



PALMDALE WATER DISTRICT
A CENTURY OF SERVICE



OPERATING BUDGET – Calendar Year 2019

(Adopted: November 13, 2018)

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Palmdale, CA 93550
PalmdaleWater.org 661-947-4111



PALMDALE WATER DISTRICT

A CENTURY OF SERVICE

BOARD OF DIRECTORS

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Division 2

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DENNIS D. LaMOREAUX
General Manager

ALESHIRE & WYNDER LLP
Attorneys



On behalf of the Palmdale Water District Board of Directors, I am pleased to present the budget for Calendar Year (CY) 2019, approved November 13, 2018.

Palmdale Water District expects operating revenues of \$25.7 million with \$22.7 million of operating expenses. Planned capital expenditures are \$3.4 million, and financial obligations for payment of principal and interest on debt are \$4.5 million. Budgeted salary and benefits expense are slightly more compared to CY 2018.

The CY 2019 Budget addresses the Board of Director's updated Strategic Plan, the recovery from the drought in California, and the continued 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 laying 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 all assist readers with easily finding information. More detailed information is always available at www.palmdalewater.org or from Palmdale Water District staff. Please feel free to contact me or the Finance Department staff if you have any questions.

Very truly yours,

DENNIS D. LaMOREAUX,
General Manager

DDL/ddl

Table of Contents

INTRODUCTION	i
MISSION	ii
VISION	ii
STRATEGIC PLAN	ii
2018 STRATEGIC PLAN	iii
OPERATING BUDGET OVERVIEW – Recovering Demands and Controlled Expenses	iv
REVENUES	v
EXPENSES.....	vi
CAPITAL PROJECTS	vii
BUDGET SUMMARY	1
Summary of Revenues and Expenditures – 2019 Budget.....	3
Summary of Revenues and Expenditures – 2018 Projected.....	4
Fund Analysis – 2017 End of Year (Actual).....	5
Fund Analysis – 2018 Budget (as Approved).....	6
Fund Analysis – 2018 Estimated End of Year (Actual)	7
Fund Analysis – 2019 Budget	8
Income Statement.....	9
Income Statement – General Information.....	10
2019 Operating Expenses (excluding non-cash expenses) – Graph	11
2019 Departmental Expenses – Graph	12
Statement of Cash Flows.....	13
BASIS OF THE BUDGET	15
Organizational Chart	17
Personnel Summary	19
Labor and Benefits Cost Summary	20
Approved Capital Expenditures Carry-over/Plant Expenditure Summary.....	21
New Capital Expenditures Project Request Summary	22
Deferred Capital Expenditures Project Summary	23

DEPARTMENTS..... 25

 Administration Department..... 27

 Engineering Department..... 31

 Facilities Department 35

 Operations Department 39

 Finance Department 43

 Water Conservation Department 45

 Human Resources Department..... 47

 Information Technology Department 49

 Customer Care Department 53

APPENDIX 55

 Budget Control Guidelines 57

 Resolution No. 18-10 Palmdale Water District’s Reserve Policy 59

 2019 Water Rate Schedule..... 63

 2019 Holiday Observance Calendar 65

 California Water Code – Section 370-374..... 67

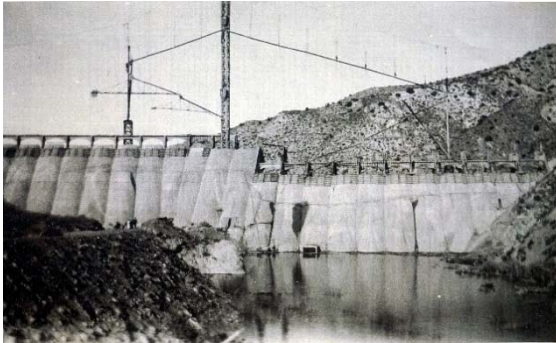
 Glossary of Terms..... 71

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INTRODUCTION

Thank you for your interest in Palmdale Water District (PWD) and its approved 2019 Budget. The following provides an overview of the 2019 Budget and how it relates to the 2018 Strategic Plan.



Palmdale Water District was formed in 1918 by a vote of its customers as an 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 neighboring Littlerock Creek Irrigation District to finance and build Littlerock Dam. The pictures on this page show this major step for the community, the work done 70 years later to strengthen and raise the Dam, and how it looks now.

This facility remains a key water source for both districts and their customers. Its changes over time mirror other changes the District has worked through. These include significant milestones such as becoming a contractor to the State Water Project, reconstructing Palmdale Dam in the 1960s, meeting the water demands of the fastest growing community in the country in the late 1980s, and becoming a regional leader on water issues. These demonstrate how the District's foresight and planning have created a strong foundation for the community of Palmdale.



Palmdale Water District celebrated its centennial in July 2018. This accomplishment was recognized through a variety of ways in the year preceding the 100th anniversary. These included monthly public tours of Littlerock Dam and Reservoir and the Leslie O. Carter Water Treatment Plant; a series of displays highlighting events in each decade in both the District lobby and Palmdale City Library; a video series explaining the District's history and projects; and a well-attended celebration on the actual anniversary. The District retains a focus on providing a critical service to the community in its second century of service through the approved 2019 Budget. The focus is detailed in the District's 2018 Strategic Plan Update, including the following Mission and Vision statements.



PALMDALE WATER DISTRICT
A CENTURY OF SERVICE

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 it remains dynamic and matches the ever-changing environmental conditions. Below are the initiative categories that were established in 2014 and updated in 2016 and 2018. 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. The 2018 update continues to follow the same categories that were established in the 2016 Update.

2018 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 2019 Budget.



Water Resource Reliability

- Complete the 2018 phase of the Upper Amargosa Creek Recharge Project
- Ensure Palmdale Recycled Water Authority (PRWA) to be fully operational by year 2020
- Adopt new state-of-the-art water treatment technologies
- Implement the Antelope Valley Groundwater Adjudication agreement
- Complete the grade-control structure for the Littlerock Reservoir Sediment Removal Project
- Continue the next phase towards the completion of Palmdale Regional Groundwater Recharge and Recovery Project
- Identify and pursue opportunities to increase the reliability of water supply



Organizational Excellence

- Offer competitive compensation and benefits package to promote employee retention
- Focus Succession Planning Program on ensuring an overlap of training for key positions
- Continue providing transparency to our ratepayers
- Promote and support leadership training and professional development programs to enhance the District's customers' experience



Systems Efficiency

- Implement 2016 Water System Master Plan
- Develop a five-year Infrastructure Revitalization Plan to continue the reinvestment and preventative maintenance for aging infrastructure
- Explore energy independence
- Continue being the industry's leader on the use of Granular Activated Carbon (GAC)
- Research and test new technologies to increase efficiencies
- Improve safety and training for Directors, employees and customers
- Develop a crisis communications plan



Financial Health and Stability

- Pursue additional grant funding for all District projects
- Adopt a sustainable and balanced rate structure to meet short and long-term needs
- Create a five-year financial plan in conjunction with the 2019 Water Rate Plan
- Maintain adequate reserve levels, high-level bond rating, and financial stability



Regional Leadership

- Enhance relationships with Antelope Valley partnerships, including local water agencies, Antelope Valley State Water Contractors Association and the Palmdale Recycled Water Authority
- Expand school water education programs
- Engage elected officials in water-related issues
- Continue offering career opportunities through the Internship Program
- Provide opportunities for local businesses to contract with the District



Customer Care, Advocacy, and Outreach

- Increase Customer Care accessibility through communication and feedback to enhance customers' experience
- Evaluate, develop, and market additional payment options
- Be point of communication for customers' water-related public health concerns
- Develop the District's Public Outreach Plan
- Increase public awareness of the District's history and promote centennial anniversary

OPERATING BUDGET OVERVIEW – Recovering Demands and Controlled Expenses

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 drought ended at that point, and customers' water demands began to gradually recover towards their former levels. This trend continued in 2018, and it is projected to continue in 2019.

The District's CY 2019 Operating Revenues are budgeted at just over \$25.7 million and is roughly \$2.15 million more than the CY 2018 Budget. Operating Revenues by category are summarized below:

	CY 2018 BUDGET	CY 2019 BUDGET	% Change
OPERATING REVENUES:			
Water consumption sales	\$ 8,480,000	\$ 9,948,000	17.3%
Monthly meter service charge	13,006,500	13,719,000	5.5%
Water quality fees	941,000	826,500	(12.2%)
Elevation Fees	360,000	370,000	2.8%
Other water service charges	800,000	875,000	9.4%
TOTAL OPERATING REVENUES:	\$ 23,587,500	\$ 25,738,500	9.1%

The District's CY 2019 Operating Expenses are budgeted just over \$22.7 million, compared to \$22.9 in the CY 2018 budget. Operating Expenses by category are summarized below:

OPERATING EXPENSES:			
Source of supply - purchased water	\$ 2,940,000	\$ 2,705,000	(8.0%)
Directors	140,500	140,500	0.0%
Administration	3,687,200	4,286,200	16.2%
Engineering	1,662,900	1,596,550	(4.0%)
Facilities	7,091,750	6,598,000	(7.0%)
Operations	3,032,007	3,012,000	(0.7%)
Finance	1,291,250	1,289,750	(0.1%)
Water Conservation	300,000	374,150	24.7%
Human Resources	636,850	438,600	(31.1%)
Information Technology	896,350	956,050	6.7%
Customer Care	1,312,700	1,347,700	2.7%
TOTAL OPERATING EXPENSES:	\$ 22,991,507	\$ 22,744,500	(1.1%)

The CY 2019 capital portion of the budget includes potential expenditures of \$3.4 million. This includes \$2.4 million in capital projects started in prior years, \$801,000 in new capital projects, and \$212,000 in plant expenditures.

REVENUES

Due to California's long-lasting mandated drought-emergency conservation, the District is projecting customer usage of 17,250 acre-feet of potable water sales for CY 2019, compared to projected 16,800 acre-feet of potable water sales for CY 2018. The corresponding increase in CY 2019 budgeted revenue is an increase of \$2.15 million or 9.1%, compared to budgeted revenue in CY 2018. 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 reflects the Board of Directors' approved rate changes of 4.25% for each year in 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	0.81	0.84	0.88
Tier 2	0.86	0.89	0.93	0.97	1.01
Tier 3	2.43	2.53	2.64	2.75	2.86
Tier 4	3.66	3.81	3.97	4.14	4.31
Tier 5	4.73	4.92	5.13	5.35	5.57
Tier 6	6.08	6.32	6.59	6.87	7.16

Monthly Meter Charge

	CY 2015	CY 2016	CY 2017	CY 2018	CY 2019
1" and Smaller	32.05	33.33	34.75	36.23	37.77
1.5"	96.15	100.00	104.25	108.68	113.30
2"	147.45	153.35	159.87	166.66	173.74
3"	267.14	277.83	289.64	301.95	314.78
4"	438.13	455.66	475.03	495.22	516.26
6"	865.61	900.23	938.49	978.38	1,019.96
8"	1,378.58	1,433.72	1,494.65	1,558.17	1,624.40
10"	1,977.06	2,056.14	2,143.53	2,234.63	2,329.60

The CY 2019 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 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 the initial \$0.20/ccf to \$0.13/ccf in 2016, \$0.12/ccf in 2017 and \$0.11/ccf in 2018. This fee in 2019 will remain at \$0.11/ccf.

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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 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 ratepayers living in higher elevation zones.

	CY 2017	CY 2018	CY 2019
Water Quality Fee (\$/ccf)	0.12	0.11	0.11
Elevation Booster Surcharge (\$/ccf)			
Base	-	-	-
Zone A1	0.09	0.09	0.08
Zone A2	0.55	0.57	0.61
Zone A3	1.12	1.23	1.26

EXPENSES

The 2019 Budget includes operating expenses like the CY 2018 year-end forecasts. The CY 2019 operating expenses show an overall decrease from the 2018 Budget. This reflects the District's efforts to control costs even with anticipated higher costs associated with increased water purchases, electricity costs, and treatment/production costs. The District is also seeing a continued decrease in general maintenance and repair related expenses reflective of the increased effort to replace aging infrastructure and equipment.

The District will continue to reach out to the ratepayers in 2019 with various programs that will educate and involve the community. The programs will include offering rebates for landscape conversions, educational presentations at schools, public tours of PWD facilities, gardening workshops, and quarterly newsletters. The 2019 Budget has allocated \$236,500 for rebate programs to assist customers with landscape conversion and replacement of inefficient indoor appliances. To ensure that our ratepayers are properly informed about District operations and available programs, the 2019 Budget also includes \$25,000 for the quarterly publication of "The Pipeline," an external newsletter.

CAPITAL PROJECTS

As previously stated, the CY 2019 capital portion of the budget includes potential expenditures of \$3.4 million. They are summarized on Pages 21 and 22 in the “Basis of the Budget” section. The total includes expenditures for projects, equipment, and planning studies that were contractually committed in 2018 but will be finished and expensed in 2019. All the carry-over projects, contractually committed, as well as plant expenditures are shown in the tables on Pages 21. Page 22 contains the list of new project requests made by the departments.

Continuing PWD’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 Budget contains plant expenditures for \$212,000 related to safety and regulatory requirements and equipment replacement, and \$2,228,000 for replacement capital/equipment.

Page 21 shows the planned expenditure of \$995,785 in 2019 for the District’s share of the Upper Amargosa Recharge Project. The District’s participation and operational capacity of the 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.

In 2018 the District put in place the 2018A Series Water Revenue Bond in the amount of \$13,572,000 to fund the grade-control structure for the Littlerock Reservoir Sediment Removal Project. The budget also provides additional funding totaling \$293,500 from the operational budget in 2019 for the Palmdale Regional Groundwater Recharge and Recovery Project. There will also be budgeting necessary in subsequent years to continue permitting and implementation, as well as the sediment removal itself at the Littlerock Dam.

The District has also included on Page 23 and 24 a listing of all future project expenditures, broken down by category, that are currently deferred or will be funded in future years.

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BUDGET SUMMARY

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Summary of Revenues and Expenditures – 2019 Budget

Cash Basis (17,250 Ac. Ft.)		
Activity	Estimated Cash Revenues	Estimated Cash Expenditures
Net Water Sales	\$ 9,948,000	
Meter Fees	13,719,000	
Elevation Fees	370,000	
Other Operating Revenue	875,000	
Water Quality Fees (Restricted Use)	826,500	
(Increase)/Decrease in Cash (From Operating)	(2,782,000)	
Directors		\$ 140,500
Administration		4,286,200
Engineering		1,596,550
Facilities		6,598,000
Operations		3,012,000
Finance		1,289,750
Water Conservation		374,150
Human Resources		438,600
Information Technology		956,050
Customer Care		1,347,700
Water Purchases		1,905,000
Capitalized Expenditures		212,000
Water Quality Expense (GAC)		800,000
SUBTOTAL OPERATING	\$ 22,956,500	\$ 22,956,500
Projected Beginning Cash - 01/01/2019	\$ 12,171,171	
Assessments received	7,425,000	
Capital Improvement Fees	75,000	
State Grants	100,000	
Interest on Investments	150,000	
Other Income	50,000	
Payments for State Water Project		2,876,953
Principal Paid on Long-Term Debt		1,706,595
Interest Paid on Long-Term Debt		2,581,365
Capital Leasing		178,953
Investments in PRWA		300,000
Water Conservation		236,500
Acquisition of Property, Plant & Equipment		3,223,785
	<u>\$ 19,971,171</u>	<u>\$ 11,104,151</u>
Projected Ending Cash - Non-Operating	8,867,020	
Rate Stabilization Fund	-	
Increase/(Decrease) in Cash (From Operating)	2,782,000	
Projected Ending Cash - 12/31/2019	11,649,020	
Less Restricted Cash	-	
Available Operating Cash - 12/31/2019	\$ 11,649,020	
Increase/(Decrease) in Revenue	(522,151)	

Summary of Revenues and Expenditures – 2018 Projected

Cash Basis (18,000 Ac. Ft. - Adopted)		
Activity	Estimated Cash Revenues	Estimated Cash Expenditures
Net Water Sales	\$ 8,953,000	
Meter Fees	13,163,500	
Elevation Fees	370,500	
Other Operating Revenue	943,500	
Water Quality Fees (Restricted Use)	821,500	
(Increase)/Decrease in Cash (From Operating)	(1,165,504)	
Directors		\$ 123,250
Administration		3,579,450
Engineering		1,763,250
Facilities		6,491,067
Operations		3,333,250
Finance		1,223,700
Water Conservation		234,700
Human Resources		517,126
Information Technology		730,100
Customer Care		1,311,750
Water Purchases		1,853,852
Capitalized Expenditures		625,000
Water Quality Expense (GAC)		1,300,000
SUBTOTAL OPERATING	\$ 23,086,496	\$ 23,086,496
Projected Beginning Cash - 01/01/2017	\$ 14,327,027	
Assessments received	7,661,000	
Capital Improvement Fees	108,000	
State Grants	48,000	
Interest on Investments	176,000	
Other Income	10,000	
Payments for State Water Project		3,096,161
Principal Paid on Long-Term Debt		1,657,084
Interest Paid on Long-Term Debt		2,210,598.61
Capital Leasing		178,953.40
Investments in PRWA		302,000
Water Conservation		98,000
Acquisition of Property, Plant & Equipment		3,781,563
	<u>\$ 22,330,027</u>	<u>\$ 11,324,360</u>
Projected Ending Cash - Non-Operating	11,005,667	
Increase/(Decrease) in Cash (From Operating)	1,165,504	
Projected Ending Cash - 12/31/2018	12,171,171	
Less Restricted Cash	-	
Available Operating Cash - 12/31/2018	\$ 12,171,171	
Increase/(Decrease) in Revenue	(2,155,856)	

Fund Analysis – 2017 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 September 25, 2018, this resolution was superseded by Resolution No. 18-10 and is shown on all Fund Analysis sheets (See Appendix for verbiage for the Reserve Fund Policy – Resolution No. 18-10).

