



PALMDALE WATER DISTRICT

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Division 4

VINCENT DINO
Division 5

February 27, 2014

***Agenda for a Meeting
of the Finance Committee of the Palmdale Water District
Committee Members: Gloria Dizmang-Chair, Vincent Dino
to be held at the District's office at 2029 East Avenue Q, Palmdale
Monday, March 3, 2014
9:30 a.m.***

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

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

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

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

- 1) Roll call.
- 2) Adoption of agenda.
- 3) Public comments.
- 4) Action Items: (The public shall have an opportunity to comment on any action item as each item is considered by the Committee prior to action being taken.)

- 4.1) Consideration and possible action on approval of minutes of meeting held February 3, 2014.
- 4.2) Discussion and overview of Cash Flow Statement and Current Cash Balances as of January 31, 2014. (Financial Advisor Egan)
- 4.3) Discussion and overview of Financial Statements, Revenue and Expense and Departmental Budget Reports for January 31, 2014. (Finance Manager Williams)
- 4.4) Discussion and overview of committed contracts issued. (Assistant General Manager Knudson)
- 4.5) Discussion and review of the District's Bid Procurement and Change Order Policy - Rules and Regulations Appendix M. (General Manager LaMoreaux)
- 4.6) Discussion and review of grant writing services. (General Manager LaMoreaux)
- 4.7) Review of Walnut Valley Water District Low Income Assistance Program. (Finance Manager Williams)
- 5) Information items.
 - 5.1) Status on development of financial calendar. (General Manager LaMoreaux)
- 6) Board members' requests for future agenda items.
- 7) Adjournment.



DENNIS D. LaMOREAUX,
General Manager

DDL/dd

**PALMDALE
WATER DISTRICT
BOARD MEMORANDUM**

DATE:	February 25, 2014	March 3, 2014
TO:	FINANCE COMMITTEE	Committee Meeting
FROM:	Mr. Bob Egan, Financial Advisor	
RE:	<i>AGENDA ITEM NO. 4.2 – DISCUSSION AND OVERVIEW OF CASH FLOW STATEMENT AND CURRENT CASH BALANCES AS OF JANUARY 31, 2014</i>	

Attached is the Investment Funds Report and current cash balance as of January 31, 2014. The reports will be reviewed in detail at the Finance Committee meeting.

PALMDALE WATER DISTRICT
INVESTMENT FUNDS REPORT

			January 31, 2014			January-14	December-13
	DESCR						
CASH							
0-0103	Citizens/US Bank - Checking					458,642.37	1,258,328.82
0-0104	Citizens- Merchant					139,762.21	120,156.09
					Bank cash	598,404.58	1,378,484.91
0-0119	PETTY CASH					300.00	300.00
0-0120	CASH ON HAND					3,400.00	3,400.00
	TOTAL CASH					602,104.58	1,382,184.91
INVESTMENTS							
0-0110	UBS ACCOUNT SS 11469 GG						
	UBS RMA Government Portfolio					6,219,958.02	5,582,976.73
	UBS Bank USA Dep acct					250,000.00	250,000.00
						6,469,958.02	5,832,976.73
0-1110	UBS ACCOUNT SS 11475 GG						
	UBS Bank USA Dep acct					250,000.00	250,000.00
	UBS RMA Government Portfolio					200,400.97	200,393.18
						450,400.97	450,393.18
0-0115	LAIF					11,712.80	11,705.26
0-0111	UBS ACCOUNT SS 11432 GG						
	UBS Bank USA Dep acct					250,000.00	250,000.00
	UBS RMA Government Portfolio					77,565.15	74,557.54
	Accrued interest					7,243.11	6,741.98
US GOVERNMENT SECURITIES:							
	ISSUE		EXPIR			MARKET	MARKET
	DATE	ISSUER	DATE	RATE	PAR	VALUE	VALUE
		FNMA	10/26/15	1.625	500,000	511,220.00	510,925.00
		FNMA	06/28/17	1.125	500,000	500,840.00	499,480.00
		FNMA	07/17/17	1.2	500,000	498,510.00	496,055.00
		FHLB	12/28/17	0.95	500,000	493,005.00	488,525.00
					2,000,000	2,003,575.00	1,994,985.00
CD'S							
	1	Bank of India	05/07/14	0.50	240,000	240,028.80	239,997.60
	2	Bank of Baroda	11/12/14	0.45	240,000	239,796.00	239,604.00
	3	GE Capital Bank	05/01/15	0.60	64,000	63,921.92	63,861.12
	4	Ally Bank	05/06/15	0.60	240,000	239,697.60	239,464.80
	5	Sallie Mae Bank	11/06/15	0.85	240,000	239,978.40	239,611.20
	6	Goldman Sachs Bk	11/07/16	1.00	240,000	238,982.40	239,124.00
	7	CIT Bank	11/06/17	1.60	240,000	239,872.80	239,150.40
	8	BMW Bank	11/15/18	2.00	240,000	239,402.40	238,903.20
					1,744,000	1,741,680	1,739,716
	TOTAL MANAGED ACCOUNT					4,080,063.58	4,066,000.84
	TOTAL INVESTMENTS					11,012,135.37	10,361,076.01
	UBS ACCOUNT SS 24016	Rate Stabilization Fund				480,006.00	480,000
	GRAND TOTAL CASH AND INVESTMENTS					12,094,245.95	12,223,260.92
	Summary:						
	Checking		602,105		Incr (Decr)	(129,014.97)	
	UBS MM		6,920,359				
	LAIF		11,713				
	UBS Investment		4,080,064				
	Rate Stab fund		480,006		BNY Mellon		
	Total		12,094,246		Construction	7,488,642.96	7,772,070.99

[illegible]

PALMDALE WATER DISTRICT BOARD MEMORANDUM

DATE: February 26, 2014 **March 3, 2014**
TO: FINANCE COMMITTEE **Finance Committee Meeting**
FROM: Michael Williams, Finance Manager/CFO
VIA: Mr. Dennis LaMoreaux, General Manager
RE: ***AGENDA ITEM NO. 4.3 – DISCUSSION AND OVERVIEW OF 2014 FINANCIAL STATEMENTS, REVENUE AND EXPENSE AND DEPARTMENTAL BUDGET REPORTS FOR JANUARY 31, 2014***

Discussion:

Presented here are the Balance Sheet and Profit/Loss Statement for the period ending January 31, 2014. Also included are Year-To-Year Comparisons and Month-To-Month Comparisons for both revenue and expense. Finally, I have provided individual departmental budget reports for the month of January, 2014.

This is the first month of the District's Budget Year 2014. The target percentage is 8.3%. Revenues ideally are at or above, and expenditures ideally are below.

Balance Sheet:

- Page 1 is our balance sheet on January 31, 2014.
- Most significant change is our Assessments Receivable has decreased by \$600K due to the payment received in this month.

Profit/Loss Statement:

- Page 3 is our profit/loss statement on January 31, 2014.
- Operating revenue is at 6.7% of budget. It's early in the budget year, and January is a low consumption month. The percentages are usually lower than target this time of year.
- Cash operating expense is at 8.3% of budget.
- Three departments are over the target 8.3%. Those are Administration, Engineering and Finance. I will discuss in more detail later in the report.

Year-To-Year Comparison P&L:

- Page 7 is our comparison of January, 2013 to January, 2014.
- Total operating revenue is about even.
- Operating expenditures are up by \$750K, or 59%. There were three departments that made some budgeted expenditures early in the budget year as compared to last year.
- Page 8 is a graphic presentation of the water consumption comparison. Units billed in acre feet were up by 33, or 3.5%. Total revenue per unit sold is down \$0.14, or 3.49%, and total revenue per connection is down \$0.29, or .5%.

FINANCE COMMITTEE
PALMDALE WATER DISTRICT

VIA: Mr. Dennis LaMoreaux, General Manager

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February 26, 2014

Revenue Analysis Year-To-Date:

- Page 9 is our comparison of revenue, year-to-date.
- Operating revenue through January, 2014 is about even compared to 2013.
- Retail water sales are down by \$11K from last year. This is an indication less customers are exceeding their water budget allocation this month, because we sold more water this year than last.
- Revenue for January, 2014 is at 6.76% of budget; last year we were at 7.22% of budget, but our revenue budget number is higher this year by \$1.3MM.

Expense Analysis Year-To-Date:

- Page 11 is our comparison of expense, year-to-date.
- Cash Operating Expenses through January, 2014 are up by \$750K, or 37%, compared to 2013, again due to early budget year departmental expenses.
- Total Expenses are up \$718K, or 31%, for the same reasons.

Departments:

- Pages 14 through 22 are detailed budgets of each department. As stated earlier, three departments are over the target percentage. Those are Administration, Engineering, and Finance.
- Page 15 is Administration. There was a payment of \$590K on the Woods Settlement that makes the percentage high early in the year.
- Page 16 is Engineering. There was a payment of \$40K for the GIS system that makes the percentage high.
- Page 19 is Finance. There were some repairs on large meters performed. These repairs were pending from previous year and finally completed in January. There is the continued expense of meter exchanges. Finally, there were beginning of the year purchases for supplies and forms. Again, these purchases in the beginning of the year cause the percentage to show high.

Non-Cash Definitions:

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

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

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

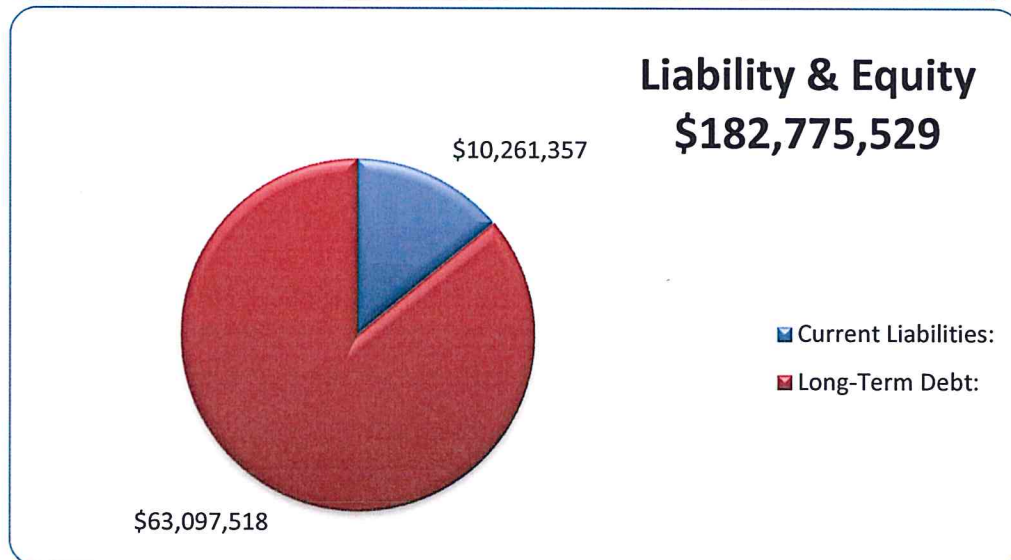
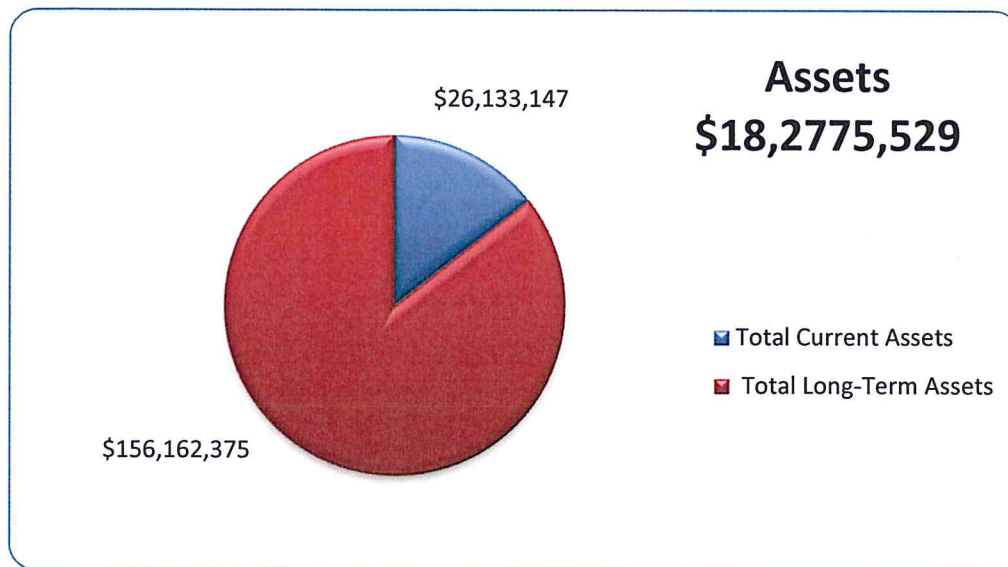
Service Cost Construction: The value of material, parts & supplies from inventory used to construct, repair and maintain our asset infrastructure.

