

Since 1918



# PALMDALE WATER DISTRICT

2029 East Avenue Q • Palmdale, California 93550 • Telephone (661) 947-4111

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## Board of Directors

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Division 2

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Division 3

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Division 4

VINCENT DINO  
Division 5

ALESHIRE & WYNDER LLP  
Attorneys

December 8, 2016

***Agenda for a Meeting  
of the Finance Committee of the Palmdale Water District  
Committee Members: Marco Henriquez-Chair, Robert Alvarado  
to be held at the District's office at 2029 East Avenue Q, Palmdale***

***Tuesday, December 13, 2016***

***4:00 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. (PWD Rules and Regulations, Appendix DD, Sec. IV.A.)

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

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



*Providing high quality water to our current and future customers at a reasonable cost.*



- 4.1) Consideration and possible action on approval of minutes of special meeting held November 15, 2016.
- 4.2) Discussion and overview of Cash Flow Statement and Current Cash Balances as of October, 2016. (Financial Advisor Egan)
- 4.3) Discussion and overview of Financial Statements, Revenue, and Expense and Departmental Budget Reports for October, 2016. (Finance Manager Williams)
- 4.4) Discussion and overview of committed contracts issued and water revenue bond projects. (Assistant General Manager Knudson)
- 4.5) Consideration and possible action on Resolution No. 16-18 being a Resolution of the Board of Directors of the Palmdale Water District Establishing Its Investment Policy. (Financial Advisor Egan/Finance Manager Williams)
- 4.6) Consideration and possible action on Request for Proposals for hiring an outside consultant to determine additional cost reductions for the District. (Chair Henriquez/Finance Manager Williams)
- 4.7) Consideration and possible action on District policy regarding landlord/tenant responsibility for water service accounts. (Chair Henriquez)
- 4.8) Consideration and possible action on reducing funds available for the Rate Assistance Program to offer additional assistance under the Cash for Grass Program. (Chair Henriquez/Deputy Water & Energy Resources Director Thompson II)
- 4.9) Consideration and possible action on amending the approved November 7, 2016 Finance Committee meeting minutes. (Chair Henriquez)
- 5) Information items.
  - 5.1) Status of Debt Service Coverage. (Financial Advisor Egan)
  - 5.2) Status of refunding 2012 Installment Purchase Agreement and a portion of the 2013A Water Revenue Bonds. (Finance Manager Williams)
  - 5.3) Status of staff's efforts to ensure District efficiencies and cost savings. (Committee Member Alvarado/General Manager LaMoreaux)
  - 5.4) Other.
- 6) Board members' requests for future agenda items.
- 7) Adjournment.



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DENNIS D. LaMOREAUX,  
General Manager

**PALMDALE  
WATER DISTRICT  
BOARD MEMORANDUM**

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<b>DATE:</b>	December 6, 2016	December 13, 2016
<b>TO:</b>	FINANCE COMMITTEE	Committee Meeting
<b>FROM:</b>	Mr. Bob Egan, Financial Advisor	
<b>RE:</b>	<i><b>AGENDA ITEM NO. 4.2 – DISCUSSION AND OVERVIEW OF CASH FLOW STATEMENT AND CURRENT CASH BALANCES AS OF OCTOBER, 2016.</b></i>	

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Attached is the Investment Funds Report and current cash balance as of October 31, 2016. The reports will be reviewed in detail at the Finance Committee meeting.

PALMDALE WATER DISTRICT  
INVESTMENT FUNDS REPORT  
October 31, 2016

					October 2016	September 2016
<b>CASH</b>						
1-00-0103-100	Citizens - Checking				968,335.01	716,787.25
1-00-0103-200	Citizens - Refund				(1,600.00)	60.00
1-00-0103-300	Citizens - Merchant				74,806.17	66,372.10
Bank Total					1,041,541.18	783,219.35
1-00-0110-000	PETTY CASH				300.00	300.00
1-00-0115-000	CASH ON HAND				5,400.00	5,400.00
TOTAL CASH					1,047,241.18	788,919.35
<b>INVESTMENTS</b>						
1-00-0135-000	Local Agency Investment Fund			Acct. Total	11,824.34	11,806.40
1-00-0120-000 UBS Money Market Account General (SS 11469)						
	UBS RMA Government Portfolio				751,822.25	749,379.62
	UBS Bank USA Dep acct				250,000.00	250,000.00
	Accrued interest				7,577.61	7,005.03
					1,009,399.86	1,006,384.65
US Government Securities						
CUSIP #	Issuer	Maturity Date	Rate	PAR	Market Value	Market Value
912828SJ0	US Treasury Note	02/28/2017	0.87	1,000,000	1,001,790.00	1,002,100.00
				1,000,000	1,001,790.00	1,002,100.00
Certificates of Deposit						
	Issuer	Maturity Date	Rate	Face Value		
1	First Bank PR	11/07/2016	0.80	240,000	240,009.60	240,062.40
2	Compass Bank	02/07/2017	0.95	240,000	240,285.60	240,307.20
3	GE Cap Retail Bank	04/27/2017	1.84	200,000	200,948.00	201,084.00
4	Discover Bank	05/02/2017	1.73	240,000	241,298.40	241,488.00
5	Merrick Bank	06/12/2017	1.00	100,000	100,299.00	100,326.00
6	Level One Bank	06/19/2017	0.65	101,000	101,245.43	101,265.63
7	GE Cap Retail Bank	06/22/2017	1.78	200,000	201,538.00	201,710.00
8	Capitol One Bank	08/14/2017	1.20	240,000	241,063.20	241,065.60
9	Triumph Bank	09/26/2017	0.80	200,000	200,712.00	200,674.00
10	MB Finl Bank	10/26/2017	0.85	200,000	200,212.00	200,180.00
11	Bank United Miami	11/21/2017	1.20	240,000	241,123.20	241,161.60
				2,201,000	2,208,734.43	2,209,324.43
Acct. Total					4,219,924.29	4,217,809.08
1-00-1110-000 UBS Money Market Account Capital (SS 11475)						
	UBS Bank USA Dep acct				234,475.54	234,471.77
	UBS RMA Government Portfolio				-	-
Acct. Total					234,475.54	234,471.77
1-00-0125-000 UBS Access Account General (SS 11432)						
	UBS Bank USA Dep acct				250,000.00	245,710.30
	UBS RMA Government Portfolio				241,294.56	-
	Accrued interest				18,024.50	17,198.06
					509,319.06	262,908.36
US Government Securities						
CUSIP #	Issuer	Maturity Date	Rate	PAR	Market Value	Market Value
912828XF2	US Treasury Note	06/15/2018	1.125	1,000,000	1,004,880.00	1,006,210.00
912828KD1	US Treasury Note	02/15/2019	2.610	1,500,000	1,562,220.00	1,567,965.00
912828P53	US Treasury Note	02/15/2019	0.75	1,000,000	996,170.00	998,090.00
				3,500,000	3,563,270.00	3,572,265.00
Certificates of Deposit						
	Issuer	Maturity Date	Rate	Face Value		
1	Goldman Sachs Bk	11/07/2016	1.00	240,000	240,014.40	240,117.60
2	CIT Bank	11/06/2017	1.60	240,000	-	240,007.20
3	BMW Bank	11/15/2018	1.96	240,000	245,023.20	245,131.20
4	American Express	04/29/2019	1.44	240,000	243,722.40	243,784.80
5	Synchrony Bank	04/14/2020	1.83	240,000	246,556.80	246,564.00
				1,200,000	975,316.80	1,215,604.80
Acct. Total					5,047,905.86	5,050,778.16
Total Managed Accounts					9,514,130.03	9,514,865.41
1-00-1121-000 UBS Rate Stabilization Fund (SS 24016) - District Restricted						
	UBS Bank USA Dep acct				250,000.00	250,000.00
	UBS RMA Government Portfolio				230,323.40	230,315.57
Acct. Total					480,323.40	480,315.57
GRAND TOTAL CASH AND INVESTMENTS					11,041,694.61	10,784,100.33
Increase (Decrease) in Funds					257,594.28	
1-00-1130-000 2013A Bonds - Project Funds (BNY Mellon)						
Construction Funds					426,071.39	437,188.90



**PALMDALE WATER DISTRICT**  
**2016 Cash Flow Report** (Based on Jan. 19, 2016 Approved Budget)

2016 Cash Flow Report (Based on Jan. 19, 2016 Approved Budget)														Budget 2017 Carryover Information
	January	February	March	April	May	June	July	August	September	October	November	December	YTD	
Total Cash Beginning Balance (BUDGET)	12,253,595	11,996,708	12,070,140	9,443,313	11,240,278	11,923,901	11,779,269	10,981,346	11,574,708	9,220,541	9,395,698	9,267,781		(805,960)
Total Cash Beginning Balance	12,253,595	12,534,672	12,719,333	10,275,232	12,340,454	13,316,414	12,675,338	12,028,366	12,724,061	10,784,100	11,041,695	10,509,501		
Budgeted Water Receipts	1,541,128	1,523,788	1,575,809	1,590,982	1,790,396	1,946,460	2,165,382	2,202,231	2,030,994	1,946,460	1,688,521	1,673,349	21,675,500	
Water Receipts	1,836,145	1,903,857	1,602,349	1,518,640	1,618,564	1,843,912	1,793,757	2,585,375	2,151,151	2,389,917	1,688,521	1,673,349	22,605,536	
DWR Refund (Operational Related)				1,718	28					2,029			3,775	
Other													-	
Total Operating Revenue (BUDGET)													-	
Total Operating Revenue (ACTUAL)	1,836,145	1,903,857	1,602,349	1,520,358	1,618,592	1,843,912	1,793,757	2,585,375	2,151,151	2,391,946	1,688,521	1,673,349	22,609,312	
Total Operating Expenses excl GAC (BUDGET)	(1,237,486)	(1,217,967)	(1,591,629)	(1,550,533)	(1,568,100)	(1,439,060)	(1,770,025)	(1,614,651)	(1,795,266)	(1,449,785)	(1,434,170)	(1,550,028)	(18,218,700)	
GAC (BUDGET)	(362,730)		(190,000)			(190,000)			(190,000)		(190,000)		(1,122,730)	
Operating Expenses excl GAC (ACTUAL)	(1,356,117)	(1,281,496)	(1,961,054)	(1,361,831)	(1,377,208)	(1,883,577)	(1,989,499)	(1,716,208)	(1,699,901)	(1,898,522)	(1,434,170)	(1,550,028)	(19,509,611)	
GAC	(62,730)	(183,290)	(275,135)								(190,000)	(190,000)	(901,154)	
Prepaid Insurance (paid)/refunded		(66,457)											(66,457)	
Total Operating Expense (ACTUAL)	(1,418,847)	(1,531,243)	(2,236,189)	(1,361,831)	(1,377,208)	(1,883,577)	(1,989,499)	(1,716,208)	(1,699,901)	(1,898,522)	(1,624,170)	(1,740,028)	(20,477,223)	
Non-Operating Revenue Expenses:														
Assessments, net (BUDGET)	664,439	253,955	14,289	2,027,090	739,781	11,042	75,342	127,302	-	-	129,251	2,452,512	6,495,000	
Actual/Projected Assessments, net	684,181	313,172	15,308	2,078,805	818,666	12,539	70,859	145,201	-	-	130,975	2,452,512	6,722,217	
RDA Pass-through (Successor Agency)					307,851								307,851	
Interest	3,168	4,991	9,069	8,540	9,385	9,296	9,120	10,254	12,926	9,536	2,915	2,935	92,135	
Market Adjustment	7,983	(12,780)	7,384	(3,392)	(4,736)	19,028	(5,943)	(15,778)	(1,597)	(10,183)			(20,014)	
Grant Re-imbursement						306,915						177,000	483,915	
Capital Improvement Fees							234,459						234,459	
DWR Refund (Capital Related)				98,537	37,228					81,905			217,670	
Other	3,415	26	590	(202)	(33)	89	21,976	324	3	(9)	8,330	8,370	42,878	
Total Non-Operating Revenues (BUDGET)													-	
Total Non-Operating Revenues (ACTUAL)	698,746	305,408	32,351	2,182,288	1,168,361	347,866	330,472	140,001	11,333	81,248	142,220	2,640,817	8,081,112	
Non-Operating Expenses:														
Budgeted Capital Expenditures	(514,999)	(306,567)	(287,878)	(40,796)	(48,676)	(26,296)	(91,743)	(91,743)	(91,743)	(91,743)	(91,744)	(918,263)	(2,602,191)	
Actual/Projected Capital Expenditures	(93,505)	(302,341)	(24,615)	(62,302)	(242,404)	(31,036)	(43,219)	(122,092)	(82,788)	(129,494)	(339,385)	(275,736)	(1,748,917)	
WRB Capital Expenditures	-	-	-	-	-	-	-	-	-	-	-	(444,629)	(444,629)	
Uncommitted Capital Expenditures	-	-	-	-	-	-	-	-	-	-	(208,000)	(280,000)	(488,000)	
SWP Capitalized	(717,495)	(170,388)	(196,069)	(170,390)	(170,390)	(170,390)	(717,492)	(170,390)	(201,804)	(170,288)	(170,388)	(170,388)	(3,195,872)	
Butte County Water Transfer						(726,859)						(726,859)	(1,453,719)	
Bond Payments - Interest			(1,084,814)						(1,076,522)				(2,161,336)	
Principal			(537,114)						(1,020,439)				(1,557,553)	
Capital leases - Go West (2012 Lease)	(17,296)	(17,296)	-	(35,624)	(17,296)	(17,296)	(17,296)	(17,296)	(17,296)	(17,296)	(17,296)	(17,296)	(208,585)	
Capital leases - Wells Fargo (Printer Lease)	(6,672)	(3,336)	-	(7,277)	(3,695)	(3,695)	(3,695)	(3,695)	(3,695)	-	(3,695)	(3,695)	(43,151)	
Total Non-Operating Expenses (ACTUAL)	(834,969)	(493,362)	(1,842,612)	(275,592)	(433,785)	(949,277)	(781,702)	(313,474)	(2,402,544)	(317,078)	(738,764)	(1,918,603)	(11,301,761)	
Total Cash Ending Balance (BUDGET)	11,996,708	12,070,140	9,443,313	11,240,278	11,923,901	11,779,269	10,981,346	11,574,708	9,220,541	9,395,698	9,267,781	10,300,285		
Total Cash Ending Balance (ACTUAL)	12,534,672	12,719,333	10,275,232	12,340,454	13,316,414	12,675,338	12,028,366	12,724,061	10,784,100	11,041,695	10,509,501	11,165,036		
											Budget	10,300,285		
											Difference	864,751		
Indicates actual expenditures/revenues:														
Indicates anticipated expenditures/revenues:														

# **PALMDALE WATER DISTRICT BOARD MEMORANDUM**

**DATE:** December 7, 2016 **December 13, 2016**  
**TO:** FINANCE COMMITTEE **Committee Meeting**  
**FROM:** Michael Williams, Finance Manager/CFO  
**VIA:** Mr. Dennis LaMoreaux, General Manager  
**RE:** ***AGENDA ITEM 4.3 – DISCUSSION AND OVERVIEW OF FINANCIAL STATEMENTS, REVENUE, AND EXPENSE AND DEPARTMENTAL BUDGET REPORTS FOR OCTOBER, 2016***

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**Discussion:**

Presented here are the Balance Sheet and Profit/Loss Statement for the period ending October 31, 2016. Also included are Year-To-Year Comparisons and Month-To-Month Comparisons for both revenue and expense. Finally, I have provided individual departmental budget reports for the month of October, 2016.

This is the tenth month of the District's Budget Year 2016. The target percentage is 83%. Revenues ideally are at or above, and expenditures ideally are below.

**Balance Sheet:**

- Page 1 is our balance sheet on October 31, 2016.
- There isn't any significant change from prior month. Total assets dropped by only \$184K. Not much movement.

**Profit/Loss Statement:**

- Page 3 is our profit/loss statement on October 31, 2016.
- Operating revenue is at 87% of budget.
- Cash operating expense is at 84% of budget.
- Net operating profit for the month of October was \$787K. Net operating profit year-to-date is at \$1.7MM.
- Page 6 is showing the distribution of operating expense between labor and operations. Labor costs continue at 51% of total expenses with salaries making up 34% of that.

