

PALMDALE WATER DISTRICT

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LAGERLOF, SENECAL, GOSNEY & KRUSE LLP
Attorneys



Board of Directors

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Division 1

GORDON G. DEXTER
Division 2

GLORIA DIZMANG
Division 3

KATHY MAC LAREN
Division 4

STEVE R. CORDOVA
Division 5

June 6, 2013

*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, June 12, 2013

7:00 p.m.

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

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

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

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

- 1) Pledge of Allegiance.
- 2) Roll Call.
- 3) Adoption of Agenda.
- 4) Public comments for non-agenda items.
- 5) Presentations:
 - 5.1) No presentations scheduled.

- 6) Action Items - Consent Calendar (The public shall have an opportunity to comment on any action item as each item is considered by the Board of Directors prior to action being taken.)
 - 6.1) Approval of minutes of regular meeting held May 22, 2013.
 - 6.2) Payment of bills for June 12, 2013.
 - 6.3) Approval of Ernst & Young 2013/2014 State Water Project Audit Contract. (\$5,207.00 to \$6,509.00 – 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) Status report on Cash Flow Statement and Current Cash Balances as of April 30, 2013. (Financial Advisor Egan/Finance Committee)
 - 7.2) Status report on Financial Statements, Revenue and Expense and Departmental Budget Reports for April 30, 2013. (Finance Manager Williams/Finance Committee)
 - 7.3) Status report on committed contracts issued. (Engineering Manager Knudson/Finance Committee)
 - 7.4) Status report on Series 2013A issuance. (Financial Advisor Egan/Finance Manager Williams/Finance Committee)
 - 7.5) Consideration and possible action on lease for cell tower at Lower El Camino Tank Site. (Revenue \$28,800.00/year – Engineering Manager Knudson/Facilities Committee)
 - 7.6) Consideration and possible action on professional services agreement for engineering design services associated with the proposed water main replacement project in 10th Street East between Palmdale Boulevard and Avenue P under Specification No. 1207. (\$23,510.00 – 2013A Series Water Revenue Bond – Engineering Manager Knudson)
 - 7.7) Consideration and possible action on Community Presentations Policy as an amendment to the District's Rules and Regulations. (General Manager LaMoreaux/Outreach Committee)
 - 7.8) Consideration and possible action on establishment of District policy regarding contracting for legal services. (General Manager LaMoreaux/Legal Ad Hoc Committee)
 - 7.9) Consideration and possible action on the District's current legal services provided by Lagerlof, Senecal, Gosney & Kruse LLP. (General Manager LaMoreaux/Legal Ad Hoc Committee)
 - 7.10) Consideration and possible action on the establishment of Board norms and some working agreements. (Director Alvarado)

- 7.11) Consideration and possible action on Board and staff attendance at conferences, seminars, and training sessions as follows:
 - a) Esri International User Conference to be held July 8 – 12, 2013 in San Diego.
- 8) Information Items:
 - 8.1) Reports of Directors: Meetings, Committee meetings, and general report.
 - 8.2) Report of General Manager.
 - a) Palmdale Recycled Water Authority status.
 - b) District Plant Sale – June 22, 2013, 8:00 a.m. to 1:00 p.m.
 - 8.3) Report of Attorney.
- 9) Public comments on closed session agenda matters.
- 10) Closed session under:
 - 10.1) Government Code Section 54956.9(a), existing litigation: *Antelope Valley Ground Water Cases*.
 - 10.2) Government Code Section 54956.9(a), existing litigation: *United States, et al. v. J-M Manufacturing Company, Inc., et al., United States District Court for the Central District of California Case No. ED CV06-0055-GW*.
 - 10.3) Government Code Section 54956.9(a), pending litigation: *Central Delta Water Agency vs. Department of Water Resources, Sacramento Superior Court Case No. 34-2010-80000561*.
 - 10.4) Government Code Section 54956.9(a), pending litigation: *Velez v. City of Palmdale, et al, Los Angeles Superior Court Case No. MC023216*.
 - 10.5) Government Code Section 54956.9(a), pending litigation: *Miller v. Fairweather, et al, Los Angeles Superior Court Case No. MC023677*.
- 11) Public report of any action taken in closed session.
- 12) Board members' requests for future agenda items.
- 13) Adjournment.



DENNIS D. LaMOREAUX,
General Manager

DDL/dd

**PALMDALE WATER DISTRICT
BOARD MEMORANDUM**

DATE: June 5, 2013 **June 12, 2013**
TO: BOARD OF DIRECTORS **Board Meeting**
FROM: Mr. Dennis D. LaMoreaux, General Manager
RE: ***AGENDA ITEM NO. 6.3 – APPROVAL OF ERNST & YOUNG 2013/2014
STATE WATER PROJECT AUDIT CONTRACT***

Recommendation:

Staff recommends approval of the agreement with Ernst & Young for State Water Project auditing services for the fiscal year 2013/2014 in the not-to-exceed amount of \$6,509.00.

Background:

The Palmdale Water District is a member of the State Water Contractors Independent Audit Association (IAA) and has been involved in these auditing activities for a number of years. The IAA hires an accounting/auditing firm on an annual basis to review the billings and financial statements prepared by the Department of Water Resources for State Water Project costs. They recently issued an RFP for audit services and determined to continue these services with Ernst & Young based on their expertise and experience.

The cost to the District will range from \$5,207 to \$6,509 depending upon how many members of the IAA renew their agreement with Ernst & Young.

Strategic Plan Element:

Strategic Element 6.0 – Financial Management.

Budget:

The auditing services covered by this agreement are covered under Administration budget line item 1-02-4150-000 – Accounting Services.

Supporting Documents:

- Ernst & Young Agreement for FY 2013/2014



13846 Conference Center Drive ♦ Apple Valley, California 92307
Phone (760) 946-7000 ♦ Fax (760) 240-2642 ♦ www.mojavewater.org

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INDEPENDENT AUDIT ASSOCIATION

MEMORANDUM

Date: April 5, 2013
To: Members of the Independent Audit Association (IAA)
From: Kathy Cortner (Mojave Water Agency)
Subject: Ernst & Young 2013/2014 State Water Project Audit Contract – Recommended Approval and Execution

Enclosed is the 2013/2014 Audit Contract from Ernst & Young. Last year the IAA Working Group spent considerable time issuing an RFP for these audit services and evaluating the services we would like to see in an audit. At the conclusion, the IAA Working Group recommended the continuation of services with Ernst & Young, as they have the expertise and experience that is needed for the unique type of services requested.

As part of the process of revising the agreement with E&Y, the contract was streamlined so only the Statement of Work needs to be approved each year. The price included in the attached Statement of Work is also broken down into the billing amounts and periods, making it easier to track contractual payments.

Exhibit B (used to be Exhibit C) remains at \$50,000 and is only billed by Ernst & Young if additional work is reviewed and approved by the IAA. Exhibit C allows individual IAA Members to request Ernst & Young to undertake additional auditing services not included in the master contract.

The IAA Negotiating Committee recommends that the IAA Members approve and execute the Ernst & Young 2013/2014 Audit Contract.

Sincerely,

Kathy Cortner, CFO
Mojave Water Agency

CC: Rick Shunn, E&Y LLP

Statement of Work

This Statement of Work with the attached Exhibits, dated May 30, 2013 (this SOW) is made by Ernst & Young LLP ("we" or "EY") and Palmdale Water District on behalf of itself ("you" or "Client"), pursuant to the Agreement, dated May 30, 2013 (the Agreement), between EY and Palmdale Water District (the Agency).

Except as otherwise set forth in this SOW, this SOW incorporates by reference, and is deemed to be a part of, the Agreement. The additional terms and conditions of this SOW shall apply only to the advisory services covered by this SOW and not to services covered by any other Statement of Work pursuant to the Master Services Agreement (MSA) by and between EY and the Agency dated July 27, 2012. Capitalized terms used, but not otherwise defined, in this SOW shall have the meanings in the MSA, and references in the Agreement to "you" or "Client" shall be deemed references to you.

Scope of services

This SOW sets forth the terms and conditions on which EY will perform certain professional services as described in Exhibit A (the Services) for Agency, a member of the State Water Contractors Independent Audit Association (IAA), for the twelve months ending June 30, 2014. With the exception of paragraph 25, which is replaced in its entirety by the following:

Unless prohibited by applicable law, we may provide Client Information to other EY Firms (which are listed at www.ey.com) and EY Persons, as well as external third parties providing services on our or their behalf, who may collect, use, transfer, store or otherwise process (collectively, "Process") it in various jurisdictions in which they operate in order to facilitate performance of the Services, to comply with regulatory requirements, to check conflicts, to provide financial accounting and other administrative support services or for quality and risk management purposes. We shall be responsible to you for maintaining the confidentiality of Client Information, regardless of where or by whom such information is Processed on our behalf.

Any changes to the above scope of work will be agreed upon in writing and signed by both parties and will amend this original SOW.

The Services are advisory in nature and will not constitute an audit performed in accordance with Generally Accepted Accounting Principles. EY will perform the Services in accordance with the Statement of Standards for Consulting Services (CS100) of the American Institute for Certified Public Accountants (AICPA). As part of your review of the terms of this Agreement, please refer to the enclosed letter from Ms. Kathy Cortner of the IAA Audit Contract Negotiating Committee dated April 5, 2013.

Your specific obligations

You will not, and you will not permit others to, quote or refer to the Reports, any portion, summary or abstract thereof, or to EY or any other EY Firm, in any document filed or distributed in connection with (i) a purchase or sale of securities to which the United States or state securities laws (Securities Laws) are applicable, or (ii) periodic reporting obligations under Securities Laws. You will not contend that any provisions of Securities Laws could invalidate any provision of this agreement.

We also draw your attention to the reservations set out in paragraph 5 of the General Terms and Conditions of the MSA, as well as your management responsibilities under paragraph 6, your obligations under paragraphs 11 and 12, and your representation, as of the date hereof, under paragraph 26 thereof.

Specific additional terms and conditions

The Services are advisory in nature. EY will not render an assurance report or opinion under the Agreement, nor will the Services constitute an audit, review, examination, or other form of attestation as those terms are defined by the American Institute of Certified Public Accountants. None of the Services or any Reports will constitute any legal opinion or advice. We will not conduct a review to detect fraud or illegal acts. Notwithstanding anything to the contrary in the Agreement or this SOW, we do not assume any responsibility for any third-party products, programs or services, their performance or compliance with your specifications or otherwise.

We will base any comments or recommendations as to the functional or technical capabilities of any products in use or being considered by you solely on information provided by your vendors, directly or through you. We are not responsible for the completeness or accuracy of any such information or for confirming any of it.

Where our written consent under the MSA is required for you to disclose to a third party any of our Reports (other than Tax Advice), we will also require that third party to execute a letter substantially in the form of Exhibit D to this SOW. To the extent the Agency is permitted to disclose any written Report as set forth herein, it shall disclose such Report only in the original, complete and unaltered form provided by EY, with all restrictive legends and other agreements intact.

Unless prohibited by applicable law, we may provide Client Information to other EY firms, EY Persons and external third parties, who may collect, use, transfer, store or otherwise process such information in various jurisdictions in which they operate in order to provide support services to any EY Firm and/or assist in the performance of the Services.

After the Services under this SOW have been completed, we may disclose or present to prospective clients, or otherwise in our marketing materials, that we have performed the Services for you, and we may use your name solely for that purpose, in accordance with applicable professional obligations. In addition, we may use your name, trademark, service mark and logo as reasonably necessary to perform the Services and in correspondence, including proposals, from us to you.

You shall not, while we are performing the Services hereunder and for a period of 12 months after they are completed, solicit for employment, or hire, any EY personnel involved in the performance of the Services, provided, that you may generally advertise available positions and hire EY personnel who either respond to such advertisements or who come to you on their own initiative without direct or indirect encouragement from you.

The Agency shall, among other responsibilities with respect to the Services, (i) make all management decisions and perform all management functions, including applying independent business judgment to EY work products, making implementation decisions and determining further courses of action in connection with any Services; (ii) assign a competent employee within senior management to make all management decisions with respect to the Services, oversee the Services and evaluate their adequacy and

results; and (iii) accept responsibility for the implementation of the results or recommendations contained in the Reports or otherwise in connection with the Services. The Agency hereby confirms that management of the Agency accepts responsibility for the sufficiency of the Services. In performing the Services neither EY nor EY's partners or employees will act as an employee of the Agency.

The Agency represents and warrants to EY that the Agency's execution and delivery of this Agreement has been authorized by all requisite corporate or other applicable entity action and the person signing this Agreement is expressly authorized to execute it on behalf of, and to bind, the Agency.

The performance of the Services and the parties' obligations in connection therewith are subject to the additional terms and conditions set forth in the MSA.

It is understood that the Agency is not bound by our findings in any controversy or disagreement between the Agency and the Department of Water Resources should the Agency disagree with our findings.

We would also request that, if any IAA member discovers discrepancies in billings or other financial statements relative to their State Water Project costs, in addition to your working with the Department to correct the error, please notify EY for potential future inclusion as part of their procedures related to all IAA members.

Fees and billing

The General Terms and Conditions of the Agreement address our fees and expenses generally.

The total fees for these Services to be rendered to the Agency, as well as an allocation of the total fees for each member agency of the IAA, appear in Exhibits A and B attached (no procedures or fees have been allocated to Exhibit B in this contract). Our total fees pursuant to Exhibit A to be charged to all members of the IAA entering into agreements with us shall not exceed \$405,000 for the twelve months ending June 30, 2014. This agreement will not be effective unless, in addition to the Agency, a sufficient number of other IAA agencies enter into agreements with us for such Services whose combined allocated fee would represent not less than 80% of \$405,000 based on the 100% participation fee allocation (see column 2 at A-4). If all agencies who are presently participating in the Services rendered by our firm enter into agreements with us for this twelve-month period, the maximum fees for our Services to your Agency will not exceed \$5,207 for Exhibit A. However, if not all of the participating agencies enter into agreements with us for services during the twelve-month period ending June 30, 2014, the maximum fees to your Agency will vary between the above-mentioned amount and \$6,509, which represents the maximum fees should sufficient agencies enter into agreements with us with a combined allocated fee of not less than 80%, as stated above.

In addition to the maximum fees under Exhibit A, maximum fees under Exhibit B shall not exceed a total of \$50,000 or \$643 for the Agency unless agreed to by the IAA. As noted above, no procedures have been allocated to Exhibit B. Prior to any expenditures under Exhibit B, said work must be specifically requested in writing in advance of any work being performed. Areas of potential focus for Exhibit B projects could include procedures agreed to by EY and the IAA in advance related to one or more of the items identified in Exhibit A. In prior years Exhibit B special projects have included projects such as assessing implementation and billing issues relating to the new SAP-based Cost Allocation and

Repayment Analysis System (CARA), and studies to evaluate a pay-as-you-go system for funding conservation related operating costs incurred by the Department.

We have also included Exhibit C as part of this contract, which provides the opportunity for individual Contractors to enter into separate agreements for additional services with EY. There are currently no fees related to Exhibit C included herein.

The results of our procedures will include a presentation of our findings, observations and recommendations to be held in Sacramento, California for any interested Contractors. Any presentations requested at individual Contractor locations will be negotiated with the individual Contractor under Exhibit C and will be paid for by that Contractor.

Invoices for time and expenses will be billed monthly and are due 30 days from receipt.

In witness whereof, the parties have executed this SOW as of the date set forth above.

Palmdale Water District

Ernst & Young, LLP

Representative

Representative



Signature

Signature

Printed Name

Darin Carlsen

Printed Name

Title

Partner

Title

Address

Ernst & Young LLP
Suite 300
2901 Douglas Boulevard
Roseville, CA 95661

Address

Date

May 30, 2013

Date

EXHIBIT A

I. SCOPE OF ENGAGEMENT

- A-1 EY will work with the IAA, the State Water Contractors (SWC) Audit/Finance Committee, and any subcommittees thereof, and the Department of Water Resources (the Department) during the twelve months ending June 30, 2014 relating to matters currently being discussed between the SWC and the Department.

EY's Services to be rendered as described in this Exhibit shall be determined by the IAA at its discretion. These Services shall include:

1. Completion of the 2013/2014 procedures as outlined further below
2. Participation in all meetings of the SWC Audit/Finance Committee, which is a basic forum for communications between the State Water Project Contractors and the Department's staff on financial and accounting matters.
3. Cooperation with any subcommittees of the IAA assigned to study and resolve specific problem areas.
4. Review of reports and other documents prepared by the Department and disseminated at these meetings.
5. Provide an annual report setting forth the findings, comments, and recommendations related to our Services.

Report definitions

The assessment of Risk of Future Occurrence, included in the findings summary tables in the report, provides the IAA with a meaningful measurement of the likelihood of similar findings in subsequent years if this issue is not addressed by the appropriate parties. This assessment of Risk of Future Occurrence is based on knowledge obtained during discussions with Department of Water Resources personnel and performance of procedures under this Exhibit A. Below are the definitions used in the report of findings and recommendations for the twelve months ending June 30, 2014 and we concur with these definitions.

Risk of Future Occurrence:

- A. High – it is highly likely (or probable) that the error or process failure will be repeated
- B. Medium – it is more likely than not that the error or process failure will be repeated
- C. Low – it is possible that the error or process failure will be repeated

During the twelve months ending June 30, 2014, the Services will include the following procedures.

2013/2014 Procedures

The procedures for the fiscal year ended June 30, 2014 were designed using estimated budgeted hours of 3,000. We will perform all procedures included in items 1-6 below. We will perform the procedures in items 7-8 if time permits. As a part of these procedures, we will regularly meet with the IAA to discuss the progress under this engagement. We will also submit the Report to each agency setting forth the findings, observations, and recommendations related to our Services.

The following items represent the risks, risk factors, and procedures requested and determined by the Independent Audit Association (IAA) for the State Water Contractors (the Contractors) to be performed for the 2014 Statement of Charges (SOC) engagement:

Primary Procedures (Items 1-6)**1. New and Changed Master Data***Risks:*

- Incorrect allocation of costs (based on functional area selected).
- Incorrect recovery of costs (recovery determines Statement of Charges component).
- Incorrect funding source is used (capital fund versus operating funds).

Risk Factors:

- Lack of review by SWPAO.
- Potential impact (initial setup of master data determines posting of costs in future periods).
- Project Managers' possible lack of understanding of allocation cycle when allocating costs.
- Lack of communication between Project Manager and SWPAO.

Areas of Focus:

- Use SAP to determine functional areas created and changed in the current year.
- Determine how costs are being allocated among and recovered from Contractors.
- Based on activities being performed and the analysis of costs posted to IO or WBS, determine if functional area, recovery, and funding are appropriate.

2. Alpha Allocation Cycles*Risk:*

- Incorrect Contractor charged and/or incorrect allocation of costs between Contractors.

Risk Factors:

- Potential for outdated alpha cycles and/or project activities have changed.
- Potential impact (\$185 million allocated by alpha cycle for 2011).
- Project Managers possible lack of understanding of allocation cycle when choosing how project costs will be allocated.
- Lack of communication between Project Managers and SWPAO.
- Current changes/updates that are being made by DWR.

Areas of Focus:

- Examine all Cost Centers from SAP to determine which Cost Centers represent alpha costs centers.
- Select alpha cycles with the largest total annual costs for testing.
- Review costs being posted to selected alpha cost centers for reasonableness based on activities charged to the cost center through examination of invoices posted and discussions with the project managers, as necessary.
- Review the current year alpha standardization activity performed by the Department.

3. Delta Water Charge

Risk:

- Costs or credits in the Delta Water Charge may be inappropriate, incomplete or miscalculated.

Risk Factors:

- Calculation of the Delta Water Charge is a manual process.
- Reclassifications that occur can lead to double counting of costs.
- Magnitude of potential impact (Delta Water Charge represents large portion of costs).
- Charges highly impacted by future estimates which are subjective and judgmental.
- Misallocation of costs/credits between the Delta Water Charge and the Variable OMP&R.

Areas of Focus:

- Recalculate the Delta Water Rate used in the Statement of Charges.
- For prior year actual costs included in the calculation, compare costs in SAP to the Department's calculation and investigate variances over \$100K.
- Obtain an understanding of future estimates included in the calculation and perform appropriate procedures to test the reasonableness of such estimates.
- Test the Hyatt-Thermalito credit to the Delta Water Rate to ensure it is appropriate.

4. Bond Schedule Validation Testing

Risk:

- Bond schedules used by the Department do not reconcile to executive agreements (i.e., operating statements).
- Bond schedules do not reconcile to Contractor payments.

Risk Factors:

- Bond schedule creation is a manual process.
- Outdated schedules used by the Department.
- Bond repayments are not reflected in Department bond schedules.

Areas of Focus:

- Obtain bond schedules and reconcile to appropriate operating statements.
- Reconcile bond schedules retained at Fiscal to Department's schedules used in the Statement of Charges.

5. System Power Costs – Variable Transportation

Risk:

- Incorrect Contractor charged and/or incorrect allocation of costs between Contractors.

Risk Factors:

- Calculation of power allocation factors is a manual process.
- Contractors' total water deliveries, which are the basis of power usage, are preliminary amounts.
- Invoices are improperly allocated to system power costs.
- Lack of controls in reconciling information to SAP.
- Prior/current year costs are not "settled" until current/subsequent year(s).

Areas of Focus:

- Vouch power costs and power revenues from SAP greater than \$500K and test the appropriate classification of costs.
- Reconcile the 2012 PALPOC to UCABS-SAP. Recalculate appropriate inputs to the 2012 PALPOC (e.g., VORG credits, direct-to-plant transmission, etc.).
- Recalculate the 2012 calendar year power allocation factors used in UCABS-SAP to allocate net power costs.
- Recalculate the billed amounts for the transportation variable cost components for 2012 for the five Contractors selected (to be provided by the IAA).

6. Statement of Charges (SOC) Testing

Risk:

- Incorrect amounts billed to Contractors for each component by DWR.

Risk Factor:

- Statement of Charges do not reflect amounts billed by the Department causing incorrect billings during the charge year.

Areas of Focus:

- Determine that all SOC amounts are internally consistent and agree to the Bulletin 132-13 for five Contractors selected for testing (to be provided by the IAA).
- Agree the debt service amounts in the SOC Attachments to the appropriate debt service schedule.
- Test the BDCP charges added to the Contractors' minimum components.
- Comparison of the current year SOC Attachments to the prior year SOC Attachments.
- Reasonableness of manual adjustments.

Other Procedures (Items 7-8)

These procedures will only be performed as time permits after completion of items 1-6 above and consideration of the estimated 3,000 hour time budget.

7. Payment Testing

Risk:

- Contractor records do not reconcile to DWR records.

Risk Factors:

- Statement of Charges do not reflect actual payments received by the Department causing incorrect billings in future years.

Areas of Focus:

- Compare the 2012 payments for a sample of Contractors to DWR records.
- Investigate all variances.

8. Off-Aqueduct Power (OAP) Facilities Testing

Risk:

- Incorrect allocation of OAP costs billed to Contractors by DWR.

Risk Factor:

- OAP charges do not reflect expenses incurred or revenues recognized by the Department causing incorrect billings.
- Incorrect allocation factors result in improper allocation of OAP charges among the Contractors by the Department causing incorrect billings.
- Incorrect allocation of Reid Gardner Unit 4 Closure costs.
- Untimely submittal of prior/current year Reid Gardner Unit 4 costs by Nevada Energy.

Areas of Focus:

- Test the calculation used to allocate the 2011, 2012, and 2013 OAP facilities charges to Contractors.
- Verify that the appropriate billings and/or refunds have taken place (or were included as part of the Contractors' SOC) based on scheduled reallocation of OAP facility charges.
- Perform a reconciliation of costs per the Year-End Allocation of 2011 and Preliminary Year-End Allocation of 2012 OAP charges to SAP.

II. FEES FOR EY SERVICES

- A-2. Total fees for Exhibit A services performed by EY will not exceed \$405,000 (or 3,000 hours), including reasonable and necessary out-of-pocket expenses, which represent an estimated 3,000 hours to be incurred.

III. ALLOCATION OF FEES

- A-3. The maximum aggregate fee set forth in paragraph A-2 shall be apportioned among the agencies named in paragraph A-4 based on a basis consistent with prior years.

IV. MAXIMUM AGGREGATE FEE FOR EACH AGENCY

- A-4. The portion of the maximum aggregate fee set forth in paragraph A-2 applicable to each agency in conformity with the methodology set forth in paragraph A-3 is shown below:

| <u>Agency</u> | <u>Maximum fee for each agency, provided all agencies listed below enter into agreements with EY</u> | <u>Maximum fee for each agency, provided 80% of agencies listed below enter into agreements with EY</u> | <u>Percent of total</u> |
|---|--|---|-----------------------------|
| Alameda County Flood Control and Water Conservation District, Zone No. 7 | \$ 19,708 | \$ 24,635 | 4.9% |
| Alameda County Water District | 10,267 | 12,834 | 2.5 |
| Antelope Valley-East Kern Water Agency | 34,566 | 43,208 | 8.5 |
| Casitas Municipal Water District | 4,890 | 6,112 | 1.2 |
| Castaic Lake Water Agency | 23,272 | 29,090 | 5.7 |
| City of Yuba City | 2,347 | 2,934 | 0.6 |
| Coachella Valley Water District | 33,820 | 42,275 | 8.4 |
| County of Kings | 2,274 | 2,842 | 0.6 |
| Crestline-Lake Arrowhead Water Agency | 1,418 | 1,772 | 0.4 |
| Desert Water Agency | 13,628 | 17,035 | 3.4 |
| Dudley Ridge Water District | 12,307 | 15,384 | 3.0 |
| Empire West Side Irrigation District | 733 | 916 | 0.2 |
| Kern County Water Agency | 101,250 | 126,563 | 25.0 |
| Littlerock Creek Irrigation District | 562 | 702 | 0.1 |
| Mojave Water Agency | 20,241 | 25,301 | 5.0 |
| Napa County Flood Control and Water Conservation District | 7,095 | 8,869 | 1.8 |
| Palmdale Water District | 5,207 | 6,509 | 1.3 |
| San Bernardino Valley Municipal Water District | 25,081 | 31,351 | 6.2 |
| San Gabriel Valley Municipal Water District | 7,041 | 8,801 | 1.7 |
| San Geronio Pass Water Agency | 4,229 | 5,286 | 1.0 |
| San Luis Obispo County Flood Control and Water Conservation District | 6,111 | 7,639 | 1.5 |
| Santa Clara Valley Water District | 24,445 | 30,556 | 6.0 |
| Solano County Water Agency | 11,650 | 14,563 | 2.9 |
| Tulare Lake Basin Water Storage District | 21,738 | 27,173 | 5.4 |
| Santa Barbara County Flood Control and Water Conservation District | <u>11,120</u> | 13,900 | <u>2.7</u> |
| Total | <u>\$ 405,000</u> | | <u>100%</u> |

V. PAYMENT SCHEDULE

This is the payment schedule for the Agency.

| <u>July 31, 2013 Billing</u> | <u>August 31, 2013 Billing</u> | <u>September 30, 2013 Billing</u> | <u>October 31, 2013 Billing</u> | <u>November 30, 2013 Billing</u> | <u>Total Billing</u> |
|--------------------------------------|--|---|---|--|--------------------------|
| \$1,563 | \$1,041 | \$1,041 | \$1,041 | \$521 | \$5,207 |

EXHIBIT B

I. OTHER CONSULTING SERVICES

EY shall, during the twelve months ending June 30, 2014, perform other services if requested by the IAA. No such work shall be performed unless specifically authorized by the IAA in writing. Areas of potential focus for Exhibit B projects could include in depth procedures agreed to by EY and the IAA in advance related to one or more of the items identified in Exhibit A.

