

PALMDALE WATER DISTRICT

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Attorneys



Board of Directors

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Division 1

GORDON G. DEXTER
Division 2

GLORIA DIZMANG
Division 3

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Division 5

October 3, 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, October 9, 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 at this time.

- 6) Action Items - Consent Calendar (The public shall have an opportunity to comment on any action item as each item is considered by the Board of Directors prior to action being taken.)
 - 6.1) Approval of minutes of regular meeting held September 25, 2013.
 - 6.2) Payment of bills for October 9, 2013.
- 7) Action Items - Action Calendar (The public shall have an opportunity to comment on any action item as each item is considered by the Board of Directors prior to action being taken.)
 - 7.1) Status report on Cash Flow Statement and Current Cash Balances as of August 31, 2013. (Financial Advisor Egan/Finance Committee)
 - 7.2) Status report on Financial Statements, Revenue and Expense and Departmental Budget Reports for August 31, 2013. (Finance Manager Williams/Finance Committee)
 - 7.3) Status report on committed contracts issued. (Engineering Manager Knudson/Finance Committee)
 - 7.4) Consideration and possible action on Second Amendment to the Joint Exercise of Powers Agreement Creating the Palmdale Recycled Water Authority dated September 26, 2012. (General Manager LaMoreaux)
 - 7.5) Consideration and possible action on Request for Proposals for providing the District's legal services. (General Manager LaMoreaux/Ad Hoc Legal Committee)
 - 7.6) Consideration and possible action on refining Attorney Services Agreement between the District and Lagerlof Senecal Gosney & Kruse LLP. (General Manager LaMoreaux/Ad Hoc Legal Committee)
 - 7.7) Consideration and possible action on Board and staff attendance at conferences, seminars, and training sessions as follows: None at this time.
- 8) Information Items:
 - 8.1) Reports of Directors: Meetings, Committee meetings, and general report.
 - 8.2) Report of General Manager.
 - a) Proposed Safety Footwear Policy. (Facilities Manager Moore)
 - 8.3) Report of Attorney.
- 9) Public comments on closed session agenda matters.
- 10) Closed session under:
 - 10.1) Government Code Section 54956.9(d)(1), pending litigation: *Antelope Valley Ground Water Cases*.
 - 10.2) Government Code Section 54956.9(d)(1), pending 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(d)(1), 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(d)(1), pending litigation: *Velez v. City of Palmdale, et al, Los Angeles Superior Court Case No. MC023216.*
- 11) Public report of any action taken in closed session.
- 12) Board members' requests for future agenda items.
- 13) Adjournment.



DENNIS D. LaMOREAUX,
General Manager

DDL/dd

**PALMDALE
WATER DISTRICT
BOARD MEMORANDUM**

DATE:	October 3, 2013	October 9, 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 AUGUST 31, 2013</i>	

Attached is the Investment Funds Report and current cash balance as of August 31, 2013. The reports will be reviewed in detail at the Board meeting.

PALMDALE WATER DISTRICT
INVESTMENT FUNDS REPORT

			August 31, 2013			August-13	July-13
DESCR						VALUE	VALUE
A/C #							
CASH							
0-0103	Citizens/US Bank - Checking					188,488.64	193,158.63
0-0104	Citizens- Merchant					71,531.35	107,431.18
					Bank cash	260,019.99	300,589.81
0-0119	PETTY CASH					300.00	300.00
0-0120	CASH ON HAND					3,400.00	3,400.00
	TOTAL CASH					263,719.99	304,289.81
INVESTMENTS							
0-0110	UBS ACCOUNT SS 11469 GG						
	UBS RMA Government Portfolio					5,430,799.65	5,296,207.95
	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					1,406,160.00	1,410,514.00
	Accrued interest					18,608.38	14,520.10
						7,105,568.03	6,971,242.05
0-1110	UBS ACCOUNT SS 11475 GG						
	UBS Bank USA Dep acct					203,592.73	181,535.23
	UBS RMA Government Portfolio					0.00	0.00
						203,592.73	181,535.23
0-0115	LAIF					11,690.59	11,690.59
0-0111	UBS ACCOUNT SS 11432 GG						
	UBS Bank USA Dep acct					56,761.15	54,881.51
	UBS RMA Government Portfolio					2.53	2.53
	Accrued interest					6,284.00	3,496.80
	US GOVERNMENT SECURITIES:						
	ISSUE DATE	ISSUER	EXPIR DATE	RATE	PAR	MARKET VALUE	MARKET VALUE
		FNMA	10/26/15	1.625	500,000	511,830.00	512,655.00
		FNMA	06/28/17	1.125	500,000	494,940.00	497,080.00
		FNMA	07/17/17	1.2	500,000	488,865.00	491,285.00
		FHLB	12/28/17	0.95	500,000	485,930.00	489,880.00
		FHLMC	07/25/18	2.00	500,000	499,460.00	501,305.00
					2,500,000.00	2,481,025.00	2,492,205.00
	TOTAL MANAGED ACCOUNT					2,544,072.68	2,550,585.84
	TOTAL INVESTMENTS					9,864,924.03	9,715,053.71
	GRAND TOTAL CASH AND RESTRICTED CASH					10,128,644.02	10,019,343.52
					Incr (Decr)	109,300.50	(986,704.15)
	Checking		263,720				
	UBS MM		7,309,161		BNY Mellon		
	LAIF		11,691		Construction	8,222,485.96	8,376,631.63
	UBS Investment		2,544,073		Issuance	0.00	0.00
	Restricted		0			8,222,485.96	8,376,631.63
	Total		10,128,644				

REVISED 10/01/13	2013	2013	2013	2013	2013	2013	2013	2013	2013	2013	2013	2013	
	January	February	March	April	May	June	July	August	September	October	November	December	YTD
Water Sales	1,650,519	1,596,949	1,675,412	1,839,852	1,983,700	2,140,418	2,277,708	2,431,328	2,452,200	2,221,000	2,054,200	1,759,700	24,082,985
	1,650,519	1,596,949	1,675,412	1,839,852	1,983,700	2,140,418	2,277,708	2,431,328	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	10,779,452	11,006,048	10,019,343	10,128,644	8,006,291	7,647,218	8,340,800	
Water Receipts	2,428,492	1,596,949	1,905,179	1,839,852	1,931,246	2,072,882	2,277,708	2,270,293	2,452,200	2,221,000	2,054,200	1,759,700	24,809,700
Other													
Total Operating Revenue	2,428,492	1,596,949	1,905,179	1,839,852	1,931,246	2,072,882	2,277,708	2,270,293	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	1,588,065	1,618,182	1,764,877	1,781,171	1,725,700	1,839,550	1,794,100	2,255,100	20,408,258
													3,674,727
Non-Operating Revenue Expenses:													
Assessments, net	620,213	287,572	2,234	1,883,965	585,806	5,790	287,658	134,539			113,500	2,383,600	6,304,877
Special Avek CIF Payment													0
Interest	(5,316)	(6,054)	1,396	(424)	835	5,250	(66)	8,950	2,100	2,100	2,100	2,100	12,971
Mkt adj					(16,104)	(16,532)	7,269	(15,534)					
Grant Re-imbursement											485,000		485,000
Capital Improvement Fees		44,176	(116,241)	0	48,031	0	0	22,053	12,500	12,500	12,500	12,500	48,019
													0
DWR Refund/(payment)				59,514	35,285		(436,485)						(341,686)
Other /Palmdale Redevel Agency	9,828	54,653	6,774	13,488	16,165	9,849	41,835						152,592
Total Non-Operating Revenues	624,724	380,347	(105,836)	1,956,543	670,018	4,358	(99,789)	150,008	14,600	14,600	613,100	2,398,200	6,661,773
Capital Expenditures	(194,434)		(61,168)	(103,645)	(54,481)	(52,617)	(82,411)	(99,088)	(8,898)	(319,100)			(975,842)
GAC	(233,893)				(216,776)		(216,829)	(216,829)	(555,923)	(256,405)			(1,696,655)
SWP Capitalized	(629,459)	(156,354)	(180,606)	(156,354)	(156,354)	(156,354)	(575,348)	(156,281)	(184,600)	(156,400)	(156,400)	(156,400)	(2,820,910)
Prepaid Insurance (paid) refunded			(65,835)					(34,140)					(99,975)
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							(507,402)					(507,402)	(1,014,804)
Capital leases		(23,218)	(3,327)	(37,919)	(17,756)	(23,491)	(17,756)	(23,491)	(23,218)	(23,218)	(23,218)	(23,218)	(239,830)
Legal adjudication fees													0
Total Cash Ending Balance	9,043,624	9,364,314	7,809,930	10,211,620	10,779,452	11,006,048	10,019,343	10,128,644	8,006,291	7,647,218	8,340,800	9,556,580	(10,467,190)
											Budget	8,193,078	(130,690)
											diff	1,363,502	

PALMDALE WATER DISTRICT BOARD MEMORANDUM

DATE: October 2, 2013 **October 9, 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 AUGUST 31, 2013.*

Discussion:

Presented here are the Balance Sheet and Profit/Loss Statement for the period ending August 31, 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 August, 2013.

This is the eighth month of the District's Budget Year 2013. The target percentage is 66%. Revenues ideally are at or above, and expenditures ideally are below.

Balance Sheet:

- Page 1 is our balance sheet on August 31, 2013.
- Current Assets have increased by approximately \$1.3MM due to adjustment in our assessments receivables.

Profit/Loss Statement:

- Page 3 is our profit/loss statement on August 31, 2013.
- Operating revenue is at 68% of budget.
- Cash operating expense is at 63% of budget.
- Two departments and one major expense category are over the target 66%. Those are Engineering, Operations, and Water Purchases. Remaining departments are under the 66% target.
- Under Non-Operating revenue, Assessments are showing strong at 71% for debt service and 85% for the 1%.
- Page 3-1 is the make-up of other operating revenues.

Year-To-Year Comparison P&L:

- Page 7 is our comparison of August, 2012 to August, 2013.
- Total operating revenue is down by \$96K, or 5.8%.
- Operating expenditures are up by \$307K, or 19%.
- Page 8 is a graphic presentation of the water consumption comparison. Units billed in acre feet were down by 89, or 3.8%. Total revenue per unit sold is up \$0.12, or 5.2%, and total revenue per connection is up \$1.26, or 1.3%.

BOARD OF DIRECTORS
PALMDALE WATER DISTRICT

VIA: Mr. Dennis LaMoreaux, General Manager

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October 2, 2013

Revenue Analysis Year-To-Date:

- Page 9 is our comparison of revenue, year-to-date.
- Operating revenue through August, 2013 is up by \$1.2MM, or 9%, compared to 2012.
- Retail water related sales are up by \$929K over last year.
- As mentioned, we are at 67% of budget; last year this time we were at 65%.
- Total revenue is up \$493K. or 2.5%.

Expense Analysis Year-To-Date:

- Page 11 is our comparison of expense, year-to-date.
- Cash Operating Expenses through August, 2013 are down by \$327K, or 2.4%, compared to 2012.
- Total Expenses are approximately even with last year.

Departments:

- Pages 14 through 22 are detailed budgets of each department. As stated earlier, all departments are below the target 66% with the exception of Engineering and Operations. Nothing unusual for Engineering; the higher percentage is due to the implementation of the GIS project.
- In Operations, we are seeing four line items that are over budget. Our analysis shows that contracted services were under budgeted for the year for costs associated with the wind turbine. Maintenance of the shop building is over due to unexpected costs associated with the air conditioning. Maintenance of Hypo Generator is over budget due to an unexpected failure. Outside lab work is over budget due to increased activity in testing.

Non-Cash Definitions:

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

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

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

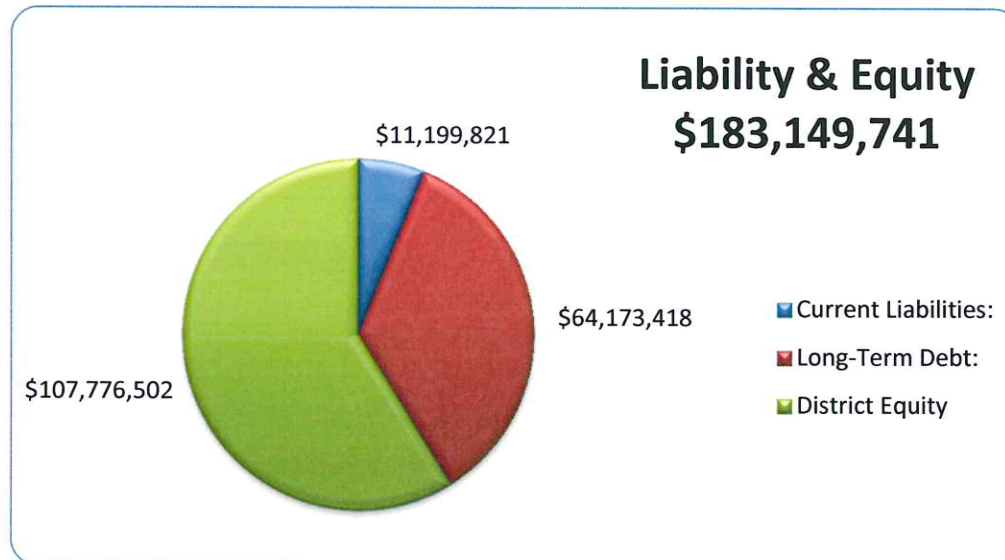
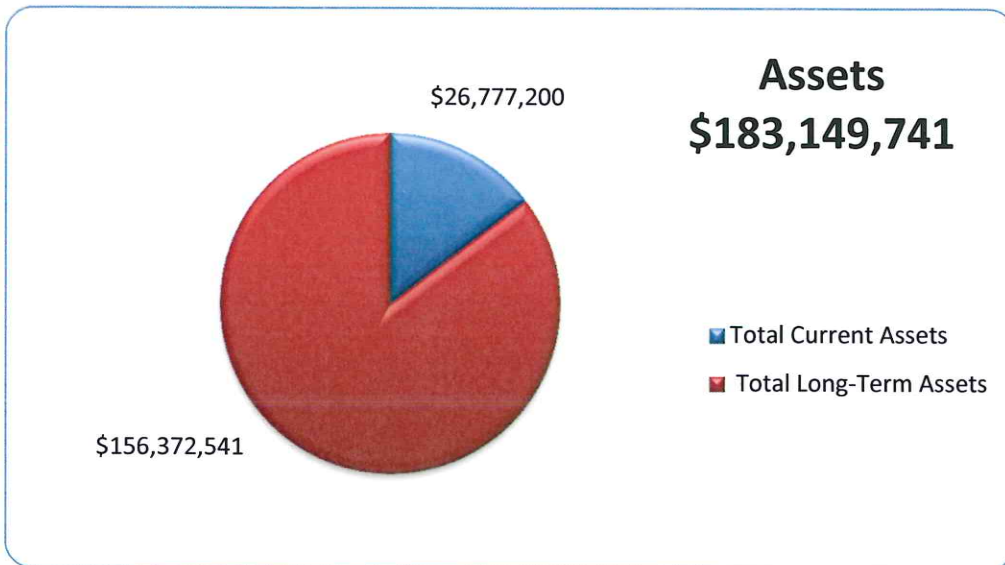
Service Cost Construction: The value of material, parts & supplies from inventory used to construct, repair and maintain our asset infrastructure.

