

PALMDALE WATER DISTRICT

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

Fax (661) 947-8604

www.palmdalewater.org

ALESHIRE & WYNDER LLP
Attorneys



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

August 7, 2014

***Agenda for a Meeting
of the Finance Committee of the Palmdale Water District
Committee Members: Gloria Dizmang-Chair, Vincent Dino
to be held at the District's office at 2029 East Avenue Q, Palmdale
Monday, August 11, 2014
11:00 a.m.***

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

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

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

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

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

- 4.1) Consideration and possible action on approval of minutes of meeting held July 1, 2014.
- 4.2) Discussion and overview of Cash Flow Statement and Current Cash Balances as of June 30, 2014. (Financial Advisor Egan)
- 4.3) Discussion and overview of Financial Statements, Revenue and Expense and Departmental Budget Reports for June 30, 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 policy for Rate Assistance Program. (Finance Manager Williams)
- 5) Information items.
 - 5.1) Status of 2014 Water Rate Study. (General Manager LaMoreaux)
 - 5.2) Other.
- 6) Board members' requests for future agenda items.
- 7) Adjournment.


DENNIS D. LaMOREAUX,
General Manager

DDL/dd

**PALMDALE
WATER DISTRICT
BOARD MEMORANDUM**

DATE:	August 7, 2014	August 11, 2014
TO:	FINANCE COMMITTEE	Committee Meeting
FROM:	Mr. Bob Egan, Financial Advisor	
RE:	<i>AGENDA ITEM NO. 4.2 – DISCUSSION AND OVERVIEW OF CASH FLOW STATEMENT AND CURRENT CASH BALANCES AS OF JUNE 30, 2014</i>	

Attached is the Investment Funds Report and current cash balance as of June 30, 2014. The reports will be reviewed in detail at the Finance Committee meeting.

PALMDALE WATER DISTRICT
INVESTMENT FUNDS REPORT

			June 30, 2014			June-14	May-14
	DESCR						
CASH							
0-0103	Citizens/US Bank - Checking					495,738.34	141,146.15
0-0104	Citizens- Merchant					66,680.72	90,923.95
					Bank cash	562,419.06	232,070.10
0-0119	PETTY CASH					300.00	300.00
0-0120	CASH ON HAND					3,400.00	3,400.00
	TOTAL CASH					566,119.06	235,770.10
INVESTMENTS							
0-0110	UBS ACCOUNT SS 11469 GG						
	UBS RMA Government Portfolio					5,329,827.35	7,814,848.95
	UBS Bank USA Dep acct					250,000.00	250,000.00
		Accrued interest				208.71	0.00
						5,580,036.06	8,064,848.95
		<u>CD'S</u>	<u>Due</u>	<u>Rate</u>	<u>Face Value</u>		
	1	Homestreet Bk WA	12/08/14	2.00	240,000	239,712.00	0.00
	2	Discover Bk DE	12/11/14	0.25	240,000	239,755.20	0.00
	3	Bk of China NY US	12/11/14	0.25	240,000	239,755.20	0.00
	4	Berkshire Bk MA	12/12/14	0.25	240,000	239,647.20	0.00
	5	First B & T IL	12/15/14	0.15	240,000	239,692.80	0.00
	6	1st Niagra Bk NY	12/15/14	0.25	240,000	239,745.60	0.00
	7	Comenity Bk DE	12/18/14	0.30	200,000	200,000.00	0.00
	8	Peoples United CT	12/18/14	0.25	120,000	119,868.00	0.00
	9	Citizens Bk PA	12/18/14	0.30	240,000	239,791.20	0.00
					2,000,000	1,997,967.20	0.00
					Total acct	7,578,003.26	8,064,848.95
0-1110	UBS ACCOUNT SS 11475 GG						
	UBS Bank USA Dep acct					250,000.00	250,000.00
	UBS RMA Government Portfolio					210,349.17	210,337.10
					Total acct	460,349.17	460,337.10
0-0115	LAIF						
					Total acct	11,719.46	11,719.46
0-0111	UBS ACCOUNT SS 11432 GG						
	UBS Bank USA Dep acct					82,912.44	250,000.00
	UBS RMA Government Portfolio					0.00	831,070.96
		Accrued interest				7,292.42	6,445.22
US GOVERNMENT SECURITIES:							
	<u>ISSUE</u>	<u>EXPIR</u>				<u>MARKET</u>	<u>MARKET</u>
	<u>DATE</u>	<u>ISSUER</u>	<u>DATE</u>	<u>RATE</u>	<u>PAR</u>	<u>VALUE</u>	<u>VALUE</u>
		FNMA	10/26/15	1.625	500,000	508,545.00	509,785.00
		FFCB	06/02/16	0.375	1,000,000	997,400.00	0.00
		FNMA	07/17/17	1.2	500,000	500,235.00	500,610.00
		FHLB	12/28/17	0.95	500,000	494,590.00	495,485.00
					2,500,000	2,500,770.00	1,505,880.00
		<u>CD'S</u>	<u>Due</u>	<u>Rate</u>	<u>Face Value</u>		
	1	Bank of Baroda	11/12/14	0.45	240,000	239,990.40	239,964.00
	2	GE Capital Bank	05/01/15	0.60	64,000	64,010.24	63,987.84
	3	Ally Bank	05/06/15	0.60	240,000	240,024.00	239,942.40
	4	Sallie Mae Bank	11/06/15	0.85	240,000	240,415.20	240,381.60
	5	Goldman Sachs Bk	11/07/16	1.00	240,000	240,196.80	239,980.80
	6	CIT Bank	11/06/17	1.60	240,000	240,256.80	240,237.60
	7	BMW Bank	11/15/18	2.00	240,000	241,300.80	240,933.60
	8						
					1,504,000	1,506,194.24	1,505,428
					TOTAL MANAGED ACCOUNT	4,097,169.10	4,098,824.02
	TOTAL INVESTMENTS					12,147,240.99	12,635,729.53
	UBS ACCOUNT SS 24016			UBS USA		250,000.00	250,000.00
	Rate Stabilization Fund			UBS AG		230,104.34	230,084.54
						480,104.34	480,084.54
	GRAND TOTAL CASH AND INVESTMENTS					13,193,464.39	13,351,584.17
	Summary:						
	Checking	566,119			Incr (Decr)	(158,119.78)	
	UBS MM	8,038,352					
	LAIF	11,719					
	UBS Investment	4,097,169					
	Rate Stab fund	480,104			BNY Mellon		
	Total	13,193,464			Construction	6,437,905.06	7,352,177.22

07/14/14	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	1,701,439	1,914,996	2,081,078	2,202,000	2,407,000	2,455,000	2,288,000	2,076,000	1,766,000	23,857,620
	1,649,955	1,630,351	1,685,802	1,701,439	1,914,996	2,081,078	2,202,000	2,407,000	2,455,000	2,288,000	2,076,000	1,766,000	
Beginning Balance	12,223,261	12,094,245	12,669,343	10,569,481	12,638,008	13,351,585	13,193,464	12,978,640	12,372,652	9,701,295	8,382,224	8,214,527	
Water Receipts	1,955,377	1,805,677	1,780,736	1,691,040	1,777,997	2,046,064	2,202,000	2,407,000	2,455,000	2,288,000	2,076,000	1,766,000	24,250,891
Other							278,100					0	278,100
Total Operating Revenue	1,955,377	1,805,677	1,780,736	1,691,040	1,777,997	2,046,064	2,480,100	2,407,000	2,455,000	2,288,000	2,076,000	1,766,000	
Operating Expenses:													
Total Operating Expenses excl GAC	2,060,493	1,411,384	1,720,101	1,345,880	1,547,374	1,502,338	2,171,600	2,171,600	2,196,000	2,196,000	1,830,000	1,708,000	21,860,770
													1,996,850
Non-Operating Revenue Expenses:													
Assessments, net	636,921	291,389	7,906	1,958,367	720,021	7,737	80,205	145,000			237,000	2,647,000	6,731,546
Special Avek CIF Payment													0
Interest	3,782	3,457	3,899	3,224	3,195	3,676	2,083	2,083	2,083	2,083	2,083	2,083	33,733
Mkt adj	10,554	1,203	(4,828)	6,915	2,763	(6,882)							9,725
Grant Re-imbursement													0
Capital Improvement Fees		2,538				0	6,667	6,667	6,667	6,667	6,667	6,667	42,538
													0
DWR Refund/(payment)					133,539								133,539
Other /Palmdale Redevel Agency	10,079	52,154	16,438	10,677	298,812	12,623	55,833	55,833	55,833	55,833	55,833	55,833	735,784
Total Non-Operating Revenues	661,336	350,742	23,415	1,979,183	1,158,329	17,154	144,788	209,583	64,583	64,583	301,583	2,711,583	7,686,864
Capital Expenditures	(106,595)	(13,862)	(321,802)	(119,918)	(533,132)	(104,335)	(74,066)	(581,964)	(446,000)	(329,646)	(241,273)	(76,955)	(2,949,548)
GAC								(300,000)	(300,000)	(340,000)	(340,000)		(1,280,000)
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			(67,580)					(35,000)		(165,000)			(267,580)
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						(492,805)				(507,000)			(999,805)
Capital leases	(460)	(37,933)	(20,929)	(17,756)	(24,103)	(3,720)	(15,868)	(15,868)	(15,868)	(15,868)	(15,868)	(15,868)	(200,109)
Legal adjudication fees													0
Total Cash Ending Balance	12,094,245	12,669,343	10,569,481	12,638,008	13,351,585	13,193,464	12,978,640	12,372,652	9,701,295	8,382,224	8,214,527	10,773,148	(11,805,199)
											Budget	10,756,000	(2,121,484)
											diff	17,148	

PALMDALE WATER DISTRICT BOARD MEMORANDUM

DATE: August 6, 2014 **August 11, 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 JUNE 30, 2014***

Discussion:

Presented here are the Balance Sheet and Profit/Loss Statement for the period ending June 30, 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 June, 2014.

This is the sixth month of the District's Budget Year 2014. The target percentage is 50%. Revenues ideally are at or above, and expenditures ideally are below.

Balance Sheet:

- Page 1 is our balance sheet on June 30, 2014.
- There are no significant changes from May to June.
- Page 2-A is provided to give historical information related to our long term assets. Looking back at 6 month intervals beginning in 2011 to present: our property, plant and equipment has declined \$9.4MM. Also, note that the bond issue will help in bringing our long term assets back up.

Profit/Loss Statement:

- Page 3 is our profit/loss statement on June 30, 2014.
- Operating revenue is at 44% of budget. In addition, reduced water sales for the six month period has water sales at only 38% of budget. These amounts are far below our target for this time of year.
- Cash operating expense is at 44% of budget. This is below the target of 50% which is where we like to be.
- There are a couple departments that continue to be over the respective target which have been discussed in the past.

Year-To-Year Comparison P&L:

- Page 7 is our comparison of June, 2013 to June, 2014.
- Total operating revenue is down \$59K, or 2.7%, due to lower water consumption. Water sales are down \$64K for the month.