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

- Page 7 is our comparison of October, 2015 to October, 2016.
- Total operating revenue was up \$212K, or 11%.
- Operating expenditures were down \$158K, or 10%.
- Page 7-1 is our comparison of October, 2014 to October, 2016.
- Total operating revenue was up \$84K, or 4%.
- Total operating expenses were down \$601, or 30%.

FINANCE COMMITTEE  
PALMDALE WATER DISTRICT

VIA: Mr. Dennis LaMoreaux, General Manager

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December 7, 2016

- Page 8 and 8-1 is a graphic presentation of the water consumption comparison for 2015 and 2014, respectively.
  - Units billed in acre feet for 2015 comparison were up by 361, or 30%.
  - Total revenue per unit sold was down \$0.57, or 15%.
  - Total revenue per connection is up \$9.04, or 14%.
  - Units billed per connection is up 5.86, or 30%.
- Units billed in acre feet for 2014 comparison were down by 130, or 8%.
- Total revenue per unit sold is up \$0.37, or 13%.
- Total revenue per connection was down \$1.74, or 2%.
- Units billed per connection is down 2.28, or 8%.

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

- Page 9 is our comparison of revenue, year-to-date.
- Operating revenue through October, 2016 is up \$1.09MM, or 6%.
- Retail water revenue from all areas are up by \$814K from last year. That's shown by the combined green highlighted area.
- Retail water sales, including the drought surcharge but excluding meter fees, is up \$956K.
- Total revenue is up \$1.6MM. This is due primarily to grant funding and the drought surcharge.
- Operating revenue is at 87% of budget; last year was at 76% of budget. However, our 2016 revenue budget is \$1.5MM less than 2015.

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

- Page 11 is our comparison of expense, year-to-date.
- Cash Operating Expenses through October- 2016 are up \$673K, or 4%, compared to 2015.
- Total Expenses are down \$929K, or 3%. This is due primarily to a reduction in our depreciation expense.

**Departments:**

- Pages 14 through 24 are detailed individual departmental budgets for your review.

**Non-Cash Definitions:**

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

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

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

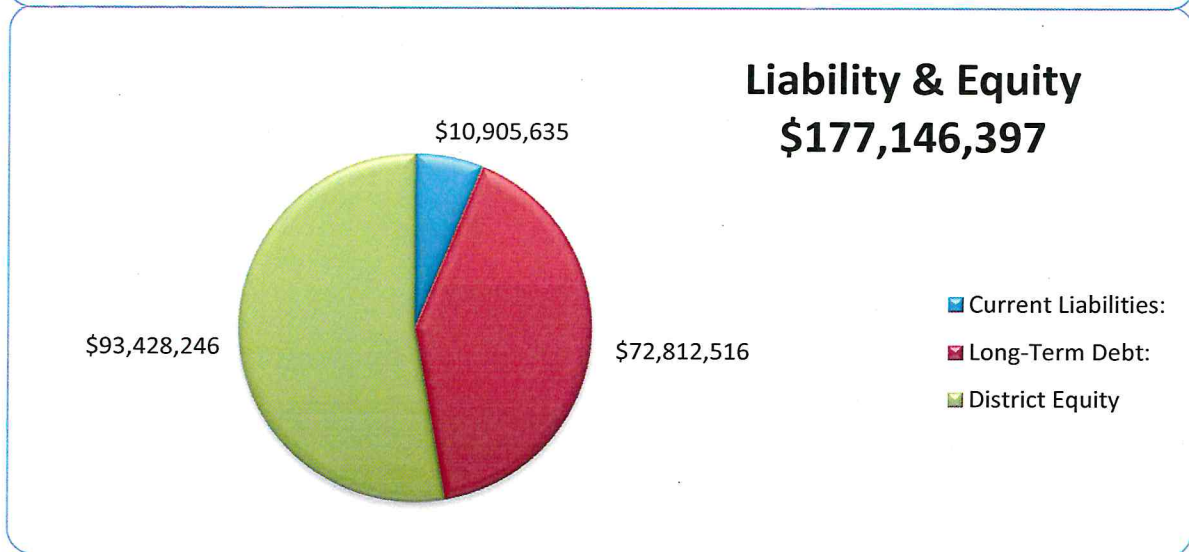
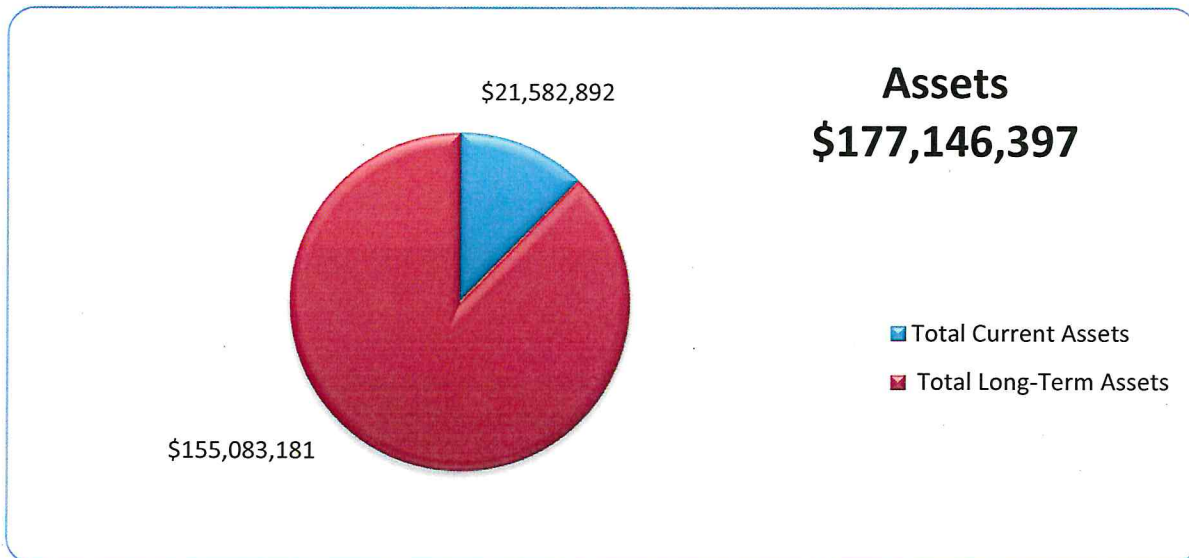
**Service Cost Construction:** The value of material, parts & supplies from inventory used to construct, repair and maintain our asset infrastructure.

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

**Palmdale Water District**  
**Balance Sheet Report**  
**For the Ten Months Ending 10/31/2016**

	<b>October 2016</b>	<b>September 2016</b>
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and Cash Equivalents	\$ 1,047,241	\$ 788,919
Investments	9,514,130	9,514,865
2013A Bonds - Project Funds	426,071	437,189
	<u>\$ 10,987,443</u>	<u>\$ 10,740,974</u>
<b>Receivables:</b>		
Accounts Receivables - Water Sales	\$ 2,021,118	\$ 2,216,886
Accounts Receivables - Miscellaneous	29,487	33,277
Allowance for Uncollected Accounts	(196,113)	(196,113)
	<u>\$ 1,854,491</u>	<u>\$ 2,054,050</u>
Assessments Receivables	\$ 7,719,610	\$ 7,719,610
Meters, Materials and Supplies	784,963	711,388
Prepaid Expenses	236,386	261,412
<b>Total Current Assets</b>	<u><b>\$ 21,582,892</b></u>	<u><b>\$ 21,487,434</b></u>
<b>Long-Term Assets:</b>		
Property, Plant, and Equipment, net	\$ 109,640,680	\$ 109,893,458
Participation Rights in State Water Project, net	44,292,549	44,319,061
Investment in PRWA	229,923	229,923
2013A Bonds - Insurance & Surety Bond	215,227	215,894
CalPERS Contributions	704,801	704,801
	<u><b>\$ 155,083,181</b></u>	<u><b>\$ 155,363,137</b></u>
<b>Restricted Cash:</b>		
Rate Stabilization Fund	480,323	480,316
<b>Total Long-Term Assets &amp; Restricted Cash</b>	<u><b>\$ 155,563,504</b></u>	<u><b>\$ 155,843,452</b></u>
<b>Total Assets</b>	<u><b>\$ 177,146,397</b></u>	<u><b>\$ 177,330,886</b></u>
<b>LIABILITIES AND DISTRICT EQUITY</b>		
<b>Current Liabilities:</b>		
Current Interest Installment of Long-term Debt	\$ 176,875	\$ 51
Current Principal Installment of Long-term Debt	521,351	536,903
Accounts Payable and Accrued Expenses	5,540,743	5,777,851
Deferred Assessments	4,666,667	5,250,000
<b>Total Current Liabilities</b>	<u><b>\$ 10,905,635</b></u>	<u><b>\$ 11,564,805</b></u>
<b>Long-Term Debt:</b>		
Pension-Related Debt	\$ 9,177,550	\$ 9,177,550
OPEB Liability	13,030,612	12,852,350
2013A Water Revenue Bonds	42,461,959	42,464,210
2012 - Certificates of Participation	8,095,109	8,088,311
2011 - Capital Lease Payable	47,286	47,286
<b>Total Long-Term Liabilities</b>	<u><b>\$ 72,812,516</b></u>	<u><b>\$ 72,629,707</b></u>
<b>Total Liabilities</b>	<u><b>\$ 83,718,151</b></u>	<u><b>\$ 84,194,512</b></u>
<b>District Equity</b>		
Revenue from Operations	\$ (1,227,151)	\$ (1,519,022)
Retained Earnings	94,655,397	94,655,397
<b>Total Liabilities and District Equity</b>	<u><b>\$ 177,146,397</b></u>	<u><b>\$ 177,330,886</b></u>

## BALANCE SHEET AS OF OCTOBER 31, 2016





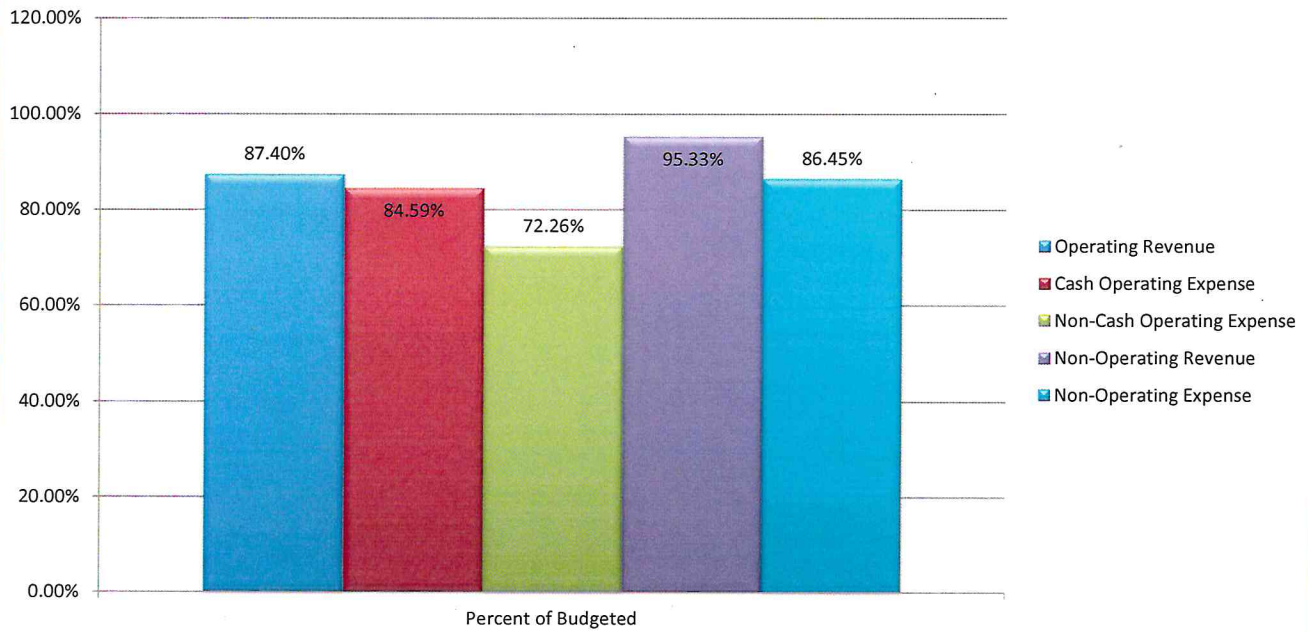
**Palmdale Water District**  
**Consolidated Profit and Loss Statement**  
**For the Ten Months Ending 10/31/2016**

	Thru September	October	Year-to-Date	Adjustments	Adjusted Budget	% of Budget
<b>Operating Revenue:</b>						
Wholesale Water	\$ 121,997	\$ 58,599	\$ 180,595		\$ 160,000	112.87%
Water Sales	5,065,002	740,713	5,805,716		7,242,000	80.17%
Meter Fees	9,132,883	1,015,021	10,147,904		12,079,000	84.01%
Water Quality Fees	647,619	87,619	735,238		934,500	78.68%
Elevation Fees	262,317	37,590	299,908		400,000	74.98%
Other (Page 3-1)	576,222	73,422	649,644		860,000	75.54%
Drought Surcharge	971,033	153,704	1,124,737		-	
<b>Total Operating Revenue</b>	<b>\$ 16,777,074</b>	<b>\$ 2,166,668</b>	<b>\$ 18,943,743</b>	<b>\$ -</b>	<b>\$ 21,675,500</b>	<b>87.40%</b>
<b>Cash Operating Expenses:</b>						
Directors	\$ 116,562	\$ 12,804	\$ 129,366		\$ 145,750	88.76%
Administration-Services	1,198,383	138,483	1,336,866		1,588,750	84.15%
Administration-District	1,112,633	103,540	1,216,174		1,612,750	75.41%
Engineering	908,530	96,103	1,004,633		1,279,250	78.53%
Facilities	4,929,945	430,188	5,360,133		6,513,750	82.29%
Operations	1,980,210	244,133	2,224,343		2,449,250	90.82%
Finance	908,961	94,658	1,003,619		1,168,250	85.91%
Water Conservation	189,209	16,405	205,614		239,250	85.94%
Human Resources	291,416	34,528	325,943		420,350	77.54%
Information Technology	559,160	42,596	601,757		867,750	69.35%
Customer Care	997,977	87,207	1,085,184		1,386,750	78.25%
Source of Supply-Purchased Water	1,704,190	(1,316)	1,702,874		1,725,000	98.72%
Plant Expenditures	401,293	80,231	481,524		-	
GAC Filter Media Replacement	521,064	-	521,064		934,500	55.76%
<b>Total Cash Operating Expenses</b>	<b>\$ 15,819,535</b>	<b>\$ 1,379,559</b>	<b>\$ 17,199,094</b>	<b>\$ -</b>	<b>\$ 20,331,350</b>	<b>84.59%</b>
<b>Net Cash Operating Profit/(Loss)</b>	<b>\$ 957,539</b>	<b>\$ 787,109</b>	<b>\$ 1,744,648</b>	<b>\$ -</b>	<b>\$ 1,344,150</b>	<b>129.80%</b>
<b>Non-Cash Operating Expenses:</b>						
Depreciation	\$ 4,238,196	\$ 454,907	\$ 4,693,103		\$ 7,200,000	65.18%
OPEB Accrual Expense	1,762,742	195,860	1,958,602		2,250,000	87.05%
Bad Debts	71,912	423	72,335		50,000	144.67%
Service Costs Construction	83,441	(3,909)	79,532		125,000	63.63%
Capitalized Construction	(460,791)	(110,037)	(570,828)		(1,000,000)	57.08%
<b>Total Non-Cash Operating Expenses</b>	<b>\$ 5,695,499</b>	<b>\$ 537,244</b>	<b>\$ 6,232,744</b>	<b>\$ -</b>	<b>\$ 8,625,000</b>	<b>72.26%</b>
<b>Net Operating Profit/(Loss)</b>	<b>\$ (4,737,960)</b>	<b>\$ 249,865</b>	<b>\$ (4,488,095)</b>	<b>\$ -</b>	<b>\$ (7,280,850)</b>	<b>61.64%</b>
<b>Non-Operating Revenues:</b>						
Assessments (Debt Service)	\$ 4,001,500	\$ 440,417	\$ 4,441,917		\$ 4,670,000	95.12%
Assessments (1%)	1,606,351	142,917	1,749,268		2,025,000	86.38%
DWR Fixed Charge Recovery	203,350	81,905	285,255		200,000	142.63%
Interest	66,918	(647)	66,271		35,000	189.35%
Capital Improvement Fees	234,459	-	234,459		50,000	468.92%
Grants - State and Federal	306,915	-	306,915		485,000	63.28%
Other	146,898	(9)	146,888		120,000	122.41%
<b>Total Non-Operating Revenues</b>	<b>\$ 6,566,391</b>	<b>\$ 664,582</b>	<b>\$ 7,230,973</b>	<b>\$ -</b>	<b>\$ 7,585,000</b>	<b>95.33%</b>
<b>Non-Operating Expenses:</b>						
Interest on Long-Term Debt	\$ 1,671,302	\$ 182,353	\$ 1,853,655		\$ 2,228,000	83.20%
Amortization of SWP	1,772,080	196,900	1,968,980		2,238,000	87.98%
Change in Investments in PRWA	105,316	-	105,316		-	
Water Conservation Programs	34,641	7,437	42,078		126,500	33.26%
<b>Total Non-Operating Expenses</b>	<b>\$ 3,583,339</b>	<b>\$ 386,690</b>	<b>\$ 3,970,029</b>	<b>\$ -</b>	<b>\$ 4,592,500</b>	<b>86.45%</b>
<b>Net Earnings</b>	<b>\$ (1,754,908)</b>	<b>\$ 527,757</b>	<b>\$ (1,227,151)</b>	<b>\$ -</b>	<b>\$ (4,288,350)</b>	<b>28.62%</b>