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

Palmdale Water District
Balance Sheet Report
For the Eight Months Ending 8/31/2013

	August 2013	July 2013
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 263,720	\$ 304,484
Investments	9,864,931	9,715,061
2013A Bonds - Project Funds	8,222,486	8,367,524
	<u>\$ 18,351,137</u>	<u>\$ 18,387,068</u>
Receivables:		
Accounts Receivables - Water Sales	\$ 1,925,145	\$ 1,744,684
Accounts Receivables - Miscellaneous	255,213	255,741
Allowance for Uncollected Accounts	(49,317)	(49,317)
	<u>\$ 2,131,042</u>	<u>\$ 1,951,109</u>
Interest Receivable	\$ 9	\$ 9
Assessments Receivables	5,419,745	4,123,864
Meters, Materials and Supplies	793,260	907,755
Prepaid Expenses	82,006	49,805
Total Current Assets	\$ 26,777,200	\$ 25,419,610
Long-Term Assets:		
Property, Plant, and Equipment, net	\$ 116,567,356	\$ 116,759,680
Participation Rights in State Water Project, net	38,148,580	38,136,972
Bond Issuance Cost, Net	256,225	258,575
2013A Bonds - Cost of Issuance	1,159,832	1,159,832
2013A Bonds - Insurance & Surety Bond	240,548	241,215
Total Long-Term Assets	\$ 156,372,541	\$ 156,556,275
Total Assets	\$ 183,149,741	\$ 181,975,885
LIABILITIES AND DISTRICT EQUITY		
Current Liabilities:		
Current Interest Installment of Long-term Debt	\$ 638,046	\$ 446,457
Current Principal Installment of Long-term Debt	1,424,665	1,424,665
Accounts Payable and Accrued Expenses	5,220,449	5,431,823
Deferred Assessments	3,916,661	3,416,663
Total Current Liabilities	\$ 11,199,821	\$ 10,719,608
Long-Term Debt:		
Pension-Related Debt	\$ 1,141,041	\$ 1,141,041
OPEB Liability	7,153,477	7,005,348
2013A Water Revenue Bonds	44,422,483	44,424,734
2012 - Certificates of Participation	10,985,547	10,978,750
2011 - Capital Lease Payable	470,870	484,561
Total Long-Term Liabilities	\$ 64,173,418	\$ 64,034,434
Total Liabilities	\$ 75,373,239	\$ 74,754,042
District Equity		
Revenue from Operations	\$ (1,656,202)	\$ (2,210,861)
Retained Earnings	109,432,704	109,432,704
Total Liabilities and District Equity	\$ 183,149,741	\$ 181,975,885

BALANCE SHEET AS OF AUGUST 31, 2013



Palmdale Water District
Consolidated Profit and Loss Statement
For the Eight Months Ending 8/31/2013

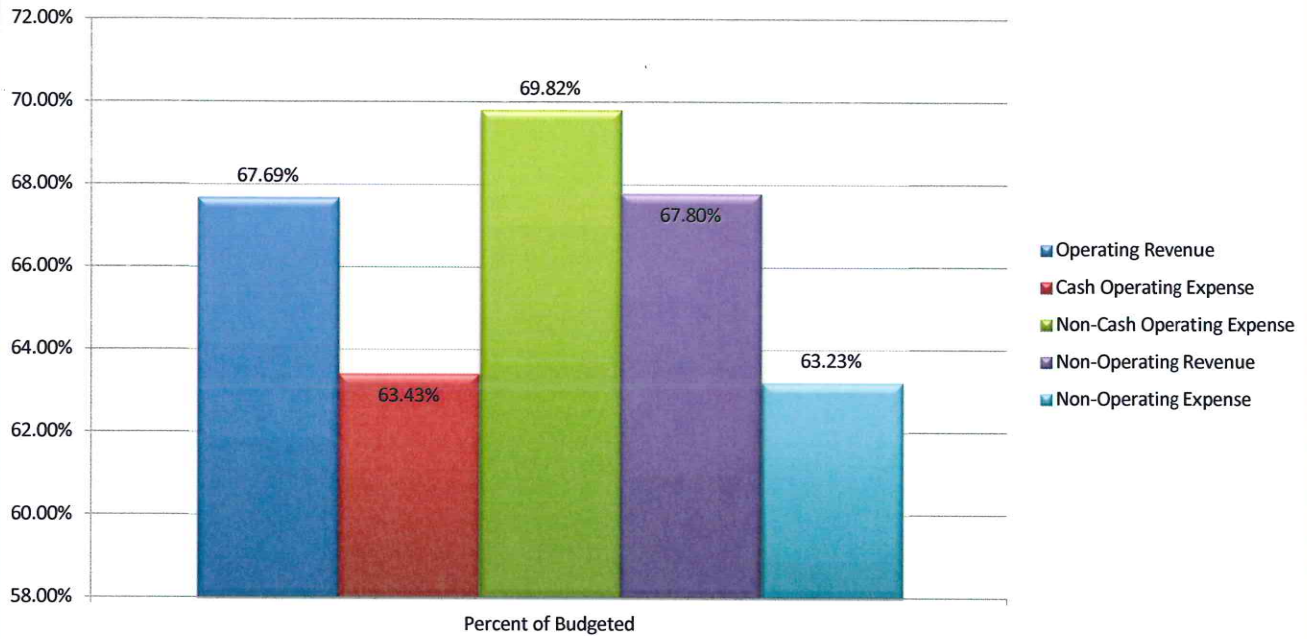
	Thru July	August	Year-to-Date	Adjustments	Adjusted Budget	% of Budget
Operating Revenue:						
Wholesale Water	\$ 60,746	\$ 28,325	\$ 89,071		\$ 175,000	50.90%
Water Sales	4,467,591	1,077,294	5,544,885		8,198,000	67.64%
Meter Fees	6,442,145	920,383	7,362,528		11,232,000	65.55%
Water Quality Fees	864,602	193,983	1,058,585		1,638,000	64.63%
Elevation Fees	283,841	67,381	351,222		550,000	63.86%
Other	1,048,152	143,962	1,192,114		1,250,000	95.37%
Total Water Sales	\$ 13,167,078	\$ 2,431,328	\$ 15,598,405	\$ -	\$ 23,043,000	67.69%
Cash Operating Expenses:						
Directors	\$ 58,970	\$ 7,147	\$ 66,117		\$ 117,500	56.27%
Administration	1,399,750	109,342	1,509,092		2,602,000	58.00%
Engineering	743,453	101,463	844,916		1,215,750	69.50%
Facilities	1,721,431	239,671	1,961,102		3,298,500	59.45%
Operations	2,865,693	549,488	3,415,180		4,944,250	69.07%
Finance*	1,551,354	272,518	1,823,871	(24,300)	2,764,700	65.97%
Water Conservation	132,811	19,409	152,220		239,750	63.49%
Human Resources*	94,595	14,569	109,164	24,300	233,900	46.67%
Information Technology	378,420	42,648	421,068		728,000	57.84%
Water Purchases	1,564,532	358,232	1,922,764		2,600,000	73.95%
Water Purchases-Prior Year OAP	436,485	-	436,485		-	
Water Recovery	(468,471)	(66,826)	(535,297)		(100,000)	535.30%
Capitalized Expenditures	531,028	84,171	615,199		836,500	73.54%
GAC Filter Media Replacement	653,896	-	653,896		1,638,000	39.92%
Total Cash Operating Expenses	\$ 11,663,946	\$ 1,731,830	\$ 13,395,776	\$ -	\$ 21,118,850	63.43%
Non-Cash Operating Expenses:						
Depreciation	\$ 4,656,777	\$ 580,701	\$ 5,237,478		\$ 7,250,000	72.24%
OPEB Accrual Expense	1,156,559	165,223	1,321,781		2,000,000	66.09%
Bad Debts	5,426	-	5,426		100,000	5.43%
Service Costs Construction	58,551	31,589	90,140		125,000	72.11%
Capitalized Construction	(548,118)	(189,580)	(737,698)		(1,000,000)	73.77%
Total Non-Cash Operating Expenses	\$ 5,329,194	\$ 587,932	\$ 5,917,126	\$ -	\$ 8,475,000	69.82%
Net Operating Profit/(Loss)	\$ (3,826,062)	\$ 111,565	\$ (3,714,497)	\$ -	\$ (6,550,850)	56.70%
Non-Operating Revenues:						
Assessments (Debt Service)	\$ 2,536,556	\$ 510,620	\$ 3,047,176		\$ 4,300,000	70.86%
Assessments (1%)	1,062,172	213,820	1,275,992		1,500,000	85.07%
DWR Fixed Charge Recovery	94,799	-	94,799		100,000	94.80%
Interest	(21,444)	(6,584)	(28,028)		25,000	-112.11%
Capital Improvement Fees	(24,034)	22,053	(1,981)		150,000	-1.32%
State Grants	-	-	-		485,000	0.00%
Other	158,011	3,489	161,500		150,000	107.67%
Total Non-Operating Revenues	\$ 3,806,060	\$ 743,398	\$ 4,549,459	\$ -	\$ 6,710,000	67.80%
Non-Operating Expenses:						
Interest on Long-Term Debt	\$ 1,048,887	\$ 201,329	\$ 1,250,216		\$ 2,111,000	59.22%
Amortization of SWP	1,010,599	144,745	1,155,344		1,679,000	68.81%
Water Conservation Programs	75,784	9,820	85,604		150,000	57.07%
Total Non-Operating Expenses	\$ 2,135,270	\$ 355,894	\$ 2,491,164	\$ -	\$ 3,940,000	63.23%
Net Earnings	\$ (2,155,272)	\$ 499,070	\$ (1,656,202)	\$ -	\$ (3,780,850)	43.81%

* Budget adjustments by General Manager per Appendix A

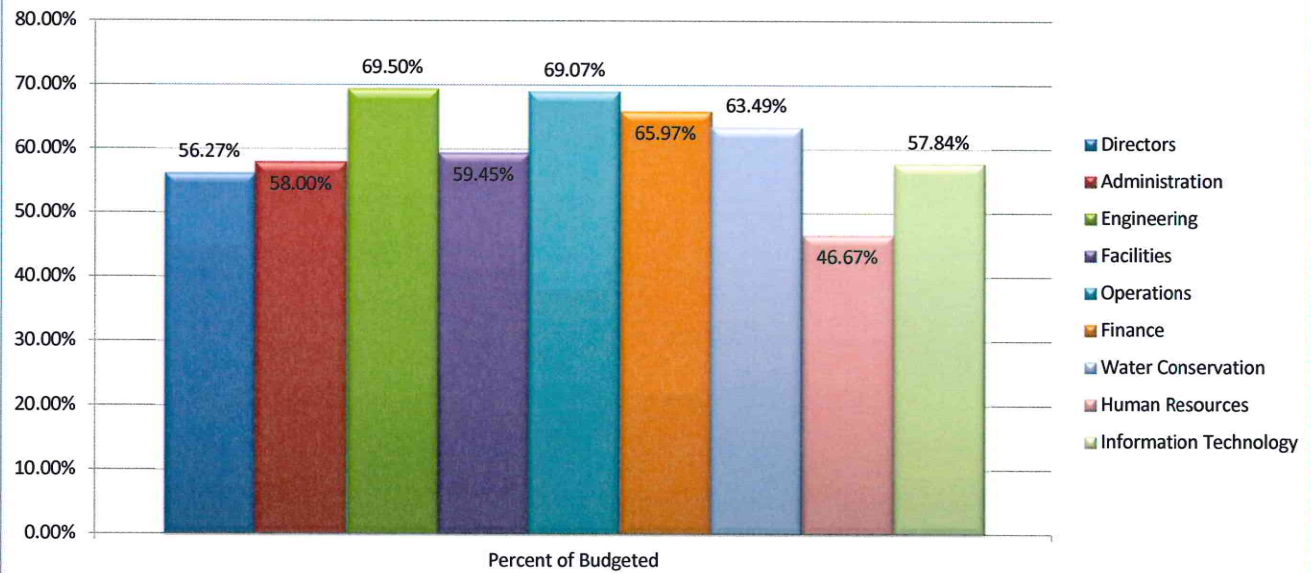
OTHER OPERATING REVENUE

5/8" Meter Charge(\$109)	(\$25.00)
Account Setup Charge(\$25)	\$2,670.00
Account Setup Charge/CC (\$35)	\$2,940.00
After Hours Service Call	\$320.00
Construction Meter Install(\$250)	\$1,500.00
Credit Check(\$10)	\$20.00
Customer Request Turn On/Off(\$15)	\$60.00
Door Tag Fee(\$20)	\$51,100.00
Grind Down Angle Stop (\$230)	\$230.00
Lock Broken or Missing(\$15)	\$225.00
Meter Exchange 1" to 5/8"(\$240)	\$720.00
Miscellaneous Charge	\$25.00
Monthly Service Charge	\$78.21
Non-Compliance Fee Backflow(\$50)	\$150.00
Pulled Meter Service Charge(\$60)	\$540.00
Repair Angle Stop(\$440.00)	\$2,640.00
Shut-Off Charge(\$30)	\$6,840.00
Shut-Off Processing Fee(\$20)	\$180.00
Standard Trip Charge(\$15)	\$360.00
Late Fees	\$57,022.45
NSF Fee	\$1,025.00
	<u>\$128,620.66</u>

