	230.64%
1-04-4235-461	Maint. & Rep. Operations - Air Vac	83,089	28,000		(55,089)	296.74%
1-04-4235-470	Maint. & Rep. Operations - Meters Exchanges	107,734	250,000		142,266	43.09%
1-04-4270-300	Telecommunication - Other	3,975	4,000		25	99.36%
1-04-4300-100	Testing - Regulatory Compliance	407	20,000		19,594	2.03%
1-04-4300-200	Testing - Large Meters	8,719	12,500		3,781	69.75%
1-04-4300-300	Testing - Edison Testing	7,900	30,000		22,100	26.33%
1-04-5070-009	Groundwater Adjudication-Pumping Assessment	13,848	50,000		36,152	27.70%
1-04-6000-000	Waste Disposal	8,163	20,000		11,837	40.81%
1-04-6100-100	Fuel and Lube - Vehicle	72,320	105,000		32,680	68.88%
1-04-6100-200	Fuel and Lube - Machinery	10,810	40,000		29,190	27.02%
1-04-6200-000	Uniforms	12,453	28,000		15,547	44.48%
1-04-6300-100	Supplies - General	56,634	47,500		(9,134)	119.23%
1-04-6300-200	Supplies - Hypo Generators	2,440	7,500		5,060	32.53%
1-04-6300-300	Supplies - Electrical	-	3,000		3,000	0.00%
1-04-6300-400	Supplies - Telemetry	309	5,000		4,691	6.19%
1-04-6300-800	Supplies - Construction Materials	20,932	35,000		14,068	59.81%
1-04-6400-000	Tools	38,579	52,000		13,421	74.19%
1-04-6450-000	Equipment**	27,169	117,500	(72,000)	18,331	59.71%
1-04-7000-100	Leases -Equipment	8,607	15,000		6,393	57.38%
1-04-7000-100	Leases -Vehicles	51,269	70,000		18,731	73.24%
	Subtotal Operating Expenses	$ 2,172,409	$ 3,912,500	$ (72,000)	$ 1,668,091	56.57%
	Total Departmental Expenses	$ 4,056,551	$ 7,091,750	$ (72,000)	$ 2,963,199	57.79%

** Budget adjustment by Board action 08/13/18

Palmdale Water District
2018 Operation Budget
For the Seven Months Ending Tuesday, July 31, 2018

		YTD ACTUAL 2018	ORIGINAL BUDGET 2018	ADJUSTMENTS 2018	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:						
1-05-4000-000	Salaries	$ 675,630	$ 937,750		$ 262,120	72.05%
1-05-4000-100	Overtime	58,741	60,000		1,259	97.90%
	Subtotal (Salaries)	$ 734,371	$ 997,750	$ -	$ 263,379	73.60%
Employee Benefits						
1-05-4005-000	Payroll Taxes	56,926	68,750		11,824	82.80%
1-05-4010-000	Health Insurance	99,511	159,250		59,739	62.49%
1-05-4015-000	PERS	58,553	121,500		62,947	48.19%
	Subtotal (Benefits)	$ 214,990	$ 349,500	$ -	$ 134,510	61.51%
	Total Personnel Expenses	$ 949,361	$ 1,347,250	$ -	$ 397,889	70.47%
OPERATING EXPENSES:						
1-05-4050-000	Staff Travel	$ 1,742	$ 2,500		$ 758	69.69%
1-05-4060-000	Staff Conferences & Seminars	-	2,500		2,500	0.00%
1-05-4155-000	Contracted Services	73,151	89,970		16,819	81.31%
1-05-4175-000	Permits	60,928	66,287		5,359	91.92%
1-05-4215-200	Natural Gas - WTP	801	3,000		2,199	26.71%
1-05-4220-200	Electricity - WTP	91,559	290,000		198,441	31.57%
1-05-4230-110	Maint. & Rep. - Office Equipment*	4,484	500	5,000	1,016	81.53%
1-05-4235-110	Maint. & Rep. Operations - Equipment	10,466	20,000		9,534	52.33%
1-05-4235-410	Maint. & Rep. Operations - Shop Bldgs	2,226	6,000		3,774	37.10%
1-05-4235-415	Maint. & Rep. Operations - Facilities*	18,957	86,000	(5,000)	62,043	23.40%
1-05-4235-450	Maint. & Rep. Operations - Hypo Generator	53,162	65,000		11,838	81.79%
1-05-4235-500	Maint. & Rep. Operations - Wind Turbine	3,479	10,000		6,521	34.79%
1-05-4236-000	Palmdale Lake Management	5,770	100,000		94,230	5.77%
1-05-6000-000	Waste Disposal	2,044	20,000		17,956	10.22%
1-05-6200-000	Uniforms	8,071	16,000		7,929	50.45%
1-05-6300-100	Supplies - General	9,660	15,000		5,340	64.40%
1-05-6300-600	Supplies - Lab	38,679	52,000		13,321	74.38%
1-05-6300-700	Outside Lab Work	45,445	71,000		25,555	64.01%
1-05-6400-000	Tools	3,011	6,000		2,989	50.18%
1-05-6500-000	Chemicals	608,927	760,000		151,073	80.12%
1-05-7000-100	Leases -Equipment	2,442	3,000		558	81.40%
	Subtotal Operating Expenses	$ 1,045,005	$ 1,684,757	$ -	$ 639,752	62.03%
	Total Departmental Expenses	$ 1,994,367	$ 3,032,007	$ -	$ 1,037,640	65.78%