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

Palmdale Water District
Balance Sheet Report
For the One Month Ending 1/31/2014

	<u>January 2014</u>	<u>December 2013</u>
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 602,105	\$ 1,382,140
Investments	11,012,135	10,354,334
2013A Bonds - Project Funds	7,488,643	7,761,016
	<u>\$ 19,102,883</u>	<u>\$ 19,497,490</u>
Receivables:		
Accounts Receivables - Water Sales	\$ 1,625,172	\$ 1,882,658
Accounts Receivables - Miscellaneous	57,460	65,858
Allowance for Uncollected Accounts	(257,023)	(257,023)
	<u>\$ 1,425,609</u>	<u>\$ 1,691,493</u>
Interest Receivable	\$ -	\$ 6,750
Assessments Receivables	4,554,660	5,191,581
Meters, Materials and Supplies	751,076	829,522
Prepaid Expenses	298,920	300,247
Total Current Assets	<u>\$ 26,133,147</u>	<u>\$ 27,517,082</u>
Long-Term Assets:		
Property, Plant, and Equipment, net	\$ 115,342,829	\$ 115,534,691
Participation Rights in State Water Project, net	39,175,676	38,757,005
Bond Issuance Cost, Net	246,822	246,822
2013A Bonds - Cost of Issuance	1,159,832	1,159,832
2013A Bonds - Insurance & Surety Bond	237,217	237,883
	<u>\$ 156,162,375</u>	<u>\$ 155,936,232</u>
Restricted Cash:		
Rate Stabilization Fund	480,006	480,000
Total Long-Term Assets & Restricted Cash	<u>\$ 156,642,381</u>	<u>\$ 156,416,232</u>
Total Assets	<u>\$ 182,775,529</u>	<u>\$ 183,933,314</u>
LIABILITIES AND DISTRICT EQUITY		
Current Liabilities:		
Current Interest Installment of Long-term Debt	\$ 593,355	\$ 405,668
Current Principal Installment of Long-term Debt	1,942,205	1,942,205
Accounts Payable and Accrued Expenses	4,862,718	5,020,394
Deferred Assessments	2,863,079	3,500,000
Total Current Liabilities	<u>\$ 10,261,357</u>	<u>\$ 10,868,267</u>
Long-Term Debt:		
Pension-Related Debt	\$ 1,141,041	\$ 1,141,041
OPEB Liability	7,888,789	7,745,991
2013A Water Revenue Bonds	43,671,230	43,673,481
2012 - Certificates of Participation	9,980,816	9,974,019
2011 - Capital Lease Payable	415,642	415,642
Total Long-Term Liabilities	<u>\$ 63,097,518</u>	<u>\$ 62,950,173</u>
Total Liabilities	<u>\$ 73,358,875</u>	<u>\$ 73,818,441</u>
District Equity		
Revenue from Operations	\$ (698,219)	\$ 682,169
Retained Earnings	110,114,873	109,432,704
Total Liabilities and District Equity	<u>\$ 182,775,529</u>	<u>\$ 183,933,314</u>

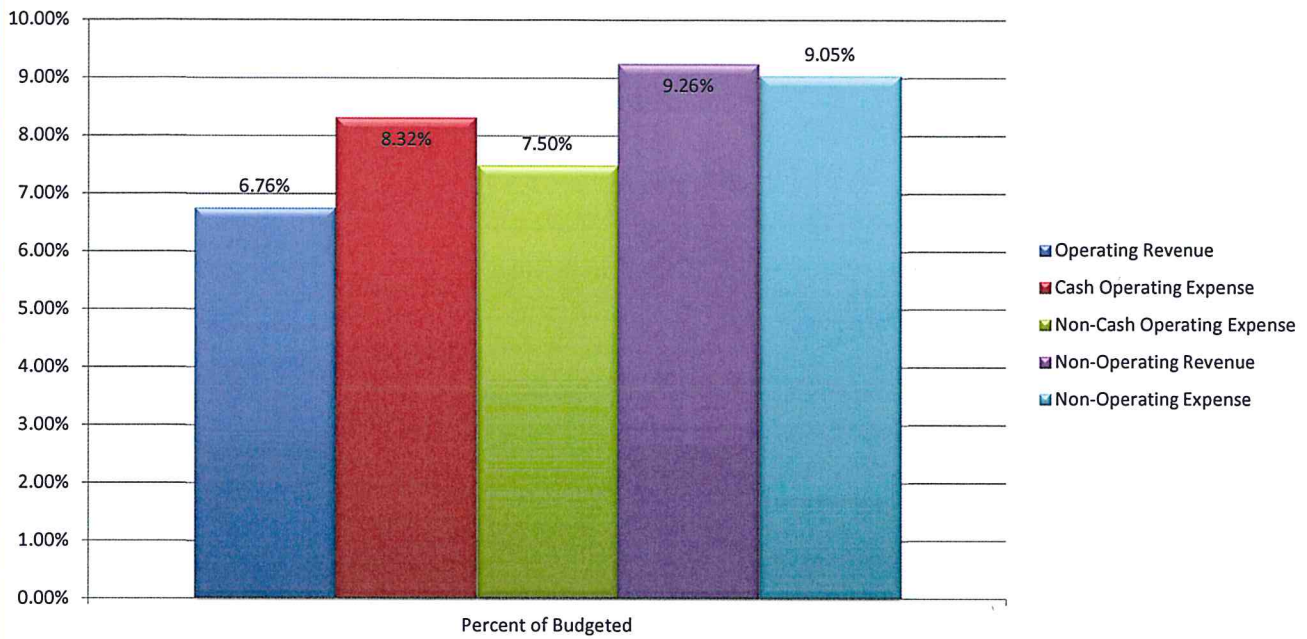
BALANCE SHEET AS OF JANUARY 31, 2014



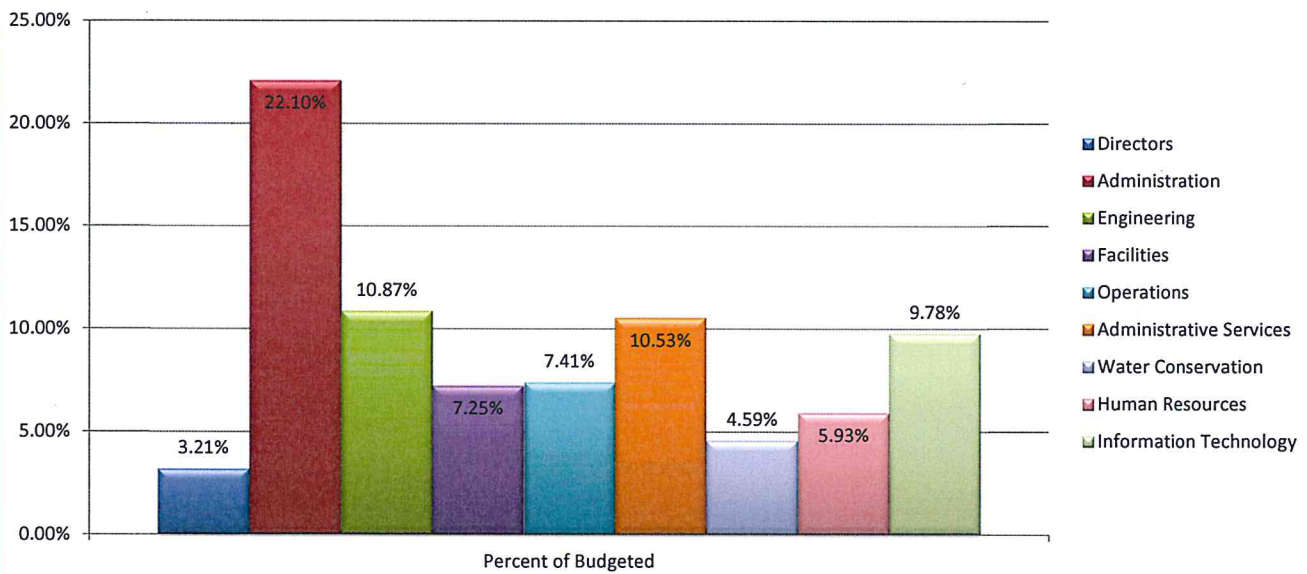
Palmdale Water District
Consolidated Profit and Loss Statement
For the One Month Ending 1/31/2014

	January	Year-to-Date	Adjustments	Adjusted Budget	% of Budget
Operating Revenue:					
Wholesale Water	\$ 23	\$ 23		\$ 225,000	0.01%
Water Sales	478,202	478,202		9,053,000	5.28%
Meter Fees	926,190	926,190		11,255,000	8.23%
Water Quality Fees	84,806	84,806		1,638,000	5.18%
Elevation Fees	24,357	24,357		525,000	4.64%
Other	136,378	136,378		1,700,000	8.02%
Total Water Sales	\$ 1,649,955	\$ 1,649,955	\$ -	\$ 24,396,000	6.76%
Cash Operating Expenses:					
Directors	\$ 3,671	\$ 3,671		\$ 114,500	3.21%
Administration	771,227	771,227		3,490,000	22.10%
Engineering	117,353	117,353		1,079,800	10.87%
Facilities	247,028	247,028		3,408,500	7.25%
Operations	404,042	404,042		5,453,500	7.41%
Finance	312,635	312,635		2,968,750	10.53%
Water Conservation	12,394	12,394		270,000	4.59%
Human Resources	12,777	12,777		215,300	5.93%
Information Technology	81,063	81,063		828,600	9.78%
Water Purchases	26,140	26,140		2,400,000	1.09%
OAP Charge (Prior Year)	-	-		250,000	0.00%
Water Recovery	-	-		(100,000)	0.00%
Plant Expenditures	22,571	22,571		2,143,500	1.05%
GAC Filter Media Replacement	-	-		1,638,000	0.00%
Total Cash Operating Expenses	\$ 2,010,900	\$ 2,010,900	\$ -	\$ 24,160,450	8.32%
Non-Cash Operating Expenses:					
Depreciation	\$ 553,924	\$ 553,924		\$ 7,350,000	7.54%
OPEB Accrual Expense	165,223	165,223		2,000,000	8.26%
Bad Debts	7,207	7,207		100,000	7.21%
Service Costs Construction	4,510	4,510		125,000	3.61%
Capitalized Construction	(88,053)	(88,053)		(1,000,000)	8.81%
Total Non-Cash Operating Expenses	\$ 642,811	\$ 642,811	\$ -	\$ 8,575,000	7.50%
Net Operating Profit/(Loss)	\$ (1,003,756)	\$ (1,003,756)	\$ -	\$ (8,339,450)	12.04%
Non-Operating Revenues:					
Assessments (Debt Service)	\$ 480,736	\$ 480,736		\$ 4,400,000	10.93%
Assessments (1%)	156,185	156,185		1,800,000	8.68%
DWR Fixed Charge Recovery	-	-		100,000	0.00%
Interest	14,335	14,335		25,000	57.34%
Capital Improvement Fees	-	-		150,000	0.00%
State Grants	-	-		485,000	0.00%
Other	10,079	10,079		185,000	5.45%
Total Non-Operating Revenues	\$ 661,335	\$ 661,335	\$ -	\$ 7,145,000	9.26%
Non-Operating Expenses:					
Interest on Long-Term Debt	\$ 192,901	\$ 192,901		\$ 2,111,000	9.14%
Amortization of SWP	159,510	159,510		1,679,000	9.50%
Water Conservation Programs	3,388	3,388		143,000	2.37%
Total Non-Operating Expenses	\$ 355,799	\$ 355,799	\$ -	\$ 3,933,000	9.05%
Net Earnings	\$ (698,219)	\$ (698,219)	\$ -	\$ (5,127,450)	13.62%

