



PALMDALE WATER DISTRICT

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Board of Directors

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Division 4

VINCENT DINO
Division 5

January 8, 2015

*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, January 12, 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 November 30, 2014. (Financial Advisor Egan)
- 4.3) Discussion and overview of Financial Statements, Revenue, and Expense and Departmental Budget Reports for November 30, 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 possible action on proposal received from The Pun Group LLP for auditing services for the fiscal year ending December 31, 2014. (\$18,000.00 - Budgeted – Financial Advisor Egan)
- 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.


DENNIS D. LaMOREAUX,
General Manager

DDL/dd

**PALMDALE
WATER DISTRICT
BOARD MEMORANDUM**

DATE:	January 7, 2015	January 12, 2015
TO:	FINANCE COMMITTEE	Committee Meeting
FROM:	Mr. Bob Egan, Financial Advisor	
RE:	<i>AGENDA ITEM NO. 4.2 – DISCUSSION AND OVERVIEW OF CASH FLOW STATEMENT AND CURRENT CASH BALANCES AS OF NOVEMBER 30, 2014</i>	

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

PALMDALE WATER DISTRICT
INVESTMENT FUNDS REPORT

			December 31, 2014			December-14	November-14
	DESCR						
CASH							
0-0103	Citizens/US Bank - Checking					193,438.55	480,656.76
0-0104	Citizens- Merchant					97,085.52	102,160.48
					Bank cash	290,524.07	582,817.24
0-0119	PETTY CASH					300.00	300.00
0-0120	CASH ON HAND					3,400.00	3,400.00
	TOTAL CASH					294,224.07	586,517.24
INVESTMENTS							
0-0110	UBS ACCOUNT SS 11469 GG						
	UBS RMA Government Portfolio					7,205,927.27	3,398,374.94
	UBS Bank USA Dep acct					416,949.19	250,000.00
		Accrued interest				0.00	1,702.79
						7,622,876.46	3,650,077.73
		<u>CD'S</u>	<u>Due</u>	<u>Rate</u>	<u>Face Value</u>		
	1	Homestreet Bk WA	12/08/14	2.00	240,000	0.00	239,992.80
	2	Discover Bk DE	12/11/14	0.25	240,000	0.00	239,990.40
	3	Bk of China NY US	12/11/14	0.25	240,000	0.00	239,990.40
	4	Berkshire Bk MA	12/12/14	0.25	240,000	0.00	239,983.20
	5	First B & T IL	12/15/14	0.15	240,000	0.00	239,980.80
	6	1st Niagra Bk NY	12/15/14	0.25	240,000	0.00	239,983.20
	7	Comenity Bk DE	12/18/14	0.30	200,000	0.00	199,524.00
	8	Peoples United CT	12/18/14	0.25	120,000	0.00	119,990.40
	9	Citizens Bk PA	12/18/14	0.30	240,000	0.00	239,985.60
					2,000,000	0.00	1,999,420.80
					Total acct	7,622,876.46	5,649,498.53
0-1110	UBS ACCOUNT SS 11475 GG						
	UBS Bank USA Dep acct					250,000.00	250,000.00
	UBS RMA Government Portfolio					218,783.85	218,920.41
					Total acct	468,783.85	468,920.41
0-0115	LAIF						
					Total acct	11,733.06	11,733.06
0-0111	UBS ACCOUNT SS 11432 GG						
	UBS Bank USA Dep acct					250,000.00	250,000.00
	UBS RMA Government Portfolio					92,846.20	88,586.42
		Accrued interest				6,674.73	7,503.17
	US GOVERNMENT SECURITIES:						
	ISSUE	EXPIR				MARKET	MARKET
	DATE	ISSUER	DATE	RATE	PAR	VALUE	VALUE
		FNMA	10/26/15	1.625	500,000	505,690.00	506,285.00
		FFCB	06/02/16	0.375	1,000,000	997,530.00	996,290.00
		FNMA	07/17/17	1.2	500,000	499,400.00	500,570.00
		FHLB	12/28/17	0.95	500,000	495,275.00	496,350.00
					2,500,000	2,497,895.00	2,499,495.00
		<u>CD'S</u>	<u>Due</u>	<u>Rate</u>	<u>Face Value</u>		
	1	Bank of Baroda	11/12/14	0.45	240,000		
	2	GE Capital Bank	05/01/15	0.60	64,000	64,030.08	64,033.28
	3	Ally Bank	05/06/15	0.60	240,000	240,115.20	240,124.80
	4	Sallie Mae Bank	11/06/15	0.85	240,000	240,520.80	240,489.60
	5	Goldman Sachs Bk	11/07/16	1.00	240,000	239,666.40	240,076.80
	6	CIT Bank	11/06/17	1.60	240,000	240,117.60	240,261.60
	7	BMW Bank	11/15/18	2.00	240,000	239,668.80	241,951.20
	8						
					1,504,000	1,264,118.88	1,266,937
					TOTAL MANAGED ACCOUNT	4,111,534.81	4,112,521.87
	TOTAL INVESTMENTS					12,214,928.18	10,242,673.87
	UBS ACCOUNT SS 24016			UBS USA		250,000.00	250,000.00
	Rate Stabilization Fund			UBS AG		230,174.46	230,205.98
						480,174.46	480,205.98
	GRAND TOTAL CASH AND INVESTMENTS					12,989,326.71	11,309,397.09
	Summary:						
	Checking	294,224			Incr (Decr)	1,679,929.62	
	UBS MM	8,091,660					
	LAIF	11,733					
	UBS Investment	4,111,535					
	Rate Stab fund	480,174			BNY Mellon		
	Total	12,989,327			Construction	4,410,779.22	4,410,779.22

01/07/15	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	1,806,443	1,789,479	23,182,927
	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	1,806,443	1,789,479	
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	11,309,397	
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	2,066,836	1,789,479	24,030,256
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	2,066,836	1,789,479	
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	1,898,497	1,633,748	20,754,422
													2,428,505
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	2,808,240	6,823,710
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	3,490	5,044	45,320
Mkt adj	10,554	1,203	(4,828)	6,915	2,763	(6,882)	(1,425)	3,151	(4,041)	2,926	4,360	(5,642)	9,055
Grant Re-imbursement													0
Capital Improvement Fees		9,889				0			3,370				13,259
													0
DWR Refund/(payment)					133,539						88,039		221,578
Other /Palmdale Redevel Agency	10,079	52,154	16,438	10,677	298,812	12,623	14,145	14,145	18,318	14,811	12,742	181,949	656,894
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	251,500	2,989,592	7,769,816
Capital Expenditures	(106,595)	(13,862)	(321,802)	(119,918)	(533,132)	(104,335)	(61,504)	(79,180)	(19,276)	(21,810)	(65,509)	(530,987)	(1,977,911)
GAC									(300,438)	(298,604)	(297,955)	(298,050)	(1,195,047)
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)						(502,348)	(995,153)
Capital leases	(460)	(37,933)	(20,929)	(17,756)	(24,103)	(3,720)	(34,592)	(23,643)	(20,470)	(17,296)	(23,644)	(15,868)	(240,414)
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	11,309,397	12,989,327	(10,818,334)
											Budget	10,756,000	(620,014)
											diff	2,233,327	

PALMDALE WATER DISTRICT BOARD MEMORANDUM

DATE: January 7, 2015 **January 12, 2015**
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 NOVEMBER 30, 2014***

Discussion:

Presented here are Balance Sheet and Profit/Loss Statement for the period ending November 30, 2014. Also included are Year-To-Year Comparisons and Month-To-Month comparisons for both revenue and expense. Finally, I have provided individual departmental budget reports for the month of November, 2014.

This is the eleventh month of the District's Budget Year 2014. The target percentage is 92%. Revenues ideally are at or above, and expenditures ideally are below.

Balance Sheet:

- Page 1 is our balance sheet on November 30, 2014.
- There is no real significant change from October, except to mention our current assets have dropped about \$500K. But that's expected during the months of October and November.

Profit/Loss Statement:

- Page 3 is our profit/loss statement on November 30, 2014.
- Operating revenue is at 88% of budget.
- Water Sales are at 85% of budget. This is due to reduced consumption.
- Cash operating expense is at 87% of budget.
- There are three departments above the target of 92%. I will review those in more detail later.
- Page 3-1 is a listing of other revenues. This is down about \$25K from average due to a decrease in collection activity. Door tag fees are down \$15K and late fees down \$10K. The reduced activity is attributed to unavailable staffing and holiday.
- Page 6 is showing the distribution of expense between labor and operations. Now that GAC costs are back up to approximately \$1.2MM, the percentage of labor costs are only 43% as a whole with salaries being only 29%.

Year-To-Year Comparison P&L:

- Page 7 is our comparison of November, 2013 to November, 2014.
- Total operating revenue is down \$250K, or 12%. This is due to reduced consumption for the month.

- Operating expenditures are up by \$713K, or 52%. 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 250, or 16%. Total revenue per unit sold is up \$0.13, or 4%, total revenue per connection is down \$8.27, or 11%, and units billed per connection is down 4.2, or 16%.

Revenue Analysis Year-To-Date:

- Page 9 is our comparison of revenue, year-to-date.
- Operating revenue through November, 2014 is down \$1MM, or 4.5%.
- Retail water sales from all areas are down by \$681K from last year. That's shown by the combined green highlighted area. Water sales alone are down \$718K YTD.
- Total revenue is down \$1.2MM.
- Operating revenue through November, 2014 is at 88% of budget; last year we were at 98% of budget.

Expense Analysis Year-To-Date:

- Page 11 is our comparison of expense, year-to-date.
- Cash Operating Expenses through November, 2014 are up by \$3MM, or 14.5%, compared to 2013 due to plant expenditures and the Wood settlement payment under Administration. Facilities and Operations have higher operating budgets this year than last.
- Total Expenses are up \$2.8MM, or 10%, for the same reasons.

Departments:

- Pages 14 is the Directors detail budget. The department is over budget due to all 5 Directors being more active on committees and in education/training than past experience has shown.
- Page 18 is Operations detail budget. The department is operating above target due to the higher operation of wells and boosters during the drought. This is reflected in higher energy costs.
- Page 19 is Finance detail budget. This department continues to operate over budget due to the ever increasing number of meter exchanges and repair of large meters throughout the District.

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.

