PALMDALE WATER DISTRICT

2013 BUDGET

Approved: January 9, 2013

PALMDALE WATER DISTRICT
2013 BUDGET
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SECTION I
EXECUTIVE SUMMARY

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PALMDALE WATER DISTRICT

Providing High Quality Water to our Current and Future Customers at a Reasonable Cost

2013 BUDGET – EXECUTIVE SUMMARY

FOR: PALMDALE WATER DISTRICT CUSTOMERS AND STAKEHOLDERS

FROM: DENNIS LaMOREAUX, GENERAL MANAGER

Introduction

Thank you for your interest in Palmdale Water District. This document is the proposed 2013 Palmdale Water District Budget. The following Executive Summary provides an overview of the District, its Strategic Plan, and how the 2013 Budget relates to the Strategic Plan.

Palmdale Water District was formed in 1918 by a vote of its customers as a public Irrigation District under the California Water Code. It had previously served the community of Palmdale as various forms of a private company for over 30 years. As a public agency, and in partnership with the neighboring Littlerock Creek Irrigation District, the District financed and built Littlerock Dam to increase water supplies. This remains an important resource today for the District's customers. It also demonstrates how the District's foresight and planning has created a strong foundation for the community of Palmdale.

Palmdale Water District is in its 95th year as a public agency in 2013 and will begin its 96th year in July. The District retains its focus of providing a critical service to its customers through this approved Budget. The focus is identified in the District's Strategic Plan, including the Mission Statement shown in the heading. The Strategic Plan also identifies the Core Values exercised by the District and the Strategic Elements required to accomplish its Mission. The management Strategic Elements provide the framework for the remaining 2013 Budget discussion. They are:

- ✓ ***Financial Management***
- ✓ ***Administrative Management***
- ✓ ***Infrastructure Management***
- ✓ ***Natural Resources Management***
- ✓ ***Personnel Management***

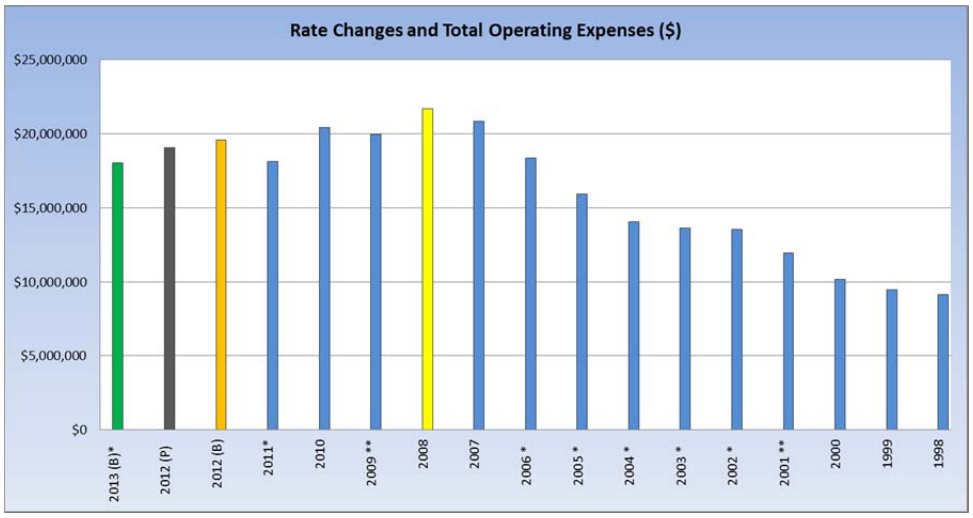
❖ ***Financial Management***

The purpose of the 2013 Budget is to continue financial planning of the public's funds to assure financial stability and demonstrate responsible stewardship of those funds. The District's overall financial position is stable. However, the reserve levels remain low. The 2013 Budget projects a conservative revenue year and maintains reserves at approximately $8.2 million.

Operating Budget

The following is a graph of operating expenditures from 1998 to 2012 and shows the 2013 Budget. The costs shown are the top ten Operating Expense lines from the Income Statement (from Directors to Water Purchases, excluding GAC costs for comparative purposes.)

Fixed versus Variable - The District's fixed costs (those which do not vary based on the amount of water delivered) for 2013 are estimated at $14.09 million. Fixed revenues generated by monthly service fees will generate $11.23 million in revenue, so the remaining $2.86 million in costs must be covered by using revenue from commodity charges.



*Water Rate Increase
(B) Budget

**Water Rate Increase and Water Rate Restructure
(P) Projected

Approved Water Rate Changes and Structure Review

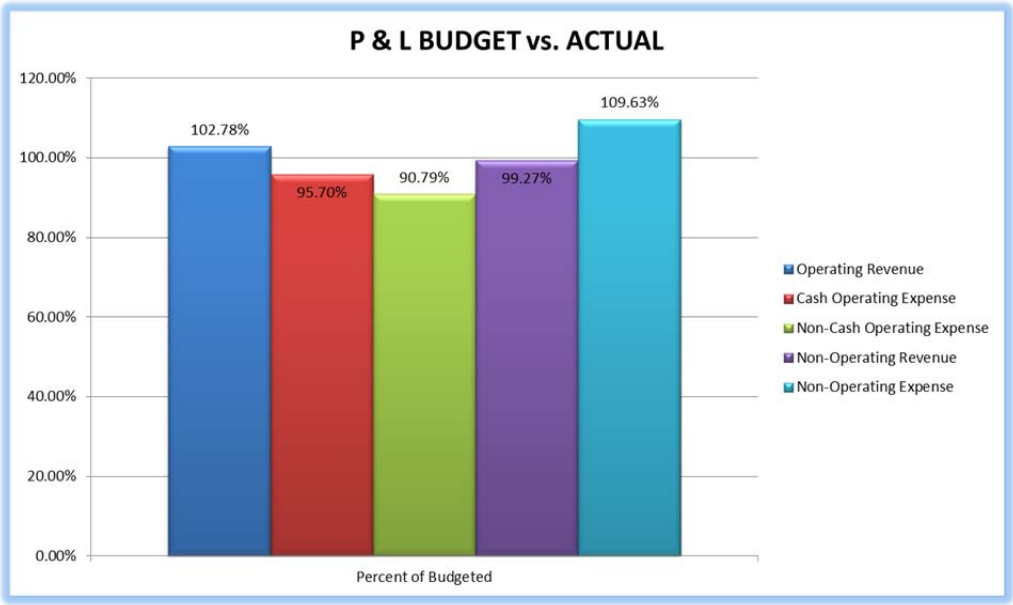
The preceding graph also shows the District's water rate changes and restructuring during the same timeframe. The year 2000 water rate increase and restructuring introduced a five-tier increasing block rate system, an additional four-tiered elevation rate system, and preset increases for the next five years. The year 2005 water rate changes included updates from the year 2000 water rate study and again set five years of preapproved increases. However, in 2006, a California Supreme Court ruling invalidated any further increases without the District following the Proposition 218 procedures to adjust the water rates.

The District completed a Proposition 218 process in May 2009 that included water rate increases and restructured the water rate system. The water rate structure changed to water budgets for District customers that tailored the increasing block tiers to their water needs. This also set out five years of preset water rate increases as had been completed in earlier five-year plans. These consisted of a 14% increase in 2010 and 8% increases in the next four years. Changes in District financing plans and operations costs allowed the Board of Directors to eliminate the 2010 14% increase, reduce the 2011 8% increase to 5%, and eliminate the 2012 8% rate increase.

The 8% increase preset through the 2009 Proposition 218 process for 2013 was enacted by the District in the 2013 Budget. The water rate change affects the meter and commodity charges and leaves the water quality fee the same. The majority of the water rate increase offsets revenue losses from restructuring of the water rate structure due to the completion of legal actions. These will be discussed under the Administrative Management section. The net water bill increase to the District's average customer from this action is 3%. The 2013 Budget also revises and updates the elevation booster charges to reflect actual costs using a running average from the last five-year period.

Analysis of Projected Revenue versus Actual

The 2012 Budget projected operational revenues of $22.04 million. However, a return to normal weather patterns led to a projected revenue amount of $22.32 million. The 2013 Budget is based on a conservative and lesser amount of water being consumed by our customers. The intent of this is to avoid an over projection of revenues in 2013. The operational revenue projection in the 2013 Budget is $23.04 million. The following chart shows the status of District revenues and expenses relative to the 2012 Budget as of December 31, 2012.



Revenue and Expenditure Cash Summary

The 2013 Budget continues to include several tables to assist reviewers in understanding the District's financial plans. The "Summary of Revenue and Expenditures" table (Page 11) shows revenues and expenses on a cash basis. This removes from the financial view those items, which are not cash in nature such as depreciation, post-employment benefits, etc. It also shows in one place the District's use of cash for both operations and capital purposes and the effect on reserve levels. This table shows balanced revenues and expenditures of $21,118,850. This includes a surplus in the District's operations of $1,924,150 and an $874 increase in reserves from $8,192,204 to $8,193,078. A major goal of District staff, in managing the 2013 Budget, is to operate within budget and add more to the reserves.

Funds Analysis

The Board of Directors adopted a funds reserve policy in March, 2009, included in Appendix C. The Funds Analysis tables show the beginning balance for the Board's reserve funds, then the sources and uses for the year, and then the estimated end of year balance for each. For purposes of being thorough, three summary tables are included: 1) the Funds Analysis estimate for the 2012 budget; 2) the Funds Analysis estimate for 2012 year-end; and 3) the Funds Analysis estimate for the proposed 2013 budget.

The Funds Analysis for the 2013 Budget shows $6.33 million in sources. Those sources will enter the various Reserve Funds set aside by the Board with the most significant being:

- $1.60 million to Water Quality with $1.60 million in uses to replace and regenerate GAC, conduct pilot and full scale projects on various media performance, and install localized GAC treatment.

- $533,150 to Asset Replacement for a balance of $2.14 million with $728,000 in budgeted uses leaving a balance of approximately $1,409,534.

- A net decrease of $14,000 to O&M Operating Reserve for needed cash on hand leaving a balance of $4.10 million. This will be less than the reserve policy by providing only 1.5 months instead of three (3) months reserve. (Business interruption insurance is in place to provide for the Reserve Policy minimums in the event of an emergency.)

- $375,000 to Water Supply for a balance of $935,000 with $65,000 in budgeted uses.

❖ ***Administrative Management***

The 2013 Budget continues to support the policies, procedures, and practices needed to operate in an effective manner. This also includes monitoring activities, meeting current and future regulations and requirements, and developing and improving operational efficiencies.

Monitoring Performance Indicators / Benchmarking

The District conducts many activities that are similar to other water agencies in California, the Western USA, and the nation. This allows the District to gauge its activities in relationship to other agencies. This benchmarking is helpful to see what areas of the District's operations stand out as being good or needing improvement. The following table is a summary of results from the American Water Works Association Benchmarking study for the years of 2005 and 2012. The study includes several ways to compare information. The best comparison is with all sizes of water agencies in the Western USA.

Performance Indicator		Western USA (All Sizes, 2004)*			PWD			
Description	Desirable	25th per.	Median	75th per.	2005	Within 50% percentile?	2012	Within 50% percentile?
Customer Accounts/Employees	Higher	292	385	595	25,032 / 78 = 321	Yes	26,219 / 87 = 301	Yes
Average MGD/Employee	Higher	0.20	0.29	0.50	23.3MGD / 78 = 0.30	Yes	17.2 MGD / 87 = 0.20	Yes
Customer Service Cost/Account	Lower	27.7	43.8	62.8	898,801 / 25,032 = 35.9	Yes, Median	893k / 26,219 = 34.1	Yes
12-month Water Loss Percentage	Lower	4.1	6.2	11.5	(Loss/Production) x 100 = 6.05	Yes	(Loss/Production) x 100 = 11.3	No
Water System Integrity (Leaks/Mile)	Lower	16.9	36.4	59.6	[154 / 392] x 100 = 39.3	Yes	[536 / 408] x 100 = 131	No, Very High
O & M Cost/Account	Lower	298	472	758	15.931k / 25,032 = 636	No, High	21.278k / 26,219 = 811	No, High
O & M Cost/MG Billed	Lower	1,049	1,758	2,732	15.931M / 7.999 BG = 1,992	Yes	21.278M / 6.275 BG = 3,391	No, High
Water Treatment Cost / MG	Lower	104	378	631	4.172M / 7.999 BG = 522	No, High	4.731M / 6.275 BG = 754	No, High

*AWWA Benchmarking Performance Indicators for Water and Wastewater Utilities: Survey Data and Analysis Report adjusted for CPI

This comparison reinforces the emphasis in the 2013 Budget to replace old water mains and increase efficiency. These areas have declined between 2005 and 2012. However, it should be noted that comparisons using water production reflect a significant reduction in water usage by District customers that may be temporary and increase with normal weather conditions and water availability.

Litigation Expenses

There continues to be one main area of litigation funded in the 2013 Budget to protect the District customers' interests. This is the Antelope Valley Adjudication case. Its purpose is to determine groundwater-pumping rights in the Antelope Valley. A phase four trial is set for this year as another step toward resolving the issues. While complicated, the District will continue to explore potential opportunities to seek a settlement and avoid or reduce future phases of trial.

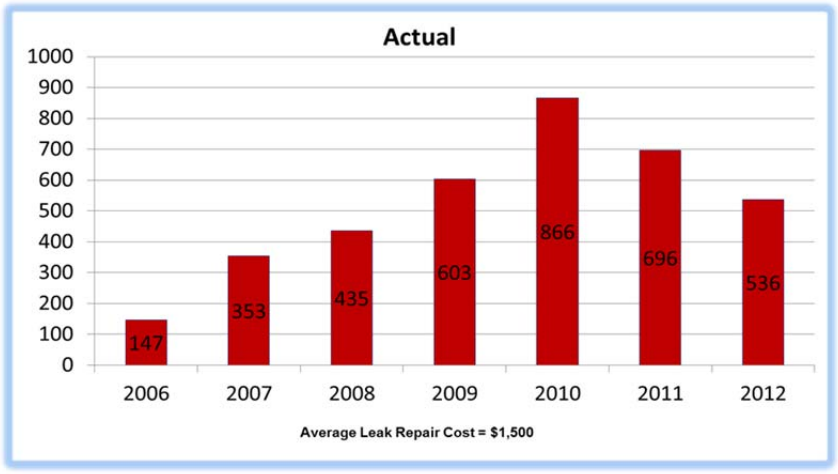
Recent years also included a set of lawsuits with the City of Palmdale over the 2009 water rate restructuring and the use of recycled water. Settlement discussions in 2012 resulted in an agreement resolving the issues. The water rate portion provided for an expansion of base allocations for single family residences of 10% and expansion of the District's "Cash for Grass" rebate program.

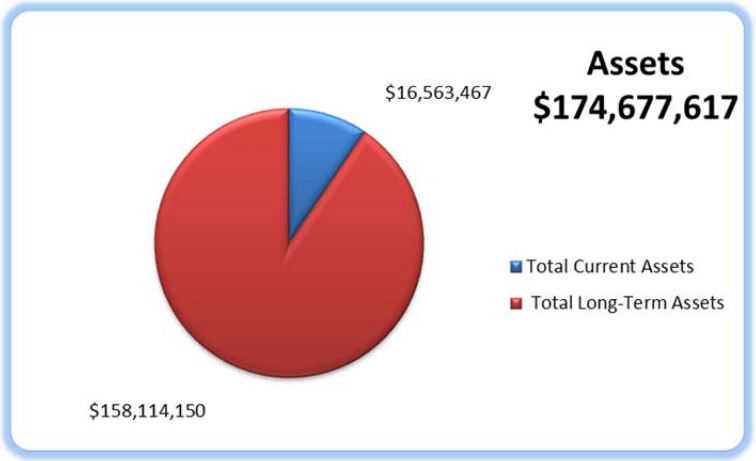
This re-allocation would result in a revenue decrease. However, the water rate change discussed under the Financial Management section offset it and is expected to result in an increase of 3% in water revenues.

Settlement of the recycled water use issues involved the creation of a joint powers authority between the District and the City of Palmdale. This organization, the Palmdale Recycled Water Authority, will purchase tertiary-treated recycled water and distribute it to potential customers.

❖ ***Infrastructure Management***

A major goal of the 2013 Budget is continued maintenance of the District's infrastructure. This is important to manage the operations and maintenance costs due to emergency repairs or failures and water losses in the water distribution system. As shown below in the graph, the number of leak repairs on District water mains increased dramatically from 2006 to 2010 and is now decreasing. Ongoing replacement of the older water mains is needed to ensure this trend continues. Therefore, the 2013 Budget provides funding to finance water main replacement in the worst areas and provides a priority list of additional replacement projects should available resources increase. The following charts illustrate the water main leak trend and the large amount of fixed assets, as of December 31, 2012, in the facilities and water distribution system owned and operated by the District.



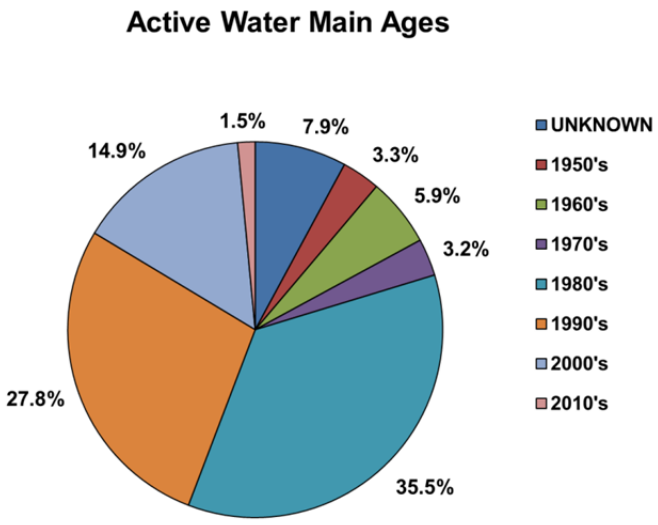


Infrastructure Spending Review

As stated above, the 2013 Budget provides for $1.46 million in asset replacements. This includes funds for financing water main replacement projects with the remainder for other facilities and equipment. The District was very active since the year 2000 in maintaining its infrastructure and adding to it. During that period, $25.38 million went into replacing or improving infrastructure, $57.6 million for improvements to the Leslie O. Carter Water Treatment Plant, and $22.6 million in capital improvement projects that expanded the District's water distribution system and were funded by development. These investments total $105.6 million.

Water Main Replacement Program Review

Appendix "B" of the 2013 Budget contains a table detailing the water mains owned by the District totaling 408.5 miles. These have been installed over time as the water distribution system grew to accommodate new customers. Many of these water mains were installed in the 1950's and earlier. Though most have been replaced, many of the remainder are failing and require a large effort by the Facilities Department to repair and maintain. They also account for most of the District's 11.3% water losses. The District began replacing these water mains in the late 1980's. This effort totals 66.5 miles, or 83% of the 1950's era water mains, and is continued in the 2013 Budget. As stated above, revenues received above projections in the 2013 Budget will first be directed to water main replacement projects. The following chart illustrates the current age makeup of the water distribution system.



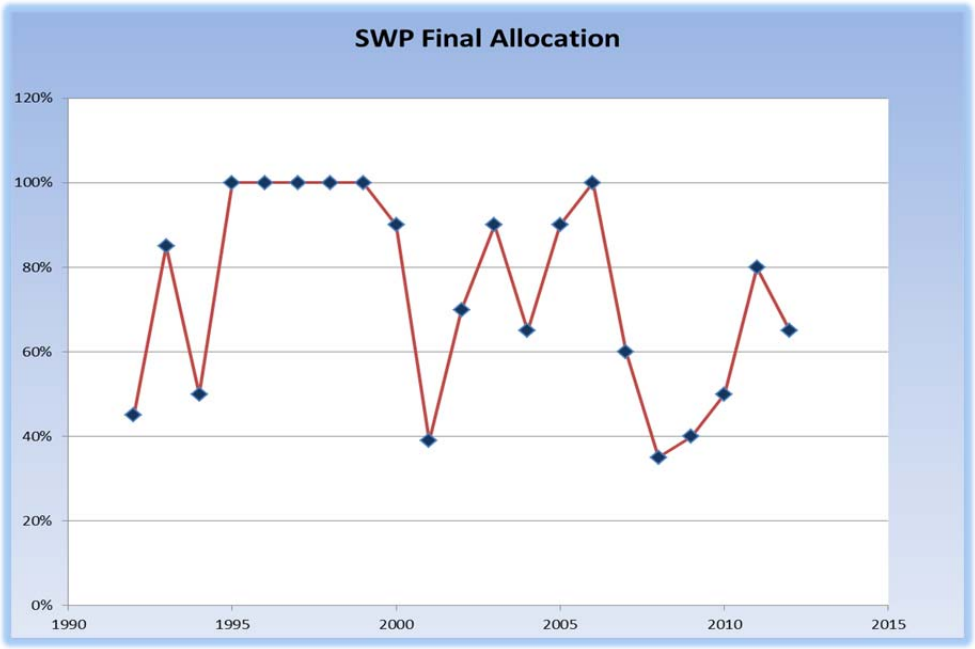
Other important infrastructure expenses include the rehabilitation of a well and $330,000 for ongoing steel water tank maintenance. CEQA work is budgeted to implement the Palmdale Recycled Water Authority Recycled Master Plan and continue the Littlerock Reservoir sediment removal permitting process.

❖ ***Natural Resources Management***

The 2013 Budget supports providing sustainable, high quality water through the development and implementation of a Strategic Water Resources Plan, continued funding of the District's share of the California State Water Project, water conservation activities, and work leading to sediment maintenance in Littlerock Reservoir. The District has three main sources of water supply: the California State Water Project (SWP), Littlerock Dam and Reservoir, and pumped groundwater.

The SWP typically provides the largest share of water to meet customer demands followed by groundwater and then Littlerock Dam. However, the SWP supply is highly variable due to hydrology in Northern California and environmental problems in the Bay-Delta area west of Stockton. These factors have caused the long-term reliability to drop from over 75% of the District's 21,300 acre-feet "Table A" amount to 60%. The following graph of yearly allocations illustrates the variability and reduction in reliability.

The District entered into a two-year lease agreement with Butte County for 10,000 acre-feet of their SWP "Table A". This additional supply is still subject to overall SWP allocations. However, it provides additional reliability of water supply for the District's customers. It also provides an opportunity to store water that is not needed to meet customer demands this year. The District has previously stored approximately 2,600 acre-feet underground locally and will continue to find other groundwater banking opportunities south of the Bay-Delta.