* Budget adjustments by General Manager per Appendix A

Palmdale Water District
2018 Finance Budget
For the Seven Months Ending Tuesday, July 31, 2018

	YTD ACTUAL 2018	ORIGINAL BUDGET 2018	ADJUSTMENTS 2018	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-06-4000-000 Salaries	$ 409,279	$ 697,500		$ 288,221	58.68%
1-06-4000-100 Overtime	362	3,000		2,638	12.06%
Subtotal (Salaries)	$ 409,640	$ 700,500	$ -	$ 290,860	58.48%
Employee Benefits					
1-06-4005-000 Payroll Taxes	28,902	53,250		24,348	54.28%
1-06-4010-000 Health Insurance	66,687	99,250		32,563	67.19%
1-06-4015-000 PERS	40,846	94,750		53,904	43.11%
Subtotal (Benefits)	$ 136,434	$ 247,250	$ -	$ 110,816	55.18%
Total Personnel Expenses	$ 546,075	$ 947,750	$ -	$ 401,675	57.62%
OPERATING EXPENSES:					
1-06-4050-000 Staff Travel	$ 1,058	$ -		$ (1,058)	
1-06-4060-000 Staff Conferences & Seminars	75	-		(75)	
1-06-4155-000 Contracted Services	8,435	7,500		(935)	112.47%
1-06-4155-100 Contracted Services - Infosend	158,076	280,000		121,924	56.46%
1-06-4165-000 Memberships/Subscriptions	110	500		390	22.00%
1-06-4230-110 Maintenance & Repair - Office Equipment	-	500		500	0.00%
1-06-4250-000 General Material & Supplies	-	3,000		3,000	0.00%
1-06-4260-000 Business Forms	421	4,000		3,579	10.53%
1-06-4270-100 Telecommunication - Office	19,589	25,000		5,411	78.35%
1-06-4270-200 Telecommunication - Cellular Stipend	11,595	20,000		8,405	57.98%
1-06-7000-100 Leases - Equipment	1,876	3,000		1,124	62.53%
Subtotal Operating Expenses	$ 201,236	$ 343,500	$ -	$ 143,398	58.58%
Total Departmental Expenses	$ 747,311	$ 1,291,250	$ -	$ 545,073	57.87%

Palmdale Water District
2018 Water Conservation Budget
For the Seven Months Ending Tuesday, July 31, 2018

	YTD ACTUAL 2018	ORIGINAL BUDGET 2018	ADJUSTMENTS 2018	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-07-4000-000 Salaries	$ 88,942	$ 148,000		$ 59,058	60.10%
1-07-4000-100 Overtime	1,307	2,500		1,193	52.28%
Subtotal (Salaries)	$ 90,249	$ 150,500		$ 60,251	59.97%
Employee Benefits					
1-07-4005-000 Payroll Taxes	7,201	12,250		5,049	58.78%
1-07-4010-000 Health Insurance	23,405	40,250		16,845	58.15%
1-07-4015-000 PERS	9,728	20,000		10,272	48.64%
Subtotal (Benefits)	$ 40,334	$ 72,500	$ -	$ 32,166	55.63%
Total Personnel Expenses	$ 130,583	$ 223,000	$ -	$ 91,224	58.56%
OPERATING EXPENSES:					
1-07-4050-000 Staff Travel	$ 955	$ 2,000		$ 1,045	47.77%
1-07-4060-000 Staff Confrences & Seminar	910	3,000		2,090	30.33%
1-07-4190-300 Public Relations - Landscape Workshop/Training	54	5,000		4,946	1.08%
1-07-4190-400 Public Relations - Contests	536	2,000		1,464	26.82%
1-07-4190-500 Public Relations - Education Programs	399	53,000		52,601	0.75%
1-07-4190-900 Public Relations - Other	2,312	5,000		2,688	46.23%
1-07-6300-100 Supplies - Misc.	336	7,000		6,664	4.79%
Subtotal Operating Expenses	$ 5,502	$ 77,000	$ -	$ 71,498	7.14%
Total Departmental Expenses	$ 136,085	$ 300,000	$ -	$ 162,722	45.36%

Palmdale Water District
2018 Human Resources Budget
For the Seven Months Ending Tuesday, July 31, 2018

