



# PALMDALE WATER DISTRICT

A CENTURY OF SERVICE

November 18, 2021

## BOARD OF DIRECTORS

AMBERROSE MERINO

Division 1

DON WILSON

Division 2

GLORIA DIZMANG

Division 3

KATHY MAC LAREN-GOMEZ

Division 4

VINCENT DINO

Division 5

## AGENDA FOR A MEETING OF THE FINANCE COMMITTEE OF THE PALMDALE WATER DISTRICT TO BE HELD AT 2029 EAST AVENUE Q, PALMDALE OR VIA TELECONFERENCE Committee Members: Don Wilson-Chair, Gloria Dizmang

**FOR THE PUBLIC: VIA TELECONFERENCE ONLY**  
**DIAL-IN NUMBER: 571-748-4021 ATTENDEE PIN: 449-689-217#**  
**Submit Public Comments at: <https://www.gomeet.com/449-689-217>**

**TUESDAY, NOVEMBER 23, 2021  
2:00 p.m.**

DENNIS D. LaMOREAUX

General Manager

ALESHIRE & WYNDER LLP

Attorneys

**NOTE:** To comply with the Americans with Disabilities Act, to participate in any Board meeting please contact Dawn Deans at 661-947-4111 x1003 at least 48 hours prior to a Board meeting to inform us of your needs and to determine if accommodation is feasible.

Agenda item materials, as well as materials related to agenda items submitted after distribution of the agenda packets, are available for public review at the District's office located at 2029 East Avenue Q, Palmdale (Government Code Section 54957.5). Please call Dawn Deans at 661-947-4111 x1003 for public review of materials.

**PUBLIC COMMENT GUIDELINES:** The prescribed time limit per speaker is three-minutes. Please refrain from public displays or outbursts such as unsolicited applause, comments, or cheering. Any disruptive activities that substantially interfere with the ability of the District to carry out its meeting will not be permitted, and offenders will be requested to leave the meeting. (PWD Rules and Regulations, Appendix DD, Sec. IV.A.)

Each item on the agenda shall be deemed to include any appropriate motion, resolution, or ordinance to take action on any item.

- 1) Roll call.
- 2) Adoption of agenda.
- 3) Public comments for non-agenda items.
- 4) Action Items: (The public shall have an opportunity to comment on any action item as each item is considered by the Committee prior to action being taken.)



- 4.1) Consideration and possible action on approval of minutes of meeting held October 19, 2021.
- 4.2) Consideration and possible action on approval of minutes of special meeting held November 4, 2021.
- 4.3) Discussion and overview of Cash Flow Statement and Current Cash Balances as of October 2021. (Financial Advisor Egan)
- 4.4) Discussion and overview of Financial Statements, Revenue, and Expense and Departmental Budget Reports for October 2021. (Finance Manager Hoffmeyer)
- 4.5) Discussion and overview of committed contracts issued. (Finance Manager Hoffmeyer)
- 4.6) Consideration and possible action on a recommendation regarding Resolution No. 21-26 being a Resolution of the Board of Directors of the Palmdale Water District Establishing its Investment Policy. (No Budget Impact – Finance Manager Hoffmeyer/Financial Advisor Egan)
- 4.7) Consideration and possible action on a recommendation regarding the District’s auditing services for years 2021, 2022, and 2023. (\$ - To Be Determined – Finance Manager Hoffmeyer)
- 5) Reports.
  - 5.1) Finance Manager Hoffmeyer:
    - a) The effect of COVID-19 event.
    - b) Revenue projections.
  - 5.2) Financial Advisor Egan:
    - a) Debt Service Coverage status.
- 6) Board members’ requests for future agenda items.
- 7) Date of next Committee meeting.
- 8) Adjournment.



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DENNIS D. LaMOREAUX,  
General Manager

DDL/dd

**MINUTES OF MEETING OF THE FINANCE COMMITTEE OF THE PALMDALE WATER DISTRICT, OCTOBER 19, 2021:**

*A meeting of the Finance Committee of the Palmdale Water District was held Tuesday, October 19, 2021, at 2029 East Avenue Q, Palmdale, CA 93550 and via teleconference. Chair Wilson called the meeting to order at 2:00 p.m.*

**1) Roll Call.**

**Attendance:**

Committee:

Don Wilson, Chair

Gloria Dizmang, Committee Member

**Others Present:**

Dennis LaMoreaux, General Manager

Adam Ly, Assistant General Manager

Mike Williams, Finance Manager

Judy Shay, Public Affairs Director

Angelica Barragan-Garcia, Human Resources Dir.

Dennis Hoffmeyer, Finance Manager

Bob Egan, Financial Advisor

Dawn Deans, Executive Assistant

0 members of the public

**2) Adoption of Agenda.**

It was moved by Committee Member Dizmang, seconded by Chair Wilson, and unanimously carried by all members of the Committee present at the meeting on the following roll call vote to adopt the agenda, as written:

Chair Wilson – aye

Committee Member Dizmang – aye

**3) Public Comments for Non-Agenda Items.**

There were no public comments for non-agenda items.

**4) Action Items: (The Public Shall Have an Opportunity to Comment on Any Action Item as Each Item is Considered by the Committee Prior to Action Being Taken.)**

**4.1) Consideration and Possible Action on Approval of Minutes of Meeting Held September 22, 2021.**

It was moved by Committee Member Dizmang, seconded by Chair Wilson, and unanimously carried by all members of the Committee present at the meeting to

approve the minutes of the Finance Committee meeting held September 22, 2021, as written.

**4.2) Discussion and Overview of Cash Flow Statement and Current Cash Balances as of September 2021. (Financial Advisor Egan)**

Financial Advisor Egan provided an overview of the monthly Major Account Activity Report, Investment Funds Report, and Cash Flow Statement through September 2021 and through the quarter ending September 2021, including assessments, interest, and capital improvement fees received, bond debt payments, and the projected year-end balance.

**4.3) Discussion and Overview of Financial Statements, Revenue, and Expense and Departmental Budget Reports for September 2021. (Finance Manager Williams)**

Finance Manager Hoffmeyer reviewed in detail the balance sheet, profit and loss statement and trends, quarter to quarter comparisons, and revenue and expense analysis reports for the period ending September 2021 and stated that departments are operating at or below the targeted expenditure percentage of 75% followed by discussion of Palmdale Recycled Water Authority and CalPERS expenses.

**4.4) Discussion and Overview of Committed Contracts Issued. (Finance Manager Williams)**

Finance Manager Hoffmeyer provided an overview of the Contractual Commitments and Needs Report for new and replacement capital projects, consulting and engineering support projects, new and replacement equipment, water quality fee funded projects, committed and projected capital expenditures, and the payout summary for the 2018A Series and 2021A Series Water Revenue Bonds through September 2021.

**4.5) Discussion and Overview of Draft 2022 Budget. (Finance Manager Williams/Accounting Supervisor Hoffmeyer)**

Finance Manager Hoffmeyer provided an overview of the initial draft 2022 Budget, including projected water sales based on the 2019 Water Rate Study, projected

operating revenue and expenses, anticipated personnel expenses, and departmental expenses.

**5) Reports.**

**5.1) Finance Manager Williams:**

**a) The Effect of COVID-19 Event.**

Finance Manager Williams stated that due to COVID-19 events, as of September 30, 2021, there were 1,769 single family accounts with a balance of \$50 or more and over sixty days past due with a total past due amount of \$1,146,664 compared to 1,575 accounts at June 30, 2021 with an outstanding balance of \$919,061 and 1,274 accounts at September 30, 2020 with an outstanding balance of \$475,744 and that cash received for September 2021 was 5.48% higher than August 2021, 8.95% higher than July 2021, and 6.39% higher than September 2020.

**b) Revenue Projections.**

He then stated that 2021 revenue is ahead of projections by approximately \$705,000 as of September 30, 2021.

**c) Payment Transactions by Type.**

He then stated that the third quarter report shows a slight reduction in total payments of 4,200 compared to 2020 but a huge increase in electronic payments of approximately 9,000.

**d) Accounts Receivable Aging Report.**

He then stated that the Accounts Receivable Aging Report as of September 30, 2021 shows an increase of approximately \$695,000 compared to September 30, 2020 and an increase in 120+ delinquencies of \$373,000 compared to September 30, 2020.

**e) Rate Assistance Program Status.**

He then stated that as of September 30, 2021, there are 709 Rate Assistance Program participants with 359 seniors, 14 veterans, and 336 low income.

**f) Billing and Collection Statistics.**

He then stated that the billing collection cycle through August 2021 shows a slight increase in bills issued and a slight increase in notices mailed compared to August 2019 and 2020.

The effect of COVID-19 on the District's finances and funding for the Rate Assistance Program were then discussed after which Finance Manager Williams stated that the District has applied to the state for relief of past due water bills due to COVID-19 in the amount of \$757,000 for the period of March 2020 to June 15, 2021 and that funds are anticipated to be received in November 2021.

**5.2) Financial Advisor Egan:**

**a) Debt Service Coverage Status.**

Financial Advisor Egan stated that the Debt Service Coverage for October 2020 to September 2021 is 2.75.

**6) Board Members' Requests for Future Agenda Items.**

There were no requests for future agenda items.

**7) Date of Next Committee Meeting.**

It was determined that a special Finance Committee meeting will be held November 4, 2021 at 2:00 p.m. to review the 2022 Budget and that the regular Finance Committee meeting will be held November 23, 2021 at 2:00 p.m.

Finance Manager Hoffmeyer then provided an update on the recent Request for Proposals process for auditing services.

**8) Adjournment.**

There being no further business to come before the Finance Committee, the meeting was adjourned at 2:58 p.m.

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Chair

**MINUTES OF SPECIAL MEETING OF THE FINANCE COMMITTEE OF THE PALMDALE WATER DISTRICT, NOVEMBER 4, 2021:**

*A special meeting of the Finance Committee of the Palmdale Water District was held Thursday, November 4, 2021, at 2029 East Avenue Q, Palmdale, CA 93550 and via teleconference. Chair Wilson called the meeting to order at 2:00 p.m.*

**1) Roll Call.**

**Attendance:**

Committee:  
Don Wilson, Chair  
Gloria Dizmang, Committee Member

**Others Present:**

Dennis LaMoreaux, General Manager  
Dennis Hoffmeyer, Finance Manager  
Bob Egan, Financial Advisor  
Danielle Henry, Management Analyst  
0 members of the public

**2) Adoption of Agenda.**

It was moved by Committee Member Dizmang, seconded by Chair Wilson, and unanimously carried by all members of the Committee present at the meeting to adopt the agenda, as written.

**3) Public Comments for Non-Agenda Items.**

There were no public comments for non-agenda items.

**4) Action Items: (The Public Shall Have an Opportunity to Comment on Any Action Item as Each Item is Considered by the Committee Prior to Action Being Taken.)**

**4.1) Consideration and Possible Action on a Recommendation on the 2022 Budget. (Finance Manager Hoffmeyer)**

Finance Manager Hoffmeyer provided a detailed overview of the 2022 Budget, including projected water sales based on the 2019 Water Rate Study, projected operating revenue and expenses, anticipated personnel expenses, departmental expenses, and projected year-end cash.

He then reviewed the parameters for consideration of a reduced water rate under Section 4 of Resolution No. 19-15 adopting the 2019 Water Rate Study and stated that a “yes” answer for any four of the six parameters allows for the consideration of a reduced

water rate adjustment provided the reduced water rate adjustment continues to satisfy the same “yes” parameters and that staff’s analysis of these parameters is as follows:

- a. Do the District’s projected reserves at the end of the year meet or exceed the target reserve level of \$16.4M as stated in the 2019 Water Rate Plan for the end of year?

*Projected 2021 – No; Proposed 2022 – No*

- b. Are projects funded at a level that is equal to the year’s depreciation while maintaining a minimum reserve level of \$10.0M as presented in the 2019 Water Rate Plan?

*Projected 2021 – No; Proposed 2022 – No*

- c. Has an annual Rate Stabilization Fund contribution been made that is equal to or greater than one percent (1%) of the prior year’s total revenue?

*No – 1% would be \$275,532 for 2021.*

- d. Is the projected Debt Coverage Ratio for the subject year and each of the remaining years adequate to meet current and proposed bond covenants?

*Yes – Our current bond covenants are at 1.1x and we are presently at 2.75x.*

- e. Has the District’s bond rating been re-evaluated to and maintained at AA or higher by either Standard & Poor’s or Fitch rating agencies?

*No – Currently we are still below the AA requirement.*

- f. Has the District’s outstanding debt been reduced as follows (all three must be met):

1. 2017 Capital Lease – In Entirety:

*No, last payment will be made January 2022.*

2. 2012 Private Placement – In Entirety:

*No, last payment will be made in 2024.*

3. Series 2013A Revenue Bond Issue:

*No*

After a brief discussion of water purchases, increased construction and supply costs, and unpaid water bills due to COVID-19, it was moved by Committee Member Dizmang, seconded by Chair Wilson, and unanimously carried by all members of the Committee present at the meeting that the Committee concurs with staff’s recommendation to approve the 2022 Budget and that this item be presented to the full Board for consideration at the November 8, 2021 Regular Board Meeting.



5) **Board Members' Requests for Future Agenda Items.**

There were no requests for future agenda items.

6) **Adjournment.**

There being no further business to come before the Finance Committee, the special meeting was adjourned at 2:34 p.m.

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Chair

**PALMDALE  
WATER DISTRICT  
BOARD MEMORANDUM**

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**DATE:** November 18, 2021 November 23, 2021  
**TO:** FINANCE COMMITTEE Committee Meeting  
**FROM:** Mr. Bob Egan, Financial Advisor  
**RE:** *AGENDA ITEM NO. 4.3 – DISCUSSION AND OVERVIEW OF CASH  
FLOW STATEMENT AND CURRENT CASH BALANCES AS OF  
OCTOBER 2021. (FINANCIAL ADVISOR EGAN)*

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Attached are the Cash Notes, the Investment Funds Report, and the Cash Flow Report as of October 2021. The reports will be reviewed in detail at the Finance Committee meeting.

Enclosures

<b>2021</b>			
<b>September to October 2021 Major account Activity</b>			
	<b>acct 11469</b>		
	<b>Balance</b>	<b>10/31/2021</b>	<b>6,740,558.53</b>
	<b>Balance</b>	<b>9/30/2021</b>	<b>6,741,609.20</b>
	<b>Decrease</b>		<b>(1,050.67)</b>
	<b>One month activity</b>		
	<b>Interest/Mkt value received</b>		<b>(1,050.67)</b>
	<b>Decrease</b>		<b>(1,050.67)</b>
	<b>Acct 11475</b>		
	<b>Balance</b>	<b>10/31/2021</b>	<b>1,297,389.77</b>
	<b>Balance</b>	<b>9/30/2021</b>	<b>1,275,065.09</b>
	<b>Increase</b>		<b>22,324.68</b>
	<b>One month activity</b>		
	<b>Interest/Mkt value received</b>		<b>156.88</b>
	<b>Capital improvements received</b>		<b>22,168.00</b>
	<b>Increase</b>		<b>22,324.88</b>
	<b>Acct 11432</b>		
	<b>Balance</b>	<b>10/31/2021</b>	<b>2,523,500.69</b>
	<b>Balance</b>	<b>9/30/2021</b>	<b>2,523,807.42</b>
	<b>Decrease</b>		<b>(306.73)</b>
	<b>One month activity</b>		
	<b>Interest/Mkt value received</b>		<b>(306.73)</b>
	<b>Decrease</b>		<b>(306.73)</b>
	<b>Acct 24016.</b>		
	<b>Balance</b>	<b>10/31/2021</b>	<b>475,283.81</b>
	<b>Balance</b>	<b>9/30/2021</b>	<b>475,196.67</b>
	<b>Increase</b>		<b>87.14</b>
	<b>One month activity</b>		
	<b>Interest/Mkt value received</b>		<b>87.14</b>
	<b>Increase</b>		<b>87.14</b>

