



# PALMDALE WATER DISTRICT

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LAGERLOF, SENECA, GOSNEY & KRUSE LLP  
Attorneys



## Board of Directors

ROBERT E. ALVARADO  
Division 1

GORDON G. DEXTER  
Division 2

GLORIA DIZMANG  
Division 3

KATHY MAC LAREN  
Division 4

STEVE R. CORDOVA  
Division 5

December 5, 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, December 11, 2013*

*7:30 p.m.*

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

Agenda item materials, as well as materials related to agenda items submitted after distribution of the agenda packets, are available for public review at the District's office located at 2029 East Avenue Q, Palmdale. 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) Administering of Oath of Office to elected Directors. (followed by five-minute recess)
- 3) Roll Call.
- 4) Adoption of Agenda.
- 5) Public comments for non-agenda items.
- 6) Presentations:
  - 6.1) No presentations scheduled at this time.

- 7) 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.)
  - 7.1) Approval of minutes of regular meeting held November 27, 2013.
  - 7.2) Payment of bills for December 11, 2013.
  - 7.3) Approval of revisions on Compensation Plan section of Employee Handbook. (Human Resources Manager Emery/Personnel Committee)
  - 7.4) Approval of revisions to Alcohol-Drug Free Workplace section of Employee Handbook. (Human Resources Manager Emery/Personnel Committee)
- 8) 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.)
  - 8.1) Consideration and possible action on reorganization of the Board of Directors. (President Mac Laren)
  - 8.2) Status report on Cash Flow Statement and Current Cash Balances as of October 31, 2013. (Financial Advisor Egan)
  - 8.3) Status report on Financial Statements, Revenue and Expense and Departmental Budget Reports for October 31, 2013. (Finance Manager Williams)
  - 8.4) Status report on committed contracts issued. (Assistant General Manager Knudson)
  - 8.5) Consideration and possible action on Resolution No. 13-14 Establishing the Palmdale Water District's Investment Policy. (Financial Advisor Egan)
  - 8.6) Consideration and possible action on adoption of 2014 Budget. (General Manager LaMoreaux)
  - 8.7) Consideration and possible action on Board and staff attendance at conferences, seminars, and training sessions as follows:
    - a) California Special Districts Association How to be an Effective Board Member conference to be held January 16, 2014 in San Luis Obispo area; January 23, 2014 in Orange County area; or January 30, 2014 in Sacramento area.
    - b) California Special Districts Association Special District Leadership Academy Module 1 – Governance Foundations to be held March 18, 2014 in Sacramento or September 29, 2014 in Palm Springs.
    - c) California Special Districts Association Special District Leadership Academy Module 2 – Setting Direction/Community Leadership to be held April 25, 2014 in Bakersfield or May 19, 2014 in Sacramento.

- d) California Special Districts Association Special District Leadership Academy Module 3 – Board’s Role in Finance & Fiscal Accountability to be held January 14, 2014 in Bakersfield or February 7, 2014 in Sacramento.
  - e) California Special Districts Association Special District Leadership Academy Module 4 – Board’s Role in Human Resources to be held February 6, 2014 in Sacramento or March 7, 2014 in Bakersfield.
- 9) Information Items:
    - 9.1) Reports of Directors: Meetings, Committee meetings, and general report.
    - 9.2) Report of General Manager.
    - 9.3) Report of Attorney.
  - 10) Public comments on closed session agenda matters.
  - 11) Closed session under:
    - 11.1) Government Code Section 54956.9(d)(1), pending litigation: *Antelope Valley Ground Water Cases*.
    - 11.2) 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*.
    - 11.3) 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*.
    - 11.4) Government Code Section 54956.9(d)(1), pending litigation: *Velez v. City of Palmdale, et al, Los Angeles Superior Court Case No. MC023216*.
  - 12) Public report of any action taken in closed session.
  - 13) Board members' requests for future agenda items.
  - 14) Adjournment.



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MATTHEW R. KNUDSON,  
Assistant General Manager

DDL/MRK/dd

**PALMDALE WATER DISTRICT  
BOARD MEMORANDUM**

**DATE:** December 4, 2013 **December 11, 2013**  
**TO:** BOARD OF DIRECTORS **Board Meeting**  
**FROM:** Ms. Jennifer Emery, Human Resources Manager  
**VIA:** Mr. Dennis D. LaMoreaux, General Manager  
**RE:** ***AGENDA ITEM NO. 7.3 – APPROVAL OF REVISIONS ON  
COMPENSATION PLAN SECTION OF EMPLOYEE HANDBOOK***

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**Recommendation:**

Staff and the Personnel Committee recommend approval of revisions to the Compensation Plan section of the Employee Handbook.

**Alternative Options:**

The alternative is to not approve revisions to the Compensation Plan section of the Employee Handbook.

**Impact of Taking No Action:**

The District's current Compensation Plan section of the Employee Handbook will remain as-is.

**Background:**

The Personnel Committee discussed the District's Compensation Plan section of the Employee Handbook at their November 25, 2013 meeting and recommended this section be revised to change the term "Bonus Pay" to "Non-Cumulative Merit Award." The term "Non-Cumulative Merit Award" more clearly defines the intent of this pay.

**Strategic Plan Element:**

This work is part of Strategic Element 4.0 Personnel Management.

**Budget:**

This item will not affect the budget.

**Supporting Documents:**

- Draft Compensation Plan policy showing revisions
- Final Compensation Plan policy



## Q. Compensation Plan

The foundation for the District's compensation is based on the following key principles:

- **Pay for Performance**—You earn your compensation. Superior performance equals superior compensation. If you create results, you will be rewarded.
- **Providing Opportunity**—Career opportunities are available, further education is encouraged, and compensation levels are competitive.
- **Employees Have a Significant Stake in the District**—You have the biggest stake in the District. It is through collective performance that results are created. (i.e., management is looking for image, leadership, behavior, morale, overall performance).

The District provides equitable compensation for each employee based on the individual's position and performance.

### 1. Salaries

For new hires, factors considered in establishing the base salary are education, previous work experience, position, grade level and other relevant factors.

For existing employees, adjustments to your base salary generally occur as a result of a performance appraisal, a promotion, or a significant increase or decrease in job responsibilities as well as business circumstances and other relevant factors.

### 2. Compensation Review and Merit Increase

Performance reviews occur at three months, six months and annually. Your manager will evaluate the performance based on the outcome of the performance appraisal, the position of the salary within the range, and job responsibilities.

Merit increases, if any, are given based on performance and in accord with current business circumstances of the District. All of these factors determine salary changes within the pay range which consists of five incremental steps. **There are no automatic pay increases.** It is the District's objective to adjust a salary level that best represents performance level and responsibilities in accord with current business circumstances.

**Note:** Any employee on written warning may be ineligible for merit pay increases, incentive/bonus program, promotion, and flex time.

### 3. Promotional Increase/Demotion

A promotion occurs when an employee accepts a position that is in a higher level grade. A salary increase is generally given to recognize increased job responsibilities.

A demotion occurs when an employee accepts or is transferred to a job at a lower level.

### 4. Pay Increases

Minimum and maximum salary ranges have been established for each position. These ranges are reviewed using the ACWA survey and may be upgraded annually for inflation. A cost of living increase is considered by the Board of Directors on an annual basis.

After full-time employees reach the maximum pay scale for their specific job classifications and have stayed at that level for at least one year, they are eligible for ~~bonus pay~~Non-Cumulative Merit Award pay as recommended by their supervisor/manager and approved by the General Manager. Such ~~bonuses~~Non-Cumulative Merit Award Pay ~~are-is~~ paid in recognition of their achievements and as an incentive for exceptional performance. Decisions as to whether to award a ~~bonus~~Non-Cumulative Merit Award Pay and the amount of such ~~bonus~~Non-Cumulative Merit Award Pay rests entirely with the General Manager. Each employee who satisfies the criteria for merit and ~~incentive bonus~~Non-Cumulative Merit Award will receive their ~~bonus~~merit or award with the first payroll that includes July 1<sup>st</sup>. The amounts awarded will be determined by approval of the General Manager.

#### a. ~~Bonus Pay~~Non-Cumulative Merit Award

A ~~bonus~~Non-Cumulative Merit Award pay structure provides an incentive for employees on their top step, or for those that have frozen wage levels, to continue to perform above or beyond expectations. The new structure would apply to employees that have been at the uppermost step of the range at least one year, and to those employees with frozen wage levels. Employees are eligible for a ~~bonus~~Non Cumulative Merit Award if an overall rating of "Excellent" (4 out of 5) or "Outstanding" (5 out of 5) ranking ~~is~~received on the annual review. A ~~bonus~~Non-Cumulative Merit Award recommendation requires approval of the Supervisor, Department Head, and General Manager. The ~~bonus~~Non-Cumulative Merit Award recommendation ~~could~~range up to 2.5% of the position's annual salary based on the highest step. The ~~bonus~~award will be paid in a lump sum on the next regularly scheduled pay check.

## **5. STANDBY**

Employees may be required to be “on standby” at certain times. Your supervisor will inform you if your position requires any “standby” duties and will devise a schedule showing the dates and times you will be “on standby”.



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After full-time employees reach the maximum pay scale for their specific job classifications and have stayed at that level for at least one year, they are eligible for Non-Cumulative Merit Award pay as recommended by their supervisor/manager and approved by the General Manager. Such Non-Cumulative Merit Award Pay is paid in recognition of their achievements and as an incentive for exceptional performance. Decisions as to whether to award Non-Cumulative Merit Award Pay and the amount of such Non-Cumulative Merit Award Pay rests entirely with the General Manager. Each employee who satisfies the criteria for merit and Non-Cumulative Merit Award will receive their merit or award with the first payroll that includes July 1<sup>st</sup>. The amounts awarded will be determined by approval of the General Manager.

#### **a. Non-Cumulative Merit Award**

A Non-Cumulative Merit Award pay structure provides an incentive for employees on their top step, or for those that have frozen wage levels, to continue to perform above or beyond expectations. The new structure would apply to employees that have been at the uppermost step of the range at least one year, and to those employees with frozen wage levels. Employees are eligible for a Non Cumulative Merit Award if an overall rating of "Excellent" (4 out of 5) or "Outstanding" (5 out of 5) ranking is received on the annual review. A Non-Cumulative Merit Award recommendation requires approval of the Supervisor, Department Head, and General Manager. The Non-Cumulative Merit Award recommendation could range up to 2.5% of the position's annual salary based on the highest step. The award will be paid in a lump sum on the next regularly scheduled pay check.

## **5. STANDBY**

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**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:** December 4, 2013 **December 11, 2013**  
**TO:** BOARD OF DIRECTORS **Board Meeting**  
**FROM:** Ms. Jennifer Emery, Human Resources Manager  
**VIA:** Mr. Dennis D. LaMoreaux, General Manager  
**RE:** ***AGENDA ITEM NO. 7.4 – APPROVAL OF REVISIONS TO ALCOHOL-  
DRUG FREE WORKPLACE SECTION OF EMPLOYEE HANDBOOK***

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**Recommendation:**

Staff and the Personnel Committee recommend approval of the revised Alcohol-Drug Free Workplace section of the Employee Handbook.

**Alternative Options:**

The alternative is to not approve revisions to the Alcohol-Drug Free Workplace section of the Employee Handbook.

**Impact of Taking No Action:**

The District's current Alcohol-Drug Free Workplace section of the Employee Handbook will remain as-is.

**Background:**

The Personnel Committee discussed the District's Alcohol-Drug Free Workplace section of the Employee Handbook at their November 25, 2013 meeting and recommended this section be revised to include reference to the recently revised Grievance Policy as well as DOT regulation updates. Attorney Ciampa has reviewed this section of the Employee Handbook and his recommended revisions are attached.

**Strategic Plan Element:**

This work is part of Strategic Element 4.0 Personnel Management.

**Budget:**

This item will not affect the budget.

**Supporting Documents:**

- Draft Alcohol-Drug Free Workplace policy showing Attorney Ciampa's revisions
- Final Alcohol-Drug Free Workplace policy

## F. Alcohol-Drug Free Workplace

### Substance Abuse Policy.

- 1) General Policy; Purpose. It is the policy of the District to create a drug free work place in keeping with the spirit and intent of the Drug Free Work Place Act of 1988. The use of alcohol and/or controlled substances in the work place is inconsistent with the behavior expected of District employees and subjects all employees, residents and visitors to unacceptable safety risks, undermining the District's ability to operate effectively and efficiently. In this connection, the unlawful manufacture, distribution, dispensation, possession, sale or use of prohibited substances, as defined in subdivision 3, below, in the workplace or while engaged in the District's business away from the District's premises is strictly prohibited. Such conduct is also prohibited during non-working time to the extent that, in the District's opinion, it impairs an employee's ability to perform his or her on-the-job duties or threatens the District's reputation or integrity.

The District has established this Substance Abuse Policy to provide the greatest degree of protection possible to the public and to District employees. The purpose of this policy is to ensure worker fitness for duty and protect our employees and the public from risks posed by the use of alcohol and controlled substances, to ensure the safe and efficient performance of employee duties, to reduce absenteeism and tardiness, to promote productivity, and to cooperate with the rehabilitation of those employees who seek such help. The District recognizes that drug, alcohol and other controlled substance abuse of employees in the work place is a serious and growing problem of nation-wide proportions. The District is taking this opportunity to reaffirm its commitment to a drug and alcohol free work place. ~~Employees convicted of controlled substance-related violations in the workplace, including pleas of nolo contendere (i.e., no contest) must inform the District within five (5) days of such conviction or plea. Employees who violate any aspect of this policy, either by reason of a positive test under this policy or by their own admission, may be subject to disciplinary action, up to and including dismissal; provided that the employee shall have the grievance rights afforded under Section V.E of this Handbook.~~ At its discretion, the District may require employees who violate this policy to successfully complete a drug abuse assistance or rehabilitation program as a condition of continued employment.

Comment [JC1]: Deleted as redundant to Section 8, below.

- 2) Applicability. As a condition of employment, all employees are required to comply with all applicable personnel policies and rules.
  - a. This substance abuse policy applies to all District employees.



- b. This policy applies at all times while District employees: (i) are on Palmdale Water District premises, (ii) are off-District premises but engaged in an activity that is related to or may affect the District's business, reputation or public relations, including, but not limited to, activities during work hours, including lunch and other breaks, and attendance at seminars as a participant or speaker; and (iii) are traveling on behalf of the District.
  - c. This policy applies to District employees while off-duty and off-premises, to the extent that such employees engage in conduct prohibited by this policy and such conduct tends to create a risk to persons or property, or to District efficiency upon the employee's return to work.
- 3) Prohibited Substances. As used in this policy, "prohibited substances" include, but are not limited to, the following:
  - a. Drugs: marijuana, amphetamines, cocaine, opiates, and phencyclidine.
  - b. Alcohol. The use of beverages or substances, including any medication, containing alcohol, such that it is present in the body at a level in excess of that stated below while actually performing, ready to perform, or immediately available to perform any District business, is prohibited. "Alcohol" is defined as the intoxicating agent in beverage alcohol, ethyl alcohol, or other low molecular weight alcohol including methyl or isopropyl alcohol.
- 4) Prohibited Conduct.
  - a. Possession, Use, Manufacture and Trafficking. No employee shall engage in the unlawful manufacture, distribution, dispensing, possession, receipt, sale, purchase or use of a prohibited substance or alcohol on District premises, in District vehicles, or while conducting District business off the premises.
  - b. Drug Paraphernalia. No employee shall engage in the possession, distribution, sale, manufacture or use of paraphernalia normally used for consumption or use of prohibited substances on District premises, in District vehicles, or while conducting District business off the premises.
  - c. Impairment. All employees are prohibited from being under the influence of alcohol or other prohibited substances during working hours. The use of prescription drugs is prohibited in the work place by any person other than the person for whom they are prescribed.

Such prescribed drugs will be used only in the manner, combination and quantity prescribed, and the employee shall advise their supervisor that they are taking such medication prior to operating machinery, vehicles or equipment ~~that they are taking such medication~~. Any employee who is reasonably suspected of being impaired, under the influence of a prohibited substance, or otherwise not fit for duty due to substance abuse shall be removed from their duties and be subject to a reasonable suspicion prohibited substance or alcohol test, as hereinafter provided. If such a test is positive, the employee will be subject to discipline in accordance with this policy and the other provisions of this Article V.

- d. **Alcohol.** No employee may report for duty or remain on duty when his or her ability to perform assigned function is adversely affected by alcohol or when his or her breath alcohol concentration is 0.04% or greater. No employee shall use alcohol while on duty or while performing safety sensitive functions. As used herein, the term "safety sensitive functions" shall mean all time from the time any driver on District business begins to work or is required to be in readiness to work until the time he/she is relieved from work and all responsibility for performing work. Safety-sensitive functions shall include:
- (i) All time at a District facility waiting to be dispatched, unless the driver has been relieved from duty by the District;
  - (ii) All time inspecting equipment as required by applicable federal regulations or otherwise inspecting, servicing, or conditioning any commercial motor vehicle at any time;
  - (iii) All time spent at the driving controls of a commercial motor vehicle in operation;
  - (iv) All time, other than driving time, in or upon any commercial motor vehicle;
  - (v) All time loading or unloading a vehicle, supervising, or assisting in the loading or unloading, attending a vehicle being loaded or unloaded, remaining in readiness to operate the vehicle, or in giving or receiving receipts for shipments of material or supplies being loaded or unloaded; and
  - (vi) All time repairing, obtaining assistance, or remaining in attendance upon a disabled vehicle.

No employee performing safety sensitive functions shall use alcohol within four hours of reporting for duty nor during hours that he or she is on-call. Violation of this provision is prohibited and will subject the employee to removal from his or her duties and referral to a Substance Abuse Professional ("SAP"), ~~as set forth below.~~

- 5) Testing Procedures. Analytical urine controlled substance testing and breath testing for alcohol will be conducted based on reasonable suspicion, as hereinafter described, and all employees will also be tested prior to returning to duty after failing a prohibited substance and/or alcohol test. In addition, random testing of employees who perform safety sensitive duties as part of their job requirements may occur. Employees who have returned to duty will be subject to unannounced follow-up tests as determined by a SAP.

[insert Reasonable Suspicion Testing from Section 6(b), below]

Testing shall be conducted in the manner designed to assure a high degree of accuracy and reliability and using techniques, equipment, and laboratory facilities which meet all applicable standards. All testing will be conducted consistent with established procedures, including those in the Department of Transportation ("DOT") guidelines.

The prohibited substances that will be tested for include marijuana, cocaine, opiates, amphetamines, and phencyclidine (PCP). An initial prohibited substance screen will be conducted on each specimen. For those specimens that are positive, a confirmatory gas chromatography/mass spectrometry (GC/MS) test will be performed. The test will be considered positive if the controlled substance levels present are above the minimum thresholds established in the DOT guidelines.

Tests for alcohol concentration will be conducted utilizing an approved Evidential Breath Testing (EBT) device operated by a trained Breath Alcohol Technician (BAT). If the initial test indicates an alcohol concentration of 0.02% or greater, a confirmation test will be performed to confirm the results of the initial test. An employee who has a confirmed alcohol concentration of 0.02%, but less than 0.04%, will be removed from his or her position for at least twenty-four hours unless a re-test results in an alcohol concentration of 0.02% or less. However, unless the alcohol concentration is 0.04% or greater, the fact that an employee was removed from duty in the interests of safety shall not form the basis for any discipline. An alcohol concentration of 0.04% or greater will be considered a positive alcohol test and in violation of this policy.

- 6) Procedures Applicable to a Positive Testing for a Prohibited Substances.



a. Post Offer Testing. Any employee who has a confirmed positive prohibited substance or alcohol test will be removed from his or her position, informed of education and rehabilitation programs available, will be subject to discipline in accordance with this Section F and other provisions of this Handbook and may be evaluated by a SAP, to be selected from a list of SAP names, addresses and telephone numbers to be provided by the District pursuant to subdivision F, below. The District will make every effort to, and affirms the need to, provide individual employees with dignity, privacy, and confidentiality throughout the testing process.

**Comment [JC2]:** Added to comply with DOT Regs.

b. Reasonable Suspicion Testing. All employees shall be subject to urine and/or breath testing when there is a reason to believe that prohibited substances or alcohol use is adversely affecting job performance. Reasonable suspicion testing will be based on written documentation of specific observations concerning the appearance, behavior, speech or body odor of the employee. Referral for testing of the employee will be made on the basis of such documented observations.

