



PALMDALE WATER DISTRICT

2029 East Avenue Q • Palmdale, California 93550 • Telephone (661) 947-4111



Since 1918

Board of Directors

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ALESHIRE & WYNDER LLP
Attorneys



May 18, 2017

***Agenda for Regular Meeting
of the Board of Directors of the Palmdale Water District
to be held at the District's office at 2029 East Avenue Q, Palmdale***

Wednesday, May 24, 2017

7:00 p.m.

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

Additionally, an interpreter will be made available to assist the public in making **comments** under Agenda Item No. 4 and any action items where public input is offered during the meeting if requested at least 48 hours before the meeting. Please call Dawn Deans at 661-947-4111 x1003 with your request. (PWD Rules and Regulations Section 4.03.1 (c))

Adicionalmente, un intérprete estará disponible para ayudar al público a hacer **comentarios** bajo la sección No. 4 en la agenda y cualquier elemento de acción donde se ofrece comentarios al público durante la reunión, siempre y cuando se solicite con 48 horas de anticipación de la junta directiva. Por favor de llamar Dawn Deans al 661-947-4111 x1003 con su solicitud. (PWD reglas y reglamentos sección 4.03.1 (c))

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

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

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

- 1) Pledge of Allegiance/Moment of Silence.
- 2) Roll Call.
- 3) Adoption of Agenda.
- 4) Public comments for non-agenda items.

- 5) Presentations:
 - 5.1) None at this time.
- 6) Action Items - Consent Calendar (The public shall have an opportunity to comment on any action item on the Consent Calendar as the Consent Calendar is considered collectively by the Board of Directors prior to action being taken.)
 - 6.1) Approval of minutes of regular meeting held April 26, 2017.
 - 6.2) Ratification of payment of bills for May 10, 2017.
 - 6.3) Payment of bills for May 24, 2017.
- 7) Action Items – Action Calendar (The public shall have an opportunity to comment on any action item as each item is considered by the Board of Directors prior to action being taken.)
 - 7.1) Presentation, consideration, and possible action on receiving and filing of 2016 Audit and Management Report. (The Pun Group/Financial Advisor Egan/Finance Manager Williams/Finance Committee)
 - 7.2) Status report on Cash Flow Statement and Current Cash Balances as of March, 2017. (Financial Advisor Egan/Finance Committee)
 - 7.3) Status report on Financial Statements, Revenue, and Expense and Departmental Budget Reports for March, 2017. (Finance Manager Williams/Finance Committee)
 - 7.4) Status report on committed contracts issued and water revenue bond projects. (Finance Manager Williams/Finance Committee)
 - 7.5) Consideration and possible action on amendment to existing contract with Aspen Environmental Group for the design of the grade control structure associated with the Littlerock Reservoir Sediment Removal Project. (\$231,719.00 – Budgeted – Assistant General Manager Knudson)
 - 7.6) Consideration and possible action on amendment to Article 4.07.4 of the District's Rules and Regulations regarding Director Expenses. (General Manager LaMoreaux)
 - 7.7) Consideration and possible action on authorization of the following conferences, seminars, and training sessions for Board and staff attendance within budget amounts previously approved in the 2017 Budget:
 - a) None at this time.
- 8) Information Items:
 - 8.1) Reports of Directors:
 - a) President's Report.
 - b) Meetings/General Report.
 - c) Standing Committee/Assignment Reports (Chair):
 - 1) AVSWCA
 - 2) Finance Committee

- 8.2) Report of General Manager.
 - a) Status of Community Liaison Bylaws. (Director Mac Laren)
 - b) May, 2017 written report of activities through April, 2017.
- 8.3) Report of General Counsel.
- 9) Board members' requests for future agenda items.
- 10) Adjournment.

A handwritten signature in dark ink, reading "Dennis D. LaMoreaux". The signature is fluid and cursive, with the first name "Dennis" and last name "LaMoreaux" clearly legible. The middle initial "D." is also present.

DENNIS D. LaMOREAUX,
General Manager

DDL/dd

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

DATE: May 18, 2017 **May 24, 2017**
TO: BOARD OF DIRECTORS **Board Meeting**
FROM: Mr. Michael Williams, Finance Manager
VIA: Mr. Dennis D. LaMoreaux, General Manager
RE: ***AGENDA ITEM NO. 7.1– PRESENTATION, CONSIDERATION, AND POSSIBLE ACTION ON RECEIVING AND FILING OF 2016 AUDIT AND MANAGEMENT REPORT. (THE PUN GROUP/FINANCIAL ADVISOR EGAN/FINANCE MANAGER WILLIAMS)***

Recommendation:

Staff recommends the Board receive and file the 2016 Audit and Management Report. This item will be reviewed by the Finance Committee at their May 22, 2017 meeting.

Alternative Options:

There are no alternative options. The District is required to conduct an annual audit, and it must be received and filed by the Board.

Background:

The District engaged The Pun Group to audit the District's statements of net position as of December 31, 2016 along with related statements of revenues, expenses, changes in net position, cash flows and related notes to financial statements. Their objective in the engagement is to express their opinion as to whether the District's financial statements are fairly presented in conformity with U.S. generally accepted accounting principles.

Strategic Plan Initiative:

This work is part of Strategic Initiative No. 4 – Financial Health and Stability.

Budget:

The cost to prepare the annual audit is \$18,000, which is budgeted under Budget Item No. 1-02-4150-000.

Supporting Documents:

- The final 2016 Audit and Management Report will be distributed at or prior to the Board meeting.

**PALMDALE
WATER DISTRICT
BOARD MEMORANDUM**

DATE:	May 16, 2017	May 24, 2017
TO:	BOARD OF DIRECTORS	Board Meeting
FROM:	Mr. Bob Egan, Financial Advisor	
RE:	<i>AGENDA ITEM NO. 7.2 – STATUS REPORT ON CASH FLOW STATEMENT AND CURRENT CASH BALANCES AS OF MARCH, 2017.</i>	

Attached is the Investment Funds Report and current cash balance as of March 31, 2017. The reports will be reviewed in detail at the Board meeting.

