



# PALMDALE WATER DISTRICT

2029 East Avenue Q • Palmdale, California 93550 • Telephone (661) 947-4111  
Fax (661) 947-8604  
[www.palmdalewater.org](http://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

October 2, 2014

*Agenda for Regular Meeting  
of the Board of Directors of the Palmdale Water District  
to be held at the District's office at 2029 East Avenue Q, Palmdale  
Wednesday, October 8, 2014  
7:00 p.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) Pledge of Allegiance.
- 2) Roll Call.
- 3) Adoption of Agenda.
- 4) Public comments for non-agenda items.
- 5) Presentations:
  - 5.1) Certificate of Appreciation to Assistant Customer Service Supervisor Hernandez for Spanish translation at September 17 Special Board meeting. (Director Dizmang)

- 6) Action Items - Consent Calendar (The public shall have an opportunity to comment on any action item as each item is considered by the Board of Directors prior to action being taken.)
  - 6.1) Approval of minutes of special meeting held September 17, 2014.
  - 6.2) Approval of minutes of regular meeting held September 24, 2014.
  - 6.3) Payment of bills for October 8, 2014.
- 7) Action Items - Action Calendar (The public shall have an opportunity to comment on any action item as each item is considered by the Board of Directors prior to action being taken.)
  - 7.1) Status report on Cash Flow Statement and Current Cash Balances as of August 31, 2014. (Financial Advisor Egan/Finance Committee)
  - 7.2) Status report on Financial Statements, Revenue, and Expense and Departmental Budget Reports for August 31, 2014. (Finance Manager Williams/Finance Committee)
  - 7.3) Status report on committed contracts issued and water revenue bond projects. (Assistant General Manager Knudson/Finance Committee)
  - 7.4) Consideration and possible action on Resolution No. 14-17 being a Resolution in Support of Proposition 1 – The Water Quality, Supply and Infrastructure Improvement Act of 2014. (PIO/Conservation Director McNutt)
  - 7.5) Consideration and possible action on award of contract for meter procurement for upcoming meter replacement project tabled from September 24, 2014 Board meeting. (\$877,000.00 – Budgeted – Assistant General Manager Knudson)
  - 7.6) Consideration and possible action on Board and staff attendance at conferences, seminars, and training sessions as follows:
    - a) Configuring and Managing the Multiuser Geodatabase conference to be held November 17 – 19, 2014 in Broomfield, Colorado.
- 8) Information Items:
  - 8.1) Reports of Directors:
    - a) Meetings/General Report.
    - b) Standing Committee/Assignment Reports (Chair):
      - 1) Facilities Committee
      - 2) Finance Committee
      - 3) Personnel Committee
      - 4) Outreach Committee
      - 5) Water Supply & Reliability Committee
      - 6) Antelope Valley State Water Contractors Association
      - 7) Palmdale Recycled Water Authority

- 8.2) Report of General Manager.
  - a) Results of energy-saving measures. (Water & Energy Resources Director Pernula)
- 8.3) Report of Attorney.
- 9) Board members' requests for future agenda items.
- 10) Adjournment.



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MATTHEW R. KNUDSON,  
Assistant General Manager

DDL/MRK/dd

**MINUTES OF SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT, SEPTEMBER 17, 2014:**

*A special meeting of the Board of Directors of the Palmdale Water District was held Wednesday, September 17, 2014, at 2029 East Avenue Q, Palmdale, California, in the Board Room of the District office. President, Kathy Mac Laren, called the meeting to order.*

**1) Roll Call.**

**Attendance:**

Kathy Mac Laren, President  
Robert Alvarado, Vice President  
Gloria Dizmang, Treasurer  
Joe Estes, Secretary  
Vincent Dino, Director

**Others Present:**

Dennis LaMoreaux, General Manager  
Patty Quilizapa, Attorney  
Matt Knudson, Assistant General Manager  
Mike Williams, Finance Manager  
Mike McNutt, PIO/Conservation Director  
Peter Thompson II, Operations Manager  
Kelly Jeters, Systems Supervisor  
Judith Hernandez, Asst. Customer Service Spvsr.  
Dennis Hoffmeyer, Senior Accountant  
Bob Egan, Financial Advisor  
Dawn Deans, Executive Assistant  
45 members of the public

**2) Adoption of Agenda.**

It was moved by Director Alvarado, seconded by Director Estes, and unanimously carried to adopt the agenda, as written.

President Mac Laren then stated that a Spanish translator is available this evening; that the deadline for submitting protests regarding the proposed water rate structure change and overall rate increase was 7:00 p.m. and requested any additional protests be submitted after which Attorney Quilizapa stated that the protest submittal deadline has now passed.

Assistant Customer Service Supervisor Hernandez then translated this information in Spanish.

**3) Public Comments for Non-Agenda Items.**

Chair Mac Laren clarified that any questions regarding the proposed water rate structure change and overall rate increase will be addressed at the end of Agenda Item No. 4.1.

Mr. Rick Bown, Palmdale resident, inquired about the District digging eight new wells, about metering wells to farms, and about the construction of new subdivisions due to limited water supplies after which General Manager LaMoreaux clarified the District has not dug any new wells in the past fifteen years and that the District will not become a groundwater management agency.

Attorney Quilizapa then clarified protocol for receiving public comments for non-agenda items.

Mr. Jeffrey Moffatt, Palmdale resident, suggested the meeting not officially begin until the Spanish translator is available, and it was clarified that the meeting officially began at 7:00 p.m.

Assistant Customer Service Supervisor Hernandez then, again, introduced herself and restated in Spanish the deadline for submitting protests regarding the proposed water rate structure change and overall rate increase.

There were no further public comments on non-agenda items.

**4.1) Public Hearing to Consider Proposed Water Rate Structure Change and Overall Rate Increase Based on Bartle Wells Rate Study Pursuant to Proposition 218. (Finance Manager Williams/Bartle Wells Associates)**

Finance Manager Williams reviewed the background and key concepts of the Final Rate Study Report after which Mr. Doug Dove, of Bartle Wells Associates, provided a detailed overview of the Final Rate Study Report including their process for preparing the Report and their recommendation to approve a five-year rate package with rate structure adjustments and a 5.5% cap increase per year to allow the District to continue to meet funding needs, continue to replace aging infrastructure, and continue to provide very high quality water to the residents of Palmdale and then reviewed the consequences of not approving rate adjustments.

At 7:25 p.m., President Mac Laren called for a ten-minute recess to count and validate the final number of protests received regarding the proposed water rate structure change and overall rate increase.

She reconvened the special meeting at 7:35 p.m.

Attorney Quilizapa then stated that all protests received prior to 7:00 p.m. this evening regarding the proposed water rate structure change and overall rate increase have been counted and verified; that a total of 31,604 properties were given a protest opportunity under the Proposition 218 law; that a majority of 16,803 protests would be required for a majority protest; that a total of 502 protests with 331 being valid protests were received; that 8 protests were received after the 7:00 p.m. deadline and it is within the Board's discretion to allow these untimely protests; that one additional protest was just received, and she recommends this protest be allowed subject to verification; and that 331 valid protests does not constitute a majority protest.

It was then moved by Director Alvarado, seconded by Director Estes, and unanimously carried by all members of the Board of Directors present at the meeting to approve the 331 valid protests received regarding the proposed water rate structure change and overall rate increase and to approve the additional nine protests received after 7:00 p.m.

Attorney Quilizapa then stated that based on the number of protests received, the Board has the authority under the Constitution to adopt a rate increase up to the amount noticed in the 45-day mailed notice to property owners and clarified that the Board considers tonight a rate increase up to a certain amount for a five-year period, but the Board does not implement any or all of each annual increase until adoption of the annual budget.

It was then moved by Director Alvarado, seconded by Director Dino, and unanimously carried by all members of the Board of Directors present at the meeting to open the public hearing to consider the proposed water rate structure change and overall rate increase based on Bartle Wells Rate Study pursuant to Proposition 218.

President Mac Laren then reviewed the District's public comment guidelines, and Assistant Customer Service Supervisor Hernandez translated the previous actions in Spanish.

Mr. Rick Bown, Palmdale resident, stated that he spoke with Bartle Wells Associates regarding the Final Water Rate Study; that the District was not forthcoming in its water supply sources; that some farm residents will be metered; that the Delta smelt started the drought; that water is free and there should not be a charge on water; that the calculation of the rates and charges make no sense; and that he is a senior citizen on a fixed income and already limits water consumption.

Ms. Bibi Khan, Palmdale resident, stated that she is a senior citizen in a two-person home; that she suggests a family of two should be placed in tier 1 rather than a family of four, and then requested a water rate increase be postponed another five years as the District has a \$40 million bond and enough money in the budget to handle all maintenance, treatment, and new water pipes and requested the District invest in water quality and testing.

Mr. Jeffrey Moffatt, Palmdale resident and tax attorney, stated that the District is similar to the Palmdale School District of which he requested a forensic audit; that he suggests the District conduct a forensic audit; that the District has a policy with 4x4 vehicles used by upper executives rather than workers, and there is unnecessary extravagance in upper management; that he suggests cutbacks in a few areas to ensure ratepayers pay only what is necessary and a proper accounting be conducted; that he challenges that it is constitutionally permitted to have rate increases; that Proposition 13 is for a vote for an increase in taxes; that the District is increasing taxes as it changes its tiers with mandatory minimums; and that he strongly suggests these issues be modified.

Mrs. Star Moffatt, Palmdale resident, stated that she is appalled at the request for a rate increase; that her extensive research indicates the District has a \$44 million bond for maintenance, improvement, and other issues; that she is appalled at the District's Spanish translator; that the Proposition 218 notice is inadequate because it is only in English; and that she requests a process for the Spanish community to appeal the District's vote this evening because adequate notice has not been provided to all constituents including the Hispanic community.

Mr. Robert E. West, Palmdale resident, stated that he believes the proposed 5.5% rate increase to be compounded over five years because it is cumulative and equals 28% at the end of five years.

Mr. Robert Douglas Walden, Palmdale resident, stated that the last rate increase was unconscionable; that there are discrepancies in the District's Proposition 218 notice versus the law regarding protests, ballots, improvements, and assessments; and then inquired as to the number of votes submitted in favor of the rate increase.

Ms. Kay Jackson, Palmdale resident, stated that she lives on a fixed income and is a disabled veteran; that she requests the District not raise its rates as some cannot afford to pay utility bills; and that the rate increase will hurt others on fixed incomes.

Mr. Rafael A. Palacios, Palmdale resident, stated that he moved to the area five months ago, inquired why his bill is too high, and observed a broken pipe on the way to the District.

Mr. Kamal M. Al-Khatib, Palmdale resident, stated that the rate structure adopted a few years ago was a disaster; that his increase was as high as 300%; that he appreciates the District's efforts to fix the rate structure and the letter from General Manager LaMoreaux analyzing his accounts; that the District has assets of \$183 million with a budget of \$24 million and \$10 million in reserves as of last December; that assets can be tapped into for capital improvement projects; that he is thinking about purchasing property outside of the District to relocate his school due to connection costs; that the Proposition 218 process cannot be beat and is a way to empower public agencies to dig into pockets and raise rates; and that he is appealing to the Board to please consider other options before voting tonight.

Mr. Jose Escobedo, Palmdale resident, requested the Board vote no on Resolution No. 14-16; that a forensic audit be performed; that he did not receive a Proposition 218 notice, and the low number of protests does not make sense; that consumption is being reduced 20%, the District's revenue will be less, and the price needs to be increased to compensate; and that the presentation was difficult to understand and does not make sense to the community.

Assistant Customer Service Supervisor Hernandez then clarified in English Mr. Escobedo's Spanish comments.

Ms. Rosa Tintocalis, Palmdale resident, stated that a 5.5% annual rate increase is ridiculous; that no one has knocked on her door to tell her where her water meter is; that she does not understand the tiers; that she and others cannot afford to pay the increase; and that the raise will not bring water but will put money in the pockets of the District.

Mrs. Clotie Downing, Palmdale resident, stated that if they miss one payment, they receive late charges and inquired what is done with these funds; that the rates should not be raised; and that it is hard for her to pay her bills.

Mr. Nelson Pivaral, Palmdale resident, requested future meetings be held on Saturday for more public participation.

Ms. Dinetta Marshall, Palmdale resident, stated that she is a new Palmdale homeowner; that her first bill was very high; and that on line bill payments cannot be made on the due date as they post the next day, and this is not stated on the bill.

Mr. Rudy Velasquez, Palmdale resident, stated that his bill was much lower in 1995; that an increase is requested to pay for the District's mistakes for their pipes and 1" meters; and that there should have been more planning for new communities and water pressures adjusted.

President Mac Laren then thanked the public for their comments.

It was then moved by Director Estes, seconded by Director Dizmang, and unanimously carried by all members of the Board of Directors present at the meeting to close the public hearing to consider the proposed water rate structure change and overall rate increase based on Bartle Wells Rate Study pursuant to Proposition 218.

Attorney Quilizapa then addressed legal questions regarding Proposition 218 regarding restrictions on water rates, property related fees, the procedure, special assessments not being ongoing water rates and charges, voting requirement application to assessments and not to property related fees and charges, the mailing of the notice to all owners of parcels connected to the water system subject to the fee, and identifying parcels with tax assessor information after which she translated this information in Spanish.

Assistant Customer Service Supervisor Hernandez then clarified that the Proposition 218 notice was available in Spanish and the methods it was made available to customers.

**4.2) Consideration and Possible Action on Resolution No. 14-16 Approving Changes in Rates, Fees, and Charges for Water Service. (Finance Manager Williams/Bartle Wells Associates)**

Finance Manager Williams reviewed staff's recommendation to adopt Resolution No. 14-16 Approving Changes in Rates, Fees, and Charges for Water Service, the process for mailing Proposition 218 notices, public outreach efforts, and the number of protests received and stated that Resolution No. 14-16 does not set rates at 5.5% but sets a cap of 5.5% with any annual increase considered through the budget process.

General Manager LaMoreaux then addressed questions raised in the public hearing clarifying that a \$43 million bond was issued in 2013 with the majority of funds

being used to refinance a 2004 bond that financed water treatment plant upgrades and the balance dedicated towards replacement projects; that the District contracts annually with an independent auditor, the District's finances are very transparent with detailed monthly financial reports made to the Board at the first public Board meeting of every month, and the District's finances are less complicated than those of a school district; that District management does not drive 4x4 vehicles at the District's expense; that the District approved a Rate Assistance Program funded from leases and cell tower leases for seniors and low income families focusing on customers with 5/8" meters who also qualify for other utility CARE programs; that pressures fluctuate closer to reservoirs and other locations requiring a 1" meter to provide a consistent flow, this is not a mistake but ensures all customers have the same flow regardless of pressure in the street, and the 1" meter rate is being lowered so all customers are charged the same meter charge; and that of the protests received, 1/3 understood the process, and he has written nearly 100 letters informing customers that their bill will be lowered from the new rate structure.

Assistant Customer Service Supervisor Hernandez then translated an explanation of the Rate Assistance Program, and General Manager LaMoreaux provided clarification on the requirements for participating in the Program.

Mr. Rick Bown, Palmdale resident, speaking from the public seating area, then provided additional comment on the mailing of the Proposition 218 process after which Attorney Quilizapa clarified the District has met the legal requirements for mailing the Proposition 218 notices, and the District went above these requirements sending notices to all billing addresses.

Mr. Jose Escobedo and Mr. Robert Douglas Walden, Palmdale residents, also speaking from the public speaking area, inquired about 1" meters after which General Manager LaMoreaux clarified meter size is shown on water bills, the monthly 1" meter charge will be reduced, and the most common meter size is 5/8".

It was then moved by Director Alvarado, seconded by Director Estes, and unanimously carried by all members of the Board of Directors present at the meeting to open the public comment period regarding the consideration of Resolution No. 14-16 Approving Changes in Rates, Fees, and Charges for Water Service.

Assistant Customer Service Supervisor Hernandez translated the motion in Spanish.

Mr. Robert Douglas Walden, Palmdale resident, stated that rates are being raised about 48% over five years on the most common meter size on the hard cost, the District's product is diminishing, and this is why the cost on the meter is being increased.

Ms. Gaylia West, Palmdale resident, stated that 31,604 Proposition 218 notices were sent; that if their lowest bill is \$40, the District takes in \$1,264,160 per month; and then inquired where the bond monies were spent.

Mrs. Star Moffatt, Palmdale resident, stated that it was previously stated that there was no municipal bond issued in 2013; that she has paperwork regarding the \$43 million bond going towards refinancing 2004 debt; that it was not stated that it goes towards financing certain improvements, and the rate increase is to go towards maintenance, operations, and improvements and asked for an explanation of this; that the Proposition 218 notice gave inadequate notice to bilingual customers; and inquired how the public appeals the Board's decision on raising rates.

Mr. Michael Leighty, Palmdale resident, stated that legal counsel commented regarding the Proposition 218 process and 31,000 properties and inquired if there is a meter at and a bill sent for each of these properties.

Mr. Jeffrey Moffatt, Palmdale resident, stated that he understands water banking has been occurring for some time; that he understands Palmdale is on a vast aquifer, is floating on water, and the water tables are actually increasing; that with water banking to prevent high rates and the water tables increasing, the argument that there is a shortage when there is actually a surplus is disingenuous; and that if this was not conveyed to Bartle Wells, it may need to be rethought.

Ms. Rosa Tintocalis, Palmdale resident, stated that she does not understand the Proposition 218 notice or tiers; that she suggests the District continue to provide notices to make the public understand; that she is not happy with the raise; that there needs to be communication and education with the customers on terminology and numbers; and then inquired which size meter is the most efficient meter and suggested the District make all meters and pipes the same.

Ms. Kay Jackson, Palmdale resident, stated that she would hate to think fellow veterans, disabled, and elderly receive disconnection notices with no room for negotiation and requested a program be developed regarding negotiating payment of disconnection notices to ensure these residents will not go without water.

Ms. Maria Gonzalez, Palmdale resident, stated that she has come to the District several times regarding reducing her meter size and thanked Assistant Customer Service Supervisor Hernandez for her assistance on this matter this evening and for informing her of the cost.

President Mac Laren then clarified the reduction in 1" meter costs to equalize charges among customers and encouraged residents to call District staff if there are additional questions.

Ms. Gaylia West, Palmdale resident, inquired when rates were previously raised and how inside and outside water use is determined.

Ms. Maria Dominguez, Palmdale resident, stated her concern about their high bill due to a broken water pipe at their house; that District staff said the full amount was due, and the damage was their responsibility; and then asked for help with this issue.

Mr. Robert E. West, Palmdale resident, stated that a second meter will need to be added or tubing bifurcated to differentiate between inside and outside water use.

Ms. Maria Dominguez, Palmdale resident, requested future notices be provided in Spanish; that their driveway was blocked this morning by District vehicles; and that they were not notified of this.

Ms. Donetta Marshall, Palmdale resident, inquired if the Board of Directors are Palmdale residents and exempt from the rate increase and stated that there is no grace period for paying a water bill.

It was then moved by Director Dino, seconded by Director Dizmang, and unanimously carried by all members of the Board of Directors present at the meeting to close the public comment period regarding the consideration of Resolution No. 14-16 Approving Changes in Rates, Fees, and Charges for Water Service, and Assistant Customer Service Supervisor Hernandez provided Spanish translation of this motion.

Attorney Quilizapa then clarified providing the Proposition 218 notice in Spanish is not a requirement but that a statement was included in the notice in Spanish that read "Si usted necesita este aviso en español, por favor llame al (661) 456-4534," that the notice was sent to all properties subject to fees and charges meaning all properties connected to the water system with notice sent to all these properties as well as those currently

receiving bills, that the protest is the appeal for the Proposition 218 process, and any further appeal or challenge would have to be discussed with one's own legal counsel.

General Manager LaMoreaux then clarified that the 2013 bond refinanced the 2004 bond, the complete use of the 2004 bond was for improvements made to the water treatment plant required to meet regulations for which the District is now meeting, the bond funds beyond refinancing are being used on projects with a monthly accounting of these expenditures provided to the Board at public meetings, and it is completely transparent as to where these funds are being used; that 5/8" and 1" meter charges are being equalized in the new structure, and this is a revenue neutral change for the District; that Resolution No. 14-16 includes a maximum cap for any increase, any increase will be analyzed on an annual basis, and history indicates the Board makes efforts to stay below the cap; that indoor and outdoor tiers are shown on water bills as an indoor allocation and an outdoor allocation, and in the proposed structure tier 1 will be indoor use and tier 2 will be outdoor use; that the state is in a condition of drought, it has been ruled in a court of law that the local groundwater basin is in a state of overdraft, and determining water rights for use of this water has been in court for fifteen years; that billing policy states that bills are due upon receipt with 25 days to pay, a 10% late fee is then applied if not paid adding two more weeks to pay followed by a 48-hour disconnection door tag, and staff works with customers regarding late fee adjustments; that all Board members are elected from amongst the customers of the District and are subject to the policies of the District; that the District has a Leak Variance Application for customers who have experienced leaks on their property; that the District's publications are available in Spanish; and that an emergency repair situation may have affected notification to customers.

Finance Manager Williams then clarified that a separate public relations firm was hired to assist with public outreach on the Proposition 218 process and reviewed the District's outreach efforts in this process and stated that educating ratepayers in an understandable language will be addressed along with customer service concerns.

President Mac Laren clarified that the District is making every effort to make the Proposition 218 process as accessible and transparent as possible with the least amount of increase needed but at the same time ensuring the District's responsibility to protect the ratepayers by taking care of infrastructure.

It was then moved by Director Dizmang and seconded by Director Dino to approve Resolution No. 14-16 Approving Changes in Rates, Fees, and Charges for Water Service inserting the number of protests received as 340 with said Resolution in full force and effect immediately.

President Mac Laren then clarified that no immediate rate increases are being implemented and this discussion will occur during the budget workshop.

Director Dizmang then clarified that the 5.5% increase is a cap and any annual increase cannot go above this amount; that this is not the rate to be charged; that each year, the Board will evaluate the need to raise rates during the budget process; and that during the last three years, there was a cap of 8%, and this Board never implemented an 8% increase.

The motion then carried on a 3 – 2 vote, with Directors Alvarado and Estes opposed.

A copy of said Resolution No. 14-16 is hereby made a portion of the minutes of this meeting.

**5) Adjournment.**

There being no further business to come before the Board, the meeting was adjourned.

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Secretary



**PALMDALE WATER DISTRICT  
RESOLUTION NO. 14-16**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF  
PALMDALE WATER DISTRICT APPROVING CHANGES IN  
RATES, FEES, AND CHARGES FOR WATER SERVICE**

**WHEREAS**, the Palmdale Water District (the "District") is authorized to collect charges and set rates for water service pursuant to the Irrigation District Law, codified at Division 11 of the Water Code, specifically at Sections 22280 through 22284;

**WHEREAS**, the District's current water rates are set forth at Appendix C of the Rules and Regulations of the Palmdale Water District;

**WHEREAS**, District staff has undertaken a review of the District's financial position and determined the current water rate revenues are not sufficient to offset the cost of providing the water service, including, among other things, increased operation and maintenance expenses, increased costs for necessary infrastructure repairs and enhancements, increased water quality regulations, and increased water supply costs;

**WHEREAS**, on April 17, 2014, the District retained Bartle & Wells, an independent water rate consultant, pursuant to an open bid process to perform a financial study of the District's existing water rates and rate structure and the District's existing and future reasonably estimated costs of providing water service;

**WHEREAS**, on July 16, 2014 and July 23, 2014, Bartle & Wells made presentations to the Board of Directors that concluded the current rates and rate structure will not be sufficient to cover the reasonably estimated costs of providing the District's water service over the next five fiscal years, and, proposed a revised rate structure and annual rate increases options depending on the level of maintenance and improvements expected to take place in the next five years, including 5%, 5.5% and 6% annual rate increases;

**WHEREAS**, the District's charges and fees for water service are subject to the requirements of Proposition 218 (Cal. Const. Art. XIII D, Section 6), including notice, hearing, and protest requirements applicable to increases of water rates;

**WHEREAS**, on July 23, 2014, pursuant to Proposition 218, the Board approved and directed staff to provide notice of the proposed rate structure changes and 5.5% annual rate increases, set forth in draft Appendix C, attached hereto, (the "Proposed Rates");

**WHEREAS**, on August 1, 2014, District staff mailed notice of (1) the Proposed Rates, (2) a September 17, 2014 public hearing, and (3) the method of protesting the Proposed Rates, to all the record owners of parcels within the District's service area that are subject to the District's fees and charges, using the last equalized assessment tax roll of the Los Angeles County Assessor and the District's customer billing records;

**WHEREAS**, the District held three public workshops on August 14, 2014, August 21, 2014, and September 8, 2014 to provide the public additional information regarding the Proposed Rates;

**WHEREAS**, from August 1, 2014, to 7:00 p.m. on September 17, 2014, the District accepted valid protests to the Proposed Rates;

**WHEREAS**, on September 17, 2014, the District held a public hearing at which District staff presented a total of 340 valid protests to the Board, resulting in less than a majority protest pursuant to Article XIII D, Section 6 of the California Constitution;

**WHEREAS**, although the lack of a majority protest authorizes the Board to adopt the Proposed Rates up to 5.5% for the next five fiscal years, the Board is not required to implement all of the annual rate increases;

**WHEREAS**, each year through its budget process, the Board reviews the estimated costs of providing the District's service in the ensuing year and determines at that time the amount of the increase it will implement for the ensuing year;

**WHEREAS**, the District has previously decided not to exercise its full authority to increase rates, including on May 13, 2009, when the Board approved a 46% rate increase for 5 years and only implemented 15% rate increases in those years; and

**WHEREAS**, the adoption of this resolution is exempt from the requirements of the California Environmental Quality Act ("CEQA") pursuant to Public Resources Code Section 21080(b)(8) and Section 15273 of the State CEQA Guidelines codified at 14 CCR §15273 because the resolution pertains to the adoption of charges necessary to maintain services within the District's existing service area.

**NOW, THEREFORE, BE IT RESOLVED AND ORDERED** that the Board of Directors of the Palmdale Water District does hereby resolve as follows:

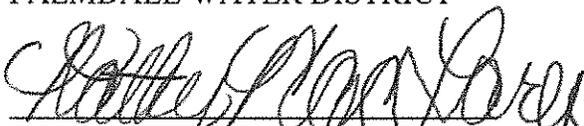
1. The foregoing recitals are hereby found to be true and correct and incorporated herein by this reference.
2. The District has received and accepted 340 valid protests to the Proposed Rates as of 7:00 p.m. on September 17, 2014.
3. The District adopts and approves the Proposed Rates as set forth in draft Appendix C to the District's Rules and Regulations, attached hereto.
4. The Current Appendix C shall be replaced by the draft Appendix C, attached hereto, reflecting the District's authority to impose and collect rates for the provision of water service in accordance therewith.
5. In the event the Board determines, through its annual budget process, not to implement the full 5.5% annual rate increase set forth in Appendix C for any of the following five fiscal years, it shall amend Appendix C to reflect the actual rate adopted for that year.

6. The General Manager is authorized and directed to give due notice of exemption of this resolution from the provisions of CEQA, pursuant to Title 14 California Code of Regulations section 15062.

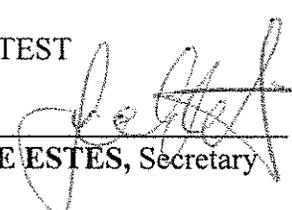
7. Effective Date. All sections of this Resolution shall be in full force and effect immediately.

PASSED AND ADOPTED on this 17th day of September, 2014 by the Board of Directors, the governing body of the Palmdale Water District.