**Comment [JC3]:** I recommend moving this up to Section 5, above.

Reasonable suspicion determinations will be made by a supervisor who is trained to detect the signs and symptoms of controlled substance and alcohol use and abuse and who reasonably concludes that an employee may be adversely affected or impaired in his or her work performance due to prohibited substance abuse or misuse.

c. Return-to-Duty Testing. All employees who previously tested positive on a prohibited substance or alcohol test must test negative (for alcohol, the blood alcohol concentration must be less than 0.02) and be evaluated and released for duty by the SAP before being allowed to return to their jobs. Employees will be required to undergo unannounced follow-up prohibited substance and/or alcohol breath testing following return to duty, as determined by the SAP. The duration of the period during which the employee is subject to such testing, and the frequency of such testing, will be as determined by the SAP. However, it shall not be less than six tests during the first 12 months following return to duty, nor longer than 60 months total, following return to duty.

d. Employee Requested Re-Testing. Any employee who questions the result of a prohibited substance abuse test may request that an additional test be conducted. The additional test may be conducted at the same laboratory or at a different certified laboratory. The test must be conducted on the split sample that was provided at the same time as the original sample. All costs for such testing are to

**Comment [JC4]:** I recommend moving this subsection to before subsection c.



be paid by the employee, unless the second test invalidates the original test, in which event, the cost of testing will be paid by the District. The method of collecting, storing, and testing the split sample will be consistent with the procedures set forth in the DOT Regulations found at 49 CFR, Part 40. The employee's request for a re-test must be made to the doctor responsible for analyzing the original laboratory results within 72 hours of receiving notice of the initial test result. Requests after 72 hours will be accommodated only where the employee can establish that the delay was due to circumstances beyond the control of the employee, or otherwise at the District's discretion.

- 7) Compliance with Testing Requirements. All employees are subject to prohibited substance testing and breath alcohol testing in accordance with this policy. Any employee who refuses to comply with a request for testing, who provides false information in connection with the test, or who attempts to falsify test results through tampering, contamination, adulteration, or substitution, shall be removed from duty immediately and be referred to an SAP. Refusal to submit to a test can include inability to provide a urine specimen or breath sample without a valid, medical explanation, as well as a verbal declaration, obstructive behavior or physical absence resulting in the inability to conduct the test. Failure to comply with testing requirements or failure to comply with a referral to a SAP will result in immediate termination.
- 8) Notifying the District of Criminal Conviction. Any employee convicted of a crime involving the manufacture, distribution, possession or use of a prohibited substance, or convicted of driving under the influence of alcohol or drugs, shall notify the District of such conviction not later than five (5) days after such conviction. A plea of no contest shall constitute a conviction for purposes of this rule, and for purposes of imposing discipline under District rules and regulations governing employee conduct. Upon conviction of a crime involving alcohol or drugs as specified above, the employee shall be referred to a SAP for rehabilitation assessment. The SAP will evaluate the employee to determine what assistance, if any, the employee needs in resolving problems associated with prohibited substance abuse or misuse.

If an employee is returned to duty following rehabilitation, he or she must agree and sign a Return-To-Duty Agreement, pass a return-to-duty prohibited substance and/or alcohol test, and be subject to unannounced follow-up tests as determined by the SAP. The cost of any rehabilitation and subsequent prohibited substance and/or alcohol testing is to be paid by the employee. Employees may use accumulated sick leave, vacation and floating holidays, if any, to participate in a prescribed rehabilitation program.

## **F. Alcohol-Drug Free Workplace**

### **Substance Abuse Policy.**

- 1) General Policy; Purpose. It is the policy of the District to create a drug free work place in keeping with the spirit and intent of the Drug Free Work Place Act of 1988. The use of alcohol and/or controlled substances in the work place is inconsistent with the behavior expected of District employees and subjects all employees, residents and visitors to unacceptable safety risks, undermining the District's ability to operate effectively and efficiently. In this connection, the unlawful manufacture, distribution, dispensation, possession, sale or use of prohibited substances, as defined in subdivision 3, below, in the workplace or while engaged in the District's business away from the District's premises is strictly prohibited. Such conduct is also prohibited during non-working time to the extent that, in the District's opinion, it impairs an employee's ability to perform his or her on-the-job duties or threatens the District's reputation or integrity.

The District has established this Substance Abuse Policy to provide the greatest degree of protection possible to the public and to District employees. The purpose of this policy is to ensure worker fitness for duty and protect our employees and the public from risks posed by the use of alcohol and controlled substances, to ensure the safe and efficient performance of employee duties, to reduce absenteeism and tardiness, to promote productivity, and to cooperate with the rehabilitation of those employees who seek such help. The District recognizes that drug, alcohol and other controlled substance abuse of employees in the work place is a serious and growing problem of nation-wide proportions. The District is taking this opportunity to reaffirm its commitment to a drug and alcohol free work place. Employees who violate any aspect of this policy, either by reason of a positive test under this policy or by their own admission, may be subject to disciplinary action, up to and including dismissal; provided that the employee shall have the grievance rights afforded under Section V.E of this Handbook. At its discretion, the District may require employees who violate this policy to successfully complete a drug abuse assistance or rehabilitation program as a condition of continued employment.

- 2) Applicability. As a condition of employment, all employees are required to comply with all applicable personnel policies and rules.
  - a. This substance abuse policy applies to all District employees.
  - b. This policy applies at all times while District employees: (i) are on Palmdale Water District premises, (ii) are off-District premises but engaged in an activity that is related to or may affect the District's



business, reputation or public relations, including, but not limited to, activities during work hours, including lunch and other breaks, and attendance at seminars as a participant or speaker; and (iii) are traveling on behalf of the District.

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3) Prohibited Substances. As used in this policy, "prohibited substances" include, but are not limited to, the following:

- a. Drugs: marijuana, amphetamines, cocaine, opiates, and phencyclidine.
- b. Alcohol. The use of beverages or substances, including any medication, containing alcohol, such that it is present in the body at a level in excess of that stated below while actually performing, ready to perform, or immediately available to perform any District business, is prohibited. "Alcohol" is defined as the intoxicating agent in beverage alcohol, ethyl alcohol, or other low molecular weight alcohol including methyl or isopropyl alcohol.

4) Prohibited Conduct.

- a. Possession, Use, Manufacture and Trafficking. No employee shall engage in the unlawful manufacture, distribution, dispensing, possession, receipt, sale, purchase or use of a prohibited substance or alcohol on District premises, in District vehicles, or while conducting District business off the premises.
- b. Drug Paraphernalia. No employee shall engage in the possession, distribution, sale, manufacture or use of paraphernalia normally used for consumption or use of prohibited substances on District premises, in District vehicles, or while conducting District business off the premises.
- c. Impairment. All employees are prohibited from being under the influence of alcohol or other prohibited substances during working hours. The use of prescription drugs is prohibited in the work place by any person other than the person for whom they are prescribed. Such prescribed drugs will be used only in the manner, combination and quantity prescribed, and the employee shall advise their supervisor that they are taking such medication prior to operating

machinery, vehicles or equipment. Any employee who is reasonably suspected of being impaired, under the influence of a prohibited substance, or otherwise not fit for duty due to substance abuse shall be removed from their duties and be subject to a reasonable suspicion prohibited substance or alcohol test, as hereinafter provided. If such a test is positive, the employee will be subject to discipline in accordance with this policy and the other provisions of this Article V.

d. Alcohol. No employee may report for duty or remain on duty when his or her ability to perform assigned function is adversely affected by alcohol or when his or her breath alcohol concentration is 0.04% or greater. No employee shall use alcohol while on duty or while performing safety sensitive functions. As used herein, the term "safety sensitive functions" shall mean all time from the time any driver on District business begins to work or is required to be in readiness to work until the time he/she is relieved from work and all responsibility for performing work. Safety-sensitive functions shall include:

(i) All time at a District facility waiting to be dispatched, unless the driver has been relieved from duty by the District;

(ii) All time inspecting equipment as required by applicable federal regulations or otherwise inspecting, servicing, or conditioning any commercial motor vehicle at any time;

(iii) All time spent at the driving controls of a commercial motor vehicle in operation;

(iv) All time, other than driving time, in or upon any commercial motor vehicle;

(v) All time loading or unloading a vehicle, supervising, or assisting in the loading or unloading, attending a vehicle being loaded or unloaded, remaining in readiness to operate the vehicle, or in giving or receiving receipts for shipments of material or supplies being loaded or unloaded; and

(vi) All time repairing, obtaining assistance, or remaining in attendance upon a disabled vehicle.

No employee performing safety sensitive functions shall use alcohol within four hours of reporting for duty nor during hours that he or she is on-call. Violation of this provision is prohibited and will



subject the employee to removal from his or her duties and referral to a Substance Abuse Professional ("SAP").

- 5) Testing Procedures. Analytical urine controlled substance testing and breath testing for alcohol will be conducted based on reasonable suspicion, as hereinafter described, and all employees will also be tested prior to returning to duty after failing a prohibited substance and/or alcohol test. In addition, random testing of employees who perform safety sensitive duties as part of their job requirements may occur. Employees who have returned to duty will be subject to unannounced follow-up tests as determined by a SAP.

- a. Reasonable Suspicion Testing. All employees shall be subject to urine and/or breath testing when there is a reason to believe that prohibited substances or alcohol use is adversely affecting job performance. Reasonable suspicion testing will be based on written documentation of specific observations concerning the appearance, behavior, speech or body odor of the employee. Referral for testing of the employee will be made on the basis of such documented observations.

Reasonable suspicion determinations will be made by a supervisor who is trained to detect the signs and symptoms of controlled substance and alcohol use and abuse and who reasonably concludes that an employee may be adversely affected or impaired in his or her work performance due to prohibited substance abuse or misuse.

Testing shall be conducted in the manner designed to assure a high degree of accuracy and reliability and using techniques, equipment, and laboratory facilities which meet all applicable standards. All testing will be conducted consistent with established procedures, including those in the Department of Transportation ("DOT") guidelines.

The prohibited substances that will be tested for include marijuana, cocaine, opiates, amphetamines, and phencyclidine (PCP). An initial prohibited substance screen will be conducted on each specimen. For those specimens that are positive, a confirmatory gas chromatography/mass spectrometry (GC/MS) test will be performed. The test will be considered positive if the controlled substance levels present are above the minimum thresholds established in the DOT guidelines.

Tests for alcohol concentration will be conducted utilizing an approved Evidential Breath Testing (EBT) device operated by a trained Breath Alcohol Technician (BAT). If the initial test indicates an alcohol concentration of 0.02% or greater, a confirmation test will be performed to

confirm the results of the initial test. An employee who has a confirmed alcohol concentration of 0.02%, but less than 0.04%, will be removed from his or her position for at least twenty-four hours unless a re-test results in an alcohol concentration of 0.02% or less. However, unless the alcohol concentration is 0.04% or greater, the fact that an employee was removed from duty in the interests of safety shall not form the basis for any discipline. An alcohol concentration of 0.04% or greater will be considered a positive alcohol test and in violation of this policy.

6) Procedures Applicable to a Positive Test for a Prohibited Substance.

- a. Post Offer Testing. Any employee who has a confirmed positive prohibited substance or alcohol test will be removed from his or her position, informed of education and rehabilitation programs available, will be subject to discipline in accordance with this Section F and other provisions of this Handbook and may be evaluated by a SAP, to be selected from a list of SAP names, addresses and telephone numbers to be provided by the District. The District will make every effort to, and affirms the need to, provide individual employees with dignity, privacy, and confidentiality throughout the testing process.
- b. Employee Requested Re-Testing. Any employee who questions the result of a prohibited substance abuse test may request that an additional test be conducted. The additional test may be conducted at the same laboratory or at a different certified laboratory. The test must be conducted on the split sample that was provided at the same time as the original sample. All costs for such testing are to be paid by the employee, unless the second test invalidates the original test, in which event, the cost of testing will be paid by the District. The method of collecting, storing, and testing the split sample will be consistent with the procedures set forth in the DOT Regulations found at 49 CFR, Part 40. The employee's request for a re-test must be made to the doctor responsible for analyzing the original laboratory results within 72 hours of receiving notice of the initial test result. Requests after 72 hours will be accommodated only where the employee can establish that the delay was due to circumstances beyond the control of the employee, or otherwise at the District's discretion.
- c. Return-to-Duty Testing. All employees who previously tested positive on a prohibited substance or alcohol test must test negative (for alcohol, the blood alcohol concentration must be less than 0.02) and be evaluated and released for duty by the SAP before being allowed to return to their jobs. Employees will be required to undergo unannounced follow-up prohibited substance



and/or alcohol breath testing following return to duty, as determined by the SAP. The duration of the period during which the employee is subject to such testing, and the frequency of such testing, will be as determined by the SAP. However, it shall not be less than six tests during the first 12 months following return to duty, nor longer than 60 months total, following return to duty.

- 7) Compliance with Testing Requirements. All employees are subject to prohibited substance testing and breath alcohol testing in accordance with this policy. Any employee who refuses to comply with a request for testing, who provides false information in connection with the test, or who attempts to falsify test results through tampering, contamination, adulteration, or substitution, shall be removed from duty immediately and be referred to an SAP. Refusal to submit to a test can include inability to provide a urine specimen or breath sample without a valid, medical explanation, as well as a verbal declaration, obstructive behavior or physical absence resulting in the inability to conduct the test. Failure to comply with testing requirements or failure to comply with a referral to a SAP will result in immediate termination.
- 8) Notifying the District of Criminal Conviction. Any employee convicted of a crime involving the manufacture, distribution, possession or use of a prohibited substance, or convicted of driving under the influence of alcohol or drugs, shall notify the District of such conviction not later than five (5) days after such conviction. A plea of no contest shall constitute a conviction for purposes of this rule, and for purposes of imposing discipline under District rules and regulations governing employee conduct. Upon conviction of a crime involving alcohol or drugs as specified above, the employee shall be referred to a SAP for rehabilitation assessment. The SAP will evaluate the employee to determine what assistance, if any, the employee needs in resolving problems associated with prohibited substance abuse or misuse.

If an employee is returned to duty following rehabilitation, he or she must agree and sign a Return-To-Duty Agreement, pass a return-to-duty prohibited substance and/or alcohol test, and be subject to unannounced follow-up tests as determined by the SAP. The cost of any rehabilitation and subsequent prohibited substance and/or alcohol testing is to be paid by the employee. Employees may use accumulated sick leave, vacation and floating holidays, if any, to participate in a prescribed rehabilitation program.



**RE: *AGENDA ITEM NO. 8.1 – CONSIDERATION AND POSSIBLE ACTION  
ON REORGANIZATION OF THE BOARD OF DIRECTORS.***

- Article 4, Sections 4.04 and 4.05, of the District's Rules and Regulations

**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



**PALMDALE  
WATER DISTRICT  
BOARD MEMORANDUM**

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<b>DATE:</b>	December 4, 2013	December 11, 2013
<b>TO:</b>	BOARD OF DIRECTORS	Board Meeting
<b>FROM:</b>	Mr. Bob Egan, Financial Advisor	
<b>RE:</b>	<i><b>AGENDA ITEM NO. 8.2 – STATUS REPORT ON CASH FLOW STATEMENT AND CURRENT CASH BALANCES AS OF OCTOBER 31, 2013</b></i>	

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

PALMDALE WATER DISTRICT  
INVESTMENT FUNDS REPORT

		October 31, 2013				October-13	September-13
DESCR	A/C #						
<b>CASH</b>							
0-0103	Citizens/US Bank - Checking					811,958.91	662,421.21
0-0104	Citizens- Merchant					121,754.79	132,208.50
					Bank cash	933,713.70	794,629.71
0-0119	PETTY CASH					300.00	300.00
0-0120	CASH ON HAND					3,400.00	3,400.00
	<b>TOTAL CASH</b>					<b>937,413.70</b>	<b>798,329.71</b>
<b>INVESTMENTS</b>							
0-0110	UBS ACCOUNT SS 11469 GG						
	UBS RMA Government Portfolio					3,265,398.09	3,339,986.04
	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					0.00	1,402,324.00
	Accrued interest					0.00	22,837.50
						3,515,398.09	5,015,147.54
0-1110	UBS ACCOUNT SS 11475 GG						
	UBS Bank USA Dep acct					203,602.98	203,598.22
	UBS RMA Government Portfolio					0.00	0.00
						203,602.98	203,598.22
0-0115	LAIF					11,705.26	11,690.59
0-0111	UBS ACCOUNT SS 11432 GG						
	UBS Bank USA Dep acct					250,000.00	56,762.80
	UBS RMA Government Portfolio					69,354.23	2.53
	Accrued interest					5,390.95	9,167.35
<b>US GOVERNMENT SECURITIES:</b>							
	ISSUE DATE	ISSUER	EXPIR DATE	RATE	PAR	MARKET VALUE	MARKET VALUE
		FNMA	10/26/15	1.625	500,000	512,435.00	512,230.00
		FNMA	06/28/17	1.125	500,000	497,770.00	495,315.00
		FNMA	07/17/17	1.2	500,000	500,860.00	499,310.00
		FHLB	12/28/17	0.95	500,000	493,010.00	490,405.00
		FHLMC	07/25/18	2.00	500,000	0.00	500,595.00
					2,500,000	2,004,075.00	2,497,855.00
		<b>CD'S</b>					
	1	Bank of India	05/07/14	0.50	240,000	240,000.00	0.00
	2	Bank of Baroda	11/12/14	0.45	240,000	240,000.00	0.00
	3	GE Capital Bank	05/01/15	0.60	64,000	64,000.00	0.00
	4	Ally Bank	05/06/15	0.60	240,000	240,000.00	0.00
	5	Sallie Mae Bank	11/06/15	0.85	240,000	240,000.00	0.00
	6	Goldman Sachs Bk	11/07/16	1.00	240,000	240,000.00	0.00
	7	CIT Bank	11/06/17	1.60	240,000	240,000.00	0.00
	8	BMW Bank	11/15/18	2.00	240,000	240,000.00	0.00
					1,744,000	1,744,000	0
	<b>TOTAL MANAGED ACCOUNT</b>					<b>4,072,820.18</b>	<b>2,563,787.68</b>
	<b>TOTAL INVESTMENTS</b>					<b>7,803,526.51</b>	<b>7,794,224.03</b>
	<b>GRAND TOTAL CASH AND INVESTMENTS</b>					<b>8,740,940.21</b>	<b>8,592,553.74</b>
					Incr (Decr)	<b>148,386.47</b>	109,300.50
	Summary:						
	Checking	937,414					
	UBS MM	3,719,001					
	LAIF	11,705					
	UBS Investment	4,072,820			BNY Mellon		
		0			Construction	7,930,283.41	8,222,485.96
	Total	8,740,940				7,930,283.41	8,222,485.96

REVISED 12/4/13	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	2,478,205	2,263,903	2,105,960	1,838,378	24,282,332
	1,650,519	1,596,949	1,675,412	1,839,852	1,983,700	2,140,418	2,277,708	2,431,328	2,478,205	2,263,903	2,105,960	1,838,378	
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	8,592,553	8,740,940	8,480,807	
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	2,513,011	2,612,051	2,105,960	1,838,378	25,392,001
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	2,513,011	2,612,051	2,105,960	1,838,378	
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	1,771,481	1,843,317	1,794,100	2,255,100	20,457,806
													3,824,526
Non-Operating Revenue Expenses:													
Assessments, net	620,213	287,572	2,234	1,883,965	585,806	5,790	287,658	134,539			219,711	2,383,600	6,411,088
Special Avek CIF Payment													0
Interest	(5,316)	(6,054)	1,396	(424)	835	5,250	(66)	8,950	7,332	5,399	2,100	2,100	21,502
Mkt adj					(16,104)	(16,532)	7,269	(15,534)	12,994	3,896			(24,011)
Grant Re-imbursement													0
Capital Improvement Fees		44,176	(116,241)	0	48,031	0	0	22,053		1,470	2,830		2,319
													0
DWR Refund/( payment )				59,514	35,285		(436,485)			138,392			(203,294)
Other /Palmdale Redevel Agency	9,828	54,653	6,774	13,488	16,165	9,849	41,835		16,344	7,734			176,670
Total Non-Operating Revenues	624,724	380,347	(105,836)	1,956,543	670,018	4,358	(99,789)	150,008	36,670	156,891	224,641	2,385,700	6,384,274
Capital Expenditures	(194,434)		(61,168)	(103,645)	(54,481)	(52,617)	(82,411)	(99,088)	(49,900)	(4,443)	(448,220)	(8,870)	(1,159,277)
GAC	(233,893)				(216,776)		(216,829)	(216,829)		(435,781)	(174,717)	(14,927)	(1,509,752)
SWP Capitalized	(629,459)	(156,354)	(180,606)	(156,354)	(156,354)	(156,354)	(575,348)	(156,281)	(156,281)	(156,352)	(156,400)	(156,400)	(2,792,543)
Prepaid Insurance (paid) refunded			(65,835)					(34,140)		(162,907)			(262,882)
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)	(17,296)	(17,756)	(17,296)	(17,296)	(216,602)
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	8,592,553	8,740,940	8,480,807	9,744,890	(10,575,034)
											Budget	8,193,078	(366,234)
											diff	1,551,812	



# **PALMDALE WATER DISTRICT BOARD MEMORANDUM**

**DATE:** December 4, 2013 **December 11, 2013**  
**TO:** Board of Directors **Board Meeting**  
**FROM:** Michael Williams, Finance Manager/CFO  
**VIA:** Mr. Dennis LaMoreaux, General Manager  
**RE:** ***AGENDA ITEM 8.3 – STATUS REPORT ON FINANCIAL STATEMENTS,  
REVENUE AND EXPENSE AND DEPARTMENTAL BUDGET REPORTS FOR  
OCTOBER 31, 2013***

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## **Discussion:**

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

This is the tenth month of the District's Budget Year 2013. The target percentage is 83.3%. Revenues ideally are at or above, and expenditures ideally are below.

## **Balance Sheet:**

- Page 1 is our balance sheet on October 31, 2013.
- Nothing significant to report.