**PALMDALE WATER DISTRICT  
INVESTMENT FUNDS REPORT  
October 31, 2021**

		<u>October 2021</u>	<u>September 2021</u>			
<b>CASH</b>						
1-00-0103-100	Citizens - Checking	(31,004.13)	76,026.76			
1-00-0103-200	Citizens - Refund	1,712.25	(4,226.96)			
1-00-0103-300	Citizens - Merchant	222,811.70	202,913.76			
	<b>Bank Total</b>	<b>193,519.82</b>	<b>274,713.56</b>			
1-00-0110-000	PETTY CASH	300.00	300.00			
1-00-0115-000	CASH ON HAND	5,400.00	5,400.00			
	<b>TOTAL CASH</b>	<b>199,219.82</b>	<b>280,413.56</b>			
<b>INVESTMENTS</b>						
1-00-0135-000	Local Agency Investment Fund	<b>Acct. Total 12,693.26</b>	<b>12,685.54</b>			
1-00-0120-000	UBS Money Market Account General (SS 11469)					
	UBS USA Core Savings	190,000.00	195,441.26			
	UBS RMA Government Portfolio	151,723.20	392,520.21			
	Accrued interest	13,715.49	7,162.16			
		<b>355,438.69</b>	<b>595,123.63</b>			
<b>US Government Securities</b>						
<b>CUSIP #</b>	<b>Issuer</b>	<b>Maturity Date</b>	<b>Rate</b>	<b>PAR</b>	<b>Market Value</b>	<b>Market Value</b>
912828T67	US Treasury Note	10/31/2021	1.250	500,000	500,000.00	500,485.00
912796A90	US Treasury Bill	12/30/2021		2,000,000	1,999,740.00	1,999,820.00
9128286H8	US Treasury Note	03/15/2022	2.375	2,000,000	2,016,720.00	2,021,260.00
912828176	US Treasury Note	03/31/2022	1.750	1,000,000	1,006,720.00	1,008,440.00
				<b>5,500,000</b>	<b>5,523,180.00</b>	<b>5,530,005.00</b>
<b>Certificates of Deposit</b>						
	<b>Issuer</b>	<b>Maturity Date</b>	<b>Rate</b>	<b>Face Value</b>		
1	First Seacoast Bank	11/15/2021	0.500	250,000	249,995.00	249,977.50
2	Citibank NA	12/21/2021	3.250	87,000	87,407.16	87,623.79
3	CIT US	01/21/2022	2.500	176,000	176,994.40	177,325.28
4	Sallie Mae Bank	05/16/2022	2.550	100,000	101,347.00	101,554.00
5	Servisfirst	02/21/2023	1.600	242,000	246,196.28	-
				<b>855,000</b>	<b>861,939.84</b>	<b>616,480.57</b>
	<b>Acct. Total</b>				<b>6,740,558.53</b>	<b>6,741,609.20</b>
1-00-1110-000	UBS Money Market Account Capital (SS 11475)					
	UBS Bank USA Dep acct				40,754.44	382,027.25
	UBS RMA Government Portfolio				1,847.89	664.78
					<b>42,602.33</b>	<b>382,692.03</b>
<b>Certificates of Deposit</b>						
	<b>Issuer</b>	<b>Maturity Date</b>	<b>Rate</b>	<b>Face Value</b>		
1	Business Bank MO	01/20/2022	2.000	154,000	154,674.52	154,893.20
2	Franklin Synergy bank	01/31/2022	2.000	247,000	248,210.30	248,578.33
3	Synchrony Bank	04/24/2022	2.300	247,000	248,595.62	248,973.53
4	First Financial	03/07/2022	0.030	240,000	239,949.60	239,928.00
5	Bank Hapoalim	07/22/2022	0.250	109,000	109,119.90	-
6	medallion Bank	02/06/2023	1.600	250,000	254,237.50	-
				<b>1,247,000</b>	<b>1,254,787.44</b>	<b>892,373.06</b>
	<b>Acct. Total</b>				<b>1,297,389.77</b>	<b>1,275,065.09</b>
1-00-0125-000	UBS Access Account General (SS 11432)					
	UBS Bank USA Dep acct				9,952.66	470,152.64
	UBS RMA Government Portfolio				-	-
	Accrued interest				2,286.47	3,631.14
					<b>12,239.13</b>	<b>473,783.78</b>
<b>US Government Securities</b>						
<b>CUSIP #</b>	<b>Issuer</b>	<b>Maturity Date</b>	<b>Rate</b>	<b>PAR</b>	<b>Market Value</b>	<b>Market Value</b>
912796A90	US Treasury Bill	12/30/2021		1,200,000	1,199,844.00	1,199,892.00
912803AZ6	US Treasury Bond	08/15/2022		500,000	499,150.00	-
				<b>1,700,000</b>	<b>1,698,994.00</b>	<b>1,199,892.00</b>
<b>Certificates of Deposit</b>						
	<b>Issuer</b>	<b>Maturity Date</b>	<b>Rate</b>	<b>Face Value</b>		
1	Citibank NA	10/26/2021	3.150	-	-	163,358.60
2	Luther Burbank	12/10/2021	0.030	224,000	223,988.80	223,968.64
3	Morgan Stanley	12/20/2021	1.750	240,000	240,580.80	240,890.40
4	Wells Fargo	01/18/2022	3.000	220,000	221,430.00	221,914.00
5	American Express Cent	08/22/2022	2.350	124,000	126,267.96	-
				<b>808,000</b>	<b>812,267.56</b>	<b>850,131.64</b>
	<b>Acct. Total</b>				<b>2,523,500.69</b>	<b>2,523,807.42</b>
<b>Total Managed Accounts</b>					<b>10,574,142.25</b>	<b>10,553,167.25</b>
1-00-1121-000	UBS Rate Stabilization Fund (SS 24016) - District Restricted					
	UBS Bank USA Dep acct				568.05	244,649.87
	UBS RMA Government Portfolio				-	-
	Accrued interest				1,944.54	1,214.02
					<b>2,512.59</b>	<b>245,863.89</b>
<b>Certificates of Deposit</b>						
	<b>Issuer</b>	<b>Maturity Date</b>	<b>Rate</b>	<b>Face Value</b>		
1	Goldman Sachs Bank	11/09/2021	3.000	100,000	100,089.00	100,322.00
2	Bank of India	01/12/2022	0.100	52,000	52,002.60	52,000.00
3	Bank of China	05/31/2022	0.100	77,000	77,000.00	77,010.78
4	Capitol One	09/27/2022	2.300	239,000	243,679.62	-
				<b>468,000</b>	<b>472,771.22</b>	<b>229,332.78</b>
	<b>Acct. Total</b>				<b>475,283.81</b>	<b>475,196.67</b>
<b>TOTAL CASH AND INVESTMENTS</b>					<b>11,248,645.88</b>	<b>11,308,777.48</b>
				<b>Increase (Decrease) in Funds</b>	<b>(60,131.60)</b>	
1-00-1135-000	2018A Bonds - Project Funds (BNY Mellon)					
	Construction Funds				2,124,306.72	2,139,700.17
	Issuance Funds				12,518.58	12,518.28
					<b>2,136,825.30</b>	<b>2,152,218.45</b>
1-00-1137-000	2021A Bonds - Project Funds (BNY Mellon)					
	Construction Funds				9,412,837.26	9,655,192.78
	Issuance Funds				7,732.69	7,732.69
					<b>9,420,569.95</b>	<b>9,662,925.47</b>

**PALMDALE WATER DISTRICT**  
**2021 Cash Flow Report** (Based on Nov. 23, 2020 Approved Budget)

	January	February	March	April	May	June	July	August	September	October	November	December	YTD	Budget 2021 Carryover Information
<b>Total Cash Beginning Balance (BUDGET)</b>	11,749,481	10,956,032	11,073,711	9,199,205	10,989,695	11,414,389	10,746,726	10,169,877	10,356,760	7,864,417	7,941,244	8,067,984		
Total Cash Beginning Balance	11,749,481	10,705,394	10,483,186	8,183,565	10,204,829	12,061,674	13,091,712	11,805,571	13,001,151	11,308,777	11,248,646	10,152,281		
<b>Budgeted Water Receipts</b>	2,122,390	2,057,833	1,962,426	2,180,092	2,300,637	2,484,596	2,774,247	2,846,803	3,014,766	2,815,381	2,432,608	2,417,183	29,408,961	
Water Receipts	2,073,914	2,052,885	2,192,803	2,101,463	2,248,524	2,567,980	2,736,878	2,975,924	3,102,140	2,881,772	2,432,608	2,417,183	29,784,072	
DWR Refund (Operational Related)				1,773		23,103				705			25,581	
Other										(100,000)			(100,000)	
<b>Total Operating Revenue (BUDGET)</b>													-	
Total Operating Revenue (ACTUAL)	2,073,914	2,052,885	2,192,803	2,103,236	2,248,524	2,591,083	2,736,878	2,975,924	3,102,140	2,882,477	2,332,608	2,417,183	29,709,653	
<b>Total Operating Expenses excl GAC (BUDGET)</b>	(2,119,444)	(1,828,796)	(1,794,590)	(1,931,431)	(2,144,777)	(2,198,269)	(2,274,154)	(2,418,458)	(2,372,430)	(2,286,594)	(2,117,409)	(1,847,964)	(25,334,316)	
GAC (BUDGET)			(151,000)	(151,000)	(151,000)	(151,000)	(151,000)			(151,000)		(151,000)	(906,000)	
Operating Expenses excl GAC (ACTUAL)	(2,096,914)	(2,221,923)	(2,281,727)	(1,607,632)	(1,705,168.27)	(2,445,144)	(2,439,178)	(1,992,840)	(2,890,284)	(2,556,607)	(1,894,821)	(1,795,876)	(25,928,114)	
Mojave Water Agency - Carryover Water Purchase											(1,000,000)		(1,000,000)	
Littlerock Dam - Sediment Removal			(326,118)	(177,477)	(26,505)								(530,100)	
GAC		(107,803)				(72,412)			(132,000)	(132,000)		(132,000)	(576,215)	
Prepaid Insurance (paid)/refunded								(131,521)			(170,500)		(302,021)	
<b>Total Operating Expense (ACTUAL)</b>	(2,096,914)	(2,329,726)	(2,607,845)	(1,785,109)	(1,731,673)	(2,517,556)	(2,439,178)	(2,124,361)	(3,022,284)	(2,688,607)	(3,065,321)	(1,927,876)	(28,336,451)	
<b>Non-Operating Revenue:</b>														
Assessments, net (BUDGET)	686,050	264,605	18,650	2,167,790	745,795	13,325	86,225	134,500	-	-	137,500	2,620,560	6,875,000	
Actual/Projected Assessments, net	674,492	313,497	25,913	2,045,361	779,479	18,309	114,558	184,234	-	-	137,500	2,620,560	6,913,903	
Asset Sale/Unencumbered Money (Taxes)			5,128										5,128	
RDA Pass-through (Successor Agency)	331,676					509,207							840,883	
Interest	10,174	9,268	10,766	7,133	6,500	10,333	13,115	12,409	10,174	9,264	14,584	14,584	128,304	
Market Adjustment	(9,827)	(8,701)	(9,414)	(6,675)	(6,179)	(12,229)	(12,692)	(10,977)	(9,402)	(10,317)			(96,414)	
Grant Re-imbursment													-	50,000
Capital Improvement Fees - Infrastructure		18,012	14,316	8,498	250,625	473,831		213,543	269,457	22,168			1,270,451	
Capital Improvement Fees - Water Supply			7,852		545,664	349,734		275,685	918,772				2,097,707	
DWR Refund (Capital Related)			30,082	183,245	23,985					28,725			266,037	
Other	-	28,340	2,533	-	24,517	-	983	-	7,003				63,377	
<b>Total Non-Operating Revenues (BUDGET)</b>													-	
Total Non-Operating Revenues (ACTUAL)	1,006,514	360,416	87,175	2,237,563	1,624,591	1,349,184	115,965	674,894	1,196,005	49,840	152,084	2,635,144	11,489,376	
<b>Non-Operating Expenses:</b>														
Budgeted Capital Expenditures	(199,044)	(199,044)	(199,044)	(199,044)	(199,044)	(199,044)	(199,044)	(199,044)	(199,044)	(199,044)	(199,044)	(199,044)	(2,388,533)	
Budgeted Capital Expenditures (Committed During Year)													-	
Actual/Projected Capital Expenditures	(359,933)	(57,836)	(80,020)	(286,481)	(36,687)	(55,286)	(87,671)	(83,290)	(462,677)	(56,816)	(268,149)	(311,458)	(2,146,304)	(242,229)
WRB Capital Expenditures (COP - Amargosa Recharge Proj)	(720,579)												(720,579)	
Const. of Monitoring Wells/Test Basin (Water Supply)													-	
Grade Control Structure (Water Supply)													-	
SWP Capitalized	(829,455)	(232,720)	(232,720)	(232,719)	(232,718)	(232,718)	(829,449)	(232,718)	(232,718)	(232,718)	(232,718)	(232,718)	(3,986,089)	
Investment in PRWA (Suspended Contribution for 2021)													-	
Butte County Water Transfer							(766,050)					(782,084)	(1,548,134)	
Bond Payments - Interest			(1,018,267)						(1,045,119)				(2,063,385)	
Principal			(625,652)						(1,212,851)				(1,838,503)	
Capital leases - Holman Capital (2017 Lease)	(89,477)					(89,477)							(178,953)	
Capital leases - Enterprise FM Trust (Vehicles)	(23,803)	(11,017)	(10,831)	(10,905)	(10,905)	(10,905)	(12,350)	(10,582)	(10,582)	(8,695)	(10,582)	(10,582)	(141,741)	
Capital leases - Wells Fargo (Printers)	(4,354)	(4,210)	(4,265)	(4,321)	(4,286)	(4,286)	(4,286)	(4,286)	(4,286)	(5,612)	(4,286)	(4,286)	(52,767)	
<b>Total Non-Operating Expenses (ACTUAL)</b>	(2,027,601)	(305,783)	(1,971,754)	(534,426)	(284,597)	(392,673)	(1,699,806)	(330,877)	(2,968,234)	(303,841)	(515,736)	(1,341,129)	(12,676,457)	
<b>Total Cash Ending Balance (BUDGET)</b>	10,956,032	11,073,711	9,199,205	10,989,695	11,414,389	10,746,726	10,169,877	10,356,760	7,864,417	7,941,244	8,067,984	9,990,449		
Total Cash Ending Balance (ACTUAL)	10,705,394	10,483,186	8,183,565	10,204,829	12,061,674	13,091,712	11,805,571	13,001,151	11,308,777	11,248,646	10,152,281	11,935,603		
											Budget	9,990,449	Carryover	
											Difference	1,945,154	Adj. Difference	1,945,154
<b>2020 Cash Ending Balance (ACTUAL)</b>	12,059,367	12,115,860	10,269,966	11,324,072	10,909,681	10,781,332	9,476,817	10,391,159	8,066,551	8,518,101	10,068,908	11,749,481		

Indicates actual expenditures/revenues:   
 Indicates anticipated expenditures/revenues:

**PALMDALE  
WATER DISTRICT  
BOARD MEMORANDUM**

**DATE:** November 18, 2021 **November 23, 2021**  
**TO:** FINANCE COMMITTEE **Committee Meeting**  
**FROM:** Dennis J. Hoffmeyer, Finance Manager/CFO  
**VIA:** Mr. Dennis LaMoreaux, General Manager  
**RE:** *AGENDA ITEM 4.4 – DISCUSSION AND OVERVIEW OF FINANCIAL STATEMENTS, REVENUE, AND EXPENSE AND DEPARTMENTAL BUDGET REPORTS FOR OCTOBER 2021. (FINANCE MANAGER HOFFMEYER)*

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**Discussion:**

Presented here are the Balance Sheet and Profit/Loss Statement for the period ending October 31, 2021. Also included are year-to-date revenue and expense analysis. Finally, I have provided individual departmental budget reports through the month of October 2021.

This is the 10th month of the District's Budget Year 2021. The target percentage is 83.3%. Revenues ideally are at or above, and expenditures ideally are below.

**Balance Sheet:**

- Pages 1 and 2 is our balance sheet trending for the 10-month period and a graphic presentation of Assets, Liabilities, and Net Position at October 31, 2021.
- The significant change was the increase related to purchased meters received into materials and supplies inventory (assets), the increase to accounts payable and accrued expenses (current liability), and a decrease to the profit/(loss) from operations (net position). Also highlighted is the increase to Loan and Revenue bonds payable related to the current portion (due within 1 year) and the decrease to Loan and Revenue bonds payable related to long-term (due over 1 year).

**Profit/Loss Statement:**

- Page 3 is our profit/loss statement trending for the 10-month period.
- Operating revenue is at 87.6% of budget.
- Cash operating expense is at 87.5% of budget.
- All departmental budgets are at or below the target percentage with the exception of Facilities and Operations.
- Revenues have exceeded expenses for the month by \$2.78M, and year-to-date revenues have exceeded expenditures by \$3.1M.
- Highlighted is Source of Supply-Purchased Water shown at 150.8% of budget. This change for the month is related to the carryover water purchase from Mojave Water Agency.

FINANCE COMMITTEE  
PALMDALE WATER DISTRICT

VIA: Mr. Dennis LaMoreaux, General Manager

-2-

November 18, 2021

- Pages 4 through 6 is showing the P&L in various graphic forms using major report category totals.
- Page 7 is showing the operating expense distributed between personnel and operation costs. Labor costs are at 48% of total expenses with salaries making up 33% of that.

**Revenue Analysis Year-To-Date:**

- Page 8 is our comparison of revenue, year-to-date.
- Operating revenue through October 2021 is up \$2.69M, or 11.6%, compared to 2020.
- Retail water revenue from all areas are up by \$2.35M from last year. That's shown by the combined green highlighted area.
- Retail water sales, excluding meter fees, is up \$1.33M.
- Total revenue is up \$5.85M, or 19.5%.
- Operating revenue is at 87.5% of budget, last year was at 84.4% of budget.

**Expense Analysis Year-To-Date:**

- Page 9 is our comparison of expense, year-to-date.
- Cash Operating Expenses through October 2021 are up \$4.16M, or 13.1%, compared to 2020, Total Expenses are up \$5.15M, or 17.9%.

**Departments:**

- Pages 11 through 21 are detailed individual departmental budgets for your review.

**Non-Cash Definitions:**

**Depreciation:** This is the spreading of the total expense of a capital asset over the expected life of that asset.

**OPEB Accrual Expense:** Other Post-Employment Benefits (OPEB) is the recognized annual required contribution to the benefit. The amount is actuarially determined in accordance with the parameters of GASB 45. The amount represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year.

**Bad Debt:** The uncollectible accounts receivable that has been written off.

**Service Cost Construction:** The value of material, parts & supplies from inventory used to construct, repair and maintain our asset infrastructure.

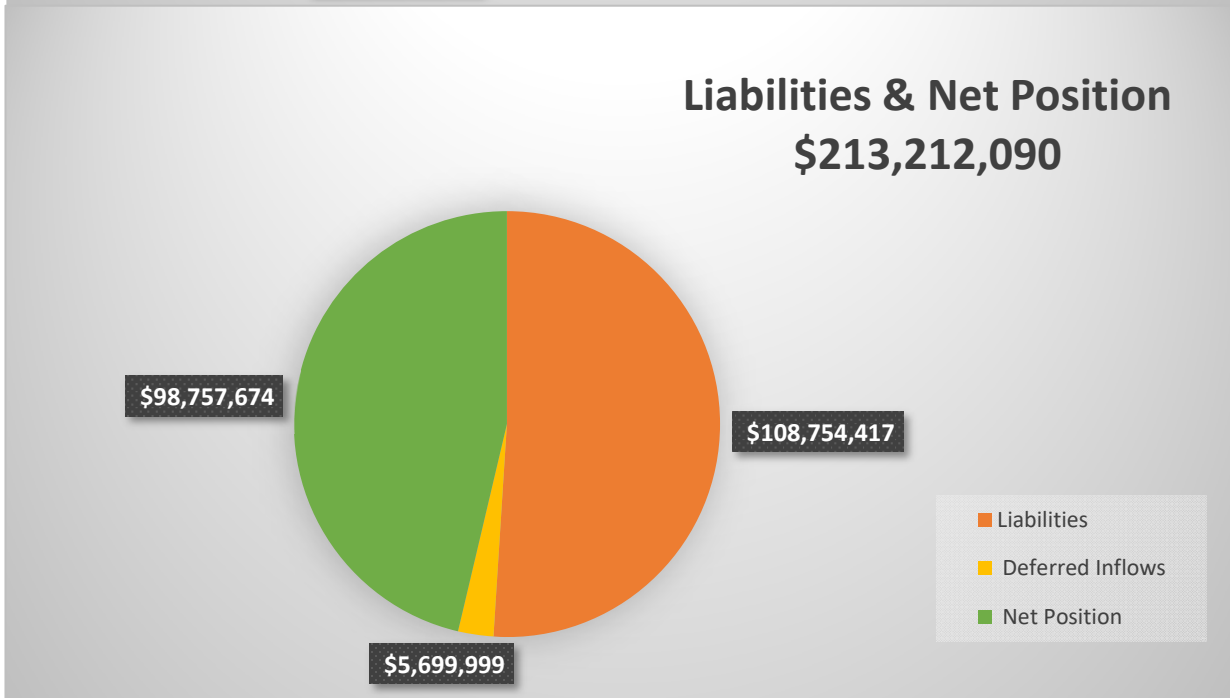
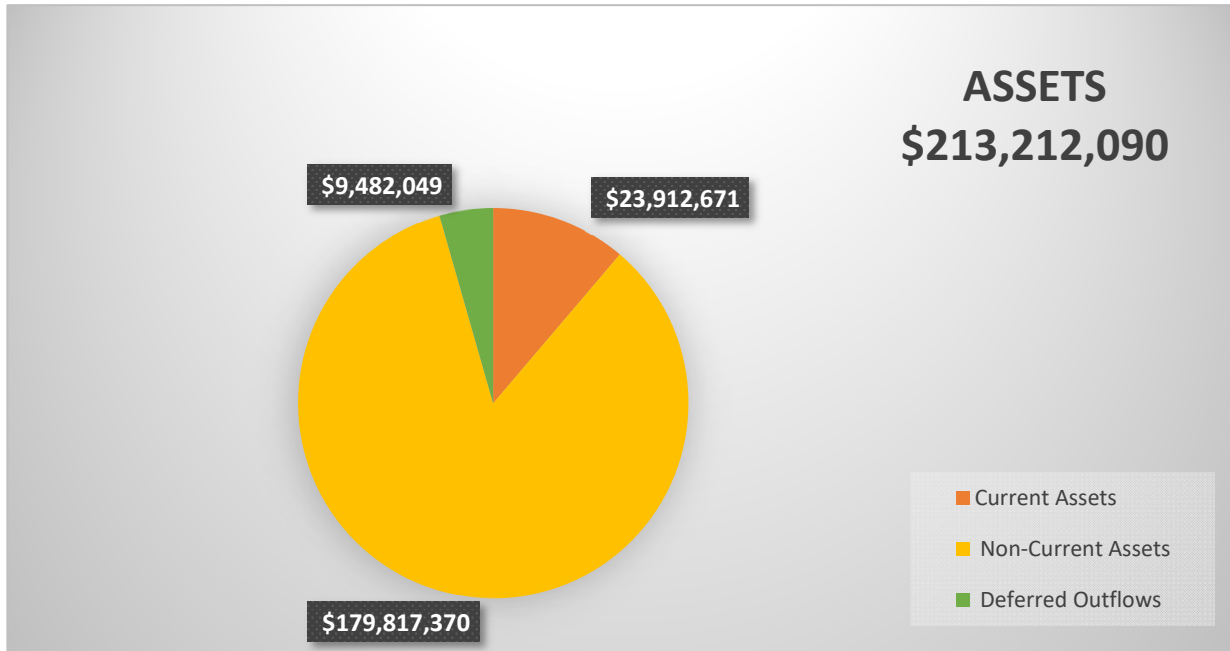
**Capitalized Construction:** The value of our labor force used to construct our asset infrastructure.