Sources of Cash	Actual Ending Balance 12/31/2016	2017 Budget		Actual Ending Balance 12/31/2017
		Sources	Uses	
Net Operating Income		\$ (5,177,489)		
Adjustment - Water Quality (GAC Media)		923,815		
Adjustment - Depreciation/Amortization Add Back		6,113,751		
Adjustment - Post-Employment Benefits (GASB 45)		2,224,242		
Adjustment - Bad Debt		133,620		
Adjustment - Service Costs Construction		111,524		
Adjustment - Capitalized Construction		(527,821)		
Net Non-Operating Income		5,052,645		
Cash from Revenues above Expenses to place into funds		\$ 8,854,288		
 Reserve Funds (Based on Resolution No. 13-13)				
1 Capital Improvement Fund (CIF)	\$ -	\$ 1,021,406	\$ 1,021,406	\$ -
2 Bond Proceeds Fund	403,920	80,045	483,965	-
3 Debt Service Reserve Fund	-	-	-	-
4 Rate Stabilization Fund (Operating Cash)	481,221	4,696	-	485,917
Total Legally Restricted	\$ 885,141	\$ 1,106,147	\$ 1,505,371	\$ 485,917
 5 Dam Self-Insurance	 \$ 5,000,000	 \$ -	 \$ -	 \$ 5,000,000
6 O&M Operating Reserve (3-Month operating exp.)	5,600,000	-	-	5,600,000
7 O&M Emergency Reserve	-	-	-	-
8 Unrestricted Reserves	1,772,528	8,849,592	7,381,010	3,241,110
Total Board Restricted	\$ 12,372,528	\$ 8,849,592	\$ 7,381,010	\$ 13,841,110
Total Operating Cash	\$ 12,853,749			\$ 14,327,027

Fund Analysis – 2018 Budget (as Approved)

Sources of Cash	2018 Budget			
	Projected Balance 12/31/2017	Sources	Uses	Projected Balance 12/31/2018
Net Operating Income		\$ (8,423,007)		
Adjustment - Water Quality (GAC Media)		840,000		
Adjustment - Depreciation/Amortization Add Back		6,000,000		
Adjustment - Post-Employment Benefits (GASB 45)		2,300,000		
Adjustment - Bad Debt		50,000		
Adjustment - Service Costs Construction		125,000		
Adjustment - Capitalized Construction		(600,000)		
Net Non-Operating Income		<u>2,817,500</u>		
Cash from Revenues above Expenses to place into funds		<u>\$ 3,109,493</u>		
Reserve Funds (Based on Resolution No. 13-13)				
1 Capital Improvement Fund (CIF)	\$ -	\$ 250,000	\$ 250,000	\$ -
2 Bond Proceeds Fund	-	-	-	-
3 Debt Service Reserve Fund	-	-	-	-
4 Rate Stabilization Fund (Operating Cash)	<u>486,383</u>	<u>1,000</u>	<u>-</u>	<u>487,383</u>
Total Legally Restricted	\$ 486,383	\$ 251,000	\$ 250,000	\$ 487,383
5 Dam Self-Insurance	\$ 5,000,000	\$ -	\$ -	\$ 5,000,000
6 O&M Operating Reserve (3-Month operating exp.)	5,400,000	2,187,785	1,987,785	5,600,000
7 O&M Emergency Reserve	-	-	-	-
8 Unrestricted Reserves	<u>621,802</u>	<u>920,708</u>	<u>1,810,834</u>	<u>(268,324)</u>
Total Board Restricted	\$ 11,021,802	\$ 3,108,493	\$ 3,798,619	\$ 10,331,676
Total Operating Cash	<u>\$ 11,508,185</u>			<u>\$ 10,819,059</u>
Carry-over	\$ (1,733,000)			
Available Operating Cash	<u>\$ 9,775,185</u>			

Fund Analysis – 2018 Estimated End of Year (Actual)

Sources of Cash	Actual Ending Balance 12/31/2017	2018 Budget		Projected Balance 12/31/2018
		Sources	Uses	
Net Operating Income		\$ (5,138,496)		
Adjustment - Water Quality (GAC Media)		1,300,000		
Adjustment - Depreciation/Amortization Add Back		5,350,000		
Adjustment - Post-Employment Benefits (GASB 45)		1,532,500		
Adjustment - Bad Debt		45,000		
Adjustment - Service Costs Construction		94,500		
Adjustment - Capitalized Construction		(718,000)		
Net Non-Operating Income		<u>2,955,000</u>		
Cash from Revenues above Expenses to place into funds		\$ 5,420,504		
Reserve Funds (Based on Resolution No. 13-13)				
1 Capital Improvement Fund (CIF)	\$ -	\$ 108,000	\$ 108,000	\$ -
2 Bond Proceeds Fund	-	-	-	-
3 Debt Service Reserve Fund	-	-	-	-
4 Rate Stabilization Fund (Operating Cash)	485,917	9,360	1,950	493,327
Total Legally Restricted	\$ 485,917	\$ 117,360	\$ 109,950	\$ 493,327
5 Dam Self-Insurance	\$ 5,000,000	\$ -	\$ -	\$ 5,000,000
6 O&M Operating Reserve (3-Month operating exp.)	5,600,000	4,073,150	4,073,150	5,600,000
7 O&M Emergency Reserve	-	-	-	-
8 Unrestricted Reserves	3,241,110	1,337,994	3,501,260	1,077,844
Total Board Restricted	\$ 13,841,110	\$ 5,411,144	\$ 7,574,410	\$ 11,677,844
Total Operating Cash	\$ 14,327,027			\$ 12,171,171
			Carry-over	(2,422,785)
			Available Operating Cash	\$ 9,748,386

Fund Analysis – 2019 Budget

Sources of Cash	2019 Budget			Projected Balance 12/31/2019
	Projected Balance 12/31/2018	Sources	Uses	
Net Operating Income		\$ (3,568,000)		
Adjustment - Water Quality (GAC Media)		800,000		
Adjustment - Depreciation/Amortization Add Back		5,050,000		
Adjustment - Post-Employment Benefits (GASB 45)		1,750,000		
Adjustment - Bad Debt		50,000		
Adjustment - Service Costs Construction		100,000		
Adjustment - Capitalized Construction		(600,000)		
Net Non-Operating Income		<u>1,909,500</u>		
Cash from Revenues above Expenses to place into funds		<u>\$ 5,491,500</u>		

Reserve Funds (Based on Resolution No. 13-13)

1	Capital Improvement Fund (CIF)	\$ -	\$ 75,000	\$ 75,000	\$ -
2	Bond Proceeds Fund	-	-	-	-
3	Debt Service Reserve Fund	-	-	-	-
4	Rate Stabilization Fund (Operating Cash)	493,327	4,870	-	498,197
	Total Legally Restricted	\$ 493,327	\$ 79,870	\$ 75,000	\$ 498,197
5	Dam Self-Insurance	\$ 5,000,000	\$ -	\$ -	\$ 5,000,000
6	O&M Operating Reserve (3-Month operating exp.)	5,600,000	3,873,150	3,873,150	5,600,000
7	O&M Emergency Reserve	-	-	-	-
8	Unrestricted Reserves	1,077,844	1,613,480	2,140,501	550,823
	Total Board Restricted (Operating Cash)	\$ 11,677,844	\$ 5,486,630	\$ 6,013,651	\$ 11,150,823
	Total Operating Cash	\$ 12,171,171			\$ 11,649,020
	Carry-over	(2,422,785)			
	Available Operating Cash	\$ 9,748,386			

Income Statement

	BUDGET	PROJECTED	BUDGET ¹	ACTUAL	ACTUAL	ACTUAL
	2019	2018	2018	2017	2016	2015
Operating Revenue						
Wholesale Water (AVEK & LCID)	295,000	440,000	160,000	438,255	231,820	142,749
Water Sales	9,653,000	8,513,000	8,320,000	8,416,723	8,194,074	6,952,694
Meter Fees	13,719,000	13,163,500	13,006,500	12,710,215	12,176,890	11,658,904
Water Quality Fees	826,500	821,500	941,000	845,526	861,502	898,135
Elevation Fees	370,000	370,500	360,000	365,618	349,673	369,899
Other	875,000	943,500	800,000	889,106	779,854	1,267,941
	<u>25,738,500</u>	<u>24,252,000</u>	<u>23,587,500</u>	<u>23,665,442</u>	<u>22,593,813</u>	<u>21,290,321</u>
Operating Expenses						
Directors	140,500	123,250	140,500	111,057	162,939	139,276
Administration	4,286,200	3,579,450	3,687,200	3,200,269	3,258,302	2,884,658
Engineering	1,596,550	1,763,250	1,662,900	1,456,117	1,295,845	1,202,660
Facilities	6,598,000	6,491,067	7,091,750	5,940,131	6,503,297	5,795,731
Operations	3,012,000	3,333,250	3,032,007	2,993,156	2,682,263	2,540,998
Finance	1,289,750	1,223,700	1,291,250	1,206,440	1,257,585	1,570,286
Water Conservation	374,150	234,700	300,000	216,687	239,810	333,179
Human Resources	438,600	517,126	636,850	318,428	390,980	406,497
Information Technology	956,050	730,100	896,350	726,798	802,131	775,870
Customer Care	1,347,700	1,311,750	1,312,700	1,240,127	1,378,405	1,146,872
Water Purchases	2,000,000	1,961,000	2,200,000	2,248,897	2,007,254	1,789,229
OAP Chrg (Prior Year)	25,000	(5,148)	50,000	-	-	(36,045)
Water Recovery	(120,000)	(102,000)	(150,000)	(81,911)	(232,890)	(706,113)
Water Quality (GAC Media)	800,000	1,300,000	840,000	923,815	690,541	596,045
Plant Expenditures	212,000	625,000	1,144,000	287,602	453,366	898,276
Cash Expenses	<u>22,956,500</u>	<u>23,086,496</u>	<u>24,135,507</u>	<u>20,787,615</u>	<u>20,889,828</u>	<u>19,337,418</u>
Depreciation	5,050,000	5,350,000	6,000,000	6,113,751	5,599,740	7,957,867
Post-Employment Benefit (GASB 45)	1,750,000	1,532,500	2,300,000	2,224,242	2,069,452	2,022,850
Bad Debts	50,000	45,000	50,000	133,620	35,937	67,504
Service Costs Construction	100,000	94,500	125,000	111,524	82,905	13,861
Capitalized Construction	(600,000)	(718,000)	(600,000)	(527,821)	(773,318)	(1,096,604)
Non-Cash Expenses	<u>6,350,000</u>	<u>6,304,000</u>	<u>7,875,000</u>	<u>8,055,317</u>	<u>7,014,716</u>	<u>8,965,479</u>
Net Operating Income/(Loss)	<u>(3,568,000)</u>	<u>(5,138,496)</u>	<u>(8,423,007)</u>	<u>(5,177,489)</u>	<u>(5,310,730)</u>	<u>(7,012,577)</u>
Non-operating Revenues						
Assessments (Debt Service)	5,125,000	5,285,000	5,125,000	5,102,773	5,168,663	5,207,003
Assessments (1%)	1,750,000	1,747,000	1,825,000	1,665,813	1,665,002	1,634,459
Successor Agency Component (Prop Tax)	550,000	629,000	550,000	623,525	524,470	511,352
DWR Fixed Charge Recovery	175,000	200,000	175,000	266,638	285,255	332,957
Interest	150,000	190,000	90,000	146,306	105,487	45,786
Market Adj. on Investments	-	(14,000)	-	(90,252)	(62,759)	(3,081)
Capital Improvement Fees	75,000	108,000	250,000	1,021,406	41,017	367,481
Grants - State & Federal	100,000	48,000	178,000	110,669	306,915	-
Other	50,000	10,000	60,000	105,263	147,173	14,366
	<u>7,975,000</u>	<u>8,203,000</u>	<u>8,253,000</u>	<u>8,952,140</u>	<u>8,181,224</u>	<u>8,110,323</u>
Non-operating Expenses						
Interest Paid & Amortization on long-term debt	2,648,000	2,142,000	2,063,500	2,175,260	2,211,323	2,234,905
Amortization of SWP	2,881,000	2,706,000	2,851,000	2,600,856	2,362,788	2,074,524
Change in Investments in PRWA	300,000	302,000	300,000	(966,091)	14,559	59,831
Water Conservation	236,500	98,000	221,000	89,469	57,143	220,602
	<u>6,065,500</u>	<u>5,248,000</u>	<u>5,435,500</u>	<u>3,899,495</u>	<u>4,645,813</u>	<u>4,589,862</u>
Net Non-operating Income/(Loss)	<u>1,909,500</u>	<u>2,955,000</u>	<u>2,817,500</u>	<u>5,052,645</u>	<u>3,535,411</u>	<u>3,520,461</u>
Net Earnings(Loss)	<u>(1,658,500)</u>	<u>(2,183,496)</u>	<u>(5,605,507)</u>	<u>(124,844)</u>	<u>(1,775,320)</u>	<u>(3,492,116)</u>

Income Statement – General Information

	BUDGET 2018	PROJECTED 2017	BUDGET ¹ 2017	ACTUAL 2016	ACTUAL 2016	ACTUAL 2015
Operating Revenue	6.13%	2.82%	10.79%	11.16%	-2.80%	-11.85%
Operating Expenses	0.73%	-19.95%	-12.16%	-10.15%	-8.32%	12.45%
Non-operating Revenues	-2.78%	-0.61%	1.76%	10.38%	11.04%	23.17%
Non-operating Expenses	15.58%	-3.45%	18.42%	-15.04%	-6.77%	18.05%

Footnotes:

¹ 2018 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 with the exception of Administration for 100th Anniversary.

² 2019 Budget for water sales is based on 17,250 ac. ft. This amount is 450 ac. ft. more than 2018 projected actual totals.

³ 2019 water purchases are based on purchasing 9,000 ac. ft. 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 2019 Budget includes the possible replacement of up to five contactors and the localized contactor at the El Camino Underground site.

⁵ Post-employment accrual expense (OPEB) was added as a compliance requirement for GASB 45 (2008).

⁶ Capital improvement fees for new development are made up of two components: infrastructure and water supply. The water supply fee portion will be used to secure new source supply and will not impact current customers.

