

PALMDALE WATER DISTRICT

2029 East Avenue Q • Palmdale, California 93550 •

Telephone (661) 947-4111

Fax (661) 947-8604

www.palmdalewater.org

ALESHIRE & WYNDER LLP
Attorneys



Board of Directors

ROBERT E. ALVARADO
Division 1

JOE ESTES
Division 2

GLORIA DIZMANG
Division 3

KATHY MAC LAREN
Division 4

VINCENT DINO
Division 5

August 28, 2014

***Agenda for a Meeting
of the Finance Committee of the Palmdale Water District
Committee Members: Gloria Dizmang-Chair, Vincent Dino
to be held at the District's office at 2029 East Avenue Q, Palmdale
Wednesday, September 3, 2014
10:30 a.m.***

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

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

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

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

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

- 4.1) Consideration and possible action on approval of minutes of meeting held August 11, 2014.
- 4.2) Discussion and overview of Cash Flow Statement and Current Cash Balances as of July 31, 2014. (Financial Advisor Egan)
- 4.3) Discussion and overview of Financial Statements, Revenue and Expense and Departmental Budget Reports for July 31, 2014. (Finance Manager Williams)
- 4.4) Discussion and overview of committed contracts issued. (Assistant General Manager Knudson)
- 4.5) Discussion and review of the District's Bid Procurement and Change Order Policy - Rules and Regulations Appendix M. (Assistant General Manager Knudson)
- 4.6) Consideration and possible action on Project Labor Agreement By and Between the Palmdale Water District and Los Angeles/Orange Counties Building and Construction Trades Council and the Signatory Craft Councils and Unions. (Assistant General Manager Knudson)
- 5) Information items.
 - 5.1) Status of 2014 Water Rate Study. (Finance Manager Williams)
 - 5.2) Status of 2015 budget. (Finance Manager Williams)
 - 5.3) Other.
- 6) Board members' requests for future agenda items.
- 7) Adjournment.


DENNIS D. LaMOREAUX,
General Manager

DDL/dd

**PALMDALE
WATER DISTRICT
BOARD MEMORANDUM**

DATE: August 27, 2014 September 3, 2014
TO: FINANCE COMMITTEE Committee Meeting
FROM: Mr. Bob Egan, Financial Advisor
RE: *AGENDA ITEM NO. 4.2 – DISCUSSION AND OVERVIEW OF CASH
FLOW STATEMENT AND CURRENT CASH BALANCES AS OF
JULY 31, 2014*

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

PALMDALE WATER DISTRICT
INVESTMENT FUNDS REPORT

		July 31, 2014				July-14	June-14
	DESCR						
CASH							
0-0103	Citizens/US Bank - Checking					214,505.21	495,738.34
0-0104	Citizens- Merchant					72,125.64	66,680.72
					Bank cash	286,630.85	562,419.06
0-0119	PETTY CASH					300.00	300.00
0-0120	CASH ON HAND					3,400.00	3,400.00
	TOTAL CASH					290,330.85	566,119.06
INVESTMENTS							
0-0110	UBS ACCOUNT SS 11469 GG						
	UBS RMA Government Portfolio					5,410,192.23	5,329,827.35
	UBS Bank USA Dep acct					250,000.00	250,000.00
		Accrued interest				507.47	208.71
						5,660,699.70	5,580,036.06
		CD'S	Due	Rate	Face Value		
	1	Homestreet Bk WA	12/08/14	2.00	240,000	239,791.20	239,712.00
	2	Discover Bk DE	12/11/14	0.25	240,000	239,824.80	239,755.20
	3	Bk of China NY US	12/11/14	0.25	240,000	239,824.80	239,755.20
	4	Berkshire Bk MA	12/12/14	0.25	240,000	239,738.40	239,647.20
	5	First B & T IL	12/15/14	0.15	240,000	239,774.40	239,692.80
	6	1st Niagra Bk NY	12/15/14	0.25	240,000	239,817.60	239,745.60
	7	Comentity Bk DE	12/18/14	0.30	200,000	199,624.00	200,000.00
	8	Peoples United CT	12/18/14	0.25	120,000	119,906.40	119,868.00
	9	Citizens Bk PA	12/18/14	0.30	240,000	239,856.00	239,791.20
					2,000,000	1,998,157.60	1,997,967.20
					Total acct	7,658,857.30	7,578,003.26
0-1110	UBS ACCOUNT SS 11475 GG						
	UBS Bank USA Dep acct					250,000.00	250,000.00
	UBS RMA Government Portfolio					210,361.87	210,349.17
					Total acct	460,361.87	460,349.17
0-0115	LAIF					11,725.92	11,719.46
0-0111	UBS ACCOUNT SS 11432 GG						
	UBS Bank USA Dep acct					85,915.96	82,912.44
	UBS RMA Government Portfolio					0.00	0.00
		Accrued interest				7,598.22	7,292.42
US GOVERNMENT SECURITIES:							
	ISSUE DATE	ISSUER	EXPIR DATE	RATE	PAR	MARKET VALUE	MARKET VALUE
		FNMA	10/26/2015	1.625	500,000	508,440.00	508,545.00
		FFCB	6/2/2016	0.375	1,000,000	997,740.00	997,400.00
		FNMA	7/17/2017	1.2	500,000	499,245.00	500,235.00
		FHLB	12/28/2017	0.95	500,000	493,090.00	494,590.00
					2,500,000	2,498,515.00	2,500,770.00
		CD'S	Due	Rate	Face Value		
	1	Bank of Baroda	11/12/14	0.45	240,000	240,000.00	239,990.40
	2	GE Capital Bank	05/01/15	0.60	64,000	64,023.68	64,010.24
	3	Ally Bank	05/06/15	0.60	240,000	240,081.60	240,024.00
	4	Sallie Mae Bank	11/06/15	0.85	240,000	240,436.80	240,415.20
	5	Goldman Sachs Bk	11/07/16	1.00	240,000	240,398.40	240,196.80
	6	CIT Bank	11/06/17	1.60	240,000	240,242.40	240,256.80
	7	BMW Bank	11/15/18	2.00	240,000	241,651.20	241,300.80
	8						
					1,504,000	1,506,834.08	1,506,194
					TOTAL MANAGED ACCOUNT	4,098,863.26	4,097,169.10
	TOTAL INVESTMENTS					12,229,808.35	12,147,240.99
	UBS ACCOUNT SS 24016			UBS USA		250,000.00	250,000.00
		Rate Stabilization Fund		UBS AG		230,125.46	230,104.34
						480,125.46	480,104.34
	GRAND TOTAL CASH AND INVESTMENTS					13,000,264.66	13,193,464.39
	Summary:						
	Checking	290,331		Incr (Decr)		(193,199.73)	
	UBS MM	8,119,219					
	LAIF	11,726					
	UBS Investment	4,098,863					
	Rate Stab fund	480,125		BNY Mellon			
	Total	13,000,265		Construction		6,257,721.59	7,352,177.22

8/13/2014	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014	
	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>	<u>YTD</u>
Water Sales	1,649,955	1,630,351	1,685,802	1,701,439	1,914,996	2,081,078	2,314,930	2,407,000	2,455,000	2,288,000	2,076,000	1,766,000	23,970,550
	1,649,955	1,630,351	1,685,802	1,701,439	1,914,996	2,081,078	2,314,930	2,407,000	2,455,000	2,288,000	2,076,000	1,766,000	
Beginning Balance	12,223,261	12,094,245	12,669,343	10,569,481	12,638,008	13,351,585	13,193,464	13,000,265	12,002,342	9,383,485	8,094,561	8,032,506	
Water Receipts	1,955,377	1,805,677	1,780,736	1,691,040	1,777,997	2,046,064	2,312,079	2,407,000	2,455,000	2,288,000	2,076,000	1,766,000	24,360,970
Other							278,100					0	278,100
Total Operating Revenue	1,955,377	1,805,677	1,780,736	1,691,040	1,777,997	2,046,064	2,590,179	2,407,000	2,455,000	2,288,000	2,076,000	1,766,000	
Operating Expenses:													
Total Operating Expenses excl GAC	2,060,493	1,411,384	1,720,101	1,345,880	1,547,374	1,502,338	2,169,377	2,171,600	2,196,000	2,196,000	1,830,000	1,708,000	21,858,547
													2,112,003
Non-Operating Revenue Expenses:													
Assessments, net	636,921	291,389	7,906	1,958,367	720,021	7,737	80,205	145,000			237,000	2,647,000	6,731,546
Special Avek CIF Payment													0
Interest	3,782	3,457	3,899	3,224	3,195	3,676	3,967	2,083	2,083	2,083	2,083	2,083	35,617
Mkt adj	10,554	1,203	(4,828)	6,915	2,763	(6,882)	(1,425)						8,300
Grant Re-imbursement													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	161,228	17,083	17,083	254,083	2,664,083	7,400,614
Capital Expenditures	(106,595)	(13,862)	(321,802)	(119,918)	(533,132)	(104,335)	(61,504)	(960,543)	(346,000)	(252,000)	(88,130)	(21,760)	(2,929,581)
GAC								(300,000)	(300,000)	(340,000)	(340,000)		(1,280,000)
SWP Capitalized	(578,181)	(118,142)	(142,503)	(118,142)	(118,141)	(118,140)	(578,178)	(118,140)	(146,976)	(118,140)	(118,140)	(118,139)	(2,390,962)
Prepaid Insurance (paid) refunded			(67,580)				(36,620)			(165,000)			(269,200)
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)	(15,868)	(15,868)	(15,868)	(15,868)	(15,868)	(218,833)
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	12,002,342	9,383,485	8,094,561	8,032,506	10,598,822	(11,805,576)
											Budget	10,756,000	(2,292,959)
											diff	(157,178)	

PALMDALE WATER DISTRICT BOARD MEMORANDUM

DATE: August 27, 2014 **September 3, 2014**
TO: FINANCE COMMITTEE **Committee Meeting**
FROM: Michael Williams, Finance Manager/CFO
VIA: Mr. Dennis LaMoreaux, General Manager
RE: ***AGENDA ITEM 4.3 – DISCUSSION AND OVERVIEW OF FINANCIAL STATEMENTS, REVENUE AND EXPENSE AND DEPARTMENTAL BUDGET REPORTS FOR JULY 31, 2014***

Discussion:

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

This is the seventh month of the District's Budget Year 2014. The target percentage is 58%. Revenues ideally are at or above, and expenditures ideally are below.

Balance Sheet:

- Page 1 is our balance sheet on July 31, 2014.
- The most significant change is the reduction in Property, Plant and Equipment of approximately \$763K due to accumulated depreciation.

Profit/Loss Statement:

- Page 3 is our profit/loss statement on July 31, 2014.
- Operating revenue is at 53% of budget. In addition, reduced water sales for the seven month period has water sales at only 48% of budget.
- Cash operating expense is at 51% of budget.
- 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 July, 2013 to July, 2014.
- Total operating revenue is up \$37K, or 1.6%.
- Operating expenditures are down by \$486K, or 25%, due mostly to the purchase of GAC and prior year and receiving funds under Water Recovery.
- Depreciation in 2014 is \$425K more due to onetime depreciation write off of the Garden Bar Study and Recycled Water Master Plan.
- Page 8 is a graphic presentation of the water consumption comparison. Units billed in acre feet were up by 18, or .9%. Total revenue per unit sold is up \$0.02, or .8%, total revenue per connection is up \$1.83, or 2%, and units billed per connection is down .12, or .3%.

FINANCE COMMITTEE
PALMDALE WATER DISTRICT

VIA: Mr. Dennis LaMoreaux, General Manager

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August 27, 2014

Revenue Analysis Year-To-Date:

- Page 9 is our comparison of revenue, year-to-date.
- Operating revenue through July, 2014 is down \$186K.
- Retail water sales from all areas are up by \$30K from last year. That's shown by the combined green highlighted area. Water sales alone are down \$78K.
- Total revenue is up \$507K. This is due mostly to assessments received.
- Operating revenue through July, 2014 is at 53% of budget; last year we were at 57% of budget.

Expense Analysis Year-To-Date:

- Page 11 is our comparison of expense, year-to-date.
- Cash Operating Expenses through July, 2014 are up by \$936K, or 7%, compared to 2013 due to plant expenditures and the Wood settlement payment.
- Total Expenses are up \$628K, or 3%, for the same reasons.

Departments:

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

Non-Cash Definitions:

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

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

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

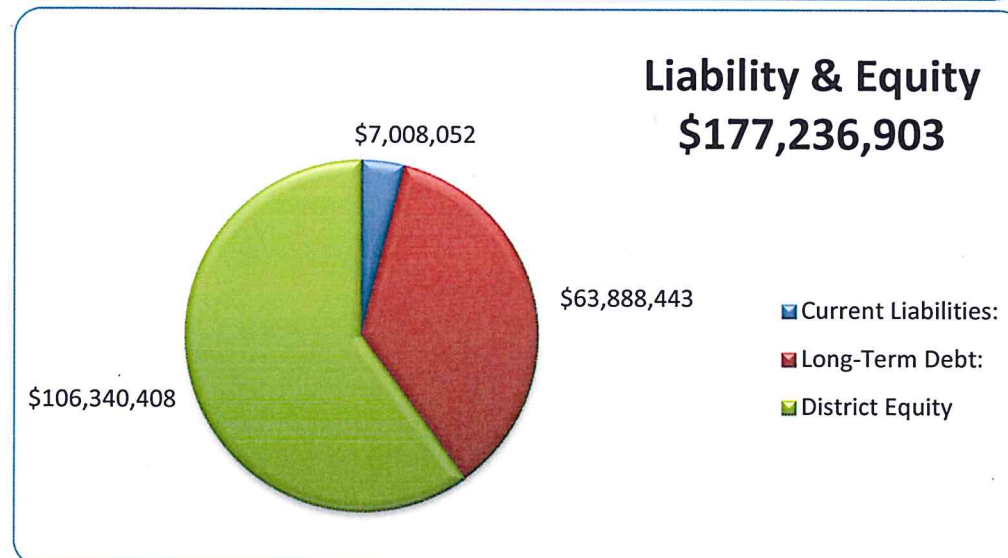
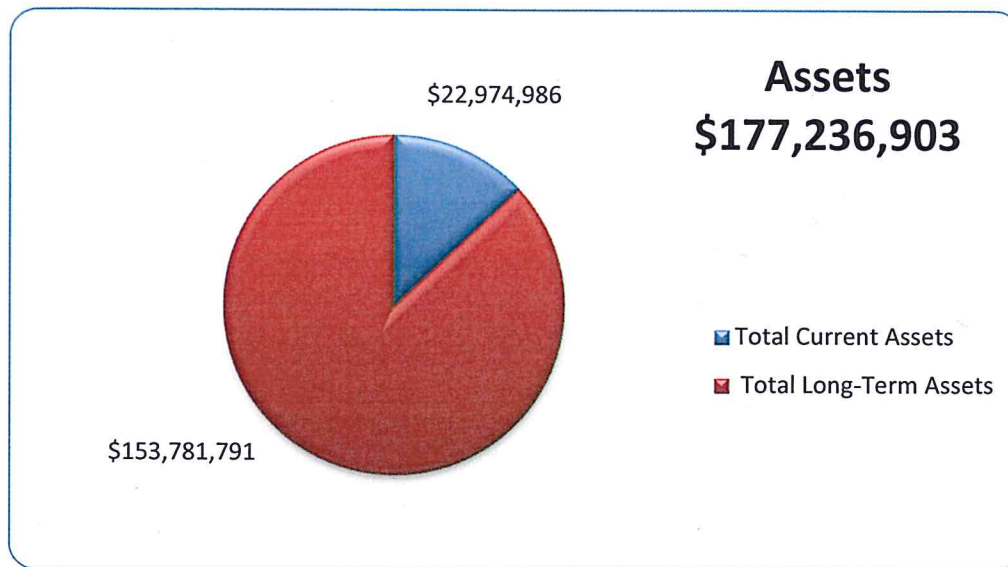
Service Cost Construction: The value of material, parts & supplies from inventory used to construct, repair and maintain our asset infrastructure.

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

Palmdale Water District
Balance Sheet Report
For the Seven Months Ending 7/31/2014

	<u>July 2014</u>	<u>June 2014</u>
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 290,331	\$ 566,119
Investments	12,229,808	12,147,241
2013A Bonds - Project Funds	6,257,722	6,257,563
	<u>\$ 18,777,861</u>	<u>\$ 18,970,923</u>
Receivables:		
Accounts Receivables - Water Sales	\$ 2,048,570	\$ 1,835,678
Accounts Receivables - Miscellaneous	46,269	43,763
Allowance for Uncollected Accounts	(214,349)	(214,349)
	<u>\$ 1,880,490</u>	<u>\$ 1,665,092</u>
Interest Receivable	\$ -	\$ -
Assessments Receivables	1,489,034	1,569,239
Meters, Materials and Supplies	718,777	734,389
Prepaid Expenses	108,824	94,254
Total Current Assets	<u>\$ 22,974,986</u>	<u>\$ 23,033,897</u>
Long-Term Assets:		
Property, Plant, and Equipment, net	\$ 113,673,456	\$ 114,437,203
Participation Rights in State Water Project, net	39,875,117	38,963,644
2013A Bonds - Insurance & Surety Bond	233,218	233,885
	<u>\$ 153,781,791</u>	<u>\$ 153,634,731</u>
Restricted Cash:		
Rate Stabilization Fund	480,125	480,104
Total Long-Term Assets & Restricted Cash	<u>\$ 154,261,917</u>	<u>\$ 154,114,836</u>
Total Assets	<u>\$ 177,236,903</u>	<u>\$ 177,148,732</u>
LIABILITIES AND DISTRICT EQUITY		
Current Liabilities:		
Current Interest Installment of Long-term Debt	\$ 745,506	\$ 559,123
Current Principal Installment of Long-term Debt	1,137,998	1,137,998
Accounts Payable and Accrued Expenses	5,327,095	4,929,699
Deferred Assessments	(202,547)	(122,342)
Total Current Liabilities	<u>\$ 7,008,052</u>	<u>\$ 6,504,479</u>
Long-Term Debt:		
Pension-Related Debt	\$ 1,084,487	\$ 1,084,487
OPEB Liability	8,522,408	8,373,509
2013A Water Revenue Bonds	43,942,726	43,944,977
2012 - Certificates of Participation	10,042,547	10,035,749
2011 - Capital Lease Payable	296,274	324,734
Total Long-Term Liabilities	<u>\$ 63,888,443</u>	<u>\$ 63,763,456</u>
Total Liabilities	<u>\$ 70,896,495</u>	<u>\$ 70,267,935</u>
District Equity		
Revenue from Operations	\$ (2,331,761)	\$ (1,791,372)
Retained Earnings	108,672,169	108,672,169
Total Liabilities and District Equity	<u>\$ 177,236,903</u>	<u>\$ 177,148,732</u>

BALANCE SHEET AS OF JULY 31, 2014



Palmdale Water District
Consolidated Profit and Loss Statement
For the Seven Months Ending 7/31/2014

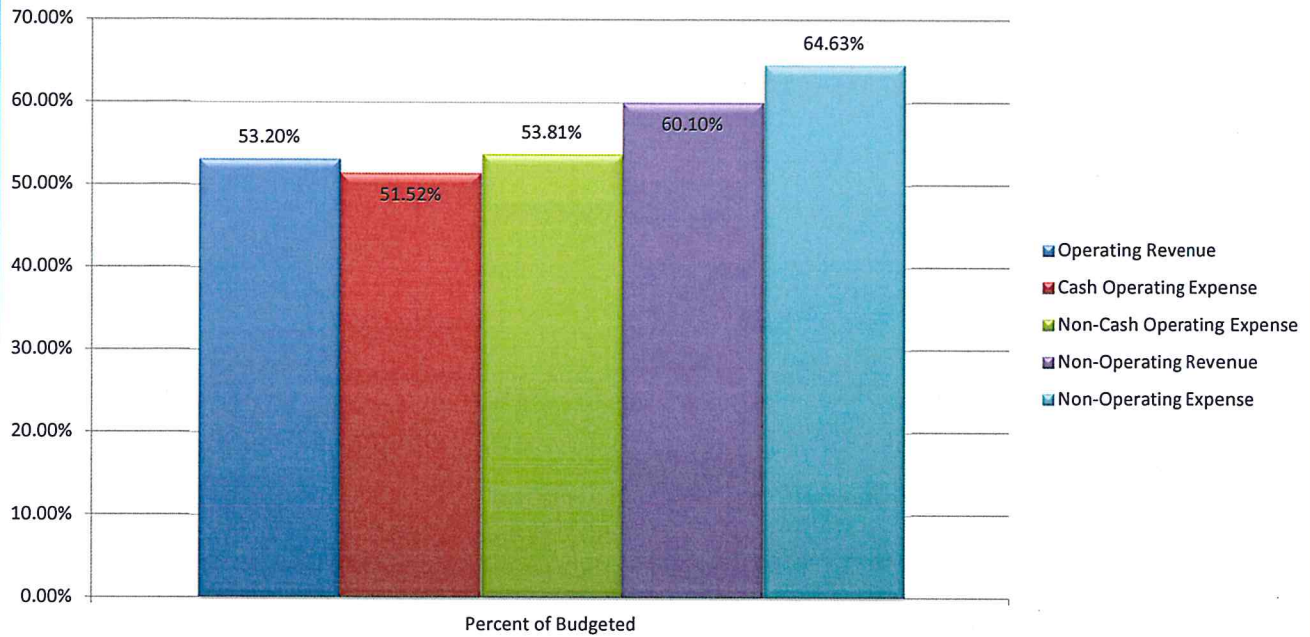
	Thru June	July	Year-to-Date	Adjustments	Adjusted Budget	% of Budget
Operating Revenue:						
Wholesale Water	\$ 38,791	\$ 43,402	\$ 82,193		\$ 225,000	36.53%
Water Sales	3,414,720	974,152	4,388,871		9,053,000	48.48%
Meter Fees	5,632,568	947,584	6,580,152		11,255,000	58.46%
Water Quality Fees	673,805	185,525	859,330		1,638,000	52.46%
Elevation Fees	201,468	59,200	260,668		525,000	49.65%
Other	701,935	105,068	807,003		1,700,000	47.47%
Total Water Sales	\$ 10,663,287	\$ 2,314,930	\$ 12,978,217	\$ -	\$ 24,396,000	53.20%
Cash Operating Expenses:						
Directors	\$ 68,118	\$ 15,532	\$ 83,650		\$ 114,500	73.06%
Administration*	1,877,769	243,191	2,120,960	(40,000)	3,450,000	61.48%
Engineering	504,555	126,181	630,736		1,079,800	58.41%
Facilities	1,442,209	346,414	1,788,623		3,408,500	52.48%
Operations	2,579,642	557,331	3,136,973		5,453,500	57.52%
Finance	1,530,638	290,520	1,821,159		2,968,750	61.34%
Water Conservation	67,624	11,237	78,861		270,000	29.21%
Human Resources*	107,336	27,850	135,186	40,000	255,300	52.95%
Information Technology	408,623	62,346	470,968		828,600	56.84%
Water Purchases	1,217,657	34,362	1,252,019		2,400,000	52.17%
Water Purchases-Prior Year OAP	683	-	683		250,000	0.27%
Water Recovery	(88,565)	(302,201)	(390,766)		(100,000)	390.77%
Plant Expenditures	1,251,502	58,223	1,309,725		2,143,500	61.10%
GAC Filter Media Replacement	9,171	-	9,171		1,638,000	0.56%
Total Cash Operating Expenses	\$ 10,976,961	\$ 1,470,988	\$ 12,447,949	\$ -	\$ 24,160,450	51.52%
Non-Cash Operating Expenses:						
Depreciation	\$ 3,309,947	\$ 1,006,510	\$ 4,316,458		\$ 7,350,000	58.73%
OPEB Accrual Expense	1,001,250	166,875	1,168,124		2,000,000	58.41%
Bad Debts	24,604	172	24,776		100,000	24.78%
Service Costs Construction	5,873	(137,158)	(131,285)		125,000	
Capitalized Construction	(537,899)	(225,819)	(763,718)		(1,000,000)	76.37%
Total Non-Cash Operating Expenses	\$ 3,803,774	\$ 810,580	\$ 4,614,355	\$ -	\$ 8,575,000	53.81%
Net Operating Profit/(Loss)	\$ (4,117,448)	\$ 33,362	\$ (4,084,086)	\$ -	\$ (8,339,450)	48.97%
Non-Operating Revenues:						
Assessments (Debt Service)	\$ 2,749,948	\$ 63,234	\$ 2,813,181		\$ 4,400,000	63.94%
Assessments (1%)	1,120,518	16,971	1,137,490		1,800,000	63.19%
DWR Fixed Charge Recovery	133,539	-	133,539		100,000	133.54%
Interest	30,950	2,543	33,493		25,000	133.97%
Capital Improvement Fees	9,889	-	9,889		150,000	6.59%
State Grants	-	-	-		485,000	0.00%
Other	152,660	14,145	166,805		185,000	90.16%
Total Non-Operating Revenues	\$ 4,197,504	\$ 96,893	\$ 4,294,397	\$ -	\$ 7,145,000	60.10%
Non-Operating Expenses:						
Interest on Long-Term Debt	\$ 1,164,501	\$ 194,872	\$ 1,359,374		\$ 2,111,000	64.39%
Amortization of SWP	957,060	159,510	1,116,570		1,679,000	66.50%
Water Conservation Programs	54,854	11,274	66,128		143,000	46.24%
Total Non-Operating Expenses	\$ 2,176,416	\$ 365,656	\$ 2,542,072	\$ -	\$ 3,933,000	64.63%
Net Earnings	\$ (2,096,360)	\$ (235,401)	\$ (2,331,761)	\$ -	\$ (5,127,450)	45.48%