P & L BUDGET vs. ACTUAL



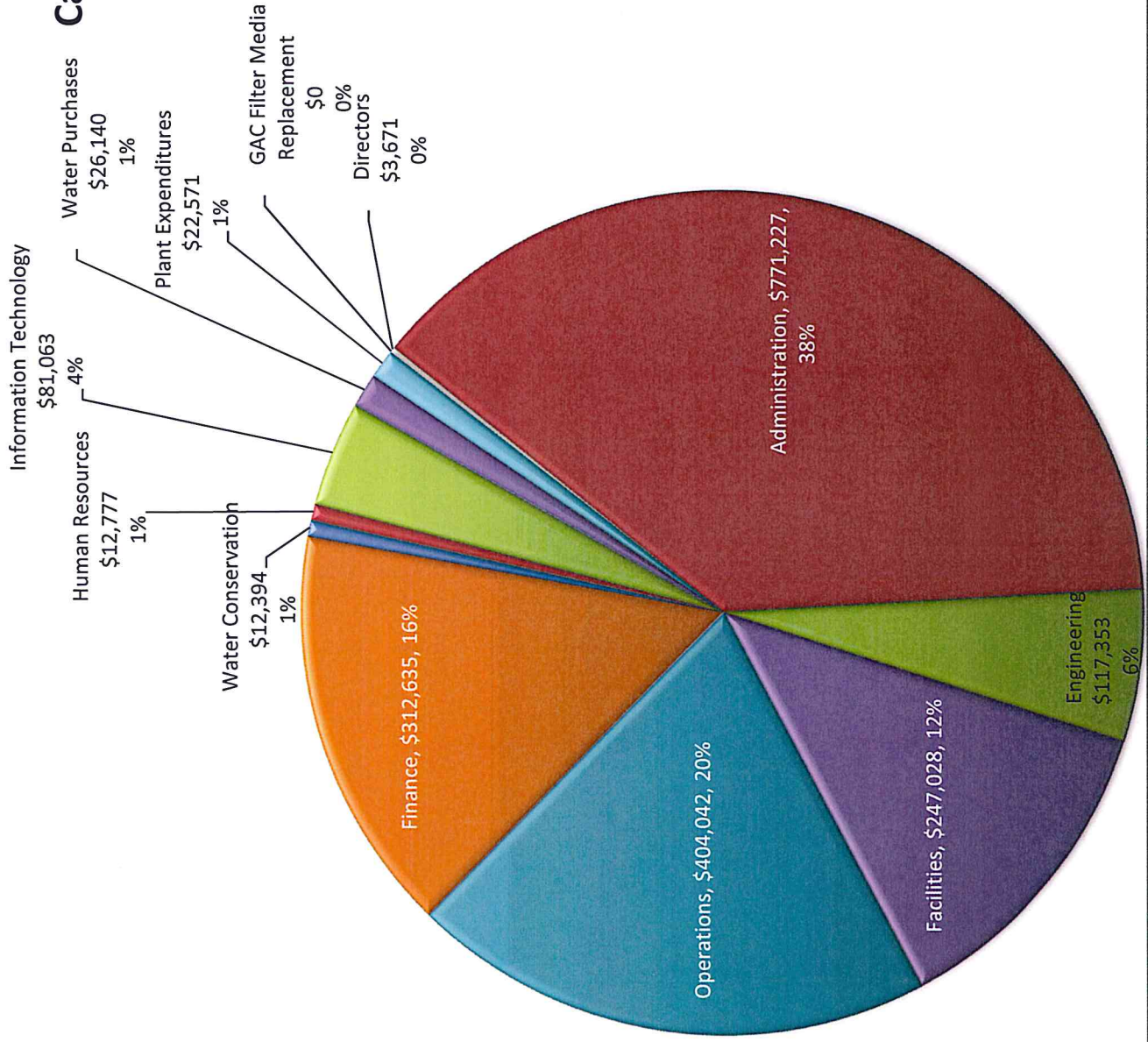
DEPARTMENTAL - BUDGET vs. ACTUAL



Cash Operating Expenses

YTD 01/31/14

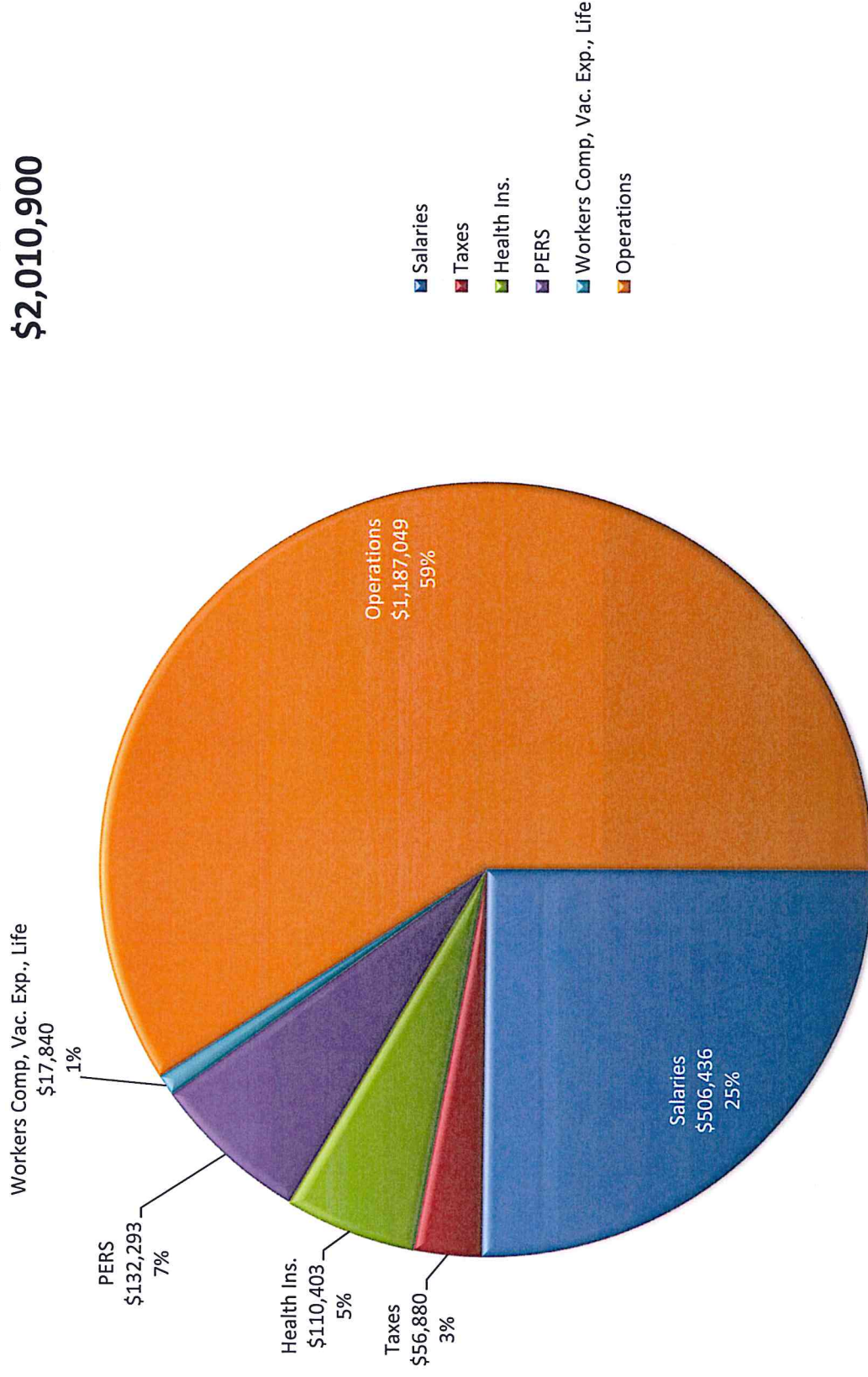
\$2,010,900



Personnel to Operations Exp

YTD 01/31/14

\$2,010,900

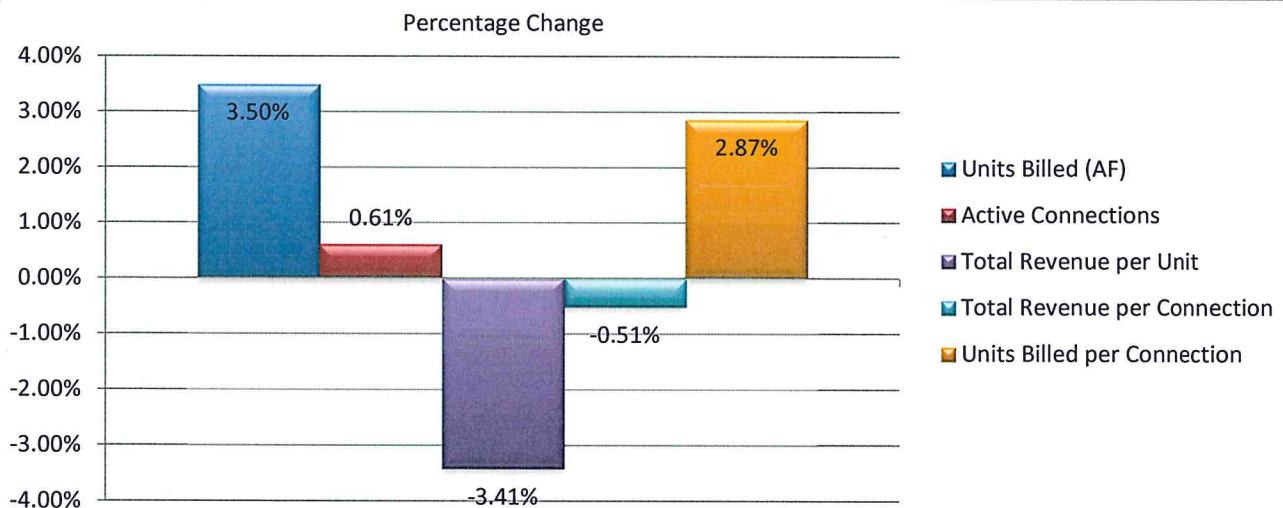
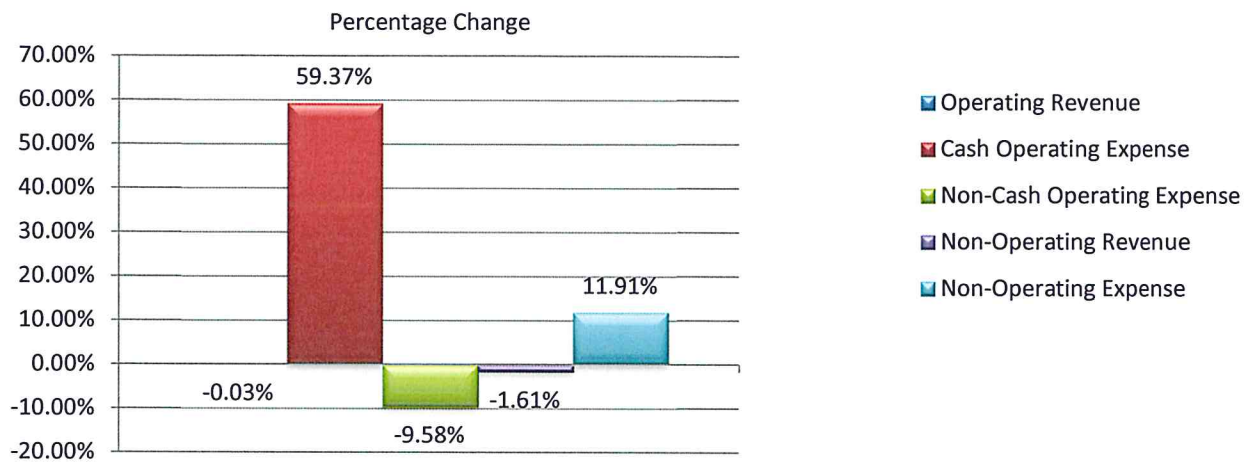


Palmdale Water District
Profit and Loss Statement
Year-To-Year Comparison - January

	2013 January	2014 January	Change	% Change		Consumption Comparison	
					Units Billed	2013	2014
Operating Revenue:						411,324	425,717
Wholesale Water	\$ 944	\$ 23	\$ (921)		Active	26,194	26,355
Water Sales	489,226	478,202	(11,024)	-2.25%	Vacant	1,148	998
Meter Fees	916,653	926,190	9,537	1.04%			
Water Quality Fees	82,265	84,806	2,541	3.09%	Rev/unit	\$ 4.01	\$ 3.88
Elevation Fees	22,964	24,357	1,392	6.06%	Rev/con	\$ 57.73	\$ 57.43
Other	138,467	136,378	(2,090)	-1.51%	Unit/con	15.70	16.15
Total Water Sales	\$ 1,650,519	\$ 1,649,955	\$ (563)	-0.03%			
Cash Operating Expenses:							
Directors	\$ 9,411	\$ 3,671	\$ (5,740)	-60.99%			
Administration	177,509	771,227	593,718	334.47%			
Engineering	96,446	117,353	20,907	21.68%			
Facilities	218,619	247,028	28,410	13.00%			
Operations	360,301	404,042	43,741	12.14%			
Finance	206,164	312,635	106,471	51.64%			
Water Conservation	17,537	12,394	(5,143)	-29.33%			
Human Resources	10,634	12,777	2,143	20.15%			
Information Technology	45,474	81,063	35,589	78.26%			
Water Purchases	156,723	26,140	(130,583)	-83.32%			
Water Purchases-Prior Year OAP	-	-	-				
Water Recovery	(66,825)	-	66,825	-100.00%			
Capitalized Expenditures	29,789	22,571	(7,218)	-24.23%			
GAC Filter Media Replacement	-	-	-				
Total Cash Operating Expenses	\$ 1,261,780	\$ 2,010,900	\$ 749,120	59.37%			
Non-Cash Operating Expenses:							
Depreciation	\$ 592,072	\$ 553,924	\$ (38,149)	-6.44%			
OPEB Accrual Expense	147,678	165,223	17,545	11.88%			
Bad Debts	4,566	7,207	2,641	57.85%			
Service Costs Construction	30,122	4,510	(25,612)	-85.03%			
Capitalized Construction	(63,521)	(88,053)	(24,532)	38.62%			
Total Non-Cash Operating Expenses	\$ 710,916	\$ 642,811	\$ (68,105)	-9.58%			
Net Operating Profit/(Loss)	\$ (322,178)	\$ (1,003,756)	\$ (681,578)	211.55%			
Non-Operating Revenues:							
Assessments (Debt Service)	\$ 506,512	\$ 480,736	\$ (25,777)	-5.09%			
Assessments (1%)	219,564	156,185					
DWR Fixed Charge Recovery	-	-	-				
Interest	(5,316)	14,335	19,651	-369.63%			
Capital Improvement Fees	-	-	-				
State Grants	-	-	-				
Other	15,804	10,079	(5,725)	-36.22%			
Total Non-Operating Revenues	\$ 736,564	\$ 661,335	\$ (11,850)	-1.61%			
Non-Operating Expenses:							
Interest on Long-Term Debt	\$ 180,286	\$ 192,901	\$ 12,614	7.00%			