**Palmdale Water District  
Balance Sheet Report**

	January 2021	February 2021	March 2021	April 2021	May 2021	June 2021	July 2021	August 2021	September 2021	October 2021	November 2021	December 2021
<b>ASSETS</b>												
<b>Current Assets:</b>												
Cash and cash equivalents	\$ 1,166,119	\$ 611,892	\$ 441,840	\$ 408,843	\$ 689,653	\$ 370,645	\$ 113,973	\$ 903,638	\$ 280,414	\$ 183,761		
Investments	9,539,275	9,871,294	7,741,725	9,795,986	11,372,020	12,721,066	11,660,948	12,097,512	11,028,364	11,049,426		
Accrued interest receivable	-	-	-	-	-	-	-	-	-	-		
Accounts receivable - water sales and services, net	2,417,921	2,393,121	2,319,933	2,454,924	2,829,261	3,023,399	3,255,387	3,445,570	3,428,695	3,428,034		
Accounts receivable - property taxes and assessments	3,666,062	3,352,565	3,326,652	1,281,291	501,812	483,503	6,968,945	6,784,711	6,784,711	6,784,711		
Accounts receivable - other	84,957	83,463	83,463	72,482	72,482	69,431	69,431	61,978	59,120	58,720		
Materials and supplies inventory	1,324,379	1,323,295	1,309,878	1,302,052	1,354,420	1,391,967	1,347,257	1,296,353	1,326,542	1,780,544		
Prepaid items and other deposits	497,063	472,177	447,289	422,400	364,267	339,381	492,981	459,089	432,590	627,475		
<b>Total Current Assets</b>	<b>\$ 18,695,776</b>	<b>\$ 18,107,808</b>	<b>\$ 15,670,780</b>	<b>\$ 15,737,979</b>	<b>\$ 17,183,915</b>	<b>\$ 18,399,392</b>	<b>\$ 23,908,923</b>	<b>\$ 25,048,852</b>	<b>\$ 23,340,436</b>	<b>\$ 23,912,671</b>		
<b>Non-Current Assets:</b>												
Restricted - cash and cash equivalents	\$ 2,243,011	\$ 2,227,709	\$ 2,219,718	\$ 2,219,774	\$ 2,207,428	\$ 2,207,485	\$ 12,179,270	\$ 11,824,859	\$ 11,824,914	\$ 11,567,165		
Investment in Palmdale Recycled Water Authority	1,958,222	1,958,222	1,958,222	1,958,222	1,958,222	1,958,222	2,201,548	2,201,548	2,201,548	2,201,548		
Capital assets - not being depreciated	25,978,998	26,101,866	26,284,807	26,480,564	26,575,365	25,517,267	25,732,963	26,183,332	26,561,775	26,319,492		
Capital assets - being depreciated, net	141,222,926	140,743,973	140,289,793	139,812,737	139,341,686	140,055,351	140,814,818	140,211,504	139,639,339	139,729,165		
<b>Total Non-Current Assets</b>	<b>\$ 171,403,157</b>	<b>\$ 171,031,770</b>	<b>\$ 170,752,539</b>	<b>\$ 170,471,298</b>	<b>\$ 170,082,702</b>	<b>\$ 169,738,325</b>	<b>\$ 180,928,598</b>	<b>\$ 180,421,243</b>	<b>\$ 180,227,576</b>	<b>\$ 179,817,370</b>		
<b>TOTAL ASSETS</b>	<b>\$ 190,098,934</b>	<b>\$ 189,139,579</b>	<b>\$ 186,423,319</b>	<b>\$ 186,209,276</b>	<b>\$ 187,266,616</b>	<b>\$ 188,137,717</b>	<b>\$ 204,837,521</b>	<b>\$ 205,470,095</b>	<b>\$ 203,568,013</b>	<b>\$ 203,730,041</b>		
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>												
Deferred loss on debt defeasance, net	\$ 3,634,579	\$ 3,621,522	\$ 3,608,464	\$ 3,595,406	\$ 3,582,348	\$ 3,569,291	\$ 3,520,343	\$ 4,411,611	\$ 4,088,304	\$ 4,075,246		
Deferred outflows of resources related to pensions	5,406,803	5,406,803	5,406,803	5,406,803	5,406,803	5,406,803	5,406,803	5,406,803	5,406,803	5,406,803		
<b>Total Deferred Outflows of Resources</b>	<b>\$ 9,041,382</b>	<b>\$ 9,028,325</b>	<b>\$ 9,015,267</b>	<b>\$ 9,002,209</b>	<b>\$ 8,989,151</b>	<b>\$ 8,976,094</b>	<b>\$ 8,927,146</b>	<b>\$ 9,818,414</b>	<b>\$ 9,495,107</b>	<b>\$ 9,482,049</b>		
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 199,140,316</b>	<b>\$ 198,167,903</b>	<b>\$ 195,438,585</b>	<b>\$ 195,211,485</b>	<b>\$ 196,255,768</b>	<b>\$ 197,113,811</b>	<b>\$ 213,764,667</b>	<b>\$ 215,288,509</b>	<b>\$ 213,063,119</b>	<b>\$ 213,212,090</b>		
<b>LIABILITIES AND NET POSITION</b>												
<b>Current Liabilities:</b>												
Accounts payable and accrued expenses	\$ 1,233,999	\$ 965,572	\$ 472,147	\$ 140,405	\$ (79,926)	\$ (24)	\$ 303,281	\$ 1,090,935	\$ 602,375	\$ 2,044,260		
Customer deposits for water service	2,992,666	2,992,893	2,991,271	2,978,272	3,020,568	3,032,272	3,007,322	2,982,504	2,991,237	3,006,607		
Construction and developer deposits	1,607,184	1,607,498	1,610,498	1,610,498	1,630,498	1,626,591	1,626,347	1,625,615	1,622,440	1,636,000		
Accrued interest payable	718,954	908,721	40,110	180,562	361,123	541,685	722,246	664,558	-	187,314		
Long-term liabilities - due in one year:	-	-	-	-	-	-	-	-	-	-		
Compensated absences	463,802	486,599	516,896	516,896	516,896	516,896	516,896	500,327	500,327	500,327		
Rate Stabilization Fund	460,000	460,000	460,000	460,000	460,000	460,000	460,000	460,000	460,000	460,000		
Capital lease payable	(89,477)	(89,477)	(89,477)	(89,477)	(89,477)	(89,477)	(3,630)	-	-	-		
Loan payable	1,261,002	1,261,002	635,350	635,350	635,350	635,350	635,350	635,350	-	1,300,396		
Revenue bonds payable	14,932,501	14,932,501	14,932,501	14,932,501	14,932,501	14,932,501	777,501	777,501	-	1,022,913		
<b>Total Current Liabilities</b>	<b>\$ 23,580,632</b>	<b>\$ 23,525,309</b>	<b>\$ 21,569,296</b>	<b>\$ 21,365,007</b>	<b>\$ 21,387,533</b>	<b>\$ 21,655,794</b>	<b>\$ 8,045,313</b>	<b>\$ 8,736,789</b>	<b>\$ 6,176,380</b>	<b>\$ 10,157,817</b>		
<b>Non-Current Liabilities:</b>												
Long-term liabilities - due in more than one year:												
Compensated absences	\$ 154,601	\$ 162,200	\$ 172,299	\$ 172,299	\$ 172,299	\$ 172,299	\$ 172,299	\$ 166,776	\$ 166,776	\$ 166,776		
Capital lease payable	261,137	261,137	261,137	261,137	261,137	261,137	88,250	88,250	88,250	88,250		
Loan payable	5,982,868	5,971,270	5,959,672	5,948,074	5,936,476	5,924,878	6,790,590	6,776,555	6,762,520	5,448,089		
Revenue bonds payable	40,335,604	40,335,604	40,335,604	40,335,604	40,335,604	40,335,604	63,880,604	64,899,934	64,899,934	63,877,021		
Net other post employment benefits payable	16,576,836	16,674,224	16,770,928	16,868,089	16,965,355	17,062,516	17,160,582	17,254,951	17,347,814	17,442,694		
Aggregate net pension liability	11,573,771	11,573,771	11,573,771	11,573,771	11,573,771	11,573,771	11,573,771	11,573,771	11,573,771	11,573,771		
<b>Total Non-Current Liabilities</b>	<b>\$ 74,884,816</b>	<b>\$ 74,978,206</b>	<b>\$ 75,073,411</b>	<b>\$ 75,158,974</b>	<b>\$ 75,244,642</b>	<b>\$ 75,330,205</b>	<b>\$ 99,666,096</b>	<b>\$ 100,760,237</b>	<b>\$ 100,839,065</b>	<b>\$ 98,596,601</b>		
<b>Total Liabilities</b>	<b>\$ 98,465,449</b>	<b>\$ 98,503,515</b>	<b>\$ 96,642,707</b>	<b>\$ 96,523,981</b>	<b>\$ 96,632,176</b>	<b>\$ 96,985,999</b>	<b>\$ 107,711,409</b>	<b>\$ 109,497,026</b>	<b>\$ 107,015,445</b>	<b>\$ 108,754,417</b>		
<b>DEFERRED INFLOWS OF RESOURCES:</b>												
Unearned property taxes and assessments	\$ 2,750,000	\$ 2,200,000	\$ 1,650,000	\$ 1,100,000	\$ 550,000	\$ -	\$ 6,050,000	\$ 5,500,000	\$ 4,950,000	\$ 4,400,000		
Deferred inflows of resources related to pensions	1,299,999	1,299,999	1,299,999	1,299,999	1,299,999	1,299,999	1,299,999	1,299,999	1,299,999	1,299,999		
<b>Total Deferred Inflows of Resources</b>	<b>\$ 4,049,999</b>	<b>\$ 3,499,999</b>	<b>\$ 2,949,999</b>	<b>\$ 2,399,999</b>	<b>\$ 1,849,999</b>	<b>\$ 1,299,999</b>	<b>\$ 7,349,999</b>	<b>\$ 6,799,999</b>	<b>\$ 6,249,999</b>	<b>\$ 5,699,999</b>		
<b>NET POSITION:</b>												
Profit/(Loss) from Operations	\$ 70,947	\$ (389,533)	\$ (708,043)	\$ (299,388)	\$ 1,230,580	\$ 2,284,799	\$ 1,953,169	\$ 2,245,025	\$ 3,051,216	\$ 2,011,214		
Restricted for investment in Palmdale Recycled Water Authority	1,958,222	1,958,346	1,958,720	1,958,778	1,958,778	1,958,778	2,202,104	2,205,476	2,214,951	2,216,939		
Unrestricted	94,595,700	94,595,576	94,595,202	94,628,115	94,584,235	94,584,235	94,547,985	94,540,983	94,531,509	94,529,520		
<b>Total Net Position</b>	<b>\$ 96,624,868</b>	<b>\$ 96,164,389</b>	<b>\$ 95,845,879</b>	<b>\$ 96,287,506</b>	<b>\$ 97,773,593</b>	<b>\$ 98,827,813</b>	<b>\$ 98,703,259</b>	<b>\$ 98,991,484</b>	<b>\$ 99,797,676</b>	<b>\$ 98,757,674</b>		
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>	<b>\$ 199,140,316</b>	<b>\$ 198,167,903</b>	<b>\$ 195,438,585</b>	<b>\$ 195,211,485</b>	<b>\$ 196,255,768</b>	<b>\$ 197,113,811</b>	<b>\$ 213,764,667</b>	<b>\$ 215,288,509</b>	<b>\$ 213,063,119</b>	<b>\$ 213,212,090</b>		



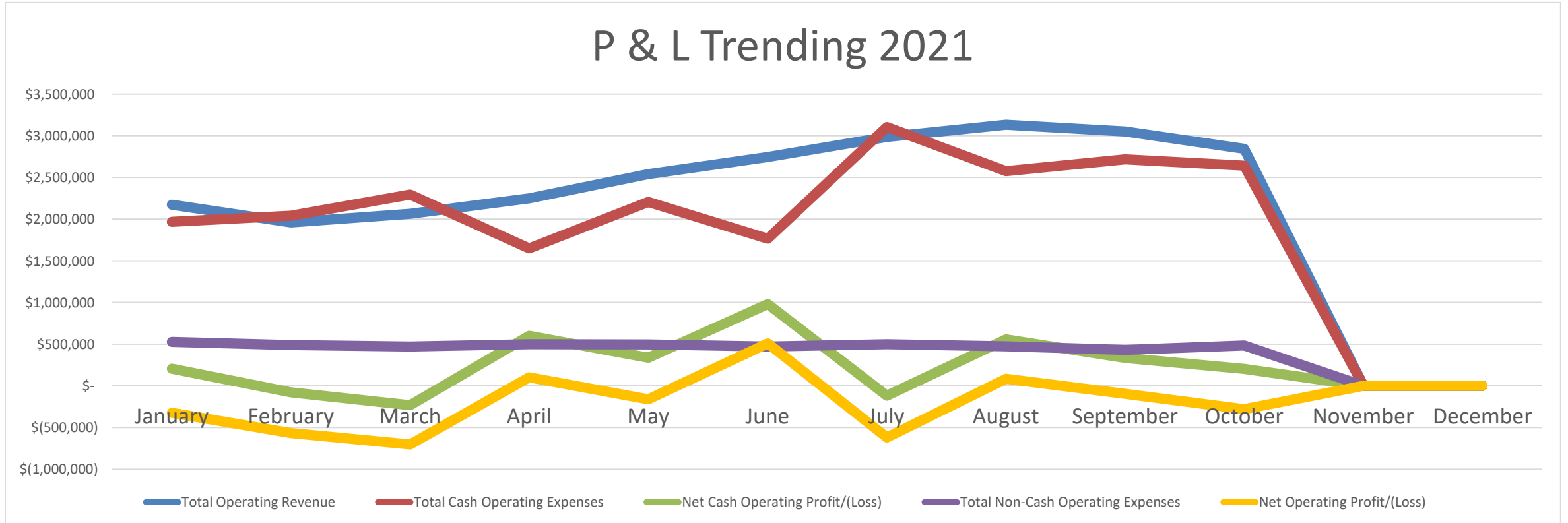
# BALANCE SHEET AS OF OCTOBER 31, 2021



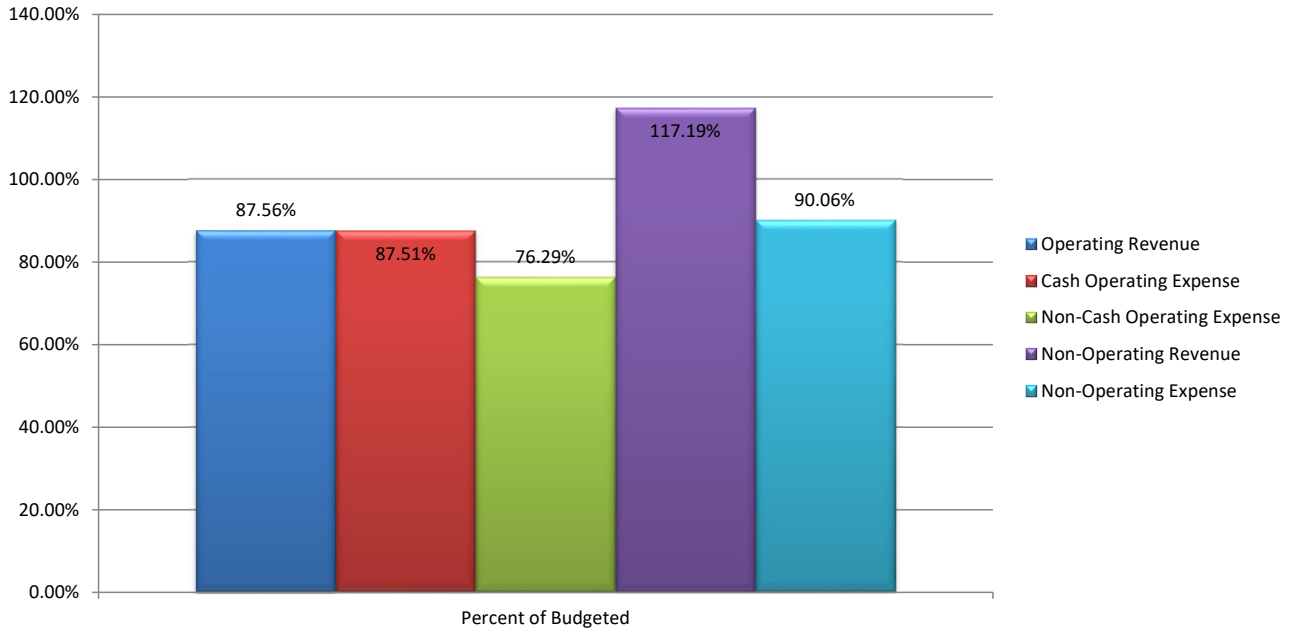
**Palmdale Water District**  
**Consolidated Profit and Loss Statement**  
**For the Ten Months Ending 10/31/2021**

