



PALMDALE WATER DISTRICT
A CENTURY OF SERVICE



OPERATING BUDGET – Calendar Year 2021

(Adopted: November 23, 2020)

2029 East Avenue Q
Palmdale, CA 93550
PalmdaleWater.org 661-947-4111



PALMDALE WATER DISTRICT

A CENTURY OF SERVICE

BOARD OF DIRECTORS

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Division 1

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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) 2021, approved November 23, 2020.

Palmdale Water District expects operating revenues of \$29.4 million with \$26.24 million of operating expenses. Planned capital expenditures are \$3.11 million, and financial obligations for payment of principal and interest on debt are \$4.77 million. Budgeted salary and benefits expense are slightly more compared to CY 2020.

The CY 2021 Budget addresses the Board of Director's updated 2020 Strategic Plan, deals with the ongoing issues related to the COVID-19 pandemic, 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, excellent customer care, 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 accessible 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

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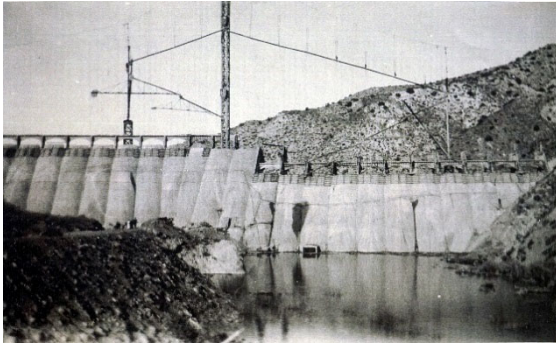
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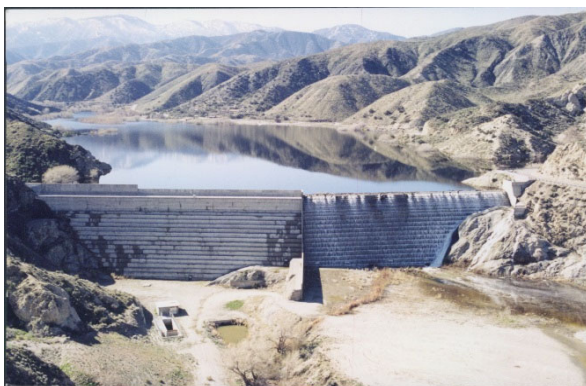
INTRODUCTION

Thank you for your interest in Palmdale Water District (PWD) and its approved 2021 Budget. The following provides an overview of the 2021 Budget and how it relates to the 2020 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 2021 Budget. The focus is detailed in the District's 2020 Strategic Plan Update and in its 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-use efficiency, 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 care 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 every two years. 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 2020 and 2018 updates follow the same categories that were established in the 2016 update.

2020 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 2021 Budget.



Water Resource Reliability (Resilience, Development, Partnership)

- Support and participate with local agencies in the development of projects and policies that improve water reliability
- Expand the recycled water distribution system for both public access and construction water
- Continue the Palmdale Regional Groundwater Recharge and Recovery Project to maximize state and federal funding opportunities
- Support projects and initiatives that increase the resilience of the State Water Project
- Expand access to available water supplies to increase drought resiliency, develop water storage projects, and improve the ability to capture groundwater, local surface water, and recycled water
- Update the 2010 Strategic Water Resources Plan and Water Supply Fee to ensure funding for needed projects
- Strengthen stakeholder relationships and implement Littlerock Dam and Reservoir sediment removal



Organizational Excellence (Train, Perform, Reward)

- Offer competitive compensation and benefits package for employee recruitment and 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
- Ensure employees are trained on the Strategic Plan and the District's Values of Diversity, Integrity, Teamwork, and Passion
- Improve safety for Directors, employees, and customers
- Develop career paths at the District for interns and pursue state and federal funding for intern programs
- Involve employees in community engagement and professional platforms



Systems Efficiency (Independence, Technology, Research)

- Explore energy independence and evaluate the feasibility of energy options, including wind and solar
- Incorporate more energy efficient technologies into the District's infrastructure
- Advance new technologies to increase treatment efficiencies, including the use of Granular Activated Carbon (GAC)
- Research state-of-the-art treatment techniques to help with systems efficiency and flexibility in using recycled water and surface water
- Enhance technologies to increase efficiencies
- Re-evaluate Lake Palmdale by-pass pipeline and pursue funding options
- Improve Palmdale Ditch to reduce water loss



Financial Health and Stability (Strength, Consistency, Balance)

- Pursue grant funding for District projects and operations
- Maintain the five-year financial plan adopted as part of the 2019 Water Rate Study, including the five-year Capital Improvement Plan
- Build adequate reserve levels and achieve high-level bond rating
- Seek potential revenue sources from vacant District properties
- Monitor finances, operations, and projects affected by emergencies
- Digitize and document departmental workflows

2020 STRATEGIC PLAN (cont.)



Regional Leadership (Engage, Lead, Progress)

- Increase involvement with water, business, and community partnerships
- Provide opportunities for local businesses to contract with the District
- Expand the Greater Antelope Valley Water Emergency Coalition by continuing to collaborate with neighboring water agencies and moving to include more agencies outside of the Antelope Valley
- Develop working relationships and mutually beneficial projects with other water agencies in the District's state and federal representatives' districts
- Develop events or activities with lessees of District properties
- Host a 100th anniversary celebration for a fully re-opened Littlerock Dam and Reservoir recreation area in 2024



Customer Care, Advocacy, and Outreach (Promote, Educate, Support)

- Enhance customers' experience through communication and feedback
- Evaluate, develop, and market additional payment options
- Develop the District's Public Outreach Plan and increase public awareness of current programs and services
- Develop partnerships with various agencies to distribute information about resources available to the public
- Engage elected officials and the public on the importance of local, state, federal, and global water reliability issues
- Expand the District's social media platforms and find new avenues to share information and news
- Plan and convert to an Advanced Metering Infrastructure (AMI) to increase customers' knowledge of water use
- Continue to promote and expand school water education programs

OPERATING BUDGET OVERVIEW – Recovering Demands and Controlled Expenses

The District's CY 2021 Operating Revenues are budgeted at just over \$29.4 million and is roughly \$2.11 million more than the CY 2020 Budget. Operating Revenues by category are summarized below:

	CY 2020 BUDGET	CY 2021 BUDGET	% Change
OPERATING REVENUES:			
Water consumption sales	\$ 10,323,794	\$ 12,514,400	21.2%
Monthly meter service charge	14,956,694	14,865,600	(0.6%)
Water quality fees	783,015	781,860	(0.1%)
Elevation Fees	354,450	366,843	3.5%
Other water service charges	877,625	880,258	0.3%
TOTAL OPERATING REVENUES:	\$ 27,295,578	\$ 29,408,961	7.7%

The District's CY 2021 Operating Expenses are budgeted just over \$25.0 million, compared to \$23.5 million in the CY 2020 budget. Operating Expenses by category are summarized below:

OPERATING EXPENSES:			
Source of supply - purchased water	\$ 3,104,491	\$ 3,306,000	6.5%
Directors	144,150	147,790	2.5%
Administration	4,185,109	4,542,666	8.5%
Engineering	1,635,725	1,678,000	2.6%
Facilities	6,449,794	6,164,200	(4.4%) ¹
Operations	3,248,390	3,409,900	5.0%
Finance	1,346,687	1,720,050	27.7% ¹
Water-Use Efficiency	358,682	390,950	9.0%
Human Resources	492,512	508,900	3.3%
Information Technology	1,229,489	1,739,300	41.5% ¹
Customer Care	1,292,548	1,466,700	13.5%
TOTAL OPERATING EXPENSES:	\$ 23,487,577	\$ 25,074,456	6.8%

The CY 2021 capital portion of the budget includes potential expenditures of \$10.63 million. This includes \$3.11 million in capital projects started in prior years, \$2.65 million in new capital projects and \$3.70 million in capital projects covered by the 2021 WRB Issue, \$600,000 for sediment removal at Littlerock Dam and \$565,860 in plant expenditures.

¹ 2021 Expenses in the Facilities, Finance, and Information Technology departments change due to re-alignment of staff personnel and the associated expense for those individuals from prior year.

REVENUES

In 2019, the District conducted a new, multi-year rate plan. This was conducted by consulting firm Robert D. Niehaus, Inc. (RDN). This new, multi-year rate plan was approved by the Board of Directors on October 28, 2019 and established an annual rate adjustment of 8.1% in total operating revenue related to the fixed meter fee and variable consumption. This rate plan began in 2020 and will run through 2024. Rate changes apply to both the monthly meter charge and commodity rates shown below.

The District is projecting customer usage of 16,317 acre-feet of potable water sales for CY 2021, compared to projected 16,341 acre-feet of potable water sales for CY 2020. This corresponds to the projected usage established in the rate study where conservation would maintain usage similar from year to year moving forward.

Tiered Commodity Rates (\$/CCF)

	CY 2020	CY 2021	CY 2022	CY 2023	CY 2024
Tier 1	0.88	0.93	0.98	1.03	1.08
Tier 2	1.52	1.63	1.74	1.86	1.98
Tier 3	2.03	2.15	2.27	2.40	2.54
Tier 4	3.29	3.51	3.74	3.98	4.23
Tier 5	4.64	5.01	5.39	5.79	6.23

Monthly Meter Charge

	CY 2020	CY 2021	CY 2022	CY 2023	CY 2024
1" and Smaller	38.22	41.60	45.52	49.79	54.43
1.5"	92.99	101.49	111.51	122.47	134.37
2"	140.84	153.81	169.16	185.96	204.21
3"	252.48	275.89	303.69	334.10	367.16
4"	412.05	450.38	495.96	545.84	600.07
6"	810.62	886.21	976.21	1,074.72	1,181.81
8"	1,289.09	1,409.41	1,552.74	1,709.62	1,880.17
10"	1,847.47	2,019.99	2,225.56	2,450.56	2,695.17

The CY 2021 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 2021 will decrease to \$0.09/ccf.

(Continued next page)

District staff also continually reviews Edison rate structures to minimize the cost of moving water to higher elevations. This includes optimized run times to take advantage of lower power costs during off-peak times and proactive maintenance schedule of booster and well facilities to lessen the impact on expenses related to emergency equipment failures. The costs were also put into 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 2019	CY 2020	CY 2021
Water Quality Fee (\$/ccf)	0.11	0.11	0.09
Elevation Booster Surcharge (\$/ccf)			
Base	-	-	-
Zone A1	0.08	0.08	0.08
Zone A2	0.61	0.62	0.61
Zone A3	1.26	1.26	1.23

EXPENSES

The CY 2021 operating expenses show an overall increase from the 2020 Budget. Most of this increase is related to increased purchased water and related treatment due to the Valley’s groundwater basin adjudication, additional costs related to GAC filter media replacement, increases in employee-related expenditures, and the additional cost of sedimentation removal (Year 1 carry-over) at Littlerock Dam. This also reflects the District’s efforts to control costs in other areas, 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 2021 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, water-saving workshops, and quarterly newsletters. The 2021 Budget continues again this year with \$236,500 allocated 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 2021 Budget also includes \$25,000 for the quarterly publication of “The Pipeline,” an external newsletter.

CAPITAL PROJECTS

As previously stated, the CY 2021 capital portion of the budget includes potential expenditures of \$10.63 million. They are summarized on Pages 21-23 in the “Basis of the Budget” section. The total includes expenditures for projects, equipment, and planning studies that were contractually committed in 2019/20 but will be finished and expensed in 2021. All the carry-over projects, contractually committed as well as plant expenditures, are shown in the tables on Pages 21. Page 22 and 23 contain the list of new project requests identified in the 2019 Water Rate Study.

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 \$565,860 that are related to safety and regulatory requirements and equipment replacement, and \$6,349,000 for replacement capital/equipment.

Page 21 shows the planned expenditure of \$720,271 in 2021 for the final portion of the District’s share of the Upper Amargosa Creek Recharge Project. The District’s participation and operational capacity of the Upper Amargosa Creek 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. This project was completed in 2020, allowing the District to move into the next phase of expanding water storage through sediment removal. 2021 will be the start of this removal and will also include continued permitting and implementation in subsequent years until the full capacity is realized at Littlerock Dam.

The District will secure funding of an additional \$20,000,000 Water Revenue Bond for infrastructure improvements starting in 2021. This bond will fund capital projects in the amount of \$3.7 million in 2021 related to wells, boosters, and pipeline replacement throughout the District. These projects are shown on page 21 and 23.

The District has also included on Page 25 and 26 a listing of future project expenditures, broken down by category, that are currently deferred or will be funded in future years.

BUDGET SUMMARY

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Summary of Revenues and Expenditures – 2021 Budget

Cash Basis (16,317 Ac. Ft.)		
Activity	Estimated Cash Revenues	Estimated Cash Expenditures
Net Water Sales	\$ 12,514,400	
Meter Fees	14,865,600	
Elevation Fees	366,843	
Other Operating Revenue	880,258	
Water Quality Fees (Restricted Use)	781,860	
(Increase)/Decrease in Cash (From Operating)	(3,168,645)	
Directors		\$ 147,790
Administration		4,542,666
Engineering		1,678,000
Facilities		6,164,200
Operations		3,409,900
Finance		1,720,050
Water-Use Efficiency		390,950
Human Resources		508,900
Information Technology		1,739,300
Customer Care		1,466,700
Water Purchases		2,400,000
Plant Expenditures & Sediment Removal		1,165,860
Water Quality Expense (GAC)		906,000
SUBTOTAL OPERATING	\$ 26,240,316	\$ 26,240,316
Projected Beginning Cash - 01/01/2021	\$ 12,172,302	
Assessments received	7,475,000	
Capital Improvement Fees	600,000	
State Grants	100,000	
Interest on Investments	175,000	
Other Income	50,000	
Payments for State Water Project		5,333,492
Principal Paid on Long-Term Debt		2,038,503
Interest Paid on Long-Term Debt		2,554,245
Capital Leasing		178,953
Investments in PRWA		300,000
Water-Use Efficiency		236,500
Acquisition of Property, Plant & Equipment		3,108,804
	<u>\$ 20,572,302</u>	<u>\$ 13,750,497</u>
Projected Ending Cash - Non-Operating	6,821,804	
Rate Stabilization Fund	-	
Increase/(Decrease) in Cash (From Operating)	3,168,645	
Projected Ending Cash - 12/31/2021	9,990,449	
Less Restricted Cash	-	
Available Operating Cash - 12/31/2021	\$ 9,990,449	

