

Since 1918



PALMDALE WATER DISTRICT

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Board of Directors

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Division 3

KATHY MAC LAREN
Division 4

VINCENT DINO
Division 5

ALESHIRE & WYNDER
LLP
Attorneys

February 16, 2017

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

Wednesday, February 22, 2017

7:00 p.m.

NOTES: 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.

Additionally, a Spanish interpreter will be made available to assist the public in making **comments** under Agenda Item No. 4 and any action items where public input is offered during the meeting if requested at least 48 hours before the meeting. Please call Dawn Deans at 661-947-4111 x1003 with your request. This was authorized by Board action on May 11, 2016 as a temporary measure while a long-term policy is developed.

Adicionalmente, un intérprete en español estará disponible para ayudar al público a hacer **comentarios** bajo la sección No. 4 en la agenda y cualquier elemento de acción donde se ofrece comentarios al público durante la reunión, siempre y cuando se solicite con 48 horas de anticipación de la junta directiva. Por favor de llamar Dawn Deans al 661-947-4111 x1003 con su solicitud. Esto fué autorizado por la mesa directiva en la junta del 11 de mayo del 2016 como una medida temporal mientras se desarrolla una poliza a largo plazo.

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) Pledge of Allegiance/Moment of Silence.
- 2) Roll Call.
- 3) Adoption of Agenda.
- 4) Public comments for non-agenda items.



- 5) Presentations:
 - 5.1) None at this time.
- 6) Action Items - Consent Calendar (The public shall have an opportunity to comment on any action item on the Consent Calendar as the Consent Calendar is considered collectively by the Board of Directors prior to action being taken.)
 - 6.1) Approval of minutes of regular meeting held February 8, 2017.
 - 6.2) Payment of bills for February 22, 2017.
 - 6.3) Approval to disband the following Board Ad Hoc Committees: Ad Hoc Legal Services Committee, Ad Hoc Board Norms Committee, Ad Hoc Littlerock Dam Committee, Ad Hoc Fin & Feather Committee, Ad Hoc GM Contract Committee, Ad Hoc Best Practices Committee, Ad Hoc Energy Committee, Ad Hoc Board Compensation and Expenses Committee, and Ad Hoc Spanish Interpreter Committee. (President Alvarado)
- 7) Action Items – Action Calendar (The public shall have an opportunity to comment on any action item as each item is considered by the Board of Directors prior to action being taken.)
 - 7.1) Consideration and possible action on Resolution No. 17-6 being a Resolution of the Board of Directors of the Palmdale Water District Ending Emergency Drought Restrictions and Surcharge and Commending District Customers on Conservation Accomplishments During the Drought. (Deputy Water & Energy Resources Director Thompson II)
 - 7.2) Consideration and possible action on 2016 Strategic Plan Initiatives. (General Manager LaMoreaux/Assistant General Manager Knudson/Dr. Bill Mathis)
 - 7.3) Status report on Cash Flow Statement and Current Cash Balances as of December, 2016. (Financial Advisor Egan/Finance Committee)
 - 7.4) Status report on Financial Statements, Revenue, and Expense and Departmental Budget Reports for December, 2016. (Finance Manager Williams/Finance Committee)
 - 7.5) Status report on committed contracts issued and water revenue bond projects. (Assistant General Manager Knudson/Finance Committee)
 - 7.6) 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)
 - 7.7) Consideration and possible action on authorization of the following conferences, seminars, and training sessions for Board and staff attendance within budget amounts previously approved in the 2017 Budget:
 - a) Water Education for Latino Leaders 5th Annual Conference “Water in California” to be held March 23 - 24, 2017 in San Diego.

- b) A.W.W.A. Spring Conference “Facing the Future Together” to be held April 10 - 13, 2017 in Anaheim.
- 8) Information Items:
 - 8.1) Reports of Directors:
 - a) President’s Report.
 - 1) 2017 Standing Committees. (President Alvarado)
 - b) Meetings/General Report.
 - c) Standing Committee/Assignment Reports (Chair):
 - 1) AVSWCA
 - 2) PRWA
 - 3) Finance Committee
 - 8.2) Report of General Manager.
 - a) Febuary, 2017 written report of activities through January, 2017.
 - 8.3) Report of General Counsel.
- 9) Public comments on closed session agenda matters.
- 10) Break prior to closed session.
- 11) Closed session under:
 - 11.1) Conference with Legal Counsel – Existing Litigation: A closed session will be held, pursuant to Government Code §54956.9 (d)(1), to confer with Special Litigation Counsel regarding existing litigation to which the District is a party. The title of such litigation is as follows: *Antelope Valley Ground Water Cases*.
- 12) Public report of any action taken in closed session.
- 13) Board members' requests for future agenda items.
- 14) Adjournment.



DENNIS D. LaMOREAUX,
General Manager

DDL/dd

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

DATE: February 15, 2017 **February 22, 2017**
TO: BOARD OF DIRECTORS **Board Meeting**
FROM: Mr. Dennis D. LaMoreaux, General Manager
RE: ***AGENDA ITEM NO. 6.3 – APPROVAL TO DISBAND THE FOLLOWING BOARD AD HOC COMMITTEES: AD HOC LEGAL SERVICES COMMITTEE, AD HOC BOARD NORMS COMMITTEE, AD HOC LITTLE ROCK DAM COMMITTEE, AD HOC FIN & FEATHER COMMITTEE, AD HOC GM CONTRACT COMMITTEE, AD HOC BEST PRACTICES COMMITTEE, AD HOC ENERGY COMMITTEE, AD HOC BOARD COMPENSATION AND EXPENSES COMMITTEE, AND AD HOC SPANISH INTERPRETER COMMITTEE. (PRESIDENT ALVARADO)***

One of the duties of the Board President is to “form or disband standing and ad hoc committees” per Article 4.06.1 of the District’s Rules and Regulations.

President Alvarado is disbanding the Ad Hoc Legal Services Committee, Ad Hoc Board Norms Committee, Ad Hoc Littlerock Dam Committee, Ad Hoc Fin & Feather Committee, Ad Hoc GM Contract Committee, Ad Hoc Best Practices Committee, Ad Hoc Energy Committee, Ad Hoc Board Compensation and Expenses Committee, and Ad Hoc Spanish Interpreter Committee.

**PALMDALE WATER DISTRICT
BOARD MEMORANDUM**

DATE: February 15, 2017 **February 22, 2017**
TO: BOARD OF DIRECTORS **Board Meeting**
FROM: Mr. Jon M. Pernula, Water and Energy Resources Director
VIA: Mr. Dennis D. LaMoreaux, General Manager
RE: ***AGENDA ITEM NO. 7.1 – CONSIDERATION AND POSSIBLE ACTION ON
RESOLUTION NO. 17-6 BEING A RESOLUTION OF THE BOARD OF
DIRECTORS OF THE PALMDALE WATER DISTRICT ENDING
EMERGENCY DROUGHT RESTRICTIONS AND SURCHARGE AND
COMMENDING DISTRICT CUSTOMERS ON CONSERVATION
ACCOMPLISHMENTS DURING THE DROUGHT. (DEPUTY WATER &
ENERGY RESOURCES DIRECTOR THOMPSON II)***

Recommendation:

Staff recommends the Board adopt Resolution No. 17-6 being a Resolution of the Board of Directors of the Palmdale Water District (District) Ending Emergency Drought Restrictions and Surcharge and Commending District Customers on Conservation Accomplishments During the Drought.

Background:

2016 water resources and reserves in the state started at historically low levels. By the end, 2016 saw improved hydrologic conditions in parts of California and improved water storage levels. Winter 2017 has brought historic levels of water to northern California filling most of the states depleted reservoirs. Locally, Littlerock Reservoir has filled. While the effects of drought still linger in some portions of the state, the water supply available to Palmdale Water District has improved dramatically, and the need for emergency conservation has come to an end.

During the course of the drought District customers have been very responsive. Conservation efforts from residents, businesses, the school districts and the City of Palmdale have managed to save a cumulative 22% when measured against water use in 2013. This conserved water is an important piece of the water supply that has helped reduced the effects of the drought.

On February 8, the State Water Resources Control Board (SWRCB) amended and extended the current Drought Related Emergency Regulations. The amendment allows for agencies to re-evaluate their supply of water and certify that the supply is sufficient to carry through three additional years of drought. The extension will require the District to continue to enforce statewide water waste prohibitions as well as report monthly production to SWRCB.

February 15, 2017

Staff recommends adoption of this resolution. This Resolution directs staff to re-certify the District's water supply thereby removing the state mandated conservation order, end Time of Day watering restrictions, end assessment of the drought surcharge, and recognize the significant conservation efforts of customers during the drought.

Strategic Plan Initiative:

This work is part of Strategic Initiative No. 1 – Water Resource Reliability.

Budget:

Ending the drought surcharge may have a negative impact on budget until water use increases.

Supporting Documents:

- Resolution No. 17-6
- Resolution No. 16-8
- SWRCB Extended Emergency Water Conservation Regulation Adopted Text

RESOLUTION NO. 17-6
RESOLUTION OF THE BOARD OF DIRECTORS
OF THE PALMDALE WATER DISTRICT
ENDING EMERGENCY DROUGHT RESTRICTIONS AND SURCHARGE
AND COMMENDING DISTRICT CUSTOMERS ON CONSERVATION
ACCOMPLISHMENTS DURING THE DROUGHT

WHEREAS, Palmdale Water District (“District”) is a water district empowered to provide water service within District boundaries; and

WHEREAS, Water Code Section 1058.5 grants the State Water Resources Control Board (SWRCB) the authority to adopt emergency regulations in certain drought years in order to: “prevent the waste, unreasonable use, unreasonable method of use, or unreasonable method of diversion, of water, to promote water recycling or water conservation;” and

WHEREAS, on February 8, 2017, the SWRCB voted to extend the Governor issued Executive Order B 37-16 that orders provisions contained in his January 17, 2014 Emergency Proclamation, April 25, 2014 Emergency Proclamation, Executive orders B-26-14, B-28-14, B-29-15 and B-36-15 remain in full force and effect except as modified by B-37-16 through November 2017; and

WHEREAS, the District adopted Resolution No. 16-8 on July 13, 2016 extending water conservation by customers in response to drought and the April 25, 2014 Governor’s Proclamation; and

WHEREAS, on February, 8 2017, the SWRCB made a provision in the adopted resolution extending and amending Drought Related Emergency Regulations allowing for re-evaluation of self-certification by local water suppliers of water supply reliability during an additional three years of drought; and

WHEREAS, water supplies have improved to such an extent that an additional three years of drought would not threaten health and safety and that sufficient supplies exist to meet the State Water Resources Control Board’s criteria for no conservation under the self-certification provision; and

WHEREAS, the District’s customers have saved, through their collective conservation efforts, over 22% cumulatively since June of 2015, when compared to 2013 production; and

WHEREAS, the water savings through conservation during the course of the drought have protected and preserved precious water supplies; and

WHEREAS, the District is required to comply with State law, including regulations adopted by the SWRCB, codified at Title 23 of the California Code of Regulations and is authorized pursuant thereto to implement its requirements; and

WHEREAS, the District desires to comply with the SWRCB emergency water conservation regulations and to continue to provide the SWRCB with monthly production reporting and enforce water waste prohibitions as required by the continued Drought Related Emergency Regulations.

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

Section 1: Findings: The Board of Directors of the District hereby finds and declares as follows:

1) On February 8, 2017, the SWRCB adopted a resolution extending and revising Drought Related Emergency Regulations such that they shall carry through the end of November, 2017 requiring the District to continue to comply with the regulation and allowing for the District to eliminate its conservation order through self-certification of water supply.

2) In 2017, the District is utilizing carryover water from the 2016 State Water Project allocation.

3) The current 2017 State Water Project allocation is at 60%.

4) Due to available surface water, the District will rely less on groundwater supplies.

5) Available supplies are sufficient to cover health and safety needs in the event of three more years of drought.

6) District customers have conserved over 22% during the drought when compared to usage during 2013.

Section 2: Compliance with Extended State Water Board Regulation. The Board of Directors of the District authorizes the General Manager to continue to enforce water waste prohibitions as required by the SWRCB.

Section 3: Conservation Goal and Authorized Actions. The Board of Directors of the District hereby recognizes and commends the customers of the District for their conservation efforts and accomplishments during the drought.

Section 4: Cancellation of Stage 1 Water Shortage Rationing and Authorized Actions: The Board of Directors of the District, in accordance with the foregoing findings, hereby determines and declares the current water supply sufficient to call an end to Water Shortage Rationing. The General Manager is authorized to implement Action 1 through 3 to effectively lift all drought related charges and restrictions not required by the extended Drought Related Emergency Regulation.

Action 1. Submission of Self-Certification of Water Supply. The General Manager shall take all steps necessary to certify with the SWRCB the District's re-evaluated water supply.

Action 2. Cessation of Drought Surcharge. The General Manager shall take all steps necessary to cease assessment of the Stage 1 Drought Surcharge.

Action 3: Cessation of Time of Day Water Restrictions: The General Manager will take all steps necessary to repeal and cease enforcement of all Time of Day watering restrictions imposed under Resolution No. 16-8.

Section 5: Appeal: Decisions made by the District under the regulations set forth in this Resolution may be appealed by consumers in accordance with the procedure set forth in the District Rules and Regulations.

Section 6: Severability: If any portion of this Resolution is found to be unconstitutional or invalid, the District hereby declares that it would have enacted the remainder of this Resolution regardless of the absence of any such valid part.

Section 7: Effective Date: This Resolution shall take effect March 1, 2017.

BE IT FURTHER RESOLVED, that the Board of Directors finds that the provisions of this Resolution are exempt from the provisions of the California Environmental Quality Act as an action to mitigate emergency conditions and as a rate setting measure pursuant to Public Resources Code §21080(b)(4) and (8).

PASSED AND ADOPTED at a regular meeting of the Board of Directors of Palmdale Water District held on February 22, 2017.

President, Board of Directors
Palmdale Water District

Secretary, Board of Directors
Palmdale Water District

APPROVED AS TO FORM:

Aleshire & Wynder, LLP
District Legal Counsel

**PALMDALE WATER DISTRICT
RESOLUTION NO. 16-8**

**RESOLUTION OF THE BOARD OF DIRECTORS
OF PALMDALE WATER DISTRICT
RECOGNIZING PERSISTENT YET LESS SEVERE DROUGHT CONDITIONS
THROUGHOUT CALIFORNIA
DECLARING EMERGENCY WATER CONSERVATION REGULATIONS
AND AFFIRMING STATE WATER RESOURCES CONTROL BOARD'S REGULATIONS
ENSURING A WATER SUPPLY ASSUMING THREE MORE DRY YEARS AND
ADOPTION OF REGULATIONS AND RESTRICTIONS ON THE DELIVERY AND
CONSUMPTION OF WATER FOR PUBLIC USE**

WHEREAS, Palmdale Water District ("District") is a water district empowered to provide water service within District boundaries; and

WHEREAS, due to inadequate water storage, opposition to the development and construction of water supply facilities, and legal restrictions on the flow of State Water Project water to Southern California, California in general, and the Antelope Valley, in particular, has been experiencing shortages in water supplies; and

WHEREAS, the State Water Project final allocation for 2016 has been established at 60% and deliveries have, therefore, been reduced in response to the inadequacy of water supplies; and

WHEREAS, groundwater supplies which provide a supplemental source of water to the District, are limited in nature, being subjected to increased demands, and now subject to legal rulings arising from a groundwater basin adjudication action that further limit the District groundwater supplies; and

WHEREAS, conservation of water by all District consumers is necessary to relieve the problems caused by the shortage in water supplies; and

WHEREAS, the District has attempted, through its public information program, to advise and alert the consumers to the serious nature of the water supply situation. Customers have made significant progress in water use efficiency from pre-2009 by exceeding the State required 20% reduction by the year 2020 under SBX 7-7; and

WHEREAS, on May 9, 2016 the Governor issued an Executive Order B 37-16 that orders provisions contained in his January 17, 2014 Emergency Proclamation, April 25, 2014 Emergency Proclamation, Executive orders B-26-14, B-28-14, B-29-15 and B-36-15 remain in full force and effect except as modified by B-37-16 and further directs the State Board to adjust and extend its emergency water conservation regulations through the end of January 2017; and

WHEREAS, the District adopted Resolution No. 16-5 on February 10, 2016 extending heightened water conservation by customers in response to drought and the April 25, 2014 Governor's Proclamation; and

WHEREAS, Water Code Section 1058.5 grants the State Water Resources Control Board the authority to adopt emergency regulations in certain drought years in order to: "prevent the waste, unreasonable use, unreasonable method of use, or unreasonable method of diversion, of water, to promote water recycling or water conservation;" and

WHEREAS, on May 31, 2016, the State Water Resource Control Board adopted a resolution extending and revising Emergency Conservation Regulations such that they shall carry through the end of January 2017 including revisions providing for self-certification by local water suppliers for three year water supply reliability during an additional three years of drought; and

WHEREAS, following the making of findings as required by law, the District has the power and authority to adopt mandatory water conservation measures within its boundaries pursuant to Part 5 of the Irrigation District Law, codified at Division 11 of the California Water Code; and

WHEREAS, the District is required to comply with State law, including regulations adopted by the State Water Resources Control Board (SWRCB), codified at Title 23 of the California Code of Regulations and is authorized pursuant thereto to implement its requirements; and

WHEREAS, the District desires to comply with the SWRCB emergency water conservation regulations and to apply the Stage 1 Water Shortage Contingency Plan contained in the District's 2015 Urban Water Management Plan, including voluntary water reductions which measures have been implemented; and

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

Section 1: Findings: The Board of Directors of the District hereby finds and declares as follows:

- 1) On May 31, 2016, the State Water Resource Control Board adopted a resolution extending and revising Emergency Conservation Regulations such that they shall carry through the end of January 2017 requiring the District to implement its water conservation measures.
- 2) The 2016 State Water Project water available to the District is at (60%) allocation.
- 3) Continued production of water from the groundwater basin without proportionate recharge of the basin through stream runoff, rainfall, and snow melt could result in irreparable damage to the storage capacity of the basin aquifers and impair the long-term water delivery capability of the District.

4) Voluntary and mandatory water conservation measures would be necessary to maintain sufficient water supply to meet demand in three more years of ongoing drought.

5) At present, without supplemental supplies, the anticipated water available to the District is insufficient to meet anticipated demands over a projected three year continuation of the drought.

6) Should existing drought conditions continue, or should the District lose its water production capacity, there may be insufficient water available for human consumption, sanitation and fire protection.

Section 2: Reinstatement of Stage 1 Water Shortage Rationing: The Board of Directors of the District, in accordance with the foregoing findings, hereby determines and declares the existence of a continuing emergency condition of water shortage within its service area and further determines and declares that the regulations and restrictions on delivery of water and consumption of water within its service area as hereinafter set forth are necessary, in the sound discretion of the Board of Directors of the District, to conserve the water supply for the greatest public benefit with particular regard to domestic use, sanitation, and fire protection.

Section 3: Authorization to Implement Restrictions on Water Consumption: The Board of Directors of the District hereby authorizes the General Manager of the District to take specific steps to meet water conservation goals, regulations, and restrictions on water consumption as hereinafter set forth.

Section 4: Conservation Goal and Authorized Actions. The conservation goal of the District and the State Water Board is a reduction in water use of Fifteen percent (15%) when compared against usage in 2013, which goal is mandatory through January, 2017. The General Manager is authorized to implement Action 1 Paragraphs 1 through 13 of this Resolution to meet said conservation goal.

Action 1. Mandatory Water Conservation Regulations. The General Manager shall take all steps necessary to advise the District's customers of the following mandatory regulations and to enforce them in accordance with the SWRCB's permanent prohibitions of practices that waste potable water and the existing PWD Waste of Water Policy:

1. There shall be no hose washing of sidewalks, walkways, buildings, walls, patios, driveways, parking areas or other paved surfaces, or walls, except to eliminate conditions dangerous to public health or safety or when required as surface preparation for the application of architectural coating or painting.
2. Washing of motor vehicles, trailers, boats and other types of equipment shall be done only with a hand-held nozzle for quick rinses, except that washing may be done with reclaimed wastewater or by a commercial car wash using recycled water.

3. No water shall be used to clean, fill or maintain levels in decorative fountains, ponds, lakes or other similar aesthetic structures unless such water is part of a closed recycling system.
4. No restaurant, hotel, cafe, cafeteria or other public place where food is sold, served or offered for sale, shall serve drinking water to any customer unless expressly requested and shall display a notice to that effect.
5. All water users shall promptly repair all leaks from indoor and outdoor plumbing fixtures.
6. No lawn, landscape, or other turf area shall be watered during the hours between 10:00 a.m. and 6:00 p.m. Water days will be set as follows: No water day restrictions required.

Exemptions:

- a. No watering hour restrictions during the months of November, December, January, February, and March. Watering can occur between the hours of 10:00 am and 6:00 pm.
7. Irrigation with potable water of ornamental turf on public street medians is prohibited.
8. Irrigation with potable water outside of newly constructed homes and buildings not delivered by drip or microspray is prohibited.
9. No water users shall cause or allow the water to run off landscape areas into adjoining streets, sidewalks, or other paved areas due to incorrectly directed or maintained sprinklers or excessive watering. If cited, random acts of vandalism will be considered in any appeal.
10. No water shall be applied to outdoor landscapes during and within 48 hours of measurable rainfall.
11. The owner and manager of every hotel, motel, inn, guest house, bed and breakfast facility, and short-term commercial lodging shall post a notice of such shortage and any necessary compliance measures.
12. Commercial nurseries, golf courses, parks, school yards, and other public open space, and landscaped areas shall be prohibited from watering lawn, landscaping, and other turf areas more between the hours of 6:00 a.m. and 6:00 p.m. except that there shall be no restriction on watering

utilizing reclaimed water or where public use requires a modified and approved watering schedule.

