

# PALMDALE WATER DISTRICT

2029 East Avenue Q • Palmdale, California 93550 • Telephone (661) 947-4111

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[www.palmdalewater.org](http://www.palmdalewater.org)

## Board of Directors

ROBERT E. ALVARADO  
Division 1

JOE ESTES  
Division 2

GLORIA DIZMANG  
Division 3

KATHY MAC LAREN  
Division 4

VINCENT DINO  
Division 5

ALESHIRE & WYNDER LLP  
Attorneys



April 17, 2014

***Agenda for a Special 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, April 21, 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.

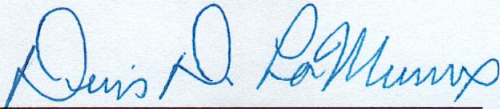
Each item on the agenda shall be deemed to include any appropriate motion, resolution, or ordinance to take action on any item.

- 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.)

*Providing high quality water to our current and future customers at a reasonable cost.*



- 4.1) Consideration and possible action on approval of minutes of meeting held April 7, 2014.
- 4.2) Discussion and overview of Cash Flow Statement and Current Cash Balances as of March 31, 2014. (Financial Advisor Egan)
- 4.3) Discussion and overview of Financial Statements, Revenue and Expense and Departmental Budget Reports for March 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) Consideration and possible action on proposal(s) received for conducting a Water Rate Study and Outreach. (\$50,000 - Budgeted - General Manager LaMoreaux)
- 5) Information items.
- 6) Board members' requests for future agenda items.
- 7) Adjournment.



DENNIS D. LaMOREAUX,  
General Manager

DDL/dd

**PALMDALE  
WATER DISTRICT  
BOARD MEMORANDUM**

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<b>DATE:</b>	April 16, 2014	April 21, 2014
<b>TO:</b>	FINANCE COMMITTEE	Committee Meeting
<b>FROM:</b>	Mr. Bob Egan, Financial Advisor	
<b>RE:</b>	<b><i>AGENDA ITEM NO. 4.2 – DISCUSSION AND OVERVIEW OF CASH FLOW STATEMENT AND CURRENT CASH BALANCES AS OF MARCH 31, 2014</i></b>	

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



PALMDALE WATER DISTRICT  
INVESTMENT FUNDS REPORT

			March 31, 2014			March-14	February-14
	DESCR						
CASH							
0-0103	Citizens/US Bank - Checking					327,009.96	715,576.80
0-0104	Citizens- Merchant					65,208.96	152,187.40
					Bank cash	392,218.92	867,764.20
0-0119	PETTY CASH					300.00	300.00
0-0120	CASH ON HAND					3,400.00	3,400.00
	TOTAL CASH					395,918.92	871,464.20
INVESTMENTS							
0-0110	UBS ACCOUNT SS 11469 GG						
	UBS RMA Government Portfolio					4,888,218.76	6,511,405.54
	UBS Bank USA Dep acct					250,000.00	250,000.00
						5,138,218.76	6,761,405.54
0-1110	UBS ACCOUNT SS 11475 GG						
	UBS Bank USA Dep acct					250,000.00	250,000.00
	UBS RMA Government Portfolio					210,312.90	210,301.68
						460,312.90	460,301.68
0-0115	LAIF					11,712.80	11,712.80
0-0111	UBS ACCOUNT SS 11432 GG						
	UBS Bank USA Dep acct					250,000.00	250,000.00
	UBS RMA Government Portfolio					578,992.27	77,575.92
	Accrued interest					12,651.07	10,398.85
US GOVERNMENT SECURITIES:							
	ISSUE DATE	ISSUER	EXPIR DATE	RATE	PAR	MARKET VALUE	MARKET VALUE
		FNMA	10/26/15	1.625	500,000	510,240.00	510,725.00
		FNMA	06/28/17	1.125	500,000	0.00	500,350.00
		FNMA	07/17/17	1.2	500,000	496,795.00	499,105.00
		FHLB	12/28/17	0.95	500,000	490,610.00	493,420.00
					2,000,000	1,497,645.00	2,003,600.00
CD'S							
	1 Bank of India	05/07/14	0.50	240,000	240,012.00	240,019.20	
	2 Bank of Baroda	11/12/14	0.45	240,000	239,913.60	239,860.80	
	3 GE Capital Bank	05/01/15	0.60	64,000	63,953.92	63,938.56	
	4 Ally Bank	05/06/15	0.60	240,000	239,817.60	239,757.60	
	5 Sallie Mae Bank	11/06/15	0.85	240,000	240,302.40	240,175.20	
	6 Goldman Sachs Bk	11/07/16	1.00	240,000	239,529.60	239,200.80	
	7 CIT Bank	11/06/17	1.60	240,000	240,268.80	240,127.20	
	8 BMW Bank	11/15/18	2.00	240,000	240,187.20	239,779.20	
					1,744,000	1,743,985	1,742,859
TOTAL MANAGED ACCOUNT							
						4,083,273.46	4,084,433.33
TOTAL INVESTMENTS							
						9,693,517.92	11,317,853.35
UBS ACCOUNT SS 24016			Rate Stabilization Fund			480,044.28	480,025.80
GRAND TOTAL CASH AND INVESTMENTS							
						10,569,481.12	12,669,343.35
	Summary:						
	Checking		395,919		Incr (Decr)	(2,099,862.23)	575,097.40
	UBS MM		5,598,532				
	LAIF		11,713				
	UBS Investment		4,083,273				
	Rate Stab fund		480,044		BNY Mellon		
	Total		10,569,481		Construction	7,200,442.25	7,352,177.22

04/02/14	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014	
	January	February	March	April	May	June	July	August	September	October	November	December	YTD
Water Sales	1,649,955	1,630,351	1,685,802	1,859,000	2,005,000	2,163,000	2,302,000	2,457,000	2,505,000	2,288,000	2,076,000	1,766,000	24,387,108
	1,649,955	1,630,351	1,685,802	1,859,000	2,005,000	2,163,000	2,302,000	2,457,000	2,505,000	2,288,000	2,076,000	1,766,000	
Beginning Balance	12,223,261	12,094,245	12,669,343	10,569,481	12,060,355	12,406,153	12,476,628	12,089,737	12,098,883	10,173,526	9,198,584	9,517,159	
Water Receipts	1,955,377	1,805,677	1,780,736	1,859,000	2,005,000	2,163,000	2,302,000	2,457,000	2,505,000	2,288,000	2,076,000	1,766,000	24,962,790
Other													
Total Operating Revenue	1,955,377	1,805,677	1,780,736	1,859,000	2,005,000	2,163,000	2,302,000	2,457,000	2,505,000	2,288,000	2,076,000	1,766,000	
Operating Expenses:													
Total Operating Expenses excl GAC	2,060,493	1,411,384	1,787,681	1,722,800	1,952,000	1,976,400	2,171,600	2,171,600	2,196,000	2,196,000	1,830,000	1,708,000	23,183,958
													1,203,150
Non-Operating Revenue Expenses:													
Assessments, net	636,921	291,389	7,906	2,036,100	634,000	6,300	311,000	145,000			237,000	2,647,000	6,952,617
Special Avek CIF Payment													0
Interest	3,782	3,457	3,899	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	29,888
Mkt adj	10,554	1,203	(4,828)										6,929
Grant Re-imburement													0
Capital Improvement Fees		2,538		6,667	6,667	6,667	6,667	6,667	6,667	6,667	6,667	6,667	62,538
													0
DWR Refund/( payment )													0
Other /Palmdale Redevel Agency	10,079	52,154	16,438	55,833	55,833	55,833	55,833	55,833	55,833	55,833	55,833	55,833	581,172
Total Non-Operating Revenues	661,336	350,742	23,415	2,100,683	698,583	70,883	375,583	209,583	64,583	64,583	301,583	2,711,583	7,633,144
Capital Expenditures	(106,595)	(13,862)	(321,802)	(105,000)	(55,000)	(53,000)	(82,000)	(100,000)	(50,000)	(10,000)	(95,000)	(18,000)	(1,010,259)
GAC					(216,776)		(216,829)	(216,829)		(315,518)		(43,583)	(1,009,535)
SWP Capitalized	(578,181)	(118,142)	(142,503)	(118,142)	(118,141)	(118,140)	(578,178)	(118,140)	(146,976)	(118,140)	(118,140)	(118,139)	(2,390,962)
Prepaid Insurance (paid) refunded								(35,000)		(165,000)			(200,000)
Bond Payments Interest			(1,126,124)						(1,118,296)				(2,244,420)
Principal			(504,974)						(967,800)				(1,472,774)
System Work for AVEK													0
Butte payments				(507,000)						(507,000)			(1,014,000)
Capital leases	(460)	(37,933)	(20,929)	(15,868)	(15,868)	(15,868)	(15,868)	(15,868)	(15,868)	(15,868)	(15,868)	(15,868)	(202,134)
Legal adjudication fees													0
Total Cash Ending Balance	12,094,245	12,669,343	10,569,481	12,060,355	12,406,153	12,476,628	12,089,737	12,098,883	10,173,526	9,198,584	9,517,159	12,091,152	(9,544,084)
											Budget	10,756,000	(707,791)

# **PALMDALE WATER DISTRICT BOARD MEMORANDUM**

**DATE:** April 16, 2014 **April 21, 2014**  
**TO:** FINANCE COMMITTEE **Committee Meeting**  
**FROM:** Michael Williams, Finance Manager/CFO  
**VIA:** Mr. Dennis LaMoreaux, General Manager  
**RE:** ***AGENDA ITEM 4.3 – DISCUSSION AND OVERVIEW OF FINANCIAL STATEMENTS, REVENUE AND EXPENSE AND DEPARTMENTAL BUDGET REPORTS FOR MARCH 31, 2014***

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**Discussion:**

Presented here are the Balance Sheet and Profit/Loss Statement for the period ending March 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 March, 2014.

This is the third month of the District's Budget Year 2014. The target percentage is 25%. Revenues ideally are at or above, and expenditures ideally are below.

**Balance Sheet:**

- Page 1 is our balance sheet on March 31, 2014.
- The significant change is the asset reduction in investments by \$1.6MM due to our payments on bonds and loan and reduction in liability for the bond and loan payment.

**Profit/Loss Statement:**

- Page 3 is our profit/loss statement on March 31, 2014.
- Operating revenue is at 20% of budget. The percentages are usually lower than target this time of year.
- Cash operating expense is at 21% of budget. This is below the target of 25%.
- There are a couple departments slightly over the target 25% - Administration remains higher due to the Wood settlement payment, and Directors are over due to Director's Pay which we will see later in the report.

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

- Page 7 is our comparison of March, 2013 to March, 2014.
- Total operating revenue is up \$10K, or .6%.
- Operating expenditures are down by \$84K, or 6%.
- Page 8 is a graphic presentation of the water consumption comparison. Units billed in acre feet were up by 72, or 7%. Total revenue per unit sold is down \$0.26, or 6%, and total revenue per connection is up \$4.22, or 8%.

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

- Page 9 is our comparison of revenue, year-to-date.
- Operating revenue through March, 2014 is up \$42K.
- Retail water sales are up by \$176K from last year. This is reflective of the rate adjustment that went into effect in March.
- Total revenue is down \$735K. This is due mostly to assessments collected and booked. We now book assessments as received rather than by journal entry.
- Revenue through March, 2014 is at 19% of budget; last year we were at 21.5% 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 March, 2014 are up by \$1.1MM, or 22%, compared to 2013 due to early budget year departmental expenses and the Wood settlement payment.
- Total Expenses are up \$1MM, or 15%, for the same reasons.

**Departments:**

- Pages 14 through 22 are detailed budgets of each department. As stated earlier, Directors Department is over target due primarily to Director's Pay at 31%.

**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.

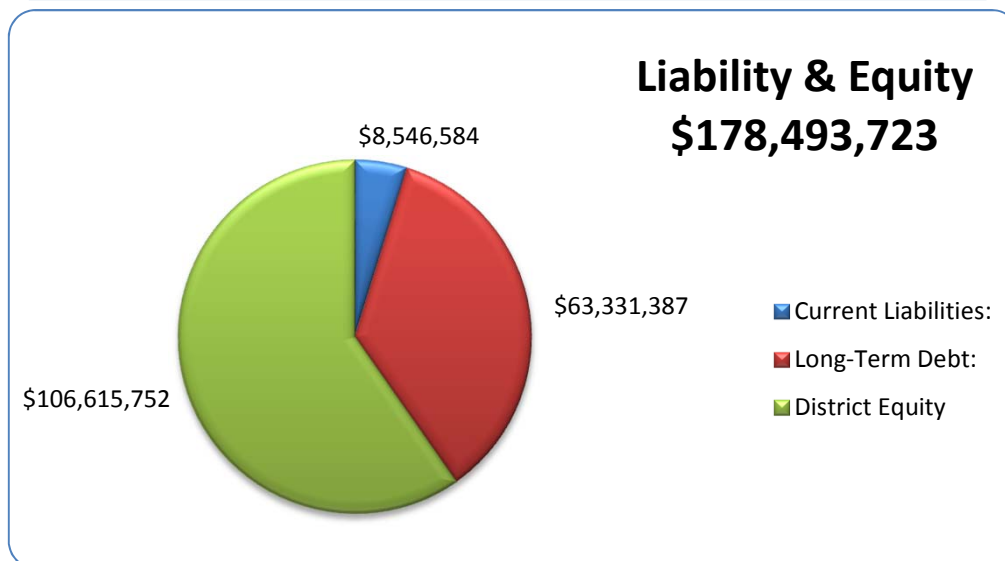
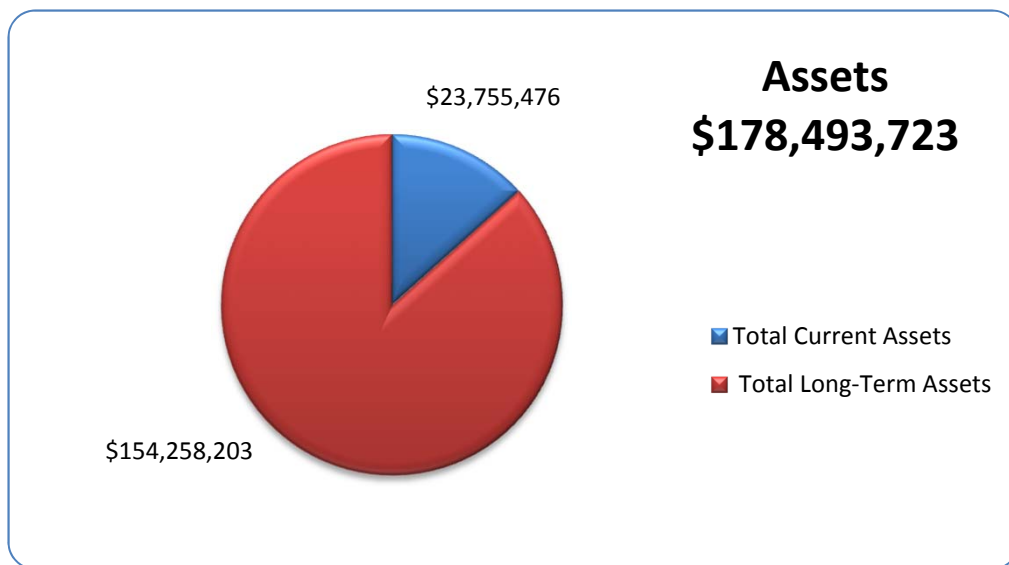
**Capitalized Construction:** The value of our labor force used to construct our asset infrastructure.