* Budget adjustments by General Manager per Appendix A

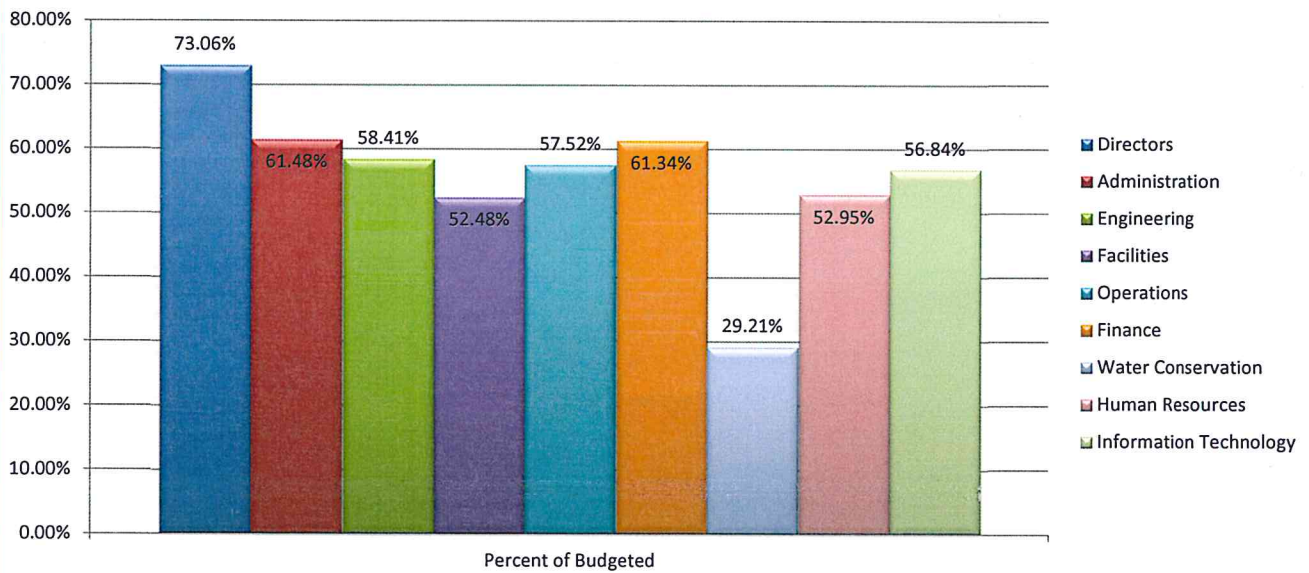
OTHER OPERATING REVENUE

Account Setup Charge(\$25)	\$2,625.00
Account Setup Charge/CC (\$35)	\$2,765.00
After Hours Service Call	\$240.00
Construction Meter Install(\$250)	\$750.00
Credit Check(\$10)	\$10.00
Customer Request Turn On/Off(\$15)	\$45.00
Door Tag Fee(\$20)	\$43,860.00
Grind Down Angle Stop (\$230)	\$230.00
Lock Broken or Missing(\$15)	\$150.00
Miscellaneous Charge	\$31.53
Pulled Meter Service Charge(\$60)	\$120.00
Repair Angle Stop After Hours(\$600.00)	\$600.00
Repair Angle Stop(\$440.00)	\$2,640.00
Shut-Off Charge(\$30)	\$6,600.00
Shut-Off Processing Fee(\$20)	\$260.00
Standard Trip Charge(\$15)	\$245.00
Late Fees	\$45,825.22
NSF Fee	\$1,500.00
	<hr/>
	\$108,496.75

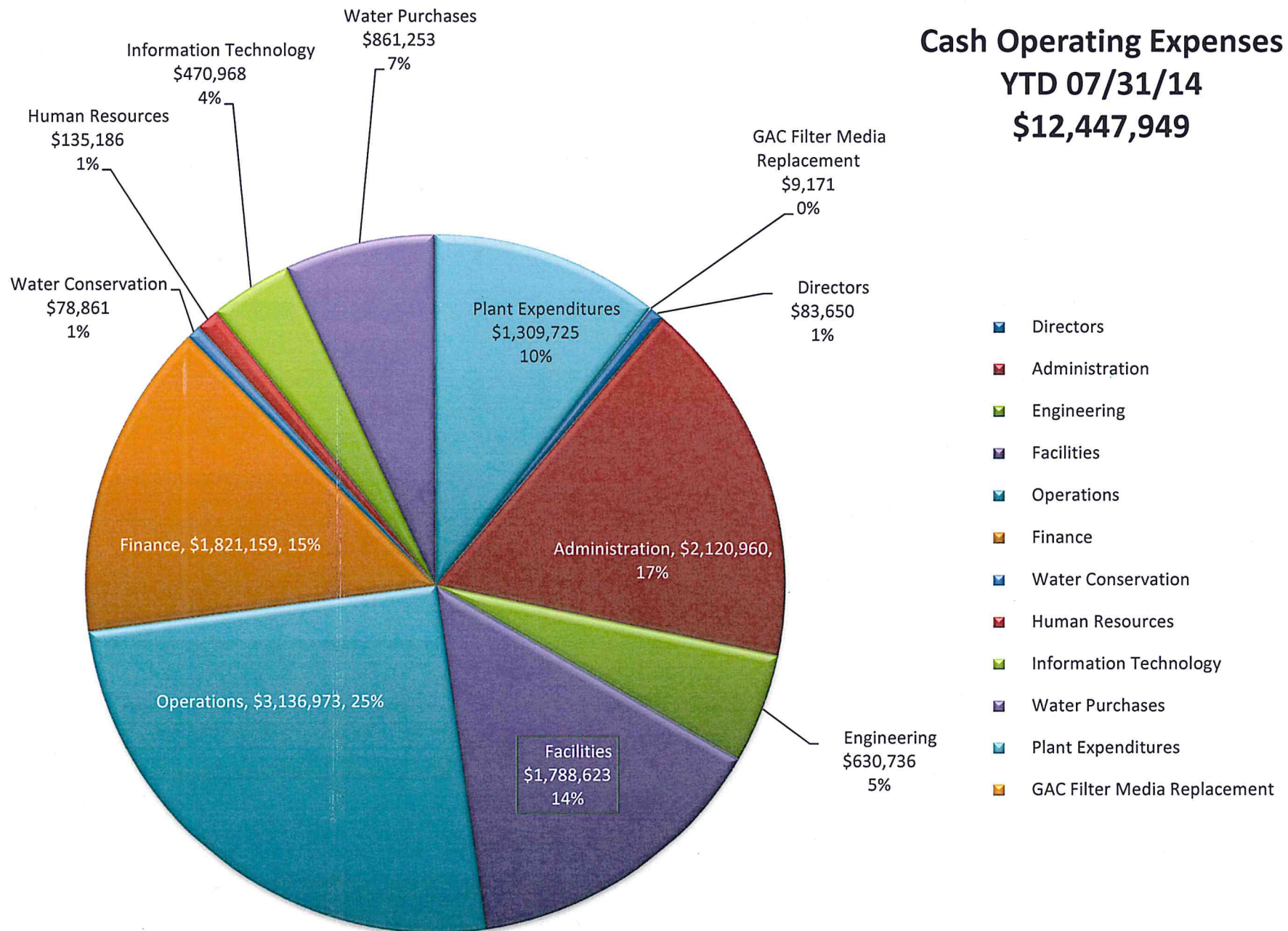
P & L BUDGET vs. ACTUAL



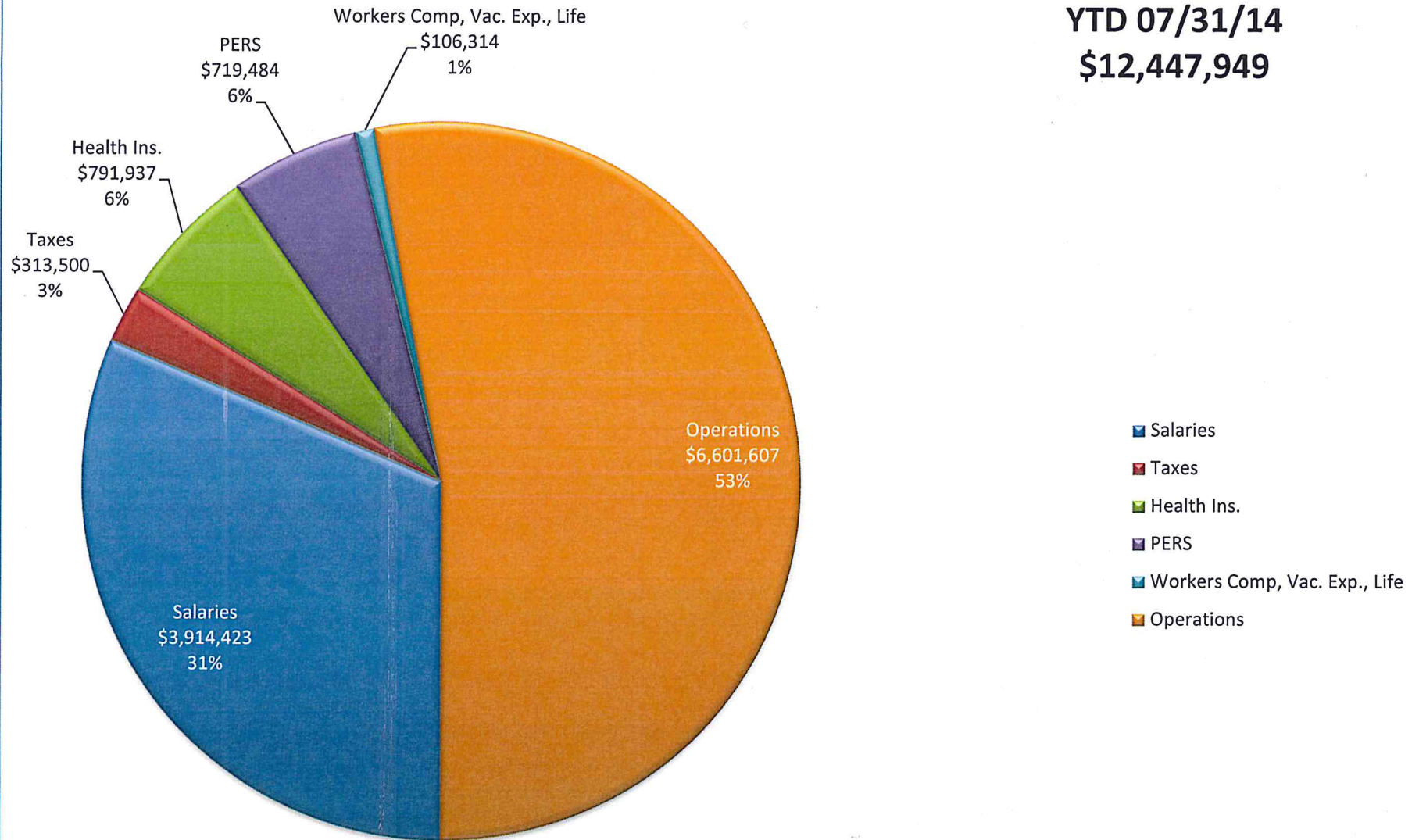
DEPARTMENTAL - BUDGET vs. ACTUAL



Cash Operating Expenses YTD 07/31/14 \$12,447,949



Personnel to Operations Exp
YTD 07/31/14
\$12,447,949

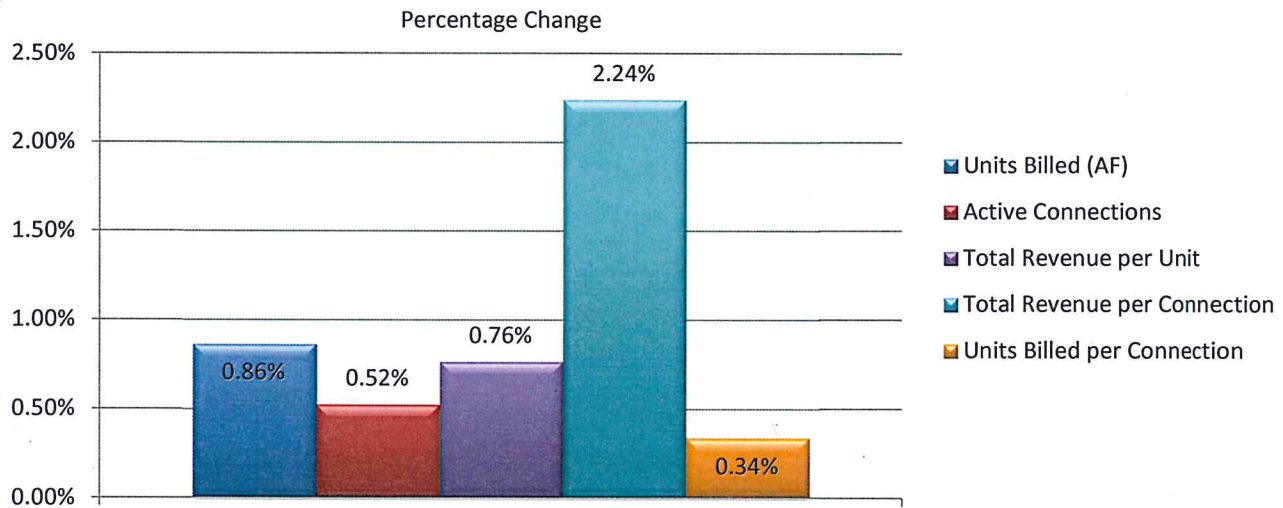
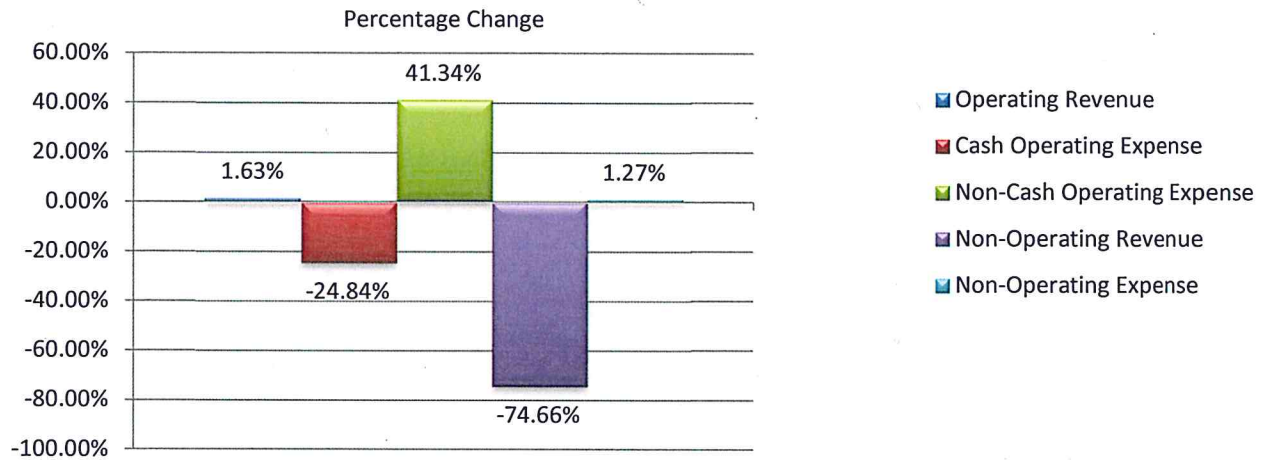


Palmdale Water District
Profit and Loss Statement
Year-To-Year Comparison - July

	2013 July	2014 July	Change	% Change		Consumption Comparison	
					Units Billed	2013	2014
Operating Revenue:						930,314	938,344
Wholesale Water	\$ 28,394	\$ 43,402	\$ 15,008	52.86%	Active	26,317	26,455
Water Sales	948,371	974,152	25,781	2.72%	Vacant	1,027	914
Meter Fees	920,744	947,584	26,840	2.92%			
Water Quality Fees	185,773	185,525	(249)	-0.13%			
Elevation Fees	66,887	59,200	(7,687)	-11.49%	Rev/unit	\$ 2.45	\$ 2.47
Other	127,538	105,068	(22,470)	-17.62%	Rev/con	\$ 81.70	\$ 83.53
Total Water Sales	\$ 2,277,708	\$ 2,314,930	\$ 37,223	1.63%	Unit/con	35.35	35.47
Cash Operating Expenses:							
Directors	\$ 8,330	\$ 15,532	\$ 7,203	86.47%			
Administration	263,268	243,191	(20,077)	-7.63%			
Engineering	125,937	126,181	244	0.19%			
Facilities	297,410	346,414	49,004	16.48%			
Operations	543,333	557,331	13,998	2.58%			
Finance	286,922	290,520	3,598	1.25%			
Water Conservation	23,733	11,237	(12,496)	-52.65%			
Human Resources	22,805	27,850	5,045	22.12%			
Information Technology	61,521	62,346	825	1.34%			
Water Purchases	74,874	34,362	(40,512)	-54.11%			
Water Purchases-Prior Year OAP	-	-	-				
Water Recovery	-	(302,201)	(302,201)				
Plant Expenditures	32,051	58,223	26,173	81.66%			
GAC Filter Media Replacement	216,829	-	(216,829)	-100.00%			
Total Cash Operating Expenses	\$ 1,957,012	\$ 1,470,988	\$ (486,025)	-24.84%			
Non-Cash Operating Expenses:							
Depreciation	\$ 580,701	\$ 1,006,510	\$ 425,809	73.33%			
OPEB Accrual Expense	165,223	166,875	1,652	1.00%			
Bad Debts	389	172	(217)	-55.74%			
Service Costs Construction	(9,354)	(137,158)	(127,804)				
Capitalized Construction	(163,471)	(225,819)	(62,348)	38.14%			
Total Non-Cash Operating Expenses	\$ 573,488	\$ 810,580	\$ 237,092	41.34%			
Net Operating Profit/(Loss)	\$ (252,793)	\$ 33,362	\$ 286,155	-113.20%			
Non-Operating Revenues:							
Assessments (Debt Service)	\$ 234,949	\$ 63,234	\$ (171,715)	-73.09%			
Assessments (1%)	98,384	16,971	(81,413)	-82.75%			
DWR Fixed Charge Recovery	-	-	-				
Interest	7,178	2,543	(4,636)	-64.58%			
Capital Improvement Fees	-	-	-				
State Grants	-	-	-				
Other	41,835	14,145	(27,690)	-66.19%			
Total Non-Operating Revenues	\$ 382,346	\$ 96,893	\$ (285,454)	-74.66%			
Non-Operating Expenses:							
Interest on Long-Term Debt	\$ 201,375	\$ 194,872	\$ (6,503)	-3.23%			
Amortization of SWP	144,745	159,510	14,765	10.20%			
Water Conservation Programs	14,964	11,274	(3,690)	-24.66%			
Total Non-Operating Expenses	\$ 361,083	\$ 365,656	\$ 4,573	1.27%			
Net Earnings	\$ (231,530)	\$ (235,401)	\$ (3,871)	1.67%			

YEAR-TO-YEAR COMPARISON

July '13 -To - July '14



	2013	2014	Change	
Units Billed (AF)	2,136	2,154	18	0.86%
Active Connections	26,317	26,455	138	0.52%
Non-Active	1,027	914	-113	-11.00%
Total Revenue per Unit	\$2.45	\$2.47	\$0.02	0.76%
Total Revenue per Connection	\$81.70	\$83.53	\$1.83	2.24%
Units Billed per Connection	35.35	35.47	0.12	0.34%

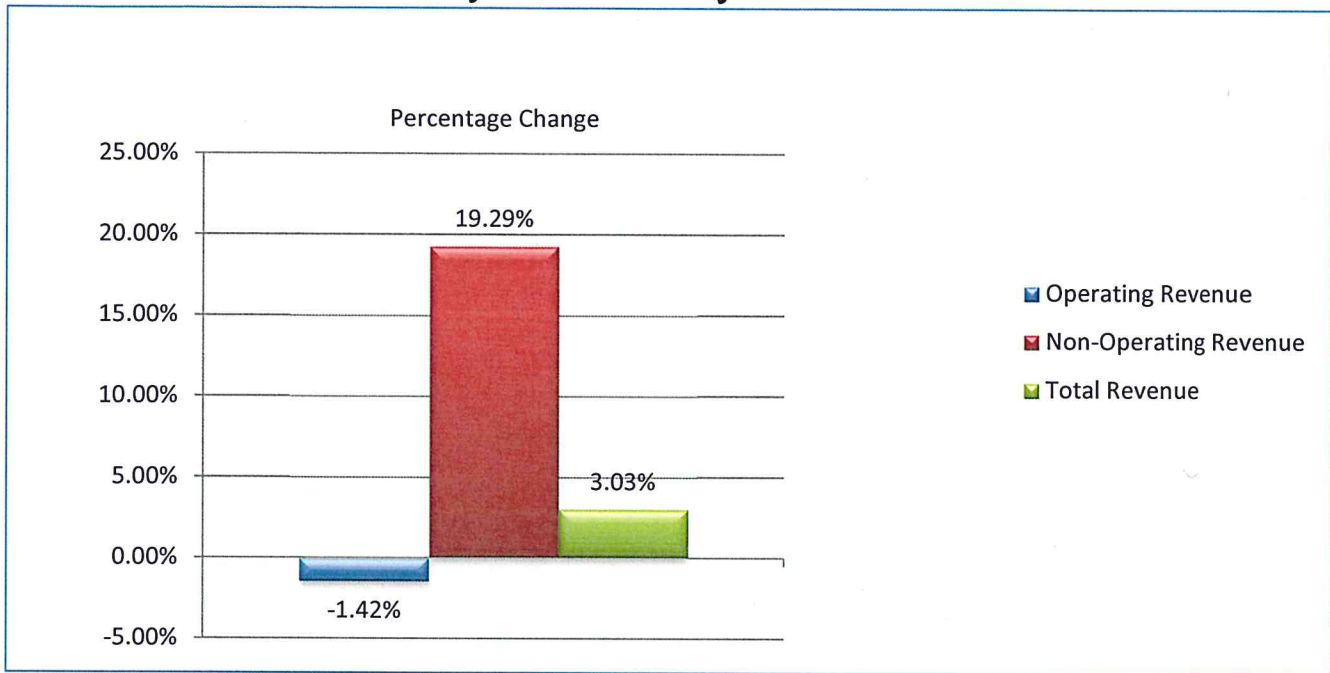
Palmdale Water District
Revenue Analysis
For the Seven Months Ending 7/31/2014

2014						2013 to 2014 Comparison			
	Thru June	July	Year-to-Date	Adjusted Budget	% of Budget	Thru June	July	Year-to-Date	% Change
Operating Revenue:									
Wholesale Water	\$ 38,791	\$ 43,402	\$ 82,193	\$ 225,000	36.53%	\$ 38,791	15,008	21,447	35.31%
Water Sales	3,414,720	974,152	4,388,871	9,053,000	48.48%	(104,500)	25,781	(78,719)	-1.76%
Meter Fees	5,632,568	947,584	6,580,152	11,255,000	58.46%	111,167	26,840	138,007	2.14%
Water Quality Fees	673,805	185,525	859,330	1,638,000	52.46%	(5,023)	(249)	(5,271)	-0.61%
Elevation Fees	201,468	59,200	260,668	525,000	49.65%	(15,487)	(7,687)	(23,174)	-8.16%
Other	701,935	105,068	807,003	1,700,000	47.47%	(216,159)	(22,470)	(238,629)	-22.82%
Total Water Sales	\$ 10,663,287	\$ 2,314,930	\$12,978,217	\$24,396,000	53.20%	\$ (191,210)	\$ 37,223	\$ (186,340)	-1.42%
Non-Operating Revenues:									
Assessments (Debt Service)	\$ 2,749,948	\$ 63,234	\$ 2,813,181	\$ 4,400,000	63.94%	\$ 593,527	\$ (171,715)	\$ 421,811	17.64%
Assessments (1%)	1,120,518	16,971	1,137,490	1,800,000	63.19%	217,527	(81,413)	136,114	13.59%
DWR Fixed Charge Recovery	133,539	-	133,539	100,000	133.54%	38,740	-	38,740	40.87%
Interest	30,950	2,543	33,493	25,000	133.97%	59,573	(4,636)	54,937	-256.18%
Capital Improvement Fees	9,889	-	9,889	150,000	6.59%	33,923	-	33,923	-141.15%
State Grants	-	-	-	485,000	0.00%	-	-	-	-
Other	152,660	14,145	166,805	185,000	90.16%	36,483	(27,690)	8,794	5.57%
Total Non-Operating Revenues	\$ 4,197,504	\$ 96,893	\$ 4,294,397	\$ 7,145,000	60.10%	\$ 979,772	\$ (285,454)	\$ 694,319	19.29%
Total Revenue	\$ 14,860,791	\$ 2,411,823	\$17,272,614	\$31,541,000	54.76%	\$ 788,562	\$ (248,231)	\$ 507,979	3.03%

2013					
	Thru June	July	Year-to-Date	Adjusted Budget	% of Budget
Operating Revenue:					
Wholesale Water	\$ 32,352	\$ 28,394	\$ 60,746	\$ 175,000	34.71%
Water Sales	3,519,220	948,371	4,467,591	8,198,000	54.50%
Meter Fees	5,521,401	920,744	6,442,145	11,232,000	57.36%
Water Quality Fees	678,828	185,773	864,602	1,638,000	52.78%
Elevation Fees	216,954	66,887	283,841	550,000	51.61%
Other	918,094	127,538	1,045,632	1,250,000	83.65%
Total Water Sales	\$ 10,854,497	\$ 2,277,708	\$13,164,557	\$22,868,000	57.57%
Non-Operating Revenues:					
Assessments (Debt Service)	\$ 2,156,421	\$ 234,949	\$ 2,391,370	\$ 4,300,000	55.61%
Assessments (1%)	902,992	98,384	1,001,376	2,501,376	40.03%
DWR Fixed Charge Recovery	94,799	-	94,799	100,000	94.80%
Interest	(28,623)	7,178	(21,444)	25,000	-85.78%
Capital Improvement Fees	(24,034)	-	(24,034)	150,000	-16.02%
State Grants	-	-	-	485,000	0.00%
Other	116,177	41,835	158,011	150,000	105.34%
Total Non-Operating Revenues	\$ 3,217,732	\$ 382,346	\$ 3,600,078	\$ 7,711,376	46.69%
Total Revenue	\$ 14,072,229	\$ 2,660,054	\$16,764,635	\$30,579,376	54.82%

