



PALMDALE WATER DISTRICT

OPERATING BUDGET – Calendar Year 2017

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Palmdale CA 93550
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PALMDALE WATER DISTRICT

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Since 1918

Board of Directors

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On behalf of the Palmdale Water District Board of Directors, I am pleased to present the budget for Calendar Year (CY) 2017 approved November 23, 2016.

Palmdale Water District expects operating revenues of \$22.8 million with \$21.7 million of operating expenses. Planned capital expenditures are \$2.1 million, and financial obligations for payment of principal and interest on debt are \$3.7 million. Budgeted salary and benefits expense is slightly more compared to CY 2016.

The CY 2017 Budget addresses the Board of Director's updated Strategic Plan, the recovering from the drought in California, and the implementation of the Antelope Valley Adjudication Judgement. Palmdale Water District continues its focus on essential services and improvements that will provide efficiency and productivity gains, high quality customer service, and lays the foundation for a more diversified and drought-resistant water supply portfolio.

This year's presentation of the Budget incorporates the various styles from prior years. The Introduction, Budget Summary, Basis of Budget, Departments, and Appendix assist readers to easily find information. More detailed information is always available at www.palmdalewater.org or from Palmdale Water District staff. Please feel free to contact myself or the Financial Department staff if you have any questions.

Very truly yours,

DENNIS D. LaMOREAUX,
General Manager

DDL/ddl

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INTRODUCTION

Thank you for your interest in Palmdale Water District and the approved 2017 Budget. The following provides an overview of the 2017 Budget and how it relates to the 2016 Strategic Plan Update.



Palmdale Water District was formed in 1918 by a vote of its customers as a public Irrigation District under Division 11 of the California Water Code. It previously served the community of Palmdale as various forms of a private company for over 30 years. As a public agency, it formed a partnership with the neighboring Littlerock Creek Irrigation District to finance and build Littlerock Dam. This was and remains a key water source for both districts and their customers. Other significant milestones include becoming a contractor to the State Water Project and reconstructing Palmdale Dam in the 1960's. These demonstrate how the District's foresight and planning has created a strong

foundation for the community of Palmdale.

Palmdale Water District is now in its 98th year as a public agency and will begin its 99th year in July. The District retains a focus on providing a critical service to the community through this approved Budget. The focus is identified in the District's 2016 Strategic Plan, including the following Mission and Vision Statements.



MISSION

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

VISION

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

STRATEGIC PLAN

The District’s Strategic Plan is initiative based so they remain dynamic and match the ever-changing environmental conditions. Below are the initiative categories that were established in 2014 and updated in 2016. The 2016 Update added an initiative focused on finances. This is a true reflection and recognition of the fact that providing essential services for our customers requires a solid financial footing.

CY 2014

Initiative No. 1 - Outstanding Water Management	Initiative No. 2 - Increased Efficiency	Initiative No. 3 - Infrastructure	Initiative No. 4 - Regional Leadership	Initiative No. 5 - Exceptional Customer Service
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CY 2016 Update

Initiative No. 1 - Water Resource Reliability	Initiative No. 2 – Organizational Excellence	Initiative No. 3 – Systems Efficiency	Initiative No. 4 - Financial Health and Stability	Initiative No. 5 – Regional Leadership	Initiative No. 6 – Customer Care and Advocacy
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2016 STRATEGIC PLAN

The following is a list of the Strategic Initiatives that includes the more specific areas of focus through policy development and projects. The Strategic Initiatives were established through involvement with the Board of Directors and Management Staff. The six (6) Strategic Initiatives serve as the driving force behind the CY 2016 Budget.

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 and 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 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

OPERATING BUDGET

The Palmdale Water District 2016 Budget projected lower water sales because the State was under a mandatory water conservation order by the Governor. This was modified twice in 2016 when the State Water Resources Control Board (SWRCB) changed statewide mandatory conservation standards. The implementation of the Orders required the District to reach a mandated reduction of 28% from February 2016 through June 2016 and 10% reduction through March 2017. The District's 2017 budget anticipates a slight recovery in customers' water use as the drought lessens.

The District's CY 2017 Operating Revenues are budgeted at \$22.8 million and is roughly \$1.1 million more than the same as the CY 2016 Budget. Operating Revenues by category are summarized below:

	CY 2016 BUDGET	CY 2017 BUDGET	% Change
OPERATING REVENUES:			
Water consumption sales	\$ 7,402,000	\$ 8,162,000	10.3%
Monthly meter service charge	12,079,000	12,475,500	3.3%
Water quality fees	934,500	862,500	(7.7%)
Elevation Fees	400,000	340,000	(15.0%)
Other water service charges	860,000	960,000	11.6%
TOTAL OPERATING REVENUES:	\$ 21,675,500	\$ 22,800,000	5.2%

The District's CY 2017 Operating Expenses are budgeted at \$21.7 million compared to \$20.8 in the CY 2016 budget. Operating Expenses by category are summarized below:

OPERATING EXPENSES:			
Source of supply - purchased water	\$ 2,659,500	\$ 3,052,500	14.8%
Directors	145,750	115,500	(20.8%)
Administration	3,201,500	3,452,500	7.8%
Engineering	1,279,250	1,451,500	13.5%
Facilities	6,513,750	6,626,000	1.7%
Operations	2,449,250	2,546,250	4.0%
Finance	1,168,250	1,246,500	6.7%
Water Conservation	239,250	228,000	(4.7%)
Human Resources	420,350	297,100	(29.3%)
Information Technology	867,750	804,750	(7.3%)
Customer Care	1,386,750	1,278,000	(7.8%)
TOTAL OPERATING EXPENSES:	\$ 20,331,350	\$ 21,098,600	3.8%

The CY 2017 capital portion of the Budget includes expenditures of \$2.1 million representing a 43% decrease from the CY 2016 budget of \$3.7 million. The major contributing factor for this decrease is the reduction in operating revenue due to continued mandatory drought restrictions, less than planned rate change, updating the water quality and elevation fee calculations, and changes in the District's collection process and charges.

REVENUES

Due to California's long-lasting mandated drought-emergency conservation, the District anticipates a slow recovery in customer water use and has projected 18,000 acre feet of potable water sales for CY 2017, compared to 16,500 acre feet of potable water sales for CY 2016. The corresponding increase in CY 2017 budgeted revenue is an increase of \$1.1 million or 5.1% compared to budgeted revenue in CY 2016. The multi-year rate plan, from the 2014 Bartle Wells rate study, is updated to show approved rate changes and is shown in the tables below. The table reflect the Board of Directors approved rate changes of 4.25% for 2017, 2018, and 2019. Rate changes apply to both the monthly meter charge and commodity rates.

Tiered Commodity Rates (\$/CCF)

	CY 2015	CY 2016	CY 2017	CY 2018	CY 2019
Tier 1	0.75	0.78	0.82	0.87	0.92
Tier 2	0.86	0.89	0.94	0.99	1.04
Tier 3	2.43	2.53	2.67	2.82	2.98
Tier 4	3.66	3.81	4.02	4.24	4.47
Tier 5	4.73	4.92	5.19	5.48	5.78
Tier 6	6.08	6.32	6.67	7.04	7.43

Monthly Meter Charge

	CY 2015	CY 2016	CY 2017	CY 2018	CY 2019
1" and Smaller	32.05	33.33	35.16	37.09	39.13
1.5"	96.15	100.00	105.50	111.30	117.42
2"	147.45	153.35	161.78	170.68	180.07
3"	267.14	277.83	293.11	309.23	326.24
4"	438.13	455.66	480.72	507.16	535.05
6"	865.61	900.23	949.74	1,001.98	1,057.09
8"	1,378.58	1,433.72	1,512.57	1,595.76	1,683.53
10"	1,977.06	2,056.14	2,169.23	2,288.54	2,414.41

The CY 2017 Budget also continues the District's effort to control the costs related to the water quality and moving water to customers at higher elevations. Both of these costs are shown separately on our customers' water bills. This provides transparency and accountability for these expenses and charges.

The water quality fee is largely controlled by the cost of Granular Activated Carbon (GAC). In 2014 the District negotiated a long term contract related to the purchase expense for GAC used during the water treatment process. The water quality expenses were also put into a five-year running average to avoid any large changes in costs to customers. These have allowed the District to reduce the water quality fee from \$0.20/ccf to \$0.14/ccf in 2015, \$0.13/ccf in 2016 and a further reduction to \$0.12/ccf in 2017.

(Continued on next page)

District staff also continually reviews Edison rate structures to minimize the cost of moving water to higher elevations. This includes optimized run times to take advantage of lower power costs during off-peak times and proactive maintenance schedule of booster and well facilities to lessen the impact on expenses related to emergency equipment failures. The costs were also put into a five-year running averages to avoid large changes in costs to customers. These actions have allowed the District to control the elevation booster surcharges for rate payers living in higher elevation zones.

	CY 2015	CY 2016	CY 2017
Water Quality Fee (\$/ccf)	0.14	0.13	0.12
Elevation Booster Surcharge (\$/ccf)			
Base	-	-	-
Zone A1	0.13	0.12	0.10
Zone A2	0.41	0.44	0.48
Zone A3	0.89	0.97	1.06

EXPENSES

The 2017 Budget includes operating expenses similar to the CY 2016 year-end forecasts. The CY 2017 operating expenses, show an overall increase from the 2016 Budget. This reflects anticipated higher costs associated with increased water purchases and treatment/production costs. The District is also seeing a decrease in general maintenance and repair related expenses reflective of the increased effort to replace aging infrastructure and equipment.

The District will continue outreach to the rate payers in 2017 with regards to conservation efforts. This will include education about how to conserve water, the ongoing drought, compliance with State and District emergency drought measures, and funding of the District's water rebate programs. The 2017 Budget includes in \$135,500 for rebate programs assisting customers to convert landscapes and replace inefficient indoor appliances. This fund will also be augmented by any enforcement fines received due to water conservation measures violations.

CAPITAL PROJECTS

As previously stated, the CY 2017 capital expenditure budget includes a reduced amount available for capital expenditures. They are summarized on Pages 21 in the “Basis of the Budget” section. The total includes expenditures for projects, equipment, and planning studies that were contractually committed in 2016 but will be finished and expensed in 2017. All the projects, contractually committed and uncommitted, are shown in tables on Pages 21. Page 22 also lists deferred maintenance projects and expenditures that may be added if funding becomes available.

Continuing Palmdale Water District’s commitment to the orderly replacement of capital infrastructure (which is part of the District’s Strategic Plan), staff will focus on replacing and upgrading necessary water production, storage, and distribution infrastructure as well as invest in new information technology. The approved Capital Expenditures contains plant expenditures for \$574,292 related to safety and regulatory requirements and equipment replacement and \$2,137,000 for replacement capital/equipment.

Page 21 shows the planned expenditure of \$520,785 in 2017 for the District’s share of the Upper Amargosa Recharge Project. The District’s participation and operational capacity of the proposed Upper Amargosa Recharge Project will allow the District to use 25% of the Project’s capacity to recharge water into the Antelope Valley. The other three (3) partners are the City of Palmdale, Antelope Valley – East Kern Water Agency, and Los Angeles County Waterworks District No. 40.

The District will also continue to implement the design, permitting, and financial planning necessary to improve the long-term water supply and reliability projects. These include the Littlerock Reservoir Sediment Removal Project and the Palmdale Regional Groundwater Recharge and Recovery Project. The 2013A Series Water Revenue Bond provided \$8,500,000 in funding for these and other major projects including water main replacement projects. However, these projects will need additional funding totaling \$747,810 from the operational budget in 2017 and future years to be completed.

The remainder of Page 21 lists projects to be completed using a capital lease and those funded by the Water Quality Fund. Page 22 is a list the requested, but unfunded projects for 2017. These summarize the known, deferred maintenance of facilities in the District. These items will be brought to the Board of Directors for consideration if funds become available during 2017 or will be reconsidered in 2018 as funding allows.

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BUDGET SUMMARY

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Summary of Revenues and Expenditures – 2017 Budget (Proposed)

Cash Basis (18,000 Ac. Ft.)		
Activity	Estimated Cash Revenues	Estimated Cash Expenditures
Net Water Sales	\$ 8,162,000	
Meter Fees	12,475,500	
Elevation Fees	340,000	
Other Operating Revenue	960,000	
Water Quality Fees (Restricted Use)	862,500	
(Increase)/Decrease in Cash (From Operating)	(1,127,108)	
Directors		\$ 115,500
Administration		3,452,500
Engineering		1,451,500
Facilities		6,626,000
Operations		2,546,250
Finance		1,246,500
Water Conservation		228,000
Human Resources		297,100
Information Technology		804,750
Customer Care		1,278,000
Water Purchases		2,190,000
Capitalized Expenditures		574,292
Water Quality Expense (GAC)		862,500
SUBTOTAL OPERATING	\$ 21,672,892	\$ 21,672,892
Projected Beginning Cash - 01/01/2017	\$ 10,894,236	
Assessments received	6,957,500	
Capital Improvement Fees	250,000	
State Grants	178,000	
Interest on Investments	60,000	
Other Income	60,000	
Payments for State Water Project		3,274,746
Principal Paid on Long Term Debt		1,610,453
Interest Paid on Long Term Debt		2,113,307
Capital Leasing		51,769
Water Conservation		135,500
Acquisition of Property, Plant & Equipment		2,137,209
	\$ 18,399,736	\$ 9,322,984
Projected Ending Cash - Non-Operating	9,076,752	
Rate Stabilization Fund	-	
Increase/(Decrease) in Cash (From Operating)	1,127,108	
Projected Ending Cash - 12/31/2017	10,203,860	
Less Restricted Cash	-	
Available Operating Cash - 12/31/2017	\$ 10,203,860	

Summary of Revenues and Expenditures – 2016 Projected

Cash Basis (16,500 Ac. Ft. - Adopted)		
Activity	Estimated Cash Revenues	Estimated Cash Expenditures
Net Water Sales	\$ 7,941,000	
Meter Fees	12,168,000	
Elevation Fees	341,000	
Other Operating Revenue	960,000	
Water Quality Fees (Restricted Use)	844,000	
(Increase)/Decrease in Cash (From Operating)	(1,380,500)	
Directors		\$ 152,000
Administration		3,308,000
Engineering		1,208,250
Facilities		6,396,250
Operations		2,523,000
Finance		1,235,250
Water Conservation		185,000
Human Resources		390,500
Information Technology		719,250
Customer Care		1,296,000
Water Purchases		2,060,000
Capitalized Expenditures		500,000
Water Quality Expense (GAC)		900,000
SUBTOTAL OPERATING	\$ 20,873,500	\$ 20,873,500
Projected Beginning Cash - 01/01/2016	\$ 12,243,990	
Assessments received	7,477,250	
Capital Improvement Fees	234,500	
State Grants	307,000	
Interest on Investments	70,500	
Other Income	150,000	
Payments for State Water Project		3,195,974
Principal Paid on Long Term Debt		1,557,553
Interest Paid on Long Term Debt		2,161,368.85
Capital Leasing		229,597
Water Conservation		126,500
Acquisition of Property, Plant & Equipment		3,698,511
	\$ 20,483,240	\$ 10,969,504
Projected Ending Cash - Non-Operating	9,513,736	
Increase/(Decrease) in Cash (From Operating)	1,380,500	
Projected Ending Cash - 12/31/2016	10,894,236	
Less Restricted Cash	-	
Available Operating Cash - 12/31/2016	\$ 10,894,236	

Fund Analysis – 2015 End of Year (Actual)

