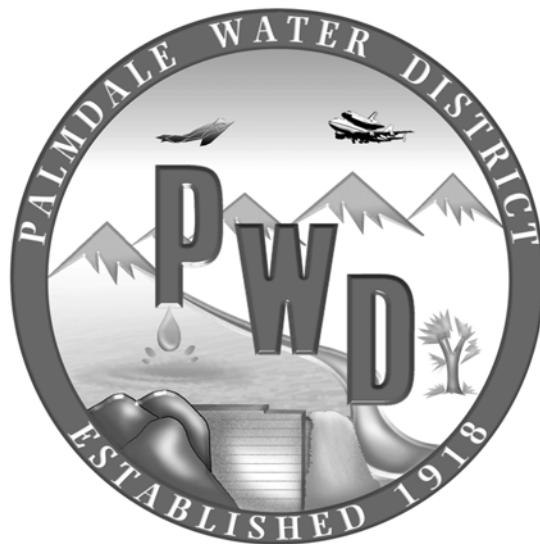


PALMDALE WATER DISTRICT



2015 BUDGET

Approved: November 21, 2014

PALMDALE WATER DISTRICT
2015 BUDGET
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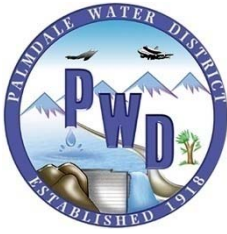
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SECTION I

EXECUTIVE SUMMARY

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PALMDALE WATER DISTRICT

Providing High Quality Water to our Current and Future Customers at a Reasonable Cost

2015 BUDGET – EXECUTIVE SUMMARY

FOR: PALMDALE WATER DISTRICT CUSTOMERS AND STAKEHOLDERS

FROM: DENNIS LaMOREAUX, GENERAL MANAGER

Thank you for your interest in Palmdale Water District and the approved 2015 Budget. The following Executive Summary provides an overview of the 2015 Budget and how it relates to the Strategic Plan.

Palmdale Water District was formed in 1918 by a vote of its customers as a public Irrigation District under Division 11 of the California Water Code. It previously served the community of Palmdale



as various forms of a private company for over 30 years. As a public agency, it formed a partnership with the neighboring Littlerock Creek Irrigation District to finance and build Littlerock Dam. This was and remains a key water source for both districts and their customers. Other significant milestones include becoming a contractor to the State Water Project and reconstructing Palmdale Dam in the 1960's. These demonstrate how the District's foresight and planning has created a strong foundation for the community of Palmdale.

Palmdale Water District is now in its 96th year as a public agency and will begin its 97th year in July. The District retains a focus on providing a critical service to the community through this approved Budget. The focus is identified in the District's 2014 Strategic Plan, including the Mission Statement shown in the heading.



2014 Strategic Plan Overview:



Outstanding Water Management

Water Conservation Education
Little Rock Reservoir Sediment Management
Little Rock Creek Groundwater Recharge and Recovery Study
Palmdale Recycled Water Authority – Recycled Water Use
2015 Urban Water Management Plan



Increased Efficiency

Standardized Project Management and Reporting
Outsourcing Payroll and Re-utilizing Staff
Optimizing Use of Mobile Technology



Infrastructure

Update Security of Facilities
Update Water System Master Plan
Water Main and Meter Replacements
Maintaining Financial Health



Regional Leadership

Increased Communications/Publications
Utilization of Intern Programs
Sharing Technical Knowledge
Active Participation in Regional Efforts
AVIRWMP, AVSWCA, PRWA, AV Water Partners, etc.
Implementing Improved Water Budget Rate Structure



Exceptional Customer Service

Staff Performance Management
Additional Payment Options and Locations
Improving Customer Service Policies and Experience

The Strategic Initiatives and associated projects capture the Board and staff's resolve not only to continue providing a critical service to the community, but to constantly improve that service. The approved 2015 Budget provides that foundation and funds the District's ability to advance all Strategic Initiatives.



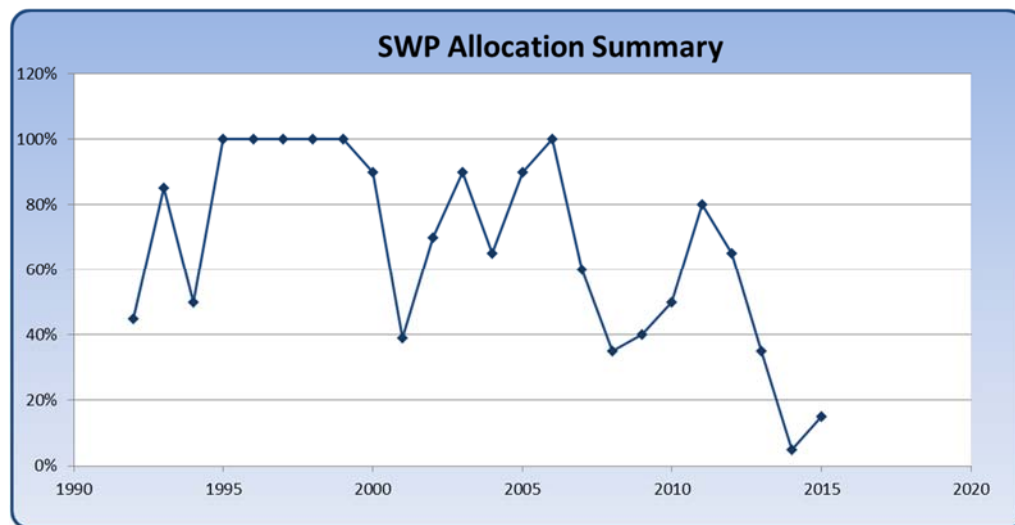
Outstanding Water Management

The 2015 Budget supports providing sustainable, high quality water through the development and implementation of a Strategic Water Resources Plan, continued funding of the District's share of the California State Water Project, and water conservation activities. Work is also funded to implement the Palmdale Recycled Water Authority Recycled Master Plan, conduct the next phase of the Littlerock Creek Recharge and Recovery Project, and continue the Littlerock Reservoir sediment removal permitting process.



State Water Project Overview

The District has three main sources of water supply: the California State Water Project (SWP), Littlerock Dam and Reservoir, and pumped groundwater. The SWP typically provides the largest share of water to meet customer demands followed by groundwater and then Littlerock Reservoir. However, the SWP supply is highly variable due to hydrology in Northern California and environmental problems in the Bay-Delta area west of Stockton. These factors have caused the long-term reliability to drop from over 75% of the District's 21,300 acre-feet "Table A" amount to less than 60%. The following graph of yearly allocations illustrates the variability and reduction in reliability.



The District negotiated a multi-year lease agreement with Butte County for 11,300 acre-feet of SWP "Table A". This additional supply also changes due to overall SWP allocations and provides additional reliability of water supply for the District's customers. It also provides an opportunity to store water that is not needed in a year and use it to meet future customer demands in dry years. The District has previously stored water that will be returned and used in 2015. Additional groundwater storage options will be explored locally and south of the Bay-Delta.

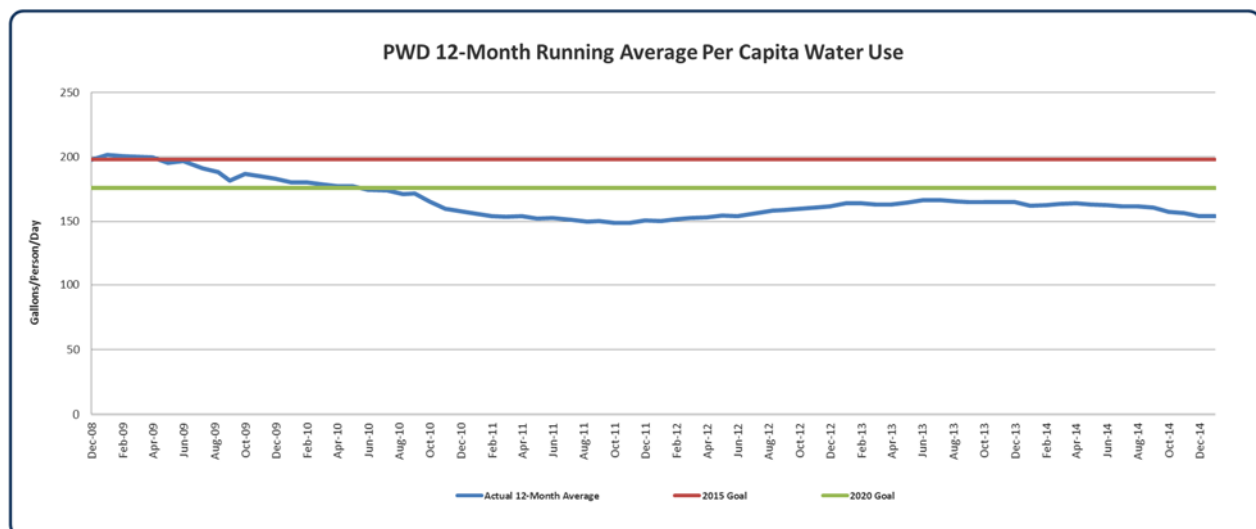
Supply and Demand

The 2014 allocation from the SWP was 5%. This is due to the very dry years of 2012-2014 and resulted in Governor Brown's drought Declaration in 2014. The Declaration requests all residents of the State to conserve 20% from the prior year. The District supported this message while working to provide enough water to meet our customers' demands. This was accomplished through various SWP programs and an exchange agreement with San Bernardino Valley Municipal Water District. The January SWP allocation for 2015 was 15%. Groundwater, previously banked water, and the increased allocation will constitute the majority of the District's water supply in 2015. Additional options will also be explored as needed.



Water Conservation

The State of California enacted a law in 2009 requiring a 20% reduction of water use by the year 2020. The average water use in California was 192 gallons per person per day (GPCD) making the statewide 2020 Goal 154 GPCD. The District's baseline per capita water use is 220 GPCD. Therefore, the District's 2020 Goal is 176 GPCD. The amount of billed water in 2014 was 18,127 acre-feet or 5.9 billion gallons of water. This reduction of 4.6% from 2013 reflects a per capita water usage by District customers of 154 GPCD and is a **reduction of 30%** from the baseline. The District's per capita water usage reached a low of 151 GPCD in 2011. Therefore, the District has met and exceeded the 2020 Goal and will continue to work to maintain and further increase our customers' water use efficiency. The 2015 Budget includes funds for customer rebates and education to encourage further conservation as well as continued educational programs for the public and area school children. The following graph illustrates the District's GPCD history.





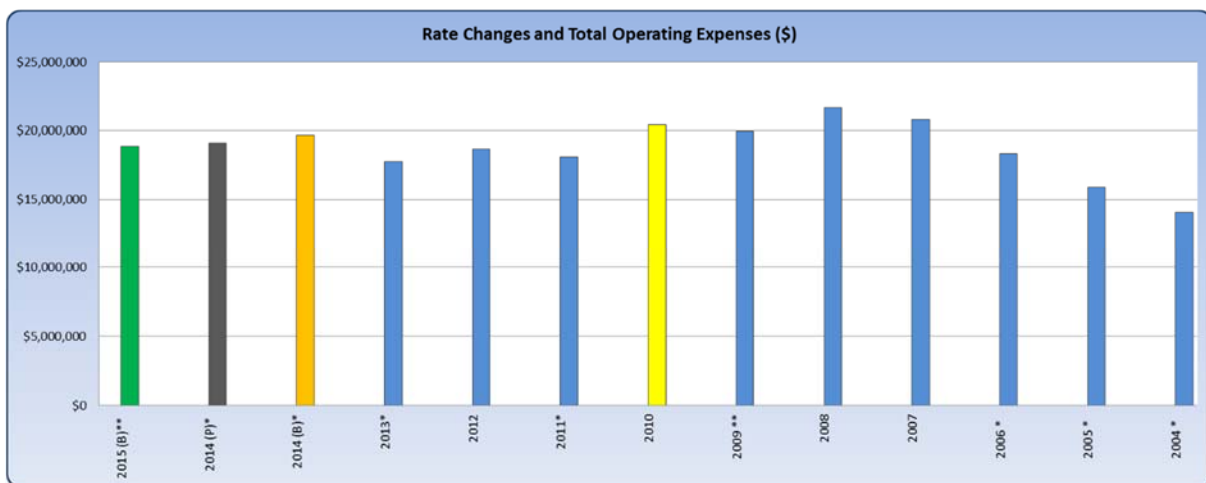
Increased Efficiency

The 2015 Budget continues to fund programs that assist the staff to work more efficiently. These include the use of mobile technology to reduce travel and have faster customer response, changing payroll practices and procedures, and standardizing databases and project management methods throughout the District's operations. It also includes the continuing use of wind, solar, and hydroelectric energy to offset electrical utility costs.



Operating Budget Trends

The following graph shows operating expenditures from 2004 to 2013, budgeted and projected for 2014, and the 2015 Budget. The costs shown are the top ten Operating Expense lines from the Income Statement (from Directors to Water Purchases, excluding GAC costs for comparative purposes.) It also shows any water rate increases or water rate structure changes during the time period. The graph clearly shows a leveling of costs as the result of efforts made to control costs and increase our efficiency on behalf of our customers.

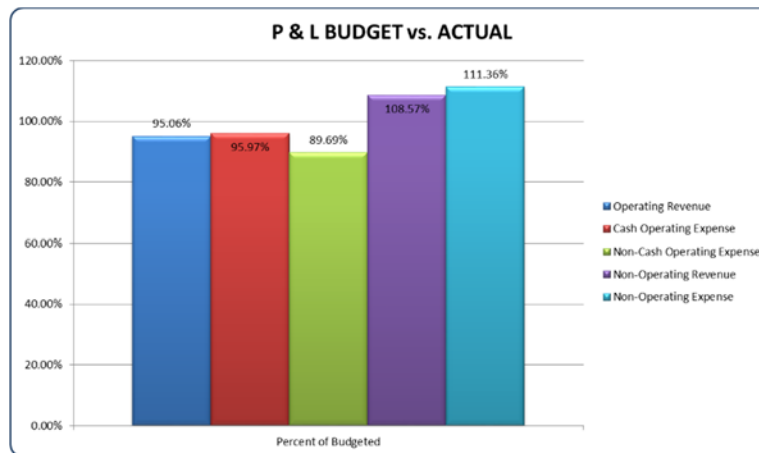


NOTES: * = Water Rate Increase
(B) = Budget

** = Water Rate Increase and Water Rate Restructure
(P) = Projected

Analysis of Projected Revenue versus Actual

The 2014 Budget forecast operational revenues of \$24.40 million. However, a third dry year and the Governor's Drought Proclamation led to a projected revenue amount of \$23.20 million. The 2015 Budget is based on a conservative amount of water being consumed by our customers. The intent of this is to avoid an over estimation of revenues in 2015. The operational revenue projection in the 2015 Budget is \$23.40 million. The following chart shows the status of District revenues and expenses relative to the 2014 Budget as of December 31, 2014.

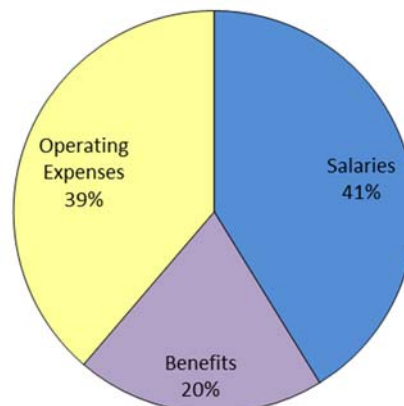


Labor Expenses

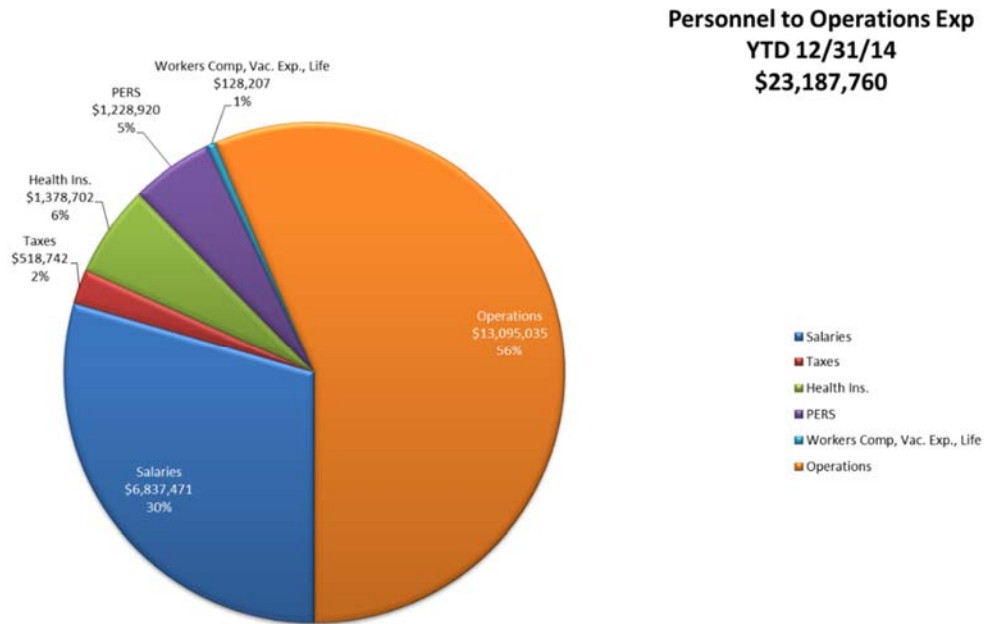
The budget proposes a staffing level of 86 fulltime employees as shown in the 2015 Departmental Staffing Summary, (Pages 26 and 27). The Treatment Plant Supervisor position is left vacant and unfunded. An organizational assessment was conducted in 2013 and recommended actions from that assessment will continue in 2015 to increase the District's efficiency.

The total direct labor cost is \$6.91 million and benefit expenses are an additional \$3.37 million. Total Personnel costs are projected at 61% of the total budget. These are illustrated in the following chart. Another detailed graph follows of 2014 personnel versus operating costs showing personnel costs were held to only 44% of the total operating costs.

2015 Budgeted Personnel and Operating Expenses



2014 Projected Personnel and Operating Expenses



Managing the cost of employee benefits is a concern for the Board of Directors. A number of options to control these costs were discussed by the Personnel Committee and full Board in recent years. The first action taken was to consolidate all the medical plans offered to employees under one provider. This step saved money in 2013 and 2014 while continuing to offer very competitive benefits for the employees. The other actions taken were to limit the District's contribution to insurance premiums for employees to \$1,600 per month in conjunction with establishing an IRS Section 125 Cafeteria Plan and offering high deductible health plans with accompanying HSA accounts.

The COLA for employees was calculated utilizing the United States Department of Labor Consumer Price Index (CPI) for all urban consumers in the Los Angeles area. The 2015 Budget includes a 1.67% COLA. The 2015 Budget also requires employees to contribute 1.67% towards the CalPERS retirement program. This affects all the staff that was employed or enrolled in CalPERS prior to January, 2013. Staff hired after that date and who were newly enrolled in CalPERS are currently contributing 6.25% toward the program.

Litigation Expenses

There continues to be one main area of litigation funded in the 2015 Budget to protect the District customers' interests. This is the Antelope Valley Adjudication case. The purpose is to determine groundwater-pumping rights in the Antelope Valley and to ensure its groundwater is managed for long-term reliability. While complicated, the District continued to participate in settlement discussions in 2014 that allowed two phases of the ongoing trial to be sidelined. A potential settlement agreement among the parties is scheduled to be reported in February, 2015 and approved in August. If approved, it will bring an end to the over 15 year old set of lawsuits. These scheduled events allowed for a reduced budget for adjudication-related legal expenses.



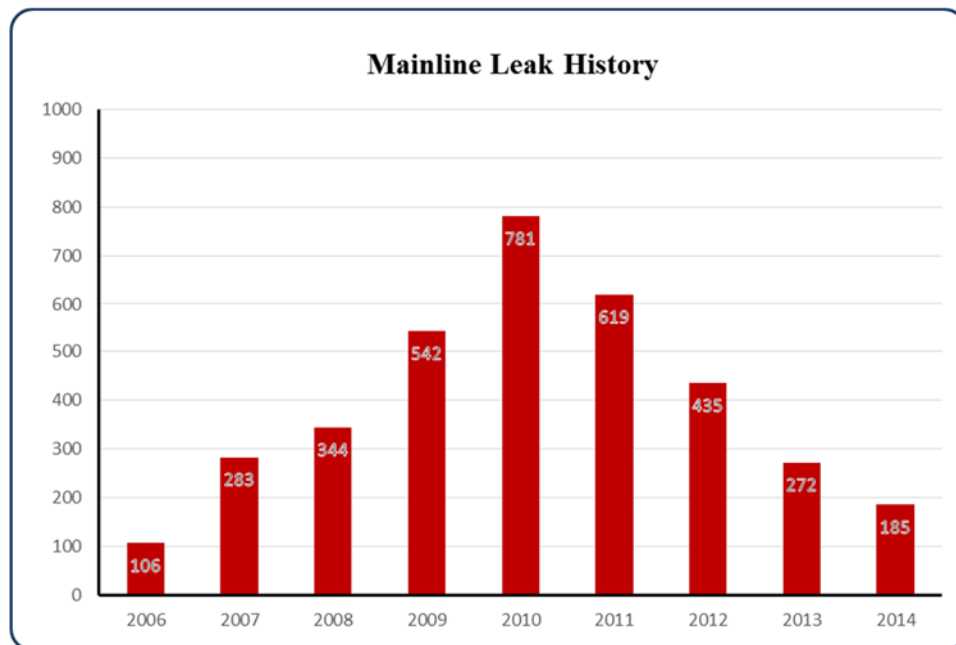
Infrastructure

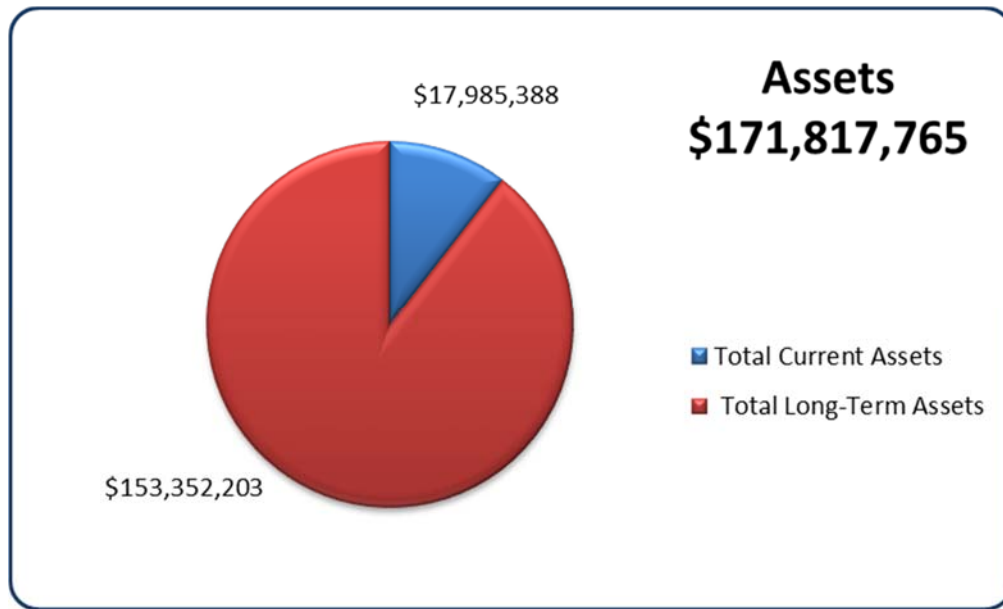
A major goal of the 2015 Budget is continued attention to the District's infrastructure. This is important to manage the operations and maintenance costs due to emergency repairs or failures and water losses in the water distribution system. It also involves tracking and maintaining the District's financial health to ensure infrastructure needs can be met. Other important budgeted expenses include the rehabilitation of two wells, upgrading security equipment at the headquarters site, and \$320,000 for ongoing steel water tank maintenance.

