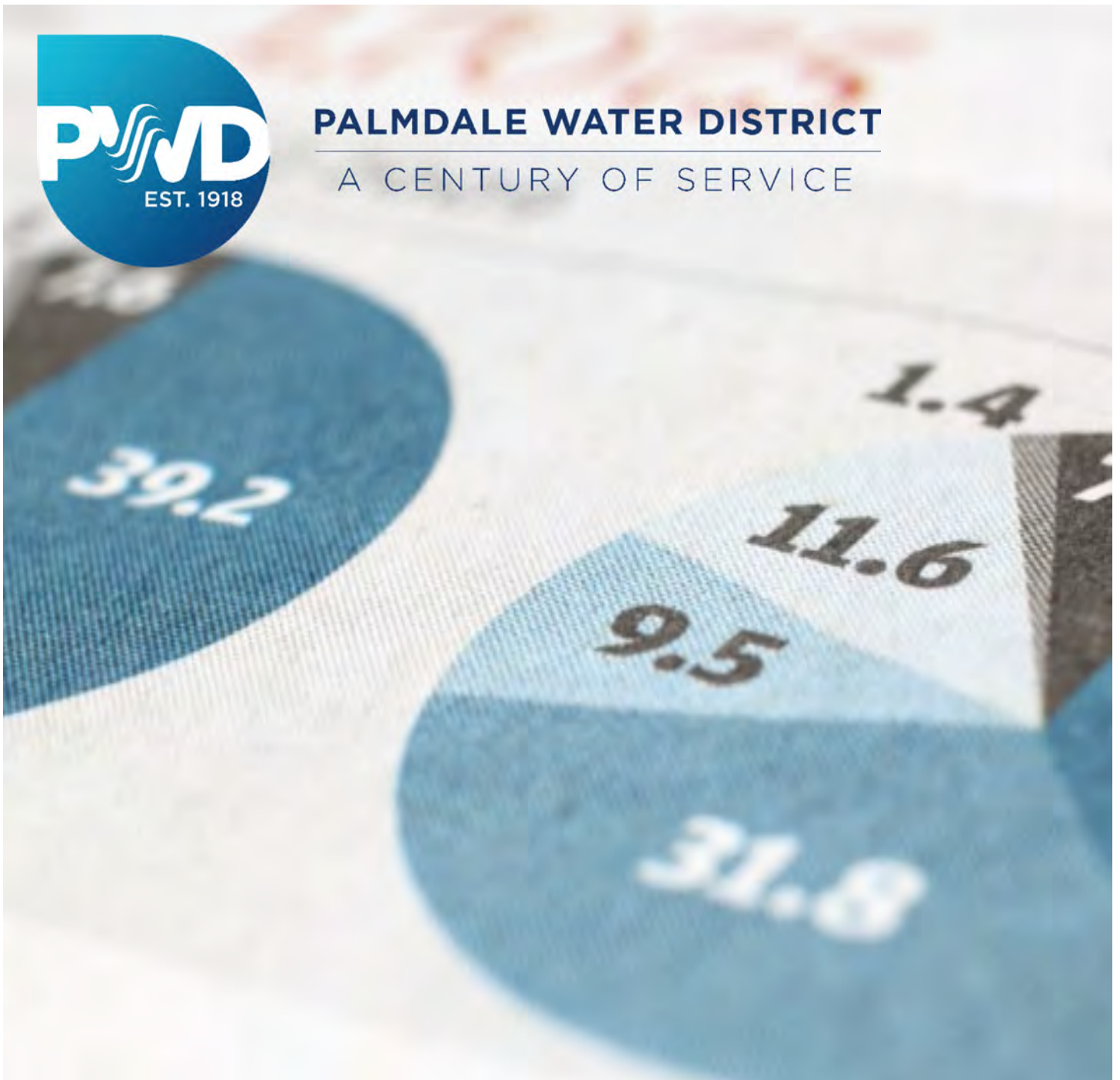




PALMDALE WATER DISTRICT
A CENTURY OF SERVICE



OPERATING BUDGET – Calendar Year 2023

(Adopted: November 14, 2022)

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



PALMDALE WATER DISTRICT

A CENTURY OF SERVICE

BOARD OF DIRECTORS

W. SCOTT KELLERMAN
Division 1

DON WILSON
Division 2

GLORIA DIZMANG
Division 3

KATHY MAC LAREN
Division 4

VINCENT DINO
Division 5

DENNIS D. LaMOREAUX
General Manager

ALESHIRE & WYNDER LLP
Attorneys



On behalf of the Palmdale Water District Board of Directors, I am pleased to present the budget for Calendar Year (CY) 2023 approved November 14, 2022.

Palmdale Water District expects operating revenues of \$32.6 million with \$29.86 million of operating expenses. Planned capital expenditures are \$2.16 million, and financial obligations for payment of principal and interest on debt are \$5.15 million. Budgeted salary and benefits expense are more compared to CY 2022.

The CY 2023 Budget addresses the Board of Directors' updated 2022 Strategic Plan, the ongoing issues related to the COVID-19 pandemic, mandatory drought restrictions, and the continued implementation of the Antelope Valley Adjudication Judgement. Palmdale Water District continues its focus on essential services and improvements that will provide efficiency and productivity gains, deliver excellent customer care, and lay the foundation for a more diversified and drought-resistant water supply portfolio.

This year's presentation of the Budget incorporates the various styles from prior years. The Introduction, Budget Summary, Basis of Budget, Departments, and Appendix all assist readers with easily accessible information. More detailed information is always available at www.palmdalewater.org or from Palmdale Water District staff. Please feel free to contact me or the Finance Department staff if you have any questions.

Very truly yours,

DENNIS D. LaMOREAUX,
General Manager

DDL/ddl

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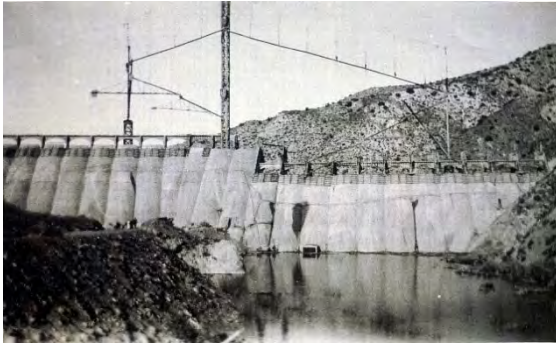
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INTRODUCTION

Thank you for your interest in Palmdale Water District (PWD) and its approved 2023 Budget. The following provides an overview of the 2023 Budget and how it relates to the 2022 Strategic Plan.



Palmdale Water District was formed in 1918 by a vote of its customers as an Irrigation District under Division 11 of the California Water Code. It previously served the community of Palmdale as various forms of a private company for over 30 years. As a public agency, it formed a partnership with neighboring Littlerock Creek Irrigation District to finance and build Littlerock Dam. The pictures on this page show this major step for the community, the work done 70 years later to strengthen and raise the Dam, and how it looks now.

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



Palmdale Water District celebrated its centennial in July 2018. This accomplishment was recognized through a variety of ways in the year preceding the 100th anniversary. These included monthly public tours of Littlerock Dam and Reservoir and the Leslie O. Carter Water Treatment Plant; a series of displays highlighting events in each decade in both the District lobby and Palmdale City Library; a video series explaining the District's history and projects; and a well-attended celebration on the actual anniversary. The District retains a focus on providing a critical service to the community in its second century of service through the approved 2023 Budget. The focus is detailed in the District's 2022 Strategic Plan and in its Mission and Vision statements.



PALMDALE WATER DISTRICT
A CENTURY OF SERVICE

MISSION

Providing high-quality water to our current and future customers at a reasonable cost.

VISION

To strive for excellence in providing high-quality, reasonably priced water in a growing Antelope Valley by participating in local and regional water issues as a strong advocate for our customers, public education, asset management, water-use efficiency, planning and securing additional water supplies; continuing our commitment to operate efficiently with the help of emerging technologies; challenging, motivating, and rewarding our employees; and offering premium customer care in all we do.

STRATEGIC PLAN

The District's Strategic Plan is initiative based so it remains dynamic and matches the ever-changing environmental conditions. Below are the initiative categories that were established in 2014 and updated every two years. The 2016 update added an initiative focused on finances. This is a true reflection and recognition of the fact that providing essential services for our customers requires a solid financial footing. 2022, 2020, and 2018 updates follow the same categories that were established in the 2016 update.

2022 STRATEGIC PLAN

The following is a list of the Strategic Initiatives that includes the more specific areas of focus through policy development and projects. The Strategic Initiatives were established through involvement with the Board of Directors and Management Staff. The six (6) Strategic Initiatives serve as the driving force behind the CY 2023 Budget.



Water Resource Reliability (Resilience, Development, Partnership)

- Support and participate with local agencies in the development of projects and policies that improve water resources, storage, and reliability.
- Maximize state and federal funding opportunities for Pure Water AV.
- Support projects and initiatives that increase the resilience of the State Water Project.
- Develop water storage options for State Water Project supplies and improve groundwater capture capabilities.
- Strengthen Littlerock Dam stakeholder relationships and continue Littlerock Reservoir Sediment Removal Project.



Organizational Excellence (Train, Perform, Reward)

- Offer competitive compensation and benefits package for employee retention.
- Focus Succession Planning Program on ensuring an overlap of training for key positions.
- Continue providing transparency to ratepayers through training for the ongoing achievement of the Districts of Distinction certification.
- Encourage cohesiveness, transparency, and integrity within the staff through Codes of Conduct and increased accountability.
- Ensure employees are trained on the Strategic Plan and Core Values of Diversity, Integrity, Teamwork, and Passion.
- Improve safety for Directors, employees, and customers.
- Develop career paths at the District for interns and pursue state and federal funding for intern programs.
- Cultivate a positive culture and increase employee engagement.



Systems Efficiency (Independence, Technology, Research)

- Explore energy independence and evaluate the feasibility of energy options, including wind and solar.
- Incorporate more energy efficient technologies into the District's infrastructure.
- Research state-of-the-art treatment techniques to enhance systems efficiency.
- Re-evaluate Lake Palmdale by-pass pipeline and pursue funding options.
- Improve Palmdale Ditch to reduce water loss.



Financial Health and Stability (Strength, Consistency, Balance)

- Pursue grant funding for District projects and operations.
- Maintain the five-year financial plan adopted as part of the 2019 Water Rate Study, including the five-year Capital Improvement Plan.
- Conduct and adopt a 2024 five-year Water Rate Plan.
- Build adequate reserve levels and achieve high-level bond rating.
- Seek potential revenue sources from vacant District properties.
- Monitor finances, operations, and projects affected by emergencies.
- Digitize and document departmental workflows.

2022 STRATEGIC PLAN (cont.)



Regional Leadership (Engage, Lead, Progress)

- Continue to provide opportunities and information for local businesses and agencies to contract with the District.
- Continue to collaborate with neighboring water agencies and move to include more agencies throughout and outside of the Antelope Valley through Greater Antelope Valley Mutual Response Agreements and emergency response exercises.
- Develop working relationships and mutually beneficial projects with other water agencies in the District's region.
- Develop strategies, alliances, and funding to make Littlerock Dam and Reservoir recreational again.
- Continue Memorandum of Understanding with United Water Conservation District to combine political forces to obtain grant funding and research other joint cooperative regional efforts.
- Continue representation on larger regional organizations such as the California Special Districts Association (CSDA) and the Association of California Water Agencies (ACWA) and assist with the growth and influence of the Special Districts Association of North Los Angeles County, a CSDA local chapter.



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

- Enhance customers' experience through communication and feedback.
- Expand and market additional payment options.
- Continue to increase public awareness of current programs and services through traditional and new media platforms.
- Engage elected officials and the public on the importance of local and state water reliability issues.
- Complete conversion to an Advanced Metering Infrastructure (AMI) to increase customers' knowledge of water use and promote customer self-help portal.
- Continue to increase public awareness of the ongoing drought and the importance of conservation efforts.
- Publicize, engage, and educate the community about Pure Water AV.

OPERATING BUDGET OVERVIEW – Recovering Demands and Controlled Expenses

The District's CY 2023 Operating Revenues are budgeted at just over \$32.6 million and is roughly \$850,000 more than the CY 2022 Budget. Operating Revenues by category are summarized below:

	CY 2022 BUDGET	CY 2023 BUDGET	% Change
OPERATING REVENUES:			
Water consumption sales	\$ 13,115,350	\$ 12,309,000	(6.1%)
Monthly meter service charge	16,490,000	18,140,000	10.0%
Water quality fees	851,700	600,000	(29.6%)
Elevation Fees	390,550	350,000	(10.4%)
Other water service charges	900,000	1,200,000	33.3%
TOTAL OPERATING REVENUES:	\$ 31,747,600	\$ 32,599,000	2.7%

The District's CY 2023 Operating Expenses are budgeted just over \$29.3 million, compared to \$26.4 million in the CY 2022 budget. Operating Expenses by category are summarized below:

OPERATING EXPENSES:			
Source of supply - purchased water	\$ 4,152,921	\$ 3,205,000	(22.8%)
Directors	162,914	194,500	19.4%
Administration	4,683,935	5,028,764	7.4%
Engineering	1,667,211	1,964,775	17.8%
Facilities	6,278,142	8,461,136	34.8% ¹
Operations	3,578,644	3,787,623	5.8%
Finance	1,696,930	1,966,077	15.9% ¹
Water-Use Efficiency	406,847	354,172	(12.9%)
Human Resources	535,607	734,412	37.1%
Information Technology	1,825,946	1,981,477	8.5% ¹
Customer Care	1,454,576	1,615,876	11.1%
TOTAL OPERATING EXPENSES:	\$ 26,443,673	\$ 29,293,812	10.8%

The CY 2023 capital portion of the budget includes potential expenditures of \$6.90 million. This includes approximately \$2.16 million in capital projects started in prior years along with new capital projects and \$4.75 million in capital projects covered by the 2021 WRB Issue, \$200,000 for sediment removal at Littlerock Dam and \$400,000 in plant expenditures.

REVENUES

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

The District is projecting customer usage of 14,500 acre-feet of potable water sales for CY 2023, while the projected potable water sales for CY 2022 was 17,000 acre-feet. This projected usage is in compliance with the mandatory drought conservation order established by the state of California in April 2022.

Tiered Commodity Rates (\$/CCF)

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

Monthly Meter Charge

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

The CY 2023 Budget also continues the District's effort to control the costs related to the water quality and moving water to customers at higher elevations. Both costs are shown separately on our customers' water bills. This provides transparency and accountability for these expenses and charges.

The water quality fee is largely controlled by the cost of Granular Activated Carbon (GAC). In 2014, the District negotiated a long-term contract related to the purchase expense for GAC used during the water treatment process. The water quality expenses were also put into a five-year running average to avoid any large changes in costs to customers. These have allowed the District to reduce the water quality fee from the initial \$0.20/ccf to \$0.13/ccf in 2016, \$0.12/ccf in 2017 and \$0.11/ccf in 2018. This fee in 2021 decreased to \$0.09/ccf and remains the same for 2022. In 2023, this fee will be set at \$0.08/ccf.

(Continued next page)

District staff also continually reviews Edison rate structures to minimize the cost of moving water to higher elevations. This includes optimized run times to take advantage of lower power costs during off-peak times and proactive maintenance schedule of booster and well facilities to lessen the impact on expenses related to emergency equipment failures. The costs were also put into five-year running averages to avoid large changes in costs to customers. These actions have allowed the District to control the elevation booster surcharges for ratepayers living in higher elevation zones.

	CY 2021	CY 2022	CY 2023
Water Quality Fee (\$/ccf)	0.09	0.09	0.08
Elevation Booster Surcharge (\$/ccf)			
Base	-	-	-
Zone A1	0.08	0.09	0.09
Zone A2	0.61	0.59	0.60
Zone A3	1.23	1.17	1.15

EXPENSES

The CY 2023 operating expenses show an overall increase from the 2022 Budget. One area that has an increase is salaries due to the cost-of-living adjustment to compensate for inflation. Healthcare plans for 2023 had a slight decrease in premiums from Anthem while the Kaiser plans increased.

When looking at major expenses, most of this increase will be related to water production and treatment. 2022 saw very little expense related to purchased water costs due to drought conditions. However, the District saw major increases in electricity and natural gas expenses (water production from wells) and chemicals costs associated with treatment. The District anticipates this will continue into 2023 if the drought conditions persist. Overall, we expect general expense cost increases across the board as it relates to shortages in the supply chain along with continued inflation.