FINANCE COMMITTEE
PALMDALE WATER DISTRICT

VIA: Mr. Dennis LaMoreaux, General Manager

-2-

August 6, 2014

- Operating expenditures are down by \$500K, or 25% - due mostly to the purchase of GAC and prior year OAP charges paid in 2013.
- Page 8 is a graphic presentation of the water consumption comparison. Units billed in acre feet were down by 106 or 5.3%. Total revenue per unit sold is up \$0.07, or 3%, total revenue per connection is down \$2.29 or 3%, and units billed per connection is down 1.94, or 6%.

Revenue Analysis Year-To-Date:

- Page 9 is our comparison of revenue, year to date.
- Operating revenue through June 2014 is down \$223K.
- Retail water sales are down by \$13K from last year. That's shown by the combined green highlighted area. Water sales alone are down \$104K.
- For the months January through June, in 2014 we have sold 33 acre feet less water than last year. However, for the months April through June 2014, we have sold 237 acre feet less than last year.
- Total revenue is up \$756K. This is due mostly to assessments received.
- Operating revenue through June, 2014 is at 43% of budget, last year we were at 47% of budget. This too is reflective of reduced water sales.

Expense Analysis Year-To-Date:

- Page 11 is our comparison of expense, year-to-date.
- Cash Operating Expenses through June, 2014 are up by \$1.2MM, or 11%, compared to 2013 due to plant expenditures and the Wood settlement payment.
- Total Expenses are up \$645K, or 4%, for the same reasons.

Departments:

- Pages 14 through 22 are detailed budgets of each department.

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.

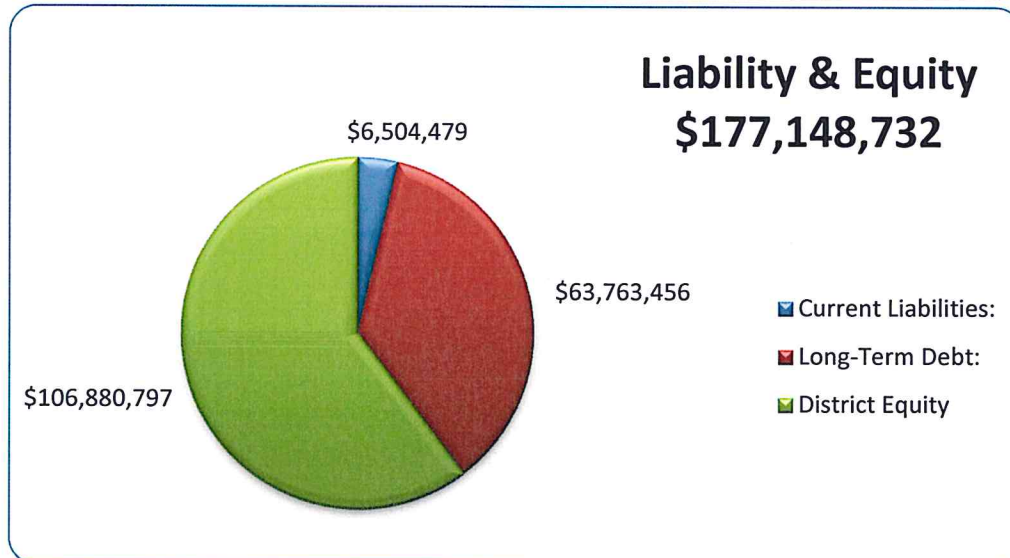
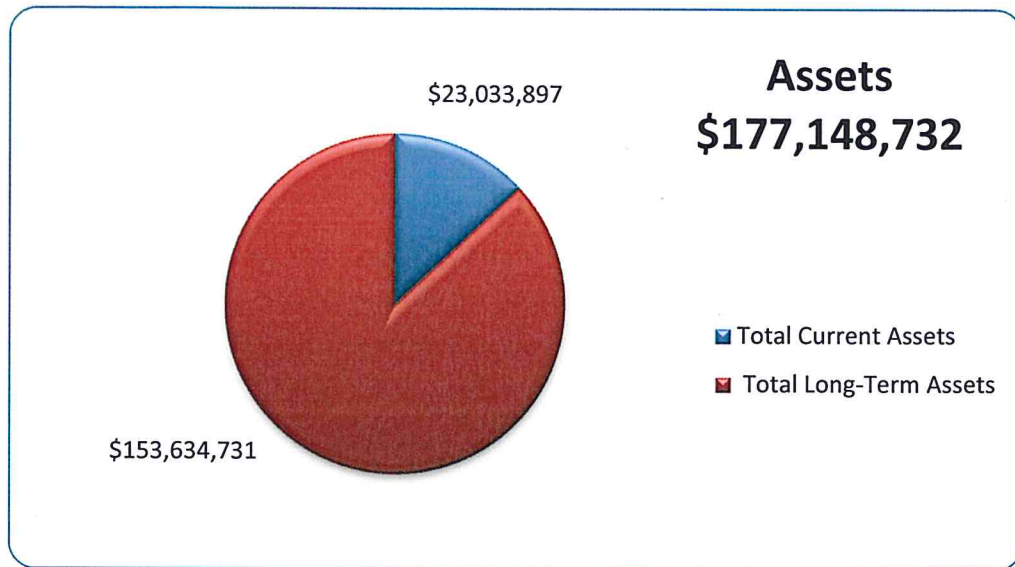
Service Cost Construction: The value of material, parts & supplies from inventory used to construct, repair and maintain our asset infrastructure.

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

Palmdale Water District
Balance Sheet Report
For the Six Months Ending 6/30/2014

	June 2014	May 2014
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 566,119	\$ 235,770
Investments	12,147,241	12,635,730
2013A Bonds - Project Funds	6,257,563	6,536,841
	<u>\$ 18,970,923</u>	<u>\$ 19,408,341</u>
Receivables:		
Accounts Receivables - Water Sales	\$ 1,835,678	\$ 1,727,651
Accounts Receivables - Miscellaneous	43,763	43,393
Allowance for Uncollected Accounts	(214,349)	(211,333)
	<u>\$ 1,665,092</u>	<u>\$ 1,559,711</u>
Interest Receivable	\$ -	\$ -
Assessments Receivables	1,569,239	1,576,976
Meters, Materials and Supplies	734,389	761,596
Prepaid Expenses	94,254	116,303
Total Current Assets	<u>\$ 23,033,897</u>	<u>\$ 23,422,927</u>
Long-Term Assets:		
Property, Plant, and Equipment, net	\$ 114,437,203	\$ 114,560,957
Participation Rights in State Water Project, net	38,963,644	39,005,014
2013A Bonds - Insurance & Surety Bond	233,885	234,551
	<u>\$ 153,634,731</u>	<u>\$ 153,800,522</u>
Restricted Cash:		
Rate Stabilization Fund	480,104	480,085
Total Long-Term Assets & Restricted Cash	<u>\$ 154,114,836</u>	<u>\$ 154,280,606</u>
Total Assets	<u>\$ 177,148,732</u>	<u>\$ 177,703,533</u>
LIABILITIES AND DISTRICT EQUITY		
Current Liabilities:		
Current Interest Installment of Long-term Debt	\$ 559,123	\$ 372,740
Current Principal Installment of Long-term Debt	1,137,998	1,137,998
Accounts Payable and Accrued Expenses	4,929,699	5,171,878
Deferred Assessments	(122,342)	(114,605)
Total Current Liabilities	<u>\$ 6,504,479</u>	<u>\$ 6,568,012</u>
Long-Term Debt:		
Pension-Related Debt	\$ 1,084,487	\$ 1,084,487
OPEB Liability	8,373,509	8,223,914
2013A Water Revenue Bonds	43,944,977	43,947,227
2012 - Certificates of Participation	10,035,749	10,028,952
2011 - Capital Lease Payable	324,734	338,893
Total Long-Term Liabilities	<u>\$ 63,763,456</u>	<u>\$ 63,623,473</u>
Total Liabilities	<u>\$ 70,267,935</u>	<u>\$ 70,191,485</u>
District Equity		
Revenue from Operations	\$ (1,791,372)	\$ (1,160,122)
Retained Earnings	108,672,169	108,672,169
Total Liabilities and District Equity	<u>\$ 177,148,732</u>	<u>\$ 177,703,533</u>

BALANCE SHEET AS OF JUNE 30, 2014



Palmdale Water District
Balance Sheet Report

	December 2011	June 2012	December 2012	June 2013	December 2013	June 2014
ASSETS						
Current Assets:						
Cash and Cash Equivalents	\$ 419,408	\$ 282,034	\$ 263,104	\$ 1,078,421	\$ 1,382,140	\$ 566,119
Investments	7,383,477	8,264,943	8,996,049	9,927,627	10,354,334	12,147,241
2013A Bonds - Project Funds				8,500,000	7,761,016	6,257,563
	\$ 7,802,885	\$ 8,546,977	\$ 9,259,153	\$ 19,506,048	\$ 19,497,490	\$ 18,970,923
Receivables:						
Accounts Receivables - Water Sales	\$ 1,985,688	\$ 1,871,654	\$ 2,057,307	\$ 1,710,770	\$ 1,882,658	\$ 1,835,678
Accounts Receivables - Miscellaneous	49,712	59,789	464,256	251,851	65,858	43,763
Allowance for Uncollected Accounts	(264,336)	(264,336)	(49,317)	(49,317)	(257,023)	(214,349)
	\$ 1,771,063	\$ 1,667,106	\$ 2,472,246	\$ 1,913,304	\$ 1,691,493	\$ 1,665,092
Interest Receivable	\$ 30,945	\$ -	\$ 5,416	\$ 9	\$ 6,750	\$ -
Assessments Receivables	4,000,367	1,175,287	4,003,084	411,521	5,191,581	1,569,239
Meters, Materials and Supplies	712,744	667,042	938,813	940,185	829,522	734,389
Prepaid Expenses	319,901	103,561	232,700	75,592	300,247	94,254
Total Current Assets	\$ 14,637,906	\$ 12,159,973	\$ 16,911,413	\$ 22,846,659	\$ 27,517,082	\$ 23,033,897
Long-Term Assets:						
Property, Plant, and Equipment, net	\$ 123,933,169	\$ 122,254,045	\$ 120,177,493	\$ 116,988,270	\$ 115,534,691	\$ 114,437,203
Participation Rights in State Water Project, net	34,874,988	35,258,014	36,629,340	37,198,967	38,757,005	38,963,644
Bond Issuance Cost, Net	704,158	685,211	786,956	260,926	246,822	-
2013A Bonds - Cost of Issuance				1,135,017	1,159,832	-
2013A Bonds - Insurance & Surety Bond				241,881	237,883	233,885
	\$ 159,512,315	\$ 158,197,270	\$ 157,593,790	\$ 155,825,061	\$ 155,936,232	\$ 153,634,731
Restricted Cash:						
Debt Reserve Fund - 1998 Bonds	\$ 1,661,732	\$ 1,677,259	\$ -	\$ -	\$ -	\$ -
Rate Stabilization Fund	-	-	-	-	480,000	480,104
	\$ 1,661,732	\$ 1,677,259	\$ -	\$ -	\$ 480,000	\$ 480,104
Total Long-Term Assets & Restricted Cash	\$ 161,174,046	\$ 159,874,528	\$ 157,593,790	\$ 155,825,061	\$ 156,416,232	\$ 154,114,836
Total Assets	\$ 175,811,952	\$ 172,034,501	\$ 174,505,203	\$ 178,671,720	\$ 183,933,314	\$ 177,148,732