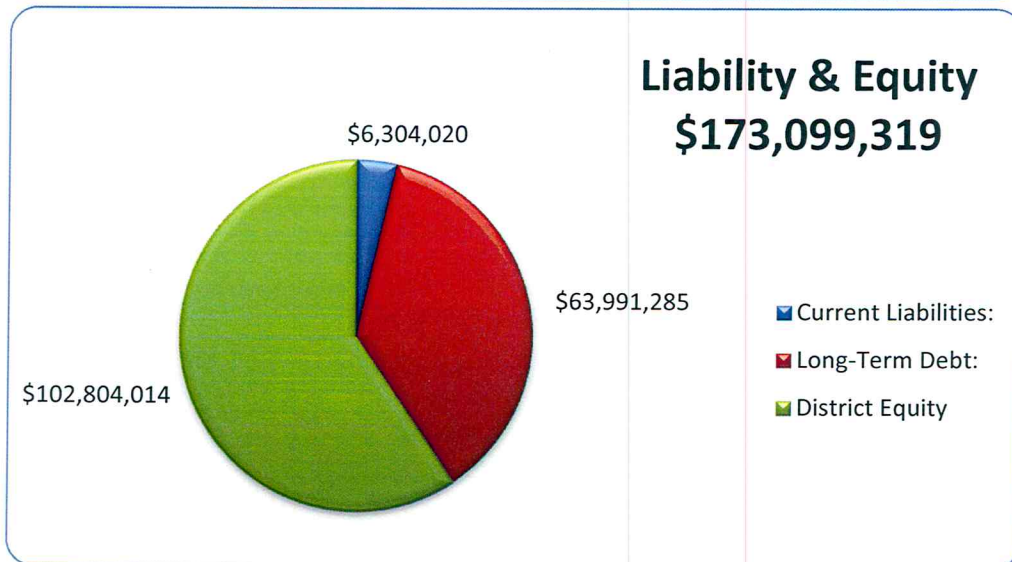
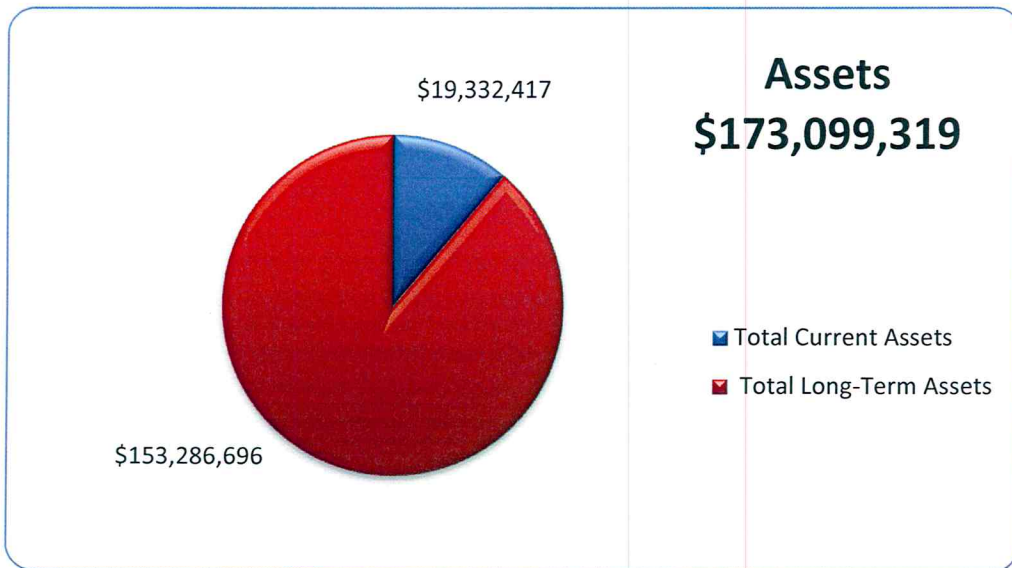
Service Cost Construction: The value of material, parts & supplies from inventory used to construct, repair and maintain our asset infrastructure.

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

Palmdale Water District
Balance Sheet Report
For the Eleven Months Ending 11/30/2014

	November 2014	October 2014
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 586,517	\$ 322,507
Investments	10,242,674	10,592,113
2013A Bonds - Project Funds	4,640,299	5,033,920
	\$ 15,469,490	\$ 15,948,540
Receivables:		
Accounts Receivables - Water Sales	\$ 1,851,995	\$ 1,984,890
Accounts Receivables - Miscellaneous	31,867	31,700
Allowance for Uncollected Accounts	(214,349)	(214,349)
	\$ 1,669,513	\$ 1,802,240
Interest Receivable	\$ -	\$ -
Assessments Receivables	1,176,110	1,318,979
Meters, Materials and Supplies	805,797	794,146
Prepaid Expenses	211,507	236,647
Total Current Assets	\$ 19,332,417	\$ 20,100,551
Long-Term Assets:		
Property, Plant, and Equipment, net	\$ 113,289,721	\$ 113,327,727
Participation Rights in State Water Project, net	39,766,422	39,779,843
2013A Bonds - Insurance & Surety Bond	230,553	231,219
	\$ 153,286,696	\$ 153,338,790
Restricted Cash:		
Rate Stabilization Fund	480,206	480,186
Total Long-Term Assets & Restricted Cash	\$ 153,766,902	\$ 153,818,976
Total Assets	\$ 173,099,319	\$ 173,919,527
LIABILITIES AND DISTRICT EQUITY		
Current Liabilities:		
Current Interest Installment of Long-term Debt	\$ 367,034	\$ 183,518
Current Principal Installment of Long-term Debt	640,198	640,198
Accounts Payable and Accrued Expenses	5,812,259	5,803,415
Deferred Assessments	(515,471)	(372,602)
Total Current Liabilities	\$ 6,304,020	\$ 6,254,529
Long-Term Debt:		
Pension-Related Debt	\$ 1,084,487	\$ 1,084,487
OPEB Liability	9,120,158	8,970,018
2013A Water Revenue Bonds	43,463,724	43,465,974
2012 - Certificates of Participation	10,069,738	10,062,940
2011 - Capital Lease Payable	253,178	253,178
Total Long-Term Liabilities	\$ 63,991,285	\$ 63,836,598
Total Liabilities	\$ 70,295,305	\$ 70,091,127
District Equity		
Revenue from Operations	\$ (5,868,155)	\$ (4,843,769)
Retained Earnings	108,672,169	108,672,169
Total Liabilities and District Equity	\$ 173,099,319	\$ 173,919,527

BALANCE SHEET AS OF NOVEMBER 30, 2014



Palmdale Water District
Consolidated Profit and Loss Statement
For the Eleven Months Ending 11/30/2014

	Thru October	November	Year-to-Date	Adjustments	Adjusted Budget	% of Budget
Operating Revenue:						
Wholesale Water	\$ 194,229	\$ 23	\$ 194,252		\$ 225,000	86.33%
Water Sales	7,060,317	669,950	7,730,267		9,053,000	85.39%
Meter Fees	9,421,966	908,878	10,330,844		11,255,000	91.79%
Water Quality Fees	1,355,842	115,273	1,471,115		1,638,000	89.81%
Elevation Fees	416,349	32,843	449,192		525,000	85.56%
Other	1,137,969	79,476	1,217,445		1,700,000	71.61%
Total Operating Revenue	\$ 19,586,674	\$ 1,806,443	\$ 21,393,116	\$ -	\$ 24,396,000	87.69%
Cash Operating Expenses:						
Directors	\$ 120,964	\$ 7,742	\$ 128,706		\$ 114,500	112.41%
Administration*(+)+	2,770,941	175,152	2,946,094	61,000	3,551,000	82.97%
Engineering	880,807	81,057	961,864		1,079,800	89.08%
Facilities*(+)+	2,699,128	291,758	2,990,886	220,690	3,629,190	82.41%
Operations*(+)+	4,636,188	350,106	4,986,294	(284,990)	5,168,510	96.47%
Finance	2,524,470	219,230	2,743,700	(96,700)	2,872,050	95.53%
Water Conservation	126,177	23,791	149,968		270,000	55.54%
Human Resources*	192,846	27,340	220,187	30,000	245,300	89.76%
Information Technology*	618,380	87,160	705,540	70,000	898,600	78.52%
Water Purchases	2,271,070	80,522	2,351,592		2,400,000	97.98%
Water Purchases-Prior Year OAP	683	-	683		250,000	0.27%
Water Recovery	(418,631)	(8,888)	(427,519)		(100,000)	427.52%
Plant Expenditures	1,627,955	439,204	2,067,158		2,143,500	96.44%
GAC Filter Media Replacement	906,872	298,050	1,204,922		1,638,000	73.56%
Total Cash Operating Expenses	\$ 18,957,850	\$ 2,072,225	\$ 21,030,074	\$ -	\$ 24,160,450	87.04%
Non-Cash Operating Expenses:						
Depreciation	\$ 6,050,512	\$ 548,512	\$ 6,599,024		\$ 7,350,000	89.78%
OPEB Accrual Expense	1,668,749	166,875	1,835,624		2,000,000	91.78%
Bad Debts	30,665	-	30,665		100,000	30.67%
Service Costs Construction	(85,053)	8,102	(76,951)		125,000	-61.56%
Capitalized Construction	(1,249,115)	(111,533)	(1,360,648)		(1,000,000)	136.06%
Total Non-Cash Operating Expenses	\$ 6,415,759	\$ 611,956	\$ 7,027,715	\$ -	\$ 8,575,000	81.96%
Net Operating Profit/(Loss)	\$ (5,786,935)	\$ (877,738)	\$ (6,664,672)	\$ -	\$ (8,339,450)	79.92%
Non-Operating Revenues:						
Assessments (Debt Service)	\$ 2,905,627	\$ 108,586	\$ 3,014,213		\$ 4,400,000	68.50%
Assessments (1%)	1,215,099	34,283	1,249,382		1,800,000	69.41%
DWR Fixed Charge Recovery	133,539	88,039	221,578		100,000	221.58%
Interest	43,208	7,851	51,059		25,000	204.24%
Capital Improvement Fees	13,259	-	13,259		150,000	8.84%
State Grants	-	-	-		485,000	0.00%
Other	210,201	12,742	222,942		185,000	120.51%
Total Non-Operating Revenues	\$ 4,520,933	\$ 251,500	\$ 4,772,433	\$ -	\$ 7,145,000	66.79%
Non-Operating Expenses:						
Interest on Long-Term Debt	\$ 1,935,803	\$ 188,730	\$ 2,124,533		\$ 2,111,000	100.64%
Amortization of SWP	1,595,100	131,561	1,726,661		1,679,000	102.84%
Water Conservation Programs	106,869	17,853	124,722		143,000	87.22%
Total Non-Operating Expenses	\$ 3,637,772	\$ 338,144	\$ 3,975,916	\$ -	\$ 3,933,000	101.09%
Net Earnings	\$ (4,903,774)	\$ (964,381)	\$ (5,868,155)	\$ -	\$ (5,127,450)	114.45%