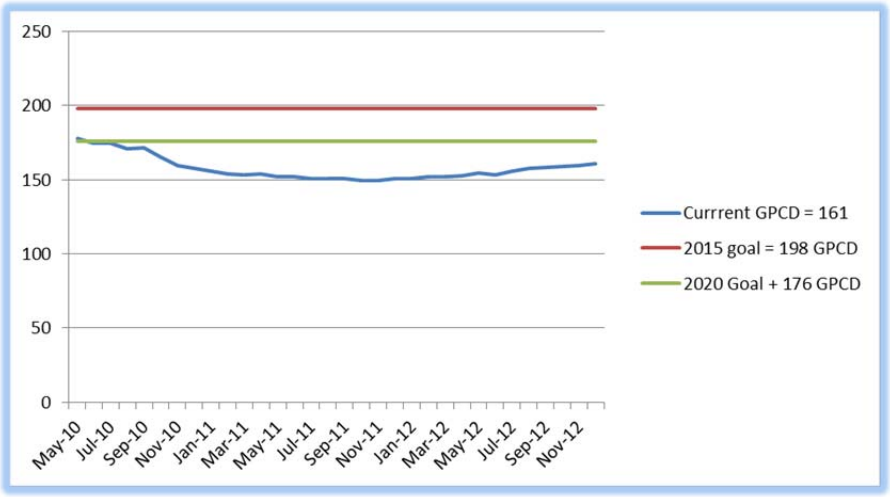


Supply and Demand

The initial 2012 allocation from the SWP was set at 60% in late 2011 and was changed to 65% later in 2012. The initial SWP allocation for 2013 is 40%. This, in combination with runoff into Littlerock Reservoir, carryover SWP water from 2012, and the leased Butte County "Table A"

is expected to provide adequate water supplies to meet the District customers' projected water demands in 2013. The 2013 Budget continues funding the staff needed to work on the purchase of additional water supplies for future years.

The State of California enacted a law in 2009 requiring a 20% reduction of water use by the year 2020. The average water use in California was 192 gallons per person per day (GPCD). Therefore, the statewide 2020 goal is 154 GPCD. The District's per capita water use was in the 220 to 230 GPCD range prior to 2007. Therefore, the District's 2020 goal is 176 GPCD. The amount of billed water in 2012 was 19,257 acre-feet or 6.3 billion gallons of water. This reflects a per capita water usage by District customers of 161 GPCD. The District's per capita water usage reached a low of 151 GPCD in 2011. With continued water conservation efforts, the District expects to meet the required 2020 water use goal even though customer water use is expected to increase from the current level of 161 GPCD. The 2013 Budget includes funds for customer rebates and education to encourage further conservation as well as continued educational programs for area school children. The following graph illustrates the District's per capita water use history.



❖ ***Personnel Management***

The 2013 Budget continues to support providing a safe, productive, and rewarding work environment by funding employee related programs. These include improved internal communications, training, and education. The Budget also provides for a certain amount of attrition and a discussion about the long-term sustainability of current employee benefits.

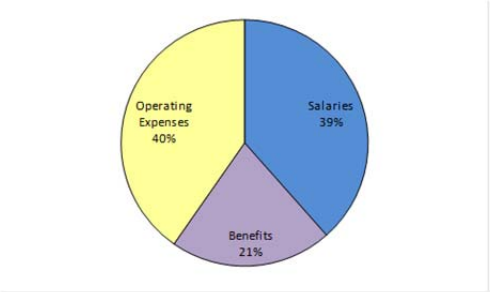
Labor Expenses

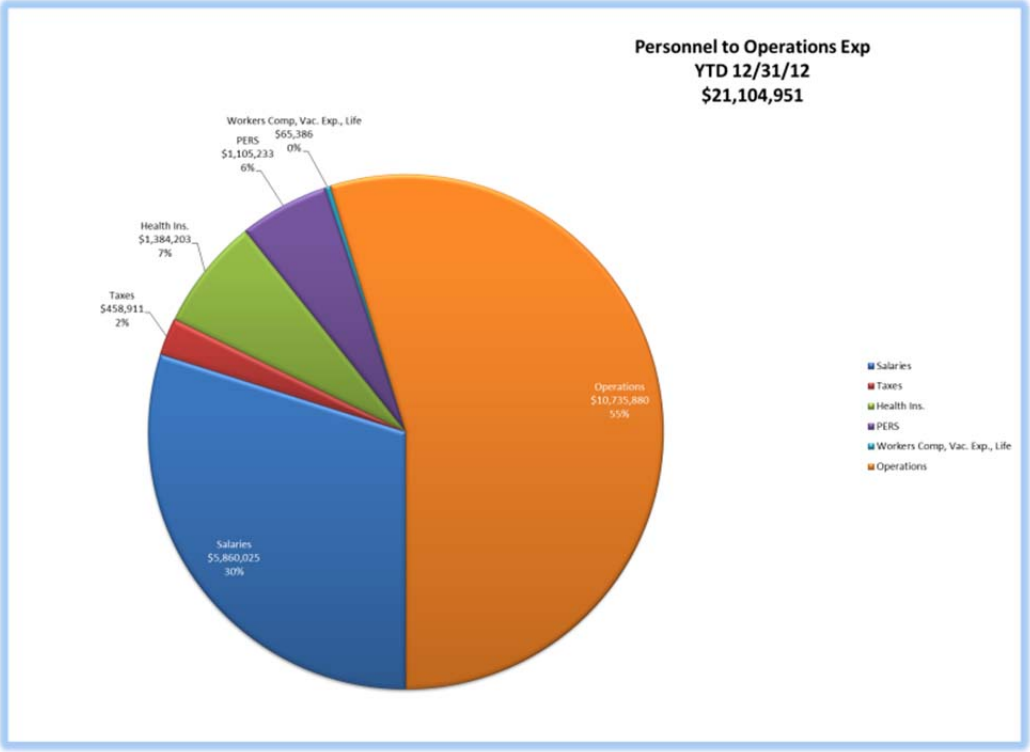
The budget proposes a staffing level of 84 employees as shown in the 2013 Departmental Staffing Summary, (Pages 27 and 28). The changes from the 2012 Budget are the removal of the Field Service and Construction Supervisors, removing two part-time Customer Service Representatives, and adding a Field Service Technician I. The Assistant General Manager and Community & Government Affairs Coordinator positions remain but are left vacant and unfunded.

An organizational assessment is planned for 2013 to develop recommendations and improvements to the District's efficiency.

The total direct labor cost is $6.14 million and benefit expenses are an additional $3.38 million. Total Personnel costs are 60% of the operating budget. These are illustrated in the following chart followed by a detailed graph of 2012 personnel versus operating costs.

2013 Budgeted Departmental Expenses





The increasing cost of employee benefits are a concern for the Board of Directors. A number of options to control these costs were discussed by the Personnel Committee and full Board in 2012. The first action taken was to consolidate all the medical plans offered to employees under one provider. This step saved approximately $36,000 in 2013 and will save an additional $137,000 in 2014. These discussions are continuing in 2013.

Cost of Living Adjustments (COLA)

The 2012 Budget included funding, approximately $60,000, for an estimated COLA of 3% for the four months of September through December 2012. This amount was available to adjust salaries so that earning potential remains stable. The potential COLA for employees was calculated utilizing the United States Department of Labor Consumer Price Index (CPI) for all urban consumers in the Los Angeles-Riverside-Orange County, CA area for the July through following June timeframe. The CPI for that period was 1.9%. The Board approved a 0.6% COLA intended to shift the period forward to be considered as part of the budgeting process for a full year beginning in the 2013 Budget. Budget discussions led to the 2013 COLA of 2.2%, based on the new period of October 1 to September 30, being held out of the 2013 Budget. The funding of increases due to annual performance appraisals was also held out of the 2013 Budget.

❖ ***Conclusion***

The 2013 Palmdale Water District Budget provides the planning, framework and functions necessary to continue providing a strong foundation for the community of Palmdale. In summary, it addresses current and future water supplies, infrastructure maintenance, administrative and personnel issues, and financial stewardship of its customers' resources. Highlights of the District's 2012 accomplishments and 2013 objectives are as follows:

Highlights of 2012 Accomplishments

- ✓ Settling of lawsuits with the City of Palmdale;
- ✓ Formation of the Palmdale Recycled Water Authority;
- ✓ Completed Strategic Water Resources Plan, continued preparation of the Littlerock Reservoir Sediment Removal Project EIR/EIS, and secured a long term lease of additional water supply;
- ✓ Positive Municipal Service Review performed by LA County LAFCO;
- ✓ Completed the inter-connection with AVEK to assist with water service to Acton;
- ✓ Replaced 17,641 feet, or 3.3 miles, of leaking water mains and responded to 536 leaks in the water system;
- ✓ Reintroduced Aquadog along with community water conservation events and paper and electronic newsletters;
- ✓ Converted to a new customer service software;
- ✓ Finalized the permit amendment for the Leslie O. Carter Water Treatment Plant recognizing both phases of plant upgrades and the expansion of production capacity to 35 million gallons a day and expanded pilot testing of GAC media and localized treatment to further reduce costs;
- ✓ Operated departmental expenses at a level below 2006, also 2011, while producing 8.3% more water than 2011.

Highlights of 2013 Objectives

- ✓ Fully establish the Palmdale Recycled Water Authority;
- ✓ Continue work preparing and circulating the Littlerock Reservoir Sediment Removal Project EIR/EIS;
- ✓ Replace leaking water mains, reduce leaks in, and increase maintenance of the water system and assets;
- ✓ Install and operate localized GAC treatment and test new products to control and reduce overall GAC costs;
- ✓ Establish a base of updated and real-time SCADA to remote sites and expand it;
- ✓ Continue transparent financial reporting and auditing;
- ✓ Fully implement telephone system interface for customers to handle their accounts;
- ✓ Incorporate more technology to increase the efficiency of District staff;
- ✓ Continue to improve outreach for water conservation, education, and general information through participation in community events and electronic media;
- ✓ Secure additional water resources to respond to growth.

The following sections of the 2013 Budget provide summary and detailed information about the District operations under the Budget. Section II contains financial and staffing summaries; Section III contains the individual department descriptions, 2012 Water Year Indicators, 2012 Accomplishments, 2013 Objectives, and budgets; Section IV contains summary tables of the projects and equipment for 2013 and projections for 2014 and 2015; and Appendixes A through E provide additional information about the District.

SECTION II
SUMMARIES

SUMMARY OF REVENUES AND EXPENDITURES

FUND ANALYSIS

PROJECT REQUEST SUMMARY
(Three-Year Breakdown)

2013 FUND SOURCE SUMMARY

INCOME STATEMENT

FIVE-YEAR CASH FLOW

DEPARTMENTAL STAFFING

ORGANIZATIONAL CHART

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Palmdale Water District
Budget 2013
Summary of Revenues and Expenditures – 2013 Budget (Proposed)

Cash Basis (18,800 Ac. Ft.) - 8% Increase

Activity	Estimated Cash Revenues	Estimated Cash Expenditures
Net Water Sales	$ 8,373,000	
Meter Fees	11,232,000	
Elevation Fees	550,000	
Other Operating Revenue	1,250,000	
Water Quality Fees (Restricted Use)	1,638,000	
(Increase)/Decrease in Cash (From Operating)	**(1,924,150)**	
Directors		$ 117,500
Administration		2,602,000
Engineering		1,215,750
Facilities		3,298,500
Operations		4,944,250
Finance		2,789,000
Water Conservation		239,750
Human Resources		209,600
Information Technology		728,000
Water Purchases		2,500,000
Capitalized Expenditures		836,500
Water Quality Expense (GAC)		1,638,000
SUBTOTAL OPERATING	**$ 21,118,850**	**$ 21,118,850**
Projected Beginning Cash - 01/01/2013	**$ 8,192,204**	
Assessments received	5,800,000	
Capital Improvement Fees	150,000	
Water Supply Connection Fees	-	
State Grants	485,000	
Interest on Investments	25,000	
Other Income	150,000	
Payments for State Water Project		3,882,000
Principal Paid on Long Term Debt		1,597,205
Interest Paid on Long Term Debt		2,111,071
Capital Leasing		-
Water Conservation		150,000
Acquistion of Property, Plant & Equipment		793,000
	$ 14,802,204	$ 8,533,276
Projected Ending Cash - Non-Operating	6,268,928	
Increase/(Decrease) in Cash (From Operating)	1,924,150	
Projected Ending Cash - 12/31/2013	8,193,078	
Less Restricted Cash	-	
Available Operating Cash - 12/31/2013	**$ 8,193,078**	

Palmdale Water District
Budget 2013
Summary of Revenues and Expenditures – 2012 Projected

Cash Basis

Activity	Estimated Cash Revenues	Estimated Cash Expenditures
Net Water Sales	$ 8,435,000	
Meter Fees	10,340,000	
Elevation Fees	555,000	
Other Operating Revenue	1,360,000	
Water Quality Fees (Restricted Use)	1,630,000	
(Increase)/Decrease in Cash (From Operating)	**(1,041,900)**	
Directors		$ 110,000
Administration		2,614,750
Engineering		1,132,000
Facilities		3,397,000
Operations		4,731,250
Finance		2,785,000
Water Conservation		221,750
Human Resources		193,750
Information Technology		641,100
Water Purchases		3,416,500
Capitalized Expenditures		500,000
Water Quality Expense (GAC)		1,535,000
SUBTOTAL OPERATING	**$ 21,278,100**	**$ 21,278,100**
Actual Beginning Cash - 01/01/2012 (Audited)	**$ 9,463,250**	
Assessments received	5,903,000	
Capital Improvement Fees	1,257,818	
Water Supply Connection Fees	-	
State Grants	-	
Interest on Investments	28,000	
Other Income	150,000	
Payments for State Water Project		2,832,264
Principal Paid on Long Term Debt		1,220,000
Interest Paid on Long Term Debt		2,414,192
Capital Leasing		155,308
Water Conservation		50,000
Acquistion of Property, Plant & Equipment		2,980,000
	$ 16,802,068	$ 9,651,764
Projected Ending Cash - Non-Operating	7,150,304	
Increase/(Decrease) in Cash (From Operating)	1,041,900	
Projected Ending Cash - 12/31/2012	8,192,204	
Less Restricted Cash	-	
Available Operating Cash - 12/31/2012	**$ 8,192,204**	

Palmdale Water District
Budget 2013
Funds Analysis – 2011 End of Year (Actual)

Fund levels reflect the fiscal viability of the District. These funds have been set aside pursuant to legal requirements or action by the Board of Directors. Current category of funds were established by Resolution No. 09-03 passed and adopted March 11, 2009 (See Appendix C for verbaige for the Reserve Fund Policy).

			2011 Budget		
	Sources of Cash	Actual Ending Balance 12/31/2010	Sources	Uses	Projected Balance 12/31/2011
	Net Operating Income		$ (5,169,425)		
	Adjustment - Water Quality (GAC Media)		1,219,205		
	Adjustment - Depreciation/Amortization Add Back		7,285,492		
	Adjustment - Post Employment Benefits (GASB 45)		1,803,368		
	Adjustment - Bad Debt		49,729		
	Adjustment - Service Costs Construction		28,429		
	Adjustment - Capitalized Construction		(1,021,987)		
	Net Non-Operating Income		3,018,155		
	Cash from Revenues above Expenses to place into funds		**$ 7,212,966**		
	Reserve Funds				
1	Water Facilities Connection Fees (CIF)	$ -	$ 1,225,519	$ 1,225,519	$ -
2	Water Supply Connection Fees	-	-	-	-
3	Debt Service Reserve Fund	1,626,295	35,437	-	1,661,732
4	Dam Self Insurance Reserve	-	-	-	-
	Total Legally Restricted	**$ 1,626,295**	**$ 1,260,956**	**$ 1,225,519**	**$ 1,661,732**
5	Rate Stabilization Fund	$ -	$ -	$ -	$ -
6	O&M Operating Reserve (3 months cash operating expenses)	2,733,380	1,134,553	634,554	3,233,379
7	Supplemental Water Supply Fund	$ 1,500,000	275,000	275,000	1,500,000
8	Asset Replacement Fund (% of annual depreciation)	837,813	2,902,794	2,422,408	1,318,199
9	Conservation Program Fund	$ 250,000	95,662	95,662	250,000
10	Water Quality Service Fee	1,175,144	1,544,001	1,219,205	1,499,940
11	Unrestricted Reserves	$ -	-	-	-
	Total Board Restricted	**$ 6,496,337**	**$ 5,952,010**	**$ 4,646,829**	**$ 7,801,518**
	Total Funds	**$ 8,122,632**	**$ 7,212,966**	**$ 5,872,348**	**$ 9,463,250**

Equipment	$ 115,700
Capital projects - General Fund	$ 3,624,196
Capital projects - CIP	$ -
Capital Expensed	$ (297,937)
	$ 3,441,959

NOTE: The 2011 End of Year (Actual) came in less than projected in the 2012 Budget. Total projected funds were shown in the approved 2012 Budget being $9,556,222 with actual audited funds being $9,463,250. This difference was a related to a combination of invoices that were paid from the current year for prior year expenses.

Palmdale Water District
Budget 2013
Funds Analysis – 2012 Budget (as proposed)

			2012 Budget		
	Sources of Cash	**Project Ending Balance 12/31/2011**	**Sources**	**Uses**	**Projected Balance 12/31/2012**
	Net Operating Income		$ (9,033,600)		
	Adjustment - Water Quality (GAC Media)		1,550,000		
	Adjustment - Depreciation/Amortization Add Back		7,800,000		
	Adjustment - Post Employment Benefits (GASB 45)		2,000,000		
	Adjustment - Bad Debt		100,000		
	Adjustment - Service Costs Construction		125,000		
	Adjustment - Capitalized Construction		(1,000,000)		
	Net Non-Operating Income		2,664,848		
	Cash from Revenues above Expenses to place into funds		**$ 4,206,248**		
	Reserve Funds				
1	Water Facilities Connection Fees (CIF)	$ -	$ 1,286,848	$ 1,286,848	$ -
2	Water Supply Connection Fees	-	-	-	-
3	Debt Service Reserve Fund	1,675,000	20,000	-	1,695,000
4	Dam Self Insurance Reserve	-	-	-	-
	Total Legally Restricted	**$ 1,675,000**	**$ 1,306,848**	**$ 1,286,848**	**$ 1,695,000**
5	Rate Stabilization Fund	$ -	$ -	$ -	$ -
6	O&M Operating Reserve (3 months cash operating expenses)	3,367,574.00	300,000	186,886	3,480,688
7	Supplemental Water Supply Fund	700,000.00	150,000	495,000	355,000
8	Asset Replacement Fund (% of annual depreciation)	2,063,709.00	849,400	1,956,100	957,009
9	Conservation Program Fund	250,000.00	50,000	150,000	150,000
10	Water Quality Service Fee	1,499,939.00	1,550,000	1,550,000	1,499,939
11	Unrestricted Reserves	-	-	-	-
	Total Board Restricted	**$ 7,881,222**	**$ 2,899,400**	**$ 4,337,986**	**$ 6,442,636**
	Total Funds	**$ 9,556,222**	**$ 4,206,248**	**$ 5,624,834**	**$ 8,137,636**

Equipment	$ 115,700
Capital projects - General Fund	$ 3,624,196
Capital projects - CIP	$ -
Capital Expensed	$ (557,300)
	$ 3,182,596

Palmdale Water District
Budget 2013
Funds Analysis – 2012 Estimated End of Year (Actual)

			2012 Budget		
	Sources of Cash	**Actual Ending Balance 12/31/2011**	**Sources**	**Uses**	**Projected Balance 12/31/2012**
	Net Operating Income		$ (6,810,600)		
	Adjustment - Water Quality (GAC Media)		1,535,000		
	Adjustment - Depreciation/Amortization Add Back		6,905,000		
	Adjustment - Post Employment Benefits (GASB 45)		1,933,000		
	Adjustment - Bad Debt		(15,000)		
	Adjustment - Service Costs Construction		94,500		
	Adjustment - Capitalized Construction		(1,065,000)		
	Net Non-Operating Income		3,589,065		
	Cash from Revenues above Expenses to place into funds		**$ 6,165,965**		
	Reserve Funds				
1	Water Facilities Connection Fees (CIF)	$ -	$ 1,257,818	$ 1,257,818	$ -
2	Water Supply Connection Fees	-	-	-	-
3	Debt Service Reserve Fund	1,661,732	-	1,661,732	-
4	Dam Self Insurance Reserve	-	-	-	-
	Total Legally Restricted	**$ 1,661,732**	**$ 1,257,818**	**$ 2,919,550**	**$ -**
5	Rate Stabilization Fund	$ -	$ -	$ -	$ -
6	O&M Operating Reserve (3 months cash operating expenses)	3,233,379	2,129,441	1,250,000	4,112,820
7	Supplemental Water Supply Fund	1,500,000	-	875,000	625,000
8	Asset Replacement Fund (% of annual depreciation)	1,318,199	1,048,706	762,521	1,604,384
9	Conservation Program Fund	250,000	100,000	100,000	250,000
10	Water Quality Service Fee	1,499,940	1,630,000	1,529,940	1,600,000
11	Unrestricted Reserves	-	-	-	-
	Total Board Restricted	**$ 7,801,518**	**$ 4,908,147**	**$ 4,517,461**	**$ 8,192,204**
	Total Funds	**$ 9,463,250**	**$ 6,165,965**	**$ 7,437,011**	**$ 8,192,204**

Equipment	$ 306,500
Capital projects - General Fund	2,895,339
Capital projects - CIP	278,161
Capital Expensed	(500,000)
	$ 2,980,000

Palmdale Water District
Budget 2013
Funds Analysis – 2013 Budget (Proposed)

			2013 Budget		
	Sources of Cash	**Projected Beginning Balance 12/31/2012**	**Sources**	**Uses**	**Projected Balance 12/31/2013**
	Net Operating Income		$ (6,550,850)		
	Adjustment - Water Quality (GAC Media)		1,638,000		
	Adjustment - Depreciation/Amortization Add Back		7,250,000		
	Adjustment - Post Employment Benefits (GASB 45)		2,000,000		
	Adjustment - Bad Debt		100,000		
	Adjustment - Service Costs Construction		125,000		
	Adjustment - Capitalized Construction		(1,000,000)		
	Net Non-Operating Income		2,770,000		
	Cash from Revenues above Expenses to place into funds		**$ 6,332,150**		
	Reserve Funds				
1	Water Facilities Connection Fees (CIF)	$ -	$ 150,000	$ 150,000	$ -
2	Water Supply Connection Fees	-	-	-	-
3	Debt Service Reserve Fund	-	-	-	-
4	Dam Self Insurance Reserve	-	-	-	-
	Total Legally Restricted	**$ -**	**$ 150,000**	**$ 150,000**	**$ -**
5	Rate Stabilization Fund	$ -	$ -	$ -	$ -
6	O&M Operating Reserve (3 months cash operating expenses)	4,112,820	3,586,000	3,600,276	4,098,544
7	Supplemental Water Supply Fund	625,000	375,000	65,000	935,000
8	Asset Replacement Fund (% of annual depreciation)	1,604,384	533,150	728,000	1,409,534
9	Conservation Program Fund	250,000	50,000	150,000	150,000
10	Water Quality Service Fee	1,600,000	1,638,000	1,638,000	1,600,000
11	Unrestricted Reserves	-	-	-	-
	Total Board Restricted	**$ 8,192,204**	**$ 6,182,150**	**$ 6,181,276**	**$ 8,193,078**
	Total Funds	**$ 8,192,204**	**$ 6,332,150**	**$ 6,331,276**	**$ 8,193,078**

Equipment	$ 236,500
Capital projects - General Fund	$ 1,353,000
Capital projects - CIP	$ 40,000
Capital Expensed	$ (836,500)
	$ 793,000

Palmdale Water District
Budget 2013
Capital Projects – Expenditure Summary (Three-Year Breakdown)

	BUDGETING YEAR AMOUNT		
	2013	**2014**	**2015**
Studies and Planning Documents	95,000	775,000	1,075,000
Safety & Regulatory Requirements	5,000	-	5,000
New Equipment	55,500	174,500	40,000
Replacement Equipment	181,000	163,500	120,000
General Projects	773,000	876,000	344,000
Replacement Capital Projects *	860,000	10,091,000	5,688,625
New Capital Projects	20,000	-	1,000,000
New Capital Projects (CIF)	40,000	-	1,500,000
GAC Media Replacement	1,388,000	1,600,000	1,600,000
Annual Project Expenditures: [1]	3,417,500	13,680,000	11,372,625
3-Yr Total:	28,470,125		

1 The 2013 total amount includes items classified under capital expense. This amount is removed for the fund analysis calculation due to the amount of $836,500 being factored into the net operating income already.