Total fees for such other consulting services shall 1) be agreed to prior to commencement of work, 2) be allocated among the agencies based on the same procedures included in the Exhibit A allocation, and 3) shall not exceed \$50,000, which represents an estimated 370 hours to be incurred, unless agreed to by the IAA, for the year ended June 30, 2014. Any part of the \$50,000 which is unused shall not be billed.

| Agency | Maximum fee for each agency, provided all agencies listed below enter into agreements with | Percent of total |
|--|--|---------------------|
| | EY | |
| Alameda County Flood Control and Water Conservation District, Zone No.7 | \$ 2,433 | 4.9% |
| Alameda County Water District | 1,268 | 2.5 |
| Antelope Valley-East Kern Water Agency | 4,267 | 8.5 |
| Casitas Municipal Water District | 604 | 1.2 |
| Castaic Lake Water Agency | 2,873 | 5.7 |
| City of Yuba City | 290 | 0.6 |
| Coachella Valley Water District | 4,175 | 8.4 |
| County of Kings | 281 | 0.6 |
| Crestline-Lake Arrowhead Water Agency | 175 | 0.4 |
| Desert Water Agency | 1,682 | 3.4 |
| Dudley Ridge Water District | 1,519 | 3.0 |
| Empire West Side Irrigation District | 91 | 0.2 |
| Kern County Water Agency | 12,500 | 25.0 |
| Littlerock Creek Irrigation District | 69 | 0.1 |
| Mojave Water Agency | 2,499 | 5.0 |
| Napa County Flood Control and Water Conservation District | 876 | 1.8 |
| Palmdale Water District | 643 | 1.3 |
| San Bernardino Valley Municipal Water District | 3,096 | 6.2 |
| San Gabriel Valley Municipal Water District | 869 | 1.7 |
| San Geronio Pass Water Agency | 522 | 1.0 |
| San Luis Obispo County Flood Control and Water Conservation District | 755 | 1.5 |
| Santa Clara Valley Water District | 3,018 | 6.0 |
| Solano County Water Agency | 1,438 | 2.9 |
| Tulare Lake Basin Water Storage District | 2,684 | 5.4 |
| Santa Barbara County Flood Control and Water Conservation District | 1,373 | 2.7 |
| Total | <u>\$ 50,000</u> | <u>100%</u> |

EXHIBIT C

I. INDIVIDUAL CONTRACTOR AGREEMENTS

EY may, during the twelve months ending June 30, 2014, perform other consulting services as requested by individual Contractors. These services will be performed and billed separately from the services outlined in Exhibits A and B.

The terms and conditions of any procedures performed under Exhibit C, including payment terms, will be outlined in a separate Statement of Work (SOW). These services, which will be agreed to by EY and the requesting Contractor in advance, will be documented in the example SOW attached to herein as Exhibit C-1. An Exhibit C-1 statement of work will be made available to any Contractor upon request. All other provisions of the Contractor's signed contract with EY for the twelve months ending June 30, 2014 will continue to be in effect.

Total fees for such other consulting services shall be agreed to with the individual Contractor prior to commencement of work. The fees for services provided under Exhibit C will be outside of those referenced in Exhibits A and B, and will be paid for directly by the requesting Contractor.

EXHIBIT C-1**Statement of Work**

This Statement of Work with the attached Exhibit, dated May 30, 2013 (this SOW) is made by Ernst & Young LLP ("we" or "EY") and Palmdale Water District on behalf of itself ("you" or "Client"), pursuant to the Agreement, dated May 30, 2013 (the Agreement), between EY and Palmdale Water District (the Agency).

Except as otherwise set forth in this SOW, this SOW incorporates by reference, and is deemed to be a part of, the Agreement. The additional terms and conditions of this SOW shall apply only to the advisory services covered by this SOW and not to services covered by any other Statement of Work pursuant to the Master Services Agreement (MSA) by and between EY and the Agency dated July 27, 2012. Capitalized terms used, but not otherwise defined, in this SOW shall have the meanings in the MSA, and references in the Agreement to "you" or "Client" shall be deemed references to you.

Scope of services

This SOW sets forth the terms and conditions on which EY will perform certain professional services as described [INSERT DEFINITION OF SERVICES] (the Services) for Agency, a member of the State Water Contractors Independent Audit Association (IAA), for the twelve months ending June 30, 2014. With the exception of paragraph 25 which is replaced in its entirety by the following:

Unless prohibited by applicable law, we may provide Client Information to other EY Firms (which are listed at www.ey.com) and EY Persons, as well as external third parties providing services on our or their behalf, who may collect, use, transfer, store or otherwise process (collectively, "**Process**") it in various jurisdictions in which they operate in order to facilitate performance of the Services, to comply with regulatory requirements, to check conflicts, to provide financial accounting and other administrative support services or for quality and risk management purposes. We shall be responsible to you for maintaining the confidentiality of Client Information, regardless of where or by whom such information is Processed on our behalf.

Any changes to the above scope of work will be agreed upon in writing and signed by both parties and will amend this original SOW.

The Services are advisory in nature and will not constitute an audit performed in accordance with Generally Accepted Accounting Principles. EY will perform the Services in accordance with the Statement of Standards for Consulting Services (CS100) of the American Institute for Certified Public Accountants (AICPA).

Your specific obligations

You will not, and you will not permit others to, quote or refer to the Reports, any portion, summary or abstract thereof, or to EY or any other EY Firm, in any document filed or distributed in connection with (i) a purchase or sale of securities to which the United States or state securities laws (Securities Laws) are applicable, or (ii) periodic reporting obligations under Securities Laws. You will not contend that any provisions of Securities Laws could invalidate any provision of this agreement.

We also draw your attention to the reservations set out in paragraph 5 of the General Terms and Conditions of the MSA, as well as your management responsibilities under paragraph 6, your obligations under paragraphs 11 and 12, and your representation, as of the date hereof, under paragraph 26 thereof.

Specific additional terms and conditions

The Services are advisory in nature. EY will not render an assurance report or opinion under the Agreement, nor will the Services constitute an audit, review, examination, or other form of attestation as those terms are defined by the American Institute of Certified Public Accountants. None of the Services or any Reports will constitute any legal opinion or advice. We will not conduct a review to detect fraud or illegal acts.

Notwithstanding anything to the contrary in the Agreement or this SOW, we do not assume any responsibility for any third-party products, programs or services, their performance or compliance with your specifications or otherwise.

We will base any comments or recommendations as to the functional or technical capabilities of any products in use or being considered by you solely on information provided by your vendors, directly or through you. We are not responsible for the completeness or accuracy of any such information or for confirming any of it.

Where our written consent under the MSA is required for you to disclose to a third party any of our Reports (other than Tax Advice), we will also require that third party to execute a letter substantially in the form of Exhibit D to the Agreement. To the extent the Agency is permitted to disclose any written Report as set forth herein, it shall disclose such Report only in the original, complete and unaltered form provided by EY, with all restrictive legends and other agreements intact.

Unless prohibited by applicable law, we may provide Client Information to other EY firms, EY Persons and external third parties, who may collect, use, transfer, store or otherwise process such information in various jurisdictions in which they operate in order to provide support services to any EY Firm and/or assist in the performance of the Services.

After the Services under this SOW have been completed, we may disclose or present to prospective clients, or otherwise in our marketing materials, that we have performed the Services for you, and we may use your name solely for that purpose, in accordance with applicable professional obligations. In addition, we may use your name, trademark, service mark and logo as reasonably necessary to perform the Services and in correspondence, including proposals, from us to you.

You shall not, while we are performing the Services hereunder and for a period of 12 months after they are completed, solicit for employment, or hire, any EY personnel involved in the performance of the Services, provided, that you may generally advertise available positions and hire EY personnel who either respond to such advertisements or who come to you on their own initiative without direct or indirect encouragement from you.

The Agency shall, among other responsibilities with respect to the Services, (i) make all management decisions and perform all management functions, including applying independent business judgment to EY work products, making implementation decisions and determining further courses of action in connection with any Services; (ii) assign a competent employee within senior management to make all management decisions with respect to the Services, oversee the Services and evaluate their adequacy and results; and (iii) accept responsibility for the implementation of the results or recommendations contained in the Reports or otherwise in connection with the Services. The Agency hereby confirms that management of the Agency accepts responsibility for the sufficiency of the Services. In performing the Services neither EY nor EY's partners or employees will act as an employee of the Agency.

The Agency represents and warrants to EY that the Agency's execution and delivery of this Agreement has been authorized by all requisite corporate or other applicable entity action and the person signing this Agreement is expressly authorized to execute it on behalf of, and to bind, the Agency.

The performance of the Services and the parties' obligations in connection therewith are subject to the additional terms and conditions set forth in the MSA.

It is understood that the Agency is not bound by our findings in any controversy or disagreement between the Agency and the Department of Water Resources should the Agency disagree with our findings.

We would also request that, if any IAA member discovers discrepancies in billings or other financial statements relative to their State Water Project costs, in addition to your working with the Department to correct the error, please notify EY for potential future inclusion as part of their procedures related to all IAA members.

Project deliverables

The matrix below lists the specific deliverables and related timelines that EY will provide to (insert Contractor).

| Deliverable | Timeline | Comments |
|-------------|----------|----------|
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

Additional responsibilities

EY will provide (insert Contractor) with a timeline/schedule related to all project deliverables prior to the start of work on the project.

EY will notify (insert Contractor) in writing of any incremental changes to the original project estimate.

Production of all elements described in the "Project deliverables" section of this SOW is to be included in the cost breakdown under the "Pricing and payment terms" section below, agreed upon by (insert Contractor) and EY for this project.

Fees and billing

Below is a summary of the current cost estimates for this SOW. Due to the complexities and variable nature of this project, actual costs could vary from these estimates. In the event costs are expected to exceed the estimate, EY will contact (insert Contractor) before performing any additional work.

Out-of-pocket expenses incurred during this contract are not included in the above SOW estimated cost. Expenses include such items as travel, meals, accommodations, and other administrative expenses based on actual amounts incurred.

Invoices for time and expenses will be billed monthly and are due 30 days from receipt.

IN WITNESS WHEREOF, the parties hereto have executed this SOW as of the day and year written below.

Palmdale Water District

Ernst & Young, LLP

Representative

Representative

Signature

Signature

Printed Name

Printed Name

Title

Title

Address

Address

Date

Date

EXHIBIT D

FORM OF ACCESS LETTER

[Letterhead of EY]

[Addressee (e.g., third party seeking access to EY Report)]

[Month XX, 20XX]

[Street Address]

[City, State Zip]

Dear [] :

[Client] (the "Client") has informed Ernst & Young LLP ("EY") that it wishes to disclose to [party seeking access] (the "Recipient") EY's [describe report(s)] , dated [] , relating to [describe subject] (the "Report(s)"). EY has not placed any limitations on the Client's ability to disclose any contents of the Report relating to the tax aspects or structure of any transaction proposed by the Client.

EY performed Services only for the Client. EY did not undertake the Services on behalf of, or to serve the needs of, the Recipient or any other third party. As part of such services, EY did not audit the Client's financial statements, subsequent to the date(s) of the Report(s).

EY prepared the Report(s) solely for the Client. The Report(s) address[es] only the issues identified by the Client, and [is/are] based solely on information obtained by EY using the procedures specified by the Client or otherwise provided by or on behalf of the Client. The Report(s) [is/are] subject to many limitations and [do/does] not provide any form of assurance with respect to any of the information referred to therein. The Recipient understands and accepts the scope and limitations of the Report(s).

Except (1) where compelled by legal process (of which the Recipient will immediately notify EY and tender to EY, if it so elects, the defense thereof), (2) with respect to any contents of the Report relating to the tax treatment and tax structure of the proposed transaction (including any facts that may be relevant to understanding the proposed tax treatment of the proposed transaction), or (3) with EY's prior written consent, the Recipient will not, circulate, quote, disclose or distribute any of the Report(s) or any information contained therein, or any summary or abstract thereof, or make any reference thereto or to EY, to anyone other than the Recipient's directors, officers or employees or legal advisors who, in each case, need to know its contents in order to _____, and who have agreed to be bound by the terms and conditions of this agreement to the same extent as the Recipient.

The Recipient further agrees that it will not, and will not permit others to, quote or refer to the Report, any portion, summary or abstract thereof, or to EY, in any document filed or distributed in connection with (a) a purchase or sale of securities to which the United States or state securities laws ("Securities Laws") are applicable or (b) periodic reporting obligations under Securities Laws. The Recipient will not contend that any provisions of Securities Laws could invalidate any provision of this agreement.

In further consideration of EY allowing the Recipient access to the Report(s) and the information contained therein, the Recipient agrees that:

1. It does not acquire any rights against EY, and EY does not assume any duties or obligations to the Recipient or otherwise, as a result of such access.
2. It will not rely on the Report(s) or any portion thereof and will make no claim that it has done so.
3. It will make no claim against EY, its partners, employees or affiliates, or other members of the global Ernst & Young network (collectively, the "EY Parties" that relates in any way to the Report(s), any information contained therein, or the Recipient's access to the Report(s).
4. To the fullest extent permitted by applicable law, it will indemnify, defend and hold harmless the EY Parties from and against any claim or expense, including reasonable attorneys' fees, suffered or incurred by any EY Party relating to any breach by the Recipient of any of its representations or agreements contained herein or the use or disclosure of the Report(s) or any portion thereof by anyone who received it directly or indirectly from or at the request of the Recipient.

Very truly yours,

Ernst & Young LLP

Accepted by:

[Addressee]

By: _____

**PALMDALE
WATER DISTRICT
BOARD MEMORANDUM**

| | | |
|--------------|--|---------------|
| DATE: | June 6, 2013 | June 12, 2013 |
| TO: | BOARD OF DIRECTORS | Board Meeting |
| FROM: | Mr. Bob Egan, Financial Advisor | |
| RE: | <i>AGENDA ITEM NO. 7.1 – STATUS REPORT ON CASH FLOW STATEMENT AND CURRENT CASH BALANCES AS OF APRIL 30, 2013</i> | |

Attached is the Investment Funds Report and current cash balance as of April, 2013. The reports will be reviewed in detail at the Board meeting.

PALMDALE WATER DISTRICT
INVESTMENT FUNDS REPORT

| | | | | April 30, 2013 | | | | |
|--------------------------------------|--|----------------|----------|----------------|--------------|--------------|----------------|----------------|
| DESCR | | | | | | | April-13 | March-13 |
| A/C # | | | | | | | VALUE | VALUE |
| CASH | | | | | | | | |
| 0-0103 | Citizens/US Bank - Checking | | | | | | 758,683.91 | 295,769.84 |
| 0-0104 | Citizens- Merchant | | | | | | 137,552.76 | 78,625.43 |
| | | | | Bank cash | | | 896,236.67 | 374,395.27 |
| 0-0119 | PETTY CASH | | | | | | | 300.00 |
| 0-0120 | CASH ON HAND | | | | | | | 3,400.00 |
| | TOTAL CASH | | | | | | 896,236.67 | 378,095.27 |
| INVESTMENTS | | | | | | | April 30, 2013 | March 31, 2013 |
| 0-0110 | UBS ACCOUNT SS 11469 GG | | | | | | | |
| | UBS RMA Government Portfolio | | | | | | 4,924,228.79 | 3,014,851.72 |
| | UBS Bank USA Dep acct | | | | | | 250,000.00 | 250,000.00 |
| | 1998 Debt Reserve Fund | | | | | | | |
| | FHLB par 1.4Mil matures 10/18/13 3.625% interest | | | | | | 1,422,596.00 | 1,426,684.00 |
| | Accrued interest | | | | | | 1,691.62 | 22,555.54 |
| | | | | | | | 6,598,516.41 | 4,714,091.26 |
| 0-1110 | UBS ACCOUNT SS 11475 GG | | | | | | | |
| | UBS Bank USA Dep acct | | | | | | 133,492.32 | 133,489.13 |
| | UBS RMA Government Portfolio | | | | | | 0.00 | 0.00 |
| | | | | | | | 133,492.32 | 133,489.13 |
| 0-0115 | LAIF | | | | | | 11,690.59 | 11,682.45 |
| 0-0111 | UBS ACCOUNT SS 11432 GG | | | | | | | |
| | UBS Bank USA Dep acct | | | | | | 49,010.68 | 48,716.48 |
| | UBS RMA Government Portfolio | | | | | | 0.00 | 0.00 |
| | Accrued interest | | | | | | 5,913.20 | 7,520.15 |
| US GOVERNMENT SECURITIES: | | | | | | | | |
| | ISSUE | ISSUER | EXPIR | RATE | PAR | MARKET | MARKET | |
| | DATE | | DATE | | | VALUE | VALUE | |
| | | FNMA | 10/26/15 | 1.625 | 500,000 | 515,665.00 | 515,590.00 | |
| | | FNMA | 06/28/17 | 1.125 | 500,000 | 499,215.00 | 501,175.00 | |
| | | FNMA | 07/17/17 | 1.2 | 500,000 | 501,145.00 | 501,485.00 | |
| | | FNMA | 08/22/17 | 0.625 | 500,000 | 500,105.00 | 499,775.00 | |
| | | FHLB | 12/28/17 | 0.95 | 500,000 | 500,630.00 | 498,310.00 | |
| | | | | | 2,500,000.00 | 2,516,760.00 | 2,516,335.00 | |
| TOTAL MANAGED ACCOUNT | | | | | | | 2,571,683.88 | 2,572,571.63 |
| TOTAL INVESTMENTS | | | | | | | 9,315,383.20 | 7,431,834.47 |
| GRAND TOTAL CASH AND RESTRICTED CASH | | | | | | | 10,211,619.87 | 7,809,929.74 |
| | | | | Incr (Decr) | | | 2,401,690.13 | |
| | | Checking | | 896,237 | | | | |
| | | UBS MM | | 6,732,009 | | | | |
| | | LAIF | | 11,691 | | | | |
| | | UBS Investment | | 2,571,684 | | | | |
| | | Restricted | | 0 | | | | |
| | | Total | | 10,211,620 | | | | |

| | | | | | | | | | | | | | |
|-----------------------------------|----------------|-----------------|--------------|--------------|------------|-------------|-------------|---------------|------------------|----------------|-----------------|-----------------|--------------|
| REVISED 06/05/13 | 2013 | 2013 | 2013 | 2013 | 2013 | 2013 | 2013 | 2013 | 2013 | 2013 | 2013 | 2013 | |
| | <u>January</u> | <u>February</u> | <u>March</u> | <u>April</u> | <u>May</u> | <u>June</u> | <u>July</u> | <u>August</u> | <u>September</u> | <u>October</u> | <u>November</u> | <u>December</u> | <u>YTD</u> |
| Water Sales | 1,650,519 | 1,596,949 | 1,675,412 | 1,839,852 | 1,686,200 | 2,048,500 | 2,340,300 | 2,454,000 | 2,452,200 | 2,221,000 | 2,054,200 | 1,759,700 | 23,778,831 |
| | 1,650,519 | 1,596,949 | 1,675,412 | 1,839,852 | 1,686,200 | 2,048,500 | 2,340,300 | 2,454,000 | 2,452,200 | 2,221,000 | 2,054,200 | 1,759,700 | |
| Beginning Balance | 9,001,455 | 9,043,624 | 9,364,314 | 7,809,930 | 10,211,620 | 10,485,529 | 10,742,831 | 10,657,868 | 11,040,564 | 9,265,032 | 8,672,364 | 8,880,946 | |
| Water Receipts | 2,428,492 | 1,596,949 | 1,905,179 | 1,839,852 | 1,686,200 | 2,048,500 | 2,340,300 | 2,454,000 | 2,452,200 | 2,221,000 | 2,054,200 | 1,759,700 | 24,786,571 |
| Other | | | | | | | | | | | | | |
| Total Operating Revenue | 2,428,492 | 1,596,949 | 1,905,179 | 1,839,852 | 1,686,200 | 2,048,500 | 2,340,300 | 2,454,000 | 2,452,200 | 2,221,000 | 2,054,200 | 1,759,700 | |
| Operating Expenses: | | | | | | | | | | | | | |
| Total Operating Expenses excl GAC | 1,953,262 | 1,477,034 | 1,514,430 | 1,096,787 | 1,108,100 | 1,718,600 | 1,729,200 | 1,776,600 | 1,725,700 | 1,839,550 | 1,794,100 | 2,255,100 | 19,988,463 |
| | | | | | | | | | | | | | 3,790,368 |
| Non-Operating Revenue Expenses: | | | | | | | | | | | | | |
| Assessments, net | 620,213 | 287,572 | 2,234 | 1,883,965 | 585,806 | 2,800 | 394,200 | 143,000 | | | 113,500 | 2,383,600 | 6,416,890 |
| Special Avek CIF Payment | | | | | | | | | | | | | 0 |
| Interest | (5,316) | (6,054) | 1,396 | (424) | (16,103) | 2,100 | 2,100 | 1,900 | 2,100 | 2,100 | 2,100 | 2,100 | (12,002) |
| Grant Re-imbursement | | | | | | 485,000 | | | | | | | 485,000 |
| Capital Improvement Fees | | 44,176 | (116,241) | 0 | 12,500 | 12,500 | 12,500 | 12,500 | 12,500 | 12,500 | 12,500 | 12,500 | 27,935 |
| | | | | | | | | | | | | | 0 |
| DWR Refund | | | | 59,514 | | | | | | | | | 59,514 |
| Other /Palmdale Redevel Agency | 9,828 | 54,653 | 6,774 | 13,488 | | | | | | | | | 84,743 |
| Total Non-Operating Revenues | 624,724 | 380,347 | (105,836) | 1,956,543 | 582,203 | 502,400 | 408,800 | 157,400 | 14,600 | 14,600 | 128,100 | 2,398,200 | 7,062,081 |
| | | | | | | | | | | | | | |
| Capital Expenditures | (194,434) | | (61,168) | (103,645) | | (105,667) | (123,352) | (5,000) | | (319,100) | | | (912,366) |
| GAC | (233,893) | | | | (216,776) | (289,713) | (301,893) | (267,486) | (218,000) | | | | (1,527,761) |
| SWP Capitalized | (629,459) | (156,354) | (180,606) | (156,354) | (156,400) | (156,400) | (656,400) | (156,400) | (184,600) | (156,400) | (156,400) | (156,400) | (2,902,173) |
| Prepaid Insurance (paid) refunded | | | (65,835) | | | | | | | | | | (65,835) |
| Bond Payments Interest | | | (1,010,820) | | | | | | (829,635) | | | | (1,840,455) |
| Principal | | | (517,540) | | | | | | (1,261,179) | | | | (1,778,719) |
| System Work for AVEK | | | | | | | | | | | | | 0 |
| Butte payments | | | | | (490,000) | | | | | (490,000) | | | (980,000) |
| Capital leases | | (23,218) | (3,327) | (37,919) | (23,218) | (23,218) | (23,218) | (23,218) | (23,218) | (23,218) | (23,218) | (23,218) | (250,208) |
| Legal adjudication fees | | | | | | | | | | | | | 0 |
| Total Cash Ending Balance | 9,043,624 | 9,364,314 | 7,809,930 | 10,211,620 | 10,485,529 | 10,742,831 | 10,657,868 | 11,040,564 | 9,265,032 | 8,672,364 | 8,880,946 | 10,604,128 | (10,257,517) |
| | | | | | | | | | | | Budget | 8,193,078 | 594,932 |
| | | | | | | | | | | | diff | 2,411,050 | |

PALMDALE WATER DISTRICT BOARD MEMORANDUM

DATE: June 5, 2013 **June 12, 2013**
TO: Board of Directors **Board Meeting**
FROM: Michael Williams, Finance Manager/CFO
VIA: Mr. Dennis LaMoreaux, General Manager
RE: *AGENDA ITEM 7.2 – STATUS REPORT ON FINANCIAL STATEMENTS,
REVENUE AND EXPENSE AND DEPARTMENTAL BUDGET REPORTS FOR
APRIL, 2013*

Discussion:

Presented here are the Balance Sheet and Profit/Loss Statement for the period ending April 30, 2013. 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 April, 2013.

This is the fourth month of the District's Budget Year 2013. The target percentage is 33.3%. Revenues ideally are at or above, and expenditures ideally are below.

Balance Sheet:

- Page 1 is our balance sheet on April 30, 2013. Here the major change is the increase in investments of approximately \$2 MM due primarily of receiving our April tax assessment. The offset is the reduction in the receivable.

Profit/Loss Statement:

- Page 3 is our profit/loss statement on April 30, 2013.
- Operating revenue is at 29% of budget.
- Cash operating expense is at 26% of budget.
- All departments are operating at 33% or less of their respective budget with the exception of Engineering, which is at 35%. This is due to the payment for the GIS project.

Year-To-Year Comparison P&L:

- Page 7 is our comparison of April 2012 to April 2013.
- Total operating revenue is up by \$341K or 23%. This is due to increased consumption.
- Operating expenditures are up by \$42K or 3%.
- Page 8 is a graphic presentation of the water consumption comparison. Units billed in acre feet were up by 167, or 14%, with total operating revenue per unit consumed up by \$0.22, or 7%. There were 50 less active connections this April compared to last year.

BOARD OF DIRECTORS
PALMDALE WATER DISTRICT

VIA: Mr. Dennis LaMoreaux, General Manager

-2-

June 5, 2013

Revenue Analysis Year-To-Date:

- Page 9 is our comparison of revenue, year-to-date.
- Operating revenue through April, 2013 is up by \$806K, or 13%, compared to 2012.
- Other revenue is showing a year-to-date increase of \$199K, which is due to the JPIA refund check received in the amount of \$155K.
- Total revenue is up \$657K, or 8%. Our tax assessments continue to stay strong.

Expense Analysis Year-To-Date:

- Page 11 is our comparison of expense, year-to-date.
- Cash Operating Expenses through April, 2013 are down by \$510K, or 9%, compared to 2012. This is due primarily to the reduction in legal and adjudication expense under Administration, reduced expenses in Facilities, and water purchases.
- Total Expenses are down by \$758K, or 9%, compared to 2012.

Departments:

- Pages 14 through 22 are detailed budgets of each department. As stated earlier, all departments are below the target 33%, with the exception of Engineering on page 16.

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.