* Budget adjustments by General Manager per Appendix A

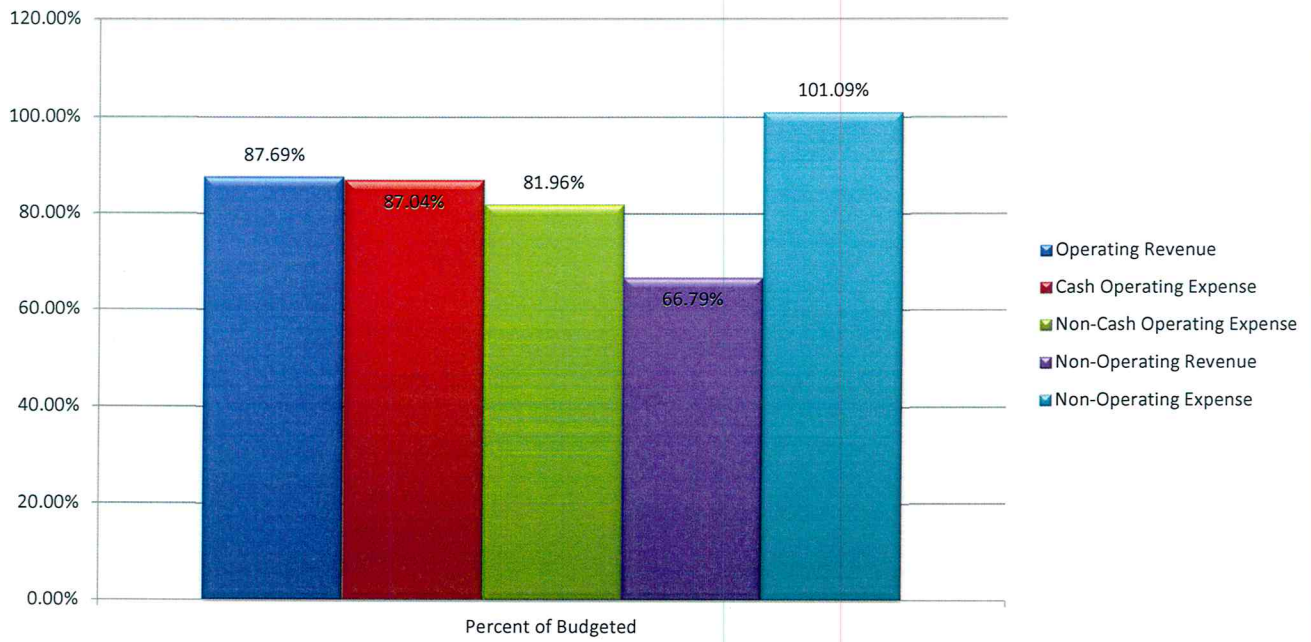
+ Amended by Board 10/27/14

++ Amended by Board 08/13/14

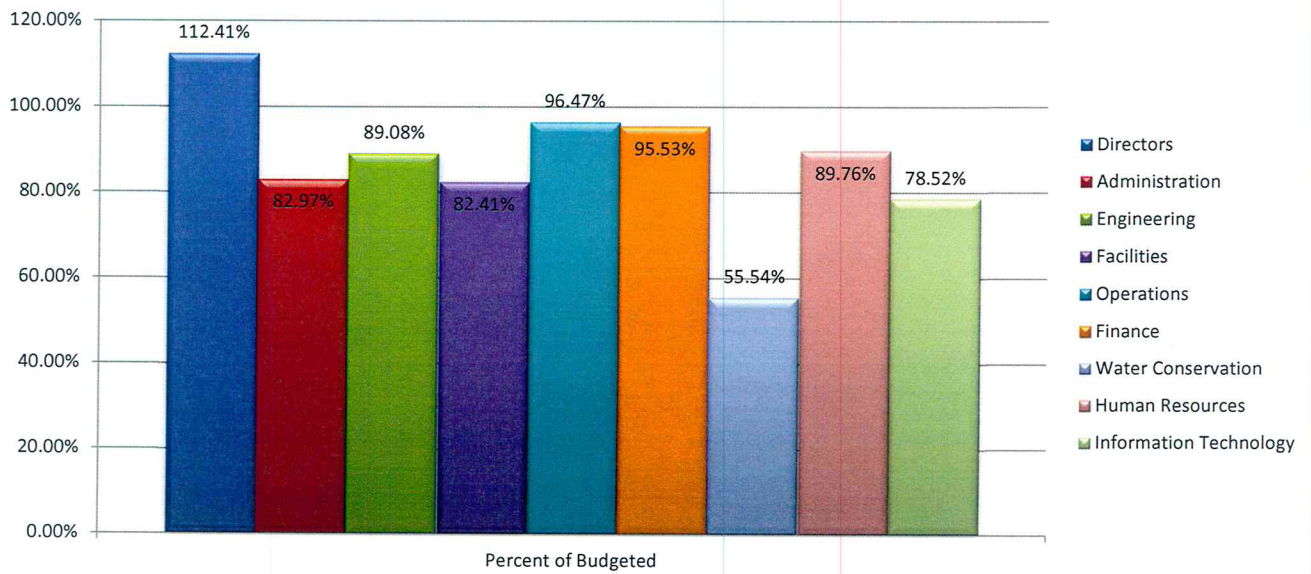
OTHER OPERATING REVENUE

Account Setup Charge(\$25)	\$1,675.00
Account Setup Charge/CC (\$35)	\$1,995.00
After Hours Service Call	\$160.00
Construction Meter Install(\$250)	\$1,000.00
Credit Check(\$10)	\$10.00
Door Tag Fee(\$20)	\$19,540.00
Lock Broken or Missing(\$15)	\$30.00
Pulled Meter Service Charge(\$60)	\$180.00
Repair Angle Stop(\$440.00)	\$880.00
Shut-Off Charge(\$30)	\$2,850.00
Shut-Off Processing Fee(\$20)	\$120.00
Standard Trip Charge(\$15)	\$150.00
Unauthorized Use of Water(\$1000)	\$1,000.00
Late Fees	\$44,066.39
NSF Fee	\$450.00
	<hr/>
	\$74,106.39