Amortization of SWP	128,945	159,510	30,565	23.70%			
Water Conservation Programs	8,690	3,388	(5,302)	-61.01%			
Total Non-Operating Expenses	\$ 317,921	\$ 355,799	\$ 37,878	11.91%			
Net Earnings	\$ 96,466	\$ (698,219)	\$ (731,306)	-758.10%			

YEAR-TO-YEAR COMPARISON

January '13 -To - January '14



	2013	2014	Change	
Units Billed (AF)	944	977	33	3.50%
Active Connections	26,194	26,355	161	0.61%
Non-Active	1,148	998	-150	-13.07%
Total Revenue per Unit	\$4.01	\$3.88	-\$0.14	-3.41%
Total Revenue per Connection	\$57.73	\$57.43	-\$0.29	-0.51%
Units Billed per Connection	15.70	16.15	0.45	2.87%

Palmdale Water District

Revenue Analysis

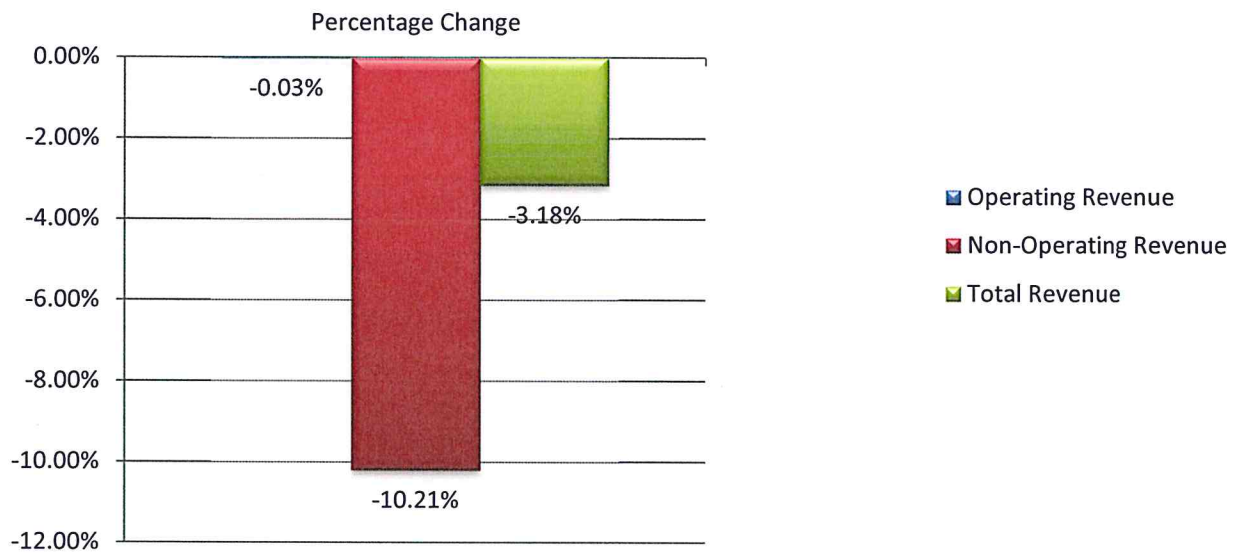
For the One Month Ending 1/31/2014
2014

	2013 to 2014 Comparison			
	January	Year-to-Date	Change	%
Operating Revenue:				
Wholesale Water	\$ 23	\$ 23	\$ 225,000	0.01%
Water Sales	478,202	478,202	9,053,000	5.28%
Meter Fees	926,190	926,190	11,255,000	8.23%
Water Quality Fees	84,806	84,806	1,638,000	5.18%
Elevation Fees	24,357	24,357	525,000	4.64%
Other	136,378	136,378	1,700,000	8.02%
Total Water Sales	\$ 1,649,955	\$ 1,649,955	\$ 24,396,000	6.76%
Non-Operating Revenues:				
Assessments (Debt Service)	\$ 480,736	\$ 480,736	\$ 4,400,000	10.93%
Assessments (1%)	156,185	156,185	1,800,000	8.68%
DWR Fixed Charge Recovery	-	-	100,000	0.00%
Interest	14,335	14,335	25,000	57.34%
Capital Improvement Fees	-	-	150,000	0.00%
State Grants	-	-	485,000	0.00%
Other	10,079	10,079	185,000	5.45%
Total Non-Operating Revenues	\$ 661,335	\$ 661,335	\$ 7,145,000	9.26%
Total Revenue	\$ 2,311,290	\$ 2,311,290	\$ 31,541,000	7.33%

	2013			
	January	Year-to-Date	Adjusted Budget	% of Budget
Operating Revenue:				
Wholesale Water	\$ 944	\$ 944	\$ 175,000	0.54%
Water Sales	489,226	489,226	8,198,000	5.97%
Meter Fees	916,653	916,653	11,232,000	8.16%
Water Quality Fees	82,265	82,265	1,638,000	5.02%
Elevation Fees	22,964	22,964	550,000	4.18%
Other	138,467	138,467	1,250,000	11.08%
Total Water Sales	\$ 1,650,519	\$ 1,650,519	\$ 23,043,000	7.16%
Non-Operating Revenues:				
Assessments (Debt Service)	\$ 506,512	\$ 506,512	\$ 4,300,000	11.78%
Assessments (1%)	219,564	219,564	1,500,000	14.64%
DWR Fixed Charge Recovery	-	-	100,000	-21.27%
Interest	(5,316)	(5,316)	25,000	0.00%
Capital Improvement Fees	-	-	150,000	0.00%
State Grants	-	-	485,000	0.00%
Other	15,804	15,804	150,000	10.54%
Total Non-Operating Revenues	\$ 736,564	\$ 736,564	\$ 6,710,000	10.98%
Total Revenue	\$ 2,387,083	\$ 2,387,083	\$ 29,753,000	8.02%

REVENUE COMPARISON YEAR-TO-DATE

January '13-To-January '14



Palmdale Water District
Operating Expense Analysis
For the One Month Ending 1/31/2014
2014

