Since 1918

PALMDALE WATER DISTRICT

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Attorneys

February 16, 2017

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, February 21, 2017

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.)

4.1) Consideration and possible action on approval of minutes of meeting held January 10, 2017.

4.2) Discussion and overview of Cash Flow Statement and Current Cash Balances as of December, 2016. (Financial Advisor Egan)

4.3) Discussion and overview of Financial Statements, Revenue, and Expense and Departmental Budget Reports for December, 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. 17-7 being a Resolution of the Board of Directors of the Palmdale Water District Adopting a Debt Management Policy. (No budget impact – Finance Manager Williams)

4.6) Consideration and possible action on amending the approved November 7, 2016 Finance Committee meeting minutes. (Chair Henriquez)

4.7) Consideration and possible action on the meeting room for Finance Committee meetings. (Committee Member Alvarado)

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 on financing grade control structure at Littlerock Dam for the Littlerock Dam Sediment Removal Project. (Committee Member Alvarado/Assistant General Manager Knudson)

5.4) Other.

6) Board members' requests for future agenda items.

7) Adjournment.

Dennis D. LaMoreaux

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DENNIS D. LaMOREAUX,
General Manager

DDL/dd

PALMDALE WATER DISTRICT

BOARD MEMORANDUM

DATE:	February 14, 2017	**February 21, 2017**
TO:	FINANCE COMMITEE	**Committee Meeting**
FROM:	Mr. Bob Egan, Financial Advisor	
RE:	***AGENDA ITEM NO. 4.2 – DISCUSSION AND OVERVIEW OF CASH FLOW STATEMENT AND CURRENT CASH BALANCES AS OF DECEMBER, 2016.***	

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

PALMDALE WATER DISTRICT
INVESTMENT FUNDS REPORT
December 31, 2016

						December 2016	November 2016
CASH							
1-00-0103-100	Citizens - Checking					432,357.82	772,755.86
1-00-0103-200	Citizens - Refund					-	(6,825.47)
1-00-0103-300	Citizens - Merchant					10,752.68	149,376.72
					Bank Total	**443,110.50**	**915,307.11**
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	**448,810.50**	**921,007.11**
INVESTMENTS							
1-00-0135-000	**Local Agency Investment Fund**				**Acct. Total**	**11,824.34**	**11,824.34**
1-00-0120-000	**UBS Money Market Account General (SS 11469)**						
	UBS RMA Government Portfolio					3,224,654.11	884,592.75
	UBS Bank USA Dep acct					250,000.00	250,000.00
	Accrued interest					8,102.05	7,309.58
						3,482,756.16	**1,141,902.33**
	US Government Securities						
	CUSIP #	**Issuer**	**Maturity Date**	**Rate**	**PAR**	**Market Value**	**Market Value**
	912828SJ0	US Treasury Note	02/28/2017	0.870	1,000,000	**1,000,670.00**	**1,001,040.00**
					1,000,000	**1,000,670.00**	**1,001,040.00**
	Certificates of Deposit						
		Issuer	**Maturity Date**	**Rate**	**Face Value**		
	1	Compass Bank	02/07/2017	0.950	240,000	240,096.00	240,204.00
	2	GE Cap Retail Bank	04/27/2017	1.840	200,000	200,550.00	200,772.00
	3	Discover Bank	05/02/2017	1.730	240,000	240,772.80	241,065.60
	4	Merrick Bank	06/12/2017	1.000	100,000	100,154.00	100,233.00
	5	Level One Bank	06/19/2017	0.650	101,000	101,112.11	101,185.84
	6	GE Cap Retail Bank	06/22/2017	1.780	200,000	201,004.00	201,294.00
	7	Capitol One Bank	08/14/2017	1.200	240,000	240,549.60	240,873.60
	8	Triumph Bank	09/26/2017	0.800	200,000	200,294.00	200,606.00
	9	MB Finl Bank	10/26/2017	0.850	200,000	199,866.00	200,168.00
	10	Bank United Miami	11/21/2017	1.200	240,000	240,501.60	240,979.20
	11	Goldman Sachs Bank NY	01/29/2018	1.350	240,000	240,748.80	241,408.80
					2,201,000	**2,205,648.91**	**2,208,790.04**
					Acct. Total	**6,689,075.07**	**4,351,732.37**
1-00-1110-000	**UBS Money Market Account Capital (SS 11475)**						
	UBS Bank USA Dep acct					234,329.20	234,477.40
	UBS RMA Government Portfolio					-	-
					Acct. Total	**234,329.20**	**234,477.40**
1-00-0125-000	**UBS Access Account General (SS 11432)**						
	UBS Bank USA Dep acct					250,000.00	250,000.00
	UBS RMA Government Portfolio					8,876.85	2,993.36
	Accrued interest					21,361.68	20,620.94
						280,238.53	**273,614.30**
	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	1,000,980.00	1,001,290.00
	912828KD1	US Treasury Note	02/15/2019	2.610	1,500,000	1,547,115.00	1,550,625.00
	912828P53	US Treasury Note	02/15/2019	0.750	1,000,000	990,040.00	990,900.00
					3,500,000	**3,538,135.00**	**3,542,815.00**
	Certificates of Deposit						
		Issuer	**Maturity Date**	**Rate**	**Face Value**		
		BMW Bank	11/15/2018	1.960	240,000	243,012.00	244,423.20
		American Express	04/29/2019	1.440	240,000	241,396.80	243,285.60
		Synchrony Bank	04/14/2020	1.850	240,000	242,740.80	245,947.20
		JP Morgan Chase Bank	11/18/2020	1.600	240,000	235,380.00	239,193.60
		Bank of Baroda NY	11/23/2020	1.600	77,000	75,560.10	76,789.79
		Comenity Cap Bank	01/19/2021	1.900	163,000	166,240.44	169,282.02
					1,200,000	**1,204,330.14**	**1,218,921.41**
					Acct. Total	**5,022,703.67**	**5,035,350.71**
					Total Managed Accounts	**11,957,932.28**	**9,633,384.82**
1-00-1121-000	**UBS Rate Stabilization Fund (SS 24016) - *District Restricted***						
	UBS Bank USA Dep acct					282.69	250,000.00
	UBS RMA Government Portfolio					-	230,327.43
	Accrued interest					180.16	-
						462.85	**480,327.43**
	Certificates of Deposit						
		Issuer	**Maturity Date**	**Rate**	**Face Value**		
		Webbank UT US	12/19/2018	1.400	240,000	240,247.20	-
		Ally Bank UT US	12/24/2018	1.500	240,000	240,691.20	-
					480,000	**480,938.40**	**-**
	One month interest	1118.16 vs 12 mos 83.30					
					Acct. Total	**481,401.25**	**480,327.43**
					GRAND TOTAL CASH AND INVESTMENTS	**12,888,144.03**	**11,034,719.36**
					Increase (Decrease) in Funds	**1,853,424.67**	
1-00-1130-000	**2013A Bonds - Project Funds (BNY Mellon)**						
	Construction Funds					**403,919.85**	**403,836.05**

PALMDALE WATER DISTRICT

2016 Cash Flow Report (Based on Jan. 19, 2016 Approved Budget)

	January	February	March	April	May	June	July	August	September	October	November	December	YTD	Budget 2017 Carryover Information
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**		
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**	**11,034,719**		
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**	**2,130,685**	**1,581,608**	22,955,960	
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	2,130,685	1,581,608	22,959,735	
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)**	**(1,698,705)**	**(2,004,198)**	**(1,534,718)**	(19,864,512)	
GAC	**(62,730)**	**(183,290)**	**(275,135)**										(521,154)	(190,000)
Prepaid Insurance (paid)/refunded		**(66,457)**								**(199,817)**			(266,274)	
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)	(2,004,198)	(1,534,718)	(20,651,941)	
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**	**2,621,391**	6,891,097	
RDA Pass-through (Successor Agency)					**307,851**							**216,619**	524,470	
Interest	**3,168**	**4,991**	**9,069**	**8,540**	**9,385**	**9,296**	**9,120**	**10,254**	**12,926**	**9,536**	**9,267**	**9,914**	105,467	
Market Adjustment	**7,983**	**(12,780)**	**7,384**	**(3,392)**	**(4,736)**	**19,028**	**(5,943)**	**(15,778)**	**(1,597)**	**(10,183)**	**(20,901)**	**(21,844)**	(62,759)	
Grant Re-imbursement						**306,915**							306,915	177,000
Capital Improvement Fees							**234,459**					**288**	234,747	
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)**	**236**	**49**	26,463	
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**	**119,577**	**2,826,418**	**8,244,070**	
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)**	**(57,965)**	**(105,340)**	(1,297,101)	(1,006,899)
WRB Capital Expenditures	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,229,555)
Uncommitted Capital Expenditures	-	-	-	-	-	-	-	-	-	-	-	-	-	(560,000)
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)**	**-**	**(7,390)**	-	(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)**	**(253,039)**	**(1,019,883)**	**(9,917,316)**	
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**	**11,034,719**	**12,888,144**		
												Budget	**10,300,285**	
												Difference	**2,587,859**	

Indicates actual expenditures/revenues:

Indicates anticipated expenditures/revenues:

PALMDALE WATER DISTRICT

BOARD MEMORANDUM

DATE:	February 15, 2017	**February 21, 2017**
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 DECEMBER, 2016***	

Discussion:

Presented here are the Balance Sheet and Profit/Loss Statement for the period ending December 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 December, 2016.

This is the final month of the District's Budget Year 2016. The target percentage is 100%. Revenues ideally are at or above, and expenditures ideally are below.

Balance Sheet:

- Page 1 is our balance sheet on December 31, 2016.
- The significant change from prior month is the increase in Investments. This increase is the result of receipt of December assessments.

Profit/Loss Statement:

- Page 3 is our profit/loss statement on December 31, 2016.
- Operating revenue ended the year at 104% of budget.
- Cash operating expense ended the year at 101% of budget.
- Net operating profit for the month of December was $303K. Net operating profit end-of-year is $2.1MM.
- Assessments ended the year well at 112% of budget.
- Capital Improvement Fees ended the year 470% of budget.
- Page 5 shows the distribution of expenses by department and major expense categories. Facilities, Operations and Customer Care utilize 50% of resources. Those departments are key to what we do.
- Page 6 is showing the distribution of operating expense between labor and operations. Labor costs continue at 52% of total expenses with salaries making up 36% of that. That ratio has been consistent throughout the year.

Year-To-Year Comparison P&L:

- Page 7 is our comparison of December, 2015 to December, 2016.
- Total operating revenue was up $64K, or 4%.
- Operating expenditures were down $95K, or 6%.

- Page 7-1 is our comparison of December, 2014 to December, 2016.
- Total operating revenue was down $132K, or 7%.
- Total operating expenses were up $857K, or 153%; however, that is a little misleading due to year-end adjustments made for the meter exchange project. If you remove the $1.3MM adjustment, the month was down $456K.
- 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 135, or 15%.
    - Total revenue per unit sold was down $0.44, or 10%.
    - Total revenue per connection is up $6.00, or 11%.
    - Units billed per connection is up 2.18, or 15%.

    - Units billed in acre feet for 2014 comparison were down by 71, or 7%.
    - Total revenue per unit sold is down $0.02, or 1%.
    - Total revenue per connection was down $4.05, or 6%.
    - Units billed per connection is down 1.27, or 7%.

Revenue Analysis Year-To-Date:

- Page 9 is our comparison of revenue, year-to-date.
- Operating revenue through December, 2016 is up $1.23MM, or 6%.
- Retail water revenue from all areas are up by $1.09MM 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 $1.18MM.
- Total revenue is up $1.7MM. This is due primarily to grant funding, increased water consumption and the drought surcharge.
- Operating revenue is at 104% of budget; last year was at 92% 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 December, 2016 are up $1.2MM, or 6%, compared to 2015. This is due to increased water purchases and increased administrative costs.
- Total Expenses are down $387K, or 1%. 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.

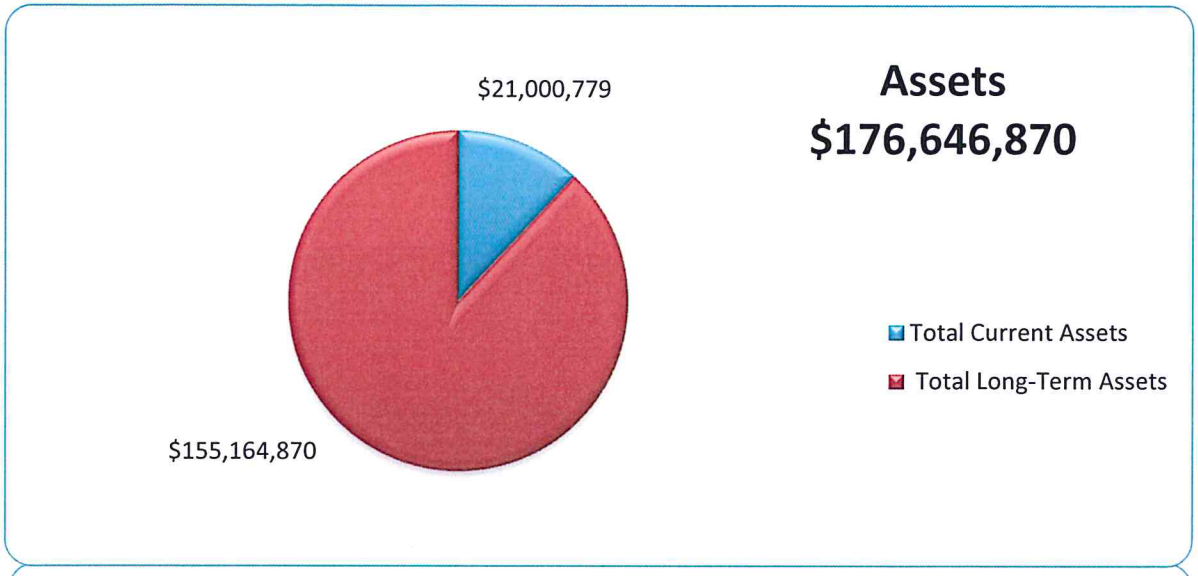
Service Cost Construction: The value of material, parts & supplies from inventory used to construct, repair and maintain our asset infrastructure.

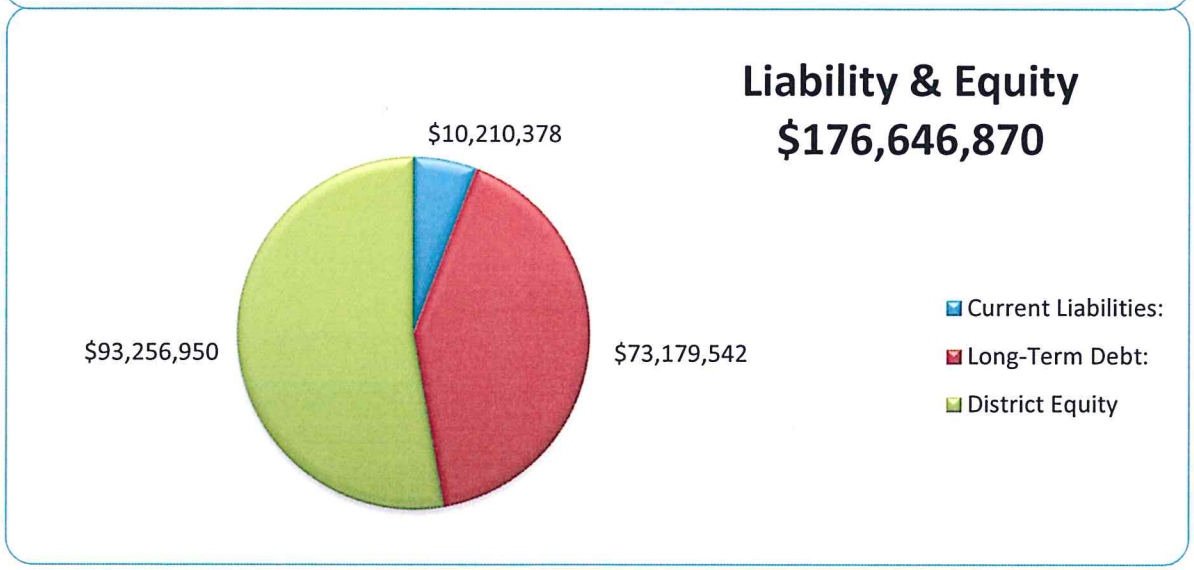
Capitalized Construction: The value of our labor force used to construct our asset infrastructure.

