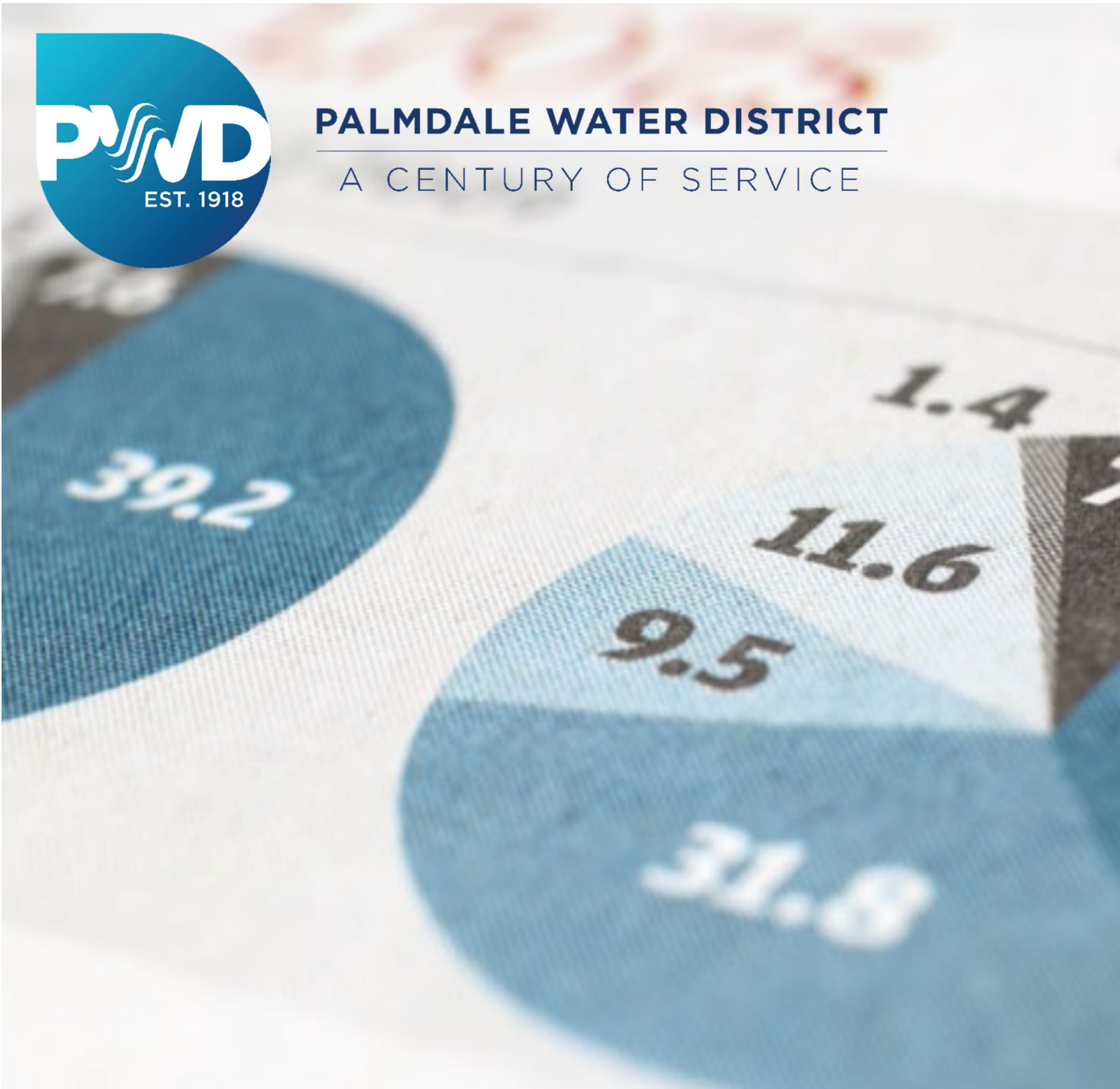




PALMDALE WATER DISTRICT
A CENTURY OF SERVICE



OPERATING BUDGET – Calendar Year 2022

(Adopted: November 8, 2021)

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



PALMDALE WATER DISTRICT

A CENTURY OF SERVICE

BOARD OF DIRECTORS

AMBERROSE MERINO

Division 1

DON WILSON

Division 2

GLORIA DIZMANG

Division 3

KATHY MAC LAREN

Division 4

VINCENT DINO

Division 5

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) 2022, approved November 8, 2021.

Palmdale Water District expects operating revenues of \$31.75 million with \$27.53 million of operating expenses. Planned capital expenditures are \$1.62 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 2021.

The CY 2022 Budget addresses the Board of Director's updated 2020 Strategic Plan, 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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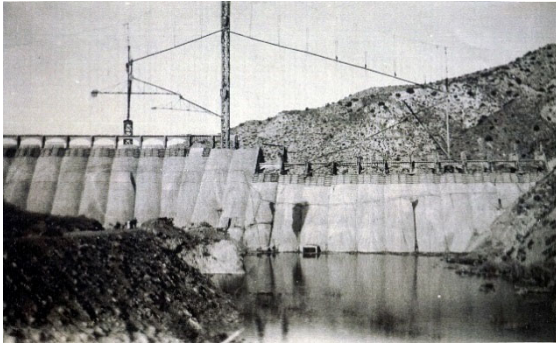
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INTRODUCTION

Thank you for your interest in Palmdale Water District (PWD) and its approved 2022 Budget. The following provides an overview of the 2022 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 2022 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 2022 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 2022 Operating Revenues are budgeted at just over \$31.7 million and is roughly \$2.34 million more than the CY 2021 Budget. Operating Revenues by category are summarized below:

	CY 2021 BUDGET	CY 2022 BUDGET	% Change
OPERATING REVENUES:			
Water consumption sales	\$ 12,514,400	\$ 13,115,350	4.8%
Monthly meter service charge	14,865,600	16,490,000	10.9%
Water quality fees	781,860	851,700	8.9%
Elevation Fees	366,843	390,550	6.5%
Other water service charges	880,258	900,000	2.2%
TOTAL OPERATING REVENUES:	\$ 29,408,961	\$ 31,747,600	8.0%

The District's CY 2022 Operating Expenses are budgeted just over \$26.4 million, compared to \$25 million in the CY 2021 budget. Operating Expenses by category are summarized below:

OPERATING EXPENSES:			
Source of supply - purchased water	\$ 3,306,000	\$ 4,152,921	25.6%
Directors	147,790	162,914	10.2%
Administration	4,542,666	4,683,935	3.1%
Engineering	1,678,000	1,667,211	(0.6%)
Facilities	6,164,200	6,278,142	1.8% ¹
Operations	3,409,900	3,578,644	4.9%
Finance	1,720,050	1,696,930	(1.3%) ¹
Water-Use Efficiency	390,950	406,847	4.1%
Human Resources	508,900	535,607	5.2%
Information Technology	1,739,300	1,825,946	5.0% ¹
Customer Care	1,466,700	1,454,576	(0.8%)
TOTAL OPERATING EXPENSES:	\$ 25,074,456	\$ 26,443,673	5.5%

The CY 2022 capital portion of the budget includes potential expenditures of \$12.78 million. This includes \$2.21 million in capital projects started in prior years, \$2.72 million in new capital projects and \$6.75 million in capital projects covered by the 2021 WRB Issue, \$600,000 for sediment removal at Littlerock Dam and \$488,500 in plant expenditures.

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 17,000 acre-feet of potable water sales for CY 2022, compared to projected 16,317 acre-feet of potable water sales for CY 2021. 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 2022 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 decreased to \$0.09/ccf and remains the same for 2022.

(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 2020	CY 2021	CY 2022
Water Quality Fee (\$/ccf)	0.11	0.09	0.09
Elevation Booster Surcharge (\$/ccf)			
Base	-	-	-
Zone A1	0.08	0.08	0.09
Zone A2	0.62	0.61	0.59
Zone A3	1.26	1.23	1.17

EXPENSES

The CY 2022 operating expenses show an overall increase from the 2021 Budget. One area that has a slight increase is salaries overall, but attrition has helped buffer this increase as the District saw several positions with retirements of long-term employees. Healthcare plans for 2022 had an overall decrease in premiums from Anthem and Kaiser, and the District hopes this remains moving forward.

When looking at major expenses, most of this increase will be related to water production and treatment. 2021 saw increased purchased water costs related to drought conditions, along with increases in electricity and natural gas expenses (water production) and chemicals costs associated with treatment. The District anticipates this will continue into 2022 as the drought conditions persist. Overall, we expect general expense cost increases across the board as it relates to shortages in the supply chain along with inflation.

The District will continue to reach out to the ratepayers in 2022 with various programs that will educate and involve the community. The programs will include offering rebates for landscape conversions, educational presentations at schools (virtual), public tours of PWD facilities (if permitted), water-saving workshops, and quarterly newsletters. The 2022 Budget allocates \$236,500 for rebate programs to assist customers with landscape conversion and replacement of inefficient indoor appliances. To ensure that our ratepayers are properly informed about District operations and available programs, the 2022 Budget also includes \$25,000 for the quarterly publication of “The Pipeline,” an external newsletter.

CAPITAL PROJECTS

As previously stated, the CY 2022 capital portion of the budget includes potential expenditures of \$12.78 million. They are summarized on Pages 21-24 in the “Basis of the Budget” section. The total includes expenditures for projects, equipment, and planning studies that were contractually committed in 2020/21 but will be finished and expensed in 2022. All the carry-over projects, contractually committed as well as plant expenditures, are shown in the tables on Page 21. Page 22 contains the list of new project requests identified for 2022 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 of \$488,305 that are related to safety and regulatory requirements and equipment replacement, and \$1,129,310 for replacement capital/equipment.

The 2021A Series Water Revenue Bond provided \$10,000,000 in funding to assist with the completion of the District’s long-term capital projects. This includes waterline replacement, installation of a new well site, and a new booster pump station. The 2022 budget has the potential expenditures for these projects in the amount of \$6,753,135. The District will also expense the final \$2,130,529 of the 2018 Water Revenue Bond funds in the first half of 2022.

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. CY 2022 will see the start of Phase II of the Littlerock Reservoir Sediment Removal Project with the removal of sediment, which will also include continued permitting and implementation in subsequent years until the full capacity is realized at Littlerock Dam.

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 – 2022 Budget

Cash Basis (17,000 Ac. Ft.)		
Activity	Estimated Cash Revenues	Estimated Cash Expenditures
Net Water Sales	\$ 13,115,350	
Meter Fees	16,490,000	
Elevation Fees	390,550	
Other Operating Revenue	900,000	
Water Quality Fees (Restricted Use)	851,700	
(Increase)/Decrease in Cash (From Operating)	(4,215,621)	
Directors		\$ 162,914
Administration		4,683,935
Engineering		1,667,211
Facilities		6,278,142
Operations		3,578,644
Finance		1,696,930
Water-Use Efficiency		406,847
Human Resources		535,607
Information Technology		1,825,946
Customer Care		1,454,576
Water Purchases		3,402,921
Plant Expenditures & Sediment Removal		1,088,305
Water Quality Expense (GAC)		750,000
SUBTOTAL OPERATING	\$ 27,531,979	\$ 27,531,979
Projected Beginning Cash - 01/01/2021	\$ 11,963,455	
Assessments received	7,600,000	
Capital Improvement Fees	550,000	
DWR Refund (Capital Related)	175,000	
State Grants	75,000	
Interest on Investments	130,000	
Other Income	50,000	
Payments for State Water Project		6,457,287
Principal Paid on Long-Term Debt		2,516,139
Interest Paid on Long-Term Debt		2,164,751
Capital Leasing		89,477
Investments in PRWA		75,000
Water-Use Efficiency		236,500
Acquisition of Property, Plant & Equipment		1,129,310
	<u>\$ 20,543,455</u>	<u>\$ 12,668,464</u>
Projected Ending Cash - Non-Operating	7,874,992	
Rate Stabilization Fund	-	
Increase/(Decrease) in Cash (From Operating)	4,215,621	
Projected Ending Cash - 12/31/2021	12,090,613	
Less Restricted Cash	-	
Available Operating Cash - 12/31/2021	\$ 12,090,613	

Summary of Revenues and Expenditures – 2021 Projected

Cash Basis (17,000 Ac. Ft.)		
Activity	Estimated Cash Revenues	Estimated Cash Expenditures
Net Water Sales	\$ 13,010,000	
Meter Fees	15,135,000	
Elevation Fees	383,000	
Other Operating Revenue	950,000	
Water Quality Fees (Restricted Use)	780,000	
Adjustments Related to Receipt of Cash	(515,443)	
(Increase)/Decrease in Cash (From Operating)	(1,689,241)	
Directors		\$ 120,093
Administration		4,370,746
Engineering		1,478,258
Facilities		6,601,052
Operations		3,465,399
Finance		1,713,250
Water-Use Efficiency		245,761
Human Resources		440,104
Information Technology		1,522,555
Customer Care		1,291,995
Water Purchases		3,963,928
Capitalized Expenditures		430,985
Water Quality Expense (GAC)		576,215
Littlerock Dam Sediment Removal Project		552,811
Plant Expenditures		430,985
Adjustments Related to Expense Posting (Prior Year)		849,179
SUBTOTAL OPERATING	\$ 28,053,316	\$ 28,053,316
Projected Beginning Cash - 01/01/2020	\$ 11,736,595	
Assessments received	7,759,910	
Capital Improvement Fees	3,368,158	
DWR Refund (Capital Related)	266,037	
State Grants	-	
Interest on Investments	47,527	
Other Income	63,500	
Payments for State Water Project		5,534,223
Principal Paid on Long-Term Debt		2,063,385
Interest Paid on Long-Term Debt		1,838,503
Capital Leasing		178,953
Investments in PRWA		38,000
Water-Use Efficiency		104,000
Acquisition of Property, Plant & Equipment		3,109,112
	\$ 23,241,727	\$ 12,866,177
Projected Ending Cash - Non-Operating	10,375,550	
Rate Stabilization Fund	(100,000)	
Increase/(Decrease) in Cash (From Operating)	1,689,241	
Projected Ending Cash - 12/31/2020	11,964,791	
Less Restricted Cash	-	
Available Operating Cash - 12/31/2020	\$ 11,964,791	

