



# PALMDALE WATER DISTRICT

2029 East Avenue Q • Palmdale, California 93550 •

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## Board of Directors

ROBERT E. ALVARADO  
Division 1

JOE ESTES  
Division 2

GLORIA DIZMANG  
Division 3

KATHY MAC LAREN  
Division 4

VINCENT DINO  
Division 5

ALESHIRE & WYNDER LLP  
Attorneys



December 4, 2014

***Agenda for a Meeting  
of the Finance Committee of the Palmdale Water District  
Committee Members: Gloria Dizmang-Chair, Vincent Dino  
to be held at the District's office at 2029 East Avenue Q, Palmdale  
Monday, December 8, 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 November 3, 2014.
- 4.2) Discussion and overview of Cash Flow Statement and Current Cash Balances as of October 31, 2014. (Financial Advisor Egan)
- 4.3) Discussion and overview of Financial Statements, Revenue, and Expense and Departmental Budget Reports for October 31, 2014. (Finance Manager Williams)
- 4.4) Discussion and overview of committed contracts issued and water revenue bond projects. (Assistant General Manager Knudson)
- 4.5) Discussion and overview of Resolution No. 14-20 Establishing the Palmdale Water District's Investment Policy. (Financial Advisor Egan/Finance Manager Williams)
- 5) Information items.
  - 5.1) Status of Debt Service Coverage. (Financial Advisor Egan)
  - 5.2) Comparison of fees and charges for similar-sized water districts. (Finance Manager Williams)
  - 5.3) Other.
- 6) Board members' requests for future agenda items.
- 7) Adjournment.



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MATTHEW R. KNUDSON,  
Assistant General Manager

DDL/MRK/dd

**PALMDALE  
WATER DISTRICT  
BOARD MEMORANDUM**

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<b>DATE:</b>	December 2, 2014	December 8, 2014
<b>TO:</b>	FINANCE COMMITTEE	Committee Meeting
<b>FROM:</b>	Mr. Bob Egan, Financial Advisor	
<b>RE:</b>	<i><b>AGENDA ITEM NO. 4.2 – DISCUSSION AND OVERVIEW OF CASH FLOW STATEMENT AND CURRENT CASH BALANCES AS OF OCTOBER 31, 2014</b></i>	

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

PALMDALE WATER DISTRICT  
INVESTMENT FUNDS REPORT

		October 31, 2014				October-14	September-14
	DESCR						
<b>CASH</b>							
0-0103	Citizens/US Bank - Checking					207,961.83	363,988.90
0-0104	Citizens- Merchant					110,845.44	146,186.26
					Bank cash	318,807.27	510,175.16
0-0119	PETTY CASH					300.00	300.00
0-0120	CASH ON HAND					3,400.00	3,400.00
	<b>TOTAL CASH</b>					<b>322,507.27</b>	<b>513,875.16</b>
<b>INVESTMENTS</b>							
0-0110	UBS ACCOUNT SS 11469 GG						
	UBS RMA Government Portfolio					3,755,338.69	4,181,286.42
	UBS Bank USA Dep acct					250,000.00	250,000.00
	Accrued interest					1,429.94	1,116.46
						4,006,768.63	4,432,402.88
		CD'S	Due	Rate	Face Value		
	1 Homestreet Bk WA	12/08/14	2.00		240,000	239,944.80	239,892.00
	2 Discover Bk DE	12/11/14	0.25		240,000	239,952.00	239,908.80
	3 Bk of China NY US	12/11/14	0.25		240,000	239,952.00	239,908.80
	4 Berkshire Bk MA	12/12/14	0.25		240,000	239,928.00	239,863.20
	5 First B & T IL	12/15/14	0.15		240,000	239,932.80	239,880.00
	6 1st Niagra Bk NY	12/15/14	0.25		240,000	239,947.20	239,904.00
	7 Comenity Bk DE	12/18/14	0.30		200,000	199,500.00	199,650.00
	8 Peoples United CT	12/18/14	0.25		120,000	119,971.20	119,949.60
	9 Citizens Bk PA	12/18/14	0.30		240,000	239,956.80	239,925.60
					2,000,000	1,999,084.80	1,998,882.00
					Total acct	6,005,853.43	6,431,284.88
0-1110	UBS ACCOUNT SS 11475 GG						
	UBS Bank USA Dep acct					250,000.00	250,000.00
	UBS RMA Government Portfolio					218,908.37	218,896.53
					Total acct	468,908.37	468,896.53
0-0115	LAIF					11,733.06	11,725.92
0-0111	UBS ACCOUNT SS 11432 GG						
	UBS Bank USA Dep acct					89,989.28	85,923.30
	UBS RMA Government Portfolio						
	Accrued interest					13,220.81	13,977.51
<b>US GOVERNMENT SECURITIES:</b>							
	ISSUE DATE	ISSUER	EXPIR DATE	RATE	PAR	MARKET VALUE	MARKET VALUE
		FNMA	10/26/2015	1.625	500,000	506,915.00	507,525.00
		FFCB	6/2/2016	0.375	1,000,000	995,720.00	993,510.00
		FNMA	7/17/2017	1.2	500,000	498,120.00	498,995.00
		FHLB	12/28/2017	0.95	500,000	495,140.00	493,570.00
					2,500,000	2,495,895.00	2,493,600.00
		CD'S	Due	Rate	Face Value		
	1 Bank of Baroda	11/12/14	0.45		240,000	240,000.00	240,000.00
	2 GE Capital Bank	05/01/15	0.60		64,000	64,031.36	64,037.12
	3 Ally Bank	05/06/15	0.60		240,000	240,120.00	240,136.80
	4 Sallie Mae Bank	11/06/15	0.85		240,000	240,463.20	240,417.60
	5 Goldman Sachs Bk	11/07/16	1.00		240,000	239,980.80	239,894.40
	6 CIT Bank	11/06/17	1.60		240,000	240,232.80	240,242.40
	7 BMW Bank	11/15/18	2.00		240,000	241,684.80	241,356.00
	8						
					1,504,000	1,506,512.96	1,506,084
					TOTAL MANAGED ACCOUNT	4,105,618.05	4,099,585.13
	<b>TOTAL INVESTMENTS</b>					<b>10,592,112.91</b>	<b>11,011,492.46</b>
	UBS ACCOUNT SS 24016			UBS USA		250,000.00	250,000.00
	Rate Stabilization Fund			UBS AG		230,185.52	230,166.38
						480,185.52	480,166.38
	<b>GRAND TOTAL CASH AND INVESTMENTS</b>					<b>11,394,805.70</b>	<b>12,005,534.00</b>
	Summary:						
	Checking	322,507		Incr (Decr)		(610,728.30)	
	UBS MM	6,474,762					
	LAIF	11,733					
	UBS Investment	4,105,618					
	Rate Stab fund	480,186		BNY Mellon			
	Total	11,394,806		Construction		5,033,919.81	5,903,239.32



10/8/2014	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014	
	January	February	March	April	May	June	July	August	September	October	November	December	YTD
Water Sales	1,649,955	1,630,351	1,685,802	1,701,439	1,914,996	2,081,078	2,314,930	2,355,478	2,171,057	2,081,921	2,076,000	1,766,000	23,429,006
	1,649,955	1,630,351	1,685,802	1,701,439	1,914,996	2,081,078	2,314,930	2,355,478	2,171,057	2,081,921	2,076,000	1,766,000	
Beginning Balance	12,223,261	12,094,245	12,669,343	10,569,481	12,638,008	13,351,585	13,193,464	13,000,265	13,412,680	12,005,534	11,394,805	10,518,787	
Water Receipts	1,955,377	1,805,677	1,780,736	1,691,040	1,777,997	2,046,064	2,312,079	2,273,386	2,381,041	2,150,544	2,076,000	1,766,000	24,015,942
Other							278,100			260,651		0	538,751
Total Operating Revenue	1,955,377	1,805,677	1,780,736	1,691,040	1,777,997	2,046,064	2,590,179	2,273,386	2,381,041	2,411,195	2,076,000	1,766,000	
Operating Expenses:													
Total Operating Expenses excl GAC	2,060,493	1,418,735	1,720,101	1,345,880	1,547,374	1,502,338	2,169,377	1,831,058	1,725,909	1,900,913	1,830,000	1,708,000	20,760,177
													2,668,829
Non-Operating Revenue Expenses:													
Assessments, net	636,921	291,389	7,906	1,958,367	720,021	7,737	80,205	170,055			142,869	2,500,000	6,515,471
Special Avek CIF Payment													0
Interest	3,782	3,457	3,899	3,224	3,195	3,676	3,967	3,699	4,051	3,835	2,083	2,083	40,951
Mkt adj	10,554	1,203	(4,828)	6,915	2,763	(6,882)	(1,425)	3,151	(4,041)	2,926			10,336
Grant Re-imbursement													0
Capital Improvement Fees		9,889				0			3,370				13,259
													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	18,318	14,811	15,000	15,000	492,203
Total Non-Operating Revenues	661,336	358,093	23,415	1,979,183	1,158,329	17,154	96,893	191,050	21,698	21,573	159,952	2,517,083	7,205,759
Capital Expenditures	(106,595)	(13,862)	(321,802)	(119,918)	(533,132)	(104,335)	(61,504)	(79,180)	(19,276)	(21,810)	(807,963)	(355,500)	(2,544,878)
GAC									(300,438)	(298,604)	(340,000)	(300,000)	(1,239,042)
SWP Capitalized	(578,181)	(118,142)	(142,503)	(118,142)	(118,141)	(118,140)	(578,178)	(118,140)	(146,976)	(118,140)	(118,140)	(118,139)	(2,390,962)
Prepaid Insurance (paid) refunded			(67,580)				(36,620)		(197,480)				(301,680)
Bond Payments Interest			(1,126,124)						(944,336)	(173,933)			(2,244,393)
Principal			(504,974)						(455,000)	(512,800)			(1,472,774)
System Work for AVEK													0
Butte payments						(492,805)						(507,000)	(999,805)
Capital leases	(460)	(37,933)	(20,929)	(17,756)	(24,103)	(3,720)	(34,592)	(23,643)	(20,470)	(17,296)	(15,868)	(15,868)	(232,638)
Legal adjudication fees													0
Total Cash Ending Balance	12,094,245	12,669,343	10,569,481	12,638,008	13,351,585	13,193,464	13,000,265	13,412,680	12,005,534	11,394,805	10,518,787	11,797,363	(11,426,173)
											Budget	10,756,000	(1,551,585)
											diff	1,041,363	

# **PALMDALE WATER DISTRICT BOARD MEMORANDUM**

**DATE:** December 2, 2014  
**TO:** FINANCE COMMITTEE  
**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 OCTOBER 31, 2014*

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## **Discussion:**

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

This is the tenth month of the District's Budget Year 2014. The target percentage is 83%. Revenues ideally are at or above, and expenditures ideally are below.

## **Balance Sheet:**

- Page 1 is our balance sheet on October 31, 2014.
- The most significant change is the decrease in current assets of approximately \$1.4MM. The decrease is due to disbursements from bond proceeds for ongoing projects.

## **Profit/Loss Statement:**

- Page 3 is our profit/loss statement on October 31, 2014.
- Operating revenue is at 80% of budget.
- Water Sales are at 78% of budget. This is due to reduced consumption.
- Cash operating expense is at 78% of budget.
- Our GAC expenditures are only at 55% for the year.

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

- Page 7 is our comparison of October, 2013 to October, 2014.
- Total operating revenue is down \$182K, or 8%. This is due to reduced consumption for the month.
- Operating expenditures are up by \$580K, or 41%. The increase is due to plant expenditures and GAC purchase.
- Page 8 is a graphic presentation of the water consumption comparison. Units billed in acre feet were down by 207, or 11%. Total revenue per unit sold is up \$0.09 or 3%, total revenue per connection is down \$6.27, or 8%, and units billed per connection is down 3.5, or 11%.

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

- Page 9 is our comparison of revenue, year-to-date.
- Operating revenue through October, 2014 is down \$755K, or 4%.
- Retail water sales from all areas are down by \$471K from last year. That's shown by the combined green highlighted area. Water sales alone are down \$551K YTD.
- Total revenue is down \$977K.
- Operating revenue through October, 2014 is at 80% of budget; last year we were at 89% of budget.

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

- Page 11 is our comparison of expense, year-to-date.
- Cash Operating Expenses through October, 2014 are up by \$2.2MM, or 12%, compared to 2013 due to plant expenditures and the Wood settlement payment.
- Total Expenses are up \$1.9MM, or 4%, for the same reasons.