* The 2013 total fund amount for Replacement Capital Projects includes seeking outside funding for projects RCP05 through RCP16 and RCP20 through RCP24. Allocation of $400,000 has been set aside for payment of this outside funding. The amount of outside funding will be $4-5 million and once the amount is known then the projects will be prioritized accordingly with the remaining being pushed into 2014. Currently 2014 is showing the full amount of all of the projects listed above.

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Palmdale Water District
Budget 2013
Capital Projects – 2013 Fund Breakdown Summary

	2013 FUND BREAKDOWN					
	O&M	CF	WS	AR	CON	WQ
Studies and Planning Documents	30,000	-	65,000	-	-	-
Safety & Regulatory Requirements	5,000	-	-	-	-	-
New Equipment	55,500	-	-	-	-	-
Replacement Equipment	46,000	-	-	135,000	-	-
General Projects	355,000	-	-	18,000	150,000	250,000
Replacement Capital Projects	335,000	-	-	525,000	-	-
New Capital Projects	-	-	-	20,000	-	-
New Capital Projects (CIF)	10,000	30,000	-	-	-	-
GAC Media Replacement (6 Contactors)	-	-	-	-	-	1,388,000
	836,500	30,000	65,000	698,000	150,000	1,638,000
2013 Total Tie-out:	3,417,500					

Equipment	236,500
Capital Projects - General Fund	1,353,000
Capital Projects - CIF	40,000
Captialized Expeditures	(836,500)
	793,000

Abbreviation Explanation		
O&M	=	Capital Expensed
CF	=	Water System Connection Fund
WS	=	Source Water Supply Fund
AR	=	Asset Replacement Fund
CON	=	Conservation Program
WQ	=	Water Quality Fund

Palmdale Water District
Budget 2013
Capital Projects – 2013 Fund Breakdown Summary (Continued)

Breakdown Category Definitions	
Studies and Planning Documents	Documents that assist in developing long term guidelines for the District. These include items such as the District's strategic or master plan, CEQA compliance documents, efficiency plans and studies, etc.
Safety & Regulatory Requirements	Items that can either be mandated or compliance related issues. These purchase help to satisfy requirements that can come from our insurance carrier (JPIA) during monthly inspections or to meet changes in federal/state regulatory compliance or OSHA guidelines.
New Equipment	Items that are first time purchases for the District and have a one time expenditure to purchase. This will include vehicles, printers, lab equipment, etc.
Replacement Equipment	Items that are replacement purchases for assets/equipment within the District and have a one time expenditure for purchase.
General Projects	Items that will include purchases from multiple vendors or span a period of time to complete. These typically are not asset replacement and will include overhauls to well and booster pumps, etc.
Replacement Capital Projects	Projects that typically go out to bid and replace large dollar assets and span a period of time for completion. Typical examples include replacement water mains, booster stations, well sites, etc.
New Capital Projects	Projects that assist in meeting the District's service requirements that are outside the Master Plan due to pre-existing development. This could include additional water facilities to meet items such as changes in fire flow demand, etc.
New Capital Projects (CIF)	Projects that were developed as part of the District's Master Plan to meet future growth requirements within service boundaries. These projects are usually offset by capital improvement fees paid for by developers and typically are building new developments that expand the current installed service area.

Palmdale Water District
Budget 2013
Income Statement

		PROPOSED 2013	PROJECTED 2012	BUDGET [2] 2012	ACTUAL 2011	ACTUAL 2010	ACTUAL 2009
Operating Revenue							
Wholesale Water (AVEK & LCID)		175,000	35,000	175,000	-	-	-
Water Sales		8,198,000	8,400,000	8,145,000	7,828,995	7,841,545	12,593,502
Meter Fees		11,232,000	10,340,000	10,400,000	10,331,401	10,049,688	5,603,197
Water Quality Fees		1,638,000	1,630,000	1,550,000	1,544,001	1,567,034	1,093,953
Elevation Fees		550,000	555,000	525,000	514,356	801,877	543,458
Other		1,250,000	1,360,000	1,250,000	1,586,910	1,264,530	1,423,484
		23,043,000	22,320,000	22,045,000	21,805,664	21,524,673	21,257,593
Operating Expenses							
Directors		117,500	110,000	154,000	144,707	136,055	125,558
Administration		2,602,000	2,614,750	3,547,000	3,601,954	4,031,877	3,874,118
Engineering		1,215,750	1,132,000	1,169,000	1,170,449	1,105,929	1,356,206
Facilities		3,298,500	3,397,000	3,490,500	3,215,769	3,301,961	3,829,919
Operations		4,944,250	4,731,250	5,113,750	4,681,601	4,551,993	3,826,877
Finance		2,789,000	2,785,000	2,788,750	2,790,709	2,783,992	2,672,331
Water Conservation		239,750	221,750	223,500	207,563	206,048	252,339
Human Resources		209,600	193,750	267,850	235,797	216,096	69,376
Information Technology		728,000	641,100	736,750	562,174	405,872	631,228
Water Purchases	[3]	2,600,000	3,887,000	2,800,000	2,657,610	3,383,530	3,916,072
OAP Chrg (Prior Year)		-	-	-	(591,517)	688,425	-
Water Recovery	[8]	(100,000)	(470,500)	(200,000)	(1,363,902)	(351,096)	(431,139)
Water Quality (GAC Media)	[4]	1,638,000	1,535,000	1,550,000	1,219,205	1,031,565	-
Capitalized Expenditures		836,500	500,000	412,500	297,937	306,960	-
Cash Expenses		21,118,850	21,278,100	22,053,600	18,830,058	21,799,207	20,122,885
Depreciation		7,250,000	6,905,000	7,800,000	7,285,492	7,010,721	5,971,865
Post Employment Benefit (GASB 45)	[5]	2,000,000	1,933,000	2,000,000	1,803,368	1,854,179	535,321
Bad Debts		100,000	(15,000)	100,000	49,729	102,119	155,338
Service Costs Construction		125,000	94,500	125,000	28,429	(139,929)	(116,319)
Capitalized Construction		(1,000,000)	(1,065,000)	(1,000,000)	(1,021,987)	(893,408)	(1,446,419)
Non-Cash Expenses		8,475,000	7,852,500	9,025,000	8,145,031	7,933,681	5,099,785
Net Operating Income/(Loss)		(6,550,850)	(6,810,600)	(9,033,600)	(5,169,425)	(8,208,215)	(3,965,077)
Non-operating Revenues							
Assessments (Debt Service)		4,300,000	4,400,000	4,000,000	5,562,065	5,855,862	5,991,668
Assessments (1%)		1,500,000	1,503,000	1,500,000	-	-	-
DWR Fixed Charge Recovery		100,000	498,064				
Interest		35,000	28,000	70,000	78,519	99,060	317,118
Market Adj. on Investments		(10,000)	-	(10,000)	-	(10,289)	(268,917)
Capital Improvement Fees	[9]	150,000	1,257,818	1,286,848	1,225,519	148,777	37,115
Water Supply Connection Fees	[6]	-	-	-	-	-	-
Grants - State & Federal		485,000	-	250,000	76,200	(273)	1,304,813
Sale of Real Property		-	-	-	-	944,207	-
Other	[7]	150,000	150,000	100,000	165,515	135,748	103,519
		6,710,000	7,836,882	7,196,848	7,107,818	7,173,092	7,485,315
Non-operating Expenses							
Interest Paid & Amortization on long-term debt		2,111,000	2,488,500	2,490,000	2,540,875	2,550,410	2,632,385
Amortization of SWP		1,679,000	1,553,000	1,680,000	1,453,125	1,364,095	1,317,226
Capital Leasing	[10]	-	155,308	212,000	-	-	-
Capital Contributions		-	1,009	-	-	-	-
Water Conservation		150,000	50,000	150,000	95,662	41,486	-
		3,940,000	4,247,817	4,532,000	4,089,662	3,955,990	3,949,611
Net Non-operating Income/(Loss)		2,770,000	3,589,065	2,664,848	3,018,155	3,217,101	3,535,704
Net Earnings(Loss)		(3,780,850)	(3,221,535)	(6,368,752)	(2,151,270)	(4,991,114)	(429,372)

Palmdale Water District
Budget 2013
Income Statement – General Information

	PROPOSED 2013	PROJECTED 2012	BUDGET 2012	ACTUAL 2011	ACTUAL 2010	ACTUAL 2009
Operating Revenue	3.24%	2.36%	1.10%	1.31%	1.26%	20.77%
Operating Expenses	7.93%	-3.59%	10.80%	2.66%	55.57%	14.77%
Non-operating Revenues	-14.38%	10.26%	1.25%	-0.91%	-4.17%	-14.94%
Non-operating Expenses	-7.25%	3.87%	10.82%	3.38%	0.16%	4.80%

Footnotes:

[2] 2012 Budget contains all amendments made during the current fiscal year. All amendments were done as transfers between GL accounts with no change to overall budgeted amounts.

[3] 2012 charges were higher due to reclassification of fixed cost refunds to non-operating revenues by $436,000. No adjustmented were made to prior years for similar refunds.

[4] GAC filter media purchases are directly offset by the revenues from the water quality fee for prior year. The 2013 Budget includes the possible replacement of up to six contactors and the installation of a localized contactor at the El Camino Underground site.

[5] Post employment accrual expense (OPEB) was added as a compliance requirement for GASB 45 (2008).

[6] Water supply connection fees will be charged to developers to offset new source water supply. This charge's effective date has been pushed back to mid-year 2013 after completion of CEQA study as outlined by the Strategic Water Resource plan.

[7] The District received offset credits in the amount of $(869,253) related to the variable cost component in purchased water from the State Water Project (DWR). This has been reflected in the Water Recovery amount of $(1,134,000) for 2011. For 2012 the amount has been distributed based on the type of credits and directly offset a portion of the current year assessments.

[8] Capital Improvement Fees (CIF) received from AVEK are shown as part of the regular fee collections. The second payment was received in 2012 from AVEK.

[9] The District entered into Capital Leasing agreements in 2011 for computer equipment, telephony system, and SCADA network infrastructure. These agreements will run for a term of 60 months and will conclude in 2015.

General Information:

Projected federal grant funds were adjusted to coincide with the potential revenue receipt. The receipt of these funds will now be shown in 2013 due to changes in approval requirements and additional paperwork required be the adminstrative agency overseeing these funds.

Cost Factors and Assumptions:

Cost of Living possible increase maximum of 2.2% effective January 1, 2013 subject to Board approval of the 2013 Budget.

Worker's comp rates are calculated at .0101 for office personnel and .0510 for field personnel.

PERS is calculated at 19.385% for 6 months (Jan. thru Jun.) and 19.600% for 6 months (Jul thru Dec.).

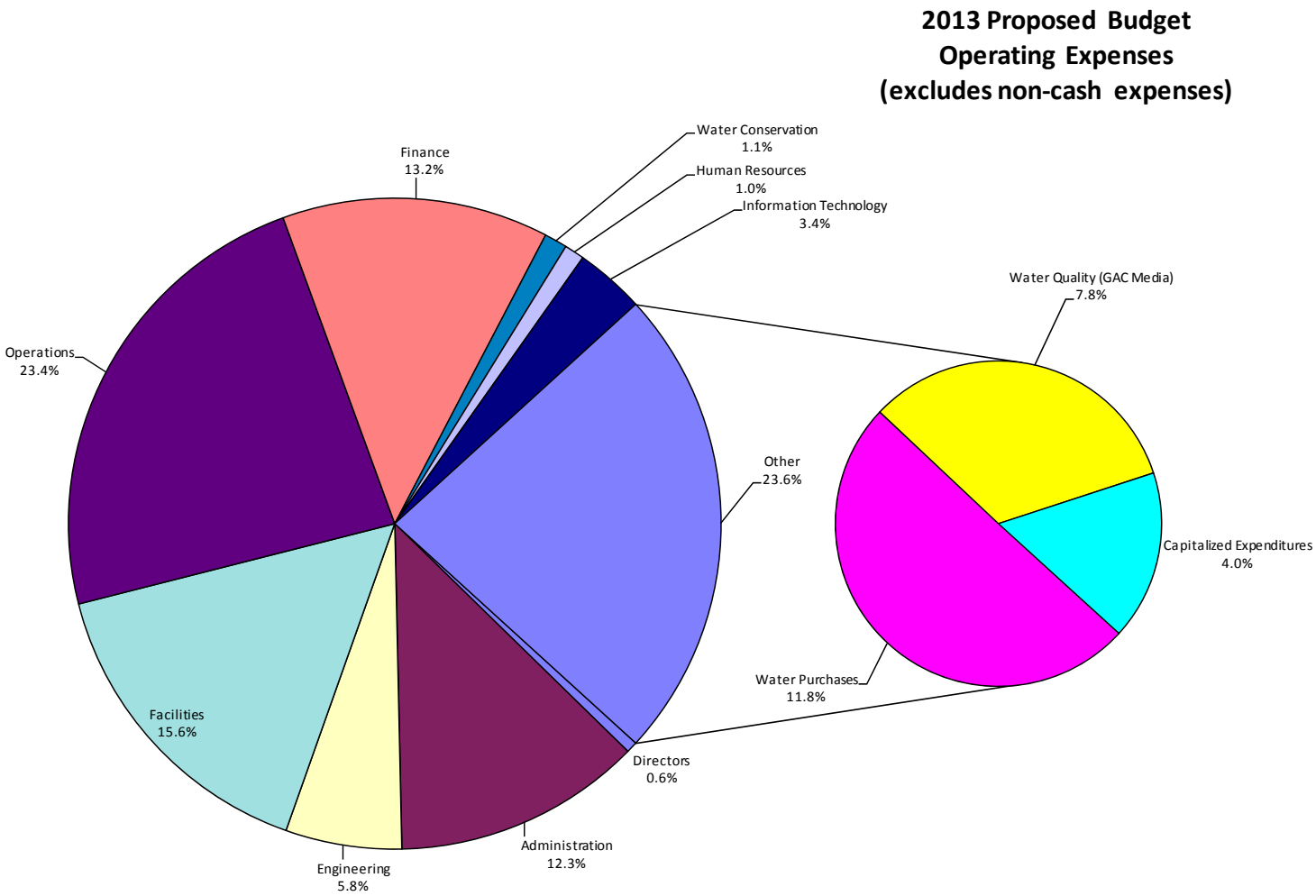
Employee benefits includes the cost of medical, dental & vision plans as well as the employee assistance program and on the job life insurance death benefit.

Health insurance rates have risen with a blended average for the three medical plans being an increase of 3.95% and the dental insurance was 0.98%. All health insurance plans are managed through ACWA/JPIA.

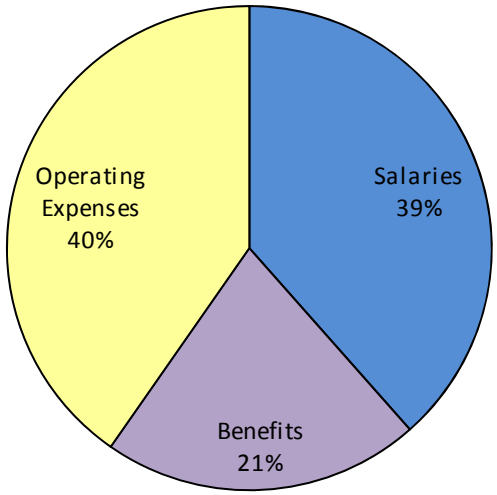
Health insurance includes benefits to directors that qualify for benefits based on years of service as a director.

Operating Revenue estimates were based on the potential sales of 18,800 ac. ft. of water for the 2013 Budget.

Palmdale Water District
2013 Operating Expenses (Proposed – excluding non-cash expenses) – Graph



Palmdale Water District
2013 Departmental Expenses (Proposed) – Graph



Departmental Expenses		
Salaries	$	6,136,000
Benefits		3,383,250
Operating Expenses		6,429,100
Total	$	15,948,350

Palmdale Water District
Budget 2013
5-Year Cash Flow (Aggregate)

	Proposed 2013	Projected 2012	Audited Numbers 2011	2010	2009
Beginning Cash	8,192,204	9,463,250	8,122,631	8,663,548	15,124,841
Operating Activities					
Net Operating Revenues	23,043,000	22,320,000	21,768,599	21,684,514	20,168,920
Net Operating Expenses	21,118,850	21,278,100	18,924,721	20,610,956	19,314,655
Net cash provided by operating activities	1,924,150	1,041,900	2,843,878	1,073,558	854,265
Other Sources and Uses of Cash					
Assessments received	5,800,000	5,903,000	4,826,073	5,790,877	5,677,001
Payments for State Water Project	(3,882,000)	(2,832,264)	(2,225,748)	(2,535,815)	(4,690,034)
Capital Improvement Fees Received	150,000	1,257,818	1,225,519	148,777	37,115
Water Conservation	(150,000)	(50,000)	-	-	-
Acquisition of Property, Plant & Equip. - Current Yr	(668,000)	(2,980,000)	(2,422,408)	(3,514,159)	(6,150,350)
Acquisition of Property, Plant & Equip. - Carryover	(125,000)				
Capital Leasing	-	(155,308)	-	-	-
Principal Paid on Long Term Debt	(1,597,205)	(1,220,000)	(1,170,000)	(1,125,000)	(1,080,000)
Interest Paid on Long Term Debt	(2,111,071)	(2,414,192)	(2,465,142)	(2,561,976)	(2,554,756)
State Grants and Other Income	635,000	150,000	655,472	2,094,050	1,152,767
Interest on Investments	25,000	28,000	72,975	88,771	292,699
Net Cash Provided by Other Sources and Uses	(1,923,276)	(2,312,946)	(1,503,259)	(1,614,475)	(7,315,558)
Net Increase (Decrease) in Cash	874	(1,271,046)	1,340,619	(540,917)	(6,461,293)
Cash End of Year	8,193,078	8,192,204	9,463,250	8,122,631	8,663,548
Less Restricted Cash	-	-	1,661,732	1,626,295	1,557,398
Available Operating Cash	8,193,078	8,192,204	7,801,518	6,496,336	7,106,150

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Palmdale Water District
2013 Departmental Staffing Budget

POSITION	2013	2012	2011
ADMINISTRATION:			
General Manager	1	1	1
Assistant General Manager	1	1	1
Executive Assistant	1	1	1
Administrative Assistant	1	1	1
SUBTOTAL:	4	4	4
ENGINEERING:			
Engineering Manager	1	1	1
Project Manager	1	1	1
Construction Inspector	3	3	3
Cross Connection Technician	1	1	1
Engineering Technician	3	3	3
SUBTOTAL:	9	9	9
FACILITIES:			
Facilities Manager	1	1	1
Construction Supervisor	0	1	1
Senior Service Worker	3	3	3
Service Workers	11	11	11
Warehouse Technician	2	2	2
Equipment Mechanic Supervisor	1	1	1
Equipment Mechanic	4	4	3
SUBTOTAL:	22	23	22
OPERATIONS:			
Operations Manager	1	1	1
Treatment Plant Supervisor	1	1	1
Plant Operators	6	6	6
Senior Maintenance Mechanic	1	1	1
Maintenance Mechanic	1	1	1
Administrative Technician	1	1	1
Water Quality Supervisor	1	1	1
Laboratory Analyst	2	2	2
Systems Supervisor	1	1	1
Pump Operator	2	2	2
Electrician	2	2	2
Electronic Technician	2	2	2
SUBTOTAL:	21	21	21
FINANCE:			
Finance Manager	1	1	1
Senior Accountant	1	1	1
Accounting Technician	1	1	1
Accounting Assistant	1	1	1
Customer Service Supervisor	1	1	1
Assistant Customer Service Supervisor	1	1	1
Customer Service Representative	9	9	9
Part time Customer Service Representative	0	2	2
Field Service Supervisor	0	1	1
Senior Field Service Technician	1	1	1
Field Service Technician	7	6	6
SUBTOTAL:	23	25	25

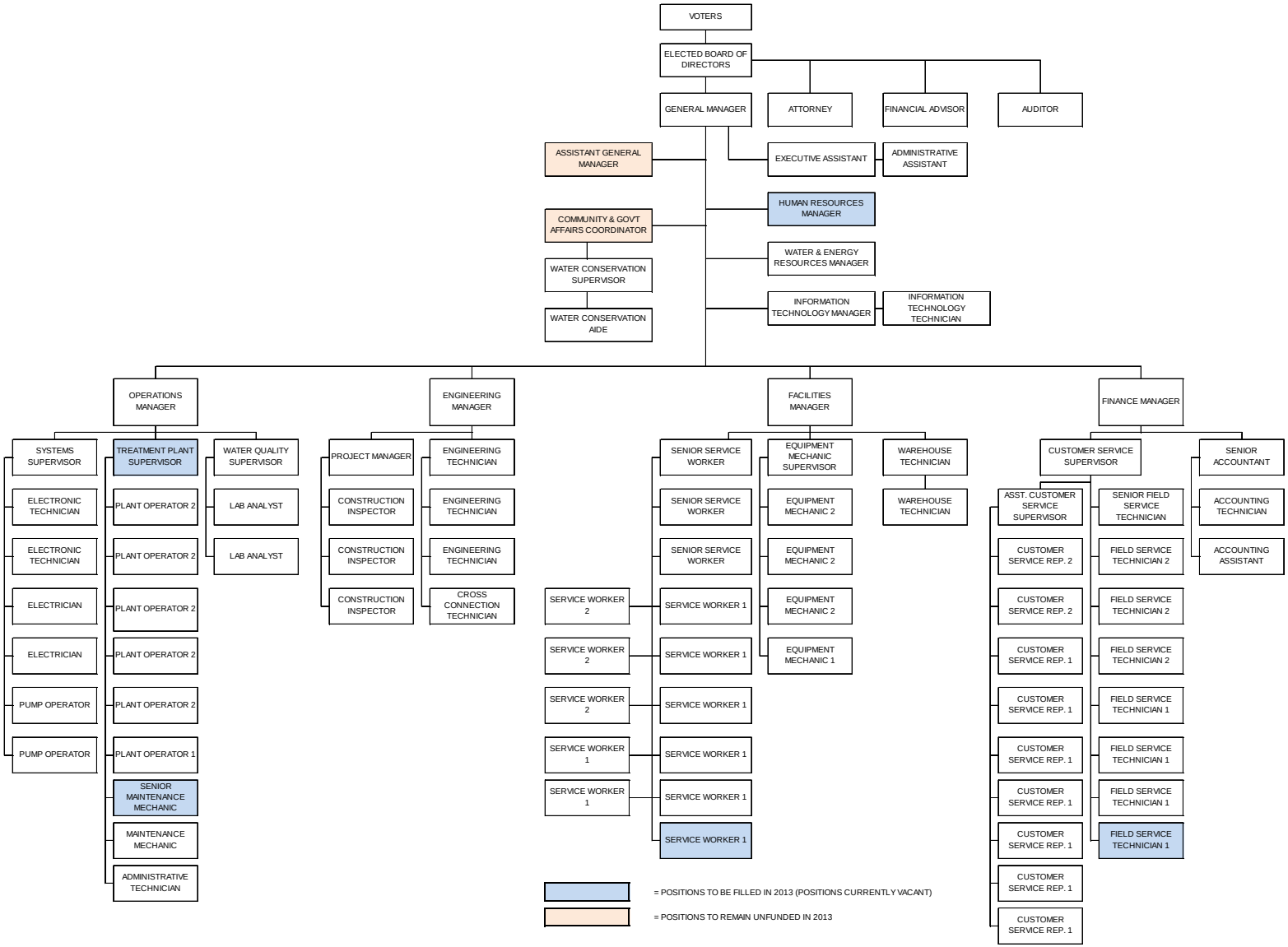
Palmdale Water District
2013 Departmental Staffing Budget (continued)

POSITION	2013	2012	2011
WATER CONSERVATION:			
Community & Government Affairs Coordinator	1	1	1
Water Conservation Supervisor	1	1	1
Water Conservation Aide	1	1	1
SUBTOTAL	3	3	3
HUMAN RESOURCES:			
Human Resources Manager	1	1	1
SUBTOTAL:	1	1	2
WATER & ENERGY:			
Water & Energy Resources Manager	1	1	1
SUBTOTAL:	1	1	1
INFORMATION TECHNOLOGY:			
Information Technology Manager	1	1	1
Information Technology Technician	1	1	1
SUBTOTAL:	2	2	2
DISTRICT TOTAL:	**86**	**89**	**89**

Proposed Positions & Changes for 2013

ADMINISTRATION:	
Assistant General Manager	Position will not be funded but remains in chart.
FACILITIES:	
Construction Supervisor	Position has been removed from the organization chart.
Service Worker	All positions will be funded for twelve months
OPERATIONS:	
Treatment Plant Supervisor	Position will be funded for eleven months.
Senior Maintenance Mechanic	Position will be funded for twelve months.
FINANCE:	
Field Service Supervisor	Position has been removed from the organization chart.
Part time Customer Service Representative	All Positions has been removed from the organization chart.
Field Service Technician	All positions will be funded for twelve months
WATER CONSERVATION:	
Community & Gov't Affairs Coordinator	Position will not be funded but remains in chart.
HUMAN RESOURCES:	
Human Resources Manager	Positions will be funded for nine months.