**Palmdale Water District**  
**Balance Sheet Report**  
**For the Three Months Ending 3/31/2014**

	<u>March 2014</u>	<u>February 2014</u>
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and Cash Equivalents	\$ 395,919	\$ 871,464
Investments	9,686,167	11,310,502
2013A Bonds - Project Funds	7,056,528	7,352,177
	<u>\$ 17,138,614</u>	<u>\$ 19,534,144</u>
<b>Receivables:</b>		
Accounts Receivables - Water Sales	\$ 1,522,482	\$ 1,562,123
Accounts Receivables - Miscellaneous	47,241	43,980
Allowance for Uncollected Accounts	(226,399)	(226,399)
	<u>\$ 1,343,323</u>	<u>\$ 1,379,704</u>
Interest Receivable	\$ -	\$ -
Assessments Receivables	4,255,364	4,263,271
Meters, Materials and Supplies	857,774	881,871
Prepaid Expenses	160,401	226,161
<b>Total Current Assets</b>	<b>\$ 23,755,476</b>	<b>\$ 26,285,151</b>
<b>Long-Term Assets:</b>		
Property, Plant, and Equipment, net	\$ 114,934,568	\$ 115,101,814
Participation Rights in State Water Project, net	39,087,751	39,104,758
2013A Bonds - Insurance & Surety Bond	235,884	236,550
	<u>\$ 154,258,203</u>	<u>\$ 154,443,122</u>
<b>Restricted Cash:</b>		
Rate Stabilization Fund	480,044	480,026
<b>Total Long-Term Assets &amp; Restricted Cash</b>	<b>\$ 154,738,247</b>	<b>\$ 154,923,148</b>
<b>Total Assets</b>	<b>\$ 178,493,723</b>	<b>\$ 181,208,299</b>
<b>LIABILITIES AND DISTRICT EQUITY</b>		
<b>Current Liabilities:</b>		
Current Interest Installment of Long-term Debt	\$ (25)	\$ 938,436
Current Principal Installment of Long-term Debt	1,137,998	1,642,972
Accounts Payable and Accrued Expenses	4,844,828	5,624,722
Deferred Assessments	2,563,783	2,571,690
<b>Total Current Liabilities</b>	<b>\$ 8,546,584</b>	<b>\$ 10,777,819</b>
<b>Long-Term Debt:</b>		
Pension-Related Debt	\$ 1,084,487	\$ 1,084,487
OPEB Liability	7,926,811	7,778,254
2013A Water Revenue Bonds	43,951,729	43,953,979
2012 - Certificates of Participation	10,015,357	10,008,559
2011 - Capital Lease Payable	353,004	367,020
<b>Total Long-Term Liabilities</b>	<b>\$ 63,331,387</b>	<b>\$ 63,192,300</b>
<b>Total Liabilities</b>	<b>\$ 71,877,971</b>	<b>\$ 73,970,119</b>
<b>District Equity</b>		
Revenue from Operations	\$ (2,056,417)	\$ (1,433,990)
Retained Earnings	108,672,169	108,672,169
<b>Total Liabilities and District Equity</b>	<b>\$ 178,493,723</b>	<b>\$ 181,208,299</b>



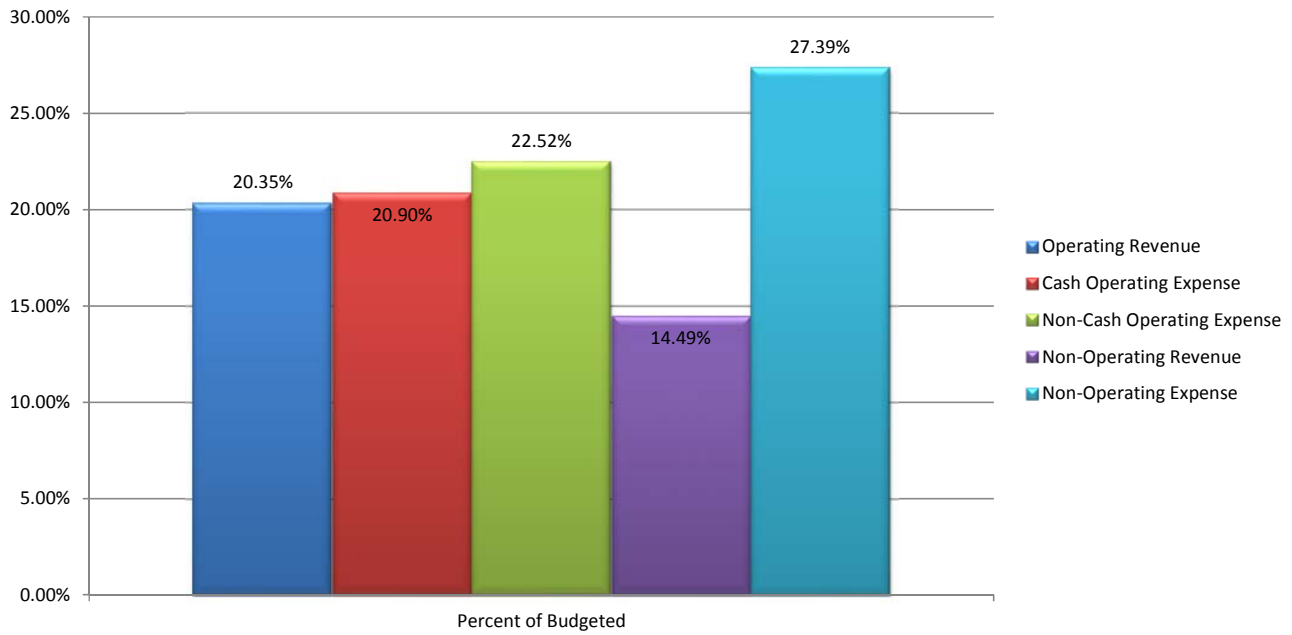
## BALANCE SHEET AS OF MARCH 31, 2014



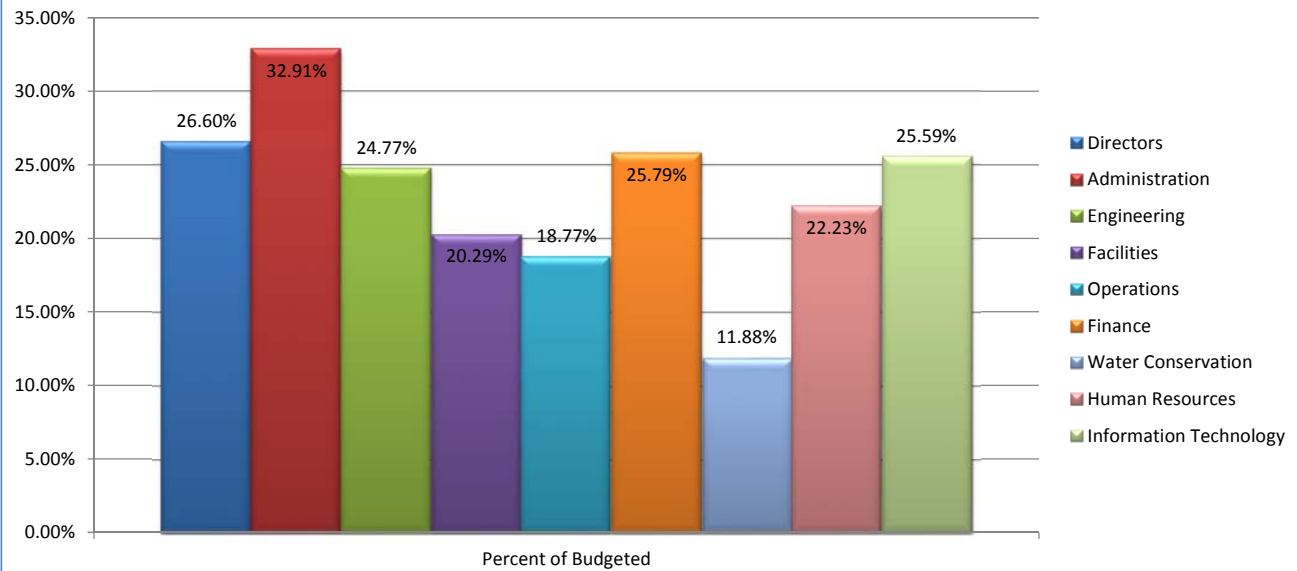
**Palmdale Water District**  
**Consolidated Profit and Loss Statement**  
**For the Three Months Ending 3/31/2014**

	Thru February	March	Year-to-Date	Adjustments	Adjusted Budget	% of Budget
<b>Operating Revenue:</b>						
Wholesale Water	\$ 3,031	\$ 9,904	\$ 12,935		\$ 225,000	5.75%
Water Sales	964,988	451,940	1,416,928		9,053,000	15.65%
Meter Fees	1,850,617	947,272	2,797,889		11,255,000	24.86%
Water Quality Fees	173,200	89,051	262,251		1,638,000	16.01%
Elevation Fees	49,403	26,150	75,553		525,000	14.39%
Other	238,543	161,485	400,027		1,700,000	23.53%
<b>Total Water Sales</b>	<b>\$ 3,279,782</b>	<b>\$ 1,685,802</b>	<b>\$ 4,965,584</b>	<b>\$ -</b>	<b>\$ 24,396,000</b>	<b>20.35%</b>
<b>Cash Operating Expenses:</b>						
Directors	\$ 16,391	\$ 14,066	\$ 30,457		\$ 114,500	26.60%
Administration	994,578	153,851	1,148,430		3,490,000	32.91%
Engineering	185,543	81,932	267,475		1,079,800	24.77%
Facilities	467,352	224,101	691,453		3,408,500	20.29%
Operations	792,080	231,408	1,023,488		5,453,500	18.77%
Finance	542,760	223,012	765,772		2,968,750	25.79%
Water Conservation	20,279	11,784	32,064		270,000	11.88%
Human Resources	28,878	18,993	47,871		215,300	22.23%
Information Technology	149,096	62,926	212,022		828,600	25.59%
Water Purchases	431,864	26,138	458,002		2,400,000	19.08%
Water Purchases-Prior Year OAP	-	-	-		250,000	0.00%
Water Recovery	(17,776)	-	(17,776)		(100,000)	17.78%
Capitalized Expenditures	194,289	195,893	390,182		2,143,500	18.20%
GAC Filter Media Replacement	-	-	-		1,638,000	0.00%
<b>Total Cash Operating Expenses</b>	<b>\$ 3,805,334</b>	<b>\$ 1,244,104</b>	<b>\$ 5,049,438</b>	<b>\$ -</b>	<b>\$ 24,160,450</b>	<b>20.90%</b>
<b>Non-Cash Operating Expenses:</b>						
Depreciation	\$ 1,107,401	\$ 554,288	\$ 1,661,690		\$ 7,350,000	22.61%
OPEB Accrual Expense	333,750	166,875	500,625		2,000,000	25.03%
Bad Debts	7,268	7,314	14,583		100,000	14.58%
Service Costs Construction	4,985	(12,889)	(7,903)		125,000	-6.32%
Capitalized Construction	(168,994)	(69,112)	(238,106)		(1,000,000)	23.81%
<b>Total Non-Cash Operating Expenses</b>	<b>\$ 1,284,410</b>	<b>\$ 646,477</b>	<b>\$ 1,930,887</b>	<b>\$ -</b>	<b>\$ 8,575,000</b>	<b>22.52%</b>
<b>Net Operating Profit/(Loss)</b>	<b>\$ (1,809,962)</b>	<b>\$ (204,779)</b>	<b>\$ (2,014,741)</b>	<b>\$ -</b>	<b>\$ (8,339,450)</b>	<b>24.16%</b>
<b>Non-Operating Revenues:</b>						
Assessments (Debt Service)	\$ 672,341	\$ 278	\$ 672,619		\$ 4,400,000	15.29%
Assessments (1%)	255,970	7,628	263,598		1,800,000	14.64%
DWR Fixed Charge Recovery	-	-	-		100,000	0.00%
Interest	18,989	(929)	18,060		25,000	72.24%
Capital Improvement Fees	2,538	-	2,538		150,000	1.69%
State Grants	-	-	-		485,000	0.00%
Other	62,234	16,438	78,672		185,000	42.53%
<b>Total Non-Operating Revenues</b>	<b>\$ 1,012,071</b>	<b>\$ 23,415</b>	<b>\$ 1,035,486</b>	<b>\$ -</b>	<b>\$ 7,145,000</b>	<b>14.49%</b>
<b>Non-Operating Expenses:</b>						
Interest on Long-Term Debt	\$ 391,495	\$ 194,752	\$ 586,247		\$ 2,111,000	27.77%
Amortization of SWP	319,020	159,510	478,530		1,679,000	28.50%
Water Conservation Programs	9,059	3,327	12,385		143,000	8.66%
<b>Total Non-Operating Expenses</b>	<b>\$ 719,574</b>	<b>\$ 357,589</b>	<b>\$ 1,077,162</b>	<b>\$ -</b>	<b>\$ 3,933,000</b>	<b>27.39%</b>
<b>Net Earnings</b>	<b>\$ (1,517,465)</b>	<b>\$ (538,952)</b>	<b>\$ (2,056,417)</b>	<b>\$ -</b>	<b>\$ (5,127,450)</b>	<b>40.11%</b>