P & L BUDGET vs. ACTUAL



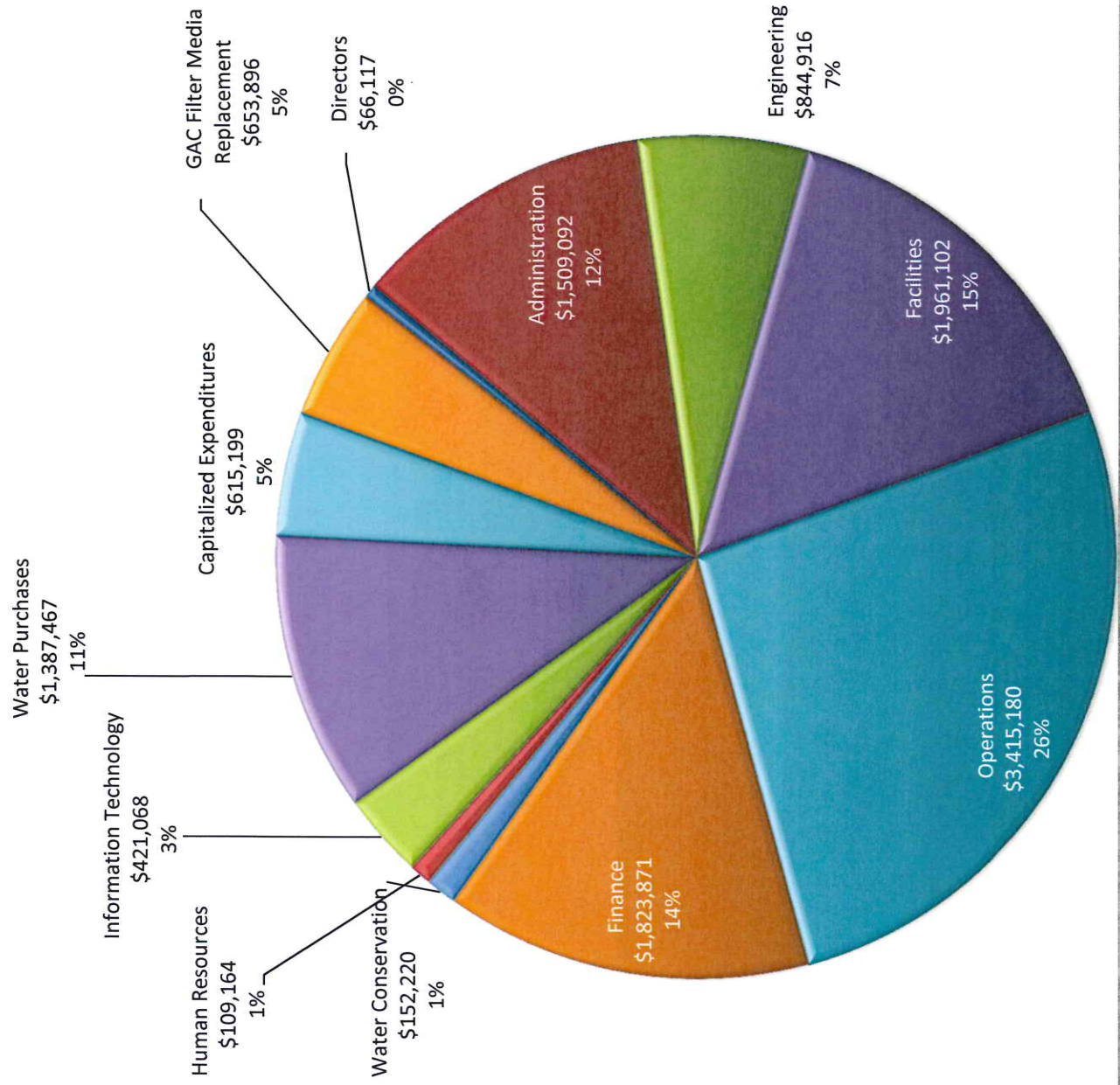
DEPARTMENTAL - BUDGET vs. ACTUAL



Cash Operating Expenses

YTD 08/31/13

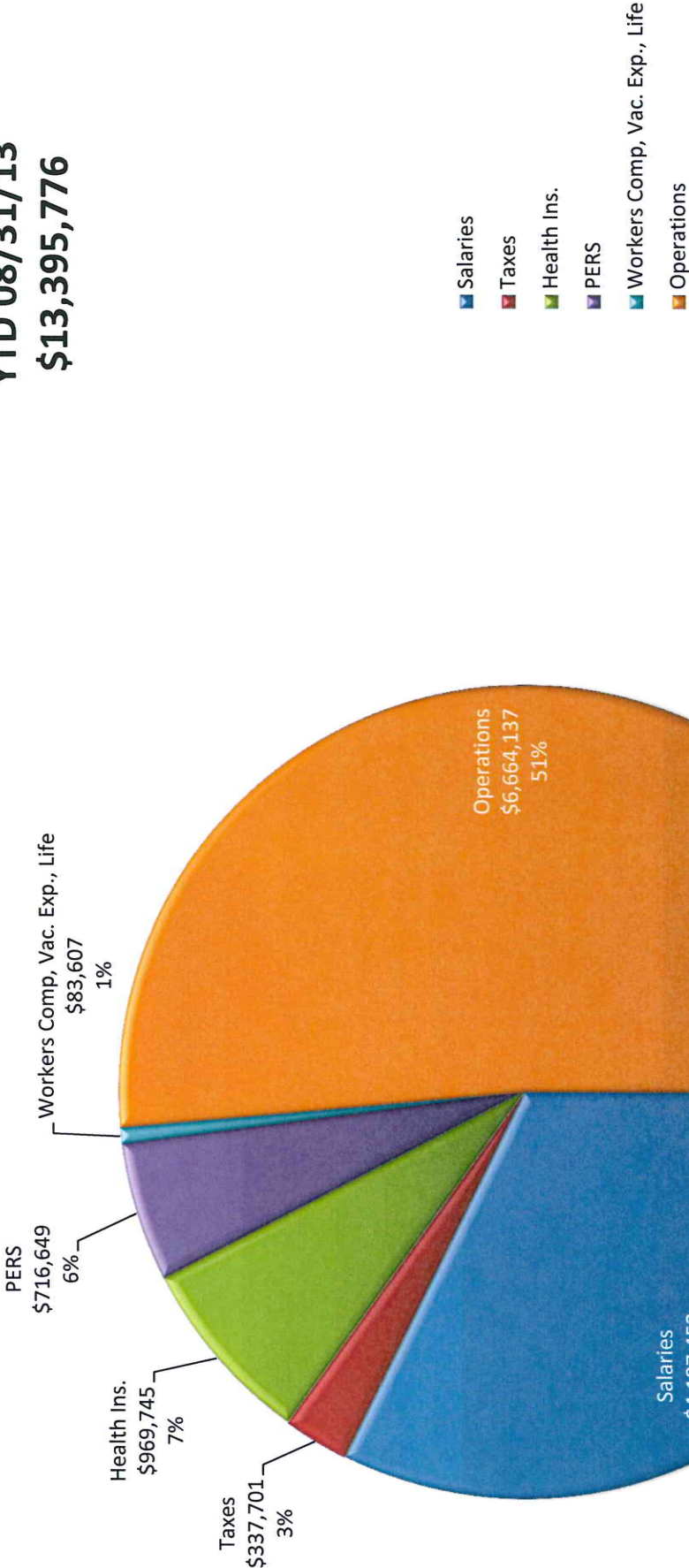
\$13,395,776



Personnel to Operations Exp

YTD 08/31/13

\$13,395,776

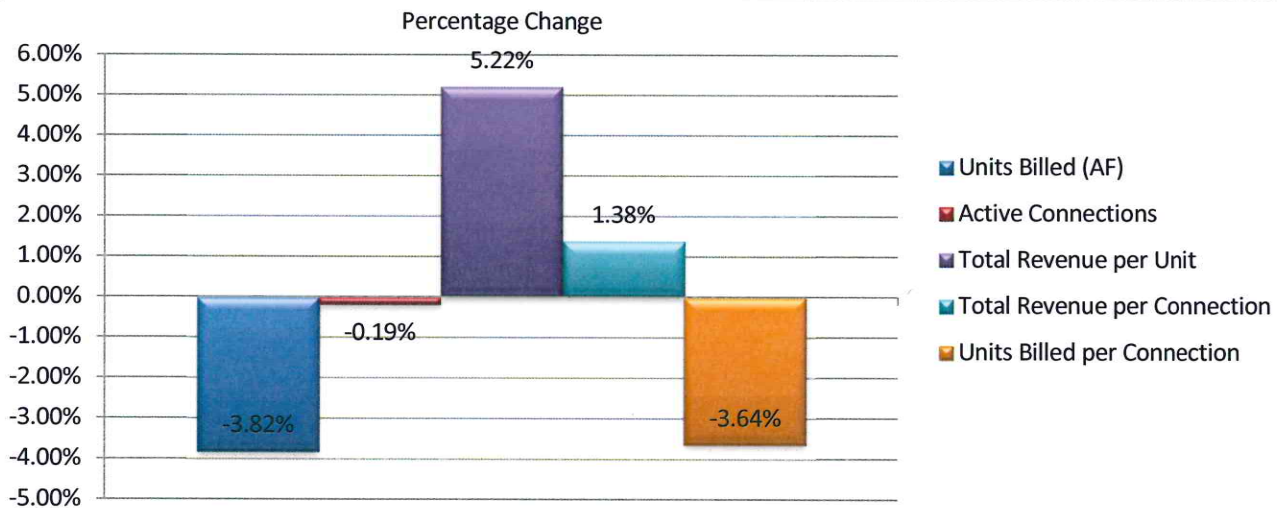
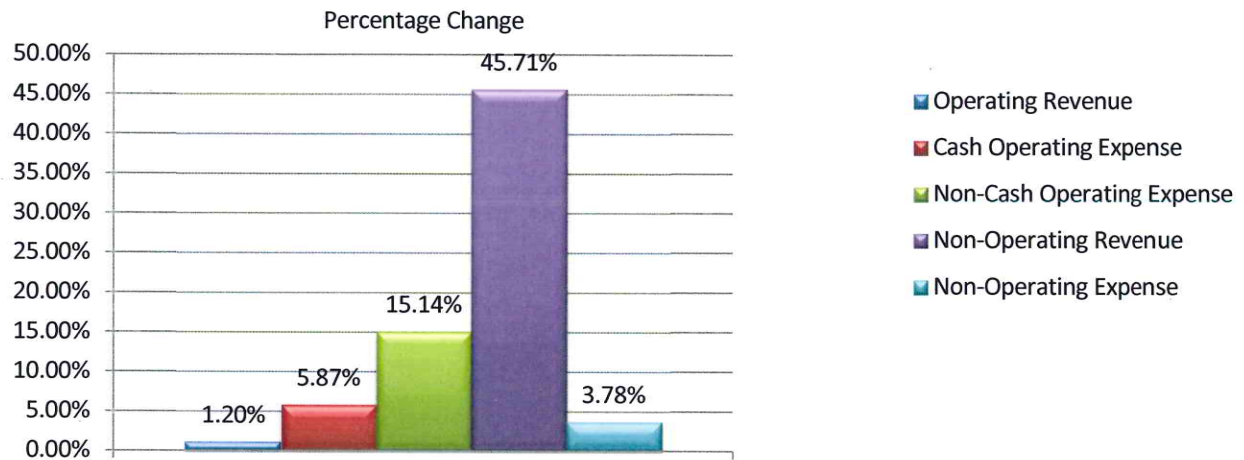


Palmdale Water District
Profit and Loss Statement
Year-To-Year Comparison - August

	2012 August	2013 August	Change	% Change	Consumption Comparison		
					Units Billed	2012 1,012,123	2013 973,462
Operating Revenue:							
Wholesale Water	\$ -	\$ 28,325	\$ 28,325		Active	26,373	26,324
Water Sales	1,152,212	1,077,294	(74,918)	-6.50%	Vacant	1,269	1,020
Meter Fees	862,128	920,383	58,255	6.76%			
Water Quality Fees	202,050	193,983	(8,067)	-3.99%			
Elevation Fees	72,236	67,381	(4,856)	-6.72%	Rev/unit	\$ 2.37	\$ 2.50
Other	113,958	143,962	30,004	26.33%	Rev/con	\$ 91.10	\$ 92.36
Total Water Sales	\$ 2,402,584	\$ 2,431,328	\$ 28,744	1.20%	Unit/con	38.38	36.98
Cash Operating Expenses:							
Directors	\$ 9,046	\$ 7,147	\$ (1,899)	-20.99%			
Administration	151,927	109,342	(42,585)	-28.03%			
Engineering	129,839	101,463	(28,376)	-21.85%			
Facilities	355,261	239,671	(115,590)	-32.54%			
Operations	520,220	549,488	29,268	5.63%			
Finance	313,962	272,518	(41,444)	-13.20%			
Water Conservation	23,795	19,409	(4,386)	-18.43%			
Human Resources	33,357	14,569	(18,788)	-56.32%			
Information Technology	39,584	42,648	3,063	7.74%			
Water Purchases	55,876	358,232	302,356	541.12%			
Water Purchases-Prior Year OAP	-	-	-				
Water Recovery	-	(66,826)	(66,826)				
Capitalized Expenditures	2,914	84,171	81,257	2788.16%			
GAC Filter Media Replacement	-	-	-				
Total Cash Operating Expenses	\$ 1,635,782	\$ 1,731,830	\$ 96,049	5.87%			
Non-Cash Operating Expenses:							
Depreciation	\$ 565,586	\$ 580,701	\$ 15,115	2.67%			
OPEB Accrual Expense	147,678	165,223	17,545	11.88%			
Bad Debts	(67)	-	67	-100.00%			
Service Costs Construction	5,777	31,589	25,811	446.78%			
Capitalized Construction	(208,347)	(189,580)	18,767	-9.01%			
Total Non-Cash Operating Expenses	\$ 510,627	\$ 587,932	\$ 77,305	15.14%			
Net Operating Profit/(Loss)	\$ 256,175	\$ 111,565	\$ (144,609)	-56.45%			
Non-Operating Revenues:							
Assessments	\$ 500,002	\$ 724,440	\$ 224,438	44.89%			
DWR Fixed Charge Recovery	-	-	-				
Interest	3,909	(6,584)	(10,493)	-268.40%			
Capital Improvement Fees	-	22,053	22,053				
State Grants	-	-	-				
Other	6,266	3,489	(2,777)	-44.32%			
Total Non-Operating Revenues	\$ 510,177	\$ 743,398	\$ 233,221	45.71%			
Non-Operating Expenses:							
Interest on Long-Term Debt	\$ 208,555	\$ 201,329	\$ (7,226)	-3.46%			
Amortization of SWP	128,945	144,745	15,800	12.25%			
Water Conservation Programs	5,424	9,820	4,396	81.03%			
Total Non-Operating Expenses	\$ 342,924	\$ 355,894	\$ 12,970	3.78%			
Net Earnings	\$ 423,428	\$ 499,070	\$ 75,642	17.86%			

YEAR-TO-YEAR COMPARISON

August '12 -To- August '13



	2012	2013	Change	
Units Billed (AF)	2,324	2,235	-89	-3.82%
Active Connections	26,373	26,324	-49	-0.19%
Non-Active	1,269	1,020	-249	-19.62%
Total Revenue per Unit	\$2.37	\$2.50	\$0.12	5.22%
Total Revenue per Connection	\$91.10	\$92.36	\$1.26	1.38%
Units Billed per Connection	38.38	36.98	-1	-3.64%