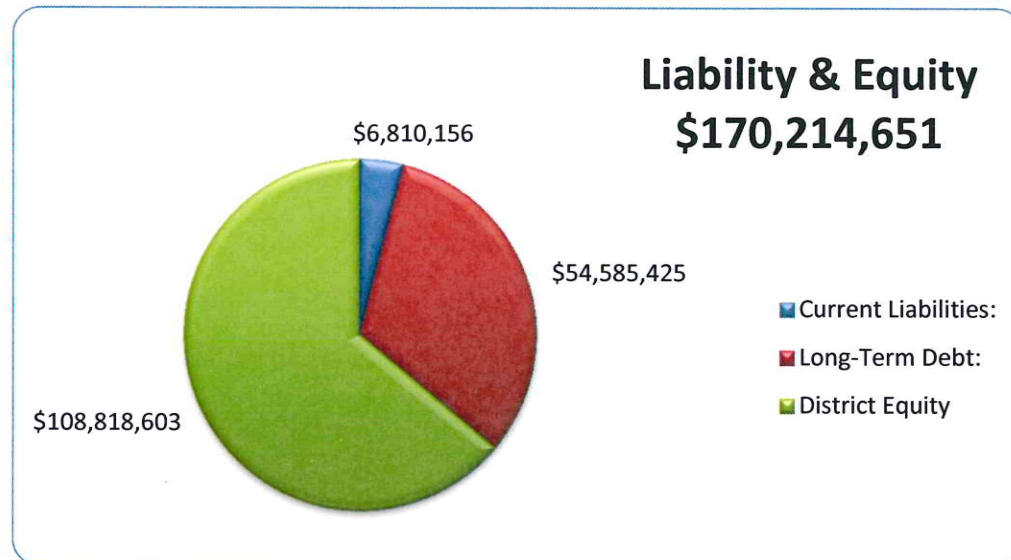
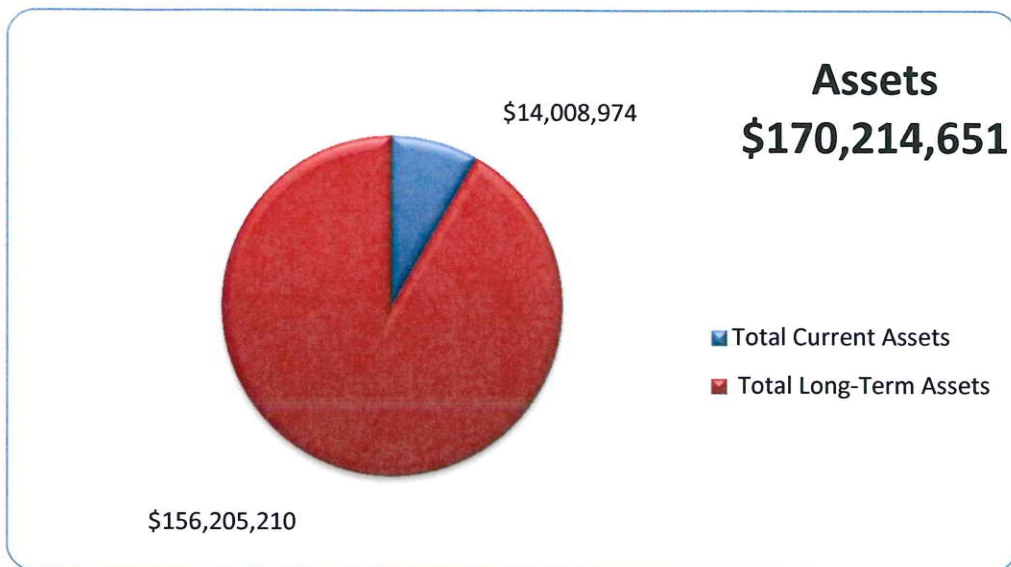
Service Cost Construction: The value of material, parts & supplies from inventory used to construct, repair and maintain our asset infrastructure.

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

Palmdale Water District
Balance Sheet Report
For the Four Months Ending 4/30/2013

| | <u>April 2013</u> | <u>March 2013</u> |
|--|------------------------------|------------------------------|
| ASSETS | | |
| Current Assets: | | |
| Cash and Cash Equivalents | \$ 899,937 | \$ 378,095 |
| Investments | 9,315,383 | 7,431,834 |
| Market Adjustment | - | - |
| | <u>\$ 10,215,320</u> | <u>\$ 7,809,930</u> |
| Receivables: | | |
| Accounts Receivables - Water Sales | \$ 1,363,570 | \$ 1,295,948 |
| Accounts Receivables - Miscellaneous | 259,811 | 623,794 |
| Allowance for Uncollected Accounts | (49,317) | (49,317) |
| | <u>\$ 1,574,064</u> | <u>\$ 1,870,426</u> |
| Interest Receivable | \$ 9 | \$ 9 |
| Assessments Receivables | 1,209,100 | 3,093,065 |
| Meters, Materials and Supplies | 883,316 | 902,693 |
| Prepaid Expenses | 127,165 | 152,951 |
| Total Current Assets | <u>\$ 14,008,974</u> | <u>\$ 13,829,074</u> |
| Long-Term Assets: | | |
| Property, Plant, and Equipment, net | \$ 118,259,753 | \$ 118,701,335 |
| Participation Rights in State Water Project, net | 37,175,749 | 37,164,140 |
| Bond Issuance Cost, Net | 769,707 | 774,019 |
| Total Long-Term Assets | <u>\$ 156,205,210</u> | <u>\$ 156,639,494</u> |
| Total Assets | <u>\$ 170,214,184</u> | <u>\$ 170,468,568</u> |
| LIABILITIES AND DISTRICT EQUITY | | |
| Current Liabilities: | | |
| Current Interest Installment of Long-term Debt | \$ 176,110 | \$ (0) |
| Current Principal Installment of Long-term Debt | 1,079,665 | 1,079,665 |
| Accounts Payable and Accrued Expenses | 4,971,051 | 4,765,344 |
| Deferred Assessments | 583,330 | 999,997 |
| Total Current Liabilities | <u>\$ 6,810,156</u> | <u>\$ 6,845,006</u> |
| Long-Term Debt: | | |
| Pension-Related Debt | \$ 1,141,041 | \$ 1,141,041 |
| OPEB Liability | 6,560,962 | 6,412,833 |
| 2012 - Certificates of Participation | 10,958,357 | 10,951,559 |
| 2004 - Certificates of Participation | 35,399,703 | 35,400,617 |
| 2011 - Capital Lease Payable | 525,362 | 538,871 |
| Total Long-Term Liabilities | <u>\$ 54,585,425</u> | <u>\$ 54,444,921</u> |
| Total Liabilities | <u>\$ 61,395,581</u> | <u>\$ 61,289,927</u> |
| District Equity | | |
| Revenue from Operations | \$ (614,101) | \$ (251,559) |
| Retained Earnings | 109,432,704 | 109,430,200 |
| Total Liabilities and District Equity | <u>\$ 170,214,184</u> | <u>\$ 170,468,568</u> |

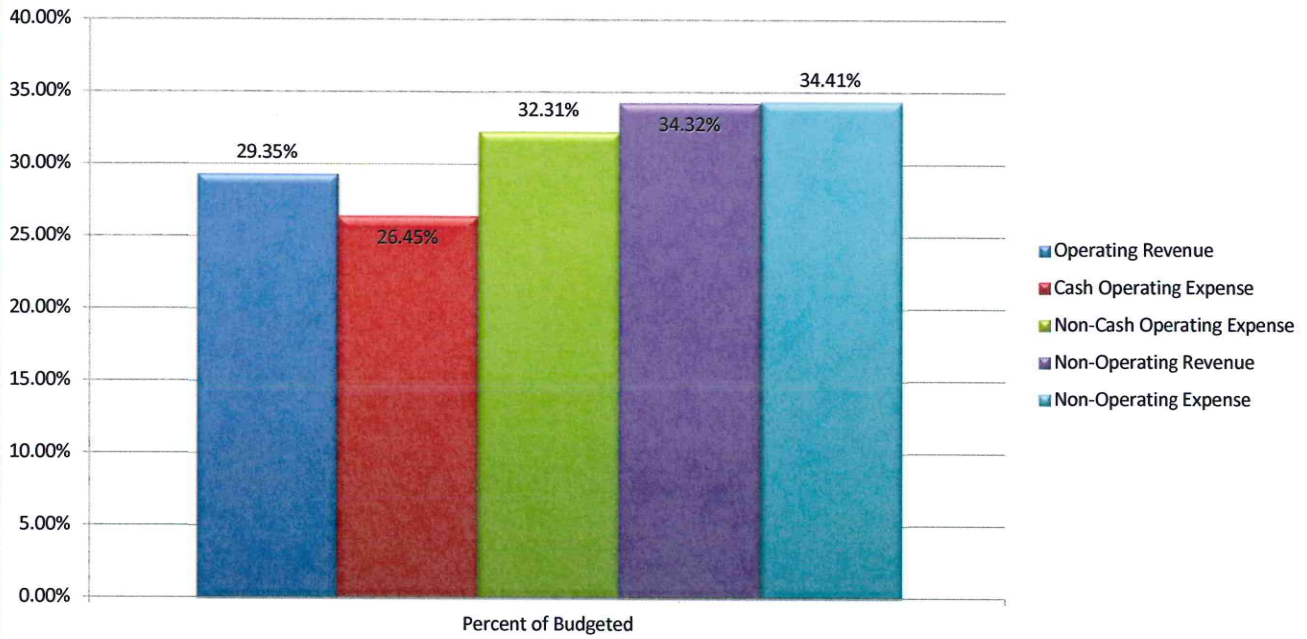
BALANCE SHEET AS OF APRIL 30, 2013



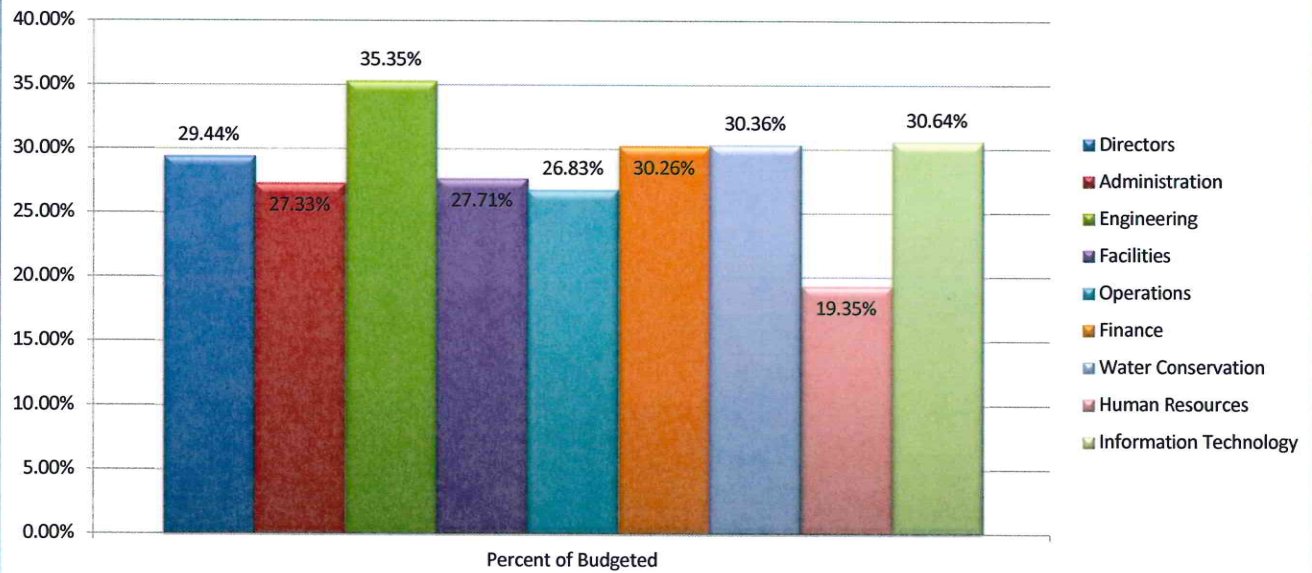
Palmdale Water District
Consolidated Profit and Loss Statement
For the Four Months Ending 4/30/2013

| | Thru March | April | Year-to-Date | Adjustments | Adjusted Budget | % of Budget |
|--|-----------------------|---------------------|-----------------------|-------------|-----------------------|----------------|
| Operating Revenue: | | | | | | |
| Wholesale Water | \$ 4,794 | \$ 3,985 | \$ 8,779 | | \$ 175,000 | 5.02% |
| Water Sales | 1,297,748 | 614,732 | 1,912,480 | | 8,198,000 | 23.33% |
| Meter Fees | 2,760,512 | 921,874 | 3,682,386 | | 11,232,000 | 32.78% |
| Water Quality Fees | 246,135 | 117,472 | 363,607 | | 1,638,000 | 22.20% |
| Elevation Fees | 71,927 | 37,629 | 109,556 | | 550,000 | 19.92% |
| Other | 541,763 | 144,161 | 685,924 | | 1,250,000 | 54.87% |
| Total Water Sales | \$ 4,922,879 | \$ 1,839,852 | \$ 6,762,731 | \$ - | \$ 23,043,000 | 29.35% |
| Cash Operating Expenses: | | | | | | |
| Directors | \$ 25,808 | \$ 8,785 | \$ 34,593 | | \$ 117,500 | 29.44% |
| Administration | 507,402 | 203,708 | 711,110 | | 2,602,000 | 27.33% |
| Engineering | 333,787 | 95,952 | 429,739 | | 1,215,750 | 35.35% |
| Facilities | 675,324 | 238,603 | 913,927 | | 3,298,500 | 27.71% |
| Operations | 985,827 | 340,768 | 1,326,596 | | 4,944,250 | 26.83% |
| Finance | 626,192 | 217,785 | 843,977 | | 2,789,000 | 30.26% |
| Water Conservation | 52,962 | 19,830 | 72,792 | | 239,750 | 30.36% |
| Human Resources | 27,769 | 12,793 | 40,561 | | 209,600 | 19.35% |
| Information Technology | 172,277 | 50,806 | 223,083 | | 728,000 | 30.64% |
| Water Purchases | 553,447 | 42,710 | 596,157 | | 2,600,000 | 22.93% |
| Water Recovery | (200,476) | - | (200,476) | | (100,000) | 200.48% |
| Capitalized Expenditures | 339,447 | 37,724 | 377,171 | | 836,500 | 45.09% |
| GAC Filter Media Replacement | - | 216,776 | 216,776 | | 1,638,000 | 13.23% |
| Total Cash Operating Expenses | \$ 4,099,766 | \$ 1,486,240 | \$ 5,586,006 | \$ - | \$ 21,118,850 | 26.45% |
| Non-Cash Operating Expenses: | | | | | | |
| Depreciation | \$ 1,773,166 | \$ 590,291 | \$ 2,363,457 | | \$ 7,250,000 | 32.60% |
| OPEB Accrual Expense | 495,668 | 165,223 | 660,891 | | 2,000,000 | 33.04% |
| Bad Debts | 4,836 | - | 4,836 | | 100,000 | 4.84% |
| Service Costs Construction | (43,212) | (3,265) | (46,477) | | 125,000 | -37.18% |
| Capitalized Construction | (199,953) | (44,815) | (244,767) | | (1,000,000) | 24.48% |
| Total Non-Cash Operating Expenses | \$ 2,030,505 | \$ 707,434 | \$ 2,737,939 | \$ - | \$ 8,475,000 | 32.31% |
| Net Operating Profit/(Loss) | \$ (1,207,392) | \$ (353,822) | \$ (1,561,214) | \$ - | \$ (6,550,850) | 23.83% |
| Non-Operating Revenues: | | | | | | |
| Assessments (Debt Service) | \$ 1,362,515 | \$ 313,757 | \$ 1,676,272 | | \$ 4,300,000 | 38.98% |
| Assessments (1%) | 446,897 | 102,910 | 549,807 | | 1,500,000 | 36.65% |
| DWR Fixed Charge Recovery | - | 59,514 | 59,514 | | 100,000 | 59.51% |
| Interest | (822) | (416) | (1,239) | | 25,000 | -4.95% |
| Capital Improvement Fees | (72,065) | - | (72,065) | | 150,000 | -48.04% |
| State Grants | - | - | - | | 485,000 | 0.00% |
| Other | 77,252 | 13,448 | 90,700 | | 150,000 | 60.47% |
| Total Non-Operating Revenues | \$ 1,813,777 | \$ 489,213 | \$ 2,302,990 | \$ - | \$ 6,710,000 | 34.32% |
| Non-Operating Expenses: | | | | | | |
| Interest on Long-Term Debt | \$ 557,746 | \$ 188,665 | \$ 746,411 | | \$ 2,111,000 | 35.36% |
| Amortization of SWP | 431,619 | 144,745 | 576,364 | | 1,679,000 | 34.33% |
| Water Conservation Programs | 24,303 | 8,798 | 33,102 | | 150,000 | 22.07% |
| Total Non-Operating Expenses | \$ 1,013,668 | \$ 342,209 | \$ 1,355,877 | \$ - | \$ 3,940,000 | 34.41% |
| Net Earnings | \$ (407,283) | \$ (206,818) | \$ (614,101) | \$ - | \$ (3,780,850) | 16.24% |

P & L BUDGET vs. ACTUAL



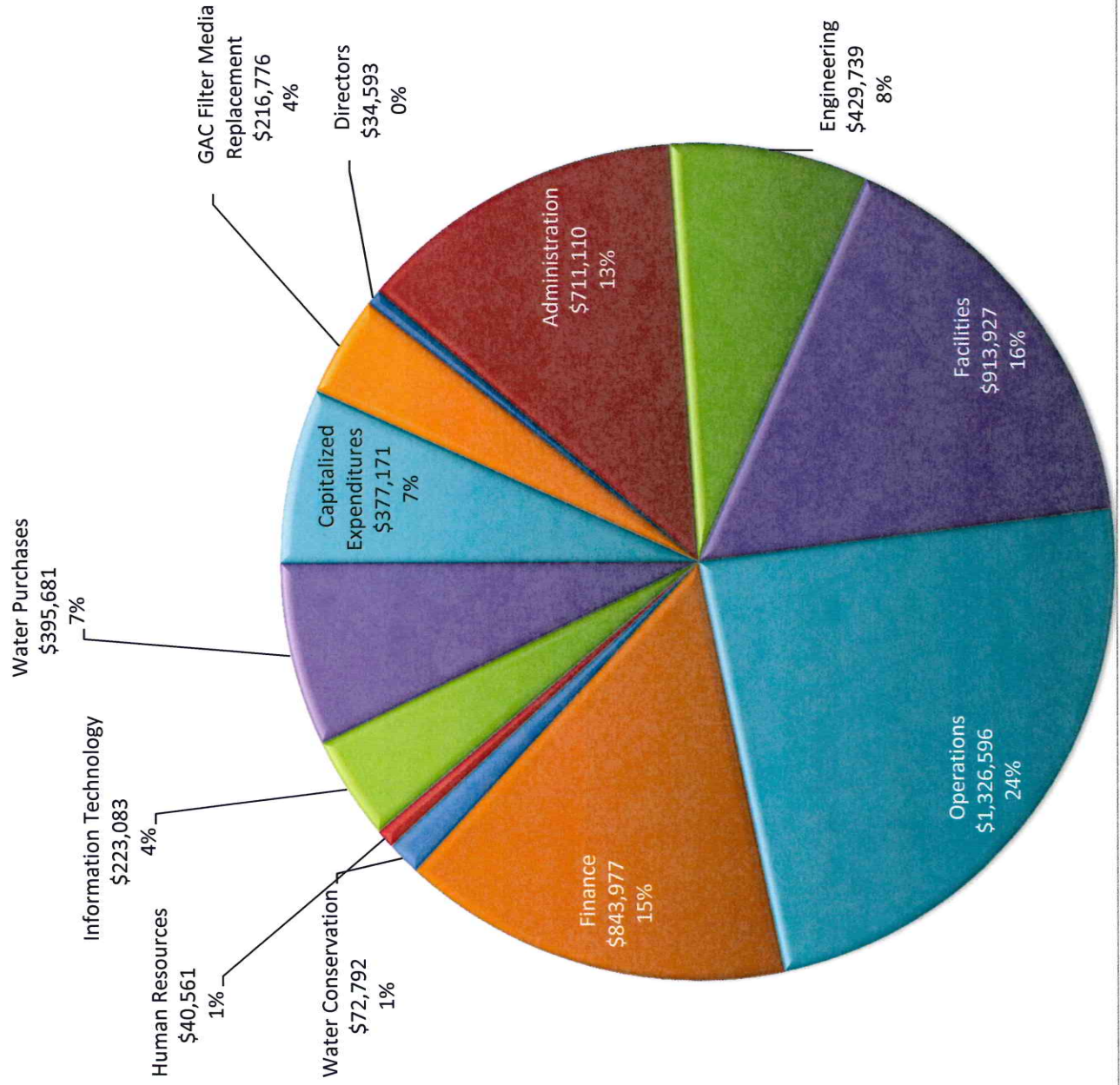
DEPARTMENTAL - BUDGET vs. ACTUAL



Cash Operating Expenses

YTD 04/30/13

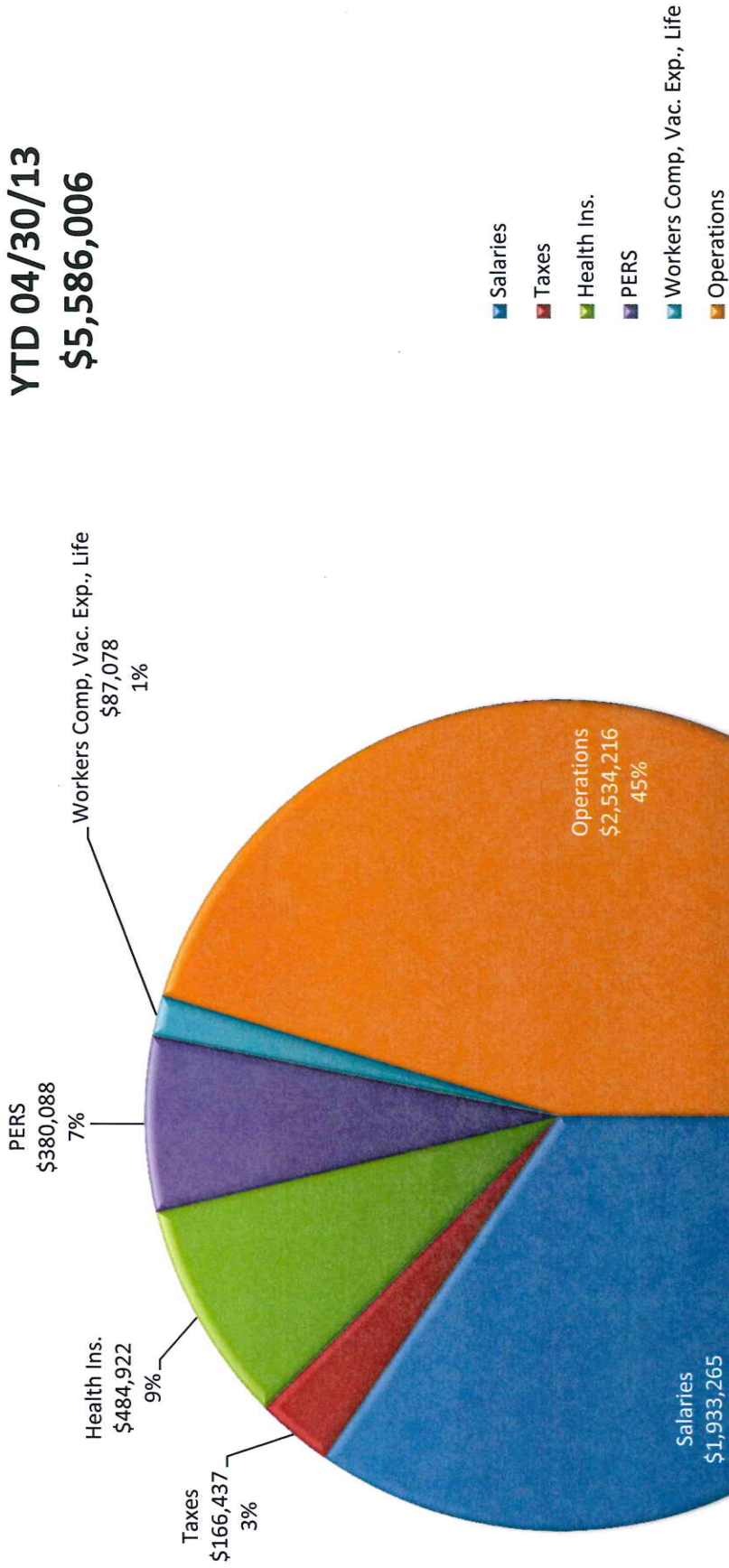
\$5,586,006



Personnel to Operations Exp

YTD 04/30/13

\$5,586,006

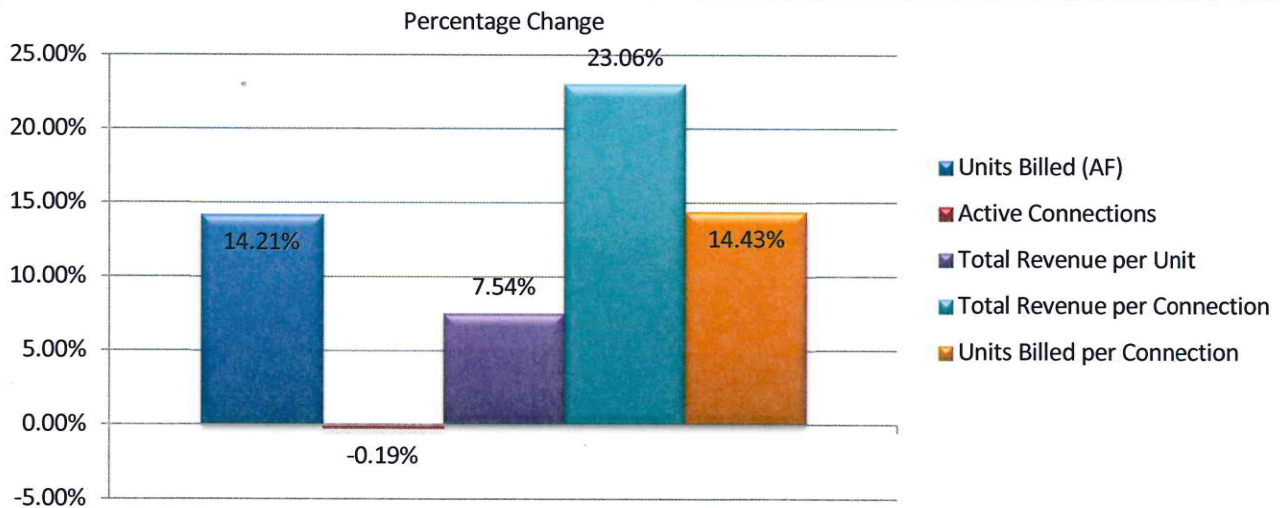
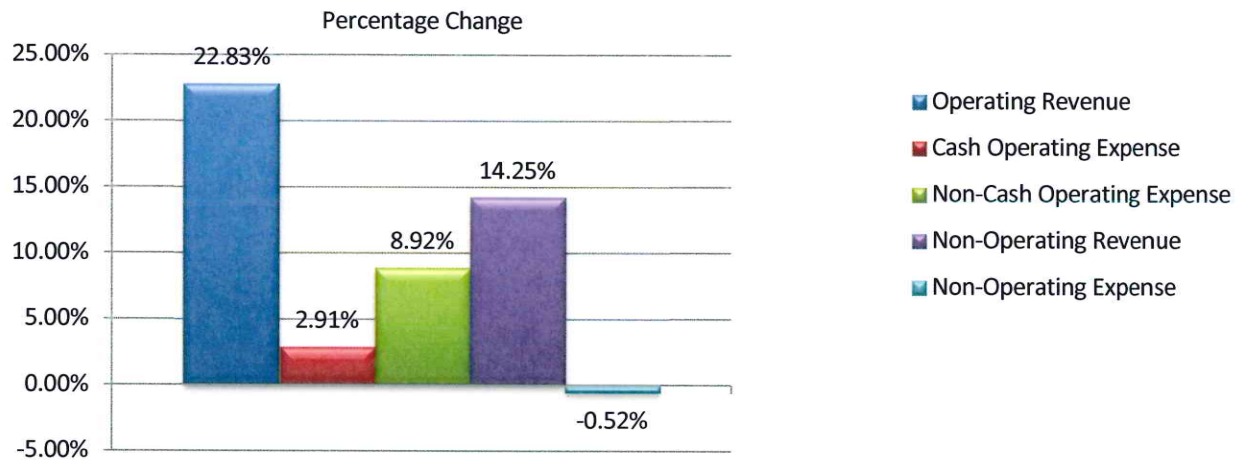