REVENUE COMPARISON YEAR-TO-DATE

July '13-To-July '14



Palmdale Water District
Operating Expense Analysis
For the Seven Months Ending 7/31/2014
2014

2013 to 2014 Comparison

	Thru June	July	Year-to-Date	Adjusted Budget	% of Budget	Thru June	July	Year-to-Date	% Change
Cash Operating Expenses:									
Directors	\$ 68,118	\$ 15,532	\$ 83,650	\$ 114,500	73.06%	\$ 17,477	\$ 7,203	\$ 24,680	41.85%
Administration	1,877,769	243,191	2,120,960	3,490,000	60.77%	741,287	(20,077)	721,210	51.52%
Engineering	504,555	126,181	630,736	1,079,800	58.41%	(112,961)	244	(112,717)	-15.16%
Facilities	1,442,209	346,414	1,788,623	3,408,500	52.48%	18,214	49,004	67,218	3.90%
Operations	2,579,642	557,331	3,136,973	5,453,500	57.52%	268,247	13,998	282,246	9.89%
Finance	1,530,638	290,520	1,821,159	2,968,750	61.34%	266,207	3,598	269,805	17.39%
Water Conservation	67,624	11,237	78,861	270,000	29.21%	(41,454)	(12,496)	(53,949)	-40.62%
Human Resources	107,336	27,850	135,186	215,300	62.79%	36,626	5,045	41,670	44.56%
Information Technology	408,623	62,346	470,968	828,600	56.84%	408,623	825	92,548	24.46%
Water Purchases	1,217,657	34,362	1,252,019	2,400,000	52.17%	(64,332)	(40,512)	(104,844)	-7.73%
Water Purchases-Prior Year OAP	683	-	683	250,000	0.27%	(435,802)	-	(435,802)	-99.84%
Water Recovery	(88,565)	(302,201)	(390,766)	(100,000)	390.77%	313,080	(302,201)	10,879	-2.71%
Plant Expenditures	1,251,502	58,223	1,309,725	2,143,500	61.10%	752,524	26,173	778,697	146.64%
GAC Filter Media Replacement	9,171	-	9,171	1,638,000	0.56%	(427,897)	(216,829)	(644,726)	-98.60%
Total Cash Operating Expenses	\$ 10,976,961	\$ 1,470,988	\$ 12,447,949	\$ 24,160,450	51.52%	\$ 1,739,840	\$ (486,025)	\$ 936,916	7.53%
Non-Cash Operating Expenses:									
Depreciation	\$ 3,309,947	\$ 1,006,510	\$ 4,316,458	\$ 7,350,000	58.73%	\$ (766,128)	\$ 425,809	\$ (340,319)	-7.31%
OPEB Accrual Expense	1,001,250	166,875	1,168,124	2,000,000	58.41%	9,914	1,652	11,566	1.00%
Bad Debts	24,604	172	24,776	100,000	24.78%	19,567	(217)	19,350	356.64%
Service Costs Construction	5,873	(137,158)	(131,285)	125,000	-105.03%	(62,032)	(127,804)	(189,836)	-324.22%
Capitalized Construction	(537,899)	(225,819)	(763,718)	(1,000,000)	76.37%	(153,252)	(62,348)	(215,600)	39.33%
Total Non-Cash Operating Expenses	\$ 3,803,774	\$ 810,580	\$ 4,614,355	\$ 8,575,000	53.81%	\$ (951,931)	\$ 237,092	\$ (714,839)	-15.49%
Non-Operating Expenses:									
Interest on Long-Term Debt	\$ 1,164,501	\$ 194,872	\$ 1,359,374	\$ 2,111,000	64.39%	\$ 316,990	\$ (6,503)	\$ 310,487	29.60%
Amortization of SWP	957,060	159,510	1,116,570	1,679,000	66.50%	91,206	14,765	105,971	10.49%
Water Conservation Programs	54,854	11,274	66,128	143,000	46.24%	(5,966)	(3,690)	(9,656)	-0.45%
Total Non-Operating Expenses	\$ 2,176,416	\$ 365,656	\$ 2,542,072	\$ 3,933,000	64.63%	\$ 402,230	\$ 4,573	\$ 406,802	19.05%
Total Expenses	\$ 16,957,151	\$ 2,647,224	\$ 19,604,376	\$ 36,668,450	53.46%	\$ 1,190,138	\$ (244,360)	\$ 628,879	3.31%

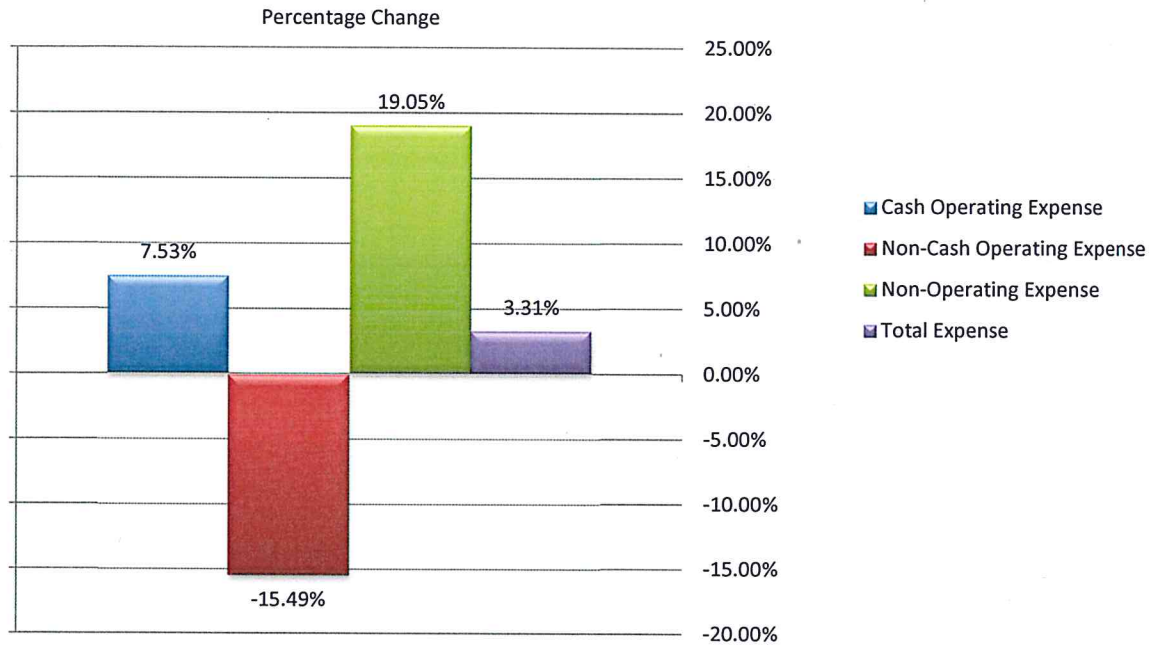
Palmdale Water District
Operating Expense Analysis
For the Seven Months Ending 7/31/2014
2013

2013 to 2014 Comparison

	Thru June	July	Year-to-Date	Adjusted Budget	% of Budget
Cash Operating Expenses:					
Directors	\$ 50,640	\$ 8,330	\$ 58,970	\$ 117,500	50.19%
Administration	1,136,482	263,268	1,399,750	2,602,000	53.80%
Engineering	617,516	125,937	743,453	1,215,750	61.15%
Facilities	1,423,995	297,410	1,721,405	3,298,500	52.19%
Operations	2,311,395	543,333	2,854,727	4,944,250	57.74%
Finance	1,264,431	286,922	1,551,354	2,789,000	55.62%
Water Conservation	109,078	23,733	132,811	239,750	55.40%
Human Resources	70,711	22,805	93,516	209,600	44.62%
Information Technology	316,900	61,521	378,420	728,000	51.98%
Water Purchases	1,281,989	74,874	1,356,863	2,600,000	52.19%
Water Purchases-Prior Year OAP	436,485	-	436,485	-	
Water Recovery	(401,645)	-	(401,645)	(100,000)	401.65%
Plant Expenditures	498,977	32,051	531,028	836,500	63.48%
GAC Filter Media Replacement	437,068	216,829	653,896	1,638,000	39.92%
Total Cash Operating Expenses	\$ 9,554,021	\$ 1,957,012	\$ 11,511,033	\$ 21,118,850	54.51%
Non-Cash Operating Expenses:					
Depreciation	\$ 4,076,076	\$ 580,701	\$ 4,656,777	\$ 7,250,000	64.23%
OPEB Accrual Expense	991,336	165,223	1,156,559	2,000,000	57.83%
Bad Debts	5,036	389	5,426	100,000	5.43%
Service Costs Construction	67,905	(9,354)	58,551	125,000	46.84%
Capitalized Construction	(384,647)	(163,471)	(548,118)	(1,000,000)	54.81%
Total Non-Cash Operating Expenses	\$ 4,755,706	\$ 573,488	\$ 5,329,194	\$ 8,475,000	62.88%
Non-Operating Expenses:					
Interest on Long-Term Debt	\$ 847,512	\$ 201,375	\$ 1,048,887	\$ 2,111,000	49.69%
Amortization of SWP	865,854	144,745	1,010,599	1,679,000	60.19%
Water Conservation Programs	60,820	14,964	75,784	150,000	50.52%
Total Non-Operating Expenses	\$ 1,774,186	\$ 361,083	\$ 2,135,270	\$ 3,940,000	54.19%
Total Expenses	\$ 16,083,913	\$ 2,891,584	\$ 18,975,497	\$ 33,533,850	56.59%

EXPENSE COMPARISON YEAR-TO-DATE

July '13-To-July '14



Palmdale Water District
2014 Directors Budget
For the Seven Months Ending Thursday, July 31, 2014

	YTD ACTUAL 2014	ORIGINAL BUDGET 2014	ADJUSTMENTS 2014	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-01-4000-000 Directors Pay	\$ 40,500	\$ 45,000	\$ -	\$ 4,500	90.00%
Employee Benefits					
1-01-4005-000 Payroll Taxes	3,077	5,500		2,423	55.94%
1-01-4010-000 Health Insurance	28,754	54,000		25,246	53.25%
Subtotal (Benefits)	31,830	59,500	-	25,246	53.50%
Total Personnel Expenses	<u>\$ 72,330</u>	<u>\$ 104,500</u>	<u>\$ -</u>	<u>\$ 29,746</u>	<u>69.22%</u>
OPERATING EXPENSES:					
1-01-4050-000 Directors Travel, Seminars & Meetings	11,320	10,000		(1,320)	113.20%
Subtotal Operating Expenses	11,320	10,000	-	(1,320)	113.20%
Total O & M Expenses	<u>\$ 83,650</u>	<u>\$ 114,500</u>	<u>\$ -</u>	<u>\$ 28,427</u>	<u>73.06%</u>

Palmdale Water District
2014 Administration Budget
For the Seven Months Ending Thursday, July 31, 2014

	YTD ACTUAL 2014	ORIGINAL BUDGET 2014	ADJUSTMENTS 2014	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-02-4000-000 Salaries	\$ 425,552	\$ 656,000		\$ 230,448	64.87%
1-02-4000-100 Overtime	5,149	7,500		2,351	68.66%
1-02-4000-200 On-Call	30,419	60,000		29,581	50.70%
Subtotal (Salaries)	\$ 461,120	\$ 723,500		\$ 262,380	63.73%
Employee Benefits					
1-02-4005-000 Payroll Taxes	33,168	41,500		8,332	79.92%
1-02-4010-000 Health Insurance	57,636	96,000		38,364	60.04%
1-02-4015-000 PERS	80,715	132,500		51,785	60.92%
1-02-4020-000 Worker's Compensation	55,066	125,000		69,934	44.05%
1-02-4025-000 Vacation Benefit Expense	46,252	35,000		(11,252)	132.15%
1-02-4030-000 Life Insurance	4,996	7,500		2,504	66.62%
Subtotal (Benefits)	\$ 277,833	\$ 437,500	\$ -	\$ 159,667	63.50%
Total Personnel Expenses	\$ 738,953	\$ 1,161,000	\$ -	\$ 422,048	63.65%
OPERATING EXPENSES:					
1-02-4050-000 Staff Travel	6,311.59	\$ 8,000		\$ 1,688	78.89%
1-02-4050-100 General Manager Travel	4,383.82	5,000		616	87.68%
1-02-4060-000 Staff Conferences & Seminars	1,948.96	3,000		1,051	64.97%
1-02-4060-100 General Manager Conferences & Seminars	1,665.04	4,500		2,835	37.00%
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	85,715	200,000		114,285	42.86%
1-02-4125-000 Insurance	153,908	300,000		146,092	51.30%
1-02-4130-000 Bank Charges	74,681	130,000		55,319	57.45%
1-02-4135-000 Groundwater Adjudication	145,193	400,000		254,807	36.30%
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	19,500	25,000		5,500	78.00%
1-02-4155-000 Contracted Services	13,387	29,000		15,613	46.16%
1-02-4165-000 Memberships/Subscriptions	79,975	210,000		130,025	38.08%
1-02-4175-000 Permits	2,150	15,000		12,850	14.33%
1-02-4180-000 Postage	19,819	30,000		10,181	66.06%
1-02-4190-100 Public Relations - Publications	12,256	40,000		27,744	30.64%
1-02-4190-900 Public Relations - Other	353	1,000		647	35.30%
1-02-4200-000 Advertising	1,012	5,000		3,988	20.24%
1-02-4205-000 Office Supplies	13,557	18,000		4,443	75.32%
1-02-4215-200 Natural Gas - Office Building	1,733	5,000		3,267	34.65%
1-02-4220-200 Electricity - Office Building	29,597	50,000		20,403	59.19%
Subtotal Operating Expenses	\$ 1,382,008	\$ 2,329,000	\$ (40,000)	\$ 906,992	59.34%
Total Departmental Expenses	\$ 2,120,960	\$ 3,490,000	\$ (40,000)	\$ 1,329,040	61.48%

* Budget adjustments by General Manager per Appendix A

Palmdale Water District
2014 Engineering Budget
For the Seven Months Ending Thursday, July 31, 2014

	YTD ACTUAL 2014	ORIGINAL BUDGET 2014	ADJUSTMENTS 2014	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-03-4000-000 Salaries	\$ 385,002	\$ 668,500		\$ 283,498	57.59%
1-03-4000-100 Overtime	5,593	6,500		907	86.05%
Subtotal (Salaries)	\$ 390,595	\$ 675,000		\$ 284,405	57.87%
Employee Benefits					
1-03-4005-000 Payroll Taxes	31,802	51,500		19,698	61.75%
1-03-4010-000 Health Insurance	77,472	134,800		57,328	57.47%
1-03-4015-000 PERS	79,474	133,500		54,026	59.53%
Subtotal (Benefits)	\$ 188,748	\$ 319,800	\$ -	\$ 131,052	59.02%
Total Personnel Expenses	\$ 579,343	\$ 994,800	\$ -	\$ 415,457	58.24%
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	1,140	2,000		860	57.00%
1-03-4250-000 General Materials & Supplies	1,472	2,500		1,028	58.88%
1-03-8100-100 Computer Software - Maint. & Support	6,846	13,500		6,654	50.71%
Subtotal Operating Expenses	\$ 51,393	\$ 85,000	\$ -	\$ 33,607	60.46%
Total Departmental Expenses	\$ 630,736	\$ 1,079,800	\$ -	\$ 449,064	58.41%

Palmdale Water District
2014 Facilities Budget
For the Seven Months Ending Thursday, July 31, 2014

	YTD ACTUAL 2014	ORIGINAL BUDGET 2014	ADJUSTMENTS 2014	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-04-4000-000 Salaries	\$ 777,928	\$ 1,450,000		\$ 672,072	53.65%
1-04-4000-100 Overtime	40,313	36,500		(3,813)	110.45%
Subtotal (Salaries)	\$ 818,242	\$ 1,486,500		\$ 668,258	55.04%
Employee Benefits					
1-04-4005-000 Payroll Taxes	67,141	111,000		43,859	60.49%
1-04-4010-000 Health Insurance	182,653	374,500		191,847	48.77%
1-04-4015-000 PERS	143,321	278,000		134,679	51.55%
Subtotal (Benefits)	\$ 393,114	\$ 763,500	\$ -	\$ 370,386	51.49%
Total Personnel Expenses	\$ 1,211,356	\$ 2,250,000	\$ -	\$ 1,042,457	53.84%
OPERATING EXPENSES:					
1-04-4050-000 Staff Travel	\$ 3,109	\$ 2,500		(609)	124.35%
1-04-4060-000 Staff Conferences & Seminars	1,176	3,000		1,824	39.20%
1-04-4155-000 Contracted Services	35,773	71,500		35,727	50.03%
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	12,380	30,000		17,620	41.27%
1-04-4225-000 Maint. & Repair - Vehicles	22,421	45,000		22,579	49.82%
1-04-4230-100 Maint. & Rep. Office Building	6,169	18,000		11,831	
1-04-4235-110 Maint. & Rep. Equipment	4,321	7,500		3,179	57.62%
1-04-4235-400 Maint. & Rep. Operations - Wells	41,534	135,000		93,466	30.77%
1-04-4235-405 Maint. & Rep. Operations - Boosters	8,083	65,000		56,917	12.44%
1-04-4235-410 Maint. & Rep. Operations - Shop Bldgs	7,109	10,000		2,891	71.09%
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	168,107	275,000		106,893	61.13%
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	39,012	35,000		(4,012)	111.46%
1-04-4235-460 Maint. & Rep. Operations - Storage Reservoirs	-	5,000		5,000	0.00%
1-04-6000-000 Waste Disposal	7,276	40,000		32,724	18.19%
1-04-6100-100 Fuel and Lube - Vehicle	72,067	130,000		57,933	55.44%
1-04-6100-200 Fuel and Lube - Machinery	25,098	43,000		17,902	58.37%
1-04-6200-000 Uniforms	13,168	21,000		7,832	62.70%
1-04-6300-100 Supplies - Misc.	34,070	47,500		13,430	71.73%
1-04-6300-800 Supplies - Construction Materials	31,820	45,000		13,180	70.71%
1-04-6400-000 Tools	7,773	12,000		4,227	64.78%
1-04-7000-100 Leases -Equipment	7,722	15,000		7,278	51.48%
Subtotal Operating Expenses	\$ 577,268	\$ 1,158,500	\$ -	\$ 581,232	49.83%
Total Departmental Expenses	\$ 1,788,623	\$ 3,408,500	\$ -	\$ 1,623,690	52.48%

Palmdale Water District
2014 Operation Budget
For the Seven Months Ending Thursday, July 31, 2014

	YTD ACTUAL 2014	ORIGINAL BUDGET 2014	ADJUSTMENTS 2014	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-05-4000-000 Salaries	\$ 996,145	\$ 1,734,000		\$ 737,855	57.45%
1-05-4000-100 Overtime	60,909	70,000		9,091	87.01%
Subtotal (Salaries)	\$ 1,057,054	\$ 1,804,000		\$ 746,946	58.60%
Employee Benefits					
1-05-4005-000 Payroll Taxes	85,337	131,000		45,663	65.14%
1-05-4010-000 Health Insurance	205,506	343,000		137,494	59.91%
1-05-4015-000 PERS	195,374	324,000		128,626	60.30%
Subtotal (Benefits)	\$ 486,217	\$ 798,000	\$ -	\$ 311,783	60.93%
Total Personnel Expenses	\$ 1,543,271	\$ 2,602,000	\$ -	\$ 1,049,638	59.31%
OPERATING EXPENSES:					
1-05-4050-000 Staff Travel	\$ 3,953	\$ 8,000		\$ 4,047	49.41%
1-05-4060-000 Staff Conferences & Seminars	1,049	9,500		8,451	11.04%
1-05-4120-100 Training - Lab Equipment	6,867	4,500		(2,367)	152.60%
1-05-4120-200 Training - SCADA Network	-	9,000		9,000	0.00%
1-05-4155-000 Contracted Services	67,686	109,250		41,564	61.96%
1-05-4175-000 Permits	12,263	45,000		32,737	27.25%
1-05-4215-100 Natural Gas - Wells & Boosters	149,617	236,000		86,383	63.40%
1-05-4215-200 Natural Gas - WTP	937	3,000		2,063	31.22%
1-05-4220-100 Electricity - Wells & Boosters	926,154	1,515,000		588,846	61.13%
1-05-4220-200 Electricity - WTP	47,832	125,000		77,168	38.27%
1-05-4230-110 Maint. & Rep. - Office Equipment	-	500		500	0.00%
1-05-4235-110 Maint. & Rep. Operations - Equipment	7,515	22,500		14,985	33.40%
1-05-4235-410 Maint. & Rep. Operations - Shop Bldgs	3,154	6,000		2,846	52.56%
1-05-4235-415 Maint. & Rep. Operations - Facilities	40,050	45,000		4,950	89.00%
1-05-4235-445 Maint. & Rep. Operations - Telemetry	-	2,250		2,250	0.00%
1-05-4235-450 Maint. & Rep. Operations - Hypo Generator	34,259	30,000		(4,259)	114.20%
1-05-4235-500 Maint. & Rep. Operations - Wind Turbine	-	6,000		6,000	0.00%
1-05-4236-000 Palmdale Lake Management	2,295	15,000		12,705	15.30%
1-05-4270-300 Telecommunication - Other	1,762	2,750		988	64.07%
1-05-4300-300 Testing - Edison	-	9,000		9,000	0.00%
1-05-6000-000 Waste Disposal	3,182	14,000		10,818	22.73%
1-05-6200-000 Uniforms	8,306	12,000		3,694	69.22%
1-05-6300-100 Supplies - Misc.	15,979	15,000		(979)	106.52%
1-05-6300-200 Supplies - Hypo Generator	4,392	6,750		2,358	65.06%
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	27,117	35,000		7,883	77.48%
1-05-6300-700 Outside Lab Work	25,920	60,000		34,080	43.20%
1-05-6400-000 Tools	5,639	6,500		861	86.75%
1-05-6500-000 Chemicals	196,090	485,000		288,910	40.43%
1-05-7000-100 Leases -Equipment	1,534	3,000		1,466	51.13%
Subtotal Operating Expenses	\$ 1,593,702	\$ 2,851,500	\$ -	\$ 1,257,798	55.89%
Total Departmental Expenses	\$ 3,136,973	\$ 5,453,500	\$ -	\$ 2,307,436	57.52%

Palmdale Water District
2014 Finance Budget
For the Seven Months Ending Thursday, July 31, 2014

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

1-06-4000-000 Salaries	\$ 896,714	\$ 1,645,000	\$ 748,286	54.51%
1-06-4000-100 Overtime	12,689	19,000	6,311	66.79%
Subtotal (Salaries)	\$ 909,403	\$ 1,664,000	\$ -	54.65%

Employee Benefits

1-06-4005-000 Payroll Taxes	73,510	123,000	49,490	23.19%
1-06-4010-000 Health Insurance	197,563	317,000	119,437	59.69%
1-06-4015-000 PERS	181,428	331,000	149,572	23.53%
Subtotal (Benefits)	\$ 452,501	\$ 771,000	\$ -	58.69%
Total Personnel Expenses	\$ 1,361,905	\$ 2,435,000	\$ -	55.93%

OPERATING EXPENSES:

1-06-4050-000 Staff Travel	\$ -	\$ 250	250	0.00%
1-06-4060-000 Staff Conferences & Seminars	69	1,000	931	6.90%
1-06-4155-300 Contracted Services	11,648	21,000	9,352	55.47%
1-06-4155-100 Contracted Services - Infosend	118,325	205,000	86,676	57.72%
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	18,542	10,000	(8,542)	185.42%
1-06-4235-470 Maint. & Rep. Operations - Meter Exchanges	278,000	225,000	(53,000)	123.56%
1-06-4250-000 General Material & Supplies	2,796	6,000	3,204	46.61%
1-06-4260-000 Business Forms	5,032	10,000	4,968	50.32%
1-06-4270-100 Telecommunication - Office	7,721	12,000	4,279	64.34%
1-06-4270-200 Telecommunication - Cellular Stipend	8,910	17,000	8,090	52.41%
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	1,302	3,000	1,698	43.38%
Subtotal Operating Expenses	\$ 459,254	\$ 533,750	\$ -	86.04%
Total Departmental Expenses	\$ 1,821,159	\$ 2,968,750	\$ -	61.34%

Palmdale Water District
2014 Water Conservation Budget
For the Seven Months Ending Thursday, July 31, 2014

	YTD ACTUAL 2014	ORIGINAL BUDGET 2014	ADJUSTMENTS 2014	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-07-4000-000 Salaries	\$ 46,508	\$ 168,500		\$ 121,992	27.60%
1-07-4000-100 Overtime	1,854	1,000		(854)	185.38%
Subtotal (Salaries)	\$ 48,362	\$ 169,500		\$ 121,138	28.53%
Employee Benefits					
1-07-4005-000 Payroll Taxes	4,164	13,000		8,836	32.03%
1-07-4010-000 Health Insurance	10,685	31,500		20,815	33.92%
1-07-4015-000 PERS	8,740	34,000		25,260	25.71%
Subtotal (Benefits)	\$ 23,589	\$ 78,500	\$ -	\$ 54,911	30.05%
Total Personnel Expenses	\$ 71,951	\$ 248,000	\$ -	\$ 176,903	29.01%
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	\$ 78,861	\$ 270,000	\$ -	\$ 191,992	29.21%

Palmdale Water District
2014 Human Resources Budget
For the Seven Months Ending Thursday, July 31, 2014