Palmdale Water District
Consolidated Profit and Loss Statement
For the Six Months Ending 6/30/2014

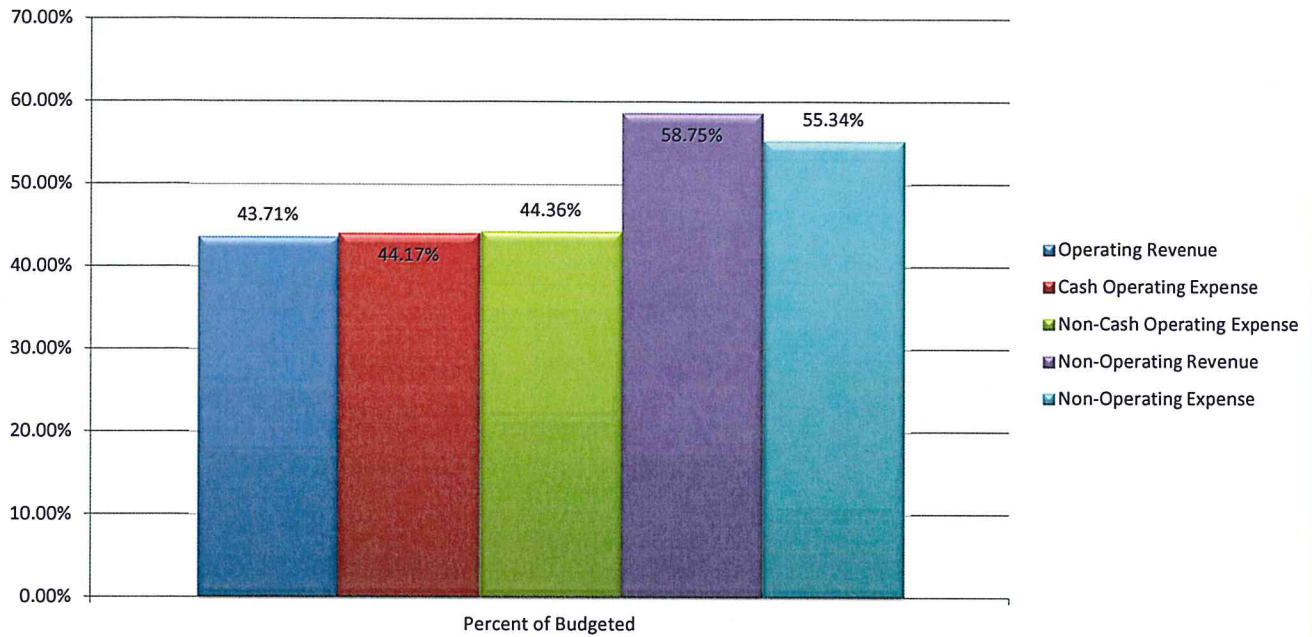
	Thru May	June	Year-to-Date	Adjustments	Adjusted Budget	% of Budget
Operating Revenue:						
Wholesale Water	\$ 17,910	\$ 20,881	\$ 38,791		\$ 225,000	17.24%
Water Sales	2,621,550	793,170	3,414,720		9,053,000	37.72%
Meter Fees	4,687,852	944,716	5,632,568		11,255,000	50.05%
Water Quality Fees	511,316	162,490	673,805		1,638,000	41.14%
Elevation Fees	151,326	50,142	201,468		525,000	38.37%
Other	592,255	109,680	701,935		1,700,000	41.29%
Total Water Sales	\$ 8,582,210	\$ 2,081,078	\$ 10,663,287	\$ -	\$ 24,396,000	43.71%
Cash Operating Expenses:						
Directors	\$ 55,711	\$ 12,407	\$ 68,118		\$ 114,500	59.49%
Administration*	1,595,932	230,168	1,826,100	(40,000)	3,450,000	52.93%
Engineering	422,687	81,868	504,555		1,079,800	46.73%
Facilities	1,225,069	213,903	1,438,972		3,408,500	42.22%
Operations	2,091,762	487,416	2,579,178		5,453,500	47.29%
Finance	1,279,754	250,562	1,530,316		2,968,750	51.55%
Water Conservation	55,990	11,634	67,624		270,000	25.05%
Human Resources*	102,878	4,458	107,336	40,000	255,300	42.04%
Information Technology	359,663	48,959	408,623		828,600	49.31%
Water Purchases	836,608	122,865	959,473		2,400,000	39.98%
Water Purchases-Prior Year OAP	683	-	683		250,000	0.27%
Water Recovery	(45,665)	(34,012)	(79,677)		(100,000)	79.68%
Plant Expenditures	1,149,688	101,813	1,251,502		2,143,500	58.39%
GAC Filter Media Replacement	9,171	-	9,171		1,638,000	0.56%
Total Cash Operating Expenses	\$ 9,139,931	\$ 1,532,042	\$ 10,671,973	\$ -	\$ 24,160,450	44.17%
Non-Cash Operating Expenses:						
Depreciation	\$ 2,763,790	\$ 546,158	\$ 3,309,947		\$ 7,350,000	45.03%
OPEB Accrual Expense	834,375	166,875	1,001,250		2,000,000	50.06%
Bad Debts	24,549	55	24,604		100,000	24.60%
Service Costs Construction	5,788	85	5,873		125,000	4.70%
Capitalized Construction	(383,344)	(154,555)	(537,899)		(1,000,000)	53.79%
Total Non-Cash Operating Expenses	\$ 3,245,157	\$ 558,617	\$ 3,803,774	\$ -	\$ 8,575,000	44.36%
Net Operating Profit/(Loss)	\$ (3,802,879)	\$ (9,582)	\$ (3,812,461)	\$ -	\$ (8,339,450)	45.72%
Non-Operating Revenues:						
Assessments (Debt Service)	\$ 2,749,038	\$ 910	\$ 2,749,948		\$ 4,400,000	62.50%
Assessments (1%)	1,113,692	6,827	1,120,518		1,800,000	62.25%
DWR Fixed Charge Recovery	133,539	-	133,539		100,000	133.54%
Interest	34,156	(3,206)	30,950		25,000	123.80%
Capital Improvement Fees	9,889	-	9,889		150,000	6.59%
State Grants	-	-	-		485,000	0.00%
Other	140,037	12,623	152,660		185,000	82.52%
Total Non-Operating Revenues	\$ 4,180,350	\$ 17,154	\$ 4,197,504	\$ -	\$ 7,145,000	58.75%
Non-Operating Expenses:						
Interest on Long-Term Debt	\$ 971,196	\$ 193,306	\$ 1,164,501		\$ 2,111,000	55.16%
Amortization of SWP	797,550	159,510	957,060		1,679,000	57.00%
Water Conservation Programs	45,238	9,616	54,854		143,000	38.36%
Total Non-Operating Expenses	\$ 1,813,984	\$ 362,432	\$ 2,176,416	\$ -	\$ 3,933,000	55.34%
Net Earnings	\$ (1,436,512)	\$ (354,860)	\$ (1,791,372)	\$ -	\$ (5,127,450)	34.94%

* Budget adjustments by General Manager per Appendix A

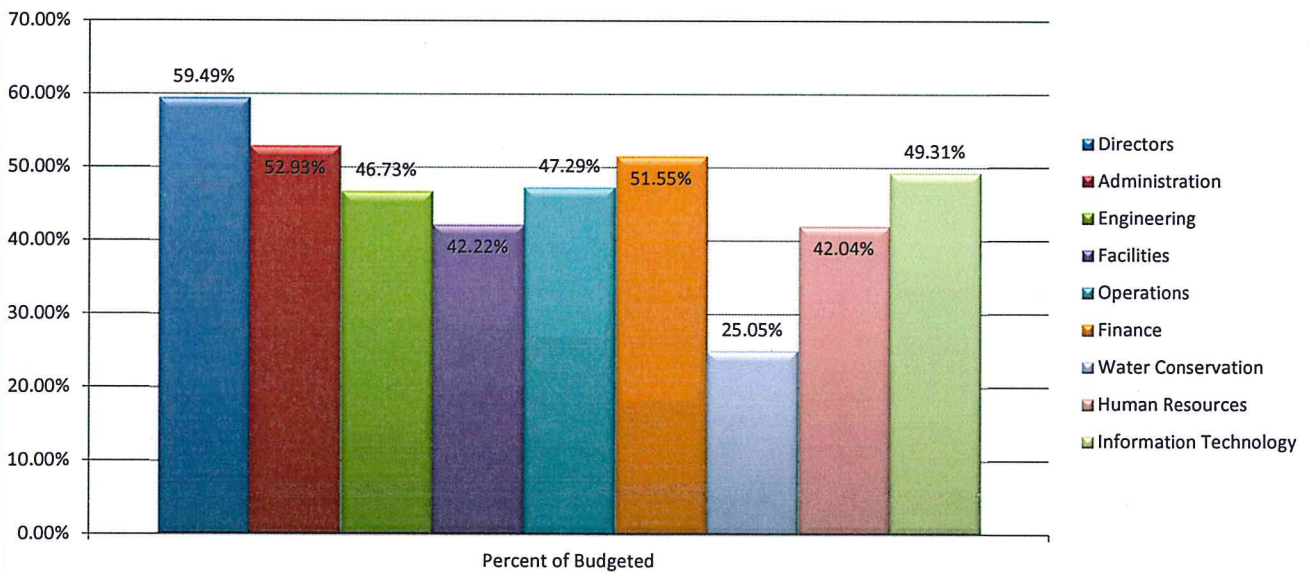
OTHER OPERATING REVENUE

5/8" Meter Charge(\$109)	\$35.00
Account Setup Charge(\$25)	\$2,900.00
Account Setup Charge/CC (\$35)	\$2,835.00
After Hours Service Call	\$160.00
Construction Meter Install(\$250)	\$750.00
Credit Check(\$10)	\$40.00
Customer Request Turn On/Off(\$15)	\$75.00
Door Tag Fee(\$20)	\$39,820.00
Lock Broken or Missing(\$15)	\$105.00
Meter Exchange 1" to 5/8"(\$240)	\$240.00
Pulled Meter Service Charge(\$60)	\$180.00
Repair Angle Stop(\$440.00)	\$880.00
Shut-Off Charge(\$30)	\$6,180.00
Shut-Off Processing Fee(\$20)	\$180.00
Standard Trip Charge(\$15)	\$325.00
Late Fees	\$41,915.64
NSF Fee	\$800.00
	<hr/>
	\$97,420.64