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

Sources of Cash	Actual Ending Balance 12/31/2014	2015 Budget		Actual Ending Balance 12/31/2015
		Sources	Uses	
Net Operating Income		\$ (7,012,577)		
Adjustment - Water Quality (GAC Media)		596,045		
Adjustment - Depreciation/Amortization Add Back		7,957,867		
Adjustment - Post Employment Benefits (GASB 45)		2,022,850		
Adjustment - Bad Debt		67,504		
Adjustment - Service Costs Construction		13,861		
Adjustment - Capitalized Construction		(1,096,604)		
Net Non-Operating Income		<u>3,520,461</u>		
Cash from Revenues above Expenses to place into funds		<u>\$ 6,069,408</u>		
Reserve Funds (Based on Resolution No. 13-13)				
1 Capital Improvement Fund (CIF)	\$ -	\$ 367,481	\$ 367,481	\$ -
2 Bond Proceeds Fund	4,410,779	-	3,219,514	1,191,266
3 Debt Service Reserve Fund	-	-	-	-
4 Rate Stabilization Fund (Operating Cash)	<u>480,174</u>	<u>75</u>	<u>-</u>	<u>480,250</u>
Total Legally Restricted	\$ 4,890,954	\$ 367,556	\$ 3,586,994	\$ 1,671,515
5 Dam Self Insurance	\$ 5,000,000	\$ -	\$ -	\$ 5,000,000
6 O&M Operating Reserve (3-Months operating exp.)	5,000,000	4,069,333	3,469,333	5,600,000
7 O&M Emergency Reserve	-	-	-	-
8 Unrestricted Reserves	<u>2,501,882</u>	<u>2,000,000</u>	<u>3,338,141</u>	<u>1,163,741</u>
Total Board Restricted	\$ 12,501,882	\$ 6,069,333	\$ 6,807,474	\$ 11,763,741
Total Operating Cash	<u>\$ 12,982,056</u>			<u>\$ 12,243,990</u>

Fund Analysis – 2016 Budget (as proposed)

Sources of Cash	2016 Budget			
	Projected Balance 12/31/2015	Sources	Uses	Projected Balance 12/31/2016
Net Operating Income		\$ (7,735,850)		
Adjustment - Water Quality (GAC Media)		934,500		
Adjustment - Depreciation/Amortization Add Back		7,200,000		
Adjustment - Post Employment Benefits (GASB 45)		2,250,000		
Adjustment - Bad Debt		50,000		
Adjustment - Service Costs Construction		125,000		
Adjustment - Capitalized Construction		(1,000,000)		
Net Non-Operating Income		<u>2,992,500</u>		
Cash from Revenues above Expenses to place into funds		\$ 4,816,150		
Reserve Funds (Based on Resolution No. 13-13)				
1 Capital Improvement Fund (CIF)	\$ -	\$ 50,000	\$ 50,000	\$ -
2 Bond Proceeds Fund	1,191,266	-	945,000	246,266
3 Debt Service Reserve Fund	-	-	-	-
4 Rate Stabilization Fund (Operating Cash)	<u>480,250</u>	<u>80</u>	<u>-</u>	<u>480,330</u>
Total Legally Restricted	\$ 1,671,515	\$ 50,080	\$ 995,000	\$ 726,595
5 Dam Self Insurance	\$ 5,000,000	\$ -	\$ -	\$ 5,000,000
6 O&M Operating Reserve (3-Months operating exp.)	5,600,000	4,816,070	5,849,924	4,566,146
7 O&M Emergency Reserve	-	-	-	-
8 Unrestricted Reserves	<u>1,163,741</u>	<u>-</u>	<u>1,163,741</u>	<u>-</u>
Total Board Restricted	\$ 11,763,741	\$ 4,816,070	\$ 7,013,664	\$ 9,566,146
Carry-over	\$ (584,806)			\$ 10,046,476
Total Operating Cash	\$ 11,659,184			

Fund Analysis – 2016 Estimated End of Year (Actual)

Sources of Cash	Actual Ending Balance 12/31/2015	2016 Budget		Projected Balance 12/31/2016
		Sources	Uses	
Net Operating Income		\$ (6,653,500)		
Adjustment - Water Quality (GAC Media)		900,000		
Adjustment - Depreciation/Amortization Add Back		6,000,000		
Adjustment - Post Employment Benefits (GASB 45)		2,350,000		
Adjustment - Bad Debt		75,000		
Adjustment - Service Costs Construction		125,000		
Adjustment - Capitalized Construction		(516,000)		
Net Non-Operating Income		<u>3,609,000</u>		
Cash from Revenues above Expenses to place into funds		\$ 5,889,500		
Reserve Funds (Based on Resolution No. 13-13)				
1 Capital Improvement Fund (CIF)	\$ -	\$ 234,500	\$ 234,500	\$ -
2 Bond Proceeds Fund	1,191,266	-	787,430	403,836
3 Debt Service Reserve Fund	-	-	-	-
4 Rate Stabilization Fund (Operating Cash)	<u>480,250</u>	<u>972</u>	<u>-</u>	<u>481,221</u>
Total Legally Restricted	\$ 1,671,515	\$ 235,472	\$ 1,021,930	\$ 885,057
5 Dam Self Insurance	\$ 5,000,000	\$ -	\$ -	\$ 5,000,000
6 O&M Operating Reserve (3-Months operating exp.)	5,600,000	5,888,528	6,088,528	5,400,000
7 O&M Emergency Reserve	-	-	-	-
8 Unrestricted Reserves	<u>1,163,741</u>	<u>-</u>	<u>1,150,726</u>	<u>13,015</u>
Total Board Restricted	\$ 11,763,741	\$ 5,888,528	\$ 7,239,254	\$ 10,413,015
Total Operating Cash	\$ 12,243,990		Carry-over	<u>(837,209)</u>
			Total Operating Cash	\$ 10,057,027

Fund Analysis – 2017 Budget (Proposed)

Sources of Cash	Projected Balance 12/31/2016	2017 Budget		Projected Balance 12/31/2017
		Sources	Uses	
Net Operating Income		\$ (6,647,892)		
Adjustment - Water Quality (GAC Media)		862,500		
Adjustment - Depreciation/Amortization Add Back		6,000,000		
Adjustment - Post Employment Benefits (GASB 45)		2,350,000		
Adjustment - Bad Debt		50,000		
Adjustment - Service Costs Construction		125,000		
Adjustment - Capitalized Construction		(750,000)		
Net Non-Operating Income		<u>3,004,000</u>		
Cash from Revenues above Expenses to place into funds		\$ 4,993,608		
Reserve Funds (Based on Resolution No. 13-13)				
1 Capital Improvement Fund (CIF)	\$ -	\$ 250,000	\$ 250,000	\$ -
2 Bond Proceeds Fund	403,836	-	403,836	-
3 Debt Service Reserve Fund	-	-	-	-
4 Rate Stabilization Fund (Operating Cash)	481,221	1,000	-	482,221
Total Legally Restricted	\$ 885,057	\$ 251,000	\$ 653,836	\$ 482,221
5 Dam Self Insurance	\$ 5,000,000	\$ -	\$ -	\$ 5,000,000
6 O&M Operating Reserve (3-Months operating exp.)	5,400,000	4,073,150	3,873,150	5,600,000
7 O&M Emergency Reserve	-	-	-	-
8 Unrestricted Reserves	13,015	920,708	1,810,834	(877,111)
Total Board Restricted (Operating Cash)	\$ 10,413,015	\$ 4,993,858	\$ 5,683,984	\$ 9,722,889
Carry-over	(837,209)			
Total Operating Cash	\$ 10,057,027		\$ 10,205,110	

Income Statement

	PROPOSED 2017	PROJECTED 2016	BUDGET ¹ 2016	ACTUAL 2015	ACTUAL 2014	ACTUAL 2013
Operating Revenue						
Wholesale Water (AVEK & LCID)	160,000	160,000	160,000	142,749	218,627	192,316
Water Sales	8,002,000	7,781,000	7,242,000	6,952,694	8,283,444	9,025,493
Meter Fees	12,475,500	12,168,000	12,079,000	11,658,904	11,321,843	11,059,700
Water Quality Fees	862,500	844,000	934,500	898,135	1,564,800	1,650,551
Elevation Fees	340,000	341,000	400,000	369,899	477,654	553,631
Other	960,000	960,000	860,000	1,267,941	1,377,953	1,670,371
	<u>22,800,000</u>	<u>22,254,000</u>	<u>21,675,500</u>	<u>21,290,321</u>	<u>23,244,320</u>	<u>24,152,063</u>
Operating Expenses						
Directors	115,500	152,000	145,750	139,276	145,332	102,406
Administration	3,452,500	3,308,000	3,201,500	2,884,658	2,488,872	2,195,303
Engineering	1,451,500	1,208,250	1,279,250	1,202,660	1,086,084	1,265,376
Facilities	6,626,000	6,396,250	6,513,750	5,795,731	3,711,042	2,926,478
Operations	2,546,250	2,523,000	2,449,250	2,540,998	5,341,789	5,230,842
Finance	1,246,500	1,235,250	1,168,250	1,570,286	3,048,759	2,907,898
Water Conservation	228,000	185,000	239,250	333,179	180,027	237,710
Human Resources	297,100	390,500	420,350	406,497	252,531	199,673
Information Technology	804,750	719,250	867,750	775,870	840,237	638,953
Customer Care	1,278,000	1,296,000	1,386,750	1,146,872	-	-
Water Purchases	2,340,000	2,300,000	2,050,000	1,789,229	2,385,951	2,247,247
OAP Chrg (Prior Year)	100,000	-	150,000	(36,045)	683	436,485
Water Recovery	(250,000)	(240,000)	(475,000)	(706,113)	(427,519)	(611,563)
Water Quality (GAC Media)	862,500	900,000	934,500	596,045	1,204,922	1,133,176
Plant Expenditures	574,292	500,000	455,000	898,276	753,615	726,135
Cash Expenses	<u>21,672,892</u>	<u>20,873,500</u>	<u>20,786,350</u>	<u>19,337,418</u>	<u>21,012,326</u>	<u>19,636,120</u>
Depreciation	6,000,000	6,000,000	7,200,000	7,957,867	7,166,963	7,483,036
Post Employment Benefit (GASB 45)	2,350,000	2,350,000	2,250,000	2,022,850	1,999,825	1,659,752
Bad Debts	50,000	75,000	50,000	67,504	16,594	(19,586)
Service Costs Construction	125,000	125,000	125,000	13,861	(99,180)	88,060
Capitalized Construction	(750,000)	(516,000)	(1,000,000)	(1,096,604)	(1,432,662)	(1,238,379)
Non-Cash Expenses	<u>7,775,000</u>	<u>8,034,000</u>	<u>8,625,000</u>	<u>8,965,479</u>	<u>7,651,539</u>	<u>7,972,883</u>
Net Operating Income/(Loss)	<u>(6,647,892)</u>	<u>(6,653,500)</u>	<u>(7,735,850)</u>	<u>(7,012,577)</u>	<u>(5,419,544)</u>	<u>(3,456,940)</u>
Non-operating Revenues						
Assessments (Debt Service)	5,000,000	5,300,000	4,670,000	5,207,003	5,066,642	4,899,758
Assessments (1%)	1,657,500	1,727,250	1,825,000	1,634,459	1,582,069	1,765,553
Successor Agency Component (Prop Tax)	300,000	450,000	200,000	511,352	415,073	651,377
DWR Fixed Charge Recovery	200,000	191,000	200,000	332,957	221,578	233,833
Interest	60,000	79,000	35,000	45,786	45,465	34,920
Market Adj. on Investments	-	(8,500)	-	(3,081)	5,005	(39,707)
Capital Improvement Fees	250,000	234,500	50,000	367,481	13,547	244,949
Grants - State & Federal	178,000	307,000	485,000	-	-	-
Other	60,000	150,000	120,000	14,366	18,336	(1,206,109)
	<u>7,705,500</u>	<u>8,430,250</u>	<u>7,585,000</u>	<u>8,110,323</u>	<u>7,367,714</u>	<u>6,584,573</u>
Non-operating Expenses						
Interest Paid & Amortization on long-term debt	2,228,000	2,226,500	2,228,000	2,234,905	2,281,792	2,035,498
Amortization of SWP	2,238,000	2,362,750	2,238,000	2,074,524	1,934,685	1,737,506
Legal Settlements	-	-	-	-	601,670	-
Change in Investments in PRWA	100,000	105,500	-	59,831	34,580	-
Water Conservation	135,500	126,500	126,500	220,602	130,267	115,163
	<u>4,701,500</u>	<u>4,821,250</u>	<u>4,592,500</u>	<u>4,589,862</u>	<u>4,982,994</u>	<u>3,888,167</u>
Net Non-operating Income/(Loss)	<u>3,004,000</u>	<u>3,609,000</u>	<u>2,992,500</u>	<u>3,520,461</u>	<u>2,384,720</u>	<u>2,696,406</u>
Net Earnings(Loss)	<u>(3,643,892)</u>	<u>(3,044,500)</u>	<u>(4,743,350)</u>	<u>(3,492,116)</u>	<u>(3,034,825)</u>	<u>(760,535)</u>

Income Statement – General Information

	PROPOSED 2017	PROJECTED 2016	BUDGET ¹ 2016	ACTUAL 2015	ACTUAL 2014	ACTUAL 2013
Operating Revenue	2.45%	2.67%	1.81%	-11.85%	-3.76%	6.58%
Operating Expenses	-3.22%	-6.85%	-3.80%	12.45%	-4.03%	-6.82%
Non-operating Revenues	-8.60%	11.14%	-6.48%	23.17%	11.89%	-18.61%
Non-operating Expenses	-2.48%	4.98%	0.06%	18.05%	28.16%	-3.89%

Footnotes:

- ¹ 2016 Budget contains all amendments made during the current fiscal year. All amendments were done as transfers between GL accounts with no change to overall budgeted amounts.
- ² 2017 Budget for water sales is based on returning to 2014 consumption levels.
- ³ 2017 water purchases are based on purchasing 9,000 acre foot of water from the Department of Water Resources.
- ⁴ GAC filter media purchases are directly offset by the revenues from the water quality fee for prior year. The 2017 Budget includes the possible replacement of up to three contactors and the localized contactor at the El Camino Underground site. This includes a provision to replace the GCMS analysis equipment.
- ⁵ Post employment accrual expense (OPEB) was added as a compliance requirement for GASB 45 (2008).
- ⁶ Water supply connection fees will be charged to developers to offset new source water supply. This component's effective date is January 1, 2014 and is part of the capital improvement fees.

General Information:

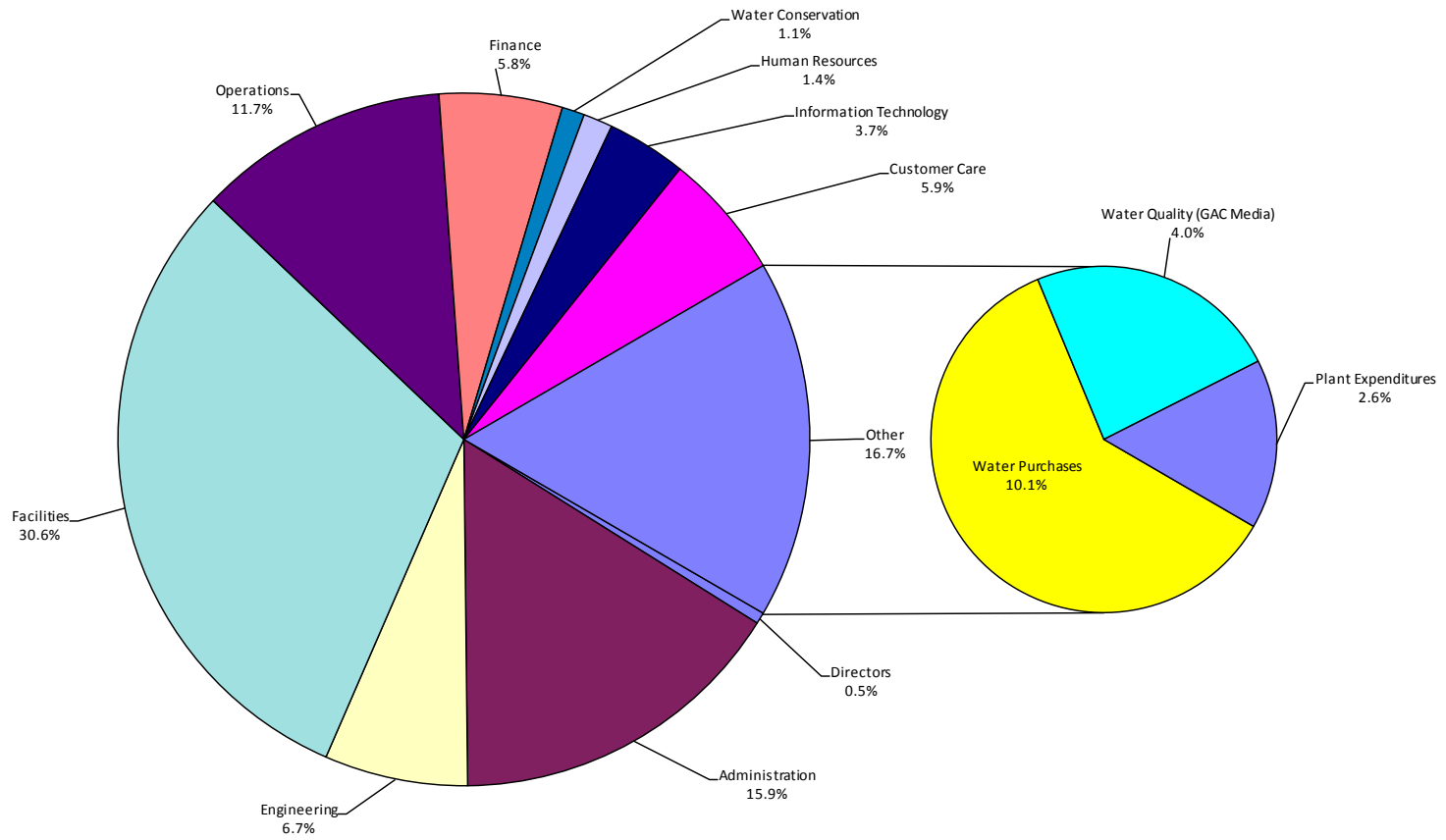
The District entered into Capital Leasing agreements in 2011 for computer equipment, telephony system, and SCADA network infrastructure. These agreements will run for a term of 60 months and will conclude in 2017.