Palmdale Water District
Balance Sheet Report
For the Twelve Months Ending 12/31/2016

	December 2016	November 2016
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 448,811	$ 921,231
Investments	11,928,469	9,633,385
2013A Bonds - Project Funds	403,920	403,836
	$ 12,781,199	$ 10,958,452
Receivables:		
Accounts Receivables - Water Sales	$ 1,986,553	$ 1,845,361
Accounts Receivables - Miscellaneous	56,377	28,408
Allowance for Uncollected Accounts	(196,113)	(196,113)
	$ 1,846,818	$ 1,677,657
Assessments Receivables	$ 4,967,856	$ 7,588,635
Meters, Materials and Supplies	910,548	815,333
Prepaid Expenses	494,358	211,360
Total Current Assets	**$ 21,000,779**	**$ 21,251,436**
Long-Term Assets:		
Property, Plant, and Equipment, net	$ 109,049,875	$ 109,395,421
Participation Rights in State Water Project, net	44,966,376	44,266,033
Investment in PRWA	229,923	229,923
2013A Bonds - Insurance & Surity Bond	213,895	214,561
CalPERS Contributions	704,801	704,801
	$ 155,164,870	**$ 154,810,739**
Restricted Cash:		
Rate Stabilization Fund	481,221	480,327
Total Long-Term Assets & Restricted Cash	**$ 155,646,092**	**$ 155,291,067**
Total Assets	**$ 176,646,870**	**$ 176,542,502**
LIABILITIES AND DISTRICT EQUITY		
Current Liabilities:		
Current Interest Installment of Long-term Debt	$ 530,522	$ 353,699
Current Principal Installment of Long-term Debt	490,090	505,746
Accounts Payable and Accrued Expenses	5,689,766	5,255,281
Deferred Assessments	3,500,000	4,083,333
Total Current Liabilities	**$ 10,210,378**	**$ 10,198,059**
Long-Term Debt:		
Pension-Related Debt	$ 9,177,550	$ 9,177,550
OPEB Liability	13,388,544	13,208,874
2013A Water Revenue Bonds	42,457,458	42,459,708
2012 - Certificates of Participation	8,108,704	8,101,907
2011 - Capital Lease Payable	47,286	47,286
Total Long-Term Liabilities	**$ 73,179,542**	**$ 72,995,325**
Total Liabilities	**$ 83,389,920**	**$ 83,193,384**
District Equity		
Revenue from Operations	$ (1,398,446)	$ (1,306,278)
Retained Earnings	94,655,397	94,655,397
Total Liabilities and District Equity	**$ 176,646,870**	**$ 176,542,502**

BALANCE SHEET AS OF DECEMBER 31, 2016





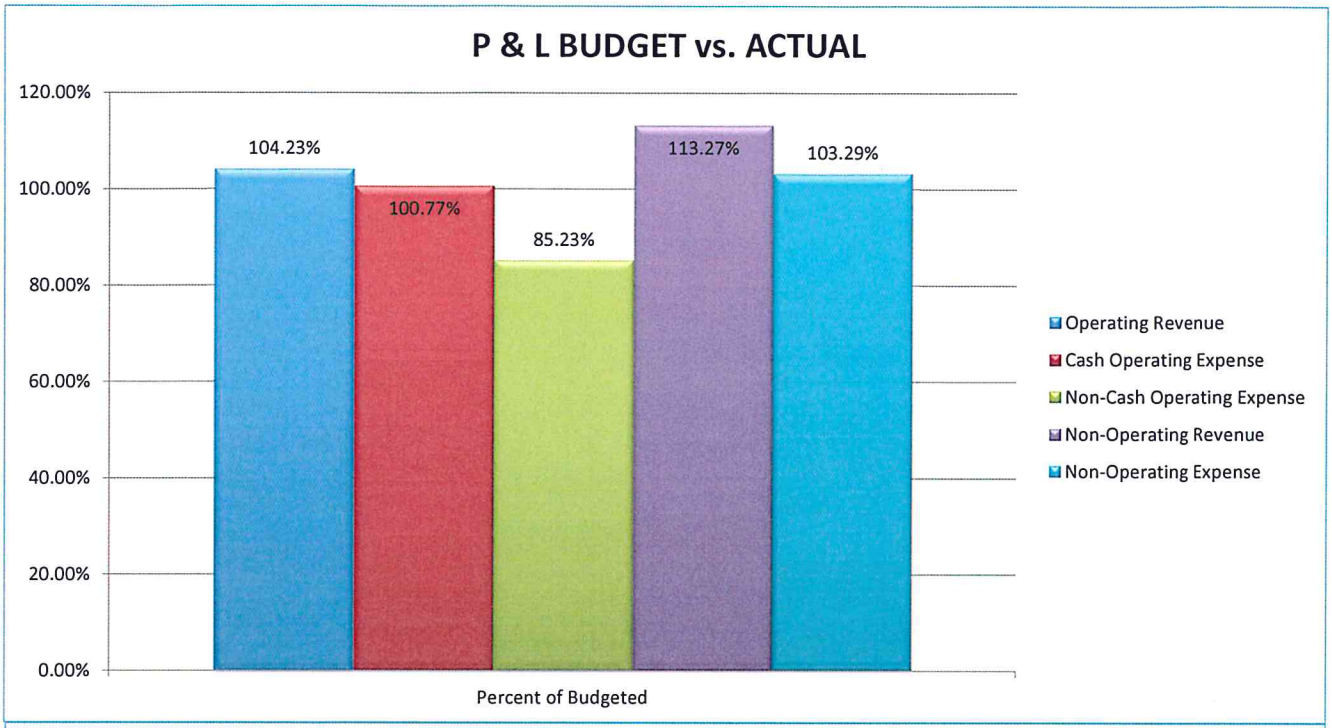
Palmdale Water District
Consolidated Profit and Loss Statement
For the Twelve Months Ending 12/31/2016

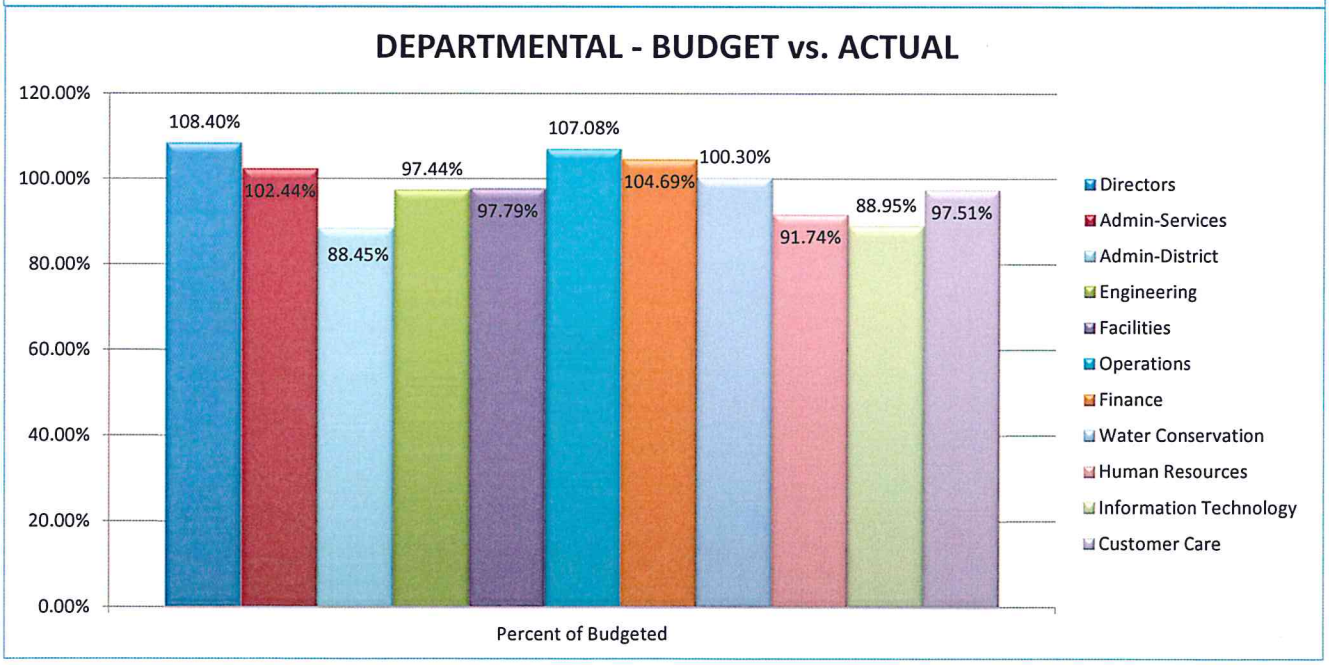
	Thru November	December	Year-to-Date	Adjustments	Adjusted Budget	% of Budget
Operating Revenue:						
Wholesale Water	$ 218,477	$ 13,343	$ 231,820		$ 160,000	144.89%
Water Sales	6,418,442	486,791	6,905,233		7,242,000	95.35%
Meter Fees	11,163,605	1,013,285	12,176,890		12,079,000	100.81%
Water Quality Fees	804,416	57,086	861,502		934,500	92.19%
Elevation Fees	327,804	21,869	349,673		400,000	87.42%
Other (Page 3-1)	715,594	62,985	778,579		860,000	90.53%
Drought Surcharge	1,225,890	62,951	1,288,841		-	
Total Operating Revenue	**$ 20,874,227**	**$ 1,718,311**	**$ 22,592,538**	**$ -**	**$ 21,675,500**	**104.23%**
Cash Operating Expenses:						
Directors	$ 142,052	$ 15,937	$ 157,989		$ 145,750	108.40%
Administration-Services*	1,543,141	134,593	1,677,734	49,000	1,637,750	102.44%
Administration-District	1,343,320	127,340	1,470,660		1,612,750	91.19%
Engineering	1,145,964	100,504	1,246,469		1,279,250	97.44%
Facilities	5,918,810	450,894	6,369,704		6,513,750	97.79%
Operations	2,435,616	187,137	2,622,753		2,449,250	107.08%
Finance	1,127,639	95,383	1,223,022		1,168,250	104.69%
Water Conservation*	214,252	15,684	229,935	(10,000)	229,250	100.30%
Human Resources	362,492	23,118	385,611		420,350	91.74%
Information Technology	660,021	111,873	771,894		867,750	88.95%
Customer Care*	1,203,384	110,831	1,314,215	(39,000)	1,347,750	97.51%
Source of Supply-Purchased Water	1,780,065	539	1,780,604		1,725,000	103.22%
Plant Expenditures	506,245	41,273	547,518		-	
GAC Filter Media Replacement	690,541	-	690,541		934,500	73.89%
Total Cash Operating Expenses	**$ 19,073,543**	**$ 1,415,106**	**$ 20,488,649**	**$ -**	**$ 20,331,350**	**100.77%**
Net Cash Operating Profit/(Loss)	**$ 1,800,685**	**$ 303,205**	**$ 2,103,889**	**$ -**	**$ 1,344,150**	**156.52%**
Non-Cash Operating Expenses:						
Depreciation	$ 5,146,659	$ 453,081	$ 5,599,740		$ 7,200,000	77.77%
OPEB Accrual Expense	2,154,462	195,860	2,350,322		2,250,000	104.46%
Bad Debts	74,104	2,134	76,238		50,000	152.48%
Service Costs Construction	92,579	5,204	97,783		125,000	78.23%
Capitalized Construction	(733,981)	(39,337)	(773,318)		(1,000,000)	77.33%
Total Non-Cash Operating Expenses	**$ 6,733,823**	**$ 616,942**	**$ 7,350,765**	**$ -**	**$ 8,625,000**	**85.23%**
Net Operating Profit/(Loss)	**$ (4,933,138)**	**$ (313,738)**	**$ (5,246,876)**	**$ -**	**$ (7,280,850)**	**72.06%**
Non-Operating Revenues:						
Assessments (Debt Service)	$ 4,882,333	$ 440,417	$ 5,322,750		$ 4,670,000	113.98%
Assessments (1%)	1,892,184	360,148	2,252,332		2,025,000	111.23%
DWR Fixed Charge Recovery	285,255	-	285,255		200,000	142.63%
Interest	54,638	(11,930)	42,707		35,000	122.02%
Capital Improvement Fees	234,459	288	234,747		50,000	469.49%
Grants - State and Federal	306,915	-	306,915		485,000	63.28%
Other	147,124	49	147,173		120,000	122.64%
Total Non-Operating Revenues	**$ 7,802,909**	**$ 788,972**	**$ 8,591,880**	**$ -**	**$ 7,585,000**	**113.27%**
Non-Operating Expenses:						
Interest on Long-Term Debt	$ 2,035,956	$ 182,248	$ 2,218,205		$ 2,228,000	99.56%
Amortization of SWP	2,165,884	196,904	2,362,788		2,238,000	105.58%
Change in Investments in PRWA	105,316	-	105,316		-	
Water Conservation Programs	47,313	9,830	57,143		126,500	45.17%
Total Non-Operating Expenses	**$ 4,354,469**	**$ 388,983**	**$ 4,743,451**	**$ -**	**$ 4,592,500**	**103.29%**
Net Earnings	**$ (1,484,698)**	**$ 86,252**	**$ (1,398,446)**	**$ -**	**$ (4,288,350)**	**32.61%**

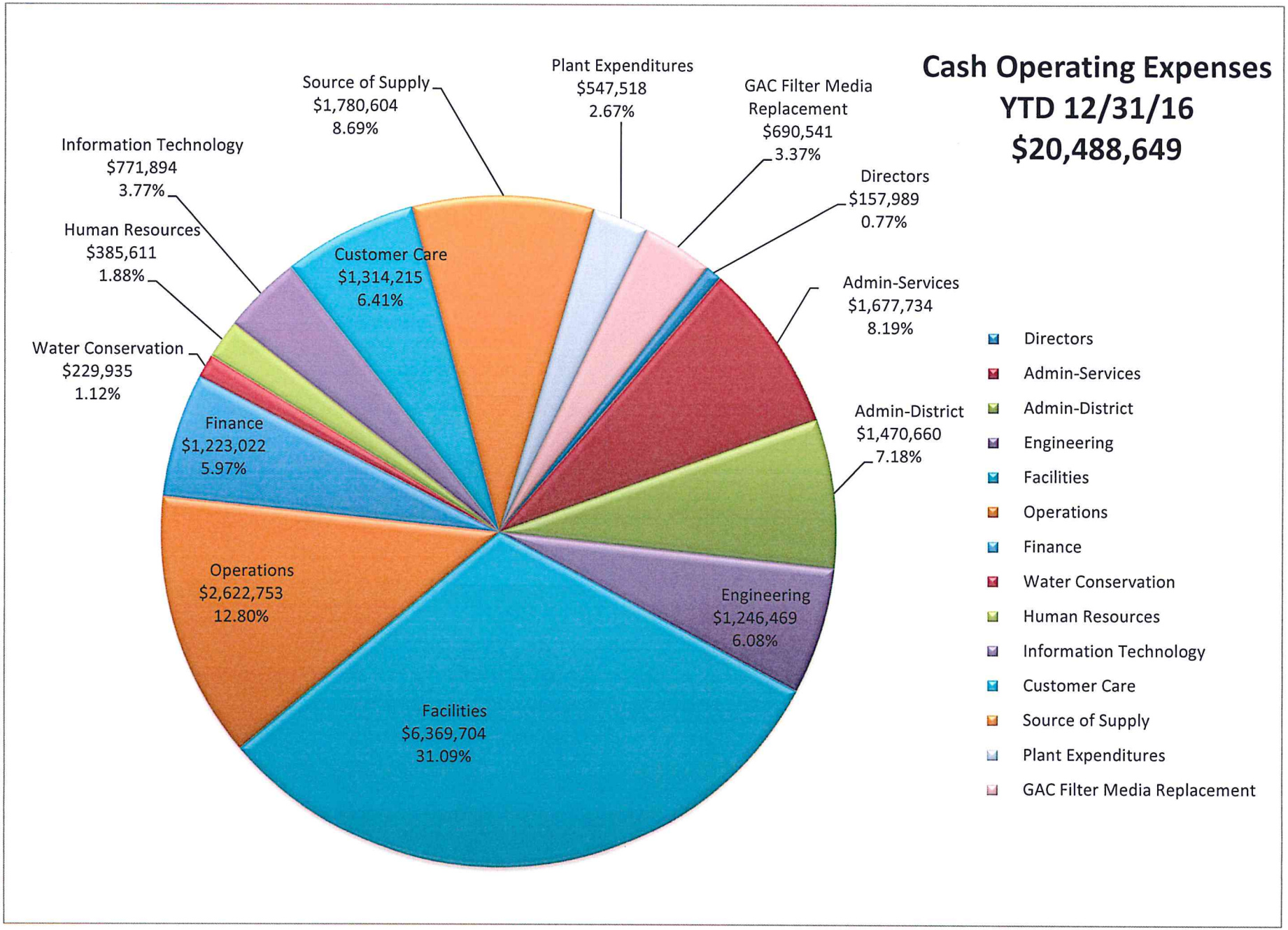
* Budget adjustment by Board action 06/22/16

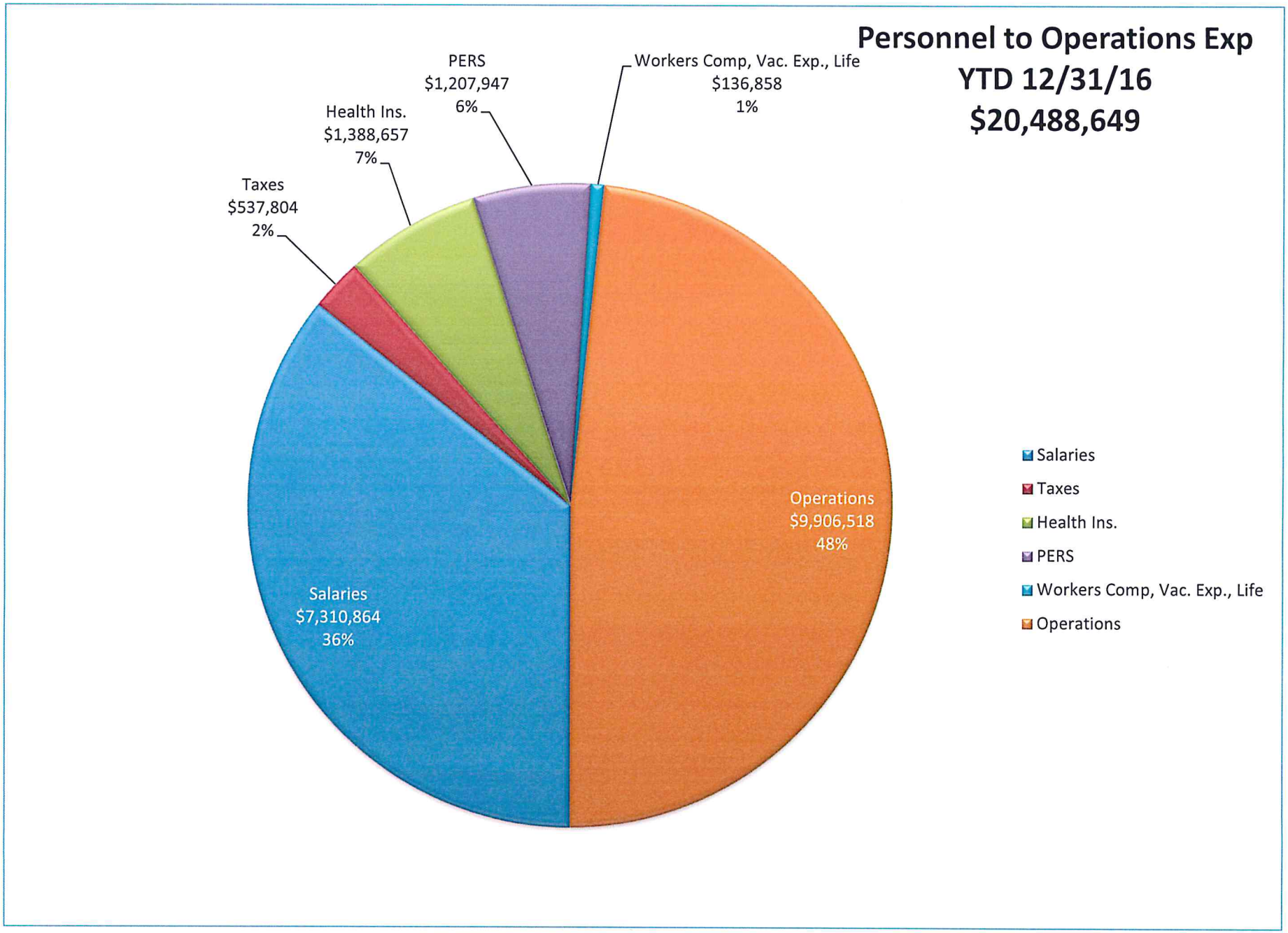
OTHER OPERATING REVENUE

	Current	YTD
Account Setup Charge($25)	$3,325.00	$46,435.00
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	$15.00	$715.00
Construction Meter Install($250)	$250.00	$1,500.00
Credit Check($10)	$0.00	$690.00
ERT (87.20)	$0.00	$87.20
Grind Down Angle Stop ($230)	$0.00	$230.00
Lock Broken or Missing($15)	$45.00	$765.00
Miscellaneous Charge	$0.00	$2,120.01
Non-Compliance Fee Backflow($50)	$0.00	$1,200.00
Pulled Meter Service Charge($60)	$180.00	$1,380.00
Rejected Payment Notification	$160.00	$3,400.00
Repair Angle Stop After Hours($600.00)	($1,200.00)	$1,800.00
Repair Angle Stop($440.00)	$880.00	$7,040.00
Shut-Off Charge($30)	$2,490.00	$69,420.00
Shut-Off Notice Fee ($5)	$7,110.00	$108,495.00
Standard Trip Charge($15)	$105.00	$2,175.00
Waste Water 1st Notice($50.00)	$150.00	$6,550.00
Waste Water 2nd Notice ($250.00)	$0.00	($250.00)
Late Fees	$32,250.87	$427,479.18
NSF Fee	$275.00	$4,875.00