Summary of Revenues and Expenditures – 2020 Projected

Cash Basis (16,317 Ac. Ft.)		
Activity	Estimated Cash Revenues	Estimated Cash Expenditures
Net Water Sales	\$ 11,400,000	
Meter Fees	13,837,400	
Elevation Fees	372,000	
Other Operating Revenue	536,500	
Water Quality Fees (Restricted Use)	835,500	
(Increase)/Decrease in Cash (From Operating)	(4,235,696)	
Directors		\$ 86,207
Administration		4,195,901
Engineering		1,562,844
Facilities		6,550,137
Operations		3,210,039
Finance		1,333,589
Water-Use Efficiency		251,244
Human Resources		449,547
Information Technology		1,265,200
Customer Care		1,340,814
Water Purchases		1,788,182
Capitalized Expenditures		135,000
Water Quality Expense (GAC)		577,000
SUBTOTAL OPERATING	\$ 22,745,704	\$ 22,745,704
Projected Beginning Cash - 01/01/2020	\$ 12,421,118	
Assessments received	7,506,000	
Capital Improvement Fees	1,235,438	
State Grants	-	
Interest on Investments	196,000	
Other Income	8,000	
Payments for State Water Project		5,239,031
Principal Paid on Long-Term Debt		1,790,001
Interest Paid on Long-Term Debt		2,453,751
Capital Leasing		178,953
Investments in PRWA		311,600
Water-Use Efficiency		55,000
Acquisition of Property, Plant & Equipment		3,401,614
	\$ 21,366,556	\$ 13,429,950
Projected Ending Cash - Non-Operating	7,936,606	
Rate Stabilization Fund	-	
Increase/(Decrease) in Cash (From Operating)	4,235,696	
Projected Ending Cash - 12/31/2020	12,172,302	
Less Restricted Cash	-	
Available Operating Cash - 12/31/2020	\$ 12,172,302	

Fund Analysis – 2019 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 12/31/2018	2019 Budget		Actual Ending Balance 12/31/2019
		Sources	Uses	
Net Operating Income		\$ (3,777,683)		
Adjustment - Water Quality (GAC Media)		439,601		
Adjustment - Depreciation/Amortization Add Back		5,257,262		
Adjustment - Post-Employment Benefits (GASB 45)		1,983,447		
Adjustment - Bad Debt		15,258		
Adjustment - Service Costs Construction		190,777		
Adjustment - Capitalized Construction		(1,360,768)		
Net Non-Operating Income		3,511,876		
Cash from Revenues above Expenses to place into funds		\$ 6,259,771		
Reserve Funds (Based on Resolution No. 13-13)				
1 Capital Improvement Fund (CIF)	\$ -	\$ 984,101	\$ 984,101	\$ -
2 Bond Proceeds Fund	11,706,447	-	7,340,361	4,366,086
3 Debt Service Reserve Fund	-	-	-	-
4 Rate Stabilization Fund (Operating Cash)	244,210	125,570	-	369,780
Total Legally Restricted	\$ 11,950,657	\$ 1,109,671	\$ 8,324,462	\$ 4,735,866
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	940,797	6,259,771	6,463,902	736,667
Total Board Restricted	\$ 11,540,797	\$ 6,259,771	\$ 6,463,902	\$ 11,336,667
Total Operating Cash	\$ 11,785,007			\$ 11,706,447

Fund Analysis – 2020 Budget (as Approved)

Sources of Cash	Projected Balance 12/31/2019	2020 Budget		Projected Balance 12/31/2020
		Sources	Uses	
Net Operating Income		\$ (3,737,555)		
Adjustment - Water Quality (GAC Media)		783,015		
Adjustment - Depreciation/Amortization Add Back		5,050,000		
Adjustment - Post-Employment Benefits (GASB 45)		1,750,000		
Adjustment - Bad Debt		35,000		
Adjustment - Service Costs Construction		100,000		
Adjustment - Capitalized Construction		(600,000)		
Net Non-Operating Income		<u>1,755,750</u>		
Cash from Revenues above Expenses to place into funds		<u>\$ 5,136,210</u>		
Reserve Funds (Based on Resolution No. 13-13)				
1 Capital Improvement Fund (CIF)	\$ -	\$ 75,000	\$ 75,000	\$ -
2 Bond Proceeds Fund	6,158,578	-	6,158,578	-
3 Debt Service Reserve Fund	-	-	-	-
4 Rate Stabilization Fund (Operating Cash)	369,780	120,000	-	489,780
Total Legally Restricted	<u>\$ 6,528,358</u>	<u>\$ 195,000</u>	<u>\$ 6,233,578</u>	<u>\$ 489,780</u>
5 Dam Self-Insurance	\$ 5,000,000	\$ -	\$ -	\$ 5,000,000
6 O&M Operating Reserve (3-Month operating exp.)	5,532,767	4,022,707	7,384,772	2,170,702
7 O&M Emergency Reserve	-	-	-	-
8 Unrestricted Reserves	1,004,144	993,503	2,254,899	(257,252)
Total Board Restricted (Operating Cash)	<u>\$ 11,536,911</u>	<u>\$ 5,016,210</u>	<u>\$ 9,639,671</u>	<u>\$ 6,913,450</u>
Total Operating Cash	<u>\$ 11,906,691</u>			<u>\$ 7,403,230</u>
Carry-over	(1,567,785)			
Available Operating Cash	<u>\$ 10,338,906</u>			

Fund Analysis – 2020 Estimated End of Year (Actual)

Sources of Cash	Actual Ending Balance 12/31/2019	2021 Budget		Projected Balance 12/31/2020
		Sources	Uses	
Net Operating Income		\$ (1,622,005)		
Adjustment - Water Quality (GAC Media)		577,000		
Adjustment - Depreciation/Amortization Add Back		5,141,702		
Adjustment - Post-Employment Benefits (GASB 45)		1,750,000		
Adjustment - Bad Debt		15,000		
Adjustment - Service Costs Construction		299,000		
Adjustment - Capitalized Construction		(1,348,000)		
Net Non-Operating Income		<u>2,965,462</u>		
Cash from Revenues above Expenses to place into funds		\$ 7,778,158		
Reserve Funds (Based on Resolution No. 13-13)				
1 Capital Improvement Fund (CIF)	\$ -	\$ 1,235,438	\$ 1,235,438	\$ -
2 Bond Proceeds Fund	4,366,086	-	2,111,481	2,254,605
3 Debt Service Reserve Fund	-	-	-	-
4 Rate Stabilization Fund (Operating Cash)	369,780	125,086	-	494,866
Total Legally Restricted	\$ 4,735,866	\$ 1,360,523	\$ 3,346,919	\$ 2,749,471
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	736,667	6,597,698	6,256,929	1,077,436
Total Board Restricted	\$ 11,336,667	\$ 6,597,698	\$ 6,256,929	\$ 11,677,436
Total Operating Cash	\$ 11,706,447			\$ 12,172,302
			Carry-over	(3,108,804)
			Available Operating Cash	\$ 9,063,498

Fund Analysis – 2021 Budget

Sources of Cash	Projected Balance 12/31/2020	2021 Budget		Projected Balance 12/31/2021
		Sources	Uses	
Net Operating Income		\$ (3,181,355)		
Adjustment - Water Quality (GAC Media)		906,000		
Adjustment - Depreciation/Amortization Add Back		5,000,000		
Adjustment - Post-Employment Benefits (GASB 45)		1,750,000		
Adjustment - Bad Debt		350,000		
Adjustment - Service Costs Construction		150,000		
Adjustment - Capitalized Construction		(900,000)		
Net Non-Operating Income		<u>1,932,724</u>		
Cash from Revenues above Expenses to place into funds		\$ 6,007,369		
Reserve Funds (Based on Resolution No. 13-13)				
1 Capital Improvement Fund (CIF)	\$ -	\$ 600,000	\$ 600,000	\$ -
2 Bond Proceeds Fund	2,254,605	20,000,000	2,879,605	19,375,000
3 Debt Service Reserve Fund	-	-	-	-
4 Rate Stabilization Fund (Operating Cash)	494,866	120,000	-	614,866
Total Legally Restricted	\$ 2,749,471	\$ 20,720,000	\$ 3,479,605	\$ 19,989,866
5 Dam Self-Insurance	\$ 5,000,000	\$ -	\$ -	\$ 5,000,000
6 O&M Operating Reserve (3-Month operating exp.)	5,600,000	4,022,707	5,247,124	4,375,583
7 O&M Emergency Reserve	-	-	-	-
8 Unrestricted Reserves	1,077,436	821,172	1,898,608	-
Total Board Restricted (Operating Cash)	\$ 11,677,436	\$ 4,843,879	\$ 7,145,732	\$ 9,375,583
Total Operating Cash	\$ 12,172,302			\$ 9,990,449
Carry-over	(3,108,804)			
Available Operating Cash	\$ 9,063,498			

Income Statement

	BUDGET	PROJECTED	BUDGET ¹	ACTUAL	ACTUAL	ACTUAL
	2021	2020	2020	2019	2018	2017
Operating Revenue						
Wholesale Water (AVEK & LCID)	400,000	450,000	295,000	524,847	496,975	438,255
Water Sales	12,114,400	10,950,000	10,028,794	8,583,797	9,062,631	8,416,723
Meter Fees	14,865,600	13,837,400	14,956,694	13,967,724	13,294,482	12,710,215
Water Quality Fees	781,860	835,500	783,015	760,376	803,306	845,526
Elevation Fees	366,843	372,000	354,450	336,093	378,380	365,618
Other	880,258	536,500	877,625	992,810	848,304	889,106
	<u>29,408,961</u>	<u>26,981,400</u>	<u>27,295,578</u>	<u>25,165,648</u>	<u>24,884,078</u>	<u>23,665,442</u>
Operating Expenses						
Directors	147,790	86,207	144,150	115,958	122,252	111,057
Administration	4,542,666	4,195,901	4,185,109	4,100,699	3,874,010	3,200,269
Engineering	1,678,000	1,562,844	1,635,725	1,708,963	1,770,592	1,456,117
Facilities	6,164,200	6,550,137	6,449,794	6,341,115	6,710,475	5,940,131
Operations	3,409,900	3,210,039	3,248,390	3,421,758	3,579,000	2,993,156
Finance	1,720,050	1,333,589	1,346,687	1,259,199	1,176,821	1,206,440
Water-Use Efficiency	390,950	251,244	358,682	383,933	238,146	216,687
Human Resources	508,900	449,547	492,512	487,087	509,576	318,428
Information Technology	1,739,300	1,265,200	1,229,489	994,857	739,164	726,798
Customer Care	1,466,700	1,340,814	1,292,548	1,343,660	1,379,862	1,240,127
Water Purchases	2,400,000	1,800,000	2,425,000	2,019,787	1,784,403	2,248,897
OAP Chrg (Prior Year)	25,000	(8,400)	25,000	(7,294)	(5,148)	-
Water Recovery	(25,000)	(3,418)	(128,524)	127,286	(100,666)	(81,911)
Water Quality (GAC Media)	906,000	577,000	783,015	439,601	1,121,260	923,815
Littlerock Dam Sediment Removal Project	600,000	-	600,000	-	-	-
Plant Expenditures	565,860	135,000	610,556	120,745	589,237	287,602
Cash Expenses	<u>26,240,316</u>	<u>22,745,704</u>	<u>24,698,133</u>	<u>22,857,354</u>	<u>23,488,982</u>	<u>20,787,615</u>
Depreciation	5,000,000	5,141,702	5,050,000	5,257,262	5,318,052	6,113,751
Post-Employment Benefit (GASB 75)	1,750,000	1,750,000	1,750,000	1,983,447	1,882,449	2,224,242
Bad Debts	350,000	15,000	35,000	15,258	2,865	133,620
Service Costs Construction	150,000	299,000	100,000	190,777	182,033	111,524
Capitalized Construction	(900,000)	(1,348,000)	(600,000)	(1,360,768)	(874,621)	(527,821)
Non-Cash Expenses	<u>6,350,000</u>	<u>5,857,702</u>	<u>6,335,000</u>	<u>6,085,977</u>	<u>6,510,778</u>	<u>8,055,317</u>
Net Operating Income/(Loss)	<u>(3,181,355)</u>	<u>(1,622,005)</u>	<u>(3,737,555)</u>	<u>(3,777,683)</u>	<u>(5,115,682)</u>	<u>(5,177,489)</u>
Non-operating Revenues						
Assessments (Debt Service)	5,000,000	4,950,000	4,925,250	4,790,480	4,811,735	5,102,773
Assessments (1%)	1,875,000	1,825,000	1,785,000	1,783,332	2,032,216	1,665,813
Successor Agency Component (Prop Tax)	600,000	731,000	561,000	724,594	403,992	623,525
DWR Fixed Charge Recovery	175,000	299,879	175,000	247,469	266,877	266,638
Interest	175,000	148,000	150,000	366,283	295,246	146,306
Market Adj. on Investments	-	48,000	-	85,548	(2,930)	(90,252)
Capital Improvement Fees	600,000	1,235,438	75,000	984,101	106,947	1,021,406
Grants - State & Federal	100,000	-	100,000	9,185	47,666	110,669
Other	50,000	8,000	50,000	52,773	71,225	105,263
	<u>8,575,000</u>	<u>9,245,317</u>	<u>7,821,250</u>	<u>9,043,765</u>	<u>8,032,975</u>	<u>8,952,140</u>
Non-operating Expenses						
Interest Paid & Amortization on long-term debt	3,001,426	3,058,635	2,648,000	2,611,015	2,405,895	2,175,260
Amortization of SWP	3,104,350	2,854,620	2,881,000	2,854,227	2,646,400	2,600,856
Change in Investments in PRWA	300,000	311,600	300,000	16,723	(296,423)	(966,091)
Water-Use Efficiency	236,500	55,000	236,500	49,924	95,102	89,469
	<u>6,642,276</u>	<u>6,279,855</u>	<u>6,065,500</u>	<u>5,531,889</u>	<u>4,850,974</u>	<u>3,899,495</u>
Net Non-operating Income/(Loss)	<u>1,932,724</u>	<u>2,965,462</u>	<u>1,755,750</u>	<u>3,511,876</u>	<u>3,182,000</u>	<u>5,052,645</u>
Net Earnings(Loss)	<u>(1,248,631)</u>	<u>1,343,456</u>	<u>(1,981,805)</u>	<u>(265,807)</u>	<u>(1,933,682)</u>	<u>(124,844)</u>

Income Statement – General Information

	BUDGET	PROJECTED	BUDGET¹	ACTUAL	ACTUAL	ACTUAL
	2020	2019	2019	2018	2018	2017
Operating Revenue	9.00%	-1.15%	9.69%	11.38%	16.88%	11.16%
Operating Expenses	8.40%	-7.53%	-2.70%	-13.24%	-27.38%	-10.15%
Non-operating Revenues	-7.25%	18.21%	-2.64%	10.54%	-0.95%	10.38%
Non-operating Expenses	5.77%	3.53%	25.04%	19.07%	5.69%	-15.04%

Footnotes:

- ¹ 2020 Budget contains all amendments made during the current fiscal year. All amendments were done as transfers between GL accounts with no change to overall budgeted amounts.
- ² 2021 Budget for water sales is based on 16,317 ac. ft. This amount is 24 ac. ft. less than 2020 projected actual totals.
- ³ 2021 water purchases are based on purchasing 10,575 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 2021 Budget includes the possible replacement of up to six 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:

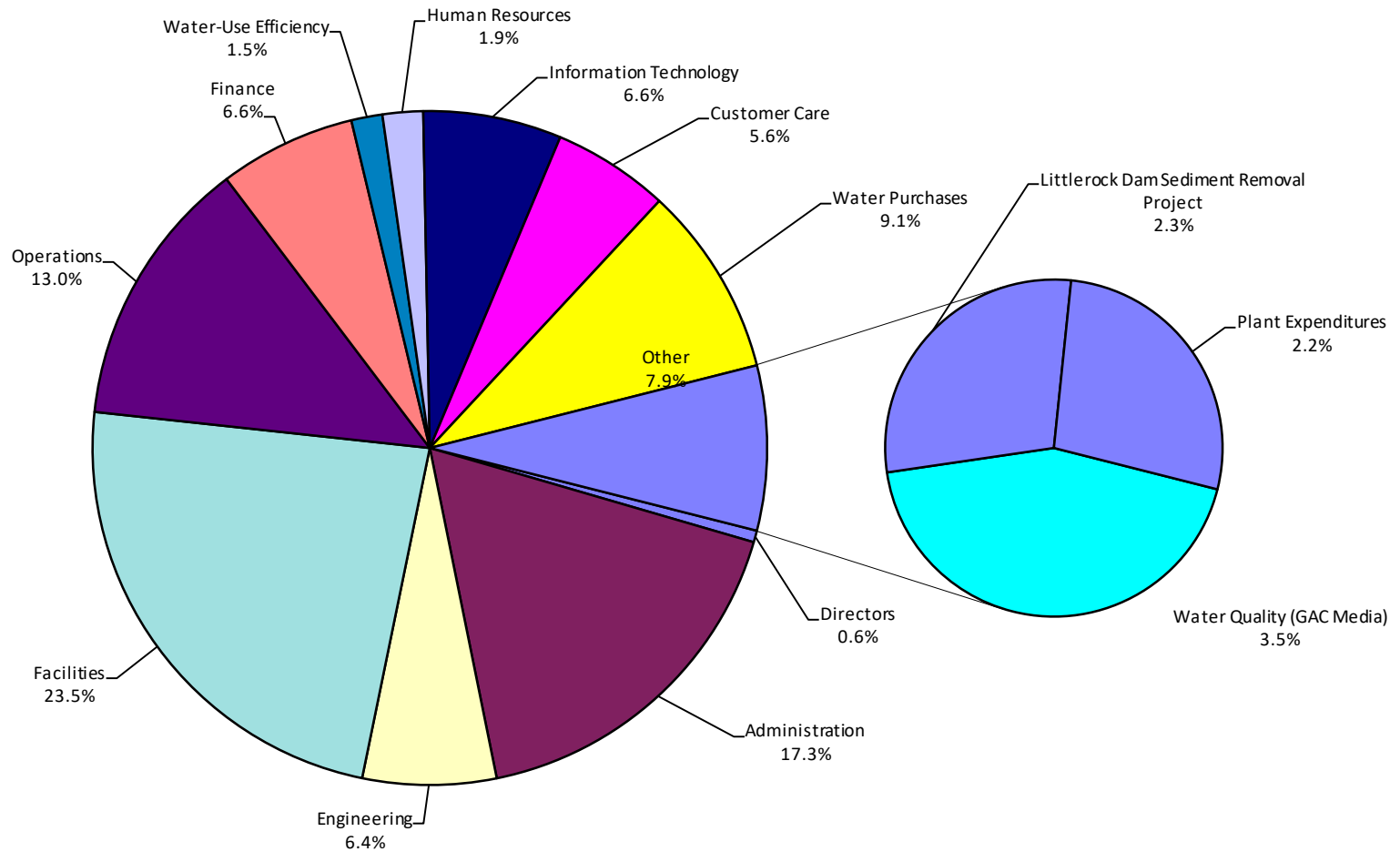
The District entered into Capital Leasing agreement in 2017 for customer information system software, increased data storage, water treatment plant security upgrade, kiosk, IVR, and laboratory software. The agreement is a 5-year term ending 2022.

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

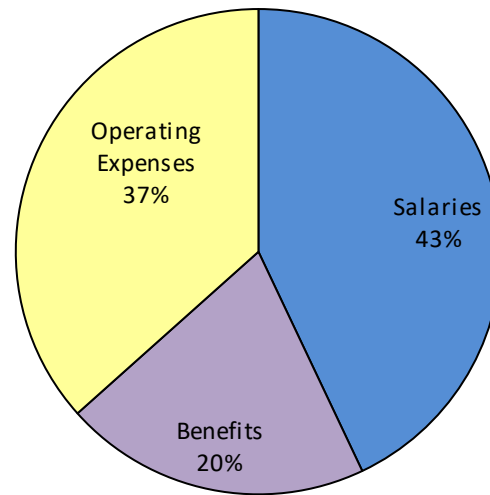
Cost Factors and Assumptions:

- Water quality fee is \$0.09 per unit for 2021.
- Cost-of-Living increase of 1.20% effective January 1, 2021.
- Worker's comp rates are calculated at 0.0086 for office personnel and 0.0451 for field personnel.
- PERS is calculated at 11.031% for 6 months (Jan. thru Jun.) and 10.880% 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 2021. [For employees who meet the PEPRA requirement, the employer contribution for 2020 is 7.732% for 6 months (Jan. thru Jun.) and 7.590% 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 \$2,035.57 effective January 1, 2021.
- The District's medical insurance rates have increased 4.06% 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 2020 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 16,317 ac. ft. of water for the 2021 Budget.

2021 Operating Expenses (excluding non-cash expenses) – Graph



2021 Departmental Expenses – Graph



2021 Departmental Expenses		
Salaries	\$	9,351,750
Benefits		4,447,606
Operating Expenses		7,969,100
Total	\$	<u>21,768,456</u>

Statement of Cash Flows

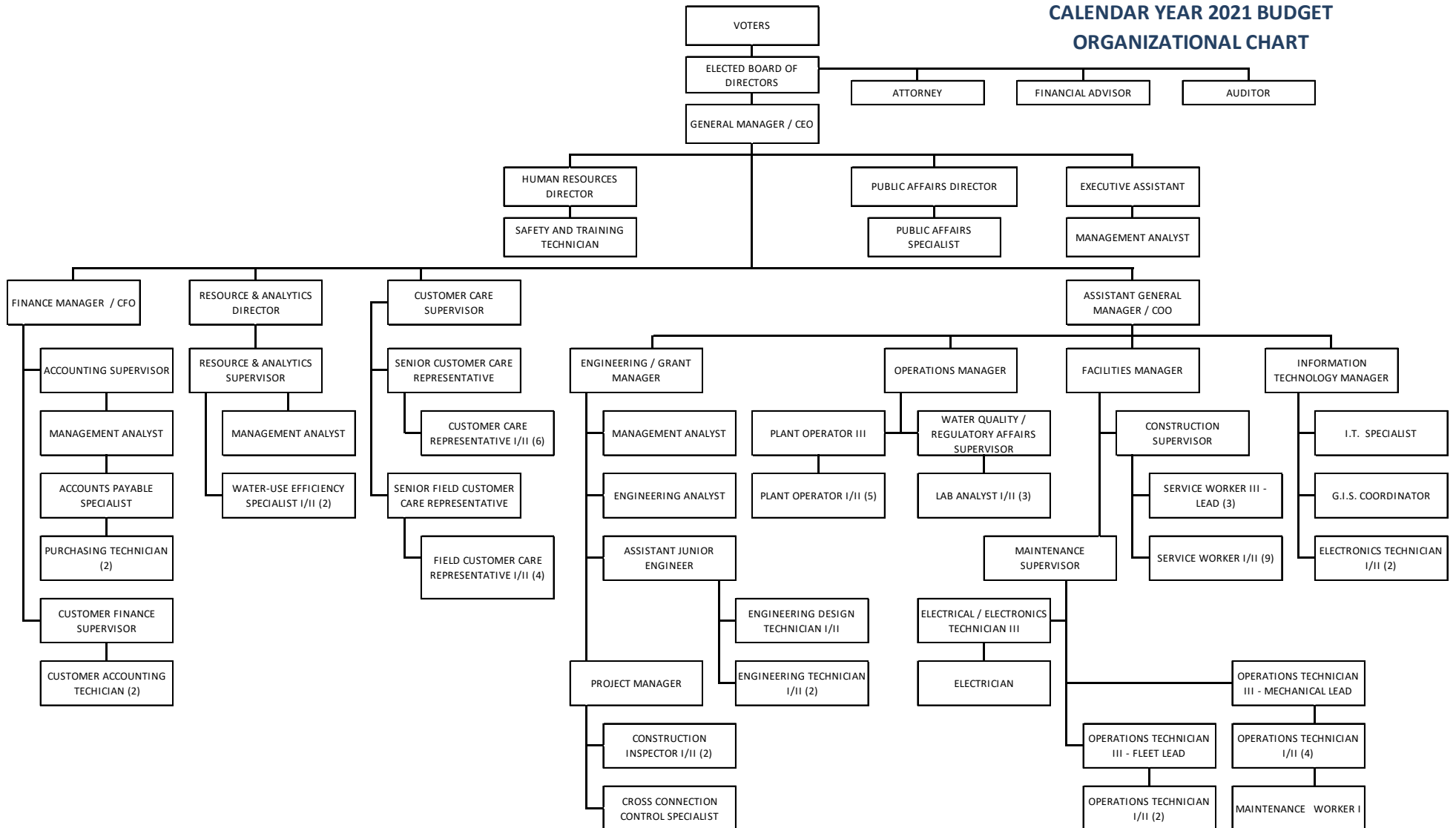
	Audited Numbers				
	Budget 2021	Projected 2020	2019	2018	2017
Beginning Cash	12,172,302	12,421,118	11,785,007	14,327,027	12,853,749
Operating Activities					
Net Operating Revenues	29,408,961	26,981,400	25,165,648	24,884,078	23,693,095
Net Operating Expenses	26,240,316	22,745,704	22,857,354	23,646,168	22,059,825
GAC- Carry-over					
Net cash provided by operating activities	3,168,645	4,235,696	2,308,294	1,237,910	1,633,270
Other Sources and Uses of Cash					
Assessments received	7,475,000	7,506,000	7,298,406	7,247,944	7,392,110
Payments for State Water Project	(5,333,492)	(5,239,031)	(4,236,121)	(3,118,430)	(2,996,405)
Capital Improvement Fees Received	600,000	1,235,438	984,101	106,947	1,021,406
Water-Use Efficiency	(236,500)	(55,000)	-	-	-
Acquisition of Property, Plant & Equip. - Current Yr	-	(2,216,090)	(1,782,168)	(4,084,538)	(2,039,688)
Acquisition of Property, Plant & Equip. - Carry-over	(2,388,533)	(161,150)	-	-	-
Committed Contract - Upper Amargosa Creek Project	(720,271)	(1,024,374)	-	-	-
Investments in PRWA	(300,000)	(311,600)	16,723	(296,423)	(320,680)
Capital Leasing - Principal & Interest	(178,953)	(178,953)	(178,953)	(178,953)	(120,948)
Principal Paid on Long-Term Debt	(2,038,503)	(1,790,001)	(1,706,595)	(1,657,084)	(1,610,453)
Interest Paid on Long-Term Debt	(2,554,245)	(2,453,751)	(2,581,365)	(2,210,599)	(2,175,260)
State Grants and Other Income	150,000	8,000	61,958	118,891	633,872
Interest on Investments	175,000	196,000	451,831	292,316	56,054
Net Cash Provided by Other Sources and Uses	(5,350,497)	(4,484,512)	(1,672,183)	(3,779,930)	(159,992)
Net Increase (Decrease) in Cash	(2,181,853)	(248,816)	636,111	(2,542,020)	1,473,278
Rate Stabilization Fund	-	-	-	-	-
Cash End of Year	9,990,449	12,172,302	12,421,118	11,785,007	14,327,027
Less Restricted Cash	-	-	-	-	-
Acquisition of Property, Plant & Equip. - Carry-over	-	(2,388,533)	(447,000)	-	-
Committed Contract - Upper Amargosa Creek Project	-	(720,271)	(1,120,785)	-	-
Available Operating Cash	9,990,449	9,063,498	10,853,333	11,785,007	14,327,027
Capital Funding					
Beginning Cash (Restricted)	2,254,605	4,366,086	11,706,447	-	-
Proceeds on Issuance of Long-Term Debt	20,000,000	-	-	13,547,869	-
Committed Contracts on 2018 WRB Projects	(2,879,605)	(2,111,481)	(7,340,361)	(1,841,422)	-
Restricted Cash	19,375,000	2,254,605	4,366,086	11,706,447	-

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**CALENDAR YEAR 2021 BUDGET
ORGANIZATIONAL CHART**



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Personnel Summary

	CY 2021 BUDGET	CY 2020 BUDGET	CY 2019 BUDGET	CY 2018 BUDGET
ADMINISTRATION				
Managers/Supervisors	7	7	7	7
Staff	6	6	6	7
TOTAL ADMINISTRATION	13	13	13	14
FINANCE				
Managers/Supervisors	3	3	3	3
Staff	6	4	4	4
TOTAL FINANCE	9	7	7	7
CUSTOMER CARE				
Managers/Supervisors	1	1	1	1
Clerical	7	7	7	7
Field	5	5	5	5
TOTAL CUSTOMER CARE	13	13	13	13
ENGINEERING				
Managers/Supervisors	2	2	2	2
Staff	9	9	9	8
TOTAL ENGINEERING	11	11	11	10
FACILITIES				
Managers/Supervisors	3	3	2	2
Staff	25	27	27	27
TOTAL FACILITIES	28	30	29	29
OPERATIONS				
Managers/Supervisors	2	2	2	2
Staff	9	9	9	8
TOTAL OPERATION AND PRODUCTION	11	11	11	10
WATER-USE EFFICIENCY				
Managers/Supervisors	-	-	-	-
Staff	2	2	2	2
TOTAL WATER-USE EFFICIENCY	2	2	2	2
TOTAL PERSONNEL	87	87	86	85

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

- - - -

Notes:

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

Labor and Benefits Cost Summary

Accounting Category	CY 2021 BUDGET	CY 2020 PROJECTED	CY 2020 BUDGET	CY 2019 ACTUAL	CY 2018 ACTUAL
Salaries (Includes On-Call and Overtime)	9,426,750	8,845,319	8,735,500	8,638,227	8,128,225
FICA / Medicare (Employer Portion)	713,500	691,000	651,250	617,546	585,179
Healthcare Benefits	1,553,000	1,546,550	1,305,750	1,513,701	1,444,398
Retirement (CalPERS)	1,714,316	1,439,870	1,585,000	1,383,347	1,463,521
Workers Comp	296,000	269,701	375,000	325,844	437,754
Life Insurance/EAP Program	7,000	6,860	6,500	6,385	6,344
TOTAL	13,710,566	12,799,301	12,659,000	12,485,050	12,065,422