PALMDALE WATER DISTRICT

  
KATHY MAC LAREN, President

ATTEST

  
JOE ESTES, Secretary

APPROVED AS TO FORM:

By:   
Aleshire & Wynder, General Counsel

Appendix C

**Palmdale Water District Proposed Rate Structure**

**Water Quality Fee (\$/ccf):** 5-yr moving average of (GAC costs) / (billed water usage [hcf])

**User Classification**

Single Family Residential "SFR"  
 Multi Family Residential "MFR"  
 Commercial-Industrial "CI"  
 Irrigation Only "IRR"  
 Other "OTHER"

**Water Budget Allocation - Essential Usage**

Indoor Allocation  
 3-yr average of minimum monthly usage  
 3-yr average of minimum monthly usage  
 Essential Outdoor Allocation  
 3-yr average of minimum monthly usage

**User Classification**

Single Family Residential "SFR"  
 Multi Family Residential "MFR"  
 Commercial-Industrial "CI"  
 Irrigation Only "IRR"  
 Other "OTHER"

**Water Budget Allocation - Efficient Usage**

Indoor Allocation + Efficient Outdoor Allocation  
 3-yr moving average by month  
 3-yr moving 3 month average  
 Efficient Outdoor allocation  
 3-yr moving average by month

**Service Charge**

**Meter Size**

1" and Below  
 1-1/2"  
 2"  
 3"  
 4"  
 6"  
 8"  
 10"

**Monthly Service Charge**

\$31.27  
 \$93.80  
 \$143.85  
 \$260.62  
 \$427.44  
 \$844.50  
 \$1,344.96  
 \$1,928.84

**Commodity Rates (\$/ccf\*)**

**Tiers**

Tier 1  
 Tier 2  
 Tier 3  
 Tier 4  
 Tier 5  
 Tier 6

**CY 2014**

\$0.73  
 \$0.84  
 \$2.37  
 \$3.57  
 \$4.61  
 \$5.93

**Elevation Booster Surcharge (\$/ccf\*)**

**Area**

B  
 A1  
 A2  
 A3

**CY 2014**

-  
 5-Year Moving Average of Actual Pumping Costs  
 5-Year Moving Average of Actual Pumping Costs  
 5-Year Moving Average of Actual Pumping Costs

*\*Water use is metered in units of ccf (hundred cubic feet)*

**All Classes**

**Tier**

Tier 1  
 Tier 2  
 Tier 3  
 Tier 4  
 Tier 5  
 Tier 6

**Water Budget Allocation**

0 - 100% Essential Usage  
 100% Essential Usage - 100% Efficient Usage  
 101-130% Efficient Usage  
 131-160% Efficient Usage  
 161-190% Efficient Usage  
 Above 191% Efficient Usage

Appendix C

Meter Charges	% Increase	5.5%	5.5%	5.5%	5.5%	5.5%
Meter Size	CY 2014	CY 2015	CY 2016	CY 2017	CY 2018	CY 2019
1" and Below	\$31.27	\$32.99	\$34.80	\$36.71	\$38.73	\$40.86
1.5"	93.80	98.96	104.40	110.14	116.20	122.59
2"	143.85	151.76	160.11	168.92	178.21	188.01
3"	260.62	274.95	290.07	306.02	322.85	340.61
4"	427.44	450.95	475.75	501.92	529.53	558.65
6"	844.50	890.95	939.95	991.65	1,046.19	1,103.73
8"	1,344.96	1,418.93	1,496.97	1,579.30	1,666.16	1,757.80
10"	1,928.84	2,034.93	2,146.85	2,264.93	2,389.50	2,520.92

Commodity Rates	% Increase	5.5%	5.5%	5.5%	5.5%	5.5%
	CY 2014	CY 2015	CY 2016	CY 2017	CY 2018	CY 2019
Tier 1	\$0.73	\$0.77	\$0.81	\$0.85	\$0.90	\$0.95
Tier 2	\$0.84	\$0.89	\$0.94	\$0.99	\$1.04	\$1.10
Tier 3	\$2.37	\$2.50	\$2.64	\$2.79	\$2.94	\$3.10
Tier 4	\$3.57	\$3.77	\$3.98	\$4.20	\$4.43	\$4.67
Tier 5	\$4.61	\$4.86	\$5.13	\$5.41	\$5.71	\$6.02
Tier 6	\$5.93	\$6.26	\$6.60	\$6.96	\$7.34	\$7.74

Drought Surcharges			
Stage No.	Policy	% Shortage	Drought Surcharge per CCF*
1	Water Rationing	20% reduction in water deliveries	\$0.45
2	Water Rationing	30% reduction in water deliveries	\$0.77
3	Water Rationing	40% reduction in water deliveries	\$1.19

**MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT, SEPTEMBER 24, 2014:**

*A regular meeting of the Board of Directors of the Palmdale Water District was held Wednesday, September 24, 2014, at 2029 East Avenue Q, Palmdale, California, in the Board Room of the District office. President, Kathy Mac Laren, called the meeting to order.*

**1) Pledge of Allegiance.**

At the request of President Mac Laren, Director Estes led the pledge of allegiance.

**2) Roll Call.**

**Attendance:**

Kathy Mac Laren, President  
Robert Alvarado, Vice President  
Gloria Dizmang, Treasurer  
Joe Estes, Secretary  
Vincent Dino, Director

**Others Present:**

Dennis LaMoreaux, General Manager  
Patty Quilizapa, Attorney  
Matt Knudson, Assistant General Manager  
Mike Williams, Finance Manager  
Mike McNutt, PIO/Conservation Director  
Jennifer Emery, Human Resources Director  
Tim Moore, Facilities Manager  
Peter Thompson II, Operations Manager  
Mynor Masaya, Treatment Plant Supervisor  
Dawn Deans, Executive Assistant  
35 members of the public

**3) Adoption of Agenda.**

President Mac Laren requested Agenda Item No.'s 9, 10, and 11 be considered after Agenda Item No. 5 after which it was moved by Director Alvarado, seconded by Director Estes, and unanimously carried by all members of the Board of Directors present at the meeting to adopt the agenda, as amended.

**4) Public Comments for Non-Agenda Items.**

There were no public comments.

**5) Presentations:**

**5.1) So Cal Terror Baseball. (Director Estes)**

Director Estes thanked the Board for including this presentation on the agenda and then welcomed the So Cal Terror Baseball team, coaches, and team mom and commended them on their performance in the recent Championship Game at the New York Cooperstown Classic Baseball Tournament after which the team, coaches, and team mom were awarded Certificates of Recognition from the Palmdale Water District.

**9) Public Comments on Closed Session Agenda Matters.**

There were no public comments on closed session agenda matters.

**10) Closed session under:**

**10.1) Conference with Legal Counsel – Existing Litigation:** A closed session will be held, pursuant to Government Code §54956.9 (d)(1), to confer with legal counsel regarding pending litigation to which the District is a party. The title of such litigation is as follows: *Antelope Valley Ground Water Cases*.

At 7:30 p.m., President Mac Laren called for a closed session pursuant to Government Code §54956.9 (d)(1), to confer with legal counsel via telephone conference regarding pending litigation to which the District is a party – One Case: *Antelope Valley Ground Water Cases*.

She reconvened the regular meeting at 7:42 p.m.

**11) Public report of any action taken in closed session.**

President Mac Laren reported that a closed session had been held pursuant to Government Code §54956.9 (d)(1), to confer with legal counsel regarding pending litigation to which the District is a party – One Case: *Antelope Valley Ground Water Cases*; that the Board was briefed via telephone conference on the current status of this item of litigation; and that no reportable action was taken in closed session.

**6) Action Items – Consent Calendar: (The Public Shall Have an Opportunity to Comment on Any Action Item as Each Item is Considered by the Board of Directors Prior to Action Being Taken.)**

**6.1) Approval of Minutes of Regular Meeting Held September 10, 2014.**

**6.2) Payment of Bills for September 24, 2014.**

President Mac Laren announced the items included in the Consent Calendar after which it was moved by Director Dino, seconded by Director Alvarado, and unanimously carried by all members of the Board of Directors present at the meeting to approve those items included in the Consent Calendar.

**7) Action Items – Action Calendar: (The Public Shall Have an Opportunity to Comment on Any Action Item as Each Item is Considered by the Board of Directors Prior to Action Being Taken.)**

**7.1) Consideration and Possible Action on Award of Contract for Meter Procurement for Upcoming Meter Replacement Project. (\$725,000.00 – Budgeted – Assistant General Manager Knudson)**

Assistant General Manager Knudson provided an overview of staff's recommendation for awarding a contract for meter procurement for the upcoming meter replacement project, the bid proposal process, the purchase of Itron Encoders, and installation of the meters after which it was moved by Director Dizmang and seconded by Director Dino to award a contract to Inland Water Works Supply Company in the not-to-exceed amount of \$512,402.46 for the supply and delivery of cold water meters multijet type under Specification No. 1403.

Mr. Arthur Hendey, independent consultant, stated that the bid bonds required under the District's specification for this bid were cumbersome and eliminated some companies from bidding; that he recommends the Board purchase American-made products rather than meters made in China; and that the Board should hire an independent firm to research the meters.

Mr. Martin Johnson then informed the Board of the meter Encoder he can provide and requested the Board rebid this project without the requirement for a bid bond.

After a further discussion of the bid specifications and process, the purpose of a bid bond for the protection of the District, A.W.W.A. Standards, the meter warranty, and American-made products, Director Dizmang withdrew her motion and Director Dino withdrew his second to award a contract to Inland Water Works Supply Company in the not-to-exceed amount of \$512,402.46 for the supply and delivery of cold water meters multijet type under Specification No. 1403.

It was then moved by Director Dizmang, seconded by Director Alvarado, and unanimously carried by all members of the Board of Directors present at the meeting to table this item to the next regular Board meeting and directed staff to request further information and conduct further review of the performance of the product within the specifications of the original bid for Specification No. 1403.

Attorney Quilizapa then clarified that all bidders have the right to provide public comment on this item in accordance with the bid process.

Director Alvarado then requested a summary of staff's research supporting their recommendations be included with future staff reports.

**7.2) Consideration and Possible Action on Revisions to the District's VSP Vision Plan. (\$10,296.00 Annually – Non-Budgeted – Human Resources Director Emery/Personnel Committee)**

Human Resources Director Emery reviewed proposed revisions to the District's VSP Vision Plan, and after a brief discussion of the revisions and the increased cost, it was moved by Director Dizmang, seconded by Director Estes, and unanimously carried by all members of the Board of Directors present at the meeting to approve revisions to the District's VSP Vision Plan in the not-to-exceed amount of \$10,296.00.

**7.3) Consideration and Possible Action on Proposal Received From Mathis Consulting Group for Facilitated General Manager Evaluation 2014. (\$6,000.00 – Non-Budgeted – Chair Mac Laren)**

After a brief discussion of the proposal received from the Mathis Consulting Group for a facilitated General Manager evaluation, of the District's budget, and of facilitating this evaluation in-house or through other methods, there was no action taken on this item.

**7.4) Consideration and Possible Action on Board and Staff Attendance at Conferences, Seminars, and Training Sessions as Follows:**

**a) American Water Works Association Customer Service Workshop to be Held September 30 to October 1, 2014 in San Diego.**

After a brief review of the conferences, seminars, or training sessions presented, it was moved by Director Alvarado, seconded by Director Dino, and unanimously carried by all members of the Board of Directors present at the meeting to approve Board

and staff attendance at conferences, seminars, and training sessions as follows: American Water Works Association Customer Service Workshop to be held September 30 to October 1, 2014 in San Diego.

**8) Information Items.**

**8.1) Reports of Directors:**

**a) Meetings/General Report.**

Director Dizmang reported that on September 11, she met with Director Dino, General Manager LaMoreaux, Assistant General Manager Knudson, and City of Palmdale Manager Dave Childs and Assistant City Manager Mike Mischel regarding communication of the District's rate information and addressing any questions on this process, and they indicated the District was doing a good job as far as informing the City on the rate process and that after this meeting, she and Director Dino viewed the District's new dump truck, and the new water truck is one of the great inventions in the state of California.

Facilities Manager Moore then provided an overview of staff's innovation in retrofitting the District's water truck and the process for the purchase of the new dump truck.

Director Dizmang then congratulated everyone on their efforts in the purchase and retrofit of these vehicles and reported that on September 17 she attended a Board briefing with General Manager LaMoreaux; that also on September 17, she attended the Special Board meeting regarding the rates; and that on September 22 she attended the Water Supply & Reliability Committee meeting with Director Dino where they discussed the 11% reduction in water production, progress on water conservation and meeting the year 2020 water use reduction goal, and having a Committee member attend AVEK meetings at least once a month with an invitation issued to AVEK for one of their Board members to attend the District's Board meetings in hopes of better cooperation and communication between the groups.

Director Alvarado reported that on September 11, he attended the Antelope Valley State Water Contractors Association meeting; that on September 15, he had a briefing with General Manager LaMoreaux; that on September 17, he attended the Special Board meeting regarding the rates; and that on September 22, he attended a Board briefing with

General Manager LaMoreaux and Director Estes. A detailed summary of Director Alvarado's report is hereby made a portion of the minutes of this meeting.

Director Estes reported that on September 11, he attended the Antelope Valley State Water Contractors Association meeting with Director Alvarado; that on September 13, he attended the Antelope Valley International Heritage Festival where Director Alvarado did an incredible job as emcee; that on September 14, he attended the Palmdale Fin & Feather annual barbecue with President Mac Laren and Senator Tony Strickland; that on September 15, he attended a Board briefing with General Manager LaMoreaux; that on September 17, he attended the Special Board meeting regarding the rates; that on September 18, he attended the Taste of Palmdale; that on September 20, his family took him to the Los Angeles County Fair for his birthday; that on September 22, he attended a Board briefing with General Manager LaMoreaux and Director Alvarado; that also on September 22, he attended an assemblyman debate; and that on September 23, he attended a District school tour where he had fun with Conservation Aide Trevino and PIO/Conservation Director McNutt as they toured Ocotillo school fifth graders around the Board room, office, and lunch at Littlerock Dam. He then thanked PIO/Conservation Director McNutt and Human Resources Director Emery for sharing great information, and the teacher stated it was one of the best District tours they have had.

Director Dino reported that on September 11, he attended the meeting at the City of Palmdale with Director Dizmang, General Manager LaMoreaux, Assistant General Manager Knudson, and City of Palmdale Manager Dave Childs and Assistant City Manager Mike Mischel; that on September 16, he attended a Board briefing with General Manager LaMoreaux; that on September 17, he attended the Special Board meeting regarding the rates; that on September 22, he attended the Water Supply & Reliability Committee meeting with Director Dizmang; and that on September 23, he attended a Board briefing with General Manager LaMoreaux.

Director Dizmang then clarified that the September 17 Special Board meeting was not to increase water rates but to set a cap for future rate increases.

President Mac Laren reported that on September 17, she attended a Board briefing; that also on September 17, she attended the Special Board meeting regarding the rates and thanked everyone for their efforts as everything was ready, homework was done, and everyone was prepared, and stated she was surprised at some comments made at the hearing as these comments were not information the District has been distributing; that on September 23, she had a telephone briefing with General Manager LaMoreaux; that also on September 23, she attended the AVEK Board meeting, and they have suggested the

District install electric vehicle chargers with grant funding; and that on September 24, she attended the Ad Hoc Board Norms Committee meeting with Director Dizmang, and a workshop will be scheduled soon to discuss the Committee's recommendations.

Director Dizmang then requested the Board address a letter or certificate of appreciation to Assistant Customer Service Supervisor Hernandez for her translation skills at the September 17 Special Board meeting.

There were no further reports from Directors.

**8.2) Report of General Manager.**

**a) District Vacancies. (General Manager LaMoreaux)**

General Manager LaMoreaux stated that of the District's two vacancies, staff is conducting the recruitment for the Operations Manager position and the Mathis Consulting Group is conducting the recruitment for the Engineering/Grant Writer Manager position.

**b) Operations Department Activities. (Operations Manager Thompson II)**

Operations Manager Thompson II provided an overview of the duties and responsibilities of the Operations Department being to clean and deliver water effectively and efficiently to the distribution system through their mission components of production, quality, operations, and regulatory compliance; reviewed the functions of each of these components; reviewed the complexity of the District's system and certifications required to operate the system; and introduced Operations Department staff and their duties.

Director Alvarado then offered kudos to the Operations Department staff and especially to Treatment Plant Supervisor Masaya for the positive comments he has heard, for the excellent detail he provided in a recent tour of the water treatment plant, and for the ideas he has brought to the District.

Director Estes then offered congratulations to Operations Manager Thompson II on his new position.

Finance Manager Williams then informed the Board that he offered his services to several speakers at the rate hearing to review their accounts and that he has not received any responses to his offer.

**c) Strategic Initiative Projects Update. (Assistant General Manager Knudson/Department Managers)**

General Manager LaMoreaux stated that the Strategic Initiative Projects Report included in the agenda packets is the first status report on all Board-approved projects included under the Strategic Initiatives of the District's Strategic Plan after which Assistant General Manager Knudson reviewed the Report and requested any recommendations for improvements to the Report.

**8.3) Report of Attorney.**

Attorney Quilizapa stated that she has no report and stated that the Board and staff handled all questions well at the Proposition 218 hearing.

Director Dizmang then offered kudos to President Mac Laren for running the Proposition 218 hearing.

**12) Board Members' Requests for Future Agenda Items.**

Director Dizmang requested an item be included on the next agenda for "Presentation of Certificate of Appreciation to Assistant Customer Service Supervisor Hernandez for her translation skills at the September 17 Special Board meeting."

Director Estes requested negotiations begin on the Fin & Feather Club lease, which will expire in 2016.

President Mac Laren requested an item be placed on the Outreach Committee meeting agenda for "Discussion of the development of a Community Advisory Board."

She then requested an item be placed on the Finance Committee meeting agenda for "Discussion of a Level Pay Plan."

She then requested District staff schedule a free energy audit through ACWA.

Finance Manager Williams then stated that customer service staff is developing classes for customers on how to read their bills and other customer service options, and these classes will be held on Saturdays.

There were no further requests for future agenda items.

**13) Adjournment.**

There being no further business to come before the Board, the meeting was adjourned.

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Secretary

**DIRECTOR ALVARADO'S REPORT  
SEPTEMBER 24, 2014**

**ON THURSDAY SEPTEMBER 11, I ATTENDED THE AV STATE WATER CONTRACTORS ASSOCIATION MEETING. I'M HAPPY TO REPORT THAT ALL MEMBER WATER AGENCIES AGREED TO WORK TOGETHER AND HOST A WATER AWARENESS DAY AT THE AV FAIRGROUNDS THIS FALL.**

**ON MONDAY THE 15, I MET WITH THE GENERAL MANAGER AND HAD A BRIEFING REGARDING THE PROP. 218 RATE STRUCTURE AND THE PUBLIC HEARING AND HOW IT WOULD AFFECT OUR WATER CUSTOMERS.**

**ON WEDNESDAY THE 17, I ATTENDED THE PWD SPECIAL MEETING AND PUBLIC HEARING TO ADDRESS PROPOSITION 218 WHERE OUR RATEPAYERS HAD AN OPPORTUNITY TO VOICE THEIR CONCERNS ABOUT THE PROPOSED 5.5% CAP OF WATER RATE INCREASES FOR THE NEXT FIVE YEARS. I LISTENED ATTENTIVELY TO EACH ONE OF THEM AS THEY APPROACHED THE PODIUM PLEADING IN OPPOSITION OF THE RATE HIKE.**

**ON MONDAY THE 22<sup>nd</sup>, I HAD A BRIEFING WITH THE GENERAL MANAGER REGARDING TONIGHT'S ITEMS ON THE AGENDA AND OTHER WATER RELATED ISSUES.**

**THIS CONCLUDES MY REPORT .**

**AGENDA ITEM NO. 6.3**

**Palmdale Water District  
Accounts Payable Report  
Issuance Date: October 08, 2014**

10/01/2014

Vendor Name	Document Number	Document Description	Document Amount
ALESHIRE & WYNDER LLP	29754/09-16-14	LEGAL SERVICES THRU AUG	778.76
	29755/09-16-14	LEGAL SERVICES THRU AUG	5,690.00
	29756/09-16-14	LEGAL SERVICES THRU AUG	3,898.00
	29757/09-16-14	LEGAL SERVICES THRU AUG	430.50
	29753/09-16-14	LEGAL SERVICES THRU AUG	11,363.00
AMERICAN BUILDERS SUPPLY INC	3858/6	SAK CRETE CONCRETE 4000PSI	228.52
ANDY GUMP INC	INV245090	MONTHLY RENTAL CHARGE	400.41
AT & T	V14-4428	TELEPHONE UTILITIES	960.79
AUTOMATION DIRECT.COM INC	5609747	6"TOUCH PANEL COLOR TFT	1,559.00
AV GARDEN & TURF	3412	LANDSCAPE MAINTENANCE/SEP	1,156.60
B V CONSTRUCTION INC	#1/SPEC NO. 0905	SPEC NO. 0905	2,100.00
BATTERY WORX INC	1-42597	DEKA 12V BATTERIES	171.39
CA-NV SECTION, AWWA	T. ASTORGA	CERT#01983 CROSS-CONN SPECIAL	80.00
CARQUEST AUTO PARTS	12199-258981	STD MINIATURE LAMPS	21.26
	12199-259175	HD CLAMP	4.56
	12199-261013	TRANSMISSION OIL	78.09
	12199-261046	DOT 3 BRAKE FLUID 12OZ	38.32
	12199-261351	ASSTD COOLANTS	377.10
	12199-261783	REFLECTORS	7.22
CED LANCASTER CA	3978-651567	ANALOG OUTPUT	708.50
CLA-VAL	646380	DIAPH 100 3-PLY	314.18
CLARK PEST CONTROL	24084	SQUIRREL CONTROL	1,920.00
COPY R OFFICE SOLUTIONS LLC	71003	WT-860G COMP WASTE TANK	26.15
	71142	FREIGHT CHARGE	16.98
	71225	FREIGHT CHARGE	11.98
COUNTY OF LOS ANGELES, DPW	RE-PW-14090801235	PERMIT CONST INSPECTIONS/AUG	1,484.36
DESERT INDUSTRIAL SUPPLY	915530	TOILET SEAT	28.61
	916894	3/8 OD REFRIG TUBE DOMESTIC	50.18
	914503	1/2" IP 150# F/PORT B/VLV, ETC	41.54
	915652	1"PVC SCH80 PIPE PE, ETC	269.94
	915775	1"BRASS ST 90 ELL, ETC	105.52
DUNN-EDWARDS CORP	2056136498	PAINT, ETC	233.83
	2056136504	PLASTIC TRAY LINER BLACK	6.48
EDISON COMPANY	V14-4437	ELECTRIC UTILITIES	11,667.45
ELITE CARPET CARE	36641	CARPET& TILE CLNG/OFFICE BLDG	555.00
	36642	CARPET CLEANING/NOB	385.00
ENVIRONMENTAL OUTSOURCE INC	8101	RESPIRATORY PROTECTION CLASS	1,190.00
EUROFINS EATON ANALYTICAL INC	LO186281	LAB TESTS	1,350.00
	LO186283	LAB TESTS	1,150.00
	LO184809	LAB TESTS	80.00
FOUR STAR PRINTING INC	74269	BUSINESS CARDS	104.64
	74127	48-HR DISCONNECT DOORHANGERS	1,179.07
GALETON	1209411-00	ROUGH RIDER GLOVES, ETC	237.92
GOODSPEED DISTRIBUTING INC	586774	UNLEADED FUEL	26,828.37
	586091	CHEVRON SRI GREASE 2	50.92
GRAINGER	9538977183	EXHAUST FAN 12IN 115V 820CFM	304.09

**Palmdale Water District**  
**Accounts Payable Report**  
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10/01/2014

Vendor Name	Document Number	Document Description	Document Amount
GREENBEE LANDSCAPE	6268	CASH FOR GRASS WORKSHOP 9/13	300.00
	41576	PLANTS FOR WORKSHOP 9-13	114.91
H&H WHOLESALE PARTS	2-066396-1	ASSTD SWITCHES	239.71
	2-066720	IGNITION SWITCH 4POS #3	28.21
	2-066396-2	TOGGLE EXTEN RED #8	3.24
HACH COMPANY	9022954	TEST KIT CN-21P CHLORINE HIGH	54.44
	9039364	DPD FREE REFILL VIALS	538.60
HD SUPPLY WATERWORKS LTD	D016968	12X16 FLG RING NON-ASB GSKT	142.95
	C936112	2STD BLK SOLID CORE PLUGS	111.39
	C992411-A	6 MJ PLUG, 20X21P D/S SADDLE	551.26
	C996165	12" X 7.5" FULL CIRCLE CLAMPS	1,502.34
	C969228	3/4"COPPER TUBING, ETC	22,200.55
	C899700	10" CMLC PE 45 WELD BEND, ETC	423.13
IGS ENERGY	17096307	ACCT: 9900568004	327.31
	17189567	ACCT: 4469544003	8,845.32
INFOSEND INC	84232	BILLING STATEMENTS	3,769.33
	84168	2014 RATE STUDY PROJECT	34,911.12
	84167	INSERTS: "DROUGHT MESSAGE"	1,759.24
ITRON INC	346534	SOFTWARE/HARDWARE MAINT	1,392.30
KEMIRA WATER SOLUTIONS INC	9017412327	FERRIC CHLORIDE BULK	5,680.35
	9017412581	FERRIC CHLORIDE BULK	5,680.35
KYOCERA	55B1163087	CONTRACT OVERAGE CHARGE	828.94
LOWE'S COMPANIES INC	09-25-14	CHARGES ON 09-25-14 STMNT	361.74
LUIS G. SALAZAR SILVA	60954061-1045018	CASH FOR GRASS PROGRAM	1,371.00
MICROSOFT CORPORATION	E04000FFHY	ADD LICENSES FOR INTERNS	648.33
MORTON SALT INC	5400546190	BULK SOLAR SALT	3,580.60
MOTION INDUSTRIES, INC.	CA13-403408	PX60 ELEMENTS, CPLGS	328.49
MWH AMERICAS, INC	1661990	WATER MASTER PLAN UPDATE	17,977.22
NEWARK ELEMENT14	25611644	SWITCH TOGGLE	33.01
NORTHERN SAFETY CO INC	91076534-980340773	LATEX GLOVES, WYPALL WIPERS	594.96
NTU TECHNOLOGIES INC	8783	PRO PAC 9890 BULK	22,167.40
PATTON SALES CORP	2730562	2X3X.250 RECT TUBE 5', ETC	83.15
	2742436	2X6X.188 RECT TUBE 5'	72.16
PROTECTION ONE	10-8 TO 11-7	WTP SECURITY ACCT: 60497328	75.00
QUINN COMPANY	WO480067435	TROUBLESHOOT TR#89	105.00
RBC INC	1207-365	ASPHALT REPAIRS	4,344.00
	1207-367	ASPHALT REPAIR	3,914.00
ROBERT M. EGAN	AUG-SEPT	CONSULTING SERVICES	4,162.50
SEVERN TRENT DE NORA TEXAS LLC	1128843	COMPACT BELLOWS PUMP	1,277.32
SS&C TECHNOLOGIES INC	INV397322	CONSUMER CREDIT TRANSACTIONS	87.00
STAPLES ADVANTAGE	8031383790	P-TOUCH TAPE, COPY PAPER,ETC	348.73
	8031303757	INTEROFFICE ENVELOPES, ETC	59.00
STARNIK SYSTEMS INC	5042	UTILITY TRAKR CSM SOFTWARE	7,900.00
STATE WATER RESOURCES CONTROL	LW 1460204	SYSTEM# 1910102 FY2013-14	13,997.77
THYSSENKRUPP ELEVATOR CORP	3001289356	ELEVATOR MAINT/SEPT	258.63
UNITED REFRIGERATION INC	44057410-00	BROWNING V-BELTS, ETC	165.35

**Palmdale Water District**  
**Accounts Payable Report**  
**Issuance Date: October 08, 2014**

10/01/2014

Vendor Name	Document Number	Document Description	Document Amount
UNIVERSAL ELECTRONIC ALARMS, INC	TRN-CA21796	ACCT: 1649/ WELL SITE 33	35.00
	TRN-CA21797	ACCT: 1650 WELL SITE 30	35.00
	TRN-CA21798	ACCT: 1649/WELL SITE 25	35.00
	TRN-CA21799	ACCT: 1652 WELL SITE 35	35.00
	TRN-CA21811	ACCT: 1767 CONST ROOM	27.00
	TRN-CA21812	ACCT: 1768/DOG HOUSE	27.00
	TRN-CA21813	ACCT: 1769/NOB	27.00
	TRN-CA21814	ACCT: 1768 ADMIN BLDG	27.00
	TRN-CA21636	SERVICE CALL 09-10-14	100.00
USA BLUE BOOK	453882	1" HAYWARD PVC BALL VALVE,ETC	315.32
VALLEY CONSTRUCTION SUPPLY	66663	WIRE IGLOO COOLER RACK 5GAL	63.45
VERIZON WIRELESS	9732207986	ACCT: 242002439-00001	1,986.42
VWR INTERNATIONAL INC	8058900197	NITRATE STANDARD	89.91
	8058928749	BROMIDE IC STD 200ML, ETC	74.75
WASTE MGMT OF ANTELOPE VALLEY	8267185-2508-0	ACCT: 5080037725-2508-9/OCT	704.35
	8267186-2508-8	WTP ACCT: 508-0039093-2508-0	291.94
YATES TRUCKING INC	11130	FILLSAND, CLASS A-BASE	677.33
<b>Total Payables:</b>			<b>257,513.05</b>