The District will continue to reach out to the ratepayers in 2023 with various programs that will educate and involve the community. The programs will include offering rebates for landscape conversions, educational presentations at schools (virtual), public tours of PWD facilities (if permitted), water-saving workshops, and quarterly newsletters. The 2023 Budget allocates \$100,000 for rebate programs to assist customers with landscape conversion and replacement of inefficient indoor appliances. To ensure that our ratepayers are properly informed about District operations and available programs, the 2023 Budget also includes \$36,000 for the quarterly publication of “The Pipeline,” an external newsletter.

CAPITAL PROJECTS

As previously stated, the CY 2023 capital portion of the budget includes potential expenditures of \$6.90 million. They are summarized on Pages 21-24 in the “Basis of the Budget” section. The total includes expenditures for projects, equipment, and planning studies that were contractually committed in 2021/22 but will be finished and expensed in 2023. All the carry-over projects, contractually committed as well as plant expenditures, are shown in the tables on Page 21. Pages 22 contains the list of new project requests identified for 2023 in the 2019 Water Rate Study.

Continuing PWD’s commitment to the orderly replacement of capital infrastructure, which is part of the District’s Strategic Plan, staff will focus on replacing and upgrading necessary water production, storage, and distribution infrastructure as well as invest in new information technology. The approved Capital Expenditures Budget contains plant expenditures of \$400,000 that are related to safety and regulatory requirements and equipment replacement, and \$2,155,716 for replacement capital/equipment.

The 2021A Series Water Revenue Bond provided \$10,000,000 in funding to assist with the completion of the District’s long-term capital projects. This includes waterline replacement, installation of a new well site, and a new booster pump station. The 2023 budget has the potential expenditures for these projects in the amount of \$4,753,135.

The District has also included on pages 23 and 24 a listing of future project expenditures, broken down by category, that are currently deferred without funding or will be funded in future years.

BUDGET SUMMARY

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Summary of Revenues and Expenditures – 2023 Budget

Cash Basis (14,500 Ac. Ft.)		
Activity	Estimated Cash Revenues	Estimated Cash Expenditures
Net Water Sales	\$ 12,309,000	
Meter Fees	18,140,000	
Elevation Fees	350,000	
Other Operating Revenue	1,200,000	
Water Quality Fees (Restricted Use)	600,000	
(Increase)/Decrease in Cash (From Operating)	(2,140,188)	
Directors		\$ 194,500
Administration		5,028,764
Engineering		1,964,775
Facilities		8,461,136
Operations		3,787,623
Finance		1,966,077
Water-Use Efficiency		354,172
Human Resources		734,412
Information Technology		1,981,477
Customer Care		1,615,876
Water Purchases		2,455,000
Plant Expenditures & Sediment Removal		600,000
Water Quality Expense (GAC)		750,000
Adjustments Related to Expense Posting (Projected)		565,000
SUBTOTAL OPERATING	\$ 30,458,812	\$ 30,458,812
Projected Beginning Cash - 01/01/2023	\$ 12,858,396	
Assessments received	10,000,000	
Capital Improvement Fees	550,000	
DWR Refund (Capital Related)	175,000	
State Grants	1,100,000	
Interest on Investments	130,000	
Other Income	25,000	
Payments for State Water Project		6,598,816
Principal Paid on Long-Term Debt		2,615,645
Interest Paid on Long-Term Debt		2,004,215
Capital Leasing		527,401
Investments in PRWA		25,000
Water-Use Efficiency		100,000
Acquisition of Property, Plant & Equipment		2,121,757
	\$ 24,838,396	\$ 13,992,834
Projected Ending Cash - Non-Operating	10,845,562	
Rate Stabilization Fund	(100,000)	
Increase/(Decrease) in Cash (From Operating)	2,140,188	
Projected Ending Cash - 12/31/2023	12,885,750	
Less Restricted Cash	-	
Available Operating Cash - 12/31/2023	\$ 12,885,750	

Summary of Revenues and Expenditures – 2022 Projected

Cash Basis (14,500 Ac. Ft.)		
Activity	Estimated Cash Revenues	Estimated Cash Expenditures
Net Water Sales	\$ 11,800,000	
Meter Fees	16,800,000	
Elevation Fees	362,000	
Other Operating Revenue	1,276,000	
Water Quality Fees (Restricted Use)	629,500	
Adjustments Related to Receipt of Cash	-	
(Increase)/Decrease in Cash (From Operating)	(1,669,306)	
Directors		\$ 163,019
Administration		4,633,371
Engineering		1,640,162
Facilities		7,655,836
Operations		3,552,887
Finance		1,822,066
Water-Use Efficiency		279,173
Human Resources		481,068
Information Technology		1,622,521
Customer Care		1,460,115
Water Purchases		1,998,375
Water Quality Expense (GAC)		435,600
Littlerock Dam Sediment Removal Project		2,794,000
Plant Expenditures		160,000
Adjustments Related to Expense Posting (Prior Year)		500,000
SUBTOTAL OPERATING	\$ 29,198,194	\$ 29,198,194
Projected Beginning Cash - 01/01/2022	\$ 14,583,450	
Assessments received	9,692,500	
Capital Improvement Fees	1,576,651	
DWR Refund (Capital Related)	349,339	
State Grants	54,000	
Interest on Investments	24,000	
Other Income	58,500	
Payments for State Water Project		7,176,456
Principal Paid on Long-Term Debt		2,516,139
Interest Paid on Long-Term Debt		2,164,751
Capital Leasing		89,477
Investments in PRWA		18,000
Water-Use Efficiency		205,000
Acquisition of Property, Plant & Equipment		2,851,028
	<u>\$ 26,338,440</u>	<u>\$ 15,020,850</u>
Projected Ending Cash - Non-Operating	11,317,590	
Rate Stabilization Fund	(128,500)	
Increase/(Decrease) in Cash (From Operating)	1,669,306	
Projected Ending Cash - 12/31/2022	12,858,396	
Less Restricted Cash	-	
Available Operating Cash - 12/31/2022	\$ 12,858,396	

Fund Analysis – 2021 End of Year (Actual)

Fund levels reflect the fiscal viability of the District. These funds have been set aside pursuant to legal requirements or action by the Board of Directors. Category of funds were established by Resolution No. 09-03 passed and adopted March 11, 2009. On September 25, 2018, this resolution was superseded by Resolution No. 18-10 and is shown on all Fund Analysis sheets (See Appendix for verbiage for the Reserve Fund Policy – Resolution No. 18-10).

Sources of Cash	Actual Ending Balance 12/31/2020	2021 Budget		Actual Ending Balance 12/31/2021
		Sources	Uses	
Net Operating Income		\$ (3,559,401)		
Adjustment - Water Quality (GAC Media)		\$589,415		
Adjustment - Depreciation/Amortization Add Back		5,270,174		
Adjustment - Post-Employment Benefits (GASB 45)		920,142		
Adjustment - Bad Debt		6,477		
Adjustment - Service Costs Construction		294,667		
Adjustment - Capitalized Construction		(910,555)		
Net Non-Operating Income		6,729,950		
Cash from Revenues above Expenses to place into funds		<u>\$ 9,340,869.37</u>		
Reserve Funds (Based on Resolution No. 13-13)				
1 Capital Improvement Fund (CIF)	\$ -	\$ 3,369,397	\$ 3,369,397	\$ -
2 Bond Proceeds Fund	2,254,741	10,000,000	1,242,144	11,012,597
3 Debt Service Reserve Fund	-	-	-	-
4 Rate Stabilization Fund (Operating Cash)	471,256	100,221	-	571,477
Total Legally Restricted	\$ 2,725,997	\$ 13,469,619	\$ 4,611,542	\$ 11,584,074
5 Dam Self-Insurance	\$ 5,000,000	\$ -	\$ -	\$ 5,000,000
6 O&M Operating Reserve (3-Month operating exp.)	5,600,000	-	-	5,600,000
7 O&M Emergency Reserve	-	-	-	-
8 Unrestricted Reserves	665,339	9,240,648	6,494,014	3,411,973
Total Board Restricted	\$ 11,265,339	\$ 9,240,648	\$ 6,494,014	\$ 14,011,973
Total Operating Cash	<u>\$ 11,736,595</u>			<u>\$ 14,583,450</u>

Fund Analysis – 2022 Budget (as Approved)

Sources of Cash	Projected Balance 12/31/2021	2022 Budget		Projected Balance 12/31/2022
		Sources	Uses	
Net Operating Income		\$ (1,809,379)		
Adjustment - Water Quality (GAC Media)		750,000		
Adjustment - Depreciation/Amortization Add Back		5,050,000		
Adjustment - Post-Employment Benefits (GASB 45)		1,600,000		
Adjustment - Bad Debt		125,000		
Adjustment - Service Costs Construction		150,000		
Adjustment - Capitalized Construction		(900,000)		
Net Non-Operating Income		<u>2,503,970</u>		
Cash from Revenues above Expenses to place into funds		\$ 7,469,591		
Reserve Funds (Based on Resolution No. 13-13)				
1 Capital Improvement Fund (CIF)	\$ -	\$ 550,000	\$ 550,000	\$ -
2 Bond Proceeds Fund	12,130,529	-	2,130,529	10,000,000
3 Debt Service Reserve Fund	-	-	-	-
4 Rate Stabilization Fund (Operating Cash)	575,375	115,000	-	690,375
Total Legally Restricted	\$ 12,705,904	\$ 665,000	\$ 2,680,529	\$ 10,690,375
5 Dam Self-Insurance	\$ 5,000,000	\$ -	\$ -	\$ 5,000,000
6 O&M Operating Reserve (3-Month operating exp.)	5,600,000	-	-	5,600,000
7 O&M Emergency Reserve	-	-	-	-
8 Unrestricted Reserves	788,080	7,354,591	7,342,433	800,238
Total Board Restricted (Operating Cash)	\$ 11,388,080	\$ 7,354,591	\$ 7,342,433	\$ 11,400,238
Total Operating Cash	\$ 11,963,455			\$ 12,090,613
Carry-over	(795,615)			
Available Operating Cash	\$ 11,167,840			

Fund Analysis – 2022 Estimated End of Year (Actual)

Sources of Cash	Actual Ending Balance 12/31/2021	2022 Budget		Projected Balance 12/31/2022
		Sources	Uses	
Net Operating Income	\$ (3,920,694)			
Adjustment - Water Quality (GAC Media)		435,600		
Adjustment - Depreciation/Amortization Add Back		5,175,000		
Adjustment - Post-Employment Benefits (GASB 45)		1,530,000		
Adjustment - Bad Debt		5,000		
Adjustment - Service Costs Construction		490,000		
Adjustment - Capitalized Construction		(1,110,000)		
Net Non-Operating Income		8,459,825		
Cash from Revenues above Expenses to place into funds		\$ 11,064,731		
Reserve Funds (Based on Resolution No. 13-13)				
1 Capital Improvement Fund (CIF)	\$ -	\$ 1,576,651	\$ 1,576,651	\$ -
2 Bond Proceeds Fund	11,012,597	-	5,361,454	5,651,143
3 Debt Service Reserve Fund	-	-	-	-
4 Rate Stabilization Fund (Operating Cash)	571,477	128,500	-	699,977
Total Legally Restricted	\$ 11,584,074	\$ 1,705,151	\$ 6,938,105	\$ 6,351,120
5 Dam Self-Insurance	\$ 5,000,000	\$ -	\$ -	\$ 5,000,000
6 O&M Operating Reserve (3-Month operating exp.)	5,600,000	-	-	5,600,000
7 O&M Emergency Reserve	-	-	-	-
8 Unrestricted Reserves	3,411,973	10,936,231	12,789,785	1,558,419
Total Board Restricted	\$ 14,011,973	\$ 10,936,231	\$ 12,789,785	\$ 12,158,419
Total Operating Cash	\$ 14,583,450		\$ 12,858,396	
			Carry-over	(400,000)
			Available Operating Cash	\$ 12,458,396

Fund Analysis – 2023 Budget

Sources of Cash	Projected Balance 12/31/2022	2023 Budget		Projected Balance 12/31/2023
		Sources	Uses	
Net Operating Income		\$ (3,519,812)		
Adjustment - Water Quality (GAC Media)		750,000		
Adjustment - Depreciation/Amortization Add Back		5,250,000		
Adjustment - Post-Employment Benefits (GASB 45)		1,600,000		
Adjustment - Bad Debt		25,000		
Adjustment - Service Costs Construction		450,000		
Adjustment - Capitalized Construction		(1,100,000)		
Net Non-Operating Income		<u>5,344,649</u>		
Cash from Revenues above Expenses to place into funds		<u>\$ 8,799,837</u>		
Reserve Funds (Based on Resolution No. 13-13)				
1 Capital Improvement Fund (CIF)	\$ -	\$ 550,000	\$ 550,000	\$ -
2 Bond Proceeds Fund	5,651,143	13,000,000	4,753,135	13,898,008
3 Debt Service Reserve Fund	-	-	-	-
4 Rate Stabilization Fund (Operating Cash)	699,977	100,000	-	799,977
Total Legally Restricted	\$ 6,351,120	\$ 13,650,000	\$ 5,303,135	\$ 14,697,985
5 Dam Self-Insurance	\$ 5,000,000	\$ -	\$ -	\$ 5,000,000
6 O&M Operating Reserve (3-Month operating exp.)	5,600,000	-	-	5,600,000
7 O&M Emergency Reserve	-	-	-	-
8 Unrestricted Reserves	1,558,419	8,730,213	8,816,442	1,472,190
Total Board Restricted (Operating Cash)	\$ 12,158,419	\$ 8,730,213	\$ 8,816,442	\$ 12,072,190
Total Operating Cash	\$ 12,858,396			\$ 12,872,167
Carry-over	(400,000)			
Available Operating Cash	\$ 12,458,396			