## **Profit/Loss Statement:**

- Page 3 is our profit/loss statement on October 31, 2013.
- Operating revenue is at 88% of budget.
- Cash operating expense is at 79% of budget.
- Looking at cash operations only, revenue is at \$20MM, expense is at \$16.6MM; that's net \$3.6MM profit from operations. In 2012, ten months operations was at net \$1.2MM.
- Three departments are over the target 83%. Those are Engineering, Operations and Finance. We have discussed the reasons in prior month reviews. Remaining departments are under the 83% target.

## **Year-To-Year Comparison P&L:**

- Page 7 is our comparison of October, 2012 to October, 2013.
- Total operating revenue is up by \$84K, or 3.8%.
- Operating expenditures are down by \$171K, or 11%.
- Page 8 is a graphic presentation of the water consumption comparison. Units billed in acre feet were down by 32, or 1.6%. Total revenue per unit sold is up \$0.15, or 5.6%, and total revenue per connection is up \$1.29, or 1.6%.

BOARD OF DIRECTORS  
PALMDALE WATER DISTRICT

VIA: Mr. Dennis LaMoreaux, General Manager

-2-

December 4, 2013

**Revenue Analysis Year-To-Date:**

- Page 9 is our comparison of revenue, year-to-date.
- Operating revenue through October, 2013 is up by \$1.4MM, or 8%, compared to 2012.
- Retail water related sales are up by \$974K over last year.
- As mentioned, we are at 88% of budget; last year this time we were at 86%.
- Total revenue is down \$132K, or just under .5%.

**Expense Analysis Year-To-Date:**

- Page 11 is our comparison of expense, year-to-date.
- Cash Operating Expenses through October, 2013 are down by \$929K, or 5.5%, compared to 2012.
- Total Expenses are down \$665K, or 2.4%.

**Departments:**

- Pages 14 through 22 are detailed budgets of each department. As stated earlier, all departments are below the target 83% with the exception of Engineering, Operations and Finance.

**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.

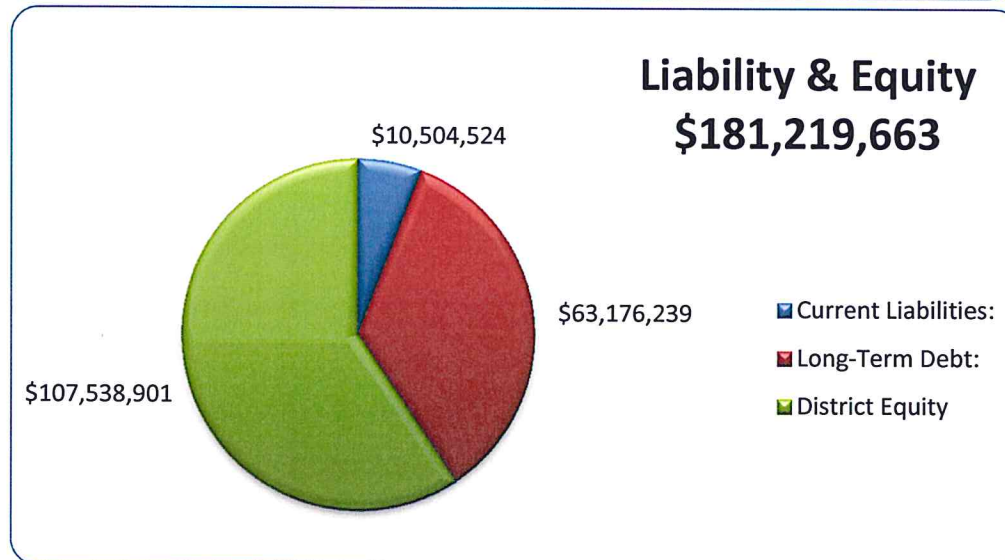
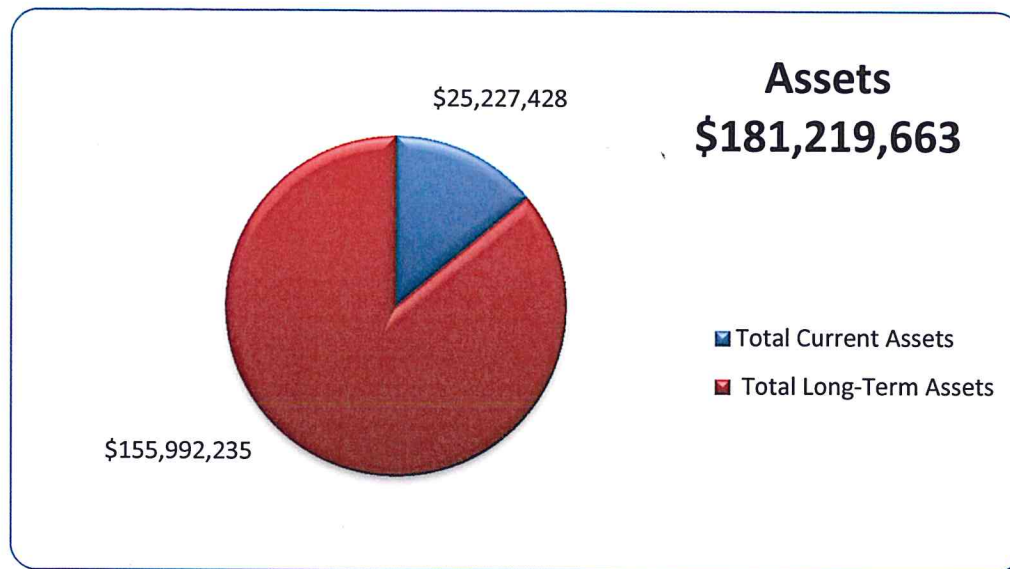
**Capitalized Construction:** The value of our labor force used to construct our asset infrastructure.

**Palmdale Water District**  
**Balance Sheet Report**  
**For the Ten Months Ending 10/31/2013**

	<u>October 2013</u>	<u>September 2013</u>
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and Cash Equivalents	\$ 937,414	\$ 798,330
Investments	7,803,527	7,794,231
2013A Bonds - Project Funds	7,930,283	7,989,546
	<u>\$ 16,671,224</u>	<u>\$ 16,582,107</u>
<b>Receivables:</b>		
Accounts Receivables - Water Sales	\$ 2,029,972	\$ 1,946,233
Accounts Receivables - Miscellaneous	60,641	257,201
Allowance for Uncollected Accounts	(49,317)	(49,317)
	<u>\$ 2,041,296</u>	<u>\$ 2,154,117</u>
Interest Receivable	\$ 9	\$ 9
Assessments Receivables	5,419,745	5,419,745
Meters, Materials and Supplies	892,814	885,827
Prepaid Expenses	202,340	61,337
<b>Total Current Assets</b>	<b>\$ 25,227,428</b>	<b>\$ 25,103,142</b>
<b>Long-Term Assets:</b>		
Property, Plant, and Equipment, net	\$ 116,141,643	\$ 116,435,467
Participation Rights in State Water Project, net	38,200,021	38,188,414
Bond Issuance Cost, Net	251,523	253,874
2013A Bonds - Cost of Issuance	1,159,832	1,159,832
2013A Bonds - Insurance & Surety Bond	239,216	239,882
<b>Total Long-Term Assets</b>	<b>\$ 155,992,235</b>	<b>\$ 156,277,469</b>
<b>Total Assets</b>	<b>\$ 181,219,663</b>	<b>\$ 181,380,611</b>
<b>LIABILITIES AND DISTRICT EQUITY</b>		
<b>Current Liabilities:</b>		
Current Interest Installment of Long-term Debt	\$ 187,687	\$ -
Current Principal Installment of Long-term Debt	1,424,665	1,424,665
Accounts Payable and Accrued Expenses	4,975,511	5,530,128
Deferred Assessments	3,916,661	3,916,661
<b>Total Current Liabilities</b>	<b>\$ 10,504,524</b>	<b>\$ 10,871,455</b>
<b>Long-Term Debt:</b>		
Pension-Related Debt	\$ 1,141,041	\$ 1,141,041
OPEB Liability	7,449,734	7,301,605
2013A Water Revenue Bonds	43,677,982	43,680,233
2012 - Certificates of Participation	10,477,963	10,471,166
2011 - Capital Lease Payable	429,518	457,132
<b>Total Long-Term Liabilities</b>	<b>\$ 63,176,239</b>	<b>\$ 63,051,177</b>
<b>Total Liabilities</b>	<b>\$ 73,680,763</b>	<b>\$ 73,922,631</b>
<b>District Equity</b>		
Revenue from Operations	\$ (1,893,804)	\$ (1,974,725)
Retained Earnings	109,432,704	109,432,704
<b>Total Liabilities and District Equity</b>	<b>\$ 181,219,663</b>	<b>\$ 181,380,611</b>



## BALANCE SHEET AS OF OCTOBER 31, 2013



**Palmdale Water District**  
**Consolidated Profit and Loss Statement**  
**For the Ten Months Ending 10/31/2013**

	Thru September	October	Year-to-Date	Adjustments	Adjusted Budget	% of Budget
<b>Operating Revenue:</b>						
Wholesale Water	\$ 134,519	\$ 30,587	\$ 165,106		\$ 175,000	94.35%
Water Sales	6,661,698	950,121	7,611,819		8,198,000	92.85%
Meter Fees	8,285,541	929,047	9,214,588		11,232,000	82.04%
Water Quality Fees	1,257,726	163,044	1,420,770		1,638,000	86.74%
Elevation Fees	421,027	57,545	478,572		550,000	87.01%
Other	1,317,130	133,558	1,450,688		1,250,000	116.06%
<b>Total Water Sales</b>	<b>\$ 18,077,641</b>	<b>\$ 2,263,902</b>	<b>\$ 20,341,543</b>	<b>\$ -</b>	<b>\$ 23,043,000</b>	<b>88.28%</b>
<b>Cash Operating Expenses:</b>						
Directors	\$ 76,494	\$ 5,908	\$ 82,401		\$ 117,500	70.13%
Administration	1,653,844	172,230	1,826,073		2,602,000	70.18%
Engineering	949,942	91,468	1,041,410		1,215,750	85.66%
Facilities*	2,193,318	232,071	2,425,390	(24,000)	3,274,500	74.07%
Operations	3,920,662	437,577	4,358,239		4,944,250	88.15%
Finance*	2,123,443	248,169	2,371,612	(24,300)	2,764,700	85.78%
Water Conservation	172,958	18,907	191,865		239,750	80.03%
Human Resources*	119,201	38,450	157,651	48,300	257,900	61.13%
Information Technology	463,751	55,727	519,479		728,000	71.36%
Water Purchases	1,997,637	74,871	2,072,508		2,600,000	79.71%
Water Purchases-Prior Year OAP	436,485	-	436,485		-	
Water Recovery	(535,297)	-	(535,297)		(100,000)	535.30%
Capitalized Expenditures	634,571	25,743	660,315		836,500	78.94%
GAC Filter Media Replacement	1,089,593	-	1,089,593		1,638,000	66.52%
<b>Total Cash Operating Expenses</b>	<b>\$ 15,296,602</b>	<b>\$ 1,401,121</b>	<b>\$ 16,697,723</b>	<b>\$ -</b>	<b>\$ 21,118,850</b>	<b>79.07%</b>
<b>Non-Cash Operating Expenses:</b>						
Depreciation	\$ 5,815,352	\$ 556,651	\$ 6,372,003		\$ 7,250,000	87.89%
OPEB Accrual Expense	1,487,004	165,223	1,652,227		2,000,000	82.61%
Bad Debts	5,581	-	5,581		100,000	5.58%
Service Costs Construction	93,328	(3,620)	89,708		125,000	71.77%
Capitalized Construction	(894,341)	(141,624)	(1,035,965)		(1,000,000)	103.60%
<b>Total Non-Cash Operating Expenses</b>	<b>\$ 6,506,923</b>	<b>\$ 576,630</b>	<b>\$ 7,083,553</b>	<b>\$ -</b>	<b>\$ 8,475,000</b>	<b>83.58%</b>
<b>Net Operating Profit/(Loss)</b>	<b>\$ (3,725,884)</b>	<b>\$ 286,152</b>	<b>\$ (3,439,733)</b>	<b>\$ -</b>	<b>\$ (6,550,850)</b>	<b>52.51%</b>
<b>Non-Operating Revenues:</b>						
Assessments (Debt Service)	\$ 2,683,904	\$ -	\$ 2,683,904		\$ 4,300,000	62.42%
Assessments (1%)	\$ 1,639,264	-	1,639,264		1,500,000	109.28%
DWR Fixed Charge Recovery	94,799	138,392	233,191		100,000	233.19%
Interest	(7,702)	9,495	1,793		25,000	7.17%
Capital Improvement Fees	(1,981)	1,470	(511)		150,000	-0.34%
State Grants	-	-	-		485,000	0.00%
Other	177,843	7,734	185,577		150,000	123.72%
<b>Total Non-Operating Revenues</b>	<b>\$ 4,586,127</b>	<b>\$ 157,092</b>	<b>\$ 4,743,219</b>	<b>\$ -</b>	<b>\$ 6,710,000</b>	<b>70.69%</b>
<b>Non-Operating Expenses:</b>						
Interest on Long-Term Debt	\$ 1,451,499	\$ 199,373	\$ 1,650,872		\$ 2,111,000	78.20%
Amortization of SWP	1,300,089	144,745	1,444,834		1,679,000	86.05%
Water Conservation Programs	93,318	8,265	101,583		150,000	67.72%
<b>Total Non-Operating Expenses</b>	<b>\$ 2,844,906</b>	<b>\$ 352,383</b>	<b>\$ 3,197,290</b>	<b>\$ -</b>	<b>\$ 3,940,000</b>	<b>81.15%</b>
<b>Net Earnings</b>	<b>\$ (1,984,663)</b>	<b>\$ 90,860</b>	<b>\$ (1,893,804)</b>	<b>\$ -</b>	<b>\$ (3,780,850)</b>	<b>50.09%</b>

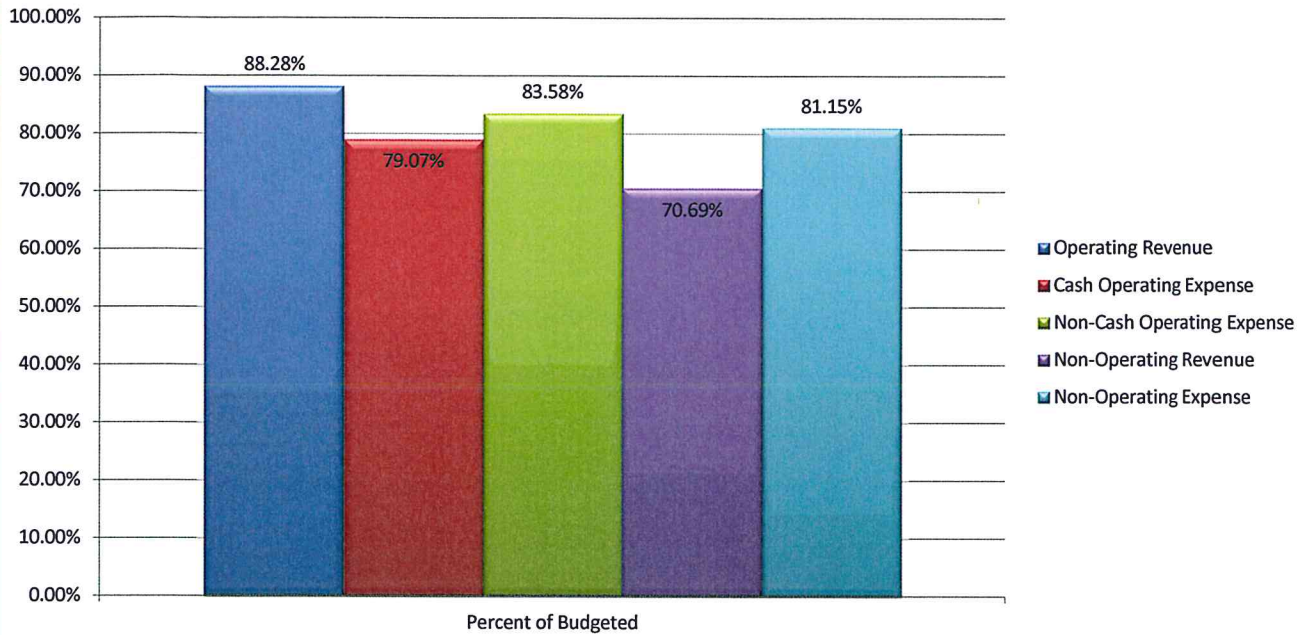
\* Budget adjustments by General Manager per Appendix A

OTHER OPERATING REVENUE	
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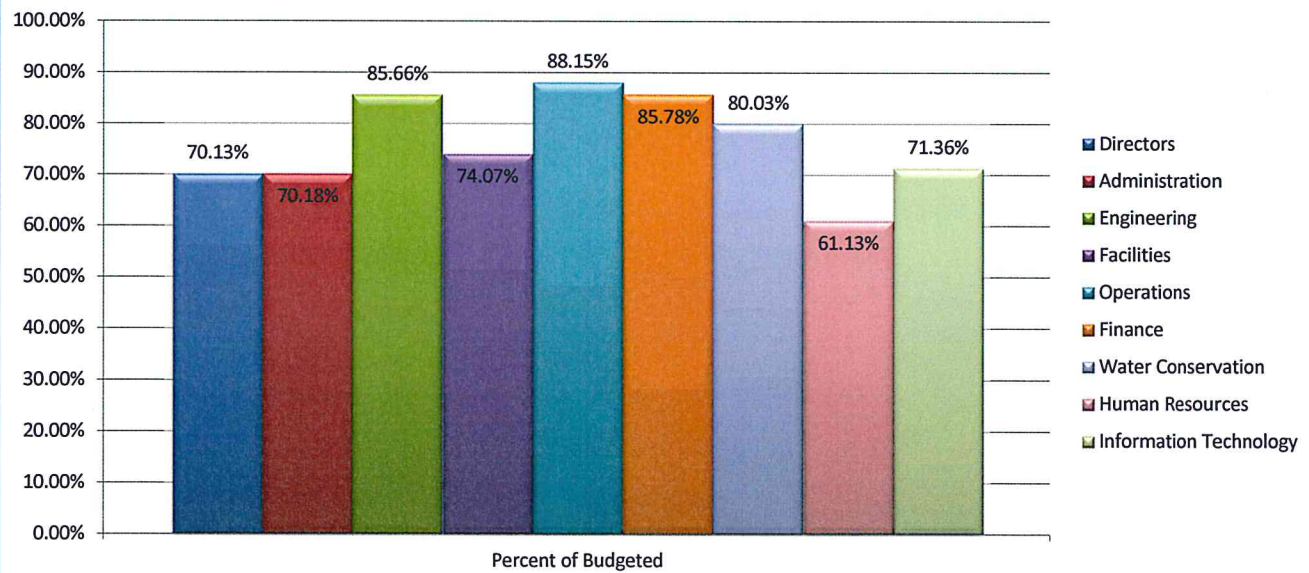
5/8" Meter Charge(\$109)	\$25.00
Account Setup Charge(\$25)	\$3,475.00
Account Setup Charge/CC (\$35)	\$3,045.00
After Hours Service Call	\$80.00
Construction Meter Install(\$250)	\$1,000.00
Credit Check(\$10)	\$20.00
Customer Request Turn On/Off(\$15)	\$75.00
Door tag fee for Paperwork(\$20)	\$20.00
Door Tag Fee(\$20)	\$55,840.00
Lock Broken or Missing(\$15)	\$195.00
Meter Exchange 1" to 5/8"(\$240)	\$480.00
Non-Compliance Fee Backflow(\$50)	\$100.00
Pulled Meter Service Charge(\$60)	\$240.00
Repair Angle Stop(\$440.00)	\$2,640.00
Shut-Off Charge(\$30)	\$8,990.00
Shut-Off Processing Fee(\$20)	\$320.00
Standard Trip Charge(\$15)	\$300.00
Late Fees	\$59,581.74
NSF Fee	\$1,700.00
	<u>\$138,126.74</u>