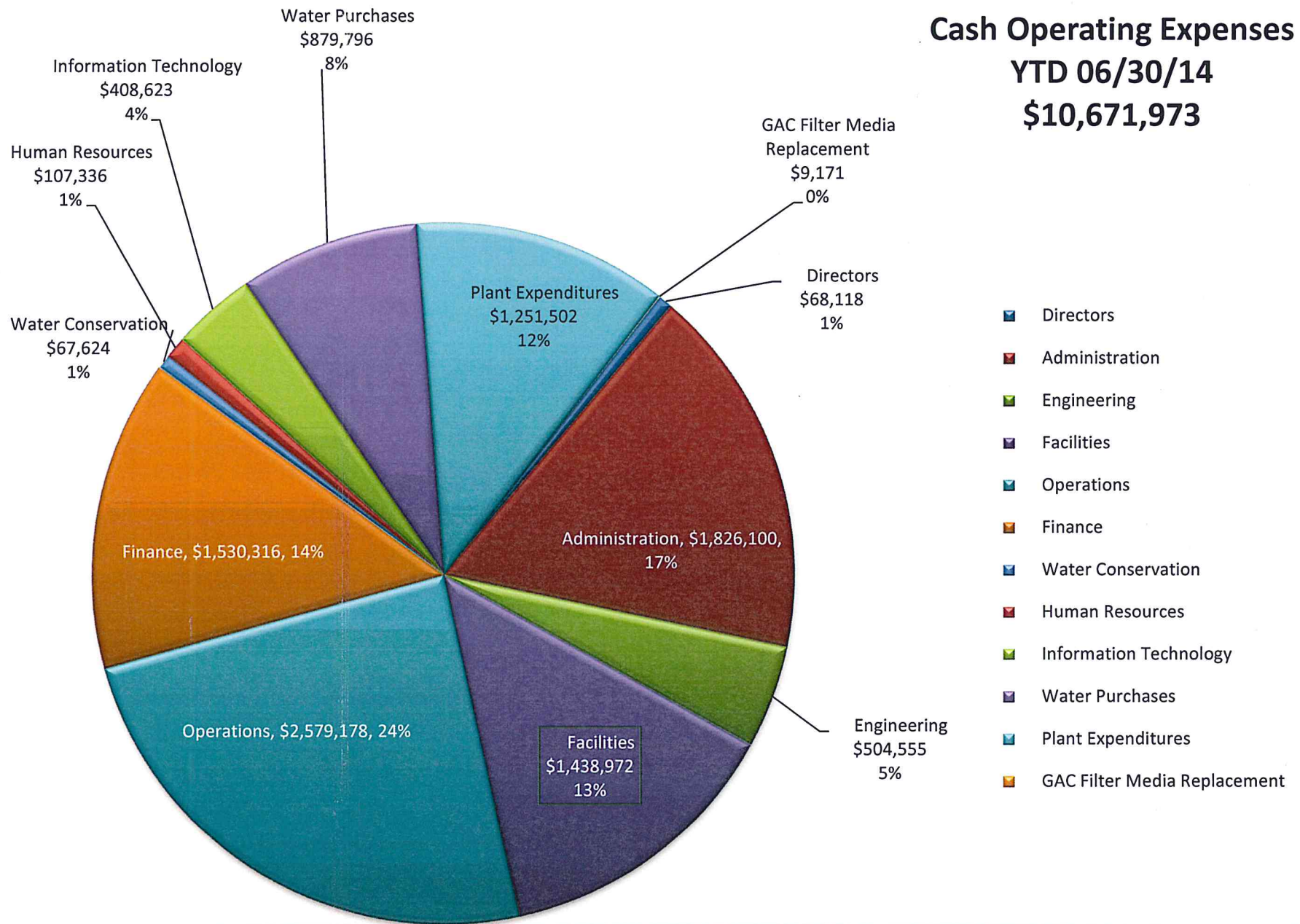
P & L BUDGET vs. ACTUAL



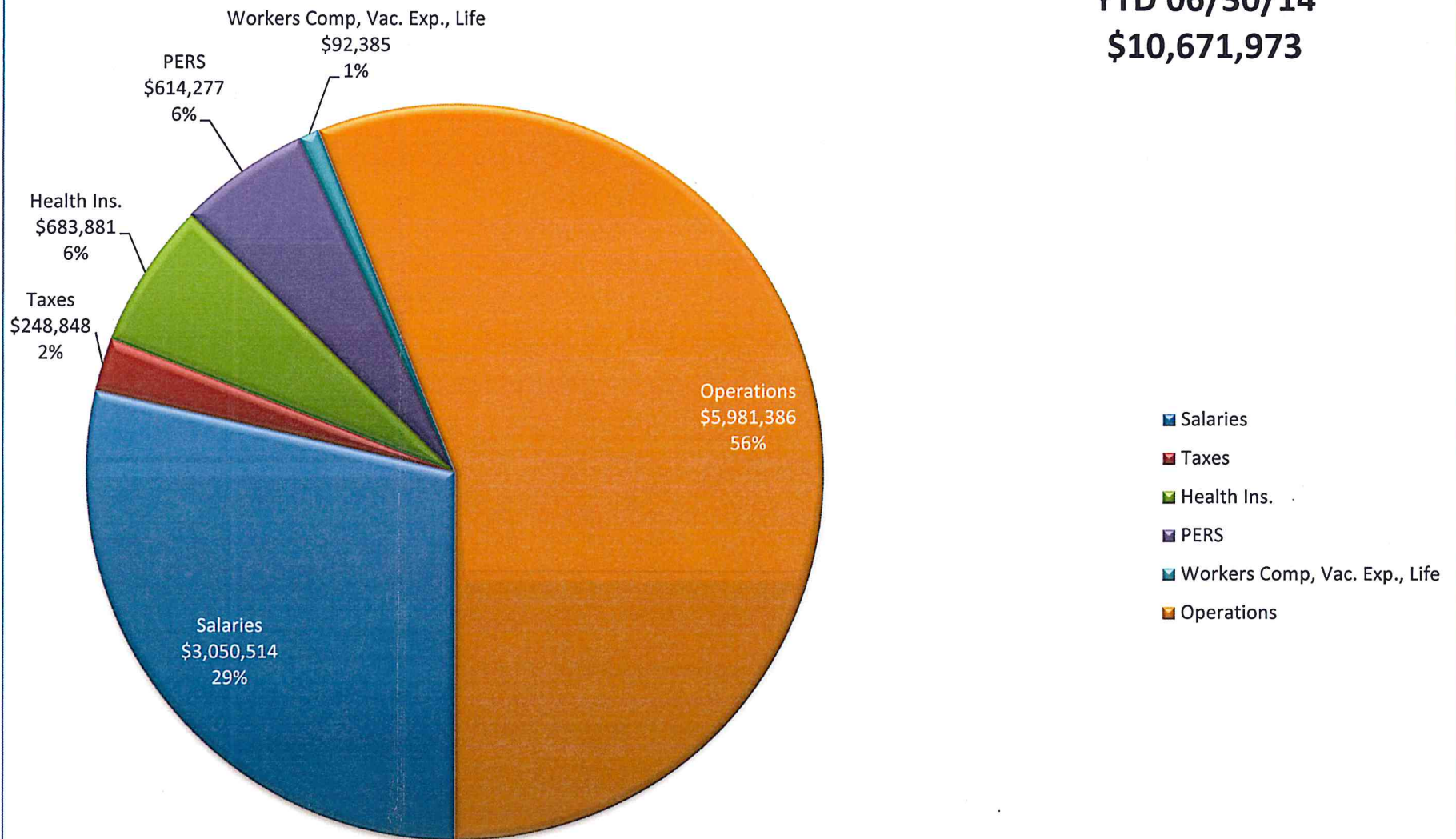
DEPARTMENTAL - BUDGET vs. ACTUAL



Cash Operating Expenses **YTD 06/30/14** **\$10,671,973**



Personnel to Operations Exp
YTD 06/30/14
\$10,671,973

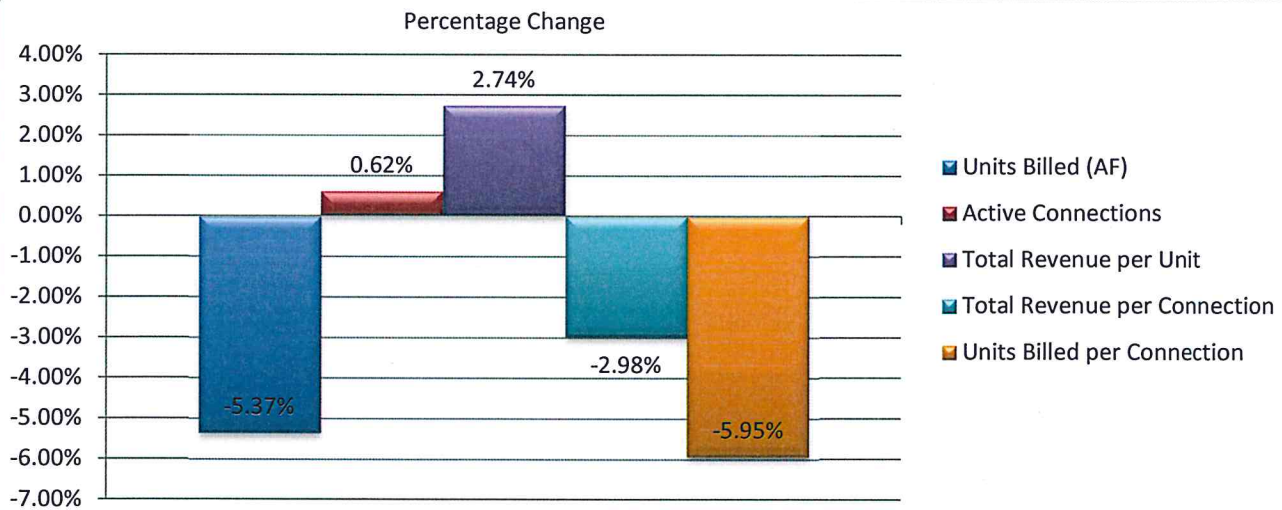
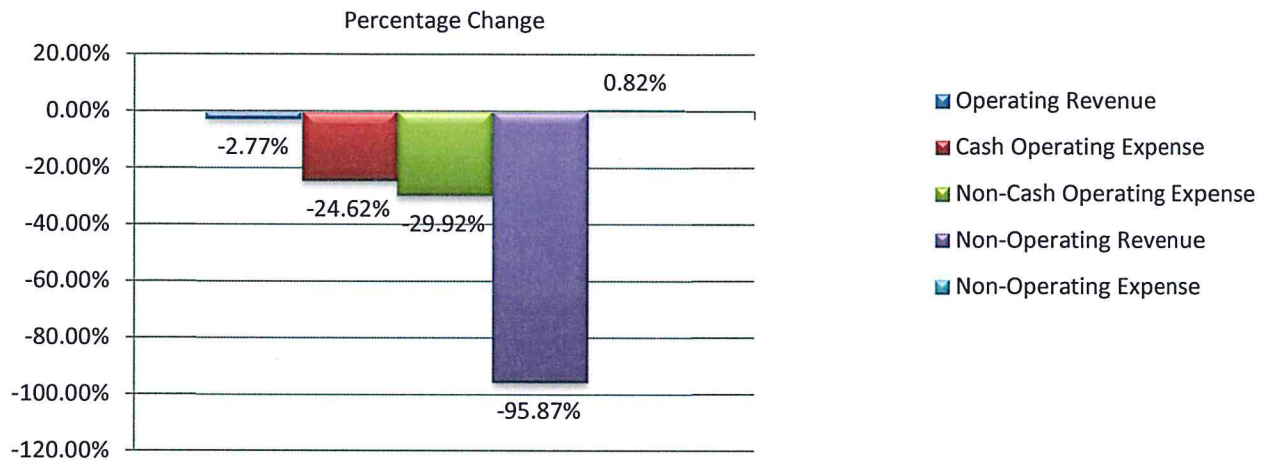