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

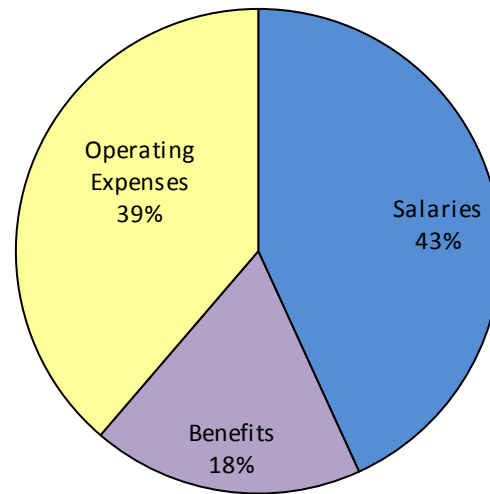
Cost Factors and Assumptions:

- ¹ Water quality fee is \$0.12 per unit for 2017 compared to \$0.13 per unit for 2016.
- ¹ Cost of Living possible increase maximum of 1.93% effective January 1, 2017 subject to Board approval of the 2017 Budget.
- ¹ Worker's comp rates are calculated at 0.0086 for office personnel and 0.0456 for field personnel.
- ¹ PERS is calculated at 11.540% for 6 months (Jan. thru Jun.) and 11.581% for 6 months (Jul thru Dec.) for all employees except for those that fall under Public Employee Pension Reform Act (PEPRA). Classic PERS employees will pay 4.34% of the employee portion for 2017. An employee who meets the PEPRA requirement the employer contribution for 2017 is 6.25% for the District.
- ¹ Employee benefits includes the cost of medical, dental & vision plans as well as the employee assistance program and on the job life insurance death benefit. Healthcare is capped per employee at \$1,600 effective January 1, 2014.
- ¹ The District's medical insurance rates have increased 9.52% on the blended average for the four medical plans. Currently, the dental insurance and vision insurance offered to its employees will remain at the same 2016 cost. All health insurance plans are managed and administered through ACWA/JPIA.
- ¹ Health insurance includes benefits to directors that qualify for benefits and opt to participate in the plans.
- ¹ Operating Revenue estimates were based on the potential sales of 18,000 ac. ft. of water for the 2017 Budget.
- ¹ Southern California Edison (SCE) has proposed a 5.04% rate adjustment for 2017 energy rates with a cumulative effect of 0.54% as they relate to the District's wells and boosters. Currently that rate increase has been approved with the decision issued on November 5, 2015 PUC.
- ¹ Natural Gas expenses have increased in our commodity costs by 3.7% for 2017 from 2016. The Federal Energy Regulatory Commission (FERC) - Department of Energy is predicting a continued increase in the Southern California area of 33% in commodity costs for the 2016-17 winter natural gas costs due to shortages in supply. These increases, if they occur, will be a direct pass-through from the Gas Company at the time of usage for the District.

2017 Operating Expenses (Proposed – excluding non-cash expenses) – Graph



2017 Departmental Expenses (Proposed) – Graph



2017 Departmental Expenses	
Salaries	\$ 7,483,000
Benefits	3,137,000
Operating Expenses	6,710,850
Total	\$ 17,330,850

Statement of Cash Flows

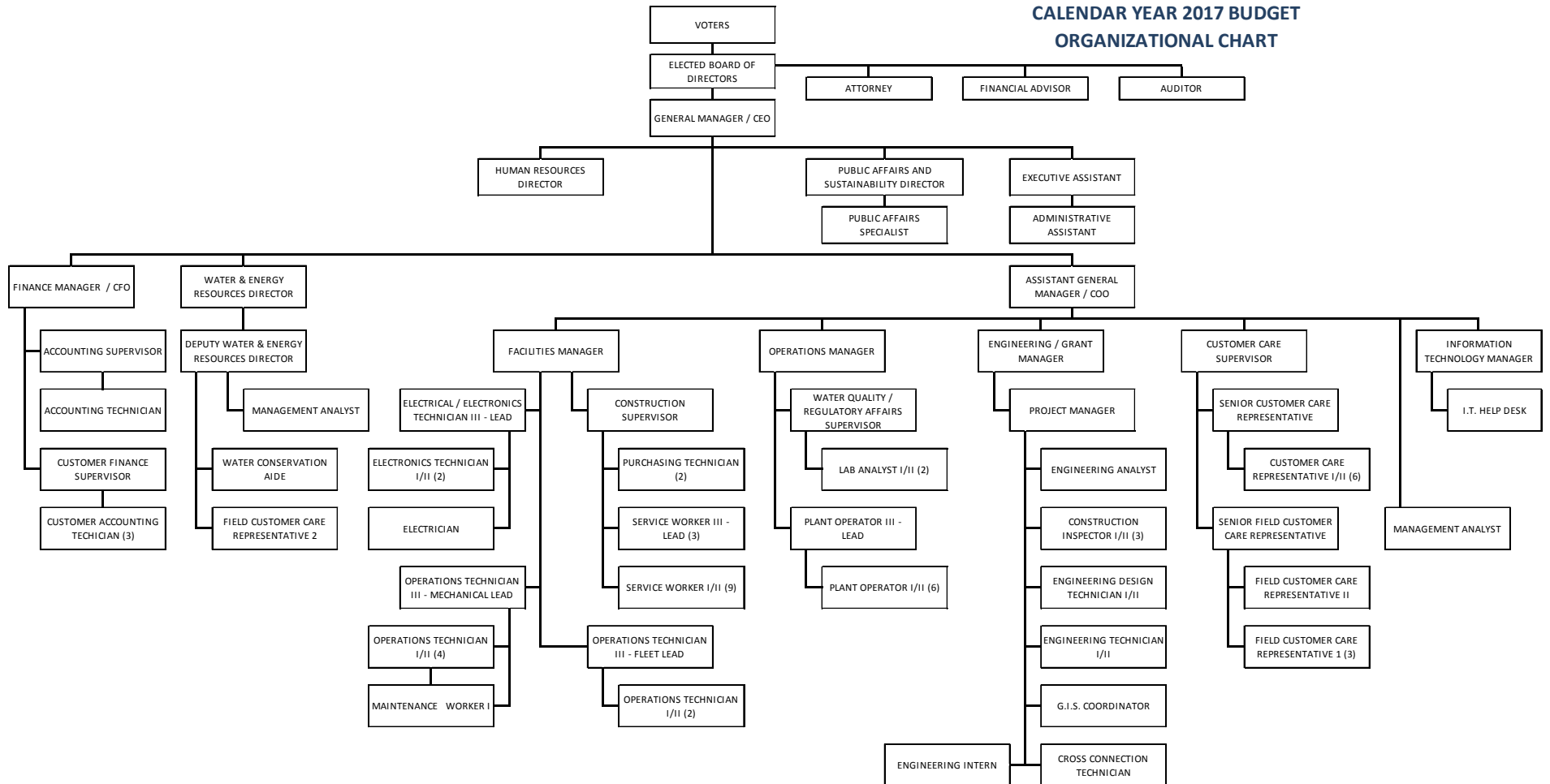
	Audited Numbers				
	Proposed 2017	Projected 2016	2015	2014	2013
Beginning Cash	10,894,236	12,243,990	12,989,419	12,216,474	8,852,185
Operating Activities					
Net Operating Revenues	22,800,000	22,254,000	21,248,419	23,341,636	24,125,011
Net Operating Expenses	21,672,892	20,873,500	20,319,286	22,405,397	20,665,315
Net cash provided by operating activities	1,127,108	1,380,500	929,133	936,239	3,459,696
Other Sources and Uses of Cash					
Assessments received	6,957,500	7,477,250	7,352,814	7,063,785	7,316,688
Payments for State Water Project	(3,274,746)	(3,195,974)	(3,278,807)	(2,390,962)	(2,821,029)
Capital Improvement Fees Received	250,000	234,500	367,481	13,548	244,949
Water Conservation	(135,500)	(126,500)	-	-	-
Proceeds on Issuance of Long Term Debt					
Acquisition of Property, Plant & Equip. - Current Yr	(1,300,000)	(3,113,705)	(2,631,537)	(1,249,083)	(1,817,663)
Acquisition of Property, Plant & Equip. - Carryover	(155,500)	(584,806)	-	-	-
Committed Contracts on WRB Projects	(681,709)	-	-	-	-
Capital Leasing	(51,769)	(229,597)	(229,597)	(229,597)	(229,597)
Principal Paid on Long Term Debt	(1,610,453)	(1,557,553)	(1,518,412)	(1,472,774)	(1,778,719)
Interest Paid on Long Term Debt	(2,113,307)	(2,161,369)	(2,203,532)	(2,244,419)	(1,840,455)
State Grants and Other Income	238,000	457,000	421,242	300,744	315,499
Interest on Investments	60,000	70,500	45,786	45,464	34,920
Net Cash Provided by Other Sources and Uses	(1,817,484)	(2,730,254)	(1,674,562)	(163,294)	(575,407)
Net Increase (Decrease) in Cash	(690,376)	(1,349,754)	(745,429)	772,945	2,884,289
Rate Stabilization Fund	-	-	-	-	480,000
Cash End of Year	10,203,860	10,894,236	12,243,990	12,989,419	12,216,474
Less Restricted Cash	-	-	-	-	-
Acquisition of Property, Plant & Equip. - Carryover	-	(155,500)	(584,806)	(654,148)	-
Committed Contracts on WRB Projects	(600,000)	(681,709)	-	-	-
Available Operating Cash	9,603,860	10,057,027	11,659,184	12,335,271	12,216,474

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**CALENDAR YEAR 2017 BUDGET
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Personnel Summary

	CY 2017 BUDGET	CY 2016 BUDGET	CY 2015 BUDGET	CY 2014 BUDGET
ADMINISTRATION				
Managers/Supervisors	7	6	6	5
Staff	6	4	4	3
TOTAL ADMINISTRATION	13	10	10	8
FINANCE				
Managers/Supervisors	3	3	3	4
Staff	4	4	4	19
TOTAL FINANCE	7	7	7	23
CUSTOMER CARE				
Managers/Supervisors	1	-	-	-
Clerical	7	8	8	-
Field	5	7	7	-
TOTAL CUSTOMER CARE	13	15	15	-
ENGINEERING				
Managers/Supervisors	2	2	2	1
Staff	8	7	7	7
TOTAL ENGINEERING	10	9	9	8
FACILITIES				
Managers/Supervisors	2	3	3	2
Staff	27	27	26	20
TOTAL FACILITIES	29	30	29	22
OPERATIONS				
Managers/Supervisors	2	2	2	4
Staff	9	11	11	17
TOTAL OPERATION AND PRODUCTION	11	13	13	21
WATER CONSERVATION				
Managers/Supervisors	-	1	1	2
Staff	2	1	1	1
TOTAL WATER CONSERVATION	2	2	2	3
TOTAL PERSONNEL	85	86	85	85

The following represent the part-time interns (not included in above figures):

1	6	4	3
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Notes:

- Five elected officials serve on Palmdale Water District's Board of Directors
- 2015 Budget had Finance and Customer Care (Service) as a single department. In March 2015 these groups were separated into two individual departments.

Labor and Benefits Cost Summary

Accounting Category	CY 2017 BUDGET	CY 2016 PROJECTED	CY 2016 BUDGET	CY 2015 BUDGET	CY 2014 BUDGET
Salaries (Includes On-Call and Overtime)	7,510,000	7,210,500	7,312,750	7,092,254	6,766,371
FICA / Medicare (Employer Portion)	556,250	538,750	550,750	523,448	513,337
Healthcare Benefits	1,281,750	1,316,250	1,312,250	1,323,322	1,325,862
Retirement (CalPERS)	1,340,250	1,197,000	1,278,500	1,171,573	1,228,920
Workers Comp	185,000	176,000	125,000	119,156	118,517
Life Insurance/EAP Program	7,500	6,750	8,000	6,949	7,572
TOTAL	10,880,750	10,445,250	10,587,250	10,236,701	9,960,580

Approved Capital Expenditures/Project Selection Summary

Work Order	Project Title	Cat.	Type	Project Type	Capital Amount
2013A Revenue Bonds/Capital Expenditures					
14-603	Upper Amargosa Recharge Project (Total remaining cost)	NRCP	CO	Water Supply	1,120,785
	Portion to be carried over to 2018 Budget				(600,000)
	Portion to be paid out in 2017 Budget				520,785
12-400	PRGRRP - CEQA, Permitting, Pre-Design, and Pilot	CES	CO	Water Supply	333,009
04-501	Littlerock Sediment Removal Project (EIR/EIS/Permitting)	CES	CO	Water Supply	197,936
04-501	Littlerock Sediment Removal (Cost Recovery Agreement)	CES	CO	Permitting	100,000
Remaining Bond Funds:					403,920
Capital Funding:					747,810
16-408	Water Meter Replacement Projects (Spec 1602) - Purchase	NRCP	CO	Replacement Cap.	179,948
16-408	Water Meter Replacement Projects (Spec 1602) - Installation	NRCP	CO	Replacement Cap.	144,442
12-609	Ave. Q-1, Q-2, Q-3 Water Main Replacement (Spec 1211)	NRCP	CO	Replacement Cap.	14,750
15-615	Well No. 15 Rehabilitation - Water Quality	NRCP	CO	Replacement Cap.	114,826
16-609	Board Room Video Upgrades	NRCP	CO	Replacement Cap.	31,492
16-415	El Camino Underground Booster - 40hp	NRCP	CO	Replacement Cap.	4,469
16-610	Well No. 18 Rehabilitation	NRCP	CO	Replacement Cap.	12,342
16-364	75 hp - Underground Booster Station	NRCP	CO	Replacement Cap.	5,665
15-612	El Camino Watermain Replacement - Paving	NRCP	CO	Replacement Cap.	36,000
16-412	Well CT Study	CES	CO	Regulatory	1,455
15-403	Water Mangement Information System Database	CES	CO	Record Mgmt	12,000
14-404	Water System Master Plan - CEQA	CES	CO	Facilities Planning	174,715
	WTP Process Evaluation (As-Needed)	CES	CO	Regulatory	35,000
16-612	Well No. 8A Rehabilitation - Emergency	NRCP	New	Replacement Cap.	88,457
16-411	Clearwell 2950' Discharge Piping and Valve	NRCP	New	Replacement Cap.	35,000
16-607	2800' Booster No. 2 Repair	NRCP	New	Replacement Cap.	40,000
	Washwater Return Pump Replacement	NRCP	New	Replacement Cap.	35,000
Capital Funding:					965,561
Total Capital Funding:					1,713,371
Capital Lease Funded					
16-413	CIS Software Replacement	NRE	CO	Replacement Equip.	425,000
	Security Improvements @ WTP	NRE	New	Safety	215,000
	Increased Data Storage to Support CMS and Growth	NRE	New	New Equipment	98,000
	Interactive Voice Response System (IVR)	NRE	New	Replacement Equip.	16,000
	Payment Kiosk for Customer Care Lobby	NRE	New	Replacement Equip.	21,000
	LIMS - Laboratory Information Management System	NRE	New	Replacement Equip.	48,000
Total Lease Funding:					823,000
Water Quality Funded					
	GAC Replacements @ WTP	WQF	New	Water Quality	570,000
	GAC Replacement @ Underground Booster Station	WQF	New	Water Quality	65,000
	Filter Media Testing/Inspection	WQF	New	Water Quality	30,000
	Replacement Lab Equipment - GCMS/Autosampler	WQF	New	Regulatory	121,780
Total Water Quality Funding:					786,780