PALMDALE WATER DISTRICT
INVESTMENT FUNDS REPORT
March 31, 2017

					March 2017	February 2017
CASH						
1-00-0103-100	Citizens - Checking				248,836.43	67,863.22
1-00-0103-200	Citizens - Refund				-	(6,500.85)
1-00-0103-300	Citizens - Merchant				103,499.96	157,504.87
Bank Total					352,336.39	218,867.24
1-00-0110-000	PETTY CASH				300.00	300.00
1-00-0115-000	CASH ON HAND				5,400.00	5,400.00
TOTAL CASH					358,036.39	224,567.24
INVESTMENTS						
1-00-0135-000	Local Agency Investment Fund			Acct. Total	11,844.48	11,844.48
1-00-0120-000	UBS Money Market Account General (SS 11469)					
	UBS RMA Government Portfolio				1,428,455.56	3,766,784.92
	UBS Bank USA Dep acct				250,000.00	250,000.00
	Accrued interest				7,879.68	4,529.16
					1,686,335.24	4,021,314.08
US Government Securities						
CUSIP #	Issuer	Maturity Date	Rate	PAR	Market Value	Market Value
912828C24	US Treasury Note	02/28/2019	1.490	1,000,000	1,004,690.00	1,005,270.00
					1,000,000	1,004,690.00
						1,005,270.00
Certificates of Deposit						
	Issuer	Maturity Date	Rate	Face Value		
1	GE Cap Retail Bank	04/27/2017	1.840	200,000	200,116.00	200,334.00
2	Discover Bank	05/02/2017	1.730	240,000	240,189.60	240,477.60
3	Merrick Bank	06/12/2017	1.000	100,000	100,064.00	100,131.00
4	Level One Bank	06/19/2017	0.650	101,000	101,049.49	101,109.08
5	GE Cap Retail Bank	06/22/2017	1.780	200,000	200,470.00	200,744.00
6	Capitol One Bank	08/14/2017	1.200	240,000	240,360.00	240,592.80
7	Triumph Bank	09/26/2017	0.800	200,000	200,258.00	200,454.00
8	MB Finl Bank	10/26/2017	0.850	200,000	199,990.00	200,172.00
9	Bank United Miami	11/21/2017	1.200	240,000	240,482.40	240,808.80
10	Goldman Sachs Bank NY	01/29/2018	1.350	240,000	240,672.00	240,900.00
11	Midland States Bank	02/28/2019	1.400	240,000	239,443.20	240,057.60
12	Key Bank	03/29/2019	1.500	240,000	239,733.60	-
					2,441,000	2,442,828.29
						2,205,780.88
Acct. Total					5,133,853.53	7,232,364.96
1-00-1110-000	UBS Money Market Account Capital (SS 11475)					
	UBS Bank USA Dep acct				250,000.00	426,319.49
	UBS RMA Government Portfolio				176,323.18	-
Acct. Total					426,323.18	426,319.49
1-00-0125-000	UBS Access Account General (SS 11432)					
	UBS Bank USA Dep acct				44,999.11	250,000.00
	UBS RMA Government Portfolio				-	34,755.70
	Accrued interest				15,426.99	8,753.14
					60,426.10	293,508.84
US Government Securities						
CUSIP #	Issuer	Maturity Date	Rate	PAR	Market Value	Market Value
912828XF2	US Treasury Note	06/15/2018	1.125	1,000,000	999,880.00	1,001,410.00
912828KD1	US Treasury Note	02/15/2019	2.610	1,500,000	1,542,015.00	1,544,115.00
912828P53	US Treasury Note	02/15/2019	0.750	1,000,000	990,980.00	990,860.00
					3,500,000	3,532,875.00
						3,536,385.00
Certificates of Deposit						
	Issuer	Maturity Date	Rate	Face Value		
	BMW Bank	11/15/2018	1.960	240,000	242,277.60	242,894.40
	La Salle Bank	03/01/2019	1.350	240,000	239,212.80	-
	American Express	04/29/2019	1.440	240,000	240,516.00	241,329.60
	Synchrony Bank	04/14/2020	1.850	240,000	241,694.40	242,851.20
	JP Morgan Chase Bank	11/18/2020	1.600	240,000	235,070.40	236,124.00
	Bank of Baroda NY	11/23/2020	1.600	77,000	75,460.00	75,798.03
	Comenity Cap Bank	01/19/2021	1.900	163,000	165,682.98	166,582.74
					1,440,000	1,439,914.18
						1,205,579.97
Acct. Total					5,033,215.28	5,035,473.81
Total Managed Accounts					10,605,236.47	12,706,002.74
1-00-1121-000	UBS Rate Stabilization Fund (SS 24016) - District Restricted					
	UBS Bank USA Dep acct				1,113.45	855.70
	UBS RMA Government Portfolio				-	-
	Accrued interest				1,086.91	753.52
					2,200.36	1,609.22
Certificates of Deposit						
	Issuer	Maturity Date	Rate	Face Value		
	Webbank UT US	12/19/2018	1.400	240,000	239,829.60	240,352.80
	Ally Bank UT US	12/24/2018	1.500	240,000	240,208.80	240,760.80
					480,000	480,038.40
						481,113.60
Acct. Total					482,238.76	482,722.82
GRAND TOTAL CASH AND INVESTMENTS					11,445,511.62	13,413,292.80
Increase (Decrease) in Funds					(1,967,781.18)	
1-00-1130-000	2013A Bonds - Project Funds (BNY Mellon)					
	Construction Funds				291,805.21	330,830.32