Exemptions:

- a. Athletic field watering can occur between the hours of 6:00 p.m. and 10:00 a.m. the following morning.
 - b. No watering hour restrictions during the months of November, December, January, February, and March. Water can occur between the hours of 6:00 a.m. and 6:00 p.m.
 - c. Watering schedules must be adhered to at all times. The District requires advance written notice of any maintenance activities requiring water use between the hours of 6:00 a.m. and 6:00 p.m.
13. The use of water from fire hydrants shall be limited to fire fighting and related activities and other uses of water for municipal purposes shall be limited to activities necessary to maintain the public health, safety, and welfare. Construction meter use in accordance with standard District policy will be allowed under this resolution.

Action 2: Voluntary Water Rationing: Upon specific authorization by the Board of Directors, the General Manager shall implement a phased water rationing to protect the water supply of the District and to guarantee adequate supply for domestic use, sanitation, and fire protection as follows:

1. Stage 1: Water Rationing: A fifteen percent (15%) reduction in water deliveries to all District customers.

Action 3: Extension of Drought Surcharge: Upon specific authorization by the Board of Directors, the General Manager shall implement a phased drought surcharge to cover costs due to lost revenue during voluntary water cutbacks.

1. Stage 1: Drought Surcharge: A 45 cent surcharge on all non-essential usage tiers. The Stage 1 Drought Surcharge as implemented June 1, 2015. (Tiers 2-6)

Section 5: Duration of Water Shortage Rationing: The regulations, restrictions, and actions set forth herein shall take full force and effect immediately upon authorization by the Board of Directors and shall remain in full force and effect through January, 2017 or until otherwise directed by the SWRCB.

Section 6: Appeal: Decisions made by the District under the regulations set forth in this Resolution may be appealed by consumers in accordance with the procedure set forth in the District Rules and Regulations.

Section 7: Violation: A violation of the regulations and restrictions set forth herein will result in progressive warnings, fines, or result in the discontinuance of service to consumers willfully violating the conservation measures set forth herein or such other penalty or restriction as may be allowed by law. The Stage 1 fines under Water Shortage Emergency Plan (2015 UWMP) will be set as follows:

1. First violation will result in a documented warning.
2. Second violation will result in a fine of \$50
3. Third violation will result. result in a fine of \$250
4. Fourth violation will in a fine of \$500
5. Fifth Violation will result in discontinuance of service.

Section 8: Severability: If any portion of this Resolution is found to be unconstitutional or invalid, the District hereby declares that it would have enacted the remainder of this Resolution regardless of the absence of any such valid part.

Section 9: Effective Date: This Resolution shall take effect immediately.

BE IT FURTHER RESOLVED, that the Board of Directors finds that the provisions of this Resolution are exempt from the provisions of the California Environmental Quality Act as an action to mitigate emergency conditions and as a rate setting measure pursuant to Public Resources Code §21080(b)(4) and (8).

PASSED AND ADOPTED at a regular meeting of the Board of Directors of Palmdale Water District held on July 13, 2016.



President, Board of Directors
Palmdale Water District



Secretary, Board of Directors
Palmdale Water District

APPROVED AS TO FORM:



Aleshire & Wynder, LLP
District Legal Counsel

**STATE WATER RESOURCES CONTROL BOARD
BOARD MEETING SESSION – OFFICE OF RESEARCH, PLANNING AND PERFORMANCE
FEBRUARY 8, 2017**

ITEM 9

SUBJECT

CONSIDERATION OF A PROPOSED RESOLUTION AMENDING AND READOPTING DROUGHT-RELATED EMERGENCY REGULATIONS FOR URBAN WATER CONSERVATION TO IMPLEMENT EXECUTIVE ORDER B-29-15, B-36-15, and B-37-16

DISCUSSION

On January 17, 2014, Governor Brown declared a drought state of emergency. On April 25, 2014 the Governor signed an Executive Order calling on the State to redouble state drought actions. Among other things, the Executive Order directed the State Water Board to adopt emergency regulations as it deemed necessary, pursuant to Water Code section 1058.5, to ensure that urban water suppliers implement drought response plans to limit outdoor irrigation and other wasteful water practices.

On July 15, 2014, the State Water Board adopted [Resolution No. 2014-0038](#), which adopted an emergency regulation for water conservation that added new sections to title 23 of the California Code of Regulations. The emergency regulation became effective on July 28, 2014 upon approval by the Office of Administrative Law (OAL). On March 17, 2015, the State Water Board adopted [Resolution No. 2015-0013](#), which amended and readopted the emergency regulation for an additional 270 days. The regulatory language became effective on March 27, 2015 upon approval by OAL. On April 1, 2015, Governor Brown issued [Executive Order B-29-15](#), which, among other things, directed the State Water Board to impose restrictions on water suppliers to achieve a statewide 25 percent reduction in potable urban usage through February 2016. On May 5, 2015, the State Water Board adopted [Resolution No. 2015-0032](#) and an emergency regulation, which, among other things, placed each urban water supplier in a conservation tier, ranging between 4 and 36 percent, based residential per capita water use for the months of July through September 2014. The emergency regulation became effective on May 18, 2015 for 270 days upon approval by the Office of Administrative Law (OAL).

On November 13, 2015, Governor Brown issued [Executive Order B-36-15](#), which called for an extension of urban water use restrictions until October 31, 2016, should drought conditions persist. This Executive Order also directed the State Water Board to consider modifying the restrictions on water use and incorporate insights gained from the existing restrictions. On February 2, 2016, the State Water Board adopted [Resolution No. 2016-0007](#), which amended and readopted the emergency regulation for an additional 270 days. That regulation became effective on February 11, 2016 upon approval by OAL.

On May 9, 2016 Governor Brown issued [Executive Order B-37-16](#) calling for the State Water Board to adjust emergency water conservation regulations through the end of January 2017, in recognition of the differing water supply conditions across the state. To implement the Executive Order, the State Water Board adopted [Resolution No. 2016-0029](#), which revised regulations to allow individual suppliers to self-certify that there would be no supply shortfall assuming three additional dry years. The self-certification “stress test” allowed many suppliers

to self-certify that there would be no supply shortfall, even after three additional drought years. The Executive Order also called on the Board to develop a proposal to achieve a mandatory reduction in potable urban water usage that builds off of the mandatory 25% reduction called for in Executive Order B-29-15 and lessons learned through 2016. The current emergency regulation became effective on May 31, 2016 upon approval by OAL and remains in effect until February 28, 2017.

So far, the state has experienced significant snow and rainfall during the 2016/2017 water year, causing many of the state's reservoirs to shift to flood-control operations; however, some reservoirs remain critically low and groundwater storage remains depleted in many areas due to the continued impact of prolonged drought. Precipitation cannot be counted on to continue, and snowpack levels, while above average for the current time of year, are subject to rapid reductions as seen in 2016 and before. The full picture of the state's hydrologic water conditions for 2016/2017 remains unclear and subject to a number of variables at least through the end of the spring.

Consistent with Governor's May 9, 2016 Executive Order the State Water Board staff recommend that the State Water Board re-adopt an extend, with minor amendments, the emergency regulation and reassess water supply conditions, as well as the need for continued urban water conservation regulations, in the spring of 2017.

POLICY ISSUE

Should the State Water Board adopt the proposed resolution and accompanying regulation?

FISCAL IMPACT

Fiscal considerations are addressed as a part of drought funding.

REGIONAL BOARD IMPACT

None.

STAFF RECOMMENDATION

Staff recommends that the State Water Board adopt the proposed resolution adopting the emergency regulation.

DRAFT

STATE WATER RESOURCES CONTROL BOARD RESOLUTION NO. 2017-

TO ADOPT AN EMERGENCY REGULATION FOR STATEWIDE URBAN WATER CONSERVATION

WHEREAS:

1. On January 17, 2014, Governor Edmund G. Brown Jr. issued [Proclamation No. 1-17-2014](#) (January 2014 Proclamation) declaring a drought State of Emergency to exist in California due to severe drought conditions presenting urgent problems to drinking water supplies and cultivation of crops, which put farmers' long-term investments at risk, and threatening the survival of animals and plants that rely on California's rivers, including many species in danger of extinction. The January 2014 Proclamation called on all Californians to reduce their water usage by 20 percent;
2. On April 25, 2014, Governor Edmund G. Brown Jr. issued an executive order ([April 2014 Proclamation](#)) to strengthen the State's ability to manage water and habitat effectively in drought conditions, calling on all Californians to redouble their efforts to conserve water. The April 2014 Proclamation noted that the severe drought conditions presented urgent challenges across the State, including water shortages in communities and for agricultural production, increased wildfires, degraded habitat for fish and wildlife, threat of saltwater contamination, and additional water scarcity. Among other things, the April 2014 Proclamation suspended the environmental review required by the California Environmental Quality Act to allow certain actions, including State Water Resources Control Board (State Water Board) rulemaking pursuant to Water Code section 1058.5, to take place as quickly as possible;
3. Between April 2014 and November 2015 Governor Brown and the Legislature took a number of additional drought-related actions including extending the California Environmental Quality Act suspension for certain activities identified in the January 2014 and April 2014 Proclamations and other later drought-related executive orders.
4. In response to [Executive Order B-29-15](#), on May 5, 2015, the State Water Board adopted [Resolution No. 2015-0032](#) and a regulation pursuant to Water Code section 1058.5 that, among other things, required a mandatory 25 percent statewide reduction in potable urban water use between June 2015 and February 2016. To implement the Executive Order, the regulation placed each urban water supplier in a conservation tier, ranging between 4 and 36 percent, based residential per capita water use for the months of July – September 2014. By [Resolution No. 2016-0007](#) the State Water Board extended and revised the regulation to better consider a range of factors that contribute to water use, including but not limited to climate, growth, investment in local, drought resilient supplies;
5. On May 9, 2016 Governor Brown issued [Executive Order B-37-16](#) calling for the State Water Board to adjust emergency water conservation regulations through the end of January 2017 in recognition of the differing water supply conditions across the state. To implement the Executive Order, the State Water Board adopted, by [Resolution No. 2016-0029](#), revised regulations to allow individual suppliers to self-certify that there would be no supply shortfall assuming three additional dry years. The self certification

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“stress test” allowed many suppliers to self-certify that there would be no supply shortfall, even after three additional drought years. The Executive Order also called on the Board to develop a proposal to achieve a mandatory reduction in potable urban water usage that builds off of the mandatory 25% reduction called for in Executive Order B-29-15 and lessons learned through 2016;

6. From June 2015 through December 2016, urban water suppliers have reduced statewide potable water usage 22.5 percent compared to 2013, through the significant efforts of the suppliers and their customers. Conservation has generally exceeded requirements set by individual urban water suppliers using the stress test approach. Cumulative water savings since June 2015 has reached 2.42 million acre-feet of water, which is enough water to supply approximately 12 million Californians for one year;
7. In many areas, 50 percent or more of daily water use is for lawns and outdoor landscaping. Outdoor water use is generally discretionary, and many irrigated landscapes will survive while receiving a decreased amount of water;
8. Water conservation is the easiest, most efficient and most cost-effective way to quickly reduce water demand and extend supplies, providing flexibility for all California communities. Water can be conserved even when it's raining, especially by turning off outdoor irrigation when the weather is providing ample irrigation;
9. Education and enforcement against water waste is a key tool in conservation programs. When conservation becomes a social norm in a community, the need for enforcement is reduced or eliminated;
10. Public information and awareness is critical to achieving conservation goals, and the Save Our Water campaign, run jointly by the Department of Water Resources (DWR) and the Association of California Water Agencies, is an excellent resource for conservation information and messaging that is integral to effective drought response (<http://saveourwater.com>). Appropriate messaging regarding current state and regional drought conditions will increase public awareness and understanding of why conservation measures need to continue as the State's water supply conditions improve.;
11. Many California communities have faced and continue to face social and economic hardship due to this drought. Groundwater basins remain critically low in some areas, causing communities and well owners' wells to go dry. Some reservoirs remain critically low, despite this winter's precipitation. The rest of us can make adjustments to our water use, including landscape choices that conserve even more water;
12. The State Water Board's current regulation requires that smaller water providers submit a report, due by December 15, that identifies total potable water production by month for the previous calendar year. Much of this information is also required as a component of the Division of Drinking Water's Electronic Annual Report and can be consolidated with that reporting;
13. The California Constitution declares, at article X, section 2, that the water resources of the state must be put to beneficial use in a manner that is reasonable and not wasteful. Relevant to the current drought conditions, the California Supreme Court has clarified that “what may be a reasonable beneficial use, where water is present in excess of all

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needs, would not be a reasonable beneficial use in an area of great scarcity and great need. What is a beneficial use at one time may, because of changed conditions, become a waste of water at a later time.” (*Tulare Dist. v. Lindsay Strathmore Dist.* (1935) 3 Cal.2d 489, 567.) In support of water conservation, the legislature has, through Water Code section 1011, deemed reductions in water use due to conservation as equivalent to reasonable beneficial use of that water. Accordingly, this regulation is in furtherance of article X, section 2 during this drought emergency. This temporary emergency regulation is not to be used in any future administrative or judicial proceedings as evidence or finding of waste and unreasonable use of any individual water user or water supplier subject to this regulation, and are not to affect or otherwise limit any rights to water conserved under applicable law, including without limitation, water conserved consistent with Water Code section 1011;

14. Water Code section 1058.5 grants the State Water Board the authority to adopt regulations pursuant to the emergency rulemaking process during a declared drought emergency in order to: “prevent the waste, unreasonable use, unreasonable method of use, or unreasonable method of diversion, of water, to promote water recycling or water conservation, to require curtailment of diversions when water is not available under the diverter’s priority of right, or in furtherance of any of the foregoing, to require reporting of diversion or use or the preparation of monitoring reports”;
15. As of January 15, 2017, the state has experienced significant snow and rainfall in December and January, causing many of the state’s reservoirs to shift to flood-control operations; however, groundwater storage remains depleted in many areas due to the continued impact of prolonged drought, precipitation cannot be counted on to continue, and snowpack levels, while above average for the current time of year, are subject to rapid reductions as seen in 2016 and before. The full picture of the state’s hydrologic water conditions for 2016/2017 remains unclear and subject to a number of variables at least until April 2016;
16. Extending the emergency regulation does not require any particular water supplier to establish mandatory conservation requirements; instead, it allows each supplier to customize requirements to their own water supply conditions. Continued implementation of reasonable water conservation measures is prudent to address water supply uncertainty and the lingering impacts of prolonged drought for an additional 270 days, until the Governor lifts the drought emergency proclamation, or the State Water Board determines that emergency regulations should be modified or rescinded;
17. The current regulation adopted by Resolution No. 2016-0029 is scheduled to expire February 28, 2017 by operation of law if not readopted;
18. On January 18, 2017, the State Water Board held a workshop to receive input on the potential modification and extension of the current conservation regulation. The State Water Board solicited public comments on the proposed framework and received approximately 75 comments, primarily relating to the improved water conditions in December 2016 and January 2017, whether a conservation regulation continued to be necessary, and the ability of urban water suppliers to manage their own water supply options;

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19. On January 26, 2017, the State Water Board issued public notice of its regularly-scheduled February 8, 2017 Board meeting at which it would consider amendment, extension and readoption of the regulation, in accordance with applicable State laws and regulations;
20. On February 1, 2016 the State Water Board issued staff-proposed regulatory language for public comment based on the impending expiration date of the current regulation, current conditions and comments received before and at the January 18 workshop. The staff proposal reflects careful consideration by the Board and staff of all comments including those directed at the levels of required reduction and the basis upon which water use reductions should be required. The draft regulatory language largely extends the May 18, 2016 regulation in recognition of differing water supply conditions across the state and comments from suppliers that the current regulation structure was the appropriate response to current conditions if the Board does not let the regulation expire; and;
21. As discussed above, the State Water Board is readopting the regulation because the Governor's proclamation remains in effect, because the drought conditions that formed the basis of the Governor's emergency proclamations continue to exist in portions of the state, because snowpack and reservoir conditions for the end of the water year remain subject to significant change through the end of the water year, because the May 18 regulation is set to expire on February 28, 2017, and to address ongoing need to prevent the waste and unreasonable use of water and to promote conservation during the declared drought emergency.

THEREFORE BE IT RESOLVED THAT:

1. The State Water Board readopts California Code of Regulations, title 23, sections 863, 864, 865 and 866, as appended to this resolution as an emergency regulation;
2. State Water Board staff will submit the regulation to OAL for final approval;
3. If, during the approval process, State Water Board staff, the State Water Board, or OAL determines that minor corrections to the language of the regulation or supporting documentation are needed for clarity or consistency, the State Water Board Executive Director or the Executive Director's designee may make such changes;
4. The State Water Board directs the Executive Director to consider promptly modifying or repealing the regulation consistent with Water Code section 1058.5 and State Water Board [Resolution No. 2012-0061](#) if the Governor lifts the declaration of a drought state of emergency;
5. This regulation shall remain in effect for 270 days after filing with the Secretary of State unless the State Water Board determines that it is no longer necessary due to changed conditions, the State Water Board renews the regulation due to continued drought conditions as described in Water Code section 1058.5, or the Executive Director modifies or repeals the regulation under authority delegated in Resolution No. 2012-0061;

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6. In consideration of the fact that in many years a significant portion of the state's rainfall and snowpack occur in February and March, the State Water Board directs staff to monitor and evaluate available data on precipitation, snowpack, reservoir storage levels, and other factors and report back to the Board with monthly updates on the implementation of the regulation and its effect and to receive direction from the Board regarding whether to bring a proposal for rescission or adjustment back to the Board based on updated conditions;
7. The State Water Board directs staff to condition funding upon compliance with the regulation, to the extent feasible;
8. The State Water Board directs staff to work with DWR and the Save Our Water campaign to disseminate information regarding the regulation, and to work with stakeholders to develop consistent messaging regarding the current state of the drought and need for continued water conservation; and
9. The State Water Board directs staff to use the Electronic Annual Report to collect monthly production volumes and any actions taken by the supplier to encourage or require conservation for distributors of a public water supply.

THEREFORE BE IT FURTHER RESOLVED THAT:

10. The State Water Board shall continue to work with DWR, the Public Utilities Commission, and other agencies to support urban water suppliers' actions to implement rates and pricing structures to incent additional conservation while protecting low-income ratepayers, as required by directive eight in the Governor's April 1, 2015 Executive Order and Assembly Bill 401 (2015). The Fourth District Court of Appeal's Decision in *Capistrano Taxpayer Association Inc. v. City of San Juan Capistrano* (G048969) does not foreclose the use of conservation-oriented rate structures, and conservation-oriented rate structures are an important tool to promote ongoing conservation and meet the water efficiency standards set forth in Executive Order B-37-16;
11. Nothing in the regulation or in the enforcement provisions of the regulation precludes a local agency from exercising its authority to adopt more stringent conservation measures. Moreover, the Water Code does not impose a mandatory penalty for violations of the regulation adopted by this resolution, and local agencies retain the enforcement discretion in enforcing the regulation to the extent authorized. Local agencies are encouraged to develop their own progressive enforcement practices to promote conservation;
12. The State Water Board calls upon all homeowners' associations to support and cooperate with water suppliers' and their residents' efforts to conserve water in community apartment projects, condominium projects, planned developments, and stock cooperatives statewide;
13. The State Water Board commends wholesale water agencies that have set aggressive conservation targets for their retail water suppliers and who have invested heavily in subsidizing efficiency measures such as turf and toilet rebates, recycled water production, and other potable water augmentation measures;

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14. The State Water Board commends water suppliers that have made investments to boost drought-resistant supplies, such as advanced treated recycled water and desalination. Those investments help to make communities more resilient in the face of drought and the Board is committed to moving towards a more resilience based approach to emergency water conservation and in any permanent measures going forward;
15. The State Water Board commends the many water suppliers that have taken steps and made systemic changes that have led to them surpassing their 20x2020 conservation targets as well as their emergency conservation targets. Long-term conservation efforts are critical to maintaining economic and social well-being, especially in light of the impacts of climate change on California's hydrology;
16. During this drought emergency, heightened conservation that extends urban resilience has been and continues to be necessary. The State Water Board's focus is on continuing reductions in outdoor water use;
17. The California Water Action Plan calls for making conservation a way of life, increasing regional water self-reliance, and expanding storage capacity, among other actions. Long term water security will depend on implementing a range of actions and the State Water Board recognizes that these actions must advance in a complementary manner such that one action does not impede the progress of another. The State Water Board recognizes that conservation requirements implemented in response to critical drought conditions differ from those actions needed to optimize urban water use efficiency and build resilience over the long-term. Resilience to drought requires a combination of water efficiency and the development of new sustainable supplies, such as recycling, stormwater capture and re-use, local storage to capture water in wet years for use in dry years, and other actions. However, the effect of climate change on California weather patterns and snowpack will undoubtedly put increased pressure on the water supply and pose greater risk for extreme weather conditions, including longer and more severe droughts. It is imperative that State agencies and water suppliers have the information and mechanisms needed to best respond to critical drought emergencies and that all sources of urban water be used efficiently over the long-term. Staff is directed to continue working with the Department of Water Resources, the Department of Food and Agricultural, the Energy Commission, and the Public Utilities Commission to carry out the directives in Executive Order B-37-16, by taking actions to facilitate a transition to permanent, long-term improvements to water use.