### P & L BUDGET vs. ACTUAL



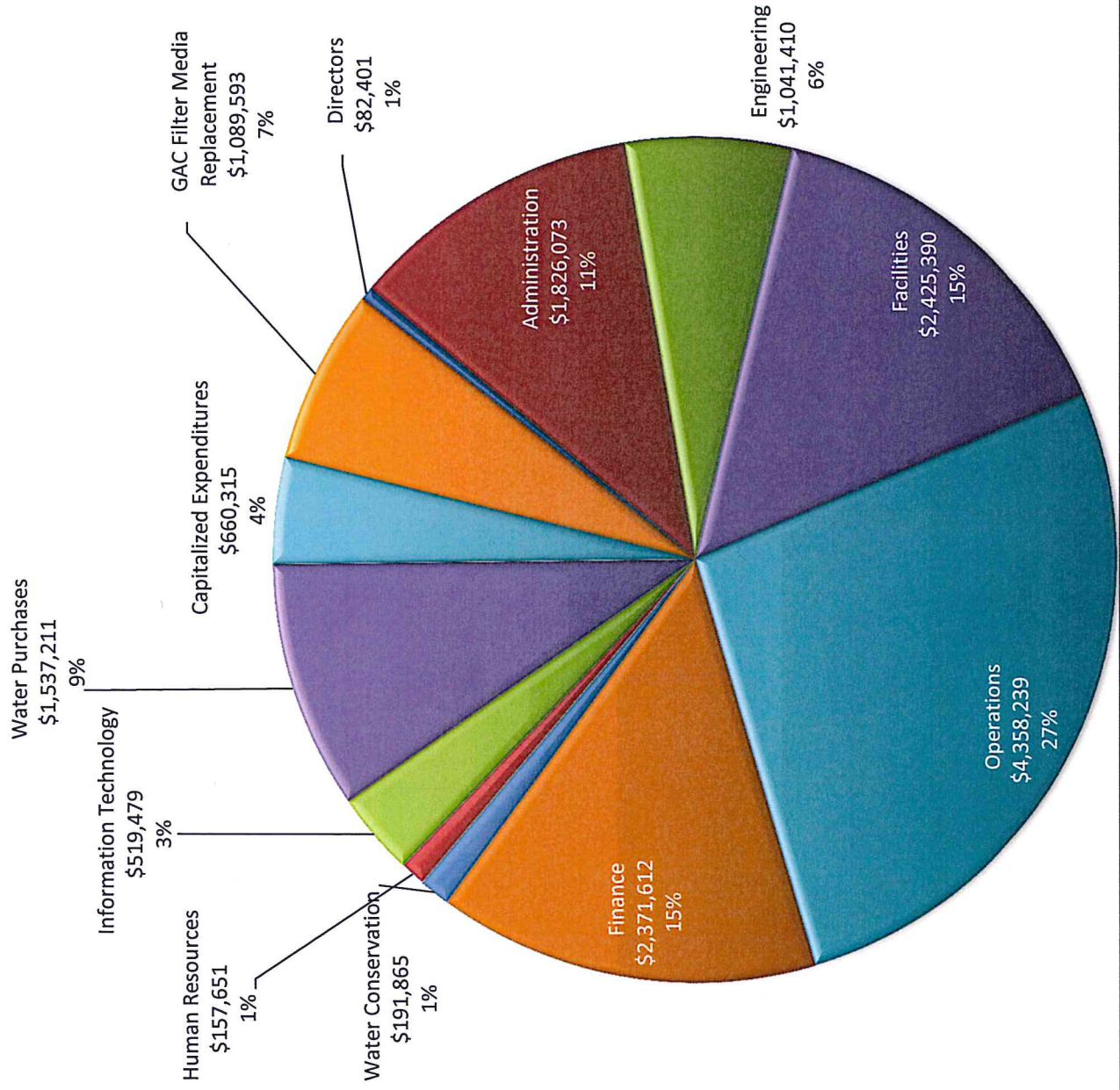
### DEPARTMENTAL - BUDGET vs. ACTUAL



# Cash Operating Expenses

## YTD 10/31/13

### \$16,697,723

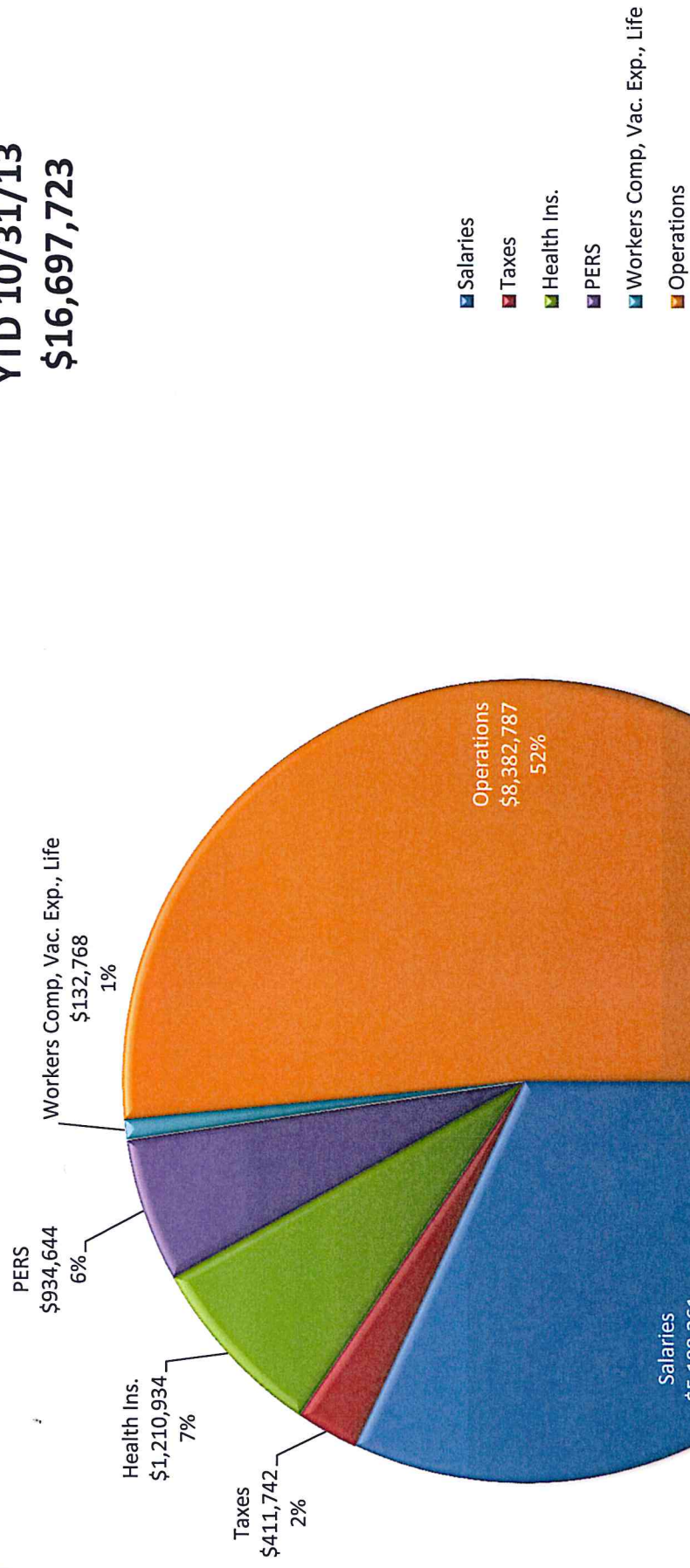




# Personnel to Operations Exp

YTD 10/31/13

\$16,697,723



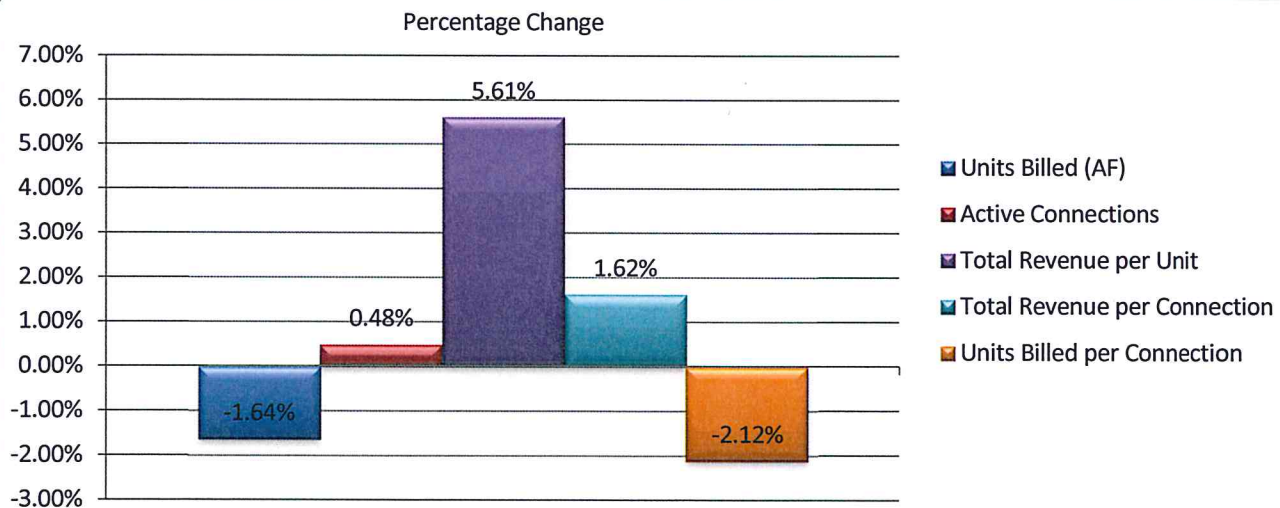
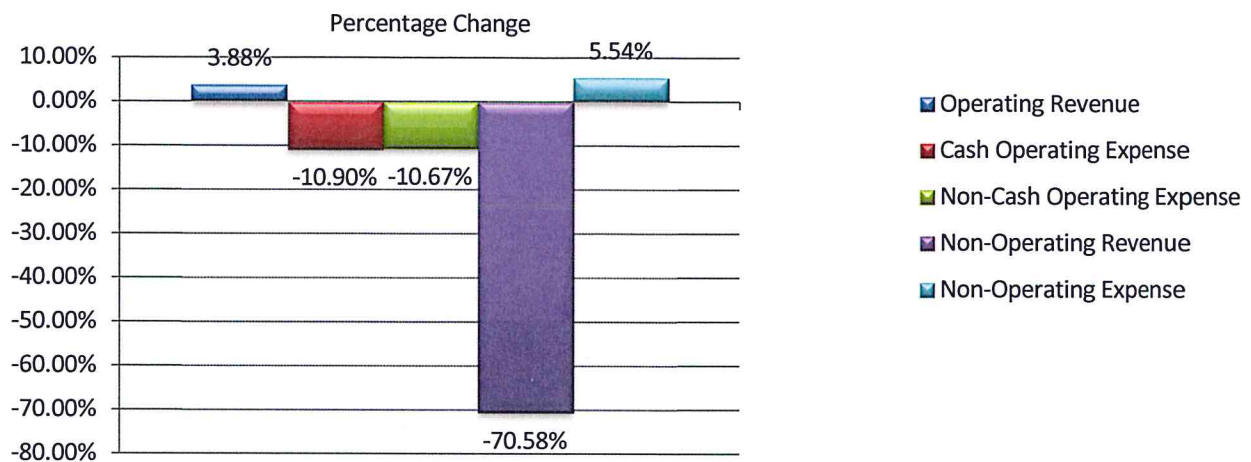


**Palmdale Water District**  
**Profit and Loss Statement**  
**Year-To-Year Comparison - October**

	2012 October	2013 October	Change	% Change		Consumption Comparison	
					Units Billed	2012	2013
<b>Operating Revenue:</b>						837,791	824,012
Wholesale Water	\$ -	\$ 30,587	\$ 30,587		Active	26,203	26,330
Water Sales	1,018,693	950,121	(68,572)	-6.73%	Vacant	1,138	1,023
Meter Fees	843,692	929,047	85,355	10.12%			
Water Quality Fees	168,059	163,044	(5,015)	-2.98%	Rev/unit	\$ 2.60	\$ 2.75
Elevation Fees	55,781	57,545	1,764	3.16%	Rev/con	\$ 79.62	\$ 80.91
Other	93,178	133,558	40,380	43.34%	Unit/con	31.97	31.30
<b>Total Water Sales</b>	<b>\$ 2,179,404</b>	<b>\$ 2,263,902</b>	<b>\$ 84,498</b>	<b>3.88%</b>			
<b>Cash Operating Expenses:</b>							
Directors	\$ 6,117	\$ 5,908	\$ (210)	-3.43%			
Administration	121,985	172,230	50,244	41.19%			
Engineering	89,556	91,468	1,912	2.14%			
Facilities	326,853	232,071	(94,781)	-29.00%			
Operations	425,917	437,577	11,660	2.74%			
Finance	212,949	248,169	35,220	16.54%			
Water Conservation	18,299	18,907	609	3.33%			
Human Resources	3,721	38,450	34,729	933.31%			
Information Technology	87,299	55,727	(31,572)	-36.17%			
Water Purchases	55,873	74,871	18,998	34.00%			
Water Purchases-Prior Year OAP	-	-	-				
Water Recovery	-	-	-				
Capitalized Expenditures	7,251	25,743	18,493	255.05%			
GAC Filter Media Replacement	216,776	-	(216,776)	-100.00%			
<b>Total Cash Operating Expenses</b>	<b>\$ 1,572,596</b>	<b>\$ 1,401,121</b>	<b>\$ (171,475)</b>	<b>-10.90%</b>			
<b>Non-Cash Operating Expenses:</b>							
Depreciation	\$ 565,045	\$ 556,651	\$ (8,394)	-1.49%			
OPEB Accrual Expense	147,678	165,223	17,545	11.88%			
Bad Debts	838	-	(838)	-100.00%			
Service Costs Construction	845	(3,620)	(4,465)	-528.55%			
Capitalized Construction	(68,925)	(141,624)	(72,699)	105.47%			
<b>Total Non-Cash Operating Expenses</b>	<b>\$ 645,480</b>	<b>\$ 576,630</b>	<b>\$ (68,850)</b>	<b>-10.67%</b>			
<b>Net Operating Profit/(Loss)</b>	<b>\$ (38,672)</b>	<b>\$ 286,152</b>	<b>\$ 324,824</b>	<b>-839.94%</b>			
<b>Non-Operating Revenues:</b>							
Assessments	\$ 416,668	\$ -	\$ (416,668)	-100.00%			
DWR Fixed Charge Recovery	-	138,392	138,392				
Interest	(2,024)	9,495	11,519	-569.15%			
Capital Improvement Fees	84,073	1,470	(82,603)				
State Grants	-	-	-				
Other	35,250	7,734	(27,516)	-78.06%			
<b>Total Non-Operating Revenues</b>	<b>\$ 533,967</b>	<b>\$ 157,092</b>	<b>\$ (376,876)</b>	<b>-70.58%</b>			
<b>Non-Operating Expenses:</b>							
Interest on Long-Term Debt	\$ 203,946	\$ 199,373	\$ (4,573)	-2.24%			
Amortization of SWP	128,945	144,745	15,800	12.25%			
Water Conservation Programs	1,002	8,265	7,263	724.52%			
<b>Total Non-Operating Expenses</b>	<b>\$ 333,894</b>	<b>\$ 352,383</b>	<b>\$ 18,489</b>	<b>5.54%</b>			
<b>Net Earnings</b>	<b>\$ 161,401</b>	<b>\$ 90,860</b>	<b>\$ (70,541)</b>	<b>-43.71%</b>			

# YEAR-TO-YEAR COMPARISON

## October '12 -To- October '13



	2012	2013	Change	
Units Billed (AF)	1,923	1,892	-32	-1.64%
Active Connections	26,203	26,330	127	0.48%
Non-Active	1,138	1,023	-115	-10.11%
Total Revenue per Unit	\$2.60	\$2.75	\$0.15	5.61%
Total Revenue per Connection	\$79.62	\$80.91	\$1.29	1.62%
Units Billed per Connection	31.97	31.30	-1	-2.12%

Palmdale Water District

Revenue Analysis

For the Ten Months Ending 10/31/2013

2013

2012 to 2013 Comparison

	Thru September	October	Year-to-Date	Adjusted Budget	% of Budget	Thru September	October	Year-to-Date	% Change
<b>Operating Revenue:</b>									
Wholesale Water	\$ 134,519	\$ 30,587	\$ 165,106	\$ 175,000	94.35%	\$ 134,519	30,587	165,106	
Water Sales	6,661,698	950,121	7,611,819	8,198,000	92.85%	438,737	(68,572)	370,164	5.11%
Meter Fees	8,285,541	929,047	9,214,588	11,232,000	82.04%	522,154	85,355	607,509	7.06%
Water Quality Fees	1,257,726	163,044	1,420,770	1,638,000	86.74%	9,056	(5,015)	4,040	0.29%
Elevation Fees	421,027	57,545	478,572	550,000	87.01%	(9,399)	1,764	(7,635)	-1.57%
Other	1,317,130	133,558	1,450,688	1,250,000	116.06%	274,376	40,380	314,756	27.71%
<b>Total Water Sales</b>	<b>\$ 18,077,641</b>	<b>\$ 2,263,902</b>	<b>\$ 20,341,543</b>	<b>\$ 23,043,000</b>	<b>88.28%</b>	<b>\$ 1,369,443</b>	<b>\$ 84,498</b>	<b>\$ 1,453,941</b>	<b>7.70%</b>

Non-Operating Revenues:

Assessments (Debt Service)	\$ 2,683,904	\$ -	\$ 2,683,904	\$ 4,300,000	62.42%	\$ (251,101)	\$ (309,643)	\$ (560,744)	-17.28%
Assessments (1%)	1,639,264	-	1,639,264	3,139,264	52.22%	624,807	(107,025)	517,782	46.17%
DWR Fixed Charge Recovery	94,799	138,392	233,191	100,000	233.19%	(341,119)	138,392	(202,727)	
Interest	(7,702)	9,495	1,793	25,000	7.17%	(31,385)	11,519	(19,865)	-91.72%
Capital Improvement Fees	(1,981)	1,470	(511)	150,000	-0.34%	(1,257,408)	(82,603)	(1,340,011)	-100.04%
State Grants	-	-	-	485,000	0.00%	-	-	-	
Other	177,843	7,734	185,577	150,000	123.72%	46,509	(27,516)	18,993	11.40%
<b>Total Non-Operating Revenues</b>	<b>\$ 4,586,127</b>	<b>\$ 157,092</b>	<b>\$ 4,743,219</b>	<b>\$ 8,349,264</b>	<b>56.81%</b>	<b>\$ (1,209,696)</b>	<b>\$ (376,876)</b>	<b>\$ (1,586,571)</b>	<b>-25.07%</b>
<b>Total Revenue</b>	<b>\$ 22,663,768</b>	<b>\$ 2,420,994</b>	<b>\$ 25,084,762</b>	<b>\$ 31,392,264</b>	<b>79.91%</b>	<b>\$ 159,747</b>	<b>\$ (292,377)</b>	<b>\$ (132,630)</b>	<b>-0.53%</b>

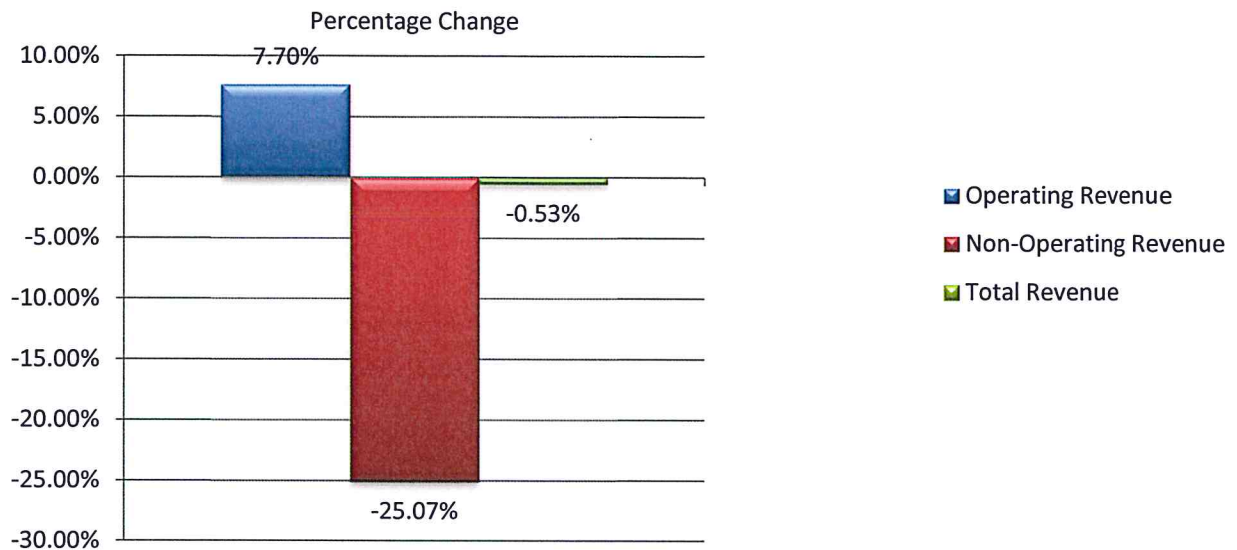
2012

	Thru September	October	Year-to-Date	Adjusted Budget	% of Budget	Thru September	October	Year-to-Date	% of Budget
<b>Operating Revenue:</b>									
Wholesale Water	\$ -	\$ -	\$ -	\$ 175,000	0.00%				
Water Sales	6,222,961	1,018,693	7,241,654	8,145,000	88.91%				
Meter Fees	7,763,387	843,692	8,607,079	10,400,000	82.76%				
Water Quality Fees	1,248,670	168,059	1,416,729	1,550,000	91.40%				
Elevation Fees	430,426	55,781	486,207	525,000	92.61%				
Other	1,042,754	93,178	1,135,932	1,250,000	90.87%				
<b>Total Water Sales</b>	<b>\$ 16,708,198</b>	<b>\$ 2,179,404</b>	<b>\$ 18,887,602</b>	<b>\$ 21,870,000</b>	<b>86.36%</b>				
<b>Non-Operating Revenues:</b>									
Assessments (Debt Service)	\$ 2,935,005	\$ 309,643	\$ 3,244,648	\$ 4,000,000	81.12%				
Assessments (1%)	1,014,457	107,025	1,121,482	1,500,000	74.77%				
DWR Fixed Charge Recovery	435,918	-	435,918	-					
Interest	23,682	(2,024)	21,659	60,000	36.10%				
Capital Improvement Fees	1,255,427	84,073	1,339,500	1,286,848	104.09%				
State Grants	-	-	-	250,000	0.00%				
Other	131,334	35,250	166,584	100,000	166.58%				
<b>Total Non-Operating Revenues</b>	<b>\$ 5,795,823</b>	<b>\$ 533,967</b>	<b>\$ 6,329,790</b>	<b>\$ 7,196,848</b>	<b>87.95%</b>				
<b>Total Revenue</b>	<b>\$ 22,504,021</b>	<b>\$ 2,713,371</b>	<b>\$ 25,217,392</b>	<b>\$ 29,066,848</b>	<b>86.76%</b>				



