PALMDALE WATER DISTRICT

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Board of Directors

ROBERT E. ALVARADO
Division 1

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GLORIA DIZMANG
Division 3

KATHY MAC LAREN
Division 4

VINCENT DINO
Division 5

March 19, 2015

Agenda for Regular Meeting
of the Board of Directors of the Palmdale Water District
to he held at the District's office at 2029 East Avenue Q, Palmdale

Wednesday, March 25, 2015

7:00 p.m.

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

Agenda item materials, as well as materials related to agenda items submitted after distribution of the agenda packets, are available for public review at the District's office located at 2029 East Avenue Q, Palmdale (Government Code Section 54957.5). Please call Dawn Deans at 661-947-4111 x1003 for public review of materials.

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

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

1) Pledge of Allegiance.

2) Roll Call.

3) Adoption of Agenda.

4) Public comments for non-agenda items.

5) Presentations :

5.1) Update on White Sage Garden. (Rich Campbell, Program Coordinator, Antelope Valley Resource Conservation District)

5.2) Cash for Grass Rebate Program. (PIO/Water Conservation Director McNutt)

6) Action Items - Consent Calendar (The public shall have an opportunity to comment on any action item as each item is considered by the Board of Directors prior to action being taken.)

6.1) Approval of minutes of regular meeting held March 11, 2015.

6.2) Payment of bills for March 25, 2015.

7) Action Items -Action Calendar (The public shall have an opportunity to comment on any action item as each item is considered by the Board of Directors prior to action being taken.)

7.1) Presentation, consideration, and possible action on acceptance and filing of 2014 audit and management report. (Financial Advisor Egan/Paul Kaymark, The Pun Group/Finance Committee)

7.2) Status report on Cash Flow Statement and Current Cash Balances as of February 28, 2015. (Financial Advisor Egan/Finance Committee)

7.3) Status report on Financial Statements, Revenue, and Expense and Departmental Budget Reports for February 28, 2015. (Finance Manager Williams/Finance Committee)

7.4) Status report on committed contracts issued and water revenue bond projects. (Assistant General Manager Knudson/Finance Committee)

7.5) Consideration and possible action on proposal received from Kennedy/Jenks Consultants for a One-Year Work Plan for the Palmdale Regional Groundwater Recharge and Recovery Project (formerly Littlerock Creek Groundwater Recharge and Recovery Project). ($1,590,000.00 – Budgeted – partial 2013A Water Revenue Bonds - Assistant General Manager Knudson)

7.6) Consideration and possible action on award of contract for security system. ($250,000.00 -Budgeted -Assistant General Manager Knudson)

7.7) Consideration and possible action on authorization of the following conferences, seminars, and training sessions for Board and staff attendance within budget amounts previously approved in the 2015 Budget:

a) 2015 Drought Briefing Webcast to be held April 9, 2015 at the District office, 2029 East Avenue Q, Palmdale.

8) Information Items:

8.1) Reports of Directors:

a) Meetings/General Report.

b) Standing Committee/Assignment Reports (Chair):
1) Palmdale Recycled Water Authority
2) Finance Committee
3) Water Supply & Reliability Committee

8.2) Report of General Manager.

a) Status report on Strategic Plan Initiative Projects. (Assistant General Manager Knudson)

8.3) Report of Attorney.

9) Public comments on closed session agenda matters.

10) Closed session under:

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

10.2) Conference with Legal Counsel – Anticipated Litigation: A closed session will be held, pursuant to Government Code §54956.9(d)(2) & (e)(2) because there is a significant exposure to litigation in one case.

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

12) Board members' requests for future agenda items.

13) Adjournment.

Dennis D. LaMoreaux

DENNIS D. LaMOREAUX,
General Manager
DDL/dd

P A L M D A L E W A T E R D I S T R I C T

B O A R D M E M O R A N D U M

DATE: March 18, 2015 **March 25, 2015**

TO: BOARD OF DIRECTORS **Board Meeting**

FROM: Mr. Michael Williams, Finance Manager

VIA: Mr. Dennis D. LaMoreaux, General Manager

RE: ***AGENDA ITEM NO. 7.1 – PRESENTATION, CONSIDERATION, AND POSSIBLE ACTION ON ACCEPTANCE AND FILING OF 2014 AUDIT AND MANAGEMENT REPORT. (FINANCIAL ADVISOR EGAN/PAUL KAYMARK, THE PUN GROUP/FINANCE COMMITTEE)***

Attached is the final 2014 Audit and Management Report. Mr. Paul Kaymark, of The Pun Group, will present the audit at the Board meeting.

Staff recommends the Board accept and file the 2014 Audit and Management Report. The Finance Committee will review the 2014 Audit and Management Report at their March 23, 2015 meeting.

Supporting Documents:

- Final 2014 Audit and Management Report

Palmdale Water District

Annual Financial Report

December 31, 2014 and 2013

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Mission Statement

The Mission of the Palmdale Water District is to provide high quality water to our current and future customers at a reasonable cost.

Vision Statement

The District will strive for excellence in providing high quality, reasonably priced water in a growing Antelope Valley by being a strong advocate for our customers in local water issues, public education, asset management, water conservation, planning and securing additional water supplies, continuing our commitment to operate efficiently with the help of emerging technologies, challenging, motivating and rewarding our employees and offering premium customer service in all that we do.

Palmdale Water District

Board of Directors as of December 31, 2014

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Name	Division	Title	Elected/ Appointed	Term Expires
Robert Alvarado	1	Vice President	Elected	12/15
Joe Estes	2	Secretary	Elected	12/17
Gloria Dizmang	3	Treasurer	Elected	12/15
Kathy Mac Laren	4	President	Elected	12/15
Vincent Dino	5	Director	Elected	12/17

Palmdale Water District
Dennis LaMoreaux, General Manager
2029 East Avenue Q
Palmdale, California 93550
(661) 947-4111 – www.palmdalewater.org

Palmdale Water District

Annual Financial Report

For the Years Ended December 31, 2014 and 2013

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Palmdale Water District
Annual Financial Report
For the Years Ended December 31, 2014 and 2013

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Financial Section

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Independent Auditors' Report

Board of Directors
Palmdale Water District
Palmdale, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Palmdale Water District (District) as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents. The comparative financial information as of December 31, 2013, was audited by other auditors whose report dated March 31, 2014, expressed an unmodified opinion on those basic financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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Auditor's Responsibility

Our responsibility is to express an opinion on these basic financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State Controller's Minimum Audit Requirements for California Special Districts. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District as of December 31, 2014, and the changes in its net position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other-Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 7 and the schedule of funding progress on pages 38 and 39 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated March 10, 2015, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance. This report can be found on pages 40 and 41.

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Santa Ana, California
March 10, 2015

The following Management's Discussion and Analysis (MD&A) of activities and financial performance of the Palmdale Water District (District) provides an introduction to the financial statements of the District for the years ended December 31, 2014 and 2013. We encourage readers to consider the information presented here in conjunction with the basic financial statements and related notes, which follow this section.

Financial Highlights

- In 2014, the District's net position decreased 2.79% or $3,034,833, from $108,672,170 to $105,637,337. In 2013, the District's net position decreased 0.69% or $760,535 from $109,432,705 to $108,672,170.
- The District's 2014 operating revenues decreased 3.25% or $783,275, due to a decrease in water service revenues, while in 2013 the District's operating revenues increased 6.76% or $1.528 million, due to an increase in water service revenues.
- The District's 2014 non-operating revenues decreased 13.66% or $1.090 million, due primarily to a $252,903 decrease in property tax collections and a $688,217 decrease in legal settlements. In 2013, non-operating revenues increased 14.54% or $1.012 million, due primarily to a $1.217 million increase in the property tax collections.
- The District's 2014 total expenses increased .51% or $169,351, due primarily to the net effect of a $1.740 million increase in operating expenses and a $963,182 decrease in non-operating expenses, while in 2013 total expenses decreased 2.44% or $827,050 due primarily to a $1.55 million decrease in operating expenses and a $1.183 million increase in non-operating expenses.

Required Financial Statements

This annual report consists of a series of financial statements. The Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position and Statement of Cash Flows provide information about the activities and performance of the District using accounting methods similar to those used by private sector companies.

The Statement of Net Position includes all of the District's investments in resources (assets), deferred outflows of resources, the obligations to creditors (liabilities), deferred inflows of resources and net position. It also provides the basis for computing a rate of return, evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District. All of the current year's revenue and expenses are accounted for in the Statement of Revenues, Expenses and Changes in Net Position. This statement measures the success of the District's operations over the past year and can be used to determine if the District has successfully recovered all of its costs through its rates and other charges. This statement can also be used to evaluate profitability and credit worthiness. The final required financial statement is the Statement of Cash Flows, which provides information about the District's cash receipts and cash payments during the reporting period. The Statement of Cash Flows reports cash receipts, cash payments and net changes in cash resulting from operations, investing, non-capital financing, and capital and related financing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in cash balance during the reporting period.

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Financial Analysis of the District

One of the most important questions asked about the District's finances is, "Is the District better off or worse off as a result of this year's activities?" The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position report information about the District in a way that helps answer this question. These statements include all assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

These two statements report the District's *net position* and changes in them. You can think of the District's net position – the difference between assets plus deferred outflows of resources less liabilities and deferred inflows of resources – as one way to measure the District's financial health, or *financial position*. Over time, *increases or decreases* in the District's net position are one indicator of whether its *financial health* is improving or deteriorating. However, one will need to consider other non-financial factors such as changes in economic conditions, population growth, zoning and new or changed government legislation, such as changes in Federal and State water quality standards.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to the basic financial statements can be found on pages 13 through 37.

Statements of Net Position

Condensed Statements of Net Position

	2014	2013	Change	2012	Change
Assets:					
Current assets	$ 26,345,253	28,344,627	(1,999,374)	16,911,413	11,433,214
Non-current assets	65,420	100,000	(34,580)	-	100,000
Capital assets, net	153,780,266	154,293,310	(513,044)	156,809,338	(2,516,028)
Total assets	180,190,939	182,737,937	(2,546,998)	173,720,751	9,017,186
Deferred outflows of resources	2,791,901	2,948,593	(156,692)	1,582,279	1,366,314
Total assets and deferred outflows of resources	$ 182,982,840	185,686,530	(2,703,690)	175,303,030	10,383,500
Liabilities:					
Current liabilities	$ 11,463,106	11,013,657	449,449	10,619,967	393,690
Non-current liabilities	65,882,397	65,900,703	(18,306)	55,250,358	10,650,345
Total liabilities	77,345,503	76,914,360	431,143	65,870,325	11,044,035
Net position:					
Net investment in capital assets	103,774,107	106,048,979	(2,274,872)	109,085,439	(3,036,460)
Restricted	65,420	100,000	(34,580)	-	100,000
Unrestricted	1,797,810	2,523,191	(725,381)	347,266	2,175,925
Total net position	105,637,337	108,672,170	(3,034,833)	109,432,705	(760,535)
Total liabilities and net position	$ 182,982,840	185,586,530	(2,603,690)	175,303,030	10,283,500

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As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets plus deferred outflows of resources exceeded liabilities and net position by $105,637,337 and $108,672,170, as of December 31, 2014 and 2013, respectively.

A portion of the District's net position, 98.2% and 97.6% as of December 31, 2014 and 2013, respectively, reflects the District's investment in capital assets (net of accumulated depreciation) less any related debt or related deferred outflow of resources or deferred inflow of resources used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to customers within the District's service area; consequently, these assets are *not* available for future spending.

At the end of year 2014 and 2013, the District showed a positive balance in its unrestricted net position of $1,863,230 and $2,623,191, respectively.

Statements of Revenues, Expenses and Changes in Net Position

Condensed Statements of Revenues, Expenses and Changes in Net Postion

	2014	2013	Change	2012	Change
Revenues:					
Operating revenues	$ 23,341,636	24,125,011	(783,375)	22,596,968	1,528,043
Non-operating revenues	6,890,012	7,980,183	(1,090,171)	6,967,305	1,012,878
Total revenues	30,231,648	32,105,194	(1,873,546)	29,564,273	2,540,921
Expenses:					
Operating expenses	22,405,397	20,665,315	1,740,082	22,215,659	(1,550,344)
Overhead absorption	(508,818)	(217,332)	(291,486)	(42,639)	(174,693)
Depreciation expense	7,166,973	7,483,036	(316,063)	7,768,448	(285,412)
Non-operating expenses	4,216,477	5,179,659	(963,182)	3,996,260	1,183,399
Total expenses	33,280,029	33,110,678	169,351	33,937,728	(827,050)
Net loss before capital contributions	(3,048,381)	(1,005,484)	(2,042,897)	(4,373,455)	3,367,971
Capital contributions	13,548	244,949	(231,401)	1,257,818	(1,012,869)
Change in net position	(3,034,833)	(760,535)	(2,274,298)	(3,115,637)	2,355,102
Net position, beginning of year	108,672,170	109,432,705	(760,535)	112,548,342	(3,115,637)
Net position, end of year	$ 105,637,337	108,672,170	(3,034,833)	109,432,705	(760,535)

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The statement of revenues, expenses and changes of net position shows how the District's net position changed during the years. In the case of the District, net position decreased by $3,034,833 and $760,535 for the years ended December 31, 2014 and 2013, respectively.

A closer examination of the sources of changes in net assets reveals that:

- The District's 2014 operating revenues decreased 3.25% or $783,275, due to a decrease in water service revenues, while in 2013 the District's operating revenues increased 6.76% or $1.528 million, due to an increase in water service revenues.
- The District's 2014 non-operating revenues decreased 13.66% or $1.090 million, due primarily to a $252,903 decrease in property tax collections and a $688,217 decrease in legal settlements. In 2013, non-operating revenues increased 14.54% or $1.012 million, due primarily to a $1.217 million increase in the property tax collections.
- The District's 2014 total expenses increased .51% or $169,351, due primarily to the net effect of a $1.740 million increase in operating expenses and a $963,182 decrease in non-operating expenses, while in 2013 total expenses decreased 2.44% or $827,050 due primarily to a $1.55 million decrease in operating expenses and a $1.183 million increase in non-operating expenses.

Capital Asset Administration

At the end of year 2014 and 2013, the District's investment in capital assets amounted to $153,780,266 and $154,293,310 (net of accumulated depreciation), respectively. This investment in capital assets includes land, land rights, transmission and distribution systems, wells, tanks, reservoirs, pumps, buildings and structures, equipment, vehicles, State Water Project entitlement, and construction-in-process. There were numerous capital asset additions in the years 2014 and 2013. (See note 5)

Changes in capital asset amounts for 2014 were as follows:

	Balance 2013	Additions	Transfers/ Deletions	Balance 2014
Capital assets:				
Non-depreciable assets	$ 6,229,183	5,149,640	(6,263,987)	5,114,836
Depreciable assets	272,703,136	9,702,961	(594,771)	281,811,326
Accumulated depreciation	(124,639,009)	(9,101,658)	594,771	(133,145,896)
Total capital assets, net	$ 154,293,310	5,750,943	(6,263,987)	153,780,266

Changes in capital asset amounts for 2013 were as follows:

	Balance 2012	Additions	Transfers/ Deletions	Balance 2013
Capital assets:				
Non-depreciable assets	$ 5,728,926	2,920,947	(2,420,690)	6,229,183
Depreciable assets	267,119,035	6,204,257	(620,156)	272,703,136
Accumulated depreciation	(116,038,623)	(9,220,542)	620,156	(124,639,009)
Total capital assets, net	$ 156,809,338	(95,338)	(2,420,690)	154,293,310

Debt Administration

In 2014, long-term debt decreased by $1,707,974, due to principal payments made by the District. In 2013, long-term debt increased by $6,791,241, due primarily to a refunding and issuance of new debt during the year. (See notes 8, 9 and 10)

Changes in long-term debt amounts for 2014 were as follows:

	Balance 2013	Additions/ Deletions	Principal Payments	Balance 2014
Long-term debt:				
2012 – Refunding COP's	$ 11,726,489	-	(1,017,774)	10,708,715
2013 – Bonds payable	43,610,000	-	(455,000)	43,155,000
Capital lease payable	579,128	-	(170,198)	408,930
Pension-related debt	1,084,487	-	(65,002)	1,019,485
Total long-term debt	$ 57,000,104	-	(1,707,974)	55,292,130

Changes in long-term debt amounts for 2013 were as follows:

	Balance 2012	Additions/ Deletions	Principal Payments	Balance 2013
Long-term debt:				
2004 – COP's	$ 35,560,000	(35,560,000)	-	-
2012 – Refunding COP's	12,765,208	-	(1,038,719)	11,726,489
2013 – Bonds payable	-	44,350,000	(740,000)	43,610,000
Capital lease payable	742,614	-	(163,486)	579,128
Pension-related debt	1,141,041	-	(56,554)	1,084,487
Total long-term debt	$ 50,208,863	8,790,000	(1,998,759)	57,000,104

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Requests for Information

This financial report is designed to provide the District's funding sources, customers, stakeholders and other interested parties with an overview of the District's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact the District's Finance Manager at 2029 East Avenue Q, Palmdale, CA 93550 or by phone (661) 947-4111.

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Basic Financial Statements

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Palmdale Water District
Statements of Net Position
December 31, 2014 and 2013

		2014	2013
Current Assets:			
Cash and cash equivalents (note 2)	$	9,220,142	8,481,773
Restricted – cash and cash equivalents (note 2)		4,410,779	7,761,016
Investments (note 2)		3,761,914	3,734,701
Accrued interest receivable		6,682	6,750
Accounts receivable – water sales and services, net (note 3)		1,576,011	1,784,916
Accounts receivable – property taxes and assessments		5,041,581	5,191,580
Accounts receivable – other		506	13,397
Materials and supplies inventory		1,572,698	832,364
Prepaid expenses and other deposits		754,940	438,130
Total current assets		26,345,253	28,244,627
Non-current assets:			
Investment in Palmdale Recycled Water Authority (note 4)		65,420	100,000
Capital assets – not being depreciated (note 5)		5,114,836	6,229,183
Capital assets – being depreciated, net (note 5)		148,665,430	148,064,127
Total non-current assets		153,845,686	154,393,310
Total assets		180,190,939	182,637,937
Deferred outflows of resources:			
Deferred loss on debt defeasance, net (note 6)		2,791,901	2,948,593
Total deferred outflows of resources		2,791,901	2,948,593
Total assets and deferred outflows of resources	$	182,982,840	185,586,530

Continued on the following page

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Palmdale Water District
Statements of Net Position, continued
December 31, 2014 and 2013

	2014	2013
Current liabilities:		
Accounts payable and accrued expenses	$ 775,402	631,476
Customer deposits for water service	2,863,067	2,597,134
Construction and developer deposits	1,703,611	1,742,137
Unearned property taxes and assessments	3,525,000	3,500,000
Accrued interest payable	552,900	563,062
Long-term liabilities – due in one year:		
Compensated absences (note 7)	273,252	271,874
Bonds payable (note 8)	470,000	455,000
Capital lease payable (note 9)	177,185	170,198
Certificates of participation (note 8)	1,048,421	1,017,774
Pension-related debt (note 10)	74,268	65,002
Total current liabilities	11,463,106	11,013,657
Non-current liabilities:		
Long-term liabilities – due in more than one year:		
Compensated absences (note 7)	91,085	90,625
Bonds payable (note 8)	42,685,000	43,155,000
Capital lease payable (note 9)	231,745	408,930
Certificates of participation (note 8)	9,660,294	10,708,715
Premium(discount) on certificates of participation, net (note 8)	2,936,194	3,038,323
Other post employment benefits payable (note 11)	9,332,862	7,479,625
Pension-related debt (note 10)	945,217	1,019,485
Total non-current liabilities	65,882,397	65,900,703
Total liabilities	77,345,503	76,914,360
Net position:		
Net investment in capital assets (note 12)	103,774,107	106,048,979
Restricted for investment in Palmdale Recycled Water Authority (note 4)	65,420	100,000
Unrestricted (note 13)	1,797,810	2,523,191
Total net position	105,637,337	108,672,170
Total liabilities and net position	$ 182,982,840	185,586,530

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See accompanying notes to the basic financial statements

Palmdale Water District
Statements of Revenues, Expenses and Changes in Net Position
For the Years Ended December 31, 2014 and 2013

	2014	2013
Operating revenues:		
Water sales – commodity charge	$ 8,502,071	9,217,809
Monthly water service charge	11,321,843	11,059,700
Water quality fees	1,564,800	1,650,551
Elevation fees	477,654	553,632
Other water service charges	1,475,268	1,643,319
Total operating revenues	23,341,636	24,125,011
Operating expenses:		
Source of supply – purchased water	3,164,037	3,205,345
Operations and production	5,875,735	5,685,515
Facilities	4,270,413	3,408,556
Engineering	1,289,492	1,460,236
Water conservation	361,146	396,176
Administration	3,794,424	3,111,692
Finance and customer service	3,650,150	3,397,795
Total operating expenses	22,405,397	20,665,315
Operating income before overhead absorption	936,239	3,459,696
Overhead absorption	508,818	217,332
Operating income before depreciation expense	1,445,057	3,677,028
Depreciation expense	(7,166,973)	(7,483,036)
Operating loss	(5,721,916)	(3,806,008)
Non-operating revenue(expense):		
Property taxes – ad valorum	1,582,069	1,765,553
Property tax assessment for State Water Project	5,066,642	4,899,758
Successor agency component of property taxes	415,074	651,377
Investment earnings	45,464	34,920
Change-in-market value of investments	5,005	(39,707)
Change in investment – Palmdale Recycled Water Authority (note 4)	(34,580)	-
Rental income	-	154,972
Legal and insurance refunds/settlements	(490,406)	197,811
State Water Project amortization expense	(1,934,685)	(1,737,506)
Interest expense – long-term debt	(2,125,100)	(1,900,004)
Amortization of deferred resources outflows (note 6)	(156,692)	(1,542,149)
Dept. of Water Resources fixed-charge recovery	221,578	233,833
Other non-operating revenues/(expenses), net	79,166	81,666
Total non-operating revenues, net	2,673,535	2,800,524
Net loss before capital contributions	(3,048,381)	(1,005,484)
Capital contributions:		
Capital improvement fees	13,548	244,949
Total capital contributions	13,548	244,949
Change in net position	(3,034,833)	(760,535)
Net position, beginning of year	108,672,170	109,432,705
Net position, end of year	$ 105,637,337	108,672,170

See accompanying notes to the basic financial statements

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Palmdale Water District
Statements of Cash Flows
For the Years Ended December 31, 2014 and 2013

	2014	2013
Cash flows from operating activities:		
Cash receipts from customers for water sales and services	$ 23,816,474	24,650,672
Cash receipts from others	313,635	1,115,757
Cash paid to vendors and suppliers for materials and services	(14,473,215)	(14,018,204)
Cash paid to employees for salaries and wages	(7,010,439)	(6,547,188)
Net cash provided by operating activities	2,646,455	5,201,037
Cash flows from non-capital financing activities:		
Proceeds from property taxes	7,188,784	6,960,926
Proceeds from note receivable – property taxes from state	-	167,267
Net cash provided by non-capital financing activities	7,188,784	7,128,193
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(8,588,614)	(6,704,514)
Proceeds from capital improvement fees	13,548	244,949
Principal paid on long-term debt	(1,707,974)	(1,998,759)
Proceeds from refunding issuance	-	44,986,800
Cost of refunding security	-	(35,540,000)
Cost of refunding issuance	-	(629,800)
Interest paid on long-term debt	(2,187,391)	(1,963,447)
Net cash used in capital and related financing activities	(12,470,431)	(1,604,771)
Cash flows from investing activities:		
Proceeds from sales(purchases) of investments, net	(22,208)	(1,755,358)
Interest and investment earnings	45,532	33,585
Net cash provided by(used in) investing activities	23,324	(1,721,773)
Net increase(decrease) in cash and cash equivalents	(2,611,868)	9,002,686
Cash and cash equivalents, beginning of year	16,242,789	7,240,103
Cash and cash equivalents, end of year	$ 13,630,921	16,242,789

Reconciliation of cash and cash equivalents to statements of net position:	2014	2013
Cash and cash equivalents	$ 9,220,142	8,481,773
Restricted – cash and cash equivalents	4,410,779	7,761,016
Total cash and cash equivalents	$ 13,630,921	16,242,789

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Palmdale Water District
Statements of Cash Flows, continued
For the Years Ended December 31, 2014 and 2013

	2014	2013
Reconciliation of operating loss to net cash provided by operating activities:		
Operating loss	$ (5,721,916)	(3,806,008)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Deprecation expense	7,166,973	7,483,036
Rental income	-	154,972
Legal and insurance refunds/settlements	(490,406)	197,811
Dept. of Water Resources fixed-charge recovery	221,578	233,833
Other non-operating revenues/(expenses), net	79,166	81,666
Changes in assets and liabilities:		
(Increase)Decrease in assets:		
Accounts receivable – water sales and services, net	208,905	268,169
Accounts receivable – other	12,891	405,764
Materials and supplies inventory	(740,334)	106,449
Prepaid expenses and other deposits	(316,810)	(305,430)
Increase(Decrease) in liabilities:		
Accounts payable and accrued expenses	143,926	(1,466,194)
Customer deposits for water service	265,933	257,492
Construction and developer deposits	(38,526)	41,711
Compensated absences	1,838	36,583
Other post employment benefits payable	1,853,237	1,511,183
Total adjustments	8,368,371	9,007,045
Net cash provided by operating activities	$ 2,646,455	5,201,037

See accompanying notes to the basic financial statements

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Note 1 – Reporting Entity and Summary of Significant Accounting Policies

Organization and Operations of the Reporting Entity

The Palmdale Water District (District) was formed as an Irrigation District under Division 11 of the California Water Code in 1918. The District provides potable water service to a portion of the City of Palmdale, California, and surrounding unincorporated areas of the County of Los Angeles. The District is operated under the direction of a five-member board of directors. The board members are elected by the public for staggered four-year terms.