Fund Analysis – 2020 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 12/31/2019	2020 Budget		Actual Ending Balance 12/31/2020
		Sources	Uses	
Net Operating Income		\$ (1,927,162)		
Adjustment - Water Quality (GAC Media)		220,572		
Adjustment - Depreciation/Amortization Add Back		5,144,969		
Adjustment - Post-Employment Benefits (GASB 45)		1,880,773		
Adjustment - Bad Debt		19,520		
Adjustment - Service Costs Construction		269,575		
Adjustment - Capitalized Construction		(1,023,978)		
Net Non-Operating Income		<u>3,493,843</u>		
Cash from Revenues above Expenses to place into funds		\$ 8,078,113		
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	-	2,111,344	2,254,741
3 Debt Service Reserve Fund	-	-	-	-
4 Rate Stabilization Fund (Operating Cash)	369,780	101,476	-	471,256
Total Legally Restricted	\$ 4,735,866	\$ 1,336,913	\$ 3,346,782	\$ 2,725,997
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	766,815	7,976,637	7,296,300	1,447,152
Total Board Restricted	\$ 11,366,815	\$ 7,976,637	\$ 7,296,300	\$ 12,047,152
Total Operating Cash	\$ 11,736,595			\$ 12,518,408

Fund Analysis – 2021 Budget (as Approved)

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			

Fund Analysis – 2021 Estimated End of Year (Actual)

Sources of Cash	Actual Ending Balance 12/31/2020	2021 Budget		Projected Balance 12/31/2021
		Sources	Uses	
Net Operating Income		\$ (2,389,460)		
Adjustment - Water Quality (GAC Media)		576,215		
Adjustment - Depreciation/Amortization Add Back		5,072,308		
Adjustment - Post-Employment Benefits (GASB 45)		1,532,000		
Adjustment - Bad Debt		25,000		
Adjustment - Service Costs Construction		163,000		
Adjustment - Capitalized Construction		(918,000)		
Net Non-Operating Income		<u>4,950,319</u>		
Cash from Revenues above Expenses to place into funds		\$ 9,011,381		
Reserve Funds (Based on Resolution No. 13-13)				
1 Capital Improvement Fund (CIF)	\$ -	\$ 3,368,158	\$ 3,368,158	\$ -
2 Bond Proceeds Fund	2,254,741	10,000,000	124,212	12,130,529
3 Debt Service Reserve Fund	-	-	-	-
4 Rate Stabilization Fund (Operating Cash)	<u>471,256</u>	<u>104,119</u>	<u>-</u>	<u>575,375</u>
Total Legally Restricted	\$ 2,725,997	\$ 13,472,277	\$ 3,492,370	\$ 12,705,904
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	<u>1,447,152</u>	<u>8,907,262</u>	<u>9,566,334</u>	<u>788,080</u>
Total Board Restricted	\$ 12,047,152	\$ 8,907,262	\$ 9,566,334	\$ 11,388,080
Total Operating Cash	\$ 12,518,408			\$ 11,963,455
			Carry-over	(795,615)
			Available Operating Cash	\$ 11,167,840

Fund Analysis – 2022 Budget

Sources of Cash	Projected Balance 12/31/2021	2022 Budget		Projected Balance 12/31/2022
		Sources	Uses	
Net Operating Income		\$ (1,809,379)		
Adjustment - Water Quality (GAC Media)		750,000		
Adjustment - Depreciation/Amortization Add Back		5,050,000		
Adjustment - Post-Employment Benefits (GASB 45)		1,600,000		
Adjustment - Bad Debt		125,000		
Adjustment - Service Costs Construction		150,000		
Adjustment - Capitalized Construction		(900,000)		
Net Non-Operating Income		<u>2,503,970</u>		
Cash from Revenues above Expenses to place into funds		<u>\$ 7,469,591</u>		
Reserve Funds (Based on Resolution No. 13-13)				
1 Capital Improvement Fund (CIF)	\$ -	\$ 550,000	\$ 550,000	\$ -
2 Bond Proceeds Fund	12,130,529	-	2,130,529	10,000,000
3 Debt Service Reserve Fund	-	-	-	-
4 Rate Stabilization Fund (Operating Cash)	575,375	115,000	-	690,375
Total Legally Restricted	<u>\$ 12,705,904</u>	<u>\$ 665,000</u>	<u>\$ 2,680,529</u>	<u>\$ 10,690,375</u>
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	788,080	7,020,897	7,008,739	800,238
Total Board Restricted (Operating Cash)	<u>\$ 11,388,080</u>	<u>\$ 7,020,897</u>	<u>\$ 7,008,739</u>	<u>\$ 11,400,238</u>
Total Operating Cash	<u>\$ 11,963,455</u>			<u>\$ 12,090,613</u>
Carry-over	(795,615)			
Available Operating Cash	<u>\$ 11,167,840</u>			

Income Statement

	BUDGET	PROJECTED	BUDGET ¹	ACTUAL	ACTUAL	ACTUAL
	2022	2021	2021	2020	2019	2018
Operating Revenue						
Wholesale Water (AVEK & LCID)	500,000	570,000	400,000	467,776	524,847	496,975
Water Sales	12,615,350	12,440,000	12,114,400	11,138,571	8,583,797	9,062,631
Meter Fees	16,490,000	15,135,000	14,865,600	13,832,147	13,967,724	13,294,482
Water Quality Fees	851,700	780,000	781,860	824,429	760,376	803,306
Elevation Fees	390,550	383,000	366,843	363,869	336,093	378,380
Other	900,000	950,000	880,258	926,428	992,810	848,304
	<u>31,747,600</u>	<u>30,258,000</u>	<u>29,408,961</u>	<u>27,553,220</u>	<u>25,165,648</u>	<u>24,884,078</u>
Operating Expenses						
Directors	162,914	120,093	147,790	90,695	115,958	122,252
Administration	4,683,935	4,370,746	4,542,666	4,309,624	4,100,699	3,874,010
Engineering	1,667,211	1,478,258	1,678,000	1,596,160	1,708,963	1,770,592
Facilities	6,278,142	6,601,052	6,164,200	6,560,658	6,341,115	6,710,475
Operations	3,578,644	3,465,399	3,409,900	3,308,087	3,421,758	3,579,000
Finance	1,696,930	1,713,250	1,720,050	1,365,372	1,259,199	1,176,821
Water-Use Efficiency	406,847	245,761	390,950	253,009	383,933	238,146
Human Resources	535,607	440,104	508,900	446,718	487,087	509,576
Information Technology	1,825,946	1,522,555	1,739,300	1,383,052	994,857	739,164
Customer Care	1,454,576	1,291,995	1,466,700	1,383,851	1,343,660	1,379,862
Water Purchases	3,403,964	3,987,736	2,400,000	2,086,760	2,019,787	1,784,403
OAP Chrg (Prior Year)	25,000	(23,103)	25,000	(8,399)	(7,294)	(5,148)
Water Recovery	(26,043)	(705)	(25,000)	(3,418)	127,286	(100,666)
Water Quality (GAC Media)	750,000	576,215	906,000	220,572	439,601	1,121,260
Littlerock Dam Sediment Removal Project	600,000	552,811	600,000	-	-	-
Plant Expenditures	488,305	430,985	565,860	196,783	120,745	589,237
Cash Expenses	<u>27,531,979</u>	<u>26,773,153</u>	<u>26,240,316</u>	<u>23,189,522</u>	<u>22,857,354</u>	<u>23,488,982</u>
Depreciation	5,050,000	5,072,308	5,000,000	5,144,969	5,257,262	5,318,052
Post-Employment Benefit (GASB 75)	1,600,000	1,532,000	1,750,000	1,880,773	1,983,447	1,882,449
Bad Debts	125,000	25,000	350,000	19,520	15,258	2,865
Service Costs Construction	150,000	163,000	150,000	269,575	190,777	182,033
Capitalized Construction	(900,000)	(918,000)	(900,000)	(1,023,978)	(1,360,768)	(874,621)
Non-Cash Expenses	<u>6,025,000</u>	<u>5,874,308</u>	<u>6,350,000</u>	<u>6,290,860</u>	<u>6,085,977</u>	<u>6,510,778</u>
Net Operating Income/(Loss)	<u>(1,809,379)</u>	<u>(2,389,460)</u>	<u>(3,181,355)</u>	<u>(1,927,162)</u>	<u>(3,777,683)</u>	<u>(5,115,682)</u>
Non-operating Revenues						
Assessments (Debt Service)	5,400,000	5,182,140	5,000,000	5,194,911	4,790,480	4,811,735
Assessments (1%)	1,750,000	1,736,890	1,875,000	1,678,388	1,783,332	2,032,216
Successor Agency Component (Prop Tax)	450,000	840,880	600,000	731,045	724,594	403,992
DWR Fixed Charge Recovery	175,000	266,037	175,000	299,879	247,469	266,877
Interest	130,000	162,567	175,000	154,869	366,283	295,246
Market Adj. on Investments	-	(115,040)	-	15,891	85,548	(2,930)
Capital Improvement Fees	550,000	3,368,158	600,000	1,235,438	984,101	106,947
Grants - State & Federal	75,000	-	100,000	-	9,185	47,666
Other	50,000	63,500	50,000	60,857	150,062	71,225
	<u>8,580,000</u>	<u>11,505,132</u>	<u>8,575,000</u>	<u>9,371,277</u>	<u>9,141,055</u>	<u>8,032,975</u>
Non-operating Expenses						
Interest Paid & Amortization on long-term debt	2,106,446	2,190,542	3,001,426	2,877,180	2,611,015	2,405,895
Amortization of SWP	3,658,084	4,222,272	3,104,350	2,854,227	2,854,227	2,646,400
Change in Investments in PRWA	75,000	38,000	300,000	68,277	16,723	(296,423)
Water-Use Efficiency	236,500	104,000	236,500	77,750	49,924	95,102
	<u>6,076,030</u>	<u>6,554,814</u>	<u>6,642,276</u>	<u>5,877,434</u>	<u>5,531,889</u>	<u>4,850,974</u>
Net Non-operating Income/(Loss)	<u>2,503,970</u>	<u>4,950,319</u>	<u>1,932,724</u>	<u>3,493,843</u>	<u>3,609,166</u>	<u>3,182,000</u>
Net Earnings(Loss)	<u>694,591</u>	<u>2,560,858</u>	<u>(1,248,631)</u>	<u>1,566,681</u>	<u>(168,517)</u>	<u>(1,933,682)</u>

Income Statement – General Information

	BUDGET 2022	PROJECTED 2021	BUDGET ¹ 2021	ACTUAL 2020	ACTUAL 2019	ACTUAL 2018
Operating Revenue	4.92%	2.89%	18.18%	16.43%	11.38%	16.88%
Operating Expenses	2.57%	-7.49%	-2.47%	-21.90%	-13.24%	-27.38%
Non-operating Revenues	-25.42%	34.17%	6.75%	4.68%	11.73%	-0.95%
Non-operating Expenses	-7.30%	-1.32%	36.93%	50.72%	19.07%	5.69%

Footnotes:

- ¹ 2021 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 17,000 ac. ft. This amount is 683 ac. ft. more than 2021 projected actual totals.
- ³ 2022 water purchases are based on purchasing 8,465 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.
- ⁷ Approved operational expense of \$27,865,673 has been revised due to final capital expenditures review being completed. This has set the plant expenditures at \$488,305 from the initial projection of \$822,000. The difference from this change has been added to the capital expenditures for current year shown on the 5-Year cash flow shown on page 13.

General Information:

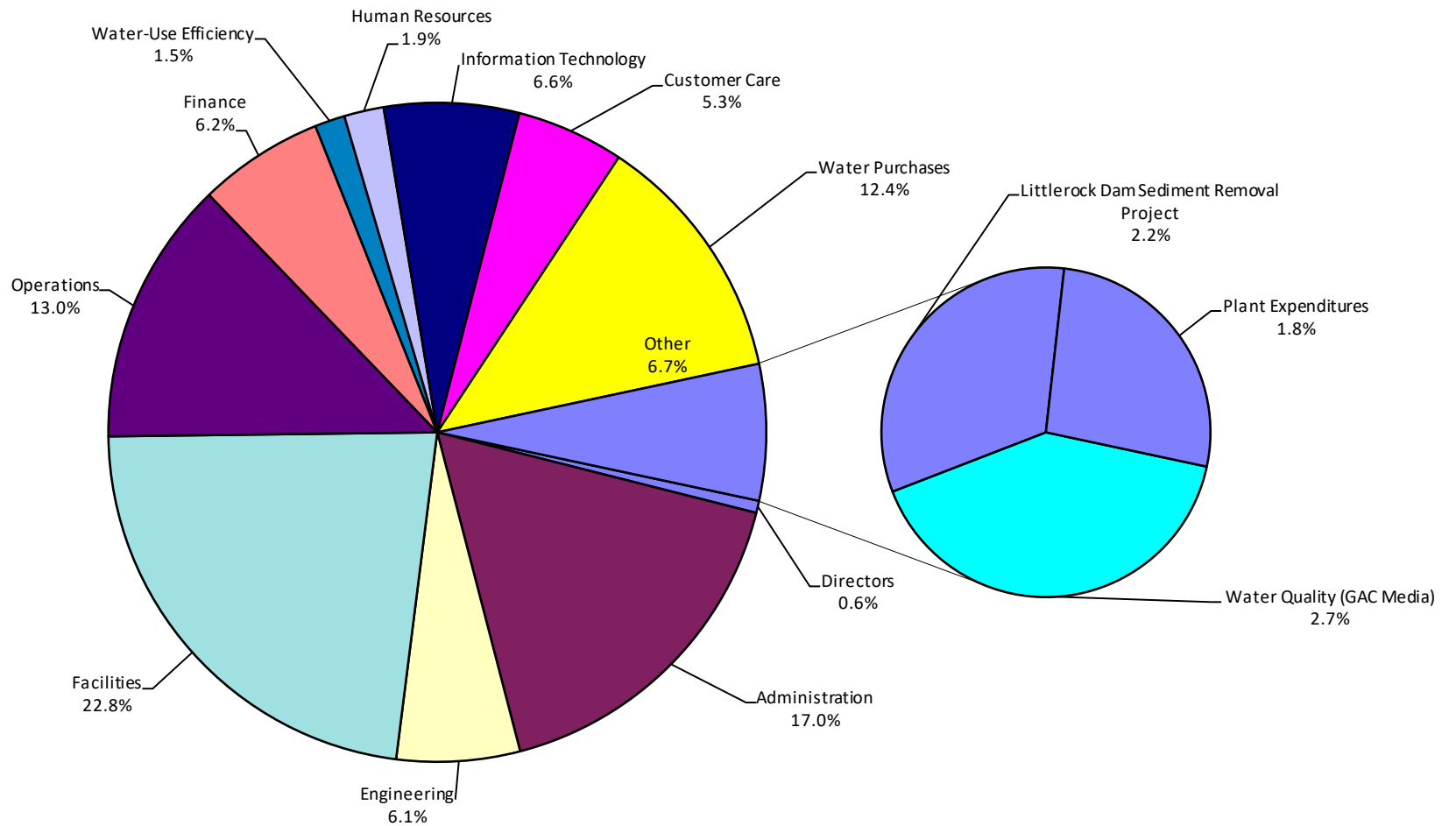
The District entered into Capital Leasing agreement in 2017 for customer information system software, increased data storage, water treatment plant security upgrade, kiosk, IVR, and laboratory software. The agreement is a 5-year term ending January 2022.