### P & L BUDGET vs. ACTUAL

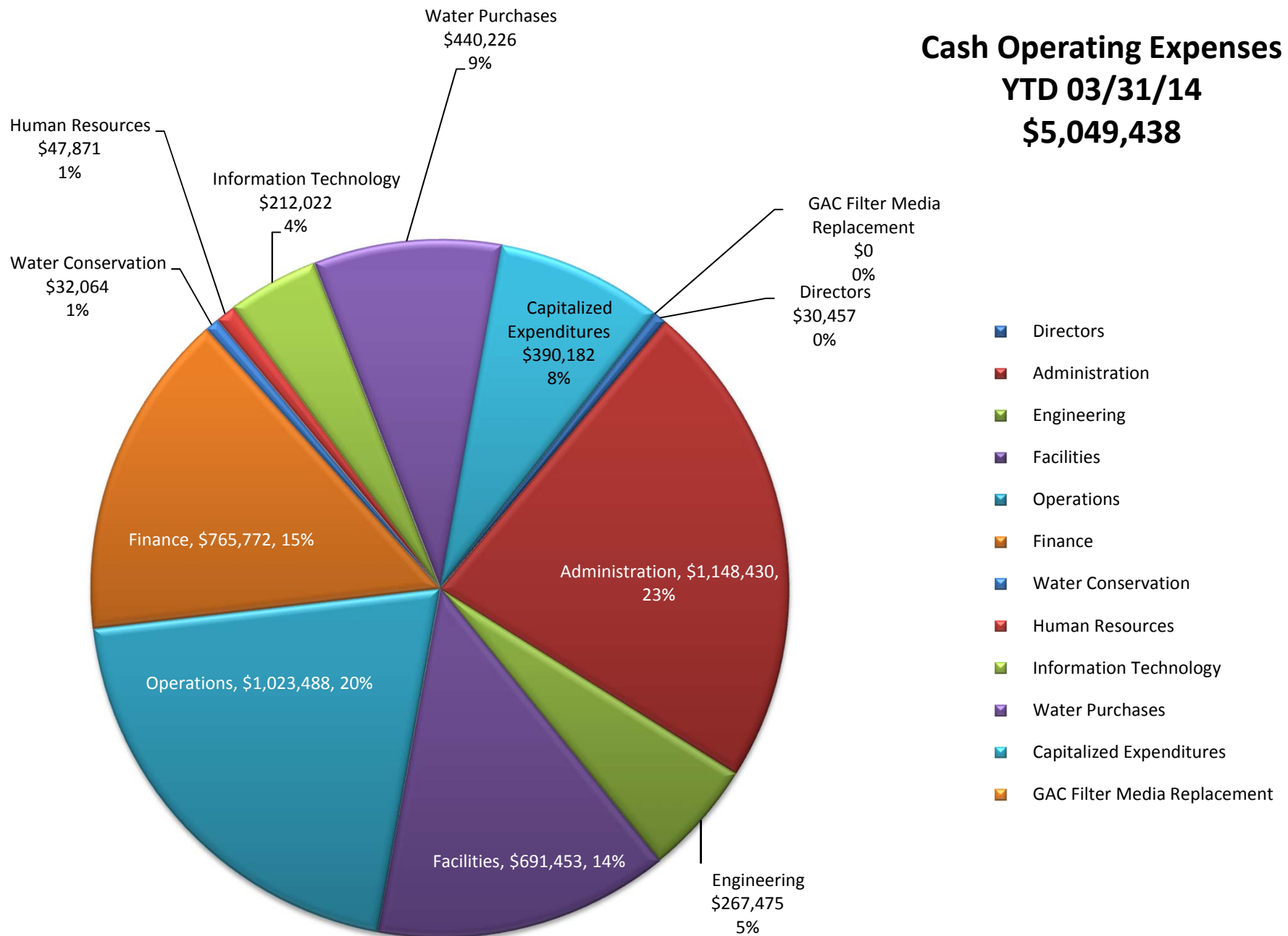


### DEPARTMENTAL - BUDGET vs. ACTUAL

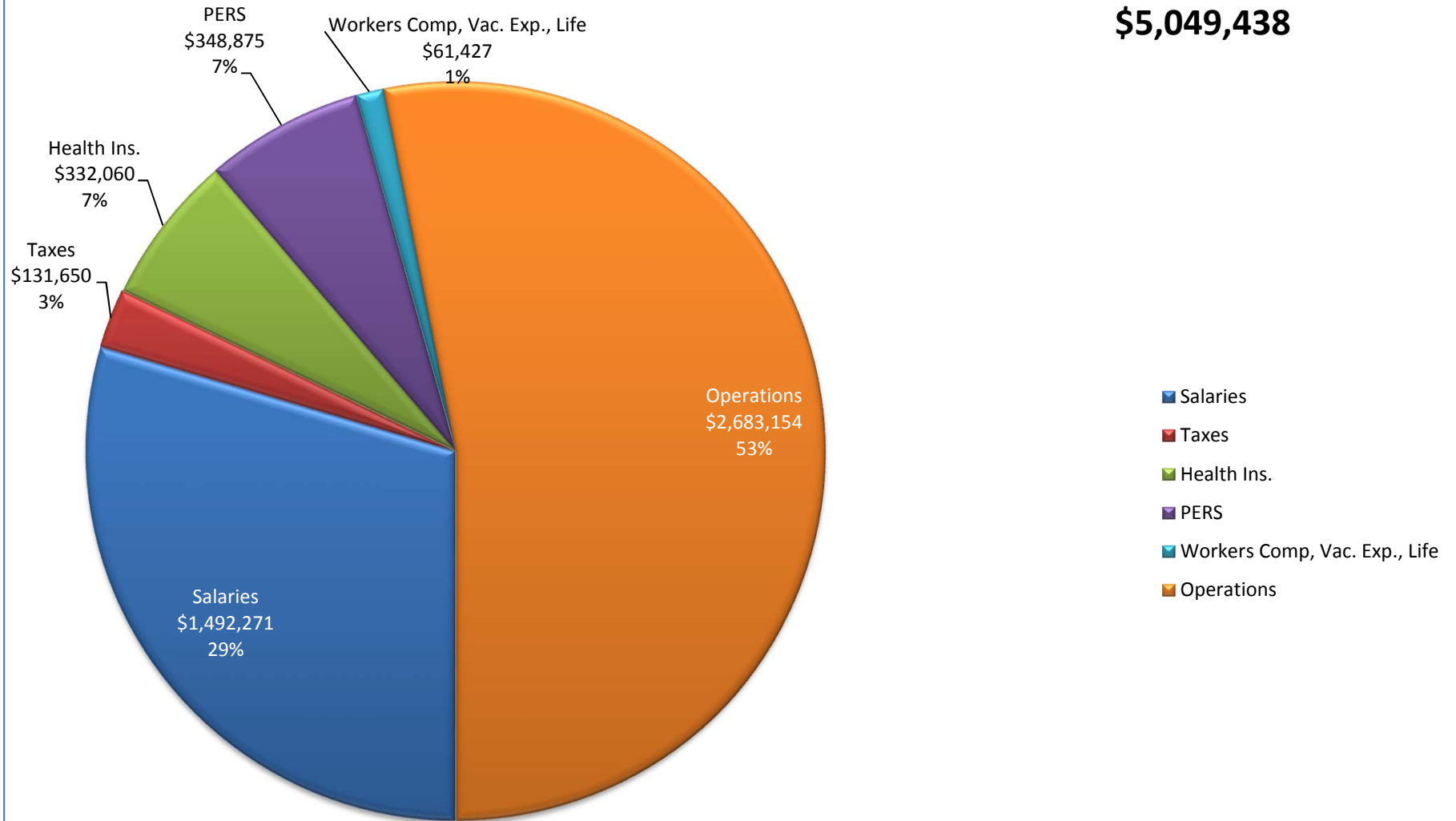




## Cash Operating Expenses YTD 03/31/14 \$5,049,438



**Personnel to Operations Exp**  
**YTD 03/31/14**  
**\$5,049,438**



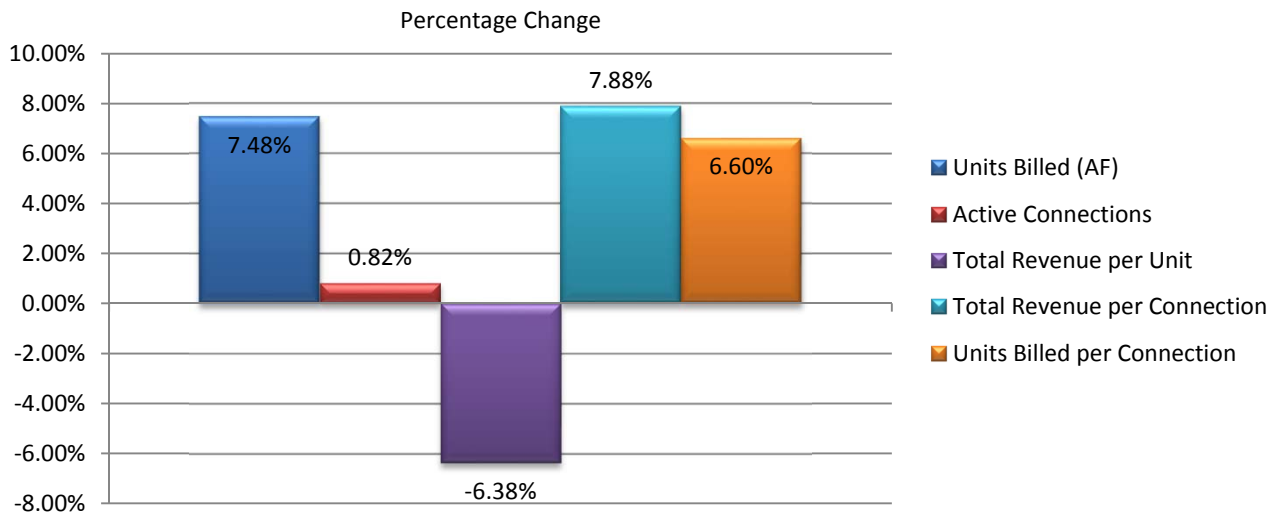
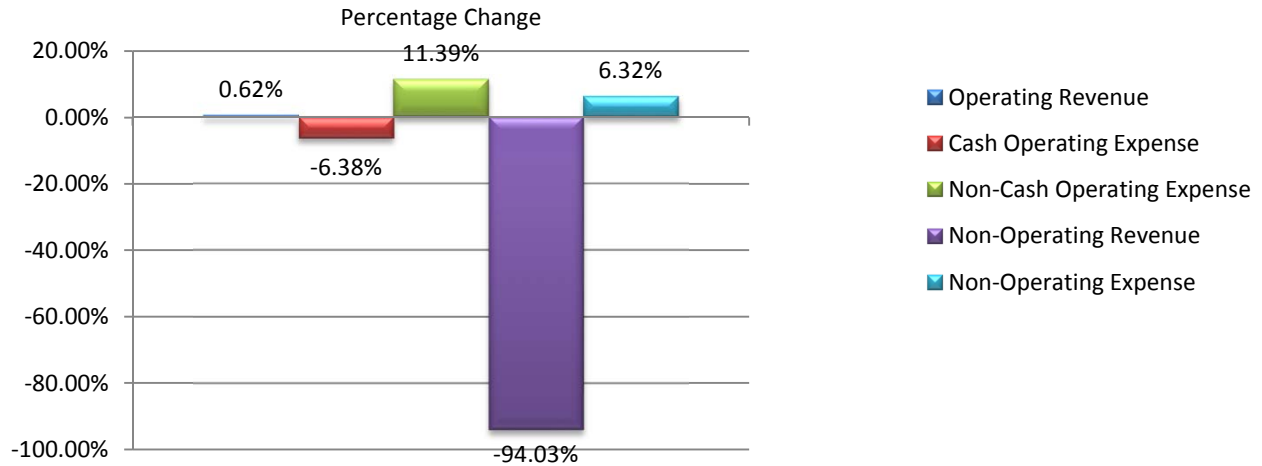
**Palmdale Water District  
Profit and Loss Statement  
Year-To-Year Comparison - March**

	2013 March	2014 March	Change	% Change		Consumption Comparison	
					Units Billed	2013	2014
<b>Operating Revenue:</b>						418,458	449,739
Wholesale Water	\$ 170	\$ 9,904	\$ 9,734	5733.90%	Active	26,203	26,417
Water Sales	371,704	451,940	80,236	21.59%	Vacant	1,140	939
Meter Fees	920,678	947,272	26,593	2.89%			
Water Quality Fees	83,871	89,051	5,180	6.18%			
Elevation Fees	25,076	26,150	1,074	4.28%	Rev/unit	\$ 4.00	\$ 3.75
Other	273,912	161,485	(112,428)	-41.05%	Rev/con	\$ 53.49	\$ 57.70
<b>Total Water Sales</b>	<b>\$ 1,675,412</b>	<b>\$ 1,685,802</b>	<b>\$ 10,390</b>	<b>0.62%</b>	Unit/con	15.97	17.02
<b>Cash Operating Expenses:</b>							
Directors	\$ 9,342	\$ 14,066	\$ 4,725	50.58%			
Administration	157,777	153,851	(3,926)	-2.49%			
Engineering	132,765	81,932	(50,833)	-38.29%			
Facilities	216,387	224,101	7,714	3.56%			
Operations	335,839	231,408	(104,431)	-31.10%			
Finance	222,486	223,012	525	0.24%			
Water Conservation	18,274	11,784	(6,490)	-35.51%			
Human Resources	8,871	18,993	10,122	114.11%			
Information Technology	76,634	62,926	(13,708)	-17.89%			
Water Purchases	28,074	26,138	(1,936)	-6.90%			
Water Purchases-Prior Year OAP	-	-	-				
Water Recovery	-	-	-				
Capitalized Expenditures	122,413	195,893	73,480	60.03%			
GAC Filter Media Replacement	-	-	-				
<b>Total Cash Operating Expenses</b>	<b>\$ 1,328,862</b>	<b>\$ 1,244,104</b>	<b>\$ (84,758)</b>	<b>-6.38%</b>			
<b>Non-Cash Operating Expenses:</b>							
Depreciation	\$ 590,474	\$ 554,288	\$ (36,186)	-6.13%			
OPEB Accrual Expense	165,223	166,875	1,652	1.00%			
Bad Debts	-	7,314	7,314	#DIV/0!			
Service Costs Construction	(98,233)	(12,889)	85,344	-86.88%			
Capitalized Construction	(77,106)	(69,112)	7,994	-10.37%			
<b>Total Non-Cash Operating Expenses</b>	<b>\$ 580,358</b>	<b>\$ 646,477</b>	<b>\$ 66,119</b>	<b>11.39%</b>			
<b>Net Operating Profit/(Loss)</b>	<b>\$ (233,807)</b>	<b>\$ (204,779)</b>	<b>\$ 29,028</b>	<b>-12.42%</b>			
<b>Non-Operating Revenues:</b>							
Assessments (Debt Service)	\$ 355,857	\$ 278	\$ (355,579)	-99.92%			
Assessments (1%)	144,143	7,628	(136,514)	-94.71%			
DWR Fixed Charge Recovery	-	-	-				
Interest	1,396	(929)	(2,325)	-166.57%			
Capital Improvement Fees	(116,241)	-	116,241	-100.00%			
State Grants	-	-	-				
Other	6,774	16,438	9,664	142.66%			
<b>Total Non-Operating Revenues</b>	<b>\$ 391,929</b>	<b>\$ 23,415</b>	<b>\$ (368,514)</b>	<b>-94.03%</b>			
<b>Non-Operating Expenses:</b>							
Interest on Long-Term Debt	\$ 185,870	\$ 194,752	\$ 8,881	4.78%			
Amortization of SWP	144,745	159,510	14,765	10.20%			
Water Conservation Programs	5,725	3,327	(2,398)	-41.89%			
<b>Total Non-Operating Expenses</b>	<b>\$ 336,340</b>	<b>\$ 357,589</b>	<b>\$ 21,248</b>	<b>6.32%</b>			
<b>Net Earnings</b>	<b>\$ (178,218)</b>	<b>\$ (538,952)</b>	<b>\$ (360,734)</b>	<b>202.41%</b>			



# YEAR-TO-YEAR COMPARISON

## March '13 -To - March '14



	2013	2014	Change	
Units Billed (AF)	961	1,032	72	7.48%
Active Connections	26,203	26,417	214	0.82%
Non-Active	1,140	939	-201	-17.63%
Total Revenue per Unit	\$4.00	\$3.75	-\$0.26	-6.38%
Total Revenue per Connection	\$53.49	\$57.70	\$4.22	7.88%
Units Billed per Connection	15.97	17.02	1.05	6.60%

**Palmdale Water District**  
**Revenue Analysis**  
**For the Three Months Ending 3/31/2014**  
**2014**

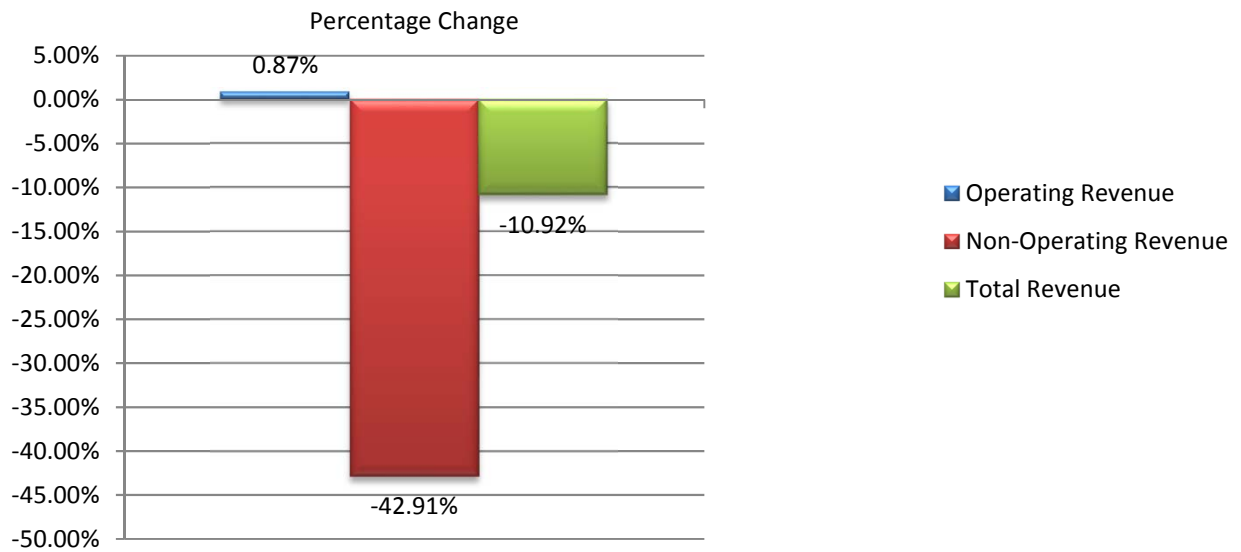
**2013 to 2014 Comparison**

	Thru February	March	Year-to-Date	Adjusted Budget	% of Budget	Thru February	March	Year-to-Date	% Change
<b>Operating Revenue:</b>									
Wholesale Water	\$ 3,031	\$ 9,904	\$ 12,935	\$ 225,000	5.75%	\$ 3,031	9,734	8,141	169.82%
Water Sales	964,988	451,940	1,416,928	9,053,000	15.65%	38,944	80,236	119,180	9.18%
Meter Fees	1,850,617	947,272	2,797,889	11,255,000	24.86%	10,783	26,593	37,377	1.35%
Water Quality Fees	173,200	89,051	262,251	1,638,000	16.01%	10,936	5,180	16,116	6.55%
Elevation Fees	49,403	26,150	75,553	525,000	14.39%	2,553	1,074	3,627	5.04%
Other	238,543	161,485	400,027	1,700,000	23.53%	(29,308)	(112,428)	(141,736)	-26.16%
<b>Total Water Sales</b>	<b>\$ 3,279,782</b>	<b>\$ 1,685,802</b>	<b>\$ 4,965,584</b>	<b>\$ 24,396,000</b>	<b>20.35%</b>	<b>\$ 36,939</b>	<b>\$ 10,390</b>	<b>\$ 42,704</b>	<b>0.87%</b>
<b>Non-Operating Revenues:</b>									
Assessments (Debt Service)	\$ 672,341	\$ 278	\$ 672,619	\$ 4,400,000	15.29%	\$ (259,587)	\$ (355,579)	\$ (615,166)	-47.77%
Assessments (1%)	\$ 255,970	7,628	263,598	1,800,000	14.64%	(121,515)	(136,514)	(258,029)	-49.47%
DWR Fixed Charge Recovery	-	-	-	100,000	0.00%	-	-	-	-
Interest	18,989	(929)	18,060	25,000	72.24%	21,207	(2,325)	18,882	-2295.95%
Capital Improvement Fees	2,538	-	2,538	150,000	1.69%	(41,638)	116,241	74,603	-103.52%
State Grants	-	-	-	485,000	0.00%	-	-	-	-
Other	62,234	16,438	78,672	185,000	42.53%	(8,224)	9,664	1,440	1.87%
<b>Total Non-Operating Revenues</b>	<b>\$ 1,012,071</b>	<b>\$ 23,415</b>	<b>\$ 1,035,486</b>	<b>\$ 7,145,000</b>	<b>14.49%</b>	<b>\$ (409,756)</b>	<b>\$ (368,514)</b>	<b>\$ (778,270)</b>	<b>-42.91%</b>
<b>Total Revenue</b>	<b>\$ 4,291,853</b>	<b>\$ 1,709,217</b>	<b>\$ 6,001,070</b>	<b>\$ 31,541,000</b>	<b>19.03%</b>	<b>\$ (372,817)</b>	<b>\$ (358,124)</b>	<b>\$ (735,565)</b>	<b>-10.92%</b>