Palmdale Water District
Organizational Chart
(Approved by Board of Directors on November 14, 2012)



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SECTION III
DEPARTMENTAL BUDGETS

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Administration Department

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Administration Department

DESCRIPTION:

The Administration Department manages the District through the Board of Directors, which sets policy, and the General Manager, who reports to the Board and manages the daily operation of the District. The attorneys and financial advisor positions, which answer to the Board and interact with the staff through the General Manager, are also an integral part of the Administration Department. The positions of Assistant General Manager, Executive Assistant, Administrative Assistant, & Water and Energy Resources Director also operate out of the Administration Department.

Palmdale Water District
Budget 2013
Board of Directors

Directors		BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2013	2012	2012	2011	2010	2009
1-01-4000-000	Directors Fees	45,000	40,500	45,000	41,850	49,388	72,305
Benefits							
1-01-4005-000	Payroll Taxes	5,500	3,300	5,500	6,009	3,514	-
1-01-4010-000	Health Insurance	57,000	62,700	93,500	89,580	73,749	28,723
	Subtotal (Benefits)	62,500	66,000	99,000	95,589	77,263	28,723
	Personnel Expenses	107,500	106,500	144,000	137,439	126,652	101,028
OPERATING EXPENSES:							
1-01-4050-000	Director's Travel, Seminars & Meetings	10,000	3,500	10,000	7,268	9,403	24,531
	Total Operating Expense	10,000	3,500	10,000	7,268	9,403	24,531
	Total Departmental Expenses	117,500	110,000	154,000	144,707	136,055	125,558

Palmdale Water District
Budget 2013
Administration

Administration		BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2013	2012	2012	2011	2010	2009
1-02-4000-000	Salaries	471,500	478,250	479,250	551,638	719,742	819,814
1-02-4000-100	Salaries - Departmental Overtime	5,000	9,000	6,000	6,217	7,677	-
1-02-4000-200	Salaries - District-wide Oncall/Standby	60,000	53,000	64,000	58,299	56,329	-
	Subtotal (Salaries)	536,500	540,250	549,250	616,153	783,748	819,814
Employee Benefits							
1-02-4005-000	Payroll Taxes	41,000	32,000	42,000	35,497	34,540	56,583
1-02-4010-000	Health Insurance	80,750	83,000	76,750	104,849	124,138	165,482
1-02-4015-000	Pers	90,750	90,000	90,500	88,045	105,019	120,476
1-02-4020-000	Worker's Comp (District-wide)	160,000	140,000	200,000	157,099	176,082	211,309
1-02-4025-000	Vacation Benefit Expense (District-wide)	35,000	(32,000)	35,000	31,402	8,597	(18,716)
1-02-4030-000	Life Insurance/EAP Program (District-wide)	7,500	7,500	7,500	7,876	4,994	4,013
	Subtotal (Benefits)	415,000	320,500	451,750	424,768	453,370	539,148
	Personnel Expenses	951,500	860,750	1,001,000	1,040,921	1,237,118	1,358,962
OPERATING EXPENSES:							
1-02-4050-000	Staff Travel	8,000	8,000	8,000	7,001	9,365	13,867
1-02-4050-100	General Manager Travel	5,000	5,000	5,000	5,964	3,029	3,144
1-02-4060-000	Staff Conferences & Seminars	3,000	1,500	3,000	378	1,793	2,417
1-02-4060-100	General Manager Conferences & Seminars	4,500	3,000	4,500	1,905	1,980	2,224
1-02-4070-000	Employee Expense	40,000	42,000	40,000	37,458	67,524	83,892
1-02-4080-000	Other Operating	20,000	15,500	20,000	25,511	27,774	9,621
1-02-4110-000	Consultants	134,000	190,000	200,000	235,470	289,920	591,470
1-02-4115-100	Settlements - City of Palmdale	-	-	-	-	20,000	-
1-02-4115-200	Settlements - Mr. Hill's Contract	-	-	-	-	377,900	-
1-02-4125-000	Insurance	325,000	312,000	325,000	278,683	287,883	356,796
1-02-4130-000	Bank Charges	130,000	110,000	130,000	128,732	147,385	101,906
1-02-4135-000	Groundwater Adjudication	400,000	245,000	925,000	1,053,682	676,467	259,125
1-02-4140-000	Legal Services	250,000	425,000	475,000	349,197	502,651	682,644
1-02-4140-100	Legal Services - Consultants	-	25,000	-	140,275	-	-
1-02-4150-000	Accounting Services	20,000	22,000	20,000	25,745	25,913	23,399
1-02-4155-000	Contracted Services	40,000	27,500	50,000	26,856	28,222	43,456
1-02-4160-000	Collection Related Fees	-	-	-	-	-	570
1-02-4165-000	Memberships/Subscriptions	110,000	110,000	110,000	92,884	118,381	144,172
1-02-4170-000	Elections	-	78,500	70,000	-	77,032	-
1-02-4175-000	Permits	20,000	11,000	20,000	10,713	10,750	31,160
1-02-4180-000	Postage	30,000	22,500	30,000	22,377	18,629	41,117
1-02-4190-100	Public Relations - Publications	30,000	27,500	30,000	38,094	29,728	42,573
1-02-4190-200	Public Relations - Chamber of Commerce	-	-	-	-	-	315
1-02-4190-800	Public Relations - Youth Sponsorship	-	-	-	-	-	2,000
1-02-4190-900	Public Relations - Other	1,000	1,500	1,000	1,102	1,194	19,770
1-02-4200-000	Advertising	5,000	4,500	3,000	2,745	3,740	1,190
1-02-4205-000	Office Supplies	20,000	17,000	20,000	18,833	19,068	18,849
1-02-4210-000	Office Furniture	-	-	-	-	-	-
1-02-4215-200	Natural Gas - Office Building	5,000	4,000	5,000	4,541	2,387	2,583
1-02-4220-200	Electricity - Office Building	50,000	46,000	50,000	46,495	44,819	36,534
1-02-4230-110	Mtce & Rep Office -Equipment	-	-	-	615	-	-
1-02-4255-000	Office Furniture	-	-	-	5,559		
1-02-6300-100	Supplies - Janitorial	-	-	1,500	218	1,224	363
	Total Operating Expense	1,650,500	1,754,000	2,546,000	2,561,033	2,794,759	2,515,156
1-02-4900-000	Budget Inclusion Expense	-	-	-	-	-	-
	Total Departmental Expenses	2,602,000	2,614,750	3,547,000	3,601,954	4,031,877	3,874,118

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Engineering Department

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Engineering Department

DESCRIPTION:

The Engineering Department's primary responsibilities are planning, project development and management, and quality control. Associated duties include CEQA compliance, permit maintenance, plan checking, construction inspection, updating facility maps, maintaining standard construction specifications, and reporting water production to maintain water rights.

2012 ACCOMPLISHMENTS:

1) Provided input and staff time for various state reports.
2) Updated GIS, water service maps, gate books, and 1000' scale maps.
3) Updated total quantification miles of pipe, number of valves, fire hydrants, air vacs, and other facilities.
4) Completed survey and related reporting for both Littlerock and Palmdale Dam.
5) Continued working with consultant on the preparation of the Littlerock Reservoir Sediment Removal Project EIR/EIS.
6) Completed successful audit of grant process and money received for construction of the Palmdale Ditch Enclosure Project.
7) Continued overseeing the contract for the re-coating and maintenance for various storage tanks.
8) Completed the design and construction oversight for the water main replacement project in 9th Street East, 12th Street East, etc.
9) Completed the design and construction oversight for the water main replacement project in Sumac, 3rd Street East, Avenue Q-3 etc.
10) Completed the design and construction oversight for the water main replacement project in Lago Lindo Avenue.
11) Completed the design and construction oversight for the replacement of the 3600' hydro-pneumatic tank and related piping.
12) Continued overseeing the replacement of the hydro-electric generator at Lake Palmdale due to failure that occurred in May, 2012.
13) Participated and provided input on the update of the Antelope Valley Integrated Regional Water Management Plan Update.
14) Participated and provided input on the Antelope Valley Salt and Nutrient Management Plan.
15) Developed plans and specifications for the equipment associated with the installation of a Granular Activated Carbon Vessel to be located at the Underground Booster Station.
16) Submitted a grant application under DWR's Local Groundwater Assistance program for the Littlerock Creek Recharge Project.
17) Participated in the Municipal Service Review performed by LAFCO.
18) Participated in the development of the Palmdale Recycled Water Authority.
19) Completed the update of the 2012 Sanitary Survey/Source Water Assessment Plan.
20) Completed the design and construction oversight for the inter-connection with AVEK.

2012 OBJECTIVES:

1) Continue providing QA/QC on the construction of the new tracts, commercial, and city projects which require water system improvements.
2) Continue providing QA/QC on the planning, design, and construction of various water distribution, energy, and treatment projects that may be necessary to maintain operation and improvement to the water system.
3) Obtain necessary permits for the Littlerock Reservoir Sediment Removal Project.
4) Complete the design and award a contract for the construction of the Grade Control Structure at Littlerock Dam.
5) Continue working on the development of a groundwater recharge project in Littlerock Creek.
6) Continue ensuring that all water storage tanks are properly maintained and coated.
7) Continue improving the District's new GIS mapping tools and software.
8) Complete the design and construction of the various asset replacement projects that have been identified in the 2013 Budget.

Palmdale Water District
Budget 2013

Engineering		BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2013	2012	2012	2011	2010	2009
1-03-4000-000	Salaries	749,000	735,000	767,000	777,873	769,680	840,032
1-03-4000-100	Salaries - Departmental Overtime	6,000	1,500	7,500	10,758	5,381	-
	Subtotal (Salaries)	755,000	736,500	774,500	788,631	775,061	840,032
Employee Benefits							
1-03-4005-000	Payroll Taxes	58,000	58,000	59,250	57,608	56,784	63,897
1-03-4010-000	Health Insurance	165,500	158,000	158,000	151,270	126,171	149,853
1-03-4015-000	PERS	143,250	144,000	144,250	134,619	120,295	136,000
	Subtotal (Benefits)	366,750	360,000	361,500	343,496	303,250	349,749
	Personnel Expenses	1,121,750	1,096,500	1,136,000	1,132,127	1,078,311	1,189,781
OPERATING EXPENSES:							
1-03-4050-000	Staff Travel	3,000	4,250	4,250	4,275	3,425	6,494
1-03-4060-000	Staff Conferences & Seminars	2,500	2,000	2,750	2,557	2,055	775
1-03-4155-000	Contracted Services	12,000	4,000	6,000	9,513	-	13,816
1-03-4165-000	Memberships/Subscriptions	2,000	3,000	3,000	2,763	2,854	2,692
1-03-4250-000	General Materials & Supplies	2,500	2,250	2,000	1,390	918	752
1-03-4230-110	Maintenance & Repair - Office Equipment	-	-	-	599	69	-
1-03-8100-100	Computer Softw are - Maint. & Support	72,000	20,000	15,000	17,226	18,297	15,135
	Total Operating Expense	94,000	35,500	33,000	38,322	27,619	39,662
1-03-4900-000	Budget Inclusion Expense	-	-	-	-	-	126,763
	Total Departmental Expenses	1,215,750	1,132,000	1,169,000	1,170,449	1,105,929	1,356,206

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Facilities Department

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Facilities Department

DESCRIPTION:

The Facilities Department is in charge of maintaining and repairing all pipelines, vehicles and equipment, and related facilities. This includes the District's 23 active ground water wells, 17 reservoir sites, 15 booster stations, 14 pressure regulating stations, 9 seismic valves, and 9 hydro-pneumatic tanks.

2012 WATER YEAR INDICATORS:

1) 28,206 Meters in service
2) 9,352 System valves in service
3) 414 Miles of pipe in service
4) 411 Emergencies to which the department responded

2012 ACCOMPLISHMENTS:

1) Performed 1,798 hours of building and grounds maintenance. This maintenance included general upkeep of grounds, fence repairs, building repairs, graffiti removal; continuous cleaning and reorganizing for storage and warehouse needs, shifted the fabrication shop to accommodate more room for fleet and heavy equipment repair.
2) Performed quarterly maintenance on all HVAC units. This included 114 HVAC unit services, 37 HVAC repairs including replacing ducting in the construction office to eliminate overheating of unit and dealt with oil/refrigerant leak in the main office computer server room in accordance with EPA rules.
3) Well #11 had liner, gravel pack and pumping equipment installed. During flushing an impending failure of the gear head became apparent and research indicates gear head is loaded beyond design. Gear head is in process of being returned to manufacturer for upgrade and repair.
4) Well #3, and Well #23, response to a pump failure, wells were rehabilitated and pump equipment rebuilt and replaced.
5) 45th St. Booster Site Booster #1 pump installed and realigned. Booster #5 pump replacement on order in response to a bearing and cavitation damage.
6) Fab Shop: Construction crew installed wall separating old warehouse from locker room, converting space into new fabrication shop for field work. Shop staff installed gas line to wash bay and installed new pressure washer.
7) District Office elevator was load tested and certified.
8) Two-Way Radio Compliance Upgrade: Radios purchased and FCC license updates applied to comply with narrow band rule effective January 1, 2013.
9) Performed 1,995 hours of maintenance on wells, boosters and storage reservoirs. This included scheduled preventive maintenance (PM), 9 natural gas engine repairs, 102 natural gas engine inspections, 81 buildings and ground repairs, 29 pump and motor repairs.
10) Regulatory Compliance: AVAQMD (Antelope Valley Air Quality Management District) has performed annual site inspections of District facilities including fuel tanks and ICE (Internal Combustion Engine) installations. Mechanics have implemented a new program of quarterly in-house emissions inspections of District natural gas fueled permitted engines in compliance with permit conditions, inspections which were previously performed by outside vendors. Mandated Source Testing completed on 3 natural gas engines at Well #15, 25th Street Generator Site and the 45th Street Generator Site.

2012 ACCOMPLISHMENTS (continued):

11) District Training: 2,385 hours. This included training on backhoe/loader, hazmat, small and large crane, traffic control, forklift, confined space, signal person, rigging, underground locating training along with leadership and supervisor training, automated external defibrillator (AED) training. The District has implemented in-house training programs with (2) of the above categories and utilized cost free training from Joint Powers Insurance Authority (JPIA), on (4) other courses along with the Southern California Gas Co. for (HVAC training) to reduce costs.
12) Completed pipeline replacement of 1,400' of 6" ductile iron pipe replacing 1957 double-dipped and wrapped steel pipe at 40th. St. E. and Avenue S8.
13) Completed installation of 1" Pressure Reducing Valve (PRV) between pressure zones at Camares Rd. to increase water quality and circulation.
14) Dropped in sections of new pipe in three locations (10th. St. E. and Avenue Q), (Tierra Subida and Westlake dr.), (Carolside Ave. and Avenue Q) due to failed double-dipped and wrapped steel pipe.
15) Installed SCADA towers at 25th St. Tank, 45th St. Tank, Well #25, Walt Dahlitz Tank, Treatment Plant and Well #6.
16) Performed 812 hours of meter repair and maintenance exchanging meters, angle stop repairs and leaks. This included fabrication of compound meter lids and repairing piping and installation of new meters.
17) Performed 297 hours of treatment plant repairs.
18) Performed 2,234 hours of vehicle and heavy equipment maintenance and repair activities performing 313 miscellaneous vehicle and small equipment repairs, 104 scheduled PM's and 131 truck, trailer and crane repairs and inspections.
19) Conducted work on the District's flushing program (Water Quality) flushing 920,030 cubic feet (6,881,824 gallons) of water flushed to maintain adequate chlorine residuals and low turbidity numbers throughout our distribution system. 101 yearly sites flushed.
20) Conducted the valve exercising program, which included exercising 1,514 system valves.
21) Air-Vac rehabilitation program rebuilding and replacing air-vacuum breakers to improve the 2800' zone to achieve better function throughout the distribution system. 129 air-vacs serviced, rebuilt or replaced.
22) As of October 31, 2012 we have repaired 485 mainline leaks and 51 residential service line leaks.
23) Completed pipeline replacement of 1,200' of 8" ductile iron pipe replacing 1965 double-dipped and wrapped steel pipe at 1220 E. Ave. S (Behind Medical offices)
24) Installed new assembly at the 3900' tank reservoir (8" altitude valve and vault).

2013 OBJECTIVES:

1) Continue valve-exercising program.
2) Continue flushing program (water quality and required chlorine residuals).
3) Continue air-vac rebuild/replacement maintenance program to ensure proper operation.
4) Continue mainline replacement program.
5) Continue dead end tie-in program
6) Continue upgrade piping, plumbing and electrical at all well sites.
7) Continue to install new magnetic flow meters at well sites as necessary to improve accuracy of production tracking.

Palmdale Water District
Budget 2013

Facilities		BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2013	2012	2012	2011	2010	2009
1-04-4000-000	Salaries	1,339,000	1,390,000	1,424,000	1,370,889	1,345,077	1,805,916
1-04-4000-100	Salaries - Departmental Overtime	40,000	28,500	45,000	47,171	46,025	-
	Subtotal (Salaries)	1,379,000	1,418,500	1,469,000	1,418,060	1,391,102	1,805,916
Employee Benefits							
1-04-4005-000	Payroll Taxes	105,000	115,000	112,500	113,701	99,084	138,153
1-04-4010-000	Health Insurance	384,000	395,000	394,000	341,285	276,349	376,151
1-04-4015-000	PERS	254,500	270,000	266,000	243,376	207,987	289,605
	Subtotal (Benefits)	743,500	780,000	772,500	698,361	583,419	803,908
	Personnel Expenses	2,122,500	2,198,500	2,241,500	2,116,421	1,974,521	2,609,824
OPERATING EXPENSES:							
1-04-4050-000	Staff Travel	2,500	500	3,000	625	835	-
1-04-4060-000	Staff Conferences & Seminars	3,000	1,500	3,000	2,081	625	315
1-04-4155-000	Contracted Services	28,500	27,500	33,000	25,060	12,367	53,815
1-04-4215-200	Natural Gas - Buildings	4,500	3,500	4,500	3,749	4,195	3,655
1-04-4220-200	Electricity - Buildings	30,000	29,500	17,500	11,665	12,385	14,019
1-04-4225-000	Maint. & Repair - Vehicles	45,000	35,000	45,000	43,599	32,035	42,323
1-04-4230-100	Maint. & Rep. Operations - Office Building	18,000	82,000	18,000	10,315	60,534	15,106
1-04-4230-110	Maint. & Rep. Office - Equipment	-	-	-	-	357	75
1-04-4235-110	Maint. & Rep. Operations - Equipment	7,500	7,500	7,500	5,689	3,578	5,894
1-04-4235-400	Maint. & Rep. Operations - Wells	150,000	185,000	150,000	105,612	57,249	79,159
1-04-4235-405	Maint. & Rep. Operations - Boosters	50,000	42,000	50,000	53,599	36,749	22,803
1-04-4235-410	Maint. & Rep. Operations - Shop Bldgs	10,000	8,000	10,000	20,998	2,206	2,302
1-04-4235-415	Maint. & Rep. Operations - Facilities	15,000	21,000	15,000	9,912	27,763	19,903
1-04-4235-420	Maint. & Rep. Operations - Water Lines	350,000	325,000	400,000	404,457	633,952	592,699
1-04-4235-425	Maint. & Rep. Operations - Littlerock Dam	20,000	19,000	25,000	19,649	39,979	15,297
1-04-4235-430	Maint. & Rep. Operations - Palmdale Dam	26,500	26,250	25,000	26,539	26,139	24,219
1-04-4235-435	Maint. & Rep. Operations - Palmdale Canal	3,000	1,000	5,000	184	-	-
1-04-4235-455	Maint. & Rep. Operations - Heavy Equipment	35,000	32,500	40,000	30,061	72,012	27,959
1-04-4235-460	Maint. & Rep. Operations - Storage Reservoirs	5,000	750	7,500	3,917	35	582
1-04-4250-100	Materials - Hot Tapping	-	-	-	-	1,029	-
1-04-6000-000	Waste Disposal	40,000	39,500	40,000	20,468	19,594	19,513
1-04-6100-100	Fuel and Lube - Vehicle	130,000	134,000	130,000	126,814	78,549	76,099
1-04-6100-200	Fuel and Lube - Machinery	43,000	43,000	43,000	31,097	27,321	13,162
1-04-6200-000	Uniforms	20,000	17,500	20,000	16,884	12,660	32,891
1-04-6300-100	Supplies - Misc.	47,500	40,000	50,000	41,510	141,820	112,308
1-04-6300-800	Supplies - Construction Materials	65,000	52,000	80,000	65,251	-	-
1-04-6400-000	Tools	12,000	13,000	12,000	7,968	8,297	7,015
1-04-7000-100	Leases -Equipment	15,000	12,000	15,000	11,647	15,174	11,333
	Total Operating Expense	1,176,000	1,198,500	1,249,000	1,099,348	1,327,440	1,195,989
1-04-4900-000	Budget Inclusion Expense	-	-	-	-	-	24,106
	Total Departmental Expenses	3,298,500	3,397,000	3,490,500	3,215,769	3,301,961	3,829,919

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Operations Department

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Operations Department

DESCRIPTION:

The Operations Department operates the Water Treatment Plant, Lake Palmdale, Littlerock Dam and Reservoir, and the Palmdale Ditch for surface water sources and treatment. The Operations Department monitors and maintains operation of the District's 23 active ground water wells, 17 reservoir sites, 15 booster stations, 14 pressure regulating stations, 9 seismic valves, 9 hydro-pneumatic tanks, and hypochlorite disinfection equipment at 32 of the above sites. The department is responsible for maintaining compliance with all Federal, State, and local regulations on water quality standards, updating watershed sanitary survey and development of wellhead protection as a source water protection plan, lake management, energy management, and pumping efficiency, as well as handling customer related water quality complaints and water quality analysis.