PALMDALE WATER DISTRICT														Budget 2018 Carryover Information
2017 Cash Flow Report (Based on Nov. 22, 2016 Approved Budget)														
	January	February	March	April	May	June	July	August	September	October	November	December	YTD	
Budgeted Water Sales	1,607,158	1,463,315	1,532,426	1,684,307	1,746,031	1,895,010	2,343,532	2,248,451	2,409,722	2,187,005	1,948,605	1,734,438	22,800,000	(553,589)
Actual/Projected Water Sales	1,631,375	1,523,695	1,532,426	1,684,307	1,746,031	1,895,010	2,343,532	2,248,451	2,409,722	2,187,005	1,948,605	1,734,438	22,884,597	
Total Cash Beginning Balance (BUDGET)	12,888,144	12,591,298	12,125,487	9,811,099	10,852,433	11,101,609	10,602,468	10,269,501	10,564,441	8,273,846	8,294,757	8,535,850		
Total Cash Beginning Balance	12,883,393	13,217,019	13,413,293	11,445,512	13,053,284	13,279,643	12,118,332	11,460,695	11,480,964	8,825,709	8,696,275	8,867,698		
Budgeted Water Receipts	1,607,158	1,463,315	1,532,426	1,684,307	1,746,031	1,895,010	2,343,532	2,248,451	2,409,722	2,187,005	1,948,605	1,734,438	22,800,000	
Water Receipts	2,124,125	1,731,155	1,636,067	1,684,307	1,746,031	1,895,010	2,343,532	2,248,451	2,409,722	2,187,005	1,948,605	1,734,438	23,688,448	
DWR Refund (Operational Related)		2,189		1,894									4,083	
Other													-	
Total Operating Revenue (BUDGET)													-	
Total Operating Revenue (ACTUAL)	2,124,125	1,733,344	1,636,067	1,686,201	1,746,031	1,895,010	2,343,532	2,248,451	2,409,722	2,187,005	1,948,605	1,734,438	23,692,531	
Total Operating Expenses excl GAC (BUDGET)	(1,433,015)	(1,410,412)	(1,843,115)	(1,795,526)	(1,815,868)	(1,666,439)	(2,049,698)	(1,869,774)	(2,078,927)	(1,678,858)	(1,660,776)	(1,794,941)	(21,097,350)	
GAC (BUDGET)	-	(121,780)	-	(220,000)	-	-	(65,000)	-	(190,000)	-	-	(190,000)	(786,780)	
Operating Expenses excl GAC (ACTUAL)	(1,522,119)	(1,642,249)	(1,476,615)	(1,795,526)	(1,815,868)	(1,666,439)	(2,049,698)	(1,869,774)	(2,078,927)	(1,678,858)	(1,660,776)	(1,794,941)	(21,051,791)	
GAC	(169,477)	-	(169,477)	-	(91,409)	-	(65,000)	-	(190,000)	-	-	(190,000)	(875,363)	
Prepaid Insurance (paid)/refunded	-	-	(67,198)	-	-	-	-	(35,000)	(200,000)	-	-	-	(302,198)	
Total Operating Expense (ACTUAL)	(1,691,596)	(1,642,249)	(1,713,290)	(1,795,526)	(1,907,278)	(1,666,439)	(2,114,698)	(1,904,774)	(2,468,927)	(1,678,858)	(1,660,776)	(1,984,941)	(22,229,352)	
Non-Operating Revenue Expenses:														
Assessments, net (BUDGET)	671,050	260,305	14,650	2,077,790	758,290	11,325	77,225	130,500	-	-	132,500	2,518,797	6,652,432	
Actual/Projected Assessments, net	669,618	373,532	15,376	1,968,372	758,290	11,325	77,225	130,500	-	-	132,500	2,518,797	6,655,536	
RDA Pass-through (Successor Agency)						225,000.00						200,000.00	425,000	
Interest	11,110	10,049	11,724	11,263	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	84,146	
Market Adjustment	28	(6,681)	(13,784)	(2,145)									(22,581)	
Grant Re-imbursement							178,000						178,000	
Capital Improvement Fees - Infrastructure	4,035	54,662		41,701	11,528							62,500	174,426	
Capital Improvement Fees - Water Supply		133,286		178,810	24,683								336,778	
DWR Refund (Capital Related)				76,319	37,319				50,000			50,000	213,638	
Other	4,421	11,311	29										15,762	
Total Non-Operating Revenues (BUDGET)													-	
Total Non-Operating Revenues (ACTUAL)	689,212	576,159	13,346	2,274,320	836,820	241,325	260,225	135,500	55,000	5,000	137,500	2,836,297	8,060,703	
Non-Operating Expenses:														
Budgeted Capital Expenditures	(238,494)	(214,207)	(166,000)	(246,000)	(580,041)	(315,000)	(195,000)	(120,000)	(145,000)	(328,000)	(90,000)	-	(2,637,742)	
Budgeted Capital Expenditures (Committed During Year)					(78,440)	(115,485)	(110,000)	(110,000)	(137,490)	(10,000)	(10,000)		(571,415)	
Actual/Projected Capital Expenditures	(79,601)	(306,753)	(102,328)	(376,020)	(280,041)	(315,000)	(195,000)	(120,000)	(145,000)	(171,925)	(90,000)	-	(2,181,667)	
WRB Capital Expenditures	-	-	-	-	-	(300,000)	-	-	-	(300,000)	-	-	(600,000)	
Const. of Monitoring Wells/Test Basin (Water Supply)	-	-	-	-	-	(100,000)	(100,000)	(100,000)	(127,490)	-	-	-	(427,490)	
Grade Control Structure (Water Supply)	-	-	-	-	-	-	(75,000)	(75,000)	(75,000)	(6,750)	-	-	(231,750)	
SWP Capitalized	(681,198)	(157,881)	(181,818)	(157,881)	(157,881)	(157,881)	(681,194)	(157,881)	(188,154)	(157,881)	(157,880)	(157,879)	(2,995,409)	
Butte County Water Transfer						(752,299)						(752,299)	(1,504,599)	
Bond Payments - Interest			(1,060,942)						(1,052,364)				(2,113,307)	
Principal			(553,437)						(1,057,016)				(1,610,453)	
Capital leases - Go West (2012 Lease)	(17,296)	-	-	(17,296)	(5,267)								(39,859)	
Capital leases - Holman Capital (2017 Lease)							(89,477)						(89,477)	
Capital leases - Enterprise FM Trust (Vehicles)	(2,392)	(2,660)	(1,692)	(2,339)	(2,339)	(2,339)	(2,339)	(2,339)	(2,339)	(2,339)	(2,339)	(2,339)	(27,796)	
Capital leases - Wells Fargo (Printers)	(7,628)	(3,687)	(3,687)	(3,687)	(3,687)	(3,687)	(3,687)	(3,687)	(3,687)	(3,687)	(3,687)	(3,687)	(48,181)	
Total Non-Operating Expenses (ACTUAL)	(788,115)	(470,981)	(1,903,903)	(557,223)	(449,215)	(1,631,206)	(1,146,696)	(458,907)	(2,651,050)	(642,581)	(253,906)	(916,204)	(11,869,987)	
Total Cash Ending Balance (BUDGET)	12,591,298	12,125,487	9,811,099	10,852,433	11,101,609	10,602,468	10,269,501	10,564,441	8,273,846	8,294,757	8,535,850	10,205,110		
Total Cash Ending Balance (ACTUAL)	13,217,019	13,413,293	11,445,512	13,053,284	13,279,643	12,118,332	11,460,695	11,480,964	8,825,709	8,696,275	8,867,698	10,537,288		
												Budget	10,205,110	
												Difference	332,178	
2016 Cash Ending Balance (ACTUAL)	12,534,672	12,719,333	10,275,232	12,340,454	13,316,414	12,675,338	12,028,366	12,724,061	10,784,100	11,041,695	11,034,719	12,888,144		