Palmdale Water District

Revenue Analysis

For the Eight Months Ending 8/31/2013
2013

2012 to 2013 Comparison

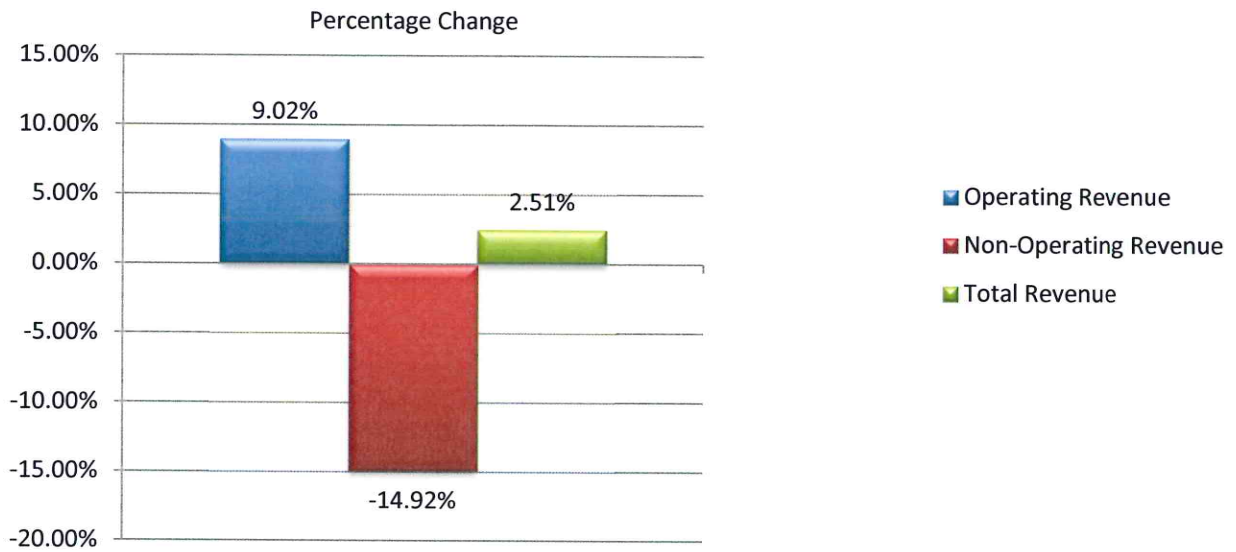
	Thru July	August	Year-to-Date	Adjusted Budget	% of Budget	Thru July	August	Year-to-Date	% Change
Operating Revenue:									
Wholesale Water	\$ 60,746	\$ 28,325	\$ 89,071	\$ 175,000	50.90%	\$ 60,746	28,325	89,071	
Water Sales	4,467,591	1,077,294	5,544,885	8,198,000	67.64%	541,500	(74,918)	466,583	9.19%
Meter Fees	6,442,145	920,383	7,362,528	11,232,000	65.55%	408,233	58,255	466,488	6.76%
Water Quality Fees	864,602	193,983	1,058,585	1,638,000	64.63%	13,896	(8,067)	5,829	0.55%
Elevation Fees	283,841	67,381	351,222	550,000	63.86%	(4,186)	(4,856)	(9,041)	-2.51%
Other	1,048,152	143,962	1,192,114	1,250,000	95.37%	242,004	30,004	272,008	29.56%
Total Water Sales	\$ 13,167,078	\$ 2,431,328	\$ 15,598,405	\$ 23,043,000	67.69%	\$ 1,262,194	\$ 28,744	\$ 1,290,938	9.02%
Non-Operating Revenues:									
Assessments (Debt Service)	\$ 2,536,556	\$ 510,620	\$ 3,047,176	\$ 4,300,000	70.86%	\$ 282,766	\$ 139,048	\$ 421,814	16.07%
Assessments (1%)	1,062,172	213,820	1,275,992	2,775,992	45.97%	283,170	85,390	368,560	40.62%
DWR Fixed Charge Recovery	94,799	-	94,799	100,000	94.80%	(341,119)	-	(341,119)	
Interest	(21,444)	(6,584)	(28,028)	25,000	-112.11%	(41,034)	(10,493)	(51,527)	-219.27%
Capital Improvement Fees	(24,034)	22,053	(1,981)	150,000	-1.32%	(1,257,373)	22,053	(1,235,320)	-100.16%
State Grants	-	-	-	485,000	0.00%	-	-	-	
Other	158,011	3,489	161,500	150,000	107.67%	42,582	(2,777)	39,806	32.71%
Total Non-Operating Revenues	\$ 3,806,060	\$ 743,398	\$ 4,549,459	\$ 7,985,992	56.97%	\$ (1,031,007)	\$ 233,221	\$ (797,786)	-14.92%
Total Revenue	\$ 16,973,138	\$ 3,174,726	\$ 20,147,864	\$ 31,028,992	64.93%	\$ 231,187	\$ 261,965	\$ 493,152	2.51%

2012

	Thru July	August	Year-to-Date	Adjusted Budget	% of Budget
Operating Revenue:					
Wholesale Water	\$ -	\$ -	\$ -	\$ 175,000	0.00%
Water Sales	3,926,090	1,152,212	5,078,302	8,145,000	62.35%
Meter Fees	6,033,913	862,128	6,896,040	10,400,000	66.31%
Water Quality Fees	850,706	202,050	1,052,756	1,550,000	67.92%
Elevation Fees	288,027	72,236	360,263	525,000	68.62%
Other	806,148	113,958	920,106	1,250,000	73.61%
Total Water Sales	\$ 11,904,884	\$ 2,402,584	\$ 14,307,467	\$ 21,870,000	65.42%
Non-Operating Revenues:					
Assessments (Debt Service)	\$ 2,253,791	\$ 371,572	\$ 2,625,362	\$ 4,000,000	65.63%
Assessments (1%)	779,001	128,430	907,432	1,500,000	60.50%
DWR Fixed Charge Recovery	435,918	-	435,918	-	
Interest	19,590	3,909	23,499	60,000	39.17%
Capital Improvement Fees	1,233,339	-	1,233,339	1,286,848	95.84%
State Grants	-	-	-	250,000	0.00%
Other	115,429	6,266	121,695	100,000	121.69%
Total Non-Operating Revenues	\$ 4,837,067	\$ 510,177	\$ 5,347,245	\$ 7,196,848	74.30%
Total Revenue	\$ 16,741,951	\$ 2,912,761	\$ 19,654,712	\$ 29,066,848	67.62%

REVENUE COMPARISON YEAR-TO-DATE

August '12-To-August '13



Palmdale Water District

Operating Expense Analysis

For the Eight Months Ending 8/31/2013

2013

2012 to 2013 Comparison

	Thru July	August	Year-to-Date	Adjusted Budget	% of Budget	Thru July	August	Year-to-Date	% Change
Cash Operating Expenses:									
Directors	\$ 58,970	\$ 7,147	\$ 66,117	\$ 117,500	56.27%	\$ (6,056)	\$ (1,899)	\$ (7,956)	-10.74%
Administration	1,399,750	109,342	1,509,092	2,602,000	58.00%	(291,112)	(42,585)	(333,697)	-18.11%
Engineering	743,453	101,463	844,916	1,215,750	69.50%	104,361	(28,376)	75,984	9.88%
Facilities	1,721,431	239,671	1,961,102	3,298,500	59.45%	(108,430)	(115,590)	(224,020)	-10.25%
Operations	2,865,693	549,488	3,415,180	4,944,250	69.07%	267,971	29,268	297,239	9.53%
Finance	1,551,354	272,518	1,823,871	2,789,000	65.40%	(33,931)	(41,444)	(75,375)	-3.97%
Water Conservation	132,811	19,409	152,220	239,750	63.49%	9,569	(4,386)	5,182	3.52%
Human Resources	94,595	14,569	109,164	209,600	52.08%	(51,446)	(18,788)	(70,234)	-39.15%
Information Technology	378,420	42,648	421,068	728,000	57.84%	2,773	3,063	5,837	1.41%
Water Purchases	1,564,532	358,232	1,922,764	2,600,000	73.95%	(449,338)	302,356	(146,982)	-7.10%
Water Purchases-Prior Year OAP	436,485	-	436,485	-	-	436,485	-	436,485	-
Water Recovery	(468,471)	(66,826)	(535,297)	(100,000)	535.30%	(355,231)	(66,826)	(422,057)	372.71%
Capitalized Expenditures	531,028	84,171	615,199	836,500	73.54%	47,268	81,257	128,524	26.41%
GAC Filter Media Replacement	653,896	-	653,896	1,638,000	39.92%	3,568	-	3,568	0.55%
Total Cash Operating Expenses	\$ 11,663,946	\$ 1,731,830	\$ 13,395,776	\$ 21,118,850	63.43%	\$ (423,549)	\$ 96,049	\$ (327,501)	-2.44%
Non-Cash Operating Expenses:									
Depreciation	\$ 4,656,777	\$ 580,701	\$ 5,237,478	\$ 7,250,000	72.24%	\$ 579,793	\$ 15,115	\$ 594,907	12.81%
OPEB Accrual Expense	1,156,559	165,223	1,321,781	3,321,781	39.79%	(38,077)	17,545	(20,532)	-1.53%
Bad Debts	5,426	-	5,426	105,426	5.15%	1,751	67	1,818	50.39%
Service Costs Construction	58,551	31,589	90,140	215,140	41.90%	291	25,811	26,103	40.76%
Capitalized Construction	(548,118)	(189,580)	(737,698)	(1,737,698)	42.45%	(93,303)	18,767	(74,536)	11.24%
Total Non-Cash Operating Expenses	\$ 5,329,194	\$ 587,932	\$ 5,917,126	\$ 9,154,648	64.64%	\$ 450,455	\$ 77,305	\$ 527,760	8.92%
Non-Operating Expenses:									
Interest on Long-Term Debt	\$ 1,048,887	\$ 201,329	\$ 1,250,216	\$ 2,111,000	59.22%	\$ (410,997)	\$ (7,226)	\$ (418,223)	-25.07%
Amortization of SWP	1,010,599	144,745	1,155,344	1,679,000	68.81%	107,984	15,800	123,784	12.00%
Water Conservation Programs	75,784	9,820	85,604	150,000	57.07%	43,454	4,396	47,850	1.75%
Total Non-Operating Expenses	\$ 2,135,270	\$ 355,894	\$ 2,491,164	\$ 3,940,000	63.23%	\$ (259,559)	\$ 12,970	\$ (246,589)	-9.01%
Total Expenses	\$ 19,128,410	\$ 2,675,657	\$ 21,804,066	\$ 34,213,498	63.73%	\$ (232,653)	\$ 186,323	\$ (46,330)	-0.21%

Palmdale Water District

Operating Expense Analysis

For the Eight Months Ending 8/31/2013

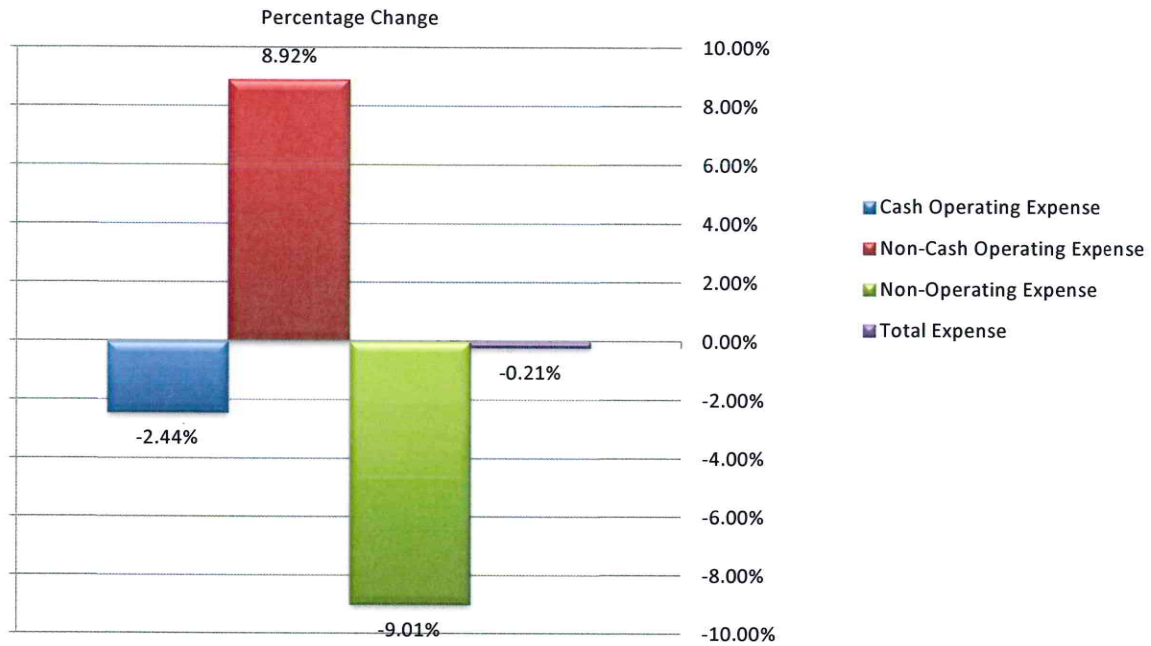
2012 to 2013 Comparison

2012

	Thru July	August	Year-to-Date	Adjusted Budget	% of Budget
Cash Operating Expenses:					
Directors	\$ 65,026	\$ 9,046	\$ 74,073	\$ 154,000	48.10%
Administration	1,690,862	151,927	1,842,789	3,547,000	51.95%
Engineering	639,092	129,839	768,931	1,169,000	65.78%
Facilities	1,829,861	355,261	2,185,122	3,490,500	62.60%
Operations	2,597,721	520,220	3,117,941	5,113,750	60.97%
Finance	1,585,285	313,962	1,899,247	2,788,750	68.10%
Water Conservation	123,242	23,795	147,038	223,500	65.79%
Human Resources	146,040	33,357	179,397	267,850	66.98%
Information Technology	375,647	39,584	415,231	736,750	56.36%
Water Purchases	2,013,870	55,876	2,069,746	2,800,000	73.92%
Water Purchases-Prior Year OAP	-	-	-	-	-
Water Recovery	(113,240)	-	(113,240)	(200,000)	56.62%
Capitalized Expenditures	483,760	2,914	486,675	412,500	117.98%
GAC Filter Media Replacement	650,328	-	650,328	1,550,000	41.96%
Total Cash Operating Expenses	\$ 12,087,495	\$ 1,635,782	\$ 13,723,277	\$ 22,053,600	62.23%
Non-Cash Operating Expenses:					
Depreciation	\$ 4,076,984	\$ 565,586	\$ 4,642,570	\$ 7,800,000	59.52%
OPEB Accrual Expense	1,194,635	147,678	1,342,313	2,000,000	67.12%
Bad Debts	3,675	(67)	3,608	100,000	3.61%
Service Costs Construction	58,260	5,777	64,037	125,000	51.23%
Capitalized Construction	(454,815)	(208,347)	(663,162)	(1,000,000)	66.32%
Total Non-Cash Operating Expenses	\$ 4,878,739	\$ 510,627	\$ 5,389,366	\$ 9,025,000	59.72%
Non-Operating Expenses:					
Interest on Long-Term Debt	\$ 1,459,884	\$ 208,555	\$ 1,668,439	\$ 2,490,000	67.01%
Amortization of SWP	902,615	128,945	1,031,560	1,680,000	61.40%
Capital Lease	-	-	-	212,000	-
Water Conservation Programs	32,330	5,424	37,754	150,000	25.17%
Total Non-Operating Expenses	\$ 2,394,829	\$ 342,924	\$ 2,737,753	\$ 4,532,000	60.41%
Total Expenses	\$ 19,361,063	\$ 2,489,333	\$ 21,850,396	\$ 35,610,600	61.36%