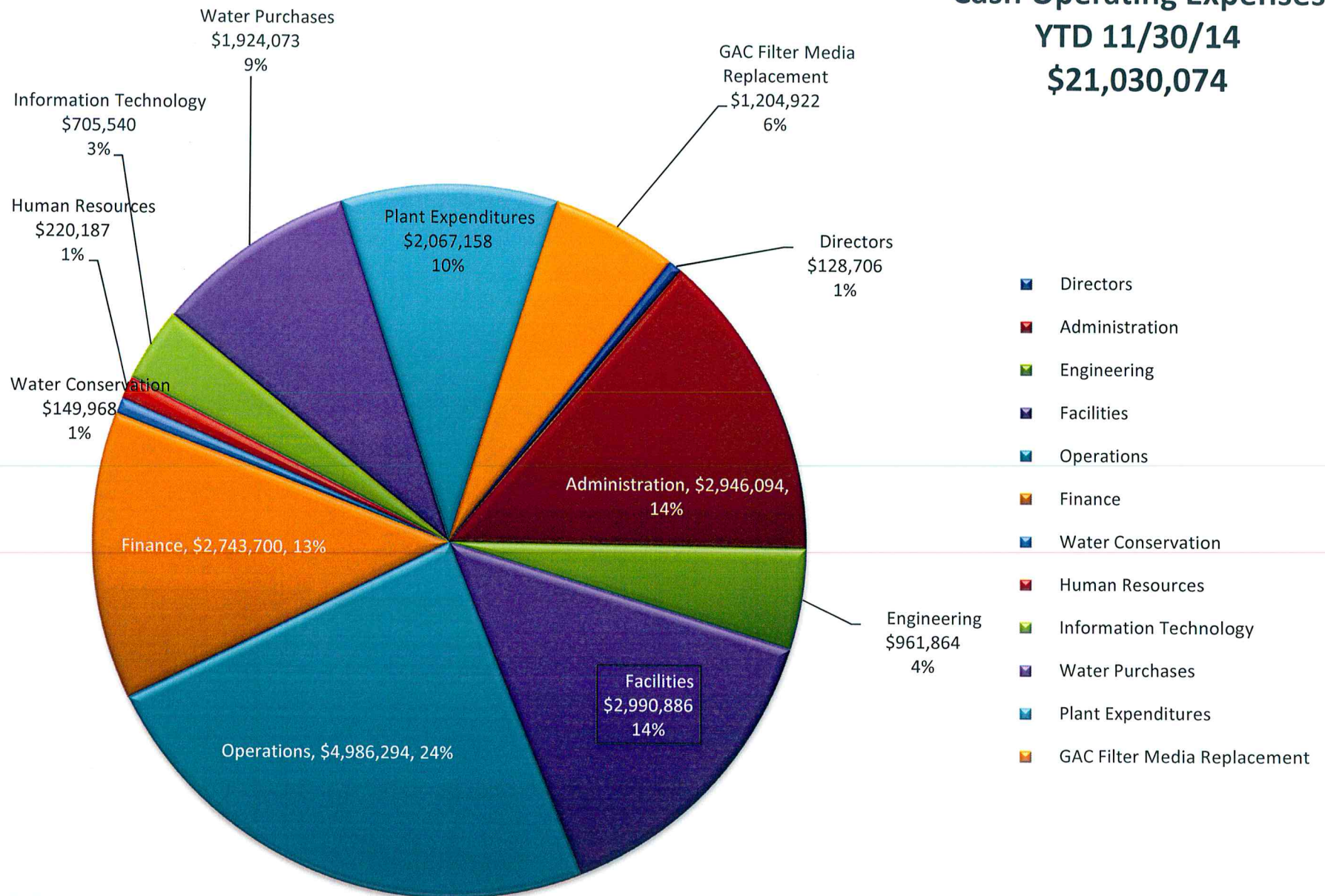
P & L BUDGET vs. ACTUAL



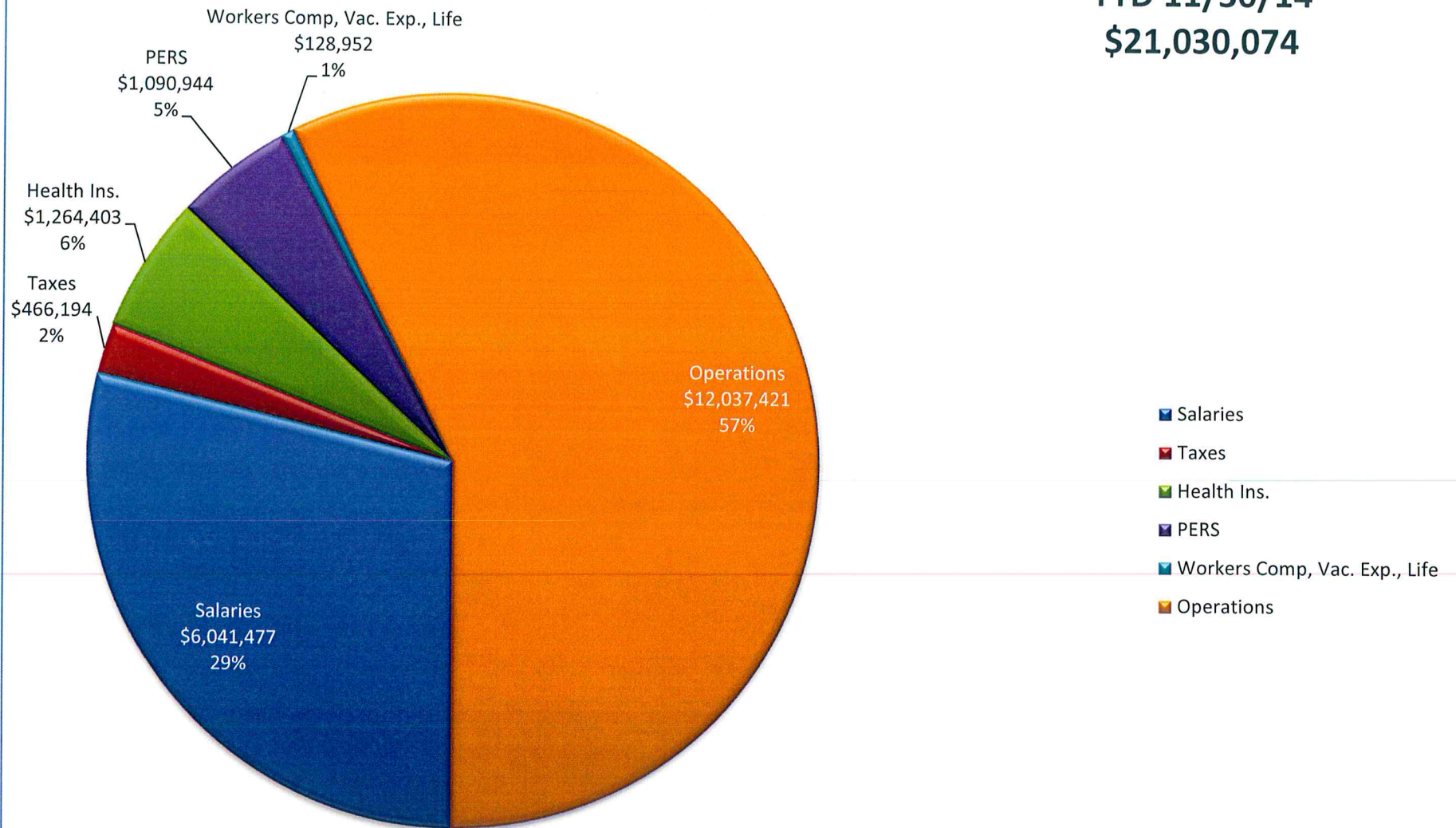
DEPARTMENTAL - BUDGET vs. ACTUAL



Cash Operating Expenses YTD 11/30/14 \$21,030,074



Personnel to Operations Exp
YTD 11/30/14
\$21,030,074

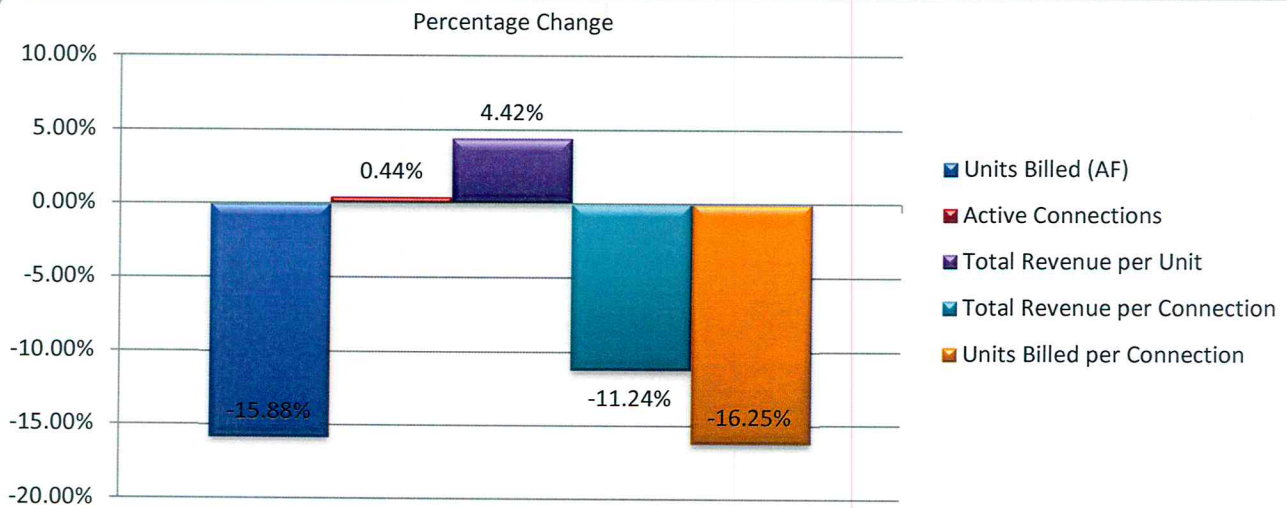
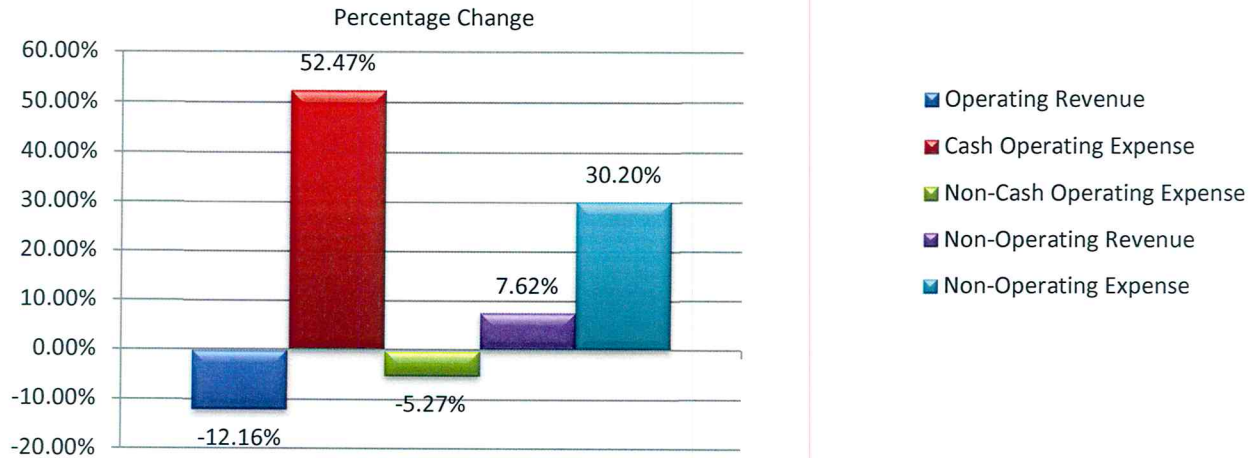


Palmdale Water District
Profit and Loss Statement
Year-To-Year Comparison - November

	2013	2014		%		Consumption Comparison		
	November	November	Change	Change		Units Billed	2013	2014
Operating Revenue:								
Wholesale Water	\$ 131	\$ 23	\$ (108)	-82.35%	Active		26,345	26,460
Water Sales	836,479	669,950	(166,529)	-19.91%	Vacant		1,008	913
Meter Fees	920,391	908,878	(11,513)	-1.25%				
Water Quality Fees	135,492	115,273	(20,219)	-14.92%				
Elevation Fees	44,779	32,843	(11,936)	-26.66%	Rev/unit	\$	3.00	\$ 3.13
Other	119,323	79,476	(39,847)	-33.39%	Rev/con	\$	73.53	\$ 65.27
Total Operating Revenue	\$ 2,056,594	\$ 1,806,443	\$ (250,151)	-12.16%	Unit/con		26.06	21.83
Cash Operating Expenses:								
Directors	\$ 8,520	\$ 7,742	\$ (778)	-9.13%				
Administration	169,411	175,152	5,741	3.39%				
Engineering	99,029	81,057	(17,972)	-18.15%				
Facilities	238,224	291,758	53,534	22.47%				
Operations	405,760	350,106	(55,654)	-13.72%				
Finance	248,156	219,230	(28,926)	-11.66%				
Water Conservation	19,057	23,791	4,734	24.84%				
Human Resources	19,378	27,340	7,962	41.09%				
Information Technology	54,688	87,160	32,472	59.38%				
Water Purchases	74,870	80,522	5,652	7.55%				
Water Purchases-Prior Year OAP	-	-	-					
Water Recovery	(474)	(8,888)	(8,414)					
Plant Expenditures	22,516	439,204	416,688	1850.64%				
GAC Filter Media Replacement	-	298,050	298,050					
Total Cash Operating Expenses	\$ 1,359,135	\$ 2,072,225	\$ 713,090	52.47%				
Non-Cash Operating Expenses:								
Depreciation	\$ 556,651	\$ 548,512	\$ (8,139)	-1.46%				
OPEB Accrual Expense	165,223	166,875	1,652	1.00%				
Bad Debts	6,403	-	(6,403)					
Service Costs Construction	(25)	8,102	8,127					
Capitalized Construction	(82,229)	(111,533)	(29,304)	35.64%				
Total Non-Cash Operating Expenses	\$ 646,023	\$ 611,956	\$ (34,067)	-5.27%				
Net Operating Profit/(Loss)	\$ 51,436	\$ (877,738)	\$ (929,173)	-1806.48%				
Non-Operating Revenues:								
Assessments (Debt Service)	\$ 188,423	\$ 108,586	\$ (79,837)	-42.37%				
Assessments (1%)	31,287	34,283	2,996	9.57%				
DWR Fixed Charge Recovery	642	88,039	87,397					
Interest	(2,135)	7,851	9,986	-467.72%				
Capital Improvement Fees	2,877	-	(2,877)	-100.00%				
State Grants	-	-	-					
Other	12,600	12,742	141	1.12%				
Total Non-Operating Revenues	\$ 233,695	\$ 251,500	\$ 17,805	7.62%				
Non-Operating Expenses:								
Interest on Long-Term Debt	\$ 116,554	\$ 188,730	\$ 72,175	61.92%				
Amortization of SWP	131,561	131,561	-	0.00%				
Water Conservation Programs	11,594	17,853	6,260	53.99%				
Total Non-Operating Expenses	\$ 259,709	\$ 338,144	\$ 78,435	30.20%				
Net Earnings	\$ 25,422	\$ (964,381)	\$ (989,803)	-3893.55%				

YEAR-TO-YEAR COMPARISON

November '13 -To - November '14



	2013	2014	Change	
Units Billed (AF)	1,576	1,326	-250	-15.88%
Active Connections	26,345	26,460	115	0.44%
Non-Active	1,008	913	-95	-9.42%
Total Revenue per Unit	\$3.00	\$3.13	\$0.13	4.42%
Total Revenue per Connection	\$73.53	\$65.27	-\$8.27	-11.24%
Units Billed per Connection	26.06	21.83	-4.23	-16.25%

Palmdale Water District
Revenue Analysis
For the Eleven Months Ending 11/30/2014
2014

	Thru October	November	Year-to-Date	Adjusted Budget	% of Budget
Operating Revenue:					
Wholesale Water	\$ 194,229	\$ 23	\$ 194,252	\$ 225,000	86.33%
Water Sales	7,060,317	669,950	7,730,267	9,053,000	85.39%
Meter Fees	9,421,966	908,878	10,330,844	11,255,000	91.79%
Water Quality Fees	1,355,842	115,273	1,471,115	1,638,000	89.81%
Elevation Fees	416,349	32,843	449,192	525,000	85.56%
Other	1,137,969	79,476	1,217,445	1,700,000	71.61%
Total Operating Revenue	\$ 19,586,674	\$ 1,806,443	\$ 21,393,116	\$ 24,396,000	87.69%
Non-Operating Revenues:					
Assessments (Debt Service)	\$ 2,905,627	\$ 108,586	\$ 3,014,213	\$ 4,400,000	68.50%
Assessments (1%)	1,215,099	34,283	1,249,382	1,800,000	69.41%
DWR Fixed Charge Recovery	133,539	88,039	221,578	100,000	221.58%
Interest	43,208	7,851	51,059	25,000	204.24%
Capital Improvement Fees	13,259	-	13,259	150,000	8.84%
State Grants	-	-	-	485,000	0.00%
Other	210,201	12,742	222,942	185,000	120.51%
Total Non-Operating Revenues	\$ 4,520,933	\$ 251,500	\$ 4,772,433	\$ 7,145,000	66.79%
Total Revenue	\$ 24,107,607	\$ 2,057,943	\$ 26,165,550	\$ 31,541,000	82.96%

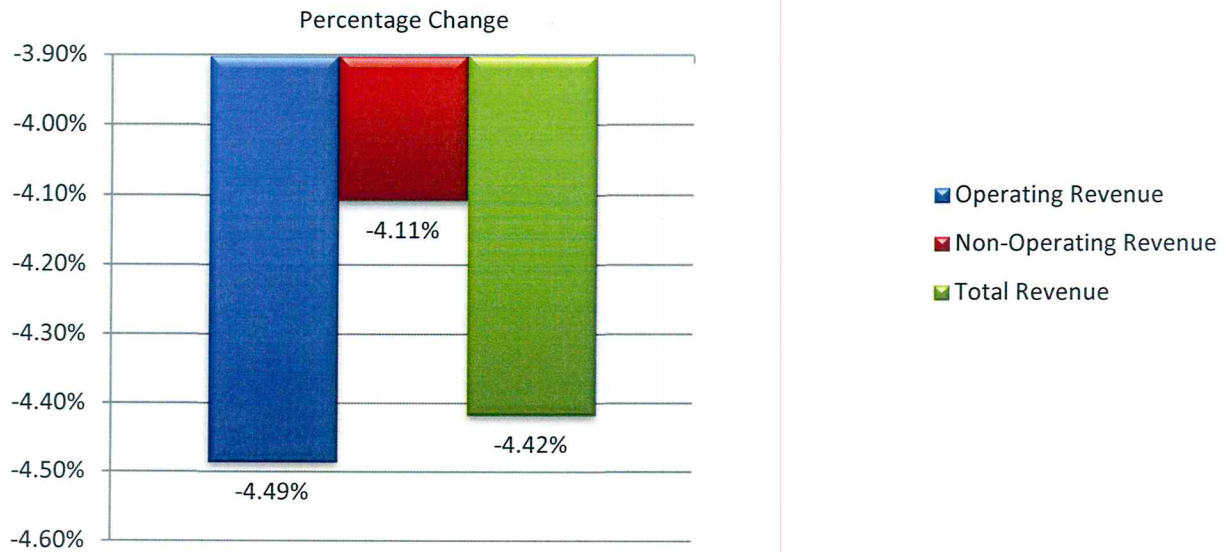
2013 to 2014 Comparison

	Thru October	November	Year-to-Date	% Change
	\$ 194,229	(108)	29,015	17.56%
	(551,502)	(166,529)	(718,031)	-8.50%
	207,378	(11,513)	195,866	1.93%
	(64,927)	(20,219)	(85,146)	-5.47%
	(62,223)	(11,936)	(74,159)	-14.17%
	(312,719)	(39,847)	(352,565)	-22.46%
	\$ (589,763)	\$ (250,151)	\$ (1,005,020)	-4.49%
	\$ 221,723	\$ (79,837)	\$ 141,886	4.94%
	(424,165)	2,996	(421,170)	-25.21%
	(99,652)	87,397	(12,255)	-5.24%
	41,415	9,986	51,401	
	13,769	(2,877)	10,892	460.34%
	-	-	-	
	24,624	141	24,765	12.50%
	\$ (222,286)	\$ 17,805	\$ (204,481)	-4.11%
	\$ (812,049)	\$ (232,345)	\$ (1,209,501)	-4.42%