Indicates actual expenditures/revenues:

Indicates anticipated expenditures/revenues:

PALMDALE WATER DISTRICT BOARD MEMORANDUM

DATE: May 17, 2017 **May 24, 2017**
TO: BOARD OF DIRECTORS **Board Meeting**
FROM: Michael Williams, Finance Manager/CFO
VIA: Mr. Dennis LaMoreaux, General Manager
RE: *AGENDA ITEM 7.3 – STATUS REPORT ON FINANCIAL STATEMENTS, REVENUE, AND EXPENSE AND DEPARTMENTAL BUDGET REPORTS FOR MARCH, 2017*

Discussion:

Presented here are the Balance Sheet and Profit/Loss Statement for the period ending March 31, 2017. Also included are Year-To-Year Comparisons and Month-To-Month Comparisons for both revenue and expense. Finally, I have provided individual departmental budget reports for the month of March, 2017.

This is the third month of the District's Budget Year 2017. The target percentage is 25%. Revenues ideally are at or above, and expenditures ideally are below.

Balance Sheet:

- Page 1 is our balance sheet on March 31, 2017.
- The significant change is a decrease in our investments of approximately \$2MM. This is the result of making our bond payments.

Profit/Loss Statement:

- Page 3 is our profit/loss statement on March 31, 2017.
- Operating revenue is at 20% of budget.
- Cash operating expense is at 22% of budget.
- Department budgets are on target.
- Expenses have exceeded revenue for the month of March by \$104K, and year-to-date expenses exceeded revenues by \$180K.
- Page 6 is showing the distribution of expense between labor and operations. Labor costs are currently at 55% of total expenses with salaries making up 36% of that.

Year-To-Year Comparison P&L:

- Page 7 is our comparison of March, 2016 to March, 2017.
- Total operating revenue is down \$45K, or 3%.
- Operating expenditures are up \$89K, or 6%.
- Page 7-1 is our comparison of March, 2015 to March, 2017.
- Total operating revenue was down \$82K, or 5%.
- Total operating expenses were down \$754K, or 32%.

May 17, 2017

- Page 8 and 8-1 is a graphic presentation of the water consumption comparison for 2016 and 2015, respectively.
 - Units billed in acre feet for 2016 comparison were down by 90, or 11%.
 - Total revenue per unit sold was up \$0.39, or 9%.
 - Total revenue per connection is up \$0.14, or .26%.
 - Units billed per connection is down 1.49, or 11%.
- Units billed in acre feet for 2015 comparison were down by 245, or 25%.
- Total revenue per unit sold is up \$1.00, or 27%.
- Total revenue per connection was down \$2.10, or 4%.
- Units billed per connection is down 4.11, or 25%.

Revenue Analysis Year-To-Date:

- Page 9 is our comparison of revenue, year-to-date.
- Operating revenue through March, 2017 is up \$67K, or 1.5%.
- Retail water revenue from all areas are up by \$102K from last year. That's shown by the combined green highlighted area.
- Retail water sales, including the drought surcharge but excluding meter fees, is down \$65K.
- Total revenue is up \$165K.
- Operating revenue is at 20% of budget; last year was at 21% of budget.

Expense Analysis Year-To-Date:

- Page 11 is our comparison of expense, year-to-date.
- Cash Operating Expenses through March, 2017 are down \$434K, or 9%, compared to 2016 due primarily to our GAC purchases in 2016.
- Total Expenses are down \$259K, or 3%, for the same reasons.

Departments:

- Pages 14 through 24 are detailed individual departmental budgets for your review.

Non-Cash Definitions:

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

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

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

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

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

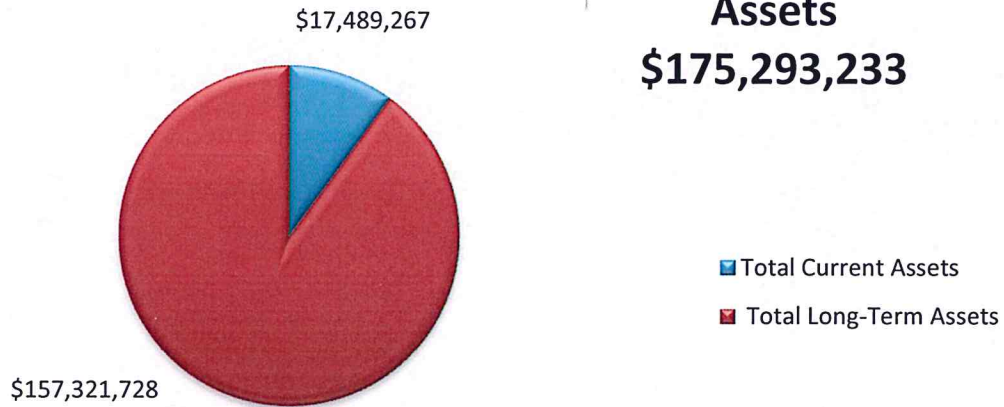
Palmdale Water District
Balance Sheet Report
For the Three Months Ending 3/31/2017