	YTD ACTUAL 2018	ORIGINAL BUDGET 2018	ADJUSTMENTS 2018	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-08-4000-000 Salaries	$ 117,838	$ 220,000		$ 102,162	53.56%
1-08-4000-100 Salaries - Overtime	449	-		(449)	
Subtotal (Salaries)	$ 118,287	$ 220,000	$ -	$ 101,713	53.77%
Employee Benefits					
1-08-4005-000 Payroll Taxes	9,220	16,750		7,530	55.05%
1-08-4010-000 Health Insurance	15,548	21,000		5,452	74.04%
1-08-4015-000 PERS	9,970	21,000		11,030	47.48%
Subtotal (Benefits)	$ 34,738	$ 58,750	$ -	$ 24,012	59.13%
Total Personnel Expenses	$ 153,025	$ 278,750	$ -	$ 125,725	54.90%
OPERATING EXPENSES:					
1-08-4050-000 Staff Travel	$ 109	$ 1,500		$ 1,391	7.29%
1-08-4060-000 Staff Conferences & Seminars	-	1,500		1,500	0.00%
1-08-4070-000 Employee Expense	49,385	50,000		615	98.77%
1-08-4080-000 Succession Planning	-	200,000		200,000	0.00%
1-08-4090-000 Temporary Staffing	10,391	-		(10,391)	
1-08-4095-000 Employee Recruitment	9,490	3,000		(6,490)	316.33%
1-08-4100-000 Employee Retention	9,979	5,000		(4,979)	199.58%
1-08-4105-000 Employee Relations	2,270	3,500		1,230	64.86%
1-08-4120-100 Training-Safety	28,803	35,000		6,197	82.30%
1-08-4120-200 Training-Speciality	14,060	15,000		940	93.74%
1-08-4121-000 Safety Program	785	1,000		215	78.50%
1-08-4165-000 Membership/Subscriptions	1,003	1,600		597	62.69%
1-08-4165-100 HR/Safety Publications	263	1,000		737	26.35%
1-08-6300-500 Supplies - Safety	20,963	40,000		19,037	52.41%
Subtotal Operating Expenses	$ 147,502	$ 358,100	$ -	$ 210,598	41.19%
Total Departmental Expenses	$ 300,527	$ 636,850	$ -	$ 336,323	47.19%

Palmdale Water District
2018 Information Technology Budget
For the Seven Months Ending Tuesday, July 31, 2018

	YTD ACTUAL 2018	ORIGINAL BUDGET 2018	ADJUSTMENTS 2018	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-09-4000-000 Salaries	$ 115,979	$ 180,000		$ 64,021	64.43%
1-09-4000-100 Overtime	327	2,500		2,173	13.07%
Subtotal (Salaries)	$ 116,306	$ 182,500		$ 66,194	63.73%
Employee Benefits					
1-09-4005-000 Payroll Taxes	8,850	13,750		4,900	64.36%
1-09-4010-000 Health Insurance	17,137	30,250		13,113	56.65%
1-09-4015-000 PERS	10,686	23,250		12,564	45.96%
Subtotal (Benefits)	$ 36,674	$ 67,250	$ -	$ 30,576	54.53%
Total Personnel Expenses	$ 152,979	$ 249,750	$ -	$ 94,597	61.25%
OPERATING EXPENSES:					
1-09-4050-000 Staff Travel	$ 1,323	$ 3,000		$ 1,677	44.11%
1-09-4060-000 Staff Confrences & Seminars	5,500	10,000		4,500	55.00%
1-09-4155-000 Contracted Services	97,697	165,000		67,303	59.21%
1-09-4165-000 Memberships/Subscriptions	200	2,500		2,300	8.00%
1-09-4270-000 Telecommunications	54,176	98,500		44,324	55.00%
1-09-8000-100 Computer Equipment - Computers	33,373	45,000		11,627	74.16%
1-09-8000-200 Computer Equipment - Laptops	8,973	45,000		36,027	19.94%
1-09-8000-300 Computer Equipment - Monitors	2,130	2,000		(130)	106.51%
1-09-8000-500 Computer Equipment - Toner Cartridges	3,299	3,000		(299)	109.97%
1-09-8000-550 Computer Equipment - Telephony	-	3,000		3,000	0.00%
1-09-8000-600 Computer Equipment - Other	8,667	40,000		31,333	21.67%
1-09-8000-650 Computer Equipment - Warranty & Support	7,555	10,000		2,445	75.55%
1-09-8100-100 Computer Software - Maint. and Support	63,488	139,600		76,112	45.48%
1-09-8100-150 Computer Software - Dynamics GP Support	1,587	60,000		58,413	2.64%
1-09-8100-200 Computer Software - Software and Upgrades	6,053	20,000		13,947	30.27%
Subtotal Operating Expenses	$ 294,022	$ 646,600	$ -	$ 352,578	45.47%
Total Departmental Expenses	$ 447,001	$ 896,350	$ -	$ 447,176	49.87%

Palmdale Water District
2018 Customer Care Budget
For the Seven Months Ending Tuesday, July 31, 2018

	YTD ACTUAL 2018	ORIGINAL BUDGET 2018	ADJUSTMENTS 2018	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-10-4000-000 Salaries	$ 536,453	$ 897,000		$ 360,547	59.81%
1-10-4000-100 Overtime	4,109	7,500		3,391	54.79%
Subtotal (Salaries)	$ 540,562	$ 904,500	$ -	$ 363,938	59.76%
Employee Benefits					
1-10-4005-000 Payroll Taxes	40,358	68,500		28,142	58.92%
1-10-4010-000 Health Insurance	132,696	181,500		48,804	73.11%
1-10-4015-000 PERS	54,875	121,500		66,625	45.16%
Subtotal (Benefits)	$ 227,929	$ 371,500	$ -	$ 143,571	61.35%
Total Personnel Expenses	$ 768,490	$ 1,276,000	$ -	$ 507,510	60.23%
OPERATING EXPENSES:					
1-10-4050-000 Staff Travel	$ 231	$ 2,000		$ 1,769	11.55%
1-10-4060-000 Staff Conferences & Seminars	75	3,000		2,925	2.50%
1-10-4155-000 Contracted Services	9,776	22,000		12,224	44.44%
1-10-4230-110 Maintenance & Repair-Office Equipment	-	200		200	0.00%
1-10-4250-000 General Material & Supplies	5,281	7,000		1,719	75.44%
1-10-4260-000 Business Forms	-	2,500		2,500	0.00%
Subtotal Operating Expenses	$ 15,363	$ 36,700	$ -	$ 21,337	41.86%
Total Departmental Expenses	$ 783,853	$ 1,312,700	$ -	$ 528,847	59.71%