2012 WATER YEAR INDICATORS:

1) Treated 12,662.1* acre-feet of surface water, 60.4% of total production, (1.5% less than 2010/11).
2) Pumped 8,291.4* acre-feet of ground water, 39.6% of total production, (27.5% more than 2010/11).
3) 20,953.5* Total acre-feet of water produced for Water Year, (8.3% more than 2010/11).
4) Operated Water Treatment Plant 8,366.75* hours.
5) Received 14,395.1* acre-feet of State Project Water (32% more than 2010/11).
6) No water was drawn from the Littlerock Reservoir.
7) Presently maintain 33.31** million gallons of potable water in distribution reservoir storage, (as of October 01, 2012).
8) Presently maintain 4,036.6 acre-feet of water in Lake Palmdale at an elevation of 2,812.1 feet above sea level, and approximately 1,850.0 acre-feet in Littlerock reservoir at an elevation of 3,249.2 feet above sea level (as of October 01, 2012).

* Water Year: October 1, 2011 to September 30, 2012
** Maximum Storage for 24 hr. period of September 30 to October 01, 2012

2012 ACCOMPLISHMENTS:

1) Obtained a permit amendment from California Department of Public Health for the Leslie O. Carter Water Treatment Plant recognizing both phases of plant upgrades and the expansion of production capacity to 35 million gallons a day.
2) Continued to adapt distribution strategies to improve water quality and increase energy efficiency.
3) Monitored water supplies for Radioactivity, MTBE, TTHM's and Hexavalent Chromium and all other constituents required by law.
4) GAC contactors were utilized to reduce disinfection byproducts and taste and odor compounds, thereby providing a higher quality of water.
5) Completed a revision to the Water Quality Frequently Asked Questions Guide.
6) Continued pilot plant for testing GAC media. This has led to the discovery of an additional GAC media they may be cost competitive versus the current GAC media being used.
7) Completed SCADA Programming to gather well and booster station reads automatically. This provides more uniform data and allowed staff to shift the time spent reading meters to performing maintenance.
8) Continued to diligently install, upgrade, maintain and repair a wide variety of critical distribution equipment to ensure reliable and efficient operations of the distribution system.
9) Completed Annual Laboratory re-certification.
10) Successfully executed a departmental emergency response drill.

2011 ACCOMPLISHMENTS (continued):

11) Completed Transition of WTP SCADA from WonderWare to new ClearSCADA software.
12) Continued work establishing a Computerized Maintenance Management System (CMMS) program.
13) Staff continued an in-house preventative maintenance program on automated valve actuators, reducing the departments contracted maintenance costs.
14) Engaged in Enernoc energy demand response program to reduce energy costs.
15) Engaged in new strategies within the department to improve the communication of priorities, plans, and progress.
16) Conducted a process improvement study on the flocculation portion of the treatment plant. This led to improved overall settled water quality.
17) Found and successfully applied for a better electricity rate for the water treatment plant. This has led to decreased energy cost.
18) Began installation of SCADA radio system upgrade.
19) Completed Triennial lead and copper sampling and analysis.
20) Staff responded to 12 planned Edison outages and 7 unplanned outages.

2013 OBJECTIVES:

1) Continue development and execution of an effective lake monitoring program and clean-up of Lake Palmdale shoreline.
2) Comply with the Stage 2 Disinfection Byproduct Rule.
3) Continue to refine plant and distribution systems operational practices to reduce costs and optimize water quality.
4) Continue jar testing of coagulants to further reduce chemical costs and optimize treatment.
5) Repair and utilize Floc Aid dosing station.
6) Utilize CMMS for work order generation and equipment performance tracking.
7) Complete optimization of the WTP SCADA.
8) Complete the install for improved radio backbone for Distribution SCADA system.
9) Complete phase I of WTP security system.
10) Complete demand response program with Honeywell to further reduce electricity costs.
11) Utilize targeted localized GAC treatment to reduce overall GAC operation costs.
12) Begin development of real-time SCADA tools for monitoring energy consumption and operational costs.
13) Continue to perform compliance monitoring of water supplies for Radioactivity, MTBE, and Hexavalent Chromium, Cyanide, General Physical, General Mineral, Inorganics & Organics and all other constituents required by law.
14) Continue to promote education and conservation through informational tours and a proactive positive response in handling water quality complaints.
15) Complete full-scale testing of both Siemens and Calgon GAC media.
16) Install new surface wash pump and repair old one to keep as a spare.
17) Update fail-safe SCADA system at the main office.
18) Maintain excellent interdepartmental cooperation through clear communication and promoting the understanding and respect of all staff's contributions towards our shared mission.
19) Encourage continued education and training in order to equip staff with the knowledge necessary to deal effectively with current and future water industry challenges.
20) Continue to upgrade, standardize, maintain and repair distribution and WTP facilities to ensure reliable and efficient performance.

Palmdale Water District
Budget 2013

Operations		BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2013	2012	2012	2011	2010	2009
1-05-4000-000	Salaries	1,608,500	1,600,000	1,619,250	1,571,485	1,527,312	1,042,903
1-05-4000-100	Salaries - Departmental Overtime	61,500	75,000	60,000	113,848	67,947	-
	Subtotal (Salaries)	1,670,000	1,675,000	1,679,250	1,685,334	1,595,259	1,042,903
Employee Benefits							
1-05-4005-000	Payroll Taxes	128,000	132,500	128,500	124,733	120,429	77,119
1-05-4010-000	Health Insurance	378,500	360,000	367,500	345,691	290,849	196,526
1-05-4015-000	PERS	307,000	310,500	304,000	273,221	234,153	165,528
	Subtotal (Benefits)	813,500	803,000	800,000	743,644	645,430	439,173
	Personnel Expenses	2,483,500	2,478,000	2,479,250	2,428,978	2,240,689	1,482,076
OPERATING EXPENSES:							
1-05-4050-000	Staff Travel	8,000	7,500	8,000	11,061	4,914	1,755
1-05-4060-000	Staff Conferences & Seminars	9,500	6,750	9,500	11,856	2,420	1,791
1-05-4120-100	Training - Lab Equipment	4,500	3,500	3,500	1,962	-	-
	Training - SCADA Network Equipment	9,000	-	-	-	-	-
1-05-4155-000	Contracted Services	59,000	58,000	59,000	62,870	53,483	38,078
1-05-4175-000	Permits	45,000	48,000	51,000	30,831	67,367	65,330
1-05-4215-100	Natural Gas - Wells & Boosters	160,000	108,000	150,000	90,390	119,255	170,615
1-05-4215-200	Natural Gas - Water Treatment Plant	3,000	2,000	3,000	2,503	1,623	2,022
1-05-4220-100	Electricity - Wells & Boosters	1,285,000	1,165,000	1,450,000	1,168,686	1,302,564	1,183,602
1-05-4220-200	Electricity - Water Treatment Plant	125,000	160,000	185,000	182,572	173,859	187,565
1-05-4230-110	Maint. & Rep. Office - Equipment	500	-	500	334	255	375
1-05-4235-110	Maint. & Rep. Operations - Equipment	15,000	15,000	15,000	5,597	10,040	4,821
1-05-4235-410	Maint. & Rep. Operations - Shop Bldgs	6,000	3,000	6,000	595	2,954	6,858
1-05-4235-415	Maint. & Rep. Operations - Facilities	38,000	32,500	38,000	41,815	29,048	20,507
1-05-4235-445	Maint. & Rep. Operations - Telemetry	2,250	5,000	2,250	14,490	507	-
1-05-4235-450	Maint. & Rep. Operations - Hypo Generators	10,000	750	7,250	1,344	10,318	1,065
1-05-4236-000	Palmdale Lake Management	15,000	15,000	15,000	14,645	9,048	30,577
1-05-4250-000	General Material & Supplies	-	-	-	1,167	-	-
1-05-4270-300	Telecommunication - Other	2,750	2,750	2,250	3,003	2,622	2,718
1-05-4300-300	Testing - Edison Testing	9,000	10,000	12,000	5,385	11,610	5,225
1-05-5011-000	Emergency Repair & Recovery	-	-	-	12,492	-	-
3-05-4300-100	R&D - Filter Media Testing	-	-	-	10,975	-	-
1-05-6000-000	Waste Disposal	22,000	3,250	15,000	36,357	2,696	3,029
1-05-6200-000	Uniforms	10,000	10,000	10,000	7,862	5,669	13,091
1-05-6300-100	Supplies - Misc.	15,000	18,000	15,000	10,035	13,704	9,898
1-05-6300-200	Supplies - Hypo Generators	6,750	6,000	6,750	5,590	8,719	8,991
1-05-6300-300	Supplies - Electrical	3,500	1,500	3,500	2,304	5,202	483
1-05-6300-400	Supplies - Telemetry	7,500	7,500	7,500	(3,926)	6,428	3,633
1-05-6300-600	Supplies - Lab	35,000	32,000	35,000	31,289	32,182	27,525
1-05-6300-700	Outside Lab Work	60,000	43,000	65,000	71,720	66,354	74,404
1-05-6400-000	Tools	6,500	4,000	6,500	6,677	4,397	2,596
1-05-6500-000	Chemicals	485,000	485,000	450,000	409,083	347,746	460,632
1-05-7000-100	Leases -Equipment	3,000	250	3,000	1,061	1,226	-
	Total Operating Expense	2,460,750	2,253,250	2,634,500	2,252,623	2,311,304	2,327,188
1-05-4900-000	Budget Inclusion Expenses	-	-	-	-	-	17,614
	Total Departmental Expenses	4,944,250	4,731,250	5,113,750	4,681,601	4,551,993	3,826,877

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Finance Department

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Finance Department

DESCRIPTION:

The Finance Department's primary responsibility is overseeing the finance related aspects of the District. This includes customer service, accounts payable, payroll, bank reconciliation, financial reporting (both state and local), auditing, internal controls, and fixed asset allocation.

The customer service portion of the Finance Department manages the day-to-day affairs for the water customers of the Palmdale Water District. This includes billing, meter reading, new service applications, customer complaints, payment processing, collections, assessment management, and records management.

2012 WATER YEAR INDICATORS:

1) Processed 3,499 +/- New Account Applications.*
2) Completed 15,629 +/- non-application based customer service orders.*
3) Issued 25,331 door tags, 2,560 shutoffs, and processed 722 rejected payments.*
4) Processed 304,795 payments: Make up was 110,342 mail payments, 78,306 front counter, 25,001 credit cards by telephone, 3rd Party Check Payment processors (ACH) 28,389, Website payments (Credit card & ACH) 62,757.
5) 18,737.5 acre feet of water billed.*
6) Serviced an average of 26,373 active customer accounts*.
7) Serviced a total of 27,642 customers (active and inactive).

* All numbers are based on a reporting period of October 1, 2011 through September 30, 2012.

2012 ACCOMPLISHMENTS:

Finance Staff

1) Completed the annual audit and required reporting to outside governing agencies. This included producing the actual audited financial report in-house for review by the independent auditors.
2) Worked with other departments on clean-up and review of fixed asset schedules to verify whether the equipment portion of assets remained or had been disposed of. This was done to satisfy auditors request made during field work portion of the audit.
3) Provided technical, financial, and acquisition support to all departments.
4) Provided monthly financial reports to General Manager and Board of Directors.
5) Provided employee compensation in a timely manner.
6) Liquidated District's obligations in a timely manner.
7) Started working on procedural documentation related to payables and payroll processing. This includes initiating cross-training for the accounting personnel overseeing these areas for increased coverage.
8) Developed workflow schedule for better closure of financial periods to improve monthly reconciliation processes.

Customer Service Staff

1) Continued cross training of office staff in various areas (billing, image scanning, collections, cash handling and mail payments) to enable the office to operate efficiently.
2) Provided Customer Service staff with additional training/education to promote effective customer service practices/programs to meet the changing needs of our customers.

2012 ACCOMPLISHMENTS (continued):

3) Customer service staff are continuing to promote the website and the Electronic Bill Presentment and Payment (EBPP) feature. The website enables our customers to access their account information online at any time to view their bills and make payments via Credit/Debit Card or Automated Clearing House (ACH) eCheck as well as perform other activities such as: address change request, request the closing of their water service account, and the like through the customer service portal.
4) Coordinating the large meter repair and testing as well as overseeing replacement of large meters to improve accuracy and reliability.
5) Overseeing, coordinating and maintaining the replacement of radio read meters in various routes.
6) Issued new bill template in the new customer service billing system which contains more detailed information on the allocation calculation.

2013 OBJECTIVES:

Finance Staff

1) Complete year-end audit and required financial reporting in a timely manner.
2) Continue to provide technical, financial, and acquisition support to all departments.
3) Continue to provide monthly financial reports to the General Manager and Board of Directors.
4) Complete work on procedural documentation related to payables and payroll processing and related cross-training.
5) Continue development of procedural documentation related to other financial related processes such as job costing, depreciation, and account reconciliation.
6) Continue improving on finance workflow schedule to better position the District for information requests related to the District's financial information.

Customer Service Staff

1) Continue to provide Customer Service staff with additional training/education to foster effective customer service practices/programs to meet the changing needs of our customers.
2) Cross training office personnel in various areas (mail payment handling, scanning, collections, cash handling, and the like) to maintain and/or improve the office efficiency.
3) Continue to maintain the radio read meters throughout the District to maintain billing accuracy and efficiency.
4) Continue to conduct real-time auditing of radio-read routes at least twice a year to ensure that the radio read units operate effectively.
5) Continue to test, repair, or replace existing radio read infrastructure.
6) Oversee large meter repair, replacement and/or testing.
7) Enable the IVR (interactive voice recognition) system so that customers can call in, inquire about balances on their accounts and pay their bills at any time. This system will also allow us to contact customers quickly in specific areas in case of emergency shutdowns.

Palmdale Water District
Budget 2013

Finance		BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2013	2012	2012	2011	2010	2009
1-06-4000-000	Salaries	1,482,000	1,468,000	1,531,250	1,508,723	1,679,094	1,612,399
1-06-4000-100	Salaries - Departmental Overtime	20,000	17,500	25,000	30,945	12,214	-
	Subtotal (Salaries)	1,502,000	1,485,500	1,556,250	1,539,668	1,691,308	1,612,399
Employee Benefits							
1-06-4005-000	Payroll Taxes	115,000	120,000	119,250	119,983	122,180	123,066
1-06-4010-000	Health Insurance	383,750	371,000	381,000	366,021	337,125	321,174
1-06-4015-000	PERS	282,500	290,000	286,500	264,424	259,728	258,327
1-06-4020-000	Worker's Compensation	-	-	-	-	-	-
	Subtotal (Benefits)	781,250	781,000	786,750	750,428	719,033	702,567
	Personnel Expenses	2,283,250	2,266,500	2,343,000	2,290,096	2,410,341	2,314,966
OPERATING EXPENSES:							
1-06-4050-000	Staff Travel	250	-	250	173	757	481
1-06-4060-000	Staff Conferences & Seminars	1,000	1,000	1,000	456	330	270
1-06-4155-000	Contracted Services	14,500	-	14,500	-	-	35,340
1-06-4155-100	Contracted Services - Infosend	205,000	215,000	205,000	215,438	229,475	220,054
1-06-4155-300	Contracted Services - Vendors	10,000	9,500	-	23,230	-	-
1-06-4165-000	Memberships/Subscriptions	500	500	500	275	435	195
1-06-4230-110	Maintenance & Repair - Office Equipment	1,000	500	1,000	209	8,700	8,874
1-06-4235-440	Maint. & Rep. Operations - Large Meters	10,000	12,000	10,000	8,648	34,517	12,240
1-06-4235-470	Maint. & Rep. Operations - Meter Exchanges	175,000	220,000	125,000	174,009	-	-
1-06-4250-000	General Material & Supplies	4,000	3,500	4,000	5,993	2,687	8,726
1-06-4260-000	Business Forms	10,000	7,000	10,000	7,163	22,125	10,497
1-06-4270-100	Telecommunication - Office	30,000	15,000	30,000	28,144	29,620	25,606
1-06-4270-200	Telecommunication - Cellular Stipend	17,000	15,250	17,000	15,845	23,602	17,382
1-06-4270-300	Telecommunication - Cellular (District On-Call)	3,000	1,750	3,000	2,426	245	63
1-06-4300-100	Testing - Meter Testing	-	-	-	-	152	183
1-06-4300-200	Testing - Large Meter Testing	21,500	15,000	21,500	15,575	19,300	16,135
1-06-7000-100	Leases - Equipment	3,000	2,500	3,000	3,030	1,707	1,319
	Total Operating Expense	505,750	518,500	445,750	500,613	373,651	357,365
	Total Departmental Expenses	2,789,000	2,785,000	2,788,750	2,790,709	2,783,992	2,672,331

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Water Conservation Department

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Water Conservation Department

DESCRIPTION:

The Water Conservation Department's primary responsibilities are planning and executing conservation programs and providing information and education on conservation issues. Programs are developed for PWD customers and school classrooms. The duties include: public relations such as speaking to other agencies or groups, developing pamphlets, booklets, flyers, brochures and event planning and executing. The department also oversees the District's compliance of the California Urban Water Conservation Council's (CUWCC) Memorandum of Understanding (MOU) with the implementation of the Best Management Practices (BMP) within the District's water conservation programs.

2012 ACCOMPLISHMENTS:

1. Provide tours of both Littlerock Dam and WTP for elementary schools throughout the year.
2. Participated in the City of Palmdale's Thursday Night on the Square events.
3. Developed memorandum of understanding (MOU) for the AV Water Partners, which includes; LA County Water Works, Quartz Hill Water District, Palmdale Water District and Rosamond Community Services District.
4. Planned and developed six bi-monthly PWD "Water News" inserts distributed with customer bills.
5. Coordinated Consumer Confidence Report with WTP staff and Four Star Printing for distributing to the public.
6. Planned and developed the new 2013 "Cash for Grass "program and provided two "Cash for Grass" landscape-training workshops during the year.
7. Developed monthly water use reports for the Palmdale School District and Antelope Valley Union High School District's (AVUHSD) Palmdale High School.
8. Planed, developed and executed rebate programs throughout the year including; "Cash for Grass," washing machine rebates, toilet rebates, MP rotator rebates, smart controller rebates, and PWD/HydroPoint smart controller program.
9. Generated necessary press releases throughout the year for water conservation rebates, public information and general PWD public relations.
10. Developed promotional media for water conservation rebates and public information.
11. Compiled water use data on rebate customers for water savings throughout the year.
12. Provided and developed all the information and documentation for Best Management Practices (BMPS).
13. Assisted the Administrative Service Department's field service group with their meter replacement written program and sent a copy to the Department of Water Resources (DWR).
14. Compiled all conservation programs and data for reporting to the Department of Water Resources regarding the CUWCC required BMP reporting.
15. Compiled water use information for 2010 year to comply with AB 1420.
16. Planned and executed the 2012 PWD plant sale.
17. Revamped the Aquadog and PWD logos and began using Aquadog in promotional conservation messages.

2013 OBJECTIVES:

1) Plan, develop and execute class contests for elementary schools.
2) Provide six tours for elementary schools throughout the year.
3) Provide six classroom presentations to elementary schools throughout the year.
4) Plan, develop and execute PWD's six bi-monthly "Water News" billing inserts.
5) Plan, develop and execute PWD's monthly employee newsletter.
6) Plan, develop and execute PWD's 2013 Plant sale
7) Coordinate, develop and execute PWD's Consumer Confidence Report.

8) Continue compiling water use data on rebate customers for water savings throughout the year.
9) Continue monthly water use reports for the Palmdale School District and AVUHSD Palmdale High School.
10) Plan, develop and execute "Fix a Leak Week" materials.
11) Plan, develop and execute six landscape "Cash for Grass" training workshops.
12) Continue executing rebate programs including: the new 2013 "Cash for Grass," program, washing machine rebates, toilet rebates, MP rotator rebates, smart controller rebates, and PWD/HydroPoint smart controller program.
13) Plan, develop, and complete compliance worksheets and submit to the CUWCC for 2012 and 2013
14) Plan, develop and execute press releases for water conservation rebates, public information and general PWD public relations.
15) Plan, develop and execute promotional media for water conservation rebates and public information
16) Develop and provide conservation materials for the City of Lancaster's Home and Garden
17) Develop and provide conservation materials for the City Palmdale's Thursday Night on the Square
18) Develop and provide conservation materials for the Student Summer Camp
19) Develop and provide conservation materials for the AVRCD Plant Fair.

20) Develop and provide conservation materials for the PWD plant sale
21) Distribute MOU to the AV Water Partners, which includes; LA County Water Works, Quartz Hill Water District, Palmdale Water District and Rosamond Community Services District.
22) Continue to compile all conservation programs and data for reporting the BMPs to the Department of Water Resources regarding the CUWCC required BMP reporting.
23) Plan and develop a contest within the Cash for Grass program to provide customers with information and materials on developing and planning a landscape design for a water-wise yard.

Palmdale Water District
Budget 2013

Water Conservation		BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2013	2012	2012	2011	2010	2009
1-07-4000-000	Salaries	153,000	146,750	151,750	149,794	153,005	143,633
1-07-4000-100	Salaries - Departmental Overtime	1,000	1,250	1,250	939	946	-
	Subtotal (Salaries)	154,000	148,000	153,000	150,733	153,951	143,633
Employee Benefits							
1-07-4005-000	Payroll Taxes	11,750	11,750	12,000	11,498	11,355	10,988
1-07-4010-000	Health Insurance	22,750	20,500	15,500	15,310	12,635	13,524
1-07-4015-000	PERS	29,250	30,000	28,500	26,469	23,670	23,179
	Subtotal (Benefits)	63,750	62,250	56,000	53,277	47,661	47,692
	Personnel Expenses	217,750	210,250	209,000	204,010	201,612	191,324
OPERATING EXPENSES:							
1-07-4050-000	Staff Travel	1,000	250	1,000	-	579	268
1-07-4060-000	Staff Conferences & Seminars	1,000	500	500	35	285	100
1-07-4190-300	Public Relations - Landscape Workshop/Training	1,000	750	2,500	974	478	158
1-07-4190-400	Public Relations - Contests	1,000	500	500	58	-	-
1-07-4190-500	Public Relations - Education Programs	5,000	5,000	5,000	616	438	1,678
1-07-4190-700	Public Relations - General Media (Public Outreach)	3,000	1,500	3,000	-	-	13,544
1-07-4190-900	Public Relations - Other	5,000	-	-	-	-	-
1-07-6300-100	Supplies - Misc.	5,000	3,000	2,000	1,869	2,656	1,912
	Total Operating Expense	22,000	11,500	14,500	3,552	4,437	17,659
1-07-4900-000	Budget Inclusion Expense	-	-	-	-	-	43,356
	Total Departmental Expenses	239,750	221,750	223,500	207,563	206,048	252,339

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Human Resources Department

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Human Resources Department

DESCRIPTION:

The Human Resources Department manages the District's human resource-related tasks. This includes planning, organizing, directing and reviewing the activities and operations of the Human Resources Department, including recruitment and selection, on boarding, classification and compensation, benefits administration, employee relations, performance management, training, safety and risk management.

