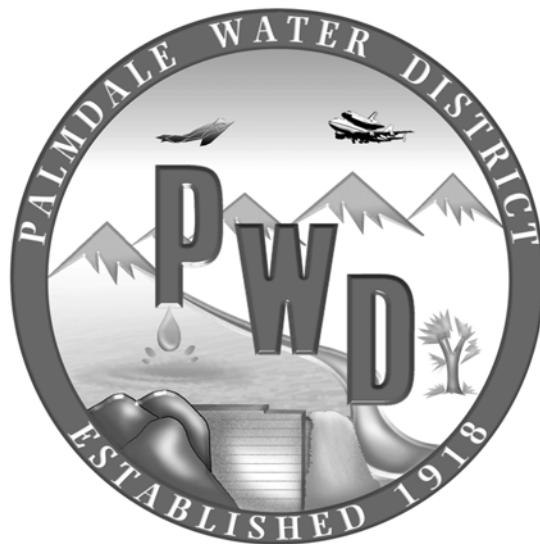


PALMDALE WATER DISTRICT



2014 BUDGET

Approved: January 22, 2014

PALMDALE WATER DISTRICT
2014 BUDGET
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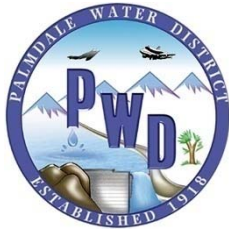
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SECTION I

EXECUTIVE SUMMARY

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PALMDALE WATER DISTRICT

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

2014 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 approved 2014 Palmdale Water District Budget. The following Executive Summary provides an overview of the District, its Strategic Plan, and how the 2014 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 2014 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 2014 Budget discussion. They are:

✓ ***Financial Management***

✓ ***Administrative Management***

✓ ***Infrastructure Management***

✓ ***Natural Resources Management***

✓ ***Personnel Management***

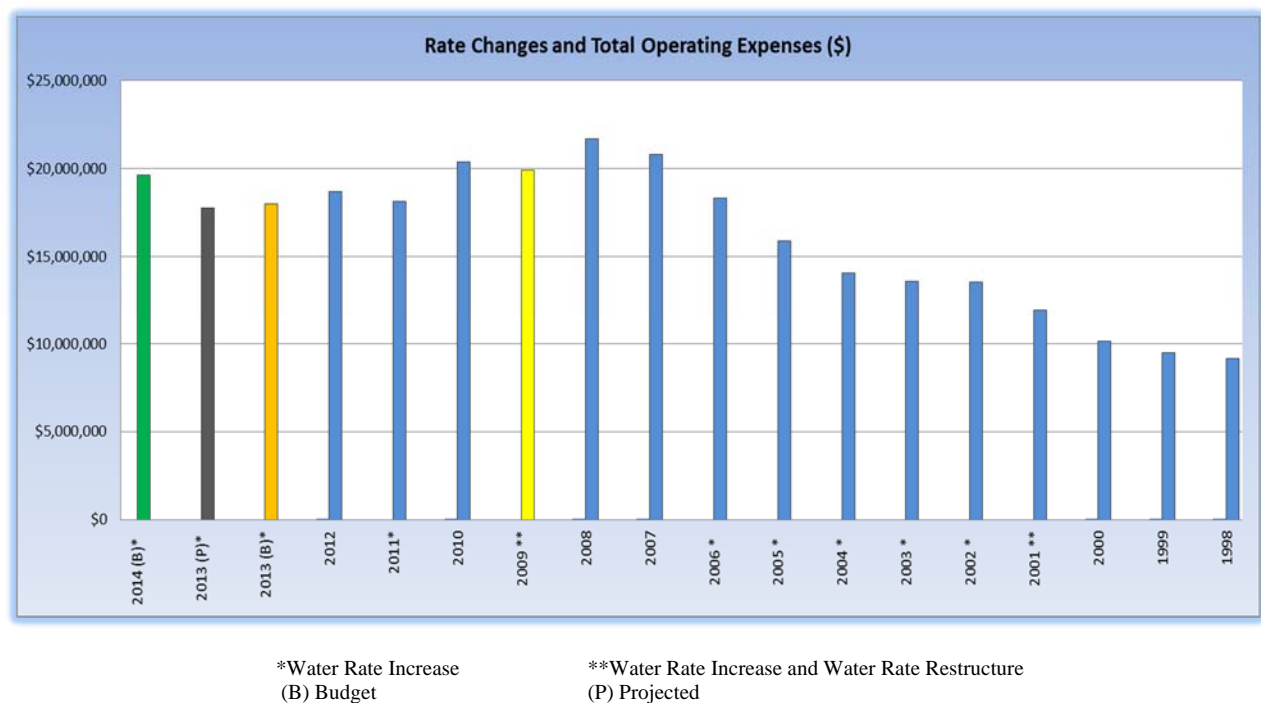
❖ Financial Management

The purpose of the 2014 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 with a gain in the level of reserves. However, the reserve levels remain below the minimum reserve level of \$16.2 million established by the District's Reserve Policy. The 2014 Budget projects a conservative revenue year and maintains reserves at approximately \$10.8 million.

Operating Budget

The following is a graph of operating expenditures from 1998 to 2013 and shows the 2014 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 2014 are estimated at \$15.46 million. Fixed revenues generated by monthly service fees will generate \$11.26 million in revenue, so the remaining \$4.21 million in costs must be covered by using revenue from commodity charges.



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

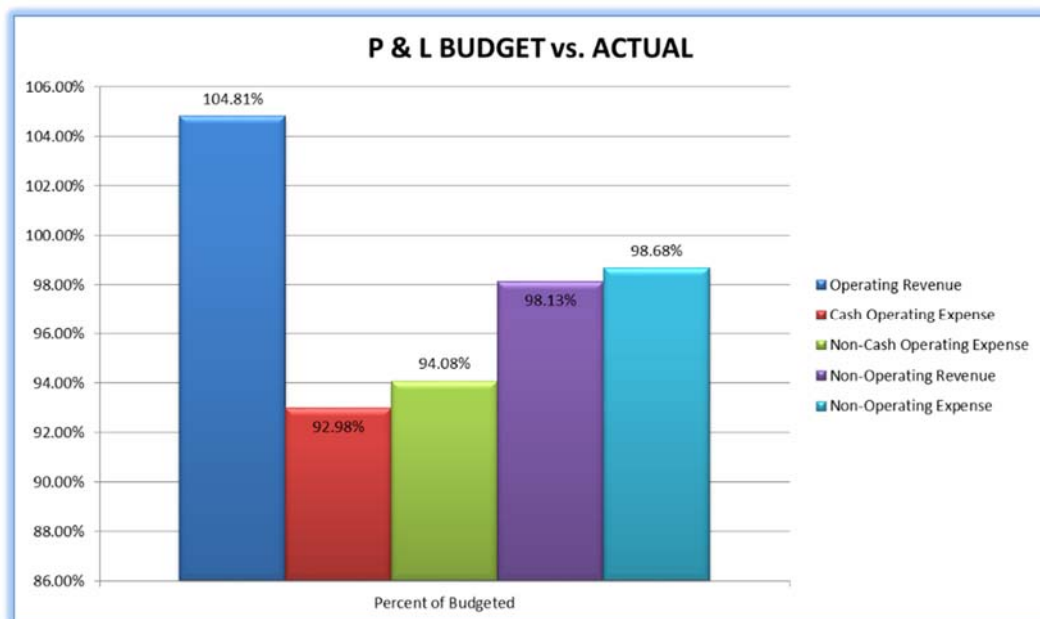
again set five years of preapproved increases. However, in 2006, a California Supreme Court ruling invalidated any further increases without the District following the Proposition 218 procedures to adjust the water rates.

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%, eliminate the 2012 8% rate increase, and keep the 2013 8% increase to fund a settlement agreement with the City of Palmdale.

The 8% increase preset through the 2009 Proposition 218 process for 2014 was reduced to a 2% increase by the District in the 2014 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 increased utility and supply costs. The 2014 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 2013 Budget projected operational revenues of \$23.04 million. However, a return to normal weather patterns led to a projected revenue amount of \$24.26 million. The 2014 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 2014. The operational revenue projection in the 2014 Budget is \$24.40 million. The following chart shows the status of District revenues and expenses relative to the 2013 Budget as of December 31, 2013.



Revenue and Expenditure Cash Summary

The 2014 Budget continues to include several tables to assist reviewers in understanding the District's financial plans. The "Summary of Revenue and Expenditures" table (Page 10) 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 \$24,160,450. This includes a surplus in the District's operations of \$235,550 and a \$20,330 reduction in reserves from \$10,775,511 to \$10,755,181. A major goal of District staff, in managing the 2014 Budget, is to operate within budget and add more to the reserves.

Funds - Reserve Analysis

The Board of Directors updated the reserve policy in 2013 and it is included in Appendix C. The updated policy simplifies the reserve level and funds goals and designations. The main designations are now: 1) Capital Improvement Fund; 2) Bond Proceeds Fund; 3) Rate Stabilization Fund; 4) Dam Self Insurance; 5) O&M Operating Reserve; 6) O&M Emergency Reserve, and 7) Unrestricted Reserves. Based on this policy, the minimum reserve level goal for the District is now \$16.2 million.

The summary of these funds and reserves is shown on Page 15 of the 2014 Budget. It shows full funding of the Dam Self Insurance, partial funding of the O&M Operating Reserve, and a shortage of \$5.44 million from the \$16.2 million goal. The O&M Emergency Reserve will continue to be addressed with an insurance policy until the reserve levels are adequate.

❖ Administrative Management

The 2014 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 2013. The study includes several ways to compare information. The best comparison is with all sizes of water agencies in the Western USA.

Performance Indicator (All Sizes of Water Agencies)					PWD				
Description	Desirable	25th per.	Median	75th per.	2005	2013	Comparison	Long-Term Trend	Recent Trend
Customer Accounts/Employees	Higher	292	385	595	321	313	Average	Stable	Stable
Average MGD/Employee	Higher	0.20	0.29	0.50	0.30	0.23	Below Average	Stable	Stable
12-month Water Loss Percentage	Lower	3.5	5.8	11.7	6.05	11.9	Below Average	Decreasing	Stable
Water System Integrity (Leaks/Mile)	Lower	12.3	33.5	65.5	39.3	68	Below Average	Decreasing	Improving
Water Treatment Cost / MG	Lower	206	383	588	84	233	Excellent	Increasing	Stable

This comparison reinforces the emphasis in the 2014 Budget to replace old water mains and reduce water losses. These areas have declined between 2005 and 2013. 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 2014 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. Phases Five and Six trials are set for this year as further steps 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.

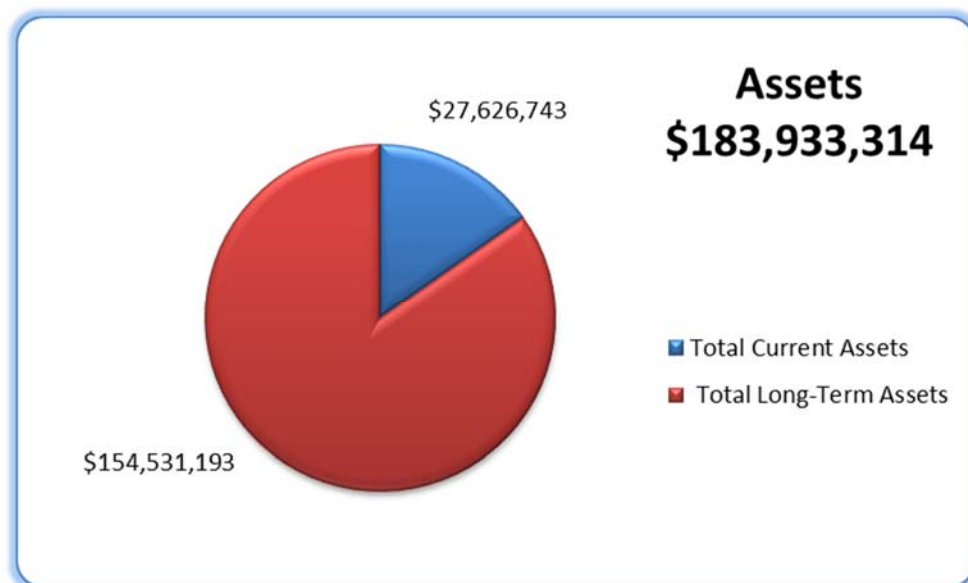
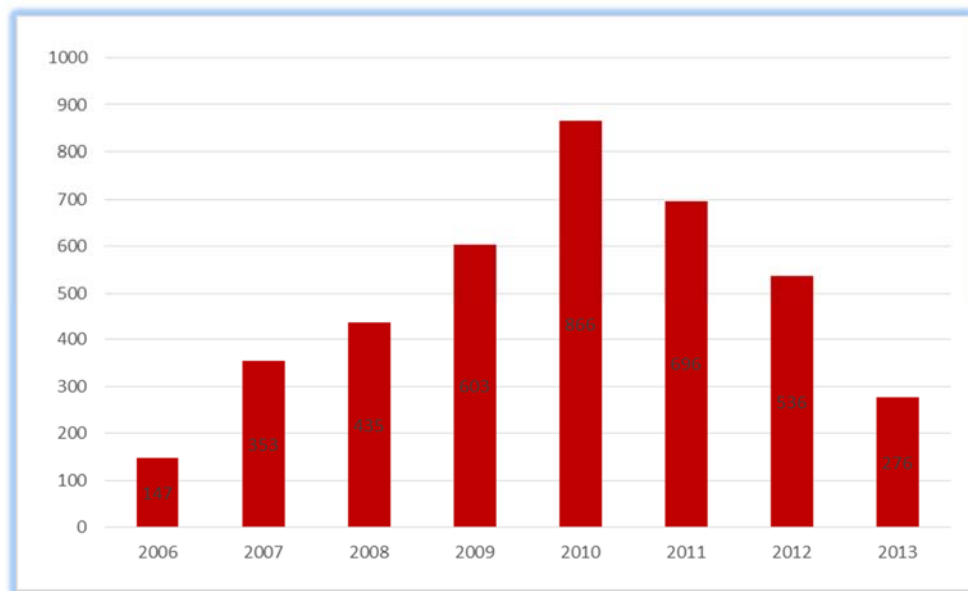
Recent years also included a set of lawsuits with the City of Palmdale over the 2009 water rate restructuring and the use of recycled water. Settlement discussions in 2012 resulted in an agreement resolving the issues. The water rate portion provided for an expansion of base allocations for single family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

allocation would result in a 2013 revenue decrease. However, the water rate change of 8% enacted in 2013 offset it with an expected 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 (PRWA), will purchase tertiary-treated recycled water and distribute it to potential customers. The PRWA met in 2013 and formed the fundamentals of budgets, etc. However, the reallocation of recycled water by the Sanitation Districts of Los Angeles County (Sanitation Districts) have not been completed. The reallocation is needed to assign recycled water to the PRWA in order for it to become fully operational. The reallocation discussions continue among representatives of the PRWA, City of Palmdale, City of Lancaster, Los Angeles County Waterworks, and the Sanitation Districts.

❖ Infrastructure Management

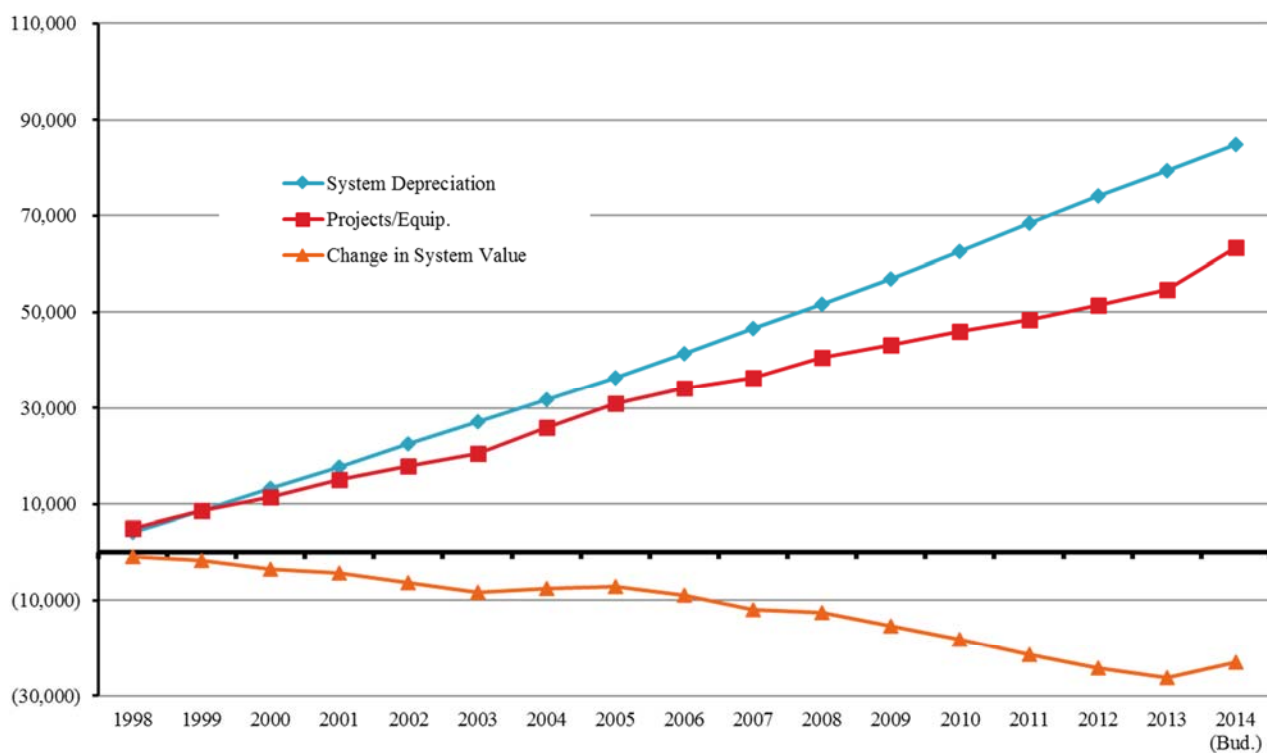
A major goal of the 2014 Budget is continued maintenance of the District's infrastructure. This is important to manage the operations and maintenance costs due to emergency repairs or failures and water losses in the water distribution system. As shown below in the graph, the number of leak repairs on 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 2014 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 amount of fixed assets, as of December 31, 2013, in the facilities and water distribution system owned and operated by the District.



Infrastructure Spending Review

As stated above, the 2014 Budget provides for asset replacements. This includes funds for financing water main replacement projects with the remainder for other facilities and equipment. The District was able to finance \$8.5 million in additional funds for continuing the infrastructure and water supply work. The use of the Series 2013A Water Revenue Bond Fund is shown on Page 91 of the 2014 Budget. The following graph shows the effect of the 2014 Budget in funding infrastructure investment to maintain the District's assets. This is critical for long-term reliability and controlling the cost to our customers.