Deferred Maintenance/Projects Capital Expenditures Summary

Work Order	Project Title	Cat.	Type	Project Type	Capital Amount
15-614	Drainage Improvements @ WTP	NRCP	New	New Capital	80,000
16-605	Additional Brine Tank @ WTP	NRCP	New	New Capital	90,000
16-613	Flow Meter for WTP Domestic and Process Tracking	NRCP	New	New Capital	10,000
	Electric Car Charging Station	NRCP	New	New Capital	7,000
16-611	CL2 Monitoring @ Well Sites	NRCP	New	Regulatory	110,000
15-611	Camares and Avenue S14 Water Main Replacement (Spec 1502)	NRCP	New	Replacement Cap.	110,000
15-613	Avenue V5 Water Main Replacement (Spec 1504)	NRCP	New	Replacement Cap.	45,000
16-602	Avenue P and 25th Water Main Replacement (Spec 1601)	NRCP	New	Replacement Cap.	48,000
16-608	Ave. Q1, Q2, Q3, Q4, and Q5 @ 5th St. E. Water Main Repl. (Spec 1603)	NRCP	New	Replacement Cap.	25,000
	Well No. 6A Rehabilitation	NRCP	New	Replacement Cap.	75,000
	Well No. 29 Rehabilitation	NRCP	New	Replacement Cap.	60,000
	Well No. 35 Rehabilitation	NRCP	New	Replacement Cap.	60,000
12-611	Avenue P8 Water Main Replacement	NRCP	New	Replacement Cap.	145,000
	Ave. P12, Division, 2nd, 3rd, Stanridge Water Main Repl.	NRCP	New	Replacement Cap.	750,000
14-600	Sierra Hwy. Tie-In and Abandonment	NRCP	New	Replacement Cap.	15,000
	13th Street East and Avenue R Water Main Replacement	NRCP	New	Replacement Cap.	48,000
	Ave. Q14 and 17th Street East Water Main Replacement	NRCP	New	Replacement Cap.	45,000
	Ave. Q10 and 12th Street East Water Main Replacement	NRCP	New	Replacement Cap.	15,000
	Well, Booster, and Remote Site System Improvements	NRCP	New	Replacement Cap.	500,000
	Water Meter Replacement Program for 2017	NRCP	New	Replacement Cap.	700,000
	Parking Lot Resurfacing	NRCP	New	Replacement Cap.	110,000
	WTP Control Room Upgrades	NRCP	New	Replacement Cap.	35,000
	WTP Infrastructure and Process/Equipment Repairs	NRCP	New	Replacement Cap.	75,000
	Protective Coatings on WTP Structures	NRCP	New	Replacement Cap.	100,000
	Replacement of Structural Support Beams - WTP Sed. Basins	NRCP	New	Replacement Cap.	300,000
17-600	Entry Buildings @ Filter and GAC Pipe Gallery Entrance	NRCP	New	Safety	20,000
12-400	PRGRRP - Construction of Monitoring Wells / Test Basin	NRCP	New	Water Supply	300,000
	Electrical Engineering (As-Needed)	CES	New	Facilities Design	10,000
	System Valuation Study	CES	New	Financial Planning	30,000
	Sanitary Survey Update	CES	New	Regulatory	50,000
	Energy Storage - Feasibility and Pilot Study	CES	New	Savings/Efficiency	50,000
04-501	Littlerock Sediment Removal Project - Design	CES	New	Water Supply	300,000
	Water Meter Calibration Bench	NRE	New	New Equipment	10,000
	Power Broom Attachment	NRE	New	New Equipment	9,000
	Online Forms	NRE	New	New Equipment	25,000
	Customer Texting / Mass Communication - Everbridge	NRE	New	New Equipment	30,000
	Conference Bridge - Shoretel	NRE	New	New Equipment	25,000
	Data Center UPS - Whole Room UPS	NRE	New	New Equipment	25,000
Total Deferred Projects:					4,442,000

Note: Projects on the Deferred Maintenance/Projects Capital Expenditures summary may be added throughout the year as funds are made available and/or an emergency arises from system/equipment failure.

DEPARTMENTS

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Administration Department

DESCRIPTION:

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

Board of Directors

<u>Directors</u>		PROPOSED	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2017	2016	2016	2015	2014	2013
1-01-4000-000	Directors Fees		57,000	50,000	57,000	71,100	49,950
Benefits							
1-01-4005-000	Payroll Taxes	5,500	5,000	5,500	4,346	5,405	3,821
1-01-4010-000	Health Insurance		76,000	76,250	57,956	53,150	45,405
	Subtotal (Benefits)	5,500	81,000	81,750	62,303	58,555	49,226
	Personnel Expenses	5,500	138,000	131,750	119,303	129,655	99,176
OPERATING EXPENSES:							
1-01-4050-000	Director's Travel, Seminars & Meetings		14,000	14,000	19,973	15,677	3,229
1-01-xxxx-007	Director's Expense Share - Alverado, Robert	22,000					
1-01-xxxx-008	Director's Expense Share - Mac Laren, Kathy	22,000					
1-01-xxxx-009	Director's Expense Share - Estes, Joe	22,000					
1-01-xxxx-010	Director's Expense Share - Dino, Vincent	22,000					
1-01-xxxx-011	Director's Expense Share - Henriquez, Marco	22,000					
	Total Operating Expense	110,000	14,000	14,000	19,973	15,677	3,229
	Total Departmental Expenses	115,500	152,000	145,750	139,276	145,332	102,406

Administration

Administration		PROPOSED	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2017	2016	2016	2015	2014	2013
1-02-4000-000	Salaries	1,220,500	1,085,500	982,000	909,109	787,919	493,945
1-02-4000-100	Salaries - Departmental Overtime	8,500	7,500	8,250	7,128	7,992	7,450
	Subtotal (Salaries)	1,229,000	1,093,000	990,250	916,237	795,911	501,395
Employee Benefits							
1-02-4005-000	Payroll Taxes	87,000	72,000	74,000	58,665	49,348	30,878
1-02-4010-000	Health Insurance	171,000	141,500	135,000	133,752	110,746	80,560
1-02-4015-000	Pers	145,000	145,750	117,500	146,826	148,467	86,034
	Subtotal (Benefits)	403,000	359,250	326,500	339,243	308,561	197,472
District-wide Salaries & Benefits							
1-02-5070-001	Salaries-On-Call/Stand By Time	90,000	83,500	95,000	89,297	53,711	57,569
1-02-5070-013	Salaries-Public Relations Overtime						
1-02-5070-002	PERS-Unfunded Liability	472,000	405,750	404,750	189,408	-	-
1-02-5070-003	Worker's Compensation	185,000	176,000	125,000	119,156	118,517	110,558
1-02-5070-004	Vacation Benefit Expense	35,000	13,000	35,000	54,578	1,748	33,866
1-02-5070-005	Life Insurance/EAP	7,500	6,750	8,000	6,949	7,572	7,283
	Subtotal (District-wide)	789,500	685,000	667,750	459,387	181,549	209,276
	Personnel Expenses	2,421,500	2,137,250	1,984,500	1,714,867	1,286,021	908,143
OPERATING EXPENSES:							
1-02-4050-000	Staff Travel	14,000	-	-	-	11,286	6,058
1-02-4050-100	General Manager Travel	5,000	6,500	5,000	8,209	7,808	6,056
1-02-4060-000	Staff Conferences & Seminars	6,000	-	-	-	3,670	1,150
1-02-4060-100	General Manager Conferences & Seminars	4,000	2,750	4,000	3,915	3,460	2,631
1-02-4070-000	Employee Expense	-	-	-	-	-	24,014
1-02-4130-000	Bank Charges	140,000	155,500	140,000	146,801	136,637	118,886
1-02-4150-000	Accounting Services	27,500	27,500	27,500	23,991	25,285	23,692
1-02-4155-000	Contracted Services	-	-	-	-	-	27,955
1-02-4155-205	Contracted Services - Landscape Services	-	-	-	-	10,200	-
1-02-4155-210	Contracted Services - Janitorial Services	-	-	-	-	14,375	-
1-02-4155-215	Contracted Services - Elevator Services	-	-	-	-	3,112	-
1-02-4175-000	Permits (Construction)	17,500	15,500	17,500	16,856	9,061	9,230
1-02-4180-000	Postage	25,000	14,000	25,000	18,268	25,085	16,640
1-02-4190-100	Public Relations - Publications	30,000	31,000	30,000	9,083	17,002	33,949
1-02-4190-700	Public Relations - General Media (Public Outreach)	20,000	-	-	-	-	-
1-02-4190-900	Public Relations - Other	-	3,500	1,000	1,000	706	1,201
1-02-4200-000	Advertising	4,000	3,500	4,000	3,617	2,439	2,095
1-02-4205-000	Office Supplies	18,000	18,000	18,000	20,709	25,888	17,886
1-02-4210-000	Office Furniture	-	5,500	-	8,180	-	-
1-02-4215-200	Natural Gas - Office Building	-	-	-	-	3,954	3,529
1-02-4220-200	Electricity - Office Building	-	-	-	-	53,108	45,805
	Total Operating Expense	311,000	283,250	272,000	260,630	353,077	340,778
District-wide Operating Expense							
1-02-5070-006	Other Operating	20,000	20,000	20,000	18,367	18,355	19,627
1-02-5070-007	Consultants	70,000	85,000	160,000	157,646	121,710	42,590
1-02-5070-008	Insurance	305,000	300,000	300,000	296,700	275,100	254,505
1-02-5070-009	Groundwater Adjudication - Legal	50,000	65,000	80,000	145,128	228,195	299,901
1-02-5070-010	Legal Services	150,000	140,000	160,000	167,712	183,460	121,927
1-02-5070-011	Memberships	125,000	120,000	150,000	123,609	22,955	207,832
1-02-5070-012	Elections	-	157,500	75,000	-	-	-
	Total District-wide Operating Expense	720,000	887,500	945,000	909,161	849,775	946,382
	Total Departmental Expenses	3,452,500	3,308,000	3,201,500	2,884,658	2,488,872	2,195,303

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Engineering Department

DESCRIPTION:

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

2016 ACCOMPLISHMENTS:

- 1) Attended ESRI's Annual Conference, several GIS Water/Wastewater User Group meetings and training Webinars to learn latest technological developments and gain new skills for enhancing the GIS.
- 2) Attended 3-day hands-on training for ArcGIS Pro, ESRI's latest addition to their suite of GIS Desktop applications. With true 64-bit architecture and 3D capability, the App enhances GIS mapping, querying and spatial analysis capabilities.
- 3) One staff member attended the Tri-State Seminar for Water Distribution and Treatment Certification.
- 4) Water Management System Database - Completed initial contract with DCSE Inc. and issued an amendment to contract to expand capabilities of the database
- 5) Prepared maps, exhibits, and documentation for the Spec-1602 Water Meter Replacement project that will replace about 3,300 meters in 8 meter routes.
- 6) Completed numerous GIS updates, corrections and revisions including Spec-1205 and Spec-1207 Water Mainline Replacement projects covering three miles of pipeline.
- 7) Created an extensive set of maps to provide measured distances from active wells to nearest customers for Carollo Engineers, the firm contracted to do the PWD CT Study.
- 8) Spec 1503 completed and project is under construction and nearing completion
- 9) Configured and released GIS Mobile applications for gathering hydrant flushing data and marking locations of pipeline repair and valve replacement to improve efficiency in field crew workflows.
- 10) Spec 1211 – Aves. Q-1, Q-2, & Q-3 plans finished and contract awarded but not constructed
- 11) W.O. 15-610 - is the new office for Electronic Technicians. The plans and construction are completed.
- 12) Littlerock Sediment Removal
 - Draft EIR/EIS Completed in May 2016
 - Administrative Final EIR/EIS completed in October 2016
- 13) Palmdale Recycled Water Authority Recycled Water Line Phase Project
 - Completed Final Feasibility Report for planning grant and received notice of approval of report by the SWRCB
 - 75% of design is completed
- 14) Palmdale Regional Groundwater Recharge and Recovery Project
 - Completed Draft Feasibility Report for planning grant and submitted to SWRCB for review.
 - Filed Final EIR in summer 2016
 - Board of Directors approved Final EIR
- 15) Construction Projects
 - a. Avenue Q-1, Q-2, Q-3 and 15th Street East out to bid (expected to be complete in 2016)
- 16) Replaced outdated and troublesome HP Wide Format Plotter/Scanner with new OCE 500 ColorWave machine which has improved efficiency in staff workflows.

2016 ACCOMPLISHMENTS *(Continued)*:

- 17) Purchased handheld GPS Data Collection Receiver to gather more precise location information for various GIS features.
- 18) Held regular bi-weekly engineering staff meetings
- 19) Staff made it a practice that when visiting a construction site to wear a hard hat and vest.
- 20) Staff completed the online training program "Target Safety"

2017 GOALS:

1. Attend various training and seminars throughout the year to improve staff skills and knowledge. This will include training on ESRI ArcGIS, InfoWater, AutoCAD and Microstation as well as classes for water distribution and treatment certification.
2. Improve Mobile GIS Experience
3. Expand Use of Desktop GIS Viewing Application
4. Develop ability to electronically process and record receipts for payment. Will need funding in 2017 budget to do this.
5. Upgrade ArcGIS Server and SDE Geodatabase to meet increased demand on system.
6. Water Management System Database – Continue to improve the centralized database as a District-wide tool
7. Improve Leak Data Entry Process (current workflow split between 4 individuals)
8. Implement Procedure to Get All System Changes to GIS for Updating
9. Develop method to insure location of all new water service connections with corresponding Account numbers are sent to GIS Coordinator for inclusion in the GIS.
10. The Engineering Department has already begun and is continuing its efforts to improve and streamline its processes to become more efficient. Spreadsheets have been created to view, update, track, record various Engineering related items. Forms have been updated and will be uploaded on the internet as well as the intranet. Focus Group meetings as well as Staff meetings are held frequently to keep the Department updated and to address any issues within the Department.
11. Projects that are priority at this time would be the District Capital Projects such as much needed water main replacements, tank maintenance, well maintenance, etc., while current residential, commercial, industrial development is slow. Said projects are in the works and will continue through 2017.
12. Reprint 100 Scale Water Service Maps
13. W.O. 16-605 Design & Construct 2nd Brine Tank for Treatment Plant (50% complete as of October 2016)
14. Spec 1206 Avenue Q to Avenue P-12 between Division Street and 3rd Street East (plans are presently in early stages as of October 2016)
15. Spec 1601 Ave P from 25th Street East to approximately 500 feet easterly
16. Specs 1502 - is in the Ana Verde area. Consists of new water main. The plans are nearing completion as of October 2016.
17. Spec 1504 - Ave V-5. Consists of new water main. The plans are about 30% complete as of October 2016
18. Spec 1210 - Ave. P-8 plans finished but not signed

2017 GOALS *(Continued)*:

19. Littlerock Sediment Removal
 - Complete final EIR/EIS spring 2017
 - Complete final design by fall 2017
 - Begin construction fall 2017
20. Palmdale Recycled Water Authority Recycled Water Line Phase Project
 - Receive low interest State Revolving Fund Loan March 2017
 - Issue bids and start construction (Summer 2017)
21. Palmdale Regional Groundwater Recharge and Recovery Project
 - Complete final planning grant feasibility study by April 2017
 - Install monitoring wells and collect water quality data (fall 2016)
 - Conduct infiltration tests in recharge basins (fall 2016)
 - Receive low interest State Revolving Fund Construction Loan March 2017
 - Start final design – late spring 2017
22. Capital Construction Projects for 2017
 - AVE P-8 WM REPL
 - CAMARES, S-14 WM REPL
 - AVE P-12 2nd STE, 3rd ST E, WM REPL
 - 13th ST E. FROM AVE R TO AVE Q-13 WM REPL
 - AVE Q-14 FROM 15th ST E. TO 17th ST E. WM REPL
 - AVE Q-10 @ 12th ST E. WM REPL
 - AVE V-5 WM REPL
 - SIERRA HWY TIE-OVER / ABANDONMENT
23. Update GIS Aerial Imagery
24. Purchase a Light table
25. Department would benefit to have more room for records once development starts picking up again.
26. Department would benefit by having a vehicle specifically for engineering department use to more efficient use staff's time in trying to reserve and track down a vehicle and taking care of needed field work.
27. Develop GIS Red-Lining Tool for Field Crews to Submit GIS Revision Requests
28. We have never had any problems with the other departments and if we need help such as opening a vault for measurements someone is always ready.
29. One of the challenges is to keep the workflow going. When we have a project in the boundaries of L.A. County we need permits from them. This means we must submit signed plans to them and the last time we went through this process took nearly two months. If we could submit plans that are close to final design but still not signed we could get a head start.
30. New water projects will require an increase in water rates. Need to design and initiate a public awareness program to educate water users on the projects, the long term need for the projects, and what it will require to pay for the projects.