2012 ACCOMPLISHMENTS:

1) Provided training workshop and served as a resource for the Board of Directors for the General Manager's review process.
2) Researched and provided reports to the Personnel Committee and Board of Directors regarding District benefits and various options for consideration.
3) Completed Cost-of-Living research for 2012, culminating in data provided to the Personnel Committee and staff presentation to the Board of Directors for consideration.
4) Completed the AWCA Benefits and Salary Survey for 2012.
5) Participated on ACWA's Diversity Team to assist in the development of policies and procedures for agencies.
6) Presented and trained staff on the new Employee Manual.
7) Trained staff and provided hands-on workshop for NeoGov's Performance Management System.
8) Participated in the implementation of NeoGov's on-line application process.
9) Chaired and facilitated the monthly meetings of the Communications Committee.
10) Coordinated and presented the District's Employee Communication's Plan and collateral material to the Board of Directors and trained all staff, in conjunction with the Communications Team.
11) Coordinated Communications, Supervisor, CPR/First Aid, Crane, Rigging, Hazwoper and HR Legal Update 2012 trainings. Coordinated completion of annual hazard business plans for the District.
12) Served as chair and facilitated the monthly Safety and Safety sub-committee meetings.
13) Developed and coordinated efforts of the Emergency Response Team
14) Completed the District's 2012 Property Assessment for Insurance Coverage.
15) Coordinated the completion of JPIA's Property Recommendations for 2012.
16) Coordinated the completion of JPIA's District's Risk Assessment process.
17) Coordinated Employee Benefits/Health Fair with 17 vendors participating and presentation by a keynote speaker.
18) Completed employee-specific training program through Target Safety/Prevention Link.
19) Participated in NeoGov's Performance Evaluation weekly User's Group.
20) Attended NeoGov's training and conference featuring performance management, on-line hiring processes, and on-boarding procedures.
21) Attended and participated in the Society for Human Resource Management Conference.
22) Obtained Certification – ACWA/JPIA Professional Development Program in Human Resources
23) Obtained Certification – International Public Management Association for Human Resources

2013 OBJECTIVES:

1) Continue working on competencies and criteria for Performance Evaluation process for 2013 with managers and supervisors.
2) Continue implementation of NeoGov's On-Line Hiring process, including enhancements of the application and qualifying questionnaires.
3) Finalize implementation of NeoGov's On-Boarding module (New Employee Orientation).
4) Recruit staff in specific functional areas to serve on Safety Sub-Committee for required Training and annual schedules.
5) Provide support to General Manager relative to Strategic Plan revisions.
6) Continue efforts on workforce planning in conjunction with the District's Strategic Plan.
7) Perform research and develop presentations for Personnel Committee and the Board of Directors for consideration.
8) Coordinate 2013 Employee Benefits and Wellness Fair.
9) Continue focus on Wellness programs to ensure a healthier workforce.
10) Coordinate the work of the Action Plan for Communications initiatives.
11) Facilitate Communications Committee meetings.
12) Facilitate Safety and Safety Sub-Committee meetings.
13) Develop Employee Benefits Task Force.
14) Follow ACWA's recommendations for Inclusion in the workplace.

Palmdale Water District
Budget 2013

Human Resources		BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2013	2012	2012	2011	2010	2009
1-08-4000-000	Salaries	84,000	105,500	127,500	125,029	111,469	-
1-08-4000-100	Salaries - Departmental Overtime	-	-	-	-	-	-
	Subtotal (Salaries)	84,000	105,500	127,500	125,029	111,469	-
Employee Benefits							
1-08-4005-000	Payroll Taxes	6,500	8,500	10,000	7,693	8,178	-
1-08-4010-000	Health Insurance	18,000	14,500	17,250	20,343	13,658	-
1-08-4015-000	Pers	16,000	18,750	24,000	22,914	17,296	-
	Subtotal (Benefits)	40,500	41,750	51,250	50,950	39,132	-
	Personnel Expenses	124,500	147,250	178,750	175,979	150,601	-
OPERATING EXPENSES:							
1-08-4050-000	Staff Travel	500	500	3,000	1,325	1,591	-
1-08-4060-000	Staff Conferences & Seminars	500	500	2,000	1,344	1,380	-
1-08-4090-000	Temporary Staffing	-	-	-	1,966	-	9,640
1-08-4095-000	Employee Recruitment	3,000	750	3,000	1,100	4,309	4,386
1-08-4100-000	Employee Retention	1,500	2,000	1,500	3,140	1,032	717
1-08-4105-000	Employee Relations	3,500	3,000	3,500	3,185	1,938	2,494
1-08-4110-000	Consultants	1,000	-	1,000	-	500	15,602
1-08-4120-100	Training - Safety/HR Consultants	38,000	20,000	38,000	21,497	25,623	15,742
1-08-4121-000	Safety/HR Program	1,000	-	1,000	-	540	2,417
1-08-4165-000	Memberships/Subscriptions	1,600	2,000	1,600	1,144	145	-
1-08-4165-100	HR/Safety Publications	1,000	250	1,000	1,246	388	-
1-08-4210-000	Office Furniture	-	-	-	196	-	-
1-08-6300-500	Supplies - Safety	33,500	17,500	33,500	23,677	28,047	18,378
	Total Operating Expense	85,100	46,500	89,100	59,818	65,495	69,376
	Total Departmental Expenses	209,600	193,750	267,850	235,797	216,096	69,376

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Information Technology Department

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Information Technology Department

DESCRIPTION:

The Palmdale Water District Information Technology (IT) department provides IT support for the District's computer network, including the operation, maintenance, upgrade, and repair of network hardware and District employee workstations. The primary responsibility of the IT Department is providing a safe and secure networking environment. Additional responsibilities include the day-to-day operation of the network datacenter and servers, the District phone system, office machines, and software applications. The IT department is also responsible for testing and evaluating new software applications and hardware being considered for purchase by the District to insure they perform in our current and future infrastructure.

2012 ACCOMPLISHMENTS:

1) Upgraded network infrastructure
2) Replaced telephone system
3) Implemented network monitoring software
4) Initiated virtualization of District Servers
5) Implemented centralized Storage Area Network
6) Replacement of desktops, laptops, and workstations
7) Upgraded to Office 2010
8) Implement Disaster Recovery plan for mission critical data and network equipment
9) Attended MS SQL and Certified Ethical Hacker training

2013 OBJECTIVES:

1) Continue working on deployment of a local Intranet to meet District Communication policy
2) Continue virtualization of our physical servers
3) Conduct Social Engineering penetration testing on a random sampling of District employees to identify existing vulnerabilities; train PWD staff on how to identify and report Social Engineering attacks, retest a random sampling of staff to gauge the effectiveness of the training
4) Agenda Management software that eliminates the need for paper agendas, minutes, and packets
5) Remote network access for field workers
6) Upgrade email software to current version
7) Replace or Upgrade document management system
8) Replace existing security system at Main Office / NOB / Maintenance
9) Seek IT related federal and state grant sources
10) Continue replacement of desktops, laptops, and workstations

Palmdale Water District
Budget 2013

Information Technology		BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2013	2012	2012	2011	2010	2009
1-09-4000-000	Salaries	204,000	211,000	195,250	196,681	-	-
1-09-4000-100	Salaries - Departmental Overtime	2,500	2,500	3,000	1,773	-	-
	Subtotal (Salaries)	206,500	213,500	198,250	198,453	-	-
Employee Benefits							
1-09-4005-000	Payroll Taxes	16,000	16,500	15,500	14,034	-	-
1-09-4010-000	Health Insurance	41,250	40,000	40,000	38,554	-	-
1-09-4015-000	PERS	39,250	39,500	37,000	33,431	-	-
	Subtotal (Benefits)	96,500	96,000	92,500	86,019	-	-
	Personnel Expenses	303,000	309,500	290,750	284,472	-	-
OPERATING EXPENSES:							
1-09-4050-000	Staff Travel	3,000	1,000	3,000	1,324	-	-
1-09-4060-000	Staff Conferences & Seminars	15,000	8,750	15,000	4,713	-	-
1-09-4120-100	Cogsdale Reimplementation and Templates	-	22,500	70,000	19,903	63,798	218,683
1-09-4155-200	Contracted Services - ACS	-	-	-	-	97,863	271,244
1-09-4155-300	Contracted Services - Computer Vendors	108,000	102,000	105,000	22,344	36,324	-
1-09-4165-000	Memberships/Subscriptions	500	500	500	340	-	-
1-09-8000-100	Computer Equipment - Computers	45,000	40,000	45,000	44,300	30,568	-
1-09-8000-200	Computer Equipment - Laptops	10,000	8,500	10,000	6,681	-	-
1-09-8000-300	Computer Equipment - Monitors	2,000	2,000	2,000	639	631	-
1-09-8000-400	Computer Equipment - Printers	2,500	2,500	2,500	1,911	3,525	5,748
1-09-8000-500	Computer Equipment - Toner Cartridges	3,000	6,000	3,000	13,330	11,683	1,070
1-09-8000-600	Computer Equipment - Other	35,000	36,000	35,000	9,267	25,205	17,397
1-09-8100-100	Computer Softw are - Maint. and Support	70,000	19,500	70,000	34,026	43,640	112,596
1-09-8100-140	Computer Softw are - Starnik Maint. & Support	86,000	31,600	-	-	-	-
1-09-8100-150	Computer Softw are - Dynamics GP Maint. & Support	30,000	43,250	70,000	109,439	43,135	-
1-09-8100-200	Computer Softw are - Softw are and Upgrades	15,000	7,500	15,000	9,486	49,500	4,492
	Total Operating Expense	425,000	331,600	446,000	277,702	405,872	631,228
	Total Departmental Expenses	728,000	641,100	736,750	562,174	405,872	631,228

SECTION IV
SUMMARY BUDGET EXPENDITURE REQUESTS

STUDIES AND PLANNING DOCUMENTS

SAFETY AND REGULATORY COMPLIANCE

NEW EQUIPMENT

REPLACEMENT EQUIPMENT

GENERAL PROJECTS

REPLACEMENT CAPITAL PROJECTS

NEW CAPITAL PROJECTS

NEW CAPITAL PROJECTS (CIF)

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Palmdale Water District
Budget 2013
Studies and Planning Documents

REQ. #	DESCRIPTION	Dept.	2013 FUND SOURCE BREAKDOWN		BUDGETING YEAR AMOUNT		
			O&M	WS	2013	2014	2015
Studies and Planning Documents							
PL01	PWD Redistricting (CO)	ADM	10,000	-	10,000	-	-
PL02	Recycled Water Master Plan and CEQA Compliance	ENG	-	40,000	40,000	-	-
PL03	Littlerock Creek Groundwater Rechrg & Recvry - Feasibility Study	ENG	-	250,000	250,000	500,000	1,000,000
PL04	Local Groundwater Assistance Grant (Nov. Notification)	ENG	-	(250,000)	(250,000)	-	-
PL05	Water System Master Plan & EIR	ENG	-	-	-	200,000	-
PL06	Strategic Water Resources Plan - Water Supply Fee Policy	ENG	-	25,000	25,000	-	-
PL07	Water Rate Study	ENG	-	-	-	50,000	-
PL08	2015 Urban Water Management Plan Update	ENG	-	-	-	-	75,000
PL09	PWD Personnel Vulnerability Test & Training	IT	20,000	-	20,000	-	-
PL10	IT Grant Consultant	IT	-	-	-	25,000	-
			30,000	65,000	95,000	775,000	1,075,000
		Total Fund Source:	95,000				

Abbreviation Explanation		
O&M	=	Capital Expensed
CF	=	Water System Connection Fund
WS	=	Source Water Supply Fund
AR	=	Asset Replacement Fund
CON	=	Conservation Program
WQ	=	Water Quality Fund

Palmdale Water District
Budget 2013
Safety and Regulatory Compliance

REQ. #	DESCRIPTION	Dept.	2013 FUND SOURCE BREAKDOWN		BUDGETING YEAR AMOUNT		
			O&M	AR	2013	2014	2015
Safety and Regulatory Compliance							
SF01	Replacement Crane Rigging	FAC	5,000	-	5,000	-	5,000
			5,000	-	5,000	-	5,000
		Total Fund Source:	5,000				

Palmdale Water District
Budget 2013
New Equipment

REQ. #	DESCRIPTION	Dept.	2013 FUND SOURCE BREAKDOWN		BUDGETING YEAR AMOUNT		
			O&M	AR	2013	2014	2015
New Equipment							
NE01	GIS Application (Desktop and Field Viewing)	ENG	25,000	-	25,000	-	-
NE02	GPS Application (Field Hardware)	ENG	-	-	-	15,000	-
NE03	Handheld GPS Data Collection Equipment	ENG	-	-	-	13,000	-
NE04	Project Management & Planning Software	ENG	-	-	-	-	40,000
NE05	New Utility Truck w/Crane & Air Compressor	FAC	-	-	-	100,000	-
NE06	Service Truck Tools	FAC	-	-	-	10,000	-
NE07	Diesel Powered Tamper (Qty. 2) (CO)	FAC	10,000	-	10,000	-	-
NE08	Tools for Fabrication Shop	FAC	-	-	-	10,000	-
NE09	Enclosed Trailer for Storage/Transport of Shoring Equipment	FAC	-	-	-	7,500	-
NE10	Welder/Generator for Truck 116	FAC	-	-	-	4,000	-
NE11	CMMS Software (FAC/OPS - CO)	FAC/OPS	13,000	-	13,000	-	-
NE12	Chemical Pumps - Low Flow Option	OPS	-	-	-	7,500	-
NE13	NaOCl Pump Redundancy	OPS	7,500	-	7,500	-	-
NE14	Tig Welder	OPS	-	-	-	7,500	-
			55,500	-	55,500	174,500	40,000
		Total Fund Source:	55,500				

Palmdale Water District
Budget 2013
Replacement Equipment

REQ. #	DESCRIPTION	Dept.	2013 FUND SOURCE BREAKDOWN		BUDGETING YEAR AMOUNT		
			O&M	AR	2013	2014	2015
Replacement Equipment							
RE01	FC300 Radio Read Equipment Replacement (FC200)	ASR	20,000	-	20,000	-	-
RE02	Motor Replacement & Rehab (Dump Truck 4) (CO)	FAC	10,000	-	10,000	-	-
RE03	Replacement 1/2-Ton Truck (Replaces 281-26) (CO)	FAC	-	-	-	20,000	-
RE04	Dump Truck	FAC	-	100,000	100,000	-	-
RE05	Replacement 3/4-Ton Truck (Replaces 281-31)	FAC	-	35,000	35,000	-	-
RE06	Replacement 3/4-Ton Truck (Replaces 281-33)	FAC	-	-	-	40,000	-
RE07	Replacement Air Compressor (Truck 60)	FAC	-	-	-	3,000	-
RE08	Parts Washer (Solvent Tank and Portable Brake Washer)	FAC	-	-	-	2,500	-
RE09	Rice Hydro-static Test Pump w/Tank	FAC	4,000	-	4,000	-	-
RE10	Metrotech Utility Locators (Qty. 2)	FAC	8,000	-	8,000	-	-
RE11	Replacement Rock Drill, Pavement Breaker & Clay Spade	FAC	4,000	-	4,000	7,000	8,000
RE12	Replacement 3/4-Ton Truck (Replaces 281-93)	FAC	-	-	-	40,000	-
RE13	Replacement 3/4-Ton Truck (Replaces 281-10)	FAC	-	-	-	40,000	-
RE14	Backhoe	FAC	-	-	-	-	110,000
RE15	Replacement 3/4-Ton Truck (Replaces 281-90)	FAC	-	-	-	-	40,000
RE16	Replacement 3/4-Ton Truck (Replaces 281-105)	FAC	-	-	-	-	40,000
RE17	Replacement Medium Duty Utility Truck (Replaces 281-115)	FAC	-	-	-	-	90,000
RE18	Replacement 3/4-Ton Truck (Replaces 281-91) (2016)	FAC	-	-	-	-	40,000
RE19	Replacement 3/4-Ton Truck (Replaces 281-98) (2016)	FAC	-	-	-	-	40,000
RE20	Replacement Medium Duty Flatbed Truck (Replaces 281-43) (2016)	FAC	-	-	-	-	70,000

Palmdale Water District
Budget 2013
Replacement Equipment (continued)

REQ. #	DESCRIPTION	Dept.	2013 FUND SOURCE BREAKDOWN		BUDGETING YEAR AMOUNT		
			O&M	AR	2013	2014	2015
RE21	Replacement Medium Duty Utility Truck (Replaces 281-116) (2016)	FAC	-	-	-	-	90,000
RE22	Replacement Crane (281-24) (2017)	FAC	-	-	-	-	500,000
RE23	Replacement Dump Truck (2017)	FAC	-	-	-	-	150,000
RE24	Replacement Sedan (281-23) (2017)	FAC	-	-	-	-	30,000
RE25	Replacement 3/4 Ton Utility Body Truck (281-35) (2017)	FAC	-	-	-	-	40,000
RE26	Replacement Turbidimeters (Qty. 4)	OPS	-	-	-	11,000	11,000
			46,000	135,000	181,000	163,500	1,259,000
		Total Fund Source:	181,000				

Palmdale Water District
Budget 2013
General Projects

REQ. #	DESCRIPTION	Dept.	2013 FUND SOURCE BREAKDOWN				BUDGETING YEAR AMOUNT		
			O&M	AR	WQ	CON	2013	2014	2015
General Projects									
PRO01	Booster Pump Replacements (3M Tank Site - Qty. 2) (CO)	FAC	-	-	-	-	-	20,000	-
PRO02	Booster Pump Spare Parts (CO)	FAC	-	-	-	-	-	25,000	25,000
PRO03	Well 15 - Scheduled Maintenance (CO)	FAC	75,000	-	-	-	75,000	-	-
PRO04	Well 11 - Clutch Retrofit	FAC	20,000	-	-	-	20,000	-	-
PRO05	Facilities Door/Gate Access Locks Replacement (Qty: 15)	FAC	-	-	-	-	-	25,000	-
PRO06	Security System Upgrades - Facilities Yard	FAC	5,000	-	-	-	5,000	5,000	-
PRO07	Haul Waste Material - Facilities Yard (Moved to Dept O&M)	FAC	-	-	-	-	-	-	-
PRO08	Localized GAC Contactor (El Camino Underground)	OPS	-	-	250,000	-	250,000	-	-
PRO09	Entry Way Buildings - GAC & Filter Galleries (Safety Issue)	OPS	-	-	-	-	-	10,000	29,000
PRO10	Additional Brine Tank	OPS	-	-	-	-	-	60,000	-
PRO11	Distribution SCADA Radio Upgrade	OPS	90,000	-	-	-	90,000	140,000	-
PRO12	GAC Staging Area (2000 Sq. Ft.)	OPS	-	-	-	-	-	32,500	-
PRO13	Old Lab Rehabilitation	OPS	-	-	-	-	-	8,500	-
PRO14	Re-Engineering of Wash Water Return Manifold (Design) **	OPS	-	-	-	-	-	10,000	40,000
PRO15	Sludge Level Indicators (CO)	OPS	-	-	-	-	-	7,500	-
PRO16	Sludge Pump Station Flow Meter	OPS	-	-	-	-	-	4,000	-
PRO17	Sed Basin Loading Docks	OPS	-	-	-	-	-	9,000	-
PRO18	WTP Flood Control (Backshop area)	OPS	-	-	-	-	-	15,000	-
PRO19	NaOCl Rack Two Rehabiliation	OPS		18,000	-	-	18,000	-	-
PRO20	Signal Splitters - Remote NaOCl Monitoring (Wells & Bstrs)	OPS	10,000	-	-	-	10,000	-	-

Palmdale Water District
Budget 2013
General Projects (continued)

REQ. #	DESCRIPTION	Dept.	2013 FUND SOURCE BREAKDOWN				BUDGETING YEAR AMOUNT		
			O&M	AR	WQ	CON	2013	2014	2015
PRO21	WTP Backshop Office Expansion	OPS	-	-	-	-	-	-	-
PRO22	40' Storage Containers (Qty. 2)	OPS	-	-	-	-	-	12,000	-
PRO23	DWR Building Rehabilitation **	OPS	-	-	-	-	-	35,000	-
PRO24	Epoxy Recoating Containment Area - South Chemical Building	OPS	-	-	-	-	-	35,000	-
PRO25	Lake Outlet Sample Platform	OPS	-	-	-	-	-	7,500	-
PRO26	2011 Water Rebate Program - Controllers, Turf Replacement, etc.	WC	-	-	-	150,000	150,000	250,000	250,000
PRO27	Landscape Design Booklet	WC	-	-	-	-	-	10,000	-
PRO28	Bottled Water	WC	-	-	-	-	-	25,000	-
PRO29	Agenda Management System ($7,000 Annual Support - Yr. 2)	IT	-	-	-	-	-	25,000	-
PRO30	AppAssure - Backup Software System	IT	40,000	-	-	-	40,000	-	-
PRO31	Mobile Data Management (MDM) Project	IT	35,000	-	-	-	35,000	-	-
PRO32	Email Software Upgrade	IT	80,000	-	-	-	80,000	-	-
PRO33	Document Management System Upgrade	IT	-	-	-	-	-	105,000	-
			355,000	18,000	250,000	150,000	773,000	876,000	344,000
		Total Fund Source:	773,000						