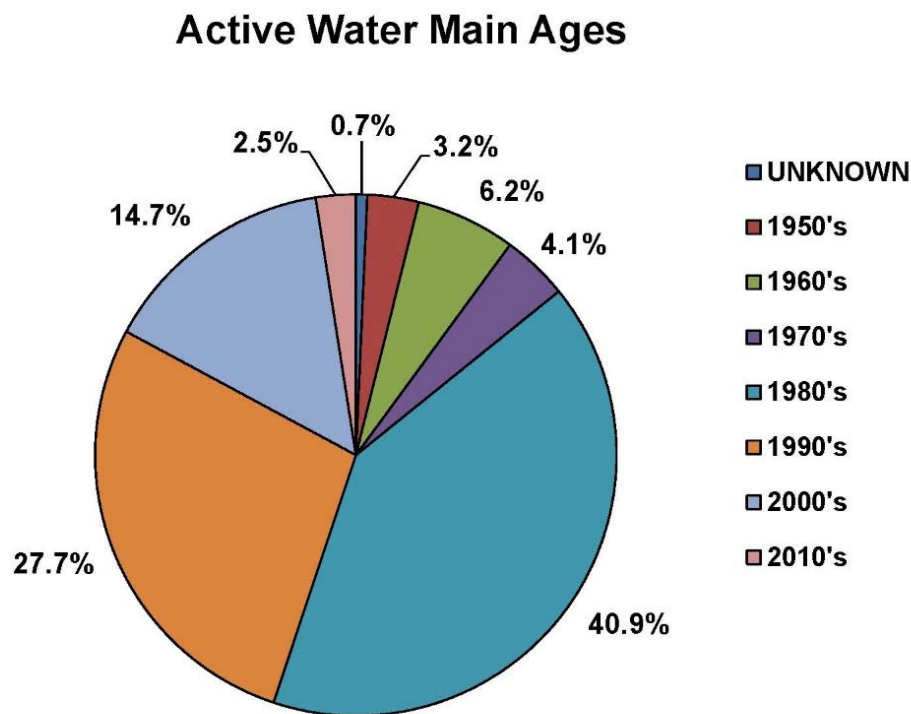
Relative Property, Plant, and Equipment Value (\$1,000)



Note: Depreciation excludes WTP Improvements; Projects/Equip. excludes WTP improvement costs and Capital Imp. Projects

Water Main Replacement Program Review

Appendix “B” of the 2014 Budget contains a table detailing the water mains owned by the District totaling 409.5 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 11.9% water losses. The District began replacing these water mains in the late 1980’s. This long-term effort totals over 70 miles of the 1950’s era water mains and is continued in the 2014 Budget. As stated above, revenues received above projections in the 2014 Budget will first be directed to water main replacement projects. The following chart illustrates the current age makeup of the water distribution system.



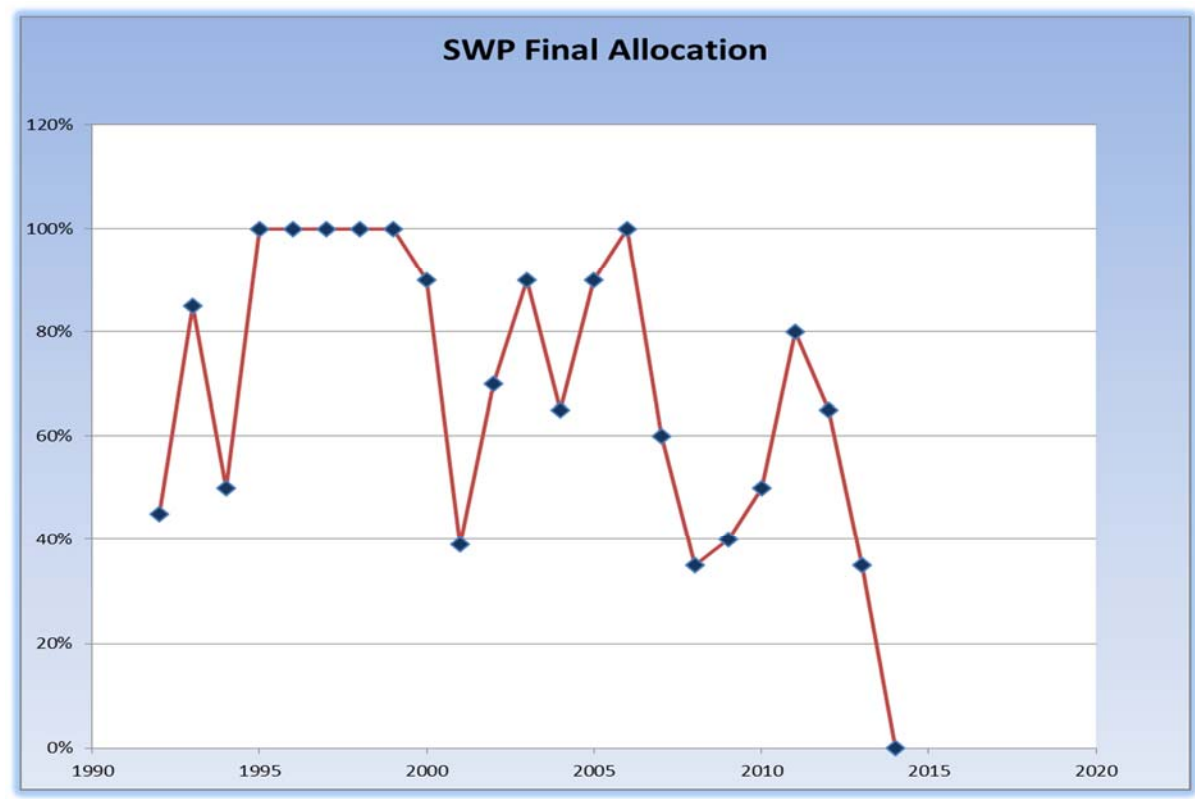
Other important infrastructure expenses include the rehabilitation of a well and \$320,000 for ongoing steel water tank maintenance. Work is budgeted to implement the Palmdale Recycled Water Authority Recycled Master Plan, conduct the Littlerock Wash Recharge and Recovery Feasibility study, and continue the Littlerock Reservoir sediment removal permitting process.

❖ Natural Resources Management

The 2014 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.

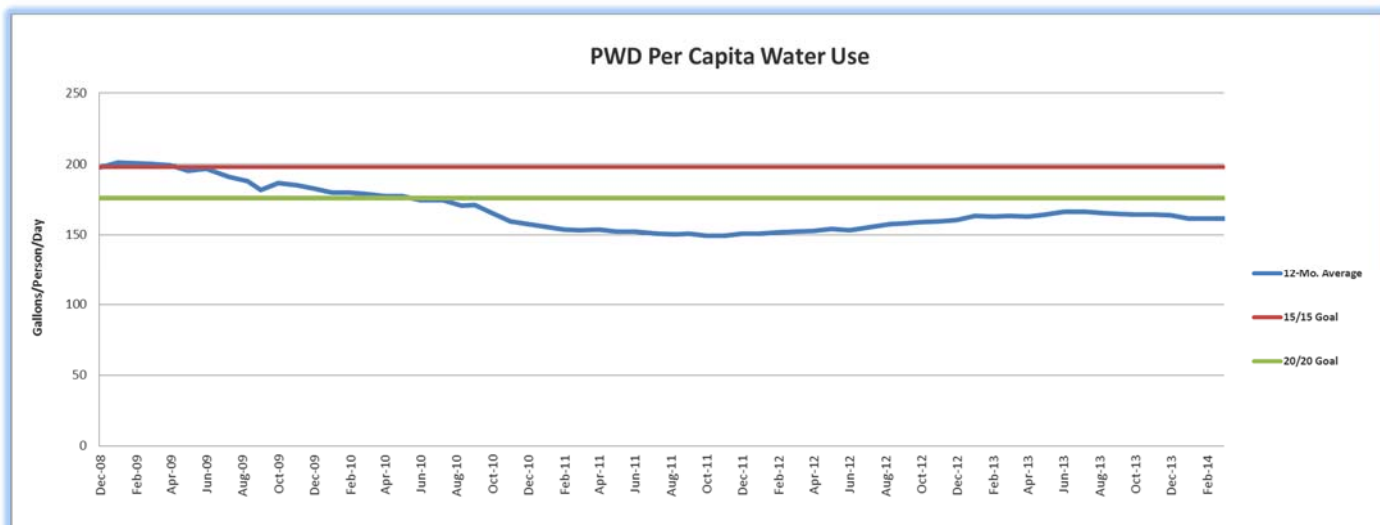
The District entered into a ten-year lease agreement with Butte County for 10,000 acre-feet of their SWP "Table A". This additional supply is still subject to overall SWP allocations. However, it provides additional reliability of water supply for the District's customers. It also provides an opportunity 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 2013 allocation from the SWP was 35%. The initial SWP allocation for 2014 was 5% and is currently 0%. This is due to the very dry year of 2013 and little precipitation in the winter of 2013-2014 and caused the Governor to officially declare a drought and request all residents of the State to conserve 20%. The District is supporting this message and is working to minimize the dry weather's effect on our customers. Groundwater, previously banked water, and carryover water from 2013 will constitute the majority of the District's water supply in 2014. Additional options will also be explored.

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 2013 was 19,004 acre-feet or 6.2 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 2014 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 GPCD history.



❖ **Personnel Management**

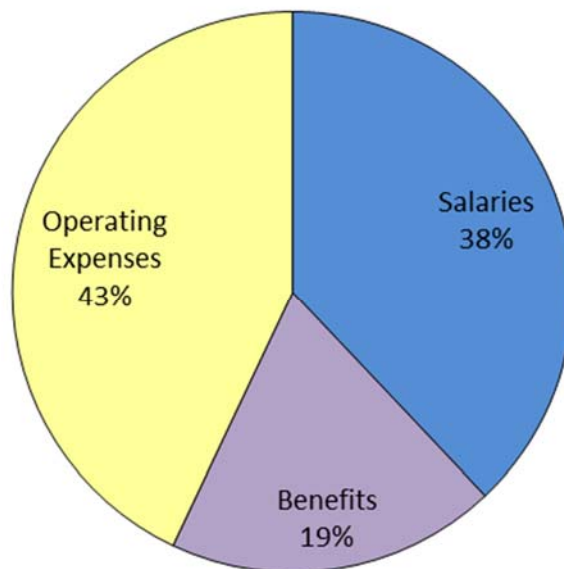
The 2014 Budget continues to support providing a safe, productive, and rewarding work environment by funding employee related programs. These include improved internal communications, training, and education. The Budget also provides for a certain amount of attrition and a discussion about the long-term sustainability of current employee benefits.

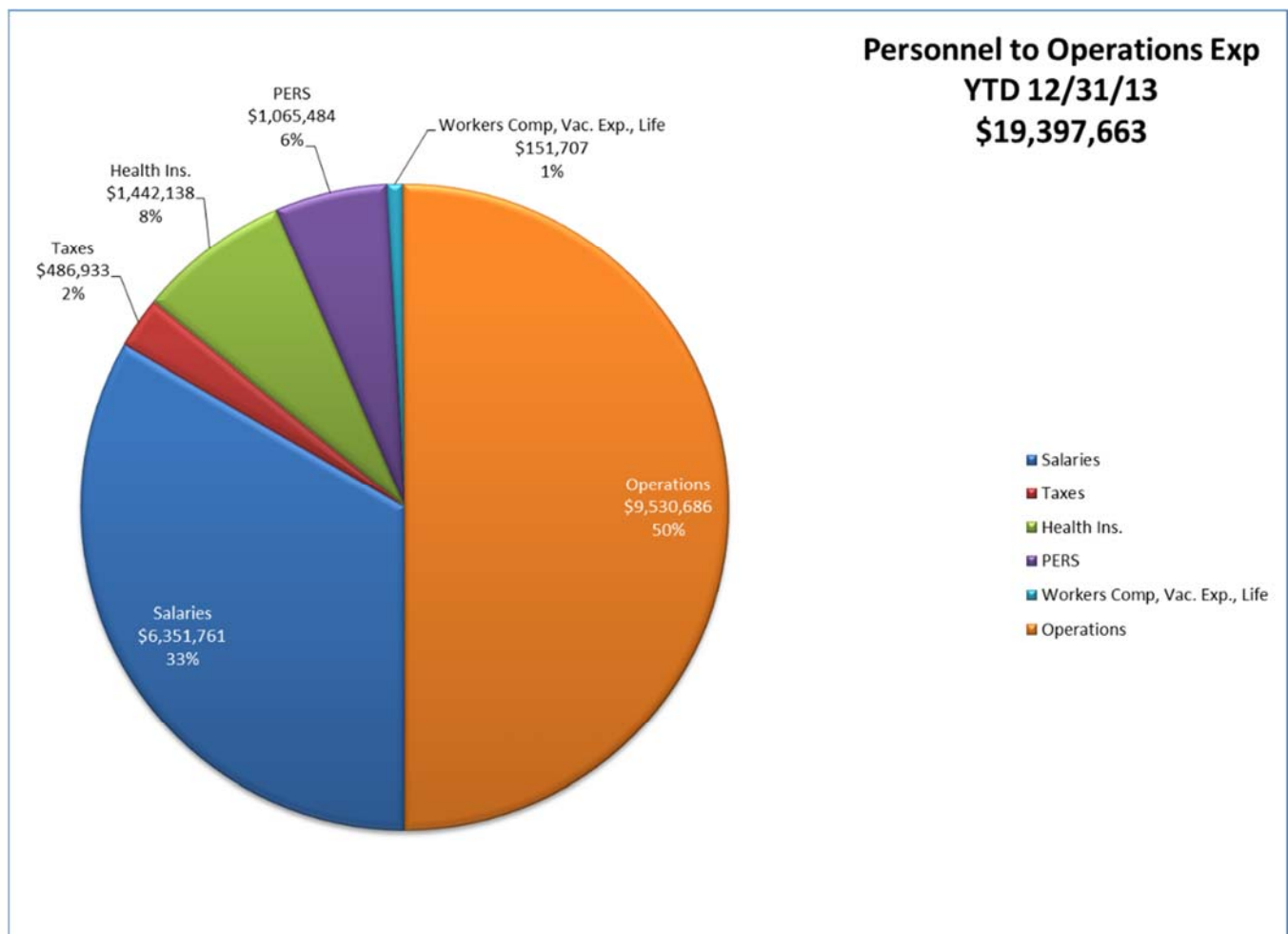
Labor Expenses

The budget proposes a staffing level of 84 employees as shown in the 2014 Departmental Staffing Summary, (Pages 26 and 27). The Engineering Manager and Community & Government Affairs Coordinator positions are left vacant and unfunded. An organizational assessment was conducted in 2013 and recommended actions from that assessment will continue in 2014 to develop to increase the District's efficiency.

The total direct labor cost is \$6.69 million and benefit expenses are an additional \$3.36 million. Total Personnel costs are 57% of the operating budget. These are illustrated in the following chart followed by a detailed graph of 2013 personnel versus operating costs where costs were held to only 50%.

2014 Budgeted Departmental Expenses and 2013 Actual 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 2013. 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. The next action taken was to limit the District's contribution to insurance premiums for employees to \$1,600 per month in conjunction with establishing an IRS Section 125 Cafeteria Plan.

Cost of Living Adjustments (COLA)

The 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 October through following September timeframe. The 2013 Budget included funding for a COLA of 2.2%. This amount was held until mid-year to assess the District's finances and was then implemented. The 2014 Budget includes a 0.6% COLA with no hold. The funding of increases due to annual performance appraisals was also included in the 2014 Budget.

❖ **Conclusion**

The 2014 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 2013 accomplishments and 2014 objectives are as follows:

Highlights of 2013 Accomplishments

- ✓ Initialized the Palmdale Recycled Water Authority;
- ✓ Adopted a Water Supply Fee to provide for future growth and secured a long term lease of additional water supply;
- ✓ Began work in Littlerock Creek Recharge and Recovery Feasibility Study;
- ✓ First year of operating the inter-connection with AVEK to assist with water service to Acton;
- ✓ Replaced 20,923 feet, or 3.96 miles, of leaking water mains and responded to 276 leaks in the water system;
- ✓ Coordinated community water conservation events, "Before the First Drop" campaign, and paper/electronic newsletters;
- ✓ Completed an Organizational Assessment and began implementing improvements;
- ✓ Began transition to using more technology in the field to increase efficiency;
- ✓ Installed localized GAC treatment to reduce future GAC costs at the Leslie O. Carter Water Treatment Plant;
- ✓ Maintained departmental expenses at a level below 2006, also 2012, while producing nearly the same amount of water as 2012.

Highlights of 2014 Objectives

- ✓ Update District Strategic Plan;
- ✓ Prepare the Littlerock Reservoir Sediment Removal Project environmental work;
- ✓ Continue work in Littlerock Creek Recharge and Recovery Feasibility Study;
- ✓ Conduct a new water rate study, amend water rate structure, and adopt a new five-year water rate plan;
- ✓ Replace leaking water mains and increase maintenance of the water system and other assets;
- ✓ Operate localized GAC treatment and test new products to control and reduce overall GAC costs;
- ✓ Continue transparent financial reporting and auditing;
- ✓ Implement additional ways 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.

The following sections of the 2014 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, 2013 Water Year Indicators, 2013 Accomplishments, 2014 Objectives, and budgets; Section IV contains summary tables of the projects and equipment for 2014 and projections for 2015 and 2016; and Appendixes A through E provide additional information about the District.