**Departments:**

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

**Non-Cash Definitions:**

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

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

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

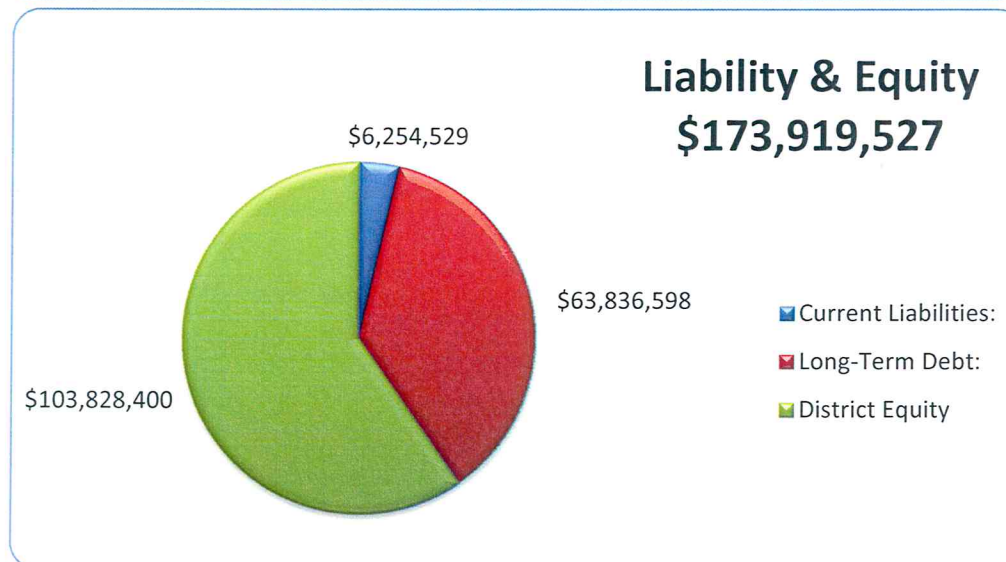
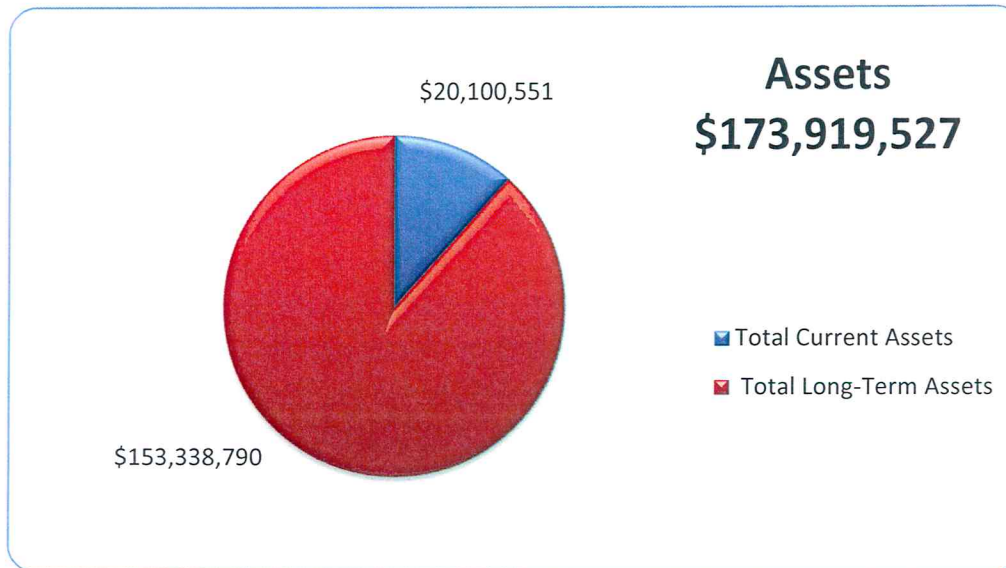
**Service Cost Construction:** The value of material, parts & supplies from inventory used to construct, repair and maintain our asset infrastructure.

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

**Palmdale Water District**  
**Balance Sheet Report**  
**For the Ten Months Ending 10/31/2014**

	<b>October 2014</b>	<b>September 2014</b>
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and Cash Equivalents	\$ 322,507	\$ 513,875
Investments	10,592,113	11,011,492
2013A Bonds - Project Funds	5,033,920	5,903,239
	<b>\$ 15,948,540</b>	<b>\$ 17,428,607</b>
<b>Receivables:</b>		
Accounts Receivables - Water Sales	\$ 1,984,890	\$ 2,002,647
Accounts Receivables - Miscellaneous	31,700	43,475
Allowance for Uncollected Accounts	(214,349)	(214,349)
	<b>\$ 1,802,240</b>	<b>\$ 1,831,773</b>
Interest Receivable	\$ -	\$ -
Assessments Receivables	1,318,979	1,318,979
Meters, Materials and Supplies	794,146	758,402
Prepaid Expenses	236,647	261,787
<b>Total Current Assets</b>	<b>\$ 20,100,551</b>	<b>\$ 21,599,547</b>
<b>Long-Term Assets:</b>		
Property, Plant, and Equipment, net	\$ 113,327,727	\$ 113,189,439
Participation Rights in State Water Project, net	39,779,843	39,821,213
2013A Bonds - Insurance & Surety Bond	231,219	231,886
	<b>\$ 153,338,790</b>	<b>\$ 153,242,538</b>
<b>Restricted Cash:</b>		
Rate Stabilization Fund	480,186	480,166
<b>Total Long-Term Assets &amp; Restricted Cash</b>	<b>\$ 153,818,976</b>	<b>\$ 153,722,705</b>
<b>Total Assets</b>	<b>\$ 173,919,527</b>	<b>\$ 175,322,252</b>
<b>LIABILITIES AND DISTRICT EQUITY</b>		
<b>Current Liabilities:</b>		
Current Interest Installment of Long-term Debt	\$ 183,518	\$ 173,935
Current Principal Installment of Long-term Debt	640,198	1,137,998
Accounts Payable and Accrued Expenses	5,803,415	5,707,670
Deferred Assessments	(372,602)	(372,602)
<b>Total Current Liabilities</b>	<b>\$ 6,254,529</b>	<b>\$ 6,647,001</b>
<b>Long-Term Debt:</b>		
Pension-Related Debt	\$ 1,084,487	\$ 1,084,487
OPEB Liability	8,970,018	8,820,207
2013A Water Revenue Bonds	43,465,974	43,483,225
2012 - Certificates of Participation	10,062,940	10,056,142
2011 - Capital Lease Payable	253,178	267,623
<b>Total Long-Term Liabilities</b>	<b>\$ 63,836,598</b>	<b>\$ 63,711,684</b>
<b>Total Liabilities</b>	<b>\$ 70,091,127</b>	<b>\$ 70,358,686</b>
<b>District Equity</b>		
Revenue from Operations	\$ (4,843,769)	\$ (3,708,603)
Retained Earnings	108,672,169	108,672,169
<b>Total Liabilities and District Equity</b>	<b>\$ 173,919,527</b>	<b>\$ 175,322,252</b>

## BALANCE SHEET AS OF OCTOBER 31, 2014





**Palmdale Water District**  
**Consolidated Profit and Loss Statement**  
**For the Ten Months Ending 10/31/2014**

	Thru September	October	Year-to-Date	Adjustments	Adjusted Budget	% of Budget
<b>Operating Revenue:</b>						
Wholesale Water	\$ 165,101	\$ 29,129	\$ 194,229		\$ 225,000	86.32%
Water Sales	6,252,557	807,759	7,060,317		9,053,000	77.99%
Meter Fees	8,474,743	947,224	9,421,966		11,255,000	83.71%
Water Quality Fees	1,209,966	145,876	1,355,842		1,638,000	82.77%
Elevation Fees	371,184	45,165	416,349		525,000	79.30%
Other	1,031,202	106,767	1,137,969		1,700,000	66.94%
<b>Total Operating Revenue</b>	<b>\$ 17,504,753</b>	<b>\$ 2,081,921</b>	<b>\$ 19,586,674</b>	<b>\$ -</b>	<b>\$ 24,396,000</b>	<b>80.29%</b>
<b>Cash Operating Expenses:</b>						
Directors	\$ 103,531	\$ 17,432	\$ 120,964		\$ 114,500	105.65%
Administration*	2,556,131	214,810	2,770,941	(80,000)	3,410,000	81.26%
Engineering	793,296	87,512	880,807		1,079,800	81.57%
Facilities*	2,374,458	324,670	2,699,128	(10,000)	3,408,500	79.19%
Operations*	4,225,373	410,815	4,636,188	(10,000)	5,453,500	85.01%
Finance	2,295,334	229,136	2,524,470		2,968,750	85.03%
Water Conservation	109,239	16,938	126,177		270,000	46.73%
Human Resources*	171,640	21,206	192,846	30,000	245,300	78.62%
Information Technology*	552,735	65,645	618,380	70,000	828,600	74.63%
Water Purchases	2,085,837	125,228	2,211,065		2,400,000	92.13%
Water Purchases-Prior Year OAP	683	-	683		250,000	0.27%
Water Recovery	(417,430)	(1,201)	(418,631)		(100,000)	418.63%
Plant Expenditures	1,456,969	170,986	1,627,955		2,143,500	75.95%
GAC Filter Media Replacement	608,917	297,955	906,872		1,638,000	55.36%
<b>Total Cash Operating Expenses</b>	<b>\$ 16,916,713</b>	<b>\$ 1,981,131</b>	<b>\$ 18,897,845</b>	<b>\$ -</b>	<b>\$ 24,110,450</b>	<b>78.38%</b>
<b>Non-Cash Operating Expenses:</b>						
Depreciation	\$ 5,498,464	\$ 552,048	\$ 6,050,512		\$ 7,350,000	82.32%
OPEB Accrual Expense	1,501,874	166,875	1,668,749		2,000,000	83.44%
Bad Debts	30,881	(216)	30,665		100,000	30.67%
Service Costs Construction	(106,322)	21,269	(85,053)		125,000	-68.04%
Capitalized Construction	(1,092,415)	(156,700)	(1,249,115)		(1,000,000)	124.91%
<b>Total Non-Cash Operating Expenses</b>	<b>\$ 5,832,483</b>	<b>\$ 583,276</b>	<b>\$ 6,415,759</b>	<b>\$ -</b>	<b>\$ 8,575,000</b>	<b>74.82%</b>
<b>Net Operating Profit/(Loss)</b>	<b>\$ (5,244,444)</b>	<b>\$ (482,486)</b>	<b>\$ (5,726,930)</b>	<b>\$ -</b>	<b>\$ (8,289,450)</b>	<b>69.09%</b>
<b>Non-Operating Revenues:</b>						
Assessments (Debt Service)	\$ 2,905,627	\$ -	\$ 2,905,627		\$ 4,400,000	66.04%
Assessments (1%)	1,215,099	-	1,215,099		1,800,000	67.51%
DWR Fixed Charge Recovery	133,539	-	133,539		100,000	133.54%
Interest	36,302	6,906	43,208		25,000	172.83%
Capital Improvement Fees	13,259	-	13,259		150,000	8.84%
State Grants	-	-	-		485,000	0.00%
Other	195,390	14,811	210,201		185,000	113.62%
<b>Total Non-Operating Revenues</b>	<b>\$ 4,499,216</b>	<b>\$ 21,717</b>	<b>\$ 4,520,933</b>	<b>\$ -</b>	<b>\$ 7,145,000</b>	<b>63.27%</b>
<b>Non-Operating Expenses:</b>						
Interest on Long-Term Debt	\$ 1,745,603	\$ 190,200	\$ 1,935,803		\$ 2,111,000	91.70%
Amortization of SWP	1,435,590	159,510	1,595,100		1,679,000	95.00%
Water Conservation Programs	99,448	7,421	106,869		143,000	74.73%
<b>Total Non-Operating Expenses</b>	<b>\$ 3,280,642</b>	<b>\$ 357,131</b>	<b>\$ 3,637,772</b>	<b>\$ -</b>	<b>\$ 3,933,000</b>	<b>92.49%</b>
<b>Net Earnings</b>	<b>\$ (4,025,869)</b>	<b>\$ (817,900)</b>	<b>\$ (4,843,769)</b>	<b>\$ -</b>	<b>\$ (5,077,450)</b>	<b>95.40%</b>

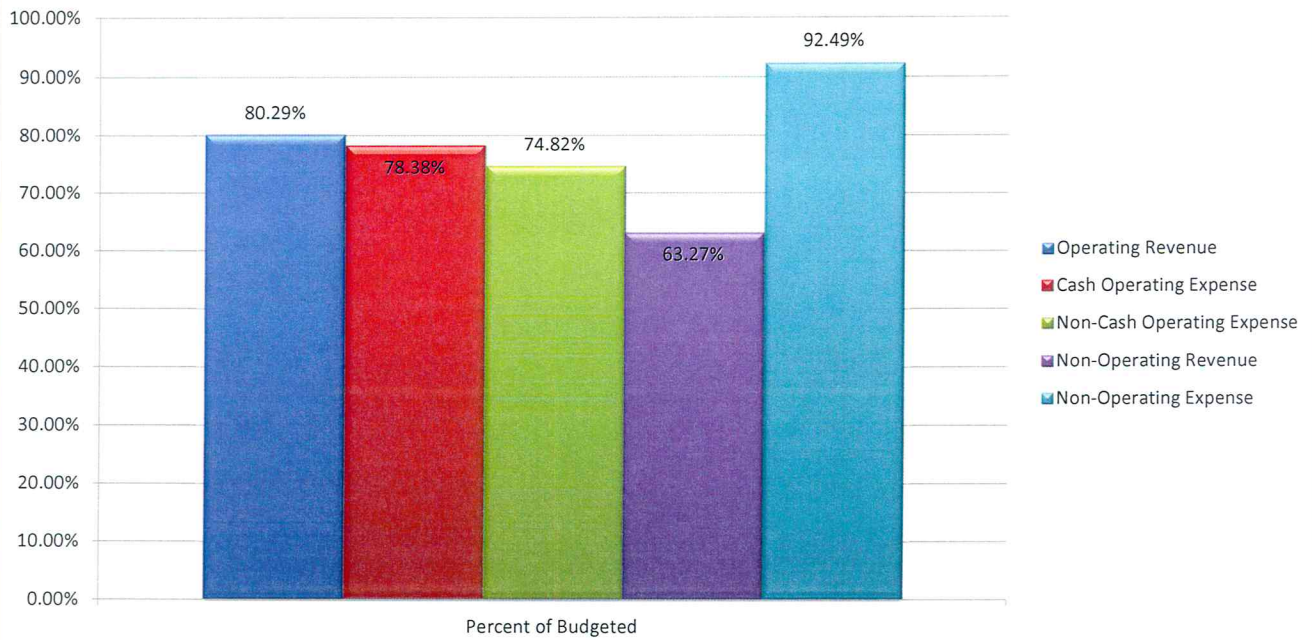
\* Budget adjustments by General Manager per Appendix A