Income Statement

	BUDGET 2023	PROJECTED 2022	BUDGET ¹ 2022	ACTUAL 2021	ACTUAL 2020	ACTUAL 2019
Operating Revenue						
Wholesale Water (AVEK & LCID)	425,000	450,000	500,000	561,298	467,776	524,847
Water Sales	11,884,000	11,350,000	12,615,350	12,501,007	11,138,571	8,583,797
Meter Fees	18,140,000	16,800,000	16,490,000	15,218,790	13,832,147	13,967,724
Water Quality Fees	600,000	629,500	851,700	704,782	824,429	760,376
Elevation Fees	350,000	362,000	390,550	379,529	363,869	336,093
Other	1,200,000	1,276,000	900,000	995,791	926,428	992,810
	<u>32,599,000</u>	<u>30,867,500</u>	<u>31,747,600</u>	<u>30,361,197</u>	<u>27,553,220</u>	<u>25,165,648</u>
Operating Expenses						
Directors	194,500	163,019	162,914	139,057	90,695	115,958
Administration	5,028,764	4,633,371	4,683,935	4,420,240	4,309,624	4,100,699
Engineering	1,964,775	1,640,162	1,667,211	1,552,263	1,596,160	1,708,963
Facilities	8,461,136	7,655,836	6,278,142	7,158,094	6,560,658	6,341,115
Operations	3,787,623	3,552,887	3,578,644	3,426,680	3,308,087	3,421,758
Finance	1,966,077	1,822,066	1,696,930	1,799,510	1,365,372	1,259,199
Water-Use Efficiency	354,172	279,173	406,847	252,480	253,009	383,933
Human Resources	734,412	481,068	535,607	499,511	446,718	487,087
Information Technology	1,981,477	1,622,521	1,825,946	1,546,425	1,383,052	994,857
Customer Care	1,615,876	1,460,115	1,454,576	1,363,337	1,383,851	1,343,660
Water Purchases	2,400,000	2,000,000	3,403,964	\$4,719,411	2,086,760	2,019,787
OAP Chrg (Prior Year)	25,000	(645)	25,000	(\$23,103)	(8,399)	(7,294)
Water Recovery	30,000	(980)	(26,043)	(\$705)	(3,418)	127,286
Water Quality (GAC Media)	750,000	435,600	750,000	\$589,415	220,572	439,601
Littlerock Dam Sediment Removal Project	200,000	2,794,000	600,000	\$626,846	-	-
Plant Expenditures	400,000 ⁷	160,000	488,305	\$270,233	196,783	120,745
Cash Expenses	<u>29,893,812⁷</u>	<u>28,698,194</u>	<u>27,531,979</u>	<u>28,339,693</u>	<u>23,189,522</u>	<u>22,857,354</u>
Depreciation	5,250,000	5,175,000	5,050,000	5,270,174	5,144,969	5,257,262
Post-Employment Benefit (GASB 75)	1,600,000	1,530,000	1,600,000	920,142	1,880,773	1,983,447
Bad Debts	25,000	5,000	125,000	6,477	19,520	15,258
Service Costs Construction	450,000	490,000	150,000	294,667	269,575	190,777
Capitalized Construction	(1,100,000)	(1,110,000)	(900,000)	(910,555)	(1,023,978)	(1,360,768)
Non-Cash Expenses	<u>6,225,000</u>	<u>6,090,000</u>	<u>6,025,000</u>	<u>5,580,905</u>	<u>6,290,860</u>	<u>6,085,977</u>
Net Operating Income/(Loss)	<u>(3,519,812)</u>	<u>(3,920,694)</u>	<u>(1,809,379)</u>	<u>(3,559,401)</u>	<u>(1,927,162)</u>	<u>(3,777,683)</u>
Non-operating Revenues						
Assessments (Debt Service)	7,000,000	6,350,000	5,400,000	5,179,076	5,194,911	4,790,480
Assessments (1%)	2,500,000	2,506,000	1,750,000	1,660,944	1,678,388	1,783,332
Successor Agency Component (Prop Tax)	500,000	836,500	450,000	840,880	731,045	724,594
DWR Fixed Charge Recovery	175,000	349,339	175,000	368,950	299,879	247,469
Interest	130,000	128,000	130,000	121,220	154,869	366,283
Market Adj. on Investments	-	(104,000)	-	(122,287)	15,891	85,548
Capital Improvement Fees	550,000	1,576,651	550,000	3,369,397	1,235,438	984,101
Grants - State & Federal	1,100,000	54,000	75,000	468,798	-	9,185
Sale of Real Property	-	-	-	-	-	-
Other	25,000	58,500	50,000	167,597	60,857	150,062
	<u>11,980,000</u>	<u>11,754,990</u>	<u>8,580,000</u>	<u>12,054,575</u>	<u>9,371,277</u>	<u>9,141,055</u>
Non-operating Expenses						
Interest Paid & Amortization on long-term debt	2,046,000	2,153,763	2,106,446	2,858,856	2,877,180	2,611,015
Amortization of SWP	4,464,351	4,008,235	3,658,084	4,222,272	2,854,227	2,854,227
Capital Contributions	-	(3,089,833)	-	(1,878,141)	-	-
Change in Investments in PRWA	25,000	18,000	75,000	14,457	68,277	16,723
Water-Use Efficiency	100,000	205,000	236,500	107,181	77,750	49,924
	<u>6,635,351</u>	<u>3,295,165</u>	<u>6,076,030</u>	<u>5,324,625</u>	<u>5,877,434</u>	<u>5,531,889</u>
Net Non-operating Income/(Loss)	<u>5,344,649</u>	<u>8,459,825</u>	<u>2,503,970</u>	<u>6,729,950</u>	<u>3,493,843</u>	<u>3,609,166</u>
Net Earnings(Loss)	<u>1,824,837</u>	<u>4,539,131</u>	<u>694,591</u>	<u>3,170,549</u>	<u>1,566,681</u>	<u>(168,517)</u>

Income Statement – General Information

	BUDGET 2023	PROJECTED 2022	BUDGET ¹ 2022	ACTUAL 2021	ACTUAL 2020	ACTUAL 2019
Operating Revenue	5.61%	-2.77%	27.58%	22.01%	16.43%	11.38%
Operating Expenses	2.22%	1.08%	-7.46%	-14.28%	-21.90%	-13.24%
Non-operating Revenues	1.91%	37.00%	6.81%	50.06%	4.68%	11.73%
Non-operating Expenses	101.37%	-45.77%	25.25%	9.76%	50.72%	19.07%

Footnotes:

- ¹ 2023 Budget contains all amendments made during the current fiscal year. All amendments were done as transfers between GL accounts with no change to overall budgeted amounts.
- ² 2023 Budget for water sales is based on 14,500 ac. ft. This amount is 1,403 ac. ft. less than 2022 actual totals.
- ³ 2023 water purchases are based on purchasing 8,465 ac. ft. of water from the Department of Water Resources.
- ⁴ GAC filter media purchases are directly offset by the revenues from the water quality fee for the prior year. The 2023 Budget includes the possible replacement of up to three contactors and the localized contactor at the El Camino Underground site.
- ⁵ Post-employment accrual expense (OPEB) was added as a compliance requirement for GASB 75 (2015).
- ⁶ Capital improvement fees for new development are made up of two components: infrastructure and water supply. The water supply fee portion will be used to secure new source supply and will not impact current customers.
- ⁷ The approved operational expense of \$29,863,436 has been revised with a potential plant expenditure amount being set at \$400,000 not to exceed.

General Information:

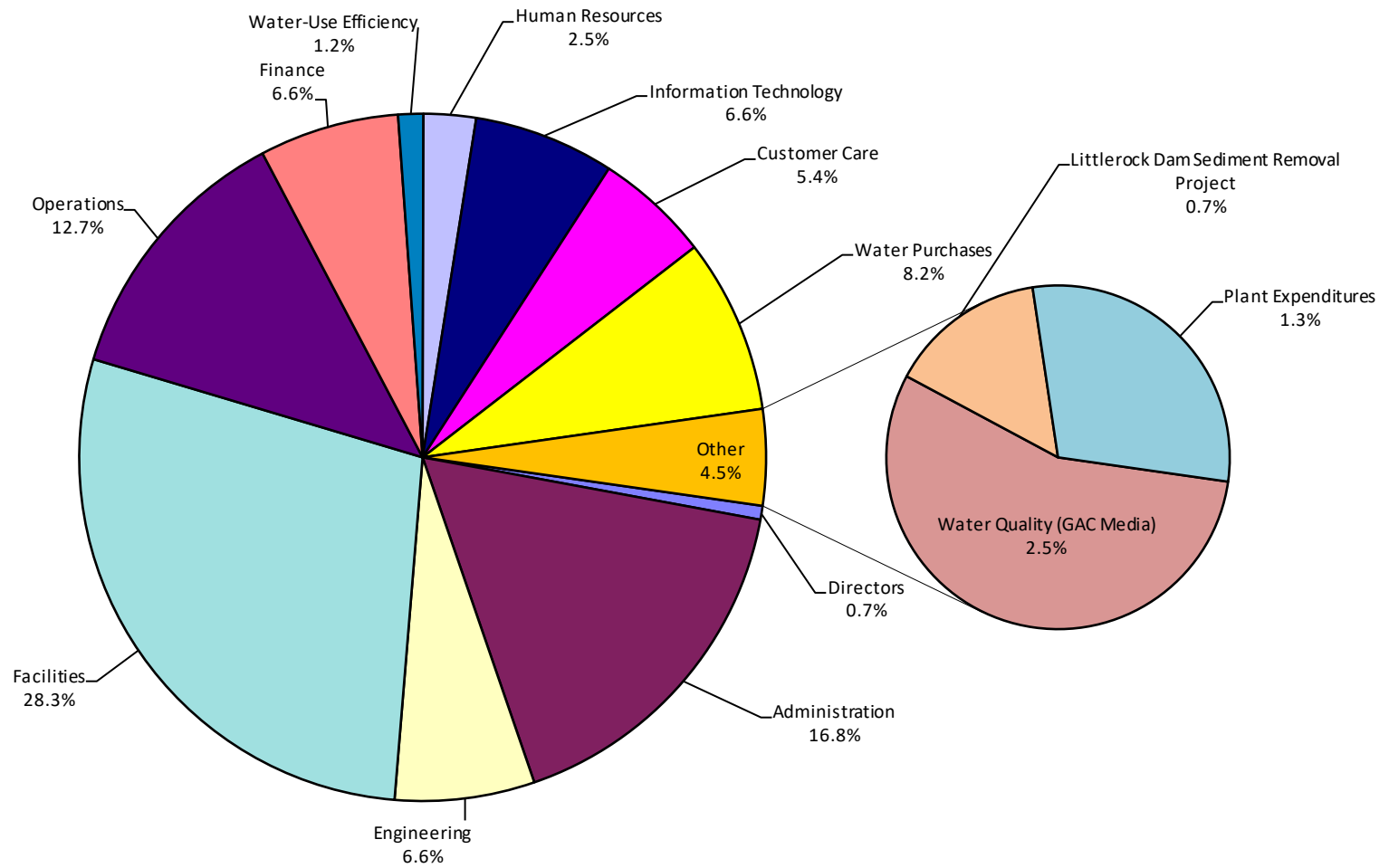
The District entered into a Capital Leasing agreement in 2022 for addressing heavy equipment (vehicles), small capital equipment, meter reading equipment, meter register retrofit and endpoint radios, and various information technology equipment. The agreement is a 5-year term ending October 2027. The agreement also contains an early payoff provision starting in year 3 that could save on interest expense.

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

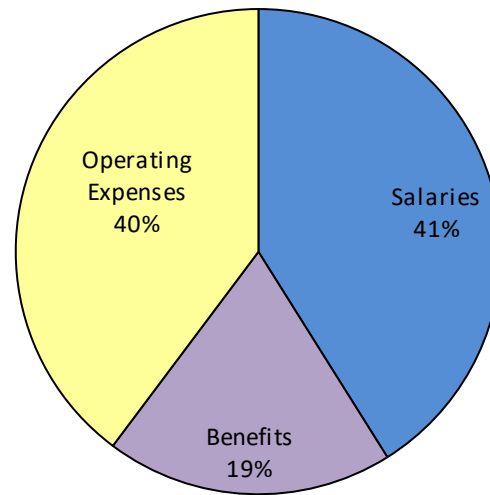
Cost Factors and Assumptions:

- Water quality fee is \$0.08 per unit for 2023.
- Cost-of-Living increase of 7.0% effective January 1, 2023.
- Worker's comp rates are calculated at 0.00770 for office personnel and 0.04060 for field personnel.
- PERS is calculated at 10.87% for 6 months (Jan. thru Jun.) and 12.47% for 6 months (Jul. thru Dec.) for all employees except for those who fall under Public Employee Pension Reform Act (PEPRA). Classic PERS employees will pay 7% of the employee portion for 2023. [For employees who meet the PEPRA requirement, the employer contribution for 2023 is 7.470% for 6 months (Jan. thru Jun.) and 7.68% for 6 months (Jul. thru Dec.) for the District.]
- Employee benefits include the cost of medical, dental & vision plans as well as the Employee Assistance Program and on the job life insurance death benefit. Healthcare is capped per employee at \$1,990.02 effective January 1, 2023.
- The District's medical insurance rates have decreased 2.93% on the blended average for the four medical plans. Currently, the dental insurance and vision insurance offered to employees will remain the same as the 2022 cost. All health insurance plans are managed and administered through ACWA/JPIA.
- Health insurance includes benefits to Directors who qualify for benefits and opt to participate in the plans.
- Operating Revenue estimates were based on the potential sales of 14,500 ac. ft. of water for the 2023 Budget.

2023 Operating Expenses (excluding non-cash expenses) – Graph



2023 Departmental Expenses – Graph



2023 Departmental Expenses	
Salaries	\$ 10,716,750
Benefits	4,999,702
Operating Expenses	10,372,360
Total	\$ 26,088,812

Statement of Cash Flows

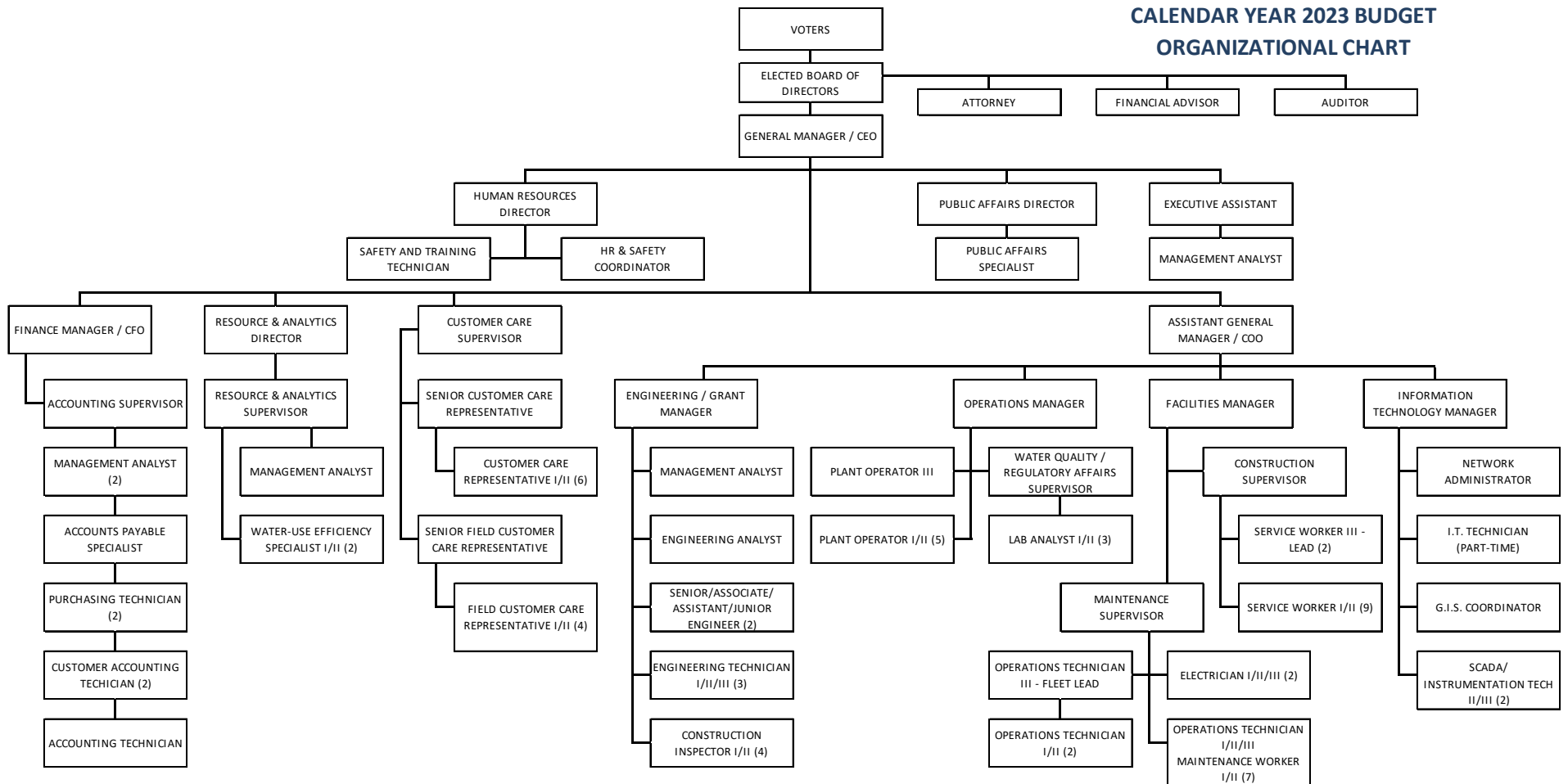
	Audited Numbers				
	Budget 2023	Projected 2022	2021	2020	2019
Beginning Cash	12,858,396	14,583,450	11,736,595	12,518,408	11,785,007
Operating Activities					
Net Operating Revenues	32,599,000	30,867,500	30,361,197	27,553,220	25,165,648
Net Operating Expenses	(29,893,812)	(28,698,194)	(28,339,693)	(23,189,522)	(22,857,354)
Carry-over Expense	(565,000)	(500,000)	-	-	-
Net cash provided by operating activities	2,140,188	1,669,306	2,021,504	4,363,698	2,308,294
Other Sources and Uses of Cash					
Assessments received	10,000,000	9,692,500	7,680,900	7,604,344	7,298,406
Payments for State Water Project	(6,598,816)	(7,176,456)	(4,804,822)	(5,238,207)	(4,236,121)
Capital Improvement Fees Received	550,000	1,576,651	3,369,397	1,235,438	984,101
Water-Use Efficiency	(100,000)	(205,000)	(107,181)	(77,750)	(49,924)
Acquisition of Property, Plant & Equip. - Current Yr	(1,721,757)	(2,055,413)	(1,501,344)	(3,685,474)	(1,946,267)
Acquisition of Property, Plant & Equip. - Carry-over	(400,000)	(795,615)	-	-	-
Committed Contract - Upper Amargosa Creek Project	-	-	(720,579)	(1,024,374)	-
Investments in PRWA	(25,000)	(18,000)	(14,457)	(68,277)	(16,723)
Capital Leasing - Principal & Interest	(527,401)	(89,477)	(178,953)	(178,953)	(178,953)
Principal Paid on Long-Term Debt	(2,615,645)	(2,516,139)	(1,838,503)	(1,790,001)	(1,706,595)
Interest Paid on Long-Term Debt	(2,004,215)	(2,164,751)	(2,063,385)	(2,453,751)	(2,581,365)
DWR Refund (Capital Related)	175,000	349,339	368,950	299,879	247,469
State Grants and Other Income	1,125,000	112,500	636,394	60,857	159,247
Interest on Investments	130,000	24,000	(1,067)	170,759	451,831
Net Cash Provided by Other Sources and Uses	(2,012,834)	(3,265,860)	825,351	(5,145,511)	(1,574,893)
Net Increase (Decrease) in Cash	127,354	(1,596,554)	2,846,855	(781,813)	733,400
Rate Stabilization Fund	(100,000)	(128,500)	-	-	-
Cash End of Year	12,885,750	12,858,396	14,583,450	11,736,595	12,518,408
Less Restricted Cash	-	-	-	-	-
Acquisition of Property, Plant & Equip. - Carry-over	-	(400,000)	(795,615)	(2,388,533)	(447,000)
Committed Contract - Upper Amargosa Creek Project	-	-	-	(720,579)	(1,120,785)
Available Operating Cash	12,885,750	12,458,396	13,787,835	8,627,483	10,950,623
Capital Funding					
Beginning Cash (Restricted)	5,651,142	11,012,597	2,254,741	4,366,086	11,706,447
Proceeds on Issuance of Long-Term Debt	13,000,000	-	10,000,000	-	-
Committed Contracts on 2018 WRB Projects	-	(2,130,529)	(124,212)	(2,111,345)	(7,340,361)
Committed Contracts on 2021 WRB Projects	(4,753,135)	(3,230,925)	(1,117,932)	-	-
Committed Contracts on 2023 WRB Projects	-	-	-	-	-
Restricted Cash	13,898,007	5,651,142	11,012,597	2,254,741	4,366,086