2013 to 2014 Comparison

	January	Year-to-Date	Adjusted Budget	% of Budget	January	Year-to-Date	Change	%
Cash Operating Expenses:								
Directors	\$ 3,671	\$ 3,671	\$ 114,500	3.21%	\$ (5,740)	\$ (5,740)		-60.99%
Administration	771,227	771,227	3,490,000	22.10%	593,718	593,718		334.47%
Engineering	117,353	117,353	1,079,800	10.87%	20,907	20,907		21.68%
Facilities	247,028	247,028	3,408,500	7.25%	28,410	28,410		13.00%
Operations	404,042	404,042	5,453,500	7.41%	43,741	43,741		12.14%
Finance	312,635	312,635	2,968,750	10.53%	106,471	106,471		51.64%
Water Conservation	12,394	12,394	270,000	4.59%	(5,143)	(5,143)		-29.33%
Human Resources	12,777	12,777	215,300	5.93%	2,143	2,143		20.15%
Information Technology	81,063	81,063	828,600	9.78%	35,589	35,589		78.26%
Water Purchases	26,140	26,140	2,400,000	1.09%	(130,583)	(130,583)		-83.32%
Water Recovery	-	-	250,000	0.00%	66,825	66,825		-100.00%
Capitalized Expenditures	-	-	(100,000)	0.00%	(29,789)	(29,789)		-100.00%
GAC Filter Media Replacement	22,571	22,571	2,143,500	1.05%	22,571	22,571		
Total Cash Operating Expenses	\$ -	\$ 2,010,900	\$ 1,638,000	122.77%	\$ 749,120	\$ 749,120		37.25%
Non-Cash Operating Expenses:								
Depreciation	\$ 553,924	\$ 553,924	\$ 7,350,000	7.54%	\$ (38,149)	\$ (38,149)		-6.44%
OPEB Accrual Expense	165,223	165,223	2,000,000	8.26%	17,545	17,545		11.88%
Bad Debts	7,207	7,207	100,000	7.21%	2,641	2,641		57.85%
Service Costs Construction	4,510	4,510	125,000	3.61%	(25,612)	(25,612)		-85.03%
Capitalized Construction	(88,053)	(88,053)	(1,000,000)	8.81%	(24,532)	(24,532)		38.62%
Total Non-Cash Operating Expenses	\$ 642,811	\$ 642,811	\$ 8,575,000	7.50%	\$ (68,105)	\$ (68,105)		-10.59%
Non-Operating Expenses:								
Interest on Long-Term Debt	\$ 192,901	\$ 192,901	\$ 2,111,000	9.14%	\$ 12,614	\$ 12,614		7.00%
Amortization of SWP	159,510	159,510	1,679,000	9.50%	30,565	30,565		23.70%
Water Conservation Programs	3,388	3,388	143,000	2.37%	(5,302)	(5,302)		-1.67%
Total Non-Operating Expenses	\$ 355,799	\$ 355,799	\$ 3,933,000	9.05%	\$ 37,878	\$ 37,878		11.91%
Total Expenses	\$ 998,609	\$ 3,009,510	\$ 14,146,000	21.27%	\$ 718,893	\$ 718,893		31.38%

Palmdale Water District

Operating Expense Analysis

For the One Month Ending 1/31/2014

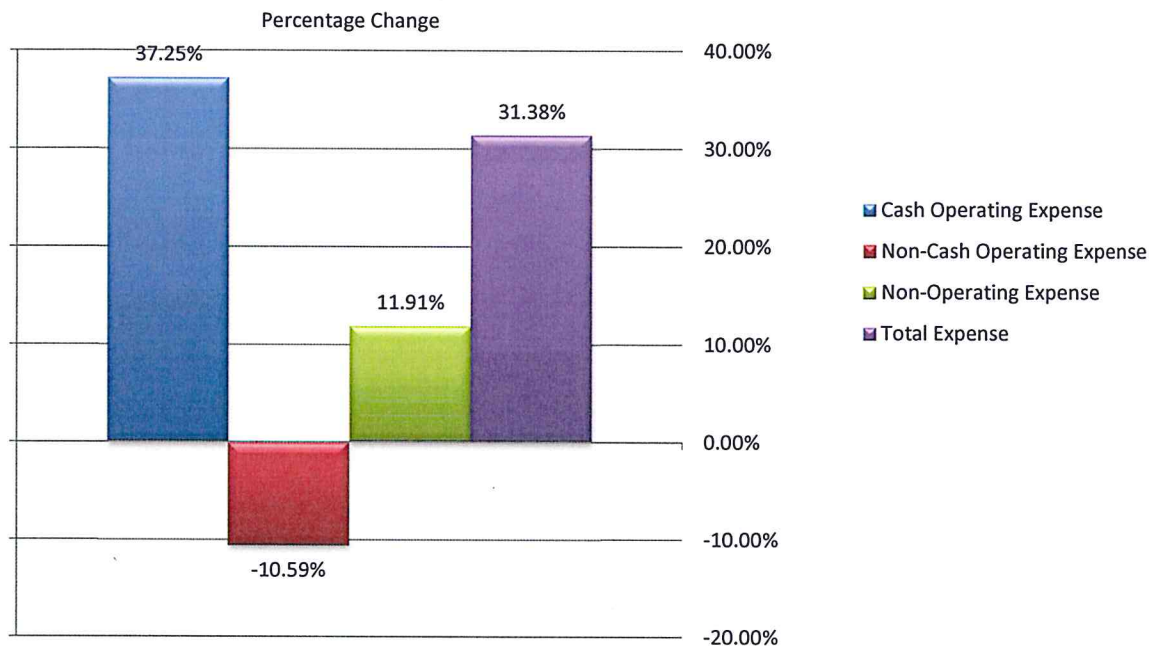
2013

2013 to 2014 Comparison

	January	Year-to-Date	Adjusted Budget	% of Budget
Cash Operating Expenses:				
Directors	\$ 9,411	\$ 9,411	\$ 117,500	8.01%
Administration	177,509	177,509	2,602,000	6.82%
Engineering	96,446	96,446	1,215,750	7.93%
Facilities	218,619	218,619	3,298,500	6.63%
Operations	360,301	360,301	4,944,250	7.29%
Finance	206,164	206,164	2,789,000	7.39%
Water Conservation	17,537	17,537	239,750	7.31%
Human Resources	10,634	10,634	209,600	5.07%
Information Technology	45,474	45,474	728,000	6.25%
Water Purchases	156,723	156,723	2,600,000	6.03%
Water Recovery	(66,825)	(66,825)	(100,000)	66.83%
Capitalized Expenditures	29,789	29,789	836,500	3.56%
GAC Filter Media Replacement	-	-	1,638,000	0.00%
Total Cash Operating Expenses	\$ 1,261,780	\$ 1,261,780	\$ 21,118,850	5.97%
Non-Cash Operating Expenses:				
Depreciation	\$ 592,072	\$ 592,072	\$ 7,250,000	8.17%
OPEB Accrual Expense	147,678	147,678	2,000,000	7.38%
Bad Debts	4,566	4,566	100,000	4.57%
Service Costs Construction	30,122	30,122	125,000	24.10%
Capitalized Construction	(63,521)	(63,521)	(1,000,000)	6.35%
Total Non-Cash Operating Expenses	\$ 710,916	\$ 710,916	\$ 8,475,000	8.39%
Non-Operating Expenses:				
Interest on Long-Term Debt	\$ 180,286	\$ 180,286	\$ 2,111,000	8.54%
Amortization of SWP	128,945	128,945	1,679,000	7.68%
Water Conservation Programs	8,690	8,690	150,000	
Total Non-Operating Expenses	\$ 317,921	\$ 317,921	\$ 3,940,000	8.07%
Total Expenses	\$ 2,290,617	\$ 2,290,617	\$ 33,533,850	6.83%

EXPENSE COMPARISON YEAR-TO-DATE

January '13-To-January '14



Palmdale Water District
2014 Directors Budget
For the One Month Ending Friday, January 31, 2014

	YTD ACTUAL 2014	ORIGINAL BUDGET 2014	ADJUSTMENTS 2014	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-01-4000-000 Directors Pay	\$ 1,800	\$ 45,000	\$ -	\$ 43,200	4.00%
Employee Benefits					
1-01-4005-000 Payroll Taxes	138	5,500		5,362	2.50%
1-01-4010-000 Health Insurance	671	54,000		53,329	1.24%
Subtotal (Benefits)	808	59,500	-	53,329	1.36%
Total Personnel Expenses	<u>\$ 2,608</u>	<u>\$ 104,500</u>	<u>\$ -</u>	<u>\$ 96,529</u>	<u>2.50%</u>
OPERATING EXPENSES:					
1-01-4050-000 Directors Travel, Seminars & Meetings	1,063	10,000		8,937	10.63%
Subtotal Operating Expenses	1,063	10,000	-	8,937	10.63%
Total O & M Expenses	<u>\$ 3,671</u>	<u>\$ 114,500</u>	<u>\$ -</u>	<u>\$ 105,467</u>	<u>3.21%</u>

Palmdale Water District
2014 Administration Budget
For the One Month Ending Friday, January 31, 2014

	YTD ACTUAL 2014	ORIGINAL BUDGET 2014	ADJUSTMENTS 2014	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-02-4000-000 Salaries	\$ 53,087	\$ 656,000		\$ 602,913	8.09%
1-02-4000-100 Overtime	1,133	7,500		6,367	15.10%
1-02-4000-200 On-Call	4,547	60,000		55,453	7.58%
Subtotal (Salaries)	\$ 58,767	\$ 723,500		\$ 664,733	8.12%
Employee Benefits					
1-02-4005-000 Payroll Taxes	5,531	41,500		35,969	13.33%
1-02-4010-000 Health Insurance	8,036	96,000		87,964	8.37%
1-02-4015-000 PERS	12,074	132,500		120,426	9.11%
1-02-4020-000 Worker's Compensation	-	125,000		125,000	0.00%
1-02-4025-000 Vacation Benefit Expense	17,305	35,000		17,695	49.44%
1-02-4030-000 Life Insurance	535	7,500		6,965	7.13%
Subtotal (Benefits)	\$ 43,480	\$ 437,500	\$ -	\$ 394,020	9.94%
Total Personnel Expenses	\$ 102,246	\$ 1,161,000	\$ -	\$ 1,058,754	8.81%
OPERATING EXPENSES:					
1-02-4050-000 Staff Travel	\$ 977	\$ 8,000		\$ 7,023	12.21%
1-02-4050-100 General Manager Travel	102	5,000		4,898	2.04%
1-02-4060-000 Staff Conferences & Seminars	-	3,000		3,000	0.00%
1-02-4060-100 General Manager Conferences & Seminars	-	4,500		4,500	0.00%
1-02-4070-000 Employee Expense	1,864	40,000		38,136	4.66%
1-02-4080-000 Other Operating	237	20,000		19,763	1.19%
1-02-4110-000 Consultants	3,038	200,000		196,963	1.52%
1-02-4125-000 Insurance	-	300,000		300,000	0.00%
1-02-4130-000 Bank Charges	9,781	130,000		120,219	7.52%
1-02-4135-000 Groundwater Adjudication	40,717	400,000		359,283	10.18%
1-02-4135-000 Groundwater Adjudication - Woods Class	590,450	590,500		50	99.99%
1-02-4140-000 Legal Services	6,583	200,000		193,417	3.29%
1-02-4150-000 Accounting Services	4,150	25,000		20,850	16.60%
1-02-4155-000 Contracted Services	1,829	29,000		27,171	6.31%
1-02-4165-000 Memberships/Subscriptions	1,619	210,000		208,381	0.77%
1-02-4175-000 Permits	-	15,000		15,000	0.00%
1-02-4180-000 Postage	286	30,000		29,714	0.95%
1-02-4190-100 Public Relations - Publications	150	40,000		39,850	0.38%
1-02-4190-900 Public Relations - Other	-	1,000		1,000	0.00%
1-02-4200-000 Advertising	13	5,000		4,987	0.26%
1-02-4205-000 Office Supplies	3,713	18,000		14,287	20.63%
1-02-4215-200 Natural Gas - Office Building	621	5,000		4,379	12.43%
1-02-4220-200 Electricity - Office Building	2,851	50,000		47,149	5.70%
Subtotal Operating Expenses	\$ 668,981	\$ 2,329,000	\$ -	\$ 1,660,019	28.72%
Total Departmental Expenses	\$ 771,227	\$ 3,490,000	\$ -	\$ 2,718,773	22.10%