	Thru February	March	Year-to-Date	Adjusted Budget	% of Budget
<b>Operating Revenue:</b>					
Wholesale Water	\$ 4,624	\$ 170	\$ 4,794	\$ 175,000	2.74%
Water Sales	926,044	371,704	1,297,748	8,198,000	15.83%
Meter Fees	1,839,834	920,678	2,760,512	11,232,000	24.58%
Water Quality Fees	162,264	83,871	246,135	1,638,000	15.03%
Elevation Fees	46,850	25,076	71,927	550,000	13.08%
Other	267,851	273,912	541,763	1,250,000	43.34%
<b>Total Water Sales</b>	<b>\$ 3,242,843</b>	<b>\$ 1,675,412</b>	<b>\$ 4,922,879</b>	<b>\$ 22,868,000</b>	<b>21.53%</b>
<b>Non-Operating Revenues:</b>					
Assessments (Debt Service)	\$ 931,927	\$ 355,857	\$ 1,287,785	\$ 4,300,000	29.95%
Assessments (1%)	\$ 377,484	144,143	521,627	2,021,627	25.80%
DWR Fixed Charge Recovery	-	-	-	100,000	-
Interest	(2,218)	1,396	(822)	25,000	-3.29%
Capital Improvement Fees	44,176	(116,241)	(72,065)	150,000	-48.04%
State Grants	-	-	-	485,000	0.00%
Other	70,458	6,774	77,231	150,000	51.49%
<b>Total Non-Operating Revenues</b>	<b>\$ 1,421,827</b>	<b>\$ 391,929</b>	<b>\$ 1,813,756</b>	<b>\$ 7,231,627</b>	<b>25.08%</b>
<b>Total Revenue</b>	<b>\$ 4,664,670</b>	<b>\$ 2,067,341</b>	<b>\$ 6,736,635</b>	<b>\$ 30,099,627</b>	<b>22.38%</b>

# REVENUE COMPARISON YEAR-TO-DATE

March '13-To-March '14





**Palmdale Water District**  
**Operating Expense Analysis**  
**For the Three Months Ending 3/31/2014**  
**2014**

**2013 to 2014 Comparison**

	Thru February	March	Year-to-Date	Adjusted Budget	% of Budget	Thru February	March	Year-to-Date	% Change
<b>Cash Operating Expenses:</b>									
Directors	\$ 16,391	\$ 14,066	\$ 30,457	\$ 114,500	26.60%	\$ (75)	\$ 4,725	\$ 4,649	18.01%
Administration	994,578	153,851	1,148,430	3,490,000	32.91%	674,316	(3,926)	670,391	140.24%
Engineering	185,543	81,932	267,475	1,079,800	24.77%	(15,479)	(50,833)	(66,312)	-19.87%
Facilities	467,352	224,101	691,453	3,408,500	20.29%	(4,638)	7,714	3,076	0.45%
Operations	792,080	231,408	1,023,488	5,453,500	18.77%	142,606	(104,431)	38,175	3.87%
Finance	542,760	223,012	765,772	2,968,750	25.79%	143,375	525	143,900	23.14%
Water Conservation	20,279	11,784	32,064	270,000	11.88%	(14,409)	(6,490)	(20,898)	-39.46%
Human Resources	28,878	18,993	47,871	215,300	22.23%	9,980	10,122	20,102	72.39%
Information Technology	149,096	62,926	212,022	828,600	25.59%	149,096	(13,708)	39,757	23.08%
Water Purchases	431,864	26,138	458,002	2,400,000	19.08%	107,438	(1,936)	105,502	29.93%
Water Purchases-Prior Year OAP	-	-	-	250,000	0.00%	-	-	-	-
Water Recovery	(17,776)	-	(17,776)	(100,000)	17.78%	115,874	-	115,874	-86.70%
Capitalized Expenditures	194,289	195,893	390,182	2,143,500	18.20%	(22,746)	73,480	50,735	14.95%
GAC Filter Media Replacement	-	-	-	1,638,000	0.00%	-	-	-	-
<b>Total Cash Operating Expenses</b>	<b>\$ 3,805,334</b>	<b>\$ 1,244,104</b>	<b>\$ 5,049,438</b>	<b>\$ 24,160,450</b>	<b>20.90%</b>	<b>\$ 1,285,338</b>	<b>\$ (84,758)</b>	<b>\$ 1,104,950</b>	<b>21.88%</b>
<b>Non-Cash Operating Expenses:</b>									
Depreciation	\$ 1,107,401	\$ 554,288	\$ 1,661,690	\$ 7,350,000	22.61%	\$ (75,291)	\$ (36,186)	\$ (111,477)	-6.29%
OPEB Accrual Expense	333,750	166,875	500,625	2,000,000	25.03%	3,305	1,652	4,957	1.00%
Bad Debts	7,268	7,314	14,583	100,000	14.58%	2,433	7,314	9,747	201.56%
Service Costs Construction	4,985	(12,889)	(7,903)	125,000	-6.32%	(49,568)	85,344	35,776	-81.91%
Capitalized Construction	(168,994)	(69,112)	(238,106)	(1,000,000)	23.81%	(46,148)	7,994	(38,153)	19.08%
<b>Total Non-Cash Operating Expenses</b>	<b>\$ 1,284,410</b>	<b>\$ 646,477</b>	<b>\$ 1,930,887</b>	<b>\$ 8,575,000</b>	<b>22.52%</b>	<b>\$ (165,270)</b>	<b>\$ 66,119</b>	<b>\$ (99,150)</b>	<b>-5.13%</b>
<b>Non-Operating Expenses:</b>									
Interest on Long-Term Debt	\$ 391,495	\$ 194,752	\$ 586,247	\$ 2,111,000	27.77%	\$ 19,620	\$ 8,881	\$ 28,501	5.11%
Amortization of SWP	319,020	159,510	478,530	1,679,000	28.50%	32,146	14,765	46,911	10.87%
Water Conservation Programs	9,059	3,327	12,385	143,000	8.66%	(9,520)	(2,398)	(11,918)	-1.18%
<b>Total Non-Operating Expenses</b>	<b>\$ 719,574</b>	<b>\$ 357,589</b>	<b>\$ 1,077,162</b>	<b>\$ 3,933,000</b>	<b>27.39%</b>	<b>\$ 42,246</b>	<b>\$ 21,248</b>	<b>\$ 63,494</b>	<b>6.26%</b>
<b>Total Expenses</b>	<b>\$ 5,809,318</b>	<b>\$ 2,248,169</b>	<b>\$ 8,057,487</b>	<b>\$ 36,668,450</b>	<b>21.97%</b>	<b>\$ 1,162,314</b>	<b>\$ 2,610</b>	<b>\$ 1,069,293</b>	<b>15.30%</b>

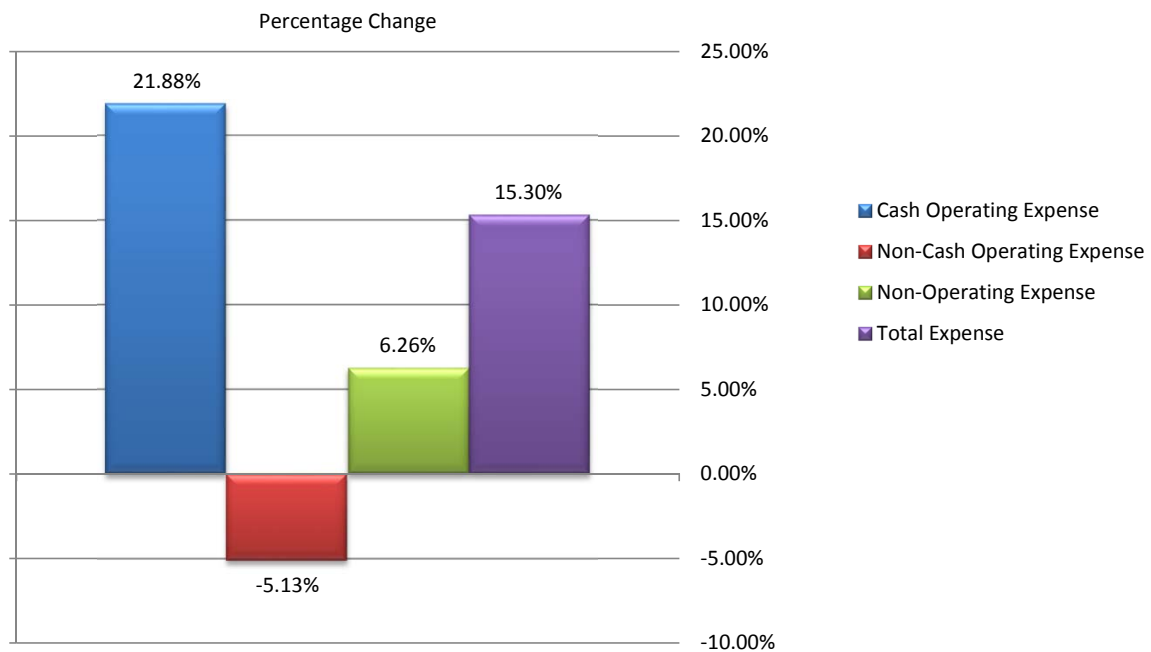
**Palmdale Water District**  
**Operating Expense Analysis**  
**For the Three Months Ending 3/31/2014**  
**2013**

**2013 to 2014 Comparison**

	Thru February	March	Year-to-Date	Adjusted Budget	% of Budget
<b>Cash Operating Expenses:</b>					
Directors	\$ 16,466	\$ 9,342	\$ 25,808	\$ 117,500	21.96%
Administration	320,262	157,777	478,039	2,602,000	18.37%
Engineering	201,022	132,765	333,787	1,215,750	27.46%
Facilities	471,990	216,387	688,377	3,298,500	20.87%
Operations	649,474	335,839	985,313	4,944,250	19.93%
Finance	399,385	222,486	621,872	2,789,000	22.30%
Water Conservation	34,688	18,274	52,962	239,750	22.09%
Human Resources	18,898	8,871	27,769	209,600	13.25%
Information Technology	95,631	76,634	172,265	728,000	23.66%
Water Purchases	324,426	28,074	352,500	2,600,000	13.56%
Water Purchases-Prior Year OAP	-	-	-	-	
Water Recovery	(133,650)	-	(133,650)	(100,000)	133.65%
Capitalized Expenditures	217,034	122,413	339,447	836,500	40.58%
GAC Filter Media Replacement	-	-	-	1,638,000	0.00%
<b>Total Cash Operating Expenses</b>	<b>\$ 2,615,626</b>	<b>\$ 1,328,862</b>	<b>\$ 3,944,488</b>	<b>\$ 21,118,850</b>	<b>18.68%</b>
<b>Non-Cash Operating Expenses:</b>					
Depreciation	\$ 1,182,692	\$ 590,474	\$ 1,773,166	\$ 7,250,000	24.46%
OPEB Accrual Expense	330,445	165,223	495,668	2,000,000	24.78%
Bad Debts	4,836	-	4,836	100,000	4.84%
Service Costs Construction	54,553	(98,233)	(43,680)	125,000	-34.94%
Capitalized Construction	(122,847)	(77,106)	(199,953)	(1,000,000)	20.00%
<b>Total Non-Cash Operating Expenses</b>	<b>\$ 1,449,680</b>	<b>\$ 580,358</b>	<b>\$ 2,030,038</b>	<b>\$ 8,475,000</b>	<b>23.95%</b>
<b>Non-Operating Expenses:</b>					
Interest on Long-Term Debt	\$ 371,876	\$ 185,870	\$ 557,746	\$ 2,111,000	26.42%
Amortization of SWP	286,874	144,745	431,619	1,679,000	25.71%
Water Conservation Programs	18,578	5,725	24,303	150,000	16.20%
<b>Total Non-Operating Expenses</b>	<b>\$ 677,328</b>	<b>\$ 336,340</b>	<b>\$ 1,013,668</b>	<b>\$ 3,940,000</b>	<b>25.73%</b>
<b>Total Expenses</b>	<b>\$ 4,742,634</b>	<b>\$ 2,245,560</b>	<b>\$ 6,988,194</b>	<b>\$ 33,533,850</b>	<b>20.84%</b>

## EXPENSE COMPARISON YEAR-TO-DATE

March '13-To-March '14



**Palmdale Water District**  
**2014 Directors Budget**  
For the Three Months Ending Monday, March 31, 2014

	YTD ACTUAL 2014	ORIGINAL BUDGET 2014	ADJUSTMENTS 2014	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-01-4000-000 Directors Pay	\$ 14,100	\$ 45,000	\$ -	\$ 30,900	31.33%
Employee Benefits					
1-01-4005-000 Payroll Taxes	1,070	5,500		4,430	19.46%
1-01-4010-000 Health Insurance	9,236	54,000		44,764	17.10%
Subtotal (Benefits)	10,307	59,500	-	44,764	17.32%
Total Personnel Expenses	<u>\$ 24,407</u>	<u>\$ 104,500</u>	<u>\$ -</u>	<u>\$ 75,664</u>	<u>23.36%</u>
OPERATING EXPENSES:					
1-01-4050-000 Directors Travel, Seminars & Meetings	6,051	10,000		3,949	60.51%
Subtotal Operating Expenses	6,051	10,000	-	3,949	60.51%
Total O & M Expenses	<u>\$ 30,457</u>	<u>\$ 114,500</u>	<u>\$ -</u>	<u>\$ 79,613</u>	<u>26.60%</u>