Palmdale Water District
Profit and Loss Statement
Year-To-Year Comparison - April

| | 2012 April | 2013 April | Change | % Change | Consumption Comparison | | |
|--|---------------------|---------------------|-------------------|----------------|------------------------|-----------------|-----------------|
| | | | | | Units Billed | 2012 512,664 | 2013 585,519 |
| Operating Revenue: | | | | | | | |
| Wholesale Water | \$ - | \$ 3,985 | \$ 3,985 | | Active | 26,290 | 26,240 |
| Water Sales | 423,673 | 614,732 | 191,059 | 45.10% | Vacant | 1,352 | 1,103 |
| Meter Fees | 861,943 | 921,874 | 59,931 | 6.95% | | | |
| Water Quality Fees | 102,466 | 117,472 | 15,006 | 14.64% | Rev/unit | \$ 2.92 | \$ 3.14 |
| Elevation Fees | 33,249 | 37,629 | 4,380 | 13.17% | Rev/con | \$ 56.98 | \$ 70.12 |
| Other | 76,579 | 144,161 | 67,582 | 88.25% | Unit/con | 19.50 | 22.31 |
| Total Water Sales | \$ 1,497,910 | \$ 1,839,852 | \$ 341,942 | 22.83% | | | |
| Cash Operating Expenses: | | | | | | | |
| Directors | \$ 5,868 | \$ 8,785 | \$ 2,917 | 49.71% | | | |
| Administration | 213,134 | 203,708 | (9,425) | -4.42% | | | |
| Engineering | 94,130 | 95,952 | 1,822 | 1.94% | | | |
| Facilities | 239,848 | 238,603 | (1,245) | -0.52% | | | |
| Operations | 316,985 | 340,768 | 23,784 | 7.50% | | | |
| Finance | 212,373 | 217,785 | 5,412 | 2.55% | | | |
| Water Conservation | 16,665 | 19,830 | 3,164 | 18.99% | | | |
| Human Resources | 15,284 | 12,793 | (2,492) | -16.30% | | | |
| Information Technology | 113,032 | 50,806 | (62,226) | -55.05% | | | |
| Water Purchases | 96,594 | 42,710 | (53,884) | -55.78% | | | |
| Water Recovery | (152,919) | - | 152,919 | -100.00% | | | |
| Capitalized Expenditures | 53,343 | 37,724 | (15,619) | -29.28% | | | |
| GAC Filter Media Replacement | 219,829 | 216,776 | (3,053) | -1.39% | | | |
| Total Cash Operating Expenses | \$ 1,444,165 | \$ 1,486,240 | \$ 42,074 | 2.91% | | | |
| Non-Cash Operating Expenses: | | | | | | | |
| Depreciation | \$ 576,751 | \$ 590,291 | \$ 13,539 | 2.35% | | | |
| OPEB Accrual Expense | 147,678 | 165,223 | 17,545 | 11.88% | | | |
| Bad Debts | 792 | - | (792) | -100.00% | | | |
| Service Costs Construction | (4,722) | (3,265) | 1,457 | -30.86% | | | |
| Capitalized Construction | (71,021) | (44,815) | 26,206 | -36.90% | | | |
| Total Non-Cash Operating Expenses | \$ 649,478 | \$ 707,434 | \$ 57,956 | 8.92% | | | |
| Net Operating Profit/(Loss) | \$ (595,733) | \$ (353,822) | \$ 241,911 | -40.61% | | | |
| Non-Operating Revenues: | | | | | | | |
| Assessments | \$ 416,668 | \$ 416,667 | \$ (1) | 0.00% | | | |
| DWR Fixed Charge Recovery | - | 59,514 | 59,514 | | | | |
| Interest | 1,860 | (416) | (2,276) | -122.38% | | | |
| Capital Improvement Fees | - | - | - | | | | |
| State Grants | - | - | - | | | | |
| Other | 9,649 | 13,448 | 3,799 | 39.38% | | | |
| Total Non-Operating Revenues | \$ 428,177 | \$ 489,213 | \$ 61,036 | 14.25% | | | |
| Non-Operating Expenses: | | | | | | | |
| Interest on Long-Term Debt | \$ 208,555 | \$ 188,665 | \$ (19,890) | -9.54% | | | |
| Amortization of SWP | 128,945 | 144,745 | 15,800 | 12.25% | | | |
| Capital Lease | - | - | - | | | | |
| Water Conservation Programs | 6,501 | 8,798 | 2,298 | 35.34% | | | |
| Total Non-Operating Expenses | \$ 344,001 | \$ 342,209 | \$ (1,792) | -0.52% | | | |
| Net Earnings | \$ (511,557) | \$ (206,818) | \$ 304,740 | -59.57% | | | |

YEAR-TO-YEAR COMPARISON

April '12 -To- April '13



| | 2012 | 2013 | Change | |
|------------------------------|---------|---------|---------|---------|
| Units Billed (AF) | 1,177 | 1,344 | 167 | 14.21% |
| Active Connections | 26,290 | 26,240 | -50 | -0.19% |
| Non-Active | 1,352 | 1,103 | -249 | -18.42% |
| Total Revenue per Unit | \$2.92 | \$3.14 | \$0.22 | 7.54% |
| Total Revenue per Connection | \$56.98 | \$70.12 | \$13.14 | 23.06% |
| Units Billed per Connection | 19.50 | 22.31 | 3 | 14.43% |

Palmdale Water District

Revenue Analysis

For the Four Months Ending 4/30/2012
2013

2012 to 2013 Comparison

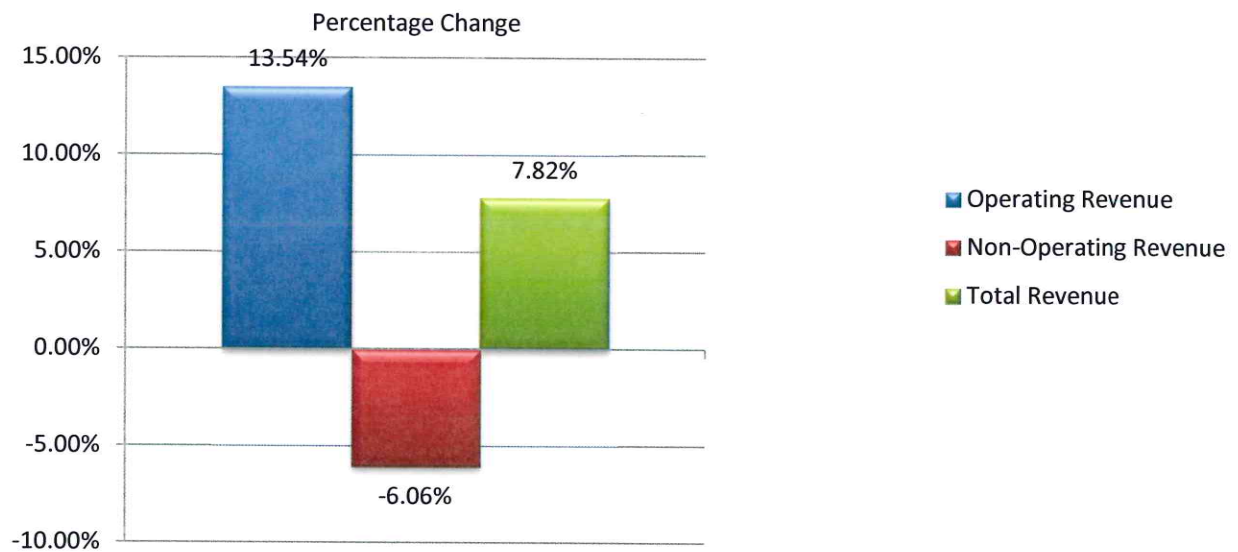
| | Thru March | April | Year-to-Date | Adjusted Budget | % of Budget | Thru March | April | Year-to-Date | % Change |
|-------------------------------------|---------------------|---------------------|---------------------|----------------------|----------------|---------------------|-------------------|---------------------|---------------|
| Operating Revenue: | | | | | | | | | |
| Wholesale Water | \$ 4,794 | \$ 3,985 | \$ 8,779 | \$ 175,000 | 5.02% | \$ 4,794 | 3,985 | 8,779 | |
| Water Sales | 1,297,748 | 614,732 | 1,912,480 | 8,198,000 | 23.33% | 168,280 | 191,059 | 359,339 | 23.14% |
| Meter Fees | 2,760,512 | 921,874 | 3,682,386 | 11,232,000 | 32.78% | 181,215 | 59,931 | 241,146 | 7.01% |
| Water Quality Fees | 246,135 | 117,472 | 363,607 | 1,638,000 | 22.20% | (11,587) | 15,006 | 3,419 | 0.95% |
| Elevation Fees | 71,927 | 37,629 | 109,556 | 550,000 | 19.92% | (10,082) | 4,380 | (5,703) | -4.95% |
| Other | 541,763 | 144,161 | 685,924 | 1,250,000 | 54.87% | 131,843 | 67,582 | 199,425 | 40.99% |
| Total Water Sales | \$ 4,922,879 | \$ 1,839,852 | \$ 6,762,731 | \$ 23,043,000 | 29.35% | \$ 464,463 | \$ 341,942 | \$ 806,405 | 13.54% |
| Non-Operating Revenues: | | | | | | | | | |
| Assessments (Debt Service) | \$ 1,362,515 | \$ 313,757 | \$ 1,676,272 | \$ 4,300,000 | 38.98% | \$ 447,450 | \$ 8,735 | \$ 456,184 | 37.39% |
| Assessments (1%) | 446,897 | 102,910 | 549,807 | 2,049,807 | 26.82% | 111,959 | (8,736) | 103,224 | 23.11% |
| DWR Fixed Charge Recovery | - | 59,514 | 59,514 | 100,000 | 59.51% | - | 59,514 | 59,514 | |
| Interest | (822) | (416) | (1,239) | 25,000 | -4.95% | (9,992) | (2,276) | (12,268) | -111.23% |
| Capital Improvement Fees | (72,065) | - | (72,065) | 150,000 | -48.04% | (765,352) | - | (765,352) | -110.39% |
| State Grants | - | - | - | 485,000 | 0.00% | - | - | - | |
| Other | 77,252 | 13,448 | 90,700 | 150,000 | 60.47% | 6,355 | 3,799 | 10,155 | 12.61% |
| Total Non-Operating Revenues | \$ 1,813,777 | \$ 489,213 | \$ 2,302,990 | \$ 7,259,807 | 31.72% | \$ (209,580) | \$ 61,036 | \$ (148,543) | -6.06% |
| Total Revenue | \$ 6,736,656 | \$ 2,329,065 | \$ 9,065,721 | \$ 30,302,807 | 29.92% | \$ 254,884 | \$ 402,978 | \$ 657,862 | 7.82% |

2012

| | Thru March | April | Year-to-Date | Adjusted Budget | % of Budget |
|-------------------------------------|---------------------|---------------------|---------------------|----------------------|----------------|
| Operating Revenue: | | | | | |
| Wholesale Water | \$ - | \$ - | \$ - | \$ 175,000 | 0.00% |
| Water Sales | 1,129,469 | 423,673 | 1,553,141 | 8,145,000 | 19.07% |
| Meter Fees | 2,579,297 | 861,943 | 3,441,240 | 10,400,000 | 33.09% |
| Water Quality Fees | 257,722 | 102,466 | 360,188 | 1,550,000 | 23.24% |
| Elevation Fees | 82,009 | 33,249 | 115,258 | 525,000 | 21.95% |
| Other | 409,920 | 76,579 | 486,499 | 1,250,000 | 38.92% |
| Total Water Sales | \$ 4,458,416 | \$ 1,497,910 | \$ 5,956,326 | \$ 21,870,000 | 27.24% |
| Non-Operating Revenues: | | | | | |
| Assessments (Debt Service) | \$ 915,066 | \$ 305,022 | \$ 1,220,088 | \$ 4,000,000 | 30.50% |
| Assessments (1%) | \$ 334,937 | 111,646 | 446,583 | 1,500,000 | 29.77% |
| DWR Fixed Charge Recovery | - | - | - | - | |
| Interest | 9,169 | 1,860 | 11,029 | 60,000 | 18.38% |
| Capital Improvement Fees | 693,287 | - | 693,287 | 1,286,848 | 53.87% |
| State Grants | - | - | - | 250,000 | 0.00% |
| Other | 70,897 | 9,649 | 80,546 | 100,000 | 80.55% |
| Total Non-Operating Revenues | \$ 2,023,357 | \$ 428,177 | \$ 2,451,533 | \$ 7,196,848 | 34.06% |
| Total Revenue | \$ 6,481,773 | \$ 1,926,087 | \$ 8,407,859 | \$ 29,066,848 | 28.93% |

REVENUE COMPARISON YEAR-TO-DATE

April '12-To-April '13



Palmdale Water District

Operating Expense Analysis

For the Four Months Ending 4/30/2013

2012 to 2013 Comparison

2013

| | Thru March | April | Year-to-Date | Adjusted Budget | % of Budget | Thru March | April | Year-to-Date | % Change |
|--|---------------------|---------------------|---------------------|----------------------|----------------|---------------------|-------------------|---------------------|---------------|
| Cash Operating Expenses: | | | | | | | | | |
| Directors | \$ 25,808 | \$ 8,785 | \$ 34,593 | \$ 117,500 | 29.44% | \$ (8,591) | \$ 2,917 | \$ (5,674) | -14.09% |
| Administration | 507,402 | 203,708 | 711,110 | 2,602,000 | 27.33% | (343,741) | (9,425) | (353,166) | -33.18% |
| Engineering | 333,787 | 95,952 | 429,739 | 1,215,750 | 35.35% | 46,696 | 1,822 | 48,518 | 12.73% |
| Facilities | 675,324 | 238,603 | 913,927 | 3,298,500 | 27.71% | (144,756) | (1,245) | (146,001) | -13.77% |
| Operations | 985,827 | 340,768 | 1,326,596 | 4,944,250 | 26.83% | (83,821) | 23,784 | (60,037) | -4.33% |
| Finance | 626,192 | 217,785 | 843,977 | 2,789,000 | 30.26% | (74,087) | 5,412 | (68,675) | -7.52% |
| Water Conservation | 52,962 | 19,830 | 72,792 | 239,750 | 30.36% | 1,328 | 3,164 | 4,492 | 6.58% |
| Human Resources | 27,769 | 12,793 | 40,561 | 209,600 | 19.35% | (29,634) | (2,492) | (32,126) | -44.20% |
| Information Technology | 172,277 | 50,806 | 223,083 | 728,000 | 30.64% | 172,277 | (62,226) | (5,776) | -2.52% |
| Water Purchases | 553,447 | 42,710 | 596,157 | 2,600,000 | 22.93% | (153,215) | (53,884) | (207,099) | -25.78% |
| Water Recovery | (200,476) | - | (200,476) | (100,000) | 200.48% | (120,078) | 152,919 | 32,841 | -14.08% |
| Capitalized Expenditures | 339,447 | 37,724 | 377,171 | 836,500 | 45.09% | 300,495 | (15,619) | 284,876 | 308.66% |
| GAC Filter Media Replacement | - | 216,776 | 216,776 | 1,638,000 | 13.23% | - | (3,053) | (3,053) | |
| Total Cash Operating Expenses | \$ 4,099,766 | \$ 1,486,240 | \$ 5,586,006 | \$ 21,118,850 | 26.45% | \$ (437,128) | \$ 42,074 | \$ (510,881) | -9.15% |
| Non-Cash Operating Expenses: | | | | | | | | | |
| Depreciation | \$ 1,773,166 | \$ 590,291 | \$ 2,363,457 | \$ 7,250,000 | 32.60% | \$ (6,883) | \$ 13,539 | \$ 6,657 | 0.28% |
| OPEB Accrual Expense | 495,668 | 165,223 | 660,891 | 2,660,891 | 24.84% | (108,256) | 17,545 | (90,711) | -12.07% |
| Bad Debts | 4,836 | - | 4,836 | 104,836 | 4.61% | 1,790 | (792) | 999 | 26.03% |
| Service Costs Construction | (43,212) | (3,265) | (46,477) | 78,523 | -59.19% | (24,608) | 1,457 | (23,150) | 99.24% |
| Capitalized Construction | (199,953) | (44,815) | (244,767) | (1,244,767) | 19.66% | (2,361) | 26,206 | 23,845 | -8.88% |
| Total Non-Cash Operating Expenses | \$ 2,030,505 | \$ 707,434 | \$ 2,737,939 | \$ 8,849,482 | 30.94% | \$ (140,317) | \$ 57,956 | \$ (82,361) | -3.01% |
| Non-Operating Expenses: | | | | | | | | | |
| Interest on Long-Term Debt | \$ 557,746 | \$ 188,665 | \$ 746,411 | \$ 2,111,000 | 35.36% | \$ (67,918) | \$ (19,890) | \$ (87,808) | -10.53% |
| Amortization of SWP | 431,619 | 144,745 | 576,364 | 1,679,000 | 34.33% | 44,784 | 15,800 | 60,584 | 11.75% |
| Water Conservation Programs | 24,303 | 8,798 | 33,102 | 150,000 | 22.07% | 16,358 | 2,298 | 18,656 | 1.37% |
| Total Non-Operating Expenses | \$ 1,013,668 | \$ 342,209 | \$ 1,355,877 | \$ 3,940,000 | 34.41% | \$ (6,776) | \$ (1,792) | \$ (8,568) | -0.63% |
| Total Expenses | \$ 7,143,939 | \$ 2,535,882 | \$ 9,679,822 | \$ 33,908,332 | 28.55% | \$ (584,221) | \$ 98,239 | \$ (601,810) | -5.85% |

Palmdale Water District

Operating Expense Analysis

For the Four Months Ending 4/30/2013

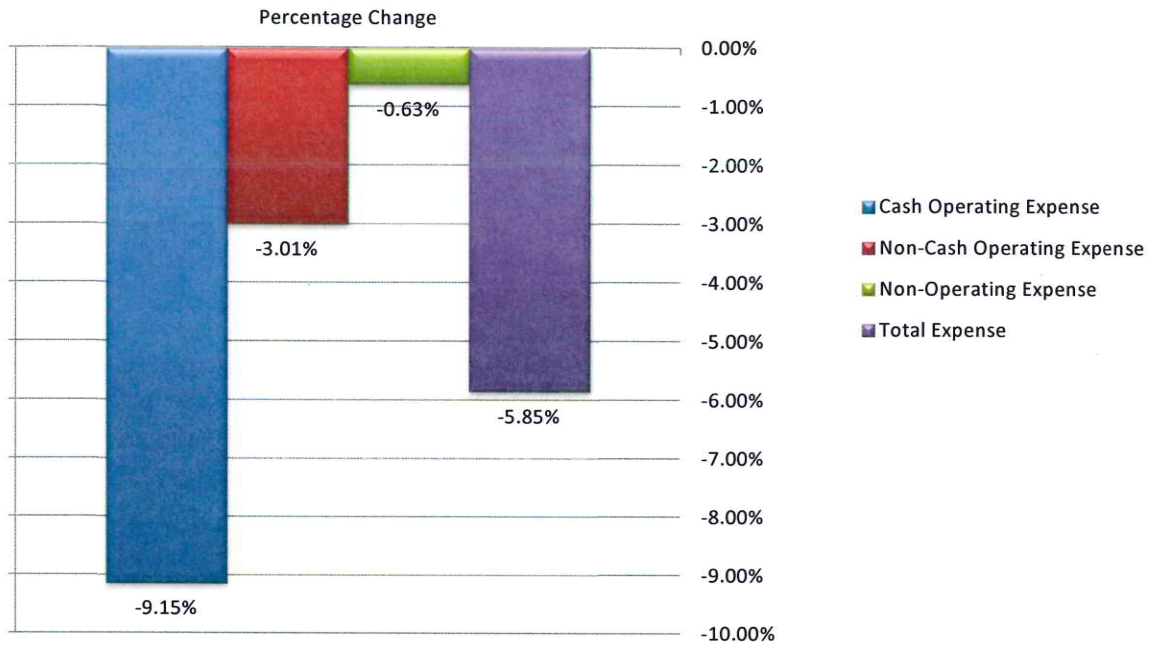
2012 to 2013 Comparison

2012

| | Thru March | April | Year-to-Date | Adjusted Budget | % of Budget |
|--|---------------------|---------------------|----------------------|----------------------|----------------|
| Cash Operating Expenses: | | | | | |
| Directors | \$ 34,399 | \$ 5,868 | \$ 40,267 | \$ 154,000 | 26.15% |
| Administration | 851,142 | 213,134 | 1,064,276 | 3,547,000 | 30.00% |
| Engineering | 287,092 | 94,130 | 381,222 | 1,169,000 | 32.61% |
| Facilities | 820,080 | 239,848 | 1,059,927 | 3,490,500 | 30.37% |
| Operations | 1,069,649 | 316,985 | 1,386,633 | 5,113,750 | 27.12% |
| Finance | 700,280 | 212,373 | 912,652 | 2,788,750 | 32.73% |
| Water Conservation | 51,634 | 16,665 | 68,299 | 223,500 | 30.56% |
| Human Resources | 57,403 | 15,284 | 72,688 | 267,850 | 27.14% |
| Information Technology | 115,828 | 113,032 | 228,859 | 736,750 | 31.06% |
| Water Purchases | 706,662 | 96,594 | 803,256 | 2,800,000 | 28.69% |
| Water Recovery | (80,398) | (152,919) | (233,317) | (200,000) | 116.66% |
| Capitalized Expenditures | 38,952 | 53,343 | 92,295 | 412,500 | 22.37% |
| GAC Filter Media Replacement | - | 219,829 | 219,829 | 1,550,000 | 14.18% |
| Total Cash Operating Expenses | \$ 4,652,721 | \$ 1,444,165 | \$ 6,096,887 | \$ 22,053,600 | 27.65% |
| Non-Cash Operating Expenses: | | | | | |
| Depreciation | \$ 1,780,049 | \$ 576,751 | \$ 2,356,800 | \$ 7,800,000 | 30.22% |
| OPEB Accrual Expense | 603,924 | 147,678 | 751,602 | 2,000,000 | 37.58% |
| Bad Debts | 3,045 | 792 | 3,837 | 100,000 | 3.84% |
| Service Costs Construction | (18,605) | (4,722) | (23,327) | 125,000 | -18.66% |
| Capitalized Construction | (197,592) | (71,021) | (268,613) | (1,000,000) | 26.86% |
| Total Non-Cash Operating Expenses | \$ 2,170,822 | \$ 649,478 | \$ 2,820,300 | \$ 9,025,000 | 31.25% |
| Non-Operating Expenses: | | | | | |
| Interest on Long-Term Debt | \$ 625,664 | \$ 208,555 | \$ 834,219 | \$ 2,490,000 | 33.50% |
| Amortization of SWP | 386,835 | 128,945 | 515,780 | 1,680,000 | 30.70% |
| Capital Lease | - | - | - | 212,000 | |
| Water Conservation Programs | 7,945 | 6,501 | 14,446 | 150,000 | |
| Total Non-Operating Expenses | \$ 1,020,445 | \$ 344,001 | \$ 1,364,445 | \$ 4,532,000 | 30.11% |
| Total Expenses | \$ 7,843,988 | \$ 2,437,644 | \$ 10,281,632 | \$ 35,610,600 | 28.87% |

EXPENSE COMPARISON YEAR-TO-DATE

April '12-To-April '13



Palmdale Water District
2013 Directors Budget
For the Four Months Ending Tuesday, April 30, 2013

| | YTD ACTUAL 2013 | ORIGINAL BUDGET 2013 | ADJUSTMENTS 2013 | ADJUSTED BUDGET REMAINING | PERCENT USED |
|---|-----------------------|----------------------------|---------------------|---------------------------------|-----------------|
| Personnel Budget: | | | | | |
| 1-01-4000-000 Directors Pay | \$ 15,600 | \$ 45,000 | \$ - | \$ 29,400 | 34.67% |
| Employee Benefits | | | | | |
| 1-01-4005-000 Payroll Taxes | 1,193 | 5,500 | | 4,307 | 21.70% |
| 1-01-4010-000 Health Insurance | 17,056 | 57,000 | | 39,944 | 29.92% |
| Subtotal (Benefits) | 18,249 | 62,500 | - | 39,944 | 29.20% |
| Total Personnel Expenses | <u>\$ 33,849</u> | <u>\$ 107,500</u> | <u>\$ -</u> | <u>\$ 69,344</u> | <u>31.49%</u> |
| OPERATING EXPENSES: | | | | | |
| 1-01-4050-000 Directors Travel, Seminars & Meetings | 744 | 10,000 | | 9,256 | 7.44% |
| Subtotal Operating Expenses | 744 | 10,000 | - | 9,256 | 7.44% |
| Total O & M Expenses | <u>\$ 34,593</u> | <u>\$ 117,500</u> | <u>\$ -</u> | <u>\$ 78,600</u> | <u>29.44%</u> |