Pipelines used to move water to our customers represent the largest part of the District's infrastructure. Their health has a significant effect on the District's operations. As shown in the following graph, the number of leak repairs on District water



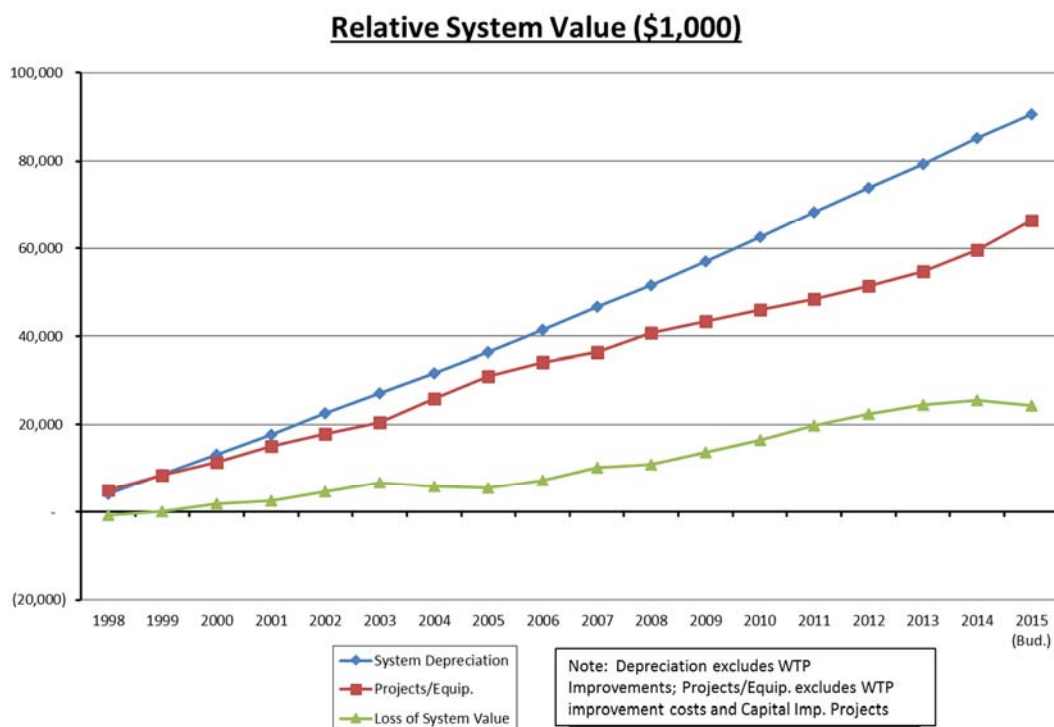
mains increased dramatically from 2006 to 2010 and is now decreasing. Ongoing replacement of the older water mains is needed to ensure this trend continues. Therefore, the 2015 Budget accounts for funding to finance water main replacement in the worst areas and provides a priority list of additional replacement projects should available resources increase. The following charts illustrate the water main leak trend and the amount of fixed assets, as of December 31, 2014, in the facilities and water distribution system owned and operated by the District.





Infrastructure Investment Review

As stated above, the 2015 Budget provides for asset maintenance and replacement. This includes funds for financing water main replacement projects with the remainder for other facilities and equipment. The District was able to finance \$8.5 million in additional funds for continuing the infrastructure and water supply work in 2013. The use of the Series 2013A Water Revenue Bond Fund is shown on Page 88 of



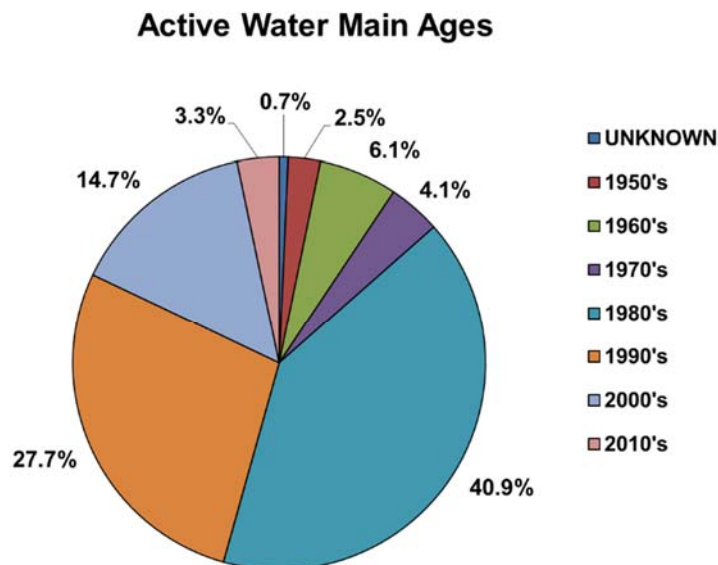
the 2015 Budget. The following graph shows the effect of the 2015 Budget in funding infrastructure investment to maintain the District's assets. The downturn of the "Loss of System Value" illustrates the effect of this investment. This is critical for long-term reliability and controlling the cost to our customers.

Water Main and Meter Replacement Programs

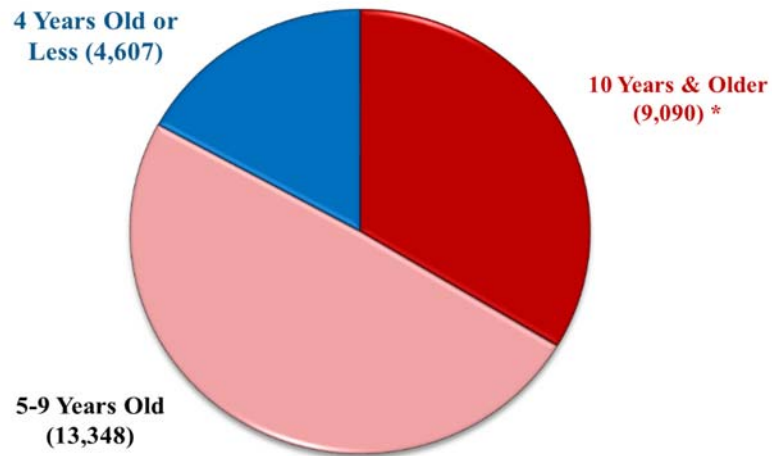


Appendix "B" of the 2015 Budget contains a table detailing the water mains owned and operated by the District totaling 409.7 miles. These have been installed over time as the water distribution system grew to accommodate new customers. Many of these water mains were installed in the 1950's and earlier. Though most have been replaced, many of the remainder are failing and require a large effort by the Facilities Department to repair and maintain. They also account for most of the District's 12.18% of unaccounted water. The District began replacing these water mains in the late 1980's. This long-

term effort totals over 70 miles of the 1950's era water mains and is continued in the 2015 Budget. As stated above, revenues received above projections in the 2015 Budget will first be directed to water main replacement projects. Another area of concern is the age of water meters. Water meters eventually slow and fail to accurately report the amount of water used by customers and add to the unaccounted water losses. The replacement of approximately 8,000 older water meters is funded in the 2015 Budget to begin addressing this concern. The following charts illustrate the current age makeup of the water mains and water meters in the distribution system.



Water Meter Age Summary



The 2015 Budget continues the financial planning of the public's funds to assure financial stability, demonstrate responsible stewardship of those funds, and allow the funding of critical infrastructure work. The District's overall financial position is stable with a slight decrease in the level of reserves from \$12.2 million to \$11.6 million (including a carryover amount of approved projects). The reserve levels remain below the minimum reserve level of \$16.2 million established by the District's Reserve Policy. The 2015 Budget projects a conservative revenue year with an ending reserve level of approximately \$9.7 million (excluding any carryover amount).

Revenue and Expenditure Cash Summary

The 2015 Budget continues to include several tables to assist reviewers in understanding the District's financial plans. The "Summary of Revenue and Expenditures" table (Page 10) shows revenues and expenses on a cash basis. This removes from the financial view those items, which are not cash in nature such as depreciation, post-employment benefits, etc. It also shows in one place the District's use of cash for both operations and capital purposes and the effect on reserve levels. This table shows balanced revenues and expenditures of \$22,596,600. This includes a surplus in the District's operations of \$806,400 and an ending reserve level of \$9,748,659. A major goal of District staff, in managing the 2015 Budget, is to operate within budget and add more to the reserves.

Funds - Reserve Analysis

The Board of Directors updated the reserve policy in 2013 and it is included in Appendix C. The updated policy simplifies the reserve level and funds goals and designations. The main designations are now: 1) Capital



Improvement Fund; 2) Bond Proceeds Fund; 3) Rate Stabilization Fund; 4) Dam Self Insurance; 5) O&M Operating Reserve; 6) O&M Emergency Reserve, and 7) Unrestricted Reserves. Based on this policy, the minimum reserve level goal for the District is \$16.2 million.

The summary of these funds and reserves is shown on Page 15 of the 2015 Budget. It shows full funding of the Dam Self Insurance, partial funding of the O&M Operating Reserve, and a shortage of \$5.6 million from the \$16.2 million goal. The O&M Emergency Reserve will continue to be addressed with an insurance policy until the reserve levels are adequate.



Regional Leadership

The 2015 Budget provides for continuing and increasing communications with customers and shareholders in the Antelope Valley. In 2014, these included extra efforts to publicize the Governor's Drought Proclamation, the State Water Resources Control Board's mandatory water conservation requirements, and the Landscape Exposition Day along with the Antelope Valley State Water Contractors (AVSWCA) in November. These activities will continue with the AVSWCA and Antelope Valley Water Partners to provide cost effective water conservation messages in 2015. They will be critical if the drought continues.



The District also successfully initiated an internship program in 2014. This was done in cooperation with local colleges and the Antelope Valley Youth Build organization. The program included both paid and unpaid interns and enabled interested students to become familiar with the operations of a water district. The areas where interns helped the District included facilities maintenance, customer service, and information technology. These are planned to continue in 2015 and expand into the areas of engineering and laboratory work.

The 2015 Budget also continues the District's cooperative efforts in the Antelope Valley. These include the previously mentioned AVSWCA and the Palmdale Recycled Water Authority (PRWA). Both are based on joint powers agreements whose regional work benefits our customers. The PRWA is formed with the City of Palmdale (City) and will distribute tertiary-treated recycled water to potential customers, including both the District and City. A master plan for building a distribution system was recently finalized and the right to purchase recycled water from the Sanitation Districts of Los Angeles County (Sanitation Districts) is being negotiated. It involves the reallocation of



existing rights to recycled water among the PRWA, City of Palmdale, City of Lancaster, and Los Angeles County Waterworks.

Other regional efforts by the District include the Antelope Valley Integrated Regional Water Management Plan, Greater Antelope Valley Economic Alliance, and several interagency agreements to provide services more efficiently.

Water Budget Rate Structure Changes

The District became Antelope Valley's first to implement a water budget based rate structure in 2009. This type of rate structure tailors water use billing to customers' water needs based on factors such as historic use, lot size, and the amount of water needed due to weather conditions. Several changes were made to the structure between 2009 and 2014 related to resolving legal challenges.

The District completed a Proposition 218 process in September 2014 that included water rate increase caps and changes to the water rate system for the next five years. The approved water rate plan capped annual rate increases at 5.5% through 2019. It also changed the prior water rate structure in several ways including a new low usage tier to further encourage and reward water conservation, standardized monthly water meter charges for water meters 1-inch and smaller, provided for additional variance adjustments, the use of a long term average for setting the water quality charge, and a broader use of historic usage in determining water allocations. The 2015 Budget incorporates all the rate structure changes and a 2.5% rate change. The structural changes actually represent a 2% revenue decrease in 2015. Therefore, the projected revenue change is only a 0.5% increase. The use of this type of water rate structure and the refinements adopted by the District still remain unique in the Antelope Valley.



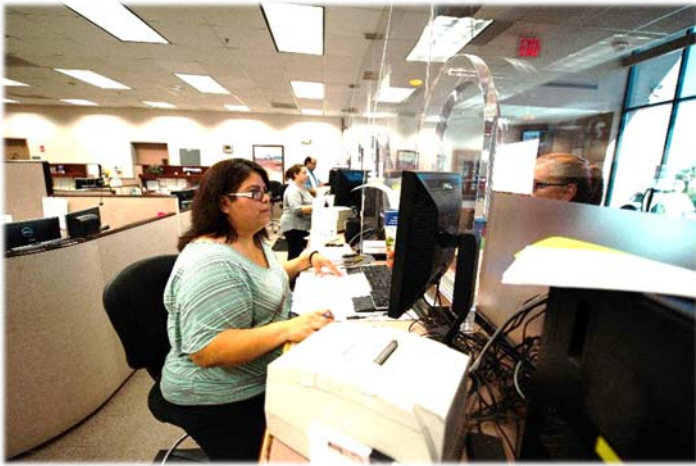
Exceptional Customer Service

The 2015 Budget provides for the continued attention to and improvements in customer service. This has been a long term priority of the District and received a renewed focus in 2014. The successful Customer Appreciation Day in December 2014 is one example. A number of customers and their families came to the District for activities that included face painting, balloon figures, and Santa Claus. The District also helped them understand changes to the water rates and rate structure. This was part of a customer service campaign developed by staff.



Another example is the Rate Assistance Program. Using another water district's program as a starting point, the District developed this program to assist senior and low income customers with up to 50% of the monthly meter charge. For 2015, it also focuses on those customers with water meter charges

that increase in the adopted rate plan. It is funded from lease revenue the District receives, largely from cell towers. The program has been well received and is expected to grow and be further refined in 2015.



Additionally, new methods of payment were put in place in 2014 and more are planned in 2015. These include a kiosk in the customer lobby for customers to use to view and make payments on their water service account. Once the lobby kiosk is installed and operating, other payment locations throughout the community will be established for more convenient access by customers. The customer lobby is also being evaluated by an architect to potentially improve it for a better and more efficient customer experience.

2015 Budget Document Overview

The 2015 Palmdale Water District Budget provides the planning, framework, and functions necessary to continue providing a strong foundation for the community of Palmdale. In summary, it addresses current and future water supplies, infrastructure maintenance, administrative and personnel issues, and financial stewardship of its customers' resources.

Sections of the 2015 Budget provide summary and detailed information about District operations and funding. Section II contains financial and staffing summaries; Section III contains the individual department descriptions including the 2014 Water Year Indicators and Accomplishments, 2015 Objectives, and line-item budgets; Section IV contains summary tables of the projects and equipment for 2015 and projections for 2016 and 2017; and Appendixes A through E provide additional information about the District.

SECTION II SUMMARIES

SUMMARY OF REVENUES AND EXPENDITURES

FUND ANALYSIS

*PROJECT REQUEST SUMMARY
(Three-Year Breakdown)*

2015 FUND SOURCE SUMMARY

INCOME STATEMENT

FIVE-YEAR CASH FLOW

DEPARTMENTAL STAFFING

ORGANIZATIONAL CHART

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Palmdale Water District
Budget 2015
Summary of Revenues and Expenditures – 2015 Budget (Proposed)

Cash Basis (18,800 Ac. Ft.)		
Activity	Estimated Cash Revenues	Estimated Cash Expenditures
Net Water Sales	\$ 8,775,500	
Meter Fees	11,506,000	
Elevation Fees	525,000	
Other Operating Revenue	1,450,000	
Water Quality Fees (Restricted Use)	1,146,500	
(Increase)/Decrease in Cash (From Operating)	(806,400)	
Directors		\$ 118,500
Administration		2,667,250
Engineering		1,252,750
Facilities		5,998,000
Operations		2,624,000
Finance		2,950,750
Water Conservation		284,000
Human Resources		326,100
Information Technology		782,750
Water Purchases		2,550,000
Capitalized Expenditures		1,896,000
Water Quality Expense (GAC)		1,146,500
SUBTOTAL OPERATING	\$ 22,596,600	\$ 22,596,600
Projected Beginning Cash - 01/01/2014	\$ 10,961,915	
Assessments received	7,050,000	
Capital Improvement Fees	50,000	
State Grants	-	
Interest on Investments	35,000	
Other Income	5,000	
Payments for State Water Project		3,295,203
Principal Paid on Long Term Debt		1,518,421
Interest Paid on Long Term Debt		2,203,532
Capital Leasing		217,500
Water Conservation		200,000
Acquisition of Property, Plant & Equipment		1,725,000
	\$ 18,101,915	\$ 9,159,656
Projected Ending Cash - Non-Operating	8,942,259	
Increase/(Decrease) in Cash (From Operating)	806,400	
Projected Ending Cash - 12/31/2015	9,748,659	
Less Restricted Cash	-	
Available Operating Cash - 12/31/2015	\$ 9,748,659	

Palmdale Water District
Budget 2015
Summary of Revenues and Expenditures – 2014 Projected

Cash Basis		
Activity	Estimated Cash Revenues	Estimated Cash Expenditures
Net Water Sales	\$ 8,577,500	
Meter Fees	11,313,000	
Elevation Fees	520,000	
Other Operating Revenue	1,325,000	
Water Quality Fees (Restricted Use)	1,465,000	
(Increase)/Decrease in Cash (From Operating)	(835,052)	
Directors		\$ 140,750
Administration		3,214,620
Engineering		1,063,000
Facilities		3,354,250
Operations		5,231,750
Finance		3,020,500
Water Conservation		175,750
Human Resources		251,100
Information Technology		771,728
Water Purchases		2,030,000
Capitalized Expenditures		1,872,000
Water Quality Expense (GAC)		1,240,000
SUBTOTAL OPERATING	\$ 22,365,448	\$ 22,365,448
Actual Beginning Cash - 01/01/2013 (Audited)	\$ 12,216,474	
Assessments received	6,985,000	
Capital Improvement Fees	13,250	
State Grants	-	
Interest on Investments	47,250	
Other Income	65,000	
Payments for State Water Project		2,391,000
Principal Paid on Long Term Debt		2,244,420
Interest Paid on Long Term Debt		1,472,774
Capital Leasing		239,557
Water Conservation		105,000
Acquisition of Property, Plant & Equipment		2,333,212
	\$ 19,326,974	\$ 8,785,963
Projected Ending Cash - Non-Operating	10,541,011	
Rate Stabilization Fund	240,000	
Increase/(Decrease) in Cash (From Operating)	835,052	
Projected Ending Cash - 12/31/2014	11,616,063	
Less Restricted Cash	-	
Property, Plant & Equip. - Carryover	(654,148)	
Available Operating Cash - 12/31/2014	\$ 10,961,915	

**Palmdale Water District
Budget 2015
Funds Analysis – 2013 End of Year (Actual)**

Fund levels reflect the fiscal viability of the District. These funds have been set aside pursuant to legal requirements or action by the Board of Directors. Category of funds were established by Resolution No. 09-03 passed and adopted March 11, 2009 and shown on 2012 and 2013 Funds Analysis sheets. On November 13, 2013 this resolution was superseded by Resolution No. 13-13 and is shown on all Fund Analysis sheets (See Appendix C for verbaige for the Reserve Fund Policy – Resolution No. 13-13).

		2013 Budget			
		Actual Ending Balance 12/31/2012	Sources	Uses	Actual Ending Balance 12/31/2013
Sources of Cash					
Net Operating Income			\$ (3,456,940)		
Adjustment - Water Quality (GAC Media)			1,133,176		
Adjustment - Depreciation/Amortization Add Back			7,483,036		
Adjustment - Post Employment Benefits (GASB 45)			1,659,752		
Adjustment - Bad Debt			(19,586)		
Adjustment - Service Costs Construction			88,060		
Adjustment - Capitalized Construction			(1,238,379)		
Net Non-Operating Income			<u>2,696,406</u>		
Cash from Revenues above Expenses to place into funds			\$ 8,345,525		
Reserve Funds (Based on Resolution No. 13-13)					
1	Capital Improvement Fund (CIF)	\$ -	\$ 244,949	\$ 244,949	\$ -
2	Bond Proceeds Fund	-	8,500,000	739,000	7,761,000
3	Debt Service Reserve Fund	-	-	-	-
4	Rate Stabilization Fund (Operating Cash)	-	480,000	-	480,000
Total Legally Restricted		\$ -	\$ 9,224,949	\$ 983,949	\$ 8,241,000
5	Dam Self Insurance	\$ -	\$ -	\$ -	\$ -
6	O&M Operating Reserve (3-Months operating exp.)	5,000,000	3,865,525	2,998,878	5,866,647
7	O&M Emergency Reserve	-	-	-	-
8	Unrestricted Reserves	3,852,185	4,000,000	1,982,358	5,869,827
Total Board Restricted		\$ 8,852,185	\$ 7,865,525	\$ 4,981,236	\$ 11,736,474
Total Operating Cash		\$ 8,852,185			\$ 12,216,474

Palmdale Water District
Budget 2015
Funds Analysis – 2014 Budget (as proposed)

		2014 Budget			
		Actual Ending Balance 12/31/2013	Sources	Uses	Projected Balance 12/31/2014
Sources of Cash					
Net Operating Income			\$ (8,367,550)		
Adjustment - Water Quality (GAC Media)			1,638,000		
Adjustment - Depreciation/Amortization Add Back			7,350,000		
Adjustment - Post Employment Benefits (GASB 45)			2,000,000		
Adjustment - Bad Debt			100,000		
Adjustment - Service Costs Construction			125,000		
Adjustment - Capitalized Construction			(1,000,000)		
Net Non-Operating Income			3,212,000		
Cash from Revenues above Expenses to place into funds			\$ 5,057,450		
Reserve Funds (Based on Resolution No. 13-13)					
1	Capital Improvement Fund (CIF)	\$ -	\$ 150,000	\$ 150,000	\$ -
2	Bond Proceeds Fund	7,761,000	-	5,678,500	2,082,500
3	Debt Service Reserve Fund	-	-	-	-
4	Rate Stabilization Fund (Operating Cash)	480,000	480,000	-	960,000
Total Legally Restricted		\$ 8,241,000	\$ 630,000	\$ 5,828,500	\$ 3,042,500
5	Dam Self Insurance	\$ -	\$ 5,000,000	\$ -	\$ 5,000,000
6	O&M Operating Reserve (3-Months operating exp.)	5,866,647	2,077,450	3,193,743	4,750,354
7	O&M Emergency Reserve	-	-	-	-
8	Unrestricted Reserves	5,869,827	(2,500,000)	3,325,000	44,827
Total Board Restricted		\$ 11,736,474	\$ 4,577,450	\$ 6,518,743	\$ 9,795,181
Total Operating Cash		\$ 12,216,474			\$ 10,755,181

**Palmdale Water District
Budget 2015
Funds Analysis – 2014 Estimated End of Year (Actual)**

		<u>2014 Budget</u>		
		Actual Ending Balance 12/31/2013	Sources	Projected Balance 12/31/2014
Sources of Cash			Uses	
Net Operating Income		\$ (6,735,948)		
Adjustment - Water Quality (GAC Media)		1,240,000		
Adjustment - Depreciation/Amortization Add Back		7,136,500		
Adjustment - Post Employment Benefits (GASB 45)		2,002,500		
Adjustment - Bad Debt		(10,000)		
Adjustment - Service Costs Construction		(39,000)		
Adjustment - Capitalized Construction		(1,519,000)		
Net Non-Operating Income		2,895,250		
Cash from Revenues above Expenses to place into funds		\$ 4,970,302		
Reserve Funds (Based on Resolution No. 13-13)				
1	Capital Improvement Fund (CIF)	\$ -	\$ 13,250	\$ 13,250
2	Bond Proceeds Fund	7,761,000	-	1,973,584
3	Debt Service Reserve Fund	-	-	-
4	Rate Stabilization Fund (Operating Cash)	480,000	240,000	-
Total Legally Restricted		\$ 8,241,000	\$ 253,250	\$ 1,986,834
				\$ 6,507,416
5	Dam Self Insurance	\$ -	\$ 5,000,000	\$ -
6	O&M Operating Reserve (3-Months operating exp.)	5,866,647	2,230,302	2,200,886
7	O&M Emergency Reserve	-	-	-
8	Unrestricted Reserves	5,869,827	(2,500,000)	3,369,827
Total Board Restricted		\$ 11,736,474	\$ 4,730,302	\$ 5,570,713
				\$ 10,896,063
Total Operating Cash		\$ 12,216,474	Carry-over	(654,148)
			Total Operating Cash	\$ 10,961,915

**Palmdale Water District
Budget 2015
Funds Analysis – 2015 Budget (Proposed)**

Sources of Cash		2015 Budget			
		Projected Balance 12/31/2014	Sources	Uses	Projected Balance 12/31/2015
Net Operating Income			\$ (6,868,600)		
Adjustment - Water Quality (GAC Media)			1,146,500		
Adjustment - Depreciation/Amortization Add Back			6,450,000		
Adjustment - Post Employment Benefits (GASB 45)			2,000,000		
Adjustment - Bad Debt			100,000		
Adjustment - Service Costs Construction			125,000		
Adjustment - Capitalized Construction			(1,000,000)		
Net Non-Operating Income			3,250,000		
Cash from Revenues above Expenses to place into funds			\$ 5,202,900		
Reserve Funds (Based on Resolution No. 13-13)					
1	Capital Improvement Fund (CIF)	\$ -	\$ 50,000	\$ 50,000	\$ -
2	Bond Proceeds Fund	5,787,416	-	3,816,236	1,971,180
3	Debt Service Reserve Fund	-	-	-	-
4	Rate Stabilization Fund (Operating Cash)	720,000	-	-	720,000
Total Legally Restricted		\$ 6,507,416	\$ 50,000	\$ 3,866,236	\$ 2,691,180
5	Dam Self Insurance	\$ 5,000,000	\$ -	\$ -	\$ 5,000,000
6	O&M Operating Reserve (3-Months operating exp.)	5,896,063	5,960,150	7,827,554	4,028,659
7	O&M Emergency Reserve	-	-	-	-
8	Unrestricted Reserves	-	-	-	-
Total Board Restricted (Operating Cash)		\$ 10,896,063	\$ 5,960,150	\$ 7,827,554	\$ 9,028,659
Carry-over		(654,148)	Total Operating Cash		\$ 9,748,659
Total Operating Cash		\$ 10,961,915			
Operating Cash Reserve (Shortage)/Overage					(6,451,341)

**Palmdale Water District
Budget 2015
Capital Projects – Expenditure Summary (Three-Year Breakdown)**

PROJECT EXPENDITURE SUMMARY			
BUDGETING YEAR AMOUNT			
	2015	2016	2017
Studies and Planning Documents	292,000	40,000	-
Safety & Regulatory Requirements	92,000	128,000	10,000
New Equipment	245,000	149,000	-
Replacement Equipment	148,000	20,000	-
General Projects	401,000	513,000	250,000
Replacement Capital Projects	2,415,000	2,540,000	1,925,000
New Capital Projects	-	-	-
New Capital Projects (CIF)	28,000	1,522,000	-
GAC Media Replacement	1,146,500	1,200,000	1,200,000
Annual Project Expenditures: ¹	<u>4,767,500</u>	<u>6,112,000</u>	<u>3,385,000</u>
3-Yr Total:	<u><u>14,264,500</u></u>		

¹ The 2015 total amount includes items classified under capital expense. This amount is removed for the fund analysis calculation due to the amount of \$1,725,000 being factored into the net operating income already.