# REVENUE COMPARISON YEAR-TO-DATE

October '12-To-October '13



Palmdale Water District

Operating Expense Analysis

For the Ten Months Ending 10/31/2013

2012 to 2013 Comparison

	Thru September	October	Year-to-Date	Adjusted Budget	% of Budget	Thru September	October	Year-to-Date	Change %
<b>Cash Operating Expenses:</b>									
Directors	\$ 76,494	\$ 5,908	\$ 82,401	\$ 117,500	70.13%	\$ (6,838)	\$ (210)	\$ (7,048)	-7.88%
Administration	1,653,844	172,230	1,826,073	2,602,000	70.18%	(376,025)	50,244	(325,781)	-15.14%
Engineering	949,942	91,468	1,041,410	1,215,750	85.66%	88,585	1,912	90,497	9.52%
Facilities	2,193,318	232,071	2,425,390	3,298,500	73.53%	(372,211)	(94,781)	(466,992)	-16.15%
Operations	3,920,662	437,577	4,358,239	4,944,250	88.15%	382,084	11,660	393,744	9.93%
Finance	2,123,443	248,169	2,371,612	2,789,000	85.03%	(44,724)	35,220	(9,504)	-0.40%
Water Conservation	172,958	18,907	191,865	239,750	80.03%	7,898	609	8,506	4.64%
Human Resources	119,201	38,450	157,651	209,600	75.22%	(65,329)	34,729	(30,600)	-16.25%
Information Technology	463,751	55,727	519,479	728,000	71.36%	1,134	(31,572)	(30,438)	-5.54%
Water Purchases	1,997,637	74,871	2,072,508	2,600,000	79.71%	(754,563)	18,998	(735,565)	-26.19%
Water Purchases-Prior Year OAP	436,485	-	436,485	-	-	436,485	-	436,485	330.52%
Water Recovery	(535,297)	-	(535,297)	(100,000)	535.30%	(410,959)	-	(410,959)	30.37%
Capitalized Expenditures	634,571	25,743	660,315	836,500	78.94%	135,327	18,493	153,820	0.41%
GAC Filter Media Replacement	1,089,593	-	1,089,593	1,638,000	66.52%	221,273	(216,776)	4,497	-5.57%
<b>Total Cash Operating Expenses</b>	<b>\$ 15,296,602</b>	<b>\$ 1,401,121</b>	<b>\$ 16,697,723</b>	<b>\$ 21,118,850</b>	<b>79.07%</b>	<b>\$ (757,862)</b>	<b>\$ (171,475)</b>	<b>\$ (929,337)</b>	
<b>Non-Cash Operating Expenses:</b>									
Depreciation	\$ 5,815,352	\$ 556,651	\$ 6,372,003	\$ 7,250,000	87.89%	\$ 607,194	\$ (8,394)	\$ 598,800	10.37%
OPEB Accrual Expense	1,487,004	165,223	1,652,227	3,652,227	45.24%	(2,987)	17,545	14,558	0.89%
Bad Debts	5,581	-	5,581	105,581	5.29%	2,027	(838)	1,189	27.08%
Service Costs Construction	93,328	(3,620)	89,708	214,708	41.78%	72,686	(4,465)	68,221	317.51%
Capitalized Construction	(894,341)	(141,624)	(1,035,965)	(2,035,965)	50.88%	(128,966)	(72,699)	(201,665)	24.17%
<b>Total Non-Cash Operating Expenses</b>	<b>\$ 6,506,923</b>	<b>\$ 576,630</b>	<b>\$ 7,083,553</b>	<b>\$ 9,186,550</b>	<b>77.11%</b>	<b>\$ 549,955</b>	<b>\$ (68,850)</b>	<b>\$ 481,104</b>	<b>6.79%</b>
<b>Non-Operating Expenses:</b>									
Interest on Long-Term Debt	\$ 1,451,499	\$ 199,373	\$ 1,650,872	\$ 2,111,000	78.20%	\$ (425,495)	\$ (4,573)	\$ (430,068)	-20.67%
Amortization of SWP	1,300,089	144,745	1,444,834	1,679,000	86.05%	139,584	15,800	155,384	12.05%
Water Conservation Programs	93,318	8,265	101,583	150,000	67.72%	50,304	7,263	57,567	1.69%
<b>Total Non-Operating Expenses</b>	<b>\$ 2,844,906</b>	<b>\$ 352,383</b>	<b>\$ 3,197,290</b>	<b>\$ 3,940,000</b>	<b>81.15%</b>	<b>\$ (235,607)</b>	<b>\$ 18,489</b>	<b>\$ (217,117)</b>	<b>-6.36%</b>
<b>Total Expenses</b>	<b>\$ 24,648,431</b>	<b>\$ 2,330,134</b>	<b>\$ 26,978,566</b>	<b>\$ 34,245,400</b>	<b>78.78%</b>	<b>\$ (443,514)</b>	<b>\$ (221,836)</b>	<b>\$ (665,350)</b>	<b>-2.41%</b>

Palmdale Water District  
Operating Expense Analysis  
For the Ten Months Ending 10/31/2013  
2012

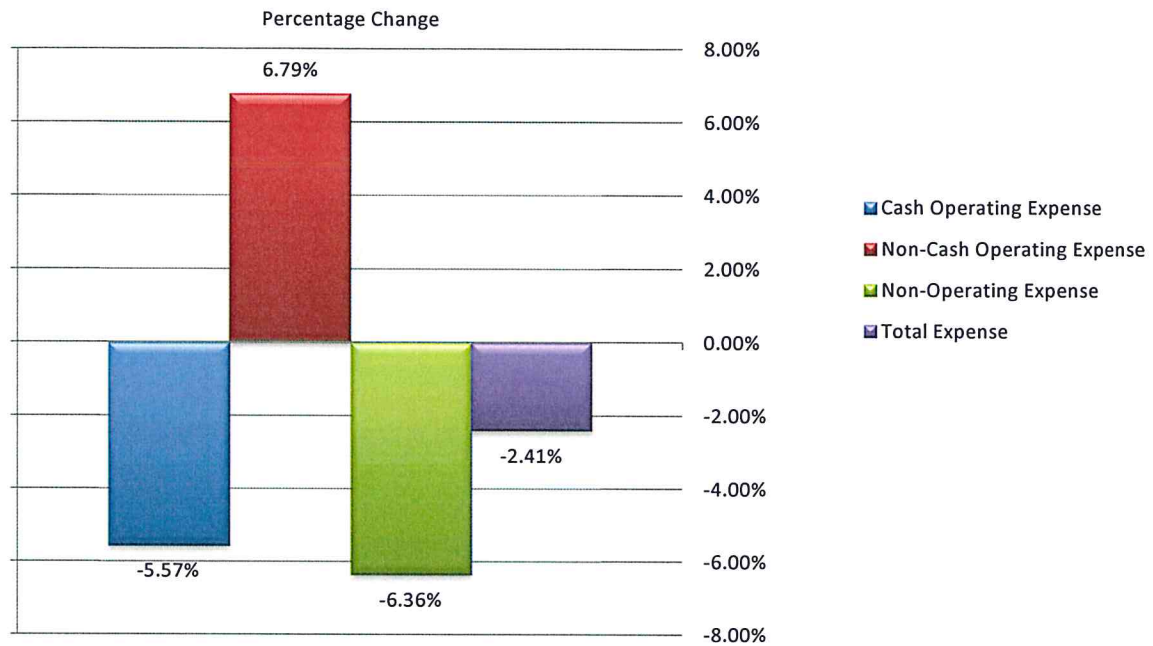
2012 to 2013 Comparison

	Thru September	October	Year-to-Date	Adjusted Budget	% of Budget
<b>Cash Operating Expenses:</b>					
Directors	\$ 83,331	\$ 6,117	\$ 89,449	\$ 154,000	58.08%
Administration	2,029,869	121,985	2,151,854	3,547,000	60.67%
Engineering	861,357	89,556	950,913	1,169,000	81.34%
Facilities	2,565,529	326,853	2,892,382	3,490,500	82.86%
Operations	3,538,578	425,917	3,964,495	5,113,750	77.53%
Finance	2,168,166	212,949	2,381,115	2,788,750	85.38%
Water Conservation	165,060	18,299	183,358	223,500	82.04%
Human Resources	184,530	3,721	188,251	267,850	70.28%
Information Technology	462,617	87,299	549,917	736,750	74.64%
Water Purchases	2,752,200	55,873	2,808,073	2,800,000	100.29%
Water Purchases-Prior Year OAP	-	-	-	-	-
Water Recovery	(124,338)	-	(124,338)	(200,000)	62.17%
Capitalized Expenditures	499,244	7,251	506,495	412,500	122.79%
GAC Filter Media Replacement	868,320	216,776	1,085,096	1,550,000	70.01%
<b>Total Cash Operating Expenses</b>	<b>\$ 16,054,464</b>	<b>\$ 1,572,596</b>	<b>\$ 17,627,059</b>	<b>\$ 22,053,600</b>	<b>79.93%</b>
<b>Non-Cash Operating Expenses:</b>					
Depreciation	\$ 5,208,157	\$ 565,045	\$ 5,773,203	\$ 7,800,000	74.02%
OPEB Accrual Expense	1,489,991	147,678	1,637,669	2,000,000	81.88%
Bad Debts	3,554	838	4,392	100,000	4.39%
Service Costs Construction	20,642	845	21,486	125,000	17.19%
Capitalized Construction	(765,375)	(68,925)	(834,300)	(1,000,000)	83.43%
<b>Total Non-Cash Operating Expenses</b>	<b>\$ 5,956,969</b>	<b>\$ 645,480</b>	<b>\$ 6,602,449</b>	<b>\$ 9,025,000</b>	<b>73.16%</b>
<b>Non-Operating Expenses:</b>					
Interest on Long-Term Debt	\$ 1,876,993	\$ 203,946	\$ 2,080,940	\$ 2,490,000	83.57%
Amortization of SWP	1,160,505	128,945	1,289,450	1,680,000	76.75%
Capital Lease	-	-	-	212,000	-
Water Conservation Programs	43,014	1,002	44,017	150,000	29.34%
<b>Total Non-Operating Expenses</b>	<b>\$ 3,080,513</b>	<b>\$ 333,894</b>	<b>\$ 3,414,407</b>	<b>\$ 4,532,000</b>	<b>75.34%</b>
<b>Total Expenses</b>	<b>\$ 25,091,945</b>	<b>\$ 2,551,970</b>	<b>\$ 27,643,915</b>	<b>\$ 35,610,600</b>	<b>77.63%</b>



## EXPENSE COMPARISON YEAR-TO-DATE

October '12-To-October '13



**Palmdale Water District**  
**2013 Directors Budget**  
For the Ten Months Ending Thursday, October 31, 2013

	YTD	ORIGINAL		ADJUSTED	
	ACTUAL	BUDGET	ADJUSTMENTS	BUDGET	PERCENT
	2013	2013	2013	REMAINING	USED
<b>Personnel Budget:</b>					
1-01-4000-000 Directors Pay	\$ 39,450	\$ 45,000	\$ -	\$ 5,550	87.67%
<b>Employee Benefits</b>					
1-01-4005-000 Payroll Taxes	3,018	5,500		2,482	54.87%
1-01-4010-000 Health Insurance	38,216	57,000		18,784	67.05%
Subtotal (Benefits)	41,234	62,500	-	18,784	65.97%
Total Personnel Expenses	<u>\$ 80,684</u>	<u>\$ 107,500</u>	<u>\$ -</u>	<u>\$ 24,334</u>	<u>75.05%</u>
<b>OPERATING EXPENSES:</b>					
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>\$ 82,401</u>	<u>\$ 117,500</u>	<u>\$ -</u>	<u>\$ 32,617</u>	<u>70.13%</u>

**Palmdale Water District**  
**2013 Administration Budget**  
For the Ten Months Ending Thursday, October 31, 2013

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

1-02-4000-000 Salaries	\$ 394,937	\$ 471,500	\$ 76,564	83.76%
1-02-4000-100 Overtime	6,514	5,000	(1,514)	130.27%
1-02-4000-200 On-Call	47,363	60,000	12,638	78.94%
Subtotal (Salaries)	\$ 448,813	\$ 536,500	\$ 87,687	83.66%

Employee Benefits

1-02-4005-000 Payroll Taxes	28,093	41,000	12,907	68.52%
1-02-4010-000 Health Insurance	67,134	80,750	13,617	83.14%
1-02-4015-000 PERS	75,665	90,750	15,085	83.38%
1-02-4020-000 Worker's Compensation	84,480	160,000	75,520	52.80%
1-02-4025-000 Vacation Benefit Expense	41,893	35,000	(6,893)	119.70%
1-02-4030-000 Life Insurance	6,395	7,500	1,105	85.26%
Subtotal (Benefits)	\$ 303,659	\$ 415,000	\$ 111,341	73.17%

Total Personnel Expenses

\$ 752,472	\$ 951,500	\$ -	\$ 199,028	79.08%
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OPERATING EXPENSES:

1-02-4050-000 Staff Travel	\$ 6,010	\$ 8,000	\$ 1,990	75.12%
1-02-4050-100 General Manager Travel	4,211	5,000	789	84.22%
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	19,316	40,000	20,684	48.29%
1-02-4080-000 Other Operating	19,627	20,000	373	98.14%
1-02-4110-000 Consultants	38,442	134,000	95,558	28.69%
1-02-4125-000 Insurance	210,698	325,000	114,302	64.83%
1-02-4130-000 Bank Charges	97,532	130,000	32,468	75.02%
1-02-4135-000 Groundwater Adjudication	221,435	400,000	178,565	55.36%
1-02-4140-000 Legal Services	112,504	250,000	137,496	45.00%
1-02-4150-000 Accounting Services	23,171	20,000	(3,171)	115.86%
1-02-4155-000 Contracted Services	23,750	40,000	16,250	59.38%
1-02-4165-000 Memberships/Subscriptions	179,869	110,000	(69,869)	163.52%
1-02-4175-000 Permits	7,483	20,000	12,517	37.42%
1-02-4180-000 Postage	14,866	30,000	15,134	49.55%
1-02-4190-100 Public Relations - Publications	33,526	30,000	(3,526)	111.75%
1-02-4190-900 Public Relations - Other	706	1,000	294	70.60%
1-02-4200-000 Advertising	2,069	5,000	2,931	41.38%
1-02-4205-000 Office Supplies	12,404	20,000	7,596	62.02%
1-02-4215-200 Natural Gas - Office Building	2,182	5,000	2,818	43.64%
1-02-4220-200 Electricity - Office Building	40,074	50,000	9,926	80.15%
Subtotal Operating Expenses	\$ 1,073,602	\$ 1,650,500	\$ 576,898	65.05%

Total Departmental Expenses

\$ 1,826,073	\$ 2,602,000	\$ -	\$ 775,927	70.18%
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**Palmdale Water District**  
**2013 Engineering Budget**  
For the Ten Months Ending Thursday, October 31, 2013

	YTD ACTUAL 2013	ORIGINAL BUDGET 2013	ADJUSTMENTS 2013	ADJUSTED BUDGET REMAINING	PERCENT USED
<b>Personnel Budget:</b>					
1-03-4000-000 Salaries	\$ 642,468	\$ 749,000		\$ 106,532	85.78%
1-03-4000-100 Overtime	3,634	6,000		2,366	60.57%
Subtotal (Salaries)	\$ 646,102	\$ 755,000		\$ 108,898	85.58%
<b>Employee Benefits</b>					
1-03-4005-000 Payroll Taxes	51,607	58,000		6,393	88.98%
1-03-4010-000 Health Insurance	137,682	165,500		27,818	83.19%
1-03-4015-000 PERS	123,625	143,250		19,625	86.30%
Subtotal (Benefits)	\$ 312,914	\$ 366,750	\$ -	\$ 53,836	85.32%
Total Personnel Expenses	\$ 959,017	\$ 1,121,750	\$ -	\$ 162,733	85.49%
<b>OPERATING EXPENSES:</b>					
1-03-4050-000 Staff Travel	\$ 3,916	\$ 3,000		\$ (916)	130.53%
1-03-4060-000 Staff Conferences & Seminars	1,460	2,500		1,040	58.40%
1-03-4155-000 Contracted Services	8,260	12,000		3,740	68.83%
1-03-4165-000 Memberships/Subscriptions	1,241	2,000		759	62.07%
1-03-4250-000 General Materials & Supplies	5,726	2,500		(3,226)	229.04%
1-03-8100-100 Computer Software - Maint. & Support	61,790	72,000		10,210	85.82%
Subtotal Operating Expenses	\$ 82,393	\$ 94,000	\$ -	\$ 11,607	87.65%
Total Departmental Expenses	\$ 1,041,410	\$ 1,215,750	\$ -	\$ 174,340	85.66%

**Palmdale Water District**  
**2013 Facilities Budget**  
For the Ten Months Ending Thursday, October 31, 2013

	YTD ACTUAL 2013	ORIGINAL BUDGET 2013	ADJUSTMENTS 2013	ADJUSTED BUDGET REMAINING	PERCENT USED
<b>Personnel Budget:</b>					
1-04-4000-000 Salaries*	\$ 1,048,827	\$ 1,339,000	\$ (24,000)	\$ 290,173	78.33%
1-04-4000-100 Overtime	44,342	40,000		(4,342)	110.85%
Subtotal (Salaries)	\$ 1,093,169	\$ 1,379,000		\$ 285,831	79.27%
<b>Employee Benefits</b>					
1-04-4005-000 Payroll Taxes	90,047	105,000		14,953	85.76%
1-04-4010-000 Health Insurance	325,963	384,000		58,037	84.89%
1-04-4015-000 PERS	197,323	254,500		57,177	77.53%
Subtotal (Benefits)	\$ 613,332	\$ 743,500	\$ -	\$ 130,168	82.49%
Total Personnel Expenses	\$ 1,706,502	\$ 2,122,500	\$ (24,000)	\$ 420,340	80.40%
<b>OPERATING EXPENSES:</b>					
1-04-4050-000 Staff Travel	\$ 731	\$ 2,500		1,769	29.23%
1-04-4060-000 Staff Conferences & Seminars	2,225	3,000		775	74.17%
1-04-4155-000 Contracted Services	61,351	28,500		(32,851)	215.27%
1-04-4175-000 Permits-Dams*	38,842	-	38,900	58	
1-04-4215-200 Natural Gas - Buildings	1,631	4,500		2,869	36.24%
1-04-4220-200 Electricity - Buildings	17,014	30,000		12,986	56.71%
1-04-4225-000 Maint. & Repair - Vehicles	21,849	45,000		23,151	48.55%
1-04-4230-100 Maint. & Rep. Office Building	3,699	18,000		14,301	20.55%
1-04-4235-110 Maint. & Rep. Equipment	6,609	7,500		891	88.12%
1-04-4235-400 Maint. & Rep. Operations - Wells	36,405	150,000		113,595	24.27%
1-04-4235-405 Maint. & Rep. Operations - Boosters	51,260	50,000		(1,260)	102.52%
1-04-4235-410 Maint. & Rep. Operations - Shop Bldgs	8,084	10,000		1,916	80.84%
1-04-4235-415 Maint. & Rep. Operations - Facilities	16,424	15,000		(1,424)	109.49%
1-04-4235-420 Maint. & Rep. Operations - Water Lines	177,619	350,000		172,381	50.75%
1-04-4235-425 Maint. & Rep. Operations - Littlerock Dam*	-	20,000	(18,100)	1,900	0.00%
1-04-4235-430 Maint. & Rep. Operations - Palmdale Dam*	-	26,500	(20,800)	5,700	0.00%
1-04-4235-435 Maint. & Rep. Operations - Palmdale Canal	230	3,000		2,770	7.66%
1-04-4235-455 Maint. & Rep. Operations - Heavy Equipment	22,534	35,000		12,466	64.38%
1-04-4235-460 Maint. & Rep. Operations - Storage Reservoirs	-	5,000		5,000	0.00%
1-04-6000-000 Waste Disposal	19,391	40,000		20,609	48.48%
1-04-6100-100 Fuel and Lube - Vehicle	114,763	130,000		15,237	88.28%
1-04-6100-200 Fuel and Lube - Machinery	20,052	43,000		22,948	46.63%
1-04-6200-000 Uniforms	17,940	20,000		2,060	89.70%
1-04-6300-100 Supplies - Misc.	33,684	47,500		13,816	70.91%
1-04-6300-800 Supplies - Construction Materials	27,098	65,000		37,902	41.69%
1-04-6400-000 Tools	9,228	12,000		2,772	76.90%
1-04-7000-100 Leases -Equipment	10,225	15,000		4,775	68.17%
Subtotal Operating Expenses	\$ 718,888	\$ 1,176,000	\$ -	\$ 457,112	61.13%
Total Departmental Expenses	\$ 2,425,390	\$ 3,298,500	\$ (24,000)	\$ 877,452	74.07%