	January	February	March	April	May	June	July	August	September	October	November	December	Year-to-Date	Adjustments	Adjusted Budget	% of Budget
<b>Operating Revenue:</b>																
Wholesale Water	\$ 29,314	\$ 20,187	\$ 10,378	\$ 15,248	\$ 34,075	\$ 60,280	\$ 12,181	\$ 149,796	\$ 73,665	\$ 79,371			\$ 484,494	\$ 400,000	121.12%	
Water Sales	759,890	577,935	658,948	785,790	1,016,365	1,245,849	1,509,621	1,523,098	1,463,269	1,302,236			10,843,000	12,114,400	89.51%	
Meter Fees	1,261,621	1,264,811	1,267,920	1,266,869	1,269,667	1,270,640	1,267,363	1,252,926	1,254,028	1,254,970			12,630,814	14,865,600	84.97%	
Water Quality Fees	43,623	34,830	40,470	49,149	60,500	71,841	81,972	82,117	77,919	67,500			609,922	781,860	78.01%	
Elevation Fees	20,960	16,986	20,221	24,459	32,466	39,674	47,163	46,878	43,120	38,342			330,269	366,843	90.03%	
Other	57,433	46,099	65,426	107,832	127,751	58,251	67,916	78,842	140,024	101,865			851,439	880,258	96.73%	
<b>Total Operating Revenue</b>	<b>\$ 2,172,841</b>	<b>\$ 1,960,846</b>	<b>\$ 2,063,364</b>	<b>\$ 2,249,346</b>	<b>\$ 2,540,824</b>	<b>\$ 2,746,535</b>	<b>\$ 2,986,216</b>	<b>\$ 3,133,657</b>	<b>\$ 3,052,024</b>	<b>\$ 2,844,284</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 25,749,938</b>	<b>\$ -</b>	<b>\$ 29,408,961</b>	<b>87.56%</b>
<b>Cash Operating Expenses:</b>																
Directors	\$ 1,981	\$ 7,185	\$ 13,609	\$ 11,314	\$ 10,491	\$ 12,930	\$ 10,001	\$ 9,418	\$ 14,778	\$ 13,562			\$ 105,268	\$ 147,790	71.23%	
Administration-Services	126,365	155,826	216,995	171,821	157,094	171,505	190,752	166,575	217,526	170,232			1,744,692	2,219,350	78.61%	
Administration-District	160,443	177,163	260,496	218,025	259,508	250,361	66,205	190,018	243,093	125,818			1,951,131	2,323,316	83.98%	
Engineering	88,188	144,647	174,408	117,025	123,479	124,792	174,486	97,785	131,535	92,691			1,269,038	1,678,000	75.63%	
Facilities	528,418	390,647	490,100	460,191	531,667	525,313	990,728	628,644	639,285	572,007			5,756,999	6,164,200	93.39%	
Operations	175,105	193,620	330,453	214,751	364,647	236,116	335,641	429,955	406,710	245,939			2,932,938	3,409,900	86.01%	
Finance	114,148	126,486	172,542	127,980	129,726	126,654	148,761	163,551	182,409	143,270			1,435,527	1,720,050	83.46%	
Water Use Efficiency	16,594	17,750	24,841	18,124	18,434	17,126	24,219	22,840	27,518	19,126			206,571	390,950	52.84%	
Human Resources	26,147	28,873	46,985	35,432	32,788	32,346	41,357	46,210	48,432	34,254			372,824	508,900	73.26%	
Information Technology	176,083	162,782	114,085	87,995	105,355	101,817	110,591	118,050	163,186	104,564			1,244,507	1,739,300	71.55%	
Customer Care	79,281	101,631	138,763	97,693	101,495	103,780	114,284	95,904	141,010	101,717			1,075,557	1,466,700	73.33%	
Source of Supply-Purchased Water	305,907	188,140	78,395	77,158	273,606	21,677	866,949	455,598	353,245	1,000,025			3,620,700	2,400,000	150.86%	
Plant Expenditures	60,757	17,367	29,669	10,632	24,137	21,451	31,946	19,429	15,858	17,690			248,935	565,860	43.99%	
Sediment Removal Project	454	328,232	203,982	-	-	20,144	-	-	-	-			552,811	600,000	92.14%	
GAC Filter Media Replacement	107,803	-	-	-	72,412	-	-	132,000	132,000	-			444,215	906,000	49.03%	
<b>Total Cash Operating Expenses</b>	<b>\$ 1,967,674</b>	<b>\$ 2,040,349</b>	<b>\$ 2,295,323</b>	<b>\$ 1,648,140</b>	<b>\$ 2,204,840</b>	<b>\$ 1,766,011</b>	<b>\$ 3,105,919</b>	<b>\$ 2,575,978</b>	<b>\$ 2,716,585</b>	<b>\$ 2,640,895</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 22,961,714</b>	<b>\$ -</b>	<b>\$ 26,240,316</b>	<b>87.51%</b>
<b>Net Cash Operating Profit/(Loss)</b>	<b>\$ 205,168</b>	<b>\$ (79,502)</b>	<b>\$ (231,959)</b>	<b>\$ 601,207</b>	<b>\$ 335,984</b>	<b>\$ 980,523</b>	<b>\$ (119,703)</b>	<b>\$ 557,679</b>	<b>\$ 335,439</b>	<b>\$ 203,388</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,788,224</b>	<b>\$ -</b>	<b>\$ 3,168,645</b>	<b>87.99%</b>
<b>Non-Cash Operating Expenses:</b>																
Depreciation	\$ 426,471	\$ 422,812	\$ 420,912	\$ 420,912	\$ 414,905	\$ 439,201	\$ 421,183	\$ 421,183	\$ 419,843	\$ 396,651			\$ 4,204,071	\$ 5,000,000	84.08%	
OPEB Accrual Expense	127,710	127,710	127,710	127,710	127,710	127,710	127,710	127,710	127,710	127,710			1,277,101	1,750,000	72.98%	
Bad Debts	1,407	1,052	(627)	5,057	610	434	3,420	117	(1,743)	498			10,225	350,000	2.92%	
Service Costs Construction	7,647	794	16,880	16,875	15,205	21,000	24,116	6,939	13,954	11,510			134,920	150,000	89.95%	
Capitalized Construction	(34,833)	(63,787)	(94,337)	(71,223)	(61,437)	(118,098)	(76,281)	(81,147)	(128,742)	(52,301)			(782,186)	(900,000)	86.91%	
<b>Total Non-Cash Operating Expenses</b>	<b>\$ 528,403</b>	<b>\$ 488,580</b>	<b>\$ 470,538</b>	<b>\$ 499,331</b>	<b>\$ 496,993</b>	<b>\$ 470,246</b>	<b>\$ 500,148</b>	<b>\$ 474,802</b>	<b>\$ 431,021</b>	<b>\$ 484,068</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,844,131</b>	<b>\$ -</b>	<b>\$ 6,350,000</b>	<b>76.29%</b>
<b>Net Operating Profit/(Loss)</b>	<b>\$ (323,235)</b>	<b>\$ (568,083)</b>	<b>\$ (702,497)</b>	<b>\$ 101,876</b>	<b>\$ (161,009)</b>	<b>\$ 510,277</b>	<b>\$ (619,851)</b>	<b>\$ 82,876</b>	<b>\$ (95,582)</b>	<b>\$ (280,680)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (2,055,907)</b>	<b>\$ -</b>	<b>\$ (3,181,355)</b>	<b>64.62%</b>
<b>Non-Operating Revenues:</b>																
Assessments (Debt Service)	\$ 416,845	\$ 416,845	\$ 416,845	\$ 416,845	\$ 416,845	\$ 416,845	\$ 416,845	\$ 416,845	\$ 416,845	\$ 416,845			\$ 4,168,450	\$ 5,000,000	83.37%	
Assessments (1%)	464,828	133,155	138,283	133,155	133,155	642,362	133,155	133,155	133,155	133,155			2,177,558	2,475,000	87.98%	
DWR Fixed Charge Recovery	-	-	30,082	183,245	23,985	-	-	-	-	28,725			266,037	175,000	152.02%	
Interest	346	567	1,352	458	321	(1,897)	424	1,432	772	(1,053)			2,722	175,000	1.56%	
CIF - Infrastructure	-	18,012	14,316	8,498	250,625	473,831	-	213,543	269,457	22,168			1,270,451	150,000	846.97%	
CIF - Water Supply	-	-	7,852	-	545,664	349,734	-	275,685	918,772	-			2,097,707	450,000	466.16%	
Grants - State and Federal	-	-	-	-	-	-	-	-	-	-			-	100,000	0.00%	
Other	-	28,340	2,533	-	24,517	-	983	-	7,003	2,813			66,189	50,000	132.38%	
<b>Total Non-Operating Revenues</b>	<b>\$ 882,020</b>	<b>\$ 596,920</b>	<b>\$ 611,262</b>	<b>\$ 742,201</b>	<b>\$ 1,395,112</b>	<b>\$ 1,880,875</b>	<b>\$ 551,407</b>	<b>\$ 1,040,660</b>	<b>\$ 1,746,005</b>	<b>\$ 602,653</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,049,115</b>	<b>\$ -</b>	<b>\$ 8,575,000</b>	<b>117.19%</b>
<b>Non-Operating Expenses:</b>																
Interest on Long-Term Debt	\$ 184,429	\$ 184,429	\$ 184,429	\$ 183,247	\$ 183,247	\$ 183,247	\$ 185,683	\$ 180,923	\$ 491,173	\$ 187,675			\$ 2,148,483	\$ 3,001,426	71.58%	
Deferred Charges-Cost of Issuance	-	-	-	-	-	-	218,792	115,004	-	-			333,796	-	-	
Amortization of SWP	288,860	288,861	288,862	288,863	288,864	288,865	414,850	414,850	414,850	414,850			3,392,573	3,104,350	109.28%	
Change in Investments in PRWA	-	124	374	58	-	-	218	3,154	9,475	1,988			15,391	300,000	5.13%	
Water Conservation Programs	8,016	7,880	7,782	10,669	10,691	8,072	7,588	9,414	14,214	7,423			91,750	236,500	38.79%	
<b>Total Non-Operating Expenses</b>	<b>\$ 481,305</b>	<b>\$ 481,295</b>	<b>\$ 481,447</b>	<b>\$ 482,837</b>	<b>\$ 482,802</b>	<b>\$ 480,184</b>	<b>\$ 827,131</b>	<b>\$ 723,345</b>	<b>\$ 929,711</b>	<b>\$ 611,936</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,981,993</b>	<b>\$ -</b>	<b>\$ 6,642,276</b>	<b>90.06%</b>
<b>Net Earnings</b>	<b>\$ 77,480</b>	<b>\$ (452,457)</b>	<b>\$ (572,683)</b>	<b>\$ 361,240</b>	<b>\$ 751,302</b>	<b>\$ 1,910,968</b>	<b>\$ (895,575)</b>	<b>\$ 400,191</b>	<b>\$ 720,712</b>	<b>\$ (289,963)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,011,214</b>	<b>\$ -</b>	<b>\$ (1,248,631)</b>	<b>-161.07%</b>

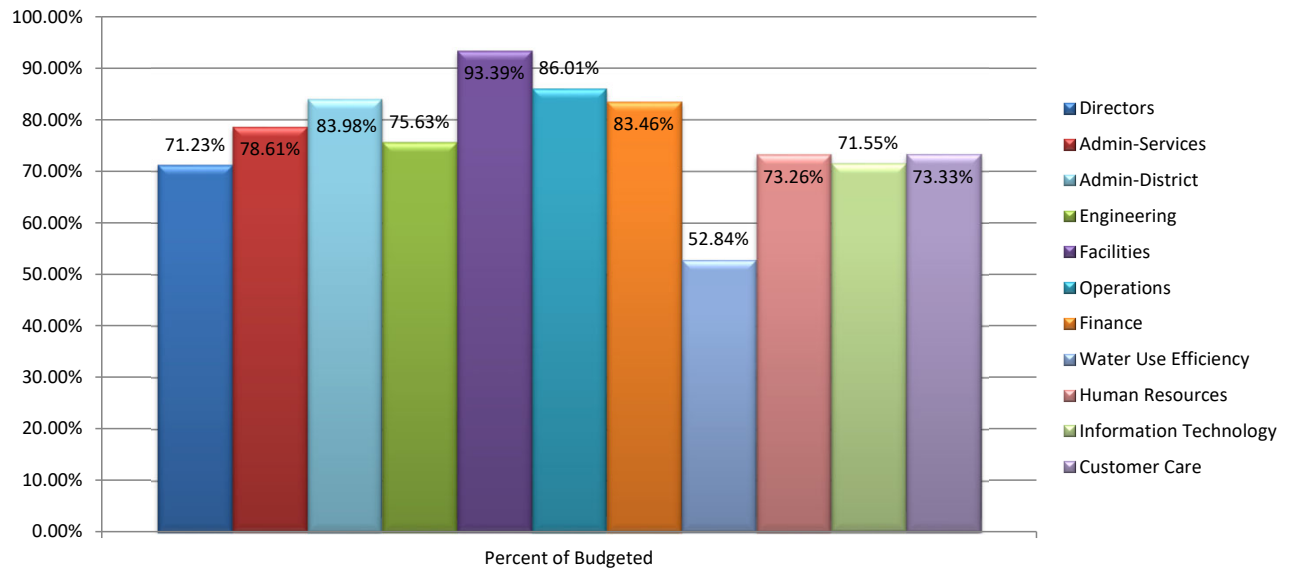
	January	February	March	April	May	June	July	August	September	October	November	December
Total Operating Revenue	\$ 2,172,841	\$ 1,960,846	\$ 2,063,364	\$ 2,249,346	\$ 2,540,824	\$ 2,746,535	\$ 2,986,216	\$ 3,133,657	\$ 3,052,024	\$ 2,844,284	\$ -	\$ -
Total Cash Operating Expenses	\$ 1,967,674	\$ 2,040,349	\$ 2,295,323	\$ 1,648,140	\$ 2,204,840	\$ 1,766,011	\$ 3,105,919	\$ 2,575,978	\$ 2,716,585	\$ 2,640,895	\$ -	\$ -
Net Cash Operating Profit/(Loss)	\$ 205,168	\$ (79,502)	\$ (231,959)	\$ 601,207	\$ 335,984	\$ 980,523	\$ (119,703)	\$ 557,679	\$ 335,439	\$ 203,388	\$ -	\$ -
Total Non-Cash Operating Expenses	\$ 528,403	\$ 488,580	\$ 470,538	\$ 499,331	\$ 496,993	\$ 470,246	\$ 500,148	\$ 474,802	\$ 431,021	\$ 484,068	\$ -	\$ -
Net Operating Profit/(Loss)	\$ (323,235)	\$ (568,083)	\$ (702,497)	\$ 101,876	\$ (161,009)	\$ 510,277	\$ (619,851)	\$ 82,876	\$ (95,582)	\$ (280,680)	\$ -	\$ -