Engineering

Engineering		PROPOSED	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2017	2016	2016	2015	2014	2013
1-03-4000-000	Salaries	983,500	847,000	852,000	815,814	678,494	802,373
1-03-4000-100	Salaries - Departmental Overtime	6,500	5,500	6,750	5,172	9,781	5,977
	Subtotal (Salaries)	990,000	852,500	858,750	820,986	688,275	808,349
Employee Benefits							
1-03-4005-000	Payroll Taxes	73,000	65,500	64,000	62,068	54,550	60,690
1-03-4010-000	Health Insurance	164,000	153,000	155,000	139,686	134,005	165,163
1-03-4015-000	PERS	104,500	90,000	101,000	111,512	136,655	139,915
	Subtotal (Benefits)	341,500	308,500	320,000	313,267	325,210	365,768
	Personnel Expenses	1,331,500	1,161,000	1,178,750	1,134,253	1,013,485	1,174,118
OPERATING EXPENSES:							
1-03-4050-000	Staff Travel	2,500	-	-	-	2,881	4,218
1-03-4060-000	Staff Conferences & Seminars	2,500	-	-	-	1,515	1,460
1-03-4155-000	Contracted Services	-	-	-	-	-	11,023
1-03-4155-305	Contracted Services - GIS Services	10,000	30,000	40,000	54,639	50,000	-
1-03-4155-310	Contracted Services - Reproduction	19,000	-	18,000	-	-	-
1-03-4155-315	Contracted Services - Prod./Demand Database	9,000	-	2,500	-	-	-
1-03-4155-320	Contracted Services - Plotter/Scanner	2,500	-	2,500	-	2,763	-
1-03-4155-325	Contracted Services - Backflow Software	1,000	-	1,000	-	-	-
1-03-4165-000	Memberships/Subscriptions	2,500	4,000	2,500	2,065	1,889	1,390
1-03-4250-000	General Materials & Supplies	-	5,000	3,000	2,297	2,162	6,268
1-03-4250-100	Supplies - Plotter Paper/Toner	8,000	-	-	-	-	-
1-03-4250-200	Supplies - Miscellaneous	3,000	-	-	-	-	-
1-03-8100-100	Computer Software - Maint. & Support	60,000	8,250	31,000	9,406	11,391	66,900
	Total Operating Expense	120,000	47,250	100,500	68,407	72,600	91,259
	Total Departmental Expenses	1,451,500	1,208,250	1,279,250	1,202,660	1,086,084	1,265,376

Facilities Department

DESCRIPTION:

The Facilities Department is in charge of maintaining and repairing all pipelines, vehicles and equipment, and related facilities. The staff monitors and maintains operation of the District's 22 active ground water wells, 17 reservoir sites, 15 booster stations, 20 pressure regulating stations, 9 seismic valves, 9 hydro-pneumatic tanks and hypochlorite disinfection equipment at 32 of the above sites. The department is also accountable for maintaining water quality standards, system chlorine residuals, energy management and pumping efficiencies.

2016 ACCOMPLISHMENTS:

1. Replaced all of the air-vacs in the 2800 & 3000 zones totaling 220.
2. Performed weekly, biweekly flushing. Will finish all of the annual flushing by years' end. We have flushed 561,510 cf of water or 4,200,094 gallons to date.
3. Monthly dam inspections at Littlerock Dam.
4. Removal of brush and debris at the Littlerock dam.
5. Painted elevation increments on the face of the Littlerock dam.
6. Conducted valve exercising program, 2,300 valves to date with goal of 3,000 by years' end.
7. Added 20 ball valves for some of the blow offs for isolation.
8. Replaced 15 hydrants and 3 air vacs that were struck due to auto accidents.
9. Completed the retro fit of 4 large meters.
10. Replaced 1,515 broken or stuck residential meters.
11. Replaced 319 broken angle stops.
12. Placed 60 'of ductile iron fire line to the Four Points swap meet @ Pearblossom Hwy & 47thSt. E.
13. Abandoned (2) faulty fire hydrant runs on 17th str. Between P-8 and E. Ave. Q.
14. Finished Tierra Subida Pipeline project 1300' of new pipe.
15. Completed El Camino pipeline project consisting of 1080 'of 8" ductile iron pipe.
16. Completed drop in at Ave. P and 10th Str. East consisting of 80' of 12" CMLC pipe (5) welded spools and (4) 45 degree angled fittings.
17. Abandon bottom tap, flushing point at Halfmoon Dr. and E. Ave. S
18. Replaced Hydrant lateral for Palmdale High School, 40' of new 6" CMLC welded spools.
19. Replaced main feed for Palmdale High School on E. Ave. R, 40' of new 6" CMLC welded spools.
20. Cleaned and organized the Facilities yard. Cleaned out the dock area creating new space for new work area for pipefitting, fabrication and general assemblies.
21. Designed and built a new traffic control truck, making our roadwork much safer.
22. Designed and built a new shoring trailer, organizing our shoring and making it more accessible.
23. On-going training for our crew, including backhoe/ loader, rigging and signal person, crane certification, traffic control, flagman, forklift, confined space, CPR/ first aid, leadership and supervisor training.
24. Placed 16 yards of concrete for the construction entry gate. Also placed conduit for the lighting and security needs.
25. Placed 10 yards of concrete between the storage containers in the back yard for storage of construction supplies.
26. Replaced 40' section of C-900 PVC Pipe on Horizon Dr. to replace a broken AC line, including 2 services.
27. Performed maintenance on Wells, Boosters and Storage Reservoirs. This includes
28. scheduled preventive maintenance on 39 Well and Booster Control Valves, 11 in-line Check Valves, 16 Reservoir Altitude Valves, System Chlorine Residuals, Site Inspections and house-keeping with an additional 126 hours preformed on monthly maintenance of 9 Seismic Valves.
29. Performed maintenance and repair to the 32 units of Sodium Hypochlorite Generation equipment.

2016 ACCOMPLISHMENTS *(Continued):*

30. Performed quarterly maintenance and repair of 20 Pressure Reducing Valves Stations, a total of 35 pressure reducing valves.
31. Performed hydraulic monitoring of all ground water supplies in addition to the annual Edison efficiency testing.
32. Staff finished the installation of 4 Brine-Maker units at Well's 2, 8, 11, and 15, this involved disconnecting and pulling the old salt silos, plumbing, wiring and testing the operations of the units.
33. Staff completed rehabilitation and development work on Well 15, Well 22, Well 25, Well 26 and Well 30. This involved the flushing, production development and chemical treatment of the Well's. Then returning them to service with Edison base line efficient testing being completed on the wells.
34. (5 Wells sites rehabilitated)
35. Staff had responded to the emergency repairs of Well 8 motor (rebuild) and Well 3 replacement motor with installing a new Automatic Transfer Switch (ATS) in the main panel.
36. Staff had responded to the emergency repairs of Wells 18 & 19 Tank repair. Staff also installed new flow meters on the Wells, upgraded the wells discharge piping and injection point and added an 8" gate valve on the repaired tank.
37. Staff has completed the installation a 12 PPD Hypochlorite Generator at Lower El Camino Boosters, a 24 PPD Hypochlorite Generator at Well 14 and a 190 PPD Hypochlorite Generator at the 45th St. Boosters.
38. Staff is close to completing the installation of the new insertion meters for the failed mag meters (flow meters) at the Well sites, approximately 85% completed. (building spools, wiring, etc.)
39. Staff completed the installation of new pump control valves at the Well 5 boosters #3 & #4, also repaired the booster #3 pump can (leak underground) and replaced the gate valve on booster #4.
40. Staff completed the emergency repair to the Well 11 engine and returned it to service.
41. Staff completed the emergency repair to the Visit View booster radio tower, staff built a new tower to replace the failed one.
42. Staff has completed the installation of the rebuilt booster pump for the Clearwell Booster #2, 2800 zone.
43. Staff has completed the installation of the SCADA Room and SCADA Development Servers room in the NOB vault.
44. Staff has continued to maintain, test or replace the District's level transducers in the distribution system and treatment plant.
45. Staff has continued to maintain all District electrical and SCADA panels and complete as-built wiring diagrams in compliance with NFPA 70E standards.
46. Staff has completed the repairs at the Palmdale Lake Outlet 60" Slide Gate and Actuator.
47. Staff continued to improve and update Standard Operating Procedures (SOP's) and routine maintenance schedules to reflect system upgrades and related new equipment.
48. Staff has continued to maintain, test or reprogram the programming of PCM's on the SCADA Servers and systems.

2017 GOALS:

1. Exercise 4,000 valves and replace any faulty valves that are found.
2. Continue flushing program, including all of the yearly flushing points.
3. Replace any of the straight stop that are faulty for the blow offs.
4. Replace half of the approx. 340 remaining old steel air vacs with new fiberglass models.
5. Continue mainline replacements.
6. Continue with Retro-fit program of large meters.
7. Clean and organize the outer Facilities yard.
8. More training for the crew, send members of the crew to trade shows to see new equipment and materials. Expand cross training so that the crew develops a better understanding of our distribution system.
9. Expand our role with the maintenance of the system.
10. Work with Operations Crew, servicing and replacing Pressure Reducing Valves throughout the Distribution system.
11. Place 2 new fire hydrants for the Four Points Swap Meet on Pearblossom Hwy. and 47th St. E.
12. Add ball valves to the rest of the existing blow offs for flushing purposes.
13. Continue the installation and maintenance of magnetic flow meters at well and booster sites as necessary to improve accuracy of production tracking.
14. Complete installation of SCADA communication antenna towers at the Lake Inlet from Littlerock Reservoir and Hydro Turbine (DWR) Inlet to Lake Palmdale (currently on hold from Distribution telemetry project).
15. Complete conversion of pump controls to soft start controllers at various well sites.
16. Continue to calibrate and maintain all of the wells and reservoirs level transducers.
17. Replace the 16-inch altitude valve at 5 MG Tank Site. Replace the 12-inch Watts PRV at 47th St. and upgrade the 4" bypass valve to a 6" bypass valve. Install 4" valves at the PRV's at 37th St. and 25th St.
18. Complete Edison maintenance and hydraulic testing on 22 District Wells.
19. Continue hydraulic monitoring of all ground water supplies.
20. Continue to maintain and calibrate chlorine residual analyzers at District well and booster sites.
21. Calibrate and maintain the Distribution and Treatment Plant automation and control via SCADA.
22. Continue to upgrade all District electrical panels to bring up to current electrical wiring codes to continue to meet NFPA 70E standards.
23. Maintain and upgrade sodium hypochlorite generation systems as necessary.
24. Quarterly monitoring and testing on all production meters at District well and booster Sites.

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Facilities

Facilities		PROPOSED	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2017	2016	2016	2015	2014	2013
1-04-4000-000	Salaries	2,096,000	2,040,000	2,083,750	1,907,672	1,553,408	1,307,909
1-04-4000-100	Salaries - Departmental Overtime	100,000	120,000	90,000	90,716	78,544	51,484
	Subtotal (Salaries)	2,196,000	2,160,000	2,173,750	1,998,388	1,631,952	1,359,393
Employee Benefits							
1-04-4005-000	Payroll Taxes	172,000	168,000	166,500	154,694	129,425	106,666
1-04-4010-000	Health Insurance	453,500	446,000	444,500	434,173	349,246	380,429
1-04-4015-000	PERS	258,000	233,000	257,500	266,889	278,180	224,502
	Subtotal (Benefits)	883,500	847,000	868,500	855,756	756,851	711,598
	Personnel Expenses	3,079,500	3,007,000	3,042,250	2,854,144	2,388,803	2,070,991
OPERATING EXPENSES:							
1-04-4050-000	Staff Travel	3,000	-	-	-	6,943	731
1-04-4060-000	Staff Conferences & Seminars	3,000	-	-	-	1,652	2,225
1-04-4155-000	Contracted Services	-	-	-	-	-	65,671
1-04-4155-405	Contracted Services - Landscape Svcs (All Sites)	15,500	11,000	15,500	12,087	1,675	-
1-04-4155-410	Contracted Services - Landscape Svcs (Wells)	38,000	36,000	32,000	31,424	28,640	-
1-04-4155-415	Contracted Services - Alarm Services	5,000	3,500	5,000	3,116	3,076	-
1-04-4155-420	Contracted Services - Janitorial Services (All Sites)	45,000	40,000	30,000	32,235	7,143	-
1-04-4155-425	Contracted Services - Pest Control Svcs (Contracted)	6,000	5,750	5,500	2,129	1,729	-
1-04-4155-430	Contracted Services - Pest Control Svcs (Plm Dam)	5,000	23,000	23,000	23,040	23,040	1,920
1-04-4155-435	Contracted Services - Elevator Services	3,500	3,500	3,500	3,213	-	-
1-04-4155-440	Contracted Services - SCADA Software	15,000	35,500	15,000	11,118	-	-
1-04-4155-445	Contracted Services - SCADA Hardware	20,000	-	20,000	668	-	-
1-04-4155-450	Contracted Services - Seismic Valve Controllers	7,500	7,000	7,500	5,790	-	-
1-04-4155-455	Contracted Services - Annual Tank Service	330,000	320,000	330,000	-	319,100	-
1-04-4155-460	Contracted Services - Fire Extinguisher Servicing	2,500	-	-	-	-	-
1-04-4155-499	Contracted Services - Miscellaneous	1,000	2,500	1,000	6,299	5,357	-
1-04-4175-000	Permits (Littlerock & Palmdale Dams)	25,000	11,000	50,000	3,508	27,026	45,887
1-04-4215-100	Natural Gas - Wells & Boosters	225,000	196,500	225,000	199,402	-	-
1-04-4215-200	Natural Gas - Buildings	9,000	7,000	9,000	7,434	3,052	3,185
1-04-4220-100	Electricity - Wells & Boosters	1,320,000	1,240,000	1,480,000	1,587,473	-	-
1-04-4220-200	Electricity - Buildings	88,000	84,000	88,000	86,925	22,579	19,777
1-04-4225-000	Maint. & Repair - Vehicles	35,000	40,000	35,000	34,192	28,861	33,536
1-04-4230-100	Maint. & Rep. Operations - Office Building	25,000	30,000	15,000	9,861	11,007	4,036
1-04-4235-110	Maint. & Rep. Operations - Equipment	6,500	3,000	6,500	5,365	10,424	7,156
1-04-4235-400	Maint. & Rep. Operations - Wells	100,000	95,000	75,000	89,886	81,768	41,435
1-04-4235-405	Maint. & Rep. Operations - Boosters	80,000	60,000	50,000	30,841	29,172	56,137
1-04-4235-410	Maint. & Rep. Operations - Shop Bldgs	10,000	10,000	10,000	1,560	8,959	9,209
1-04-4235-415	Maint. & Rep. Operations - Facilities	15,000	28,000	15,000	22,642	9,395	13,145
1-04-4235-420	Maint. & Rep. Operations - Water Lines	250,000	298,000	225,000	220,229	313,799	242,173
1-04-4235-425	Maint. & Rep. Operations - Littlerock Dam	15,000	28,000	15,000	-	3,164	-
1-04-4235-430	Maint. & Rep. Operations - Palmdale Dam	7,500	1,500	7,500	1,160	1,020	-
1-04-4235-435	Maint. & Rep. Operations - Palmdale Canal	10,000	-	10,000	3,823	960	230
1-04-4235-440	Maint. & Rep. Operations - Large Meters	20,000	32,000	10,000	3,504	-	-