Palmdale Water District
2013 Administration Budget
For the Four Months Ending Tuesday, April 30, 2013

| | YTD ACTUAL 2013 | ORIGINAL BUDGET 2013 | ADJUSTMENTS 2013 | ADJUSTED BUDGET REMAINING | PERCENT USED |
|--|-----------------------|----------------------------|---------------------|---------------------------------|-----------------|
| Personnel Budget: | | | | | |
| 1-02-4000-000 Salaries | \$ 153,504 | \$ 471,500 | | \$ 317,996 | 32.56% |
| 1-02-4000-100 Overtime | 2,812 | 5,000 | | 2,188 | 56.23% |
| 1-02-4000-200 On-Call | 18,752 | 60,000 | | 41,248 | 31.25% |
| Subtotal (Salaries) | \$ 175,067 | \$ 536,500 | | \$ 361,433 | 32.63% |
| Employee Benefits | | | | | |
| 1-02-4005-000 Payroll Taxes | 13,385 | 41,000 | | 27,615 | 32.65% |
| 1-02-4010-000 Health Insurance | 26,853 | 80,750 | | 53,897 | 33.25% |
| 1-02-4015-000 PERS | 31,472 | 90,750 | | 59,278 | 34.68% |
| 1-02-4020-000 Worker's Compensation | 28,916 | 160,000 | | 131,084 | 18.07% |
| 1-02-4025-000 Vacation Benefit Expense | 55,420 | 35,000 | | (20,420) | 158.34% |
| 1-02-4030-000 Life Insurance | 2,742 | 7,500 | | 4,758 | 36.56% |
| Subtotal (Benefits) | \$ 158,788 | \$ 415,000 | \$ - | \$ 256,212 | 38.26% |
| Total Personnel Expenses | \$ 333,855 | \$ 951,500 | \$ - | \$ 617,645 | 35.09% |
| OPERATING EXPENSES: | | | | | |
| 1-02-4050-000 Staff Travel | \$ 3,386 | \$ 8,000 | | \$ 4,614 | 42.32% |
| 1-02-4050-100 General Manager Travel | 896 | 5,000 | | 4,104 | 17.93% |
| 1-02-4060-000 Staff Conferences & Seminars | 1,150 | 3,000 | | 1,850 | 38.33% |
| 1-02-4060-100 General Manager Conferences & Seminars | 830 | 4,500 | | 3,670 | 18.44% |
| 1-02-4070-000 Employee Expense | 11,720 | 40,000 | | 28,280 | 29.30% |
| 1-02-4080-000 Other Operating | 151 | 20,000 | | 19,849 | 0.76% |
| 1-02-4110-000 Consultants | 20,397 | 134,000 | | 113,603 | 15.22% |
| 1-02-4125-000 Insurance | 88,826 | 325,000 | | 236,174 | 27.33% |
| 1-02-4130-000 Bank Charges | 37,332 | 130,000 | | 92,668 | 28.72% |
| 1-02-4135-000 Groundwater Adjudication | 80,855 | 400,000 | | 319,145 | 20.21% |
| 1-02-4140-000 Legal Services | 49,837 | 250,000 | | 200,163 | 19.93% |
| 1-02-4150-000 Accounting Services | 18,485 | 20,000 | | 1,515 | 92.43% |
| 1-02-4155-000 Contracted Services | 11,173 | 40,000 | | 28,827 | 27.93% |
| 1-02-4165-000 Memberships/Subscriptions | 18,212 | 110,000 | | 91,788 | 16.56% |
| 1-02-4175-000 Permits | 1,400 | 20,000 | | 18,600 | 7.00% |
| 1-02-4180-000 Postage | 4,838 | 30,000 | | 25,162 | 16.13% |
| 1-02-4190-100 Public Relations - Publications | 12,044 | 30,000 | | 17,956 | 40.15% |
| 1-02-4190-900 Public Relations - Other | 353 | 1,000 | | 647 | 35.30% |
| 1-02-4200-000 Advertising | 1,124 | 5,000 | | 3,876 | 22.48% |
| 1-02-4205-000 Office Supplies | 4,301 | 20,000 | | 15,699 | 21.51% |
| 1-02-4215-200 Natural Gas - Office Building | 1,750 | 5,000 | | 3,250 | 35.01% |
| 1-02-4220-200 Electricity - Office Building | 8,193 | 50,000 | | 41,807 | 16.39% |
| Subtotal Operating Expenses | \$ 377,255 | \$ 1,650,500 | \$ - | \$ 1,273,245 | 22.86% |
| Total Departmental Expenses | \$ 711,110 | \$ 2,602,000 | \$ - | \$ 1,890,890 | 27.33% |

Palmdale Water District
2013 Engineering Budget
For the Four Months Ending Tuesday, April 30, 2013

| | YTD ACTUAL 2013 | ORIGINAL BUDGET 2013 | ADJUSTMENTS 2013 | ADJUSTED BUDGET REMAINING | PERCENT USED |
|--|-----------------------|----------------------------|---------------------|---------------------------------|-----------------|
| Personnel Budget: | | | | | |
| 1-03-4000-000 Salaries | \$ 240,896 | \$ 749,000 | | \$ 508,104 | 32.16% |
| 1-03-4000-100 Overtime | 2,128 | 6,000 | | 3,872 | 35.47% |
| Subtotal (Salaries) | \$ 243,024 | \$ 755,000 | | \$ 511,976 | 32.19% |
| Employee Benefits | | | | | |
| 1-03-4005-000 Payroll Taxes | 20,840 | 58,000 | | 37,160 | 35.93% |
| 1-03-4010-000 Health Insurance | 55,242 | 165,500 | | 110,258 | 33.38% |
| 1-03-4015-000 PERS | 49,705 | 143,250 | | 93,545 | 34.70% |
| Subtotal (Benefits) | \$ 125,786 | \$ 366,750 | \$ - | \$ 240,964 | 34.30% |
| Total Personnel Expenses | \$ 368,810 | \$ 1,121,750 | \$ - | \$ 752,940 | 32.88% |
| OPERATING EXPENSES: | | | | | |
| 1-03-4050-000 Staff Travel | \$ 1,696 | \$ 3,000 | | \$ 1,304 | 56.54% |
| 1-03-4060-000 Staff Conferences & Seminars | 865 | 2,500 | | 1,635 | 34.60% |
| 1-03-4155-000 Contracted Services | 2,530 | 12,000 | | 9,470 | 21.08% |
| 1-03-4165-000 Memberships/Subscriptions | 439 | 2,000 | | 1,561 | 21.95% |
| 1-03-4250-000 General Materials & Supplies | 551 | 2,500 | | 1,949 | 22.02% |
| 1-03-8100-100 Computer Software - Maint. & Support | 54,848 | 72,000 | | 17,152 | 76.18% |
| Subtotal Operating Expenses | \$ 60,929 | \$ 94,000 | \$ - | \$ 33,071 | 64.82% |
| Total Departmental Expenses | \$ 429,739 | \$ 1,215,750 | \$ - | \$ 786,011 | 35.35% |

Palmdale Water District
2013 Facilities Budget
For the Four Months Ending Tuesday, April 30, 2013

| | YTD ACTUAL 2013 | ORIGINAL BUDGET 2013 | ADJUSTMENTS 2013 | ADJUSTED BUDGET REMAINING | PERCENT USED |
|---|-----------------------|----------------------------|---------------------|---------------------------------|-----------------|
| Personnel Budget: | | | | | |
| 1-04-4000-000 Salaries | \$ 380,295 | \$ 1,339,000 | | \$ 958,705 | 28.40% |
| 1-04-4000-100 Overtime | 11,531 | 40,000 | | 28,469 | 28.83% |
| Subtotal (Salaries) | \$ 391,825 | \$ 1,379,000 | | \$ 987,175 | 28.41% |
| Employee Benefits | | | | | |
| 1-04-4005-000 Payroll Taxes | 34,883 | 105,000 | | 70,117 | 33.22% |
| 1-04-4010-000 Health Insurance | 134,361 | 384,000 | | 249,639 | 34.99% |
| 1-04-4015-000 PERS | 81,022 | 254,500 | | 173,478 | 31.84% |
| Subtotal (Benefits) | \$ 250,267 | \$ 743,500 | \$ - | \$ 493,233 | 33.66% |
| Total Personnel Expenses | \$ 642,092 | \$ 2,122,500 | \$ - | \$ 1,451,939 | 30.25% |
| OPERATING EXPENSES: | | | | | |
| 1-04-4050-000 Staff Travel | \$ 160 | \$ 2,500 | | 2,340 | 6.40% |
| 1-04-4060-000 Staff Conferences & Seminars | 2,225 | 3,000 | | 775 | 74.17% |
| 1-04-4155-000 Contracted Services | 4,680 | 28,500 | | 23,820 | 16.42% |
| 1-04-4215-200 Natural Gas - Buildings | 1,161 | 4,500 | | 3,339 | 25.79% |
| 1-04-4220-200 Electricity - Buildings | 3,798 | 30,000 | | 26,202 | 12.66% |
| 1-04-4225-000 Maint. & Repair - Vehicles | 6,266 | 45,000 | | 38,734 | 13.92% |
| 1-04-4230-100 Maint. & Rep. Office Building | 444 | 18,000 | | 17,556 | 2.47% |
| 1-04-4235-110 Maint. & Rep. Equipment | 3,070 | 7,500 | | 4,430 | 40.93% |
| 1-04-4235-400 Maint. & Rep. Operations - Wells | 12,432 | 150,000 | | 137,568 | 8.29% |
| 1-04-4235-405 Maint. & Rep. Operations - Boosters | 36,834 | 50,000 | | 13,166 | 73.67% |
| 1-04-4235-410 Maint. & Rep. Operations - Shop Bldgs | 5,694 | 10,000 | | 4,306 | 56.94% |
| 1-04-4235-415 Maint. & Rep. Operations - Facilities | 5,241 | 15,000 | | 9,759 | 34.94% |
| 1-04-4235-420 Maint. & Rep. Operations - Water Lines | 82,973 | 350,000 | | 267,027 | 23.71% |
| 1-04-4235-425 Maint. & Rep. Operations - Littlerock Dam | - | 20,000 | | 20,000 | 0.00% |
| 1-04-4235-430 Maint. & Rep. Operations - Palmdale Dam | 7,680 | 26,500 | | 18,820 | 28.98% |
| 1-04-4235-435 Maint. & Rep. Operations - Palmdale Canal | - | 3,000 | | 3,000 | 0.00% |
| 1-04-4235-455 Maint. & Rep. Operations - Heavy Equipment | 9,733 | 35,000 | | 25,267 | 27.81% |
| 1-04-4235-460 Maint. & Rep. Operations - Storage Reservoirs | - | 5,000 | | 5,000 | 0.00% |
| 1-04-6000-000 Waste Disposal | 12,889 | 40,000 | | 27,111 | 32.22% |
| 1-04-6100-100 Fuel and Lube - Vehicle | 30,252 | 130,000 | | 99,748 | 23.27% |
| 1-04-6100-200 Fuel and Lube - Machinery | 7,307 | 43,000 | | 35,693 | 16.99% |
| 1-04-6200-000 Uniforms | 6,718 | 20,000 | | 13,282 | 33.59% |
| 1-04-6300-100 Supplies - Misc. | 13,559 | 47,500 | | 33,941 | 28.55% |
| 1-04-6300-800 Supplies - Construction Materials | 10,477 | 65,000 | | 54,523 | 16.12% |
| 1-04-6400-000 Tools | 4,702 | 12,000 | | 7,298 | 39.19% |
| 1-04-7000-100 Leases -Equipment | 3,538 | 15,000 | | 11,462 | 23.59% |
| Subtotal Operating Expenses | \$ 271,834 | \$ 1,176,000 | \$ - | \$ 904,166 | 23.12% |
| Total Departmental Expenses | \$ 913,927 | \$ 3,298,500 | \$ - | \$ 2,356,104 | 27.71% |

Palmdale Water District
2013 Operation Budget
For the Four Months Ending Tuesday, April 30, 2013

| | YTD ACTUAL 2013 | ORIGINAL BUDGET 2013 | ADJUSTMENTS 2013 | ADJUSTED BUDGET REMAINING | PERCENT USED |
|---|-----------------------|----------------------------|---------------------|---------------------------------|-----------------|
| Personnel Budget: | | | | | |
| 1-05-4000-000 Salaries | \$ 470,707 | \$ 1,608,500 | | \$ 1,137,793 | 29.26% |
| 1-05-4000-100 Overtime | 24,108 | 61,500 | | 37,392 | 39.20% |
| Subtotal (Salaries) | \$ 494,816 | \$ 1,670,000 | | \$ 1,175,184 | 29.63% |
| Employee Benefits | | | | | |
| 1-05-4005-000 Payroll Taxes | 42,779 | 128,000 | | 85,221 | 33.42% |
| 1-05-4010-000 Health Insurance | 117,981 | 378,500 | | 260,519 | 31.17% |
| 1-05-4015-000 PERS | 96,841 | 307,000 | | 210,159 | 31.54% |
| Subtotal (Benefits) | \$ 257,602 | \$ 813,500 | \$ - | \$ 555,898 | 31.67% |
| Total Personnel Expenses | \$ 752,417 | \$ 2,483,500 | \$ - | \$ 1,693,691 | 30.30% |
| OPERATING EXPENSES: | | | | | |
| 1-05-4050-000 Staff Travel | \$ 81 | \$ 8,000 | | \$ 7,919 | 1.01% |
| 1-05-4060-000 Staff Conferences & Seminars | - | 9,500 | | 9,500 | 0.00% |
| 1-05-4120-100 Training - Lab Equipment | - | 4,500 | | 4,500 | 0.00% |
| 1-05-4120-200 Training - SCADA Network | - | 9,000 | | | |
| 1-05-4155-000 Contracted Services | 28,997 | 59,000 | | 30,003 | 49.15% |
| 1-05-4175-000 Permits | 4,334 | 45,000 | | 40,666 | 9.63% |
| 1-05-4215-100 Natural Gas - Wells & Boosters | 44,123 | 160,000 | | 115,877 | 27.58% |
| 1-05-4215-200 Natural Gas - WTP | 1,944 | 3,000 | | 1,056 | 64.81% |
| 1-05-4220-100 Electricity - Wells & Boosters | 234,275 | 1,285,000 | | 1,050,725 | 18.23% |
| 1-05-4220-200 Electricity - WTP | 33,387 | 125,000 | | 91,613 | 26.71% |
| 1-05-4230-110 Maint. & Rep. - Office Equipment | 147 | 500 | | 353 | 29.49% |
| 1-05-4235-110 Maint. & Rep. Operations - Equipment | 4,002 | 15,000 | | 10,998 | 26.68% |
| 1-05-4235-410 Maint. & Rep. Operations - Shop Bldgs | 1,312 | 6,000 | | 4,688 | 21.87% |
| 1-05-4235-415 Maint. & Rep. Operations - Facilities | 17,880 | 38,000 | | 20,120 | 47.05% |
| 1-05-4235-445 Maint. & Rep. Operations - Telemetry | - | 2,250 | | 2,250 | 0.00% |
| 1-05-4235-450 Maint. & Rep. Operations - Hypo Generator | 99 | 10,000 | | 9,901 | 0.99% |
| 1-05-4236-000 Palmdale Lake Management | 1,159 | 15,000 | | 13,841 | 7.73% |
| 1-05-4270-300 Telecommunication - Other | 1,034 | 2,750 | | 1,716 | 0.00% |
| 1-05-4300-300 Testing - Edison | - | 9,000 | | 9,000 | 12.88% |
| 1-05-6000-000 Waste Disposal | 1,159 | 22,000 | | 20,841 | 17.62% |
| 1-05-6200-000 Uniforms | 3,876 | 10,000 | | 6,124 | 29.71% |
| 1-05-6300-100 Supplies - Misc. | 2,971 | 15,000 | | 12,029 | 6.80% |
| 1-05-6300-200 Supplies - Hypo Generator | 1,020 | 6,750 | | 5,730 | 9.32% |
| 1-05-6300-300 Supplies - Electrical | 629 | 3,500 | | 2,871 | 0.00% |
| 1-05-6300-400 Supplies - Telemetry | - | 7,500 | | 7,500 | 198.47% |
| 1-05-6300-600 Supplies - Lab | 14,886 | 35,000 | | 20,114 | 163.97% |
| 1-05-6300-700 Outside Lab Work | 57,390 | 60,000 | | 2,610 | 1.96% |
| 1-05-6400-000 Tools | 1,175 | 6,500 | | 5,325 | |
| 1-05-6500-000 Chemicals | 118,088 | 485,000 | | 366,912 | 0.04% |
| 1-05-7000-100 Leases -Equipment | 209 | 3,000 | | 2,791 | |
| Subtotal Operating Expenses | \$ 574,179 | \$ 2,460,750 | \$ - | \$ 1,877,571 | 23.33% |
| Total Departmental Expenses | \$ 1,326,596 | \$ 4,944,250 | \$ - | \$ 3,571,263 | 26.83% |

Palmdale Water District
2013 Finance Budget
For the Four Months Ending Tuesday, April 30, 2013

| | YTD ACTUAL 2013 | ORIGINAL BUDGET 2013 | ADJUSTMENTS 2013 | ADJUSTED BUDGET REMAINING | PERCENT USED |
|--|-----------------------|----------------------------|---------------------|---------------------------------|-----------------|
| Personnel Budget: | | | | | |
| 1-06-4000-000 Salaries | \$ 459,128 | \$ 1,482,000 | | \$ 1,022,872 | 30.98% |
| 1-06-4000-100 Overtime | 12,320 | 20,000 | | 7,680 | 61.60% |
| Subtotal (Salaries) | \$ 471,448 | \$ 1,502,000 | | \$ 1,030,552 | 31.39% |
| Employee Benefits | | | | | |
| 1-06-4005-000 Payroll Taxes | 41,444 | 115,000.00 | | 342,306 | 10.80% |
| 1-06-4010-000 Health Insurance | 111,690 | 383,750 | | 170,810 | 39.54% |
| 1-06-4015-000 PERS | 97,258 | 282,500 | | 568,992 | 14.60% |
| Subtotal (Benefits) | \$ 250,392 | \$ 666,250 | \$ - | \$ 1,082,109 | 37.58% |
| Total Personnel Expenses | \$ 721,840 | \$ 2,168,250 | \$ - | \$ 2,104,980 | 33.29% |
| OPERATING EXPENSES: | | | | | |
| 1-06-4050-000 Staff Travel | \$ - | \$ 250 | | 250 | 0.00% |
| 1-06-4060-000 Staff Conferences & Seminars | - | 1,000 | | 1,000 | 0.00% |
| 1-06-4155-300 Contracted Services | 1,860 | 10,000 | | 8,140 | 18.60% |
| 1-06-4155-100 Contracted Services - Infosend | 64,674 | 205,000 | | 140,326 | 31.55% |
| 1-06-4165-000 Memberships/Subscriptions | - | 500 | | 500 | 0.00% |
| 1-06-4230-110 Maintenance & Repair - Office Equipment | - | 1,000 | | 1,000 | 0.00% |
| 1-06-4235-440 Maint. & Rep. Operations - Large Meters | 5,561 | 10,000 | | 4,439 | 55.61% |
| 1-06-4235-470 Maint. & Rep. Operations - Meter Exchanges | 32,513 | 175,000 | | 142,487 | 18.58% |
| 1-06-4250-000 General Material & Supplies | 3,759 | 4,000 | | 241 | 93.97% |
| 1-06-4260-000 Business Forms | 2,018 | 10,000 | | 7,982 | 20.18% |
| 1-06-4270-100 Telecommunication - Office | 3,260 | 30,000 | | 26,740 | 10.87% |
| 1-06-4270-200 Telecommunication - Cellular Stipend | 4,695 | 17,000 | | 12,305 | 27.62% |
| 1-06-4270-300 Telecommunication - Cellular | 213 | 3,000 | | 2,787 | 7.11% |
| 1-06-4300-200 Testing - Large Meter Testing | 2,985 | 21,500 | | 18,515 | 13.88% |
| 1-06-7000-100 Leases - Equipment | 598 | 3,000 | | 2,402 | 19.94% |
| Subtotal Operating Expenses | \$ 122,137 | \$ 491,250 | \$ - | \$ 369,113 | 24.86% |
| Total Departmental Expenses | \$ 843,977 | \$ 2,659,500 | \$ - | \$ 2,474,093 | 31.73% |

Palmdale Water District
2013 Water Conservation Budget
For the Four Months Ending Tuesday, April 30, 2013

| YTD ACTUAL 2013 | ORIGINAL BUDGET 2013 | ADJUSTMENTS 2013 | ADJUSTED BUDGET REMAINING | PERCENT USED |
|-----------------------|----------------------------|---------------------|---------------------------------|-----------------|
|-----------------------|----------------------------|---------------------|---------------------------------|-----------------|

Personnel Budget:

| | | | | |
|------------------------|-----------|------------|------------|--------|
| 1-07-4000-000 Salaries | \$ 47,098 | \$ 153,000 | \$ 105,902 | 30.78% |
| 1-07-4000-100 Overtime | 407 | 1,000 | 593 | 40.73% |
| Subtotal (Salaries) | \$ 47,505 | \$ 154,000 | \$ 106,495 | 30.85% |

Employee Benefits

| | | | | |
|--------------------------------|-----------|-----------|--------|--------|
| 1-07-4005-000 Payroll Taxes | 4,084 | 11,750 | 7,666 | 34.76% |
| 1-07-4010-000 Health Insurance | 7,864 | 22,750 | 14,886 | 34.57% |
| 1-07-4015-000 PERS | 10,194 | 29,250 | 19,056 | 34.85% |
| Subtotal (Benefits) | \$ 22,142 | \$ 63,750 | \$ - | 34.73% |

Total Personnel Expenses

| | | | | |
|-----------|------------|------|------------|--------|
| \$ 69,647 | \$ 217,750 | \$ - | \$ 147,510 | 31.98% |
|-----------|------------|------|------------|--------|

OPERATING EXPENSES:

| | | | | |
|--|----------|-----------|----------|--------|
| 1-07-4050-000 Staff Travel | \$ - | \$ 1,000 | \$ 1,000 | 0.00% |
| 1-07-4060-000 Staff Conferences & Seminars | 598 | 1,000 | 402 | 59.80% |
| 1-07-4190-300 Public Relations - Landscape Workshop/Training | 121 | 1,000 | 879 | 12.10% |
| 1-07-4190-400 Public Relations - Contests | 709 | 1,000 | 291 | 70.86% |
| 1-07-4190-500 Public Relations - Education Programs | 890 | 5,000 | 4,110 | 17.79% |
| 1-07-4190-700 Public Relations -General Media | - | 3,000 | 3,000 | 0.00% |
| 1-07-4190-900 Public Relations - Other | 180 | 5,000 | | |
| 1-07-6300-100 Supplies - Misc. | 647 | 5,000 | 4,353 | 12.94% |
| Subtotal Operating Expenses | \$ 3,144 | \$ 22,000 | \$ - | 14.29% |

Total Departmental Expenses

| | | | | |
|-----------|------------|------|------------|--------|
| \$ 72,792 | \$ 239,750 | \$ - | \$ 161,546 | 30.36% |
|-----------|------------|------|------------|--------|

Palmdale Water District
2013 Human Resources Budget
For the Four Months Ending Tuesday, April 30, 2013

| | YTD ACTUAL 2013 | ORIGINAL BUDGET 2013 | ADJUSTMENTS 2013 | ADJUSTED BUDGET REMAINING | PERCENT USED |
|--|-----------------------|----------------------------|---------------------|---------------------------------|-----------------|
| Personnel Budget: | | | | | |
| 1-08-4000-000 Salaries | \$ 28,297 | \$ 84,000 | | \$ 55,703 | 33.69% |
| Employee Benefits | | | | | |
| 1-08-4005-000 Payroll Taxes | 2,165 | 6,500 | | 4,335 | 33.30% |
| 1-08-4010-000 Health Insurance | - | 18,000 | | 18,000 | 0.00% |
| 1-08-4015-000 PERS | - | 16,000 | | 16,000 | 0.00% |
| Subtotal (Benefits) | \$ 2,165 | \$ 40,500 | \$ - | \$ 38,335 | 5.34% |
| Total Personnel Expenses | \$ 30,461 | \$ 124,500 | \$ - | \$ 94,039 | 24.47% |
| OPERATING EXPENSES: | | | | | |
| 1-08-4050-000 Staff Travel | \$ - | \$ 500 | | \$ 500 | 0.00% |
| 1-08-4060-000 Staff Conferences & Seminars | - | 500 | | 500 | 0.00% |
| 1-08-4090-000 Temporary Staffing | 1,377 | - | | (1,377) | |
| 1-08-4095-000 Employee Recruitment | 989 | 3,000 | | 2,011 | 32.95% |
| 1-08-4100-000 Employee Retention | 335 | 1,500 | | 1,165 | 22.33% |
| 1-08-4105-000 Employee Relations | 3,121 | 3,500 | | 379 | 89.18% |
| 1-08-4110-000 Consultants | - | 1,000 | | 1,000 | 0.00% |
| 1-08-4120-100 Training-Safety Consultants | 2,423 | 38,000 | | 35,577 | 6.38% |
| 1-08-4121-000 Safety Program | - | 1,000 | | 1,000 | 0.00% |
| 1-08-4165-000 Membership/Subscriptions | 449 | 1,600 | | 1,151 | 28.06% |
| 1-08-4165-100 HR/Safety Publications | - | 1,000 | | 1,000 | 0.00% |
| 1-08-6300-500 Supplies - Safety | 1,406 | 33,500 | | 32,094 | 4.20% |
| Subtotal Operating Expenses | \$ 10,100 | \$ 85,100 | \$ - | \$ 75,000 | 11.87% |
| Total Departmental Expenses | \$ 40,561 | \$ 209,600 | \$ - | \$ 169,039 | 19.35% |