CERTIFICATION

The undersigned Clerk to the Board does hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the State Water Resources Control Board held on February 8, 2017.

Jeanine Townsend
Clerk to the Board

ADOPTED TEXT OF EMERGENCY REGULATION

Article 22.5. Drought Emergency Water Conservation.

Sec. 863. Findings of Drought Emergency.

(a) The State Water Resources Control Board finds as follows:

(1) On January 17, 2014, the Governor issued a proclamation of a state of emergency under the California Emergency Services Act based on drought conditions;

(2) On April 25, 2014, the Governor issued a proclamation of a continued state of emergency under the California Emergency Services Act based on continued drought conditions;

(3) On April 1, 2015, the Governor issued an Executive Order that, in part, directs the State Board to impose restrictions on water suppliers to achieve a statewide 25 percent reduction in potable urban usage through February, 2016; require commercial, industrial, and institutional users to implement water efficiency measures; prohibit irrigation with potable water of ornamental turf in public street medians; and prohibit irrigation with potable water outside newly constructed homes and buildings that is not delivered by drip or microspray systems;

(4) On November 13, 2015, the Governor issued an Executive Order that directs the State Board to, if drought conditions persist through January 2016, extend until October 31, 2016 restrictions to achieve a statewide reduction in potable usage;

(5) On May 9, 2016, the Governor issued an Executive Order that directs the State Board to adjust and extend its emergency water conservation regulations through the end of January 2017 in recognition of the differing water supply conditions for many communities;

(6) The drought conditions that formed the basis of the Governor's emergency proclamations continue to exist in portions of the state, and snowpack and reservoir conditions for the end of the water year remain subject to significant change; and

(7) The Governor's proclamation remains in effect, drought conditions will likely continue for the foreseeable future may persist or continue locally through the end of the water year, and additional action by both the State Water Resources Control Board and local water suppliers will likely be necessary to prevent waste and unreasonable use of water and to further promote conservation.

Authority: Section 1058.5, Water Code.

References: Article X, Section 2, California Constitution; Sections 102, 104, 105, and 275, Water Code; *Light v. State Water Resources Control Board* (2014) 226 Cal.App.4th 1463.

Sec. 864. End-User Requirements in Promotion of Water Conservation.

(a) To prevent the waste and unreasonable use of water and to promote water conservation, each of the following actions is prohibited, except where necessary to address an immediate health and safety need or to comply with a term or condition in a permit issued by a state or federal agency:

(1) The application of potable water to outdoor landscapes in a manner that causes runoff such that water flows onto adjacent property, non-irrigated areas, private and public walkways, roadways, parking lots, or structures;

(2) The use of a hose that dispenses potable water to wash a motor vehicle, except where the hose is fitted with a shut-off nozzle or device attached to it that causes it to cease dispensing water immediately when not in use;

(3) The application of potable water to driveways and sidewalks;

(4) The use of potable water in a fountain or other decorative water feature, except where the water is part of a recirculating system;

(5) The application of potable water to outdoor landscapes during and within 48 hours after measurable rainfall;

(6) The serving of drinking water other than upon request in eating or drinking establishments, including but not limited to restaurants, hotels, cafes, cafeterias, bars, or other public places where food or drink are served and/or purchased;

(7) The irrigation with potable water of ornamental turf on public street medians; and

(8) The irrigation with potable water of landscapes outside of newly constructed homes and buildings in a manner inconsistent with regulations or other requirements established by the California Building Standards Commission and the Department of Housing and Community Development.

(b) To promote water conservation, operators of hotels and motels shall provide guests with the option of choosing not to have towels and linens laundered daily. The hotel or motel shall prominently display notice of this option in each guestroom using clear and easily understood language.

(c) Upon this subdivision taking effect, all commercial, industrial and institutional properties that use a water supply, any portion of which is from a source other than a water supplier subject to section 864.5 or 865 of this article, shall either:

(1) Limit outdoor irrigation of ornamental landscapes or turf with potable water to no more than two days per week; or

(2) Target potable water use reductions commensurate with those required of the nearest urban water supplier under section 864.5 or, if applicable, section 865. Where this option is chosen, these properties shall implement the reductions on or before July 1, 2016.

(d) The taking of any action prohibited in subdivision (a) ~~or~~ (e), ~~or~~ (f), or the failure to take any action required in subdivision (b) or (c), is an infraction punishable by a fine of up to five hundred dollars (\$500) for each day in which the violation occurs. The fine for the infraction is in addition to, and does not supersede or limit, any other remedies, civil or criminal.

(e)(1) To prevent the waste and unreasonable use of water and to promote water conservation, any homeowners' association or community service organization or similar entity is prohibited from:

(A) Taking or threatening to take any action to enforce any provision of the governing documents or architectural or landscaping guidelines or policies of a common interest development where that provision is void or unenforceable under section 4735, subdivision (a) of the Civil Code; or

(B) Imposing or threatening to impose a fine, assessment, or other monetary penalty against any owner of a separate interest for reducing or eliminating the watering of vegetation or lawns during a declared drought emergency, as described in section 4735, subdivision (c) of the Civil Code.

(2) As used in this subdivision:

(A) “Architectural or landscaping guidelines or policies” includes any formal or informal rules other than the governing documents of a common interest development.

(B) “Homeowners’ association” means an “association” as defined in section 4080 of the Civil Code.

(C) “Common interest development” has the same meaning as in section 4100 of the Civil Code.

(D) “Community service organization or similar entity” has the same meaning as in section 4110 of the Civil Code.

(E) “Governing documents” has the same meaning as in section 4150 of the Civil Code.

(F) “Separate interest” has the same meaning as in section 4185 of the Civil Code.

(3) If a disciplinary proceeding or other proceeding to enforce a rule in violation of subdivision (e)(1) is initiated, each day the proceeding remains pending shall constitute a separate violation of this regulation.

(f) To prevent the waste and unreasonable use of water and to promote water conservation, any city, county, or city and county is prohibited from imposing a fine under any local maintenance ordinance or other relevant ordinance as prohibited by section 8627.7 of the Government Code.

Authority: Section 1058.5, Water Code.

References: Article X, Section 2, California Constitution; Sections 4080, 4100, 4110, 4150, 4185, and 4735, Civil Code; Section 8627.7, Government Code; Sections 102, 104, 105, 275, 350, and 10617, Water Code; *Light v. State Water Resources Control Board* (2014) 226 Cal.App.4th 1463.

Sec. 864.5. Self-Certification of Supply Reliability for Three Additional Years of Drought.

(a) To prevent the waste and unreasonable use of water and to meet the requirements of the Governor’s May 9, 2016 Executive Order, each urban water supplier shall:

(1) Identify and report no later than June 22, 2016, on a form provided by the Board, the conservation standard that the supplier will be required to meet under this section;

(2) Identify and report no later than June 22, 2016, on a form provided by the Board, the data and underlying analysis relied upon by the supplier to determine the conservation standard reported pursuant to this subdivision including, but not limited to, identification of each source of supply the supplier intends to rely on and the quantity of water available under that source of supply given the assumptions of this section;

(3) Certify, no later than June 22, 2016, that the conservation standard reported pursuant to this subdivision is based on the information and assumptions identified in this section;

(4) Post, within two weeks of submittal to the board, the data and underlying analysis relied upon by the supplier to determine the conservation standard reported pursuant to this subdivision to a publicly-accessible webpage; and

(5) Beginning June 1, 2016, reduce its total potable water production by the percentage identified as its conservation standard in this section each month, compared to the amount used in the same month in 2013.

(b) Each urban water supplier's conservation standard pursuant to this section shall be the percentage by which the supplier's total potable water supply is insufficient to meet the total potable water demand in the third year after this section takes effect under the following assumptions:

(1) The next three years' precipitation is the same as it was in water years 2013-2015;

(2) No temporary change orders that increase the availability of water to any urban water supplier are issued in the next three years;

(3) The supplier's total potable water demand for each of the next three years will be the supplier's average annual total potable water production for the years 2013 and 2014;

(4) The supplier's total potable water supply shall include only water sources of supply available to the supplier that could be used for potable drinking water purposes;

(5) Each urban water supplier's conservation standard shall be calculated as a percentage and rounded to the nearest whole percentage point.

(c) The Board will reject conservation standards that do not meet the requirements of this section.

(d) Beginning June 1, 2016, each urban water supplier shall comply with the conservation standard it identifies and reports pursuant to this section.

(e) Compliance with the conservation standard reported pursuant to this section shall be measured monthly and assessed on a cumulative basis through ~~January~~October 2017.

(f) If a wholesaler and all of its urban water supplier customers agree, in a legally-binding document, those suppliers and wholesaler may submit to the board, in lieu of the individualized self-certified conservation standard applicable pursuant to section 864.5 or section 865, an aggregated conservation standard, with all supporting documentation required for individualized self-certified conservation standards by section 864.5.

(g) Each urban water wholesaler shall calculate, to the best of its ability, and no later than June 15, 2016, the volume of water that it expects it would deliver to each urban water supplier in each of the next three years under the assumptions identified in subdivision (b), and post that calculation, and the underlying analysis, to a publicly-accessible webpage.

(h) Submitting any information pursuant to this section that the person who submits the information knows or should have known is materially false is a violation of this regulation, punishable by civil liability of up to five hundred dollars (\$500) for each day in which the violation occurs. Every day that the error goes uncorrected constitutes a

separate violation. Civil liability for the violation is in addition to, and does not supersede or limit, any other remedies, civil or criminal.

(i) Any urban water supplier that does not comply with this section shall comply with the applicable conservation standard identified in section 865.

(j) Notwithstanding the deadlines specified in subdivision (a), an urban water supplier may, no later than March 15, 2017, resubmit the material specified in subdivision (a) if that supplier has experienced a change in its baseline water supply conditions.

(k) Notwithstanding the deadlines specified in subdivision (a), an urban water supplier that did not comply with subdivision (a) may, no later than March 15, 2017, submit the material specified in subdivision (a).

(l) An urban water supplier that submits the information required by subdivision (a) in accordance with subdivision (j) or (k) shall, beginning March 1, 2017, reduce its total potable water production by the percentage identified as its conservation standard in this section each month, compared to the amount used in the same month in 2013.

Authority: Section 1058.5, Water Code.

References: Article X, Section 2, California Constitution; Sections 102, 104, 105, 275, 350, 1846, 10617 and 10632, Water Code; *Light v. State Water Resources Control Board* (2014) 226 Cal.App.4th 1463.

Sec. 865. Mandatory Actions by Water Suppliers.

(a) As used in this article:

(1) “Distributor of a public water supply” has the same meaning as under section 350 of the Water Code, except it does not refer to such distributors when they are functioning solely in a wholesale capacity, but does apply to distributors when they are functioning in a retail capacity.

(2) “R-GPCD” means residential gallons per capita per day.

(3) “Total potable water production” means all potable water that enters into a water supplier’s distribution system, excluding water placed into storage and not withdrawn for use during the reporting period, or water exported outside the supplier’s service area.

(4) “Urban water supplier” means a supplier that meets the definition set forth in Water Code section 10617, except it does not refer to suppliers when they are functioning solely in a wholesale capacity, but does apply to suppliers when they are functioning in a retail capacity.

(5) “Urban water wholesaler” means a wholesaler of water to more than one urban water supplier.

(6) “Water year” means the period from October 1 through the following September 30. Where a water year is designated by year number, the designation is by the calendar year number in which the water year ends.

(b) In furtherance of the promotion of water conservation each urban water supplier shall:

(1) Provide prompt notice to a customer whenever the supplier obtains information that indicates that a leak may exist within the end-user's exclusive control.

(2) Prepare and submit to the State Water Resources Control Board by the 15th of each month a monitoring report on forms provided by the Board. The monitoring report shall include the amount of potable water the urban water supplier produced, including water provided by a wholesaler, in the preceding calendar month and shall compare that amount to the amount produced in the same calendar month in 2013. The monitoring report shall specify the population served by the urban water supplier, the percentage of water produced that is used for the residential sector, descriptive statistics on water conservation compliance and enforcement efforts, the number of days that outdoor irrigation is allowed, and monthly commercial, industrial and institutional sector use. The monitoring report shall also estimate the gallons of water per person per day used by the residential customers it serves.

(c)(1) To prevent the waste and unreasonable use of water and to meet the requirements of the Governor's May 9, 2016 Executive Order, each urban water supplier that fails to identify a conservation standard as required under section 864.5, or that has a conservation standard rejected by the Board under section 864.5, shall reduce its total potable water production by the percentage identified as its conservation standard in this section. Each urban water supplier's conservation standard considers its service area's relative per capita water usage.

(2) Each urban water supplier whose average July-September 2014 R-GPCD was less than 65 shall reduce its total potable water production by 8 percent for each month as compared to the amount used in the same month in 2013.

(3) Each urban water supplier whose average July-September 2014 R-GPCD was 65 or more but less than 80 shall reduce its total potable water production by 12 percent for each month as compared to the amount used in the same month in 2013.

(4) Each urban water supplier whose average July-September 2014 R-GPCD was 80 or more but less than 95 shall reduce its total potable water production by 16 percent for each month as compared to the amount used in the same month in 2013.

(5) Each urban water supplier whose average July-September 2014 R-GPCD was 95 or more but less than 110 shall reduce its total potable water production by 20 percent for each month as compared to the amount used in the same month in 2013.

(6) Each urban water supplier whose average July-September 2014 R-GPCD was 110 or more but less than 130 shall reduce its total potable water production by 24 percent for each month as compared to the amount used in the same month in 2013.

(7) Each urban water supplier whose average July-September 2014 R-GPCD was 130 or more but less than 170 shall reduce its total potable water production by 28 percent for each month as compared to the amount used in the same month in 2013.

(8) Each urban water supplier whose average July-September 2014 R-GPCD was 170 or more but less than 215 shall reduce its total potable water production by 32 percent for each month as compared to the amount used in the same month in 2013.

(9) Each urban water supplier whose average July-September 2014 R-GPCD was 215 or more shall reduce its total potable water production by 36 percent for each month as compared to the amount used in the same month in 2013.

(d)(1) Beginning June 1, 2015, each urban water supplier that does not submit a self-certification in compliance with section 864.5 shall comply with the conservation

standard specified in subdivision (c), with any modifications to the conservation standard pursuant to subdivision (f) applying beginning March 1, 2016.

(2) Compliance with the requirements of this subdivision shall be measured monthly and assessed on a cumulative basis through ~~January~~ October 2017.

(e)(1) Each urban water supplier that provides potable water for commercial agricultural use meeting the definition of Government Code section 51201, subdivision (b), may subtract the amount of water provided for commercial agricultural use from its potable water production total, provided that any urban water supplier that subtracts any water provided for commercial agricultural use from its total potable water production shall:

(A) Impose reductions determined locally appropriate by the urban water supplier, after considering the applicable urban water supplier conservation standard specified in subdivision (c), for commercial agricultural users meeting the definition of Government Code section 51201, subdivision (b) served by the supplier;

(B) Report its total potable water production pursuant to subdivision (b)(2) of this section, the total amount of water supplied for commercial agricultural use, and shall identify the reduction imposed on its commercial agricultural users and each recipient of potable water for commercial agricultural use;

(C) Certify that the agricultural uses it serves meet the definition of Government Code section 51201, subdivision (b); and

(D) Comply with the Agricultural Water Management Plan requirement of paragraph 12 of the April 1, 2015 Executive Order for all commercial agricultural water served by the supplier that is subtracted from its total potable water production.

(2) Submitting any information pursuant to subdivision (e)(1)(B) or (C) of this section that is found to be materially false by the Board is a violation of this regulation, punishable by civil liability of up to five hundred dollars (\$500) for each day in which the violation occurs. Every day that the error goes uncorrected constitutes a separate violation. Civil liability for the violation is in addition to, and does not supersede or limit, any other remedies, civil or criminal.

(f) In consideration of the differences in climate affecting different parts of the state, growth experienced by urban areas and significant investments that have been made by some suppliers towards creating new, local, drought-resilient sources of potable water supply, an urban water supplier's conservation standard identified in subdivision (c) shall be reduced by an amount, not to exceed eight (8) percentage points total, as follows:

(1) For an urban water supplier whose service area evapotranspiration (ET_o) for the months of July through September exceeds the statewide average evapotranspiration, as determined by the Board, for the same months by five (5) percent or more, the supplier's conservation standard identified in subdivision (c) shall be reduced:

(A) By two (2) percentage points if the supplier's service area evapotranspiration exceeds the statewide average by five (5) percent or more but less than ten (10) percent;

(B) By three (3) percentage points if the supplier's service area evapotranspiration exceeds the statewide average by ten (10) percent or more but less than twenty (20) percent;

(C) By four (4) percentage points if the supplier's service area evapotranspiration exceeds the statewide average by twenty (20) percent or more.

(D) Statewide average evapotranspiration is calculated as the arithmetic mean of all urban water suppliers' service area default evapotranspiration values for the months of July through September. Default service area evapotranspiration will be based on the California Irrigation Management System (CIMIS) ETo Zones Map zone for which the supplier's service area has the greatest area of overlap. In lieu of applying its default service area evapotranspiration, a supplier may use specific data from CIMIS stations within its service area that have at least a five-year period of record, or a three year continuous period of record, to identify a more specifically-applicable evapotranspiration for its service area. If no CIMIS station exists within the supplier's service area, a weather station of comparable accuracy, meeting the preceding period of record requirements, may be used. To qualify for the in-lieu climate adjustment, the supplier shall submit the following data to the Board by March 15, 2016 for each station: station ID; station location; and monthly average evapotranspiration, in inches per month, for July, August, and September for either the five-year period of record or the three-year continuous period of record.

(2) To account for water efficient growth experienced in the state since 2013, urban water suppliers' conservation standards shall be reduced by the product of the percentage change in potable water production since 2013 and the percentage reduction in potable water use required pursuant to subdivision (c), rounded to the nearest whole percentage point. Change in potable water production since 2013 shall be calculated as the sum of the following:

(A) The number of additional permanent residents served since January 1, 2013, multiplied by the average residential water use per person for that supplier's service area during the months of February through October, 2015, in gallons; and

(B) The number of new commercial, industrial and institutional connections since January 1, 2013, multiplied by the average commercial, industrial and institutional water use per connection for that supplier's service area during the months of February through October, 2015, in gallons.

(C) To qualify for the growth credit the supplier shall submit to the Board the following data by March 15, 2016: the number of additional permanent residents served since January 1, 2013 and the number of new commercial, industrial and institutional connections since January 1, 2013.

(3) For an urban water supplier that supplies, contracts for, or otherwise financially invests in, water from a new local, drought-resilient source of supply, the use of which does not reduce the water available to another legal user of water or the environment, the conservation standard identified in subdivision (c) shall be reduced:

(A) By one (1) percentage point if the supplier's qualifying source of supply is one (1) percent or more but less than two (2) percent of the supplier's total potable water production;

(B) By two (2) percentage points if the supplier's qualifying source of supply is two (2) percent or more but less than three (3) percent of the supplier's total potable water production;

(C) By three (3) percentage points if the supplier's qualifying source of supply is three (3) percent or more but less than four (4) percent of the supplier's total potable water production;

(D) By four (4) percentage points if the supplier's qualifying source of supply is four (4) percent or more but less than five (5) percent of the supplier's total potable water production;

(E) By five (5) percentage points if the supplier's qualifying source of supply is five (5) percent or more but less than six (6) percent of the supplier's total potable water production;

(F) By six (6) percentage points if the supplier's qualifying source of supply is six (6) percent or more but less than seven (7) percent of the supplier's total potable water production;

(G) By seven (7) percentage points if the supplier's qualifying source of supply is seven (7) percent or more but less than eight (8) percent of the supplier's total potable water production;

(H) By eight (8) percentage points if the supplier's qualifying source of supply is eight (8) percent or more of the supplier's total potable water production.

(I) To qualify for this reduction the supplier must certify, and provide documentation to the Board upon request demonstrating, the percent of its total potable water production that comes from a local, drought-resilient source of supply developed after 2013, the supplier's investment in that local, drought-resilient source of supply, and that the use of that supply does not reduce the water available to another legal user of water or the environment. To qualify for this reduction an urban water supplier shall submit the required certification to the Board by March 15, 2016.

(J) Certifications that do not meet the requirements of subdivision (f)(3)(I), including certifications for which documentation does not support that the source of supply is a local, drought-resilient source of supply, the use of which does not reduce the water available to another legal user of water or the environment, will be rejected. Submitting a certification or supporting documentation pursuant to subdivision (f)(3)(I) that is found to be materially false by the Board is a violation of this regulation, punishable by civil liability of up to five hundred dollars (\$500) for each day in which the violation occurs. Every day that the error goes uncorrected constitutes a separate violation. Civil liability for the violation is in addition to, and does not supersede or limit, any other remedies, civil or criminal.

(4) No urban water supplier's conservation standard pursuant to this section shall drop below eight (8) percent as a consequence of the reductions identified in this subdivision.