Palmdale Water District
2014 Engineering Budget
For the One Month Ending Friday, January 31, 2014

	YTD ACTUAL 2014	ORIGINAL BUDGET 2014	ADJUSTMENTS 2014	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-03-4000-000 Salaries	\$ 46,092	\$ 668,500		\$ 622,408	6.89%
1-03-4000-100 Overtime	781	6,500		5,719	12.01%
Subtotal (Salaries)	\$ 46,873	\$ 675,000		\$ 628,127	6.94%
Employee Benefits					
1-03-4005-000 Payroll Taxes	5,555	51,500		45,945	10.79%
1-03-4010-000 Health Insurance	9,707	134,800		125,093	7.20%
1-03-4015-000 PERS	14,800	133,500		118,700	11.09%
Subtotal (Benefits)	\$ 30,062	\$ 319,800	\$ -	\$ 289,738	9.40%
Total Personnel Expenses	\$ 76,934	\$ 994,800	\$ -	\$ 917,866	7.73%
OPERATING EXPENSES:					
1-03-4050-000 Staff Travel	\$ -	\$ 3,000		\$ 3,000	0.00%
1-03-4060-000 Staff Conferences & Seminars	-	2,500		2,500	0.00%
1-03-4155-000 Contracted Services	40,000	61,500		21,500	65.04%
1-03-4165-000 Memberships/Subscriptions	-	2,000		2,000	0.00%
1-03-4250-000 General Materials & Supplies	-	2,500		2,500	0.00%
1-03-8100-100 Computer Software - Maint. & Support	419	13,500		13,082	3.10%
Subtotal Operating Expenses	\$ 40,419	\$ 85,000	\$ -	\$ 44,582	47.55%
Total Departmental Expenses	\$ 117,353	\$ 1,079,800	\$ -	\$ 962,447	10.87%

Palmdale Water District
2014 Facilities Budget
For the One Month Ending Friday, January 31, 2014

YTD ACTUAL 2014	ORIGINAL BUDGET 2014	ADJUSTMENTS 2014	ADJUSTED BUDGET REMAINING	PERCENT USED
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Personnel Budget:

1-04-4000-000 Salaries	\$ 97,005	\$ 1,450,000	\$ 1,352,995	6.69%
1-04-4000-100 Overtime	3,604	36,500	32,896	9.87%
Subtotal (Salaries)	\$ 100,609	\$ 1,486,500	\$ 1,385,891	6.77%

Employee Benefits

1-04-4005-000 Payroll Taxes	11,735	111,000	99,265	10.57%
1-04-4010-000 Health Insurance	28,045	374,500	346,455	7.49%
1-04-4015-000 PERS	27,605	278,000	250,395	9.93%
Subtotal (Benefits)	\$ 67,386	\$ 763,500	\$ -	8.83%

Total Personnel Expenses

\$ 167,995	\$ 2,250,000	\$ -	\$ 2,049,109	7.47%
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OPERATING EXPENSES:

1-04-4050-000 Staff Travel	\$ -	\$ 2,500	2,500	0.00%
1-04-4060-000 Staff Conferences & Seminars	-	3,000	3,000	0.00%
1-04-4155-000 Contracted Services	3,983	71,500	67,517	5.57%
1-04-4175-000 Permits-Dams	-	50,000	50,000	0.00%
1-04-4215-200 Natural Gas - Buildings	745	4,500	3,755	16.56%
1-04-4220-200 Electricity - Buildings	1,303	30,000	28,697	4.34%
1-04-4225-000 Maint. & Repair - Vehicles	850	45,000	44,150	1.89%
1-04-4230-100 Maint. & Rep. Office Building	325	18,000	17,675	
1-04-4235-110 Maint. & Rep. Equipment	155	7,500	7,345	2.07%
1-04-4235-400 Maint. & Rep. Operations - Wells	7,796	135,000	127,204	5.77%
1-04-4235-405 Maint. & Rep. Operations - Boosters	-	65,000	65,000	0.00%
1-04-4235-410 Maint. & Rep. Operations - Shop Bldgs	3,644	10,000	6,356	36.44%
1-04-4235-415 Maint. & Rep. Operations - Facilities	391	15,000	14,609	2.60%
1-04-4235-420 Maint. & Rep. Operations - Water Lines	25,007	275,000	249,993	9.09%
1-04-4235-425 Maint. & Rep. Operations - Littlerock Dam	-	15,000	15,000	0.00%
1-04-4235-430 Maint. & Rep. Operations - Palmdale Dam	-	15,000	15,000	0.00%
1-04-4235-435 Maint. & Rep. Operations - Palmdale Canal	-	3,000	3,000	0.00%
1-04-4235-455 Maint. & Rep. Operations - Heavy Equipment	1,800	35,000	33,200	5.14%
1-04-4235-460 Maint. & Rep. Operations - Storage Reservoirs	-	5,000	5,000	0.00%
1-04-6000-000 Waste Disposal	777	40,000	39,223	1.94%
1-04-6100-100 Fuel and Lube - Vehicle	22,195	130,000	107,805	17.07%
1-04-6100-200 Fuel and Lube - Machinery	2,967	43,000	40,033	6.90%
1-04-6200-000 Uniforms	1,918	21,000	19,082	9.13%
1-04-6300-100 Supplies - Misc.	1,858	47,500	45,642	3.91%
1-04-6300-800 Supplies - Construction Materials	1,369	45,000	43,631	3.04%
1-04-6400-000 Tools	869	12,000	11,131	7.24%
1-04-7000-100 Leases -Equipment	1,082	15,000	13,918	7.21%
Subtotal Operating Expenses	\$ 79,033	\$ 1,158,500	\$ -	6.82%

Total Departmental Expenses

\$ 247,028	\$ 3,408,500	\$ -	\$ 3,128,575	7.25%
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Palmdale Water District
2014 Operation Budget
For the One Month Ending Friday, January 31, 2014

YTD ACTUAL 2014	ORIGINAL BUDGET 2014	ADJUSTMENTS 2014	ADJUSTED BUDGET REMAINING	PERCENT USED
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Personnel Budget:

1-05-4000-000 Salaries	\$ 130,368	\$ 1,734,000	\$ 1,603,632	7.52%
1-05-4000-100 Overtime	10,169	70,000	59,831	14.53%
Subtotal (Salaries)	\$ 140,537	\$ 1,804,000	\$ 1,663,463	7.79%

Employee Benefits

1-05-4005-000 Payroll Taxes	15,826	131,000	115,174	12.08%
1-05-4010-000 Health Insurance	29,414	343,000	313,586	8.58%
1-05-4015-000 PERS	35,469	324,000	288,531	10.95%
Subtotal (Benefits)	\$ 80,709	\$ 798,000	\$ -	10.11%

Total Personnel Expenses

\$ 221,246	\$ 2,602,000	\$ -	\$ 2,320,923	8.50%
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OPERATING EXPENSES:

1-05-4050-000 Staff Travel	\$ 1,331	\$ 8,000	\$ 6,669	16.63%
1-05-4060-000 Staff Conferences & Seminars	-	9,500	9,500	0.00%
1-05-4120-100 Training - Lab Equipment	-	4,500	4,500	0.00%
1-05-4120-200 Training - SCADA Network	-	9,000	9,000	0.00%
1-05-4155-000 Contracted Services	10,701	109,250	98,549	9.79%
1-05-4175-000 Permits	-	45,000	45,000	0.00%
1-05-4215-100 Natural Gas - Wells & Boosters	5,086	236,000	230,914	2.16%
1-05-4215-200 Natural Gas - WTP	323	3,000	2,677	10.76%
1-05-4220-100 Electricity - Wells & Boosters	103,299	1,515,000	1,411,701	6.82%
1-05-4220-200 Electricity - WTP	13,890	125,000	111,111	11.11%
1-05-4230-110 Maint. & Rep. - Office Equipment	-	500	500	0.00%
1-05-4235-110 Maint. & Rep. Operations - Equipment	2,490	22,500	20,010	11.07%
1-05-4235-410 Maint. & Rep. Operations - Shop Bldgs	414	6,000	5,586	6.90%
1-05-4235-415 Maint. & Rep. Operations - Facilities	2,011	45,000	42,989	4.47%
1-05-4235-445 Maint. & Rep. Operations - Telemetry	-	2,250	2,250	0.00%
1-05-4235-450 Maint. & Rep. Operations - Hypo Generator	-	30,000	30,000	0.00%
1-05-4235-500 Maint. & Rep. Operations - Wind Turbine	-	6,000	6,000	0.00%
1-05-4236-000 Palmdale Lake Management	412	15,000	14,588	2.75%
1-05-4270-300 Telecommunication - Other	236	2,750	2,514	8.60%
1-05-4300-300 Testing - Edison	-	9,000	9,000	0.00%
1-05-6000-000 Waste Disposal	293	14,000	13,707	2.09%
1-05-6200-000 Uniforms	1,123	12,000	10,877	9.35%
1-05-6300-100 Supplies - Misc.	5,016	15,000	9,984	33.44%
1-05-6300-200 Supplies - Hypo Generator	899	6,750	5,851	13.32%
1-05-6300-300 Supplies - Electrical	-	3,500	3,500	0.00%
1-05-6300-400 Supplies - Telemetry	-	7,500	7,500	0.00%
1-05-6300-600 Supplies - Lab	12,190	35,000	22,810	34.83%
1-05-6300-700 Outside Lab Work	2,400	60,000	57,600	4.00%
1-05-6400-000 Tools	226	6,500	6,275	3.47%
1-05-6500-000 Chemicals	19,495	485,000	465,505	4.02%
1-05-7000-100 Leases -Equipment	961	3,000	2,039	32.05%
Subtotal Operating Expenses	\$ 182,796	\$ 2,851,500	\$ -	\$ 2,668,704 6.41%

Total Departmental Expenses

\$ 404,042	\$ 5,453,500	\$ -	\$ 4,989,627	7.41%
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Palmdale Water District
2014 Finance Budget
For the One Month Ending Friday, January 31, 2014