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 2021</i>
Asset/Infrastructure Related Expense (District's Share)				
14-603	Upper Amargosa Recharge Project (Portion carried over to 2021)		Water Supply	720,271
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	177,540
16-602	Water Main Replacement - Avenue P and 25th (Spec 1601)	NRCP	Replacement Cap.	35,000
	PRV Replacements 37th ST	NRE	Replacement Equip.	8,000
18-606	Altitude Valve - 45th St East	NRE	Replacement Equip.	22,000
	Intellispark @ Well #15	NRE	Replacement Equip.	6,500
	Tax Defaulted Properties (Approved 10/22/2018)	NCF	Land	31,500
18-614	Vault Access Issues - WTP	NRCP	Safety	44,000
	Bucket Truck (Looking at Lease Option)	NRE	Replace/New Equip.	75,635
21-701	Hydraulic Concrete Breaker w/attachment for skidsteer	NRE	Replace/New Equip.	7,059
	Replace EOL Oasis recorder	NRE	Replace/New Equip.	25,212
21-702	Replacement Diaphragm Pump (Yr. 1 - 2020/2023)	NRE	Replace/New Equip.	8,068
	V-67 1999 Water Truck	NRE	Replace/New Equip.	65,550
	25th St. Booster #3	RCP	Replacement Cap.	18,152
	45th St. Booster #3 Zone 2800	RCP	Replacement Cap.	23,195
	45th St. Booster #3 Zone 3000	RCP	Replacement Cap.	25,212
	Brine Storage Tanks - Well Sites (Yr. 1 - 2020/2023)	RCP	Replacement Cap.	32,775
	District Office - Stucco Repair & Painting	RCP	Replacement Cap.	221,476
20-611	Meter Replacement Program 2020	RCP	Replacement Cap.	505,923
	NaOCL Generator Replacement (Yr. 1 - 2020/2023)	RCP	Replacement Cap.	66,811
	Repl W.L. - Well 17 Yard Piping	RCP	Replacement Cap.	-
20-700	Vault/Large Meter (Yr. 1)	RCP	Replacement Cap.	94,721
20-601	Well 7 Rehabilitation	RCP	Replacement Cap.	188,920
	Well 16 Rehabilitation	RCP	Replacement Cap.	123,614
	Well 23 Rehabilitation	RCP	Replacement Cap.	185,421
12-400	Recharge Project Design (PRGRRP - Yr. 1 - 2020/2023)	WS	Water Supply	327,749
			Subtotal:	2,388,533
Covered under 2021 WRB Issue				
19-601	Repl WL - Avenue P @ 10TH ST E (Lockheed)	RCP	Replacement Cap.	183,540
20-605	Sierra Hwy. Tie-In and Abandonment (Harold Streets)	RCP	Replacement Cap.	140,711
20-606	Pipeline with Velocity Deficiency (2800 Zone)	RCP	Replacement Cap.	10,621
20-608	Repl WL - 17TH ST E between Avenue P4 & P8	RCP	Replacement Cap.	355,785
			Subtotal:	690,657

Approved Capital Expenditures Carry-over/Plant Expenditure Summary (continued)

<i>Project No.</i>	<i>Budgeted (Carry-over)</i>	<i>Category</i>	<i>Project Type</i>	<i>CY 2021</i>
Plant Expenditure Related Expense				
04-501	Littlerock Sediment Removal - Permitting	CES	Permitting	60,000
	System Valuation Study	CES	Planning	-
	Arc Flash Study	CES	Studies & Planning	42,000
	Hazard Mitigation Plan	CES	Studies & Planning	20,000
	Public Web Site Redesign	CES	Studies & Planning	76,827
	Intranet Redesign	CES	Studies & Planning	50,000
	Human Resources Information System	CES	Studies & Planning	20,000
	Emergency Supplies	NRE	Replace/New Equip.	-
	Replacement Wackers - J Tamps (Yr. 1 - 2020/2023)	NRE	Replace/New Equip.	4,034
			Subtotal:	272,860

Total Asset/Infrastructure Projects 3,108,804

Total Plant Expenditures 272,860

Funding will come from 2021 Bond Issue =

Category	Description
CES	Capital Expenditure/Study
NRCP	New Replacement Capital Project
NRE	New Replacement Equipment
NCF	New Capital Funding
RCP	Replacement Capital Project
WS	Water Supply

New Capital Expenditures Project Request Summary

Project No.	Project Budget Requests (Committed)	Priority	Category	Project Type	CY 2021
Asset/Infrastructure Related Expense					
	Recharge Project Design (PRGRRP - Yr. 2 - 2020/2023)	N	WS	Water Supply	750,000
	Na OCL Generator Replacement (Yr. 2 - 2020/2023)	D	RCP	Replacement Cap.	66,250
	Brine Storage Tanks - Well Sites (Yr. 2 - 2020/2023)	D	RCP	Replacement Cap.	32,500
	Well 3 Rehabilitation	D	RCP	Replacement Cap.	195,723
	Well/Booster Rehab (Yr. 1 - 2021/2024)	D	RCP	Replacement Cap.	95,000
	Booster Building Rehabilitation (Yr. 2 - 2020/2024)	N	RCP	Replacement Cap.	35,000
	Hypo Generator	D	RCP	Replacement Cap.	800,000
21-700	Vault/Large Meter (Yr. 2 - 2020/2024)	N	RCP	Replacement Cap.	112,500
	Palmdale Ditch Improvements (Yr. 2 - 2020/2024)	N	RCP	Replacement Cap.	15,000
	Parking Lot Re-Surfacing - Administration and N.O.B.	D	RCP	Replacement Cap.	130,000
	Radio System for SCADA (Yr. 1 - 2021/2024)	N	NRE	Replace/New Equip.	50,000
21-702	Replacement Diaphragm Pump (Yr. 2 - 2020/2023)	N	NRE	Replace/New Equip.	8,000
	Replacement Wackers - J Tamps (Yr. 2 - 2020/2023)	N	NRE	Replace/New Equip.	4,000
21-600	Soft Starts Units (Well & Booster Sites - Yr. 2 - 2020/2024)	N	RCP	Replacement Cap.	32,000
	Cooling Unit for Fab Shop	N	NRE	Replace/New Equip.	4,500
	Cat C-7 engine rehabilitation (Yr. 1 - 2021/2022)	N	RCP	Replacement Cap.	30,000
	Replace SCADAPack 32 with SCADAPack 575 (Yr. 1 - 2021/2024)	N	NRE	Replace/New Equip.	43,750
	V-60 1998 Utility	N	NRE	Replace/New Equip.	23,000
	V-101 2007 Cat 420E Backhoe	N	NRE	Replace/New Equip.	160,000
	V-04 1991 Dump Truck	N	NRE	Replace/New Equip.	65,000
	V-68 1999 Utility			Lease	-
				Subtotal:	2,652,223
Covered under 2021 WRB Issue					
	Pipeline Design (2020/2021)	N	NCP	New Capital	512,177
	Repl WL - Avenue Q6 from 12th to 15th ST E (2800' Zone)	N	RCP	Replacement Cap.	280,898
	Repl WL - Pipeline with Velocity Deficiency (2950 Zone)	N	RCP	Replacement Cap.	37,240
16-608	Repl WL - Avenue Q1, Q2, Q3, Q4, & Q5 @ 5th ST E (Spec 1603)	D	RCP	Replacement Cap.	86,000
	Well #36	N	NCP	New Capital	2,500,000
	Repl WL - Avenue Q14 and 15th ST E	D	RCP	Replacement Cap.	56,700
	Repl WL - Avenue Q10 and 12th ST E	D	RCP	Replacement Cap.	47,000
				Subtotal:	3,007,838

New Capital Expenditures Project Summary (continued)

<i>Plant Expenditure Budget Requests (Committed)</i>	<i>Category</i>	<i>Project Type</i>	<i>CY 2021</i>	
<i>Plant Expenditure Related Expense</i>				
GIS enhancement (Yr. 2 - 2020/2024)	N	CES	Studies & Planning	75,000
Data Warehousing	N	NRE	Replace/New Equip.	60,000
Mass Communications	N	NRE	Replace/New Equip.	60,000
Customer Mobile App	N	NRE	Replace/New Equip.	25,000
GIS Drone	N	NRE	Replace/New Equip.	15,000
Cameras for Dam & Windmill	N	NRE	Replace/New Equip.	8,000
Gig to desktop/Infrastructure Refresh (Yr. 1 - 2021/2024)	N	CES	Studies & Planning	50,000
Annual Sediment Removal of 120,000 cubic yards	N		O&M Funds	600,000
			Subtotal:	893,000

Total Asset/Infrastructure Project Requests 2,652,223

Total Plant Expenditures 893,000

Funding will come from 2021 Bond Issue =

Deferred Capital Expenditures Project Summary

Project No.	Project Budget Requests (Not Committed)	Priority	Category	Project Type	CY 2022
Asset/Infrastructure Related Expense					
Pipeline Projects					
	Repl WL - 25th ST E from Avenue P to P8	N	RCP	Replacement Cap.	825,000
	Repl WL - Camares Dr @ Avenue S	N	RCP	Replacement Cap.	52,500
	Repl WL - 52nd ST & Ft Tejon Rd (Zone 2950 - CY2023)	D	RCP	Replacement Cap.	609,340
	Repl WL - Velocity Deficiency (Zone 2800 - CY2023)	D	RCP	Replacement Cap.	787,376
				Subtotal:	2,274,216
Water Supply Projects					
	Recharge Project Design (PRGRRP - Yr. 3 - 2020/2023)	N	WS	Water Supply	750,000
	Annual Sediment Removal of 38,000 cubic yards	N		O&M Funds	600,000
				Subtotal:	1,350,000
Well Projects					
	Well 2 Rehabilitation	D	RCP	Replacement Cap.	185,000
	Well 33 Rehabilitation	D	RCP	Replacement Cap.	185,000
16-611	CL2 Monitoring @ Well Sites	D	RCP	Replacement Cap.	112,679
	NaOCl Generator Replacement (Yr. 3 - 2020/2023)	D	RCP	Replacement Cap.	66,250
	Brine Storage Tanks - Well Sites (Yr. 3 - 2020/2023)	D	RCP	Replacement Cap.	32,500
	Well/Booster Rehab (Yr. 2 - 2021/2024)	D	RCP	Replacement Cap.	95,000
				Subtotal:	676,429
Booster Projects					
	Booster Building Rehabilitation (Yr. 2 - 2020/2024)	N	RCP	Replacement Cap.	35,000
	Booster Building Rehabilitation (Yr. 1 - 2020/2024)	N	RCP	Replacement Cap.	36,054
	T8 Pump Station - Fire Pump Deficiency		RCP	Replacement Cap.	937,944
				Subtotal:	1,008,998
Water Treatment Plant Projects					
	Sedimentation Basin Cleaning		RCP	Asset Improvement	2,000,000
	WTP - Entry Buildings @ Filter & GAC Pipe Gallery Entrance	N	NCP	New Capital	51,506
	WTP - GAC Staging Area Pavement	N	RCP	Replacement Cap.	30,000
	Filter Influent Valve Replacements		RCP	Replacement Cap.	200,000
	TOC Analyzer		NCP	New Capital	120,000
	Septic Tank		RCP	Replacement Cap.	20,000
				Subtotal:	2,421,506
Facility Projects					
	Vault/Large Meter (Yr. 3 - 2020/2024)	N	RCP	Replacement Cap.	112,500
	Parking Lot Resurfacing (Main Office)	D	RCP	Replacement Cap.	43,265
	Littlerock Dam Stairway		RCP	Replacement Cap.	40,000
	Palmdale Ditch Improvements (Yr. 3 - 2020/2024)	N	RCP	Replacement Cap.	15,000
	Radio System for SCADA (Yr. 2 - 2021/2024)	N	NRE	Replace/New Equip.	50,000
				Subtotal:	260,765

Deferred Capital Expenditures Project Summary (continued)

Project No.	Project Budget Requests (Not Committed)	Priority	Category	Project Type	CY 2021
Asset/Infrastructure Related Expense (Continued)					
Equipment					
	Meter Replacement Program 2021 (Deferred one year)	N	RCP	Replacement Cap.	700,000
	Replacement Diaphragm Pump (Yr. 3 - 2020/2023)	N	NRE	Replace/New Equip.	8,000
	Replacement Wackers - J Tamps (Yr. 3 - 2020/2023)	N	NRE	Replace/New Equip.	4,000
	Soft Starts Units (Well & Booster Sites - Yr. 3 - 2020/2024)	N	RCP	Replacement Cap.	32,000
	Radar Level Sensor (Yr. 1 - 2022/2024)		NRE	New Equipment	40,000
	Cat C-7 engine rehabilitation (Yr. 2 - 2021/2022)	N	RCP	Replacement Cap.	30,000
	Replace SCADAPack 32 with SCADAPack 575 (Yr. 2 - 2021/2024)	N	NRE	Replace/New Equip.	43,750
				Subtotal:	857,750
Vehicle Replacements					
	V-100 Replacement		NRE	Replacement Cap.	23,000
	V-119 2008 Cat 420E Backhoe		NRE	Replacement Cap.	160,000
	V-43 1990 Flatbed w/liftgate		NRE	Replacement Cap.	45,000
	8 Passenger Van			Lease	-
	V109 2007 Van			Lease	-
				Subtotal:	228,000
Information Technology					
	Smart Meter Deployment			Reporting	
	Citrix - Seamless apps across multiple platforms		CES	Reporting	50,000
	Data Center UPS System (Symmetra)		CES	New Equipment	25,000
	GIS enhancement (Yr. 3 - 2020/2024)	N	CES	Studies & Planning	75,000
	Personnel Emergency Notification System	N	CES	Studies & Planning	40,974
	Gig to desktop/Infrastructure Refresh (Yr. 2 - 2021/2024)	N	CES	Studies & Planning	50,000
				Subtotal:	240,974

Total Asset/Infrastructure Project Requests 9,318,638

Funding will come from 2021 Bond Issue =

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, Management Analyst, Resource and Analytics Director, Resource and Analytics Supervisor, Public Affairs Director and Public Affairs Specialist also operate out of the Administration Department.