(Continued on next page)

Facilities (Continued)

OPERATING EXPENSES (Continued) :

1-04-4235-445	Maint. & Rep. Operations - Telemetry	5,000	3,000	4,000	6,160	-	-
1-04-4235-450	Maint. & Rep. Operations - Hypo Generators	10,000	1,000	10,000	2,426	-	-
1-04-4235-455	Maint. & Rep. Operations - Heavy Equipment	45,000	40,000	45,000	46,202	54,748	29,289
1-04-4235-460	Maint. & Rep. Operations - Storage Reservoirs	5,000	4,000	5,000	2,615	381	223
1-04-4235-470	Maint. & Rep. Operations - Meter Exchanges	250,000	315,000	225,000	119,540	-	-
1-04-4250-100	Materials - Hot Tapping	-	-	-	5,549	-	-
1-04-4270-300	Telecommunication - Other	4,000	6,500	4,000	3,707	-	-
1-04-4300-100	Testing - Regulatory Compliance	20,000	-	-	-	-	-
1-04-4300-200	Testing - Large Meter Testing	12,500	19,000	12,500	14,385	-	-
1-04-4300-300	Testing - Edison Testing	30,000	6,000	30,000	-	-	-
1-04-5070-009	Groundwater Adjudication - Pumping Assessment	50,000	-	-	-	-	-
1-04-6000-000	Waste Disposal	20,000	28,000	20,000	17,072	12,987	21,687
1-04-6100-100	Fuel and Lube - Vehicle	105,000	67,500	105,000	83,938	115,177	114,837
1-04-6100-200	Fuel and Lube - Machinery	40,000	20,000	40,000	33,619	41,755	25,012
1-04-6200-000	Uniforms	28,000	28,000	22,500	27,451	22,624	20,783
1-04-6300-100	Supplies - General	47,500	68,000	47,500	53,658	51,515	39,783
1-04-6300-200	Supplies - Hypo Generators	7,500	8,000	6,500	2,114	-	-
1-04-6300-300	Supplies - Electrical	3,000	1,500	3,000	283	-	-
1-04-6300-400	Supplies - Telemetry	5,000	3,000	5,000	5,161	-	-
1-04-6300-800	Supplies - Construction Materials	40,000	60,000	35,000	43,356	48,419	33,398
1-04-6400-000	Tools	-	27,000	25,000	20,149	11,065	11,207
1-04-6400-100	Tools - Facilities	20,000					
1-04-6400-200	Tools - Vehicles	5,000					
1-04-7000-100	Leases - Equipment	15,000	16,000	12,500	15,280	14,027	12,817
1-04-7000-200	Leases - Fleet	38,000	16,000	-	-	-	-
	Total Operating Expense	3,546,500	3,389,250	3,471,500	2,941,588	1,322,239	855,488
	Total Departmental Expenses	6,626,000	6,396,250	6,513,750	5,795,731	3,711,042	2,926,478

Operations Department

DESCRIPTION:

The Operations Department operates the Water Treatment Plant, Lake Palmdale, Littlerock Dam and Reservoir, and the Palmdale Ditch for surface water sources and treatment. The department is responsible for maintaining compliance with all Federal, State, and local regulations on water quality standards, updating watershed sanitary survey and development of wellhead protection as a source water protection plan, lake management, energy management, and pumping efficiency, as well as handling customer related water quality complaints and water quality analysis.

2016 ACCOMPLISHMENTS:

1. Refined plant systems operational practices to optimize water quality.
2. Staff conducted jar testing with many available coagulant aids from different chemical companies.
3. Participated on demand response programs Honeywell and EnerNOC to reduce electricity costs.
4. Successfully used localized GAC treatment at Underground tank to reduce overall GAC operational costs.
5. Replaced GAC media at underground vessel.
6. Continued to perform a full scale performance study between Calgon and Evoqua Carbon media.
7. Reactivated 2 GAC contactors at the treatment plant.
8. Installed a new settle channel agitation pump.
9. Installed new filter aid pumps
10. Rebuilt Potassium Permanganate batching system.
11. Successfully introduced a new Liquid Copper sulfate (Earthtec) chemical for lake management.
12. Reduced cost for Ground Squirrel rodent control
13. Provided numerous educational tours and events at the treatment plant.

2017 GOALS:

1. Meet Water quality challenges due to Drought, while continuing to refine plant and distribution systems operational practices to reduce costs and optimize treatment
2. Continue development and execution of an effective lake monitoring program and clean-up of Lake Palmdale shoreline.
3. Work closely with Deputy and Water Resources Manager
4. Work closely with Facilities Department and continue demand response programs with Honeywell and EnerNoc to reduce electricity costs.
5. Provide cross training with other departments and encourage staff to get higher licenses
6. Maintain excellent interdepartmental cooperation through clear communication and promoting the understanding and respect of all staff's contributions toward our shared mission.
7. Continue to upgrade, standardize, maintain and repair WTP facilities to ensure reliable and efficient performance
8. Perform filter media testing on 3 filters by ERS
9. Operation and Maintenance of all slide gate valves
10. Treatment Plant Vault Maintenance
11. Rebuild shafts for 1 and 2 Sed. Basins on Sludge Dump Valves
12. Rebuild Ferric Chloride system
13. Rebuild Filter Aid Cationic Polymer System
14. Rebuild Zinc Orthophosphate System
15. Perform Maintenance and repairs to Traveling bar screen at the Aqueduct
16. Perform maintenance and repairs to traveling bar screen at Palmdale lake outlet
17. Control room renovation improvements
18. Treatment Plant winter maintenance

2017 GOALS *(Continued)*:

19. Evaluate and report Performance of localized GAC
20. Continue to perform compliance monitoring of water supplies for Radioactivity, MTBE, and Hexavalent Chromium, Cyanide, General Physical, General Mineral, Inorganics & Organics and all other constituents required by law
21. Purchase a new GCMS machine
22. Downloading of 524 method software for GCMS
23. Complete process of certification through ELAP for testing TTHM and VOC's for regulatory compliance
24. Complete Sampling round 2, Long Term 2 Enhanced Surface Water Treatment Rule
25. Continue to promote education and conservation through informational tours and a proactive positive response in handling water quality complaints
26. Purchase and implement a new Laboratory Software Program for reporting compliance and proper record keeping, (LIMS)
27. Once a year, Staff will visit other treatment facilities and districts, to possibly get more knowledge or different innovative ideas to enhance performance and efficiency.
28. Encourage continued education and training in order to equip staff with the knowledge necessary to deal effectively with current and future water industry challenges
29. Review Systems, Emergency drill Scenarios
30. Have Regular monthly safety meetings with staff
31. Complete yearly Water Report 2016
32. Complete CCR 2016 report
33. Update Operations and Maintenance Manual
34. Renew WRF membership

Operations

Operations		PROPOSED	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2017	2016	2016	2015	2014	2013
1-05-4000-000	Salaries	920,000	990,000	1,012,500	1,067,180	1,496,842	1,620,378
1-05-4000-100	Salaries - Departmental Overtime	56,000	56,000	56,000	63,447	96,084	96,652
	Subtotal (Salaries)	976,000	1,046,000	1,068,500	1,130,627	1,592,926	1,717,029
Employee Benefits							
1-05-4005-000	Payroll Taxes	67,000	80,000	84,500	85,764	126,006	130,648
1-05-4010-000	Health Insurance	144,250	180,500	183,500	206,300	319,084	357,431
1-05-4015-000	PERS	111,000	84,000	137,750	156,034	292,061	274,670
	Subtotal (Benefits)	322,250	344,500	405,750	448,099	737,151	762,750
	Personnel Expenses	1,298,250	1,390,500	1,474,250	1,578,726	2,330,077	2,479,779
OPERATING EXPENSES:							
1-05-4050-000	Staff Travel	2,500	-	-	-	8,563	9,618
1-05-4060-000	Staff Conferences & Seminars	2,500	-	-	-	3,472	6,177
1-05-4120-100	Training - Lab Equipment	-	-	-	-	6,867	-
1-05-4120-200	Training - SCADA Network Equipment	-	-	-	-	5,401	3,729
1-05-4155-000	Contracted Services	-	-	-	-	-	127,564
1-05-4155-505	Contracted Services - Landscape Services	2,000	2,000	2,000	1,485	1,620	-
1-05-4155-510	Contracted Services - Alarm Services	1,000	1,000	1,000	825	900	-
1-05-4155-515	Contracted Services - Janitorial Services	-	-	-	-	5,989	-
1-05-4155-520	Contracted Services - Pest Control Services	-	-	-	-	400	-
1-05-4155-525	Contracted Services - Wind Turbine Services	25,000	5,000	25,000	32,352	10,769	3,507
1-05-4155-530	Contracted Services - CMMS Software	-	-	10,000	1,800	10,025	-
1-05-4155-535	Contracted Services - SCADA Software	-	-	-	-	11,509	-
1-05-4155-540	Contracted Services - Lab Software	6,000	1,500	1,500	1,865	1,470	-
1-05-4155-545	Contracted Services - Lab Equipment Services	20,000	20,000	20,000	16,707	2,970	-
1-05-4155-550	Contracted Services - Water Quality Svcs (SolarBee)	32,000	30,000	32,000	27,200	24,883	-
1-05-4155-555	Contracted Services - SCADA Hardware	-	-	-	-	3,574	-
1-05-4155-560	Contracted Services - Seismic Valve Controllers	-	-	-	-	5,685	-
1-05-4155-599	Contracted Services - Miscellaneous	2,000	1,000	2,000	-	-	-
1-05-4175-000	Permits (WTP Facilities Inclusive)	40,000	30,000	40,000	22,967	28,733	36,598
1-05-4215-100	Natural Gas - Wells & Boosters	-	-	-	-	309,877	152,638
1-05-4215-200	Natural Gas - Water Treatment Plant	3,000	1,500	3,000	1,451	1,616	2,571
1-05-4220-100	Electricity - Wells & Boosters	-	-	-	-	1,682,458	1,455,798
1-05-4220-200	Electricity - Water Treatment Plant	125,000	135,000	125,000	147,115	147,472	112,683
1-05-4230-110	Maint. & Rep. Office - Equipment	500	500	500	-	463	395
1-05-4235-110	Maint. & Rep. Operations - Equipment	20,000	15,000	11,500	15,489	17,730	10,787
1-05-4235-410	Maint. & Rep. Operations - Shop Bldgs	6,000	20,000	6,000	1,316	10,301	15,254
1-05-4235-415	Maint. & Rep. Operations - Facilities	65,000	65,000	45,000	88,688	84,532	49,150
1-05-4235-445	Maint. & Rep. Operations - Telemetry	-	-	-	-	663	4,807
1-05-4235-450	Maint. & Rep. Operations - Hypo Generators	65,000	65,000	18,000	17,250	48,265	22,296
1-05-4235-500	Maint. & Repair - Wind Turbine	30,000	20,000	10,000	15,719	6,183	-
1-05-4236-000	Palmdale Lake Management	40,000	-	-	30,104	10,575	10,114
1-05-4270-300	Telecommunication - Other	-	-	-	-	3,087	2,784
1-05-4300-300	Testing - Edison Testing	-	-	-	-	9,770	5,385
3-05-4300-100	Filter Media Testing/Inspection	30,000	-	30,000	-	-	-
1-05-6000-000	Waste Disposal	20,000	5,000	20,000	11,899	24,600	23,904
1-05-6200-000	Uniforms	16,000	15,000	16,000	15,886	14,763	12,355
1-05-6300-100	Supplies - General	15,000	15,000	15,000	8,987	24,817	21,774
1-05-6300-200	Supplies - Hypo Generators	-	-	-	-	6,535	3,750
1-05-6300-300	Supplies - Electrical	-	-	-	-	405	2,414
1-05-6300-400	Supplies - Telemetry	-	-	-	-	2,055	7,819
1-05-6300-600	Supplies - Lab	50,000	48,000	40,000	37,050	35,387	35,310
1-05-6300-700	Outside Lab Work	60,000	72,000	92,000	70,965	44,565	103,006
1-05-6400-000	Tools	6,500	4,500	6,500	9,610	6,827	5,807
1-05-6500-000	Chemicals	560,000	560,000	400,000	384,384	384,205	502,609
1-05-7000-100	Leases -Equipment	3,000	500	3,000	1,157	1,729	460
	Total Operating Expense	1,248,000	1,132,500	975,000	962,272	3,011,712	2,751,063
	Total Departmental Expenses	2,546,250	2,523,000	2,449,250	2,540,998	5,341,789	5,230,842

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Finance Department

DESCRIPTION:

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

2016 ACCOMPLISHMENTS:

1. Completed the annual audit and required reporting to outside governing agencies. This included producing the actual audited financial report in-house for review by the independent auditors.
2. Provided technical, financial, and acquisition support to all departments.
3. Provided monthly financial reports to General Manager and Board of Directors.
4. Provided employee compensation in a timely manner.
5. Liquidated District's obligations in a timely manner.
6. Continued workflow schedule for better closure of financial periods to improve monthly reconciliation processes.
7. Produced annual District budget.

2017 GOALS:

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

Finance

Finance		PROPOSED	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2017	2016	2016	2015	2014	2013
1-06-4000-000	Salaries	683,500	672,000	670,250	800,725	1,540,946	1,524,644
1-06-4000-100	Salaries - Departmental Overtime	4,000	1,000	3,000	4,124	18,203	32,826
	Subtotal (Salaries)	687,500	673,000	673,250	804,849	1,559,149	1,557,470
Employee Benefits							
1-06-4005-000	Payroll Taxes	53,000	50,750	49,000	58,773	120,148	119,116
1-06-4010-000	Health Insurance	88,500	92,000	83,000	137,350	334,581	344,111
1-06-4015-000	PERS	87,000	84,000	87,000	138,886	306,168	272,569
	Subtotal (Benefits)	228,500	226,750	219,000	335,009	760,897	735,796
	Personnel Expenses	916,000	899,750	892,250	1,139,858	2,320,046	2,293,266
OPERATING EXPENSES:							
1-06-4050-000	Staff Travel	-	-	-	-	269	412
1-06-4060-000	Staff Conferences & Seminars	-	-	-	-	562	920
1-06-4155-100	Contracted Services - Infosend	280,000	278,000	225,000	221,470	200,535	185,652
1-06-4155-200	Contracted Services - Infosend Drought Related	-	-	-	5,492	3,224	-
1-06-4155-300	Contracted Services - Vendors	-	-	-	-	-	9,088
1-06-4155-605	Contracted Services - Assessor Data (Realquest)	-	-	-	1,650	9,900	-
1-06-4155-610	Contracted Services - Credit Reporting Services	-	-	-	290	3,979	262
1-06-4155-615	Contracted Services - AMR Services (Itron)	-	-	-	-	6,298	-
1-06-4155-620	Contracted Services - Letter Extractor (OPEX)	2,500	2,500	2,500	2,640	2,590	-
1-06-4155-625	Contracted Services - GASB Actuarial Reports	3,500	3,000	3,500	3,150	-	-
1-06-4165-000	Memberships/Subscriptions	500	500	500	110	220	-
1-06-4230-110	Maintenance & Repair - Office Equipment	500	-	500	-	-	-
1-06-4235-440	Maint. & Rep. Operations - Large Meters	-	-	-	2,129	45,117	7,520
1-06-4235-470	Maint. & Rep. Operations - Meter Exchanges	-	-	-	138,045	392,128	351,146
1-06-4250-000	General Material & Supplies	3,000	1,000	3,000	2,111	5,111	8,056
1-06-4260-000	Business Forms	4,000	5,000	7,500	10,213	8,675	10,394
1-06-4270-100	Telecommunication - Office	18,000	22,500	12,000	18,200	13,814	10,863
1-06-4270-200	Telecommunication - Cellular Stipend	15,500	20,500	18,500	18,320	15,570	14,465
1-06-4270-300	Telecommunication - Cellular (District On-Call)	-	-	-	-	-	213
1-06-4300-200	Testing - Large Meter Testing	-	-	-	4,044	18,122	13,140
1-06-7000-100	Leases - Equipment	3,000	2,500	3,000	2,565	2,600	2,501
	Total Operating Expense	330,500	335,500	276,000	430,428	728,713	614,632
	Total Departmental Expenses	1,246,500	1,235,250	1,168,250	1,570,286	3,048,759	2,907,898

Water Conservation Department

DESCRIPTION:

The Water Conservation Department's primary responsibilities are planning and executing conservation programs and providing information and education on conservation issues. Programs are developed for PWD customers and school classrooms.