The Palmdale Water District Public Facilities Corporation (Corporation) was organized on August 22, 1991 pursuant to the Nonprofit Public Benefit Corporation Law of the State of California (Title 1, Division 2, Part 2 of the California Corporations Code), solely for the purpose of acquiring and or constructing various public facilities and providing financial assistance to the District.

The criteria used in determining the scope of the reporting entity is based on the provisions of GASB Statement 14, as amended by GASB Statement 39. The District is the primary government unit. Component units are those entities which are financially accountable to the primary government, either because the District appoints a voting majority of the component unit's board or because the component unit will provide a financial benefit or impose a financial burden on the District. The District has accounted for the Corporation as a blended component unit. Despite being legally separate, this entity is so intertwined with the District that it is in substance part of the District's operations. Accordingly, this component unit is included within the financial statements of the District.

Basis of Accounting and Measurement Focus

The District reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the District is that the costs of providing water to its service area on a continuing basis be financed or recovered primarily through user charges (water sales), capital grants and similar funding. Revenues and expenses are recognized on the full accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred, regardless of when the related cash flows take place.

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Operating revenues and expenses, such as water sales and water purchases, result from exchange transactions associated with the principal activity of the District. Exchange transactions are those in which each party receives and gives up essentially equal values. Management, administration and depreciation expenses are also considered operating expenses. Other revenues and expenses not included in the above categories are reported as non-operating revenues and expenses.

Financial Reporting

The District’s basic financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), as applied to enterprise funds. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District solely operates as a special-purpose government which means it is only engaged in business-type activities; accordingly, activities are reported in the District’s proprietary fund.

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

Assets, Deferred Outflows, Liabilities, and Net Position

Use of Estimates

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported changes in net assets during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Substantially all of the District's cash is invested in interest bearing accounts. The District considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

Investments and Investment Policy

The District has adopted an investment policy directing management to deposit funds in financial institutions.

Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

Accounts Receivable and Allowance for Uncollectible Accounts

The District extends credit to customers in the normal course of operations. When management deems customer accounts uncollectible, the District uses the allowance method for the reservation and write-off of those accounts.

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Property Taxes and Assessments

The County of Los Angeles Assessor's Office assesses all real and personal property within the County each year. The County of Los Angeles Tax Collector's Office bills and collects the District's share of property taxes and assessments. The County of Los Angeles Treasurer's Office remits current and delinquent property tax collections to the District throughout the year. Property tax in California is levied in accordance with Article 13A of the State Constitution at one percent (1%) of countywide assessed valuations.

Property taxes receivable at year-end are related to property taxes collected by the County of Los Angeles, which have not been credited to the District's cash balance as of December 31. The property tax calendar is as follows:

Lien date	March 1
Levy date	July 1
Due dates	November 1 and March 1
Collection dates	December 10 and April 10

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

Assets, Deferred Outflows, Liabilities, and Net Position

Materials and Supplies

Materials and supplies consist primarily of water meters, pipe and pipefittings for construction and repair to the District's water transmission and distribution system. Materials and supplies are valued at cost using a weighted average method. Materials and supplies items are charged to expense at the time that individual items are consumed.

Prepaid Expenses

Certain payments to vendors reflects costs or deposits applicable to future accounting periods and are recorded as prepaid items in the basic financial statements.

Restricted Assets

Certain assets of the District are restricted for use by ordinance or debt covenant and, accordingly are shown as restricted assets on the accompanying statement of net assets. The District uses restricted resources, prior to using unrestricted resources, to pay expenditures meeting the criteria imposed on the use of restricted resources by a third party.

Capital Assets

Capital assets acquired and/or constructed are capitalized at historical cost. District policy has set the capitalization threshold for reporting capital assets at $5,000. Donated assets are recorded at estimated fair market value at the date of donation. Upon retirement or other disposition of capital assets, the cost and related accumulated depreciation are removed from the respective balances and any gains or losses are recognized. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets as follows:

Littlerock Dam	50 years
Buildings, wells and distribution system	40 years
Machinery and equipment	3-20 years

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State Water Project – Participation Rights

The District participates in the State Water Project (Project) entitling it to certain participation rights. The District's participation in the Project is through cash payments. Monies used for the construction of capital assets, such as pipelines, pumping facilities, storage facilities, etc., are recorded as participation rights and amortized over the life of the agreements. Certain projects also require payments for on-going maintenance; those payments are charged to expense as incurred.

Deferred Charges

The deferred charges are from debt issuance costs that have been expensed as incurred under GASB No. 65 in 2013.

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

Assets, Deferred Outflows, Liabilities, and Net Position, continued

Compensated Absences

The District's personnel policies provide for accumulation of vacation and sick leave. Liabilities for vacation and sick leave are recorded when benefits are earned. Cash payment of unused vacation is available to those qualified employees when retired or terminated.

Customer Deposits

Based on a customer's credit, the District may require a deposit deemed reasonable by the District. These deposits are held to pay off close out bills or to cover delinquent payments.

Net Position

The financial statements utilize a net position presentation. Net position is categorized as follows:

- **Net Investment in Capital Assets Component of Net Position**– This component of net position consists of capital assets, net of accumulated depreciation and reduced by any debt outstanding against the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt is included in this component of net position
- **Restricted Component of Net Position** – This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.
- **Unrestricted Component of Net Position** – This component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of the net investment in capital assets or restricted component of net position.

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Water Sales

Most water sales are billed on a monthly cyclical basis. Estimated unbilled water revenue through year-end has been accrued.

Capital Improvement Fees

Capital improvement fees represent cash and capital asset additions contributed to the District by property owners, granting agencies or real estate developers desiring services that require capital expenditures or capacity commitment.

Budgetary Policies

The District adopts an annual non-appropriated budget for planning, control, and evaluation purposes. Budgetary control and evaluation are affected by comparisons of actual revenues and expenses with planned revenues and expenses for the period. Encumbrance accounting is not used to account for commitments related to unperformed contracts for construction and services.

Reclassifications

The District has reclassified certain prior year information to conform to current year presentations of the basic financials statements.

Note 2 – Cash and Investments

Cash and investments as of December 31, are classified in the accompanying financial statements as follows:

		2014	2013
Cash and cash equivalents	$	9,220,142	8,481,773
Restricted – cash and cash equivalents		4,410,779	7,761,016
Investments		3,761,914	3,734,701
Total cash and investments	$	17,392,835	19,977,490

Cash and investments as of December 31, consist of the following:

		2014	2013
Cash on hand	$	3,700	3,700
Deposits with financial institutions		290,028	1,378,439
Deposits in money market funds		13,325,460	14,848,945
Deposits with the Local Agency Investment Fund (LAIF)		11,733	11,705
Investments		3,761,914	3,734,701
Total cash and investments	$	17,392,835	19,977,490

Investments Authorized by the California Government Code and the District's Investment Policy

The following table identifies the investment types that are authorized by the District in accordance with the California Government Code (or the District's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the District's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the District, rather than the general provisions of the California Government Code or the District's investment policy.

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Authorized Investment Type	Maximum Maturity	Maximum Percentage Of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligations	5 years	None	None
District Issued Bonds	5 years	None	None
Federal Agency Obligations	5 years	None	None
Negotiable Certificates of Deposit	5 years	30%	None
Money Market Mutual Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None

Investments Authorized by Debt Agreements

Investment of debt proceeds held by bond trustees are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the District's investment policy. The table below identifies the investment types that are authorized for investments held by bond trustee. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage Of Portfolio	Maximum Investment in One Issuer
Investment Contracts	None	None	None
Money Market Mutual Funds	N/A	None	None

Note 2 – Cash and Investments (Continued)

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. Of the bank balances, federally insured is unlimited for non-interest bearing accounts through December 31, 2014 and the remaining balance is collateralized in accordance with the Code; however, the collateralized securities are not held in the District's name.

Investment in State Investment Pool

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the District manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio matures or comes close to maturity evenly over time as necessary to provide requirements for cash flow and liquidity needed for operations.

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Note 2 – Cash and Investments (Continued)

Interest Rate Risk, continued

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity date:

Investment maturities as of December 31, 2014, were as follows:

Investment Type	Amount	Remaining Maturity (in Months): 12 Months Or Less	13 to 24 Months	25-60 Months	More than 60 Months
Certificates-of-deposit	$ 1,264,119	544,666	239,666	479,787	-
Government sponsored agency obligations	2,497,795	505,690	997,530	994,575	-
Total	$ 3,761,914	1,050,356	1,237,196	1,474,362	-

Investment maturities as of December 31, 2013, were as follows:

Investment Type	Amount	Remaining Maturity (in Months): 12 Months Or Less	13 to 24 Months	25-60 Months	More than 60 Months
Certificates-of-deposit	$ 1,739,716	479,602	542,937	717,177	-
Government sponsored agency obligations	1,994,985	-	510,925	1,484,060	-
Total	$ 3,734,701	479,602	1,053,862	2,201,237	-

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the District's investment policy, or debt agreements, and the actual rating as of year end for each investment type.

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Credit ratings as of December 31, 2014, were as follows:

Investment Type	Amount	Minimum Legal Rating	Rating as of year-end: Moody's Aaa	Not Rated
Certificates-of-deposit	$ 1,264,119	Aaa	$ -	1,264,119
Government sponsored agency obligations	2,497,795	Aaa	2,497,795	-
Total	$ 3,761,914		$ 2,497,795	1,264,119

Credit ratings as of December 31, 2013, were as follows:

Investment Type	Amount	Minimum Legal Rating	Rating as of year-end: Moody's Aaa	Not Rated
Certificates-of-deposit	$ 1,739,716	Aaa	$ -	1,739,716
Government sponsored agency obligations	1,994,985	Aaa	1,994,985	-
Total	$ 3,734,701		$ 1,994,985	1,739,716

Note 2 – Cash and Investments (Continued)

Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total District investments are as follows:

Issuer	Investment Type		Invested Amount 2014	Invested Amount 2013
Certificates-of-deposit	Certificates-of-deposit	$	1,264,119	1,739,716
Government sponsored agency obligations	Government sponsored agency		2,497,795	1,994,985
Total		$	3,761,914	3,734,701

Note 3 – Accounts Receivable – Water Sales and Services, Net

The balance at December 31, consists of the following:

		2014	2013
Accounts receivable – water sales and services	$	1,776,210	2,011,316
Allowance for uncollectible accounts		(200,199)	(226,400)
Accounts receivable – water sales and services, net	$	1,576,011	1,784,916

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Note 4 – Investment in Palmdale Recycled Water Authority

The Palmdale Recycled Water Authority (Authority) was formed under a Joint Exercise of Powers Authority on September 26, 2012, pursuant to Section(s) 6506 and 6507 of the Exercise of Powers Act, codified by California Government Code section(s) 6500, which authorizes public agencies by agreement to exercise jointly any power common to the contracting parties. The Authority was formed between the City of Palmdale, a California Charter City (City) and Palmdale Water District, an Irrigation District under Division 11 of the California Water Code (District). The Authority is an independent public agency separate from its Members.

The purpose of the Authority is to establish an independent public agency to study, promote, develop, distribute, construct, install, finance, use and manage recycled water resources created by the Los Angeles County Sanitation District Nos. 14 and 20 for any and all reasonable and beneficial uses, including irrigation and recharge, and to finance the acquisition and construction or installation of recycled water facilities, recharge facilities and irrigation systems.

The governing body of the Authority is a Board of Directors, which consists of five Directors. The governing body of each Member appoints and designates in writing two Directors who are authorized to act for and on behalf of the Member on matters within the powers of the Authority. The person(s) appointed and designated as Director(s) are member(s) of the Member's governing board. The fifth Director is appointed jointly by both Members.

The Members share in the revenues and expenses of the Authority on a 50/50 pro-rata share basis. Therefore, under GASB Statement No. 61 – *The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34* – the District accounts for its investment in the Authority as an equity interest in a component unit on the statement of financial position. The District reports its equity interest as of the date of the most recent financial statement audit of the Authority, which was audited by another accounting firm, with a financial statement date of December 31, 2013 and an opinion date of May 13, 2014.

Note 4 – Investment in Palmdale Recycled Water Authority (Continued)

The following is the condensed financial statements of the Authority.

Palmdale Recycled Water Authority
Condensed Statement of Financial Position
December 31, 2013

		Audited Total	City of Palmdale 50% Share	District 50% Share
Assets:				
Total assets	$	181,184	90,592	90,592
Liabilities:				
Total liabilities		50,343	25,171	25,172
Net position:				
Total net position		130,841	65,421	65,420
Total liabilities and net position	$	181,184	90,592	90,592

Palmdale Recycled Water Authority
Condensed Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended December 31, 2013

		Audited Total	City of Palmdale 50% Share	District 50% Share
Operating revenues:				
Total operating revenues	$	200,000	100,000	100,000
Operating expenses:				
Total operating expenses		69,194	34,597	34,597
Operating income		130,806	65,403	65,403
Non-operating revenue:				
Total non-operating revenue		35	18	17
Change in net position		130,841	65,421	65,420
Net position – beginning of year		-	-	-
Net position – end of year	$	130,841	65,421	65,420

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Note 5 – Capital Assets

Changes in capital assets for 2014, were as follows:

	Balance 2013	Additions/ Transfers	Deletions/ Transfers	Balance 2014
Non-depreciable assets:				
Land and land rights	$ 1,784,358	-	-	1,784,358
Construction-in-process	4,444,825	5,149,640	(6,263,987)	3,330,478
Total non-depreciable assets	6,229,183	5,149,640	(6,263,987)	5,114,836
Depreciable assets:				
Buildings, wells and distribution system	203,404,764	6,115,668	(544,844)	208,975,588
SWP – participation rights	58,873,747	3,386,115	-	62,259,862
Machinery and equipment	10,424,625	201,178	(49,927)	10,575,876
Total depreciable assets	272,703,136	9,702,961	(594,771)	281,811,326
Accumulated depreciation & amortization:				
Buildings, wells and distribution system	(96,411,576)	(6,179,909)	544,844	(102,046,641)
SWP – participation rights	(20,146,292)	(1,934,685)	-	(22,080,977)
Machinery and equipment	(8,081,141)	(987,064)	49,927	(9,018,278)
Total accumulated depreciation	(124,639,009)	(9,101,658)	594,771	(133,145,896)
Total depreciable assets, net	148,064,127	601,303	-	148,665,430
Total capital assets, net	$ 154,293,310	5,750,943	(6,263,987)	153,780,266

Changes in capital assets for 2013, were as follows:

	Balance 2012	Additions/ Transfers	Deletions/ Transfers	Balance 2013
Non-depreciable assets:				
Land and land rights	$ 1,784,358	-	-	1,784,358
Construction-in-process	3,944,568	2,920,947	(2,420,690)	4,444,825
Total non-depreciable assets	5,728,926	2,920,947	(2,420,690)	6,229,183
Depreciable assets:				
Buildings, wells and distribution system	201,710,783	2,314,137	(620,156)	203,404,764
SWP – participation rights	55,038,127	3,835,620	-	58,873,747
Machinery and equipment	10,370,125	54,500	-	10,424,625
Total depreciable assets	267,119,035	6,204,257	(620,156)	272,703,136
Accumulated depreciation & amortization:				
Buildings, wells and distribution system	(90,734,769)	(6,296,963)	620,156	(96,411,576)
SWP – participation rights	(18,408,786)	(1,737,506)	-	(20,146,292)
Machinery and equipment	(6,895,068)	(1,186,073)	-	(8,081,141)
Total accumulated depreciation	(116,038,623)	(9,220,542)	620,156	(124,639,009)
Total depreciable assets, net	151,080,412	(3,016,285)	-	148,064,127
Total capital assets, net	$ 156,809,338	(95,338)	(2,420,690)	154,293,310

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Note 5 – Capital Assets (Continued)

Construction-In-Process

The District has been involved in various construction projects throughout the year. The balances of the various construction projects that comprise the construction-in-process balances at December 31 are as follows:

The balance at December 31, consists of the following projects:		2012	2013	2014
Sediment removal – Littlerock Dam	$	946,305	1,033,185	1,395,256
Distribution master plan		532,335	-	-
Recycled facilities master plan		291,543	296,111	-
Garden bar study		162,630	162,630	-
Division Street/Avenue Q3 waterline replacement		1,030,925	-	-
Well 11A rehabilitation project		323,627	361,528	-
3600' Zone tank replacement project		100,904	-	-
20th/22nd/Pld Bl/Ave Q Vicinity waterline replacement		69,207	163,998	-
Avenue Q5/16th St. E. waterline replacement		47,824	506,895	-
Ave Q/Ave Q3/Division/Sumac waterline replacement		13,363	863,956	-
Avenue P14 waterline replacement		2,909	191,418	-
Localized GAC Contractor		-	408,617	-
10th ST E waterline replacement (Spec 1207)		-	44,771	802,533
Frontier/31st/32nd waterline replacement (Spec 1205)			45,419	255,459
Littlerock groundwater recharge project		-	-	622,707
Various other minor projects >$100,000		422,996	366,297	254,523
Construction-in-process	$	3,944,568	4,444,825	3,330,478

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State Water Project – Participation Rights

In 1963, the District contracted with the State of California (State) for 1,620 acre-feet per year of water from the State Water Project (SWP). In subsequent years, the annual entitlement increased to 21,300 acre feet. The SWP distributes water from Northern California to Southern California through a system of reservoirs, canals, pumps stations and power generation facilities.

The District is one of many participants contracting with the State of California Department of Water Resources (DWR) for a system to provide water throughout California. Under the terms of the State Water Contract, as amended, the District is obligated to pay allocable portions of the cost of construction of the system and ongoing operations and maintenance costs through at least the year 2035, regardless of the quantities of water available from the project. The District and the other contractors may also be responsible to the State for certain obligations by any contractor who defaults on its payments to the State.

Management's present intention is to exercise the District's option to extend the contractual period to at least 2052, under substantially comparable terms. This corresponds to an estimated 80-year service life for the original facilities. The State is obligated to provide specific quantities of water throughout the life of the contract, subject to certain conditions.

In addition to system on-aqueduct power facilities, the State has, either on their own or though joint venture financed certain off-aqueduct power facilities (OAPF). The power generated is utilized by the system for water transportation and distribution purposes. Power generated in excess of system needs is marketed to various utilities and California's power market.

Note 5 – Capital Assets (Continued)

State Water Project – Participation Rights, continued

The District is entitled to a proportionate share of the revenues resulting from sales of excess power. The District and the other water providers are responsible for repaying the capital and operating costs of the OAPF regardless of the amount of power generated.

The District capitalizes its share of system construction costs as participation rights in the State water facilities when such costs are billed by the DWR. Unamortized participation rights essentially represent a prepayment for future water deliveries through the State system. The District's share of system operations and maintenance costs is charged to expense as incurred.

The District amortizes a portion of capitalized participation rights each year using a formula that considers the total estimated cost of the project, estimated useful life and estimated production capacity of the assets based upon information provided by the State of California. GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, requires that all intangible assets not specifically excluded by their scope provisions be classified as capital assets. Accordingly, the participation rights have been included with the District's capital assets as shown in the schedule of changes in capital assets.