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**Palmdale Water District
Budget 2015
Capital Projects – 2015 Fund Breakdown Summary**

	2015 FUND BREAKDOWN						WRB
	O&M	CF	WS	AR	CON	WQ	
Studies and Planning Documents	107,000	185,000	-	-	-	-	-
Safety & Regulatory Requirements	72,000	-	-	20,000	-	-	-
New Equipment	45,000	-	-	200,000	-	-	-
Replacement Equipment	8,000	-	-	140,000	-	-	-
General Projects	9,000	-	-	260,000	132,000	-	-
Replacement Capital Projects	1,655,000	-	75,000	685,000	-	-	-
New Capital Projects	-	-	-	-	-	-	-
New Capital Projects (CIF)	-	28,000	-	-	-	-	-
Series 2013A Water Revenue Bond Fund	-	-	-	-	-	-	3,816,236
GAC Media Replacement (4 Contactors)	-	-	-	-	-	1,146,500	-
	1,896,000	213,000	75,000	1,305,000	132,000	1,146,500	3,816,236
2015 Total Tie-out:	4,767,500						

Equipment	393,000
Capital Projects - General Fund	3,015,000
Capital Projects - CIF	213,000
Plant Expenditures	(1,896,000)
	<u>1,725,000</u>

Abbreviation Explanation	
O&M	= Plant Expensed
CF	= Capital Improvement Fund
WS	= Source Water Supply
AR	= Asset Replacement
CON	= Conservation Program
WQ	= Water Quality Fund
WRB	= 2013A Water Revenue Bond Fund

**Palmdale Water District
Budget 2015
Capital Projects – 2015 Fund Breakdown Summary (Continued)**

Breakdown Category Definitions	
Studies and Planning Documents	Documents that assist in developing long term guidelines for the District. These include items such as the District's strategic or master plan, CEQA compliance documents, efficiency plans and studies, etc.
Safety & Regulatory Requirements	Items that can either be mandated or compliance related issues. These purchase help to satisfy requirements that can come from our insurance carrier (JPIA) during monthly inspections or to meet changes in federal/state regulatory compliance or OSHA guidelines.
New Equipment	Items that are first time purchases for the District and have a one time expenditure to purchase. This will include vehicles, printers, lab equipment, etc.
Replacement Equipment	Items that are replacement purchases for assets/equipment within the District and have a one time expenditure for purchase.
General Projects	Items that will include purchases from multiple vendors or span a period of time to complete. These typically are not asset replacement and will include overhauls to well and booster pumps, etc.
Replacement Capital Projects	Projects that typically go out to bid and replace large dollar assets and span a period of time for completion. Typical examples include replacement water mains, booster stations, well sites, etc.
New Capital Projects	Projects that assist in meeting the District's service requirements that are outside the Master Plan due to pre-existing development. This could include additional water facilities to meet items such as changes in fire flow demand, etc.
New Capital Projects (CIF)	Projects that were developed as part of the District's Master Plan to meet future growth requirements within service boundaries. These projects are usually offset by capital improvement fees paid for by developers and typically are building new developments that expand the current installed service area.
Series 2013A Water Revenue Bond	The District went through and re-financed the 2004 certificates of participation (COPs) to eliminate the provision for restricted funds, improve interest rates and gain additional funding (\$8.5 Million) to catch up on various projects including water main replacements, source water protection and water banking.

Palmdale Water District

Budget 2015

Income Statement

	PROPOSED 2015	PROJECTED 2014	BUDGET ² 2014	ACTUAL 2013	ACTUAL 2012	ACTUAL 2011
Operating Revenue						
Wholesale Water (AVEK & LCID)	225,000	195,000	225,000	192,316	50,345	-
Water Sales	8,550,500	8,382,500	9,053,000	9,025,493	8,732,110	7,828,995
Meter Fees	11,506,000	11,313,000	11,255,000	11,059,700	10,318,032	10,331,401
Water Quality Fees	1,146,500	1,465,000	1,638,000	1,650,551	1,658,418	1,544,001
Elevation Fees	525,000	520,000	525,000	553,631	563,499	514,356
Other	1,450,000	1,325,000	1,700,000	1,670,371	1,339,084	1,586,910
	<u>23,403,000</u>	<u>23,200,500</u>	<u>24,396,000</u>	<u>24,152,063</u>	<u>22,661,487</u>	<u>21,805,664</u>
Operating Expenses						
Directors	118,500	140,750	114,500	102,406	109,815	144,707
Administration	2,667,250	3,214,620	3,450,000	2,195,303	2,499,320	3,601,954
Engineering	1,252,750	1,063,000	1,079,800	1,265,376	1,155,799	1,170,449
Facilities	5,998,000	3,354,250	3,408,500	2,926,478	3,305,594	3,215,769
Operations	2,624,000	5,231,750	5,453,500	5,230,842	4,738,208	4,681,601
Finance	2,950,750	3,020,500	2,968,750	2,907,898	2,840,351	2,790,709
Water Conservation	284,000	175,750	270,000	237,710	223,804	207,563
Human Resources	326,100	251,100	283,400	199,673	192,206	235,797
Information Technology	782,750	771,728	828,600	638,953	721,173	562,174
Water Purchases	3 2,400,000	2,670,000	2,400,000	2,247,247	3,614,861	2,657,610
OAP Chrg (Prior Year)	250,000	1,000	250,000	436,485	-	(591,517)
Water Recovery	(100,000)	(641,000)	(100,000)	(611,563)	(394,902)	(1,363,902)
Water Quality (GAC Media)	4 1,146,500	1,240,000	1,638,000	1,133,176	1,550,184	1,219,205
Plant Expenditures	1,896,000	1,872,000	2,143,500	726,135	713,641	297,937
Cash Expenses	<u>22,596,600</u>	<u>22,365,448</u>	<u>24,188,550</u>	<u>19,636,120</u>	<u>21,270,054</u>	<u>18,830,058</u>
Depreciation	6,450,000	7,136,500	7,350,000	7,483,036	7,768,448	7,285,492
Post Employment Benefit (GASB 45)	5 2,000,000	2,002,500	2,000,000	1,659,752	1,716,709	1,803,368
Bad Debts	100,000	(10,000)	100,000	(19,586)	(104,725)	49,729
Service Costs Construction	125,000	(39,000)	125,000	88,060	168,706	28,429
Capitalized Construction	(1,000,000)	(1,519,000)	(1,000,000)	(1,238,379)	(992,970)	(1,021,987)
Non-Cash Expenses	<u>7,675,000</u>	<u>7,571,000</u>	<u>8,575,000</u>	<u>7,972,883</u>	<u>8,556,168</u>	<u>8,145,031</u>
Net Operating Income/(Loss)	<u>(6,868,600)</u>	<u>(6,735,948)</u>	<u>(8,367,550)</u>	<u>(3,456,940)</u>	<u>(7,164,735)</u>	<u>(5,169,425)</u>
Non-operating Revenues						
Assessments (Debt Service)	5,100,000	4,977,000	4,400,000	4,899,758	4,394,572	5,562,065
Assessments (1%)	1,750,000	1,760,000	1,600,000	1,765,553	1,518,943	-
Successor Agency Component (Prop Tax)	200,000	248,000	200,000	651,377	185,432	-
DWR Fixed Charge Recovery	7 100,000	133,500	100,000	233,833	549,374	-
Interest	35,000	43,750	35,000	34,920	24,866	78,519
Market Adj. on Investments	-	3,500	(10,000)	(39,707)	-	-
Capital Improvement Fees	6 50,000	13,250	150,000	244,949	1,257,818	1,225,519
Grants - State & Federal	-	-	485,000	-	-	76,200
Sale of Real Property	-	-	-	-	-	-
Other	185,000	225,000	185,000	(1,206,109)	159,238	165,515
	<u>7,420,000</u>	<u>7,404,000</u>	<u>7,145,000</u>	<u>6,584,573</u>	<u>8,090,243</u>	<u>7,107,818</u>
Non-operating Expenses						
Interest Paid & Amortization on long-term debt	2,111,000	2,329,750	2,111,000	2,035,498	2,417,320	2,540,875
Amortization of SWP	1,679,000	1,914,000	1,679,000	1,737,506	1,578,940	1,453,125
Capital Leasing	-	-	-	-	-	-
Capital Contributions	-	-	-	-	-	-
Low-Income Relief Fund	180,000	160,000	-	-	-	-
Water Conservation	200,000	105,000	143,000	115,163	49,222	95,662
	<u>4,170,000</u>	<u>4,508,750</u>	<u>3,933,000</u>	<u>3,888,167</u>	<u>4,045,482</u>	<u>4,089,662</u>
Net Non-operating Income/(Loss)	<u>3,250,000</u>	<u>2,895,250</u>	<u>3,212,000</u>	<u>2,696,406</u>	<u>4,044,761</u>	<u>3,018,155</u>
Net Earnings(Loss)	<u>(3,618,600)</u>	<u>(3,840,698)</u>	<u>(5,155,550)</u>	<u>(760,535)</u>	<u>(3,119,974)</u>	<u>(2,151,270)</u>

Palmdale Water District

Budget 2015

Income Statement – General Information

	PROPOSED 2015	PROJECTED 2014	BUDGET 2014	ACTUAL 2013	ACTUAL 2012	ACTUAL 2011
Operating Revenue	0.87%	-3.94%	1.01%	6.58%	3.92%	1.31%
Operating Expenses	1.37%	-5.04%	7.55%	-6.82%	5.05%	2.66%
Non-operating Revenues	0.22%	12.44%	8.51%	-18.61%	13.82%	-0.91%
Non-operating Expenses	-7.51%	15.96%	1.15%	-3.89%	-1.08%	3.38%

Footnotes:

- ² 2014 Budget contains all amendments made during the current fiscal year. All amendments were done as transfers between GL accounts with no change to overall budgeted amounts.
- ³ 2012 charges were higher due to reclassification of fixed cost refunds to non-operating revenues by \$436,000. No adjustment were made to prior years for similar refunds.
- ⁴ GAC filter media purchases are directly offset by the revenues from the water quality fee for prior year. The 2015 Budget includes the possible replacement of up to four contractors and the localized contractor at the El Camino Underground site.
- ⁵ Post employment accrual expense (OPEB) was added as a compliance requirement for GASB 45 (2008).
- ⁶ Water supply connection fees will be charged to developers to offset new source water supply. This component's effective date is January 1, 2014 and is part of the capital improvement fees.
- ⁷ The District received offset credits in the amount of \$(869,253) related to the variable cost component in purchased water from the State Water Project (DWR). This has been reflected in the Water Recovery amount of \$(1,363,902) for 2011. Moving forward the amount has been distributed based on the type of credits and directly offset a portion of the current year assessments and are shown in non-operating revenue under DWR Fixed Charge Recovery.

General Information:

The District entered into Capital Leasing agreements in 2011 for computer equipment, telephony system, and SCADA network infrastructure. These agreements will run for a term of 60 months and will conclude in 2015.

Projected federal grant funds were adjusted to coincide with the potential revenue receipt. The receipt of these funds have been removed until confirmation by the administrative agency, overseeing these funds, has been received by the District.

Cost Factors and Assumptions:

Cost of Living possible increase maximum of 1.67% effective January 1, 2015 subject to Board approval of the 2015 Budget.

Worker's comp rates are calculated at .0101 for office personnel and .0510 for field personnel.

PERS is calculated at 20.652% for 6 months (Jan. thru Jun.) and 21.500% for 6 months (Jul thru Dec.) for all employees except for those that fall under Public Employee Pension Reform Act (PEPRA). Employee who meet the PEPRA requirement the employer contribution for 2015 is 6.25% for the District.

Employee benefits includes the cost of medical, dental & vision plans as well as the employee assistance program and on the job life insurance death benefit. Healthcare is capped per employee at \$1,600 effective January 1, 2014.

The District's medical insurance rates have increased 2.41% on the blended average for the four medical plans. Currently, the dental insurance offered to its employees shows a 2.43% decrease projected while the vision insurance has gone up due to adoption of additional available offerings approved by the Board for staff. All health insurance plans are managed and administered through ACWA/JPIA.

Health insurance includes benefits to directors that qualify for benefits and opt to participate in the plans.

Operating Revenue estimates were based on the potential sales of 18,800 ac. ft. of water for the 2015 Budget.

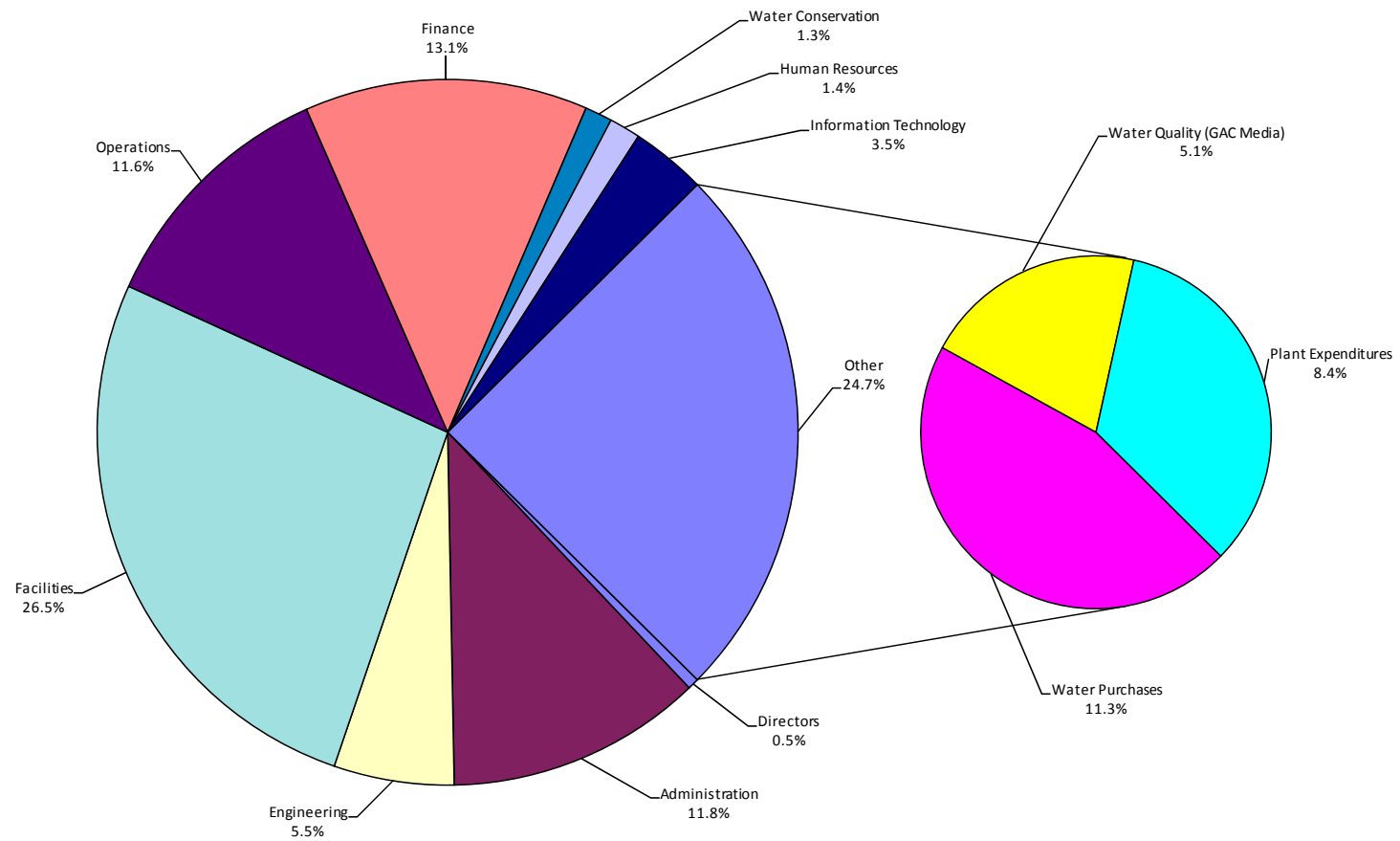
Southern California Edison (SCE) has proposed a 16% rate hike for 2014 energy rates as they relate to the District's wells and boosters. Currently that rate increase has been assigned a docket number by the PUC and will be going through the hearing process. SCE has just received final PUC approval on their 2013 4% rate increase and we will most likely start seeing those costs immediately in 2014.

Natural Gas expenses have increased in our commodity costs by 1.6% in 2014 from 2013. The Federal Energy Regulatory Commission (FERC) - Department of Energy is predicting a continued increase in the West of 8% in commodity costs for the 2014-15 winter natural gas costs if continued drought occurs. These increases, if they occur, will be a direct pass-through from the Gas Company at the time of usage for the District.

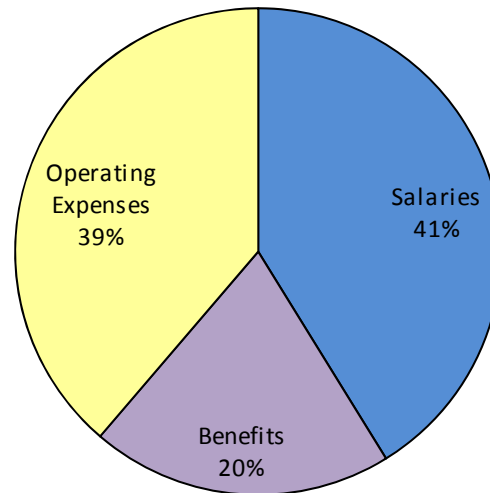
2014 saw well 11 coming back online after being down for four years. This change accounts for the majority of additional natural gas expenses, as they relate to the wells, and accounts for the increase from 2013.

2014 contained the settlement payment in the Ground Water Adjudication case for the Woods Class pumpers. The District's portion for that settlement was \$601,670 and was paid out in the first half of 2014.

**Palmdale Water District
2015 Operating Expenses (Proposed – excluding non-cash expenses) – Graph**



**Palmdale Water District
2015 Departmental Expenses (Proposed) – Graph**



Departmental Expenses		
Salaries	\$	6,911,500
Benefits		3,370,500
Operating Expenses		6,498,350
Total	\$	16,780,350

**Palmdale Water District
Budget 2015
5-Year Cash Flow (Aggregate)**

	Proposed 2015	Projected 2014	Audited Numbers		
			2013	2012	2011
Beginning Cash	10,961,915	12,216,474	8,852,185	9,463,250	8,122,631
Operating Activities					
Net Operating Revenues	23,403,000	23,200,500	24,125,011	23,126,334	21,768,599
Net Operating Expenses	22,596,600	22,365,448	20,665,315	22,232,461	18,924,721
Net cash provided by operating activities	806,400	835,052	3,459,696	893,873	2,843,878
Other Sources and Uses of Cash					
Assessments received	7,050,000	6,985,000	7,316,688	5,903,403	4,826,073
Payments for State Water Project	(3,295,203)	(2,391,000)	(2,821,029)	(2,832,287)	(2,225,748)
Capital Improvement Fees Received	50,000	13,250	244,949	1,257,817	1,225,519
Water Conservation	(200,000)	(105,000)	-	-	-
Proceeds on Issuance of Long Term Debt					
Acquisition of Property, Plant & Equip. - Current Yr	(1,725,000)	(2,333,212)	(1,817,663)	(2,572,722)	(2,422,408)
Capital Leasing	(217,500)	(239,557)	(229,597)	(223,539)	-
Principal Paid on Long Term Debt	(1,518,421)	(1,472,774)	(1,778,719)	(1,220,000)	(1,170,000)
Interest Paid on Long Term Debt	(2,203,532)	(2,244,420)	(1,840,455)	(2,414,192)	(2,465,142)
State Grants and Other Income	5,000	65,000	315,499	571,895	655,472
Interest on Investments	35,000	47,250	34,920	24,687	72,975
Net Cash Provided by Other Sources and Uses	(2,019,656)	(1,675,463)	(575,407)	(1,504,938)	(1,503,259)
Net Increase (Decrease) in Cash	(1,213,256)	(840,411)	2,884,289	(611,065)	1,340,619
Rate Stabilization Fund	-	240,000	480,000	-	-
Cash End of Year	9,748,659	11,616,063	12,216,474	8,852,185	9,463,250
Less Restricted Cash	-	-	-	-	1,661,732
Acquisition of Property, Plant & Equip. - Carryover	-	(654,148)	-	-	-
Available Operating Cash	9,748,659	10,961,915	12,216,474	8,852,185	7,801,518

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Palmdale Water District
2015 Departmental Staffing Budget

POSITION	2015	2014	2013
ADMINISTRATION:			
General Manager	1	1	1
Assistant General Manager	1	1	1
Water & Energy Resources Manager	1	1	1
Deputy Water & Energy Resources Manager	1	0	0
Executive Assistant	1	1	1
Administrative Assistant	1	1	1
Administrative Technician	<u>1</u>	<u>0</u>	<u>0</u>
SUBTOTAL:	7	5	5
ENGINEERING:			
Engineering/Grant Manager	1	0	1
Project Manager	1	1	1
Construction Inspector	3	3	3
Cross Connection Technician	1	1	1
Engineering Technician	<u>3</u>	<u>3</u>	<u>3</u>
SUBTOTAL:	9	8	9
FACILITIES:			
Facilities Manager	1	1	1
Senior Service Worker	3	3	3
Service Workers	11	11	11
Warehouse Technician	2	2	2
Equipment Mechanic Supervisor	1	1	1
Equipment Mechanic	4	4	4
Systems Supervisor	1	0	0
Pump Operator	2	0	0
Electrician	2	0	0
Electronic Technician	<u>2</u>	<u>0</u>	<u>0</u>
SUBTOTAL:	29	22	22
OPERATIONS:			
Operations Manager	1	1	1
Treatment Plant Supervisor	0	1	1
Plant Operators	6	6	6
Senior Maintenance Mechanic	1	1	1
Maintenance Mechanic	1	1	1
Administrative Technician	1	1	1
Water Quality Supervisor	1	1	1
Laboratory Analyst	2	2	2
Systems Supervisor	0	1	1
Pump Operator	0	2	2
Electrician	0	2	2
Electronic Technician	<u>0</u>	<u>2</u>	<u>2</u>
SUBTOTAL:	13	21	21

Palmdale Water District
2015 Departmental Staffing Budget (continued)

POSITION	2015	2014	2013
FINANCE:			
Finance Manager	1	1	1
Senior Accountant	1	1	1
Accounting Technician	0	1	1
Accounting Assistant	1	1	1
Customer Service Supervisor	1	1	1
Assistant Customer Service Supervisor	1	1	1
Customer Service Representative	9	9	9
Senior Field Service Technician	1	1	1
Field Service Technician	<u>7</u>	<u>7</u>	<u>6</u>
SUBTOTAL:	22	23	23
WATER CONSERVATION:			
Public Information Officer/Conservation Director	1	1	1
Water Conservation Supervisor	0	1	1
Water Conservation Aide	<u>1</u>	<u>1</u>	<u>1</u>
SUBTOTAL	2	3	3
HUMAN RESOURCES:			
Human Resources Manager	<u>1</u>	<u>1</u>	<u>1</u>
SUBTOTAL:	1	1	1
INFORMATION TECHNOLOGY:			
Information Technology Manager	1	1	1
Information Technology Technician	<u>1</u>	<u>1</u>	<u>1</u>
SUBTOTAL:	2	2	2
DISTRICT TOTAL:	85	85	86

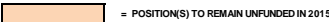
Proposed Positions & Changes for 2015

Engineering:

Engineering/Grant Manager

Position will be funded for the full year in 2015. Position is currently in the process of interviewing possible candidates with potential hiring in December 2014.