2020 ACCOMPLISHMENTS:

- 1) Planned and publicized PWD COVID-19 protocols via radio ads, videos, website, social media and press releases; branded lobby and front door/windows with logos and appropriate COVID-19 messages.
- 2) Wrote Crisis Communications Plan, adopted by the Board.
- 3) Participated in the 2020 Strategic Plan, included writing, designing & overseeing production of pamphlet and poster for Board room.
- 4) Hosted first Let's Talk H2O – Emergency Preparedness.
- 5) Toured Congressman Mike Garcia and his staff at WTP.
- 6) Hosted 3rd Annual Water Ambassadors Academy; held last lecture class virtually.
- 7) Oversaw the design of new PRWA logo and business collateral.
- 8) Held two drive-thru events with WUE: anniversary plant giveaway and “Imagine a Day Without Water” giveaway.
- 9) Toured Friends of Littlerock Dam at the LRD grade-control structure.
- 10) Created videos for COVID-19, student job fair, new employee highlights and “Imagine a Day Without Water” featuring City of Palmdale staff.
- 11) Held virtual Coffee with a Director for all Directors; added virtual Coffee with GM.
- 12) Publicized the completion of the grade-control structure and the Upper Amargosa Creek Recharge Project.
- 13) Made bi-monthly appearances on Spanish radio show, Café con Leche, to bring PWD news to the Latino community.
- 14) Assisted WTP lab with 2019 CCR.
- 15) Refreshed the Board room with new wall hangings.
- 16) Held social media training for staff.
- 17) Organized staff to volunteer at Palmdale School District food distribution.
- 18) Donated PWD branded giveaways to AV Hispanic Chamber's Day of the Dead event.
- 19) Hosted Red Cross Blood Drive.
- 20) Utilized LinkedIn to publicize new job openings and bid requests, and to highlight PWD and staff.
- 21) Hosted two interns prior to start of pandemic.
- 22) Continued to network with Palmdale Chamber, AV Hispanic Chamber, AV African American Chamber, GAVEA, AVBOT and other community groups. Named to executive board of newly created AV EDGE.
- 23) Continued to publish “The Pipeline” quarterly and the “Employee Buzz” monthly.
- 24) Continued to collaborate with the City of Palmdale on ways to promote one another in “The Pipeline” and Palmdale Magazine. Published PWD articles in the thrice-annual Palmdale Magazine.
- 25) Continued to promote & publicize ways to use water wisely as part of revenue increase PR plan.

2020 ACCOMPLISHMENTS (cont.):

- 27) Continued to submit important stories to ACWA News and CSDA magazine. PWD featured numerous times, including in ACWA's Faces of Water.
- 28) Continued to work with community groups, including Friends of Littlerock Dam, San Gabriel Mountains Community Collaborative and AV Communicators.
- 29) Highlighted employees during 4th Annual Water Professionals Appreciation Week.
- 30) Received an Award of Excellence at the 56th Annual PRSA Los Angeles PRISM Awards for the Greater Antelope Valley Water Emergency Coalition event in the Community Relations, Government category.

2021 GOALS:

- 1) Lead the possible creation of an AV/Santa Clarita chapter of CSDA.
- 2) Host Let's Talk H2O events throughout the year on important topics (water quality, water supply) for the community. (Hold virtually if needed.)
- 3) Host Coffee with Director for all Directors either in-person or virtually.
- 4) Hold groundbreaking and ribbon-cutting for Conservation Garden.
- 5) Hold LRD sediment removal groundbreaking.
- 6) Host 4th Annual Water Ambassadors Academy and 2nd Annual Jr. WAA.
- 7) Involve District in American Indian Little League Opening Day.
- 8) Host Open House, WTP tours, Earth Day, Red Cross Blood Drive, Customer Appreciation days, and Imagine a Day Without Water events. (If in-person gatherings are permitted.)
- 9) Promote drinking tap campaign in the spring.
- 10) Promote don't flush pill campaign in the fall.
- 11) Work on new PWD website.
- 12) Work on website for PRWA.
- 13) Make bi-monthly appearances on Spanish radio show, Café con Leche, to bring PWD news to the Latino community.
- 14) Assist WTP lab with 2020 CCR.
- 15) Highlight employees during 5th Annual Water Professionals Appreciation Week.
- 16) Participate in events, including Districts Make a Difference Week, Taco Festival, National Night Out, Water Expo/Home and Garden Show, Day of the Dead, AVUHSD job fair and STEM Day for Girls.
- 17) Hold press events announcing PWD's important events.
- 18) Collaborate with the WUE team to promote programs and events for the community and schools.
- 19) Continue to network with the local chambers, Friends of Littlerock Dam, San Gabriel Mountains Community Collaborative, and other community groups. Continue to serve on AV EDGE executive board.
- 20) Continue to publish "The Pipeline" quarterly and the "Employee Buzz" monthly.
- 21) Continue to collaborate with the City of Palmdale on ways to promote one another in "The Pipeline" and Palmdale Magazine. Write articles for the thrice-annual magazine.
- 22) Continue working with GAVWEC partners.
- 23) Continue partnership with Palmdale School District.
- 24) Continue to submit important stories to ACWA News and CSDA magazine.
- 25) Continue to use social media, Nextdoor, Constant Contact and messages in monthly bills to publicize PWD and to inform ratepayers.

Board of Directors

Directors		BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2021	2020	2020	2019	2018	2017
1-01-4000-000	Directors Fees	-	-	-	-	-	-
Benefits							
1-01-4005-000	Payroll Taxes	5,790	5,585	5,650	4,382	3,909	4,705
	Subtotal (Benefits)	5,790	5,585	5,650	4,382	3,909	4,705
	Personnel Expenses	5,790	5,585	5,650	4,382	3,909	4,705
OPERATING EXPENSES:							
1-01-xxxx-006	Director's Expense Share - Dizmang, Gloria	28,400	12,006	27,700	7,228	-	-
1-01-xxxx-007	Director's Expense Share - Alverado, Robert	-	15,613	27,700	26,857	26,050	20,512
1-01-xxxx-008	Director's Expense Share - Mac Laren, Kathy	28,400	20,988	27,700	25,840	18,516	21,693
1-01-xxxx-009	Director's Expense Share - Estes, Joe	-	-	-	-	25,765	22,843
1-01-xxxx-010	Director's Expense Share - Dino, Vincent	28,400	16,313	27,700	24,198	20,522	21,275
1-01-xxxx-011	Director's Expense Share - Henriquez, Marco	-	-	-	3,990	26,890	20,030
1-01-xxxx-012	Director's Expense Share - Wilson, Don	28,400	15,702	27,700	23,464	600	-
1-01-xxxx-013	Director's Expense Share - Merino, Amberrose	28,400	-	-	-	-	-
	Total Operating Expense	142,000	80,622	138,500	111,576	118,343	106,353
	Total Departmental Expenses	147,790	86,207	144,150	115,958	122,252	111,057

Administration

Administration		BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2021	2020	2020	2019	2018	2017
1-02-4000-000	Salaries	1,392,500	1,283,063	1,279,750	1,285,197	1,162,862	1,078,885
1-02-4000-100	Salaries - Departmental Overtime	6,000	2,409	13,500	3,878	4,556	7,946
	Subtotal (Salaries)	1,398,500	1,285,472	1,293,250	1,289,075	1,167,418	1,086,831
Employee Benefits							
1-02-4005-000	Payroll Taxes	98,500	91,497	91,000	82,787	78,250	74,016
1-02-4010-000	Health Insurance	184,500	174,540	150,500	189,419	166,558	151,134
1-02-4015-000	Pers	131,250	106,673	116,750	98,751	114,537	111,903
	Subtotal (Benefits)	414,250	372,711	358,250	370,957	359,345	337,053
District-wide Salaries & Benefits							
1-02-5070-001	Salaries-On-Call/Stand By Time	75,000	76,514	80,000	79,894	72,726	68,836
1-02-5070-002	PERS-Unfunded Liability	840,316	783,037	764,000	699,416	571,885	472,523
1-02-5070-003	Worker's Compensation	296,000	269,701	375,000	325,844	437,754	189,902
1-02-5070-004	Vacation Benefit Expense	83,000	82,834	25,000	59,412	39,573	(6,272)
1-02-5070-005	Life Insurance/EAP	7,000	6,860	6,500	6,385	6,344	6,312
	Subtotal (District-wide)	1,301,316	1,218,947	1,250,500	1,170,951	1,128,281	731,300
	Personnel Expenses	3,114,066	2,877,130	2,902,000	2,830,983	2,655,044	2,155,185
OPERATING EXPENSES:							
1-02-4050-000	Staff Travel	15,500	4,474	15,365	15,867	16,589	17,071
1-02-4050-100	General Manager Travel	5,200	-	5,122	6,839	7,462	7,091
1-02-4060-000	Staff Conferences & Seminars	6,200	1,364	6,146	10,398	1,749	1,683
1-02-4060-100	General Manager Conferences & Seminars	4,100	1,258	4,097	3,414	3,246	3,306
1-02-4130-000	Bank Charges	200,000	199,500	185,000	184,167	177,448	164,613
1-02-4150-000	Accounting Services	26,000	30,559	25,609	25,736	25,043	24,351
1-02-4175-000	Permits (Construction)	18,100	18,580	17,926	13,554	11,844	11,228
1-02-4180-000	Postage	17,000	12,757	25,609	11,227	15,224	13,006
1-02-4190-100	Public Relations - Publications	31,200	26,434	30,731	21,155	20,931	20,479
1-02-4190-700	Public Affairs - Marketing/Outreach	40,000	29,915	40,000	46,627	27,222	40,847
1-02-4190-710	Public Affairs - Advertising	5,000	600	5,000	3,134	65	-
1-02-4190-720	Public Affairs - Equipment	2,500	80	2,500	1,333	1,548	-
1-02-4190-730	Public Affairs - Conference/Seminar/Travel	3,000	473	3,000	1,389	1,025	-
1-02-4190-740	Public Affairs - Consultants	2,000	600	3,000	-	1,000	-
1-02-4190-750	Public Affairs - Memberships	1,200	1,413	1,200	865	675	-
1-02-4200-000	Advertising	4,100	113	4,097	2,242	4,006	1,902
1-02-4205-000	Office Supplies	25,500	22,281	25,097	30,893	25,977	24,494
1-02-4210-000	Office Furniture	-	-	5,122	5,482	-	5,917
	Total Operating Expense	406,600	350,401	404,621	384,323	341,053	335,988
District-wide Operating Expense							
1-02-5070-006	Other Operating	60,000	78,166	25,609	23,179	22,916	30,069
1-02-5070-007	Consultants	275,000	250,000	239,699	243,954	272,436	60,568
1-02-5070-008	Insurance	260,000	227,536	255,000	230,945	241,076	286,478
1-02-5070-009	Groundwater Adjudication - Legal	41,000	22,485	40,974	63,390	42,477	82,277
1-02-5070-010	Legal Services	131,000	165,226	128,044	121,969	89,038	85,014
1-02-5070-011	Memberships	165,000	167,817	128,044	110,031	94,942	124,247
1-02-5070-012	Elections	-	-	-	51,671	-	-
1-02-5070-013	Succession Planning	25,000	-	-	-	-	-
1-02-5070-014	Groundwater Adjudication - Pumping Assessment	65,000	42,000	46,118	40,251	-	-
1-02-5070-015	Computer Software - Info 360	-	15,140	15,000	-	-	-
1-02-5070-099	100th Anniversary	-	-	-	-	115,028	40,443
	Total District-wide Operating Expense	1,022,000	968,370	878,488	885,393	877,912	709,097
	Total Departmental Expenses	4,542,666	4,195,901	4,185,109	4,100,699	3,874,010	3,200,269

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.

2020 ACCOMPLISHMENTS:

- 1) Completed ARC Flash Assessment.
- 2) Completed Well Rehabilitation Priorization Plan.
- 3) Implementation of new procurement system (ProcureNow).
- 4) Implementation of new backflow management software.
- 5) Completed design, bid, and construction on the following projects:
 - Water main replacement on Avenue V5 - Specification No. 1504.
 - Main replacement at Avenue P and 25th Street East - Specification No. 1601.
 - Littlerock Reservoir grade-control structure - Specification No. 1802.
 - Water fill station located at the District main office.
 - 2" service replacement at the water treatment plant.
 - Floating dock for water quality sampling at Lake Palmdale.
 - District main office remodel.
 - Water main transition located at Avenue P8 and 20th Street East.
 - Abandonment and relocation of service located at Avenue T12 and 40th Street East.
 - Palmdale Regional Groundwater Recharge and Recovery Project test Well No. 1.
- 6) Completed design work on the following projects:
 - Water main replacement located on the east side of Sierra Hwy. between Barrel Springs Rd. and Well No. 5 booster.
 - PRV abandonment located at 45th Street East.
 - Water Conservation Garden located just east of NOB.
 - AI's tank connection line replacement.
 - Well No. 7 rehabilitation.
 - 3M booster station upgrades.
- 7) Completed review and approval process for following developer projects:
 - Desert Senior Assisted Living Project - Phase 2 – Avenue Q2 and Orchid View Pl.
 - Tract 73401 (Global Premier Development) – 13th ST E between Avenue Q2 and Q3.
 - Tract 54209 Phase 1 and 2 (Pacific Communities).
 - Storage Facility – Sierra Hwy. north of Avenue S.
 - American Builder Supply – Sierra Hwy. south of Avenue R.
 - City of Palmdale Project No. 741 – Proposed Roundabout at Avenue S8 and 40th ST E
- 8) Completed inspection on the following District projects.
 - Tract 73740 Homes 4 Families project – Division Street north of Avenue R.
 - Desert Senior Assisted Living Project - Phase 1 – Avenue Q2 and Orchid View Pl.
 - Abbey Company Development - 2263 E Palmdale Blvd.
 - Circle K Gas Station – 40th ST E and Palmdale Blvd.

2021 GOALS:

- 1) Submit yearly reports on Lake Palmdale and Littlerock Dam to the State of California Division of Safety of Dams.
- 2) Continue to maintain an updated organizational chart.
- 3) Assist other departments with the output of various printed media.
- 4) Assist other departments in maintaining plans of District facilities and buildings as required.
- 5) Complete the design and construction of the 3M booster station upgrades.
- 6) Complete the first year of tank evaluations.
- 7) Complete the emergency sediment removal at Littlerock Reservoir.
- 8) Acquire the necessary permits and continue sediment removal to return reservoir to 1992 storage capacity.
- 9) Complete pipeline replacements as water funds allow.
- 10) Successful applications for grant opportunities from state and federal agencies.
- 11) Update the development guidelines.
- 12) Update the District's development website.