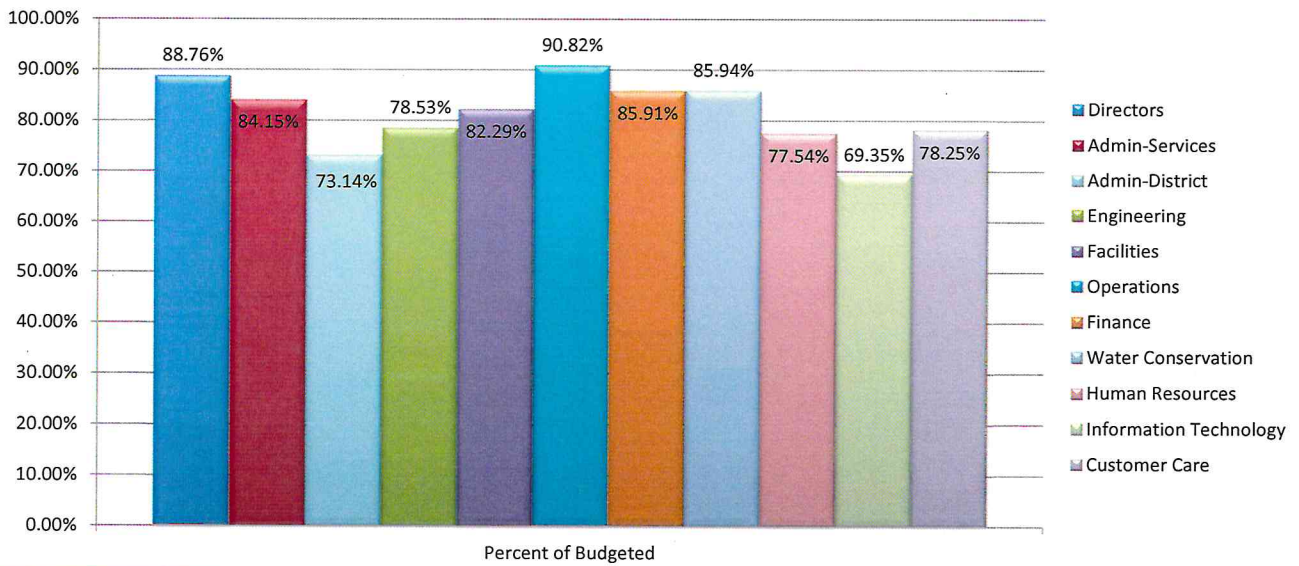
OTHER OPERATING REVENUE
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	Current	YTD
Account Setup Charge(\$25)	\$4,000.00	\$39,110.00
Customer Request Turn On/Off(\$15)	\$0.00	\$75.00
Account Setup Charge/CC (\$35)	\$0.00	\$1,085.00
5/8" Meter W/Itron Assembly(\$212)	\$0.00	(\$212.00)
After Hours Service Call	\$0.00	\$620.00
Construction Meter Install(\$250)	\$500.00	\$1,250.00
Credit Check(\$10)	\$0.00	\$690.00
ERT (87.20)	\$0.00	\$87.20
Grind Down Angle Stop (\$230)	\$230.00	\$230.00
Lock Broken or Missing(\$15)	\$45.00	\$675.00
Miscellaneous Charge	\$1,152.96	\$2,120.01
Non-Compliance Fee Backflow(\$50)	\$50.00	\$1,050.00
Pulled Meter Service Charge(\$60)	\$60.00	\$1,200.00
Rejected Payment Notification	\$380.00	\$2,960.00
Repair Angle Stop After Hours(\$600.00)	(\$600.00)	\$1,200.00
Repair Angle Stop(\$440.00)	\$0.00	\$7,040.00
Shut-Off Charge(\$30)	\$5,940.00	\$61,230.00
Shut-Off Notice Fee (\$5)	\$11,905.00	\$91,325.00
Standard Trip Charge(\$15)	\$195.00	\$1,980.00
Waste Water 1st Notice(\$50.00)	\$50.00	\$6,350.00
Waste Water 2nd Notice (\$250.00)	\$0.00	(\$250.00)
Late Fees	\$45,795.64	\$351,797.56
NSF Fee	\$500.00	\$4,250.00

### P & L BUDGET vs. ACTUAL

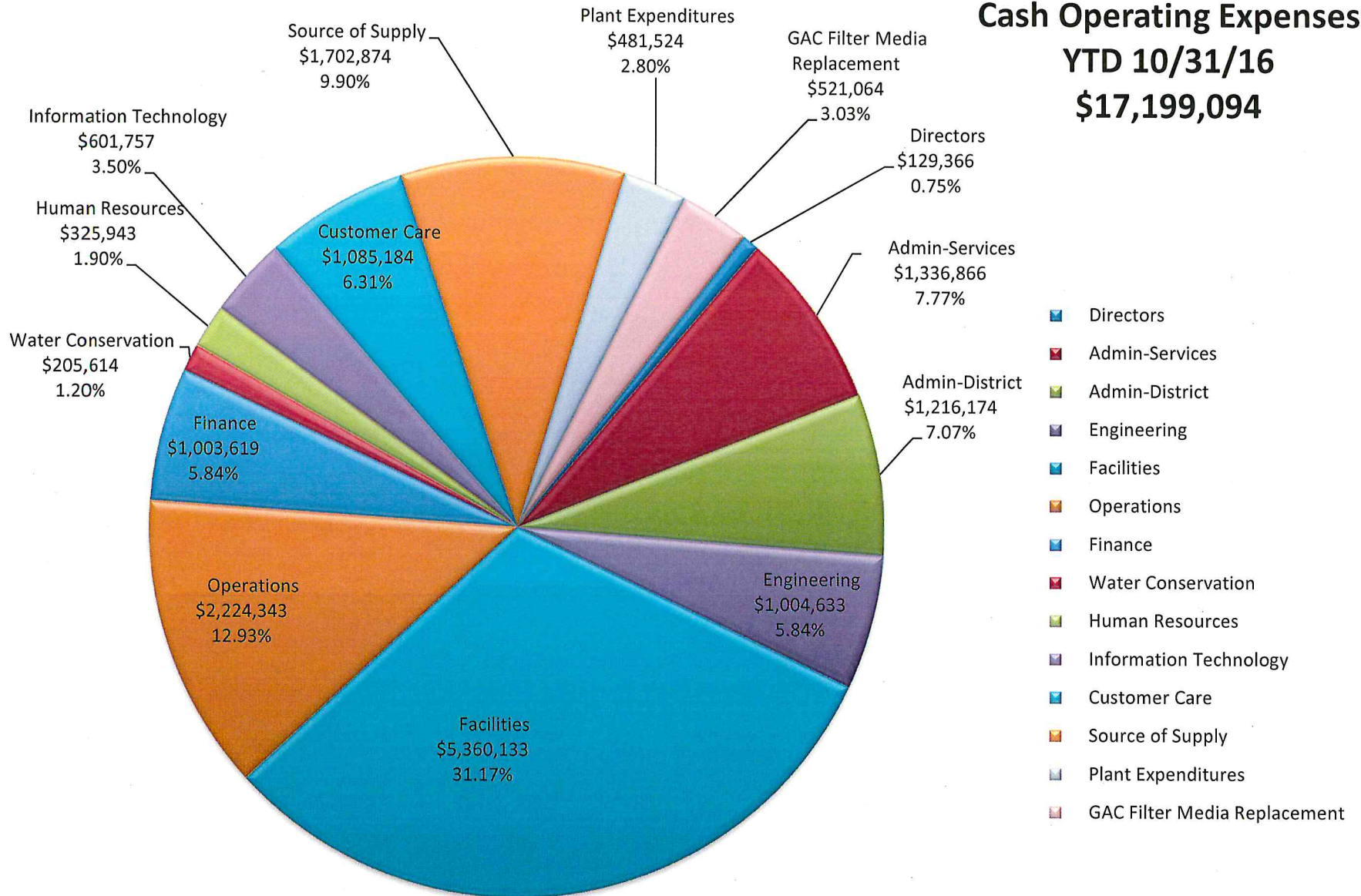


### DEPARTMENTAL - BUDGET vs. ACTUAL

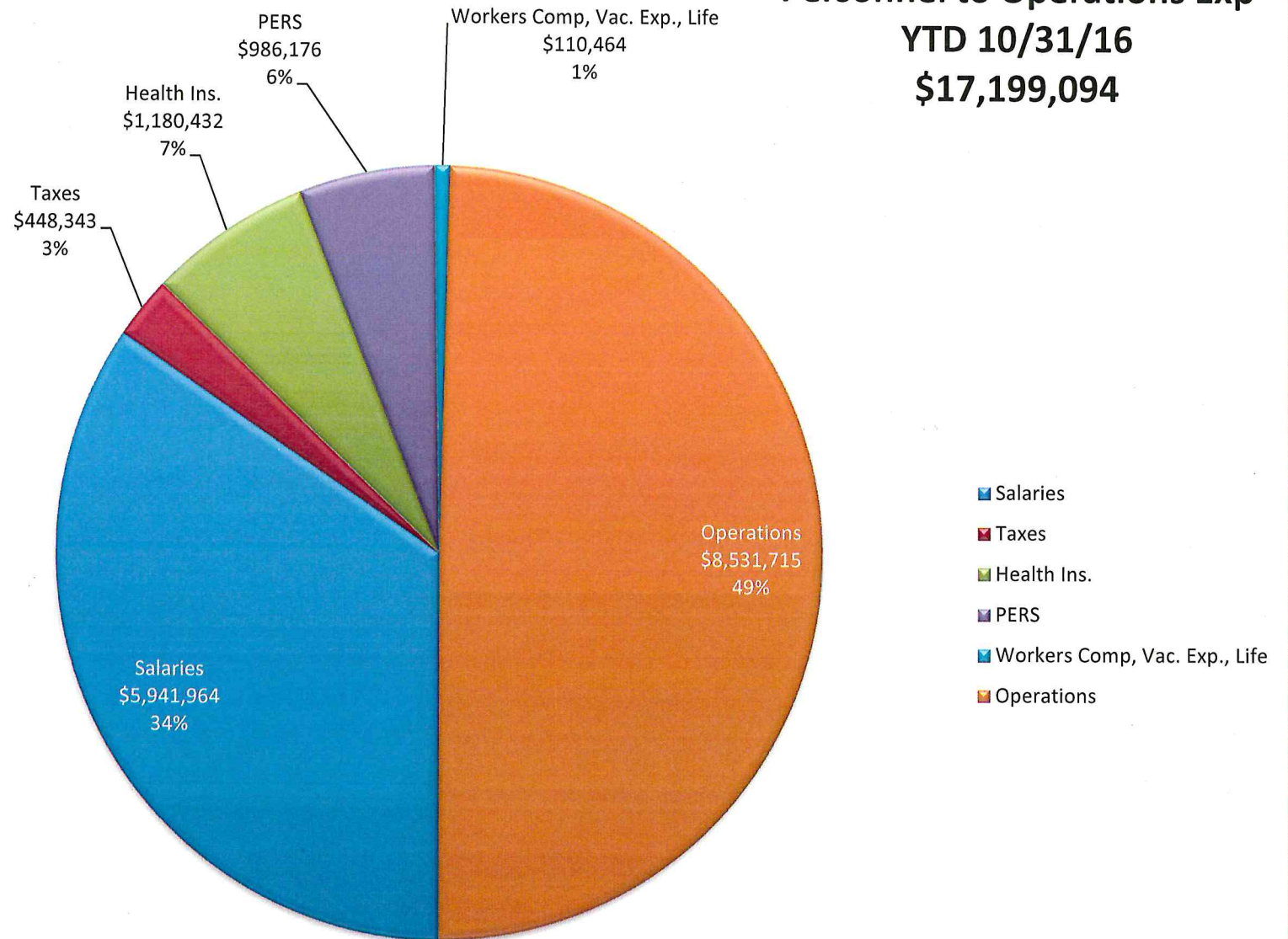




## Cash Operating Expenses YTD 10/31/16 \$17,199,094



**Personnel to Operations Exp**  
**YTD 10/31/16**  
**\$17,199,094**



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

	2015 October	2016 October	Change	% Change		Consumption Comparison		
					Units Billed	2015	2016	
<b>Operating Revenue:</b>						516,864	673,989	
Wholesale Water	\$ -	\$ 58,599	\$ 58,599		Active	26,542	26,605	
Water Sales	605,208	740,713	135,506	22.39%	Vacant	849	802	
Meter Fees	969,762	1,015,021	45,259	4.67%				
Water Quality Fees	84,962	87,619	2,657	3.13%				
Elevation Fees	35,079	37,590	2,511	7.16%	Rev/unit	\$ 3.78	\$ 3.21	
Other	140,125	73,422	(66,703)	-47.60%	Rev/con	\$ 63.86	\$ 72.90	
Drought Surcharge	119,443	153,704	34,261	28.68%	Unit/con	19.47	25.33	
<b>Total Operating Revenue</b>	<b>\$ 1,954,579</b>	<b>\$ 2,166,668</b>	<b>\$ 212,089</b>	<b>10.85%</b>				
<b>Cash Operating Expenses:</b>								
Directors	\$ 14,907	\$ 12,804	\$ (2,102)	-14.10%				
Administration-Services	227,074	138,483	14,950	6.58%				
Administration-District		103,540						
Engineering	84,302	96,103	11,801	14.00%				
Facilities	470,382	430,188	(40,194)	-8.54%				
Operations	199,652	244,133	44,481	22.28%				
Finance	89,482	94,658	5,176	5.78%				
Water Conservation	25,070	16,405	(8,665)	-34.56%				
Human Resources	33,014	34,528	1,514	4.59%				
Information Technology	53,172	42,596	(10,575)	-19.89%				
Customer Care	101,646	87,207	(14,439)	-14.20%				
Source of Supply-Purchased Water	7,794	(1,316)	(9,110)	-116.88%				
Plant Expenditures	231,978	80,231	(151,747)	-65.41%				
GAC Filter Media Replacement	-	-	-					
<b>Total Cash Operating Expenses</b>	<b>\$ 1,538,470</b>	<b>\$ 1,379,559</b>	<b>\$ (158,910)</b>	<b>-10.33%</b>				
<b>Non-Cash Operating Expenses:</b>								
Depreciation	\$ 534,253	\$ 454,907	\$ (79,346)	-14.85%				
OPEB Accrual Expense	183,580	195,860	12,280	6.69%				
Bad Debts	7,467	423	(7,044)	-94.33%				
Service Costs Construction	(8,149)	(3,909)	4,240	-52.03%				
Capitalized Construction	(54,064)	(110,037)	(55,972)	103.53%				
<b>Total Non-Cash Operating Expenses</b>	<b>\$ 663,087</b>	<b>\$ 537,244</b>	<b>\$ (125,843)</b>	<b>-18.98%</b>				
<b>Net Operating Profit/(Loss)</b>	<b>\$ (246,977)</b>	<b>\$ 249,865</b>	<b>\$ 496,842</b>	<b>-201.17%</b>				
<b>Non-Operating Revenues:</b>								
Assessments (Debt Service)	\$ 443,333	\$ 440,417	\$ (2,917)	-0.66%				
Assessments (1%)	140,000	142,917	2,917	2.08%				
DWR Fixed Charge Recovery	74,953	81,905	6,952	9.28%				
Interest	6,107	(647)	(6,754)	-110.60%				
Capital Improvement Fees	10,106	-	(10,106)	-100.00%				
Grants - State and Federal	-	-	-					
Other	(75)	(9)	66					
<b>Total Non-Operating Revenues</b>	<b>\$ 674,424</b>	<b>\$ 664,582</b>	<b>\$ (9,842)</b>	<b>-1.46%</b>				
<b>Non-Operating Expenses:</b>								
Interest on Long-Term Debt	\$ 186,950	\$ 182,353	\$ (4,597)	-2.46%				
Amortization of SWP	172,877	196,900	24,023	13.90%				
Change in Investments in PRWA	7,864	-	(7,864)	-100.00%				
Water Conservation Programs	5,322	7,437	2,115	39.73%				
<b>Total Non-Operating Expenses</b>	<b>\$ 373,013</b>	<b>\$ 386,690</b>	<b>\$ 13,676</b>	<b>3.67%</b>				
<b>Net Earnings</b>	<b>\$ 54,433</b>	<b>\$ 527,757</b>	<b>\$ 473,324</b>	<b>869.55%</b>				