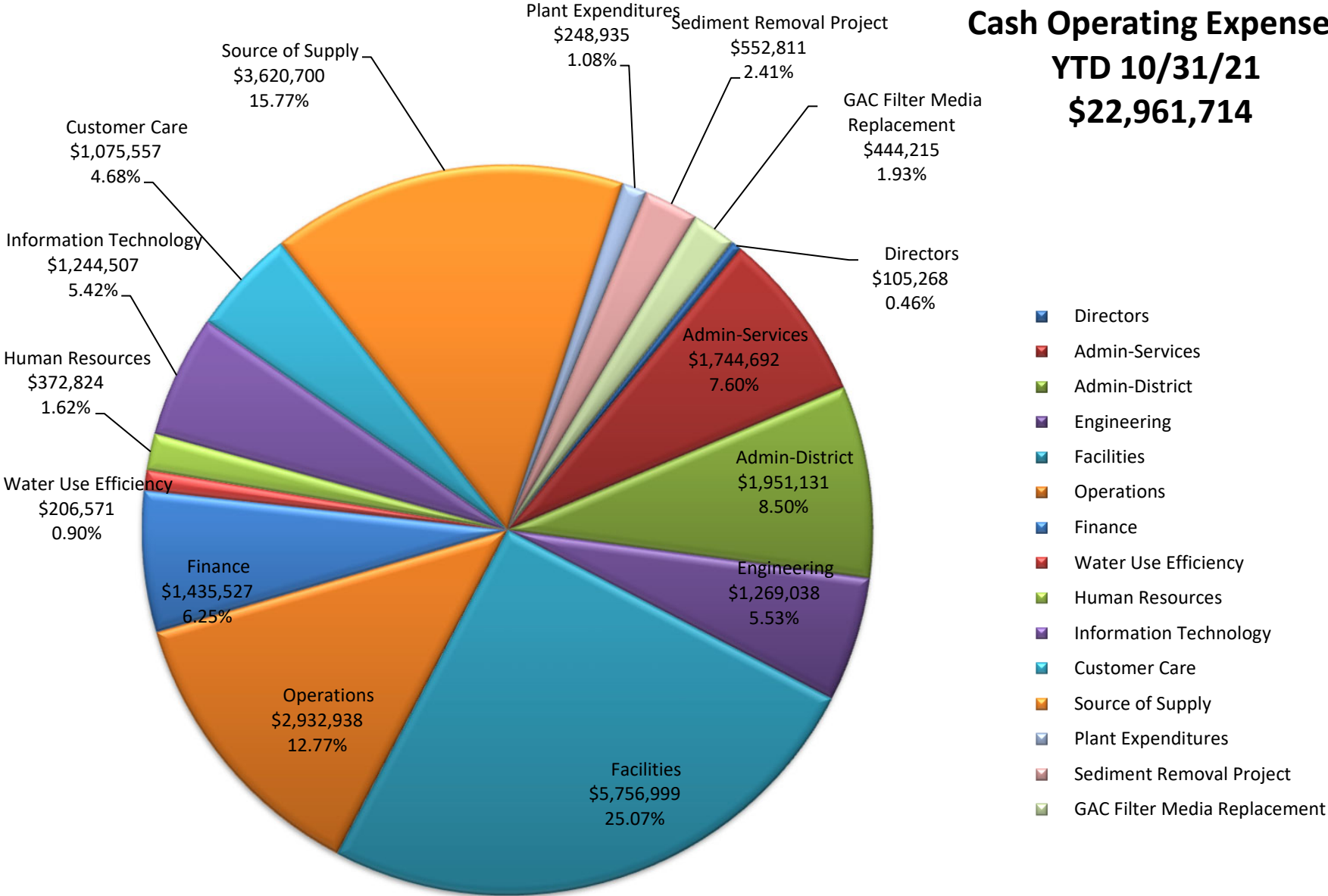
### P & L BUDGET vs. ACTUAL



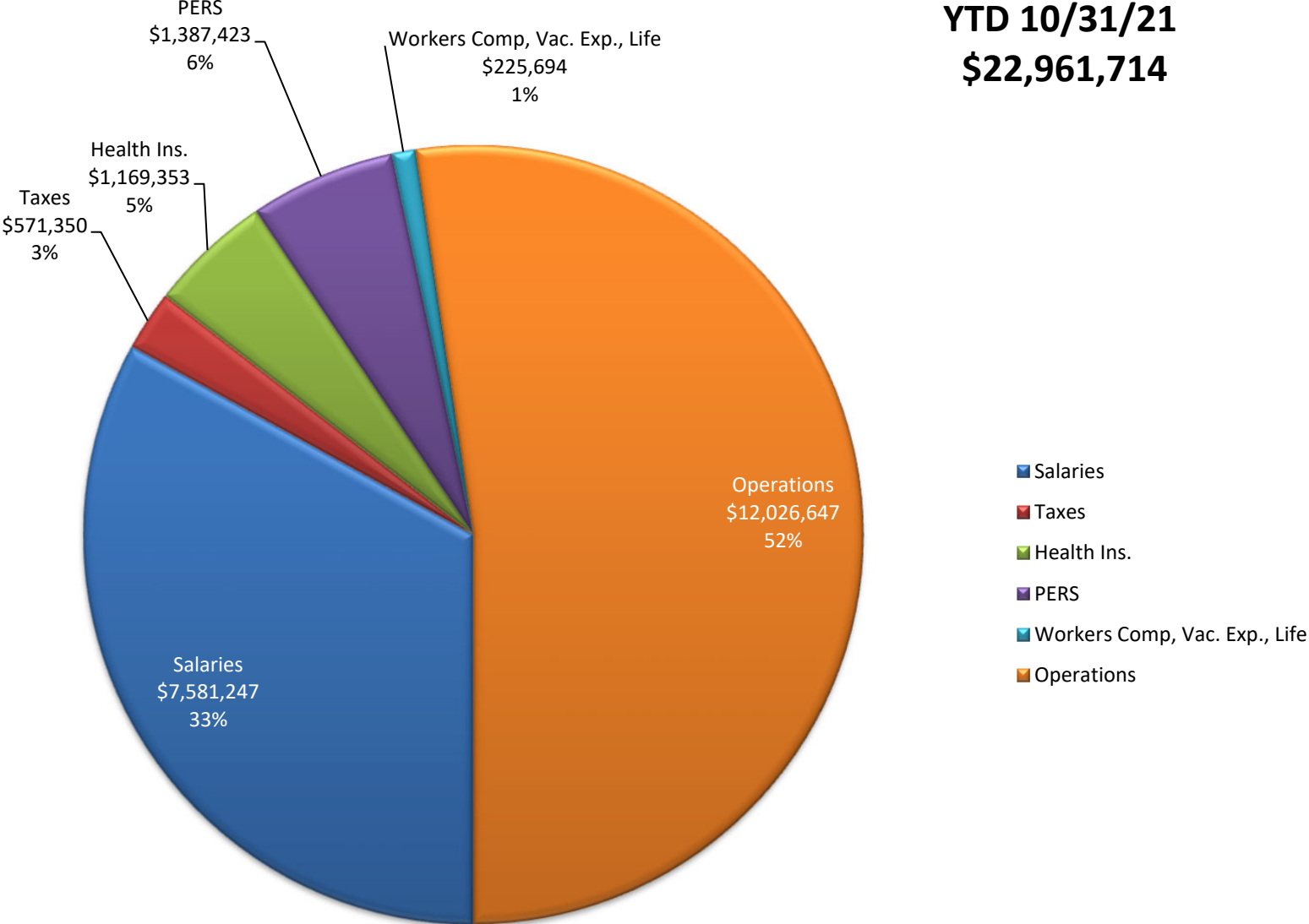
### DEPARTMENTAL - BUDGET vs. ACTUAL



# Cash Operating Expenses YTD 10/31/21 \$22,961,714



**Personnel to Operations Exp  
YTD 10/31/21  
\$22,961,714**



**Palmdale Water District**  
**Revenue Analysis**  
**For the Ten Months Ending 10/31/2021**

	2021					2020 to 2021 Comparison		
	Thru September	October	Year-to-Date	Adjusted Budget	% of Budget	October	Year-to-Date	% Change
<b>Operating Revenue:</b>								
Wholesale Water	\$ 405,124	\$ 79,371	\$ 484,494	\$ 400,000	121.12%	\$ 10,927	\$ 120,025	32.93%
Water Sales	9,540,764	1,302,236	10,843,000	12,114,400	89.51%	(15,640)	1,318,768	13.85%
Meter Fees	11,375,845	1,254,970	12,630,814	14,865,600	84.97%	97,906	1,117,230	9.70%
Water Quality Fees	542,422	67,500	609,922	781,860	78.01%	(19,562)	(96,189)	-13.62%
Elevation Fees	291,927	38,342	330,269	366,843	90.03%	(2,310)	17,995	5.76%
Other	749,574	101,865	851,439	880,258	96.73%	15,938	213,916	33.55%
<b>Total Water Sales</b>	<b>\$ 22,905,654</b>	<b>\$ 2,844,284</b>	<b>\$ 25,749,938</b>	<b>\$ 29,408,961</b>	<b>87.56%</b>	<b>\$ 87,259</b>	<b>\$ 2,691,744</b>	<b>11.67%</b>
<b>Non-Operating Revenues:</b>								
Assessments (Debt Service)	\$ 3,751,605	\$ 416,845	\$ 4,168,450	\$ 5,000,000	83.37%	\$ -	\$ 0	0.00%
Assessments (1%)	2,044,403	133,155	2,177,558	2,475,000	87.98%	-	114,963	5.57%
DWR Fixed Charge Recovery	237,312	28,725	266,037	175,000	152.02%	(58,277)	(33,842)	-11.29%
Interest	3,775	(1,053)	2,722	175,000	1.56%	(202)	(163,321)	-98.36%
CIF - Infrastructure	1,248,283	22,168	1,270,451	150,000	846.97%	22,168	1,109,539	689.53%
CIF - Water Supply	2,097,707	-	2,097,707	450,000	466.16%	-	2,083,257	
Grants - State and Federal	-	-	-	100,000	0.00%	-	-	
Other	63,377	2,813	66,189	50,000	132.38%	2,055	57,326	646.73%
<b>Total Non-Operating Revenues</b>	<b>\$ 9,446,462</b>	<b>\$ 602,653</b>	<b>\$ 10,049,115</b>	<b>\$ 8,575,000</b>	<b>117.19%</b>	<b>\$ (34,256)</b>	<b>\$ 3,167,921</b>	<b>46.04%</b>
<b>Total Revenue</b>	<b>\$ 32,352,116</b>	<b>\$ 3,446,937</b>	<b>\$ 35,799,052</b>	<b>\$ 37,983,961</b>	<b>94.25%</b>	<b>\$ 53,003</b>	<b>\$ 5,859,665</b>	<b>19.57%</b>

	2020				
	Thru September	October	Year-to-Date	Adjusted Budget	% of Budget
<b>Operating Revenue:</b>					
Wholesale Water	\$ 296,026	\$ 68,444	\$ 364,470	\$ 295,000	123.55%
Water Sales	8,206,355	1,317,876	9,524,232	10,028,794	94.97%
Meter Fees	10,356,521	1,157,063	11,513,584	14,956,694	76.98%
Water Quality Fees	619,049	87,062	706,111	783,015	90.18%
Elevation Fees	271,622	40,652	312,274	354,450	88.10%
Other	551,596	85,927	637,523	877,625	72.64%
<b>Total Water Sales</b>	<b>\$ 20,301,169</b>	<b>\$ 2,757,025</b>	<b>\$ 23,058,194</b>	<b>\$ 27,295,578</b>	<b>84.48%</b>
<b>Non-Operating Revenues:</b>					
Assessments (Debt Service)	\$ 3,751,605	\$ 416,845	\$ 4,168,450	\$ 4,925,250	84.63%
Assessments (1%)	1,929,440	133,155	2,062,595	2,346,000	87.92%
DWR Fixed Charge Recovery	212,877	87,002	299,879	175,000	171.36%
Interest	166,895	(851)	166,044	150,000	110.70%
CIF - Infrastructure	160,912	-	160,912	18,750	858.20%
CIF - Water Supply	14,450	-	14,450	56,250	25.69%
Grants - State and Federal	-	-	-	100,000	0.00%
Other	8,106	758	8,864	50,000	17.73%
<b>Total Non-Operating Revenues</b>	<b>\$ 6,244,285</b>	<b>\$ 636,909</b>	<b>\$ 6,881,194</b>	<b>\$ 7,821,250</b>	<b>87.98%</b>
<b>Total Revenue</b>	<b>\$ 26,545,454</b>	<b>\$ 3,393,933</b>	<b>\$ 29,939,387</b>	<b>\$ 35,116,828</b>	<b>85.26%</b>



**Palmdale Water District**  
**Operating Expense Analysis**  
**For the Ten Months Ending 10/31/2021**

	2021					2020 to 2021 Comparison		
	Thru September	October	Year-to-Date	Adjusted Budget	% of Budget	October	Year-to-Date	% Change
<b>Cash Operating Expenses:</b>								
Directors	\$ 91,707	\$ 13,562	\$ 105,268	\$ 147,790	71.23%	\$ 5,795	\$ 32,196	44.06%
Administration-Services	1,574,459	170,232	1,744,692	2,219,350	78.61%	15,363	51,514	3.04%
Administration-District	1,825,313	125,818	1,951,131	2,323,316	83.98%	12,344	126,901	6.96%
Engineering	1,176,347	92,691	1,269,038	1,678,000	75.63%	(17,083)	(54,498)	-4.12%
Facilities	5,184,992	572,007	5,756,999	6,164,200	93.39%	218,068	342,562	6.33%
Operations	2,686,999	245,939	2,932,938	3,409,900	86.01%	134,604	195,571	7.14%
Finance	1,292,256	143,270	1,435,527	1,720,050	83.46%	52,921	320,175	28.71%
Water Conservation	187,445	19,126	206,571	390,950	52.84%	791	(4,394)	-2.08%
Human Resources	338,570	34,254	372,824	508,900	73.26%	6,390	5,303	1.44%
Information Technology	1,139,943	104,564	1,244,507	1,739,300	71.55%	5,359	130,128	11.68%
Customer Care	973,840	101,717	1,075,557	1,466,700	73.33%	1,153	(68,654)	-6.00%
Source of Supply-Purchased Water	2,620,675	1,000,025	3,620,700	2,400,000	150.86%	1,000,631	2,194,824	153.93%
Plant Expenditures	231,245	17,690	248,935	565,860	43.99%	(59,168)	115,381	86.39%
Sediment Removal Project	552,811	-	552,811	600,000	92.14%	-	552,811	
GAC Filter Media Replacement	444,215	-	444,215	906,000	49.03%	(110,286)	223,643	101.39%
<b>Total Cash Operating Expenses</b>	<b>\$ 20,320,819</b>	<b>\$ 2,640,895</b>	<b>\$ 22,961,714</b>	<b>\$ 26,240,316</b>	<b>87.51%</b>	<b>\$ 1,266,882</b>	<b>\$ 4,163,463</b>	<b>18.13%</b>
<b>Non-Cash Operating Expenses:</b>								
Depreciation	\$ 3,807,420	\$ 396,651	\$ 4,204,071	\$ 5,000,000	84.08%	\$ (28,233)	\$ (88,150)	-2.05%
OPEB Accrual Expense	1,149,391	127,710	1,277,101	1,750,000	72.98%	-	-	0.00%
Bad Debts	9,727	498	10,225	350,000	2.92%	(506)	4,791	88.15%
Service Costs Construction	123,410	11,510	134,920	150,000	89.95%	(1,745)	(51,916)	-27.79%
Capitalized Construction	(729,885)	(52,301)	(782,186)	(900,000)	86.91%	21,785	134,256	-14.65%
<b>Total Non-Cash Operating Expenses</b>	<b>\$ 4,360,063</b>	<b>\$ 484,068</b>	<b>\$ 4,844,131</b>	<b>\$ 6,350,000</b>	<b>76.29%</b>	<b>\$ (8,698)</b>	<b>\$ (1,020)</b>	<b>-0.02%</b>
<b>Non-Operating Expenses:</b>								
Interest on Long-Term Debt	\$ 1,960,808	\$ 187,675	\$ 2,148,483	\$ 3,001,426	71.58%	\$ 35,736	\$ 48,216	2.30%
Deferred Charges-Cost of Issuance	333,796.31	-	333,796	-		-	206,544	162.31%
Amortization of SWP	2,977,723	414,850	3,392,573	3,104,350	109.28%	176,965	1,014,116	42.64%
Change in Investments in PRWA	13,403	1,988	15,391	300,000	5.13%	1,988	(296,212)	-95.06%
Water Conservation Programs	84,327	7,423	91,750	236,500	38.79%	(7,701)	15,946	21.04%
<b>Total Non-Operating Expenses</b>	<b>\$ 5,370,057</b>	<b>\$ 611,936</b>	<b>\$ 5,981,993</b>	<b>\$ 6,642,276</b>	<b>90.06%</b>	<b>\$ 206,988</b>	<b>\$ 988,610</b>	<b>19.80%</b>
<b>Total Expenses</b>	<b>\$ 30,050,938</b>	<b>\$ 3,736,900</b>	<b>\$ 33,787,838</b>	<b>\$ 39,232,592</b>	<b>86.12%</b>	<b>\$ 1,465,172</b>	<b>\$ 5,151,053</b>	<b>17.99%</b>



**Palmdale Water District**  
**Operating Expense Analysis**  
**For the Ten Months Ending 10/31/2021**

	2020				
	Thru September	October	Year-to-Date	Adjusted Budget	% of Budget
<b>Cash Operating Expenses:</b>					
Directors	\$ 65,306	\$ 7,767	\$ 73,072	\$ 144,150	50.69%
Administration-Services	1,538,308	154,869	1,693,177	2,056,121	82.35%
Administration-District	1,710,755	113,474	1,824,230	2,128,988	85.69%
Engineering	1,213,761	109,774	1,323,536	1,635,725	80.91%
Facilities	5,060,499	353,939	5,414,438	6,449,794	83.95%
Operations	2,626,032	111,336	2,737,368	3,248,390	84.27%
Finance	1,025,002	90,350	1,115,352	1,346,687	82.82%
Water Conservation	192,631	18,335	210,965	358,682	58.82%
Human Resources	339,658	27,864	367,521	492,512	74.62%
Information Technology	1,015,175	99,205	1,114,380	1,229,489	90.64%
Customer Care	1,043,647	100,564	1,144,211	1,292,548	88.52%
Source of Supply-Purchased Water	1,426,482	(606)	1,425,876	2,321,476	61.42%
Plant Expenditures	56,696	76,858	133,554	610,556	21.87%
Sediment Removal Project	-	-	-	600,000	
GAC Filter Media Replacement	110,286	110,286	220,572	783,015	28.17%
<b>Total Cash Operating Expenses</b>	<b>\$ 17,424,238</b>	<b>\$ 1,374,013</b>	<b>\$ 18,798,251</b>	<b>\$ 24,698,133</b>	<b>76.11%</b>
<b>Non-Cash Operating Expenses:</b>					
Depreciation	\$ 3,867,337	\$ 424,884	\$ 4,292,222	\$ 5,050,000	84.99%
OPEB Accrual Expense	1,149,391	127,710	1,277,101	1,750,000	72.98%
Bad Debts	4,430	1,004	5,434	35,000	15.53%
Service Costs Construction	173,581	13,255	186,836	100,000	186.84%
Capitalized Construction	(842,355)	(74,087)	(916,442)	(600,000)	152.74%
<b>Total Non-Cash Operating Expenses</b>	<b>\$ 4,352,384</b>	<b>\$ 492,767</b>	<b>\$ 4,845,151</b>	<b>\$ 6,335,000</b>	<b>76.48%</b>
<b>Non-Operating Expenses:</b>					
Interest on Long-Term Debt	\$ 1,948,328	\$ 151,939	\$ 2,100,267	\$ 2,648,000	79.32%
Deferred Charges-Cost of Issuance	127,252	-	127,252	-	
Amortization of SWP	2,140,572	237,885	2,378,457	2,881,000	82.56%
Change in Investments in PRWA	311,603	-	311,603	300,000	103.87%
Water Conservation Programs	60,680	15,125	75,804	236,500	32.05%
<b>Total Non-Operating Expenses</b>	<b>\$ 4,588,435</b>	<b>\$ 404,948</b>	<b>\$ 4,993,384</b>	<b>\$ 6,065,500</b>	<b>82.32%</b>
<b>Total Expenses</b>	<b>\$ 26,365,058</b>	<b>\$ 2,271,728</b>	<b>\$ 28,636,786</b>	<b>\$ 37,098,633</b>	<b>77.19%</b>

**Palmdale Water District**  
**2021 Directors Budget**  
For the Ten Months Ending Sunday, October 31, 2021

	YTD ACTUAL 2021	ORIGINAL BUDGET 2021	ADJUSTMENTS 2021	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-01-4000-000 Directors Pay	\$ -	\$ -	\$ -	\$ -	
Employee Benefits					
1-01-4005-000 Payroll Taxes	4,364	5,790		1,426	75.38%
1-01-4010-000 Health Insurance - Directors	34,555	53,000		18,445	65.20%
Subtotal (Benefits)	38,920	58,790	-	19,870	66.20%
 Total Personnel Expenses	 \$ 38,920	 \$ 58,790	 \$ -	 \$ 19,870	 66.20%
OPERATING EXPENSES:					
1-01-xxxx-006 Director Share - Dizmang, Gloria	\$ 15,021				
1-01-xxxx-008 Director Share - Mac Laren, Kathy	8,175				
1-01-xxxx-010 Director Share - Dino, Vincent	16,657				
1-01-xxxx-012 Director Share - Wilson, Don	11,028				
1-01-xxxx-013 Director Share - Merino, Amberrose	15,468				
Subtotal Operating Expenses	66,349	89,000	-	22,651	74.55%
 Total O & M Expenses	 \$ 105,268	 \$ 147,790	 \$ -	 \$ 42,522	 71.23%

**Palmdale Water District**  
**2021 Administration Services Budget**  
For the Ten Months Ending Sunday, October 31, 2021

	YTD ACTUAL 2021	ORIGINAL BUDGET 2021	ADJUSTMENTS 2021	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-02-4000-000 Salaries	\$ 1,141,584	\$ 1,392,500		\$ 250,916	81.98%
1-02-4000-100 Overtime	2,728	6,000		3,272	45.47%
Subtotal (Salaries)	<u>\$ 1,144,313</u>	<u>\$ 1,398,500</u>	<u>\$ -</u>	<u>\$ 254,187</u>	<u>81.82%</u>
Employee Benefits					
1-02-4005-000 Payroll Taxes	\$ 76,222	\$ 98,500		22,278	77.38%
1-02-4010-000 Health Insurance	140,812	184,500		43,688	76.32%
1-02-4015-000 PERS	101,164	131,250		30,086	77.08%
Subtotal (Benefits)	<u>\$ 318,199</u>	<u>\$ 414,250</u>	<u>\$ -</u>	<u>\$ 96,051</u>	<u>76.81%</u>
Total Personnel Expenses	<u><u>\$ 1,462,511</u></u>	<u><u>\$ 1,812,750</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 350,239</u></u>	<u><u>80.68%</u></u>
OPERATING EXPENSES:					
1-02-4050-000 Staff Travel	\$ 2,689	\$ 15,500	\$ -	\$ 12,811	17.35%
1-02-4050-100 General Manager Travel	2,162	5,200		3,038	41.58%
1-02-4060-000 Staff Conferences & Seminars	3,654	6,200		2,546	58.93%
1-02-4060-100 General Manager Conferences & Seminars	1,754	4,100		2,346	42.78%
1-02-4130-000 Bank Charges	162,945	200,000		37,055	81.47%
1-02-4150-000 Accounting Services	24,432	26,000		1,568	93.97%
1-02-4175-000 Permits	14,652	18,100		3,448	80.95%
1-02-4180-000 Postage	11,726	17,000		5,274	68.98%
1-02-4190-100 Public Relations - Publications	12,748	31,200		18,452	40.86%
1-02-4190-700 Public Affairs - Marketing/Outreach	26,346	40,000		13,654	65.87%
1-02-4190-710 Public Affairs -Advertising	895	5,000		4,105	17.90%
1-02-4190-720 Public Affairs - Equipment	-	2,500		2,500	0.00%
1-02-4190-730 Public Affairs -Conference/Seminar/Travel	435	3,000		2,565	14.51%
1-02-4190-740 Public Affairs - Consultants	579	2,000		1,421	28.94%
1-02-4190-750 Public Affairs - Membership	1,050	1,200		150	87.50%
1-02-4200-000 Advertising	716	4,100		3,384	17.45%
1-02-4205-000 Office Supplies	15,398	25,500		10,102	60.38%
Subtotal Operating Expenses	<u>\$ 282,181</u>	<u>\$ 406,600</u>	<u>\$ -</u>	<u>\$ 124,419</u>	<u>69.40%</u>
Total Departmental Expenses	<u><u>\$ 1,744,692</u></u>	<u><u>\$ 2,219,350</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 474,658</u></u>	<u><u>78.61%</u></u>