	2013				
	Thru October	November	Year-to-Date	Adjusted Budget	% of Budget
Operating Revenue:					
Wholesale Water	\$ 165,106	\$ 131	\$ 165,237	\$ 175,000	94.42%
Water Sales	7,611,819	836,479	8,448,298	8,198,000	103.05%
Meter Fees	9,214,588	920,391	10,134,979	11,232,000	90.23%
Water Quality Fees	1,420,770	135,492	1,556,261	1,638,000	95.01%
Elevation Fees	478,572	44,779	523,351	550,000	95.15%
Other	1,450,688	119,323	1,570,010	1,250,000	125.60%
Total Operating Revenue	\$ 20,176,437	\$ 2,056,594	\$ 22,398,136	\$ 22,868,000	97.95%
Non-Operating Revenues:					
Assessments (Debt Service)	\$ 2,683,904	\$ 188,423	\$ 2,872,327	\$ 4,300,000	66.80%
Assessments (1%)	1,639,264	31,287	1,670,552	3,170,552	52.69%
DWR Fixed Charge Recovery	233,191	642	233,833	100,000	233.83%
Interest	1,793	(2,135)	(342)	25,000	-1.37%
Capital Improvement Fees	(511)	2,877	2,366	150,000	1.58%
State Grants	-	-	-	485,000	0.00%
Other	185,577	12,600	198,178	150,000	132.12%
Total Non-Operating Revenues	\$ 4,743,219	\$ 233,695	\$ 4,976,914	\$ 8,380,552	59.39%
Total Revenue	\$ 24,919,656	\$ 2,290,288	\$ 27,375,050	\$ 31,248,552	87.60%

REVENUE COMPARISON YEAR-TO-DATE

November '13-To-November '14



Palmdale Water District
Operating Expense Analysis
For the Eleven Months Ending 11/30/2014
2014

2013 to 2014 Comparison

	Thru October	November	Year-to-Date	Adjusted Budget	% of Budget	Thru October	November	Year-to-Date	% Change
Cash Operating Expenses:									
Directors	\$ 120,964	\$ 7,742	\$ 128,706	\$ 114,500	112.41%	\$ 38,562	\$ (778)	\$ 37,784	41.56%
Administration	2,770,941	175,152	2,946,094	3,551,000	82.97%	944,868	5,741	950,609	47.64%
Engineering	880,807	81,057	961,864	1,079,800	89.08%	(160,603)	(17,972)	(178,574)	-15.66%
Facilities	2,699,128	291,758	2,990,886	3,629,190	82.41%	273,221	53,534	326,755	12.26%
Operations	4,636,188	350,106	4,986,294	5,168,510	96.47%	278,466	(55,654)	222,812	4.68%
Finance	2,524,470	219,230	2,743,700	2,872,050	95.53%	152,858	(28,926)	123,932	4.73%
Water Conservation	126,177	23,791	149,968	270,000	55.54%	(65,688)	4,734	(60,954)	-28.90%
Human Resources	192,846	27,340	220,187	245,300	89.76%	35,196	7,962	43,158	24.38%
Information Technology	618,380	87,160	705,540	898,600	78.52%	618,380	32,472	131,373	22.88%
Water Purchases	2,271,070	80,522	2,351,592	2,400,000	97.98%	198,562	5,652	204,214	9.51%
Water Purchases-Prior Year OAP	683	-	683	250,000	0.27%	(435,802)	-	(435,802)	-99.84%
Water Recovery	(418,631)	(8,888)	(427,519)	(100,000)	427.52%	192,458	(8,414)	184,044	-30.09%
Plant Expenditures	1,627,955	439,204	2,067,158	2,143,500	96.44%	967,640	416,688	1,384,328	202.73%
GAC Filter Media Replacement	906,872	298,050	1,204,922	1,638,000	73.56%	(182,721)	298,050	115,329	10.58%
Total Cash Operating Expenses	\$ 18,957,850	\$ 2,072,225	\$ 21,030,074	\$ 24,160,450	87.04%	\$ 2,855,398	\$ 713,090	\$ 3,049,009	14.50%
Non-Cash Operating Expenses:									
Depreciation	\$ 6,050,512	\$ 548,512	\$ 6,599,024	\$ 7,350,000	89.78%	\$ (321,491)	\$ (8,139)	\$ (329,630)	-4.76%
OPEB Accrual Expense	1,668,749	166,875	1,835,624	2,000,000	91.78%	16,523	1,652	18,175	1.00%
Bad Debts	30,665	-	30,665	100,000	30.67%	25,084	(6,403)	18,682	155.89%
Service Costs Construction	(85,053)	8,102	(76,951)	125,000	-61.56%	(174,760)	8,127	(166,633)	-185.80%
Capitalized Construction	(1,249,115)	(111,533)	(1,360,648)	(1,000,000)	136.06%	(213,150)	(29,304)	(242,455)	21.68%
Total Non-Cash Operating Expenses	\$ 6,415,759	\$ 611,956	\$ 7,027,715	\$ 8,575,000	81.96%	\$ (667,794)	\$ (34,067)	\$ (701,861)	-9.99%
Non-Operating Expenses:									
Interest on Long-Term Debt	\$ 1,935,803	\$ 188,730	\$ 2,124,533	\$ 2,111,000	100.64%	\$ 284,931	\$ 72,175	\$ 357,106	20.20%
Amortization of SWP	1,595,100	131,561	1,726,661	1,679,000	102.84%	150,266	-	150,266	9.53%
Water Conservation Programs	106,869	17,853	124,722	143,000	87.22%	5,286	6,260	11,545	0.33%
Total Non-Operating Expenses	\$ 3,637,772	\$ 338,144	\$ 3,975,916	\$ 3,933,000	101.09%	\$ 440,483	\$ 78,435	\$ 518,917	15.01%
Total Expenses	\$ 29,011,381	\$ 3,022,324	\$ 32,033,705	\$ 36,668,450	87.36%	\$ 2,628,086	\$ 757,457	\$ 2,866,064	9.83%

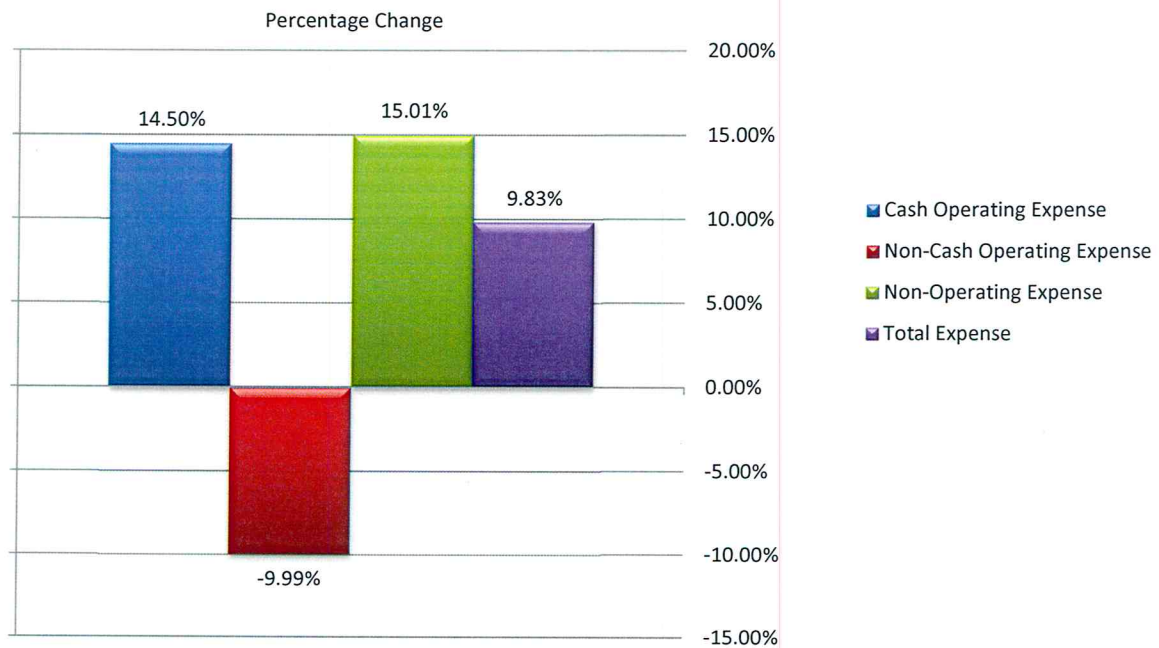
**Palmdale Water District
Operating Expense Analysis
For the Eleven Months Ending 11/30/2014**

2013 to 2014 Comparison

	2013				
	Thru October	November	Year-to-Date	Adjusted Budget	% of Budget
Cash Operating Expenses:					
Directors	\$ 82,401	\$ 8,520	\$ 90,922	\$ 117,500	77.38%
Administration	1,826,073	169,411	1,995,484	2,602,000	76.69%
Engineering	1,041,410	99,029	1,140,439	1,215,750	93.81%
Facilities	2,425,907	238,224	2,664,131	3,298,500	80.77%
Operations	4,357,722	405,760	4,763,482	4,944,250	96.34%
Finance	2,371,612	248,156	2,619,768	2,789,000	93.93%
Water Conservation	191,865	19,057	210,922	239,750	87.98%
Human Resources	157,651	19,378	177,029	209,600	84.46%
Information Technology	519,479	54,688	574,167	728,000	78.87%
Water Purchases	2,072,508	74,870	2,147,378	2,600,000	82.59%
Water Purchases-Prior Year OAP	436,485	-	436,485	-	
Water Recovery	(611,089)	(474)	(611,563)	(100,000)	611.56%
Plant Expenditures	660,315	22,516	682,830	836,500	81.63%
GAC Filter Media Replacement	1,089,593	-	1,089,593	1,638,000	66.52%
Total Cash Operating Expenses	\$ 16,621,931	\$ 1,359,135	\$ 17,981,066	\$ 21,118,850	85.14%
Non-Cash Operating Expenses:					
Depreciation	\$ 6,372,003	\$ 556,651	\$ 6,928,654	\$ 7,250,000	95.57%
OPEB Accrual Expense	1,652,227	165,223	1,817,449	2,000,000	90.87%
Bad Debts	5,581	6,403	11,984	100,000	11.98%
Service Costs Construction	89,708	(25)	89,682	125,000	71.75%
Capitalized Construction	(1,035,965)	(82,229)	(1,118,193)	(1,000,000)	111.82%
Total Non-Cash Operating Expenses	\$ 7,083,553	\$ 646,023	\$ 7,729,576	\$ 8,475,000	91.20%
Non-Operating Expenses:					
Interest on Long-Term Debt	\$ 1,650,872	\$ 116,554	\$ 1,767,427	\$ 2,111,000	83.72%
Amortization of SWP	1,444,834	131,561	1,576,395	1,679,000	93.89%
Water Conservation Programs	101,583	11,594	113,177	150,000	75.45%
Total Non-Operating Expenses	\$ 3,197,290	\$ 259,709	\$ 3,456,999	\$ 3,940,000	87.74%
Total Expenses	\$ 26,902,774	\$ 2,264,867	\$ 29,167,640	\$ 33,533,850	86.98%

EXPENSE COMPARISON YEAR-TO-DATE

November '13-To-November '14



Palmdale Water District
2014 Directors Budget
For the Eleven Months Ending Sunday, November 30, 2014

	YTD ACTUAL 2014	ORIGINAL BUDGET 2014	ADJUSTMENTS 2014	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-01-4000-000 Directors Pay	\$ 61,500	\$ 45,000	\$ -	\$ (16,500)	136.67%
Employee Benefits					
1-01-4005-000 Payroll Taxes	4,675	5,500		825	85.00%
1-01-4010-000 Health Insurance	48,271	54,000		5,729	89.39%
Subtotal (Benefits)	52,946	59,500	-	5,729	88.98%
Total Personnel Expenses	\$ 114,446	\$ 104,500	\$ -	\$ (10,771)	109.52%
OPERATING EXPENSES:					
1-01-4050-000 Directors Travel, Seminars & Meetings	14,260	10,000		(4,260)	142.60%
Subtotal Operating Expenses	14,260	10,000	-	(4,260)	142.60%
Total O & M Expenses	\$ 128,706	\$ 114,500	\$ -	\$ (15,031)	112.41%