	YTD ACTUAL 2014	ORIGINAL BUDGET 2014	ADJUSTMENTS 2014	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-06-4000-000 Salaries	\$ 124,227	\$ 1,645,000		\$ 1,520,773	7.55%
1-06-4000-100 Overtime	3,298	19,000		15,702	17.36%
Subtotal (Salaries)	\$ 127,525	\$ 1,664,000	\$ -	\$ 1,536,475	7.66%
Employee Benefits					
1-06-4005-000 Payroll Taxes	14,365	123,000		108,635	4.53%
1-06-4010-000 Health Insurance	28,260	317,000		288,740	8.54%
1-06-4015-000 PERS	33,998	331,000		297,002	4.41%
Subtotal (Benefits)	\$ 76,623	\$ 771,000	\$ -	\$ 694,377	9.94%
Total Personnel Expenses	\$ 204,148	\$ 2,435,000	\$ -	\$ 2,230,852	8.38%
OPERATING EXPENSES:					
1-06-4050-000 Staff Travel	\$ -	\$ 250		250	0.00%
1-06-4060-000 Staff Conferences & Seminars	-	1,000		1,000	0.00%
1-06-4155-300 Contracted Services	1,832	21,000		19,168	8.72%
1-06-4155-100 Contracted Services - Infosend	15,461	205,000		189,539	7.54%
1-06-4165-000 Memberships/Subscriptions	220	500		280	44.00%
1-06-4230-110 Maintenance & Repair - Office Equipment	-	1,000		1,000	0.00%
1-06-4235-440 Maint. & Rep. Operations - Large Meters	2,757	10,000		7,243	27.57%
1-06-4235-470 Maint. & Rep. Operations - Meter Exchanges	79,692	225,000		145,308	35.42%
1-06-4250-000 General Material & Supplies	1,479	6,000		4,521	24.65%
1-06-4260-000 Business Forms	2,889	10,000		7,111	28.89%
1-06-4270-100 Telecommunication - Office	781	12,000		11,219	6.51%
1-06-4270-200 Telecommunication - Cellular Stipend	1,230	17,000		15,770	7.24%
1-06-4270-300 Telecommunication - Cellular	-	500		500	0.00%
1-06-4300-200 Testing - Large Meter Testing	2,145	21,500		19,355	9.98%
1-06-7000-100 Leases - Equipment	-	3,000		3,000	0.00%
Subtotal Operating Expenses	\$ 108,487	\$ 533,750	\$ -	\$ 425,263	20.33%
Total Departmental Expenses	\$ 312,635	\$ 2,968,750	\$ -	\$ 2,656,115	10.53%

Palmdale Water District
2014 Water Conservation Budget
For the One Month Ending Friday, January 31, 2014

	YTD ACTUAL 2014	ORIGINAL BUDGET 2014	ADJUSTMENTS 2014	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-07-4000-000 Salaries	\$ 7,016	\$ 168,500		\$ 161,484	4.16%
1-07-4000-100 Overtime	-	1,000		1,000	0.00%
Subtotal (Salaries)	\$ 7,016	\$ 169,500		\$ 162,484	4.14%
Employee Benefits					
1-07-4005-000 Payroll Taxes	1,001	13,000		11,999	7.70%
1-07-4010-000 Health Insurance	1,526	31,500		29,974	4.85%
1-07-4015-000 PERS	2,850	34,000		31,150	8.38%
Subtotal (Benefits)	\$ 5,378	\$ 78,500	\$ -	\$ 73,122	6.85%
Total Personnel Expenses	\$ 12,394	\$ 248,000	\$ -	\$ 234,607	5.00%
OPERATING EXPENSES:					
1-07-4050-000 Staff Travel	\$ -	\$ 1,000		\$ 1,000	0.00%
1-07-4060-000 Staff Conferences & Seminars	-	1,000		1,000	0.00%
1-07-4190-300 Public Relations - Landscape Workshop/Training	-	1,000		1,000	0.00%
1-07-4190-400 Public Relations - Contests	-	1,000		1,000	0.00%
1-07-4190-500 Public Relations - Education Programs	-	5,000		5,000	0.00%
1-07-4190-700 Public Relations -General Media	-	3,000		3,000	0.00%
1-07-4190-900 Public Relations - Other	-	5,000		5,000	0.00%
1-07-6300-100 Supplies - Misc.	-	5,000		5,000	0.00%
Subtotal Operating Expenses	\$ -	\$ 22,000	\$ -	\$ 22,000	0.00%
Total Departmental Expenses	\$ 12,394	\$ 270,000	\$ -	\$ 256,607	4.59%

Palmdale Water District
2014 Human Resources Budget
For the One Month Ending Friday, January 31, 2014

YTD ACTUAL 2014	ORIGINAL BUDGET 2014	ADJUSTMENTS 2014	ADJUSTED BUDGET REMAINING	PERCENT USED
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Personnel Budget:

1-08-4000-000 Salaries	\$ 7,059	\$ 97,000	\$ 89,941	7.28%
Employee Benefits				
1-08-4005-000 Payroll Taxes	815	7,500	6,685	10.87%
1-08-4010-000 Health Insurance	1,545	19,200	17,655	8.05%
1-08-4015-000 PERS	669	6,500	5,831	10.30%
Subtotal (Benefits)	\$ 3,029	\$ 33,200	\$ -	9.12%
Total Personnel Expenses	\$ 10,088	\$ 130,200	\$ -	7.75%

OPERATING EXPENSES:

1-08-4050-000 Staff Travel	\$ -	\$ 500	\$ 500	0.00%
1-08-4060-000 Staff Conferences & Seminars	-	500	500	0.00%
1-08-4090-000 Temporary Staffing	1,571	-	(1,571)	
1-08-4095-000 Employee Recruitment	20	3,000	2,980	0.66%
1-08-4100-000 Employee Retention	5	1,500	1,495	0.34%
1-08-4105-000 Employee Relations	180	3,500	3,320	5.14%
1-08-4110-000 Consultants	-	1,000	1,000	0.00%
1-08-4120-100 Training-Safety Consultants	29	38,000	37,971	0.08%
1-08-4121-000 Safety Program	-	1,000	1,000	0.00%
1-08-4165-000 Membership/Subscriptions	-	1,600	1,600	0.00%
1-08-4165-100 HR/Safety Publications	-	1,000	1,000	0.00%
1-08-6300-500 Supplies - Safety	883	33,500	32,617	2.64%
Subtotal Operating Expenses	\$ 2,688	\$ 85,100	\$ -	3.16%
Total Departmental Expenses	\$ 12,777	\$ 215,300	\$ -	5.93%

Palmdale Water District
2014 Information Technology Budget
For the One Month Ending Friday, January 31, 2014

YTD ACTUAL	ORIGINAL BUDGET	ADJUSTMENTS	ADJUSTED BUDGET	PERCENT
2014	2014	2014	REMAINING	USED

Personnel Budget:

1-09-4000-000 Salaries	\$ 16,250	\$ 226,000	\$ 209,750	7.19%
1-09-4000-100 Overtime	-	2,500	2,500	0.00%
Subtotal (Salaries)	\$ 16,250	\$ 228,500	\$ 212,250	7.11%

Employee Benefits

1-09-4005-000 Payroll Taxes	1,914	16,000	14,086	11.96%
1-09-4010-000 Health Insurance	3,200	38,400	35,200	8.33%
1-09-4015-000 PERS	4,828	45,200	40,372	10.68%
Subtotal (Benefits)	\$ 9,942	\$ 99,600	\$ 89,658	9.98%

Total Personnel Expenses

\$ 26,191	\$ 328,100	\$ -	\$ 299,409	7.98%
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OPERATING EXPENSES:

1-09-4050-000 Staff Travel	\$ -	\$ 3,000	3,000	0.00%
1-09-4060-000 Staff Conferences & Seminars	-	15,000	15,000	0.00%
1-09-4155-000 Contracted Services	4,104	129,000	124,896	3.18%
1-09-4165-000 Memberships/Subscriptions	-	500	500	0.00%
1-09-4270-000 Telecommunications	5,005	55,500	50,495	9.02%
1-09-8000-100 Computer Equipment - Computers	5,938	25,000	19,062	23.75%
1-09-8000-200 Computer Equipment - Laptops	-	5,000	5,000	0.00%
1-09-8000-300 Computer Equipment - Monitors	-	2,000	2,000	0.00%
1-09-8000-400 Computer Equipment - Printers	-	15,000	15,000	0.00%
1-09-8000-500 Computer Equipment - Toner Cartridges	68	3,000	2,932	2.28%
1-09-8000-550 Computer Equipment - Telephony	-	2,500		
1-09-8000-600 Computer Equipment - Other	327	35,000	34,673	0.94%
1-09-8100-100 Computer Software - Maint. and Support	4,020	70,000	65,980	5.74%
1-09-8100-140 Computer Software - Starnik	9,100	95,000	85,900	9.58%
1-09-8100-150 Computer Software - Dynamics GP Support	26,309	30,000	3,691	87.70%
1-09-8100-200 Computer Software - Software and Upgrades	-	15,000	15,000	0.00%
Subtotal Operating Expenses	\$ 54,872	\$ 500,500	\$ 443,128	10.96%

Total Departmental Expenses

\$ 81,063	\$ 828,600	\$ -	\$ 742,537	9.78%
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APPENDIX M

BID PROCUREMENT AND CHANGE ORDER POLICY

I. Work Costing More Than \$25,000

a. Except as otherwise provided in this statement of policy, all contracts for any improvement, job, construction project or unit of work (herein referred to as work), and all acquisitions of material or equipment, estimated to cost or to have a value when completed in excess of Twenty-Five Thousand Dollars (\$25,000), shall be let to the lowest responsible bidder in the manner hereinafter provided.

b. The Board shall first determine whether the contract shall be let or the acquisition made, as a single unit for the whole of the work or acquisition, or whether it shall be divided into severable convenient parts.

c. The Contract documents shall be prepared utilizing the District's standard forms, with such modification as may be appropriate for the particular work or unit of work, or the acquisition of materials or equipment. In the case of work to be performed for the District, the documents to be prepared shall ordinarily include the Notice Inviting Bids, Instructions to Bidders, the Proposal for submission by the bidder, the Information Required of Bidder, setting forth the equipment and material source and other required information, Contractor's Licensing Statement, List of Subcontractors, Bid Security Form, Agreement, Faithful Performance Bond, Payment Bond, Non-Collusion Affidavit, Notice to Proceed, General Provisions, Special Provisions, and Plans and Specifications.

d. Unless otherwise required by the provisions of the Public Contract Code, the District may advertise in the F. W. Dodge Green Sheet, the Construction Market Data and

similar publications, inviting sealed proposals for furnishing labor for or materials or supplies for use or incorporation in, the proposed work or unit of work, or for providing materials or equipment. To the extent applicable to a specific work or acquisition, the notice calling for bids shall contain the information specified in Section 20564 of the Public Contract Code. In the event that the construction of works is to be paid for with the proceeds of the sale of bonds or a limited assessment, the District shall give said notice by publication once a week for three (3) successive weeks in a newspaper of general circulation published in the District as specified in Section 20563 of the Public Contracts Code.

e. All bids shall be presented under sealed cover on forms furnished by the District, and, in the case of a bid to perform work for the District, it shall be accompanied by one of the following forms of bidder's security: (1) cash, (2) a cashier's check made payable to the District, (3) a certified check made payable to the District, or (4) a bidder's bond executed by an admitted surety insurer made payable to the District.

f. At the time and place appointed and set forth in the Notice Inviting Bids, the bids shall be opened in public.

g. The District shall assign a five (5) percent contract bid reduction to a bidder which is a "Local Contractor or Vendor," as defined in (n)(1).

h. The Board may reject any and all proposals or bids should it deem it to be for the public good, or may award the contract for the work or unit of work, or materials or equipment, to the lowest responsible bidder at the prices named or specified in the bid or proposal subject however to Paragraph i.

i. Once all bids have been opened, the bids of those bidders which are "Local Contractors or Vendors" shall be reduced by five percent (5%) for purposes of determining the lowest responsible bidder. If the bid of a Local Contractor or Vendor, after applying the contract

similar publications, inviting sealed proposals for furnishing labor for or materials or supplies for use or incorporation in, the proposed work or unit of work, or for providing materials or equipment. To the extent applicable to a specific work or acquisition, the notice calling for bids shall contain the information specified in Section 20564 of the Public Contract Code. In the event that the construction of works is to be paid for with the proceeds of the sale of bonds or a limited assessment, the District shall give said notice by publication once a week for three (3) successive weeks in a newspaper of general circulation published in the District as specified in Section 20563 of the Public Contracts Code.