**Palmdale Water District**  
**2021 Administration District Wide Budget**  
For the Ten Months Ending Sunday, October 31, 2021

	YTD ACTUAL 2021	ORIGINAL BUDGET 2021	ADJUSTMENTS 2021	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-02-5070-001 On-Call	\$ 70,150	\$ 75,000		\$ 4,850	93.53%
Subtotal (Salaries)	\$ 70,150	\$ 75,000	\$ -	\$ 4,850	93.53%
Employee Benefits					
1-02-5070-002 PERS-Unfunded Liability	\$ 703,495	\$ 840,316		136,821	83.72%
1-02-5070-003 Workers Compensation	248,887	296,000		47,113	84.08%
1-02-5070-004 Vacation Benefit Expense	(27,885)	83,000		110,885	-33.60%
1-02-5070-005 Life Insurance	4,693	7,000		2,307	67.04%
Subtotal (Benefits)	\$ 929,189	\$ 1,226,316	\$ -	\$ 297,127	75.77%
Total Personnel Expenses	\$ 999,339	\$ 1,301,316	\$ -	\$ 301,977	76.79%
OPERATING EXPENSES:					
1-02-5070-006 Other Operating	\$ 47,716	\$ 60,000		12,284	79.53%
1-02-5070-007 Consultants	302,810	275,000		(27,810)	110.11%
1-02-5070-008 Insurance	238,674	260,000		21,326	91.80%
1-02-5070-009 Groundwater Adjudication - Legal	38,818	41,000		2,182	94.68%
1-02-5070-010 Legal Services	131,410	131,000		(410)	100.31%
1-02-5070-011 Memberships/Subscriptions	150,448	165,000		14,552	91.18%
1-02-5070-013 Succession Planning	-	25,000		25,000	0.00%
1-02-5070-014 Groundwater Adjudication - Assessment	41,916	65,000		23,084	64.49%
Subtotal Operating Expenses	\$ 951,792	\$ 1,022,000	\$ -	\$ 70,208	93.13%
Total Departmental Expenses	\$ 1,951,131	\$ 2,323,316	\$ -	\$ 372,185	83.98%

**Palmdale Water District**  
**2021 Engineering Budget**  
For the Ten Months Ending Sunday, October 31, 2021

	YTD ACTUAL 2021	ORIGINAL BUDGET 2021	ADJUSTMENTS 2021	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-03-4000-000 Salaries	\$ 925,053	\$ 1,225,750	\$ -	\$ 300,697	75.47%
1-03-4000-100 Overtime	17,885	15,000		(2,885)	119.24%
Subtotal (Salaries)	<u>\$ 942,938</u>	<u>\$ 1,240,750</u>	<u>\$ -</u>	<u>\$ 297,812</u>	<u>76.00%</u>
Employee Benefits					
1-03-4005-000 Payroll Taxes	70,330	98,000		27,670	71.77%
1-03-4010-000 Health Insurance	146,214	176,500		30,286	82.84%
1-03-4015-000 PERS	79,316	117,750		38,434	67.36%
Subtotal (Benefits)	<u>\$ 295,861</u>	<u>\$ 392,250</u>	<u>\$ -</u>	<u>\$ 96,389</u>	<u>75.43%</u>
Total Personnel Expenses	<u><u>\$ 1,238,799</u></u>	<u><u>\$ 1,633,000</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 394,201</u></u>	<u><u>75.86%</u></u>
OPERATING EXPENSES:					
1-03-4050-000 Staff Travel	\$ 1,595	\$ 5,000		3,405	31.89%
1-03-4060-000 Staff Conferences & Seminars	5,650	7,500		1,850	75.33%
1-03-4060-001 Staff Training - Auto CAD Civil 3D*	-	10,000	(7,500)	2,500	0.00%
1-03-4155-000 Contracted Services	-	1,500		1,500	0.00%
1-03-4165-000 Memberships/Subscriptions	3,767	3,500		(267)	107.63%
1-03-4250-000 General Materials & Supplies	3,504	4,000		496	87.60%
1-03-4250-100 Supplies - Plotter Paper/Toner*	226	4,500	(2,000)	2,274	9.03%
1-03-8100-100 Computer Software - Maint. & Support*	15,498	9,000	9,500	3,002	83.77%
Subtotal Operating Expenses	<u>\$ 30,239</u>	<u>\$ 45,000</u>	<u>\$ -</u>	<u>\$ 14,761</u>	<u>67.20%</u>
Total Departmental Expenses	<u><u>\$ 1,269,038</u></u>	<u><u>\$ 1,678,000</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 408,962</u></u>	<u><u>75.63%</u></u>

\* Budget adjustments by General Manager per Appendix A

**Palmdale Water District**  
**2021 Facilities Budget**  
For the Ten Months Ending Sunday, October 31, 2021

	YTD ACTUAL 2021	ORIGINAL BUDGET 2021	ADJUSTMENTS 2021	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-04-4000-000 Salaries	\$ 1,811,131	\$ 2,248,000		\$ 436,869	80.57%
1-04-4000-100 Overtime	124,889	144,000		19,111	86.73%
Subtotal (Salaries)	<u>\$ 1,936,020</u>	<u>\$ 2,392,000</u>	\$ -	<u>\$ 455,980</u>	<u>80.94%</u>
Employee Benefits					
1-04-4005-000 Payroll Taxes	152,587	189,500		36,913	80.52%
1-04-4010-000 Health Insurance	336,210	445,000		108,791	75.55%
1-04-4015-000 PERS	166,386	214,000		47,614	77.75%
Subtotal (Benefits)	<u>\$ 655,182</u>	<u>\$ 848,500</u>	\$ -	<u>\$ 193,318</u>	<u>77.22%</u>
Total Personnel Expenses	<u><u>\$ 2,591,202</u></u>	<u><u>\$ 3,240,500</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 649,298</u></u>	<u><u>79.96%</u></u>
OPERATING EXPENSES:					
1-04-4050-000 Staff Travel	\$ 452	\$ 6,200		\$ 5,748	7.29%
1-04-4060-000 Staff Conferences & Seminars	50	15,500		15,450	0.32%
1-04-4155-000 Contracted Services	96,504	239,100		142,596	40.36%
1-04-4175-000 Permits-Dams	36,059	42,000		5,941	85.85%
1-04-4215-100 Natural Gas - Wells & Boosters	435,170	225,000		(210,170)	193.41%
1-04-4215-200 Natural Gas - Buildings	7,518	9,500		1,982	79.14%
1-04-4220-100 Electricity - Wells & Boosters	1,619,113	860,000		(759,113)	188.27%
1-04-4220-200 Electricity - Buildings	64,501	95,000		30,499	67.90%
1-04-4225-000 Maint. & Repair - Vehicles	23,147	34,000		10,853	68.08%
1-04-4230-100 Maint. & Rep. Office Building	5,920	26,500		20,580	22.34%
1-04-4230-200 Maint. & Rep. Two Way Radios	272	5,000		4,728	5.44%
1-04-4235-110 Maint. & Rep. Equipment	7,013	12,700		5,687	55.22%
1-04-4235-400 Maint. & Rep. Operations - Wells	53,648	84,500		30,852	63.49%
1-04-4235-405 Maint. & Rep. Operations - Boosters	36,822	52,800		15,978	69.74%
1-04-4235-410 Maint. & Rep. Operations - Shop Bldgs	10,157	26,000		15,843	39.06%
1-04-4235-415 Maint. & Rep. Operations - Facilities	11,974	52,000		40,026	23.03%
1-04-4235-420 Maint. & Rep. Operations - Water Lines	193,928	315,000		121,072	61.56%
1-04-4235-425 Maint. & Rep. Operations - Littlerock Dam	1,007	15,500		14,493	6.49%
1-04-4235-435 Maint. & Rep. Operations - Palmdale Canal	537	7,000		6,463	7.67%
1-04-4235-440 Maint. & Rep. Operations - Large Meters	5,581	15,500		9,919	36.00%
1-04-4235-450 Maint. & Rep. Operations - Hypo Generators	3,903	7,900		3,997	49.40%
1-04-4235-455 Maint. & Rep. Operations - Heavy Equipment	24,824	44,000		19,176	56.42%
1-04-4235-460 Maint. & Rep. Operations - Storage Reservoirs	1,295	5,200		3,905	24.91%
1-04-4235-461 Maint. & Rep. Operations - Air Vac	3,196	5,200		2,004	61.47%
1-04-4235-470 Maint. & Rep. Operations - Meters Exchanges	65,710	155,000		89,290	42.39%
1-04-4300-100 Testing - Regulatory Compliance	7,975	20,500		12,525	38.90%
1-04-4300-200 Testing - Large Meters	14,460	13,000		(1,460)	111.23%
1-04-4300-300 Testing - Edison Testing	-	12,000		12,000	0.00%
1-04-6000-000 Waste Disposal	11,091	21,000		9,909	52.81%
1-04-6100-100 Fuel and Lube - Vehicle	125,786	142,000		16,214	88.58%
1-04-6100-200 Fuel and Lube - Machinery	28,073	26,000		(2,073)	107.97%
1-04-6200-000 Uniforms	17,681	28,000		10,319	63.15%
1-04-6300-100 Supplies - General	48,638	65,000		16,362	74.83%
1-04-6300-300 Supplies - Electrical	830	3,000		2,170	27.66%
1-04-6300-800 Supplies - Construction Materials	28,768	35,000		6,232	82.19%
1-04-6400-000 Tools	31,061	45,100		14,039	68.87%
1-04-7000-100 Leases -Equipment	10,736	15,000		4,264	71.57%
1-04-7000-100 Leases -Vehicles	132,398	142,000		9,602	93.24%
Subtotal Operating Expenses	<u>\$ 3,165,797</u>	<u>\$ 2,923,700</u>	<u>\$ -</u>	<u>\$ (242,097)</u>	<u>108.28%</u>
Total Departmental Expenses	<u><u>\$ 5,756,999</u></u>	<u><u>\$ 6,164,200</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 407,201</u></u>	<u><u>93.39%</u></u>

**Palmdale Water District**  
**2021 Operation Budget**  
For the Ten Months Ending Sunday, October 31, 2021

	YTD ACTUAL 2021	ORIGINAL BUDGET 2021	ADJUSTMENTS 2021	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-05-4000-000 Salaries	\$ 945,758	\$ 1,154,000		\$ 208,242	81.95%
1-05-4000-100 Overtime	79,543	99,000		19,457	80.35%
Subtotal (Salaries)	<u>\$ 1,025,302</u>	<u>\$ 1,253,000</u>	\$ -	<u>\$ 227,698</u>	<u>81.83%</u>
Employee Benefits					
1-05-4005-000 Payroll Taxes	80,201	91,000		10,799	88.13%
1-05-4010-000 Health Insurance	132,387	182,000		49,613	72.74%
1-05-4015-000 PERS	92,215	118,500		26,285	77.82%
Subtotal (Benefits)	<u>\$ 304,803</u>	<u>\$ 391,500</u>	\$ -	<u>\$ 86,697</u>	<u>77.86%</u>
Total Personnel Expenses	<u><u>\$ 1,330,104</u></u>	<u><u>\$ 1,644,500</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 314,396</u></u>	<u><u>80.88%</u></u>
OPERATING EXPENSES:					
1-05-4050-000 Staff Travel	\$ 2,707	\$ 3,100		\$ 393	87.31%
1-05-4060-000 Staff Conferences & Seminars	-	3,100		3,100	0.00%
1-05-4120-100 Training - Lab Equipment	-	5,200			
1-05-4155-000 Contracted Services	22,556	99,600		77,044	22.65%
1-05-4175-000 Permits	13,787	81,300		67,513	16.96%
1-05-4215-200 Natural Gas - WTP	3,372	3,200		(172)	105.36%
1-05-4220-200 Electricity - WTP	360,205	215,000		(145,205)	167.54%
1-05-4230-110 Maint. & Rep. - Office Equipment	1,471	5,300		3,829	27.76%
1-05-4235-110 Maint. & Rep. Operations - Equipment	27,734	21,000		(6,734)	132.06%
1-05-4235-410 Maint. & Rep. Operations - Shop Bldgs	4,256	6,300		2,044	67.56%
1-05-4235-415 Maint. & Rep. Operations - Facilities	100,603	74,000		(26,603)	135.95%
1-05-4235-500 Maint. & Rep. Operations - Wind Turbine	4,589	10,000		5,411	45.89%
1-05-4236-000 Palmdale Lake Management	125,813	130,000		4,187	96.78%
1-05-6000-000 Waste Disposal	29,185	21,000		(8,185)	138.98%
1-05-6200-000 Uniforms	11,448	16,000		4,552	71.55%
1-05-6300-100 Supplies - Misc.	13,989	15,200		1,211	92.03%
1-05-6300-600 Supplies - Lab	55,334	72,000		16,666	76.85%
1-05-6300-700 Outside Lab Work	54,275	60,000		5,725	90.46%
1-05-6400-000 Tools	2,402	6,100		3,698	39.38%
1-05-6500-000 Chemicals	768,470	915,000		146,530	83.99%
1-05-7000-100 Leases -Equipment	638	3,000		2,362	21.26%
Subtotal Operating Expenses	<u>\$ 1,602,834</u>	<u>\$ 1,765,400</u>	<u>\$ -</u>	<u>\$ 157,366</u>	<u>90.79%</u>
Total Departmental Expenses	<u><u>\$ 2,932,938</u></u>	<u><u>\$ 3,409,900</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 471,762</u></u>	<u><u>86.01%</u></u>

**Palmdale Water District**  
**2021 Finance Budget**  
For the Ten Months Ending Sunday, October 31, 2021

	YTD ACTUAL 2021	ORIGINAL BUDGET 2021	ADJUSTMENTS 2021	ADJUSTED BUDGET REMAINING	PERCENT USED
<b>Personnel Budget:</b>					
1-06-4000-000 Salaries	\$ 837,738	\$ 996,500		\$ 158,762	84.07%
1-06-4000-100 Overtime	7,618	2,000		(5,618)	380.92%
Subtotal (Salaries)	<u>\$ 845,357</u>	<u>\$ 998,500</u>	<u>\$ -</u>	<u>\$ 153,143</u>	<u>84.66%</u>
<b>Employee Benefits</b>					
1-06-4005-000 Payroll Taxes	62,104	75,500		13,396	82.26%
1-06-4010-000 Health Insurance	127,519	176,000		48,481	72.45%
1-06-4015-000 PERS	85,500	105,750		20,250	80.85%
Subtotal (Benefits)	<u>\$ 275,123</u>	<u>\$ 357,250</u>	<u>\$ -</u>	<u>\$ 82,127</u>	<u>77.01%</u>
Total Personnel Expenses	<u><u>\$ 1,120,480</u></u>	<u><u>\$ 1,355,750</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 235,270</u></u>	<u><u>82.65%</u></u>
<b>OPERATING EXPENSES:</b>					
1-06-4050-000 Staff Travel	\$ 669	\$ 2,000		\$ 1,331	33.43%
1-06-4060-000 Staff Conferences & Seminars	329	1,500		1,171	21.93%
1-06-4155-000 Contracted Services	23,789	12,600		(11,189)	188.80%
1-06-4155-100 Contracted Services - Infosend	218,317	283,000		64,683	77.14%
1-06-4165-000 Memberships/Subscriptions	220	500		280	44.00%
1-06-4230-110 Maintenance & Repair - Office Equipment	-	500		500	0.00%
1-06-4250-000 General Material & Supplies	-	2,000		2,000	0.00%
1-06-4260-000 Business Forms	175	1,500		1,325	11.67%
1-06-4270-100 Telecommunication - Office	48,643	32,000		(16,643)	152.01%
1-06-4270-200 Telecommunication - Cellular Stipend	20,880	25,700		4,820	81.25%
1-06-7000-100 Leases - Equipment	2,025	3,000		975	67.50%
Subtotal Operating Expenses	<u>\$ 315,047</u>	<u>\$ 364,300</u>	<u>\$ -</u>	<u>\$ 49,253</u>	<u>86.48%</u>
Total Departmental Expenses	<u><u>\$ 1,435,527</u></u>	<u><u>\$ 1,720,050</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 284,523</u></u>	<u><u>83.46%</u></u>



**Palmdale Water District**  
**2021 Water Use Efficiency Budget**  
For the Ten Months Ending Sunday, October 31, 2021

	YTD ACTUAL 2021	ORIGINAL BUDGET 2021	ADJUSTMENTS 2021	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-07-4000-000 Salaries	\$ 141,386	\$ 170,500		\$ 29,114	82.92%
1-07-4000-100 Overtime	2,473	5,000		2,527	49.47%
Subtotal (Salaries)	<u>\$ 143,860</u>	<u>\$ 175,500</u>		<u>\$ 31,640</u>	<u>81.97%</u>
Employee Benefits					
1-07-4005-000 Payroll Taxes	11,667	13,750		2,083	84.85%
1-07-4010-000 Health Insurance	30,770	31,000		230	99.26%
1-07-4015-000 PERS	14,869	19,500		4,631	76.25%
Subtotal (Benefits)	<u>\$ 57,306</u>	<u>\$ 64,250</u>	<u>\$ -</u>	<u>\$ 6,944</u>	<u>89.19%</u>
Total Personnel Expenses	<u><u>\$ 201,166</u></u>	<u><u>\$ 239,750</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 36,058</u></u>	<u><u>83.91%</u></u>
OPERATING EXPENSES:					
1-07-4050-000 Staff Travel	\$ 634	\$ 2,600		\$ 1,966	24.37%
1-07-4060-000 Staff Conferences & Seminar	670	3,100		2,430	21.61%
1-07-4190-300 Public Relations - Landscape Workshop/Training	252	5,200		4,948	4.84%
1-07-4190-400 Public Relations - Contests	1,140	3,100		1,960	36.77%
1-07-4190-500 Public Relations - Education Programs	-	125,000		125,000	0.00%
1-07-4190-900 Public Relations - Other	629	5,200		4,571	12.10%
1-07-6300-100 Supplies - Misc.	2,081	7,000		4,919	29.72%
Subtotal Operating Expenses	<u>\$ 5,405</u>	<u>\$ 151,200</u>	<u>\$ -</u>	<u>\$ 145,795</u>	<u>3.57%</u>
Total Departmental Expenses	<u><u>\$ 206,571</u></u>	<u><u>\$ 390,950</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 181,852</u></u>	<u><u>52.84%</u></u>