Engineering

Engineering		BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2021	2020	2020	2019	2018	2017
1-03-4000-000	Salaries	1,225,750	1,116,936	1,171,500	1,204,273	1,100,010	1,025,227
1-03-4000-100	Salaries - Departmental Overtime	15,000	18,967	12,000	43,529	45,309	12,745
	Subtotal (Salaries)	1,240,750	1,135,903	1,183,500	1,247,802	1,145,319	1,037,973
Employee Benefits							
1-03-4005-000	Payroll Taxes	98,000	89,265	88,000	90,342	85,430	77,032
1-03-4010-000	Health Insurance	176,500	203,279	196,500	213,728	206,949	181,559
1-03-4015-000	PERS	117,750	101,880	119,000	100,184	133,366	102,417
	Subtotal (Benefits)	392,250	394,424	403,500	404,253	425,745	361,008
	Personnel Expenses	1,633,000	1,530,327	1,587,000	1,652,055	1,571,064	1,398,981
OPERATING EXPENSES:							
1-03-4050-000	Staff Travel	5,000	500	4,610	6,090	5,192	3,095
1-03-4060-000	Staff Conferences & Seminars	7,500	1,299	4,917	1,590	4,377	3,895
1-03-4060-001	Staff Training - Auto CAD Civil 3D	10,000	-	13,000	-	1,879	-
1-03-4155-305	Contracted Services - GIS Services	-	-	-	2,432	26,500	7,544
1-03-4155-310	Contracted Services - Reproduction	1,500	-	2,049	49	-	-
1-03-4155-320	Contracted Services - Plotter/Scanner	-	-	-	-	640	-
1-03-4165-000	Memberships/Subscriptions	3,500	2,500	2,561	5,670	4,840	4,470
1-03-4250-000	General Materials & Supplies	4,000	1,067	3,530	-	-	-
1-03-4250-100	Supplies - Plotter Paper/Toner	4,500	651	4,538	3,186	-	714
1-03-4250-150	Supplies - Surveying Total Station	-	-	2,521	-	7,052	-
1-03-4250-200	Supplies - Miscellaneous	-	-	-	479	954	746
1-03-8100-100	Computer Software - Maint. & Support	9,000	26,500	11,000	5,539	94,233	36,672
1-03-8100-200	Computer Software - SCADAWatch	-	-	-	31,873	53,860	-
	Total Operating Expense	45,000	32,517	48,725	56,907	199,528	57,136
	Total Departmental Expenses	1,678,000	1,562,844	1,635,725	1,708,963	1,770,592	1,456,117

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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.

2020 ACCOMPLISHMENTS:

- 1) Performed ditch maintenance, including concrete repairs and installation of a 1,000 L.F. of Geosynthetic Clay Liner.
- 2) Continued valve exercising program that was scheduled for the year (2,000 valves exercised).
- 3) Performed weekly, biweekly, and annual flushing.
- 4) Fixed 85 service line leaks, 50 mainline leaks.
- 5) Performed maintenance on 171 air/vacs and 497 fire hydrants.
- 6) Performed winter maintenance, lake maintenance, and sludge removal at the water treatment plant.
- 7) Replaced 9 fire hydrants and 2 air/vacs that were hit by vehicles.
- 8) Repaired 24" PVC reclaimed water line on 30th ST E (Palmdale Recycled Water Authority).
- 9) Performed installations of multiple valve and AC pipe drop-ins as well as pipe abandonments throughout the distribution system.
- 10) Completed the second phase of the Avenue P8 mainline replacement.
- 11) Completed hydrant run installation at Pearblossom Hwy. and 52nd ST E.
- 12) Completed ten compound meter vault rehabilitation, including installation of new Octave meters.
- 13) Completed 40th ST PRV rehabilitation.
- 14) Performed inspections, operational checks, maintenance, and adjustments related to the District's seismic valves, PRV stations, wells, boosters, and tanks, along with all associated apparatuses.
- 15) Performed maintenance related to the natural gas engines and stand-by generators located at well and tank sites throughout the District.
- 16) Performed maintenance related to the diesel engine stand-by generators located at the Clearwell and WTP.
- 17) Performed various repairs, upgrades, and installation of equipment and apparatuses at the water treatment plant. This included work performed on the sludge pumps and motors, mechanical linkage in sed-basin No. 1, NaOCl chemical feed system, new turbidity meters, and new ferric tank.
- 18) Installed chemical containment system for batteries at the DWR Building.
- 19) Rebuilt the conveyor system for the aqueduct traveling screen.
- 20) Performed exterior building rehabilitations at 6 remote sites.
- 21) Installed 2 new distribution system brine tanks.
- 22) Installed and calibrated new Auma valve actuator at Littlerock Dam.
- 23) Performed booster rehabilitation at Clearwell 2950 No. 2, Well 14 and Avenue T8 No. 2.
- 24) Completed installation of necessary equipment and hardware for emergency power at the NOB.
- 25) Performed all fleet maintenance and repairs on 140 assets.
- 26) Completed the District's two-way radio system upgrade, including installation in all vehicles and equipment.
- 27) Purchased Ditch Witch HX 50 vacuum excavator.

2021 GOALS:

- 1) Perform Cl₂ monitoring at well sites.
- 2) Installation of NaOCl generator replacement (one site per year).
- 3) Installation of brine storage tank at various well sites (two sites per year).
- 4) Perform large meter/vault rehabilitation (fifteen sites per year).
- 5) Perform stucco replacement located at the District's main office.
- 6) Perform parking lot repair/replacement at the District's main office.
- 7) Perform Palmdale Ditch improvements, including installation of Geosynthetic Clay Liner (Year two).
- 8) Perform booster building rehabilitation.
- 9) Conduct large scale meter exchange program by facilities staff (Year two).
- 10) Purchase replacement small equipment for EOL units.
- 11) Purchase hydraulic concrete breaker for the skid steer.
- 12) Purchase replacement water truck.
- 13) Purchase NaOCl generator replacement for two well sites.

Facilities

Facilities		BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2021	2020	2020	2019	2018	2017
1-04-4000-000	Salaries	2,248,000	2,328,556	2,493,500	2,286,419	2,136,946	2,047,671
1-04-4000-100	Salaries - Departmental Overtime	144,000	183,060	115,000	178,224	155,494	114,871
	Subtotal (Salaries)	2,392,000	2,511,616	2,608,500	2,464,644	2,292,440	2,162,542
Employee Benefits							
1-04-4005-000	Payroll Taxes	189,500	205,550	197,750	187,297	177,933	167,159
1-04-4010-000	Health Insurance	445,000	528,574	473,750	527,797	510,242	464,206
1-04-4015-000	PERS	214,000	209,567	238,500	191,029	249,995	196,596
	Subtotal (Benefits)	848,500	943,691	910,000	906,122	938,170	827,961
	Personnel Expenses	3,240,500	3,455,307	3,518,500	3,370,766	3,230,610	2,990,504
OPERATING EXPENSES:							
1-04-4050-000	Staff Travel	6,200	3,909	6,146	8,363	4,651	3,969
1-04-4060-000	Staff Conferences & Seminars	15,500	1,451	15,365	4,313	1,050	297
1-04-4155-405	Contracted Services - Landscape Svcs (All Sites)	16,000	16,440	15,877	11,450	16,075	10,325
1-04-4155-410	Contracted Services - Landscape Svcs (Wells)	39,000	34,917	38,925	33,855	34,344	33,659
1-04-4155-415	Contracted Services - Alarm Services	-	-	-	-	-	8,322
1-04-4155-420	Contracted Services - Janitorial Services (All Sites)	47,000	49,682	46,096	46,204	44,832	46,237
1-04-4155-425	Contracted Services - Pest Control Svcs (All Loc)	6,200	8,195	6,146	4,732	5,934	4,915
1-04-4155-430	Contracted Services - Pest Control Svcs (Plm Dam)	5,200	5,374	5,122	3,648	3,448	3,312
1-04-4155-435	Contracted Services - Elevator Services	4,100	3,706	4,097	47,905	2,903	11,815
1-04-4155-440	Contracted Services - SCADA Software	-	-	18,000	-	17,856	15,043
1-04-4155-445	Contracted Services - SCADA Hardware	-	-	10,000	-	1,119	24,118
1-04-4155-450	Contracted Services - Seismic Valve Controllers	7,800	-	7,683	6,683	6,415	6,415
1-04-4155-455	Contracted Services - Annual Tank Service	104,000	-	102,435	319,100	319,100	329,545
1-04-4155-460	Contracted Services - Fire Extinguisher Servicing	5,200	3,320	5,122	6,187	7,644	-
1-04-4155-466	Contracted Services - Clearscada	-	-	15,365	14,796	3,163	-
1-04-4155-468	Contracted Services - Fuel Serve	2,500	-	-	-	-	-
1-04-4155-499	Contracted Services - Miscellaneous	2,100	3,227	2,049	2,420	-	1,639
1-04-4175-000	Permits (District Facilities including Dams)	42,000	50,475	40,974	42,780	63,350	7,433
1-04-4215-100	Natural Gas - Wells & Boosters	225,000	225,298	218,350	222,292	266,569	170,596
1-04-4215-200	Natural Gas - Buildings	9,500	8,991	9,371	10,010	7,480	6,613
1-04-4220-100	Electricity - Wells & Boosters	860,000	1,573,022	827,487	1,061,023	1,185,888	1,091,131
1-04-4220-200	Electricity - Buildings	95,000	76,535	91,624	71,542	77,395	73,376
1-04-4225-000	Maint. & Repair - Vehicles	34,000	29,029	33,479	22,923	35,133	21,897
1-04-4230-100	Maint. & Rep. Operations - Office Building	26,500	12,451	25,753	6,284	7,868	21,364
1-04-4230-120	Maint. & Rep. Operations - Two-way Radios	5,000	-	-	-	-	-
1-04-4235-110	Maint. & Rep. Operations - Equipment	12,700	4,171	12,361	8,557	4,285	8,512
1-04-4235-400	Maint. & Rep. Operations - Wells	84,500	84,731	82,297	53,640	67,930	55,508
1-04-4235-405	Maint. & Rep. Operations - Boosters	52,800	39,547	51,435	52,497	29,376	27,474
1-04-4235-410	Maint. & Rep. Operations - Shop Bldgs	26,000	12,191	25,753	10,411	19,258	20,786
1-04-4235-415	Maint. & Rep. Operations - Facilities	52,000	41,822	51,506	18,567	17,006	16,691
1-04-4235-420	Maint. & Rep. Operations - Water Lines	315,000	230,955	309,036	252,498	354,568	318,750
1-04-4235-425	Maint. & Rep. Operations - Littlerock Dam	15,500	9,754	15,452	9,551	487	1,642
1-04-4235-430	Maint. & Rep. Operations - Palmdale Dam	-	-	-	670	550	4,070
1-04-4235-435	Maint. & Rep. Operations - Palmdale Canal	7,000	4,042	10,301	4,884	1,110	4,837
1-04-4235-440	Maint. & Rep. Operations - Large Meters	15,500	6,249	15,452	13,638	9,809	34,420
1-04-4235-445	Maint. & Rep. Operations - Telemetry	-	-	5,151	893	275	2,125
1-04-4235-450	Maint. & Rep. Operations - Hypo Generators	7,900	5,250	7,726	1,443	4,574	2,645
1-04-4235-455	Maint. & Rep. Operations - Heavy Equipment	44,000	40,735	43,780	60,783	32,408	43,617
1-04-4235-460	Maint. & Rep. Operations - Storage Reservoirs	5,200	1,360	5,151	2,807	13,590	2,367
1-04-4235-461	Maint. & Rep. Operations - Air Vacs	5,200	6,010	5,151	14,815	41,486	-
1-04-4235-470	Maint. & Rep. Operations - Meter Exchanges	155,000	47,935	154,518	91,293	183,630	139,830
1-04-4270-300	Telecommunication - Other	-	-	5,122	8,015	6,994	5,732
1-04-4300-100	Testing - Regulatory Compliance	20,500	12,622	20,487	8,725	15,935	9,612
1-04-4300-200	Testing - Large Meter Testing	13,000	13,807	12,804	16,220	19,098	11,357
1-04-4300-300	Testing - Edison Testing	12,000	-	15,365	5,800	8,100	2,755
1-04-5070-009	Groundwater Adjudication - Pumping Assessment	-	-	-	-	60,775	19,552
1-04-6000-000	Waste Disposal	21,000	14,161	20,824	18,290	14,653	15,183
1-04-6100-100	Fuel - Gas and Diesel	142,000	121,021	138,809	100,360	119,063	84,621
1-04-6100-200	Lubricates District Wide	26,000	25,581	25,897	24,608	23,332	17,842
1-04-6200-000	Uniforms	28,000	22,539	28,237	21,403	21,894	20,803

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Facilities (Continued)

OPERATING EXPENSES (Continued):		-	-	-	-	-	-
1-04-6300-100	Supplies - General	65,000	35,908	75,635	31,635	78,916	52,867
1-04-6300-200	Supplies - Hypo Generators	-	-	-	7,091	7,195	3,340
1-04-6300-300	Supplies - Electrical	3,000	478	3,025	577	852	2,944
1-04-6300-400	Supplies - Telemetry	-	-	-	1,894	587	6,070
1-04-6300-800	Supplies - Construction Materials	35,000	34,641	35,296	32,428	33,672	37,608
1-04-6400-100	Tools - Facilities	35,000	30,775	35,296	35,314	32,365	17,942
1-04-6400-200	Tools - Vehicles	10,100	16,926	10,085	11,907	15,823	10,122
1-04-6450-100	Equipment - Firetide Radios	-	-	-	-	784	-
1-04-6450-110	Equipment - GF Signet Flow Meters	-	-	7,563	-	-	-
1-04-6450-120	Equipment - SCADA Workstations	-	-	-	-	27,169	-
1-04-7000-100	Leases - Equipment	15,000	13,202	15,127	19,342	12,246	22,460
1-04-7000-200	Leases - Fleet	142,000	112,394	141,185	83,284	87,852	33,524
Total Operating Expense		2,923,700	3,094,830	2,931,294	2,970,349	3,479,864	2,949,628
Total Departmental Expenses		6,164,200	6,550,137	6,449,794	6,341,115	6,710,475	5,940,131

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.

2020 ACCOMPLISHMENTS:

- 1) Refined plant systems operational practices to optimize water quality.
- 2) Staff conducted jar testing with many available coagulant aids from different chemical companies.
- 3) Installed third Ferric Chloride tank for more redundancy and reliability for primary coagulation.
- 4) Installed second brine tank for redundancy and reliability of chlorine supply.
- 5) Completed O&M manual for 2020 (SWRCB).
- 6) Renewed Water Research Foundation District's membership for 2020.
- 7) Completed large water system report for 2019.
- 8) Participated on demand response programs with Honeywell to reduce electricity costs.
- 9) Reactivated 3 GAC contactors at the treatment plant.
- 10) Successfully maintained water in Lake Palmdale free of algae blooms that could adversely affect our treatment process.
- 11) Continued development and execution of an effective lake monitoring program and cleanup of Lake Palmdale shoreline.
- 12) Completed the Consumer Confidence Report for 2019.
- 13) Continued Palmdale Regional Groundwater Recharge and Recovery Project monitoring quarterly.