	March 2017	February 2017
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 358,036	\$ 224,567
Investments	10,605,236	12,706,003
2013A Bonds - Project Funds	291,805	330,830
	<u>\$ 11,255,078</u>	<u>\$ 13,261,400</u>
Receivables:		
Accounts Receivables - Water Sales	\$ 1,296,113	\$ 1,431,974
Accounts Receivables - Miscellaneous	56,659	42,565
Allowance for Uncollected Accounts	(153,668)	(155,811)
	<u>\$ 1,199,104</u>	<u>\$ 1,318,728</u>
Assessments Receivables	\$ 3,708,779	\$ 3,724,155
Meters, Materials and Supplies	1,147,853	1,155,674
Prepaid Expenses	178,453	203,479
Total Current Assets	\$ 17,489,267	\$ 19,663,436
Long-Term Assets:		
Property, Plant, and Equipment, net	\$ 109,206,507	\$ 108,706,059
Participation Rights in State Water Project, net	45,337,068	45,411,667
Investment in PRWA	320,680	320,680
2013A Bonds - Insurance & Surety Bond	211,896	212,562
CalPERS Contributions	2,245,577	2,245,577
	<u>\$ 157,321,728</u>	<u>\$ 156,896,545</u>
Restricted Cash:		
Rate Stabilization Fund	482,239	482,723
Total Long-Term Assets & Restricted Cash	\$ 157,803,966	\$ 157,379,268
Total Assets	\$ 175,293,233	\$ 177,042,704
LIABILITIES AND DISTRICT EQUITY		
Current Liabilities:		
Current Interest Installment of Long-term Debt	\$ -	\$ 892,138
Current Principal Installment of Long-term Debt	1,162,308	1,626,268
Accounts Payable and Accrued Expenses	5,702,520	5,754,188
Deferred Assessments	1,750,000	2,333,333
Total Current Liabilities	\$ 8,614,827	\$ 10,605,927
Long-Term Debt:		
Pension-Related Debt	\$ 9,143,384	\$ 9,143,384
OPEB Liability	13,600,835	13,436,448
2013A Water Revenue Bonds	42,430,706	42,432,956
2012 - Certificates of Participation	7,013,644	7,006,847
2017 - Capital Lease Payable	805,290	0
Total Long-Term Liabilities	\$ 72,993,860	\$ 72,019,635
Total Liabilities	\$ 81,608,687	\$ 82,625,562
District Equity		
Revenue from Operations	\$ (1,378,964)	\$ (646,369)
Retained Earnings	95,063,510	95,063,510
Total Liabilities and District Equity	\$ 175,293,233	\$ 177,042,704

BALANCE SHEET AS OF MARCH 31, 2017

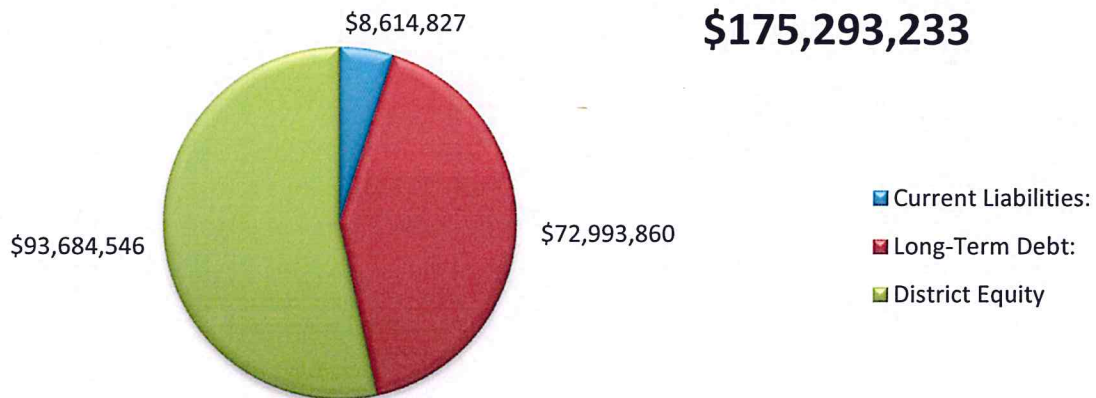
Assets

\$175,293,233



Liability & Equity

\$175,293,233



Palmdale Water District
Consolidated Profit and Loss Statement
For the Three Months Ending 3/31/2017