	YTD ACTUAL 2014	ORIGINAL BUDGET 2014	ADJUSTMENTS 2014	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-08-4000-000 Salaries	\$ 54,355	\$ 97,000		\$ 42,645	56.04%
Employee Benefits					
1-08-4005-000 Payroll Taxes	4,463	7,500		3,037	59.51%
1-08-4010-000 Health Insurance	9,269	19,200		9,931	48.28%
1-08-4015-000 PERS	3,606	6,500		2,894	55.48%
Subtotal (Benefits)	\$ 17,338	\$ 33,200	\$ -	\$ 15,862	52.22%
Total Personnel Expenses	\$ 71,693	\$ 130,200	\$ -	\$ 58,507	55.06%
OPERATING EXPENSES:					
1-08-4050-000 Staff Travel	\$ 1,302	\$ 500		\$ (802)	260.31%
1-08-4060-000 Staff Conferences & Seminars	-	500		500	0.00%
1-08-4070-000 Employee Expense*	27,575	-	40,000	12,425	68.94%
1-08-4090-000 Temporary Staffing	-	-		-	
1-08-4095-000 Employee Recruitment	10,336	3,000		(7,336)	344.53%
1-08-4100-000 Employee Retention**	3,828	1,500	18,500	16,172	19.14%
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	10,553	33,500		22,947	31.50%
Subtotal Operating Expenses	\$ 63,493	\$ 85,100	\$ 58,500	\$ 80,107	44.22%
Total Departmental Expenses	\$ 135,186	\$ 215,300	\$ 58,500	\$ 138,614	49.37%

* 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 Seven Months Ending Thursday, July 31, 2014

	YTD ACTUAL 2014	ORIGINAL BUDGET 2014	ADJUSTMENTS 2014	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-09-4000-000 Salaries	\$ 134,044	\$ 226,000		\$ 91,956	59.31%
1-09-4000-100 Overtime	748	2,500		1,752	29.92%
Subtotal (Salaries)	\$ 134,792	\$ 228,500		\$ 93,708	58.99%
Employee Benefits					
1-09-4005-000 Payroll Taxes	10,838	16,000		5,162	67.74%
1-09-4010-000 Health Insurance	22,400	38,400		16,000	58.33%
1-09-4015-000 PERS	26,827	45,200		18,373	59.35%
Subtotal (Benefits)	\$ 60,065	\$ 99,600	\$ -	\$ 39,535	60.31%
Total Personnel Expenses	\$ 194,857	\$ 328,100	\$ -	\$ 131,491	59.39%
OPERATING EXPENSES:					
1-09-4050-000 Staff Travel	\$ 165	\$ 3,000		2,835	5.49%
1-09-4060-000 Staff Conferences & Seminars	12,628	15,000		2,372	84.19%
1-09-4155-000 Contracted Services	39,387	129,000		89,613	30.53%
1-09-4165-000 Memberships/Subscriptions	240	500		260	48.00%
1-09-4270-000 Telecommunications	37,528	55,500		17,972	67.62%
1-09-8000-100 Computer Equipment - Computers	5,938	25,000		19,062	23.75%
1-09-8000-200 Computer Equipment - Laptops	3,182	5,000		1,818	63.64%
1-09-8000-300 Computer Equipment - Monitors	-	2,000		2,000	0.00%
1-09-8000-400 Computer Equipment - Printers	156	15,000		14,844	1.04%
1-09-8000-500 Computer Equipment - Toner Cartridges	148	3,000		2,852	4.92%
1-09-8000-550 Computer Equipment - Telephony	-	2,500		2,500	0.00%
1-09-8000-600 Computer Equipment - Other	36,536	35,000		(1,536)	104.39%
1-09-8100-100 Computer Software - Maint. and Support	54,271	70,000		15,729	77.53%
1-09-8100-140 Computer Software - Starnik	59,000	95,000		36,000	62.11%
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	\$ 276,111	\$ 500,500	\$ -	\$ 224,389	55.17%
Total Departmental Expenses	\$ 470,968	\$ 828,600	\$ -	\$ 355,880	56.84%

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

AGENDA ITEM NO. 4.4

Contractually Committed Project Summary															
Project Title	Contract Amount	Project No.	Payee	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14
Well No. 14A Rehabilitation	\$ 87,095	601-14	Reed / Best Drilling & Pump						\$ 80,530						
Water System Master Plan Update	\$ 196,043	14-404	MWH					\$ 6,040	\$ 8,240	\$ 21,805	\$ 14,833	\$ 30,000	\$ 30,000	\$ 40,003	\$ 45,122
2014 Water Rate Sudy	\$ 156,857	PL02	B&W / Passantino / Mailing						\$ 15,033	\$ 47,178	\$ 16,163	\$ 40,000	\$ 38,483		
Annual Tank Maintenance Program	\$ 319,100	RCP03	Superior Tank Solutions					\$ 319,100							
Distribution SCADA Radio Upgrade	\$ 140,000	PRO07	Sage Designs and Aluma				\$ 81,819	\$ 25,000				\$ 33,187			
Dredging @ Lake Outlet Structure / Mech. Repairs	\$ 300,000	403-14	Cushman Contracting			\$ 235,289	\$ 7,596						\$ 57,115		
Security Improvement Project (Feasibility/Design)	\$ 58,730	400-14	Exante 360	\$ 6,509	\$ 13,220			\$ 5,828				\$ 9,001			
Website Development	\$ 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	\$ 14,000			
Board Room Audio System Improvements	\$ 26,400	N/A	CWI Cal-West			\$ 13,200	\$ 6,600	\$ 6,600							
WIFI Installation and Testing	\$ 22,844	PRO24	AKINS IT					\$ 19,844	\$ 3,000						
Contractually Committed Project Payout Totals:	\$ 1,406,069			\$ 6,509	\$ 13,220	\$ 248,489	\$ 96,015	\$ 396,485	\$ 124,542	\$ 74,066	\$ 31,671	\$ 126,188	\$ 125,598	\$ 40,003	\$ 45,122
Budgeted and Uncommitted Project Summary															
Project Title	Budget Amount	Project No.	Payee	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14
Well No. 20 Abandonment	\$ 20,000	RCP12	TBD										\$ 20,000		
Security Improvement Project (Construction)	\$ 141,270	400-14	TBD									\$ 45,000	\$ 45,000	\$ 36,270	\$ 15,000
Purchase of Radio-Read Meters	\$ 725,000	RCP01	TBD									\$ 400,000	\$ 200,000	\$ 125,000	
Installation of Radio-Read Meters	\$ 152,000	RCP02	TBD										\$ 80,000	\$ 40,000	\$ 32,000
Replacement Fleet (1) 1/2-Ton and (3) 3/4-TON Trucks	\$ 190,000	RE02-RE05	TBD									\$ 135,000	\$ 55,000		
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									\$ 11,000	\$ 10,000		
Budgeted and Uncommitted Project Payout Estimates:	\$ 1,344,270			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 591,000	\$ 505,000	\$ 201,270	\$ 47,000
Contractually Committed and Uncommitted Totals															
Contractually Committed and Uncommitted Totals:	\$ 2,750,339			\$ 6,509	\$ 13,220	\$ 248,489	\$ 96,015	\$ 396,485	\$ 124,542	\$ 74,066	\$ 31,671	\$ 717,188	\$ 630,598	\$ 241,273	\$ 92,122

Water Quality Fund Committed Contracts and Payout Schedule															
Project Title	Contract Amount	Project No.	Payee	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14
GAC Replacement @ WTP	\$ 1,199,589	WQF-1	Calgon									\$ 600,000	\$ 300,000	\$ 300,000	
GAC Replacement @ Underground Booster Station	\$ 40,000	WQF-2	Siemens										\$ 40,000		
Water Quality Fund Totals:	\$ 1,239,589			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 600,000	\$ 340,000	\$ 300,000	\$ -

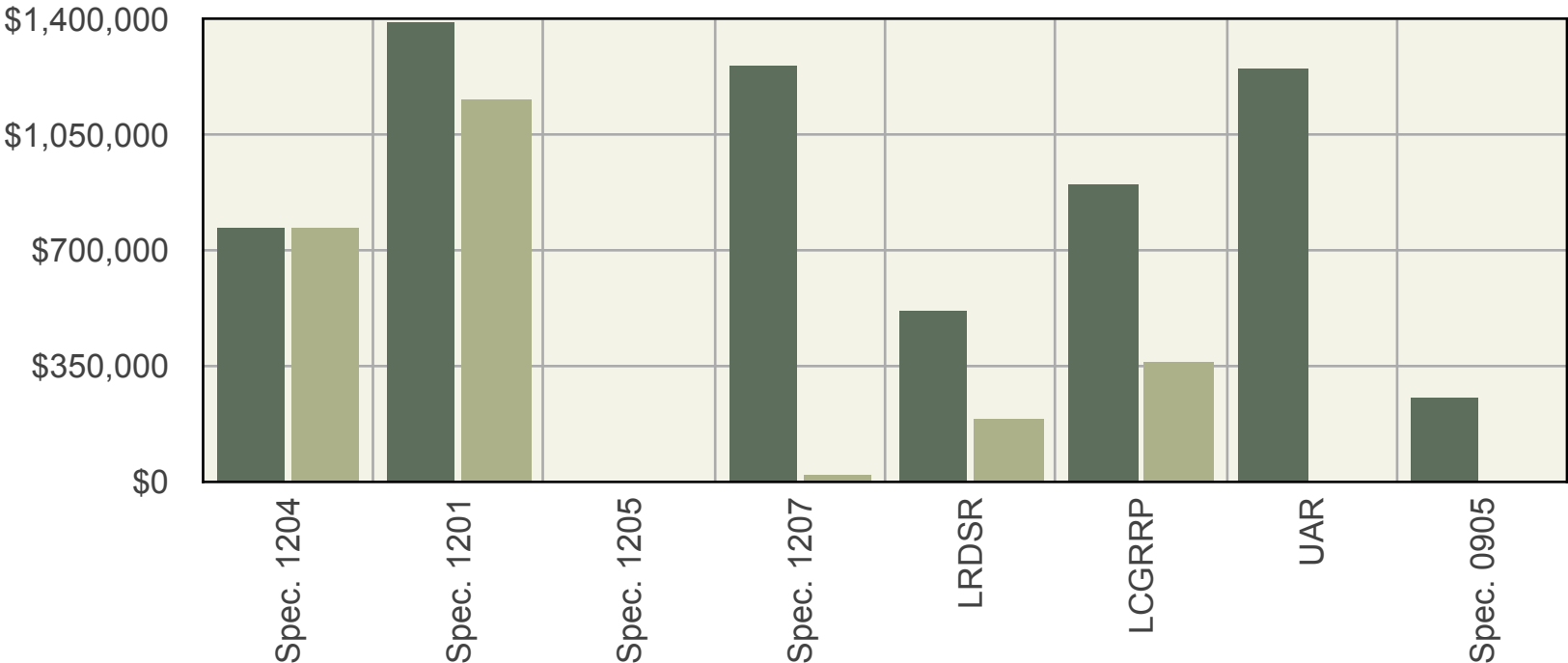
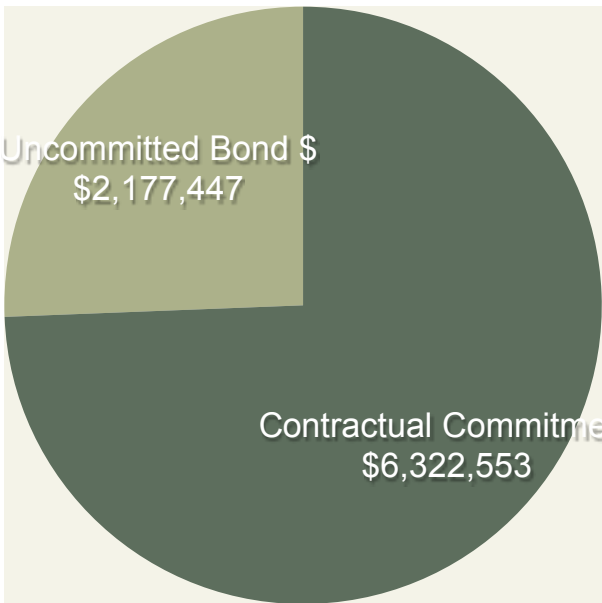
PWD WATER REVENUE BONDS - SERIES 2013A

Contractual Commitment

Uncommitted Bond \$

Contractual Commitment

Payout to Date



Project Commitment and Payout Summary

Project	Work Order No.	Description	Allocated Bond \$	Contractual Commitment	Payout to Date	Uncommitted Bond \$
Spec. 1204	603-12	Ave. Q - Q-3, Division and Sumac	\$725,000	\$765,085	\$765,085	(\$40,085)
Spec. 1201	606-11	20th, Puerta, Sweetbriar, and 22nd St. E.	\$1,450,000	\$1,387,042	\$1,157,527	\$62,958
Spec. 1205	605-12	Frontier, 31st St. E., etc. between Ave. Q and Q-4	\$1,200,000	\$0	\$0	\$1,200,000
Spec. 1207	607-12	10th St. E. between Ave. P and Palmdale Blvd.	\$1,400,000	\$1,255,008	\$18,626	\$144,992
LRDSR	501-04	Littlerock Sediment Removal (EIR/EIS/Permits)	\$975,000	\$515,925	\$189,438	\$459,075
LCGRRP	400-12	Littlerock Recharge and Recovery (Feasibility)	\$1,500,000	\$899,493	\$358,410	\$600,507
UAR	TBD	Upper Amargosa Recharge (Project Capacity)	\$1,250,000	\$1,250,000	\$0	\$0
Spec. 0905	601-09	15th St. E. between Ave. P and Ave. Q (Material Only)	\$0	\$250,000	\$0	(\$250,000)
Totals:			\$8,500,000	\$6,322,553	\$2,489,086	\$2,177,447

Project Payout Detail

Date	Project	Description	Invoice No.	Requisition No.	Payment Amount
Jul 8, 2013	WRB	Issuance Costs	N/A	2	\$ 24,815.84
Jul 9, 2013	Spec. 1204	BV Construction - Progress Payment #1	1	3	\$ 98,552.53
Jul 17, 2013	Spec. 1207	JT Eng. - Design Progress Payment	5187	4	\$ 9,108.00
Aug 5, 2013	Spec. 1204	BV Construction - Progress Payment #2	2	5	\$ 145,175.44
Sep 4, 2013	Spec. 1204	BV Construction - Progress Payment #3-4	3 and 4	6	\$ 167,790.43
Sep 30, 2013	LRDSR	Aspen - EIR/EIS Progress Payment	1116.002-01	7	\$ 18,499.60
Sep 30, 2013	Spec. 1204	BV Construction - Progress Payment #5	5	8	\$ 46,862.08
Oct 24, 2013	Spec. 1204	BV Construction - Progress Payment #6	6	9	\$ 51,052.05
Oct 24, 2013	LRDSR	Aspen - EIR/EIS Progress Payment	1116.002-02	10	\$ 8,410.32
Nov 7, 2013	Spec. 1204	BV Construction - Progress Payment #7	7	11	\$ 87,960.50
Dec 4, 2013	Spec. 1204	BV Construction - Progress Payment #8	8	12	\$ 70,650.08
Dec 4, 2013	LRDSR	Aspen - EIR/EIS Progress Payment	1116.002-03	13	\$ 11,054.97
Jan 2, 2014	LCGRRP	Kennedy/Jenks - Progress Payment	78236	14	\$ 24,066.25
Jan 2, 2014	Spec. 1201	BV Construction - Progress Payment #1	1	14	\$ 29,925.00
Jan 2, 2014	Spec. 1204	BV Construction - Progress Payment #9	9	14	\$ 58,787.84
Jan 2, 2014	LRDSR	Aspen - EIR/EIS Progress Payment	1116.002-04	14	\$ 36,178.95
Jan 2, 2014	Spec. 1207	JT Eng. - Design Progress Payment	5200	14	\$ 9,518.00
Jan 21, 2014	Spec. 1201	BV Construction - Progress Payment #2 & #3	2 & 3	15	\$ 114,095.00
Feb 24, 2014	LRDSR	Aspen - EIR/EIS Progress Payment	1116.002-05	16	\$ 4,917.47
Feb 24, 2014	Spec. 1201	BV Construction - Progress Payment #4 & #5	4 & 5	16	\$ 131,743.15
Mar 3, 2014	Spec. 1204	BV Construction - Retention Payment	10	17	\$ 38,254.26
Mar 3, 2014	LCGRRP	Kennedy/Jenks - Progress Payment	79010 & 80391	17	\$ 113,652.66
Mar 31, 2014	Spec. 1201	BV Construction - Progress Payment #6	6	18	\$ 126,834.50
Mar 31, 2014	LRDSR	Aspen - EIR/EIS Progress Payment	1116.002-06 and 07	18	\$ 17,080.04
Apr 16, 2014	LCGRRP	Kennedy/Jenks - Progress Payment	78236	19	\$ 28,228.60
Apr 16, 2014	Spec. 1201	BV Construction - Progress Payment #7	7	19	\$ 252,741.80
May 15, 2014	Spec. 1201	BV Construction - Progress Payment #8	8	20	\$ 69,825.00
May 15, 2014	LRDSR	Aspen - EIR/EIS Progress Payment	1116.002-08	20	\$ 33,388.96
May 15, 2014	LCGRRP	Kennedy/Jenks - Progress Payment	82422 & 80900	20	\$ 135,858.74
Jun 4, 2014	Spec. 1201	BV Construction - Progress Payment #9	9	21	\$ 67,260.00
Jun 4, 2014	LRDSR	Aspen - EIR/EIS Progress Payment	1116.002-09	21	\$ 31,845.93
Jun 30, 2014	Spec. 1201	BV Construction - Progress Payment #10	10	22	\$ 139,498.00
Jun 30, 2014	LCGRRP	Kennedy/Jenks - Progress Payment	83735	23	\$ 30,172.21
Jun 30, 2014	LRDSR	Aspen - EIR/EIS Progress Payment	1116.002-10	23	\$ 10,672.32
Jul 21, 2014	Spec. 1201	BV Construction - Progress Payment #11	11	24	\$ 141,217.50
Jul 21, 2014	LCGRRP	Kennedy/Jenks - Progress Payment	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

APPENDIX M

BID PROCUREMENT AND CHANGE ORDER POLICY

I. Work Costing More Than \$25,000

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

n. The following terms shall have the following meanings:

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

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

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

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

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

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

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

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

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

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

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

IV. Change Order Policy

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

V. Exceptions to Statement of Policy

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

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

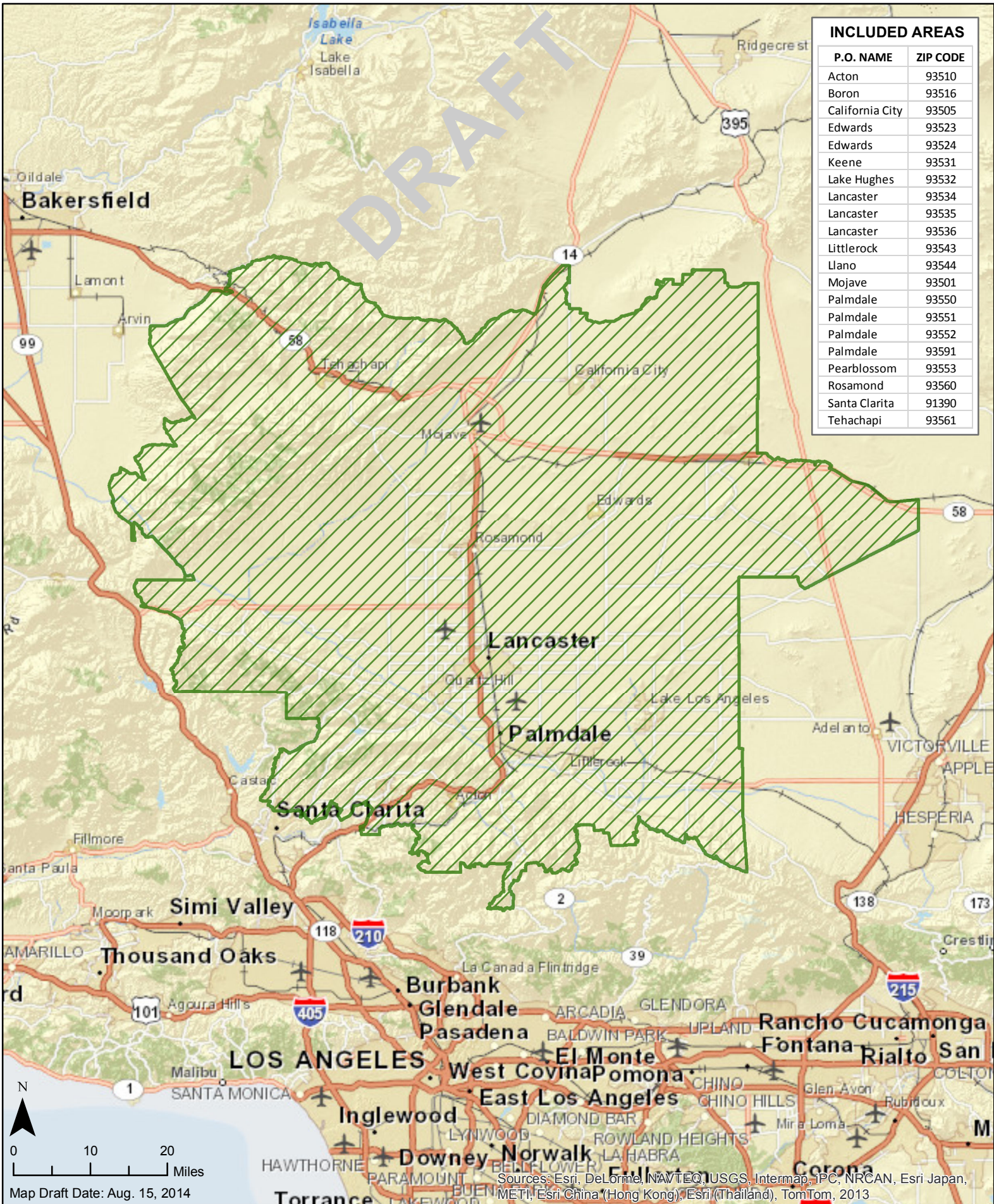
- (c) Office supplies;
- (d) Aggregate (sand, base and similar materials);
- (e) Cold mix asphalt;
- (f) Data mailers;
- (g) Water meters.

VI. Scope of Statement of Policy

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

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

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



PALMDALE WATER DISTRICT RULES AND REGULATIONS APPENDIX "M"
LOCAL CONTRACTOR AND VENDOR BOUNDARY MAP

PROJECT LABOR AGREEMENT

BY AND BETWEEN

THE PALMDALE WATER DISTRICT

AND

LOS ANGELES/ORANGE COUNTIES

BUILDING AND CONSTRUCTION TRADES COUNCIL

AND THE SIGNATORY CRAFT COUNCILS AND UNIONS

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**PALMDALE WATER DISTRICT
PROJECT LABOR AGREEMENT
FOR NEW CONSTRUCTION AND MODERNIZATION**

This Project Labor Agreement (“Agreement”) is entered into by and between the Board of Directors of the Palmdale Water District, and its successors or assigns, (“District”), the Los Angeles/Orange Counties Building and Construction Trades Council (“Council”), and the signatory Craft Councils and Local Unions signing this Agreement (collectively, the “Union” or “Unions”). This Agreement establishes the labor relations Policies and Procedures for the District and for the craft employees represented by the Unions engaged in the District’s Improvement Projects as more fully described below. The District, Council and Unions are hereinafter referred to herein, as the context may require, as “Party” or “Parties.”

It is understood by the Parties to this Agreement that if this Agreement is acceptable to the District, it will become the policy of the District, to the extent permitted by law as noted in Section 2.7 hereinafter, for the Project Work to be contracted exclusively to Contractors who agree to execute and be bound by the terms of this Agreement, directly or through the Letter of Assent (a form of which is attached as “Attachment A”), and to require each of its subcontractors, of whatever tier, to become bound. The District shall include, directly or by incorporation by reference, the requirements of this Agreement in the advertisement of and/or specifications for each and every contract for Project Work to be awarded by the District.

It is further understood that the District shall actively administer and enforce the obligations of this Agreement, again to the extent permitted by law as noted in Section 2.7 hereinafter, to ensure that the benefits envisioned from it flow to all signatory Parties, the Contractors and crafts persons working under it, and the residents and rate payers of the District. The District shall therefore designate a “Project Labor Coordinator,” either from its own staff or an independent contractor acting on behalf of the District, to monitor compliance with this Agreement; assist, as the authorized representative of the District, in developing and implementing the programs referenced herein, all of which are critical to fulfilling the intent and purposes of the Parties and this Agreement; and to otherwise implement and administer this Agreement. For such purposes, each Contractor recognizes the Project Labor Coordinator, its successors or assigns, as its agent; and together with District and the Unions, the Project Labor Coordinator shall be considered a “negotiating party” of this Agreement.

**ARTICLE I
DEFINITIONS**

Section 1.1 "Agreement" means this Project Labor Agreement.

Section 1.2 "Apprentice" means those employees indentured and participating in a Joint Labor/Management Apprenticeship Program approved by the State of California, Department of Industrial Relations, Division of Apprenticeship Standards.

Section 1.3 "Construction Contract" and "Construction Contracts" means any contract entered into by the as defined by Section 2.2.

Section 1.4 "Contractor" means any individual firm, partnership or corporation, or combination thereof, including joint ventures, which is an independent business enterprise and which has entered into a Construction Contract with the District or any of its contractors or any of the District's or contractor's subcontractors of any tier, with respect to the construction of any part of a Project under contract terms and conditions approved by the District and which incorporate this Agreement.

Section 1.5 "District" means the PALMDALE WATER DISTRICT.

Section 1.6 "Joint Labor/Management Apprenticeship Program" as used in this Agreement means a joint Union and Contractor administered apprenticeship program certified by the State of California, Department of Industrial Relations, Division of Apprenticeship Standards.

Section 1.7 "Letter of Assent" means the document that each Contractor (of any tier) must sign and submit to the District before beginning any Project Work, which formally binds such Contractor(s) to adherence to all the forms, requirements and conditions of this Agreement in the form attached hereto as Attachment A.

Section 1.8 "Project" or "District Project" means the construction work to be performed on District property or within easements secured by the District consisting of the construction of public works, pursuant to a Construction Contract entered into by the District, as more fully described in Article 2, below.

Section 1.9 "Schedule A Agreements" as used in this Agreement means the local Master Labor Agreements of the signatory Unions having jurisdiction over the Project Work and which have signed this Agreement.