e. All bids shall be presented under sealed cover on forms furnished by the District, and, in the case of a bid to perform work for the District, it shall be accompanied by one of the following forms of bidder's security: (1) cash, (2) a cashier's check made payable to the District, (3) a certified check made payable to the District, or (4) a bidder's bond executed by an admitted surety insurer made payable to the District.

f. At the time and place appointed and set forth in the Notice Inviting Bids, the bids shall be opened in public.

g. The District shall assign a five (5) percent contract bid reduction to a bidder which is a "Local Contractor or Vendor," as defined in (n)(1).

h. The Board may reject any and all proposals or bids should it deem it to be for the public good, or may award the contract for the work or unit of work, or materials or equipment, to the lowest responsible bidder at the prices named or specified in the bid or proposal subject however to Paragraph i.

i. Once all bids have been opened, the bids of those bidders which are "Local Contractors or Vendors" shall be reduced by five percent (5%) for purposes of determining the lowest responsible bidder. If the bid of a Local Contractor or Vendor, after applying the contract

bid reduction provided for in Paragraph g, is then the lowest responsible bid , that Local Contractor or Vendor shall be awarded the contract at the amount of its bid without regard to any contract bid reduction, subject to the remaining provisions of this policy.

j. The District or its agents may refuse to award a contract under Section i to a Local Contractor or Vendor if it makes a determination that the products purchased or work provided by a bidder cannot be provided within a timely manner for the performance of the contract or a determination the Local Contractor or Vendor cannot meet specified quality performance standards or experience requirements.

k. If any federal or state statute or regulation precludes the granting of federal or state assistance or reduces the amount of that assistance for a particular public works project because of a preference awarded according to the terms of this policy, this policy shall not apply insofar as its application would preclude or reduce federal or state assistance for that work.

l. In the case of work to be performed for the District, the District shall require the successful bidder or bidders to file with the Board good and sufficient bonds, to be approved by the Board, conditioned upon the faithful performance of the contract and upon payment of all claims for labor and materials in connection therewith.

m. In the case of work to be performed from the District, the District shall require the successful bidder or bidders to carry public liability and property damage insurance, workers' compensation insurance, and other insurance, in the amounts and under the terms stipulated in the Contract documents.

n. The following terms shall have the following meanings:

1) "Local Contractor or Vendor" means a contractor or vendor whose principal place of business as reflected in official records is located in the area shown on the Local Contractor and Vendor Boundary Map attached hereto.

Those claiming to be Local Contractors and Vendors shall submit proof of their principal place of business with their bid.

2) "Lowest Responsible Bidder" shall mean a person who submits the lowest monetary bid, taking into account the contract bid reduction provided for in paragraph g, and which responds to the terms upon which bids were requested, and who has the capacity, integrity and ability to perform the particular requirements of the contract. Factors which may be considered in determining the "lowest responsible bidder" include, but are not limited to, all of the following:

a) The contractor's prior record of performance on other public works projects, if any, including timely completion of performance, quality of work, and completion of projects within project budget or bid amount submitted.

b) The contractor's involvement in any ongoing litigation or contract disputes with the awarding authority which could impair satisfactory performance on the contract to be awarded.

c) The contractor's history of noncompliance with occupational safety and health requirements, labor statutes and regulations, and other local, state, and federal laws.

II. Work or Acquisitions Costing More Than \$3,000, But Not More than \$25,000

All contracts for any work or unit of work, and all acquisitions of materials or equipment, estimated to cost or to have a value when completed in excess of Three Thousand Dollars (\$3,000), but not more than Twenty-Five Thousand Dollars (\$25,000), shall be reviewed by a Committee of the Board, and shall be submitted for formal competitive bids in accordance with this statement of policy only if the Committee shall so recommend and the Board shall concur by

a majority vote. In the event no formal competitive bids are solicited, the Board may also give local contractors and vendors a preference.

III. Work or Acquisitions Costing Less Than \$3,000

All contracts for any work or unit of work, and all acquisitions of materials or equipment, estimated to cost or to have a value when completed that is less than Three Thousand Dollars (\$3,000), may be authorized by the District's General Manager without compliance with any formal competitive bidding procedure or prior Board approval, and in any such case he may authorize the work or unit of work or acquire the materials or equipment, by informal bidding or quotations or by purchase on the open market without advertising. The District's General Manager may give local contractors and vendors a preference.

IV. Change Order Policy

All change orders occurring during the performance of a contract shall be reported to the Board. Change order amounts which are Three Thousand Dollars (\$3,000) or less or which are ten percent (10%) or less of the original contract amount up to a maximum amount of Twenty-Five Thousand Dollars (\$25,000) may be authorized by the District's General Manager; however, change order amounts greater than Three Thousand Dollars (\$3,000) and greater than ten percent (10%) of the original contract amount up to a maximum change order amount of Twenty-Five Thousand Dollars (\$25,000) shall be approved by the Bid Committee of the Board. The Board shall by a majority vote approve all change order amounts in excess of Twenty-Five Thousand Dollars (\$25,000). In the case of contracts with unit prices, if the number of units of significant bid items increases by twenty percent (20%) or more, Board approval must be obtained.

V. Exceptions to Statement of Policy

The policy specified in this statement shall not apply in the following cases or circumstances:

- (1) A contract for the acquisition or disposal of any real property.
- (2) A contract for the leasing of any personal property or the acquisition of personal property other than materials and equipment for use in construction activities.
- (3) A contract for the purchase of water or water rights.
- (4) A contract for the repair of District equipment.
- (5) A contract for legal, engineering and other professional services.
- (6) A contract for the performance of work or acquisition of materials or equipment deemed by the Board to be of urgent necessity for the preservation of life, health or property, or in order to continue to provide water to the District's existing customers, and such action is authorized by a two-thirds vote of the District's Board.
- (7) The repair, alteration, addition, or the making of improvements, by force account.
- (8) Work related to and in furtherance of the purposes of the District, or materials or equipment acquired for such purposes, where such work is to be performed or such materials or equipment are to be acquired, for the account of other persons or entities, an example of such work or acquisition being the construction of a water transmission line or the installation of meters or other facilities for a developer and done at the developer's expense.
- (9) A contract for the performance of work or acquisition of materials in instances where work and materials are regularly and periodically required and work and materials are repairs or replacements of prior works or materials relating to the following:
 - (a) Asphalt and concrete patching;
 - (b) Janitorial supplies;

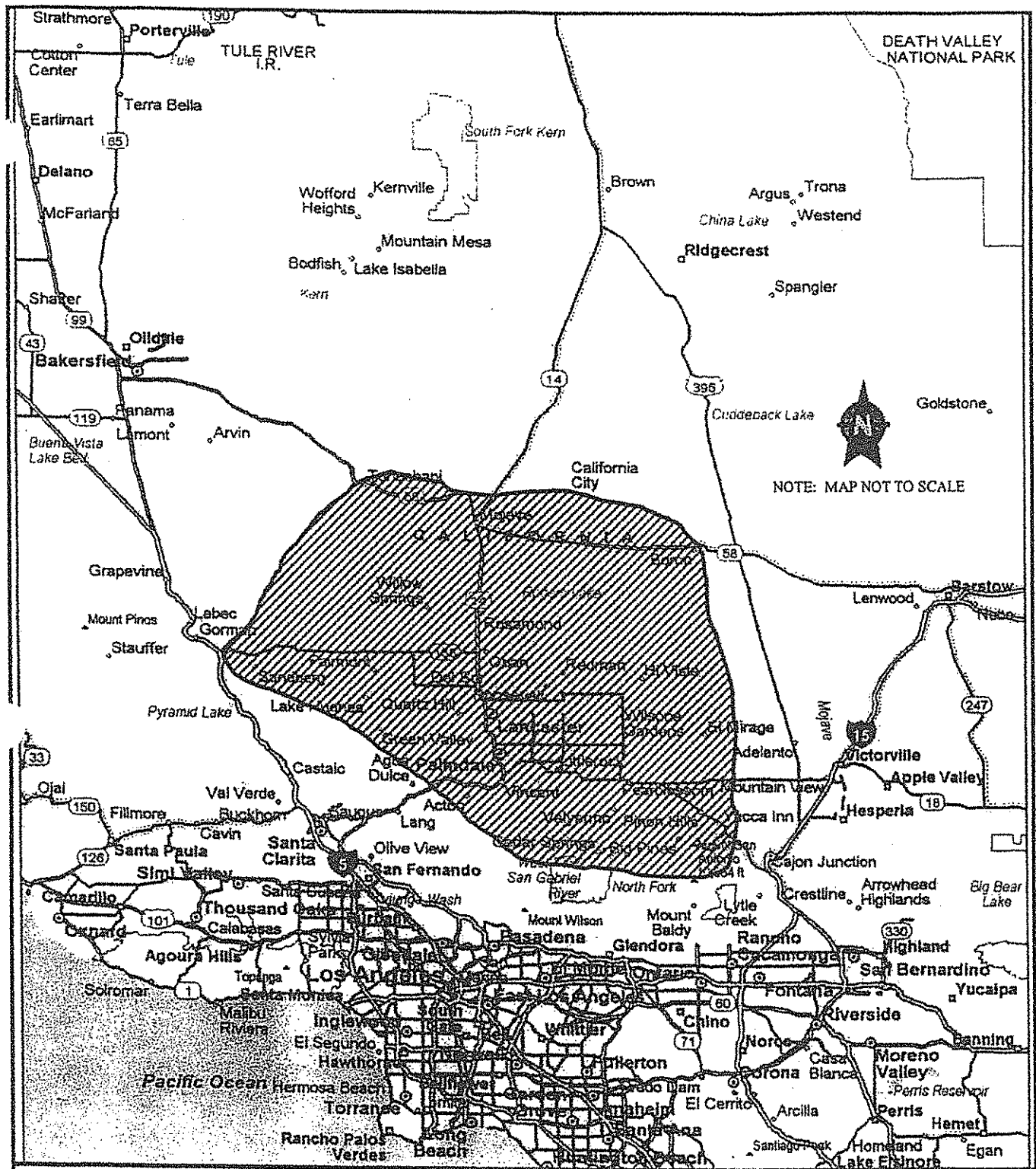
- (c) Office supplies;
- (d) Aggregate (sand, base and similar materials);
- (e) Cold mix asphalt;
- (f) Data mailers;
- (g) Water meters.

VI. Scope of Statement of Policy

This statement of policy establishes the manner of calling for bids and letting contracts for the performance of work for the District or the acquisition of materials or equipment. However, notwithstanding this statement, all contracts for work and all contracts for acquisition of materials and equipment, may be made or entered into upon such terms and conditions and in such manner as the Board may determine is in the best interest of the District.

BID PROCUREMENT POLICY APPROVED AND ADOPTED AT A
REGULAR BOARD MEETING OF THE PALMDALE WATER DISTRICT
BOARD OF DIRECTORS HELD April 19, 1990

Revised 1-14-92
Revised 9-15-92
Revised 4-25-94
Revised 11-10-97



PALMDALE WATER DISTRICT RULES AND REGULATIONS APPENDIX "M"

LOCAL CONTRACTOR AND VENDOR BOUNDARY MAP

APPROVED: APRIL 25, 1994