Palmdale Water District
2013 Information Technology Budget
For the Four Months Ending Tuesday, April 30, 2013

| | YTD ACTUAL 2013 | ORIGINAL BUDGET 2013 | ADJUSTMENTS 2013 | ADJUSTED BUDGET REMAINING | PERCENT USED |
|--|-----------------------|----------------------------|---------------------|---------------------------------|-----------------|
| Personnel Budget: | | | | | |
| 1-09-4000-000 Salaries | \$ 64,299 | \$ 204,000 | | \$ 139,701 | 31.52% |
| 1-09-4000-100 Overtime | 1,384 | 2,500 | | 1,116 | 55.36% |
| Subtotal (Salaries) | \$ 65,683 | \$ 206,500 | | \$ 140,817 | 31.81% |
| Employee Benefits | | | | | |
| 1-09-4005-000 Payroll Taxes | 5,664 | 16,000 | | 10,336 | 35.40% |
| 1-09-4010-000 Health Insurance | 13,875 | 41,250 | | 27,375 | 33.64% |
| 1-09-4015-000 PERS | 13,596 | 39,250 | | 25,654 | 34.64% |
| Subtotal (Benefits) | \$ 33,134 | \$ 96,500 | \$ - | \$ 63,366 | 34.34% |
| Total Personnel Expenses | \$ 98,817 | \$ 303,000 | \$ - | \$ 203,067 | 32.61% |
| OPERATING EXPENSES: | | | | | |
| 1-09-4050-000 Staff Travel | \$ 68 | \$ 3,000 | | 2,932 | 2.28% |
| 1-09-4060-000 Staff Conferences & Seminars | 10,999 | 15,000 | | 4,001 | 73.33% |
| 1-09-4155-300 Contracted Services - Computer Vendors | 46,013 | 108,000 | | 61,987 | 42.60% |
| 1-09-4165-000 Memberships/Subscriptions | - | 500 | | 500 | 0.00% |
| 1-09-8000-100 Computer Equipment - Computers | - | 45,000 | | 45,000 | 0.00% |
| 1-09-8000-200 Computer Equipment - Laptops | - | 10,000 | | 10,000 | 0.00% |
| 1-09-8000-300 Computer Equipment - Monitors | - | 2,000 | | 2,000 | 0.00% |
| 1-09-8000-400 Computer Equipment - Printers | 12 | 2,500 | | 2,488 | 0.48% |
| 1-09-8000-500 Computer Equipment - Toner Cartridges | 304 | 3,000 | | 2,696 | 10.14% |
| 1-09-8000-600 Computer Equipment - Other | 110 | 35,000 | | 34,890 | 0.31% |
| 1-09-8100-100 Computer Software - Maint. and Support | 6,059 | 70,000 | | 63,941 | 8.66% |
| 1-09-8100-140 Computer Software - Starnik | 31,600 | 86,000 | | | |
| 1-09-8100-150 Computer Software - Cogsdale Maint and Support | 26,790 | 30,000 | | 3,210 | 89.30% |
| 1-09-8100-200 Computer Software - Software and Upgrades | 2,311 | 15,000 | | 12,689 | 15.40% |
| Subtotal Operating Expenses | \$ 124,266 | \$ 425,000 | \$ - | \$ 246,334 | 29.24% |
| Total Departmental Expenses | \$ 223,083 | \$ 728,000 | \$ - | \$ 449,401 | 30.64% |

ENGINEERING DEPARTMENT COMMITTED CONTRACTS AND
PAYOUT SCHEDULE - JUNE, 2013

Project Commitment and Payout Summary

| Work Order No. | Description | Contractor/Consultant/ Supplier | Contractual Commitment | Payout to Date |
|----------------|---|---------------------------------|------------------------|----------------|
| 401-13 | Water Supply Fee Analysis | Carollo Engineers | \$ 25,000 | \$ 0 |
| 600-12 | 3600' Hydro-Pneumatic Tank Replacement | Superior Tank Solutions | \$ 79,000 | \$ 0 |
| RCP04 | Annual Tank Maintenance Program | Superior Tank Solutions | \$ 319,100 | \$ 0 |
| 600-09 | 16th, 17th, 18th St. E. Water Main Replacement Project - Material Cost Only | HD Supply | \$ 113,352 | \$ 0 |
| 401-12 | Water Meter Exchange Program | Tejon Constructors | \$ 50,000 | \$ 33,333 |

Project Payout Detail (Actual/Projected)

| Work Order No. | Jan | Feb | March | April | May | June | July | Aug | Sept | Oct | Nov | Dec |
|----------------|-----------|-----------|-------|-------|------|------------|------------|----------|------|------------|------|------|
| 401-13 | | | | | | \$ 10,000 | \$ 10,000 | \$ 5,000 | | | | |
| 600-12 | | | | | | \$ 79,000 | | | | | | |
| RCP04 | | | | | | | | | | \$ 319,100 | | |
| 600-09 | | | | | | | \$ 113,352 | | | | | |
| 401-12 | \$ 21,895 | \$ 11,438 | | | | \$ 16,667 | | | | | | |
| Totals: | \$ 21,895 | \$ 11,438 | \$ 0 | \$ 0 | \$ 0 | \$ 105,667 | \$ 123,352 | \$ 5,000 | \$ 0 | \$ 319,100 | \$ 0 | \$ 0 |

WATER QUALITY FUND COMMITTED CONTRACTS AND PAYOUT SCHEDULE - JUNE, 2013

Water Quality Fund - Commitment and Payout Summary

| Project ID | Description | Contractor/Consultant/ Supplier | Contractual Commitment | Payout to Date |
|------------|--|------------------------------------|---------------------------|-------------------|
| WQF-1 | GAC Replacement @ WTP - CX Reactivated | Siemens | \$ 216,776 \$ | 0 |
| WQF-2 | GAC Replacement @ WTP | Calgon Carbon | \$ 868,328 \$ | 216,776 |
| WQF-3 | Localized GAC @ Underground Booster Station - Vessel | Prominent | \$ 88,812 \$ | 0 |
| WQF-4 | Localized GAC @ Underground Booster Station - Site Improvements | BV Construction | \$ 77,952 \$ | 46,542 |
| WQF-5 | Localized GAC @ Underground Booster Station - Structural Design | JT Engineering | \$ 7,000 \$ | 3,395 |
| WQF-6 | Localized GAC @ Underground Booster Station - Initial GAC Supply | TBD | TBD \$ | 0 |

Water Quality Fund - Payout Detail (Actual/Projected)

| Project ID | Jan | Feb | March | April | May | June | July | Aug | Sept | Oct | Nov | Dec |
|------------|---------|------|-------|-------|--------------|------------|------------|------------|------------|---------|------|------|
| WQF-1 | | | | | | | | \$ 216,776 | | | | |
| WQF-2 | | | | | \$ 216,776 | \$ 216,776 | \$ 216,776 | | \$ 218,000 | | | |
| WQF-3 | | | | | | \$ 23,000 | \$ 54,000 | \$ 11,812 | | | | |
| WQF-4 | | | | | | \$ 46,542 | \$ 27,512 | \$ 3,898 | | | | |
| WQF-5 | | | | | | \$ 3,395 | \$ 3,605 | | | | | |
| WQF-6 | | | | | | | | \$ 35,000 | | | | |
| Totals: | \$ 0 \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ 216,776 | \$ 289,713 | \$ 301,893 | \$ 267,486 | \$ 218,000 | \$ 0 \$ | 0 \$ | 0 \$ |

PWD WATER REVENUE BONDS - SERIES 2013A

Contractual Commitment

Uncommitted Bond \$

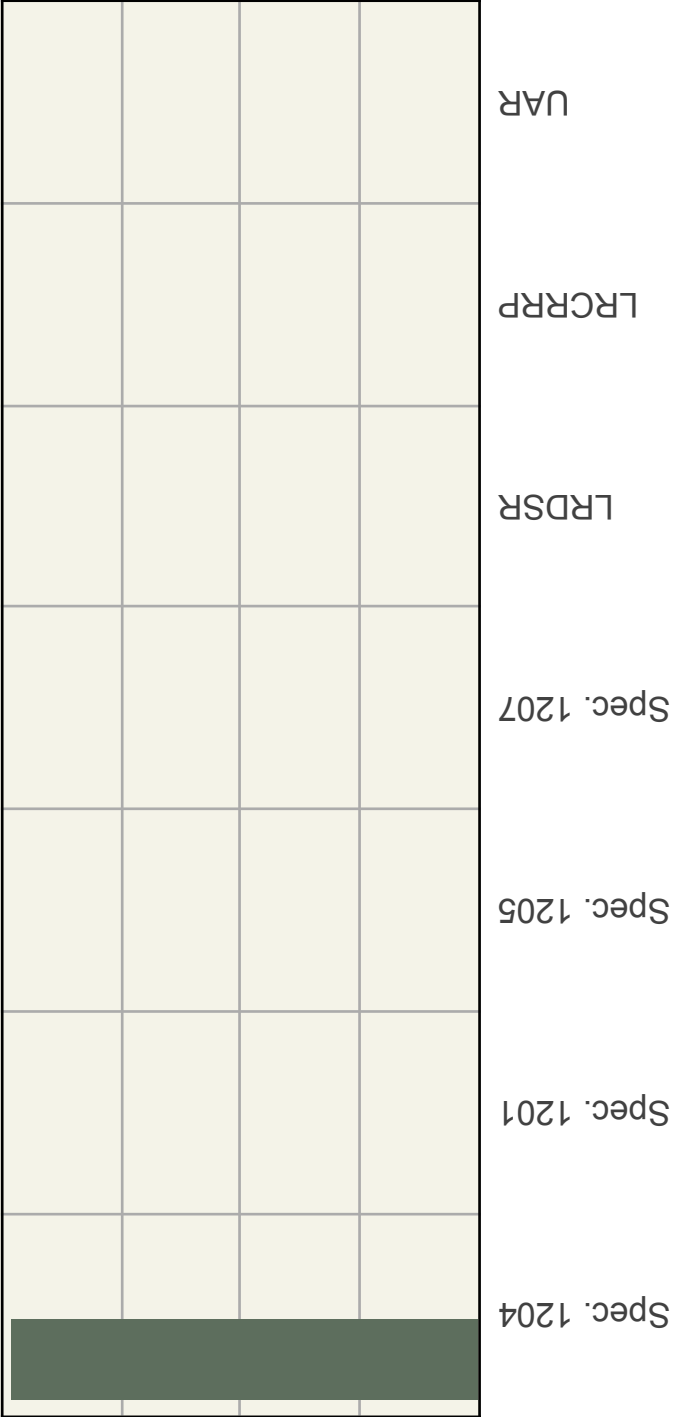
Contractual Commitment

Payout to Date

Allocated Bond \$ vs. Commitment



Contractual Commitment vs. Payout to Date



Project Commitment and Payout Summary

| Project | Work Order No. | Description | CEQA | Allocated Bond \$ | Contractual Commitment | Payout to Date | Uncommitted Bond \$ |
|------------|----------------|--|----------|-------------------|------------------------|----------------|---------------------|
| Spec. 1204 | 603-12 | Ave. Q - Q-3, Division and Sumac | 4/28/13 | \$725,000 | \$781,857 | \$0 | (\$56,857) |
| Spec. 1201 | 606-11 | 20th, Puerta, Sweetbriar, and 22nd St. E. | 5/8/13 | \$1,450,000 | \$0 | \$0 | \$1,450,000 |
| Spec. 1205 | 605-12 | Frontier, 31st St. E., etc. between Ave. Q and Q-4 | 5/8/13 | \$1,200,000 | \$0 | \$0 | \$1,200,000 |
| Spec. 1207 | 607-12 | 10th St. E. between Ave. P and Palmdale Blvd. | 6/16/13 | \$1,400,000 | \$0 | \$0 | \$1,400,000 |
| LRDSR | 501-04 | Littlerock Sediment Removal (EIR/EIS/Permits) | TBD | \$975,000 | \$0 | \$0 | \$975,000 |
| LRCRRP | 400-12 | Littlerock Recharge and Recovery (Feasibility) | TBD | \$1,500,000 | \$0 | \$0 | \$1,500,000 |
| UAR | TBD | Upper Amargosa Recharge (Project Capacity) | 11/20/12 | \$1,250,000 | \$0 | \$0 | \$1,250,000 |
| Totals: | | | | \$8,500,000 | \$781,857 | \$0 | \$7,718,143 |

SAVINGS

Palmdale Water District
2012 Refunding Certificates of Participation
(Refunding of 1998 Certificates of Participation)

Private Placement
Bank of Nevada

| Date | Prior Debt Service | Refunding Debt Service | Savings | Annual Savings | Present Value to 11/20/2012 @ 3.1004474% |
|------------|-----------------------|---------------------------|--------------|-------------------|--|
| 04/01/2013 | 312,625.00 | 661,538.64 | (348,913.64) | | (345,029.12) |
| 10/01/2013 | 1,192,625.00 | 711,017.85 | 481,607.15 | | 468,975.16 |
| 12/31/2013 | | | | 132,693.51 | |
| 04/01/2014 | 290,625.00 | 686,734.58 | (396,109.58) | | (379,831.85) |
| 10/01/2014 | 1,215,625.00 | 686,733.48 | 528,891.52 | | 499,415.19 |
| 12/31/2014 | | | | 132,781.94 | |
| 04/01/2015 | 267,500.00 | 686,164.08 | (418,664.08) | | (389,296.02) |
| 10/01/2015 | 1,237,500.00 | 686,164.31 | 551,335.69 | | 504,835.03 |
| 12/31/2015 | | | | 132,671.61 | |
| 04/01/2016 | 243,250.00 | 686,848.56 | (443,598.56) | | (399,984.00) |
| 10/01/2016 | 1,263,250.00 | 686,848.29 | 576,401.71 | | 511,795.98 |
| 12/31/2016 | | | | 132,803.15 | |
| 04/01/2017 | 217,750.00 | 686,391.99 | (468,641.99) | | (409,762.23) |
| 10/01/2017 | 1,287,750.00 | 686,392.71 | 601,357.29 | | 517,776.60 |
| 12/31/2017 | | | | 132,715.30 | |
| 04/01/2018 | 191,000.00 | 684,796.46 | (493,796.46) | | (418,674.90) |
| 10/01/2018 | 1,311,000.00 | 684,796.93 | 626,203.07 | | 522,833.33 |
| 12/31/2018 | | | | 132,406.61 | |
| 04/01/2019 | 163,000.00 | 686,620.66 | (523,620.66) | | (430,510.71) |
| 10/01/2019 | 1,343,000.00 | 686,620.27 | 656,379.73 | | 531,424.37 |
| 12/31/2019 | | | | 132,759.07 | |
| 04/01/2020 | 133,500.00 | 687,076.44 | (553,576.44) | | (441,349.88) |
| 10/01/2020 | 1,373,500.00 | 687,075.90 | 686,424.10 | | 538,911.01 |
| 12/31/2020 | | | | 132,847.66 | |
| 04/01/2021 | 102,500.00 | 686,164.40 | (583,664.40) | | (451,239.23) |
| 10/01/2021 | 1,402,500.00 | 686,164.80 | 716,335.20 | | 545,354.70 |
| 12/31/2021 | | | | 132,670.80 | |
| 04/01/2022 | 70,000.00 | 686,164.87 | (616,164.87) | | (461,932.81) |
| 10/01/2022 | 1,435,000.00 | 686,164.30 | 748,835.70 | | 552,824.82 |
| 12/31/2022 | | | | 132,670.83 | |
| 04/01/2023 | 35,875.00 | 686,962.73 | (651,087.73) | | (473,325.19) |
| 10/01/2023 | 1,470,875.00 | 686,961.38 | 783,913.62 | | 561,186.79 |
| 12/31/2023 | | | | 132,825.89 | |
| | 16,560,250.00 | 15,100,403.63 | 1,459,846.37 | 1,459,846.37 | 1,154,397.02 |

Savings Summary

| | |
|------------------------------|--------------|
| PV of savings from cash flow | 1,154,397.02 |
| Net PV Savings | 1,154,397.02 |

Additional information on this item, if available, will be hand-delivered prior to the Board meeting.

**PALMDALE WATER DISTRICT
BOARD MEMORANDUM**

DATE: June 5, 2013 **June 12, 2013**
TO: BOARD OF DIRECTORS **Board Meeting**
FROM: Mr. Matthew R. Knudson, Engineering Manager
VIA: Mr. Dennis D. LaMoreaux, General Manager
RE: ***AGENDA ITEM NO. 7.6 – CONSIDERATION AND POSSIBLE ACTION
ON PROFESSIONAL SERVICES AGREEMENT FOR ENGINEERING
DESIGN SERVICES ASSOCIATED WITH THE PROPOSED WATER
MAIN REPLACEMENT PROJECT IN 10TH STREET EAST BETWEEN
PALMDALE BOULEVARD AND AVENUE P UNDER SPECIFICATION
NO. 1207***

Recommendation:

Staff recommends that the Board:

1. Approve award of a professional services agreement with JT Engineering for engineering design services in the not-to-exceed amount of \$23,510; and
2. Authorize the General Manager to execute the agreement utilizing the District's standard professional services agreement form.

Background:

The District has identified four (4) areas, or neighborhoods, that are in need of water main replacements and which will be funded by the proceeds of the recent Water Revenue Bonds, Series 2013A. District staff has typically performed all of the engineering and design work associated with these types of projects internally, but with the need to complete all of these projects in a timely manner, staff is recommending the District get assistance from a qualified engineering firm to prepare the design drawings for this particular project. District engineering staff will be able to focus its resources on the remaining projects that are currently being designed and developed.

The scope of work associated with this agreement includes:

- Engineering design drawings per PWD Standards for the replacement of the existing water main and appurtenances in 10th Street East between Palmdale Boulevard and Avenue P.
- Survey existing above ground visible features to determine location of existing driveways, meters, fire hydrants, air release valves, control valves and center line distances of street intersections.

BOARD OF DIRECTORS
PALMDALE WATER DISTRICT

VIA: Mr. Dennis D. LaMoreaux, General Manager

June 5, 2013

- Prepare base map to reflect surveyed data and utility research data.
- Prepare water plan to show plan view of existing water main, points of connection, service laterals and water main apparatus.
- Determine location of potential conflict with existing utilities and request potholing to be performed by PWD.
- Coordination, Prints Plots and Administrative

District staff will be responsible for design review/approval, design specifications, and construction bid advertisement.

District staff contacted two (2) local engineering firms that are qualified to perform this type of work and that are familiar with the District's Water System Design Standards. The District received two (2) proposals, and the following is a summary of their fee to perform said work:

| <u><i>Engineering Firm</i></u> | <u><i>Fee</i></u> |
|-----------------------------------|-------------------|
| Antelope Valley Engineering, Inc. | \$27,950.00 |
| JT Engineering | \$23,510.00 |

Environmental Review:

The award of professional services agreements is exempt from requirements of the California Environmental Quality Act.

Budget:

A portion of the proceeds of the Water Revenue Bonds, Series 2013A will be used by the District to undertake certain improvements to the District's Water System, including the replacement of various water mains and the funding of certain studies and plans. Said improvements, studies and plans are estimated to cost approximately \$8,500,000.

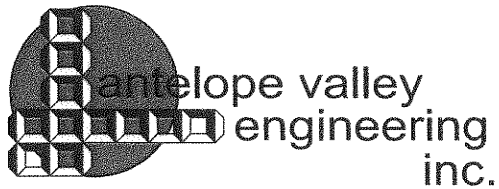
This project is identified as one of the District's most critical water main replacement projects. This contract, in the amount of \$23,510.00, will be funded from said Water Revenue Bonds, Series 2013A proceeds.

Strategic Plan Element:

Strategic Goal 3.1 – Plan for improvements of the existing water delivery infrastructure.

Supporting Documents:

- Proposals from Antelope Valley Engineering, Inc. and JT Engineering



MAY 24, 2013

REF. NO. L13-054

PALMDALE WATER DISTRICT
2029 EAST AVENUE Q
PALMDALE, CA 93550

ATTN: MATT KNUDSON
ENGINEERING MANAGER

RE: PROPOSAL FOR ENGINEERING SERVICES
WATER MAIN REPLACEMENT PROJECT
10TH STREET EAST, RANCHO VISTA BLVD. TO PALMDALE BLVD.

DEAR MR. KNUDSON

AS PER YOUR REQUEST, WE ARE SUBMITTING THE FOLLOWING PROPOSED SCOPE OF WORK AND BASIS OF FEE FOR YOUR CONSIDERATION IN REGARDS TO THE WATERMAIN REPLACEMENT PROJECT DESCRIBED BELOW.

PROJECT DESCRIPTION

- REPLACE EXISTING 12" WATERMAIN IN 10TH STREET EAST BETWEEN RANCHO VISTA BLVD. AND AVENUE Q
 - TIE OVER ALL EXISTING WATERMETERS TO NEW MAIN
 - REPLACE EXISTING FIRE SERVICE LATERALS
 - CONNECT NEW MAIN TO EXISTING MAINS AT RANCHO VISTA BLVD. AND AVENUE Q
- ABANDON EXISTING 12" WATERMAIN IN 10TH STREET EAST BETWEEN AVENUE Q AND PALMDALE BLVD.
 - TIE OVER ANY EXISTING WATER METERS AND SERVICE LATERALS ON 12" MAIN TO EXISTING 24" MAIN
 - REMOVE 12" MIAN CONNECTIONS AND INSTALL SPOOLS AS NEEDED
- REPLACE EXISTING 6' WATER MAIN IN AVENUE P-4
 - TIE OVER EXISTING WATER METERS TO NEW MAIN
 - CONNECT NEW MAIN TO NEW 12" MAIN IN 10TH STREET EAST

- REPLACE EXISTING 6" WATER MAIN IN AVENUE P-5
 - TIE OVER EXISTING WATER METERS TO NEW MAIN
 - CONNECT NEW MAIN TO NEW 12" MAIN IN 10TH STREET EAST
- INSTALL A 2" RECIRCULATING MAIN ACROSS LOTS 13 & 36 OF TRACT # 15622 BETWEEN NEW 6" MAINS IN AVENUES P-4 & P-5

SCOPE OF WORK AND BASIS OF FEE (BASED ON PROJECT DESCRIPTION ABOVE)

- | | | |
|----|---|--------------------|
| I. | DESIGN SURVEY | \$ 8,450.00 |
| | | |
| A. | ESTABLISH VERTICAL AND HORIZONTAL CONTROLS | |
| B. | LOCATE ALL OF THE EXISTING IMPROVEMENTS IN 10 TH STREET EAST FROM RANCHO VISTA BLVD. TO AVENUE Q FROM RIGHT OF WAY TO RIGHT OF WAY | |
| | 1. CURB & GUTTER, CENTERLINE, EDGE OF PAVEMENT, SIDEWALKS, DRIVEWAYS | |
| | a) +/- 200' O.C.. AND ALL TRANSITION OR ANGLE POINTS | |
| | 2. UTILITIES (ABOVE GROUND) | |
| | a) METERS, HYDRANTS, ARV'S, BACKFLOW PREVENTERS, VALVE CANS, ETC. | |
| | b) SEWER MANHOLES | |
| | 1) DIP MANHOLES AS NEEDED | |
| | c) STORM DRAIN CATCH BASINS, MANHOLES, ETC. | |
| | 1) DIP MANHOLES AS NEEDED | |
| | d) DRY UTILITIES (BOXES, VAULTS, TRANSFORMERS, ETC.) | |
| | 3. RAILROAD CROSSING AND FACILITIES | |
| B. | LOCATE ALL EXISTING IMPROVEMENTS WITHIN THE INTERSECTIONS TO END OF CURB RETURN OF: | |
| | 1. 10 TH STREET EAST & AVENUE P-4 | |
| | 2. 10 TH STREET EAST & AVENUE P-5 | |
| | 3. 10 TH STREET EAST & PALMDALE BLVD. | |
| D. | LOCATE ALL WATER, SEWER AND STORM DRAIN FACILITIES ON 10 TH STREET EAST FROM AVENUE Q TO PALMDALE BLVD. | |

- E. LOCATE ALL EXISTING IMPROVEMENTS ON AVENUES P-4 & P-5 EAST OF 10TH STREET EAST TO THE END OF THE DEAD END FROM RIGHT OF WAY TO RIGHT OF WAY
- F. TOPO SURVEY LOTS 13 & 36 OF TRACT# 15622 (BETWEEN AVENUES P-4 & P-5) FOR THE PURPOSES OF INTERCONNECTING (CIRCULATING) WATER MAIN

NOTE: PWD STAFF TO PROVIDE FACILITY MAPS/RECORD DRAWINGS FROM UTILITY COMPANY'S FOR EXISTING UTILITIES

- II. BASE PLAN SHEETS @ 1" = 40' SCALE (EST. 5 SHEETS WITH DOUBLE VIEWS) **\$ 5,750.00**

- A. PER SURVEY DATA, SHOW ALL EXISTING IMPROVEMENTS AND UTILITIES

NOTE: PWD STAFF TO ESTABLISH PREFERRED ALIGNMENT FROM INFORMATION SHOWN ON BASE SHEETS

- III. IMPROVEMENT PLANS **\$11,250.00**

- A. TITLE SHEET

- 1. PROJECT IDENTIFICATION, VICINITY MAP, KEY MAP, LEGEND, BENCHMARK, GENERAL NOTES AND LIST OF MATERIALS

- B. PLAN SHEETS (5 SHEETS)

- 1. 1"=40' SCALE
 - 2. EXISTING IMPROVEMENTS
 - a) RELOCATIONS AS NEEDED
 - 3. PROPOSED REPLACEMENT MAIN ALIGNMENTS
 - a) DIP CROSSINGS, IF ANY
 - b) VALVES, ARV'S, FLUSH OUTS, FITTINGS, APPURTENANCES, ETC.
 - 4. BORE PIT LOCATIONS (RAILROAD CROSSING)
 - 5. CONSTRUCTION CALLOUTS, CONNECTION AND ABANDONMENT NOTES, ETC.

- D. DETAIL SHEETS (EST. 2 SHTS.)

- 1. BORED AND JACKED CASING
 - a) RAIL ROAD

| | | | |
|-----|----|---|--------------------|
| | 2. | INTERCONNECTIONS | |
| | 3. | UTILITY CROSSINGS | |
| | a) | DIPPED, ETC. | |
| | 4. | FIRE SERVICE LATERAL REPLACEMENTS | |
| | 5. | TYPICAL DOMESTIC METER TIE OVER | |
| IV. | | MISCELLANEOUS CONSULTING, CORRESPONDENCE AND COORDINATION WITH WATER DISTRICT AND OTHER AGENCIES | \$ 2,500.00 |
| | A. | UNION PACIFIC RAIL ROAD UTILITY CROSSING APPLICATION, LICENSE AGREEMENT, ETC. | |
| | B. | PRELIMINARY QUANTITIES AND COST ESTIMATE | |
| | C. | MODIFICATION OF CONSTRUCTION SPECIFICATIONS, AS APPLICABLE | |
| | | <u>NOTE:</u> CLIENT TO PROVIDE SPECIFICATIONS | |
| | | TOTAL | \$27,950.00 |

EXTRA WORK

ADDITIONAL SERVICES PROVIDED WHICH ARE NOT DESCRIBED IN THE ABOVE "SCOPE OF WORK" AND "BASIS OF FEE" WILL BE CONSIDERED EXTRA WORK AND BILLED ON A TIME AND MATERIAL BASIS ACCORDING TO OUR "RATES FOR PROFESSIONAL SERVICES IN 2013" (ATTACHED). THESE SERVICES MAY INCLUDE, BUT ARE NOT LIMITED TO:

1. CONCEPTUAL ALIGNMENTS
2. CITY ENCROACHMENT PERMIT PROCESSING
3. UTILITY COMPANY FACILITY MAPS
4. CONSTRUCTION SERVICES
 - A. STAKING (SURVEY)
 - B. SUBMITTAL REVIEW
 - C. BID PACKAGE
 - D. CONTRACT ADMINISTRATION
 - E. PRE-BID OR PRE-CONSTRUCTION MEETINGS
 - F. FIELD VISITS

5. CONSTRUCTION SPECIFICATIONS
6. PUBLIC IMPROVEMENT PLANS
7. LEGAL DOCUMENTS (EASEMENTS FOR BACKFLOW PREVENTERS, RECIRCULATING MAIN, ETC.)
8. PRINTS OTHER THAN FOR AGENCY PROCESSING PURPOSES.
9. PLAN AS-BUILTS

WE CURRENTLY HAVE STAFF AVAILABLE TO WORK ON THIS PROJECT. BASE SHEETS COULD BE READY FOR DISTRICT TO DETERMINE ALIGNMENT IN APPROXIMATELY 4 WEEKS AFTER RECEIPT OF A NOTICE TO PROCEED. IMPROVEMENT PLANS COULD BE READY FOR REVIEW IN APPROXIMATELY 4-5 WEEKS ONCE THE ALIGNMENT IS DETERMINED. .