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BASIS OF THE BUDGET

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**CALENDAR YEAR 2023 BUDGET
ORGANIZATIONAL CHART**



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Personnel Summary

	CY 2023 BUDGET	CY 2022 BUDGET	CY 2021 BUDGET	CY 2020 BUDGET
ADMINISTRATION				
Managers/Supervisors	8	8	8	7
Staff	9	9	8	6
Staff - Part-time	1	-	-	-
TOTAL ADMINISTRATION	18	17	16	13
FINANCE				
Managers/Supervisors	2	3	3	3
Staff	8	6	6	4
TOTAL FINANCE	10	9	9	7
CUSTOMER CARE				
Managers/Supervisors	1	1	1	1
Clerical	7	7	7	7
Field	5	5	5	5
TOTAL CUSTOMER CARE	13	13	13	13
ENGINEERING				
Managers/Supervisors	3	2	2	2
Staff	9	9	9	9
TOTAL ENGINEERING	12	11	11	11
FACILITIES				
Managers/Supervisors	3	3	3	3
Staff	23	22	22	27
TOTAL FACILITIES	26	25	25	30
OPERATIONS				
Managers/Supervisors	2	2	2	2
Staff	9	9	9	9
TOTAL OPERATION AND PRODUCTION	11	11	11	11
WATER-USE EFFICIENCY				
Managers/Supervisors	-	-	-	-
Staff	2	2	2	2
TOTAL WATER-USE EFFICIENCY	2	2	2	2
TOTAL PERSONNEL	92	88	87	87

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

	-	-	-	-
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Notes:

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

Labor and Benefits Cost Summary

Accounting Category	CY 2023 BUDGET	CY 2022 PROJECTED	CY 2022 BUDGET	CY 2021 ACTUAL	CY 2020 ACTUAL	CY 2019 ACTUAL
Salaries (Includes On-Call and Overtime)	10,806,750	9,551,147	9,535,244	9,388,064	9,160,665	8,638,227
FICA / Medicare (Employer Portion)	849,250	799,662	719,750	665,732	693,100	617,546
Healthcare Benefits	1,676,070	1,594,254	1,458,000	1,610,037	1,563,101	1,513,701
Retirement (CalPERS)	2,022,882	1,767,129	1,836,263	1,655,630	1,560,246	1,383,347
Workers Comp	230,000	226,000	280,000	300,337	206,831	325,844
Life Insurance/EAP Program	7,000	6,672	7,332	6,087	6,825	6,385
TOTAL	15,591,952	13,944,864	13,836,589	13,625,888	13,190,768	12,485,050

Approved Capital Expenditures Carry-over/Plant Expenditure Summary

LISTING WILL BE PROVIDED AFTER CORRECTIONS ARE MADE

New Capital Expenditures Project Request Summary

LISTING WILL BE PROVIDED AFTER CORRECTIONS ARE MADE

Deferred Capital Expenditures Project Summary

LISTING WILL BE PROVIDED AFTER CORRECTIONS ARE MADE

Deferred Capital Expenditures Project Summary (continued)

LISTING WILL BE PROVIDED AFTER CORRECTIONS ARE MADE

DEPARTMENTS

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Administration Department

DESCRIPTION:

The Administration Department manages the District through the Board of Directors, which sets policy, and the General Manager, who reports to the Board and manages the daily operation of the District. The attorneys and financial advisor positions, which answer to the Board and interact with the staff through the General Manager, are also an integral part of the Administration Department. The positions of Assistant General Manager, Executive Assistant, Management Analyst, Resource and Analytics Director, Resource and Analytics Supervisor, Public Affairs Director and Public Affairs Specialist also operate out of the Administration Department.

2022 ACCOMPLISHMENTS:

- 1) Promoted water conservation and drought messaging through Luv Our H2O campaign with lawn signs, fliers, customer envelope snipes, digital ads, banners, radio ads, print ad, press releases, workshops, giveaways, etc.
- 2) Hosted Let's Talk H2O! events throughout the year on important topics such as drought and water supply.
- 3) Assisted IT Department in the debut of the new PWD website.
- 4) Served as administrator of the Special Districts Association of North Los Angeles County, the first CSDA chapter in L.A. County. Coordinated and hosted monthly meetings and quarterly luncheons.
- 5) Hosted 4th annual Water Ambassadors Academy and graduated 15 and held 2nd annual Jr. WAA for 15 high school students.
- 6) Received a top PrRism Award for our Luv Our H2O drought campaign in the category of Community Relations, Government at the 58th Annual PRSA-LA PRISM Awards.
- 7) Named to ACWA Communications Committee.
- 8) Assisted with the design of the Pure Water AV logo. Began introducing the project in social media and newsletters. Start work on a new Pure Water AV website.
- 9) Wrote/distributed 33 press releases and nearly 270 social media posts. *
- 10) Held Coffee with a Director events.
- 11) Hosted Water-Wise Workshops, including one with L.A. County and city of Palmdale and essay contest for *Imagine a Day Without Water*.
- 12) Write messages and designed 2022 Strategic Plan.
- 13) Assisted WTP lab with the 2022 CCR.
- 14) Publicized the drilling of the first well in 30 years and the start of the Littlerock Sediment Removal Project.
- 15) Assisted HR Department with employee highlights and events during 6th Annual Water Professionals Appreciation Week.
- 16) Requested support from Senator Wilk and Assemblyman Lackey for SB222. Attended virtual meeting with Congressman Garcia.
- 17) Participated in community events, including Districts Make a Difference Week, National Night Out, Read Across America, AV College's Palmdale Center Summer Block Party, and AV Fair.
- 18) Made bi-monthly appearances with staff on the Spanish radio show, *Café con Leche*, to bring PWD news to the Latino community.
- 19) Donated school supplies to Palmdale School District's Backpack Giveaway and water bottles to nonprofits including Sole of the Community Back to School and AV Mental Health Awareness Walk.
- 20) Met & toured with local officials, including city of Palmdale interim city manager, and water agency staff, including UWCD, at LRD.
- 21) Assisted with the review of the L.A. County Water Plan's educational content.

2022 ACCOMPLISHMENTS (cont):

- 22) Assisted with GM and UWCD's presentation at CSDA.
- 23) Revamped graphic layouts for the Employee Buzz and The Pipeline newsletter. Published monthly and quarterly, respectively.
- 24) Continued utilizing LinkedIn to publicize new job openings and bid requests, and to highlight PWD and staff.
- 25) Informed customers through social media, Nextdoor, Constant Contact and messages in monthly bills to publicize PWD and to inform ratepayers.
- 26) Continued to grow social media platforms, including restarting Instagram which has grown from 40 to 365 followers in seven months. Total platform engagements have increased by 48%. Also started Spanish translation for posts to reach wider audience.
- 27) Continued to submit important stories to ACWA News and CSDA magazine. PWD featured numerous times.
- 28) Continued networking with AV Conservation Roundtable, AV EDGE, local chambers, San Gabriel Mountains Community Collaborative, AV CERT and other groups.
- 29) Continued to collaborate with the City of Palmdale on ways to promote one another in "The Pipeline" and *Palmdale Magazine*. Wrote articles for the thrice-annual magazine.
- 30) Tracked and reviewed energy costs and usage.
- 31) Continued to engage with Lincus and SoCalRen for rebate and assistance opportunities.
- 32) Produced, and maintained daily District production reports and submitted annual water schedule reporting to DWR and semi-annual well reports to CASGEM.
- 33) Reviewed and organized department drive and water resource documentation.
- 34) Brought in over 3,500 acre-feet of surface water from 7 different sources during 2022.
- 35) Finalized 2 mutually beneficial multi-year transfer agreements, one with the Westside Districts and the other with Littlerock Creek Irrigation District.
- 36) Continued to lead the District's Drought Management Task Force.
- 37) Participated in the continued development of the Big Rock Creek Joint Groundwater Recharge Project Feasibility Study.
- 38) Played a support and coordination role in the completion and execution of the Antelope Valley Mutual Response Agreement.

2023 GOALS:

- 1) Start publicity campaign for Pure Water AV. Create new website Increase drought publicity and outreach, introduce new drought campaign.
- 2) Increase drought publicity and outreach, introduce new drought campaign.
- 3) Host Let's Talk H2O events throughout the year on important topics (water supply, drought, water quality, finance, emergency prep) for the community.
- 4) Host 5th Annual Water Ambassadors Academy and 3rd Annual Jr. WAA.
- 5) Host Open House, WTP tours, Earth Day, Customer Appreciation days, and *Imagine a Day Without Water* events.
- 6) Host Coffee with a Director.
- 7) Highlight new solar projects and decommissioning of wind turbine.
- 8) Assist WTP lab with 2022 CCR.
- 9) Complete ACWA JPIA Leadership Essentials for the Water Industry training
- 10) Highlight employees during 7th Annual Water Professionals Appreciation Week.
- 11) Participate in events, including Districts Make a Difference Week, National Night Out, Water Expo/Home and Garden Show, Day of the Dead, AVUHSD Salute to Youth career fair and STEM Day for Girls.

2023 GOALS (cont):

- 12) Hold press events and send press releases announcing PWD's important events.
- 13) Continue to serve as administrator for Special Districts Association of North Los Angeles County. Host monthly Board meetings and quarterly luncheons.
- 14) Collaborate with the WUE team on Water-Wise Workshops and promote programs and events for the community and schools.
- 15) Make bi-monthly appearances on Spanish radio show, *Café con Leche*, to bring PWD news to the Latino community.
- 16) Continue growing social media platforms; goal is to reach 1,000 followers on Instagram by end of the year.
- 17) Continue to network with the AV EDGE, local chambers, San Gabriel Mountains Community Collaborative, AV CERT and other community groups.
- 18) Continue collaborating with AV Conservation Roundtable to jointly issue drought messages.
- 19) Continue to publish "The Pipeline" quarterly and the "Employee Buzz" monthly.
- 20) Continue to collaborate with the City of Palmdale on ways to promote one another in "The Pipeline" and *Palmdale Magazine*. Write articles for the thrice-annual magazine.
- 21) Continue partnership with Palmdale School District.
- 22) Continue to submit important stories to ACWA News and CSDA magazine.
- 23) Continue to use social media, Nextdoor, Constant Contact and messages in monthly bills to publicize PWD and to inform ratepayers.
- 24) Graphically represent water supply and demand data on intranet.
- 25) Yearly review and reporting on natural gas options for production.
- 26) Work with Information Technology Department on starting Data Warehouse Project.
- 27) Continue use of Annual Supply Assessment Report.
- 28) Continue to advocate for projects and legislation that improve state and local water resiliency.
- 29) Complete the Big Rock Creek Joint Groundwater Recharge Project Feasibility Study.

Board of Directors

<u>Directors</u>		BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2023	2022	2022	2021	2020	2019
1-01-4000-000	Directors Fees		-	-	-	-	-
Benefits							
1-01-4005-000	Payroll Taxes	9,500	8,862	6,064	5,761	5,711	4,382
1-01-4010-000	Health Insurance	30,000	29,533	51,250	-	-	-
	Subtotal (Benefits)	39,500	38,395	57,314	5,761	5,711	4,382
	Personnel Expenses	39,500	38,395	57,314	5,761	5,711	4,382
OPERATING EXPENSES:							
1-01-4050-000	Director's Travel, Seminars & Meetings	-	-	-	-	-	-
1-01-xxxx-006	Director's Expense Share - Dizmang, Gloria	-	-	-	21,478	11,754	7,228
1-01-xxxx-007	Director's Expense Share - Alverado, Robert	-	-	-	-	16,335	26,857
1-01-xxxx-008	Director's Expense Share - Mac Laren, Kathy	-	-	-	28,116	22,215	25,840
1-01-xxxx-009	Director's Expense Share - Estes, Joe	-	-	-	-	-	-
1-01-xxxx-010	Director's Expense Share - Dino, Vincent	-	-	-	23,392	18,355	24,198
1-01-xxxx-011	Director's Expense Share - Henriquez, Marco	-	-	-	-	-	3,990
1-01-xxxx-012	Director's Expense Share - Wilson, Don	-	-	-	17,751	16,026	23,464
1-01-xxxx-013	Director's Expense Share - Merino, Amberrose	-	-	-	42,559	300	-
1-01-xxxx-014	Director's Expense Share - Kellerman, Scott	-	-	-	-	-	-
	Total Operating Expense	155,000	124,624	105,600	133,296	84,984	111,576
	Total Departmental Expenses	194,500	163,019	162,914	139,057	90,695	115,958