(g) To prevent waste and unreasonable use of water and to promote water conservation, each distributor of a public water supply that is not an urban water supplier shall:

(1) Provide prompt notice to a customer whenever the supplier obtains information that indicates that a leak may exist within the end-user's exclusive control; and

~~——— (2) Submit a report by December 15, 2016, on a form provided by the Board, that identifies total potable water production, by month, from December, 2015 through November, 2016, total potable water production, by month, for the same months in 2013, and any actions taken by the supplier to encourage or require its customers to conserve water.~~

Authority: Section 1058.5, Water Code.

References: Article X, Section 2, California Constitution; Sections 102, 104, 105, 275, 350, 1846, 10617 and 10632, Water Code; *Light v. State Water Resources Control Board* (2014) 226 Cal.App.4th 1463.

Sec. 866. Additional Conservation Tools.

(a)(1) To prevent the waste and unreasonable use of water and to promote conservation, when a water supplier does not meet its conservation standard required by section 864.5 or section 865 the Executive Director, or the Executive Director's designee, may issue conservation orders requiring additional actions by the supplier to come into compliance with its conservation standard.

(2) A decision or order issued under this article by the Board or an officer or employee of the Board is subject to reconsideration under article 2 (commencing with section 1122) of chapter 4 of part 1 of division 2 of the Water Code.

(b) The Executive Director, or his designee, may issue an informational order requiring water suppliers, or commercial, industrial or institutional properties that receive any portion of their supply from a source other than a water supplier subject to section 864.5 or 865, to submit additional information relating to water production, water use or water conservation. The failure to provide the information requested within 30 days or any additional time extension granted is a violation subject to civil liability of up to \$500 per day for each day the violation continues pursuant to Water Code section 1846.

(c) Orders issued under previous versions of this section shall remain in effect and shall be enforceable as if adopted under this version. Changes in the requirements of this article do not operate to void or excuse noncompliance with orders issued before those requirements were changed.

Authority: Section 1058.5, Water Code.

References: Article X, Section 2, California Constitution; Sections 100, 102, 104, 105, 174, 186, 187, 275, 350, 1051, 1122, 1123, 1825, 1846, 10617 and 10632, Water Code; *Light v. State Water Resources Control Board* (2014) 226 Cal.App.4th 1463.

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 22, 2017**
TO: BOARD OF DIRECTORS **Board Meeting**
FROM: Mr. Dennis D. LaMoreaux, General Manager
RE: ***AGENDA ITEM NO. 7.2 – CONSIDERATION AND POSSIBLE ACTION
ON 2016 STRATEGIC PLAN INITIATIVES. (GENERAL MANAGER
LaMOREAUX/ASSISTANT GENERAL MANAGER KNUDSON/DR. BILL
MATHIS)***

The Strategic Plan serves as a guide for staff to set goals and projects throughout the year to meet the District's mission of providing high quality water to current and future customers at a reasonable cost. The attached Strategic Plan Initiatives were adopted by the Board of Directors January, 2016.

Supporting Documents:

- PWD Strategic Plan adopted January, 2016.



Dear PWD Customers:

Since 1918, the Palmdale Water District has been providing high quality water at an affordable cost. Over the years we have grown in both capacity and with improvement in water quality by constantly reinvesting into our system to ensure that the community has the best product available.

California's water issues are complex and competition for this precious resource will continue to increase over time. As we have for nearly 100 years, the PWD is always thinking of the future and how to ensure that the community has a reliable source of water long-term.

As we move forward, together as a community, my fellow Board members, staff and I are committed to continuing to provide you with the best customer service possible, lowest rates, opportunities to save money through conservation practices, and to responsibly expand our water portfolio to reduce the need for water from the State.

The Board meets regularly with staff to plan and execute short and long term goals to make sure that our water supply and reliability is solid for our existing and future customers. Therefore, we have developed six key components that will help us and guide us to achieve our final collective goal of serving you better.

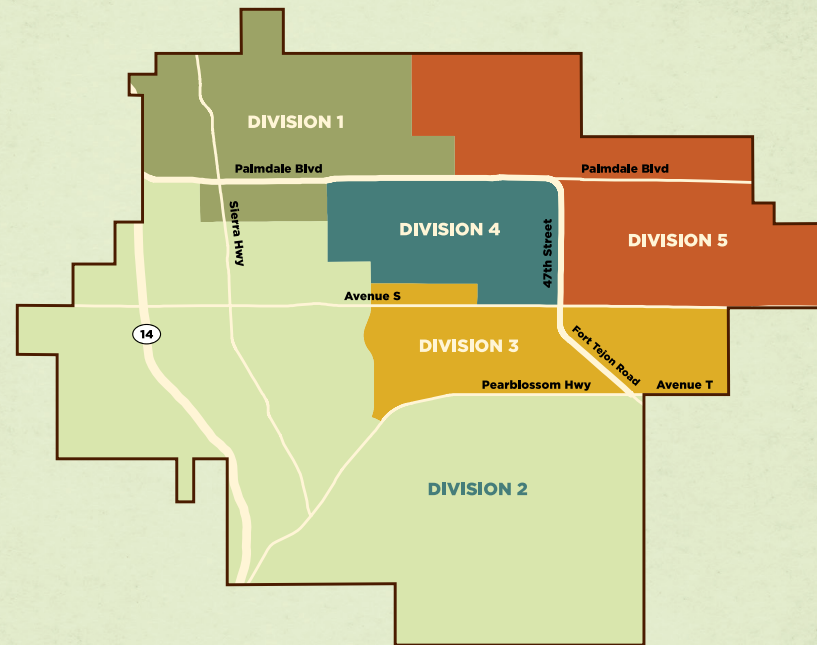
Thank you for all of your efforts to help us conserve water, lead by example to your neighbors, and being a part of making Palmdale stronger.

Regards,

Robert E. Alvarado
PWD Board President

Dennis D. La Moreaux
General Manager

District Service Area



Board of Directors



Robert E. Alvarado
Division 1



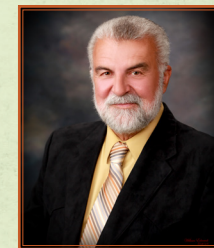
Joe Estes
Division 2



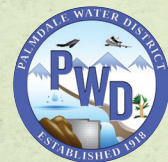
Marco Henriquez
Division 3



Kathy Mac Laren
Division 4



Vincent Dino
Division 5



2029 E Avenue Q, Palmdale, CA 93550

Monday – Thursday
8:00 am – 6:00pm

palmdalewater.org

CONTACT US

661.947.4111
661.947.8604
661.947.4114
855.498.9969

Phone
Fax
After Hours
Pay by Phone 24/7



Palmdale Water District
STRATEGIC PLAN
Adopted January 2016

PALMDALE WATER DISTRICT'S 2016 STRATEGIC PLAN UPDATE SUMMARY

palmdalewater.org



INITIATIVE NO. 1 Water Resource Reliability

2015 Urban Water Management Plan, drought response

Palmdale Regional Groundwater Recharge & Recovery Project

Littlerock Reservoir Sediment Removal Project

Recycled water allocation and use

Granular Activated Carbon (GAC) use and research



INITIATIVE NO. 2 Organizational Excellence

Optimize outsourcing opportunities

Maintain formal management/supervisor training and development program

Maintain competitive compensation and benefits package

Employee wellness program

Succession planning

Board/staff events to develop innovative ideas and awards



INITIATIVE NO. 3 Systems Efficiency

Water system Master Plan update and related EIR

Reinvestment in aging infrastructure

Investment, implementation, and training plan for new technology

Computerized maintenance management software (CMMS)

Explore energy independence



INITIATIVE NO. 4 Financial Health & Stability

Pursue Federal and State funding opportunities

Sustainable and balanced rate structure

Maintain adequate reserve levels

Maintain high level bond rating



INITIATIVE NO. 5 Regional Leadership

Create a regional best practices Antelope Valley partnership

Enhance community partnerships and expand school programs in water education

Continue to educate and engage elected officials in water related issues

Emphasize the importance and long history of the District as a community asset

Enhance community opportunities for the youth of the Antelope Valley

Continue to evaluate District internship needs



INITIATIVE NO. 6 Customer Care & Advocacy

Customer Care accessibility through automation

Evaluate, develop, and market additional payment options

Improve customer account management tools

Enhance customer experience through assessment of infrastructure, processes, and policies to maximize the needs of customer care experience

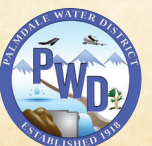
Moving forward. The history of water in the Antelope Valley dates back to well before the regions two largest cities were established. Artesian wells, orchards, agriculture, and the vast expanse of land created opportunity for future growth and development throughout the High Desert.

Dating back to 1895, the then South Antelope Valley Irrigation Company formed to construct the dam associated with Palmdale Lake to provide irrigation to the significant farming operations throughout the region. Since then, advancements

in need and technology pushed the irrigation district to expand to help service the promising aerospace industry and the growing population.

Currently, water usage has shifted from agriculture to residential and business with the expectation of ensuring the highest quality water at a reasonable cost. Aging infrastructure, reduced water reliability, conservation requirements, demand, customer satisfaction, and future growth projections are just some of the issues the District contends with.

The six initiatives presented, are a guide path to focus District resources, energy, planning, and community needs to create a more efficient, regional asset to current and future customers. Positioning the District as a regional leader and community partner will help ensure that the long-term vision for Palmdale will succeed.



**PALMDALE
WATER DISTRICT
BOARD MEMORANDUM**

DATE:	February 14, 2017	February 22, 2017
TO:	BOARD OF DIRECTORS	Board Meeting
FROM:	Mr. Bob Egan, Financial Advisor	
RE:	<i>AGENDA ITEM NO. 7.3 – STATUS REPORT ON CASH FLOW STATEMENT AND CURRENT CASH BALANCES AS OF DECEMBER, 2016.</i>	

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

PALMDALE WATER DISTRICT
INVESTMENT FUNDS REPORT
December 31, 2016

						December 2016	November 2016
<i>CASH</i>							
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
<i>INVESTMENTS</i>							
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)

2016 Cash Flow Report (Based on Jan. 19, 2016 Approved Budget)													Budget 2017 Carryover Information		
	January	February	March	April	May	June	July	August	September	October	November	December	YTD		
Total Cash Beginning Balance (BUDGET)	12,253,595	11,996,708	12,070,140	9,443,313	11,240,278	11,923,901	11,779,269	10,981,346	11,574,708	9,220,541	9,395,698	9,267,781		(190,000)	
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)		
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:															177,000
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		
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:														(1,006,899)	
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)		
WRB Capital Expenditures	-	-	-	-	-	-	-	-	-	-	-	-	-		
Uncommitted Capital Expenditures	-	-	-	-	-	-	-	-	-	-	-	-	-		
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 22, 2017**
TO: BOARD OF DIRECTORS **Board Meeting**
FROM: Michael Williams, Finance Manager/CFO
VIA: Mr. Dennis LaMoreaux, General Manager
RE: ***AGENDA ITEM 7.4 – STATUS REPORT ON 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.

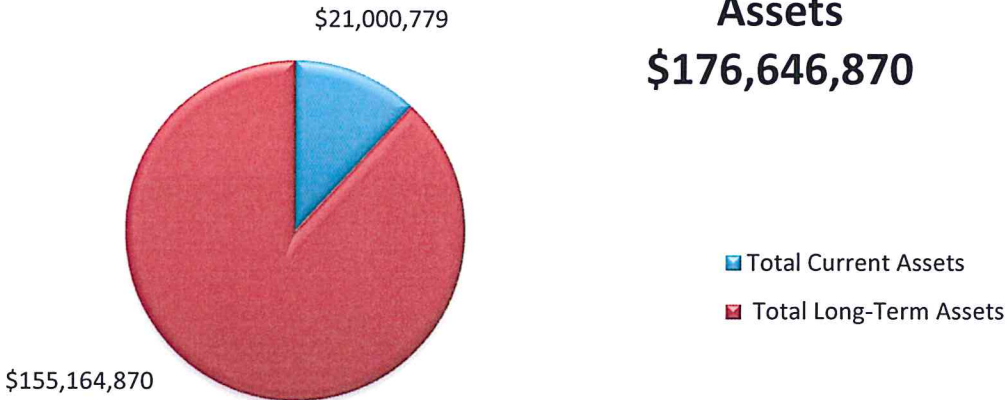
Capitalized Construction: The value of our labor force used to construct our asset infrastructure.

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

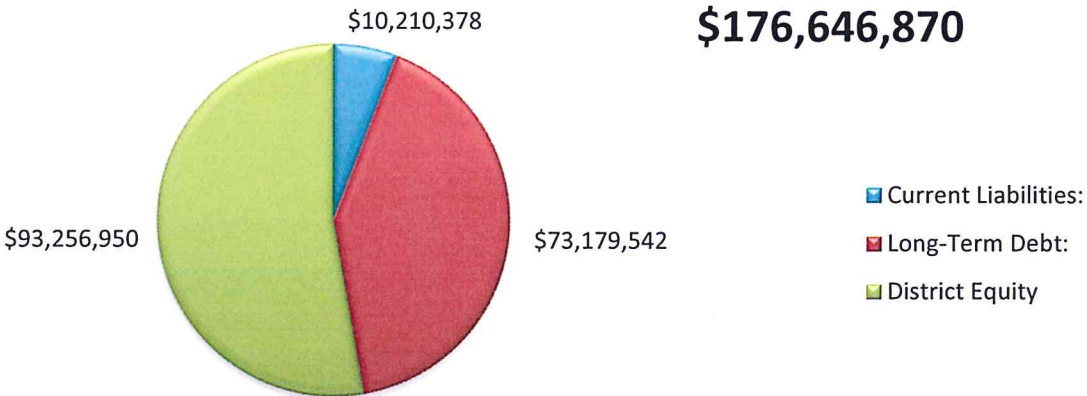
	<u>December 2016</u>	<u>November 2016</u>
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 448,811	\$ 921,231
Investments	11,928,469	9,633,385
2013A Bonds - Project Funds	403,920	403,836
	<u>\$ 12,781,199</u>	<u>\$ 10,958,452</u>
Receivables:		
Accounts Receivables - Water Sales	\$ 1,986,553	\$ 1,845,361
Accounts Receivables - Miscellaneous	56,377	28,408
Allowance for Uncollected Accounts	(196,113)	(196,113)
	<u>\$ 1,846,818</u>	<u>\$ 1,677,657</u>
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	<u>\$ 21,000,779</u>	<u>\$ 21,251,436</u>
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 & Surety Bond	213,895	214,561
CalPERS Contributions	704,801	704,801
	<u>\$ 155,164,870</u>	<u>\$ 154,810,739</u>
Restricted Cash:		
Rate Stabilization Fund	481,221	480,327
Total Long-Term Assets & Restricted Cash	<u>\$ 155,646,092</u>	<u>\$ 155,291,067</u>
Total Assets	<u><u>\$ 176,646,870</u></u>	<u><u>\$ 176,542,502</u></u>
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	<u>\$ 10,210,378</u>	<u>\$ 10,198,059</u>
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	<u>\$ 73,179,542</u>	<u>\$ 72,995,325</u>
Total Liabilities	<u>\$ 83,389,920</u>	<u>\$ 83,193,384</u>
District Equity		
Revenue from Operations	\$ (1,398,446)	\$ (1,306,278)
Retained Earnings	94,655,397	94,655,397
Total Liabilities and District Equity	<u><u>\$ 176,646,870</u></u>	<u><u>\$ 176,542,502</u></u>

BALANCE SHEET AS OF DECEMBER 31, 2016

Assets \$176,646,870



Liability & Equity \$176,646,870



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

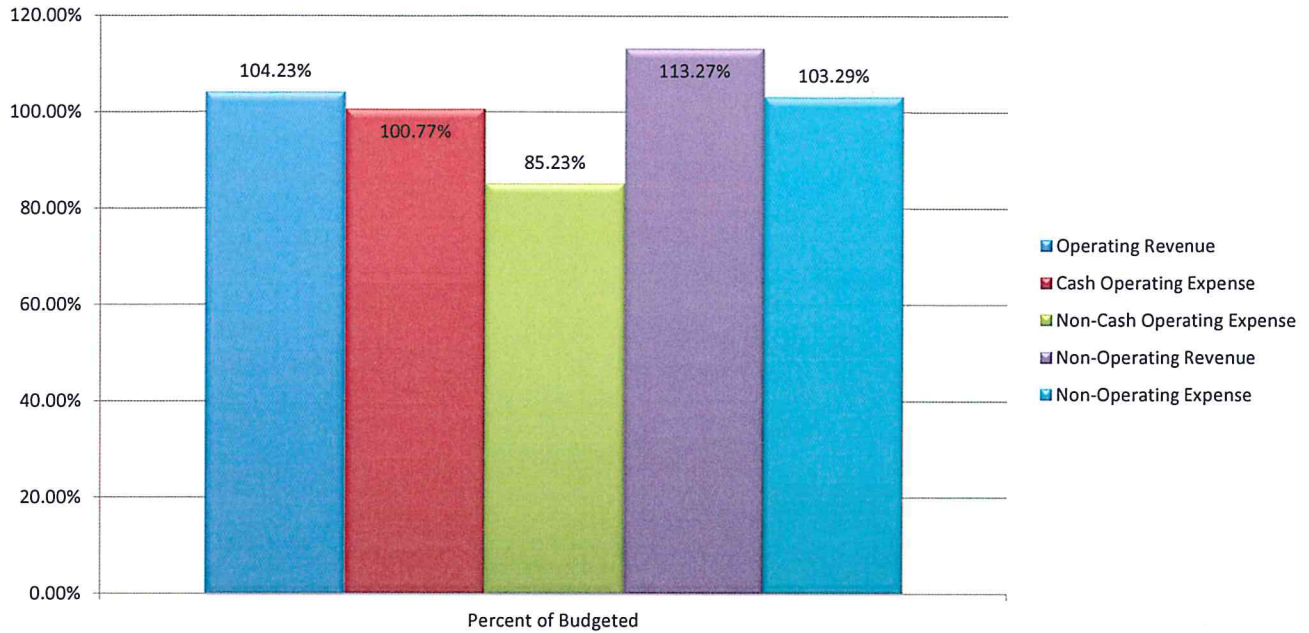
	Thru November	December	Year-to-Date	Adjustments	Adjusted Budget	% of Budget
Operating Revenue:						
Wholesale Water	\$ 218,477	\$ 13,343	\$ 231,820		\$ 160,000	144.89%
Water Sales	6,418,442	486,791	6,905,233		7,242,000	95.35%
Meter Fees	11,163,605	1,013,285	12,176,890		12,079,000	100.81%
Water Quality 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%
OP&B 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