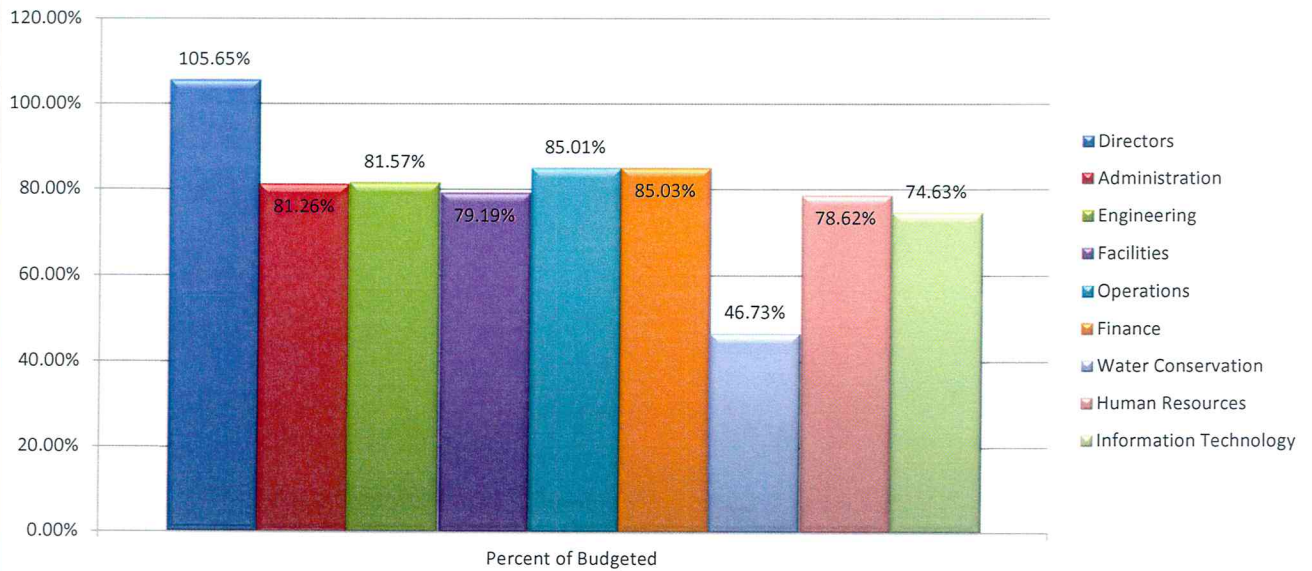
OTHER OPERATING REVENUE
-------------------------

5/8" Meter Charge(\$109)	-\$5.00
5/8" Meter W/Itron Assembly(\$212)	\$212.00
Account Setup Charge(\$25)	\$1,550.00
Account Setup Charge/CC (\$35)	\$3,185.00
After Hours Service Call	\$80.00
Charge (Generic)	\$27.06
Construction Meter Install(\$250)	\$250.00
Credit Card Chargeback	\$90.30
Credit Check(\$10)	\$10.00
Customer Request Turn On/Off(\$15)	\$15.00
Door Tag Fee(\$20)	\$57,560.00
Lock Broken or Missing(\$15)	\$135.00
Pulled Meter Service Charge(\$60)	\$360.00
Repair Angle Stop(\$440.00)	\$1,320.00
Shut-Off Charge(\$30)	\$4,200.00
Shut-Off Processing Fee(\$20)	\$260.00
Standard Trip Charge(\$15)	\$480.00
Late Fees	\$47,644.02
NSF Fee	\$750.00
	<u>\$118,123.38</u>