Note 6 – Deferred Outflows of Resources

Changes in deferred resources outflows 2014, were as follows:

	Balance 2013	Additions	Transfers	Amortization	Balance 2014
Deferred outflows of resources:					
Deferred loss on debt defeasance, net	$ 2,948,593	-	-	(156,692)	2,791,901
Total deferred outflows of resources	$ 2,948,593	-	-	(156,692)	2,791,901

Changes in deferred resources outflows for 2013, were as follows:

	Balance 2012	Additions	Transfers	Amortization	Balance 2013
Deferred outflows of resources:					
Deferred charges, net	$ 786,956	629,800	-	(1,416,756)	-
Deferred loss on debt defeasance, net	795,323	2,044,873	233,790	(125,393)	2,948,593
Total deferred outflows of resources	$ 1,582,279	2,674,673	233,790	(1,542,149)	2,948,593

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Note 7 – Compensated Absences

Changes in compensated absences for 2014, were as follows:

Balance 2013	Earned	Taken	Balance 2014	Current Portion	Long-term Portion
$ 362,499	518,155	(516,317)	364,337	273,252	91,085

Changes in compensated absences for 2013, were as follows:

Balance 2012	Earned	Taken	Balance 2013	Current Portion	Long-term Portion
$ 325,916	476,883	(440,300)	362,499	271,874	90,625

Note 8 – Long-term Debt

Changes in long-term debt amounts for 2014, were as follows:

	Balance 2013	Additions/ Deletions	Principal Payments	Balance 2014	Due within One Year	Due in More Than One Year
Long-term debt:						
2012 – Refunding certificates of participation	$ 11,726,489	-	(1,017,774)	10,708,715	1,048,421	9,660,294
2013 – Bonds payable	43,610,000	-	(455,000)	43,155,000	470,000	42,685,000
Capital lease payable	579,128	-	(170,198)	408,930	177,185	231,745
Pension-related debt	1,084,487	-	(65,002)	1,019,485	74,268	945,217
Total long-term debt	57,000,104	-	(1,707,974)	55,292,130	1,769,874	53,522,256

Changes in long-term debt amounts for 2013, were as follows:

	Balance 2012	Additions/ Deletions	Principal Payments	Balance 2013	Due within One Year	Due in More Than One Year
Long-term debt:						
2004 – Certificates of participation	$ 35,560,000	(35,560,000)	-	-	-	-
2012 – Refunding certificates of participation	12,765,208	-	(1,038,719)	11,726,489	1,017,774	10,708,715
2013 – Bonds payable	-	44,350,000	(740,000)	43,610,000	455,000	43,155,000
Capital lease payable	742,614	-	(163,486)	579,128	170,198	408,930
Pension-related debt	1,141,041	-	(56,554)	1,084,487	65,002	1,019,485
Total long-term debt	$ 50,208,863	8,790,000	(1,998,759)	57,000,104	1,707,974	55,292,130

Certificates of Participation

2004 Certificates of Participation

In August 2004, the District issued $38,285,000 of Revenue Certificates of Participation, Series 2004 (2004 COP's), with maturities from 2008 through 2034 and an average interest rate of 4.90%. The net proceeds are to be used to finance the acquisition, construction and improvement of certain water facilities and to pay issuance costs of the debt. Issuance of the 2004 COP's resulted in a premium of $328,767 which is being amortized over the life of the issue using the straight-line method.

In 2013, the District advanced refunded the remaining $35,560,000 of the 2004 COP's into the 2013 Bonds payable issuance.

2012 Refunding Certificates of Participation

In November 2012, the District issued $12,765,208 of Refunding Revenue Certificates of Participation, Series 2012 (2012 COP's), with maturities from 2013 through 2023 and an interest rate of 3.100%. The net proceeds of the issuance were used to accomplish an advance refunding (an in-substance defeasance) of $12,505,000 aggregate principal amount of the District's 1998 COP's with an average interest rate of 4.73%. The initial escrow deposit was used to purchase government sponsored agency obligation securities. These securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the Series 1998 Certificates of Participation.

The advance refunding resulted in a different between the reacquisition price and the net carrying value amount of the old debt of $312,075. This difference is being amortized through 2023 (the life of the debt) using the straight-line method as a deferred loss on debt defeasance. The District completed the advance refunding to reduce its total debt service payments over the next 11 years by approximately $1.293 million and to obtain an economic gain (the difference between the present values of the old and new debt service payments) of approximately $1.154 million.

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Note 8 – Long-term Debt (Continued)

Annual debt service requirements for the 2012 Refunding Certificates of Participation are as follows:

Year		Principal	Interest	Total
2015	$	1,048,421	323,907	1,372,328
2016		1,082,553	291,144	1,373,697
2017		1,115,453	257,332	1,372,785
2018		1,147,084	222,509	1,369,593
2019-2023		6,315,204	550,772	6,865,976
Total	$	10,708,715	1,645,664	12,354,379
Less: current		(1,048,421)		
Total non-current	$	9,660,294		

Bonds Payable

2013 Bonds Payable

The District's Public Financing Authority issued $44,350,000 in Water Revenue Bonds, Series 2013A (2013 Bonds) with maturities from 2013 through 2043 with an interest rate range between 2.00% to 5.00% pursuant to an Indenture of Trust, dated as of May 1, 2013, by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee. The 2013 Bonds are being issued: (i) to prepay the District's outstanding Revenue Certificates of Participation, Series 2004, (ii) to finance certain improvements to the District's Water System; (iii) to purchase a municipal bond insurance policy to guarantee payment of the principal of and interest on the 2013 Bonds; (iv) to purchase a municipal bond debt service reserve insurance policy for deposit in the Reserve Fund; and (v) to pay the costs of issuing the 2013 Bonds. Principal and interest payments are due in April and October each year.

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Annual debt service requirements for the 2013 Bonds payable are as follows:

Year		Principal	Interest	Total
2015	$	470,000	1,879,625	2,349,625
2016		475,000	1,870,225	2,345,225
2017		495,000	1,855,975	2,350,975
2018		510,000	1,841,125	2,351,125
2019-2023		2,835,000	8,900,225	11,735,225
2024-2028		11,675,000	7,584,725	19,259,725
2029-2033		14,550,000	4,714,600	19,264,600
2034-2038		6,865,000	1,723,950	8,588,950
2039-2043		5,280,000	650,000	5,930,000
Total	$	43,155,000	31,020,450	74,175,450
Less: current		(470,000)		
Total non-current	$	42,685,000		

Note 8 – Long-term Debt (Continued)

Changes in premium(discount) on certificates of participation for 2014, were as follows:

		Balance 2013	Additions	Transfers	Amortization	Balance 2014
Premium on certificates of participation	$	3,166,270	-	-	(106,429)	3,059,841
Discount on certificates of participation		(127,947)	-	-	4,301	(123,646)
Total premium(discount) on certificates of participation, net	$	3,038,323	-	-	(102,128)	2,936,195

Changes in premium(discount) on certificates of participation for 2013, were as follows:

		Balance 2012	Additions	Transfers	Amortization	Balance 2013
Premium on certificates of participation	$	238,356	3,228,354	(233,790)	(66,650)	3,166,270
Discount on certificates of participation		-	(130,456)	-	2,509	(127,947)
Total premium(discount) on certificates of participation, net	$	238,356	3,097,898	(233,790)	(64,141)	3,038,323

Note 9 – Capital Lease Payable

The District has leased $863,876 in equipment under a capital lease agreement, upon which the District will take ownership of the equipment at the end of the lease-term. Capital lease payments of $15,868 are due on a monthly-basis from April 2013 to March 2017 at an annual interest rate of 4.030%.

Annual debt service requirements for the capital lease payable are as follows:

Year		Principal	Interest	Total
2015	$	177,185	13,231	190,416
2016		184,459	5,957	190,416
2017		47,286	318	47,604
Total	$	408,930	19,506	428,436
Less: current		(177,185)		
Total non-current	$	231,745		

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Note 10 – Pension-Related Debt – CalPERS Side-Fund

As of June 30, 2003, CalPERS implemented risk-pooling for the District's agent multiple-employer public employee defined benefit pension plan. As a result, the District's defined benefit pension plan with CalPERS converted from an agent multiple-employer plan to a cost sharing multiple-employer plan. This change in the type of the plan created the CalPERS Side-Fund, which CalPERS financed at a 7.75% interest rate. CalPERS actuarially calculated the amount needed to bring the District into the cost sharing multiple-employer plan on an equal basis with other governmental agencies that had less than 100 active and retired employees combined. The reason that CalPERS switched these governmental agencies into the cost sharing multiple-employer plan was to smooth the annual costs related to the pension benefit over a longer period of time resulting in a lower cost of service to the governmental agencies.

A portion of the District's annual required contributions to CalPERS are actuarially determined and shared by all governmental agencies within the cost sharing risk pool. Also, the District is required to make annual payments to pay-down the CalPERS Side-Fund, as well. The responsibility for paying-down the District's CalPERS Side-Fund is specific to the District and is not shared by all governmental agencies within the cost sharing risk pool.

Note 10 – Pension-Related Debt – CalPERS Side-Fund (Continued)

Therefore, the Side Fund falls under the definition of pension-related debt, as described in GASB Statement No. 27 and recorded as liability on the District's financial statements.

Annual payments on the CalPERS Side-Fund represent principal and interest payments on the pension-related debt. Debt principal and interest expense is blended into the CalPERS pension benefit rate by individual class of District employee and repaid to CalPERS each payroll period throughout the fiscal year. The following is a pay-down schedule of the remaining payments of the District's CalPERS Side-Fund at a 7.50% interest rate, which was reduced by CalPERS in fiscal year 2012, for fiscal years 2012 and beyond as follows:

Year		Principal	Interest	Total
January 1, 2015 to December 31, 2015	$	74,268	39,244	73,962
July 1, 2015 to June 30, 2016		39,550	68,425	147,525
July 1, 2016 to June 30, 2017		89,620	62,330	151,950
July 1, 2017 to June 30, 2018		101,068	55,441	156,509
July 1, 2018 to June 30, 2019		113,517	47,688	161,205
July 1, 2019 to June 30, 2020		127,045	38,966	166,011
July 1, 2020 to June 30, 2021		141,737	29,284	171,021
July 1, 2021 to June 30, 2022		157,688	18,465	176,153
July 1, 2022 to June 30, 2023		174,992	6,562	181,554
Total	$	1,019,485	366,405	1,385,890
Less: current		(74,268)		
Total non-current	$	945,217		

Note 11 – Other Post Employment Benefits Payable

During the year ended December 31, 2008, the District implemented GASB Statement No. 45, which changed the accounting and financial reporting used by local government employers for post employment benefits. Previously, the costs of such benefits were generally recognized as expenses of local government employers on a pay-as-you-go basis. The new reporting requirements for these benefit programs as they pertain to the District are set forth below.

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Plan Description – Eligibility

The District administers its post-employment benefits plan, a single-employer defined benefit plan (Plan). The following requirements must be satisfied in order to be eligible for post employment medical, dental and vision benefits: (1) Attainment of age 55, and 20 years for full-time service, and (2) Retirement from the District (the District must be the last employer prior to retirement).

Membership in the OPEB plan consisted of the following members as of December 31:

	2014	2013	2012
Active plan members	81	90	90
Retirees and beneficiaries receiving benefits	15	10	10
Separated plan members entitled to but not yet receiving benefits	-	-	-
Total plan membership	96	100	100

Note 11 – Other Post Employment Benefits Payable (Continued)

Plan Description – Benefits

The District offers post employment medical, dental and vision benefits to retired employees who satisfy the eligibility rules. Spouses and surviving spouses are also eligible to receive benefits. Retirees may enroll in any plan available through the ACWA-JPIA medical, dental and vision programs.

The contribution requirements of Plan members and the District are established and may be amended by the Board of Directors.

Funding Policy

The District is required to contribute the *Annual Required Contribution (ARC) of the Employer*, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The current ARC rate is 31.42% for 2014 and 30.58% for 2013 of the annual covered payroll.

The District will pay 100% of the cost of the post-employment benefit plan. The District funds the plan on a pay-as-you-go basis and maintains reserves (and records a liability) for the difference between pay-as-you-go and the actuarially determined ARC cost.

Annual Cost

For the years ended December 31, 2014 and 2013, the District's ARC cost was $2,202,960 and $$1,892,506, respectively. The District's net OPEB payable obligation amounted to $9,332,862 and $7,479,625 for the years ended December 31, 2014 and 2013, respectively. The District contributed $349,723 and $381,323 in age adjusted contributions for current retiree OPEB premiums for the years ended December 31, 2014 and 2013, respectively.

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The balance at December 31, consists of the following:		2014	2013	2012
Annual OPEB expense:				
Annual required contribution (ARC)	$	2,306,498	2,002,499	1,982,672
Interest on net OPEB obligation		149,593	122,950	89,796
Adjustment to annual required contribution		(253,131)	(232,943)	(170,127)
Total annual OPEB expense		2,202,960	1,892,506	1,902,341
Change in net OPEB payable obligation:				
Age adjusted contributions made		(349,723)	(381,323)	(292,883)
Total change in net OPEB payable obligation		1,853,237	1,511,183	1,609,458
OPEB payable – beginning of year		7,479,625	5,968,442	4,358,984
OPEB payable – end of year	$	9,332,862	7,479,625	5,968,442

Note 11 – Other Post Employment Benefits Payable (Continued)

Annual Cost, continued

The District's annual OPEB cost, the percentage of the annual OPEB cost contributed to the Plan, and the net OPEB obligation for 2014 and the two preceding years were as follows:

Three-Year History of Net OPEB Obligation

Fiscal Year Ended	Annual OPEB Cost	Age Adjusted Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation Payable
2013	$ 2,202,960	349,723	15.88%	$ 9,332,862
2013	1,892,506	381,323	20.15%	7,479,625
2012	1,902,341	292,883	15.40%	5,968,442

Funded Status and Funding Progress of the Plan

The most recent valuation (dated February 18, 2015) includes an Actuarial Accrued Liability and Unfunded Actuarial Accrued Liability of $25,778,850. There are no plan assets because the District funds on a pay-as-you-go basis and maintains no reserves equal to the remaining net post-employment benefits payable obligation. The covered payroll (annual payroll of active employees covered by the plan) for the year ended December 31, 2014 was $7,010,439. The ratio of the unfunded actuarial accrued liability to annual covered payroll was 367.72% as of December 31, 2014.

See page 39 for the Schedule of Funding Progress.

Actuarial Methods and Assumptions

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and the pattern of sharing of costs between the employer and plan members to that point. Consistent with the long-term perspective of actuarial calculations, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities for benefits.

The following is a summary of the actuarial assumptions and methods:

Valuation date	December 31, 2014
Actuarial cost method	Entry age normal cost method
Amortization method	Level percent of payroll amortization
Remaining amortization period	26 Years as of the valuation date
Asset valuation method	30 Year smoothed market
Actuarial assumptions:	
Investment rate of return	2.00% – Current LAIF rating (rounded)
Projected salary increase	1.90%
Inflation - discount rate	2.00%
Health care cost trend rate	3.00%

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Note 12 – Net Investment in Capital Assets

The balance at December 31, consists of the following:		2014	2013
Capital assets – not being depreciated	$	5,114,836	6,229,183
Capital assets – being depreciated, net		148,665,430	148,064,127
Restricted – cash and cash equivalents		4,410,779	7,761,016
Deferred outflows of resources		2,791,901	2,948,593
Bonds payable – current portion		(470,000)	(455,000)
Capital lease payable – current portion		(177,185)	(170,198)
Certificates of participation – current portion		(1,048,421)	(1,017,774)
Bonds payable – non-current portion		(42,685,000)	(43,155,000)
Capital lease payable – non-current portion		(231,745)	(408,930)
Certificates of participation – non-current portion		(9,660,294)	(10,708,715)
Bond premium/discount		(2,936,194)	(3,038,323)
Net investment in capital assets	$	103,774,107	106,048,979

Note 13 – Designations of Unrestricted Net Position

The balance at December 31, consists of the following:		2014	2013
Prepaid assets:			
Materials and supplies inventory	$	1,572,698	832,364
Prepaid expenses and other deposits		754,940	538,130
Total non-spendable unrestricted net position		2,327,638	1,370,494
Rate stabilization reserve		480,174	480,000
Spendable net position is designated as follows:			
Pension-related debt – current portion		(74,268)	(65,002)
Pension-related debt – non-current portion		(945,217)	(1,019,485)
Other post employment benefits payable – non-current pc		(9,332,862)	(7,479,625)
Operating reserve		9,342,345	9,236,809
Total spendable net position		(1,010,002)	672,697
Total unrestricted net position	$	1,797,810	2,523,191

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Note 14 – Deferred Compensation Savings Plan

For the benefit of its employees, the District participates in a 457 Deferred Compensation Program (Program). The purpose of this Program is to provide deferred compensation for public employees that elect to participate in the Program. Generally, eligible employees may defer receipt of a portion of their salary until termination, retirement, death or unforeseeable emergency. Until the funds are paid or otherwise made available to the employee, the employee is not obligated to report the deferred salary for income tax purposes.

Federal law requires deferred compensation assets to be held in trust for the exclusive benefit of the participants. Accordingly, the District is in compliance with this legislation. Therefore, these assets are not the legal property of the District, and are not subject to claims of the District's general creditors. Market value of all plan assets held in trust by the Lincoln Financial Group at December 31, 2014 and 2013 was $3,801,716 and $$3,554,426, respectively.

The District has implemented GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans.* Since the District has little administrative involvement and does not perform the investing function for this plan, the assets and related liabilities are not shown on the statement of net assets.

Note 15 – Defined Benefit Pension Plan

Plan Description

The District contributes to the California Public Employees Retirement System (CalPERS), a cost-sharing multiple-employer defined benefit pension plan. CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public agencies within the State of California. Benefit provisions and all other requirements are established by state statute and the District. Copies of CalPERS annual financial report may be obtained form their executive Office: 400 P Street, Sacramento, CA, 95814.

Funding Policy

The contribution rate for plan members in the CalPERS 2.0% at 55 Risk Pool Retirement Plan is 7% of their annual covered salary. The District makes these contributions required of District employees on their behalf and for their account. Also, the District is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The required employer contribution rates for years 2014, 2013 and 2012 were as follows:

Time Period	2013	2012	2011
Jan. 1 - June 30	12.385%	11.913%	11.004%
July 1 - Dec. 31	13.652%	12.385%	11.913%

The contribution requirements of the plan members are established by State statute, and the employer contribution rate is established and may be amended by CalPERS. For fiscal years 2014, 2013 and 2012, the District's annual contribution was $1,442,537, $1,065,484 and $1,190,148, respectively, for CalPERS and was equal to the District's required and actual contributions for each year.

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California Public Employees Pension Reform Act of 2013

On September 12, 2012, the California Governor signed the California Public Employees' Pension Reform Act of 2013 (PEPRA) into law. PEPRA took effect January 1, 2013.

Key components of the legislation are as follows:

- Establishes PEPRA which will apply to all public employers and public pension plans on and after January 1, 2013 (Except specific exemptions);
- Establishes new retirement tiers/benefits for new public employees;
- Prohibits certain cash payments from being counted as compensation; and
- Increases retirement age for all new public employees.

Second-Tier – Beginning January 1, 2013

The contribution rate for plan members in the CalPERS 2.0% at 62 Retirement Plan under PEPRA is 6.25% of their annual covered wages. District employees contribute 6.25% of their annual covered wages to their account. Also, the District is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The employer contribution rate (6.25%) and member contribution rate (6.25%) is a combined rate of 13.20% which will be in effect until June 30, 2015.

Funding Policy

The contribution requirements of the plan members are established by State statute, and the employer contribution rate is established and may be amended by CalPERS. For fiscal years 2014, the District's annual contribution was $64,564 for CalPERS PEPRA and was equal to the District's required and actual contributions for each year.

See Pages 38 and 39 for the Schedules of Funding Progress.

Note 15 – Defined Benefit Pension Plan (Continued)

Actuarial Methods and Assumptions

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and the pattern of sharing of costs between the employer and plan members to that point. Consistent with the long-term perspective of actuarial calculations, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities for benefits.

The following is a summary of the actuarial assumptions and methods:

Valuation date	June 30, 2013
Actuarial cost method	Entry age normal cost method
Amortization method	Level percent of payroll, open
Asset valuation method	Market value
Actuarial assumptions:	
Discount rate	7.50% (net of administrative expenses)
Projected salary increase	3.30% to 14.20% depending on age, service, and type of employment
Inflation	2.75%
Payroll growth	3.00%
Individual salary growth	A merit scale varying by duration of employment coupled with an assumed annual inflation growth of 2.75% and an annual production growth of 0.25%

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Note 16 – Risk Management

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District is a member of the Association of California Water Agencies/Joint Powers Insurance Authority (ACWA/JPIA), an intergovernmental risk sharing joint powers authority created to provide self-insurance programs for California water agencies. The purpose of the ACWA/JPIA is to arrange and administer programs of self-insured losses and to purchase the appropriate amount of insurance coverage. At December 31, 2014, the District participated in the self-insured Liability, Property and Worker's Compensation insurance programs provided by ACWA/Joint Powers Insurance Authority through AON Risk Insurance Services West, Inc. as follows:

General and Auto Liability

Each member limits of $60 million per occurrence for auto and general liability coverage. The program protects the member agencies against third-party claims for bodily injury and property damage. The following coverages are also included:

- Personal Injury
- Errors and Omissions
- Products Hazard
- Inverse Condemnation
- Employment Practices
- Broadened Pollution
- Failure to Supply Water
- Care, Custody & Control

Property

Each member Special Form Property Coverage including coverage for buildings, personal property, fixed equipment, mobile equipment, and licensed vehicles. Member agencies have various deductible selections. Boiler and Machinery Coverage is also included.

Note 16 – Risk Management (Continued)

Property, continued

The following is an overview of the program:

- Real Property, Fixed Equipment, Personal Property at replacement cost
- Crime Coverage-up to $100,000 Public Employee Dishonesty and Computer Fraud
- Terrorism Coverage-up to $100 million per occurrence for property damage caused by act declared to involve Terrorism
- $10 million Accounts Receivables for the amount of accounts uncollectible due to a covered loss
- $100,000 Catastrophic coverage for vehicles

Worker's Compensation

Each member is covered for bodily injury by accident, $2 million each accident, or bodily injury by disease, $2 million each employee, including death, of employee arising out of and in the course of employment.

In addition, the District in August 2014 continued a separate policy with underwriters at Landmark American Insurance Company for commercial earthquake/business income interruption insurance. This insurance was purchased to safeguard the District in case of a major earthquake until disaster relief funds are made available by state and federal agencies. This policy has provisions as follows:

- The loss limit is $9,284,980 per occurrence and in the annual aggregate.
- Deductible is 5% of values per unit of insurance subject to $25,000 minimum per occurrence.
- Coverage for 2029 East Avenue Q location is $2.891 million building limit and $393,120 contents, including $6 million business income.

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Settled claims have not exceeded any of the coverage amounts in any of the last three fiscal years and there were no reductions in the District's insurance coverage during the years ending December 31, 2014, 2013 and 2012. Liabilities are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred but not reported (IBNR). There were no IBNR claims payable as of December 31, 2014, 2013 and 2012.

Note 17 – Governmental Accounting Standards Board Statements Issued, Not Yet Effective

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to December 31, 2014, that have effective dates that may impact future financial presentations.

Governmental Accounting Standards Board Statement No. 68

In June 2012, the GASB issued Statement No. 68 – *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency.

This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria.

Note 17 – Governmental Accounting Standards Board Statements Issued, Not Yet Effective (Continued)

Governmental Accounting Standards Board Statement No. 68, continued

The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement. The provisions of Statement 68 are effective for fiscal years beginning after June 15, 2014. The impact of the implementation of this Statement to District's financial statements has not been assessed at this time.

Governmental Accounting Standards Board Statement No. 69

In January 2013, the GASB issued Statement No. 69 – *Government Combinations and Disposals of Government Operations.* The objective of this Statement is to provide new accounting and financial reporting standards for government mergers and acquisitions and for government operations that have been transferred or sold. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2013. The impact of the implementation of this Statement to District's financial statements has not been assessed at this time.

Governmental Accounting Standards Board Statement No. 70

In April 2013, the GASB issued Statement No. 70 – *Accounting and Financial Reporting for Non-exchange Guarantees.* Provisions of this Statement require that governments that extend non-exchange financial guarantees to recognize a liability when qualitative factors and historic data, if any, indicate that it is more likely than not that the government will be required to make a payments on the guarantee. The amount of the liability to be recognized should be the discounted present value of the best estimate of the future outflows related to the guarantee expected to be incurred. When there is no best estimate but a range of the estimated future outflows can be established, the amount of the liability to be recognized should be the discounted present value of the minimum amount within the range. The impact of the implementation of this Statement to District's financial statements has not been assessed at this time.