Section 1.10 "Subscription Agreement" means the contract between a Contractor and a Union's Labor/Management Trust Fund(s) that allows the Contractor to make the appropriate fringe benefit contributions in accordance with the terms of Schedule A.

Section 1.11 The use of masculine or feminine gender or titles in this Agreement should be construed as including both genders and not as gender limitations unless the Agreement clearly requires a different construction. Further, the use of Article titles and/or Section headings are for information only, and carry no legal significance.

ARTICLE 2 SCOPE OF THE AGREEMENT

Section 2.1 General This Agreement shall apply and is limited to all of the District's Project Work, as specified in Section 2.2 of this Article, performed by those Contractor(s) of whatever tier that have contracts awarded for such work, for the development of the District's facilities which, jointly, constitute the Project, and have been designated by the District for construction or rehabilitation.

Section 2.2 Specific The work covered by this Agreement is defined and limited to:

(a) All construction and rehabilitation work pursuant to prime multi-trade contracts that exceed \$125,000.00; and

(b) All prime specialty contracts that exceed \$25,000.00, and all subcontracts arising from these prime contracts;

(c) Work that is awarded during the effective date of this Agreement.

Section 2.3 Bundling of Contracts The Parties understand that, to the maximum extent feasible, and consistent with goals of the District to (i) utilize this Agreement as the labor relations policy for its construction and rehabilitation program and (ii) fully utilize the services of local small business enterprises for such construction and rehabilitation work:

(a) The District, in its sole discretion, with the advice of the Project Labor Coordinator, will seek to group (or “bundle”) for bidding, contracts not meeting the thresholds of Section 2.2 (a) or (b) above. (Small contracts for like types of work, scheduled to be undertaken at the same facility or on the same project site, and within the same timeframe, will be considered for such bundling, consistent with economies of scale, and the purposes of this Agreement); and

(b) Project Work will not be split, divided or otherwise separated for contract award purposes to avoid application of this Agreement.

Section 2.4 The Parties agree that this Agreement will be made available to, and will fully apply to, any successful bidder for Project Work, without regard to whether that successful bidder performs work at other sites on either a union or non-union basis. This Agreement shall not apply to any work of any Contractor other than that on Project Work specifically covered by this Agreement.

Section 2.5 Exclusions Items specifically excluded from the Scope of this Agreement include the following:

(a) Work of non-manual employees, including but not limited to: superintendents; construction inspectors; teachers; supervisors; staff engineers; time keepers; mail carriers; clerks; office workers; messengers; guards; safety personnel; emergency medical and first aid technicians; and other professional, engineering, administrative, supervisory and management employees;

(b) Equipment and machinery owned or controlled and operated by the District;

(c) All off-site manufacture and handling of materials, equipment or machinery; provided, however, that lay down or storage areas for equipment or material and manufacturing (prefabrication) sites, dedicated solely to the Project or Project Work, and the movement of materials or goods between locations on a Project site are within the scope of this Agreement;

(d) All employees of the District, Project Labor Coordinator, design teams (including, but not limited to architects engineers and master planners), or any other consultants for the District (including, but not limited to, project managers and construction managers and their

employees were not engaged in Project Work) and their sub-consultants, and other employees of professional service organizations, not performing manual labor within the scope of this Agreement; provided, however, that it is understood and agreed that Building/Construction Inspector and Field Soils and Materials Testers (Inspectors) are a covered craft under the PLA. (This inclusion applies to the scope of work defined in the State of California Wage Determination for said Craft. This shall also specifically include such work where it is referred to by utilization of such terms as "quality control" or "quality assurance." Every Inspector performing under the Wage classification of Building/Construction Inspector and Field Soils and Material Testers under a professional services agreement of a construction contract shall be bound to all applicable requirements of the PLA.) Covered Work as defined by this Agreement shall be performed pursuant to the terms and conditions of this Agreement regardless of the manner in which the work was awarded;

(e) Any work performed on or near or leading to or into a site of work covered by this Agreement and undertaken by state, county, city or other governmental bodies, or their Contractors; or by public utilities, or their Contractors; and/or by the District or its Contractors (for work for which is not within the scope of this Agreement);

(f) Maintenance of leased equipment and on-site supervision of such work;

(g) It is recognized that certain materials, equipment and systems of a highly technical and specialized nature will have to be installed at the Project. The nature of the materials, equipment and systems, together with requirements of manufacturer's or vendor's warranty, may dictate that it be prefabricated, pre-piped, and/or pre-wired and that it be installed under the supervision and direction of Owner's and/or manufacturer's personnel. The Unions agree to install such material, equipment and systems without incident;

(h) Non-construction support services contracted by the District, Project Labor Coordinator, or Contractor in connection with this Project;

(i) Laboratory work for testing.

Section 2.6 Awarding of Contracts

(a) The District and/or the Contractors, as appropriate, have the absolute right to award contracts or subcontracts on this Project to any Contractor notwithstanding the existence or non-existence of any agreements between such Contractor and any Union parties, provided only that such Contractor is willing, ready and able to execute and comply with this Project Labor Agreement should such Contractor be awarded work covered by this Agreement.

(b) It is agreed that all Contractors and subcontractors of whatever tier, who have been awarded contracts for work covered by this Agreement, shall be required to accept and be bound to the terms and conditions of this Project Labor Agreement, and shall evidence their acceptance by the execution of the Letter of Assent as set forth in Attachment A hereto, prior to the commencement of work. At the time that any Contractor enters into a subcontract with any subcontractor of any tier providing for the performance on the construction contract, the Contractor shall provide a copy of this Agreement to said subcontractor and shall require the subcontractor, as a part of accepting the award of a construction subcontract, to agree in writing

in the form of a Letter of Assent to be bound by each and every provision of this Agreement prior to the commencement of work on the Project. No Contractor or subcontractor shall commence Project Work without having first provided a copy of the Letter of Assent as executed by it to the Project Labor Coordinator and to the Council forty-eight (48) hours before the commencement of Project Work, or within forty-eight (48) hours after the award of Project Work to that Contractor (or subcontractor), whichever occurs later.

(c) The District agrees that to the extent permitted by law and consistent with the economy and efficiency of construction and operation, it will use its best efforts to purchase materials, equipment and supplies which will not create labor strife. Under all circumstances, however, the District shall retain the absolute right to select the lowest reliable and responsible bidder for the award of contracts on all projects.

Section 2.7 Coverage Exception

(a) This Agreement shall not apply if the District receives funding or assistance from any Federal, State, local or other public entity for the Construction Contract if a requirement, condition or other term of receiving that funding or assistance, at the time of the awarding of the contract, is that the District not require, bidders, contractors, subcontractors or other persons or entities to enter into an agreement with one or more labor organizations or enter into an agreement that contains any of the terms set forth herein. The District agrees that it will use its best commercially reasonable efforts to establish the enforcement of this Agreement with any governmental agency or granting authority where permitted by law.

(b) Should District partner with another public agency wherein District and such other public agency jointly fund or construct a Project which would otherwise be considered a "Covered Project" under the terms of this Agreement, the Unions agree to meet and discuss the application of the terms and conditions of this Agreement to such other Project with such other public agency. In the event the public agency partner does not agree to be bound by the terms of this Agreement, the said project shall be exempt from this Agreement.

Section 2.8 Schedule A's

(a) The provisions of this Agreement, including the Schedule A's, (which are the local Master Labor Agreements of the signatory Unions having jurisdiction over the work on the Project, as such may be changed from time-to-time and which are incorporated herein by reference) shall apply to the work covered by this Agreement, notwithstanding the provisions of any other local, area and/or national agreement which may conflict with or differ from the terms of this Agreement. However, such does not apply to work performed under the National Cooling Tower Agreement, the National Stack Agreement, the National Transit Division Agreement (NTD), or within the jurisdiction of the International Union of Elevator Constructors and all instrument calibration and loop checking work performed under the terms of the UA/IBEW Joint National Agreement for Instrument and Control Systems Technicians, except that Articles dealing with Work Stoppages and Lock-Outs, Work Assignments and Jurisdictional Disputes, and Settlement of Grievances and Disputes shall apply to such work. It is specifically agreed that no later agreement shall be deemed to have precedence over this Agreement unless signed by all Parties signatory hereto who are then currently employed or represented at the Project. Where a subject covered by the provisions of this Agreement is also covered by a Schedule A, the

provisions of this Agreement shall apply. Where a subject is covered by a provision of a Schedule A and not covered by this Agreement, the provisions of the Schedule A shall prevail. Any dispute as to the applicable source between this Agreement and any Schedule A for determining the wages, hours of working conditions of employees on this Project shall be resolved under the procedures established in Article 10.

(b) It is understood that this Agreement, together with the referenced Schedule A's, constitutes a self-contained, stand-alone agreement and by virtue of having become bound to this Project Labor Agreement, the Contractor will not be obligated to sign any other local, area or national collective bargaining agreement as a condition of performing work within the scope of this Agreement (provided, however, that the Contractor may be required to sign a uniformly applied, non-discriminatory Participation Agreement at the request of the trustees or administrator of a trust fund established pursuant to Section 302 of the Labor Management Relations Act, and to which such Contractor is bound to make contributions under this Agreement, provided that such Participation Agreement does not purport to bind the Contractor beyond the terms and conditions of this Agreement and/or expand its obligation to make contributions pursuant thereto). It shall be the responsibility of the prime Contractor to have each of its subcontractors sign the documents described herein, with the appropriate Craft Union prior to the subcontractor beginning work on covered Projects.

Section 2.9 Workers' Compensation Carve-out The Parties recognize the potential which the Project Work may provide for the implementation of a cost effective workers' compensation system, as permitted by revised California Labor Code Section 3201.5, and it is understood that the District is in an ongoing review of the value of such a program. Should the District request, the Union parties agree to meet and negotiate in good faith with representatives of the District for the development, and subsequent implementation, of an effective program involving improved and revised dispute resolution and medical care procedures for the delivery of workers' compensation benefits and medical coverage as permitted by the California Labor Code.

Section 2.10 Binding Signatories Only This Agreement shall only be binding on the signatory Parties hereto, and shall not apply to the parents, affiliates, subsidiaries, or other ventures of any such Party.

Section 2.11 Other District Work This Agreement shall be limited to the construction work within the Scope of this Agreement including, specifically, site preparation and related demolition work, and new construction and major rehabilitation work for new or existing facilities referenced in Section 2.2 above. Nothing contained herein shall be interpreted to prohibit, restrict, or interfere with the performance of any other operation, work or function not covered by this Agreement, which may be performed by district Employees or contracted for by the District for its own account, on its property or in and around a Project site.

Section 2.12 Separate Liability It is understood that the liability of the Contractor(s) and the liability of the separate Unions under this Agreement shall be several and not joint. The Unions agree that this Agreement does not have the effect of creating any joint employment status between or among the District or Project Labor Coordinator and/or any Contractor.

Section 2.13 Completed Project Work As areas of covered work are accepted by the District, this Agreement shall have no further force or effect on such items or areas except where

the Contractor is directed by the District or its representatives to engage in repairs, modification, check-out and/or warranties functions required by its contract(s) with the District.

ARTICLE 3 UNION RECOGNITION AND EMPLOYMENT

Section 3.1 Recognition The Contractor recognizes the Council and the signatory local Unions as the exclusive bargaining representative for the employees engaged in Project Work. Contractors further recognize that the Unions shall be the primary source of all craft labor employed on District Projects. In the event that a Contractor has its own core workforce, said Contractor shall follow the procedures outlined below.

Section 3.2 Contractor Selection of Employees The Contractor shall have the right to determine the competency of all employees, the number of employees required, the duties of such employees within their craft jurisdiction, and shall have the sole responsibility for selecting employees to be laid off, consistent with Section 3.3 and Section 4.3, below. The Contractor shall also have the right to reject any applicant referred by a Union for any reason, subject to any reporting pay required by Section 6.6; provided, however, that such right is exercised in good faith and not for the purpose of avoiding the Contractor's commitment to employ qualified workers through the procedures endorsed in this Agreement.

Section 3.3 Referral Procedures

(a) For signatory Unions now having a job referral system contained in a Schedule A, the Contractor agrees to comply with such system and it shall be used exclusively by such Contractor, except as modified by this Agreement. Such job referral system will be operated in a nondiscriminatory manner and in full compliance with federal, state, and local laws and regulations which require equal employment opportunities and non-discrimination. All of the foregoing hiring procedures, including related practices affecting apprenticeship, shall be operated so as to consider the goals of the District to encourage employment of District residents and utilization of small local businesses on the Project, and to facilitate the ability of all Contractors to meet their employment needs.

(b) The local Unions will exert their best efforts to recruit and refer sufficient numbers of skilled craft workers to fulfill the labor requirements of the Contractor, including specific employment obligations to which the Contractor may be legally and/or contractually obligated; and to refer apprentices as requested to develop a larger, skilled workforce. The local Unions will work with their affiliated regional and national unions, and jointly with the Project Labor Coordinator and others designated by the District, to identify and refer competent craft persons as needed for Project Work, and to identify and hire individuals, particularly residents of the District, for entrance into joint labor/management apprenticeship programs, or to participate in other identified programs and procedures to assist individuals in qualifying and becoming eligible for such apprenticeship programs, all maintained to increase the available supply of skilled craft personnel for Project Work and future construction of maintenance work to be undertaken by the District.

(c) The Union shall not knowingly refer an employee currently employed by a Contractor on a covered Project to any other Contractor.

Section 3.4 Non-Discrimination in Referral, Employment, and Contracting The Unions and Contractors agree that they will not discriminate against any employee or applicant for employment in hiring and dispatching on the basis of race, color, religion, sex, gender, national origin, age, membership in a labor organization, sexual orientation, political affiliation, marital status or disability. Further, it is recognized that the District has certain policies, programs, and goals for the utilization of local small business enterprises. The Parties shall jointly endeavor to assure that these commitments are fully met, and that any provisions of this Agreement which may appear to interfere with local small business enterprises successfully bidding for work within the scope of this Agreement shall be carefully reviewed, and adjustments made as may be appropriate and agreed upon among the Parties, to ensure full compliance with the spirit and letter of the District's policies and commitment to its goals for the significant utilization of local small businesses as direct Contractors or suppliers for Project Work.

Section 3.5 Employment of District Residents

(a) The Unions and Employers agree that, to the maximum extent allowed by law, and as long as they possess the requisite skills and qualifications, the Unions will exert their best efforts to refer and/or recruit sufficient numbers of skilled craft "Local Residents" as defined herein, to fulfill the requirements of the Employers. In recognition of the fact that the District and the communities surrounding Project Work will be impacted by the construction of the Project, the parties agree to support the hiring of workers from the residents of these surrounding areas. Towards that end, the Unions agree that they will exert their best efforts to encourage and provide referrals and utilization of qualified workers residing in those first tier zip codes which overlap the District service area, as attached hereto. If the Unions cannot provide the Employers in the attainment of a sufficient number of Local Residents from within the first tier zip codes, the Unions will exert their best efforts to then recruit and identify for referral Local Residents residing within the greater Antelope Valley area, as reflected on the attached list of zip codes. If the Unions still have not provided the Employers in the attainment of a sufficient number of Local Residents, the Unions will then exert their best efforts to recruit and identify for referral Local Residents residing within **certain surrounding area zip codes, as reflected on the attached list of zip codes, as well as the remainder of the County of Los Angeles.**

(b) A goal of 30% of all of the labor and craft positions shall be from workers residing within the District area described in (a) above. In addition, a goal of 10 % of all of the labor and craft positions shall be from disadvantaged workers and/or veterans residing within the ~~greater Antelope Valley area~~ **tier 1 and tier 2 zip codes**, as reflected on the attached list of zip codes.

(c) The Project Labor Coordinator will coordinate with the Unions to ensure disadvantaged workers and veterans are referred to the Unions from community-based job placement organizations. The community-based job placement organizations shall pre-screen any applicant prior to referral to the Unions. Drug screening will be a prerequisite to employment. The following criteria will be used to identify disadvantaged workers:

- Gross Household income below 50% of the Los Angeles County median
- Homeless;
- Welfare recipient;
- History of involvement with the penal system;

- Unemployed; and
- Single parent.

For the applicant to qualify under this program, the community-based job placement organizations shall verify the presence of a minimum of two of the above criteria for those applicants referred to the Unions.

(d) The Project Labor Coordinator shall work with the Unions and Contractors in the administration of this local residency and disadvantaged worker preference; and the Contractors and Unions shall cooperate by maintaining adequate records to demonstrate to the Project Labor Coordinator that such preferences have been pursued.

Section 3.6 To facilitate the dispatch of local residents, disadvantaged workers and veterans, all Contractors will be required to utilize the Craft Employee Request Form whenever they are requesting the referral of any employee from a Union referral list for any Covered Project, a sample of which is attached as Attachment C. When local residents, disadvantaged workers and veterans are requested by the Employers, the Unions will refer such workers regardless of their place in the Union's hiring halls' list and normal referral procedures.

Section 3.7 Helmets to Hardhats The Employers and the Unions recognize a desire to facilitate the entry into the building and construction trades of veterans who are interested in careers in the building and construction industry. The employers and Unions agree to utilize the services of the Center for Military Recruitment, Assessment and Veterans Employment (hereinafter "Center") and the Center's "Helmets to Hardhats" program to serve as a resource for preliminary orientation, assessment of construction aptitude, referral to apprenticeship programs or hiring halls, counseling and mentoring, support network, employment opportunities and other needs as identified by the Parties. For purposes of this Agreement the term "Eligible Veteran" shall have the same meaning as the term "veteran" as defined under Title 5, Section 2108(1) of the United States Code as the same may be amended or re-codified from time to time. It shall be the responsibility of each qualified District resident to provide the Unions with proof of his/her status as an Eligible Veteran.

The Unions and Employers agree to coordinate with the Center to create and maintain an integrated database of veterans interested in working on this Project and of apprenticeship and employment opportunities for this Project. To the extent permitted by law, the Unions will give credit to such veterans for bona fide, provable past experience.

Section 3.8 Core Employees

(a) Except as otherwise provided in separate collective bargaining agreement(s) to which the Contractor is signatory, Contractors may employ, as needed, first, a member of his core workforce, then an employee through a referral from the appropriate Union hiring hall, then a second core employee, then a second employee through the referral system, and so on until a maximum of five (5) core employees are employed, thereafter, all additional employees in the affected trade or craft shall be requisitioned from the craft hiring hall in accordance with Section 3.3. In the laying off of employees, the number of core employees shall not exceed one-half plus one of the workforce for an employer with 10 or fewer employees, assuming the remaining employees are qualified to undertake the work available. This provision applies only

to employees not currently working under a current Schedule A Agreement and is not intended to limit the transfer provisions of the Schedule A Agreement of any trade. As part of this process, and in order to facilitate the contract administration procedures, as well as appropriate fringe benefit fund coverage, all Contractors shall require their core employees and any other persons employed other than through the referral process, to register with the appropriate Union hiring hall, if any, prior to their first day of employment at a project site.

(b) The core work force is comprised of those employees whose names appeared on the Contractor's active payroll for sixty (60) of the one hundred (100) working days immediately before award of Project Work to the Contractor; who possess any license required by state or federal law for the Project Work to be performed; who have the ability to safely perform the basic functions of the applicable trade; and who have been residing within the zip codes within the geographic area serviced by the District for the one hundred (100) working days immediately prior to the award of Project Work to the Contractor.

(c) Prior to each Contractor performing any work on the Project, each Contractor shall provide a list of his core employees to the Project Labor Coordinator and the Council. Failure to do so will prohibit the Contractor from using any core employees. Upon request by any Party to this Agreement, the Contractor hiring any core employee shall provide satisfactory proof (i.e., payroll records, quarterly tax records, driver's license, voter registration, postal address and such other documentation) evidencing the core employee's qualification as a core employee to the Project Labor Coordinator and the Council.

(d) The provisions of this Section 3.8 shall only apply to employees who are not working under the terms of a Schedule A Agreement at the time of their transfer to work covered under this Agreement and is not intended to limit the transfer provisions of the Schedule A Agreements of any of the Unions signatory hereto.

Section 3.9 Time for Referral If any Union's registration and referral system does not fulfill the requirements for specific classifications requested by any Contractor within forty-eight (48) hours (excluding Saturdays, Sundays and holidays), that Contractor may use employment sources other than the Union registration and referral services, and may employ applicants meeting such standards from any other available source. The Contractors shall inform the Union of any applicants hired from other sources within forty-eight (48) hours of such applicant being hired, and such applicants shall register with the appropriate hiring hall, if any.

Section 3.10 Lack of Referral Procedure If a signatory local Union does not have a job referral system as set forth in Section 3.3 above, the Contractors shall give the Union equal opportunity to refer applicants. The Contractors shall notify the Union of employees so hired, as set forth in Section 3.5.

Section 3.11 Union Membership No employee covered by this Agreement shall be required to join any Union as a condition of being employed, or remaining employed, for the completion of Project Work; provided, however, that any employee who is a member of the referring Union at the time of referral shall maintain that membership in good standing while employed under this Agreement. All employees shall, however, be required to comply with the Union security provisions of the applicable Schedule A for the period during which they are performing on-site Project Work to the extent, as permitted by law, of rendering payment of the applicable monthly

and working dues only, as uniformly required of all craft employees while working on the Project and represented by the applicable signatory Union.

Section 3.12 Individual Seniority Except as provided in Section 4.3, individual seniority shall not be recognized or applied to employees working on the Project; provided, however, that group and/or classification seniority in a Union's Schedule A as of the effective date of this Agreement shall be recognized for purposes of layoffs.

Section 3.13 Foremen The selection and number of craft foreman and/or general foreman shall be the responsibility of the Contractor. All foremen shall take orders exclusively from the designated Contractor representatives. Craft foreman shall be designated as working foreman at the request of the Contractors.

ARTICLE 4 UNION ACCESS AND STEWARDS

Section 4.1 Access to Project Sites Authorized representatives of the Union shall have access to Project Work, provided that they do not interfere with the work of employees and further provided that such representatives fully comply with posted visitor, security and safety rules.

Section 4.2 Stewards

(a) Each signatory local Union shall have the right to dispatch a working journeyman as a steward for each shift, and shall notify the Contractor in writing of the identity of the designated steward or stewards prior to the assumption of such person's duties as steward. Such designated steward or stewards shall not exercise any supervisory functions. There will be no non-working stewards. Stewards will receive the regular rate of pay for their respective crafts.

(b) In addition to his/her work as an employee, the steward should have the right to receive, but not to solicit, complaints or grievances and to discuss and assist in the adjustment of the same with the employee's appropriate supervisor. Each steward should be concerned only with the employees of the steward's Contractor and, if applicable, subcontractor(s), and not with the employees of any other Contractor. A Contractor will not discriminate against the steward in the proper performance of his/her Union duties.

(c) When a Contractor has multiple, non-contiguous work locations at one site, the Contractor may request and the Union shall appoint such additional working stewards as the Contractor requests to provide independent coverage of one or more such locations. In such cases, a steward may not service more than one work location without the approval of the Contractor.

(d) The stewards shall not have the right to determine when overtime shall be worked or who shall work overtime.

Section 4.3 Steward Layoff/Discharge The relevant Contractor agrees to notify the appropriate Union twenty-four (24) hours before the layoff of a steward, except in the case of

disciplinary discharge for just cause. If the steward is protected against such layoff by the provisions of the applicable Schedule A, such provisions shall be recognized when the steward possesses the necessary qualifications to perform the remaining work. In any case in which the steward is discharged or disciplined for just cause, the appropriate Union will be notified immediately by the Contractor, and such discharge or discipline shall not become final (subject to any later filed grievance) until twenty-four (24) hours after such notice have been given.

Section 4.4 Employees on Non-Project Work On work where the personnel of the District may be working in close proximity to the construction activities covered by this Agreement, the Union agrees that the Union representatives, stewards, and individual workers will not interfere with the District personnel, or with personnel employed by the any other employer not a Party to this Agreement.

ARTICLE 5 WAGES AND BENEFITS

Section 5.1 Wages All employees covered by this Agreement shall be classified in accordance with work performed and paid by the Contractors the hourly wage rates for those classifications in compliance with the applicable prevailing wage rate determination established pursuant to applicable law. If a prevailing rate increases under law, the Contractor shall pay that rate as of its effective date under the law. This Agreement does not relieve Contractors from any independent contractual or other obligation they may have to pay wages in excess of the prevailing wage rate as required.

Section 5.2 Benefits

(a) Contractors shall pay contributions to the established employee benefit funds in the amounts designated in the appropriate Schedule A and make all employee-authorized deductions in the amounts designated in the appropriate Schedule A, however, such contributions shall not exceed the contribution amounts set forth in the applicable prevailing wage determination. Notwithstanding Section 2.8(a), Contractors directly signatory to one or more of the Schedule A Agreements are required to make all contributions set forth in those Schedule A Agreements without reference to the foregoing. Bona fide jointly-trusteed benefit plans or authorized employee deduction programs established or negotiated under the applicable Schedule A or by the Parties to this Agreement during the life of this Agreement may be added.

(b) The Contractor adopts and agrees to be bound by the written terms of the applicable, legally established, trust agreement(s) specifying the detailed basis on which payments are to be made into, and benefits paid out of, such trust funds for its employees. The Contractor authorizes the Parties to such trust funds to appoint trustees and successor trustees to administer the trust funds and hereby ratifies and accepts the trustees so appointed as if made by the Contractor.

(c) Each Contractor and subcontractor is required to certify to the Project Labor Coordinator that it has paid all benefit contributions due and owing to the appropriate Trust(s) prior to the receipt of its final payment and/or retention. Further, upon timely notification by a Union to the Project Labor Coordinator, the Project Labor Coordinator shall work with any prime Contractor or subcontractor who is delinquent in payments to assure that proper benefit

contributions are made, to the extent of requesting the District or the prime Contractor to withhold payments otherwise due such Contractor, until such contributions have been made or otherwise guaranteed.

Section 5.3 Wage Premiums Wage premiums, including but not limited to pay based on height of work, hazard pay, scaffold pay and special skills shall not be applicable to work under this Agreement, except to the extent provided for in any applicable prevailing wage determination.