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.

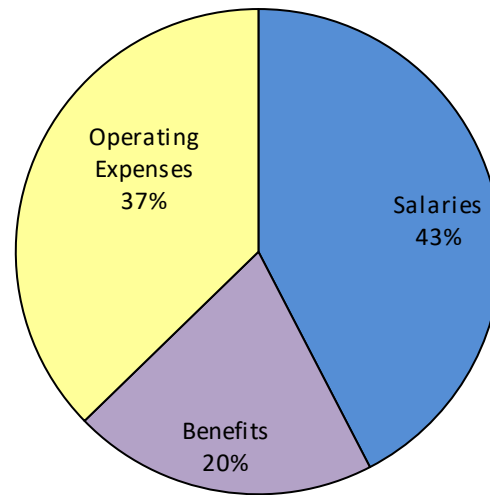
Cost Factors and Assumptions:

- Water quality fee is \$0.09 per unit for 2022.
- Cost-of-Living increase of 4.6% effective January 1, 2022.
- Worker's comp rates are calculated at 0.00770 for office personnel and 0.04060 for field personnel.
- PERS is calculated at 10.880% for 6 months (Jan. thru Jun.) and 10.9% 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 2022. [For employees who meet the PEPRA requirement, the employer contribution for 2020 is 7.590% for 6 months (Jan. thru Jun.) and 7.6% for 6 months (Jul. thru Dec.) for the District.]
- Employee benefits include the cost of medical, dental & vision plans as well as the Employee Assistance Program and on the job life insurance death benefit. Healthcare is capped per employee at \$1,990.02 effective January 1, 2022.
- The District's medical insurance rates have decreased 2.04% 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 2021 cost. All health insurance plans are managed and administered through ACWA/JPIA.
- Health insurance includes benefits to Directors who qualify for benefits and opt to participate in the plans.
- Operating Revenue estimates were based on the potential sales of 17,000 ac. ft. of water for the 2022 Budget.

2022 Operating Expenses (excluding non-cash expenses) – Graph



2022 Departmental Expenses – Graph



2022 Departmental Expenses	
Salaries	\$ 9,450,244
Benefits	4,530,593
Operating Expenses	8,309,915
Total	<u>\$ 22,290,752</u>

Statement of Cash Flows

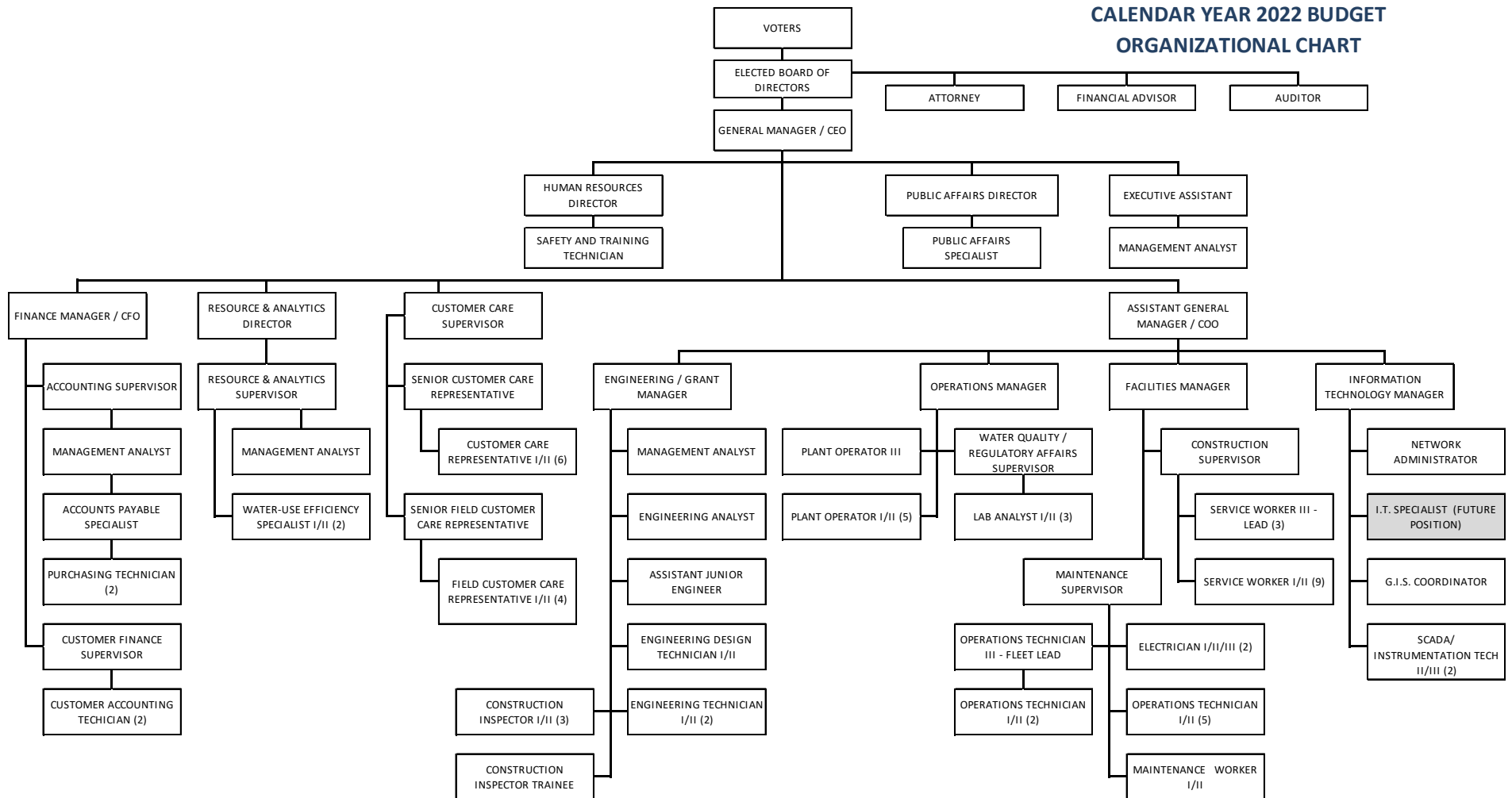
	Audited Numbers				
	Budget 2022	Projected 2021	2020	2019	2018
Beginning Cash	11,963,455	11,736,595	12,518,408	11,785,007	14,327,027
Operating Activities					
Net Operating Revenues	31,747,600	29,742,557	27,553,220	25,165,648	24,884,078
Net Operating Expenses	27,531,979	28,054,652	23,189,522	22,857,354	23,646,168
GAC- Carry-over					
Net cash provided by operating activities	4,215,621	1,687,905	4,363,698	2,308,294	1,237,910
Other Sources and Uses of Cash					
Assessments received	7,600,000	7,759,910	7,604,344	7,298,406	7,247,944
Payments for State Water Project	(6,457,287)	(5,534,223)	(5,238,207)	(4,236,121)	(3,118,430)
Capital Improvement Fees Received	550,000	3,368,158	1,235,438	984,101	106,947
Water-Use Efficiency	(236,500)	(104,000)	-	-	-
Acquisition of Property, Plant & Equip. - Current Yr	(333,695)	(2,388,533)	(3,599,899)	(1,782,168)	(4,084,538)
Acquisition of Property, Plant & Equip. - Carry-over	(795,615)	-	-	-	-
Committed Contract - Upper Amargosa Creek Project	-	(720,579)	(1,024,374)	-	-
Investments in PRWA	(75,000)	(38,000)	68,277	16,723	(296,423)
Capital Leasing - Principal & Interest	(89,477)	(178,953)	(178,953)	(178,953)	(178,953)
Principal Paid on Long-Term Debt	(2,516,139)	(2,063,385)	(1,790,001)	(1,706,595)	(1,657,084)
Interest Paid on Long-Term Debt	(2,164,751)	(1,838,503)	(2,453,751)	(2,581,365)	(2,210,599)
DWR Refund (Capital Related)	175,000	266,037			
State Grants and Other Income	125,000	63,500	60,857	159,247	118,891
Interest on Investments	130,000	47,527	170,759	451,831	292,316
Net Cash Provided by Other Sources and Uses	(4,088,464)	(1,361,045)	(5,145,511)	(1,574,893)	(3,779,930)
Net Increase (Decrease) in Cash	127,158	326,860	(781,813)	733,400	(2,542,020)
Rate Stabilization Fund	-	(100,000)	-	-	-
Cash End of Year	12,090,613	11,963,455	11,736,595	12,518,408	11,785,007
Less Restricted Cash	-	-	-	-	-
Acquisition of Property, Plant & Equip. - Carry-over	-	(795,615)	(2,388,533)	(447,000)	-
Committed Contract - Upper Amargosa Creek Project	-	-	(720,579)	(1,120,785)	-
Available Operating Cash	12,090,613	11,167,840	8,627,483	10,950,623	11,785,007
Capital Funding					
Beginning Cash (Restricted)	11,012,597	2,254,741	4,366,086	11,706,447	-
Proceeds on Issuance of Long-Term Debt	-	10,000,000	-	-	13,547,869
Committed Contracts on 2018 WRB Projects	(2,130,529)	(124,212)	(2,111,345)	(7,340,361)	(1,841,422)
Committed Contracts on 2021 WRB Projects	(6,753,135)	(1,117,932)	-	-	-
Restricted Cash	2,128,933	11,012,597	2,254,741	4,366,086	11,706,447

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**CALENDAR YEAR 2022 BUDGET
ORGANIZATIONAL CHART**



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Personnel Summary

	CY 2022 BUDGET	CY 2021 BUDGET	CY 2020 BUDGET	CY 2019 BUDGET
ADMINISTRATION				
Managers/Supervisors	8	8	7	7
Staff	9	8	6	6
TOTAL ADMINISTRATION	17	16	13	13
FINANCE				
Managers/Supervisors	3	3	3	3
Staff	6	6	4	4
TOTAL FINANCE	9	9	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	9
TOTAL ENGINEERING	11	11	11	11
FACILITIES				
Managers/Supervisors	3	3	3	2
Staff	22	22	27	27
TOTAL FACILITIES	25	25	30	29
OPERATIONS				
Managers/Supervisors	2	2	2	2
Staff	9	9	9	9
TOTAL OPERATION AND PRODUCTION	11	11	11	11
WATER-USE EFFICIENCY				
Managers/Supervisors	-	-	-	-
Staff	2	2	2	2
TOTAL WATER-USE EFFICIENCY	2	2	2	2
TOTAL PERSONNEL	88	87	87	86

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 2022 BUDGET	CY 2021 PROJECTED	CY 2021 BUDGET	CY 2020 ACTUAL	CY 2019 ACTUAL
Salaries (Includes On-Call and Overtime)	9,535,244	8,945,291	9,426,750	9,160,665	8,638,227
FICA / Medicare (Employer Portion)	719,750	681,161	713,500	693,100	617,546
Healthcare Benefits	1,458,000	1,399,805	1,553,000	1,563,101	1,513,701
Retirement (CalPERS)	1,836,263	1,665,674	1,714,316	1,560,246	1,383,347
Workers Comp	280,000	249,912	296,000	206,831	325,844
Life Insurance/EAP Program	7,332	6,250	7,000	6,825	6,385
TOTAL	13,836,589	12,948,093	13,710,566	13,190,768	12,485,050

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				
	PRV Replacements 37th ST	NRE	Replacement Equip.	8,000
18-606	Altitude Valve - 45th St East	NRE	Replacement Equip.	368,125
18-614	Vault Access Issues - Littlerock Dam	NRCP	Safety	44,000
	Bucket Truck (Looking at Lease Option)	NRE	Replace/New Equip.	75,635
	Replace EOL Oasis recorder	NRE	Replace/New Equip.	25,212
	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
	District Office - Stucco Repair & Painting	RCP	Replacement Cap.	221,476
	Meter Replacement Program 2021	RCP	Replacement Cap.	1,101,006
21-608	NaOCL Generator Replacement (Yr. 1 - 2020/2023)	RCP	Replacement Cap.	-
	Repl W.L. - Well 17 Yard Piping	RCP	Replacement Cap.	-
	Well 16 Rehabilitation	RCP	Replacement Cap.	123,614
	Well 23 Rehabilitation	RCP	Replacement Cap.	185,421
			Subtotal:	2,219,048
Covered under 2021 WRB Issue				
19-601	Repl WL - Avenue P @ 10TH ST E (Lockheed)	RCP	Replacement Cap.	434,289
20-605	Sierra Hwy. Tie-In and Abandonment (Harold Streets)	RCP	Replacement Cap.	699,886
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:	1,500,581
Plant Expenditure Related Expense				
	Littlerock Sediment Removal - Permitting	CES	Permitting	60,000
	System Valuation Study	CES	Planning	50,000
	Hazard Mitigation Plan	CES	Studies & Planning	18,949
21-411	Public Web Site Redesign	CES	Studies & Planning	12,323
21-412	Intranet Redesign	CES	Studies & Planning	50,000
	Emergency Supplies	NRE	Replace/New Equip.	-
	Replacement Wackers - J Tamps (Yr. 1 - 2020/2023)	NRE	Replace/New Equip.	4,034
			Subtotal:	195,305