Palmdale Water District
Profit and Loss Statement
Year-To-Year Comparison - June

	2013 June	2014 June	Change	% Change	Consumption Comparison		
					Units Billed	2013	2014
Operating Revenue:						856,768	810,797
Wholesale Water	\$ 10,809	\$ 20,881	\$ 10,072	93.18%	Active	26,289	26,452
Water Sales	857,501	793,170	(64,332)	-7.50%	Vacant	1,055	917
Meter Fees	919,951	944,716	24,765	2.69%			
Water Quality Fees	171,454	162,490	(8,965)	-5.23%			
Elevation Fees	59,814	50,142	(9,672)	-16.17%	Rev/unit	\$ 2.50	\$ 2.57
Other	120,889	109,680	(11,209)	-9.27%	Rev/con	\$ 76.82	\$ 74.53
Total Water Sales	\$ 2,140,418	\$ 2,081,078	\$ (59,341)	-2.77%	Unit/con	32.59	30.65
Cash Operating Expenses:							
Directors	\$ 6,721	\$ 12,407	\$ 5,685	84.59%			
Administration	216,605	230,168	13,563	6.26%			
Engineering	93,509	81,868	(11,640)	-12.45%			
Facilities	240,859	213,903	(26,956)	-11.19%			
Operations	454,694	487,416	32,722	7.20%			
Finance	201,380	250,562	49,183	24.42%			
Water Conservation	18,610	11,634	(6,976)	-37.49%			
Human Resources	14,422	4,458	(9,964)	-69.09%			
Information Technology	42,182	48,959	6,777	16.07%			
Water Purchases	42,709	122,865	80,156	187.68%			
Water Purchases-Prior Year OAP	436,485	-	(436,485)	-100.00%			
Water Recovery	-	(34,012)	(34,012)				
Plant Expenditures	47,314	101,813	54,499	115.18%			
GAC Filter Media Replacement	216,829	-	(216,829)	-100.00%			
Total Cash Operating Expenses	\$ 2,032,319	\$ 1,532,042	\$ (500,277)	-24.62%			
Non-Cash Operating Expenses:							
Depreciation	\$ 587,116	\$ 546,158	\$ (40,959)	-6.98%			
OPEB Accrual Expense	165,223	166,875	1,652	1.00%			
Bad Debts	27	55	28	104.63%			
Service Costs Construction	119,473	85	(119,388)	-99.93%			
Capitalized Construction	(74,669)	(154,555)	(79,886)	106.99%			
Total Non-Cash Operating Expenses	\$ 797,170	\$ 558,617	\$ (238,553)	-29.92%			
Net Operating Profit/(Loss)	\$ (689,071)	\$ (9,582)	\$ 679,489	-98.61%			
Non-Operating Revenues:							
Assessments (Debt Service)	\$ 296,548	\$ 910	\$ (295,638)	-99.69%			
Assessments (1%)	120,119	6,827	(113,292)	-94.32%			
DWR Fixed Charge Recovery	-	-	-				
Interest	(11,281)	(3,206)	8,075	-71.58%			
Capital Improvement Fees	-	-	-				
State Grants	-	-	-				
Other	9,849	12,623	2,774	28.17%			
Total Non-Operating Revenues	\$ 415,235	\$ 17,154	\$ (398,081)	-95.87%			
Non-Operating Expenses:							
Interest on Long-Term Debt	\$ 199,153	\$ 193,306	\$ (5,847)	-2.94%			
Amortization of SWP	144,745	159,510	14,765	10.20%			
Water Conservation Programs	15,599	9,616	(5,983)	-38.35%			
Total Non-Operating Expenses	\$ 359,497	\$ 362,432	\$ 2,935	0.82%			
Net Earnings	\$ (633,333)	\$ (354,860)	\$ 278,473	-43.97%			

YEAR-TO-YEAR COMPARISON

June '13 -To - June '14



	2013	2014	Change	
Units Billed (AF)	1,967	1,861	-106	-5.37%
Active Connections	26,289	26,452	163	0.62%
Non-Active	1,055	917	-138	-13.08%
Total Revenue per Unit	\$2.50	\$2.57	\$0.07	2.74%
Total Revenue per Connection	\$76.82	\$74.53	-\$2.29	-2.98%
Units Billed per Connection	32.59	30.65	-1.94	-5.95%

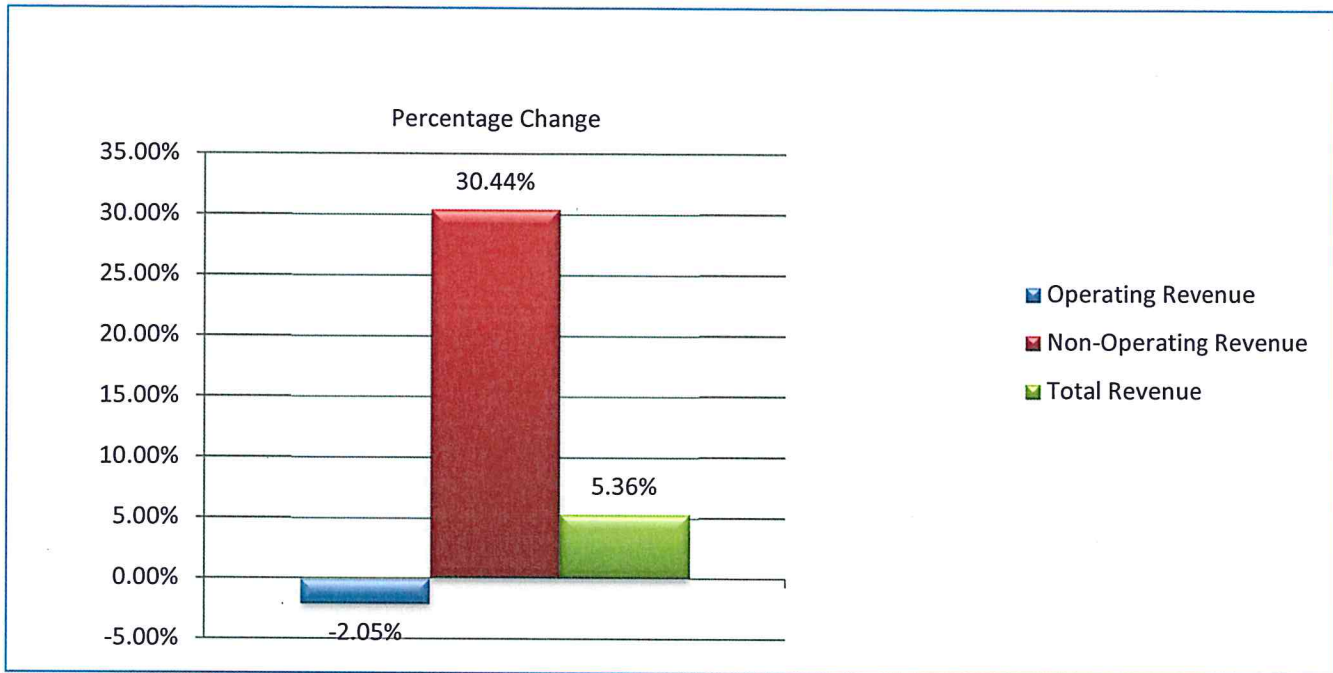
Palmdale Water District
Revenue Analysis
For the Six Months Ending 6/30/2014

2014						2013 to 2014 Comparison			
	Thru May	June	Year-to-Date	Adjusted Budget	% of Budget	Thru May	June	Year-to-Date	% Change
Operating Revenue:									
Wholesale Water	\$ 17,910	\$ 20,881	\$ 38,791	\$ 225,000	17.24%	\$ 17,910	10,072	6,438	19.90%
Water Sales	2,621,550	793,170	3,414,720	9,053,000	37.72%	(40,168)	(64,332)	(104,500)	-2.97%
Meter Fees	4,687,852	944,716	5,632,568	11,255,000	50.05%	86,402	24,765	111,167	2.01%
Water Quality Fees	511,316	162,490	673,805	1,638,000	41.14%	3,942	(8,965)	(5,023)	-0.74%
Elevation Fees	151,326	50,142	201,468	525,000	38.37%	(5,814)	(9,672)	(15,487)	-7.14%
Other	592,255	109,680	701,935	1,700,000	41.29%	(204,950)	(11,209)	(216,159)	-23.54%
Total Water Sales	\$ 8,582,210	\$ 2,081,078	\$10,663,287	\$ 24,396,000	43.71%	\$ (142,678)	\$ (59,341)	\$ (223,563)	-2.05%
Non-Operating Revenues:									
Assessments (Debt Service)	\$ 2,749,038	\$ 910	\$ 2,749,948	\$ 4,400,000	62.50%	\$ 868,157	\$ (295,638)	\$ 572,519	26.29%
Assessments (1%)	1,113,692	6,827	1,120,518	1,800,000	62.25%	351,827	(113,292)	238,534	27.05%
DWR Fixed Charge Recovery	133,539	-	133,539	100,000	133.54%	38,740	-	38,740	40.87%
Interest	34,156	(3,206)	30,950	25,000	123.80%	51,498	8,075	59,573	-208.13%
Capital Improvement Fees	9,889	-	9,889	150,000	6.59%	33,923	-	33,923	-141.15%
State Grants	-	-	-	485,000	0.00%	-	-	-	-
Other	140,037	12,623	152,660	185,000	82.52%	33,584	2,774	36,358	31.26%
Total Non-Operating Revenues	\$ 4,180,350	\$ 17,154	\$ 4,197,504	\$ 7,145,000	58.75%	\$ 1,377,729	\$ (398,081)	\$ 979,647	30.44%
Total Revenue	\$ 12,762,560	\$ 2,098,232	\$14,860,791	\$ 31,541,000	47.12%	\$ 1,235,050	\$ (457,422)	\$ 756,085	5.36%