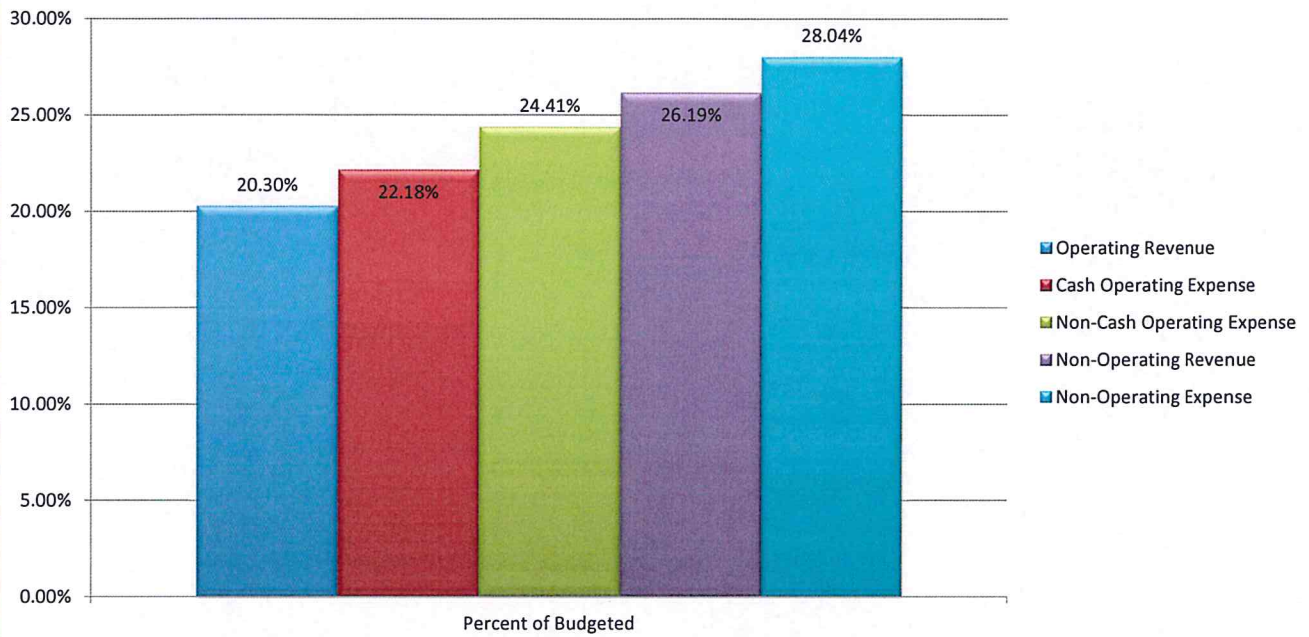
	Thru February	March	Year-to-Date	Adjustments	Adjusted Budget	% of Budget
Operating Revenue:						
Wholesale Water	\$ 5,864	\$ 631	\$ 6,494		\$ 160,000	4.06%
Water Sales	715,737	308,353	1,024,090		8,002,000	12.80%
Meter Fees	2,112,328	1,057,517	3,169,844		12,475,500	25.41%
Water Quality Fees	78,133	37,644	115,778		862,500	13.42%
Elevation Fees	28,155	13,838	41,993		340,000	12.35%
Other (Page 3-1)	148,646	54,726	203,372		960,000	21.18%
Drought Surcharge	66,207	(39)	66,168		-	
Total Operating Revenue	\$ 3,155,070	\$ 1,472,669	\$ 4,627,739	\$ -	\$ 22,800,000	20.30%
Cash Operating Expenses:						
Directors	\$ 20,374	\$ 5,535	\$ 25,909		\$ 115,500	22.43%
Administration-Services*	298,120	139,851	437,971	(18,000)	1,925,000	22.75%
Administration-District	143,930	164,949	308,880		1,509,500	20.46%
Engineering	260,759	106,534	367,293		1,451,500	25.30%
Facilities	960,283	387,696	1,347,979		6,626,000	20.34%
Operations	443,988	229,962	673,949		2,546,250	26.47%
Finance	219,699	93,567	313,266		1,246,500	25.13%
Water Conservation*	32,518	19,026	51,544	2,000	230,000	22.41%
Human Resources*	63,034	14,433	77,466	16,000	313,100	24.74%
Information Technology	131,858	41,503	173,362		804,750	21.54%
Customer Care	202,365	99,048	301,412		1,278,000	23.58%
Source of Supply-Purchased Water	234,729	168,345	403,074		2,190,000	18.41%
Plant Expenditures	49,553	106,746	156,299		574,292	27.22%
GAC Filter Media Replacement	169,477	-	169,477		862,500	19.65%
Total Cash Operating Expenses	\$ 3,230,686	\$ 1,577,195	\$ 4,807,881	\$ -	\$ 21,672,892	22.18%
Net Cash Operating Profit/(Loss)	\$ (75,616)	\$ (104,526)	\$ (180,142)	\$ -	\$ 1,127,108	-15.98%
Non-Cash Operating Expenses:						
Depreciation	\$ 913,598	\$ 456,799	\$ 1,370,396		\$ 6,000,000	22.84%
OPEB Accrual Expense	365,799	182,900	548,699		2,350,000	23.35%
Bad Debts	48,902	390	49,292		50,000	98.58%
Service Costs Construction	59,174	1,847	61,021		125,000	48.82%
Capitalized Construction	(106,782)	(24,536)	(131,318)		(750,000)	17.51%
Total Non-Cash Operating Expenses	\$ 1,280,691	\$ 617,399	\$ 1,898,090	\$ -	\$ 7,775,000	24.41%
Net Operating Profit/(Loss)	\$ (1,356,307)	\$ (721,925)	\$ (2,078,232)	\$ -	\$ (6,647,892)	31.26%
Non-Operating Revenues:						
Assessments (Debt Service)	\$ 880,833	\$ 440,417	\$ 1,321,250		\$ 5,000,000	26.42%
Assessments (1%)	302,230	142,917	445,147		1,957,500	22.74%
DWR Fixed Charge Recovery	-	-	-		200,000	0.00%
Interest	14,506	(2,060)	12,446		60,000	20.74%
CIF - Infrastructure	58,697	-	58,697		73,000	80.41%
CIF - Water Supply	133,286	-	133,286		177,000	75.30%
Grants - State and Federal	-	-	-		178,000	0.00%
Other	46,841	29	46,871		60,000	78.12%
Total Non-Operating Revenues	\$ 1,436,393	\$ 581,303	\$ 2,017,696	\$ -	\$ 7,705,500	26.19%
Non-Operating Expenses:						
Interest on Long-Term Debt	\$ 372,307	\$ 174,018	\$ 546,325		\$ 2,228,000	24.52%
Amortization of SWP	393,788	256,417	650,205		2,238,000	29.05%
Change in Investments in PRWA	2	100,000	100,002		100,000	100.00%
Water Conservation Programs	15,367	6,529	21,896		135,500	16.16%
Total Non-Operating Expenses	\$ 781,465	\$ 536,963	\$ 1,318,428	\$ -	\$ 4,701,500	28.04%
Net Earnings	\$ (701,379)	\$ (677,585)	\$ (1,378,964)	\$ -	\$ (3,643,892)	37.84%