**Palmdale Water District**  
**2021 Human Resources Budget**  
For the Ten Months Ending Sunday, October 31, 2021

	YTD ACTUAL 2021	ORIGINAL BUDGET 2021	ADJUSTMENTS 2021	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-08-4000-000 Salaries	\$ 224,999	\$ 267,250		\$ 42,251	84.19%
1-08-4000-100 Salaries - Overtime	268	1,000		732	26.82%
Subtotal (Salaries)	<u>\$ 225,267</u>	<u>\$ 268,250</u>	\$ -	<u>\$ 42,251</u>	<u>83.98%</u>
Employee Benefits					
1-08-4005-000 Payroll Taxes	17,040	20,750		3,710	82.12%
1-08-4010-000 Health Insurance	22,351	31,000		8,649	72.10%
1-08-4015-000 PERS	18,851	24,500		5,649	76.94%
Subtotal (Benefits)	<u>\$ 58,242</u>	<u>\$ 76,250</u>	\$ -	<u>\$ 18,008</u>	<u>76.38%</u>
Total Personnel Expenses	<u><u>\$ 283,509</u></u>	<u><u>\$ 344,500</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 60,260</u></u>	<u><u>82.30%</u></u>
OPERATING EXPENSES:					
1-08-4050-000 Staff Travel	\$ -	\$ 1,500		\$ 1,500	0.00%
1-08-4060-000 Staff Conferences & Seminars	-	1,500		1,500	0.00%
1-08-4070-000 Employee Expense	46,647	67,500		20,853	69.11%
1-08-4090-000 Temporary Staffing	-	-		-	
1-08-4095-000 Employee Recruitment	6,299	3,100		(3,199)	203.20%
1-08-4100-000 Employee Retention	1,239	5,200		3,961	23.82%
1-08-4120-100 Training-Safety	19,370	36,000		16,630	53.81%
1-08-4120-200 Training-Speciality	3,265	15,500		12,235	21.06%
1-08-4121-000 Safety Program	-	1,000		1,000	0.00%
1-08-4165-000 Membership/Subscriptions	754	1,600		846	47.13%
1-08-4165-100 HR/Safety Publications	-	1,000		1,000	0.00%
1-08-6300-500 Supplies - Safety	11,741	30,500		18,759	38.50%
Subtotal Operating Expenses	<u>\$ 89,315</u>	<u>\$ 164,400</u>	\$ -	<u>\$ 75,085</u>	<u>54.33%</u>
Total Departmental Expenses	<u><u>\$ 372,824</u></u>	<u><u>\$ 508,900</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 136,076</u></u>	<u><u>73.26%</u></u>

**Palmdale Water District**  
**2021 Information Technology Budget**  
For the Ten Months Ending Sunday, October 31, 2021

	YTD ACTUAL 2021	ORIGINAL BUDGET 2021	ADJUSTMENTS 2021	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-09-4000-000 Salaries	\$ 475,353	\$ 583,750	\$ -	\$ 108,397	81.43%
1-09-4000-100 Overtime	20,658	21,000		342	98.37%
Subtotal (Salaries)	<u>\$ 496,011</u>	<u>\$ 604,750</u>	<u>\$ -</u>	<u>\$ 108,739</u>	<u>82.02%</u>
Employee Benefits					
1-09-4005-000 Payroll Taxes	37,910	46,500		8,590	81.53%
1-09-4010-000 Health Insurance	63,709	94,000		30,291	67.78%
1-09-4015-000 PERS	49,740	46,250		(3,490)	107.55%
Subtotal (Benefits)	<u>\$ 151,360</u>	<u>\$ 186,750</u>	<u>\$ -</u>	<u>\$ 35,390</u>	<u>81.05%</u>
Total Personnel Expenses	<u><u>\$ 647,371</u></u>	<u><u>\$ 791,500</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 144,129</u></u>	<u><u>81.79%</u></u>
OPERATING EXPENSES:					
1-09-4050-000 Staff Travel	\$ -	\$ 3,100		\$ 3,100	0.00%
1-09-4060-000 Staff Conferences & Seminars	6,353	10,400		4,047	61.09%
1-09-4155-000 Contracted/Cloud Services	187,369	293,300		105,931	63.88%
1-09-4165-000 Memberships/Subscriptions	2,241	2,600		359	86.19%
1-09-4235-445 Maibt & Repair - Telemetry	3,870	5,300			
1-09-4270-000 Telecommunications	95,635	119,100		23,465	80.30%
1-09-6300-400 Supplies - Telemetry	636	-		(636)	
1-09-6450-110 Equipment - GF Signet Flow Meters	-	7,600			
1-09-7000-100 Leases - Equipment	44,127	56,000			
1-09-8000-100 Computer Equipment - Computers	6,182	45,000		38,818	13.74%
1-09-8000-200 Computer Equipment - Laptops	16,027	45,000		28,973	35.62%
1-09-8000-300 Computer Equipment - Monitors	10,576	12,000		1,424	88.14%
1-09-8000-500 Computer Equipment - Toner Cartridges	125	2,500		2,375	5.01%
1-09-8000-550 Computer Equipment - Telephony	-	3,000		3,000	0.00%
1-09-8000-600 Computer Equipment - Other	13,330	30,000		16,670	44.43%
1-09-8000-650 Computer Equipment - Warranty & Support	5,038	15,000		9,962	33.59%
1-09-8100-100 Computer Software - Maint. and Support	146,835	237,900		91,065	61.72%
1-09-8100-150 Computer Software - Dynamics GP Support	48,318	40,000		(8,318)	120.79%
1-09-8100-200 Computer Software - Software and Upgrades	10,473	20,000		9,527	52.36%
Subtotal Operating Expenses	<u>\$ 597,136</u>	<u>\$ 947,800</u>	<u>\$ -</u>	<u>\$ 329,761</u>	<u>63.00%</u>
Total Departmental Expenses	<u><u>\$ 1,244,507</u></u>	<u><u>\$ 1,739,300</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 473,890</u></u>	<u><u>71.55%</u></u>

**Palmdale Water District**  
**2021 Customer Care Budget**  
For the Ten Months Ending Sunday, October 31, 2021

	YTD ACTUAL 2021	ORIGINAL BUDGET 2021	ADJUSTMENTS 2021	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-10-4000-000 Salaries	\$ 750,091	\$ 1,013,000		\$ 262,909	74.05%
1-10-4000-100 Overtime	1,939	7,500		5,561	25.86%
Subtotal (Salaries)	\$ 752,030	\$ 1,020,500	\$ -	\$ 268,470	73.69%
Employee Benefits					
1-10-4005-000 Payroll Taxes	58,923	80,000		21,077	73.65%
1-10-4010-000 Health Insurance	169,380	233,000		63,620	72.70%
1-10-4015-000 PERS	75,887	96,500		20,613	78.64%
Subtotal (Benefits)	\$ 304,190	\$ 409,500	\$ -	\$ 105,310	74.28%
Total Personnel Expenses	\$ 1,056,221	\$ 1,430,000	\$ -	\$ 373,779	73.86%
OPERATING EXPENSES:					
1-10-4050-000 Staff Travel	\$ 419	\$ 2,000		\$ 1,581	20.97%
1-10-4060-000 Staff Conferences & Seminars	150	3,100		2,950	4.84%
1-10-4155-000 Contracted Services	17,682	25,400		7,718	69.61%
1-10-4230-110 Maintenance & Repair-Office Equipment	-	200		200	0.00%
1-10-4250-000 General Material & Supplies	1,085	5,000		3,915	21.70%
1-10-4260-000 Business Forms	-	1,000		1,000	0.00%
Subtotal Operating Expenses	\$ 19,336	\$ 36,700	\$ -	\$ 17,364	52.69%
Total Departmental Expenses	\$ 1,075,557	\$ 1,466,700	\$ -	\$ 391,143	73.33%



**2021 Capital Projects - Contractual Commitments and Needs**

**Water Quality Fee Funded Projects**

Budget Year	Work Order	Project Title	Project Type	Vendor/Supplier	Approved Contract Amount	Board / Manager Approval	Payments Approved to Date	Contract Balance	Through Dec. 2020	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2021 Total	2022 Carryover
2021	21-401	GAC Replacements @ WTP	Water Quality	Calgon Carbon	-	07/09/2014	371,803	-			107,803							132,000	132,000			371,803	
2021	21-401	GAC Replacement @ Underground Booster Station	Water Quality	Evoqua	-	03/10/2017	72,526	-							72,526							72,526	
<b>Sub-Totals:</b>					-		444,329	-	-	-	107,803	-	-	-	72,526	-	-	132,000	132,000	-	-	444,329	-

- = Projects that originated from 2013 WRB Funds
- = Project had additional funding paid out by the general fund to complete.
- = Project is now deemed complete with no further expense.
- = Projects paid by 2018 WRB Funds

Project Summary (W/O GAC Included)	Totals	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2021 Total
<b>Total Approved Contracts to Date</b>	16,131,401													
<b>Total Payments on Approved Contracts to Date</b>	16,826,235													
<b>Total Contract Balance to Date</b>	2,300,160													
<b>Non-Operating Capital Expenditures (Paid)</b>		1,080,512	57,836	102,503	294,523	36,687	66,737	92,923	92,736	462,678	56,816	-	-	2,343,951
<b>Non-Operating Capital Expenditures (Projected)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Funding Available Through Water Supply Fees</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>2019 Funding Through Budgeted Non-Operating Capital Ex.</b>	2,343,951	1,080,512	57,836	102,503	294,523	36,687	66,737	92,923	92,736	462,678	56,816	-	-	2,343,951

# Water Revenue Bond - Series 2018A

Updated: November 17, 2021

Project	Project #	Description	Bond Allocation	Contractual Commitment	Payout to Date	Over/(Under)	Uncommitted Bond \$
LGCS-ASI	04-501	Littlerock Dam - Grade Control Structure (Construction)	\$ 8,160,257	\$ 10,619,601	\$ 10,697,276	\$ (77,675)	\$ (2,537,019)
		Original Contract Amt: \$9,500,808, C.O.1: \$1,118,792.54					
LGCS-ASP	04-501	Littlerock Dam - Grade Control Structure (Monitoring)		1,238,287	1,059,381	178,906	(1,059,381)
WTP		Water Treatment Plant Improvements	2,375,000		-	-	
6MG		6 M.G. Reservoir Renovations	1,050,000		-	-	
WMR		Various W.M. Replacements	1,789,612		-	-	
PWD		Design, Engineering and Other Preconstruction Costs	173,000		-	-	
WRB		Bond Issuance Costs	226,303		226,303	-	
ISS		Issuance Funds			(12,092)		
Interest Earned through August 31, 2021					(333,521)		
<b>Totals:</b>			<b>\$ 13,774,172</b>	<b>\$ 11,857,888</b>	<b>\$ 11,637,346</b>	<b>\$ 101,230</b>	<b>\$ (3,596,400)</b>
2018A Water Revenue Bonds - Unallocated Funds:				\$ 1,916,284			
2018A Water Revenue Bonds - Remaining Funds to payout:					\$ 2,136,826		

Requisition No.	Payee	Date Approved	Invoice No.	Project	Payment Amount
	Issuance Costs	Jun 27, 2018	N/A	WRB	\$ 226,302.82
	Interest - Jul 2018		N/A	INT	1,384.72
	Interest - Aug 2018		N/A	INT	20,900.39
1	Aspen Environmental Group	Sep 12, 2018	1116.007-01	LGCS-ASP	28,105.88
2	ASI Construction LLC	Sep 18, 2018	01	LGCS-ASI	60,027.00
	Interest - Sep 2018		N/A	INT	21,047.68
3	ASI Construction LLC	Oct 2, 2018	02	LGCS-ASI	156,655.00
4	Aspen Environmental Group	Oct 8, 2018	1116.007-02	LGCS-ASP	51,072.42
5	Aspen Environmental Group	Oct 30, 2018	1116.007-03	LGCS-ASP	56,698.38
	Interest - Oct 2018		N/A	INT	20,838.36
6	ASI Construction LLC	Nov 7, 2018	03	LGCS-ASI	844,455.00
	Interest - Nov 2018		N/A	INT	22,998.40
7	Aspen Environmental Group	Dec 10, 2018	1116.007-04	LGCS-ASP	99,711.66
7	ASI Construction LLC	Dec 10, 2018	04	LGCS-ASI	665,631.99
	Interest - Dec 2018		N/A	INT	21,673.24
8	Aspen Environmental Group	Jan 3, 2019	1116.007-05	LGCS-ASP	67,719.03
9	ASI Construction LLC	Jan 7, 2019	05	LGCS-ASI	1,494,216.00
10	Aspen Environmental Group	Jan 29, 2019	1116.007-06	LGCS-ASP	56,529.35
	Interest - Jan 2019		N/A	INT	22,085.33
11	ASI Construction LLC	Feb 14, 2019	06	LGCS-ASI	338,899.30
	Interest - Feb 2019		N/A	INT	20,485.96
12	Aspen Environmental Group	Feb 28, 2019	1116.007-07	LGCS-ASP	78,799.25
	Interest - Mar 2019		N/A	INT	17,656.62
13	Aspen Environmental Group	Apr 1, 2019	1116.007-08	LGCS-ASP	34,790.67
13	Aspen Environmental Group	Apr 1, 2019	1116.008-01	LGCS-ASP	7,731.53
14	Aspen Environmental Group	Apr 22, 2019	1116.007-09	LGCS-ASP	6,938.12
	Interest - Apr 2019		N/A	INT	19,042.25
15	Aspen Environmental Group	May 15, 2019	1116.007-10	LGCS-ASP	6,958.75
	Interest - May 2019		N/A	INT	18,485.68
	Interest - June 2019		N/A	INT	18,852.79
16	Aspen Environmental Group	Jul 1, 2019	1116.007-11	LGCS-ASP	11,059.71
17	Aspen Environmental Group	Jul 30, 2019	1116.007-12	LGCS-ASP	22,237.47
	Interest - July 2019		N/A	INT	18,017.03
18	Aspen Environmental Group	Aug 27, 2019	1116.007-13	LGCS-ASP	58,421.77
19	ASI Construction LLC	Aug 28, 2019	Chng Order 4	LGCS-ASI	1,118,792.54
	Interest - August 2019		N/A	INT	18,580.51
	Interest - September 2019		N/A	INT	16,527.97
20	ASI Construction LLC	Oct 15, 2019	08	LGCS-ASI	1,361,654.50
	Interest - October 2019		N/A	INT	14,239.81

(Cont.)

Requisition No.	Payee	Date Approved	Invoice No.	Project	Payment Amount
21	Aspen Environmental Group	Oct 31, 2019	1116.007-15	LGCS-ASP	102,968.21
21	Aspen Environmental Group	Oct 31, 2019	1116.008-03	LGCS-ASP	56,104.56
	Interest - November 2019		N/A	INT	11,914.30
22	ASI Construction LLC	Dec 9, 2019	09	LGCS-ASI	248,804.00
22	ASI Construction LLC	Dec 9, 2019	10	LGCS-ASI	1,211,532.61
23	ASI Construction LLC	Dec 17, 2019	11	LGCS-ASI	1,261,127.87
	Interest - December 2019		N/A	INT	9,036.00
24	ASI Construction LLC	Jan 27, 2020	12	LGCS-ASI	1,400,616.68
	Interest - January 2020		N/A	INT	7,605.29
25	Aspen Environmental Group	Feb 27, 2020	1116.007-18	LGCS-ASP	53,544.18
25	Aspen Environmental Group	Feb 27, 2020	1116.008-05	LGCS-ASP	8,792.00
25	ASI Construction LLC	Feb 27, 2020	13	LGCS-ASI	534,863.18
	Interest - February 2020		N/A	INT	5,385.32
26	Aspen Environmental Group	Mar 17, 2020	1116.007-19	LGCS-ASP	34,967.79
	Interest - March 2020		N/A	INT	3,464.69
	Interest - April 2020		N/A	INT	1,547.82
	Interest - May 2020		N/A	INT	420.51
27	Aspen Environmental Group	Jun 4, 2020	1116.007-20	LGCS-ASP	48,831.81
27	Aspen Environmental Group	Jun 4, 2020	1116.007-21	LGCS-ASP	19,843.67
27	Aspen Environmental Group	Jun 4, 2020	1116.007-22	LGCS-ASP	4,265.00
	Interest - June 2020		N/A	INT	224.85
28	Aspen Environmental Group	Jun 4, 2020	1116.007-23	LGCS-ASP	4,374.38
28	Aspen Environmental Group	Jun 4, 2020	1116.007-24	LGCS-ASP	4,424.63
	Interest - July 2020		N/A	INT	183.75
	Interest - August 2020		N/A	INT	162.31
29	Aspen Environmental Group	Sep 23, 2020	1116.007-25	LGCS-ASP	4,927.94
29	Aspen Environmental Group	Sep 23, 2020	1116.007-26	LGCS-ASP	11,126.30
	Interest - September 2020		N/A	INT	103.31
	Interest - October 2020		N/A	INT	62.73
	Interest - November 2020		N/A	INT	42.73
	Interest - December 2020		N/A	INT	30.56
30	Aspen Environmental Group	Jan 20, 2021	1116.007-30	LGCS-ASP	22,482.97
	Interest - January 2021		N/A	INT	32.97
31	Aspen Environmental Group	Feb 9, 2021	1116.007-27	LGCS-ASP	5,857.58
31	Aspen Environmental Group	Feb 9, 2021	1116.007-28	LGCS-ASP	9,502.23
	Interest - February 2021		N/A	INT	57.28
32	Aspen Environmental Group	Mar 1, 2021	1116.007-31	LGCS-ASP	8,042.16
	Interest - March 2021		N/A	INT	51.10
	Interest - April 2021		N/A	INT	56.38
33	Aspen Environmental Group	May 5, 2021	1116.007-33	LGCS-ASP	7,892.94
34	Aspen Environmental Group	May 13, 2021	1116.007-34	LGCS-ASP	3,557.50
	Interest - May 2021		N/A	INT	54.55
	Interest - June 2021		N/A	INT	56.29
35	Aspen Environmental Group	Jul 1, 2021	1116.007-35	LGCS-ASP	5,252.50
36	Aspen Environmental Group	Jul 6, 2021	1116.007-29	LGCS-ASP	6,168.50
36	Aspen Environmental Group	Jul 6, 2021	1116.007-32	LGCS-ASP	24,575.68
	Interest - July 2021		N/A	INT	48.87
37	Aspen Environmental Group	Aug 5, 2021	1116.007-36	LGCS-ASP	5,538.65
38	Aspen Environmental Group	Aug 19, 2021	1116.007-37	LGCS-ASP	4,120.00
	Interest - August 2021		N/A	INT	55.00
	Interest - September 2021		N/A	INT	54.96
39	Aspen Environmental Group	Oct 20, 2021	1116.007-38	LGCS-ASP	15,446.25
	Interest - October 2021		N/A	INT	53.10





**P A L M D A L E   W A T E R   D I S T R I C T**  
**B O A R D   M E M O R A N D U M**

**DATE:** November 16, 2021 **November 23, 2021**  
**TO:** FINANCE COMMITTEE **Committee Meeting**  
**FROM:** Mr. Dennis Hoffmeyer, Finance Manager  
**FROM:** Mr. Dennis D. LaMoreaux, General Manager  
**RE:** ***AGENDA ITEM NO. 4.6 – CONSIDERATION AND POSSIBLE ACTION ON A RECOMMENDATION REGARDING RESOLUTION NO. 21-26 BEING A RESOLUTION OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT ESTABLISHING ITS INVESTMENT POLICY. (NO BUDGET IMPACT – FINANCE MANAGER HOFFMEYER/FINANCIAL ADVISOR EGAN)***

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**Recommendation:**

Staff recommends the Committee recommend approval to the full Board of Resolution No. 21-26 Establishing the Palmdale Water District’s Investment Policy.

**Alternative Options:**

There is no alternative option.

**Impact of Taking No Action:**

The District will not have a current Investment Policy in effect.

**Background:**

It is required by law for the District to adopt an annual Investment Policy. The Policy is to invest funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the District and conforming to all statutes governing the investment of District funds with the primary objectives of the investment activities being safety, liquidity, and return on investments.