Administration

Administration

	BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL
	2023	2022	2022	2021	2020	2019
PERSONNEL BUDGET:						
1-02-4000-000 Salaries	1,597,250	1,435,665	1,437,000	1,391,783	1,344,451	1,285,197
1-02-4000-100 Salaries - Departmental Overtime	5,000	4,000	6,284	3,079	2,469	3,878
Subtotal (Salaries)	1,602,250	1,439,665	1,443,284	1,394,862	1,346,920	1,289,075
Employee Benefits						
1-02-4005-000 Payroll Taxes	126,250	115,133	102,000	84,984	88,304	82,787
1-02-4010-000 Health Insurance	180,000	176,226	166,500	186,329	175,727	189,419
1-02-4015-000 Pers	165,250	123,724	134,500	115,250	106,200	98,751
Subtotal (Benefits)	471,500	415,084	403,000	386,563	370,232	370,957
District-wide Salaries & Benefits						
1-02-5070-001 Salaries-On-Call/Stand By Time	90,000	89,500	85,000	85,361	73,814	79,894
1-02-5070-002 PERS-Unfunded Liability	955,882	938,763	938,763	851,851	790,669	699,416
1-02-5070-003 Worker's Compensation	230,000	226,000	280,000	300,337	206,831	325,844
1-02-5070-004 Vacation Benefit Expense	85,000	25,000	86,934	(20,507)	154,870	59,412
1-02-5070-005 Life Insurance/EAP	7,000	6,672	7,332	6,087	6,825	6,385
Subtotal (District-wide)	1,367,882	1,285,935	1,398,029	1,223,129	1,233,010	1,170,951
Personnel Expenses	3,441,632	3,140,683	3,244,313	3,004,554	2,950,162	2,830,983
OPERATING EXPENSES:						
1-02-4050-000 Staff Travel	16,285	10,500	15,888	4,686	3,355	15,867
1-02-4050-100 General Manager Travel	5,463	5,500	5,330	4,478	-	6,839
1-02-4060-000 Staff Conferences & Seminars	6,514	8,500	6,355	3,684	774	10,398
1-02-4060-100 General Manager Conferences & Seminars	4,308	2,500	4,203	1,754	1,319	3,414
1-02-4130-000 Bank Charges	210,125	195,064	205,000	193,978	197,407	184,167
1-02-4150-000 Accounting Services	27,316	30,000	26,650	26,545	26,339	25,736
1-02-4175-000 Permits (Construction)	19,016	8,000	18,553	14,652	15,281	13,554
1-02-4180-000 Postage	17,861	12,317	17,425	12,134	13,627	11,227
1-02-4190-100 Public Relations - Publications	36,000	32,500	31,980	12,748	20,303	21,155
1-02-4190-700 Public Affairs - Marketing/Outreach	42,000	29,470	41,000	27,094	29,636	46,627
1-02-4190-705 Public Affairs - Drought Outreach	30,000	16,174	-	-	-	-
1-02-4190-710 Public Affairs - Advertising	5,253	500	5,125	895	450	3,134
1-02-4190-720 Public Affairs - Equipment	2,539	-	2,520	-	60	1,333
1-02-4190-730 Public Affairs - Conference/Seminar/Travel	4,000	4,114	3,075	435	405	1,389
1-02-4190-740 Public Affairs - Consultants	2,101	1,600	2,050	1,179	450	-
1-02-4190-750 Public Affairs - Memberships	1,500	1,000	1,230	1,325	1,360	865
1-02-4200-000 Advertising	4,308	1,000	4,203	716	85	2,242
1-02-4205-000 Office Supplies	26,791	16,552	26,138	19,103	23,035	30,893
1-02-4210-000 Office Furniture	-	-	-	-	-	5,482
Total Operating Expense	461,380	375,291	416,722	325,404	333,885	384,323
District-wide Operating Expense						
1-02-5070-006 Other Operating	63,038	92,000	61,500	52,317	68,376	23,179
1-02-5070-007 Consultants	288,922	280,000	281,875	329,015	280,748	243,954
1-02-5070-008 Insurance	273,163	379,036	266,500	304,396	268,764	230,945
1-02-5070-009 Groundwater Adjudication - Legal	43,076	15,000	42,025	40,674	28,996	63,390
1-02-5070-010 Legal Services	137,632	170,000	134,275	143,886	153,792	121,969
1-02-5070-011 Memberships	173,353	140,000	169,125	178,078	168,273	110,031
1-02-5070-012 Elections	50,000	-	-	-	202	51,671
1-02-5070-013 Succession Planning	26,266	-	-	-	-	-
1-02-5070-014 Groundwater Adjudication - Pumping Assessment	70,304	41,360	67,600	41,916	41,286	40,251
1-02-5070-015 Computer Software - Info 360	-	-	-	-	15,140	-
Total District-wide Operating Expense	1,125,753	1,117,396	1,022,900	1,090,282	1,025,577	885,393
Total Departmental Expenses	5,028,764	4,633,371	4,683,935	4,420,240	4,309,624	4,100,699

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Engineering Department

DESCRIPTION:

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

2022 ACCOMPLISHMENTS:

- 1) Planning and Funding Application for Pure Water Antelope Valley (AV) Demonstration Facility
- 2) Completed design, bid, and construction on the following projects:
 - Sierra Hwy. tie-in at Harold Street and abandonment plans.
 - Avenue P12, Division, 2nd, 3rd, Standridge water main replacement – Specification No. 1206.
 - Avenue P at 10th Street to Well 15.
 - 40th Street East and Avenue R12, 2800 Zone velocity deficiency.
 - Avenue Q6 from 12th Street East to 15th Street East.
 - Vault design plans for 45th Street East Tank altitude valve.
 - Well 36 located on the west side of 15th Street East north of Avenue P.
 - 15th Street pipeline from Well 36 to Avenue P posted for bid solicitation.
 - Water main replacements at Avenue R and 12th Street East, Q10 at 12th Street East and Avenue Q1, Q2, Q4 and Q5.
 - Littlerock Dam Sediment Removal – Phase 2 (Year 1).
 - Littlerock Dam interior access ladder.
 - District main office building stucco repairs.
 - Conservation garden to be included in Pure Water AV Demonstration Facility.
 - GPS tools for small projects and locating District facilities for design or GIS use.
 - Avenue P from 15th Street East to Well 8A posted for bid solicitation.
- 3) Completed design work on the following projects:
 - PRV abandonment located at 45th Street East.
 - Pipeline with velocity deficiency, 2950 Zone located at the intersection of Avenue S and Sierra Highway.
 - Alpine Springs water main improvements – 2950 Zone.
 - 3M Booster Station upgrades.
 - WTP Chemical Building redesign and replacement of hypochlorite generator.
 - Pearblossom Highway from 53rd Street East to Fort Tejon Road.
 - 10th Street East from Avenue R4 pipeline deficiency.
 - Water main replacements: Well 5 to Sierra Highway and Avenue R at 26th Street, Rudall, and 27th Street.
 - Pure Water AV Demonstration Facility design, pipeline design (Avenue Q from 30th Street East to 20th Street East).
 - Pure Water AV Demonstration Facility preselection equipment RFP.
- 4) Inspection, construction, and completion on the following water system improvement developer projects:
 - Multi-family development consisting of 101 units located at the southeast corner of Avenue R and Division Street (near completion).
 - American Builder's Supply located at 37810 Sierra Highway (completed).
 - Tract 60789 - 16 lots located on the west side of 40th Street East and Avenue S4 (completed).
 - Tract 63008 - 41 lots located between 65th and 70th Street East, south of Palmdale Blvd. (completed).

2022 ACCOMPLISHMENTS (cont):

- Tract 61611 & 61981 - 60 lots located at the northeast corner of Avenue S and 65th Street East (under construction).
 - Tract 54209 Phases 1 and 2 - 96 lots located at the northeast corner of Avenue R and 35th Street East (near completion).
 - Storage facility located on the east side of Sierra Highway north of Avenue S (completed).
 - Dutch Brothers Coffee located 2560 East Palmdale Blvd. (completed).
 - Pilot Gas Station – Parcel Map No 83189 located at the northeast corner of Pearblossom Hwy. and 52nd Street East (completed).
 - McDonald’s located at the northwest corner of Palmdale Blvd. and 17th Street East (under construction).
- 5) Completion of water system improvement plans for District facilities impacted by city of Palmdale Project No. 741. Proposed roundabout located at the intersection of Avenue S8 and 40th Street East.
- 6) Software Technology Improvements
- Dam monitoring data and coordination (New GK-406 Vibrating Wire Analyzer).
 - 2022 Booster Performance Files – compilation of 22-plus years of historical data.
 - Syncta Program (backflow devices).
 - Seamless Doc’s implementation for streamlining of forms and customer requests via District website.
 - Smartsheet implementation for department tracking needs.

2023 GOALS:

- 1) Installation of the sodium hypochlorite generation system at the treatment plant.
- 2) Equip Well 36.
- 3) Replacement of 3M Booster Station.
- 4) Five pipeline replacement projects.
- 5) Installation of the Avenue P pipeline from 15th Street East to Well 8.
- 6) Installation of the 15th Street East pipeline from Avenue P to Well 36.
- 7) Design of Well 37.
- 8) Start construction of Pure Water AV Demonstration Facility.

Engineering

Engineering		BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2023	2022	2022	2021	2020	2019
1-03-4000-000	Salaries	1,450,500	1,170,566	1,180,000	1,136,360	1,146,396	1,204,273
1-03-4000-100	Salaries - Departmental Overtime	16,000	18,500	15,711	21,988	22,778	43,529
	Subtotal (Salaries)	1,466,500	1,189,066	1,195,711	1,158,347	1,169,174	1,247,802
Employee Benefits							
1-03-4005-000	Payroll Taxes	111,500	101,862	91,500	82,135	88,467	90,342
1-03-4010-000	Health Insurance	212,500	196,271	208,500	187,708	205,350	213,728
1-03-4015-000	PERS	136,750	96,363	112,000	91,581	98,063	100,184
	Subtotal (Benefits)	460,750	394,496	412,000	361,424	391,881	404,253
	Personnel Expenses	1,927,250	1,583,562	1,607,711	1,519,772	1,561,054	1,652,055
OPERATING EXPENSES:							
1-03-4050-000	Staff Travel	5,253	3,000	5,000	1,595	489	6,090
1-03-4060-000	Staff Conferences & Seminars	7,880	9,000	8,000	5,650	974	1,590
1-03-4060-001	Staff Training - Auto CAD Civil 3D	10,506	-	10,000	-	-	-
1-03-4155-305	Contracted Services - GIS Services	-	-	-	-	-	2,432
1-03-4155-310	Contracted Services - Reproduction	1,576	3,100	3,000	-	-	49
1-03-4165-000	Memberships/Subscriptions	3,677	6,000	5,000	4,431	3,715	5,670
1-03-4250-000	General Materials & Supplies	4,063	3,000	4,500	3,592	874	-
1-03-4250-100	Supplies - Plotter Paper/Toner	4,570	-	1,000	226	488	3,186
1-03-4250-175	Supplies - GPS Plotting Tool	-	23,000	23,000	-	-	-
1-03-4250-200	Supplies - Miscellaneous	-	-	-	-	-	479
1-03-8100-100	Computer Software - Maint. & Support	-	9,500	-	16,998	28,566	5,539
1-03-8100-200	Computer Software - SCADAWatch	-	-	-	-	-	31,873
	Total Operating Expense	37,525	56,600	59,500	32,492	35,106	56,907
	Total Departmental Expenses	1,964,775	1,640,162	1,667,211	1,552,263	1,596,160	1,708,963

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Facilities Department

DESCRIPTION:

The Facilities Department oversees maintenance and repairing of all pipelines, vehicles and equipment, and related facilities. The staff monitors and maintains operation of the District's 22 active groundwater wells, 17 reservoir sites, 15 booster stations, 20 pressure regulating stations, 9 seismic valves, 9 hydro-pneumatic tanks and hypochlorite disinfection equipment at 32 of the above sites. The department is also accountable for maintaining water quality standards, system chlorine residuals, energy management and pumping efficiencies.

2022 ACCOMPLISHMENTS:

- 1) Continued valve exercising program that was scheduled for the year (2,269 valves exercised).
- 2) Performed weekly, biweekly, and annual flushing.
- 3) Fixed 88 service line leaks, 24 mainline leaks.
- 4) Performed maintenance on 158 air/vacs and 1,400 fire hydrants.
- 5) Performed winter maintenance, lake maintenance, and sludge removal at the water treatment plant.
- 6) Replaced 11 fire hydrants and 1 air/vacs that were hit by vehicles.
- 7) Weed abatement on PWD properties for L.A. County compliance.
- 8) Completed 10 compound large meter vault rehabilitation, including installation of new Octave ultrasonic meters.
- 9) Completion of Meter Replacement Program – 542 meters in route 50, 732 meters in route 63 and another 307 meters in route 75.
- 10) Performed inspections, operational checks, maintenance, and adjustments related to the District's seismic valves, PRV stations, wells, boosters, and tanks, along with all associated apparatuses.
- 11) Performed maintenance related to the natural gas engines and stand-by generators located at well and tank sites throughout the District.
- 12) Performed maintenance related to the diesel engine stand-by generators located at the Clearwell and WTP.
- 13) Performed various repairs, upgrades, and installation of equipment and apparatuses at the water treatment plant. This included work performed on the sludge pumps and motors, mechanical linkage in sed-basin No. 1, NaOCl chemical feed system, new turbidity meters, and new ferric tank.
- 14) Performed all fleet maintenance and repairs on 131 assets.
- 15) Well rehabilitation and pump replacements at Well 8, Well 26, Well 32 and Well 33.
- 16) Vertical turbine motor rebuilds at Well 2 and Well 23.
- 17) Booster rebuild on 45th – 3000 Zone Units 1, 2 and 3.
- 18) Booster rebuild on 45th – 2850 Zone Unit 6.
- 19) Completed installation on new sodium hypochlorite generators at Well 8 and Well 3.
- 20) Completed lighting and wiring project, along with sump pumps installation at Littlerock Dam.
- 21) Processed two backhoes and crane replacements.
- 22) Processed three fleet vehicle truck replacements.

2023 GOALS:

- 1) Complete installation of approximately 21,000 sq. ft. of Geosynthetic Clay Liner in Palmdale Ditch.
- 2) Installation of two field sodium hypochlorite generator replacement.
- 3) Perform 15 large meter/vault rehabilitations.
- 4) Perform back parking lot repair/replacement and front parking lot repairs.
- 5) Perform 3 well rehabilitations and 3 booster pump replacements.
- 6) Perform 2 booster building rehabilitations.
- 7) Completion of stucco replacement located at the District's main office.

Facilities

Facilities		BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2023	2022	2022	2021	2020
1-04-4000-000	Salaries	2,532,750	2,156,051	2,272,500	2,230,404	2,404,492
1-04-4000-100	Salaries - Departmental Overtime	150,000	170,000	150,826	147,785	172,009
	Subtotal (Salaries)	2,682,750	2,326,051	2,423,326	2,378,189	2,576,501
Employee Benefits						
1-04-4005-000	Payroll Taxes	215,500	202,484	191,250	180,549	208,166
1-04-4010-000	Health Insurance	513,500	485,067	408,500	459,412	518,839
1-04-4015-000	PERS	236,500	193,822	210,750	195,696	212,300
	Subtotal (Benefits)	965,500	881,373	810,500	835,657	939,305
	Personnel Expenses	3,648,250	3,207,424	3,233,826	3,213,846	3,515,805
OPERATING EXPENSES:						
1-04-4050-000	Staff Travel	6,514	-	6,355	452	2,932
1-04-4060-000	Staff Conferences & Seminars	16,285	500	15,888	50	1,413
1-04-4155-405	Contracted Services - Landscape Svcs (All Sites)	16,810	12,259	16,400	12,385	14,035
1-04-4155-410	Contracted Services - Landscape Svcs (Wells)	40,974	42,533	39,975	31,800	30,109
1-04-4155-420	Contracted Services - Janitorial Services (All Sites)	49,379	39,624	48,175	46,039	51,477
1-04-4155-425	Contracted Services - Pest Control Svcs (All Loc)	6,514	7,641	6,355	7,424	6,146
1-04-4155-430	Contracted Services - Pest Control Svcs (Plm Dam)	5,463	4,529	5,330	3,770	4,959
1-04-4155-435	Contracted Services - Elevator Services	4,308	2,965	4,203	2,871	2,780
1-04-4155-450	Contracted Services - Seismic Valve Controllers	8,195	-	7,995	6,987	6,683
1-04-4155-455	Contracted Services - Annual Tank Service	112,500	223,516	106,600	2,615	-
1-04-4155-460	Contracted Services - Fire Extinguisher Servicing	5,463	3,308	5,330	-	2,490
1-04-4155-466	Contracted Services - Clearscada	-	-	-	-	-
1-04-4155-468	Contracted Services - Fuel Serve	2,627	2,657	2,563	2,420	-
1-04-4155-499	Contracted Services - Miscellaneous	2,206	-	2,153	-	2,420
1-04-4175-000	Permits (District Facilities including Dams)	44,126	67,074	43,050	43,678	37,856
1-04-4215-100	Natural Gas - Wells & Boosters	500,000	455,896	235,806	539,616	266,610
1-04-4215-200	Natural Gas - Buildings	10,400	11,500	9,940	11,333	6,618
1-04-4220-100	Electricity - Wells & Boosters	2,300,000	2,156,187	901,304	2,049,526	1,516,979
1-04-4220-200	Electricity - Buildings	104,001	106,279	99,399	75,888	83,840
1-04-4225-000	Maint. & Repair - Vehicles	37,628	22,500	35,768	26,109	28,792
1-04-4230-100	Maint. & Rep. Operations - Office Building	29,328	7,042	27,878	7,720	10,132
1-04-4230-120	Maint. & Rep. Operations - Two-way Radios	5,534	650	5,260	470	-
1-04-4235-110	Maint. & Rep. Operations - Equipment	14,055	9,500	13,360	8,933	3,737
1-04-4235-400	Maint. & Rep. Operations - Wells	93,865	96,000	89,041	60,316	80,721
1-04-4235-405	Maint. & Rep. Operations - Boosters	58,652	86,000	55,637	52,552	37,165
1-04-4235-410	Maint. & Rep. Operations - Shop Bldgs	28,774	8,000	27,352	15,027	11,780
1-04-4235-415	Maint. & Rep. Operations - Facilities	57,549	12,000	54,704	12,533	38,245
1-04-4235-420	Maint. & Rep. Operations - Water Lines	348,612	400,000	331,380	266,240	234,639
1-04-4235-425	Maint. & Rep. Operations - Littlerock Dam	17,154	26,000	16,306	1,794	8,282
1-04-4235-430	Maint. & Rep. Operations - Palmdale Dam	-	-	-	-	-
1-04-4235-435	Maint. & Rep. Operations - Palmdale Canal	7,747	3,000	7,364	537	3,144
1-04-4235-440	Maint. & Rep. Operations - Large Meters	17,154	3,500	16,306	6,813	7,968
1-04-4235-445	Maint. & Rep. Operations - Telemetry	-	-	-	-	-
1-04-4235-450	Maint. & Rep. Operations - Hypo Generators	8,743	5,000	8,311	3,961	6,416
1-04-4235-455	Maint. & Rep. Operations - Heavy Equipment	48,695	42,803	46,288	33,634	32,112
1-04-4235-460	Maint. & Rep. Operations - Storage Reservoirs	5,755	2,588	5,470	1,295	1,020
1-04-4235-461	Maint. & Rep. Operations - Air Vacs	5,755	5,450	5,470	3,488	5,760
1-04-4235-470	Maint. & Rep. Operations - Meter Exchanges	171,539	32,000	163,060	68,566	49,498
1-04-4270-300	Telecommunication - Other	-	-	-	-	-
1-04-4300-100	Testing - Regulatory Compliance	21,538	10,000	21,013	8,234	9,467
1-04-4300-200	Testing - Large Meter Testing	13,658	16,500	13,325	14,460	12,940
1-04-4300-300	Testing - Edison Testing	12,608	-	12,300	-	6,250
1-04-6000-000	Waste Disposal	22,990	16,528	21,972	14,109	15,532
1-04-6100-100	Fuel - Gas and Diesel	152,732	184,000	147,268	147,382	110,759
1-04-6100-200	Lubricates District Wide	27,965	25,000	26,965	31,267	19,256
1-04-6200-000	Uniforms	28,439	24,577	28,218	21,650	23,487