Total Asset/Infrastructure Projects 2,219,048

Total Plant Expenditures 195,305

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

<i>Project No.</i>	<i>Project Budget Requests (Committed)</i>	<i>Category</i>	<i>Project Type</i>	<i>CY 2022</i>
Asset/Infrastructure Related Expense				
	Recharge Project Design (PRGRRP - Yr. 2 - 2020/2023)	WS	Water Supply	750,000
22-608	NaOCL Generator Replacement (Yr. 2 - 2020/2023)	RCP	Replacement Cap.	132,500
	Brine Storage Tanks - Well Sites (Yr. 2 - 2020/2023)	RCP	Replacement Cap.	37,400
	Well 3 Rehabilitation	RCP	Replacement Cap.	195,723
	Well/Booster Rehab (Yr. 2 - 2021/2024)	RCP	Replacement Cap.	95,000
	Booster Building Rehabilitation (Yr. 2 - 2020/2024)	RCP	Replacement Cap.	35,000
	Hypo Generator	RCP	Replacement Cap.	800,000
	Vault/Large Meter (Yr. 3 - 2020/2024)	RCP	Replacement Cap.	112,500
	Palmdale Ditch Improvements (Yr. 2 - 2020/2024)	RCP	Replacement Cap.	15,000
	Parking Lot Re-Surfacing - Administration and N.O.B.	RCP	Replacement Cap.	130,000
	Radio System for SCADA (Yr. 1 - 2021/2024)	NRE	Replace/New Equip.	50,000
	Replacement Diaphragm Pump (Yr. 3 - 2020/2023)	NRE	Replace/New Equip.	8,000
	Replacement Wackers - J Tamps (Yr. 3 - 2020/2023)	NRE	Replace/New Equip.	4,000
	Soft Starts Units (Well & Booster Sites - Yr. 3 - 2020/2024)	RCP	Replacement Cap.	32,000
	Cooling Unit for Fab Shop	NRE	Replace/New Equip.	4,500
	Replace SCADAPack 32 with SCADAPack 575 (Yr. 1 - 2021/2024)	NRE	Replace/New Equip.	43,750
	V-101 2007 Cat 420E Backhoe (Qty. 2)	NRE	Replace/New Equip.	276,000
			Subtotal:	2,721,373
Covered under 2021 WRB Issue				
	Pipeline Design (2021/2022)	NCP	New Capital	400,000
	Repl WL - Avenue Q6 from 12th to 15th ST E (2800' Zone)	RCP	Replacement Cap.	280,898
	Repl WL - Pipeline with Velocity Deficiency (2950 Zone)	RCP	Replacement Cap.	37,240
16-608	Repl WL - Avenue Q1, Q2, Q3, Q4, & Q5 @ 5th ST E (Spec 1603)	RCP	Replacement Cap.	86,000
	Well #36	NCP	New Capital	2,523,000
	Repl WL - Avenue Q14 and 15th ST E	RCP	Replacement Cap.	56,700
	Repl WL - Avenue Q10 and 12th ST E	RCP	Replacement Cap.	47,000
	Repl WL - 25th ST E from Avenue P to P8	RCP	Replacement Cap.	825,000
	Repl WL - 52nd ST & Ft Tejon Rd (Zone 2950 - CY2023)	RCP	Replacement Cap.	609,340
	Repl WL - Velocity Deficiency (Zone 2800 - CY2023)	RCP	Replacement Cap.	787,376
			Subtotal:	5,252,554
Plant Expenditure Related Expense				
	GIS enhancement (Yr. 2 - 2020/2024)	CES	Studies & Planning	75,000
	Data Warehousing	NRE	Replace/New Equip.	60,000
	Mass Communications	NRE	Replace/New Equip.	60,000
	Customer Mobile App	NRE	Replace/New Equip.	25,000
	GIS Drone	NRE	Replace/New Equip.	15,000
	Cameras for Dam & Windmill	NRE	Replace/New Equip.	8,000
	Gig to desktop/Infrastructure Refresh (Yr. 1 - 2021/2024)	CES	Studies & Planning	50,000
			Subtotal:	293,000

Total Asset/Infrastructure Project Requests 2,721,373

Total Plant Expenditures 293,000

Funding will come from 2021 Bond Issue =

Deferred Capital Expenditures Project Summary

Project No.	Project Budget Requests (Not Committed)	Category	Project Type	CY2023
Asset/Infrastructure Related Expense				
	20TH FR P-8 TO Q	RCP	Replacement Cap.	810,000
	2950 Zone Avenue S-10 and 40St. East (48 feet of 8" Dia. Pipe)	RCP	Replacement Cap.	9,315
	Pipeline with Velocity Deficiency (516 feet of 20" - 2950 Zone)	RCP	Replacement Cap.	250,533
	26th St, Rudall, & 27th St @ Avenue Water Main Replacement	RCP	Replacement Cap.	91,000
			Subtotal:	1,160,848
Water Supply Projects				
	Recharge Project Design (PRGRRP - Yr. 3 - 2020/2023)	WS	Water Supply	1,000,000
	Annual Sediment Removal of 38,000 cubic yards		O&M Funds	600,000
			Subtotal:	1,600,000
Well Projects				
	Well 2 Rehabilitation	RCP	Replacement Cap.	185,000
	Well 33 Rehabilitation	RCP	Replacement Cap.	185,000
16-611	CL2 Monitoring @ Well Sites	RCP	Replacement Cap.	-
	NaOCL Generator Replacement (Yr. 3 - 2020/2023)	RCP	Replacement Cap.	80,000
	Brine Storage Tanks - Well Sites (Yr. 3 - 2020/2023)	RCP	Replacement Cap.	35,000
	Well/Booster Rehab (Yr. 2 - 2021/2024)	RCP	Replacement Cap.	95,000
			Subtotal:	580,000
Booster Projects				
	Booster Building Rehabilitation (Yr. 2 - 2020/2024)	RCP	Replacement Cap.	35,000
	Booster Building Rehabilitation (Yr. 1 - 2020/2024)	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	NCP	New Capital	51,506
	WTP - GAC Staging Area Pavement	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)	RCP	Replacement Cap.	112,500
	Parking Lot Resurfacing (Main Office)	RCP	Replacement Cap.	43,265
	Littlerock Dam Stairway	RCP	Replacement Cap.	40,000
	Palmdale Ditch Improvements (Yr. 3 - 2020/2024)	RCP	Replacement Cap.	15,000
	Radio System for SCADA (Yr. 2 - 2021/2024)	NRE	Replace/New Equip.	50,000
			Subtotal:	260,765

Deferred Capital Expenditures Project Summary (continued)

Project No.	Project Budget Requests (Not Committed)	Category	Project Type	CY2023
Asset/Infrastructure Related Expense (Continued)				
Equipment				
	Replacement Diaphragm Pump (Yr. 3 - 2020/2023)	NRE	Replace/New Equip.	8,000
	Replacement Wackers - J Tamps (Yr. 3 - 2020/2023)	NRE	Replace/New Equip.	4,000
	Soft Starts Units (Well & Booster Sites - Yr. 3 - 2020/2024)	RCP	Replacement Cap.	32,000
	Radar Level Sensor (Yr. 1 - 2022/2024)	NRE	New Equipment	40,000
	Replace SCADAPack 32 with SCADAPack 575 (Yr. 2 - 2021/2024)	NRE	Replace/New Equip.	43,750
			Subtotal:	127,750
Vehicle Replacements				
	V-100 Replacement	NRE	Replacement Cap.	23,000
	V-43 1990 Flatbed w/liftgate	NRE	Replacement Cap.	45,000
	8 Passenger Van		Lease	-
	V109 2007 Van		Lease	-
			Subtotal:	68,000
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)	CES	Studies & Planning	75,000
	Personnel Emergency Notification System	CES	Studies & Planning	40,974
	Gig to desktop/Infrastructure Refresh (Yr. 2 - 2021/2024)	CES	Studies & Planning	50,000
			Subtotal:	240,974

Total Asset/Infrastructure Project Requests 7,468,841

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.

2021 ACCOMPLISHMENTS:

- 1) Spearheaded the establishment of the Special Districts Association of North Los Angeles County, the first CSDA chapter in L.A. County.
- 2) Promoted water conservation and drought messaging through Luv Our H2O campaign with banners, radio ads, print ad, press releases, workshops, giveaways, etc.
- 3) Hosted Let's Talk H2O! events throughout the year on important topics such as water quality, water supply, and hazard mitigation planning.
- 4) Developed new PWD website with IT Department.
- 5) Conducted survey and outreach for Local Hazard Mitigation Plan.
- 6) Held virtual Coffee with a Director events.
- 7) Organized PWD team for first annual AV Hometown Heroes Softball Tournament.
- 8) Hosted Earth Day webinar, Customer Appreciation Day and *Imagine a Day Without Water* events.
- 9) Collaborated with AV Conservation Roundtable on drought messaging, specifically billboard ad purchase.
- 10) Completed website for PRWA.
- 11) Assisted WTP lab with the 2021 CCR.
- 12) Organized employee highlights, received commendation from LA County Board Supervisor Kathryn Barger, and coordinated thank you letters from local middle school for employees during 5th Annual Water Professionals Appreciation Week.
- 13) Arranged virtual meetings with Senator Wilk and Assemblyman Lackey and/or staff for SB 222 & 223.
- 14) Participated in community events, including Districts Make a Difference Week, National Night Out and AVUHSD Salute to Youth career fair.
- 15) Created videos highlighting water-use efficiency programs (rebates & spring landscape) and assisted the WUE team with Water-Wise Workshops
- 16) Created flier for CA COVID-19 Rent/Utility Assistance, mailed to about 1,500 delinquent accounts.
- 17) Made bi-monthly appearances with Directors and staff on the Spanish radio show, *Café con Leche*, to bring PWD news to the Latino community.
- 18) Utilized LinkedIn to publicize new job openings and bid requests, and to highlight PWD and staff.
- 19) Informed customers through social media, Nextdoor, Constant Contact and messages in monthly bills to publicize PWD and to inform ratepayers.
- 20) Wrote/distributed nearly 30 press releases and nearly 250 social media posts.
- 21) Donated school supplies to Palmdale School District's Backpack Giveaway, PWD branded items to AV Hispanic Chamber of Commerce's Day of the Day event and water bottles to nonprofit SALVA events.
- 22) Continued to submit important stories to ACWA News and CSDA magazine. PWD featured numerous times.
- 23) Continued networking with the local chambers, Friends of Littlerock Dam, San Gabriel Mountains Community Collaborative, AV EDGE and other groups. Served on AV EDGE executive board for half the year.
- 24) Continued to publish "The Pipeline" quarterly and the "Employee Buzz" monthly.

2021 ACCOMPLISHMENTS (cont):

- 25) Continued to collaborate with the City of Palmdale on ways to promote one another in “The Pipeline” and *Palmdale Magazine*. Wrote articles for the thrice-annual magazine.
- 26) Served as judge for Texas and Hawaii PIO organizations’ annual awards competitions.
- 27) Received recognition as a finalist from PRSA Los Angeles for Let’s Talk H2O! in the category of Community Relations, Government.
- 28) Completion and validation of 2020 Water Loss Audit.
- 29) Developed and maintained database for SoCal Edison power outages.
- 30) Tracked and reviewed energy costs and usage.
- 31) Reviewed and responded to SoCal Edison rate changes, programs, and anomalies.
- 32) Enhanced and produced District production reports.
- 33) Produced several reports for internal use and regulatory compliance.
- 34) Continued to engage in the WISE (Water Infrastructure and System Efficiency) program for rebates on well and booster projects.
- 35) Brought in over 7,000 acre-feet of surface water from 7 different sources during 2021.
- 36) Completed the 2020 Urban Water Management Plan.
- 37) Utilized the Water Management Tools Amendment to develop a mutually beneficial multi-year transfer agreement with the Westside Districts.
- 38) Started development of a long-term transfer agreement with Littlerock Creek Irrigation District.
- 39) Represented the District at Public Water Suppliers Steering Committee, Antelope Valley State Water Contractors Association, Antelope Valley Water Master Administration, State Water Contractors and East Branch Contractors.
- 40) Started and continued the District’s Drought Management Task Force.
- 41) Participated in the continued development of the Big Rock Creek Joint Groundwater Recharge Project Feasibility Study.
- 42) Engaged in development of opportunities for local and upstream groundwater banking.
- 43) Played a support and coordination role in the completion and execution of the Antelope Valley Mutual Response Agreement.

2022 GOALS:

- 1) Serve as administrator for Special Districts Association of North Los Angeles County. Host quarterly meetings.
- 2) Host Let’s Talk H2O events throughout the year on important topics (water supply, drought, water quality, finance) for the community. (Hold virtually if needed.)
- 3) Hold ribbon-cutting for Conservation Garden.
- 4) Host 4th Annual Water Ambassadors Academy and 2nd Annual Jr. WAA.
- 5) Publicize/photo op for Alpine Springs Mobile Home Park’s state grant for hauled water.
- 6) Collaborate with AV Conservation Roundtable to jointly issue drought messages, continue PWD drought outreach.
- 7) Host Open House, WTP tours, Earth Day, Customer Appreciation days, and *Imagine a Day Without Water* events.
- 8) Host Coffee with a Director either in-person or virtually.
- 9) Hold LRD sediment removal groundbreaking.
- 10) Continue work on new District website.
- 11) Assist Water Treatment Plant lab with 2022 Consumer Confidence Report.
- 12) Highlight employees during 6th Annual Water Professionals Appreciation Week.

2022 GOALS (cont):

- 13) Participate in events, including Districts Make a Difference Week, National Night Out, Water Expo/Home and Garden Show, Day of the Dead, AVUHSD Salute to Youth career fair and STEM Day for Girls.
- 14) Engage with AV Community Emergency Response Team (CERT) Program to share water knowledge with participants.
- 15) Hold press events and send press releases announcing District's important events.
- 16) Collaborate with the WUE team on Water-Wise Workshops and promote programs and events for the community and schools.
- 17) Make bi-monthly appearances on Spanish radio show, *Café con Leche*, to bring PWD news to the Latino community.
- 18) Continue to network with the AV EDGE, local chambers, San Gabriel Mountains Community Collaborative, and other community groups.
- 19) Continue to publish "The Pipeline" quarterly and the "Employee Buzz" monthly.
- 20) 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.
- 21) Continue partnership with Palmdale School District.
- 22) Continue to submit important stories to ACWA News and CSDA magazine.
- 23) Continue to use social media, Nextdoor, Constant Contact and messages in monthly bills to publicize PWD and to inform ratepayers.
- 24) Graphically represent water supply and demand data on Intranet.
- 25) Review and report on natural gas options for production.
- 26) Review and report on changes and opportunities for new energy projects.
- 27) Expand use of Info-360.
- 28) Work with IT department on starting Data Warehouse Project.
- 29) Continue to review and make recommendations on energy related rates, rebates, and programs.
- 30) Pursue advanced database and analytics training.
- 31) Develop and utilize Annual Supply Assessment Report.
- 32) Recommend appropriate stages of the Water Shortage Contingency Plan.
- 33) Continue leading the Drought Management Task Force.
- 34) Develop opportunities for supplemental supplies for 2022.
- 35) Complete long-term transfer agreement with Littlerock Creek Irrigation District.
- 36) Explore and present opportunities for groundwater banking.
- 37) Continue to represent the District to outside agencies.
- 38) Continue to advocate for projects and legislation that improve state and local water resiliency.
- 39) Complete the Big Rock Creek Joint Groundwater Recharge Project Feasibility Study.
- 40) Pursue leadership and management training.