IF YOU HAVE ANY QUESTIONS, PLEASE FEEL FREE TO CONTACT ME AT (661) 948-0805.

RESPECTFULLY,

BARRY S. MUNZ, P.E.
VICE PRESIDENT



RATES FOR PROFESSIONAL SERVICES IN 2013 ARE AS FOLLOWS:

\$170 PER HOUR FOR SERVICES OF PRINCIPAL ENGINEER
\$125 PER HOUR FOR SERVICES OF PROJECT ARCHITECT
\$110 PER HOUR FOR SERVICES OF PROJECT ENGINEER
\$100 PER HOUR FOR SERVICES OF SENIOR DESIGNER
\$100 PER HOUR FOR SERVICES OF PROJECT MANAGER
\$ 80 PER HOUR FOR SERVICES OF ENGINEERING TECHNICIAN
\$ 70 PER HOUR FOR SERVICES OF DESIGN TECHNICIAN
\$ 60 PER HOUR FOR SERVICES OF DRAFTING TECHNICIAN
\$ 50 PER HOUR FOR SERVICES OF ADMINISTRATIVE SECRETARY
\$ 40 PER HOUR FOR SERVICES OF TYPIST/RECEPTIONIST
\$300 PER HOUR FOR SERVICES OF EXPERT WITNESS

SURVEY CREW:

\$100 PER HOUR FOR SERVICES OF 1-SURVEYOR
\$175 PER HOUR FOR SERVICES OF 2-MAN FIELD CREW
\$185 PER HOUR PREVAILING WAGE FOR 2-MAN FIELD CREW
\$225 PER HOUR FOR SERVICES OF 3-MAN FIELD CREW
\$240 PER HOUR PREVAILING WAGE FOR 3-MAN FIELD CREW

SUB-CONSULTANTS @ COST PLUS 15% OR AS NEGOTIATED

PRINTS (BOND)

24 x 36 \$3.50 PER SHEET
30 x 42 \$4.50 PER SHEET
36 X 48 \$5.00 PER SHEET

MISCELLANEOUS

\$0.20 PER SHEET FOR COPIES
\$0.60 PER MILE FOR MILEAGE

ELECTRONIC FILES ON DISK OR E-MAILED BILLED AT HOURLY RATE

**NOTE: TIME SPENT IN EXCESS OF 8 HOURS A DAY OR ON WEEKENDS
WILL BE CHARGED OVERTIME AS FOLLOWS:**

1.5 TIMES THE REGULAR RATE FOR WEEKDAYS IN EXCESS OF
8.0 HOURS PER DAY OR FOR 8.0 HOURS PER DAY ON WEEKENDS

2.0 TIMES THE REGULAR RATE FOR TIME ON WEEKEND IN
EXCESS OF 8.0 HOURS PER DAY OR ON HOLIDAYS

EFFECTIVE DECEMBER 1, 2012

JT ENGINEERING

33336 N. Agua Dulce Cyn. Rd. #103
Agua Dulce, CA. 91390

TEL: (661) 268-8899

FAX: (661) 268-1936

FEE FOR SERVICE PROPOSAL/CONTRACT

AUTH. 13-25 **DATE:** May 21, 2013

JOB TITLE: Replace Water Main
and service lateral **Project Location**
In 10th Street East
From Palmdale Blvd to Ave P

REQUESTED BY: Mr. Peter Thompson-Palmdale Water District

ADDRESS: 32029 E Ave Q.
Palmdale, CA 93550
Ph: (661) 947-4111 x- 1040; Fax: (661) 947-8604

Dear Mr. Thompson:

JT Engineering (hereinafter known as **Consultant**) is pleased to submit this proposal to perform engineering services for Palmdale Water District (hereinafter know as **Client**) for the subject project.

Client is requesting water plan preparation to replace water service laterals and connected apparatus to water main in 10th Street East from Palmdale Blvd to Ave Q.

Client is also requesting water plan preparation to replace existing 12" steel DD&W water main in 10th Street East from Ave Q to Ave P and reconnect water service laterals and apparatus to new water main.

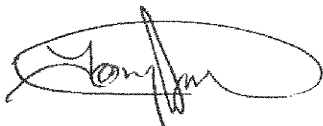
Client will provide utility research information to consultant to reflect on design plans.

Consultant will provide engineering services as outlined in the scope of services, additional plans and reports not listed in the scope of services and required by the jurisdictional authority will be charged as additional services under a separate agreement.

Consultant will prepare plans and reports to be reviewed and approved by Client.

Consultant feels confident in providing the necessary construction documents to complete this project. If you have any questions concerning this proposal, please feel free to call me at (661) 268-8899.

Sincerely,



Tony Jacob, P.E.
JT Engineering

SCOPE OF SERVICES

- A. Field Survey \$ 7,230**
1. Recon the site to determine limits of survey and any available monumentation.
 2. Establish horizontal control at street intersections to determine length of piping
 3. Survey Driveway location at centerline of each driveway, and record driveway width.
 4. Survey and identify water system meters and apparatus.
- B. Mapping \$ 2,500**
1. Utilize assessors map to determine R/W limits of 10th Street East with project limits
 2. Digitize Utility research information provided by Client to mapped
 3. Prepare base map to show plan view of street limit and undergrounds utilities
 4. Street profile will not be shown on base map or improvement plans
- C. Water plans to show the following..... \$ 8,960**
1. Plan view of existing water main, service laterals, water meter, and water system apparatus to be replaced.
 2. Size and location of each water meter to be replaced.
 3. Typical cross section of water meter installation and utility crossing.
 4. Bore and push limits of water main installation under rail road tract between Avenue P-4 & Avenue 'P'
 5. Points of connection to existing water mains, connection notes and methods.
 6. General construction, Vicinity map, and list of water system material
- D. Points of Conflict \$ 2,320**
1. Determine potential points of construction conflict with existing utilities.
 2. Coordinate with Client to expose (Pothole Points of conflict location)
 3. Measure location of existing utilizes once exposed and account for in design plans
- E. Coordination and meetings. \$ 2,500**
1. Coordinate with Client for plan submittal, review, and approval
 2. Coordinate with client concerning points of connection and connection notes.
 3. Attend meeting with client to coordinate design requirements.

Consultant will provide the services for a fee not to exceed \$ 23,510

Alternate cost to provide construction staking for the construction of the new water main, approximate 1 mile long, is \$ 6,850. This fee is excluded from fees above.

Plans will be prepared per Palmdale Water District standards and requirements.

Client is responsible for all Agency fees applicable to this project.

Exclusions:

- | | |
|---|-------------------------------|
| • Dry Utilities (i.e., Phone, Cable, Gas) | • Traffic Control plan |
| • Traffic Study and Signal Plans | • Erosion Control Plan |
| • Field Inspection of Construction Activities | • City of Palmdale submittals |

BILLING

Invoices shall be billed and payable monthly. Consultant will submit invoices as work progresses. Client agrees to pay these invoices by the due date shown on the invoice, with a grace period of 10 calendar days. Payments not received by the end of the grace period constitute late payments and a breach of this contract. Late payments will initiate stop of all work until full payment is received and will cause advanced billing. Consultant shall have no liability whatsoever to the client for any cost or damages caused directly or indirectly by the stop of work.

Client is responsible for all bills related to this project. A contract change order shall be issued by the Consultant and executed by the Client prior to the start of any additional work above and beyond the scope of this proposal.

Direct Costs: Client agrees to pay Consultant for all direct costs incurred by Consultant that are above and beyond the scope of the outlined services. Direct costs shall be billed in accordance with Consultant's current "Hourly Fee Schedule". See sheet 4 of 5

Submittal, Recording and Review Fees: Submittal, recording and plan review fees are not included in this agreement and will be paid by Client.

Office Overhead: Overhead required for Consultant's routine in-house work is included in this agreement. Additional requests for printing, plans, reports, and shipping costs will be charged to the Client.

ADDITIONAL SERVICES

Engineering services in this proposal are conclusive to their outline. Additional engineering services may be required to complete the construction or improvements of this project. Additional services shall be billed under separate contract or as additional work at force account, or at an agreed lump sum price.

Consultant provides their services to the best of their knowledge and belief, based on common engineering practice, and/or their experience of previous projects.

Consultant would like the opportunity to continue providing engineering services after the completion of the civil improvement plans. Consultant would like the opportunity to provide construction management; these services are excluded from this proposal and are subject to a negotiated separate proposal.

It is agreed that the professional services of the Consultant do not extend to or include the review or site observation of the contractor's work or performance. It is further agreed that the owner will defend, indemnify and hold harmless the engineer from any claim or suit whatsoever; including but not limited to all payments, expenses or costs involved, arising from or alleged to have arisen from the contractor's performance or failure of the contractor's work to conform to the design intent and the contract documents.

Executing the last page of this proposal/contract and returning the original to our office denotes your acceptance to the terms and condition of this contract.

HOURLY FEE SCHEDULE

EFFECTIVE JULY 1, 2012

| | |
|--------------------------------------|--------------|
| Principal..... | \$ 195.00/HR |
| Project Manager..... | 165.00/HR |
| Project Engineer..... | 145.00/HR |
| Engineering Associate..... | 130.00/HR |
| Engineering Designer..... | 125.00/HR |
| Geotechnical Engineer..... | 195.00/HR |
| CAD Operator | 65.00/HR |
| Projects Coordinator..... | 65.00/HR |
| Technical Typist..... | 50.00/HR |
| 2-Man Survey Party..... | 185.00/HR |
| 3-Man Survey Party..... | 225.00/HR |
| Survey Office Technician..... | 115.00/HR |
| Expert Witness (4 Hour Minimum)..... | 400.00/HR |

DIRECT COSTS

| Type | 24x36 | 30x42 |
|---------------------------------------|--|---------------|
| Bonds or Sepias | \$5.00/sheet | \$7.00/sheet |
| Vellum | \$8.00/sheet | \$12.00/sheet |
| Mylars | \$20.00/sheet | \$25.00/sheet |
| Scanning | \$12.00/sheet | \$15.00/sheet |
| | Fee | |
| Delivery Charges (FedEx, UPS, etc...) | Cost plus 15% markup | |
| City/County Requested Reproductions | Cost plus 15% markup | |
| Electronic data files | \$ 85.00 initial fee plus coordination fee of \$65/hr | |

Overtime – 1-1/2 times hourly rate

Saturday/Sunday/Holiday – double hourly rate

AUTHORIZATION FOR PROFESSIONAL SERVICES

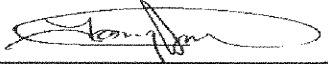
This "Authorization for Professional Services" shall be attached to the above described Proposal/Contract 13-25, dated May 21, 2013 and made the last part thereof.

I/We (**Client**, or Client's authorized representative) do hereby authorize JT Engineering (**Consultant**) to proceed with the services under the terms of this proposal/contract.

I/We further warrant that I/we am/are the owner(s), or am/are authorized by the owner(s) of the subject property to enter into this agreement, and that I/we will be directly responsible for all charges incurred under the terms of this proposal/contract.

CLIENT

CONSULTANT'S ACKNOWLEDGMENT

| | | | |
|------------|----------------------------|------------|--|
| Signature | _____ | Signature |  |
| Date | _____ | Date | 05/21/2013 |
| Print Name | _____ | Print Name | Tony Jacob |
| Title | _____ | Title | Principal |
| Company | Palmdale Water Distrcit | Company | JT Engineering |
| | 32029 E Ave Q | | 33336 N. Agua Dulce Canyon Road |
| | Palmdale CA 93550 | | Suite 103 |
| | Tel: (661) 947-4111 x 1040 | | Agua Dulce, CA 91390 |
| | Fax: (661) 947-8604 | | _____ |

OWNER OF RECORD

| | |
|------------|-------|
| Print Name | _____ |
| Address | _____ |
| | _____ |
| Phone # | _____ |

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: June 5, 2013 **June 12, 2013**
TO: BOARD OF DIRECTORS **Board Meeting**
FROM: Mr. Dennis D. LaMoreaux, General Manager
RE: ***AGENDA ITEM NO. 7.7 – CONSIDERATION AND POSSIBLE ACTION
ON COMMUNITY PRESENTATIONS POLICY AS AN AMENDMENT
TO THE DISTRICT’S RULES AND REGULATIONS.***

Recommendation:

Staff and the Outreach Committee recommend creating a new section in the District’s Rules and Regulations under Article 12: Rules Applicable to Interaction Between the District and Members of the Public as Article 12.12 – Community Request for Speakers and/or Presentations.

Background:

The Outreach Committee requested more focused and responsive interaction be developed with the public and with local community groups. This interaction can include a general exchange of information as well as District speakers and/or presentations to local community groups and organizations based on their interests. Local organizations were contacted to determine their level of interest in District presentations and topics they would like to see presented.

The attached draft policy outlines the steps for requesting District speakers, and a list of potential topics is included on the sample Speaker Request Form. The Speaker Request Form will be available for completion through the District’s web site.

Strategic Plan Element:

This work is part of Strategic Element 7.0 Customer Service.

Budget:

This policy will have no impact on the budget.

Supporting Documents:

- Draft Article 12.12 – Community Request for Speakers and/or Presentations

PWD RULES AND REGULATIONS

Article 12: RULES APPLICABLE TO INTERACTION BETWEEN THE DISTRICT AND MEMBERS OF THE PUBLIC

Article 12.12 Community Request for Speakers and/or Presentations

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

1. All requests for speaking be submitted to the District office with as much notice as possible before the event (Form attached as Appendix ____ of Rules and Regulations);
2. Topic appropriate District staff will be assigned to prepare, or update, information for the presentation;
3. District Directors will be informed of the event and included in the presentation as appropriate; and
4. Staff and/or Director speaking engagements that do not follow this process must include a disclosure statement that the presentation is from an individual, not the District.

Organization/Company

Website

First Name

Last Name

Title

Address

City, State Zip

| | | |
|----------------------|------------|----------------------|
| <input type="text"/> | California | <input type="text"/> |
|----------------------|------------|----------------------|

Phone

Fax

Email

Confirm Email

Event Date/Time *First Choice*

| | | | | | | |
|----------------------|---|----------------------|----|----------------------|----|----------------------|
| <input type="text"/> | 1 | <input type="text"/> | 00 | <input type="text"/> | AM | <input type="text"/> |
|----------------------|---|----------------------|----|----------------------|----|----------------------|

Event Date/Time *Second Choice*

| | | | | | | |
|----------------------|---|----------------------|----|----------------------|----|----------------------|
| <input type="text"/> | 1 | <input type="text"/> | 00 | <input type="text"/> | AM | <input type="text"/> |
|----------------------|---|----------------------|----|----------------------|----|----------------------|

Event Type

| | |
|---------|----------------------|
| Meeting | <input type="text"/> |
|---------|----------------------|

Location Name

Location Address

Location Phone

Topic(s) *Hold CTRL to select up to 3 topics.*

| |
|-----------------------------------|
| PWD Overview |
| Water Rates |
| Water Supply |
| Water Quality |
| Water Conservation |
| Ground Water Banking |
| Water Efficient Landscaping |
| Infrastructure Planning/Projects |
| PWD Strategic Plan |
| Palmdale Recycled Water Authority |
| Use of Renewable Resources |
| Other |

Send Request

RESULTS OF PUBLIC WATER AGENCY LEGAL SERVICES SURVEY

| Name | Agency | | | | | Total O&M (\$M) | General Legal Expenses | | Outside Legal Services | | | Changes in last 5 years | |
|------------------------------------|-------------|-------------|-------------|---------------------------------------|--------------------------------------|-----------------|------------------------|-------|------------------------|--------------|-----------------|-------------------------|----|
| | Connections | # Employees | Represented | Water Source(s) | Services | | (\$K) | % O&M | Contract | RFP Process | Major Lawsuits | | |
| | | | | | | | | | | | | | |
| Antelope Valley-East Kern | 40 | 40 | No | SWP | Wholesale Water | 20-25 | 150-300 | 1.2 | Yes | Unknown | Same Firm | No | |
| Castaic Lake Water Agency | 4 | 66 | No | SWP | Wholesale/Retail Water | 15-20 | 750-1000 | 5.0 | Yes | Yes | Varies | No | |
| Cucamonga Valley Water District | 50,000 | 120 | No | Local Surface Groundwater MWD Imports | Retail Water & Wastewater | 30+ | 100-250 | 0.8 | Yes | Unknown | Special Counsel | Billing Categories | |
| Desert Water Agency | 21,800 | 74 | Yes | Local Surface Groundwater SWP | Retail Water, Wastewater, & Recycled | 30+ | 100-250 | 0.8 | No | No | Same Firm | | No |
| Indian Wells Valley Water District | 12,000 | 27 | Partially | Groundwater | Retail Water | 5 to 10 | 100-250 | 2.5 | Yes | Yes | Unknown | | No |
| Moulton Niguel Water District | 54,701 | 114 | Partially | MWD Imports | Retail Water, Wastewater, & Recycled | 30+ | 250-500 | 1.7 | Yes | No | ACWA/JPIA | Personnel Legal Firm | |
| Quartz Hill Water District | 5,673 | 13 | Yes | Groundwater AVEK Imports | Retail Water | 30+ | 100-250 | - | Unknown | Unknown (No) | Unknown | No | |
| Three Valleys MWD | 19 | 22 | No | MWD Imports Groundwater | Wholesale Water | | 60-150 | 0.5 | No | Unknown | Same Firm | No | |
| Palmdale Water District | 27,300 | 88 | No | Local Surface Groundwater SWP | Retail Water | 20-25 | 100-250 | 1.0 | No | Unknown | Varies | No | |

- Y. Temporary Service:** Provision of water on a temporary basis for construction purposes.

ARTICLE 4: BOARD OF DIRECTORS (BoD) (Revised 2-11-09)

4.01: NUMBER OF DIRECTORS

The number of Directors shall be five (5) members elected at large from the District, each to be a resident and voter of one of the five voting Districts.

4.02: VOTING DISTRICTS

There shall be five (5) voting divisions with the boundaries as established by the BoD to equalize, as best as possible, the number of registered voters in each voting division. These boundaries shall be adjusted with approval of the Board when deemed necessary. Resolution 09-06 and the PWD Boundary and Elective Division Map are attached hereto as Appendix A.

4.03: MEETINGS OF THE BOARD (Revised 1-13-10)

4.03.1 REGULAR MEETINGS OF THE BOARD

Regular meetings of the Board are held on the second and fourth Wednesday of each calendar month at 7:00 p.m. or the time and dates set on the agenda when necessary. If the regular meeting falls on a holiday, the meeting time will be re-scheduled before or after that date as the Board directs. Meetings shall be run under the general guidelines of "Robert's Rules of Order" and in accordance with California's open meeting laws. Notice of each regular meeting shall be mailed and received by, or personally delivered to, each member of the Board. Notices shall be sent to a local newspaper of general circulation, radio or television station requesting such notice in writing, at least 72 hours before the time of the meeting. The call and notice of any meeting must specify the time and place of the meeting and the business to be transacted.

4.03.2 SPECIAL MEETINGS OF THE BOARD

Special meetings of the Board shall be held at a time and place as may be designated by the presiding officer or by a 3/5ths majority of the members of the Board. Written notice of such a meeting is to be mailed to and received by, or personally delivered to, each Board member at least 24 hours prior to such special meeting.

4.03.3 EMERGENCY MEETINGS OF THE BOARD

In case of an emergency involving matters upon which prompt action is necessary due to disruption or threatened disruption of public facilities, an emergency meeting of the Board may be held at a time and place as may be designated by the presiding officer without complying with the 24 hour prior notice requirement. All other meeting requirements must nonetheless be met. The minutes of such an emergency meeting shall list those persons notified or who were attempted to be notified. A copy of the roll call vote on any action taken must be posted for at least 10 days as soon after the meeting as possible.

4.03.4 QUORUM

The quorum consists of three Board Members. A quorum must be present for the Board to take action on any matter. A 3/5 Board majority is required for any action by the Board, except for a motion to adjourn or a motion to adjourn for a stated time.

4.04: OFFICERS OF THE BOARD

The officers of the Board shall be:

President, Vice President, Treasurer and Secretary.

The Board may reorganize from time to time upon a 3/5 majority vote of the Board or annually when called for by the President.

4.05: DUTIES OF OFFICERS

4.05.1 DUTIES AND OBLIGATIONS IN GENERAL

In addition to such duties and obligations imposed by law or by action of the Board of Directors, the duties of each officer of the District are as follows:

4.05.1.1 President

Preside over and conduct all meetings of the BoD and carry out the resolutions and orders of the Board. Exercise other powers and perform other duties as prescribed by the Board. Approve Board meeting agendas. Form or disband standing and ad hoc committees. Appoint committee members and the Chair of said committees. Write and/or sign correspondence in behalf of the BoD and PWD.

4.05.1.2 Vice President

Exercise the duties of the President in the absence of, when the President stands down or when the President is unable to continue in his/her duties due to any other reason.

4.05.1.3 Treasurer

Sign financial instruments as required and serve as the Finance Committee Chair. The Treasurer acts on behalf of the President in the event the President and Vice President are unable to do so.

4.05.1.4 Secretary

Certify or attest to the actions taken by the Board. Sign the minutes of the Board meeting following their approval.

4.06: BOARD OF DIRECTORS COMPENSATION (Revised 12-11-09)

The Board of Directors shall be compensated for attendance at regular and special meetings of the Board, including committee meetings, and other functions as approved in advance by the Board of Directors, at a rate of \$150.00 per day up to the maximum number of days per month and the maximum annual compensation allowable by law. In addition, Directors shall

be entitled to compensation for a day of service in attendance at all meetings and occurrences listed and as indicated in Appendix V, as the Board of Directors has determined those meetings and occurrences constitute performance of official duties rendered as members of the Board. Each Director shall submit, on a form provided by PWD and signed by the Director, the number of days of attendance for which compensation shall be made. Email or FAX submittal of the form shall be acceptable with signature to follow. Compensation for purely social functions is not allowable.

4.06.1 BOARD OF DIRECTORS EXPENSES

The Board of Directors shall be compensated for actual, reasonable and necessary expenses incurred for participating in activities approved in advance by the Board of Directors or as allowed as indicated in Appendix V attached hereto, and that further the goals and interests of PWD. Directors shall exercise prudence in all expenditures. Requests for reimbursement, along with receipts and documentation shall be submitted on a form provided by PWD and signed by the Director. Email or FAX submittal of the form shall be acceptable with signature to follow. All requests for reimbursement should be submitted to the General Manager monthly after the expenses were incurred or expenditures made. The Finance Committee shall periodically review Director's expense reports and shall prepare such reports and documents as may be required under Government Code Section 53065.5. This policy is intended to result in no personal gain or loss to a Director and no reimbursement shall be allowed for transportation, lodging, meals or incidental expenses of family members or guests of a Director traveling with the Director to an authorized event.

4.06.2 REPORTS TO GOVERNING BOARD

At the regular meeting of the Board following any meeting, conference, educational activity or other authorized event for which compensation for a

day of services or reimbursement of expenses is requested, the Director attending the event shall give a brief report on the meeting or event. If more than one Director of the District attended the same meeting, a joint report may be made. Reports may be written or oral.

4.07: CONDUCT OF THE BOARD OF DIRECTORS

The PWD Board of Directors shall at all times conduct itself in accordance with all applicable Federal, State and Local laws.

4.08: USE OF DISTRICT LETTERHEAD AND LOGO BY DIRECTORS

(Revised 10-10-12)

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

4.09: DIRECTOR BIOGRAPHIES (Revised 9-30-09)

The biography of a Director shall be limited to the Director's own qualifications and experience, and shall not include language that in any way makes reference to other Directors or their qualifications, character or activities.

4.10: DIRECTORS' SOCIAL MEDIA COMMUNICATIONS POLICY

(Approved 11-14-12)

A. Introduction/Purpose: In light of advances in information and communications technology, the Board of Directors of Palmdale Water

District (the "District") adopts this policy to ensure continued compliance with the Brown Act in connection with certain social media and other electronic communications, while respecting a Director's right to express himself or herself on issues within the District's subject matter jurisdiction, and to enhance directors' communications with their constituents.

B. Application: This policy shall apply only to Directors' communications in the following social or electronic media:

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

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

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

newsletter. Notwithstanding the foregoing, during the period that commences on the date that candidates may first submit papers to become a candidate for a position on the District's Board of Directors and ending on the day after the election for that position, Directors shall not post anything on the District's website and all existing posts will be removed from the District's website.

E. District Facebook Page:

1. Subject to the limitations set forth in subdivisions (b), (c) and (d) of this Section 5, Directors may post communications on the District's Facebook page that will not be reasonably construed to constitute the development of a collective concurrence or commitment to make a decision on a matter within the District's subject matter jurisdiction.
2. With respect to comments on the District's Facebook page, not more than two (2) Directors may comment on any post on the District's Facebook page; provided, however, that if a District Director posted the initial comment, then only one (1) other Director may comment on that post. Directors should refrain from knowingly commenting on any post that concerns an issue that it is reasonably anticipated the Board of Directors will consider in the future.
3. With respect to "likes" on the District's Facebook page, Directors may "like" any post or comment on that page so long as the post or comment concerns a prior event or occurrence; provided, however, that if a District Director posted the initial post or comment, then only one (1) other director may "like" that post or comment. For any posts or comments concerning future events or occurrences or issues that it is reasonably anticipated the Board of Directors will

consider in the future, directors should refrain from “liking” any such post or comment, and in all cases not more than two (2) Directors may “like” that same post or comment.

4. During the period that commences on the date that candidates may first submit papers to become a candidate for a position on the District’s Board of Directors and ending on the day after the election for that position, Directors shall not post any campaign-related comments or posts on the District’s website, nor “like” any campaign-related comments or posts made by any other person or entity and all existing posts will be removed from the District’s website.

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

1. For any substantive discussion regarding an issue within the District’s subject matter jurisdiction, the Director must include a disclaimer that the comment or statement made by the Director is the Director’s personal view or position and not the view or position of the District.
2. Upon becoming aware of a posting, comment or statement by a District Director on any website or blog (other than the District’s website or District’s Facebook page, as described in Sections 4 and 5, above), other Directors shall refrain from posting on the same website or blog comments or statements in response to that Director’s post, comment or statement if that post, comment or statement concerns subject matter that is within the District’s subject matter jurisdiction.