(Continued next page)

Facilities (Continued)

OPERATING EXPENSES (Continued) :		-	-	-	-	-
1-04-6300-100	Supplies - General	66,018	61,000	65,507	54,085	42,127
1-04-6300-200	Supplies - Hypo Generators	-	-	-	-	-
1-04-6300-300	Supplies - Electrical	3,047	-	3,023	2,237	584
1-04-6300-400	Supplies - Telemetry	-	-	-	-	-
1-04-6300-800	Supplies - Construction Materials	35,548	28,000	35,273	36,073	33,777
1-04-6400-100	Tools - Facilities	35,548	22,500	35,273	29,104	28,650
1-04-6400-200	Tools - Vehicles	10,258	3,407	10,179	9,490	13,320
1-04-7000-100	Leases - Equipment	15,235	10,399	15,117	12,117	15,583
1-04-7000-200	Leases - Fleet	175,000	148,000	143,108	157,196	116,362
Total Operating Expense		4,812,886	4,448,411	3,044,316	3,944,248	3,044,852
Total Departmental Expenses		8,461,136	7,655,836	6,278,142	7,158,094	6,560,658

Operations Department

DESCRIPTION:

The Operations Department operates the water distribution system, including the Water Treatment Plant, Lake Palmdale, Littlerock Dam and Reservoir, and the Palmdale Ditch for surface water sources and treatment. The department is responsible for maintaining compliance with all federal, state, and local regulations on water quality standards, updating watershed sanitary survey and development of wellhead protection as a source water protection plan, lake management, energy management, and pumping efficiency, as well as handling customer-related water quality complaints and water quality analysis.

2022 ACCOMPLISHMENTS:

- 1) Refined plant systems operational practices to optimize water quality.
- 2) Completed O&M manual for 2022 and added 3M reservoir as an emergency clearwell while 6M is offline (SWRCB).
- 3) Renewed Water Research Foundation District's membership for 2022.
- 4) Completed Large Water System Report for 2021 (SWRCB).
- 5) Scheduled GAC Reactivation for 3 GAC contactors with Calgon Carbon at the treatment plant for TOC Removal and TTHM mitigation.
- 6) Treated algae bloom and maintain a manageable algae level at Lake Palmdale.
- 7) Participated with Hazen & Sawyer to assess what is needed to replace treatment worn-out chemical feed lines.
- 8) Helped out District's Engineering Department to select a vendor to replace the Hypochlorite Generation unit at the WTP and design of system layout.
- 9) Training of two new hired operators.
- 10) ELAP On-site assessment and certification renewal.
- 11) Completed the Consumer Confidence Report for 2021 and uploaded documents to state website.
- 12) Completed Method Detection Limit (MDL) Study.
- 13) Completed Lab Quality Assurance Manual in TNI format.
- 14) Continued updating laboratory documents to new ELAP regulations (2016 TNI Standard).

2023 GOALS:

- 1) Develop and execute an effective lake monitoring program and cleanup of Lake Palmdale shoreline.
- 2) Facilitate a smooth installation of Solar Project at 6M reservoir site and help bring the system online.
- 3) Keep employees informed of important changes and improvements executed by District.
- 4) Assist in completion of hypochlorite generation unit.
- 5) Achieve 100% compliance in regulator monitoring and legislative mandates.

Operations

Operations		BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2023	2022	2022	2021	2020	2019
1-05-4000-000	Salaries	1,299,250	1,278,180	1,197,000	1,178,134	1,175,217	1,066,200
1-05-4000-100	Salaries - Departmental Overtime	100,000	109,000	103,693	99,235	111,276	117,094
	Subtotal (Salaries)	1,399,250	1,387,180	1,300,693	1,277,369	1,286,493	1,183,294
Employee Benefits							
1-05-4005-000	Payroll Taxes	107,250	112,638	95,500	95,066	101,750	88,433
1-05-4010-000	Health Insurance	190,750	173,302	160,500	193,486	191,677	167,240
1-05-4015-000	PERS	129,750	112,224	122,500	109,453	106,224	91,630
	Subtotal (Benefits)	427,750	398,164	378,500	398,005	399,651	347,303
	Personnel Expenses	1,827,000	1,785,344	1,679,193	1,675,374	1,686,144	1,530,597
OPERATING EXPENSES:							
1-05-4050-000	Staff Travel	3,257	563	3,178	2,707	-	5,944
1-05-4060-000	Staff Conferences & Seminars	3,257	-	3,178	-	-	1,145
1-05-4120-100	Training - Lab Equipment	5,463	-	5,330	-	-	-
1-05-4155-505	Contracted Services - Landscape Services	3,677	1,620	3,588	1,620	3,492	2,195
1-05-4155-525	Contracted Services - Wind Turbine Services	32,569	-	31,775	-	5,165	7,913
1-05-4155-540	Contracted Services - Lab Software	8,090	7,569	7,893	6,698	6,624	6,307
1-05-4155-545	Contracted Services - Lab Equipment Services	27,316	30,000	30,000	28,362	25,962	26,552
1-05-4155-550	Contracted Services - Water Quality Svcs (SolarBee)	32,990	37,600	32,185	-	29,228	29,228
1-05-4155-599	Contracted Services - Miscellaneous	-	38,300	-	-	-	-
1-05-4175-000	Permits (WTP Facilities Inclusive)	85,416	90,000	83,333	91,586	69,689	69,263
1-05-4215-200	Natural Gas - Water Treatment Plant	3,503	3,000	3,348	4,148	1,257	1,580
1-05-4220-200	Electricity - Water Treatment Plant	400,000	380,000	224,955	397,866	153,414	257,450
1-05-4230-110	Maint. & Rep. Office - Equipment	5,866	3,475	5,576	2,364	638	1,705
1-05-4235-110	Maint. & Rep. Operations - Equipment	23,241	20,000	22,092	27,734	19,036	16,241
1-05-4235-410	Maint. & Rep. Operations - Shop Bldgs	6,972	6,500	6,628	5,970	6,347	7,038
1-05-4235-415	Maint. & Rep. Operations - Facilities	81,896	78,000	77,848	26,909	74,648	85,594
1-05-4235-450	Maint. & Rep. Operations - Hypo Generators	-	-	-	-	-	6,221
1-05-4235-500	Maint. & Repair - Wind Turbine	11,067	-	10,520	4,589	5,995	53,615
1-05-4236-000	Palmdale Lake Management	142,616	85,000	136,162	134,998	98,031	111,708
1-05-6000-000	Waste Disposal	22,990	24,916	21,972	29,587	21,710	22,839
1-05-6200-000	Uniforms	16,251	15,000	16,125	13,831	15,804	12,993
1-05-6300-100	Supplies - General	15,438	12,500	15,319	16,223	18,710	26,382
1-05-6300-600	Supplies - Lab	78,822	75,000	75,334	67,158	66,356	44,469
1-05-6300-700	Outside Lab Work	65,685	72,000	115,000	68,550	52,880	74,198
1-05-6400-000	Tools	6,196	6,500	6,148	4,989	4,726	3,550
1-05-6500-000	Chemicals	875,000	780,000	958,946	814,780	941,914	1,006,489
1-05-7000-100	Leases -Equipment	3,047	-	3,023	638	318	10,542
	Total Operating Expense	1,960,623	1,767,543	1,899,451	1,751,305	1,621,943	1,891,161
	Total Departmental Expenses	3,787,623	3,552,887	3,578,644	3,426,680	3,308,087	3,421,758

Finance Department

DESCRIPTION:

The Finance Department's primary responsibility is overseeing the finance-related aspects of the District. This includes billing, payment processing, collections, accounts payable, payroll, bank reconciliation, financial reporting (both state and local), auditing, internal controls, and fixed asset allocation.

2022 ACCOMPLISHMENTS:

- 1) Completed the annual audit and required reporting to outside governing agencies. This included producing the actual audited financial report in-house for review by the independent auditors.
- 2) Provided technical, financial, and acquisition support to all departments.
- 3) Provided monthly financial reports to General Manager and Board of Directors.
- 4) Provided employee compensation in a timely manner.
- 5) Completed issuance of 2022 Capital Lease funding in the amount of \$2,400,000.
- 6) Liquidated District's obligations in a timely manner.
- 7) Continued workflow schedule for better closure of financial periods to improve monthly reconciliation processes.
- 8) Produced annual District budget.

2023 GOALS:

- 1) Complete year-end audit and required financial reporting in a timely manner.
- 2) Continue to provide technical, financial, and acquisition support to all departments.
- 3) Continue to provide monthly financial reports to the General Manager and Board of Directors.
- 4) Complete work on procedural documentation related to payables and payroll processing and related cross-training.
- 5) Continue development of procedural documentation related to other financial related processes, such as job costing, depreciation, and account reconciliation.
- 6) Continue improving on finance workflow schedule to better position the District for information requests related to the District's financial information.
- 7) Perform District-wide System Valuation Study to determine actual asset value of the District.
- 8) Implement outsourcing of Human Resources Information System (HRIS) / payroll system.
- 9) Work on procurement and implementation of ERP system including financials and improved reporting.

Finance

Finance

	BUDGET 2023	PROJECTED 2022	BUDGET 2022	ACTUAL 2021	ACTUAL 2020	ACTUAL 2019
PERSONNEL BUDGET:						
1-06-4000-000 Salaries	1,054,500	1,028,875	980,500	1,053,965	779,173	705,236
1-06-4000-100 Salaries - Departmental Overtime	6,000	6,500	2,095	8,088	1,363	807
Subtotal (Salaries)	1,060,500	1,035,375	982,595	1,062,053	780,536	706,042
Employee Benefits						
1-06-4005-000 Payroll Taxes	92,000	85,219	76,500	72,935	56,529	48,357
1-06-4010-000 Health Insurance	181,070	181,070	160,500	178,652	124,813	101,355
1-06-4015-000 PERS	130,000	100,163	104,000	102,478	75,194	63,912
Subtotal (Benefits)	403,070	366,451	341,000	354,065	256,535	213,624
Personnel Expenses	1,463,570	1,401,826	1,323,595	1,416,118	1,037,072	919,666
OPERATING EXPENSES:						
1-06-4050-000 Staff Travel	3,000	-	2,050	1,450	58	357
1-06-4060-000 Staff Conferences & Seminars	2,500	-	1,538	329	-	547
1-06-4155-100 Contracted Services - Infosend	340,000	307,687	290,075	262,528	246,295	265,550
1-06-4155-300 Contracted Services - AdComp Systems	4,518	4,085	4,408	4,085	4,085	4,085
1-06-4155-620 Contracted Services - Letter Extractor (OPEX)	3,257	3,178	3,178	3,045	5,940	-
1-06-4155-625 Contracted Services - GASB Actuarial Reports	8,500	12,450	5,330	4,650	4,650	10,750
1-06-4155-630 Contracted Services -Payroll/HR	50,000	-	-	-	-	-
1-06-4165-000 Memberships/Subscriptions	525	250	513	220	220	220
1-06-4230-110 Maintenance & Repair - Office Equipment	553	-	526	-	-	-
1-06-4250-000 General Material & Supplies	2,031	500	2,016	-	-	-
1-06-4260-000 Business Forms	1,576	1,000	1,538	175	314	-
1-06-4270-100 Telecommunication - Office	53,000	59,000	32,800	59,726	32,120	31,206
1-06-4270-200 Telecommunication - Cellular Stipend	30,000	29,340	26,343	25,605	32,040	24,215
1-06-7000-100 Leases - Equipment	3,047	2,750	3,023	2,025	2,577	2,603
1-06-4155-200 Contracted Services - Infosend Drought Related	-	-	-	19,554	-	-
Total Operating Expense	502,508	420,240	373,335	383,391	328,300	339,533
Total Departmental Expenses	<u>1,966,077</u>	<u>1,822,066</u>	<u>1,696,930</u>	<u>1,799,510</u>	<u>1,365,372</u>	<u>1,259,199</u>

Water-Use Efficiency Department

DESCRIPTION:

The Water-Use Efficiency Department's primary responsibilities are planning and executing conservation programs and providing information and education on conservation issues. Programs are developed for PWD customers and school classrooms.

2022 ACCOMPLISHMENTS:

- 1) Virtual school presentations reached 500 students.
- 2) Earth Day Poster Contest – 150 students, and Water Superhero Poster Contest – 250 students.
- 3) As of October 13, 2022, gave out 1,288 water waste door tags.
- 4) As of October 13, 2022, 31 fines have been given to customers for getting a second notice or higher.
- 5) Worked on 9 events including National Night Out, Composting Workshop, AV Fair, Lockheed Martin Employee event, 2 Let's Talk H2O events, and Gardening in the Desert Workshop.
- 6) Adapted assistance, rebate, and education programs to better serve our ratepayers.
- 7) Continued coordinating the AV Regional Conservation Roundtable Group.
- 8) Worked with Public Affairs to send out drought and conservation messaging.
- 9) Monthly usage reporting for the city and school districts to track water usage.
- 10) \$158,952 in rebates were provided to qualifying ratepayers.
- 11) 84,507 square feet of turf was replaced as part of the WWLCP (Water-wise Landscape Conversion Program).

2023 GOALS:

- 1) Pursue advanced WUE certification.
- 2) Graphically represent WUE rebate and education program KPIs on intranet.
- 3) Continue to adapt WUE programs to better suit customer and District needs.
- 4) Continue to work with Public Affairs on expanding drought and WUE messages.
- 5) Continue to lead the AV Conservation Roundtable.
- 6) Continue to work directly with the city and school districts during drought.
- 7) Get active participation in municipal/industrial rebate programs.
- 8) Evaluate need for increased water waste enforcement activities.
- 9) Continue to collaborate with Public Affairs on a community event for students K-12.
- 10) Create new contest for students K-12 and start in person classroom presentations.
- 11) Continue great working relationship with city of Palmdale and school districts.
- 12) Continue great working relationship with Public Affairs on events.
- 13) Get commercial, industrial, and institutional accounts more involved with all our programs.
- 14) Work with Engineering on Conservation Garden plan.