P & L BUDGET vs. ACTUAL
120.00%
100.00%
80.00%
60.00%
40.00%
20.00%
0.00%
104.23%
100.77%
85.23%
113.27%
103.29%
Operating Revenue
Cash Operating Expense
Non-Cash Operating Expense
Non-Operating Revenue
Non-Operating Expense
Percent of Budgeted


DEPARTMENTAL - BUDGET vs. ACTUAL
120.00%
100.00%
80.00%
60.00%
40.00%
20.00%
0.00%
108.40%
102.44%
88.45%
97.44%
97.79%
107.08%
104.69%
100.30%
91.74%
88.95%
97.51%
Directors
Admin-Services
Admin-District
Engineering
Facilities
Operations
Finance
Water Conservation
Human Resources
Information Technology
Customer Care
Percent of Budgeted


Cash Operating Expenses
YTD 12/31/16
$20,488,649
Source of Supply
$1,780,604
8.69%
Plant Expenditures
$547,518
2.67%
GAC Filter Media
Replacement
$690,541
3.37%
Information Technology
$771,894
3.77%
Directors
$157,989
0.77%
Human Resources
$385,611
1.88%
Customer Care
$1,314,215
6.41%
Admin-Services
$1,677,734
8.19%
Water Conservation
$229,935
1.12%
Admin-District
$1,470,660
7.18%
Finance
$1,223,022
5.97%
Operations
$2,622,753
12.80%
Engineering
$1,246,469
6.08%
Facilities
$6,369,704
31.09%
Directors
Admin-Services
Admin-District
Engineering
Facilities
Operations
Finance
Water Conservation
Human Resources
Information Technology
Customer Care
Source of Supply
Plant Expenditures
GAC Filter Media Replacement


Personnel to Operations Exp
YTD 12/31/16
$20,488,649
PERS
$1,207,947
6%
Workers Comp, Vac. Exp., Life
$136,858
1%
Health Ins.
$1,388,657
7%
Taxes
$537,804
2%
Operations
$9,906,518
48%
Salaries
$7,310,864
36%
Salaries
Taxes
Health Ins.
PERS
Workers Comp, Vac. Exp., Life
Operations

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

	2015 December	2016 December	Change	% Change
Operating Revenue:				
Wholesale Water	$ 2,694	$ 13,343	$ 10,649	
Water Sales	384,048	486,791	102,743	26.75%
Meter Fees	969,482	1,013,285	43,803	4.52%
Water Quality Fees	52,966	57,086	4,120	7.78%
Elevation Fees	20,736	21,869	1,133	5.46%
Other	177,904	62,985	(114,919)	-64.60%
Drought Surcharge	46,281	62,951	16,670	36.02%
Total Operating Revenue	**$ 1,654,112**	**$ 1,718,311**	**$ 64,198**	**3.88%**
Cash Operating Expenses:				
Directors	$ 14,486	$ 15,937	$ 1,451	10.02%
Administration-Services	283,802	134,593	(21,869)	-7.71%
Administration-District	-	127,340		
Engineering	119,529	100,504	(19,025)	-15.92%
Facilities	530,048	450,894	(79,155)	-14.93%
Operations	241,736	187,137	(54,598)	-22.59%
Finance	121,626	95,383	(26,243)	-21.58%
Water Conservation	26,104	15,684	(10,420)	-39.92%
Human Resources	36,392	23,118	(13,273)	-36.47%
Information Technology	85,197	111,873	26,675	31.31%
Customer Care	144,269	110,831	(33,438)	-23.18%
Source of Supply-Purchased Water	(228,240)	539	228,779	-100.24%
Plant Expenditures	135,185	41,273	(93,912)	-69.47%
GAC Filter Media Replacement	-	-	-	
Total Cash Operating Expenses	**$ 1,510,134**	**$ 1,415,106**	**$ (95,028)**	**-6.29%**
Non-Cash Operating Expenses:				
Depreciation	$ 529,765	$ 453,081	$ (76,684)	-14.48%
OPEB Accrual Expense	183,580	195,860	12,280	6.69%
Bad Debts	5,375	2,134	(3,241)	-60.30%
Service Costs Construction	31,880	5,204	(26,676)	-83.68%
Capitalized Construction	(143,101)	(39,337)	103,764	-72.51%
Total Non-Cash Operating Expenses	**$ 607,499**	**$ 616,942**	**$ 9,443**	**1.55%**
Net Operating Profit/(Loss)	**$ (463,522)**	**$ (313,738)**	**$ 149,784**	**-32.31%**
Non-Operating Revenues:				
Assessments (Debt Service)	$ 478,846	$ 440,417	$ (38,429)	-8.03%
Assessments (1%)	334,639	360,148	25,509	7.62%
DWR Fixed Charge Recovery	-	-	-	
Interest	(5,944)	(11,930)	(5,986)	100.72%
Capital Improvement Fees	3,483	288	(3,195)	-91.73%
Grants - State and Federal	-	-	-	
Other	3,261	49	(3,212)	-98.49%
Total Non-Operating Revenues	**$ 814,286**	**$ 788,972**	**$ (25,314)**	-3.11%
Non-Operating Expenses:				
Interest on Long-Term Debt	$ 186,850	$ 182,248	$ (4,601)	-2.46%
Amortization of SWP	172,877	196,904	24,027	13.90%
Change in Investments in PRWA	2,285	-	(2,285)	-100.00%
Water Conservation Programs	8,075	9,830	1,755	21.74%
Total Non-Operating Expenses	**$ 370,087**	**$ 388,983**	**$ 18,896**	5.11%
Net Earnings	**$ (19,323)**	**$ 86,252**	**$ 105,574**	**-546.37%**

Consumption Comparison

	2015	2016
Units Billed	380,251	439,122
Active	26,564	26,617
Vacant	830	790
Rev/unit	$ 4.35	$ 3.91
Rev/con	$ 53.83	$ 59.83
Unit/con	14.31	16.50

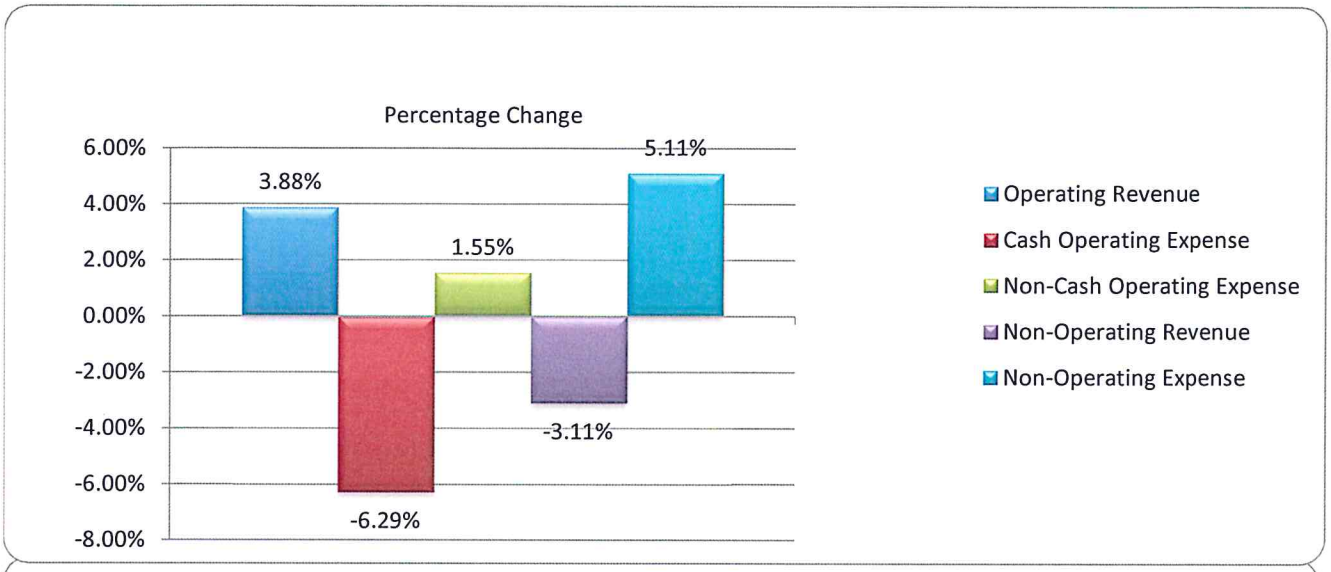
Palmdale Water District
Profit and Loss Statement
Year-To-Year Comparison-2 Years - December

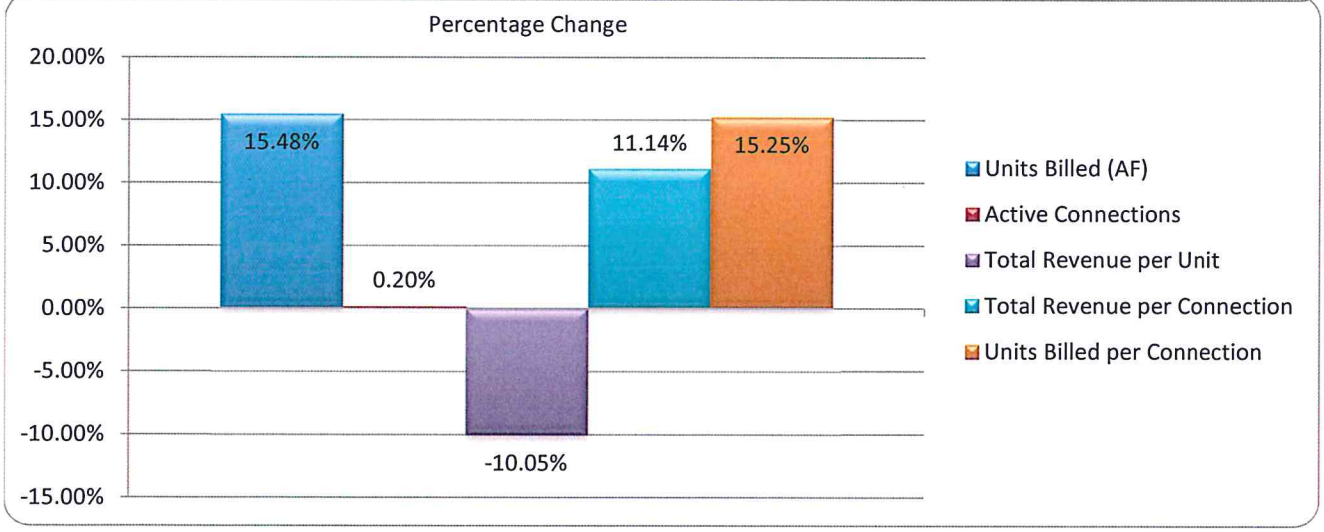
	2014 December	2016 December	Change	% Change
Operating Revenue:				
Wholesale Water	$ 24,375	$ 13,343	$ (11,031)	-45.26%
Water Sales	553,176	486,791	(66,385)	-12.00%
Meter Fees	990,999	1,013,285	22,286	2.25%
Water Quality Fees	93,684	57,086	(36,599)	-39.07%
Elevation Fees	28,462	21,869	(6,593)	-23.16%
Other	160,507	62,985	(97,523)	-60.76%
Drought Surcharge	-	62,951	62,951	
Total Operating Revenue	**$ 1,851,204**	**$ 1,718,311**	**$ (132,893)**	**-7.18%**
Cash Operating Expenses:				
Directors	$ 16,626	$ 15,937	$ (689)	-4.14%
Administration-Services	126,706	134,593	135,228	106.73%
Administration-District	-	127,340		
Engineering	124,220	100,504	(23,716)	-19.09%
Facilities	720,156	450,894	(269,263)	-37.39%
Operations	348,406	187,137	(161,268)	-46.29%
Finance	305,059	95,383	(209,676)	-68.73%
Water Conservation	29,020	15,684	(13,336)	-45.96%
Human Resources	32,344	23,118	(9,226)	-28.52%
Information Technology	134,697	111,873	(22,825)	-16.95%
Customer Care	-	110,831	110,831	
Source of Supply-Purchased Water	34,359	539	(33,820)	-98.43%
Plant Expenditures	(1,313,543)	41,273	1,354,816	-103.14%
GAC Filter Media Replacement	-	-	-	
Total Cash Operating Expenses	**$ 558,049**	**$ 1,415,106**	**$ 857,057**	**153.58%**
Non-Cash Operating Expenses:				
Depreciation	$ 567,949	$ 453,081	$ (114,868)	-20.23%
OPEB Accrual Expense	164,201	195,860	31,660	19.28%
Bad Debts	(14,071)	2,134	16,205	-115.17%
Service Costs Construction	(22,230)	5,204	27,434	-123.41%
Capitalized Construction	(71,173)	(39,337)	31,836	-44.73%
Total Non-Cash Operating Expenses	**$ 624,675**	**$ 616,942**	**$ (7,733)**	**-1.24%**
Net Operating Profit/(Loss)	**$ 668,479**	**$ (313,738)**	**$ (982,217)**	**-146.93%**
Non-Operating Revenues:				
Assessments (Debt Service)	$ 2,052,429	$ 440,417	$ (1,612,012)	-78.54%
Assessments (1%)	747,760	360,148	(387,612)	-51.84%
DWR Fixed Charge Recovery	-	-	-	
Interest	(590)	(11,930)	(11,340)	1922.09%
Capital Improvement Fees	288	288	-	0.00%
Grants - State and Federal	-	-	-	
Other	(204,607)	49	204,656	-100.02%
Total Non-Operating Revenues	**$ 2,595,281**	**$ 788,972**	**$ (1,806,309)**	-69.60%
Non-Operating Expenses:				
Interest on Long-Term Debt	$ 155,692	$ 182,248	$ 26,556	17.06%
Amortization of SWP	208,024	196,904	(11,120)	-5.35%
Change in Investments in PRWA	34,580	-	(34,580)	-100.00%
Water Conservation Programs	5,545	9,830	4,285	77.28%
Total Non-Operating Expenses	**$ 403,841**	**$ 388,983**	**$ (14,859)**	-3.68%
Net Earnings	**$ 2,859,919**	**$ 86,252**	**$ (2,773,667)**	**-96.98%**

Consumption Comparison

	2014	2016
Units Billed	470,244	439,122
Active	26,467	26,617
Vacant	906	790
Rev/unit	$ 3.94	$ 3.91
Rev/con	$ 63.88	$ 59.83
Unit/con	17.77	16.50

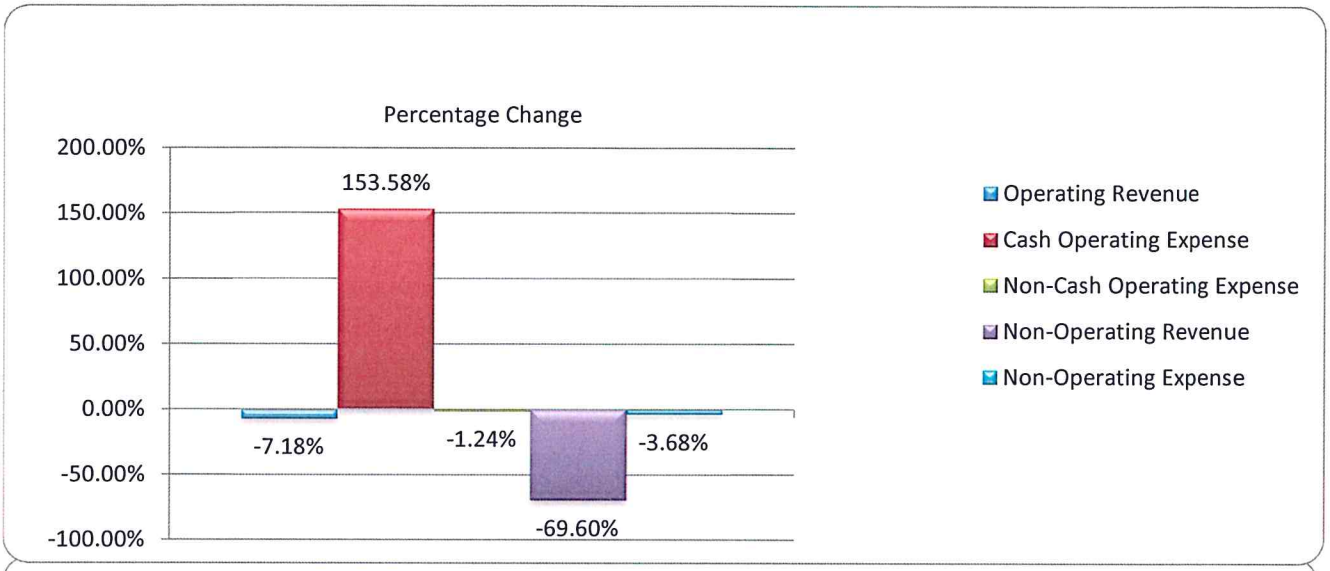
YEAR-TO-YEAR COMPARISON
December 2015 -To - December 2016