Board of Directors

<u>Directors</u>		BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2022	2021	2021	2020	2019	2018
Benefits							
1-01-4005-000	Payroll Taxes	6,064	4,989	5,790	5,711	4,382	3,909
1-01-4010-000	Health Insurance	51,250	41,873	53,000	-	-	-
	Subtotal (Benefits)	57,314	46,862	58,790	5,711	4,382	3,909
	Personnel Expenses	57,314	46,862	58,790	5,711	4,382	3,909
OPERATING EXPENSES:							
1-01-xxxx-006	Director's Expense Share - Dizmang, Gloria				11,754	7,228	-
1-01-xxxx-007	Director's Expense Share - Alverado, Robert				16,335	26,857	26,050
1-01-xxxx-008	Director's Expense Share - Mac Laren, Kathy				22,215	25,840	18,516
1-01-xxxx-009	Director's Expense Share - Estes, Joe				-	-	25,765
1-01-xxxx-010	Director's Expense Share - Dino, Vincent				18,355	24,198	20,522
1-01-xxxx-011	Director's Expense Share - Henriquez, Marco				-	3,990	26,890
1-01-xxxx-012	Director's Expense Share - Wilson, Don				16,026	23,464	600
1-01-xxxx-013	Director's Expense Share - Merino, Amberrose				300	-	-
	Total Operating Expense	105,600	73,231	89,000	84,984	111,576	118,343
	Total Departmental Expenses	162,914	120,093	147,790	90,695	115,958	122,252

Administration

Administration		BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2022	2021	2021	2020	2019	2018
1-02-4000-000	Salaries	1,437,000	1,350,253	1,392,500	1,344,451	1,285,197	1,162,862
1-02-4000-100	Salaries - Departmental Overtime	6,284	4,250	6,000	2,469	3,878	4,556
	Subtotal (Salaries)	1,443,284	1,354,503	1,398,500	1,346,920	1,289,075	1,167,418
Employee Benefits							
1-02-4005-000	Payroll Taxes	102,000	94,000	98,500	88,304	82,787	78,250
1-02-4010-000	Health Insurance	166,500	169,250	184,500	175,727	189,419	166,558
1-02-4015-000	Pers	134,500	121,191	131,250	106,200	98,751	114,537
	Subtotal (Benefits)	403,000	384,441	414,250	370,232	370,957	359,345
District-wide Salaries & Benefits							
1-02-5070-001	Salaries-On-Call/Stand By Time	85,000	84,200	75,000	73,814	79,894	72,726
1-02-5070-002	PERS-Unfunded Liability	938,763	851,850	840,316	790,669	699,416	571,885
1-02-5070-003	Worker's Compensation	280,000	249,912	296,000	206,831	325,844	437,754
1-02-5070-004	Vacation Benefit Expense	86,934	35,770	83,000	154,870	59,412	39,573
1-02-5070-005	Life Insurance/EAP	7,332	6,250	7,000	6,825	6,385	6,344
	Subtotal (District-wide)	1,398,029	1,227,982	1,301,316	1,233,010	1,170,951	1,128,281
	Personnel Expenses	3,244,313	2,966,926	3,114,066	2,950,162	2,830,983	2,655,044
OPERATING EXPENSES:							
1-02-4050-000	Staff Travel	15,888	1,480	15,500	3,355	15,867	16,589
1-02-4050-100	General Manager Travel	5,330	173	5,200	-	6,839	7,462
1-02-4060-000	Staff Conferences & Seminars	6,355	3,745	6,200	774	10,398	1,749
1-02-4060-100	General Manager Conferences & Seminars	4,203	1,372	4,100	1,319	3,414	3,246
1-02-4130-000	Bank Charges	205,000	198,250	200,000	197,407	184,167	177,448
1-02-4150-000	Accounting Services	26,650	24,500	26,000	26,339	25,736	25,043
1-02-4175-000	Permits (Construction)	18,553	19,469	18,100	15,281	13,554	11,844
1-02-4180-000	Postage	17,425	13,046	17,000	13,627	11,227	15,224
1-02-4190-100	Public Relations - Publications	31,980	16,997	31,200	20,303	21,155	20,931
1-02-4190-700	Public Affairs - Marketing/Outreach	41,000	24,725	40,000	29,636	46,627	27,222
1-02-4190-710	Public Affairs - Advertising	5,125	-	5,000	450	3,134	65
1-02-4190-720	Public Affairs - Equipment	2,520	-	2,500	60	1,333	1,548
1-02-4190-730	Public Affairs - Conference/Seminar/Travel	3,075	392	3,000	405	1,389	1,025
1-02-4190-740	Public Affairs - Consultants	2,050	-	2,000	450	-	1,000
1-02-4190-750	Public Affairs - Memberships	1,230	1,050	1,200	1,360	865	675
1-02-4200-000	Advertising	4,203	954	4,100	85	2,242	4,006
1-02-4205-000	Office Supplies	26,138	18,157	25,500	23,035	30,893	25,977
1-02-4210-000	Office Furniture	-	-	-	-	5,482	-
	Total Operating Expense	416,722	324,309	406,600	333,885	384,323	341,053
District-wide Operating Expense							
1-02-5070-006	Other Operating	61,500	58,137	60,000	68,376	23,179	22,916
1-02-5070-007	Consultants	281,875	356,400	275,000	280,748	243,954	272,436
1-02-5070-008	Insurance	266,500	255,860	260,000	268,764	230,945	241,076
1-02-5070-009	Groundwater Adjudication - Legal	42,025	41,976	41,000	28,996	63,390	42,477
1-02-5070-010	Legal Services	134,275	153,404	131,000	153,792	121,969	89,038
1-02-5070-011	Memberships	169,125	171,818	165,000	168,273	110,031	94,942
1-02-5070-012	Elections	-	-	-	202	51,671	-
1-02-5070-013	Succession Planning	-	-	25,000	-	-	-
1-02-5070-014	Groundwater Adjudication - Pumping Assessment	67,600	41,916	65,000	41,286	40,251	-
1-02-5070-015	Computer Software - Info 360	-	-	-	15,140	-	-
1-02-5070-099	100th Anniversary	-	-	-	-	-	115,028
	Total District-wide Operating Expense	1,022,900	1,079,511	1,022,000	1,025,577	885,393	877,912
	Total Departmental Expenses	4,683,935	4,370,746	4,542,666	4,309,624	4,100,699	3,874,010

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Engineering Department

DESCRIPTION:

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

2021 ACCOMPLISHMENTS:

- 1) Implementation of new procurement system (ProcureNow).
- 2) Implementation of new backflow management software.
- 3) Completed design, bid, and construction on the following projects:
 - Sierra Hwy. Tie-In at Harold Street and abandonment plans.
 - Avenue P12, Division, 2nd, 3rd, Standridge water main replacement – Specification No. 1206.
 - Avenue P at 10th Street to Well 15.
 - 40th Street East and Avenue R12, 2800 Zone Velocity Deficiency.
 - Avenue Q6 from 12th Street East to 15th Street East.
 - Vault design plans for 45th Street East Tank altitude valve.
 - Littlerock Dam emergency sediment removal.
 - Well No. 7 rehabilitation.
 - Conservation garden.
 - Tank inspections, 25th Street Tank 1, 5M, Tovey, Upper El Camino, Well 18, 19 Tank.
- 4) Completed design work on the following projects:
 - 40th Street East and Avenue R12, 2800 Zone Velocity Deficiency.
 - Avenue Q6 from 12th Street East to 15th Street East.
 - Well No. 36 located on the westside of 15th Street East North of Avenue P.
 - Littlerock Dam Sediment Removal – Phase 2 (year 1).
 - PRV abandonment located at 45th Street East.
 - Pipeline with velocity deficiency, 2950 Zone located at the intersection of Avenue S And Sierra Highway.
 - Avenue Q10 and 12th Street East water main replacement.
 - Avenues Q1, Q2, Q3, Q4, and Q5 water main replacement.
 - Alpine Springs water main improvements – 2950 Zone.
 - 3M Booster Station upgrades.
 - WTP Chemical Building redesign and replacement of chlorine generator.
- 5) Completed inspection on the following water system improvement developer projects:
 - Multi-family development consisting of 101 units located at the southeast corner of Avenue R and Division Street, PM No. 16655.
 - American Builder's Supply located at 37810 Sierra Highway.
 - Tract 60789 - 16 lots located on the west side of 40th Street East and Avenue S4.
 - Tract 63008 - 41 lots located between 65th and 70th streets East south of Palmdale Blvd.
 - Tract 61611 & 61981 - 60 lots located at the northeast corner of Avenue S and 65th Street.
 - Tract 54209 Phases 1 and 2 - 96 lots located at the northeast corner of Avenue R and 35th Street East.
 - Storage Facility located on the east side of Sierra Highway north of Avenue S.
 - Dutch Brothers Coffee located 2560 East Palmdale Blvd.
 - Circle K Gas Station located at the northwest corner of 40th Steet East and Palmdale Blvd.

2021 ACCOMPLISHMENTS (cont):

- Pilot Gas Station – Parcel Map No 83189 located at the northeast corner of Pearblossom Hwy and 52nd Street East.
- 6) Received award: \$75K WaterSmart Small Water Energy Efficiency Grant for Advanced Metering Infrastructure (AMI) and Customer Portal Project
- 7) Received award: \$350K WaterSmart Title XVI Water Infrastructure Improvement Grant for the Recharge and Recovery Project.
- 8) Received award : \$770K from the Proposition 1 Integrated Regional Water Management funding for the Littlerock Sediment Removal Project.

2022 GOALS:

- 1) Complete the construction of the following Capital Projects:
 - 3M Booster Station Replacement
 - 45th Street Altitude Valve
 - Ave P and 10th Street Pipeline Replacement
 - Ave Q10 Pipeline Replacement
 - Drilling and Equipping of Well 36
 - Avenue P12, Division, 2nd, 3rd, Carolside, and Stanridge Water Main Replacement
 - Avenue Q6 from 12th Street East to 15th Street East Water Main Replacement
 - WTP Chemical Room Remodel and Replacement of the 0.8% Sodium Hypochlorite Generation System
- 2) Complete the Following Studies and Reports:
 - Water Master Plan Update
 - 2022 Reservoir Inspections, Cleanings, and Reports
- 3) Palmdale Regional Water Augmentation Program:
 - Program Implementation Plan
 - Alternative Delivery Analysis and Selection
 - BOR Feasibility (Basis of Design) Report
 - Groundwater Modeling Analysis Report
 - Design of Demonstration Facility
- 4) Engineering Department:
 - Complete Online Applications for Engineering Department Services
 - Update the Service Line Installation Cost and Policy
 - Update content of Engineering Service Webpage
- 5) Littlerock Reservoir Sediment Removal Phase 2:
 - Obtain CDFW 1605 Permit
 - Complete First Year of Sediment Removal
- 6) Complete the Design of the Following Capital Projects:
 - Avenue P from 15th Street East to Well No. 8A
 - Avenue S and Sierra Highway Water Main Replacement
 - Avenues Q1, Q2, Q3, Q4, and Q5 at 5th Street East Water Main Replacement
 - Pearblossom Highway from 53rd Street E. to Fort Tejon Road Water Main Extension
 - 10th Street East from Avenue R4 to Avenue R Water Main Replacement
 - Well 5 to Sierra Highway Water Main
 - Avenue R at 26th Street, Rudall, and 27th Street Water Main Replacement
 - Avenue Q from 20th Street to 2029 East Avenue Q Recycled Water Main Extension

Engineering

Engineering		BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2022	2021	2021	2020	2019	2018
1-03-4000-000	Salaries	1,180,000	1,070,000	1,225,750	1,146,396	1,204,273	1,100,010
1-03-4000-100	Salaries - Departmental Overtime	15,711	22,031	15,000	22,778	43,529	45,309
	Subtotal (Salaries)	1,195,711	1,092,031	1,240,750	1,169,174	1,247,802	1,145,319
Employee Benefits							
1-03-4005-000	Payroll Taxes	91,500	84,500	98,000	88,467	90,342	85,430
1-03-4010-000	Health Insurance	208,500	169,538	176,500	205,350	213,728	206,949
1-03-4015-000	PERS	112,000	98,281	117,750	98,063	100,184	133,366
	Subtotal (Benefits)	412,000	352,319	392,250	391,881	404,253	425,745
	Personnel Expenses	1,607,711	1,444,350	1,633,000	1,561,054	1,652,055	1,571,064
OPERATING EXPENSES:							
1-03-4050-000	Staff Travel	5,000	-	5,000	489	6,090	5,192
1-03-4060-000	Staff Conferences & Seminars	8,000	7,033	7,500	974	1,590	4,377
1-03-4060-001	Staff Training - Auto CAD Civil 3D	10,000	-	10,000	-	-	1,879
1-03-4155-305	Contracted Services - GIS Services	-	-	-	-	2,432	26,500
1-03-4155-310	Contracted Services - Reproduction	3,000	-	1,500	-	49	-
1-03-4155-320	Contracted Services - Plotter/Scanner	-	-	-	-	-	640
1-03-4165-000	Memberships/Subscriptions	5,000	4,574	3,500	3,715	5,670	4,840
1-03-4250-000	General Materials & Supplies	4,500	4,000	4,000	874	-	-
1-03-4250-100	Supplies - Plotter Paper/Toner	1,000	301	4,500	488	3,186	-
1-03-4250-150	Supplies - Surveying Total Station	-	-	-	-	-	7,052
1-03-4250-175	Supplies - GPS Plotting Tool	23,000	-	-	-	-	-
1-03-4250-200	Supplies - Miscellaneous	-	-	-	-	479	954
1-03-8100-100	Computer Software - Maint. & Support	-	18,000	9,000	28,566	5,539	94,233
1-03-8100-200	Computer Software - SCADAWatch	-	-	-	-	31,873	53,860
	Total Operating Expense	59,500	33,908	45,000	35,106	56,907	199,528
	Total Departmental Expenses	1,667,211	1,478,258	1,678,000	1,596,160	1,708,963	1,770,592

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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.