PWD ACCOUNTS PAYABLE HANDCHECKS

9-17TO 10-01

DATE	VENDOR	CHECK TOTAL	CHECK NUMBER
9/18/2014	COUNTY OF LOS ANGELES	75.00	48681
9/18/2014	L.A.COUNTY DEPT OF PUBLIC WORKS	7,403.60	48682
9/22/2014	COUNTY OF LOS ANGELES	75.00	48683
9/24/2014	GOWEST LEASING	17,296.11	48689
9/24/2014	FEDEX	60.85	48690
9/24/2014	TIME WARNER CABLE	1,307.92	48691
9/24/2014	YP-YELLOW PAGES	15.00	48692
9/26/2014	USLIFE INS CO NEW YORK	381.12	48699
10/1/2014	THE GAS COMPANY	368.19	48700

SUB-TOTAL 26,982.79

TOTAL PAID 26,982.79

**PALMDALE  
WATER DISTRICT  
BOARD MEMORANDUM**

---

**DATE:** September 26, 2014 **October 8, 2014**  
**TO:** BOARD OF DIRECTORS **Board Meeting**  
**FROM:** Mr. Bob Egan, Financial Advisor  
**RE:** ***AGENDA ITEM NO. 7.1 – STATUS REPORT ON CASH FLOW STATEMENT  
AND CURRENT CASH BALANCES AS OF AUGUST 31, 2014***

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

PALMDALE WATER DISTRICT  
INVESTMENT FUNDS REPORT

		August 31, 2014			August-14	July-14
DESCR						
<b>CASH</b>						
0-0103	Citizens/US Bank - Checking				423,750.63	214,505.21
0-0104	Citizens- Merchant				98,549.62	72,125.64
				Bank cash	522,300.25	286,630.85
0-0119	PETTY CASH				300.00	300.00
0-0120	CASH ON HAND				3,400.00	3,400.00
	<b>TOTAL CASH</b>				<b>526,000.25</b>	<b>290,330.85</b>
<b>INVESTMENTS</b>						
0-0110	UBS ACCOUNT SS 11469 GG					
	UBS RMA Government Portfolio				5,580,436.39	5,410,192.23
	UBS Bank USA Dep acct				250,000.00	250,000.00
	Accrued interest				792.97	507.47
					5,831,229.36	5,660,699.70
		CD'S	Due	Rate	Face Value	
	1	Homestreet Bk WA	12/08/14	2.00	240,000	239,844.00
	2	Discover Bk DE	12/11/14	0.25	240,000	239,870.40
	3	Bk of China NY US	12/11/14	0.25	240,000	239,870.40
	4	Berkshire Bk MA	12/12/14	0.25	240,000	239,805.60
	5	First B & T IL	12/15/14	0.15	240,000	239,832.00
	6	1st Niagra Bk NY	12/15/14	0.25	240,000	239,865.60
	7	Comentity Bk DE	12/18/14	0.30	200,000	199,626.00
	8	Peoples United CT	12/18/14	0.25	120,000	119,931.60
	9	Citizens Bk PA	12/18/14	0.30	240,000	239,896.80
					2,000,000	1,998,542.40
					Total acct	7,829,771.76
0-1110	UBS ACCOUNT SS 11475 GG					
	UBS Bank USA Dep acct				250,000.00	250,000.00
	UBS RMA Government Portfolio				210,373.88	210,361.87
					Total acct	460,373.88
0-0115	LAIF					
					Total acct	11,725.92
0-0111	UBS ACCOUNT SS 11432 GG					
	UBS Bank USA Dep acct				85,919.46	85,915.96
	UBS RMA Government Portfolio				0.00	0.00
	Accrued interest				10,627.82	7,598.22
	US GOVERNMENT SECURITIES:					
	ISSUE DATE	ISSUER	EXPIR DATE	RATE	PAR	MARKET VALUE
		FNMA	10/26/15	1.625	500,000	507,910.00
		FFCB	06/02/16	0.375	1,000,000	997,400.00
		FNMA	07/17/17	1.2	500,000	500,435.00
		FHLB	12/28/17	0.95	500,000	494,980.00
					2,500,000	2,500,725.00
		CD'S	Due	Rate	Face Value	
	1	Bank of Baroda	11/12/14	0.45	240,000	240,000.00
	2	GE Capital Bank	05/01/15	0.60	64,000	64,032.64
	3	Ally Bank	05/06/15	0.60	240,000	240,117.60
	4	Sallie Mae Bank	11/06/15	0.85	240,000	240,453.60
	5	Goldman Sachs Bk	11/07/16	1.00	240,000	240,573.60
	6	CIT Bank	11/06/17	1.60	240,000	240,244.80
	7	BMW Bank	11/15/18	2.00	240,000	241,968.00
	8					
					1,504,000	1,507,390.24
					<b>TOTAL MANAGED ACCOUNT</b>	<b>4,104,662.52</b>
	<b>TOTAL INVESTMENTS</b>				<b>12,406,534.08</b>	<b>12,229,808.35</b>
	UBS ACCOUNT SS 24016			UBS USA	250,000.00	250,000.00
		Rate Stabilization Fund		UBS AG	230,145.26	230,125.46
					480,145.26	480,125.46
	<b>GRAND TOTAL CASH AND INVESTMENTS</b>				<b>13,412,679.59</b>	<b>13,000,264.66</b>
	Summary:					
	Checking	526,000		Incr (Decr)	412,414.93	
	UBS MM	8,290,146				
	LAIF	11,726				
	UBS Investment	4,104,663				
	Rate Stab fund	480,145		BNY Mellon		
	Total	13,412,680		Construction	5,988,455.49	6,257,721.59

09/03/14	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014	YTD
	January	February	March	April	May	June	July	August	September	October	November	December		
Water Sales	1,649,955	1,630,351	1,685,802	1,701,439	1,914,996	2,081,078	2,314,930	2,355,478	2,455,000	2,288,000	2,076,000	1,766,000		23,919,028
	1,649,955	1,630,351	1,685,802	1,701,439	1,914,996	2,081,078	2,314,930	2,355,478	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	13,000,265	13,412,680	9,925,155	8,929,632	8,754,435		
Water Receipts	1,955,377	1,805,677	1,780,736	1,691,040	1,777,997	2,046,064	2,312,079	2,273,386	2,455,000	2,288,000	2,076,000	1,766,000		24,227,356
Other							278,100							278,100
Total Operating Revenue	1,955,377	1,805,677	1,780,736	1,691,040	1,777,997	2,046,064	2,590,179	2,273,386	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	2,169,377	1,831,058	2,196,000	2,196,000	1,830,000	1,708,000		21,518,005
														2,401,023
Non-Operating Revenue Expenses:														
Assessments, net	636,921	291,389	7,906	1,958,367	720,021	7,737	80,205	170,055			237,000	2,647,000		6,756,602
Special Avek CIF Payment														0
Interest	3,782	3,457	3,899	3,224	3,195	3,676	3,967	3,699	2,083	2,083	2,083	2,083		37,232
Mkt adj	10,554	1,203	(4,828)	6,915	2,763	(6,882)	(1,425)	3,151						11,451
Grant Re-imburement														0
Capital Improvement Fees		2,538				0								2,538
														0
DWR Refund/( payment )					133,539									133,539
Other /Palmdale Redevel Agency	10,079	52,154	16,438	10,677	298,812	12,623	14,145	14,145	15,000	15,000	15,000	15,000		489,074
Total Non-Operating Revenues	661,336	350,742	23,415	1,979,183	1,158,329	17,154	96,893	191,050	17,083	17,083	254,083	2,664,083		7,430,435
Capital Expenditures	(106,595)	(13,862)	(321,802)	(119,918)	(533,132)	(104,335)	(61,504)	(79,180)	(717,188)	(630,598)	(241,273)	(92,122)		(3,021,510)
GAC									(600,000)	(340,000)	(300,000)			(1,240,000)
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)				(36,620)		(197,480)					(301,680)
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)	(34,592)	(23,643)	(15,868)	(15,868)	(15,868)	(15,868)		(226,608)
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	13,000,265	13,412,680	9,925,155	8,929,632	8,754,435	10,743,389		(11,897,759)
												Budget	10,756,000	(2,066,300)
												diff	(12,611)	

**PALMDALE  
WATER DISTRICT  
BOARD MEMORANDUM**

**DATE:** September 25, 2014 **October 8, 2014**  
**TO:** BOARD OF DIRECTORS **Board Meeting**  
**FROM:** Michael Williams, Finance Manager/CFO  
**VIA:** Mr. Dennis LaMoreaux, General Manager  
**RE:** *AGENDA ITEM 7.2 – STATUS REPORT ON FINANCIAL STATEMENTS, REVENUE, AND EXPENSE AND DEPARTMENTAL BUDGET REPORTS FOR AUGUST 31, 2014*

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**Discussion:**

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

This is the eighth month of the District's Budget Year 2014. The target percentage is 66%. Revenues ideally are at or above, and expenditures ideally are below.

**Balance Sheet:**

- Page 1 is our balance sheet on August 31, 2014.
- There is no significant change but will note that total assets have increased by approximately \$193K and total liabilities and equity by the same amount.

**Profit/Loss Statement:**

- Page 3 is our profit/loss statement on August 31, 2014.
- Operating revenue is at 63% of budget. That is a little below the target of 66%.
- Water Sales are at 60% of budget. This is due to reduced consumption.
- Cash operating expense is at 60% of budget. The reduction is due primarily to reduced water purchases.
- 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 August, 2013 to August, 2014.
- Total operating revenue is down \$75K, or 3%. This is due to reduced consumption for the month.
- Operating expenditures are up by \$50K, or 3%.
- Page 8 is a graphic presentation of the water consumption comparison. Units billed in acre feet were down by 112, or 5%. Total revenue per unit sold is up \$0.05, or 2%, total revenue per connection is down \$1.99, or 2%, and units billed per connection is down 2, or 5.5%.

BOARD OF DIRECTORS  
PALMDALE WATER DISTRICT

VIA: Mr. Dennis LaMoreaux, General Manager

-2-

September 25, 2014

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

- Page 9 is our comparison of revenue, year-to-date.
- Operating revenue through August, 2014 is down \$264K.
- Retail water sales from all areas are down by \$26K from last year. That's shown by the combined green highlighted area. Water sales alone are down \$143K YTD.
- Total revenue is down \$332K. This is a little misleading due to how the assessments were being booked, and in August last year, there was a County year-end adjustment.
- Operating revenue through August, 2014 is at 63% of budget; last year we were at 68% of budget.

**Expense Analysis Year-To-Date:**

- Page 11 is our comparison of expense, year-to-date.
- Cash Operating Expenses through August, 2014 are up by \$1.06MM, or 7%, compared to 2013 due to plant expenditures and the Wood settlement payment.
- Total Expenses are up \$731K, or 3%, as a result of the offsets of non-cash operating expenses.

**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.

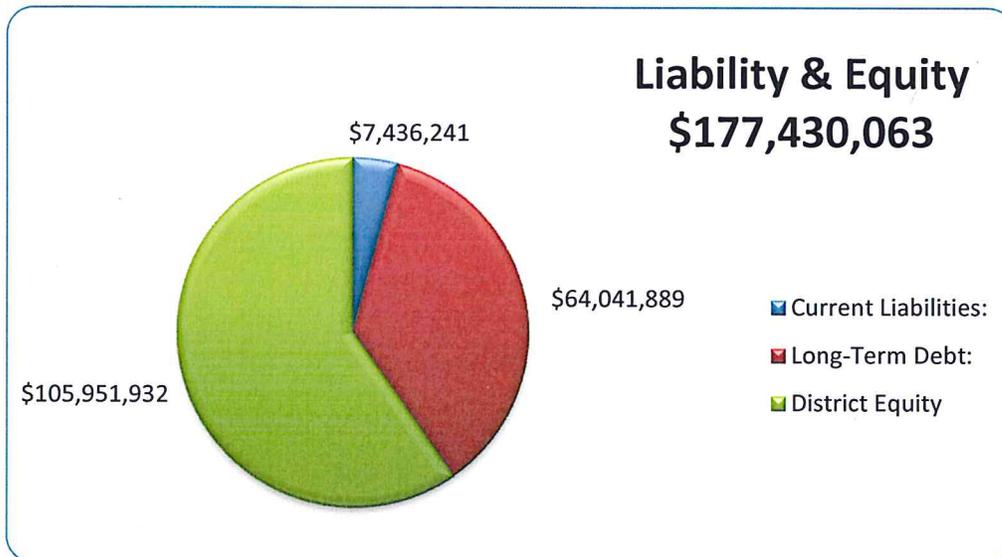
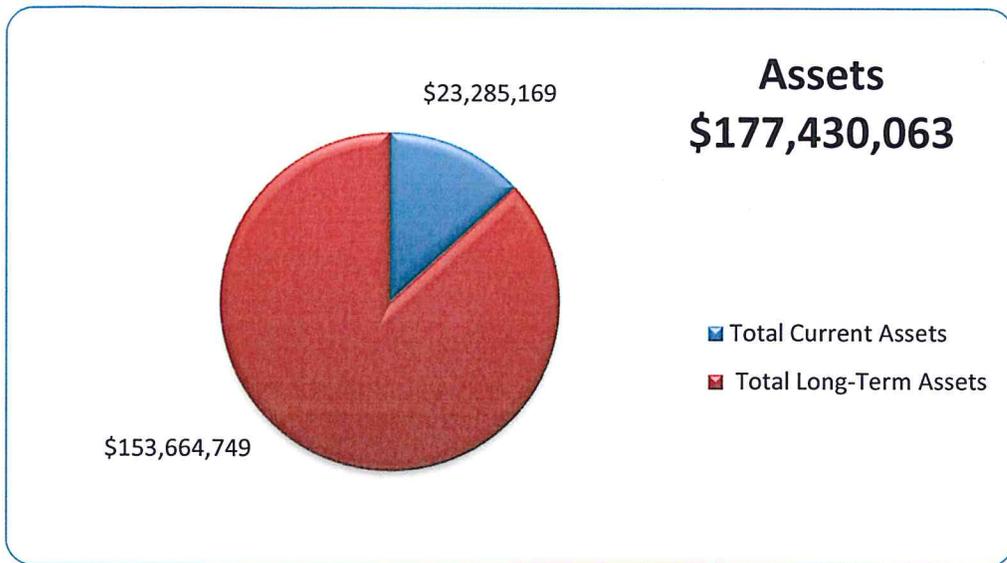
**Service Cost Construction:** The value of material, parts & supplies from inventory used to construct, repair and maintain our asset infrastructure.

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

**Palmdale Water District**  
**Balance Sheet Report**  
**For the Eight Months Ending 8/31/2014**

	<b>August 2014</b>	<b>July 2014</b>
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and Cash Equivalents	\$ 526,000	\$ 290,331
Investments	12,406,534	12,229,808
2013A Bonds - Project Funds	5,988,455	6,257,722
	<b>\$ 18,920,990</b>	<b>\$ 18,777,861</b>
<b>Receivables:</b>		
Accounts Receivables - Water Sales	\$ 2,157,958	\$ 2,048,570
Accounts Receivables - Miscellaneous	52,979	46,269
Allowance for Uncollected Accounts	(214,349)	(214,349)
	<b>\$ 1,996,588</b>	<b>\$ 1,880,490</b>
Interest Receivable	\$ -	\$ -
Assessments Receivables	1,318,979	1,489,034
Meters, Materials and Supplies	764,567	718,777
Prepaid Expenses	284,046	108,824
<b>Total Current Assets</b>	<b>\$ 23,285,169</b>	<b>\$ 22,974,986</b>
<b>Long-Term Assets:</b>		
Property, Plant, and Equipment, net	\$ 113,598,450	\$ 113,673,456
Participation Rights in State Water Project, net	39,833,747	39,875,117
2013A Bonds - Insurance & Surety Bond	232,552	233,218
	<b>\$ 153,664,749</b>	<b>\$ 153,781,791</b>
<b>Restricted Cash:</b>		
Rate Stabilization Fund	480,145	480,125
<b>Total Long-Term Assets &amp; Restricted Cash</b>	<b>\$ 154,144,894</b>	<b>\$ 154,261,917</b>
<b>Total Assets</b>	<b>\$ 177,430,063</b>	<b>\$ 177,236,903</b>
<b>LIABILITIES AND DISTRICT EQUITY</b>		
<b>Current Liabilities:</b>		
Current Interest Installment of Long-term Debt	\$ 931,888	\$ 745,506
Current Principal Installment of Long-term Debt	1,137,998	1,137,998
Accounts Payable and Accrued Expenses	5,738,957	5,327,095
Deferred Assessments	(372,602)	(202,547)
<b>Total Current Liabilities</b>	<b>\$ 7,436,241</b>	<b>\$ 7,008,052</b>
<b>Long-Term Debt:</b>		
Pension-Related Debt	\$ 1,084,487	\$ 1,084,487
OPEB Liability	8,671,308	8,522,408
2013A Water Revenue Bonds	43,940,476	43,942,726
2012 - Certificates of Participation	10,049,345	10,042,547
2011 - Capital Lease Payable	296,274	296,274
<b>Total Long-Term Liabilities</b>	<b>\$ 64,041,889</b>	<b>\$ 63,888,443</b>
<b>Total Liabilities</b>	<b>\$ 71,478,131</b>	<b>\$ 70,896,495</b>
<b>District Equity</b>		
Revenue from Operations	\$ (2,720,237)	\$ (2,331,761)
Retained Earnings	108,672,169	108,672,169
<b>Total Liabilities and District Equity</b>	<b>\$ 177,430,063</b>	<b>\$ 177,236,903</b>

# BALANCE SHEET AS OF AUGUST 31, 2014



**Palmdale Water District**  
**Consolidated Profit and Loss Statement**  
**For the Eight Months Ending 8/31/2014**

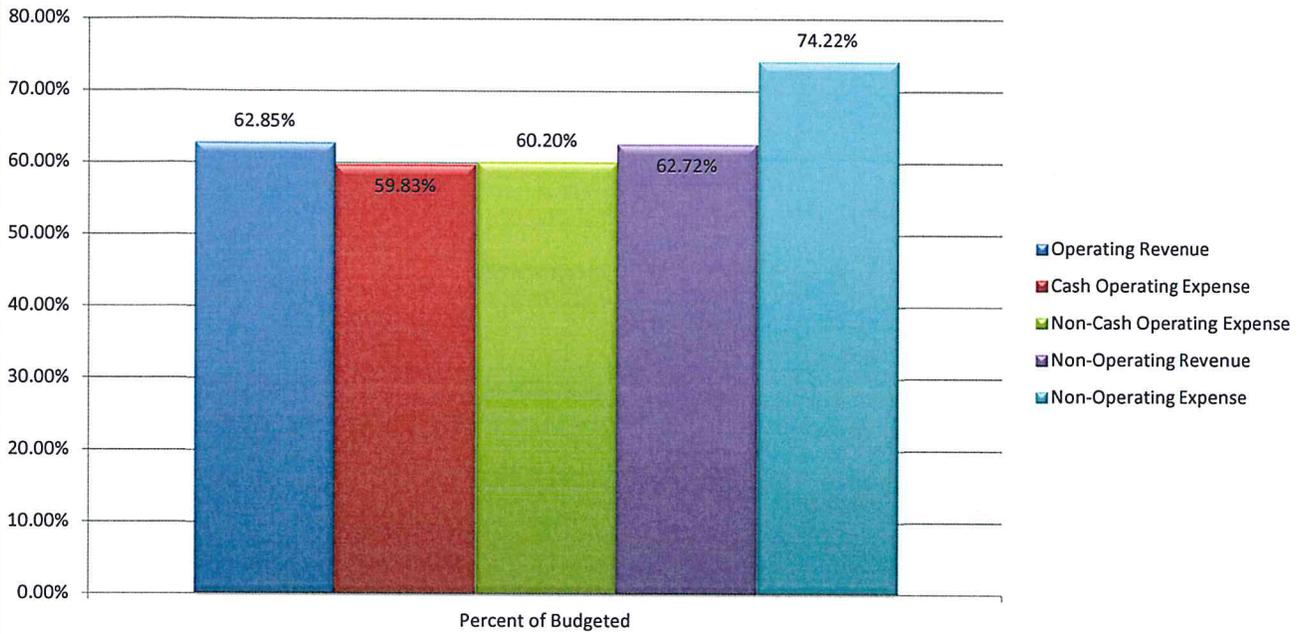
	Thru July	August	Year-to-Date	Adjustments	Adjusted Budget	% of Budget
<b>Operating Revenue:</b>						
Wholesale Water	\$ 82,193	\$ 44,126	\$ 126,319		\$ 225,000	56.14%
Water Sales	4,388,871	1,012,600	5,401,471		9,053,000	59.66%
Meter Fees	6,580,152	948,925	7,529,078		11,255,000	66.90%
Water Quality Fees	859,330	183,347	1,042,677		1,638,000	63.66%
Elevation Fees	260,668	57,345	318,013		525,000	60.57%
Other	807,003	109,135	916,138		1,700,000	53.89%
<b>Total Operating Revenue</b>	<b>\$ 12,978,217</b>	<b>\$ 2,355,478</b>	<b>\$ 15,333,696</b>	<b>\$ -</b>	<b>\$ 24,396,000</b>	<b>62.85%</b>
<b>Cash Operating Expenses:</b>						
Directors	\$ 83,650	\$ 9,839	\$ 93,489		\$ 114,500	81.65%
Administration*	2,131,059	148,059	2,279,118	(40,000)	3,450,000	66.06%
Engineering	630,736	77,449	708,185		1,079,800	65.58%
Facilities	1,788,623	260,467	2,049,091		3,408,500	60.12%
Operations	3,157,802	589,081	3,746,883		5,453,500	68.71%
Finance	1,821,159	229,638	2,050,797		2,968,750	69.08%
Water Conservation	78,861	12,307	91,168		270,000	33.77%
Human Resources*	135,463	18,810	154,274	40,000	255,300	60.43%
Information Technology	470,968	42,170	513,138		828,600	61.93%
Water Purchases	1,437,323	34,361	1,471,684		2,400,000	61.32%
Water Purchases-Prior Year OAP	683	-	683		250,000	0.27%
Water Recovery	(399,654)	-	(399,654)		(100,000)	399.65%
Plant Expenditures	1,326,550	58,932	1,385,482		2,143,500	64.64%
GAC Filter Media Replacement	9,171	301,055	310,226		1,638,000	18.94%
<b>Total Cash Operating Expenses</b>	<b>\$ 12,672,395</b>	<b>\$ 1,782,169</b>	<b>\$ 14,454,565</b>	<b>\$ -</b>	<b>\$ 24,160,450</b>	<b>59.83%</b>
<b>Non-Cash Operating Expenses:</b>						
Depreciation	\$ 4,316,458	\$ 547,770	\$ 4,864,227		\$ 7,350,000	66.18%
OPEB Accrual Expense	1,168,124	166,875	1,334,999		2,000,000	66.75%
Bad Debts	24,776	49	24,825		100,000	24.83%
Service Costs Construction	(131,285)	7,136	(124,150)		125,000	-99.32%
Capitalized Construction	(763,718)	(174,092)	(937,810)		(1,000,000)	93.78%
<b>Total Non-Cash Operating Expenses</b>	<b>\$ 4,614,355</b>	<b>\$ 547,738</b>	<b>\$ 5,162,092</b>	<b>\$ -</b>	<b>\$ 8,575,000</b>	<b>60.20%</b>
<b>Net Operating Profit/(Loss)</b>	<b>\$ (4,308,533)</b>	<b>\$ 25,571</b>	<b>\$ (4,282,961)</b>	<b>\$ -</b>	<b>\$ (8,339,450)</b>	<b>51.36%</b>
<b>Non-Operating Revenues:</b>						
Assessments (Debt Service)	\$ 2,813,181	\$ 92,446	\$ 2,905,627		\$ 4,400,000	66.04%
Assessments (1%)	1,137,490	77,609	1,215,099		1,800,000	67.51%
DWR Fixed Charge Recovery	133,539	-	133,539		100,000	133.54%
Interest	33,493	6,850	40,343		25,000	161.37%
Capital Improvement Fees	9,889	-	9,889		150,000	6.59%
State Grants	-	-	-		485,000	0.00%
Other	166,805	10,342	177,147		185,000	95.76%
<b>Total Non-Operating Revenues</b>	<b>\$ 4,294,397</b>	<b>\$ 187,247</b>	<b>\$ 4,481,644</b>	<b>\$ -</b>	<b>\$ 7,145,000</b>	<b>62.72%</b>
<b>Non-Operating Expenses:</b>						
Interest on Long-Term Debt	\$ 1,359,374	\$ 191,596	\$ 1,550,970		\$ 2,111,000	73.47%
Amortization of SWP	1,116,570	159,510	1,276,080		1,679,000	76.00%
Water Conservation Programs	66,128	25,742	91,870		143,000	64.24%
<b>Total Non-Operating Expenses</b>	<b>\$ 2,542,072</b>	<b>\$ 376,848</b>	<b>\$ 2,918,920</b>	<b>\$ -</b>	<b>\$ 3,933,000</b>	<b>74.22%</b>
<b>Net Earnings</b>	<b>\$ (2,556,208)</b>	<b>\$ (164,029)</b>	<b>\$ (2,720,237)</b>	<b>\$ -</b>	<b>\$ (5,127,450)</b>	<b>53.05%</b>

\* Budget adjustments by General Manager per Appendix A

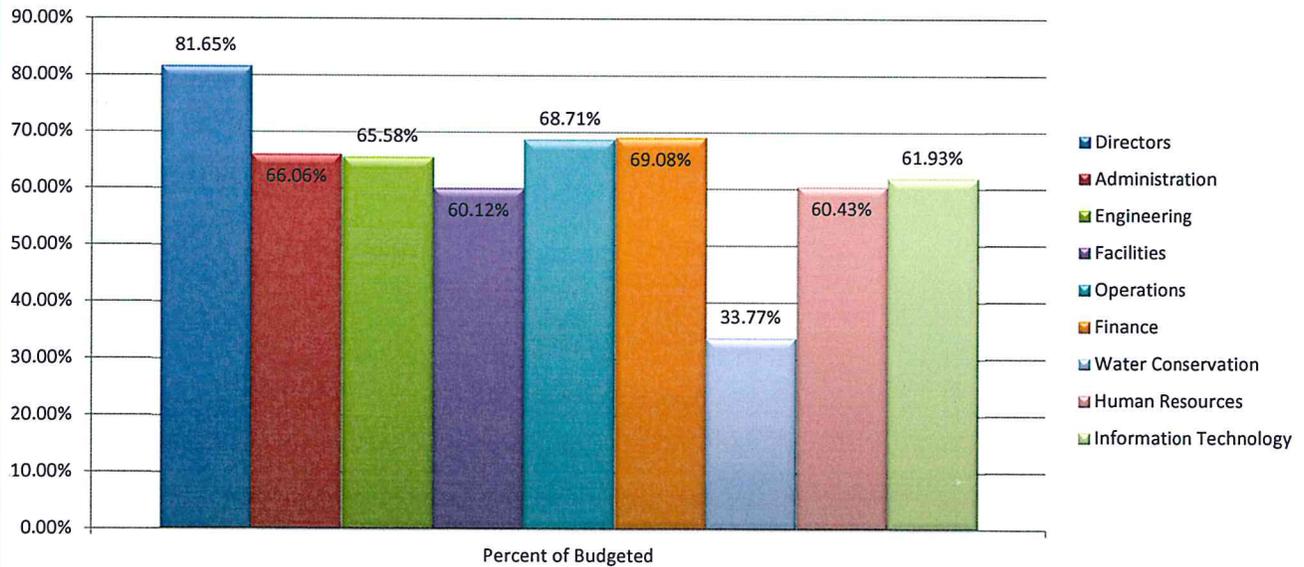
<b>OTHER OPERATING REVENUE</b>
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Account Setup Charge(\$25)	\$2,875.00
Account Setup Charge/CC (\$35)	\$2,065.00
After Hours Service Call	\$80.00
Construction Meter Install(\$250)	\$500.00
Credit Check(\$10)	\$40.00
Customer Request Turn On/Off(\$15)	\$45.00
Door Tag Fee(\$20)	\$46,560.00
Lock Broken or Missing(\$15)	\$105.00
Miscellaneous Charge	\$66.63
Monthly Service Charge	\$27.51
Pulled Meter Service Charge(\$60)	\$300.00
Repair Angle Stop After Hours(\$600.00)	\$1,200.00
Repair Angle Stop(\$440.00)	\$440.00
Shut-Off Charge(\$30)	\$3,810.00
Shut-Off Processing Fee(\$20)	\$120.00
Standard Trip Charge(\$15)	\$285.00
Late Fees	\$50,770.00
NSF Fee	\$1,025.00
	<u>\$110,314.14</u>