EXPENSE COMPARISON YEAR-TO-DATE

August '12-To-August '13



**Palmdale Water District
2013 Directors Budget
For the Eight Months Ending Saturday, August 31, 2013**

	YTD ACTUAL 2013	ORIGINAL BUDGET 2013	ADJUSTMENTS 2013	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-01-4000-000 Directors Pay	\$ 31,050	\$ 45,000	\$ -	\$ 13,950	69.00%
Employee Benefits					
1-01-4005-000 Payroll Taxes	2,375	5,500		3,125	43.19%
1-01-4010-000 Health Insurance	30,974	57,000		26,026	54.34%
Subtotal (Benefits)	33,350	62,500	-	26,026	53.36%
Total Personnel Expenses	<u>\$ 64,400</u>	<u>\$ 107,500</u>	<u>\$ -</u>	<u>\$ 39,976</u>	<u>59.91%</u>
OPERATING EXPENSES:					
1-01-4050-000 Directors Travel, Seminars & Meetings	1,717	10,000		8,283	17.17%
Subtotal Operating Expenses	1,717	10,000	-	8,283	17.17%
Total O & M Expenses	<u>\$ 66,117</u>	<u>\$ 117,500</u>	<u>\$ -</u>	<u>\$ 48,258</u>	<u>56.27%</u>

Palmdale Water District
2013 Administration Budget
For the Eight Months Ending Saturday, August 31, 2013

	YTD ACTUAL 2013	ORIGINAL BUDGET 2013	ADJUSTMENTS 2013	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-02-4000-000 Salaries	\$ 330,593	\$ 471,500		\$ 140,907	70.12%
1-02-4000-100 Overtime	5,238	5,000		(238)	104.76%
1-02-4000-200 On-Call	38,302	60,000		21,698	63.84%
Subtotal (Salaries)	\$ 374,133	\$ 536,500		\$ 162,367	69.74%
Employee Benefits					
1-02-4005-000 Payroll Taxes	25,197	41,000		15,803	61.46%
1-02-4010-000 Health Insurance	53,707	80,750		27,043	66.51%
1-02-4015-000 PERS	59,734	90,750		31,016	65.82%
1-02-4020-000 Worker's Compensation	53,832	160,000		106,168	33.65%
1-02-4025-000 Vacation Benefit Expense	24,597	35,000		10,403	70.28%
1-02-4030-000 Life Insurance	5,177	7,500		2,323	69.03%
Subtotal (Benefits)	\$ 222,245	\$ 415,000	\$ -	\$ 192,755	53.55%
Total Personnel Expenses	\$ 596,378	\$ 951,500	\$ -	\$ 355,123	62.68%
OPERATING EXPENSES:					
1-02-4050-000 Staff Travel	\$ 5,515	\$ 8,000		\$ 2,485	68.94%
1-02-4050-100 General Manager Travel	3,405	5,000		1,595	68.10%
1-02-4060-000 Staff Conferences & Seminars	1,150	3,000		1,850	38.33%
1-02-4060-100 General Manager Conferences & Seminars	2,575	4,500		1,925	57.22%
1-02-4070-000 Employee Expense	17,541	40,000		22,459	43.85%
1-02-4080-000 Other Operating	12,713	20,000		7,287	63.56%
1-02-4110-000 Consultants	33,747	134,000		100,253	25.18%
1-02-4125-000 Insurance	168,125	325,000		156,875	51.73%
1-02-4130-000 Bank Charges	76,707	130,000		53,293	59.01%
1-02-4135-000 Groundwater Adjudication	189,139	400,000		210,861	47.28%
1-02-4140-000 Legal Services	96,103	250,000		153,897	38.44%
1-02-4150-000 Accounting Services	20,048	20,000		(48)	100.24%
1-02-4155-000 Contracted Services	20,108	40,000		19,892	50.27%
1-02-4165-000 Memberships/Subscriptions	172,556	110,000		(62,556)	156.87%
1-02-4175-000 Permits	7,483	20,000		12,517	37.42%
1-02-4180-000 Postage	12,068	30,000		17,932	40.23%
1-02-4190-100 Public Relations - Publications	29,042	30,000		958	96.81%
1-02-4190-900 Public Relations - Other	706	1,000		294	70.60%
1-02-4200-000 Advertising	1,174	5,000		3,826	23.48%
1-02-4205-000 Office Supplies	9,410	20,000		10,590	47.05%
1-02-4215-200 Natural Gas - Office Building	1,910	5,000		3,090	38.19%
1-02-4220-200 Electricity - Office Building	31,490	50,000		18,510	62.98%
Subtotal Operating Expenses	\$ 912,714	\$ 1,650,500	\$ -	\$ 737,786	55.30%
Total Departmental Expenses	\$ 1,509,092	\$ 2,602,000	\$ -	\$ 1,092,908	58.00%

Palmdale Water District
2013 Engineering Budget
For the Eight Months Ending Saturday, August 31, 2013

	YTD ACTUAL 2013	ORIGINAL BUDGET 2013	ADJUSTMENTS 2013	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-03-4000-000 Salaries	\$ 519,451	\$ 749,000		\$ 229,549	69.35%
1-03-4000-100 Overtime	3,634	6,000		2,366	60.57%
Subtotal (Salaries)	\$ 523,086	\$ 755,000		\$ 231,914	69.28%
Employee Benefits					
1-03-4005-000 Payroll Taxes	42,364	58,000		15,636	73.04%
1-03-4010-000 Health Insurance	110,202	165,500		55,298	66.59%
1-03-4015-000 PERS	94,514	143,250		48,736	65.98%
Subtotal (Benefits)	\$ 247,080	\$ 366,750	\$ -	\$ 119,670	67.37%
Total Personnel Expenses	\$ 770,166	\$ 1,121,750	\$ -	\$ 351,584	68.66%
OPERATING EXPENSES:					
1-03-4050-000 Staff Travel	\$ 3,742	\$ 3,000		\$ (742)	124.73%
1-03-4060-000 Staff Conferences & Seminars	1,460	2,500		1,040	58.40%
1-03-4155-000 Contracted Services	6,280	12,000		5,720	52.33%
1-03-4165-000 Memberships/Subscriptions	916	2,000		1,084	45.80%
1-03-4250-000 General Materials & Supplies	981	2,500		1,519	39.22%
1-03-8100-100 Computer Software - Maint. & Support	61,371	72,000		10,629	85.24%
Subtotal Operating Expenses	\$ 74,750	\$ 94,000	\$ -	\$ 19,250	79.52%
Total Departmental Expenses	\$ 844,916	\$ 1,215,750	\$ -	\$ 370,834	69.50%

Palmdale Water District
2013 Facilities Budget
For the Eight Months Ending Saturday, August 31, 2013

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

Personnel Budget:

1-04-4000-000 Salaries	\$ 841,545	\$ 1,339,000	\$ 497,455	62.85%
1-04-4000-100 Overtime	34,896	40,000	5,104	87.24%
Subtotal (Salaries)	\$ 876,441	\$ 1,379,000	\$ 502,559	63.56%

Employee Benefits

1-04-4005-000 Payroll Taxes	72,975	105,000	32,025	69.50%
1-04-4010-000 Health Insurance	266,895	384,000	117,105	69.50%
1-04-4015-000 PERS	152,254	254,500	102,246	59.82%
Subtotal (Benefits)	\$ 492,124	\$ 743,500	\$ -	66.19%

Total Personnel Expenses

\$ 1,368,565	\$ 2,122,500	\$ -	\$ 748,831	64.48%
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OPERATING EXPENSES:

1-04-4050-000 Staff Travel	\$ 516	\$ 2,500	1,984	20.63%
1-04-4060-000 Staff Conferences & Seminars	2,225	3,000	775	74.17%
1-04-4155-000 Contracted Services	49,241	28,500	(20,741)	172.77%
1-04-4175-000 Permits-Dams	38,842	-	(38,842)	
1-04-4215-200 Natural Gas - Buildings	1,376	4,500	3,124	30.58%
1-04-4220-200 Electricity - Buildings	13,355	30,000	16,645	44.52%
1-04-4225-000 Maint. & Repair - Vehicles	16,284	45,000	28,716	36.19%
1-04-4230-100 Maint. & Rep. Office Building	3,431	18,000	14,569	19.06%
1-04-4235-110 Maint. & Rep. Equipment	6,432	7,500	1,068	85.76%
1-04-4235-400 Maint. & Rep. Operations - Wells	29,084	150,000	120,916	19.39%
1-04-4235-405 Maint. & Rep. Operations - Boosters	43,946	50,000	6,054	87.89%
1-04-4235-410 Maint. & Rep. Operations - Shop Bldgs	8,025	10,000	1,975	80.25%
1-04-4235-415 Maint. & Rep. Operations - Facilities	10,996	15,000	4,004	73.31%
1-04-4235-420 Maint. & Rep. Operations - Water Lines	149,058	350,000	200,942	42.59%
1-04-4235-425 Maint. & Rep. Operations - Littlerock Dam	-	20,000	20,000	0.00%
1-04-4235-430 Maint. & Rep. Operations - Palmdale Dam	-	26,500	26,500	0.00%
1-04-4235-435 Maint. & Rep. Operations - Palmdale Canal	151	3,000	2,849	5.05%
1-04-4235-455 Maint. & Rep. Operations - Heavy Equipment	19,066	35,000	15,934	54.48%
1-04-4235-460 Maint. & Rep. Operations - Storage Reservoirs	-	5,000	5,000	0.00%
1-04-6000-000 Waste Disposal	17,401	40,000	22,599	43.50%
1-04-6100-100 Fuel and Lube - Vehicle	86,829	130,000	43,171	66.79%
1-04-6100-200 Fuel and Lube - Machinery	17,728	43,000	25,272	41.23%
1-04-6200-000 Uniforms	14,636	20,000	5,364	73.18%
1-04-6300-100 Supplies - Misc.	25,528	47,500	21,972	53.74%
1-04-6300-800 Supplies - Construction Materials	22,317	65,000	42,683	34.33%
1-04-6400-000 Tools	7,916	12,000	4,084	65.97%
1-04-7000-100 Leases -Equipment	8,154	15,000	6,846	54.36%
Subtotal Operating Expenses	\$ 592,537	\$ 1,176,000	\$ -	50.39%

Total Departmental Expenses

\$ 1,961,102	\$ 3,298,500	\$ -	\$ 1,332,294	59.45%
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Palmdale Water District
2013 Operation Budget
For the Eight Months Ending Saturday, August 31, 2013

YTD ACTUAL 2013	ORIGINAL BUDGET 2013	ADJUSTMENTS 2013	ADJUSTED BUDGET REMAINING	PERCENT USED
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Personnel Budget:

1-05-4000-000 Salaries	\$ 1,018,577	\$ 1,608,500	\$ 589,923	63.32%
1-05-4000-100 Overtime	56,469	61,500	5,031	91.82%
Subtotal (Salaries)	\$ 1,075,046	\$ 1,670,000	\$ 594,954	64.37%

Employee Benefits

1-05-4005-000 Payroll Taxes	87,237	128,000	40,763	68.15%
1-05-4010-000 Health Insurance	236,135	378,500	142,365	62.39%
1-05-4015-000 PERS	181,755	307,000	125,245	59.20%
Subtotal (Benefits)	\$ 505,127	\$ 813,500	\$ 308,373	62.09%

Total Personnel Expenses

\$ 1,580,173	\$ 2,483,500	\$ -	\$ 898,296	63.63%
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OPERATING EXPENSES:

1-05-4050-000 Staff Travel	\$ 684	\$ 8,000	\$ 7,316	8.55%
1-05-4060-000 Staff Conferences & Seminars	2,197	9,500	7,303	23.13%
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	92,849	59,000	(33,849)	157.37%
1-05-4175-000 Permits	6,630	45,000	38,370	14.73%
1-05-4215-100 Natural Gas - Wells & Boosters	96,686	160,000	63,314	60.43%
1-05-4215-200 Natural Gas - WTP	2,089	3,000	911	69.65%
1-05-4220-100 Electricity - Wells & Boosters	992,633	1,285,000	292,367	77.25%
1-05-4220-200 Electricity - WTP	57,793	125,000	67,207	46.23%
1-05-4230-110 Maint. & Rep. - Office Equipment	147	500	353	29.49%
1-05-4235-110 Maint. & Rep. Operations - Equipment	9,125	15,000	5,875	60.83%
1-05-4235-410 Maint. & Rep. Operations - Shop Bldgs	13,656	6,000	(7,656)	227.60%
1-05-4235-415 Maint. & Rep. Operations - Facilities	37,907	38,000	93	99.75%
1-05-4235-445 Maint. & Rep. Operations - Telemetry	3,809	2,250	(1,559)	169.27%
1-05-4235-450 Maint. & Rep. Operations - Hypo Generator	21,715	10,000	(11,715)	217.15%
1-05-4236-000 Palmdale Lake Management	5,339	15,000	9,661	35.59%
1-05-4270-300 Telecommunication - Other	1,835	2,750	915	66.74%
1-05-4300-300 Testing - Edison	5,385	9,000	3,615	59.83%
1-05-6000-000 Waste Disposal	2,331	22,000	19,669	10.60%
1-05-6200-000 Uniforms	7,880	10,000	2,120	78.80%
1-05-6300-100 Supplies - Misc.	6,872	15,000	8,128	45.81%
1-05-6300-200 Supplies - Hypo Generator	3,241	6,750	3,509	48.01%
1-05-6300-300 Supplies - Electrical	629	3,500	2,871	17.97%
1-05-6300-400 Supplies - Telemetry	1,300	7,500	6,200	17.33%
1-05-6300-600 Supplies - Lab	27,576	35,000	7,424	78.79%
1-05-6300-700 Outside Lab Work	90,298	60,000	(30,298)	150.50%
1-05-6400-000 Tools	2,685	6,500	3,815	41.31%
1-05-6500-000 Chemicals	341,506	485,000	143,494	70.41%
1-05-7000-100 Leases -Equipment	209	3,000	2,791	6.98%
Subtotal Operating Expenses	\$ 1,835,007	\$ 2,460,750	\$ 616,743	74.57%

Total Departmental Expenses

\$ 3,415,180	\$ 4,944,250	\$ -	\$ 1,515,039	69.07%
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Palmdale Water District
2013 Finance Budget
For the Eight Months Ending Saturday, August 31, 2013