2021 ACCOMPLISHMENTS:

- 1) Performed ditch maintenance, including concrete repairs and installation of 14,000 sq. ft. of Geosynthetic Clay Liner.
- 2) Continued valve exercising program that was scheduled for the year (2,547 valves exercised).
- 3) Performed weekly, biweekly, and annual flushing.
- 4) Fixed 70 service line leaks, 35 mainline leaks.
- 5) Performed maintenance on 282 air/vacs and 497 fire hydrants.
- 6) Performed winter maintenance, lake maintenance, and sludge removal at the water treatment plant.
- 7) Replaced 11 fire hydrants and 2 air/vacs that were hit by vehicles.
- 8) Weed Abatement on PWD properties for L.A. County compliance.
- 9) Performed installations of multiple valve and AC pipe drop-ins as well as pipe abandonments throughout the distribution system.
- 10) Completion of Meter Replacement Program – 620 meters in route 52 and another 533 meters in route 50 by year end.
- 11) Completed 12 compound large meter vault rehabilitation, including installation of new Octave ultrasonic meters.
- 12) Completed slab replacement on Avenue S bridge.
- 13) Completed installation of large capacity propane tank system for small generators on standby, abandon DD&W line and old hydrants.
- 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 new valve installations at T-8 Booster Station, Well 22 and Well 5
- 19) Rehabilitation of Well 7.
- 20) Completed installation of new sodium hypochlorite generators at Well 7 and 23.
- 21) Installed 2 new distribution system brine tanks at Well 14 & 23.
- 22) Rehabilitation of 6 booster pumps.
- 23) Performed all fleet maintenance and repairs on 131 assets.
- 24) Integrated 55 new digital 2-way radios into the fleet.
- 25) Proceeded with all scheduled maintenance and projects during COVID-19 Pandemic with no onsite generated cases.

2022 GOALS:

- 1) Installation of sodium hypochlorite generator replacement.
- 2) Installation of NaOCl generator replacement (four sites).
- 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 three).
- 8) Perform booster building rehabilitation.
- 9) Purchase Bucket Truck.
- 10) Purchase NaOCl generator replacement for two well sites.

Facilities

Facilities		BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2022	2021	2021	2020	2019	2018
1-04-4000-000	Salaries	2,272,500	2,128,500	2,248,000	2,404,492	2,286,419	2,136,946
1-04-4000-100	Salaries - Departmental Overtime	150,826	151,750	144,000	172,009	178,224	155,494
	Subtotal (Salaries)	2,423,326	2,280,250	2,392,000	2,576,501	2,464,644	2,292,440
Employee Benefits							
1-04-4005-000	Payroll Taxes	191,250	184,500	189,500	208,166	187,297	177,933
1-04-4010-000	Health Insurance	408,500	404,158	445,000	518,839	527,797	510,242
1-04-4015-000	PERS	210,750	196,862	214,000	212,300	191,029	249,995
	Subtotal (Benefits)	810,500	785,520	848,500	939,305	906,122	938,170
	Personnel Expenses	3,233,826	3,065,770	3,240,500	3,515,805	3,370,766	3,230,610
OPERATING EXPENSES:							
1-04-4050-000	Staff Travel	6,355	602	6,200	2,932	8,363	4,651
1-04-4060-000	Staff Conferences & Seminars	15,888	67	15,500	1,413	4,313	1,050
1-04-4155-405	Contracted Services - Landscape Svcs (All Sites)	16,400	12,198	16,000	14,035	11,450	16,075
1-04-4155-410	Contracted Services - Landscape Svcs (Wells)	39,975	38,492	39,000	30,109	33,855	34,344
1-04-4155-415	Contracted Services - Alarm Services	-	-	-	-	-	-
1-04-4155-420	Contracted Services - Janitorial Services (All Sites)	48,175	45,593	47,000	51,477	46,204	44,832
1-04-4155-425	Contracted Services - Pest Control Svcs (All Loc)	6,355	7,500	6,200	6,146	4,732	5,934
1-04-4155-430	Contracted Services - Pest Control Svcs (Plm Dam)	5,330	3,714	5,200	4,959	3,648	3,448
1-04-4155-435	Contracted Services - Elevator Services	4,203	2,871	4,100	2,780	47,905	2,903
1-04-4155-440	Contracted Services - SCADA Software	-	-	-	-	-	17,856
1-04-4155-445	Contracted Services - SCADA Hardware	-	-	-	-	-	1,119
1-04-4155-450	Contracted Services - Seismic Valve Controllers	7,995	-	7,800	6,683	6,683	6,415
1-04-4155-455	Contracted Services - Annual Tank Service	106,600	-	104,000	-	319,100	319,100
1-04-4155-460	Contracted Services - Fire Extinguisher Servicing	5,330	-	5,200	2,490	6,187	7,644
1-04-4155-466	Contracted Services - Clearscada	-	-	-	-	14,796	3,163
1-04-4155-468	Contracted Services - Fuel Serve	2,563	2,420	2,500	-	-	-
1-04-4155-499	Contracted Services - Miscellaneous	2,153	-	2,100	2,420	2,420	-
1-04-4175-000	Permits (District Facilities including Dams)	43,050	36,059	42,000	37,856	42,780	63,350
1-04-4215-100	Natural Gas - Wells & Boosters	235,806	443,000	225,000	266,610	222,292	266,569
1-04-4215-200	Natural Gas - Buildings	9,940	9,065	9,500	6,618	10,010	7,480
1-04-4220-100	Electricity - Wells & Boosters	901,304	1,787,746	860,000	1,516,979	1,061,023	1,185,888
1-04-4220-200	Electricity - Buildings	99,399	86,000	95,000	83,840	71,542	77,395
1-04-4225-000	Maint. & Repair - Vehicles	35,768	28,122	34,000	28,792	22,923	35,133
1-04-4230-100	Maint. & Rep. Operations - Office Building	27,878	6,205	26,500	10,132	6,284	7,868
1-04-4230-120	Maint. & Rep. Operations - Two-way Radios	5,260	500	5,000	-	-	-
1-04-4235-110	Maint. & Rep. Operations - Equipment	13,360	8,814	12,700	3,737	8,557	4,285
1-04-4235-400	Maint. & Rep. Operations - Wells	89,041	66,217	84,500	80,721	53,640	67,930
1-04-4235-405	Maint. & Rep. Operations - Boosters	55,637	41,472	52,800	37,165	52,497	29,376
1-04-4235-410	Maint. & Rep. Operations - Shop Bldgs	27,352	6,895	26,000	11,780	10,411	19,258
1-04-4235-415	Maint. & Rep. Operations - Facilities	54,704	15,305	52,000	38,245	18,567	17,006
1-04-4235-420	Maint. & Rep. Operations - Water Lines	331,380	223,542	315,000	234,639	252,498	354,568
1-04-4235-425	Maint. & Rep. Operations - Littlerock Dam	16,306	500	15,500	8,282	9,551	487
1-04-4235-430	Maint. & Rep. Operations - Palmdale Dam	-	-	-	-	670	550
1-04-4235-435	Maint. & Rep. Operations - Palmdale Canal	7,364	1,000	7,000	3,144	4,884	1,110
1-04-4235-440	Maint. & Rep. Operations - Large Meters	16,306	7,274	15,500	7,968	13,638	9,809
1-04-4235-445	Maint. & Rep. Operations - Telemetry	-	-	-	-	893	275
1-04-4235-450	Maint. & Rep. Operations - Hypo Generators	8,311	4,040	7,900	6,416	1,443	4,574
1-04-4235-455	Maint. & Rep. Operations - Heavy Equipment	46,288	23,826	44,000	32,112	60,783	32,408
1-04-4235-460	Maint. & Rep. Operations - Storage Reservoirs	5,470	1,750	5,200	1,020	2,807	13,590
1-04-4235-461	Maint. & Rep. Operations - Air Vacs	5,470	4,239	5,200	5,760	14,815	41,486
1-04-4235-470	Maint. & Rep. Operations - Meter Exchanges	163,060	81,235	155,000	49,498	91,293	183,630
1-04-4270-300	Telecommunication - Other	-	-	-	-	8,015	6,994
1-04-4300-100	Testing - Regulatory Compliance	21,013	10,633	20,500	9,467	8,725	15,935
1-04-4300-200	Testing - Large Meter Testing	13,325	16,773	13,000	12,940	16,220	19,098
1-04-4300-300	Testing - Edison Testing	12,300	-	12,000	6,250	5,800	8,100
1-04-5070-009	Groundwater Adjudication - Pumping Assessment	-	-	-	-	-	60,775
1-04-6000-000	Waste Disposal	21,972	12,728	21,000	15,532	18,290	14,653
1-04-6100-100	Fuel - Gas and Diesel	147,268	148,000	142,000	110,759	100,360	119,063
1-04-6100-200	Lubricates District Wide	26,965	25,995	26,000	19,256	24,608	23,332
1-04-6200-000	Uniforms	28,218	22,500	28,000	23,487	21,403	21,894

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Facilities (Continued)

OPERATING EXPENSES (Continued):

1-04-6300-100	Supplies - General	65,507	57,000	65,000	42,127	31,635	78,916
1-04-6300-200	Supplies - Hypo Generators	-	-	-	-	7,091	7,195
1-04-6300-300	Supplies - Electrical	3,023	500	3,000	584	577	852
1-04-6300-400	Supplies - Telemetry	-	-	-	-	1,894	587
1-04-6300-800	Supplies - Construction Materials	35,273	36,105	35,000	33,777	32,428	33,672
1-04-6400-100	Tools - Facilities	35,273	31,730	35,000	28,650	35,314	32,365
1-04-6400-200	Tools - Vehicles	10,179	6,747	10,100	13,320	11,907	15,823
1-04-6450-100	Equipment - Firetide Radios	-	-	-	-	-	784
1-04-6450-110	Equipment - GF Signet Flow Meters	-	-	-	-	-	-
1-04-6450-120	Equipment - SCADA Workstations	-	-	-	-	-	27,169
1-04-7000-100	Leases - Equipment	15,117	11,305	15,000	15,583	19,342	12,246
1-04-7000-200	Leases - Fleet	143,108	159,000	142,000	116,362	83,284	87,852
	Total Operating Expense	3,044,316	3,535,282	2,923,700	3,044,852	2,970,349	3,479,864
	Total Departmental Expenses	6,278,142	6,601,052	6,164,200	6,560,658	6,341,115	6,710,475

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.

2021 ACCOMPLISHMENTS:

- 1) Refined plant systems operational practices to optimize water quality.
- 2) Completed O&M manual for 2021 (SWRCB).
- 3) Renewed Water Research Foundation District's membership for 2021.
- 4) Completed large water system report for 2020 (SWRCB).
- 5) Participated on demand response programs with Honeywell to reduce electricity costs.
- 6) Scheduled GAC Reactivation for 4 GAC contactors with Calgon Carbon at the treatment plant for TOC Removal and TTHM mitigation.
- 7) Successfully maintained water in Lake Palmdale free of algae blooms that could adversely affect the treatment process.
- 8) Participated in filter media surveillance training with Hazen & Sawyer to evaluate the efficiency of our backwash process.
- 9) Replaced GAC Media at the underground vessel site for TTHM mitigation.
- 10) ELAP Pre-Assessment to assess compliance with new ELAP regulations.
- 11) Completed the Consumer Confidence Report for 2020.
- 12) Completed Well 4A required monitoring to change status to active.
- 13) Started updating laboratory documents to new ELAP regulations (2016 TNI Standard).

2022 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) Get wind turbine back to operational.
- 9) Have 3M approved by the SWRCB as a backup for 6M (CT compliance) and add it to the O&M Manual.
- 10) Install a new hypochlorite generation system.
- 11) Perform treatment plant vault maintenance.
- 12) Rebuild zinc orthophosphate system.
- 13) Treatment plant winter maintenance.
- 14) Continue to be proactive on Lake Palmdale shoreline maintenance.
- 15) Perform pre-assessment for lab compliance with new ELAP regulations.
- 16) Perform on-site assessment for ELAP 2022 renewal.
- 17) Perform triennial lead and copper rule monitoring.
- 18) Perform treatment plant vault maintenance.
- 19) Continue to maintain Laboratory and compliance 2022:
 - SWRCB First Period Vulnerability Assessments (Surface Water)
 - Triennial Lead and Copper Rule Monitoring
 - On-site Assessment for ELAP 2022 renewal
- 20) Complete the Consumer Confidence Report for 2021.
- 21) Encourage continued education and training online due to Covid-19 to equip staff with the knowledge necessary to deal effectively with current and future water industry challenges.
- 22) Continue development of lab maintenance program.
- 23) Continue development of lab training program.
- 24) Review systems, emergency drill scenarios with Operations staff.
- 25) Have 3M approve by SWRCB as a backup for 6M (CT compliance) and add it to the O&M Manual
- 26) Once a year when possible, staff will visit other treatment facilities and districts to get more knowledge or different innovative ideas to enhance performance and efficiency.