(Approved by Board of Directors on August 13, 2014)



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SECTION III

DEPARTMENTAL BUDGETS

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Administration Department

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Administration Department

DESCRIPTION:

The Administration Department manages the District through the Board of Directors, which sets policy, and the General Manager, who reports to the Board and manages the daily operation of the District. The attorneys and financial advisor positions, which answer to the Board and interact with the staff through the General Manager, are also an integral part of the Administration Department. The positions of Assistant General Manager, Executive Assistant, Administrative Assistant, Administrative Technician, Water and Energy Resources Director, & Deputy Water and Energy Resources Director also operate out of the Administration Department.

**Palmdale Water District
Budget 2015
Board of Directors**

<u>Directors</u>		BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2015	2014	2014	2013	2012	2011
1-01-4000-000	Directors Fees	45,000	68,000	45,000	49,950	40,650	41,850
Benefits							
1-01-4005-000	Payroll Taxes	5,500	5,500	5,500	3,821	3,167	6,009
1-01-4010-000	Health Insurance	58,000	53,250	54,000	45,405	62,579	89,580
	Subtotal (Benefits)	63,500	58,750	59,500	49,226	65,746	95,589
	Personnel Expenses	108,500	126,750	104,500	99,176	106,396	137,439
OPERATING EXPENSES:							
1-01-4050-000	Director's Travel, Seminars & Meetings	10,000	14,000	10,000	3,229	3,419	7,268
	Total Operating Expense	10,000	14,000	10,000	3,229	3,419	7,268
	Total Departmental Expenses	118,500	140,750	114,500	102,406	109,815	144,707

Palmdale Water District

Budget 2015

Administration

<u>Administration</u>		BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2015	2014	2014	2013	2012	2011
1-02-4000-000	Salaries	860,500	773,000	656,000	493,945	499,688	551,638
1-02-4000-100	Salaries - Departmental Overtime	8,250	8,000	7,500	7,450	8,678	6,217
1-02-4000-200	Salaries - District-wide Oncall/Standby	67,500	54,500	60,000	57,569	54,620	58,299
Subtotal (Salaries)		936,250	835,500	723,500	558,963	562,986	616,153
Employee Benefits							
1-02-4005-000	Payroll Taxes	66,000	51,000	41,500	30,878	30,681	35,497
1-02-4010-000	Health Insurance	134,000	110,500	96,000	80,560	82,661	104,849
1-02-4015-000	Pers	169,000	148,500	132,500	86,034	91,869	88,045
1-02-4020-000	Worker's Comp (District-wide)	125,000	108,000	125,000	110,558	126,579	157,099
1-02-4025-000	Vacation Benefit Expense (District-wide)	35,000	28,000	35,000	33,866	(91,399)	31,402
1-02-4030-000	Life Insurance/EAP Program (District-wide)	8,000	8,000	7,500	7,283	7,115	7,876
Subtotal (Benefits)		537,000	454,000	437,500	349,179	247,505	424,768
Personnel Expenses		1,473,250	1,289,500	1,161,000	908,143	810,492	1,040,921
OPERATING EXPENSES:							
1-02-4050-000	Staff Travel	8	-	7,500	8,000	6,058	7,001
1-02-4050-100	General Manager Travel		5,000	6,000	5,000	6,056	5,964
1-02-4060-000	Staff Conferences & Seminars	8	-	3,000	3,000	1,150	378
1-02-4060-100	General Manager Conferences & Seminars		4,000	3,600	4,500	2,631	1,905
1-02-4070-000	Employee Expense	8	-	-	-	24,014	37,458
1-02-4080-000	Other Operating		20,000	19,000	20,000	19,627	25,511
1-02-4110-000	Consultants		175,000	145,000	200,000	42,590	235,470
1-02-4125-000	Insurance		285,000	275,000	300,000	254,505	278,683
1-02-4130-000	Bank Charges		140,000	137,000	130,000	118,886	128,732
1-02-4135-000	Groundwater Adjudication		75,000	258,000	400,000	299,901	1,053,682
1-02-4135-100	Groundwater Adjudication - Woods Class		-	601,670	590,500	-	-
1-02-4140-000	Legal Services		160,000	165,000	200,000	121,927	349,197
1-02-4140-100	Legal Services - Consultants		-	-	-	25,000	140,275
1-02-4150-000	Accounting Services		25,000	22,500	25,000	23,692	25,745
1-02-4155-000	Contracted Services		-	-	-	27,955	26,856
1-02-4155-205	Contracted Services - Landscape Services	9	-	10,250	10,500	-	-
1-02-4155-210	Contracted Services - Janitorial Services	9	-	11,000	12,000	-	-
1-02-4155-215	Contracted Services - Elevator Services	9	-	3,100	3,250	-	-
1-02-4155-220	Contracted Services - GASB45 Actuarial	10	-	-	3,250	-	-
1-02-4165-000	Memberships/Subscriptions		210,000	110,000	210,000	207,832	92,884
1-02-4170-000	Elections		-	-	-	78,451	-
1-02-4175-000	Permits		10,000	11,000	15,000	9,230	10,713
1-02-4180-000	Postage		27,500	26,500	30,000	16,640	22,377
1-02-4190-100	Public Relations - Publications		35,000	30,000	40,000	33,949	38,094
1-02-4190-900	Public Relations - Other		1,000	1,000	1,000	1,201	1,102
1-02-4200-000	Advertising		3,500	3,500	5,000	2,095	2,745
1-02-4205-000	Office Supplies		18,000	22,000	18,000	17,886	18,833
1-02-4215-200	Natural Gas - Office Building	9	-	3,500	5,000	3,529	4,541
1-02-4220-200	Electricity - Office Building	9	-	50,000	50,000	45,805	46,495
1-02-4230-110	Mtce & Rep Office -Equipment		-	-	-	-	615
1-02-4255-000	Office Furniture		-	-	-	-	5,559
1-02-6300-100	Supplies - Janitorial		-	-	-	-	218
Total Operating Expense		1,194,000	1,925,120	2,289,000	1,287,160	1,688,829	2,561,033
Total Departmental Expenses		2,667,250	3,214,620	3,450,000	2,195,303	2,499,320	3,601,954

8 Moved employee expenses over to HR Department. This is being done to consolidate all employee related secondary expenses under one department for better reporting.

9 Re-aligned all expenses related to maintaining facilities to the Facilities Department. This will serve for consolidated reporting of the overall expense.

10 Moved GASB 45 Actuarial expenses over to Finance Department.

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Engineering Department

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Engineering Department

DESCRIPTION:

The Engineering Department's primary responsibilities are planning, project development and management, and quality control. Associated duties include CEQA compliance, permit maintenance, plan checking, construction inspection, updating facility maps, maintaining standard construction specifications, and reporting water production to maintain water rights.

2014 ACCOMPLISHMENTS:

- 1) Provided input and staff time for various state reports.
- 2) Updated GIS, water service maps, and developed in house GIS, user friendly applications for iPads capable of tracking facility maintenance in real time.
- 3) Worked with IT Department on development of engineering portion of new District web site.
- 4) Updated total quantification miles of pipe, number of valves, fire hydrants, air-vacs, and other facilities.
- 5) Completed survey and related DSOD reporting for both Littlerock and Palmdale Dam.
- 6) Completed the Draft EIR/EIS for the Littlerock Reservoir Sediment Removal Project and submitted Draft to US Forest Service for review.
- 7) Continued overseeing the contract for the re-coating and maintenance for various storage tanks.
- 8) Completed the update of the Capital Improvement Fees.
- 9) Completed drawings and specifications for water meter change-out project for routes 35, 54, 56, 58, 59, 60, and 61.
- 10) Completed construction oversight of the water main replacement project in Avenue P-14 between 4th and 6th Street East.
- 11) Completed construction oversight for the lake outlet channel dredging and structure de-silting.
- 12) Completed the design and construction oversight for the water main replacement project in 15th Street East from Well 11A to Avenue Q.
- 13) Completed the design and construction oversight for the water main replacement project in the area bounded by 20th Street East, Puerta Avenue, Avenue Q, and Avenue Q-5.
- 14) Completed the design and in process of construction oversight for the water main replacement project in 10th Street East from Avenue P to Avenue Q.
- 15) Completed the design and awarded a contract for the water main replacement project in area bounded by 30th Street East, Pond Avenue, Avenue Q, and Avenue Q-4.
- 16) Completed the design and construction oversight for the replacement of compound meters at Desert Sands Park and Chaparral School.
- 17) Provided design review and inspection for the Family Dollar Store Project.
- 18) Completed the preparation of the Feasibility Study for the Littlerock Creek Groundwater Recharge and Recovery Project.
- 19) Continued working with the EPA on the funding grant towards water main replacement project.
- 20) Participated and provided input on the update of the Antelope Valley Integrated Regional Water Management Plan Update.
- 21) Participated and provided input on the Antelope Valley Salt and Nutrient Management Plan.
- 22) Participated in the development of the Upper Amargosa Recharge Project Cooperative Agreement.
- 23) Participated in the operation of the Palmdale Recycled Water Authority.

2015 OBJECTIVES:

- 1) Continue providing QA/QC on the construction of the new tracts, commercial, and city projects which require water system improvements.
- 2) Continue providing QA/QC on the planning, design, and construction of various water distribution, energy, and treatment projects that may be necessary to maintain operation and improvement to the water system.
- 3) Obtain necessary environmental clearance and permits for the Littlerock Reservoir Sediment Removal Project.
- 4) Continue working on the development of a groundwater recharge project in Littlerock Creek.
- 5) Continue ensuring that all water storage tanks are properly maintained and coated.
- 6) Continue improving the District's new GIS mapping tools and software.
- 7) Complete the design and construction of the various asset replacement projects that have been identified in the 2015 Budget.
- 8) Complete the update of the Water System Master Plan and related EIR.
- 9) Complete the 2015 update of the Urban Water Management Plan.

Palmdale Water District Budget 2015 Engineering

<u>Engineering</u>		BUDGET	PROJECTED	BUDGET	BUDGET	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2015	2014	2014	HOLD 2014	2013	2012	2011
1-03-4000-000	Salaries	809,000	667,000	668,500		802,373	761,583	777,873
1-03-4000-100	Salaries - Departmental Overtime	6,750	8,000	6,500		5,977	1,173	10,758
	Subtotal (Salaries)	815,750	675,000	675,000		808,349	762,756	788,631
Employee Benefits								
1-03-4005-000	Payroll Taxes	61,000	54,000	51,500		60,690	57,388	57,608
1-03-4010-000	Health Insurance	154,500	134,000	134,800		165,163	157,833	151,270
1-03-4015-000	PERS	142,000	141,250	133,500		139,915	143,557	134,619
	Subtotal (Benefits)	357,500	329,250	319,800		365,768	358,778	343,496
	Personnel Expenses	1,173,250	1,004,250	994,800		1,174,118	1,121,535	1,132,127
OPERATING EXPENSES:								
1-03-4050-000	Staff Travel	11 -	2,500	3,000	-	4,218	4,239	4,275
1-03-4060-000	Staff Conferences & Seminars	11 -	2,500	2,500	-	1,460	1,415	2,557
1-03-4155-000	Contracted Services	-	-	-	-	11,023	4,186	9,513
1-03-4155-305	Contracted Services - GIS Services	40,000	40,000	40,000	-	-	-	-
1-03-4155-310	Contracted Services - Reproduction	18,000	-	18,000	-	-	-	-
1-03-4155-315	Contracted Services - Prod./Demand Database	-	-	-	67,000	-	-	-
1-03-4155-320	Contracted Services - Plotter/Scanner	2,500	-	2,500	-	-	-	-
1-03-4155-325	Contracted Services - Backflow Software	1,000	-	1,000	-	-	-	-
1-03-4165-000	Memberships/Subscriptions	2,000	1,500	2,000	-	1,390	2,798	2,763
1-03-4250-000	General Materials & Supplies	2,500	2,250	2,500	-	6,268	1,870	1,390
1-03-4230-110	Maintenance & Repair - Office Equipment	-	-	-	-	-	-	599
1-03-8100-100	Computer Software - Maint. & Support	13,500	10,000	13,500	-	66,900	19,757	17,226
	Total Operating Expense	79,500	58,750	85,000	67,000	91,259	34,264	38,322
	Total Departmental Expenses	1,252,750	1,063,000	1,079,800		1,265,376	1,155,799	1,170,449

11 Moved employee expenses over to HR Department. This is being done to consolidate all employee related secondary expenses under one department for better reporting.

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Facilities Department

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Facilities Department

DESCRIPTION:

The Facilities Department is in charge of maintaining and repairing all pipelines, vehicles and equipment, and related facilities. This includes the District's 23 active ground water wells, 17 reservoir sites, 15 booster stations, 14 pressure regulating stations, 9 seismic valves, and 9 hydro-pneumatic tanks.

2014 WATER YEAR INDICATORS:

- 1) 28,210 Meters in service
- 2) 9,436 System valves in service
- 3) 414 Miles of pipe in service
- 4) 127 Emergencies to which the department responded

2014 ACCOMPLISHMENTS:

- 1) Performed 1,162 hours of building and grounds maintenance including 83 repairs. This maintenance included general upkeep of grounds, fence repairs, building repairs, and graffiti removal, continuous cleaning and reorganizing for storage and warehouse needs, shifted the fabrication shop to accommodate more room for fleet and heavy equipment repair.
- 2) Performed 4,053 hours of maintenance on wells, boosters and storage reservoirs. This included scheduled preventive maintenance (PM), 92 natural gas engine repairs, natural gas engine inspections, and 29 pump and motor repairs, 39 control valves, 11 in-line check valves, 16 reservoir altitude valves, system chlorine residuals and monthly maintenance of 9 seismic valves.
- 3) Performed 1,740 hours of meter repair and maintenance exchanging meters, angle stop repairs and leaks. This included fabrication of compound meter lids and repairing piping and installation of new meters.
- 4) Performed 793 hours of Treatment Plant repairs.
- 5) Performed 2,758 hours of vehicle and heavy equipment maintenance and repair activities performing 295 miscellaneous repairs, 118 scheduled PM's, and 121 truck, trailer and crane repairs and inspections.
- 6) Performed quarterly maintenance on all HVAC units. This includes 109 HVAC unit services and 8 repairs
- 7) District Office elevator load tested and certified.
- 8) District Training 1781 hours. This included training on backhoe/loader safety, hazmat, rigging and signal person, crane certification, traffic control, forklift, confined space, underground locating training along with leadership and supervisor training, reasonable suspicion training for Supervisors, CPR/First Aid and automated external defibrillator (AED) training. The District has implemented in-house training programs with (2) of the above categories and utilized cost free training from Joint Powers Insurance Authority (JPIA), on (3) other courses along with the Southern California Gas Co. for (HVAC training). This year allowed an opportunity to compile an up-to-date look at what training needed to be completed and by whom. By not following the customary practice of training on a wide net and focusing on identifying the true necessity to continue to reduce costs.
- 9) Conducted the valve exercising program, which included exercising 389 system valves.
- 10) Air-vacuum breaker rehabilitation program this includes rebuilding and/or replacing units to improve all elevation zones to achieve better function throughout the distribution system. A total of 63 air-vacuum breakers were serviced, rebuilt or replaced.

2014 ACCOMPLISHMENTS (continued):

- 11) Conducted work on the District's flushing program (Water Quality) flushing 651,252 cubic feet (4,871,364 gallons) of water flushed to maintain adequate chlorine residuals and low turbidity numbers throughout our distribution system.
- 12) On- Going Two-Way Radio Narrow-banding Upgrade: To maintain compliance with FCC rules and regulations, District radio repeater and mobile radios have been replaced with compliant equipment.
- 13) Forklift 32: Shop staff assessed forklift due to hydraulic leak and difficult starting. Staff determined that the useful life could be extended and repairs were justified. Hydraulic cylinder was removed by staff and sent to vendor for repair. Shop staff also converted engine to run on propane eliminating hard starting issue and making refueling forklift safer and more convenient for Treatment Plant staff.
- 14) Shop staff evaluated existing equipment and developed plan to convert truck 67 to a water truck and purchasing a used dump truck. The plan was based on truck 67 being underpowered to function as a dump truck and truck 5 being limited to 1000 miles per year for emissions compliance. Shop staff removed dump body from truck 67 and water tank and equipment from truck 5. Water tank and pump were installed on truck 67 and spray system was upgraded to provide individual air operated controls to each spray head as well as adding a live hose reel and trailer hitch to truck.
- 15) Regulatory Compliance: Antelope Valley Air Quality Management District (AVAQMD) has performed annual site inspections of District Facilities including fuel tanks and Internal Combustion Engine (ICE) installations. Mechanics have implemented a new program of quarterly in-house emissions inspections of District natural gas fueled permitted engines in compliance with permit conditions, inspections which were previously performed by outside vendors. Mandated Source Testing completed on 3 natural gas engines at Well #15, 25th Street Generator Site and the 45th Street Generator Site.
- 16) Well 2: Shop staff cooperated with vendor to provide a platform for the vendor to train their staff in the installation of their ignition system on a natural gas engine. Shop staff was also able to participate in the installation gaining valuable training and experience and the upgraded ignition system was provided to the District at no cost (a \$4,000.00 to \$5,000.00 value)
- 17) Truck 121: Dump bed lift cylinder developed considerable leakage. Shop staff removed cylinder and sent to vendor for repair. Hydraulic pump failed. Diagnoses revealed likely cause of failure to be excessive cycle time for two line pump. Pump was replaced and third line with filter installed to allow fluid bypass flow to prevent repeat failures.
- 18) Pontoon Boat 59: Deck had become spongy and coating was loose creating a tripping hazard. Shop staff removed equipment from deck and removed rotted wood decking. Decking was replaced with new marine grade plywood and painted with a non-skid coating. Equipment was reinstalled and 2 "Bimini" tops were added to provide shade for workers.
- 19) Well 15: Exhaust pipe failed at engine connection. Shop staff redesigned engine exhaust system to eliminate stress being applied to flex connection at engine and prevent future failures. Well 14: Shop staff disassembled building and removed electric motor for vendor access. Motor was sent to vendor for overhaul. Vendor performed well screen cleaning and rebuilt pumping equipment. Shop staff reassembled building after start-up.

2014 ACCOMPLISHMENTS (continued):

- 20) Regulatory Compliance: AVAQMD has performed annual site inspections of District Facilities including fuel tanks and ICE (Internal Combustion Engine) installations. Shop staff performed quarterly in-house emissions inspections of District natural gas fueled permitted engines to comply with permit conditions. Mandated Source Testing completed on 4 natural gas engines at Well 11, Well 15, 25th Street booster generator and 45th Street booster generator. Exhaust particulate filters on truck 24, truck 86, truck 88 and truck 89 were serviced by vendor to maintain diesel emissions compliance and diesel motor vehicle smoke testing was performed. Mandated 461 testing of gasoline storage tanks completed.
- 21) As of 11-6-2014 we have repaired 171 mainline leaks and 92 residential service line leaks. This is another year of a decrease in leaks that is contributed to our current mainline replacement program.
- 22) Staff completed development work on Well 14. This involved chemical treatment of the Well, Reservoir and returning them to service with Edison base line efficient testing being completed on the well.
- 23) Staff finished the removal of the Energy Bridge at the Clearwell Booster station, this involved disconnecting and pulling the wiring of the panels, removal of the panels, rewiring and testing of the operations of the boosters, metering and communications of the site.
- 24) Staff has installed new conduit, wiring, outlets and lights for the relocation of the Effluent Analyzer at the Effluent Meter Vault of the Water Treatment Plant, and this also involved the installation of a signal amplifier for the analyzer metering.
- 25) Staff has completed the installation of 600 feet of conduit and wiring and the installation of two low flow pumps, one for Zinc and one for Cat-Polymer feeds and metering for the Hypochlorite dosing, Hypochlorite auxiliary pump, Hypochlorite backwash supply pump and the two new low flow pumps at the Water Treatment Plant Chemical room in PCM 29.
- 26) Staff has completed the programming of PCM 28 on the new SCADA servers, the water treatment plant servers are failing and this change over needed to be done to keep the plant operational, this involved the development of the GAC Filters, Plant Filters, IPS Pumps, Sumps Pumps, Chemical Room overview, Treatment Plant Overview and the Influent Meter PID loop intergradation.
- 27) Staff continued to improve and update Standard Operating Procedures (SOP's) and routine maintenance schedules to reflect system upgrades and related new equipment.
- 28) Staff completed phase III of the Distribution radio system upgrade and are currently working on phase IV.
- 29) As of 11-6-2014 we have repaired 171 mainline leaks and 92 residential service line leaks. This is another year of a decrease in leaks that is contributed to our current mainline replacement program.
- 30) Construction crew completed brush removal and grade work for access to the Palmdale ditch that runs from Littlerock Dam to Lake Palmdale.
- 31) Construction crew has completed another pipeline on 15th St. E. between Ave Q to Ave. P replacing 6800' of 12" and 16" 1957 DDW steel pipe that had frequent leaks.

2015 OBJECTIVES:

- 1) Continue valve-exercising program.
- 2) Continue flushing program (water quality and required chlorine residuals).
- 3) Continue air-vac rebuild/replacement maintenance program to ensure proper operation.
- 4) Continue mainline replacement program.
- 5) Continue dead end tie-in program
- 6) Continue upgrade piping, plumbing, arc-flash labeling and electrical upgrades at all well sites.
- 7) Continue to install new magnetic flow meters at well sites as necessary to improve accuracy of production tracking.
- 8) Complete repairs to well 3 generator. Install new Air/Fuel Ration Controls and Intelli-spark systems on well 2 engine and well 3 generator. Repair and test propane back up fuel systems on engines at Well 11, Well 15 and 25th Street generator. Implement maintenance and testing program for propane systems.
- 9) Replace defective District Office fire doors and fire alarm. Upgrade Treatment Plant Lab HVAC.
- 10) Purchase and outfit new Shop truck, bucket truck and valve turning truck. Purchase and implement fleet key control/vehicle reservation system.
- 11) Complete installation of SCADA communication antenna towers at the Lake Inlet from Littlerock Reservoir and Hydro Turbine (DWR) Inlet to Lake Palmdale (currently on hold from Distribution telemetry project).
- 12) Replace the 16-inch altitude valve at 5 MG Tank Site. Replace the 12-inch Watts PRV at 47th St. and upgrade the 4" bypass valve to a 6" bypass valve. Install 4" valves at the PRV's at 37th St. and 25th St.
- 13) Complete Edison maintenance and hydraulic testing on 23 District Wells.
- 14) Continue to upgrade all District electrical panels to bring up to current electrical wiring codes to continue to meet NFPA 70E standards.