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SECTION II SUMMARIES

SUMMARY OF REVENUES AND EXPENDITURES

FUND ANALYSIS

*PROJECT REQUEST SUMMARY
(Three-Year Breakdown)*

2014 FUND SOURCE SUMMARY

INCOME STATEMENT

FIVE-YEAR CASH FLOW

DEPARTMENTAL STAFFING

ORGANIZATIONAL CHART

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Palmdale Water District
Budget 2014
Summary of Revenues and Expenditures – 2014 Budget (Proposed)

Cash Basis (18,800 Ac. Ft.) - 2.0% Increase		
Activity	Estimated Cash Revenues	Estimated Cash Expenditures
Net Water Sales	\$ 9,278,000	
Meter Fees	11,255,000	
Elevation Fees	525,000	
Other Operating Revenue	1,700,000	
Water Quality Fees (Restricted Use)	1,638,000	
(Increase)/Decrease in Cash (From Operating)	(235,550)	
Directors		\$ 114,500
Administration		3,490,000
Engineering		1,079,800
Facilities		3,408,500
Operations		5,453,500
Finance		2,968,750
Water Conservation		270,000
Human Resources		215,300
Information Technology		828,600
Water Purchases		2,550,000
Capitalized Expenditures		2,143,500
Water Quality Expense (GAC)		1,638,000
SUBTOTAL OPERATING	\$ 24,160,450	\$ 24,160,450
Projected Beginning Cash - 01/01/2014	\$ 10,775,511	
Assessments received	6,200,000	
Capital Improvement Fees	150,000	
State Grants	485,000	
Interest on Investments	25,000	
Other Income	185,000	
Payments for State Water Project		2,336,380
Principal Paid on Long Term Debt		1,473,000
Interest Paid on Long Term Debt		2,245,000
Capital Leasing		217,500
Water Conservation		143,000
Acquisition of Property, Plant & Equipment		886,000
	\$ 17,820,511	\$ 7,300,880
Projected Ending Cash - Non-Operating	10,519,631	
Increase/(Decrease) in Cash (From Operating)	235,550	
Projected Ending Cash - 12/31/2014	10,755,181	
Less Restricted Cash	-	
Available Operating Cash - 12/31/2014	\$ 10,755,181	

Palmdale Water District
Budget 2014
Summary of Revenues and Expenditures – 2013 Projected

Cash Basis		
Activity	Estimated Cash Revenues	Estimated Cash Expenditures
Net Water Sales	\$ 9,335,000	
Meter Fees	11,025,000	
Elevation Fees	565,000	
Other Operating Revenue	1,685,000	
Water Quality Fees (Restricted Use)	1,650,000	
(Increase)/Decrease in Cash (From Operating)	(4,543,515)	
Directors		\$ 100,500
Administration		2,172,750
Engineering		1,252,250
Facilities		2,912,000
Operations		5,109,000
Finance		2,871,000
Water Conservation		234,750
Human Resources		186,250
Information Technology		661,500
Water Purchases		2,186,485
Capitalized Expenditures		685,000
Water Quality Expense (GAC)		1,345,000
SUBTOTAL OPERATING	\$ 19,716,485	\$ 19,716,485
Actual Beginning Cash - 01/01/2013 (Audited)	\$ 8,852,185	
Assessments received	6,992,205	
Capital Improvement Fees	244,949	
State Grants	-	
Interest on Investments	-	
Other Income	175,000	
Payments for State Water Project		2,821,029
Principal Paid on Long Term Debt		1,840,455
Interest Paid on Long Term Debt		1,778,719
Capital Leasing		239,557
Water Conservation		125,000
Acquisition of Property, Plant & Equipment		3,227,583
	\$ 16,264,339	\$ 10,032,343
Projected Ending Cash - Non-Operating	6,231,996	
Increase/(Decrease) in Cash (From Operating)	4,543,515	
Projected Ending Cash - 12/31/2013	10,775,511	
Less Restricted Cash	-	
Available Operating Cash - 12/31/2013	\$ 10,775,511	

**Palmdale Water District
Budget 2014
Funds Analysis – 2012 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. Category of funds were established by Resolution No. 09-03 passed and adopted March 11, 2009 and shown on 2012 and 2013 Funds Analysis sheets. On November 13, 2013 this resolution was superseded by Resolution No. 13-13 and is shown on the 2014 Fund Analysis sheet (See Appendix C for verbaige for the Reserve Fund Policy – Resolution No. 13-13).

		2012 Budget			
		Actual Ending Balance 12/31/2011	Sources	Uses	Actual Ending Balance 12/31/2012
Sources of Cash					
Net Operating Income			\$ (7,164,735)		
Adjustment - Water Quality (GAC Media)			1,550,184		
Adjustment - Depreciation/Amortization Add Back			7,768,448		
Adjustment - Post Employment Benefits (GASB 45)			1,716,709		
Adjustment - Bad Debt			(104,725)		
Adjustment - Service Costs Construction			168,706		
Adjustment - Capitalized Construction			(992,970)		
Net Non-Operating Income			4,044,761		
Cash from Revenues above Expenses to place into funds			\$ 6,986,378		
Reserve Funds (Based on Resolution No. 09-03)					
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	1,128,370	311,974	4,049,775
7	Supplemental Water Supply Fund	\$ 1,500,000	275,000	275,000	1,500,000
8	Asset Replacement Fund (% of annual depreciation)	1,175,023	2,725,784	2,572,722	1,328,085
9	Conservation Program Fund	\$ 150,000	49,222	49,222	150,000
10	Water Quality Service Fee	1,743,116	1,550,184	1,468,975	1,824,325
11	Unrestricted Reserves	\$ -	-	-	-
Total Board Restricted		\$ 7,801,518	\$ 5,728,560	\$ 4,677,893	\$ 8,852,185
Total Funds		\$ 9,463,250	\$ 6,986,378	\$ 7,597,443	\$ 8,852,185

**Palmdale Water District
Budget 2014
Funds Analysis – 2013 Budget (as proposed)**

		2013 Budget			
		Actual Ending Balance 12/31/2012	Sources	Uses	Projected Balance 12/31/2013
Sources of Cash					
Net Operating Income			\$ (6,536,350)		
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			\$ 6,346,650		
Reserve Funds (Based on Resolution No. 09-03)					
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)	4,049,775.38	2,509,250	3,779,757	2,779,268
7	Supplemental Water Supply Fund	1,500,000.19	150,000	495,000	1,155,000
8	Asset Replacement Fund (% of annual depreciation)	1,328,084.83	1,849,400	793,000	2,384,485
9	Conservation Program Fund	150,000.00	50,000	150,000	50,000
10	Water Quality Service Fee	1,824,325.00	1,638,000	1,638,000	1,824,325
11	Unrestricted Reserves	-	-	-	-
Total Board Restricted		\$ 8,852,185	\$ 6,196,650	\$ 6,855,757	\$ 8,193,078
Total Funds		\$ 8,852,185	\$ 6,346,650	\$ 7,005,757	\$ 8,193,078

**Palmdale Water District
Budget 2014
Funds Analysis – 2013 Estimated End of Year (Actual)**

Sources of Cash		2013 Budget		
		Actual Ending Balance 12/31/2012	Sources	Uses
				Projected Balance 12/31/2013
Net Operating Income		\$ (4,056,485)		
Adjustment - Water Quality (GAC Media)		1,345,000		
Adjustment - Depreciation/Amortization Add Back		7,485,000		
Adjustment - Post Employment Benefits (GASB 45)		2,000,000		
Adjustment - Bad Debt		140,000		
Adjustment - Service Costs Construction		125,000		
Adjustment - Capitalized Construction		(1,150,000)		
Net Non-Operating Income		3,762,154		
Cash from Revenues above Expenses to place into funds		\$ 9,650,669		
Reserve Funds (Based on Resolution No. 09-03)				
1	Water Facilities Connection Fees (CIF)	\$ -	\$ 244,949	\$ 244,949
2	Water Supply Connection Fees	-	-	-
3	Debt Service Reserve Fund	-	-	-
4	Dam Self Insurance Reserve	-	-	-
Total Legally Restricted		\$ -	\$ 244,949	\$ 244,949
5	Rate Stabilization Fund	\$ -	\$ 480,000	\$ 480,000
6	O&M Operating Reserve (3 months cash operating expenses)	4,049,775	3,160,720	2,784,811
7	Supplemental Water Supply Fund	1,500,000	-	-
8	Asset Replacement Fund (% of annual depreciation)	1,328,085	4,015,000	3,227,583
9	Conservation Program Fund	150,000	100,000	125,000
10	Water Quality Service Fee	1,824,325	1,650,000	1,345,000
11	Unrestricted Reserves	-	-	-
Total Board Restricted		\$ 8,852,185	\$ 9,405,720	\$ 7,482,394
Total Funds		\$ 8,852,185	\$ 9,650,669	\$ 10,775,511

**Palmdale Water District
Budget 2014
Funds Analysis – 2014 Budget (Proposed)**

Sources of Cash		2014 Budget			
		Projected Ending Balance 12/31/2013	Sources	Uses	Projected Balance 12/31/2014
Net Operating Income			\$ (8,339,450)		
Adjustment - Water Quality (GAC Media)			1,638,000		
Adjustment - Depreciation/Amortization Add Back			7,350,000		
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			3,212,000		
Cash from Revenues above Expenses to place into funds			\$ 5,085,550		
Reserve Funds (Based on Resolution No. 13-13)					
1	Capital Improvement Fund (CIF)	\$ -	\$ 150,000	\$ 150,000	\$ -
2	Bond Proceeds Fund	7,750,000	-	5,678,500	2,071,500
3	Debt Service Reserve Fund	-	-	-	-
4	Rate Stabilization Fund (Operating Cash)	480,000	480,000	-	960,000
Total Legally Restricted		\$ 8,230,000	\$ 630,000	\$ 5,828,500	\$ 3,031,500
5	Dam Self Insurance	\$ -	\$ 5,000,000	\$ -	\$ 5,000,000
6	O&M Operating Reserve (3-Months operating exp.)	4,425,684	1,955,550	1,630,880	4,750,354
7	O&M Emergency Reserve	-	-	-	-
8	Unrestricted Reserves	5,869,827	(2,500,000)	3,325,000	44,827
Total Board Restricted (Operating Cash)		\$ 10,295,511	\$ 4,455,550	\$ 4,955,880	\$ 9,795,181
Total Operating Cash		\$ 10,775,511			\$ 10,755,181
Operating Cash Reserve (Shortage)/Overage					(5,444,819)

**Palmdale Water District
Budget 2014
Capital Projects – Expenditure Summary (Three-Year Breakdown)**

PROJECT EXPENDITURE SUMMARY			
BUDGETING YEAR AMOUNT			
	2014	2015	2016
Studies and Planning Documents	250,000	120,000	-
Safety & Regulatory Requirements	-	-	-
New Equipment	18,000	216,000	-
Replacement Equipment	276,500	229,000	960,000
General Projects	493,500	641,000	430,000
Replacement Capital Projects	2,017,000	5,297,000	3,150,000
New Capital Projects	-	-	-
New Capital Projects (CIF)	50,000	-	1,500,000
GAC Media Replacement	1,562,500	1,600,000	1,600,000
Annual Project Expenditures: ¹	<u>4,667,500</u>	<u>8,103,000</u>	<u>7,640,000</u>
3-Yr Total:	<u><u>20,410,500</u></u>		

¹ The 2014 total amount includes items classified under capital expense. This amount is removed for the fund analysis calculation due to the amount of \$3,781,500 being factored into the net operating income already.

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**Palmdale Water District
Budget 2014
Capital Projects – 2014 Fund Breakdown Summary**

	2014 FUND BREAKDOWN						WRB
	O&M	CF	WS	AR	CON	WQ	
Studies and Planning Documents	50,000	200,000	-	-	-	-	-
Safety & Regulatory Requirements	-	-	-	-	-	-	-
New Equipment	18,000	-	-	-	-	-	-
Replacement Equipment	56,000	-	-	145,000	-	75,500	-
General Projects	302,500	-	-	41,000	150,000	-	-
Replacement Capital Projects	1,717,000	-	-	300,000	-	-	-
New Capital Projects	-	-	-	-	-	-	-
New Capital Projects (CIF)	-	50,000	-	-	-	-	-
Series 2013A Water Revenue Bond Fund	-	-	-	-	-	-	5,678,500
GAC Media Replacement (6 Contactors)	-	-	-	-	-	1,562,500	-
	2,143,500	250,000	-	486,000	150,000	1,638,000	5,678,500
2014 Total Tie-out:	4,667,500						

Equipment	219,000
Capital Projects - General Fund	2,560,500
Capital Projects - CIF	250,000
Plant Expenditures	(2,143,500)
	<u>886,000</u>

Abbreviation Explanation	
O&M	= Plant Expensed
CF	= Water System Connection Fund
WS	= Source Water Supply
AR	= Asset Replacement
CON	= Conservation Program
WQ	= Water Quality Fund
WRB	= 2013A Water Revenue Bond Fund

**Palmdale Water District
Budget 2014
Capital Projects – 2014 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.
Series 2013A Water Revenue Bond	The District went through and re-financed the 2004 certificates of participation (COPs) to eliminate the provision for restricted funds, improve interest rates and gain additional funding (\$8.5 Million) to catch up on various projects including water main replacements, source water protection and water banking.

Palmdale Water District

Budget 2014

Income Statement

	PROPOSED 2014	PROJECTED 2013	BUDGET ² 2013	ACTUAL 2012	ACTUAL 2011	ACTUAL 2010
Operating Revenue						
Wholesale Water (AVEK & LCID)	225,000	200,000	175,000	50,345	-	-
Water Sales	9,053,000	9,135,000	8,198,000	8,732,110	7,828,995	7,841,545
Meter Fees	11,255,000	11,025,000	11,232,000	10,318,032	10,331,401	10,049,688
Water Quality Fees	1,638,000	1,650,000	1,638,000	1,658,418	1,544,001	1,567,034
Elevation Fees	525,000	565,000	550,000	563,499	514,356	801,877
Other	1,700,000	1,685,000	1,250,000	1,339,084	1,586,910	1,264,530
	<u>24,396,000</u>	<u>24,260,000</u>	<u>23,043,000</u>	<u>22,661,487</u>	<u>21,805,664</u>	<u>21,524,673</u>
Operating Expenses						
Directors	114,500	100,500	117,500	109,815	144,707	136,055
Administration	3,490,000	2,172,750	2,602,000	2,499,320	3,601,954	4,031,877
Engineering	1,079,800	1,252,250	1,215,750	1,155,799	1,170,449	1,105,929
Facilities	3,408,500	2,912,000	3,298,500	3,305,594	3,215,769	3,301,961
Operations	5,453,500	5,109,000	4,944,250	4,738,208	4,681,601	4,551,993
Finance	2,968,750	2,871,000	2,774,500	2,840,351	2,790,709	2,783,992
Water Conservation	270,000	234,750	239,750	223,804	207,563	206,048
Human Resources	215,300	186,250	209,600	192,206	235,797	216,096
Information Technology	828,600	661,500	728,000	721,173	562,174	405,872
Water Purchases ³	2,400,000	2,500,000	2,600,000	3,614,861	2,657,610	3,383,530
OAP Chrg (Prior Year)	250,000	436,485	-	-	(591,517)	688,425
Water Recovery	(100,000)	(750,000)	(100,000)	(394,902)	(1,363,902)	(351,096)
Water Quality (GAC Media) ⁴	1,638,000	1,345,000	1,638,000	1,550,184	1,219,205	1,031,565
Plant Expenditures	2,143,500	685,000	836,500	713,641	297,937	306,960
Cash Expenses	<u>24,160,450</u>	<u>19,716,485</u>	<u>21,104,350</u>	<u>21,270,054</u>	<u>18,830,058</u>	<u>21,799,207</u>
Depreciation	7,350,000	7,485,000	7,250,000	7,768,448	7,285,492	7,010,721
Post Employment Benefit (GASB 45) ⁵	2,000,000	2,000,000	2,000,000	1,716,709	1,803,368	1,854,179
Bad Debts	100,000	140,000	100,000	(104,725)	49,729	102,119
Service Costs Construction	125,000	125,000	125,000	168,706	28,429	(139,929)
Capitalized Construction	(1,000,000)	(1,150,000)	(1,000,000)	(992,970)	(1,021,987)	(893,408)
Non-Cash Expenses	<u>8,575,000</u>	<u>8,600,000</u>	<u>8,475,000</u>	<u>8,556,168</u>	<u>8,145,031</u>	<u>7,933,681</u>
Net Operating Income/(Loss)	<u>(8,339,450)</u>	<u>(4,056,485)</u>	<u>(6,536,350)</u>	<u>(7,164,735)</u>	<u>(5,169,425)</u>	<u>(8,208,215)</u>
Non-operating Revenues						
Assessments (Debt Service)	4,400,000	4,756,500	4,300,000	4,394,572	5,562,065	5,855,862
Assessments (1%)	1,600,000	1,720,314	1,500,000	1,518,943	-	-
Successor Agency Component (Prop Tax)	200,000	515,391	-	185,432		
DWR Fixed Charge Recovery ⁷	100,000	234,000	100,000	549,374		
Interest	35,000	30,000	35,000	24,866	78,519	99,060
Market Adj. on Investments	(10,000)	(30,000)	(10,000)	-	-	(10,289)
Capital Improvement Fees ⁶	150,000	244,949	150,000	1,257,818	1,225,519	148,777
Grants - State & Federal	485,000	-	485,000	-	76,200	(273)
Sale of Real Property	-	32,000	-	-	-	944,207
Other	185,000	175,000	150,000	159,238	165,515	135,748
	<u>7,145,000</u>	<u>7,678,154</u>	<u>6,710,000</u>	<u>8,090,243</u>	<u>7,107,818</u>	<u>7,173,092</u>
Non-operating Expenses						
Interest Paid & Amortization on long-term debt	2,111,000	2,056,000	2,111,000	2,417,320	2,540,875	2,550,410
Amortization of SWP	1,679,000	1,735,000	1,679,000	1,578,940	1,453,125	1,364,095
Capital Leasing	-	-	-	-	-	-
Capital Contributions	-	-	-	-	-	-
Water Conservation	143,000	125,000	150,000	49,222	95,662	41,486
	<u>3,933,000</u>	<u>3,916,000</u>	<u>3,940,000</u>	<u>4,045,482</u>	<u>4,089,662</u>	<u>3,955,990</u>
Net Non-operating Income/(Loss)	<u>3,212,000</u>	<u>3,762,154</u>	<u>2,770,000</u>	<u>4,044,761</u>	<u>3,018,155</u>	<u>3,217,101</u>
Net Earnings(Loss)	<u>(5,127,450)</u>	<u>(294,331)</u>	<u>(3,766,350)</u>	<u>(3,119,974)</u>	<u>(2,151,270)</u>	<u>(4,991,114)</u>

Palmdale Water District

Budget 2014

Income Statement – General Information

	PROPOSED 2014	PROJECTED 2013	BUDGET 2013	ACTUAL 2012	ACTUAL 2011	ACTUAL 2010
Operating Revenue	0.56%	11.26%	5.67%	3.92%	1.31%	1.26%
Operating Expenses	-0.29%	5.59%	4.05%	5.05%	2.66%	55.57%
Non-operating Revenues	-6.94%	8.02%	-5.60%	13.82%	-0.91%	-4.17%
Non-operating Expenses	0.43%	-4.25%	-3.66%	-1.08%	3.38%	0.16%

Footnotes:

- ² 2013 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 adjustment 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 2014 Budget includes the possible replacement of up to six contactors and the 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 component's effective date is January 1, 2014 and is part of the capital improvement fees.
- 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 \$(1,363,902) for 2011. Moving forward the amount has been distributed based on the type of credits and directly offset a portion of the current year assessments and is shown in non-operating revenue under DWR Fixed Charge Recovery.

General Information:

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.

Projected federal grant funds were adjusted to coincide with the potential revenue receipt. The receipt of these funds will now be shown in 2014 due to changes in approval requirements and additional paperwork required by the administrative agency overseeing these funds.

Cost Factors and Assumptions:

Cost of Living possible increase maximum of 0.60% effective January 1, 2013 subject to Board approval of the 2014 Budget.

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

PERS is calculated at 19.913% for 6 months (Jan. thru Jun.) and 20.652% for 6 months (Jul thru Dec.) for all employees except for those that fall under Public Employee Pension Reform Act (PEPRA). Employee who meet the PEPRA requirement the employer contribution for 2014 is 6.25% for the District.

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.