General Information:

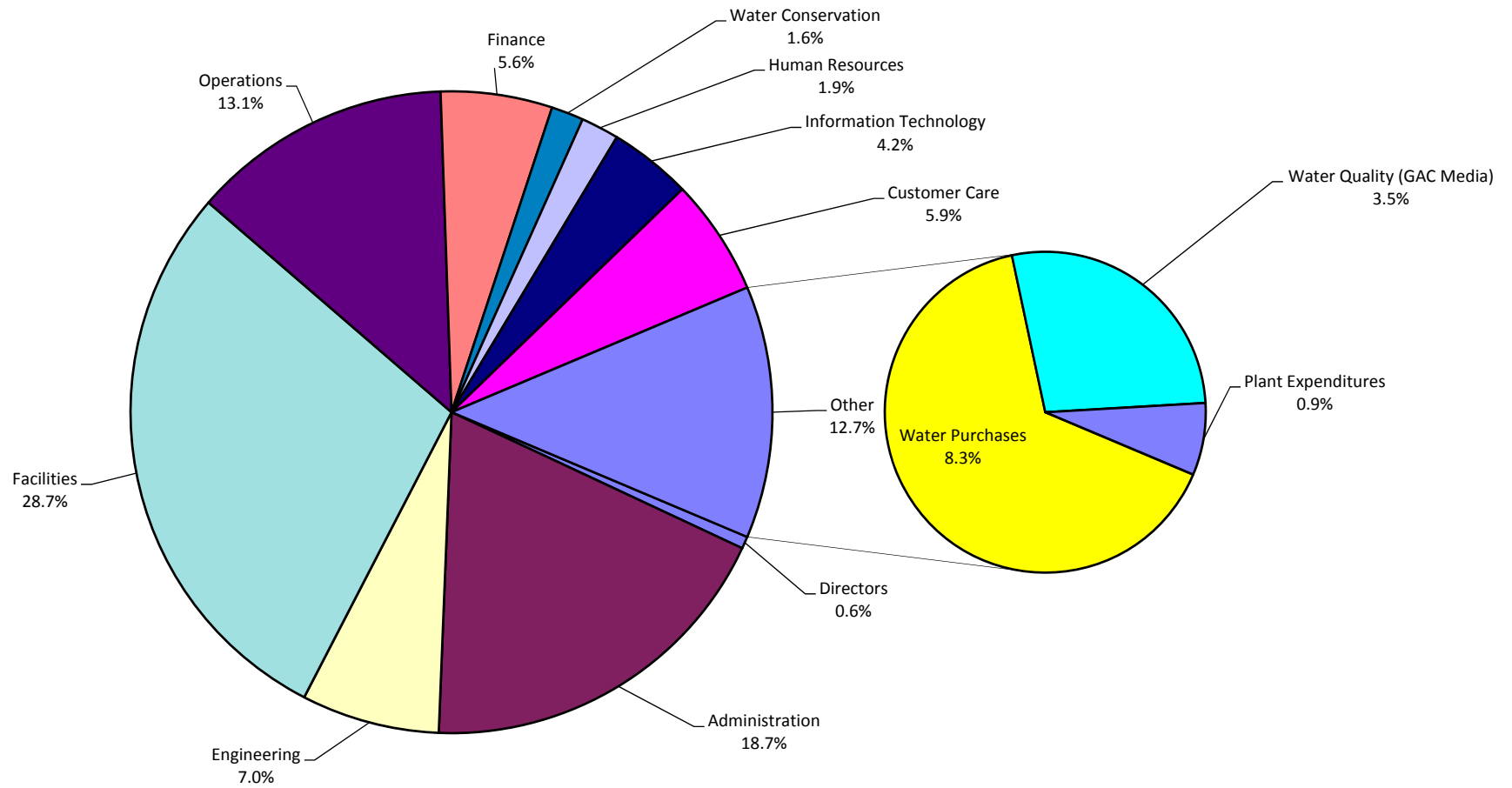
The District entered into Capital Leasing agreement in 2017 for customer information system software, increased data storage, water treatment plant security upgrade, kiosk, IVR, and laboratory software. The agreement is a 5-year term ending 2022.

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.

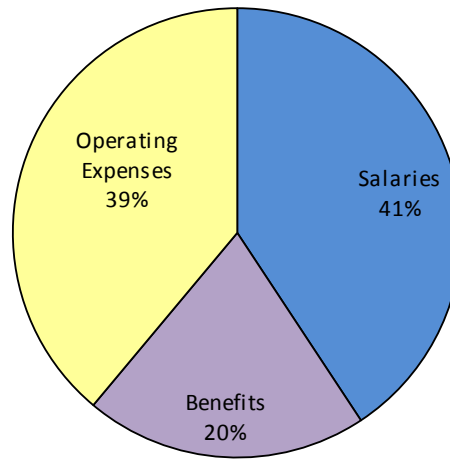
Cost Factors and Assumptions:

- Water quality fee is \$0.11 per unit for 2019, the same as 2018.
- Cost-of-Living increase of 3.93% effective January 1, 2019.
- Worker's comp rates are calculated at 0.0086 for office personnel and 0.0451 for field personnel.
- PERS is calculated at 9.409% for 6 months (Jan. thru Jun.) and 10.221% for 6 months (Jul thru Dec.) for all employees except for those who fall under Public Employee Pension Reform Act (PEPRA). Classic PERS employees will pay 7% of the employee portion for 2019. [For employees who meet the PEPRA requirement, the employer contribution for 2019 is 6.842% for 6 months (Jan. thru Jun.) and 6.985% for 6 months (Jul thru Dec.) for the District.]
- Employee benefits include 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 \$1,850 effective January 1, 2019.
- The District's medical insurance rates have increased 0.15% on the blended average for the four medical plans. Currently, the dental insurance and vision insurance offered to employees will remain the same as the 2018 cost. All health insurance plans are managed and administered through ACWA/JPIA.
- Health insurance includes benefits to Directors who qualify for benefits and opt to participate in the plans.
- Operating Revenue estimates were based on the potential sales of 17,250 ac. ft. of water for the 2019 Budget.

2019 Operating Expenses (excluding non-cash expenses) – Graph



2019 Departmental Expenses – Graph



2019 Departmental Expenses	
Salaries	\$ 8,158,000
Benefits	4,083,400
Operating Expenses	7,798,100
Total	\$ 20,039,500

Statement of Cash Flows

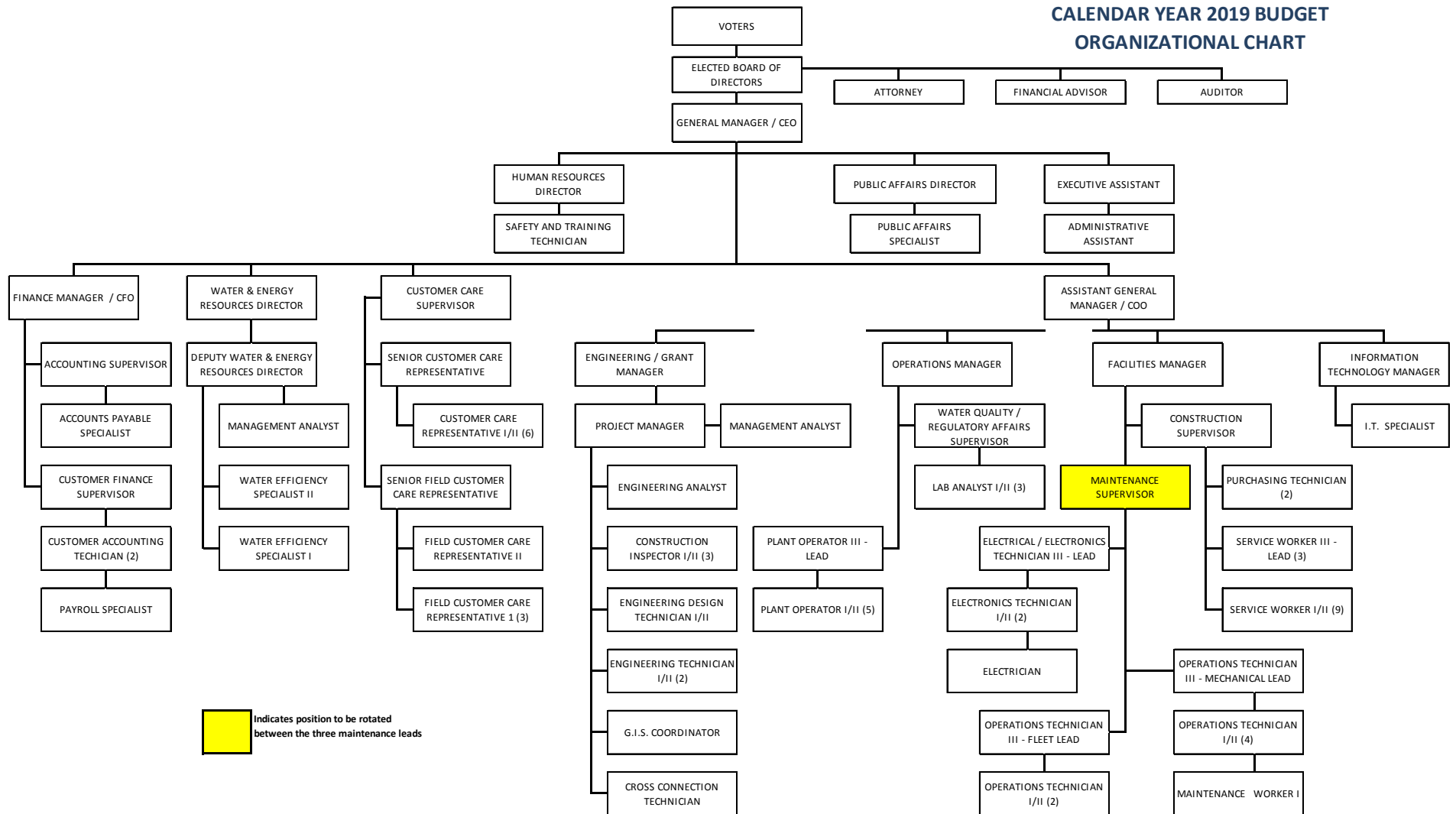
	Audited Numbers				
	Budget 2019	Projected 2018	2017	2016	2015
Beginning Cash	12,171,171	14,327,027	12,853,749	12,243,990	12,989,419
Operating Activities					
Net Operating Revenues	25,738,500	24,252,000	23,693,095	22,586,801	21,248,419
Net Operating Expenses	22,956,500	23,086,496	22,059,825	20,871,018	20,094,952
Net cash provided by operating activities	2,782,000	1,165,504	1,633,270	1,715,783	1,153,467
Other Sources and Uses of Cash					
Assessments received	7,425,000	7,661,000	7,392,110	7,358,135	7,352,814
Payments for State Water Project	(2,876,953)	(3,096,161)	(2,996,405)	(3,195,974)	(3,278,807)
Capital Improvement Fees Received	75,000	108,000	1,021,406	234,747	367,481
Water Conservation	(236,500)	(98,000)	-	-	-
Acquisition of Property, Plant & Equip. - Current Yr	(801,000)	(2,798,802)	(2,039,688)	(2,264,386)	(2,631,537)
Acquisition of Property, Plant & Equip. - Carry-over	(1,427,000)	(857,761)	-	-	-
Committed Contract - Upper Amargosa Creek Project	(995,785)	(125,000)	-	-	-
Investments in PRWA	(300,000)	(302,000)	(320,680)	(105,316)	(224,334)
Capital Leasing - Principal & Interest	(178,953)	(178,953)	(120,948)	(229,597)	(229,597)
Principal Paid on Long-Term Debt	(1,706,595)	(1,657,084)	(1,610,453)	(1,557,553)	(1,518,412)
Interest Paid on Long-Term Debt	(2,581,365)	(2,210,599)	(2,175,260)	(2,161,369)	(2,203,532)
State Grants and Other Income	150,000	58,000	633,872	709,802	421,242
Interest on Investments	150,000	176,000	56,054	105,487	45,786
Net Cash Provided by Other Sources and Uses	(3,304,151)	(3,321,360)	(159,992)	(1,106,024)	(1,898,896)
Net Increase (Decrease) in Cash	(522,151)	(2,155,856)	1,473,278	609,759	(745,429)
Rate Stabilization Fund	-	-	-	-	-
Cash End of Year	11,649,020	12,171,171	14,327,027	12,853,749	12,243,990
Less Restricted Cash	-	-	-	-	-
Acquisition of Property, Plant & Equip. - Carry-over	-	(1,427,000)	-	(155,500)	(584,806)
Committed Contract - Upper Amargosa Creek Project	-	(995,785)	-	(681,709)	-
Available Operating Cash	11,649,020	9,748,386	14,327,027	12,016,540	11,659,184
Capital Funding					
Beginning Cash (Restricted)	5,547,869	-			
Proceeds on Issuance of Long-Term Debt		13,547,869			
Committed Contracts on 2018 WRB Projects	(5,547,869)	(8,000,000)			
Restricted Cash	-	5,547,869			

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**CALENDAR YEAR 2019 BUDGET
ORGANIZATIONAL CHART**



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Personnel Summary

	CY 2019 BUDGET	CY 2018 BUDGET	CY 2017 BUDGET	CY 2016 BUDGET
ADMINISTRATION				
Managers/Supervisors	7	7	7	6
Staff	6	7	6	4
TOTAL ADMINISTRATION	13	14	13	10
FINANCE				
Managers/Supervisors	3	3	3	3
Staff	4	4	4	4
TOTAL FINANCE	7	7	7	7
CUSTOMER CARE				
Managers/Supervisors	1	1	1	-
Clerical	7	7	7	8
Field	5	5	5	7
TOTAL CUSTOMER CARE	13	13	13	15
ENGINEERING				
Managers/Supervisors	2	2	2	2
Staff	9	9	8	7
TOTAL ENGINEERING	11	11	10	9
FACILITIES				
Managers/Supervisors	2	2	2	3
Staff	27	27	27	27
TOTAL FACILITIES	29	29	29	30
OPERATIONS				
Managers/Supervisors	2	2	2	2
Staff	9	8	9	11
TOTAL OPERATION AND PRODUCTION	11	10	11	13
WATER CONSERVATION				
Managers/Supervisors	-	-	-	1
Staff	2	2	2	1
TOTAL WATER CONSERVATION	2	2	2	2
TOTAL PERSONNEL	86	86	85	86

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

	-	-	1	6
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Notes:

- Five elected officials serve on Palmdale Water District's Board of Directors

Labor and Benefits Cost Summary

Accounting Category	CY 2019 BUDGET	CY 2018 PROJECTED	CY 2018 BUDGET	CY 2017 BUDGET	CY 2016 BUDGET	CY 2015 BUDGET
Salaries (Includes On-Call and Overtime)	8,263,000	7,928,250	7,787,500	7,398,673	7,251,614	7,092,254
FICA / Medicare (Employer Portion)	614,250	600,067	576,500	544,273	533,271	523,448
Healthcare Benefits	1,472,400	1,448,500	1,404,500	1,305,755	1,312,766	1,323,322
Retirement (CalPERS)	1,479,750	1,329,200	1,504,250	1,185,559	1,622,708	1,171,573
Workers Comp	375,000	338,000	280,000	189,902	178,578	119,156
Life Insurance/EAP Program	6,500	6,500	6,500	6,312	6,379	6,949
TOTAL	12,210,900	11,650,517	11,559,250	10,630,474	10,905,317	10,236,701

Approved Capital Expenditures Carry-over/Plant Expenditure Summary

<i>Project No.</i>	<i>Budgeted (Carry-over)</i>	<i>Category</i>	<i>Project Type</i>	<i>CY 2019</i>
Asset/Infrastructure Related Expense (District's Share)				
14-603	Upper Amargosa Recharge Project	NRCP	Potential 2018	125,000
	Portion to be carried over to 2019 Budget		Water Supply	995,785
	Portion to be paid out in 2018/2019 Budget			1,120,785
Asset/Infrastructure Related Expense				
12-400	PRGRRP - Construction & Monitor Wells/Test Basin	CES	Water Supply	20,000
12-400	PRGRRP - Geo-Technical Service	CES	Water Supply	48,500
12-400	PRGRRP - Consulting Services (Kennedy/Jenks)	CES	Water Supply	225,000
12-611	Water Main Replacement - Avenue P8 & 20th ST E	NRCP	Replacement Cap.	410,000
15-613	Avenue V-5 Water Main Replacement (Spec 1504)	NRCP	Replacement Cap.	60,000
16-602	Water Main Replacement - Avenue P and 25th (Spec 1601)	NRCP	Replacement Cap.	350,000
16-605	Additional Brine Tank @ WTP	NRCP	New Capital	78,000
16-607	Clearwell #3 Booster	NRCP	Replacement Cap.	42,000
	Brine tanks @ Well #7 & Well #3	NRE	Replacement Equip.	84,000
	PRV Replacements 25th St; 37th St; 40th St	NRE	Replacement Equip.	25,000
	Altitude Valve - 25th St East	NRE	Replacement Equip.	22,000
	T-8 Booster Station Pump Skids	NRE	Replacement Equip.	18,000
	Intellispark @ Well #15 & #11	NRE	Replacement Equip.	13,000
	Tax Defaulted Properties (Approved 10/22/2018)	NCF	Land	31,500
			Subtotal:	1,427,000
Plant Expenditure Related Expense				
	Emergency Action Plan	CES	Planning	25,000
	Littlerock Sediment Removal - Permitting	CES	Permitting	60,000
	System Valuation Study	CES	Planning	30,000
			Subtotal:	115,000