Palmdale Water District
2014 Administration Budget
For the Eleven Months Ending Sunday, November 30, 2014

	YTD ACTUAL 2014	ORIGINAL BUDGET 2014	ADJUSTMENTS 2014	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-02-4000-000 Salaries++	\$ 676,754	\$ 656,000	\$ 101,800	\$ 81,046	89.31%
1-02-4000-100 Overtime	7,668	7,500		(168)	102.24%
1-02-4000-200 On-Call	48,252	60,000		11,749	80.42%
Subtotal (Salaries)	\$ 732,673	\$ 723,500	\$ 101,800	\$ 92,627	88.78%
Employee Benefits					
1-02-4005-000 Payroll Taxes++	45,581	41,500	7,800	3,719	92.46%
1-02-4010-000 Health Insurance++	99,236	96,000	14,400	11,164	89.89%
1-02-4015-000 PERS++	128,687	132,500	17,000	20,813	86.08%
1-02-4020-000 Worker's Compensation	87,168	125,000		37,832	69.73%
1-02-4025-000 Vacation Benefit Expense	34,789	35,000		211	99.40%
1-02-4030-000 Life Insurance	6,995	7,500		505	93.26%
Subtotal (Benefits)	\$ 402,456	\$ 437,500	\$ 39,200	\$ 74,244	84.43%
Total Personnel Expenses	\$ 1,135,128	\$ 1,161,000	\$ 141,000	\$ 166,872	87.18%
OPERATING EXPENSES:					
1-02-4050-000 Staff Travel	\$ 9,864	\$ 8,000		\$ (1,864)	123.30%
1-02-4050-100 General Manager Travel	6,532	5,000		(1,532)	130.65%
1-02-4060-000 Staff Conferences & Seminars	3,638	3,000		(638)	121.27%
1-02-4060-100 General Manager Conferences & Seminars	3,460	4,500		1,040	76.89%
1-02-4070-000 Employee Expense*	-	40,000	(40,000)	-	
1-02-4080-000 Other Operating	17,965	20,000		2,035	89.82%
1-02-4110-000 Consultants+	117,885	200,000	(40,000)	42,115	73.68%
1-02-4125-000 Insurance	249,960	300,000		50,040	83.32%
1-02-4130-000 Bank Charges	124,675	130,000		5,325	95.90%
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	171,343	200,000		28,657	85.67%
1-02-4150-000 Accounting Services	25,285	25,000		(285)	101.14%
1-02-4155-000 Contracted Services	25,744	29,000		3,256	88.77%
1-02-4165-000 Memberships/Subscriptions	121,378	210,000		88,622	57.80%
1-02-4175-000 Permits	8,986	15,000		6,014	59.90%
1-02-4180-000 Postage	24,806	30,000		5,194	82.69%
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	2,424	5,000		2,576	48.48%
1-02-4205-000 Office Supplies	23,919	18,000		(5,919)	132.88%
1-02-4215-200 Natural Gas - Office Building	2,319	5,000		2,681	46.38%
1-02-4220-200 Electricity - Office Building	50,184	50,000		(184)	100.37%
Subtotal Operating Expenses	\$ 1,810,965	\$ 2,329,000	\$ (80,000)	\$ 438,035	80.52%
Total Departmental Expenses	\$ 2,946,094	\$ 3,490,000	\$ 61,000	\$ 604,906	82.97%

* Budget adjustments by General Manager per Appendix A
+ Amended by Board 10/27/14
++ Amended by Board 08/13/14

Palmdale Water District
2014 Engineering Budget
For the Eleven Months Ending Sunday, November 30, 2014

	YTD ACTUAL 2014	ORIGINAL BUDGET 2014	ADJUSTMENTS 2014	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-03-4000-000 Salaries	\$ 592,735	\$ 668,500		\$ 75,766	88.67%
1-03-4000-100 Overtime	8,822	6,500		(2,322)	135.72%
Subtotal (Salaries)	\$ 601,556	\$ 675,000		\$ 73,444	89.12%
Employee Benefits					
1-03-4005-000 Payroll Taxes	47,881	51,500		3,619	92.97%
1-03-4010-000 Health Insurance	122,698	134,800		12,102	91.02%
1-03-4015-000 PERS	120,597	133,500		12,903	90.33%
Subtotal (Benefits)	\$ 291,176	\$ 319,800	\$ -	\$ 28,624	91.05%
Total Personnel Expenses	\$ 892,733	\$ 994,800	\$ -	\$ 102,067	89.74%
OPERATING EXPENSES:					
1-03-4050-000 Staff Travel	\$ 2,276	\$ 3,000		\$ 724	75.87%
1-03-4060-000 Staff Conferences & Seminars	1,515	2,500		985	60.60%
1-03-4155-000 Contracted Services	50,000	61,500		11,500	81.30%
1-03-4165-000 Memberships/Subscriptions	1,797	2,000		203	89.85%
1-03-4250-000 General Materials & Supplies	2,162	2,500		338	86.47%
1-03-8100-100 Computer Software - Maint. & Support	11,382	13,500		2,118	84.31%
Subtotal Operating Expenses	\$ 69,132	\$ 85,000	\$ -	\$ 15,868	81.33%
Total Departmental Expenses	\$ 961,864	\$ 1,079,800	\$ -	\$ 117,936	89.08%

Palmdale Water District
2014 Facilities Budget
For the Eleven Months Ending Sunday, November 30, 2014

	YTD ACTUAL 2014	ORIGINAL BUDGET 2014	ADJUSTMENTS 2014	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-04-4000-000 Salaries++	\$ 1,342,342	\$ 1,450,000	\$ 167,250	\$ 274,908	83.00%
1-04-4000-100 Overtime	69,548	36,500		(33,048)	190.54%
Subtotal (Salaries)	\$ 1,411,890	\$ 1,486,500	\$ 167,250	\$ 241,860	85.38%
Employee Benefits					
1-04-4005-000 Payroll Taxes++	112,977	111,000	13,300	11,323	90.89%
1-04-4010-000 Health Insurance++	315,284	374,500	30,540	89,756	77.84%
1-04-4015-000 PERS++	239,366	278,000	19,600	58,234	80.43%
Subtotal (Benefits)	\$ 667,626	\$ 763,500	\$ 63,440	\$ 159,314	80.73%
Total Personnel Expenses	\$ 2,079,517	\$ 2,250,000	\$ 230,690	\$ 401,173	83.83%
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	67,501	71,500		3,999	94.41%
1-04-4175-000 Permits-Dams	19,868	50,000		30,132	39.74%
1-04-4215-200 Natural Gas - Buildings	1,971	4,500		2,529	43.81%
1-04-4220-200 Electricity - Buildings	21,165	30,000		8,835	70.55%
1-04-4225-000 Maint. & Repair - Vehicles	27,281	45,000		17,719	60.62%
1-04-4230-100 Maint. & Rep. Office Building	9,718	18,000		8,282	53.99%
1-04-4235-110 Maint. & Rep. Equipment	10,305	7,500		(2,805)	137.41%
1-04-4235-400 Maint. & Rep. Operations - Wells+	61,780	135,000	(10,000)	63,220	49.42%
1-04-4235-405 Maint. & Rep. Operations - Boosters	29,172	65,000		35,828	44.88%
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	9,395	15,000		5,605	62.63%
1-04-4235-420 Maint. & Rep. Operations - Water Lines	288,560	275,000		(13,560)	104.93%
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	52,904	35,000		(17,904)	151.15%
1-04-4235-460 Maint. & Rep. Operations - Storage Reservoirs	381	5,000		4,619	7.61%
1-04-6000-000 Waste Disposal	12,467	40,000		27,533	31.17%
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	20,670	21,000		330	98.43%
1-04-6300-100 Supplies - Misc.	49,497	47,500		(1,997)	104.20%
1-04-6300-800 Supplies - Construction Materials	47,286	45,000		(2,286)	105.08%
1-04-6400-000 Tools	11,034	12,000		966	91.95%
1-04-7000-100 Leases -Equipment	12,175	15,000		2,825	81.17%
Subtotal Operating Expenses	\$ 911,369	\$ 1,158,500	\$ (10,000)	\$ 237,131	79.35%
Total Departmental Expenses	\$ 2,990,886	\$ 3,408,500	\$ 220,690	\$ 638,304	82.41%

+ Amended by Board 10/27/14

++ Amended by Board 08/13/14

Palmdale Water District
2014 Operation Budget
For the Eleven Months Ending Sunday, November 30, 2014

	YTD ACTUAL 2014	ORIGINAL BUDGET 2014	ADJUSTMENTS 2014	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-05-4000-000 Salaries++	\$ 1,383,705	\$ 1,734,000	\$ (199,750)	\$ 150,545	90.19%
1-05-4000-100 Overtime	81,519	70,000		(11,519)	116.46%
Subtotal (Salaries)	\$ 1,465,224	\$ 1,804,000	\$ (199,750)	\$ 139,026	91.33%
Employee Benefits					
1-05-4005-000 Payroll Taxes++	116,306	131,000	(15,800)	(1,106)	100.96%
1-05-4010-000 Health Insurance++	301,335	343,000	(35,340)	6,325	97.94%
1-05-4015-000 PERS++	270,831	324,000	(24,100)	29,069	90.31%
Subtotal (Benefits)	\$ 688,472	\$ 798,000	\$ (75,240)	\$ 34,288	95.26%
Total Personnel Expenses	\$ 2,153,696	\$ 2,602,000	\$ (274,990)	\$ 173,314	92.55%
OPERATING EXPENSES:					
1-05-4050-000 Staff Travel	\$ 8,395	\$ 8,000		\$ (395)	104.93%
1-05-4060-000 Staff Conferences & Seminars	3,472	9,500		6,028	36.55%
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	77,687	109,250		31,563	71.11%
1-05-4175-000 Permits	28,733	45,000		16,267	63.85%
1-05-4215-100 Natural Gas - Wells & Boosters	277,792	236,000		(41,792)	117.71%
1-05-4215-200 Natural Gas - WTP	1,310	3,000		1,690	43.67%
1-05-4220-100 Electricity - Wells & Boosters	1,597,182	1,515,000		(82,182)	105.42%
1-05-4220-200 Electricity - WTP	131,880	125,000		(6,880)	105.50%
1-05-4230-110 Maint. & Rep. - Office Equipment	408	500		92	81.57%
1-05-4235-110 Maint. & Rep. Operations - Equipment	16,033	22,500		6,467	71.26%
1-05-4235-410 Maint. & Rep. Operations - Shop Bldgs	8,971	6,000		(2,971)	149.51%
1-05-4235-415 Maint. & Rep. Operations - Facilities	80,793	45,000		(35,793)	179.54%
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	9,270	15,000		5,730	61.80%
1-05-4270-300 Telecommunication - Other	2,749	2,750		1	99.97%
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	13,441	12,000		(1,441)	112.01%
1-05-6300-100 Supplies - Misc.	19,179	15,000		(4,179)	127.86%
1-05-6300-200 Supplies - Hypo Generator	6,052	6,750		698	89.66%
1-05-6300-300 Supplies - Electrical	405	3,500		3,095	11.57%
1-05-6300-400 Supplies - Telemetry	2,055	7,500		5,445	27.41%
1-05-6300-600 Supplies - Lab	34,909	35,000		91	99.74%
1-05-6300-700 Outside Lab Work	43,460	60,000		16,540	72.43%
1-05-6400-000 Tools	6,773	6,500		(273)	104.19%
1-05-6500-000 Chemicals*+	370,180	485,000	(19,646)	95,174	79.55%
1-05-7000-100 Leases -Equipment	1,729	3,000		1,271	57.62%
Subtotal Operating Expenses	\$ 2,832,598	\$ 2,851,500	\$ (10,000)	\$ 8,902	99.69%
Total Departmental Expenses	\$ 4,986,294	\$ 5,453,500	\$ (284,990)	\$ 182,216	96.47%

* Budget adjustments by General Manager per Appendix A
+ Amended by Board 10/27/14
++ Amended by Board 08/13/14