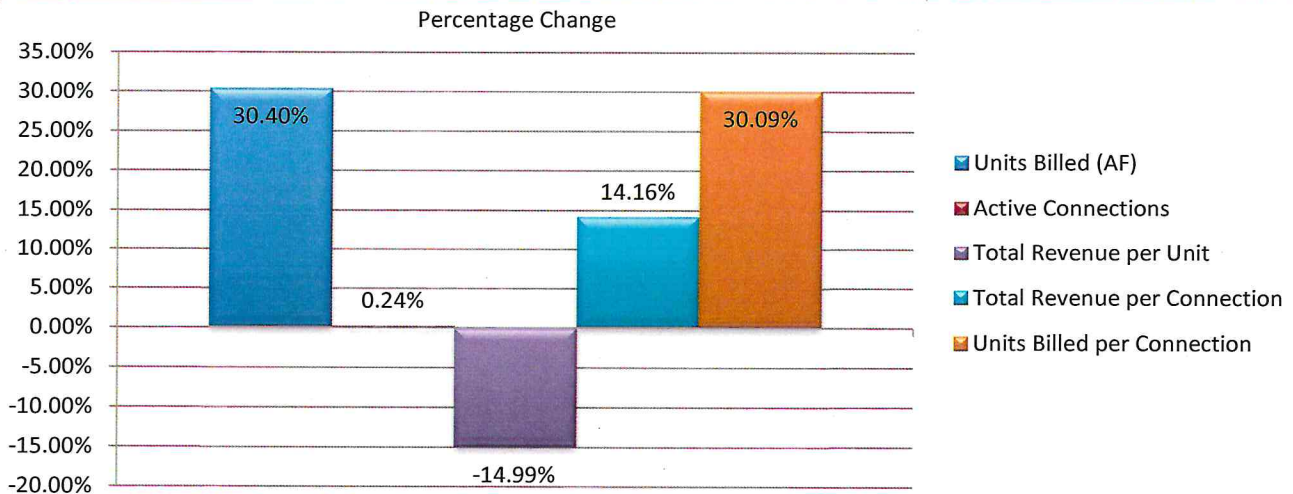
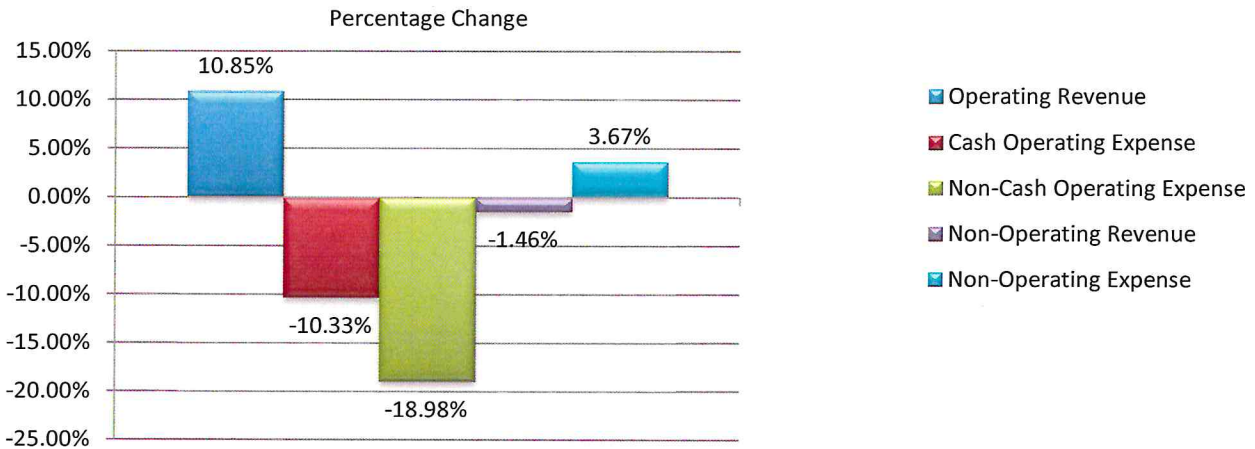


**Palmdale Water District**  
**Profit and Loss Statement**  
**Year-To-Year Comparison-2 Years - October**

	2014 October	2016 October	Change	% Change		Consumption Comparison	
					Units Billed	2014	2016
<b>Operating Revenue:</b>						730,768	673,989
Wholesale Water	\$ 29,129	\$ 58,599	\$ 29,470	101.17%	Active	26,462	26,605
Water Sales	807,759	740,713	(67,046)	-8.30%	Vacant	911	802
Meter Fees	947,224	1,015,021	67,797	7.16%			
Water Quality Fees	145,876	87,619	(58,258)	-39.94%			
Elevation Fees	45,165	37,590	(7,575)	-16.77%	Rev/unit	\$ 2.85	\$ 3.21
Other	106,767	73,422	(33,345)	-31.23%	Rev/con	\$ 74.64	\$ 72.90
Drought Surcharge	-	153,704	153,704		Unit/con	27.62	25.33
<b>Total Operating Revenue</b>	<b>\$ 2,081,921</b>	<b>\$ 2,166,668</b>	<b>\$ 84,748</b>	<b>4.07%</b>			
<b>Cash Operating Expenses:</b>							
Directors	\$ 17,432	\$ 12,804	\$ (4,628)	-26.55%			
Administration-Services	214,810	138,483	27,213	12.67%			
Administration-District	-	103,540					
Engineering	87,512	96,103	8,591	9.82%			
Facilities	324,670	430,188	105,518	32.50%			
Operations	410,815	244,133	(166,682)	-40.57%			
Finance	229,136	94,658	(134,478)	-58.69%			
Water Conservation	16,938	16,405	(533)	-3.15%			
Human Resources	21,206	34,528	13,321	62.82%			
Information Technology	65,645	42,596	(23,048)	-35.11%			
Customer Care	-	87,207	87,207				
Source of Supply-Purchased Water	124,027	(1,316)	(125,343)	-101.06%			
Plant Expenditures	170,986	80,231	(90,755)	-53.08%			
GAC Filter Media Replacement	297,955	-	(297,955)				
<b>Total Cash Operating Expenses</b>	<b>\$ 1,981,131</b>	<b>\$ 1,379,559</b>	<b>\$ (601,572)</b>	<b>-30.37%</b>			
<b>Non-Cash Operating Expenses:</b>							
Depreciation	\$ 552,048	\$ 454,907	\$ (97,141)	-17.60%			
OPEB Accrual Expense	166,875	195,860	28,985	17.37%			
Bad Debts	(216)	423	639	-295.97%			
Service Costs Construction	21,269	(3,909)	(25,178)	-118.38%			
Capitalized Construction	(156,700)	(110,037)	46,663	-29.78%			
<b>Total Non-Cash Operating Expenses</b>	<b>\$ 583,276</b>	<b>\$ 537,244</b>	<b>\$ (46,031)</b>	<b>-7.89%</b>			
<b>Net Operating Profit/(Loss)</b>	<b>\$ (482,486)</b>	<b>\$ 249,865</b>	<b>\$ 732,351</b>	<b>-151.79%</b>			
<b>Non-Operating Revenues:</b>							
Assessments (Debt Service)	\$ -	\$ 440,417	\$ 440,417	#DIV/0!			
Assessments (1%)	-	142,917	142,917	#DIV/0!			
DWR Fixed Charge Recovery	-	81,905	81,905				
Interest	6,906	(647)	(7,554)	-109.37%			
Capital Improvement Fees	-	-	-				
Grants - State and Federal	-	-	-				
Other	14,811	(9)	(14,820)	-100.06%			
<b>Total Non-Operating Revenues</b>	<b>\$ 21,717</b>	<b>\$ 664,582</b>	<b>\$ 642,865</b>	<b>2960.16%</b>			
<b>Non-Operating Expenses:</b>							
Interest on Long-Term Debt	\$ 190,200	\$ 182,353	\$ (7,847)	-4.13%			
Amortization of SWP	159,510	196,900	37,390	23.44%			
Change in Investments in PRWA	-	-	-				
Water Conservation Programs	7,421	7,437	16	0.21%			
<b>Total Non-Operating Expenses</b>	<b>\$ 357,131</b>	<b>\$ 386,690</b>	<b>\$ 29,559</b>	<b>8.28%</b>			
<b>Net Earnings</b>	<b>\$ (817,900)</b>	<b>\$ 527,757</b>	<b>\$ 1,345,656</b>	<b>-164.53%</b>			

# YEAR-TO-YEAR COMPARISON

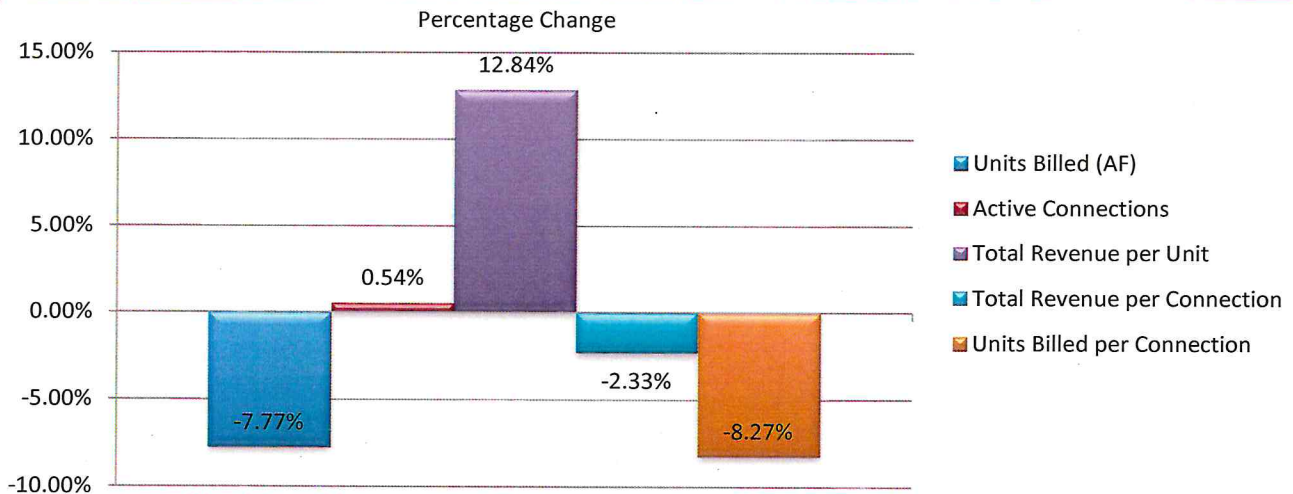
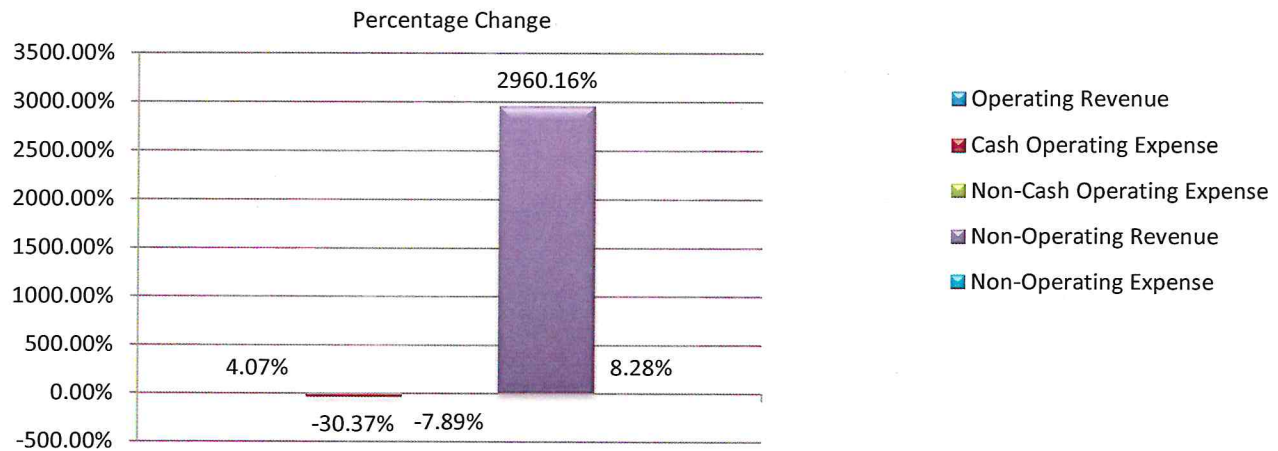
## October 2015 -To - October 2016



	2015	2016	Change	
Units Billed (AF)	1,187	1,547	361	30.40%
Active Connections	26,542	26,605	63	0.24%
Non-Active	849	802	-47	-5.54%
Total Revenue per Unit	\$3.78	\$3.21	-\$0.57	-14.99%
Total Revenue per Connection	\$63.86	\$72.90	\$9.04	14.16%
Units Billed per Connection	19.47	25.33	5.86	30.09%

# YEAR-TO-YEAR COMPARISON

## October 2014 -To - October 2016



	2014	2016	Change	
Units Billed (AF)	1,678	1,547	-130	-7.77%
Active Connections	26,462	26,605	143	0.54%
Non-Active	911	802	-109	-11.96%
Total Revenue per Unit	\$2.85	\$3.21	\$0.37	12.84%
Total Revenue per Connection	\$74.64	\$72.90	-\$1.74	-2.33%
Units Billed per Connection	27.62	25.33	-2.28	-8.27%