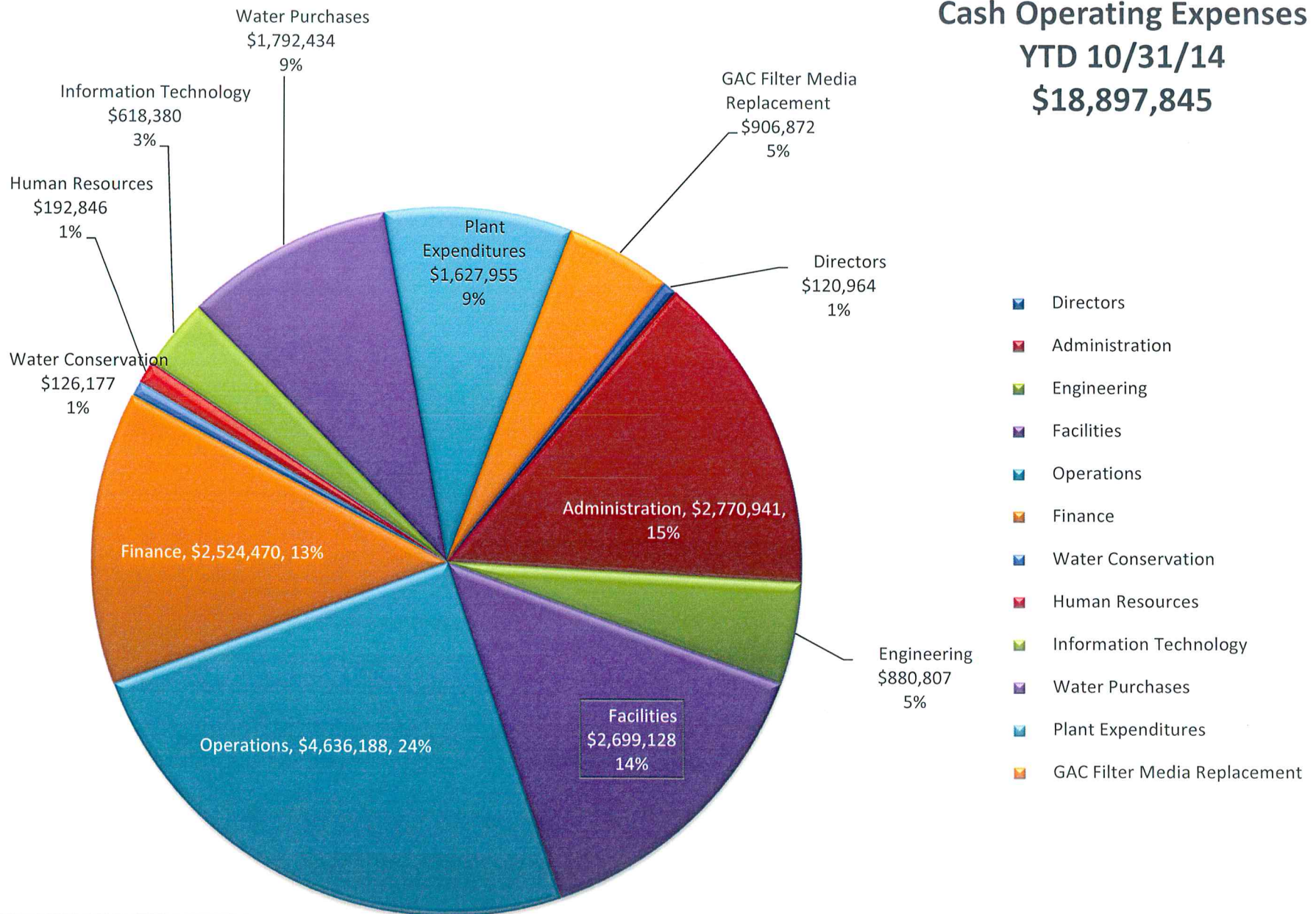
### P & L BUDGET vs. ACTUAL



### DEPARTMENTAL - BUDGET vs. ACTUAL

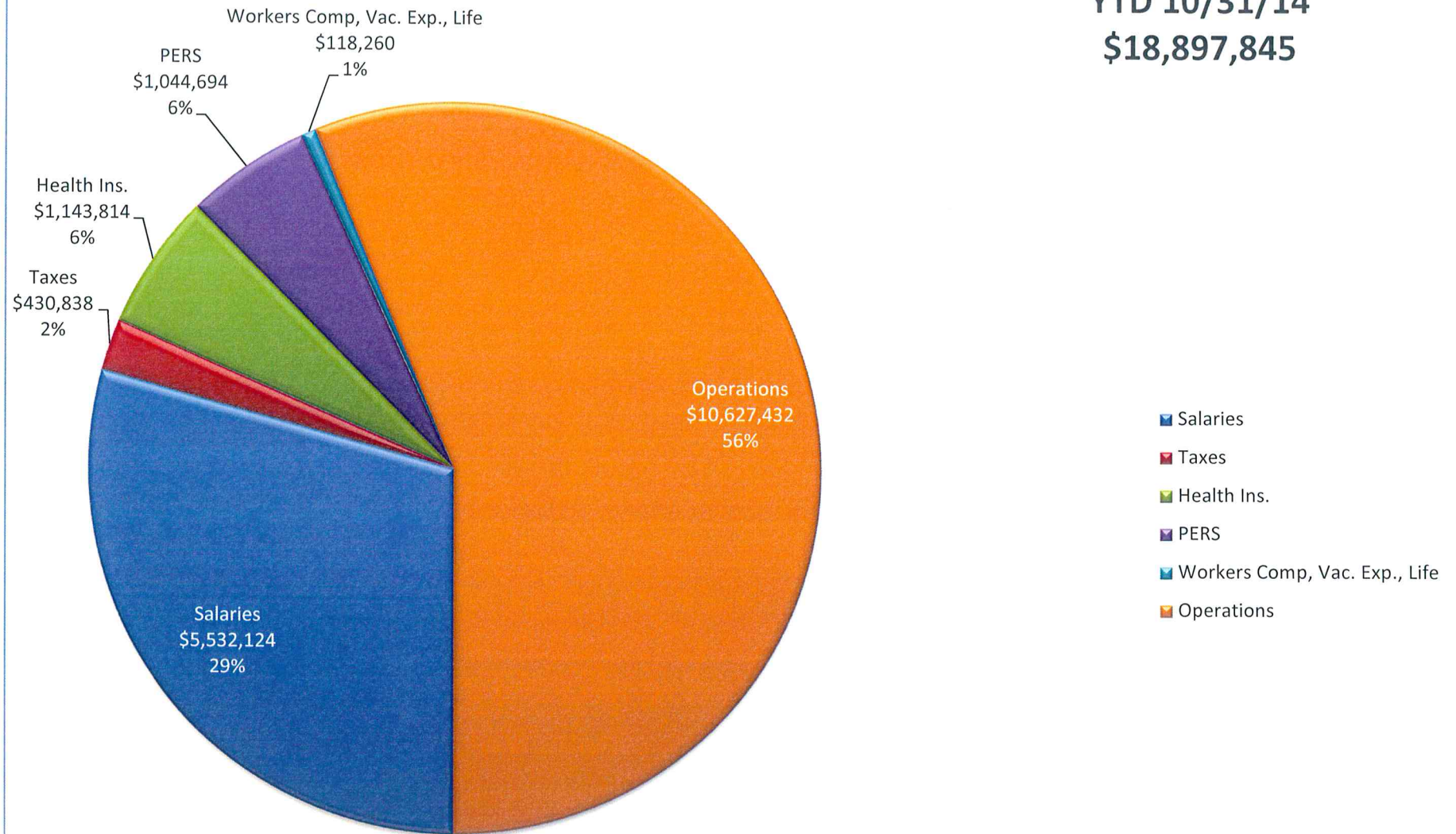


## Cash Operating Expenses YTD 10/31/14 \$18,897,845





**Personnel to Operations Exp**  
**YTD 10/31/14**  
**\$18,897,845**

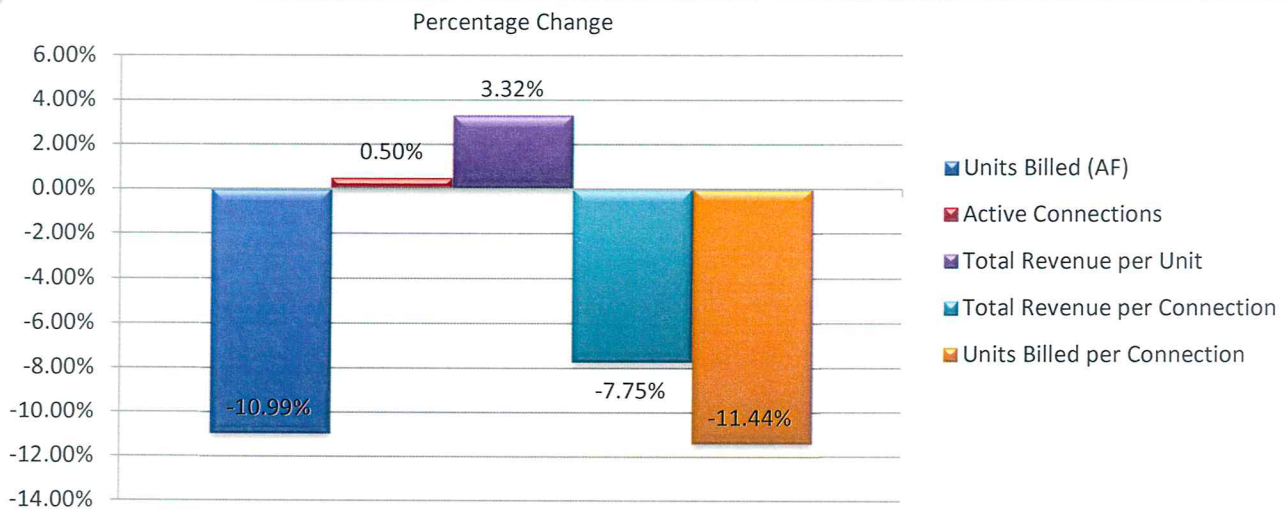
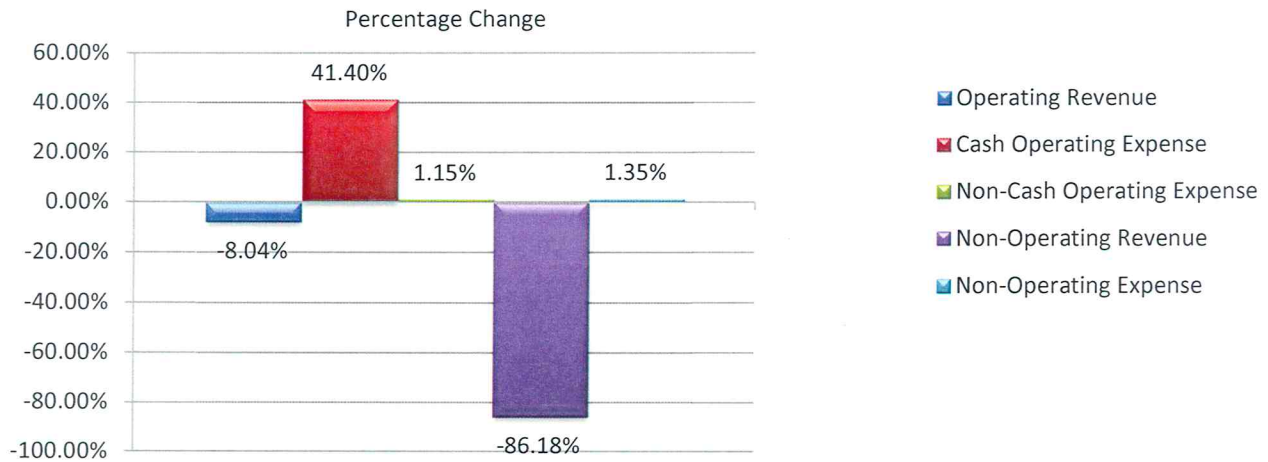


**Palmdale Water District**  
**Profit and Loss Statement**  
**Year-To-Year Comparison - October**

	2013	2014		%	Consumption Comparison		
	October	October	Change	Change	Units Billed	2013	2014
<b>Operating Revenue:</b>						821,011	730,768
Wholesale Water	\$ 30,587	\$ 29,129	\$ (1,459)	-4.77%	Active	26,330	26,462
Water Sales	950,121	807,759	(142,361)	-14.98%	Vacant	1,023	911
Meter Fees	929,047	947,224	18,176	1.96%			
Water Quality Fees	163,044	145,876	(17,168)	-10.53%			
Elevation Fees	57,545	45,165	(12,380)	-21.51%	Rev/unit	\$ 2.76	\$ 2.85
Other	133,558	106,767	(26,791)	-20.06%	Rev/con	\$ 80.91	\$ 74.64
<b>Total Operating Revenue</b>	<b>\$ 2,263,902</b>	<b>\$ 2,081,921</b>	<b>\$ (181,982)</b>	<b>-8.04%</b>	Unit/con	31.18	27.62
<b>Cash Operating Expenses:</b>							
Directors	\$ 5,908	\$ 17,432	\$ 11,525	195.08%			
Administration	172,230	214,810	42,580	24.72%			
Engineering	91,468	87,512	(3,956)	-4.33%			
Facilities	232,071	324,670	92,599	39.90%			
Operations	437,577	410,815	(26,762)	-6.12%			
Finance	248,169	229,136	(19,033)	-7.67%			
Water Conservation	18,907	16,938	(1,969)	-10.41%			
Human Resources	38,450	21,206	(17,244)	-44.85%			
Information Technology	55,727	65,645	9,917	17.80%			
Water Purchases	74,871	125,228	50,357	67.26%			
Water Purchases-Prior Year OAP	-	-	-				
Water Recovery	-	(1,201)	(1,201)				
Plant Expenditures	25,743	170,986	145,243	564.20%			
GAC Filter Media Replacement	-	297,955	297,955				
<b>Total Cash Operating Expenses</b>	<b>\$ 1,401,121</b>	<b>\$ 1,981,131</b>	<b>\$ 580,010</b>	<b>41.40%</b>			
<b>Non-Cash Operating Expenses:</b>							
Depreciation	\$ 556,651	\$ 552,048	\$ (4,603)	-0.83%			
OPEB Accrual Expense	165,223	166,875	1,652	1.00%			
Bad Debts	-	(216)	(216)				
Service Costs Construction	(3,620)	21,269	24,889	-687.51%			
Capitalized Construction	(141,624)	(156,700)	(15,076)	10.65%			
<b>Total Non-Cash Operating Expenses</b>	<b>\$ 576,630</b>	<b>\$ 583,276</b>	<b>\$ 6,646</b>	<b>1.15%</b>			
<b>Net Operating Profit/(Loss)</b>	<b>\$ 286,152</b>	<b>\$ (482,486)</b>	<b>\$ (768,638)</b>	<b>-268.61%</b>			
<b>Non-Operating Revenues:</b>							
Assessments (Debt Service)	\$ -	\$ -	\$ -				
Assessments (1%)	-	-	-				
DWR Fixed Charge Recovery	138,392	-	(138,392)	-100.00%			
Interest	9,495	6,906	(2,589)	-27.26%			
Capital Improvement Fees	1,470	-	(1,470)	-100.00%			
State Grants	-	-	-				
Other	7,734	14,811	7,077	91.50%			
<b>Total Non-Operating Revenues</b>	<b>\$ 157,092</b>	<b>\$ 21,717</b>	<b>\$ (135,374)</b>	<b>-86.18%</b>			
<b>Non-Operating Expenses:</b>							
Interest on Long-Term Debt	\$ 199,373	\$ 190,200	\$ (9,174)	-4.60%			
Amortization of SWP	144,745	159,510	14,765	10.20%			
Water Conservation Programs	8,265	7,421	(844)	-10.21%			
<b>Total Non-Operating Expenses</b>	<b>\$ 352,383</b>	<b>\$ 357,131</b>	<b>\$ 4,747</b>	<b>1.35%</b>			
<b>Net Earnings</b>	<b>\$ 90,860</b>	<b>\$ (817,900)</b>	<b>\$ (908,760)</b>	<b>-1000.18%</b>			

# YEAR-TO-YEAR COMPARISON

## October '13 -To - October '14



	2013	2014	Change	
Units Billed (AF)	1,885	1,678	-207	-10.99%
Active Connections	26,330	26,462	132	0.50%
Non-Active	1,023	911	-112	-10.95%
Total Revenue per Unit	\$2.76	\$2.85	\$0.09	3.32%
Total Revenue per Connection	\$80.91	\$74.64	-\$6.27	-7.75%
Units Billed per Connection	31.18	27.62	-3.57	-11.44%



**Palmdale Water District**  
**Revenue Analysis**  
**For the Ten Months Ending 10/31/2014**  
**2014**

	Thru September	October	Year-to-Date	Adjusted Budget	% of Budget
<b>Operating Revenue:</b>					
Wholesale Water	\$ 165,101	\$ 29,129	\$ 194,229	\$ 225,000	86.32%
Water Sales	6,252,557	807,759	7,060,317	9,053,000	77.99%
Meter Fees	8,474,743	947,224	9,421,966	11,255,000	83.71%
Water Quality Fees	1,209,966	145,876	1,355,842	1,638,000	82.77%
Elevation Fees	371,184	45,165	416,349	525,000	79.30%
Other	1,031,202	106,767	1,137,969	1,700,000	66.94%
<b>Total Operating Revenue</b>	<b>\$ 17,504,753</b>	<b>\$ 2,081,921</b>	<b>\$ 19,586,674</b>	<b>\$ 24,396,000</b>	<b>80.29%</b>
<b>Non-Operating Revenues:</b>					
Assessments (Debt Service)	\$ 2,905,627	\$ -	\$ 2,905,627	\$ 4,400,000	66.04%
Assessments (1%)	1,215,099	-	1,215,099	1,800,000	67.51%
DWR Fixed Charge Recovery	133,539	-	133,539	100,000	133.54%
Interest	36,302	6,906	43,208	25,000	172.83%
Capital Improvement Fees	13,259	-	13,259	150,000	8.84%
State Grants	-	-	-	485,000	0.00%
Other	195,390	14,811	210,201	185,000	113.62%
<b>Total Non-Operating Revenues</b>	<b>\$ 4,499,216</b>	<b>\$ 21,717</b>	<b>\$ 4,520,933</b>	<b>\$ 7,145,000</b>	<b>63.27%</b>
<b>Total Revenue</b>	<b>\$ 22,003,969</b>	<b>\$ 2,103,638</b>	<b>\$ 24,107,607</b>	<b>\$ 31,541,000</b>	<b>76.43%</b>

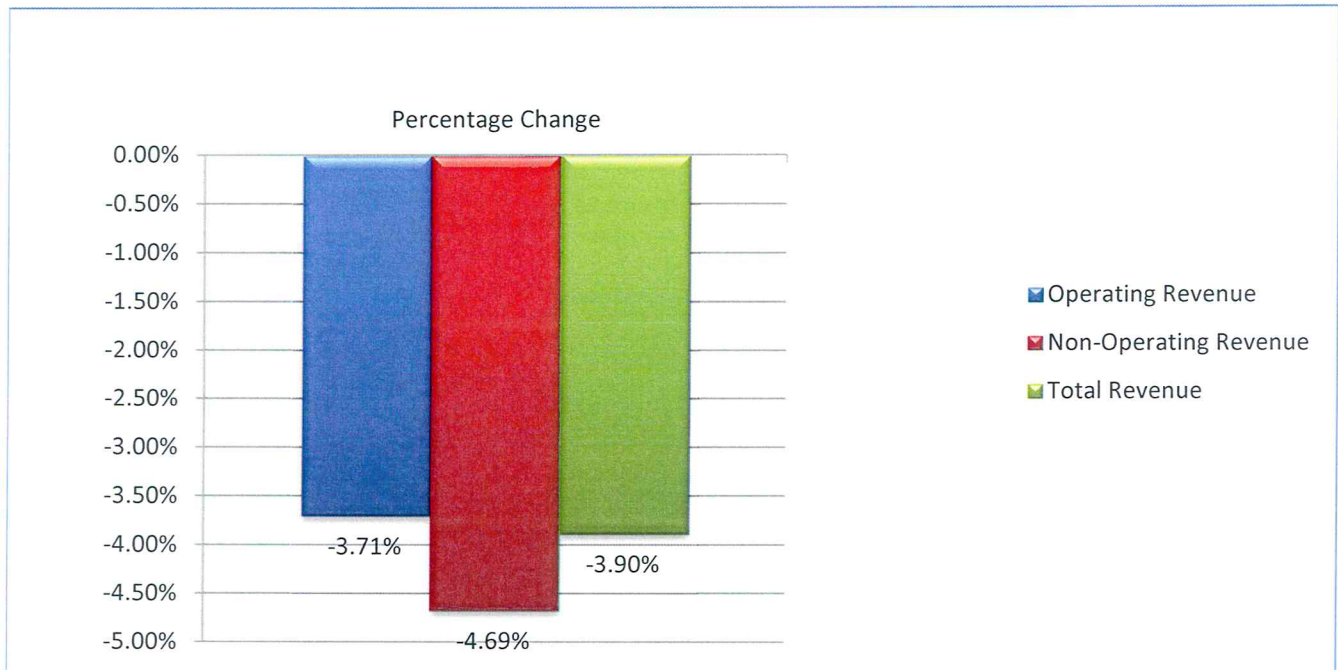
**2013 to 2014 Comparison**

	Thru September	October	Year-to-Date	% Change
	\$ 165,101	(1,459)	29,123	17.64%
	(409,140)	(142,361)	(551,502)	-7.25%
	189,202	18,176	207,378	2.25%
	(47,760)	(17,168)	(64,927)	-4.57%
	(49,844)	(12,380)	(62,223)	-13.00%
	(285,928)	(26,791)	(312,719)	-21.56%
	<b>\$ (438,369)</b>	<b>\$ (181,982)</b>	<b>\$ (754,869)</b>	<b>-3.71%</b>
	\$ 221,723	\$ -	\$ 221,723	8.26%
	(424,165)	-	(424,165)	-25.88%
	38,740	(138,392)	(99,652)	-42.73%
	44,004	(2,589)	41,415	2309.79%
	15,239	(1,470)	13,769	-2696.56%
	-	-	-	
	17,547	7,077	24,624	13.27%
	<b>\$ (86,912)</b>	<b>\$ (135,374)</b>	<b>\$ (222,286)</b>	<b>-4.69%</b>
	<b>\$ (525,280)</b>	<b>\$ (317,356)</b>	<b>\$ (977,155)</b>	<b>-3.90%</b>