**Palmdale Water District**  
**2013 Operation Budget**  
For the Ten Months Ending Thursday, October 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	\$ 1,275,256	\$ 1,608,500	\$ 333,244	79.28%
1-05-4000-100 Overtime	73,849	61,500	(12,349)	120.08%
Subtotal (Salaries)	\$ 1,349,106	\$ 1,670,000	\$ 320,894	80.78%

Employee Benefits

1-05-4005-000 Payroll Taxes	108,243	128,000	19,757	84.57%
1-05-4010-000 Health Insurance	297,531	378,500	80,969	78.61%
1-05-4015-000 PERS	239,856	307,000	67,144	78.13%
Subtotal (Benefits)	\$ 645,630	\$ 813,500	\$ 167,870	79.36%

Total Personnel Expenses

\$ 1,994,736	\$ 2,483,500	\$ -	\$ 501,113	80.32%
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OPERATING EXPENSES:

1-05-4050-000 Staff Travel	\$ 6,870	\$ 8,000	\$ 1,130	85.88%
1-05-4060-000 Staff Conferences & Seminars	6,177	9,500	3,323	65.02%
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	124,367	59,000	(65,367)	210.79%
1-05-4175-000 Permits	33,399	45,000	11,601	74.22%
1-05-4215-100 Natural Gas - Wells & Boosters	119,512	160,000	40,488	74.69%
1-05-4215-200 Natural Gas - WTP	2,276	3,000	724	75.85%
1-05-4220-100 Electricity - Wells & Boosters	1,290,081	1,285,000	(5,081)	100.40%
1-05-4220-200 Electricity - WTP	80,284	125,000	44,716	64.23%
1-05-4230-110 Maint. & Rep. - Office Equipment	147	500	353	29.49%
1-05-4235-110 Maint. & Rep. Operations - Equipment	9,128	15,000	5,872	60.86%
1-05-4235-410 Maint. & Rep. Operations - Shop Bldgs	15,203	6,000	(9,203)	253.38%
1-05-4235-415 Maint. & Rep. Operations - Facilities	43,744	38,000	(5,744)	115.12%
1-05-4235-445 Maint. & Rep. Operations - Telemetry	4,807	2,250	(2,557)	213.65%
1-05-4235-450 Maint. & Rep. Operations - Hypo Generator	22,296	10,000	(12,296)	222.96%
1-05-4236-000 Palmdale Lake Management	9,919	15,000	5,081	66.13%
1-05-4270-300 Telecommunication - Other	2,305	2,750	445	83.82%
1-05-4300-300 Testing - Edison	5,385	9,000	3,615	59.83%
1-05-6000-000 Waste Disposal	2,919	22,000	19,081	13.27%
1-05-6200-000 Uniforms	10,202	10,000	(202)	102.02%
1-05-6300-100 Supplies - Misc.	11,043	15,000	3,957	73.62%
1-05-6300-200 Supplies - Hypo Generator	3,750	6,750	3,000	55.56%
1-05-6300-300 Supplies - Electrical	629	3,500	2,871	17.97%
1-05-6300-400 Supplies - Telemetry	2,219	7,500	5,281	29.58%
1-05-6300-600 Supplies - Lab	33,231	35,000	1,769	94.95%
1-05-6300-700 Outside Lab Work	95,753	60,000	(35,753)	159.59%
1-05-6400-000 Tools	3,608	6,500	2,892	55.50%
1-05-6500-000 Chemicals	424,040	485,000	60,960	87.43%
1-05-7000-100 Leases -Equipment	209	3,000	2,791	6.98%
Subtotal Operating Expenses	\$ 2,363,503	\$ 2,460,750	\$ 88,247	96.05%

Total Departmental Expenses

\$ 4,358,239	\$ 4,944,250	\$ -	\$ 589,360	88.15%
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**Palmdale Water District**  
**2013 Finance Budget**  
For the Ten Months Ending Thursday, October 31, 2013

	YTD ACTUAL 2013	ORIGINAL BUDGET 2013	ADJUSTMENTS 2013	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-06-4000-000 Salaries*	\$ 1,213,672	\$ 1,482,000	\$ (24,300)	\$ 268,328	81.89%
1-06-4000-100 Overtime	27,077	20,000		(7,077)	135.39%
Subtotal (Salaries)	\$ 1,240,750	\$ 1,502,000	\$ (24,300)	\$ 261,250	82.61%
Employee Benefits					
1-06-4005-000 Payroll Taxes	101,205	115,000.00		282,545	26.37%
1-06-4010-000 Health Insurance	287,514	383,750		(5,014)	101.77%
1-06-4015-000 PERS	239,143	282,500		542,107	30.61%
Subtotal (Benefits)	\$ 627,862	\$ 781,250	\$ -	\$ 819,638	80.37%
Total Personnel Expenses	\$ 1,868,612	\$ 2,283,250	\$ (24,300)	\$ 1,080,888	81.84%
OPERATING EXPENSES:					
1-06-4050-000 Staff Travel	\$ 252	\$ 250		(2)	100.84%
1-06-4060-000 Staff Conferences & Seminars	920	1,000		80	91.98%
1-06-4155-300 Contracted Services	5,903	24,500		18,597	24.10%
1-06-4155-100 Contracted Services - Infosend	153,901	205,000		51,099	75.07%
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	5,859	10,000		4,141	58.59%
1-06-4235-470 Maint. & Rep. Operations - Meter Exchanges	288,807	175,000		(113,807)	165.03%
1-06-4250-000 General Material & Supplies	6,203	4,000		(2,203)	155.09%
1-06-4260-000 Business Forms	9,086	10,000		914	90.86%
1-06-4270-100 Telecommunication - Office	8,682	30,000		21,318	28.94%
1-06-4270-200 Telecommunication - Cellular Stipend	11,940	17,000		5,060	70.24%
1-06-4270-300 Telecommunication - Cellular	213	3,000		2,787	7.11%
1-06-4300-200 Testing - Large Meter Testing	9,330	21,500		12,170	43.40%
1-06-7000-100 Leases - Equipment	1,903	3,000		1,097	63.43%
Subtotal Operating Expenses	\$ 503,000	\$ 505,750	\$ -	\$ 2,750	99.46%
Total Departmental Expenses	\$ 2,371,612	\$ 2,789,000	\$ (24,300)	\$ 1,083,638	85.78%

\* Budget adjustments by General Manager per Appendix A

**Palmdale Water District**  
**2013 Water Conservation Budget**  
For the Ten Months Ending Thursday, October 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	\$ 126,353	\$ 153,000	\$ 26,647	82.58%
1-07-4000-100 Overtime	926	1,000	74	92.63%
Subtotal (Salaries)	\$ 127,279	\$ 154,000	\$ 26,721	82.65%

Employee Benefits

1-07-4005-000 Payroll Taxes	10,187	11,750	1,563	86.70%
1-07-4010-000 Health Insurance	22,209	22,750	541	97.62%
1-07-4015-000 PERS	25,297	29,250	3,953	86.49%
Subtotal (Benefits)	\$ 57,693	\$ 63,750	\$ -	90.50%

Total Personnel Expenses

\$ 184,972	\$ 217,750	\$ -	\$ 32,705	84.95%
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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.	2,682	5,000	2,318	53.65%
Subtotal Operating Expenses	\$ 6,893	\$ 22,000	\$ -	31.33%

Total Departmental Expenses

\$ 191,865	\$ 239,750	\$ -	\$ 47,812	80.03%
------------	------------	------	-----------	--------

**Palmdale Water District**  
**2013 Human Resources Budget**  
For the Ten Months Ending Thursday, October 31, 2013

	YTD ACTUAL 2013	ORIGINAL BUDGET 2013	ADJUSTMENTS 2013	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-08-4000-000 Salaries	\$ 69,749	\$ 84,000		\$ 14,251	83.03%
Employee Benefits					
1-08-4005-000 Payroll Taxes	5,336	6,500		1,164	82.09%
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)	\$ 5,336	\$ 40,500	\$ -	\$ 35,164	13.17%
Total Personnel Expenses	\$ 75,085	\$ 124,500	\$ -	\$ 49,415	60.31%
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*	46,673	-	48,300	1,627	
1-08-4095-000 Employee Recruitment	2,320	3,000		680	77.34%
1-08-4100-000 Employee Retention	1,457	1,500		43	97.12%
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	23,028	38,000		14,972	60.60%
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	5,363	33,500		28,137	16.01%
Subtotal Operating Expenses	\$ 82,566	\$ 85,100	\$ 48,300	\$ 50,834	61.89%
Total Departmental Expenses	\$ 157,651	\$ 209,600	\$ 48,300	\$ 100,249	61.13%

\* Budget adjustments by General Manager per Appendix A



**Palmdale Water District**  
**2013 Information Technology Budget**  
For the Ten Months Ending Thursday, October 31, 2013

	YTD ACTUAL 2013	ORIGINAL BUDGET 2013	ADJUSTMENTS 2013	ADJUSTED BUDGET REMAINING	PERCENT USED
<b>Personnel Budget:</b>					
1-09-4000-000 Salaries	\$ 172,284	\$ 204,000		\$ 31,716	84.45%
1-09-4000-100 Overtime	1,660	2,500		840	66.41%
Subtotal (Salaries)	\$ 173,944	\$ 206,500		\$ 32,556	84.23%
<b>Employee Benefits</b>					
1-09-4005-000 Payroll Taxes	14,006	16,000		1,994	87.54%
1-09-4010-000 Health Insurance	34,686	41,250		6,564	84.09%
1-09-4015-000 PERS	33,736	39,250		5,514	85.95%
Subtotal (Benefits)	\$ 82,428	\$ 96,500	\$ -	\$ 14,072	85.42%
Total Personnel Expenses	\$ 256,372	\$ 303,000	\$ -	\$ 45,788	84.61%
<b>OPERATING EXPENSES:</b>					
1-09-4050-000 Staff Travel	\$ 997	\$ 3,000		2,003	33.23%
1-09-4060-000 Staff Conferences & Seminars	11,402	15,000		3,598	76.01%
1-09-4155-300 Contracted Services - Computer Vendors	46,251	108,000	(55,500)	6,249	88.10%
1-09-4165-000 Memberships/Subscriptions	-	500		500	0.00%
1-09-4270-000 Telecommunications	43,447	-	55,500	12,053	78.28%
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	1,137	3,000		1,863	37.90%
1-09-8000-600 Computer Equipment - Other	8,352	35,000		26,648	23.86%
1-09-8100-100 Computer Software - Maint. and Support	35,072	70,000		34,928	50.10%
1-09-8100-140 Computer Software - Starnik	79,000	86,000		7,000	91.86%
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	\$ 263,106	\$ 425,000	\$ -	\$ 161,894	61.91%
Total Departmental Expenses	\$ 519,479	\$ 728,000	\$ -	\$ 207,682	71.36%

# ENGINEERING DEPARTMENT COMMITTED CONTRACTS AND PAYOUT SCHEDULE - DECEMBER, 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	\$ 23,840
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			\$ 8,887	
600-12								\$ 79,900				
RCP04												
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	\$ 0	\$ 8,887	\$ 0

# WATER QUALITY FUND COMMITTED CONTRACTS AND PAYOUT SCHEDULE - DECEMBER, 2013

## Water Quality Fund - Commitment and Payout Summary

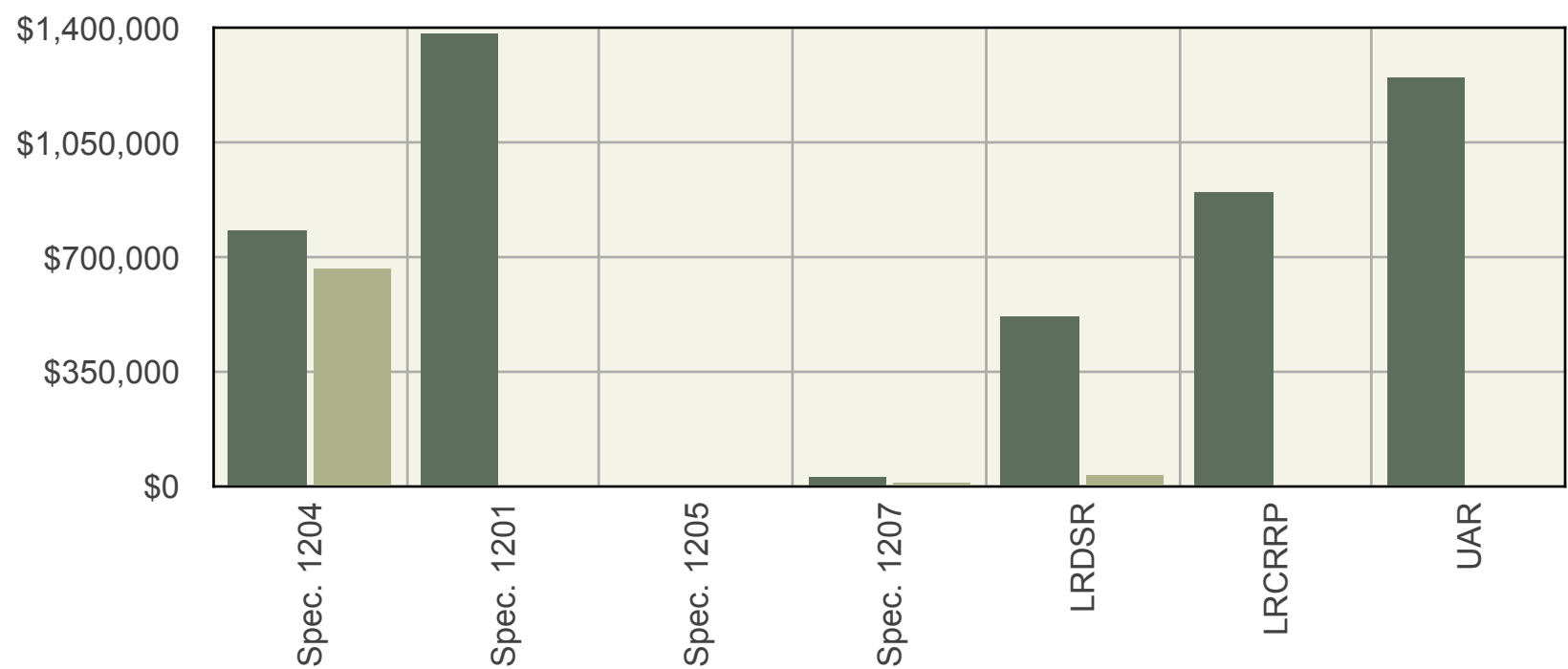
Project ID	Description	Contractor/Consultant/ Supplier	Contractual Commitment	Payout to Date
WQF-1	GAC Replacement @ WTP - CX Reactivated	Siemens	\$ 217,705	\$ 217,705
WQF-2	GAC Replacement @ WTP	Calgon Carbon	\$ 868,432	\$ 868,432
WQF-3	Localized GAC @ Underground Booster Station - Vessel	Prominent	\$ 88,812	\$ 0
WQF-4	Localized GAC @ Underground Booster Station - Site Improvements	BV Construction	\$ 114,975	\$ 114,957
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										\$ 217,705		
WQF-2					\$ 216,776		\$ 216,828	\$ 216,828		\$ 218,000		
WQF-3												\$ 88,812
WQF-4						\$ 46,542					\$ 47,500	\$ 20,933
WQF-5						\$ 6,075						
WQF-6												\$ 38,405
Totals:	\$ 0	\$ 0	\$ 0	\$ 0	\$ 216,776	\$ 52,617	\$ 216,828	\$ 216,828	\$ 0	\$ 435,705	\$ 47,500	\$ 148,150



● Contractual Commitment 
 ● Uncommitted Bond \$ 
 ■ Contractual Commitment 
 ■ Payout to Date



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	\$668,043	(\$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	\$37,965	\$459,075
LRCRRP	400-12	Littlerock Recharge and Recovery (Feasibility)	TBD	\$1,500,000	\$899,493	\$0	\$600,507
UAR	TBD	Upper Amargosa Recharge (Project Capacity)	11/20/12	\$1,250,000	\$1,250,000	\$0	\$0
Totals:				\$8,500,000	\$4,857,827	\$715,116	\$3,642,173

[illegible]

# **PALMDALE WATER DISTRICT BOARD MEMORANDUM**

**DATE:** December 5, 2013 **December 11, 2013**  
**TO:** BOARD OF DIRECTORS **Regular Board Meeting**  
**FROM:** Mr. Bob Egan, Financial Advisor  
**RE:** ***AGENDA ITEM NO. 8.5 – CONSIDERATION AND POSSIBLE ACTION  
ON RESOLUTION NO. 13-14 ESTABLISHING THE PALMDALE  
WATER DISTRICT’S INVESTMENT POLICY***

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**Recommendation:**

It is recommended that the Board of Directors approve Resolution No. 13-14 establishing the Palmdale Water District’s Investment Policy.

**Background:**

It is required by law for the District to adopt an annual Investment Policy. There are no recommended changes from the previous Investment Policy. The Policy is to invest funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the District and conforming to all statutes governing the investment of District funds with the primary objectives of the investment activities being safety, liquidity, and return on investments.

**Strategic Plan Element:**

6.0 Financial Management

**Budget:**

Adoption of Resolution No. 13-14 will have no financial impact.

**Supporting Documents:**

- Resolution No. 13-14

## **RESOLUTION NO. 13-14**

### **A RESOLUTION OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT ESTABLISHING ITS INVESTMENT POLICY**

#### **1.0 POLICY**

**WHEREAS;** the Legislature of the State of California has declared that the deposit and investment of public funds by local officials and local agencies is an issue of statewide concern; and

**WHEREAS;** the legislative body of a local agency may invest monies not required for the immediate necessities of the local agency in accordance with the provisions of California Government Code Sections 5922 and 53601 et seq.; and

**WHEREAS;** the Deputy Treasurer of the Palmdale Water District ("District") shall annually prepare and submit a statement of investment policy and such policy, and any changes thereto, and report same to the Finance Committee, and it shall be considered by the Board of Directors at a public meeting;

**NOW THEREFORE;** it shall be the policy of the District to invest funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the District and conforming to all statutes governing the investment of District funds.

#### **2.0 SCOPE**

This investment policy applies to all financial assets of the District. These funds are accounted for in the annual district audit.

#### **3.0 PRUDENCE**

Investments shall be made with judgment and care, under circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the District, which persons of prudence, discretion and intelligence exercise in the management of their own affairs; not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. The standard of prudence to be used by investment officials shall be the "prudent investor" standard (California Government Code 53600.3) and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.



#### **4.0     OBJECTIVES**

When investing, reinvesting, purchasing, acquiring, exchanging, selling and managing public funds, the primary objectives, in priority order, of the investment activities shall be:

1.     Safety: Safety of principal is the foremost objective of the investment program. Investments of the District shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

2.     Liquidity: The investment portfolio will remain sufficiently liquid to enable the District to meet all operating requirements which might be reasonably anticipated.

3.     Return on Investments: The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and the cash flow characteristics of the portfolio.

#### **5.0     DELEGATION OF AUTHORITY**

The authority to invest public funds is expressly delegated to the Board of Directors. The Board re-delegates the investment function to the Board President or Vice President and the Deputy Treasurer. The Board President or Vice President designate the District's Financial Advisor as the Deputy Treasurer who shall have the authority to act on behalf of the District with the concurrence of the Board Finance Committee.

The investment of the District's monies is annually delegated by the Board of Directors to the Board President or Vice President and Deputy Treasurer (District Financial Advisor) who shall thereafter assume full responsibility for those transactions until the delegation is revoked or expires. The Board President or Vice President shall delegate the day-to-day operations of investing to the Deputy Treasurer, but not the responsibility for the overall investment program. All transactions will be reviewed by the Finance Committee on a monthly basis to assure compliance with the Investment Policy. (California Government Code Section 53607.)

#### **6.0     ETHICS AND CONFLICTS OF INTEREST**

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

## **7.0 AUTHORIZED FINANCIAL INSTITUTIONS AND DEALERS**

The Deputy Treasurer will maintain a list of financial institutions, selected on the basis of credit worthiness, financial strength, experience and minimal capitalization authorized to provide investment services. In addition, a list will also be maintained of approved security broker/dealers selected by credit worthiness who are authorized to provide investment and financial advisory services in the State of California. No public deposit shall be made except in a qualified public depository as established by state laws.

For brokers/dealers of government securities and other investments, the District shall select only broker/dealers who are licensed and in good standing with the California Department of Securities, the Securities and Exchange Commission, the Financial Industry Regulatory Authority (FINRA) or other applicable self-regulatory organizations.