Total Asset/Infrastructure Projects 2,547,785

Total Plant Expenditures 115,000

New Capital Expenditures Project Request Summary

Project No.	Project Budget Requests (Committed)	Category	Project Type	CY 2019
Asset/Infrastructure Related Expense				
	Meter Replacement Program (Quantity = 2,700)	NRCP	Replacement Cap.	750,000
	Vault Access Issues - WTP	NRCP	Safety	44,000
	Sampling Dock at Inlet Structure	NRCP	Safety	7,000
			<i>Subtotal:</i>	801,000

Project No.	Plant Expenditure Budget Requests (Committed)	Category	Project Type	CY 2019
Plant Expenditure Related Expense				
	Bentonite blanket for Palmdale Canal Repairs	OM	Operational Maint.	12,000
	Replace End of Life Wifi Access Points	NRE	Replacement Equip.	45,000
	Enhanced network security & analytics	CES	Reporting	40,000
			<i>Subtotal:</i>	97,000

Total Asset/Infrastructure Project Requests 801,000
Total Plant Expenditures 97,000

Deferred Capital Expenditures Project Summary

Project No.	Project Budget Requests (Not Committed)	Priority	Category	Project Type	CY 2019
Asset/Infrastructure Related Expense					
Pipeline Projects					
15-611	Camares and Avenue S14 Water Main Replacement (Spec 1502)		NRCP	Replacement Cap.	110,000
16-608	Ave. Q1, Q2, Q3, Q4, & Q5 @ 5th St. E. Wtr Main Repl. (Spec 1603)		NRCP	Replacement Cap.	86,000
14-600	Sierra Hwy. Tie-In and Abandonment (Harold Streets)		NRCP	Replacement Cap.	69,000
	Ave. Q14 and 17th Street East Water Main Replacement		NRCP	Replacement Cap.	45,000
	Ave. Q10 and 12th Street East Water Main Replacement		NRCP	Replacement Cap.	15,000
	Ave. P-12, Division, 2nd, 3rd, Stanridge Water Main Repl.		NRCP	Replacement Cap.	
	Ave. Q-14 and 17th Street East Water Main Replacement		NRCP	Replacement Cap.	
	Ave. Q-10 and 12th Street East Water Main Replacement		NRCP	Replacement Cap.	
	26th St, Rudall, & 27th St @ Avenue Water Main Replacement		NRCP	Replacement Cap.	91,000
	Water Main and Service Line Replacement Projects		NRCP	Replacement Cap.	300,000
				Subtotal:	716,000
Well Projects					
16-611	CL2 Monitoring @ Well Sites		NRCP	Regulatory	110,000
	Well 2 Rehabilitation		NRCP	Replacement Cap.	180,000
	Well 6A Rehabilitation		NRCP	Replacement Cap.	
	NaOCl Generator Replacement - (3 Wells and 45th St. Bstr Stn)		NRCP	Replacement Cap.	265,000
	Well 16 Rehabilitation		NRCP	Replacement Cap.	65,000
	Well 33 Rehabilitation		NRCP	Replacement Cap.	75,000
	Brine Storage Tanks - Well Sites (Qty. 8)		NRCP	Replacement Cap.	130,000
				Subtotal:	535,000
Booster Projects					
	45th St. Booster #3		NRCP	Replacement Cap.	25,000
	25th St. Booster #3		NRCP	Replacement Cap.	18,000
	45th St. Booster #3		NRCP	Replacement Cap.	23,000
	Well 5 Booster #3		NRCP	Replacement Cap.	15,000
	Well 14 Booster		NRCP	Replacement Cap.	12,000
				Subtotal:	93,000
Water Treatment Plant Projects					
15-614	Drainage Improvements @ WTP		NRCP	New Capital	80,000
17-600	Entry Buildings @ Filter and GAC Pipe Gallery Entrance		NRCP	Safety	20,000
16-613	Flow Meter for WTP Domestic and Process Tracking		NRCP	New Capital	10,000
	WTP Kitchen Remodel		NRCP	Replacement Cap.	20,000
	WTP Infrastructure and Process/Equipment Repairs		NRCP	Replacement Cap.	75,000
	Protective Coatings on WTP Structures		NRCP	Replacement Cap.	100,000
	Replacement of Structural Support Beams - WTP Sed. Basins		NRCP	Replacement Cap.	300,000
	GAC Staging Area (2000 Sq. Ft.)		NRCP	New Capital	20,000
	Sedimentation Basin Loading Docks/Access Improvements		NRCP	New Capital	20,000
	Sludge Pump Station Flow Meter		NRCP	New Capital	4,000
				Subtotal:	649,000

Deferred Capital Expenditures Project Summary (continued)

Project No.	Project Budget Requests (Not Committed)	Priority	Category	Project Type	CY 2019
Asset/Infrastructure Related Expense (Continued)					
Facility Projects					
	Littlerock Insertion Mag Meter		NRE	Replacement Equip.	32,000
	Palmdale Ditch Improvements		NRCP	Replacement Cap.	75,000
	District Office - Stucco Repair & Painting		NRCP	Replacement Cap.	200,000
	Carpet, Tile and Painting of District Building		NRCP	Replacement Cap.	121,000
	Parking Lot Resurfacing (Main Office)		NRCP	Replacement Cap.	110,000
	Parking Lot Re-Surfacing - Administration and N.O.B.		NRCP	Replacement Cap.	115,000
				Subtotal:	653,000
Equipment					
	R75 Mega Concrete Mix, hydraulic unit for skid steer		NRE	New Equipment	5,600
	Truck mounted welder for truck 115		NRE	New Equipment	4,950
	HX50 Vacuum Excavator		NRE	New Equipment	94,000
	Water Meter Calibration Bench		NRE	New Equipment	10,000
	Bucket Truck (Looking at Lease Option)		NRE	New Equipment	75,000
	Handheld GPS Data Collection Equipment		NRE	New Equipment	20,000
	Trailer Hot Water Pressure Washer		NRE	New Equipment	20,000
	Submersible Mixer - Spare Solarbee Unit (GridBee)		NRE	Replacement Equip.	14,000
	R-134A A/C Service System		NRE	New Equipment	4,000
	Hydraulic Post Hole Digger (Skid Steer Attachment)		NRE	New Equipment	3,000
				Subtotal:	250,550
Information Technology					
	Citrix - Seamless apps across multiple platforms		CES	Reporting	50,000
	Replace EOL Oasis recorder		NRE	Replacement Equip.	25,000
	Data Center UPS System (Symmetra)		NRE	New Equipment	20,000
	WTP SCADA Radio Replacement		NRE	Replacement Equip.	50,000
				Subtotal:	145,000

Total Asset/Infrastructure Project Requests 3,041,550

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, Public Affairs Director and Public Affairs Specialist also operate out of the Administration Department.

2018 ACCOMPLISHMENTS:

- 1) Rebranded the District with new logos on: uniforms, hardhats, vehicles, business collateral, social media, website, clothing, buildings, etc.
- 2) Hosted 100th Anniversary Grand Celebration event with federal, state, local dignitaries and 600-plus community members.
- 3) Organized and attended monthly centennial celebration tours of Littlerock Dam and the WTP for the community.
- 4) Introduced a new PWD history video and 10 other short videos highlighting the District, projects, facilities and staff.
- 5) Oversaw the writing/editing/designing/publishing of 100th anniversary commemorative book.
- 6) Organized and managed first annual Water Ambassadors Academy. Graduated 17 attendees.
- 7) Hosted annual Town Hall Forum.
- 8) Oversaw the planning and execution of PWD's 100th anniversary booth at 2018 AV Fair and Alfalfa Festival; worked with Fair Staff on PWD's sponsorship.
- 9) Focused on reaching out to the Latino community by printing "The Pipeline" newsletter in both English and Spanish. Bi-monthly appearances on radio show *Café con Leche* to share important District news. Also appeared on *Salva*, a new Spanish radio program.
- 10) Published quarterly newsletter, "The Pipeline," for customers. Also emailed to Constant Contact subscribers; shared on PWD website; and mailed copies to local chambers, school districts, city and area water agencies.
- 11) Published the "Employee Buzz" newsletter that is distributed monthly to Board of Directors, employees and retirees.
- 12) Continued assisting with the historical displays in the lobby & at Palmdale City Library.
- 13) Generated necessary press releases throughout the year for District projects and other pertinent public information.
- 14) Achieved numerous story placements in ACWA and CSDA publications.
- 15) Edited, published the newly designed 2018 Strategic Plan.
- 16) Increased District's social media following and reach.
- 17) Applied and received District of Distinction Re-accreditation Platinum Award from SDLF.
- 18) Attended and networked at monthly Palmdale Chamber of Commerce Business luncheons.
- 19) Attended and networked at quarterly GAVEA meetings. Served as director.
- 20) Publicized 2nd annual Water Professionals Appreciation Week.
- 21) Assisted WTP Lab with updating/editing/designing 2017 CCR and postcard.
- 22) Updated and added new material on website.

2018 ACCOMPLISHMENTS *(Continued)*:

- 23) Wrote monthly articles for AV Board of Trade.
- 24) Worked with City of Palmdale to exchange ad/article space in each other's publications.
- 25) Organized partnership with Palmdale Prep Academy for Imagine a Day Without Water event with PWD expert panel.
- 26) Attended meetings/worked closely with Friends of Littlerock Dam to keep the community updated on construction at the dam.
- 27) Joined San Gabriel Mountains Community Collaborative.
- 28) Worked with Dr. Callyn Yorke, AV College professor/ornithologist, to schedule his Lake Palmdale research presentation to Board.
- 29) Assisted with editing needs from other departments.
- 30) Publicized conservation programs.
- 31) Wrote talking points for BOD as needed.
- 32) Joined/networked with AV PIO community.
- 33) Organized tour of Edwards Air Force Base for BOD and senior staff.
- 34) Donated water to Homeless Outreach Partnership, Palmdale School District and Mental Health America of Los Angeles.
- 35) Collected and sent numerous PWD historical photos to *AV Press* for its annual *Scrapbook*.
- 36) Hosted two Red Cross Blood Drive.
- 37) Participated in Read Across America at local school.
- 38) Attended annual AV Board of Trade Business Outlook Conference.
- 39) Sponsored Team PWD for the Palmdale Chamber's golf tournament.
- 40) Partnered with Palmdale and Knight high schools on a 100th anniversary PSA contest for their video classes. Assisted with awards presentation at Board meeting.
- 41) Introduced the new Aquadog.

2019 GOALS:

- 1) Successfully promote and publicize District's Prop 218 process via workshops, printed material, mailings, etc.
- 2) Host 2nd Annual Water Ambassadors Academy.
- 3) Start introducing the concept of recycled water in recharge projects. Publicize the Palmdale Regional Recharge and Recovery Project.
- 4) Publicize the completion of the grade-control structure and the start of the sediment removal.
- 5) Assist with the creation of a District Emergency Response Plan; create a Crisis Communication Plan for Public Affairs.
- 6) Continue to work with community groups such as Friends of Littlerock Dam and San Gabriel Mountains Community Collaborative.
- 7) Continue to use centennial anniversary videos for outreach purposes, including at schools, community events & business gatherings.
- 8) Continue to publicize the commemorative history book for sale.
- 9) Speak at events including GAVEA Luncheon, Palmdale Chamber Luncheon and STEMPosium.
- 10) Develop more web and community friendly videos.

2019 GOALS (Continued):

- 11) Host Town Hall Forum, Red Cross Blood Drive, Customer Appreciation days, and *Imagine a Day Without Water* event.
- 12) Restart talks with Yucca Elementary School for its Community Learning Garden.
- 13) Continue to expand social media to highlight PWD.
- 14) Hold press events announcing PWD's important events.
- 15) Make bi-monthly appearances on Spanish radio show *Café con Leche* to bring PWD news to the Latino community.
- 16) Continue to network with Palmdale Chamber, AV Hispanic Chamber, AV African American Chamber, GAVEA, AVBOT and any other community groups.
- 17) Work with consultant to redesign and update information on the website.
- 18) Organize and host tours for groups.
- 19) Continue to publish quarterly "The Pipeline" and monthly "Employee Buzz" newsletters.
- 20) Continue to collaborate with the City of Palmdale on ways to promote one another in "The Pipeline" and *Palmdale Magazine*.
- 21) Highlight employees during 3rd Annual Water Professionals Appreciation Week.
- 22) Continue to promote & publicize conservation programs.
- 23) Continue partnership with Palmdale Prep Academy by introducing students to the WTP and/or having lab analysts do presentations at the school.
- 24) Continue to submit important stories to ACWA News and CSDA magazine.
- 25) Assist WTP lab with 2018 CCR.

Board of Directors

Directors		BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2019	2018	2018	2017	2016	2015
1-01-4000-000	Directors Fees	-	-	-	-	64,200	57,000
Benefits							
1-01-4005-000	Payroll Taxes	5,500	4,750	5,500	4,705	4,533	4,346
1-01-4010-000	Health Insurance	-	-	-	-	75,765	57,956
	Subtotal (Benefits)	5,500	4,750	5,500	4,705	80,297	62,303
	Personnel Expenses	5,500	4,750	5,500	4,705	144,497	119,303
OPERATING EXPENSES:							
1-01-4050-000	Director's Travel, Seminars & Meetings	-	-	-	-	18,442	19,973
1-01-xxxx-007	Director's Expense Share - Alverado, Robert	27,000	27,000	27,000	20,512		
1-01-xxxx-008	Director's Expense Share - Mac Laren, Kathy	27,000	18,000	27,000	21,693		
1-01-xxxx-009	Director's Expense Share - Estes, Joe	27,000	27,000	27,000	22,843		
1-01-xxxx-010	Director's Expense Share - Dino, Vincent	27,000	19,500	27,000	21,275		
1-01-xxxx-011	Director's Expense Share - Henriquez, Marco	27,000	27,000	27,000	20,030		
	Total Operating Expense	135,000	118,500	135,000	106,353	18,442	19,973
	Total Departmental Expenses	140,500	123,250	140,500	111,057	162,939	139,276