Water Conservation

<u>Water Conservation</u>		PROPOSED	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2017	2016	2016	2015	2014	2013
1-07-4000-000	Salaries	144,000	71,500	129,000	179,187	113,405	159,129
1-07-4000-100	Salaries - Departmental Overtime	1,000	500	1,000	812	2,792	1,104
	Subtotal (Salaries)	145,000	72,000	130,000	179,999	116,197	160,233
Employee Benefits							
1-07-4005-000	Payroll Taxes	11,000	8,000	10,000	13,830	9,373	12,244
1-07-4010-000	Health Insurance	36,500	38,000	38,000	37,211	22,807	27,415
1-07-4015-000	PERS	18,500	6,500	17,250	11,369	16,332	28,866
	Subtotal (Benefits)	66,000	52,500	65,250	62,410	48,512	68,524
	Personnel Expenses	211,000	124,500	195,250	242,410	164,709	228,757
OPERATING EXPENSES:							
1-07-4050-000	Staff Travel	1,000	-	-	-	1,224	571
1-07-4060-000	Staff Conferences & Seminars	1,500	-	-	-	695	1,338
1-07-4190-300	Public Relations - Landscape Workshop/Training	1,000	5,500	1,000	98	71	243
1-07-4190-400	Public Relations - Contests	1,000	-	1,000	602	-	709
1-07-4190-500	Public Relations - Education Programs	2,500	500	2,500	-	413	906
1-07-4190-700	Public Relations - General Media (Public Outreach)	-	44,000	25,000	37,343	4,418	1,535
1-07-4190-900	Public Relations - Other	5,000	6,000	2,000	44,616	787	180
1-07-4500-000	Drought Enforcement Expense	-	1,000	7,500	4,735	-	-
1-07-6300-100	Supplies - Misc.	5,000	3,500	5,000	3,376	7,710	3,472
	Total Operating Expense	17,000	60,500	44,000	90,769	15,318	8,953
	Total Departmental Expenses	228,000	185,000	239,250	333,179	180,027	237,710

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Human Resources Department

DESCRIPTION:

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

2016 ACCOMPLISHMENTS:

1. Coordinated training workshops for staff.
2. Analyzed District benefit positions and made recommendations to Personnel Committee.
3. Completed Cost-of-Living research for 2016, culminating in data provided to the Personnel Committee and staff presentation to the Board of Directors for consideration.
4. Participated and provided support in the monthly meetings of the Communications Committee.
5. Coordinated the completion of JPIA's District's Risk Assessment process.
6. Coordinated Employee Benefits Open Enrollment/Wellness Fair.
7. Administrated employee-specific training program through Target Safety.
8. Established return to work Internship Program.
9. Updated and revised Employee Handbook.
10. Coordinated Employee Appreciation events.

2017 GOALS:

1. Continue working on competencies and criteria for Performance Evaluation process for 2017 with managers and supervisors. Our new Performance Evaluations will be tied to our Strategic Plan.
2. Perform research and develop presentations for Personnel Committee and the Board of Directors for consideration.
3. Coordinate 2017 Employee Benefits Open Enrollment and Wellness Fair.
4. Continue focus on Wellness programs to ensure a healthier workforce.
5. Participate in Communications Committee meetings.
6. Facilitate Safety and Safety Sub-Committee meetings.
7. Establish a Leadership/Management Training Program for the District through Antelope Valley College.
8. Continue and enhance the Palmdale Water District's Internship Program through the return to work program.
9. Coordinate with Department Manager's to establish a succession plan for the District.
10. Coordinate a robust Safety Training program for the District.

Human Resources

Human Resources		PROPOSED	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2017	2016	2016	2015	2014	2013
1-08-4000-000	Salaries	122,000	116,000	116,000	110,036	95,372	90,676
1-08-4000-200	Salaries - Intern Program	-	34,000	40,000	46,229	9,249	-
	Subtotal (Salaries)	122,000	150,000	156,000	156,266	104,621	90,676
Employee Benefits							
1-08-4005-000	Payroll Taxes	9,500	12,000	15,250	11,999	8,333	6,677
1-08-4010-000	Health Insurance	19,500	18,250	18,250	17,698	16,993	-
1-08-4015-000	Pers	8,000	8,000	7,250	1,100	6,170	434
	Subtotal (Benefits)	37,000	38,250	40,750	30,797	31,496	7,110
	Personnel Expenses	159,000	188,250	196,750	187,063	136,117	97,787
OPERATING EXPENSES:							
1-08-4050-000	Staff Travel	1,500	36,000	27,500	36,944	1,721	60
1-08-4060-000	Staff Conferences & Seminars	1,500	17,500	25,000	20,796	749	-
1-08-4070-000	Employee Expense	50,000	50,000	60,000	58,725	40,673	-
1-08-4090-000	Temporary Staffing	-	20,000	-	-	-	59,256
1-08-4095-000	Employee Recruitment	3,000	2,000	3,000	1,847	18,848	3,611
1-08-4100-000	Employee Retention	5,000	18,000	20,000	15,774	17,757	1,457
1-08-4105-000	Employee Relations	3,500	2,500	3,500	2,727	2,683	3,506
1-08-4110-000	Consultants	-	4,000	1,000	-	-	-
1-08-4120-100	Training - Safety	35,000	16,000	35,000	40,551	13,031	25,710
1-08-4120-200	Training - Speciality	15,000	16,000	25,000	20,008	-	-
1-08-4121-000	Safety/HR Program	1,000	500	1,000	200	68	-
1-08-4165-000	Memberships/Subscriptions	1,600	1,000	1,600	964	1,093	599
1-08-4165-100	HR/Safety Publications	1,000	250	1,000	336	1,546	289
1-08-6300-500	Supplies - Safety	20,000	18,500	20,000	20,563	18,245	7,400
	Total Operating Expense	138,100	202,250	223,600	219,435	116,414	101,887
	Total Departmental Expenses	297,100	390,500	420,350	406,497	252,531	199,673

Information Technology Department

DESCRIPTION:

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

2016 ACCOMPLISHMENTS:

1. Replacement/Installation of Hi-speed Scanners for document management
2. Sent surplus computer equipment to auction.
3. Started installation of Boardroom Video & Voting System upgrade.

2017 GOALS:

1. Increase data storage at the main office.
2. Complete Boardroom Video & Voting System upgrade.
3. Continue with obsolete computer equipment being sent to surplus auction.
4. Water Treatment Plant security system upgrade.
5. Support and installation of Computer Information System upgrade for billing/customer care.
6. Fire system upgrade at Water Treatment Plant.
7. Fire system maintenance at Main Office.
8. Mobility and PC refresh.
9. Mobility enhancements.

Information Technology

Information Technology		PROPOSED	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2017	2016	2016	2015	2014	2013
1-09-4000-000	Salaries	176,000	204,500	225,500	224,583	221,954	220,881
1-09-4000-100	Salaries - Departmental Overtime	2,500	2,000	2,500	3,292	1,676	2,583
	Subtotal (Salaries)	178,500	206,500	228,000	227,875	223,630	223,463
Employee Benefits							
1-09-4005-000	Payroll Taxes	18,250	16,000	16,000	16,373	16,153	16,193
1-09-4010-000	Health Insurance	38,500	34,000	38,000	37,293	38,400	41,624
1-09-4015-000	PERS	22,750	29,000	29,500	37,295	44,888	38,495
	Subtotal (Benefits)	79,500	79,000	83,500	90,961	99,441	96,312
	Personnel Expenses	258,000	285,500	311,500	318,836	323,071	319,775
OPERATING EXPENSES:							
1-09-4050-000	Staff Travel	3,000	-	-	-	397	997
1-09-4060-000	Staff Conferences & Seminars	3,500	-	-	-	12,628	11,402
1-09-4155-300	Contracted Services - Computer Vendors	-	-	-	-	-	56,850
1-09-4155-905	Contracted Services - Offsite Services	5,000	4,000	5,000	4,098	4,920	-
1-09-4155-910	Contracted Services - Printer Services	3,000	8,000	3,000	4,695	3,957	-
1-09-4155-915	Contracted Services - Website Design Services	20,000	15,000	35,000	15,808	33,535	-
1-09-4155-920	Contracted Services - Telephony Services	3,500	1,000	3,500	-	1,200	-
1-09-4155-925	Contracted Services - Cloud Services	25,000	20,000	25,000	38,976	29,775	-
1-09-4155-930	Contracted Services - Network Services	45,000	58,000	45,000	43,783	43,509	-
1-09-4155-935	Contracted Services - Hardware Warranties	-	-	5,000	-	-	-
1-09-4165-000	Memberships/Subscriptions	2,000	1,500	2,000	1,410	1,607	-
1-09-4270-100	Telecommunication - Office Phone	16,500	15,000	16,500	16,469	16,897	16,235
1-09-4270-125	Telecommunication - Office Backbone	20,750	20,500	18,750	18,540	14,035	13,188
1-09-4270-150	Telecommunication - WTP Backbone	15,000	13,000	15,000	13,379	13,188	13,188
1-09-4270-300	Telecommunication - Cellular (Data & On-Call)	35,000	33,750	29,000	26,543	22,079	12,199
1-09-8000-100	Computer Equipment - Computers	45,000	20,000	20,000	17,426	21,104	18,251
1-09-8000-200	Computer Equipment - Mobility	45,000	16,000	16,000	6,549	579	-
1-09-8000-300	Computer Equipment - Monitors	2,000	250	2,000	-	-	493
1-09-8000-400	Computer Equipment - Printers	5,000	-	-	-	-	12
1-09-8000-500	Computer Equipment - Printer Supplies	3,000	250	3,000	1,494	1,883	1,324
1-09-8000-550	Computer Equipment - Telephony	2,500	500	2,500	362	-	-
1-09-8000-600	Computer Equipment - Other	40,000	20,000	40,000	18,473	38,264	8,684
1-09-8100-100	Computer Software - Maint. and Support	60,000	34,000	60,000	60,616	50,332	37,321
1-09-8100-140	Computer Software - Starnik Maint. & Support	72,000	95,000	130,000	108,675	166,375	94,800
1-09-8100-150	Computer Software - Dynamics GP Maint. & Support	60,000	45,000	60,000	46,869	40,580	27,795
1-09-8100-200	Computer Software - Software and Upgrades	15,000	13,000	20,000	12,869	322	6,441
	Total Operating Expense	546,750	433,750	556,250	457,034	517,167	319,178
	Total Departmental Expenses	804,750	719,250	867,750	775,870	840,237	638,953

Customer Care Department

DESCRIPTION:

The Customer Care Department manages the day-to-day affairs for the water customers of the Palmdale Water District. This includes handling meter reading, new service applications, customer complaints, payment processing (front counter and telephone), and records management.

Customer Care

Customer Care		PROPOSED	PROJECTED	BUDGET	ACTUAL
PERSONNEL BUDGET:		2017	2016	2016	2015
1-10-4000-000	Salaries	886,000	866,000	929,250	760,523
1-10-4000-100	Salaries - Departmental Overtime	10,000	8,000	10,000	7,206
	Subtotal (Salaries)	896,000	874,000	939,250	767,730
Employee Benefits					
1-10-4005-000	Payroll Taxes	65,500	66,500	71,500	61,283
1-10-4010-000	Health Insurance	166,000	213,000	217,000	179,858
1-10-4015-000	PERS	113,500	111,000	119,000	112,253
	Subtotal (Benefits)	345,000	390,500	407,500	353,394
	Personnel Expenses	1,241,000	1,264,500	1,346,750	1,121,123
OPERATING EXPENSES:					
1-10-4050-000	Staff Travel	1,000	-	-	-
1-10-4060-000	Staff Conferences & Seminars	2,000	-	-	-
1-10-4155-005	Contracted Services - Assessor Data (Realquest)	10,000	10,000	10,000	8,250
1-10-4155-010	Contracted Services - Credit Reporting Services	4,000	4,250	4,000	4,167
1-10-4155-015	Contracted Services - AMR Services (Itron)	6,000	7,250	6,000	5,888
1-10-4155-020	Contracted Services - NEMO-Q System	2,000	2,000	2,000	-
1-10-4230-110	Mtce & Rep Office - Equipment	500	500	500	-
1-10-4250-000	General Material & Supplies	7,500	7,500	7,500	5,973
1-10-4260-000	Business Forms	4,000	-	10,000	1,471
	Total Operating Expense	37,000	31,500	40,000	25,749
	Total Departmental Expenses	1,278,000	1,296,000	1,386,750	1,146,872

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APPENDIX

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Budget Control Guidelines

The 2017 Budget approved by the Board of Directors will serve as the basis for operating Palmdale Water District. It includes a number of individual items and projects as well as the anticipated operations and maintenance budgets. Occasional questions have come up in previous years as the District has gotten familiar with the budget process. These range from adjustments in accounts of departmental operating budgets to implementing projects approved in the budget. The following are intended to act as guidelines for working within the budget and to clarify the Board's involvement in the process.

- 1) Work on purchasing equipment and other projects in the approved budget can be initiated by staff. Approval of proposals for the construction projects or purchasing equipment will follow the appropriate District policy and may involve Committee or Board action.
- 2) Department managers are required to operate within the approved budget amounts, both the total department amount and individual accounts. Permission from the General Manager is needed prior to exceeding any account budget amount.
- 3) The General Manager is authorized to approve transfers between operating budget accounts within or between departments up to \$25,000. These transfers must be requested in writing from the department manager and shall not increase the overall District budget. Transfers above \$25,000 must be approved by the Board of Directors.
- 4) Items not included in the approved budget and recommended by staff must be approved by the Board.
- 5) Increases in the total operating budget that are not due to emergency or maintenance activities must be approved by the Board of Directors. The General Manager shall inform the Board of Directors of spending related to emergency situations.
- 6) The General Manager will periodically provide the Board of Directors with reports on actual spending versus the approved budget, any recommended adjustments and any approved transfers.
- 7) The Departmental Staffing Summary included in the 2016 Budget is for monetary planning purposes only. The General Manager will consult with the Personnel Committee or full Board of Directors, as appropriate, prior to filling any vacant positions shown in the summary.