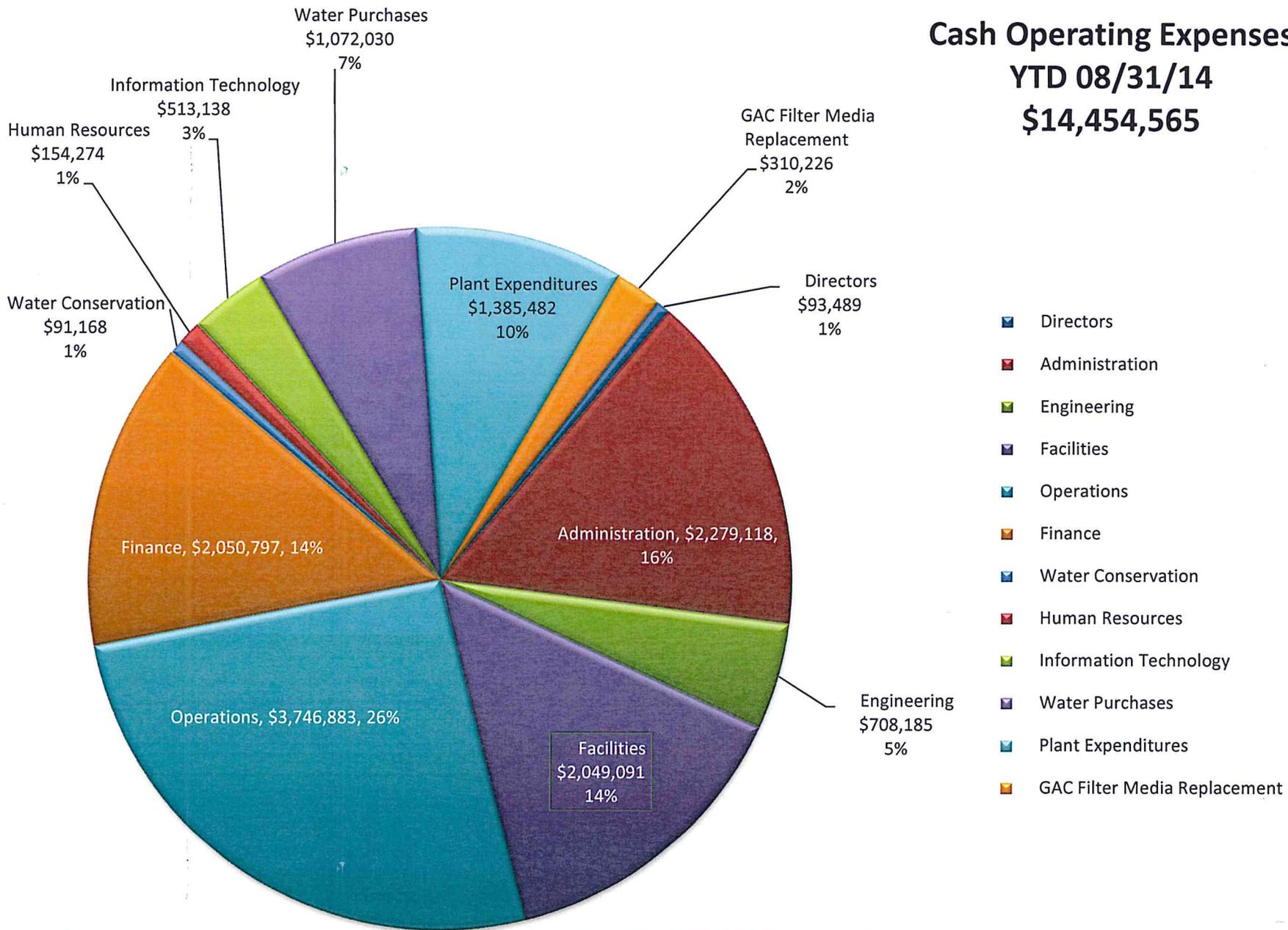
### P & L BUDGET vs. ACTUAL



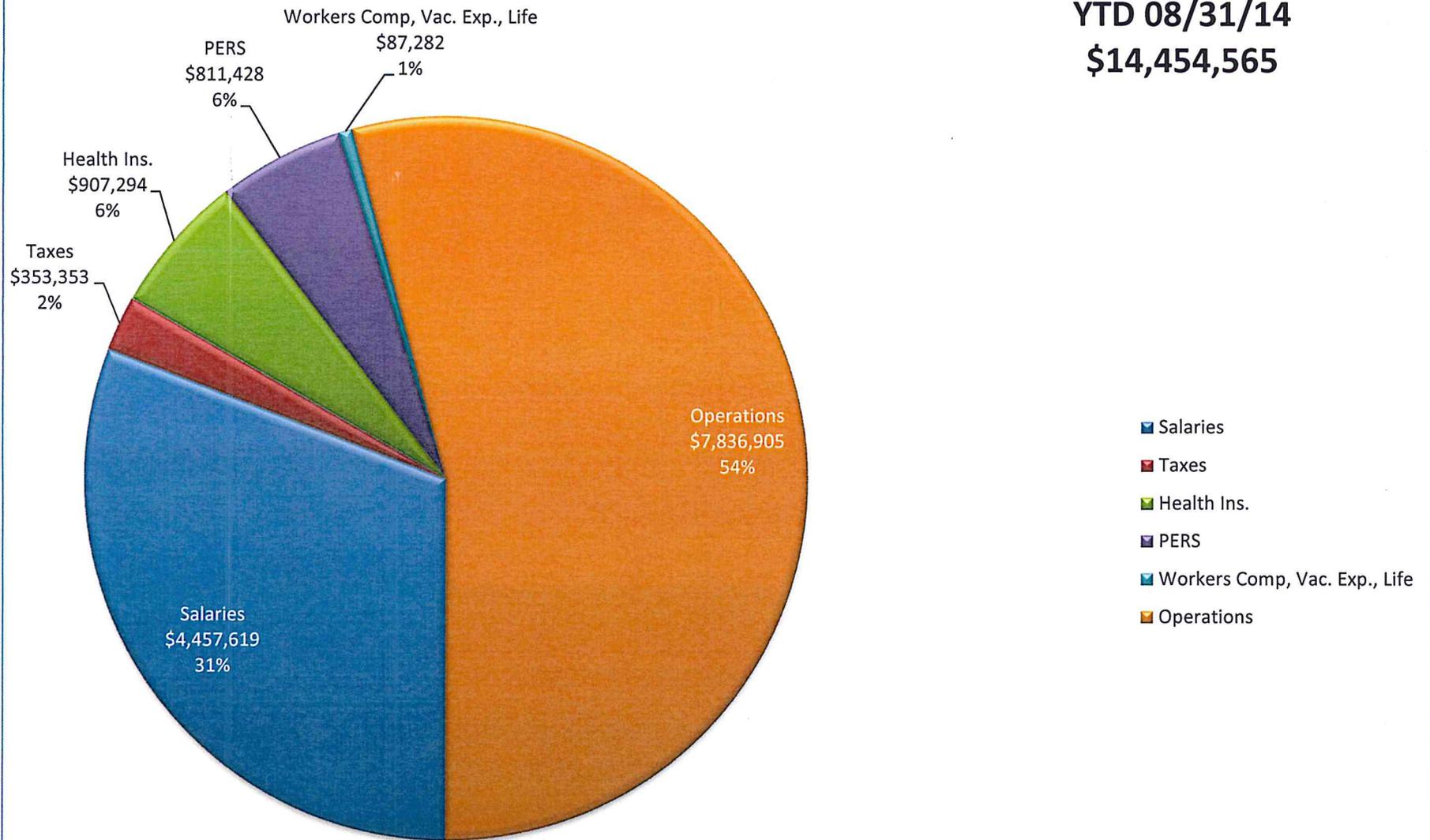
### DEPARTMENTAL - BUDGET vs. ACTUAL



# Cash Operating Expenses YTD 08/31/14 \$14,454,565



# Personnel to Operations Exp YTD 08/31/14 \$14,454,565

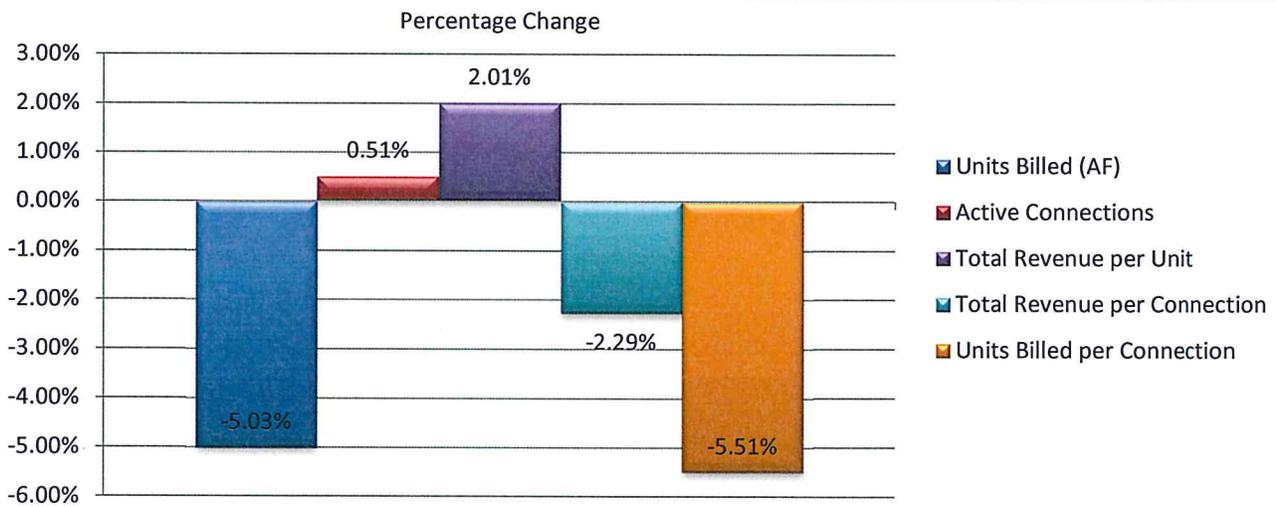
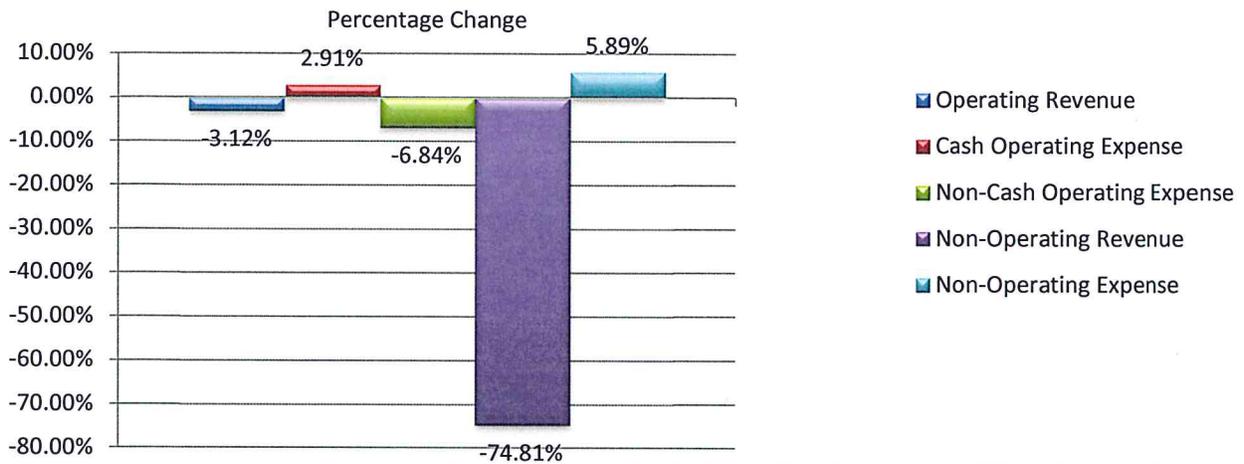


**Palmdale Water District**  
**Profit and Loss Statement**  
**Year-To-Year Comparison - August**

	2013	2014	Change	%	Consumption Comparison		
	August	August			2013	2014	
<b>Operating Revenue:</b>					Units Billed	973,462	924,520
Wholesale Water	\$ 28,325	\$ 44,126	\$ 15,801	55.78%	Active	26,324	26,458
Water Sales	1,077,294	1,012,600	(64,694)	-6.01%	Vacant	1,020	911
Meter Fees	920,383	948,925	28,542	3.10%			
Water Quality Fees	193,983	183,347	(10,636)	-5.48%			
Elevation Fees	67,381	57,345	(10,035)	-14.89%	Rev/unit	\$ 2.50	\$ 2.55
Other	143,962	109,135	(34,826)	-24.19%	Rev/con	\$ 86.89	\$ 84.90
<b>Total Operating Revenue</b>	<b>\$ 2,431,328</b>	<b>\$ 2,355,478</b>	<b>\$ (75,849)</b>	<b>-3.12%</b>	Unit/con	36.98	34.94
<b>Cash Operating Expenses:</b>							
Directors	\$ 7,147	\$ 9,839	\$ 2,692	37.67%			
Administration	109,342	148,059	38,717	35.41%			
Engineering	101,463	77,449	(24,014)	-23.67%			
Facilities	239,671	260,467	20,797	8.68%			
Operations	549,488	589,081	39,594	7.21%			
Finance	272,518	229,638	(42,879)	-15.73%			
Water Conservation	19,409	12,307	(7,102)	-36.59%			
Human Resources	14,569	18,810	4,241	29.11%			
Information Technology	42,648	42,170	(478)	-1.12%			
Water Purchases	358,232	34,361	(323,871)	-90.41%			
Water Purchases-Prior Year OAP	-	-	-				
Water Recovery	(66,826)	-	66,826	-100.00%			
Plant Expenditures	84,171	58,932	(25,239)	-29.99%			
GAC Filter Media Replacement	-	301,055	301,055				
<b>Total Cash Operating Expenses</b>	<b>\$ 1,731,830</b>	<b>\$ 1,782,169</b>	<b>\$ 50,339</b>	<b>2.91%</b>			
<b>Non-Cash Operating Expenses:</b>							
Depreciation	\$ 580,701	\$ 547,770	\$ (32,931)	-5.67%			
OPEB Accrual Expense	165,223	166,875	1,652	1.00%			
Bad Debts	-	49	49				
Service Costs Construction	31,589	7,136	(24,453)	-77.41%			
Capitalized Construction	(189,580)	(174,092)	15,488	-8.17%			
<b>Total Non-Cash Operating Expenses</b>	<b>\$ 587,932</b>	<b>\$ 547,738</b>	<b>\$ (40,194)</b>	<b>-6.84%</b>			
<b>Net Operating Profit/(Loss)</b>	<b>\$ 111,565</b>	<b>\$ 25,571</b>	<b>\$ (85,994)</b>	<b>-77.08%</b>			
<b>Non-Operating Revenues:</b>							
Assessments (Debt Service)	\$ 510,620	\$ 92,446	\$ (418,174)	-81.90%			
Assessments (1%)	213,820	77,609	(136,211)	-63.70%			
DWR Fixed Charge Recovery	-	-	-				
Interest	(6,584)	6,850	13,433	-204.04%			
Capital Improvement Fees	22,053	-	(22,053)	-100.00%			
State Grants	-	-	-				
Other	3,489	10,342	6,853	196.43%			
<b>Total Non-Operating Revenues</b>	<b>\$ 743,398</b>	<b>\$ 187,247</b>	<b>\$ (556,151)</b>	<b>-74.81%</b>			
<b>Non-Operating Expenses:</b>							
Interest on Long-Term Debt	\$ 201,329	\$ 191,596	\$ (9,733)	-4.83%			
Amortization of SWP	144,745	159,510	14,765	10.20%			
Water Conservation Programs	9,820	25,742	15,922	162.14%			
<b>Total Non-Operating Expenses</b>	<b>\$ 355,894</b>	<b>\$ 376,848</b>	<b>\$ 20,954</b>	<b>5.89%</b>			
<b>Net Earnings</b>	<b>\$ 499,070</b>	<b>\$ (164,029)</b>	<b>\$ (663,099)</b>	<b>-132.87%</b>			

# YEAR-TO-YEAR COMPARISON

## August '13 -To - August '14



	2013	2014	Change	
Units Billed (AF)	2,235	2,122	-112	-5.03%
Active Connections	26,324	26,458	134	0.51%
Non-Active	1,020	911	-109	-10.69%
Total Revenue per Unit	\$2.50	\$2.55	\$0.05	2.01%
Total Revenue per Connection	\$86.89	\$84.90	-\$1.99	-2.29%
Units Billed per Connection	36.98	34.94	-2.04	-5.51%

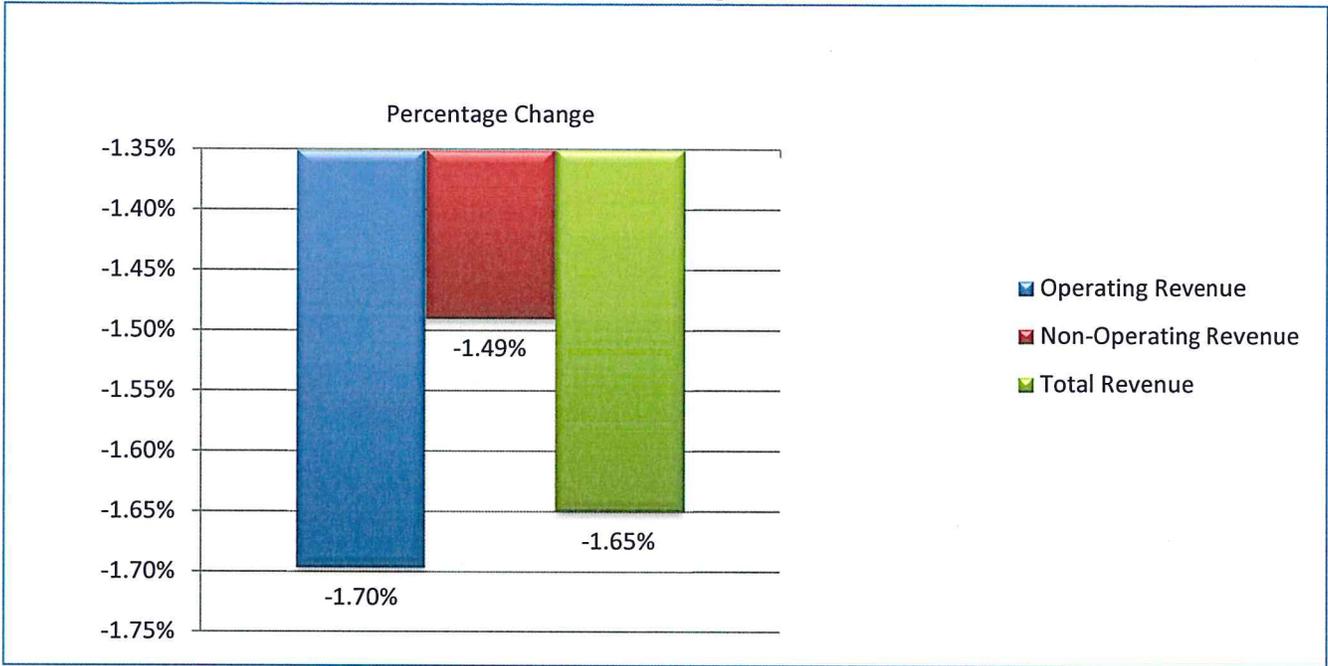
**Palmdale Water District  
Revenue Analysis  
For the Eight Months Ending 8/31/2014**

	2014					2013 to 2014 Comparison			
	Thru July	August	Year-to-Date	Adjusted Budget	% of Budget	Thru July	August	Year-to-Date	% Change
<b>Operating Revenue:</b>									
Wholesale Water	\$ 82,193	\$ 44,126	\$ 126,319	\$ 225,000	56.14%	\$ 82,193	15,801	37,247	41.82%
Water Sales	4,388,871	1,012,600	5,401,471	9,053,000	59.66%	(78,719)	(64,694)	(143,414)	-2.59%
Meter Fees	6,580,152	948,925	7,529,078	11,255,000	66.90%	138,007	28,542	166,549	2.26%
Water Quality Fees	859,330	183,347	1,042,677	1,638,000	63.66%	(5,271)	(10,636)	(15,908)	-1.50%
Elevation Fees	260,668	57,345	318,013	525,000	60.57%	(23,174)	(10,035)	(33,209)	-9.46%
Other	807,003	109,135	916,138	1,700,000	53.89%	(241,149)	(34,826)	(275,976)	-23.15%
<b>Total Operating Revenue</b>	<b>\$ 12,978,217</b>	<b>\$ 2,355,478</b>	<b>\$ 15,333,696</b>	<b>\$ 24,396,000</b>	<b>62.85%</b>	<b>\$ (128,114)</b>	<b>\$ (75,849)</b>	<b>\$ (264,710)</b>	<b>-1.70%</b>
<b>Non-Operating Revenues:</b>									
Assessments (Debt Service)	\$ 2,813,181	\$ 92,446	\$ 2,905,627	\$ 4,400,000	66.04%	\$ 276,625	\$ (418,174)	\$ (141,549)	-4.65%
Assessments (1%)	1,137,490	77,609	1,215,099	1,800,000	67.51%	75,318	(136,211)	(60,893)	-4.77%
DWR Fixed Charge Recovery	133,539	-	133,539	100,000	133.54%	38,740	-	38,740	40.87%
Interest	33,493	6,850	40,343	25,000	161.37%	54,937	13,433	68,371	-243.94%
Capital Improvement Fees	9,889	-	9,889	150,000	6.59%	33,923	(22,053)	11,870	-599.24%
State Grants	-	-	-	485,000	0.00%	-	-	-	-
Other	166,805	10,342	177,147	185,000	95.76%	8,794	6,853	15,647	9.69%
<b>Total Non-Operating Revenues</b>	<b>\$ 4,294,397</b>	<b>\$ 187,247</b>	<b>\$ 4,481,644</b>	<b>\$ 7,145,000</b>	<b>62.72%</b>	<b>\$ 488,336</b>	<b>\$ (556,151)</b>	<b>\$ (67,815)</b>	<b>-1.49%</b>
<b>Total Revenue</b>	<b>\$ 17,272,614</b>	<b>\$ 2,542,726</b>	<b>\$ 19,815,340</b>	<b>\$ 31,541,000</b>	<b>62.82%</b>	<b>\$ 360,223</b>	<b>\$ (632,001)</b>	<b>\$ (332,524)</b>	<b>-1.65%</b>

	2013				
	Thru July	August	Year-to-Date	Adjusted Budget	% of Budget
<b>Operating Revenue:</b>					
Wholesale Water	\$ 60,743	\$ 28,325	\$ 89,071	\$ 175,000	50.90%
Water Sales	4,467,591	1,077,294	5,544,885	8,198,000	67.64%
Meter Fees	6,442,145	920,383	7,362,528	11,232,000	65.55%
Water Quality Fees	864,602	193,983	1,058,585	1,638,000	64.63%
Elevation Fees	283,841	67,381	351,222	550,000	63.86%
Other	1,048,152	143,962	1,192,114	1,250,000	95.37%
<b>Total Operating Revenue</b>	<b>\$ 13,106,331</b>	<b>\$ 2,431,328</b>	<b>\$ 15,598,405</b>	<b>\$ 22,868,000</b>	<b>68.21%</b>
<b>Non-Operating Revenues:</b>					
Assessments (Debt Service)	\$ 2,536,556	\$ 510,620	\$ 3,047,176	\$ 4,300,000	70.86%
Assessments (1%)	1,062,172	213,820	1,275,992	2,775,992	45.97%
DWR Fixed Charge Recovery	94,799	-	94,799	100,000	94.80%
Interest	(21,444)	(6,584)	(28,028)	25,000	-112.11%
Capital Improvement Fees	(24,034)	22,053	(1,981)	150,000	-1.32%
State Grants	-	-	-	485,000	0.00%
Other	158,011	3,489	161,500	150,000	107.67%
<b>Total Non-Operating Revenues</b>	<b>\$ 3,806,060</b>	<b>\$ 743,398</b>	<b>\$ 4,549,459</b>	<b>\$ 7,985,992</b>	<b>56.97%</b>
<b>Total Revenue</b>	<b>\$ 16,912,392</b>	<b>\$ 3,174,726</b>	<b>\$ 20,147,864</b>	<b>\$ 30,853,992</b>	<b>65.30%</b>

# REVENUE COMPARISON YEAR-TO-DATE

August '13-To-August '14



**Palmdale Water District**  
**Operating Expense Analysis**  
**For the Eight Months Ending 8/31/2014**  
**2014**

2013 to 2014 Comparison

	Thru July	August	Year-to-Date	Adjusted Budget	% of Budget	Thru July	August	Year-to-Date	% Change
<b>Cash Operating Expenses:</b>									
Directors	\$ 83,650	\$ 9,839	\$ 93,489	\$ 114,500	81.65%	\$ 24,680	\$ 2,692	\$ 27,372	41.40%
Administration	2,131,059	148,059	2,279,118	3,490,000	65.30%	731,310	38,717	770,026	51.03%
Engineering	630,736	77,449	708,185	1,079,800	65.58%	(112,717)	(24,014)	(136,731)	-16.18%
Facilities	1,788,623	260,467	2,049,091	3,408,500	60.12%	67,192	20,797	87,989	4.49%
Operations	3,157,802	589,081	3,746,883	5,453,500	68.71%	292,109	39,594	331,703	9.71%
Finance	1,821,159	229,638	2,050,797	2,968,750	69.08%	269,805	(42,879)	226,926	12.44%
Water Conservation	78,861	12,307	91,168	270,000	33.77%	(53,949)	(7,102)	(61,052)	-40.11%
Human Resources	135,463	18,810	154,274	215,300	71.66%	40,869	4,241	45,110	41.32%
Information Technology	470,968	42,170	513,138	828,600	61.93%	470,968	(478)	92,070	21.87%
Water Purchases	1,437,323	34,361	1,471,684	2,400,000	61.32%	(127,209)	(323,871)	(451,080)	-23.46%
Water Purchases-Prior Year OAP	683	-	683	250,000	0.27%	(435,802)	-	(435,802)	-99.84%
Water Recovery	(399,654)	-	(399,654)	(100,000)	399.65%	68,817	66,826	135,643	-25.34%
Plant Expenditures	1,326,550	58,932	1,385,482	2,143,500	64.64%	795,522	(25,239)	770,283	125.21%
GAC Filter Media Replacement	9,171	301,055	310,226	1,638,000	18.94%	(644,726)	301,055	(343,671)	-52.56%
<b>Total Cash Operating Expenses</b>	<b>\$ 12,672,395</b>	<b>\$ 1,782,169</b>	<b>\$ 14,454,565</b>	<b>\$ 24,160,450</b>	<b>59.83%</b>	<b>\$ 1,386,870</b>	<b>\$ 50,339</b>	<b>\$ 1,058,788</b>	<b>7.32%</b>
<b>Non-Cash Operating Expenses:</b>									
Depreciation	\$ 4,316,458	\$ 547,770	\$ 4,864,227	\$ 7,350,000	66.18%	\$ (340,319)	\$ (32,931)	\$ (373,250)	-7.13%
OPEB Accrual Expense	1,168,124	166,875	1,334,999	2,000,000	66.75%	11,566	1,652	13,218	1.00%
Bad Debts	24,776	49	24,825	100,000	24.83%	19,350	49	19,400	357.55%
Service Costs Construction	(131,285)	7,136	(124,150)	125,000	-99.32%	(189,836)	(24,453)	(214,289)	-237.73%
Capitalized Construction	(763,718)	(174,092)	(937,810)	(1,000,000)	93.78%	(215,600)	15,488	(200,112)	27.13%
<b>Total Non-Cash Operating Expenses</b>	<b>\$ 4,614,355</b>	<b>\$ 547,738</b>	<b>\$ 5,162,092</b>	<b>\$ 8,575,000</b>	<b>60.20%</b>	<b>\$ (714,839)</b>	<b>\$ (40,194)</b>	<b>\$ (755,034)</b>	<b>-14.63%</b>
<b>Non-Operating Expenses:</b>									
Interest on Long-Term Debt	\$ 1,359,374	\$ 191,596	\$ 1,550,970	\$ 2,111,000	73.47%	\$ 310,487	\$ (9,733)	\$ 300,754	24.06%
Amortization of SWP	1,116,570	159,510	1,276,080	1,679,000	76.00%	105,971	14,765	120,736	10.45%
Water Conservation Programs	66,128	25,742	91,870	143,000	64.24%	(9,656)	15,922	6,266	0.25%
<b>Total Non-Operating Expenses</b>	<b>\$ 2,542,072</b>	<b>\$ 376,848</b>	<b>\$ 2,918,920</b>	<b>\$ 3,933,000</b>	<b>74.22%</b>	<b>\$ 406,802</b>	<b>\$ 20,954</b>	<b>\$ 427,756</b>	<b>17.17%</b>
<b>Total Expenses</b>	<b>\$ 19,828,822</b>	<b>\$ 2,706,755</b>	<b>\$ 22,535,577</b>	<b>\$ 36,668,450</b>	<b>61.46%</b>	<b>\$ 1,078,833</b>	<b>\$ 31,098</b>	<b>\$ 731,511</b>	<b>3.35%</b>