Section 5.4 Compliance with Prevailing Wage Laws The Parties agree that the Project Labor Coordinator shall monitor the compliance by all Contractors and subcontractors with all applicable federal and state prevailing wage laws and regulations, and that such monitoring shall include Contractors engaged in what would otherwise be Project Work but for the exceptions to Agreement coverage in Article 2, Section 2.2. All complaints regarding possible prevailing wage violations shall be referred to the Project Labor Coordinator for processing, investigation and resolution, and if not resolved within thirty calendar days, may be referred by any party to the state labor commissioner.

ARTICLE 6 HOURS OF WORK, OVERTIME, SHIFTS AND HOLIDAYS

Section 6.1 Hours of Work Eight (8) hours per day between the hours of 6:00 a.m. and 5:30 p.m., plus one-half (½) hour unpaid lunch approximately mid-way through the shift, shall constitute the standard work day. Forty (40) hours per week shall constitute a regular week's work. The work week will start on Sunday and conclude on Saturday. The foregoing provisions of this Article are applicable unless otherwise provided in the applicable prevailing wage determination, or unless changes are permitted by law and such are agreed upon by the Parties. Nothing herein shall be construed as guaranteeing any employee eight (8) hours per day or forty (40) hours per week, or a Monday through Friday standard work schedule.

Section 6.2 Place of Work Employees shall be at their place of work (as designated by the Contractor), at the starting time and shall remain at their place of work, performing their assigned functions, until quitting time. The place of work is defined as the gang or tool box or equipment at the employee's assigned work location or the place where the foreman gives instructions. The Parties reaffirm their policy of a fair day's work for a fair day's wage. There shall be no pay for time not worked unless the employee is otherwise engaged at the direction of the Contractor.

Section 6.3 Overtime Overtime shall be paid in accordance with the requirements of the applicable prevailing wage determination. There shall be no restriction on the Contractor's scheduling of overtime or the nondiscriminatory designation of employees who will work overtime. There shall be no pyramiding of overtime (payment of more than one form of overtime compensation for the same hour) under any circumstances.

Section 6.4 Shifts and Alternate Work Schedules

(a) Alternate starting and quitting time and/or shift work may be performed at the option of the Contractor upon three (3) days' prior notice to the affected Union(s), unless a shorter notice period is provided for in the applicable Schedule A. If two shifts are worked, each

shall consist of eight (8) hours of continuous work exclusive of a one-half (1/2) hour non-paid lunch period, for eight (8) hours pay. The last shift shall start on or before 6:00 p.m. The first shift starting at or after 6:00 a.m. is designated as the first shift, with the second shift following.

(b) Contractors, the Council and the Union recognize the economic impact upon the District and District residents of the Project being undertaken by the District and agree that all Parties to this Agreement desire and intend Project Work to be undertaken in a cost efficient and effective manner to the highest standard of quality and craftsmanship. Recognizing the economic conditions, the Parties agree that, except to the extent permitted by law, employees performing Project Work shall not be entitled to any differentials or additional pay based upon the shift or work schedule of the employees. Instead, all employees working on Project Work shall be paid at the same base rate regardless of shift or work schedule worked.

(c) Because of operational necessities, the second shift may, at the District's direction, be scheduled without the preceding shift having been worked. It is recognized that the District's operations and/or mitigation obligations may require restructuring of normal work schedules. Except in an emergency or when specified in the District's bid specification, the Contractor shall give affected Union(s) at least three (3) days' notice of such schedule changes.

Section 6.5 Holidays Recognized holidays on this Project shall be those set forth and governed by the prevailing wage determination(s) applicable to this Project

Section 6.6 Show-up Pay

(a) Except as otherwise required by State law, Employees reporting for work and for whom no work is provided, except when given prior notification not to report to work, shall receive two (2) hours pay at the regular straight time hourly rate. Employees who are directed to start work shall receive four (4) hours of pay at the regular straight time hourly rate. Employees who work beyond four (4) hours shall be paid for actual hours worked. Whenever reporting pay is provided for employees, they will be required to remain at the Project Site and available for work for such time as they receive pay, unless released earlier by the principal supervisor of the Contractor(s) or his/her designated representative. Each employee shall furnish his/her Contractor with his/her current address and telephone number, and shall promptly report any changes to the Contractor.

(b) An employee called out to work outside of his/her shift shall receive a minimum of two (2) hours pay at the appropriate rate. This does not apply to time worked as an extension of (before or after) the employee's normal shift.

(c) When an employee leaves the job or work location of his/her own volition, or is discharged for cause or is not working as a result of the Contractor's invocation of Article XII, Section 12.3, the employee shall only be paid for actual time worked.

Section 6.7 Meal Periods The Contractor will schedule a meal period of no more than one-half hour duration at the work location at approximately mid-point of the schedule shift; provided, however, that the Contractor may, for efficiency of the operation, establish a schedule which coordinates the meal periods of two or more crafts. An employee may be required to work through his meal period because of an emergency or a threat to life or property, or for such other

reasons as are in the applicable Schedule A, and if he is so required, he shall be compensated in the manner established in the applicable Schedule A.

Section 6.8 Make-up Days To the extent permitted by the applicable general wage determination, when an employee has been prevented from working for reasons beyond the control of the employer, including, but not limited to inclement weather or other natural causes, during the regularly scheduled work week, a make-up day may be worked on a non-regularly scheduled work day for which an employee shall receive eight (8) hours pay at the straight time rate of pay or any premium rate required for such hours under the prevailing wage law.

ARTICLE 7 WORK STOPPAGES AND LOCK-OUTS

Section 7.1 No Work Stoppages or Disruptive Activity The Council and the Unions signatory hereto agree that neither they, and each of them, nor their respective officers or agents or representatives, shall incite or encourage, condone or participate in any strike, walk-out, slow-down, picketing, observing picket lines or other activity of any nature or kind whatsoever, for any cause or dispute whatsoever with respect to or any way related to Project Work, or which interferes with or otherwise disrupts, Project Work, or with respect to or related to the District or Contractors or subcontractors, including, but not limited to, economic strikes, unfair labor practice strikes, safety strikes, sympathy strikes and jurisdictional strikes whether or not the underlying dispute is arbitrable. Any such actions by the Council, or Unions, or their members, agents, representatives or the employees they represent shall constitute a violation of this Agreement. The Council and the Union shall take all steps necessary to obtain compliance with this Article and neither should be held liable for conduct for which it is not responsible.

Section 7.2 Employee Violations The Contractor may discharge any employee violating Section 7.1 above and any such employee will not be eligible for rehire under this Agreement.

Section 7.3 Standing to Enforce The District, the Project Labor Coordinator, or any Contractor affected by an alleged violation of Section 7.1 shall have standing and the right to enforce the obligations established therein.

Section 7.4 Expiration of Schedule A's If the Schedule A Agreement, or any local, regional, and other applicable collective bargaining agreements expire during the term of the Project, the Union(s) agree that there shall be no work disruption of any kind as described in Section 7.1 above as a result of the expiration of any such agreement(s) having application on this Project and/or failure of the involved Parties to that agreement to reach a new contract. Terms and conditions of employment established and set at the time of bid shall remain established and set. Otherwise to the extent that such agreement does expire and the Parties to that agreement have failed to reach concurrence on a new contract, work will continue on the Project on one of the following two (2) options, both of which will be offered by the Unions involved to the Contractors affected:

(a) Each of the Unions with a contract expiring must offer to continue working on the Project under interim agreements that retain all the terms of the expiring contract, except that the Unions involved in such expiring contract may each propose wage rates and employer contribution rates to employee benefit funds under the prior contract different from what those

wage rates and employer contributions rates were under the expiring contracts. The terms of the Union's interim agreement offered to Contractors will be no less favorable than the terms offered by the Union to any other employer or group of employers covering the same type of construction work in Los Angeles County.

(b) Each of the Unions with a contract expiring must offer to continue working on the Project under all the terms of the expiring contract, including the wage rates and employer contribution rates to the employee benefit funds, if the Contractor affected by that expiring contract agrees to the following retroactive provisions: if a new Schedule A Agreement, local, regional or other applicable labor agreement for the industry having application at the Project is ratified and signed during the term of this Agreement and if such new labor agreement provides for retroactive wage increases, then each affected Contractor shall pay to its employees who performed work covered by this Agreement at the Project during the hiatus between the effective dates of such expired and new labor agreements, an amount equal to any such retroactive wage increase established by such new labor agreement, retroactive to whatever date is provided by the new labor agreement for such increase to go into effect, for each employee's hours worked on the Project during the retroactive period. All Parties agree that such affected Contractors shall be solely responsible for any retroactive payment to its employees.

(c) Some Contractors may elect to continue to work on the Project under the terms of the interim agreement option offered under paragraph (a) above and other Contractors may elect to continue to work on the Project under the retroactivity option offered under paragraph (b) above. To decide between the two options, Contractors will be given one week after the particular labor agreement has expired or one week after the Union has personally delivered to the Contractors in writing its specific offer of terms of the interim agreement pursuant to paragraph (a) above, whichever is the later date. If the Contractor fails to timely select one of the two options, the Contractor shall be deemed to have selected option (b).

Section 7.5 No Lockouts Contractors shall not cause, incite, encourage, condone or participate in any lock-out of employees with respect to Project Work during the term of this Agreement. The term "lock-out" refers only to a Contractor's exclusion of employees in order to secure collective bargaining advantage, and does not refer to the discharge, termination or layoff of employees by the Contractor for any reason in the exercise of rights pursuant to any provision of this Agreement, or any other agreement, nor does "lock-out" include the District's decision to stop, suspend or discontinue any Project Work or any portion thereof for any reason.

Section 7.6 Best Efforts to End Violations

(a) If a Contractor contends that there is any violation of this Article or Section 8.3, it shall notify, in writing, the Executive Secretary of the Council, the Senior Executive of the involved Union(s) and the Project Labor Coordinator. The Executive Secretary and the leadership of the involved Union(s) will immediately instruct, order and use their best efforts to cause the cessation of any violation of the relevant Article.

(b) If the Union contends that any Contractor has violated this Article, it will notify that the Contractor and the Project Labor Coordinator, setting forth the facts which the Union contends violate the Agreement, at least twenty-four (24) hours prior to invoking the procedures

of Section 7.8. The Project Labor Coordinator shall promptly order the involved Contractor(s) to cease any violation of the Article.

Section 7.7 Withholding of services for failure to pay wages and fringe benefits

Notwithstanding any provision of this Agreement to the contrary, it shall not be a violation of this Agreement for any Union to withhold the services of its members (but not the right to picket) from a particular Contractor who:

(a) fails to timely pay its weekly payroll; or

(b) fails to make timely payments to the Union's Joint Labor/Management Trust Funds in accordance with the provisions of the applicable Schedule A Agreements. Prior to withholding its members services for the Contractor's failure to make timely payments to the Union's Joint Labor/Management Trust Funds, the Union shall give at least ten (10) days (unless a lesser period of time is provided in the Union's Schedule A Agreement, but in no event less than forty-eight (48) hours) written notice of such failure to pay by registered or certified mail, return receipt requested, and by facsimile transmission to the involved Contractor and to the District. Union will meet within the ten (10) day period to attempt to resolve the dispute.

(c) Upon the payment of the delinquent Contractor of all monies due and then owing for wages and/or fringe benefit contributions, the Union shall direct its members to return to work and the Contractor shall return all such members back to work.

Section 7.8 Expedited Enforcement Procedure Any party, including the District, which the Parties agree is a Party to the Agreement for purposes of this Article and an intended beneficiary of this Article, or the Project Labor Coordinator, may institute the following procedures, in lieu of or in addition to any other action at law or equity, when a breach of Section 7.1 or 7.5, above, or Section 8.3 is alleged.

(a) The Party invoking this procedure shall notify Louis Zigman, who has been selected by the negotiating Parties, and whom the Parties agree shall be the permanent arbitrator under this procedure. If the permanent arbitrator is unavailable at any time, the party invoking this procedure shall notify one of the alternates selected by the Parties, as set forth under section 10.2, Step 3 (a), in that order on an alternating basis. Expenses incurred in arbitration shall be borne equally by the Parties involved in the arbitration and the decision of the arbitrator shall be final and binding on the Parties, provided, however, that the arbitrator shall not have the authority to alter or amend or add to or delete from the provisions of this Agreement in any way. Notice to the arbitrator shall be by the most expeditious means available, with notices to the Parties alleged to be in violation, and to the Council if it is a Union alleged to be in violation. For purposes of this Article, written notice may be given by telegram, facsimile, hand delivery or overnight mail and will be deemed effective upon receipt.

(b) Upon receipt of said notice, the arbitrator named above or his/her alternate shall sit and hold a hearing within twenty-four (24) hours if it is contended that the violation still exists, but not sooner than twenty-four (24) hours after notice has been dispatched to the Executive Secretary and the Senior Official(s) as required by Section 7.6, as above.

(c) The arbitrator shall notify the Parties of the place and time chosen for this hearing. Said hearing shall be completed in one session, which, with appropriate recesses at the arbitrator's discretion, shall not exceed 24 hours unless otherwise agreed upon by all Parties. A failure of any Party or Parties to attend said hearings shall not delay the hearing of evidence or the issuance of any award by the arbitrator.

(d) The sole issue at the hearing shall be whether or not a violation of Sections 7.1 or 7.5, above, or Section 8.3 has in fact occurred. The arbitrator shall have no authority to consider any matter in justification, explanation or mitigation of such violation or to award damages, (except for damages as set forth in 7.8 below) which issue is reserved for court proceedings, if any. The award shall be issued in writing within three (3) hours after the close of the hearing, and may be issued without an opinion. If any Party desires a written opinion, one shall be issued within fifteen (15) days, but its issuance shall not delay compliance with, or enforcement of, the Award. The arbitrator may order cessation of the violation of the Article and other appropriate relief, and such award shall be served on all Parties by hand or registered mail upon issuance.

(e) Such award shall be final and binding on all Parties and may be enforced by any court of competent jurisdiction upon the filing of this Agreement and all other relevant documents referred to herein above in the following manner. Written notice of the filing of such enforcement proceedings shall be given to the other Party. In any judicial proceeding to obtain a temporary order enforcing the arbitrator's award as issued under Section 7.7(d) of this Article, all Parties waive the right to a hearing and agree that such proceedings may be ex parte. Such agreement does not waive any Party's right to participate in a hearing for a final order of enforcement. The court's order or orders enforcing the arbitrator's award shall be served on all Parties by hand or by delivery to their address as shown on this Agreement (for a Union), as shown on their business contract for work under this Agreement (for a Contractor) and to the representing Union (for an employee), by certified mail by the Party or Parties first alleging the violation.

(f) Any rights created by statute or law governing arbitration proceedings inconsistent with the above procedure or which interfere with compliance hereto are hereby waived by the Parties to whom they accrue.

(g) The fees and expenses of the arbitrator shall be equally divided between the Party or Parties initiating this procedure and the respondent Party or Parties.

ARTICLE 8 WORK ASSIGNMENTS AND JURISDICTIONAL DISPUTES

Section 8.1 Assignment of Work The assignment of Covered Work will be solely the responsibility of the Employer performing the work involved; and such work assignments will be in accordance with the Plan for the Settlement of Jurisdictional Disputes in the Construction Industry (the "Plan") or any successor Plan.

Section 8.2 The Plan All jurisdictional disputes on this Project between or among the building and construction trades Unions and the Employers parties to this Agreement, shall be settled and adjusted according to the present Plan established by the Building and Construction Trades Department or any other plan or method of procedure that may be adopted in the future

by the Building and Construction Trades Department. Decisions rendered shall be final, binding and conclusive on the Employers and Unions parties to this Agreement.

(a) If a dispute arising under this Article involves the Southwest Regional Council of Carpenters or any of its subordinate bodies, an Arbitrator shall be chosen by the procedures specified in Article V, Section 5, of the Plan from a list composed of John Kagel, Thomas Angelo, Robert Hirsch, and Thomas Pagan, and the Arbitrator's hearing on the dispute shall be held at the offices of the Trades Council within 14 days of the selection of the Arbitrator. All other procedures shall be as specified in the Plan.

Section 8.3 No Work Disruption Over Jurisdiction All jurisdictional disputes shall be resolved without the occurrence of any strike, work stoppage, or slow-down of any nature, and the Employer's assignment shall be adhered to until the dispute is resolved. Individuals violating this section shall be subject to immediate discharge.

Section 8.4 Pre-Job Conferences As provided in Article 16, each Contractor will conduct a pre-job conference with the appropriate affected Union(s) prior to commencing work. The Council and the Project Labor Coordinator shall be advised in advance of all such conferences and may participate if they wish.

Section 8.5 Resolution of Jurisdictional Disputes If any actual or threatened strike, sympathy strike, work stoppage, slow down, picketing, hand-billing or otherwise advising the public that a labor dispute exists, or interference with the progress of Project Work by reason of a jurisdictional dispute or disputes occurs, the Parties shall exhaust the expedited procedures set forth in the Plan, if such procedures are in the plan then currently in effect, or otherwise as in Article 7 above.

ARTICLE 9 MANAGEMENT RIGHTS

Section 9.1 Contractor and District Rights The Contractors and the District have the sole and exclusive right and authority to oversee and manage construction operations on Project Work without any limitations unless expressly limited by a specific provision of this Agreement. In addition to the following and other rights of the Contractors enumerated in this Agreement, the Contractors expressly reserve their management rights and all the rights conferred upon them by law. The Contractor's rights include, but are not limited to, the right to:

(a) Plan, direct and control operations of all work in the manner required by, and in compliance with, the contract document, including but not limited to, plans, specifications, and scope of work under contract;

(b) Hire, promote, transfer and layoff their own employees, respectively, as deemed appropriate to satisfy work and/or skill requirements;

(c) Promulgate and require all employees to observe reasonable job rules and security and safety regulations;

(d) Discharge, suspend or discipline their own employees for just cause;

(e) Utilize, in accordance with District approval, any work methods, procedures or techniques, and select, use and install any types or kinds of materials, apparatus or equipment, regardless of source of manufacture or construction; assign and schedule work at their discretion; and

(f) Assign overtime, determine when it will be worked and the number and identity of employees engaged in such work, subject to such provisions in the applicable Schedule A(s) requiring such assignments be equalized or otherwise made in a nondiscriminatory manner.

Section 9.2 Specific District Rights In addition to the following and other rights of the District enumerated in this Agreement, the District expressly reserves its management rights and all the rights conferred on it by law. The District's rights (and those of the Contract Administrator on its behalf) include but are not limited to the right to:

(a) Inspect any construction site or facility to ensure that the Contractor follows the applicable safety and other work requirements, and to insure compliance with contract documents, including but not limited to, plans, specifications, and scope of work under contract;

(b) Require Contractors to establish a different work week or shift schedule for particular employees as required to meet the operational needs of the Project Work at a particular location;

(c) At its sole option, terminate, delay and/or suspend any and all portions of the covered work at any time; prohibit some or all work on certain days or during certain hours of the day to accommodate the ongoing operations of the District's Facilities and/or to mitigate the effect of ongoing Project Work on businesses and residents in the neighborhood of the Project site; and/or require such other operational or schedule changes it deems necessary, in its sole judgment, to effectively maintain its primary mission and remain a good neighbor to those in the area of its facilities. (In order to permit the Contractors and Unions to make appropriate scheduling plans, the District will provide the Project Labor Coordinator, and the affected Contractor(s) and Union(s) with reasonable notice of any changes it requires pursuant to this section; provided, however, that if notice is not provided in time to advise employees not to report for work, show-up pay shall be due pursuant to the provision of Article 6, Section 6.6);

(d) Approve any work methods, procedures and techniques used by Contractors whether or not these methods, procedures or techniques are part of industry practices or customs; and

(e) Investigate and process complaints, through its Project Labor Coordinator, in the matter set forth in Articles 7 and 10.

Section 9.3 Use of Materials There should be no limitations or restriction by Union upon a Contractor's choice of materials or design, nor, regardless of source or location, upon the full use and utilization, of equipment, machinery, packaging, precast, prefabricated, prefinished, or preassembled materials, tools or other labor saving devices, subject to the application of the State Public Contracts and Labor Codes as required by law in reference to offsite construction. Generally, the onsite installation or application of such items shall be performed by the craft having jurisdiction over such work. The District and its Project Labor Coordinator shall advise

all Contractors of, and enforce as appropriate, the off-site application of the prevailing wage law as it affects Project Work.

Section 9.4 Special Equipment, Warranties and Guaranties

(a) It is recognized that certain equipment of a highly technical and specialized nature may be installed at Project Work sites. The nature of the equipment, together with the requirements for manufacturer's warranties, may dictate that it be prefabricated pre-piped and/or pre-wired and that it be installed under the supervision and direction of the District's and/or manufacturer's personnel. The Unions agree to install such equipment without incident to insure compliance with the specifications for the equipment being installed and to insure compliance with contract documents, including but not limited to, plans, specifications, and scope of work under contract.

(b) The Parties recognize that the Contractor will initiate from time to time the use of new technology, equipment, machinery, tools, and other labor-savings devices and methods of performing Project Work. The Union agrees that they will not restrict the implementation of such devices or work methods. The Unions will accept and will not refuse to handle, install or work with any standardized and/or catalogue: parts, assemblies, accessories, prefabricated items, preassembled items, partially assembled items, or materials whatever their source of manufacture or construction.

(c) If any disagreement between the Contractor and the Unions concerning the methods of implementation or installation of any equipment, or device or item, or method of work, arises, or whether a particular part or pre-assembled item is a standardized or catalog part or item, the work will precede as directed by the Contractor and the Parties shall immediately consult over the matter. If the disagreement is not resolved, the affected Union(s) shall have the right to proceed through the procedures set forth in Article 10.

Section 9.5 No Less Favorable Treatment The Parties expressly agree that Project Work will not receive less favorable treatment than that on any other project which the Unions, Contractors and employees work.

ARTICLE 10 SETTLEMENT OF GRIEVANCES AND DISPUTES

Section 10.1 Cooperation and Harmony on Site

(a) This Agreement is intended to establish and foster continued close cooperation between management and labor. The Council shall assign a representative to this Project for the purpose of assisting the local Unions, and working with the Project Labor Coordinator, together with the Contractors, to complete the construction of the Project economically, efficiently, continuously and without any interruption, delays or work stoppages.

(b) The Project Labor Coordinator, the Contractors, Unions, and employees collectively and individually, realize the importance to all Parties of maintaining continuous and uninterrupted performance Project Work, and agree to resolve disputes in accordance with the grievance provisions set forth in this Article or, as appropriate, those of Article 7 or 8.

(c) The Project Labor Coordinator shall oversee the processing of grievances under this Article and Articles 7 and 8, including the scheduling and arrangements of facilities for meetings, selection of the arbitrator from the agreed-upon panel to hear the case, and any other administrative matters necessary to facilitate the timely resolution of any dispute; provided, however, it is the responsibility of the principal parties to any pending grievance to insure the time limits and deadlines are met.

Section 10.2 Processing Grievances Any questions arising out of and during the term of this Agreement involving its interpretation and application, which includes applicable provisions of the Schedule A's, but not jurisdictional disputes or alleged violations of Section 7.1 and 7.4 and similar provisions, shall be considered a grievance and subject to resolution under the following procedures.

Step 1. Employee Grievances When any employee subject to the provisions of this Agreement feels aggrieved by an alleged violation of this Agreement, the employee shall, through his local Union business representative or, job steward, within ten (10) working days after the occurrence of the violation, give notice to the work site representative of the involved Contractor stating the provision(s) alleged to have been violated. A business representative of the local Union or the job steward and the work site representative of the involved Contractor shall meet and endeavor to resolve the matter within ten (10) working days after timely notice has been given. If they fail to resolve the matter within the prescribed period, the grieving party may, within ten (10) working days thereafter, pursue Step 2 of this grievance procedure provided the grievance is reduced to writing, setting forth the relevant information, including a short description thereof, the date on which the alleged violation occurred, and the provision(s) of the Agreement alleged to have been violated. Grievances and disputes settled at Step 1 shall be non-precedential except as to the parties directly involved.

Union or Contractor Grievances Should the Union(s) or any Contractor have a dispute with the other Party(ies) and, if after conferring within ten (10) working days after the disputing Party knew or should have known of the facts or occurrence giving rise to the dispute, a settlement is not reached within five (5) working days, the dispute shall be reduced to writing and processed to Step 2 in the same manner as outlined in 1(a) above for the adjustment of an employee complaint.

Step 2. The business manager of the involved local Union or his designee, together with the site representative of the involved Contractor, and the labor relations representative of the Project Labor Coordinator, shall meet within seven (7) working days of the referral of the dispute to this second step to arrive at a satisfactory settlement thereof. If the Parties fail to reach an agreement, the dispute may be appealed in writing in accordance with the provisions of Step 3 within seven (7) calendar days after the initial meeting at Step 2.

Step 3. (a) If the grievance shall have been submitted but not resolved under Step 2, either the Union or Contractor Party may request in writing to the Project Labor Coordinator (with copy (ies) to the other Party (ies)) within seven (7) calendar days after the initial Step 2 meeting, that the grievance be submitted to an arbitrator selected from the agreed upon list below, on a rotational basis in the order listed. Those arbitrators are: (1) Edna Francis; (2) Louis Zigman; (3) Fredric Horowitz; (4) Sara Adler; (5) William Rule; (6) Walt Daugherty;

and (7) Michael Rappaport. The decision of the arbitrator shall be final and binding on all Parties and the fee and expenses of such arbitrations shall be borne equally by the involved Contractor(s) and the involved Union(s).

(b) Failure of the grieving Party to adhere to the time limits established herein shall render the grievance null and void. The time limits established herein may be extended only by written consent of the Parties involved at the particular step where the extension is agreed upon. The arbitrator shall have the authority to make decisions only on issues presented and shall not have the authority to change, amend, add to or detract from any of the provisions of this Agreement.

(c) The fees and expenses incurred by the arbitrator, as well as those jointly utilized by the Parties (i.e., conference room, court reporter, etc.) in arbitration, shall be divided equally by the Parties to the arbitration, including Union(s) and Contractor(s) involved.