Governmental Accounting Standards Board Statement No. 71

In November 2013, the GASB issued Statement No. 71 – *Pension Transition for Contributions made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68.* The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or non-employer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. The impact of the implementation of this Statement to District's financial statements has not been assessed at this time.

Note 18 – Commitments and Contingencies

State Water Contract

Estimates of the District's share of the project fixed costs of the State Water Project (SWP) are provided annually by the State. The estimates are subject to future increases or decreases resulting from changes in planned facilities, refinements in cost estimates and inflation. During the next five years payments under the State Water Contract, exclusive of variable power costs, are currently estimated by the State to be as follows:

Fiscal Year		Amount
2015	$	5,115,557
2016		4,754,579
2017		4,638,456
2018		4,655,058

As of December 31, 2014, the District has expended approximately $91,464,294 since the District started participating in the State Water Contract.

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Note 18 – Commitments and Contingencies (Continued)

State Water Contract, continued

According to the State's latest estimates, the District's long-term obligations under the contract, for capital and minimum operations and maintenance costs, including interest to the year 2035, are as follows:

Type of Long-Term Obligation		Amount
State Water Project Contract:		
Transportation facilities	$	82,299,633
Delta water charges		24,042,186
Off-aqueduct power facilities		514,157
Revenue bond surcharge		5,198,969
Total	$	112,054,945

Bay/Delta Regulatory and Planning Activities

The State Water Resources Control Board (State Board) is the agency responsible for setting water quality standards and administering water rights throughout California. Decisions of the State Board can affect the availability of water to the District and other water users by means of public proceedings leading to regulations and decisions. In 1995, the State Board adopted a Water Quality Control Plan establishing water quality standards and flow improvements in the Bay/Delta watershed. In August 2000, the California Federal (CALFED) Bay/Delta Program Record of Decision (Decision) was approved with mandates to improve water quality, enhance water supply reliability, augment ecosystem restoration, and assure long-term protection for Delta levees. During its first three years, CALFED has invested more than $2.0 billion in hundreds of local and regional projects to meet these program goals. In May 2004, a Delta Improvement Package was proposed to facilitate implementation of the Decision. Funding is expected to be provided by state and federal appropriations and contributions from local users, including the District. CALFED's objective is to allocate project costs based on a beneficiaries pay policy, that is new costs commensurate with benefits received. At this time, the exact allocation of costs between the federal, state, and local users has not been determined, and therefore, the District cannot estimate the extent of timing of its contributions at this time.

Construction Contracts

The District has a variety of agreements with private parties relating to the installation, improvement or modification of water facilities and distribution systems within its service area. The financing of such construction contracts is being provided primarily from the District's replacement reserves and advances for construction. The District has committed to approximately $3,635,323 to complete the open construction contracts as of December 31, 2014. These include the following:

Project Name		Cost of Project to Date	Estimated Costs to Complete	Total Expected Project Cost
Sediment removal - Littlerock Dam (EIR/EIS/Permits)	$	1,395,256	150,250	1,545,506
10th ST E waterline replacement (Spec 1207)		802,533	435,750	1,238,283
Frontier/31st/32nd waterline replacement (Spec 1205)		255,459	1,227,476	1,482,935
Upper Amargosa Recharge Project		38,402	1,211,598	1,250,000
Littlerock Recharge & Recovery Project		622,707	610,249	1,232,956
Total	$	3,114,358	3,635,323	6,749,680

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Note 18 – Commitments and Contingencies (Continued)

Other Litigation

In the ordinary course of operations, the District is subject to claims and litigation from outside parties. Nevertheless, after consultation with legal counsel, the District believes that these actions, when finally concluded and determined are not likely to have a material adverse effect on the District's financial position, results of operations, or cash flows.

Note 19 – Subsequent Events

Events occurring after December 31, 2014, have been evaluated for possible adjustment to the financial statements or disclosure as of March 10, 2015, which is the date the financial statements were available to be issued. The District is not aware of any subsequent events that would require recognition or disclosure in the financial statements.

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Required Supplementary Information

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Palmdale Water District
Schedules of Funding Progress
For the Years Ended December 31, 2014 and 2013

1. Defined Benefit Pension Plan

Development of the Actuarial Value of Assets Calculation in a Risk Pool

The District is part of the CalPERS Miscellaneous 2.0% at 55 yrs. Risk Pool	June 30, 2011	June 30, 2012	June 30, 2013
1. Plan's accrued liability	$ 24,831,715	26,605,702	28,645,821
2. Plan's side fund	(1,203,412)	(1,167,310)	(1,114,771)
3. Pool's accrued liability	3,619,835,876	4,175,139,166	4,434,848,248
4. Pool's side fund	(115,840,552)	(132,335,224)	(108,339,918)
5. Pool's actuarial value of assets (AVA) including receivables	3,203,214,899	3,686,598,343	N/A
6. Plan's actuarial value of assets (AVA) including receivables [(1+2) / (3+4) x 5]	21,600,067	23,197,052	N/A
7. Pool's market value of assets (MVA) including receivables	2,867,303,802	3,120,110,130	N/A
8. Plan's market value of assets (MVA) including receivables [(1+2) / (3+4) x 7]	19,334,935	19,632,558	22,203,797

Funding History

The Funding History below shows the actuarial accrued liability, the actuarial value of assets, the market value of assets, funded ratios and the annual covered payroll. The actuarial value of assets is used to establish funding requirements and the funded ratio on this basis represents the progress toward fully funding future benefits for current plan participants. The funded ratio based on the market value of assets is an indicator of the short-term solvency of the plan in the risk pool.

Actuarial Valuation Date	Actuarial Accrued Liability (a)	Share of Pool's Market Value of Assets (MVA) (b)	Plan's Share of Pool's Unfunded Liability (a-b)	Funded Ratio	Annual Covered Payroll
June 30, 2011	$ 24,831,715	19,334,935	5,496,780	77.9%	$ 5,967,838
June 30, 2012	26,605,702	19,632,558	6,973,144	73.8%	6,154,498
June 30, 2013	28,645,821	22,203,797	6,442,024	77.5%	5,651,206

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1. Defined Benefit Pension Plan, continued

Development of the Actuarial Value of Assets Calculation in a Risk Pool

The District is part of the CalPERS Miscellaneous 2.0% at 62 yrs. Risk Pool	**June 30, 2013**
1. Plan's accrued liability	$ 955
2. Plan's side fund	-
3. Pool's accrued liability	1,063,294
4. Pool's side fund	-
5. Pool's actuarial value of assets (AVA) including receivables	-
6. Plan's actuarial value of assets (AVA) including receivables [(1+2) / (3+4) x 5]	-
7. Pool's market value of assets (MVA) including receivables	-
8. Plan's market value of assets (MVA) including receivables [(1+2) / (3+4) x 7]	1,281

Funding History

The Funding History below shows the actuarial accrued liability, the actuarial value of assets, the market value of assets, funded ratios and the annual covered payroll. The actuarial value of assets is used to establish funding requirements and the funded ratio on this basis represents the progress toward fully funding future benefits for current plan participants. The funded ratio based on the market value of assets is an indicator of the short-term solvency of the plan in the risk pool.

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Actuarial Valuation Date	Actuarial Accrued Liability (a)	Share of Pool's Market Value of Assets (MVA) (b)	Plan's Share of Pool's Unfunded Liability (a-b)	Funded Ratio	Annual Covered Payroll
June 30, 2013	$ 955	1,281	(326)	134.14%	$ 84,282

2. Other Post-Employment Benefits Payable

Required Supplemental Information – Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/2014	$ -	25,778,850	25,778,850	0.00%	$ 7,010,439	367.72%
12/31/2010	-	16,234,820	16,234,820	0.00%	6,547,188	247.97%
12/31/2008	-	4,497,022	4,497,022	0.00%	6,311,893	71.25%

Funding progress is presented for the year(s) that an actuarial study has been prepared since the effective date of GASB Statement 45. Actuarial review and analysis of the post-employment benefits liability and funding status is performed every three years or annually if there are significant changes in the plan. The next scheduled actuarial review and analysis of the post-employment benefits liability and funding status will be performed in 2016 based on the year ending December 31, 2015.

Report on Internal Controls and Compliance

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Independent Auditors' Report on Internal Control Over Financial Reporting And on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Directors
Palmdale Water District
Palmdale, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Palmdale Water District (District), which comprise the statement of net position as of December 31, 2014, and the related statement of revenues, expenses and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise the District's basic financial statements.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency* in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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Independent Auditors' Report on Internal Control Over Financial Reporting And on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards, continued*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal controls and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Santa Ana, California
March 10, 2015

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PALMDALE WATER DISTRICT

BOARD MEMORANDUM

DATE:	March 19, 2015	**March 25, 2015**
TO:	BOARD OF DIRECTORS	**Board Meeting**
FROM:	Mr. Bob Egan, Financial Advisor	
RE:	***AGENDA ITEM NO. 7.2 – STATUS REPORT ON CASH FLOW STATEMENT AND CURRENT CASH BALANCES AS OF FEBRUARY 28, 2015.***	

Attached is the Investment Funds Report and current cash balance as of February 28, 2015. The reports will be reviewed in detail at the Board meeting.

PALMDALE WATER DISTRICT
INVESTMENT FUNDS REPORT

				February 28, 2015			February-15	January-15
	DESCR							
CASH								
0-0103	Citizens/US Bank - Checking						26,803.91	(437,783.44)
0-0104	Citizens- Merchant						60,424.30	137,200.18
						Bank cash	87,228.21	(300,583.26)
0-0119	PETTY CASH						300.00	300.00
0-0120	CASH ON HAND						3,400.00	3,400.00
	TOTAL CASH						90,928.21	(296,948.19)
INVESTMENTS								
0-0110	UBS ACCOUNT SS 11469 GG							
	UBS RMA Government Portfolio						5,868,785.41	6,092,862.21
	UBS Bank USA Dep acct						250,000.00	250,000.00
			Accrued interest				1,292.18	792.77
							6,120,077.59	6,343,654.98
			CD'S	Due	Rate	Face Value		
		1	Bank of Baroda	07/23/15	0.35	240,000	239,892.00	239,844.00
		2	Comenity Bank	07/28/15	0.45	200,000	199,724.00	200,000.00
		3	Peoples United CT	07/28/15	0.30	240,000	239,836.80	239,776.80
		4	Bank of India	07/28/15	0.30	23,000	22,984.36	22,978.38
		5	Safra Nat'l	07/30/15	0.45	240,000	239,978.40	239,942.40
		6	Standard B&T	07/30/15	0.45	57,000	56,974.35	56,961.81
		7	Everbank	01/15/16	0.50	240,000	239,786.40	239,695.20
		8	Horizon Financial	01/15/16	0.30	240,000	239,371.20	239,244.00
		9	Hardin county	01/20/16	0.35	240,000	239,455.20	239,335.20
		10	Level One bank	01/21/16	0.35	40,000	39,908.40	39,888.40
		11	Firsy Merit	01/22/16	0.45	240,000	239,654.40	239,558.40
						2,000,000	1,997,565.51	1,997,224.59
						Total acct	8,117,643.10	8,340,879.57
0-1110	UBS ACCOUNT SS 11475 GG							
	UBS Bank USA Dep acct						250,000.00	250,000.00
	UBS RMA Government Portfolio						238,124.08	218,797.39
						Total acct	488,124.08	468,797.39
0-0115	LAIF					Total acct	11,740.58	11,740.58
0-0111	UBS ACCOUNT SS 11432 GG							
	UBS Bank USA Dep acct						250,000.00	250,000.00
	UBS RMA Government Portfolio						95,869.32	95,858.66
			Accrued interest				9,562.38	6,722.31
	US GOVERNMENT SECURITIES:							
	ISSUE DATE		ISSUER	EXPIR DATE	RATE	PAR	MARKET VALUE	MARKET VALUE
			FNMA	10/26/2015	1.625	500,000	504,655.00	505,210.00
			FFCB	6/2/2016	0.375	1,000,000	1,000,150.00	1,000,930.00
			FNMA	7/17/2017	1.2	500,000	500,045.00	500,595.00
			FHLB	12/28/2017	0.95	500,000	496,025.00	499,585.00
						2,500,000	2,500,875.00	2,506,320.00
			CD'S	Due	Rate	Face Value		
		1	GE Capital Bank	05/01/15	0.60	64,000	64,015.36	64,022.40
		2	Ally Bank	05/06/15	0.60	240,000	240,062.40	240,088.80
		3	Sallie Mae Bank	11/06/15	0.85	240,000	240,516.00	240,525.60
		4	Goldman Sachs Bk	11/07/16	1.00	240,000	240,165.60	240,076.80
		5	CIT Bank	11/06/17	1.60	240,000	240,256.80	240,223.20
		6	BMW Bank	11/15/18	2.00	240,000	241,396.80	240,722.40
		7						
						1,264,000	1,266,412.96	1,265,659
				TOTAL MANAGED ACCOUNT			4,122,719.66	4,124,560.17
	TOTAL INVESTMENTS						12,740,227.42	12,945,977.71
	UBS ACCOUNT SS 24016				UBS USA		250,000.00	250,000.00
			Rate Stabilization Fund		UBS AG		230,196.90	230,196.90
							480,196.90	480,196.90
	GRAND TOTAL CASH AND INVESTMENTS						13,311,352.53	13,129,226.42
		Summary:						
		Checking		90,928		Incr (Decr)	182,126.11	139,807.63
		UBS MM		8,605,767				
		LAIF		11,741				
		UBS Investment		4,122,720				
		Rate Stab fund		480,197		BNY Mellon		
			Total	13,311,353		Construction	3,668,420.28	3,951,155.61

Budget 2015													
3/17/2015	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015	
	January	February	March	April	May	June	July	August	September	October	November	December	YTD
Water Sales	1,665,618	1,512,657	1,701,805	1,717,591	1,933,175	2,100,833	2,336,905	2,377,838	2,191,667	2,101,684	1,823,591	1,806,466	23,269,831
	1,665,618	1,512,657	1,701,805	1,717,591	1,933,175	2,100,833	2,336,905	2,377,838	2,191,667	2,101,684	1,823,591	1,806,466	
`													
Beginning Balance	12,989,489	13,129,226	13,311,353	10,748,019	11,795,271	12,278,532	12,012,824	11,357,140	11,847,557	9,754,788	9,647,542	9,437,087	
Water Receipts	1,955,377	1,414,733	1,780,736	1,691,040	1,777,997	2,046,064	2,312,079	2,377,838	2,191,667	2,101,684	1,823,591	1,806,466	23,279,273
Other							0					0	0
Total Operating Revenue	1,955,377	1,414,733	1,780,736	1,691,040	1,777,997	2,046,064	2,312,079	2,377,838	2,191,667	2,101,684	1,823,591	1,806,466	
Operating Expenses:													
Total Operating Expenses excl GAC	1,220,357	1,308,730	1,620,620	1,268,042	1,457,882	1,415,451	2,043,912	1,725,160	1,626,092	1,790,975	1,788,698	1,539,261	18,805,180
													4,464,651
Non-Operating Revenue Expensess:													
Assessments, net	720,946	301,052	8,169	2,023,311	743,899	7,993	82,865	175,695	0	0	147,607	2,901,368	7,112,904
Special Avek CIF Payment													0
Interest	3,425	3,617	4,000	3,425	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	46,467
Mkt adj	6,917	(4,350)	800	6,917	800	800	800	800	800	800	800	800	16,684
Grant Re-imbursement			485,000										485,000
Capital Improvement Fees		19,315	101,633			0	50,000						170,948
													0
DWR Refund/(payment)													0
Other /Palmdale Redevel Agncy	608	3,970	500	500	250,000	500	500	500	500	500	500	170,000	428,578
Total Non-Operating Revenues	731,896	323,605	600,102	2,034,153	998,699	13,293	138,165	180,995	5,300	5,300	152,907	3,076,168	8,260,581
Capital Expenditures	(549,456)	(41,022)	(1,097,592)	(904,756)	(624,061)	(218,506)	(196,730)	(140,000)	(135,000)	(35,000)	(10,000)	(10,000)	(3,962,123)
GAC			(297,759)	(300,000)			(40,000)			(185,000)	(185,000)	(185,000)	(1,192,759)
SWP Capitalized	(754,079)	(185,988)	(213,715)	(187,388)	(187,388)	(187,388)	(754,074)	(187,388)	(219,319)	(187,388)	(187,387)	(187,387)	(3,438,889)
Prepaid Insurance (paid) refunded			(67,580)				(36,620)		(197,480)				(301,680)
Bond Payments Interest			(1,105,798)						(1,097,735)				(2,203,533)
Principal			(520,179)						(998,242)				(1,518,421)
System Work for AVEK													0
Butte payments						(500,000)						(500,000)	(1,000,000)
Capital leases	(23,644)	(20,470)	(20,929)	(17,756)	(24,103)	(3,720)	(34,592)	(15,868)	(15,868)	(15,868)	(15,868)	(15,868)	(224,554)
Legal adjudication fees													0
Total Cash Ending Balance	13,129,226	13,311,353	10,748,019	11,795,271	12,278,532	12,012,824	11,357,140	11,847,557	9,754,788	9,647,542	9,437,087	11,882,205	(13,841,959)
											Budget	11,500,000	(1,116,727)
											diff	382,205	

PALMDALE WATER DISTRICT

BOARD MEMORANDUM

DATE:	March 18, 2015	**March 25, 2015**
TO:	BOARD OF DIRECTORS	**Board Meeting**
FROM:	Michael Williams, Finance Manager/CFO	
VIA:	Mr. Dennis LaMoreaux, General Manager	
RE:	***AGENDA ITEM 7.3 – STATUS REPORT ON FINANCIAL STATEMENTS, REVENUE AND EXPENSE AND DEPARTMENTAL BUDGET REPORTS FOR FEBRUARY 28, 2015***	

Discussion:

Presented here are the Balance Sheet and Profit/Loss Statement for the period ending February 28, 2015. Also included are Year-To-Year Comparisons and Month-To-Month Comparisons for both revenue and expense. Finally, I have provided individual departmental budget reports for the month of February, 2015.

This is the second month of the District's Budget Year 2015. The target percentage is 16.6%. Revenues ideally are at or above, and expenditures ideally are below.

Balance Sheet:

- Page 1 is our balance sheet on February 28, 2015.
- The significant change is the increase in current assets of approximately $800K due primarily to the receipt of meters in inventory for our replacement project.

Profit/Loss Statement:

- Page 3 is our profit/loss statement on February 28, 2015.
- Operating revenue is at 13% of budget.
- Cash operating expense is at 14% of budget.
- There are three departments showing higher than target percentage, and those are Engineering, Finance, and Information Technology. I will cover the reasons later in the report.
- Page 3-1 is a listing of other revenues.
- Page 6 is showing the distribution of expense between labor and operations. Labor costs are currently at 53% of total expenses with salaries making up 34% of that.

Year-To-Year Comparison P&L:

- Page 7 is our comparison of February, 2014 to February, 2015.
- Total operating revenue is down $117K, or 7%.
- Operating expenditures are up by $252K, or 32%. The increase is due to the additional purchase of meters for meter project under plant expenditures.

Revenue Analysis Year-To-Date:

- Page 9 is our comparison of revenue, year-to-date.
- Operating revenue through February, 2015 is down $192K, or 6%.
- Retail water sales from all areas are down by $152K from last year. That's shown by the combined green highlighted area.
- Total revenue is up $196K due to strong assessment revenue.
- Operating revenue is at 13% of budget; last year was at 13% of budget.

Expense Analysis Year-To-Date:

- Page 11 is our comparison of expense, year-to-date.
- Cash Operating Expenses through February, 2015 are down $512K, or 16%, compared to 2014 due to Wood settlement payment under Administration being paid last year.
- Total Expenses are up $499K, or 9%, for the same reasons.

Departments:

- Pages 14 through 23 are detailed individual departmental budgets for your review.
- Page 16 is Engineering Department. Here we show the $40K payment made for the GIS Software renewal.
- Page 19 is Finance Department. Here we show the meter exchange at $107K due to the transfer of responsibility on change-out of meters to Facilities. This is in conjunction with the creation of Customer Care Department. The crew was able to close over 400 service orders during the month.
- Page 22 is Information Technology. Here there was payment of software support licenses needed for the year.

Non-Cash Definitions:

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

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

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

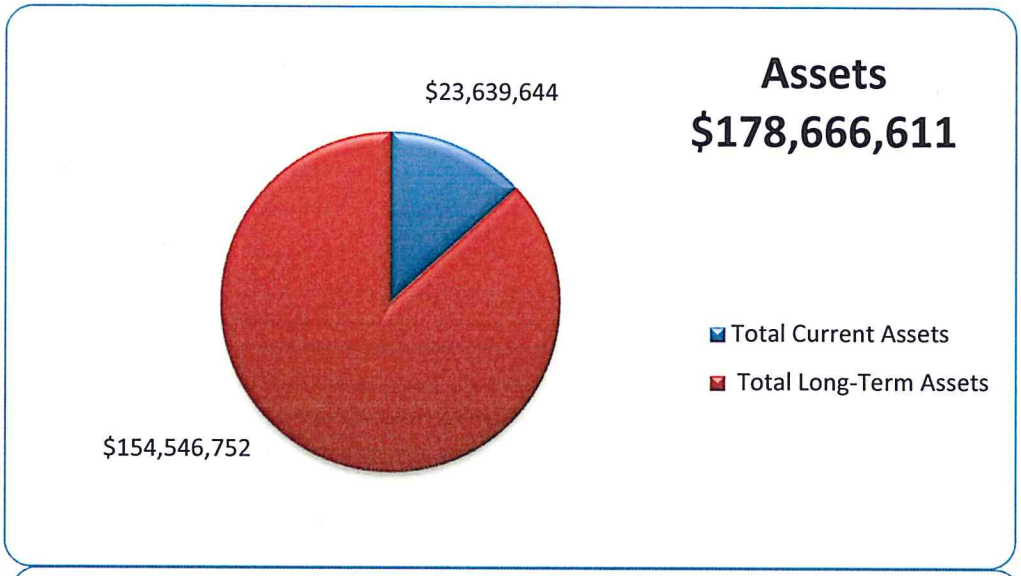
Service Cost Construction: The value of material, parts & supplies from inventory used to construct, repair and maintain our asset infrastructure.

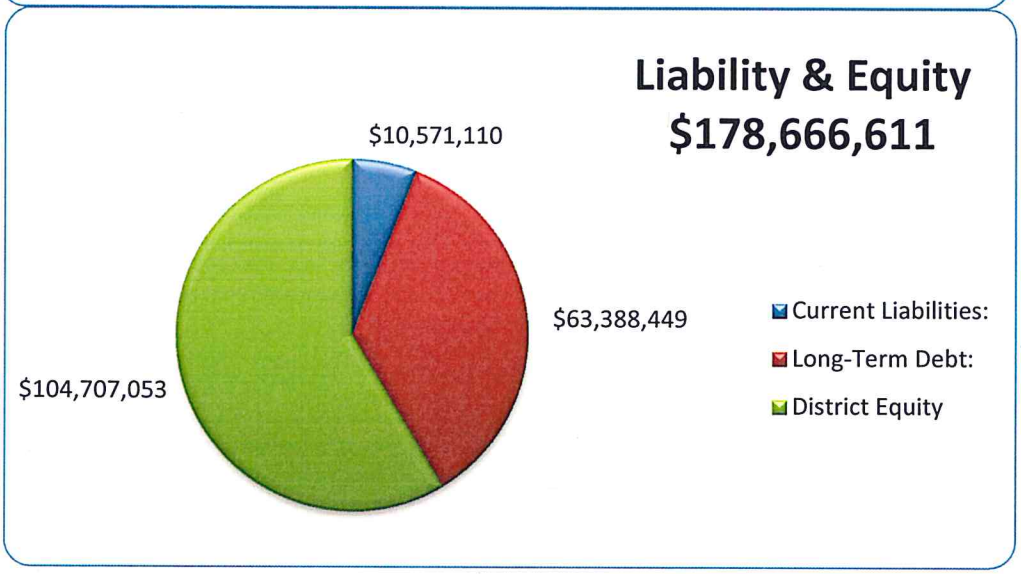
Capitalized Construction: The value of our labor force used to construct our asset infrastructure.