Palmdale Water District

Budget 2015

Facilities

Facilities			BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:			2015	2014	2014	2013	2012	2011
1-04-4000-000	Salaries	¹⁴	2,049,000	1,571,000	1,450,000	1,307,909	1,423,089	1,370,889
1-04-4000-100	Salaries - Departmental Overtime	¹⁴	65,000	74,500	36,500	51,484	29,565	47,171
Subtotal (Salaries)			2,114,000	1,645,500	1,486,500	1,359,393	1,452,654	1,418,060
Employee Benefits								
1-04-4005-000	Payroll Taxes		157,000	131,500	111,000	106,666	113,849	113,701
1-04-4010-000	Health Insurance		466,000	353,250	374,500	380,429	393,665	341,285
1-04-4015-000	PERS		362,000	307,250	278,000	224,502	269,180	243,376
Subtotal (Benefits)			985,000	792,000	763,500	711,598	776,694	698,361
Personnel Expenses			3,099,000	2,437,500	2,250,000	2,070,991	2,229,348	2,116,421
OPERATING EXPENSES:								
1-04-4050-000	Staff Travel	¹²	-	6,500	2,500	731	78	625
1-04-4060-000	Staff Conferences & Seminars	¹²	-	1,500	3,000	2,225	449	2,081
1-04-4155-000	Contracted Services		-	-	-	65,671	27,017	25,060
1-04-4155-405	Contracted Services - Landscape Svcs (All Sites)	¹³	15,500	5,000	5,000	-	-	-
1-04-4155-410	Contracted Services - Landscape Svcs (Wells)		26,000	28,125	26,000	-	-	-
1-04-4155-415	Contracted Services - Alarm Services		5,000	3,125	5,000	-	-	-
1-04-4155-420	Contracted Services - Janitorial Services (All Sites)	¹³	24,000	5,750	6,000	-	-	-
1-04-4155-425	Contracted Services - Pest Control Svcs (Contracted)		5,500	5,250	5,500	-	-	-
1-04-4155-430	Contracted Services - Pest Control Svcs (Plm Dam)		23,000	23,000	23,000	1,920	-	-
1-04-4155-435	Contracted Services - Elevator Services	¹³	3,500	-	-	-	-	-
1-04-4155-440	Contracted Services - SCADA Software	¹⁴	12,000	-	-	-	-	-
1-04-4155-445	Contracted Services - SCADA Hardware	¹⁴	3,500	-	-	-	-	-
1-04-4155-450	Contracted Services - Seismic Valve Controllers	¹⁴	6,000	-	-	-	-	-
1-04-4155-499	Contracted Services - Miscellaneous		1,000	2,000	1,000	-	-	-
1-04-4175-000	Permits (Little Rock & Palmdale Dams)		50,000	20,000	50,000	45,887	-	-
1-04-4215-100	Natural Gas - Wells & Boosters	¹⁴	236,000	-	-	-	-	-
1-04-4215-200	Natural Gas - Buildings	¹³	9,000	3,500	4,500	3,185	3,093	3,749
1-04-4220-100	Electricity - Wells & Boosters	¹⁴	1,515,000	-	-	-	-	-
1-04-4220-200	Electricity - Buildings	¹³	75,000	25,500	30,000	19,777	28,758	11,665
1-04-4225-000	Maint. & Repair - Vehicles		40,000	28,000	45,000	33,536	34,347	43,599
1-04-4230-100	Maint. & Rep. Operations - Office Building		15,000	9,000	18,000	4,036	79,565	10,315
1-04-4235-110	Maint. & Rep. Operations - Equipment		6,500	6,000	7,500	7,156	7,259	5,689
1-04-4235-400	Maint. & Rep. Operations - Wells		75,000	60,000	135,000	41,435	67,600	105,612
1-04-4235-405	Maint. & Rep. Operations - Boosters		50,000	29,000	65,000	56,137	39,274	53,599
1-04-4235-410	Maint. & Rep. Operations - Shop Bldgs		10,000	10,000	10,000	9,209	6,618	20,998
1-04-4235-415	Maint. & Rep. Operations - Facilities		15,000	8,500	15,000	13,145	18,919	9,912
1-04-4235-420	Maint. & Rep. Operations - Water Lines		240,000	240,000	275,000	242,173	342,999	404,457
1-04-4235-425	Maint. & Rep. Operations - Little Rock Dam		15,000	5,000	15,000	-	16,524	19,649
1-04-4235-430	Maint. & Rep. Operations - Palmdale Dam		7,500	-	15,000	-	27,339	26,539
1-04-4235-435	Maint. & Rep. Operations - Palmdale Canal		10,000	1,500	3,000	230	373	184
1-04-4235-445	Maint. & Rep. Operations - Telemetry	¹⁴	2,250	-	-	-	-	-
1-04-4235-450	Maint. & Rep. Operations - Hypo Generators	¹⁴	12,000	-	-	-	-	-
1-04-4235-455	Maint. & Rep. Operations - Heavy Equipment		35,000	53,000	35,000	29,289	33,212	30,061
1-04-4235-460	Maint. & Rep. Operations - Storage Reservoirs		5,000	500	5,000	223	104	3,917
1-04-4270-300	Telecommunication - Other	¹⁴	2,750	-	-	-	-	-
1-04-4300-300	Testing - Edison Testing	¹⁴	6,000	-	-	-	-	-
1-04-6000-000	Waste Disposal		25,000	15,000	40,000	21,687	39,172	20,468
1-04-6100-100	Fuel and Lube - Vehicle		130,000	130,000	130,000	114,837	135,193	126,814
1-04-6100-200	Fuel and Lube - Machinery		43,000	47,000	43,000	25,012	40,573	31,097
1-04-6200-000	Uniforms		22,500	23,000	21,000	20,783	17,031	16,884
1-04-6300-100	Supplies - Misc.		47,500	52,000	47,500	39,783	38,922	41,510
1-04-6300-200	Supplies - Hypo Generators	¹⁴	6,500	-	-	-	-	-
1-04-6300-300	Supplies - Electrical	¹⁴	3,000	-	-	-	-	-
1-04-6300-400	Supplies - Telemetry	¹⁴	5,000	-	-	-	-	-
1-04-6300-800	Supplies - Construction Materials		35,000	45,000	45,000	33,398	46,509	65,251
1-04-6400-000	Tools		12,000	13,000	12,000	11,207	12,863	7,968
1-04-7000-100	Leases -Equipment		12,500	12,000	15,000	12,817	12,457	11,647
Total Operating Expense			2,899,000	916,750	1,158,500	855,488	1,076,246	1,099,348
Total Departmental Expenses			5,998,000	3,354,250	3,408,500	2,926,478	3,305,594	3,215,769

¹² Moved employee expenses over to HR Department. This is being done to consolidate all employee related secondary expenses under one department for better reporting.

¹³ Re-aligned expenses related to maintaining facilities from other departments to the Facilities Department.

¹⁴ Re-aligned of duties transferred from the Operations Department to the Facilities Department. This reflects the move of personnel as well as the expenses.

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Operations Department

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Operations Department

DESCRIPTION:

The Operations Department operates the Water Treatment Plant, Lake Palmdale, Littlerock Dam and Reservoir, and the Palmdale Ditch for surface water sources and treatment. The Operations Department monitors and maintains operation of the District's 23 active ground water wells, 17 reservoir sites, 15 booster stations, 14 pressure regulating stations, 9 seismic valves, 9 hydro-pneumatic tanks, and hypochlorite disinfection equipment at 32 of the above sites. The department is responsible for maintaining compliance with all Federal, State, and local regulations on water quality standards, updating watershed sanitary survey and development of wellhead protection as a source water protection plan, lake management, energy management, and pumping efficiency, as well as handling customer related water quality complaints and water quality analysis.

2014 WATER YEAR INDICATORS:

- 1) Treated 8,734.8* acre-feet of surface water, 41.5% of total production, (34% less than 2012/13).
- 2) Pumped 12,308.1* acre-feet of ground water, 58.5% of total production, (43% more than 2012/13).
- 3) 21,042.9* Total acre-feet of water produced for Water Year (3.7% less than 2012/13).
- 4) Operated Water Treatment Plant 6,866* hours.
- 5) Received 9,808.4* acre-feet of State Project Water (26% less than 2012/13).
- 6) 741.5* acre-feet of water was drawn from the Littlerock Reservoir (52% less than 2012/13).
- 7) Presently maintain 30.44** million gallons of potable water in distribution reservoir storage (as of October 01, 2014).
- 8) Presently maintain 3923.8 acre-feet of water in Lake Palmdale at an elevation of 2,811.60 feet above sea level, and approximately 150.0 acre-feet in Littlerock reservoir at an elevation of 3,208.30 feet above sea level (as of October 01, 2014).

* Water Year: October 1, 2013 to September 30, 2014

** Maximum Storage for 24 hr. period of September 30 to October 01, 2014

2014 ACCOMPLISHMENTS:

- 1) Complied with Stage 2 Disinfection Byproduct Rule.
- 2) Refined plant and distribution systems operational practices to optimize water quality.
- 3) Staff conducted jar testing with many available coagulants from different vendors to optimize water quality.
- 4) Accofloc SDG Bentonite clay was used as a coagulant aid to resolve water quality issues due to drought conditions.
- 5) Rebuilt and utilized flocculent aid dosing station.
- 6) Utilized and improved CMMS (SEMS) for work orders, asset management and preventive maintenance.
- 7) Participated on demand response programs Honeywell and EnerNoc to reduce electricity costs.
- 8) Successfully used localized GAC treatment to reduce overall GAC operational costs.
- 9) Performed compliance monitoring of water supplies for Radioactivity, MTBE, and Hexavalent Chromium, Cyanide, General Physical, General Mineral, Inorganics & Organics and all other constituents required by law.
- 10) Promoted education and conservation through informational tours to public officials, board members and through a proactive positive response in handling water quality complaints.

2014 ACCOMPLISHMENTS (continued):

- 11) Completed phase II of full-scale testing of both Evoqua and Calgon GAC media.
- 12) Obtained a long-term 10 year GAC F-400 contract with Calgon at reduced cost.
- 13) Completed installation of localized GAC for Underground tank.
- 14) Installed a new surface wash pump for filter backwashing.
- 15) Rebuilt Sodium Hypochlorite system and added backup pumps.
- 16) Retrofitted Filter aid transfer system.
- 17) Installed Peristaltic low flow chemical pumps.
- 18) Removed 90 truckloads of Sludge.
- 19) Relocated Effluent chlorine analyzer close to the source for real time reads and dose optimization.
- 20) Replaced Brine pumps to reduce maintenance costs.
- 21) Improved interdepartmental cooperation through clear communication and promoting the understanding and respect of all staff's contributions towards our shared mission.
- 22) Built radio tower stands for 45th street and 25th street, pump booster stations.
- 23) Developed Drought management tools, for well and pump efficiency.
- 24) Developed overtime tracker for Supervisors.
- 25) Initiated a flushing data program to facilitate GIS integration.
- 26) Developed a GAC model simulator for optimal performance.
- 27) Staff responded to a major power outage, to entire Treatment Plant.
- 28) Completed Annual Large water system report 2013 for CDPH.
- 29) Completed CCR 2013 report.

2015 OBJECTIVES:

- 1) Manage water quality challenges due to drought, while continuing to refine plant and distribution systems operational practices to reduce costs and optimize treatment.
- 2) Continue development and execution of an effective lake monitoring program and clean-up of Lake Palmdale shoreline.
- 3) Train staff on Energy Programs.
- 4) Work Closely with Facilities Department and continue demand response programs with Honeywell and EnerNoc to reduce electricity costs.
- 5) Continue to utilize and improve the use of SEMS software for maintenance work orders, tracking and general maintenance.
- 6) Provide clear and concise information to staff regarding Palmdale Water District's Strategic Plan.
- 7) Have regular post-board meetings with staff.
- 8) Have a safety meeting once a month with staff.
- 9) Continue to have a staff meeting every six months to evaluate (where we were and where we are now).
- 10) Provide cross training with other departments and encourage staff to get higher licenses.

2014 ACCOMPLISHMENTS (continued):

- 11) Maintain and continue to build excellent interdepartmental cooperation through clear communication and promoting the understanding and respect of all staff's contributions toward our shared mission.
- 12) Continue to upgrade, standardize, maintain and repair WTP facilities to ensure reliable and efficient performance.
- 13) Implement a full O&M program for Lake Outlet structure.
- 14) Install flow meters on wash water return and sludge pumps.
- 15) Perform Maintenance and repairs to traveling bar screen at the Aqueduct.
- 16) Rebuild Cationic Polymer System.
- 17) Continue to perform compliance monitoring of water supplies for Radioactivity, MTBE, and Hexavalent Chromium, Cyanide, General Physical, General Mineral, Inorganics & Organics and all other constituents required by law.
- 18) Continue to evaluate and report performance of localized GAC.
- 19) Complete process of certification through ELAP for testing TTHM and VOC's for regulatory compliance.
- 20) Complete lead and copper sampling 2015.
- 21) Begin UCMR-3 sampling and compliance.
- 22) Begin sampling round 2, long-term 2 enhanced surface water treatment rule.
- 23) Continue to promote education and conservation through informational tours and a proactive positive response in handling water quality complaints.
- 24) Install a sample line flushing system/program to obtain more representative water quality in the laboratory.
- 25) Once a year, staff will visit other treatment facilities and districts, to possibly get more knowledge or different innovative ideas to enhance performance and efficiency.
- 26) Encourage continued education and training in order to equip staff with the knowledge necessary to deal effectively with current and future water industry challenges.
- 27) Review systems, emergency drill scenarios.
- 28) Complete large water system annual water report 2014.
- 29) Complete CCR 2014 report.
- 30) Complete Public Health Goal Report.

Palmdale Water District

Budget 2015

Operations

<u>Operations</u>		BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2015	2014	2014	2013	2012	2011
1-05-4000-000	Salaries	1,104,500	1,497,250	1,734,000	1,620,378	1,643,361	1,571,485
1-05-4000-100	Salaries - Departmental Overtime	53,750	91,250	70,000	96,652	88,128	113,848
	Subtotal (Salaries)	1,158,250	1,588,500	1,804,000	1,717,029	1,731,489	1,685,334
Employee Benefits							
1-05-4005-000	Payroll Taxes	90,750	127,000	131,000	130,648	132,513	124,733
1-05-4010-000	Health Insurance	200,000	319,000	343,000	357,431	359,376	345,691
1-05-4015-000	PERS	203,000	300,000	324,000	274,670	308,076	273,221
	Subtotal (Benefits)	493,750	746,000	798,000	762,750	799,965	743,644
	Personnel Expenses	1,652,000	2,334,500	2,602,000	2,479,779	2,531,453	2,428,978
OPERATING EXPENSES:							
1-05-4050-000	Staff Travel	15	6,000	8,000	9,618	7,329	11,061
1-05-4060-000	Staff Conferences & Seminars	15	3,000	9,500	6,177	10,530	11,856
1-05-4120-100	Training - Lab Equipment	15	7,000	4,500	-	1,962	1,962
1-05-4120-200	Training - SCADA Network Equipment	15	4,500	9,000	3,729	-	-
1-05-4155-000	Contracted Services	-	-	-	127,564	57,871	62,870
1-05-4155-505	Contracted Services - Landscape Services	2,000	1,750	2,000	-	-	-
1-05-4155-510	Contracted Services - Alarm Services	1,000	1,000	1,000	-	-	-
1-05-4155-515	Contracted Services - Janitorial Services	16	6,000	5,750	-	-	-
1-05-4155-520	Contracted Services - Pest Control Services	16	500	500	-	-	-
1-05-4155-525	Contracted Services - Wind Turbine Services	20,000	12,500	35,000	3,507	-	-
1-05-4155-530	Contracted Services - CMMS Software	10,000	10,025	10,000	-	-	-
1-05-4155-535	Contracted Services - SCADA Software	16	11,500	11,000	-	-	-
1-05-4155-540	Contracted Services - Lab Software	1,500	1,500	1,500	-	-	-
1-05-4155-545	Contracted Services - Lab Equipment Services	6,000	4,500	6,000	-	-	-
1-05-4155-550	Contracted Services - Water Quality Services	25,000	25,000	25,000	-	-	-
1-05-4155-555	Contracted Services - SCADA Hardware	16	3,575	3,500	-	-	-
1-05-4155-560	Contracted Services - Seismic Valve Controllers	16	-	6,000	-	-	-
1-05-4155-599	Contracted Services - Miscellaneous	2,000	-	2,000	-	-	-
1-05-4175-000	Permits	40,000	32,250	45,000	36,598	39,536	30,831
1-05-4215-100	Natural Gas - Wells & Boosters	16	273,500	236,000	152,638	100,834	90,390
1-05-4215-200	Natural Gas - Water Treatment Plant	3,000	2,500	3,000	2,571	914	2,503
1-05-4220-100	Electricity - Wells & Boosters	16	1,704,000	1,515,000	1,455,798	1,113,121	1,168,686
1-05-4220-200	Electricity - Water Treatment Plant	125,000	123,000	125,000	112,683	131,036	182,572
1-05-4230-110	Maint. & Rep. Office - Equipment	500	500	500	395	-	334
1-05-4235-110	Maint. & Rep. Operations - Equipment	11,500	11,500	22,500	10,787	12,475	5,597
1-05-4235-410	Maint. & Rep. Operations - Shop Bldgs	6,000	6,000	6,000	15,254	2,674	595
1-05-4235-415	Maint. & Rep. Operations - Facilities	45,000	67,000	45,000	49,150	43,234	41,815
1-05-4235-445	Maint. & Rep. Operations - Telemetry	16	1,000	2,250	4,807	4,962	14,490
1-05-4235-450	Maint. & Rep. Operations - Hypo Generators	16	18,000	51,500	22,296	4,013	1,344
1-05-4235-500	Maint. & Repair - Wind Turbine	6,000	-	6,000	-	-	-
1-05-4236-000	Palmdale Lake Management	15,000	10,000	15,000	10,114	14,742	14,645
1-05-4250-000	General Material & Supplies	-	-	-	-	-	1,167
1-05-4270-300	Telecommunication - Other	16	3,000	2,750	2,784	2,557	3,003
1-05-4300-300	Testing - Edison Testing	16	-	9,000	5,385	11,700	5,385
1-05-5011-000	Emergency Repair & Recovery	-	-	-	-	-	12,492
3-05-4300-100	R&D - Filter Media Testing	-	-	-	-	-	10,975
1-05-6000-000	Waste Disposal	14,000	25,500	14,000	23,904	3,161	36,357
1-05-6200-000	Uniforms	17	12,000	15,150	12,355	9,973	7,862
1-05-6300-100	Supplies - Misc.	15,000	20,500	15,000	21,774	17,897	10,035
1-05-6300-200	Supplies - Hypo Generators	16	6,500	6,750	3,750	5,785	5,590
1-05-6300-300	Supplies - Electrical	16	-	3,500	2,414	4,145	2,304
1-05-6300-400	Supplies - Telemetry	16	250	7,500	7,819	7,577	(3,926)
1-05-6300-600	Supplies - Lab	35,000	34,500	35,000	35,310	34,075	31,289
1-05-6300-700	Outside Lab Work	64,000	38,250	60,000	103,006	46,580	71,720
1-05-6400-000	Tools	6,500	8,000	6,500	5,807	4,190	6,677
1-05-6500-000	Chemicals	485,000	362,500	485,000	502,609	513,587	409,083
1-05-7000-100	Leases -Equipment	3,000	2,000	3,000	460	297	1,061
	Total Operating Expense	972,000	2,897,250	2,851,500	2,751,063	2,206,755	2,252,623
	Total Departmental Expenses	2,624,000	5,231,750	5,453,500	5,230,842	4,738,208	4,681,601

15 Moved employee expenses over to HR Department. This is being done to consolidate all employee related secondary expenses under one department for better reporting.

16 Re-aligned of duties transferred from the Operations Department to the Facilities Department. This reflects the move of personnel as well as the expenses.

17 Re-aligned expenses related to uniforms has not been adjusted at present time.

Finance Department

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Finance Department

DESCRIPTION:

The Finance Department's primary responsibility is overseeing the finance related aspects of the District. This includes customer service, accounts payable, payroll, bank reconciliation, financial reporting (both state and local), auditing, internal controls, and fixed asset allocation.

The customer service portion of the Finance Department manages the day-to-day affairs for the water customers of the Palmdale Water District. This includes billing, meter reading, new service applications, customer complaints, payment processing, collections, assessment management, and records management.

2014 WATER YEAR INDICATORS:

- 1) Processed 2,153 +/- New Account Applications.*
- 2) Completed 15,082 +/- non-application based customer service orders.*
- 3) Issued 29,828 door tags, 2,863 shutoffs, and processed 599 rejected payments.*
- 4) Processed 304,111 payments: Make up was 86,325 mail payments, 71,028 front counter, 26,651 credit cards by telephone, 3rd Party Check Payment processors (ACH) 46,886, Website payments (Credit card & ACH) 73,221.
- 5) 18,510.1 acre feet of water billed.*
- 6) Serviced an average of 26,408 active accounts*.
- 7) Serviced a total of 27,360 accounts (active and inactive).

* All numbers are based on a reporting period of October 1, 2013 through September 30, 2014.

2014 ACCOMPLISHMENTS:

Finance Staff

- 1) Completed the annual audit and required reporting to outside governing agencies. This included producing the actual audited financial report in-house for review by the independent auditors.
- 2) Worked with other departments on clean-up and review of fixed asset schedules to verify whether the equipment portion of assets remained or had been disposed of. This was done to satisfy auditors request made during field work portion of the audit.
- 3) Provided technical, financial, and acquisition support to all departments.
- 4) Provided monthly financial reports to General Manager and Board of Directors.
- 5) Provided employee compensation in a timely manner.
- 6) Liquidated District's obligations in a timely manner.
- 7) Started working on procedural documentation related to payables and payroll processing. This includes initiating cross-training for the accounting personnel overseeing these areas for increased coverage.
- 8) Developed workflow schedule for better closure of financial periods to improve monthly reconciliation processes.
- 9) Completed five (5) year rate study setting suggested rate adjustments for years covering 2015 through 2019, and including an anticipated debt issue in 2017.
- 10) Produced annual District budget.

2014 ACCOMPLISHMENTS (continued):

Customer Service Staff

- 1) Continued cross training of office staff in various areas (billing, image scanning, collections, cash handling and mail payments) to enable the office to operate efficiently.
- 2) Provided Customer Service staff with additional training/education to promote effective customer service practices/programs to meet the changing needs of our customers.
- 3) Customer service staff are continuing to promote the website and the Electronic Bill Presentment and Payment (EBPP) feature. The website enables our customers to access their account information online at any time to view their bills and make payments via Credit/Debit Card or Automated Clearing House (ACH) eCheck as well as perform other activities such as: address change request, request the closing of their water service account, through the customer service portal.
- 4) Coordinating the large meter repair and testing as well as overseeing replacement of large meters to improve accuracy and reliability.
- 5) Overseeing, coordinating and maintaining the replacement of radio read meters in various routes.
- 6) Implemented the IVR (interactive voice recognition) system so that customers can call in, inquire about balances on their accounts and pay their bills at any time.
- 7) Enhanced the Customer Service Electronic Bill Payment Web Site to include one-time payment option and enrolment registration PIN numbering.
- 8) Launched the 2014 Customer Service Campaign

2015 OBJECTIVES:

Finance Staff

- 1) Complete year-end audit and required financial reporting in a timely manner.
- 2) Continue to provide technical, financial, and acquisition support to all departments.
- 3) Continue to provide monthly financial reports to the General Manager and Board of Directors.
- 4) Complete work on procedural documentation related to payables and payroll processing and related cross-training.
- 5) Continue development of procedural documentation related to other financial related processes such as job costing, depreciation, and account reconciliation.
- 6) Continue improving on finance workflow schedule to better position the District for information requests related to the District's financial information.
- 7) Upgrade the Microsoft Great Plains Financial Software to version 2013.