2013					
	Thru May	June	Year-to-Date	Adjusted Budget	% of Budget
Operating Revenue:					
Wholesale Water	\$ 21,543	\$ 10,809	\$ 32,352	\$ 175,000	18.49%
Water Sales	2,661,718	857,501	3,519,220	8,198,000	42.93%
Meter Fees	4,601,451	919,951	5,521,401	11,232,000	49.16%
Water Quality Fees	507,374	171,454	678,828	1,638,000	41.44%
Elevation Fees	157,140	59,814	216,954	550,000	39.45%
Other	797,205	120,889	918,094	1,250,000	73.45%
Total Water Sales	\$ 8,724,888	\$ 2,140,418	\$10,886,850	\$ 22,868,000	47.61%
Non-Operating Revenues:					
Assessments (Debt Service)	\$ 1,880,881	\$ 296,548	\$ 2,177,429	\$ 4,300,000	50.64%
Assessments (1%)	761,865	120,119	881,984	2,381,984	37.03%
DWR Fixed Charge Recovery	94,799	-	94,799	100,000	94.80%
Interest	(17,342)	(11,281)	(28,623)	25,000	-114.49%
Capital Improvement Fees	(24,034)	-	(24,034)	150,000	-16.02%
State Grants	-	-	-	485,000	0.00%
Other	106,452	9,849	116,302	150,000	77.53%
Total Non-Operating Revenues	\$ 2,802,622	\$ 415,235	\$ 3,217,857	\$ 7,591,984	42.38%
Total Revenue	\$ 11,527,509	\$ 2,555,654	\$14,104,706	\$ 30,459,984	46.31%

REVENUE COMPARISON YEAR-TO-DATE

June '13-To-June '14



Palmdale Water District
Operating Expense Analysis
For the Six Months Ending 6/30/2014
2014

2013 to 2014 Comparison

	Thru May	June	Year-to-Date	Adjusted Budget	% of Budget	Thru May	June	Year-to-Date	% Change
Cash Operating Expenses:									
Directors	\$ 55,711	\$ 12,407	\$ 68,118	\$ 114,500	59.49%	\$ 11,792	\$ 5,685	\$ 17,477	34.51%
Administration	1,595,932	230,168	1,826,100	3,490,000	52.32%	676,056	13,563	689,619	60.68%
Engineering	422,687	81,868	504,555	1,079,800	46.73%	(97,571)	(11,640)	(109,211)	-17.79%
Facilities	1,225,069	213,903	1,438,972	3,408,500	42.22%	41,933	(26,956)	14,977	1.05%
Operations	2,091,762	487,416	2,579,178	5,453,500	47.29%	241,134	32,722	273,856	11.88%
Finance	1,279,754	250,562	1,530,316	2,968,750	51.55%	216,702	49,183	265,885	21.03%
Water Conservation	55,990	11,634	67,624	270,000	25.05%	(34,478)	(6,976)	(41,454)	-38.00%
Human Resources	102,878	4,458	107,336	215,300	49.85%	46,745	(9,964)	36,781	52.13%
Information Technology	359,663	48,959	408,623	828,600	49.31%	359,663	6,777	91,723	28.94%
Water Purchases	836,608	122,865	959,473	2,400,000	39.98%	(271,743)	80,156	(191,587)	-16.64%
Water Purchases-Prior Year OAP	683	-	683	250,000	0.27%	683	(436,485)	(435,802)	-99.84%
Water Recovery	(45,665)	(34,012)	(79,677)	(100,000)	79.68%	289,154	(34,012)	255,142	-76.20%
Plant Expenditures	1,149,688	101,813	1,251,502	2,143,500	58.39%	698,025	54,499	752,524	150.81%
GAC Filter Media Replacement	9,171	-	9,171	1,638,000	0.56%	(211,068)	(216,829)	(427,897)	-97.90%
Total Cash Operating Expenses	\$ 9,139,931	\$ 1,532,042	\$ 10,671,973	\$ 24,160,450	44.17%	\$ 1,967,028	\$ (500,277)	\$ 1,192,033	11.17%
Non-Cash Operating Expenses:									
Depreciation	\$ 2,763,790	\$ 546,158	\$ 3,309,947	\$ 7,350,000	45.03%	\$ (722,471)	\$ (40,959)	\$ (763,430)	-18.74%
OPEB Accrual Expense	834,375	166,875	1,001,250	2,000,000	50.06%	8,261	1,652	9,914	1.00%
Bad Debts	24,549	55	24,604	100,000	24.60%	19,539	28	19,567	388.52%
Service Costs Construction	5,788	85	5,873	125,000	4.70%	57,357	(119,388)	(62,032)	-91.35%
Capitalized Construction	(383,344)	(154,555)	(537,899)	(1,000,000)	53.79%	(73,366)	(79,886)	(153,252)	39.84%
Total Non-Cash Operating Expenses	\$ 3,245,157	\$ 558,617	\$ 3,803,774	\$ 8,575,000	44.36%	\$ (710,680)	\$ (238,553)	\$ (949,233)	-24.96%
Non-Operating Expenses:									
Interest on Long-Term Debt	\$ 971,196	\$ 193,306	\$ 1,164,501	\$ 2,111,000	55.16%	\$ 322,837	\$ (5,847)	\$ 316,990	37.40%
Amortization of SWP	797,550	159,510	957,060	1,679,000	57.00%	76,441	14,765	91,206	10.53%
Water Conservation Programs	45,238	9,616	54,854	143,000	38.36%	17	(5,983)	(5,966)	-0.34%
Total Non-Operating Expenses	\$ 1,813,984	\$ 362,432	\$ 2,176,416	\$ 3,933,000	55.34%	\$ 399,295	\$ 2,935	\$ 402,230	22.67%
Total Expenses	\$ 14,199,072	\$ 2,453,091	\$ 16,652,164	\$ 36,668,450	45.41%	\$ 1,655,643	\$ (735,895)	\$ 645,030	4.03%

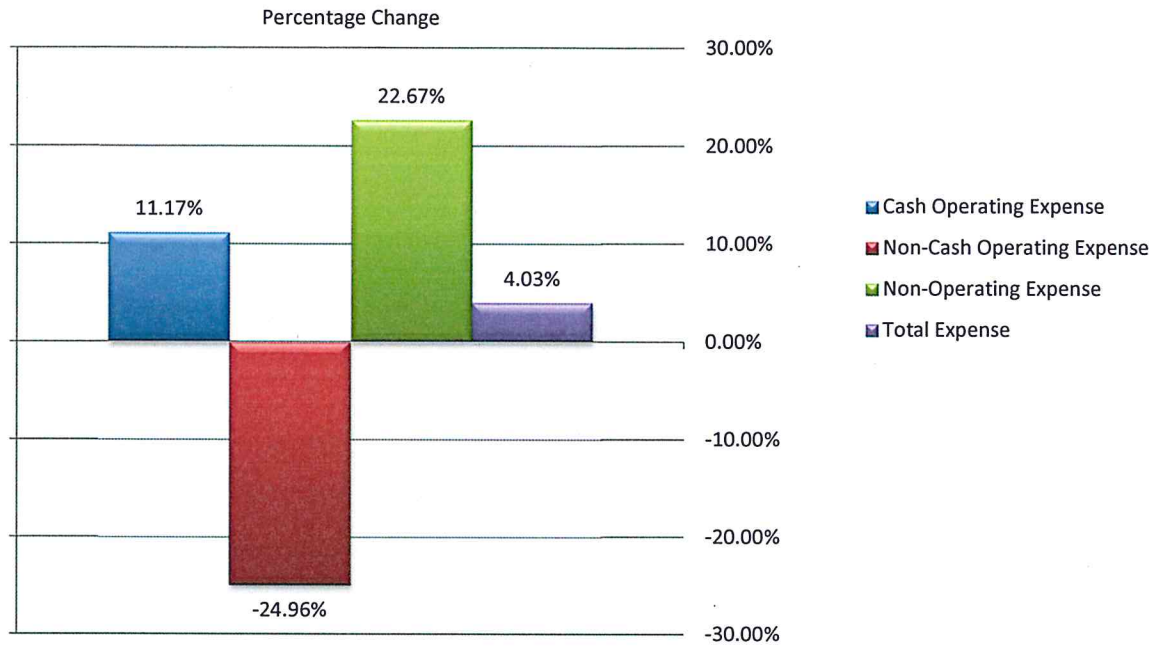
Palmdale Water District
Operating Expense Analysis
For the Six Months Ending 6/30/2014
2013

2013 to 2014 Comparison

	Thru May	June	Year-to-Date	Adjusted Budget	% of Budget
Cash Operating Expenses:					
Directors	\$ 43,919	\$ 6,721	\$ 50,640	\$ 117,500	43.10%
Administration	919,877	216,605	1,136,482	2,602,000	43.68%
Engineering	520,257	93,509	613,766	1,215,750	50.48%
Facilities	1,183,136	240,859	1,423,995	3,298,500	43.17%
Operations	1,850,628	454,694	2,305,322	4,944,250	46.63%
Finance	1,063,052	201,380	1,264,431	2,789,000	45.34%
Water Conservation	90,468	18,610	109,078	239,750	45.50%
Human Resources	56,133	14,422	70,556	209,600	33.66%
Information Technology	274,718	42,182	316,900	728,000	43.53%
Water Purchases	1,108,351	42,709	1,151,060	2,600,000	44.27%
Water Purchases-Prior Year OAP	-	436,485	436,485	-	
Water Recovery	(334,819)	-	(334,819)	(100,000)	334.82%
Plant Expenditures	451,663	47,314	498,977	836,500	59.65%
GAC Filter Media Replacement	220,239	216,829	437,068	1,638,000	26.68%
Total Cash Operating Expenses	\$ 7,447,621	\$ 2,032,319	\$ 9,479,940	\$ 21,118,850	44.89%
Non-Cash Operating Expenses:					
Depreciation	\$ 3,486,261	\$ 587,116	\$ 4,073,377	\$ 7,250,000	56.18%
OPEB Accrual Expense	826,113	165,223	991,336	2,000,000	49.57%
Bad Debts	5,009	27	5,036	100,000	5.04%
Service Costs Construction	(51,569)	119,473	67,905	125,000	54.32%
Capitalized Construction	(309,978)	(74,669)	(384,647)	(1,000,000)	38.46%
Total Non-Cash Operating Expenses	\$ 3,955,837	\$ 797,170	\$ 4,753,008	\$ 8,475,000	56.08%
Non-Operating Expenses:					
Interest on Long-Term Debt	\$ 648,359	\$ 199,153	\$ 847,512	\$ 2,111,000	40.15%
Amortization of SWP	721,109	144,745	865,854	1,679,000	51.57%
Water Conservation Programs	45,221	15,599	60,820	150,000	40.55%
Total Non-Operating Expenses	\$ 1,414,689	\$ 359,497	\$ 1,774,186	\$ 3,940,000	45.03%
Total Expenses	\$ 12,818,147	\$ 3,188,986	\$ 16,007,134	\$ 33,533,850	47.73%