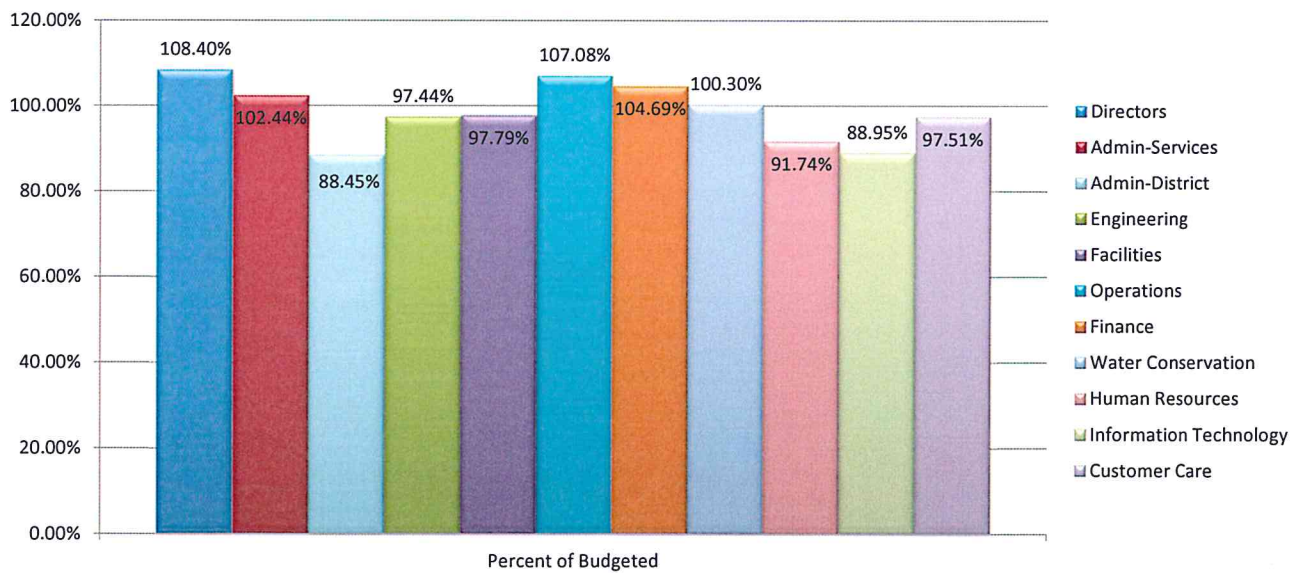
OTHER OPERATING REVENUE

	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

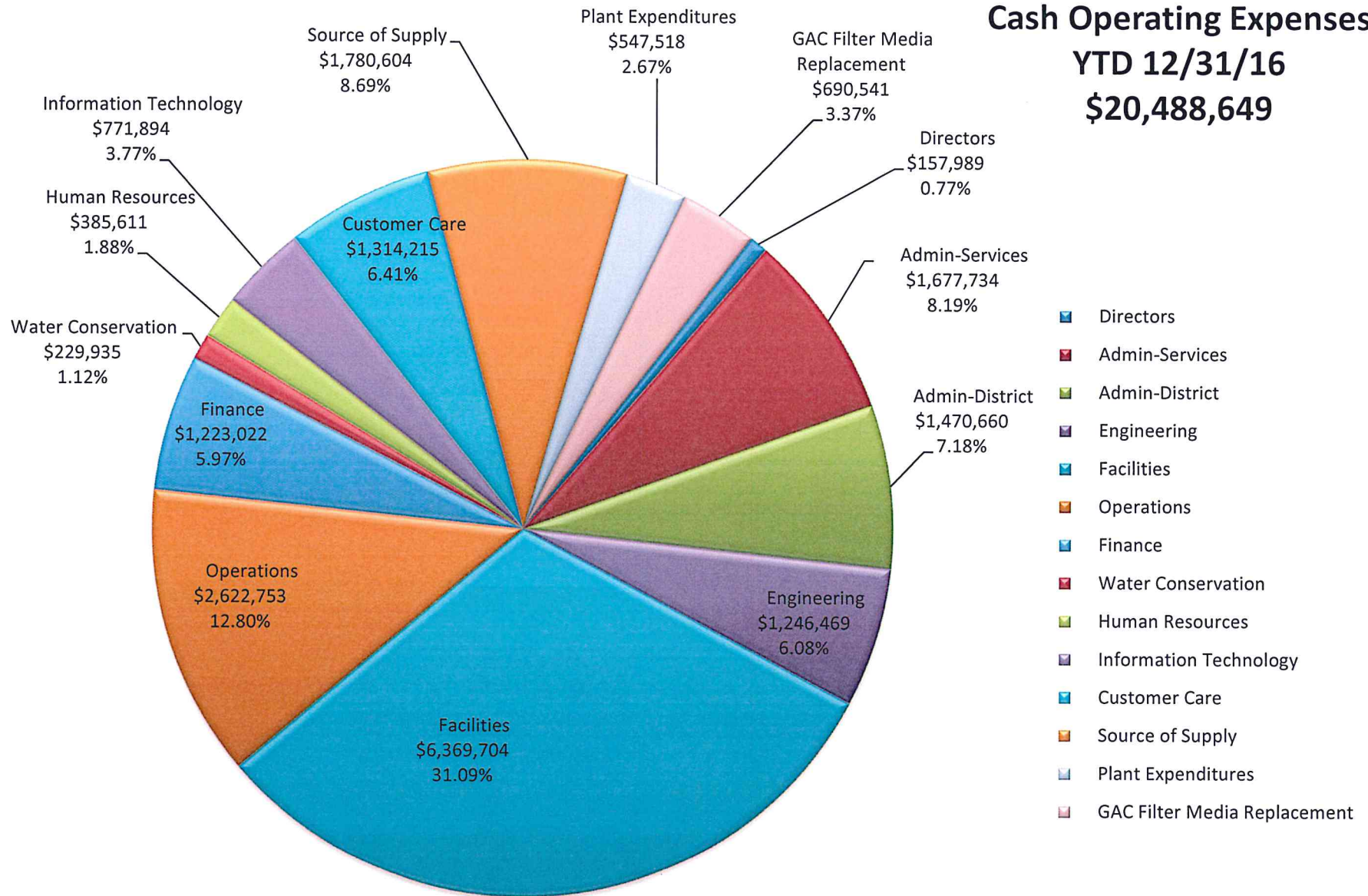
P & L BUDGET vs. ACTUAL



DEPARTMENTAL - BUDGET vs. ACTUAL



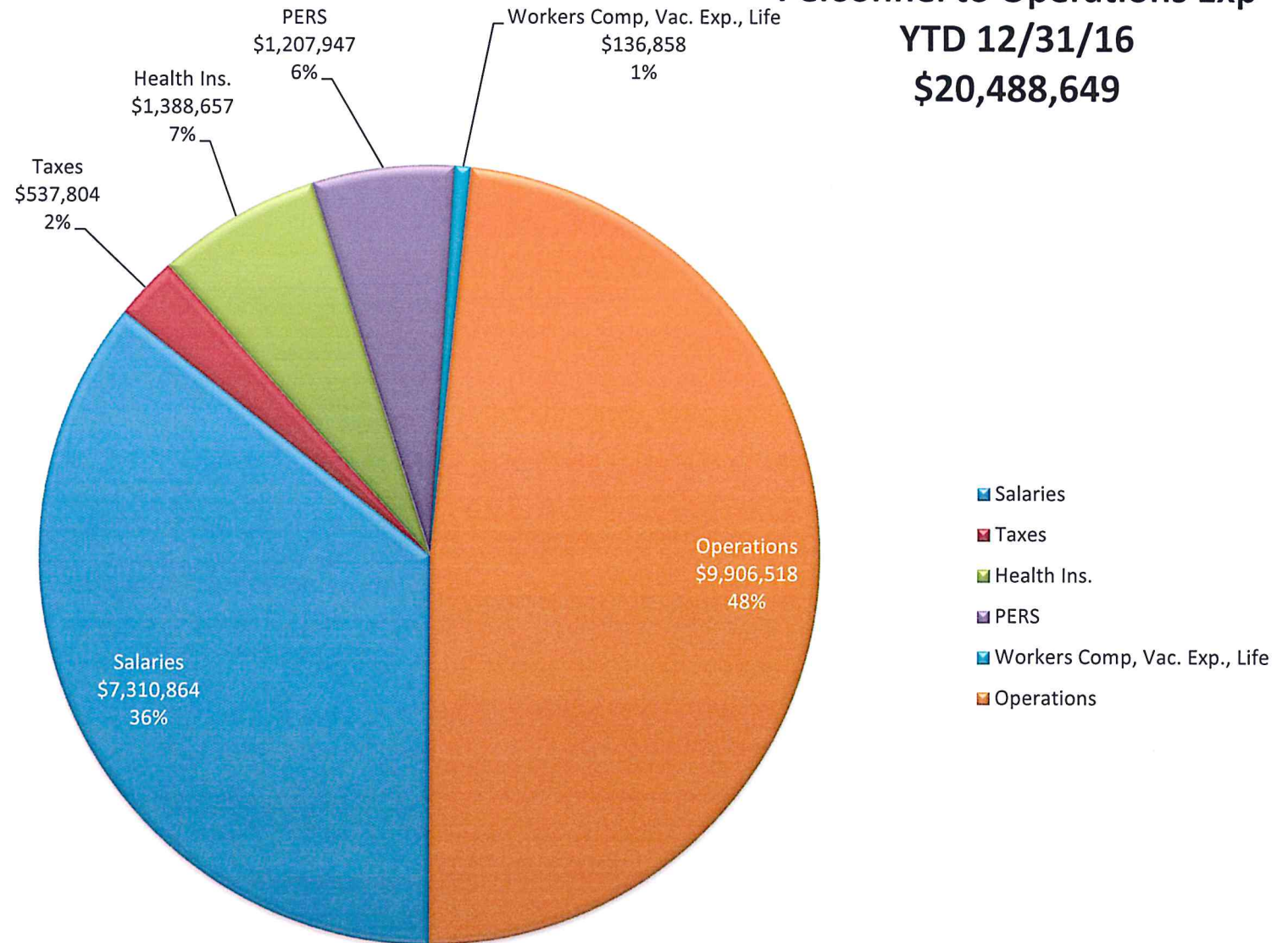
Cash Operating Expenses YTD 12/31/16 \$20,488,649



Personnel to Operations Exp

YTD 12/31/16

\$20,488,649



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

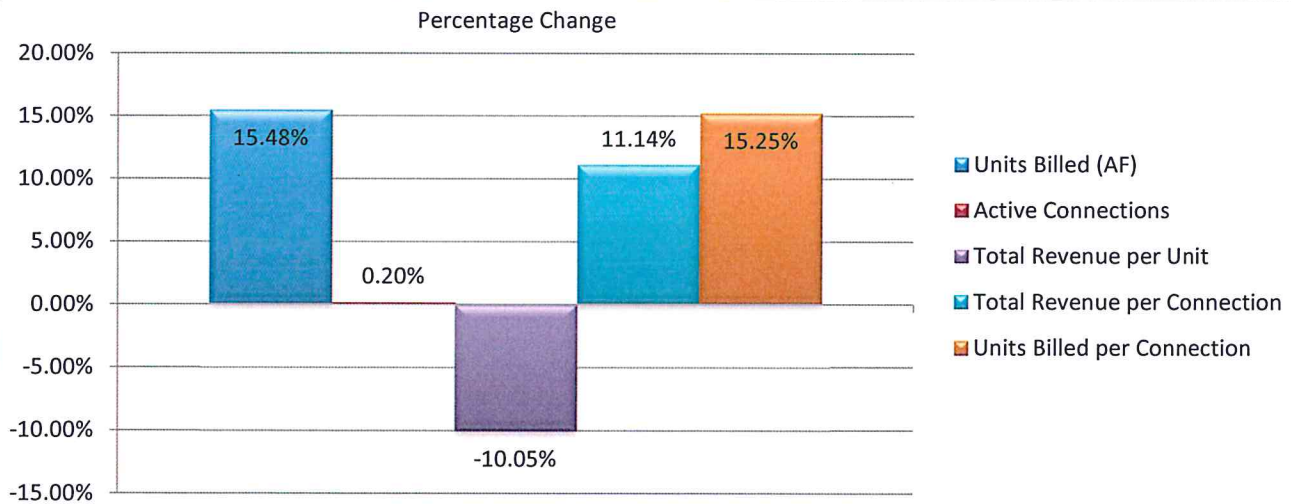
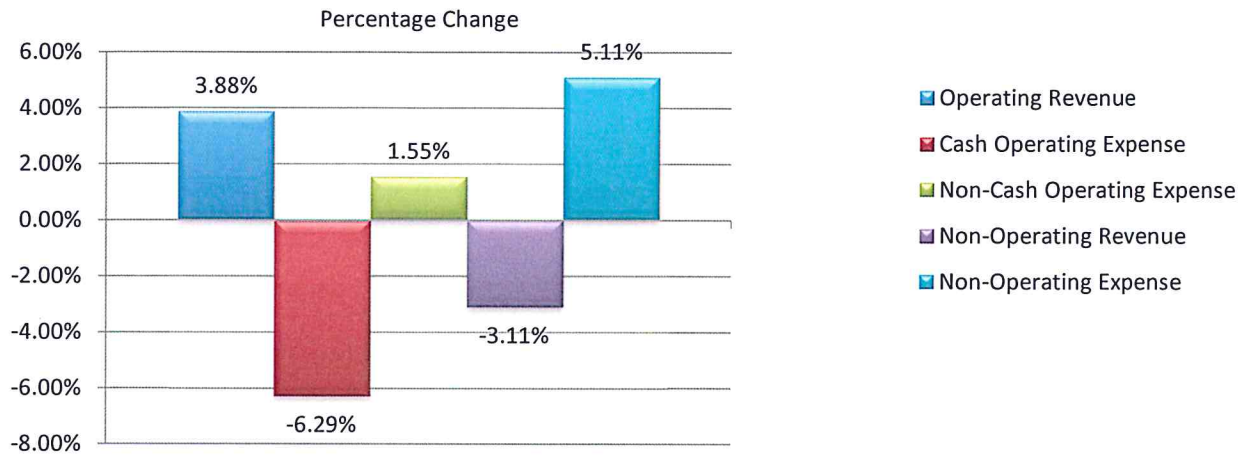
	2015	2016		%	Consumption Comparison		
	December	December	Change	Change	Units Billed	2015	2016
Operating Revenue:							
Wholesale Water	\$ 2,694	\$ 13,343	\$ 10,649		Active	26,564	26,617
Water Sales	384,048	486,791	102,743	26.75%	Vacant	830	790
Meter Fees	969,482	1,013,285	43,803	4.52%			
Water Quality Fees	52,966	57,086	4,120	7.78%			
Elevation Fees	20,736	21,869	1,133	5.46%	Rev/unit	\$ 4.35	\$ 3.91
Other	177,904	62,985	(114,919)	-64.60%	Rev/con	\$ 53.83	\$ 59.83
Drought Surcharge	46,281	62,951	16,670	36.02%	Unit/con	14.31	16.50
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%			

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

	2014 December	2016 December	Change	% Change		Consumption Comparison	
					Units Billed	2014	2016
Operating Revenue:						470,244	439,122
Wholesale Water	\$ 24,375	\$ 13,343	\$ (11,031)	-45.26%	Active	26,467	26,617
Water Sales	553,176	486,791	(66,385)	-12.00%	Vacant	906	790
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%	Rev/unit	\$ 3.94	\$ 3.91
Other	160,507	62,985	(97,523)	-60.76%	Rev/con	\$ 63.88	\$ 59.83
Drought Surcharge	-	62,951	62,951		Unit/con	17.77	16.50
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%			

YEAR-TO-YEAR COMPARISON

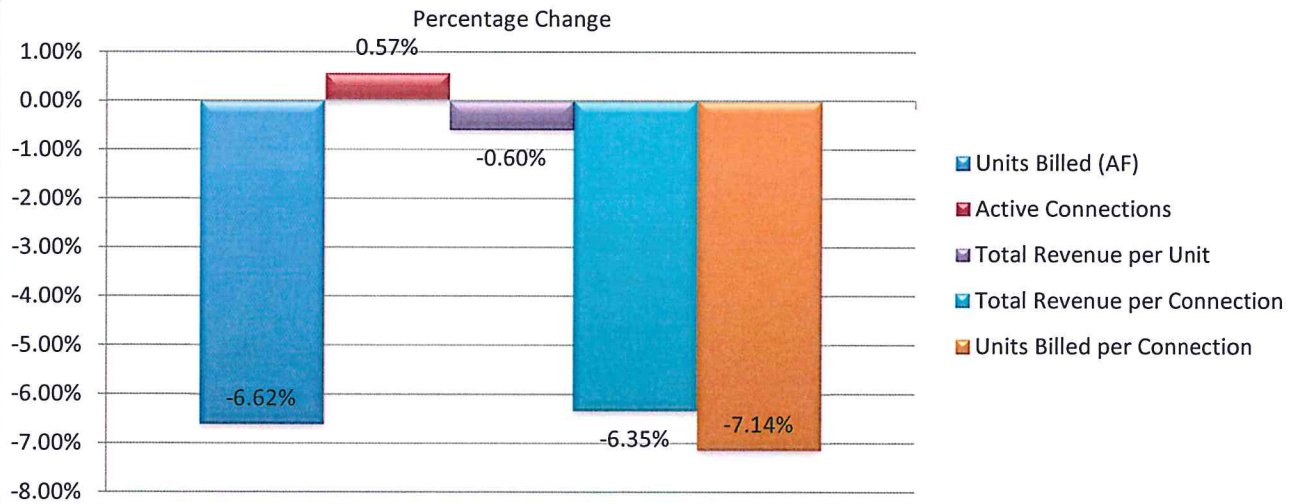
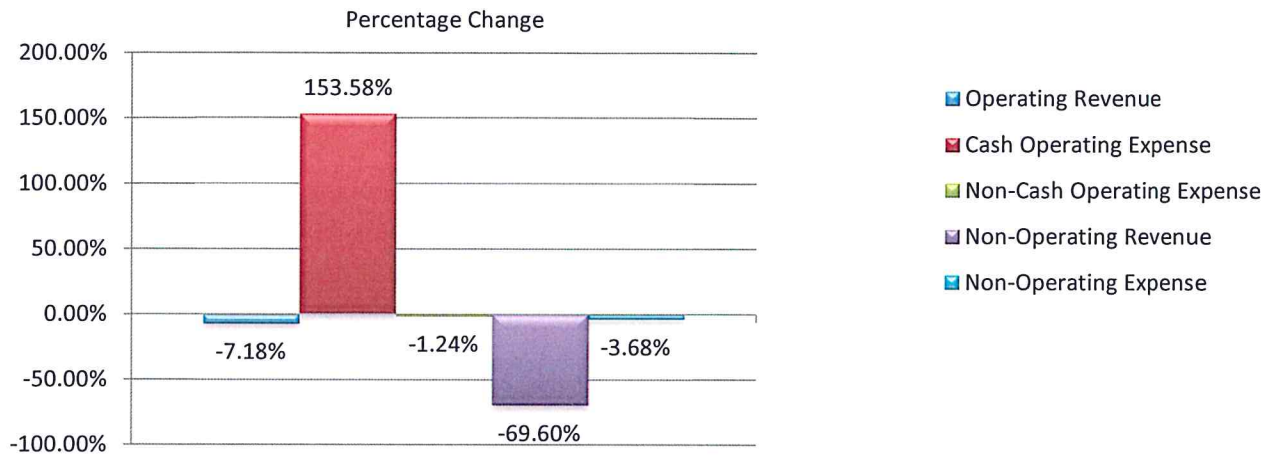
December 2015 -To - December 2016



	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

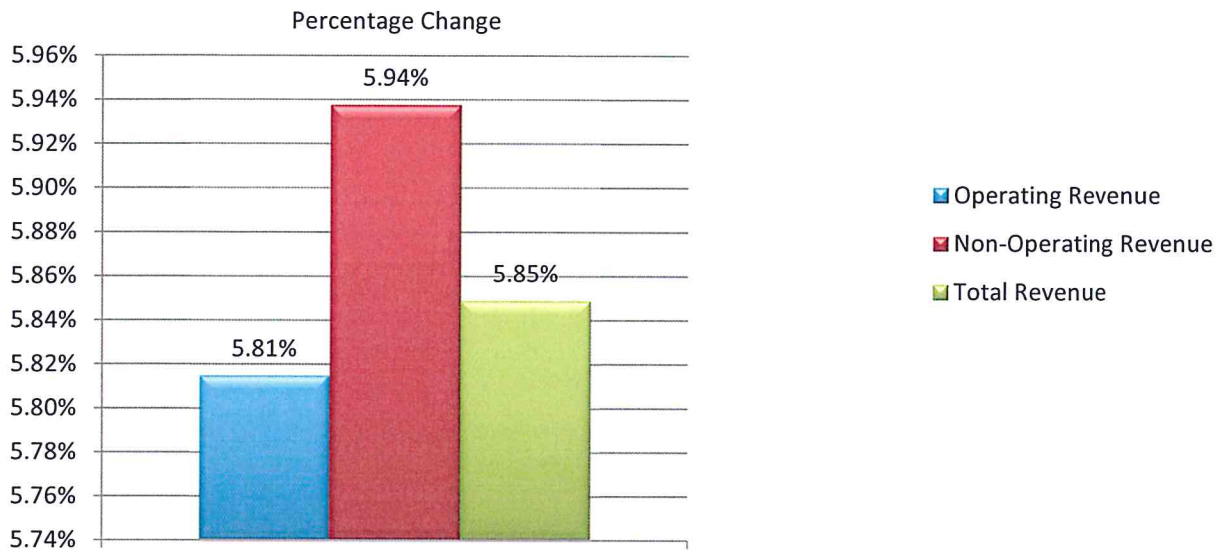
2015 to 2016 Comparison

	Thru November	December	Year-to-Date	Adjusted Budget	% of Budget	Thru November	December	Year-to-Date	% Change
Operating Revenue:									
Wholesale Water	\$ 218,477	\$ 13,343	\$ 231,820	\$ 160,000	144.89%	\$ 78,423	\$ 10,649	\$ 89,071	62.40%
Water Sales	6,418,442	486,791	6,905,233	7,242,000	95.35%	530,829	102,743	633,572	10.10%
Meter Fees	11,163,605	1,013,285	12,176,890	12,079,000	100.81%	474,183	43,803	517,986	4.44%
Water Quality Fees	804,416	57,086	861,502	934,500	92.19%	(40,752)	4,120	(36,633)	-4.08%
Elevation Fees	327,804	21,869	349,673	400,000	87.42%	(21,359)	1,133	(20,226)	-5.47%
Other	715,594	62,985	778,579	860,000	90.53%	(442,977)	(114,919)	(557,896)	-41.74%
Drought Surcharge	1,225,890	62,951	1,288,841	-		591,138	16,670	607,808	89.25%
Total Water Sales	\$ 20,874,227	\$ 1,718,311	\$ 22,592,538	\$ 21,675,500	104.23%	\$ 1,169,485	\$ 64,198	\$ 1,233,683	5.81%
Non-Operating Revenues:									
Assessments (Debt Service)	\$ 4,882,333	\$ 440,417	\$ 5,322,750	\$ 4,670,000	113.98%	\$ 154,176	\$ (38,429)	\$ 115,747	2.22%
Assessments (1%)	1,892,184	360,148	2,252,332	2,025,000	111.23%	81,012	25,509	106,521	4.96%
DWR Fixed Charge Recovery	285,255	-	285,255	200,000	142.63%	(47,702)	-	(47,702)	-14.33%
Interest	54,638	(11,930)	42,707	35,000	122.02%	6,000	(5,986)	14	0.03%
Capital Improvement Fees	234,459	288	234,747	50,000	469.49%	(129,539)	(3,195)	(132,733)	-36.12%
Grants - State and Federal	306,915	-	306,915	485,000	63.28%	306,915	-	306,915	
Other	147,124	49	147,173	120,000	122.64%	136,019	(3,212)	132,807	924.42%
Total Non-Operating Revenues	\$ 7,802,909	\$ 788,972	\$ 8,591,880	\$ 7,585,000	113.27%	\$ 506,882	\$ (25,314)	\$ 481,569	5.94%
Total Revenue	\$ 28,677,136	\$ 2,507,282	\$ 31,184,418	\$ 29,260,500	106.58%	\$ 1,676,367	\$ 38,885	\$ 1,715,252	5.85%