Palmdale Water District
2014 Finance Budget
For the Eleven Months Ending Sunday, November 30, 2014

	YTD ACTUAL 2014	ORIGINAL BUDGET 2014	ADJUSTMENTS 2014	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-06-4000-000 Salaries++	\$ 1,367,564	\$ 1,645,000	\$ (69,300)	\$ 208,136	86.79%
1-06-4000-100 Overtime	15,604	19,000		3,396	82.13%
Subtotal (Salaries)	\$ 1,383,168	\$ 1,664,000	\$ (69,300)	\$ 211,532	86.74%
Employee Benefits					
1-06-4005-000 Payroll Taxes++	108,500	123,000	(5,300)	9,200	92.18%
1-06-4010-000 Health Insurance++	307,178	317,000	(9,600)	222	99.93%
1-06-4015-000 PERS++	272,004	331,000	(12,500)	46,496	85.40%
Subtotal (Benefits)	\$ 687,682	\$ 771,000	\$ (27,400)	\$ 55,918	92.48%
Total Personnel Expenses	\$ 2,070,850	\$ 2,435,000	\$ (96,700)	\$ 267,450	88.56%
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	23,466	21,000		(2,466)	111.74%
1-06-4155-100 Contracted Services - Infosend	180,823	205,000		24,177	88.21%
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	35,504	10,000		(25,504)	355.04%
1-06-4235-470 Maint. & Rep. Operations - Meter Exchanges	375,181	225,000		(150,181)	166.75%
1-06-4250-000 General Material & Supplies	3,095	6,000		2,905	51.58%
1-06-4260-000 Business Forms	8,066	10,000		1,934	80.66%
1-06-4270-100 Telecommunication - Office	12,627	12,000		(627)	105.22%
1-06-4270-200 Telecommunication - Cellular Stipend	14,235	17,000		2,765	83.74%
1-06-4270-300 Telecommunication - Cellular	-	500		500	0.00%
1-06-4300-200 Testing - Large Meter Testing	16,202	21,500		5,298	75.36%
1-06-7000-100 Leases - Equipment	2,600	3,000		400	86.68%
Subtotal Operating Expenses	\$ 672,850	\$ 533,750	\$ -	\$ (139,100)	126.06%
Total Departmental Expenses	\$ 2,743,700	\$ 2,968,750	\$ (96,700)	\$ 128,350	95.53%

++ Amended by Board 08/13/14

Palmdale Water District
2014 Water Conservation Budget
For the Eleven Months Ending Sunday, November 30, 2014

	YTD ACTUAL 2014	ORIGINAL BUDGET 2014	ADJUSTMENTS 2014	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-07-4000-000 Salaries	\$ 94,039	\$ 168,500		\$ 74,461	55.81%
1-07-4000-100 Overtime	2,528	1,000		(1,528)	252.80%
Subtotal (Salaries)	\$ 96,567	\$ 169,500		\$ 72,933	56.97%
Employee Benefits					
1-07-4005-000 Payroll Taxes	7,867	13,000		5,133	60.51%
1-07-4010-000 Health Insurance	19,755	31,500		11,745	62.71%
1-07-4015-000 PERS	14,121	34,000		19,879	41.53%
Subtotal (Benefits)	\$ 41,742	\$ 78,500	\$ -	\$ 36,758	53.18%
Total Personnel Expenses	\$ 138,310	\$ 248,000	\$ -	\$ 111,218	55.77%
OPERATING EXPENSES:					
1-07-4050-000 Staff Travel	\$ 79	\$ 1,000		\$ 921	7.87%
1-07-4060-000 Staff Conferences & Seminars	695	1,000		305	69.50%
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	2,858	3,000		142	95.27%
1-07-4190-900 Public Relations - Other	115	5,000		4,885	2.30%
1-07-6300-100 Supplies - Misc.	7,427	5,000		(2,427)	148.55%
Subtotal Operating Expenses	\$ 11,658	\$ 22,000	\$ -	\$ 10,342	52.99%
Total Departmental Expenses	\$ 149,968	\$ 270,000	\$ -	\$ 121,560	55.54%

Palmdale Water District
2014 Human Resources Budget
For the Eleven Months Ending Sunday, November 30, 2014

	YTD ACTUAL 2014	ORIGINAL BUDGET 2014	ADJUSTMENTS 2014	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-08-4000-000 Salaries	\$ 90,140	\$ 97,000		\$ 6,860	92.93%
Employee Benefits					
1-08-4005-000 Payroll Taxes	7,220	7,500		280	96.27%
1-08-4010-000 Health Insurance	15,448	19,200		3,752	80.46%
1-08-4015-000 PERS	5,471	6,500		1,029	84.16%
Subtotal (Benefits)	\$ 28,139	\$ 33,200	\$ -	\$ 5,061	84.76%
Total Personnel Expenses	\$ 118,279	\$ 130,200	\$ -	\$ 11,921	90.84%
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*	38,596	-	40,000	1,404	96.49%
1-08-4090-000 Temporary Staffing	-	-		-	
1-08-4095-000 Employee Recruitment	17,955	3,000		(14,955)	598.50%
1-08-4100-000 Employee Retention**	7,283	1,500	18,500	12,717	36.42%
1-08-4105-000 Employee Relations	2,633	3,500		867	75.22%
1-08-4110-000 Consultants	-	1,000		1,000	0.00%
1-08-4120-100 Training-Safety Consultants+	13,031	38,000	(10,000)	14,969	46.54%
1-08-4121-000 Safety Program	68	1,000		932	6.80%
1-08-4165-000 Membership/Subscriptions	968	1,600		632	60.53%
1-08-4165-100 HR/Safety Publications	1,546	1,000		(546)	154.58%
1-08-6300-500 Supplies - Safety	17,357	33,500		16,143	51.81%
Subtotal Operating Expenses	\$ 101,908	\$ 85,100	\$ 48,500	\$ 31,692	76.28%
Total Departmental Expenses	\$ 220,187	\$ 215,300	\$ 48,500	\$ 43,613	83.47%

* 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 Eleven Months Ending Sunday, November 30, 2014

	YTD ACTUAL 2014	ORIGINAL BUDGET 2014	ADJUSTMENTS 2014	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-09-4000-000 Salaries	\$ 197,516	\$ 226,000		\$ 28,484	87.40%
1-09-4000-100 Overtime	1,243	2,500		1,257	49.71%
Subtotal (Salaries)	\$ 198,758	\$ 228,500		\$ 29,742	86.98%
Employee Benefits					
1-09-4005-000 Payroll Taxes	15,187	16,000		813	94.92%
1-09-4010-000 Health Insurance	35,200	38,400		3,200	91.67%
1-09-4015-000 PERS	39,867	45,200		5,333	88.20%
Subtotal (Benefits)	\$ 90,254	\$ 99,600	\$ -	\$ 9,346	90.62%
Total Personnel Expenses	\$ 289,012	\$ 328,100	\$ -	\$ 37,831	88.09%
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	85,082	129,000		43,918	65.96%
1-09-4165-000 Memberships/Subscriptions	1,607	500		(1,107)	321.38%
1-09-4270-000 Telecommunications	59,867	55,500		(4,367)	107.87%
1-09-8000-100 Computer Equipment - Computers	6,239	25,000		18,761	24.96%
1-09-8000-200 Computer Equipment - Laptops	11,766	5,000		(6,766)	235.32%
1-09-8000-300 Computer Equipment - Monitors	-	2,000		2,000	0.00%
1-09-8000-400 Computer Equipment - Printers	-	15,000		15,000	0.00%
1-09-8000-500 Computer Equipment - Toner Cartridges	1,871	3,000		1,129	62.37%
1-09-8000-550 Computer Equipment - Telephony	-	2,500		2,500	0.00%
1-09-8000-600 Computer Equipment - Other	38,264	35,000		(3,264)	109.33%
1-09-8100-100 Computer Software - Maint. and Support	34,066	70,000		35,934	48.67%
1-09-8100-140 Computer Software - Starnik+	124,538	95,000	70,000	40,463	75.48%
1-09-8100-150 Computer Software - Dynamics GP Support	39,881	30,000		(9,881)	132.94%
1-09-8100-200 Computer Software - Software and Upgrades	322	15,000		14,678	2.14%
Subtotal Operating Expenses	\$ 416,528	\$ 500,500	\$ 70,000	\$ 153,972	73.01%
Total Departmental Expenses	\$ 705,540	\$ 828,600	\$ 70,000	\$ 191,803	78.52%

+ Amended by Board 10/27/14

Project Payment Schedule
Updated: January 7, 2015

AGENDA ITEM NO. 4.4

= 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	9,363	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			5,000											
Replacement Fleet (4) 3/4 Ton Trucks		Wondries			143,751											
docSTAR Smart Automation Project		docSTAR			19,590											
Subtotal	375,000	---	68,464	426,145	510,456	25,000	20,000	-	330,000	-	-	-	-	-	-	-

Budgeted Projects																
Well No. 15 Rehabilitation - RCP13	300,000	TBD				100,000	200,000									
Well No. 30 Rehabilitation - RCP12	50,000	TBD						50,000								
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 Flow 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 System 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	275,350		300,000	300,000							185,000	185,000	185,000
GAC Replacement at Underground Booster Station	40,000	Evoqua									40,000					
Subtotal	1,146,500	---	297,955	275,350	-	300,000	300,000	-	-	-	40,000	-	-	185,000	185,000	185,000

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	701,495	549,456	880,000	1,245,000	710,000	545,000	178,000	227,000	115,000	135,000	220,000	195,000	195,000
TOTAL 2014 Carryover Projects (Including Water Quality)	---	---	366,419	701,495	510,456											
TOTAL 2015 YTD Budgeted Expenses (Including Water Quality)	----	---			39,000	919,000	2,164,000	2,874,000	3,419,000	3,597,000	3,824,000	3,939,000	4,074,000	4,294,000	4,489,000	4,684,000

Water Revenue Bond - Series 2013A

Updated: December 29, 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	\$ 1,487,261	\$ -	\$ (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	\$ 819,370	\$ -	\$ 144,992
LRDSR	501-04	Littlerock Sediment Removal (EIR/EIS/Permits)	\$ 975,000	\$ 515,925	\$ 365,676	\$ -	\$ 459,075
LCGRRP	400-12	Littlerock Recharge and Recovery (Feasibility)	\$ 1,500,000	\$ 899,493	\$ 510,974	\$ -	\$ 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	\$ 4,361,509	\$ 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
Requisition No.	Payee	Date Approved	Invoice No.	Project	Payment Amount
24	Kennedy/Jenks - Progress Payment	Jul 21, 2014	84147	LCGRRP	\$ 26,431.83

[illegible]

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

DATE: January 7, 2015 **January 12, 2015**
TO: FINANCE COMMITTEE **Committee Meeting**
FROM: Mr. Bob Egan, Financial Advisor
VIA: Mr. Dennis D. LaMoreaux, General Manager
RE: ***AGENDA ITEM NO. 4.5 – DISCUSSION AND POSSIBLE ACTION ON PROPOSAL RECEIVED FROM THE PUN GROUP LLP FOR AUDITING SERVICES FOR THE FISCAL YEAR ENDING DECEMBER 31, 2014.***

Recommendation:

Staff recommends approval of the proposal received from The Pun Group LLP for providing auditing services for the fiscal year ending December, 2014 in the not-to-exceed, all inclusive, amount of \$18,000.

Alternative Options:

The alternative is to accept a proposal from a higher-priced auditor, the staff of which who had previously worked on the PWD audit, left and joined The Pun Group.

Impact of Taking No Action:

The District must take action on this item in order to have auditing services performed.

Background:

The Board of Directors previously considered a proposal from Charles Z. Fedak & Company, CPAs for auditing services through 2015. The cost of this annual service was \$17,000.00 plus \$2,250.00 of out-of-pocket expenses for a total of \$19,250.00. The proposal received from The Pun Group LLP is \$1,250.00 less than this amount.

Strategic Plan Initiative:

This work is part of Strategic Initiative No. 3 – Improve Infrastructure.

Budget:

The cost of an annual audit is included in the 2015 Budget.