Section 10.3 Limit on Use of Procedures The procedures contained in this Article shall not be applicable to any alleged violation of Articles 7 or 8, with a single exception that any employee discharged for violation of Section 7.2, or Section 8.3, may resort to the procedures of this Article to determine only if he/she was, in fact, engaged in that violation.

Section 10.4 Notice The Project Labor Coordinator (and the District, in the case of any grievance regarding the Scope of this Agreement), shall be notified by the involved Contractor of all actions at Steps 2 and 3, and further, the Project Labor Coordinator shall, upon its own request, be permitted to participate fully as a party in all proceedings at such steps.

ARTICLE 11 REGULATORY COMPLIANCE

Section 11.1 Compliance with All Laws The Council and all Unions, Contractors, subcontractors and their employed shall comply with all applicable federal and state laws, ordinances and regulations including, but not limited to, those relating to safety and health, employment and applications for employment. All employees shall comply with the safety regulations established by the District, the Project Labor Coordinator or the Contractor. Employees must promptly report any injuries or accidents to a supervisor.

Section 11.2 Monitoring Compliance The Parties agree that the District shall require, and that the Project Labor Coordinator and Council shall monitor, compliance by all Contractors and subcontractors with all federal and state laws regulation that, from time to time may apply to Project Work. It shall be the responsibility of both the Council and the Project Labor Coordinator (on behalf of the District) to investigate or monitor compliance with these various laws and regulations. The Council may recommend to the Project Labor Coordinator and/or the District procedures to encourage and enforce compliance with these laws and regulations.

Section 11.3 Prevailing Wage Compliance The Council or Union shall refer all complaints regarding any potential prevailing wage violation to the Project Labor Coordinator, who on its own, or with the assistance of the District's staff, shall process, investigate and resolve such complaints, consistent with Article 5, Section 5.4. The Council or Union, as appropriate, shall be advised in a timely manner with regard to the facts and resolution, if any, of any complaint. It is understood that this Section does not restrict any individual rights as

established under the State Labor Code, including the rights of an individual to file a complaint with the State Labor Commissioner.

Section 11.4 Violations of Law Based upon a finding of violation by the District of a federal and state law, and upon notice to the Contractor that it or its subcontractors is in such violation, the District, in the absence of the Contractor or subcontractor remedying such violation, shall take such action as it is permitted by law or contract to encourage that Contractor to come into compliance, including, but not limited to, assessing fines and penalties and/or removing the offending Contractor from Project Work. Additionally, in accordance with the Agreement between the District and the Contractor, the District may cause the Contractor to remove from Project Work any subcontractor who is in violation of state or federal law.

ARTICLE 12 SAFETY AND PROTECTION OF PERSON AND PROPERTY

Section 12.1 Safety

(a) It shall be the responsibility of each Contractor to ensure safe working conditions and employee compliance with any safety rules contained herein or established by the District or the Contractor. It is understood that employees have an individual obligation to use diligent care to perform their work in a safe manner and to protect themselves and the property of the Contractor and the District.

(b) Employees shall be bound by the safety, security and visitor rules established by the Contractor and/or the District. These rules will be published and posted. An employee's failure to satisfy his/her obligations under this section will subject him/her to discipline, up to and including discharge.

(c) The Parties adopt the Los Angeles/Orange Counties Building and Construction Trades Council Approved Drug and Alcohol Testing Policy, a copy of which is attached hereto as Attachment B and which shall be the policy and procedure utilized under this Agreement.

Section 12.2 Suspension of Work for Safety A Contractor may suspend all or a portion of the job to protect the life and safety of employees. In such cases, employees will be compensated only for the actual time worked; provided, however, that where the Contractor requests employees to remain at the site and be available for work, the employees will be compensated for stand-by time at their basic hourly rate of pay.

Section 12.3 Water and Sanitary Facilities The Contractor shall provide adequate supplies of drinking water and sanitary facilities for all employees as required by state law or regulation.

ARTICLE 13 TRAVEL AND SUBSISTENCE

Travel expenses, travel time, subsistence allowances, zone rates and parking reimbursements shall be paid in accordance with the applicable Schedule A Agreement unless superseded by the applicable prevailing wage determination.

ARTICLE 14 APPRENTICES

Section 14.1 Importance of Training The Parties recognize the need to maintain continuing support of the programs designed to develop adequate numbers of competent workers in the construction industry, the obligation to capitalize on the availability of the local work force in the area served by the District, and the opportunities to provide continuing work under the construction program. To these ends, the Parties will facilitate, encourage, and assist local residents to commence and progress in Labor/Management Apprenticeship and/or training Programs in the construction industry leading to participation in such apprenticeship programs. The District, the Project Labor Coordinator, other District consultants, and the Council, will work cooperatively to identify, or establish and maintain, effective programs and procedures for persons interested in entering the construction industry and which will help prepare them for the formal joint labor/management apprenticeship programs maintained by the signatory Unions.

Section 14.2 Use of Apprentices

(a) Apprentices used on Projects under this Agreement shall be registered in Joint Labor Management Apprenticeship Programs approved by the State of California. Apprentices may comprise up to thirty percent (30%) of each craft's work force at any time, unless the standards of the applicable joint apprenticeship committee confirmed by the Division of Apprenticeship Standards ("DAS"), establish a lower or higher maximum percentage. Where the standards permit a higher percentage, such percentage shall apply on Project Work. Where the applicable standards establish a lower percentage, the applicable Union will use its best efforts with the Joint Labor Management apprenticeship committee and, if necessary, the DAS to permit up to thirty percent (30%) apprentices on the Project.

(b) The Unions agree to cooperate with the Contractor in furnishing apprentices as requested up to the maximum percentage. The apprentice ratio for each craft shall be in compliance, at a minimum, with the applicable provisions of the Labor Code relating to utilization of apprentices. The District shall encourage such utilization, and, both as to apprentices and the overall supply of experienced workers, the Project Labor Coordinator will work with the Council to assure appropriate and maximum utilization of apprentices and the continuing availability of both apprentices and journey persons.

(c) The Parties agree that apprentices will not be dispatched to Contractors working under this Agreement unless there is a journeymen working on the project where the apprentice is to be employed who is qualified to assist and oversee the apprentice's progress through the program in which he is participating.

(d) All apprentices shall work under the direct supervision of a journeyman from the trade in which the apprentice is indentured. A journeyman shall be defined as set forth in the California Code of Regulations, Title 8 [apprenticeship] section 205, which defines a journeyman as a person who has either completed an accredited apprenticeship in his or her craft, or has completed the equivalent of an apprenticeship in length and content of work experience and all other requirements in the craft which has workers classified as journeyman in the apprenticeable occupation. Should a question arise as to a journeyman's qualification under this

subsection, the Contractor shall provide adequate proof evidencing the worker's qualification as a journeyman to the Council.

Section 14.3 Joint Subcommittee on Training and Apprenticeship To carry out the intent and purposes of this Article, a subcommittee of the Labor Management Committee established pursuant to Article 17 may be established, jointly chaired by a designee of the District and a designee of the Council, to oversee the identification and/or effective development of procedures and programs leading to the full utilization of apprenticeship programs, and to work with representatives of each signatory craft's joint apprenticeship committee ("CJAC") and representatives of the District's technical schools to establish appropriate criteria for recognition by such CJAC's of the educational and work experience possessed by District students and graduates toward qualifying for entry or advanced level in the apprenticeship programs under the direction under such CJAC's. The Subcommittee will meet as necessary at the call of the joint chairs to promptly facilitate its purposes in an expeditious manner as soon as this Agreement becomes effective. In addition to the joint chairs, the membership of the committee will consist of at least three representatives of the signatory local Unions and three representatives of Contractors signatory to this Agreement and experienced in overseeing and participating in joint labor management apprenticeship programs (or organizations to which the Contractors belong).

ARTICLE 15 WORKING CONDITIONS

Section 15.1 Meal and Rest Periods There will be no non-working times established during working hours except as may be required by applicable state law or regulations. Meal periods and Rest periods shall be as provided for in Wage Order 16. Individual coffee containers will be permitted at the employees' work location; however, there will be no organized coffee breaks.

Section 15.2 Work Rules The District, the Project Labor Coordinator, and/or relevant Contractor shall establish such reasonable work rules as they deem appropriate and not inconsistent with this Agreement. These rules will be posted at the work sites by the Contractor and may be amended thereafter as necessary. Failure to observe these rules and regulations by employees may be grounds for discipline up to and including discharge.

Section 15.3 Emergency Use of Tools and Equipment There should be no restrictions on the emergency use of any tools by any qualified employee or supervisor, or on the use of any tools or equipment for the performance of work within the jurisdiction, provided the employee can safely use the tools and/or equipment involved and is compliance with applicable governmental rules and regulations.

Section 15.4 Access Restrictions for Cars Recognizing the nature of the work being conducted on the site, employee access by a private automobile may be limited to certain roads and/or parking areas.

ARTICLE 16 PRE-JOB CONFERENCES

(a) Each Primary Contractor which is awarded a Construction Contract by the District for Project Work shall conduct a pre-job conference with the appropriate affected Union(s) prior to commencing work. All Contractors who have been awarded contracts by the Primary Contractor shall attend the Pre-Job conference. The Council and the Project Labor Coordinator shall be advised in advance of all such conferences and may participate if they wish. All work assignments should be disclosed by the Primary Contractor and all Contractors at a pre-job conference held in accordance with industry practice. Should there be any formal jurisdictional dispute raised under Article 8, the Project Labor Coordinator shall be promptly notified. Primary Contractor shall have available at the Pre-Job conference the plans and drawing for the work to be performed on the Project.

(b) If they have not already done so before the pre-job conference, each Contractor shall provide to the Unions at the pre-job conference, a list of their core employees which they intend on using on this Project.

ARTICLE 17 LABOR/MANAGEMENT COOPERATION

Section 17.1 Joint Committee The Parties to this Agreement may establish a six (6) person Joint Administrative Committee (JAC). This JAC shall be comprised of three (3) representatives selected by the District and three (3) representatives selected by the Council to monitor compliance with the terms and conditions of this Agreement. Each representative shall designate an alternate who shall serve in his or her absence for any purpose contemplated by this Agreement.

Section 17.2 Functions of Joint Committee The Committee shall meet on a schedule to be determined by the Committee or at the call of the joint chairs, to discuss the administration of the Agreement, the progress of the Project, general labor management problems that may arise, and any other matters consistent with this Agreement. Substantive grievances or disputes arising under Articles 7, 8 or 10 shall not be reviewed or discussed by this Committee, but shall be processed pursuant to the provisions of the appropriate Article. The Project Labor Coordinator shall be responsible for the scheduling of the meetings, the preparation of the agenda topics for the meetings, with input from the Unions the Contractors and the District. Notice of the date, time and place of meetings, shall be given to the Committee members at least three (3) days prior to the meeting. The District should be notified of the meetings and invited to send a representative(s) to participate. The Project Labor Coordinator shall prepare quarterly reports on apprentice utilization and the training and employment of District residents, and a schedule of Project Work and estimated number of craft workers needed. The Committee or an appropriate subcommittee, may review such reports and make any recommendations for improvement, if necessary, including increasing the availability of skilled trades, and the employment of local residents or other individuals who should be assisted with appropriate training to qualify for apprenticeship programs. The Project Labor Coordinator shall be responsible for the scheduling of the meetings, the preparation of the agenda topics for the meetings, with input from the Unions, the Contractors, and the District. Notice of the date, time and place of meetings, shall be

given to the Committee members at least three (3) days prior to the meeting. The District should be notified of the meetings and invited to send a representative(s) to participate.

Section 17.3 Subcommittees The Committee may form subcommittees to consider and advise the full Committee with regard to safety and health issues affecting the Project and other similar issues affecting the overall Project, including any workers compensation program initiated under this Agreement.

ARTICLE 18 SAVINGS AND SEPARABILITY

Section 18.1 Savings Clause It is not the intention of the District, the Project Labor Coordinator, Contractor or the Union parties to violate any laws governing the subject matter of this Agreement. The Parties hereto agree that in the event any provision of this Agreement is finally held or determined to be illegal or void as being in contravention of any applicable law or regulation, the remainder of the Agreement shall remain in full force and effect unless the part or parts so found to be void are wholly inseparable from the remaining portions of this Agreement. Further, the Parties agree that if and when any provision(s) of this Agreement is finally held or determined to be illegal or void by a court of competent jurisdiction, the Parties will promptly enter into negotiations concerning the substantive effect of such decision for the purposes of achieving conformity with the requirements of any applicable laws and the intent of the Parties hereto. If the legality of this Agreement is challenged and any form of injunctive relief is granted by any court, suspending temporarily or permanently the implementation of this Agreement, then the Parties agree that all Project Work that would otherwise be covered by this Agreement should be continued to be bid and constructed without application of this Agreement so that there is no delay or interference with the ongoing planning, bidding and construction of any Project Work.

Section 18.2 Effect of Injunctions or Other Court Orders The Parties recognize the right of the District to withdraw, at its absolute discretion, the utilization of the Agreement as part of any bid specification should a Court of competent jurisdiction issue any order, or any applicable statute which could result, temporarily or permanently in delay of the bidding, awarding and/or construction on the Project. Notwithstanding such an action by the District, or such court order or statutory provision, the Parties agree that the Agreement shall remain in full force and the fact on covered Project Work to the maximum extent legally possible.

ARTICLE 19 WAIVER

A waiver of or a failure to assert any provisions of this Agreement by any or all of the Parties hereto shall not constitute a waiver of such provision for the future. Any such waiver shall not constitute a modification of the Agreement or change in the terms and conditions of the Agreement and shall not relieve, excuse or release any of the Parties from any of their rights, duties or obligations hereunder.

ARTICLE 20 AMENDMENTS

The provisions of this Agreement can be renegotiated, supplemented, rescinded or otherwise altered only by mutual agreement in writing, hereafter signed by the negotiating Parties hereto.

ARTICLE 21 DURATION OF THE AGREEMENT

Section 21.1 Duration

(a) This Agreement shall be effective from the date signed by all Parties and shall remain in effect for a period of five (5) years. Any covered Project awarded during the term of this Agreement shall continue to be covered hereunder, until completion of the Project, notwithstanding the expiration date of this Agreement.

(b) This Agreement may be extended by mutual consent of the District and the signatory Unions for such further periods as the Parties shall agree to.

Section 21.2 Turnover and Final Acceptance of Completed Work

(a) Construction of any phase, portion, section, or segment of Project Work shall be deemed complete when such phase, portion, section or segment has been turned over to the District by the Contractor and the District has accepted such phase, portion, section, or segment as being in compliance with contract documents, including but not limited to, plans, specifications, and scope of work under contract. As areas and systems of the Project are inspected and construction-tested and/or approved and accepted by the District or third parties with the approval of the District, the Agreement shall have no further force or effect on such items or areas, except when the Contractor is directed by the District to engage and repairs or modifications required by its contract(s) with the District.

(b) Notice of each final acceptance received by the Contractor will be provided to the Council with the description of what portion, segment, etc. has been accepted. Final acceptance may be subject to a "punch" list, and in such case, the Agreement will continue to apply to each such item on the list until it is completed to the satisfaction of the District and Notice of Completion is issued by the District or its representative to the Contractor. At the request of the Union, complete information describing any "punch" list work, as well as any additional work required of a Contractor at the direction of the District pursuant to (a) above, involving otherwise turned-over and completed facilities which have been accepted by the District, will be available from the Project Labor Coordinator.

IN WITNESS whereof the Parties have caused this Continuity of Work Agreement to be executed as of the date and year above stated.

PALMDALE
WATER DISTRICT

LOS ANGELES/ORANGE COUNTIES
BUILDING & CONSTRUCTION
TRADES COUNCIL

By: _____
[Name]
[Title]

By: _____
Ron Miller
Executive Secretary

[illegible]

ATTACHMENT A – LETTER OF ASSENT

To be signed by all contractors awarded work covered by the Project Labor Agreement prior to commencing work.

[Contractor's Letterhead]
Project Labor Coordinator
Palmdale Water District
1234 address
City, state, zip code
Attn: _____

Re: Project Labor Agreement - Letter of Assent

Dear Sir:

This is to confirm that [name of company] agrees to be party to and bound by the Palmdale Water District Project Labor Agreement effective _____, 201_, as such Agreement may, from time to time, be amended by the negotiating parties or interpreted pursuant to its terms. Such obligation to be a party and bound by this Agreement shall extend to all work covered by the agreement undertaken by this Company on the project and this Company shall require all of its contractors and subcontractors of whatever tier to be similarly bound for all work within the scope of the Agreement by signing and furnishing to you an identical letter of assent prior to their commencement of work.

Sincerely.

[Name of Construction Company]

By: [_____] Name and Title of Authorized Executive

[Copies of this letter must be submitted to the Project Labor Coordinator and to the Council Consistent with Article 2, Section 2.5(b).]

ATTACHMENT B

LOS ANGELES/ORANGE COUNTIES BUILDING AND CONSTRUCTION TRADES COUNCIL APPROVED DRUG AND ALCOHOL TESTING POLICY

The Parties recognize the problems which drug and alcohol abuse have created in the construction industry and the need to develop drug and alcohol abuse prevention programs. Accordingly, the Parties agree that in order to enhance the safety of the work place and to maintain a drug and alcohol free work environment, individual Employers may require applicants or employees to undergo drug and alcohol testing.

1. It is understood that the use, possession, transfer or sale of illegal drugs, narcotics, or other unlawful substances, as well as being under the influence of alcohol and the possession or consuming alcohol is absolutely prohibited while employees are on the Employer's job premises or while working on any jobsite in connection with work performed under the Project Labor Agreement ("PLA").

2. No Employer may implement a drug testing program which does not conform in all respects to the provisions of this Policy.

3. No Employer may implement drug testing at any jobsite unless written notice is given to the Union setting forth the location of the jobsite, a description of the project under construction, and the name and telephone number of the Project Supervisor. Said notice shall be addressed to the office of each Union signing the PLA. Said notice shall be delivered in person or by registered mail before the implementation of drug testing. Failure to give such notice shall make any drug testing engaged in by the Employer a violation of the PLA, and the Employer may not implement any form of drug testing at such jobsite for the following six months.

4. An employer who elects to implement drug testing pursuant to this Agreement shall require all employees on the Project to be tested. With respect to individuals who become employed on the Project subsequent to the proper implementation of this drug testing program, such test shall be administered upon the commencement of employment on the project, whether by referral from a Union Dispatch Office, transfer from another project, or another method. Individuals who were employed on the project prior to the proper implementation of this drug testing program may only be subjected to testing for the reasons set forth in Paragraph 5(f) (1) through 5(f) (3) of this Policy. Refusal to undergo such testing shall be considered sufficient grounds to deny employment on the project.

5. The following procedure shall apply to all drug testing:

a. The Employer may request urine samples only. The applicant or employee shall not be observed when the urine specimen is given. An applicant or employee, at his or her sole option, shall, upon request, receive a blood test in lieu of a urine test. No employee of the Employer shall draw blood from a bargaining unit employee, touch or handle urine specimens, or in any way become involved in the chain of custody of urine or blood specimens. A Union Business Representative, subject to the approval of the individual applicant or employee, shall be

permitted to accompany the applicant or employee to the collection facility to observe the collection, bottling, and sealing of the specimen.

b. The testing shall be done by a laboratory approved by the National Institute on Drug Abuse (NIDA), which is chosen by the Employer and the Union.

c. An initial test shall be performed using the Enzyme Multiplied Immunoassay Technique (EMZT). In the event a question or positive result arises from the initial test, a confirmation test must be utilized before action can be taken against the applicant or employee. The confirmation test will be by Gas Chromatography Mass Spectrometry (GC/MS). Cutoff levels for both the initial test and confirmation test will be those established by the National Institute on Drug Abuse. Confirmed positive samples will be retained by the testing laboratory in secured long-term frozen storage for a minimum of one year. Handling and transportation of each sample must be documented through strict chain of custody procedures.

d. In the event of a confirmed positive test result the applicant or employee may request, within forty-eight (48) hours, a sample of his/her specimen from the testing laboratory for purposes of a second test to be performed at a second laboratory, designated by the Union and approved by NDA. The retest must be performed within ten (10) days of the request. Chain of custody for this sample shall be maintained by the Employer between the original testing laboratory and the Union's designated laboratory. Retesting shall be performed at the applicant's or employee's expense. In the event of conflicting test results the Employer may require a third test.

e. If, as a result of the above testing procedure, it is determined that an applicant or employee has tested positive, this shall be considered sufficient grounds to deny the applicant or employee his/her employment on the Project.

f. No individual who tests negative for drugs or alcohol pursuant to the above procedure and becomes employed on the Project shall again be subjected to drug testing with the following exceptions:

1. Employees who are involved in industrial accidents resulting in damage to plant, property or equipment or injury to him/herself or others may be tested pursuant to the procedures stated hereinabove.

2. The Employer may test employees following thirty (30) days advance written notice to the employee(s) to be tested and to the applicable Union. Notice to the applicable Union shall be as set forth in Paragraph 3 above and such testing shall be pursuant to the procedures stated hereinabove.

3. The Employer may test an employee where the Employer has reasonable cause to believe that the employee is impaired from performing his/her job. Reasonable cause shall be defined as exhibiting aberrant or unusual behavior, the type of which is a recognized and accepted symptom of impairment (i.e., slurred speech, unusual lack of muscular coordination, etc.). Such behavior must be actually observed by at least two persons, one of whom shall be a Supervisor who has been trained to recognize the symptoms of drug abuse or impairment and the other of whom shall be the job steward. If the job steward is

unavailable or there is no job steward on the project the other person shall be a member of the applicable Union's bargaining unit. Testing shall be pursuant to the procedures stated hereinabove. Employees who are tested pursuant to the exceptions set forth in this paragraph and who test positive will be removed from the Employer's payroll.

g. Applicants or employees who do not test positive shall be paid for all time lost while undergoing drug testing. Payment shall be at the applicable wage and benefit rates set forth in the applicable Union's Master Labor Agreement. Applicants who have been dispatched from the Union and who are not put to work pending the results of a test will be paid waiting time until such time as they are put to work. It is understood that an applicant must pass the test as a condition of employment. Applicants who are put to work pending the results of a test will be considered probationary employees.

6. The employers will be allowed to conduct periodic job site drug testing on the Project under the following conditions:

a. The entire jobsite must be tested, including any employee or subcontractor's employee who worked on that project three (3) working days before or after the date of the test;

b. Jobsite testing cannot commence sooner than thirty (30) days after start of the work on the Project;

c. Prior to start of periodic testing, a business representative will be allowed to conduct an educational period on company time to explain periodic jobsite testing program to affected employees;

d. Testing shall be conducted by a N.I.D.A. certified laboratory, pursuant to the provisions set forth in Paragraph 5 hereinabove.

e. Only two periodic tests may be performed in a twelve month period.

7. It is understood that the unsafe use of prescribed medication, or where the use of prescribed medication impairs the employee's ability to perform work, is a basis for the Employer to remove the employee from the jobsite.

8. Any grievance or dispute which may arise out of the application of this Agreement shall be subject to the grievance and arbitration procedures set forth in the PLA.

9. The establishment or operation of this Policy shall not curtail any right of any employee found in any law, rule or regulation. Should any part of this Agreement be found unlawful by a court of competent jurisdiction or a public agency having jurisdiction over the parties, the remaining portions of the Agreement shall be unaffected and the parties shall enter negotiations to replace the affected provision.

10. Present employees, if tested positive, shall have the prerogative for rehabilitation program at the employee's expense. When such program has been successfully completed the

Employer shall not discriminate in any way against the employee. If work for which the employee is qualified exists he/she shall be reinstated.

11. The Employer agrees that results of urine and blood tests performed hereunder will be considered medical records held confidential to the extent permitted or required by law. Such records shall not be released to any persons or entities other than designated Employer representatives and the applicable Union. Such release to the applicable Union shall only be allowed upon the signing of a written release and the information contained therein shall not be used to discourage the employment of the individual applicant or employee on any subsequent occasion.

12. The Employer shall indemnify and hold the Union harmless against any and all claims, demands, suits, or liabilities that may arise out of the application of this Agreement and/or any program permitted hereunder.

13. Employees who seek voluntary assistance for substance abuse may not be disciplined for seeking such assistance. Requests from employees for such assistance shall remain confidential and shall not be revealed to other employees or management personnel without the employee's consent. Employees enrolled in substance abuse programs shall be subject to all Employer rules, regulations and job performance standards with the understanding that an employee enrolled in such a program is receiving treatment for an illness.

14. This Memorandum, of Understanding shall constitute the only Agreement in effect between the parties concerning drug and alcohol abuse, prevention and testing. Any modifications thereto must be accomplished pursuant to collective bargaining negotiations between the parties.

DRUG ABUSE PREVENTION AND DETECTION

APPENDIX A

CUTOFF LEVELS

DRUG	SCREENING METHOD	SCREENING LEVEL **	CONFIRMATION METHOD	CONFIRMATION LEVEL
Alcohol	EMIT	.02%	CG/MS	.02%
Amphetamines	EMIT	1000 ng/ml*	CG/MS	500 ng/ml*
Barbiturates	EMIT	300 ng/ml	CG/MS	200 ng/ml
Benzodiazepines	EMIT	300 ng/ml	CG/MS	300 ng/ml
Cocaine	EMIT	300 ng/ml*	CG/MS	150 ng/ml*
Methadone	EMIT	300 ng/ml	CG/MS	100 ng/ml
Methaqualone	EMIT	300 ng/ml	CG/MS	300 ng/ml
Opiates	EMIT	300 ng/ml*	CG/MS	300 ng/ml*
PCP (Phencyclidine)	EMIT	25 ng/ml*	CG/MS	25 ng/ml*
THC (Marijuana)	EMIT	100 ng/ml*	CG/MS	15 ng/ml*
Propoxyphene	EMIT	300 ng/ml	CG/MS	100 ng/ml

* NTDA specified threshold

** A sample reported positive contains the Indicated drug at or above the cutoff level for that drug. A negative sample either contains no drug or contains a drug below the cutoff level.