Palmdale Water District
Budget 2013
Replacement Capital Projects

REQ. #	DESCRIPTION		Dept.	2013 FUND SOURCE BREAKDOWN			BUDGETING YEAR AMOUNT		
				O&M	WS	AR	2013	2014	2015
Replacement Capital Projects									
RCP01	Radio-Read Meters		ASR	-	-	-	-	500,000	2,718,625
RCP02	Installation of Radio-Read Meters		ASR	-	-	-	-	45,000	220,000
RCP03	Spec. No. 0902 - Ave Q3 / Division - South 2012 Unpaid Carryover		ENG	-	-	125,000	125,000	-	-
RCP04	Storage Tank Re-Coatings - Annual Maint. Contract (Year 1 of 6)		ENG	315,000	-	-	315,000	330,000	300,000
RCP05	PWD 1 - Ave Q5, 16th, 17th, & 18th ST E Waterline Replacement	*	ENG	-	-	400,000	400,000	270,000	-
RCP06	PWD 2 - 15th ST E (Ave P4-P8) Waterline Replacement	*	ENG	-	-	-	-	153,000	-
RCP07	PWD 3 - Avenue P8 Waterline Replacement	*	ENG	-	-	-	-	42,000	-
RCP08	PWD 4 - Ave Q1, Q2, & Q3 (15th ST) Waterline Replacement	*	ENG	-	-	-	-	43,000	-
RCP09	PWD 5 - 5th PL, Ave Q1, Q2, Q4, & Q5 (5th ST) Waterline Repl.	*	ENG	-	-	-	-	31,000	-
RCP10	Contract 1 - Ave Q3/Division - North Half	*	ENG	-	-	-	-	725,000	-
RCP11	Contract 2 - Ave P14 Mainline Replacement (4th - 6th ST)	*	ENG	-	-	-	-	116,000	-
RCP12	Contract 3 - 20th ST, 22nd ST & Ave Q5 Vicinity Waterline Repl.	*	ENG	-	-	-	-	1,406,000	-
RCP13	Contract 4 - Camares Dr Waterline Repl. (Barrel Spgs & Lakeview)	*	ENG	-	-	-	-	189,000	-
RCP14	Contract 5 - Ave Q, 31st ST, & 32nd ST Vicinity Waterline Repl.	*	ENG	-	-	-	-	1,675,000	-
RCP15	Contract 6 - Division, 2nd ST & 3rd ST Vicinity Waterline Repl.	*	ENG	-	-	-	-	928,000	-
RCP16	Contract 7 - 10th ST, Ave P5, & Ave P4 Vicinity Mainline Repl.	*	ENG	-	-	-	-	1,943,000	-
RCP17	Well No. 24A - Design & Const. (Rep. Lanc. Subbasin)		ENG	-	-	-	-	-	500,000
RCP18	Dredging at WTP Inlet Structure - Construction		ENG	-	-	-	-	-	250,000
RCP19	Well 20 Abandonment		FAC	20,000	-	-	20,000	-	-
RCP20	Well 20A - Design & Const.		FAC	-	-	-	-	-	600,000
RCP21	Well 4 Rehabilitation	*	FAC	-	-	-	-	200,000	-
RCP22	Well 14 Rehabilitation	*	FAC	-	-	-	-	250,000	-
RCP23	Well 19 Rehabilitation	*	FAC	-	-	-	-	150,000	-
RCP24	Well 21 Rehabilitation	*	FAC	-	-	-	-	150,000	-

Palmdale Water District
Budget 2013
Replacement Capital Projects (continued)

REQ. #	DESCRIPTION	Dept.	2013 FUND SOURCE BREAKDOWN			BUDGETING YEAR AMOUNT		
			O&M	WS	AR	2013	2014	2015
RCP25	Well 25 Rehabilitation	FAC	-	-	-	-	150,000	-
RCP26	Well 30 Rehabilitation	FAC	-	-	-	-	150,000	-
RCP27	Well 32 Rehabilitation	FAC	-	-	-	-	150,000	-
RCP28	Well 15 Rehabilitation	FAC	-	-	-	-	-	300,000
RCP29	Well 22 Rehabilitation	FAC	-	-	-	-	-	150,000
RCP30	Well 26 Rehabilitation	FAC	-	-	-	-	-	150,000
RCP31	Well 29 Rehabilitation	FAC	-	-	-	-	-	150,000
RCP32	Well 6 Rehabilitation (2016)	FAC	-	-	-	-	-	175,000
RCP33	Well 35 Rehabilitation (2016)	FAC	-	-	-	-	-	175,000
RCP34	Plate Settlers - Beam Replacement Project	OPS	-	-	-	-	370,000	-
RCP35	Security Access System - Main Office/N.O.B./Back Gates (CO)	IT	-	-	-	-	125,000	-
			335,000	-	525,000	860,000	10,091,000	5,688,625
		Total Fund Source:	860,000					

* The 2013 total fund amount for Replacement Capital Projects includes seeking outside funding for projects RCP05 through RCP16 and RCP20 through RCP24. Allocation of $400,000 has been set aside for payment of this outside funding. The amount of outside funding will be $4-5 million and once the amount is known then the projects will be prioritized accordingly with the remaining being pushed into 2014. Currently 2014 is showing the full amount of all of the projects listed above.

Palmdale Water District
Budget 2013
New Capital Projects

REQ. #	DESCRIPTION	Dept.	2013 FUND SOURCE BREAKDOWN			BUDGETING YEAR AMOUNT		
			O&M	WS	AR	2013	2014	2015
New Capital Projects								
NCP01	WTP Security System (CO)	OPS	-	-	20,000	20,000	-	-
NCP02	Littlerock Dam Sediment Removal - EIR/Grade Control/Dredging (CO)	ENG	-	-	-	-	-	1,000,000
			-	-	20,000	20,000	-	1,000,000
		Total Fund Source:	20,000					

Palmdale Water District
Budget 2013
New Capital Projects (CIF)

REQ. #	DESCRIPTION	Dept.	2013 FUND SOURCE BREAKDOWN		BUDGETING YEAR AMOUNT		
			OM	CF	2013	2014	2015
New Capital Projects (CIF)							
NCC01	Well No. 34A - Design & Construction (Lanc. Subbasin)	ENG	-	-	-	-	1,500,000
NCC02	Building Master Plan	ENG	10,000	-	10,000	-	-
NCC03	Acquisition of Tax Defaulted Properties	ENG	-	30,000	30,000	-	-
			10,000	30,000	40,000	-	1,500,000
		Total Fund Source:	40,000				

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APPENDIXES

APPENDIX A
BUDGET CONTROL GUIDELINES

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DISTRICT INFORMATION

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GLOSSARY

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APPENDIX A
BUDGET CONTROL GUIDELINES

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BUDGET CONTROL GUIDELINES

The 2013 Budget approved by the Board of Directors will serve as the basis for operating Palmdale Water District. It includes a number of individual items and projects as well as the anticipated operations and maintenance budgets. Occasional questions have come up in recent years as the District has gotten familiar with the budget process. These range from adjustments in accounts of departmental operating budgets to implementing projects approved in the budget. The following are intended to act as guidelines for working within the budget and to clarify the Board's involvement in the process.

1) Work on purchasing equipment and other projects in the approved budget can be initiated by staff. Approval of proposals for the construction projects or purchasing equipment will follow the appropriate District policy and may involve Committee or Board action.

2) Department managers are required to operate within the approved budget amounts, both the total department amount and individual accounts. Permission from the General Manager is needed prior to exceeding any account budget amount.

3) The General Manager is authorized to approve transfers between operating budget accounts within or between departments up to $25,000. These transfers must be requested in writing from the department manager and shall not increase the overall District budget. Transfers above $25,000 must be approved by the Board of Directors.

4) Items not included in the approved budget and recommended by staff must be approved by the Board.

5) Increases in the total operating budget that are not due to emergency or maintenance activities must be approved by the Board of Directors. The General Manager shall inform the Board of Directors of spending related to emergency situations.

6) The General Manager will periodically provide the Board of Directors with reports on actual spending versus the approved budget, any recommended adjustments and any approved transfers.

7) The Departmental Staffing Summary included in the 2013 Budget is for monetary planning purposes only. The General Manager will consult with the Personnel Committee or full Board of Directors, as appropriate, prior to filling any vacant positions shown in the summary.

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APPENDIX B
DISTRICT INFORMATION

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PALMDALE WATER DISTRICT
2012 Water Rate Schedule

Meter Fee Charge (Effective 01/01/2011)	
5/8”	24.97
1”	47.44
1-1/2”	84.89
2”	129.84
3”	234.72
4”	384.55
6”	759.11
8”	1,208.58
10”	1,732.98

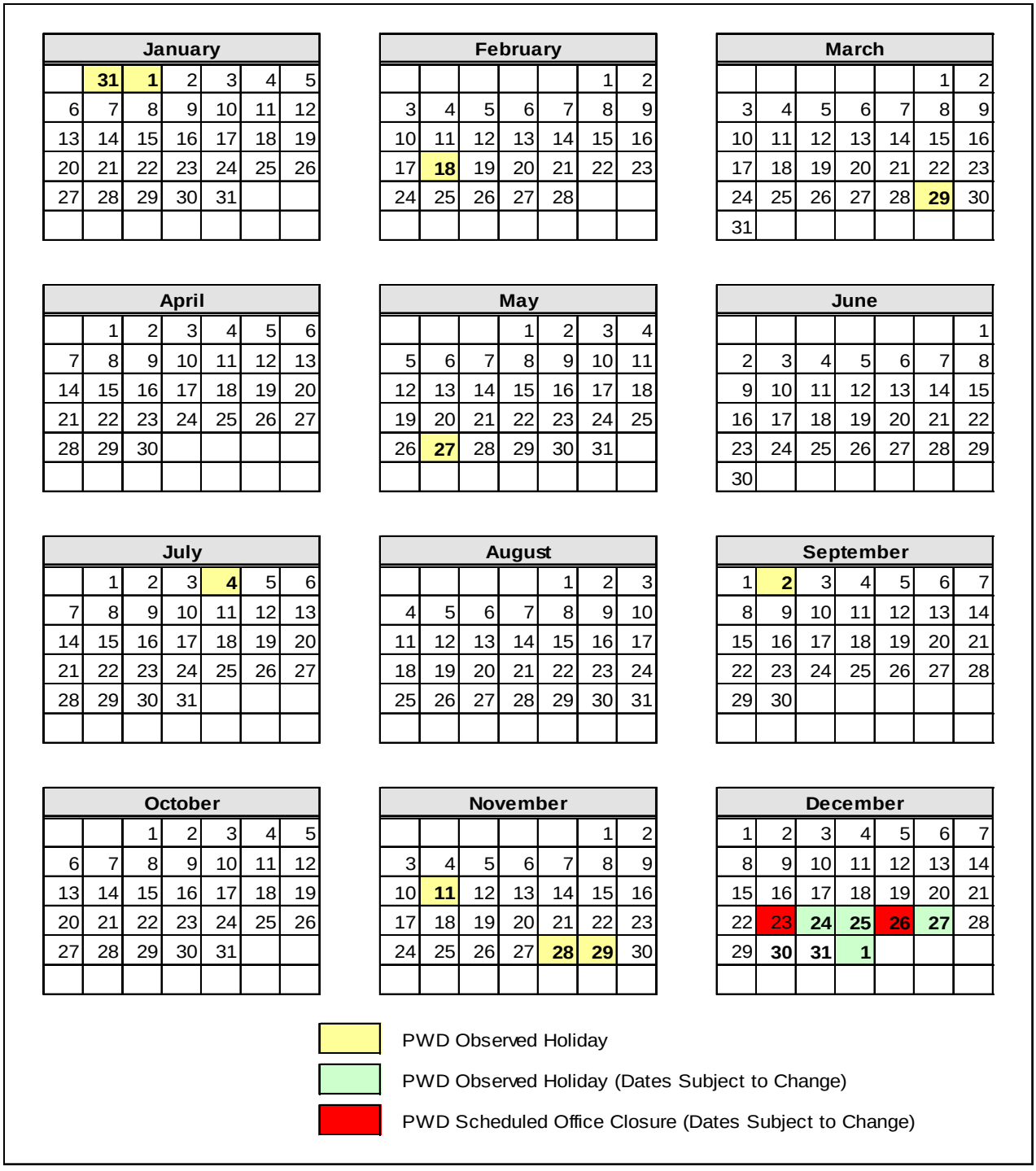
Commodity Rates ($/ccf)	
Tiers	
Tier 1	0.67
Tier 2	2.63
Tier 3	3.36
Tier 4	4.37
Tier 5	5.28
Water Quality Fee ($/ccf)	
0.20	
Elevation Booster Surcharge ($/ccf)	
B	-
A1	0.16
A2	0.35
A3	0.70

PALMDALE WATER DISTRICT
2013 Proposed Water Rate Schedule – 8% Increase

Meter Fee Charge (Effective 01/01/2013)	
5/8”	26.97
1”	51.24
1-1/2”	91.68
2”	140.23
3”	253.50
4”	415.31
6”	819.84
8”	1305.27
10”	1871.62

Commodity Rates ($/ccf)	
Tiers	
Tier 1	0.72
Tier 2	2.84
Tier 3	3.63
Tier 4	4.72
Tier 5	5.70
Water Quality Fee ($/ccf)	
0.20	
Elevation Booster Surcharge ($/ccf)	
B	-
A1	0.15
A2	0.40
A3	0.83

PALMDALE WATER DISTRICT
2013 Holiday Observance Calendar



February 18 – Presidents Day
March 29 – Good Friday
May 27 – Memorial Day
July 4 - Independence Day
September 2 – Labor Day
November 11 – Veterans Day
November 28 & 29 – Thanksgiving
December 24 & 25 - Christmas
December 27 & January 1 – New Years

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PALMDALE WATER DISTRICT
Yearly Memberships and Subscriptions
2013

Memberships:

1. A.C.W.A.
2. A.W.W.A.
3. Antelope Valley Board of Trade
4. Antelope Valley State Water Contractors Association
5. California Chamber of Commerce
6. California Municipal Treasures Association
7. California Society of Municipal Finance Officers
8. California Special Districts Association
9. California Urban Water Conservation Council
10. California Utilities Emergency Association
11. Foundation for Cross-Connection Control & Hydraulic Research
12. Greater Antelope Valley Economic Alliance
13. Local Agency Formation Commissions (LAFCO)
14. Municipal Information Systems Association of California
15. National Notary Association
16. Palmdale Chamber of Commerce
17. State Water Contractors
18. SWC – Bay Delta Fund
19. Underground Service Alert
20. Water Education Foundation
21. Water Research Foundation
22. WateReuse Association

PALMDALE WATER DISTRICT
Yearly Memberships and Subscriptions (Continued)
2013

Subscriptions:

1. A.W.W.A. magazine
2. A.W.W.A. Safe Drinking Water updates
3. Antelope Valley Press
4. B.N.I. Building News (Standard Spec. Books)
5. Bentley Systems - Software subscription/updates
6. Blue Book software updates
7. Engineering News Record
8. Environmental Compliance Alert
9. Micro-Station Manager
10. Regional Planning Agenda subscription
11. U.S. Water News
12. West Publishing – Calif. Water Codes update
13. Expert Exchange (Information Technology)

PALMDALE WATER DISTRICT
Contracted Services
2013

1.	AA Antivirus	(Antivirus Software - IT)
2.	AES Water, Inc.	(Seismic Valve Maintenance - OPS)
3.	AirGas USA, LLC	(Compressed Gases - FAC)
4.	Allmax Software Inc.	(Water Data Management - OPS)
5.	AV Garden & Turf	(Landscaping – ADM/FAC/OPS)
6.	Axes Fire Inc.	(Fire Extinguishers – FAC)
7.	Black & Veatch Corporation	(Wind Turbine – IT)
8.	Blue Claw Database Design LLC	(Backflow Management Software - ENG)
9.	Clark Pest Control	(Pest Control – ADM/FAC/OPS)
10.	Control Microsystems	(ClearSCADA Software - OPS)
11.	CoreLogic Solutions, LLC	(Property Data Information – IT)
12.	Credit Bureau Of Lancaster	(Credit Reports/Collections - FIN)
13.	DCSE	(GIS Data Updates - ENG)
14.	Dell Marketing L.P.	(Computer Maint. – IT)
15.	Elite Carpet Care	(Carpet Care – ADM/FAC)
16.	Four Winds Interactive, LLC	(Lobby Presentation Software - IT)
17.	Government Jobs.Com Inc.	(Web Site – Job Management - HR)
18.	Infosend Inc.	(Mailing/Web Services - FIN)
19.	Ipswitch Inc.	(Computer Site Monitoring Software - IT)
20.	Iron Mountain	(Off-site Data Storage Service - IT)
21.	Itron Inc.	(Meter Reading Equipment & Software - IT)
22.	Kyocera	(District-wide Printers – IT)
23.	Lexisnexis Risk Data Mgmt.	(Instant ID Check Service - FIN)
24.	Mayflower Interactive Inc.	(Web Site Updates - IT)
25.	McAfee, Inc.	(Site Advisor Monitoring (Web) – IT)
26.	Nemo-Q, L.P.	(Lobby Management System - IT)
27.	Network Solutions	(Domain Name Renewals - IT)
28.	Omidi Enterprises	(Document Management System – IT)
29.	Opex Corporation	(Mail Opener Remittance Hardware - FIN)
30.	QCS Building Services Inc.	(Janitorial Services – ADM/FAC/OPS)
31.	Rose Business Solutions, Inc.	(Dynamics GP Financial Software – IT)
32.	Sartorious Mechatronics Corp	(Lab Equipment Calibration Service – OPS)
33.	SEMS Technologies, LLC	(CMMS Software – FAC/OPS)
34.	Shimadzu Scientific Instruments Inc.	(Lab Equipment Maintenance – OPS)
35.	Solar Bee Inc.	(Lake Management Service Contract – OPS)
36.	Source Graphics	(Engring Plotter Service Contract – ENG)
37.	Southern California Edison	(Arc Flash Study (Wells) – OPS)

PALMDALE WATER DISTRICT
Contracted Services **(Continued)**
2013

38.	Starnik Systems Inc.	(UtilityTrakR – CSM Software – FIN)
39.	Strategy 7 Corporation	(Legacy Database Support – IT)
40.	S.S.&C. Technologies, Inc.	(Consumer Credit Reporting Service – FIN)
41.	Thyssenkrupp Elevator Corp.	(Elevator Maintenance – FAC)
42.	Time Warner Cable	(Internet Backbone – IT)
43.	Tredent Data Systems	(Network Management – IT)
44.	Universal Electronic Alarms Inc.	(Alarm System Monitoring – ADM/FAC)
45.	World Wind Services	(Wind Turbine Inspection – OPS)
46.	Xtelesis Corporation	(Shoretel Telephone System – IT)

Consultants

1.	A.V.S.W.C.A.	(A.V. Water Group Joint Costs & Studies)
2.	Burns Business Solutions	(HR Related Work)
3.	Capital Dynamics	(Governmental Affairs Consulting)
4.	County Clerk	(Filing Fees)
5.	Environment Science Association	(Strategic Water Resource Plan)
6.	Lillestrand Leadership Consulting	(Management Consulting)
7.	Metropolitan Water District	(Consulting Services
8.	Robert M. Egan	(Financial Advisor)
9.	Sierra Water Group, Inc.	(Water Resource Consulting)
10.	Tom Ash & Associates	(Water Rates – Board Workshop)

PALMDALE WATER DISTRICT
District-wide Training
2013

Training		Action	Requirement	Last	Next	Notes
AED	♣	Training	Bi-annually	2011	2013	Required: for all personnel
ARC Flash and Electrical Safety		Training	Annual	2012	2013	Required: for all electrical and maintenance personnel. 8 CCR § 2320.2; 2320.3 Required by: OSHA;NFPA and JPIA
Asbestos Concrete Pipe (ACP)	♦ ♣	Training	Bi-annually	2010	2013	Required: for all service workers and Facilities personnel at PWD. 8 CCR § 5208(j)(7)(C)
Backhoe Safety and Certification		Training	Annually	2012	2013	Required: required for all facilities personnel.
Blood Borne Pathogens	♦	Training	Annually	2011	2013	Required: for all personnel. 8 CCR § 5193.
Chemical Safety: Ammonia/Alum Sulfuric Acid Sodium Hypo (Bleach) Caustic Soda		Training	Annually	2011	2013	Required: for all treatment plant operators and facilities personnel.
Cold Stress	♦	Training	As necessary			Required: for all facilities personnel. Cal Labor Code §§ 6400-6406
Confined Space Entry	♦ ♥ ♣	Training	Annually	2012	2013	Required: Or whenever permit space operations change, there are deviations from the permit space entry procedures, or inadequacies in employee knowledge or use of procedures. 8 CCR § 5157 (h) and (i) Required: for all electrical and facilities personnel.
Construction Safety 10-hour (OSHA)	♣	Training		2012	2015	Required: for all facilities and treatment plant personnel. Required by: OSHA and JPIA
CPR/First Aid	♣	Training	Bi-annually	2011	2013	Required: for all personnel. 8 CCR § 3400

Crane Safety Signal Person/Rigging Small, Large & Overhead		Training	Tri-annually	2011 2012 2013	2014 2015 2016	Required: for all treatment plant operations and facilities personnel. 8 CCR § 5031 Compliance requirements 0 2014; then every 5 years thereafter
Defensive Driver	♥ ♣	Training	Quadrennial	2010	2014	New employees in 2012 and Employees who did not attend the 2010 training. Also required following an incident. Required: for all personnel.
Drug and Alcohol	♥ ♣	Training	Tri –annually	2010	2013	
Emergency Response	♦ ♣	Training	Annually	2012	March 2012	Required: for all personnel whenever plan is updated. 8 CCR § 3222
Fall Protection		Training	No Requirement	As Necessary		Required: OSHA
Field / Office Ergonomics	♥ ♣	Training	Tri-annually	As Necessary		Required: office ergonomics for all personnel; field for all operations and facilities personnel. 8 CCR § 5110
Fire Dept. Business Plans	♦		Annually	2012	2013	Safety Sub-Committee coordinates process. LA County Fire Department requirement
Fire / Evacuation & Safety	♦ ♣	Training	Bi-Annually	2012	2012	Required: for all personnel. 8 CCR § 6151 (Inhouse)
Fit Test		Training	Annually	2012	2013	Required:
Forklift Safety	♦ ♣	Certification	Tri -annually	2010	2013	Required: for all treatment plant operations and facilities personnel. 8 CCR § 3664 (Inhouse)
HAZWOPER	♦ ♥ ♣	Certification	Annually	2011	2013	JPIA offers First Responder Awareness level only. Required: First Responder Awareness for all treatment plant operations and facilities personnel. 8 CCR § 5192
Hearing Conservation	♦	Certification	Annually	2012	2013	Required: all operations and facilities personnel. 8 CCR §§ 5098(a)(4); 5099
Heat Illness Prevention	♦	Training	Annually	2012	2013	Required: all field personnel (facilities and customer service) 8 CCR § 3395
Injury and Illness Prevention Plan	♦		As necessary			Required: for all personnel during new hire orientation and when plan is updated. 8 CCR § 3203
Lockout / Tag out (LOTO)	♦ ♥ ♣	Training	Annually	2012	2013	Required : for authorized and affected personnel. 8 CCR § 3341

Personal Protective Equipment (PPE)	♦ ♥ ♣	Training	Tri-annually		2012	Required: for all field personnel. 8 CCR §3380
Reasonable Suspicion	♥ ♣	Training	Tri-annually	2010	2013	Required: for DOT supervisors.
Respirator Fit Testing	♦ ♥ ♣	Training	Annually	2012	2013	Pulmonary exam must be completed prior to fit testing. Required: for all operations and facilities personnel. 8 CCR § 5144; 5147
Sexual Harassment Prevention for Supervisors	♥ ♣	Training	Bi-annually	2011	2013	Required: by California for supervisors.
Sexual Harassment Prevention for Staff		Training	Bi-annually	2011	2013	Required: for all non-supervisory personnel.
Slip, Trip and Fall Prevention		Training		2012	2013	Required: for all personnel. 8 CCR § 3210
Spill Response Plan	♣	Training	Tri-annually		2013	Required: for all operations and facilities personnel.
Safety Tailgate/Toolbox	♦	Training	Bi-weekly	Dept. logs	2012 to Safety Committee	Required; for all operations and facilities personnel. 8 CCR §§ 1509; 8406
Traffic Control and Flagger	♥ ♣	Training	Tri-annually	2012	2015	Required: for all facilities personnel that work or park on the street.
Trench/Shoring/Competent Person	♥ ♣	Training	Tri-annually	2012	2015	Required: for all facilities personnel.
Underground Utility Locator	♥ ♣	Training	Annually	2012	2013	Required: for all facilities personnel.