	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%

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**

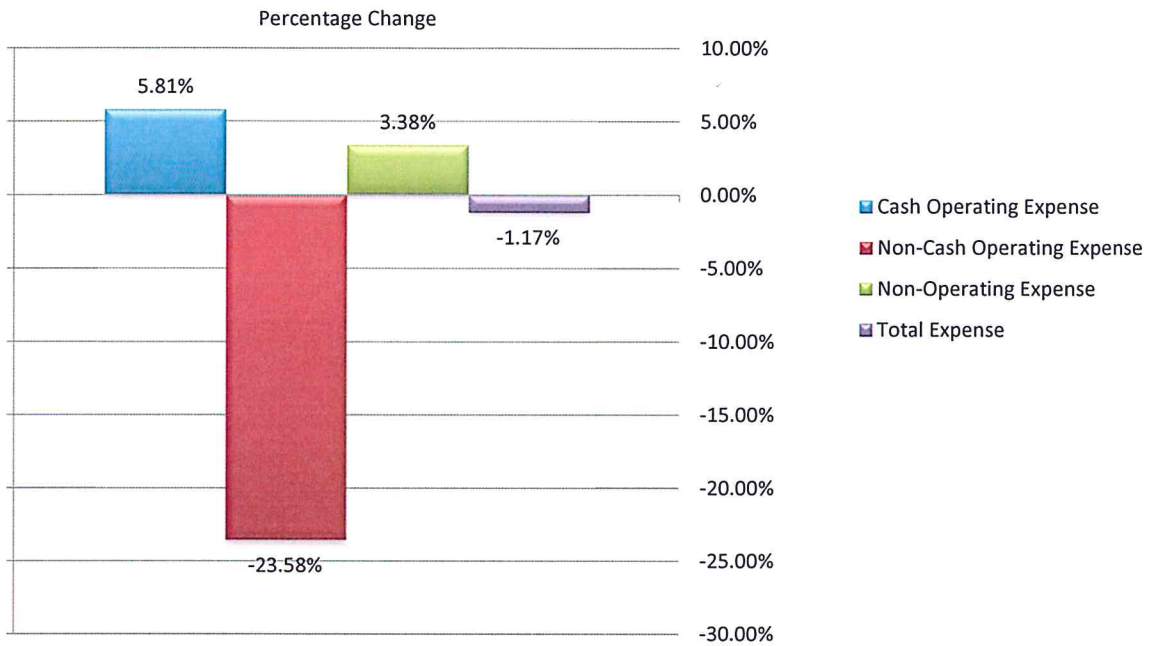
2015

2015 to 2016 Comparison

	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	<u>\$ 139,547</u>	<u>\$ 131,750</u>	<u>\$ -</u>	<u>\$ (8,765)</u>	<u>105.92%</u>
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	<u>\$ 157,989</u>	<u>\$ 145,750</u>	<u>\$ -</u>	<u>\$ (13,207)</u>	<u>108.40%</u>

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

	<u>2016</u>	<u>2015</u>
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)	<u>6,685</u>	<u>5,224</u>
Total Personnel Expenses	<u>\$ 13,435</u>	<u>\$ 9,874</u>
OPERATING EXPENSES:		
1-01-4050-000 Directors Travel, Seminars & Meetings	2,502	4,651
Subtotal Operating Expenses	<u>2,502</u>	<u>4,651</u>
Total O & M Expenses	<u>\$ 15,937</u>	<u>\$ 14,525</u>

	Directors Pay		Health Ins.	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
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
	<u>6,750</u>	<u>4,650</u>	<u>6,168</u>	<u>4,868</u>
	Operating			
	<u>2016</u>	<u>2015</u>		
Alvarado	0	0		
Dino	0	1472		
Dizmang	0	0		
Estes	1,272	1,434		
Henriquez	580	400		
Mac Laren	650	1,345		
	<u>2,502</u>	<u>4,651</u>		

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
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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%
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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%
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* 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

AGENDA ITEM NO. 7.5

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
								\$ -	\$ -														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

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

**PALMDALE WATER DISTRICT
BOARD MEMORANDUM**

DATE: February 15, 2017 **February 22, 2017**
TO: BOARD OF DIRECTORS **Board Meeting**
FROM: Michael Williams, Finance Manager/CFO
VIA: Mr. Dennis D. LaMoreaux, General Manager
RE: *AGENDA ITEM NO. 7.6 – 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. This item will be reviewed by the Finance Committee at their February 21, 2017 meeting.

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.

BOARD OF DIRECTORS
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

EXHIBIT "A"

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

EXHIBIT "A"

- 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

EXHIBIT "A"

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

EXHIBIT "A"

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.

EXHIBIT "A"

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

EXHIBIT "A"

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.

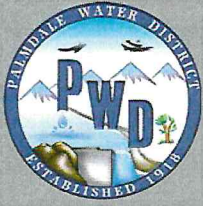
Arbitrage Rebate – The District will comply with the administratively adopted policies and procedures regarding tax-exempt financings and tax-exempt financed property, as well as the tax and arbitrage certifications associated with each issue.

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*



Hotel and Travel Accommodations

Event Name/Date:

Water Education for Latino Leaders 5th Annual Conference Water in Calif/March 23-24, 2017

CONTACT INFORMATION

First Name

Last Name

Date

ACCOMMODATION INFORMATION

Rooms and rates are subject to availability. Complete and submit this form as soon as possible to guarantee a room at the host hotel. In the event that the host hotel is booked, every effort will be made to secure a room at the closest hotel within comparable rates to the event discounted rate.

Arrival Date

Departure Date

No. of guests

Room Type

Do you require a smoking room?

☐ Yes ☐ No

Do you need transportation from the airport to the hotel?

☐ Yes ☐ No

Flight Number

Time

ADDITIONAL INFORMATION/REQUESTS

Staff Representative

STAFF CONFERENCE/SEMINAR REPORT FORM

NAME: _____ DATE: _____
POSITION: _____

CONFERENCE SUMMARY:

- TITLE: _____
- ORGANIZATION: _____
- LOCATION AND DATES: _____
- GENERAL SUBJECT MATTER: _____

SESSION/CLASS ATTENDANCE:

CONTACT HOURS
(HRS): N/A

1	_____	_____	_____
2	_____	_____	_____
3	_____	_____	_____
4	_____	_____	_____
5	_____	_____	_____

KEY POINTS/BENEFITS RELATING TO WORKGROUP, DEPARTMENT AND/OR OVERALL OPERATIONS:

REVIEWED BY:

SUPERVISOR: _____ DATE: _____

DEPARTMENT MANAGER: _____ DATE: _____

***You are
Invited***

To the
Water Education
for Latino Leaders

2017 Conference
March 23-24

RSVP
latinosforwater.org

via email to
victor@latinosforwater.org

or by phone at
(323) 349-0661

**Wyndham Hotel
Bayside Hotel
1355 N Harbor Dr.
San Diego, CA 92101**

Well

Water Education for Latino Leaders

RECEIVED

FEB 06 2017

5th Annual Conference



Water in California

WELL is convening a state-wide educational water conference on March 23-24th, 2017 in San Diego for California local elected officials. Local elected officials can make a difference for all Californians by taking the necessary steps to understand the dynamic of California water to assure adequate clean water for our communities, protect our natural resources and our local economies. Our hope is to facilitate understanding towards comprehensive long-term water policies that will sustain California's economy and quality of life. We invite you to participate!

**Sponsored by Water Education for Latino Leaders,
and the Water Foundation.**

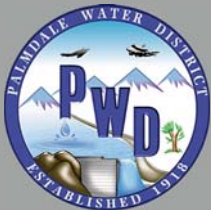
**Limited
scholarships available**

RSVP soon!

**Call us at
(323) 349-0661**

For more info





Hotel and Travel Accommodations

Event Name/Date:

A.W.W.A. Spring Conference "Facing the Future Together"/April 10 - 13, 2017

CONTACT INFORMATION

First Name

Last Name

Date

ACCOMMODATION INFORMATION

Rooms and rates are subject to availability. Complete and submit this form as soon as possible to guarantee a room at the host hotel. In the event that the host hotel is booked, every effort will be made to secure a room at the closest hotel within comparable rates to the event discounted rate.

Arrival Date

Departure Date

No. of guests

Room Type

Do you require a smoking room?

☐ Yes ☐ No

Do you need transportation from the airport to the hotel?

☐ Yes ☐ No

Flight Number

Time

ADDITIONAL INFORMATION/REQUESTS

Staff Representative

STAFF CONFERENCE/SEMINAR REPORT FORM

NAME: _____ DATE: _____
POSITION: _____

CONFERENCE SUMMARY:

- TITLE: _____
- ORGANIZATION: _____
- LOCATION AND DATES: _____
- GENERAL SUBJECT MATTER: _____

SESSION/CLASS ATTENDANCE:

CONTACT HOURS
(HRS): N/A

1	_____	_____	_____
2	_____	_____	_____
3	_____	_____	_____
4	_____	_____	_____
5	_____	_____	_____

KEY POINTS/BENEFITS RELATING TO WORKGROUP, DEPARTMENT AND/OR OVERALL OPERATIONS:

REVIEWED BY:

SUPERVISOR: _____ DATE: _____
DEPARTMENT MANAGER: _____ DATE: _____



FACING THE FUTURE TOGETHER

SPRING CONFERENCE

April 10 - 13, 2017
Anaheim, CA



Plan to join us at the California-Nevada Section's Spring Conference April 10 - 13, 2017, The Disneyland Hotel, Anaheim, CA

Each spring the Section hosts a four day technical conference for water professionals. The conference is designed for the stewards of water, it provides an opportunity to enhance technical skills, engage in hot topics, and network with the others in the water community. Over 150 technical sessions are present during the Conference, on topics such as drought, water loss, safety, professional development, water treatment to name a few. People from various sectors departments who are passionate about water and continuing education are encouraged to attend.



Register online here

Download the Registration form [here](#)
The most discounted registration rates are available through February 24
Register for Conference today!



Explore the Schedule

Elisa M. Speranza, President of Seventh Ward Strategies, LLC, just confirmed as Keynote Speaker



Accommodations

Disney had created a special Conference website with hotel and airport transportation information.

Now Accepting Applications for Competitions and Top Ops!

Competitions consists of four high energy contests Pipe Tapping, Meter Madness, Hot Flares and Hydrant Hysteria.

[Sign up for Competitions here](#)

The challenging Top Ops competition tests the everyday know-how of water treatment operators in a "college bowl" format.

[Sign up for Top Ops here](#)

ATTENDEE REGISTRATION FORM



**FACING THE FUTURE
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SPRING CONFERENCE
April 10 - 13, 2017
Anaheim, CA

Name (how you would like it to appear on your badge) _____

Title _____ Company _____

Address _____ City _____ State _____ Zip _____

Phone _____ Cell _____ Fax _____

Attendee Email _____ AWWA Member # _____

Type of Membership (check one) ☐ Individual ☐ Organization ☐ Operator/Admin. ☐ Utility Occupation Category (select one): ☐ Water Utility (WTR)

Complimentary Spouse/Guest (If attending) *Household members only. Does not include Water Industry Personnel. _____

☐ I am a speaker at this conference. Date _____ Time _____ of your presentation.

Discounted Member Registration Rates	EARLY On or Before 2/24/17	PRE On or Before 3/24/17	ONSITE On or After 3/25/17
<input type="radio"/> FULL REGISTRATION: Includes Volunteer Recognition Luncheon Competitions Lunch & Two Tickets for Exhibit Hall Mixer	\$445	\$495	\$545
<input type="radio"/> Tuesday One-Day: Includes Volunteer Recognition Lunch & Two Tickets for Exhibit Hall Mixer	\$225	\$275	\$315
<input type="radio"/> Wednesday One-Day: Includes Competitions Lunch & Exhibit Hall Entrance	\$225	\$275	\$315
<input type="radio"/> EDUCATION PACKAGE Wednesday/Thursday Includes Technical Sessions & Exhibit Hall Entrance	\$225 No Meals	\$275 No Meals	\$315 No Meals
<input type="radio"/> Thursday One-Day Includes Technical Sessions	\$149	\$149	\$149
<input type="radio"/> STUDENT - Must be full time Student/AWWA Student Member	FREE No Meals	FREE No Meals	FREE No Meals
<input type="radio"/> RETIREE REGISTRATION - Must be: 1) Retired from all gainful employment. 2) A member of AWWA for at least 15 years. 3) At least 60 years of age.	FREE No Meals	FREE No Meals	FREE No Meals

Regular Registration Rates (Non Member Rates)	EARLY On or Before 2/24/17	PRE On or Before 3/24/17	ONSITE On or After 3/25/17
<input type="radio"/> FULL REGISTRATION: Includes Volunteer Recognition Luncheon Competitions Lunch & Two Tickets for Exhibit Hall Mixer	\$495	\$545	\$595
<input type="radio"/> Tuesday One-Day: Includes Volunteer Recognition Lunch & Two Tickets for Exhibit Hall Mixer	\$275	\$325	\$375
<input type="radio"/> Wednesday One-Day: Includes Competitions Lunch & Exhibit Hall Entrance	\$275	\$325	\$375
<input type="radio"/> EDUCATION PACKAGE Wednesday/Thursday Includes Technical Sessions & Exhibit Hall Entrance	\$275 No Meals	\$325 No Meals	\$375 No Meals
<input type="radio"/> Thursday One-Day Includes Technical Sessions	\$149	\$149	\$149

MEALS

If not included with registration fee

- ☐ Volunteer Recognition Lunch (Tuesday) \$50.00
☐ Competitions Lunch (Wednesday) \$50.00

SPECIAL EVENTS

- ☐ Tuesday Technical Tour \$55.00
☐ Wednesday Technical Tour \$55.00

CONTACT HOURS

- ☐ **FREE**
 I am an Individual, operator or administrative AWWA Member
- ☐ **\$20.00**
 My Utility/Company is an AWWA member or I am not an AWWA member

PAYMENT INFORMATION

Registration Subtotal: _____
 Meal Total: _____
 Special Events Total: _____
 Contact Hours: _____
 Total Amount Due: **\$ 0**

PAYMENT METHOD

Check # _____ Payable to CA-NV AWWA (U.S. funds)
 PO# _____ Must be accompanied by a physical copy of the PO
 Credit Card: ☐ Visa ☐ MC ☐ AMEX
 Card No.: _____
 Exp. Date: _____ Billing Zip Code: _____
 Name on Card: _____
 Authorized Signature: _____
 For copy of receipt, please write email address: _____

PAYMENT & REFUND POLICY

Submit payments to
California - Nevada Section, AWWA
 10435 Ashford Street - Rancho Cucamonga, CA 91730
 or by email: schickarmane@ca-nv-awwa.org

For registration questions, contact the Registration Specialist, Shobhan Chickarmane at 909.291.2117 or by email at schickarmane@ca-nv-awwa.org

Refund requests must be submitted in writing to the Section office by March 10, 2017. A \$50 administrative fee will be deducted from all refunds. NO Refunds granted after March 10, 2017. By submitting this form, you are consenting to having your photo taken at the event which may be used for future Section promotions.

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CONFERENCE SCHEDULE


**FACING THE FUTURE
TOGETHER**

 SPRING CONFERENCE
April 10 - 13, 2017
Anaheim, CA

Monday, April 10

[RETURN TO CONFERENCE HOME](#)

8:00 am	Section Leaders Meeting Committee Officers are invited
9:00 am	Certification Exams Advanced registration is required
10:00 am	Registration Opens
10:00 am	Committee Meetings Begin
5:30 pm	Membership Reception

Tuesday, April 11

7:00 am	Registration Opens
7:00 am	Top Op's Challenge One contact hour is available for attending
8:00 am	Technical Tour #1 Details yet to come
8:00 am	First Time Attendee Orientation
9:00 am	Opening Session
11:30 am	Volunteer Recognition Lunch Ticket Required
1:00 pm	Exhibit Hall Grand Opening
2:00 pm	Technical Sessions Begin
2:00 pm	Competitions Begin
5:00 pm	Young Professionals Meeting
5:30 pm	Exhibit Hall Meet & Greet Social
7:00 pm	Exhibit Hall Closes

Wednesday, April 12

7:00 am	Registration Opens
8:00 am	Technical Tour Details yet to come
8:00 am	Technical Sessions Begin
9:00 am	Competitions
9:00 am - 4:00 pm	Exhibit Hall Hours
10:30 am - 12:00 pm	Women's Networking Session

12:00 pm	Competitions Lunch Ticket required
1:30pm	Afternoon Technical Sessions Begin

Thursday, April 13

7:00 am	Registration Opens
8:00 am	Governing Board Meeting
8:00 am	Technical Sessions Begin
1:00 pm	Conference concludes

[Home](#)

Contact Us
(909) 481-7200
10435 Ashford St. 2nd Floor
Rancho Cucamonga, CA 91730
info@ca-nv-awwa.org

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Welcome to CA-NV Section AWWA 2017 Spring Conference

US English



Please select your guest type

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[Manage Existing Reservation](#)

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EXHIBITOR INFORMATION


**FACING THE FUTURE
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 SPRING CONFERENCE
April 10 - 13, 2017
Anaheim, CA

Exhibitors

Thank you for your interest in exhibiting at the upcoming Spring Conference. Each spring the Section hosts a four day technical conference for water professional. The conference is designed for the stewards of water, it provides an opportunity to enhance technical skills, engage in hot topics, and network with the others in the water community. Spring Conference attracts over 1,200 water professionals from California, Nevada and beyond. Attendees include utility managers, engineers, water operators, utility personnel, scientists and additional professionals representing a variety of careers in the water industry.

Exhibit Booth Registration

Exhibitor registration is a two step process.

Step 1: Reserve Your Booth

Click on the following link to reserve your booth – [Exhibit Hall Floor Plan](#)

Create your own log in to reserve your booth. The more information you provide, the easier it is for potential clients to contact you.

Step 2: Submit Payment

Please complete the [Exhibitor Registration Form](#) and email it to [Shobhan Chickarmane, Accounting/Registration Specialist](#) or fax it to 909-291-2107 within 30 days of your reserving your booth (Step 1). If payment is not received within 30 days, your reservation will be canceled. If you have any questions, please contact Linda Contreras, Director of Marketing & Events at 909-291-2116 or Accounting at 909-291-2117.

Booth Package Includes:

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Exhibitor Booth Pricing

EARLY BIRD REGISTRATION Paid on or before February 1, 2017	PRE - REGISTRATION Paid on or before March 10, 2017	ONSITE REGISTRATION Paid after March 10, 2017
Organization Member \$1,145 Non Member Exhibitor \$1,445	Organization Member \$1,445 Non Member Exhibitor \$1,745	Organization Member \$1,745 Non Member Exhibitor \$2,045

EXHIBITOR SCHEDULE

Exhibitor Move In

Monday, April 10, 3PM - 6PM

Tuesday, April 11, 8AM - 12PM

***ALL EXHIBITORS MUST BE SET UP
12PM TUESDAY, APRIL 11**

Exhibit Hall Hours:

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Wednesday, April 12 - 9AM - 4PM

Exhibitor Move Out:

Wednesday, April 12 - 4PM - 7PM

Downloadable Documents:

- [Exhibitor Rules & Regulations](#)
- [Exhibitor Registration Form](#)
- [Sponsorship Prospectus](#)

[RETURN TO CONFERENCE HOME](#)

Exhibit Decorator Kit

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American Exposition Services, Inc.

Phone: 916.925.3976 - Fax 866.558.3316

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Exhibit Personnel

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Hotel Information

Disneyland Hotel
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Anaheim, CA 92802

Disney has developed a special website to book your rooms and with information on activities to enhance your Conference experience

[Disney - California Nevada Section Microsite](#)

General Questions

Contact [Summer Visser](#), Events Specialist at 909.291.2108

Exhibit Hall Floor plan

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MINUTES OF REGULAR MEETING OF THE COMMISSIONERS OF THE ANTELOPE VALLEY STATE WATER CONTRACTORS ASSOCIATION, JANUARY 12, 2017.

A regular meeting of the Commissioners of the Antelope Valley State Water Contractors Association was held Thursday, January 12, 2017, at the Palmdale Water District at 2029 East Avenue Q, Palmdale. Chair Alvarado called the meeting to order at 7:00 p.m.

1) Pledge of Allegiance.

At the request of Chair Alvarado, Commissioner Parris led the pledge of allegiance followed by a moment of silence in honor of Commissioner Mac Laren's father, the late Vic Johnson.

2) Roll Call.

Attendance:

Robert Alvarado, Chair

Keith Dyas, Vice Chair

Leo Thibault, Treasurer-Auditor

Barbara Hogan, Commissioner

Kathy Mac Laren, Commissioner

Robert Parris, Commissioner

Others Present:

Matt Knudson, AVSWCA General Mngr.

Tom Barnes, Controller

Dwayne Chisam, AVEK General Mngr.

Shelley Golden, Interim LCID General Mngr.

Danielle Henry, Administrative Assistant

0 members of the public

3) Public Comments for Non-Agenda Items.

Commissioner Thibault introduced Shelley Golden as LCID's new Interim General Manager, in addition to her current role as Office Manager, after which Commissioner Parris and Chair Alvarado congratulated Ms. Golden on her new role.

There were no public comments.

4) Consideration and Possible Action on Minutes of Regular Meeting Held November 17, 2016.

It was moved by Commissioner Dyas, seconded by Commissioner Mac Laren, and carried by a 5-0-1 vote, with Commissioner Parris abstaining, to approve the minutes of the regular meeting held November 17, 2016, as written.