The District's medical insurance rates have a slight decrease on the blended average for the three medical plans plus an additional offering of the Anthem Blue Cross Advantage PPO in the amount of 0.58%. Currently, the dental insurance offered to its employees shows no increase projected while the vision insurance has gone up by 5.45%. All health insurance plans are managed and administered through 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 2014 Budget.

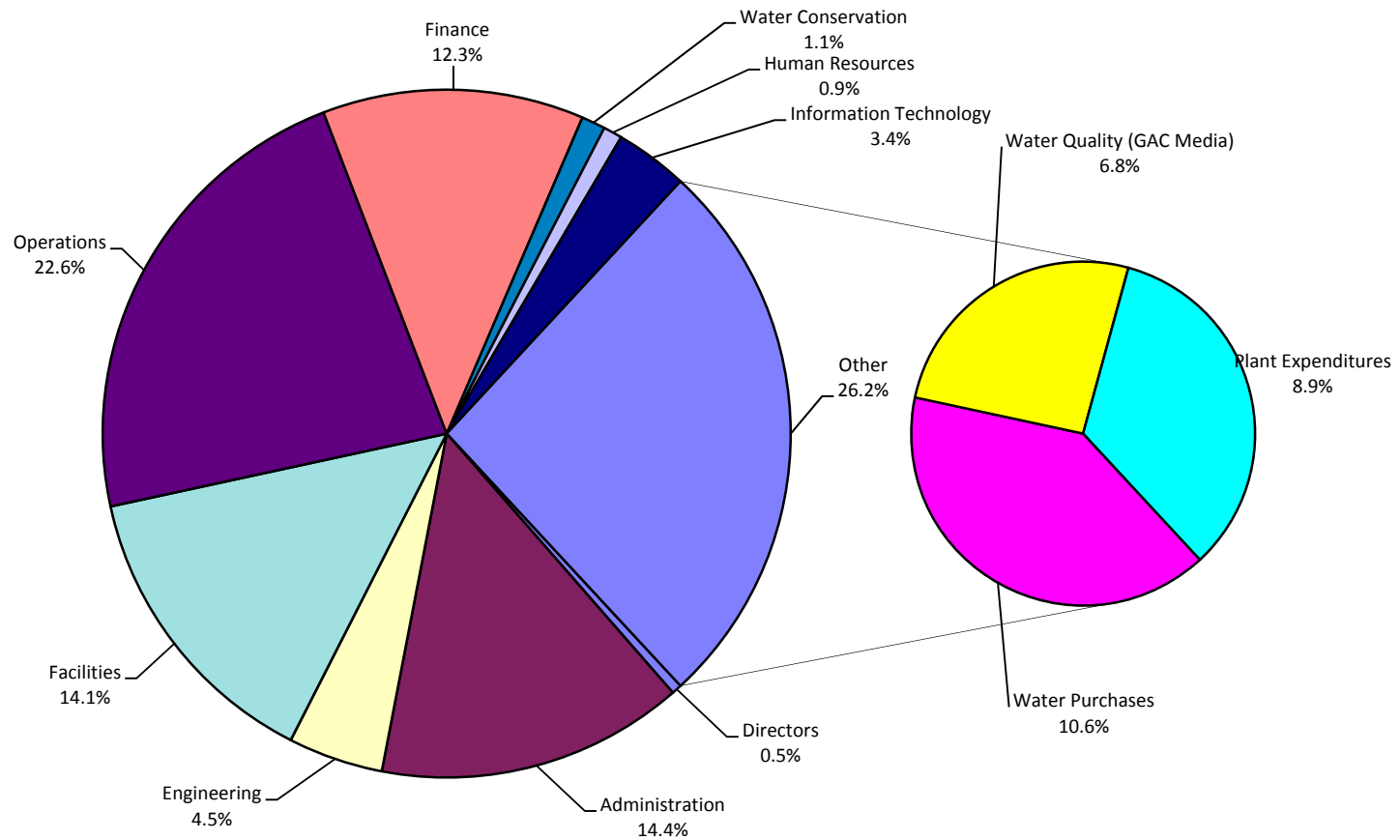
Southern California Edison (SCE) has proposed a 16% rate hike for 2014 energy rates as they relate to the District's wells and boosters. Currently that rate increase has been assigned a docket number by the PUC and will be going through the hearing process. SCE has just received final PUC approval on their 2013 4% rate increase and we will most likely start seeing those costs immediately in 2014.

Natural Gas expenses saw a rise in our commodity costs by 40% in 2013 from 2012. The Federal Energy Regulatory Commission (FERC) - Department of Energy is predicting an increase of 2% in commodity costs for the 2013-14 winter natural gas costs. If this occurs, it will be a direct pass-through from the Gas Company at the time of usage for the District.

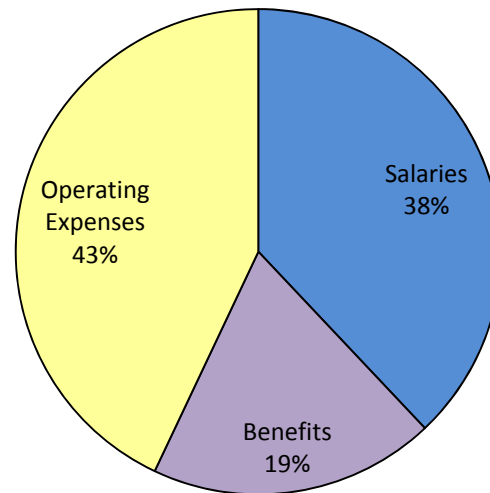
2014 will see well 11 coming back fully online after being down for four years. This change will cause the natural gas expenses, as they relate to the wells, to significantly increase from 2013.

2014 will see a settlement payment in the Ground Water Adjudication case for the Woods Class pumpers. The District's portion as it relates to that settlement are \$590,500 and has been included in the operational expense projections.

Palmdale Water District
2014 Operating Expenses (Proposed – excluding non-cash expenses) – Graph



**Palmdale Water District
2014 Departmental Expenses (Proposed) – Graph**



Departmental Expenses		
Salaries	\$	6,690,000
Benefits		3,360,600
Operating Expenses		7,575,350
Total	\$	17,625,950

**Palmdale Water District
Budget 2014
5-Year Cash Flow (Aggregate)**

	Proposed 2014	Projected 2013	Audited Numbers		
			2012	2011	2010
Beginning Cash	10,775,511	8,852,185	9,463,250	8,122,631	8,663,548
Operating Activities					
Net Operating Revenues	24,396,000	24,260,000	23,126,334	21,768,599	21,684,514
Net Operating Expenses	24,160,450	19,716,485	22,232,461	18,924,721	20,610,956
Net cash provided by operating activities	235,550	4,543,515	893,873	2,843,878	1,073,558
Other Sources and Uses of Cash					
Assessments received	6,200,000	6,992,205	5,903,403	4,826,073	5,790,877
Payments for State Water Project	(2,336,380)	(2,821,029)	(2,832,287)	(2,225,748)	(2,535,815)
Capital Improvement Fees Received	150,000	244,949	1,257,817	1,225,519	148,777
Water Conservation	(143,000)	(125,000)	-	-	-
Proceeds on Issuance of Long Term Debt					
Acquisition of Property, Plant & Equip. - Current Yr	(886,000)	(3,227,583)	(2,572,722)	(2,422,408)	(3,514,159)
Acquisition of Property, Plant & Equip. - Carryover	-	-	-		
Capital Leasing	(217,500)	(239,557)	(223,539)	-	-
Principal Paid on Long Term Debt	(1,473,000)	(1,840,455)	(1,220,000)	(1,170,000)	(1,125,000)
Interest Paid on Long Term Debt	(2,245,000)	(1,778,719)	(2,414,192)	(2,465,142)	(2,561,976)
State Grants and Other Income	670,000	175,000	571,895	655,472	2,094,050
Interest on Investments	25,000	-	24,687	72,975	88,771
Net Cash Provided by Other Sources and Uses	(255,880)	(2,620,189)	(1,504,938)	(1,503,259)	(1,614,475)
Net Increase (Decrease) in Cash	(20,330)	1,923,326	(611,065)	1,340,619	(540,917)
Cash End of Year	10,755,181	10,775,511	8,852,185	9,463,250	8,122,631
Less Restricted Cash	-	-	-	1,661,732	1,626,295
Rate Stabilization Fund	960,000	480,000	-	-	-
Available Operating Cash	10,755,181	10,775,511	8,852,185	7,801,518	6,496,336

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Palmdale Water District
2014 Departmental Staffing Budget

POSITION	2014	2013	2012
ADMINISTRATION:			
General Manager	1	1	1
Assistant General Manager	1	1	1
Water & Energy Resources Manager	1	1	1
Executive Assistant	1	1	1
Administrative Assistant	<u>1</u>	<u>1</u>	<u>1</u>
SUBTOTAL:	5	5	5
ENGINEERING:			
Engineering Manager	0	1	1
Project Manager	1	1	1
Construction Inspector	3	3	3
Cross Connection Technician	1	1	1
Engineering Technician	<u>3</u>	<u>3</u>	<u>3</u>
SUBTOTAL:	8	9	9
FACILITIES:			
Facilities Manager	1	1	1
Construction Supervisor	0	0	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	<u>4</u>	<u>4</u>	<u>4</u>
SUBTOTAL:	22	22	23
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	<u>2</u>	<u>2</u>	<u>2</u>
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	0	2
Field Service Supervisor	0	0	1
Senior Field Service Technician	1	1	1
Field Service Technician	<u>7</u>	<u>7</u>	<u>6</u>
SUBTOTAL:	23	23	25

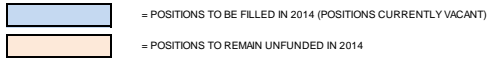
Palmdale Water District
2014 Departmental Staffing Budget (continued)

POSITION	2014	2013	2012
WATER CONSERVATION:			
Community & Government Affairs Coordinator	1	1	1
Water Conservation Supervisor	1	1	1
Water Conservation Aide	<u>1</u>	<u>1</u>	<u>1</u>
SUBTOTAL	3	3	3
HUMAN RESOURCES:			
Human Resources Manager	<u>1</u>	<u>1</u>	<u>1</u>
SUBTOTAL:	1	1	1
INFORMATION TECHNOLOGY:			
Information Technology Manager	1	1	1
Information Technology Technician	<u>1</u>	<u>1</u>	<u>1</u>
SUBTOTAL:	2	2	2
DISTRICT TOTAL:	85	86	89

Proposed Positions & Changes for 2014

Engineering:	
Engineering Manager	Position will not be funded but remains in chart until approved re-organization of the chart occurs. This position was defunded at the November 27, 2013 Board Meeting. Funding for this position was transferred over to fund the Assistant General Manager moving forward.
Construction Inspector	Position will be funded for twelve months
FACILITIES:	
Service Worker	All positions will be funded for twelve months
WATER CONSERVATION:	
Community & Gov't Affairs Coordinator	Position will not be funded but remains in 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 2014
Board of Directors**

Directors

PERSONNEL BUDGET:

		BUDGET 2014	PROJECTED 2013	BUDGET 2013	ACTUAL 2012	ACTUAL 2011	ACTUAL 2010
1-01-4000-000	Directors Fees	45,000	48,000	45,000	40,650	41,850	49,388
Benefits							
1-01-4005-000	Payroll Taxes	5,500	4,000	5,500	3,167	6,009	3,514
1-01-4010-000	Health Insurance	54,000	45,500	57,000	62,579	89,580	73,749
	Subtotal (Benefits)	59,500	49,500	62,500	65,746	95,589	77,263
	Personnel Expenses	104,500	97,500	107,500	106,396	137,439	126,652
OPERATING EXPENSES:							
1-01-4050-000	Director's Travel, Seminars & Meetings	10,000	3,000	10,000	3,419	7,268	9,403
	Total Operating Expense	10,000	3,000	10,000	3,419	7,268	9,403
	Total Departmental Expenses	114,500	100,500	117,500	109,815	144,707	136,055

Palmdale Water District

Budget 2014

Administration

Administration

		BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2014	2013	2013	2012	2011	2010
1-02-4000-000	Salaries	656,000	475,000	471,500	499,688	551,638	719,742
1-02-4000-100	Salaries - Departmental Overtime	7,500	7,500	5,000	8,678	6,217	7,677
1-02-4000-200	Salaries - District-wide Oncall/Standby	60,000	57,500	60,000	54,620	58,299	56,329
	Subtotal (Salaries)	723,500	540,000	536,500	562,986	616,153	783,748
Employee Benefits							
1-02-4005-000	Payroll Taxes	41,500	31,125	41,000	30,681	35,497	34,540
1-02-4010-000	Health Insurance	96,000	80,500	80,750	82,661	104,849	124,138
1-02-4015-000	Pers	132,500	90,000	90,750	91,869	88,045	105,019
1-02-4020-000	Worker's Comp (District-wide)	125,000	115,250	160,000	126,579	157,099	176,082
1-02-4025-000	Vacation Benefit Expense (District-wide)	35,000	50,000	35,000	(91,399)	31,402	8,597
1-02-4030-000	Life Insurance/EAP Program (District-wide)	7,500	7,625	7,500	7,115	7,876	4,994
	Subtotal (Benefits)	437,500	374,500	415,000	247,505	424,768	453,370
	Personnel Expenses	1,161,000	914,500	951,500	810,492	1,040,921	1,237,118
OPERATING EXPENSES:							
1-02-4050-000	Staff Travel	8,000	6,750	8,000	8,537	7,001	9,365
1-02-4050-100	General Manager Travel	5,000	5,000	5,000	5,679	5,964	3,029
1-02-4060-000	Staff Conferences & Seminars	3,000	2,000	3,000	754	378	1,793
1-02-4060-100	General Manager Conferences & Seminars	4,500	3,500	4,500	2,184	1,905	1,980
1-02-4070-000	Employee Expense	40,000	22,000	40,000	41,677	37,458	67,524
1-02-4080-000	Other Operating	20,000	20,500	20,000	13,460	25,511	27,774
1-02-4110-000	Consultants	200,000	45,000	134,000	202,170	235,470	289,920
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	300,000	254,500	325,000	296,966	278,683	287,883
1-02-4130-000	Bank Charges	130,000	120,000	130,000	108,284	128,732	147,385
1-02-4135-000	Groundwater Adjudication	400,000	245,000	400,000	228,378	1,053,682	676,467
1-02-4135-100	Groundwater Adjudication - Woods Class	590,500	-	-	-	-	-
1-02-4140-000	Legal Services	200,000	135,000	250,000	395,212	349,197	502,651
1-02-4140-100	Legal Services - Consultants	-	-	-	25,000	140,275	-
1-02-4150-000	Accounting Services	25,000	24,000	20,000	22,304	25,745	25,913
1-02-4155-000	Contracted Services	-	28,000	40,000	25,057	26,856	28,222
1-02-4155-205	Contracted Services - Landscape Services	10,500	-	-	-	-	-
1-02-4155-210	Contracted Services - Janitorial Services	12,000	-	-	-	-	-
1-02-4155-215	Contracted Services - Elevator Services	3,250	-	-	-	-	-
1-02-4155-220	Contracted Services - GASB45 Actuarial	3,250	-	-	-	-	-
1-02-4165-000	Memberships/Subscriptions	210,000	210,000	110,000	106,298	92,884	118,381
1-02-4170-000	Elections	-	-	-	78,451	-	77,032
1-02-4175-000	Permits	15,000	10,000	20,000	9,111	10,713	10,750
1-02-4180-000	Postage	30,000	17,000	30,000	21,056	22,377	18,629
1-02-4190-100	Public Relations - Publications	40,000	40,000	30,000	25,928	38,094	29,728
1-02-4190-900	Public Relations - Other	1,000	1,250	1,000	1,437	1,102	1,194
1-02-4200-000	Advertising	5,000	2,500	5,000	4,325	2,745	3,740
1-02-4205-000	Office Supplies	18,000	16,000	20,000	17,878	18,833	19,068
1-02-4215-200	Natural Gas - Office Building	5,000	3,750	5,000	3,637	4,541	2,387
1-02-4220-200	Electricity - Office Building	50,000	46,500	50,000	45,048	46,495	44,819
1-02-4230-110	Mtce & Rep Office -Equipment	-	-	-	-	615	-
1-02-4255-000	Office Furniture	-	-	-	-	5,559	-
1-02-6300-100	Supplies - Janitorial	-	-	-	-	218	1,224
	Total Operating Expense	2,329,000	1,258,250	1,650,500	1,688,829	2,561,033	2,794,759
	Total Departmental Expenses	3,490,000	2,172,750	2,602,000	2,499,320	3,601,954	4,031,877

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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.

2013 ACCOMPLISHMENTS:

- 1) Provided input and staff time for various state reports.
- 2) Updated GIS, water service maps, and developed a new updated 1000' scale map for use by all departments.
- 3) Worked with IT Department on implementation and deployment of iPads for use in the field.
- 4) Updated total quantification miles of pipe, number of valves, fire hydrants, air-vacs, and other facilities.
- 5) Completed survey and related DSOD reporting for both Littlerock and Palmdale Dam.
- 6) Continued working with consultant on the preparation of the Littlerock Reservoir Sediment Removal Project EIR/EIS and completed updated topography survey of reservoir to determine current reservoir capacity.
- 7) Continued overseeing the contract for the re-coating and maintenance for various storage tanks.
- 8) Completed the update of the Capital Improvement Fees and the implementation of a Water Supply Component.
- 9) Assisted with the replacement of residential meters by providing construction management oversight.
- 10) Completed the design and construction oversight for the water main replacement project in 16th, 17th, and 18th Street East, South of Avenue Q.
- 11) Completed the design and construction oversight for the water main replacement project Lago Lindo Rd.
- 12) Completed the design and construction oversight for the water main replacement project in Sumac, 3rd Street East, and Carolside between Avenue Q and Avenue Q-3.
- 13) Completed the design and awarded a contract for the water main replacement project in 20th Street East, 22nd Street East, and Puerta.
- 14) Provided design review and inspection for the Transit Village Development Project.
- 15) Completed the design of the water main replacement project in Avenue P-14 between 4th and 6th Street East.
- 16) Completed the selection process of a consultant to prepare the Feasibility Study for the Littlerock Creek Groundwater Recharge and Recovery Project.
- 17) Completed the design and construction oversight for the replacement of the 3600' hydro-pneumatic tank and related piping.
- 18) Completed the replacement of the hydro-electric generator at Lake Palmdale due to failure that occurred in May, 2012.
- 19) Participated and provided input on the update of the Antelope Valley Integrated Regional Water Management Plan Update.
- 20) Participated and provided input on the Antelope Valley Salt and Nutrient Management Plan.

2013 ACCOMPLISHMENTS (continued):

- 21) Participated in the development of the Upper Amargosa Recharge Project Cooperative Agreement.
- 22) Completed the design and construction management for the equipment associated with the installation of a Granular Activated Carbon Vessel located at the Underground Booster Station.
- 23) Submitted a grant application under DWR's Proposition 1E for the Littlerock Reservoir Sediment Removal Project.
- 24) Participated in the operation of the Palmdale Recycled Water Authority.