2021 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 Resource and Analytics Director 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) Install a new hypochlorite generation system.
- 9) Perform treatment plant vault maintenance.
- 10) Rebuild zinc orthophosphate system.
- 11) Continue main water treatment plant building renovation improvements.
- 12) Perform pre-assessment for lab compliance with new ELAP regulations.
- 13) Perform on-site assessment for ELAP 2022 renewal.
- 14) Perform triennial lead and copper rule monitoring.
- 15) Perform treatment plant vault maintenance.
- 16) Perform SWRCB first period vulnerability assessments (surface water):
 - Annual Title 22 monitoring
 - Asbestos monitoring
 - SOC monitoring (two quarters in one year)
- 17) Complete the Consumer Confidence Report for 2020.
- 18) Continue Palmdale Regional Groundwater Recharge and Recovery Project monitoring quarterly.
- 19) Encourage continued education and training to equip staff with the knowledge necessary to deal effectively with current and future water industry challenges.
- 20) Continue development of lab maintenance program.
- 21) Continue development of lab training program.
- 22) Review systems, emergency drill scenarios with Operations staff.
- 23) Update Operations and Maintenance Manual for annual SWRCB reporting.
- 24) Renew Water Research Foundation membership.

Operations

Operations		BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2021	2020	2020	2019	2018	2017
1-05-4000-000	Salaries	1,154,000	1,139,362	1,090,000	1,066,200	1,154,301	953,323
1-05-4000-100	Salaries - Departmental Overtime	99,000	99,456	87,500	117,094	98,526	78,833
	Subtotal (Salaries)	1,253,000	1,238,818	1,177,500	1,183,294	1,252,827	1,032,157
Employee Benefits							
1-05-4005-000	Payroll Taxes	91,000	99,867	86,000	88,433	87,400	79,405
1-05-4010-000	Health Insurance	182,000	188,001	153,500	167,240	153,953	160,866
1-05-4015-000	PERS	118,500	-	111,250	91,630	122,221	98,359
	Subtotal (Benefits)	391,500	287,868	350,750	347,303	363,575	338,630
	Personnel Expenses	1,644,500	1,526,686	1,528,250	1,530,597	1,616,402	1,370,787
OPERATING EXPENSES:							
1-05-4050-000	Staff Travel	3,100	-	3,073	5,944	6,065	3,875
1-05-4060-000	Staff Conferences & Seminars	3,100	-	3,073	1,145	790	1,855
1-05-4120-100	Training - Lab Equipment	5,200	-	5,122	-	-	-
1-05-4155-505	Contracted Services - Landscape Services	3,500	2,753	3,585	2,195	6,881	3,261
1-05-4155-510	Contracted Services - Alarm Services	-	-	-	-	714	1,732
1-05-4155-525	Contracted Services - Wind Turbine Services	31,000	6,887	30,731	7,913	39,029	38,805
1-05-4155-540	Contracted Services - Lab Software	7,700	8,832	7,683	6,307	6,393	7,456
1-05-4155-545	Contracted Services - Lab Equipment Services	26,000	16,155	26,633	26,552	9,181	9,153
1-05-4155-550	Contracted Services - Water Quality Svcs (SolarBee)	31,400	38,971	30,731	29,228	29,228	28,016
1-05-4175-000	Permits (WTP Facilities Inclusive)	81,300	10,734	69,656	69,263	119,287	67,631
1-05-4215-200	Natural Gas - Water Treatment Plant	3,200	1,260	3,124	1,580	1,327	1,063
1-05-4220-200	Electricity - Water Treatment Plant	215,000	206,531	208,237	257,450	173,435	297,253
1-05-4230-110	Maint. & Rep. Office - Equipment	5,300	431	5,151	1,705	4,484	183
1-05-4235-110	Maint. & Rep. Operations - Equipment	21,000	22,705	20,602	16,241	19,054	18,068
1-05-4235-410	Maint. & Rep. Operations - Shop Bldgs	6,300	8,114	6,181	7,038	5,961	1,818
1-05-4235-415	Maint. & Rep. Operations - Facilities	74,000	71,914	72,108	85,594	78,306	81,972
1-05-4235-450	Maint. & Rep. Operations - Hypo Generators	-	-	-	6,221	61,795	52,898
1-05-4235-500	Maint. & Repair - Wind Turbine	10,000	7,993	10,301	53,615	4,129	1,345
1-05-4236-000	Palmdale Lake Management	130,000	106,970	102,600	111,708	100,413	65,913
3-05-4300-100	Filter Media Testing/Inspection	-	-	-	-	-	18,348
1-05-6000-000	Waste Disposal	21,000	19,408	20,824	22,839	29,716	3,678
1-05-6200-000	Uniforms	16,000	15,228	16,135	12,993	13,343	13,155
1-05-6300-100	Supplies - General	15,200	24,123	15,127	26,382	16,513	13,955
1-05-6300-600	Supplies - Lab	72,000	64,084	62,471	44,469	50,825	51,859
1-05-6300-700	Outside Lab Work	60,000	46,053	104,119	74,198	88,280	53,280
1-05-6400-000	Tools	6,100	4,337	6,051	3,550	3,906	6,504
1-05-6500-000	Chemicals	915,000	999,444	883,797	1,006,489	1,090,810	779,292
1-05-7000-100	Leases -Equipment	3,000	425	3,025	10,542	2,732	-
	Total Operating Expense	1,765,400	1,683,353	1,720,140	1,891,161	1,962,598	1,622,369
	Total Departmental Expenses	3,409,900	3,210,039	3,248,390	3,421,758	3,579,000	2,993,156

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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.

2020 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) Completed refunding of 2013A Bonds (2038 and 2043 term bonds only) into 2020 Private Placement for cost savings of \$751,628 from previous issue.
- 6) Completed refunding of 2013A Bonds (2032 and 2034 term bonds only) into 2020 Taxable Water Revenue Bonds for cost savings of \$784,897 from previous issue.
- 7) Liquidated District's obligations in a timely manner.
- 8) Continued workflow schedule for better closure of financial periods to improve monthly reconciliation processes.
- 9) Produced annual District budget.

2021 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.
- 7) Work on issuance of \$20 million water revenue bond issue for continuation of work related to capital expenditure projects over the next three years.

Finance

Finance		BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2021	2020	2020	2019	2018	2017
1-06-4000-000	Salaries	996,500	753,696	742,750	705,236	687,741	670,064
1-06-4000-100	Salaries - Departmental Overtime	2,000	834	3,000	807	902	1,808
	Subtotal (Salaries)	998,500	754,530	745,750	706,042	688,644	671,872
Employee Benefits							
1-06-4005-000	Payroll Taxes	75,500	57,469	57,250	48,357	45,324	46,901
1-06-4010-000	Health Insurance	176,000	124,813	105,250	101,355	104,561	88,182
1-06-4015-000	PERS	105,750	72,481	79,000	63,912	87,867	70,754
	Subtotal (Benefits)	357,250	254,763	241,500	213,624	237,752	205,836
	Personnel Expenses	1,355,750	1,009,293	987,250	919,666	926,395	877,709
OPERATING EXPENSES:							
1-06-4050-000	Staff Travel	2,000	77	2,049	357	2,108	-
1-06-4060-000	Staff Conferences & Seminars	1,500	-	1,537	547	445	-
1-06-4155-100	Contracted Services - Infosend	283,000	241,437	276,576	265,550	174,100	261,932
1-06-4155-300	Contracted Services - AdComp Systems	4,300	4,100	9,200	4,085	4,085	4,085
1-06-4155-620	Contracted Services - Letter Extractor (OPEX)	3,100	2,950	3,073	-	2,865	2,805
1-06-4155-625	Contracted Services - GASB Actuarial Reports	5,200	4,650	5,122	10,750	5,050	5,850
1-06-4165-000	Memberships/Subscriptions	500	293	512	220	110	330
1-06-4230-110	Maintenance & Repair - Office Equipment	500	-	515	-	-	-
1-06-4250-000	General Material & Supplies	2,000	-	3,025	-	-	-
1-06-4260-000	Business Forms	1,500	418	4,097	-	421	1,598
1-06-4270-100	Telecommunication - Office	32,000	37,654	25,609	31,206	36,131	29,872
1-06-4270-200	Telecommunication - Cellular Stipend	25,700	30,120	25,097	24,215	22,500	19,655
1-06-7000-100	Leases - Equipment	3,000	2,597	3,025	2,603	2,610	2,605
	Total Operating Expense	364,300	324,296	359,437	339,533	250,426	328,732
	Total Departmental Expenses	1,720,050	1,333,589	1,346,687	1,259,199	1,176,821	1,206,440

Water-Use Efficiency Department

DESCRIPTION:

The Water-Use Efficiency 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.

2020 ACCOMPLISHMENTS:

- 1) Converted education program to a virtual format and reached 350 students.
- 2) Executed two virtual waterwise contests for kids.
- 3) Water-wise Landscape Conversion Program converted 44,406 sq. ft. of turf.
- 4) Processed \$77,767 in total rebates.
- 5) Worked with Engineering to complete Water Conservation Garden re-design.

2021 GOALS:

- 1) Continue to improve all existing programs.
- 2) Continue to adapt and promote rebate and education programs to serve the needs of the ratepayers and promote water-use efficiency.
- 3) Award contract for construction of the Water Conservation Garden.

Water-Use Efficiency

<u>Water-Use Efficiency</u>		BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2021	2020	2020	2019	2018	2017
1-07-4000-000	Salaries	170,500	167,155	152,250	171,500	151,114	142,927
1-07-4000-100	Salaries - Departmental Overtime	5,000	3,259	5,000	4,797	1,827	540
	Subtotal (Salaries)	175,500	170,414	157,250	176,297	152,942	143,467
Employee Benefits							
1-07-4005-000	Payroll Taxes	13,750	14,417	12,000	13,670	12,313	11,628
1-07-4010-000	Health Insurance	31,000	37,005	23,750	45,490	40,123	36,439
1-07-4015-000	PERS	19,500	16,515	16,750	16,426	20,972	16,189
	Subtotal (Benefits)	64,250	67,937	52,500	75,587	73,408	64,256
	Personnel Expenses	239,750	238,351	209,750	251,883	226,350	207,723
OPERATING EXPENSES:							
1-07-4050-000	Staff Travel	2,600	621	2,561	2,280	2,492	703
1-07-4060-000	Staff Conferences & Seminars	3,100	-	3,073	1,145	910	470
1-07-4190-300	Public Relations - Landscape Workshop/Training	5,200	687	5,122	89	1,757	124
1-07-4190-400	Public Relations - Contests	3,100	1,278	3,073	390	536	-
1-07-4190-500	Public Relations - Education Programs	125,000	9,637	122,923	119,294	1,863	6,461
1-07-4190-900	Public Relations - Other	5,200	593	5,122	1,880	2,752	546
1-07-6300-100	Supplies - General	7,000	77	7,059	6,970	1,486	659
	Total Operating Expense	151,200	12,893	148,932	132,049	11,796	8,963
	Total Departmental Expenses	390,950	251,244	358,682	383,933	238,146	216,687

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.

2020 ACCOMPLISHMENTS:

- 1) Analyzed District benefit positions and made recommendations to Personnel Committee.
- 2) Conducted eight recruitment processes, including internal and external.
- 3) Established Mutual Aid Agreement among Antelope Valley agencies – awaiting final revision by attorneys.
- 4) Grant applications approved for Hazard Mitigation Plan and COVID-19.
- 5) Established COVID-19 Pandemic Plan for the District.
- 6) Completed three safety projects scheduled for 2019.
- 7) Set up of new HRIS system for 2021 rollout.

2021 GOALS:

- 1) Complete execution of final Mutual Aid Agreement with Antelope Valley agencies.
- 2) Continue to review and revise job descriptions.
- 3) Coordinate 2022 Employee Benefits Open Enrollment.
- 4) Continue focus on increased safety awareness through training and resources.
- 5) Complete safety project for dam stairs.
- 6) Roll out new HRIS system with employee portal and performance management.
- 7) Continue focus on cross-training to create a flexible workforce along with a workforce prepared for succession.
- 8) Establish a Supervisor/Lead Training Program.
- 9) Continue and enhance the Palmdale Water District's Internship Program through outreach to high school students.
- 10) Conduct bi-annual Salary Survey.

Human Resources

Human Resources		BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2021	2020	2020	2019	2018	2017
1-08-4000-000	Salaries	267,250	255,913	238,750	241,493	207,111	133,004
1-08-4000-100	Salaries - Departmental Overtime	1,000	328	1,000	613	449	-
1-08-4000-200	Salaries - Intern Program	-	-	-	-	-	6,236
	Subtotal (Salaries)	268,250	256,241	239,750	242,106	207,560	139,240
Employee Benefits							
1-08-4005-000	Payroll Taxes	20,750	20,721	18,500	17,466	16,221	10,749
1-08-4010-000	Health Insurance	31,000	26,216	18,500	31,281	28,463	19,570
1-08-4015-000	Pers	24,500	20,486	20,750	16,595	20,828	8,753
	Subtotal (Benefits)	76,250	67,423	57,750	65,342	65,512	39,071
	Personnel Expenses	344,500	323,664	297,500	307,448	273,072	178,312
OPERATING EXPENSES:							
1-08-4050-000	Staff Travel	1,500	776	1,537	3,261	273	1,433
1-08-4060-000	Staff Conferences & Seminars	1,500	265	1,537	1,574	-	749
1-08-4070-000	Employee Expense	67,500	66,800	95,000	91,048	81,692	59,183
1-08-4095-000	Employee Recruitment	3,100	10,178	3,073	8,392	10,442	5,036
1-08-4100-000	Employee Retention	5,200	-	5,122	5,046	29,903	3,009
1-08-4105-000	Employee Relations	-	-	3,585	1,384	2,270	3,752
1-08-4120-100	Training - Safety	36,000	17,348	35,852	5,986	40,909	24,220
1-08-4120-200	Training - Specialty	15,500	1,608	15,365	16,649	27,555	11,862
1-08-4121-000	Safety/HR Program	1,000	47	1,024	35	1,065	-
1-08-4165-000	Memberships/Subscriptions	1,600	1,232	1,639	1,474	1,657	1,535
1-08-4165-100	HR/Safety Publications	1,000	400	1,024	-	263	-
1-08-6300-500	Supplies - Safety	30,500	27,229	30,254	44,789	40,475	29,338
	Total Operating Expense	164,400	125,883	195,012	179,638	236,504	140,116
	Total Departmental Expenses	508,900	449,547	492,512	487,087	509,576	318,428

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 data center 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.

2020 ACCOMPLISHMENTS:

- 1) Transitioned District IT infrastructure to meet the demands of COVID response. This included:
 - Migrated staff from traditional brick and mortar work environment to Work from Home (WFH).
 - Extended on-premise call center operations to WFH by implementing secure, encrypted VoIP gateway.
 - Implemented secure VLAN to extend call center.
 - Configured and deployed 30 additional mobile devices within a week's timeframe.
- 2) Upgraded and migrated GIS to new server.
- 3) Created 15 new GIS applications to support staff.
- 4) Coordinated with staff and consultants to complete risk assessment and updated disaster response plan.
- 5) Coordinated with staff, consultants, vendors, and contractors to complete the main office, crew room, and warehouse remodel.
- 6) Rewire main office network cabling as part of office remodel.
- 7) Completed the District's main office fire system upgrade.
- 8) Transitioned SCADA and associated staff to the IT department.