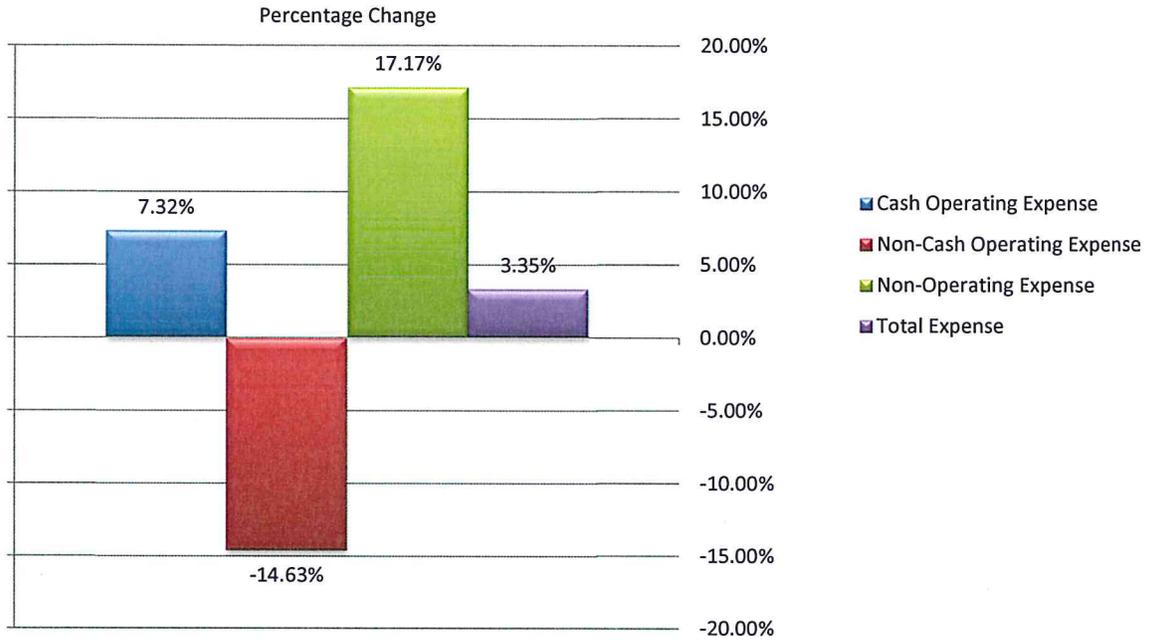
**Palmdale Water District**  
**Operating Expense Analysis**  
**For the Eight Months Ending 8/31/2014**  
**2013**

2013 to 2014 Comparison

	Thru July	August	Year-to-Date	Adjusted Budget	% of Budget
<b>Cash Operating Expenses:</b>					
Directors	\$ 58,970	\$ 7,147	\$ 66,117	\$ 117,500	56.27%
Administration	1,399,750	109,342	1,509,092	2,602,000	58.00%
Engineering	743,453	101,463	844,916	1,215,750	69.50%
Facilities	1,721,431	239,671	1,961,102	3,298,500	59.45%
Operations	2,865,693	549,488	3,415,180	4,944,250	69.07%
Finance	1,551,354	272,518	1,823,871	2,789,000	65.40%
Water Conservation	132,811	19,409	152,220	239,750	63.49%
Human Resources	94,595	14,569	109,164	209,600	52.08%
Information Technology	378,420	42,648	421,068	728,000	57.84%
Water Purchases	1,564,532	358,232	1,922,764	2,600,000	73.95%
Water Purchases-Prior Year OAP	436,485	-	436,485	-	
Water Recovery	(468,471)	(66,826)	(535,297)	(100,000)	535.30%
Plant Expenditures	531,028	84,171	615,199	836,500	73.54%
GAC Filter Media Replacement	653,896	-	653,896	1,638,000	39.92%
<b>Total Cash Operating Expenses</b>	<b>\$ 11,663,946</b>	<b>\$ 1,731,830</b>	<b>\$ 13,395,776</b>	<b>\$ 21,118,850</b>	<b>63.43%</b>
<b>Non-Cash Operating Expenses:</b>					
Depreciation	\$ 4,656,777	\$ 580,701	\$ 5,237,478	\$ 7,250,000	72.24%
OPEB Accrual Expense	1,156,559	165,223	1,321,781	2,000,000	66.09%
Bad Debts	5,426	-	5,426	100,000	5.43%
Service Costs Construction	58,551	31,589	90,140	125,000	72.11%
Capitalized Construction	(548,118)	(189,580)	(737,698)	(1,000,000)	73.77%
<b>Total Non-Cash Operating Expenses</b>	<b>\$ 5,329,194</b>	<b>\$ 587,932</b>	<b>\$ 5,917,126</b>	<b>\$ 8,475,000</b>	<b>69.82%</b>
<b>Non-Operating Expenses:</b>					
Interest on Long-Term Debt	\$ 1,048,887	\$ 201,329	\$ 1,250,216	\$ 2,111,000	59.22%
Amortization of SWP	1,010,599	144,745	1,155,344	1,679,000	68.81%
Water Conservation Programs	75,784	9,820	85,604	150,000	57.07%
<b>Total Non-Operating Expenses</b>	<b>\$ 2,135,270</b>	<b>\$ 355,894</b>	<b>\$ 2,491,164</b>	<b>\$ 3,940,000</b>	<b>63.23%</b>
<b>Total Expenses</b>	<b>\$ 19,128,410</b>	<b>\$ 2,675,657</b>	<b>\$ 21,804,066</b>	<b>\$ 33,533,850</b>	<b>65.02%</b>

# EXPENSE COMPARISON YEAR-TO-DATE

## August '13-To-August '14



**Palmdale Water District  
2014 Directors Budget  
For the Eight Months Ending Sunday, August 31, 2014**

	YTD ACTUAL 2014	ORIGINAL BUDGET 2014	ADJUSTMENTS 2014	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-01-4000-000 Directors Pay	\$ 44,550	\$ 45,000	\$ -	\$ 450	99.00%
Employee Benefits					
1-01-4005-000 Payroll Taxes	3,387	5,500		2,113	61.58%
1-01-4010-000 Health Insurance	33,633	54,000		20,367	62.28%
Subtotal (Benefits)	37,020	59,500	-	20,367	62.22%
Total Personnel Expenses	<u>\$ 81,570</u>	<u>\$ 104,500</u>	<u>\$ -</u>	<u>\$ 20,817</u>	<u>78.06%</u>
OPERATING EXPENSES:					
1-01-4050-000 Directors Travel, Seminars & Meetings	11,920	10,000		(1,920)	119.20%
Subtotal Operating Expenses	11,920	10,000	-	(1,920)	119.20%
Total O & M Expenses	<u>\$ 93,489</u>	<u>\$ 114,500</u>	<u>\$ -</u>	<u>\$ 18,897</u>	<u>81.65%</u>

**Palmdale Water District**  
**2014 Administration Budget**  
For the Eight Months Ending Sunday, August 31, 2014

	YTD ACTUAL 2014	ORIGINAL BUDGET 2014	ADJUSTMENTS 2014	ADJUSTED BUDGET REMAINING	PERCENT USED
<b>Personnel Budget:</b>					
1-02-4000-000 Salaries	\$ 489,642	\$ 656,000		\$ 166,358	74.64%
1-02-4000-100 Overtime	5,496	7,500		2,004	73.28%
1-02-4000-200 On-Call	35,074	60,000		24,926	58.46%
Subtotal (Salaries)	<u>\$ 530,212</u>	<u>\$ 723,500</u>		<u>\$ 193,288</u>	<u>73.28%</u>
<b>Employee Benefits</b>					
1-02-4005-000 Payroll Taxes	36,661	41,500		4,839	88.34%
1-02-4010-000 Health Insurance	67,236	96,000		28,764	70.04%
1-02-4015-000 PERS	91,992	132,500		40,508	69.43%
1-02-4020-000 Worker's Compensation	55,083	125,000		69,917	44.07%
1-02-4025-000 Vacation Benefit Expense	26,580	35,000		8,420	75.94%
1-02-4030-000 Life Insurance	5,620	7,500		1,880	74.93%
Subtotal (Benefits)	<u>\$ 283,170</u>	<u>\$ 437,500</u>	<u>\$ -</u>	<u>\$ 154,330</u>	<u>64.72%</u>
Total Personnel Expenses	<u><u>\$ 813,382</u></u>	<u><u>\$ 1,161,000</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 347,618</u></u>	<u><u>70.06%</u></u>
<b>OPERATING EXPENSES:</b>					
1-02-4050-000 Staff Travel	6,337.09	\$ 8,000		\$ 1,663	79.21%
1-02-4050-100 General Manager Travel	4,489.54	5,000		510	89.79%
1-02-4060-000 Staff Conferences & Seminars	1,997.96	3,000		1,002	66.60%
1-02-4060-100 General Manager Conferences & Seminars	2,765.04	4,500		1,735	61.45%
1-02-4070-000 Employee Expense*	-	40,000	(40,000)	-	0.00%
1-02-4080-000 Other Operating	13,113	20,000		6,887	65.56%
1-02-4110-000 Consultants	94,996	200,000		105,004	47.50%
1-02-4125-000 Insurance	177,421	300,000		122,579	59.14%
1-02-4130-000 Bank Charges	86,966	130,000		43,034	66.90%
1-02-4135-000 Groundwater Adjudication	156,831	400,000		243,169	39.21%
1-02-4135-000 Groundwater Adjudication - Woods Class	601,670	590,500		(11,170)	101.89%
1-02-4140-000 Legal Services	100,080	200,000		99,920	50.04%
1-02-4150-000 Accounting Services	22,393	25,000		2,607	89.57%
1-02-4155-000 Contracted Services	15,216	29,000		13,784	52.47%
1-02-4165-000 Memberships/Subscriptions	81,499	210,000		128,501	38.81%
1-02-4175-000 Permits	8,911	15,000		6,089	59.40%
1-02-4180-000 Postage	20,037	30,000		9,963	66.79%
1-02-4190-100 Public Relations - Publications	14,000	40,000		26,000	35.00%
1-02-4190-900 Public Relations - Other	706	1,000		294	70.60%
1-02-4200-000 Advertising	1,384	5,000		3,616	27.68%
1-02-4205-000 Office Supplies	16,657	18,000		1,343	92.54%
1-02-4215-200 Natural Gas - Office Building	1,830	5,000		3,170	36.60%
1-02-4220-200 Electricity - Office Building	36,438	50,000		13,562	72.88%
Subtotal Operating Expenses	<u>\$ 1,465,736</u>	<u>\$ 2,329,000</u>	<u>\$ (40,000)</u>	<u>\$ 823,264</u>	<u>62.93%</u>
Total Departmental Expenses	<u><u>\$ 2,279,118</u></u>	<u><u>\$ 3,490,000</u></u>	<u><u>\$ (40,000)</u></u>	<u><u>\$ 1,170,882</u></u>	<u><u>66.06%</u></u>

\* Budget adjustments by General Manager per Appendix A

**Palmdale Water District**  
**2014 Engineering Budget**  
For the Eight Months Ending Sunday, August 31, 2014

	YTD ACTUAL 2014	ORIGINAL BUDGET 2014	ADJUSTMENTS 2014	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-03-4000-000 Salaries	\$ 435,060	\$ 668,500		\$ 233,440	65.08%
1-03-4000-100 Overtime	6,723	6,500		(223)	103.43%
Subtotal (Salaries)	<u>\$ 441,782</u>	<u>\$ 675,000</u>		<u>\$ 233,218</u>	<u>65.45%</u>
Employee Benefits					
1-03-4005-000 Payroll Taxes	35,679	51,500		15,821	69.28%
1-03-4010-000 Health Insurance	88,779	134,800		46,021	65.86%
1-03-4015-000 PERS	89,744	133,500		43,756	67.22%
Subtotal (Benefits)	<u>\$ 214,202</u>	<u>\$ 319,800</u>	<u>\$ -</u>	<u>\$ 105,598</u>	<u>66.98%</u>
Total Personnel Expenses	<u><u>\$ 655,984</u></u>	<u><u>\$ 994,800</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 338,816</u></u>	<u><u>65.94%</u></u>
OPERATING EXPENSES:					
1-03-4050-000 Staff Travel	\$ 1,935	\$ 3,000		\$ 1,065	64.50%
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	1,295	2,000		706	64.73%
1-03-4250-000 General Materials & Supplies	1,767	2,500		733	70.68%
1-03-8100-100 Computer Software - Maint. & Support	7,205	13,500		6,295	53.37%
Subtotal Operating Expenses	<u>\$ 52,201</u>	<u>\$ 85,000</u>	<u>\$ -</u>	<u>\$ 32,799</u>	<u>61.41%</u>
Total Departmental Expenses	<u><u>\$ 708,185</u></u>	<u><u>\$ 1,079,800</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 371,615</u></u>	<u><u>65.58%</u></u>

**Palmdale Water District**  
**2014 Facilities Budget**  
For the Eight Months Ending Sunday, August 31, 2014

	YTD ACTUAL 2014	ORIGINAL BUDGET 2014	ADJUSTMENTS 2014	ADJUSTED BUDGET REMAINING	PERCENT USED
<b>Personnel Budget:</b>					
1-04-4000-000 Salaries	\$ 892,122	\$ 1,450,000		\$ 557,878	61.53%
1-04-4000-100 Overtime	45,788	36,500		(9,288)	125.45%
Subtotal (Salaries)	<u>\$ 937,910</u>	<u>\$ 1,486,500</u>		<u>\$ 548,590</u>	<u>63.10%</u>
<b>Employee Benefits</b>					
1-04-4005-000 Payroll Taxes	76,380	111,000		34,620	68.81%
1-04-4010-000 Health Insurance	209,184	374,500		165,316	55.86%
1-04-4015-000 PERS	161,430	278,000		116,570	58.07%
Subtotal (Benefits)	<u>\$ 446,995</u>	<u>\$ 763,500</u>	<u>\$ -</u>	<u>\$ 316,505</u>	<u>58.55%</u>
Total Personnel Expenses	<u><u>\$ 1,384,904</u></u>	<u><u>\$ 2,250,000</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 874,384</u></u>	<u><u>61.55%</u></u>
<b>OPERATING EXPENSES:</b>					
1-04-4050-000 Staff Travel	\$ 4,636	\$ 2,500		(2,136)	185.42%
1-04-4060-000 Staff Conferences & Seminars	1,176	3,000		1,824	39.20%
1-04-4155-000 Contracted Services	52,870	71,500		18,630	73.94%
1-04-4175-000 Permits-Dams	19,868	50,000		30,132	39.74%
1-04-4215-200 Natural Gas - Buildings	1,754	4,500		2,746	38.98%
1-04-4220-200 Electricity - Buildings	15,141	30,000		14,859	50.47%
1-04-4225-000 Maint. & Repair - Vehicles	22,988	45,000		22,012	51.08%
1-04-4230-100 Maint. & Rep. Office Building	6,798	18,000		11,202	
1-04-4235-110 Maint. & Rep. Equipment	5,176	7,500		2,324	69.02%
1-04-4235-400 Maint. & Rep. Operations - Wells	42,167	135,000		92,833	31.23%
1-04-4235-405 Maint. & Rep. Operations - Boosters	22,690	65,000		42,310	34.91%
1-04-4235-410 Maint. & Rep. Operations - Shop Bldgs	8,390	10,000		1,610	83.90%
1-04-4235-415 Maint. & Rep. Operations - Facilities	4,054	15,000		10,946	27.03%
1-04-4235-420 Maint. & Rep. Operations - Water Lines	189,188	275,000		85,812	68.80%
1-04-4235-425 Maint. & Rep. Operations - Littlerock Dam	2,444	15,000		12,556	16.30%
1-04-4235-430 Maint. & Rep. Operations - Palmdale Dam	-	15,000		15,000	0.00%
1-04-4235-435 Maint. & Rep. Operations - Palmdale Canal	960	3,000		2,040	32.00%
1-04-4235-455 Maint. & Rep. Operations - Heavy Equipment	41,840	35,000		(6,840)	119.54%
1-04-4235-460 Maint. & Rep. Operations - Storage Reservoirs	381	5,000		4,619	7.61%
1-04-6000-000 Waste Disposal	8,674	40,000		31,327	21.68%
1-04-6100-100 Fuel and Lube - Vehicle	72,276	130,000		57,724	55.60%
1-04-6100-200 Fuel and Lube - Machinery	31,139	43,000		11,861	72.42%
1-04-6200-000 Uniforms	14,838	21,000		6,162	70.66%
1-04-6300-100 Supplies - Misc.	37,678	47,500		9,822	79.32%
1-04-6300-800 Supplies - Construction Materials	38,812	45,000		6,188	86.25%
1-04-6400-000 Tools	9,448	12,000		2,552	78.73%
1-04-7000-100 Leases -Equipment	8,802	15,000		6,198	58.68%
Subtotal Operating Expenses	<u>\$ 664,186</u>	<u>\$ 1,158,500</u>	<u>\$ -</u>	<u>\$ 494,314</u>	<u>57.33%</u>
Total Departmental Expenses	<u><u>\$ 2,049,091</u></u>	<u><u>\$ 3,408,500</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,368,697</u></u>	<u><u>60.12%</u></u>

**Palmdale Water District**  
**2014 Operation Budget**  
For the Eight Months Ending Sunday, August 31, 2014

	YTD ACTUAL 2014	ORIGINAL BUDGET 2014	ADJUSTMENTS 2014	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-05-4000-000 Salaries	\$ 1,134,937	\$ 1,734,000		\$ 599,063	65.45%
1-05-4000-100 Overtime	67,243	70,000		2,757	96.06%
Subtotal (Salaries)	\$ 1,202,180	\$ 1,804,000		\$ 601,820	66.64%
Employee Benefits					
1-05-4005-000 Payroll Taxes	96,348	131,000		34,652	73.55%
1-05-4010-000 Health Insurance	234,871	343,000		108,129	68.48%
1-05-4015-000 PERS	220,556	324,000		103,444	68.07%
Subtotal (Benefits)	\$ 551,775	\$ 798,000	\$ -	\$ 246,225	69.14%
Total Personnel Expenses	\$ 1,753,955	\$ 2,602,000	\$ -	\$ 845,287	67.41%
OPERATING EXPENSES:					
1-05-4050-000 Staff Travel	\$ 4,142	\$ 8,000		\$ 3,858	51.77%
1-05-4060-000 Staff Conferences & Seminars	1,754	9,500		7,746	18.46%
1-05-4120-100 Training - Lab Equipment*	6,867	4,500	2,500	133	98.10%
1-05-4120-200 Training - SCADA Network	-	9,000		9,000	0.00%
1-05-4155-000 Contracted Services	68,362	109,250		40,888	62.57%
1-05-4175-000 Permits	12,263	45,000		32,737	27.25%
1-05-4215-100 Natural Gas - Wells & Boosters	205,938	236,000		30,062	87.26%
1-05-4215-200 Natural Gas - WTP	991	3,000		2,009	33.02%
1-05-4220-100 Electricity - Wells & Boosters	1,168,263	1,515,000		346,737	77.11%
1-05-4220-200 Electricity - WTP	69,914	125,000		55,086	55.93%
1-05-4230-110 Maint. & Rep. - Office Equipment	357	500		143	71.39%
1-05-4235-110 Maint. & Rep. Operations - Equipment	9,074	22,500		13,426	40.33%
1-05-4235-410 Maint. & Rep. Operations - Shop Bldgs	3,243	6,000		2,757	54.05%
1-05-4235-415 Maint. & Rep. Operations - Facilities	51,247	45,000		(6,247)	113.88%
1-05-4235-445 Maint. & Rep. Operations - Telemetry	-	2,250		2,250	0.00%
1-05-4235-450 Maint. & Rep. Operations - Hypo Generator	43,255	30,000		(13,255)	144.18%
1-05-4235-500 Maint. & Rep. Operations - Wind Turbine	-	6,000		6,000	0.00%
1-05-4236-000 Palmdale Lake Management	7,393	15,000		7,607	49.29%
1-05-4270-300 Telecommunication - Other	2,032	2,750		718	73.89%
1-05-4300-300 Testing - Edison	-	9,000		9,000	0.00%
1-05-6000-000 Waste Disposal	3,475	14,000		10,525	24.82%
1-05-6200-000 Uniforms	9,377	12,000		2,623	78.15%
1-05-6300-100 Supplies - Misc.	17,056	15,000		(2,056)	113.70%
1-05-6300-200 Supplies - Hypo Generator	5,913	6,750		837	87.61%
1-05-6300-300 Supplies - Electrical	-	3,500		3,500	0.00%
1-05-6300-400 Supplies - Telemetry	152	7,500		7,348	2.03%
1-05-6300-600 Supplies - Lab	30,522	35,000		4,478	87.20%
1-05-6300-700 Outside Lab Work	28,850	60,000		31,150	48.08%
1-05-6400-000 Tools	6,040	6,500		460	92.93%
1-05-6500-000 Chemicals*	234,817	485,000	(2,500)	247,683	48.67%
1-05-7000-100 Leases -Equipment	1,631	3,000		1,369	54.37%
Subtotal Operating Expenses	\$ 1,992,928	\$ 2,851,500	\$ -	\$ 858,572	69.89%
Total Departmental Expenses	\$ 3,746,883	\$ 5,453,500	\$ -	\$ 1,703,859	68.71%

\* Budget adjustments by General Manager per Appendix A

**Palmdale Water District**  
**2014 Finance Budget**  
For the Eight Months Ending Sunday, August 31, 2014

	YTD ACTUAL 2014	ORIGINAL BUDGET 2014	ADJUSTMENTS 2014	ADJUSTED BUDGET REMAINING	PERCENT USED
<b>Personnel Budget:</b>					
1-06-4000-000 Salaries	\$ 1,016,042	\$ 1,645,000		\$ 628,958	61.77%
1-06-4000-100 Overtime	13,832	19,000		5,168	72.80%
Subtotal (Salaries)	<u>\$ 1,029,874</u>	<u>\$ 1,664,000</u>	\$ -	<u>\$ 634,126</u>	<u>61.89%</u>
<b>Employee Benefits</b>					
1-06-4005-000 Payroll Taxes	82,880	123,000		40,120	26.14%
1-06-4010-000 Health Insurance	224,967	317,000		92,033	67.97%
1-06-4015-000 PERS	203,748	331,000		127,252	26.43%
Subtotal (Benefits)	<u>\$ 511,594</u>	<u>\$ 771,000</u>	\$ -	<u>\$ 259,406</u>	<u>66.35%</u>
Total Personnel Expenses	<u><u>\$ 1,541,468</u></u>	<u><u>\$ 2,435,000</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 893,532</u></u>	<u><u>63.30%</u></u>
<b>OPERATING EXPENSES:</b>					
1-06-4050-000 Staff Travel	\$ -	\$ 250		250	0.00%
1-06-4060-000 Staff Conferences & Seminars	167	1,000		833	16.70%
1-06-4155-300 Contracted Services	14,213	21,000		6,787	67.68%
1-06-4155-100 Contracted Services - Infosend	136,781	205,000		68,219	66.72%
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	19,742	10,000		(9,742)	197.42%
1-06-4235-470 Maint. & Rep. Operations - Meter Exchanges	301,441	225,000		(76,441)	133.97%
1-06-4250-000 General Material & Supplies	2,866	6,000		3,134	47.77%
1-06-4260-000 Business Forms	6,213	10,000		3,787	62.13%
1-06-4270-100 Telecommunication - Office	8,891	12,000		3,109	74.09%
1-06-4270-200 Telecommunication - Cellular Stipend	10,205	17,000		6,795	60.03%
1-06-4270-300 Telecommunication - Cellular	-	500		500	0.00%
1-06-4300-200 Testing - Large Meter Testing	6,690	21,500		14,810	31.12%
1-06-7000-100 Leases - Equipment	1,900	3,000		1,100	63.33%
Subtotal Operating Expenses	<u>\$ 509,329</u>	<u>\$ 533,750</u>	\$ -	<u>\$ 24,421</u>	<u>95.42%</u>
Total Departmental Expenses	<u><u>\$ 2,050,797</u></u>	<u><u>\$ 2,968,750</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 917,953</u></u>	<u><u>69.08%</u></u>

**Palmdale Water District**  
**2014 Water Conservation Budget**  
For the Eight Months Ending Sunday, August 31, 2014

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

Personnel Budget:

1-07-4000-000 Salaries	\$ 55,308	\$ 168,500		\$ 113,192	32.82%
1-07-4000-100 Overtime	2,176	1,000		(1,176)	217.62%
Subtotal (Salaries)	\$ 57,484	\$ 169,500		\$ 112,016	33.91%

Employee Benefits

1-07-4005-000 Payroll Taxes	4,862	13,000		8,138	37.40%
1-07-4010-000 Health Insurance	12,211	31,500		19,289	38.77%
1-07-4015-000 PERS	9,700	34,000		24,300	28.53%
Subtotal (Benefits)	\$ 26,773	\$ 78,500	\$ -	\$ 51,727	34.11%

Total Personnel Expenses

	\$ 84,257	\$ 248,000	\$ -	\$ 164,919	33.97%
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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	19	1,000		981	1.94%
1-07-4190-400 Public Relations - Contests	-	1,000		1,000	0.00%
1-07-4190-500 Public Relations - Education Programs	413	5,000		4,588	8.25%
1-07-4190-700 Public Relations -General Media	1,818	3,000		1,182	60.60%
1-07-4190-900 Public Relations - Other	75	5,000		4,925	1.50%
1-07-6300-100 Supplies - Misc.	4,586	5,000		414	91.72%
Subtotal Operating Expenses	\$ 6,911	\$ 22,000	\$ -	\$ 15,089	31.41%

Total Departmental Expenses

	\$ 91,168	\$ 270,000	\$ -	\$ 180,008	33.77%
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**Palmdale Water District  
2014 Human Resources Budget  
For the Eight Months Ending Sunday, August 31, 2014**

	YTD ACTUAL 2014	ORIGINAL BUDGET 2014	ADJUSTMENTS 2014	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-08-4000-000 Salaries	\$ 61,993	\$ 97,000		\$ 35,007	63.91%
Employee Benefits					
1-08-4005-000 Payroll Taxes	5,052	7,500		2,448	67.36%
1-08-4010-000 Health Insurance	10,814	19,200		8,386	56.32%
1-08-4015-000 PERS	4,072	6,500		2,428	62.65%
Subtotal (Benefits)	\$ 19,938	\$ 33,200	\$ -	\$ 13,262	60.05%
Total Personnel Expenses	\$ 81,931	\$ 130,200	\$ -	\$ 48,269	62.93%
OPERATING EXPENSES:					
1-08-4050-000 Staff Travel	\$ 1,302	\$ 500		\$ (802)	260.31%
1-08-4060-000 Staff Conferences & Seminars	749	500		(249)	149.80%
1-08-4070-000 Employee Expense*	29,904	-	40,000	10,096	74.76%
1-08-4090-000 Temporary Staffing	-	-		-	
1-08-4095-000 Employee Recruitment	11,413	3,000		(8,413)	380.42%
1-08-4100-000 Employee Retention**	6,983	1,500	18,500	13,017	34.91%
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	6,600	38,000		31,400	17.37%
1-08-4121-000 Safety Program	50	1,000		950	5.00%
1-08-4165-000 Membership/Subscriptions	603	1,600		997	37.72%
1-08-4165-100 HR/Safety Publications	22	1,000		978	2.20%
1-08-6300-500 Supplies - Safety	12,093	33,500		21,407	36.10%
Subtotal Operating Expenses	\$ 72,343	\$ 85,100	\$ 58,500	\$ 71,257	50.38%
Total Departmental Expenses	\$ 154,274	\$ 215,300	\$ 58,500	\$ 119,526	56.35%

\* Budget adjustments by General Manager per Appendix A

\*\* Budget adjustment by Board action 05/14/14

**Palmdale Water District**  
**2014 Information Technology Budget**  
For the Eight Months Ending Sunday, August 31, 2014