♦ OSHA required
♥ Training provided by ACWA/JPIA
♣ Recommended by ACWA/JPIA

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PALMDALE WATER DISTRICT
Installed Pipeline Chart – Detail Breakdown

Length of Pipe (ft) by Year Constructed																	$/in-dia
Source: GIS MainLine feature class data as of Oct 16, 2012																	17.50
Pipe Diameter (in)	1945-1949 (67 - 63)	1950-1954 (62 - 58)	1955-1959 (57 - 53)	1960-1964 (52 - 48)	1965-1969 (47 - 43)	1970-1974 (42 - 38)	1975-1979 (37 - 33)	1980-1984 (32 - 28)	1985-1989 (27 - 23)	1990-1994 (22 - 18)	1995-1999 (17 - 13)	2000-2004 (12 - 8)	2005-2009 (7 - 3)	2010-2012 (2 - Current)	Unknown N/A	Total Length (ft)	Replacement Cost ($)
4	-	2,128	2,708	451	251	3,291	490	3,515	5,410	2,550	1,556	562	7	-	7,812	30,731	$ 2,151,170
5	-	3,544	-	-	-	-	-	-	-	-	-	-	-	-		3,544	310,100
6	1,148	11,958	20,609	2,257	29,769	8,906	9,616	17,762	70,413	82,075	4,879	32,219	27,142	7,372	32,183	358,308	37,622,340
8	-	3,134	79	3,234	13,144	15,455	7,119	58,646	278,982	220,253	40,748	71,165	77,827	14,298	49,520	853,604	119,504,560
10	-	32	-	-	698	3,606	-	12,946	54,574	24,587	-	46	89	-	13,522	110,100	19,267,500
12	-	2,863	20,777	22,227	36,775	11,321	1,763	15,524	91,730	89,974	33,561	35,265	39,315	11,679	24,158	436,932	91,755,720
14	-	-	-	425	-	-	-	3,165	11,564	3,395	-	3	-	-	190	18,742	4,591,790
16	-	-	1,366	747	2,916	4,878	-	29,879	42,006	49,570	6,758	8,568	11,632	-	14,864	173,184	48,491,520
18	-	1,234	-	-	10	-	-	5,480	1,271	-	24	241	-	-	3,952	12,212	3,846,780
20	-	-	-	-	5,257	-	-	-	47,842	35,939	-	-	2,282	-	5,106	96,426	33,749,100
24	-	-	-	-	9,404	-	2,659	-	11,533	-	-	-	14,248	-	19,055	56,899	23,897,580
30	-	-	-	-	-	-	-	-	1,650	-	625	-	304	-		2,579	1,353,975
36	-	-	-	-	-	-	-	-	-	-	1,073	-	-	-		1,073	675,990
42	-	-	-	-	-	-	-	-	1,452	-	639	-	-	-	115	2,206	1,621,410
48	-	-	-	-	-	-	-	-	-	-	441	-	-	-		441	370,440
Totals (LF)	1,148	24,893	45,539	29,341	98,224	47,457	21,647	146,917	618,427	508,343	90,304	148,069	172,846	33,349	170,477	2,156,981	$ 389,209,975
Totals (Miles)	0.2	4.7	8.6	5.6	18.6	9.0	4.1	27.8	117.1	96.3	17.1	28.0	32.7	6.3	32.3	408.5	
Cumulative (LF)	1,148	26,041	71,580	100,921	199,145	246,602	268,249	415,166	1,033,593	1,541,936	1,632,240	1,780,309	1,953,155	1,986,504	2,156,981		
Cumulative (Miles)	0	5	14	19	38	47	51	79	196	292	309	337	370	376	408		
Replacement Cost ($)	$ 120,540	$ 3,148,950	$ 7,110,215	$ 5,702,270	$ 19,437,635	$ 7,703,500	$ 3,527,650	$ 26,714,835	$ 114,160,550	$ 90,119,085	$ 17,117,765	$ 23,274,825	$ 32,217,325	$ 5,228,370	$ 33,626,460	$ 389,209,975	
Cumulative Replacement cost ($)	$ 120,540	$ 3,269,490	$ 10,379,705	$ 16,081,975	$ 35,519,610	$ 43,223,110	$ 46,750,760	$ 73,465,595	$ 187,626,145	$ 277,745,230	$ 294,862,995	$ 318,137,820	$ 350,355,145	$ 355,583,515	$ 389,209,975		

Note: Totals include +/- 19,400 LF of vintage 1950's steel DDW pipe that was cleaned and lined "in place" with cement morter lining in 1992 and 1994.

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APPENDIX C
RESOLUTION No. 09-03 –RESERVE POLICY

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RESOLUTION NO. 09-03

PALMDALE WATER DISTRICT'S RESERVE POLICY

WHEREAS, the Board of Directors wants to ensure that the District will at all times have sufficient funding available to meet its operating, capital and debt service cost obligations.

WHEREAS, the Board of Directors recognizes the need to establish the finances necessary to secure additional water supply for the benefit of existing and future customers.

WHEREAS, the Board of Directors is establishing sound financial policies to promote favorable bond ratings in capital markets so that municipal bonds can be used for the future financing of projects.

WHEREAS, the Board of Directors need to include requirements imposed by law for the handling of developer related fees.

WHEREAS, the Board of Directors wants financial planning to address the planned needs for capital projects and equipment purchases.

WHEREAS, the Board of Directors wants to charge existing customers a fair share of the cost for the future replacement of facilities that are used to provide them service.

WHEREAS, the Board of Directors wants some reserve for unanticipated and unforeseeable expenses.

WHEREAS, the Board of Directors wants to avoid significant rate fluctuations in the future.

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

WHEREAS, this action rescinds Resolution No.'s 05-9 and 08-31 and establishes the Palmdale Water District Reserve Policy as follows:

Legally Restricted Reserves:

The Water Facilities Connection Fees and Water Supply Connection Fees are subject to the requirements of the Mitigation Fee Act (AB 1600). The funds may not be used to support ongoing operations of the District. The District is legally required to account for these funds separately. An annual report is required to show balance forward, fees collected, income earned, expenditures, and future commitments. All funds collected must be committed or expended within five years of being collected or they must be refunded.

1. Water Facilities Connection Fees:

PWD will maintain a connection fee account with funds collected from developers to pay for the new facilities necessary to deliver water service to newly developed property. These fees are for offsite improvements such as the development's fair share cost of wells, reservoirs, transmission mains, treatment plant capacity, and other necessary facilities. The fees are collected at rates established by the Board of Directors based upon specific engineering studies. The rates charged are based on a project's equivalent capacity unit (ECU) basis. These funds are restricted to the design and construction of capital facilities for water delivery.

2. Water Supply Connection Fees:

PWD will maintain a connection fee account with funds collected from developers to pay for developing additional sources of water needed to support the water demands of new development. The District will use the funds to pursue a variety of supply sources including projects that produce additional imported water, water transfers, recycled water, conservation, groundwater rights, water banking, or any other project that increases water supply.

3. Debt Service Reserve Funds:

This fund is governed by legal bond covenants for the District's revenue bonds. Bond covenants require that this fund be maintained at a level sufficient to fund maximum annual debt service payments. These funds are held by the bond trustee during the term of the bonds and are to be used in the event that the District is unable to meet its required semi-annual debt service obligation. Reserve funds for each revenue bond issue will be used to make the last two semi-annual debt service payments for that issue. Annual interest earnings on bond reserve funds shall be applied to each year's debt service payments. Reserve funds related to state revolving fund loans shall be treated identically to revenue bond reserve funds as these loans are contractually defined as parity debt to the District's senior lien bonds.

As part of the 1998 bond documents, the District purchased insurance to secure an improved interest rate for the bonds. The insurance company was required to maintain a financial reserve to meet the lender's requirements. The municipal bond market was affected by the subprime mortgage crisis. During the crisis, our monoline insurer (FGIC) incurred heavy losses and consequently the credit rating of the insurer was downgraded. As a result, the District is required to maintain a reserve in lieu of insurance equivalent to the annual principal and interest of the bonds.

4. Dam Self Insurance:

The District has set aside $5 million for self-insurance of the Littlerock Dam as part of the 1998 Bond Documents. If the 1998 COP issue is refinanced, this reserve will be eliminated and the moneys will be available to the Board as an unrestricted reserve.

Board Restricted Funds:

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

5. Rate Stabilization Fund:

This fund is governed by legal bond covenants for the District's revenue bonds. The purpose of the fund is to assist in smoothing rates to pay PWD debt service and to assure that minimum debt service coverage ratios required by the District's bond covenants would be met in the future. Funds deposited into this reserve are treated as operating revenues in the year of deposit and will be treated as such in years of use for the purposes of computing the District's debt service coverage ratio.

This fund is applied in the five-year financial plan and annual rate model along with other reserve funds to smooth future rate increases. This fund provides a buffer should revenue estimates in any year not meet projections. The Rate Stabilization Fund will be drawn down to smooth rate increases. Specifically, they will be applied in any year where other revenues are not sufficient to meet the required debt service coverage ratio. They will also be applied if meeting only minimum coverage levels could result in the District's bond ratings being downgraded.

6. O&M Operating Reserve:

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

7. Supplemental Water Supply Fund:

To ensure water supply reliability, an additional water supply of at least 8,000 acre-feet is to be obtained for existing customers. This increase is necessary due to the decreased reliability of the State Water Project(63% reliability) and to offset supply losses related to restrictions on groundwater pumping in the Antelope Valley. Water rates will be set at a sufficient level to pay for the added water supply assuming a cost of $3,500 per acre-foot and financing costs to be paid through bond financing. Annual payments are estimated at $2.25 million for $28 million in principal repaid at 5% over 20 years. The funds can be used on any project that develops new supply, conserves existing supplies, or reuses water.

8. Asset Replacement Fund:

This fund pays for the replacement of existing facilities and equipment as it reaches the end of its useful life or for major repairs that extend the useful life of facilities. The 2009 budget shows depreciation of $5.1 million for the year. The policy is to "fund depreciation" at 100% beginning in 2009.

9. Conservation Program Fund:

This fund is set aside for conservation programs or programs that develop new water supply. The fund may pay for rebates, design, construction, equipment, or program related operating costs. It will be funded from "penalty tiers" by the incremental variable amounts charged customers for water use above their base allocation.

10. Water Quality Service Fee:

This fee pays for water quality improvements including ongoing operating costs of granular activated carbon (GAC) and water quality efforts including operating expenses, studies, design, and construction.

11. Unrestricted Reserves:

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

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

The Palmdale Water District Reserve Policy is hereby approved retroactive to December 2008, and the General Manager is directed to follow this Reserve Policy in managing available funds and investments of the District. Each fiscal year budget will report on the status of the reserve over the previous year and budget for proposed sources and uses for each reserve.

PASSED AND ADOPTED by the Board of Directors of the Palmdale Water District at a regular meeting held on this 11th day of March, 2009 by the following vote:

Ayes: Jeff Storm, David Gomez, Linda Godin, Richard Wells, Raul Figueroa
Noes: None
Absent: None
Abstain: None

SIGNED AND ATTESTED COPY CAN BE FOUND ON THE DISTRICT WEB SITE OR CONTACT THE EXECUTIVE ASSISTANT TO RECEIVE A PHOTO COPY BY MAIL.

APPENDIX D
CALIFORNIA WATER CODE – SECTION 370-374

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CALIFORNIA WATER CODE
SECTION 370-374
(Copied from original posted at http://www.leginfo.ca.gov/calaw.html)

370. The Legislature hereby finds and declares all of the following:

(a) The use of allocation-based conservation water pricing by public entities that sell and distribute water is one effective means by which waste or unreasonable use of water can be prevented and water can be saved in the interest of the people and for the public welfare, within the contemplation of Section 2 of Article X of the California Constitution.
(b) It is in the best interest of the people of California to encourage public entities to voluntarily use allocation-based conservation water pricing, tailored to local needs and conditions, as a means of increasing efficient uses of water, and further discouraging wasteful or unreasonable use of water under both normal and dry-year hydrologic conditions.
(c) The Legislature intends that allocation-based conservation water pricing is an alternative method that can be used by public entities to encourage water users to conserve water, increase efficient uses of water, and further discourage waste of water. The Legislature does not intend to limit the discretion of public entities to evaluate and select among different methods for conserving water or to create a presumption that the election to not use a particular method is a waste or unreasonable use of water by the public entity.
(d) Nothing in this chapter is intended to limit, or dictate, the design of rate structures that public entities may use to promote conservation by water users.
(e) Nothing in this chapter directs, or otherwise compels, a public entity to use allocation-based conservation water pricing.

371. For purposes of this chapter, the following terms have the following meanings:

(a) "Allocation-based conservation water pricing" means a retail water rate structure that meets all of the criteria in Section 372.
(b) "Basic charge" means a volumetric unit charge for the cost of water service other than any fixed costs that are recovered through meter charges or other fixed charges other than incremental costs that are recovered through conservation charges. A basic charge may include the cost of generally applicable conservation measures assumed in establishing basic use allocations.
(c) "Conservation charge" means a volumetric unit charge for incremental costs.
(d) "Incremental costs" means the costs of water service, including capital costs, that the public entity incurs directly, or by contract, as a result of the use of water in excess of the basic use allocation or to implement water conservation or demand management measures employed to increase efficient uses of water, and further discourage the wasteful or unreasonable use of water, and may include any of the following:

(1) Conservation best management practices, conservation education, irrigation controls and other conservation devices, and other demand management measures.

(2) Water system retrofitting, dual plumbing and facilities for production, distribution, and all uses of recycled water and other alternative water supplies.
(3) Projects and programs for prevention, control, or treatment of the runoff of water from irrigation and other outdoor water uses. Incremental costs shall not include the costs of stormwater management systems and programs.
(4) Securing dry-year water supply arrangements.
(5) Procuring water supplies to satisfy increments of water use in excess of the basic use allocations for the customers of the public entity, including supply or capacity contracts for water supply rights or entitlements and related energy costs for water delivery.

(e) "Public entity" means a city, whether general law or chartered, county, city and county, special district, agency, authority, any other municipal public corporation or district, or any other political subdivision of the state that provides retail water service and that is an urban water supplier, as defined in Section 10617.

372. (a) A public entity may employ allocation-based conservation water pricing that meets all of the following criteria:

(1) Billing is based on metered water use.
(2) A basic use allocation is established for each customer account that provides a reasonable amount of water for the customer's needs and property characteristics. Factors used to determine the basic use allocation may include, but are not limited to, the number of occupants, the type or classification of use, the size of lot or irrigated area, and the local climate data for the billing period.
Nothing in this chapter prohibits a customer of the public entity from challenging whether the basic use allocation established for that customer's account is reasonable under the circumstances.
Nothing in this chapter is intended to permit public entities to limit the use of property through the establishment of a basic use allocation.
(3) A basic charge is imposed for all water used within the customer's basic use allocation, except that at the option of the public entity, a lower rate may be applied to any portion of the basic use allocation that the public entity has determined to represent superior or more than reasonable conservation efforts.
(4) A conservation charge shall be imposed on all increments of water use in excess of the basic use allocation. The increments may be fixed or may be determined on a percentage or any other basis, without limitation on the number of increments, or any requirement that the increments or conservation charges be sized, or ascend uniformly, or in a specified relationship. The volumetric prices for the lowest through the highest priced increments shall be established in an ascending relationship that is economically structured to encourage conservation and reduce the inefficient use of water, consistent with Section 2 of Article X of the California Constitution.

(b) (1) Except as specified in subdivision (a), the design of an allocation-based conservation pricing rate structure shall be determined in the discretion of the public entity.

(2) The public entity may impose meter charges or other fixed charges to recover fixed costs of water service in addition to the allocation-based conservation pricing rate structure.

(c) A public entity may use one or more allocation-based conservation water pricing structures for any class of municipal or other service that the public entity provides.

373. (a) Revenues derived from allocation-based conservation water pricing shall not exceed the reasonable cost of water service including basic costs and incremental costs. This chapter does not limit the sources of funding for incremental costs to charges for water use.

(b) Revenues derived from allocation-based conservation water pricing shall not exceed the proportional cost of service attributable to the customer's parcel, as determined by giving consideration to all of the following:

(1) Customer classes established in consideration of service characteristics, demand patterns, and other factors.

(2) Basic use allocations.

(3) Meter size.

(4) Metered volume of water consumed.

(5) The public entity's discretionary allocation of incremental costs between and among the increments of water use subject to conservation charges, as permitted by paragraph (4) of subdivision (a) of Section 372 to meet the requirement of that section.

(c) In establishing the schedule of charges and metered volumes for the increments of water use subject to conservation charges, the public entity may also consider both of the following:

(1) Customer overuse characteristics, including ratios between overuse volumes and basic use allocations, variations in demand and consumption patterns, or other characteristics of overuse experienced by the public entity.

(2) The extent to which the pricing structure of the increments will be effective in minimizing or eliminating the need for other measures to curtail potential overuse.

374. (a) Allocation-based conservation water pricing under this chapter may be used on an ongoing basis and shall not require any finding of emergency or other water shortage conditions.

(b) The authority granted in this chapter is in addition to any other authority that a public entity has to use rate structure design to foster the conservation of water.

(c) The imposition and revision of rates and charges by a public entity under this chapter shall be subject to the procedures otherwise required by law for the public entity's water rates.

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APPENDIX E
GLOSSARY

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Palmdale Water District
Budget 2013
Glossary

ACH Automated Clearing House (ACH) is an electronic network for financial transactions in the United States. ACH processes large volumes of credit and debit transactions in batches. At the District, we are receiving bill payments for customers through Metavante.

ACWA Association of California Water Agencies – Association of California Water Agencies represents and provides key services to its members. From legislation, to regulatory activity, to broad policy issues, ACWA is on the front lines in Sacramento and in Washington, D.C. as a constant and respected advocate for California's public water agencies. ACWA's involvement at the state and federal level has helped shape laws and policies that affect ACWA member agencies and their customers. (http://www.acwa.com)

AWWA American Water Works Association – American Water Works Association is the authoritative resource on safe water, sharing knowledge on water resource development, water and wastewater treatment technology, water storage and distribution, and utility management and operations. AWWA provides knowledge, information and advocacy to improve the quality and supply of water in North America and beyond and advances public health, safety and welfare by uniting the efforts of the full spectrum of the water community. (http://www.awwa.org)

BMP A Best Management Practice (BMP) is a practice or combination of practices determined to be the most effective, practicable means for protecting natural resources.

CalPERS See PERS

CDPH California Department of Public Health – State agency that oversees and regulates the public drinking water systems. This includes the certification and licensing of water treatment and distribution system operators. (http://www.cdph.ca.gov)

CEQA California Environmental Quality Act - The California Environmental Quality Act is a California law (California Public Resources Code section 21000 et seq.) passed in 1970, shortly after the Federal Government passed the National Environmental Policy Act. CEQA does not directly regulate land uses, but instead requires development projects submit documentation of their potential environmental impact. (http://ceres.ca.gov/ceqa)

CIF Capital Improvement Fee – Capital improvement fees were established to provide funds for the construction of District facilities to meet water demands. These fees are collected from developers so they can contribute toward the cost of construction of these future facilities as specified by the District's Master Plan.

CSDA California Special Districts Association – California Special Districts Association is the recognized voice for all special districts. CSDA provides advocacy, outreach and member services, while educating policy makers and the public on the vital importance of local services provided by special districts in California. (http://www.csda.net)

CUWCC The California Urban Water Conservation Council was created to increase efficient water use statewide through partnerships among urban water agencies, public interest organizations, and private entities. The Council's goal is to integrate urban water conservation Best Management Practices into the planning and management of California's water resources.

DWR California Department of Water Resources – State agency that oversees the operation of the State Water Project (SWP). (http://www.water.ca.gov)

DBP Disinfection By-Products are potentially toxic chemical compounds that are formed in extremely low concentrations during the disinfection of water supplies.

EIR Environmental Impact Report – An EIR is a public document used by a government agency to analyze environmental effects of a proposed project. It also allows for the identification of alternatives and to disclose possible ways to reduce or avoid possible environmental damage.

EIS Environmental Impact Study – See EIR

EPA Environmental Protection Agency – The federal agency responsible for setting and enforcing water quality standards.

ET Evapotranspiration, or "ET," is the combination of water that is lost from the soil through evaporation and through transpiration from plants as a part of their metabolic processes. "ET" is simply the amount of water needed by a particular plant, tree, or turf grass.

GAC Granular Activated Carbon – Granular activated carbon is a form of carbon that has been processed to make it extremely porous and thus to have a very large surface area available for adsorption or chemical reactions. These carbons are therefore preferred for all adsorption of gases and vapors as their rate of diffusion are faster. Granulated carbons are used for water treatment, deodourisation and separation of components of flow system.

GASB Governmental Accounting Standards Board – The Governmental Accounting Standards Board exists to establish and improve standards of state and local governmental accounting and financial reporting. By doing this, the result is useful information for users of financial reports and guide and educate the public, including issuers, auditors, and users of those financial reports. (http://www.gasb.org)

GIS Geographical Information System – Geographical information system captures, stores, analyzes, manages, and presents data that is linked to location. Technically, a GIS is a system, which includes mapping software and its application to remote sensing, land surveying, aerial photography, mathematics, photogrammetry, geography, and tools that can be implemented with GIS software.

MOU Memorandum of Understanding is a document describing a bilateral or multilateral agreement between parties. It expresses a convergence of will between the parties, indicating an intended common line of action.

MTBE Methyl tertiary-butyl ether (MTBE) is a chemical compound that is manufactured by the chemical reaction of methanol and isobutylene. MTBE is produced is almost exclusively used as a fuel additive in motor gasoline.

O&M Operations and Maintenance – Operations and Maintenance are the activities related to the performance of routine, preventive, predictive, scheduled, and unscheduled actions aimed at preventing equipment failure or decline with the goal of increasing efficiency, reliability, and safety.

OPEB Other Post-Employment Benefits – Other Post-Employment Benefits obligations are primarily for retiree health care costs but also can include other benefits such as insurance.

PERS or CalPERS California Public Employees' Retirement System – The State retirement system covering Palmdale Water District employees and retirees. The retirement program provides retirement income levels dependent on age and length of participation.

SCADA Supervisory Control and Data Acquisition is a system that collects data from various sensors at a factory, plant or in other remote locations and then sends this data to a central computer, which then manages and controls the data.

SWC The State Water Contractors is a non-profit association of 27 public agencies from Northern, Central and Southern California that purchase water under contract from the California State Water Project. (http://www.swc.org)

SWP California State Water Project – Administered by the Department of Water Resources (DWR), the State Water Project is the nation's largest state-built water and power development and conveyance system. Its purpose is to deliver water, control flooding, generate power, provide recreational opportunities, and enhance habitats for fish and wildlife.

TTHM Trihalomethanes (THM) are a group of four chemicals that are formed along with other disinfection byproducts when chlorine or other disinfectants used to control microbial contaminants in drinking water react with naturally occurring organic and inorganic matter in water. The EPA is in charge of regulating the total trihalomethanes (TTHM) at a maximum allowable annual average in drinking water.

VOC Volatile Organic Compounds are ground-water contaminants of concern because of very large environmental releases, human toxicity, and a tendency for some compounds to persist in and migrate with ground-water to drinking-water supply wells