5) Payment of Bills.

Commissioner Thibault reviewed the bills received for payment and then moved to approve payment of the bills received from AVEK in the amount of \$1,708.85 for staff services, from Interactive Educational Services, Inc. (IES) in the amount of \$294.00 for the recurring monthly AVSWCA.org website charge from January 2017 through June 2017, and from AV Web Designs in the amount of \$199.95 for the recurring monthly AVSavesWater.com website charge for January 2017 as well as ratification of the December 2016 payment for \$199.95. The motion was seconded by Commissioner Mac Laren and unanimously carried by all members of the Board of Commissioners present at the meeting.

6) Presentation and Overview on the Groundwater Level and Water Quality Monitoring Program between the Antelope Valley State Water Contractors Association (AVSWCA) and the U.S. Geological Survey (USGS). (Mr. Bob Blanchard, USGS)

General Manager Knudson stated that Mr. Bob Blanchard, of the U.S. Geological Survey, was unable to attend this evening's meeting, and this item will be tabled to the next meeting.

7) Consideration and Possible Action on Election of Officers. (General Manager Knudson)

After a brief discussion of the rotation of officers from each member agency, Commissioner Dyas made a motion to nominate Commissioner Parris for Chair of the Association. The nomination was seconded by Commissioner Mac Laren and unanimously carried by all members of the Board of Commissioners present at the meeting.

Commissioner Thibault then made a motion to nominate Commissioner Hogan as Vice Chair of the Association. The motion was seconded by Commissioner Parris and unanimously carried by all members of the Board of Commissioners present at the meeting.

Commissioner Hogan then made a motion to nominate Commissioner Thibault as Treasurer-Auditor of the Association. The motion was seconded by Commissioner

ANTELOPE VALLEY STATE WATER CONTRACTORS ASSOCIATION
JANUARY 12, 2017
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Mac Laren and unanimously carried by all members of the Board of Commissioners present at the meeting.

Commissioner Parris then made a motion to nominate Commissioner Mac Laren as Secretary of the Association. The motion was seconded by Commissioner Hogan and unanimously carried by all members of the Board of Commissioners present at the meeting.

The approved slate of officers for the Association is as follows:

Robert Parris, Chair
Barbara Hogan, Vice-Chair
Leo Thibault, Treasurer-Auditor
Kathy Mac Laren, Secretary
Keith Dyas, Commissioner
Robert Alvarado, Commissioner

General Manager Knudson then stated that an updated contact list will be provided at the next meeting after which Commissioner Alvarado requested to officially transition the Chair seat to Commissioner Parris for the remainder of the meeting.

8) Report of General Manager.

a) Update on Revenue, Expenditures and Change in Net Position.

General Manager Knudson stated that this report will be provided at the next meeting.

b) Update on Antelope Valley Watermaster Meetings.

General Manager Knudson reported that the Antelope Valley Watermaster Board has been making good progress and approved a budget for 2016; that pumping assessments were set at \$1.00/acre foot, and invoices for the 2016 calendar year were mailed to the producers; that there have been discussions of utilizing Association staff to manage incoming funds; that several individuals and firms have applied for the Watermaster Engineer position, which closes February 3, 2017; and that the next meeting is scheduled for January 31, 2017 at 10 a.m. at AVEK.

He then reviewed a handout provided on the North Sierra Precipitation Index as of January 12, 2017, and after a brief discussion of the 45% State Water Project Allocation, Commissioner Thibault stated that he heard on the radio that Governor Brown has declared Northern California exempt from water rationing and that the Antelope Valley Watermaster position was advertised in ACWA's newsletter.

9) Report of Controller.

a) Update on Status of Agreement Related to Regional Exchange of Water from the State Water Project.

Controller Barnes provided a brief history on the proposed agreement submitted to the Department of Water Resources (DWR) to move water more freely through the State Water Project between the member agencies, as well as a proposed storage program, and stated that it was requested by DWR to separate the proposal into two separate agreements and that the Association has not yet received a draft agreement from DWR.

Chair Parris then inquired about current storage restrictions between the member agencies, and after discussion of the DWR representative responsible for decisions on the proposed agreement, of the length of time that has passed since submitting the proposed agreement, and of the best ways to obtain approval from DWR, staff was directed to report specifics and an action plan on this item at the next Association meeting.

10) Reports of Commissioners.

Commissioner Thibault stated that Littlerock has been privileged in receiving the most rainfall currently in the Antelope Valley.

Chair Parris then stated that he feels honored to be Chair for the Association and looks forward to doing the best job he can after which Commissioner Alvarado officially welcomed Chair Parris to the Association.

Commissioner Dyas then welcomed Chair Parris to the Association, wished the new officers good luck, and suggested this wet year be taken advantage of.

There were no further reports.

11) Report of Attorney.

No attorney was present.

12) Commission Members' Requests for Future Agenda Items.

Commissioner Hogan inquired on plans for this year's Smart Landscaping Expo after which Chair Parris stated that he is now the Chair of AVEK's Water Conservation Committee and that there will be a meeting in the near future to discuss this item.

Commissioner Thibault then suggested that "Update on Status of Agreement Related to Regional Exchange of Water from the State Water Project" be a standing action item on future agendas.

General Manager Knudson then stated that the USGS presentation will carry over to the next meeting and that an item to discuss the Association's goals for 2017 will be included on the next agenda after which Chair Parris stated that the collective efforts of the three member agencies are critical for the future of the Antelope Valley and that he would like to see a series of agenda items, including presentations, on current water banking opportunities, potential water storage projects, and possible water connections between the agencies.

The Mojave Water Agency Tour scheduled for January 23 was then briefly discussed after which Commissioner Dyas suggested that those attending pay special attention to the Agency's natural filtration process.

There were no further requests for future agenda items.

13) Consideration and Possible Action on Scheduling the Next Association Meeting. (February 9, 2017)

It was determined that the next regular meeting of the Association will be held February 9, 2017 at 7:00 p.m. at PWD and that Chair Parris will be conferenced in via telephone.

ANTELOPE VALLEY STATE WATER CONTRACTORS ASSOCIATION
JANUARY 12, 2017
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14) Adjournment.

There being no further business to come before the Commissioners, it was moved by Commissioner Alvarado, seconded by Commissioner Mac Laren, and unanimously carried by all members of the Board of Commissioners present at the meeting to adjourn the regular meeting of the Commissioners of the Antelope Valley State Water Contractors Association at 7:42 p.m.


Secretary

PALMDALE WATER DISTRICT BOARD MEMORANDUM

DATE: February 15, 2017

February 22, 2017

TO: BOARD OF DIRECTORS

Board Meeting

FROM: Mr. Dennis D. LaMoreaux, General Manager

RE: *AGENDA ITEM NO. 8.2 – February, 2017 General Manager Report*

The following is the February report to the Board of activities through January, 2017. It is organized to follow the District's six strategic initiatives adopted in 2016 and is intended to provide a general update on the month's activities. A summary of the initiatives is as follows:



Water Resource Reliability

2015 Urban Water Management Plan, drought response
Palmdale Regional Groundwater Recharge & Recovery Project
Littlerock Reservoir Sediment Removal Project
Recycled water allocation and use



Organizational Excellence

Maintain formal management/supervisor training and development program
Maintain competitive compensation and benefits package
Employee wellness program; Succession planning
Board/staff events to develop innovative ideas and awards



Systems Efficiency

Water system Master Plan update and related EIR
Reinvestment in aging infrastructure
Investment, implementation, and training plan for new technology
Computerized maintenance management software (CMMS)



Financial Health and Stability

Pursue Federal and State funding opportunities
Sustainable and balanced rate structure
Maintain adequate reserve levels
Maintain high level bond rating



Regional Leadership

Create a regional best practices Antelope Valley partnership
Enhance community partnerships and expand school programs in water education
Emphasize the importance and long history of the District as a community asset
Continue to evaluate District internship needs



Customer Care and Advocacy

Customer Care accessibility through automation
Evaluate, develop, and market additional payment options
Improve customer account management tools
Enhance customer experience through assessment of infrastructure, processes, and policies to maximize the customer care experience

This report also includes charts that show the effects of the District's efforts in several areas. They are now organized within each strategic initiative and include status in complying with the State Water Resources Control Board's (SWRCB) conservation emergency orders, 20 x 2020 status, the District's total per capita water use trends, 2017 water production and customer use graph, mainline leaks, and the water loss trends for both 12 and 24 month running averages.



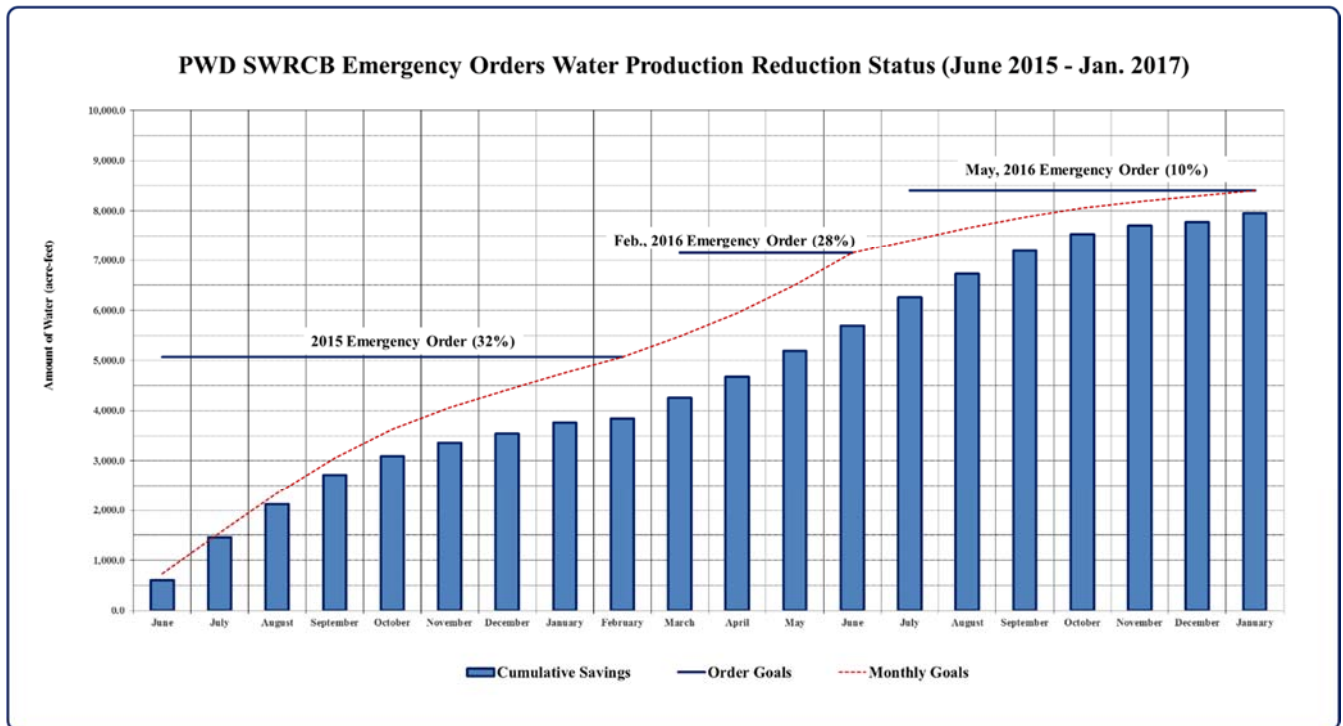
Water Resource Reliability

This initiative includes conservation efforts, water supply projects, and water planning. Recent highlights are as follows:

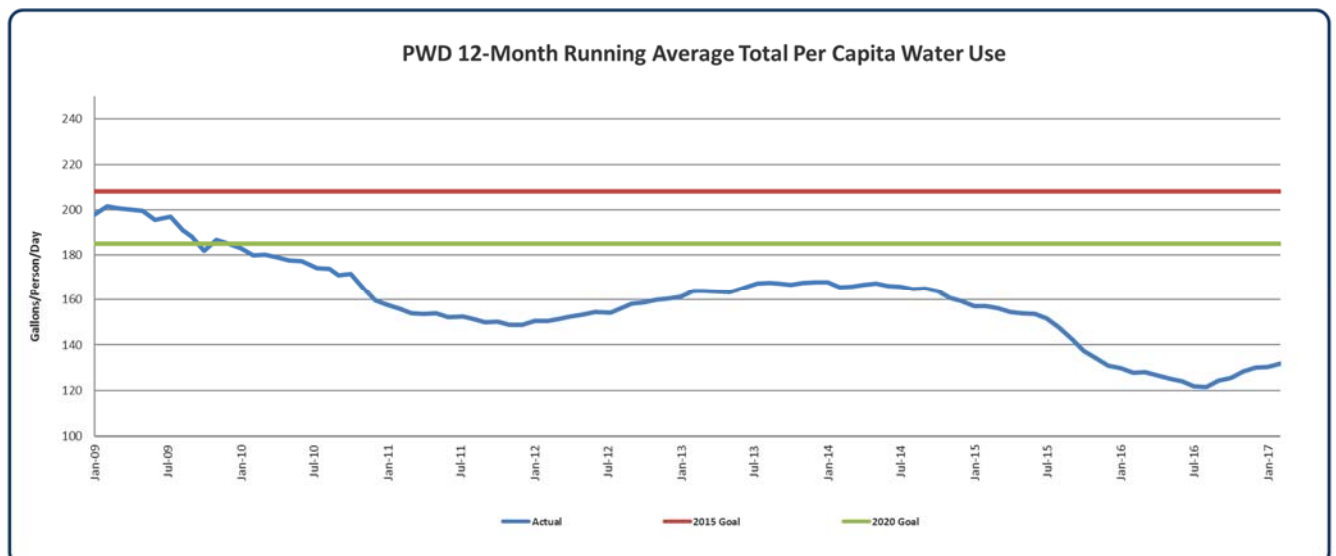
2015, 2016, and 2017 SWRCB Emergency Drought Orders

- The District customers' cumulative water saving from June, 2015 to the end of January, 2017 as compared to 2013 is 23.1%. The January, 2017 numbers alone show a **17.4%**, or **185.5 AF**, of savings. The SWRCB's May, 2016 Order shifted conservation goal setting to water agencies. The "self-certification" process is set as using the last three (3) years actual water supplies projected over the next three (3) years versus the anticipated water demands. District staff completed that analysis and recommended a new conservation goal of 15% for the District. This was approved by the Board on July 13, 2016 in Resolution No. 16-8. The resolution also relaxed water use restrictions by removing day restrictions and penalties for water waste by making the first violation a warning rather than a \$50.00 fine. A new Order was adopted on February 8, 2017 extending the emergency regulations another 270 days. The District staff strongly disagrees with this and has prepared a resolution for the Board's consideration to remove

all remaining emergency water conservation measures. The District's performance with all the SWRCB's Orders throughout the entire time period is shown in the following graph:



The District's customers have actually cut their water use by nearly 43% from the baseline number of 231 and met the 2020 Goal in early 2010. The current Total-GPCD is 131. This is easiest to see in the following chart titled "PWD 12-Month Running Average Total Per Capita Water Use."



The fact that District customers have excelled in water conservation is also shown in the following table titled “Historic R-GPCD Comparison.” It shows that the District’s customers have reached 75 and 64 R-GPCD in December, 2016 and January, 2017, respectively. Throughout the Emergency Order period starting in June, 2015, they have reduced water use by 39.7% compared to the same time period in 2007.

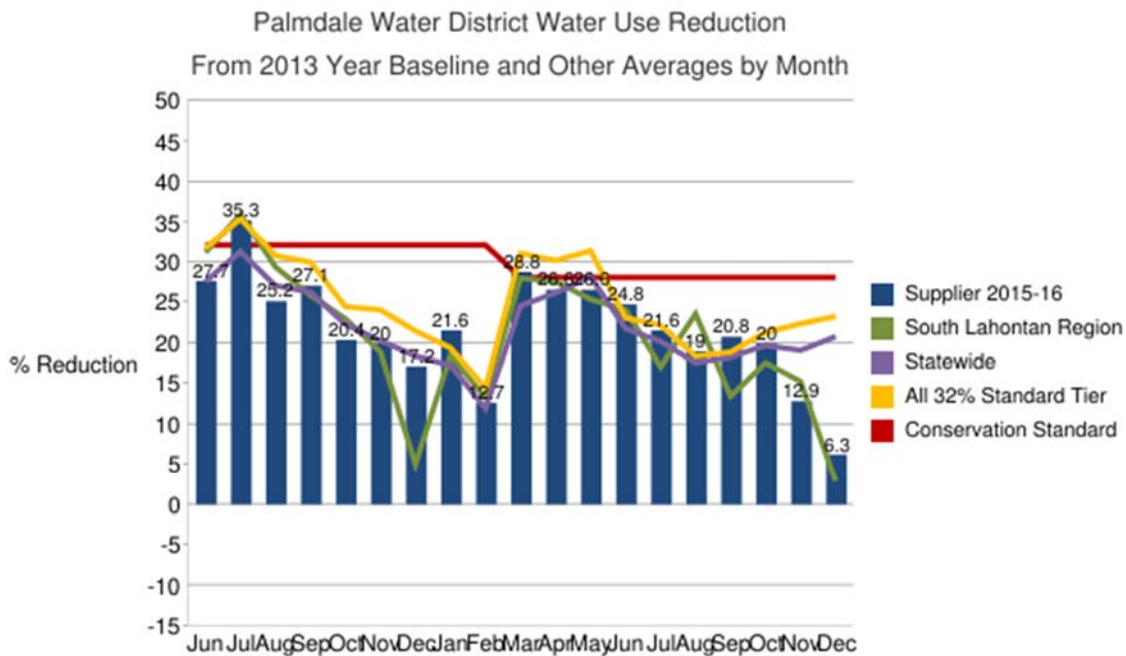
Historic R-GPCD Comparison*						
Emergency Order Period	2007		2013		2015/16	
	Gallons	% Change	Gallons	% Change	Gallons	% Change
June	239.8	-	170.9	(28.7)	126.3	(47.3)
July	267.6	-	184.7	(31.0)	121.8	(54.5)
August	261.1	-	180.0	(31.0)	133.0	(49.0)
September	198.9	-	164.5	(17.3)	116.2	(41.6)
October	157.7	-	130.2	(17.4)	104.5	(33.7)
November	130.2	-	100.4	(22.9)	77.2	(40.7)
December	88.2	-	80.4	(8.9)	67.1	(24.0)
January	103.8	-	77.1	(25.8)	61.1	(41.2)
February	106.1	-	79.2	(25.4)	70.1	(33.9)
March	144.5	-	105.8	(26.8)	76.3	(47.2)
April	169.3	-	124.4	(26.5)	92.5	(45.3)
May	204.4	-	145.3	(28.9)	108.4	(46.9)
June	239.8	-	170.9	(28.7)	133.6	(44.3)
July	267.6	-	184.7	(31.0)	142.0	(46.9)
August	261.1	-	180.0	(31.0)	146.6	(43.8)
September	198.9	-	164.5	(17.3)	130.3	(34.5)
October	157.7	-	130.2	(17.4)	106.7	(32.3)
November	130.2	-	100.4	(22.9)	87.4	(32.9)
December	88.2	-	80.4	(8.9)	74.9	(15.1)
January	103.8	-	77.1	(25.8)	63.6	(38.8)
Averages**	175.9		131.6	(23.7)	102.0	(39.7)

Notes: * All R-GPCD Calculated using 2015 Emergency Order Method
% Change is calculated from 2007

** Months to date only

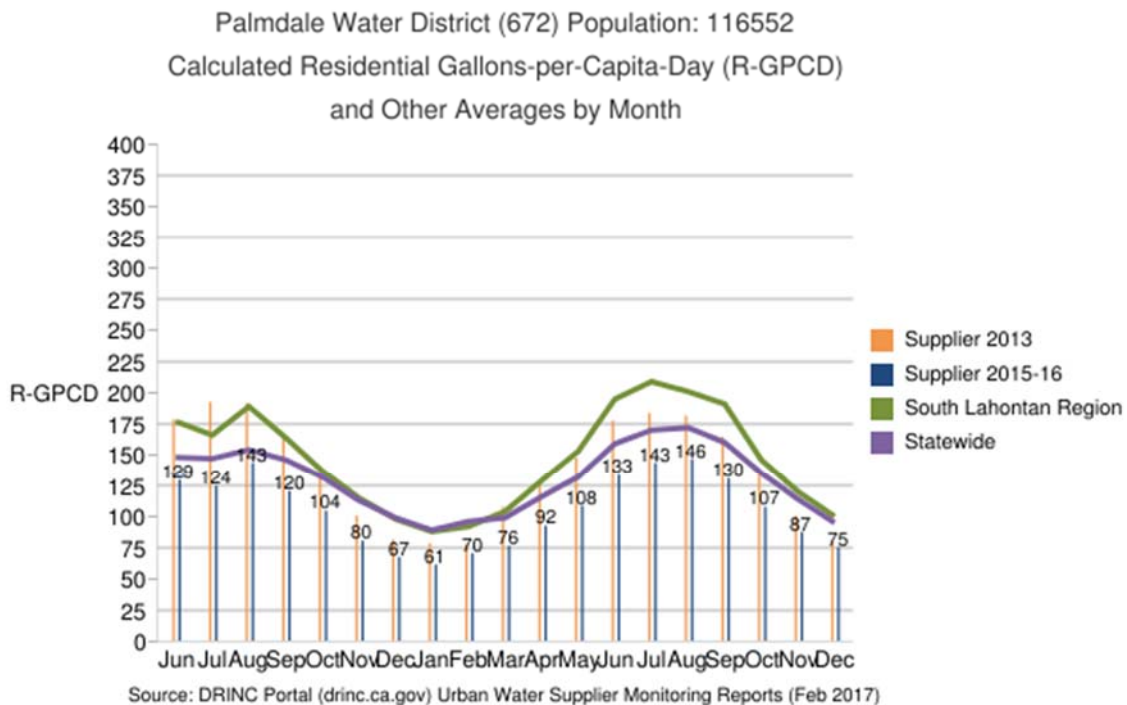
20% by 2020 12-Month Average Total GPCD Baseline = 231
2015 12-Month Average Total GPCD Goal = 208
2020 12-Month Average Total GPCD Goal = 185
Current 12-Month Average Total GPCD = 132 or 42.9% Reduction

Another way to measure the District’s and our customers’ success in responding to the Governor’s Drought Declaration and the SWRCB’s Emergency Orders is to compare the reduction in water usage and the per capita use with regional water agencies and with the statewide average response. The following graphs are produced by the SWRCB and cover through December, 2016. The first one shows the District’s water use reduction as compared to others in the same reduction group, regional water agencies, and statewide agencies. The District and our customers have done well.