POLICY REGARDING CONDUCT OF BOARD OF DIRECTORS MEETINGS

The members of the Board of Directors of Walnut Valley Water District recognize their collective obligation to take those actions which are in the best interests of all of the inhabitants of the District.

In order to meet this commitment to the inhabitants, the Board members must eliminate any personal conflicts and ensure open and full discussion of all issues affecting the District.

All Board members are encouraged to fully express their views on matters within the jurisdiction of the Board and shall treat each other with courtesy and respect.

In this environment of mutual respect, the Board members will treat everyone with dignity, even when there are different values, beliefs, backgrounds or behaviors.

Members of the Board will not harass, mistreat, belittle, harm or take advantage of anyone. Members shall strive for fairness and honesty in all of their dealings with others.

RESOLUTION NO. 135-R

RESOLUTION OF THE BOARD OF DIRECTORS OF PICO WATER DISTRICT REGARDING DECORUM DURING BOARD OF DIRECTORS' MEETINGS AND ESTABLISHING RULES OF CONDUCT FOR DIRECTORS

WHEREAS, the Board of Directors of Pico Water District (the "District") desires to revise its policy to ensure that its meetings are conducted in an orderly manner and to ensure that the directors treat each other in a professional manner,

NOW, THEREFORE, BE IT RESOLVED that the District's Board of Directors hereby approves and adopts the following policy regarding decorum during Board of Directors' meetings and establishing rules of conduct for directors and the public, and further resolves that this resolution supersede any prior resolution adopted by the District's Board of Directors regarding similar subject matter, specifically including District Resolution No. 78, adopted September 18, 1995:

1. Rules of Decorum for Board of Directors' Meetings.

(a) Decorum. Meetings of the District's Board of Directors (the "Board") must be conducted in an orderly manner to ensure that the public has an opportunity to be heard and that the Board's deliberative process is not disrupted. The Board's presiding officer, whether the President or Vice President, or, in their absence, another member so designated by the Board, is responsible for maintaining the order and decorum of meetings.

(b) Rules of Decorum. While any meeting of the Board is in session the following rules of decorum must be observed:

(i) Persons Addressing the Board. Each person who addresses the Board must do so in an orderly manner and must not make personal, impertinent, slanderous, or profane remarks to any member of the Board, staff, or general public. Any person who makes such remarks, or who utters loud, threatening, personal, or abusive language, or who engages in any other disorderly conduct that disrupts, disturbs, or otherwise impedes the orderly conduct of any Board meeting will, at the discretion of the presiding officer or a majority of the Board, be barred from further audience before the Board during that meeting.

(ii) Members of the Audience. No person in the audience at a Board meeting may engage in disorderly or boisterous conduct, including the utterance of loud, threatening, or abusive language, whistling or other acts that disturb, disrupt, or otherwise impede the orderly conduct of the Board meeting. Persons in the audience shall not interrupt ongoing discussions by the Board, District staff or other persons recognized and given the floor by the presiding officer, and shall avoid talking, making noises or other

utterances while others are speaking. Any person who behaves in this manner may, at the discretion of the presiding officer or a majority of the Board, be barred from further audience before the Board during that meeting.

(c) Addressing the Board. No person may address the Board without first being recognized by the presiding officer. The following procedures must be observed by persons addressing the Board:

(i) Each person shall use the podium provided for the use of the public and state his or her name and the organization, if any, that he or she represents.

(ii) Any subject that is deemed by the presiding officer to not be within the subject matter jurisdiction of the Board or the District may be precluded. District legal counsel shall have the authority to halt any comments determined to be outside the subject matter jurisdiction of the Board or District.

(iii) With regard to items that are listed on the agenda, the remarks of the speaker must be confined to the subject that is being discussed at the time such remarks are made. Members of the public are encouraged to hold any comments on specific agenda items until after the Board has concluded its initial discussion of the specific agenda item.

(iv) The remarks of each person must be limited to two minutes in accordance with existing District policy, unless additional time is granted by the presiding officer or the Board. Where a group of persons wish to address the Board on the same subject, the group should endeavor to select one spokesperson to address the Board in order to expedite matters and avoid repetitious presentations.

(v) All remarks to the Board must be addressed to the presiding officer and not to any single member of the Board unless in response to a question from that director.

(d) Rules of Decorum among Directors. The following rules apply to all directors at meetings:

(i) By Directors. While the Board is in session, directors must preserve order and decorum, and a director must not, by conversation or otherwise, delay or interrupt the proceedings of the Board, nor disturb any director while speaking, nor refuse to obey the orders of the Board or its presiding officer, except as otherwise provided in this section.

(ii) Getting the Floor—Improper References to be Avoided. Every director desiring to speak must address the chair and, upon recognition by the presiding officer, must confine all remarks to the question under debate. District legal counsel shall have the authority to halt any comments that in his or her opinion may constitute violations of the Brown Act.

(iii) Interruptions. Once recognized, a director must not be interrupted when speaking unless it is to call that director to order, or as otherwise provided in this section (d). If a director is called to order while speaking, that director must cease speaking until the question of order is determined and, if in order, the director will be permitted to proceed.

(iv) Appeals. Any ruling of the presiding officer may be appealed at the request of a director by way of a motion to appeal the decision of the chair, which can be passed by a majority vote of the Board.

(e) Enforcement of Decorum. The rules of decorum set forth above will be enforced in the following manner:

(i) Warning; Removal. The presiding officer may request that a person who is breaching the rules of decorum be orderly and silent. After receiving a warning from the presiding officer, if a person persists in disturbing the meeting, the presiding officer may order that person to leave the Board meeting, or may call for a recess of the meeting to allow the meeting room to be cleared and for the readmittance of only those individuals not responsible for the disturbance. If the person responsible for the disturbance does not leave, then the presiding officer may request assistance from a law enforcement officer to remove the person from the meeting. The Board may select a Sergeant-At-Arms from time to time to assist in maintaining order and decorum at Board meetings.

(ii) Motion to Enforce. If the presiding officer fails to enforce the rules set forth above, any director may move to require such enforcement, and an affirmative vote of a majority of the Board will require that action. If the presiding officer fails to carry out the will of a majority of the Board, the majority may designate another director to act as presiding officer for the limited purpose of enforcing any rule of this section that it wishes enforced.

2. Board of Directors – Norms of Conduct and Communication.

(a) Personal Conduct. The work of the District is a team effort. All directors should work together in the collaborative process, assisting each other and District management, staff and consultants in conducting the affairs of the District in the best interests of all of the inhabitants of the District. Directors shall thoroughly prepare themselves to discuss agenda items at Board meetings. Directors shall at all times conduct themselves with courtesy to each other, to staff and to members of the public present at Board meetings. Directors shall defer to the presiding officer for the conduct of Board meetings, but shall be free to question and discuss items on the agenda. All comments should be brief and confined to the matter being discussed by the Board. Directors should function as a part of the whole, with issues brought to the attention of the Board as a whole, rather than to individual directors selectively. Directors are responsible for monitoring the District's progress in attaining its goals and objectives, while pursuing its mission.

(b) Communication of Views and Positions. The Board of Directors is committed to providing excellence in legislative leadership that results in the highest quality of service to its customers. In order to ensure appropriate behavior between and among directors, the following rules shall be observed:

(i) The dignity, style, values and opinions of each director shall be respected. Open and full discussion of all issues affecting the District shall take place. Responsiveness and attentive listening in communication are encouraged.

(ii) The needs of the District's customers should be the priority of the Board of Directors and directors shall strive for fairness and honesty in all of their dealings with others.

(iii) Directors should emphasize the positive, avoid double talk, hidden agendas, gossip, backbiting and other negative forms of interaction. Directors should treat each other with respect, avoid personal attacks against other directors and avoid the use of profanity or other slurs directed at other directors.

(iv) Directors should focus on issues and not personalities. The presentation of the opinions of others should be encouraged. Cliques and voting blocks based on personalities rather than issues should be avoided.

(v) Differing viewpoints are healthy in the decision-making process. Individuals have the right to disagree with ideas and opinions without being disagreeable. Once the Board of Directors takes action, directors should commit to support such action and not create barriers to the implementation of the action.

(c) Board Discipline. In the exercise of its discretion to enforce the foregoing provisions of this Section 2, the Board of Directors, by the affirmative vote of three (3) of its members, may censure any director for a period of time deemed appropriate by the Board for any violation of this Section 2. The maximum penalty that may be imposed upon the censured director during the period of such censure shall be the following:

(i) The suspension of all spending of District funds by the censured director, and of all reimbursement from District funds of any costs incurred by the censured director, unless otherwise allowed by the Board of Directors.

(ii) The removal of the censured director from service on all Board committees, unless subsequently authorized by the Board of Directors.

(iii) The withholding of all compensation by the District to the censured director for attending meetings of the Board of Directors and other meetings for which compensation is payable, except as may be otherwise allowed by the Board of Directors.

(iv) The removal of the censured director from any office held by that director.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of Pico Water District held on July 19, 2006.

Antonio A. Martinez, President

ATTEST:

Mark J. Grajeda, Secretary

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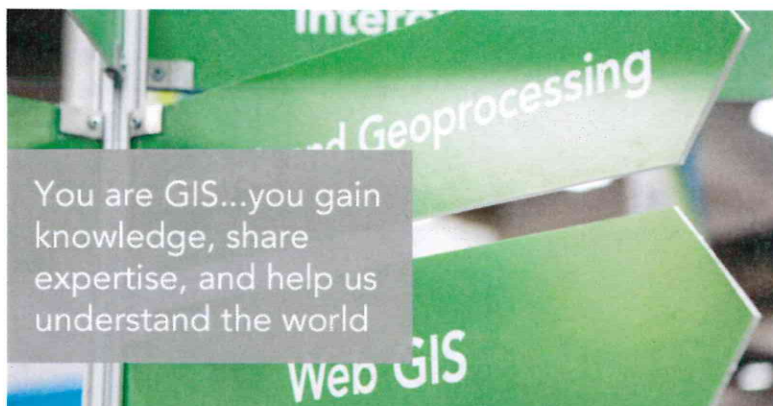
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The Esri UC is one of the most effective ways to

Learn real applications of GIS

Test new products, improve technical development skills, and gain new mapping techniques.

Discuss new Esri features, expand your network, and receive invaluable ideas to energize your GIS operations

Gain tips and tricks for telling better stories though maps

More than 86% of attendees found the map gallery valuable

96% of attendees found the GIS concept sessions valuable

Learn to maximize the latest GIS techniques and applications

97% of attendees found the GIS EXPO valuable

99% of attendees found the Technical Workshops valuable

82% of attendees found the 20-minute technical workshops valuable

Make connections that help you gain resources for future projects

95% of attendees found the Industry Focus sessions valuable

93% of attendees found the Special Interest Group Meetings valuable

91% of attendees found the Regional User Group Meetings valuable

Improve your GIS effectiveness

86.9% of surveyed users discovered a new technique to help complete a project or learned how someone else solved a problem

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Let your boss know that you'll share your newly acquired knowledge with the rest of the team

Plan a presentation for a working lunch after you return

Write-up a report of the conference, along with an action plan based on what you learned

Gather up information from the exhibits and displays and bring it back for your colleagues to review

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MINUTES OF MEETING OF THE FACILITIES COMMITTEE OF THE PALMDALE WATER DISTRICT, APRIL 23, 2013:

A meeting of the Facilities Committee of the Palmdale Water District was held Tuesday, April 23, 2013, at 2029 East Avenue Q, Palmdale, California, in the Board Room of the District office. Chair Alvarado called the meeting to order.

1) Roll Call.

Attendance:

Facilities Committee:

Robert Alvarado, Chair

Gordon Dexter, Committee
Member

Others Present:

Dennis LaMoreaux, General Manager

Tim Moore, Facilities Manager

Peter Thompson II, Operations Manager

Matt Knudson, Engineering Manager

Randy Hardenbrook, Equipment Mechanic Spvsr.

Kelly Jeters, Systems Supervisor

Dawn Deans, Executive Assistant

0 members of the public

2) Adoption of Agenda.

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

3) Public Comments.

There were no public comments.

4) Action Items:

4.1) Consideration and Possible Action on Approval of Minutes of Regular Meeting Held March 19, 2013.

It was moved by Committee Member Dexter, seconded by Chair Alvarado, and unanimously carried to approve the minutes of the Facilities Committee meeting held March 19, 2013, as written.

4.2) Consideration and Possible Action on Lease for Cell Tower at Lower El Camino Tank Site. (Engineering Manager Knudson)

Engineering Manager Knudson reviewed the proposed AT&T cell tower lease at the lower El Camino tank site, and after a brief discussion of the terms of the lease agreement, the current cell tower leases, security of the District's sites, and aesthetics from the cell towers, the Committee recommended the proposed AT&T cell tower lease at the District's lower El Camino tank site be presented to the full Board for consideration.

5) Information Items.

5.1) Update on Facilities Committee Goals and District Projects. (Chair Alvarado)

Operations Manager Thompson II informed the Committee that work continues on the SCADA radio backbone upgrade and GAC pilot test projects, and water production is increasing as the weather warms.

Equipment Mechanic Supervisor Hardenbrook informed the Committee that staff built solar panel chargers for several generators to save replacement of batteries, and other generators will be retrofitted with this cost saving measure; that the outboard boat motor has been rebuilt and is back in service; and that work continues on the valve job on Well No. 15; and then reviewed deferred maintenance projects followed by discussion of these projects.

5.2) Update on Monitoring of Wind Turbine Through Black & Veatch. (Engineering Manager Knudson)

Engineering Manager Knudson informed the Committee that Black & Veatch have prepared wind turbine monitoring reports and then reviewed a snapshot report for the period of April 3 through April 17, 2013 and stated that the wind turbine is operating as anticipated; that these reports are available on line any time; and that staff will provide written reports on a monthly basis.

5.3) Update on Pending Water Quality Regulations. (Operations Manager Thompson II)

Operations Manager Thompson II informed the Committee that the District's current Water Quality Supervisor has resigned effective April 26 and that he will introduce the District's new Water Quality Supervisor at the next Committee meeting who will provide a general update on regulatory issues.

5.4) Report on Single Point Failures. (Committee Member Dexter)

Equipment Mechanic Supervisor Hardenbrook informed the Committee that there are five single point failure booster sites located at the end of the system and reviewed staff's plan for replacement of these boosters followed by discussion of the number of services at these sites, the result of any failure, and potential replacement of these facilities through development projects.

Operations Manager Thompson II then informed the Committee of the single point failure pumps at the water treatment plant and staff's plan for replacement of these pumps.

5.5) Review of School Tours and Past Open Houses. (Operations Manager Thompson II)

Operations Manager Thompson II informed the Committee of the written information provided to water treatment plant tour recipients and staff's guidelines for presenting the tours and then stated that the District has held open houses and conducts school and civic group tours; that the most effective tours are targeted to specific civic groups; that tours are disruptive to the day-to-day operations of the water treatment plant; that there are liability concerns; and that he recommends tours be targeted to specific groups.

General Manager LaMoreaux then stated that tours have also been conducted for other water districts interested in solving stage II disinfection rules.

5.6) Review of the District's Emergency Response Plan. (Operations Manager Thompson II)

Operations Manager Thompson II provided an overview of the District's Emergency Response Plan including fiscal issues, natural disasters, manmade disasters, communications plans, contact and resource information, and forms for staff use during emergency events followed by discussion of updates needed for the Emergency Response Plan, a District-wide drill, the formation of an Emergency Response Committee, events responded to on a day-to-day basis, the reality of events and the practice of drills, and the District's inventory due to the various faults in the area.

Chair Alvarado then requested this item remain on future agendas for updates.

5.7) Other.

General Manager LaMoreaux informed the Committee that the District has received requests to enter District-owned properties to conduct studies along the railroad and Sierra Highway for the high-speed rail project; that two alternate routes are proposed for this area; that staff met a few years ago with the engineers on this project to discuss these routes being west of the Antelope Valley freeway through a tunnel and emerging over the top of the aqueduct or near Sierra Highway, which could possibly clip the south end of Palmdale Dam; that staff expressed concern on this option; and that staff will stay abreast of developments in this area after which Chair Alvarado requested a report be provided to the full Board on this topic.

There were no additional information items.

6) Board Members' Requests for Future Agenda Items.

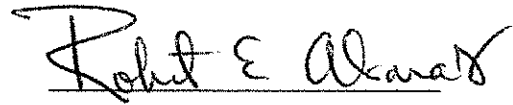
It was determined that "Status of updating the District's Emergency Response Plan" will be included on the agenda for the next Committee meeting.

There were no further requests for future agenda items.

The next Facilities Committee meeting was then scheduled for May 21, 2013 at 5:00 p.m.

7) Adjournment.

There being no further business to come before the Facilities Committee, the meeting was adjourned.


Chair

**MINUTES OF MEETING OF THE WATER SUPPLY & RELIABILITY COMMITTEE
OF THE PALMDALE WATER DISTRICT, APRIL 26, 2013:**

A meeting of the Water Supply & Reliability Committee of the Palmdale Water District was held Friday, April 26, 2013, at 2029 East Avenue Q, Palmdale, California, in the Board Room of the District office. Chair Dexter called the meeting to order.

1) Roll Call.

Attendance:

Water Supply & Reliability Cmte:
Gordon Dexter, Chair
Gloria Dizmang, Committee
Member

Others Present:

Dennis LaMoreaux, General Manager
Matt Knudson, Engineering Manager
Dawn Deans, Executive Assistant
1 member of the public

2) Adoption of Agenda.

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

3) Public Comments.

There were no public comments.

4) Action Items:

4.1) Consideration and Possible Action on Approval of Minutes of Meeting Held March 22, 2013.

It was moved by Committee Member Dizmang, seconded by Chair Dexter, and unanimously carried to approve the minutes of the Water Supply & Reliability Committee meeting held March 22, 2013, as written.

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

General Manager LaMoreaux reviewed the water supply projections and charts included with the agenda packet and informed the Committee that water production increased in March, and overall production has increased 5% compared to last year; that the District has increased its use of State Water Project water to use carry-over water; that

Littlerock Reservoir water will be used in the next month; and that due to the 35% State Water Project allocation, the District's carry-over water has been reduced to 1,700 acre feet followed by discussion of future State Water Project allocation cutbacks and the Monterey Agreement.

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

General Manager LaMoreaux informed the Committee that staff is in discussions with various agencies regarding water banking opportunities and that he will be meeting with a prospective partner at the ACWA Conference.

4.4) Status on the Operations of the State Water Project. (Water & Energy Resources Manager Pernula)

General Manager LaMoreaux informed the Committee that negotiation of the State Water Project contracts is scheduled to begin and is hoped to be completed in the next few years including environmental review; that the existing contracts do not expire until 2035; but that the process has begun now due to the need for a bond issue to maintain operations and then reviewed flows through the State Water Project system, below average precipitation, and the reservoir report.

5) Project Updates.

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

Engineering Manager Knudson stated that the State Water Resources Control Board application for the planning grant to cover 50% of the facilities plan update for the Palmdale Recycled Water Authority has been submitted.

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

General Manager LaMoreaux stated that staff is reviewing several Table A water purchase opportunities and will keep the Committee informed of any progress followed by discussion of the State Water Project allocation.

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

Engineering Manager Knudson stated that staff is working on an amendment with Aspen Environmental, who is performing the EIR/EIS for this project, and the amendment will be presented to the Committee for consideration depending on the outcome of the bond issue and refinance followed by discussion of disposal of the sediment from this project.

6) Information Items.

General Manager LaMoreaux informed the Committee that the District's bond rating from Fitch remains unchanged.

He then informed the Committee that the State Water Contractors will present information on the Bay-Delta Plan at the ACWA Conference.

There were no additional information items to discuss.

7) Board Members' Requests for Future Agenda Items.

The next Water Supply & Reliability Committee meeting was scheduled for May 24, 2013 at 3:00 p.m.

8) Adjournment.

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



Chair

**MINUTES OF MEETING OF THE OUTREACH COMMITTEE OF THE PALMDALE
WATER DISTRICT, MAY 6, 2013:**

A regular meeting of the Outreach Committee of the Palmdale Water District was held Monday, May 6, 2013, at 2029 East Avenue Q, Palmdale, California, in the Board Room of the District office. Chair Dizmang called the meeting to order.

1) Roll Call.

Attendance:

Outreach Committee:

Gloria Dizmang, Chair

Robert Alvarado, Committee
Member

Others Present:

Mike Williams, Finance Manager

Tim Moore, Facilities Manager

Jim Stanton, Information Technology Manager

Claudette Beck, Water Conservation Supervisor

Danielle Henry, Administrative Assistant

Dawn Deans, Executive Assistant

0 members of the public

2) Adoption of Agenda.

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

3) Public Comments.

There were no public comments.

4) Action Items:

**4.1) Consideration and Possible Action on Approval of Minutes of Meeting
Held April 8, 2013.**

After a brief discussion, it was moved by Committee Member Alvarado, seconded by Chair Dizmang, and unanimously carried to approve the minutes of the meeting held April 8, 2013, as written.

**4.2) Discussion of Next Issue of Water News. (Water Conservation Supervisor
Beck)**

Water Conservation Supervisor Beck reviewed the upcoming issue of Water News followed by discussion of the articles and revisions, "Before the First Drop" survey results and educational handouts, the upcoming plant sale, creating a 'looking back' section to inform customers of past District events, and the Antelope Valley Resource Conservation District's plant sale.

4.3) Discussion of "Before the First Drop" Marketing Campaign. (Chair Dizmang)

Water Conservation Supervisor Beck reviewed the items completed for the "Before the First Drop" marketing campaign for entry into ACWA's Best in Blue Achieving Communications Excellence Awards Program and stated that the next two months will involve customer education, the educational video should be available for review at the next Committee meeting, and one "Before the First Drop" poem was received in response to National Poetry Month.

4.4) Discussion and Possible Action on Social Media Marketing Campaign. (Information Technology Manager Stanton)

5.2) Discussion and Possible Action on Video Media for Front Lobby and Development of a Progressive Outreach Video. (Committee Member Alvarado/Information Technology Manager Stanton)

Information Technology Manager Stanton requested Agenda Item No.'s 4.4 and 5.2 be considered as one item and then stated that he and Water Conservation Supervisor Beck developed a quick facts presentation for the front lobby video followed by discussion of revisions to the presentation and recognition of the District's lab.

Information Technology Manager Stanton then stated that the Aquadog web site is nearly ready to launch and will be timed to launch with the Facebook kid's giveaway and then reviewed the delivery of the last Constant Contact email.

4.5) Discussion and Possible Action on District Plant Sale. (Water Conservation Supervisor Beck)

Water Conservation Supervisor Beck reviewed the flyer, giveaways, time, set-up, and potential vendors for the District's June 22 plant sale followed by discussion of t-shirt sales or donations, media promotion, and Aquadog photo opportunities.

A giveaway for customers signing up for on-line bill payment was then discussed, and it was determined that a laptop will be made available at the plant sale and at the District's Thursday-Night-on-the-Square booth to encourage customers to sign up for on-line bill payment.

4.6) Discussion and Possible Action to Apply for Special District Leadership Foundation "District Transparency Certificate of Excellence." (General Manager LaMoreaux)

After a brief discussion, it was determined that staff pursue the Special District Leadership Foundation "District Transparency Certificate of Excellence."

5) Old Business.

5.1) Discussion of Amendment to the District's Rules and Regulations Regarding Community Presentations and Policy for Requesting District Speakers and Presentations. (General Manager LaMoreaux)

Information Technology Manager Stanton stated that the District's computer consultant is working on a printable version of the speaker request form, and this will be presented to the Committee when available.

5.2) Discussion and Possible Action on Video Media for Front Lobby and Development of a Progressive Outreach Video. (Committee Member Alvarado/Information Technology Manager Stanton)

Information Technology Manager Stanton stated that in addition to the 'quick facts' presentation, before and after pictures are also now on the front lobby video.

6) Information Items.

6.1) Update on Landscape Workshops. (Water Conservation Supervisor Beck)

Water Conservation Supervisor Beck informed the Committee that the District's final Cash for Grass workshops are scheduled for May 18 and 30; that customers applying for the Cash for Grass Program after this time can take the required workshops on line; that additional District workshops will be scheduled in October; and that the A.V. Water Partners' A.V. College Landscape Workshops will continue through October.

6.2) Update on District Events for 2013. (Water Conservation Supervisor Beck)

Water Conservation Supervisor Beck reviewed District events for 2013 and stated that the focus of Thursday-Night-on-the-Square will be to educate customers about the on-line bill payment process and that Aquadog is not scheduled to attend after which Committee Member Alvarado stated that he will talk to City officials regarding Aquadog's attendance at Thursday-Night-on-the-Square.

It was then determined that it is too early to discuss other upcoming District events.

6.3) Update on Aquadog Animation. (Information Technology Manager Stanton)

Water Conservation Supervisor Beck stated that work continues on the animation of Aquadog.

6.4) Other.

Chair Dizmang stated that the cost of cash payments will be discussed at the Finance Committee meeting this week.

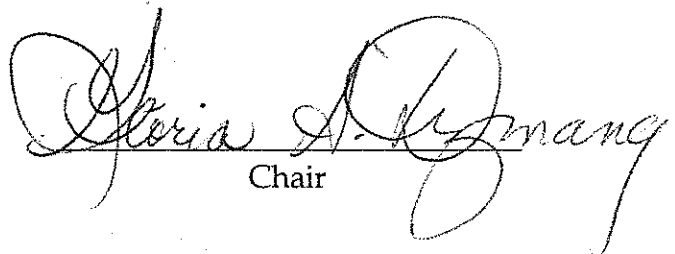
7) Board Members' Requests for Future Agenda Items.

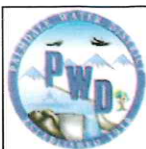
There were no requests for future agenda items.

The next Outreach Committee meeting was scheduled for June 3, 2013 at 3:00 p.m.

8) Adjournment.

There being no further business to come before the Outreach Committee, the meeting was adjourned.


Chair



PWD'S PLANT SALE



Saturday June 22nd
8:00 am–1:00 pm
District Office
2029 East Avenue Q
Palmdale, Ca. 93550



DON'T MISS THE JUNE 22ND "PWD PLANT SALE". COME EARLY, "PWD'S PLANT SALE" STARTS AT 8:00 AM AND ENDS AT 1:00 PM. PLANTS WILL BE SOLD AT SPECIAL REDUCED PRICES. LANDSCAPE VENDORS WILL BE ON HAND TO SHOW AND SALE PLANTS THAT ARE SUSTAINABLE TO THE ANTELOPE VALLEY. A CLASS ON ARRANGING PLANTS IN THE GARDEN AND WHAT TO BUY WILL BE FEATURED BY A LOCAL LANDSCAPE DESIGNER.



COUPON

This coupon entitles you to a Free hose nozzle or shower timer at the "PWD Plant Sale" only on Saturday June 22nd.