2014 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 environmental clearance and permits for the Littlerock Reservoir Sediment Removal Project.
- 4) Continue working on the development of a groundwater recharge project in Littlerock Creek.
- 5) Continue ensuring that all water storage tanks are properly maintained and coated.
- 6) Continue improving the District's new GIS mapping tools and software.
- 7) Complete the design and construction of the various asset replacement projects that have been identified in the 2013 Budget.
- 8) Complete the update of the Water System Master Plan and related EIR.
- 9) Participate in the update of the Water Rate Study.

Palmdale Water District **Budget 2014** **Engineering**

<u>Engineering</u>		BUDGET	BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2014	HOLD 2014	2013	2013	2012	2011
1-03-4000-000	Salaries	668,500		776,000	749,000	761,583	777,873
1-03-4000-100	Salaries - Departmental Overtime	6,500		6,500	6,000	1,173	10,758
	Subtotal (Salaries)	675,000		782,500	755,000	762,756	788,631
Employee Benefits							
1-03-4005-000	Payroll Taxes	51,500		62,000	58,000	57,388	57,608
1-03-4010-000	Health Insurance	134,800		165,250	165,500	157,833	151,270
1-03-4015-000	PERS	133,500		147,000	143,250	143,557	134,619
	Subtotal (Benefits)	319,800		374,250	366,750	358,778	343,496
	Personnel Expenses	994,800		1,156,750	1,121,750	1,121,535	1,132,127
OPERATING EXPENSES:							
1-03-4050-000	Staff Travel	3,000		4,500	3,000	4,239	4,275
1-03-4060-000	Staff Conferences & Seminars	2,500		2,000	2,500	1,415	2,557
1-03-4155-000	Contracted Services	-		11,000	12,000	4,186	9,513
1-03-4155-305	Contracted Services - GIS Services	40,000		-	-	-	-
1-03-4155-310	Contracted Services - Reproduction	18,000		-	-	-	-
1-03-4155-315	Contracted Services - Prod./Demand Database	-	67,000	-	-	-	-
1-03-4155-320	Contracted Services - Plotter/Scanner	2,500		-	-	-	-
1-03-4155-325	Contracted Services - Backflow Software	1,000		-	-	-	-
1-03-4165-000	Memberships/Subscriptions	2,000		1,500	2,000	2,798	2,763
1-03-4250-000	General Materials & Supplies	2,500		6,500	2,500	1,870	1,390
1-03-4230-110	Maintenance & Repair - Office Equipment	-		-	-	-	599
1-03-8100-100	Computer Software - Maint. & Support	13,500		70,000	72,000	19,757	17,226
	Total Operating Expense	85,000	67,000	95,500	94,000	34,264	38,322
	Total Departmental Expenses	1,079,800		1,252,250	1,215,750	1,155,799	1,170,449

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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.

2013 WATER YEAR INDICATORS:

- 1) 28,210 Meters in service
- 2) 9,381 System valves in service
- 3) 414 Miles of pipe in service
- 4) 234 Emergencies to which the department responded

2013 ACCOMPLISHMENTS:

- 1) Performed 1,139 hours of building and grounds maintenance including 81 repairs. This maintenance included general upkeep of grounds, fence repairs, building repairs, and 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 4,270 hours of maintenance on wells, boosters and storage reservoirs. This included scheduled preventive maintenance (PM), 19 natural gas engine repairs, 102 natural gas engine inspections, and 29 pump and motor repairs.
- 3) Performed 1,481 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.
- 4) Performed 279 hours of Treatment Plant repairs.
- 5) Performed 2,428 hours of vehicle and heavy equipment maintenance and repair activities performing 313 miscellaneous repairs, 104 scheduled PM's, and 131 truck, trailer and crane repairs and inspections.
- 6) Performed quarterly maintenance on all HVAC units. This includes 78 HVAC unit services and 8 repairs
- 7) District Office elevator load tested and certified.
- 8) District Training 2,251 hours. This included training on backhoe/loader safety, hazmat, rigging and signal person, crane certification, traffic control, forklift, confined space, underground locating training along with leadership and supervisor training, reasonable suspicion training for Supervisors, CPR/First Aid and 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). This year allowed an opportunity to compile an up-to-date look at what training needed to be completed and by whom. By not following the customary practice of training on a wide net and focusing on identifying the true necessity to continue to reduce costs.
- 9) Conducted the valve exercising program, which included exercising 1,031 system valves.
- 10) Air-vacuum breaker rehabilitation program this includes rebuilding and/or replacing units to improve all elevation zones to achieve better function throughout the distribution system. A total of 79 air-vacuum breakers were serviced, rebuilt or replaced.
- 11) As of 11-20-2013 we have repaired 263 mainline leaks and 87 residential service line leaks This was a significant drop from 2012 and was contributed to our current mainline replacement program.

2013 ACCOMPLISHMENTS (continued):

- 12) Conducted work on the District's flushing program (Water Quality) flushing 814,190 cubic feet (6,090,141 gallons) of water flushed to maintain adequate chlorine residuals and low turbidity numbers throughout our distribution system. 101 yearly sites flushed.
- 13) Two-Way Radio Narrow-banding Upgrade: To maintain compliance with FCC rules and regulations, District radio repeater and mobile radios have been replaced with compliant equipment.
- 14) Through competitive bidding we were able to reduce materials costs within the Facilities Department. This has reduced additional costs by \$26,500.
- 15) 2013 budget included purchase of a new dump truck for Construction Crew activities. In discussions with stakeholders, it was determined that Construction Crew needs would be better served with the acquisition of a used dump truck and used backhoe. This proposal was accepted by the Facilities committee and suitable equipment was identified, purchased and placed in service.
- 16) Regulatory Compliance: Antelope Valley Air Quality Management District (AVAQMD) has performed annual site inspections of District Facilities including fuel tanks and Internal Combustion Engine (ICE) 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.
- 17) Well 11: Flywheel mounted centrifugal clutch has been retrofit to engine, rebuilt angle drive re-installed and building re-assembled. Engine has been started, pump and clutch tested and well development completed. Well 11 is operating as designed and has been turned over to Operations Department for disinfection and sampling before being returned to service.
- 18) Well 3: Long term issue with generator intermittently experiencing overload and over-speed shut-downs is continuing and increasing in frequency. Outside vendors have performed several repairs in the past but issue continues to persist. Diagnostics by Shop staff indicate a fuel delivery issue. Shop staff rebuilt, balanced and adjusted fuel pressure regulators solving issue.
- 19) Well 15: Shop staff elected to perform top-end overhaul at well 15 as a cost-saving measure. During overhaul several quality control issues were identified with prior repairs performed by vendors. Issues were corrected and increased involvement by Shop staff is planned for all future outsourced repairs.
- 20) Well 21: Submersible pump motor failed and pumping equipment was removed for repair. Video-log of well revealed that mild cleaning of well casing was warranted at this time to maintain well performance. Well was brushed and bailed and pumping equipment, including replacement pump motor, was reinstalled by vendor.
- 21) 45th Street Booster Site: Failed booster pump 5 replaced, aligned and returned to service. Generator developed large exhaust leak from expansion joint during Edison Time-of-Use and operation of generator was critical to prevent Edison penalty assessment. Shop staff repaired leak with minimal downtime. Generator developed issue developing full power and overload safeties were shutting down generator. Ignition system breakdown was identified as part of the issue and ignition system was replaced with a non-intrinsically safe system to allow use of less expensive ignition maintenance parts to reduce future maintenance expenses. Intrinsically safe ignition not required for this installation.
- 22) 3600' Booster Site: Booster 1 failed while preparations were being made for hydro-pneumatic tank replacement. Shop staff needed to replace booster as quickly as possible to accommodate tank replacement. A new pump and motor were installed and returned to service. New pump experienced a catastrophic failure to the pump volute appearing to be a result of piping miss-

alignment. A new pump wet-end was installed and piping changes made to align piping with new pump

- 23) Truck 4: To extend useful life of dump truck and reduce capital expenditure, Shop staff performed major system rebuilds to dump truck 4 including replacing dump bed floor and rebuilding tailgate, repairing engine, installing rebuilt transmission and replacing clutch, repairing 2-speed rear differential, re-upholstering seat and painting truck.
- 24) Tractor 101: Tractor experienced several instances of unexpected engine failure. Issue was determine to be an intermittent electrical short in wiring harness under tractor cab requiring removal of complete cab to access harness. Shop staff removed cab, repaired harness and re-installed cab.
- 25) Replaced a section of 12" Double dipped and wrapped (DDW) steel pipe that failed on a transition (area of pipe that involves fittings to accommodate elevation change or other utilities) at 10th. St. E. and Ave Q, two sections were changed out with schedule 40 steel pipe and new fittings, along with 5 other locations that required drop in sections of pipe due to splits or total failure of said pipe.
- 26) Construction Crew installed a 6" check valve at the Sanitation District for the recycled water line that feeds McAdam Park. (This will eliminate water back flowing into the Sanitation District basin due to approximately 32' elevation difference)
- 27) Construction crew installed a section of pipe at the Underground Booster Site consisting of tee, valves, piping and reducers for the future tie-in point of the G.A.C. Local Contactor Absorption System.
- 28) Construction crew replaced 740' of pipe that had numerous leaks on a county road (S-10 and 40th St. E.) that caused erosion and extra repair to the area with every leak.
- 29) Construction crew replaced 700' of pipe in another section on a county road (Lago Lindo) replacing 1964 DDW steel pipe.
- 30) Construction crew has completed another pipeline replacement of 5,700' of 6" and 8" pipe replacing 1950 DDW steel pipe that had frequent leaks causing constant rework and grading of dirt roads in this area.

2014 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.
- 8) Repair and test propane back up fuel systems on engines at Well 11, Well 15 and 25th Street generator. Implement maintenance and testing program for propane systems. Perform re-hab efforts at well 4, 14, 19, 25 and 30..

Palmdale Water District

Budget 2014

Facilities

Facilities

PERSONNEL BUDGET:

	BUDGET 2014	PROJECTED 2013	BUDGET 2013	ACTUAL 2012	ACTUAL 2011	ACTUAL 2010
1-04-4000-000 Salaries	1,450,000	1,257,000	1,339,000	1,423,089	1,370,889	1,345,077
1-04-4000-100 Salaries - Departmental Overtime	36,500	48,000	40,000	29,565	47,171	46,025
Subtotal (Salaries)	1,486,500	1,305,000	1,379,000	1,452,654	1,418,060	1,391,102
Employee Benefits						
1-04-4005-000 Payroll Taxes	111,000	107,000	105,000	113,849	113,701	99,084
1-04-4010-000 Health Insurance	374,500	380,500	384,000	393,665	341,285	276,349
1-04-4015-000 PERS	278,000	233,500	254,500	269,180	243,376	207,987
Subtotal (Benefits)	763,500	721,000	743,500	776,694	698,361	583,419
Personnel Expenses	2,250,000	2,026,000	2,122,500	2,229,348	2,116,421	1,974,521

OPERATING EXPENSES:

1-04-4050-000 Staff Travel	2,500	1,500	2,500	78	625	835
1-04-4060-000 Staff Conferences & Seminars	3,000	3,000	3,000	449	2,081	625
1-04-4155-000 Contracted Services	-	66,500	28,500	27,017	25,060	12,367
1-04-4155-405 Contracted Services - Landscape Svcs (NOB-Shop)	5,000	-	-	-	-	-
1-04-4155-410 Contracted Services - Landscape Svcs (Wells)	26,000	-	-	-	-	-
1-04-4155-415 Contracted Services - Alarm Services	5,000	-	-	-	-	-
1-04-4155-420 Contracted Services - Janitorial Services	6,000	-	-	-	-	-
1-04-4155-425 Contracted Services - Pest Control Svcs (NOB-Shop)	5,500	-	-	-	-	-
1-04-4155-430 Contracted Services - Pest Control Svcs (Plm Dam)	23,000	-	-	-	-	-
1-04-4155-499 Contracted Services - Miscellaneous	1,000	-	-	-	-	-
1-04-4175-000 Permits (Littlerock & Palmdale Dams)	50,000	46,000	-	-	-	-
1-04-4215-200 Natural Gas - Buildings	4,500	3,000	4,500	3,093	3,749	4,195
1-04-4220-200 Electricity - Buildings	30,000	22,000	30,000	28,758	11,665	12,385
1-04-4225-000 Maint. & Repair - Vehicles	45,000	36,000	45,000	34,347	43,599	32,035
1-04-4230-100 Maint. & Rep. Operations - Office Building	18,000	5,000	18,000	79,565	10,315	60,534
1-04-4230-110 Maint. & Rep. Office - Equipment	-	-	-	-	-	357
1-04-4235-110 Maint. & Rep. Operations - Equipment	7,500	7,500	7,500	7,259	5,689	3,578
1-04-4235-400 Maint. & Rep. Operations - Wells	135,000	48,000	150,000	67,600	105,612	57,249
1-04-4235-405 Maint. & Rep. Operations - Boosters	65,000	58,000	50,000	39,274	53,599	36,749
1-04-4235-410 Maint. & Rep. Operations - Shop Bldgs	10,000	10,000	10,000	6,618	20,998	2,206
1-04-4235-415 Maint. & Rep. Operations - Facilities	15,000	15,000	15,000	18,919	9,912	27,763
1-04-4235-420 Maint. & Rep. Operations - Water Lines	275,000	240,000	350,000	342,999	404,457	633,952
1-04-4235-425 Maint. & Rep. Operations - Littlerock Dam	15,000	500	20,000	16,524	19,649	39,979
1-04-4235-430 Maint. & Rep. Operations - Palmdale Dam	15,000	500	26,500	27,339	26,539	26,139
1-04-4235-435 Maint. & Rep. Operations - Palmdale Canal	3,000	500	3,000	373	184	-
1-04-4235-455 Maint. & Rep. Operations - Heavy Equipment	35,000	26,000	35,000	33,212	30,061	72,012
1-04-4235-460 Maint. & Rep. Operations - Storage Reservoirs	5,000	500	5,000	104	3,917	35
1-04-4250-100 Materials - Hot Tapping	-	-	-	-	-	1,029
1-04-6000-000 Waste Disposal	40,000	30,000	40,000	39,172	20,468	19,594
1-04-6100-100 Fuel and Lube - Vehicle	130,000	120,000	130,000	135,193	126,814	78,549
1-04-6100-200 Fuel and Lube - Machinery	43,000	28,000	43,000	40,573	31,097	27,321
1-04-6200-000 Uniforms	21,000	21,500	20,000	17,031	16,884	12,660
1-04-6300-100 Supplies - Misc.	47,500	40,000	47,500	38,922	41,510	141,820
1-04-6300-800 Supplies - Construction Materials	45,000	35,000	65,000	46,509	65,251	-
1-04-6400-000 Tools	12,000	11,000	12,000	12,863	7,968	8,297
1-04-7000-100 Leases -Equipment	15,000	11,000	15,000	12,457	11,647	15,174
Total Operating Expense	1,158,500	886,000	1,176,000	1,076,246	1,099,348	1,327,440
Total Departmental Expenses	3,408,500	2,912,000	3,298,500	3,305,594	3,215,769	3,301,961

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.

2013 WATER YEAR INDICATORS:

- 1) Treated 13,260.3* acre-feet of surface water, 60.7% of total production, (4.8% more than 2011/12).
- 2) Pumped 8,594.1* acre-feet of ground water, 39.3% of total production, (3.7% more than 2011/12).
- 3) 21,854.4* Total acre-feet of water produced for Water Year (4.3% more than 2011/12).
- 4) Operated Water Treatment Plant 8,486* hours.
- 5) Received 13,182.1* acre-feet of State Project Water (8.6% less than 2011/12).
- 6) 1,557.6* acre-feet of water was drawn from the Littlerock Reservoir (none was taken last year).
- 7) Presently maintain 30.61** million gallons of potable water in distribution reservoir storage (as of October 01, 2013).
- 8) Presently maintain 3723.5 acre-feet of water in Lake Palmdale at an elevation of 2,810.70 feet above sea level, and approximately 100.0 acre-feet in Littlerock reservoir at an elevation of 3,207.86 feet above sea level (as of October 01, 2013).

* Water Year: October 1, 2012 to September 30, 2013

** Maximum Storage for 24 hr. period of September 30 to October 01, 2013

2013 ACCOMPLISHMENTS:

- 1) Joined with Water Research Foundation to assist with a study on determining the cost effectiveness of chromium VI removal technologies.
- 2) Continued to adapt distribution strategies to improve water quality and increase energy efficiency.
- 3) Developed departmental budget tracker to increase account balance awareness for supervisors.
- 4) Monitored water supplies for Radioactivity, MTBE, TTHM's and Hexavalent Chromium and all other constituents required by law.
- 5) GAC contactors were utilized to reduce disinfection byproducts and taste and odor compounds, thereby providing a higher quality of water.
- 6) Completed a full scale test of an alternative coagulant aid.
- 7) Prepped lake level for lake maintenance to occur in late 2013.
- 8) Enhanced SCADA Programming to develop automatic reports of plant and groundwater production.
- 9) 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.
- 10) Completed Annual Laboratory re-certification.
- 11) Began phase I of WTP Security upgrades
- 12) Completed update to fail safe SCADA system at the Main office.
- 13) Completed installation of Distribution System radio backbone.
- 14) Utilized SEMS CMMS system for work orders and preventative maintenance scheduling.

2013 ACCOMPLISHMENTS (continued):

- 15) Staff continued an in-house preventative maintenance program on automated valve actuators, reducing the departments contracted maintenance costs.
- 16) Engaged in EnerNoc energy demand response program to reduce energy costs.
- 17) Completed setup of demand response program through Honeywell.
- 18) Completed phase I of Calgon f300 and Siemens CX carbon medias full scale study.
- 19) Began Phase II of Calgon f400 and Siemens CX reactivated full scale study.
- 20) Found defect in replacement surface wash pump and worked with the vendor to repair.
- 21) Completed phase II of Distribution system radio upgrade. This has allowed several remote sites to communicate in real time versus 10-20 minute poll times.
- 22) Completed waiver request to California Department of Public Health for SOCs. If granted this will save approximately \$40,000 per skipped triennial cycle.
- 23) Responded to 7 planned Edison outages and 4 unplanned outages.
- 24) Took part in 16 total energy demand response events in 2013.
- 25) Continued work on ARC-Flash improvement.