Updated: 9/12/2018

AGENDA ITEM NO. 4.4

Palmdale Water District

2018 Capital Projects - Contractual Commitments and Needs

New and Replacement Capital Projects

Budget Year	Project	Project Title	Project Type	Estimated Expense	Contractor	Approved Contract Amount	Board / Manager Approval	Payments Approved to Date	Contract Balance	Through Dec. 2017	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2018 Total	2019 Carryover
2017	12-400	PRGRRP - Construction of Monitoring Wells / Test Basin	Water Supply		Environmental Const.	427,490	04/26/2017	491,404	(63,914)	259,212	70,076	84,299	-	77,818	-	-	-	-	-	-	-	-	232,192	
2017	12-400	PRGRRP - Construction of Monitoring Wells / Test Basin - Auxiliary Items	Water Supply		Various Vendors			74,171	-	-	42,414	8,374	4,697	18,686	-	-	-	-	-	-	-	-	74,171	
2017	16-607	Clearwell - Booster #2 & #3 - Replacement	Replacement Cap.		Best Drilling & Pump, Inc.	114,295		139,137	(24,842)	119,223	-	-	-	-	-	-	-	*19,915*	-	-	-	-	19,915	
2017	15-614	WTP - Drainage Improvements	New Capital	80,000				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2017	16-605	WTP - Additional Brine Tank/Salt Silo	New Capital	90,000				11,476	-	-	-	-	-	-	-	-	11,476	-	-	-	-	-	11,476	
2017	16-611	CL2 Monitoring @ Well Sites	Regulatory	110,000				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2017	15-611	WM Replacement - Camares & Avenue S14 (Spec 1502)	Replacement Cap.	110,000				1,310	-	-	-	-	-	-	-	-	1,310	-	-	-	-	-	1,310	
2017	16-411	6MG Clearwell - Piping Replacement	Replacement Cap.					-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2017	16-608	Ave. Q-1, Q-2, Q-3, Q-4, and Q-5 @ 5th St. E. Water Main Repl. (Spec 1603)	Replacement Cap.	25,000				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2017	17-610	WTP - 30" Effluent Flow Meter	Replacement Cap.		Various Vendors			30,358	-	-	-	30,358	-	-	-	-	-	-	-	-	-	-	30,358	
2017	17-611	Well 6 - Emergency Repair & Rehabilitation	Replacement Cap.					50,730	-	-	-	-	-	7,743	-	-	42,988	-	-	-	-	-	50,730	
2017	17-612	WTP Emergency Repairs - Wash Pump	Replacement Cap.		Various Vendors			12,785	-	-	-	12,785	-	-	-	-	-	-	-	-	-	-	12,785	
2017	17-613	Avenue T8 Booster #2 - Emergency Repair	Replacement Cap.		Best Drilling & Pump, Inc.			36,540	-	-	36,540	-	-	-	-	-	-	-	-	-	-	-	36,540	
2017	17-600	Entry Buildings @ Filter and GAC Pipe Gallery Entrance	Safety	28,500				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2018	18-601	6MG Clearwell - Curtain Repairs	General Project	94,000	Garrett Paint & Sndblsting			85,169	-	-	32,740	52,429	-	-	-	-	-	-	-	-	-	-	85,169	
2018	12-611	WM Replacement - Avenue P8/20th	Replacement Cap.	410,000				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2018	15-613	WM Replacement - Avenue V5 (Spec 1504)	Replacement Cap.	45,000				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2018	16-602	WM Replacement - Avenue P & 25th ST (Spec 1601)	Replacement Cap.	152,000				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2018	17-602	WM Replacement - 13th ST E/Avenue R (Spec 1703)	Replacement Cap.	170,000				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2018	18-602	Well 7 - Rehabilitation	Replacement Cap.	180,000				24,111	-	-	-	-	-	-	-	-	24,111	-	-	-	-	-	24,111	
2018	18-603	Well 29 - Rehabilitation	Replacement Cap.	65,000				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2018	18-604	Well 35 - Rehabilitation	Replacement Cap.	75,000				50,251	-	-	-	-	-	-	-	50,251	-	-	-	-	-	-	50,251	
2018	18-605	Well 14 - Rehabilitation	Replacement Cap.					14,568	-	-	-	-	-	-	-	-	14,568	-	-	-	-	-	14,568	
2018	18-606	45th ST Tank Site - Altitude Valve Replacement	Replacement Cap.	70,000				72,141	-	-	-	-	6,752	50,850	14,539	-	-	-	-	-	-	-	72,141	
2018	18-607	Well 14 Tank - Repair & Renovation	Replacement Cap.					78,660	-	-	-	-	-	-	47,640	31,020	-	-	-	-	-	-	78,660	