Water-Use Efficiency

<u>Water-Use Efficiency</u>		BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2023	2022	2022	2021	2020	2019
1-07-4000-000	Salaries	190,250	177,869	172,000	173,926	171,419	171,500
1-07-4000-100	Salaries - Departmental Overtime	10,500	10,500	5,237	2,473	3,061	4,797
	Subtotal (Salaries)	200,750	188,369	177,237	176,399	174,480	176,297
Employee Benefits							
1-07-4005-000	Payroll Taxes	15,500	16,551	14,250	13,674	14,662	13,670
1-07-4010-000	Health Insurance	34,000	41,145	41,000	37,924	37,655	45,490
1-07-4015-000	PERS	23,750	18,707	19,500	17,590	17,006	16,426
	Subtotal (Benefits)	73,250	76,403	74,750	69,189	69,323	75,587
	Personnel Expenses	274,000	264,772	251,987	245,588	243,803	251,883
OPERATING EXPENSES:							
1-07-4050-000	Staff Travel	2,732	268	2,665	634	414	2,280
1-07-4060-000	Staff Conferences & Seminars	3,257	1,133	3,178	670	150	1,145
1-07-4190-300	Public Relations - Landscape Workshop/Training	5,463	500	5,330	383	458	89
1-07-4190-400	Public Relations - Contests	3,257	-	3,178	1,140	852	390
1-07-4190-500	Public Relations - Education Programs	50,000	1,000	128,125	-	6,701	119,294
1-07-4190-900	Public Relations - Other	5,463	500	5,330	629	395	1,880
1-07-6300-100	Supplies - General	10,000	11,000	7,055	3,437	236	6,970
	Total Operating Expense	80,172	14,402	154,860	6,893	9,207	132,049
	Total Departmental Expenses	354,172	279,173	406,847	252,480	253,009	383,933

Human Resources Department

DESCRIPTION:

The Human Resources Department manages the District's human resource-related tasks. This includes planning, organizing, directing, and reviewing the activities and operations of the Human Resources Department, including recruitment and selection, on-boarding, classification and compensation, benefits administration, employee relations, performance management, training, safety and risk management.

2022 ACCOMPLISHMENTS:

- 1) Analyzed District benefit positions and made recommendations to Personnel Committee.
- 2) Conducted 8 recruitment processes.
- 3) Completed Hazard Mitigation Plan and provided training for emergency preparedness.
- 4) Conducted SEMS/NIMS training as part of emergency preparedness.
- 5) Installed multi-gas detector for confine space safety.
- 6) Close out Hazard Mitigation Grant.
- 7) Managed Covid-19 plan and communications.
- 8) Updated Employee Handbook.
- 9) Establish Paid Internship Program.
- 10) Completed Salary Survey.

2023 GOALS:

- 1) Continue to review and revise job descriptions as needed.
- 2) Coordinate 2024 Employee Benefits Open Enrollment.
- 3) Continue focus on increased safety awareness through training and emergency preparedness.
- 4) Continue focus on cross-training to create a flexible workforce along with a workforce prepared for succession.
- 5) Establish a Supervisor/Lead Training Program.
- 6) Continue and enhance the Palmdale Water District's Internship Program through outreach.
- 7) Roll out a new Human Resources Information System (HRIS).

Human Resources

Human Resources		BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2023	2022	2022	2021	2020	2019
1-08-4000-000	Salaries	383,750	251,027	260,000	299,976	264,929	241,493
1-08-4000-100	Salaries - Departmental Overtime	5,250	5,000	1,047	268	584	613
1-08-4000-200	Salaries - Intern Program	54,000	3,000	-	-	-	-
	Subtotal (Salaries)	443,000	259,027	261,047	300,245	265,513	242,106
Employee Benefits							
1-08-4005-000	Payroll Taxes	34,500	23,750	20,500	20,601	19,286	17,466
1-08-4010-000	Health Insurance	42,250	16,783	27,500	33,493	26,866	31,281
1-08-4015-000	Pers	34,250	23,000	23,500	22,210	18,731	16,595
	Subtotal (Benefits)	111,000	63,533	71,500	76,304	64,883	65,342
	Personnel Expenses	554,000	322,561	332,547	376,549	330,396	307,448
OPERATING EXPENSES:							
1-08-4050-000	Staff Travel	1,576	2,000	1,538	-	582	3,261
1-08-4060-000	Staff Conferences & Seminars	1,576	1,000	1,538	-	199	1,574
1-08-4070-000	Employee Expense	80,000	76,000	85,000	67,485	64,130	91,048
1-08-4095-000	Employee Recruitment	8,000	7,878	3,178	8,457	8,455	8,392
1-08-4100-000	Employee Retention	4,500	307	5,330	1,239	1,681	5,046
1-08-4105-000	Employee Relations	-	-	-	-	-	1,384
1-08-4120-100	Training - Safety	35,000	17,742	36,900	21,975	13,581	5,986
1-08-4120-200	Training - Specialty	15,000	-	15,888	3,265	1,206	16,649
1-08-4121-000	Safety/HR Program	1,051	-	1,025	-	35	35
1-08-4165-000	Memberships/Subscriptions	1,681	1,300	1,640	754	1,268	1,474
1-08-4165-100	HR/Safety Publications	1,051	104	1,025	-	499	-
1-08-6300-500	Supplies - Safety	30,978	52,176	50,000	19,787	24,685	44,789
	Total Operating Expense	180,412	158,507	203,060	122,962	116,321	179,638
	Total Departmental Expenses	734,412	481,068	535,607	499,511	446,718	487,087

Information Technology Department

DESCRIPTION:

The Palmdale Water District Information Technology (IT) Department provides IT support for the District's computer network, including the operation, maintenance, upgrade, and repair of network hardware and District employee workstations. The primary responsibility of the IT Department is providing a safe and secure networking environment. Additional responsibilities include the day-to-day operation of the network data center and servers, the District phone system, office machines, and software applications. The IT Department is also responsible for testing and evaluating new software applications and hardware being considered for purchase by the District to insure they perform in our current and future infrastructure.

2022 ACCOMPLISHMENTS:

1. Air gapped the Internet from the local LAN with addition of 2 switches at PWD and WTP providing better security.
2. Successful completion of Palmdale Aerospace Academy Internship.
3. Front counter Customer Care computers swapped to brand new systems.
4. New alarm system for the warehouse.
5. Addition of 20 new cameras at WTP for enhanced security.
6. Upgraded Network Video Recorder (NVR) at WTP to support additional cameras.
7. Virtual Desktop Infrastructure (VDI) implementation.
8. TruePoint (Billing System) upgraded to the cloud and current version.
9. Audio/Visual upgrade in the Main Board Room equipment RFP.
10. Intranet redesign RFP.
11. Deployment of new plotter for Engineering.
12. Multiple sit/stand office remodels.
13. ESRI Utility Network Migration (Multi-year project and top priority).
14. GIS Enterprise upgrades
15. Meter replacement project.
16. Compile and distribute monthly leak count updates to General Manager and other staff.
17. Routine monitoring of Dig Alert Map to ensure positive response compliance.
18. Set up new procedure using color-coded layers to display new development system changes prior to as-built finalization.
19. Submitted a contest entry for Special Districts Award: "How PWD Used Mobile GIS Web Apps to Eliminate Paper Workflows by the Facilities crew."
20. Miox Sodium Hypochlorite generator integration into SCADA system.
21. Installation of brine tank and controls at two sites.
22. Repair of AUMA valves at treatment plant.
23. SWAN pH probes – installation and integration into SCADA system.

2023 GOALS:

1. Completion of the A/V upgrade in the Main Board Room.
2. Assist with implementation of Human Resources Information System (HRIS) / payroll system.
3. Assist with implementation of new financial ERP system.
4. New and upgraded intranet.
5. Continued VDI development and deployment.
6. Data Warehousing / Business Intelligence Implementation.
7. Have a fully functioning ArcGIS Utility Network Pilot running that uses PWD data for testing purposes and demonstration to District staff.
8. Continue providing GIS support for annual Meter Replacement Project that improves efficiency for Facilities crew and Customer Care staff.
9. Support the transition from Collector to ESRI's New Improved Field Maps Application for Mobile GIS Field Data Collection Activity.
10. Completion of SCADA system analysis and implementation of recommendations.
11. SCADA radio upgrade.
12. Replacement of old SLC 500 PLCs on emergency generator with Scadapack32 for 45th Street.
13. Installation and integration of Well 36 into SCADA system.
14. Start SCADA network redesign.

Information Technology

<u>Information Technology</u>		BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2023	2022	2022	2021	2020	2019
1-09-4000-000	Salaries	714,000	608,657	617,500	590,289	483,950	295,522
1-09-4000-100	Salaries - Departmental Overtime	6,500	5,800	21,995	22,947	26,855	731
	Subtotal (Salaries)	720,500	614,457	639,495	613,237	510,806	296,252
Employee Benefits							
1-09-4005-000	Payroll Taxes	59,250	53,557	48,750	44,487	38,935	21,331
1-09-4010-000	Health Insurance	94,500	94,123	80,000	96,749	65,776	31,509
1-09-4015-000	PERS	89,500	63,236	65,750	58,989	47,031	25,993
	Subtotal (Benefits)	243,250	210,915	194,500	200,226	151,742	78,833
	Personnel Expenses	963,750	825,372	833,995	813,462	662,547	375,085

OPERATING EXPENSES:							
1-09-4050-000	Staff Travel	3,257	-	3,178	1,345	147	2,968
1-09-4060-000	Staff Conferences & Seminars	10,927	3,748	10,660	6,353	3,456	2,017
1-09-4155-801	Cloud Services-MS-Office 360	36,772	42,672	35,875	32,015	3,504	58,855
1-09-4155-804	Cloud Services-Adobe-Creative Suite	5,463	-	8,000	10,393	7,610	7,610
1-09-4155-805	Cloud Services-SeamlessDocs	5,463	5,500	9,000	6,167	-	5,833
1-09-4155-806	Cloud Services-IPSwitch-Moveit	11,032	10,027	10,763	161	10,027	10,027
1-09-4155-807	Cloud Services-GFI Fax	2,732	2,001	2,665	1,650	1,650	600
1-09-4155-808	Cloud Services-KnowBe4-Security Awareness	1,576	2,298	2,300	2,298	2,000	2,000
1-09-4155-809	Cloud Services-Network Solutions-DNS, Web Registration	4,308	2,000	2,500	2,077	816	2,465
1-09-4155-810	Cloud Services-IBM-MaaS 360	6,514	5,700	6,355	5,118	3,672	-
1-09-4155-811	Cloud Services-MSP Portal-Bit Defender	5,358	5,094	7,000	5,094	5,094	6,488
1-09-4155-812	Cloud Services-Akins-WiFi	-	-	-	523	1,383	-
1-09-4155-813	Cloud Services-FleetMate	525	500	513	500	-	-
1-09-4155-814	Cloud Services-Security Metrics-PCI Compliance	4,728	4,400	4,613	4,400	8,792	3,796
1-09-4155-815	Cloud Services-Citrix	2,101	1,916	2,050	1,825	1,750	1,755
1-09-4155-816	Cloud Services - Azure Services	26,476	36,687	25,830	2,033	-	-
1-09-4155-905	Contracted Services - Offsite Services	5,253	6,925	5,125	3,704	-	75
1-09-4155-910	Contracted Services - Printer Services	7,354	2,500	7,175	3,577	4,993	4,786
1-09-4155-915	Contracted Services - Website Design Services	4,203	350	4,100	4,171	5,108	7,958
1-09-4155-920	Contracted Services - Telephony Services	5,463	-	5,330	-	2,794	-
1-09-4155-925	Contracted Services - TDS (Network & Software Support)	42,025	22,500	41,000	25,659	-	-
1-09-4155-930	Contracted Services - Network Services	-	-	-	-	1,114	14,342
1-09-4155-935	Contracted Services - Hardware Warranties	16,285	-	15,888	-	-	295
1-09-4155-940	Contracted Services - Access Control & Fire Services	63,038	75,000	61,500	70,596	61,059	48,823
1-09-4155-945	Contracted Services - LA County Dataset	1,051	250	1,025	-	-	-
1-09-4155-950	Contracted Services - ESRI Customer Care	5,253	-	5,125	-	3,487	-
1-09-4155-955	Contracted Services - SCADA Software	18,911	17,743	18,450	22,215	-	-
1-09-4155-960	Contracted Services - SCADA Hardware	10,506	-	10,250	-	14,952	-
1-09-4155-965	Contracted Services - ClearSCADA	15,759	-	15,375	-	-	-
1-09-4165-000	Memberships/Subscriptions	2,732	2,500	2,665	3,399	360	1,455
1-09-4235-445	Maint. & Rep - Telemetry	5,568	1,000	5,433	3,870	1,046	-
1-09-4270-100	Telecommunication - Office Phone	18,911	20,000	18,450	18,607	23,622	17,528
1-09-4270-125	Telecommunication - Office Backbone	24,164	20,580	23,575	20,580	21,866	20,580
1-09-4270-150	Telecommunication - WTP Backbone	16,285	11,400	15,888	11,400	11,400	10,450
1-09-4270-300	Telecommunication - Cellular (Data & On-Call)	57,784	61,000	56,375	49,926	52,198	47,122
1-09-4270-350	Telecommunication - Other	7,985	19,700	7,790	15,212	7,094	-
1-09-6300-400	Supplies - Telemetry	1,500	750	-	636	406	-
1-09-6450-110	Equipment - GF Signet Flow Meters	7,719	-	7,659	-	-	-
1-09-7000-100	Leases - Equipment (Printers)	56,877	53,799	56,437	52,735	48,706	49,961
1-09-8000-100	Computer Equipment - Computers	45,705	25,000	45,351	47,363	59,732	54,264
1-09-8000-200	Computer Equipment - Mobility	45,705	25,000	45,351	17,901	31,183	44,756
1-09-8000-300	Computer Equipment - Monitors	12,188	-	12,094	10,576	-	2,214
1-09-8000-500	Computer Equipment - Printer Supplies	2,539	-	2,520	125	-	157
1-09-8000-550	Computer Equipment - Telephony	3,047	-	3,023	-	-	-
1-09-8000-600	Computer Equipment - Other	30,470	12,500	30,234	15,417	31,150	17,158
1-09-8000-650	Computer Equipment - Warranty and Support	15,235	17,029	15,117	15,495	22,560	6,000
1-09-8100-100	Software - Maint. and Support	-	-	-	4,963	32,270	-
1-09-8100-101	Software M&S - Xtelesis-Phone	11,032	9,344	10,763	8,899	-	9,679
1-09-8100-102	Software M&S - Tredent-Veam	12,000	12,684	-	13,467	18,836	-
1-09-8100-103	Software M&S - ConduSive/V-locity-Diskeeper	8,405	6,242	8,200	6,148	5,128	5,128
1-09-8100-104	Software M&S - FWI	525	500	513	403	397	388

(Continued next page)

Information Technology (Continued)

OPERATING EXPENSES (Continued):		-	-	-	-	-	-
1-09-8100-105	Software M&S-Strategy 7	-	-	-	-	-	-
1-09-8100-106	Software M&S-Astria Solutions-Docstar	19,962	13,275	19,475	12,643	12,643	12,643
1-09-8100-107	Software M&S-NemoQ-Ticketing	2,627	-	2,563	-	-	1,945
1-09-8100-109	Software M&S-Neogov	5,253	7,505	5,125	3,392	-	8,240
1-09-8100-110	Software M&S-TruePoint	42,025	47,500	41,000	33,990	35,310	31,920
1-09-8100-111	Software M&S-Technology Unlimited	2,206	2,000	2,153	1,723	1,673	1,762
1-09-8100-112	Software M&S-Sierra Workforce-Timesheet	4,308	4,250	4,203	4,034	4,034	4,717
1-09-8100-114	Software M&S-Faranics-Powersaver	210	-	205	-	-	-
1-09-8100-115	Software M&S-Network Monitoring	66,189	45,000	64,575	44,706	44,582	2,348
1-09-8100-116	Software M&S-VMWare-Virtualization	14,709	9,225	14,350	9,225	9,225	6,788
1-09-8100-117	Software M&S-iPrism-Web Filter	-	-	-	-	-	27,734
1-09-8100-119	Software M&S-Palitto Consulting (IVR)	-	-	-	-	-	2,599
1-09-8100-120	Software M&S-ESRI GIS Software	26,266	25,000	25,625	300	25,000	-
1-09-8100-121	Software M&S-ESRI Drone2Map	1,576	2,251	1,538	-	2,000	-
1-09-8100-122	Software M&S-Info360 (SCADA Watch)	16,810	-	16,400	16,204	-	-
1-09-8100-123	Software M&S-InfoWatch (Innovyze)	16,810	14,064	16,400	-	-	-
1-09-8100-124	Software M&S-BAMBOO HR	11,032	10,500	10,763	10,577	-	-
1-09-8100-125	Software M&S-Syncta Backflow	6,000	3,408	8,000	-	-	-
1-09-8100-126	Software M&S-ProcureNow (OpenGov)	10,000	9,000	9,000	-	-	-
1-09-8100-150	Software M&S-Dynamics GP	42,025	38,179	41,000	54,567	62,430	40,731
1-09-8100-200	Software - Software and Upgrades	21,013	19,153	20,500	12,606	12,244	10,812
	Total Operating Expense	1,017,727	797,149	991,951	732,963	720,504	619,772
	Total Departmental Expenses	1,981,477	1,622,521	1,825,946	1,546,425	1,383,052	994,857