	YTD ACTUAL 2014	ORIGINAL BUDGET 2014	ADJUSTMENTS 2014	ADJUSTED BUDGET REMAINING	PERCENT USED
<b>Personnel Budget:</b>					
1-09-4000-000 Salaries	\$ 150,392	\$ 226,000		\$ 75,608	66.54%
1-09-4000-100 Overtime	1,243	2,500		1,257	49.71%
Subtotal (Salaries)	\$ 151,634	\$ 228,500		\$ 76,866	66.36%
<b>Employee Benefits</b>					
1-09-4005-000 Payroll Taxes	12,105	16,000		3,895	75.65%
1-09-4010-000 Health Insurance	25,600	38,400		12,800	66.67%
1-09-4015-000 PERS	30,186	45,200		15,014	66.78%
Subtotal (Benefits)	\$ 67,891	\$ 99,600	\$ -	\$ 31,709	68.16%
<b>Total Personnel Expenses</b>	<b>\$ 219,525</b>	<b>\$ 328,100</b>	<b>\$ -</b>	<b>\$ 107,318</b>	<b>66.91%</b>
<b>OPERATING EXPENSES:</b>					
1-09-4050-000 Staff Travel	\$ 397	\$ 3,000		2,603	13.24%
1-09-4060-000 Staff Conferences & Seminars	12,628	15,000		2,372	84.19%
1-09-4155-000 Contracted Services	40,123	129,000		88,877	31.10%
1-09-4165-000 Memberships/Subscriptions	240	500		260	48.00%
1-09-4270-000 Telecommunications	44,175	55,500		11,325	79.59%
1-09-8000-100 Computer Equipment - Computers	6,211	25,000		18,789	24.84%
1-09-8000-200 Computer Equipment - Laptops	3,166	5,000		1,834	63.33%
1-09-8000-300 Computer Equipment - Monitors	-	2,000		2,000	0.00%
1-09-8000-400 Computer Equipment - Printers	286	15,000		14,714	1.90%
1-09-8000-500 Computer Equipment - Toner Cartridges	222	3,000		2,778	7.40%
1-09-8000-550 Computer Equipment - Telephony	-	2,500		2,500	0.00%
1-09-8000-600 Computer Equipment - Other	36,847	35,000		(1,847)	105.28%
1-09-8100-100 Computer Software - Maint. and Support	55,485	70,000		14,515	79.26%
1-09-8100-140 Computer Software - Starnik	66,900	95,000		28,100	70.42%
1-09-8100-150 Computer Software - Dynamics GP Support	26,786	30,000		3,214	89.29%
1-09-8100-200 Computer Software - Software and Upgrades	147	15,000		14,853	0.98%
Subtotal Operating Expenses	\$ 293,613	\$ 500,500	\$ -	\$ 206,887	58.66%
<b>Total Departmental Expenses</b>	<b>\$ 513,138</b>	<b>\$ 828,600</b>	<b>\$ -</b>	<b>\$ 314,204</b>	<b>61.93%</b>

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

**AGENDA ITEM NO. 7.3**

**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	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15
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	\$ 14,833		\$ 17,977	\$ 25,000	\$ 25,000	\$ 38,574	\$ 38,574				
2014 Water Rate Study	\$ 156,857	PL02	B&W / Passantino / Mailing						\$ 15,033	\$ 47,178	\$ 16,163	\$ 57,643	\$ 20,840								
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													
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				\$ 2,132									
Replacement Fleet (1) 1/2-Ton and (3) 3/4-TON Trucks	\$ 190,000	RE02-RE05	DTI/TBD									\$ 48,749		\$ 143,751							
Website Development	\$ 24,000	N/A	Tripepi Smith					\$ 3,625	\$ 3,625	\$ 5,083											
docSTAR Smart Automation Project	\$ 75,000	PRO23	docSTAR					\$ 10,448	\$ 14,114		\$ 675			\$ 19,590							
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												
<b>Contractually Committed Project Payout Totals:</b>	<b>\$ 1,596,069</b>			\$ 6,509	\$ 13,220	\$ 248,489	\$ 96,015	\$ 396,485	\$ 124,542	\$ 74,066	\$ 31,671	\$ 108,524	\$ 95,932	\$ 188,341	\$ 25,000	\$ 38,574	\$ 38,574	\$ -	\$ -	\$ -	\$ -
<b>Total Cumulative - Approved for Payment:</b>				\$ 6,509	\$ 19,729	\$ 268,218	\$ 364,233	\$ 760,717	\$ 885,259	\$ 959,325	\$ 990,996	\$ 1,099,520									

**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	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15
Well No. 20 Abandonment	\$ 20,000	RCP12	TBD												\$ 20,000						
Security Improvement Project (Construction)	\$ 141,270	400-14	TBD												\$ 20,000						
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	\$ 80,000	\$ 40,000	\$ 32,000				
Booster Pump Replacement and Spare Parts	\$ 45,000	PRO01 & PRO02	TBD										\$ 45,000								
Acquisition of Tax Defaulted Property	\$ 50,000	NCC02	Los Angeles County											\$ 50,000							
GAC & Filter Entry Buildings	\$ 21,000	PRO05	TBD											\$ 10,500	\$ 10,500						
<b>Budgeted and Uncommitted Project Payout Estimates:</b>	<b>\$ 1,154,270</b>			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 245,000	\$ 300,500	\$ 330,500	\$ 165,000	\$ 32,000	\$ -	\$ -	\$ -	\$ -

**Contractually Committed and Uncommitted Totals**

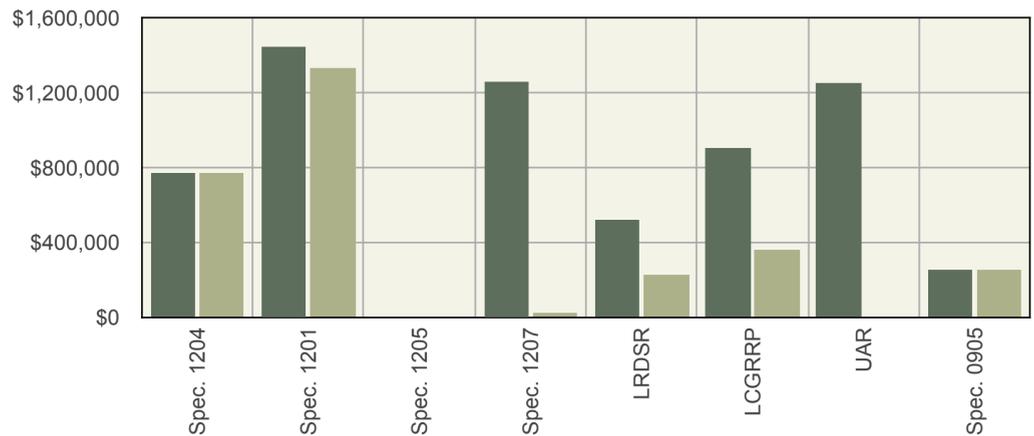
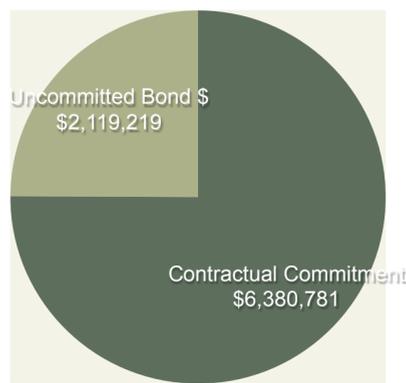
<b>Contractually Committed and Uncommitted Totals:</b>	<b>\$ 2,750,339</b>			\$ 6,509	\$ 13,220	\$ 248,489	\$ 96,015	\$ 396,485	\$ 124,542	\$ 74,066	\$ 31,671	\$ 108,524	\$ 340,932	\$ 488,841	\$ 355,500	\$ 203,574	\$ 70,574	\$ -	\$ -	\$ -	\$ -
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**Water 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	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15
GAC Replacement @ WTP	\$ 1,199,589	WQF-1	Calgon									\$ 300,438	\$ 300,000	\$ 300,000	\$ 300,000						
GAC Replacement @ Underground Booster Station	\$ 40,000	WQF-2	Siemens											\$ 40,000							
<b>Water Quality Fund Totals:</b>	<b>\$ 1,239,589</b>			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 300,438	\$ 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	\$1,445,270	\$1,327,923	\$4,730
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	\$227,154	\$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	\$250,000	(\$250,000)
<b>Totals:</b>			<b>\$8,500,000</b>	<b>\$6,380,781</b>	<b>\$2,947,198</b>	<b>\$2,119,219</b>

## 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	84147	24	\$ 26,431.83
Jul 21, 2014	LRDSR	Aspen - EIR/EIS Progress Payment	1116.002-11	24	\$ 6,274.20
Aug 19, 2014	Spec. 1201	BV Construction - Progress Payment #12	12	25	\$ 84,386.60
Aug 19, 2014	LRDSR	Aspen - EIR/EIS Progress Payment	1116.002-12	25	\$ 11,115.51
Sept 10, 2014	Spec. 1201	BV Construction - Progress Payment #13	13	26	\$ 47,654.85
Sept 10, 2014	LRDSR	Aspen - EIR/EIS Progress Payment	1116.002-13	26	\$ 37,715.30
Sept 29, 2014	Spec. 1201	BV Construction - Progress Payment #14	14	27	\$ 122,741.90
Sept 29, 2014	Spec. 0905	PWD - Reimbursement	N/A	27	\$ 250,000.00

**PALMDALE WATER DISTRICT  
BOARD MEMORANDUM**

**DATE:** October 1, 2014 **October 8, 2014**  
**TO:** BOARD OF DIRECTORS **Board Meeting**  
**FROM:** Mike McNutt, PIO/Conservation Director  
**VIA:** Mr. Dennis D. LaMoreaux, General Manager  
**RE:** ***AGENDA ITEM NO. 7.4 – CONSIDERATION AND POSSIBLE ACTION ON RESOLUTION NO. 14-17 BEING A RESOLUTION IN SUPPORT OF PROPOSITION 1 – THE WATER QUALITY, SUPPLY AND INFRASTRUCTURE IMPROVEMENT ACT OF 2014.***

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**Recommendation:**

Staff recommends the Board approve the adoption of Resolution No. 14-17 in Support of The Water Quality, Supply and Infrastructure Improvement Act of 2014.

**Alternative Options:**

The alternative is to take a position of not supporting the Bond measure which ACWA and other water agencies are endorsing.

**Impact of Taking No Action:**

The District would not see any specific impact monetarily, however, support for Proposition 1 could help provide future opportunities for investment into water storage and reclamation efforts the District may want to pursue.

**Background:**

The Water Quality, Supply and Infrastructure Improvement Act of 2014 is a \$7.545 billion general obligation bond measure set for the November, 2014 ballot. If approved by voters, the measure would provide funding for new surface and groundwater storage projects, regional water reliability, sustainable groundwater management and cleanup, water recycling, water conservation, watershed protection and safe drinking water, particularly for disadvantaged communities.

**Strategic Plan Initiative:**

This work is part of Strategic Initiative 1: Expand Local Water Storage Capacity and Strategic Initiative #4: Foster Interagency Cooperation

**Budget:**

Resolution No. 14-17 will have no impact on the budget.

**Supporting Documents:**

- Resolution No. 14-17 in Support of The Water Quality, Supply and Infrastructure Improvement Act of 2014
- ACWA's Water Bond 2014 Fact Sheet



**RESOLUTION NO. 14-17**  
**A RESOLUTION OF THE BOARD OF DIRECTORS**  
**OF PALMDALE WATER DISTRICT**  
**IN SUPPORT OF PROPOSITION 1 – THE WATER QUALITY, SUPPLY**  
**AND INFRASTRUCTURE IMPROVEMENT ACT OF 2014**

**WHEREAS**, California is in a severe, multi-year drought and faces a growing list of challenges associated with aging infrastructure, climate change, population growth and other factors; and

**WHEREAS**, water managers and top leaders including Governor Jerry Brown agree that we need a comprehensive, statewide water plan to create a more resilient water system and meet the coequal goals of improved water supply reliability and ecosystem health; and

**WHEREAS**, the Legislature has approved and Governor Brown has signed the Water Quality, Supply and Infrastructure Improvement Act of 2014, which will appear as Proposition 1 on the November 4 ballot and provide much-needed funding to advance a statewide comprehensive water plan to secure our water future; and

**WHEREAS**, if approved by voters, the measure would provide \$7.545 billion in bond funding for new surface and groundwater storage projects, regional water reliability, sustainable groundwater management and cleanup, water recycling, water conservation, watershed protection and safe drinking water, particularly for disadvantaged communities, and other programs the Association of California Water Agencies and its members have long advocated as a part of a statewide comprehensive plan; and

**WHEREAS**, ACWA's Board of Directors voted unanimously to formally support Proposition 1 in a special meeting on August 19.

**NOW, THEREFORE, BE IT RESOLVED**, that the Board of Directors of the Palmdale Water District formally supports Proposition 1, the Water Quality, Supply and Infrastructure Improvement Act of 2014 on the November ballot.

**PASSED AND ADOPTED** on this 8<sup>th</sup> day of October, 2014 by the Board of Directors, the governing body of the Palmdale Water District.

PALMDALE WATER DISTRICT

\_\_\_\_\_  
KATHY MAC LAREN, President

ATTEST:

\_\_\_\_\_  
JOE ESTES, Secretary

APPROVED AS TO FORM:

By: \_\_\_\_\_  
Aleshire & Wynder, General Counsel



## Proposition 1 – The Water Quality, Supply and Infrastructure Improvement Act of 2014

### Fact Sheet

The Water Quality, Supply and Infrastructure Improvement Act of 2014 is a \$7.545 billion general obligation bond measure set for the November 2014 ballot. If approved by voters, the measure would provide funding for new surface and groundwater storage projects, regional water reliability, sustainable groundwater management and cleanup, water recycling, water conservation, watershed protection and safe drinking water, particularly for disadvantaged communities.

Proposition 1 is the product of more than five years of discussions and negotiations among state lawmakers, stakeholders and others to craft a responsible bond measure to fund needed investments as part of a statewide comprehensive water plan for California. The measure was approved by the Legislature and signed by Gov. Jerry Brown on Aug. 13.

Supported by a broad coalition of water, business, conservation, labor and agriculture organizations, the \$7.545 billion bond replaces an \$11.14 billion measure previously slated for the November ballot.

### Key Funding Areas

#### Surface and Groundwater Storage - \$2.7 billion

- Continuous appropriation for above-and below-ground water storage projects.

#### Regional Water Reliability - \$810 million

- Integrated regional water management: \$510 million.
- Stormwater capture: \$200 million.
- Water conservation: \$100 million.

#### Safe Drinking Water - \$520 million

- Leverages federal funds for safe drinking water and clean water programs and for disadvantaged communities.
- Small Community Wastewater Program: \$260 million.
- Drinking Water Public Infrastructure: \$260 million.

#### Water Recycling - \$725 million

- Statewide water recycling projects and activities.

### **Groundwater Sustainability - \$900 million**

- Prevent and reduce groundwater contaminants: \$800 million.
- Provide sustainable groundwater management planning and implementation: \$100 million.

### **Watershed Protection, Ecosystem Restoration, State Settlements - \$1.495 million**

- Conservancies: \$327.5 million.
- Wildlife Conservation Board: \$200 million (restoration of flows).
- Department of Fish and Wildlife: \$285 million (out of Delta, no mitigation on BDCP).
- Department of Fish and Wildlife: \$87.5 million (in-Delta with constraints).
- State settlement obligations including CVPIA: \$475 million.
- Rivers and Creeks: \$120 million.

### **Statewide Flood Management - \$395 million**

- Statewide flood management projects and activities: \$100 million.
- For Delta levee subvention programs and Delta flood protection projects: \$295 million.

### **General Provisions**

- Funding eligibility requires urban or agricultural water management plans and compliance with 2009 Water Conservation Act.
- Bay Delta Conservation Plan neutral.
- Protects existing water rights and reaffirms area of origin protections.



Inland Water Works Supply Company, as the lowest responsible bidder, has met the criterion of providing the lowest bid price of qualified firms at \$512,402.46. The lowest qualified bid price is \$42,601.68 or 8.3 percent lower than the next lowest bid.

At regular meeting held on September 24, 2014, Mr. Arthur Hendey who identified himself as an independent consultant, and Mr. Marty Johnson addressed the Board over issues with the bid bond for Specification No. 1403 – Supply and Delivery of Cold water Meters Multijet Type, as well as the manufacture and performance of the lowest responsible bidder’s (Zenner) meter. Mr. Hendey’s and Johnson’s assertions are listed and addressed as follows:

Statement No. 1 - “Mr. Johnson’s small company could not afford a \$100,000.00 bid deposit.”

Response No. 1 - Procurement of a bid bond in the amount of ten percent of the total bid or approximately \$50,000.00 could be procured for between \$500.00 and \$1,500.00 with good credit in lieu of a \$50,000.00 cashier’s check.

Statement No. 2 - “Those people (small American companies like RG3) were eliminated because of all the bid requirements and not enough time on it. None of us knew there was a ten percent bid deposit until he (Mr. Johnson) found out.”

Response No. 2 - The bid bond form was incorporated into the contract documents and specifications for the project, which were made available to all potential bidders, including Mr. Johnson, via email on August 28, 2014. Bids were opened on September 11, 2014. The documents were available to Mr. Johnson for two weeks.

Statement No. 3 - “You guys are buying a German owned product that’s made in China.”

Response No. 3 - Zenner is a global company with a corporate office in Addison, Texas and a Manufacturing plant in Banning, California. See attached documentation that gives the background on the Zenner Company and information that Zenner USA qualifies under the Buy American Act of 2009.

Statement No. 4 - “I know the Zenner products that Inland has over here in Victorville, all the sweep hands are falling off.”

Response No. 4 - Mr. Rubin Rivera, Crew Chief of Meter Repair for Coachella Valley Water stated that “At the beginning there was problems with plastic needles in registers breaking, but bad units replaced by manufacturer.” See attached reference questionnaires.

Statement No. 5 - “Magnet goes around and only gives one pulse per cubic foot. Can’t do leak detection. Can’t do conservation. You can’t do anything.”

“We have a product, the encoder, that goes on top of the meter to read your Itron and that encoder will go down to one-tenth of a cubic foot.....It has a twenty five-year battery life”

Response No. 5 - Zenner meters meet or exceed the AWWA requirements for accuracy and registration capabilities. The one-tenth of a cubic foot or twenty five-year battery life features of the RG3 meters are not required by AWWA or the original specifications for this project and therefore not pertinent to this review.

Statement No. 6 - “Everybody’s going around putting magnets on the glass and slowing the bill down.”

Response No. 6 - All magnetically driven or coupled meters can be effected by magnets. RG3 meters are also magnetically driven.

Statement No. 7 - “Made in China, a little Chinese battery, double-A”

“Coming from a foundry in China.....They mix up their own stuff so you don’t know if you’re getting lead or what, and that’s what you’re buying.

Response No. 7 - Zenner meters are in compliance with NSF/ANSI 61-2013 Standards for drinking water components, Section 1417(d) of the Safe Drinking Water Act, the lead content requirements of Section 116875 of the California Health and Safety Code, and NSF/ANSI 372-2010. See attached certification. The particular meters proposed to be purchased by the District are identified in the certification list as model nos. PMNO3, PMNO7, PMNO9, and PMN12.

The following is a summary of telephone interviews conducted by District staff (see attached) with the Cities of Riverside, Victorville, and Needles as well as Coachella Valley Water:

All have been using Zenner for approximately two years. All expressed satisfaction with Zenner. Two of the respondents expressed dissatisfaction with Performance Meters sold to them by Mr. Johnson and supplied by Mr. Hendey’s company, citing problems or issues with meter quality and delivery capability.

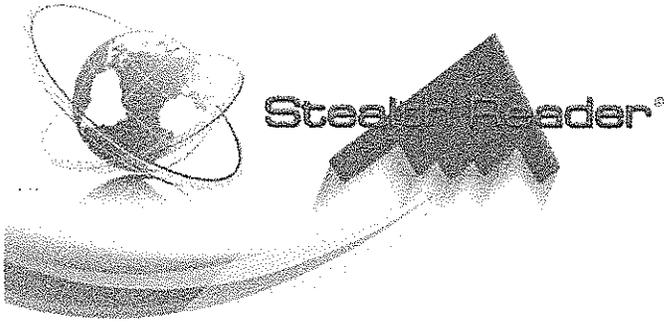
**Supporting Documents:**

- Bid Results Summary
- Proposal Package from the Lowest Responsible Bidder
- Zenner Company Background – Qualification under Buy American Act of 2009

- Zenner NSF/ANSI 61 Certificate
- Zenner Certificate for meeting “Lead Free” Plumbing Products
- Questionnaire and Responses from other Water Agencies

### **Strategic Plan Initiatives**

- I. Maintain healthy water resources and management – reduction of water loss



**ZENNER**  
*All that counts.*

## Zenner Company Background

The Zenner/Minol group is a global company focused on meter production, meter reading and sub-metering contracts. Zenner/Minol serves customers in 90 countries and manufactures and assembles its products in manufacturing plants on 5 continents. In the United States we have a plant in Banning, California, with another plant planned for the East Coast in 2016. Zenner is one of the largest meter design manufacturers in the world leading the way with world class engineering and support. Minol is the largest sub metering service provider globally. In the United States they sub-meter over 75% of all the military bases and another 600,000 customers in the private sector. Deploying design leading meters and meter reading equipment allows for our customers to achieve aggressive return on investment while serving their customers with leading edge service.

- Established in 1903
- Business Focus
  - Water Meters
  - Heat Meters
  - AMR/AMI Systems Technology
  - Smart Metering
- 1900 Employees Worldwide
- Serving 90 countries globally
- One of the world's leading suppliers of services and equipment for consumption based energy and water billing.

### Corporate Office:

Zenner USA  
15280 Addison Road, Suite 340  
Addison Texas 75001

- Federal Tax ID: 45-4158416
- Phone number and fax number:
  - Office: 972-386-6611; Fax: 972-386-1814

### Manufacturing Plant:

1910 E. Westward Rd., Banning, CA. 92220

Zenner USA Website: [www.zennerusa.com](http://www.zennerusa.com)

Zenner International Website: [www.zenner.com](http://www.zenner.com)



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**Supporting Documents:**

- Bid Results Summary
- Proposal Package from the Lowest Responsible Bidder
- Zenner Company Background – Qualification under Buy American Act of 2009

- Zenner NSF/ANSI 61 Certificate
- Zenner Certificate for meeting “Lead Free” Plumbing Products
- Questionnaire and Responses from other Water Agencies

### **Strategic Plan Initiatives**

- I. Maintain healthy water resources and management – reduction of water loss

Subject: The American Recovery and Reinvestment Act of 2009

Information Release,

Zenner USA qualifies under the Buy American Act under the following sections of The American Recovery and Reinvestment Act of 2009.

Section 25.101: For manufactured end products, the Buy American Act uses a two-part test to define a domestic end product.

- (1) The article must be manufactured in the United States; and
- (2) The cost of domestic components must exceed 50 percent of the cost of all the components.

The Zenner products are a domestic manufactured system with collectors, repeaters, engineering, Hosting, Data Services, Software Content, Service and Maintenance supplied domestically accounting for more than 50% of the total system.

Section 25.402: The Trade Agreements Act (19 U.S.C. 2501, *et seq.*) provides the authority for the President to waive the Buy American Act and other discriminatory provisions for eligible products from countries that have signed an international trade agreement with the United States. The President has delegated this waiver authority to the U.S. Trade Representative. The USTR has waived the Buy American Act and other discriminatory provisions for eligible products.

Zenner components, encompassing their products are assembled in the United States and any domestic content qualify under the NAFTA and WTO agreements that the United States has signed under section 25.402 of the Trade Agreement Act.

Sincerely,



Rich Sanders,

# IAPMO RESEARCH AND TESTING, INC.

5001 East Philadelphia Street, Ontario, California 91761-2816 • (909) 472-4100 Fax (909) 472-4244 • www.iapmo.org



**NSF/ANSI 61**

## CERTIFICATE OF LISTING

IAPMO Research and Testing, Inc. is a product certification body which tests and inspects samples taken from the supplier's stock or from the market or a combination of both to verify compliance to the requirements of applicable codes and standards. This activity is coupled with periodic surveillance of the supplier's factory and warehouses as well as the assessment of the supplier's Quality Assurance System. This listing is subject to the conditions set forth in the characteristics below and is not to be construed as any recommendation, assurance or guarantee by IAPMO Research and Testing, Inc. of the product acceptance by Authorities Having Jurisdiction.

Effective Date: September 2014

Void After: September 2015

Product: Drinking Water System Components - Health Effects

File No. N-8025

Issued To: Zenner Performance Meters, Inc  
1910 E. Westward Ave.  
Banning, CA 92220

Identification: Each product shall be permanently and legibly marked with the manufacturer's name or trademark. The product may also be marked with the standard designation "NSF/ANSI 61".

Characteristics: Materials or products that come into contact with drinking water and/or drinking water treatment chemicals. Products and materials may include process media, protective materials, joining and sealing materials, pipes and related products, mechanical devices used with treatment/transmission/distribution systems, and mechanical plumbing devices. To be installed in accordance with the manufacturer's instruction.

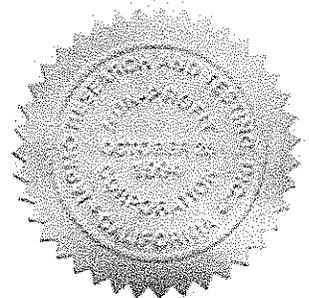
Products listed on this certificate have been tested by an IAPMO R&T recognized laboratory. This recognition has been granted based upon the laboratory's compliance to the applicable requirements of ISO/IEC 17025.

Products are in compliance with the following standard(s):

NSF/ANSI 61-2013

  
Chairman, Product Certification Committee

  
CEO, The IAPMO Group



This listing period is based upon the last date of the month indicated on the Effective Date and Void After Date shown above. Any change in material, manufacturing process, marking or design without having first obtained the approval of the Product Certification Committee, or any evidence of non-compliance with applicable codes and standards or of inferior workmanship, may be deemed sufficient cause for revocation of this listing. Production of or reference to this form for advertising purposes may be made only by specific written permission of IAPMO Research and Testing, Inc. Any alteration of this certificate could be grounds for revocation of the listing.

# IAPMO RESEARCH AND TESTING, INC.

## CERTIFICATE OF LISTING

NSF/ANSI 61

Page 2

Void After: September 2015

Product: Drinking Water System Components - Health Effects

File No. N-8025

Issued To: Zenner Performance Meters, Inc

### MODELS:

<u>Model No.</u>	<u>Description</u>
PMN01	Nitro I Meter 5/8" x 1/2"
PMN02	Nitro I Meter 5/8" x 3/4"
* PMN03	SL Nitro I Meter 3/4"
PMN04	Nitro I Meter 3/4" x 3/4"
PMN05	Nitro I Meter 3/4" x 1"
* PMN07	Nitro I Meter 1"
PMN08	Nitro I Meter
* PMN09	Nitro I Meter 1 1/2"
PMN11	Nitro Meter
* PMN12	Nitro I Meter 2
PPD01	5/8 X 1/2 POSITIVE DISPLACEMENT WATER METER
PPD02	5/8 X 3/4 POSITIVE DISPLACEMENT WATER METER
PPD03	3/4"SL POSITIVE DISPLACEMENT WATER METER
PPD04	3/4 X 3/4 POSITIVE DISPLACEMENT WATER METER
PPD05	3/4 X 1 POSITIVE DISPLACEMENT WATER METER
PPD07	1" POSITIVE DISPLACEMENT WATER METER
PPD09	1-1/2" POSITIVE DISPLACEMENT WATER METER
PPD12	2" POSITIVE DISPLACEMENT WATER METER
ZSW02	2" Strainer, Cast Iron Housing and Cover, SS Screen
ZSW03	3" Strainer, Cast Iron Housing and Cover, SS Screen
ZSW04	4" Strainer, Cast Iron Housing and Cover, SS Screen
ZSW06	6" Strainer, Cast Iron Housing and Cover, SS Screen
ZSW08	8" Strainer, Cast Iron Housing and Cover, SS Screen
ZSW10	10" Strainer, Cast Iron Housing and Cover, SS Screen

### MINOMESS 130 SINGLE JET WATER METER:

ETKDi-GL-BR 5/8 x 3/4

ETKDi-GL-L 5/8 x 3/4

Note: The following models are for use in drinking water supplies of pH 6.5 and above. Drinking water supplies that are less than pH 6.5 may require corrosion control to limit leaching of copper into the drinking water.

<u>Model No.</u>	<u>Description</u>
PMSB02	2" Strainer, Bronze Housing and Cover, SS Screen
PMSB03	3" Strainer, Bronze Housing and Cover, SS Screen
PMSB04	4" Strainer, Bronze Housing and Cover, SS Screen
PMSB06	6" Strainer, Bronze Housing and Cover, SS Screen
PMSB08	8" Strainer, Bronze Housing and Cover, SS Screen

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## CERTIFICATE OF LISTING

IAPMO Research and Testing, Inc. is a product certification body which tests and inspects samples taken from the supplier's stock or from the market or a combination of both to verify compliance to the requirements of applicable codes and standards. This activity is coupled with periodic surveillance of the supplier's factory and warehouses as well as the assessment of the supplier's Quality Assurance System. This listing is subject to the conditions set forth in the characteristics below and is not to be construed as any recommendation, assurance or guarantee by IAPMO Research and Testing, Inc. of the product acceptance by Authorities Having Jurisdiction.