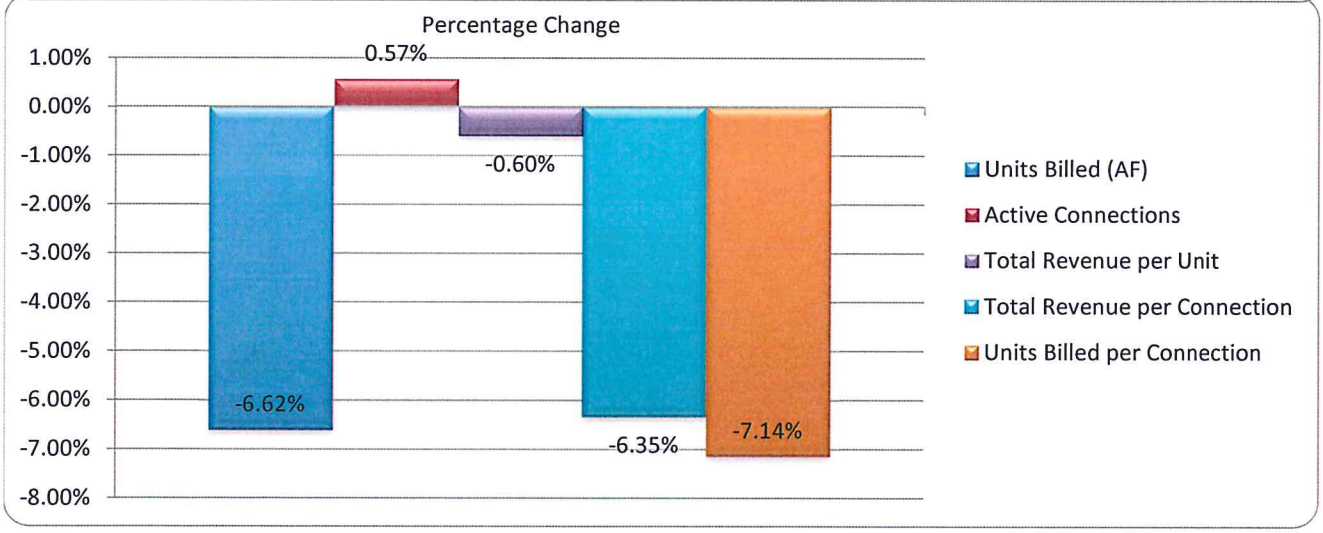




	2015	2016	Change	
Units Billed (AF)	873	1,008	135	15.48%
Active Connections	26,564	26,617	53	0.20%
Non-Active	830	790	-40	-4.82%
Total Revenue per Unit	$4.35	$3.91	-$0.44	-10.05%
Total Revenue per Connection	$53.83	$59.83	$6.00	11.14%
Units Billed per Connection	14.31	16.50	2.18	15.25%

YEAR-TO-YEAR COMPARISON
December 2014 -To - December 2016





	2014	2016	Change	
Units Billed (AF)	1,080	1,008	-71	-6.62%
Active Connections	26,467	26,617	150	0.57%
Non-Active	906	790	-116	-12.80%
Total Revenue per Unit	$3.94	$3.91	-$0.02	-0.60%
Total Revenue per Connection	$63.88	$59.83	-$4.05	-6.35%
Units Billed per Connection	17.77	16.50	-1.27	-7.14%

Palmdale Water District
Revenue Analysis
For the Twelve Months Ending 12/31/2016

2016

	Thru November	December	Year-to-Date	Adjusted Budget	% of Budget
Operating Revenue:					
Wholesale Water	$ 218,477	$ 13,343	$ 231,820	$ 160,000	144.89%
Water Sales	6,418,442	486,791	6,905,233	7,242,000	95.35%
Meter Fees	11,163,605	1,013,285	12,176,890	12,079,000	100.81%
Water Quality Fees	804,416	57,086	861,502	934,500	92.19%
Elevation Fees	327,804	21,869	349,673	400,000	87.42%
Other	715,594	62,985	778,579	860,000	90.53%
Drought Surcharge	1,225,890	62,951	1,288,841	-	
Total Water Sales	**$ 20,874,227**	**$ 1,718,311**	**$ 22,592,538**	**$ 21,675,500**	**104.23%**
Non-Operating Revenues:					
Assessments (Debt Service)	$ 4,882,333	$ 440,417	$ 5,322,750	$ 4,670,000	113.98%
Assessments (1%)	1,892,184	360,148	2,252,332	2,025,000	111.23%
DWR Fixed Charge Recovery	285,255	-	285,255	200,000	142.63%
Interest	54,638	(11,930)	42,707	35,000	122.02%
Capital Improvement Fees	234,459	288	234,747	50,000	469.49%
Grants - State and Federal	306,915	-	306,915	485,000	63.28%
Other	147,124	49	147,173	120,000	122.64%
Total Non-Operating Revenues	**$ 7,802,909**	**$ 788,972**	**$ 8,591,880**	**$ 7,585,000**	**113.27%**
Total Revenue	**$ 28,677,136**	**$ 2,507,282**	**$ 31,184,418**	**$ 29,260,500**	**106.58%**

2015

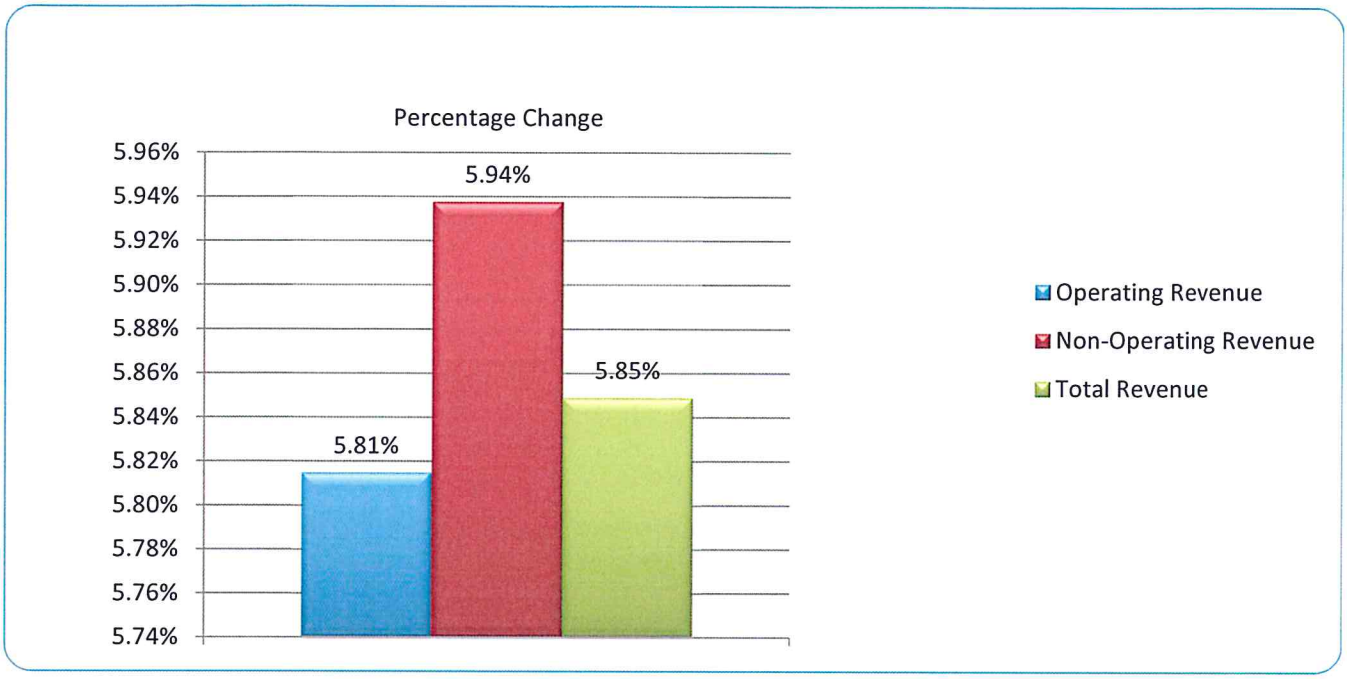
	Thru November	December	Year-to-Date	Adjusted Budget	% of Budget
Operating Revenue:					
Wholesale Water	$ 140,054	$ 2,694	$ 142,749	$ 225,000	63.44%
Water Sales	5,887,612	384,048	6,271,661	8,550,500	73.35%
Meter Fees	10,689,422	969,482	11,658,904	11,506,000	101.33%
Water Quality Fees	845,168	52,966	898,135	1,146,500	78.34%
Elevation Fees	349,162	20,736	369,899	525,000	70.46%
Other	1,158,572	177,904	1,336,475	1,450,000	92.17%
Drought Surcharge	634,752	46,281	681,033	-	
Total Water Sales	**$ 19,564,688**	**$ 1,651,418**	**$ 21,216,106**	**$ 23,178,000**	**91.54%**
Non-Operating Revenues:					
Assessments (Debt Service)	$ 4,728,157	$ 478,846	$ 5,207,003	$ 5,100,000	102.10%
Assessments (1%)	1,811,172	334,639	2,145,811	1,950,000	110.04%
DWR Fixed Charge Recovery	332,957	-	332,957	100,000	332.96%
Interest	48,637	(5,944)	42,694	35,000	121.98%
Capital Improvement Fees	363,998	3,483	367,481	50,000	734.96%
Grants - State and Federal	-	-	-	-	
Other	11,105	3,261	14,366	5,000	287.33%
Total Non-Operating Revenues	**$ 7,296,026**	**$ 814,286**	**$ 8,110,312**	**$ 7,240,000**	**112.02%**
Total Revenue	**$ 26,860,715**	**$ 2,465,703**	**$ 29,326,418**	**$ 30,418,000**	**96.41%**

2015 to 2016 Comparison

	Thru November	December	Year-to-Date	% Change
Operating Revenue:				
Wholesale Water	$ 78,423	$ 10,649	$ 89,071	62.40%
Water Sales	530,829	102,743	633,572	10.10%
Meter Fees	474,183	43,803	517,986	4.44%
Water Quality Fees	(40,752)	4,120	(36,633)	-4.08%
Elevation Fees	(21,359)	1,133	(20,226)	-5.47%
Other	(442,977)	(114,919)	(557,896)	-41.74%
Drought Surcharge	591,138	16,670	607,808	89.25%
Total Water Sales	**$ 1,169,485**	**$ 64,198**	**$ 1,233,683**	**5.81%**
Non-Operating Revenues:				
Assessments (Debt Service)	$ 154,176	$ (38,429)	$ 115,747	2.22%
Assessments (1%)	81,012	25,509	106,521	4.96%
DWR Fixed Charge Recovery	(47,702)	-	(47,702)	-14.33%
Interest	6,000	(5,986)	14	0.03%
Capital Improvement Fees	(129,539)	(3,195)	(132,733)	-36.12%
Grants - State and Federal	306,915	-	306,915	
Other	136,019	(3,212)	132,807	924.42%
Total Non-Operating Revenues	**$ 506,882**	**$ (25,314)**	**$ 481,569**	**5.94%**
Total Revenue	**$ 1,676,367**	**$ 38,885**	**$ 1,715,252**	**5.85%**

REVENUE COMPARISON YEAR-TO-DATE

December 2015-To-December 2016



Palmdale Water District
Operating Expense Analysis
For the Twelve Months Ending 12/31/2016

	2016					2015 to 2016 Comparison			
	Thru November	December	Year-to-Date	Adjusted Budget	% of Budget	Thru November	December	Year-to-Date	% Change
Cash Operating Expenses:									
Directors	$ 142,052	$ 15,937	$ 157,989	$ 145,750	108.40%	$ 17,262	$ 1,451	$ 18,713	13.44%
Administration-Services	1,543,141	134,593	1,677,734	1,637,750	102.44%	335,863	(21,869)	313,994	11.08%
Administration-District	1,343,320	127,340	1,470,660	1,612,750	91.19%				
Engineering	1,145,964	100,504	1,246,469	1,279,250	97.44%	59,746	(19,025)	40,721	3.38%
Facilities	5,918,810	450,894	6,369,704	6,513,750	97.79%	645,746	(79,155)	566,592	9.76%
Operations	2,435,616	187,137	2,622,753	2,449,250	107.08%	140,130	(54,598)	85,532	3.37%
Finance	1,127,639	95,383	1,223,022	1,168,250	104.69%	(319,891)	(26,243)	(346,134)	-22.06%
Water Conservation	214,252	15,684	229,935	229,250	100.30%	(97,863)	(10,420)	(108,283)	-32.02%
Human Resources	362,492	23,118	385,611	420,350	91.74%	(13,571)	(13,273)	(26,845)	-6.51%
Information Technology	660,021	111,873	771,894	867,750	88.95%	(27,279)	26,675	(604)	-0.08%
Customer Care	1,203,384	110,831	1,314,215	1,347,750	97.51%	198,044	(33,438)	164,606	14.32%
Source of Supply-Purchased Water	1,780,065	539	1,780,604	1,725,000	103.22%	510,805	228,779	739,584	41.48%
Plant Expenditures	506,245	41,273	547,518	-		(257,277)	(93,912)	(351,189)	-39.08%
GAC Filter Media Replacement	690,541	-	690,541	934,500	73.89%	94,497	-	94,497	15.85%
Total Cash Operating Expenses	**$ 19,073,543**	**$ 1,415,106**	**$ 20,488,649**	**$ 20,331,350**	**100.77%**	**$ 1,286,212**	**$ (95,028)**	**$ 1,191,184**	**5.81%**
Non-Cash Operating Expenses:									
Depreciation	$ 5,146,659	$ 453,081	$ 5,599,740	$ 7,200,000	77.77%	$ (2,257,685)	$ (76,684)	$ (2,334,369)	-29.42%
OPEB Accrual Expense	2,154,462	195,860	2,350,322	2,250,000	104.46%	135,082	12,280	147,362	6.69%
Bad Debts	74,104	2,134	76,238	50,000	152.48%	49,585	(3,241)	46,344	155.03%
Service Costs Construction	92,579	5,204	97,783	125,000	78.23%	110,598	(26,676)	83,922	605.47%
Capitalized Construction	(733,981)	(39,337)	(773,318)	(1,000,000)	77.33%	219,522	103,764	323,286	-29.48%
Total Non-Cash Operating Expenses	**$ 6,733,823**	**$ 616,942**	**$ 7,350,765**	**$ 8,625,000**	**85.23%**	**$ (1,742,898)**	**$ 9,443**	**$ (1,733,456)**	**-23.58%**
Non-Operating Expenses:									
Interest on Long-Term Debt	$ 2,035,956	$ 182,248	$ 2,218,205	$ 2,228,000	99.56%	$ (46,040)	$ (4,601)	$ (50,642)	-2.23%
Amortization of SWP	2,165,884	196,904	2,362,788	2,238,000	105.58%	264,237	24,027	288,264	13.90%
Change in Investments in PRWA	105,316	-	105,316	-		83,267	(2,285)	80,982	332.79%
Water Conservation Programs	47,313	9,830	57,143	126,500	45.17%	(165,215)	1,755	(163,459)	-74.10%
Total Non-Operating Expenses	**$ 4,354,469**	**$ 388,983**	**$ 4,743,451**	**$ 4,592,500**	**103.29%**	**$ 136,249**	**$ 18,896**	**$ 155,145**	**3.38%**
Total Expenses	**$ 30,161,834**	**$ 2,421,031**	**$ 32,582,865**	**$ 33,548,850**	**97.12%**	**$ (320,437)**	**$ (66,690)**	**$ (387,127)**	**-1.17%**

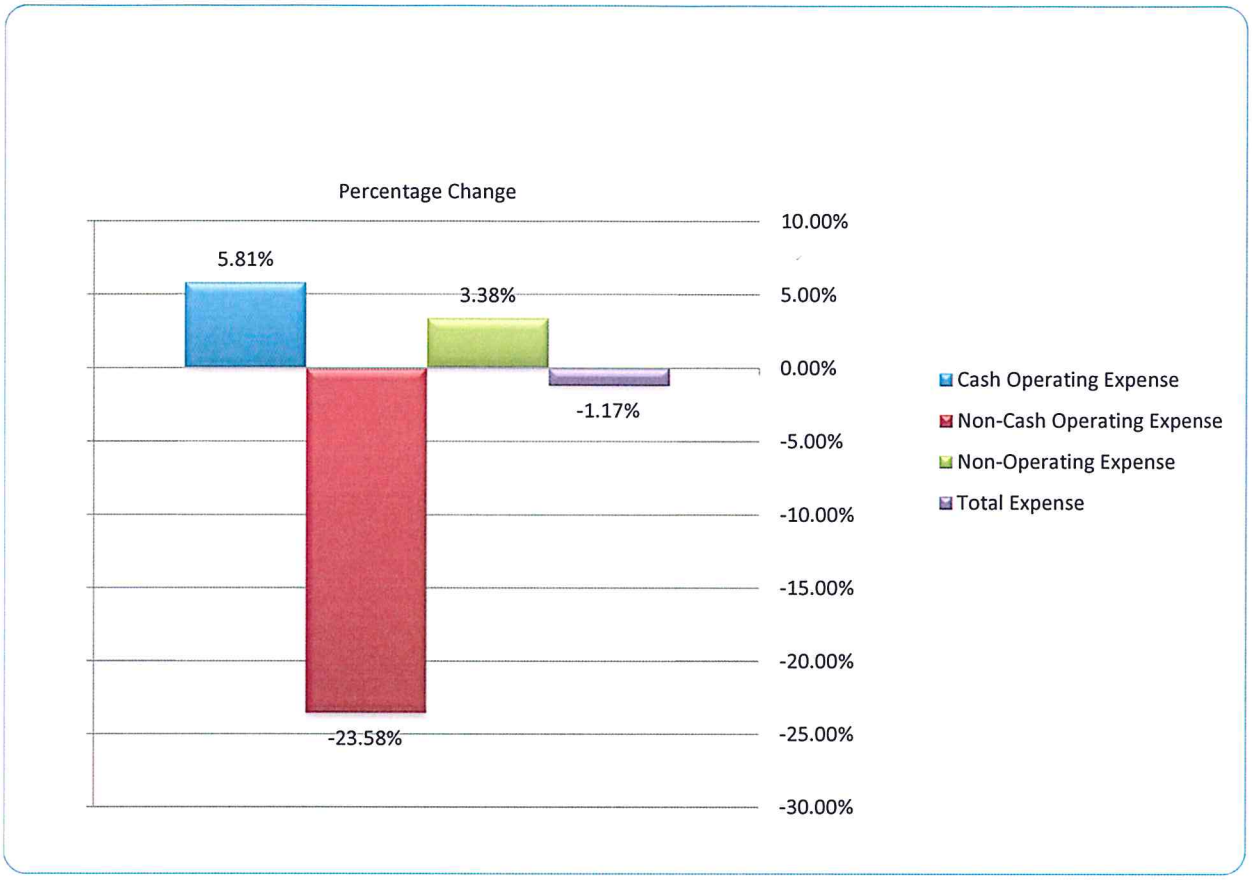
Palmdale Water District
Operating Expense Analysis
For the Twelve Months Ending 12/31/2016