Customer Care Department

DESCRIPTION:

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

2022 ACCOMPLISHMENTS:

- 1) Meter procurement for new meters and reading system completed.
- 2) Worked efficiently and effectively from home assisting (with Microsoft Teams) customers due to the COVID response and compliance with the “Safer-at-Home” orders issued by Los Angeles County and the state of California.
- 3) Prepared for SB-998 (prior to pandemic).
- 4) Established Covid-19 payment plan to promote collecting funds.
- 5) Effectively transitioned from work-from-home to office environment.
- 6) 2022 departmental statistics:
 - Phone calls handled 34,852
 - Lobby customers served 1,062
 - New customers processed (move in) 1,374
 - Rate Assistance Program applications 710 (2022 funds were exhausted)
 - Processed courtesy leak applications 211 (\$38,669 in customer savings)
 - Processed service orders 25,722

2023 GOALS:

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

Customer Care

Customer Care		BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2023	2022	2022	2021	2020	2019
1-10-4000-000	Salaries	1,134,250	1,015,456	1,019,000	937,636	972,537	948,953
1-10-4000-100	Salaries - Departmental Overtime	7,000	7,000	7,856	4,367	3,891	3,867
	Subtotal (Salaries)	1,141,250	1,022,456	1,026,856	942,003	976,429	952,821
Employee Benefits							
1-10-4005-000	Payroll Taxes	87,500	88,468	79,500	71,300	77,001	67,863
1-10-4010-000	Health Insurance	227,500	230,268	205,000	236,285	216,399	205,882
1-10-4015-000	PERS	121,250	97,127	105,000	90,531	88,826	79,411
	Subtotal (Benefits)	436,250	415,864	389,500	398,115	382,226	353,157
	Personnel Expenses	1,577,500	1,438,319	1,416,356	1,340,118	1,358,655	1,305,977
OPERATING EXPENSES:							
1-10-4050-000	Staff Travel	2,101	-	2,050	870	(20)	4,646
1-10-4060-000	Staff Conferences & Seminars	3,257	634	3,178	349	-	3,082
1-10-4155-005	Contracted Services - Assessor Data (Realquest)	10,506	9,900	10,250	9,900	9,900	9,906
1-10-4155-010	Contracted Services - Credit Reporting Services	4,308	3,688	4,203	4,326	3,225	4,514
1-10-4155-015	Contracted Services - AMR Services (Itron)	8,720	2,287	9,200	4,574	8,712	12,210
1-10-4155-020	Contracted Services - NEMO-Q System	3,152	2,003	3,075	1,945	1,945	-
1-10-4230-110	Mtce & Rep Office - Equipment	203	-	202	-	331	-
1-10-4250-000	General Material & Supplies	5,078	3,284	5,039	1,255	1,102	2,454
1-10-4260-000	Business Forms	1,051	-	1,025	-	-	871
	Total Operating Expense	38,376	21,796	38,221	23,219	25,196	37,683
	Total Departmental Expenses	1,615,876	1,460,115	1,454,576	1,363,337	1,383,851	1,343,660

APPENDIX

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Budget Control Guidelines

The 2023 Budget approved by the Board of Directors will serve as the basis for operating Palmdale Water District. It includes many individual items and projects as well as the anticipated operations and maintenance budgets. Occasional questions have come up in previous years as the District has gotten familiar with the budget process. These range from adjustments in accounts of departmental operating budgets to implementing projects approved in the budget. The following are intended to act as guidelines for working within the budget and to clarify the Board's involvement in the process.

- 1) Work on purchasing equipment and other projects in the approved budget can be initiated by staff. Approval of proposals for the construction projects or purchasing equipment will follow the appropriate District policy and may involve Committee or Board action.
- 2) Department managers are required to operate within the approved budget amounts, both the total department amount and individual accounts. Permission from the General Manager is needed prior to exceeding any account budget amount.
- 3) The General Manager is authorized to approve transfers between operating budget accounts within or between departments up to \$25,000. These transfers must be requested in writing from the department manager and shall not increase the overall District budget. Transfers above \$25,000 must be approved by the Board of Directors.
- 4) Items not included in the approved budget and recommended by staff must be approved by the Board.
- 5) Increases in the total operating budget that are not due to emergency or maintenance activities must be approved by the Board of Directors. The General Manager shall inform the Board of Directors of spending related to emergency situations.
- 6) The General Manager will periodically provide the Board of Directors with reports on actual spending versus the approved budget, any recommended adjustments, and any approved transfers.
- 7) The Departmental Staffing Summary included in the 2023 Budget is for monetary planning purposes only. The General Manager will consult with the Personnel Committee or full Board of Directors, as appropriate, prior to filling any vacant positions shown in the summary.

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Resolution No. 18-10

Palmdale Water District's Reserve Policy

WHEREAS, the Board of Directors recognizes the need to ensure that the District will have sufficient funding available to meet its operating, emergency capital, and debt service obligations.

WHEREAS, the Board of Directors recognizes the need for sound financial policies as stewards of our customers' funds.

WHEREAS, the Board of Directors recognizes the need for funds to be held in reserve for unanticipated and unforeseeable expenses.

WHEREAS, the Board of Directors recognizes the need to avoid significant water rate fluctuations.

WHEREAS, the Board of Directors recognizes a need for long-term strategic financial policies.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Palmdale Water District hereby rescinds the District's existing Reserve Policy (Resolution No. 13-13) and establishes the Palmdale Water District Reserve Policy as follows:

Legally Restricted Funds:

The Capital Improvement Fees, as modified by District Resolution No. 13-12, to consist of fee components allocated for infrastructure and for water supply, and Water Supply Connection Fees are subject to the requirements of the Mitigation Fee Act (AB 1600). These funds are deposited in the Capital Improvement Fund described below. The funds may not be used to support ongoing operations of the District. The District is legally required to account for these funds separately. An annual report is required to show balance forward, fees collected, income earned, expenditures, and future commitments. All funds collected must be committed or expended within five years of being collected or they must be refunded. Other legally restricted funds, including bond proceeds funds, reserve funds or rate stabilization funds, are described below.

1. Capital Improvement Fund:

PWD will maintain a capital improvement fund with fees collected from developers to pay for the new facilities necessary to deliver water service to newly developed property and to pay for the additional water supplies necessitated to meet the demand for water created by such newly developed property. These fees are for offsite improvements, such as the development's fair share cost of wells, reservoirs, transmission mains, treatment plant capacity, and other necessary facilities, as well as to pay for water supply acquisitions and projects associated with new water supplies necessitated by new development. The fees are collected at rates established by the Board of Directors based upon specific engineering studies. The rates charged are based on a project's equivalent capacity unit (ECU) basis. These funds are restricted to the design and construction of capital facilities for water delivery, and as otherwise provided in Resolution No. 13-12 and in Appendix H to the District's Rules and Regulations.

2. Bond Proceeds Fund(s):

Bond proceeds fund(s) are monies derived from the proceeds of a bond issue or similar indebtedness like a private placement loan, certificate of participation or other indebtedness instrument. Typically, they consist of construction fund monies and a debt service reserve fund. The use of these proceeds is restricted by

conditions set forth in the respective legal bond documents. These funds are usually held by the Trustee in favor of the bond holders. These funds should be tracked and accounted for in accordance with the bond documents and to ensure, if applicable, the tax- exempt nature of the applicable bonds. These funds shall also be invested as provided in the bond documents.

3. *Debt Service Reserve Funds:*

This fund is governed by legal bond covenants for the District's revenue bonds. Bond covenants may require that this fund be maintained at a level sufficient to fund maximum annual debt service payments or such other requirement of the Internal Revenue Code. These funds are held by the bond trustee during the term of the bonds and are to be used in the event the District is unable to meet its required semi-annual debt service obligation. Annual interest earnings on bond reserve funds shall be applied to each year's debt service payments or as otherwise required by the bond documents.

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

4. *Rate Stabilization Fund:*

This fund is governed by legal bond covenants for the District's revenue bonds. The District may withdraw all or any portion of the amounts on deposit in the Rate Stabilization Fund and transfer such amounts to the Water Revenue Fund for application in accordance with an Installment Purchase Agreement for each of the 2013A Bonds and the 2018A Bonds.

Board Designated Funds:

Board designated funds are set to accomplish systematic and strategic goals or provide for prudent management of operations. The Board of Directors has complete discretion in the management and designation of self-adopted funds. Such funds can be modified, transferred, or altered by Board action.

1. *Dam Self Insurance:*

The District shall make available \$5 million for self-insurance of the Littlerock Dam as seed money for reconstruction under the terms of the agreement between Palmdale Water District, Littlerock Creek Irrigation District and Palmdale Water District Public Facilities Corporation. The money will be used to begin the reconstruction following an event during the time applications for FEMA reimbursement are in process following an event.

2. *O&M Operating Reserve:*

The O&M Operating Reserve will vary over time with a goal of maintaining three (3) months average cash operating expenses of \$5.7 million. This reserve is considered a working cash requirement. It bridges the gap between the time expenses are paid and the time revenues from the same service are collected from customers.

3. *O&M Emergency Reserve:*

The O&M Emergency Reserve will vary over time with a goal of maintaining three (3) months average cash operating expenses of \$5.7 million. This reserve is considered a working cash requirement for use in an emergency situation.

4. *Unrestricted Reserves:*

Unrestricted reserves represent a remainder balance of cash that is not yet designated for some use by the Board of Directors.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Palmdale Water District as follows:

Each fiscal year budget will report on the status of the reserve over the previous year and budget for proposed sources and uses for each reserve.

PASSED AND ADOPTED by the Board of Directors of the Palmdale Water District at a regular meeting held on this 25th day of September 2018 by the following vote:

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

Noes: None

Absent: President Dino, Director Estes

Abstain: None

SIGNED AND ATTESTED COPY CAN BE FOUND ON THE DISTRICT WEB SITE OR CONTACT THE EXECUTIVE ASSISTANT TO RECEIVE A PHOTO COPY BY MAIL.

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2023 Water Rate Schedule

Meter Fee Charge (Effective 01/01/2023)	
5/8" - 1"	49.79
1-1/2"	122.47
2"	185.96
3"	334.10
4"	545.84
6"	1,074.72
8"	1,709.62
10"	2,450.56
FIXED FIRELINE	175.19

Commodity Rates (\$/ccf)	
Tiers	
Essential Use – Tier 1	1.03
Efficient Use – Tier 2	1.86
Tier 3	2.40
Tier 4	3.98
Tier 5	5.79
Water Quality Fee (\$/ccf)	
0.09	
Elevation Booster Surcharge (\$/ccf)	
B	-
A1	0.09
A2	0.60
A3	1.15
Drought Surcharge	0.42

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2023 Holiday Observance Calendar

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

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

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

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

	PWD Observed Holiday
	PWD Observed Holiday (Dates Subject to Change)
	PWD Scheduled Office Closure (Dates Subject to Change)

January 16 – Martin Luther King Jr. Day

February 20 – Presidents Day

May 29 – Memorial Day

July 4 – Independence Day

September 4 – Labor Day

November 10 – Veterans Day

November 23 & 24 – Thanksgiving

December 25, 26 & 28 – Christmas Break

January 1 – New Year (Observed)

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California Water Code – Section 370-374

ALLOCATION-BASED CONSERVATION WATER PRICING

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

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

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

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

(4) Securing dry-year water supply arrangements.

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

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

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

(1) Billing is based on metered water use.

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

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

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

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

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

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

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

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

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

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

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

(2) Basic use allocations.

(3) Meter size.

(4) Metered volume of water consumed.

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

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

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

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

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

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

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

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Glossary of Terms

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

Glossary of Terms *(Continued)*

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

Glossary of Terms *(Continued)*

GASB	The Governmental Accounting Standards Board exists to establish and improve standards of state and local governmental accounting and financial reporting. By doing this, the result is useful information for users of financial reports, and helps guide and educate the public, including issuers, auditors, and users of those financial reports. (http://www.gasb.org)
GCMS	Gas Chromatography–Mass Spectrometry is an analytical method that combines the features of gas chromatography and mass spectrometry to identify different substances within a test sample.
GIS	Geographical Information System captures, stores, analyzes, manages, and presents data that is linked to location. Technically, a GIS is a system which includes mapping software and its application for remote sensing, land surveying, aerial photography, mathematics, photogrammetry, geography, and tools that can be implemented with GIS software.
IVR	Interactive Voice Recognition is a technology that allows a computer to interact with humans using voice and DTMF tones input via a keypad.
LIMS	Laboratory Information Management System is a software system developed to support laboratory operations. This software system can track specimens and workflows, aggregate data for research or business intelligence purposes, and ensure laboratory operations are compliant with various standards and regulations.
MOU	Memorandum of Understanding is a document describing a bilateral or multilateral agreement between parties. It expresses a convergence of will between the parties, indicating an intended common line of action.
MTBE	Methyl Tertiary-Butyl Ether is a chemical compound that is manufactured by the chemical reaction of methanol and isobutylene. MTBE is almost exclusively used as a fuel additive in motor gasoline.
O&M	Operations and Maintenance are the activities related to the performance of routine, preventive, predictive, scheduled, and unscheduled actions aimed at preventing equipment failure or decline with the goal of increasing efficiency, reliability, and safety.
OPEB	Other Post-Employment Benefits obligations are primarily for retiree healthcare costs but also can include other benefits such as insurance.
PEPRA	California Public Employees' Pension Reform Act of 2013. The District adopted PEPRA provisions on January 1, 2013. For a better understanding of this act, refer to the CalPERS employers' circular located at the following URL. http://www.calpers.ca.gov/eip-docs/employer/cir-ltrs/2012/200-055-12.pdf
PERS or CalPERS	California Public Employees' Retirement System is a state retirement system covering Palmdale Water District employees and retirees. The retirement program provides retirement income levels dependent on age and length of participation.

Glossary of Terms *(Continued)*

RFP	Request for Proposals is a document that solicits proposals, often made through a bidding process by an agency or company interested in procurement of a commodity, service, or asset, to potential suppliers to submit business proposals.
SCADA	Supervisory Control and Data Acquisition is a system that collects data from various sensors at a factory, plant or in other remote locations and then sends this data to a central computer, which then manages and controls the data.
SWC	The State Water Contractors is a non-profit association of 27 public agencies from Northern, Central and Southern California that purchase water under contract from the California State Water Project. (http://www.swc.org)
SWP	California State Water Project is administered by the California Department of Water Resources (DWR). The State Water Project is the nation's largest state-built water and power development and conveyance system. Its purpose is to deliver water, control flooding, generate power, provide recreational opportunities, and enhance habitats for fish and wildlife.
SWRCB	State Water Resources Control Board, or State Water Board, is the state agency given the regulatory responsibility to protect the water quality of nearly 1.6 million acres of lakes, 1.3 million acres of bays and estuaries, 211,000 miles of rivers and streams, and about 1,100 miles of coastline. The mission of the State and Regional Water Boards is to preserve, enhance, and restore the quality of the state's water resources and ensure their proper allocation and efficient use for the benefit of present and future generations.
THM/TTHM	Trihalomethanes (THM) are a group of four chemicals that are formed along with other disinfection by-products when chlorine or other disinfectants used to control microbial contaminants in drinking water react with naturally occurring organic and inorganic matter in water. The EPA oversees regulating the total trihalomethanes (TTHM) at a maximum allowable annual average in drinking water.
TNI	The Nelac Institute is a non-profit organization whose mission is to foster the generation of environmental data of known and documented quality through an open, inclusive, and transparent process that is responsive to the needs of the community.
VOC	Volatile Organic Compounds are groundwater contaminants of concern because of very large environmental releases, human toxicity, and a tendency for some compounds to persist in and migrate with groundwater to drinking water supply.
WI-FI	Wi-Fi is technology that allows an electronic device to exchange data or connect to the internet wirelessly using radio waves.