**Palmdale Water District**  
**2014 Administration Budget**  
For the Three Months Ending Monday, March 31, 2014

	YTD ACTUAL 2014	ORIGINAL BUDGET 2014	ADJUSTMENTS 2014	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-02-4000-000 Salaries	\$ 151,019	\$ 656,000		\$ 504,981	23.02%
1-02-4000-100 Overtime	2,592	7,500		4,908	34.56%
1-02-4000-200 On-Call	10,937	60,000		49,063	18.23%
Subtotal (Salaries)	\$ 164,548	\$ 723,500		\$ 558,952	22.74%
Employee Benefits					
1-02-4005-000 Payroll Taxes	13,075	41,500		28,425	31.51%
1-02-4010-000 Health Insurance	24,036	96,000		71,964	25.04%
1-02-4015-000 PERS	35,745	132,500		96,755	26.98%
1-02-4020-000 Worker's Compensation	-	125,000		125,000	0.00%
1-02-4025-000 Vacation Benefit Expense	59,575	35,000		(24,575)	170.21%
1-02-4030-000 Life Insurance	1,852	7,500		5,648	24.70%
Subtotal (Benefits)	\$ 134,284	\$ 437,500	\$ -	\$ 303,216	30.69%
Total Personnel Expenses	\$ 298,832	\$ 1,161,000	\$ -	\$ 862,168	25.74%
OPERATING EXPENSES:					
1-02-4050-000 Staff Travel	\$ 3,065	\$ 8,000		\$ 4,935	38.31%
1-02-4050-100 General Manager Travel	1,556	5,000		3,444	31.13%
1-02-4060-000 Staff Conferences & Seminars	920	3,000		2,080	30.67%
1-02-4060-100 General Manager Conferences & Seminars	1,040	4,500		3,460	23.11%
1-02-4070-000 Employee Expense	8,908	40,000		31,092	22.27%
1-02-4080-000 Other Operating	408	20,000		19,592	2.04%
1-02-4110-000 Consultants	9,421	200,000		190,579	4.71%
1-02-4125-000 Insurance	65,711	300,000		234,289	21.90%
1-02-4130-000 Bank Charges	30,867	130,000		99,133	23.74%
1-02-4135-000 Groundwater Adjudication	77,457	400,000		322,543	19.36%
1-02-4135-000 Groundwater Adjudication - Woods Class	590,450	590,500		50	99.99%
1-02-4140-000 Legal Services	14,256	200,000		185,744	7.13%
1-02-4150-000 Accounting Services	9,370	25,000		15,630	37.48%
1-02-4155-000 Contracted Services	4,766	29,000		24,234	16.43%
1-02-4165-000 Memberships/Subscriptions	8,325	210,000		201,675	3.96%
1-02-4175-000 Permits	1,400	15,000		13,600	9.33%
1-02-4180-000 Postage	3,507	30,000		26,493	11.69%
1-02-4190-100 Public Relations - Publications	4,109	40,000		35,891	10.27%
1-02-4190-900 Public Relations - Other	353	1,000		647	35.30%
1-02-4200-000 Advertising	39	5,000		4,961	0.78%
1-02-4205-000 Office Supplies	6,692	18,000		11,308	37.18%
1-02-4215-200 Natural Gas - Office Building	1,079	5,000		3,921	21.57%
1-02-4220-200 Electricity - Office Building	5,898	50,000		44,102	11.80%
Subtotal Operating Expenses	\$ 849,598	\$ 2,329,000	\$ -	\$ 1,479,402	36.48%
Total Departmental Expenses	\$ 1,148,430	\$ 3,490,000	\$ -	\$ 2,341,570	32.91%

**Palmdale Water District**  
**2014 Engineering Budget**  
For the Three Months Ending Monday, March 31, 2014

	YTD ACTUAL 2014	ORIGINAL BUDGET 2014	ADJUSTMENTS 2014	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-03-4000-000 Salaries	\$ 139,405	\$ 668,500		\$ 529,095	20.85%
1-03-4000-100 Overtime	4,352	6,500		2,148	66.95%
Subtotal (Salaries)	\$ 143,757	\$ 675,000		\$ 531,243	21.30%
Employee Benefits					
1-03-4005-000 Payroll Taxes	12,974	51,500		38,526	25.19%
1-03-4010-000 Health Insurance	32,246	134,800		102,554	23.92%
1-03-4015-000 PERS	37,375	133,500		96,125	28.00%
Subtotal (Benefits)	\$ 82,596	\$ 319,800	\$ -	\$ 237,204	25.83%
Total Personnel Expenses	\$ 226,353	\$ 994,800	\$ -	\$ 768,447	22.75%
OPERATING EXPENSES:					
1-03-4050-000 Staff Travel	\$ 74	\$ 3,000		\$ 2,926	2.46%
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	215	2,000		1,786	10.73%
1-03-4250-000 General Materials & Supplies	415	2,500		2,085	16.60%
1-03-8100-100 Computer Software - Maint. & Support	419	13,500		13,082	3.10%
Subtotal Operating Expenses	\$ 41,122	\$ 85,000	\$ -	\$ 43,878	48.38%
Total Departmental Expenses	\$ 267,475	\$ 1,079,800	\$ -	\$ 812,325	24.77%

**Palmdale Water District**  
**2014 Facilities Budget**  
For the Three Months Ending Monday, March 31, 2014

	YTD ACTUAL 2014	ORIGINAL BUDGET 2014	ADJUSTMENTS 2014	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-04-4000-000 Salaries	\$ 295,595	\$ 1,450,000		\$ 1,154,405	20.39%
1-04-4000-100 Overtime	14,280	36,500		22,220	39.12%
Subtotal (Salaries)	\$ 309,875	\$ 1,486,500		\$ 1,176,625	20.85%
Employee Benefits					
1-04-4005-000 Payroll Taxes	27,923	111,000		83,077	25.16%
1-04-4010-000 Health Insurance	76,446	374,500		298,054	20.41%
1-04-4015-000 PERS	71,585	278,000		206,415	25.75%
Subtotal (Benefits)	\$ 175,954	\$ 763,500	\$ -	\$ 587,546	23.05%
Total Personnel Expenses	\$ 485,829	\$ 2,250,000	\$ -	\$ 1,741,951	21.59%
OPERATING EXPENSES:					
1-04-4050-000 Staff Travel	\$ 12	\$ 2,500		2,488	0.48%
1-04-4060-000 Staff Conferences & Seminars	1,096	3,000		1,904	36.53%
1-04-4155-000 Contracted Services	23,328	71,500		48,172	32.63%
1-04-4175-000 Permits-Dams	-	50,000		50,000	0.00%
1-04-4215-200 Natural Gas - Buildings	1,142	4,500		3,358	25.37%
1-04-4220-200 Electricity - Buildings	2,748	30,000		27,252	9.16%
1-04-4225-000 Maint. & Repair - Vehicles	3,064	45,000		41,936	6.81%
1-04-4230-100 Maint. & Rep. Office Building	325	18,000		17,675	
1-04-4235-110 Maint. & Rep. Equipment	1,108	7,500		6,392	14.78%
1-04-4235-400 Maint. & Rep. Operations - Wells	19,301	135,000		115,699	14.30%
1-04-4235-405 Maint. & Rep. Operations - Boosters	1,772	65,000		63,228	2.73%
1-04-4235-410 Maint. & Rep. Operations - Shop Bldgs	4,460	10,000		5,540	44.60%
1-04-4235-415 Maint. & Rep. Operations - Facilities	1,718	15,000		13,282	11.45%
1-04-4235-420 Maint. & Rep. Operations - Water Lines	54,009	275,000		220,991	19.64%
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	807	3,000		2,193	26.89%
1-04-4235-455 Maint. & Rep. Operations - Heavy Equipment	27,795	35,000		7,205	79.42%
1-04-4235-460 Maint. & Rep. Operations - Storage Reservoirs	-	5,000		5,000	0.00%
1-04-6000-000 Waste Disposal	2,992	40,000		37,008	7.48%
1-04-6100-100 Fuel and Lube - Vehicle	23,920	130,000		106,080	18.40%
1-04-6100-200 Fuel and Lube - Machinery	6,241	43,000		36,759	14.51%
1-04-6200-000 Uniforms	3,498	21,000		17,502	16.66%
1-04-6300-100 Supplies - Misc.	13,442	47,500		34,058	28.30%
1-04-6300-800 Supplies - Construction Materials	7,319	45,000		37,681	16.26%
1-04-6400-000 Tools	3,062	12,000		8,938	25.51%
1-04-7000-100 Leases -Equipment	2,466	15,000		12,534	16.44%
Subtotal Operating Expenses	\$ 205,624	\$ 1,158,500	\$ -	\$ 952,876	17.75%
Total Departmental Expenses	\$ 691,453	\$ 3,408,500	\$ -	\$ 2,694,827	20.29%

**Palmdale Water District**  
**2014 Operation Budget**  
For the Three Months Ending Monday, March 31, 2014

	YTD ACTUAL 2014	ORIGINAL BUDGET 2014	ADJUSTMENTS 2014	ADJUSTED BUDGET REMAINING	PERCENT USED
<b>Personnel Budget:</b>					
1-05-4000-000 Salaries	\$ 387,764	\$ 1,734,000		\$ 1,346,236	22.36%
1-05-4000-100 Overtime	21,093	70,000		48,907	30.13%
Subtotal (Salaries)	\$ 408,857	\$ 1,804,000		\$ 1,395,143	22.66%
<b>Employee Benefits</b>					
1-05-4005-000 Payroll Taxes	36,170	131,000		94,830	27.61%
1-05-4010-000 Health Insurance	88,046	343,000		254,954	25.67%
1-05-4015-000 PERS	94,845	324,000		229,155	29.27%
Subtotal (Benefits)	\$ 219,061	\$ 798,000	\$ -	\$ 578,939	27.45%
Total Personnel Expenses	\$ 627,918	\$ 2,602,000	\$ -	\$ 1,925,175	24.13%
<b>OPERATING EXPENSES:</b>					
1-05-4050-000 Staff Travel	\$ 1,566	\$ 8,000		\$ 6,434	19.57%
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	14,623	109,250		94,627	13.38%
1-05-4175-000 Permits	1,907	45,000		43,093	4.24%
1-05-4215-100 Natural Gas - Wells & Boosters	22,083	236,000		213,917	9.36%
1-05-4215-200 Natural Gas - WTP	672	3,000		2,328	22.40%
1-05-4220-100 Electricity - Wells & Boosters	229,689	1,515,000		1,285,312	15.16%
1-05-4220-200 Electricity - WTP	20,546	125,000		104,454	16.44%
1-05-4230-110 Maint. & Rep. - Office Equipment	-	500		500	0.00%
1-05-4235-110 Maint. & Rep. Operations - Equipment	2,981	22,500		19,519	13.25%
1-05-4235-410 Maint. & Rep. Operations - Shop Bldgs	1,294	6,000		4,706	21.56%
1-05-4235-415 Maint. & Rep. Operations - Facilities	11,190	45,000		33,810	24.87%
1-05-4235-445 Maint. & Rep. Operations - Telemetry	-	2,250		2,250	0.00%
1-05-4235-450 Maint. & Rep. Operations - Hypo Generator	12,508	30,000		17,492	41.69%
1-05-4235-500 Maint. & Rep. Operations - Wind Turbine	-	6,000		6,000	0.00%
1-05-4236-000 Palmdale Lake Management	559	15,000		14,441	3.73%
1-05-4270-300 Telecommunication - Other	682	2,750		2,068	24.81%
1-05-4300-300 Testing - Edison	-	9,000		9,000	0.00%
1-05-6000-000 Waste Disposal	1,243	14,000		12,757	8.88%
1-05-6200-000 Uniforms	2,298	12,000		9,702	19.15%
1-05-6300-100 Supplies - Misc.	12,025	15,000		2,975	80.17%
1-05-6300-200 Supplies - Hypo Generator	1,660	6,750		5,090	24.60%
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	14,013	35,000		20,987	40.04%
1-05-6300-700 Outside Lab Work	8,540	60,000		51,460	14.23%
1-05-6400-000 Tools	3,178	6,500		3,322	48.89%
1-05-6500-000 Chemicals	30,778	485,000		454,222	6.35%
1-05-7000-100 Leases -Equipment	1,534	3,000		1,466	51.13%
Subtotal Operating Expenses	\$ 395,569	\$ 2,851,500	\$ -	\$ 2,455,931	13.87%
Total Departmental Expenses	\$ 1,023,488	\$ 5,453,500	\$ -	\$ 4,381,106	18.77%

**Palmdale Water District**  
**2014 Finance Budget**  
For the Three Months Ending Monday, March 31, 2014

	YTD ACTUAL 2014	ORIGINAL BUDGET 2014	ADJUSTMENTS 2014	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-06-4000-000 Salaries	\$ 352,269	\$ 1,645,000		\$ 1,292,731	21.41%
1-06-4000-100 Overtime	7,369	19,000		11,631	38.78%
Subtotal (Salaries)	\$ 359,637	\$ 1,664,000	\$ -	\$ 1,304,363	21.61%
Employee Benefits					
1-06-4005-000 Payroll Taxes	32,060	123,000		90,940	10.11%
1-06-4010-000 Health Insurance	84,781	317,000		232,219	25.61%
1-06-4015-000 PERS	89,556	331,000		241,444	11.62%
Subtotal (Benefits)	\$ 206,397	\$ 771,000	\$ -	\$ 564,603	26.77%
Total Personnel Expenses	\$ 566,034	\$ 2,435,000	\$ -	\$ 1,868,966	23.25%
OPERATING EXPENSES:					
1-06-4050-000 Staff Travel	\$ -	\$ 250		250	0.00%
1-06-4060-000 Staff Conferences & Seminars	69	1,000		931	6.90%
1-06-4155-300 Contracted Services	4,467	21,000		16,533	21.27%
1-06-4155-100 Contracted Services - Infosend	39,647	205,000		165,353	19.34%
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	15,060	10,000		(5,060)	150.60%
1-06-4235-470 Maint. & Rep. Operations - Meter Exchanges	123,602	225,000		101,398	54.93%
1-06-4250-000 General Material & Supplies	1,815	6,000		4,185	30.25%
1-06-4260-000 Business Forms	3,145	10,000		6,855	31.45%
1-06-4270-100 Telecommunication - Office	3,125	12,000		8,876	26.04%
1-06-4270-200 Telecommunication - Cellular Stipend	3,730	17,000		13,270	21.94%
1-06-4270-300 Telecommunication - Cellular	-	500		500	0.00%
1-06-4300-200 Testing - Large Meter Testing	4,260	21,500		17,240	19.81%
1-06-7000-100 Leases - Equipment	598	3,000		2,402	19.94%
Subtotal Operating Expenses	\$ 199,737	\$ 533,750	\$ -	\$ 334,013	37.42%
Total Departmental Expenses	\$ 765,772	\$ 2,968,750	\$ -	\$ 2,202,978	25.79%



**Palmdale Water District**  
**2014 Water Conservation Budget**  
For the Three Months Ending Monday, March 31, 2014

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

1-07-4000-000 Salaries	\$ 19,296	\$ 168,500	\$ 149,204	11.45%
1-07-4000-100 Overtime	858	1,000	142	85.84%
Subtotal (Salaries)	\$ 20,155	\$ 169,500	\$ 149,345	11.89%

Employee Benefits

1-07-4005-000 Payroll Taxes	2,006	13,000	10,994	15.43%
1-07-4010-000 Health Insurance	4,579	31,500	26,921	14.54%
1-07-4015-000 PERS	5,099	34,000	28,901	15.00%
Subtotal (Benefits)	\$ 11,685	\$ 78,500	\$ -	14.89%

Total Personnel Expenses

\$ 31,839	\$ 248,000	\$ -	\$ 216,019	12.84%
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OPERATING EXPENSES:

1-07-4050-000 Staff Travel	\$ -	\$ 1,000	\$ 1,000	0.00%
1-07-4060-000 Staff Conferences & Seminars	-	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	150	3,000	2,850	5.00%
1-07-4190-900 Public Relations - Other	-	5,000	5,000	0.00%
1-07-6300-100 Supplies - Misc.	74	5,000	4,926	1.49%
Subtotal Operating Expenses	\$ 224	\$ 22,000	\$ -	1.02%

Total Departmental Expenses

\$ 32,064	\$ 270,000	\$ -	\$ 237,795	11.88%
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**Palmdale Water District**  
**2014 Human Resources Budget**  
For the Three Months Ending Monday, March 31, 2014