EXPENSE COMPARISON YEAR-TO-DATE

June '13-To-June '14



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

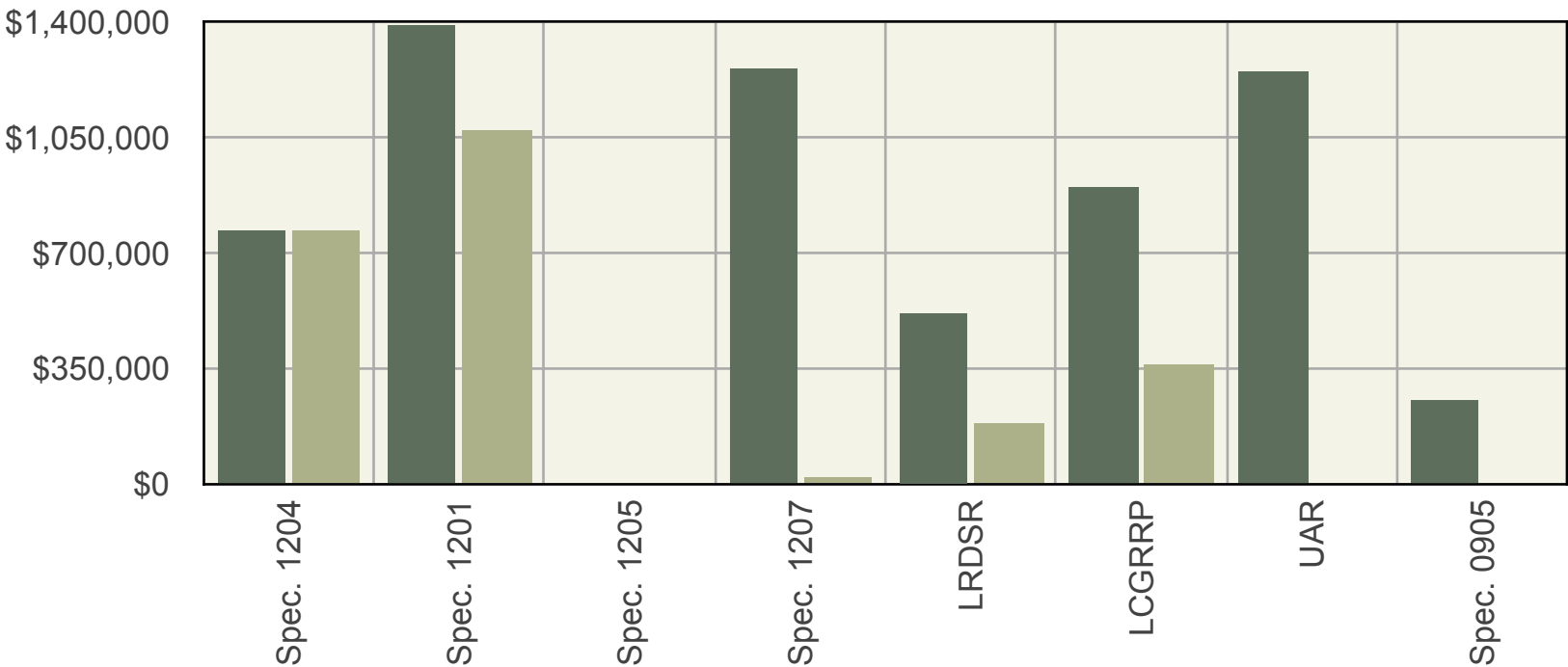
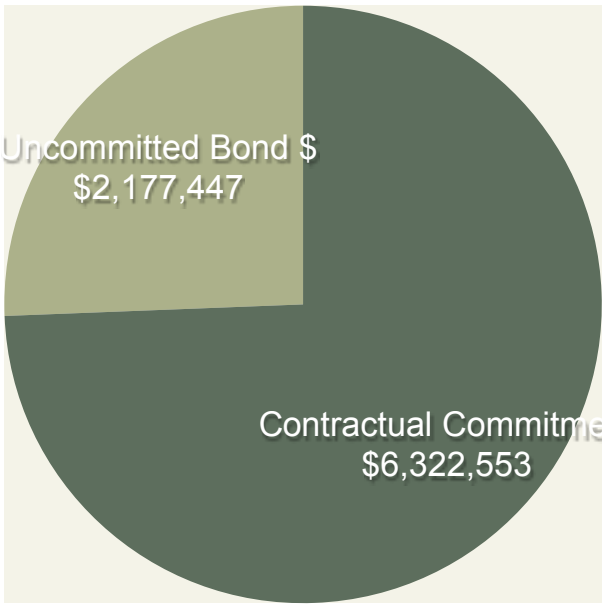
AGENDA ITEM NO. 4.4

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	\$ 87,095	601-14	Reed / Best Drilling & Pump						\$ 80,530						
Water System Master Plan Update	\$ 196,043	14-404	MWH					\$ 6,040	\$ 8,240	\$ 21,805	\$ 30,000	\$ 30,000	\$ 30,000	\$ 40,003	\$ 29,955
2014 Water Rate Sudy	\$ 126,857	PL02	B&W / Passantino						\$ 15,033	\$ 47,178	\$ 30,000	\$ 20,000	\$ 14,646		
Annual Tank Maintenance Program	\$ 319,100	RCP03	Superior Tank Solutions					\$ 319,100							
Distribution SCADA Radio Upgrade	\$ 140,000	PRO07	Sage Designs and Aluma				\$ 81,819	\$ 25,000			\$ 33,181				
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			\$ 5,828			\$ 9,001				
Website Development	\$ 20,000	N/A	Tripepi Smith					\$ 3,625	\$ 3,625	\$ 5,083	\$ 2,667				
docSTAR Smart Automation Project	\$ 25,000	PRO23	docSTAR						\$ 14,140		\$ 10,000				
Board Room Audio System Improvements	\$ 26,400	N/A	CWI Cal-West			\$ 13,200	\$ 6,600	\$ 6,600							
WIFI Installation and Testing	\$ 22,844	PRO24	AKINS IT					\$ 19,844	\$ 3,000						
Contractually Committed Project Payout Totals:	\$ 1,322,069			\$ 6,509	\$ 13,220	\$ 248,489	\$ 96,015	\$ 386,037	\$ 124,568	\$ 74,066	\$ 171,964	\$ 50,000	\$ 44,646	\$ 40,003	\$ 29,955
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
Well No. 20 Abandonment	\$ 20,000	RCP12	TBD									\$ 20,000			
Security Improvement Project (Construction)	\$ 141,270	400-14	TBD									\$ 45,000	\$ 45,000	\$ 36,270	\$ 15,000
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			
Budgeted and Uncommitted Project Payout Estimates:	\$ 1,339,270			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 410,000	\$ 396,000	\$ 285,000	\$ 201,270	\$ 47,000
Contractually Committed and Uncommitted Totals															
Contractually Committed and Uncommitted Totals:	\$ 2,661,339			\$ 6,509	\$ 13,220	\$ 248,489	\$ 96,015	\$ 386,037	\$ 124,568	\$ 74,066	\$ 581,964	\$ 446,000	\$ 329,646	\$ 241,273	\$ 76,955

Water Quality Fund Committed Contracts and Payout Schedule															
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
GAC Replacement @ WTP	\$ 1,199,589	WQF-1	Calgon								\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	
GAC Replacement @ Underground Booster Station	\$ 40,000	WQF-2	Siemens										\$ 40,000		
Water Quality Fund Totals:	\$ 1,239,589			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 300,000	\$ 300,000	\$ 340,000	\$ 300,000	\$ -

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	Allocated Bond \$	Contractual Commitment	Payout to Date	Uncommitted Bond \$
Spec. 1204	603-12	Ave. Q - Q-3, Division and Sumac	\$725,000	\$765,085	\$765,085	(\$40,085)
Spec. 1201	606-11	20th, Puerta, Sweetbriar, and 22nd St. E.	\$1,450,000	\$1,387,042	\$1,073,140	\$62,958
Spec. 1205	605-12	Frontier, 31st St. E., etc. between Ave. Q and Q-4	\$1,200,000	\$0	\$0	\$1,200,000
Spec. 1207	607-12	10th St. E. between Ave. P and Palmdale Blvd.	\$1,400,000	\$1,255,008	\$18,626	\$144,992
LRDSR	501-04	Littlerock Sediment Removal (EIR/EIS/Permits)	\$975,000	\$515,925	\$178,323	\$459,075
LCGRRP	400-12	Littlerock Recharge and Recovery (Feasibility)	\$1,500,000	\$899,493	\$358,410	\$600,507
UAR	TBD	Upper Amargosa Recharge (Project Capacity)	\$1,250,000	\$1,250,000	\$0	\$0
Spec. 0905	601-09	15th St. E. between Ave. P and Ave. Q (Material Only)	\$0	\$250,000	\$0	(\$250,000)
Totals:			\$8,500,000	\$6,322,553	\$2,393,584	\$2,177,447

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
May 15, 2014	Spec. 1201	BV Construction - Progress Payment #8	8	20	\$ 69,825.00
May 15, 2014	LRDSR	Aspen - EIR/EIS Progress Payment	1116.002-08	20	\$ 33,388.96
May 15, 2014	LCGRRP	Kennedy/Jenks - Progress Payment	82422 & 80900	20	\$ 135,858.74
Jun 4, 2014	Spec. 1201	BV Construction - Progress Payment #9	9	21	\$ 67,260.00
Jun 4, 2014	LRDSR	Aspen - EIR/EIS Progress Payment	1116.002-09	21	\$ 31,845.93
Jun 30, 2014	Spec. 1201	BV Construction - Progress Payment #10	10	22	\$ 139,498.00
Jun 30, 2014	LCGRRP	Kennedy/Jenks - Progress Payment	83735	23	\$ 30,172.21
Jun 30, 2014	LRDSR	Aspen - EIR/EIS Progress Payment	1116.002-10	23	\$ 10,672.32
Jul 21, 2014	Spec. 1201	BV Construction - Progress Payment #11	11	24	\$ 141,217.50
Jul 21, 2014	LCGRRP	Kennedy/Jenks - Progress Payment		24	\$ 26,431.83
Jul 21, 2014	LRDSR	Aspen - EIR/EIS Progress Payment	1116.002-11	24	\$ 6,274.20

**PALMDALE WATER DISTRICT
BOARD MEMORANDUM**

DATE: August 6, 2014 **August 11, 2014**
TO: FINANCE COMMITTEE **Committee Meeting**
FROM: Michael Williams, Finance Manager/CFO
VIA: Mr. Dennis D. LaMoreaux, General Manager
RE: ***AGENDA ITEM NO. 4.6 – CONSIDERATION AND POSSIBLE ACTION
ON POLICY FOR RATE ASSISTANCE PROGRAM***

Recommendation:

Staff recommends approving and Finance Committee presentment to the full Board for approval of the Palmdale Water District's Rate Assistance Program (PWDRAP).

Background:

The Finance Committee has requested staff to research the possibility of implementing a low income rate assistance program. Staff has prepared a Rate Assistance Program targeted at seniors 62 and older as a starting point for low income assistance. Also, because of the rate structure adjustment in which we are reducing the 1" meter charge, the assistance should be limited to 5/8" and 3/4" meters customers only the first year. The program can be modified after implementation depending on the success and participation rate.

Some key factors of the program:

- Program will cover up to 50% of monthly service charge for one year.
- Available to seniors age 62 or older only living in single family home only.
- Available to property owners and renters.
- Participants must be enrolled in Edison and/or Gas company CARE program.
- Participants must qualify by income levels set by Public Utilities Commission Alternative Rates for Energy.
- Participants must submit supporting documentation requested by staff.
- Participants must renew their eligibility annually.