2015 OBJECTIVES (continued):

Customer Service Staff

- 1) Continue to provide Customer Service staff with additional training/education to foster effective customer service practices/programs to meet the changing needs of our customers.
- 2) Continue cross training office personnel in various areas (mail payment handling, scanning, collections, cash handling) to maintain and/or improve the office efficiency.
- 3) Implement a payment Kiosk in lobby, remote pay location, and introduce a mobile application for enhanced access flexibility to customer account.
- 4) Implement the use of text messaging to increase the speed in updating customers on account status.
- 5) Assist in project management of a 4,000 plus meter replacement project.
- 6) Continue to conduct real-time auditing of radio-read routes at least twice a year to ensure that the radio read units operate effectively.
- 7) Continue to test, repair, or replace existing radio read infrastructure.
- 8) Oversee large meter repair, replacement and/or testing.
- 9) Continue the implementation of the Customer Service Campaign.
- 10) Issue a request for proposal (RFP) for a Utility Billing Software package to ensure we are providing customers and staff the best in customer account management.

Palmdale Water District

Budget 2015

Finance

<u>Finance</u>		BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2015	2014	2014	2013	2012	2011
1-06-4000-000	Salaries	1,546,000	1,539,500	1,645,000	1,524,644	1,533,269	1,508,723
1-06-4000-100	Salaries - Departmental Overtime	19,000	17,500	19,000	32,826	18,656	30,945
	Subtotal (Salaries)	1,565,000	1,557,000	1,664,000	1,557,470	1,551,925	1,539,668
Employee Benefits							
1-06-4005-000	Payroll Taxes	118,500	121,250	123,000	119,116	117,568	119,983
1-06-4010-000	Health Insurance	316,000	333,000	317,000	344,111	369,836	366,021
1-06-4015-000	PERS	297,000	317,750	331,000	272,569	289,841	264,424
	Subtotal (Benefits)	731,500	772,000	771,000	735,796	777,245	750,428
	Personnel Expenses	2,296,500	2,329,000	2,435,000	2,293,266	2,329,170	2,290,096
OPERATING EXPENSES:							
1-06-4050-000	Staff Travel	18 -	-	250	412	-	173
1-06-4060-000	Staff Conferences & Seminars	18 -	750	1,000	920	928	456
1-06-4155-100	Contracted Services - Infosend	205,000	205,000	205,000	185,652	215,422	215,438
1-06-4155-200	Contracted Services - Infosend Drought Related	-	5,000	-	-	-	-
1-06-4155-300	Contracted Services - Vendors	-	-	-	9,088	12,577	23,230
1-06-4160-605	Contracted Services - Assessor Data (Realquest)	10,000	10,000	10,000	-	-	-
1-06-4160-610	Contracted Services - Credit Reporting Services	4,000	4,000	4,000	262	-	-
1-06-4160-615	Contracted Services - AMR Services (Itron)	5,000	5,000	4,500	-	-	-
1-06-4160-620	Contracted Services - Letter Extractor (OPEX)	2,500	2,500	2,500	-	-	-
1-06-4160-625	Contracted Services - GASB45 Actuarial	19 3,250	-	-	-	-	-
1-06-4165-000	Memberships/Subscriptions	500	500	500	-	220	275
1-06-4230-110	Maintenance & Repair - Office Equipment	1,000	-	1,000	-	117	209
1-06-4235-440	Maint. & Rep. Operations - Large Meters	10,000	34,000	10,000	7,520	13,802	8,648
1-06-4235-470	Maint. & Rep. Operations - Meter Exchanges	350,000	370,000	225,000	351,146	210,001	174,009
1-06-4250-000	General Material & Supplies	6,000	4,000	6,000	8,056	2,810	5,993
1-06-4260-000	Business Forms	10,000	8,500	10,000	10,394	7,851	7,163
1-06-4270-100	Telecommunication - Office	12,000	13,000	12,000	10,863	13,995	28,144
1-06-4270-200	Telecommunication - Cellular Stipend	17,000	15,750	17,000	14,465	15,170	15,845
1-06-4270-300	Telecommunication - Cellular (District On-Call)	-	-	500	213	1,564	2,426
1-06-4300-200	Testing - Large Meter Testing	15,000	11,000	21,500	13,140	14,335	15,575
1-06-7000-100	Leases - Equipment	3,000	2,500	3,000	2,501	2,389	3,030
	Total Operating Expense	654,250	691,500	533,750	614,632	511,180	500,613
	Total Departmental Expenses	2,950,750	3,020,500	2,968,750	2,907,898	2,840,351	2,790,709

18 Moved employee expenses over to HR Department. This is being done to consolidate all employee related secondary expenses under one department for better reporting.

19 Moved GASB 45 Actuarial expenses from Administration to Finance Department.

Water Conservation Department

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Water Conservation Department

DESCRIPTION:

The Water Conservation Department's primary responsibilities are planning and executing conservation programs and providing information and education on conservation issues. Programs are developed for PWD customers and school classrooms. The duties include: public relations such as speaking to other agencies or groups, developing pamphlets, booklets, flyers, brochures and event planning and executing. The department also oversees the District's compliance of the California Urban Water Conservation Council's (CUWCC) Memorandum of Understanding (MOU) with the implementation of the Best Management Practices (BMP) within the District's water conservation programs.

2014 ACCOMPLISHMENTS:

- 1) Provide tours of both Littlerock Dam and WTP for elementary schools throughout the year.
- 2) Participated in the local events: the Home Show, City of Palmdale's Thursday Night on the Square, the Heritage Festival, the Christmas Parade and several other approved events for the year.
- 3) Planned and developed six bi-monthly PWD "Water News" inserts distributed with customer bills and six eWater news for constant contact customers.
- 4) Coordinated Consumer Confidence Report with TP staff and Four Star Printing for distributing to the public
- 5) Planned and developed the new 2014 "Cash for Grass" program and provided 6 "Cash for Grass" landscape-training workshops during the year.
- 6) Planed, developed and executed rebate programs throughout the year including; "Cash for grass," washing machine rebates, toilet rebates, MP rotator rebates, smart controller rebates, and PWD/HydroPoint smart controller program.
- 7) Generated necessary press releases throughout the year for water conservation rebates, public information and general PWD public relations.
- 8) Developed promotional media for water conservation rebates and public information.
- 9) Compiled water use data on rebate customers for water savings throughout the year.
- 10) Provided and developed all the information and documentation for BMPs.
- 11) Compiled all conservation programs and data for reporting the BMPs to DWR regarding the CUWCC required BMP reporting.
- 12) Produced and sent 2013/2014 CUWCC reports online through the CUWCC's reporting web site.
- 13) Attended the AVRCD's Garden committee meetings and helped to plan the AVRCD's May Open House and Plant sale.
- 14) Attended the college advisory committee meeting to help develop the year's landscape program.
- 15) Developed the urinal rebate program for 2014.
- 16) Planned, developed and accomplished the "Before the First Drop" Campaign.

2014 OBJECTIVES:

- 1) Provide 10 in class presentations to middle school classrooms regarding water, where it comes from, how we use it, where does it go after we use it, conservation measures, and what they can do at home and school to help out.
- 2) Provide 10 PWD Treatment Plant Tours for high school AP Science Classes.
- 3) Guest present in at least 10 public meetings or public gatherings throughout the year.
- 4) Booth at least 10 public events throughout the year.

2015 OBJECTIVES (continued):

- 6) Create, distribute, and promote cinema quality produced videos about the PWD as a whole, conservation messages, how to videos (i.e. how to check for a leaky toilet, how to read your water bill, etc...), fun, clever, vignettes that showcase our staff and what we do in a positive manner, and purchase time on local cable stations, and movie theatres.
- 7) Create, purchase, and promote conservation themed messages on radio stations in the AV.
- 8) Purchase and create billboard messages that promote conservation messages in Spanish and English within the District boundary area.
- 9) Spearhead 1 local event that brings awareness to conservation initiatives (i.e. a sponsored motorcycle ride that benefits a local charity).
- 10) Create, develop, and distribute “The Pipeline” monthly through Constant Contact, and every other month print as a bill insert.
- 11) Create and distribute the PWD monthly employee newsletter.
- 12) Participate in and execute 1 PWD Plant Sale (Might partner with another agency).
- 13) Purchase materials for a professional display table (i.e. display board, table skirt, printed, handouts, water nozzles, low-flow shower heads, and other PWD themed giveaways).
- 14) Redesign all conservation rebate program materials and promote those programs using social media, and local publications.
- 15) Establish commercial rebate programs within the PWD service area that promote conservation (i.e. Cash for Kitchens).
- 16) Purchase glass clings that can be distributed to local restaurants, fitness centers, schools, bars, etc... that contain a clever conservation message that will be displayed on restroom mirrors and wash areas.
- 17) Produce and promote 5 webinar programs revolving around conservation initiatives.
- 18) Establish a process that tracks all rebate program participation and the corresponding calculated water savings from those programs (includes Cash 4 Grass, toilets, washing machines, etc...).
- 19) Create and produce the yearly Consumer Confidence Report.
- 20) Submit compliance worksheets to the California Urban Water Conservation Council (CUWCC) for 2015.
- 21) Assist in creating and submitting the 2015 CUWCC report on BMP’s.
- 22) Support the AV Water Partners initiatives and lead the organization through consistent meetings, and when applicable, cost sharing endeavors.
- 23) Submit a “Best in Blue” application.
- 24) Produce press release and submit them when applicable.
- 25) Become a board member of a water group in the AV.
- 26) Redesign Aqua Dawg to make a more current version (i.e. like a gladiator dawg).
- 27) Increase social media use and public interface by purchasing message boosting options on Facebook.
- 28) Sponsor a creative video contest with local schools to produce the best conservation themed video. They will be given a reward and widespread distribution of the winning video.
- 29) Participate in the Palmdale Christmas Parade.
- 30) Use Aqua Dawg for children and family events rather than for all promotional activity.

Palmdale Water District Budget 2015 Water Conservation

<u>Water Conservation</u>		BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2015	2014	2014	2013	2012	2011
1-07-4000-000	Salaries	175,000	113,500	168,500	159,129	152,210	149,794
1-07-4000-100	Salaries - Departmental Overtime	1,000	3,000	1,000	1,104	1,000	939
	Subtotal (Salaries)	176,000	116,500	169,500	160,233	153,210	150,733
Employee Benefits							
1-07-4005-000	Payroll Taxes	13,500	9,500	13,000	12,244	11,710	11,498
1-07-4010-000	Health Insurance	38,000	23,000	31,500	27,415	20,340	15,310
1-07-4015-000	PERS	20,000	17,000	34,000	28,866	29,602	26,469
	Subtotal (Benefits)	71,500	49,500	78,500	68,524	61,652	53,277
	Personnel Expenses	247,500	166,000	248,000	228,757	214,862	204,010
OPERATING EXPENSES:							
1-07-4050-000	Staff Travel	20	-	1,000	571	116	-
1-07-4060-000	Staff Conferences & Seminars	20	-	1,000	1,338	399	35
1-07-4190-300	Public Relations - Landscape Workshop/Training	1,000	250	1,000	243	442	974
1-07-4190-400	Public Relations - Contests	1,000	-	1,000	709	-	58
1-07-4190-500	Public Relations - Education Programs	2,500	1,000	5,000	906	3,995	616
1-07-4190-700	Public Relations - General Media (Public Outreach)	25,000	3,000	3,000	1,535	875	-
1-07-4190-900	Public Relations - Other	2,000	500	5,000	180	3,116	-
1-07-6300-100	Supplies - Misc.	5,000	5,000	5,000	3,472	-	1,869
	Total Operating Expense	36,500	9,750	22,000	8,953	8,942	3,552
	Total Departmental Expenses	284,000	175,750	270,000	237,710	223,804	207,563

20 Moved employee expenses over to HR Department. This is being done to consolidate all employee related secondary expenses under one department for better reporting.

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Human Resources Department

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Human Resources Department

DESCRIPTION:

The Human Resources Department manages the District's human resource-related tasks. This includes planning, organizing, directing and reviewing the activities and operations of the Human Resources Department, including recruitment and selection, on boarding, classification and compensation, benefits administration, employee relations, performance management, training, safety and risk management.

2014 ACCOMPLISHMENTS:

- 1) Provided training workshops and served as a resource for the Board of Directors for the General Manager's review process.
- 2) Researched and provided reports to the Personnel Committee and Board of Directors regarding District benefits and various options for consideration.
- 3) Completed Cost-of-Living research for 2014, culminating in data provided to the Personnel Committee and staff presentation to the Board of Directors for consideration.
- 4) Participated and provided support in the monthly meetings of the Communications Committee.
- 5) Coordinated the completion of JPIA's District's Risk Assessment process.
- 6) Coordinated Employee Benefits Open Enrollment/Wellness Fair.
- 7) Completed employee-specific training program through Target Safety.
- 8) Established Internship Program.
- 9) Updated and revised Employee Handbook.
- 10) Evaluated benefit offerings for the District.
- 11) Established Personal Growth Plans for first employee group.
- 12) Coordinated Employee Appreciation events.

2015 OBJECTIVES:

- 1) Continue working on competencies and criteria for Performance Evaluation process for 2015 with managers and supervisors.
- 2) Establish committee to create New Employee Orientation procedures.
- 3) Provide support to General Manager relative to Strategic Plan.
- 4) Continue efforts on workforce planning in conjunction with the District's Strategic Plan.
- 5) Perform research and develop presentations for Personnel Committee and the Board of Directors for consideration.
- 6) Coordinate 2015 Employee Benefits Open Enrollment and Wellness Fair.
- 7) Continue focus on Wellness programs to ensure a healthier workforce.
- 8) Coordinate the work of the Action Plan for Communications initiatives.
- 9) Facilitate Communications Committee meetings.
- 10) Facilitate Safety and Safety Sub-Committee meetings.
- 11) Conduct a salary survey.
- 12) Establish a Leadership Training Program for the District.
- 13) Continue and enhance the Palmdale Water District's Internship Program.
- 14) Coordinate with Department Manager's to establish a succession plan for the District.

Palmdale Water District Budget 2015 Human Resources

<u>Human Resources</u>		BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2015	2014	2014	2013	2012	2011
1-08-4000-000	Salaries	101,000	95,500	97,000	90,676	105,474	125,029
1-08-4000-200	Salaries - Intern Program	-	9,600	9,600	-	-	-
	Subtotal (Salaries)	101,000	105,100	106,600	90,676	105,474	125,029
Employee Benefits							
1-08-4005-000	Payroll Taxes	7,750	8,500	7,500	6,677	8,432	7,693
1-08-4010-000	Health Insurance	18,000	17,000	19,200	-	14,396	20,343
1-08-4015-000	Pers	6,500	6,500	6,500	434	18,557	22,914
	Subtotal (Benefits)	32,250	32,000	33,200	7,110	41,384	50,950
	Personnel Expenses	133,250	137,100	139,800	97,787	146,858	175,979
OPERATING EXPENSES:							
1-08-4050-000	Staff Travel	21 25,250	2,000	500	60	231	1,325
1-08-4060-000	Staff Conferences & Seminars	21 20,500	1,000	500	-	250	1,344
1-08-4070-000	Employee Expense	21 40,000	40,000	40,000	-	-	-
1-08-4090-000	Temporary Staffing	-	-	-	59,256	-	1,966
1-08-4095-000	Employee Recruitment	3,000	15,000	3,000	3,611	515	1,100
1-08-4100-000	Employee Retention	22 20,000	19,500	20,000	1,457	2,014	3,140
1-08-4105-000	Employee Relations	3,500	3,500	3,500	3,506	2,974	3,185
1-08-4110-000	Consultants	1,000	-	1,000	-	-	-
1-08-4120-100	Training - Safety	30,000	15,500	38,000	25,710	17,118	21,497
1-08-4120-200	Training - Speciality	21 26,000	-	-	-	-	-
1-08-4121-000	Safety/HR Program	1,000	250	1,000	-	-	-
1-08-4165-000	Memberships/Subscriptions	1,600	1,000	1,600	599	1,946	1,144
1-08-4165-100	HR/Safety Publications	1,000	250	1,000	289	348	1,246
1-08-4210-000	Office Furniture	-	-	-	-	-	196
1-08-6300-500	Supplies - Safety	20,000	16,000	33,500	7,400	19,952	23,677
	Total Operating Expense	192,850	114,000	143,600	101,887	45,348	59,818
	Total Departmental Expenses	326,100	251,100	283,400	199,673	192,206	235,797

21 Moved employee expenses over to HR Department. This is being done to consolidate all employee related secondary expenses under one department for better reporting.

22 During the year the Board of Directors approved reallocation of funds received from ACWA/JPIA refund to be utilized for an employee picnic, christmas party, and PWD logo shirts for the employees.

Information Technology Department

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Information Technology Department

DESCRIPTION:

The Palmdale Water District Information Technology (IT) department provides IT support for the District's computer network, including the operation, maintenance, upgrade, and repair of network hardware and District employee workstations. The primary responsibility of the IT Department is providing a safe and secure networking environment. Additional responsibilities include the day-to-day operation of the network datacenter and servers, the District phone system, office machines, and software applications. The IT department is also responsible for testing and evaluating new software applications and hardware being considered for purchase by the District to insure they perform in our current and future infrastructure.

2014 ACCOMPLISHMENTS:

- 1) Created 3-Year IT Master Plan
- 2) Implemented public and private Wi-Fi networks for mobile workers and guests.
- 3) Replaced document imaging system.
- 4) Continued replacement of desktops, laptops and workstations.
- 5) Mobile devices for staff.
- 6) Initiate upgrade of Financial System.

2015 OBJECTIVES:

- 1) Extend GIS capabilities to mobile workers.
- 2) Research new Utility Billing System.
- 3) Complete upgrade and virtualize Financial System
- 4) Main Office Access Control System upgrade
- 5) Intranet
- 6) Districtwide Project Management software

Palmdale Water District Budget 2015 Information Technology

<u>Information Technology</u>		BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2015	2014	2014	2013	2012	2011
1-09-4000-000	Salaries	221,500	222,000	226,000	220,881	218,357	196,681
1-09-4000-100	Salaries - Departmental Overtime	2,500	2,000	2,500	2,583	1,956	1,773
	Subtotal (Salaries)	224,000	224,000	228,500	223,463	220,313	198,453
Employee Benefits							
1-09-4005-000	Payroll Taxes	17,000	17,000	16,000	16,193	15,942	14,034
1-09-4010-000	Health Insurance	37,500	38,400	38,400	41,624	39,804	38,554
1-09-4015-000	PERS	44,000	46,600	45,200	38,495	39,467	33,431
	Subtotal (Benefits)	98,500	102,000	99,600	96,312	95,212	86,019
	Personnel Expenses	322,500	326,000	328,100	319,775	315,525	284,472
OPERATING EXPENSES:							
1-09-4050-000	Staff Travel	23	500	3,000	997	500	1,324
1-09-4060-000	Staff Conferences & Seminars	23	12,628	15,000	11,402	8,167	4,713
1-09-4120-100	Cogsdale Reimplementation and Templates	-	-	-	-	21,236	19,903
1-09-4155-300	Contracted Services - Computer Vendors	-	-	-	56,850	119,450	22,344
1-09-4155-905	Contracted Services - Offsite Services	5,000	5,000	2,000	-	-	-
1-09-4155-910	Contracted Services - Printer Services	1,500	2,000	1,500	-	-	-
1-09-4155-915	Contracted Services - Website Design Services	45,000	39,250	45,000	-	-	-
1-09-4155-920	Contracted Services - Telephony Services	3,500	-	10,500	-	-	-
1-09-4155-925	Contracted Services - Cloud Services	25,000	24,500	25,000	-	-	-
1-09-4155-930	Contracted Services - Network Services	45,000	43,500	45,000	-	-	-
1-09-4165-000	Memberships/Subscriptions	1,000	2,000	500	-	240	340
1-09-4270-100	Telecommunication - Office Phone	16,500	16,500	16,500	16,235	-	-
1-09-4270-125	Telecommunication - Office Backbone	18,750	13,200	13,500	13,188	-	-
1-09-4270-150	Telecommunication - WTP Backbone	13,500	13,200	13,500	13,188	-	-
1-09-4270-300	Telecommunication - Cellular (Data & On-Call)	29,000	22,200	12,000	12,199	-	-
1-09-8000-100	Computer Equipment - Computers	20,000	25,000	25,000	18,251	53,420	44,300
1-09-8000-200	Computer Equipment - Mobility	5,000	10,000	5,000	-	87	6,681
1-09-8000-300	Computer Equipment - Monitors	2,000	3,250	2,000	493	1,918	639
1-09-8000-400	Computer Equipment - Printers	-	-	15,000	12	1,905	1,911
1-09-8000-500	Computer Equipment - Printer Supplies	3,000	2,000	3,000	1,324	5,503	13,330
1-09-8000-550	Computer Equipment - Telephony	2,500	-	2,500	-	-	-
1-09-8000-600	Computer Equipment - Other	20,000	37,000	35,000	8,684	35,723	9,267
1-09-8100-000	Computer Software	-	-	-	-	-	-
1-09-8100-100	Computer Software - Maint. and Support	44,000	32,000	70,000	37,321	49,534	34,026
1-09-8100-140	Computer Software - Starnik Maint. & Support	110,000	98,500	95,000	94,800	39,500	-
1-09-8100-150	Computer Software - Dynamics GP Maint. & Support	36,000	30,000	30,000	27,795	43,124	109,439
1-09-8100-200	Computer Software - Software and Upgrades	14,000	13,500	15,000	6,441	25,339	9,486
	Total Operating Expense	460,250	445,728	500,500	319,178	405,648	277,702
	Total Departmental Expenses	782,750	771,728	828,600	638,953	721,173	562,174

23 Moved employee expenses over to HR Department. This is being done to consolidate all employee related secondary expenses under one department for better reporting.