	YTD ACTUAL 2013	ORIGINAL BUDGET 2013	ADJUSTMENTS 2013	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-06-4000-000 Salaries*	\$ 986,511	\$ 1,482,000	\$ (24,300)	\$ 495,489	66.57%
1-06-4000-100 Overtime	20,169	20,000		(169)	100.84%
Subtotal (Salaries)	\$ 1,006,680	\$ 1,502,000	\$ (24,300)	\$ 495,320	67.02%
Employee Benefits					
1-06-4005-000 Payroll Taxes	83,395	115,000.00		300,355	21.73%
1-06-4010-000 Health Insurance	228,355	383,750		54,145	80.83%
1-06-4015-000 PERS	183,238	282,500		598,012	23.45%
Subtotal (Benefits)	\$ 494,988	\$ 781,250	\$ -	\$ 952,512	63.36%
Total Personnel Expenses	\$ 1,501,667	\$ 2,283,250	\$ (24,300)	\$ 1,447,833	65.77%

OPERATING EXPENSES:

1-06-4050-000 Staff Travel	\$ 212	\$ 250		38	84.71%
1-06-4060-000 Staff Conferences & Seminars	575	1,000		425	57.48%
1-06-4155-300 Contracted Services	4,444	24,500		20,056	18.14%
1-06-4155-100 Contracted Services - Infosend	122,956	205,000		82,044	59.98%
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	5,703	10,000		4,297	57.03%
1-06-4235-470 Maint. & Rep. Operations - Meter Exchanges	152,464	175,000		22,536	87.12%
1-06-4250-000 General Material & Supplies	4,638	4,000		(638)	115.96%
1-06-4260-000 Business Forms	7,427	10,000		2,573	74.27%
1-06-4270-100 Telecommunication - Office	6,853	30,000		23,147	22.84%
1-06-4270-200 Telecommunication - Cellular Stipend	9,480	17,000		7,520	55.76%
1-06-4270-300 Telecommunication - Cellular	213	3,000		2,787	7.11%
1-06-4300-200 Testing - Large Meter Testing	5,335	21,500		16,165	24.81%
1-06-7000-100 Leases - Equipment	1,903	3,000		1,097	63.43%
Subtotal Operating Expenses	\$ 322,204	\$ 505,750	\$ -	\$ 183,546	63.71%
Total Departmental Expenses	\$ 1,823,871	\$ 2,789,000	\$ (24,300)	\$ 1,631,379	65.97%

* Budget adjustments by General Manager per Appendix A

Palmdale Water District
2013 Water Conservation Budget
For the Eight Months Ending Saturday, August 31, 2013

YTD ACTUAL 2013	ORIGINAL BUDGET 2013	ADJUSTMENTS 2013	ADJUSTED BUDGET REMAINING	PERCENT USED
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Personnel Budget:

1-07-4000-000 Salaries	\$ 102,286	\$ 153,000	\$ 50,714	66.85%
1-07-4000-100 Overtime	822	1,000	178	82.22%
Subtotal (Salaries)	\$ 103,108	\$ 154,000	\$ 50,892	66.95%

Employee Benefits

1-07-4005-000 Payroll Taxes	8,338	11,750	3,412	70.96%
1-07-4010-000 Health Insurance	15,728	22,750	7,022	69.13%
1-07-4015-000 PERS	19,349	29,250	9,901	66.15%
Subtotal (Benefits)	\$ 43,415	\$ 63,750	\$ -	68.10%

Total Personnel Expenses

\$ 146,522	\$ 217,750	\$ -	\$ 71,050	67.29%
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OPERATING EXPENSES:

1-07-4050-000 Staff Travel	\$ -	\$ 1,000	\$ 1,000	0.00%
1-07-4060-000 Staff Conferences & Seminars	638	1,000	362	63.80%
1-07-4190-300 Public Relations - Landscape Workshop/Training	243	1,000	757	24.29%
1-07-4190-400 Public Relations - Contests	709	1,000	291	70.86%
1-07-4190-500 Public Relations - Education Programs	906	5,000	4,094	18.13%
1-07-4190-700 Public Relations -General Media	1,535	3,000	1,465	51.17%
1-07-4190-900 Public Relations - Other	180	5,000	4,820	3.60%
1-07-6300-100 Supplies - Misc.	1,487	5,000	3,513	29.73%
Subtotal Operating Expenses	\$ 5,697	\$ 22,000	\$ -	25.90%

Total Departmental Expenses

\$ 152,220	\$ 239,750	\$ -	\$ 87,352	63.49%
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Palmdale Water District
2013 Human Resources Budget
For the Eight Months Ending Saturday, August 31, 2013

YTD ACTUAL 2013	ORIGINAL BUDGET 2013	ADJUSTMENTS 2013	ADJUSTED BUDGET REMAINING	PERCENT USED
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Personnel Budget:

1-08-4000-000 Salaries	\$ 56,001	\$ 84,000	\$ 27,999	66.67%
Employee Benefits				
1-08-4005-000 Payroll Taxes	4,284	6,500	2,216	65.91%
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)	\$ 4,284	\$ 40,500	\$ -	10.58%
Total Personnel Expenses	\$ 60,285	\$ 124,500	\$ 64,215	48.42%

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*	36,146	-	(11,846)	
1-08-4095-000 Employee Recruitment	2,225	3,000	775	74.17%
1-08-4100-000 Employee Retention	1,305	1,500	195	87.02%
1-08-4105-000 Employee Relations	3,276	3,500	224	93.61%
1-08-4110-000 Consultants	-	1,000	1,000	0.00%
1-08-4120-100 Training-Safety Consultants	2,638	38,000	35,362	6.94%
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	2,840	33,500	30,660	8.48%
Subtotal Operating Expenses	\$ 48,879	\$ 85,100	\$ 60,521	44.68%
Total Departmental Expenses	\$ 109,164	\$ 209,600	\$ 124,736	46.67%

* Budget adjustments by General Manager per Appendix A

Palmdale Water District
2013 Information Technology Budget
For the Eight Months Ending Saturday, August 31, 2013

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

Personnel Budget:

1-09-4000-000 Salaries	\$ 140,249	\$ 204,000		\$ 63,751	68.75%
1-09-4000-100 Overtime	1,660	2,500		840	66.41%
Subtotal (Salaries)	\$ 141,909	\$ 206,500		\$ 64,591	68.72%

Employee Benefits

1-09-4005-000 Payroll Taxes	11,535	16,000		4,465	72.10%
1-09-4010-000 Health Insurance	27,749	41,250		13,501	67.27%
1-09-4015-000 PERS	25,805	39,250		13,445	65.74%
Subtotal (Benefits)	\$ 65,089	\$ 96,500	\$ -	\$ 31,411	67.45%

Total Personnel Expenses

\$ 206,998	\$ 303,000	\$ -	\$ 95,162	68.32%
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OPERATING EXPENSES:

1-09-4050-000 Staff Travel	\$ 514	\$ 3,000		2,486	17.13%
1-09-4060-000 Staff Conferences & Seminars	11,402	15,000		3,598	76.01%
1-09-4155-300 Contracted Services - Computer Vendors	38,601	108,000	(55,500)	13,899	73.53%
1-09-4165-000 Memberships/Subscriptions	-	500		500	0.00%
1-09-4270-000 Telecommunications	35,380	-	55,500	20,120	63.75%
1-09-8000-100 Computer Equipment - Computers	4,719	45,000		40,281	10.49%
1-09-8000-200 Computer Equipment - Laptops	-	10,000		10,000	0.00%
1-09-8000-300 Computer Equipment - Monitors	493	2,000		1,507	24.67%
1-09-8000-400 Computer Equipment - Printers	12	2,500		2,488	0.48%
1-09-8000-500 Computer Equipment - Toner Cartridges	1,056	3,000		1,944	35.21%
1-09-8000-600 Computer Equipment - Other	6,955	35,000		28,045	19.87%
1-09-8100-100 Computer Software - Maint. and Support	19,463	70,000		50,538	27.80%
1-09-8100-140 Computer Software - Starnik	63,250	86,000		22,750	73.55%
1-09-8100-150 Computer Software - Cogsdale Maint and Support	27,489	30,000		2,511	91.63%
1-09-8100-200 Computer Software - Software and Upgrades	4,735	15,000		10,265	31.57%
Subtotal Operating Expenses	\$ 214,070	\$ 425,000	\$ -	\$ 210,930	50.37%

Total Departmental Expenses

\$ 421,068	\$ 728,000	\$ -	\$ 306,092	57.84%
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ENGINEERING DEPARTMENT COMMITTED CONTRACTS AND PAYOUT SCHEDULE - OCTOBER, 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	\$ 23,851	\$ 14,953
600-12	3600' Hydro-Pneumatic Tank Replacement	Superior Tank Solutions	\$ 79,900	\$ 79,900
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	\$ 113,352
401-12	Water Meter Exchange Program	Tejon Constructors	\$ 50,000	\$ 48,890

Project Payout Detail (Actual/Projected)

Work Order No.	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
401-13								\$ 14,953		\$ 8,898		
600-12								\$ 79,900				
RCP04										\$ 319,100		
600-09							\$ 113,352					
401-12	\$ 21,895	\$ 11,438					\$ 15,557					
Totals:	\$ 21,895	\$ 11,438	\$ 0	\$ 0	\$ 0	\$ 0	\$ 128,909	\$ 94,853	\$ 0	\$ 327,998	\$ 0	\$ 0

WATER QUALITY FUND COMMITTED CONTRACTS AND PAYOUT SCHEDULE - OCTOBER, 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	\$ 868,432 \$	650,432
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/AESI	\$ 7,000 \$	6,075
WQF-6	Localized GAC @ Underground Booster Station - Initial GAC Supply	Siemens	\$ 38,405 \$	0

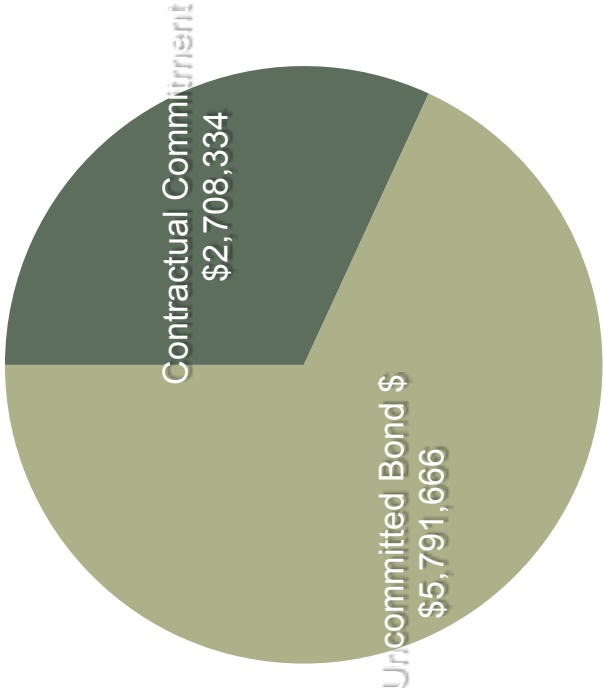
Water Quality Fund - Payout Detail (Actual/Projected)

Project ID	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
WQF-1										\$ 216,776		
WQF-2					\$ 216,776		\$ 216,828	\$ 216,828		\$ 218,000		
WQF-3										\$ 88,812		
WQF-4						\$ 46,542				\$ 31,410		
WQF-5						\$ 6,075						
WQF-6											\$ 38,405	
Totals:	\$ 0 \$	0 \$	0 \$	0 \$	0 \$ 216,776	\$ 52,617	\$ 216,828	\$ 216,828	\$ 0	\$ 554,998	\$ 38,405	\$ 0

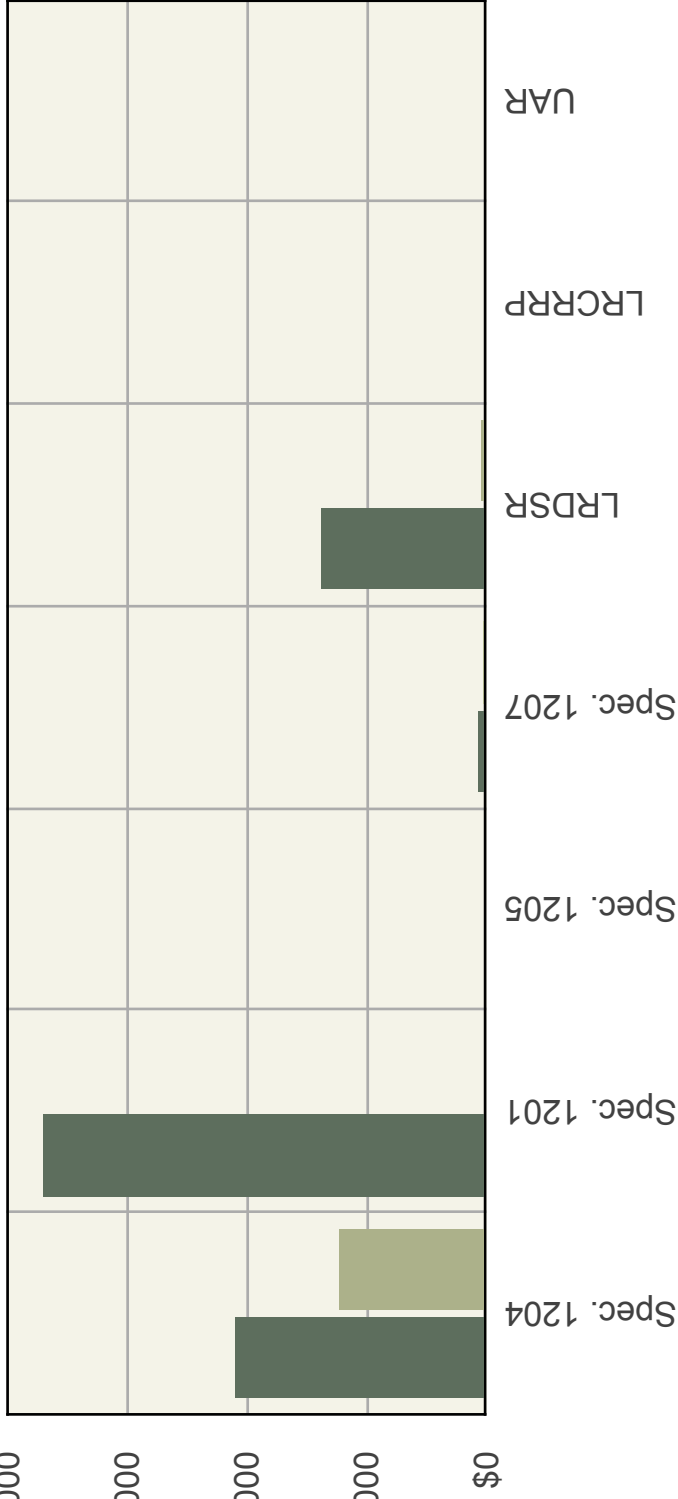
PWD WATER REVENUE BONDS - SERIES 2013A

Contractual Commitment Uncommitted Bond \$ Contractual Commitment Payout to Date

Allocated Bond \$ vs. Commitment



Allocated Bond \$



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	\$458,380	(\$56,857)
Spec. 1201	606-11	20th, Puerta, Sweetbriar, and 22nd St. E.	5/8/13	\$1,450,000	\$1,387,042	\$0	\$62,958
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	\$23,510	\$9,108	\$1,376,490
LRDSR	501-04	Littlerock Sediment Removal (EIR/EIS/Permits)	TBD	\$975,000	\$515,925	\$18,500	\$459,075
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	\$2,708,334	\$485,988	\$5,791,666

**PALMDALE WATER DISTRICT
BOARD MEMORANDUM**

DATE: October 2, 2013 **October 9, 2013**
TO: BOARD OF DIRECTORS **Board Meeting**
FROM: Mr. Dennis D. LaMoreaux, General Manager
RE: ***AGENDA ITEM NO. 7.4 – CONSIDERATION AND POSSIBLE ACTION ON
SECOND AMENDMENT TO THE JOINT EXERCISE OF POWERS
AGREEMENT CREATING THE PALMDALE RECYCLED WATER
AUTHORITY DATED SEPTEMBER 26, 2012.***

Recommendation:

Staff recommends the Board approve the Second Amendment to the “Joint Exercise of Powers Agreement Creating the Palmdale Recycled Water Authority” simplifying and clarifying Palmdale Recycled Water Board’s required use of Resolutions.