2015 to 2016 Comparison

	2015 Thru November	December	Year-to-Date	Adjusted Budget	% of Budget
Cash Operating Expenses:					
Directors	$ 124,790	$ 14,486	$ 139,276	$ 118,500	117.53%
Administration-Services	2,550,598	283,802	2,834,400	2,667,250	106.27%
Administration-District	-	-			
Engineering	1,086,219	119,529	1,205,748	1,252,750	96.25%
Facilities	5,273,064	530,048	5,803,112	5,998,000	96.75%
Operations	2,295,486	241,736	2,537,222	2,624,000	96.69%
Finance	1,447,530	121,626	1,569,155	2,950,750	53.18%
Water Conservation	312,114	26,104	338,218	284,000	119.09%
Human Resources	376,064	36,392	412,455	326,100	126.48%
Information Technology	687,300	85,197	772,498	782,750	98.69%
Customer Care	1,005,340	144,269	1,149,610	-	
Source of Supply-Purchased Water	1,773,857	9,320	1,783,177	2,400,000	74.30%
Water Purchases-Prior Year OAP	(36,045)	-	(36,045)	250,000	-14.42%
Water Recovery	(468,553)	(237,560)	(706,113)	(100,000)	706.11%
Plant Expenditures	763,522	135,185	898,707	1,146,500	78.39%
GAC Filter Media Replacement	596,045	-	596,045	1,896,000	31.44%
Total Cash Operating Expenses	**$ 17,787,331**	**$ 1,510,134**	**$ 19,297,465**	**$ 22,596,600**	**85.40%**
Non-Cash Operating Expenses:					
Depreciation	$ 7,404,344	$ 529,765	$ 7,934,109	$ 6,450,000	123.01%
OPEB Accrual Expense	2,019,380	183,580	2,202,960	2,000,000	110.15%
Bad Debts	24,519	5,375	29,894	100,000	29.89%
Service Costs Construction	(18,020)	31,880	13,861	125,000	11.09%
Capitalized Construction	(953,503)	(143,101)	(1,096,604)	(1,000,000)	109.66%
Total Non-Cash Operating Expenses	**$ 8,476,721**	**$ 607,499**	**$ 9,084,220**	**$ 7,675,000**	**118.36%**
Non-Operating Expenses:					
Interest on Long-Term Debt	$ 2,081,996	$ 186,850	$ 2,268,846	$ 2,111,000	107.48%
Amortization of SWP	1,901,647	172,877	2,074,524	1,679,000	123.56%
Change in Investments in PRWA	22,049	2,285	24,334	-	
Water Conservation Programs	212,527	8,075	220,602	200,000	110.30%
Total Non-Operating Expenses	**$ 4,218,219**	**$ 370,087**	**$ 4,588,306**	**$ 3,990,000**	**115.00%**
Total Expenses	**$ 30,482,271**	**$ 2,487,721**	**$ 32,969,991**	**$ 34,261,600**	**96.23%**

EXPENSE COMPARISON YEAR-TO-DATE

December 2015-To-December 2016



Palmdale Water District
2016 Directors Budget
For the Twelve Months Ending Saturday, December 31, 2016

	YTD ACTUAL 2016	ORIGINAL BUDGET 2016	ADJUSTMENTS 2016	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-01-4000-000 Directors Pay	$ 59,250	$ 50,000	$ -	$ (9,250)	118.50%
Employee Benefits					
1-01-4005-000 Payroll Taxes	4,533	5,500		967	82.41%
1-01-4010-000 Health Insurance	75,765	76,250		485	99.36%
Subtotal (Benefits)	80,297	81,750	-	485	98.22%
Total Personnel Expenses	$ 139,547	$ 131,750	$ -	$ (8,765)	105.92%
OPERATING EXPENSES:					
1-01-4050-000 Directors Travel, Seminars & Meetings	18,442	14,000		(4,442)	131.73%
Subtotal Operating Expenses	18,442	14,000	-	(4,442)	131.73%
Total O & M Expenses	$ 157,989	$ 145,750	$ -	$ (13,207)	108.40%

Palmdale Water District
2016 Directors Budget
For The Month Of December 2016

	2016	2015
Personnel Budget:		
1-01-4000-000 Directors Pay	$ 6,750	$ 4,650
Employee Benefits		
1-01-4005-000 Payroll Taxes	516	356
1-01-4010-000 Health Insurance	6,168	4,868
Subtotal (Benefits)	6,685	5,224
Total Personnel Expenses	$ 13,435	$ 9,874
OPERATING EXPENSES:		
1-01-4050-000 Directors Travel, Seminars & Meetings	2,502	4,651
Subtotal Operating Expenses	2,502	4,651
Total O & M Expenses	$ 15,937	$ 14,525

	Directors Pay		Health Ins.	
	2016	2015	2016	2015
Alvarado	1,350	1050	1,600	1,591
Dino	1,200	1,350	1,134	1,125
Dizmang	0	2,250	0	0
Estes	1,050	0	1,591	1,566
Henriquez	2,400	0	1,257	0
Mac Laren	750	0	587	586
	6,750	4,650	6,168	4,868

	Operating	
	2016	2015
Alvarado	0	0
Dino	0	1472
Dizmang	0	0
Estes	1,272	1,434
Henriquez	580	400
Mac Laren	650	1,345
	2,502	4,651

Palmdale Water District
2016 Administration Services Budget
For the Twelve Months Ending Saturday, December 31, 2016

	YTD ACTUAL 2016	ORIGINAL BUDGET 2016	ADJUSTMENTS 2016	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-02-4000-000 Salaries*	$ 1,059,738	$ 982,000	$ 49,000	$ (28,738)	102.79%
1-02-4000-100 Overtime	7,357	8,250		893	89.18%
Subtotal (Salaries)	$ 1,067,095	$ 990,250	$ 49,000	$ (27,845)	102.68%
Employee Benefits					
1-02-4005-000 Payroll Taxes	$ 67,781	$ 74,000		6,219	91.60%
1-02-4010-000 Health Insurance	141,201	135,000		(6,201)	104.59%
1-02-4015-000 PERS	124,083	117,500		(6,583)	105.60%
Subtotal (Benefits)	$ 333,065	$ 326,500	$ -	$ (6,565)	102.01%
Total Personnel Expenses	$ 1,400,160	$ 1,316,750	$ 49,000	$ (34,410)	102.52%
OPERATING EXPENSES:					
1-02-4050-100 General Manager Travel	$ 5,821	$ 5,000		(821)	116.42%
1-02-4060-100 General Manager Conferences & Seminars	2,150	4,000		1,850	53.75%
1-02-4130-000 Bank Charges	155,819	140,000		(15,819)	111.30%
1-02-4150-000 Accounting Services	25,471	27,500		2,029	92.62%
1-02-4175-000 Permits	10,332	10,000		(332)	103.32%
1-02-4180-000 Postage	11,783	27,500		15,717	42.85%
1-02-4190-100 Public Relations - Publications	29,642	35,000		5,358	84.69%
1-02-4190-900 Public Relations - Other	6,555	1,000		(5,555)	655.47%
1-02-4200-000 Advertising	3,833	4,000		167	95.83%
1-02-4205-000 Office Supplies	20,836	18,000		(2,836)	115.75%
1-02-4210-000 Office Furniture	5,333	-		(5,333)	0.00%
Subtotal Operating Expenses	$ 277,575	$ 272,000	$ -	$ (5,575)	102.05%
Total Departmental Expenses	$ 1,677,734	$ 1,588,750	$ 49,000	$ (39,984)	102.44%

* Budget adjustment by Board action 06/22/16

Palmdale Water District
2016 Administration District Wide Budget
For the Twelve Months Ending Saturday, December 31, 2016

	YTD ACTUAL 2016	ORIGINAL BUDGET 2016	ADJUSTMENTS 2016	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-02-5070-001 On-Call	$ 78,783	$ 95,000		$ 16,217	82.93%
Subtotal (Salaries)	$ 78,783	$ 95,000	$ -	$ 16,217	82.93%
Employee Benefits					
1-02-5070-002 PERS-Unfunded Liability	$ 405,575	$ 404,750		(825)	100.20%
1-02-5070-003 Workers Compensation	118,158	125,000		6,842	94.53%
1-02-5070-004 Vacation Benefit Expense	12,321	35,000		22,679	35.20%
1-02-5070-005 Life Insurance	6,379	8,000		1,621	79.74%
Subtotal (Benefits)	$ 542,432	$ 572,750	$ -	$ 30,318	94.71%
Total Personnel Expenses	$ 621,215	$ 667,750	$ -	$ 46,535	93.03%
OPERATING EXPENSES:					
1-02-5070-006 Other Operating	$ 28,084	$ 20,000		(8,084)	140.42%
1-02-5070-007 Consultants	94,638	160,000		65,362	59.15%
1-02-5070-008 Insurance	297,231	300,000		2,769	99.08%
1-02-5070-009 Groundwater Adjudication	57,678	80,000		22,322	72.10%
1-02-5070-010 Legal Services	139,168	160,000		20,832	86.98%
1-02-5070-011 Memberships/Subscriptions	127,763	150,000		22,237	85.18%
1-02-5070-012 Elections	104,882	75,000		(29,882)	139.84%
Subtotal Operating Expenses	$ 849,445	$ 945,000	$ -	$ 95,555	89.89%
Total Departmental Expenses	$ 1,470,660	$ 1,612,750	$ -	$ 142,090	91.19%

Palmdale Water District
2016 Engineering Budget
For the Twelve Months Ending Saturday, December 31, 2016

	YTD ACTUAL 2016	ORIGINAL BUDGET 2016	ADJUSTMENTS 2016	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-03-4000-000 Salaries	$ 870,400	$ 852,000		$ (18,400)	102.16%
1-03-4000-100 Overtime	10,469	6,750		(3,719)	155.10%
Subtotal (Salaries)	$ 880,869	$ 858,750		$ (22,119)	102.58%
Employee Benefits					
1-03-4005-000 Payroll Taxes	65,930	64,000		(1,930)	103.02%
1-03-4010-000 Health Insurance	152,691	155,000		2,309	98.51%
1-03-4015-000 PERS	100,060	101,000		940	99.07%
Subtotal (Benefits)	$ 318,681	$ 320,000	$ -	$ 1,319	99.59%
Total Personnel Expenses	$ 1,199,550	$ 1,178,750	$ -	$ (20,800)	101.76%
OPERATING EXPENSES:					
1-03-4155-000 Contracted Services	28,491	64,000		35,509	44.52%
1-03-4165-000 Memberships/Subscriptions	3,897	2,500		(1,397)	155.88%
1-03-4250-000 General Materials & Supplies	4,541	3,000		(1,541)	151.36%
1-03-8100-100 Computer Software - Maint. & Support	9,990	31,000		21,010	32.23%
Subtotal Operating Expenses	$ 46,919	$ 100,500	$ -	$ 53,581	46.69%
Total Departmental Expenses	$ 1,246,469	$ 1,279,250	$ -	$ 32,781	97.44%

Palmdale Water District
2016 Facilities Budget
For the Twelve Months Ending Saturday, December 31, 2016

		YTD ACTUAL 2016	ORIGINAL BUDGET 2016	ADJUSTMENTS 2016	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:						
1-04-4000-000	Salaries	$ 2,019,399	$ 2,083,750		$ 64,351	96.91%
1-04-4000-100	Overtime	111,003	90,000		(21,003)	123.34%
	Subtotal (Salaries)	$ 2,130,402	$ 2,173,750	$ -	$ 43,348	98.01%
Employee Benefits						
1-04-4005-000	Payroll Taxes	164,677	166,500		1,823	98.91%
1-04-4010-000	Health Insurance	443,728	444,500		772	99.83%
1-04-4015-000	PERS	224,151	257,500		33,349	87.05%
	Subtotal (Benefits)	$ 832,556	$ 868,500	$ -	$ 35,944	95.86%
	Total Personnel Expenses	$ 2,962,959	$ 3,042,250	$ -	$ 79,291	97.39%
OPERATING EXPENSES:						
1-04-4155-000	Contracted Services	$ 485,379	$ 488,000		$ 2,621	99.46%
1-04-4175-000	Permits-Dams	18,301	50,000		31,699	36.60%
1-04-4215-100	Natural Gas - Wells & Boosters	165,926	225,000		59,074	73.74%
1-04-4215-200	Natural Gas - Buildings	6,619	9,000		2,381	73.55%
1-04-4220-100	Electricity - Wells & Boosters	1,298,902	1,480,000		181,098	87.76%
1-04-4220-200	Electricity - Buildings	70,681	88,000		17,319	80.32%
1-04-4225-000	Maint. & Repair - Vehicles	40,706	35,000		(5,706)	116.30%
1-04-4230-100	Maint. & Rep. Office Building	33,215	15,000		(18,215)	221.43%
1-04-4235-110	Maint. & Rep. Equipment	2,955	6,500		3,545	45.46%
1-04-4235-400	Maint. & Rep. Operations - Wells	78,836	75,000		(3,836)	105.11%
1-04-4235-405	Maint. & Rep. Operations - Boosters	48,838	50,000		1,162	97.68%
1-04-4235-410	Maint. & Rep. Operations - Shop Bldgs	12,844	10,000		(2,844)	128.44%
1-04-4235-415	Maint. & Rep. Operations - Facilities	35,918	15,000		(20,918)	239.46%
1-04-4235-420	Maint. & Rep. Operations - Water Lines	302,124	225,000		(77,124)	134.28%
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	6,724	7,500		776	89.66%
1-04-4235-435	Maint. & Rep. Operations - Palmdale Canal	-	10,000		10,000	0.00%
1-04-4235-440	Maint. & Rep. Operations - Large Meters	28,942	10,000		(18,942)	289.42%
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	4,056	10,000		5,944	40.56%
1-04-4235-455	Maint. & Rep. Operations - Heavy Equipment	36,942	45,000		8,058	82.09%
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	314,917	225,000		(89,917)	139.96%
1-04-4270-300	Telecommunication - Other	6,292	4,000		(2,292)	157.30%
1-04-4300-200	Testing - Large Meters	18,598	12,500		(6,098)	148.79%
1-04-4300-300	Testing - Edison Testing	5,655	30,000		24,345	18.85%
1-04-6000-000	Waste Disposal	24,588	20,000		(4,588)	122.94%
1-04-6100-100	Fuel and Lube - Vehicle	94,335	105,000		10,665	89.84%
1-04-6100-200	Fuel and Lube - Machinery	14,092	40,000		25,908	35.23%
1-04-6200-000	Uniforms	26,242	22,500		(3,742)	116.63%
1-04-6300-100	Supplies - General	63,234	47,500		(15,734)	133.12%
1-04-6300-200	Supplies - Hypo Generators	6,094	6,500		406	93.75%
1-04-6300-300	Supplies - Electrical	1,117	3,000		1,883	37.23%
1-04-6300-400	Supplies - Telemetry	4,340	5,000		660	86.79%
1-04-6300-800	Supplies - Construction Materials	51,447	35,000		(16,447)	146.99%
1-04-6400-000	Tools	34,027	25,000		(9,027)	136.11%
1-04-7000-100	Leases -Equipment	17,387	12,500		(4,887)	139.10%
1-04-7000-100	Leases -Vehicles	17,652.26	-		(17,652)	
	Subtotal Operating Expenses	$ 3,406,745	$ 3,471,500	$ -	$ 64,755	98.13%
	Total Departmental Expenses	$ 6,369,704	$ 6,513,750	$ -	$ 144,046	97.79%

Palmdale Water District
2016 Operation Budget
For the Twelve Months Ending Saturday, December 31, 2016

		YTD ACTUAL 2016	ORIGINAL BUDGET 2016	ADJUSTMENTS 2016	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:						
1-05-4000-000	Salaries	$ 988,198	$ 1,012,500		$ 24,302	97.60%
1-05-4000-100	Overtime	65,122	56,000		(9,122)	116.29%
	Subtotal (Salaries)	$ 1,053,319	$ 1,068,500	$ -	$ 15,181	98.58%
Employee Benefits						
1-05-4005-000	Payroll Taxes	80,923	84,500		3,577	95.77%
1-05-4010-000	Health Insurance	180,467	183,500		3,033	98.35%
1-05-4015-000	PERS	117,915	137,750		19,835	85.60%
	Subtotal (Benefits)	$ 379,304	$ 405,750	$ -	$ 26,446	93.48%
	Total Personnel Expenses	$ 1,432,624	$ 1,474,250	$ -	$ 41,626	97.18%
OPERATING EXPENSES:						
1-05-4155-000	Contracted Services	$ 61,401	$ 93,500		$ 32,099	65.67%
1-05-4175-000	Permits	30,155	40,000		9,845	75.39%
1-05-4215-200	Natural Gas - WTP	1,376	3,000		1,624	45.85%
1-05-4220-200	Electricity - WTP	159,361	125,000		(34,361)	127.49%
1-05-4230-110	Maint. & Rep. - Office Equipment	126	500		374	25.17%
1-05-4235-110	Maint. & Rep. Operations - Equipment	18,394	11,500		(6,894)	159.95%
1-05-4235-410	Maint. & Rep. Operations - Shop Bldgs	14,856	6,000		(8,856)	247.61%
1-05-4235-415	Maint. & Rep. Operations - Facilities	79,145	45,000		(34,145)	175.88%
1-05-4235-450	Maint. & Rep. Operations - Hypo Generator	67,315	18,000		(49,315)	373.97%
1-05-4235-500	Maint. & Rep. Operations - Wind Turbine	39,603	10,000		(29,603)	396.03%
1-05-6000-000	Waste Disposal	10,417	20,000		9,583	52.09%
1-05-6200-000	Uniforms	14,340	16,000		1,660	89.63%
1-05-6300-100	Supplies - General	16,939	15,000		(1,939)	112.93%
1-05-6300-600	Supplies - Lab	44,895	40,000		(4,895)	112.24%
1-05-6300-700	Outside Lab Work	69,685	92,000		22,315	75.74%
1-05-6400-000	Tools	5,234	6,500		1,266	80.52%
1-05-6500-000	Chemicals	556,243	400,000		(156,243)	139.06%
1-05-7000-100	Leases -Equipment	644	3,000		2,356	21.47%
3-05-4300-100	Filter Media Testing/Inspection	-	30,000		30,000	0.00%
	Subtotal Operating Expenses	$ 1,190,129	$ 975,000	$ -	$ (245,129)	122.06%
	Total Departmental Expenses	$ 2,622,753	$ 2,449,250	$ -	$ (203,503)	107.08%

Palmdale Water District
2016 Finance Budget
For the Twelve Months Ending Saturday, December 31, 2016

