



PALMDALE WATER DISTRICT

A CENTURY OF SERVICE

PRESS RELEASE

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FOR IMMEDIATE RELEASE

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BOARD APPROVES \$26 Million BUDGET FOR 2021

Palmdale, CA – A \$26.24 million budget for calendar year 2021 was adopted with a 5-0 vote by the Palmdale Water District (PWD) Board of Directors at its meeting Monday night.

The budget, which goes into effect Jan. 1, shows expected operating expenses to increase 6.24% from 2020's budget of \$24.7 million. The increase is due to applied inflationary escalation to eight categories, including water quality, plant expenditures, water purchases, personnel costs and departmental expenses.

PWD CFO/Finance Manager Michael Williams told the Board that operating revenue is projected to be about \$29.41 million, or \$2.11 million increase over 2020's revenue. The figure is based on an 8.1% rate adjustment adopted by the Board in 2019 and an estimated 16,317 acre-feet of water to be sold, which would bring in about \$28.13 million from retail water. The total operating revenue also includes \$400,000 in wholesale water and \$880,258 in other operating revenue.

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“We have a strong budget that will position us in a secure position for 2021, despite financial unknowns due to the pandemic that continue to hover,” Williams said. “This new budget gives us the ability to continue providing clean, safe water to our nearly 117,000 customers while keeping our cash reserves stable. Staff appreciates the Board’s approval.”

According to the budget, the District will begin the new year with \$12.1 million in cash reserves, which is where the reserve balance started in 2020, and end the year with reserves at \$9.99 million. Next year, staff plans to use the \$3.1 million difference in operating revenue over operating expense for capital improvement projects that were delayed this year and for the final payment for the Upper Amargosa Creek Recharge Project.

A complete 2021 budget package will be available in January on the PWD website at www.palmdalewater.org.

“My fellow Board members and I commend the staff for presenting a sound budget,” Board President Vincent Dino said. “It is a tough time for all organizations, and I believe the District has budgeted appropriately. Together with our 2020 Strategic Plan, great work on behalf of our customers will continue.”

Recently, the Board also approved a two-year Strategic Plan that will serve as a guide for the Directors and staff as they work on short-term and long-term goals to ensure that water supply and reliability are secure for existing and future customers. The plan highlights six categories: water resource reliability; organizational excellence; systems efficiency; financial health and stability; regional leadership; and customer care, advocacy and outreach.

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Since 1918, the Palmdale Water District has provided high-quality water at a reasonable cost. We pride ourselves on providing great customer care; advocating for local water issues that help our residents; educating the community on water-use efficiency; and leading our region in researching and implementing emerging technologies that increase operational efficiency. For more information about PWD, visit www.palmdalewater.org.

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