* Budget adjustments by General Manager per Appendix A

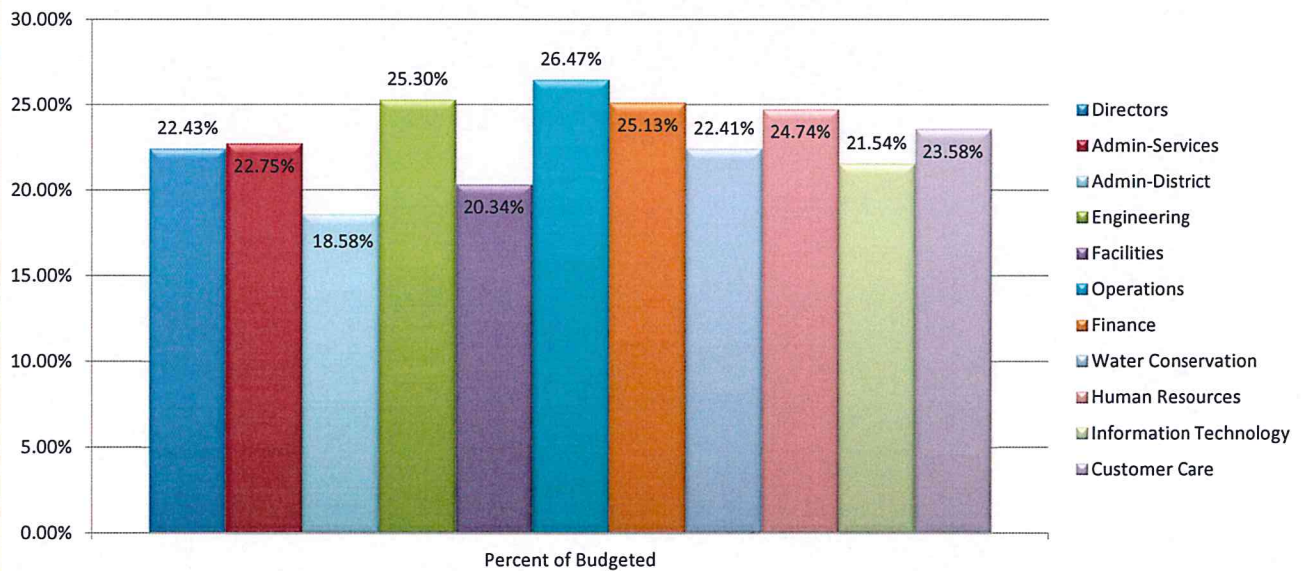
OTHER OPERATING REVENUE

	Current	YTD
Account Setup Charge(\$25)	\$3,800.00	\$10,775.00
After Hours Service Call	\$240.00	\$480.00
Construction Meter Install(\$250)	\$750.00	\$1,750.00
Customer Request Turn On/Off(\$15)	\$15.00	\$30.00
Lock Broken or Missing(\$15)	\$135.00	\$285.00
Non-Compliance Fee Backflow(\$50)	\$50.00	\$100.00
Pulled Meter Service Charge(\$60)	\$300.00	\$720.00
Rejected Payment Notification	\$120.00	\$380.00
Repair Angle Stop After Hours(\$600.00)	\$600.00	\$1,800.00
Repair Angle Stop(\$440.00)	(\$440.00)	\$1,320.00
Shut-Off Charge(\$30)	\$5,730.00	\$17,370.00
Shut-Off Notice Fee (\$5)	\$11,550.00	\$31,475.00
Standard Trip Charge(\$15)	\$165.00	\$405.00
Waste Water 1st Notice(\$50.00)	\$250.00	\$400.00
Late Fees	\$31,473.14	\$97,921.45
NSF Fee	\$300.00	\$925.00