	YTD ACTUAL 2016	ORIGINAL BUDGET 2016	ADJUSTMENTS 2016	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-06-4000-000 Salaries	$ 669,472	$ 670,250		$ 778	99.88%
1-06-4000-100 Overtime	236	3,000		2,764	7.88%
Subtotal (Salaries)	$ 669,709	$ 673,250	$ -	$ 3,541	99.47%
Employee Benefits					
1-06-4005-000 Payroll Taxes	47,518	49,000		1,482	96.98%
1-06-4010-000 Health Insurance	92,028	83,000		(9,028)	110.88%
1-06-4015-000 PERS	83,832	87,000		3,168	96.36%
Subtotal (Benefits)	$ 223,378	$ 219,000	$ -	$ (4,378)	102.00%
Total Personnel Expenses	$ 893,087	$ 892,250	$ -	$ (837)	100.09%
OPERATING EXPENSES:					
1-06-4155-000 Contracted Services	$ 5,720	$ 6,000		$ 280	95.33%
1-06-4155-100 Contracted Services - Infosend	272,395	225,000		(47,395)	121.06%
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	366	3,000		2,635	12.18%
1-06-4260-000 Business Forms	3,470	7,500		4,030	46.27%
1-06-4270-100 Telecommunication - Office	24,796	12,000		(12,796)	206.63%
1-06-4270-200 Telecommunication - Cellular Stipend	20,360	18,500		(1,860)	110.05%
1-06-7000-100 Leases - Equipment	2,609	3,000		391	86.95%
Subtotal Operating Expenses	$ 329,935	$ 276,000	$ -	$ (53,935)	119.54%
Total Departmental Expenses	$ 1,223,022	$ 1,168,250	$ -	$ (54,772)	104.69%

Palmdale Water District
2016 Water Conservation Budget
For the Twelve Months Ending Saturday, December 31, 2016

	YTD ACTUAL 2016	ORIGINAL BUDGET 2016	ADJUSTMENTS 2016	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-07-4000-000 Salaries*	$ 118,371	$ 129,000	$ (10,000)	$ 629	91.76%
1-07-4000-100 Overtime	316	1,000		684	31.56%
Subtotal (Salaries)	$ 118,687	$ 130,000		$ 1,313	91.30%
Employee Benefits					
1-07-4005-000 Payroll Taxes	11,546	10,000		(1,546)	115.46%
1-07-4010-000 Health Insurance	37,724	38,000		276	99.27%
1-07-4015-000 PERS	8,370	17,250		8,880	48.52%
Subtotal (Benefits)	$ 57,640	$ 65,250	$ -	$ 7,610	88.34%
Total Personnel Expenses	$ 176,327	$ 195,250	$ (10,000)	$ 8,239	90.31%
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	5,717	2,000		(3,717)	285.84%
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	$ 53,609	$ 44,000	$ -	$ (9,609)	121.84%
Total Departmental Expenses	$ 229,935	$ 239,250	$ (10,000)	$ (1,370)	96.11%

* Budget adjustment by Board action 06/22/16

Palmdale Water District
2016 Human Resources Budget
For the Twelve Months Ending Saturday, December 31, 2016

		YTD ACTUAL 2016	ORIGINAL BUDGET 2016	ADJUSTMENTS 2016	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:						
1-08-4000-000	Salaries	$ 115,823	$ 116,000		177	99.85%
1-08-4000-100	Salaries - Overtime	4				
1-08-4000-200	Salaries - Intern Program	33,594	40,000		6,406	83.98%
	Subtotal (Salaries)	$ 149,421	$ 156,000		$ 6,584	95.78%
Employee Benefits						
1-08-4005-000	Payroll Taxes	11,490	15,250		3,760	75.35%
1-08-4010-000	Health Insurance	18,080	18,250		170	99.07%
1-08-4015-000	PERS	7,731	7,250		(481)	106.64%
	Subtotal (Benefits)	$ 37,301	$ 40,750	$ -	$ 3,449	91.54%
	Total Personnel Expenses	$ 186,722	$ 196,750	$ -	$ 10,033	94.90%
OPERATING EXPENSES:						
1-08-4050-000	Staff Travel	$ 40,694	$ 27,500		$ (13,194)	147.98%
1-08-4060-000	Staff Conferences & Seminars	14,097	25,000		10,903	56.39%
1-08-4070-000	Employee Expense	48,859	60,000		11,141	81.43%
1-08-4090-000	Temporary Staffing	-	-		-	
1-08-4095-000	Employee Recruitment	1,822	3,000		1,178	60.73%
1-08-4100-000	Employee Retention	12,836	20,000		7,164	64.18%
1-08-4105-000	Employee Relations	2,181	3,500		1,319	62.31%
1-08-4110-000	Consultants	3,797	1,000		(2,797)	379.68%
1-08-4120-100	Training-Safety	24,112	35,000		10,888	68.89%
1-08-4120-200	Training-Speciality	15,171	25,000		9,829	60.68%
1-08-4121-000	Safety Program	614	1,000		386	61.44%
1-08-4165-000	Membership/Subscriptions	947	1,600		653	59.18%
1-08-4165-100	HR/Safety Publications	120	1,000		880	11.99%
1-08-6300-500	Supplies - Safety	33,640	20,000		(13,640)	168.20%
	Subtotal Operating Expenses	$ 198,889	$ 223,600	$ -	$ 24,711	88.95%
	Total Departmental Expenses	$ 385,611	$ 420,350	$ -	$ 34,744	91.74%

Palmdale Water District
2016 Information Technology Budget
For the Twelve Months Ending Saturday, December 31, 2016

		YTD ACTUAL 2016	ORIGINAL BUDGET 2016	ADJUSTMENTS 2016	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:						
1-09-4000-000	Salaries	$ 208,849	$ 225,500		$ 16,651	92.62%
1-09-4000-100	Overtime	1,761	2,500		739	70.45%
	Subtotal (Salaries)	$ 210,611	$ 228,000		$ 17,389	92.37%
Employee Benefits						
1-09-4005-000	Payroll Taxes	14,987	16,000		1,013	93.67%
1-09-4010-000	Health Insurance	33,903	38,000		4,097	89.22%
1-09-4015-000	PERS	25,777	29,500		3,723	87.38%
	Subtotal (Benefits)	$ 74,667	$ 83,500	$ -	$ 8,833	89.42%
	Total Personnel Expenses	$ 285,278	$ 311,500	$ -	$ 25,484	91.58%
OPERATING EXPENSES:						
1-09-4155-000	Contracted Services*	$ 130,605	$ 121,500	$ (11,000)	$ (20,105)	118.19%
1-09-4165-000	Memberships/Subscriptions	1,410	2,000		590	70.50%
1-09-4270-000	Telecommunications	80,368	79,250		(1,118)	101.41%
1-09-8000-100	Computer Equipment - Computers*	19,203	20,000	11,000	11,797	61.94%
1-09-8000-200	Computer Equipment - Laptops	23,883	16,000		(7,883)	149.27%
1-09-8000-300	Computer Equipment - Monitors	192	2,000		1,808	9.58%
1-09-8000-500	Computer Equipment - Toner Cartridges	350	3,000		2,650	11.65%
1-09-8000-550	Computer Equipment - Telephony	300	2,500		2,200	12.00%
1-09-8000-600	Computer Equipment - Other	22,330	40,000		17,670	55.83%
1-09-8100-100	Computer Software - Maint. and Support	45,923	60,000		14,077	76.54%
1-09-8100-140	Computer Software - Starnik	94,800	130,000		35,200	72.92%
1-09-8100-150	Computer Software - Dynamics GP Support	57,160	60,000		2,840	95.27%
1-09-8100-200	Computer Software - Software and Upgrades	10,094	20,000		9,906	50.47%
	Subtotal Operating Expenses	$ 486,617	$ 556,250	$ -	$ 69,633	87.48%
	Total Departmental Expenses	$ 771,894	$ 867,750	$ -	$ 95,117	88.95%

* Budget adjustments by General Manager per Appendix A

Palmdale Water District
2016 Customer Care Budget
For the Twelve Months Ending Saturday, December 31, 2016

	YTD ACTUAL 2016	ORIGINAL BUDGET 2016	ADJUSTMENTS 2016	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-10-4000-000 Salaries*	$ 886,578	$ 929,250	$ (39,000)	$ 3,672	99.59%
1-10-4000-100 Overtime	6,142	10,000		3,858	61.42%
Subtotal (Salaries)	$ 892,720	$ 939,250	$ (39,000)	$ 7,530	99.16%
Employee Benefits					
1-10-4005-000 Payroll Taxes	68,418	71,500		3,082	95.69%
1-10-4010-000 Health Insurance	213,071	217,000		3,929	98.19%
1-10-4015-000 PERS	110,455	119,000		8,545	92.82%
Subtotal (Benefits)	$ 391,944	$ 407,500	$ -	$ 15,556	96.18%
Total Personnel Expenses	$ 1,284,664	$ 1,346,750	$ (39,000)	$ 23,086	98.23%
OPERATING EXPENSES:					
1-10-4155-000 Contracted Services	$ 21,251	$ 22,000		$ 749	96.60%
1-10-4230-110 Maintenance & Repair-Office Equipment	499	500		1	99.84%
1-10-4250-000 General Material & Supplies	7,209	7,500		291	96.12%
1-10-4260-000 Business Forms	592	10,000		9,409	5.92%
Subtotal Operating Expenses	$ 29,551	$ 40,000	$ -	$ 10,449	73.88%
Total Departmental Expenses	$ 1,314,215	$ 1,386,750	$ (39,000)	$ 33,535	97.51%

* Budget adjustment by Board action 06/22/16

Updated: February 15, 2017

Palmdale Water District

2017 Capital Projects - Contractual Commitments and Needs

AGENDA ITEM NO. 4.4

New and Replacement Capital Projects

Budget Year	Work Order	Project Title	Project Type	Estimated Expense	Contractor	Approved Contract Amount	Board / Manager Approval	Payments Approved to Date	Contract Balance	Through Dec. 2016	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	2017 Total
2017	14-603	Upper Amargosa Recharge Project	Water Supply		City of Palmdale	$ 1,250,000	12/4/2013	$ 129,215	$ 1,120,785	129,215				*300,000*						*300,000*			600,000
2017	16-408	Water Meter Replacement Projects (Spec 1602) - Purchase	Replaceent Cap.		Inland Water Works	$ 439,419	10/10/2016	$ 329,345	$ 110,074	110,758	109,294	109,293	*110,074*										
2017	12-609	Ave. Q-1, Q-2, Q-3 Water Main Replacement (Spec 1211)	Replacement Cap.		Bob O Const.	$ 57,500	10/12/2016	$ 52,725	$ 4,775	42,750		9,975	*4,775*										
2017	16-408	Water Meter Replacement Projects (Spec 1602) - Installation	Replacement Cap.		Bob O Const.	$ 144,442	10/12/2016	$ -	$ 144,442				*36,000*	*36,000*	*36,000*	*36,422*							144,422
2017	15-615	Well No. 15 Rehabilitation - Water Quality	Replacement Cap.		Layne	$ 114,826	10/26/2016	$ 114,826	$ -		114,826												114,826
2017	16-609	Board Room Video Upgrades	Replacement Cap.		CWI/Backyard Images	$ 60,000	10/26/2016	$ 57,016	$ 2,984	28,508	28,508		*2,984*										31,492
2017	16-415	El Camino Underground Booster - 40hp	Replacement Cap.		Roadrunner Pump	$ 16,196	11/1/2016	$ 16,196	$ -	10,531	5,665												5,665
2017	16-610	Well No. 18 Rehabilitation	Replacement Cap.		Roadrunner Pump	$ 15,074	11/2/2016	$ 15,074	$ -		15,074												15,074
2017	16-364	75 hp - Underground Booster Station	Replacement Cap.		Roadrunner Pump	$ 5,665	1/25/2017	$ 5,665	$ -		5,665												5,665
2017	15-612	El Camino Watermain Replacement - Paving	Replacement Cap.		ANM	$ 36,700	1/31/2017	$ 36,700	$ -			36,700											36,700
2017	16-612	Well No. 8A Rehabilitation - Emergency	Replacement Cap.		Best Drilling and Pump, Inc.	$ 135,414	1/23/2017	$ 14,820	$ 120,594			14,820	*24,000*	*32,000*	*64,594*								135,414
2017		Washwater Return Pump Replacement	Replacement Cap.					$ -	$ -														0
2017	16-613	Flow Meter for WTP Domestic and Process Tracking	New Capital		PWD			$ -	$ -														0
2017	17-320	Hydro-Electric Generator Repair	Replacement Cap.		CED	$ 1,000		$ -	$ 1,000														0
2017	16-286	3600' Back-up Booster Pump	Replacement Cap.		Roadrunner Pump			$ -	$ -			1,871											1,871
2017	17-260	Wind Turbine and Interconnection Repairs	Replacement Cap.		Hot-Line	$ 12,507	2/1/2017	$ 4,507	$ 8,000			4,507	*8,000*										12,507
2017	12-400	PRGRRP - Construction of Monitoring Wells / Test Basin	Water Supply	$ 300,000				$ -	$ -				*25,000*	*100,000*	*100,000*	*75,000*							300,000
2017	15-611	Camares and Avenue S-14 Water Main Replacement (Spec 1502)	Replacement Cap.	$ 110,000				$ -	$ -					*50,000*	*50,000*	*10,000*							110,000
2017	15-613	Avenue V-5 Water Main Replacement (Spec 1504)	Replacement Cap.	$ 45,000				$ -	$ -								*25,000*	*20,000*					45,000
2017	16-411	Clearwell 2950' Discharge Piping and Valve	Replacement Cap.	$ 35,000				$ -	$ -				*35,000*										35,000
2017	16-605	Additional Brine Tank @ WTP	New Capital	$ 90,000				$ -	$ -					*45,000*	*45,000*								90,000
2017	16-607	2800' Booster No. 1 and 3 Repair	Replacement Cap.	$ 40,000				$ -	$ -					*40,000*									40,000
2017	16-608	Ave. Q-1, Q-2, Q-3, Q-4, and Q-5 @ 5th St. E. Water Main Repl. (Spec 1603)	Replacement Cap.	$ 25,000				$ -	$ -										*25,000*				25,000
2017	16-611	CL2 Monitoring @ Well Sites	Regulatory	$ 110,000				$ -	$ -	4,526				*25,000*	*25,000*	*25,000*	*35,000*						110,000
2017		Well No. 6A Rehabilitation	Replacement Cap.	$ 75,000				$ -	$ -				*30,000*	*45,000*									75,000
2017		Well No. 29 Rehabilitation	Replacement Cap.	$ 60,000				$ -	$ -					*30,000*	*30,000*								60,000
2017		Well No. 35 Rehabilitation	Replacement Cap.	$ 60,000				$ -	$ -						*30,000*	*30,000*							60,000
2017	17-600	Entry Buildings @ Filter and GAC Pipe Gallery Entrance	Safety	$ 28,500				$ -	$ -					*28,500*									28,500
2017		Water Meter Replacement Program for 2017	Replacement Cap.	$ 700,000				$ -	$ -										*200,000*	*200,000*	*200,000*	*100,000*	700,000
2017		Parking Lot Resurfacing	Replacement Cap.	$ 110,000				$ -	$ -								*110,000*						110,000
2017		WTP Control Room Upgrades	Replacement Cap.	$ 35,000				$ -	$ -				*15,000*	*20,000*									35,000
2017	15-614	Drainage Improvements @ WTP	New Capital	$ 80,000				$ -	$ -						*80,000*								80,000
2018	16-602	Avenue P and 25th Water Main Replacement (Spec 1601)	Replacement Cap.	$ 48,000				$ -	$ -														0
2018	12-611	Avenue P-8 Water Main Replacement	Replacement Cap.	$ 145,000				$ -	$ -														0
2018		Ave. P-12, Division, 2nd, 3rd, Stanridge Water Main Repl.	Replacement Cap.	$ 750,000				$ -	$ -														0
2018		Sierra Hwy. Tie-In and Abandonment	Replacement Cap.	$ 15,000				$ -	$ -														0
2018		13th Street East and Avenue R Water Main Replacement	Replacement Cap.	$ 48,000				$ -	$ -														0
2018		Ave. Q-14 and 17th Street East Water Main Replacement	Replacement Cap.	$ 45,000				$ -	$ -														0
2018		Ave. Q-10 and 12th Street East Water Main Replacement	Replacement Cap.	$ 15,000				$ -	$ -														0
2018		Protective Coatings on WTP Structures	Replacement Cap.	$ 100,000				$ -	$ -														0
2018		Electric Car Charging Station	New Capital	$ 7,000				$ -	$ -														0
2018		Well, Booster, and Remote Site System Improvements	Replacement Cap.	$ 500,000				$ -	$ -														0
2018		WTP Infrastructure and Process/Equipment Repairs	Replacement Cap.	$ 75,000				$ -	$ -														0
2018-2020		Replacement of Structural Support Beams - WTP Sed. Basins	Replacement Cap.	$ 300,000				$ -	$ -														0
								$ -	$ -														0
								$ -	$ -														0
								$ -	$ -														
			Sub-Totals:	$ 3,951,500		$ 2,288,742		$ 776,088.33	$ 1,512,654	326,288	279,030	177,166	290,833	751,500	460,594	176,422	170,000	20,000	225,000	500,000	200,000	100,000	3,007,135

Updated: February 15, 2017

Palmdale Water District
2017 Capital Projects - Contractual Commitments and Needs

Consulting and Engineering Support

Budget Year	Work Order	Project Title	Project Type	Estimated Expense	Consultant	Approved Contract Amount	Board / Manager Approval	Payments Approved to Date	Contract Balance	Through Dec. 2016	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	2017 Total
2017	12-400	PRGRRP - CEQA, Permitting, Pre-Design, and Pilot	Water Supply		Kennedy/Jenks	$ 1,627,000	5/12/2016	$ 1,333,880	$ 293,120	1,293,991		39,889	*50,000*	*50,000*	*100,000*	*93,120*							*333,009*
2017	16-412	Well CT Study	Regulatory		Carollo	$ 9,700	9/14/2016	$ 8,245	$ 1,455	8,245			*1,455*										*1,455*
2017	04-501	Littlerock Sediment Removal Project (EIR/EIS/Permitting)	Water Supply		Aspen	$ 869,023	9/14/2016	$ 682,124	$ 186,899	671,136		10,988	*25,000*	*50,000*	*50,000*	*61,899*							*197,887*
2017	04-501	Littlerock Sediment Removal (Cost Recovery Agreement)	Permitting		Forest Service	$ 100,000	9/28/2016	$ -	$ 100,000				*100,000*										*100,000*
2017	15-403	Water Mangement Information System Database	Record Management		DCSE	$ 12,000	10/26/2016	$ -	$ 12,000				*12,000*										*12,000*
2017	14-404	Water System Master Plan - CEQA	Facilities Planning		ESA	$ 174,715	11/9/2016	$ -	$ 174,715			2,230	*30,000*	*30,000*	*30,000*	*20,000*	*20,000*	*20,000*	*22,486*				*174,715*
2017		WTP Process Evaluation (As-Needed)	Regulatory		Carollo	$ 35,000	1/11/2017	$ -	$ 35,000				*10,000*	*15,000*	*10,000*								*35,000*
2017	04-501	Littlerock Sediment Removal Project - Design Grade Control Structure	Water Supply	$ 350,000		$ -		$ -	$ -														
2017		Sanitary Survey Update	Regulatory	$ 50,000		$ -		$ -	$ -														
2018		System Valuation Study	Financial Planning	$ 30,000		$ -		$ -	$ -														
2018		Electrical Engineering (As-Needed)	Facilities Design	$ 10,000		$ -		$ -	$ -														
2018		Energy Storage - Feasibility and Pilot Study	Savings/Efficiency	$ 50,000		$ -		$ -	$ -														
			Sub-Totals:	$ 490,000		$ 2,827,438		$ 2,024,249	$ 803,189	*1,973,372*	-	*53,107*	*228,455*	*145,000*	*190,000*	*175,019*	*20,000*	*20,000*	*22,486*	-	-	-	*854,066*