Operations

Operations		BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2022	2021	2021	2020	2019	2018
1-05-4000-000	Salaries	1,197,000	1,119,817	1,154,000	1,175,217	1,066,200	1,154,301
1-05-4000-100	Salaries - Departmental Overtime	103,693	92,528	99,000	111,276	117,094	98,526
	Subtotal (Salaries)	1,300,693	1,212,345	1,253,000	1,286,493	1,183,294	1,252,827
Employee Benefits							
1-05-4005-000	Payroll Taxes	95,500	94,392	91,000	101,750	88,433	87,400
1-05-4010-000	Health Insurance	160,500	161,984	182,000	191,677	167,240	153,953
1-05-4015-000	PERS	122,500	108,497	118,500	106,224	91,630	122,221
	Subtotal (Benefits)	378,500	364,873	391,500	399,651	347,303	363,575
	Personnel Expenses	1,679,193	1,577,218	1,644,500	1,686,144	1,530,597	1,616,402
OPERATING EXPENSES:							
1-05-4050-000	Staff Travel	3,178	3,000	3,100	-	5,944	6,065
1-05-4060-000	Staff Conferences & Seminars	3,178	-	3,100	-	1,145	790
1-05-4120-100	Training - Lab Equipment	5,330	-	5,200	-	-	-
1-05-4155-505	Contracted Services - Landscape Services	3,588	1,620	3,500	3,492	2,195	6,881
1-05-4155-510	Contracted Services - Alarm Services	-	-	-	-	-	714
1-05-4155-525	Contracted Services - Wind Turbine Services	31,775	-	31,000	5,165	7,913	39,029
1-05-4155-540	Contracted Services - Lab Software	7,893	6,699	7,700	6,624	6,307	6,393
1-05-4155-545	Contracted Services - Lab Equipment Services	30,000	24,500	26,000	25,962	26,552	9,181
1-05-4155-550	Contracted Services - Water Quality Svcs (SolarBee)	32,185	-	31,400	29,228	29,228	29,228
1-05-4175-000	Permits (WTP Facilities Inclusive)	83,333	73,500	81,300	69,689	69,263	119,287
1-05-4215-200	Natural Gas - Water Treatment Plant	3,348	3,800	3,200	1,257	1,580	1,327
1-05-4220-200	Electricity - Water Treatment Plant	224,955	407,250	215,000	153,414	257,450	173,435
1-05-4230-110	Maint. & Rep. Office - Equipment	5,576	499	5,300	638	1,705	4,484
1-05-4235-110	Maint. & Rep. Operations - Equipment	22,092	36,978	21,000	19,036	16,241	19,054
1-05-4235-410	Maint. & Rep. Operations - Shop Bldgs	6,628	5,469	6,300	6,347	7,038	5,961
1-05-4235-415	Maint. & Rep. Operations - Facilities	77,848	114,000	74,000	74,648	85,594	78,306
1-05-4235-450	Maint. & Rep. Operations - Hypo Generators	-	-	-	-	6,221	61,795
1-05-4235-500	Maint. & Repair - Wind Turbine	10,520	1,612	10,000	5,995	53,615	4,129
1-05-4236-000	Palmdale Lake Management	136,162	136,000	130,000	98,031	111,708	100,413
3-05-4300-100	Filter Media Testing/Inspection	-	-	-	-	-	-
1-05-6000-000	Waste Disposal	21,972	31,000	21,000	21,710	22,839	29,716
1-05-6200-000	Uniforms	16,125	13,500	16,000	15,804	12,993	13,343
1-05-6300-100	Supplies - General	15,319	16,750	15,200	18,710	26,382	16,513
1-05-6300-600	Supplies - Lab	75,334	68,892	72,000	66,356	44,469	50,825
1-05-6300-700	Outside Lab Work	115,000	64,806	60,000	52,880	74,198	88,280
1-05-6400-000	Tools	6,148	2,806	6,100	4,726	3,550	3,906
1-05-6500-000	Chemicals	958,946	875,500	915,000	941,914	1,006,489	1,090,810
1-05-7000-100	Leases -Equipment	3,023	-	3,000	318	10,542	2,732
	Total Operating Expense	1,899,451	1,888,181	1,765,400	1,621,943	1,891,161	1,962,598
	Total Departmental Expenses	3,578,644	3,465,399	3,409,900	3,308,087	3,421,758	3,579,000

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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.

2021 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 issuance of 2021A Water Revenue Bonds, issuing \$9,390,000.
- 6) Completed refunding of 2013A Bonds (2028 term bonds only) into 2021 Installment Purchase Agreement for cost savings of \$719,501 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.

2022 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) Reevaluation of District-wide System Valuation Study to determine actual asset value of the District.

Finance

Finance		BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2022	2021	2021	2020	2019	2018
1-06-4000-000	Salaries	980,500	986,000	996,500	779,173	705,236	687,741
1-06-4000-100	Salaries - Departmental Overtime	2,095	9,039	2,000	1,363	807	902
	Subtotal (Salaries)	982,595	995,039	998,500	780,536	706,042	688,644
Employee Benefits							
1-06-4005-000	Payroll Taxes	76,500	74,678	75,500	56,529	48,357	45,324
1-06-4010-000	Health Insurance	160,500	153,017	176,000	124,813	101,355	104,561
1-06-4015-000	PERS	104,000	100,248	105,750	75,194	63,912	87,867
	Subtotal (Benefits)	341,000	327,943	357,250	256,535	213,624	237,752
	Personnel Expenses	1,323,595	1,322,981	1,355,750	1,037,072	919,666	926,395
OPERATING EXPENSES:							
1-06-4050-000	Staff Travel	2,050	3,250	2,000	58	357	2,108
1-06-4060-000	Staff Conferences & Seminars	1,538	439	1,500	-	547	445
1-06-4155-100	Contracted Services - Infosend	290,075	296,000	283,000	246,295	265,550	174,100
1-06-4155-300	Contracted Services - AdComp Systems	4,408	4,085	4,300	4,085	4,085	4,085
1-06-4155-620	Contracted Services - Letter Extractor (OPEX)	3,178	3,000	3,100	5,940	-	2,865
1-06-4155-625	Contracted Services - GASB Actuarial Reports	5,330	4,650	5,200	4,650	10,750	5,050
1-06-4165-000	Memberships/Subscriptions	513	293	500	220	220	110
1-06-4230-110	Maintenance & Repair - Office Equipment	526	-	500	-	-	-
1-06-4250-000	General Material & Supplies	2,016	-	2,000	-	-	-
1-06-4260-000	Business Forms	1,538	233	1,500	314	-	421
1-06-4270-100	Telecommunication - Office	32,800	50,379	32,000	32,120	31,206	36,131
1-06-4270-200	Telecommunication - Cellular Stipend	26,343	25,240	25,700	32,040	24,215	22,500
1-06-7000-100	Leases - Equipment	3,023	2,700	3,000	2,577	2,603	2,610
	Total Operating Expense	373,335	390,269	364,300	328,300	339,533	250,426
	Total Departmental Expenses	1,696,930	1,713,250	1,720,050	1,365,372	1,259,199	1,176,821

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.

2021 ACCOMPLISHMENTS:

- 1) Virtual formatted education program reached 1,221 students.
- 2) Executed Water Superhero contest for kids, received 120 entries.
- 3) Water-wise Landscape Conversion Program converted 65,461 sq. ft. of turf.
- 4) Processed \$101,387 in total rebates.
- 5) Worked with Public Affairs and partner agencies to put on 6 events.
- 6) Worked with Engineering Department to award Phase 1 of the Conservation Garden Project.
- 7) Developed special usage reporting for the city and school districts to track water usage.
- 8) Launched AV Regional Conservation Roundtable Group.

2022 GOALS:

- 1) Continue to adapt and promote rebate and education programs to serve the needs of the ratepayers and the District.
- 2) Completion of Water Conservation Garden and host first event.
- 3) Pursue advanced WUE (Water-Use Efficiency) certification.
- 4) Graphically represent WUE rebates and education program KPI's (Key Performance Indicator) on intranet.
- 5) Continue to work with Public Affairs on expanding drought and WUE messaging.
- 6) Continue to lead AV Conservation Roundtable.
- 7) Continue to adapt Water Use Efficiency programs to better suit customer and District needs.

Water-Use Efficiency

<u>Water-Use Efficiency</u>		BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2022	2021	2021	2020	2019	2018
1-07-4000-000	Salaries	172,000	167,803	170,500	171,419	171,500	151,114
1-07-4000-100	Salaries - Departmental Overtime	5,237	3,141	5,000	3,061	4,797	1,827
	Subtotal (Salaries)	177,237	170,944	175,500	174,480	176,297	152,942
Employee Benefits							
1-07-4005-000	Payroll Taxes	14,250	13,812	13,750	14,662	13,670	12,313
1-07-4010-000	Health Insurance	41,000	37,783	31,000	37,655	45,490	40,123
1-07-4015-000	PERS	19,500	17,554	19,500	17,006	16,426	20,972
	Subtotal (Benefits)	74,750	69,150	64,250	69,323	75,587	73,408
	Personnel Expenses	251,987	240,094	239,750	243,803	251,883	226,350
OPERATING EXPENSES:							
1-07-4050-000	Staff Travel	2,665	500	2,600	414	2,280	2,492
1-07-4060-000	Staff Conferences & Seminars	3,178	1,000	3,100	150	1,145	910
1-07-4190-300	Public Relations - Landscape Workshop/Training	5,330	500	5,200	458	89	1,757
1-07-4190-400	Public Relations - Contests	3,178	1,140	3,100	852	390	536
1-07-4190-500	Public Relations - Education Programs	128,125	-	125,000	6,701	119,294	1,863
1-07-4190-900	Public Relations - Other	5,330	-	5,200	395	1,880	2,752
1-07-6300-100	Supplies - General	7,055	2,528	7,000	236	6,970	1,486
	Total Operating Expense	154,860	5,668	151,200	9,207	132,049	11,796
	Total Departmental Expenses	406,847	245,761	390,950	253,009	383,933	238,146

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.

2021 ACCOMPLISHMENTS:

- 1) Analyzed District benefit positions and made recommendations to Personnel Committee.
- 2) Conducted ten recruitment processes and four promotions, including internal and external.
- 3) Implemented Hazard Mitigation Plan.
- 4) Managed Covid-19 plan and communications.
- 5) Completed implementation of new HRIS system.

2022 GOALS:

- 1) Continue to review and revise job descriptions as needed.
- 2) Coordinate 2023 Employee Benefits Open Enrollment.
- 3) Continue focus on increased safety awareness through training and resources.
- 4) Complete safety project for dam stairs.
- 5) Continue focus on cross-training to create a flexible workforce along with a workforce prepared for succession.
- 6) Establish a Supervisor/Lead Training Program.
- 7) Continue and enhance the Palmdale Water District's Internship Program through outreach to high school students.
- 8) Conduct bi-annual Salary Survey.

Human Resources

<u>Human Resources</u>		BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2022	2021	2021	2020	2019	2018
1-08-4000-000	Salaries	260,000	261,585	267,250	264,929	241,493	207,111
1-08-4000-100	Salaries - Departmental Overtime	1,047	500	1,000	584	613	449
1-08-4000-200	Salaries - Intern Program	-	-	-	-	-	-
	Subtotal (Salaries)	261,047	262,085	268,250	265,513	242,106	207,560
Employee Benefits							
1-08-4005-000	Payroll Taxes	20,500	20,450	20,750	19,286	17,466	16,221
1-08-4010-000	Health Insurance	27,500	25,001	31,000	26,866	31,281	28,463
1-08-4015-000	Pers	23,500	23,075	24,500	18,731	16,595	20,828
	Subtotal (Benefits)	71,500	68,526	76,250	64,883	65,342	65,512
	Personnel Expenses	332,547	330,611	344,500	330,396	307,448	273,072
OPERATING EXPENSES:							
1-08-4050-000	Staff Travel	1,538	-	1,500	582	3,261	273
1-08-4060-000	Staff Conferences & Seminars	1,538	-	1,500	199	1,574	-
1-08-4070-000	Employee Expense	85,000	59,500	67,500	64,130	91,048	81,692
1-08-4095-000	Employee Recruitment	3,178	6,886	3,100	8,455	8,392	10,442
1-08-4100-000	Employee Retention	5,330	1,652	5,200	1,681	5,046	29,903
1-08-4105-000	Employee Relations	-	-	-	-	1,384	2,270
1-08-4120-100	Training - Safety	36,900	19,690	36,000	13,581	5,986	40,909
1-08-4120-200	Training - Specialty	15,888	3,265	15,500	1,206	16,649	27,555
1-08-4121-000	Safety/HR Program	1,025	-	1,000	35	35	1,065
1-08-4165-000	Memberships/Subscriptions	1,640	1,000	1,600	1,268	1,474	1,657
1-08-4165-100	HR/Safety Publications	1,025	-	1,000	499	-	263
1-08-6300-500	Supplies - Safety	50,000	17,500	30,500	24,685	44,789	40,475
	Total Operating Expense	203,060	109,493	164,400	116,321	179,638	236,504
	Total Departmental Expenses	535,607	440,104	508,900	446,718	487,087	509,576

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.

2021 ACCOMPLISHMENTS:

- 1) Updated Internet site.
- 2) Upgraded and migrated GIS to new server (continued from 2020).
- 3) Installed and configured Neptune Server, Desktop, Laptop for new meter reading software.
- 4) Upgraded District's virtual environment, timesheet and check printers to latest software.
- 5) Successful completion of TPAA internships.
- 6) Implemented HR Bamboo (Management HRIS system).
- 7) Implemented Syncta Backflow Test system.
- 8) Get lobby set up for re-opening, which included ticketing system and presentation devices.
- 9) Coordinated with staff, consultants, vendors, and contractors to complete the main office, crew room, and warehouse remodel.
- 10) Rewire main office network cabling as part of office remodel.
- 11) Completed the District's main office fire system upgrade.
- 12) Transitioned SCADA and associated staff to the IT department.

2022 GOALS:

- 1) Upgrade Intranet.
- 2) Data Center Uninterruptible Power System.
- 3) Continue Update of Geographic Information System.
- 4) Continue PC Replacements.
- 5) Upgrade Financial System.
- 6) Upgrade Billing System.