Before engaging in investment transactions with a broker/dealer, the Deputy Treasurer shall have received from said firm a signed Certification Form. This form shall attest that the individual responsible for the District's account with that firm has reviewed the District's Investment Policy and that the firm understands the policy and intends to present investment recommendations and transactions to the District that are appropriate under the terms and conditions of the Investment Policy.

## **8.0 AUTHORIZED AND SUITABLE INVESTMENTS**

The District is empowered by California Government Code 53601 et seq. to invest in the following:

- a. Bonds issued by the District.
- b. United States Treasury Bills, Notes and Bonds.
- c. Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by, or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.
- d. Negotiable certificates of deposit issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by Section 5102 of the Financial Code), or by a state-licensed branch of a foreign bank. Purchases of negotiable certificates of deposit may not exceed 30% of the District's money which may be invested pursuant to this policy.
- e. Monies held by a trustee or fiscal agent and pledged to the payment or security of bonds or other indebtedness, or obligations under a lease, installment sale, or other agreement of a local agency, or certificates of participation in those bonds, indebtedness, or lease installment sale, or other agreements, may be invested in accordance with the statutory provisions governing the issuance of those bonds, indebtedness, or lease

installment sale, or other agreement, or to the extent not inconsistent therewith or if there are no specific statutory provisions, in accordance with the ordinance, resolution, indenture, or agreement of the local agency providing for the issuance.

- f. Bonds, notes, warrants or other evidence of debt issued by a local agency within the State of California, including pooled investment accounts sponsored by the State of California, County Treasurers, other local agencies or Joint Powers Agencies.

Such investments shall be limited to securities that at the time of the investment have a term remaining to maturity of five years or less, or as provided above.

The District shall not invest any funds covered by this Investment Policy in inverse floaters, range notes, interest-only strips derived from mortgage pools or any investment that may result in a zero interest accrual if held to maturity.

#### **9.0 COLLATERALIZATION**

All certificates of deposit must be collateralized by United States Treasury Obligations. Collateral must be held by a third party trustee and valued on a monthly basis. The percentage of collateralizations on repurchase and reverse agreements will adhere to the amount required under California Government Code 53601(i)(2).

#### **10.0 SAFEKEEPING AND CUSTODY**

All security transactions entered into by the District shall be conducted on delivery-versus-payment (DVP) basis. All securities purchased or acquired shall be delivered to the District by book entry, physical delivery or by third party custodial agreement.

#### **11.0 DIVERSIFICATION**

The District will diversify its investments by security type and institution. Assets shall be diversified to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer or a specific class of securities.

Diversification strategies shall be reviewed and revised periodically. In establishing specific diversification strategies, the following general policies and constraints shall apply:

- a. Portfolio maturity dates shall be matched versus liabilities to avoid undue concentration in a specific maturity sector.
- b. Maturities selected shall provide for stability of income and liquidity.



- c. Disbursement and payroll dates shall be covered through maturities of investments, marketable United States Treasury bills or other cash equivalent instruments such as money market mutual funds.

## **12.0 REPORTING**

The Deputy Treasurer, after review by the Finance Committee, shall submit to each member of the Board of Directors an investment report at least quarterly. The report shall include a complete description of the portfolio, the type of investments, the issuers, maturity dates, par values and the current market values of each component of the portfolio, including funds managed for District by third party contracted managers. The report will also include the source of the portfolio valuation. For funds which are placed in LAIF, FDIC-insured accounts and/or in a county investment pool, the foregoing report elements may be replaced by copies of the latest statements from such institutions. The report must also include a certification that (1) all investment actions executed since the last report have been made in full compliance with the Investment Policy, and (2) the District will meet its expenditure obligations for the next six months. The Deputy Treasurer shall maintain a complete and timely record of all investment transactions.

## **13.0 INVESTMENT POLICY ADOPTION**

The Investment Policy shall be adopted by resolution of the District. Moreover, the Policy shall be reviewed on an annual basis, and modifications must be approved by the Board of Directors.

**PASSED, APPROVED, AND ADOPTED** at a Regular Meeting of the Board of Directors of Palmdale Water District held on December 11, 2013. Resolution No. 13-14 was adopted by the following vote:

**AYES:**

**NOES:**

**ABSTAIN:**

---

President, Board of Directors  
Palmdale Water District

ATTEST:

---

Secretary of the Board of Directors

STATE OF CALIFORNIA                    )  
  )  
COUNTY OF LOS ANGELES            )           ss.

I, \_\_\_\_\_, Secretary of the Palmdale Water District, DO  
HEREBY CERTIFY that the foregoing is a full, true and correct copy of Resolution No.  
13-14 of the Board of Directors of Palmdale Water District adopted at a Regular Meeting  
held on December 11, 2013 and that the same has not been amended or  
repealed.

\_\_\_\_\_  
Secretary, Board of Directors  
Palmdale Water District

DATED: \_\_\_\_\_

(S E A L)



UBS Financial Services Inc.  
777 S. Figueroa Street, Suite 5200  
Los Angeles, CA 90017-5519  
Tel. 213-253-5236  
Fax 855-889-4005  
Toll Free 800-624-9289  
mike.giordano@ubs.com

Michael R. Giordano, CIMA®  
Senior Vice President - Investments

[www.ubs.com](http://www.ubs.com)

December 4, 2013

Finance Committee  
Palmdale Water District  
2029 East Avenue Q  
Palmdale, CA 93550

Dear Sirs:

This letter certifies that I have read and understand the Palmdale Water District Investment Policy. I will present investment recommendations and transactions that are appropriate under its terms and conditions.

Sincerely,

A handwritten signature in cursive script, reading "Michael R. Giordano".

Michael R. Giordano- CIMA  
Senior Vice President- Investments

A handwritten signature in cursive script, reading "James M. Giordano".

James M. Giordano- CFP, CRPS  
Vice President- Investments

**RE:     *AGENDA ITEM NO. 8.6 – CONSIDERATION AND POSSIBLE ACTION  
ON ADOPTION OF 2014 BUDGET.***

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



**CSDA HOW TO BE AN EFFECTIVE BOARD MEMBER**  
**CONFERENCE**  
**various dates and locations**

NAME: \_\_\_\_\_

ADVANCE REGISTRATION DEADLINE: \_\_\_\_\_

MEALS:     \_\_\_ YES       SPOUSE:     \_\_\_ YES       SPOUSES' TOUR:     \_\_\_ YES  
             \_\_\_ NO       \_\_\_ NO                               \_\_\_ NO

**DEPARTMENTAL TRAVEL BUDGET:**

REGISTRATION: \_\_\_\_\_ TRAVEL: \_\_\_\_\_

TOTAL REMAINING BALANCE: \_\_\_\_\_

**PROPOSED EXPENSES:**   Registration:     \_\_\_\_\_  
                              Transportation:   \_\_\_\_\_  
                              Meals:\*           \_\_\_\_\_  
                              Miscellaneous:   \_\_\_\_\_  
                              TOTAL:           \_\_\_\_\_

\*DIRECTORS: Expenses are outlined in Section 4.06.1 of the District's Rules and Regulations.

\*FOR STAFF: Meal limitations are outlined on pages 30 and 31 of the District's Employee Manual.  
                  Please review these limitations.

**HOTEL ACCOMMODATIONS:**   \_\_\_ YES   \_\_\_ NO   REGISTRATION DEADLINE: \_\_\_\_\_

ARRIVAL DATE/TIME: \_\_\_\_\_ DEPARTURE DATE/TIME: \_\_\_\_\_

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

**AIRLINE RESERVATIONS:**   \_\_\_ YES   \_\_\_ NO

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

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

SUPERVISOR APPROVAL: \_\_\_\_\_ DATE: \_\_\_\_\_



**California Special  
Districts Association**  
*Districts Stronger Together*

MEETS AB1234  
**ETHICS TRAINING  
REQUIREMENT**

# How to be an **EFFECTIVE BOARD MEMBER**

**An essential workshop for both  
experienced and newly elected/appointed  
special district officials.**

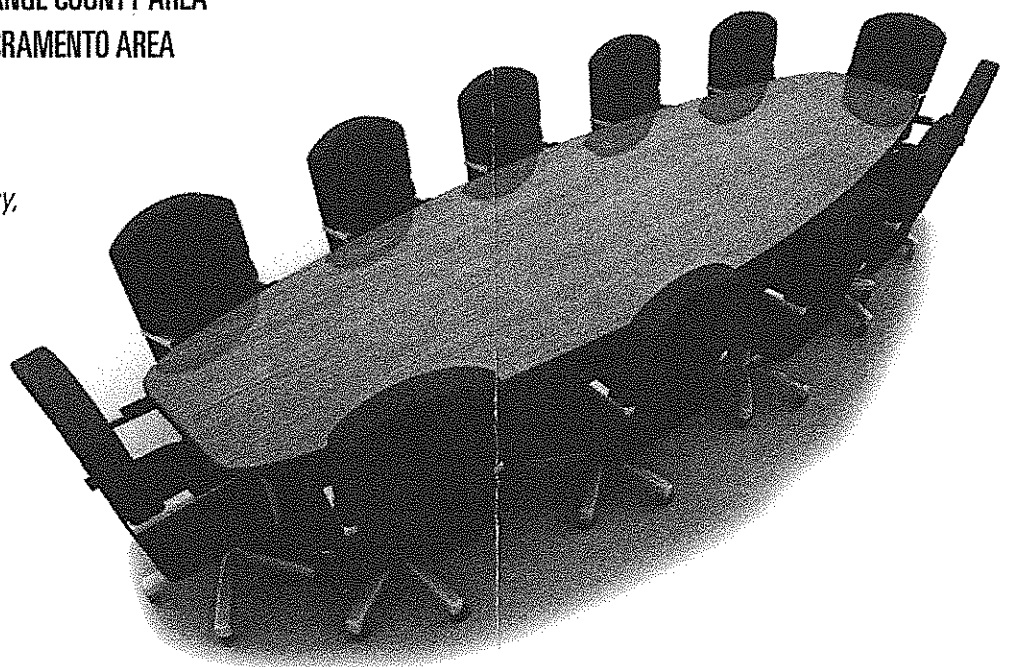
**JANUARY 16, 2014 — SAN LUIS OBISPO AREA**

**JANUARY 23, 2014 — ORANGE COUNTY AREA**

**JANUARY 30, 2014 — SACRAMENTO AREA**

*Get current on major  
issues facing districts:  
propositions, transparency,  
accountability, legal  
and more!*

*Credit Incentive Points can  
be earned for members of  
the Special District Risk  
Management Authority  
(SDRMA), based on the agency's  
attendance at these workshops.*





**California Special  
Districts Association**  
*Districts Stronger Together*

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## Cost

Member - \$225

Non-member - \$375

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## Dates and Locations

- ▶ **January 16, 2014** - San Luis Obispo Area  
Templeton CSD Community Center  
601 South Main Street  
Templeton, CA 93465
- ▶ **January 23, 2014** - Orange County Area  
Municipal Water District of Orange County  
18700 Ward Street  
Fountain Valley, CA 92708-0895
- ▶ **January 30, 2014** - Sacramento Area  
California District Attorneys Association  
921 11th Street, Suite 300  
Sacramento, CA 95814

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## Agenda

**8:30 – 9:00 a.m.**

Registration

**9:00 a.m. – 4:00 p.m.**

- New Board Member Orientation
- Essential Components of Effective Meetings
- The Role of the Board Member
- Lunch Break from 12:00 – 1:00 p.m.  
*(Lunch provided by the California Special Districts Alliance: a collaborative partnership between the California Special Districts Association, CSDA Finance Corporation and the Special District Risk Management Authority)*
- Legislative and Community Advocacy
- The Brown Act, Ethics, Conflict of Interest Issues

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## Registration information

Visit [www.csda.net](http://www.csda.net) or call (877) 924-2732.

---

## Credit Incentive Points

Credit Incentive Points can be earned for members of the Special District Risk Management Authority, based on the agency's attendance at these workshops.



## A PERSONAL COMMITMENT TO YOUR SPECIAL DISTRICT!

Leading a special district as an experienced or newly elected/appointed official is both exciting and challenging. You have accepted the responsibility of representing your constituents and customers in the most effective and professional manner possible. This will demand that you acquire or maintain the necessary skills to govern a special district.

The How To Be An Effective Board Member training has been designed specifically for special district board members and board chairs/presidents in order to provide the tools, background and overall knowledge necessary to help navigate the first year of governing a special district and to be an effective leader.

Unique to this series of trainings is the programs have been developed by special districts for special districts. Newly seated directors/trustees should take advantage of this opportunity to come together at this educational experience.

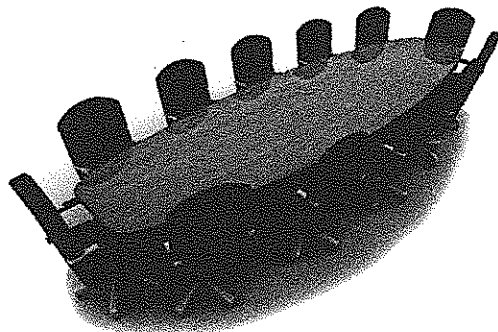
## RELATED OPPORTUNITIES



CSDA's Special District Leadership Academy is the advanced training that follows the How To Be An Effective Board Member workshop. The academy, which was created to provide governance training to special district officials, consists of four curriculum-based courses including:

- Governance Foundations
- Setting Direction/Community Leadership
- Board's Role in Finance & Fiscal Accountability
- Board's Role in Human Resources

The How To Be An Effective Board Member training program is meant to give attendees an introduction and overview of these topics. The Academy will take the major components one step further to deliver a more in-depth understanding. **Go to [www.csdanet.net](http://www.csdanet.net) to find out more.**



### Special District Leadership Foundation

#### *Districts of Distinction Accreditation:*

Showcase your commitment to excellence.

This workshop qualifies for six hours of governance training toward the District of Distinction designation.

For more information on the Special District Leadership Foundation (SDFL) and its programs visit [www.sdlf.org](http://www.sdlf.org).

### Other Education

Webinars are an easy and inexpensive way to receive information regarding special districts governance without incurring travel costs. Webinars of special interest to board members include:

- Must Have Communication Protocols for District Board Members & Staff
- Required Ethics Compliance Training – AB1234
- Rules of Order Made Easy!
- Spot the Fraud! Fraud Detection/Prevention for Special Districts
- The Essential Guide to the Brown Act
- Understanding Board Member & District Liability Issues

Visit [www.csdanet.net](http://www.csdanet.net) and click on the Education Calendar to learn more about the workshops and webinars offered through CSDA.

**Get the information and training that ALL board members should have...REGISTER TODAY!**



**An essential workshop for both experienced and newly elected/appointed special district officials.**

## BOARD MEMBER TRAINING

An experienced or newly elected/appointed official should have a solid understanding of what the role entails as well as a complete understanding of the laws that must be followed. This training provides attendees with valuable information and the tools they need to effectively govern and advocate on their district's behalf.

*"Liked all of it. All parts were informative and interesting."*

-- Previous attendee

## ATTENDEES WILL LEAVE THIS WORKSHOP UNDERSTANDING:

A board member's roles and responsibilities:

- Fiscal accountability
- Understanding audits
- Budgets
- Team building and building consensus
- Developing district policies and strategic thinking

## THREE WAYS TO REGISTER

- Mail or fax this form (one form per person) to:  
CSDA, 1112 I Street, Suite 200, Sacramento, CA 95814  
(916) 442-7889 fax
- Register online at [www.csda.net](http://www.csda.net)

Registration must include payment in order to be processed.  
Questions: Please call 877.924.2732.

## HOW TO BE AN EFFECTIVE BOARD MEMBER REGISTRATION

PLEASE MAKE THE PROPER SELECTIONS BELOW.

### Dates and Locations

☐ **January 16, 2014**  
Templeton CSD Community Center  
Templeton, CA 93465

☐ **January 23, 2014**  
Municipal Water District of Orange County  
Fountain Valley, CA 92708

☐ **January 30, 2014**  
California District Attorneys Association  
Sacramento, CA 95814

Member Status and Pricing		
<input type="checkbox"/> \$225 - Member <input type="checkbox"/> \$375 - Non-member		
Name/Title:		
District:		
Address:		
City:	State:	ZIP:
Phone:	Fax:	
Email:		
Payment		
<input type="checkbox"/> Check <input type="checkbox"/> Visa <input type="checkbox"/> MasterCard <input type="checkbox"/> Discover <input type="checkbox"/> American Express		
Acct. name:	Acct. Number:	
Expiration date:	Authorized Signature:	
Special Needs		
<input type="checkbox"/> Vegetarian <input type="checkbox"/> Other:		
Cancellations must be made IN WRITING and received via fax or mail no later than three days prior to the seminar. All cancellations made within the specified time will be refunded less a \$25 processing fee.		

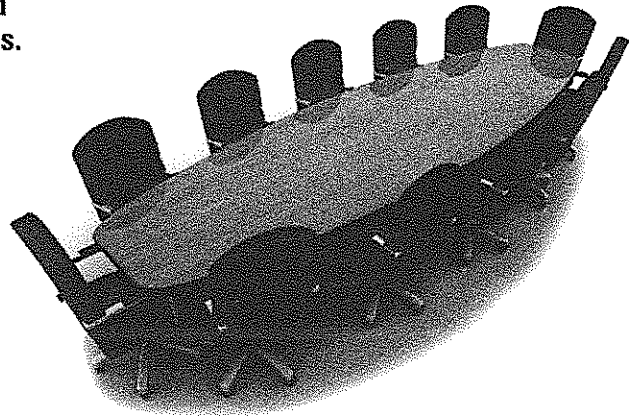
# HOW TO BE AN EFFECTIVE BOARD MEMBER

An essential workshop for both experienced and newly elected/appointed special district officials.

JANUARY 16, 2014 — SAN LUIS OBISPO AREA

JANUARY 23, 2014 — ORANGE COUNTY AREA

JANUARY 30, 2014 — SACRAMENTO AREA



Questions or comments? Call us toll-free - 877.924.2732

You may also register online at: [www.csda.net](http://www.csda.net)

RECEIVED  
NOV 15 2013

California Special Districts Association  
1112 I Street, Suite 200  
Sacramento, CA 95814



**CSDA SPECIAL DISTRICT LEADERSHIP ACADEMY MODULE 1 –**  
**GOVERNANCE FOUNDATIONS**  
**various dates and locations**

NAME: \_\_\_\_\_

ADVANCE REGISTRATION DEADLINE: \_\_\_\_\_

MEALS:    ☐ YES      SPOUSE:    ☐ YES      SPOUSES' TOUR:    ☐ YES  
             ☐ NO                                ☐ NO                                ☐ NO

**DEPARTMENTAL TRAVEL BUDGET:**

REGISTRATION: \_\_\_\_\_ TRAVEL: \_\_\_\_\_

TOTAL REMAINING BALANCE: \_\_\_\_\_

**PROPOSED EXPENSES:**    Registration: \_\_\_\_\_  
   Transportation: \_\_\_\_\_  
   Meals:\*                                \_\_\_\_\_  
   Miscellaneous: \_\_\_\_\_  
   TOTAL: \_\_\_\_\_

\*DIRECTORS: Expenses are outlined in Section 4.06.1 of the District's Rules and Regulations.

\*FOR STAFF: Meal limitations are outlined on pages 30 and 31 of the District's Employee Manual.

Please review these limitations.

**HOTEL ACCOMMODATIONS:**    ☐ YES    ☐ NO    REGISTRATION DEADLINE: \_\_\_\_\_

ARRIVAL DATE/TIME: \_\_\_\_\_ DEPARTURE DATE/TIME: \_\_\_\_\_

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

**AIRLINE RESERVATIONS:**    ☐ YES    ☐ NO

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

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

SUPERVISOR APPROVAL: \_\_\_\_\_ DATE: \_\_\_\_\_

**Governance Foundations (SDRMA Safety/Claims Day)**

Instructor: David Aranda, North of the River  
Municipal Water District

[Back](#)[Register](#)

Governance Foundations, the first of four modules and the core of the Special District Leadership Academy series, provides the basic information needed by board members, general managers and staff to build an effective and functional governance team. This course teaches the foundational knowledge and skills that identify and define the essential building blocks of a successful board. Directors will learn to develop a unity of purpose; understand the board's role in the district; build a strong, positive, functional board culture; and organize the formal structure of the board.

09:00 am - 04:00 pm

Free SDRMA Member  
\$125 CSDA Member

Sign up for all four academy courses and save \$\$\$  
CSDA Member - \$800, Non-Member - \$1400  
Call CSDA at (877) 924-2732

Cancellations must be made IN WRITING and received via fax, mail, or email no later than three days prior to the seminar. All cancellations made within the specified time will be refunded less a \$25 processing fee. 08:30 am - 09:00 am Sign-in & Registration 09:00 am - 12:00 pm Workshop 12:00 pm - 01:00 pm Lunch 01:00 pm - 04:00 pm Workshop

**Start Date:** Tuesday, March 18, 2014

**End Date:** Tuesday, March 18, 2014

**Coordinators:** Sharon Foster, Professional Development Assistant -  
sharonf@csda.net

**Address:** Hilton Sacramento Arden West  
2200 Harvard Street  
Sacramento, CA 95815

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**Pre-Conference - Governance Foundations**[Back](#)[Register](#)

Instructor: David Aranda, North of the River  
Municipal Water District

Governance Foundations, the first of four modules and the core of the Special District Leadership Academy series, provides the basic information needed by board members, general managers and staff to build an effective and functional governance team. This course teaches the foundational knowledge and skills that identify and define the essential building blocks of a successful board. Directors will learn to develop a unity of purpose; understand the board's role in the district; build a strong, positive, functional board culture; and organize the formal structure of the board.