Administration

Administration

		BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2019	2018	2018	2017	2016	2015
1-02-4000-000	Salaries	1,350,000	1,152,000	1,215,500	1,078,885	1,059,738	909,109
1-02-4000-100	Salaries - Departmental Overtime	14,000	5,000	9,000	7,946	7,357	7,128
	Subtotal (Salaries)	1,364,000	1,157,000	1,224,500	1,086,831	1,067,095	916,237
Employee Benefits							
1-02-4005-000	Payroll Taxes	96,500	80,500	86,500	74,016	67,781	58,665
1-02-4010-000	Health Insurance	194,000	166,000	171,500	151,134	141,074	133,752
1-02-4015-000	Pers	120,000	114,000	141,000	111,903	173,459	146,826
	Subtotal (Benefits)	410,500	360,500	399,000	337,053	382,314	339,243
District-wide Salaries & Benefits							
1-02-5070-001	Salaries-On-Call/Stand By Time	105,000	75,000	90,000	68,836	78,783	89,297
1-02-5070-002	PERS-Unfunded Liability	699,000	572,000	568,500	472,523	405,575	189,408
1-02-5070-003	Worker's Compensation	375,000	338,000	280,000	189,902	178,578	119,156
1-02-5070-004	Vacation Benefit Expense	25,000	5,000	25,000	(6,272)	12,321	54,578
1-02-5070-005	Life Insurance/EAP	6,500	6,500	6,500	6,312	6,379	6,949
	Subtotal (District-wide)	1,210,500	996,500	970,000	731,300	681,635	459,387
	Personnel Expenses	2,985,000	2,514,000	2,593,500	2,155,185	2,131,044	1,714,867
OPERATING EXPENSES:							
1-02-4050-000	Staff Travel	14,000	15,000	14,000	17,071	-	-
1-02-4050-100	General Manager Travel	5,000	6,000	5,000	7,091	5,821	8,209
1-02-4060-000	Staff Conferences & Seminars	6,000	2,500	6,000	1,683	-	-
1-02-4060-100	General Manager Conferences & Seminars	4,000	4,000	4,000	3,306	2,150	3,915
1-02-4130-000	Bank Charges	150,000	165,000	140,000	164,613	156,058	146,801
1-02-4150-000	Accounting Services	25,000	23,000	27,500	24,351	25,471	23,991
1-02-4175-000	Permits (Construction)	17,500	12,000	17,500	11,228	10,332	16,856
1-02-4180-000	Postage	25,000	14,000	25,000	13,006	11,783	18,268
1-02-4190-100	Public Relations - Publications	30,000	22,000	30,000	20,479	29,642	9,083
1-02-4190-700	Public Affairs - Marketing/Outreach	25,000	18,000	25,000	40,847	-	-
1-02-4190-710	Public Affairs - Advertising	4,000	250	4,000	-	-	-
1-02-4190-720	Public Affairs - Equipment	2,500	-	2,500	-	-	-
1-02-4190-730	Public Affairs - Conference/Seminar/Travel	2,500	1,500	2,500	-	-	-
1-02-4190-740	Public Affairs - Consultants	3,000	1,000	3,000	-	-	-
1-02-4190-750	Public Affairs - Memberships	700	700	700	-	-	-
1-02-4190-900	Public Relations - Other	-	-	-	-	6,555	1,000
1-02-4200-000	Advertising	4,000	4,250	4,000	1,902	3,833	3,617
1-02-4205-000	Office Supplies	22,000	24,500	18,000	24,494	20,836	20,709
1-02-4210-000	Office Furniture	5,000	-	5,000	5,917	5,333	8,180
	Total Operating Expense	345,200	313,700	333,700	335,988	277,813	260,630
District-wide Operating Expense							
1-02-5070-006	Other Operating	25,000	23,250	20,000	30,069	28,084	18,367
1-02-5070-007	Consultants	234,000	230,000	70,000	60,568	94,638	157,646
1-02-5070-008	Insurance	280,000	242,000	305,000	286,478	297,231	296,700
1-02-5070-009	Groundwater Adjudication - Legal	40,000	35,500	50,000	82,277	57,678	145,128
1-02-5070-010	Legal Services	125,000	96,000	150,000	85,014	139,168	167,712
1-02-5070-011	Memberships	125,000	125,000	125,000	124,247	127,763	123,609
1-02-5070-012	Elections	57,000	-	-	-	104,882	-
1-02-5070-013	Succession Planning	25,000	-	-	-	-	-
1-02-5070-014	Groundwater Adjudication - Pumping Assessment	45,000	-	-	-	-	-
1-02-5070-099	100th Anniversary	-	120,000	40,000	40,443	-	-
	Total District-wide Operating Expense	956,000	751,750	760,000	709,097	849,445	909,161
	Total Departmental Expenses	4,286,200	3,579,450	3,687,200	3,200,269	3,258,302	2,884,658

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.

2018 ACCOMPLISHMENTS:

- 1) Completed GIS updates, corrections and revisions to continue improving the quality and accuracy of our GIS data.
- 2) Attended the annual ESRI User Conference and GIS Water/Wastewater User Group meetings to stay current with rapidly advancing GIS technology.
 - 1) Implemented Versioned Workflows in a Multiuser Geodatabase (ESRI training).
 - 2) Cross-trained staff on use of ArcGIS desktop software and ArcGIS Online (Cloud App).
 - 3) Attended workshops and webinars to keep current with advancement in GIS technology.
 - 4) Upgraded ArcGIS Server and SDE Geodatabase to meet increasing system demand.
 - 5) Improved leak data entry process (current workflow requires work by 4 individuals).
 - 6) Improved process to ensure all system changes are submitted to GIS in a timely manner.
 - 7) Continued improving mobile GIS experience.
 - 8) Expanded use of Desktop GIS viewing application.
- 9) Water Management System Database – Continued to improve the centralized database as a District-wide tool.
- 10) Developed method to insure location of all new water service connections with corresponding account numbers are sent to GIS Coordinator for inclusion in the GIS.
- 11) Continued efforts to improve and streamline its processes to become more efficient. Spreadsheets have been created to view, update, track, and 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.
- 12) Well rehabilitations at Wells 7, 29 and 35.
- 13) In process of emergency treatment/rehabilitation of Well 25. (sanding issues and removal of lost pump shroud)
- 14) Reviewed site requirements/calculations for Well 14 booster replacement and setup. (Troubleshooting and recommendations for repairs)
- 15) Emergency tank repairs at Well 14 tank site.
- 16) Troubleshooting and recommendations for emergency repairs in the distribution system.
- 17) Purchased and working on deployment of the SCADA Watch computer program.
- 18) Continued cross-training of District personnel in Regulatory Compliance for the California Environmental Reporting System and cross-training WTP personnel in the acquired analytics for the District's Distribution System Operations and Control Set Points to ensure energy cost reductions and optimal site operations.
- 19) Currently working on Emergency Action Plans and Flood Inundation Maps for the Littlerock and Harold dams. (DSOS requirement).
- 20) Completed inspection of the Lake Palmdale Inlet Hydro Turbine. (FERC/DSOD requirement)
- 21) Completed filings for the EPA Hazard Waste. (Main Office and WTP)

2018 ACCOMPLISHMENTS *(Continued)*:

- 22) Littlerock Sediment Removal
 - Completed final design, May 2018.
 - ASI from Colorado Springs was selected as the Construction Contractor.
 - Notice to proceed with construction was issued on October 1, 2018.
 - Aerial imaging of reservoir topography was completed.
- 23) Palmdale Recycled Water Authority Recycled Water Line Phase Project
 - Project is having challenges in securing State Revolving Fund grant and construction loan.
- 24) Palmdale Regional Groundwater Recharge and Recovery Project
 - Completed infiltration tests in recharge basins.
 - Completed soil column tests.
 - Took several water quality samples from Monitoring Wells 1A and 1B.
 - Hired Geo-Consultants from San Jose, CA to better define where bedrock is located.
- 25) California Statewide Groundwater Elevation Monitoring (CASGEM) has been updated for the Antelope Valley Groundwater Basin No. 6-44 to the satisfaction of the State Authorities. It must be updated twice per year.
- 26) Construction projects for 2018 (water main replacements)
 - P-8 at 20th Street (16-inch diameter, 1,420 feet) – plans complete to be constructed in future.
 - 13th Street from Q-13 to Avenue R (8-inch diameter, 1,000 feet) – plans complete and under construction.
- 27) New Brine Tank @ Water Treatment Plant plans complete. Construction has begun.

2019 GOALS:

- 1) Attend ESRI Annual User Conference (seminar).
- 2) Implementing Versioned Workflows in a Multiuser Geodatabase (ESRI training).
- 3) Cross-train staff on use of ArcGIS desktop software and ArcGIS Online (Cloud App).
- 4) Attend workshops and webinars to keep current with advancement in GIS technology.
- 5) Upgrade ArcGIS Server and SDE Geodatabase to meet increasing system demand.
- 6) Improve leak data entry process (current workflow requires work by 4 individuals).
- 7) Improve process to ensure all system changes are submitted to GIS in a timely manner.
- 8) Reprint (1) 100 Scale Water Service Maps.
- 9) Update GIS Aerial Imagery.
- 10) Update GASGEM for the Antelope Valley Groundwater Basin No. 6-44 for Spring 2019 and Fall 2019.
- 11) Complete plans for stairway inside Littlerock Dam to replace unsafe stairway. The monitoring and maintenance of the Littlerock Dam will be improved with improved access.
- 12) Continue to update GIS leak maps to evaluate the condition of District's water distribution system.
- 13) Continue drafting plans for the 25th and Ave. P area (FAA).
- 14) Contribute to the submittal of yearly reports on Lake Palmdale and Littlerock Dam to the State of California Division of Safety of Dams.
- 15) Continue to maintain an updated organizational chart.
- 16) Assist other departments with the output of various printed media.
- 17) Continue to provide and maintain plans of District facilities and buildings as required.
- 18) Continue expanding the use of Desktop GIS viewing application.

2019 GOALS *(Continued)*:

- 19) Littlerock Sediment Removal
 - Complete construction of grade-control structure.
 - Complete design of removing sediment from reservoir.
 - Negotiate contract with local gravel pit entity to deposit Littlerock sediment.
 - Work with Forest Service on repair to road around Littlerock Reservoir.
 - Select contractor to remove sediment.
- 20) Palmdale Recycled Water Authority Recycled Water Line Phase Project
 - Project is having challenges in securing State Revolving Fund grant and construction loan.
- 21) Palmdale Regional Groundwater Recharge and Recovery Project
 - Geo-Consultants from San Jose, CA to complete work to define location of bedrock.
 - Blue-Ribbon panel meeting to discuss soil column tests and location of bedrock.
 - Decide on whether to continue with present location of recharge basins or to evaluate other areas.
- 22) Purchase a Light table.
- 23) Department would benefit to have more room for records once development starts picking up again.
- 24) Department would benefit by having a vehicle specifically for Engineering Department use to more efficiently use staff's time when taking care of needed field work.
- 25) Proposed construction projects for 2019 (water main replacements)
 - V-5 W/Q 47th (6-inch diameter, 50 feet)
 - V-5 W/Q 47th (4-inch diameter, 668 feet)
 - V-5 W/Q 47th (2-inch diameter, 958 feet)
 - P Avenue From 25th to 500 feet ELY (FAA) (12-inch diameter, 500 feet)
 - P Avenue From 25th to 500 feet ELY (FAA) (8-inch diameter, 80 feet)
 - P Avenue From 25th to 500 feet ELY (FAA) (6-inch diameter, 80 feet)
 - 6 million-gallon Clearwell repairs
 - Upsize 45th Street Altitude Valve

Engineering

Engineering		BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2019	2018	2018	2017	2016	2015
1-03-4000-000	Salaries	1,092,500	1,099,000	1,058,750	1,025,227	870,400	815,814
1-03-4000-100	Salaries - Departmental Overtime	11,250	28,500	9,000	12,745	10,469	5,172
	Subtotal (Salaries)	1,103,750	1,127,500	1,067,750	1,037,973	880,869	820,986
Employee Benefits							
1-03-4005-000	Payroll Taxes	82,000	87,000	78,750	77,032	65,930	62,068
1-03-4010-000	Health Insurance	211,000	207,000	209,750	181,559	152,691	139,686
1-03-4015-000	PERS	106,000	112,000	132,750	102,417	149,436	111,512
	Subtotal (Benefits)	399,000	406,000	421,250	361,008	368,057	313,267
	Personnel Expenses	1,502,750	1,533,500	1,489,000	1,398,981	1,248,926	1,134,253
OPERATING EXPENSES:							
1-03-4050-000	Staff Travel	4,500	4,750	3,000	3,095	-	-
1-03-4060-000	Staff Conferences & Seminars	4,800	6,000	3,000	3,895	-	-
1-03-4060-001	Staff Training - Auto CAD Civil 3D	13,000	3,000	13,000	-	-	-
1-03-4155-305	Contracted Services - GIS Services	18,000	26,500	13,000	7,544	28,491	54,639
1-03-4155-310	Contracted Services - Reproduction	2,000	-	20,000	-	-	-
1-03-4155-315	Contracted Services - Prod./Demand Database	-	-	7,000	-	-	-
1-03-4155-320	Contracted Services - Plotter/Scanner	-	750	-	-	-	-
1-03-4165-000	Memberships/Subscriptions	2,500	2,500	2,500	4,470	3,897	2,065
1-03-4250-000	General Materials & Supplies	3,500	-	-	-	4,541	2,297
1-03-4250-100	Supplies - Plotter Paper/Toner	4,500	-	3,400	714	-	-
1-03-4250-150	Supplies - Surveying Total Station	2,500	7,250	7,000	-	-	-
1-03-4250-200	Supplies - Miscellaneous	-	1,000	-	746	-	-
1-03-8100-100	Computer Software - Maint. & Support	31,000	88,000	102,000	36,672	9,990	9,406
1-03-8100-200	Computer Software - SCADA Watch	7,500	90,000	-	-	-	-
	Total Operating Expense	93,800	229,750	173,900	57,136	46,919	68,407
	Total Departmental Expenses	1,596,550	1,763,250	1,662,900	1,456,117	1,295,845	1,202,660

Facilities Department

DESCRIPTION:

The Facilities Department oversees maintenance and repairing of all pipelines, vehicles and equipment, and related facilities. The staff monitors and maintains operation of the District's 22 active groundwater 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.

2018 ACCOMPLISHMENTS:

1. Replaced air vacs in the 2950 & 3000 zones, a total of 117 (1") and 61 (2").
2. Conducted the following infrastructure items: replaced 240 angle stops, 5 straight stops, and 8 mainline valves, which required removing A.C. pipe.
3. Performed weekly, biweekly, and annual flushing.
4. Fixed 89 service line leaks, 79 main line leaks.
5. Replaced 1,094 stuck or broken small meters.
6. Conducted valve exercising program, turning a total of 4,250 valves and located 30 paved over valves.
7. Replaced 9 compound meters with new Octave meters and replaced piping in the vaults as needed.
8. Rented large vacuum to remove rock from 25 of our large meter vaults, to make site assessments for 2019 priority list.
9. Patched concrete tunnels, designed and built new #5 screen, and cleaned screens from 1/1 to 6/1 on the Palmdale Canal.
10. Assisted with winter maintenance at the WTP and worked on lake management with long-reach excavator.
11. Fixed leak at Well 5, which included removing and replacing concrete floor, piping and pump pedestal.
12. Sludge removal at the WTP.
13. Placed new water line and valves at Wells 18 & 19.
14. Improved 45th St. Tanks by-pass with new 20" (2) and 24" (1) butterfly valves, 90s and 45s.
15. Replaced recycled water meter at Avenue M and Sierra Hwy.
16. Repaired 8 sample stations.
17. Assisted with Palmdale Regional Ground Recharge and Recovery Project.
18. Well 10 – 6" CMLC spool with 6" flange gate valve and new copper service.
19. Assisted Operations group at the WTP lab with the lead sampling at all the schools.
20. Repaired leak on 20" CMLC pipe under the bridge, over Aqueduct on Pearblossom Hwy and Old Nadeau Rd.
21. Repaired or replaced 20 hydrants and one Wharf head, due to being hit or that were in bad shape.
22. Repaired 5 hit air vacs.
23. Installed second antenna at 47th St. Tanks.
24. Integrated temporary Zetasizer into the SCADA system.
25. Converted NaOCl system to be controlled by SCADA and bring NaOCl tank level back at Wells 5, 10, 15, 16, 25 and 26.
26. Programmed caustic soda pumps to run off one flow meter.
27. Rebuild Auma valve control head on filter No.6 and No.1.
28. Firmware upgraded on all turbidity meters.
29. Replaced sump pumps in valve house at Littlerock Dam.
30. Groundwater recharge site pump wiring and flow testing.
31. Installed new Intelli-spark engine controls at Well 11.
32. Installed SCADA server number one at the treatment plant with texting capabilities.
33. Wind turbine communication to Denmark servers.
34. Bi-annual pitot (flow meter) testing.

2018 ACCOMPLISHMENTS *(Continued)*:

35. Programmed wells to run at least 1 hour a day by adding a time clock function to the PLC and SCADA system.
36. Programmed notifications and alarms when wells are running off their fail-safe levels.
37. Implemented MODBUS communications to GF Signet flow meter at Well 2A.
38. Installed new control box on rack #1 of the hypo-generator at the treatment plant.
39. Started a site inspection program for all remote sites and entered all information on the Collector application.
40. Performed well rehabilitations at Wells 6, 7, 25, and 29.
41. Completed update of 40th St. and 25th St. PRV stations.
42. Redesigned, fabricated and installed cooling system for Well 15.
43. Installed, wired and calibrated new compliance emissions control system at Well 11.
44. Completed rework of booster #3 at Well 5.
45. Performed exterior rehabilitations at seven well sites.
46. Completed rework of small PRV on Avenue S14.
47. Resolved ongoing issues with both Peterbilt service vehicles from shutting down intermittently.
48. Completed updates to IMT truck mounted cranes (2) that had numerous intermittent problems.
49. Integrated new Fuel Force Fuel delivery system.
50. Processed and integrated 6 new leased vehicles, skid steer pickup broom and new backhoe.