Palmdale Water District
Balance Sheet Report
For the Two Months Ending 2/28/2015

	February 2015	January 2015
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 90,928	$ (296,883)
Investments	12,740,227	12,945,978
2013A Bonds - Project Funds	3,668,420	3,951,156
	$ 16,499,576	$ 16,600,250
Receivables:		
Accounts Receivables - Water Sales	$ 1,580,783	$ 1,472,379
Accounts Receivables - Miscellaneous	40,206	40,059
Allowance for Uncollected Accounts	(200,199)	(200,199)
	$ 1,420,790	$ 1,312,238
Interest Receivable	$ -	$ -
Assessments Receivables	4,044,840	4,320,635
Meters, Materials and Supplies	1,538,352	756,171
Prepaid Expenses	136,087	161,227
Total Current Assets	**$ 23,639,644**	**$ 23,150,520**
Long-Term Assets:		
Property, Plant, and Equipment, net	$ 113,460,358	$ 113,629,336
Participation Rights in State Water Project, net	40,692,419	40,679,308
Investment in PRWA	165,420	165,420
2013A Bonds - Insurance & Surity Bond	228,554	229,220
	$ 154,546,752	**$ 154,703,284**
Restricted Cash:		
Rate Stabilization Fund	480,216	480,197
Total Long-Term Assets & Restricted Cash	**$ 155,026,968**	**$ 155,183,481**
Total Assets	**$ 178,666,611**	**$ 178,334,001**
LIABILITIES AND DISTRICT EQUITY		
Current Liabilities:		
Current Interest Installment of Long-term Debt	$ 921,500	$ 737,200
Current Principal Installment of Long-term Debt	1,695,606	1,695,606
Accounts Payable and Accrued Expenses	5,604,004	5,263,138
Deferred Assessments	2,350,000	2,937,500
Total Current Liabilities	**$ 10,571,110**	**$ 10,633,444**
Long-Term Debt:		
Pension-Related Debt	$ 1,019,485	$ 1,019,485
OPEB Liability	9,667,575	9,500,344
2013A Water Revenue Bonds	43,456,972	43,459,222
2012 - Certificates of Participation	9,041,710	9,034,912
2011 - Capital Lease Payable	202,707	217,250
Total Long-Term Liabilities	**$ 63,388,449**	**$ 63,231,214**
Total Liabilities	**$ 73,959,558**	**$ 73,864,658**
District Equity		
Revenue from Operations	$ (930,282)	$ (1,167,991)
Retained Earnings	105,637,335	105,637,335
Total Liabilities and District Equity	**$ 178,666,611**	**$ 178,334,001**

BALANCE SHEET AS OF FEBRUARY 28, 2015

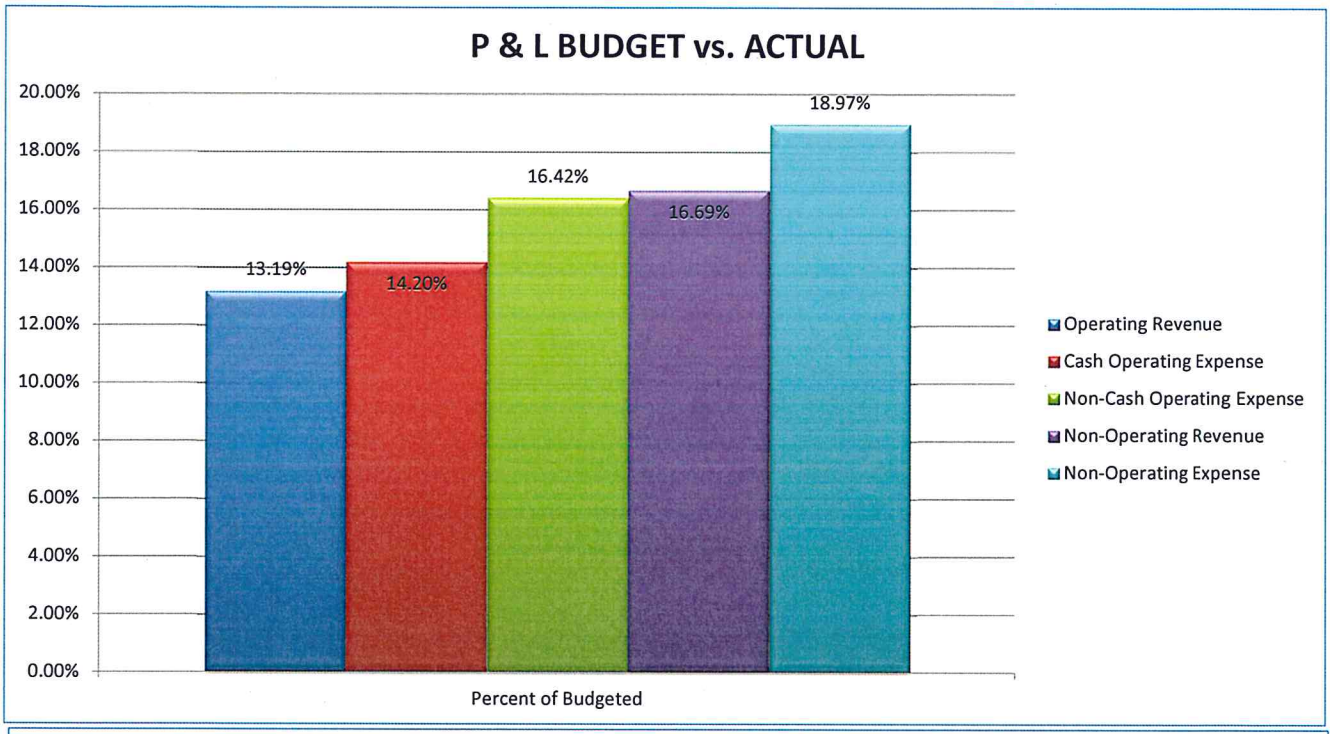


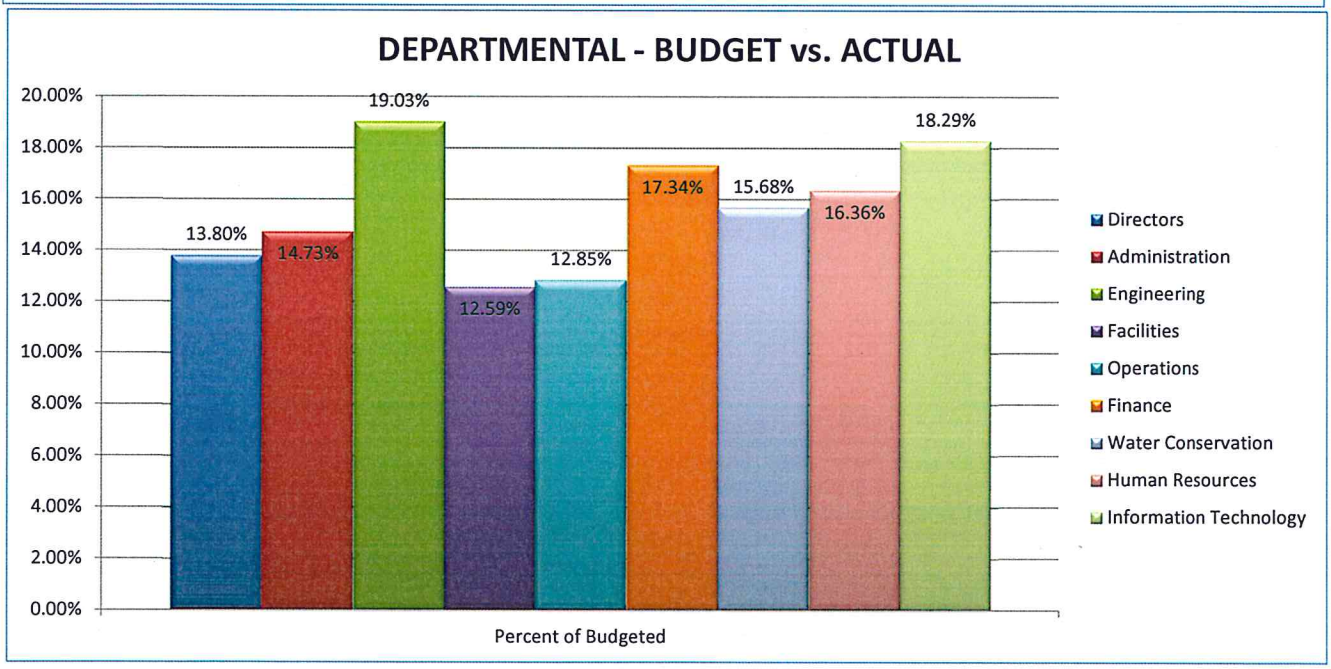


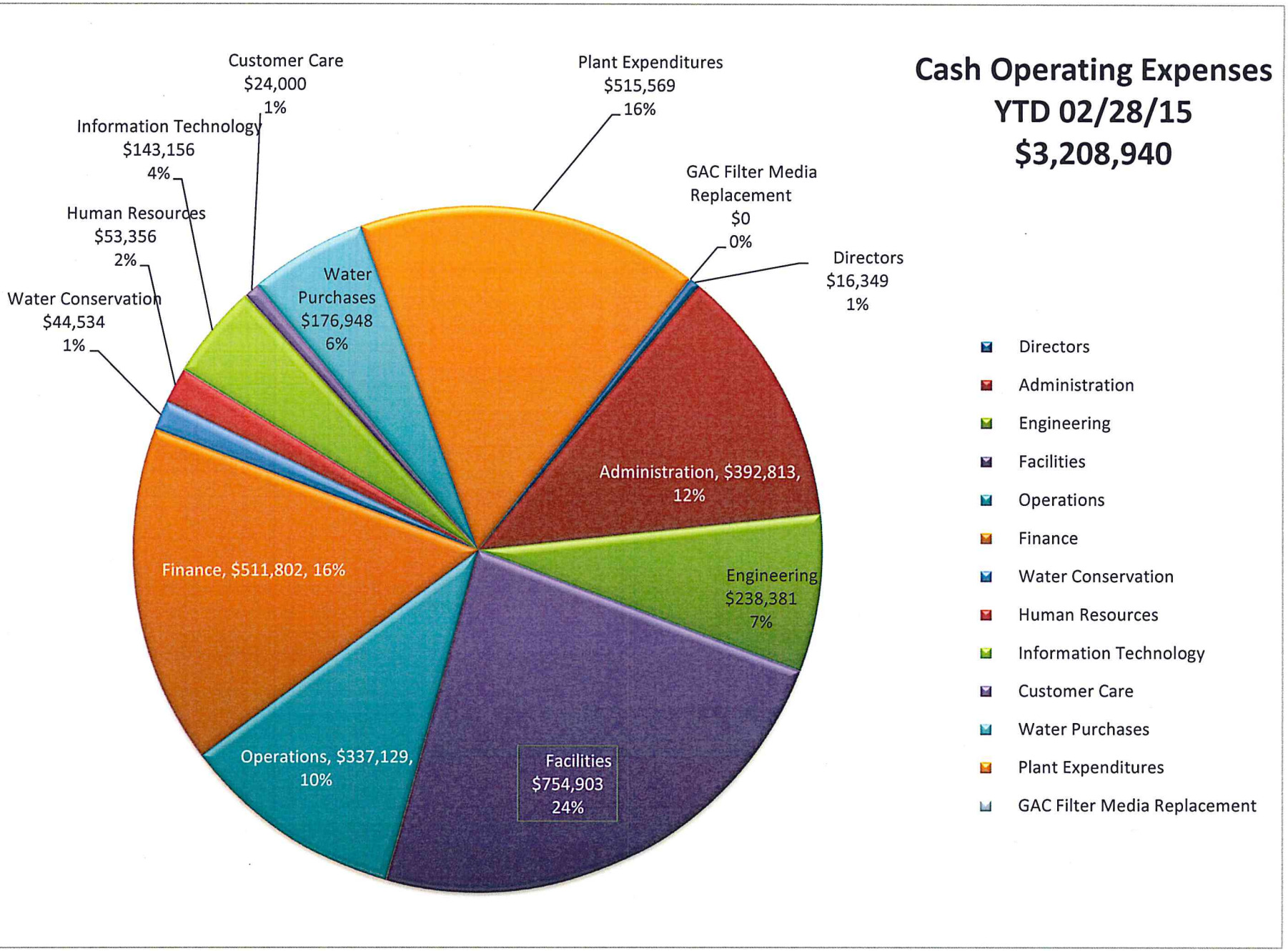
Palmdale Water District
Consolidated Profit and Loss Statement
For the Two Months Ending 2/28/2015

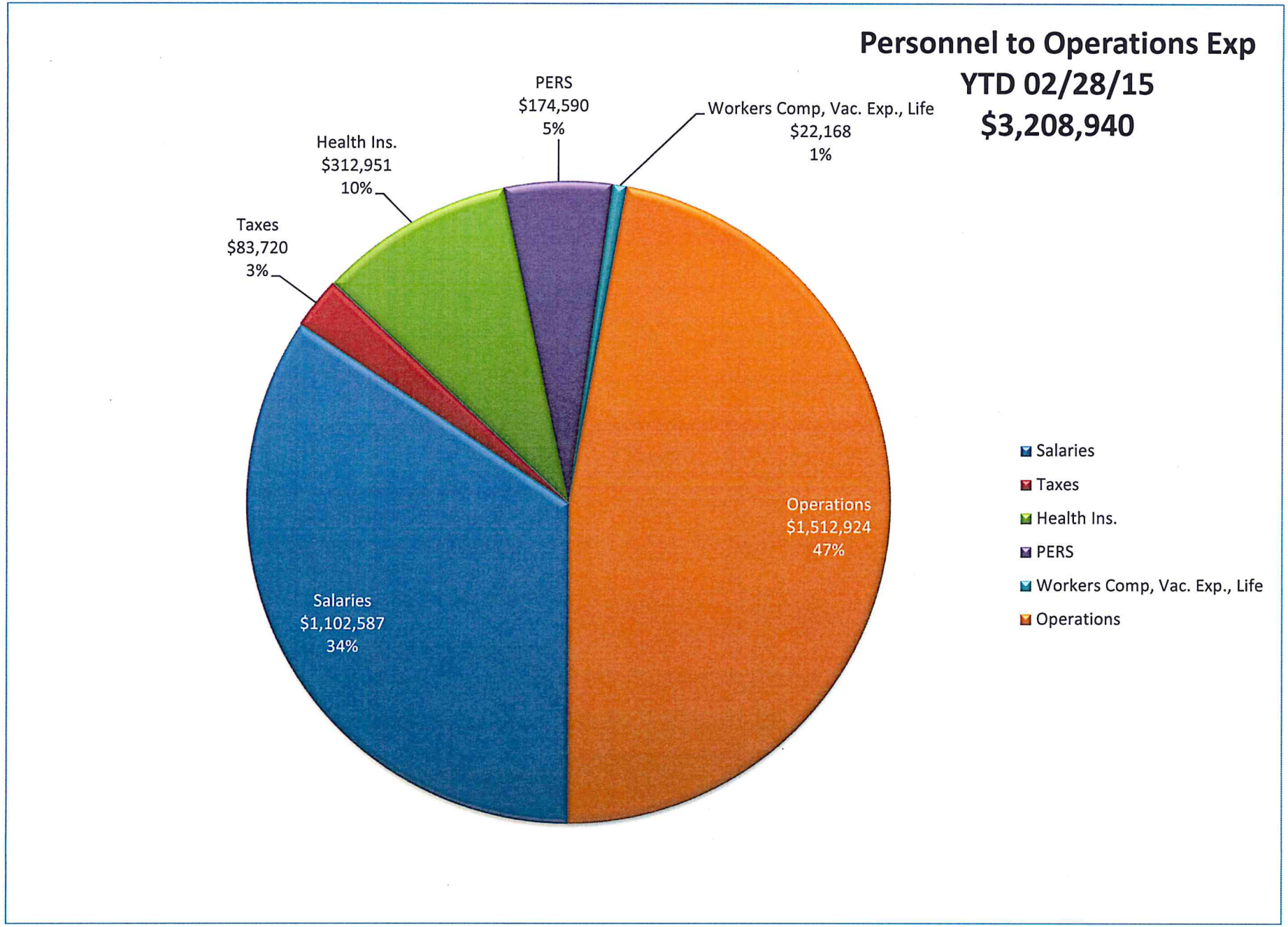
	Thru January	February	Year-to-Date	Adjustments	Adjusted Budget	% of Budget
Operating Revenue:						
Wholesale Water	$ -	$ 5,567	$ 5,567		$ 225,000	2.47%
Water Sales	425,950	379,623	805,574		8,550,500	9.42%
Meter Fees	964,006	972,877	1,936,883		11,506,000	16.83%
Water Quality Fees	52,785	51,478	104,263		1,146,500	9.09%
Elevation Fees	19,273	19,895	39,168		525,000	7.46%
Other	112,642	83,217	195,859		1,450,000	13.51%
Total Operating Revenue	**$ 1,574,657**	**$ 1,512,657**	**$ 3,087,313**	**$ -**	**$ 23,403,000**	**13.19%**
Cash Operating Expenses:						
Directors	$ 6,109	$ 10,240	$ 16,349		$ 118,500	13.80%
Administration	198,674	194,140	392,813		2,667,250	14.73%
Engineering	145,508	92,873	238,381		1,252,750	19.03%
Facilities	452,289	302,614	754,903		5,998,000	12.59%
Operations	199,438	137,691	337,129		2,624,000	12.85%
Finance	226,757	285,045	511,802		2,950,750	17.34%
Water Conservation	22,047	22,487	44,534		284,000	15.68%
Human Resources	32,486	20,870	53,356		326,100	16.36%
Information Technology	86,075	57,081	143,156		782,750	18.29%
Customer Care	24,000	-	24,000		-	
Water Purchases	260,305	35,672	295,977		2,400,000	12.33%
Water Purchases-Prior Year OAP	-	-	-		250,000	0.00%
Water Recovery	(119,029)	-	(119,029)		(100,000)	119.03%
Plant Expenditures	42,316	473,252	515,569		1,146,500	44.97%
GAC Filter Media Replacement	-	-	-		1,896,000	0.00%
Total Cash Operating Expenses	**$ 1,576,975**	**$ 1,631,964**	**$ 3,208,940**	**$ -**	**$ 22,596,600**	**14.20%**
Non-Cash Operating Expenses:						
Depreciation	$ 533,397	$ 533,397	$ 1,066,795		$ 6,450,000	16.54%
OPEB Accrual Expense	183,580	183,580	367,160		2,000,000	18.36%
Bad Debts	41	771	813		100,000	0.81%
Service Costs Construction	(13,622)	(2,393)	(16,015)		125,000	-12.81%
Capitalized Construction	(87,535)	(71,014)	(158,550)		(1,000,000)	15.85%
Total Non-Cash Operating Expenses	**$ 615,861**	**$ 644,341**	**$ 1,260,202**	**$ -**	**$ 7,675,000**	**16.42%**
Net Operating Profit/(Loss)	**$ (618,180)**	**$ (763,648)**	**$ (1,381,829)**	**$ -**	**$ (6,868,600)**	**20.12%**
Non-Operating Revenues:						
Assessments (Debt Service)	$ 446,500	$ 446,500	$ 893,000		$ 5,100,000	17.51%
Assessments (1%)	141,000	141,000	282,000		1,950,000	14.46%
DWR Fixed Charge Recovery	-	-	-		100,000	0.00%
Interest	10,334	(733)	9,601		35,000	27.43%
Capital Improvement Fees	-	19,315	19,315		50,000	38.63%
Other	608	3,970	4,578		5,000	91.55%
Total Non-Operating Revenues	**$ 598,442**	**$ 610,052**	**$ 1,208,493**	**$ -**	**$ 7,240,000**	**16.69%**
Non-Operating Expenses:						
Interest on Long-Term Debt	$ 190,886	$ 190,838	$ 381,724		$ 2,111,000	18.08%
Amortization of SWP	172,877	172,877	345,754		1,679,000	20.59%
Water Conservation Programs	6,396	23,073	29,469		200,000	14.73%
Total Non-Operating Expenses	**$ 370,159**	**$ 386,787**	**$ 756,946**	**$ -**	**$ 3,990,000**	**18.97%**
Net Earnings	**$ (389,898)**	**$ (540,384)**	**$ (930,282)**	**$ -**	**$ (3,618,600)**	**25.71%**

OTHER OPERATING REVENUE	
5/8" Meter W/Itron Assembly($212)	$212.00
Account Setup Charge($25)	$1,950.00
Account Setup Charge/CC ($35)	$2,100.00
Adjustment	$10.10
After Hours Service Call	$80.00
Credit Check($10)	$10.00
Door Tag Fee($20)	$38,760.00
Grind Down Angle Stop ($230)	$475.00
Lock Broken or Missing($15)	$120.00
Pulled Meter Service Charge($60)	$480.00
Repair Angle Stop($440.00)	$1,320.00
Shut-Off Charge($30)	$3,000.00
Standard Trip Charge($15)	$270.00
Waste Water 2nd Notice($50.00)	$100.00
Late Fees	$35,869.54
NSF Fee	$700.00
	$84,756.64


P & L BUDGET vs. ACTUAL
20.00%
18.00%
16.00%
14.00%
12.00%
10.00%
8.00%
6.00%
4.00%
2.00%
0.00%
13.19%
14.20%
16.42%
16.69%
18.97%
Percent of Budgeted
Operating Revenue
Cash Operating Expense
Non-Cash Operating Expense
Non-Operating Revenue
Non-Operating Expense


DEPARTMENTAL - BUDGET vs. ACTUAL
20.00%
18.00%
16.00%
14.00%
12.00%
10.00%
8.00%
6.00%
4.00%
2.00%
0.00%
13.80%
14.73%
19.03%
12.59%
12.85%
17.34%
15.68%
16.36%
18.29%
Percent of Budgeted
Directors
Administration
Engineering
Facilities
Operations
Finance
Water Conservation
Human Resources
Information Technology


Cash Operating Expenses
YTD 02/28/15
$3,208,940
Customer Care
$24,000
1%
Plant Expenditures
$515,569
16%
Information Technology
$143,156
4%
GAC Filter Media
Replacement
$0
0%
Human Resources
$53,356
2%
Directors
$16,349
1%
Water
Purchases
$176,948
6%
Water Conservation
$44,534
1%
Administration, $392,813,
12%
Finance, $511,802, 16%
Engineering
$238,381
7%
Operations, $337,129,
10%
Facilities
$754,903
24%
Directors
Administration
Engineering
Facilities
Operations
Finance
Water Conservation
Human Resources
Information Technology
Customer Care
Water Purchases
Plant Expenditures
GAC Filter Media Replacement