Supporting Documents:

- Cost proposal from The Pun Group LLP



January 5, 2015

Board of Directors
Palmdale Water District
2029 E. Avenue "Q"
Palmdale, California 93550

RE: Engagement of the Pun Group, LLP (the "Firm") as the District's Independent Auditors

We are pleased to confirm our understanding of the services we are to provide the Palmdale Water District (the "District") for the year ended December 31, 2014. We will audit the business-type activities, which collectively comprise the basic financial statements of the District, as of and for the year ended December 31, 2014.

Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the District's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the District's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis
- 2) Schedule of Funding Progress – Pension Plans
- 3) Schedule of Funding Progress – OPEB

Audit Objective

The objective of our audit is the expression of an opinion as to whether your basic financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of the accounting records and other procedures we consider necessary to enable us to express such an opinion. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or add emphasis-of-matter or other-matter paragraphs. If our opinion on the financial statements is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or to issue a report as a result of this engagement.

Palmdale Water District

Engagement Letter

January 5, 2015

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Management Responsibilities

Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein. You agree to assume all management responsibilities for any non-attest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

Management is responsible for establishing and maintaining effective internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws and regulations.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards. In addition, an audit is not designed to detect immaterial misstatements, or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Palmdale Water District

Engagement Letter

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Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Audit Procedures—Internal Control

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standard.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the District's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Communication with Those Charged with Governance

As part of our engagement, we are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process as well as other matters we believe should be communicated to those charged with governance. Generally accepted auditing standards do not require the auditor to design procedures for the purpose of identifying other matters to communicate with those charged with governance. Such matters include, but are not limited to, (1) the initial selection of and changes in significant accounting policies and their application; (2) the process used by management in formulating particularly sensitive accounting estimates and the basis for our conclusions regarding the reasonableness of those estimates; (3) all passed audit adjustments; (4) any disagreements with management, whether or not satisfactorily resolved, about matters that individually or in the aggregate could be significant to the financial statements or our report; (5) our views about matters that were the subject of management's consultation with other accountants about auditing and accounting matters; (6) major issues that were discussed with management in connection with the retention of our services, including, among other matters, any discussions regarding the application of accounting principles and auditing standards; (7) serious difficulties that we encountered in dealing with management related to the performance of the audit; and (8) matters relating to our independence as your auditors.

Third-Party Service Providers

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

Palmdale Water District

Engagement Letter

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Assistance By Your Personnel

We will ask that your personnel, to the extent possible, prepare required schedules and analyses, and make selected invoices and other required documents available to our staff. This assistance by your personnel will serve to facilitate the progress of our work and minimize our time requirements.

Independence

Professional standards require that a firm and its members maintain independence throughout the duration of the professional relationship with a client. In order to preserve the integrity of our relationship, no offer of employment shall be discussed with any of the Pun Group, LLP professionals assigned to the audit, during the one year period prior to the commencement of the year end audit. Should such an offer of employment be made, or employment commences during the indicated time period, we will consider this an indication that our independence has been compromised. As such, we may be required to recall our auditors' report due to our lack of independence. In the event additional work is required to satisfy independence requirements, such work will be billed at our standard hourly rates.

Access to Working Papers

The audit documentation for this engagement is the property of the Pun Group, LLP and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to the Oversight Agency for Audit or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of the Pun Group, LLP personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of seven years after the report release or for any additional period requested by the Oversight Agency for Audit or Pass-through Entity. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

The Firm is required to undergo a "peer review" every three years. During the course of a Peer Review engagement, selected working papers and financial reports, on a sample basis, will be inspected by an outside party on a confidential basis. Consequently, the accounting and/or auditing work we performed for you may be selected. Your signing this letter represents your acknowledgement and permission to allow such access should your engagement be selected for review. As a result of our prior or future services to you, we may be required or requested to provide information or documents to you or a third-party in connection with a legal or administrative proceeding (including a grand jury investigation) in which we are not a party. If this occurs, our efforts in complying with such request or demands will be deemed a part of this engagement and we shall be entitled to compensation for our time and reimbursement for our reasonable out-of-pocket expenditures (including legal fees) in complying with such request or demand. This is not intended, however, to relieve us of our duty to observe the confidentiality requirements of our profession.

Other Services

We are always available to meet with you and/or other management personnel at various times throughout the year to discuss current business, operational, accounting and auditing matters affecting your District. Whenever you feel such meeting are desirable please let us know; we are prepared to provide services to assist you in any of these areas.

Palmdale Water District**Engagement Letter**

January 5, 2015

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Dispute Resolution Procedure, Waiver of Jury Trial and Jurisdiction and Venue for Any and All Disputes Under This Engagement Letter and Governing Law

This Firm and the District each hereby knowingly, voluntarily and intentionally waive any right either may have to a trial by jury with respect to any litigation based hereon, or arising out of, under or in connection with this engagement letter and/or the services provided hereunder, or any course of conduct, course of dealing, statements (whether verbal or written) or actions of either party.

This Firm and the District each expressly agree and acknowledge that the Supreme Court of the State of California, County of Los Angeles, and the United States District Court for the Central District of California, Western Division Courthouse, shall each have exclusive and sole jurisdiction and venue for any respective state and federal actions arising from, relating to or in connection with this engagement letter, or any course of conduct, course of dealing, statement or actions of either party.

We acknowledge your right to terminate our services at any time, and you acknowledge our right to resign at any time (including instances where in our judgment, our independence has been impaired or we can no longer rely on the integrity of management), subject in either case to our right to payment for all direct and indirect charges incurred through the date of termination or resignation or thereafter as circumstances and this agreement may require, plus applicable interest, costs, fees and attorneys' fees.

You agree that our liability arising out of our services provided shall not exceed the total amount paid for the services described herein. This shall be your exclusive remedy.

No action, regardless of form, arising out of the services under this agreement may be brought by either party more than three years after the date of the last services provided under this agreement.

The District hereby indemnifies The Pun Group LLP and its partners, principals, and employees, and holds them harmless from all claims, liabilities, losses, and costs arising in circumstances where there has been a known misrepresentation by a member of the District's management, regardless of whether such person was acting in the District's interest. This indemnification will survive termination of this letter of engagement.

Fees

Our fee for these services will be \$18,000 for the year ending December 31, 2014. Our fees are based on certain assumptions, including the required assistance described above. To the extent that certain circumstances included but not limited to those listed in Appendix A, arise during the engagement, our fee estimate may be significantly affected and additional fees may be necessary. Additional services provided beyond the described scope of services will be billed separately.

Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 60 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report(s). You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination.

The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Palmdale Water District

Engagement Letter

January 5, 2015

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Report Distribution and Other

We will provide copies of our reports to the District; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

Most Recent External Quality Control Review

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract.

You have requested that we provide you with a copy of our most recent external peer review report and any subsequent reports received during the contract period. Accordingly, our 2013 peer review report accompanies this letter.

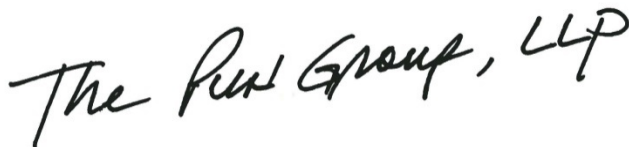
Agreement

It is hereby understood and agreed that this engagement is being undertaken solely for the benefit of the District and that no other person or entity shall be authorized to enforce the terms of this engagement.

If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

We appreciate the opportunity to be of service to the Palmdale Water District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know.

Very truly yours,

A handwritten signature in black ink that reads "The Pun Group, LLP". The signature is written in a cursive, flowing style.

The Pun Group, LLP

RESPONSE:

This letter correctly sets forth the understanding of the Palmdale Water District.

By: _____

Title: _____

Date: _____

Palmdale Water District

Engagement Letter

January 5, 2015

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APPENDIX A

Palmdale Water District

Circumstances Affecting Timing and Fee Estimate

Circumstances may arise during the engagement that may significantly affect the targeted completion dates and our fee estimate. As a result, additional fees may be necessary. Such circumstances include but are not limited to the following:

1. Changes to the timing of the engagement at your request. Changes to the timing of the engagement usually require reassignment of personnel used by The Pun Group LLP (the "Firm") in the performance of services hereunder. However, because it is often difficult to reassign individuals to other engagements, the Firm may incur significant unanticipated costs.
2. All requested schedules are not (a) provided by the accounting personnel on the date requested, (b) completed in a format acceptable to the Firm (c) mathematically correct, or (d) in agreement with the appropriate underlying records (e.g., general ledger accounts). The Firm will provide the accounting personnel with a separate listing of required schedules and deadlines.
3. Weaknesses in the internal control structure.
4. Significant new issues or unforeseen circumstances as follows:
 - a. New accounting issues that require an unusual amount of time to resolve.
 - b. Changes or transactions that occur prior to the issuance of our report.
 - c. Changes in the Entity's accounting personnel, their responsibilities, or their availability.
 - d. Changes in auditing requirements set by regulators.
5. Significant delays in the accounting personnel's assistance in the engagement or delays by them in reconciling variances as requested by the Firm. All invoices, contracts and other documents which we will identify for the Entity, are not located by the accounting personnel or made ready for our easy access.
6. A significant level of proposed audit adjustments are identified during our audit.
7. Changes in audit scope caused by events that are beyond our control.
8. Untimely payment of our invoices as they are rendered.

Appendix B - Engagement Billing Summary

**It is Understood That This is a Fixed-Price Engagement for \$18,000.00
That Will Be Billed at the Following Percentage of Completion Intervals.**

<u>Percentage</u>	<u>Task Completed</u>	<u>Date</u>	<u>Invoice No.</u>	<u>Amount</u>
10%	Client Acceptance/Audit Planning	_____	_____	\$ 1,800
40%	Interim Testwork – Test of Controls	_____	_____	7,200
40%	Final Testwork – Audit of Trial Balance	_____	_____	7,200
10%	Financial Statement Preparation/Presentation	_____	_____	1,800
<u>100%</u>				\$ <u>18,000</u>

Acceptance: _____
Palmdale Water District **Date**

Please provide a copy of this sheet to the Accounts Payable Department.

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	Dec 2013 - Nov 2014	Jan 2014 - Dec 2014
OPERATING REVENUES	24,125	24,195	23,929	23,579	23,397	23,147	23,183
Rate Stabilization Fund	(480)	(480)	(480)	(480)	(480)	(480)	280
	23,645	23,715	23,449	23,099	22,917	22,667	23,463
OPERATING EXPENSES							
Gross operating expenses	20,665	20,776	21,059	20,939	21,594	22,222	22,049
Overhead adjustment	(217)						
SWP Fixed operations and maint	(720)	(656)	(606)	(485)	(444)	(404)	(363)
Capital portion included above							
TOTAL EXPENSES	19,728	20,121	20,453	20,454	21,150	21,818	21,686
NET OPERATING REVENUES	3,917	3,594	2,996	2,645	1,767	849	1,777
NON-OPERATING REVENUE							
Ad valorem property taxes	2,573	2,681	3,192	1,853	1,853	1,856	2,047
Interest income	44	47	51	47	45	46	45
Capital improvement fees	245	327	279	260	259	256	13
Other income	429	436	510	491	359	447	451
Rate Assistance Program							
TOTAL NON-OPERATING INCOME	3,291	3,490	4,031	2,651	2,516	2,604	2,556
NET REV AVAILABLE FOR DEBT SERVICE	7,208	7,085	7,027	5,296	4,283	3,453	4,333
NET DEBT SERVICE							
1998 Certificates of Participation							
2004A Certificates of Participation	1,373						
2012 Issue - Bank of Nevada		1,373	1,398	1,398	1,373	1,373	1,373
2013A Water Revenue Bond	2,247	1,584	2,324	2,324	2,344	2,344	2,344
2017 Issue							
2012 Capital Lease	180	218	218	218	218	218	218
TOTAL DEBT SERVICE	3,799	3,174	3,939	3,939	3,935	3,935	3,935
DEBT SERVICE COVERAGE	1.90	2.23	1.78	1.34	1.09	0.88	1.10
NET REV AVAILABLE AFTER D/S	3,409	3,911	3,088	1,356	348	(482)	398