2018	16-410	PRV Replacement - 25th ST/Avenue S	Replacement Equip.	13,333				782	-	-	-	-	93	689	-	-	-	-	-	-	-	-	782	
2018	17-408	Replace PRV - 47th & Stargazer	Replacement Equip.					-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2018	17-608	Replace PRV - Avenue S14/Camares	Replacement Equip.					-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2018	18-608	Wells 3 & 7 - Brine Tank Installation	Replacement Equip.	65,000				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2018	18-609	WTP Replacement Sodium Hypochrite Unit	Replacement Cap.	68,000	DeNora Water Tech			68,290	-	-	-	-	-	-	-	68,290	-	-	-	-	-	-	68,290	
2018	18-610	3MG Booster Pump - 850 E Avenue S	Replacement Equip.					9,292	-	-	-	-	-	-	-	280	9,012	-	-	-	-	-	9,292	
2018	18-404	Well 5 - R&R Site & Booster #3	General Project					11,521	-	-	-	-	-	5,720	5,455	346	-	-	-	-	-	-	11,521	
2018	18-408	Water Meter Replacement Program (Qty. 3,400)	Replacement Cap.	550,000				281,764	-	-	-	-	-	-	-	-	281,764	-	-	-	-	-	281,764	
2018	18-411	Palmdale Lake Cleanup	General Project					79,379	-	-	-	-	-	-	26,000	28,379	25,000	-	-	-	-	-	79,379	
2018	18-612	Renovation to Office Bldg- WTP	General Project					11,000	-	-	-	-	-	-	-	-	11,000	-	-	-	-	-	11,000	
2018	Various	Vault & Meter Rehabilitation Projects (Through-out District)	Replacement Cap.		Various Vendors			32,927	-	-	-	644	8,250	23,481	-	552	-	-	-	-	-	-	32,927	
2018		45th ST - Booster #3	Replacement Cap.	23,000				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2018		Well 3 - Booster	Replacement Cap.	15,000				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2018		Well 14 - Booster	Replacement Cap.	8,000				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2018		Ave. P-12, Division, 2nd, 3rd, Stanridge Water Main Repl.	Replacement Cap.	750,000				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2018		Sierra Hwy. Tie-In and Abandonment	Replacement Cap.	15,000				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2018		Ave. Q-14 and 17th Street East Water Main Replacement	Replacement Cap.	45,000				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2018		Ave. Q-10 and 12th Street East Water Main Replacement	Replacement Cap.	15,000				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2018		Protective Coatings on WTP Structures	Replacement Cap.	100,000				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2018		WTP Infrastructure and Process/Equipment Repairs	Replacement Cap.	75,000				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2018		PRV Replacements 37th St; 40th St	Replacement Equip.	26,667				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2018		Altitude Valve - 25th St East (Body Only)	Replacement Equip.	22,000				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2018		Littlerock - Insertion Mag Meter	Replacement Equip.	32,000				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2018		T-8 Booster Station Pump Skids	Replacement Equip.	35,000				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2018		Intellispark @ Well 11 & 15	Replacement Equip.	13,000				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2019		Parking Lot Resurfacing	Replacement Cap.	110,000				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2018-2020		Replacement of Structural Support Beams - WTP Sed. Basins	Replacement Cap.	300,000				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
								-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
								-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
								-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
								-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2018		Ancillary costs related to all project over and above the main contractor			Various Vendors			4,848		-	182	1,330	3,336	-	-	-	-	-	-	-	-	-	4,848	
			Sub-Totals:	3,985,500		541,785		1,672,614	(88,757)	378,435	181,952	190,218	23,128	184,986	93,634	179,118	421,229	19,915	-	-	-	-	1,294,180	-