Personnel to Operations Exp
YTD 02/28/15
$3,208,940
PERS
$174,590
5%
Workers Comp, Vac. Exp., Life
$22,168
1%
Health Ins.
$312,951
10%
Taxes
$83,720
3%
Operations
$1,512,924
47%
Salaries
$1,102,587
34%
Salaries
Taxes
Health Ins.
PERS
Workers Comp, Vac. Exp., Life
Operations

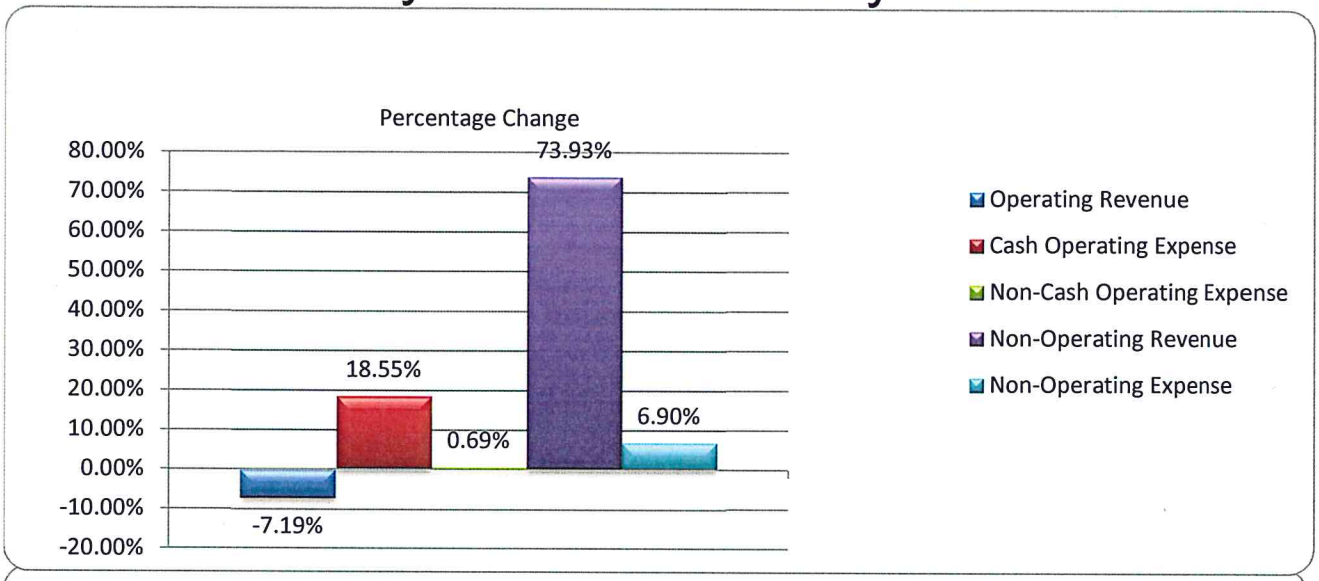
Palmdale Water District
Profit and Loss Statement
Year-To-Year Comparison - February

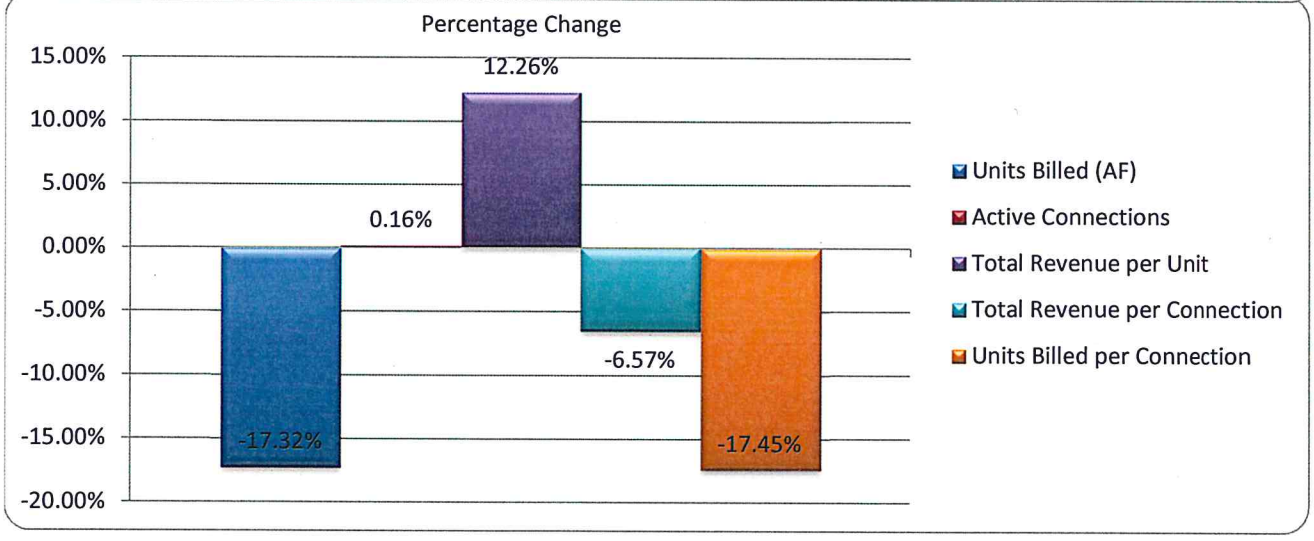
	2014 February	2015 February	Change	% Change
Operating Revenue:				
Wholesale Water	$ 3,007	$ 5,567	$ 2,559	85.09%
Water Sales	486,786	379,623	(107,162)	-22.01%
Meter Fees	924,427	972,877	48,450	5.24%
Water Quality Fees	88,395	51,478	(36,916)	-41.76%
Elevation Fees	25,046	19,895	(5,152)	-20.57%
Other	102,165	83,217	(18,948)	-18.55%
Total Operating Revenue	**$ 1,629,827**	**$ 1,512,657**	**$ (117,170)**	**-7.19%**
Cash Operating Expenses:				
Directors	$ 12,720	$ 10,240	$ (2,480)	-19.50%
Administration	179,544	194,140	14,596	8.13%
Engineering	68,190	92,873	24,683	36.20%
Facilities	219,145	302,614	83,469	38.09%
Operations	377,222	137,691	(239,532)	-63.50%
Finance	226,515	285,045	58,529	25.84%
Water Conservation	7,886	22,487	14,602	185.16%
Human Resources	16,102	20,870	4,768	29.61%
Information Technology	68,033	57,081	(10,951)	-16.10%
Customer Care	-	-	-	
Water Purchases	33,624	35,672	2,048	6.09%
Water Purchases-Prior Year OAP	-	-	-	
Water Recovery	-	-	-	
Plant Expenditures	167,665	473,252	305,588	182.26%
GAC Filter Media Replacement	-	-	-	
Total Cash Operating Expenses	**$ 1,376,646**	**$ 1,631,964**	**$ 255,319**	**18.55%**
Non-Cash Operating Expenses:				
Depreciation	$ 553,478	$ 533,397	$ (20,080)	-3.63%
OPEB Accrual Expense	166,875	183,580	16,705	10.01%
Bad Debts	61	771	710	1163.16%
Service Costs Construction	475	(2,393)	(2,868)	-603.76%
Capitalized Construction	(80,941)	(71,014)	9,927	-12.26%
Total Non-Cash Operating Expenses	**$ 639,947**	**$ 644,341**	**$ 4,393**	**0.69%**
Net Operating Profit/(Loss)	**$ (386,767)**	**$ (763,648)**	**$ (376,882)**	**97.44%**
Non-Operating Revenues:				
Assessments (Debt Service)	$ 191,605	$ 446,500	$ 254,895	133.03%
Assessments (1%)	99,784	141,000	41,216	41.30%
DWR Fixed Charge Recovery	-	-	-	
Interest	4,654	(733)	(5,388)	-115.76%
Capital Improvement Fees	2,538	19,315	16,777	661.03%
Other	52,154	3,970	(48,184)	-92.39%
Total Non-Operating Revenues	**$ 350,736**	**$ 610,052**	**$ 259,315**	73.93%
Non-Operating Expenses:				
Interest on Long-Term Debt	$ 196,650	$ 190,838	$ (5,812)	-2.96%
Amortization of SWP	159,510	172,877	13,367	8.38%
Water Conservation Programs	5,671	23,073	17,402	306.89%
Total Non-Operating Expenses	**$ 361,830**	**$ 386,787**	**$ 24,957**	6.90%
Net Earnings	**$ (397,861)**	**$ (540,384)**	**$ (142,523)**	**35.82%**

Consumption Comparison

	2014	2015
Units Billed	443,219	366,434
Active	26,413	26,454
Vacant	943	920
Rev/unit	$ 3.68	$ 4.13
Rev/con	$ 57.84	$ 54.03
Unit/con	16.78	13.85

YEAR-TO-YEAR COMPARISON
February '14 -To - February '15





	2014	2015	Change	
Units Billed (AF)	1,017	841	-176	-17.32%
Active Connections	26,413	26,454	41	0.16%
Non-Active	943	920	-23	-2.44%
Total Revenue per Unit	$3.68	$4.13	$0.45	12.26%
Total Revenue per Connection	$57.84	$54.03	-$3.80	-6.57%
Units Billed per Connection	16.78	13.85	-2.93	-17.45%

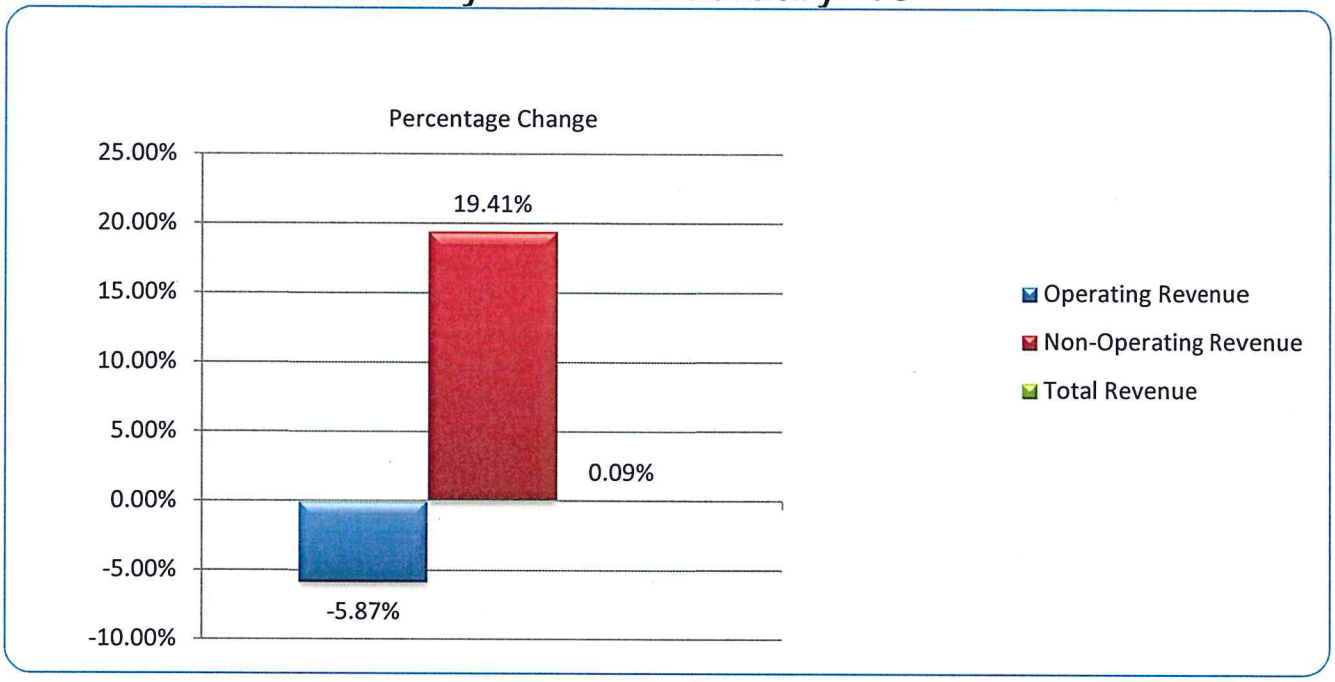
Palmdale Water District
Revenue Analysis
For the Two Months Ending 2/28/2015

	2015 Thru January	2015 February	2015 Year-to-Date	2015 Adjusted Budget	2015 % of Budget	2014 to 2015 Comparison Thru January	2014 to 2015 Comparison February	2014 to 2015 Comparison Year-to-Date	2014 to 2015 Comparison % Change
Operating Revenue:									
Wholesale Water	$ -	$ 5,567	$ 5,567	$ 225,000	2.47%	$ (23)	$ 2,559	$ 2,536	83.68%
Water Sales	425,950	379,623	805,574	8,550,500	9.42%	(52,252)	(107,162)	(159,414)	-16.52%
Meter Fees	964,006	972,877	1,936,883	11,506,000	16.83%	37,817	48,450	86,266	4.66%
Water Quality Fees	52,785	51,478	104,263	1,146,500	9.09%	(32,021)	(36,916)	(68,937)	-39.80%
Elevation Fees	19,273	19,895	39,168	525,000	7.46%	(5,084)	(5,152)	(10,236)	-20.72%
Other	112,642	83,217	195,859	1,450,000	13.51%	(23,735)	(18,948)	(42,684)	-17.89%
Total Water Sales	**$ 1,574,657**	**$ 1,512,657**	**$ 3,087,313**	**$ 23,403,000**	**13.19%**	**$ (75,299)**	**$ (117,170)**	**$ (192,468)**	**-5.87%**
Non-Operating Revenues:									
Assessments (Debt Service)	$ 446,500	$ 446,500	$ 893,000	$ 5,100,000	17.51%	$ (34,236)	$ 254,895	$ 220,659	32.82%
Assessments (1%)	$ 141,000	141,000	282,000	1,950,000	14.46%	(15,185)	41,216	26,030	10.17%
DWR Fixed Charge Recovery	-	-	-	100,000	0.00%	-	-	-	
Interest	10,334	(733)	9,601	35,000	27.43%	(4,000)	(5,388)	(9,388)	-49.44%
Capital Improvement Fees	-	19,315	19,315	50,000	38.63%	-	16,777	16,777	661.03%
Other	608	3,970	4,578	5,000	91.55%	(9,472)	(48,184)	(57,656)	-92.64%
Total Non-Operating Revenues	**$ 598,442**	**$ 610,052**	**$ 1,208,493**	**$ 7,240,000**	**16.69%**	**$ (62,893)**	**$ 259,315**	**$ 196,422**	**19.41%**
Total Revenue	**$ 2,173,098**	**$ 2,122,708**	**$ 4,295,807**	**$ 30,643,000**	**14.02%**	**$ (138,192)**	**$ 142,146**	**$ 3,954**	**0.09%**

	2014 Thru January	2014 February	2014 Year-to-Date	2014 Adjusted Budget	2014 % of Budget
Operating Revenue:					
Wholesale Water	23.07	$ 3,007	$ 3,031	$ 225,000	1.35%
Water Sales	$ 478,202	486,786	964,988	9,053,000	10.66%
Meter Fees	926,190	924,427	1,850,617	11,255,000	16.44%
Water Quality Fees	84,806	88,395	173,200	1,638,000	10.57%
Elevation Fees	24,357	25,046	49,403	525,000	9.41%
Other	136,378	102,165	238,543	1,700,000	14.03%
Total Water Sales	**$ 1,649,932**	**$ 1,629,827**	**$ 3,279,782**	**$ 24,396,000**	**13.44%**
Non-Operating Revenues:					
Assessments (Debt Service)	$ 480,736	$ 191,605	$ 672,341	$ 4,400,000	15.28%
Assessments (1%)	$ 156,185	99,784	255,970	1,800,000	14.22%
DWR Fixed Charge Recovery	-	-	-	100,000	0.00%
Interest	14,335	4,654	18,989	25,000	75.96%
Capital Improvement Fees	-	2,538	2,538	150,000	1.69%
Other	10,079	52,154	62,234	185,000	33.64%
Total Non-Operating Revenues	**$ 661,335**	**$ 350,736**	**$ 1,012,071**	**$ 6,660,000**	**15.20%**
Total Revenue	**$ 2,311,267**	**$ 1,980,563**	**$ 4,291,853**	**$ 31,056,000**	**13.82%**

REVENUE COMPARISON YEAR-TO-DATE

February '14-To-February '15



Palmdale Water District
Operating Expense Analysis
For the Two Months Ending 2/28/2015

	2015					2014 to 2015 Comparison			
	Thru January	February	Year-to-Date	Adjusted Budget	% of Budget	Thru January	February	Year-to-Date	% Change
Cash Operating Expenses:									
Directors	$ 6,109	$ 10,240	$ 16,349	$ 118,500	13.80%	$ 2,438	$ (2,480)	$ (42)	-0.26%
Administration	198,674	194,140	392,813	2,667,250	14.73%	(572,553)	14,596	(557,958)	-58.68%
Engineering	145,508	92,873	238,381	1,252,750	19.03%	28,155	24,683	52,838	28.48%
Facilities	452,289	302,614	754,903	5,998,000	12.59%	204,420	83,469	287,889	61.64%
Operations	199,438	137,691	337,129	2,624,000	12.85%	(215,419)	(239,532)	(454,951)	-57.44%
Finance	226,757	285,045	511,802	2,950,750	17.34%	(87,991)	58,529	(29,462)	-5.44%
Water Conservation	22,047	22,487	44,534	284,000	15.68%	9,653	14,602	24,255	119.61%
Human Resources	32,486	20,870	53,356	326,100	16.36%	19,709	4,768	24,477	84.76%
Information Technology	86,075	57,081	143,156	782,750	18.29%	5,012	(10,951)	(5,939)	-3.98%
Customer Care	24,000	-	24,000	-		24,000	-	24,000	
Water Purchases	260,305	35,672	295,977	2,400,000	12.33%	(91,213)	2,048	(89,165)	-23.15%
Water Purchases-Prior Year OAP	-	-	-	250,000	0.00%	-	-	-	
Water Recovery	(119,029)	-	(119,029)	(100,000)	119.03%	(110,141)	-	(110,141)	1239.21%
Plant Expenditures	42,316	473,252	515,569	1,146,500	44.97%	15,692	305,588	321,280	165.36%
GAC Filter Media Replacement	-	-	-	1,896,000	0.00%	-	-	-	
Total Cash Operating Expenses	**$ 1,576,975**	**$ 1,631,964**	**$ 3,208,940**	**$ 22,596,600**	**14.20%**	**$ (768,238)**	**$ 255,319**	**$ (512,919)**	**-15.98%**
Non-Cash Operating Expenses:									
Depreciation	$ 533,397	$ 533,397	$ 1,066,795	$ 6,450,000	16.54%	$ (20,526)	$ (20,080)	$ (40,606)	-3.67%
OPEB Accrual Expense	183,580	183,580	367,160	2,000,000	18.36%	16,705	16,705	33,410	10.01%
Bad Debts	41	771	813	100,000	0.81%	(7,166)	710	(6,456)	-88.82%
Service Costs Construction	(13,622)	(2,393)	(16,015)	125,000	-12.81%	(18,132)	(2,868)	(21,001)	-421.26%
Capitalized Construction	(87,535)	(71,014)	(158,550)	(1,000,000)	15.85%	518	9,927	10,445	-6.18%
Total Non-Cash Operating Expenses	**$ 615,861**	**$ 644,341**	**$ 1,260,202**	**$ 7,675,000**	**16.42%**	**$ (28,602)**	**$ 4,393**	**$ (24,208)**	**-1.92%**
Non-Operating Expenses:									
Interest on Long-Term Debt	$ 190,886	$ 190,838	$ 381,724	$ 2,111,000	18.08%	$ (3,959)	$ (5,812)	$ (9,771)	-2.50%
Amortization of SWP	172,877	172,877	345,754	1,679,000	20.59%	13,367	13,367	26,734	8.38%
Water Conservation Programs	6,396	23,073	29,469	200,000	14.73%	3,008	17,402	20,410	225.31%
Total Non-Operating Expenses	**$ 370,159**	**$ 386,787**	**$ 756,946**	**$ 3,990,000**	**18.97%**	**$ 12,416**	**$ 24,957**	**$ 37,372**	**5.19%**
Total Expenses	**$ 2,562,996**	**$ 2,663,092**	**$ 5,226,088**	**$ 34,261,600**	**15.25%**	**$ (784,424)**	**$ 284,669**	**$ (499,755)**	**-8.73%**

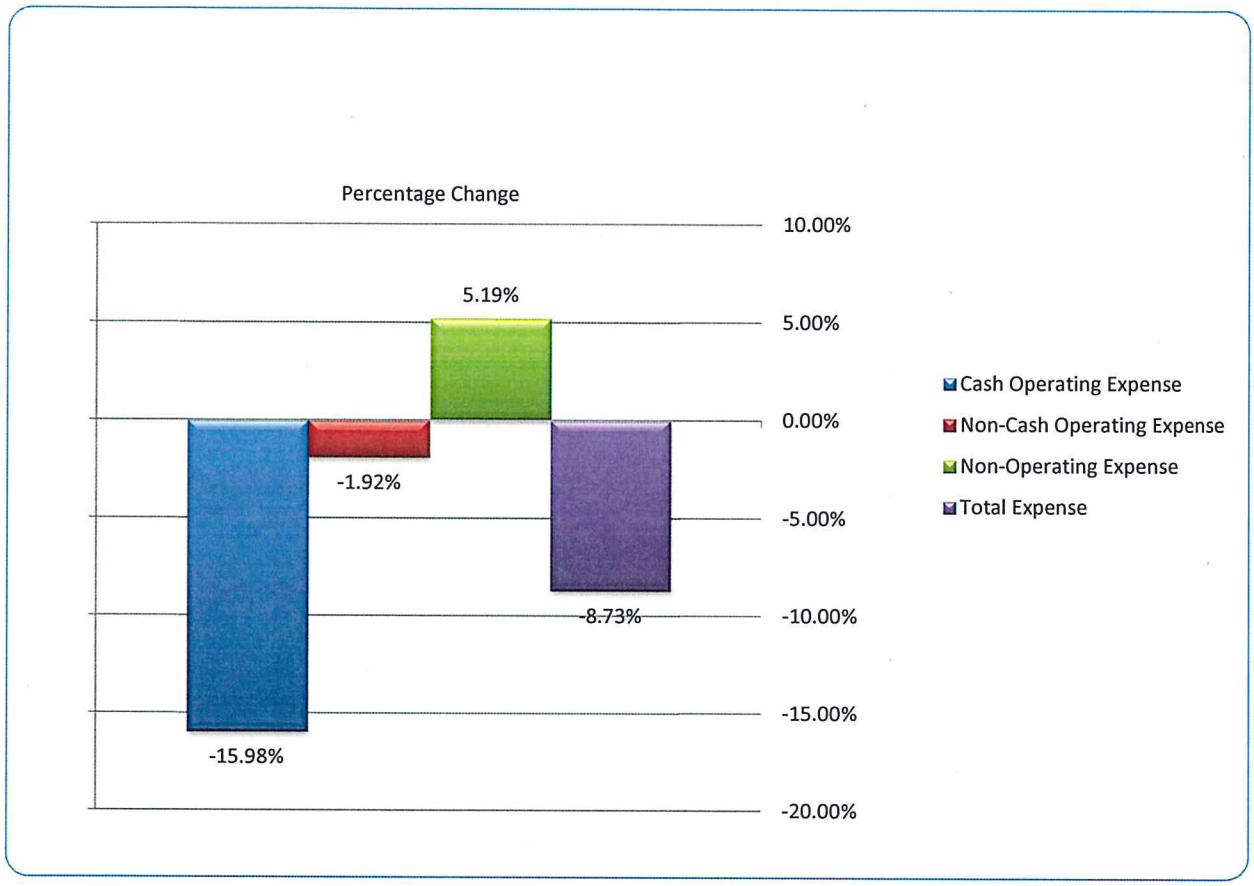
Palmdale Water District
Operating Expense Analysis
For the Two Months Ending 2/28/2015