FINANCE COMMITTEE
PALMDALE WATER DISTRICT

VIA: Mr. Dennis D. LaMoreaux, General Manager

August 6, 2014

The program would be funded by taking the revenue from the cell tower lease and the revenue from Fin and Feather rental, which totals approximately \$150,000 annually. Once approved by the Palmdale Water District's Board of Directors, the funds received in 2014 from cell tower and Fin & Feather leases will be set aside in a holding account for distribution in January 2015. Also, once approved by the Board of Directors, staff would begin promoting and receiving applications for the program.

Budget:

The impact on the District's Budget is a reduction in non-operating revenue of approximately \$150,000 annually.

Supporting Documents:

- Draft rules to applicant
- Draft application
- Attorney's opinion letter of the program

RULES TO APPLICANTS FOR WATER RATE ASSISTANCE PROGRAM

APPLICANT

The Palmdale Water District Rate Assistance Program (PWDRAP) is available only to residential customers, age 62 or older, who receive water through a 5/8" or 3/4" water meter.

An applicant for the District's Rate Assistance Program must be either the owner living in the premises or the tenant of the residence and responsible for the payment of water service provided by the District. Tenants must have on file with the District an affidavit, in the form attached hereto as "exhibit ?", signed by the property owner, assuming responsibility for payment of services for said property.

ELIGIBILITY FOR PROGRAM

Each applicant for the PWDRAP must establish eligibility for the program annually as stated below:

CARE Program: Applicant must qualify and be enrolled in Southern California Edison's or Southern California Gas' California Alternative Rates for Energy (CARE) program and must provide a utility bill showing proof of such enrollment.

Household Income: Applicant's total gross household income cannot exceed pre-determined income requirements established by the District, based upon the approved limits set by the California Public Utilities Commission for the CARE program. Applicant must provide verification of household income with application by any means deemed acceptable by the District.

Income Requirements. Maximum household income requirements are based upon number of persons living in residence in relation to maximum total "gross household income" from all sources.

Income Qualifications. Total gross household income is all revenues, from all household members, from whatever sources derived, including but not limited to:

- Wages
- Salaries and Other Employment Compensation
- Interest
- Dividends
- Spousal Support
- Public Assistance Payments
- Social Security and Other Pensions
- Rental Income

- Income from Self-employment
- All Employment-related Non-cash Income

Income Taxes: Applicant may not be claimed as a dependent on another person's federal or state income tax return.

Property Taxes: Applicant may be required to provide a copy of their annual property tax statement, or documentation reasonably requested by the District to evidence home ownership.

Additional Requirements: The following requirements also apply to each applicant:

- Must reapply each time they move.
- Must reapply annually.
- Must notify the District within 30 days if they become ineligible.

METHOD OF APPLICATION FOR PROGRAM

Application Procedure: Applicant must obtain from the District an application, attached hereto as "Exhibit A", for the PWDRAP. Applicant must complete the application and submit the required documentation to the District. If approved, applicant will receive the assistance on their bill, as calculated under Section "Rate Assistance", below, at a to-be-determined date. If the application is not approved, applicant will receive a letter from the District explaining the reason for the disapproval.

Application Period: Applications are accepted on a first come, first served basis, contingent upon the availability of funds. Participation in the PWDRAP is personal to the applicant and is not transferable with the property.

PROGRAM FUNDING

The Board of Directors will approve on an annual basis, as part of the District's budget process, the annual funding for the PWDRAP. **Funding for the PWDRAP is not derived from water rate revenue.** Approved funding, if any, will be a not-to-exceed amount established for a twelve (12) month period that may differ from the District's fiscal year. The annual funding approved will be prorated amongst eligible participants in an amount not-to-exceed fifty percent (50%) of the current monthly service charge.

ASSISTANCE RATE

The District has established an assistance amount of up to fifty percent (50%) off of the monthly service charge for 5/8" & 3/4" meters, for qualified households. This rate of assistance is subject to change on an annual basis as determined by the Board of Directors.

REDUCTION; TERMINATION

The District, in its sole discretion, reserves the rights to reduce amounts available under the PWDRAP, and any assistance available under that program, in its entirety, upon at least thirty (30) days written notice to participants in the program.

DRAFT



Palmdale Water District Rate Assistance Program (PWDRAP) Application

Account Holders Name: _____ Social Sec.# (last 4): _____

Service Address: _____ Account Number: _____

Zip Code: _____ Palmdale, CA _____ Phone: _____

- Number of person(s) in your household. _____
- Total Gross Annual Income for all person(s) in your household. \$ _____
This is income before deductions from all sources.
- Can anyone else claim you as a dependent on his/her Income Tax Return ☐ Yes ☐ No
- Which utility CARE program are you currently enrolled in ☐ Southern California Edison
Please attach copy of most current bill. ☐ Southern California Gas
- Please attach a copy of a government issued picture I.D.

Declaration and Self Certification Statement

I declare that the information I have provided in this application and supporting documents is true and correct. I agree to provide proof of income in a form requested by the District. I agree to inform the District if I no longer qualify to receive rate assistance. I know that if I receive any rate assistance without qualifying for it, I may be required to pay back the amount of assistance received.

Account Holder Signature: _____

Date: _____

For District Use Only:

Date Received & Initials: _____

Processed By: _____

Date Approved: _____

Date Denied: _____

**Please return application and
supporting documents to:**

**Palmdale Water District
2029 East Avenue Q
Palmdale, Ca 93550**

About PWDRAP

The Palmdale Water District is pleased to offer a Rate Assistance Program to our customers, 62 years of age and older, who meet the eligibility requirements identified below. If your household qualifies for a discount on your energy bill under the electric or gas CARE programs, you may also qualify for rate assistance of up to fifty percent (50%) on the monthly service charge on your water bill.

- To apply for PWDRAP at your residence, please fill out this application and submit the required documentation to the District. If approved, the rate assistance will become effective within sixty (60) days after the date of approval. If your application is not approved, you will receive a letter from the District explaining the reason for that disapproval. Applicants may apply any time throughout the year; however, applications will be accepted on a first come, first served basis, contingent upon the availability of funds.

If you need assistance in completing the application, or would like more information about the program, call the District at 661-947-4111, option 2, and speak to a Customer Service Representative, or visit our office at 2029 East Avenue Q, Palmdale, CA 93550, or on the web at www.palmdalewater.org

INCOME REQUIREMENTS (Effective June 1, 2014 through May 31, 2015) Source: California PUC Alternative Rates for Energy (CARE)	
Number of persons living in residence	Maximum total "gross household income" from all sources
1	\$31,460
2	\$31,460
3	\$39,580
4	\$47,700
5	\$55,820
6	\$63,940
7	\$72,060
8	\$80,180
Each Additional Person	\$8,120

What Counts as Income?

Total gross household income is all revenues, from all household members, from whatever sources derived, including but not limited to: wages, salaries and other employment-related compensation, interest, dividends, spousal and child support payments, public assistance payments, Social Security and pensions, rental income, income for self-employment, and all employment-related non-cash income.

What are the Qualifications?

- Must complete and submit application. Applications will be accepted on a first come, first served basis contingent upon availability of funds.
- Must qualify for Southern California Edison's or Southern California Gas' CARE program.
- Total gross household income cannot exceed the amounts shown on the "Income Requirements" chart above.
- Must be a District residential customer and receive water through a 5/8" or 3/4" meter.
- Must provide verification of age and household income as requested by means required by District.
- May not be claimed as a dependent on another person's federal or state income tax return.
- May be required to provide proof of ownership by means requested by District.
- Must reapply annually and/or each time you move.
- Must notify the District within thirty (30) days if you become ineligible.
- Assistance is nontransferable with property or applicant




**ALESHIRE &
WYNDER** LLP
ATTORNEYS AT LAW

**TO: PALMDALE WATER DISTRICT
MICHAEL WILLIAMS, FINANCE MANAGER**

FROM: PATRICIA J. QUILIZAPA, ASST. GENERAL COUNSEL

DATE: JULY 23, 2014

**RE: PROPOSITION 218 IMPLICATIONS ON PALMDALE WATER
DISTRICT'S RATE ASSISTANCE PROGRAM**



I. ISSUE

Whether the Palmdale Water District may use funds generated by lease revenue to subsidize low-income rate payers for payment of water rates without violating Proposition 218.

II. SHORT ANSWER

Yes, the Palmdale Water District may subsidize water bills through non-rate revenue. So long as no rate revenue is used to subsidize low-income rate payers, Proposition 218 will not be implicated. Additionally, the use of lease revenue does not implicate the mandates of Propositions of 13 or 26, which govern taxes.

III. FACTUAL BACKGROUND

The Palmdale Water District (the "District") is developing a rate assistance program (the "Program"). The Program foresees use of lease revenue to subsidize water rates for certain qualifying low-income rate-payers. We understand that funds to be used by the District for the Program are derived exclusively from cell tower leases, and from rent collected from the Fin & Feather Club. Revenue generated by the Fin & Feather club is generated from memberships therein. Each of the properties, which is the subject of the leases, has long been owned by the District. They were not acquired with revenue derived from taxes or water service charges.

IV. LEGAL ANALYSIS

Proposition 218, also known as the Right to Vote on Taxes Act, is embodied in Articles XIII C and XIII D of the California Constitution. Proposition 218 regulates a local government's ability to levy or increase taxes, assessments, fees, and charges through certain procedural and substantive requirements. Specifically, Article XIII C, Section 3 regulates the adoption and imposition of taxes. Article XIII D, Section 4 governs the adoption and imposition of special assessments. Article XIII D, Section 6 governs the adoption and imposition of all other fees and charges imposed as an incident of property ownership. Depending upon the exaction governed, there exists notice, voter approval, majority protest, and rate limitations.

PALMDALE WATER DISTRICT

Michael Williams, Finance Manager

Re: Proposition 218 Implications on Palmdale Water District's Rate Assistance Program

July 23, 2014

Page 2

None of these specific constitutional mandates govern the leases and lease revenue the District proposes to use to fund the Program. Therefore, neither Proposition 218 or Propositions 13 or 26 govern the use of such revenue. The District is not imposing special taxes on any property owner, nor is it increasing its rates to fund the Program. Instead, the District is using revenue derived from negotiated contractual agreements using property it acquired many decades ago. The District intends to use revenue derived from various leases with cell phone towers and with the Fin & Feather Club to pay for the Program.

It is also important to note that to the extent such lease revenue previously subsidized the rates of water users, there is nothing in Article XIII D, Section 6 (the mandate relating to property-related services, such as water charges), that requires such subsidy to continue. Indeed, the rate limitations at Section 6, subdivision (b) restrict only the use of "revenue derived from the fee or charge" for water service. (Cal. Const., art. XIII D, § 6, subd. (b)(1) - (5).) Cities often subsidize their water departments from their general funds, thereby artificially reducing water rates. Article XIII D, Section 6, however, does not mandate that such general fund subsidy continue.

V. CONCLUSION

In sum, to the extent the District does not use any rate-revenue or taxes to finance the Program, and instead uses only lease revenue derived from various leases, the Program will not cause the District to violate Propositions 218, 13 or 26.

[END OF MEMORANDUM]