	YTD ACTUAL 2014	ORIGINAL BUDGET 2014	ADJUSTMENTS 2014	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-08-4000-000 Salaries	\$ 21,329	\$ 97,000		\$ 75,671	21.99%
Employee Benefits					
1-08-4005-000 Payroll Taxes	1,917	7,500		5,583	25.55%
1-08-4010-000 Health Insurance	3,090	19,200		16,110	16.09%
1-08-4015-000 PERS	1,775	6,500		4,725	27.31%
Subtotal (Benefits)	\$ 6,781	\$ 33,200	\$ -	\$ 26,419	20.43%
Total Personnel Expenses	\$ 28,110	\$ 130,200	\$ -	\$ 102,090	21.59%
OPERATING EXPENSES:					
1-08-4050-000 Staff Travel	\$ 146	\$ 500		\$ 354	29.27%
1-08-4060-000 Staff Conferences & Seminars	-	500		500	0.00%
1-08-4090-000 Temporary Staffing	9,935	-		(9,935)	
1-08-4095-000 Employee Recruitment	1,164	3,000		1,836	38.79%
1-08-4100-000 Employee Retention	45	1,500		1,455	3.00%
1-08-4105-000 Employee Relations	2,623	3,500		877	74.96%
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	50	1,000		950	5.00%
1-08-4165-000 Membership/Subscriptions	517	1,600		1,083	32.31%
1-08-4165-100 HR/Safety Publications	-	1,000		1,000	0.00%
1-08-6300-500 Supplies - Safety	5,251	33,500		28,249	15.68%
Subtotal Operating Expenses	\$ 19,761	\$ 85,100	\$ -	\$ 65,339	23.22%
Total Departmental Expenses	\$ 47,871	\$ 215,300	\$ -	\$ 167,429	22.23%

**Palmdale Water District**  
**2014 Information Technology Budget**  
For the Three Months Ending Monday, March 31, 2014

	YTD	ORIGINAL		ADJUSTED	
	ACTUAL	BUDGET	ADJUSTMENTS	BUDGET	PERCENT
	2014	2014	2014	REMAINING	USED
Personnel Budget:					
1-09-4000-000 Salaries	\$ 49,915	\$ 226,000		\$ 176,085	22.09%
1-09-4000-100 Overtime	98	2,500		2,402	3.93%
Subtotal (Salaries)	\$ 50,014	\$ 228,500		\$ 178,486	21.89%
Employee Benefits					
1-09-4005-000 Payroll Taxes	4,454	16,000		11,546	27.84%
1-09-4010-000 Health Insurance	9,600	38,400		28,800	25.00%
1-09-4015-000 PERS	12,894	45,200		32,306	28.53%
Subtotal (Benefits)	\$ 26,948	\$ 99,600	\$ -	\$ 72,652	27.06%
Total Personnel Expenses	\$ 76,961	\$ 328,100	\$ -	\$ 248,737	23.46%
OPERATING EXPENSES:					
1-09-4050-000 Staff Travel	\$ 165	\$ 3,000		2,835	5.49%
1-09-4060-000 Staff Conferences & Seminars	12,628	15,000		2,372	84.19%
1-09-4155-000 Contracted Services	23,946	129,000		105,054	18.56%
1-09-4165-000 Memberships/Subscriptions	-	500		500	0.00%
1-09-4270-000 Telecommunications	15,242	55,500		40,258	27.46%
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	123	3,000		2,877	4.09%
1-09-8000-550 Computer Equipment - Telephony	-	2,500			
1-09-8000-600 Computer Equipment - Other	21,317	35,000		13,683	60.91%
1-09-8100-100 Computer Software - Maint. and Support	4,380	70,000		65,620	6.26%
1-09-8100-140 Computer Software - Starnik	24,900	95,000		70,100	26.21%
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	112	15,000		14,888	0.74%
Subtotal Operating Expenses	\$ 135,060	\$ 500,500	\$ -	\$ 362,940	26.99%
Total Departmental Expenses	\$ 212,022	\$ 828,600	\$ -	\$ 611,676	25.59%

**Palmdale Water District - Project Payment Schedule  
April, 2014**

**AGENDA ITEM NO. 4.4**

**Contractually Committed Project Summary**

Project Title	Contract Amount	Project No.	Payee	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14
Well No. 14A Rehabilitation	\$ 77,275	601-14	Best Drilling & Pump				\$ 10,000	\$ 67,275							
Water System Master Plan Update	\$ 196,043	PL01	MWH					\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 16,043	
Annual Tank Maintenance Program	\$ 319,100	RCP03	Superior Tank Solutions					\$ 319,100							
Dredging @ Lake Outlet Structure / Mech. Repairs	\$ 300,000	403-14	Cushman Contracting			\$ 235,289	\$ 7,596	\$ 57,115							
Security Improvement Project (Feasibility/Design)	\$ 58,730	400-14	Exante 360	\$ 6,509	\$ 13,220		\$ 15,000	\$ 15,000	\$ 9,001						
Website Development	\$ 20,000	N/A	Tripepi Smith				\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000					
docSTAR Smart Automation Project	\$ 25,000	PRO23	docSTAR				\$ 7,500	\$ 7,500	\$ 5,000	\$ 5,000					
Board Room Audio System Improvements	\$ 26,400	N/A	CWI Cal-West			\$ 13,200	\$ 6,600	\$ 6,600							
WIFI Installation and Testing	\$ 25,000	PRO24	AKINS IT					\$ 12,500	\$ 12,500						
<b>Contractually Committed Project Payout Totals:</b>	<b>\$ 1,047,548</b>			<b>\$ 6,509</b>	<b>\$ 13,220</b>	<b>\$ 248,489</b>	<b>\$ 51,696</b>	<b>\$ 520,090</b>	<b>\$ 61,501</b>	<b>\$ 40,000</b>	<b>\$ 30,000</b>	<b>\$ 30,000</b>	<b>\$ 30,000</b>	<b>\$ 16,043</b>	<b>\$ -</b>

 = Approved for Payment

**Budgeted and Uncommitted Project Summary**

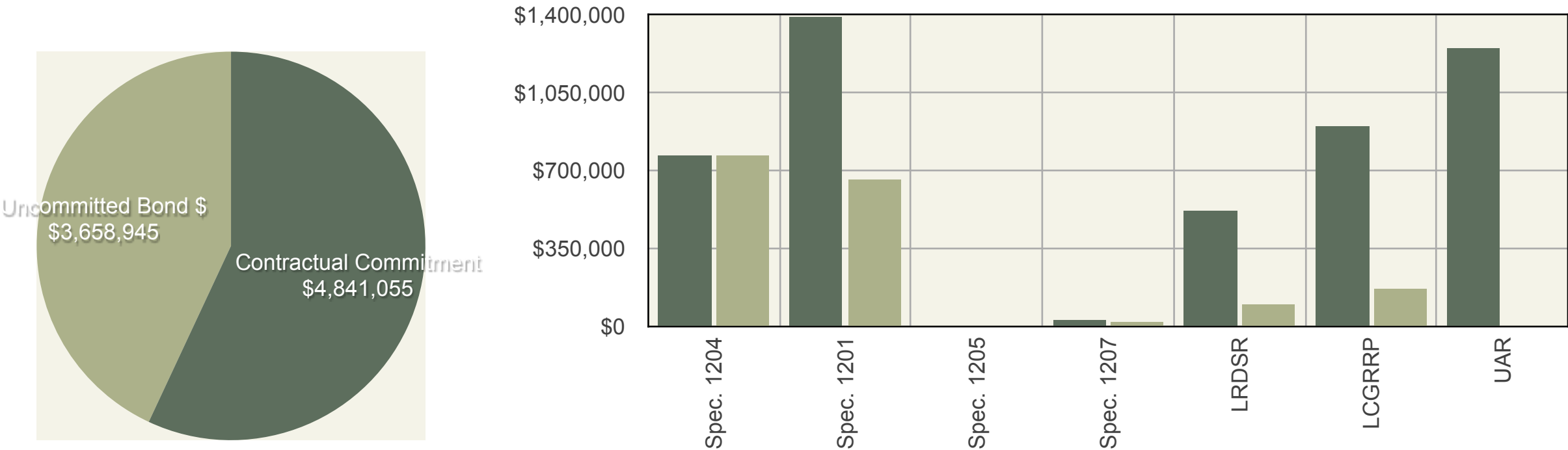
Project Title	Budget Amount	Project No.	Payee	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14
Water Rate Study	\$ 50,000	PL02	TBD					\$ 10,000	\$ 15,000	\$ 15,000	\$ 10,000				
Well No. 20 Abandonment	\$ 20,000	RCP12	TBD							\$ 20,000					
Security Improvement Project (Construction)	\$ 141,270	400-14	TBD								\$ 15,000	\$ 45,000	\$ 45,000	\$ 36,270	
Purchase of Radio-Read Meters	\$ 725,000	RCP01	TBD						\$ 200,000	\$ 200,000	\$ 200,000	\$ 125,000			
Installation of Radio-Read Meters	\$ 152,000	RCP02	TBD						\$ 40,000	\$ 40,000	\$ 40,000	\$ 32,000			
Replacement Fleet (1) 1/2-Ton and (3) 3/4-TON Trucks	\$ 135,000	RE02-RE05	TBD						\$ 80,000	\$ 55,000					
Booster Pump Replacement and Spare Parts	\$ 45,000	PRO01 & PRO02	TBD								\$ 45,000				
docSTAR Project - Hardware	\$ 50,000	PRO23	TBD						\$ 25,000	\$ 25,000					
Acquisition of Tax Defaulted Property	\$ 50,000	NCC02	Los Angeles County							\$ 50,000					
GAC & Filter Entry Buildings	\$ 21,000	PRO05	TBD								\$ 10,000	\$ 11,000			
<b>Budgeted and Uncommitted Project Payout Estimates:</b>	<b>\$ 1,389,270</b>			<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,000</b>	<b>\$ 360,000</b>	<b>\$ 405,000</b>	<b>\$ 320,000</b>	<b>\$ 213,000</b>	<b>\$ 45,000</b>	<b>\$ 36,270</b>	<b>\$ -</b>

**Contractually Committed and Uncommitted Totals**

				Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14
<b>Contractually Committed and Uncommitted Totals:</b>	<b>\$ 2,436,818</b>			<b>\$ 6,509</b>	<b>\$ 13,220</b>	<b>\$ 248,489</b>	<b>\$ 51,696</b>	<b>\$ 530,090</b>	<b>\$ 421,501</b>	<b>\$ 445,000</b>	<b>\$ 350,000</b>	<b>\$ 243,000</b>	<b>\$ 75,000</b>	<b>\$ 52,313</b>	<b>\$ -</b>

PWD WATER REVENUE BONDS - SERIES 2013A

Contractual Commitment    Uncommitted Bond \$    Contractual Commitment    Payout to Date



Project Commitment and Payout Summary

Project	Work Order No.	Description	CEQA	Allocated Bond \$	Contractual Commitment	Payout to Date	Uncommitted Bond \$
Spec. 1204	603-12	Ave. Q - Q-3, Division and Sumac	4/28/13	\$725,000	\$765,085	\$765,085	(\$40,085)
Spec. 1201	606-11	20th, Puerta, Sweetbriar, and 22nd St. E.	5/8/13	\$1,450,000	\$1,387,042	\$655,339	\$62,958
Spec. 1205	605-12	Frontier, 31st St. E., etc. between Ave. Q and Q-4	5/8/13	\$1,200,000	\$0	\$0	\$1,200,000
Spec. 1207	607-12	10th St. E. between Ave. P and Palmdale Blvd.	6/16/13	\$1,400,000	\$23,510	\$18,626	\$1,376,490
LRDSR	501-04	Littlerock Sediment Removal (EIR/EIS/Permits)	TBD	\$975,000	\$515,925	\$96,141	\$459,075
LCGRRP	400-12	Littlerock Recharge and Recovery (Feasibility)	TBD	\$1,500,000	\$899,493	\$165,948	\$600,507
UAR	TBD	Upper Amargosa Recharge (Project Capacity)	11/20/12	\$1,250,000	\$1,250,000	\$0	\$0
Totals:				\$8,500,000	\$4,841,055	\$1,701,140	\$3,658,945

Project Payout Detail

Date	Project	Description	Invoice No.	Requisition No.	Payment Amount
Jul 8, 2013	WRB	Issuance Costs	N/A	2	\$ 24,815.84
Jul 9, 2013	Spec. 1204	BV Construction - Progress Payment #1	1	3	\$ 98,552.53
Jul 17, 2013	Spec. 1207	JT Eng. - Design Progress Payment	5187	4	\$ 9,108.00
Aug 5, 2013	Spec. 1204	BV Construction - Progress Payment #2	2	5	\$ 145,175.44
Sep 4, 2013	Spec. 1204	BV Construction - Progress Payment #3-4	3 and 4	6	\$ 167,790.43
Sep 30, 2013	LRDSR	Aspen - EIR/EIS Progress Payment	1116.002-01	7	\$ 18,499.60
Sep 30, 2013	Spec. 1204	BV Construction - Progress Payment #5	5	8	\$ 46,862.08
Oct 24, 2013	Spec. 1204	BV Construction - Progress Payment #6	6	9	\$ 51,052.05
Oct 24, 2013	LRDSR	Aspen - EIR/EIS Progress Payment	1116.002-02	10	\$ 8,410.32
Nov 7, 2013	Spec. 1204	BV Construction - Progress Payment #7	7	11	\$ 87,960.50
Dec 4, 2013	Spec. 1204	BV Construction - Progress Payment #8	8	12	\$ 70,650.08
Dec 4, 2013	LRDSR	Aspen - EIR/EIS Progress Payment	1116.002-03	13	\$ 11,054.97
Jan 2, 2014	LCGRRP	Kennedy/Jenks - Progress Payment	78236	14	\$ 24,066.25
Jan 2, 2014	Spec. 1201	BV Construction - Progress Payment #1	1	14	\$ 29,925.00
Jan 2, 2014	Spec. 1204	BV Construction - Progress Payment #9	9	14	\$ 58,787.84
Jan 2, 2014	LRDSR	Aspen - EIR/EIS Progress Payment	1116.002-04	14	\$ 36,178.95
Jan 2, 2014	Spec. 1207	JT Eng. - Design Progress Payment	5200	14	\$ 9,518.00
Jan 21, 2014	Spec. 1201	BV Construction - Progress Payment #2 & #3	2 & 3	15	\$ 114,095.00
Feb 24, 2014	LRDSR	Aspen - EIR/EIS Progress Payment	1116.002-05	16	\$ 4,917.47
Feb 24, 2014	Spec. 1201	BV Construction - Progress Payment #4 & #5	4 & 5	16	\$ 131,743.15
Mar 3, 2014	Spec. 1204	BV Construction - Retention Payment	10	17	\$ 38,254.26
Mar 3, 2014	LCGRRP	Kennedy/Jenks - Progress Payment	79010 & 80391	17	\$ 113,652.66
Mar 31, 2014	Spec. 1201	BV Construction - Progress Payment #6	6	18	\$ 126,834.50
Mar 31, 2014	LRDSR	Aspen - EIR/EIS Progress Payment	1116.002-06 and 07	18	\$ 17,080.04
Apr 16, 2014	LCGRRP	Kennedy/Jenks - Progress Payment	78236	19	\$ 28,228.60
Apr 16, 2014	Spec. 1201	BV Construction - Progress Payment #7	7	19	\$ 252,741.80



**P A L M D A L E   W A T E R   D I S T R I C T**  
**B O A R D   M E M O R A N D U M**

**DATE:** April 16, 2014 **April 21, 2014**  
**TO:** FINANCE COMMITTEE **Finance Committee Meeting**  
**FROM:** Mr. Dennis D. LaMoreaux, General Manager  
**RE:** ***AGENDA ITEM NO. 4.6 – CONSIDERATION AND POSSIBLE ACTION  
ON PROPOSAL(S) RECEIVED FOR CONDUCTING A WATER RATE  
STUDY AND OUTREACH.***

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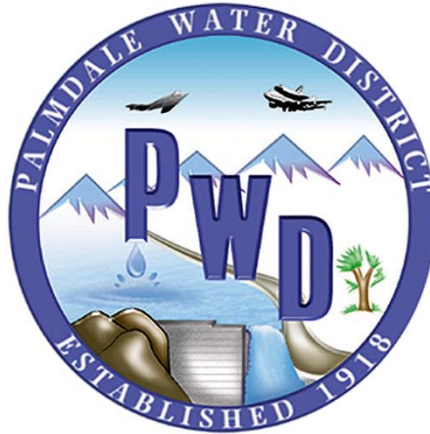
Attached is a copy of the “Request for Proposals for Consulting Services for Water Rate Analysis, Water Rate Structure Modifications, and Multi-Year Water Rate Plan and/or Proposition 218 Process Public Outreach Support.”