Updated: 9/12/2018

Palmdale Water District

2018 Capital Projects - Contractual Commitments and Needs

Consulting and Engineering Support

Budget Year	Project	Project Title	Project Type	Estimated Expense	Contractor	Approved Contract Amount	Board / Manager Approval	Payments Approved to Date	Contract Balance	Through Dec. 2017	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2018 Total	2019 Carryover
2017	12-400	PRGRRP - CEQA, Permitting, Pre-Design, and Pilot	Water Supply		Kennedy/Jenks	1,627,000	05/12/2016	1,516,389	110,611	1,516,389	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Paid by General Fund			Kennedy/Jenks			338,999	-	-	-	115,024	26,385	42,476	104,239	28,083	22,792	-	-	-	-	-	338,999	
2017	14-603	Upper Amargosa Recharge Project	Water Supply		City of Palmdale	1,250,000	12/04/2013	129,215	1,120,785	129,215	-	-	-	-	-	-	-	-	-	-	-	-	-	
2017	04-501	Littlerock Sediment Removal Project (EIR/EIS/Permitting)	Water Supply		Aspen	869,023	09/14/2016	841,883	27,140	841,883	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Paid by General Fund			Aspen			244,401	-	65,154	7,353	5,146	2,613	4,825	52,790	-	106,519	-	-	-	-	-	179,247	
2017	04-501	Littlerock Sediment Removal (Cost Recovery Agreement)	Permitting		Forest Service	100,000	04/26/2017	100,000	-	100,000	-	-	-	-	-	-	-	-	-	-	-	-	-	
2017	04-501	Littlerock Sediment Removal Project - Design Grade Control Structure	Water Supply	350,000		-		146,954	-	-	26,210	32,887	33,873	53,984	-	-	-	-	-	-	-	-	146,954	
2017	14-404	Water System Master Plan - CEQA	Facilities Planning		ESA	174,715	11/09/2016	184,911	(10,196)	137,179	-	-	2,333	3,651	19,835	5,505	16,409	-	-	-	-	-	47,732	
2017	17-405	WTP Process Evaluation (As-Needed)	Regulatory		Carollo	35,000	01/11/2017	38,500	(3,500)	35,000	-	3,500	-	-	-	-	-	-	-	-	-	-	3,500	
2017	17-410	Sanitary Survey Update	Regulatory	50,000	Black & Veatch	49,773	07/26/2017	75,890	(26,117)	42,127	26,115	7,648	-	-	-	-	-	-	-	-	-	-	33,763	
2017	04-501	Littlerock Sediment Removal Project - State Permits	Permitting	152,000		-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2018	18-402	Emergency Action Plan	Planning	175,000	Black & Veatch	-		85,278	-	-	-	-	-	-	-	-	85,278	-	-	-	-	-	85,278	
2018		System Valuation Study	Financial Planning	30,000		-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2018		Electrical Engineering (As-Needed)	Facilities Design	10,000		-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2018		Energy Storage - Feasibility and Pilot Study	Savings/Efficiency	50,000		-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
						-		-	-														-	
		Sub-Totals:		817,000		4,105,511		3,702,420	1,218,723	2,866,947	59,679	164,204	65,204	104,936	176,864	33,587	230,998	-	-	-	-	-	835,472	-

New and Replacement Equipment

Budget Year	Project	Project Title	Project Type	Estimated Expense	Contractor	Approved Contract Amount	Board / Manager Approval	Payments Approved to Date	Contract Balance	Through Dec. 2017	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2018 Total	2019 Carryover
2017	17-609	Increased Data Storage to Support CMS and Growth (Paid by General Fund - Final)	New Equipment			31,650	01/26/2017	31,650	0	-	31,650	-	-	-	-	-	-	-	-	-	-	-	31,650	
2018	18-600	Replacement Backhoe	Replacement Equip.	80,000	Quinn Company	80,000		85,457	(5,457)	-	85,457	-	-	-	-	-	-	-	-	-	-	-	85,457	
2018	17-402	WTP - Security Improvements - Additional Cameras (Blind Spots) Spec. No. 1702	Safety		Siemens	20,000		-	20,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2018	18-405	Replace and Upgrade VMWare Servers (EOL)	Replacement Equip.					72,221	-	-	-	-	-	58,055	-	14,166	-	-	-	-	-	-	72,221	
2018		Redesign VMWare Network (TruePoint)	Replacement Equip.					-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2018		Replace Firewall and VPN Appliances (EOL)	Replacement Equip.					-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2018		Upgrade Microsoft GP & SQL Databases	Replacement Equip.					-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2018		Water Meter Calibration Bench	New Equipment	10,000		-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2018		Online Forms (Add-In Functionality)	New Equipment	5,000		-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2018		Customer Texting / Mass Communication	New Equipment	15,000		-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2018		Conference Bridge - Shoretel	New Equipment	25,000		-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2018		Data Center UPS - Whole Room UPS	New Equipment	25,000		-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
						-		-	-														-	
		Sub-Totals:		160,000		131,650		189,328	14,543	-	117,107	-	-	58,055	-	14,166	-	-	-	-	-	-	189,328	-

Water Quality Fee Funded Projects

Budget Year	Work Order	Project Title	Project Type	Estimated Expense	Vendor/Supplier	Approved Contract Amount	Board / Manager Approval	Payments Approved to Date	Contract Balance	Through Dec. 2017	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2018 Total	2019 Carryover
2018	18-401	GAC Replacements @ WTP	Water Quality	640,000	Calgon Carbon	-	07/09/2014	1,047,438	-		-	169,477	-	-	179,669	-	-	*338,954*	*179,669*	*179,669*	*179,669*	*179,669*	1,406,776	
2018	18-401	GAC Replacement @ Underground Booster Station	Water Quality	40,000	Evoqua	-	03/10/2017	60,317	-		-	-	-	-	-	-	-	-	*60,317*	-	-	-	60,317	
											-	-	-	-	-	-	-	-	-	-	-	-	-	
		Sub-Totals:		680,000		-		1,107,755	-	-	-	169,477	-	-	179,669	-	-	338,954	239,986	179,669	179,669	179,669	1,467,093	-

= Projects that originated from 2013 WRB Funds

= Project had additional funding paid out by the general fund to complete.

= Project is now deemed complete with no further expense.