2014 to 2015 Comparison

	2014 Thru January	February	Year-to-Date	Adjusted Budget	% of Budget
Cash Operating Expenses:					
Directors	$ 3,671	$ 12,720	$ 16,391	$ 114,500	14.32%
Administration	771,227	179,544	950,771	3,490,000	27.24%
Engineering	117,353	68,190	185,543	1,079,800	17.18%
Facilities	247,869	219,145	467,014	3,408,500	13.70%
Operations	414,857	377,222	792,080	5,453,500	14.52%
Finance	314,749	226,515	541,264	2,968,750	18.23%
Water Conservation	12,394	7,886	20,279	270,000	7.51%
Human Resources	12,777	16,102	28,878	215,300	13.41%
Information Technology	81,063	68,033	149,096	828,600	17.99%
Customer Care	-	-	-	-	
Water Purchases	351,518	33,624	385,142	2,400,000	16.05%
Water Purchases-Prior Year OAP	-	-	-	250,000	
Water Recovery	(8,888)	-	(8,888)	(100,000)	8.89%
Plant Expenditures	26,624	167,665	194,289	2,143,500	9.06%
GAC Filter Media Replacement	-	-	-	1,638,000	0.00%
Total Cash Operating Expenses	**$ 2,345,214**	**$ 1,376,646**	**$ 3,721,859**	**$ 24,160,450**	**15.40%**
Non-Cash Operating Expenses:					
Depreciation	$ 553,924	$ 553,478	$ 1,107,401	$ 7,350,000	15.07%
OPEB Accrual Expense	166,875	166,875	333,750	2,000,000	16.69%
Bad Debts	7,207	61	7,268	100,000	7.27%
Service Costs Construction	4,510	475	4,985	125,000	3.99%
Capitalized Construction	(88,053)	(80,941)	(168,994)	(1,000,000)	16.90%
Total Non-Cash Operating Expenses	**$ 644,463**	**$ 639,947**	**$ 1,284,410**	**$ 8,575,000**	**14.98%**
Non-Operating Expenses:					
Interest on Long-Term Debt	$ 194,845	$ 196,650	$ 391,495	$ 2,111,000	18.55%
Amortization of SWP	159,510	159,510	319,020	1,679,000	19.00%
Water Conservation Programs	3,388	5,671	9,059	143,000	6.33%
Total Non-Operating Expenses	**$ 357,743**	**$ 361,830**	**$ 719,574**	**$ 3,933,000**	**18.30%**
Total Expenses	**$ 3,347,420**	**$ 2,378,424**	**$ 5,725,843**	**$ 36,668,450**	**15.62%**

EXPENSE COMPARISON YEAR-TO-DATE

February '14-To-February '15



Palmdale Water District
2015 Directors Budget
For the Two Months Ending Saturday, February 28, 2015

	YTD ACTUAL 2015	ORIGINAL BUDGET 2015	ADJUSTMENTS 2015	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-01-4000-000 Directors Pay	$ 5,100	$ 45,000	$ -	$ 39,900	11.33%
Employee Benefits					
1-01-4005-000 Payroll Taxes	385	5,500		5,115	7.01%
1-01-4010-000 Health Insurance	9,659	58,000		48,341	16.65%
Subtotal (Benefits)	10,045	63,500	-	48,341	15.82%
Total Personnel Expenses	$ 15,145	$ 108,500	$ -	$ 88,241	13.96%
OPERATING EXPENSES:					
1-01-4050-000 Directors Travel, Seminars & Meetings	1,204	10,000		8,796	12.04%
Subtotal Operating Expenses	1,204	10,000	-	8,796	12.04%
Total O & M Expenses	$ 16,349	$ 118,500	$ -	$ 97,037	13.80%

Palmdale Water District
2015 Administration Budget
For the Two Months Ending Saturday, February 28, 2015

		YTD ACTUAL 2015	ORIGINAL BUDGET 2015	ADJUSTMENTS 2015	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:						
1-02-4000-000	Salaries	$ 142,844	$ 860,500		$ 717,656	16.60%
1-02-4000-100	Overtime	1,525	8,250		6,725	18.49%
1-02-4000-200	On-Call	11,699	67,500		55,801	17.33%
	Subtotal (Salaries)	$ 156,068	$ 936,250	$ -	$ 780,182	16.67%
Employee Benefits						
1-02-4005-000	Payroll Taxes	$ 10,842	$ 66,000		55,158	16.43%
1-02-4010-000	Health Insurance	22,316	134,000		111,684	16.65%
1-02-4015-000	PERS	25,021	169,000		143,979	14.81%
1-02-4020-000	Worker's Compensation	-	125,000		125,000	0.00%
1-02-4025-000	Vacation Benefit Expense	21,015	35,000		13,985	60.04%
1-02-4030-000	Life Insurance	1,153	8,000		6,847	14.41%
	Subtotal (Benefits)	$ 80,348	$ 537,000	$ -	$ 456,652	14.96%
	Total Personnel Expenses	$ 236,416	$ 1,473,250	$ -	$ 1,236,834	16.05%
OPERATING EXPENSES:						
1-02-4050-100	General Manager Travel	$ -	$ 5,000		5,000	0.00%
1-02-4060-100	General Manager Conferences & Seminars	135	4,000		3,865	3.38%
1-02-4080-000	Other Operating	165	20,000		19,835	0.83%
1-02-4110-000	Consultants	24,248	175,000		150,752	13.86%
1-02-4125-000	Insurance	50,532	285,000		234,468	17.73%
1-02-4130-000	Bank Charges	25,414	140,000		114,586	18.15%
1-02-4135-000	Groundwater Adjudication	16,572	75,000		58,428	22.10%
1-02-4140-000	Legal Services	16,376	160,000		143,624	10.24%
1-02-4150-000	Accounting Services	9,000	25,000		16,000	36.00%
1-02-4165-000	Memberships/Subscriptions	6,292	210,000		203,708	3.00%
1-02-4175-000	Permits	2,991	10,000		7,009	29.91%
1-02-4180-000	Postage	2,423	27,500		25,077	8.81%
1-02-4190-100	Public Relations - Publications	-	35,000		35,000	0.00%
1-02-4190-900	Public Relations - Other	-	1,000		1,000	0.00%
1-02-4200-000	Advertising	30	3,500		3,470	0.86%
1-02-4205-000	Office Supplies	2,218	18,000		15,782	12.32%
	Subtotal Operating Expenses	$ 156,397	$ 1,194,000	$ -	$ 1,037,603	13.10%
	Total Departmental Expenses	$ 392,813	$ 2,667,250	$ -	$ 2,274,437	14.73%

Palmdale Water District
2015 Engineering Budget
For the Two Months Ending Saturday, February 28, 2015

	YTD ACTUAL 2015	ORIGINAL BUDGET 2015	ADJUSTMENTS 2015	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-03-4000-000 Salaries	$ 131,118	$ 809,000		$ 677,882	16.21%
1-03-4000-100 Overtime	1,141	6,750		5,609	16.90%
Subtotal (Salaries)	$ 132,259	$ 815,750		$ 683,491	16.21%
Employee Benefits					
1-03-4005-000 Payroll Taxes	10,109	61,000		50,891	16.57%
1-03-4010-000 Health Insurance	32,771	154,500		121,729	21.21%
1-03-4015-000 PERS	20,675	142,000		121,325	14.56%
Subtotal (Benefits)	$ 63,554	$ 357,500	$ -	$ 293,946	17.78%
Total Personnel Expenses	$ 195,813	$ 1,173,250	$ -	$ 977,437	16.69%
OPERATING EXPENSES:					
1-03-4155-000 Contracted Services	40,000	61,500		21,500	65.04%
1-03-4165-000 Memberships/Subscriptions	281	2,000		1,720	14.03%
1-03-4250-000 General Materials & Supplies	9	2,500		2,491	0.35%
1-03-8100-100 Computer Software - Maint. & Support	2,279	13,500		11,221	16.88%
Subtotal Operating Expenses	$ 42,568	$ 79,500	$ -	$ 36,932	53.54%
Total Departmental Expenses	$ 238,381	$ 1,252,750	$ -	$ 1,014,369	19.03%

Palmdale Water District
2015 Facilities Budget
For the Two Months Ending Saturday, February 28, 2015

		YTD ACTUAL 2015	ORIGINAL BUDGET 2015	ADJUSTMENTS 2015	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:						
1-04-4000-000	Salaries	$ 295,064	$ 2,049,000		$ 1,753,936	14.40%
1-04-4000-100	Overtime	10,462	65,000		54,538	16.10%
	Subtotal (Salaries)	$ 305,525	$ 2,114,000	$ -	$ 1,808,475	14.45%
Employee Benefits						
1-04-4005-000	Payroll Taxes	23,698	157,000		133,302	15.09%
1-04-4010-000	Health Insurance	104,971	466,000		361,029	22.53%
1-04-4015-000	PERS	48,739	362,000		313,261	13.46%
	Subtotal (Benefits)	$ 177,408	$ 985,000	$ -	$ 807,592	18.01%
	Total Personnel Expenses	$ 482,934	$ 3,099,000	$ -	$ 2,616,066	15.58%
OPERATING EXPENSES:						
1-04-4155-000	Contracted Services	$ 25,534	$ 125,000		$ 99,466	20.43%
1-04-4175-000	Permits-Dams	-	50,000		50,000	0.00%
1-04-4215-100	Natural Gas - Wells & Boosters	17,386	236,000		218,614	
1-04-4215-200	Natural Gas - Buildings	1,344	9,000		7,656	14.93%
1-04-4220-100	Electricity - Wells & Boosters	118,417	1,515,000		1,396,583	
1-04-4220-200	Electricity - Buildings	4,393	75,000		70,607	5.86%
1-04-4225-000	Maint. & Repair - Vehicles	2,246	40,000		37,754	5.61%
1-04-4230-100	Maint. & Rep. Office Building	2,923	15,000		12,077	19.49%
1-04-4235-110	Maint. & Rep. Equipment	811	6,500		5,689	12.47%
1-04-4235-400	Maint. & Rep. Operations - Wells	15,720	75,000		59,280	20.96%
1-04-4235-405	Maint. & Rep. Operations - Boosters	15,647	50,000		34,353	31.29%
1-04-4235-410	Maint. & Rep. Operations - Shop Bldgs	-	10,000		10,000	0.00%
1-04-4235-415	Maint. & Rep. Operations - Facilities	4,282	15,000		10,718	28.55%
1-04-4235-420	Maint. & Rep. Operations - Water Lines	14,943	240,000		225,057	6.23%
1-04-4235-425	Maint. & Rep. Operations - Littlerock Dam	-	15,000		15,000	0.00%
1-04-4235-430	Maint. & Rep. Operations - Palmdale Dam	-	7,500		7,500	0.00%
1-04-4235-435	Maint. & Rep. Operations - Palmdale Canal	281	10,000		9,719	2.81%
1-04-4235-445	Maint. & Rep. Operations - Telemetry	411	2,250		1,839	
1-04-4235-450	Maint. & Rep. Operations - Hypo Generators	534	12,000		11,466	
1-04-4235-455	Maint. & Rep. Operations - Heavy Equipment	5,456	35,000		29,544	15.59%
1-04-4235-460	Maint. & Rep. Operations - Storage Reservoirs	1,398	5,000		3,602	27.96%
1-04-4270-300	Telecommunication - Other	590	2,750		2,160	
1-04-4300-300	Testing - Edison Testing	-	6,000		6,000	
1-04-6000-000	Waste Disposal	1,617	25,000		23,383	6.47%
1-04-6100-100	Fuel and Lube - Vehicle	1,421	130,000		128,579	1.09%
1-04-6100-200	Fuel and Lube - Machinery	10,459	43,000		32,541	24.32%
1-04-6200-000	Uniforms	4,977	22,500		17,523	22.12%
1-04-6300-100	Supplies - General	8,525	47,500		38,975	17.95%
1-04-6300-200	Supplies - Hypo Generators	-	6,500		6,500	
1-04-6300-300	Supplies - Electrical	-	3,000		3,000	
1-04-6300-400	Supplies - Telemetry	-	5,000		5,000	
1-04-6300-800	Supplies - Construction Materials	6,782	35,000		28,218	19.38%
1-04-6400-000	Tools	3,000	12,000		9,000	25.00%
1-04-7000-100	Leases -Equipment	2,874	12,500		9,626	22.99%
	Subtotal Operating Expenses	$ 271,970	$ 2,899,000	$ -	$ 2,627,030	9.38%
	Total Departmental Expenses	$ 754,903	$ 5,998,000	$ -	$ 5,243,097	12.59%

Palmdale Water District
2015 Operation Budget
For the Two Months Ending Saturday, February 28, 2015

		YTD ACTUAL 2015	ORIGINAL BUDGET 2015	ADJUSTMENTS 2015	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:						
1-05-4000-000	Salaries	$ 170,465	$ 1,104,500		$ 934,035	15.43%
1-05-4000-100	Overtime	7,813	53,750		45,937	14.54%
	Subtotal (Salaries)	$ 178,278	$ 1,158,250	$ -	$ 979,972	15.39%
Employee Benefits						
1-05-4005-000	Payroll Taxes	13,530	90,750		77,220	14.91%
1-05-4010-000	Health Insurance	44,621	200,000		155,379	22.31%
1-05-4015-000	PERS	27,415	203,000		175,585	13.51%
	Subtotal (Benefits)	$ 85,566	$ 493,750	$ -	$ 408,184	17.33%
	Total Personnel Expenses	$ 263,844	$ 1,652,000	$ -	$ 1,388,156	15.97%
OPERATING EXPENSES:						
1-05-4155-000	Contracted Services*	$ 10,920	$ 67,500	$ 2,200	$ 58,780	15.67%
1-05-4175-000	Permits	297	40,000		39,703	0.74%
1-05-4215-200	Natural Gas - WTP	259	3,000		2,741	8.64%
1-05-4220-200	Electricity - WTP	12,228	125,000		112,772	9.78%
1-05-4230-110	Maint. & Rep. - Office Equipment	-	500		500	0.00%
1-05-4235-110	Maint. & Rep. Operations - Equipment	3,979	11,500		7,521	34.60%
1-05-4235-410	Maint. & Rep. Operations - Shop Bldgs	-	6,000		6,000	0.00%
1-05-4235-415	Maint. & Rep. Operations - Facilities	4,320	45,000		40,680	9.60%
1-05-4235-450	Maint. & Rep. Operations - Hypo Generator	-	18,000		18,000	0.00%
1-05-4235-500	Maint. & Rep. Operations - Wind Turbine	2,975	6,000		3,025	49.58%
1-05-4236-000	Palmdale Lake Management	366	15,000		14,634	2.44%
1-05-6000-000	Waste Disposal	584	14,000		13,416	4.17%
1-05-6200-000	Uniforms	2,232	12,000		9,768	18.60%
1-05-6300-100	Supplies - General	2,381	15,000		12,619	15.87%
1-05-6300-600	Supplies - Lab	12,007	35,000		22,993	34.30%
1-05-6300-700	Outside Lab Work	12,175	64,000		51,825	19.02%
1-05-6400-000	Tools	219	6,500		6,281	3.38%
1-05-6500-000	Chemicals*	7,693	485,000	(2,200)	475,107	1.59%
1-05-7000-100	Leases -Equipment	651	3,000		2,349	21.69%
	Subtotal Operating Expenses	$ 73,285	$ 972,000	$ -	$ 898,715	7.54%
	Total Departmental Expenses	$ 337,129	$ 2,624,000	$ -	$ 2,286,871	12.85%

* Budget adjustments by General Manager per Appendix A

Palmdale Water District
2015 Water Conservation Budget
For the Two Months Ending Saturday, February 28, 2015

	YTD ACTUAL 2015	ORIGINAL BUDGET 2015	ADJUSTMENTS 2015	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-07-4000-000 Salaries	$ 26,462	$ 175,000		$ 148,538	15.12%
1-07-4000-100 Overtime	119	1,000		881	11.92%
Subtotal (Salaries)	$ 26,581	$ 176,000		$ 149,419	15.10%
Employee Benefits					
1-07-4005-000 Payroll Taxes	2,043	13,500		11,457	15.14%
1-07-4010-000 Health Insurance	9,535	38,000		28,465	25.09%
1-07-4015-000 PERS	2,868	20,000		17,132	14.34%
Subtotal (Benefits)	$ 14,447	$ 71,500	$ -	$ 57,053	20.21%
Total Personnel Expenses	$ 41,028	$ 247,500	$ -	$ 205,591	16.58%
OPERATING EXPENSES:					
1-07-4190-300 Public Relations - Landscape Workshop/Training	$ -	$ 1,000		$ 1,000	0.00%
1-07-4190-400 Public Relations - Contests	-	1,000		1,000	0.00%
1-07-4190-500 Public Relations - Education Programs	-	2,500		2,500	0.00%
1-07-4190-700 Public Relations -General Media	364	25,000		24,637	1.45%
1-07-4190-900 Public Relations - Other	190	2,000		1,810	9.48%
1-07-6300-100 Supplies - Misc.	2,953	5,000		2,047	59.07%
Subtotal Operating Expenses	$ 3,507	$ 36,500	$ -	$ 32,993	9.61%
Total Departmental Expenses	$ 44,534	$ 284,000	$ -	$ 238,585	15.68%

Palmdale Water District
2015 Finance Budget
For the Two Months Ending Saturday, February 28, 2015

		YTD ACTUAL 2015	ORIGINAL BUDGET 2015	ADJUSTMENTS 2015	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:						
1-06-4000-000	Salaries	$ 236,726	$ 1,546,000	$ (69,300)	$ 1,239,974	16.03%
1-06-4000-100	Overtime	3,877	19,000		15,123	20.41%
	Subtotal (Salaries)	$ 240,603	$ 1,565,000	$ (69,300)	$ 1,255,097	16.09%
Employee Benefits						
1-06-4005-000	Payroll Taxes	18,665	118,500	(5,300)	94,535	16.49%
1-06-4010-000	Health Insurance	53,913	316,000	(9,600)	252,487	17.60%
1-06-4015-000	PERS	42,524	297,000	(12,500)	241,976	14.95%
	Subtotal (Benefits)	$ 115,101	$ 731,500	$ (27,400)	$ 588,999	16.35%
	Total Personnel Expenses	$ 355,704	$ 2,296,500	$ (96,700)	$ 1,844,096	16.17%
OPERATING EXPENSES:						
1-06-4155-300	Contracted Services	$ 4,242	$ 24,750		$ 20,508	17.14%
1-06-4155-100	Contracted Services - Infosend	26,677	205,000		178,323	13.01%
1-06-4165-000	Memberships/Subscriptions	110	500		390	22.00%
1-06-4230-110	Maintenance & Repair - Office Equipment	-	1,000		1,000	0.00%
1-06-4235-440	Maint. & Rep. Operations - Large Meters	1,968	10,000		8,032	19.68%
1-06-4235-470	Maint. & Rep. Operations - Meter Exchanges	107,615	350,000		242,385	30.75%
1-06-4250-000	General Material & Supplies	3,060	6,000		2,940	50.99%
1-06-4260-000	Business Forms	2,848	10,000		7,152	28.48%
1-06-4270-100	Telecommunication - Office	2,692	12,000		9,308	22.44%
1-06-4270-200	Telecommunication - Cellular Stipend	2,820	17,000		14,180	16.59%
1-06-4300-200	Testing - Large Meter Testing	2,869	15,000		12,131	19.13%
1-06-7000-100	Leases - Equipment	1,197	3,000		1,803	39.91%
	Subtotal Operating Expenses	$ 156,098	$ 654,250	$ -	$ 498,152	23.86%
	Total Departmental Expenses	$ 511,802	$ 2,950,750	$ (96,700)	$ 2,342,248	17.93%

++ Amended by Board 08/13/14

Palmdale Water District
2015 Water Conservation Budget
For the Two Months Ending Saturday, February 28, 2015

		YTD ACTUAL 2015	ORIGINAL BUDGET 2015	ADJUSTMENTS 2015	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:						
1-07-4000-000	Salaries	$ 26,462	$ 175,000		$ 148,538	15.12%
1-07-4000-100	Overtime	119	1,000		881	11.92%
	Subtotal (Salaries)	$ 26,581	$ 176,000		$ 149,419	15.10%
Employee Benefits						
1-07-4005-000	Payroll Taxes	2,043	13,500		11,457	15.14%
1-07-4010-000	Health Insurance	9,535	38,000		28,465	25.09%
1-07-4015-000	PERS	2,868	20,000		17,132	14.34%
	Subtotal (Benefits)	$ 14,447	$ 71,500	$ -	$ 57,053	20.21%
	Total Personnel Expenses	$ 41,028	$ 247,500	$ -	$ 205,591	16.58%
OPERATING EXPENSES:						
1-07-4190-300	Public Relations - Landscape Workshop/Training	$ -	$ 1,000		$ 1,000	0.00%
1-07-4190-400	Public Relations - Contests	-	1,000		1,000	0.00%
1-07-4190-500	Public Relations - Education Programs	-	2,500		2,500	0.00%
1-07-4190-700	Public Relations -General Media	364	25,000		24,637	1.45%
1-07-4190-900	Public Relations - Other	190	2,000		1,810	9.48%
1-07-6300-100	Supplies - Misc.	2,953	5,000		2,047	59.07%
	Subtotal Operating Expenses	$ 3,507	$ 36,500	$ -	$ 32,993	9.61%
	Total Departmental Expenses	$ 44,534	$ 284,000	$ -	$ 238,585	15.68%

Palmdale Water District
2015 Human Resources Budget
For the Two Months Ending Saturday, February 28, 2015