	Thru September	October	Year-to-Date	Adjusted Budget	% of Budget
<b>Operating Revenue:</b>					
Wholesale Water	\$ 134,519	\$ 30,587	\$ 165,106	\$ 175,000	94.35%
Water Sales	6,661,698	950,121	7,611,819	8,198,000	92.85%
Meter Fees	8,285,541	929,047	9,214,588	11,232,000	82.04%
Water Quality Fees	1,257,726	163,044	1,420,770	1,638,000	86.74%
Elevation Fees	421,027	57,545	478,572	550,000	87.01%
Other	1,317,130	133,558	1,450,688	1,250,000	116.06%
<b>Total Operating Revenue</b>	<b>\$ 17,943,122</b>	<b>\$ 2,263,902</b>	<b>\$ 20,341,543</b>	<b>\$ 22,868,000</b>	<b>88.95%</b>
<b>Non-Operating Revenues:</b>					
Assessments (Debt Service)	\$ 2,683,904	\$ -	\$ 2,683,904	\$ 4,300,000	62.42%
Assessments (1%)	1,639,264	-	1,639,264	3,139,264	52.22%
DWR Fixed Charge Recovery	94,799	138,392	233,191	100,000	233.19%
Interest	(7,702)	9,495	1,793	25,000	7.17%
Capital Improvement Fees	(1,981)	1,470	(511)	150,000	-0.34%
State Grants	-	-	-	485,000	0.00%
Other	177,843	7,734	185,577	150,000	123.72%
<b>Total Non-Operating Revenues</b>	<b>\$ 4,586,127</b>	<b>\$ 157,092</b>	<b>\$ 4,743,219</b>	<b>\$ 8,349,264</b>	<b>56.81%</b>
<b>Total Revenue</b>	<b>\$ 22,529,249</b>	<b>\$ 2,420,994</b>	<b>\$ 25,084,762</b>	<b>\$ 31,217,264</b>	<b>80.36%</b>

# REVENUE COMPARISON YEAR-TO-DATE

October '13-To-October '14



**Palmdale Water District  
Operating Expense Analysis  
For the Ten Months Ending 10/31/2014**

2013 to 2014 Comparison

	2014									
	Thru September	October	Year-to-Date	Adjusted Budget	% of Budget	Thru September	October	Year-to-Date	% Change	
<b>Cash Operating Expenses:</b>										
Directors	\$ 103,531	\$ 17,432	\$ 120,964	\$ 114,500	105.65%	\$ 27,038	\$ 11,525	\$ 38,562	46.80%	
Administration	2,556,131	214,810	2,770,941	3,490,000	79.40%	902,288	42,580	944,868	51.74%	
Engineering	793,296	87,512	880,807	1,079,800	81.57%	(156,647)	(3,956)	(160,603)	-15.42%	
Facilities	2,374,458	324,670	2,699,128	3,408,500	79.19%	181,139	92,599	273,738	11.29%	
Operations	4,225,373	410,815	4,636,188	5,453,500	85.01%	304,711	(26,762)	277,949	6.38%	
Finance	2,295,334	229,136	2,524,470	2,968,750	85.03%	171,891	(19,033)	152,858	6.45%	
Water Conservation	109,239	16,938	126,177	270,000	46.73%	(63,719)	(1,969)	(65,688)	-34.24%	
Human Resources	171,640	21,206	192,846	215,300	89.57%	52,439	(17,244)	35,196	22.32%	
Information Technology	552,735	65,645	618,380	828,600	74.63%	552,735	9,917	98,901	19.04%	
Water Purchases	2,085,837	125,228	2,211,065	2,400,000	92.13%	88,200	50,357	138,557	6.69%	
Water Purchases-Prior Year OAP	683	-	683	250,000	0.27%	(435,802)	-	(435,802)	-99.84%	
Water Recovery	(417,430)	(1,201)	(418,631)	(100,000)	418.63%	117,867	(1,201)	116,666	-21.79%	
Plant Expenditures	1,456,969	170,986	1,627,955	2,143,500	75.95%	822,397	145,243	967,640	146.54%	
GAC Filter Media Replacement	608,917	297,955	906,872	1,638,000	55.36%	(480,676)	297,955	(182,721)	-16.77%	
<b>Total Cash Operating Expenses</b>	<b>\$ 16,916,713</b>	<b>\$ 1,981,131</b>	<b>\$ 18,897,845</b>	<b>\$ 24,160,450</b>	<b>78.22%</b>	<b>\$ 2,083,863</b>	<b>\$ 580,010</b>	<b>\$ 2,200,122</b>	<b>11.64%</b>	
<b>Non-Cash Operating Expenses:</b>										
Depreciation	\$ 5,498,464	\$ 552,048	\$ 6,050,512	\$ 7,350,000	82.32%	\$ (316,888)	\$ (4,603)	\$ (321,491)	-5.05%	
OPEB Accrual Expense	1,501,874	166,875	1,668,749	2,000,000	83.44%	14,870	1,652	16,523	1.00%	
Bad Debts	30,881	(216)	30,665	100,000	30.67%	25,300	(216)	25,084	449.48%	
Service Costs Construction	(106,322)	21,269	(85,053)	125,000	-68.04%	(199,649)	24,889	(174,760)	-194.81%	
Capitalized Construction	(1,092,415)	(156,700)	(1,249,115)	(1,000,000)	124.91%	(198,074)	(15,076)	(213,150)	20.58%	
<b>Total Non-Cash Operating Expenses</b>	<b>\$ 5,832,483</b>	<b>\$ 583,276</b>	<b>\$ 6,415,759</b>	<b>\$ 8,575,000</b>	<b>74.82%</b>	<b>\$ (674,440)</b>	<b>\$ 6,646</b>	<b>\$ (667,794)</b>	<b>-10.41%</b>	
<b>Non-Operating Expenses:</b>										
Interest on Long-Term Debt	\$ 1,745,603	\$ 190,200	\$ 1,935,803	\$ 2,111,000	91.70%	\$ 294,105	\$ (9,174)	\$ 284,931	17.26%	
Amortization of SWP	1,435,590	159,510	1,595,100	1,679,000	95.00%	135,501	14,765	150,266	10.40%	
Water Conservation Programs	99,448	7,421	106,869	143,000	74.73%	6,130	(844)	5,286	0.17%	
<b>Total Non-Operating Expenses</b>	<b>\$ 3,280,642</b>	<b>\$ 357,131</b>	<b>\$ 3,637,772</b>	<b>\$ 3,933,000</b>	<b>92.49%</b>	<b>\$ 435,735</b>	<b>\$ 4,747</b>	<b>\$ 440,483</b>	<b>13.78%</b>	
<b>Total Expenses</b>	<b>\$ 26,029,838</b>	<b>\$ 2,921,538</b>	<b>\$ 28,951,376</b>	<b>\$ 36,668,450</b>	<b>78.95%</b>	<b>\$ 1,845,158</b>	<b>\$ 591,404</b>	<b>\$ 1,972,810</b>	<b>7.31%</b>	



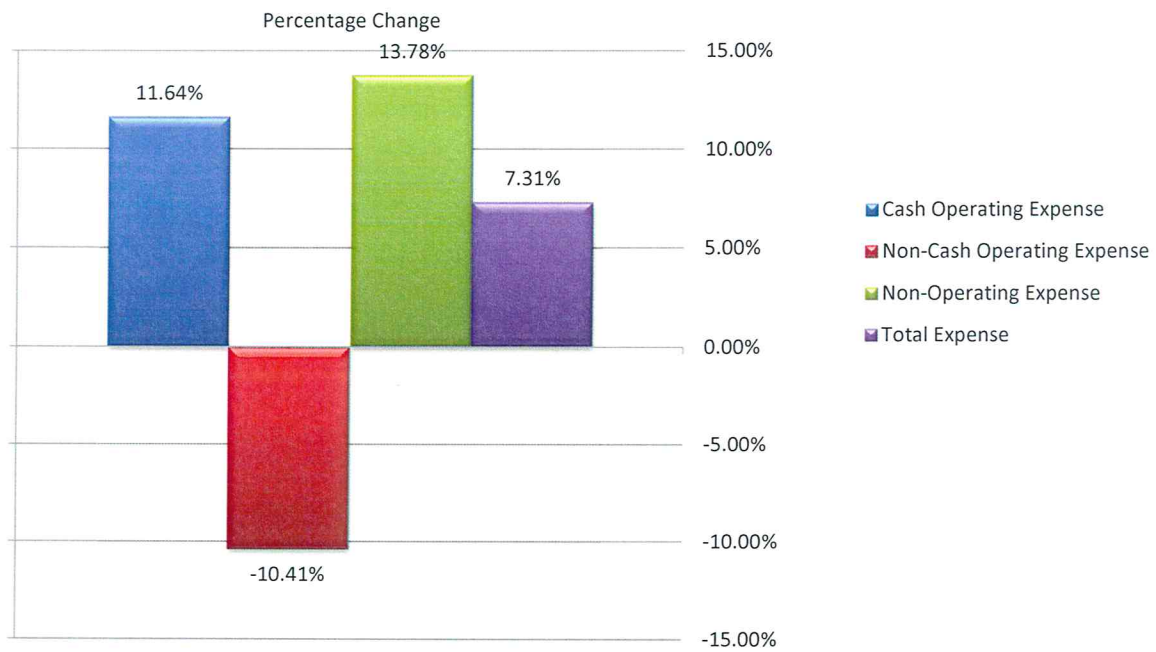
**Palmdale Water District  
Operating Expense Analysis  
For the Ten Months Ending 10/31/2014  
2013**

2013 to 2014 Comparison

	Thru September	October	Year-to-Date	Adjusted Budget	% of Budget
<b>Cash Operating Expenses:</b>					
Directors	\$ 76,494	\$ 5,908	\$ 82,401	\$ 117,500	70.13%
Administration	1,653,844	172,230	1,826,073	2,602,000	70.18%
Engineering	949,942	91,468	1,041,410	1,215,750	85.66%
Facilities	2,193,318	232,071	2,425,390	3,298,500	73.53%
Operations	3,920,662	437,577	4,358,239	4,944,250	88.15%
Finance	2,123,443	248,169	2,371,612	2,789,000	85.03%
Water Conservation	172,958	18,907	191,865	239,750	80.03%
Human Resources	119,201	38,450	157,651	209,600	75.22%
Information Technology	463,751	55,727	519,479	728,000	71.36%
Water Purchases	1,997,637	74,871	2,072,508	2,600,000	79.71%
Water Purchases-Prior Year OAP	436,485	-	436,485	-	
Water Recovery	(535,297)	-	(535,297)	(100,000)	535.30%
Plant Expenditures	634,571	25,743	660,315	836,500	78.94%
GAC Filter Media Replacement	1,089,593	-	1,089,593	1,638,000	66.52%
<b>Total Cash Operating Expenses</b>	<b>\$ 15,296,602</b>	<b>\$ 1,401,121</b>	<b>\$ 16,697,723</b>	<b>\$ 21,118,850</b>	<b>79.07%</b>
<b>Non-Cash Operating Expenses:</b>					
Depreciation	\$ 5,815,352	\$ 556,651	\$ 6,372,003	\$ 7,250,000	87.89%
OPEB Accrual Expense	1,487,004	165,223	1,652,227	2,000,000	82.61%
Bad Debts	5,581	-	5,581	100,000	5.58%
Service Costs Construction	93,328	(3,620)	89,708	125,000	71.77%
Capitalized Construction	(894,341)	(141,624)	(1,035,965)	(1,000,000)	103.60%
<b>Total Non-Cash Operating Expenses</b>	<b>\$ 6,506,923</b>	<b>\$ 576,630</b>	<b>\$ 7,083,553</b>	<b>\$ 8,475,000</b>	<b>83.58%</b>
<b>Non-Operating Expenses:</b>					
Interest on Long-Term Debt	\$ 1,451,499	\$ 199,373	\$ 1,650,872	\$ 2,111,000	78.20%
Amortization of SWP	1,300,089	144,745	1,444,834	1,679,000	86.05%
Water Conservation Programs	93,318	8,265	101,583	150,000	67.72%
<b>Total Non-Operating Expenses</b>	<b>\$ 2,844,906</b>	<b>\$ 352,383</b>	<b>\$ 3,197,290</b>	<b>\$ 3,940,000</b>	<b>81.15%</b>
<b>Total Expenses</b>	<b>\$ 24,648,431</b>	<b>\$ 2,330,134</b>	<b>\$ 26,978,566</b>	<b>\$ 33,533,850</b>	<b>80.45%</b>

## EXPENSE COMPARISON YEAR-TO-DATE

October '13-To-October '14



**Palmdale Water District**  
**2014 Directors Budget**  
For the Ten Months Ending Friday, October 31, 2014

	YTD ACTUAL 2014	ORIGINAL BUDGET 2014	ADJUSTMENTS 2014	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-01-4000-000 Directors Pay	\$ 60,450	\$ 45,000	\$ -	\$ (15,450)	134.33%
Employee Benefits					
1-01-4005-000 Payroll Taxes	4,595	5,500		905	83.54%
1-01-4010-000 Health Insurance	43,391	54,000		10,609	80.35%
Subtotal (Benefits)	47,986	59,500	-	10,609	80.65%
Total Personnel Expenses	<u>\$ 108,436</u>	<u>\$ 104,500</u>	<u>\$ -</u>	<u>\$ (4,841)</u>	<u>103.77%</u>
OPERATING EXPENSES:					
1-01-4050-000 Directors Travel, Seminars & Meetings	12,527	10,000		(2,527)	125.27%
Subtotal Operating Expenses	12,527	10,000	-	(2,527)	125.27%
Total O & M Expenses	<u>\$ 120,964</u>	<u>\$ 114,500</u>	<u>\$ -</u>	<u>\$ (7,369)</u>	<u>105.65%</u>