Project Summary (W/O GAC Included)	Totals	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2018 Total
Total Approved Contracts to Date	4,778,946													
Total Payments on Approved Contracts to Date	5,564,362													
Total Contract Balance to Date	1,144,509													
Non-Operating Capital Expenditures (Paid)		358,737	354,422	88,332	347,976	270,498	226,872	652,227	-	-	-	-	-	2,299,065
Non-Operating Capital Expenditures (Projected)	19,915	-	-	-	-	-	-	-	19,915	-	-	-	-	19,915
Funding Available Through Water Supply Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2018 Funding Through Budgeted Non-Operating Capital Ex.	2,318,980	358,737	354,422	88,332	347,976	270,498	226,872	652,227	19,915	-	-	-	-	2,318,980

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

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

DATE: September 13, 2018 **September 20, 2018**

TO: FINANCE COMMITTEE **Committee Meeting**

FROM: Michael Williams, Finance Manager/CFO

VIA: Mr. Dennis D. LaMoreaux, General Manager

RE: ***AGENDA ITEM NO. 4.5 – CONSIDERATION AND POSSIBLE ACTION ON RESOLUTION 18-10 BEING A RESOLUTION OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT ADOPTING A RESERVE POLICY***

Recommendation:

Staff recommends approving Resolution 18-10 Adopting a Reserve Policy and presenting to the Board of Directors for approval.

Alternative Options:

The alternative is to leave the current Reserve Policy from 2013 in effect.

Impact of Taking No Action:

The impact of taking no action would leave the current Reserve Policy, adopted in 2013, in effect.

Background:

The current Reserve Policy was adopted in 2013 by Resolution No. 13-13. That policy is outdated due to changes made in Capital Improvement Fees, Water Supply Connection Fees, the issuance of two water revenue bonds (2013A and 2018A), and Rate Stabilization Fund.

The new policy continues to include the dam self-insurance, operation and maintenance reserve, as well as operation and maintenance emergency reserve. Both call for three (3) months average cash operating expenses of $5.7 million.

This updated policy has been reviewed by legal counsel for content and format.

Strategic Plan Initiative/Mission Statement:

Strategic Plan Initiative No.4 - Financial Health & Stability: *Maintain adequate reserve levels*

This item directly relates to the District's Mission Statement.

Budget:

This item has no budget impact.

Supporting Documents:

- Resolution No. 18-10

RESOLUTION NO. 18-10

PALMDALE WATER DISTRICT'S RESERVE POLICY

WHEREAS, the Board of Directors recognizes the need to ensure that the District will have sufficient funding available to meet its operating, emergency capital, and debt service obligations.

WHEREAS, the Board of Directors recognizes the need for sound financial policies as stewards of our customers' funds.

WHEREAS, the Board of Directors recognizes the need for funds to be held in reserve for unanticipated and unforeseeable expenses.

WHEREAS, the Board of Directors recognizes the need to avoid significant water rate fluctuations.

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

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Palmdale Water District hereby rescinds the District's existing Reserve Policy (Resolution No. 13-13) and establishes the Palmdale Water District Reserve Policy as follows:

Legally Restricted Funds:

The Capital Improvement Fees, as modified by District Resolution No. 13-12, to consist of fee components allocated for infrastructure and for water supply, and Water Supply Connection Fees are subject to the requirements of the Mitigation Fee Act (AB 1600). These funds are deposited in the Capital Improvement Fund described below. The funds may not be used to support ongoing operations of the District. The District is legally required to account for these funds separately. An annual report is required to show balance forward, fees collected, income earned, expenditures, and future commitments. All funds collected must be committed or expended within five years of being collected or they must be refunded. Other legally restricted funds, including bond proceeds funds, reserve funds or rate stabilization funds, are described below.

1. *Capital Improvement Fund:*

PWD will maintain a capital improvement fund with fees collected from developers to pay for the new facilities necessary to deliver water service to newly developed property and to pay for the additional water supplies necessitated to meet the demand for water created by such newly developed property. These fees are for offsite improvements, such as the development's fair share cost of wells, reservoirs, transmission mains, treatment plant capacity, and other necessary facilities, as well as to pay for water supply acquisitions and projects associated with new water supplies

necessitated by new development. The fees are collected at rates established by the Board of Directors based upon specific engineering studies. The rates charged are based on a project's equivalent capacity unit (ECU) basis. These funds are restricted to the design and construction of capital facilities for water delivery, and as otherwise provided in Resolution No. 13-12 and in Appendix H to the District's Rules and Regulations.

2. Bond Proceeds Fund(s):

Bond proceeds fund(s) are monies derived from the proceeds of a bond issue or similar indebtedness like a private placement loan, certificate of participation or other indebtedness instrument. Typically, they consist of construction fund monies and a debt service reserve fund. The use of these proceeds is restricted by conditions set forth in the respective legal bond documents. These funds are usually held by the Trustee in favor of the bond holders. These funds should be tracked and accounted for in accordance with the bond documents and to ensure, if applicable, the tax-exempt nature of the applicable bonds. These funds shall also be invested as provided in the bond documents.

3. Debt Service Reserve Funds:

This fund is governed by legal bond covenants for the District's revenue bonds. Bond covenants may require that this fund be maintained at a level sufficient to fund maximum annual debt service payments or such other requirement of the Internal Revenue Code. These funds are held by the bond trustee during the term of the bonds and are to be used in the event the District is unable to meet its required semi-annual debt service obligation. Annual interest earnings on bond reserve funds shall be applied to each year's debt service payments or as otherwise required by the bond documents.

A Reserve Fund for the Palmdale Water District Public Financing Authority Water Revenue Bonds, Series 2013A (the"2013A Bonds") and the Palmdale Water District Public Financing Authority Water Revenue Refunding Bonds (the "2018A Bonds") is established pursuant to the Indentures for each of the bonds in an amount equal to the Reserve Requirement. Assured Guaranty Municipal Corp. ("AGM") has issued a municipal bond debt service reserve insurance policy in an amount equal to the initial Reserve Requirement for deposit in the Reserve Fund for the 2013A Bonds. Build America Mutual Assurance Company ("BAM") has issued a municipal bond debt service reserve insurance policy in an amount equal to the initial Reserve Requirement for deposit in the Reserve Fund for the 2018A Bonds.