**Palmdale Water District**  
**Revenue Analysis**  
**For the Ten Months Ending 10/31/2016**  
**2016**

**2015 to 2016 Comparison**

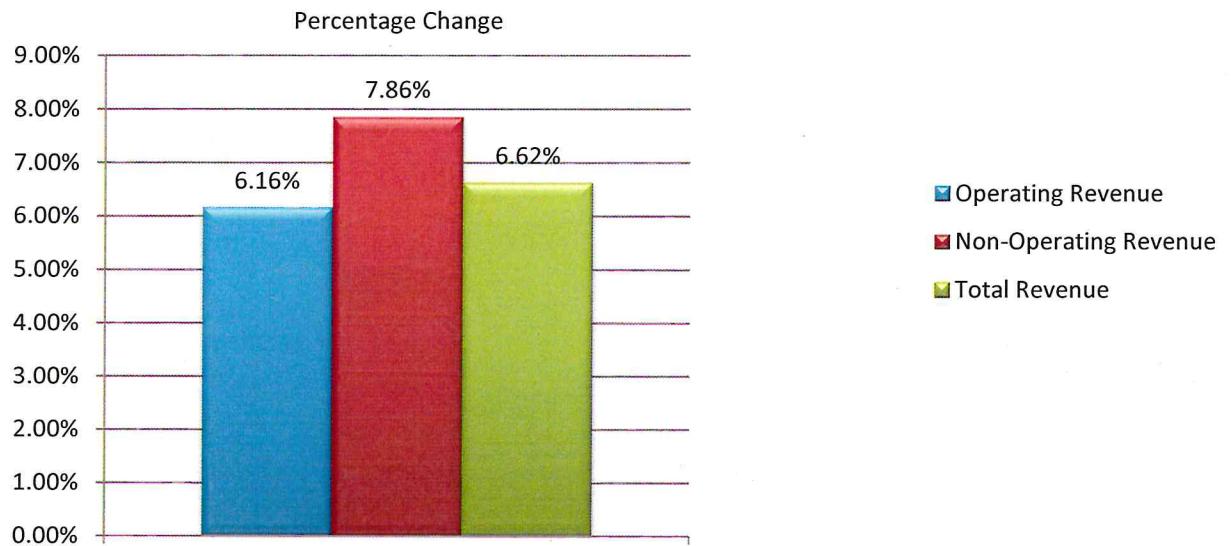
	Thru September	October	Year-to-Date	Adjusted Budget	% of Budget	Thru September	October	Year-to-Date	% Change	
<b>Operating Revenue:</b>										
Wholesale Water	\$ 121,997	\$ 58,599	\$ 180,595	\$ 160,000	112.87%	\$ 57,334	\$ 58,599	\$ 115,933	179.29%	
Water Sales	5,065,002	740,713	5,805,716	7,242,000	80.17%	304,134	135,506	439,640	8.19%	
Meter Fees	9,132,883	1,015,021	10,147,904	12,079,000	84.01%	387,856	45,259	433,114	4.46%	
Water Quality Fees	647,619	87,619	735,238	934,500	78.68%	(40,481)	2,657	(37,825)	-4.89%	956,229
Elevation Fees	262,317	37,590	299,908	400,000	74.98%	(22,606)	2,511	(20,095)	-6.28%	
Other	576,222	73,422	649,644	860,000	75.54%	(342,987)	(66,703)	(409,690)	-38.67%	
Drought Surcharge	971,033	153,704	1,124,737	-		540,248	34,261	574,509		
<b>Total Water Sales</b>	<b>\$ 16,777,074</b>	<b>\$ 2,166,668</b>	<b>\$ 18,943,743</b>	<b>\$ 21,675,500</b>	<b>87.40%</b>	<b>\$ 883,497</b>	<b>\$ 212,089</b>	<b>\$ 1,095,586</b>	<b>6.16%</b>	
<b>Non-Operating Revenues:</b>										
Assessments (Debt Service)	\$ 4,001,500	\$ 440,417	\$ 4,441,917	\$ 4,670,000	95.12%	\$ 160,010	\$ (2,917)	\$ 157,093	3.67%	
Assessments (1%)	1,606,351	142,917	1,749,268	2,025,000	86.38%	75,179	2,917	78,096	4.67%	
DWR Fixed Charge Recovery	203,350	81,905	285,255	200,000	142.63%	(50,382)	6,952	(43,430)	-13.21%	
Interest	66,918	(647)	66,271	35,000	189.35%	28,540	(6,754)	21,786	48.97%	
Capital Improvement Fees	234,459	-	234,459	50,000	468.92%	(119,433)	(10,106)	(129,539)	-35.59%	
Grants - State and Federal	306,915	-	306,915	485,000	63.28%	306,915	-	306,915		
Other	146,898	(9)	146,888	120,000	122.41%	135,689	66	135,755	1219.40%	
<b>Total Non-Operating Revenues</b>	<b>\$ 6,566,391</b>	<b>\$ 664,582</b>	<b>\$ 7,230,973</b>	<b>\$ 7,585,000</b>	<b>95.33%</b>	<b>\$ 536,519</b>	<b>\$ (9,842)</b>	<b>\$ 526,677</b>	<b>7.86%</b>	
<b>Total Revenue</b>	<b>\$ 23,343,466</b>	<b>\$ 2,831,250</b>	<b>\$ 26,174,716</b>	<b>\$ 29,260,500</b>	<b>89.45%</b>	<b>\$ 1,420,016</b>	<b>\$ 202,247</b>	<b>\$ 1,622,263</b>	<b>6.62%</b>	

**2015**

	Thru September	October	Year-to-Date	Adjusted Budget	% of Budget
<b>Operating Revenue:</b>					
Wholesale Water	\$ 64,663	\$ -	\$ 64,663	\$ 225,000	28.74%
Water Sales	4,760,868	605,208	5,366,076	8,550,500	62.76%
Meter Fees	8,745,027	969,762	9,714,790	11,506,000	84.43%
Water Quality Fees	688,100	84,962	773,062	1,146,500	67.43%
Elevation Fees	284,924	35,079	320,003	525,000	60.95%
Other	919,210	140,125	1,059,335	1,450,000	73.06%
Drought Surcharge	430,785	119,443	550,229	-	
<b>Total Water Sales</b>	<b>\$ 15,828,915</b>	<b>\$ 1,954,579</b>	<b>\$ 17,783,494</b>	<b>\$ 23,178,000</b>	<b>76.73%</b>
<b>Non-Operating Revenues:</b>					
Assessments (Debt Service)	\$ 3,841,490	\$ 443,333	\$ 4,284,824	\$ 5,100,000	84.02%
Assessments (1%)	1,531,172	140,000	1,671,172	1,950,000	85.70%
DWR Fixed Charge Recovery	253,732	74,953	328,685	100,000	328.69%
Interest	38,378	6,107	44,485	35,000	127.10%
Capital Improvement Fees	353,892	10,106	363,998	50,000	728.00%
Grants - State and Federal	-	-	-	-	
Other	11,208	(75)	11,133	5,000	222.66%
<b>Total Non-Operating Revenues</b>	<b>\$ 6,029,872</b>	<b>\$ 674,424</b>	<b>\$ 6,704,296</b>	<b>\$ 7,240,000</b>	<b>92.60%</b>
<b>Total Revenue</b>	<b>\$ 21,858,787</b>	<b>\$ 2,629,003</b>	<b>\$ 24,487,790</b>	<b>\$ 30,418,000</b>	<b>80.50%</b>

# REVENUE COMPARISON YEAR-TO-DATE

October 2015-To-October 2016





**Palmdale Water District**  
**Operating Expense Analysis**  
**For the Ten Months Ending 10/31/2016**  
**2016**

**2015 to 2016 Comparison**

	Thru September	October	Year-to-Date	Adjusted Budget	% of Budget	Thru September	October	Year-to-Date	% Change
<b>Cash Operating Expenses:</b>									
Directors	\$ 116,562	\$ 12,804	\$ 129,366	\$ 145,750	88.76%	\$ 14,310	\$ (2,102)	\$ 12,208	10.42%
Administration-Services	1,198,383	138,483	1,336,866	1,588,750	84.15%	200,941	14,950	215,891	9.24%
Administration-District	1,112,633	103,540	1,216,174	1,612,750	75.41%				
Engineering	908,530	96,103	1,004,633	1,279,250	78.53%	(14,543)	11,801	(2,742)	-0.27%
Facilities	4,929,945	430,188	5,360,133	6,513,750	82.29%	563,310	(40,194)	523,116	10.81%
Operations	1,980,210	244,133	2,224,343	2,449,250	90.82%	58,222	44,481	102,702	4.84%
Finance	908,961	94,658	1,003,619	1,168,250	85.91%	(352,332)	5,176	(347,155)	-25.70%
Water Conservation	189,209	16,405	205,614	239,250	85.94%	(69,608)	(8,665)	(78,273)	-27.57%
Human Resources	291,416	34,528	325,943	420,350	77.54%	(29,905)	1,514	(28,391)	-8.01%
Information Technology	559,160	42,596	601,757	867,750	69.35%	(19,915)	(10,575)	(30,491)	-4.82%
Customer Care	997,977	87,207	1,085,184	1,386,750	78.25%	191,697	(14,439)	177,259	19.52%
Source of Supply-Purchased Water	1,704,190	(1,316)	1,702,874	1,725,000	98.72%	452,206	(9,110)	443,096	25.11%
Plant Expenditures	401,293	80,231	481,524	-		(87,361)	(151,747)	(239,108)	-33.18%
GAC Filter Media Replacement	521,064	-	521,064	934,500	55.76%	(74,980)	-	(74,980)	-12.58%
<b>Total Cash Operating Expenses</b>	<b>\$ 15,819,535</b>	<b>\$ 1,379,559</b>	<b>\$ 17,199,094</b>	<b>\$ 20,331,350</b>	<b>84.59%</b>	<b>\$ 832,040</b>	<b>\$ (158,910)</b>	<b>\$ 673,130</b>	<b>3.91%</b>
<b>Non-Cash Operating Expenses:</b>									
Depreciation	\$ 4,238,196	\$ 454,907	\$ 4,693,103	\$ 7,200,000	65.18%	\$ (2,097,641)	\$ (79,346)	\$ (2,176,988)	-31.69%
OPEB Accrual Expense	1,762,742	195,860	1,958,602	2,250,000	87.05%	110,522	12,280	122,802	6.69%
Bad Debts	71,912	423	72,335	50,000	144.67%	60,777	(7,044)	53,734	288.87%
Service Costs Construction	83,441	(3,909)	79,532	125,000	63.63%	(4,282)	4,240	(42)	-0.05%
Capitalized Construction	(460,791)	(110,037)	(570,828)	(1,000,000)	57.08%	327,850	(55,972)	271,878	-32.26%
<b>Total Non-Cash Operating Expenses</b>	<b>\$ 5,695,499</b>	<b>\$ 537,244</b>	<b>\$ 6,232,744</b>	<b>\$ 8,625,000</b>	<b>72.26%</b>	<b>\$ (1,602,774)</b>	<b>\$ (125,843)</b>	<b>\$ (1,728,617)</b>	<b>-27.73%</b>
<b>Non-Operating Expenses:</b>									
Interest on Long-Term Debt	\$ 1,671,302	\$ 182,353	\$ 1,853,655	\$ 2,228,000	83.20%	\$ (36,843)	\$ (4,597)	\$ (41,441)	-2.19%
Amortization of SWP	1,772,080	196,900	1,968,980	2,238,000	87.98%	216,187	24,023	240,210	13.89%
Change in Investments in PRWA	105,316	-	105,316	-		91,131	(7,864)	83,267	377.64%
Water Conservation Programs	34,641	7,437	42,078	126,500	33.26%	(157,990)	2,115	(155,876)	-78.74%
<b>Total Non-Operating Expenses</b>	<b>\$ 3,583,339</b>	<b>\$ 386,690</b>	<b>\$ 3,970,029</b>	<b>\$ 4,592,500</b>	<b>86.45%</b>	<b>\$ 112,484</b>	<b>\$ 13,676</b>	<b>\$ 126,161</b>	<b>3.28%</b>
<b>Total Expenses</b>	<b>\$ 25,098,373</b>	<b>\$ 2,303,494</b>	<b>\$ 27,401,867</b>	<b>\$ 33,548,850</b>	<b>81.68%</b>	<b>\$ (658,250)</b>	<b>\$ (271,076)</b>	<b>\$ (929,326)</b>	<b>-3.28%</b>

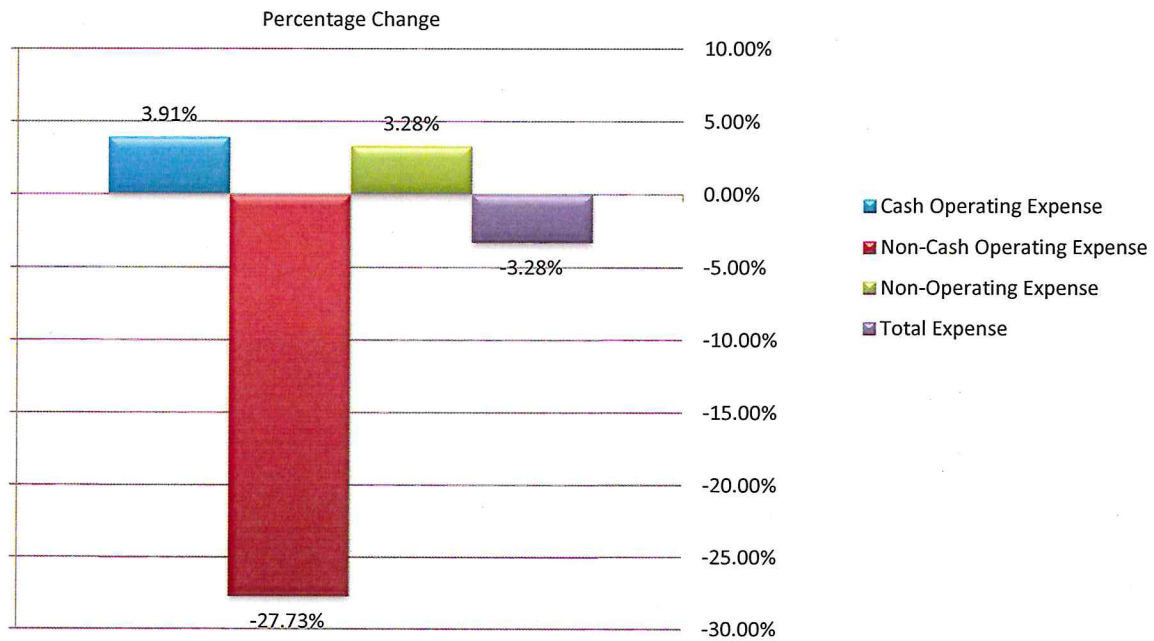
**Palmdale Water District  
Operating Expense Analysis  
For the Ten Months Ending 10/31/2016  
2015**

2015 to 2016 Comparison

	Thru September	October	Year-to-Date	Adjusted Budget	% of Budget
<b>Cash Operating Expenses:</b>					
Directors	\$ 102,252	\$ 14,907	\$ 117,158	\$ 118,500	98.87%
Administration-Services	2,110,075	227,074	2,337,149	2,667,250	87.62%
Administration-District					
Engineering	923,073	84,302	1,007,375	1,252,750	80.41%
Facilities	4,366,636	470,382	4,837,017	5,998,000	80.64%
Operations	1,921,989	199,652	2,121,641	2,624,000	80.86%
Finance	1,261,293	89,482	1,350,775	2,950,750	45.78%
Water Conservation	258,817	25,070	283,887	284,000	99.96%
Human Resources	321,321	33,014	354,335	326,100	108.66%
Information Technology	579,076	53,172	632,247	782,750	80.77%
Customer Care	806,280	101,646	907,926	-	
Source of Supply-Purchased Water	1,755,054	9,322	1,764,376	2,400,000	73.52%
Water Purchases-Prior Year OAP	(36,045)	-	(36,045)	250,000	-14.42%
Water Recovery	(467,025)	(1,528)	(468,553)	(100,000)	468.55%
Plant Expenditures	488,654	231,978	720,632	1,146,500	62.85%
GAC Filter Media Replacement	596,045	-	596,045	1,896,000	31.44%
<b>Total Cash Operating Expenses</b>	<b>\$ 14,987,495</b>	<b>\$ 1,538,470</b>	<b>\$ 16,525,965</b>	<b>\$ 22,596,600</b>	<b>73.13%</b>
<b>Non-Cash Operating Expenses:</b>					
Depreciation	\$ 6,335,838	\$ 534,253	\$ 6,870,091	\$ 6,450,000	106.51%
OPEB Accrual Expense	1,652,220	183,580	1,835,800	2,000,000	91.79%
Bad Debts	11,134	7,467	18,601	100,000	18.60%
Service Costs Construction	87,723	(8,149)	79,574	125,000	63.66%
Capitalized Construction	(788,641)	(54,064)	(842,705)	(1,000,000)	84.27%
<b>Total Non-Cash Operating Expenses</b>	<b>\$ 7,298,274</b>	<b>\$ 663,087</b>	<b>\$ 7,961,361</b>	<b>\$ 7,675,000</b>	<b>103.73%</b>
<b>Non-Operating Expenses:</b>					
Interest on Long-Term Debt	\$ 1,708,146	\$ 186,950	\$ 1,895,096	\$ 2,111,000	89.77%
Amortization of SWP	1,555,893	172,877	1,728,770	1,679,000	102.96%
Change in Investments in PRWA	14,185	7,864	22,049	-	
Water Conservation Programs	192,631	5,322	197,953	200,000	98.98%
<b>Total Non-Operating Expenses</b>	<b>\$ 3,470,855</b>	<b>\$ 373,013</b>	<b>\$ 3,843,868</b>	<b>\$ 3,990,000</b>	<b>96.34%</b>
<b>Total Expenses</b>	<b>\$ 25,756,623</b>	<b>\$ 2,574,570</b>	<b>\$ 28,331,193</b>	<b>\$ 34,261,600</b>	<b>82.69%</b>