Proposals are due April 17, 2014 at 5:00 p.m. and will be hand-delivered to the Committee prior to the meeting if time allows.

**Supporting Documents:**

- Request for Proposals for Consulting Services for Water Rate Analysis, Water Rate Structure Modifications, and Multi-Year Water Rate Plan and/or Proposition 218 Process Public Outreach Support

March 25, 2014



# **PALMDALE WATER DISTRICT**

## **REQUEST FOR PROPOSALS**

### **FOR**

### **CONSULTING SERVICES FOR**

### **WATER RATE ANALYSIS, WATER RATE STRUCTURE MODIFICATIONS,**

### **AND MULTI-YEAR WATER RATE PLAN**

### **AND/OR**

### **PROPOSITION 218 PROCESS PUBLIC OUTREACH SUPPORT**

**Proposals Due: April 17, 2014; 5:00 PM**

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## **TABLE OF CONTENTS**

- I. Introduction**
- II. Project Descriptions**
- III. Scopes of Work**
- IV. Project Schedule**
- V. Submittal Requirements**
- VI. Selection Process**
- VII. Standard Professional Services Agreement**
- VIII. Special Conditions**
- IX. Questions**

**Attachment A: RFP Mailing List**

**Attachment B: Professional Services Agreement**

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**REQUEST FOR PROPOSALS FOR CONSULTING SERVICES FOR  
WATER BUDGET RATE STRUCTURE MODIFICATIONS, WATER RATE  
ANALYSIS AND MULTI-YEAR RATE PLAN AND/OR PROPOSITION 218  
PROCESS PUBLIC OUTREACH SUPPORT**

---

**I. Introduction**

Palmdale Water District (District) is seeking proposals from qualified firms to perform a water rate analysis, water budget rate structure modifications, and recommend a multi-year water rate plan. It is also seeking proposals from qualified firms to assist with public outreach during the Proposition 218 process.

The District is a California Irrigation District formed by a vote of the people in 1918 under Division 11 of the California Water Code. Its water system service area is located within the southern Antelope Valley approximately 60 miles north of downtown Los Angeles. The District currently provides potable water to a population of approximately 115,000 people and has approximately 27,600 service connections. The District owns and operates a 35-mgd conventional surface water treatment plant. The current surface water sources are the East Branch of the California Aqueduct as well as local water from Littlerock Reservoir. Currently both surface water sources supply water to Lake Palmdale which acts as a forebay to the water treatment plant. The District also owns and operates groundwater wells. The production ratio within the District is currently 60% surface water and 40% groundwater.

This RFP describes the Project, the required scopes of services, the minimum information that must be included in the Proposal(s), and the selection process. Failure to submit the Proposal(s) in accordance with the procedures outlined may be cause for disqualification. Upon receiving this RFP, please acknowledge receipt by contacting Mr. Dennis LaMoreaux via e-mail ([dlamoreaux@palmdalewater.org](mailto:dlamoreaux@palmdalewater.org)). Please provide the correct contact information for your firm/team to ensure prompt communication of addenda or notification of other changes. The District contact information is provided at the end of this RFP in Section IX: Questions.

**II. Project Description**

On May 13, 2009, the Board conducted a hearing in accordance with Proposition 218 and adopted a resolution approving a new water budget rate structure and rate change for 2009 followed by increases of 14% for 2010, 8% for 2011, 8% for 2012, 8% for 2013 and 8% for 2014. The change to the multi-tiered water budget rate structure in 2009 took effect shortly after adoption and resulted in significant rate increases. The water rate structure includes a fixed meter charge and commodity rates that are billed to customers based on the amount of water they

use. Under the water budget rate structure, each customer is allotted a certain amount of water that the customer may use during the billing period. If the customer uses more than the allotted amount, then the customer pays the commodity rate at increasing tiered amounts. Customers are allotted water based on their customer class. Single-family residential customers' allocations are based upon the number of occupants, parcel size, weather (i.e., evapotranspiration) and irrigation-related factors. Multi-family residential and commercial/industrial customers' allocations are based upon a three-year historical average for the month. Irrigation customers' allocations are based upon evapotranspiration and irrigation-related factors.

The 2009 process and implementation of the new water rate structure was viewed negatively by the public at large. Rebuilding the public's confidence in the District has been a high priority since the implementation. Additionally, in 2009 the District of Palmdale (District) filed a lawsuit against the District seeking to prevent the rate increases. In 2012, the District and the District reached a settlement whereby the rate structure was revised to provide for a 10% larger base water allowance for single family residential customers and keeping the 2009 and 2011 (5%) rate increases effective. The District approved increases in water rates of 8% in 2013 and 2% in 2014. An appellate court ruling during the active phase of the District lawsuits resulted in the District modifying tier sizes to be equal, 30% of base allocation, for all classes of customers.

The table below shows the District's water consumption by customer class in 2012 for general information.

#### WATER CONSUMPTION BY CUSTOMER CLASS (2012, Active Accounts)

<u>Type of Customer</u>	<u>Accounts</u>	Percent of <u>Total</u> <u>Accounts</u>	Volume in <u>Acre Feet</u>	Percent of <u>Total</u> <u>Volume</u>
Single Family	24,396	93.7%	15,766	79.6%
Multi-Family	562	2.2	1,689	8.5
Commercial	526	2.0	963	4.9
Industrial	14	0.1	40	0.2
Inst./Government	130	0.5	278	1.4
Landscape	392	1.5	950	4.8
Other	<u>21</u>	<u>0.1</u>	<u>114</u>	<u>0.6</u>
TOTAL:	<u>26,041</u>	<u>100.0%</u>	<u>19,800</u>	<u>100.00%</u>

The background summarized above leads the District to seek proposal(s) for completing an updated, Proposition 218 compliant financial analysis and multi-year water rate plan and support for the outreach effort associated with the process. This RFP is issued to obtain proposals for both aspects of the process. Firms may propose on the aspects separately or together. If different firms are selected by the District, coordinating the efforts will be critical. Proposals focusing on one aspect must address how the coordination will occur.

### **III. Scopes of Work**

#### **Water Rate Analysis and Multi-year Rate Plan Proposal**

The 2009 five-year water budget rate plan ended with the 2014 water rate setting. A new Proposition 218 compliant water rate analysis is needed to develop a new five-year water budget rate plan. The analysis should include the following as a minimum:

- 1) Anticipated operations and maintenance costs;
- 2) Infrastructure and asset needs;
- 3) Compliance with existing bond covenants;
- 4) Justification for any recommended difference in tier setting amongst customer classes, and;
- 5) Anticipated future water source costs.

Additionally, the District would like to evaluate whether a modified or new water budget rate plan is necessary or more reasonable given the District's operations, costs and future needs. Factors the District believes will be relevant to such determination include:

- 1) Optimization of the fixed operating cost percentage covered by monthly meter charges;
- 2) Standardization of the monthly meter charge for different sized water meters used to serve single family residential customers;
- 3) A sub-allocation tier and pricing equal to only the indoor allocation for single family residential customers;
- 4) A variance process for single family residential customers to adjust the 50% factor of landscaping versus lot area;
- 5) Historic allocation calculations in multi-family customer class to allow for minimum allocation equal to the indoor allocation;
- 6) An allocation methodology for the commercial/industrial customer class to account for large variances in historical water use;
- 7) A fully functional drought factor to provide funding for short-term, dry-year water market prices;
- 8) The possibility of providing for pass-through costs;
- 9) Use of a five-year running average to annually establish the Water Quality Fee (currently \$0.20 per unit of water), and;
- 10) The current policy of establishing the Elevation Booster Surcharge using a five-year running average of actual costs.

Additional deliverables for the Project are;

- 1) Establish a timeline for completing the analysis report;

- 2) Coordination with the outreach effort, and;
- 3) Provide an easy to use electronic rate model for the District's use in future rate setting.

### Proposition 218 Process Public Outreach Support Proposal

The District is looking for a simple, cost effective, creative approach to communicating with and educating its customers. It is important to cover of all facets of a budget-tiered rate structure. However, the District believes considerable focus should be placed on the water rate structure's foundational principals – equitable water budgets that meet customer specific water needs while rewarding efficient water use with lower costs and funding water waste costs through higher priced tiers. The District staff will seek Board approval through the public hearing process in mid-year of 2014 with an anticipated effective date of January 1, 2015.

The selected consultant for this aspect of the Project is expected to take the lead in developing the outreach campaign and all collateral components for the budget-tiered rate structure to be implemented. It is expected that the consultant will coordinate all facets of a strategic outreach campaign specifically tailored to each water use sector (single family, landscape, commercial/industrial, etc...) and track the impact of the outreach campaign. The District's staff will support the effort, but the consultant is expected to facilitate the overall effort. The selected consultant will be required to schedule, coordinate and facilitate all stakeholder meetings; coordinate the development of outreach letters, presentation materials, informational brochures, and informational web content; as well as attend meetings at the District office with senior staff and select meetings of the Board of Directors. The District is looking for a proven expert with specific experience with water budget rates and all current State of California noticing requirements.

The proposal should include specific details and clearly address all of the following tasks:

- 1) Develop the strategic planning forum with the District Management Team;
- 2) Develop a strategic methodology/communication plan to reach customers, stakeholders, and Board Members;
- 3) Develop a multi-faceted campaign including multi-tiered rate structure support materials (website content, presentation materials, posters, informational brochures, etc.) with a strategic timeline based upon the overall Project schedule;
- 4) Assure compliance with Proposition 218 noticing;
- 5) Provide overall Outreach Management:
  - Facilitate trainings and meetings with the District staff
  - Facilitate and record all community and stakeholder meetings
  - Ensure progress of deliverables and schedule.

While this described scope of work is brief, it is intended solely to serve as an example. Consultants are encouraged to reply in any way they deem necessary to show a uniqueness of approach; knowledge of the District service area and customer base; and a complete understanding of the complex issues associated with the continued use of a water budget rate structure. Consultants are further encouraged to describe how they would assist the District in accomplishing a successful customer outreach campaign that paves a favorable perception of the agency out into the future.

#### **IV. Project Schedule**

The following dates reflect the anticipated schedule for soliciting proposals, selecting the Consultant, and awarding the contract for the work requested in this RFP:

- March 25, 2014 - Solicit Proposals
- April 17, 2014 - Proposals Due
- Review Proposals
- April 23, 2014 - Award Contract(s)
- June, 2014 – Set Public Hearing
- August, 2014 – Public Hearing (Tentative)
- January 1, 2015 – Implement New Multi-Year Water Budget Rate Plan

The District reserves the right to conduct interviews with the Consultants to help with the selection process.

#### **V. Submittal Requirements**

- **Basic Qualifications:** Provide basic data relative to firm's size, history, personnel, special expertise and general credits. Individual resumes, awards, associations, etc., may be included.
- **Specific Qualifications:** List the team expected to accomplish this work. Describe who will perform the various tasks, the amount of their involvement and responsibilities, and give their qualifications. Provide a list of at least (5) projects, with brief descriptions, which show ability to complete projects of this scope.
- **Approach to Project:** Include a statement of your approach to this specific project, including project understanding and scope of work.

- **Past Performance:** Submit reference letters from prior clients or client representatives. Letters from projects listed in “Specific Qualifications” are preferable.
- **Project Fee and Schedule:** Submit a project fee in a not-to-exceed amount as well as a project schedule. Include a cost breakdown with an allocation of hours for the specified tasks.
- **Data Requirements:** Submit the anticipated time frame and data fields needed to complete the scope of work consistent with the submitted proposal.
- **Professional Services Agreement:** Submit two executed copies of the attached Professional Services Agreement with appropriate exhibits.

To assist evaluation, it is desirable to format the proposal similar to the heading listed above. The proposal should be clear and to the point. **Submit 10 hard copies** of the proposal in addition to an electronic copy.

## **VI. Selection Process**

The following areas of evaluation will be used:

<b>AREA OF EVALUATION</b>	<b>TOTAL AVAILABLE POINTS</b>
Experience and qualifications of personnel for Proposition 218 compliant water budget rate analysis and/or outreach	35
Consultant’s approach and compliance with proposal requirements.	25
Consultant’s past record of performance on similar projects, efforts related to project management, cost control, work quality, and schedule conformance.	15
Consultant’s depth of staff resources available for insuring project tasks are completed on time.	15
Other	10
Total =	100

The District reserves the right to reject any or all proposals, and to waive any informality or minor irregularity in any proposal.



## **VII. Standard Professional Services Agreement**

The Consultant selected for the Project shall be expected to execute the Districts' Standard Professional Services Agreement (included as Attachment B). The selected Consultant shall execute the final agreement within five working days from the Notice of Award.

## **VIII. Special Conditions**

- **District's Contractual Rights:** The District reserves the right to cancel, in part or entirely, the Request for Proposals, including but not limited to, selection schedule, submittal date, and submitting requirements.
- **Disclaimer of Right of Contract:** This RFP does not commit the District to award a contract or to defray any costs incurred in the preparation of the Proposal pursuant to this RFP.
- **Costs for Developing Proposal:** Costs for developing proposals are the responsibility of the proposing firms. The District shall not be responsible for any costs associated with the development of proposals.

## **IX. Questions**

Questions regarding this RFP shall be sent to Mr. Dennis LaMoreaux, General Manager via e-mail at [dlamoreaux@palmdalewater.org](mailto:dlamoreaux@palmdalewater.org). Questions concerning this RFP and project will only be answered in writing; questions requiring clarifications or additional information will be addressed in an addendum to this RFP.

Dennis D. LaMoreaux  
General Manager  
Palmdale Water District  
2029 East Avenue Q  
Palmdale, CA 93550  
p. (661) 456-1017  
f. (661) 947-8604  
[dlamoreaux@palmdalewater.org](mailto:dlamoreaux@palmdalewater.org)

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# **ATTACHMENT A**

## **RFP Mailing List**

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## **Mailing List**

Bartle Wells Associates  
ATTN: Douglas R. Dove  
1889 Alcatraz Avenue  
Berkeley, CA 94703  
P (510) 653-3399  
F (510) 653-3769  
[ddove@bartlewells.com](mailto:ddove@bartlewells.com)

Black & Veatch Corporation  
ATTN: Ann Bui, Director  
B & V Management Consulting  
800 Wilshire Blvd., Suite 600  
Los Angeles, CA 90017  
P (949) 302-6017  
F (213) 312-3399  
[BuiAT@BV.com](mailto:BuiAT@BV.com)

Carollo Engineers  
ATTN: Tom West, P.E. Vice President  
11620 Wilshire Boulevard, 9<sup>th</sup> Floor  
Los Angeles, CA 90025  
P (213) 500-9911  
F (213) 947-1317  
[twest@carollo.com](mailto:twest@carollo.com)

CV Strategies  
ATTN: Erin Gilhuly, President  
45-025 Manitou Drive, Suite 13  
Indian Wells, CA 92210  
P (760) 776-1766  
F (760) 776-1760  
[erin@cvstrat.com](mailto:erin@cvstrat.com)

Katz & Associates  
ATTN: Sara M. Katz, President  
4250 Executive Square, Suite 670  
San Diego, CA 92037  
P (858) 452-0031  
F (858) 552-8437  
[skatz@katzandassociates.com](mailto:skatz@katzandassociates.com)

MWH  
ATTN: Victor E. Harris, Vice President  
618 Michillinda Avenue, Suite 200  
Arcadia, CA 91007  
P (626) 568-6024  
F (626) 568-6101  
[victor.harris@mwhglobal.com](mailto:victor.harris@mwhglobal.com)

NBS  
ATTN: Greg Clumpner, Director  
870 Market Street, Suite 1223  
San Francisco, CA 94102  
P (800) 434-8349  
[gclumpner@nbsgov.com](mailto:gclumpner@nbsgov.com)

Passantino Andersen  
ATTN: Dave Saltman, Sr. Account Executive  
42225 10<sup>th</sup> St. West, Suite A  
Lancaster, CA 93534  
P (661) 538-1100  
F (661) 793-6627  
[dave@passantinoandersen.com](mailto:dave@passantinoandersen.com)

Raftelis Financial Consultants  
ATTN: Sudhir Pardiwala  
201 South Lake Blvd., Suite 803  
Pasadena, CA 91101  
P (626) 583-1894  
F (626) 583-1411  
[spardiwala@raftelis.com](mailto:spardiwala@raftelis.com)

The Wolcott Company  
ATTN: Denis Wolcott  
6475 E. Pacific Coast Hwy., #467  
Long Beach, CA 90803  
P (213) 200-1563  
[Denis@thewolcottcompany.com](mailto:Denis@thewolcottcompany.com)

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# **ATTACHMENT B**

## Sample Agreement

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# PROFESSIONAL SERVICES AGREEMENT

between

PALMDALE WATER DISTRICT

and

\_\_\_\_\_

for the

\_\_\_\_\_

\_\_\_\_\_

This PROFESSIONAL SERVICES AGREEMENT, hereinafter referred to as "Agreement," is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between Palmdale Water District, a public corporation organized and existing under the provisions of the California Water Code, hereinafter referred to as "District," and \_\_\_\_\_, a \_\_\_\_\_ [INSERT TYPE OF ENTITY, e.g., California corporation], hereinafter referred to as "Consultant."