2019 GOALS:

1. Convert hydro-generator to Scadapack and reprogram system to suit Palmdale Water District needs.
2. Install flow meters on hydro- generator and bypass valve.
3. Install radio system at exfiltration pumps at the treatment plant.
4. Integrate the new Zetasizer into the SCADA system.
5. Well 11 – Install new SCADA panel and rehabilitate coolant system.
6. Develop plans to install chlorine analyzers at well sites.
7. Install new compliance emissions control system at Well 15.
8. Upgrade and update PRVs with flow meters for water movement indicators.
9. Build and install new stairway assembly for Littlerock Dam inspections.
10. Rebuild Cone valve at Littlerock Dam.
11. Install new upgraded pilot control systems on all boosters in the 2800 Zone at the Clearwell site.
12. Complete the integration of Fleet Mate Maintenance Software, inventory and reports.
13. Load bank test all mobile and stationary generators.
14. Upgrade to Traffic Control vehicle.
15. Rehabilitate 23 large meter vaults.
16. Utilize our new Remote Site Inspections collector app and continue remote site improvements.
17. Continue with our valve turning program to establish a minimum of a three-year plan for complete system coverage.
18. Stay diligent on our distribution system flushing program.
19. Finish mainline replacements at Camares (Ana Verde) and Avenue V5.
20. Replace any faulty valves that are found.
21. Begin hydrant maintenance program.
22. Place 24" altitude valve at 45th St. tanks
23. Continue sending staff to annual conferences for information and developing contacts with staff from other districts and vendors.
24. Continue developing communication departmentally and inter-departmentally.

Facilities

Facilities		BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2019	2018	2018	2017	2016	2015
1-04-4000-000	Salaries	2,251,500	2,147,000	2,134,500	2,047,671	2,019,399	1,907,672
1-04-4000-100	Salaries - Departmental Overtime	115,000	154,000	115,000	114,871	111,003	90,716
	Subtotal (Salaries)	2,366,500	2,301,000	2,249,500	2,162,542	2,130,402	1,998,388
Employee Benefits							
1-04-4005-000	Payroll Taxes	181,000	180,067	178,000	167,159	164,677	154,694
1-04-4010-000	Health Insurance	473,000	514,500	491,750	464,206	443,728	434,173
1-04-4015-000	PERS	230,500	207,000	260,000	196,596	367,342	266,889
	Subtotal (Benefits)	884,500	901,567	929,750	827,961	975,748	855,756
	Personnel Expenses	3,251,000	3,202,567	3,179,250	2,990,504	3,106,150	2,854,144
OPERATING EXPENSES:							
1-04-4050-000	Staff Travel	6,000	5,000	3,000	3,969	-	-
1-04-4060-000	Staff Conferences & Seminars	15,000	2,000	13,000	297	-	-
1-04-4155-000	Contracted Services	-	-	-	-	-	-
1-04-4155-405	Contracted Services - Landscape Svcs (All Sites)	15,500	10,500	15,500	10,325	11,353	12,087
1-04-4155-410	Contracted Services - Landscape Svcs (Wells)	38,000	35,000	38,000	33,659	35,804	31,424
1-04-4155-415	Contracted Services - Alarm Services	-	-	5,000	8,322	3,234	3,116
1-04-4155-420	Contracted Services - Janitorial Services (All Sites)	45,000	44,000	45,000	46,237	40,504	32,235
1-04-4155-425	Contracted Services - Pest Control Svcs (Contracted)	6,000	5,750	6,000	4,915	6,297	2,129
1-04-4155-430	Contracted Services - Pest Control Svcs (Pm Dam)	5,000	3,500	5,000	3,312	21,925	23,040
1-04-4155-435	Contracted Services - Elevator Services	46,500	3,500	3,500	11,815	3,318	3,213
1-04-4155-440	Contracted Services - SCADA Software	16,000	18,000	15,000	15,043	35,314	11,118
1-04-4155-445	Contracted Services - SCADA Hardware	25,000	1,250	25,000	24,118	-	668
1-04-4155-450	Contracted Services - Seismic Valve Controllers	7,500	-	7,500	6,415	6,085	5,790
1-04-4155-455	Contracted Services - Annual Tank Service	330,000	319,250	330,000	329,545	319,100	-
1-04-4155-460	Contracted Services - Fire Extinguisher Servicing	5,000	7,500	2,500	-	-	-
1-04-4155-465	Contracted Services - Firetide Radio	15,000	-	15,000	-	-	-
1-04-4155-466	Contracted Services - Clearscada	15,000	-	15,000	-	-	-
1-04-4155-467	Contracted Services - Fenway	-	-	1,000	-	-	-
1-04-4155-499	Contracted Services - Miscellaneous	2,000	-	1,000	1,639	2,444	6,299
1-04-4175-000	Permits (District Facilities including Dams)	40,000	56,000	25,000	7,433	18,301	3,508
1-04-4215-100	Natural Gas - Wells & Boosters	210,000	198,000	225,000	170,596	165,926	199,402
1-04-4215-200	Natural Gas - Buildings	9,000	6,000	9,000	6,613	6,619	7,434
1-04-4220-100	Electricity - Wells & Boosters	1,150,000	1,110,000	1,320,000	1,091,131	1,298,902	1,587,473
1-04-4220-200	Electricity - Buildings	88,000	78,000	88,000	73,376	70,681	86,925
1-04-4225-000	Maint. & Repair - Vehicles	32,500	23,500	35,000	21,897	40,706	34,192
1-04-4230-100	Maint. & Rep. Operations - Office Building	25,000	10,500	25,000	21,364	33,215	9,861
1-04-4235-110	Maint. & Rep. Operations - Equipment	12,000	2,500	12,000	8,512	2,955	5,365
1-04-4235-400	Maint. & Rep. Operations - Wells	80,000	73,500	100,000	55,508	78,836	89,886
1-04-4235-405	Maint. & Rep. Operations - Boosters	50,000	30,000	80,000	27,474	48,838	30,841
1-04-4235-410	Maint. & Rep. Operations - Shop Bldgs	25,000	23,500	25,000	20,786	12,844	1,560
1-04-4235-415	Maint. & Rep. Operations - Facilities	50,000	18,500	50,000	16,691	35,918	22,642
1-04-4235-420	Maint. & Rep. Operations - Water Lines	300,000	350,000	300,000	318,750	302,124	220,229
1-04-4235-425	Maint. & Rep. Operations - Littlerock Dam	15,000	1,000	15,000	1,642	23,134	-
1-04-4235-430	Maint. & Rep. Operations - Palmdale Dam	-	1,000	7,500	4,070	6,724	1,160
1-04-4235-435	Maint. & Rep. Operations - Palmdale Canal	10,000	2,000	10,000	4,837	-	3,823
1-04-4235-440	Maint. & Rep. Operations - Large Meters	25,000	12,750	35,000	34,420	28,942	3,504
1-04-4235-445	Maint. & Rep. Operations - Telemetry	-	1,000	5,000	2,125	2,933	6,160
1-04-4235-450	Maint. & Rep. Operations - Hypo Generators	10,000	3,500	10,000	2,645	4,056	2,426
1-04-4235-455	Maint. & Rep. Operations - Heavy Equipment	42,500	27,500	45,000	43,617	36,942	46,202
1-04-4235-460	Maint. & Rep. Operations - Storage Reservoirs	5,000	14,000	5,000	2,367	2,753	2,615
1-04-4235-461	Maint. & Rep. Operations - Air Vacs	15,000	48,000	28,000	-	-	-
1-04-4235-470	Maint. & Rep. Operations - Meter Exchanges	50,000	165,000	250,000	139,830	314,917	119,540

(Continued next page)

Facilities (Continued)

OPERATING EXPENSES (Continued):

1-04-4250-100	Materials - Hot Tapping	-	-	-	-	-	5,549
1-04-4270-300	Telecommunication - Other	5,000	7,000	4,000	5,732	6,292	3,707
1-04-4300-100	Testing - Regulatory Compliance	20,000	16,000	20,000	9,612	-	-
1-04-4300-200	Testing - Large Meter Testing	12,500	11,500	12,500	11,357	18,598	14,385
1-04-4300-300	Testing - Edison Testing	15,000	8,000	30,000	2,755	5,655	-
1-04-5070-009	Groundwater Adjudication - Pumping Assessment	-	60,500	50,000	19,552	-	-
1-04-6000-000	Waste Disposal	20,000	13,000	20,000	15,183	24,588	17,072
1-04-6100-100	Fuel - Gas and Diesel	134,000	130,000	105,000	84,621	84,737	83,938
1-04-6100-200	Lubricates District Wide	25,000	16,000	40,000	17,842	14,092	33,619
1-04-6200-000	Uniforms	28,000	20,000	28,000	20,803	26,242	27,451
1-04-6300-000	Supplies	-	-	-	-	-	-
1-04-6300-100	Supplies - General	55,000	81,000	47,500	52,867	63,234	53,658
1-04-6300-200	Supplies - Hypo Generators	7,500	7,000	7,500	3,340	6,094	2,114
1-04-6300-300	Supplies - Electrical	3,000	-	3,000	2,944	1,117	283
1-04-6300-400	Supplies - Telemetry	5,000	1,000	5,000	6,070	4,340	5,161
1-04-6300-800	Supplies - Construction Materials	35,000	28,000	35,000	37,608	51,447	43,356
1-04-6400-000	Tools	-	-	-	-	34,027	20,149
1-04-6400-100	Tools - Facilities	35,000	38,000	47,000	17,942	-	-
1-04-6400-200	Tools - Vehicles	10,000	17,000	5,000	10,122	-	-
1-04-6450-100	Equipment - Firetide Radios	8,000	1,000	8,000	-	-	-
1-04-6450-110	Equipment - GF Signet Flow Meters	7,500	-	7,500	-	-	-
1-04-6450-120	Equipment - SCADA Workstations	-	27,500	30,000	-	-	-
1-04-6450-130	Equipment - Compound Meters	-	-	72,000	-	-	-
1-04-7000-100	Leases - Equipment	15,000	13,000	15,000	22,460	17,387	15,280
1-04-7000-200	Leases - Fleet	70,000	82,000	70,000	33,524	17,652	-
	Total Operating Expense	3,347,000	3,288,500	3,912,500	2,949,628	3,397,147	2,941,588
	Total Departmental Expenses	6,598,000	6,491,067	7,091,750	5,940,131	6,503,297	5,795,731

Operations Department

DESCRIPTION:

The Operations Department operates the water distribution system including 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.

2018 ACCOMPLISHMENTS:

1. Refined plant systems operational practices to optimize water quality.
2. Submitted accurate treatment plant monthly water quality reports to SWRCB.
3. Staff conducted jar testing with many available coagulant aids from different chemical companies.
4. Participated on demand response programs with Honeywell to reduce electricity costs.
5. Continued to perform full-scale performance study between Calgon and Evoqua Carbon media.
6. Replaced GAC media at underground vessel.
7. Reactivated 7 GAC contactors at the treatment plant.
8. Tested and installed Zetasizer system to achieve better coagulation during treatment process.
9. Performed batch piping upgrade for 12.5% sodium hypochlorite.
10. Rebuilt rectifier for sodium hypochlorite generation system.
11. Replaced hypochlorite generation acrylic cells (2).
12. Performed relocation of post GAC chlorine feed lines.
13. Rehabilitated the ferric chloride system.
14. Installed a new 30-inch effluent flow meter.
15. Installed a new settle channel sample line.
16. Installed new flooring and painted in the main building.
17. Successfully introduced a new coagulant aid chemical SWT-9302.
18. Successfully maintained water in Lake Palmdale free of algae blooms that could adversely affect our treatment process.
19. Provided training with Sterling Water Technologies on coagulant chemicals for all operations staff.
20. Provided numerous educational tours and events at the treatment plant during our 100th year anniversary.
21. Completed the 2017 Consumer Confidence Report, including all document submission to the State.
22. Completed ELAP renewal, which includes passing WS261 and WS262.
23. Completed the required monitoring of lead in schools.
24. Completed the tri-annual lead and copper monitoring.
25. Completed required monitoring for EPA unregulated contaminant monitoring rule (UCMR-4), which includes tests for AM1 & AM2 (Metals, Pesticides, Alcohols, SVOCs and HAAs) and AM3 (Cyanotoxins).
26. Performed cross-training for one District employee within the treatment plant laboratory.
27. Began quarterly monitoring on Well 1A and 1B at the Palmdale Regional Groundwater Recharge and Recovery Project (PRGRRP).
28. Began work on bacteriological sample site plan update.
29. Completed training for thirty-two District staff members on sample collection and field tests.

2019 GOALS:

1. Meet water quality challenges 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 cleanup of Lake Palmdale shoreline.
3. Work closely with Deputy and Water Resources Manager to effectively manage water supplies.
4. Work closely with Facilities Department and continue Edison Demand Response programs 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 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. Work with Facilities Department to initiate conversation for a new CMMS software for maintenance work orders, tracking and general maintenance for 2020 CY.
9. Operation and maintenance of all slide gate valves.
10. Perform treatment plant vault maintenance.
11. Rebuild Zinc Orthophosphate system.
12. Bring online a new brine tank and ferric tank.
13. Continue Operations building and lobby upgrades.
14. Perform tri-annual Title 22 groundwater monitoring.
15. Perform UCMR-4 Monitoring, which includes tests for AM1 & AM2 (Metals, Pesticides, Alcohols, SVOCs and HAAs) and AM3 (Cyanotoxins).
16. Begin sampling for the Lead and Copper Rule (June).
17. Perform the Coliform Sample Siting Plan update.
18. Continue development of Lab Maintenance and Lab Training programs.
19. 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.
20. Complete the Consumer Confidence Report for 2018.
21. Continue Palmdale Regional Groundwater Recharge and Recovery Project monitoring quarterly.
22. Continue to promote education and conservation through informational tours and a proactive positive response in handling water quality complaints.
23. Once a year, staff will visit other treatment facilities and districts to possibly obtain more knowledge or different innovative ideas to enhance performance and efficiency.
24. Encourage continued education and training to equip staff with the knowledge necessary to deal effectively with current and future water industry challenges.
25. Review systems, emergency drill scenarios with Operations staff.
26. Update Operations and Maintenance Manual for annual SWRCB reporting.
27. Renew Water Research Foundation membership.