**Strategic Plan Initiative/Mission Statement:**

This item is under Strategic Initiative No. 4 – Financial Health and Stability.  
This item directly relates to the District’s Mission Statement.

**Budget:**

There is no budget impact from this item.

**Supporting Documents:**

- Resolution No. 21-26 – A Resolution of the Board of Directors of the Palmdale Water District Establishing its Investment Policy



## **RESOLUTION NO. 21-26**

### **A RESOLUTION OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT ESTABLISHING ITS INVESTMENT POLICY**

#### **1.0 POLICY**

**WHEREAS;** the Legislature of the State of California has declared that the deposit and investment of public funds by local officials and local agencies is an issue of statewide concern; and

**WHEREAS;** the legislative body of a local agency may invest monies not required for the immediate necessities of the local agency in accordance with the provisions of California Government Code Sections 5922 and 53601 et seq.; and

**WHEREAS;** the Deputy Treasurer of the Palmdale Water District ("District") shall annually prepare and submit a statement of investment policy and such policy, and any changes thereto, and report same to the Finance Committee, and it shall be considered by the Board of Directors at a public meeting;

**NOW THEREFORE;** it shall be the policy of the District to invest funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the District and conforming to all statutes governing the investment of District funds.

#### **2.0 SCOPE**

This investment policy applies to all investment activities and financial assets of the District. These funds are accounted for in the annual district audit.

#### **3.0 PRUDENCE**

The standard of prudence to be used by investment officers shall be the "prudent investor" standard, pursuant to California Government Code 53600.3, and shall be applied in the context of managing an overall portfolio. Persons authorized to make investment decisions on behalf of local agencies investing public funds are trustees and therefore fiduciaries subject to the prudent investor standard. Investments shall be made with judgment and care, under circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the District, which persons of prudence, discretion and intelligence exercise in the management of their own affairs; not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

#### **4.0 OBJECTIVES**

When investing, reinvesting, purchasing, acquiring, exchanging, selling and managing public funds, the primary objectives, in priority order, of the investment activities shall be:

1. Safety: Safety of principal is the foremost objective of the investment program. Investments of the District shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, the District will diversify its investments by investing funds among a variety of securities with independent returns.

2. Liquidity: The investment portfolio will remain sufficiently liquid to enable the District to meet all operating requirements which might be reasonably anticipated.

3. Return on Investments: The investment portfolio shall be designed with the objective of attaining a acceptable rate of return throughout budgetary and economic cycles, taking into account the District's investment risk constraints and the cash flow characteristics of the portfolio.

#### **5.0 DELEGATION OF AUTHORITY**

Pursuant to California Government Code 53607, the authority to invest public funds of the District is expressly delegated to the Board of Directors of the District (the "Board"). The Board re-delegates the investment function to the Board President or Vice President. The Board President or Vice President, with the concurrence of the Board Finance Committee, designate the District's Financial Advisor as the Deputy Treasurer who shall have the authority to act on behalf of the District and shall assume full responsibility for those transactions until the delegation is revoked or expires. The Board President or Vice President shall delegate the day-to-day operations of investing to the Deputy Treasurer, but not the responsibility for the overall investment program. All transactions will be reviewed by the Finance Committee on a monthly basis to assure compliance with this Investment Policy.

#### **6.0 ETHICS AND CONFLICTS OF INTEREST**

The Board, officers and employees of the District involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or which could impair their ability to make impartial investment decisions.

#### **7.0 AUTHORIZED FINANCIAL INSTITUTIONS AND DEALERS**

The Deputy Treasurer will maintain a list of financial institutions, selected on the basis of credit worthiness, financial strength, experience and minimal capitalization, authorized to provide investment services to the District. In addition, a list will also be maintained of approved security broker/dealers selected by credit worthiness who are authorized to provide investment and financial advisory services in the State of California. No public deposit shall be made except in a qualified public depository as established by state laws.

For brokers/dealers of government securities and other investments, the District shall select only broker/dealers who are licensed and in good standing with the California Department of Business Oversight, the Securities and Exchange Commission, the Financial Industry Regulatory Authority or other applicable self-regulatory organizations.

Before engaging in investment transactions with a broker/dealer, the Deputy Treasurer shall have received from said firm a signed Certification Form. This form shall attest that the individual responsible for the District's account with that firm has reviewed the District's Investment Policy and that the firm understands this policy and intends to present investment recommendations and transactions to the District that are appropriate under the terms and conditions of this Investment Policy. A current audited financial statement is required to be on file for each financial institution and broker/dealer in which the District invests.

Further, all financial institutions and broker/dealers who desire to conduct investment transactions with the District must supply the Deputy Treasurer with a Certification Form and other documents as the Deputy Treasurer may reasonably deem necessary to make a determination that such financial institution or broker/dealer is reputable and trustworthy.

## **8.0 AUTHORIZED AND SUITABLE INVESTMENTS**

The District is empowered by California Government Code 53601 et seq. to invest in the following:

- a. Bonds issued by the District.
- b. United States Treasury Bills, Notes and Bonds.
- c. Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by, or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.
- d. Negotiable certificates of deposit issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by Section 5102 of the Financial Code), or by a state-licensed branch of a foreign bank. Purchases of negotiable certificates of deposit may not exceed 60% of the District's money which may be invested pursuant to this policy.
- e. Monies held by a trustee or fiscal agent and pledged to the payment or security of bonds or other indebtedness, or obligations under a lease, installment sale, or other agreement of a local agency, or certificates of participation in those bonds, indebtedness, or lease installment sale, or other agreements, may be invested in accordance with the statutory provisions governing the issuance of those bonds, indebtedness, or lease installment sale, or other agreement, or to the extent not inconsistent therewith or if there are no specific statutory provisions, in accordance with the ordinance, resolution, indenture, or agreement of the local agency providing for the issuance.

- f. Bonds, notes, warrants or other evidence of debt issued by a local agency within the State of California, including pooled investment accounts sponsored by the State of California, County Treasurers, other local agencies or Joint Powers Agencies.

Such investments shall be limited to securities that at the time of the investment have a term remaining to maturity of five years or less, or as provided above.

The District shall not invest any funds covered by this Investment Policy in inverse floaters, range notes, interest-only strips derived from mortgage pools or any investment that may result in a zero interest accrual if held to maturity.

## **9.0 COLLATERALIZATION**

All certificates of deposit must be collateralized by United States Treasury Obligations. Collateral must be held by a third party trustee and valued on a monthly basis. The percentage of collateralizations on repurchase and reverse agreements will adhere to the amount required under California Government Code 53601(j)(2).

## **10.0 SAFEKEEPING AND CUSTODY**

All security transactions entered into by the District shall be conducted on delivery-versus-payment (DVP) basis. All securities purchased or acquired shall be delivered to the District by book entry, physical delivery or by third party custodial agreement evidence by safekeeping receipts.

## **11.0 DIVERSIFICATION**

The District will diversify its investments by security type and institution. Assets shall be diversified to mitigate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer or a specific class of securities.

Diversification strategies shall be reviewed and revised periodically. In establishing specific diversification strategies, the following general policies and constraints shall apply:

- a. Portfolio maturity dates shall be matched versus liabilities to avoid undue concentration in a specific maturity sector.
- b. Maturities selected shall provide for stability of income and liquidity.
- c. Disbursement and payroll dates shall be covered through maturities of investments, marketable United States Treasury bills or other cash equivalent instruments such as money market mutual funds.

**12.0 REPORTING**

The Deputy Treasurer, after review by the Finance Committee, shall submit to each member of the Board an investment report at least quarterly. Pursuant to California Government Code 53646, the report shall include a complete description of the portfolio, the type of investments, the issuers, maturity dates, par values and the current market values of each component of the portfolio, including funds managed for District by third party contracted managers. The report will also include the source of the portfolio valuation. For funds which are placed in LAIF, FDIC-insured accounts and/or in a county investment pool, the foregoing report elements may be replaced by copies of the latest statements from such institutions. The report must also include a certification that (1) all investment actions executed since the last report have been made in full compliance with the Investment Policy, and (2) the District will meet its expenditure obligations for the next six months. The Deputy Treasurer shall maintain a complete and timely record of all investment transactions.

**13.0 INVESTMENT POLICY ADOPTION**

This Investment Policy shall be adopted by resolution of the District. Moreover, the Policy shall be reviewed on an annual basis, and modifications must be approved by the Board.

**PASSED, APPROVED, AND ADOPTED** at a Regular Meeting of the Board of Directors of Palmdale Water District held on \_\_\_\_\_. Resolution No. 21-26 was adopted by the following vote:

**AYES:**

**NOES:**

**ABSTAIN:**

\_\_\_\_\_  
President, Board of Directors  
Palmdale Water District

ATTEST:

\_\_\_\_\_  
Secretary of the Board of Directors

APPROVED AS TO FORM:

\_\_\_\_\_  
Aleshire & Wynder, General Counsel



STATE OF CALIFORNIA            )  
  )  
COUNTY OF LOS ANGELES        )        ss.

I, Kathy Mac Laren-Gomez, Secretary of the Palmdale Water District, DO HEREBY CERTIFY that the foregoing is a full, true and correct copy of Resolution No. 21-26 of the Board of Directors of Palmdale Water District adopted at a Regular Meeting held on \_\_\_\_\_ and that the same has not been amended or repealed.

\_\_\_\_\_  
Secretary, Board of Directors  
Palmdale Water District

DATED: \_\_\_\_\_

( S E A L )



UBS Financial Services Inc.  
515 S. Flower St Suite 50  
Los Angeles, CA 90071  
Tel: 213-253-5235  
Email: ruby.mardueno@ubs.com

<http://www.ubs.com/team/giordano>


Finance Committee  
Palmdale Water District  
2029 East Ave Q  
Palmdale, CA 93550

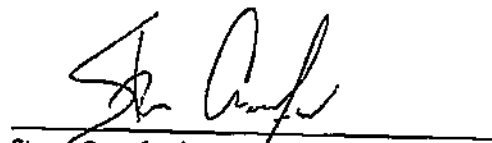
November 16, 2021

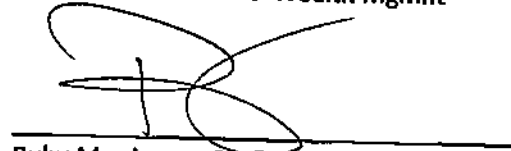
Dear Sirs:

This letter certifiers that I have read and understand the Palmdale Water District Investment Policy. I will present investment recommendations and transactions that are appropriate under its terms and conditions.

Sincerely,

  
James Giordano, CFP®, CRPS®  
Senior Vice President- Wealth Mgmnt

  
Steve Crawford, CRPS®  
First Vice President - Wealth Mgmnt

  
Ruby Mardueno, CFP®  
Team Administrator

**PALMDALE WATER DISTRICT  
BOARD MEMORANDUM**

**DATE:** November 18, 2021 **November 23, 2021**  
**TO:** FINANCE COMMITTEE **Committee Meeting**  
**FROM:** Mr. Dennis J. Hoffmeyer, Finance Manager/CFO  
**RE:** ***AGENDA ITEM NO. 4.7 – CONSIDERATION AND POSSIBLE ACTION  
ON A RECOMMENDATION REGARDING THE DISTRICT’S  
AUDITING SERVICES FOR YEARS 2021, 2022, AND 2023. (\$ - TO BE  
DETERMINED – FINANCE MANAGER HOFFMEYER)***

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Information for this item will be distributed at or before the Committee meeting.

**PALMDALE  
WATER DISTRICT  
BOARD MEMORANDUM**

**DATE:** November 18, 2021 **November 23, 2021**  
**TO:** Finance Committee **Committee Meeting**  
**FROM:** Dennis J. Hoffmeyer, Finance Manager/CFO  
**VIA:** Mr. Dennis LaMoreaux, General Manager  
**RE:** *AGENDA ITEM 5.1 – REPORTS*

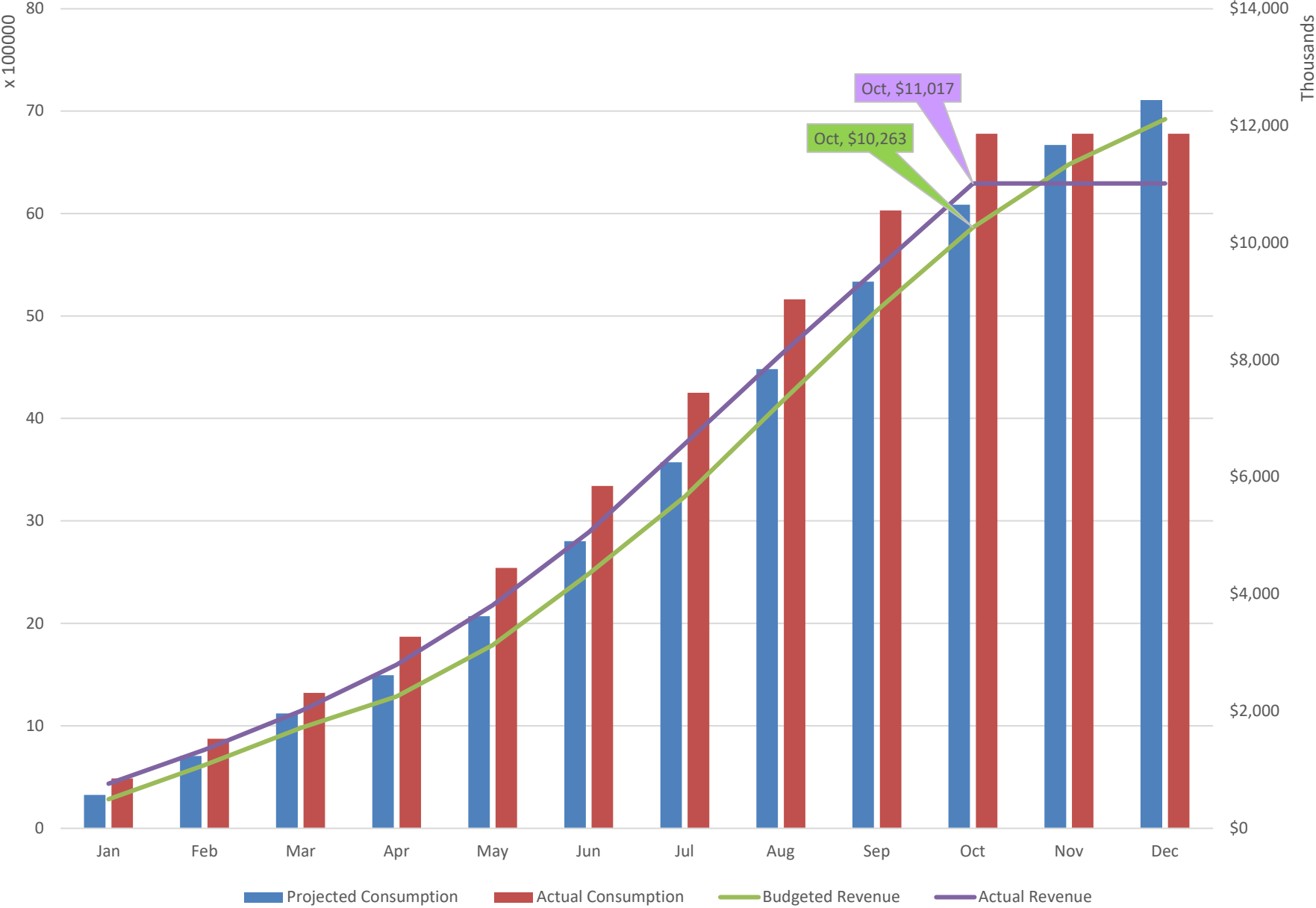
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**Discussion:**

Presented here are financial related items for your review.

1. Effects of COVID-19 event.
  - a. As of October 31, 2021, we have 1,930 single family accounts with a past due balance over 60 days with amounts greater than \$50.00. Total outstanding for those accounts at 60+ days is \$1,249,366. At September 30, 2021, there were 1,770 single family accounts same stat with an outstanding balance of \$1,146,665. August's total is an 8.96% increase over September.  
  
At October 31, 2020, there were 1,274 single family accounts same stat with an outstanding balance of \$562,554.
  - b. Cash received for the month of October 2021 was \$(195,382), or -6.60% less than September 2021, and \$(41,505), or -1.48% less than August 2021, and \$108,470, or 4.08% higher than October 2020.
2. Revenue Projections (attachment).
  - a. Revenue projections for 2021 based on selling 16,317 AF shows as of October 31<sup>st</sup> revenue is ahead of projections by approximately \$754K.

2021 Revenue Projections Based on 16,317 AF



**PALMDALE WATER DISTRICT**  
**Debt Service Coverage (\$000s)**

	Audited 2017	Audited 2018	Audited 2019	Audited 2020	Sep 2020 - Aug 2021	Oct 2020 - Sep 2021	Nov 2020 - Oct 2021
<b>OPERATING REVENUES</b>	23,693	24,884	25,166	27,653	29,866	30,017	30,104
Rate Stabilization Fund				(100)			
	23,693	24,884	25,166	27,553	29,866	30,017	30,104
<b>OPERATING EXPENSES</b>							
Gross operating expenses	23,054	24,436	25,092	25,282	25,955	26,040	27,202
Overhead adjustment	(46)	(103)	(1,049)	(558)			
SWP Fixed operations and maint	(26)	(22)	(23)	(38)	(34)	(32)	(30)
Non-Cash Related OPEB Expense	(1,384)	(959)	(865)	(1,171)			
Capital portion included above							
<b>TOTAL EXPENSES</b>	21,597	23,351	23,155	23,516	25,921	26,008	27,172
<b>NET OPERATING REVENUES</b>	2,096	1,533	2,010	4,037	3,946	4,009	2,932
<b>NON-OPERATING REVENUE</b>							
Ad valorem property taxes	2,289	2,436	2,508	2,409	2,444	2,444	2,444
Interest income	56	292	452	171	123	124	122
Capital improvement fees	1,021	107	624	1,235	3,218	4,406	4,428
Other income	363	121	72	43	427	405	348
<b>TOTAL NON-OPERATING INCOME</b>	3,730	2,956	3,656	3,859	6,212	7,378	7,343
<b>NET REV AVAILABLE FOR DEBT SERVICE</b>	5,826	4,489	5,666	7,896	10,157	11,387	10,275
<b>NET DEBT SERVICE</b>							
1998 Certificates of Participation							
2004A Certificates of Participation							
2012 Issue - Bank of Nevada	1,373	1,370	1,373	1,261	1,373	1,373	1,373
2013A Water Revenue Bond	2,351	2,351	2,346	2,346	1,845	1,845	1,845
2018A Water Revenue Bond		147	569	569	569	569	569
2020 Private Placement					279	279	279
2020 Water Revenue Refunding Bond					160	160	160
2021 Water Revenue Bond							
2021 Water Revenue Refunding Bond							
2017 Capital Lease	89	179	179	179	179	179	179
2012 Capital Lease	48						
<b>TOTAL DEBT SERVICE</b>	3,861	4,047	4,467	4,355	4,406	4,406	4,406
<b>DEBT SERVICE COVERAGE</b>	<b>1.51</b>	<b>1.11</b>	<b>1.27</b>	<b>1.81</b>	<b>2.31</b>	<b>2.58</b>	<b>2.33</b>
<b>NET REV AVAILABLE AFTER D/S</b>	1,965	443	1,199	3,541	5,751	6,981	5,868