2014 OBJECTIVES:

- 1) Continue development and execution of an effective lake monitoring program and cleanup of Lake Palmdale shoreline.
- 2) Comply with the Stage 2 Disinfection Byproduct Rule.
- 3) Begin process for certification through ELAP for testing TTHM and VOCs for regulatory reporting.
- 4) Continue to refine plant and distribution systems operational practices to reduce costs and optimize water quality.
- 5) Continue jar testing of coagulants to further reduce chemical costs and optimize treatment.
- 6) Repair and utilize Flocc Aid dosing station.
- 7) Utilize CMMS for SOP, manual, picture and video retention.
- 8) Complete optimization of the WTP SCADA.
- 9) Begin installation of phase III Distribution radio system upgrade.
- 10) Complete phase I of WTP security system.
- 11) Continue demand response program with Honeywell and EnerNoc to reduce electricity costs.
- 12) Begin using localized GAC treatment to reduce overall GAC operation costs.
- 13) Continue development of real-time SCADA tools for monitoring energy consumption and operational costs.
- 14) 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.
- 15) Continue to promote education and conservation through informational tours and a proactive positive response in handling water quality complaints.
- 16) Complete phase II of full-scale testing of both Siemens and Calgon GAC media.
- 17) Install new surface wash pump and repair old one to keep as a spare.
- 18) Obtain long-term GAC contract at reduced costs.
- 19) Utilize intra-net for improved departmental communication.
- 20) Maintain excellent interdepartmental cooperation through clear communication and promoting the understanding and respect of all staff's contributions towards our shared mission.
- 21) Encourage continued education and training in order to equip staff with the knowledge necessary to deal effectively with current and future water industry challenges.
- 22) Continue to upgrade, standardize, maintain and repair distribution and WTP facilities to ensure reliable and efficient performance..

Palmdale Water District

Budget 2014

Operations

<u>Operations</u>		BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2014	2013	2013	2012	2011	2010
1-05-4000-000	Salaries	1,734,000	1,553,000	1,608,500	1,643,361	1,571,485	1,527,312
1-05-4000-100	Salaries - Departmental Overtime	70,000	92,500	61,500	88,128	113,848	67,947
	Subtotal (Salaries)	1,804,000	1,645,500	1,670,000	1,731,489	1,685,334	1,595,259
Employee Benefits							
1-05-4005-000	Payroll Taxes	131,000	130,000	128,000	132,513	124,733	120,429
1-05-4010-000	Health Insurance	343,000	357,500	378,500	359,376	345,691	290,849
1-05-4015-000	PERS	324,000	286,500	307,000	308,076	273,221	234,153
	Subtotal (Benefits)	798,000	774,000	813,500	799,965	743,644	645,430
	Personnel Expenses	2,602,000	2,419,500	2,483,500	2,531,453	2,428,978	2,240,689
OPERATING EXPENSES:							
1-05-4050-000	Staff Travel	8,000	9,000	8,000	7,329	11,061	4,914
1-05-4060-000	Staff Conferences & Seminars	9,500	7,000	9,500	10,530	11,856	2,420
1-05-4120-100	Training - Lab Equipment	4,500	-	4,500	1,962	1,962	-
1-05-4120-200	Training - SCADA Network Equipment	9,000	2,000	9,000	-	-	-
1-05-4155-000	Contracted Services	-	128,000	59,000	57,871	62,870	53,483
1-05-4155-505	Contracted Services - Landscape Services	2,000	-	-	-	-	-
1-05-4155-510	Contracted Services - Alarm Services	1,000	-	-	-	-	-
1-05-4155-515	Contracted Services - Janitorial Services	5,750	-	-	-	-	-
1-05-4155-520	Contracted Services - Pest Control Services	500	-	-	-	-	-
1-05-4155-525	Contracted Services - Wind Turbine Services	35,000	-	-	-	-	-
1-05-4155-530	Contracted Services - CMMS Software	10,000	-	-	-	-	-
1-05-4155-535	Contracted Services - SCADA Software	11,000	-	-	-	-	-
1-05-4155-540	Contracted Services - Lab Software	1,500	-	-	-	-	-
1-05-4155-545	Contracted Services - Lab Equipment Services	6,000	-	-	-	-	-
1-05-4155-550	Contracted Services - Water Quality Services	25,000	-	-	-	-	-
1-05-4155-555	Contracted Services - SCADA Hardware	3,500	-	-	-	-	-
1-05-4155-560	Contracted Services - Seismic Valve Controllers	6,000	-	-	-	-	-
1-05-4155-599	Contracted Services - Miscellaneous	2,000	-	-	-	-	-
1-05-4175-000	Permits	45,000	40,000	45,000	39,536	30,831	67,367
1-05-4215-100	Natural Gas - Wells & Boosters	236,000	160,000	160,000	100,834	90,390	119,255
1-05-4215-200	Natural Gas - Water Treatment Plant	3,000	3,000	3,000	914	2,503	1,623
1-05-4220-100	Electricity - Wells & Boosters	1,515,000	1,400,000	1,285,000	1,113,121	1,168,686	1,302,564
1-05-4220-200	Electricity - Water Treatment Plant	125,000	95,000	125,000	131,036	182,572	173,859
1-05-4230-110	Maint. & Rep. Office - Equipment	500	500	500	-	334	255
1-05-4235-110	Maint. & Rep. Operations - Equipment	22,500	11,000	15,000	12,475	5,597	10,040
1-05-4235-410	Maint. & Rep. Operations - Shop Bldgs	6,000	16,000	6,000	2,674	595	2,954
1-05-4235-415	Maint. & Rep. Operations - Facilities	45,000	46,000	38,000	43,234	41,815	29,048
1-05-4235-445	Maint. & Rep. Operations - Telemetry	2,250	5,000	2,250	4,962	14,490	507
1-05-4235-450	Maint. & Rep. Operations - Hypo Generators	30,000	24,000	10,000	4,013	1,344	10,318
1-05-4235-500	Maint. & Repair - Wind Turbine	6,000	-	-	-	-	-
1-05-4236-000	Palmdale Lake Management	15,000	11,000	15,000	14,742	14,645	9,048
1-05-4250-000	General Material & Supplies	-	-	-	-	1,167	-
1-05-4270-300	Telecommunication - Other	2,750	2,750	2,750	2,557	3,003	2,622
1-05-4300-300	Testing - Edison Testing	9,000	7,000	9,000	11,700	5,385	11,610
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	14,000	24,000	22,000	3,161	36,357	2,696
1-05-6200-000	Uniforms	12,000	12,000	10,000	9,973	7,862	5,669
1-05-6300-100	Supplies - Misc.	15,000	16,000	15,000	17,897	10,035	13,704
1-05-6300-200	Supplies - Hypo Generators	6,750	5,000	6,750	5,785	5,590	8,719
1-05-6300-300	Supplies - Electrical	3,500	3,000	3,500	4,145	2,304	5,202
1-05-6300-400	Supplies - Telemetry	7,500	2,500	7,500	7,577	(3,926)	6,428
1-05-6300-600	Supplies - Lab	35,000	35,000	35,000	34,075	31,289	32,182
1-05-6300-700	Outside Lab Work	60,000	100,000	60,000	46,580	71,720	66,354
1-05-6400-000	Tools	6,500	4,250	6,500	4,190	6,677	4,397
1-05-6500-000	Chemicals	485,000	520,000	485,000	513,587	409,083	347,746
1-05-7000-100	Leases - Equipment	3,000	500	3,000	297	1,061	1,226
1-05-8100-200	Computer Software - Software and Upgrades	-	-	-	-	-	15,095
	Total Operating Expense	2,851,500	2,689,500	2,460,750	2,206,755	2,252,623	2,311,304
	Total Departmental Expenses	5,453,500	5,109,000	4,944,250	4,738,208	4,681,601	4,551,993

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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.

2013 WATER YEAR INDICATORS:

- 1) Processed 2,358 +/- New Account Applications.*
- 2) Completed 15,181 +/- non-application based customer service orders.*
- 3) Issued 31,358 door tags, 2,920 shutoffs, and processed 699 rejected payments.*
- 4) Processed 297,163 payments: Make up was 95,702 mail payments, 72,635 front counter, 25,326 credit cards by telephone, 68,318 Website payments (Credit card & ACH) and 35,182 Third Party Electronic Check Payment processed (ACH)*.
- 5) Number of Customers Assisted 133,205 (Calls 61,081 and Front Counter 72,124).*
- 6) 19,147.74 acre feet of water billed.*
- 7) Serviced an average of 26,345 active customer accounts.
- 8) Serviced a total of 27,353 customers (active and inactive).

* All numbers are based on a reporting period of October 1, 2012 through September 30, 2013.

2013 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) Continued work 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) Continued refining workflow schedule for better closure of financial periods to improve monthly reconciliation processes.

2013 ACCOMPLISHMENTS (continued):

Customer Service Staff

- 1) 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) Customer service staff is continuing to promote the Districts website. By promoting this staff is helping the District increase the enrollment of customers using the website to manage their water service accounts.
- 3) Customer service staff is processing mail and night drop check payments using the OCR Scanner. Then we send the check payment file electronically to the bank for processing. This has reduced the time the District waits to receive a rejected payment notice. It has also reduced the number of bank adjustments received.
- 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. This increases the Districts ability to obtain meters reads more efficiently.
- 6) New bill format contains more detailed billing information on the allocation calculation as well as providing the customer with due dates to avoid late fees. This has eliminated the issuance of a separate late fee billing which has resulted in the District saving approximately \$49,000 a year.

2014 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) 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) Maintain (test, repair or replace) the existing radio read infrastructure. This enables the District to obtain meter reads more efficiently and maintain better accuracy for billing.
- 4) Oversee large meter repair, replacement and/or testing to improve accuracy and reliability.
- 5) 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 2014

Finance

Finance

PERSONNEL BUDGET:

		BUDGET 2014	PROJECTED 2013	BUDGET 2013	ACTUAL 2012	ACTUAL 2011	ACTUAL 2010
1-06-4000-000	Salaries	1,645,000	1,466,500	1,482,000	1,533,269	1,508,723	1,679,094
1-06-4000-100	Salaries - Departmental Overtime	19,000	31,000	20,000	18,656	30,945	12,214
	Subtotal (Salaries)	1,664,000	1,497,500	1,502,000	1,551,925	1,539,668	1,691,308
Employee Benefits							
1-06-4005-000	Payroll Taxes	123,000	119,000	115,000	117,568	119,983	122,180
1-06-4010-000	Health Insurance	317,000	344,000	383,750	369,836	366,021	337,125
1-06-4015-000	PERS	331,000	284,000	282,500	289,841	264,424	259,728
	Subtotal (Benefits)	771,000	747,000	781,250	777,245	750,428	719,033
	Personnel Expenses	2,435,000	2,244,500	2,283,250	2,329,170	2,290,096	2,410,341

OPERATING EXPENSES:

1-06-4050-000	Staff Travel	250	500	250	-	173	757
1-06-4060-000	Staff Conferences & Seminars	1,000	1,000	1,000	928	456	330
1-06-4155-100	Contracted Services - Infosend	205,000	186,000	205,000	215,422	215,438	229,475
1-06-4155-300	Contracted Services - Vendors	-	10,000	10,000	12,577	23,230	-
1-06-4160-605	Contracted Services - Assessor Data (Realquest)	10,000	-	-	-	-	-
1-06-4160-610	Contracted Services - Credit Reporting Services	4,000	-	-	-	-	-
1-06-4160-615	Contracted Services - AMR Services (Itron)	4,500	-	-	-	-	-
1-06-4160-620	Contracted Services - Letter Extractor (OPEX)	2,500	-	-	-	-	-
1-06-4165-000	Memberships/Subscriptions	500	500	500	220	275	435
1-06-4230-110	Maintenance & Repair - Office Equipment	1,000	-	1,000	117	209	8,700
1-06-4235-440	Maint. & Rep. Operations - Large Meters	10,000	7,500	10,000	13,802	8,648	34,517
1-06-4235-470	Maint. & Rep. Operations - Meter Exchanges	225,000	365,000	175,000	210,001	174,009	-
1-06-4250-000	General Material & Supplies	6,000	7,000	4,000	2,810	5,993	2,687
1-06-4260-000	Business Forms	10,000	10,000	10,000	7,851	7,163	22,125
1-06-4270-100	Telecommunication - Office	12,000	10,500	30,000	13,995	28,144	29,620
1-06-4270-200	Telecommunication - Cellular Stipend	17,000	14,500	17,000	15,170	15,845	23,602
1-06-4270-300	Telecommunication - Cellular (District On-Call)	500	250	3,000	1,564	2,426	245
1-06-4300-100	Testing - Meter Testing	-	-	-	-	-	152
1-06-4300-200	Testing - Large Meter Testing	21,500	11,000	21,500	14,335	15,575	19,300
1-06-7000-100	Leases - Equipment	3,000	2,750	3,000	2,389	3,030	1,707
	Total Operating Expense	533,750	626,500	491,250	511,180	500,613	373,651
	Total Departmental Expenses	2,968,750	2,871,000	2,774,500	2,840,351	2,790,709	2,783,992

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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.

2013 ACCOMPLISHMENTS:

- 1) Provide tours of both Littlerock Dam and WTP for elementary schools throughout the year.
- 2) Participated in the local events: the Home Show, City of Palmdale's Thursday Night on the Square, the Heritage Festival, the Christmas Parade and several other approved events for the year..
- 3) Planned and developed six bi-monthly PWD "Water News" inserts distributed with customer bills and six eWater news for constant contact customers.
- 4) Coordinated Consumer Confidence Report with TP staff and Four Star Printing for distributing to the public
- 5) Planned and developed the new 2013 "Cash for Grass" program and provided 10 "Cash for Grass" landscape-training workshops during the year.
- 6) Developed monthly water use reports for the Palmdale School District and Antelope Valley Union High School District's (AVUHSD) Palmdale High School.
- 7) 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.
- 8) Generated necessary press releases throughout the year for water conservation rebates, public information and general PWD public relations.
- 9) Developed promotional media for water conservation rebates and public information.
- 10) Compiled water use data on rebate customers for water savings throughout the year.
- 11) Provided and developed all the information and documentation for BMPs.
- 12) 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).
- 13) Compiled all conservation programs and data for reporting the BMPs to DWR regarding the CUWCC required BMP reporting.
- 14) Produced and sent 2012/2013 CUWCC reports online through the CUWCC's reporting web site.
- 15) Attended the AVRCD's Garden committee meetings and helped to plan the AVRCD's May Open House and Plant sale and the Oct. Open house and plant.
- 16) Planned and executed the 2013 PWD Plant Sale
- 17) Revamped the Aquadog and PWD logos and began using Aquadog again in promotional conservation message.
- 18) Attended the college advisory committee meeting to help develop the year's landscape program.
- 19) Developed the urinal rebate program for 2014.
- 20) Provided materials for the student summer camp.
- 21) Planned, developed and accomplished the "Before the First Drop" Campaign.

2014 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 and e-water news for constant contact customers.
- 5) Plan, develop and execute PWD's monthly employee newsletter.
- 6) Plan, develop and execute PWD's 2014 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) Plan, develop and execute "Fix a leak Week materials."
- 10) Plan, develop and execute 10 landscape "Cash for Grass" training workshops.
- 11) Continue executing rebate programs including: the new 2014 "Cash for grass," program, washing machine rebates, toilet rebates, MP rotator rebates, smart controller rebates, and the new commercial rebate program
- 12) Plan, develop, and complete compliance worksheets and submit to the California Urban Water Conservation Council (CUWCC) for 2013 and 2014
- 13) Plan, develop and execute press releases for water conservation rebates, public information and general PWD public relations.
- 14) Plan, develop and execute promotional media for water conservation rebates and public information
- 15) Develop and provide conservation materials for the City of Lancaster's Home and Garden
- 16) Develop and provide conservation materials for all approved events for the year.
- 17) Develop and provide conservation materials for the Student Summer Camp
- 18) Develop and provide conservation materials for the AVRCD (2) Plant Sales.
- 19) Develop and provide conservation materials for the PWD Plant sale
- 20) Continue to compile all conservation programs and data for reporting the Best Management Practices (BMPs) to DWR regarding the CUWCC required BMP reporting.
- 21) Plan and develop a landscape contest.
- 22) Plan and develop the "Before the First Drop" materials to enter into the 2014 Best in Blue outreach campaign contest.

Palmdale Water District Budget 2014 Water Conservation

Water Conservation

PERSONNEL BUDGET:

	BUDGET 2014	PROJECTED 2013	BUDGET 2013	ACTUAL 2012	ACTUAL 2011	ACTUAL 2010
1-07-4000-000 Salaries	168,500	153,000	153,000	152,210	149,794	153,005
1-07-4000-100 Salaries - Departmental Overtime	1,000	1,250	1,000	1,000	939	946
Subtotal (Salaries)	169,500	154,250	154,000	153,210	150,733	153,951
Employee Benefits						
1-07-4005-000 Payroll Taxes	13,000	12,250	11,750	11,710	11,498	11,355
1-07-4010-000 Health Insurance	31,500	27,500	22,750	20,340	15,310	12,635
1-07-4015-000 PERS	34,000	30,000	29,250	29,602	26,469	23,670
Subtotal (Benefits)	78,500	69,750	63,750	61,652	53,277	47,661
Personnel Expenses	248,000	224,000	217,750	214,862	204,010	201,612
OPERATING EXPENSES:						
1-07-4050-000 Staff Travel	1,000	750	1,000	116	-	579
1-07-4060-000 Staff Conferences & Seminars	1,000	1,500	1,000	399	35	285
1-07-4190-300 Public Relations - Landscape Workshop/Training	1,000	500	1,000	442	974	478
1-07-4190-400 Public Relations - Contests	1,000	1,000	1,000	-	58	-
1-07-4190-500 Public Relations - Education Programs	5,000	1,500	5,000	3,995	616	438
1-07-4190-700 Public Relations - General Media (Public Outreach)	3,000	2,000	3,000	875	-	-
1-07-4190-900 Public Relations - Other	5,000	500	5,000	3,116	-	-
1-07-6300-100 Supplies - Misc.	5,000	3,000	5,000	-	1,869	2,656
Total Operating Expense	22,000	10,750	22,000	8,942	3,552	4,437
Total Departmental Expenses	270,000	234,750	239,750	223,804	207,563	206,048

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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.

2013 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 2013, culminating in data provided to the Personnel Committee and staff presentation to the Board of Directors for consideration.
- 4) Chaired and facilitated the monthly meetings of the Communications Committee.
- 5) Coordinated completion of annual hazard business plans for the District.
- 6) Completed the District's 2013 Property Assessment for Insurance Coverage.
- 7) Coordinated the completion of JPIA's Property Recommendations for 2013.
- 8) Coordinated the completion of JPIA's District's Risk Assessment process.
- 9) Coordinated Employee Benefits/Wellness Fair with 13 vendors participating and presentation by two keynote speakers.
- 10) Completed employee-specific training program through Target Safety/Prevention Link.

2014 OBJECTIVES:

- 1) Continue working on competencies and criteria for Performance Evaluation process for 2014 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 2014 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 Handbook Task Force.
- 14) Update Employee Handbook to present to Personnel Committee for review
- 15) Conduct 2014 salary survey.