New and Replacement Equipment

Budget Year	Work Order	Project Title	Project Type	Estimated Expense	Vendor/Supplier	Approved Contract Amount	Board / Manager Approval	Payments Approved to Date	Contract Balance	Through Dec. 2016	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	2017 Total
2017	16-413	CIS Software Replacement (Holman Capital Financed)	Replacement Equip.		TruePoint	$ 475,000	9/14/2016	$ 97,099	$ 377,901	50,000	78,284	48,593	*50,000*	*50,000*	*50,000*	*50,000*	*50,000*	*48,123*					425,000
2017	17-402	Security Improvements @ WTP (Holman Capital Financed) Spec. No. 1702	Safety		Siemens	$ 225,674	2/8/2017	$ -	$ 225,674				*50,000*	*50,000*	*50,000*	*50,000*	*25,674*						225,674
2017	N/A	Increased Data Storage to Support CMS and Growth (Holman Capital Financed)	New Equipment			$ 98,000	1/26/2017	$ -	$ 98,000				*98,000*										98,000
2017	N/A	IVR (Holman Capital Financed)	Replacement Equip.		PALITTO	$ 16,000	1/26/2017	$ 7,797	$ 8,203			7,797	*8,203*										16,000
2017	N/A	Payment Kiosk for Customer Care Lobby (Holman Capital Financed)	Replacement Equip.		ADCOMP	$ 21,000	1/26/2017	$ 20,425	$ 575			20,425											20,425
2017	N/A	LIMS - Laboratory Information Management System (Holman Capital Financed)	Replacement Equip.		Promium	$ 40,600	2/8/2017	$ -	$ 40,600				*15,000*	*15,000*	*10,600*								40,600
2018		Water Meter Calibration Bench	New Equipment	$ 10,000		$ -		$ -	$ -														
2017		Power Broom Attachment	New Equipment	$ 9,000		$ -		$ -	$ -														
2018		Online Forms	New Equipment	$ 25,000		$ -		$ -	$ -														
2018		Customer Texting / Mass Communication - Everbridge	New Equipment	$ 30,000		$ -		$ -	$ -														
2018		Conference Bridge - Shoretel	New Equipment	$ 25,000		$ -		$ -	$ -														
2018		Data Center UPS - Whole Room UPS	New Equipment	$ 25,000		$ -		$ -	$ -														
			Sub-Totals:	$ 124,000		$ 876,274		$ 125,321	$ 750,953	50,000	78,284	76,815	221,203	115,000	110,600	100,000	75,674	48,123	0	0	0	0	825,699

Water Quality Fee Funded Projects

Budget Year	Work Order	Project Title	Project Type	Estimated Expense	Vendor/Supplier	Approved Contract Amount	Board / Manager Approval	Payments Approved to Date	Contract Balance	Through Dec. 2016	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	2017 Total
2017	17-401	GAC Replacements @ WTP	Water Quality	$ 570,000	Calgon Carbon	$ 570,000	7/9/2014	$ -	$ 570,000					*190,000*					*190,000*			*190,000*	*570,000*
2017	17-402	GAC Replacement @ Underground Booster Station	Water Quality	$ 65,000	Evoqua	$ -		$ -	$ -								*65,000*						*65,000*
2017	17-403	Filter Media Testing/Inspection	Water Quality	$ 30,000	ERS	$ -		$ -	$ -					*30,000*									*30,000*
2017	17-404	Replacement Lab Equipment - GCMS/Autosampler	Regulatory		Agilent	$ 121,780	1/11/2017	$ 121,780	$ -			121,780											*121,780*
			Sub-Totals:	$ 665,000		$ 691,780		$ 121,780	$ 570,000			121,780		*220,000*			*65,000*		*190,000*			*190,000*	*786,780*

Summary (W/O GAC)	Totals	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	2017 Total
Total Approved Contracts to Date	$ 5,992,454													
Total Payments on Approved Contracts to Date	$ 2,925,658													
Total Contract Balance to Date	$ 3,066,796													
Non-Operating Capital Expenditures (Committed)	$ 2,783,400	357,314	307,088	635,491	628,000	401,194	311,441	95,674	68,123	22,486	300,000	0	0	2,783,400
Non-Operating Capital Expenditures (Projected)	$ 2,078,525	0	0	105,000	383,500	360,000	140,000	170,000	20,000	225,000	200,000	200,000	100,000	2,078,525
Funding Through Series 2013A WRB	$ 330,503	-22,454	-50,877	-100,000	-100,000	-100,000	-30,503							-403,835
Funding Through Holman Capital	$ 667,902	-78,284	-76,815	-196,000	-166,000	-71,000	-150,000	-15,000	-69,902					-823,000
Funding Through 2017 Budgeted Non-Operating Capital Ex.	$ 3,635,090	256,577	179,396	444,491	745,500	590,194	270,938	250,674	18,221	247,486	500,000	200,000	100,000	3,635,090

Water Revenue Bond - Series 2013A

Updated: February 15, 2017

Project	Work Order	Description	Allocated Based on Bond	Contractual Commitment	Payout to Date	Grant Funds/Operating Budget	Uncommitted Bond $
Spec. 1204	603-12	Ave. Q - Q-3, Division and Sumac	$ 725,000	$ 765,085	$ 765,085	$ -	$ (40,085)
Spec. 1201	606-11	20th, Puerta, Sweetbriar, and 22nd St. E.	$ 1,450,000	$ 1,487,261	$ 1,487,261	$ -	$ (37,261)
Spec. 1205	605-12	Frontier, 31st St. E., etc. between Ave. Q and Q-4	$ 1,200,000	$ 1,291,539	$ 1,291,539	$ 485,000	$ (91,539)
Spec. 1207	607-12	10th St. E. between Ave. P and Palmdale Blvd.	$ 1,400,000	$ 1,327,806	$ 1,327,806	$ -	$ 72,194
LRDSR	501-04	Littlerock Sediment Removal (EIR/EIS/Permits)	$ 975,000	$ 869,023	$ 682,075	$ -	$ 105,977
LCGRRP	400-12	Littlerock Recharge and Recovery (Feasibility)	$ 1,500,000	$ 769,891	$ 769,891	$ -	$ 730,109
UAR	TBD	Upper Amargosa Recharge (Project Capacity)	$ 1,250,000	$ 1,250,000	$ 129,215	$ 668,589	$ -
Spec. 0905	601-09	15th St. E. between Ave. P and Ave. Q (Material)	$ -	$ 362,984	$ 362,984	$ -	$ (362,984)
PRGRRP	501-04	Palmdale Regional Recharge and Recovery (Permits)	$ -	$ 1,530,000	$ 1,333,880		$ (1,530,000)
Totals:			**$ 8,500,000**	**$ 9,653,589**	**$ 8,149,737**	**$ 1,153,589**	**$ (1,153,589)**

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

19	BV Construction - Progress Payment #7	Apr 16, 2014	7	Spec. 1201	$ 252,741.80
20	BV Construction - Progress Payment #8	May 15, 2014	8	Spec. 1201	$ 69,825.00
20	Aspen - EIR/EIS Progress Payment	May 15, 2014	1116.002-08	LRDSR	$ 33,388.96
20	Kennedy/Jenks - Progress Payment	May 15, 2014	82422 & 80900	LCGRRP	$ 135,858.74
21	BV Construction - Progress Payment #9	Jun 4, 2014	9	Spec. 1201	$ 67,260.00
21	Aspen - EIR/EIS Progress Payment	Jun 4, 2014	1116.002-09	LRDSR	$ 31,845.93
22	BV Construction - Progress Payment #10	Jun 30, 2014	10	Spec. 1201	$ 139,498.00
23	Kennedy/Jenks - Progress Payment	Jun 30, 2014	83735	LCGRRP	$ 30,172.21
23	Aspen - EIR/EIS Progress Payment	Jun 30, 2014	1116.002-10	LRDSR	$ 10,672.32
24	BV Construction - Progress Payment #11	Jul 21, 2014	11	Spec. 1201	$ 141,217.50
24	Kennedy/Jenks - Progress Payment	Jul 21, 2014	84147	LCGRRP	$ 26,431.83
24	Aspen - EIR/EIS Progress Payment	Jul 21, 2014	1116.002-11	LRDSR	$ 6,274.20
25	BV Construction - Progress Payment #12	Aug 19, 2014	12	Spec. 1201	$ 84,386.60
25	Aspen - EIR/EIS Progress Payment	Aug 19, 2014	1116.002-12	LRDSR	$ 11,115.51
26	BV Construction - Progress Payment #13	Sept 10, 2014	13	Spec. 1201	$ 47,654.85
26	Aspen - EIR/EIS Progress Payment	Sept 10, 2014	1116.002-13	LRDSR	$ 37,715.30
27	BV Construction - Progress Payment #14	Sept 29, 2014	14	Spec. 1201	$ 122,741.90
27	PWD - Reimbursement	Sept 29, 2014	N/A	Spec. 0905	$ 260,611.31
28	Cedro Construction - Progress Payment #1	Oct 14, 2014	1	Spec. 1207	$ 310,752.41
28	City of Palmdale - Recharge Project	Oct 14, 2014	PWD-2014	UAR	$ 38,402.47
29	Aspen - EIR/EIS Progress Payment	Oct 23, 2014	1116.002-14	LRDSR	$ 56,223.72
29	Kennedy/Jenks - Progress Payment	Oct 23, 2014	87036	LCGRRP	$ 80,732.32
30	BV Construction - Progress Payment #15	Nov 12, 2014	15	Spec. 1201	$ 84,974.65
30	Aspen - Bio and Cultural Report	Nov 12, 2014	3277.001-01	Spec. 1205	$ 10,608.08
30	Cedro Construction - Progress Payment #2	Nov 12, 2014	2	Spec. 1207	$ 195,802.84
31	ANM Construction - Paving	Nov 17, 2014	011115-1	Spec. 0905	$ 102,373.00
32	Aspen - Bio and Cultural Report	Nov 26, 2014	3277.001-02	Spec. 1205	$ 1,147.81
32	Aspen - EIR/EIS Progress Payment	Nov 26, 2014	1116.002-15	LRDSR	$ 76,161.79
33	Kennedy/Jenks - Progress Payment	Dec 29, 2014	88741	LCGRRP	$ 71,831.14
33	BV Construction - Progress Payment #16 (Retention)	Dec 29, 2014	16 - Retention	Spec. 1201	$ 74,363.05
33	Aspen - EIR/EIS Progress Payment	Dec 29, 2014	1116.002-16	LRDSR	$ 6,136.99
34	Cedro Construction - Progress Payment #3	Jan 7, 2015	3	Spec. 1207	$ 294,189.21
35	BV Construction - Progress Payment #1	Jan 26, 2015	1	Spec. 1205	$ 152,445.08
35	Aspen - EIR/EIS Progress Payment	Jan 26, 2015	1116.002-17	LRDSR	$ 13,105.63
36	Kennedy/Jenks - Progress Payment	Feb 2, 2015	89538	LCGRRP	$ 78,066.17
37	BV Construction - Progress Payments #2 and #3	Feb 19, 2015	2 and 3	Spec. 1205	$ 195,962.20
37	Aspen - EIR/EIS Progress Payment	Feb 19, 2015	1116.002-18	LRDSR	$ 8,814.60
38	BV Construction - Progress Payment #4	Mar 9, 2015	4	Spec. 1205	$ 123,500.00
38	Cedro Construction - Progress Payment #4	Mar 9, 2015	4	Spec. 1207	$ 70,371.25
39	BV Construction - Progress Payment #5	Mar 31, 2015	5	Spec. 1205	$ 144,210.00
39	Aspen - EIR/EIS Progress Payment	Mar 31, 2015	1116.002-19	LRDSR	$ 12,057.52
39	Kennedy/Jenks - Progress Payment	Mar 31, 2015	90983	LCGRRP	$ 134,407.47

40	Cedro Construction - Progress Payment #5	Apr 13, 2015	5	Spec. 1207	$ 116,680.99
41	BV Construction - Progress Payment #6	Apr 27, 2015	6	Spec. 1205	$ 125,003.43
41	Aspen - EIR/EIS Progress Payment	Apr 27, 2015	1116.002-20	LRDSR	$ 7,540.62
42	Cedro Construction - Progress Payment #6	May 19, 2015	6	Spec. 1207	$ 103,592.13
43	BV Construction - Progress Payment #7	Jun 8, 2015	7	Spec. 1205	$ 72,296.90
43	Aspen - Native American Monitoring	Jun 8, 2015	3277.001-03	Spec. 1205	$ 7,702.52
43	Aspen - EIR/EIS Progress Payment	Jun 8, 2015	1116.002-21	LRDSR	$ 44,109.14
44	Aspen - EIR/EIS Progress Payment	Jun 23, 2015	1116.002-22	LRDSR	$ 34,285.59
44	Cedro Construction - Progress Payment #7	Jun 23, 2015	7	Spec. 1207	$ 60,299.73
45	BV Construction - Progress Payment #8	Jul 15, 2015	8	Spec. 1205	$ 111,492.00
45	Kennedy/Jenks - Progress Payment	Jul 15, 2015	93555	LCGRRP	$ 46,443.99
45	Kennedy/Jenks - Progress Payment	Jul 15, 2015	93556	PRGRRP	$ 251,714.21
46	Aspen - EIR/EIS Progress Payment	Jul 21, 2015	1116.002-23	LRDSR	$ 16,484.80
46	Aspen - Native American Monitoring	Jul 21, 2015	3277.001-04	Spec. 1205	$ 4,152.75
46	City of Palmdale - Recharge Project	Jul 21, 2015	PWD-2015	UAR	$ 54,977.18
47	BV Construction - Progress Payment #9	Aug 11, 2015	9	Spec. 1205	$ 107,542.76
47	Kennedy/Jenks - Progress Payment	Aug 11, 2015	94435	PRGRRP	$ 238,422.35
48	Aspen - EIR/EIS Progress Payment	Sept 14, 2015	1116.002-24	LRDSR	$ 9,024.21
48	Cedro Construction - Final Payment/Retention	Sept 14, 2015	Final Retention	Spec. 1207	$ 157,491.76
49	Aspen - EIR/EIS Progress Payment	Sept 28, 2015	1116.002-25	LRDSR	$ 1,034.50
49	Kennedy/Jenks - Progress Payment	Sept 28, 2015	95632	PRGRRP	$ 190,705.91
50	Aspen - Native American Monitoring	Oct. 12, 2015	3277.001-05	Spec. 1205	$ 5,581.50
50	BV Construction - Progress Payment #10	Oct. 12, 2015	10	Spec. 1205	$ 92,241.20
51	Aspen - Native American Monitoring	Nov. 4, 2015	3277.001-06	Spec. 1205	$ 4,707.50
51	Kennedy/Jenks - Progress Payment	Nov. 4, 2015	96460	PRGRRP	$ 129,704.49
52	Aspen - Native American Monitoring	Dec. 28, 2015	96461	Spec. 1205	$ 3,013.50
52	Kennedy/Jenks - Progress Payment	Dec. 28, 2015	97775	PRGRRP	$ 159,241.36
53	Kennedy/Jenks - Progress Payment	Jan. 21, 2016	98545	PRGRRP	$ 67,612.54
53	Aspen - EIR/EIS Progress Payment	Jan. 21, 2016	1116.002-25 & 27	LRDSR	$ 3,751.40
54	BV Construction - Progress Payment #11	Feb. 3, 2016	11	Spec. 1205	$ 67,200.17
55	BV Construction - Retention Payment	Feb. 23, 2016	Retention	Spec. 1205	$ 62,731.78
55	Kennedy/Jenks - Progress Payment	Feb. 23, 2016	99318	PRGRRP	$ 58,537.45
56	Aspen - EIR/EIS Progress Payment	Mar. 28, 2016	1116.003-01	LRDSR	$ 33,898.64
56	Kennedy/Jenks - Progress Payment	Mar. 28, 2016	99918	PRGRRP	$ 57,193.72
57	Kennedy/Jenks - Progress Payment	Apr. 19, 2016	100572	PRGRRP	$ 7,364.72
58	Aspen - EIR/EIS Progress Payment	May 23, 2016	1116.003-02	LRDSR	$ 5,535.88
58	Kennedy/Jenks - Progress Payment	May 23, 2016	101354	PRGRRP	$ 26,258.21
59	Aspen - EIR/EIS Progress Payment	Jun 20, 2016	1116.003-03	LRDSR	$ 37,001.22
59	Kennedy/Jenks - Progress Payment	Jun 20, 2016	102083	PRGRRP	$ 5,389.60
60	Aspen - EIR/EIS Progress Payment	Jul 21, 2016	1116.003-05 & 05	LRDSR	$ 43,122.23
60	Kennedy/Jenks - Progress Payment	Jul 21, 2016	103204	PRGRRP	$ 21,078.38
61	City of Palmdale - Recharge Project	Jul 27, 2016	PWD-2016	UAR	$ 35,834.85

62	Aspen - EIR/EIS Progress Payment	Sept 6, 2016	1116.003-06	LRDSR	$ 3,097.87
62	Kennedy/Jenks - Progress Payment	Sept 6, 2016	104354	PRGRRP	$ 32,202.76
63	Kennedy/Jenks - Progress Payment	Sept 19, 2016	104792	PRGRRP	$ 25,142.44
64	Aspen - EIR/EIS Progress Payment	Oct. 31, 2016	1116.003-07	LRDSR	$ 4,298.50
64	Kennedy/Jenks - Progress Payment	Oct. 31, 2016	105451	PRGRRP	$ 6,899.35
65	Aspen - EIR/EIS Progress Payment	Nov. 15, 2016	1116.003-08 1110.004-01	LRDSR	$ 8,375.36
65	Kennedy/Jenks - Progress Payment	Nov. 15, 2016	106216	PRGRRP	$ 13,942.29
66	Aspen - EIR/EIS Progress Payment	Jan. 2, 2017	1116.004-02 & 03	LRDSR	$ 19,872.98
66	Kennedy/Jenks - Progress Payment	Jan. 2, 2017	107221	PRGRRP	$ 2,581.18
67	Aspen - EIR/EIS Progress Payment	Feb. 6, 2017	1116.004-04	LRDSR	$ 10,988.25
68	Kennedy/Jenks - Progress Payment	Feb. 14, 2017	109065	PRGRRP	$ 39,889.11

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

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

DATE:	February 15, 2017	**February 21, 2017**
TO:	FINANCE COMMITTEE	**Committee Meeting**
FROM:	Michael Williams, Finance Manager/CFO	
VIA:	Mr. Dennis D. LaMoreaux, General Manager	
RE:	***AGENDA ITEM NO. 4.5 – CONSIDERATION AND POSSIBLE ACTION ON RESOLUTION NO. 17-7 BEING A RESOLUTION OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT ADOPTING A DEBT MANAGEMENT POLICY. (NO BUDGET IMPACT – FINANCE MANAGER WILLIAMS/FINANCE COMMITTEE)***	

Recommendation:

Staff recommends approving Resolution No. 17-7 Adopting a Debt Management Policy.