4. Rate Stabilization Fund:

This fund is governed by legal bond covenants for the District's revenue bonds. The District may withdraw all or any portion of the amounts on deposit in the Rate Stabilization Fund and transfer such amounts to the Water Revenue Fund for application

in accordance with an Installment Purchase Agreement for each of the 2013A Bonds and the 2018A Bonds.

Board Designated Funds:

Board designated funds are set to accomplish systematic and strategic goals or provide for prudent management of operations. The Board of Directors has complete discretion in the management and designation of self-adopted funds. Such funds can be modified, transferred, or altered by Board action.

1. *Dam Self Insurance:*

The District shall make available $5 million for self-insurance of the Littlerock Dam as seed money for reconstruction under the terms of the agreement between Palmdale Water District, Littlerock Creek Irrigation District and Palmdale Water District Public Facilities Corporation. The money will be used to begin the reconstruction following an event during the time applications for FEMA reimbursement are in process following an event.

2. *O&M Operating Reserve:*

The O&M Operating Reserve will vary over time with a goal of maintaining three (3) months average cash operating expenses of $5.7 million. This reserve is considered a working cash requirement. It bridges the gap between the time expenses are paid and the time revenues from the same service are collected from customers.

3. *O&M Emergency Reserve:*

The O&M Emergency Reserve will vary over time with a goal of maintaining three (3) months average cash operating expenses of $5.7 million. This reserve is considered a working cash requirement for use in an emergency situation.

4. *Unrestricted Reserves:*

Unrestricted reserves represent a remainder balance of cash that is not yet designated for some use by the Board of Directors.

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

Each fiscal year budget will report on the status of the reserve over the previous year and budget for proposed sources and uses for each reserve.

PASSED AND ADOPTED by the Board of Directors of the Palmdale Water District at a regular meeting held on this _____ day of _____, 2018 by the following vote:

Ayes:

Noes:

Absent:

Abstain:

_____
President, Board of Directors

ATTEST:

_____
Secretary, Board of Directors

APPROVED AS TO FORM:

_____
Aleshire & Wynder, LLP

PALMDALE WATER DISTRICT

Debt Service Coverage ($000s)

Fiscal Year Ending September 30	Audited 2012	Audited 2013	Audited 2014	Audited 2015	Audited 2016	Audited 2017	Jun 2017 - May 2018	Jul 2017 - Jun 2018	Aug 2017 - Jul 2018
OPERATING REVENUES	22,597	24,125	23,342	21,248	22,587	23,693	24,322	24,363	24,401
Rate Stabilization Fund		(480)							
	22,597	23,645	23,342	21,248	22,587	23,693	24,322	24,363	24,401
OPERATING EXPENSES									
Gross operating expenses	22,216	20,665	22,405	20,974	22,704	23,054	21,245	21,820	22,038
Overhead adjustment	(43)	(217)	(509)	(26)	(153)	(46)			
SWP Fixed operations and maint	(915)	(720)	(363)	(126)	(126)	(26)	(23)	(23)	(23)
Non-Cash Related OPEB Expense	(1,565)	(1,455)	(1,786)	(1,828)	(1,872)	(1,384)			
Capital portion included above									
TOTAL EXPENSES	19,693	18,273	19,748	18,994	20,553	21,597	21,222	21,797	22,016
NET OPERATING REVENUES	2,904	5,372	3,594	2,254	2,033	2,096	3,100	2,566	2,386
NON-OPERATING REVENUE									
Ad valorem property taxes	1,704	2,573	2,132	2,146	2,189	2,289	1,889	2,374	2,380
Interest income	25	44	45	43	43	56	167	172	178
Capital improvement fees	1,258	245	14	367	235	1,021	103	107	61
Other income	843	421	306	768	403	363	340	294	297
TOTAL NON-OPERATING INCOME	3,830	3,284	2,497	3,324	2,870	3,730	2,500	2,947	2,916
NET REV AVAILABLE FOR DEBT SERVICE	6,734	8,655	6,091	5,578	4,903	5,826	5,599	5,512	5,302
NET DEBT SERVICE									
1998 Certificates of Participation	1,507								
2004A Certificates of Participation	2,127	1,373	1,373						
2012 Issue - Bank of Nevada				1,372	1,372	1,373	1,371	1,371	1,371
2013A Water Revenue Bond		2,247	2,344	2,350	2,350	2,351	2,344	2,344	2,344
2017 Capital Lease						89	89	89	89
2012 Capital Lease		190	190	190	190	48			
TOTAL DEBT SERVICE	3,634	3,810	3,908	3,912	3,912	3,861	3,804	3,804	3,804
DEBT SERVICE COVERAGE	**1.85**	**2.27**	**1.56**	**1.43**	**1.25**	**1.51**	**1.47**	**1.45**	**1.39**
NET REV AVAILABLE AFTER D/S	3,100	4,846	2,183	1,665	991	1,965	1,795	1,708	1,498

AGENDA ITEM NO. 5.1