Palmdale Water District **Budget 2014** **Human Resources**

Human Resources

		BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL
		2014	2013	2013	2012	2011	2010
PERSONNEL BUDGET:							
1-08-4000-000	Salaries	97,000	85,500	84,000	105,474	125,029	111,469
1-08-4000-100	Salaries - Departmental Overtime	-	-	-	-	-	-
	Subtotal (Salaries)	97,000	85,500	84,000	105,474	125,029	111,469
Employee Benefits							
1-08-4005-000	Payroll Taxes	7,500	6,500	6,500	8,432	7,693	8,178
1-08-4010-000	Health Insurance	19,200	-	18,000	14,396	20,343	13,658
1-08-4015-000	Pers	6,500	1,000	16,000	18,557	22,914	17,296
	Subtotal (Benefits)	33,200	7,500	40,500	41,384	50,950	39,132
	Personnel Expenses	130,200	93,000	124,500	146,858	175,979	150,601
OPERATING EXPENSES:							
1-08-4050-000	Staff Travel	500	-	500	231	1,325	1,591
1-08-4060-000	Staff Conferences & Seminars	500	-	500	250	1,344	1,380
1-08-4090-000	Temporary Staffing	-	52,000	-	-	1,966	-
1-08-4095-000	Employee Recruitment	3,000	3,000	3,000	515	1,100	4,309
1-08-4100-000	Employee Retention	1,500	1,500	1,500	2,014	3,140	1,032
1-08-4105-000	Employee Relations	3,500	3,500	3,500	2,974	3,185	1,938
1-08-4110-000	Consultants	1,000	-	1,000	-	-	500
1-08-4120-100	Training - Safety/HR Consultants	38,000	25,000	38,000	17,118	21,497	25,623
1-08-4121-000	Safety/HR Program	1,000	-	1,000	-	-	540
1-08-4165-000	Memberships/Subscriptions	1,600	750	1,600	1,946	1,144	145
1-08-4165-100	HR/Safety Publications	1,000	-	1,000	348	1,246	388
1-08-4210-000	Office Furniture	-	-	-	-	196	-
1-08-6300-500	Supplies - Safety	33,500	7,500	33,500	19,952	23,677	28,047
	Total Operating Expense	85,100	93,250	85,100	45,348	59,818	65,495
	Total Departmental Expenses	215,300	186,250	209,600	192,206	235,797	216,096

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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.

2013 ACCOMPLISHMENTS:

- 1) Implemented mobile access for field workers
- 2) Continued virtualization of District Servers
- 3) Implemented centralized Storage Area Network
- 4) Replacement of desktops, laptops, and workstations
- 5) Implement Disaster Recovery plan for mission critical data and network equipment
- 6) Attended VMware vSphere and Cisco Certified Network Administrator training

2014 OBJECTIVES:

- 1) Implement Wi-Fi network for mobile workers and guests
- 2) Replace or Upgrade document management system
- 3) Replace existing security system at Main Office / NOB / Maintenance
- 4) Seek IT related federal and state grant sources
- 5) Continue replacement of desktops, laptops, and workstations

Palmdale Water District

Budget 2014

Information Technology

Information Technology

		BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL
		2014	2013	2013	2012	2011	2010
PERSONNEL BUDGET:							
1-09-4000-000	Salaries	226,000	211,500	204,000	218,357	196,681	-
1-09-4000-100	Salaries - Departmental Overtime	2,500	2,250	2,500	1,956	1,773	-
	Subtotal (Salaries)	228,500	213,750	206,500	220,313	198,453	-
Employee Benefits							
1-09-4005-000	Payroll Taxes	16,000	17,000	16,000	15,942	14,034	-
1-09-4010-000	Health Insurance	38,400	41,750	41,250	39,804	38,554	-
1-09-4015-000	PERS	45,200	40,000	39,250	39,467	33,431	-
	Subtotal (Benefits)	99,600	98,750	96,500	95,212	86,019	-
	Personnel Expenses	328,100	312,500	303,000	315,525	284,472	-
OPERATING EXPENSES:							
1-09-4050-000	Staff Travel	3,000	1,000	3,000	500	1,324	-
1-09-4060-000	Staff Conferences & Seminars	15,000	12,000	15,000	8,167	4,713	-
1-09-4120-100	Cogsdale Reimplementation and Templates	-	-	-	21,236	19,903	63,798
1-09-4155-200	Contracted Services - ACS	-	-	-	-	-	97,863
1-09-4155-300	Contracted Services - Computer Vendors	-	56,000	52,500	119,450	22,344	36,324
1-09-4155-905	Contracted Services - Offsite Storage Services	2,000	-	-	-	-	-
1-09-4155-910	Contracted Services - Printer Services	1,500	-	-	-	-	-
1-09-4155-915	Contracted Services - Website Design Services	45,000	-	-	-	-	-
1-09-4155-920	Contracted Services - Telephony Services	10,500	-	-	-	-	-
1-09-4155-925	Contracted Services - Cloud Services	25,000	-	-	-	-	-
1-09-4155-930	Contracted Services - Network Services	45,000	-	-	-	-	-
1-09-4165-000	Memberships/Subscriptions	500	-	500	240	340	-
1-09-4270-100	Telecommunication - Office Phone	16,500	16,500	16,500	-	-	-
1-09-4270-125	Telecommunication - Office Backbone	13,500	13,500	13,500	-	-	-
1-09-4270-150	Telecommunication - WTP Backbone	13,500	13,500	13,500	-	-	-
1-09-4270-300	Telecommunication - Cellular (Data)	12,000	11,750	12,000	-	-	-
1-09-8000-100	Computer Equipment - Computers	25,000	20,000	45,000	53,420	44,300	30,568
1-09-8000-200	Computer Equipment - Laptops	5,000	-	10,000	87	6,681	-
1-09-8000-300	Computer Equipment - Monitors	2,000	1,000	2,000	1,918	639	631
1-09-8000-400	Computer Equipment - Printers	15,000	250	2,500	1,905	1,911	3,525
1-09-8000-500	Computer Equipment - Toner Cartridges	3,000	1,500	3,000	5,503	13,330	11,683
1-09-8000-550	Computer Equipment - Telephony	2,500	-	-	-	-	-
1-09-8000-600	Computer Equipment - Other	35,000	25,000	35,000	35,723	9,267	25,205
1-09-8100-100	Computer Software - Maint. and Support	70,000	45,000	70,000	49,534	34,026	43,640
1-09-8100-140	Computer Software - Starnik Maint. & Support	95,000	95,000	86,000	39,500	-	-
1-09-8100-150	Computer Software - Dynamics GP Maint. & Support	30,000	30,000	30,000	43,124	109,439	43,135
1-09-8100-200	Computer Software - Software and Upgrades	15,000	7,000	15,000	25,339	9,486	49,500
	Total Operating Expense	500,500	349,000	425,000	405,648	277,702	405,872
	Total Departmental Expenses	828,600	661,500	728,000	721,173	562,174	405,872

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)

SERIES 2013A WATER REVENUE BOND FUND

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**Palmdale Water District
Budget 2014
Studies and Planning Documents**

REQ. #	DESCRIPTION	Dept.	2014 FUND SOURCE BREAKDOWN		BUDGETING YEAR AMOUNT		
			O&M	CF	2014	2015	2016
Studies and Planning Documents							
PL01	Water System Master Plan & EIR	ENG	-	200,000	200,000	-	-
PL02	Water Rate Study	ENG	50,000	-	50,000	-	-
PL03	2015 Urban Water Management Plan Update	ENG	-	-	-	75,000	-
PL04	PWD Personnel Vulnerability Test & Training	IT	-	-	-	20,000	-
PL05	IT Grant Consultant	IT	-	-	-	25,000	-
			<u>50,000</u>	<u>200,000</u>	<u>250,000</u>	<u>120,000</u>	<u>-</u>
		Total Fund Source:	<u>250,000</u>				

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 2014
Safety and Regulatory Compliance**

REQ. #	DESCRIPTION	Dept.	2014 FUND SOURCE BREAKDOWN		BUDGETING YEAR AMOUNT		
			O&M	AR	2014	2015	2016
Safety and Regulatory Compliance							
No Safety and regulatory compliance items have been submitted for 2014							
			-	-	-	-	-
		Total Fund Source:	-				

**Palmdale Water District
Budget 2014
New Equipment**

REQ. #	DESCRIPTION	Dept.	2014 FUND SOURCE BREAKDOWN		BUDGETING YEAR AMOUNT		
			O&M	AR	2014	2015	2016
New Equipment							
NE01	Handheld GPS Data Collection Equipment	ENG	-	-	-	13,000	-
NE02	Project Management & Planning Software	ENG	-	-	-	40,000	-
NE03	New Utility Truck w /Crane & Air Compressor	FAC	-	-	-	100,000	-
NE04	Service Truck Tools (NE03)	FAC	-	-	-	20,000	-
NE05	Diesel Powered Tamper (Qty. 2)	FAC	10,000	-	10,000	10,000	-
NE06	Tools for Fabrication Shop	FAC	-	-	-	10,000	-
NE07	Enclosed Trailer for Storage/Transport of Shoring Equipment	FAC	-	-	-	7,500	-
NE08	CMMS Software (FAC/OPS - CO)	FAC/OPS	8,000	-	8,000	8,000	-
NE09	Tig Welder	OPS	-	-	-	7,500	-
			18,000	-	18,000	216,000	-
Total Fund Source:			18,000				

**Palmdale Water District
Budget 2014
Replacement Equipment**

REQ. #		DESCRIPTION	Dept.	2014 FUND SOURCE BREAKDOWN			BUDGETING YEAR AMOUNT		
				O&M	AR	WQ	2014	2015	2016
Replacement Equipment									
RE01	FC300 Radio Read Equipment Replacement (FC200)	FIN	20,000	-	-	20,000	-	-	-
RE02	Replacement 1/2-Ton Truck (Replaces 281-26) (CO)	FAC	-	20,000	-	20,000	-	-	-
RE03	Replacement 3/4-Ton Truck (Replaces 281-31)	FAC	-	35,000	-	35,000	-	-	-
RE04	Replacement 3/4-Ton Truck (Replaces 281-33)	FAC	-	40,000	-	40,000	-	-	-
RE05	Replacement 3/4-Ton Truck (Replaces 281-10)	FAC	-	40,000	-	40,000	-	-	-
RE06	Replacement Air Compressor (Truck 60)	FAC	3,000	-	-	3,000	-	-	-
RE07	Replacement Rock Drill, Pavement Breaker & Clay Spade	FAC	7,000	-	-	7,000	8,000	-	-
RE08	Tw o-Way Radio Repeater - Remote (Tait Repeater Repl.)	FAC	-	10,000	-	10,000	-	-	-
RE09	Utility Bucket Truck (Truck Replacement - Operations SCADA)	FAC	-	-	-	-	-	-	-
RE10	Replacement 3/4-Ton Truck (Replaces 281-93)	FAC	-	-	-	-	40,000	-	-
RE11	Replacement 3/4-Ton Truck (Replaces 281-90)	FAC	-	-	-	-	40,000	-	-
RE12	Replacement 3/4-Ton Truck (Replaces 281-105)	FAC	-	-	-	-	40,000	-	-
RE13	Replacement Medium Duty Utility Truck (Replaces 281-115)	FAC	-	-	-	-	90,000	-	-
RE14	Replacement 3/4-Ton Truck (Replaces 281-91) (2016)	FAC	-	-	-	-	-	40,000	-
RE15	Replacement 3/4-Ton Truck (Replaces 281-98) (2016)	FAC	-	-	-	-	-	40,000	-
RE16	Replacement Medium Duty Flatbed Truck (Replaces 281-43) (2016)	FAC	-	-	-	-	-	70,000	-
RE17	Replacement Medium Duty Utility Truck (Replaces 281-116) (2016)	FAC	-	-	-	-	-	90,000	-
RE18	Replacement Crane (281-24) (2017)	FAC	-	-	-	-	-	500,000	-
RE19	Replacement Dump Truck (2017)	FAC	-	-	-	-	-	150,000	-
RE20	Replacement Sedan (281-23) (2017)	FAC	-	-	-	-	-	30,000	-

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**Palmdale Water District
Budget 2014
Replacement Equipment (continued)**

REQ. #		DESCRIPTION	Dept.	2014 FUND SOURCE BREAKDOWN			BUDGETING YEAR AMOUNT		
				O&M	AR	WQ	2014	2015	2016
Replacement Equipment (continued)									
RE21	Replacement 3/4 Ton Utility Body Truck (281-35) (2017)		FAC	-	-	-	-	-	40,000
RE22	Replacement Turbidimeters (Qty. 4)		OPS	11,000	-	-	11,000	11,000	-
RE23	Replace WWB Pump Internals (Stainless Steel)		OPS	15,000	-	-	15,000	-	-
RE24	Replace Failed Security Camera and Monitors		OPS	-	-	-	-	-	-
RE25	Analytical Balance (Lab Equipment)		OPS	-	-	5,500	5,500	-	-
RE26	Ion Chromatograph (Lab Equipment)		OPS	-	-	70,000	70,000	-	-
				56,000	145,000	75,500	276,500	229,000	960,000
Total Fund Source:				276,500					

**Palmdale Water District
Budget 2014
General Projects**

REQ. #		DESCRIPTION	Dept.	2014 FUND SOURCE BREAKDOWN			BUDGETING YEAR AMOUNT		
				O&M	AR	CON	2014	2015	2016
General Projects									
PRO01	Booster Pump Replacements (3M Tank Site - Qty. 2) (CO)	FAC	-	20,000	-	20,000	-	-	-
PRO02	Booster Pump Spare Parts (CO)	FAC	25,000	-	-	25,000	25,000	-	-
PRO03	Facilities Door/Gate Access Locks Replacement (Qty: 15)	FAC	-	-	-	-	25,000	-	-
PRO04	Security System Upgrades - Facilities Yard	FAC	-	-	-	-	-	-	-
PRO05	Entry Way Buildings - GAC & Filter Galleries (Safety Issue)	OPS	-	21,000	-	21,000	-	-	-
PRO06	Additional Brine Tank	OPS	-	-	-	-	60,000	-	-
PRO07	Distribution SCADA Radio Upgrade	OPS	140,000	-	-	140,000	-	-	-
PRO08	GAC Staging Area (2000 Sq. Ft.)	OPS	-	-	-	-	32,500	-	-
PRO09	WTP Flood Control (Backshop area)	OPS	-	-	-	-	15,000	-	-
PRO10	40' Storage Containers (Qty. 2)	OPS	-	-	-	-	8,000	-	-
PRO11	Chemical Pumps Low Flow Option	OPS	7,500	-	-	7,500	-	-	-
PRO12	WTP Security System Upgrade	OPS	-	-	-	-	20,000	-	-
PRO13	Sludge Level Indicators (CO)	OPS	-	-	-	-	7,500	-	-
PRO14	Sludge Pump Station Flow Meter	OPS	-	-	-	-	4,000	-	-
PRO15	Sed Basin Loading Docks	OPS	-	-	-	-	9,000	-	-
PRO16	WTP Backshop Office Expansion	OPS	-	-	-	-	-	-	-
PRO17	Epoxy Recoating Containment Area - South Chemical Building	OPS	-	-	-	-	35,000	-	-
PRO18	Distribution System - Hypo Generator Replacements	OPS	-	-	-	-	90,000	180,000	
PRO19	2014 Water Rebate Program - Controllers, Turf Replacement, etc.	WC	-	-	150,000	150,000	250,000	250,000	
PRO20	Landscape Design Booklet	WC	-	-	-	-	10,000		

**Palmdale Water District
Budget 2014
General Projects (continued)**

REQ. #		DESCRIPTION	Dept.	2014 FUND SOURCE BREAKDOWN			BUDGETING YEAR AMOUNT		
				O&M	AR	CON	2014	2015	2016
General Projects (continued)									
PRO21	Bottled Water	WC	-	-	-	-	25,000	-	-
PRO22	Agenda Management System (\$7,000 Annual Support - Yr. 2)	IT	-	-	-	-	25,000	-	-
PRO23	Document Management System Upgrade	IT	105,000	-	-	-	-	-	-
PRO24	Wi-Fi Netw ork Integration (Main Office, NOB & Maintenance Yard)	IT	25,000	-	-	-	-	-	-
			302,500	41,000	150,000		493,500	641,000	430,000
Total Fund Source:			493,500						

**Palmdale Water District
Budget 2014
Replacement Capital Projects**

REQ. #		DESCRIPTION	Dept.	2014 FUND SOURCE BREAKDOWN			BUDGETING YEAR AMOUNT		
				O&M	WS	AR	2014	2015	2016
Replacement Capital Projects									
RCP01	Radio-Read Meters	FIN	725,000	-	-	-	725,000	785,000	1,570,000
RCP02	Installation of Radio-Read Meters	FIN	152,000	-	-	-	152,000	165,000	330,000
RCP03	Storage Tank Re-Coatings - Annual Maint. Contract (Year 1 of 6) (CO)	ENG	320,000	-	-	-	320,000	330,000	900,000
RCP04	PWD 1 - 15th ST E (Ave P4-P8) Waterline Replacement	ENG	-	-	-	-	-	153,000	-
RCP05	PWD 2 - Avenue P8 Waterline Replacement	ENG	-	-	-	-	-	42,000	-
RCP06	PWD 4 - Ave Q1, Q2, & Q3 (15th ST) Waterline Replacement	ENG	-	-	-	-	-	43,000	-
RCP07	PWD 5 - 5th PL, Ave Q1, Q2, Q4, & Q5 (5th ST) Waterline Repl.	ENG	-	-	-	-	-	31,000	-
RCP08	Contract 1 - Camares Dr Waterline Repl. (Barrel Spgs & Lakeview)	ENG	-	-	-	-	-	200,000	-
RCP09	Contract 2 - Division, 2nd ST & 3rd ST Vicinity Waterline Repl.	ENG	-	-	-	-	-	928,000	-
RCP10	Well No. 24A - Design & Const. (Rep. Lanc. Subbasin)	ENG	-	-	-	-	-	500,000	-
RCP11	Dredging at WTP Inlet/Outlet Structure - Construction	ENG	300,000	-	-	-	300,000	-	-
RCP12	Well 20 Abandonment	FAC	20,000	-	-	-	20,000	-	-
RCP13	Well 20A - Design & Const.	FAC	-	-	-	-	-	600,000	-
RCP14	Well 4 Rehabilitation	FAC	-	-	-	-	-	250,000	-
RCP15	Well 14 Rehabilitation	FAC	-	-	300,000	-	300,000	-	-
RCP16	Well 19 Rehabilitation	FAC	-	-	-	-	-	50,000	-
RCP17	Well 25 Rehabilitation	FAC	-	-	-	-	-	50,000	-
RCP18	Well 30 Rehabilitation	FAC	-	-	-	-	-	50,000	-
RCP19	Well 15 Rehabilitation	FAC	-	-	-	-	-	300,000	-
RCP20	Well 22 Rehabilitation	FAC	-	-	-	-	-	150,000	-