2021 GOALS:

- 1) Redesign website and Intranet.
- 2) Complete the implementation of the Human Resources Information System.
- 3) Implement Personnel Emergency Notification System.
- 4) Implementation of mass communication (employee & customer).
- 5) Implement utility network in GIS (multi-year project).
- 6) Begin network infrastructure upgrade/replacement (multi-year project).
- 7) Data warehousing/business intelligence.
- 8) Implement customer mobile app.
- 9) Smart meter deployment.
- 10) Upgrade drone systems.
- 11) Evaluate moving implementation of the virtual desktop interface up by one year.
- 12) Continue certification of IT staff on various systems and applications.

Information Technology

Information Technology		BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2021	2020	2020	2019	2018	2017
1-09-4000-000	Salaries	583,750	436,184	303,250	295,522	191,822	178,266
1-09-4000-100	Salaries - Departmental Overtime	21,000	24,575	3,000	731	510	981
	Subtotal (Salaries)	604,750	460,759	306,250	296,252	192,332	179,247
Employee Benefits							
1-09-4005-000	Payroll Taxes	46,500	36,169	26,000	21,331	13,373	12,979
1-09-4010-000	Health Insurance	94,000	65,776	34,500	31,509	26,093	27,143
1-09-4015-000	PERS	46,250	42,829	30,500	25,993	22,997	17,825
	Subtotal (Benefits)	186,750	144,774	91,000	78,833	62,464	57,947
	Personnel Expenses	791,500	605,533	397,250	375,085	254,795	237,194
OPERATING EXPENSES:							
1-09-4050-000	Staff Travel	3,100	196	3,073	2,968	1,323	610
1-09-4060-000	Staff Conferences & Seminars	10,400	4,501	10,244	2,017	1,000	6,433
1-09-4155-801	Cloud Services-MS-Office 360	35,000	4,672	30,731	58,855	26,140	-
1-09-4155-802	Cloud Services-MS-Project	-	-	3,073	-	840	-
1-09-4155-803	Cloud Services-MS-Visio	-	-	1,024	-	283	-
1-09-4155-804	Cloud Services-Adobe-Creative Suite	5,200	7,610	5,122	7,610	6,457	-
1-09-4155-805	Cloud Services-Seamless Docs	5,200	-	5,122	5,833	10,000	-
1-09-4155-806	Cloud Services-IPSwitch-Moveit	10,500	215	6,146	10,027	9,866	-
1-09-4155-807	Cloud Services-GFI Fax	2,600	1,600	2,561	600	3,000	-
1-09-4155-808	Cloud Services-KnowBe4-Security Awareness	1,500	2,000	1,537	2,000	-	-
1-09-4155-809	Cloud Services-Network Solutions-DNS, Web Registration	4,100	1,045	4,097	2,465	4,237	-
1-09-4155-810	Cloud Services-IBM-MaaS360	6,200	4,464	6,146	-	4,396	-
1-09-4155-811	Cloud Services-MSP Portal-Bit Defender	5,100	5,094	3,227	6,488	3,427	-
1-09-4155-812	Cloud Services-Akins-WiFi	-	1,845	3,175	-	3,061	-
1-09-4155-813	Cloud Services-FleetMate	500	-	6,658	-	1,000	-
1-09-4155-814	Cloud Services-Security Metrics-PCI Compliance	4,500	4,392	3,073	3,796	3,051	-
1-09-4155-815	Cloud Services-Citrix	2,000	1,750	2,049	1,755	-	-
1-09-4155-816	Cloud Services - Azure Services	25,200	-	-	-	-	-
1-09-4155-905	Contracted Services - Offsite Services	5,000	-	5,122	75	-	3,420
1-09-4155-910	Contracted Services - Printer Services	7,000	2,741	2,561	4,786	3,928	-
1-09-4155-915	Contracted Services - Website Design Services	4,000	4,081	3,688	7,958	9,871	9,989
1-09-4155-920	Contracted Services - Telephony Services	5,200	3,726	5,122	-	2,390	3,154
1-09-4155-925	Contracted Services - TDS (Network & Software Support)	40,000	-	-	-	-	36,906
1-09-4155-930	Contracted Services - Network Services	-	1,485	35,852	14,342	12,644	19,953
1-09-4155-935	Contracted Services - Hardware Warranties	15,500	-	15,365	295	-	848
1-09-4155-940	Contracted Services - Access Control & Fire Services	60,000	59,699	56,339	48,823	29,769	-
1-09-4155-945	Contracted Services - LA County Dataset	1,000	-	8,000	-	-	-
1-09-4155-950	Contracted Services - ESRI Customer Care	5,000	4,649	5,000	-	-	-
1-09-4155-955	Contracted Services - SCADA Software	18,000	-	-	-	-	-
1-09-4155-960	Contracted Services - SCADA Hardware	10,000	14,952	-	-	-	-
1-09-4155-965	Contracted Services - ClearSCADA	15,000	-	-	-	-	-
1-09-4165-000	Memberships/Subscriptions	2,600	480	2,561	1,455	330	459
1-09-4235-445	Maint. & Rep - Telemetry	5,300	1,395	-	-	-	-
1-09-4270-100	Telecommunication - Office Phone	18,000	15,330	17,926	17,528	15,176	14,878
1-09-4270-125	Telecommunication - Office Backbone	23,000	22,294	22,536	20,580	18,865	21,530
1-09-4270-150	Telecommunication - WTP Backbone	15,500	11,400	15,365	10,450	13,115	10,348
1-09-4270-300	Telecommunication - Cellular (Data & On-Call)	55,000	53,101	46,096	47,122	43,496	43,587
1-09-4270-350	Telecommunication - Other	7,600	7,500	-	-	-	-
1-09-6450-110	Equipment - GF Signet Flow Meters	7,600	-	-	-	-	-
1-09-7000-100	Leases - Equipment (Printers)	56,000	48,477	56,000	49,961	-	-
1-09-8000-100	Computer Equipment - Computers	45,000	52,000	45,381	54,264	44,250	40,143
1-09-8000-200	Computer Equipment - Mobility	45,000	38,953	45,381	44,756	10,039	37,199
1-09-8000-300	Computer Equipment - Monitors	12,000	-	2,017	2,214	2,130	1,470
1-09-8000-400	Computer Equipment - Printers	-	-	-	-	931	-
1-09-8000-500	Computer Equipment - Printer Supplies	2,500	-	3,025	157	3,299	159
1-09-8000-550	Computer Equipment - Telephony	3,000	-	3,025	-	-	840
1-09-8000-600	Computer Equipment - Other	30,000	24,673	25,212	17,158	20,331	27,649
1-09-8000-650	Computer Equipment - Warranty and Support	15,000	4,560	15,127	6,000	7,555	-
1-09-8100-100	Software - Maint. and Support	-	42,360	-	-	975	48,774
1-09-8100-101	Software M&S - Xtelesis-Phone	10,500	-	10,244	9,679	19,680	-
1-09-8100-102	Software M&S - Tredent-Veam	-	18,836	8,195	-	9,491	-
1-09-8100-103	Software M&S - ConduSive/V-locity-Diskkeeper	8,000	5,128	5,250	5,128	4,250	-
1-09-8100-104	Software M&S - FWI	500	529	512	388	-	-
1-09-8100-105	Software M&S - Strategy 7	-	-	2,561	-	702	-

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Information Technology (Continued)

OPERATING EXPENSES (Continued):							
1-09-8100-106	Software M&S- Astria Solutions-Docstar	19,000	12,643	16,390	12,643	12,643	-
1-09-8100-107	Software M&S- NemoQ-Ticketing	2,500	-	2,561	1,945	1,945	-
1-09-8100-108	Software M&S- FMT-Management Reporter	-	-	1,537	-	175	-
1-09-8100-109	Software M&S- Neogov	5,000	-	8,195	8,240	7,922	-
1-09-8100-110	Software M&S- TruePoint	40,000	35,310	37,901	31,920	50,340	34,290
1-09-8100-111	Software M&S- Technology Unlimited	2,100	-	2,049	1,762	3,499	-
1-09-8100-112	Software M&S- Sierra Workforce-Timesheet	4,100	4,035	4,097	4,717	6,039	-
1-09-8100-113	Software M&S- Tredent-SAN Manager	-	-	3,073	-	-	-
1-09-8100-114	Software M&S- Faranics-Powersaver	200	-	-	-	225	-
1-09-8100-115	Software M&S- Network Monitoring	63,000	44,582	47,500	2,348	2,134	-
1-09-8100-116	Software M&S- VMWare-Virtualization	14,000	9,225	7,000	6,788	6,596	-
1-09-8100-117	Software M&S- iPrism-Web Filter	-	-	26,633	27,734	-	-
1-09-8100-118	Software M&S- Quest-VMWare Recovery	-	-	8,707	-	-	-
1-09-8100-119	Software M&S - Palitto Consulting (IVR)	-	-	2,750	2,599	-	-
1-09-8100-120	Software M&S - ESRI GIS Software	25,000	-	25,000	-	-	-
1-09-8100-121	Software M&S - ESRI Drone2Map	1,500	-	1,500	-	-	-
1-09-8100-122	Software M&S - Info360 (SCADA Watch)	16,000	-	-	-	-	-
1-09-8100-123	Software M&S - InfoWatch (Innovyze)	16,000	-	-	-	-	-
1-09-8100-124	Software M&S - BAMBOO HR	10,500	-	-	-	-	-
1-09-8100-140	Software M&S - Starnik	-	-	-	-	-	63,274
1-09-8100-150	Software M&S- Dynamics GP	40,000	64,457	56,339	40,731	34,337	46,847
1-09-8100-200	Software - Software and Upgrades	20,000	11,682	20,487	10,812	7,216	16,845
	Total Operating Expense	947,800	659,667	832,239	619,772	484,368	489,605
	Total Departmental Expenses	1,739,300	1,265,200	1,229,489	994,857	739,164	726,798

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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.

2020 ACCOMPLISHMENTS:

- 1) Completed the Customer Care area remodel with ergonomic improvements.
- 2) Meter procurement for new meters and reading system.
- 3) Worked efficiently and effectively from home assisting our customers due to the COVID response and compliance with the “Safer at Home” orders issued by Los Angeles County and the state of California.
- 4) Created new projects to promote collecting funds.
- 5) Limited team turnover and worked on promotions from within.
- 6) 2020 Departmental statistics:
 - Phone calls handled 41,540
 - Lobby customers served 10,480
 - New customers processed (Move in) 1,329
 - Service orders processed 21,031
 - Rate Assistance Program applications 2020 funds were exhausted
 - Processed courtesy leak applications 307 (\$52,456.83 in customer savings)

2021 GOALS:

- 1) Continue building the fillable forms available to customers.
- 2) Complete meter, meter reading and customer portal goals.
- 3) Install isolation valves on customer side to lessen the trip load, lowering costs.
- 4) Continue efforts in providing training of Customer Care staff.

Customer Care

Customer Care		BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2021	2020	2020	2019	2018	2017
1-10-4000-000	Salaries	1,013,000	949,904	936,250	948,953	949,871	871,635
1-10-4000-100	Salaries - Departmental Overtime	7,500	5,149	7,500	3,867	6,146	4,872
	Subtotal (Salaries)	1,020,500	955,053	943,750	952,821	956,018	876,506
Employee Benefits							
1-10-4005-000	Payroll Taxes	80,000	76,045	74,750	67,863	68,934	64,404
1-10-4010-000	Health Insurance	233,000	198,346	149,500	205,882	207,455	176,657
1-10-4015-000	PERS	96,500	86,402	88,500	79,411	118,854	90,241
	Subtotal (Benefits)	409,500	360,792	312,750	353,157	395,243	331,302
	Personnel Expenses	1,430,000	1,315,845	1,256,500	1,305,977	1,351,261	1,207,808
OPERATING EXPENSES:							
1-10-4050-000	Staff Travel	2,000	(29)	2,049	4,646	1,018	1,759
1-10-4060-000	Staff Conferences & Seminars	3,100	-	3,073	3,082	673	2,090
1-10-4155-005	Contracted Services - Assessor Data (Realquest)	10,000	9,900	10,244	9,906	9,900	9,900
1-10-4155-010	Contracted Services - Credit Reporting Services	4,100	3,614	4,097	4,514	3,848	3,917
1-10-4155-015	Contracted Services - AMR Services (Itron)	8,300	6,534	8,300	12,210	5,984	7,598
1-10-4155-020	Contracted Services - NEMO-Q System	3,000	2,918	-	-	-	-
1-10-4230-110	Mtce & Rep Office - Equipment	200	497	202	-	-	-
1-10-4250-000	General Material & Supplies	5,000	1,536	7,059	2,454	6,955	7,055
1-10-4260-000	Business Forms	1,000	-	1,024	871	224	-
	Total Operating Expense	36,700	24,969	36,048	37,683	28,602	32,319
	Total Departmental Expenses	1,466,700	1,340,814	1,292,548	1,343,660	1,379,862	1,240,127

APPENDIX

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Budget Control Guidelines

The 2021 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 2021 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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2021 Water Rate Schedule

Meter Fee Charge (Effective 01/01/2021)	
3/4" - 1"	41.60
1-1/2"	101.49
2"	153.81
3"	275.89
4"	450.38
6"	886.21
8"	1,409.41
10"	2,019.99
FIXED FIRELINE	144.79

Commodity Rates (\$/ccf)	
Tiers	
Essential Use – Tier 1	0.93
Efficient Use – Tier 2	1.63
Tier 3	2.15
Tier 4	3.51
Tier 5	5.01
Water Quality Fee (\$/ccf)	
0.09	
Elevation Booster Surcharge (\$/ccf)	
B	-
A1	0.08
A2	0.61
A3	1.23
Drought Surcharge	0.38

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2021 Holiday Observance Calendar

2021

January						
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31						

February						
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28						

March						
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April						
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May						
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June						
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July						
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August						
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September						
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October						
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November						
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December						
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26	27	28	29	30	31	1
2						

PWD Observed Holiday

PWD Observed Holiday (Dates Subject to Change)

PWD Scheduled Closure (Dates Subject to Change)

January 18 – Martin Luther King Jr. Day

February 15 – Presidents Day

May 31 – Memorial Day

July 5 – Independence Day (Observed)

September 6 – Labor Day

November 11 – Veterans Day

November 25 & 26 – Thanksgiving

December 24, 29 & 30 – Christmas Break

January 31 – New Years (Observed)

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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.csdanet.org)
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 rates 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 using 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 technology that allows an electronic device to exchange data or connect to the internet wirelessly using radio waves.