Alternative Options:

There is no alternative if the District intends to issue any debt after January 1, 2017.

Impact of Taking No Action:

The impact of taking no action would prevent the District from issuing debt after January 1, 2017, due to the passage of Senate Bill 1029.

Background:

In September 2016, the Senate passed a bill, SB 1029, which requires public agencies to report to the California Debt and Investment Advisory Commission (CDIAC) no later than 30 days prior to the sale of any debt a report of the proposed debt issuance. Effective January 1, 2017 as part of the reporting process, the public agency must certify that they have adopted local debt policies concerning the use of debt and that the proposed debt issuance is consistent with those policies.

SB 1029 also requires the local agency to file annual debt transparency reports for any issue of debt for which they have submitted a report of Final Sale during the reporting period. The transparency report is due within seven months of the close of the reporting period, which is defined as July 1st through June 30th.

FINANCE COMMITTEE
PALMDALE WATER DISTRICT
VIA: Mr. Dennis D. LaMoreaux, General Manager

The policy being adopted documents the goals of the District for the use of debt instruments and provides guidelines for the use of debt for financing District water infrastructure and project needs. The District's overriding goal in issuing debt is to respond to and provide for its infrastructure, capital project and other financing needs while ensuring that debt is issued and managed prudently in order to maintain a sound fiscal position and protect credit quality.

Strategic Plan Initiative:

Strategic Plan Initiative No.4 - Financial Health & Stability: *Maintain high level bond rating.*

Budget:

This item has no budget impact.

Supporting Documents:

- Resolution No. 17-7
- Debt Management Policy

RESOLUTION NO. 17-7

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT ADOPTING A DEBT MANAGEMENT POLICY

WHEREAS, the Palmdale Water District is an issuer of public debt; and

WHEREAS, California Senate Bill 1029, adopted in September 2016, requires public debt issuers who issue debt after January 1, 2017 to have an adopted debt policy; and

WHEREAS, the Palmdale Water District may issue debt after January 1, 2017.

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

The Debt Management Policy, as provided in Exhibit A, is approved effective February 22, 2017.

WE THE UNDERSIGNED, do hereby certify that the above and foregoing resolution was duly and regularly adopted and passed by the Board of Directors of the Palmdale Water District at a regular meeting duly held on the 22nd day of February 2017, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

_____
President of the Board

ATTEST:

_____
Secretary of the Board

APPROVED AS TO FORM:

_____
General Counsel
ALESHIRE & WYNDER, LLP

PALMDALE WATER DISTRICT
DEBT MANAGEMENT POLICY
February 22, 2017

POLICY STATEMENT

This policy documents the goals of the Palmdale Water District ("District") for the use of debt instruments and provides guidelines for the use of debt for financing District water infrastructure and project needs. The District's overriding goal in issuing debt is to respond to and provide for its infrastructure, capital project and other financing needs while ensuring that debt is issued and managed prudently in order to maintain a sound fiscal position and protect credit quality. The District issues debt instruments, administers District held debt proceeds and makes debt service payments, acting with prudence, diligence and attention to prevailing economic conditions.

The District will pay for all infrastructure, projects, and other financing needs from a combination of current revenues, available reserves, if any, and prudently issued debt. The District believes that debt can provide an equitable means of financing projects for its customers and provide access to new capital needed for infrastructure and project needs. Debt will be used to meet financing needs (i) if it meets the goals of equitable treatment of all customers, both current and future; (ii) if it is the most cost-effective means available; (iii) if it is fiscally prudent, responsible, and diligent under the prevailing economic conditions; and (iv) if there are other important policy reasons therefor. The District will not issue debt without the approval of the Board of Directors ("Board").

Purpose and Use of Debt

The District will utilize reasonable debt financing as an acceptable and appropriate approach to fund long-term improvements and thus ensure that existing and future users pay their fair share. Long-term improvements include the acquisition of land, facilities, infrastructure, and supplies of water; and enhancements or enlargements to existing capacity and facilities for obtaining, importing, transporting and delivering additional quantities of water. These improvements are typically included in the District's, Capital Improvement Budget and Water Master Plan. Bond proceeds can be issued to fund the planning, design, land acquisition, construction, attached fixtures or equipment and moveable pieces of equipment, or other costs as permitted by law.

Purpose of Policy

The purpose of this debt management policy is to:

- Establish parameters for issuing debt
- Provide guidance to decision makers:
    - With respect to all options available to finance infrastructure, capital projects, and other financing needs
    - So that the most prudent, equitable and cost effective method of financing can be chosen
- Document the objectives to be achieved both prior to issuance and subsequent to issuance
- Promote objectivity in the decision-making process
- Facilitate the financing process by establishing important policy decisions in advance

The District will adhere to the following legal requirements for the issuance of public debt:

- The state law which authorizes the issuance of the debt
- The federal and state laws which govern the eligibility of the debt for tax-exempt status

- The federal and state laws which govern the issuance of taxable debt
- The federal and state laws which govern disclosure, sale, and trading of the debt both before and subsequent to issuance

Types of Debt

Revenue Bonds, Notes, Certificates of Participation, special tax or special assessment bonds, capital leases, commercial paper, bank loans, direct placements and lease-purchase financings will be treated as debt and subject to these same policies.

I. GENERAL PROVISIONS

The District will provide for a periodic review of its financial performance and review its performance relative to the financial policies outlined herein. These financial policies will be taken into account during the capital planning, budgeting, and rate setting processes. Necessary appropriations for annual debt service requirements will be routinely included in the District's annual budget. The District will maintain proactive communication with the investment community, including rating agencies, credit enhancers and investors, to ensure future capital market access at the lowest possible interest rates.

The District's Debt Management Policy, the Reserve Policy, and the Investment Policy are integrated into the decision-making framework utilized in the budgeting and capital improvement planning process. As such, the following principles outline the District's approach to debt management:

- The District will issue debt only in the case where there is an identified source of repayment. Debt will be issued to the extent that (i) projected existing revenues are sufficient to pay for the proposed debt service together with all existing debt service covered by such existing revenues, or (ii) additional projected revenues have been identified as a source of repayment in an amount sufficient to pay for the proposed debt.
- The District will not issue debt to cover operating needs, unless specifically approved by the Board.
- Debt issuance for a capital project will not be considered unless such project has been incorporated into the District's adopted Capital Improvement Budget or as otherwise approved by the Board.
- Each proposal to issue debt will be accompanied by an analysis that demonstrates conformity to this Policy. This analysis will address the purpose for which the debt is issued and the proposed debt structure.

II. CONDITIONS FOR DEBT ISSUANCE

The following guidelines formally establish parameters for evaluating, issuing, and managing the District's debt. The guidelines outlined below are not intended to serve as a list of rules to be applied to the District's debt issuance process, but rather to serve as a set of practices to promote prudent financial management.

In issuing debt, the District's objectives will be to:

- Achieve the lowest cost of capital
- Ensure ratepayer equity
- Maintain the adopted credit rating strategy, or a more effective credit rating strategy, and access to credit enhancement
- Preserve financial flexibility

Standards for Use of Debt Financing

When appropriate, the District will use long-term debt financing to achieve an equitable allocation of capital costs/charges between current and future system users, to provide more manageable rates in the near and medium term and to minimize rate volatility. The District shall not construct or acquire a facility if it is unable to adequately provide for the subsequent annual operation and maintenance costs of the facility throughout its expected life. Capital projects financed through debt issuance will not be financed for a term longer than the expected useful life of the project.

Debt Capacity

There is no specific provision within the California Government Code that limits the amount of debt that may be issued by the District. The District's future borrowing capability is limited by the debt coverage ratio and additional debt limitations required by the existing bond covenants.

Financing Criteria

Each debt issuance should be evaluated on an individual basis within the context of the District's overall financing objectives and current market conditions. The District will evaluate alternative debt structures (and timing considerations) to ensure the most cost-efficient financing under prevailing market conditions.

Credit Enhancement – The District will consider the use of credit enhancement on a case-by-case basis. Only when clearly demonstrable savings can be realized shall credit enhancement be utilized.

Cash-Funded Reserve vs. Surety – If the issuance of debt requires a cash-funded debt service reserve fund, the District may purchase a surety policy or replace an existing cash-funded debt service reserve fund when deemed prudent and advantageous. The District may permit the use of guaranteed investment agreements for the investment of reserve funds pledged to the repayment of any of its debt when it is approved by the Board.

Call Provisions – In general, the District's securities should include optional call provisions. The District will avoid the sale of non-callable, long-term fixed rate bonds, absent careful evaluation of the value of the call option.

Additional Bonds Test/Rate Covenants – The amount and timing of debt will be planned to comply with the additional bonds tests and rate covenants outlined in the appropriate legal and financing documents, and this policy.

Short-Term Debt – The District may utilize short-term borrowing to serve as a bridge for anticipated revenues, construction financing or future bonding capacity.

Variable Rate Debt – Variable rate debt products are rolling series of short-term investments that are resold periodically and are therefore priced at the short-end of the yield curve at low interest rates. If an issuer accepts the risks inherent in variable interest rates, the issuer can take advantage of some of the lowest rates available on the market. Variable rate debt may be appropriate for the District's portfolio, especially in an environment where increased interest earnings on invested funds offset the increased cost of variable rate debt. Variable rate debt products include variable rate demand obligations, commercial paper, and auction rate securities. The District may consider the use of variable rate debt products to achieve a lower cost of borrowing or for short-term

borrowing. In determining whether or not to use variable rate debt, the District will analyze the risks associated with the variable rate debt products, including derivative products.

Use of Variable Rate Debt – The District may consider the use of variable rate debt products to achieve a lower cost of borrowing or for short-term borrowing. In determining whether or not to use variable rate debt, the District will analyze, among other things, the risk associated with the variable rate debt and the impact on the District's overall portfolio. Before issuing variable rate debt, the District will analyze its cash position; the District will not issue variable rate debt in an amount that exceeds 115% of its unrestricted cash position at the time of issuance of any variable rate debt.

Investment of Bond Proceeds - Bond proceeds will be invested in accordance with the permitted investment language outlined in the bond documents for each transaction. The District will seek to maximize investment earnings within the investment parameters set forth in the respective debt financing documentation. The reinvestment of bond proceeds will be incorporated into the evaluation of each financing decision; specifically addressing arbitrage/rebate position, and evaluating alternative debt structures and refunding savings on a "net" debt service basis, where appropriate.

Refinancing Outstanding Debt

The Finance Manager/Chief Financial Officer ("FM/CFO") shall have the responsibility to evaluate potential refunding opportunities. The District will consider the following issues when analyzing potential refinancing opportunities:

Debt Service Savings – The District shall establish a target savings level greater of or equal to 5% of the par of debt refunded on a net present value (NPV) basis (after payment of all costs associated with the issuance). This figure will serve only as a guideline and the District may determine that a different savings target is appropriate; the District shall evaluate each refunding opportunity on a case-by-case basis. In addition to the savings guideline, the following shall be taken into consideration:

- Remaining time to maturity
- Size of the issue
- Current interest rate environment
- Annual cash flow savings
- The value of the call option
- Revision of restrictive or onerous covenants
- Other factors that may be applicable

Restructuring – The District may seek to refinance a bond issue on a non-economic basis, in order to restructure debt, to mitigate irregular debt service payments, accommodate revenue shortfalls, to achieve a proper matching of debt service with revenues, release reserve funds, or comply with and/or eliminate rate/bond covenants.

Term/Final Maturity – The District may consider the extension of the final maturity of the refunding bonds in order to achieve a necessary outcome, provided that such extension is legal. The term of the debt should not extend beyond the reasonably expected useful life of the asset being financed. The District may also consider shortening the final maturity of the bonds. The remaining useful life of the assets and the concept of inter-generational equity will guide these decisions.

Defeasance – Defeasance is when a debt financing is refinanced or paid off through an escrow where certain authorized investments and cash are deposited to pay the redemption price, principal and interest until such time the debt is fully redeemed. On the date when proceeds are deposited into the escrow, the debt will no longer be deemed outstanding and is defeased.

There are two types of defeasances: legal and economic. A legal defeasance ends all of the rights and interest of the debt holders provided under the governing documents, including the pledge of revenues or other security interest. An economic defeasance does not end the rights and interest of the debt holders until such debt is fully redeemed.

When evaluating an economic versus legal defeasance, the District shall take into consideration both the financial impact on a net present value basis as well as the rating/credit impact. The District shall take all necessary steps to optimize the yield on its refunding escrows investments and avoid negative arbitrage.

Outstanding Debt Limitations

Prior to issuance of new debt, the District shall consider and review the latest credit rating reports and guidelines to ensure the District's credit ratings and financial flexibility remain at levels consistent with the most highly rated comparable public agencies.

Method of Issuance

The District will determine, on a case-by-case basis, whether to sell its bonds competitively or through negotiation.

Competitive Sale – In a competitive sale, the District's debt shall be awarded to the bidder providing the lowest true interest cost ("TIC"), as long as the bid adheres to the requirements set forth in the official notice of sale.

Negotiated Sale – The District recognizes that some bond issues are best sold through negotiation with a selected underwriter or team of underwriters. The District has identified the following circumstances below in which this would likely be the case:

- Issuance of variable rate or taxable bonds
- Complex structures or credit considerations (such as non-rated bonds), which require a strong pre-marketing effort. Significant par value, which may limit the number of potential bidders, unique/proprietary financing mechanism (such as a financing pool), or specialized knowledge of financing mechanism or process
- Market volatility, such that the District would be better served by flexibility in the timing of its sale, such as in the case of a refunding issue wherein the savings target is sensitive to interest rate fluctuations, or in a changing interest rate environment
- When an underwriter has identified new financing opportunities or presented alternative structures that financially benefit the District
- As a result of an underwriter's familiarity with the project/financing, that enables the District to take advantage of efficiency and timing considerations

Private Placement – From time to time the District may elect to issue debt on a private placement basis. Such method shall be considered if it is demonstrated to result in cost savings or provide other advantages relative to other methods of debt issuance, or if it is determined that access to the public market is unavailable and timing considerations require that a financing be completed.

Market Communication, Debt Administration and Reporting Requirements

Responsibilities – For purposes of this policy the General Manager/CEO delegates responsibility to the FM/CFO or his/her successor in position and in title.

Rating Agencies – The FM/CFO shall be responsible for maintaining the District's relationships with Standard & Poor's Ratings Services, Fitch Ratings, and Moody's Investors Service, as appropriate. The District shall, from time to time, deal with one, two or all of these agencies as circumstances dictate. In addition to general communication, the FM/CFO shall (1) meet, (either in person or via phone) with credit analysts at least annually, and (2) prior to each competitive or negotiated sale, offer conference calls or meeting(s) with rating analysts in connection with the planned sale.

Observance of Debt Covenants – The FM/CFO will periodically ensure that the District is in compliance with all legal covenants for each debt issue.

Continuing Disclosure – The FM/CFO will comply for all debt issued with Rule 15c2-12(b)(5) by required filing as covenanted in each debt issue's Continuing Disclosure Agreement. The FM/CFO will maintain a calendar with the reporting deadlines and procedures for dissemination of annual reports and notices.

Record Keeping – A copy of all debt-related records shall be retained at the District's offices or in an approved storage facility. At minimum, these records shall include all official statements, bid documents, bond documents/transcripts, resolutions, trustee statements, leases, and title reports for each financing (to the extent available). To the extent possible, the District shall retain an electronic copy of each document, preferably in PDF or CD-ROM format.

Arbitrage Rebate – The District will comply with the administratively adopted policies and procedures regarding tax-exempt financings and tax-exempt financed property, as well as the tax and arbitrage certifications associated with each issue.

Internal Controls for Use of Proceeds – FM/CFO will ensure that the proceeds of debt issuances are used in accordance with the intended uses.

Policy Review – This policy should be reviewed on a biennial basis by the Finance Committee and adopted by the Board.

POLICY REVISION DATES

02/22/2017 Adoption of New Policy

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:	**Others Present:**
Finance Committee:	Dennis LaMoreaux, General Manager
Marco Henriquez, Chair	Matt Knudson, Assistant General Manager
Robert Alvarado, Committee Member	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)

Fiscal Year Ending September 30	Audited 2012	Audited 2013	Audited 2014	Audited 2015	Nov 2015 - Oct 2016	Dec 2015 - Nov 2016	Jan 2016 - Dec 2016
OPERATING REVENUES	22,597	24,125	23,342	21,248	22,458	22,532	22,593
Rate Stabilization Fund		(480)					
	22,597	23,645	23,342	21,248	22,458	22,532	22,593
OPERATING EXPENSES							
Gross operating expenses	22,216	20,665	22,405	20,974	20,026	20,624	20,489
Overhead adjustment	(43)	(217)	(509)	(26)			
SWP Fixed operations and maint	(915)	(720)	(363)	(126)	(134)	(139)	(141)
Non-Cash Related OPEB Expense	(1,565)	(1,455)	(1,786)	(1,828)			
Capital portion included above							
TOTAL EXPENSES	19,693	18,273	19,748	18,994	19,892	20,485	20,347
NET OPERATING REVENUES	2,904	5,372	3,594	2,254	2,566	2,047	2,245
NON-OPERATING REVENUE							
Ad valorem property taxes	1,704	2,573	2,132	2,146	2,224	2,227	2,252
Interest income	25	44	45	43	93	99	105
Capital improvement fees	1,258	245	14	367	238	238	235
Other income	843	421	306	768	440	436	432
TOTAL NON-OPERATING INCOME	3,830	3,284	2,497	3,324	2,994	2,999	3,025
NET REV AVAILABLE FOR DEBT SERVICE	6,734	8,655	6,091	5,578	5,561	5,046	5,270
NET DEBT SERVICE							
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
TOTAL DEBT SERVICE	3,634	3,810	3,908	3,912	3,930	3,930	3,930
DEBT SERVICE COVERAGE	**1.85**	**2.27**	**1.56**	**1.43**	**1.42**	**1.28**	**1.34**
NET REV AVAILABLE AFTER D/S	3,100	4,846	2,183	1,665	1,631	1,117	1,341

AGENDA ITEM NO. 5.1