EMIT - Enzyme Immunoassay

CC/MS - Gas Chromatography/Mass Spectrometry

SIDE LETTER OF AGREEMENT
TESTING POLICY FOR DRUG ABUSE

It is hereby agreed between the parties hereto that an Employer who has otherwise properly implemented drug testing, as set forth in the Testing Policy for Drug Abuse, shall have the right to offer an applicant or employee a "quick" drug screening test. This "quick" screen test shall consist either of the "ICUP" urine screen or similar test or an oral screen test. The applicant or employee shall have the absolute right to select either of the two "quick" screen tests, or to reject both and request a full drug test.

An applicant or employee who selects one of the quick screen tests, and who passes the test, shall be put to work immediately. An applicant or employee who fails the "quick" screen test, or who rejects the quick screen tests, shall be tested pursuant to the procedures set forth in the Testing Policy for Drug Abuse. The sample used for the "quick" screen test shall be discarded immediately upon conclusion of the test. An applicant or employee shall not be deprived of any rights granted to them by the Testing Policy for Drug Abuse as a result of any occurrence related to the "quick" screen test.

ATTACHMENT C

PALMDALE WATER DISTRICT CRAFT REQUEST FORM

TO THE CONTRACTOR: Please complete and fax this form to the applicable union to request craft workers that fulfill the hiring requirements for this project. After faxing your request, please call the Local to verify receipt and substantiate their capacity to furnish workers as specified below. Please print your Fax Transmission Verification Reports and keep copies for your records.

The Palmdale Water District Project Labor Agreement establishes a goal that 30% of all of the labor and craft positions shall be from workers residing: first, in those first tier zip codes which overlap the District service area, as attached hereto, second, within the greater Antelope Valley area, as reflected on the attached list of zip codes, and third, Local Residents residing within **certain surrounding area zip codes, as reflected on the attached list of zip codes, as well as the remainder of** the County of Los Angeles. For Dispatch purposes, employees residing within any of these three (3) areas shall be referred to as Local Residents. In addition, a goal of 10% of all of the labor and craft positions shall be from disadvantaged workers and/or veterans residing within the ~~greater Antelope Valley area~~ **tier 1 and tier 2 zip codes**, as reflected on the attached list of zip codes.

TO THE UNION: Please complete the "Union Use Only" section on the next page and fax this form back to the requesting Contractor. Be sure to retain a copy of this form for your records.

CONTRACTOR USE ONLY

To: Union Local # _____ **Fax#** () _____ **Date:** _____
Cc: Project Labor Coordinator
From: Company: _____ Issued By: _____
Contact Phone: () _____ Contact Fax: () _____

PLEASE PROVIDE ME WITH THE FOLLOWING UNION CRAFT WORKERS.

Craft Classification (i.e., plumber, painter, etc.)	Journeyman or Apprentice	Local Resident, Disadvantaged Worker, and Veteran, or General Dispatch	Number of workers needed	Report Date	Report Time

TOTAL WORKERS REQUESTED = _____

Please have worker(s) report to the following work address indicated below:

Project Name: _____ Site: _____ Address: _____
Report to: _____ On-site Tel: _____ On-site Fax: _____
Comment or Special Instructions: _____

UNION USE ONLY

Date dispatch request received:
Dispatch received by:
Classification of worker requested:
Classification of worker dispatched:

WORKER REFERRED

Name:		
Date worker was dispatched:		
Is the worker referred a: (check all that apply)		
JOURNEYMAN	Yes _____	No _____
APPRENTICE	Yes _____	No _____
LOCAL RESIDENT	Yes _____	No _____
DISADVANTAGED WORKER OR VETERAN	Yes _____	No _____
GENERAL DISPATCH FROM OUT OF WORK LIST	Yes _____	No _____

[This form is not intended to replace a Local Union's Dispatch or Referral Form
normally given to the employee when being dispatched to the jobsite.]

**DISTRICT SERVICE AREA ZIP CODES
(Tier 1)**

93550, 93551 and 93552

**GREATER ANTELOPE VALLEY AREA ZIP CODES
(Tier 2)**

91390	93534	93554
93501	93535	93560
93510	93536	93591
93523	93543	
93532	93553	

TIER 3 AREA ZIP CODES

93561	92394	92372
93505	92395	92329
93516	92340	92371
93524	92344	92397
92392	92345	
92393	92301	

As well as all of the remaining zip codes from Los Angeles County.

PALMDALE WATER DISTRICT
2015 BUDGET (18,800 Acre Foot) - New Rates 5.5%

	PROPOSED 2015	PROJECTED 2014	BUDGET ² 2014	ACTUAL 2013	ACTUAL 2012	ACTUAL 2011
Operating Revenue						
Wholesale Water (AVEK & LCID)	225,000	125,000	225,000	192,316	50,345	-
Water Sales	8,805,000	8,900,000	9,053,000	9,025,493	8,732,110	7,828,995
Meter Fees	11,843,000	11,300,000	11,255,000	11,059,700	10,318,032	10,331,401
Water Quality Fees	1,638,000	1,406,000	1,638,000	1,650,551	1,658,418	1,544,001
Elevation Fees	525,000	524,000	525,000	553,631	563,499	514,356
Other	1,450,000	1,226,500	1,700,000	1,670,371	1,339,084	1,586,910
	<u>24,486,000</u>	<u>23,481,500</u>	<u>24,396,000</u>	<u>24,152,063</u>	<u>22,661,487</u>	<u>21,805,664</u>
Operating Expenses						
Directors	118,000	152,750	114,500	102,406	109,815	144,707
Administration	3,148,000	3,229,320	3,450,000	2,195,303	2,499,320	3,601,954
Engineering	1,267,500	1,129,500	1,079,800	1,265,376	1,155,799	1,170,449
Facilities	4,276,000	3,202,500	3,408,500	2,926,478	3,305,594	3,215,769
Operations	4,539,000	5,145,742	5,453,500	5,230,842	4,738,208	4,681,601
Finance	2,854,000	2,934,250	2,968,750	2,907,898	2,840,351	2,790,709
Water Conservation	275,000	174,750	270,000	237,710	223,804	207,563
Human Resources	218,100	242,250	273,800	199,673	192,206	235,797
Information Technology	824,750	732,428	828,600	638,953	721,173	562,174
Water Purchases	2,400,000	1,900,000	2,400,000	2,247,247	3,614,861	2,657,610
OAP Chrg (Prior Year)	250,000	1,000	250,000	436,485	-	(591,517)
Water Recovery	(100,000)	(570,000)	(100,000)	(611,563)	(394,902)	(1,363,902)
Water Quality (GAC Media)	1,638,000	1,250,000	1,638,000	1,133,176	1,550,184	1,219,205
Plant Expenditures	<u>2,143,500</u>	<u>2,000,000</u>	<u>2,143,500</u>	<u>726,135</u>	<u>713,641</u>	<u>297,937</u>
Cash Expenses	<u>23,851,850</u>	<u>21,524,490</u>	<u>24,178,950</u>	<u>19,636,120</u>	<u>21,270,054</u>	<u>18,830,058</u>
Depreciation	7,150,000	7,043,055	7,350,000	7,483,036	7,768,448	7,285,492
Post Employment Benefit (GASB 45)	2,000,000	2,002,500	2,000,000	1,659,752	1,716,709	1,803,368
Bad Debts	100,000	30,000	100,000	(19,586)	(104,725)	49,729
Service Costs Construction	125,000	(100,000)	125,000	88,060	168,706	28,429
Capitalized Construction	<u>(1,000,000)</u>	<u>(1,074,000)</u>	<u>(1,000,000)</u>	<u>(1,238,379)</u>	<u>(992,970)</u>	<u>(1,021,987)</u>
Non-Cash Expenses	<u>8,375,000</u>	<u>7,901,555</u>	<u>8,575,000</u>	<u>7,972,883</u>	<u>8,556,168</u>	<u>8,145,031</u>
Net Operating Income/(Loss)	<u>(7,740,850)</u>	<u>(5,944,545)</u>	<u>(8,357,950)</u>	<u>(3,456,940)</u>	<u>(7,164,735)</u>	<u>(5,169,425)</u>
Non-operating Revenues						
Assessments (Debt Service)	4,800,000	4,900,000	4,400,000	4,899,758	4,394,572	5,562,065
Assessments (1%)	1,750,000	1,750,000	1,600,000	1,765,553	1,518,943	-
Successor Agency Component (Prop Tax)	200,000	248,000	200,000	651,377	185,432	-
DWR Fixed Charge Recovery	100,000	133,500	100,000	233,833	549,374	-
Interest	35,000	35,500	35,000	34,920	24,866	78,519
Market Adj. on Investments	(10,000)	8,000	(10,000)	(39,707)	-	-
Capital Improvement Fees	50,000	10,000	150,000	244,949	1,257,818	1,225,519
Grants - State & Federal	-	485,000	485,000	-	-	76,200
Sale of Real Property	-	-	-	-	-	-
Other	<u>185,000</u>	<u>175,000</u>	<u>185,000</u>	<u>(1,206,109)</u>	<u>159,238</u>	<u>165,515</u>
	<u>7,110,000</u>	<u>7,745,000</u>	<u>7,145,000</u>	<u>6,584,573</u>	<u>8,090,243</u>	<u>7,107,818</u>
Non-operating Expenses						
Interest Paid & Amortization on long-term debt	2,111,000	2,296,000	2,111,000	2,035,498	2,417,320	2,540,875
Amortization of SWP	1,679,000	1,914,000	1,679,000	1,737,506	1,578,940	1,453,125
Capital Leasing	-	-	-	-	-	-
Capital Contributions	-	-	-	-	-	-
Water Conservation	<u>143,000</u>	<u>125,000</u>	<u>143,000</u>	<u>115,163</u>	<u>49,222</u>	<u>95,662</u>
	<u>3,933,000</u>	<u>4,335,000</u>	<u>3,933,000</u>	<u>3,888,167</u>	<u>4,045,482</u>	<u>4,089,662</u>
Net Non-operating Income/(Loss)	<u>3,177,000</u>	<u>3,410,000</u>	<u>3,212,000</u>	<u>2,696,406</u>	<u>4,044,761</u>	<u>3,018,155</u>
Net Earnings(Loss)	<u>(4,563,850)</u>	<u>(2,534,545)</u>	<u>(5,145,950)</u>	<u>(760,535)</u>	<u>(3,119,974)</u>	<u>(2,151,270)</u>

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PALMDALE WATER DISTRICT 2015 BUDGET (18,800 Acre Foot) - 5.5% Increase

	PROPOSED 2015	PROJECTED 2014	BUDGET 2014	ACTUAL 2013	ACTUAL 2012
Operating Revenue					
Wholesale Water (AVEK & LCID)	225,000	125,000	225,000	192,316	50,345
Retail Water	22,811,000	22,130,000	22,471,000	22,289,376	21,272,059
Other Operating Revenue	1,450,000	1,226,500	1,700,000	1,670,371	1,339,084
	<u>24,486,000</u>	<u>23,481,500</u>	<u>24,396,000</u>	<u>24,152,063</u>	<u>22,661,487</u>
Operating Expenses					
Departmental Salaries (Includes Overtime)	7,058,750	6,924,750	6,893,000	6,525,528	6,581,456
Departmental Taxes & Program Benefits	704,000	669,000	667,500	638,641	533,543
Departmental Healthcare	1,435,250	1,488,400	1,408,400	1,442,138	1,500,491
Departmental CalPERS	1,377,500	1,254,250	1,284,700	1,065,484	1,190,148
Departmental Operating Expenses	6,944,850	6,607,090	7,593,850	6,032,849	5,980,632
Water Purchases & Recovery (OAP Included)	2,550,000	1,331,000	2,550,000	2,072,169	3,219,959
Water Quality (GAC Media)	1,638,000	1,250,000	1,638,000	1,133,176	1,550,184
Capitalized Expenditures	2,143,500	2,000,000	2,143,500	726,135	713,641
Cash Expenses	<u>23,851,850</u>	<u>21,524,490</u>	<u>24,178,950</u>	<u>19,636,120</u>	<u>21,270,054</u>
Non-Cash Expenses	<u>8,375,000</u>	<u>7,901,555</u>	<u>8,575,000</u>	<u>7,972,883</u>	<u>8,556,168</u>
Net Operating Income/(Loss)	<u>(7,740,850)</u>	<u>(5,944,545)</u>	<u>(8,357,950)</u>	<u>(3,456,940)</u>	<u>(7,164,735)</u>
Non-operating Revenues	7,110,000	7,745,000	7,145,000	6,584,573	8,090,243
Non-operating Expenses	<u>3,933,000</u>	<u>4,335,000</u>	<u>3,933,000</u>	<u>3,888,167</u>	<u>4,045,482</u>
Net Non-operating Income/(Loss)	<u>3,177,000</u>	<u>3,410,000</u>	<u>3,212,000</u>	<u>2,696,406</u>	<u>4,044,761</u>
Net Earnings(Loss)	<u>(4,563,850)</u>	<u>(2,534,545)</u>	<u>(5,145,950)</u>	<u>(760,535)</u>	<u>(3,119,974)</u>

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**PALMDALE WATER DISTRICT
FINANCE COMMITTEE - 2015 BUDGET (Departmental Overview)**
Administration

Budget 2014: 3,450,000
Projected Actual 2014: 3,229,320
Requested 2015: 3,148,000

	BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL	ACTUAL
	2015	2014	2014	2013	2012	2011	2010
DEPARTMENT PERSONNEL BUDGET:							
1-02-4000-000 Salaries	835,000	744,250	656,000	493,945	499,688	551,638	719,742
1-02-4000-100 Salaries - Departmental Overtime	8,250	7,500	7,500	7,450	8,678	6,217	7,677
Subtotal (Salaries - Departmental)	843,250	751,750	663,500	501,395	508,366	557,854	727,419
Employee Benefits (Departmental)							
1-02-4005-000 Payroll Taxes	64,000	52,500	41,500	30,878	30,681	35,497	34,540
1-02-4010-000 Health Insurance	133,500	105,750	96,000	80,560	82,661	104,849	124,138
1-02-4015-000 Pers	176,000	142,750	132,500	86,034	91,869	88,045	105,019
Subtotal (Benefits - Departmental)	373,500	301,000	270,000	197,472	205,211	228,391	263,697
Employee Salaries & Benefits (District Wide)							
1-02-4000-200 Salaries - District-wide Oncall/Standby	65,250	54,000	60,000	57,569	54,620	58,299	56,329
1-02-4020-000 Worker's Comp	125,000	110,000	125,000	110,558	126,579	157,099	176,082
1-02-4025-000 Vacation Benefit Expense	35,000	34,250	35,000	33,866	(91,399)	31,402	8,597
1-02-4030-000 Life Insurance/EAP Program	7,500	8,000	7,500	7,283	7,115	7,876	4,994
Subtotal (Salaries/Benefits - District Wide)	232,750	206,250	227,500	209,276	96,914	254,676	246,002
Personnel Expenses	1,449,500	1,259,000	1,161,000	908,143	810,492	1,040,921	1,237,118
OPERATING EXPENSES:							
Total Operating Expense	1,698,500	1,970,320	2,289,000	1,287,160	1,688,829	2,561,033	2,794,759
Total Departmental Expenses	3,148,000	3,229,320	3,450,000	2,195,303	2,499,320	3,601,954	4,031,877

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**PALMDALE WATER DISTRICT
FINANCE COMMITTEE - 2015 BUDGET (Departmental Overview)
Engineering**

Budget 2014: 1,079,800
Projected Actual 2014: 1,129,500
Requested 2015: 1,267,500

	BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL	ACTUAL
	2015	2014	2014	2013	2012	2011	2010
DEPARTMENT PERSONNEL BUDGET:							
1-03-4000-000 Salaries	792,500	730,000	668,500	802,373	761,583	777,873	769,680
1-03-4000-100 Salaries - Departmental Overtime	6,750	7,000	6,500	5,977	1,173	10,758	5,381
Subtotal (Salaries - Departmental)	799,250	737,000	675,000	808,349	762,756	788,631	775,061
Employee Benefits (Departmental)							
1-03-4005-000 Payroll Taxes	62,500	58,500	51,500	60,690	57,388	57,608	56,784
1-03-4010-000 Health Insurance	153,250	134,000	134,800	165,163	157,833	151,270	126,171
1-03-4015-000 Pers	167,500	141,000	133,500	139,915	143,557	134,619	120,295
Subtotal (Benefits - Departmental)	383,250	333,500	319,800	365,768	358,778	343,496	303,250
Personnel Expenses	1,182,500	1,070,500	994,800	1,174,118	1,121,535	1,132,127	1,078,311
OPERATING EXPENSES:							
Total Operating Expense	85,000	59,000	85,000	91,259	34,264	38,322	27,619
Total Departmental Expenses	1,267,500	1,129,500	1,079,800	1,265,376	1,155,799	1,170,449	1,105,929

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**PALMDALE WATER DISTRICT
FINANCE COMMITTEE - 2015 BUDGET (Departmental Overview)**
Facilities

Budget 2014: 3,408,500
Projected Actual 2014: 3,202,500
Requested 2015: 4,276,000

	BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL	ACTUAL
	2015	2014	2014	2013	2012	2011	2010
DEPARTMENT PERSONNEL BUDGET:							
1-04-4000-000 Salaries	2,037,500	1,493,000	1,450,000	1,307,909	1,423,089	1,370,889	1,345,077
1-04-4000-100 Salaries - Departmental Overtime	53,500	60,000	36,500	51,484	29,565	47,171	46,025
Subtotal (Salaries - Departmental)	2,091,000	1,553,000	1,486,500	1,359,393	1,452,654	1,418,060	1,391,102
Employee Benefits (Departmental)							
1-04-4005-000 Payroll Taxes	156,000	112,250	111,000	106,666	113,849	113,701	99,084
1-04-4010-000 Health Insurance	466,500	428,000	374,500	380,429	393,665	341,285	276,349
1-04-4015-000 Pers	404,000	246,250	278,000	224,502	269,180	243,376	207,987
Subtotal (Benefits - Departmental)	1,026,500	786,500	763,500	711,598	776,694	698,361	583,419
Personnel Expenses	3,117,500	2,339,500	2,250,000	2,070,991	2,229,348	2,116,421	1,974,521
OPERATING EXPENSES:							
Total Operating Expense	1,158,500	863,000	1,158,500	855,488	1,076,246	1,099,348	1,327,440
Total Departmental Expenses	4,276,000	3,202,500	3,408,500	2,926,478	3,305,594	3,215,769	3,301,961

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**PALMDALE WATER DISTRICT
FINANCE COMMITTEE - 2015 BUDGET (Departmental Overview)
Operations**

Budget 2014: 5,453,500
Projected Actual 2014: 5,145,742
Requested 2015: 4,539,000

	BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL	ACTUAL
	2015	2014	2014	2013	2012	2011	2010
DEPARTMENT PERSONNEL BUDGET:							
1-05-4000-000 Salaries	1,106,500	1,692,500	1,734,000	1,620,378	1,643,361	1,571,485	1,527,312
1-05-4000-100 Salaries - Departmental Overtime	53,750	91,000	70,000	96,652	88,128	113,848	67,947
Subtotal (Salaries - Departmental)	1,160,250	1,783,500	1,804,000	1,717,029	1,731,489	1,685,334	1,595,259
Employee Benefits (Departmental)							
1-05-4005-000 Payroll Taxes	92,500	135,500	131,000	130,648	132,513	124,733	120,429
1-05-4010-000 Health Insurance	205,000	352,500	343,000	357,431	359,376	345,691	290,849
1-05-4015-000 Pers	229,750	346,500	324,000	274,670	308,076	273,221	234,153
Subtotal (Benefits - Departmental)	527,250	834,500	798,000	762,750	799,965	743,644	645,430
Personnel Expenses	1,687,500	2,618,000	2,602,000	2,479,779	2,531,453	2,428,978	2,240,689
OPERATING EXPENSES:							
Total Operating Expense	2,851,500	2,527,742	2,851,500	2,751,063	2,206,755	2,252,623	2,311,304
Total Departmental Expenses	4,539,000	5,145,742	5,453,500	5,230,842	4,738,208	4,681,601	4,551,993

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**PALMDALE WATER DISTRICT
FINANCE COMMITTEE - 2015 BUDGET (Departmental Overview)**
Finance

Budget 2014: 2,968,750
Projected Actual 2014: 2,934,250
Requested 2015: 2,854,000

	BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL	ACTUAL
	2015	2014	2014	2013	2012	2011	2010
DEPARTMENT PERSONNEL BUDGET:							
1-06-4000-000 Salaries	1,537,500	1,511,500	1,645,000	1,524,644	1,533,269	1,508,723	1,679,094
1-06-4000-100 Salaries - Departmental Overtime	19,000	21,750	19,000	32,826	18,656	30,945	12,214
Subtotal (Salaries - Departmental)	1,556,500	1,533,250	1,664,000	1,557,470	1,551,925	1,539,668	1,691,308
Employee Benefits (Departmental)							
1-06-4005-000 Payroll Taxes	117,750	121,000	123,000	119,116	117,568	119,983	122,180
1-06-4010-000 Health Insurance	326,000	334,750	317,000	344,111	369,836	366,021	337,125
1-06-4015-000 Pers	320,000	307,250	331,000	272,569	289,841	264,424	259,728
Subtotal (Benefits - Departmental)	763,750	763,000	771,000	735,796	777,245	750,428	719,033
Personnel Expenses	2,320,250	2,296,250	2,435,000	2,293,266	2,329,170	2,290,096	2,410,341
OPERATING EXPENSES:							
Total Operating Expense	533,750	638,000	533,750	614,632	511,180	500,613	373,651
Total Departmental Expenses	2,854,000	2,934,250	2,968,750	2,907,898	2,840,351	2,790,709	2,783,992

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**PALMDALE WATER DISTRICT
FINANCE COMMITTEE - 2015 BUDGET (Departmental Overview)
Water Conservation**

Budget 2014: 270,000
Projected Actual 2014: 174,750
Requested 2015: 275,000

	BUDGET 2015	PROJECTED 2014	BUDGET 2014	ACTUAL 2013	ACTUAL 2012	ACTUAL 2011	ACTUAL 2010
DEPARTMENT PERSONNEL BUDGET:							
1-07-4000-000 Salaries	174,000	113,500	168,500	159,129	152,210	149,794	153,005
1-07-4000-100 Salaries - Departmental Overtime	1,000	3,250	1,000	1,104	1,000	939	946
Subtotal (Salaries - Departmental)	175,000	116,750	169,500	160,233	153,210	150,733	153,951
Employee Benefits (Departmental)							
1-07-4005-000 Payroll Taxes	13,500	6,500	13,000	12,244	11,710	11,498	11,355
1-07-4010-000 Health Insurance	37,250	24,750	31,500	27,415	20,340	15,310	12,635
1-07-4015-000 Pers	27,250	17,000	34,000	28,866	29,602	26,469	23,670
Subtotal (Benefits - Departmental)	78,000	48,250	78,500	68,524	61,652	53,277	47,661
Personnel Expenses	253,000	165,000	248,000	228,757	214,862	204,010	201,612
OPERATING EXPENSES:							
Total Operating Expense	22,000	9,750	22,000	8,953	8,942	3,552	4,437
Total Departmental Expenses	275,000	174,750	270,000	237,710	223,804	207,563	206,048

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**PALMDALE WATER DISTRICT
FINANCE COMMITTEE - 2015 BUDGET (Departmental Overview)
Human Resources**

Budget 2014: 273,800
Projected Actual 2014: 242,250
Requested 2015: 218,100

	BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL	ACTUAL
	2015	2014	2014	2013	2012	2011	2010
DEPARTMENT PERSONNEL BUDGET:							
1-08-4000-000 Salaries	100,500	95,500	97,000	90,676	105,474	125,029	111,469
1-08-4000-100 Salaries - Departmental Overtime	-	-	-	-	-	-	-
Subtotal (Salaries - Departmental)	100,500	95,500	97,000	90,676	105,474	125,029	111,469
Employee Benefits (Departmental)							
1-08-4005-000 Payroll Taxes	7,750	7,500	7,500	6,677	8,432	7,693	8,178
1-08-4010-000 Health Insurance	18,250	17,000	19,200	-	14,396	20,343	13,658
1-08-4015-000 Pers	6,500	6,500	6,500	434	18,557	22,914	17,296
Subtotal (Benefits - Departmental)	32,500	31,000	33,200	7,110	41,384	50,950	39,132
Personnel Expenses	133,000	126,500	130,200	97,787	146,858	175,979	150,601
OPERATING EXPENSES:							
Total Operating Expense	85,100	115,750	143,600	101,887	45,348	59,818	65,495
Total Departmental Expenses	218,100	242,250	273,800	199,673	192,206	235,797	216,096

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**PALMDALE WATER DISTRICT
FINANCE COMMITTEE - 2015 BUDGET (Departmental Overview)**
Information Technology

Budget 2014: 828,600
Projected Actual 2014: 732,428
Requested 2015: 824,750

	BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL	ACTUAL
	2015	2014	2014	2013	2012	2011	2010
DEPARTMENT PERSONNEL BUDGET:							
1-09-4000-000 Salaries	220,250	224,000	226,000	220,881	218,357	196,681	-
1-09-4000-100 Salaries - Departmental Overtime	2,500	2,000	2,500	2,583	1,956	1,773	-
Subtotal (Salaries - Departmental)	222,750	226,000	228,500	223,463	220,313	198,453	-
Employee Benefits (Departmental)							
1-09-4005-000 Payroll Taxes	17,000	17,500	16,000	16,193	15,942	14,034	-
1-09-4010-000 Health Insurance	38,000	38,400	38,400	41,624	39,804	38,554	-
1-09-4015-000 Pers	46,500	47,000	45,200	38,495	39,467	33,431	-
Subtotal (Benefits - Departmental)	101,500	102,900	99,600	96,312	95,212	86,019	-
Personnel Expenses	324,250	328,900	328,100	319,775	315,525	284,472	-
OPERATING EXPENSES:							
Total Operating Expense	500,500	403,528	500,500	319,178	405,648	277,702	405,872
Total Departmental Expenses	824,750	732,428	828,600	638,953	721,173	562,174	405,872