## EXPENSE COMPARISON YEAR-TO-DATE

### October 2015-To-October 2016



**Palmdale Water District**  
**2016 Directors Budget**  
For the Ten Months Ending Monday, October 31, 2016

	YTD ACTUAL 2016	ORIGINAL BUDGET 2016	ADJUSTMENTS 2016	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-01-4000-000 Directors Pay	\$ 46,650	\$ 50,000	\$ -	\$ 3,350	93.30%
Employee Benefits					
1-01-4005-000 Payroll Taxes	3,569	5,500		1,931	64.89%
1-01-4010-000 Health Insurance	63,428	76,250		12,822	83.18%
Subtotal (Benefits)	66,996	81,750	-	12,822	81.95%
Total Personnel Expenses	<u>\$ 113,646</u>	<u>\$ 131,750</u>	<u>\$ -</u>	<u>\$ 16,172</u>	<u>86.26%</u>
OPERATING EXPENSES:					
1-01-4050-000 Directors Travel, Seminars & Meetings	15,720	14,000		(1,720)	112.28%
Subtotal Operating Expenses	15,720	14,000	-	(1,720)	112.28%
Total O & M Expenses	<u>\$ 129,366</u>	<u>\$ 145,750</u>	<u>\$ -</u>	<u>\$ 14,453</u>	<u>88.76%</u>

**Palmdale Water District**  
**2016 Administration District Wide Budget**  
**For the Ten Months Ending Monday, October 31, 2016**

	YTD ACTUAL 2016	ORIGINAL BUDGET 2016	ADJUSTMENTS 2016	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-02-5070-001 On-Call	\$ 67,311	\$ 95,000		\$ 27,689	70.85%
Subtotal (Salaries)	\$ 67,311	\$ 95,000	\$ -	\$ 27,689	70.85%
Employee Benefits					
1-02-5070-002 PERS-Unfunded Liability	\$ 333,519	\$ 404,750		71,231	82.40%
1-02-5070-003 Workers Compensation	118,158	125,000		6,842	94.53%
1-02-5070-004 Vacation Benefit Expense	(13,042)	35,000		48,042	-37.26%
1-02-5070-005 Life Insurance	5,348	8,000		2,652	66.85%
Subtotal (Benefits)	\$ 443,983	\$ 572,750	\$ -	\$ 128,767	77.52%
Total Personnel Expenses	\$ 511,294	\$ 667,750	\$ -	\$ 156,456	76.57%
OPERATING EXPENSES:					
1-02-5070-006 Other Operating	\$ 22,371	\$ 20,000		(2,371)	111.86%
1-02-5070-007 Consultants	65,888	160,000		94,112	41.18%
1-02-5070-008 Insurance	247,179	300,000		52,821	82.39%
1-02-5070-009 Groundwater Adjudication	47,702	80,000		32,298	59.63%
1-02-5070-010 Legal Services	122,385	160,000		37,615	76.49%
1-02-5070-011 Memberships/Subscriptions	94,472	150,000		55,528	62.98%
1-02-5070-012 Elections	104,882	75,000		(29,882)	139.84%
Subtotal Operating Expenses	\$ 704,879	\$ 945,000	\$ -	\$ 240,121	74.59%
Total Departmental Expenses	\$ 1,216,174	\$ 1,612,750	\$ -	\$ 396,576	75.41%



**Palmdale Water District**  
**2016 Administration Services Budget**  
For the Ten Months Ending Monday, October 31, 2016

	YTD ACTUAL 2016	ORIGINAL BUDGET 2016	ADJUSTMENTS 2016	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-02-4000-000 Salaries	\$ 823,201	\$ 982,000		\$ 158,799	83.83%
1-02-4000-100 Overtime	5,285	8,250		2,965	64.06%
Subtotal (Salaries)	\$ 828,486	\$ 990,250	\$ -	\$ 161,764	83.66%
Employee Benefits					
1-02-4005-000 Payroll Taxes	\$ 56,967	\$ 74,000		17,033	76.98%
1-02-4010-000 Health Insurance	114,668	135,000		20,332	84.94%
1-02-4015-000 PERS	96,249	117,500		21,251	81.91%
Subtotal (Benefits)	\$ 267,884	\$ 326,500	\$ -	\$ 58,616	82.05%
Total Personnel Expenses	\$ 1,096,370	\$ 1,316,750	\$ -	\$ 220,380	83.26%
OPERATING EXPENSES:					
1-02-4050-100 General Manager Travel	\$ 4,722	\$ 5,000		278	94.44%
1-02-4060-100 General Manager Conferences & Seminars	2,150	4,000		1,850	53.75%
1-02-4130-000 Bank Charges	129,549	140,000		10,451	92.54%
1-02-4150-000 Accounting Services	24,853	27,500		2,647	90.37%
1-02-4175-000 Permits	10,300	10,000		(300)	103.00%
1-02-4180-000 Postage	9,644	27,500		17,856	35.07%
1-02-4190-100 Public Relations - Publications	29,642	35,000		5,358	84.69%
1-02-4190-900 Public Relations - Other	3,235	1,000		(2,235)	323.47%
1-02-4200-000 Advertising	3,648	4,000		352	91.21%
1-02-4205-000 Office Supplies	17,421	18,000		579	96.78%
1-02-4210-000 Office Furniture	5,333	-		(5,333)	0.00%
Subtotal Operating Expenses	\$ 240,496	\$ 272,000	\$ -	\$ 31,504	88.42%
Total Departmental Expenses	\$ 1,336,866	\$ 1,588,750	\$ -	\$ 251,884	84.15%

**Palmdale Water District**  
**2016 Engineering Budget**  
For the Ten Months Ending Monday, October 31, 2016

	YTD ACTUAL 2016	ORIGINAL BUDGET 2016	ADJUSTMENTS 2016	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-03-4000-000 Salaries	\$ 693,812	\$ 852,000		\$ 158,188	81.43%
1-03-4000-100 Overtime	4,981	6,750		1,769	73.79%
Subtotal (Salaries)	\$ 698,792	\$ 858,750		\$ 159,958	81.37%
Employee Benefits					
1-03-4005-000 Payroll Taxes	53,259	64,000		10,741	83.22%
1-03-4010-000 Health Insurance	129,853	155,000		25,147	83.78%
1-03-4015-000 PERS	80,045	101,000		20,955	79.25%
Subtotal (Benefits)	\$ 263,158	\$ 320,000	\$ -	\$ 56,842	82.24%
Total Personnel Expenses	\$ 961,950	\$ 1,178,750	\$ -	\$ 216,800	81.61%
OPERATING EXPENSES:					
1-03-4155-000 Contracted Services	28,491	64,000		35,509	44.52%
1-03-4165-000 Memberships/Subscriptions	3,693	2,500		(1,193)	147.72%
1-03-4250-000 General Materials & Supplies	4,541	3,000		(1,541)	151.36%
1-03-8100-100 Computer Software - Maint. & Support	5,958	31,000		25,042	19.22%
Subtotal Operating Expenses	\$ 42,683	\$ 100,500	\$ -	\$ 57,817	42.47%
Total Departmental Expenses	\$ 1,004,633	\$ 1,279,250	\$ -	\$ 274,617	78.53%

**Palmdale Water District**  
**2016 Facilities Budget**  
For the Ten Months Ending Monday, October 31, 2016

	YTD ACTUAL 2016	ORIGINAL BUDGET 2016	ADJUSTMENTS 2016	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-04-4000-000 Salaries	\$ 1,654,310	\$ 2,083,750		\$ 429,440	79.39%
1-04-4000-100 Overtime	97,280	90,000		(7,280)	108.09%
Subtotal (Salaries)	\$ 1,751,590	\$ 2,173,750	\$ -	\$ 422,160	80.58%
Employee Benefits					
1-04-4005-000 Payroll Taxes	135,874	166,500		30,626	81.61%
1-04-4010-000 Health Insurance	374,017	444,500		70,483	84.14%
1-04-4015-000 PERS	183,739	257,500		73,761	71.35%
Subtotal (Benefits)	\$ 693,629	\$ 868,500	\$ -	\$ 174,871	79.87%
Total Personnel Expenses	\$ 2,445,219	\$ 3,042,250	\$ -	\$ 597,031	80.38%
OPERATING EXPENSES:					
1-04-4155-000 Contracted Services	\$ 472,637	\$ 488,000		\$ 15,363	96.85%
1-04-4175-000 Permits-Dams	10,985	50,000		39,015	21.97%
1-04-4215-100 Natural Gas - Wells & Boosters	140,294	225,000		84,706	62.35%
1-04-4215-200 Natural Gas - Buildings	32,092	9,000		(23,092)	356.58%
1-04-4220-100 Electricity - Wells & Boosters	1,046,801	1,480,000		433,199	70.73%
1-04-4220-200 Electricity - Buildings	62,172	88,000		25,828	70.65%
1-04-4225-000 Maint. & Repair - Vehicles	34,484	35,000		516	98.53%
1-04-4230-100 Maint. & Rep. Office Building	25,063	15,000		(10,063)	167.09%
1-04-4235-110 Maint. & Rep. Equipment	2,023	6,500		4,477	31.13%
1-04-4235-400 Maint. & Rep. Operations - Wells	75,966	75,000		(966)	101.29%
1-04-4235-405 Maint. & Rep. Operations - Boosters	46,196	50,000		3,804	92.39%
1-04-4235-410 Maint. & Rep. Operations - Shop Bldgs	7,933	10,000		2,067	79.33%
1-04-4235-415 Maint. & Rep. Operations - Facilities	22,740	15,000		(7,740)	151.60%
1-04-4235-420 Maint. & Rep. Operations - Water Lines	258,366	225,000		(33,366)	114.83%
1-04-4235-425 Maint. & Rep. Operations - Littlerock Dam	23,134	15,000		(8,134)	154.23%
1-04-4235-430 Maint. & Rep. Operations - Palmdale Dam	1,324	7,500		6,176	17.66%
1-04-4235-435 Maint. & Rep. Operations - Palmdale Canal	-	10,000		10,000	0.00%
1-04-4235-440 Maint. & Rep. Operations - Large Meters	28,556	10,000		(18,556)	285.56%
1-04-4235-445 Maint. & Rep. Operations - Telemetry	2,933	4,000		1,067	73.32%
1-04-4235-450 Maint. & Rep. Operations - Hypo Generators	757	10,000		9,243	7.57%
1-04-4235-455 Maint. & Rep. Operations - Heavy Equipment	34,010	45,000		10,990	75.58%
1-04-4235-460 Maint. & Rep. Operations - Storage Reservoirs	2,753	5,000		2,247	55.07%
1-04-4235-470 Maint. & Rep. Operations - Meters Exchanges	283,455	225,000		(58,455)	125.98%
1-04-4270-300 Telecommunication - Other	5,461	4,000		(1,461)	136.54%
1-04-4300-200 Testing - Large Meters	15,906	12,500		(3,406)	127.25%
1-04-4300-300 Testing - Edison Testing	5,510	30,000		24,490	18.37%
1-04-6000-000 Waste Disposal	22,547	20,000		(2,547)	112.74%
1-04-6100-100 Fuel and Lube - Vehicle	60,712	105,000		44,288	57.82%
1-04-6100-200 Fuel and Lube - Machinery	14,092	40,000		25,908	35.23%
1-04-6200-000 Uniforms	22,756	22,500		(256)	101.14%
1-04-6300-100 Supplies - General	53,437	47,500		(5,937)	112.50%
1-04-6300-200 Supplies - Hypo Generators	6,094	6,500		406	93.75%
1-04-6300-300 Supplies - Electrical	970	3,000		2,030	32.33%
1-04-6300-400 Supplies - Telemetry	2,449	5,000		2,551	48.99%
1-04-6300-800 Supplies - Construction Materials	50,209	35,000		(15,209)	143.45%
1-04-6400-000 Tools	26,203	25,000		(1,203)	104.81%
1-04-7000-100 Leases -Equipment	13,891	12,500		(1,391)	111.13%
Subtotal Operating Expenses	\$ 2,914,914	\$ 3,471,500	\$ -	\$ 556,586	83.97%
Total Departmental Expenses	\$ 5,360,133	\$ 6,513,750	\$ -	\$ 1,153,617	82.29%



**Palmdale Water District**  
**2016 Operation Budget**  
For the Ten Months Ending Monday, October 31, 2016

	YTD ACTUAL 2016	ORIGINAL BUDGET 2016	ADJUSTMENTS 2016	ADJUSTED BUDGET REMAINING	PERCENT USED
<b>Personnel Budget:</b>					
1-05-4000-000 Salaries	\$ 820,691	\$ 1,012,500		\$ 191,809	81.06%
1-05-4000-100 Overtime	48,708	56,000		7,292	86.98%
Subtotal (Salaries)	\$ 869,399	\$ 1,068,500	\$ -	\$ 199,101	81.37%
<b>Employee Benefits</b>					
1-05-4005-000 Payroll Taxes	66,782	84,500		17,718	79.03%
1-05-4010-000 Health Insurance	154,523	183,500		28,978	84.21%
1-05-4015-000 PERS	97,014	137,750		40,736	70.43%
Subtotal (Benefits)	\$ 318,319	\$ 405,750	\$ -	\$ 87,431	78.45%
Total Personnel Expenses	\$ 1,187,718	\$ 1,474,250	\$ -	\$ 286,532	80.56%
<b>OPERATING EXPENSES:</b>					
1-05-4155-000 Contracted Services	\$ 54,500	\$ 93,500		\$ 39,000	58.29%
1-05-4175-000 Permits	29,900	40,000		10,100	74.75%
1-05-4215-200 Natural Gas - WTP	764	3,000		2,236	25.46%
1-05-4220-200 Electricity - WTP	133,833	125,000		(8,833)	107.07%
1-05-4230-110 Maint. & Rep. - Office Equipment	126	500		374	25.17%
1-05-4235-110 Maint. & Rep. Operations - Equipment	13,474	11,500		(1,974)	117.16%
1-05-4235-410 Maint. & Rep. Operations - Shop Bldgs	14,161	6,000		(8,161)	236.02%
1-05-4235-415 Maint. & Rep. Operations - Facilities	65,058	45,000		(20,058)	144.57%
1-05-4235-450 Maint. & Rep. Operations - Hypo Generator	64,014	18,000		(46,014)	355.63%
1-05-4235-500 Maint. & Rep. Operations - Wind Turbine	19,403	10,000		(9,403)	194.03%
1-05-6000-000 Waste Disposal	4,114	20,000		15,886	20.57%
1-05-6200-000 Uniforms	11,998	16,000		4,002	74.98%
1-05-6300-100 Supplies - General	15,070	15,000		(70)	100.46%
1-05-6300-600 Supplies - Lab	42,445	40,000		(2,445)	106.11%
1-05-6300-700 Outside Lab Work	60,190	92,000		31,810	65.42%
1-05-6400-000 Tools	4,475	6,500		2,025	68.85%
1-05-6500-000 Chemicals	502,879	400,000		(102,879)	125.72%
1-05-7000-100 Leases -Equipment	224	3,000		2,776	7.46%
3-05-4300-100 Filter Media Testing/Inspection	-	30,000		30,000	0.00%
Subtotal Operating Expenses	\$ 1,036,625	\$ 975,000	\$ -	\$ (91,625)	106.32%
Total Departmental Expenses	\$ 2,224,343	\$ 2,449,250	\$ -	\$ 194,907	90.82%