Whereas, the District requires professional \_\_\_\_\_ and \_\_\_\_\_ services in conjunction with \_\_\_\_\_.

Whereas, the Consultant has demonstrated expertise in various aspects of \_\_\_\_\_ and \_\_\_\_\_ and is qualified to provide the professional services required by District.

Whereas, the District and Consultant desire to enter into a contract for the provision of professional services for the \_\_\_\_\_ as delineated in the Scope of Work attached hereto as Exhibit A, subject to the terms and conditions of this Agreement.

NOW THEREFORE, in consideration of the promises and covenants hereinafter contained, it is mutually agreed as follows:

## 1.0 SERVICES OF CONSULTANT

1.1 Scope of Services. In compliance with all of the terms and conditions of this Agreement, Consultant shall perform the work or services set forth in the "Scope of Services" attached hereto as Exhibit "A" and incorporated herein by reference. Consultant warrants that all work or services set forth in the Scope of Services will be performed in a competent, professional and satisfactory manner. Additional terms and conditions of this Agreement, if any, which are made a part hereof are set forth in the "Special Requirements" attached hereto as Exhibit "B" and incorporated herein by this reference. In the event of a conflict between the provisions of Exhibit "B" and any other provisions of this Agreement, the provisions of Exhibit "B" shall govern.

1.2 Compliance With Law. All work and services rendered hereunder shall be provided in accordance with all ordinances, resolutions, statutes, rules and regulations of the District and any federal, state or local governmental agency of competent jurisdiction.

1.3 Licenses, Permits, Fees and Assessments. Consultant shall obtain, at its sole cost and expense, such licenses, permits and approvals as may be required by law for the performance of the services required by this Agreement.

## **2.0 COMPENSATION**

2.1 Contract Sum. For the services rendered pursuant to this Agreement, Consultant shall be compensated in accordance with the "Schedule of Compensation" attached hereto as Exhibit "C" and incorporated herein by this reference, but not exceeding the maximum contract amount of \_\_\_\_\_ dollars (\$\_\_\_\_\_) ("Contract Sum").

2.2 Method of Payment. Provided that Consultant is not in default under the terms of this Agreement, Consultant shall be paid \_\_\_\_\_.

## **3.0 COORDINATION OF WORK**

3.1 Representative of Consultant. \_\_\_\_\_ is hereby designated as being the representative of Consultant authorized to act on its behalf with respect to the work or services specified herein and make all decisions in connection therewith.

3.2 Contract Officer. The District's District Manager is hereby designated as being the representative of the District authorized to act in its behalf with respect to the work and services specified herein and make all decisions in connection therewith ("Contract Officer"). The District may designate another Contract Officer by providing written notice to Consultant.

3.3 Prohibition Against Subcontracting or Assignment. Consultant shall not contract with any entity to perform in whole or in part the work or services required hereunder without the express written approval of the District. Neither this Agreement nor any interest herein may be assigned or transferred, voluntarily or by operation of law, without the prior written approval of District. Any such prohibited assignment or transfer shall be void.

3.4 Independent Contractor. Neither the District nor any of its employees shall have any control over the manner, mode or means by which Consultant, its agents or employees, perform the services required herein, except as otherwise set forth on Exhibit "A". Consultant shall perform all services required herein as an independent contractor of District and shall remain under only such obligations as are consistent with that role. Consultant shall not at any time or in any manner represent that it or any of its agents or employees are agents or employees of District.

## **4.0 INSURANCE AND INDEMNIFICATION**

4.1 Insurance. Consultant shall procure and maintain, at its sole cost and expense, in a form and content satisfactory to District, during the entire term of this Agreement including any extension thereof, the following policies of insurance:

- (a.) Commercial General Liability Insurance. A policy of commercial general liability insurance using Insurance Services Office "Commercial General Liability" policy form CG 00 01, with an edition date prior to 2004, or the exact equivalent. Coverage for an additional insured shall not be limited to its

vicarious liability. Defense costs must be paid in addition to limits. Limits shall be no less than \$1,000,000.00 per occurrence for all covered losses and no less than \$2,000,000.00 general aggregate.

- (b.) Workers' Compensation Insurance. A policy of workers' compensation insurance on a state-approved policy form providing statutory benefits as required by law with employer's liability limits no less than \$1,000,000.00 per accident for all covered losses.
- (c.) Automotive Insurance. A policy of comprehensive automobile liability insurance written on a per occurrence basis in an amount not less than \$1,000,000.00 per accident, combined single limit. Said policy shall include coverage for owned, non-owned, leased and hired cars.
- (d.) Professional Liability or Error and Omissions Insurance. A policy of \_\_\_\_\_ insurance in an amount not less than \$1,000,000.00 per claim with respect to loss arising from the actions of Consultant performing professional services hereunder on behalf of the District.

All of the above policies of insurance shall be primary insurance and shall name the District, its officers, employees and agents as additional insureds. The insurer shall waive all rights of subrogation and contribution it may have against the District, its officers, officials, employees, agents, representatives, and volunteers, and their respective insurers. Moreover, the insurance policy must specify that where the primary insured does not satisfy the self-insured retention, any additional insured may satisfy the self-insured retention in order to assure coverage as an "additional insured." All of said policies of insurance shall be endorsed to:

Consultant agrees that the provisions of this Section 4.1 shall not be construed as limiting in any way the extent to which Consultant may be held responsible for the payment of damages to any persons or property resulting from Consultant's activities or the activities of any person or persons for which Consultant is otherwise responsible.

The insurance required by this Agreement shall be satisfactory only if issued by companies qualified to do business in California, rated "A" or better in the most recent edition of Best Rating Guide, The Key Rating Guide or in the Federal Register, and only if they are of a financial category Class VII or better, unless such requirements are waived by the Senior Risk Management Analyst of the District due to unique circumstances.

In the event that the Consultant is authorized to subcontract any portion of the work or services provided pursuant to this Agreement, the contract between the Consultant and such subcontractor shall require the subcontractor to maintain the same policies of insurance that the Consultant is required to maintain pursuant to this Section 4.1.

#### 4.2 Indemnification.

- (a.) Indemnity for Professional Liability. When the law establishes a professional standard of care for Consultant's services, to the fullest extent permitted by law, Consultant shall indemnify, defend and hold harmless District and the District's

Parties from and against any and all losses, liabilities, damages, costs and expenses, including attorneys' fees and costs to the extent same are caused in whole or in part by any negligent or wrongful act, error or omission of Consultant, its officers, agents, employees or subcontractors (or any entity or individual for which Consultant shall bear legal liability) in the performance of professional services under this Agreement.

- (b.) Indemnity for Other Than Professional Liability. Other than in the performance of professional services and to the full extent permitted by law, Consultant shall indemnify, defend and hold harmless District and District's Parties from and against any liability (including liability for claims, suits, actions, losses, expenses or costs of any kind, whether actual, alleged or threatened, including attorneys' fees and costs, court costs, defense costs and expert witness fees), where the same arise out of, are a consequence of, or are in any way attributable to, in whole or in part, the performance of this Agreement by Consultant or by any individual or entity for which Consultant is legally liable, including but not limited to officers, agents, employees or subcontractors of Consultant.

## **5.0 TERM**

5.1 Term. Unless earlier terminated in accordance with Section 5.2 below, this Agreement shall continue in full force and effect until \_\_\_\_\_.

5.2 Termination Prior to Expiration of Term. Either party may terminate this Agreement at any time, with or without cause, upon thirty days' written notice to the other party. Upon receipt of the notice of termination, the Consultant shall immediately cease all work or services hereunder except as may be specifically approved by the Contract Officer. In the event of termination by the District, Consultant shall be entitled to compensation for all services rendered prior to the effectiveness of the notice of termination and for such additional services specifically authorized by the Contract Officer and District shall be entitled to reimbursement for any compensation paid in excess of the services rendered.

## **6.0 MISCELLANEOUS**

6.1 Covenant Against Discrimination. Consultant covenants that, by and for itself, its heirs, executors, assigns and all persons claiming under or through it, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin, or ancestry in the performance of this Agreement. Consultant shall take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, color, creed, religion, sex, marital status, national origin or ancestry.

6.2 Non-Liability of District Officers and Employees. No officer or employee of the District shall be personally liable to the Consultant, or any successor in interest, in the event of any default or breach by the District or for any amount which may become due to the Consultant or to its successor, or for breach of any obligation of the terms of this Agreement.

6.3 Conflict of Interest. No officer or employee of the District shall have any financial interest in this Agreement nor shall any such officer or employee participate in any decision relating to the Agreement which affects his financial interest or the financial interest of any corporation, partnership or association in which he is, directly or indirectly, interested, in violation of any state statute or regulation. The Consultant warrants that it has not paid or given and will not pay or give any third party any money or other consideration for obtaining this Agreement. When requested by the Contract Officer, prior to the District's execution of this Agreement, Consultant shall provide the District with an executed statement of economic interest.

6.4 Notice. Any notice or other communication either party desires or is required to give to the other party or any other person shall be in writing and either served personally or sent by prepaid, first-class mail, in the case of the District, to the District's General Manager and to the attention of the Contract Officer, Palmdale Water District, 2029 E. Avenue Q Street, Palmdale, California 93550, and in the case of the Consultant, to the person at the address designated on the execution page of this Agreement.

6.5 Interpretation. The terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against either party by reason of the authorship of this Agreement or any other rule of construction which might otherwise apply.

6.6 Integration Amendment. It is understood that there are no oral agreements between the parties hereto affecting this Agreement and that this Agreement supersedes and cancels any and all previous negotiations, arrangements, agreements and understandings, if any, between the parties, and none shall be used to interpret this Agreement. This Agreement may be amended at any time by a writing signed by both parties.

6.7 Severability. In the event that part of this Agreement shall be declared invalid or unenforceable by a valid judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining portions of this Agreement which are hereby declared as severable and shall be interpreted to carry out the intent of the parties hereunder unless the invalid provision is so material that its invalidity deprives either party of the basic benefit of their bargain or renders this Agreement meaningless.

6.8 Waiver. No delay or omission in the exercise of any right or remedy by a nondefaulting party on any default shall impair such right or remedy or be construed as a waiver. A party's consent to or approval of any act by the other party requiring the party's consent or approval shall not be deemed to waive or render unnecessary the other party's consent to or approval of any subsequent act. Any waiver by either party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

6.9 Attorneys' Fees. If either party to this Agreement is required to initiate, defend or made a party to any action or proceeding in any way connected with this Agreement, the prevailing party in such action or proceeding, in addition to any other relief which may be granted, shall be entitled to reasonable attorneys' fees, whether or not the matter proceeds to judgment.

6.10 Corporate Authority. The persons executing this Agreement on behalf of the parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said party, (iii) by so executing this Agreement, such party is

formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which said party is bound.

6.11 Warranty & Representation of Non-Collusion. No official, officer, or employee of District has any financial interest, direct or indirect, in this Agreement, nor shall any official, officer, or employee of District participate in any decision relating to this Agreement which may affect his/her financial interest or the financial interest of any corporation, partnership, or association in which (s)he is directly or indirectly interested, or in violation of any corporation, partnership, or association in which (s)he is directly or indirectly interested, or in violation of any State or municipal statute or regulation. The determination of "financial interest" shall be consistent with State law and shall not include interests found to be "remote" or "noninterests" pursuant to Government Code Sections 1091 or 1091.5. Consultant warrants and represents that it has not paid or given, and will not pay or give, to any third party including, but not limited to, any official, officer, or employee of the District, any money, consideration, or other thing of value as a result or consequence of obtaining or being awarded any agreement. Consultant further warrants and represents that (s)he/it has not engaged in any act(s), omission(s), or other conduct or collusion that would result in the payment of any money, consideration, or other thing of value to any third party including, but not limited to, any official, officer, or employee of the District, as a result of consequence of obtaining or being awarded any agreement. Consultant is aware of and understands that any such act(s), omission(s) or other conduct resulting in the payment of money, consideration, or other thing of value will render this Agreement void and of no force or effect.

Consultant shall procure, at its expense, all permits required by governmental authorities and shall comply with all applicable local, state and federal regulations and statutes including Cal-OSHA requirements.

6.12 Prevailing Wages. Consultant shall comply with Labor Code Section 1775. In accordance with said Section 1775, the Consultant shall forfeit as a penalty to the District, a penalty in such amount as the Labor Commissioner shall determine for each calendar day or portion thereof for each worker paid less than the stipulated prevailing rates for such work or craft in which such worker is employed for any work done under this Agreement by them or by any sub-consultant under them in violation of the provisions of the Labor Code and, in particular, Labor Code Sections 1770 to 1780, inclusive. In addition to said penalty and pursuant to said Section 1775, the difference between such stipulated prevailing wage rates and the amount paid to each worker for each calendar day or portion thereof for which each worker was paid less than the stipulated prevailing wage rate shall be paid to each worker by the Consultant.

6.13 Ownership of Documents. District will make available to Consultant such materials from its files as may be required by Consultant to perform these services. Such materials shall remain the property of the District while in Consultant's possession. Upon termination of the Agreement or completion of work under the Agreement, Consultant shall turn over to the District any District property or materials in its possession and any calculations, notes, reports, electronic files or other materials prepared by Consultant in the performance of these services.

District may utilize any material prepared or work performed by Consultant in any manner, which District deems proper without additional compensation to Consultant. Consultant shall have no responsibility or liability for any revisions, changes or corrections made by District

or any use or reuse pursuant to this paragraph unless Consultant accepts such responsibility in writing.

Consultant shall not make public information releases or otherwise publish any information obtained or produced by it as a result of, or in connection with, the performance of services under the Agreement without prior written consent of the District.

Consultant shall not publish or use any advertising, sales promotion or publicity in matters relating to services, equipment, products, reports, and material furnished by Consultant in which District's name is used or its identity is implied without prior written approval by the District.

6.14 Jurisdiction and Venue. The validity, interpretation, and performance of this Agreement shall be controlled by and construed under the laws of the State of California. The parties hereto do hereby consent to the jurisdiction of the Superior Court of California, Los Angeles County, or the United States District Court for the Central District of California in the event any dispute arises in conjunction herewith.

6.15 Authority. The signatories to this Agreement represent that they have the authority to execute this Agreement.

The parties hereto have caused this Agreement to be duly executed by its authorized officers.

Date: \_\_\_\_\_ Date: \_\_\_\_\_

Consultant's Authorized Initials \_\_\_\_\_

IN WITNESS WHEREOF, the parties have executed and entered into this Agreement as of the date first written above.

**PALMDALE WATER DISTRICT,**

\_\_\_\_\_  
Dennis D. LaMoreaux, General Manager

APPROVED AS TO FORM:  
ALESHIRE & WYNDER, LLP

\_\_\_\_\_  
General Counsel

**CONSULTANT:**

[INSERT COMPANY NAME HERE]

By: \_\_\_\_\_  
Name: [INSERT]  
Title: [INSERT]

By: \_\_\_\_\_  
Name: [INSERT]  
Title: [INSERT]

Address: [INSERT ADDRESS HERE]  
[INSERT DISTRICT, STATE, ZIP]

[END OF SIGNATURES]



Exhibit "A"

**SCOPE OF SERVICES**

Exhibit "B"

**SPECIAL REQUIREMENTS**

Exhibit "C"

**SCHEDULE OF COMPENSATION**