**Palmdale Water District**  
**2014 Administration Budget**  
For the Ten Months Ending Friday, October 31, 2014

	YTD ACTUAL 2014	ORIGINAL BUDGET 2014	ADJUSTMENTS 2014	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-02-4000-000 Salaries	\$ 612,614	\$ 656,000		\$ 43,386	93.39%
1-02-4000-100 Overtime	7,018	7,500		482	93.58%
1-02-4000-200 On-Call	44,351	60,000		15,649	73.92%
Subtotal (Salaries)	\$ 663,984	\$ 723,500		\$ 59,516	91.77%
Employee Benefits					
1-02-4005-000 Payroll Taxes	42,923	41,500		(1,423)	103.43%
1-02-4010-000 Health Insurance	88,036	96,000		7,964	91.70%
1-02-4015-000 PERS	122,094	132,500		10,406	92.15%
1-02-4020-000 Worker's Compensation	87,168	125,000		37,832	69.73%
1-02-4025-000 Vacation Benefit Expense	24,310	35,000		10,690	69.46%
1-02-4030-000 Life Insurance	6,782	7,500		718	90.43%
Subtotal (Benefits)	\$ 371,313	\$ 437,500	\$ -	\$ 66,187	84.87%
Total Personnel Expenses	\$ 1,035,297	\$ 1,161,000	\$ -	\$ 125,703	89.17%
OPERATING EXPENSES:					
1-02-4050-000 Staff Travel	8,134	\$ 8,000		\$ (134)	101.67%
1-02-4050-100 General Manager Travel	6,461	5,000		(1,461)	129.23%
1-02-4060-000 Staff Conferences & Seminars	2,898	3,000		102	96.60%
1-02-4060-100 General Manager Conferences & Seminars	2,765	4,500		1,735	61.45%
1-02-4070-000 Employee Expense*	-	40,000	(40,000)	-	0.00%
1-02-4080-000 Other Operating	17,210	20,000		2,790	86.05%
1-02-4110-000 Consultants+	114,623	200,000	(40,000)	45,377	71.64%
1-02-4125-000 Insurance	224,820	300,000		75,180	74.94%
1-02-4130-000 Bank Charges	111,973	130,000		18,027	86.13%
1-02-4135-000 Groundwater Adjudication	203,823	400,000		196,177	50.96%
1-02-4135-000 Groundwater Adjudication - Woods Class	601,670	590,500		(11,170)	101.89%
1-02-4140-000 Legal Services	163,094	200,000		36,906	81.55%
1-02-4150-000 Accounting Services	24,707	25,000		293	98.83%
1-02-4155-000 Contracted Services	20,254	29,000		8,746	69.84%
1-02-4165-000 Memberships/Subscriptions	115,687	210,000		94,313	55.09%
1-02-4175-000 Permits	8,986	15,000		6,014	59.90%
1-02-4180-000 Postage	22,083	30,000		7,917	73.61%
1-02-4190-100 Public Relations - Publications	14,400	40,000		25,600	36.00%
1-02-4190-900 Public Relations - Other	706	1,000		294	70.60%
1-02-4200-000 Advertising	2,409	5,000		2,591	48.18%
1-02-4205-000 Office Supplies	20,104	18,000		(2,104)	111.69%
1-02-4215-200 Natural Gas - Office Building	1,995	5,000		3,005	39.91%
1-02-4220-200 Electricity - Office Building	46,843	50,000		3,157	93.69%
Subtotal Operating Expenses	\$ 1,735,645	\$ 2,329,000	\$ (80,000)	\$ 513,355	74.52%
Total Departmental Expenses	\$ 2,770,941	\$ 3,490,000	\$ (80,000)	\$ 639,059	81.26%

\* Budget adjustments by General Manager per Appendix A

+ Amended by Board 10/27/14

**Palmdale Water District**  
**2014 Engineering Budget**  
For the Ten Months Ending Friday, October 31, 2014

	YTD ACTUAL 2014	ORIGINAL BUDGET 2014	ADJUSTMENTS 2014	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-03-4000-000 Salaries	\$ 538,775	\$ 668,500		\$ 129,725	80.59%
1-03-4000-100 Overtime	8,120	6,500		(1,620)	124.93%
Subtotal (Salaries)	\$ 546,895	\$ 675,000		\$ 128,105	81.02%
Employee Benefits					
1-03-4005-000 Payroll Taxes	43,738	51,500		7,762	84.93%
1-03-4010-000 Health Insurance	111,392	134,800		23,408	82.63%
1-03-4015-000 PERS	115,447	133,500		18,053	86.48%
Subtotal (Benefits)	\$ 270,577	\$ 319,800	\$ -	\$ 49,223	84.61%
Total Personnel Expenses	\$ 817,472	\$ 994,800	\$ -	\$ 177,328	82.17%
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	50,000	61,500		11,500	81.30%
1-03-4165-000 Memberships/Subscriptions	1,640	2,000		361	81.98%
1-03-4250-000 General Materials & Supplies	2,129	2,500		371	85.14%
1-03-8100-100 Computer Software - Maint. & Support	7,632	13,500		5,868	56.53%
Subtotal Operating Expenses	\$ 63,335	\$ 85,000	\$ -	\$ 21,665	74.51%
Total Departmental Expenses	\$ 880,807	\$ 1,079,800	\$ -	\$ 198,993	81.57%

**Palmdale Water District**  
**2014 Facilities Budget**  
For the Ten Months Ending Friday, October 31, 2014

	YTD ACTUAL 2014	ORIGINAL BUDGET 2014	ADJUSTMENTS 2014	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-04-4000-000 Salaries	\$ 1,197,884	\$ 1,450,000		\$ 252,116	82.61%
1-04-4000-100 Overtime	64,467	36,500		(27,967)	176.62%
Subtotal (Salaries)	\$ 1,262,352	\$ 1,486,500		\$ 224,148	84.92%
Employee Benefits					
1-04-4005-000 Payroll Taxes	101,465	111,000		9,535	91.41%
1-04-4010-000 Health Insurance	276,469	374,500		98,031	73.82%
1-04-4015-000 PERS	226,129	278,000		51,871	81.34%
Subtotal (Benefits)	\$ 604,064	\$ 763,500	\$ -	\$ 159,436	79.12%
Total Personnel Expenses	\$ 1,866,416	\$ 2,250,000	\$ -	\$ 411,552	82.95%
OPERATING EXPENSES:					
1-04-4050-000 Staff Travel	\$ 6,943	\$ 2,500		(4,443)	277.74%
1-04-4060-000 Staff Conferences & Seminars	1,652	3,000		1,348	55.08%
1-04-4155-000 Contracted Services	63,302	71,500		8,198	88.53%
1-04-4175-000 Permits-Dams	19,868	50,000		30,132	39.74%
1-04-4215-200 Natural Gas - Buildings	1,842	4,500		2,658	40.92%
1-04-4220-200 Electricity - Buildings	19,600	30,000		10,400	65.33%
1-04-4225-000 Maint. & Repair - Vehicles	24,583	45,000		20,417	54.63%
1-04-4230-100 Maint. & Rep. Office Building	7,421	18,000		10,579	
1-04-4235-110 Maint. & Rep. Equipment	6,770	7,500		730	90.26%
1-04-4235-400 Maint. & Rep. Operations - Wells+	57,566	135,000	(10,000)	67,434	46.05%
1-04-4235-405 Maint. & Rep. Operations - Boosters	26,805	65,000		38,195	41.24%
1-04-4235-410 Maint. & Rep. Operations - Shop Bldgs	8,959	10,000		1,041	89.59%
1-04-4235-415 Maint. & Rep. Operations - Facilities	7,794	15,000		7,206	51.96%
1-04-4235-420 Maint. & Rep. Operations - Water Lines	249,498	275,000		25,502	90.73%
1-04-4235-425 Maint. & Rep. Operations - Littlerock Dam	3,164	15,000		11,836	21.10%
1-04-4235-430 Maint. & Rep. Operations - Palmdale Dam	1,020	15,000		13,980	6.80%
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	45,457	35,000		(10,457)	129.88%
1-04-4235-460 Maint. & Rep. Operations - Storage Reservoirs	381	5,000		4,619	7.61%
1-04-6000-000 Waste Disposal	11,395	40,000		28,605	28.49%
1-04-6100-100 Fuel and Lube - Vehicle	100,274	130,000		29,726	77.13%
1-04-6100-200 Fuel and Lube - Machinery	35,266	43,000		7,734	82.01%
1-04-6200-000 Uniforms	18,927	21,000		2,073	90.13%
1-04-6300-100 Supplies - Misc.	47,489	47,500		11	99.98%
1-04-6300-800 Supplies - Construction Materials	44,054	45,000		946	97.90%
1-04-6400-000 Tools	10,782	12,000		1,218	89.85%
1-04-7000-100 Leases -Equipment	10,941	15,000		4,059	72.94%
Subtotal Operating Expenses	\$ 832,712	\$ 1,158,500	\$ (10,000)	\$ 315,788	72.50%
Total Departmental Expenses	\$ 2,699,128	\$ 3,408,500	\$ (10,000)	\$ 727,340	79.42%

+ Amended by Board 10/27/14



**Palmdale Water District**  
**2014 Operation Budget**  
For the Ten Months Ending Friday, October 31, 2014

	YTD ACTUAL 2014	ORIGINAL BUDGET 2014	ADJUSTMENTS 2014	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-05-4000-000 Salaries	\$ 1,306,128	\$ 1,734,000		\$ 427,872	75.32%
1-05-4000-100 Overtime	76,689	70,000		(6,689)	109.56%
Subtotal (Salaries)	\$ 1,382,817	\$ 1,804,000		\$ 421,183	76.65%
Employee Benefits					
1-05-4005-000 Payroll Taxes	110,044	131,000		20,956	84.00%
1-05-4010-000 Health Insurance	283,585	343,000		59,415	82.68%
1-05-4015-000 PERS	263,646	324,000		60,354	81.37%
Subtotal (Benefits)	\$ 657,275	\$ 798,000	\$ -	\$ 140,725	82.37%
Total Personnel Expenses	\$ 2,040,092	\$ 2,602,000	\$ -	\$ 568,597	78.40%
OPERATING EXPENSES:					
1-05-4050-000 Staff Travel	\$ 6,036	\$ 8,000		\$ 1,964	75.46%
1-05-4060-000 Staff Conferences & Seminars	2,784	9,500		6,716	29.31%
1-05-4120-100 Training - Lab Equipment*	6,867	4,500	2,500	133	98.10%
1-05-4120-200 Training - SCADA Network	5,401	9,000		3,599	60.02%
1-05-4155-000 Contracted Services	76,940	109,250		32,310	70.43%
1-05-4175-000 Permits	26,260	45,000		18,740	58.36%
1-05-4215-100 Natural Gas - Wells & Boosters	238,347	236,000		(2,347)	100.99%
1-05-4215-200 Natural Gas - WTP	1,068	3,000		1,932	35.62%
1-05-4220-100 Electricity - Wells & Boosters	1,474,089	1,515,000		40,911	97.30%
1-05-4220-200 Electricity - WTP	115,486	125,000		9,514	92.39%
1-05-4230-110 Maint. & Rep. - Office Equipment	357	500		143	71.39%
1-05-4235-110 Maint. & Rep. Operations - Equipment	12,914	22,500		9,586	57.40%
1-05-4235-410 Maint. & Rep. Operations - Shop Bldgs	3,785	6,000		2,215	63.08%
1-05-4235-415 Maint. & Rep. Operations - Facilities	66,279	45,000		(21,279)	147.29%
1-05-4235-445 Maint. & Rep. Operations - Telemetry	663	2,250		1,587	29.47%
1-05-4235-450 Maint. & Rep. Operations - Hypo Generator	46,318	30,000		(16,318)	154.39%
1-05-4235-500 Maint. & Rep. Operations - Wind Turbine	6,183	6,000		(183)	103.04%
1-05-4236-000 Palmdale Lake Management	9,088	15,000		5,912	60.58%
1-05-4270-300 Telecommunication - Other	2,559	2,750		191	93.06%
1-05-4300-300 Testing - Edison	-	9,000		9,000	0.00%
1-05-6000-000 Waste Disposal*	24,309	14,000	7,146	(3,163)	114.96%
1-05-6200-000 Uniforms	11,964	12,000		36	99.70%
1-05-6300-100 Supplies - Misc.	18,062	15,000		(3,062)	120.41%
1-05-6300-200 Supplies - Hypo Generator	6,052	6,750		698	89.66%
1-05-6300-300 Supplies - Electrical	387	3,500		3,113	11.07%
1-05-6300-400 Supplies - Telemetry	152	7,500		7,348	2.03%
1-05-6300-600 Supplies - Lab	33,659	35,000		1,341	96.17%
1-05-6300-700 Outside Lab Work	35,620	60,000		24,380	59.37%
1-05-6400-000 Tools	6,773	6,500		(273)	104.19%
1-05-6500-000 Chemicals*+	355,965	485,000	(19,646)	109,389	76.49%
1-05-7000-100 Leases -Equipment	1,729	3,000		1,271	57.62%
Subtotal Operating Expenses	\$ 2,596,096	\$ 2,851,500	\$ (10,000)	\$ 245,404	91.36%
Total Departmental Expenses	\$ 4,636,188	\$ 5,453,500	\$ (10,000)	\$ 814,001	85.17%