**Palmdale Water District**  
**2016 Finance Budget**  
For the Ten Months Ending Monday, October 31, 2016

	YTD ACTUAL 2016	ORIGINAL BUDGET 2016	ADJUSTMENTS 2016	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-06-4000-000 Salaries	\$ 546,525	\$ 670,250		\$ 123,725	81.54%
1-06-4000-100 Overtime	236	3,000		2,764	7.88%
Subtotal (Salaries)	\$ 546,761	\$ 673,250	\$ -	\$ 126,489	81.21%
Employee Benefits					
1-06-4005-000 Payroll Taxes	40,841	49,000		8,159	83.35%
1-06-4010-000 Health Insurance	77,216	83,000		5,784	93.03%
1-06-4015-000 PERS	67,383	87,000		19,617	77.45%
Subtotal (Benefits)	\$ 185,440	\$ 219,000	\$ -	\$ 33,560	84.68%
Total Personnel Expenses	\$ 732,202	\$ 892,250	\$ -	\$ 160,048	82.06%
OPERATING EXPENSES:					
1-06-4155-000 Contracted Services	\$ 3,000	\$ 6,000		\$ 3,000	50.00%
1-06-4155-100 Contracted Services - Infosend	225,422	225,000		(422)	100.19%
1-06-4165-000 Memberships/Subscriptions	220	500		280	44.00%
1-06-4230-110 Maintenance & Repair - Office Equipment	-	500		500	0.00%
1-06-4250-000 General Material & Supplies	321	3,000		2,679	10.69%
1-06-4260-000 Business Forms	3,170	7,500		4,330	42.27%
1-06-4270-100 Telecommunication - Office	19,706	12,000		(7,706)	164.21%
1-06-4270-200 Telecommunication - Cellular Stipend	16,970	18,500		1,530	91.73%
1-06-7000-100 Leases - Equipment	2,609	3,000		391	86.95%
Subtotal Operating Expenses	\$ 271,417	\$ 276,000	\$ -	\$ 4,583	98.34%
Total Departmental Expenses	\$ 1,003,619	\$ 1,168,250	\$ -	\$ 164,631	85.91%

**Palmdale Water District**  
**2016 Water Conservation Budget**  
For the Ten Months Ending Monday, October 31, 2016

	YTD ACTUAL 2016	ORIGINAL BUDGET 2016	ADJUSTMENTS 2016	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-07-4000-000 Salaries	\$ 102,632	\$ 129,000		\$ 26,368	79.56%
1-07-4000-100 Overtime	316	1,000		684	31.56%
Subtotal (Salaries)	\$ 102,947	\$ 130,000		\$ 27,053	79.19%
Employee Benefits					
1-07-4005-000 Payroll Taxes	10,297	10,000		(297)	102.97%
1-07-4010-000 Health Insurance	32,104	38,000		5,896	84.48%
1-07-4015-000 PERS	6,967	17,250		10,283	40.39%
Subtotal (Benefits)	\$ 49,368	\$ 65,250	\$ -	\$ 15,882	75.66%
Total Personnel Expenses	\$ 152,316	\$ 195,250	\$ -	\$ 42,250	78.01%
OPERATING EXPENSES:					
1-07-4190-300 Public Relations - Landscape Workshop/Training	\$ 5,164	\$ 1,000		\$ (4,164)	516.36%
1-07-4190-400 Public Relations - Contests	-	1,000		1,000	0.00%
1-07-4190-500 Public Relations - Education Programs	299	2,500		2,201	11.96%
1-07-4190-700 Public Relations -General Media	39,672	25,000		(14,672)	158.69%
1-07-4190-900 Public Relations - Other	5,407	2,000		(3,407)	270.33%
1-07-4500-000 Drought Enforcement	714	7,500		6,786	9.52%
1-07-6300-100 Supplies - Misc.	2,043	5,000		2,957	40.86%
Subtotal Operating Expenses	\$ 53,298	\$ 44,000	\$ -	\$ (9,298)	121.13%
Total Departmental Expenses	\$ 205,614	\$ 239,250	\$ -	\$ 32,952	85.94%

**Palmdale Water District**  
**2016 Human Resources Budget**  
For the Ten Months Ending Monday, October 31, 2016

	YTD ACTUAL 2016	ORIGINAL BUDGET 2016	ADJUSTMENTS 2016	ADJUSTED BUDGET REMAINING	PERCENT USED
<b>Personnel Budget:</b>					
1-08-4000-000 Salaries	\$ 93,719	\$ 116,000		22,281	80.79%
1-08-4000-100 Salaries - Overtime	4				
1-08-4000-200 Salaries - Intern Program	31,619	40,000		8,381	79.05%
Subtotal (Salaries)	\$ 125,342	\$ 156,000		\$ 30,662	80.35%
<b>Employee Benefits</b>					
1-08-4005-000 Payroll Taxes	9,638	15,250		5,612	63.20%
1-08-4010-000 Health Insurance	15,566	18,250		2,684	85.29%
1-08-4015-000 PERS	6,599	7,250		651	91.02%
Subtotal (Benefits)	\$ 31,804	\$ 40,750	\$ -	\$ 8,946	78.05%
Total Personnel Expenses	\$ 157,146	\$ 196,750	\$ -	\$ 39,608	79.87%
<b>OPERATING EXPENSES:</b>					
1-08-4050-000 Staff Travel	\$ 35,952	\$ 27,500		\$ (8,452)	130.74%
1-08-4060-000 Staff Conferences & Seminars	16,017	25,000		8,983	64.07%
1-08-4070-000 Employee Expense	45,376	60,000		14,624	75.63%
1-08-4090-000 Temporary Staffing	14,739	-		(14,739)	
1-08-4095-000 Employee Recruitment	1,769	3,000		1,231	58.97%
1-08-4100-000 Employee Retention	2,938	20,000		17,062	14.69%
1-08-4105-000 Employee Relations	2,156	3,500		1,344	61.60%
1-08-4110-000 Consultants	3,797	1,000		(2,797)	379.68%
1-08-4120-100 Training-Safety	12,603	35,000		22,397	36.01%
1-08-4120-200 Training-Speciality	11,711	25,000		13,289	46.84%
1-08-4121-000 Safety Program	572	1,000		428	57.15%
1-08-4165-000 Membership/Subscriptions	714	1,600		886	44.63%
1-08-4165-100 HR/Safety Publications	93	1,000		907	9.28%
1-08-6300-500 Supplies - Safety	20,362	20,000		(362)	101.81%
Subtotal Operating Expenses	\$ 168,798	\$ 223,600	\$ -	\$ 54,802	75.49%
Total Departmental Expenses	\$ 325,943	\$ 420,350	\$ -	\$ 94,411	77.54%



**Palmdale Water District**  
**2016 Information Technology Budget**  
For the Ten Months Ending Monday, October 31, 2016

	YTD ACTUAL 2016	ORIGINAL BUDGET 2016	ADJUSTMENTS 2016	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-09-4000-000 Salaries	\$ 179,322	\$ 225,500		\$ 46,178	79.52%
1-09-4000-100 Overtime	1,761	2,500		739	70.45%
Subtotal (Salaries)	\$ 181,084	\$ 228,000		\$ 46,916	79.42%
Employee Benefits					
1-09-4005-000 Payroll Taxes	13,775	16,000		2,225	86.09%
1-09-4010-000 Health Insurance	32,003	38,000		5,997	84.22%
1-09-4015-000 PERS	22,138	29,500		7,362	75.04%
Subtotal (Benefits)	\$ 67,916	\$ 83,500	\$ -	\$ 15,584	81.34%
Total Personnel Expenses	\$ 249,000	\$ 311,500	\$ -	\$ 61,762	79.94%
OPERATING EXPENSES:					
1-09-4155-000 Contracted Services*	\$ 94,803	\$ 121,500	\$ (11,000)	\$ 15,697	85.79%
1-09-4165-000 Memberships/Subscriptions	1,410	2,000		590	70.50%
1-09-4270-000 Telecommunications	66,949	79,250		12,301	84.48%
1-09-8000-100 Computer Equipment - Computers*	15,931	20,000	11,000	15,069	51.39%
1-09-8000-200 Computer Equipment - Laptops	14,349	16,000		1,651	89.68%
1-09-8000-300 Computer Equipment - Monitors	192	2,000		1,808	9.58%
1-09-8000-500 Computer Equipment - Toner Cartridges	109	3,000		2,891	3.62%
1-09-8000-550 Computer Equipment - Telephony	300	2,500		2,200	12.00%
1-09-8000-600 Computer Equipment - Other	17,266	40,000		22,734	43.17%
1-09-8100-100 Computer Software - Maint. and Support	25,171	60,000		34,829	41.95%
1-09-8100-140 Computer Software - Starnik	79,000	130,000		51,000	60.77%
1-09-8100-150 Computer Software - Dynamics GP Support	29,991	60,000		30,009	49.99%
1-09-8100-200 Computer Software - Software and Upgrades	7,287	20,000		12,713	36.43%
Subtotal Operating Expenses	\$ 352,757	\$ 556,250	\$ -	\$ 203,493	63.42%
Total Departmental Expenses	\$ 601,757	\$ 867,750	\$ -	\$ 265,255	69.35%

\* Budget adjustments by General Manager per Appendix A

**Palmdale Water District**  
**2016 Customer Care Budget**  
For the Ten Months Ending Monday, October 31, 2016

	YTD ACTUAL 2016	ORIGINAL BUDGET 2016	ADJUSTMENTS 2016	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-10-4000-000 Salaries	\$ 717,694	\$ 929,250		\$ 211,556	77.23%
1-10-4000-100 Overtime	5,907	10,000		4,093	59.07%
Subtotal (Salaries)	\$ 723,601	\$ 939,250	\$ -	\$ 215,649	77.04%
Employee Benefits					
1-10-4005-000 Payroll Taxes	57,341	71,500		14,159	80.20%
1-10-4010-000 Health Insurance	187,055	217,000		29,945	86.20%
1-10-4015-000 PERS	92,522	119,000		26,478	77.75%
Subtotal (Benefits)	\$ 336,918	\$ 407,500	\$ -	\$ 70,582	82.68%
Total Personnel Expenses	\$ 1,060,519	\$ 1,346,750	\$ -	\$ 286,231	78.75%
OPERATING EXPENSES:					
1-10-4155-000 Contracted Services	\$ 17,088	\$ 22,000		\$ 4,912	77.67%
1-10-4230-110 Maintenance & Repair-Office Equipment	499	500		1	99.84%
1-10-4250-000 General Material & Supplies	7,079	7,500		421	94.38%
1-10-4260-000 Business Forms	-	10,000		10,000	0.00%
Subtotal Operating Expenses	\$ 24,665	\$ 40,000	\$ -	\$ 15,335	61.66%
Total Departmental Expenses	\$ 1,085,184	\$ 1,386,750	\$ -	\$ 301,566	78.25%

The Committed Contracts Schedule is being revised to include additional information and will be distributed at the meeting.

# **PALMDALE WATER DISTRICT BOARD MEMORANDUM**

**DATE:** December 6, 2016 **December 13, 2016**  
**TO:** FINANCE COMMITTEE **Finance Committee Meeting**  
**FROM:** Mr. Bob Egan, Financial Advisor  
**RE:** ***AGENDA ITEM NO. 4.5 – CONSIDERATION AND POSSIBLE ACTION  
ON RESOLUTION NO. 16-18 BEING A RESOLUTION OF THE BOARD  
OF DIRECTORS OF THE PALMDALE WATER DISTRICT ESTABLISHING  
ITS INVESTMENT POLICY***

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**Recommendation:**

It is recommended that the Finance Committee approve Resolution No. 16-18 Establishing the Palmdale Water District's Investment Policy and forward Resolution No. 16-18 to the full Board for consideration.

**Background:**

It is required by law for the District to adopt an annual Investment Policy. There is one recommended change from the previous Investment Policy under Item No. 8.0.d to increase purchases of negotiable certificates of deposit to a may-not-exceed amount of 40% from last year's amount of 35%. The District's cds are all at different institutions, are all below the insured limit of \$250,000, and there is no loss exposure.

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

**Strategic Plan Initiative:**

Strategic Initiative 4 –Financial Health and Stability

**Budget:**

Adoption of Resolution No. 16-18 will have no financial impact.

**Supporting Documents:**

- Resolution No. 16-18 – A Resolution of the Board of Directors of the Palmdale Water District Establishing its Investment Policy.



## **RESOLUTION NO. 16-18**

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

#### **1.0 POLICY**

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

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

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

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

#### **2.0 SCOPE**

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

#### **3.0 PRUDENCE**

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

#### **4.0     OBJECTIVES**

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

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

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

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

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

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

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

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

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

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

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

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

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

## **8.0 AUTHORIZED AND SUITABLE INVESTMENTS**

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

- a. Bonds issued by the District.
- b. United States Treasury Bills, Notes and Bonds.
- c. Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by, or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.
- d. Negotiable certificates of deposit issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by Section 5102 of the Financial Code), or by a state-licensed branch of a foreign bank. Purchases of negotiable certificates of deposit may not exceed 40% of the District's money which may be invested pursuant to this policy.
- e. Monies held by a trustee or fiscal agent and pledged to the payment or security of bonds or other indebtedness, or obligations under a lease, installment sale, or other agreement of a local agency, or certificates of participation in those bonds, indebtedness, or lease installment sale, or other agreements, may be invested in accordance with the statutory provisions governing the issuance of those bonds, indebtedness, or lease installment sale, or other agreement, or to the extent not inconsistent

therewith or if there are no specific statutory provisions, in accordance with the ordinance, resolution, indenture, or agreement of the local agency providing for the issuance.

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

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

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

## **9.0 COLLATERALIZATION**

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

## **10.0 SAFEKEEPING AND CUSTODY**

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

## **11.0 DIVERSIFICATION**

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

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

- a. Portfolio maturity dates shall be matched versus liabilities to avoid undue concentration in a specific maturity sector.
- b. Maturities selected shall provide for stability of income and liquidity.
- c. Disbursement and payroll dates shall be covered through maturities of investments, marketable United States Treasury bills or other cash equivalent instruments such as money market mutual funds.

## **12.0 REPORTING**

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

## **13.0 INVESTMENT POLICY ADOPTION**

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

**PASSED, APPROVED, AND ADOPTED** at a Regular Meeting of the Board of Directors of Palmdale Water District held on December 14, 2016. Resolution No. 16-18 was adopted by the following vote:

**AYES:**

**NOES:**

**ABSTAIN:**

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President, Board of Directors  
Palmdale Water District

ATTEST:

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Secretary of the Board of Directors

APPROVED AS TO FORM:

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Aleshire & Wynder, General Counsel



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

I, Joe Estes, Secretary of the Palmdale Water District, DO HEREBY CERTIFY that the foregoing is a full, true and correct copy of Resolution No. 16-18 of the Board of Directors of Palmdale Water District adopted at a Regular Meeting held on December 14, 2016 and that the same has not been amended or repealed.

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

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

(S E A L)

**ARTICLE 10: RULES APPLICABLE TO INDIVIDUAL APPLICANTS FOR WATER SERVICE**

**10.01: USE OF AN ACTIVE SERVICE BY NEW OCCUPANT**

A person who takes possession of premises and uses water without applying for water service is liable for all water delivered from the date of the last recorded meter reading; if the meter is found inoperative, the quantity consumed will be estimated. If proper application for service is not made within 48 hours after notification to do so, or if accumulated bills are not paid upon presentation, water service shall be discontinued without further notice.

**10.02: APPLICATION FOR SERVICE (Revised 5-27-15 per Appendix FF)**

Each applicant is required to contact the District office to apply for service. In most cases, this must be the Owner of the property. Residential/Multi-Family, Commercial/Industrial/Irrigation, and Realtor Applications are attached hereto as Appendix S (Available in English and Spanish). The District may request the following information, depending upon the type of service, either in application form or verbally by a customer service representative:

**A. Contents:**

1. Date applicant obtained ownership of property/requested date of activation.
2. Location and address of premises to be served, including the mailing address of a property manager of any multiunit residential structure, mobile home park, or farm labor camp where the owner, manager or employer is the customer of record.
3. Applicant's Information.
4. Contact Information, including mobile telephone number, if the Consumer approves such method of communication from the District.

5. Agreement to assume any outstanding water charges for property where service is requested.
6. Agreement to abide by District Rules and Regulations.
7. Such other information and/or supporting documents as the District may reasonably require.

**B. Purpose:** The application is merely a written/verbal request for service and does not bind the applicant to take service for a period of time longer than that upon which the minimum charge is based; neither does it bind the District to serve, except under reasonable conditions and upon the approval of the Manager.