		YTD ACTUAL 2015	ORIGINAL BUDGET 2015	ADJUSTMENTS 2015	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:						
1-08-4000-000	Salaries	$ 24,595	$ 101,000		$ 76,405	24.35%
Employee Benefits						
1-08-4005-000	Payroll Taxes	1,892	7,750		5,859	24.41%
1-08-4010-000	Health Insurance	5,450	18,000		12,550	30.28%
1-08-4015-000	PERS	956	6,500		5,544	14.70%
	Subtotal (Benefits)	$ 8,297	$ 32,250	$ -	$ 23,953	25.73%
	Total Personnel Expenses	$ 32,892	$ 133,250	$ -	$ 100,358	24.68%
OPERATING EXPENSES:						
1-08-4050-000	Staff Travel	$ 1,684	$ 25,250		$ 23,566	6.67%
1-08-4060-000	Staff Conferences & Seminars	9,933	20,500		10,567	48.45%
1-08-4070-000	Employee Expense	5,070	40,000		34,930	12.67%
1-08-4095-000	Employee Recruitment	170	3,000		2,830	5.66%
1-08-4100-000	Employee Retention	-	20,000		20,000	0.00%
1-08-4105-000	Employee Relations	2,194	3,500		1,306	62.68%
1-08-4110-000	Consultants	-	1,000		1,000	0.00%
1-08-4120-100	Training-Safety	50	30,000		29,950	0.17%
1-08-4120-100	Training-Speciality	-	26,000			
1-08-4121-000	Safety Program	-	1,000		1,000	0.00%
1-08-4165-000	Membership/Subscriptions	-	1,600		1,600	0.00%
1-08-4165-100	HR/Safety Publications	154	1,000		846	15.44%
1-08-6300-500	Supplies - Safety	1,208	20,000		18,792	6.04%
	Subtotal Operating Expenses	$ 20,463	$ 192,850	$ -	$ 146,387	10.61%
	Total Departmental Expenses	$ 53,356	$ 326,100	$ -	$ 246,744	16.36%

Palmdale Water District
2015 Information Technology Budget
For the Two Months Ending Saturday, February 28, 2015

	YTD ACTUAL 2015	ORIGINAL BUDGET 2015	ADJUSTMENTS 2015	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-09-4000-000 Salaries	$ 33,577	$ 221,500		$ 187,923	15.16%
1-09-4000-100 Overtime	-	2,500		2,500	0.00%
Subtotal (Salaries)	$ 33,577	$ 224,000		$ 190,423	14.99%
Employee Benefits					
1-09-4005-000 Payroll Taxes	2,556	17,000		14,444	15.03%
1-09-4010-000 Health Insurance	5,715	37,500		31,785	15.24%
1-09-4015-000 PERS	6,392	44,000		37,608	14.53%
Subtotal (Benefits)	$ 14,664	$ 98,500	$ -	$ 83,836	14.89%
Total Personnel Expenses	$ 48,241	$ 322,500	$ -	$ 271,759	14.96%
OPERATING EXPENSES:					
1-09-4155-000 Contracted Services	$ 7,271	$ 125,000		$ 117,729	5.82%
1-09-4165-000 Memberships/Subscriptions	-	1,000		1,000	0.00%
1-09-4270-000 Telecommunications	12,644	77,750		65,106	16.26%
1-09-8000-100 Computer Equipment - Computers	3,698	20,000		16,302	18.49%
1-09-8000-200 Computer Equipment - Laptops	2,910	5,000		2,090	58.19%
1-09-8000-300 Computer Equipment - Monitors	-	2,000		2,000	0.00%
1-09-8000-500 Computer Equipment - Toner Cartridges	171	3,000		2,829	5.70%
1-09-8000-550 Computer Equipment - Telephony	-	2,500		2,500	0.00%
1-09-8000-600 Computer Equipment - Other	-	20,000		20,000	0.00%
1-09-8100-100 Computer Software - Maint. and Support	45,961	44,000		(1,961)	104.46%
1-09-8100-140 Computer Software - Starnik	15,800	110,000		94,200	14.36%
1-09-8100-150 Computer Software - Dynamics GP Support	750	36,000		35,250	2.08%
1-09-8100-200 Computer Software - Software and Upgrades	5,712	14,000		8,288	40.80%
Subtotal Operating Expenses	$ 94,916	$ 460,250	$ -	$ 365,334	20.62%
Total Departmental Expenses	$ 143,156	$ 782,750	$ -	$ 637,094	18.29%

Palmdale Water District
2015 Customer Care Budget
For the Two Months Ending Saturday, February 28, 2015

	YTD ACTUAL 2015	ORIGINAL BUDGET 2015	ADJUSTMENTS 2015	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-10-4000-000 Salaries				$ -	
1-10-4000-100 Overtime				-	
Subtotal (Salaries)	$ -	$ -		$ -	
Employee Benefits					
1-10-4005-000 Payroll Taxes				-	
1-10-4010-000 Health Insurance	24,000			(24,000)	
1-10-4015-000 PERS				-	
Subtotal (Benefits)	$ 24,000	$ -	$ -	$ (24,000)	
Total Personnel Expenses	$ 24,000	$ -	$ -	$ (24,000)	
OPERATING EXPENSES:					
1-10-4155-000 Contracted Services				$ -	
1-10-4230-110 Maintenance & Repair-Office Equipment				-	
1-10-4250-000 General Material & Supplies				-	
1-10-4260-000 Business Forms				-	
Subtotal Operating Expenses	$ -	$ -	$ -	$ -	
Total Departmental Expenses	$ 24,000	$ -	$ -	$ (24,000)	

Project Payment Schedule

Updated: March 18, 2015

AGENDA ITEM NO. 7.4

= Approved for Payment

= 2014 Budget Carryover

Planned Expenses	2015 Budget	Payee	Approved Contract	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15
Committed Contracts / Projects																
Storage Tank Maintenance (Year 2 of 6) - RCP03	330,000	Superior Tank	330,000						330,000							
Water System Master Plan Update (WO# 14-404) - PL02	45,000	MWH	196,043	9,363		18,599	5,370	41,061	41,061							
Meter Replacement Program (Purchase 2014 Carry Over)		Inland Waterworks	788,148	416,782	314,597											
Meter Replacement Program (Purchase 2015) - RCP01	900,000	Inland Waterworks	784,447				454,752	329,695								
Meter Replacement Program (Installation) - RCP02	325,000	Bob O Construction	155,506				25,000	50,000	50,000	30,506						
Hydrologic and Energy Database - PL04	67,000	DCSE	69,730				10,000	20,000	20,000	10,000	9,730					
Dredging @ Lake Outlet Structure / Mechanical Repairs		Fontaine				57,115										
Lobby Schematic Design	18,000	Itzen	18,000		7,124		10,624									
Security Improvement Project (Feasibility/Design)		Exante 360			5,000	2,000										
Natural Gas Engine Emissions Analyzer - NE10	15,000	Murcal	13,335			13,335										
Generator/Engine Emissions (Well No. 2A and 3A) - SF05	20,000	Murcal	19,316				19,316									
Well No. 7A Electrical Transformer - RCP10	35,000	CED	19,511				19,511									
Diesel Tamper - RE03	5,000	Dowd Supply	4,268				4,268									
Replacement Fleet (4) 3/4 Ton Trucks		Wondries	143,751				143,751									
docSTAR Smart Automation Project		docSTAR			4,331	15,259										
Subtotal	**1,760,000**	**---**	**2,542,055**	**426,145**	**331,052**	**106,308**	**692,592**	**440,756**	**441,061**	**40,506**	**9,730**	**-**	**-**	**-**	**-**	**-**
Budgeted Projects																
Well No. 15 Rehabilitation - RCP13	300,000	TBD	TBD				100,000	200,000								
Well No. 30 Rehabilitation - RCP12	50,000	TBD	TBD					50,000								
2015 Urban Water Management Plan Update - PL01	40,000	TBD	TBD										10,000	10,000	10,000	10,000
2014 Water System Master Plan Update (EIR) - PL03	140,000	TBD	TBD					25,000	25,000	25,000	25,000	40,000				
ARC Flash Hazard Analysis - SF01	62,000	TBD	TBD						20,000	20,000	22,000					
Fleet Lighting Improvements (Phase 1 of 3) - SF03	10,000	TBD	TBD									10,000				
Palmdale Ditch Improvements - RCP05	75,000	TBD	TBD									25,000	25,000	25,000		
Brine Storage Tanks - RCP07	125,000	TBD	TBD						25,000	25,000	50,000	25,000				
Parking Lot Re-Surfacing - RCP-4	100,000	TBD	TBD										100,000			
Production Flow Meter Replacement - RCP09	25,000	TBD	TBD				25,000									
NaOCL Generator Replacement - RCP08	150,000	TBD	TBD				120,000	30,000								
Security System Upgrades - PRO05	250,000	TBD	TBD				50,000	50,000	50,000	50,000	50,000					
WTP Security Stystem Upgrade - PRO04	5,000	TBD	TBD									5,000				
Sludge Pump Station Flow Meter - PRO06	4,000	TBD	TBD					4,000								
Replacement Vehicles/Fleet - RE02	135,000	TBD	TBD						30,000	30,000	40,000	35,000				
Valve Exercising Truck - NE08	100,000	TBD	TBD				100,000									
Shop/Mechanic Truck w/ Crane and Compressor - NE05	100,000	TBD	TBD					100,000								
Shop Tools - NE02	25,000	TBD	TBD						25,000							
Rock Drill / Clay Spade - RE01	8,000	TBD	TBD						8,000							
3-Inch Air Diaphram Pump - NE03	5,000	TBD	TBD					5,000								
Acquisition of Tax Defaulted Properties - NCC02	28,000	LA County	TBD							28,000						
HVAC at WTP - PRO10	10,000	TBD	TBD				10,000									
Subtotal	**1,747,000**	**---**	**-**	**-**	**-**	**-**	**405,000**	**464,000**	**183,000**	**178,000**	**187,000**	**140,000**	**135,000**	**35,000**	**10,000**	**10,000**
Water Quality Fee Funded Projects																
GAC Replacement at WTP - F400 and Reactivated	806,500	Calgon	806,500	275,350			297,759		300,000						185,000	
GAC Replacement at WTP - AC1230CX	300,000	Evoqua	300,000					300,000								
GAC Replacement at Underground Booster Station	40,000	Evoqua	40,000								40,000					
Subtotal	**1,146,500**	**---**	**1,146,500**	**275,350**	**-**	**-**	**297,759**	**300,000**	**300,000**	**-**	**40,000**	**-**	**-**	**-**	**185,000**	**-**

TOTALS			Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15
Monthly Planned Expenses (Including Water Quality)	---	---	3,688,555	701,495	331,052	655,335	1,395,351	1,204,756	924,061	218,506	236,730	140,000	135,000	35,000	195,000	10,000
TOTAL Monthly 2014 Carryover Projects (Excluding Water Quality)	---	---	2,542,055	426,145	467,679	90,973										
TOTAL 2015 YTD Budgeted Expenses (Including Water Quality)	----	---			7,124	662,459	2,057,810	3,262,566	4,186,627	4,405,133	4,641,863	4,781,863	4,916,863	4,951,863	5,146,863	5,156,863

Water Revenue Bond - Series 2013A

Updated: March 18, 2015

Project	Work Order	Description	Allocated Based on Bond	Contractual Commitment	Payout to Date	Grant Funding	Uncommitted Bond $
Spec. 1204	603-12	Ave. Q - Q-3, Division and Sumac	$ 725,000	$ 765,085	$ 765,085	$ -	$ (40,085)
Spec. 1201	606-11	20th, Puerta, Sweetbriar, and 22nd St. E.	$ 1,450,000	$ 1,487,261	$ 1,487,261	$ -	$ (37,261)
Spec. 1205	605-12	Frontier, 31st St. E., etc. between Ave. Q and Q-4	$ 1,200,000	$ 1,239,232	$ 483,663	$ 485,000	$ (39,232)
Spec. 1207	607-12	10th St. E. between Ave. P and Palmdale Blvd.	$ 1,400,000	$ 1,255,008	$ 889,742	$ -	$ 144,992
LRDSR	501-04	Littlerock Sediment Removal (EIR/EIS/Permits)	$ 975,000	$ 515,925	$ 387,596	$ -	$ 459,075
LCGRRP	400-12	Littlerock Recharge and Recovery (Feasibility)	$ 1,500,000	$ 899,493	$ 589,040	$ -	$ 600,507
UAR	TBD	Upper Amargosa Recharge (Project Capacity)	$ 1,250,000	$ 1,250,000	$ 38,402	$ -	$ -
Spec. 0905	601-09	15th St. E. between Ave. P and Ave. Q (Material)	$ -	$ 362,984	$ 362,984	$ -	$ (362,984)
LCGRRP-2	501-04	Littlerock Recharge and Recovery (Permits)	$ -	$ -	$ -	$ -	$ -
Totals:			$ 8,500,000	$ 7,774,988	$ 5,003,774	$ 485,000	$ 725,012

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

Requisition No.	Payee	Date Approved	Invoice No.	Project	Payment Amount
24	Kennedy/Jenks - Progress Payment	Jul 21, 2014	84147	LCGRRP	$ 26,431.83
24	Aspen - EIR/EIS Progress Payment	Jul 21, 2014	1116.002-11	LRDSR	$ 6,274.20
25	BV Construction - Progress Payment #12	Aug 19, 2014	12	Spec. 1201	$ 84,386.60
25	Aspen - EIR/EIS Progress Payment	Aug 19, 2014	1116.002-12	LRDSR	$ 11,115.51
26	BV Construction - Progress Payment #13	Sept 10, 2014	13	Spec. 1201	$ 47,654.85
26	Aspen - EIR/EIS Progress Payment	Sept 10, 2014	1116.002-13	LRDSR	$ 37,715.30
27	BV Construction - Progress Payment #14	Sept 29, 2014	14	Spec. 1201	$ 122,741.90
27	PWD - Reimbursement	Sept 29, 2014	N/A	Spec. 0905	$ 260,611.31
28	Cedro Construction - Progress Payment #1	Oct 14, 2014	1	Spec. 1207	$ 310,752.41
28	City of Palmdale - Recharge Project	Oct 14, 2014	PWD-2014	UAR	$ 38,402.47
29	Aspen - EIR/EIS Progress Payment	Oct 23, 2014	1116.002-14	LRDSR	$ 56,223.72
29	Kennedy/Jenks - Progress Payment	Oct 23, 2014	87036	LCGRRP	$ 80,732.32
30	BV Construction - Progress Payment #15	Nov 12, 2014	15	Spec. 1201	$ 84,974.65
30	Aspen - Bio and Cultural Report	Nov 12, 2014	3277.001-01	Spec. 1205	$ 10,608.08
30	Cedro Construction - Progress Payment #2	Nov 12, 2014	2	Spec. 1207	$ 195,802.84
31	ANM Construction - Paving	Nov 17, 2014	011115-1	Spec. 0905	$ 102,373.00
32	Aspen - Bio and Cultural Report	Nov 26, 2014	3277.001-02	Spec. 1205	$ 1,147.81
32	Aspen - EIR/EIS Progress Payment	Nov 26, 2014	1116.002-15	LRDSR	$ 76,161.79
33	Kennedy/Jenks - Progress Payment	Dec 29, 2014	88741	LCGRRP	$ 71,831.14
33	BV Construction - Progress Payment #16 (Retention)	Dec 29, 2014	16 - Retention	Spec. 1201	$ 74,363.05
33	Aspen - EIR/EIS Progress Payment	Dec 29, 2014	1116.002-16	LRDSR	$ 6,136.99
34	Cedro Construction - Progress Payment #3	Jan 7, 2015	3	Spec. 1207	$ 294,189.21
35	BV Construction - Progress Payment #1	Jan 26, 2015	1	Spec. 1205	$ 152,445.08
35	Aspen - EIR/EIS Progress Payment	Jan 26, 2015	1116.002-17	LRDSR	$ 13,105.63
36	Kennedy/Jenks - Progress Payment	Feb 2, 2015	89538	LCGRRP	$ 78,066.17
37	BV Construction - Progress Payments #2 and #3	Feb 19, 2015	2 and 3	Spec. 1205	$ 195,962.20
37	Aspen - EIR/EIS Progress Payment	Feb 19, 2015	1116.002-18	LRDSR	$ 8,814.60
38	BV Construction - Progress Payment #4	Mar 9, 2015	4	Spec. 1205	$ 123,500.00
38	Cedro Construction - Progress Payment #4	Mar 9, 2015	4	Spec. 1207	$ 70,371.25

AGENDA ITEM NO. 7.5

P A L M D A L E W A T E R D I S T R I C T

B O A R D M E M O R A N D U M

DATE: March 19, 2015 **March 25, 2015**

TO: BOARD OF DIRECTORS **Board Meeting**

FROM: Mr. Matthew R. Knudson, Assistant General Manager

VIA: Mr. Dennis D. LaMoreaux, General Manager

RE: ***AGENDA ITEM NO. 7.5 – CONSIDERATION AND POSSIBLE ACTION ON PROPOSAL RECEIVED FROM KENNEDY/JENKS CONSULTANTS FOR A ONE-YEAR WORK PLAN FOR THE PALMDALE REGIONAL GROUNDWATER RECHARGE AND RECOVERY PROJECT (FORMERLY LITTLEROCK CREEK GROUNDWATER RECHARGE AND RECOVERY PROJECT). ($1,590,000.00 – BUDGETED – PARTIAL 2013A WATER REVENUE BONDS – ASSISTANT GENERAL MANAGER KNUDSON)***

A written report for this item will be hand-delivered prior to the Board meeting.

AGENDA ITEM NO. 7.6

P A L M D A L E W A T E R D I S T R I C T

B O A R D M E M O R A N D U M

DATE:	March 19, 2015	**March 25, 2015**
TO:	BOARD OF DIRECTORS	**Board Meeting**
FROM:	Mr. Matthew R. Knudson, Assistant General Manager	
VIA:	Mr. Dennis D. LaMoreaux, General Manager	
RE:	***AGENDA ITEM NO. 7.6 – CONSIDERATION AND POSSIBLE ACTION ON AWARD OF CONTRACT FOR SECURITY SYSTEM. ($250,000.00 – BUDGETED –ASSISTANT GENERAL MANAGER KNUDSON)***	

A written report for this item will be hand-delivered prior to the Board meeting.

AGENDA ITEM NO. 7.7

ACWA 2015 DROUGHT BRIEFING– FOUR YEARS AND COUNTING: IMPACTS AND ACTIONS
Palmdale Water District
April 9, 2015

NAME:_____

ADVANCE REGISTRATION DEADLINE**:**_____

MEALS: ___YES ___NO SPOUSE: ___YES ___NO SPOUSES' TOUR: ___YES ___NO

DEPARTMENTAL TRAVEL BUDGET:

REGISTRATION:_____ TRAVEL:_____
TOTAL REMAINING BALANCE:_____

PROPOSED EXPENSES:
Registration: _____
Transportation:_____
Meals:* _____
Miscellaneous: _____
TOTAL: _____

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

HOTEL ACCOMMODATIONS: ___YES ___NO REGISTRATION DEADLINE:_____
ARRIVAL DATE/TIME:_____ DEPARTURE DATE/TIME:_____

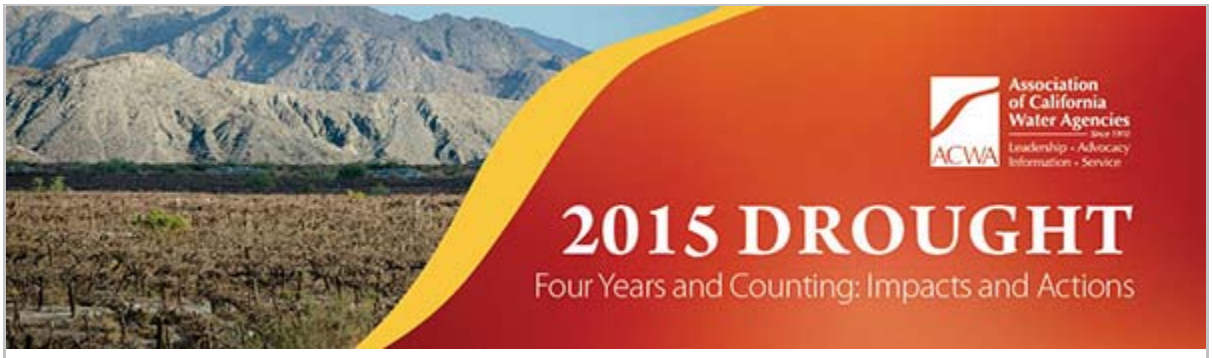
TYPE OF ACCOMMODATIONS:
_____ SINGLE (1 PERSON)
_____ DOUBLE (2 PEOPLE)
_____ (2 PEOPLE/2 BEDS)

AIRLINE RESERVATIONS: ___YES ___NO

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

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

SUPERVISOR APPROVAL:_____ DATE:_____



Dear Dennis LaMoreaux,

Join us for the 2015 Drought Briefing

Thursday, April 9, 2015 (8:30 AM - 12:30 PM)
Crest Theatre, 1013 K Street, Sacramento

California has entered its fourth year of drought with far-reaching impacts on water supply, agriculture, habitat, fish and wildlife, and water conservation. The drought's severity has not escaped public attention, with some 94% of voters calling the situation "serious" in a recent Field Poll.

As this natural disaster retains its grip, local, state and federal officials are hunkering down to extend existing drought response actions and develop new ones to grapple with unprecedented challenges. What is the outlook for 2015 and what impacts can we expect on water operations, the environment, fire response, agriculture, and water conservation?

These crucial issues will be in focus at a special 2015 drought briefing featuring local, state and federal officials. The briefing is presented by the Association of California Water Agencies (ACWA) in partnership with the California Department of Water Resources, the California State Association of Counties (CSAC), the U.S. Bureau of Reclamation, the League of California Cities, the California Farm Water Coalition, the California Farm Bureau Federation, the Metropolitan Water District of Southern California, the California Office of Emergency Services and Cal Fire.

The briefing will be webcast. It is free of charge but **participants must register ahead of time.**

For more information, go to www.acwa.com or contact Paula Currie at (916) 441-4545.

>> Click here for more information.

NEW!!

ACWA Member Portal

ACWA's new member portal is your one-stop place to register for events, update your official ACWA contact information, and access exclusive members-only content.

In order to register for ACWA events, each registrant must login to their ACWA Portal profile.

If someone is registering on your behalf, please be sure your Portal profile is created first. Then, provide them with your username and password.

>> ACWA Member Portal

Important Event Information:

- Briefing Information
- Online Registration

Association of California Water Agencies
Since 1910
Leadership • Advocacy
Information • Service

2015 Drought Briefing

2015 Drought Briefing
April 9, 2015 (8:30 a.m. to 12:30 p.m.)
Crest Theatre, 1013 K Street, Sacramento

There is no charge to attend this event, but registration is required.

Questions? Call the ACWA Office at 916-441-4545

*1. Please enter the information below:

Name:	
Title:	
Company	
Address:	
City/Town:	
State:	-- select state --
ZIP:	
Email Address:	
Phone Number:	

2. I will be attending the 2015 Drought Briefing:

In-Person

Via Web (Webcast information will be sent to you via email.)

Done

Powered by **SurveyMonkey**
Check out our sample surveys and create your own now!

P A L M D A L E W A T E R D I S T R I C T

B O A R D M E M O R A N D U M

DATE:	March 19, 2015	**March 25, 2015**
TO:	BOARD OF DIRECTORS	**Board Meeting**
FROM:	Mr. Matthew R. Knudson, Assistant General Manager	
VIA:	Mr. Dennis D. LaMoreaux, General Manager	
RE:	***AGENDA ITEM NO. 8.2.a – STATUS REPORT ON STRATEGIC PLAN INITIATIVE PROJECTS. (ASSISTANT GENERAL MANAGER KNUDSON)***	

A written report for this item will be hand-delivered prior to the Board meeting.