09:00 am - 04:00 pm

\$225 CSDA Member  
\$375 Non-Member

Sign up for all four academy courses and save \$\$\$  
CSDA Member - \$800, Non-Member - \$1400  
Call CSDA at (877) 924-2732

Cancellations must be made IN WRITING and received via fax, mail, or email no later than three days prior to the seminar. All cancellations made within the specified time will be refunded less a \$25 processing fee. 08:30 am - 09:00 am Sign-in & Registration 09:00 am - 12:00 pm Workshop 12:00 pm - 01:00 pm Lunch (On Your Own) 01:00 pm - 04:00 pm Workshop

**Start Date:** Monday, September 29, 2014

**End Date:** Monday, September 29, 2014

**Coordinators:** Sharon Foster, Education Assistant - sharonf@csda.net

**Address:** Renaissance Palm Springs Hotel  
888 East Tahquitz Canyon Way  
Palm Springs, CA 92262

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**CSDA SPECIAL DISTRICT LEADERSHIP ACADEMY MODULE 2 –**  
**SETTING DIRECTION/COMMUNITY LEADERSHIP**  
**various dates and locations**

NAME: \_\_\_\_\_

ADVANCE REGISTRATION DEADLINE: \_\_\_\_\_

MEALS:         YES        SPOUSE:         YES        SPOUSES' TOUR:         YES  
                  NO                                     NO                                     NO

**DEPARTMENTAL TRAVEL BUDGET:**

REGISTRATION: \_\_\_\_\_ TRAVEL: \_\_\_\_\_

TOTAL REMAINING BALANCE: \_\_\_\_\_

**PROPOSED EXPENSES:**    Registration: \_\_\_\_\_  
   Transportation: \_\_\_\_\_  
   Meals:\*                                \_\_\_\_\_  
   Miscellaneous: \_\_\_\_\_  
   TOTAL:                                \_\_\_\_\_

\*DIRECTORS: Expenses are outlined in Section 4.06.1 of the District's Rules and Regulations.

\*FOR STAFF: Meal limitations are outlined on pages 30 and 31 of the District's Employee Manual.  
   Please review these limitations.

**HOTEL ACCOMMODATIONS:**         YES         NO    REGISTRATION DEADLINE: \_\_\_\_\_

ARRIVAL DATE/TIME: \_\_\_\_\_ DEPARTURE DATE/TIME: \_\_\_\_\_

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

**AIRLINE RESERVATIONS:**         YES         NO

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

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

SUPERVISOR APPROVAL: \_\_\_\_\_ DATE: \_\_\_\_\_

## Setting Direction/Community Leadership

Instructor: Martin Rauch, Rauch Communications Consultants, Inc.

This workshop provides a step-by-step discourse of the board and senior management's position in establishing the vision, mission and strategic goals of the district. Discuss why the process of setting direction is important and how it benefits the district, understand the importance of being future-oriented and to think strategically, learn to transition from individual board member to members of a governance team, understand the sequence of steps needed to set the direction of the governance team. It will also address the importance of board leadership and duty to provide information to the public on essential services offered to the community.

08:30 am - 09:00 am Sign-in & Registration  
 09:00 am - 12:00 pm Workshop  
 12:00 pm - 01:00 pm Lunch (On Your Own)  
 01:00 pm - 04:00 pm Workshop

\$225 CSDA Member, \$375 Non-Member

Sign up for all four academy courses and save \$\$\$  
 \$800 CSDA Member  
 \$1400 Non-Member

Cancellations must be made IN WRITING and received via fax, mail, or email no later than three days prior to the seminar. All cancellations made within the specified time will be refunded less a \$25 processing fee. 08:30 am - 09:00 am Sign-in & Registration 09:00 am - 12:00 pm Workshop 12:00 pm - 01:00 pm Lunch (On Your Own) 01:00 pm - 04:00 pm Workshop

**Start Date:** Friday, April 25, 2014

**End Date:** Friday, April 25, 2014

**Coordinators:** Sharon Foster, Professional Development Assistant -  
 sharonf@csda.net

**Address:** Stuart T. Pyle  
 Water Resources Center  
 3200 Rio Mirada Drive  
 Bakersfield, CA 93308

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**Setting Direction/Community Leadership**[Back](#)[Register](#)

Instructor: Brent Ives, BHI Management Consulting

This workshop provides a step-by-step discourse of the board and senior management's position in establishing the vision, mission and strategic goals of the district. Discuss why the process of setting direction is important and how it benefits the district, understand the importance of being future-oriented and to think strategically, learn to transition from individual board member to members of a governance team, understand the sequence of steps needed to set the direction of the governance team. It will also address the importance of board leadership and duty to provide information to the public on essential services offered to the community.

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**Start Date:** Monday, May 19, 2014

**End Date:** Monday, May 19, 2014

**Coordinators:** Sharon Foster, Professional Development Assistant -  
sharonf@csda.net

**Address:** CPS HR Training Center  
241 Lathrop Way, Suite B  
Sacramento, CA 95815

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**CSDA SPECIAL DISTRICT LEADERSHIP ACADEMY MODULE 3 –**  
**BOARD'S ROLE IN FINANCE & FISCAL ACCOUNTABILITY**  
**various dates and locations**

NAME: \_\_\_\_\_

ADVANCE REGISTRATION DEADLINE: \_\_\_\_\_

MEALS:     \_\_\_ YES     SPOUSE:     \_\_\_ YES     SPOUSES' TOUR:     \_\_\_ YES  
             \_\_\_ NO                 \_\_\_ NO                                 \_\_\_ NO

**DEPARTMENTAL TRAVEL BUDGET:**

REGISTRATION: \_\_\_\_\_ TRAVEL: \_\_\_\_\_  
TOTAL REMAINING BALANCE: \_\_\_\_\_

**PROPOSED EXPENSES:**   Registration: \_\_\_\_\_  
                                  Transportation: \_\_\_\_\_  
                                  Meals:\* \_\_\_\_\_  
                                  Miscellaneous: \_\_\_\_\_  
                                  TOTAL: \_\_\_\_\_

\*DIRECTORS: Expenses are outlined in Section 4.06.1 of the District's Rules and Regulations.

\*FOR STAFF: Meal limitations are outlined on pages 30 and 31 of the District's Employee Manual.  
                  Please review these limitations.

**HOTEL ACCOMMODATIONS:**   \_\_\_ YES   \_\_\_ NO   REGISTRATION DEADLINE: \_\_\_\_\_  
ARRIVAL DATE/TIME: \_\_\_\_\_   DEPARTURE DATE/TIME: \_\_\_\_\_

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

**AIRLINE RESERVATIONS:**   \_\_\_ YES   \_\_\_ NO

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

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

SUPERVISOR APPROVAL: \_\_\_\_\_ DATE: \_\_\_\_\_

## Board's Role in Finance & Fiscal Accountability

Instructor: David Aranda, North of the River  
Municipal Water District

[Back](#)

[Register](#)

This course will focus on how to develop a method for approving the district's annual budget, communicate budget information to the public, establish financial goals for the district, review district finances, develop and analyze capital improvement plans and reserve guidelines, comprehend the relationship between district finance and district belief and values as set forth in the district mission and strategic goals.

08:30 am - 09:00 am Sign-in & Registration

09:00 am - 12:00 pm Workshop

12:00 pm - 01:00 pm Lunch (On Your Own)

01:00 pm - 04:00 pm Workshop

\$225 CSDA Member

\$375 Non-Member

Sign up for all four academy courses and save \$\$\$

\$800 CSDA Member

\$1400 Non-Member

Cancellations must be made IN WRITING and received via fax, mail, or email no later than three days prior to the seminar. All cancellations made within the specified time will be refunded less a \$25 processing fee. 08:30 am - 09:00 am Sign-in & Registration 09:00 am - 12:00 pm Workshop 12:00 pm - 01:00 pm Lunch (On Your Own) 01:00 pm - 04:00 pm Workshop

**Start Date:** Tuesday, January 14, 2014

**End Date:** Tuesday, January 14, 2014

**Coordinators:** Sharon Foster, Professional Development Assistant -  
sharonf@csda.net

**Address:** Stuart T. Pyle  
Water Resources Center  
3200 Rio Mirada Drive  
Bakersfield, CA 93308

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**Board's Role in Finance & Fiscal Accountability**

Instructor: David Becker, James Marta & Company

[Back](#)[Register](#)

This course will focus on how to develop a method for approving the district's annual budget, communicate budget information to the public, establish financial goals for the district, review district finances, develop and analyze capital improvement plans and reserve guidelines, comprehend the relationship between district finance and district belief and values as set forth in the district mission and strategic goals.

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**Start Date:** Friday, February 07, 2014

**End Date:** Friday, February 07, 2014

**Coordinators:** Sharon Foster, Professional Development Assistant -  
sharonf@csda.net

**Address:** CPS HR Training Center  
241 Lathrop Way, Suite B  
Sacramento, CA 95815

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**CSDA SPECIAL DISTRICT LEADERSHIP ACADEMY MODULE 4 –**  
**BOARD'S ROLE IN HUMAN RESOURCES**  
**various dates and locations**

NAME: \_\_\_\_\_

ADVANCE REGISTRATION DEADLINE: \_\_\_\_\_

MEALS:    ☐ YES      SPOUSE:    ☐ YES      SPOUSES' TOUR:    ☐ YES  
             ☐ NO                                ☐ NO                                ☐ NO

**DEPARTMENTAL TRAVEL BUDGET:**

REGISTRATION: \_\_\_\_\_ TRAVEL: \_\_\_\_\_  
TOTAL REMAINING BALANCE: \_\_\_\_\_

**PROPOSED EXPENSES:**    Registration: \_\_\_\_\_  
   Transportation: \_\_\_\_\_  
   Meals:\* \_\_\_\_\_  
   Miscellaneous: \_\_\_\_\_  
   TOTAL: \_\_\_\_\_

\*DIRECTORS: Expenses are outlined in Section 4.06.1 of the District's Rules and Regulations.

\*FOR STAFF: Meal limitations are outlined on pages 30 and 31 of the District's Employee Manual.  
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**HOTEL ACCOMMODATIONS:**    ☐ YES    ☐ NO    REGISTRATION DEADLINE: \_\_\_\_\_  
ARRIVAL DATE/TIME: \_\_\_\_\_    DEPARTURE DATE/TIME: \_\_\_\_\_

TYPE OF ACCOMMODATIONS:    \_\_\_\_\_    SINGLE (1 PERSON)  
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**AIRLINE RESERVATIONS:**    ☐ YES    ☐ NO

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

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

SUPERVISOR APPROVAL: \_\_\_\_\_ DATE: \_\_\_\_\_



**Board's Role in Human Resources**

Instructor: Harry Ehrlich, Project Resource Specialists

[Back](#)[Register](#)

This module puts the spotlight on how special district boards interface with district personnel. The workshop will address the board's ongoing relationship with the general manager, a key employee hired by the board; senior staff; and other district staff. It discusses the board's role in evaluating support personnel and the rules and practices regulating its relations with human resources. Participants will learn: to develop guidelines for assessing the performance of the general manager; to determine a protocol for approving board personnel policies; to create a process for approving job descriptions and organizational structure and the confidentiality and legal liabilities of a district board member.

CSDA members: \$225

Non-members: \$375

Sign up for all four academy courses and save \$\$\$

CSDA members: \$800

Non-Members: \$1,400

Cancellations must be made IN WRITING and received via fax, mail, or email no later than three days prior to the seminar. All cancellations made within the specified time will be refunded less a \$25 processing fee. 08:30 am - 09:00 am Sign-in & Registration 09:00 am - 12:00 pm Workshop 12:00 pm - 01:00 pm Lunch (On Your Own) 01:00 pm - 04:00 pm Workshop

**Start Date:** Thursday, February 06, 2014

**End Date:** Thursday, February 06, 2014

**Coordinators:** Sharon Foster, Professional Development Assistant -  
sharonf@csda.net

**Address:** CPS HR Training Center  
241 Lathrop Way, Suite B  
Sacramento, CA 95815

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**Board's Role in Human Resources**[Back](#)[Register](#)

Instructor: David Aranda, North of the River  
Municipal Water District

This module puts the spotlight on how special district boards interface with district personnel. The workshop will address the board's ongoing relationship with the general manager, a key employee hired by the board; senior staff; and other district staff. It discusses the board's role in evaluating support personnel and the rules and practices regulating its relations with human resources. Participants will learn: to develop guidelines for assessing the performance of the general manager; to determine a protocol for approving board personnel policies; to create a process for approving job descriptions and organizational structure and the confidentiality and legal liabilities of a district board member.

CSDA members: \$225

Non-members: \$375

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CSDA members: \$800

Non-Members: \$1,400

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**Start Date:** Friday, March 07, 2014

**End Date:** Friday, March 07, 2014

**Coordinators:** Sharon Foster, Professional Development Assistant -  
sharonf@csda.net

**Address:** Stuart T. Pyle  
Water Resources Center  
3200 Rio Mirada Drive  
Bakersfield, CA 93308

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**MINUTES OF MEETING OF THE PERSONNEL COMMITTEE OF THE PALMDALE  
WATER DISTRICT, OCTOBER 16, 2013:**

*A meeting of the Personnel Committee of the Palmdale Water District was held Monday, October 16, 2013, at 2029 East Avenue Q, Palmdale, California, in the Board Room of the District office. Chair Mac Laren called the meeting to order.*

**1) Roll Call.**

**Attendance:**

Personnel Committee:

Kathy Mac Laren, Chair

Gloria Dizmang, Committee  
Member

**Others Present:**

Dennis LaMoreaux, General Manager

Matt Knudson, Engineering Manager

Tim Moore, Facilities Manager

Mynor Masaya, Treatment Plant Supervisor

Amanda Williams, Water Quality Supervisor

Dennis Hoffmeyer, Senior Accountant

Dawn Deans, Executive Assistant

2 members of the public

**2) Adoption of Agenda.**

It was moved by Committee Member Dizmang, seconded by Chair Mac Laren, 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 September 16, 2013.**

It was moved by Committee Member Dizmang, seconded by Chair Mac Laren, and unanimously carried to approve the minutes of the Personnel Committee meeting held September 16, 2013, as written.

**4.2) Consideration and Possible Action on Removing Freeze on Merit and  
Bonus Incentives. (\$103,000 – Budgeted but Frozen – General Manager LaMoreaux)**

General Manager LaMoreaux provided an overview of a survey conducted by Acting Human Resources Manager Burns on how other agencies determine merit and bonus incentives, and after a brief discussion of the survey results, it was moved by Committee Member Dizmang and seconded by Chair Mac Laren to table this item until the next regular Personnel Committee meeting to allow the Committee an opportunity to review the results.

It was then recommended the Committee confer with Dr. Mathis regarding this item, several employees inquired as to the Committee's specific concerns with the District's merit and bonus incentive program, and after a further discussion, the motion unanimously carried.

**4.3) Consideration and Possible Action on 1% Employee Contribution Toward CalPERS Retirement Effective January 1, 2014. (\$61,000 Savings – General Manager LaMoreaux)**

After a brief discussion of the potential amount of the 2014 cost of living adjustment, it was determined that the District will not be requesting a 1% employee contribution toward CalPERS retirement at this time and that this matter will be considered at a later time through the 2014 budget process.

**4.4) Discussion and Possible Action on Proposed Safety Footwear Policy. (Facilities Manager Moore)**

Facilities Manager Moore provided an overview of the proposed Safety Footwear Policy and background leading to the development of this proposed Policy, and after a brief discussion of several revisions, it was moved by Committee Member Dizmang, seconded by Chair Mac Laren, and unanimously carried that the proposed Safety Footwear Policy, as revised, be presented to the full Board for consideration.

**4.5) Discussion and Possible Action on Development of an Intern Program Including Funding. (Committee Member Dizmang)**

After a brief discussion of the benefits of an intern program, it was determined that this item be tabled until the District hires a Human Resources Manager.

**4.6) Review of PWD Employee Handbook's Alcohol-Drug Free Workplace Section. (Chair Mac Laren)**



After a brief discussion of the District's Alcohol-Drug Free Workplace policy, of several revisions, and of DOT regulations, General Manager LaMoreaux stated that he will work with Attorney Ciampa on updating this policy and present an updated policy to the Committee at a future meeting for consideration.

**5) Project Updates.**

**5.1) Status on Organizational Assessment. (General Manager LaMoreaux)**

General Manager LaMoreaux stated that Department Heads will meet with Dr. Bill Mathis, of The Mathis Group, Monday morning to review draft actions resulting from the recommendations of the Organizational Assessment and that those actions will be part of the General Manager evaluation.

**6) Information Items.**

**6.1) NeoGov Customer Partnership Award. (General Manager LaMoreaux)**

General Manager LaMoreaux presented the Committee with a NeoGov Customer Partnership Award recently presented to the District for the District's innovative ideas on improving the NeoGov system, which the District uses for annual employee evaluations and for the recruitment process.

Chair Mac Laren then stated that she will bring this to the Board's attention at the next regular Board meeting.

He then provided a brief update on the status of hiring a Human Resources Manager.

There were no further information items.

**7) Board Members' Requests for Future Agenda Items.**

There were no requests for future agenda items.

The next Personnel Committee meeting was then scheduled for November 6, 2013 at 6:30 p.m.

8) Adjournment.

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

  
Chair

**MINUTES OF REGULAR MEETING OF THE WATER SUPPLY & RELIABILITY  
COMMITTEE OF THE PALMDALE WATER DISTRICT, OCTOBER 21, 2013:**

*A regular meeting of the Water Supply & Reliability Committee of the Palmdale Water District was held Monday, October 21, 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  
Vincent Dino, PWD Director Elect  
Jon Pernula, Water & Energy Resources 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 October 11, 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 October 11, 2013, as written.

**4.2) 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 stated that water use is slightly higher than budgeted and that staff anticipates 3,180 acre feet of carry-over water

at year-end followed by discussion of variations to this amount based on actual consumption.

**4.3) Consideration and Possible Action on Water Supply Fee. (Engineering Manager Knudson/Water & Energy Resources Manager Pernula)**

Engineering Manager Knudson provided an overview of Resolution No. 13-12 Modifying the Policy Regarding Capital Improvement Fees for New Water Service Connections and Adopting a New Water Supply Fee, staff's recommendation to approve Option 2 for the Water Supply Fee, the amount of the Water Supply Fee, spreading the increase over a two-year period through 2015, and the planned increase based on the Construction Cost Index; requested the Committee's support of staff's recommendation to adopt Resolution No. 13-12 and accept and file the Water Supply Fee analysis prepared by Carollo Engineers; and stated that the District's Rules and Regulations will be revised prior to the Board meeting to reflect staff's recommendation.

Ms. Marta Brown, of the Building Industry Association, then expressed their support of the Water Supply Fee provided Resolution No. 13-12 adopts and references Table H.

After a further discussion, it was moved by Committee Member Dizmang, seconded by Chair Dexter, and unanimously carried that the Committee concurs with staff's recommendations and that the Water Supply Fee be presented to the full Board for consideration at the next regular Board meeting.

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

Water & Energy Resources Manager Pernula informed the Committee that the District has 2,600 acre feet of water in the A.V. Water Bank; that staff continues negotiations on different water banking opportunities with several agencies, including Semitropic and Westside-Dudley Ridge; and that a full report will be provided when available.

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

Water & Energy Resources Manager Pernula reviewed current reservoir conditions and historical averages and stated that an additional 250,000 acre feet of water is in Oroville Reservoir due to a river valve issue; that he anticipates an initial 2014 allocation

of 20%; and that a third amendment to the Delta Habitat Conservation and Conveyance Plan (the Delta fix) funding agreement is anticipated, which will allow a bond opportunity for pre-project planning.

Chair Dexter then stated that at some point the Delta fix places a huge burden on the District's water rates and recommended the public be informed of this potential increase.

**5) Project Updates.**

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

Chair Dexter stated that no Palmdale Recycled Water Authority meeting was held.

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

Water & Energy Resources Manager Pernula stated that water purchase opportunity negotiations are ongoing including contract extension negotiations.

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

Engineering Manager Knudson stated that the aerial and topographic survey of Littlerock Reservoir has been conducted to calculate sediment accumulation and to help with the design of the grade control structure and that the meeting with the Forest Service was cancelled due to the government shutdown and will be rescheduled.

**5) Information Items.**

Water & Energy Resources Manager Pernula stated that he included information in the agenda packet from the Bay Delta Conservation Plan blog regarding desalination.

General Manager LaMoreaux then stated that several hundred acre feet of water remains in Littlerock Reservoir rather than taking the water into Palmdale Lake due to poor water quality.




6) **Board Members' Requests for Future Agenda Items.**

There were no requests for future agenda items.

The next Water Supply & Reliability Committee meeting is scheduled for November 25, 2013 at 5:00 p.m.

7) **Adjournment.**

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

  
\_\_\_\_\_  
Chair