Operations

Operations		BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2019	2018	2018	2017	2016	2015
1-05-4000-000	Salaries	1,006,500	1,044,000	937,750	953,323	988,198	1,067,180
1-05-4000-100	Salaries - Departmental Overtime	73,500	98,000	60,000	78,833	65,122	63,447
	Subtotal (Salaries)	1,080,000	1,142,000	997,750	1,032,157	1,053,319	1,130,627
Employee Benefits							
1-05-4005-000	Payroll Taxes	81,000	91,000	68,750	79,405	80,923	85,764
1-05-4010-000	Health Insurance	179,000	154,000	159,250	160,866	180,467	206,300
1-05-4015-000	PERS	102,000	100,000	121,500	98,359	167,291	156,034
	Subtotal (Benefits)	362,000	345,000	349,500	338,630	428,681	448,099
	Personnel Expenses	1,442,000	1,487,000	1,347,250	1,370,787	1,482,000	1,578,726
OPERATING EXPENSES:							
1-05-4050-000	Staff Travel	3,000	2,500	2,500	3,875	-	-
1-05-4060-000	Staff Conferences & Seminars	3,000	-	2,500	1,855	-	-
1-05-4120-100	Training - Lab Equipment	5,000	-	-	-	-	-
1-05-4155-505	Contracted Services - Landscape Services	3,500	2,000	2,000	3,261	2,620	1,485
1-05-4155-510	Contracted Services - Alarm Services	-	1,000	1,750	1,732	975	825
1-05-4155-525	Contracted Services - Wind Turbine Services	30,000	40,000	30,000	38,805	2,150	32,352
1-05-4155-530	Contracted Services - CMMS Software	-	-	-	-	-	1,800
1-05-4155-540	Contracted Services - Lab Software	7,500	5,250	6,720	7,456	1,470	1,865
1-05-4155-545	Contracted Services - Lab Equipment Services	26,000	8,250	17,500	9,153	25,184	16,707
1-05-4155-550	Contracted Services - Water Quality Svcs (SolarBee)	30,000	29,500	32,000	28,016	28,016	27,200
1-05-4155-599	Contracted Services - Miscellaneous	-	-	-	-	986	-
1-05-4175-000	Permits (WTP Facilities Inclusive)	68,000	63,500	66,287	67,631	30,155	22,967
1-05-4215-200	Natural Gas - Water Treatment Plant	3,000	1,250	3,000	1,063	1,376	1,451
1-05-4220-200	Electricity - Water Treatment Plant	200,000	175,000	290,000	297,253	159,361	147,115
1-05-4230-110	Maint. & Rep. Office - Equipment	5,000	5,000	500	183	126	-
1-05-4235-110	Maint. & Rep. Operations - Equipment	20,000	17,500	20,000	18,068	18,394	15,489
1-05-4235-410	Maint. & Rep. Operations - Shop Bldgs	6,000	3,000	6,000	1,818	14,856	1,316
1-05-4235-415	Maint. & Rep. Operations - Facilities	70,000	54,000	86,000	81,972	89,129	88,688
1-05-4235-450	Maint. & Rep. Operations - Hypo Generators	-	60,000	65,000	52,898	67,315	17,250
1-05-4235-500	Maint. & Repair - Wind Turbine	10,000	6,000	10,000	1,345	39,603	15,719
1-05-4236-000	Palmdale Lake Management	100,000	95,000	100,000	65,913	-	30,104
3-05-4300-100	Filter Media Testing/Inspection	-	-	-	18,348	-	-
1-05-6000-000	Waste Disposal	20,000	26,500	20,000	3,678	10,417	11,899
1-05-6200-000	Uniforms	16,000	12,000	16,000	13,155	14,340	15,886
1-05-6300-100	Supplies - General	15,000	14,500	15,000	13,955	16,939	8,987
1-05-6300-600	Supplies - Lab	60,000	52,000	52,000	51,859	44,895	37,050
1-05-6300-700	Outside Lab Work	100,000	90,000	71,000	53,280	69,835	70,965
1-05-6400-000	Tools	6,000	4,500	6,000	6,504	5,234	9,610
1-05-6500-000	Chemicals	760,000	1,075,000	760,000	779,292	556,243	384,384
1-05-7000-100	Leases - Equipment	3,000	3,000	3,000	-	644	1,157
	Total Operating Expense	1,570,000	1,846,250	1,684,757	1,622,369	1,200,263	962,272
	Total Departmental Expenses	3,012,000	3,333,250	3,032,007	2,993,156	2,682,263	2,540,998

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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.

2018 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. Provided necessary documentation to secure funding of the District's new 2018A series Water Revenue Bond to start construction of the grade-control structure at Littlerock Dam and various capital projects.
6. Liquidated District's obligations in a timely manner.
7. Continued workflow schedule for better closure of financial periods to improve monthly reconciliation processes.
8. Produced annual District budget.

2019 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		BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2019	2018	2018	2017	2016	2015
1-06-4000-000	Salaries	711,750	669,000	697,500	670,064	669,472	800,725
1-06-4000-100	Salaries - Departmental Overtime	3,000	1,000	3,000	1,808	236	4,124
	Subtotal (Salaries)	714,750	670,000	700,500	671,872	669,709	804,849
Employee Benefits							
1-06-4005-000	Payroll Taxes	55,000	48,500	53,250	46,901	47,518	58,773
1-06-4010-000	Health Insurance	101,250	104,500	99,250	88,182	92,028	137,350
1-06-4015-000	PERS	72,500	72,000	94,750	70,754	118,395	138,886
	Subtotal (Benefits)	228,750	225,000	247,250	205,836	257,941	335,009
	Personnel Expenses	943,500	895,000	947,750	877,709	927,650	1,139,858
OPERATING EXPENSES:							
1-06-4050-000	Staff Travel	2,000	1,750	-	-	-	-
1-06-4060-000	Staff Conferences & Seminars	1,500	750	-	-	-	-
1-06-4155-100	Contracted Services - Infosend	270,000	258,000	280,000	261,932	272,395	221,470
1-06-4155-200	Contracted Services - Infosend Drought Related	-	-	-	-	-	5,492
1-06-4155-300	Contracted Services - Vendors	4,250	4,100	-	4,085	-	-
1-06-4155-605	Contracted Services - Assessor Data (Realquest)	-	-	-	-	-	1,650
1-06-4155-610	Contracted Services - Credit Reporting Services	-	-	-	-	-	290
1-06-4155-620	Contracted Services - Letter Extractor (OPEX)	3,000	2,750	2,500	2,805	2,720	2,640
1-06-4155-625	Contracted Services - GASB Actuarial Reports	5,000	5,050	5,000	5,850	3,000	3,150
1-06-4165-000	Memberships/Subscriptions	500	250	500	330	220	110
1-06-4230-110	Maintenance & Repair - Office Equipment	500	-	500	-	-	-
1-06-4235-440	Maint. & Rep. Operations - Large Meters	-	-	-	-	-	2,129
1-06-4235-470	Maint. & Rep. Operations - Meter Exchanges	-	-	-	-	-	138,045
1-06-4250-000	General Material & Supplies	3,000	-	3,000	-	366	2,111
1-06-4260-000	Business Forms	4,000	1,000	4,000	1,598	3,470	10,213
1-06-4270-100	Telecommunication - Office	25,000	30,000	25,000	29,872	24,796	18,200
1-06-4270-200	Telecommunication - Cellular Stipend	24,500	22,550	20,000	19,655	20,360	18,320
1-06-4300-200	Testing - Large Meter Testing	-	-	-	-	-	4,044
1-06-7000-100	Leases - Equipment	3,000	2,500	3,000	2,605	2,609	2,565
	Total Operating Expense	346,250	328,700	343,500	328,732	329,935	430,428
	Total Departmental Expenses	1,289,750	1,223,700	1,291,250	1,206,440	1,257,585	1,570,286

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.

2018 ACCOMPLISHMENTS:

1. Reached out to over 800 students through classroom presentations for student grades 2 – 7.
2. Successfully hosted student contest of Water Awareness Education to local schools within PWD service boundaries, receiving over 300 entries.
3. Revamped and launched 2018 Water-wise Landscape Conversion Program from the previous Cash for Grass program and conducted workshops for potential applicants.
4. Implemented two new rebate programs of Micro Irrigation rebate program and Water-wise sprinkler upgrade.
5. Implemented a Residential Water Survey Program and collateral pieces.
6. Continued public education of water education and awareness through continued free workshops at AVC.
7. Instrumental in recruiting vendors for the Smart Water Expo, part of the Home and Garden Show.
8. Continued meter testing for accuracy and implemented standards for Water Loss Tap audit.
9. Completed 2017 Water Loss Audit.

2019 GOALS:

1. Continue to improve all existing programs.
2. Purchase hands-on educational aides for older students for better understanding of the processes of cleaning water for delivery to end user.
3. Start PWD's first art gallery through contest for public with regards to water, water efficiency, life, earth.
4. Partner with Home Depot to offer DIY classes for fixing leaking toilets, irrigation and related topics.
5. Work with AVRCD to develop future use/program of facilities for student education.
6. Start Phase I to develop grass area at District office for an employee/student education center. Making better use of this area.
7. Continue to host and improve AVC workshops.

Water Conservation

<u>Water Conservation</u>		BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2019	2018	2018	2017	2016	2015
1-07-4000-000	Salaries	156,750	151,250	148,000	142,927	118,371	179,187
1-07-4000-100	Salaries - Departmental Overtime	3,000	2,000	2,500	540	316	812
	Subtotal (Salaries)	159,750	153,250	150,500	143,467	118,687	179,999
Employee Benefits							
1-07-4005-000	Payroll Taxes	12,500	12,250	12,250	11,628	11,546	13,830
1-07-4010-000	Health Insurance	40,400	40,250	40,250	36,439	37,724	37,211
1-07-4015-000	PERS	16,000	17,200	20,000	16,189	18,245	11,369
	Subtotal (Benefits)	68,900	69,700	72,500	64,256	67,515	62,410
	Personnel Expenses	228,650	222,950	223,000	207,723	186,202	242,410
OPERATING EXPENSES:							
1-07-4050-000	Staff Travel	2,500	1,500	2,000	703	-	-
1-07-4060-000	Staff Conferences & Seminars	3,000	1,500	3,000	470	-	-
1-07-4190-300	Public Relations - Landscape Workshop/Training	5,000	2,500	5,000	124	5,164	98
1-07-4190-400	Public Relations - Contests	3,000	1,000	2,000	-	-	602
1-07-4190-500	Public Relations - Education Programs	120,000	1,000	53,000	6,461	299	-
1-07-4190-700	Public Relations - General Media (Public Outreach)	-	-	-	-	39,672	37,343
1-07-4190-900	Public Relations - Other	5,000	3,500	5,000	546	5,717	44,616
1-07-4500-000	Drought Enforcement Expense	-	-	-	-	714	4,735
1-07-6300-100	Supplies - General	7,000	750	7,000	659	2,043	3,376
	Total Operating Expense	145,500	11,750	77,000	8,963	53,609	90,769
	Total Departmental Expenses	374,150	234,700	300,000	216,687	239,810	333,179

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.

2018 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 2018, 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 expansion of the District safety program.
- 6) Coordinated employee recognition events.
- 7) Administrated employee-specific training program through Target Safety.
- 8) Continued grant funded return to work internship program through JVS Antelope Valley AJCC and grant funded internship program through The Foundation for California Community Colleges.
- 9) Conducted tri-annual salary survey.
- 10) Coordinated Cultural Survey with the Mathis Group.

2019 GOALS:

1. Establish Cultural Excellence plan in conjunction with the Mathis Group and the Palmdale Water District Communication Committee.
2. Review and revise job descriptions.
3. Coordinate 2020 Employee Benefits Open Enrollment.
4. Continue focus on increased safety awareness through training and resources.
5. Participate in Communications Committee meetings.
6. Continued focus on cross-training to create a flexible workforce along with a workforce prepared for succession.
7. Establish a Leadership/Management Training Program.
8. Continue and enhance the Palmdale Water District's Internship Program through an outreach to high school students.

Human Resources

Human Resources		BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2019	2018	2018	2017	2016	2015
1-08-4000-000	Salaries	222,750	207,250	220,000	133,004	115,827	110,036
1-08-4000-100	Salaries - Departmental Overtime	1,000	750	-	-	-	-
1-08-4000-200	Salaries - Intern Program	-	-	-	6,236	33,594	46,229
	Subtotal (Salaries)	223,750	208,000	220,000	139,240	149,421	156,266
Employee Benefits							
1-08-4005-000	Payroll Taxes	17,000	16,500	16,750	10,749	11,490	11,999
1-08-4010-000	Health Insurance	31,750	28,500	21,000	19,570	18,080	17,698
1-08-4015-000	Pers	18,000	18,000	21,000	8,753	12,669	1,100
	Subtotal (Benefits)	66,750	63,000	58,750	39,071	42,239	30,797
	Personnel Expenses	290,500	271,000	278,750	178,312	191,659	187,063
OPERATING EXPENSES:							
1-08-4050-000	Staff Travel	1,500	500	1,500	1,433	40,694	36,944
1-08-4060-000	Staff Conferences & Seminars	1,500	-	1,500	749	14,097	20,796
1-08-4070-000	Employee Expense	50,000	75,000	50,000	59,183	49,291	58,725
1-08-4080-000	Succession Planning	-	-	200,000	-	-	-
1-08-4095-000	Employee Recruitment	3,000	10,000	3,000	5,036	1,822	1,847
1-08-4100-000	Employee Retention	5,000	30,000	5,000	3,009	12,836	15,774
1-08-4105-000	Employee Relations	3,500	2,500	3,500	3,752	2,181	2,727
1-08-4110-000	Consultants	-	-	-	-	3,797	-
1-08-4120-100	Training - Safety	35,000	37,500	35,000	24,220	24,112	40,551
1-08-4120-200	Training - Specialty	15,000	20,000	15,000	11,862	15,171	20,008
1-08-4121-000	Safety/HR Program	1,000	1,000	1,000	-	614	200
1-08-4165-000	Memberships/Subscriptions	1,600	1,250	1,600	1,535	947	964
1-08-4165-100	HR/Safety Publications	1,000	500	1,000	-	120	336
1-08-6300-500	Supplies - Safety	30,000	30,000	40,000	29,338	33,640	20,563
	Total Operating Expense	148,100	246,126	358,100	140,116	199,320	219,435
	Total Departmental Expenses	438,600	517,126	636,850	318,428	390,980	406,497

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.

2018 ACCOMPLISHMENTS:

1. Replaced and upgraded VMWare servers.
2. Redesigned virtual network.
3. Upgraded financial system software and database.
4. Upgraded existing network security.
5. Upgraded WTP access control and security.
6. Upgrade financial system software and database.
7. Continued with certification of IT staff on various systems.

2019 GOALS:

- 1) Replace End of Life (EoL) WiFi access points
- 2) Enhance network security and reporting
- 3) Veeam / Microsoft / VMWare training and certification.
- 4) Continued maintenance of the District network, desktops, servers and mobile devices.

Information Technology

Information Technology		BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2019	2018	2018	2017	2016	2015
1-09-4000-000	Salaries	213,500	183,500	180,000	178,266	208,849	224,583
1-09-4000-100	Salaries - Departmental Overtime	3,000	1,500	2,500	981	1,761	3,292
	Subtotal (Salaries)	216,500	185,000	182,500	179,247	210,611	227,875
Employee Benefits							
1-09-4005-000	Payroll Taxes	17,000	14,750	13,750	12,979	14,987	16,373
1-09-4010-000	Health Insurance	24,750	26,250	30,250	27,143	33,903	37,293
1-09-4015-000	PERS	21,750	19,000	23,250	17,825	35,653	37,295
	Subtotal (Benefits)	63,500	60,000	67,250	57,947	84,542	90,961
	Personnel Expenses	280,000	245,000	249,750	237,194	295,153	318,836
OPERATING EXPENSES:							
1-09-4050-000	Staff Travel	3,000	2,000	3,000	610	-	-
1-09-4060-000	Staff Conferences & Seminars	10,000	10,000	10,000	6,433	-	-
1-09-4155-801	Cloud Services-MS-Office 360	30,000	25,750	22,000	-	-	-
1-09-4155-802	Cloud Services-MS-Project	3,000	750	1,800	-	-	-
1-09-4155-803	Cloud Services-MS-Visio	1,000	150	300	-	-	-
1-09-4155-804	Cloud Services-Adobe-Creative Suite	5,000	-	4,200	-	-	-
1-09-4155-805	Cloud Services-SeamlessDocs	5,000	10,000	5,000	-	-	-
1-09-4155-806	Cloud Services-IPSw itch-Moveit	6,000	6,000	6,000	-	-	-
1-09-4155-807	Cloud Services-GFI Fax	2,500	2,600	2,000	-	-	-
1-09-4155-808	Cloud Services-Know Be4-Security Awareness	1,500	-	1,400	-	-	-
1-09-4155-809	Cloud Services-Netw ork Solutions-DNS, Web Registration	4,000	5,000	2,000	-	-	-
1-09-4155-810	Cloud Services-IBM-MaaS 360	6,000	2,750	5,400	-	-	-
1-09-4155-811	Cloud Services-MSP Portal-Bit Defender	3,150	3,150	2,800	-	-	-
1-09-4155-812	Cloud Services-Akins-WiFi	3,100	3,100	2,400	-	-	-
1-09-4155-813	Cloud Services-FleetMate	6,500	1,000	6,100	-	-	-
1-09-4155-814	Cloud Services-Security Metrics-PCI Compliance	3,000	3,100	2,600	-	-	-
1-09-4155-815	Cloud Services-Citrix	2,000	-	-	-	-	-
1-09-4155-905	Contracted Services - Offsite Services	5,000	-	5,000	3,420	3,420	4,098
1-09-4155-910	Contracted Services - Printer Services	2,500	2,500	2,500	-	6,994	4,695
1-09-4155-915	Contracted Services - Website Design Services	3,600	10,000	20,000	9,989	16,166	15,808
1-09-4155-920	Contracted Services - Telephony Services	5,000	2,500	3,500	3,154	248	-
1-09-4155-925	Contracted Services - Cloud Services	-	-	-	36,906	46,969	38,976
1-09-4155-930	Contracted Services - Netw ork Services	35,000	15,000	35,000	19,953	58,793	43,783
1-09-4155-935	Contracted Services - Hardw are Warranties	15,000	5,000	5,000	848	315	-
1-09-4155-940	Contracted Services - Access Control	55,000	30,000	30,000	-	-	-
1-09-4165-000	Memberships/Subscriptions	2,500	500	2,500	459	1,410	1,410
1-09-4230-120	Maintenance & Repair - Computer	-	-	-	-	-	-
1-09-4270-100	Telecommunication - Office Phone	17,500	15,500	16,500	14,878	15,260	16,469
1-09-4270-125	Telecommunication - Office Backbone	22,000	21,000	22,000	21,530	21,453	18,540
1-09-4270-150	Telecommunication - WTP Backbone	15,000	11,500	15,000	10,348	11,463	13,379
1-09-4270-300	Telecommunication - Cellular (Data & On-Call)	45,000	46,500	45,000	43,587	32,193	26,543
1-09-8000-100	Computer Equipment - Computers	45,000	38,000	45,000	40,143	30,158	17,426
1-09-8000-200	Computer Equipment - Mobility	45,000	15,000	45,000	37,199	23,883	6,549
1-09-8000-300	Computer Equipment - Monitors	2,000	2,500	2,000	1,470	192	-
1-09-8000-400	Computer Equipment - Printers	-	-	-	-	-	-
1-09-8000-500	Computer Equipment - Printer Supplies	3,000	3,750	3,000	159	350	1,494
1-09-8000-550	Computer Equipment - Telephony	3,000	-	3,000	840	300	362
1-09-8000-600	Computer Equipment - Other	25,000	15,000	40,000	27,649	22,330	18,473
1-09-8000-650	Computer Equipment - Warranty and Support	15,000	10,000	10,000	-	-	-
1-09-8100-100	Softw are - Maint. and Support	-	1,000	-	48,774	49,537	60,616