Information Technology

Information Technology		BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2022	2021	2021	2020	2019	2018
1-09-4000-000	Salaries	617,500	565,250	583,750	483,950	295,522	191,822
1-09-4000-100	Salaries - Departmental Overtime	21,995	26,029	21,000	26,855	731	510
	Subtotal (Salaries)	639,495	591,279	604,750	510,806	296,252	192,332
Employee Benefits							
1-09-4005-000	Payroll Taxes	48,750	44,668	46,500	38,935	21,331	13,373
1-09-4010-000	Health Insurance	80,000	77,121	94,000	65,776	31,509	26,093
1-09-4015-000	PERS	65,750	58,574	46,250	47,031	25,993	22,997
	Subtotal (Benefits)	194,500	180,363	186,750	151,742	78,833	62,464
	Personnel Expenses	833,995	771,642	791,500	662,547	375,085	254,795
OPERATING EXPENSES:							
1-09-4050-000	Staff Travel	3,178	1,000	3,100	147	2,968	1,323
1-09-4060-000	Staff Conferences & Seminars	10,660	8,471	10,400	3,456	2,017	1,000
1-09-4155-801	Cloud Services-MS-Office 360	35,875	32,015	35,000	3,504	58,855	26,140
1-09-4155-802	Cloud Services-MS-Project	-	-	-	-	-	840
1-09-4155-803	Cloud Services-MS-Visio	-	-	-	-	-	283
1-09-4155-804	Cloud Services-Adobe-Creative Suite	8,000	8,000	5,200	7,610	7,610	6,457
1-09-4155-805	Cloud Services-SeamlessDocs	9,000	6,167	5,200	-	5,833	10,000
1-09-4155-806	Cloud Services-IPSwitch-Moveit	10,763	10,000	10,500	10,027	10,027	9,866
1-09-4155-807	Cloud Services-GFI Fax	2,665	1,800	2,600	1,650	600	3,000
1-09-4155-808	Cloud Services-KnowBe4-Security Awareness	2,300	2,298	1,500	2,000	2,000	-
1-09-4155-809	Cloud Services-Network Solutions-DNS, Web Registration	2,500	1,932	4,100	816	2,465	4,237
1-09-4155-810	Cloud Services-IBM-MaaS 360	6,355	5,094	6,200	3,672	-	4,396
1-09-4155-811	Cloud Services-MSP Portal-Bit Defender	7,000	6,792	5,100	5,094	6,488	3,427
1-09-4155-812	Cloud Services-Akins-WiFi	-	523	-	1,383	-	3,061
1-09-4155-813	Cloud Services-FleetMate	513	500	500	-	-	1,000
1-09-4155-814	Cloud Services-Security Metrics-PCI Compliance	4,613	4,500	4,500	8,792	3,796	3,051
1-09-4155-815	Cloud Services-Citrix	2,050	1,825	2,000	1,750	1,755	-
1-09-4155-816	Cloud Services - Azure Services	25,830	2,710	25,200	-	-	-
1-09-4155-905	Contracted Services - Offsite Services	5,125	4,475	5,000	-	75	-
1-09-4155-910	Contracted Services - Printer Services	7,175	3,925	7,000	4,993	4,786	3,928
1-09-4155-915	Contracted Services - Website Design Services	4,100	4,161	4,000	5,108	7,958	9,871
1-09-4155-920	Contracted Services - Telephony Services	5,330	-	5,200	2,794	-	2,390
1-09-4155-925	Contracted Services - TDS (Network & Software Support)	41,000	39,160	40,000	-	-	-
1-09-4155-930	Contracted Services - Network Services	-	-	-	1,114	14,342	12,644
1-09-4155-935	Contracted Services - Hardware Warranties	15,888	-	15,500	-	295	-
1-09-4155-940	Contracted Services - Access Control & Fire Services	61,500	65,431	60,000	61,059	48,823	29,769
1-09-4155-945	Contracted Services - LA County Dataset	1,025	-	1,000	-	-	-
1-09-4155-950	Contracted Services - ESRI Customer Care	5,125	-	5,000	3,487	-	-
1-09-4155-955	Contracted Services - SCADA Software	18,450	22,215	18,000	-	-	-
1-09-4155-960	Contracted Services - SCADA Hardware	10,250	-	10,000	14,952	-	-
1-09-4155-965	Contracted Services - ClearSCADA	15,375	-	15,000	-	-	-
1-09-4165-000	Memberships/Subscriptions	2,665	500	2,600	360	1,455	330
1-09-4235-445	Maint. & Rep - Telemetry	5,433	5,160	5,300	1,046	-	-
1-09-4270-100	Telecommunication - Office Phone	18,450	18,750	18,000	23,622	17,528	15,176
1-09-4270-125	Telecommunication - Office Backbone	23,575	20,580	23,000	21,866	20,580	18,865
1-09-4270-150	Telecommunication - WTP Backbone	15,888	11,400	15,500	11,400	10,450	13,115
1-09-4270-300	Telecommunication - Cellular (Data & On-Call)	56,375	49,800	55,000	52,198	47,122	43,496
1-09-4270-350	Telecommunication - Other	7,790	10,982	7,600	7,094	-	-
1-09-6300-400	Supplies - Telemetry	-	250	-	406	-	-
1-09-6450-110	Equipment - GF Signet Flow Meters	7,659	-	7,600	-	-	-
1-09-7000-100	Leases - Equipment (Printers)	56,437	51,250	56,000	48,706	49,961	-
1-09-8000-100	Computer Equipment - Computers	45,351	44,000	45,000	59,732	54,264	44,250
1-09-8000-200	Computer Equipment - Mobility	45,351	19,250	45,000	31,183	44,756	10,039
1-09-8000-300	Computer Equipment - Monitors	12,094	12,691	12,000	-	2,214	2,130
1-09-8000-400	Computer Equipment - Printers	-	-	-	-	-	931
1-09-8000-500	Computer Equipment - Printer Supplies	2,520	250	2,500	-	157	3,299
1-09-8000-550	Computer Equipment - Telephony	3,023	-	3,000	-	-	-
1-09-8000-600	Computer Equipment - Other	30,234	16,530	30,000	31,150	17,158	20,331
1-09-8000-650	Computer Equipment - Warranty and Support	15,117	4,560	15,000	22,560	6,000	7,555
1-09-8100-100	Software - Maint. and Support	-	6,617	-	32,270	-	975
1-09-8100-101	Software M&S - Xtelesis-Phone	10,763	9,000	10,500	-	9,679	19,680
1-09-8100-102	Software M&S - Tredent-Veam	-	-	-	18,836	-	9,491
1-09-8100-103	Software M&S - Conduive/V-locity-Diskeeper	8,200	6,150	8,000	5,128	5,128	4,250
1-09-8100-104	Software M&S- FWI	513	500	500	397	388	-

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Information Technology (Continued)

OPERATING EXPENSES (Continued):

1-09-8100-105	Software M&S- Strategy 7	-	-	-	-	-	702
1-09-8100-106	Software M&S- Astria Solutions-Docstar	19,475	12,643	19,000	12,643	12,643	12,643
1-09-8100-107	Software M&S- NemoQ-Ticketing	2,563	1,945	2,500	-	1,945	1,945
1-09-8100-108	Software M&S- FMT-Management Reporter	-	-	-	-	-	175
1-09-8100-109	Software M&S- Neogov	5,125	3,393	5,000	-	8,240	7,922
1-09-8100-110	Software M&S- TruePoint	41,000	34,350	40,000	35,310	31,920	50,340
1-09-8100-111	Software M&S- Technology Unlimited	2,153	1,750	2,100	1,673	1,762	3,499
1-09-8100-112	Software M&S- Sierra Workforce-Timesheet	4,203	4,000	4,100	4,034	4,717	6,039
1-09-8100-113	Software M&S- Tredent-SAN Manager	-	-	-	-	-	-
1-09-8100-114	Software M&S- Farnics-Powersaver	205	-	200	-	-	225
1-09-8100-115	Software M&S- Network Monitoring	64,575	44,750	63,000	44,582	2,348	2,134
1-09-8100-116	Software M&S- VMWare-Virtualization	14,350	9,225	14,000	9,225	6,788	6,596
1-09-8100-117	Software M&S- iPrism-Web Filter	-	-	-	-	27,734	-
1-09-8100-119	Software M&S- Palitto Consulting (IVR)	-	-	-	-	2,599	-
1-09-8100-120	Software M&S- ESRI GIS Software	25,625	25,000	25,000	25,000	-	-
1-09-8100-121	Software M&S- ESRI Drone2Map	1,538	2,000	1,500	2,000	-	-
1-09-8100-122	Software M&S- Info360 (SCADA Watch)	16,400	16,204	16,000	-	-	-
1-09-8100-123	Software M&S- InfoWatch (Innovyze)	16,400	-	16,000	-	-	-
1-09-8100-124	Software M&S- BAMBOO HR	10,763	-	10,500	-	-	-
1-09-8100-125	Software M&S- Syncta Backflow	8,000	-	-	-	-	-
1-09-8100-126	Software M&S- ProcureNow (OpenGov)	9,000	-	-	-	-	-
1-09-8100-150	Software M&S- Dynamics GP	41,000	61,514	40,000	62,430	40,731	34,337
1-09-8100-200	Software - Software and Upgrades	20,500	12,924	20,000	12,244	10,812	7,216
	Total Operating Expense	991,951	750,912	947,800	720,504	619,772	484,368
	Total Departmental Expenses	1,825,946	1,522,555	1,739,300	1,383,052	994,857	739,164

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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.

2021 ACCOMPLISHMENTS:

- 1) Meter procurement for new meters and reading system completed.
- 2) Worked efficiently and effectively from home assisting out (with MS Teams) customers due to the COVID response and compliance with the “Safer-at-Home” orders issued by Los Angeles County and the state of California.
- 3) Prepared for SB-998 (prior to pandemic).
- 4) Established Covid-19 payment plan to promote collecting funds.
- 5) Effectively transitioned from work from home to office environment.
- 6) 2021 departmental statistics:
 - Phone calls handled 34,852
 - Lobby customers served 1,062
 - New customers processed (Move in) 1,374
 - Rate Assistance Program applications 710 (2021 funds were exhausted)
 - Processed courtesy leak applications 211 (\$38,669 in customer savings)
 - Processed 25,722 service orders

2022 GOALS:

- 1) Neptune reading system running efficiently.
- 2) Resolve Zenner product warranty issues.
- 3) Promote customer self-help with Customer Information Portal.
- 4) Continue building the fillable forms available to customers.
- 5) Complete meter, meter reading and customer portal goals.
- 6) Install isolation valves on customer side to lessen the trip load, lowering costs.
- 7) Continue efforts in providing training of Customer Care staff.

Customer Care

Customer Care		BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2022	2021	2021	2020	2019	2018
1-10-4000-000	Salaries	1,019,000	900,087	1,013,000	972,537	948,953	949,871
1-10-4000-100	Salaries - Departmental Overtime	7,856	2,528	7,500	3,891	3,867	6,146
	Subtotal (Salaries)	1,026,856	902,615	1,020,500	976,429	952,821	956,018
Employee Benefits							
1-10-4005-000	Payroll Taxes	79,500	70,161	80,000	77,001	67,863	68,934
1-10-4010-000	Health Insurance	205,000	201,953	233,000	216,399	205,882	207,455
1-10-4015-000	PERS	105,000	89,542	96,500	88,826	79,411	118,854
	Subtotal (Benefits)	389,500	361,656	409,500	382,226	353,157	395,243
	Personnel Expenses	1,416,356	1,264,272	1,430,000	1,358,655	1,305,977	1,351,261
OPERATING EXPENSES:							
1-10-4050-000	Staff Travel	2,050	1,000	2,000	(20)	4,646	1,018
1-10-4060-000	Staff Conferences & Seminars	3,178	500	3,100	-	3,082	673
1-10-4155-005	Contracted Services - Assessor Data (Realquest)	10,250	9,900	10,000	9,900	9,906	9,900
1-10-4155-010	Contracted Services - Credit Reporting Services	4,203	4,353	4,100	3,225	4,514	3,848
1-10-4155-015	Contracted Services - AMR Services (Itron)	9,200	8,712	8,300	8,712	12,210	5,984
1-10-4155-020	Contracted Services - NEMO-Q System	3,075	1,945	3,000	1,945	-	-
1-10-4230-110	Mtce & Rep Office - Equipment	202	-	200	331	-	-
1-10-4250-000	General Material & Supplies	5,039	1,313	5,000	1,102	2,454	6,955
1-10-4260-000	Business Forms	1,025	-	1,000	-	871	224
	Total Operating Expense	38,221	27,723	36,700	25,196	37,683	28,602
	Total Departmental Expenses	1,454,576	1,291,995	1,466,700	1,383,851	1,343,660	1,379,862

APPENDIX

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Budget Control Guidelines

The 2022 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 2022 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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2022 Water Rate Schedule

Meter Fee Charge (Effective 01/01/2022)	
5/8" - 1"	45.52
1-1/2"	111.51
2"	169.16
3"	303.69
4"	495.96
6"	976.21
8"	1,552.74
10"	2,225.56
FIXED FIRELINE	159.31

Commodity Rates (\$/ccf)	
Tiers	
Essential Use – Tier 1	0.98
Efficient Use – Tier 2	1.74
Tier 3	2.27
Tier 4	3.74
Tier 5	5.39
Water Quality Fee (\$/ccf)	
0.09	
Elevation Booster Surcharge (\$/ccf)	
B	-
A1	0.09
A2	0.59
A3	1.17
Drought Surcharge	0.40

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
2022 Holiday Observance Calendar


January							February							March								
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30	31																					


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31																						

October							November							December								
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30	31																					

 PWD Observed Holiday

 PWD Observed Holiday (Dates Subject to Change)

 PWD Scheduled Closure (Dates Subject to Change)

January 17 – Martin Luther King Jr. Day

February 21 – Presidents Day

May 30 – Memorial Day

July 4 – Independence Day

September 5 – Labor Day

November 11 – Veterans Day

November 24 & 25 – Thanksgiving

December 26, 27 & 29 – Christmas Break

December 30 – New Year (Observed)

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California Water Code – Section 370-374

ALLOCATION-BASED CONSERVATION WATER PRICING

(Copied from original posted at <https://leginfo.legislature.ca.gov/faces/codes.xhtml>)

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

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

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

(4) Securing dry-year water supply arrangements.

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

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

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

(1) Billing is based on metered water use.

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

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

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

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

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

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

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

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

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

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

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

(2) Basic use allocations.

(3) Meter size.

(4) Metered volume of water consumed.

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

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

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

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

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

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

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

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Glossary of Terms

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

Glossary of Terms *(Continued)*

CSDA	California Special Districts Association is the recognized voice for all special districts. CSDA provides advocacy, outreach and member services, while educating policymakers and the public on the vital importance of local services provided by special districts in California. (http://www.csda.net)
CUWCC	The California Urban Water Conservation Council was created to increase efficient water use statewide through partnerships among urban water agencies, public interest organizations, and private entities. The Council's goal is to integrate urban water conservation Best Management Practices into the planning and management of California's water resources.
DSOD	The Division of Safety of Dams is the Department of Water Resources' entity entrusted to protect people against loss of life and property from dam failure.
DWR	California Department of Water Resources is a state agency that oversees the operation of the State Water Project (SWP). (http://www.water.ca.gov)
DBP	Disinfection By-Products are potentially toxic chemical compounds that are formed in extremely low concentrations during the disinfection of water supplies.
EBPP	Electronic Bill Presentment and Payment is a process that enables bills to be created, delivered, and paid via the internet.
EIR	Environmental Impact Report is a public document used by a government agency to analyze environmental effects of a proposed project. It also allows for the identification of alternatives and disclosure of possible ways to reduce or avoid possible environmental damage.
EIS	Environmental Impact Study – See EIR
ELAP	Environmental Laboratory Accreditation Program is a way to implement a sustainable accreditation program that ensures laboratories generate environmental and public health data of known, consistent, and documented quality to meet stakeholder needs.
EPA	Environmental Protection Agency is the federal agency responsible for setting and enforcing water quality standards.
ET	Evapotranspiration, or "ET," is the combination of water that is lost from the soil through evaporation and through transpiration from plants as a part of their metabolic processes. "ET" is simply the amount of water needed by a particular plant, tree, or turf grass.
GAC	Granular Activated Carbon is a form of carbon that has been processed to make it extremely porous, and thus, has a very large surface area available for adsorption or chemical reactions. These carbons are preferred for all adsorption of gases and vapors as their 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.
TNI	The Nelac Institute is a non-profit organization whose mission is to foster the generation of environmental data of known and documented quality through an open, inclusive, and transparent process that is responsive to the needs of the community.
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
WI-FI	Wi-Fi is technology that allows an electronic device to exchange data or connect to the internet wirelessly using radio waves.