Effective Date: January 2014 -Rev. 8/21/2014- Void After: January 2015

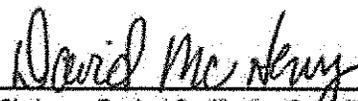
Product: Lead Free Plumbing Products File No. 6194

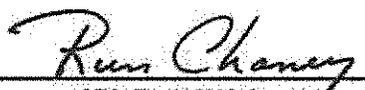
Issued To: Zenner Performance Meters, Inc  
1910 E. Westward Ave.  
Banning, CA 92220

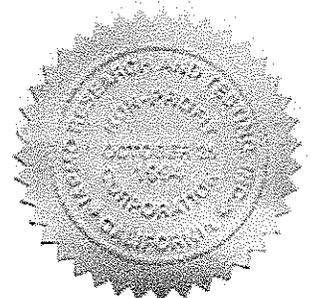
Identification: Each product shall bear permanent and legible markings to identify the manufacturer. This marking shall be the trade name, trademark, or other mark known to identify the manufacturer. The product and/or product packaging may also bear the term "Lead Plumbing Law", "Complies with Lead Plumbing Law", or either "Lead Free" or "Low Lead" above or in close proximity to the appropriate IAPMO R&T certification mark, or the term "Certified by IAPMO R&T". The product packaging may also bear a grey dot, a check mark with circle, or any other home centers marking requirements.

Characteristics: Products may include any pipe, pipe fitting, solder, flux, or other plumbing products providing water for human consumption. Products listed below are to be installed in accordance with the manufacturer's instruction. These products have been verified with weighted average lead content  $\leq 0.25\%$ ; Solder and flux lead content  $\leq 0.2\%$ .

Products listed on this certificate have been tested by an IAPMO R&T recognized laboratory. This recognition has been granted based upon the laboratory's compliance to the applicable requirements of ISO/IEC 17025.

  
Chairman, Product Certification Committee

  
CEO, The IAPMO Group



This listing period is based upon the last date of the month indicated on the Effective Date and Void After Date shown above. Any change in material, manufacturing process, marking or design without having first obtained the approval of the Product Certification Committee, or any evidence of non-compliance with applicable codes and standards or of inferior workmanship, may be deemed sufficient cause for revocation of this listing. Production of or reference to this form for advertising purposes may be made only by specific written permission of IAPMO Research and Testing, Inc. Any alteration of this certificate could be grounds for revocation of the listing.

**IAPMO RESEARCH AND TESTING, INC.**  
**CERTIFICATE OF LISTING**

Page 2

-Rev. 8/21/2014-

Void After: January 2015

Product: Lead Free Plumbing Products

File No. 6194

Issued To: Zenner Performance Meters, Inc

Products are in compliance with the following standard(s):

Section 1417(d) of the Safe Drinking Water Act

The lead content requirements of Section 116875 of the California Health &  
Safety Code

NSF/ANSI 372-2010

# IAPMO RESEARCH AND TESTING, INC.

## CERTIFICATE OF LISTING

Page 3

-Rev. 8/21/2014-

Void After: January 2015

Product: Lead Free Plumbing Products

File No. 6194

Issued To: Zenner Performance Meters, Inc

MODELS:

<u>Model No.</u>	<u>Description</u>
FSM100	1" Fire Service Manifold
PFS04X15G	4" x 1-1/2" Fire Service Compound Meters
PFS04X2	4" x 2" x 3/4" SL Fire Service Compound Meters
PFS04X2T	4" x 2" x 3/4" SL Fire Service Compound Meters
PFS06X15G	6" x 1-1/2" Fire Service Compound Meters
PFS06X3V	6" x 3" x 3/4" Fire Service Compound Meters
PFS06X4	6" x 4" x 1" Fire Service Compound Meters
PFS06X4T	6" x 4" x 1" Fire Service Compound Meters
PFS06X4V	6" x 4" x 1" Fire Service Compound Meters
PFS08X2G	8" x 2" Fire Service Compound Meters
PFS08X4	8" x 4" x 1" Fire Service Compound Meters
PFS08X4T	8" x 4" x 1" Fire Service Compound Meters
PFS08X4V	8" x 4" x 1" Fire Service Compound Meters
PFS10X4	10" x 4" x 1" Fire Service Compound Meters
PFS10X4T	10" x 4" x 1" Fire Service Compound Meters
PFS12X4	10" x 4" x 1" Fire Service Compound Meters
PFS12X4T	10" x 4" x 1" Fire Service Compound Meters
PMCO3	3" x 3/4" SL Performance Compound Meters
PMCO4	4" x 1" Performance Compound Meters
PMCO6	6" x 1-1/2" Performance Compound Meters
PMCO8	8" x 2" Performance Compound Meters
PMCB02	2" Bronze Compound Meter
PMCB03	3" Bronze Compound Meter
PMCB04	4" Bronze Compound Meter
PMCB06	6" Bronze Compound Meter
PMFO3	3/4" SL Residential Fire Meter
PMFO7	1" Residential Fire Meter
PMFO9	1-1/2" Residential Fire Meter
PMF12	2" Residential Fire Meter
PMFPO3	3/4" SL Performance High Pressure Meter
PMFPO7	1" Performance High Pressure Meter
PMFPO8	1-1/2" Performance High Pressure Meter
PMFPI1	2" Performance High Pressure Meter
PMNO1	Nitro I Meter 5/8" x 1/2"
PMNO2	Nitro I Meter 5/8" x 3/4"
* PMNO3	SL Nitro I Meter 3/4"
PMNO4	Nitro I Meter 3/4" x 3/4"
PMNO5	Nitro I Meter 3/4" x 1"
* PMNO7	Nitro I Meter 1"
PMNO8	Nitro I Meter 1 1/2" External thread
* PMNO9	Nitro I Meter 1 1/2"
PMN11	Nitro Meter 2" External thread
* PMN12	Nitro I Meter 2"
PMS03	3" Strainer, Cast Iron Epoxy Coated
PMS04	4" Strainer, Cast Iron Epoxy Coated



City of Needles 760-326-5946 Contact: Jerry Porter, General Manager

City of Needles response:

- 1) Approximate number of residential service connections:

1,200 service connection using ¾" and 1" meters

- 2) Do you walk or remote read?

Independent contractor used to walk routes reading water and electric meters.

- 3) How long have you used Zenner meters?

Approximately 1 ½ years. Was using Performance for year prior to that. Changed 3 years ago from Hersey PD meter to a multi jet meter because of sand in well water causing meters to stick. No real meter exchange program, when meter no longer works meter is then changed out. There are 300 Zenner and 200 Performance meters in system.

- 4) Any problems?

None. They buy meters from Inland Water Works.

- 5) Are you satisfied?

Yes.

**City of Riverside 951-351-6365 Contact: Tom Collins, Water Meter Supervisor**

**City of Riverside response:**

- 1) Approximate number of residential service connections:

65K, various sizes. 15 year exchange cycle. A pilot program has been instituted looking at an 8 year exchange cycle. Agency changes out meters themselves.

- 2) Do you walk or remote read

Walk

- 3) How long have you used Zenner meters?

Agency has used multi jet meter many years. Was using Precision Meters then switched to Performance Meter and experienced quality and delivery issues. Have been using Zenner for a little over a year. They have changed out 25K meters with Zenner's and will be changing out another 25K for 2015.

- 4) Any problems?

None. Buy meters directly from Zenner.

- 5) Are you satisfied?

Yes. Lead times are very good, meet delivery schedule.

**Coachella Valley 760-398-2661 Contact: Rubin Rivera, Crew Chief Meter Repair**

**Coachella Valley Water response:**

1) Approximate number residential service connections:  
108K Starting meter exchange program, some meters in system that are 25-30 years old. Goal to change out meters at 15 year cycle.

2) Do you walk or remote read? Brand of remote?

They have 30 meter readers. Currently 13K meters are using Master Meter AMR program.

3) How long have you used Zenner meters?

Approximately two years. Was using Badger PD meter but Engineering determined sand from well affecting accuracy. There are approximately 2,500 Zenner meters in system, issued Purchase Order for 8,550 recently.

4) Any problems?

None. Buy meters directly from Zenner. Ron Gallon, Robert Gallegos direct reps for Zenner.

5) Are you satisfied?

Yes. At beginning there were problems with plastic needles in registers breaking, but bad units replaced by manufacturer. There can be issues of timely response from Zenner's field reps at times.

City of Victorville 760-955-2988 Contact: Joe Ogg, Distribution Manager

City of Victorville response:

- 1) Approximate number residential service connections:

30K, various sizes.

- 2) Do you walk or remote read? Brand of remote?

Less than half on drive by with AMR system using Performance/Hendy system which is a complete failure.

- 3) How long have you used Zenner meters?

Approximately one year. Was using Performance Meters and having major problems with quality control and meeting delivery schedule. Performance had money problems and was bought out by Zenner which rehabbed product. Purchased 3,300 Zenner meter in 2013.

- 4) Any problems?

None. Buy meters directly from Zenner.

- 5) Are you satisfied?

Yes. Lead times are very good, met delivery schedule. Zenner has also helped with existing Performance Meter.

Note: Mr. Ogg very candid and helpful.

PALMDALE WATER DISTRICT SPECIFICATION NO. 1403 BID RESULTS SUMMARY

SUPPLY AND DELIVERY OF COLD WATER METERS MULTIJET TYPE

BIDDER	ITEM DESCRIPTION	QUANTITY	UNIT PRICE	TOTAL
H D SUPPLY	3 / 4 "	3750	\$117.83	\$441,862.50
	1"	633	\$159.48	\$100,950.84
	1 1 / 2"	15	\$340.36	\$5,105.40
	2"	22	\$485.70	\$10,685.40

LUMP SUM TOTAL (INCLUDES TAX)

**\$558,604.14**

BIDDER	ITEM DESCRIPTION	QUANTITY	UNIT PRICE	TOTAL
INLAND WATER WORKS	3 / 4 "	3750	\$100.50	\$376,875.00
	1"	633	\$128.50	\$81,340.50
	1 1 / 2"	15	\$295.50	\$4,432.50
	2"	22	\$338.50	\$7,447.00

\$470,095.00 LUMP SUM SUB TOTAL

\$42,308.46 TAX

**\$512,402.46** LUMP SUM TOTAL





P.O. Box 2246 • San Bernardino, CA 92406-2246  
(909) 883-8941 • (800) 794-3121 • Fax (909) 881-4041  
[www.inlandwaterworks.com](http://www.inlandwaterworks.com)



**FOR SUPPLY AND DELIVERY OF COLD  
WATER METERS MULTIJET TYPE**

**SPECIFICATION No. 1403**

**Due September 11, 2014**

**3:00PM Local Time**

Document 00410

PROCUREMENT  
BID FORM

PROJECT IDENTIFICATION:

Supply and Delivery of Cold Water Meters Multijet Type - Specification No. 1403

THIS BID IS SUBMITTED BY:

INLAND WATER WORKS SUPPLY CO

(Bidder)

2468 MIRAMONTE DR. SAN BERNARDINO, CALIF. 92405

(Bidder Address)

THIS BID IS SUBMITTED TO:

Palmdale Water District  
2029 East Avenue Q  
Palmdale, CA 93550  
661.947.4111

1.01 The undersigned Bidder proposes and agrees, if this Bid is accepted, to enter into Procurement Contract with OWNER in the form included in the Procurement Documents to furnish all Goods as specified or indicated in the Procurement Documents within the specified time and for the amount indicated in this Bid and in accordance with the other terms and conditions of the Procurement Documents.

2.01 Bidder accepts all of the terms and conditions of the Invitation to Bid and the Instructions to Bidders, including without limitations those dealing with the deposition of bid security. This Bid will remain subject to acceptance for 90 days after the day of Bid opening. Bidder will sign and submit the Contract with the Bonds and other attachments as required by the Procurement Documents as provided in OWNER's Notice of Award.

3.01 In submitting this Bid, Bidder represents that:

A. Bidder has examined copies of all the Procurement Documents and of the following Addenda (receipt of all which is hereby acknowledged):

ADDENDA

No. #1 Dated 9/5/14  
 No. \_\_\_\_\_ Dated \_\_\_\_\_  
 No. \_\_\_\_\_ Dated \_\_\_\_\_  
 No. \_\_\_\_\_ Dated \_\_\_\_\_  
 No. \_\_\_\_\_ Dated \_\_\_\_\_

B. **Bidder has visited the site and become familiar with** and satisfied itself as to the general, local, and site conditions that may affect cost, progress, , and furnishing of the Goods.

C. Bidder is familiar with and has satisfied itself as to all Federal, State, and local Laws and Regulations that may affect cost, progress, and furnishing of the Goods.

D. Bidder has given OWNER written notice of all conflicts, errors, ambiguities, or discrepancies that Bidder has discovered in the Procurement Documents and the written resolution thereof by Owner is acceptable to Bidder, and the procurement Documents are generally sufficient to indicate and convey understanding of all terms and conditions for furnishing the Goods for which this Bid is submitted.

E. In accordance with provisions of Section 7106 of the Public Contract Code, each bidder shall execute and submit with their bid a Non-Collusion Affidavit in the form attached to the Bid Form. Additionally, the principal contractor shall secure from each proposed subcontractor a Non-Collusion Affidavit in the form attached.

4.01 Bidder will provide the Goods for the Lump Sum Bid as described below:

**Bid Schedule**

For

Cold Water Meters Multijet Type

Item	Description	Quantity	Unit Price	Item Amount
1	3/4 " Meter	3,750	\$ <u>100.50</u>	\$ <u>376,875.00</u>
2	1 " Meter	633	\$ <u>128.50</u>	\$ <u>81,340.50</u>
3	1 1/2 " Meter	15	\$ <u>295.50</u>	\$ <u>4,432.50</u>
4	2 " Meter	22	\$ <u>338.50</u>	\$ <u>7,447.00</u>

SUB Total \$ 470,094.00  
 TAX 42,308.46  
 GRAND TOTAL 512,402.46

5.01 Not Used.

5.02 Bidder agrees that the Goods will be provided within the following numbers of days after Notice of Award (NOA) as defined in the General Conditions: Delivery of Meters to the Site (District Yard) **See Procurement Contract.**

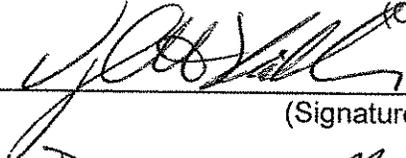
6.01 Communications concerning this Bid shall be sent to Bidder at the following address:

INLAND WATER WORKS SUPPLY CO  
2468 MIRAMONTE DR. SAN BERNARDINO, CALIF. 92405  
VAUGHN MILLER@INLANDWATERWORKS.COM  
JEFF SPAN@INLANDWATERWORKS.COM

7.01 The terms used in this Bid, which are defined in the General Conditions included as part of the Procurement Documents, have the meanings assigned to them in the General Conditions.

**SIGNATURE OF BIDDER**

By INLAND WATER WORKS SUPPLY CO  
(Company Name)

By   
(Signature of Authorized Person)  
DIRECTOR OF METER SALES  
(Title)

9-3-14  
(Date)

Business address 2468 MIRAMONTE DR. SAN BERNARDINO, CALIF. 92405

Phone Number: 909 883-8941 Fax Number: 909 881-4041

END OF DOCUMENT

NON-COLLUSION AFFIDAVIT

I, VAUGHAN H. MILLER, being first duly sworn, deposes and says that he is A REPRESENTATIVE of INLAND WATER WORKS SUPPLY CO the party making the attached bid; that the bid is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation; that the bid is genuine and not collusive or sham; that the bidder has not directly or indirectly induced or solicited any other bidder to put in a false or sham bid, and has not directly or indirectly colluded, conspired, connived, or agreed with any bidder or anyone else to put in a sham bid, or that anyone shall refrain from bidding; that the bidder has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the bid price of the bidder or any other bidder, or to fix any overhead, profit, or cost element of the bid price, or of that of any other bidder, or to secure any advantage against the public body awarding the contract of anyone interested in the proposed contract; that all statements contained in the bid are true; and, further, that the bidder has not, directly or indirectly, submitted his or her bid price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, or paid, and will not pay, any fee to any corporation, partnership, company association, organization, bid depository, or to any member or agent thereof to effectuate a collusive or sham bid.

I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Name of Bidder INLAND WATER WORKS SUPPLY CO

Signature 

Name VAUGHAN H. MILLER

Title DIRECTOR OF METER SALES

Dated 9-3-14



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(909) 883-8941 • (800) 794-3121 • Fax (909) 881-4041  
[www.inlandwaterworks.com](http://www.inlandwaterworks.com)

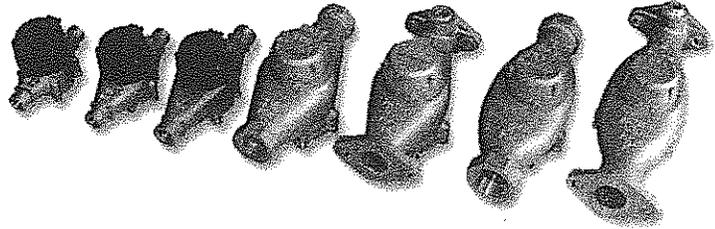
## Meter Specification Exception List

### 1. Technical Specifications Section II, Main Cases item F.

It calls for the 1.5 and 2" meters to be no more than 6 1/2" in height.  
The Zenner 1.5 and 2" multi-jet meters are 7" in height.

**ZENNER PERFORMANCE**  
**Multi-Jet Type Magnetic Drive**  
**Cold Water Meters**

5/8" (DN 15mm)  
3/4" (DN 20mm)  
1" (DN 25mm)  
1 1/2" (DN 40mm)  
2" (DN 50mm)



**INTRODUCTION:** ZENNER PERFORMANCE Multi-jet Water Meters utilize a magnetically driven multi-jet design. They are designed to measure cold potable water where flow is in one direction only in residential, commercial, and industrial settings.

**OPERATION:** Water flows through the meter's strainer and into the measuring chamber where it drives the impeller. A drive magnet transmits the motion of the impeller to a driven magnet located within the hermetically sealed register. Powerful rare earth magnets eliminate slipping and uncoupling to increase overall accuracy. The magnet is connected to a gear train which translates the impeller's rotation into volume totalization displayed on the register dial face.

**CONSTRUCTION:** ZENNER PERFORMANCE Multi-jet Water Meters consist of three basic components: main case, measuring chamber and sealed register. The main cases are constructed using either C89833 or C89850 Brass Alloys. Measuring Chambers are constructed of a durable synthetic polymer. Registers are available as either direct read or electronic output.

**MAINTENANCE:** ZENNER PERFORMANCE Multi-jet Water Meters are engineered and manufactured to provide long-term service and operate virtually maintenance free. The precise simple design allows for interchangeable parts, reducing parts inventory.

**REGISTRATION:** ZENNER PERFORMANCE Multi-jet Water Meters utilize a magnetically driven, hermetically sealed design. The sealed design eliminates dirt, moisture infiltration, and prevents fogging. The register includes a large odometer-type totalization display, center sweep hand (360°) test circle, low flow leak detector. All ZENNER PERFORMANCE Meters have electronic output capabilities for easy conversion to Automated Meter Reading. 5/8" through 1" capacities are: 10,000,000 Gallons, 1,000,000 Cubic Feet, 100,000 Cubic Meters, 6 odometer wheels. 1 1/2" and 2" registration capacities are: 100,000,000 Gallons, 10,000,000 Cubic Feet, 1,000,000 Cubic Meters, 6 odometer wheels.

**CONFORMANCE:** ZENNER PERFORMANCE Multi-jet Water Meters are tested and comply with AWWA C708, ISO 4064, and G13IT19001-ISO9000 performance standards.

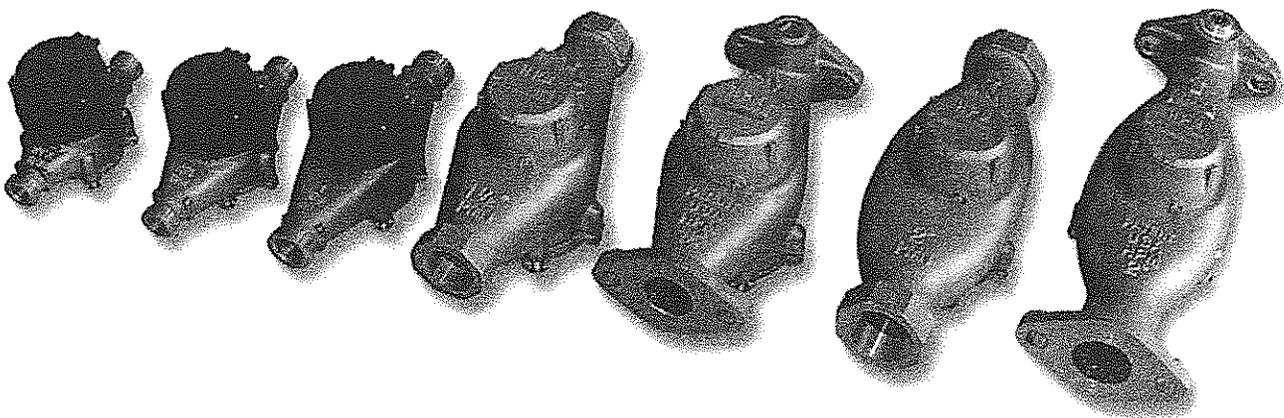
**TAMPERPROOF FEATURES:** Customer removal of the register to obtain free water is prevented through the use of a locking device that requires a special tool, only available to water utilities.

**CONNECTIONS:** These meters have been designed with ease of installation in mind through the use of wrench pads. Tailpiece/Unions for installations of meters are available as an option for various pipe types, sizes, and misaligned pipes.

**ZENNER PERFORMANCE**

P.O. BOX 895, Banning, CA 92220, (951) 849-8822, Fax (951) 755-8816  
mail@zennerusa.com, www.zennerusa.com

MODEL		PMN01	PMN02	PMN03	PMN04	PMN05	PMN07	PMN08	PMN09	PMN11	PMN12
SIZE		5/8 x 1/2	5/8 x 3/4	3/4" Short	3/4" x 3/4"	3/4" x 1"	1"	1-1/2" Female Threads	1-1/2" Flanged	2" Female Threads	2" Flanged
High Flow Rate	USGPM	20	20	30	30	30	50	100	100	160	160
Continuous Flow	USGPM	10	10	15	15	15	25	50	50	80	80
Starting Flow	USGPM	3/64	3/64	5/64	5/64	5/64	5/64	1/2	1/2	3/4	3/4
Normal Flow	USGPM	1 - 20	1 - 20	2 - 30	2 - 30	2 - 30	3 - 50	5-100	5-100	8-160	8-160
Low Flow	USGPM	1/4	1/4	1/2	1/2	1/2	3/4	1 1/2	1 1/2	2	2
Extreme High Flow (Intermittent)	USGPM	25	28	32	32	32	60	120	120	180	180
Maximum Working Pressure	P.S.I.	150	150	150	150	150	150	150	150	150	150
Maximum Temperature	Deg. F	122	122	122	122	122	122	122	122	122	122
Length	Inches	7 1/2	7 1/2	7 1/2	9	9	10 3/4	12 5/8	13	15 1/4	17
Length with Couplings	Inches	12 1/2	12 1/2	12 1/2	14 1/2	14 1/2	16 1/2	-	-	-	-
Height	Inches	4 3/4	4 3/4	4 3/4	4 3/4	4 3/4	5	7	7	7	7
Weight	Pounds	4.5	4.5	4.5	6	6.3	7	15	20	21	25



**ZENNER PERFORMANCE**

P.O. BOX 895, Banning, CA 92220, (951) 849-8822, Fax (951) 755-8816  
 mail@zennerusa.com, www.zennerusa.com

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**Zenner Performance Meters, Inc.**  
**Warranty for Multi-jet and Positive Displacement Water Meters**

This warranty shall apply to ZENNER PERFORMANCE Multi-Jet and Positive Displacement Water Meters models PM, PME, PMN & PPD (collectively the "Water Meters") used to measure potable water and the registers.

This warranty shall be effective for all Water Meters shipped on or after November 1, 2011. This warranty is only extended to municipalities, utilities, other commercial users and ZENNER PERFORMANCE Meter, Inc. ("ZENNER PERFORMANCE") distributors, hereinafter referred to as "Customers".

**Materials and Workmanship**

ZENNER PERFORMANCE warrants its Water Meters and Components thereto free from defects in materials and workmanship, occurring within the earlier of the following time periods:

**Non-Remote Register**

Twenty-five (25) years from date of installation or twenty-five (25) years and six (6) months from date of shipment.

**ETR Encoders Supplied with the Water Meters Described Herein**

Ten (10) years from date of installation or ten (10) years and six (6) months from date of shipment

**AWWA Meter Accuracy**

ZENNER PERFORMANCE warrants that in normal, potable water systems, its Water Meters will meet or exceed AWWA new meter accuracy standards for within the following timeframes:

- 5/8" Fifteen (15) years from date of sale or 1,500,000 gallons, whichever occurs first;
- 3/4" Fifteen (15) years from date of sale or 2,250,000 gallons, whichever occurs first;
- 1" Fifteen (15) years from date of sale or 3,000,000 gallons, whichever occurs first;
- 1-1/2" Ten (10) years from the date of sale or 6,000,000 gallons, whichever occurs first;
- 2" Ten (10) years from the date of sale or 8,000,000 gallons, whichever occurs first.

**Water Meter or Component Returns**

ZENNER PERFORMANCE's liability hereunder is expressly limited to the repair or replacement of the Water Meter or Components thereto at ZENNER PERFORMANCE's option, upon the Customer's return of the meter and the components thereto. The Customer must ship the meter and components thereto prepaid F.O.B. to the service center designated by ZENNER PERFORMANCE. The Customer is responsible for all direct and indirect costs associated with removing the meter and the components thereto and reinstalling the repaired or replacement meter or components. The replaced meter and components thereto become the property of ZENNER PERFORMANCE.

**Liability Limits**

This warranty shall be null and void if the Water Meter or Components are repaired or altered by any party other than ZENNER PERFORMANCE. This warranty is applicable only to the extent that the Water Meter and the Components are installed, serviced and operated in accordance with ZENNER PERFORMANCE's instructions. This warranty shall not apply to any meter or component damaged by, or subject to, conditions which in ZENNER PERFORMANCE's opinion have caused an adverse effect upon the meter's or component's ability to perform, including but not limited to: improper or unauthorized installation, service, or modifications, excessive operating conditions, vandalism, acts of God or any cause other than inherent manufacturing defects in the Water Meter or Components thereto.

THE FOREGOING WARRANTY IS EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES OR GUARANTEES, EXPRESS, IMPLIED OR STATUTORY WITH RESPECT TO QUALITY, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR OTHERWISE. Any advertisements or suggestions made by ZENNER PERFORMANCE or ZENNER PERFORMANCE's agents relating to use, application, or suitability of the Water Meters or Components thereto shall not be construed as an express warranty unless confirmed in writing by ZENNER PERFORMANCE. Exclusion of Consequential Damages and Disclaimer of Other Liability.

ZENNER PERFORMANCE's liability shall in no event exceed the contract price. ZENNER PERFORMANCE shall not be subject to and disclaims: (1) ANY OTHER OBLIGATIONS OR LIABILITIES ARISING OUT OF BREACH OF CONTRACT OR OF WARRANTY, (2) ANY SERVICES RENDERED BY ZENNER PERFORMANCE, OR ANY UNDERTAKINGS, ACTS, OR OBLIGATIONS WHATSOEVER ARISING FROM TORT CLAIMS (INCLUDING NEGLIGENCE AND STRICT LIABILITY) OR ARISING UNDER OTHER THEORIES OF LAW WITH RESPECT TO PRODUCTS SOLD OR OMISSIONS RELATING THERETO, AND (3) ALL CONSEQUENTIAL, INCIDENTAL, SPECIAL, MULTIPLE, EXEMPLARY, AND PUNITIVE DAMAGES WHATSOEVER.

Due to continuous research, evolving technology, updates and improvements, ZENNER PERFORMANCE reserves the right to change product or system specifications without notice, except to the extent an outstanding contractual obligation exists.