\* Budget adjustments by General Manager per Appendix A

+ Amended by Board 10/27/14

**Palmdale Water District**  
**2014 Finance Budget**  
For the Ten Months Ending Friday, October 31, 2014

	YTD ACTUAL 2014	ORIGINAL BUDGET 2014	ADJUSTMENTS 2014	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-06-4000-000 Salaries	\$ 1,253,805	\$ 1,645,000		\$ 391,195	76.22%
1-06-4000-100 Overtime	15,134	19,000		3,866	79.65%
Subtotal (Salaries)	\$ 1,268,939	\$ 1,664,000	\$ -	\$ 395,061	76.26%
Employee Benefits					
1-06-4005-000 Payroll Taxes	100,295	123,000		22,705	31.64%
1-06-4010-000 Health Insurance	279,774	317,000		37,226	84.52%
1-06-4015-000 PERS	260,568	331,000		70,432	33.80%
Subtotal (Benefits)	\$ 640,637	\$ 771,000	\$ -	\$ 130,363	83.09%
Total Personnel Expenses	\$ 1,909,575	\$ 2,435,000	\$ -	\$ 525,425	78.42%
OPERATING EXPENSES:					
1-06-4050-000 Staff Travel	\$ 269	\$ 250		(19)	107.57%
1-06-4060-000 Staff Conferences & Seminars	562	1,000		438	56.20%
1-06-4155-300 Contracted Services	19,710	21,000		1,290	93.86%
1-06-4155-100 Contracted Services - Infosend	163,567	205,000		41,433	79.79%
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	34,179	10,000		(24,179)	341.79%
1-06-4235-470 Maint. & Rep. Operations - Meter Exchanges	346,012	225,000		(121,012)	153.78%
1-06-4250-000 General Material & Supplies	3,095	6,000		2,905	51.58%
1-06-4260-000 Business Forms	7,655	10,000		2,345	76.55%
1-06-4270-100 Telecommunication - Office	10,921	12,000		1,079	91.01%
1-06-4270-200 Telecommunication - Cellular Stipend	12,900	17,000		4,100	75.88%
1-06-4270-300 Telecommunication - Cellular	-	500		500	0.00%
1-06-4300-200 Testing - Large Meter Testing	13,802	21,500		7,698	64.20%
1-06-7000-100 Leases - Equipment	2,002	3,000		998	66.73%
Subtotal Operating Expenses	\$ 614,895	\$ 533,750	\$ -	\$ (81,145)	115.20%
Total Departmental Expenses	\$ 2,524,470	\$ 2,968,750	\$ -	\$ 444,280	85.03%

**Palmdale Water District**  
**2014 Water Conservation Budget**  
For the Ten Months Ending Friday, October 31, 2014

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

1-07-4000-000 Salaries	\$ 81,129	\$ 168,500	\$ 87,371	48.15%
1-07-4000-100 Overtime	2,528	1,000	(1,528)	252.80%
Subtotal (Salaries)	\$ 83,657	\$ 169,500	\$ 85,843	49.36%

Employee Benefits

1-07-4005-000 Payroll Taxes	6,874	13,000	6,126	52.88%
1-07-4010-000 Health Insurance	15,264	31,500	16,236	48.46%
1-07-4015-000 PERS	13,384	34,000	20,616	39.37%
Subtotal (Benefits)	\$ 35,522	\$ 78,500	\$ 42,978	45.25%

Total Personnel Expenses

\$ 119,179	\$ 248,000	\$ -	\$ 130,349	48.06%
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OPERATING EXPENSES:

1-07-4050-000 Staff Travel	\$ -	\$ 1,000	\$ 1,000	0.00%
1-07-4060-000 Staff Conferences & Seminars	-	1,000	1,000	0.00%
1-07-4190-300 Public Relations - Landscape Workshop/Training	71	1,000	929	7.14%
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.	4,621	5,000	379	92.42%
Subtotal Operating Expenses	\$ 6,998	\$ 22,000	\$ 15,002	31.81%

Total Departmental Expenses

\$ 126,177	\$ 270,000	\$ -	\$ 145,351	46.73%
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**Palmdale Water District**  
**2014 Human Resources Budget**  
For the Ten Months Ending Friday, October 31, 2014

	YTD ACTUAL 2014	ORIGINAL BUDGET 2014	ADJUSTMENTS 2014	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-08-4000-000 Salaries	\$ 80,620	\$ 97,000		\$ 16,381	83.11%
Employee Benefits					
1-08-4005-000 Payroll Taxes	6,487	7,500		1,013	86.50%
1-08-4010-000 Health Insurance	13,903	19,200		5,297	72.41%
1-08-4015-000 PERS	5,238	6,500		1,262	80.58%
Subtotal (Benefits)	\$ 25,628	\$ 33,200	\$ -	\$ 7,572	77.19%
Total Personnel Expenses	\$ 106,247	\$ 130,200	\$ -	\$ 23,953	81.60%
OPERATING EXPENSES:					
1-08-4050-000 Staff Travel	\$ 1,721	\$ 500		\$ (1,221)	344.24%
1-08-4060-000 Staff Conferences & Seminars	749	500		(249)	149.80%
1-08-4070-000 Employee Expense*	35,860	-	40,000	4,140	89.65%
1-08-4090-000 Temporary Staffing	-	-		-	
1-08-4095-000 Employee Recruitment	12,515	3,000		(9,515)	417.18%
1-08-4100-000 Employee Retention**	7,218	1,500	18,500	12,782	36.09%
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+	7,860	38,000	(10,000)	20,140	28.07%
1-08-4121-000 Safety Program	68	1,000		932	6.80%
1-08-4165-000 Membership/Subscriptions	788	1,600		812	49.28%
1-08-4165-100 HR/Safety Publications	892	1,000		108	89.18%
1-08-6300-500 Supplies - Safety	16,303	33,500		17,197	48.67%
Subtotal Operating Expenses	\$ 86,599	\$ 85,100	\$ 48,500	\$ 47,001	64.82%
Total Departmental Expenses	\$ 192,846	\$ 215,300	\$ 48,500	\$ 70,954	73.10%

\* Budget adjustments by General Manager per Appendix A

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

+ Amended by Board 10/27/14

**Palmdale Water District**  
**2014 Information Technology Budget**  
For the Ten Months Ending Friday, October 31, 2014

	YTD ACTUAL 2014	ORIGINAL BUDGET 2014	ADJUSTMENTS 2014	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-09-4000-000 Salaries	\$ 181,168	\$ 226,000		\$ 44,832	80.16%
1-09-4000-100 Overtime	1,243	2,500		1,257	49.71%
Subtotal (Salaries)	\$ 182,411	\$ 228,500		\$ 46,089	79.83%
Employee Benefits					
1-09-4005-000 Payroll Taxes	14,416	16,000		1,584	90.10%
1-09-4010-000 Health Insurance	32,000	38,400		6,400	83.33%
1-09-4015-000 PERS	38,187	45,200		7,013	84.49%
Subtotal (Benefits)	\$ 84,604	\$ 99,600	\$ -	\$ 14,996	84.94%
Total Personnel Expenses	\$ 267,015	\$ 328,100	\$ -	\$ 59,828	81.38%
OPERATING EXPENSES:					
1-09-4050-000 Staff Travel	\$ 397	\$ 3,000		2,603	13.24%
1-09-4060-000 Staff Conferences & Seminars	12,628	15,000		2,372	84.19%
1-09-4155-000 Contracted Services	84,582	129,000		44,418	65.57%
1-09-4165-000 Memberships/Subscriptions	1,607	500		(1,107)	321.38%
1-09-4270-000 Telecommunications	54,045	55,500		1,455	97.38%
1-09-8000-100 Computer Equipment - Computers	6,239	25,000		18,761	24.96%
1-09-8000-200 Computer Equipment - Laptops	9,081	5,000		(4,081)	181.62%
1-09-8000-300 Computer Equipment - Monitors	-	2,000		2,000	0.00%
1-09-8000-400 Computer Equipment - Printers	26	15,000		14,974	0.17%
1-09-8000-500 Computer Equipment - Toner Cartridges	1,678	3,000		1,322	55.93%
1-09-8000-550 Computer Equipment - Telephony	-	2,500		2,500	0.00%
1-09-8000-600 Computer Equipment - Other	37,835	35,000		(2,835)	108.10%
1-09-8100-100 Computer Software - Maint. and Support	33,614	70,000		36,386	48.02%
1-09-8100-140 Computer Software - Starnik+	82,700	95,000	70,000	82,300	50.12%
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	\$ 351,365	\$ 500,500	\$ 70,000	\$ 219,135	61.59%
Total Departmental Expenses	\$ 618,380	\$ 828,600	\$ 70,000	\$ 278,963	68.82%

+ Amended by Board 10/27/14



Project Payment Schedule  
Updated: December 1, 2014

 = Approved for Payment  
 = 2014 Budget Carryover

Planned Expenses	2015 Budget	Payee	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15
Committed Contracts / Projects																
Storage Tank Maintenance (Year 2 of 6) - RCP03	330,000	Superior Tank							330,000							
Water System Master Plan Update (WO# 14-404) - PL02	45,000	MWH	11,695	35,000	35,000	25,000	20,000									
Purchase of Water Meters		Inland Waterworks	56,769	416,782	250,000											
Dredging @ Lake Outlet Structure / Mechanical Repairs		Fontaine		57,115												
Security Improvement Project (Feasibility/Design)		Exante 360		2,500	2,500											
Replacement Fleet (4) 3/4 Ton Trucks		Wondries			143,751											
docSTAR Smart Automation Project		docSTAR		19,590												
Subtotal	375,000	---	68,464	530,987	431,251	25,000	20,000	-	330,000	-	-	-	-	-	-	-

Budgeted Projects																
Well No. 15 Rehabilitation - RCP13	50,000	TBD						50,000								
Well No. 30 Rehabilitation - RCP12	300,000	TBD				100,000	200,000									
Meter Replacement Program (Purchase) - RCP01	900,000	TBD				300,000	300,000	300,000								
Meter Replacement Program (Installation) - RCP02	325,000	TBD				100,000	100,000	100,000	25,000							
Well No. 7A Electrical Transformer - RCP10	35,000	TBD			35,000											
2015 Urban Water Management Plan Update - PL01	40,000	TBD											10,000	10,000	10,000	10,000
2014 Water System Master Plan Update (EIR) - PL03	140,000	TBD					25,000	25,000	25,000	25,000	25,000	15,000				
ARC Flash Hazard Analysis - SF01	62,000	TBD							20,000	20,000	22,000					
Fleet Lighting Improvements (Phase 1 of 3) - SF03	10,000	TBD										10,000				
Generator/Engine Emissions (Well No. 2A and 3A) - SF05	20,000	TBD						20,000								
Palmdale Ditch Improvements - RCP05	75,000	TBD										25,000	25,000	25,000		
Brine Storage Tanks - RCP07	125,000	TBD							25,000	25,000	50,000	25,000				
Parking Lot Re-Surfacing - RCP-4	100,000	TBD											100,000			
Production Fow Meter Replacement - RCP09	25,000	TBD				25,000										
NaOCL Generator Replacement - RCP08	150,000	TBD					120,000	30,000								
Security System Upgrades - PRO05	250,000	TBD					50,000	50,000	50,000	50,000	50,000					
WTP Security Syststem Upgrade - PRO04	5,000	TBD										5,000				
Sludge Pump Station Flow Meter - PRO06	4,000	TBD			4,000											
Replacement Vehicles/Fleet - RE02	135,000	TBD							30,000	30,000	40,000	35,000				
Valve Exercising Truck - NE08	100,000	TBD					100,000									
Shop/Mechanic Truck w/ Crane and Compressor - NE05	100,000	TBD						100,000								
Hydrologic and Energy Database - PL04	67,000	TBD				20,000	20,000	20,000	7,000							
Shop Tools - NE02	25,000	TBD							25,000							
Natural Gas Engine Emissions Analyzer - NE10	15,000	TBD						15,000								
Rock Drill / Clay Spade - RE01	8,000	TBD							8,000							
3-Inch Air Diaphram Pump - NE03	5,000	TBD				5,000										
Diesel Tamper - RE03	5,000	TBD				5,000										
Acquisition of Tax Defaulted Properties - NCC02	28,000	LA County								28,000						
HVAC at WTP - PRO10	10,000	TBD					10,000									
Subtotal	3,114,000	---	-	-	39,000	555,000	925,000	710,000	215,000	178,000	187,000	115,000	135,000	35,000	10,000	10,000

Water Quality Fee Funded Projects																
GAC Replacement at WTP	1,106,500	Calgon	297,955	300,000		300,000	300,000				253,250		253,250			
GAC Replacement at Underground Booster Station	40,000	Evoqua								40,000						
Subtotal	1,146,500	---	297,955	300,000	-	300,000	300,000	-	-	40,000	253,250	-	253,250	-	-	-

TOTALS			Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15
Monthly Planned Expenses (Including Water Quality)	---	---	366,419	830,987	470,251	880,000	1,245,000	710,000	545,000	218,000	440,250	115,000	388,250	35,000	10,000	10,000
TOTAL 2014 Carryover Projects (Including Water Quality)	---	---	366,419	830,987	431,251											
TOTAL 2015 YTD Budgeted Expenses (Including Water Quality)	----	---			39,000	919,000	2,164,000	2,874,000	3,419,000	3,637,000	4,077,250	4,192,250	4,580,500	4,615,500	4,625,500	4,635,500



# Water Revenue Bond - Series 2013A

Updated: December 1, 2014



Project	Work Order	Description	Allocated Based on Bond	Contractual Commitment	Payout to Date	Grant Funding	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	\$ 1,487,261	\$ 1,412,898	\$ -	\$ (37,261)
Spec. 1205	605-12	Frontier, 31st St. E., etc. between Ave. Q and Q-4	\$ 1,200,000	\$ 1,239,232	\$ 11,756	\$ 485,000	\$ (39,232)
Spec. 1207	607-12	10th St. E. between Ave. P and Palmdale Blvd.	\$ 1,400,000	\$ 1,255,008	\$ 525,181	\$ -	\$ 144,992
LRDSR	501-04	Littlerock Sediment Removal (EIR/EIS/Permits)	\$ 975,000	\$ 515,925	\$ 359,539	\$ -	\$ 459,075
LCGRRP	400-12	Littlerock Recharge and Recovery (Feasibility)	\$ 1,500,000	\$ 899,493	\$ 439,143	\$ -	\$ 600,507
UAR	TBD	Upper Amargosa Recharge (Project Capacity)	\$ 1,250,000	\$ 1,250,000	\$ 38,402	\$ -	\$ -
Spec. 0905	601-09	15th St. E. between Ave. P and Ave. Q (Material)	\$ -	\$ 362,984	\$ 362,984	\$ -	\$ (362,984)
LCGRRP-2	501-04	Littlerock Recharge and Recovery (Permits)	\$ -	\$ -	\$ -	\$ -	\$ -
Totals:			\$ 8,500,000	\$ 7,774,988	\$ 3,914,989	\$ 485,000	\$ 725,012

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





# **PALMDALE WATER DISTRICT BOARD MEMORANDUM**

**DATE:** December 2, 2014 **December 8, 2014**  
**TO:** FINANCE COMMITTEE **Finance Committee Meeting**  
**FROM:** Mr. Bob Egan, Financial Advisor  
**RE:** ***AGENDA ITEM NO. 4.5 – DISCUSSION AND OVERVIEW OF RESOLUTION NO. 14-20 ESTABLISHING THE PALMDALE WATER DISTRICT’S INVESTMENT POLICY***

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## **Recommendation:**

It is recommended that the Finance Committee approve Resolution No. 14-20 Establishing the Palmdale Water District’s Investment Policy.