SECTION IV SUMMARY BUDGET EXPENDITURE REQUESTS

STUDIES AND PLANNING DOCUMENTS

SAFETY AND REGULATORY COMPLIANCE

NEW EQUIPMENT

REPLACEMENT EQUIPMENT

GENERAL PROJECTS

REPLACEMENT CAPITAL PROJECTS

NEW CAPITAL PROJECTS

NEW CAPITAL PROJECTS (CIF)

SERIES 2013A WATER REVENUE BOND FUND

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**Palmdale Water District
Budget 2015
Studies and Planning Documents**

REQ. #	DESCRIPTION	Dept.	2015 FUND SOURCE BREAKDOWN		BUDGETING YEAR AMOUNT		
			O&M	CF	2015	2016	2017
Studies and Planning Documents							
PL01	2015 Urban Water Management Plan Update - Due June, 2016	ENG	40,000	-	40,000	40,000	-
PL02	2014 Water System Master Plan Update - CO	ENG	-	45,000	45,000	-	-
PL03	2014 Water System Master Plan Update - EIR	ENG	-	140,000	140,000	-	-
PL04	Hydrologic and Energy Database	ENG	67,000	-	67,000	-	-
			107,000	185,000	292,000	40,000	-
Total Fund Source:			292,000				

Abbreviation Explanation

O&M = Plant Expensed
CF = Capital Improvement Fund
WS = Source Water Supply
AR = Asset Replacement
CON = Conservation Program
WQ = Water Quality Fund
WRB = 2013A Water Revenue Bond Fund

**Palmdale Water District
Budget 2015
Safety and Regulatory Compliance**

REQ. #		DESCRIPTION	Dept.	2015 FUND SOURCE BREAKDOWN		BUDGETING YEAR AMOUNT		
				O&M	AR	2015	2016	2017
Safety and Regulatory Compliance								
SF01	ARC Flash Hazard Analysis - Wells, Boosters, and WTP		FAC	62,000	-	62,000	-	-
SF02	Fire Doors and Fire Alarm Replacement - Administration Building		FAC	-	-	-	15,000	-
SF03	Fleet Lighting Improvements - Phase 1 of 3		FAC	10,000	-	10,000	10,000	10,000
SF04	AC Pipe Waste Disposal - JPIA Recommendation		FAC	-	-	-	28,000	-
SF05	Generator/Engine Emissions - Well No. 2A and 3A		FAC	-	20,000	20,000	-	-
SF06	Generator/Engine Emissions - 25th St & 45th St Booster Stations		FAC	-	-	-	20,000	-
SF07	Generator/Engine Emissions - WTP 250 kW		FAC	-	-	-	50,000	-
SF08	Crane Rigging		FAC	-	-	-	5,000	-
				72,000	20,000	92,000	128,000	10,000
Total Fund Source:				92,000				

**Palmdale Water District
Budget 2015
New Equipment**

REQ. #		DESCRIPTION	Dept.	2015 FUND SOURCE BREAKDOWN		BUDGETING YEAR AMOUNT		
				O&M	AR	2015	2016	2017
New Equipment								
NE01	Handheld GPS Data Collection Equipment	ENG	-	-	-	14,000	-	-
NE02	Shop Hand Tools and Service Truck Tools	FAC	25,000	-	25,000	-	-	-
NE03	3-inch Air Diaphragm Pump	FAC	5,000	-	5,000	-	-	-
NE04	Key Control System	FAC	-	-	-	15,000	-	-
NE05	Shop/Mechanic Truck w / Crane and Compressor	FAC	-	100,000	100,000	-	-	-
NE06	Bucket Truck	FAC	-	-	-	75,000	-	-
NE07	Power Broom	FAC	-	-	-	35,000	-	-
NE08	Valve Exercising Truck	FAC	-	100,000	100,000	-	-	-
NE09	Submersible Mixer - Spare Solarbee Unit	FAC	-	-	-	10,000	-	-
NE10	Natural Gas Engine Emissions Analyzer	FAC	15,000	-	15,000	-	-	-
			45,000	200,000	245,000	149,000	-	-
Total Fund Source:			245,000					

**Palmdale Water District
Budget 2015
Replacement Equipment**

REQ. #	DESCRIPTION	Dept.	2015 FUND SOURCE BREAKDOWN			BUDGETING YEAR AMOUNT		
			O&M	AR	WQ	2015	2016	2017
Replacement Equipment								
RE01	Replacement Rock Drill, Pavement Breaker & Clay Spade	FAC	8,000	-	-	8,000	-	-
RE02	Replacement Vehicles/Fleet (3, 1)	FAC	-	135,000	-	135,000	15,000	-
RE03	Diesel Powered Tamper (Qty. 1)	FAC	-	5,000	-	5,000	5,000	-
			8,000	140,000	-	148,000	20,000	-
		Total Fund Source:	148,000					

**Palmdale Water District
Budget 2015
General Projects**

REQ. #		DESCRIPTION	Dept.	2015 FUND SOURCE BREAKDOWN			BUDGETING YEAR AMOUNT		
				O&M	AR	CON	2015	2016	2017
General Projects									
PRO01	Entry Way Buildings - GAC & Filter Galleries (Safety Issue)	OPS	-	-	-	-	-	21,000	-
PRO02	Additional Brine Tank - WTP	OPS	-	-	-	-	-	65,000	-
PRO03	GAC Staging Area (2000 Sq. Ft.)	OPS	-	-	-	-	-	35,000	-
PRO04	WTP Security System Upgrade	OPS	5,000	-	-	-	5,000	-	-
PRO05	Security System Upgrades - Admin and Facilities	FAC	-	250,000	-	-	250,000	-	-
PRO06	Sludge Pump Station Flow Meter	OPS	4,000	-	-	-	4,000	-	-
PRO07	Sed Basin Loading Docks/Access Improvements	OPS	-	-	-	-	-	21,000	-
PRO08	Customer Lobby Improvements/Remodel	ENG	-	-	-	-	-	65,000	-
PRO09	Office/Work Space Improvements for Electronic Techs.	OPS	-	-	-	-	-	35,000	-
PRO10	HVAC Unit at WTP	FAC	-	10,000	-	-	10,000	-	-
PRO11	Mass Notification / CSR Texting System	IT	-	-	-	-	-	21,000	-
PRO12	2015 Water Rebate Program - Controllers, Turf Replacement, etc.	WC	-	-	132,000	-	132,000	250,000	250,000
			9,000	260,000	132,000		401,000	513,000	250,000
Total Fund Source:			401,000						

**Palmdale Water District
Budget 2015
Replacement Capital Projects**

REQ. #		DESCRIPTION	Dept.	2015 FUND SOURCE BREAKDOWN			BUDGETING YEAR AMOUNT		
				O&M	WS	AR	2015	2016	2017
Replacement Capital Projects									
RCP01	Meter Replacement Program - Purchase (Quantity = 4,732)	FIN	900,000	-	-	-	900,000	1,100,000	1,100,000
RCP02	Meter Replacement Program - Installation (Quantity = 8,652)	FIN	325,000	-	-	-	325,000	175,000	175,000
RCP03	Storage Tank Re-Coatings - Annual Maint. Contract (Year 2 of 6)	ENG	330,000	-	-	-	330,000	330,000	330,000
RCP04	Parking Lot Re-Surfacing - Administration and N.O.B.	FAC	100,000	-	-	-	100,000	-	-
RCP05	Palmdale Ditch Improvements	ENG	-	75,000	-	-	75,000	75,000	-
RCP06	WTP SCADA Radio Replacement	FAC	-	-	-	-	-	40,000	-
RCP07	Brine Storage Tanks - (6) Well Sites	FAC	-	-	-	125,000	125,000	150,000	-
RCP08	NaOCL Generator Replacement - (3) Well Sites and 45th Street Booster St:	FAC	-	-	-	150,000	150,000	300,000	300,000
RCP09	Production Flow Meter Replacements - All Well Sites	FAC	-	-	-	25,000	25,000	20,000	20,000
RCP10	Well 7A - Electrical Transformer	FAC	-	-	-	35,000	35,000	-	-
RCP11	Well 25 Rehabilitation	FAC	-	-	-	-	-	50,000	-
RCP12	Well 30 Rehabilitation	FAC	-	-	-	50,000	50,000	-	-
RCP13	Well 15 Rehabilitation	FAC	-	-	-	300,000	300,000	-	-
RCP14	Well 26 Rehabilitation	FAC	-	-	-	-	-	150,000	-
RCP15	Well 29 Rehabilitation	FAC	-	-	-	-	-	150,000	-
			1,655,000	75,000	685,000		2,415,000	2,540,000	1,925,000
Total Fund Source:			2,415,000						

**Palmdale Water District
Budget 2015
New Capital Projects**

REQ. #	DESCRIPTION	Dept.	2014 FUND SOURCE BREAKDOWN			BUDGETING YEAR AMOUNT		
			O&M	WS	AR	2015	2016	2017
New Capital Projects								
No New Capital Project items have been submitted for 2015								
			-	-	-	-	-	-
		Total Fund Source:	-					

**Palmdale Water District
Budget 2015
New Capital Projects (CIF)**

REQ. #	DESCRIPTION	Dept.	2015 FUND SOURCE BREAKDOWN		BUDGETING YEAR AMOUNT		
			OM	CF	2015	2016	2017
New Capital Projects (CIF)							
NCC01	Well No. 34A - Design & Construction (Lanc. Subbasin)	ENG	-	-	-	1,500,000	-
NCC02	Acquisition of Tax Defaulted Properties	ENG	-	28,000	28,000	22,000	-
			-	28,000	28,000	1,522,000	-
		Total Fund Source:	28,000				

**Palmdale Water District
Budget 2015
Series 2013A Water Revenue Bond Fund**

REQ. #	DESCRIPTION	Dept.	2015 FUND SOURCE	BUDGETING YEAR AMOUNT		
			BREAKDOWN	2015	2016	Uncommitted
			WRB			
Series 2013A Water Revenue Bond Fund						
WB01	Spec 1205 - Ave Q, 31st ST, & 32nd ST Vicinity Waterline Repl.		1,200,000	1,200,000	-	-
WB02	Spec 1207 - 10th ST, Ave P5, & Ave P4 Vicinity Mainline Repl.		1,236,382	1,236,382	-	-
WB03	Littlerock Dam Sediment Removal - EIR/EIS/Permits		288,771	288,771	-	209,075
WB04	Littlerock Creek Groundw ater Rechrg & Recvry - Feasibility Study		341,083	341,083	200,000	600,507
WB05	Upper Amargosa Recharge (Project Capacity)		250,000	250,000	961,598	-
WB06	Various Water Main Replacements		500,000	500,000	-	-
			3,816,236	3,816,236	1,161,598	809,582
Total Fund Source:			3,816,236			

Note: This page is shown strictly for informational purposes as it relates to the projects covered under the Series 2013A Water Revenue Bond. These funds are excluded in the 2015 Fund Analysis summary (Page 15).

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APPENDIXES

APPENDIX A BUDGET CONTROL GUIDELINES

APPENDIX B DISTRICT INFORMATION

APPENDIX C RESOLUTION No. 13-13 – RESERVE POLICY

APPENDIX D CALIFORNIA WATER CODE – SECTION 370-374 ALLOCATION-BASED CONSERVATION WATER PRICING

APPENDIX E GLOSSARY

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APPENDIX A

BUDGET CONTROL GUIDELINES

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BUDGET CONTROL GUIDELINES

The 2015 Budget approved by the Board of Directors will serve as the basis for operating Palmdale Water District. It includes a number of individual items and projects as well as the anticipated operations and maintenance budgets. Occasional questions have come up in recent years as the District has gotten familiar with the budget process. These range from adjustments in accounts of departmental operating budgets to implementing projects approved in the budget. The following are intended to act as guidelines for working within the budget and to clarify the Board's involvement in the process.

- 1) Work on purchasing equipment and other projects in the approved budget can be initiated by staff. Approval of proposals for the construction projects or purchasing equipment will follow the appropriate District policy and may involve Committee or Board action.
- 2) Department managers are required to operate within the approved budget amounts, both the total department amount and individual accounts. Permission from the General Manager is needed prior to exceeding any account budget amount.
- 3) The General Manager is authorized to approve transfers between operating budget accounts within or between departments up to \$25,000. These transfers must be requested in writing from the department manager and shall not increase the overall District budget. Transfers above \$25,000 must be approved by the Board of Directors.
- 4) Items not included in the approved budget and recommended by staff must be approved by the Board.
- 5) Increases in the total operating budget that are not due to emergency or maintenance activities must be approved by the Board of Directors. The General Manager shall inform the Board of Directors of spending related to emergency situations.
- 6) The General Manager will periodically provide the Board of Directors with reports on actual spending versus the approved budget, any recommended adjustments and any approved transfers.
- 7) The Departmental Staffing Summary included in the 2015 Budget is for monetary planning purposes only. The General Manager will consult with the Personnel Committee or full Board of Directors, as appropriate, prior to filling any vacant positions shown in the summary.

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APPENDIX B

DISTRICT INFORMATION

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PALMDALE WATER DISTRICT
2014 Water Rate Schedule

Meter Fee Charge (Effective 03/01/2014)	
5/8"	27.51
1"	52.26
1-1/2"	93.51
2"	143.03
3"	258.57
4"	423.62
6"	836.24
8"	1,331.28
10"	1,909.05

Commodity Rates (\$/ccf)	
Tiers	
Tier 1	0.73
Tier 2	2.90
Tier 3	3.70
Tier 4	4.81
Tier 5	5.81
Water Quality Fee (\$/ccf)	
0.20	
Elevation Booster Surcharge (\$/ccf)	
B	-
A1	0.13
A2	0.41
A3	0.89

PALMDALE WATER DISTRICT
2015 Proposed Water Rate Schedule – 2.5% Increase

Meter Fee Charge (Effective 01/01/2015)	
5/8"	32.05
3/4"	32.05
1"	32.05
1-1/2"	96.15
2"	147.45
3"	267.14
4"	438.13
6"	865.61
8"	1,378.58
10"	1,977.06

Commodity Rates (\$/ccf)	
Tiers	
Tier 1	0.75
Tier 2	0.86
Tier 3	2.43
Tier 4	3.66
Tier 5	4.73
Tier 6	6.08

Water Quality Fee (\$/ccf)	
0.14	

Elevation Booster Surcharge (\$/ccf)	
B	-
A1	0.12
A2	0.44
A3	0.89

PALMDALE WATER DISTRICT 2015 Holiday Observance Calendar

(Board Approved: January 14, 2015)

January						
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

February						
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28

March						
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

April						
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

May						
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

June						
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

July						
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

August						
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

September						
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

October						
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

November						
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

December						
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31	1	2

PWD Observed Holiday PWD Observed Holiday (Dates Subject to Change) PWD Scheduled Office Closure (Dates Subject to Change)

January 19 – Martin Luther King Jr.
Day

July 3 - Independence Day

November 26 – Thanksgiving

February 16 – Presidents Day

September 7 – Labor Day

December 24 & 25 - Christmas

May 25 – Memorial Day

November 11 – Veterans Day

December 31 & January 1 – New
Years

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PALMDALE WATER DISTRICT
Yearly Memberships and Subscriptions
2015

Memberships:

1. A.C.W.A.
2. A.W.W.A.
3. Antelope Valley African-American Chamber of Commerce
4. Antelope Valley Board of Trade
5. Antelope Valley Hispanic Chamber of Commerce
6. Antelope Valley State Water Contractors Association
7. California Chamber of Commerce
8. California Society of Municipal Finance Officers
9. California Special Districts Association
10. California Urban Water Conservation Council
11. California Utilities Emergency Association
12. Foundation for Cross-Connection Control & Hydraulic Research
13. Greater Antelope Valley Economic Alliance
14. Local Agency Formation Commissions (LAFCO)
15. Municipal Information Systems Association of California
16. National Notary Association
17. Palmdale Chamber of Commerce
18. Palmdale Recycled Water Authority (City of Palmdale)
19. State Water Contractors
20. SWC – Bay Delta Fund
21. Underground Service Alert
22. Water Education Foundation
23. Water Research Foundation
24. WateReuse Association

PALMDALE WATER DISTRICT
Yearly Memberships and Subscriptions (Continued)
2015

Subscriptions:

1. A.W.W.A. magazine
2. A.W.W.A. Safe Drinking Water updates
3. Antelope Valley Press
4. B.N.I. Building News (Standard Spec. Books)
5. Bentley Systems - Software subscription/updates
6. Blue Book software updates
7. Engineering News Record
8. Environmental Compliance Alert
9. Micro-Station Manager
10. Regional Planning Agenda subscription
11. U.S. Water News
12. West Publishing – Calif. Water Codes update
13. Expert Exchange (Information Technology)

PALMDALE WATER DISTRICT
Contracted Services
2015

- | | | |
|-----|--------------------------------------|---|
| 1. | AA Antivirus | (Antivirus Software - IT) |
| 2. | AES Water, Inc. | (Seismic Valve Maintenance - OPS) |
| 3. | AirGas USA, LLC | (Compressed Gases - FAC) |
| 4. | Allmax Software Inc. | (Water Data Management - OPS) |
| 5. | AV Garden & Turf | (Landscaping – ADM/FAC/OPS) |
| 6. | Axes Fire Inc. | (Fire Extinguishers – FAC) |
| 7. | Black & Veatch Corporation | (Wind Turbine – IT) |
| 8. | Blue Claw Database Design LLC | (Backflow Management Software - ENG) |
| 9. | Clark Pest Control | (Pest Control – ADM/FAC/OPS) |
| 10. | CoreLogic Solutions, LLC | (Property Data Information – IT) |
| 11. | Credit Bureau Of Lancaster | (Credit Reports/Collections - FIN) |
| 12. | DCSE | (GIS Data Updates - ENG) |
| 13. | Dell Marketing L.P. | (Computer Maint. – IT) |
| 14. | DocStar Corporation | (Document Management System – IT) |
| 15. | Elite Carpet Care | (Carpet Care – ADM/FAC) |
| 16. | Fastenal Company | (Fast Program – FAC) |
| 17. | Four Winds Interactive, LLC | (Lobby Presentation Software - IT) |
| 18. | Infosend Inc. | (Mailing/Web Services - FIN) |
| 19. | Ipswitch Inc. | (Computer Site Monitoring Software - IT) |
| 20. | Itron Inc. | (Meter Reading Equipment & Software - IT) |
| 21. | Kyocera | (District-wide Printers – IT) |
| 22. | Lexisnexis Risk Data Mgmt. | (Instant ID Check Service - FIN) |
| 23. | Mayflower Interactive Inc. | (Web Site Updates - IT) |
| 24. | McAfee, Inc. | (Site Advisor Monitoring (Web) – IT) |
| 25. | Milliman Inc | (GASB45 Actuarial – FIN) |
| 26. | Nemo-Q, L.P. | (Lobby Management System - IT) |
| 27. | NeoGov | (Employee Appraisal System – IT/HR) |
| 28. | Network Solutions | (Domain Name Renewals - IT) |
| 29. | Nobel Systems | (GIS Updates & Mobile App – ENG) |
| 30. | Opex Corporation | (Mail Opener Remittance Hardware - FIN) |
| 31. | Protection One | (Alarm Services – OPS) |
| 32. | QCS Building Services Inc. | (Janitorial Services – ADM/FAC/OPS) |
| 33. | Armanino LLP. | (Dynamics GP Financial Software – IT) |
| 34. | Sartorius Mechatronics Corp | (Lab Equipment Calibration Service – OPS) |
| 35. | Schneider Electric USA, Inc. | (ClearSCADA Software - OPS) |
| 36. | SEMS Technologies, LLC | (CMMS Software – FAC/OPS) |
| 37. | Shimadzu Scientific Instruments Inc. | (Lab Equipment Maintenance – OPS) |

PALMDALE WATER DISTRICT

Contracted Services (Continued)

2015

- | | | |
|-----|----------------------------------|---|
| 39. | Source Graphics | (Engineering Plotter Svc Contract – ENG) |
| 40. | Solar Bee Inc. | (Lake Management Service Contract – OPS) |
| 41. | Southern California Edison | (Arc Flash Study (Wells) – OPS) |
| 42. | Starnik Systems Inc. | (UtilityTrakR – CSM Software – FIN) |
| 43. | Strategy 7 Corporation | (Legacy Database Support – IT) |
| 44. | S.S.&C. Technologies, Inc. | (Consumer Credit Reporting Service – FIN) |
| 45. | Thyssenkrupp Elevator Corp. | (Elevator Maintenance – FAC) |
| 46. | Time Warner Cable | (Internet Backbone/Telephone – IT) |
| 47. | Tredent Data Systems | (Network Management – IT) |
| 48. | Universal Electronic Alarms Inc. | (Alarm System Monitoring – ADM/FAC) |
| 49. | Verizon Wireless | (Wireless Data Services – IT) |
| 50. | World Wind Services | (Wind Turbine Inspection – OPS) |
| 51. | Xtelesis Corporation | (Shoretel Telephone System – IT) |

Consultants

- | | | |
|----|---|---------------------------------|
| 1. | Bartle Wells Associates | (Water Rate Study) |
| 2. | Lillestrand Leadership Consulting, Inc. | (Employee Consulting) |
| 3. | Mathis Consulting Group | (Employee Workforce Consulting) |
| 4. | Metropolitan Water District | (Consulting Services) |
| 5. | Robert M. Egan | (Financial Advisor) |
| 6. | Tripepi Smith & Associates | (Web Site Design/Consulting) |

PALMDALE WATER DISTRICT
District-wide Training
2015

Training		Action	Requirement	Last	Next	Notes
AED	♣	Training	Annually	2014	2015	As Required: for personnel
ARC Flash and Electrical Safety		Training	As needed	2012	2013	Required: for all electrical and maintenance personnel. 8 CCR § 2320.2; 2320.3 Required by: OSHA;NFPA and JPIA
Asbestos Concrete Pipe (ACP)	♦ ♣	Training	Bi-annually	2013	2015	Required: for all service workers and Facilities personnel at PWD. 8 CCR § 5208(j)(7)(C)
Backhoe Safety and Certification		Training	Annually	2014	2015	Required: required for all facilities personnel.
Blood Borne Pathogens	♦	Training	Annually	2014	2015	Required: for all personnel. 8 CCR § 5193.
Chemical Safety: Ammonia/Alum Sulfuric Acid Sodium Hypo (Bleach) Caustic Soda		Training	Annually	2014	2015	Required: for all treatment plant operators and facilities personnel.
Cold Stress	♦	Training	As necessary			Required: for all facilities personnel. Cal Labor Code §§ 6400-6406
Confined Space Entry	♦ ♥ ♣	Training	Annually	2014	2015	Required: Or whenever permit space operations change, there are deviations from the permit space entry procedures, or inadequacies in employee knowledge or use of procedures. 8 CCR § 5157 (h) and (i) Required: for all electrical and facilities personnel.
Construction Safety 10-hour (OSHA)	♣	Training		2012	2015	Required: for all facilities and treatment plant personnel. Required by: OSHA and JPIA
CPR/First Aid	♣	Training	Bi-annually	2014	2015	Required: for all personnel. 8 CCR § 3400

Crane Safety		Training	Tri-annually	2010-2014	2015	Required : for all treatment plant operations and facilities personnel.
Signal Person/Rigging Small, Large & Overhead				2013 2013	2015 2015	8 CCR § 5031 Compliance requirements 0 2014; then every 5 years thereafter
Defensive Driver	♥ ♣	Training	Quadrennial	2014	2018	New employees in 2012 and Employees who did not attend the 2010 training. Also required following an incident. Required : for all personnel.
Drug and Alcohol	♥ ♣	Training	Tri –annually	2012	2015	
Emergency Response	♦ ♣	Training	Annually	2012	March 2012	Required : for all personnel whenever plan is updated. 8 CCR § 3222
Fall Protection		Training	No Requirement	As Necessary		Required : OSHA
Field / Office Ergonomics	♥ ♣	Training	Tri-annually	As Necessary		Required : office ergonomics for all personnel; field for all operations and facilities personnel. 8 CCR § 5110
Fire Dept. Business Plans	♦		Annually	2014	2015	Safety Sub-Committee coordinates process. LA County Fire Department requirement
Fire / Evacuation & Safety	♦ ♣	Training	Bi-Annually	2013	Dec. 2014	Required : for all personnel. 8 CCR § 6151 (Inhouse)
Forklift Safety	♦ ♣	Certification	Tri -annually	2013	2016	Required : for all treatment plant operations and facilities personnel. 8 CCR § 3664 (Inhouse)
HAZWOPER	♦ ♥ ♣	Certification	Annually	2014	2015	JPIA offers First Responder Awareness level only. Required : First Responder Awareness for all treatment plant operations and facilities personnel. 8 CCR § 5192
Hearing Conservation	♦	Certification	Annually	2014	2015	Required : all operations and facilities personnel. 8 CCR §§ 5098(a)(4); 5099
Heat Illness Prevention	♦	Training	Annually	2014	2015	Required : all field personnel (facilities and customer service) 8 CCR § 3395
Injury and Illness Prevention Plan	♦		As necessary			Required : for all personnel during new hire orientation and when plan is updated. 8 CCR § 3203
Lockout / Tag out (LOTO)	♦ ♥ ♣	Training	Bi-Annually	2013	2015	Required : for authorized and affected personnel. 8 CCR § 3341

Personal Protective Equipment (PPE)	♦ ♥ ♣	Training	Tri-annually	2014	2017	Required: for all field personnel. 8 CCR §3380
Reasonable Suspicion	♥ ♣	Training	Tri-annually	2013	2016	Required: for DOT supervisors.
Respirator Fit Testing	♦ ♥ ♣	Training	Annually	2014	2015	Pulmonary exam must be completed prior to fit testing. Required: for all operations and facilities personnel. 8 CCR § 5144; 5147
Sexual Harassment Prevention for Supervisors	♥ ♣	Training	Bi-annually	2014	2016	Required: by California for supervisors.
Sexual Harassment Prevention for Staff		Training	Bi-annually	2013	2015	Required: for all non-supervisory personnel.
Slip, Trip and Fall Prevention		Training		2014	2015	Required: for all personnel. 8 CCR § 3210
Spill Response Plan	♣	Training	Tri-annually		2013	Required: for all operations and facilities personnel.
Safety Tailgate/Toolbox	♦	Training	Bi-weekly	Dept. logs	2013 to Safety Committee	Required; for all operations and facilities personnel. 8 CCR §§ 1509; 8406
Traffic Control and Flagger	♥ ♣	Training	Tri-annually	2012	2015	Required: for all facilities personnel that work or park on the street.
Trench/Shoring/Competent Person	♥ ♣	Training	Tri-annually	2012	2015	Required: for all facilities personnel.
Underground Utility Locator	♥ ♣	Training	Annually	2013	2014	Required: for all facilities personnel.