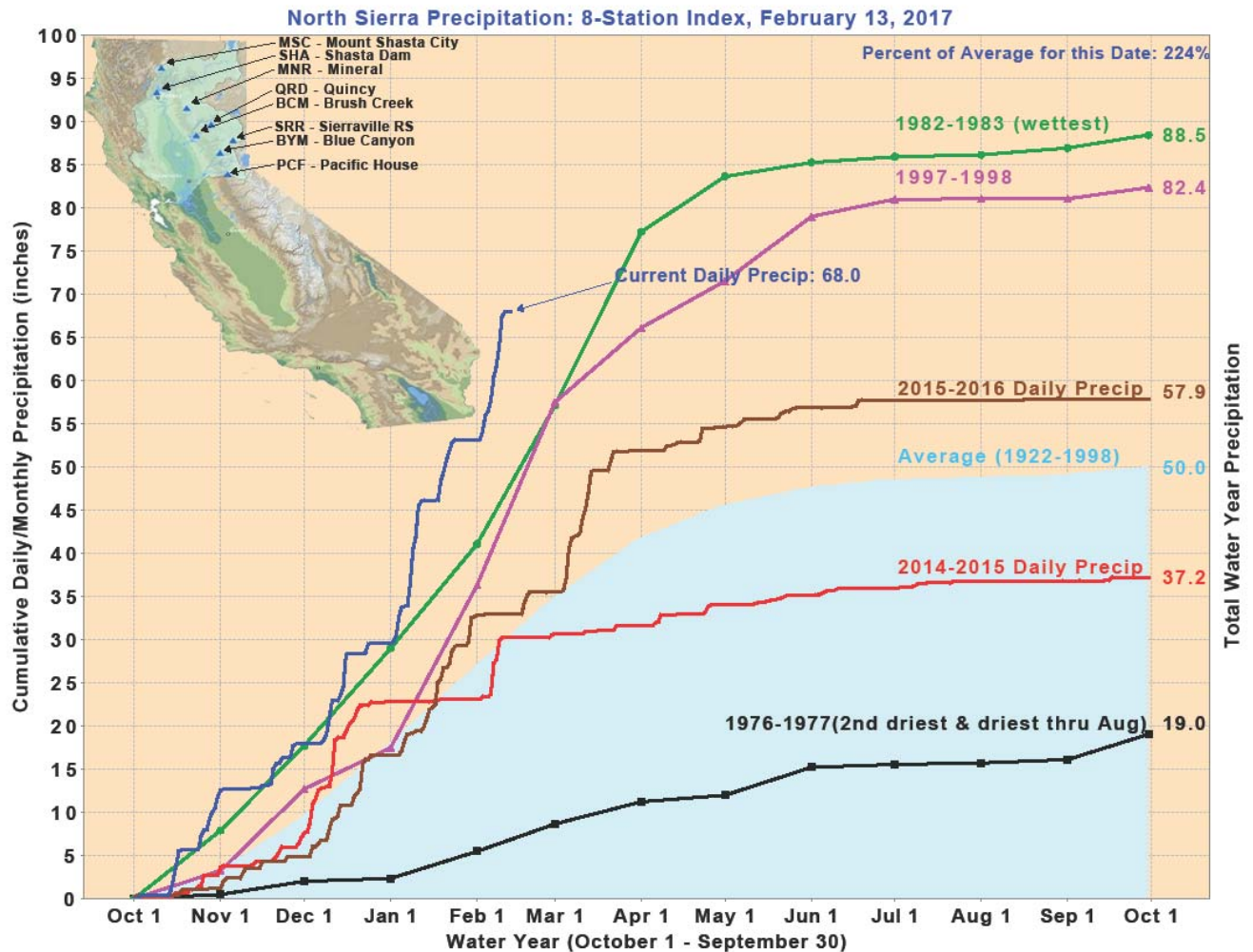
Cumulative Supplier water use reduction since June 2015: 23.1 %

The second graph shows the District's per capita water use as compared to others in the same reduction group, regional water agencies, and statewide agencies. Again, the District and our customers have lower per capita use than the statewide average and regional agencies.

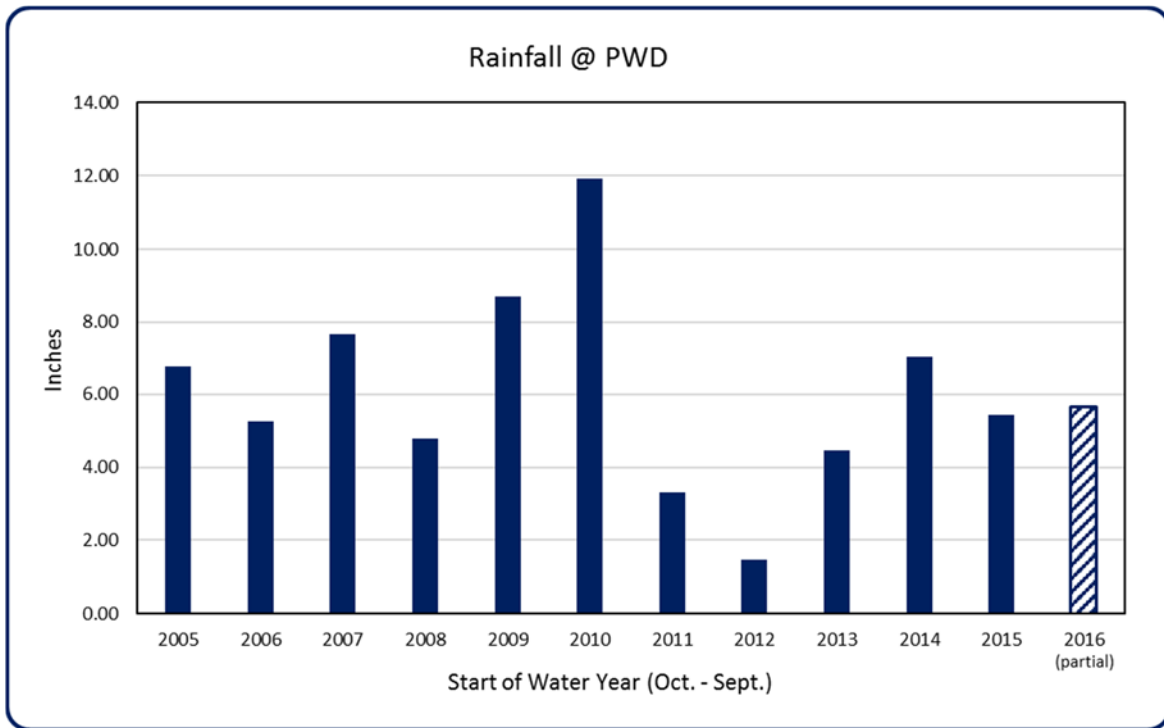


Water Supply Information

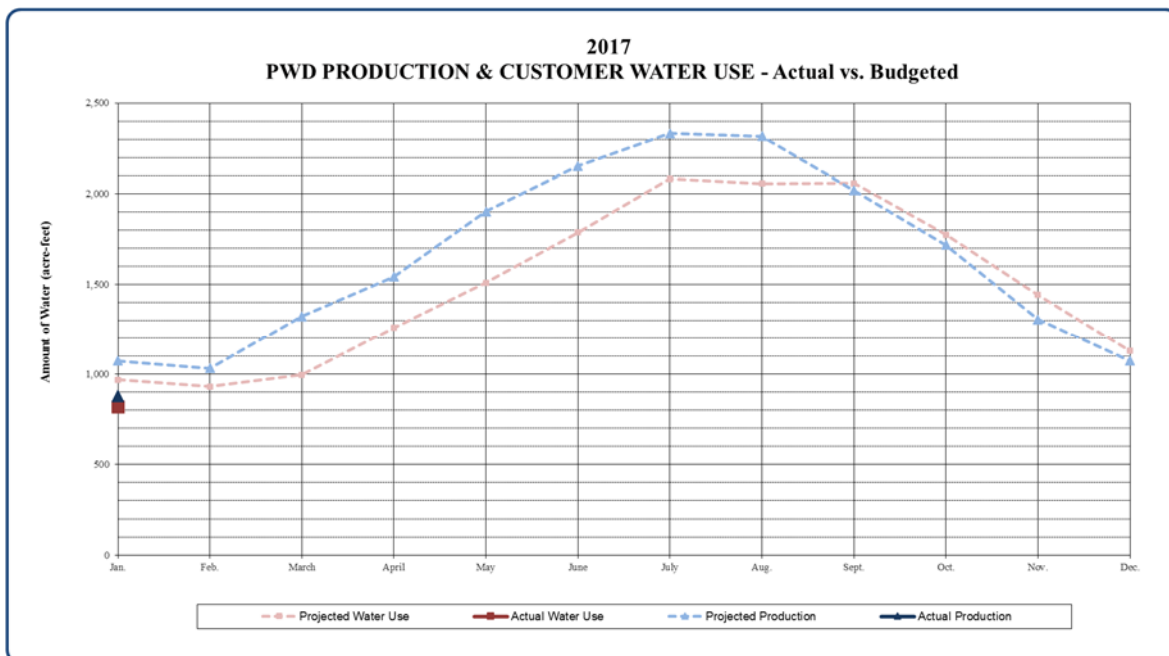
- The staff has planned water resources for 2017 based on the current State Water Project allocation of 60%. The 2016-2017 water year has started well for Northern California as shown in the following graph. Based on this, an above-average SWP allocation and continued relaxed water conservation regulations are expected.



- The local water supply is much better than in recent years. As of this date, Littlerock Dam is spilling for the first time in years. The following graph shows this year's rainfall in comparison to the last several years.



- Water and Energy Resources staff prepared a plan for 2017 that incorporates available water with the anticipated water usage. The following graph shows January actual amounts and monthly projections for both production and consumption, based on the prior five years of actual monthly information, for the entire year. It is anticipated that this year's consumption and production pattern moved back into a more-normal pattern.



Other Items

- The Littlerock Reservoir Sediment Removal Project Draft Environmental Impact Report/Environmental Impact Statement (EIR/EIS) is published in the Federal Register. The public review period ran through the end of June, 2016. Aspen Environmental is now working with the Angeles National Forest on drafting the Record of Decision. A final document will be published soon for the Forest Service to act on for NEPA, and a separate document will be presented to the Board for CEQA action.
- The public review of the Draft California Environmental Quality Act (CEQA) EIR for the Palmdale Regional Groundwater Recharge and Recovery Project is complete. The Final EIR was certified by the Board on July 13th, and the Notice of Determination was filed on July 14, 2016. The comments from the SWRCB Recycled Water Division on the Title 22 Engineering Report are being addressed. A recent meeting with the regulatory staff discussing draft responses went well. Plans for the construction of monitoring wells and a pilot recharge basin are now being finalized and will be advertised for bids soon.



Organizational Excellence

This initiative includes efforts to restructure staff duties and activities to more efficiently provide service to our customers. Recent highlights are as follows:

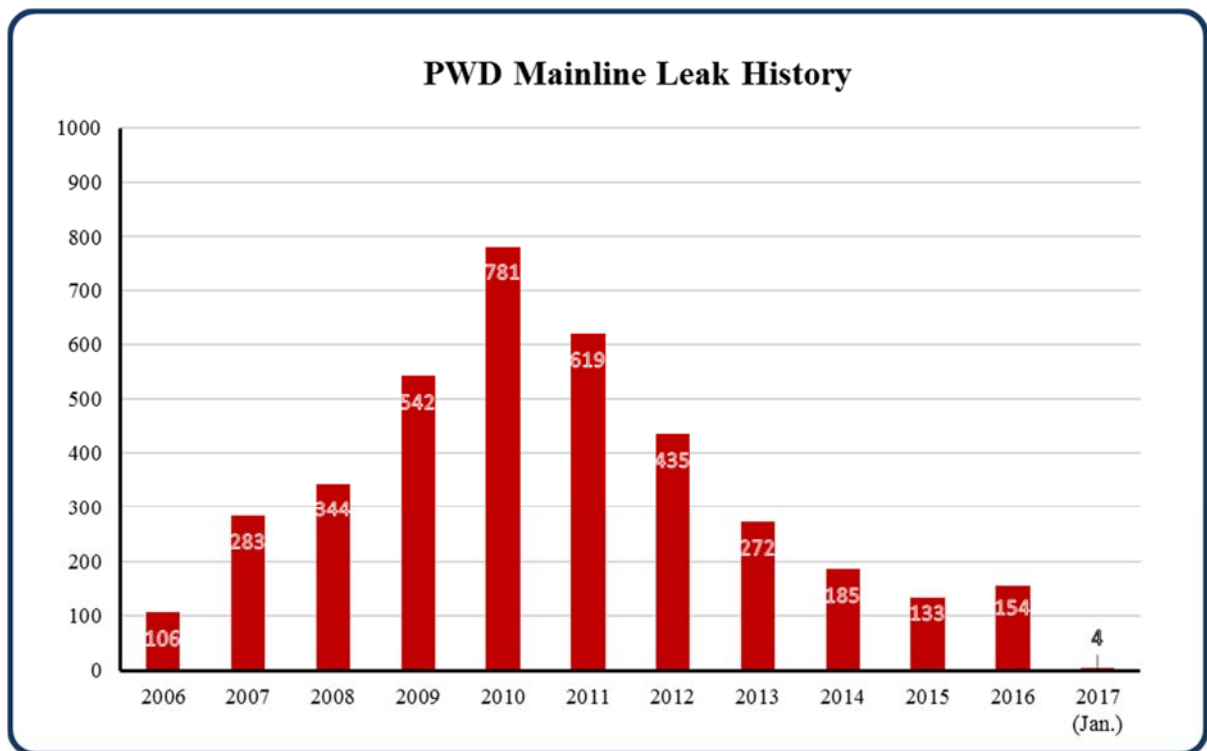
- The electronic time keeping software is now being used by staff.
- The 2016 Strategic Plan Update is posted in the board room; posters and brochures are now complete. A Spanish translation is being worked on also. These boards will be placed in the board room when they are completed.
- An Ad-Hoc Committee of the Board was formed to meet with community groups and develop any policies needed to help ensure the continued communication with and involvement of the District's customers. An interpreter is provided upon request for public comments at regular Board meetings as an interim policy.
- The Mathis Group is working on completing the Board norms process, preparing for a planning dinner, and assisting in a review and update of the 2016 Strategic Plan.



Systems Efficiency

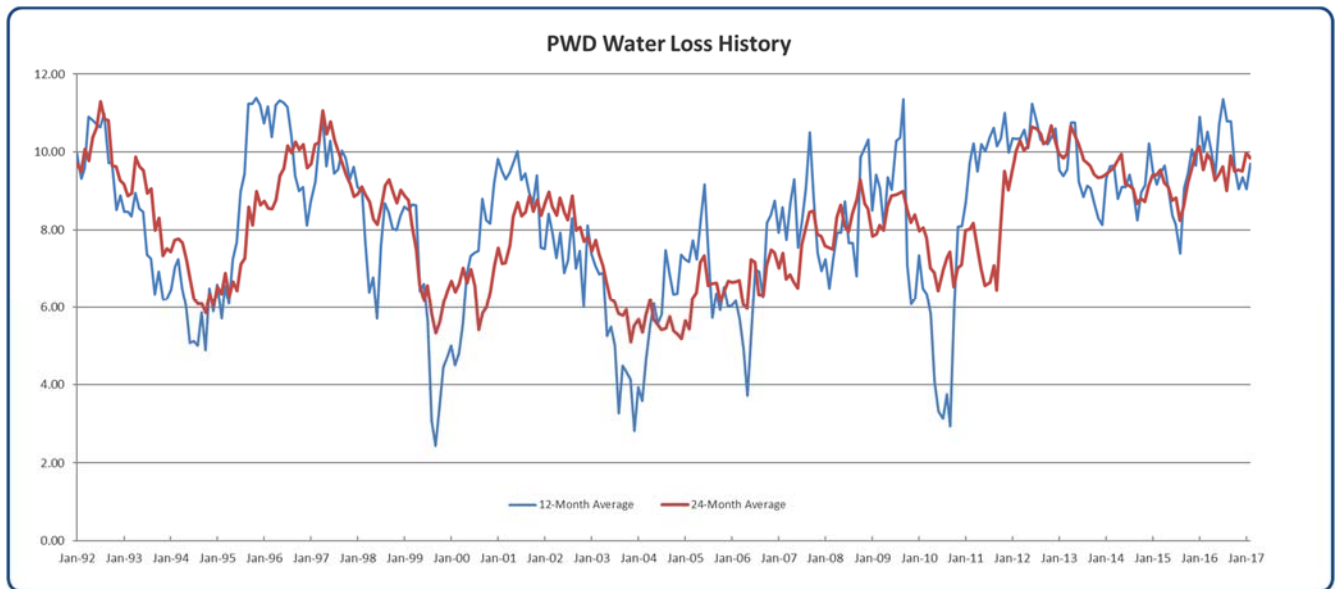
This initiative largely focuses on the state of the District's infrastructure. Recent highlights are as follows:

- Installation of the long awaited security upgrades for the headquarters and maintenance areas is complete. Similar work at the Leslie O. Carter Water Treatment Plant was awarded at the last Board meeting.
- New water main replacement projects will be completed within the funds available in the 2017 Budget to continue the District's efforts to maintain the water system. The effects of the District's past efforts in replacing failing water mains can be seen in the reduced number of mainline leaks. This is illustrated in the chart titled "Mainline Leak History." The total for 2016 was slightly above, 154 vs. 133, the numbers for 2015. The 2016 service line leaks remained fairly constant at 89. While this is a vast improvement from 2010's number of 781 mainline leaks, replacement work must continue. The January, 2017 mainline leaks are 4. Properly managing these leaks is increasingly important as part of upcoming requirements to reduce water losses throughout the State.



- A replacement project in the area south of Avenue Q near 15th Street East was recently completed.

- The 2016 budgeted meter replacement project of approximately 3,300 meters will begin shortly.
- The effect of both water main and water meter replacement is shown on the chart titled “PWD Water Loss History.”



Financial Health and Stability

- Engineering staff has successfully applied for planning grant funding for the Palmdale Regional Groundwater Recharge and Recovery Project and for the Phase II pipeline for the Palmdale Recycled Water Authority. Application packages for further funding are now being reviewed by the State.
- The Board approved proceeding with the refunding of the 2012 private placement and a portion of the 2013A Revenue Bonds due to the current low interest rates if a 5% savings can be achieved. The market is still below that savings goal.
- Financial Planning Workshops were held in August and October to look at the District's potential financial requirements over the next several years and to consider setting multi-year rate changes rather than single year changes. Water rate changes of 4.25% for 2017, 2018, and 2019 were then approved at a Board meeting held November 9, 2016. The resolution is also unique in that it included criteria that, if met, would allow for lesser changes.
- The Board approved the 2017 Budget at the November 23, 2016 meeting.

- Staff is working with the approved Holman Capital on a technology lease agreement to fund \$830,000 in projects. The low interest rate of 2.78% and ability to fund additional repair and replacement projects make this a prudent action.



Regional Leadership

This initiative includes efforts to involve the community, be involved in regional activities, and be a resource for other agencies in the area. Recent highlights are as follows:

- Activities of the Palmdale Recycled Water Authority (PRWA) and Antelope Valley State Water Contractors Association have continued.
- Additional meetings of the Antelope Valley Watermaster Board (AVWB) were recently held with topics including obtaining a recruiter for the Watermaster Engineer and organizing the Advisory Committee.
- District staff is active in the local chambers and is on the board of the Palmdale Chamber and GAVEA.



Customer Care and Advocacy

This initiative includes efforts to better serve our customers. Recent highlights are as follows:

- The lobby kiosk is continuing to give customers another choice for making a payment at the District office. It has continued to take increasing amounts of customer payments. Financial staff is purchasing a new kiosk and IVR due to the high transaction processing costs with the current arrangement.
- The option for customers to make payments at 7-Eleven and Family Dollar Store is functioning and allowing customers to make cash payments at those stores. The use of this payment method is also continuing to grow.
- The Customer Care Department is continuing to define its role and find ways to better help customers.
- A plan to update and improve the front entrance and lobby is being developed.