**CONFIGURING AND MANAGING THE MULTIUSER  
GEODATABASE CONFERENCE**  
**November 17 - 19, 2014**

NAME: \_\_\_\_\_  
\_\_\_\_\_

ADVANCE REGISTRATION DEADLINE: \_\_\_\_\_

MEALS:    \_\_\_ YES       SPOUSE:    \_\_\_ YES       SPOUSES' TOUR:    \_\_\_ YES  
          \_\_\_ NO           \_\_\_ NO                   \_\_\_ NO

**DEPARTMENTAL TRAVEL BUDGET:**

REGISTRATION: \_\_\_\_\_ TRAVEL: \_\_\_\_\_

TOTAL REMAINING BALANCE: \_\_\_\_\_

**PROPOSED EXPENSES:**   Registration:    \_\_\_\_\_  
                          Transportation:  \_\_\_\_\_  
                          Meals:\*           \_\_\_\_\_  
                          Miscellaneous:  \_\_\_\_\_  
                          TOTAL:           \_\_\_\_\_

\*DIRECTORS: Expenses are outlined in Section 4.06.1 of the District's Rules and Regulations.  
\*FOR STAFF: Meal limitations are outlined on pages 30 and 31 of the District's Employee Manual.  
Please review these limitations.

**HOTEL ACCOMMODATIONS:**   \_\_\_ YES   \_\_\_ NO   REGISTRATION DEADLINE: \_\_\_\_\_  
ARRIVAL DATE/TIME: \_\_\_\_\_   DEPARTURE DATE/TIME: \_\_\_\_\_

TYPE OF ACCOMMODATIONS:   \_\_\_\_\_   SINGLE (1 PERSON)  
                                  \_\_\_\_\_   DOUBLE (2 PEOPLE)  
                                  \_\_\_\_\_   (2 PEOPLE/2 BEDS)

**AIRLINE RESERVATIONS:**   \_\_\_ YES   \_\_\_ NO

DEPART FROM \_\_\_\_\_ on \_\_\_\_\_ at \_\_\_\_\_ AM/PM  
                          (airport)                           (date)                           (time)

RETURN FROM \_\_\_\_\_ on \_\_\_\_\_ at \_\_\_\_\_ AM/PM  
                          (airport)                           (date)                           (time)

SUPERVISOR APPROVAL: \_\_\_\_\_ DATE: \_\_\_\_\_



# Configuring and Managing the Multiuser Geodatabase

Format: Instructor-Led

Duration: 3 days (24 hours)

Price: \$1,515 USD

ArcGIS Version: 10.2

Authored by Esri

## Overview

### Description

This course prepares you to successfully deploy a multiuser geodatabase to manage your organization's critical geographic data assets. You will learn about the multiuser geodatabase architecture and installation options, and how to configure the geodatabase for efficient data storage and delivery of data access and editing capabilities to many users. Although course exercises use the enterprise geodatabase, many course concepts also apply to workgroup geodatabases.

### Who Should Attend

Spatial database administrators and GIS data managers who need to create, configure, and manage a multiuser ArcSDE geodatabase.

### Learn How To

- Install ArcSDE technology and configure it for your relational database management system.

- Create and connect to a multiuser geodatabase.

- Efficiently load and update data in a multiuser geodatabase.

- Configure storage settings to support your organization's data management workflows.

- Set up user roles and permissions to provide secure data access.

- Apply best practices to optimize geodatabase performance.

## Prerequisites

- Completion of [ArcGIS 2: Essential Workflows](#) or equivalent knowledge is required.

- Experience managing a relational database management system is required.

## Software Requirements

Esri will provide the following software to use during class:

- ArcGIS 10.2 for Desktop (Standard)

- ArcGIS 10.2 for Server Enterprise (Basic)

- Microsoft SQL Server Standard 2012

- PyScripter for Python 2.5.3

## Course Outline

### Introduction to the geodatabase

- Types of geodatabases

- Licensing

- Geodatabase workflow

### What is ArcSDE?

- ArcSDE components and architecture

- Geodatabase management options

- Creating an enterprise geodatabase using a geoprocessing tool

### Connecting to the geodatabase

- Types of connections

- Client-server compatibility

**Loading data into the geodatabase**

- Creating a data owner user account

- Workflow to load data

- Workflow to update data

- Automation using ModelBuilder

**Managing storage settings**

- Configuration keywords

- Using command-line tools to modify DBTune

**Spatial types**

- RDBMS spatial types

- Configuring spatial types

- Converting a dataset's spatial type

**Configuring permissions**

- Operating system versus database users

- Creating user roles

- Assigning permissions to datasets

- Securing login credentials

**Associating data**

- Query layers

- Database views

**Geodatabase maintenance**

- Updating statistics

- Creating and updating indexes

- Using Python scripts to maintain performance

**Managing locks**

- Schema and feature locks

- Identifying and removing locks

**Bringing it all together**

- Applying the geodatabase workflow to implement a multiuser geodatabase

- Install, create, and configure a multiuser geodatabase

- Load data and perform maintenance tasks



**Esri Instructor-Led Training -- Thank you for registering**

September 23, 2014

Richard Heinonen  
Attendee ID: 262766  
Palmdale Water Dist US-Palmdale  
E-MAIL: rheinonen@palmdalewater.org  
FAX: 661-947-8604

We are pleased to inform you that you are now registered for the following Esri training class. Please reference this e-mail for all course inquiries and information. Classes are subject to change or cancellation. Participants will be notified by e-mail or telephone should the class cancel.

**\*\*Please note that, if you are making travel arrangements to attend this class, do so only after the class has confirmed and you have received notification. Esri assumes no responsibility for losses incurred by booking travel before the class confirmation notification has been received.**

**Class:** Configuring and Managing the Multiuser Geodatabase (ver 10.2)  
**Class ID:** 50133618  
**Date:** November 17, 2014 to November 19, 2014  
**Hours:** 8:30 AM to 5:00 PM.  
Please arrive 15 minutes early the first day of class.

**Location:** Esri-Denver  
1 International Court  
Broomfield, CO 80021-3200  
303-449-7779

**Regional Office Contact:** Esri-Denver  
303-449-7779. Dial 0 for the Receptionist.

**Map & Directions:**  
(<http://training.esri.com/gateway/index.cfm?fa=trainingLocations.gateway>)

**Registration Status:** CC Charge Pending  
If the status is anything other than Registration Complete, please respond according to the Additional Notes below.

**Additional Notes:** Your credit card will not be charged until 1-2 weeks prior to course start.

**Class price:** \$1,515.00  
Sales tax will be added to this class price upon invoicing where applicable.

**Class confirmation:** Classes are confirmed 13-15 business days prior to the class start date. Check for confirmation and get other class information at (<http://www.esri.com/training/mytraining>) "My Instructor-led training". If you are making travel arrangements to attend this class please check the web site to verify the class schedule has not changed.

**Class Attendance Requirements:** Esri awards certificates of completion for attending its courses. We understand that students will occasionally be absent from class, therefore anyone who attends a minimum of 1.5 days of a 2 day class or 2.5 days of a 3 day class will be awarded a certificate.

We will contact you as soon as possible regarding scheduling changes or class cancellations. If we can be of further assistance please contact us. We look forward to making your learning experience a pleasant one. Enjoy the class.

Thank you,

Maria Salistean  
Esri Training Services  
380 New York St  
Redlands, CA 92373  
888-377-4575, ext.3903  
888-377-4575 (U.S. Domestic Only)  
Fax: 909-793-4801  
[service@esri.com](mailto:service@esri.com)

**Esri Training Resources:**

View answers to commonly asked questions at:  
(<http://www.esri.com/training/main/common-questions>)

Prepare for class by viewing a free training seminar at:  
<http://training.esri.com/gateway/index.cfm?fa=seminars.recordedSeminars>

Find out about the Esri Technical Certification program at:  
(<http://www.esri.com/training/main/certification>)

Read Esri Terms & Conditions at:  
(<http://downloads2.esri.com/Campus/documents/cst-terms.pdf>)

**Payment Information:**

- Credit cards will be charged two weeks prior to the start of class. If credit card information is submitted after your registration request, call us at 909-793-2853, ext. 1-3204 and provide the payment information.
- Purchase order or government requisition needs to be sent via fax to Esri Customer Service at 909-793-4801 (U.S. customers only).

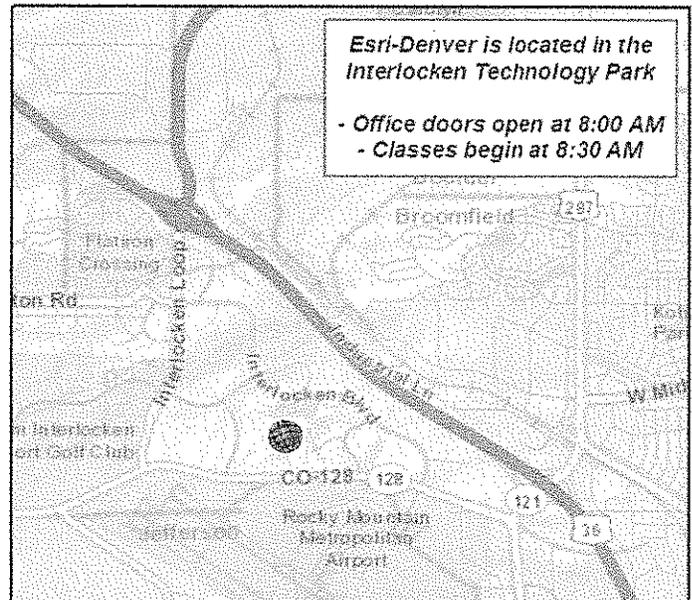
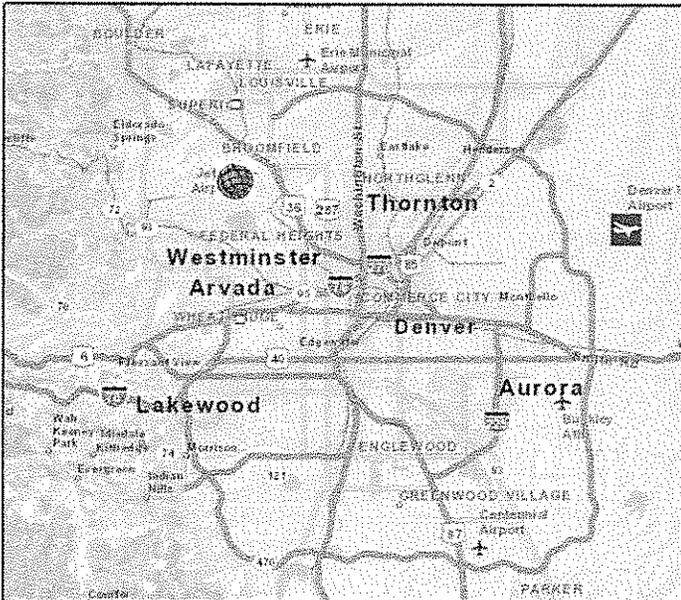
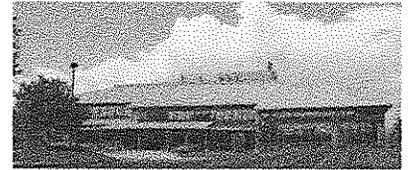
- Check payments require the following:
  - (1) Mail a copy of the Registration Request Summary page or this letter
  - (2) Fax a copy of the check to Esri Customer Service at 909-793-4801
  - (3) Mail your check to: Esri File #54630 Los Angeles, CA 90074-4630
- Discount requests will be validated by Esri and applied to your order.
- Invoices are sent approximately 1 week after each class is completed.

# Esri Learning Center



One International Court  
Broomfield, Colorado 80021  
Esri Contact (303) 449-7779

GPS: 39° 55.168' N, 105° 6.996' W (WGS84)



## Directions

### From US-36 Eastbound (Louisville and Boulder)

1. Take the exit for StorageTek Dr/Interlocken Loop.
2. Turn right from the exit ramp and turn left onto Interlocken Blvd.
3. Follow Interlocken Blvd for 1.5 miles, and turn right at the stop sign onto Interlocken Pkwy.
4. Go ~ 0.1 miles and turn right onto Technology Drive.
5. Turn right at the stop sign onto International Court.
6. Esri will be on your left.

### From US-36 Westbound (Denver and South)

1. Take the exit for Broomfield/US-287/CO-121.
2. Turn left from the exit ramp onto CO-121.
3. After crossing over US-36, turn right onto CO-128 West.
4. Turn right at the second stoplight onto Interlocken Pkwy.
5. Go 0.2 miles and turn left onto Technology Drive.
6. Turn right at the stop sign onto International Court.
7. Esri will be on your left.

### From Denver International Airport

The quickest way to Esri from the airport is to take E-470 North to the NW Parkway. There are three tolls each way (~\$12 total); transponder or license plate collection only (no cash). **Check with your rental car agency for details.** Travel time is approximately 45 minutes.

## Hotels \*Ask about Esri special rates

Aloft Broomfield Denver\*  
8300 Arista Place  
Broomfield, CO 80021  
(303) 635-2000

Drury Inn & Suites Denver Westminster\*  
10393 Reed Street  
Westminster, CO 80021  
(303) 460-1220

Hampton Inn Boulder/Broomfield\*  
5030 West 88th Place  
Westminster, CO 80030  
(303) 427-0700

Hampton Inn Boulder/Louisville\*  
912 West Dillon Road  
Louisville, CO 80027  
(303) 666-7700

Hyatt House Boulder/Broomfield  
13351 West Midway Blvd  
Broomfield, CO 80020  
(720) 890-4811

Doubletree by Hilton  
8773 Yates Drive  
Westminster, CO 80031  
(303) 427-4000

Omni Interlocken Hotel\*  
500 Interlocken Blvd  
Broomfield, CO 80021  
(303) 438-6600

**MINUTES OF REGULAR MEETING OF THE COMMISSIONERS OF THE ANTELOPE VALLEY STATE WATER CONTRACTORS ASSOCIATION, JULY 24, 2014.**

*A regular meeting of the Commissioners of the Antelope Valley State Water Contractors Association was held Thursday, July 24, 2014, at the Palmdale Water District at 2029 East Avenue Q, Palmdale. Chair Hogan called the meeting to order.*

**1) Pledge of Allegiance.**

Chair Hogan led the pledge of allegiance.

**2) Roll Call.**

**Attendance:**

Barbara Hogan, Chair  
Robert Alvarado, Vice Chair  
Leo Thibault, Treas.-Auditor  
Neal Weisenberger, Cmsnr.  
Keith Dyas, Cmsnr.  
Joe Estes, Alt. Cmsnr.

**Others Present:**

Matt Knudson, General Manager  
Tom Barnes, Controller  
Patty Quilizapa, Attorney  
Travis Berglund, LCID Asst. General Mngr.  
Danielle Henry, Administrative Assistant  
Dennis Hoffmeyer, Senior Accountant  
1 member of the public

Kathy Mac Laren, Secretary –  
EXCUSED ABSENCE

**3) Public Comments for Items Not on the Agenda.**

There were no public comments.

**4) Consideration and Possible Action on Minutes of Regular Meeting Held May 29, 2014.**

It was moved by Commissioner Weisenberger, seconded by Commissioner Dyas, and carried by all members of the Board of Commissioners present at the meeting to approve the minutes of the regular meeting held May 29, 2014, as written.

**5) Payment of Bills.**

Commissioner Thibault reviewed the bills received for payment and then moved to pay the bills received from PWD in the amounts of \$2,866.87, including \$1,835.77 for

staff services and \$1,031.10 for Antelope Valley Press public notices for the Antelope Valley Integrated Regional Water Management Stakeholder and Regional Water Management Group meeting on July 9, 2014, and from AVEK in the amount of \$898.95 for staff services. The motion was seconded by Commissioner Weisenberger and unanimously carried by all members of the Board of Commissioners present at the meeting.

**6) Discussion and Possible Action on 2014/2015 Goals for the Association.  
(General Manager Knudson/Ad Hoc Committee)**

General Manager Knudson stated that he met with the Ad Hoc Committee of Commissioner Alvarado, Commissioner Weisenberger, Commissioner Thibault, Controller Barnes, and AVEK Assistant General Manager Dwayne Chisam, and the Ad Hoc Committee recommends approval of 2014/2015 Association Goals as follows:

- 1) Development of an agreement between AVEK, LCID, PWD, and the Department of Water Resources (DWR) recognizing the Antelope Valley as a closed groundwater basin that should be considered as a State Water Project (SWP) Region regarding inter-agency SWP exchanges to allow the three Antelope Valley SWP Contractors the ability to exchange SWP water without the need to obtain DWR approval for each specific exchange and to allow a mechanism for the accounting and reporting of said exchanges;
- 2) Continue to be the contracting agency for the on-going United States Geological Survey (USGS) Joint Funding Groundwater Level and Quality Monitoring and Mapping Program for the Antelope Valley with funding distributed among the member agencies based on SWP Table A amounts;
- 3) Continue to be the monitoring and reporting agency for the California Statewide Groundwater Elevation Monitoring (CASGEM) Program, which tracks seasonal and long-term trends in groundwater elevations in California's groundwater basins, with funding distributed among the member agencies based on SWP Table A amounts;
- 4) Continue to be the agency that accounts for and disburses Regional Water Management Group (RWMG) monetary contributions for projects and programs agreed to be funded with said monetary contributions;

- 5) Continue to be the lead agency that contracts with grant awarding agencies, consultants, and engineers to develop, study, and update the Antelope Valley Integrated Regional Water Management Plan (AVIRWMP);
- 6) Continue to encourage stakeholder input and participate in the AVIRWMP Stakeholder and Advisory Team Meetings by providing input on water supply related topics;
- 7) Increase public outreach and public education of water supply issues facing the Antelope Valley periodically discussing which community events the AVSWCA shall participate in and attend based on current water issues and the intended message.

After a brief discussion of the 2014/2015 Goals, of the need for a written agreement between the Association and the RWMG, and of the Association's existing by-laws, it was moved by Commissioner Alvarado, seconded by Commissioner Weisenberger, and unanimously carried by all members of the Board of Commissioners present at the meeting to adopt the 2014/2015 Goals for the Association.

It was then recommended that an item be placed on the next agenda for "Consideration and Possible Action on Election of Officers" to discuss the position of Secretary.

**7) Consideration and Possible Action on Budget for Fiscal Year 2014/2015.  
(General Manager Knudson)**

General Manager Knudson provided a detailed review of the proposed 2014/2015 Budget including the General Operating Funds, the Restricted Expenditures Funds for the USGS Groundwater Monitoring and CASGEM Program and Antelope Valley Integrated Regional Water Management Plan, and the member agency contribution amounts based on the Association's existing commitments after which it was moved by Commissioner Thibault, seconded by Commissioner Dyas, and unanimously carried by all members of the Board of Commissioners present at the meeting to approve the Budget for Fiscal Year 2014/2015 contingent upon the approval of each member agency's Board of Directors.

**8) Consideration and Possible Action to Authorize the Commission Chair to Execute an Attorney Conflict of Interest Waiver with William Wynder, Esquire and Patricia Quilizapa, Esquire of Aleshire & Wynder LLP. (General Manager Knudson)**

Attorney Quilizapa reviewed and recommended adoption of a standard conflict waiver from Aleshire & Wynder LLP, and after a brief discussion, Chair Hogan stated that this item will be on a future agenda once the other two member agency attorneys have given their response on this matter.

**9) Report of General Manager.**

**a) Update on Revenue, Expenditures and Change in Net Position.**

General Manager Knudson provided a brief update of the Association's Revenue, Expenditures and Change in Net Position and stated that this report will be provided with each agenda after which Commissioner Thibault thanked Senior Accountant Hoffmeyer for his efforts.

**b) Update on Facility Tours of the Sanitation Districts of Los Angeles County.**

General Manager Knudson informed the Commissioners that the Sanitation Districts facilities tours took place on June 12 and 26, 2014 and thanked those that were able to attend.

**c) Update on Antelope Valley Prop. 84, Round 3 Grant Application.**

He then reported that the Prop. 84, Round 3 Grant Application was recently submitted by RMC Water and Environment and feedback is expected from the State within the next few months.

**d) Update on the Antelope Valley Integrated Regional Water Management Plan Stakeholder and Regional Water Management Group Meeting.**

He then reported that a joint meeting of the Antelope Valley Integrated Regional Water Management Stakeholders and Regional Water Management Group took place on July 9, 2014 during which the update of the Integrated Regional Water Management Plan was approved.

**10) Report of Controller.**

Controller Barnes stated that he has no report.

**11) Reports of Commissioners.**

Commissioner Weisenberger reported that he heads the Antelope Valley East Kern Water Agency's (AVEK) Water Conservation Committee; that this Committee discussed developing one website containing all conservation information and preliminary planning for a sustainable water conservation workshop to be held at the A.V. Fairgrounds; and then inquired about the Association's participation in these activities.

After a brief discussion of the funds that AVEK will be allocating towards water conservation efforts and of the Antelope Valley Water Conservation Coalition, the Antelope Valley Water Group, and the Association forming a unified water conservation program, it was determined that General Manager Knudson would attend AVEK's next Water Conservation Workshop and discuss an item for the next agenda with Commissioner Weisenberger.

Chair Hogan reported that Littlerock Creek Irrigation District General Manager Brad Bones is retiring and Travis Berglund will be taking his place as the new General Manager.

**12) Report of Attorney.**

Attorney Quilizapa stated that she has no further report.

**13) Commission Members' Requests for Future Agenda Items.**

Chair Hogan stated that "Consideration and Possible Action to Authorize the Commissioner Chair to Execute an Attorney Conflict of Interest Waiver with William Wynder, Esquire and Patricia Quilizapa, Esquire of Aleshire & Wynder LLP" will be carried to the next agenda.

General Manager Knudson stated that based on discussions with Commissioner Weisenberger at the next AVEK Water Conservation Workshop, a conservation item

ANTELOPE VALLEY STATE WATER CONTRACTORS ASSOCIATION  
JULY 24, 2014  
REGULAR MEETING

may be added to the next agenda as well as an update on the agreement between the three member agencies and the Department of Water Resources.

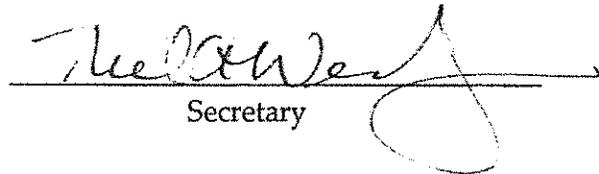
There were no further requests for future agenda items.

**14) Consideration and Possible Action on Scheduling the Next Association Meeting.**

It was determined that the next regular meeting of the Association will be held September 11, 2014 at 6:30 p.m. at PWD.

**15) Adjournment.**

There being no further business to come before the Commissioners, the regular meeting of the Commissioners of the Antelope Valley State Water Contractors Association was adjourned.

  
Secretary

**MINUTES OF REGULAR MEETING OF THE WATER SUPPLY & RELIABILITY COMMITTEE OF THE PALMDALE WATER DISTRICT, AUGUST 25, 2014:**

*A regular meeting of the Water Supply & Reliability Committee of the Palmdale Water District was held Monday, August 25, 2014, at 2029 East Avenue Q, Palmdale, California, in the Board Room of the District office. Chair Dizmang called the meeting to order.*

**1) Roll Call.**

**Attendance:**

Water Supply & Reliability Cmte:  
Gloria Dizmang, Chair  
Vincent Dino, Committee  
Member

**Others Present:**

Matt Knudson, Assistant General Manager  
Jon Pernula, Water & Energy Resources Director  
Danielle Henry, Administrative Assistant  
1 member of the public

**2) Adoption of Agenda.**

It was moved by Committee Member Dino, seconded by Chair Dizmang, and unanimously carried to adopt the agenda, as written.

**3) Public Comments.**

There were no public comments.

**4) Action Items:**

**4.1) Consideration and Possible Action on Approval of Minutes of Meeting Held June 30, 2014.**

It was moved by Committee Member Dino, seconded by Chair Dizmang, and unanimously carried to approve the minutes of the Water Supply & Reliability Committee meeting held June 30, 2014, as written.

**4.2) Presentation of Monthly Water Demand and Supply Status. (Water & Energy Resources Director Pernula)**

Water & Energy Resources Director Pernula reviewed the water supply projections and charts included in the agenda packets followed by discussion of budgeted, projected, and actual water sales.

**4.3) Status on the Operations of the State Water Project. (Water & Energy Resources Director Pernula)**

Water & Energy Resources Director Pernula stated that river valves at Oroville Dam have been repaired.

**4.4) Consideration and Possible Action on Approval of Agreement in Principle (AIP) Affirming Terms of Contract Extension Between Palmdale Water District (PWD), State Water Contractors, and the Department of Water Resources (DWR) for a Future Amendment to Extend the State Water Project Contract to Year 2085. (Water & Energy Resources Director Pernula)**

Water & Energy Resources Director Pernula provided a detailed overview of the negotiations for extending the State Water Project contract, State Water Project facilities and funding for these facilities, the District's early and continuing participation in the State Water Project as a water source for the District, long-term reliability of the State Water Project, the benefits and need to extend the State Water Project contract, and potential future costs after which it was moved by Committee Member Dino, seconded by Chair Dizmang, and unanimously carried that the Committee concurs with staff's recommendation to approve the Agreement in Principle (AIP) Affirming the Terms of the Contract Extension Between Palmdale Water District (PWD), State Water Contractors, and the Department of Water Resources (DWR) for a Future Amendment to Extend the State Water Project Contract to Year 2085 and that this item be presented to the full Board for consideration at the August 27, 2014 Regular Board meeting.

**5) Project Updates.**

**5.1) Palmdale Recycled Water Authority. (General Manager LaMoreaux)**

Assistant General Manager Knudson stated that General Manager LaMoreaux and City of Palmdale representatives met with Supervisor Antonovich regarding the Authority's use of recycled water; that Los Angeles County Waterworks has since been tasked with developing recommendations for the reallocation of recycled water; and that these recommendations will be discussed at a meeting scheduled for September 8 between the District, the Cities of Lancaster and Palmdale, the Sanitation District, and Los Angeles County Waterworks.

**5.2) Littlerock Dam Sediment Removal Project. (Assistant General Manager Knudson)**

Assistant General Manager Knudson stated that work continues on the EIR/EIS document for this Project; that a meeting was held with representatives from the Department of Water Resources to discuss relaxing Davis-Grunsky grant agreement requirements for lowering the level of Littlerock Reservoir to assist with this Project; and that in their Forest Plan update, the Forest Service classified the Littlerock Reservoir area as a non-recreation area, which may impact any recreational activities at the Reservoir, followed by discussion of the arroyo toad's endangered species status.

**5.3) Littlerock Creek Recharge and Recovery Project. (Assistant General Manager Knudson)**

Assistant General Manager Knudson stated that the District is working with Los Angeles World Airports for permission to access their property for percolation tests for alternative Project locations.

**5.4) City of Palmdale's Upper Amargosa Recharge Project. (Assistant General Manager Knudson)**

Assistant General Manager Knudson stated that the District continues to work with the City of Palmdale on design work for this Project.

**6) Information Items.**

**6.1) Water Purchase Opportunities. (Water & Energy Resources Director Pernula)**

Water & Energy Resources Director Pernula stated that Amendment No. 1 to the Agreement between the District and Butte County for a Long-Term Lease of a Portion of Butte County's State Water Project Table A Water Supply has been signed by Butte, reviewed the terms of this Agreement, and then requested the Committee's concurrence to present this Amendment to the full Board for consideration, and after a further discussion of the Amendment, it was moved by Committee Member Dino, seconded by Chair Dizmang, and unanimously carried that the Committee concurs with staff's recommendation to approve Amendment No. 1 to the Agreement between the District and Butte County for a Long-Term Lease of a Portion of Butte County's State Water Project Table A Water Supply and that this item be presented to the full Board for consideration at the September 10, 2014 Regular Board meeting.

Water & Energy Resources Director Pernula then informed the Committee of several other Table A water purchase opportunities.

**6.2) Other.**

There were no other information items.

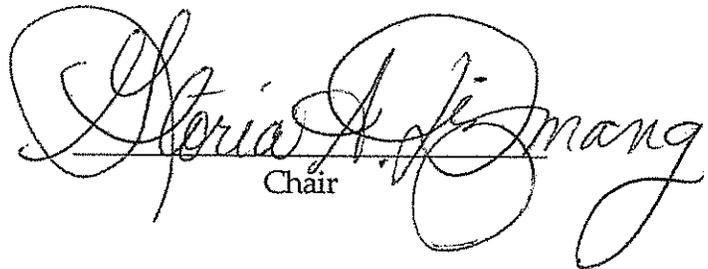
**7) Board Members' Requests for Future Agenda Items.**

There were no requests for future agenda items.

It was then stated that the next Water Supply & Reliability Committee meeting will be held September 22, 2014 at 2:00 p.m.

**8) Adjournment.**

There being no further business to come before the Water Supply & Reliability Committee, the meeting was adjourned.

  
Chair