Background:

The Palmdale Recycled Water Authority (PRWA) was formed by the Palmdale Water District (District) and the City of Palmdale (City) via the “Joint Exercise of Powers Agreement Creating the Palmdale Recycled Water Authority” in September 2012 (Agreement or JPA). That Agreement provides for all actions of the PRWA Board to be enacted through written resolutions as follows at Section 4.19 [in pertinent part]:

*...“The Members acknowledge and agree that the affairs of the Authority will be implemented through various documents duly adopted by the Board **through Board resolution**, including but not necessarily limited to the Operating Rules and Regulations, the annual budget, and specified plans and policies defined as Authority Documents by this Agreement...” (emphasis added)*

PRWA staff has interpreted this provision to include virtually all actions of the Board. Providing written resolutions for all PRWA actions can result in time-consuming, burdensome and inefficient delays. Many minor and routine actions are taken by both JPA Members without using the formal resolution process. PRWA staff is also concerned that such an ambiguity could result in actions being declared void if no written resolution is prepared and passed.

The PRWA Board has requested the City and District seek approval for this Second Amendment to the Joint Powers Agreement Creating the Palmdale Recycled Water Authority, which includes an added paragraph to Section 4.19 as follows:

“All actions of the Authority Board pursuant to Section 4.9 “Special Voting Situations” shall be via written resolution formally adopted at a regular or adjourned regular meeting of the Authority. All other Authority Board matters may be adopted via motion and vote and so noted in the minutes.”

Section 4.9 “Special Voting Situations” reads as follows:

Special Voting Situations. The following Board actions require the affirmative vote of at least one Director from the City and one from the PWD:

- a. Agreements to provide recycled water to any person or entity other than the City or PWD.*
- b. Capital expenditures exceeding \$100,000.*
- c. Adoption or modification of any combined recycled water master plan.*
- d. Settlement of lawsuits over \$10,000.*
- e. Adoption of its initial and all annual operating budgets.*
- f. Setting recycled water rates.*
- g. Disposition of assets and funds upon termination, pursuant to section 5.8(d).*

The above actions of the PRWA Board would still require a written resolution.

The proposed Second Amendment to the Joint Powers Agreement Creating the Palmdale Recycled Water Authority will be presented to the City of Palmdale City Council at their October meeting for review and anticipated approval.

Strategic Plan Element:

This work is part of Strategic Element 2.0 Natural Resources Management.

Budget:

There is no budget impact from this item.

Supporting Documents:

- Second Amendment to the Joint Powers Agreement Creating the Palmdale Recycled Water Authority

**SECOND AMENDMENT TO THE
JOINT EXERCISE OF POWERS AGREEMENT CREATING THE PALMDALE
RECYCLED WATER AUTHORITY
DATED SEPTEMBER 26, 2012 (CITY AGREEMENT NO. A-4113)**

Dated October __, 2013

This Second Amendment to the "Joint Exercise of Powers Agreement Creating the Palmdale Recycled Water Authority" dated September 26, 2012 (hereinafter "Agreement") is made and entered into this __ day of October, 2013, by and between the City of Palmdale, State of California, a California Charter City (hereinafter "City") and the Palmdale Water District, an Irrigation District under Division 11 of the California Water Code (hereinafter "District").

WITNESSETH:

WHEREAS, pursuant to Section 1.1, "Definitions", of the Agreement, the District and the City are the constituent "Members" of the Palmdale Recycled Water Authority (hereinafter "PRWA" or "Authority"); and

WHEREAS, Section 7.1, "Amendments", of the Agreement states, "This Agreement may be amended only upon the affirmative vote of both Members."; and

WHEREAS, pursuant to the Agreement Section 4.19 "Authority Documents", the affairs of the Authority must be implemented through duly adopted resolutions approved by the Authority Board, and

WHEREAS, it is the desire of the City and the District as Members of the Authority to amend the Agreement to simplify the adoption of general and routine items of the Authority by eliminating the need for a formal resolution except in more extraordinary matters..

NOW THEREFORE, the City and the District agree as follows:

SECTION 1. Article 4 "Organization", sub-section 4.19 of the Agreement, is amended to add on the following paragraph as follows:

"All actions of the Authority Board pursuant to Section 4.9 "Special Voting Situations" shall be via written resolution formally adopted at a regular or adjourned regular meeting of the Authority. All other Authority Board matters may be adopted via motion and vote and so noted in the minutes."

SECTION 2. EFFECTIVE DATE. This Second Amendment to the Agreement shall become effective when approved by the City Council of the City of Palmdale and the Palmdale Water District Board of Directors and is duly signed by both of those parties.

IN WITNESS WHEREOF, each of the parties have caused this "2nd Amendment to the Joint Exercise of Powers Agreement Creating the Palmdale Recycled Water Authority" dated September 26, 2012," to be executed by their duly authorized representatives as signed below.

CITY OF PALMDALE

PALMDALE WATER DISTRICT

James C. Ledford, Jr.
Mayor

Kathryn Mac Laren
President

APPROVED AS TO FORM:

APPROVED AS TO FORM:

Wm. Matthew Ditzhazy
City Attorney

James D. Ciampa
District Counsel

ATTEST:

Rebecca J. Smith
City Clerk

This work is part of Strategic Element 5.0 Administrative Management.

Staff and the Ad Hoc Legal Committee of Directors Dizmang and Dexter met and discussed the Attorney Services Agreement between the District and Lagerlof Senecal Gosney & Kruse LLP, which was approved by the Board of Directors at the August 14, 2013 Board meeting, and the Ad Hoc Legal Committee will review this item at the meeting.

- Attorney Services Agreement with Lagerlof Senecal Gosney & Kruse LLP dated August 14, 2013



301 North Lake Avenue
10th Floor
Pasadena, CA 91101-4108
Phone: 626.793.9400
Fax: 626.793.5900
www.lagerlof.com

Established 1908

ATTORNEY SERVICES AGREEMENT

This document is the written fee agreement that California law requires lawyers to have with their clients. We, Lagerlof, Senecal, Gosney & Kruse, LLP, will provide legal services to you, the Client named on the attached rate schedule, on the terms set forth below.

1. Conditions. This agreement will not take effect, and we will have no obligation to provide legal services, until you return a signed copy of this agreement.

2. Scope of Services. You are hiring us to represent you in the matter described on the attached Rate Schedule. We will provide those legal services reasonably required to represent you, as we determine in our discretion to be necessary and appropriate. We will take reasonable steps to keep you informed of progress and to respond to your inquiries.

If this matter involves litigation or potential litigation, we will make tactical decisions regarding the case, such as where to file suit, what pretrial motions and discovery to undertake, whether to request a jury, what witnesses to call, etc. You will have the right to approve or reject any settlement, and we will communicate any settlement offer to you promptly.

3. Client's Duties. You agree to be truthful with us, to cooperate, to be reasonably available for meetings, court appearances, or other proceedings, to keep us informed of developments, to abide by this agreement, to pay our bills on time and to keep us advised of your address, telephone number and whereabouts.

4. Deposit. Omitted.

5. Legal Fees. You agree to pay us by the hour at our prevailing rates for all time spent on your matter by our legal personnel. Our current rates are set forth on the Rate Schedule. These rates are subject to periodic increases, on 30 days' notice. If you do not discharge us within the 30 days, you will be deemed to have agreed to the increased rates.

We will attempt to assign associates and other personnel with lower hourly rates to work on your matter wherever possible, without sacrificing the quality of your legal representation. Sometimes it will be in your interest to use attorneys who have higher hourly rates for consultation. We will charge you for the time we spend on telephone calls relating to your matter, including calls with you, opposing counsel or court personnel. When our legal personnel confer about your matter, each will charge for the time expended. Likewise, if more

than one of our legal personnel attends a meeting, court hearing or other proceeding, each will charge for the time spent.

We will charge for waiting time in court and elsewhere and for travel time (but travel time shall be billed at the reduced hourly rate specified in the attached rate schedule), both local and out of town; we will not, however, charge more than one client for the same time. Sometimes we will be able to make use of a document or legal research we developed for another client. In such cases, we may charge you for a portion of the development time, in addition to the time spent adapting the document or research to fit your particular situation. Where practicable, the firm agrees to provide client with fee estimates in advance of work performed. Any such estimates are subject to the Disclaimer of Guarantee Limitations of Section 10 of this agreement.

6. Costs. We will incur costs and expenses in performing legal services for you, and you agree to pay for those costs in addition to the hourly fees. The costs commonly include messenger and delivery fees, computer research, travel expenses such as mileage and parking, photocopying and reproduction charges, clerical staff overtime specifically necessitated by work performed for you, filing fees and other court and administrative fees, reporter's fees, jury fees and witness fees. Except as listed on the Rate Schedule, these items are charged at our cost.

In order for us to represent you properly, we may find it necessary to hire experts, consultants, accountants, appraisers, or investigators. We will not hire such persons unless you agree to pay their charges; but we reserve the right to select the persons to be hired.

7. Statements. We will send you periodic statements for fees and costs incurred. Each statement will be due within 30 days of its date. You may request a statement at intervals of no less than 30 days. If you do, we will provide one within 10 days. Any dispute regarding a statement must be communicated to us within 30 days.

8. Lien. You hereby grant us an attorneys' fees lien on any recovery you might obtain, whether by judgment, settlement, or otherwise, as well as on any property or documents which we hold for you.

9. Discharge and Withdrawal. You may discharge us at any time by written notice. We may withdraw with your consent or for good cause. Good cause includes your failure to comply with this agreement, your refusal to cooperate with us or to follow our advice on any material matter, or any other cause that would render our continuing representation unlawful or unethical. Whether you discharge us or we withdraw, you are responsible for paying our fees and costs to the date of conclusion of our services, including any services necessary to protect your rights and transfer the matter to your new attorneys. After you discharge us or we notify you of our intent to withdraw, you agree to execute a substitution of attorney immediately

*Lagerlof
Senecal
Gosney & Kruse*
LLP

and to take all other steps necessary to free us of any obligation to perform further. After our services conclude, we will, upon your request, deliver your file to you, along with any funds or property of yours in our possession; but we may charge you for copying your file for our permanent records. Unless you have instructed us to the contrary, we may destroy your file at any time more than one year after the conclusion of our services on this matter, without further notice to you.

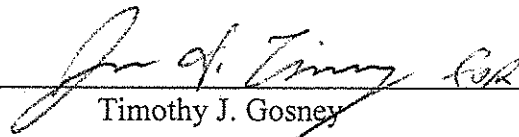
10. Disclaimer of Guarantees. Although we may furnish you with estimates of our fees, your actual fees depend on a number of factors beyond our knowledge or control, such as the extent to which other parties cooperate, the availability of evidence, court calendars, etc. It is quite common for actual fees to exceed an estimate dramatically, even though the estimate may have been reasonable when made. Therefore, we do not guarantee our fee estimates. Similarly, we do not guarantee the outcome of your matter, and any comments about the outcome are statements of opinion only.

11. Errors and Omissions Insurance. Services under this Agreement are covered by errors and omissions insurance maintained by the firm.

12. Effective Date. This agreement will take effect when you have performed the conditions stated in Paragraph 1, but will be retroactive to the date we first performed services, including the initial client conference. Even if this agreement does not take effect, you will be responsible to pay the reasonable value of any services we may have performed.

LAGERLOF, SENECA, GOSNEY & KRUSE, LLP

By: _____


Timothy J. Gosney

I have read and understood the foregoing terms and those set forth on the attached Rate Schedule and agree to them, as of the date Lagerlof, Senecal, Gosney & Kruse, LLP first provided services. I acknowledge receipt of a copy of this agreement and the Rate Schedule.

PALMDALE WATER DISTRICT

Dated: 8/14/2013

By: Sam D. T.

Rate Schedule

Identification:

Client: Palmdale Water District

Matter: General counsel legal services and such other legal matters as may be needed.

Deposit: Not applicable

Travel time: No charges for travel time.

Rates

Timothy J. Gosney\$320 per hour

Thomas S. Bunn III\$320 per hour

James D. Ciampa\$290 per hour

Other Partners\$250 - \$320 per hour

Associates\$150-\$225 per hour

Legal Assistant\$60 per hour

All hourly rates are charged in minimum increments of 0.10 hours.

Costs

In-office photocopying\$0.20/page

Facsimile transmission\$1.00/page

Computerized legal researchActual cost

**MINUTES OF MEETING OF THE WATER SUPPLY & RELIABILITY COMMITTEE
OF THE PALMDALE WATER DISTRICT, AUGUST 30, 2013:**

A meeting of the Water Supply & Reliability Committee of the Palmdale Water District was held Friday, August 30, 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
Jon Pernula, Water & Energy Resources Manager
Matt Knudson, Engineering Manager
Dawn Deans, Executive Assistant
24 members of the public

2) Adoption of Agenda.

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

3) Public Comments.

There were no public comments.

4) Action Items:

**4.1) Consideration and Possible Action on Approval of Minutes of Meeting
Held July 19, 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 July 19, 2013, as written.

**4.2) Consideration and Possible Action on the Littlerock Creek Groundwater
Recharge and Recovery Project. (Water & Energy Resources Manager
Pernula/Engineering Manager Knudson – Consultant Interviews: Kennedy Jenks
Consultants, RMC Water and Environment, Black & Veatch, and GEI Consultants)**

Engineering Manager Knudson introduced representatives from Kennedy Jenks Consultants, RMC Water and Environment, Black & Veatch, and GEI Consultants, who

are scheduled to interview for the preparation of a feasibility study for the proposed Littlerock Creek Groundwater Recharge and Recovery Project, after which each firm presented their qualifications, scope of work, and timeline for preparing this work.