**10.03: ESTABLISHMENT OF CREDIT**

Applicants for service or reconnection shall provide the District with information sufficient to enable the District to determine the credit worthiness of the Applicant. Upon determining the Applicant's lack of credit worthiness, the District will require the Applicant to deposit with the District such sums of money as determined by the Board from time to time, in accordance with the criteria attached hereto as Appendix E. Such deposits will be refunded to applicants at the termination of water service, provided all water charges have been paid. However, no refund will be made where the balance remaining in the deposit account is less than \$5.00. All amounts less than \$5.00 will be transferred to the water conservation account to be used for the education of the public regarding water conservation. In addition, one year after the date a deposit is made for service to a single family residence, the Manager or the Manager's designee has discretionary authority to refund such deposits upon receipt of satisfactory evidence of credit worthiness as set forth in paragraph B below. Applications for service to any property will be granted only if all assessments, fees, charges, delinquent water bills, and penalties due and charged to or against said property have been fully paid.



## Single Family Residence Water Service Application

2029 East Avenue Q Palmdale, CA 93550 Phone (661) 947-4111 Fax (661) 947-8604 [www.palmdalewater.org](http://www.palmdalewater.org)

Service Address:

Owner Name:

Date of Birth

Social Security/Tax ID #:

Drivers License #:

Requested Service Date:

Home Phone#:

Cell Phone#:

I agree to receive information via text:

Yes ☐

No ☐

Work or Office Phone#:

Email:

Mailing Address:

The applicant agrees to comply with the District's Rules and Regulations (available for review upon request or at [www.palmdalewater.org](http://www.palmdalewater.org))

Signature:

*On the first visit to activate service, the District can assist you in determining if you have an isolation valve. However, someone must be present at the time. Would you like this assistance?* ☐ YES ☐ NO



### Deposit / Credit Check Authorization

A deposit of \$200 is required when applying for water service. However, by signing below you hereby authorize the District to inquire into your credit history to determine if a deposit is required.

I hereby authorize Palmdale Water District to run a credit inquiry: YES ☐ NO ☐

Previous Address:

Signature:

### Do not attempt to turn on your Water Service Yourself:

If a consumer is found to be responsible for any damage done to District property, such damages shall be reimbursed to the District at cost plus administrative overhead. Also, owners requesting service shall be responsible for damage resulting from such activation due to open or faulty piping and/or fixtures on the owner's property.

**If this property is to be a rental, you have the option to request a courtesy copy for your tenant and submit the Tenant Limited Account Access Authorization.**

For District Use Only

Processed by: \_\_\_\_\_  
(Initials)

Date: \_\_\_\_\_

Account #: \_\_\_\_\_



## **SINGLE FAMILY RESIDENCE**

### **OWNERS OF PROPERTY MUST APPLY FOR WATER SERVICE**

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#### **Requirements to process your application**

1. Complete and sign the application.
2. Provide proof of ownership documentation (final settlement statement, deed of trust or water letter from escrow).
3. Owner's government issued ID.
4. If a Property Management Company is applying for service, a copy of the management agreement is needed.
5. If the owner of the property is a company, a copy of articles of incorporation listing owners and authorized signers is needed (only those authorized may sign on behalf of the company).

#### **Once you have all necessary documents and a fully completed, application you can:**

1. Turn in all documents in person at our office located at 2029 E Avenue Q, Palmdale CA, 93550. (Open Monday through Thursday 8:00 AM to 6:00 PM; \*\*for same day service, applications must be processed by 4:30 PM).
2. Send documents via fax to 661-947-8604; this process may take up to 2 business days.

**To avoid delays, please complete, sign the application and provide all required documentation.**

#### **Application fees:**

- Account setup charge is **\$25.00**
- Deposit of **\$200.00** (refundable upon meeting District criteria).

Palmdale Water District offers the option of running a check on your credit history in lieu of the deposit requirement to determine credit worthiness in which case the initial deposit may be waived. CREDIT WORTHINESS - As established by the District's Rules and Regulations as follows:

- At least two (2) years of established credit history through a credit reporting agency.
- Under the Negative column, Public and Collection columns must show zero (0).
- Under the Payment History column, the credit report must not show any late payments.

If you would like the District to run a credit inquiry, please fill out the bottom section on the attached Application form. If the credit inquiry determines a deposit is needed, based on the District's Rules and Regulations, a representative will contact you to advise you of such. Credit inquiries are unavailable to Multifamily, Commercial properties or for business applicants.

We ask that an adult be present at the time of service turn-on (if water is off at the meter). Customers who request activation of service shall be responsible for damage resulting from such activation due to open or faulty piping and/or fixtures on the customer's property.

#### **\*\*Do not attempt to turn on your Water Service Yourself!**

If a consumer is found to be responsible to any damage done to District property, such damages shall be reimbursed to the District at cost plus administrative overhead. If responsibility for damage is not known, charges will be made to the current property owner.





# PALMDALE WATER DISTRICT

2029 East Avenue Q • Palmdale, California 93550 • Telephone (661) 947-4111

Fax (661) 947-8604

[www.palmdalewater.org](http://www.palmdalewater.org)

ALESHIRE & WYNDER LLP  
Attorneys

## Board of Directors

ROBERT E. ALVARADO  
Division 1

JOE ESTES  
Division 2

GLORIA DIZMANG  
Division 3

KATHY MAC LAREN  
Division 4

VINCENT DINO  
Division 5



## Authorization for Tenant's Limited Account Access

### Tenant Information:

Rental property address: \_\_\_\_\_

Name: \_\_\_\_\_ Water Account Number: \_\_\_\_\_

Cell Phone Number: \_\_\_\_\_ Home number: \_\_\_\_\_

Email: \_\_\_\_\_ Last 4 digits of social security number: \_\_\_\_\_

Tenants mailing address (If different than rental address):  
\_\_\_\_\_

Please select from the following list the items you are requesting/approving:

Would you like your tenant to receive a courtesy copy of the bill? \_\_\_\_yes \_\_\_\_no

From the following list, please select the item(s) you are allowing your tenant to have access to:

Please note that all miscellaneous charge waivers and account payment arrangements will be considered in accordance with PWD policies and procedures.

\_\_\_\_ Waiver of late fee and door tag fee.

\_\_\_\_ Authorization to make payment extensions and/or special payment arrangements on account.

\_\_\_\_ Please inform me when any of the approved arrangements are made.

By signing this form, I further understand that as the property owner(s), I remain responsible for any and all outstanding balances on the water service account at the above address. Residential water service requires services to be provided on account of the property owner.

I \_\_\_\_\_, hereby certify I am the owner on record of the property listed above.

Property Owner Signature: \_\_\_\_\_ Date: \_\_\_\_\_

=====Detach this section if a copy of this form is given to tenant=====

### Owner Information:

Name: \_\_\_\_\_ E-mail: \_\_\_\_\_

Owner's address: \_\_\_\_\_

Cell #: \_\_\_\_\_ Home #: \_\_\_\_\_

Last four digits of Social Security/Tax ID: \_\_\_\_\_ Driver's License #: \_\_\_\_\_

**MINUTES OF MEETING OF THE FINANCE COMMITTEE OF THE PALMDALE WATER DISTRICT, NOVEMBER 7, 2016:**

*A meeting of the Finance Committee of the Palmdale Water District was held Monday, November 7, 2016, at 2029 East Avenue Q, Palmdale, California, in the Board Room of the District office. Chair Henriquez called the meeting to order at 4:20 p.m.*

**1) Roll Call.**

**Attendance:**

Finance Committee:  
Marco Henriquez, Chair  
Robert Alvarado, Committee  
Member

**Others Present:**

Dennis LaMoreaux, General Manager  
Matt Knudson, Assistant General Manager  
Kathy Mac Laren, PWD Director  
Mike Williams, Finance Manager  
Mike McNutt, Public Affairs & Sustainability Dir.  
Bob Egan, Financial Advisor  
Dennis Hoffmeyer, Accounting Supervisor  
Dawn Deans, Executive Assistant  
1 member of the public

**2) Adoption of Agenda.**

It was moved by Committee Member Alvarado, seconded by Chair Henriquez, and unanimously carried by all members of the Committee present at the meeting to adopt the agenda, as written.

**3) Public Comments on Non-Agenda Items.**

Chair Henriquez welcomed Director Mac Laren to the meeting.

There were no public comments on non-agenda items.

**4) Action Items:**

**4.1) Consideration and Possible Action on Approval of Minutes of Meeting Held October 6, 2016.**

It was moved by Committee Member Alvarado, seconded by Chair Henriquez, and unanimously carried by all members of the Committee present at the meeting to approve the minutes of the Finance Committee meeting held October 6, 2016, as written.



**4.2) Discussion and Overview of Cash Flow Statement and Current Cash Balances as of September, 2016. (Financial Advisor Egan)**

Financial Advisor Egan reviewed the investment funds report as of September, 2016, including the decrease of funds due to the bond principal and interest payments and then provided an overview of the cash flow statement, DWR refunds, Butte County payments, and anticipated assessments and year-end cash followed by discussion of CD maturity dates.

**4.3) Discussion and Overview of Financial Statements, Revenue, and Expense and Departmental Budget Reports for September, 2016. (Finance Manager Williams)**

Finance Manager Williams reviewed in detail the balance sheet, profit and loss statement, year-to-year comparisons, month-to-month comparisons, consumption comparisons, and revenue and expense analysis reports for the period ending September, 2016 and stated that most departments are operating at or below the targeted expenditure percentage of 75% followed by discussion of the Director's budget.

**4.4) Discussion and Overview of Committed Contracts Issued and Water Revenue Bond Projects. (Assistant General Manager Knudson)**

Assistant General Manager Knudson provided an update on the Water Revenue Bond Series 2013A Bond funds and reviewed payments to date and projected complete payout.

**4.5) Discussion and Review of Draft 2017 Budget. (Finance Manager Williams)**

Finance Manager Williams provided an overview of the draft 2017 budget including the five-year cash flow, the projected year-end cash balance for 2017, zero investments in infrastructure, and increased costs due to organization chart changes and operating expenses followed by discussion of the unpredictability of receiving capital improvement fees, organizational structure changes, and necessity line items versus requested line items.

Financial Advisor Egan then reviewed revenue comparisons and stated that the District's ratepayers paid less for water currently than in 2013; that the draft 2017 budget needs to be reviewed to reduce expenses; and that there is a large backlog of infrastructure projects, which will not be addressed in the budget as presented.

The cumulative effect of a continued drop in revenue and a continued drop in the reserve balance resulting from approving rate increases below the recommended 5.5% approved in the Water Rate Plan were then discussed, and the need for a steady stream of revenue was emphasized.

After a further discussion of needed revisions to the draft 2017 budget, it was determined that a special Finance Committee meeting will be held November 15, 2016 at 4:00 p.m. to further review the draft 2017 budget.

**4.6) Consideration and Possible Action on Resolution No. 16-17 Being a Resolution of the Board of Directors of the Palmdale Water District Adopting a Reduced Water Rate Adjustment of 4.25% for Each Calendar Year 2017, 2018, and 2019, Amending Appendix C to the Rules and Regulations of the Palmdale Water District, and Establishing Prudent Parameters to Consider Further Water Rate Adjustment Reductions. (Assistant General Manager Knudson/Finance Manager Williams)**

Assistant General Manager Knudson reviewed the revisions to Resolution No. 16-17 and stated that the Resolution addresses the Board's concerns raised at the recent Financial Workshop, is well thought out, and justifies the need for the water rate adjustment after which Financial Advisor Egan stated that Rosamond Community Services District just approved a \$7 per month water rate increase, which is more than staff is proposing for three years, meeting the reserve goal is extremely difficult, and staff's intent is to be sensitive to the customers while meeting operating expenses and planning for future projects.

After a further review of Resolution No. 16-17, revenue projections, and covering increasing fixed costs, it was moved by Committee Member Alvarado, seconded by Chair Henriquez, and unanimously carried by all members of the Committee present at the meeting to recommend approval of Resolution No. 16-17 being a Resolution of the Board of Directors of the Palmdale Water District Adopting a Reduced Water Rate Adjustment of 4.25% for Each Calendar Year 2017, 2018, and 2019, Amending Appendix C to the Rules and Regulations of the Palmdale Water District, and Establishing Prudent



Parameters to Consider Further Water Rate Adjustment Reductions to the full Board at the November 9, 2016 Regular Board meeting.

**4.7) Consideration and Possible Action on Request for Proposals for Hiring an Outside Consultant to Determine Additional Cost Reductions for the District. (Chair Henriquez)**

Chair Henriquez requested this item be held over to the next Finance Committee meeting.

**5) Information Items.**

**5.1) Status of Debt Service Coverage. (Financial Advisor Egan)**

Financial Advisor Egan stated that the Debt Service Coverage for the period of October, 2015 through September, 2016 is 1.38, which meets the Debt Service Coverage.

**5.2) Status on Refunding 2012 Installment Purchase Agreement and a Portion of the 2013A Water Revenue Bonds. (Finance Manager Williams)**

Finance Manager Williams stated that savings as of today are only slightly above 4% and that bonds will not sell unless the target savings of 5% is met after which Financial Advisor Egan stated that the bond financing group may lower their fees to meet the 5% savings if the savings continue to rise above 4%.

**5.3) Status of Staff's Efforts to Ensure District Efficiencies and Cost Savings. (Committee Member Alvarado/General Manager LaMoreaux)**

General Manager LaMoreaux stated that this information will be developed and presented as part of Agenda Item No. 4.7 and will also be included as part of the discussions at the budget workshop.

**5.4) Other.**

Finance Manager Williams stated that representatives from TruePoint, the District's new billing software provider, were on site last week to review the District's business practices and data conversion.



Committee Member Alvarado inquired if a soda vending machine will be purchased to reduce the cost of sodas for District employees followed by discussion of the District's two soda vending machines and the cost of the drinks.

There were no other information items.

**6) Board Members' Requests for Future Agenda Items.**

There were no requests for future agenda items.

It was determined that the next Finance Committee meeting will be held December 13, 2016 at 4:00 p.m.

**7) Adjournment.**

There being no further business to come before the Finance Committee, the meeting was adjourned at 5:56 p.m.



Chair

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

<b>Fiscal Year Ending September 30</b>	<b>Audited 2012</b>	<b>Audited 2013</b>	<b>Audited 2014</b>	<b>Audited 2015</b>	<b>Sep 2015 - Aug 2016</b>	<b>Oct 2015 - Sep 2016</b>	<b>Nov 2015 - Oct 2016</b>
<b>OPERATING REVENUES</b>	22,597	24,125	23,342	21,248	21,929	22,246	22,458
Rate Stabilization Fund		(480)					
	22,597	23,645	23,342	21,248	21,929	22,246	22,458
<b>OPERATING EXPENSES</b>							
Gross operating expenses	22,216	20,665	22,405	20,974	20,204	20,169	19,978
Overhead adjustment	(43)	(217)	(509)	(26)			
SWP Fixed operations and maint	(915)	(720)	(363)	(126)	(131)	(134)	(134)
Non-Cash Related OPEB Expense	(1,565)	(1,455)	(1,786)	(1,828)			
Capital portion included above							
<b>TOTAL EXPENSES</b>	19,693	18,273	19,748	18,994	20,073	20,036	19,844
<b>NET OPERATING REVENUES</b>	2,904	5,372	3,594	2,254	1,856	2,211	2,615
<b>NON-OPERATING REVENUE</b>							
Ad valorem property taxes	1,704	2,573	2,132	2,146	2,218	2,221	2,224
Interest income	25	44	45	43	79	88	93
Capital improvement fees	1,258	245	14	367	248	248	238
Other income	843	421	306	768	420	433	440
<b>TOTAL NON-OPERATING INCOME</b>	3,830	3,284	2,497	3,324	2,966	2,990	2,994
<b>NET REV AVAILABLE FOR DEBT SERVICE</b>	6,734	8,655	6,091	5,578	4,822	5,200	5,609
<b>NET DEBT SERVICE</b>							
1998 Certificates of Participation	1,507						
2004A Certificates of Participation	2,127	1,373	1,373				
2012 Issue - Bank of Nevada				1,372	1,373	1,373	1,373
2013A Water Revenue Bond		2,247	2,344	2,350	2,339	2,339	2,339
2012 Capital Lease		190	190	190	218	218	218
<b>TOTAL DEBT SERVICE</b>	3,634	3,810	3,908	3,912	3,930	3,930	3,930
<b>DEBT SERVICE COVERAGE</b>	<b>1.85</b>	<b>2.27</b>	<b>1.56</b>	<b>1.43</b>	<b>1.23</b>	<b>1.32</b>	<b>1.43</b>
<b>NET REV AVAILABLE AFTER D/S</b>	3,100	4,846	2,183	1,665	893	1,271	1,680