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Resolution No. 13-13

Palmdale Water District's Reserve Policy

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

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

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

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

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

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

Legally Restricted Funds:

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

1. Capital Improvement Fund:

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

2. Bond Proceeds Fund(s):

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

3. *Debt Service Reserve Funds:*

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

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

4. *Rate Stabilization Fund:*

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

Board Designated Funds:

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

1. *Dam Self Insurance:*

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

2. *O&M Operating Reserve:*

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

3. *O&M Emergency Reserve:*

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

4. *Unrestricted Reserves:*

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

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

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

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

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

Noes: None

Absent: President Kathy Mac Laren

Abstain: None

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

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2017 Proposed Water Rate Schedule




Meter Fee Charge (Effective 01/01/2017)	
5/8"	34.75
1"	34.75
1-1/2"	104.25
2"	159.87
3"	289.63
4"	475.02
6"	938.49
8"	1,494.66
10"	2,143.53

Commodity Rates (\$/ccf)	
Tiers	
Essential Use – Tier 1	0.81
Efficient Use – Tier 2	0.93
Tier 3	2.63
Tier 4	3.97
Tier 5	5.13
Tier 6	6.59
Water Quality Fee (\$/ccf)	
0.12	
Elevation Booster Surcharge (\$/ccf)	
B	-
A1	0.09
A2	0.55
A3	1.19
Drought Surcharge	0.49

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2017 Holiday Observance Calendar

January							February							March						
1	2	3	4	5	6	7				1	2	3	4				1	2	3	4
8	9	10	11	12	13	14	5	6	7	8	9	10	11	5	6	7	8	9	10	11
15	16	17	18	19	20	21	12	13	14	15	16	17	18	12	13	14	15	16	17	18
22	23	24	25	26	27	28	19	20	21	22	23	24	25	19	20	21	22	23	24	25
29	30	31					26	27	28					26	27	28	29	30	31	
April							May							June						
						1		1	2	3	4	5	6				1	2	3	
2	3	4	5	6	7	8	7	8	9	10	11	12	13	4	5	6	7	8	9	10
9	10	11	12	13	14	15	14	15	16	17	18	19	20	11	12	13	14	15	16	17
16	17	18	19	20	21	22	21	22	23	24	25	26	27	18	19	20	21	22	23	24
23	24	25	26	27	28	29	28	29	30	31				25	26	27	28	29	30	
30																				
July							August							September						
						1			1	2	3	4	5						1	2
2	3	4	5	6	7	8	6	7	8	9	10	11	12	3	4	5	6	7	8	9
9	10	11	12	13	14	15	13	14	15	16	17	18	19	10	11	12	13	14	15	16
16	17	18	19	20	21	22	20	21	22	23	24	25	26	17	18	19	20	21	22	23
23	24	25	26	27	28	29	27	28	29	30	31			24	25	26	27	28	29	30
30	31																			
October							November							December						
1	2	3	4	5	6	7				1	2	3	4						1	2
8	9	10	11	12	13	14	5	6	7	8	9	10	11	3	4	5	6	7	8	9
15	16	17	18	19	20	21	12	13	14	15	16	17	18	10	11	12	13	14	15	16
22	23	24	25	26	27	28	19	20	21	22	23	24	25	17	18	19	20	21	22	23
29	30	31					26	27	28	29	30			24	25	26	27	28	29	30
														31	1	2				

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

January 16 – Martin Luther King Jr. Day

February 20 – Presidents Day

May 29 – Memorial Day

July 4 - Independence Day

September 4 – Labor Day

November 10 – Veterans Day

November 23 & 24 – Thanksgiving

December 25 & 26 - Christmas

December 28 & January 1 – New Years

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California Water Code – Section 370-374

ALLOCATION-BASED CONSERVATION WATER PRICING

(Copied from original posted at <http://www.leginfo.ca.gov/calaw.html>)

370. The Legislature hereby finds and declares all of the following:
- (a) The use of allocation-based conservation water pricing by public entities that sell and distribute water is one effective means by which waste or unreasonable use of water can be prevented and water can be saved in the interest of the people and for the public welfare, within the contemplation of Section 2 of Article X of the California Constitution.
 - (b) It is in the best interest of the people of California to encourage public entities to voluntarily use allocation-based conservation water pricing, tailored to local needs and conditions, as a means of increasing efficient uses of water, and further discouraging wasteful or unreasonable use of water under both normal and dry-year hydrologic conditions.
 - (c) The Legislature intends that allocation-based conservation water pricing is an alternative method that can be used by public entities to encourage water users to conserve water, increase efficient uses of water, and further discourage waste of water. The Legislature does not intend to limit the discretion of public entities to evaluate and select among different methods for conserving water or to create a presumption that the election to not use a particular method is a waste or unreasonable use of water by the public entity.
 - (d) Nothing in this chapter is intended to limit, or dictate, the design of rate structures that public entities may use to promote conservation by water users.
 - (e) Nothing in this chapter directs, or otherwise compels, a public entity to use allocation-based conservation water pricing.
371. For purposes of this chapter, the following terms have the following meanings:
- (a) "Allocation-based conservation water pricing" means a retail water rate structure that meets all of the criteria in Section 372.
 - (b) "Basic charge" means a volumetric unit charge for the cost of water service other than any fixed costs that are recovered through meter charges or other fixed charges other than incremental costs that are recovered through conservation charges. A basic charge may include the cost of generally applicable conservation measures assumed in establishing basic use allocations.
 - (c) "Conservation charge" means a volumetric unit charge for incremental costs.
 - (d) "Incremental costs" means the costs of water service, including capital costs, that the public entity incurs directly, or by contract, as a result of the use of water in excess of the basic use allocation or to implement water conservation or demand management measures employed to increase efficient uses of water, and further discourage the wasteful or unreasonable use of water, and may include any of the following:
 - (1) Conservation best management practices, conservation education, irrigation controls and other conservation devices, and other demand management measures.

(2) Water system retrofitting, dual plumbing and facilities for production, distribution, and all uses of recycled water and other alternative water supplies.

(3) Projects and programs for prevention, control, or treatment of the runoff of water from irrigation and other outdoor water uses. Incremental costs shall not include the costs of stormwater management systems and programs.

(4) Securing dry-year water supply arrangements.

(5) Procuring water supplies to satisfy increments of water use in excess of the basic use allocations for the customers of the public entity, including supply or capacity contracts for water supply rights or entitlements and related energy costs for water delivery.

(e) "Public entity" means a city, whether general law or chartered, county, city and county, special district, agency, authority, any other municipal public corporation or district, or any other political subdivision of the state that provides retail water service and that is an urban water supplier, as defined in Section 10617.

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

(1) Billing is based on metered water use.

(2) A basic use allocation is established for each customer account that provides a reasonable amount of water for the customer's needs and property characteristics. Factors used to determine the basic use allocation may include, but are not limited to, the number of occupants, the type or classification of use, the size of lot or irrigated area, and the local climate data for the billing period.

Nothing in this chapter prohibits a customer of the public entity from challenging whether the basic use allocation established for that customer's account is reasonable under the circumstances.

Nothing in this chapter is intended to permit public entities to limit the use of property through the establishment of a basic use allocation.

(3) A basic charge is imposed for all water used within the customer's basic use allocation, except that at the option of the public entity, a lower rate may be applied to any portion of the basic use allocation that the public entity has determined to represent superior or more than reasonable conservation efforts.

(4) A conservation charge shall be imposed on all increments of water use in excess of the basic use allocation. The increments may be fixed or may be determined on a percentage or any other basis, without limitation on the number of increments, or any requirement that the increments or conservation charges be sized, or ascend uniformly, or in a specified relationship. The volumetric prices for the lowest through the highest priced increments shall be established in an ascending relationship that is economically structured to encourage conservation and reduce the inefficient use of water, consistent with Section 2 of Article X of the California Constitution.

(b) (1) Except as specified in subdivision (a), the design of an allocation-based conservation pricing rate structure shall be determined in the discretion of the public entity.

(2) The public entity may impose meter charges or other fixed charges to recover fixed costs of water service in addition to the allocation-based conservation pricing rate structure.

(c) A public entity may use one or more allocation-based conservation water pricing structures for any class of municipal or other service that the public entity provides.

373. (a) Revenues derived from allocation-based conservation water pricing shall not exceed the reasonable cost of water service including basic costs and incremental costs. This chapter does not limit the sources of funding for incremental costs to charges for water use.

(b) Revenues derived from allocation-based conservation water pricing shall not exceed the proportional cost of service attributable to the customer's parcel, as determined by giving consideration to all of the following:

(1) Customer classes established in consideration of service characteristics, demand patterns, and other factors.

(2) Basic use allocations.

(3) Meter size.

(4) Metered volume of water consumed.

(5) The public entity's discretionary allocation of incremental costs between and among the increments of water use subject to conservation charges, as permitted by paragraph (4) of subdivision (a) of Section 372 to meet the requirement of that section.

(c) In establishing the schedule of charges and metered volumes for the increments of water use subject to conservation charges, the public entity may also consider both of the following:

(1) Customer overuse characteristics, including ratios between overuse volumes and basic use allocations, variations in demand and consumption patterns, or other characteristics of overuse experienced by the public entity.

(2) The extent to which the pricing structure of the increments will be effective in minimizing or eliminating the need for other measures to curtail potential overuse.

374. (a) Allocation-based conservation water pricing under this chapter may be used on an ongoing basis and shall not require any finding of emergency or other water shortage conditions.

(b) The authority granted in this chapter is in addition to any other authority that a public entity has to use rate structure design to foster the conservation of water.

(c) The imposition and revision of rates and charges by a public entity under this chapter shall be subject to the procedures otherwise required by law for the public entity's water rates.

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Glossary of Terms

ACH	Automated Clearing House (ACH) is an electronic network for financial transactions in the United States. ACH processes large volumes of credit and debit transactions in batches. At the District, we are receiving bill payments for customers through Metavante.
ACWA	Association of California Water Agencies – Association of California Water Agencies represents and provides key services to its members. From legislation, to regulatory activity, to broad policy issues, ACWA is on the front lines in Sacramento and in Washington, D.C. as a constant and respected advocate for California’s public water agencies. ACWA’s involvement at the state and federal level has helped shape laws and policies that affect ACWA member agencies and their customers. (http://www.acwa.com)
AWWA	American Water Works Association – American Water Works Association is the authoritative resource on safe water, sharing knowledge on water resource development, water and wastewater treatment technology, water storage and distribution, and utility management and operations. AWWA provides knowledge, information and advocacy to improve the quality and supply of water in North America and beyond and advances public health, safety and welfare by uniting the efforts of the full spectrum of the water community. (http://www.awwa.org)
BMP	Best Management Practice (BMP) is a practice or combination of practices determined to be the most effective, practicable means for protecting natural resources.
CalPERS	See PERS
CDPH	California Department of Public Health – State agency that oversees and regulates the public drinking water systems. This includes the certification and licensing of water treatment and distribution system operators. (http://www.cdph.ca.gov)
CEQA	California Environmental Quality Act - The California Environmental Quality Act is a California law (California Public Resources Code section 21000 et seq.) passed in 1970, shortly after the Federal Government passed the National Environmental Policy Act. CEQA does not directly regulate land uses, but instead requires development projects submit documentation of their potential environmental impact. (http://ceres.ca.gov/ceqa)
CIF	Capital Improvement Fee – Capital improvement fees were established to provide funds for the construction of District facilities to meet water demands. These fees are collected from developers so they can contribute toward the cost of construction of these future facilities as specified by the District’s Master Plan.
CMMS	Computerized maintenance management system is a software package that maintains a computer database of information about an organization’s maintenance operations related to equipment, assets and property.

Glossary of Terms *(Continued)*

CSDA	California Special Districts Association – California Special Districts Association is the recognized voice for all special districts. CSDA provides advocacy, outreach and member services, while educating policy makers and the public on the vital importance of local services provided by special districts in California. (http://www.csda.net)
CUWCC	The California Urban Water Conservation Council was created to increase efficient water use statewide through partnerships among urban water agencies, public interest organizations, and private entities. The Council's goal is to integrate urban water conservation Best Management Practices into the planning and management of California's water resources.
DSOD	Division of Safety of Dams – Department of Water Resources program entrusted to protect people against loss of life and property from dam failure.
DWR	California Department of Water Resources – State agency that oversees the operation of the State Water Project (SWP). (http://www.water.ca.gov)
DBP	Disinfection By-Products are potentially toxic chemical compounds that are formed in extremely low concentrations during the disinfection of water supplies.
EBPP	Electronic Bill Presentment and Payment.
EIR	Environmental Impact Report – An EIR is a public document used by a government agency to analyze environmental effects of a proposed project. It also allows for the identification of alternatives and to disclose possible ways to reduce or avoid possible environmental damage.
EIS	Environmental Impact Study – See EIR
EPA	Environmental Protection Agency – The federal agency responsible for setting and enforcing water quality standards.
ET	Evapotranspiration, or "ET," is the combination of water that is lost from the soil through evaporation and through transpiration from plants as a part of their metabolic processes. "ET" is simply the amount of water needed by a particular plant, tree, or turf grass.
GAC	Granular Activated Carbon – Granular activated carbon is a form of carbon that has been processed to make it extremely porous and thus to have a very large surface area available for adsorption or chemical reactions. These carbons are therefore preferred for all adsorption of gases and vapors as their rate of diffusion are faster. Granulated carbons are used for water treatment, deodourisation and separation of components of flow system.
GASB	Governmental Accounting Standards Board – The Governmental Accounting Standards Board exists to establish and improve standards of state and local governmental accounting and financial reporting. By doing this, the result is useful information for users of financial reports and guide and educate the public, including issuers, auditors, and users of those financial reports. (http://www.gasb.org)

Glossary of Terms *(Continued)*

GIS	Geographical Information System – Geographical information system captures, stores, analyzes, manages, and presents data that is linked to location. Technically, a GIS is a system, which includes mapping software and its application to remote sensing, land surveying, aerial photography, mathematics, photogrammetry, geography, and tools that can be implemented with GIS software.
IVR	Interactive Voice Recognition.
MOU	Memorandum of Understanding is a document describing a bilateral or multilateral agreement between parties. It expresses a convergence of will between the parties, indicating an intended common line of action.
MTBE	Methyl tertiary-butyl ether (MTBE) is a chemical compound that is manufactured by the chemical reaction of methanol and isobutylene. MTBE is produced is almost exclusively used as a fuel additive in motor gasoline.
O&M	Operations and Maintenance – Operations and Maintenance are the activities related to the performance of routine, preventive, predictive, scheduled, and unscheduled actions aimed at preventing equipment failure or decline with the goal of increasing efficiency, reliability, and safety.
OPEB	Other Post-Employment Benefits – Other Post-Employment Benefits obligations are primarily for retiree health care costs but also can include other benefits such as insurance.
PEPRA	California Public Employees' Pension Reform Act of 2013. The District has adopted PEPRA provisions on January 1, 2013. For a better understanding of this act refer to the CalPERS employers' circular located at the following URL. http://www.calpers.ca.gov/eip-docs/employer/cir-ltrs/2012/200-055-12.pdf
PERS or CalPERS	California Public Employees' Retirement System – The State retirement system covering Palmdale Water District employees and retirees. The retirement program provides retirement income levels dependent on age and length of participation.
RFP	Request for proposals.
SCADA	Supervisory Control and Data Acquisition is a system that collects data from various sensors at a factory, plant or in other remote locations and then sends this data to a central computer, which then manages and controls the data.
SWC	The State Water Contractors is a non-profit association of 27 public agencies from Northern, Central and Southern California that purchase water under contract from the California State Water Project. (http://www.swc.org)
SWP	California State Water Project – Administered by the Department of Water Resources (DWR), the State Water Project is the nation's largest state-built water and power development and conveyance system. Its purpose is to deliver water, control flooding, generate power, provide recreational opportunities, and enhance habitats for fish and wildlife.

Glossary of Terms *(Continued)*

TTHM	Trihalomethanes (THM) are a group of four chemicals that are formed along with other disinfection byproducts when chlorine or other disinfectants used to control microbial contaminants in drinking water react with naturally occurring organic and inorganic matter in water. The EPA is in charge of regulating the total trihalomethanes (TTHM) at a maximum allowable annual average in drinking water.
VOC	Volatile Organic Compounds are ground-water contaminants of concern because of very large environmental releases, human toxicity, and a tendency for some compounds to persist in and migrate with ground-water to drinking-water supply wells
WI-FI	A popular technology that allows an electronic device to exchange data or connect to the internet wirelessly using radio waves.