## **Background:**

It is required by law for the District to adopt an annual Investment Policy. There are no recommended changes from the previous Investment Policy other than increasing the amount of purchases of negotiable certificates of deposit from 30% to 35%. The District’s cds are all at different institutions, are all below the insured limit of \$250,000, and there is no loss exposure.

The Policy is to invest funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the District and conforming to all statutes governing the investment of District funds with the primary objectives of the investment activities being safety, liquidity, and return on investments.

## **Strategic Plan Initiative:**

Strategic Initiative 3 – Uphold Financial Health of the District

## **Budget:**

Adoption of Resolution No. 14-20 will have no financial impact.

## **Supporting Documents:**

- Resolution No. 14-20 – A Resolution of the Board of Directors of the Palmdale Water District Establishing its Investment Policy.



## **RESOLUTION NO. 14-20**

### **A RESOLUTION OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT ESTABLISHING ITS INVESTMENT POLICY**

#### **1.0 POLICY**

**WHEREAS;** the Legislature of the State of California has declared that the deposit and investment of public funds by local officials and local agencies is an issue of statewide concern; and

**WHEREAS;** the legislative body of a local agency may invest monies not required for the immediate necessities of the local agency in accordance with the provisions of California Government Code Sections 5922 and 53601 et seq.; and

**WHEREAS;** the Deputy Treasurer of the Palmdale Water District ("District") shall annually prepare and submit a statement of investment policy and such policy, and any changes thereto, and report same to the Finance Committee, and it shall be considered by the Board of Directors at a public meeting;

**NOW THEREFORE;** it shall be the policy of the District to invest funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the District and conforming to all statutes governing the investment of District funds.

#### **2.0 SCOPE**

This investment policy applies to all financial assets of the District. These funds are accounted for in the annual district audit.

#### **3.0 PRUDENCE**

Investments shall be made with judgment and care, under circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the District, which persons of prudence, discretion and intelligence exercise in the management of their own affairs; not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. The standard of prudence to be used by investment officials shall be the "prudent investor" standard (California Government Code 53600.3) and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.



#### **4.0 OBJECTIVES**

When investing, reinvesting, purchasing, acquiring, exchanging, selling and managing public funds, the primary objectives, in priority order, of the investment activities shall be:

1. Safety: Safety of principal is the foremost objective of the investment program. Investments of the District shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

2. Liquidity: The investment portfolio will remain sufficiently liquid to enable the District to meet all operating requirements which might be reasonably anticipated.

3. Return on Investments: The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and the cash flow characteristics of the portfolio.

#### **5.0 DELEGATION OF AUTHORITY**

The authority to invest public funds is expressly delegated to the Board of Directors. The Board re-delegates the investment function to the Board President or Vice President and the Deputy Treasurer. The Board President or Vice President designate the District's Financial Advisor as the Deputy Treasurer who shall have the authority to act on behalf of the District with the concurrence of the Board Finance Committee.

The investment of the District's monies is annually delegated by the Board of Directors to the Board President or Vice President and Deputy Treasurer (District Financial Advisor) who shall thereafter assume full responsibility for those transactions until the delegation is revoked or expires. The Board President or Vice President shall delegate the day-to-day operations of investing to the Deputy Treasurer, but not the responsibility for the overall investment program. All transactions will be reviewed by the Finance Committee on a monthly basis to assure compliance with the Investment Policy. (California Government Code Section 53607.)

#### **6.0 ETHICS AND CONFLICTS OF INTEREST**

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

## **7.0 AUTHORIZED FINANCIAL INSTITUTIONS AND DEALERS**

The Deputy Treasurer will maintain a list of financial institutions, selected on the basis of credit worthiness, financial strength, experience and minimal capitalization authorized to provide investment services. In addition, a list will also be maintained of approved security broker/dealers selected by credit worthiness who are authorized to provide investment and financial advisory services in the State of California. No public deposit shall be made except in a qualified public depository as established by state laws.

For brokers/dealers of government securities and other investments, the District shall select only broker/dealers who are licensed and in good standing with the California Department of Securities, the Securities and Exchange Commission, the Financial Industry Regulatory Authority (FINRA) or other applicable self-regulatory organizations.

Before engaging in investment transactions with a broker/dealer, the Deputy Treasurer shall have received from said firm a signed Certification Form. This form shall attest that the individual responsible for the District's account with that firm has reviewed the District's Investment Policy and that the firm understands the policy and intends to present investment recommendations and transactions to the District that are appropriate under the terms and conditions of the Investment Policy.

## **8.0 AUTHORIZED AND SUITABLE INVESTMENTS**

The District is empowered by California Government Code 53601 et seq. to invest in the following:

- a. Bonds issued by the District.
- b. United States Treasury Bills, Notes and Bonds.
- c. Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by, or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.
- d. Negotiable certificates of deposit issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by Section 5102 of the Financial Code), or by a state-licensed branch of a foreign bank. Purchases of negotiable certificates of deposit may not exceed 35% of the District's money which may be invested pursuant to this policy.
- e. Monies held by a trustee or fiscal agent and pledged to the payment or security of bonds or other indebtedness, or obligations under a lease, installment sale, or other agreement of a local agency, or certificates of participation in those bonds, indebtedness, or lease installment sale, or other agreements, may be invested in accordance with the statutory provisions governing the issuance of those bonds, indebtedness, or lease



installment sale, or other agreement, or to the extent not inconsistent therewith or if there are no specific statutory provisions, in accordance with the ordinance, resolution, indenture, or agreement of the local agency providing for the issuance.

- f. Bonds, notes, warrants or other evidence of debt issued by a local agency within the State of California, including pooled investment accounts sponsored by the State of California, County Treasurers, other local agencies or Joint Powers Agencies.

Such investments shall be limited to securities that at the time of the investment have a term remaining to maturity of five years or less, or as provided above.

The District shall not invest any funds covered by this Investment Policy in inverse floaters, range notes, interest-only strips derived from mortgage pools or any investment that may result in a zero interest accrual if held to maturity.

#### **9.0 COLLATERALIZATION**

All certificates of deposit must be collateralized by United States Treasury Obligations. Collateral must be held by a third party trustee and valued on a monthly basis. The percentage of collateralizations on repurchase and reverse agreements will adhere to the amount required under California Government Code 53601(i)(2).

#### **10.0 SAFEKEEPING AND CUSTODY**

All security transactions entered into by the District shall be conducted on delivery-versus-payment (DVP) basis. All securities purchased or acquired shall be delivered to the District by book entry, physical delivery or by third party custodial agreement.

#### **11.0 DIVERSIFICATION**

The District will diversify its investments by security type and institution. Assets shall be diversified to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer or a specific class of securities.

Diversification strategies shall be reviewed and revised periodically. In establishing specific diversification strategies, the following general policies and constraints shall apply:

- a. Portfolio maturity dates shall be matched versus liabilities to avoid undue concentration in a specific maturity sector.
- b. Maturities selected shall provide for stability of income and liquidity.

- c. Disbursement and payroll dates shall be covered through maturities of investments, marketable United States Treasury bills or other cash equivalent instruments such as money market mutual funds.

## **12.0 REPORTING**

The Deputy Treasurer, after review by the Finance Committee, shall submit to each member of the Board of Directors an investment report at least quarterly. The report shall include a complete description of the portfolio, the type of investments, the issuers, maturity dates, par values and the current market values of each component of the portfolio, including funds managed for District by third party contracted managers. The report will also include the source of the portfolio valuation. For funds which are placed in LAIF, FDIC-insured accounts and/or in a county investment pool, the foregoing report elements may be replaced by copies of the latest statements from such institutions. The report must also include a certification that (1) all investment actions executed since the last report have been made in full compliance with the Investment Policy, and (2) the District will meet its expenditure obligations for the next six months. The Deputy Treasurer shall maintain a complete and timely record of all investment transactions.

## **13.0 INVESTMENT POLICY ADOPTION**

The Investment Policy shall be adopted by resolution of the District. Moreover, the Policy shall be reviewed on an annual basis, and modifications must be approved by the Board of Directors.

**PASSED, APPROVED, AND ADOPTED** at a Regular Meeting of the Board of Directors of Palmdale Water District held on December 10, 2014. Resolution No. 14-20 was adopted by the following vote:

**AYES:**

**NOES:**

**ABSTAIN:**

---

President, Board of Directors  
Palmdale Water District

ATTEST:

---

Secretary of the Board of Directors



STATE OF CALIFORNIA                    )  
  )  
COUNTY OF LOS ANGELES            )            ss.

I, \_\_\_\_\_, Secretary of the Palmdale Water District, DO  
HEREBY CERTIFY that the foregoing is a full, true and correct copy of Resolution No.  
13-14 of the Board of Directors of Palmdale Water District adopted at a Regular Meeting  
held on December 10, 2014 and that the same has not been amended or  
repealed.

\_\_\_\_\_  
Secretary, Board of Directors  
Palmdale Water District

DATED: \_\_\_\_\_

(S E A L)



UBS Financial Services Inc.  
777 S. Figueroa Street, 52nd Fl  
Los Angeles, CA 90017  
Tel. 213-253-5236  
Tel. 213-972-1457  
Fax 855-889-4005  
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James M. Giordano, CFP®, CRPS®  
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[www.ubs.com](http://www.ubs.com)

December 3, 2014

Finance Committee  
Palmdale Water District  
2029 East Avenue Q  
Palmdale, CA 93550

Dear Sirs:

This letter certifies that I have read and understand the Palmdale Water District Investment Policy. I will present investment recommendations and transactions that are appropriate under its terms and conditions.

Sincerely,

A handwritten signature in black ink, reading "Michael R. Giordano".

Michael R. Giordano, CIMA®  
Senior Vice President – Investments

A handwritten signature in black ink, reading "James M. Giordano".

James M. Giordano, CFP®, CRPS®  
Vice President - Investments

# DRAFT

## PALMDALE WATER DISTRICT Debt Service Coverage (\$000s)

Fiscal Year Ending September 30	Audited 2013	Apr 2013 - Mar 2014	Jul 2013 - Jun 2014	Oct 2013 - Sep 2014	Nov 2013 - Oct 2014
<b>OPERATING REVENUES</b>					
Rate Stabilization Fund	24,125 (480)	24,195 (480)	23,929 (480)	23,579 (480)	23,397 (480)
	23,645	23,715	23,449	23,099	22,917
<b>OPERATING EXPENSES</b>					
Gross operating expenses	20,665	20,776	21,059	20,939	21,594
Overhead adjustment	(217)				
SWP Fixed operations and maint	(720)	(656)	(606)	(485)	(444)
Capital portion included above					
<b>TOTAL EXPENSES</b>					
	19,728	20,121	20,453	20,454	21,150
	3,917	3,594	2,996	2,645	1,767
<b>NET OPERATING REVENUES</b>					
<b>NON-OPERATING REVENUE</b>					
Ad valorem property taxes	2,417	2,681	3,192	1,853	1,853
Interest income	35	47	51	47	45
Capital improvement fees	245	327	279	260	259
Other income	434	436	510	491	359
Rate Assistance Program					
<b>TOTAL NON-OPERATING INCOME</b>	3,131	3,490	4,031	2,651	2,516
<b>NET REV AVAILABLE FOR DEBT SERVICE</b>	7,048	7,085	7,027	5,296	4,283
<b>NET DEBT SERVICE</b>					
1998 Certificates of Participation					
2004A Certificates of Participation	1,373	1,373	1,398	1,398	1,373
2012 Issue - Bank of Nevada			2,324	2,324	2,344
2013A Water Revenue Bond	2,247	1,584			
2017 Issue					
2012 Capital Lease	180	218	218	218	218
<b>TOTAL DEBT SERVICE</b>	3,799	3,174	3,939	3,939	3,935
<b>DEBT SERVICE COVERAGE</b>	1.86	2.23	1.78	1.34	1.09
<b>NET REV AVAILABLE AFTER D/S</b>	3,249	3,911	3,088	1,356	348