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Information Technology (Continued)

OPERATING EXPENSES (Continued):

1-09-8100-101	Software M&S - Xtelesis-Phone	10,000	12,500	8,200	-	-	-
1-09-8100-102	Software M&S- Tredent-Appassure	8,000	7,500	7,900	-	-	-
1-09-8100-103	Software M&S- ConduSive/V-locity-Diskeeper	4,500	4,250	4,100	-	-	-
1-09-8100-104	Software M&S- FWI	500	-	400	-	-	-
1-09-8100-105	Software M&S- Strategy 7	2,500	750	700	-	-	-
1-09-8100-106	Software M&S- Astria Solutions-Docstar	16,000	13,000	15,500	-	-	-
1-09-8100-107	Software M&S- NemoQ-Ticketing	2,500	2,000	2,100	-	-	-
1-09-8100-108	Software M&S- FMT-Management Reporter	1,500	250	1,100	-	-	-
1-09-8100-109	Software M&S- Neogov	8,000	8,000	8,000	-	-	-
1-09-8100-110	Software M&S- TruePoint	45,000	50,000	40,000	34,290	-	-
1-09-8100-111	Software M&S- Technology Unlimited	2,000	1,750	1,700	-	-	-
1-09-8100-112	Software M&S- Sierra Workforce-Timesheet	4,000	2,000	3,800	-	-	-
1-09-8100-113	Software M&S- Tredent-SAN Manager	3,000	-	2,600	-	-	-
1-09-8100-114	Software M&S- Faranics-Powersaver	200	-	200	-	-	-
1-09-8100-115	Software M&S- Netwrix-Monitoring	2,000	2,250	2,000	-	-	-
1-09-8100-116	Software M&S- VMWare-Virtualization	1,000	6,750	7,000	-	-	-
1-09-8100-117	Software M&S- iPrism-Web Filter	26,000	-	26,000	-	-	-
1-09-8100-118	Software M&S- Quest-VMWare Recovery	8,500	-	8,300	-	-	-
1-09-8100-140	Software M&S - Starnik	-	-	-	63,274	94,800	108,675
1-09-8100-150	Software M&S- Dynamics GP	55,000	45,000	60,000	46,847	60,653	46,869
1-09-8100-200	Software - Software and Upgrades	20,000	8,500	20,000	16,845	10,094	12,869
	Total Operating Expense	676,050	485,100	646,600	489,605	506,978	457,034
	Total Departmental Expenses	956,050	730,100	896,350	726,798	802,131	775,870

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Customer Care Department

DESCRIPTION:

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

2018 ACCOMPLISHMENTS:

- 1) Continued building work knowledge with TruePoint billing system.
- 2) Increased communication between departments by aiding with TruePoint.
- 3) Lobby displayed 100-Year memorabilia and promoting materials.
- 4) Updated RAP forms for more efficient processing and email reminders.
- 5) Field Customer Care Representatives performed accuracy check by walking routes from meter change out program to ensure proper billing.
- 6) Promoting potlucks monthly to celebrate birthdays for team building and interdepartmental relations.
- 7) Completed the lobby spruce up.
- 8) Implemented a rotation for projects and HALO training for self-improvement.
- 9) Connected with Water-Efficiency Department and began Residential Surveys.
- 10) Proactively contacted customers with high usage.
- 11) Performed data logging with 100W ERTs.
- 12) Greater understanding by office Customer Care Representatives of the field procedures via ride-a-longs.
- 13) Implemented interdepartmental cross-training.
- 14) Collaborated with Engineering Department to organize the access meter letters.

2019 GOALS:

- 1) Texting options for customers.
- 2) Continue building the fillable forms available to customers.
- 3) Improve Customer Care office with:
 - Sit/Stand stations for a more ergonomical workstation.
 - Lower cubicles for communication and transparency.
- 4) Purchase a TV monitor for the Customer Care area for District informational purposes and communication.
- 5) Implement new organizational chart for Field Customer Care.
- 6) Continue efforts in providing training of Customer Care staff.

Customer Care

Customer Care		BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2019	2018	2018	2017	2016	2015
1-10-4000-000	Salaries	921,500	903,500	897,000	871,635	886,578	760,523
1-10-4000-100	Salaries - Departmental Overtime	7,500	6,000	7,500	4,872	6,142	7,206
	Subtotal (Salaries)	929,000	909,500	904,500	876,506	892,720	767,730
Employee Benefits							
1-10-4005-000	Payroll Taxes	72,250	69,500	68,500	64,404	68,418	61,283
1-10-4010-000	Health Insurance	217,250	207,500	181,500	176,657	213,071	179,858
1-10-4015-000	PERS	94,000	98,000	121,500	90,241	174,644	112,253
	Subtotal (Benefits)	383,500	375,000	371,500	331,302	456,134	353,394
	Personnel Expenses	1,312,500	1,284,500	1,276,000	1,207,808	1,348,853	1,121,123
OPERATING EXPENSES:							
1-10-4050-000	Staff Travel	2,000	500	2,000	1,759	-	-
1-10-4060-000	Staff Conferences & Seminars	3,000	250	3,000	2,090	-	-
1-10-4155-005	Contracted Services - Assessor Data (Realquest)	10,000	10,000	10,000	9,900	9,900	8,250
1-10-4155-010	Contracted Services - Credit Reporting Services	4,000	4,000	4,000	3,917	3,952	4,167
1-10-4155-015	Contracted Services - AMR Services (Itron)	8,000	6,000	8,000	7,598	5,454	5,888
1-10-4155-020	Contracted Services - NEMO-Q System	-	-	-	-	1,945	-
1-10-4230-110	Mfce & Rep Office - Equipment	200	-	200	-	499	-
1-10-4250-000	General Material & Supplies	7,000	6,500	7,000	7,055	7,209	5,973
1-10-4260-000	Business Forms	1,000	-	2,500	-	592	1,471
	Total Operating Expense	35,200	27,250	36,700	32,319	29,551	25,749
	Total Departmental Expenses	1,347,700	1,311,750	1,312,700	1,240,127	1,378,405	1,146,872

APPENDIX

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Budget Control Guidelines

The 2019 Budget approved by the Board of Directors will serve as the basis for operating Palmdale Water District. It includes many 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 2019 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. 18-10

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. 13-13) 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). These funds are deposited in the Capital Improvement Fund described below. 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. Other legally restricted funds, including bond proceeds funds, reserve funds or rate stabilization funds, are described below.

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 or similar indebtedness like a private placement loan, certificate of participation or other indebtedness instrument. 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. These funds should be tracked and accounted for in accordance with the bond documents and to ensure, if applicable, the tax- exempt nature of the applicable bonds. These funds shall also be invested as provided in the bond documents.

3. *Debt Service Reserve Funds:*

This fund is governed by legal bond covenants for the District's revenue bonds. Bond covenants may require that this fund be maintained at a level sufficient to fund maximum annual debt service payments or such other requirement of the Internal Revenue Code. These funds are held by the bond trustee during the term of the bonds and are to be used in the event 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 or as otherwise required by the bond documents.

A Reserve Fund for the Palmdale Water District Public Financing Authority Water Revenue Bonds, Series 2013A (the "2013A Bonds") and the Palmdale Water District Public Financing Authority Water Revenue Refunding Bonds (the "2018A Bonds") is established pursuant to the Indentures for each of the bonds in an amount equal to the Reserve Requirement. Assured Guaranty Municipal Corp. ("AGM") has issued a municipal bond debt service reserve insurance policy in an amount equal to the initial Reserve Requirement for deposit in the Reserve Fund for the 2013A Bonds. Build America Mutual Assurance Company ("BAM") has issued a municipal bond debt service reserve insurance policy in an amount equal to the initial Reserve Requirement for deposit in the Reserve Fund for the 2018A Bonds.

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 for each of the 2013A Bonds and the 2018A Bonds.

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 an event during the time applications for FEMA reimbursement are in process following an event.

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 \$5.7 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 \$5.7 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 25th day of September 2018 by the following vote:

Ayes: Vice President Mac Laren, Director Alvarado, Director Henriquez

Noes: None

Absent: President Dino, Director Estes

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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2019 Water Rate Schedule

Meter Fee Charge (Effective 01/01/2019)	
5/8"	37.77
1"	37.77
1-1/2"	113.30
2"	173.74
3"	314.78
4"	516.26
6"	1,019.96
8"	1,624.40
10"	2,329.60

Commodity Rates (\$/ccf)	
Tiers	
Essential Use – Tier 1	0.88
Efficient Use – Tier 2	1.01
Tier 3	2.86
Tier 4	4.31
Tier 5	5.57
Tier 6	7.16
Water Quality Fee (\$/ccf)	
0.11	
Elevation Booster Surcharge (\$/ccf)	
B	-
A1	0.08
A2	0.61
A3	1.26
Drought Surcharge	0.53

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2019 Holiday Observance Calendar

January							February							March								
		31	1	2	3	4	5							1	2						1	2
6	7	8	9	10	11	12	3	4	5	6	7	8	9	3	4	5	6	7	8	9		
13	14	15	16	17	18	19	10	11	12	13	14	15	16	10	11	12	13	14	15	16		
20	21	22	23	24	25	26	17	18	19	20	21	22	23	17	18	19	20	21	22	23		
27	28	29	30	31			24	25	26	27	28			24	25	26	27	28	29	30		
														31								

April							May							June						
	1	2	3	4	5	6				1	2	3	4							1
7	8	9	10	11	12	13	5	6	7	8	9	10	11	2	3	4	5	6	7	8
14	15	16	17	18	19	20	12	13	14	15	16	17	18	9	10	11	12	13	14	15
21	22	23	24	25	26	27	19	20	21	22	23	24	25	16	17	18	19	20	21	22
28	29	30					26	27	28	29	30	31		23	24	25	26	27	28	29
														30						

July							August							September						
	1	2	3	4	5	6					1	2	3	1	2	3	4	5	6	7
7	8	9	10	11	12	13	4	5	6	7	8	9	10	8	9	10	11	12	13	14
14	15	16	17	18	19	20	11	12	13	14	15	16	17	15	16	17	18	19	20	21
21	22	23	24	25	26	27	18	19	20	21	22	23	24	22	23	24	25	26	27	28
28	29	30	31				25	26	27	28	29	30	31	29	30					

October							November							December						
		1	2	3	4	5						1	2	1	2	3	4	5	6	7
6	7	8	9	10	11	12	3	4	5	6	7	8	9	8	9	10	11	12	13	14
13	14	15	16	17	18	19	10	11	12	13	14	15	16	15	16	17	18	19	20	21
20	21	22	23	24	25	26	17	18	19	20	21	22	23	22	23	24	25	26	27	28
27	28	29	30	31			24	25	26	27	28	29	30	29	30	31	1			

PWD Observed Holiday

PWD Observed Holiday (Dates Subject to Change)

PWD Scheduled Office Closure (Dates Subject to Change)

January 21 – Martin Luther King Jr. Day

February 18 – Presidents Day

May 27 – Memorial Day

July 4 - Independence Day

September 2 – Labor Day

November 11 – Veterans Day

November 28 & 29 – Thanksgiving

December 24 & 25 - Christmas

December 27 & 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 is an electronic network for financial transactions in the United States. ACH processes large volumes of credit and debit transactions in batches.
ACWA	Association of California Water Agencies represents and provides key services to its members. From legislation to regulatory activities 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 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 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 is a 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	The California Environmental Quality Act is a 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 to submit documentation of their potential environmental impact. (http://ceres.ca.gov/ceqa)
CIF	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 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 is the recognized voice for all special districts. CSDA provides advocacy, outreach and member services, while educating policymakers 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	The Division of Safety of Dams is the Department of Water Resources, entity entrusted to protect people against loss of life and property from dam failure.
DWR	California Department of Water Resources is a 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 is a process that enables bills to be created, delivered, and paid via the internet.
EIR	Environmental Impact Report 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 disclosure of possible ways to reduce or avoid possible environmental damage.
EIS	Environmental Impact Study – See EIR
ELAP	Environmental Laboratory Accreditation Program is a way to implement a sustainable accreditation program that ensures laboratories generate environmental and public health data of known, consistent, and documented quality to meet stakeholder needs.
EPA	Environmental Protection Agency is 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 is a form of carbon that has been processed to make it extremely porous, and thus, has a very large surface area available for adsorption or chemical reactions. These carbons are preferred for all adsorption of gases and vapors as their rate of diffusion are faster. Granulated carbons are used for water treatment, deodorization and separation of components of flow system.

Glossary of Terms *(Continued)*

GASB	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 helps guide and educate the public, including issuers, auditors, and users of those financial reports. (http://www.gasb.org)
GCMS	Gas Chromatography–Mass Spectrometry is an analytical method that combines the features of gas-chromatography and mass spectrometry to identify different substances within a test sample.
GIS	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 for remote sensing, land surveying, aerial photography, mathematics, photogrammetry, geography, and tools that can be implemented with GIS software.
IVR	Interactive Voice Recognition is a technology that allows a computer to interact with humans through the use of voice and DTMF tones input via a keypad.
LIMS	Laboratory Information Management System is a software system developed to support laboratory operations. This software system can track specimens and workflows, aggregate data for research or business intelligence purposes, and ensure laboratory operations are compliant with various standards and regulations.
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 is a chemical compound that is manufactured by the chemical reaction of methanol and isobutylene. MTBE is almost exclusively used as a fuel additive in motor gasoline.
O&M	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 obligations are primarily for retiree healthcare costs but also can include other benefits such as insurance.
PEPRA	California Public Employees' Pension Reform Act of 2013. The District 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 is a state retirement system covering Palmdale Water District employees and retirees. The retirement program provides retirement income levels dependent on age and length of participation.

Glossary of Terms *(Continued)*

RFP	Request for Proposals is a document that solicits proposals, often made through a bidding process by an agency or company interested in procurement of a commodity, service, or asset, to potential suppliers to submit business 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 is administered by the California 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.
SWRCB	State Water Resources Control Board, or State Water Board, is the state agency given the regulatory responsibility to protect the water quality of nearly 1.6 million acres of lakes, 1.3 million acres of bays and estuaries, 211,000 miles of rivers and streams, and about 1,100 miles of coastline. The mission of the State and Regional Water Boards is to preserve, enhance, and restore the quality of the state's water resources and ensure their proper allocation and efficient use for the benefit of present and future generations.
THM/TTHM	Trihalomethanes (THM) are a group of four chemicals that are formed along with other disinfection by-products 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 oversees regulating the total trihalomethanes (TTHM) at a maximum allowable annual average in drinking water.
VOC	Volatile Organic Compounds are groundwater contaminants of concern because of very large environmental releases, human toxicity, and a tendency for some compounds to persist in and migrate with groundwater to drinking water supply wells.
WI-FI	Wi-Fi is a popular technology that allows an electronic device to exchange data or connect to the internet wirelessly using radio waves.