- ♦ OSHA required
- ♥ Training provided by ACWA/JPIA
- ♣ Recommended by ACWA/JPIA

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PALMDALE WATER DISTRICT
Installed Pipeline Chart – Detail Breakdown

Length of Pipe (ft) by Year Constructed																	\$/in-dia
Source: GIS MainLine feature class data as of Sept 2, 2014 (Year Constructed has been corrected or estimated for 29.4 miles of pipe previously classified as Unknown)																	17.00
Pipe Diameter (in)	1945-1949 (69 - 65)	1950-1954 (64 - 60)	1955-1959 (59 - 55)	1960-1964 (54 - 50)	1965-1969 (49 - 45)	1970-1974 (44 - 40)	1975-1979 (39 - 35)	1980-1984 (34 - 30)	1985-1989 (29 - 25)	1990-1994 (24 - 20)	1995-1999 (19 - 15)	2000-2004 (14 - 10)	2005-2009 (9 - 5)	2010-2014 (5 - Current)	Unknown N/A	Total Length (ft)	Replacement Cost (\$)
4	-	855	2,718	1,851	188	3,291	3,024	5,231	6,277	2,550	1,556	562	7	-	2,662	30,772	\$ 2,092,496
5	-	850	-	-	-	-	-	-	-	-	-	-	-	-	-	850	72,250
6	-	4,249	19,917	3,824	29,769	9,022	18,721	25,448	75,325	82,933	4,479	32,744	26,668	21,452	1,326	355,877	36,299,454
8	-	3,184	480	3,225	13,083	16,078	14,114	70,200	307,809	222,103	40,038	72,315	74,113	25,616	2,413	864,771	117,608,856
10	-	-	-	99	697	3,572	-	20,082	60,276	24,613	20	46	69	-	490	109,964	18,693,880
12	-	151	20,787	25,559	35,955	11,321	2,425	25,504	97,537	90,628	34,268	37,100	35,276	18,694	1,683	436,888	89,125,152
14	-	-	-	425	-	123	-	3,165	11,595	3,395	-	3	-	-	35	18,741	4,460,358
16	-	-	-	33	2,986	4,889	-	33,299	52,166	46,699	7,683	9,767	10,580	2,119	3,012	173,233	47,119,376
18	-	1,234	-	10	10	-	-	5,480	4,331	-	24	241	-	-	873	12,203	3,734,118
20	-	-	-	-	5,257	-	-	-	48,174	35,300	-	-	2,920	3,127	2,199	96,977	32,972,180
24	-	-	-	91	9,883	-	2,659	-	29,235	383	-	-	14,248	-	355	56,854	23,196,432
30	-	-	-	-	-	-	-	-	1,650	-	625	-	304	-	-	2,579	1,315,290
36	-	-	-	-	-	-	-	-	-	-	1,073	-	-	-	-	1,073	656,676
42	-	-	-	-	-	-	-	-	1,452	-	639	-	-	-	115	2,206	1,575,084
48	-	-	-	-	-	-	-	-	-	-	441	-	-	-	-	441	359,856
Totals (LF)	0	10,523	43,902	35,117	97,828	48,296	40,943	188,409	695,827	508,604	90,846	152,778	164,185	71,008	15,163	2,163,429	\$ 379,281,458
Totals (Miles)	0.0	2.0	8.3	6.7	18.5	9.1	7.8	35.7	131.8	96.3	17.2	28.9	31.1	13.4	2.9	409.7	
Cumulative (LF)	0	10,523	54,425	89,542	187,370	235,666	276,609	465,018	1,160,845	1,669,449	1,760,295	1,913,073	2,077,258	2,148,266	2,163,429		
Cumulative (Miles)	0	2	10	17	36	45	52	88	220	316	333	362	393	407	410		
Replacement Cost (\$)	\$ -	\$ 1,405,220	\$ 6,522,186	\$ 6,335,696	\$ 18,916,716	\$ 7,606,446	\$ 5,614,250	\$ 32,602,838	\$ 128,575,794	\$ 87,179,298	\$ 16,890,554	\$ 23,520,248	\$ 29,846,798	\$ 11,125,004	\$ 3,140,410	\$ 379,281,458	
Cumulative Replacement Cost (\$)	\$ -	\$ 1,405,220	\$ 7,927,406	\$ 14,263,102	\$ 33,179,818	\$ 40,786,264	\$ 46,400,514	\$ 79,003,352	\$ 207,579,146	\$ 294,758,444	\$ 311,648,998	\$ 335,169,246	\$ 365,016,044	\$ 376,141,048	\$ 379,281,458		

Note: Totals include +/- 19,400 LF of vintage 1950's steel DDW pipe that was cleaned and lined "in place" with cement mortar lining in 1992 and 1994.

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APPENDIX C
RESOLUTION No. 13-13 –RESERVE POLICY

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RESOLUTION NO. 13-13

PALMDALE WATER DISTRICT'S RESERVE POLICY

WHEREAS, the Board of Directors recognizes the need to ensure that the District will have sufficient funding available to meet its operating, emergency capital, and debt service obligations.

WHEREAS, the Board of Directors recognizes the need for sound financial policies as stewards of our customers' funds.

WHEREAS, the Board of Directors recognizes the need for funds to be held in reserve for unanticipated and unforeseeable expenses.

WHEREAS, the Board of Directors recognizes the need to avoid significant water rate fluctuations.

WHEREAS, the Board of Directors recognizes a need for long term strategic financial policies.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Palmdale Water District hereby rescinds the District's existing Reserve Policy (Resolution No. 09-03) and establishes the Palmdale Water District Reserve Policy as follows:

Legally Restricted Funds:

The Capital Improvement Fees, as modified by District Resolution No. 13-12 to consist of fee components allocated for infrastructure and for water supply and Water Supply Connection Fees, are subject to the requirements of the Mitigation Fee Act (AB 1600). The funds may not be used to support ongoing operations of the District. The District is legally required to account for these funds separately. An annual report is required to show balance forward, fees collected, income earned, expenditures, and future commitments. All funds collected must be committed or expended within five years of being collected or they must be refunded.

1. Capital Improvement Fund:

PWD will maintain a capital improvement fund with fees collected from developers to pay for the new facilities necessary to deliver water service to newly developed property and to pay for the additional water supplies necessitated to meet the demand for water created by such newly developed property. These fees are for offsite improvements such as the development's fair share cost of wells, reservoirs, transmission mains, treatment plant capacity, and other necessary facilities, as well as to pay for water supply acquisitions and projects associated with new water supplies necessitated by new development. The fees are collected at rates established by the Board of Directors based upon specific engineering studies. The rates charged are based on a project's equivalent capacity unit (ECU) basis. These funds are restricted to the design and construction of capital facilities for water delivery, and as otherwise provided in Resolution No. 13-12 and in Appendix H to the District's Rules and Regulations.

2. *Bond Proceeds Fund(s):*

Bond proceeds fund(s) are monies derived from the proceeds of a bond issue. Typically they consist of construction fund monies and a debt service reserve fund. The use of these proceeds is restricted by conditions set forth in the respective legal bond documents. These funds are usually held by the Trustee in favor of the bond holders.

3. *Debt Service Reserve Funds:*

This fund is governed by legal bond covenants for the District's revenue bonds. Bond covenants require that this fund be maintained at a level sufficient to fund maximum annual debt service payments. These funds are held by the bond trustee during the term of the bonds and are to be used in the event that the District is unable to meet its required semi-annual debt service obligation. Annual interest earnings on bond reserve funds shall be applied to each year's debt service payments.

A Reserve Fund for the 2013A Bonds is established pursuant to the Indenture in an amount equal to the Reserve Requirement. Assured Guaranty Municipal Corp. ("AGM") has committed to issue, simultaneously with the execution and delivery of the 2013A Bonds, a municipal bond debt service reserve insurance policy in an amount equal to the initial Reserve Requirement for deposit in the Reserve Fund.

4. *Rate Stabilization Fund:*

This fund is governed by legal bond covenants for the District's revenue bonds. The District may withdraw all or any portion of the amounts on deposit in the Rate Stabilization Fund and transfer such amounts to the Water Revenue Fund for application in accordance with an Installment Purchase Agreement.

Board Designated Funds:

Board designated funds are set to accomplish systematic and strategic goals or provide for prudent management of operations. The Board of Directors has complete discretion in the management and designation of self-adopted funds. Such funds can be modified, transferred, or altered by Board action.

1. *Dam Self Insurance:*

The District shall make available \$5 million for self-insurance of the Littlerock Dam as seed money for reconstruction under the terms of the agreement between Palmdale Water District, Littlerock Creek Irrigation District and Palmdale Water District Public Facilities Corporation. The money will be used to begin the reconstruction following the event as applications for FEMA reimbursement are in process.

2. *O&M Operating Reserve:*

The O&M Operating Reserve will vary over time with a goal of maintaining three (3) months average cash operating expenses of \$5.6 million. This reserve is considered a working cash requirement. It bridges the gap between the time expenses are paid and the time revenues from the same service are collected from customers.

3. *O&M Emergency Reserve:*

The O&M Emergency Reserve will vary over time with a goal of maintaining three (3) months average cash operating expenses of \$5.6 million. This reserve is considered a working cash requirement for use in an emergency situation.

4. *Unrestricted Reserves:*

Unrestricted reserves represent a remainder balance of cash that is not yet designated for some use by the Board of Directors.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Palmdale Water District as follows:

Each fiscal year budget will report on the status of the reserve over the previous year and budget for proposed sources and uses for each reserve.

PASSED AND ADOPTED by the Board of Directors of the Palmdale Water District at a regular meeting held on this 13th day of November, 2013 by the following vote:

Ayes: Director Robert Alvarado, Director Gordon Dexter, Director Gloria Dizmang,
Director Steve Cordova

Noes: None

Absent: President Kathy Mac Laren

Abstain: None

**SIGNED AND ATTESTED COPY CAN BE FOUND ON THE DISTRICT WEB SITE
OR CONTACT THE EXECUTIVE ASSISTANT TO RECEIVE A PHOTO COPY BY
MAIL.**

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APPENDIX D
CALIFORNIA WATER CODE – SECTION 370-374

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CALIFORNIA WATER CODE
SECTION 370-374
ALLOCATION-BASED CONSERVATION WATER PRICING
(Copied from original posted at <http://www.leginfo.ca.gov/calaw.html>)

370. The Legislature hereby finds and declares all of the following:

- (a) The use of allocation-based conservation water pricing by public entities that sell and distribute water is one effective means by which waste or unreasonable use of water can be prevented and water can be saved in the interest of the people and for the public welfare, within the contemplation of Section 2 of Article X of the California Constitution.
- (b) It is in the best interest of the people of California to encourage public entities to voluntarily use allocation-based conservation water pricing, tailored to local needs and conditions, as a means of increasing efficient uses of water, and further discouraging wasteful or unreasonable use of water under both normal and dry-year hydrologic conditions.
- (c) The Legislature intends that allocation-based conservation water pricing is an alternative method that can be used by public entities to encourage water users to conserve water, increase efficient uses of water, and further discourage waste of water. The Legislature does not intend to limit the discretion of public entities to evaluate and select among different methods for conserving water or to create a presumption that the election to not use a particular method is a waste or unreasonable use of water by the public entity.
- (d) Nothing in this chapter is intended to limit, or dictate, the design of rate structures that public entities may use to promote conservation by water users.
- (e) Nothing in this chapter directs, or otherwise compels, a public entity to use allocation-based conservation water pricing.

371. For purposes of this chapter, the following terms have the following meanings:

- (a) "Allocation-based conservation water pricing" means a retail water rate structure that meets all of the criteria in Section 372.
- (b) "Basic charge" means a volumetric unit charge for the cost of water service other than any fixed costs that are recovered through meter charges or other fixed charges other than incremental costs that are recovered through conservation charges. A basic charge may include the cost of generally applicable conservation measures assumed in establishing basic use allocations.
- (c) "Conservation charge" means a volumetric unit charge for incremental costs.
- (d) "Incremental costs" means the costs of water service, including capital costs, that the public entity incurs directly, or by contract, as a result of the use of water in excess of the basic use allocation or to implement water conservation or demand management measures employed to increase efficient uses of water, and further discourage the wasteful or unreasonable use of water, and may include any of the following:
 - (1) Conservation best management practices, conservation education, irrigation controls and other conservation devices, and other demand management measures.

- (2) Water system retrofitting, dual plumbing and facilities for production, distribution, and all uses of recycled water and other alternative water supplies.
 - (3) Projects and programs for prevention, control, or treatment of the runoff of water from irrigation and other outdoor water uses. Incremental costs shall not include the costs of stormwater management systems and programs.
 - (4) Securing dry-year water supply arrangements.
 - (5) Procuring water supplies to satisfy increments of water use in excess of the basic use allocations for the customers of the public entity, including supply or capacity contracts for water supply rights or entitlements and related energy costs for water delivery.
- (e) "Public entity" means a city, whether general law or chartered, county, city and county, special district, agency, authority, any other municipal public corporation or district, or any other political subdivision of the state that provides retail water service and that is an urban water supplier, as defined in Section 10617.

372. (a) A public entity may employ allocation-based conservation water pricing that meets all of the following criteria:

- (1) Billing is based on metered water use.
 - (2) A basic use allocation is established for each customer account that provides a reasonable amount of water for the customer's needs and property characteristics. Factors used to determine the basic use allocation may include, but are not limited to, the number of occupants, the type or classification of use, the size of lot or irrigated area, and the local climate data for the billing period. Nothing in this chapter prohibits a customer of the public entity from challenging whether the basic use allocation established for that customer's account is reasonable under the circumstances. Nothing in this chapter is intended to permit public entities to limit the use of property through the establishment of a basic use allocation.
 - (3) A basic charge is imposed for all water used within the customer's basic use allocation, except that at the option of the public entity, a lower rate may be applied to any portion of the basic use allocation that the public entity has determined to represent superior or more than reasonable conservation efforts.
 - (4) A conservation charge shall be imposed on all increments of water use in excess of the basic use allocation. The increments may be fixed or may be determined on a percentage or any other basis, without limitation on the number of increments, or any requirement that the increments or conservation charges be sized, or ascend uniformly, or in a specified relationship. The volumetric prices for the lowest through the highest priced increments shall be established in an ascending relationship that is economically structured to encourage conservation and reduce the inefficient use of water, consistent with Section 2 of Article X of the California Constitution.
- (b) (1) Except as specified in subdivision (a), the design of an allocation-based conservation pricing rate structure shall be determined in the discretion of the public entity.

- (2) The public entity may impose meter charges or other fixed charges to recover fixed costs of water service in addition to the allocation-based conservation pricing rate structure.
 - (c) A public entity may use one or more allocation-based conservation water pricing structures for any class of municipal or other service that the public entity provides.
- 373.
 - (a) Revenues derived from allocation-based conservation water pricing shall not exceed the reasonable cost of water service including basic costs and incremental costs. This chapter does not limit the sources of funding for incremental costs to charges for water use.
 - (b) Revenues derived from allocation-based conservation water pricing shall not exceed the proportional cost of service attributable to the customer's parcel, as determined by giving consideration to all of the following:
 - (1) Customer classes established in consideration of service characteristics, demand patterns, and other factors.
 - (2) Basic use allocations.
 - (3) Meter size.
 - (4) Metered volume of water consumed.
 - (5) The public entity's discretionary allocation of incremental costs between and among the increments of water use subject to conservation charges, as permitted by paragraph (4) of subdivision (a) of Section 372 to meet the requirement of that section.
 - (c) In establishing the schedule of charges and metered volumes for the increments of water use subject to conservation charges, the public entity may also consider both of the following:
 - (1) Customer overuse characteristics, including ratios between overuse volumes and basic use allocations, variations in demand and consumption patterns, or other characteristics of overuse experienced by the public entity.
 - (2) The extent to which the pricing structure of the increments will be effective in minimizing or eliminating the need for other measures to curtail potential overuse.
- 374.
 - (a) Allocation-based conservation water pricing under this chapter may be used on an ongoing basis and shall not require any finding of emergency or other water shortage conditions.
 - (b) The authority granted in this chapter is in addition to any other authority that a public entity has to use rate structure design to foster the conservation of water.
 - (c) The imposition and revision of rates and charges by a public entity under this chapter shall be subject to the procedures otherwise required by law for the public entity's water rates.

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APPENDIX E

GLOSSARY

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**Palmdale Water District
Budget 2015
Glossary**

ACH Automated Clearing House (ACH) is an electronic network for financial transactions in the United States. ACH processes large volumes of credit and debit transactions in batches. At the District, we are receiving bill payments for customers through Metavante.

ACWA Association of California Water Agencies – Association of California Water Agencies represents and provides key services to its members. From legislation, to regulatory activity, to broad policy issues, ACWA is on the front lines in Sacramento and in Washington, D.C. as a constant and respected advocate for California’s public water agencies. ACWA’s involvement at the state and federal level has helped shape laws and policies that affect ACWA member agencies and their customers. (<http://www.acwa.com>)

AWWA American Water Works Association – American Water Works Association is the authoritative resource on safe water, sharing knowledge on water resource development, water and wastewater treatment technology, water storage and distribution, and utility management and operations. AWWA provides knowledge, information and advocacy to improve the quality and supply of water in North America and beyond and advances public health, safety and welfare by uniting the efforts of the full spectrum of the water community.
(<http://www.awwa.org>)

BMP A Best Management Practice (BMP) is a practice or combination of practices determined to be the most effective, practicable means for protecting natural resources.

CalPERS See PERS

CDPH California Department of Public Health – State agency that oversees and regulates the public drinking water systems. This includes the certification and licensing of water treatment and distribution system operators. (<http://www.cdph.ca.gov>)

CEQA California Environmental Quality Act - The California Environmental Quality Act is a California law (California Public Resources Code section 21000 et seq.) passed in 1970, shortly after the Federal Government passed the National Environmental Policy Act. CEQA does not directly regulate land uses, but instead requires development projects submit documentation of their potential environmental impact. (<http://ceres.ca.gov/ceqa>)

CIF Capital Improvement Fee – Capital improvement fees were established to provide funds for the construction of District facilities to meet water demands. These fees are collected from developers so they can contribute toward the cost of construction of these future facilities as specified by the District’s Master Plan.

CMMS Computerized maintenance management system is a software package that maintains a computer database of information about an organization’s maintenance operations related to equipment, assets and property.

Palmdale Water District
Budget 2015
Glossary (continued)

CSDA California Special Districts Association – California Special Districts Association is the recognized voice for all special districts. CSDA provides advocacy, outreach and member services, while educating policy makers and the public on the vital importance of local services provided by special districts in California. (<http://www.csdanet.org>)

CUWCC The California Urban Water Conservation Council was created to increase efficient water use statewide through partnerships among urban water agencies, public interest organizations, and private entities. The Council's goal is to integrate urban water conservation Best Management Practices into the planning and management of California's water resources.

DSOD Division of Safety of Dams – Department of Water Resources program entrusted to protect people against loss of life and property from dam failure.

DWR California Department of Water Resources – State agency that oversees the operation of the State Water Project (SWP). (<http://www.water.ca.gov>)

DBP Disinfection By-Products are potentially toxic chemical compounds that are formed in extremely low concentrations during the disinfection of water supplies.

EBPP Electronic Bill Presentment and Payment.

EIR Environmental Impact Report – An EIR is a public document used by a government agency to analyze environmental effects of a proposed project. It also allows for the identification of alternatives and to disclose possible ways to reduce or avoid possible environmental damage.

EIS Environmental Impact Study – See EIR

EPA Environmental Protection Agency – The federal agency responsible for setting and enforcing water quality standards.

ET Evapotranspiration, or "ET," is the combination of water that is lost from the soil through evaporation and through transpiration from plants as a part of their metabolic processes. "ET" is simply the amount of water needed by a particular plant, tree, or turf grass.

GAC Granular Activated Carbon – Granular activated carbon is a form of carbon that has been processed to make it extremely porous and thus to have a very large surface area available for adsorption or chemical reactions. These carbons are therefore preferred for all adsorption of gases and vapors as their rate of diffusion are faster. Granulated carbons are used for water treatment, deodorisation and separation of components of flow system.

Palmdale Water District
Budget 2015
Glossary (continued)

GASB Governmental Accounting Standards Board – The Governmental Accounting Standards Board exists to establish and improve standards of state and local governmental accounting and financial reporting. By doing this, the result is useful information for users of financial reports and guide and educate the public, including issuers, auditors, and users of those financial reports. (<http://www.gasb.org>)

GIS Geographical Information System – Geographical information system captures, stores, analyzes, manages, and presents data that is linked to location. Technically, a GIS is a system, which includes mapping software and its application to remote sensing, land surveying, aerial photography, mathematics, photogrammetry, geography, and tools that can be implemented with GIS software.

IVR Interactive Voice Recognition.

MOU Memorandum of Understanding is a document describing a bilateral or multilateral agreement between parties. It expresses a convergence of will between the parties, indicating an intended common line of action.

MTBE Methyl tertiary-butyl ether (MTBE) is a chemical compound that is manufactured by the chemical reaction of methanol and isobutylene. MTBE is produced is almost exclusively used as a fuel additive in motor gasoline.

O&M Operations and Maintenance – Operations and Maintenance are the activities related to the performance of routine, preventive, predictive, scheduled, and unscheduled actions aimed at preventing equipment failure or decline with the goal of increasing efficiency, reliability, and safety.

OPEB Other Post-Employment Benefits – Other Post-Employment Benefits obligations are primarily for retiree health care costs but also can include other benefits such as insurance.

PEPRA California Public Employees' Pension Reform Act Of 2013. The District has adopted PEPRA provisions on January 1, 2013. For a better understanding of this act refer to the CalPERS employers' circular located at the following URL.

<http://www.calpers.ca.gov/eip-docs/employer/cir-ltrs/2012/200-055-12.pdf>

PERS or CalPERS California Public Employees' Retirement System – The State retirement system covering Palmdale Water District employees and retirees. The retirement program provides retirement income levels dependent on age and length of participation.

Palmdale Water District
Budget 2015
Glossary (continued)

RFP Request for proposals.

SCADA Supervisory Control and Data Acquisition is a system that collects data from various sensors at a factory, plant or in other remote locations and then sends this data to a central computer, which then manages and controls the data.

SWC The State Water Contractors is a non-profit association of 27 public agencies from Northern, Central and Southern California that purchase water under contract from the California State Water Project. (<http://www.swc.org>)

SWP California State Water Project – Administered by the Department of Water Resources (DWR), the State Water Project is the nation's largest state-built water and power development and conveyance system. Its purpose is to deliver water, control flooding, generate power, provide recreational opportunities, and enhance habitats for fish and wildlife.

TTHM Trihalomethanes (THM) are a group of four chemicals that are formed along with other disinfection byproducts when chlorine or other disinfectants used to control microbial contaminants in drinking water react with naturally occurring organic and inorganic matter in water. The EPA is in charge of regulating the total trihalomethanes (TTHM) at a maximum allowable annual average in drinking water.

VOC Volatile Organic Compounds are ground-water contaminants of concern because of very large environmental releases, human toxicity, and a tendency for some compounds to persist in and migrate with ground-water to drinking-water supply wells

WI-FI A popular technology that allows an electronic device to exchange data or connect to the internet wirelessly using radio waves.