After several questions, the Committee thanked the firms for the presentations and discussed the interviews, the information presented, and the future proposed use of recycled water, and staff stated that they will conduct an analysis of the proposals and present their recommendation at the next Committee meeting.

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

Water & Energy Resources Manager Pernula reviewed the water supply projections and charts included with the agenda packet and informed the Committee that the District has sold 5% more water than budgeted and that the level of Palmdale Lake will be lowered for maintenance followed by discussion of reservoir supplies and the water supply projections and charts.

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

Water & Energy Resources Manager Pernula informed the Committee that staff continues negotiations on water banking opportunities and will provide a full report when available.

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

Water & Energy Resources Manager Pernula informed the Committee that discussions for initial State Water Project allocations have begun and are expected to be low.

5) Project Updates.

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

General Manager LaMoreaux informed the Committee that supplying recycled water to the next park was discussed at the last Palmdale Recycled Water Authority meeting; that Authority staff will provide an update at the next meeting on Carollo's status for combining the City's and District's Plans into an Authority Plan, which will

include a balanced phasing of the growth of the recycled water system to include both the City's and District's requested use of recycled water; and that a meeting is scheduled the week of September 9 to discuss recycled water allocations for the Authority, Los Angeles County Waterworks, and the City of Palmdale's power plant.

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

Water & Energy Resources Manager Pernula stated that water purchase opportunity negotiations are ongoing including negotiations with Butte County, the area of origin settlement agreements, a water agency from the coast, and San Bernardino.

Chair Dexter then stated that the details of water purchase opportunity negotiations are typically discussed in closed session.

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

Engineering Manager Knudson stated that the level of Littlerock Reservoir will be lowered after Labor Day and that a topographic survey of the Reservoir is scheduled to be conducted early October for design of the grade control structure and to measure sediment accumulation for removal followed by discussion of the arroyo toad.

6) Information Items.

General Manager LaMoreaux informed the Committee that the level of Palmdale Lake will be lowered more than usual for fall maintenance due to State Fish & Wildlife's experiment to burn cattails to improve habitat for the tri-colored blackbird and that if the Lake level needs to be lowered more than allowed for in the Rules & Regulations, an item will be presented to the Board for authorization to lower the Lake level.

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 September 23, 2013 at 5:00 p.m.

8) Adjournment.

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



Chair

**RE: *AGENDA ITEM NO. 8.2(a) – REPORT OF GENERAL MANAGER –
PROPOSED SAFETY FOOTWEAR POLICY***

Past practices have been for employees to purchase the proper footwear protection at their own cost, and in 2012, the District provided a boot truck that came to the District and employees selected the proper footwear protection from the boot selection on the truck at the District's expense of \$125.00 per employee. There were a number of complaints regarding the boot truck, and staff developed the Safety Footwear Policy to not only address these issues, but to provide a tool for the enforcement of the need to wear the proper footwear protection.

BOARD OF DIRECTORS
PALMDALE WATER DISTRICT
VIA: Mr. Dennis D. LaMoreaux, General Manager

October 2, 2013

The proposed Safety Footwear Policy identifies those positions required to wear the proper footwear protection, outlines the specifics for proper footwear protection, details the reimbursement procedure of \$125.00 per employee for proper footwear protection purchases, and outlines enforcement of the Policy through daily inspections.

Strategic Plan Element:

This work is part of Strategic Element 4.0 – Personnel Management.

Budget:

This is a non-budgeted item. At a cost of \$125.00 or less per employee, the anticipated annual not-to-exceed expense would be approximately \$6,000.00.

Supporting Documents:

- Draft Safety Footwear Policy
- California Code of Regulations, Title 8, Section 3385. Foot Protection
- OSHA 1910.136 (a) Personal Protection Equipment. Foot Protection

SAFETY FOOTWEAR POLICY

I. POLICY STATEMENT

It is the policy of the Palmdale Water District to require the use of safety shoes where foot hazards exist as a significant part of the job. Employees shall not be permitted to work in areas where foot or slip/fall hazards exist unless properly protected.

II. DEFINITIONS

- A. Risk Level 1 - Job duties that involve a high degree of potential foot hazards. Working on uneven and slippery surfaces, handling heavy objects, equipment, or tools potentially causing injuries from crushing or penetrating actions. A steel toe safety shoe is required. Positions requiring Risk Level 1 safety footwear are as follows: Senior Field Service Tech., Field Service Tech. II, Field Service Tech. I, Treatment Supervisor, Plant Operator I/II, Senior Maint. Worker, Maintenance Worker, Systems Supervisor, Pump Technician I/II, Electrician I/II, Electronic Technician I/II, Construction Inspector I/II, Equip. Mech. Supervisor, Equip. Mechanic, Warehouse Technician, Senior Service Worker, Service Worker I/II.
- B. Risk Level 2 - Job duties that involve a lesser degree of foot hazard risk potential. Working on uneven surfaces, handling light objects, equipment, or tools with no exposure to crushing or penetrating actions. An appropriate work shoe or boot is required. Positions requiring Risk Level 2 safety footwear are as follows: General Manager, Assistant General Manager, Executive Assistant, Administrative Assistant, Human Resources Manager, Community & Govern. Affairs Coord., Water Conservation Supervisor, Water Conservation Aide, Water & Energy Resources Manager, Information Technology Manager, Information Technology Technician I/II, Finance Manager, Customer Service Supervisor, Assist. Cust. Service Super., Cust. Service Rep. II, Cust. Service Rep. I, Senior Accountant, Accounting Technician, Accounting Assistant I/II, Operations Manager, Water Quality Supervisor, Lab Analyst I/II, Administrative Tech., Engineering Manager, Project Manager, Cross Connection Tech., Engineering Tech. I/II, Facilities Manager.
- C. Fair wear and tear - A determination that shoe wear has deteriorated to the point that replacement is necessary.

Note: An evaluation is also made if shoes have been used properly.

Note: Non-skid protection applies in Level 1 and Level 2 categories for exposure to slippery work surface conditions.

SAFETY FOOTWEAR POLICY

III. GENERAL INFORMATION

- A. The Palmdale Water District will provide one new pair of safety shoes to an employee based upon "fair wear and tear" of existing shoes to a maximum cost of \$125.00 for each employee determined to be exposed to Risk Level 1 foot hazards. Except in unusual circumstances, safety shoes will not be purchased for an employee more frequently than once a year.
1. The cost of the Risk Level 1 safety shoe purchased in excess of the maximum of \$125.00 will be the responsibility of the employee.
 2. All Risk Level 1 safety shoes must meet I/75, C/75, or EH ratings and bear the official stamp of approval from the American Society for Testing and Materials (ASTM). I/75 rated footwear will protect the toes from an impact of up to 75 pounds. C/75 rated footwear will protect the toes from compressive loads up to 2,500 pounds. EH (Electrical Hazard) footwear is designed for employees who work around heavy-duty electrical equipment, live wires and circuits, and energized conductors and include soles and heels that dispel electricity in case of electrical shortage or shock.
 3. No tennis shoes, cowboy boots, slip-on boot or other shoe styles will be allowed.
 4. A 6" minimum high top shoe, for jobs involving uneven ground assignments, and a low quarter shoe, for jobs involving more even ground assignments will be the standard.
 5. Level requirement determinations and fair wear and tear evaluations will be made by the Department Manager, Supervisor, or Senior Service Worker.
- B. Employees determined to be exposed to Risk Level 2 foot hazards will provide their own suitable work shoes.

IV. PROCEDURE

- A. Each Department Manager will establish a list of employees needing Risk Level 1 safety shoes, in compliance with the above policy statement, General Information, and Definitions.
- B. In accordance with Section II. A, Risk Level 1 safety shoes will be provided. If shoes have worn, each Department Manager or Supervisor will evaluate new safety shoe requests determining if resoling and/or re-heeling is appropriate. If so, the employee will be directed to have the shoes repaired and return the repair receipt for reimbursement up to a maximum dollar amount of \$40.00.

SAFETY FOOTWEAR POLICY

- C. When new safety shoes are purchased, the authorized supervisor of the requesting employee will verify by his/her signature on the Safety Footwear Policy Reimbursement Form the following points:
 - 1. The employee is eligible to receive shoes.
 - 2. The safety shoe style is appropriate for the work performed.
 - 3. The safety shoe meets I/75, C/75, or EH ratings and bears the official stamp of approval from the American Society for Testing and Materials (ASTM).
- D. The employee is responsible for selecting the correct shoe in compliance with this policy and will pay for any incurred costs/subsequent shoe purchases over the maximum allowance at the time of the transaction with the vendor.
- E. After the employee obtains the correct shoe, the Department Manager, Supervisor, or Senior Service Worker will verify that the shoe is in compliance.
- F. After verification of compliance, the employee will turn in the original receipt to the Department Manager, Supervisor, or Senior Service Worker for attachment to the Safety Footwear Policy Reimbursement Form.
- G. The Department Manager or Supervisor will forward the Safety Footwear Policy Reimbursement Form and original receipt from the employee to the accounting department for reimbursement to the employee on a non-tax basis up to the maximum amount of \$125.00.

V. ENFORCEMENT

- A. The Department Manager, Supervisor, or Senior Service Worker, will enforce employee compliance with the program through a daily inspection as employees will not be allowed to work without wearing the appropriate shoe. Employees not complying with this Policy may be subject to being sent home to dress according to Policy.
- B. All safety shoes/boots will be purchased by employees during their own time. No employee shall be allowed to purchase safety shoes while on duty.
- C. All safety shoes/boots purchased under this Policy are to be used during work hours only and stored in District-provided lockers.

SAFETY FOOTWEAR POLICY

VI. EMPLOYEE RESPONSIBILITY FOR MAINTENANCE AND REPLACEMENT INTERVALS FOR SAFETY FOOTWEAR

Replacement of lost or damaged shoes will not be reimbursed unless the employee can show reasonable cause for loss or damage. Employees are responsible for maintaining and safekeeping their safety footwear in such a manner that it is usable for at least one (1) year. Alternative rubber work boots must be worn when deemed appropriate. All premature, unusual wear, or damage must be reported to the Supervisor or Senior Service Worker. If extreme conditions exist for premature wearing of shoes, the employee must notify the Supervisor or Senior Service Worker immediately. The Supervisor, up to the Department Manager, will investigate the situation and determine correction for the problem.

SAFETY FOOTWEAR POLICY

SAFETY FOOTWEAR POLICY REIMBURSEMENT FORM

Date: _____

Employee Name: _____

Title: _____

DEPARTMENT MANAGER, SUPERVISOR, SENIOR SERVICE WORKER VERIFICATION

- | | YES | NO |
|--|--------------------------|--------------------------|
| • The employee is eligible to receive shoes. | <input type="checkbox"/> | <input type="checkbox"/> |
| • The safety shoe style is appropriate for the work performed. | <input type="checkbox"/> | <input type="checkbox"/> |
| • The safety shoe meets I/75, C/75, or EH ratings and bears the official stamp of approval from the American Society for Testing and Materials (ASTM). | <input type="checkbox"/> | <input type="checkbox"/> |
| • Original receipt attached. | <input type="checkbox"/> | <input type="checkbox"/> |

APPROVED FOR REIMBURSEMENT: _____ Date: _____

Signature: _____

Name printed: _____

Title: _____

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Subchapter 7. General Industry Safety Orders
Group 2. Safe Practices and Personal Protection
Article 10. Personal Safety Devices and Safeguards

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§3385. Foot Protection.

(a) Appropriate foot protection shall be required for employees who are exposed to foot injuries from electrical hazards, hot, corrosive, poisonous substances, falling objects, crushing or penetrating actions, which may cause injuries or who are required to work in abnormally wet locations.

(b) Footwear which is defective or inappropriate to the extent that its ordinary use creates the possibility of foot injuries shall not be worn.

(c)(1) Protective footwear for employees purchased after January 26, 2007 shall meet the requirements and specifications in American Society for Testing and Materials (ASTM) F 2412-05, Standard Test Methods for Foot Protection and ASTM F 2413-05, Standard Specification for Performance Requirements for Foot Protection which are hereby incorporated by reference.

(2) Protective footwear purchased on or before January 26, 2007 shall meet the requirements of either the American National Standard for Personal Protection -Protective Footwear, American National Standards Institute (ANSI) Z41-1999, or the American Society for Testing and Materials (ASTM) F2412-05, Standard Test Methods for Foot Protection and ASTM F 2413-05, Standard Specification for Performance Requirements for Foot Protection which are hereby incorporated by reference.


Note: Authority cited: Section 142.3, Labor Code. Reference: Section 142.3, Labor Code.

HISTORY

1. Repealer and new section filed 7-11-74; effective thirtieth day thereafter (Register 74, No. 28).
2. Amendment of newly designated subsection (c)(1), new subsection (c)(2) and new Note filed 12-13-94; operative 1-12-95 (Register 94, No. 50).

3. Amendment of subsection (a) filed 9-30-96; operative 10-30-96 (Register 96, No. 40).
4. Amendment of subsections (c)(1)-(2) filed 12-27-2006; operative 1-26-2007 (Register 2006, No. 52). For prior history, see Register 96, No. 40.
5. Amendment of subsection (c)(2) filed 8-31-2009; operative 9-30-2009 (Register 2009, No. 36).

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[Regulations \(Standards - 29 CFR\) - Table of Contents](#)

- **Part Number:** 1910
- **Part Title:** Occupational Safety and Health Standards
- **Subpart:** I
- **Subpart Title:** Personal Protective Equipment
- **Standard Number:** 1910.136
- **Title:** Foot protection.

[1910.136\(a\)](#)

General requirements. The employer shall ensure that each affected employee uses protective footwear when working in areas where there is a danger of foot injuries due to falling or rolling objects, or objects piercing the sole, and where such employee's feet are exposed to electrical hazards.

[1910.136\(b\)](#)

Criteria for protective footwear.

1910.136(b)(1)

Protective footwear must comply with any of the following consensus standards:

1910.136(b)(1)(i)

ASTM F-2412-2005, "Standard Test Methods for Foot Protection," and ASTM F-2413-2005, "Standard Specification for Performance Requirements for Protective Footwear," which are incorporated by reference in § 1910.6;

1910.136(b)(1)(ii)

ANSI Z41-1999, "American National Standard for Personal Protection -- Protective Footwear," which is incorporated by reference in § 1910.6; or

1910.136(b)(1)(iii)

ANSI Z41-1991, "American National Standard for Personal Protection -- Protective Footwear," which is incorporated by reference in § 1910.6.

1910.136(b)(2)

Protective footwear that the employer demonstrates is at least as effective as protective footwear that is constructed in accordance with one of the above consensus standards will be deemed to be in compliance with the requirements of this section.

[59 FR 16360, April 6, 1994; 59 FR 33910, July 1, 1994; 61 FR 9227, March 7, 1996; 61 FR 19547, May 2, 1996; 61 FR 21228, May 9, 1996; 74 FR 46356, Sept. 9, 2009]

[Next Standard \(1910.137\)](#)

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