**Palmdale Water District
Budget 2014
Replacement Capital Projects (continued)**

REQ. #		DESCRIPTION	Dept.	2014 FUND SOURCE BREAKDOWN			BUDGETING YEAR AMOUNT		
				O&M	WS	AR	2014	2015	2016
Replacement Capital Projects (continued)									
RCP21	Well 26 Rehabilitation	FAC	-	-	-	-	150,000	-	-
RCP22	Well 29 Rehabilitation	FAC	-	-	-	-	150,000	-	-
RCP23	Well 6 Rehabilitation	FAC	-	-	-	-	-	175,000	-
RCP24	Well 35 Rehabilitation	FAC	-	-	-	-	-	175,000	-
RCP25	Plate Settlers - Beam Replacement Project	OPS	-	-	-	-	370,000	-	-
RCP26	Security Access System - Main Office/N.O.B./Back Gates (CO)	IT	200,000	-	-	200,000	-	-	-
				1,717,000	-	300,000	2,017,000	5,297,000	3,150,000
Total Fund Source:				2,017,000					

**Palmdale Water District
Budget 2014
New Capital Projects**

REQ. #	DESCRIPTION	Dept.	2014 FUND SOURCE BREAKDOWN			BUDGETING YEAR AMOUNT		
			O&M	WS	AR	2014	2015	2016
New Capital Projects								
No New Capital Project items have been submitted for 2014								
			-	-	-	-	-	-
		Total Fund Source:	-					

**Palmdale Water District
Budget 2014
New Capital Projects (CIF)**

REQ. #	DESCRIPTION	Dept.	2014 FUND SOURCE BREAKDOWN		BUDGETING YEAR AMOUNT		
			OM	CF	2014	2015	2016
New Capital Projects (CIF)							
NCC01	Well No. 34A - Design & Construction (Lanc. Subbasin)	ENG	-	-	-	-	1,500,000
NCC02	Acquisition of Tax Defaulted Properties	ENG	-	50,000	50,000	-	-
			-	50,000	50,000	-	1,500,000
		Total Fund Source:	50,000				

**Palmdale Water District
Budget 2014
Series 2013A Water Revenue Bond Fund**

REQ. #	DESCRIPTION	Dept.	2014 FUND SOURCE	BUDGETING YEAR AMOUNT		
			BREAKDOWN	2014	2015	Uncommitted
			WRB			
Series 2013A Water Revenue Bond Fund						
WB01	Spec 1204 - Ave Q3/Division - North Half		324,000	324,000	-	-
WB02	Spec 1201 - 20th ST, 22nd ST & Ave Q5 Vicinity Waterline Repl.		1,388,000	1,388,000	-	-
WB03	Spec 1205 - Ave Q, 31st ST, & 32nd ST Vicinity Waterline Repl.		1,200,000	1,200,000	-	-
WB04	Spec 1207 - 10th ST, Ave P5, & Ave P4 Vicinity Mainline Repl.		1,376,500	1,376,500	-	-
WB05	Littlerock Dam Sediment Removal - EIR/EIS/Permits		440,000	440,000	-	459,000
WB06	Littlerock Creek Groundw ater Rechrg & Recvry - Feasibility Study		700,000	700,000	200,000	600,000
WB07	Upper Amargosa Recharge (Project Capacity)		250,000	250,000	1,000,000	-
			5,678,500	5,678,500	1,200,000	1,059,000
Total Fund Source:			5,678,500			

Note: This page is shown strictly for informational purposes as it relates to the projects covered under the Series 2013A Water Revenue Bond. These funds are excluded in the 2014 Fund Analysis summary (Page 12).

APPENDIXES

APPENDIX A BUDGET CONTROL GUIDELINES

APPENDIX B DISTRICT INFORMATION

APPENDIX C RESOLUTION No. 13-13 – RESERVE POLICY

APPENDIX D CALIFORNIA WATER CODE – SECTION 370-374 ALLOCATION-BASED CONSERVATION WATER PRICING

APPENDIX E GLOSSARY

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APPENDIX A

BUDGET CONTROL GUIDELINES

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BUDGET CONTROL GUIDELINES

The 2014 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
2013 Water Rate Schedule

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
2014 Proposed Water Rate Schedule – 2% Increase

Meter Fee Charge (Effective 03/01/2014)	
5/8"	27.51
1"	52.26
1-1/2"	93.51
2"	143.03
3"	258.57
4"	423.62
6"	836.24
8"	1331.28
10"	1909.05

Commodity Rates (\$/ccf)	
Tiers	
Tier 1	0.73
Tier 2	2.90
Tier 3	3.70
Tier 4	4.81
Tier 5	5.81
Water Quality Fee (\$/ccf)	
0.20	
Elevation Booster Surcharge (\$/ccf)	
B	-
A1	0.13
A2	0.41
A3	0.89

PALMDALE WATER DISTRICT

2014 Holiday Observance Calendar

January						
	30	31	1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

February						
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	

March						
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

April						
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

May						
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

June						
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

July						
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

August						
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

September						
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

October						
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

November						
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

December						
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31	1	2	

- PWD Observed Holiday
- PWD Observed Holiday (Dates Subject to Change)
- PWD Scheduled Office Closure (Dates Subject to Change)

February 18 – Presidents Day

July 4 - Independence Day

November 28 & 29 – Thanksgiving

March 29 – Good Friday

September 2 – Labor Day

December 24 & 25 - Christmas

May 27 – Memorial Day

November 11 – Veterans Day

December 27 & January 1 – New Years

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PALMDALE WATER DISTRICT
Yearly Memberships and Subscriptions
2014

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 Society of Municipal Finance Officers
7. California Special Districts Association
8. California Urban Water Conservation Council
9. California Utilities Emergency Association
10. Foundation for Cross-Connection Control & Hydraulic Research
11. Greater Antelope Valley Economic Alliance
12. Local Agency Formation Commissions (LAFCO)
13. Municipal Information Systems Association of California
14. National Notary Association
15. Palmdale Chamber of Commerce
16. Palmdale Recycled Water Authority (City of Palmdale)
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)
2014

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
2014

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.	CoreLogic Solutions, LLC	(Property Data Information – IT)
11.	Credit Bureau Of Lancaster	(Credit Reports/Collections - FIN)
12.	DCSE	(GIS Data Updates - ENG)
13.	Dell Marketing L.P.	(Computer Maint. – IT)
14.	DocStar Corporation	(Document Management System – IT)
15.	Elite Carpet Care	(Carpet Care – ADM/FAC)
16.	Fastenal Company	(Fast Program – FAC)
17.	Four Winds Interactive, LLC	(Lobby Presentation Software - IT)
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.	Milliman Inc	(GASB45 Actuarial – FIN)
27.	Nemo-Q, L.P.	(Lobby Management System - IT)
28.	NeoGov	(Employee Appraisal System – IT/HR)
29.	Network Solutions	(Domain Name Renewals - IT)
30.	Nobel Systems	(GIS Updates & Mobile App – ENG)
31.	Opex Corporation	(Mail Opener Remittance Hardware - FIN)
32.	Protection One	(Alarm Services – OPS)
33.	QCS Building Services Inc.	(Janitorial Services – ADM/FAC/OPS)
34.	Rose Business Solutions, Inc.	(Dynamics GP Financial Software – IT)
35.	Sartorius Mechatronics Corp	(Lab Equipment Calibration Service – OPS)
36.	Schneider Electric USA, Inc.	(ClearSCADA Software - OPS)
37.	SEMS Technologies, LLC	(CMMS Software – FAC/OPS)
38.	Shimadzu Scientific Instruments Inc.	(Lab Equipment Maintenance – OPS)

PALMDALE WATER DISTRICT

Contracted Services (Continued)

2014

- | | | |
|-----|----------------------------------|---|
| 39. | Source Graphics | (Engineering Plotter Svc Contract – ENG) |
| 40. | Solar Bee Inc. | (Lake Management Service Contract – OPS) |
| 41. | Southern California Edison | (Arc Flash Study (Wells) – OPS) |
| 42. | Starnik Systems Inc. | (UtilityTrakR – CSM Software – FIN) |
| 43. | Strategy 7 Corporation | (Legacy Database Support – IT) |
| 44. | S.S.&C. Technologies, Inc. | (Consumer Credit Reporting Service – FIN) |
| 45. | Thyssenkrupp Elevator Corp. | (Elevator Maintenance – FAC) |
| 46. | Time Warner Cable | (Internet Backbone/Telephone – IT) |
| 47. | Tredent Data Systems | (Network Management – IT) |
| 48. | Universal Electronic Alarms Inc. | (Alarm System Monitoring – ADM/FAC) |
| 49. | Verizon Wireless | (Wireless Data Services – IT) |
| 50. | World Wind Services | (Wind Turbine Inspection – OPS) |
| 51. | Xtelesis Corporation | (Shoretel Telephone System – IT) |

Consultants

- | | | |
|----|-----------------------------|----------------------------------|
| 1. | Mathis Consulting Group | (Employee Workforce Consulting) |
| 2. | Metropolitan Water District | (Consulting Services) |
| 3. | Robert M. Egan | (Financial Advisor) |
| 4. | Sierra Water Group, Inc. | (Water Resource Consulting) |
| 5. | Thomas A. Rinn | (State Water Project Consulting) |

PALMDALE WATER DISTRICT
District-wide Training
2014

Training		Action	Requirement	Last	Next	Notes
AED	♣	Training	Bi-annually	2013	2014	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	2013	2015	Required: for all service workers and Facilities personnel at PWD. 8 CCR § 5208(j)(7)(C)
Backhoe Safety and Certification		Training	Annually	2013	2014	Required: required for all facilities personnel.
Blood Borne Pathogens	♦	Training	Annually	2013	2014	Required: for all personnel. 8 CCR § 5193.
Chemical Safety: Ammonia/Alum Sulfuric Acid Sodium Hypo (Bleach) Caustic Soda		Training	Annually	2013	2014	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	2013	2014	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	2013	2015	Required: for all personnel. 8 CCR § 3400

Crane Safety		Training	Tri-annually	2010-2013	2013-2015	Required : for all treatment plant operations and facilities personnel. 8 CCR § 5031 Compliance requirements 0 2014; then every 5 years thereafter
Signal Person/Rigging Small, Large & Overhead				2013 2013	2016 2014	
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	2012	2015	
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	2013	2014	Safety Sub-Committee coordinates process. LA County Fire Department requirement
Fire / Evacuation & Safety	♦ ♣	Training	Bi-Annually	2013	2014	Required : for all personnel. 8 CCR § 6151 (Inhouse)
Forklift Safety	♦ ♣	Certification	Tri -annually	2013	2016	Required : for all treatment plant operations and facilities personnel. 8 CCR § 3664 (Inhouse)
HAZWOPER	♦ ♥ ♣	Certification	Annually	2013	2014	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	2013	2014	Required : all operations and facilities personnel. 8 CCR §§ 5098(a)(4); 5099
Heat Illness Prevention	♦	Training	Annually	2013	2014	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	Bi-Annually	2013	2015	Required : for authorized and affected personnel. 8 CCR § 3341

Personal Protective Equipment (PPE)	♦ ♥ ♣	Training	Tri-annually	2011	2014	Required: for all field personnel. 8 CCR §3380
Reasonable Suspicion	♥ ♣	Training	Tri-annually	2013	2016	Required: for DOT supervisors.
Respirator Fit Testing	♦ ♥ ♣	Training	Annually	2013	2014	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	2012	2014	Required: by California for supervisors.
Sexual Harassment Prevention for Staff		Training	Bi-annually	2013	2015	Required: for all non-supervisory personnel.
Slip, Trip and Fall Prevention		Training		2013	2014	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	2013 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	2013	2014	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 Aug 28, 2013 (Year Constructed has been corrected or estimated for 29.4 miles of pipe previously classified as Unknown)																	17.50
Pipe Diameter (in)	1945-1949 (68 - 64)	1950-1954 (63 - 59)	1955-1959 (58 - 54)	1960-1964 (53 - 49)	1965-1969 (48 - 44)	1970-1974 (43 - 39)	1975-1979 (38 - 34)	1980-1984 (33 - 29)	1985-1989 (28 - 24)	1990-1994 (23 - 19)	1995-1999 (18 - 14)	2000-2004 (13 - 9)	2005-2009 (8 - 4)	2010-2013 (3 - Current)	Unknown N/A	Total Length (ft)	Replacement Cost (\$)
4	-	855	2,718	1,851	188	3,291	3,024	5,231	6,277	2,550	1,556	562	7	-	2,662	30,772	\$ 2,154,040
5	-	850	-	-	-	-	-	-	-	-	-	-	-	-	-	850	74,375
6	1,148	7,997	23,627	3,824	29,769	9,022	18,721	25,448	75,325	82,933	4,479	32,744	26,668	19,172	1,326	362,203	38,031,315
8	-	3,184	479	3,225	13,083	16,078	14,114	70,200	307,809	222,103	40,038	72,315	74,113	19,347	2,378	858,466	120,185,240
10	-	10	-	99	697	3,572	-	20,082	60,276	24,613	20	46	69	-	490	109,974	19,245,450
12	-	2,985	23,438	25,559	35,955	11,321	2,425	25,504	97,537	90,628	34,268	37,110	35,276	11,801	1,683	435,490	91,452,900
14	-	-	-	425	-	123	-	3,165	11,595	3,395	-	3	-	-	35	18,741	4,591,545
16	-	-	1,366	746	2,986	4,889	-	33,299	52,166	46,699	7,683	9,767	10,580	39	3,012	173,232	48,504,960
18	-	1,234	-	10	10	-	-	5,480	4,331	-	24	241	-	-	873	12,203	3,843,945
20	-	-	-	-	5,257	-	-	-	48,174	35,300	-	-	2,920	3,127	2,199	96,977	33,941,950
24	-	-	-	91	9,882	-	2,659	-	29,235	383	-	-	14,248	-	355	56,853	23,878,260
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	17,115	51,628	35,830	97,827	48,296	40,943	188,409	695,827	508,604	90,846	152,788	164,185	53,486	15,128	2,162,060	\$ 389,925,795
Totals (Miles)	0.2	3.2	9.8	6.8	18.5	9.1	7.8	35.7	131.8	96.3	17.2	28.9	31.1	10.1	2.9	409.5	
Cumulative (LF)	1,148	18,263	69,891	105,721	203,548	251,844	292,787	481,196	1,177,023	1,685,627	1,776,473	1,929,261	2,093,446	2,146,932	2,162,060		
Cumulative (Miles)	0	3	13	20	39	48	55	91	223	319	336	365	396	407	409		
Replacement Cost (\$)	\$ 120,540	\$ 2,436,980	\$ 8,042,615	\$ 6,721,680	\$ 19,472,670	\$ 7,830,165	\$ 5,779,375	\$ 33,561,745	\$ 132,357,435	\$ 89,743,395	\$ 17,387,335	\$ 24,214,120	\$ 30,724,645	\$ 8,305,220	\$ 3,227,875	\$ 389,925,795	
Cumulative Replacement cost (\$)	\$ 120,540	\$ 2,557,520	\$ 10,600,135	\$ 17,321,815	\$ 36,794,485	\$ 44,624,650	\$ 50,404,025	\$ 83,965,770	\$ 216,323,205	\$ 306,066,600	\$ 323,453,935	\$ 347,668,055	\$ 378,392,700	\$ 386,697,920	\$ 389,925,795		

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

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APPENDIX C
RESOLUTION No. 13-13 –RESERVE POLICY

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RESOLUTION NO. 13-13

PALMDALE WATER DISTRICT'S RESERVE POLICY

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

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

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

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

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

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Palmdale Water District hereby rescinds the District's existing Reserve Policy (Resolution No. 09-03) and establishes the Palmdale Water District Reserve Policy as follows:

Legally Restricted Funds:

The Capital Improvement Fees, as modified by District Resolution No. 13-12 to consist of fee components allocated for infrastructure and for water supply and Water Supply Connection Fees, are subject to the requirements of the Mitigation Fee Act (AB 1600). 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. Capital Improvement Fund:

PWD will maintain a capital improvement fund with fees collected from developers to pay for the new facilities necessary to deliver water service to newly developed property and to pay for the additional water supplies necessitated to meet the demand for water created by such newly developed property. These fees are for offsite improvements such as the development's fair share cost of wells, reservoirs, transmission mains, treatment plant capacity, and other necessary facilities, as well as to pay for water supply acquisitions and projects associated with new water supplies necessitated by new development. The fees are collected at rates established by the Board of Directors based upon specific engineering studies. The rates charged are based on a project's equivalent capacity unit (ECU) basis. These funds are restricted to the design and construction of capital facilities for water delivery, and as otherwise provided in Resolution No. 13-12 and in Appendix H to the District's Rules and Regulations.

2. *Bond Proceeds Fund(s):*

Bond proceeds fund(s) are monies derived from the proceeds of a bond issue. Typically they consist of construction fund monies and a debt service reserve fund. The use of these proceeds is restricted by conditions set forth in the respective legal bond documents. These funds are usually held by the Trustee in favor of the bond holders.

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. Annual interest earnings on bond reserve funds shall be applied to each year's debt service payments.

A Reserve Fund for the 2013A Bonds is established pursuant to the Indenture in an amount equal to the Reserve Requirement. Assured Guaranty Municipal Corp. ("AGM") has committed to issue, simultaneously with the execution and delivery of the 2013A Bonds, a municipal bond debt service reserve insurance policy in an amount equal to the initial Reserve Requirement for deposit in the Reserve Fund.

4. *Rate Stabilization Fund:*

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

Board Designated Funds:

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

1. *Dam Self Insurance:*

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

2. *O&M Operating Reserve:*

The O&M Operating Reserve will vary over time with a goal of maintaining three (3) months average cash operating expenses of \$5.6 million. This reserve is considered a working cash requirement. It bridges the gap between the time expenses are paid and the time revenues from the same service are collected from customers.

3. *O&M Emergency Reserve:*

The O&M Emergency Reserve will vary over time with a goal of maintaining three (3) months average cash operating expenses of \$5.6 million. This reserve is considered a working cash requirement for use in an emergency situation.

4. *Unrestricted Reserves:*

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

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

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

PASSED AND ADOPTED by the Board of Directors of the Palmdale Water District at a regular meeting held on this 13th day of November, 2013 by the following vote:

Ayes: Director Robert Alvarado, Director Gordon Dexter, Director Gloria Dizmang,
Director Steve Cordova

Noes: None

Absent: President Kathy Mac Laren

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.**

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APPENDIX D
CALIFORNIA WATER CODE – SECTION 370-374

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CALIFORNIA WATER CODE
SECTION 370-374
ALLOCATION-BASED CONSERVATION WATER PRICING
(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 2014
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.

CMMS Computerized maintenance management system is a software package that maintains a computer database of information about an organization’s maintenance operations related to equipment, assets and property.

Palmdale Water District
Budget 2014
Glossary (continued)

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>)

Palmdale Water District
Budget 2014
Glossary (continued)

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.

PEPRA California Public Employees' Pension Reform Act Of 2013. The District has adopted PEPRA provisions on January 1, 2013. For a better understanding of this act refer to the CalPERS employers' circular located at the following URL.

<http://www.calpers.ca.gov/eip-docs/employer/cir-ltrs/2012/200-055-12.pdf>

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>)

Palmdale Water District
Budget 2014
Glossary (continued)

SWP Resources California State Water Project – Administered by the Department of Water (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

WI-FI A popular technology that allows an electronic device to exchange data or connect to the internet wirelessly using radio waves.