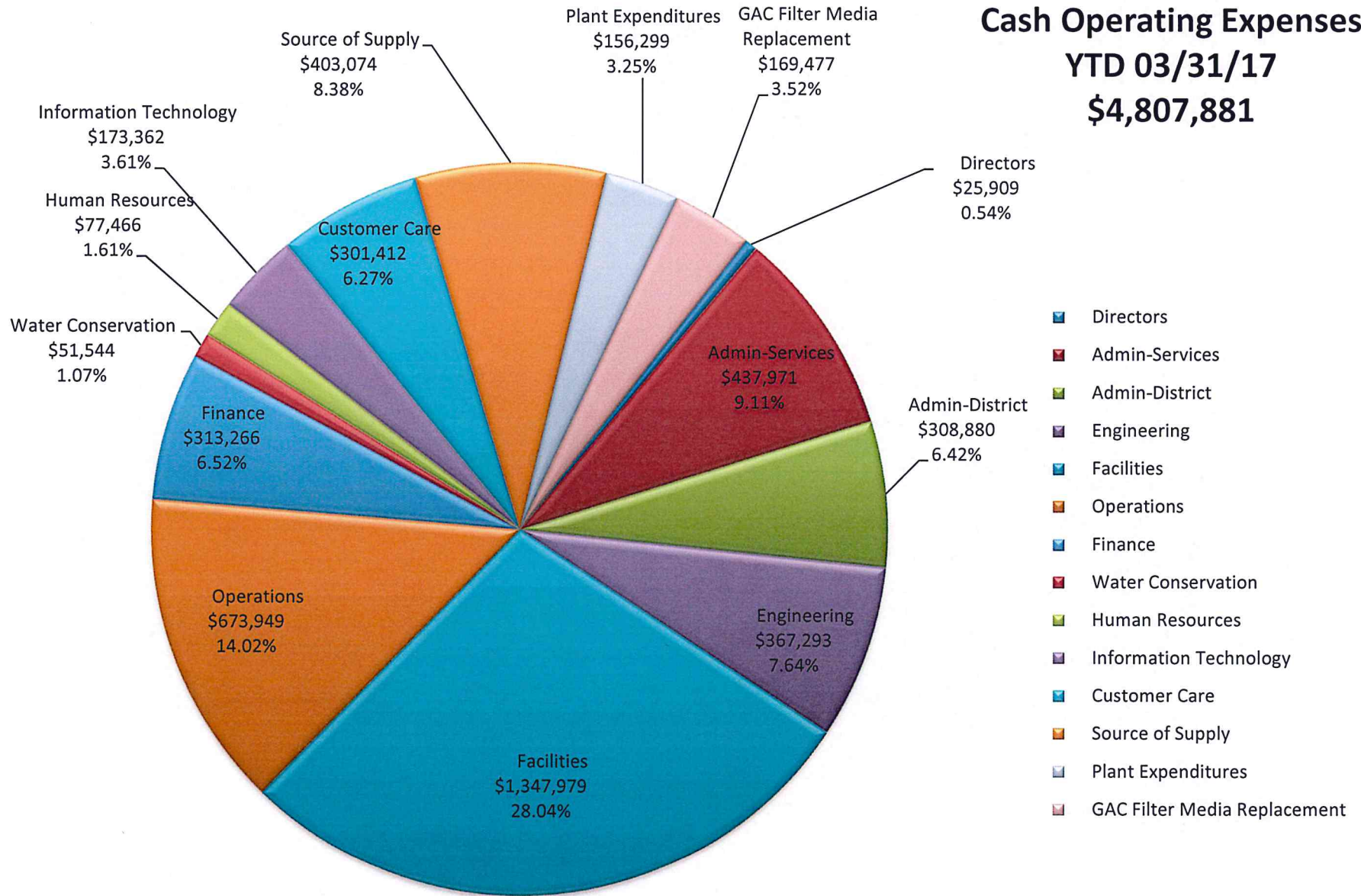
P & L BUDGET vs. ACTUAL



DEPARTMENTAL - BUDGET vs. ACTUAL



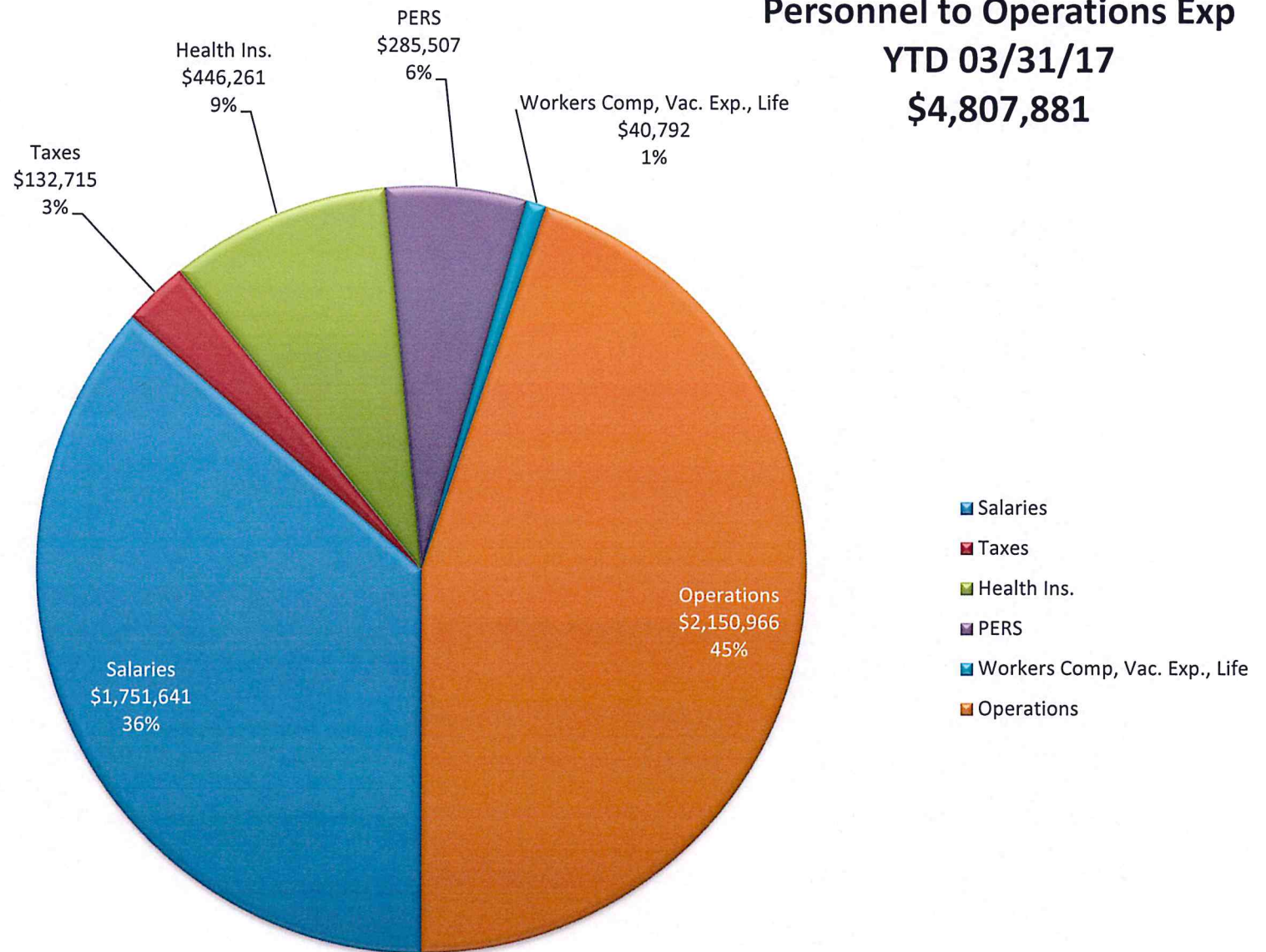
Cash Operating Expenses YTD 03/31/17 \$4,807,881



Personnel to Operations Exp

YTD 03/31/17

\$4,807,881



**Palmdale Water District
Profit and Loss Statement
Year-To-Year Comparison - March**

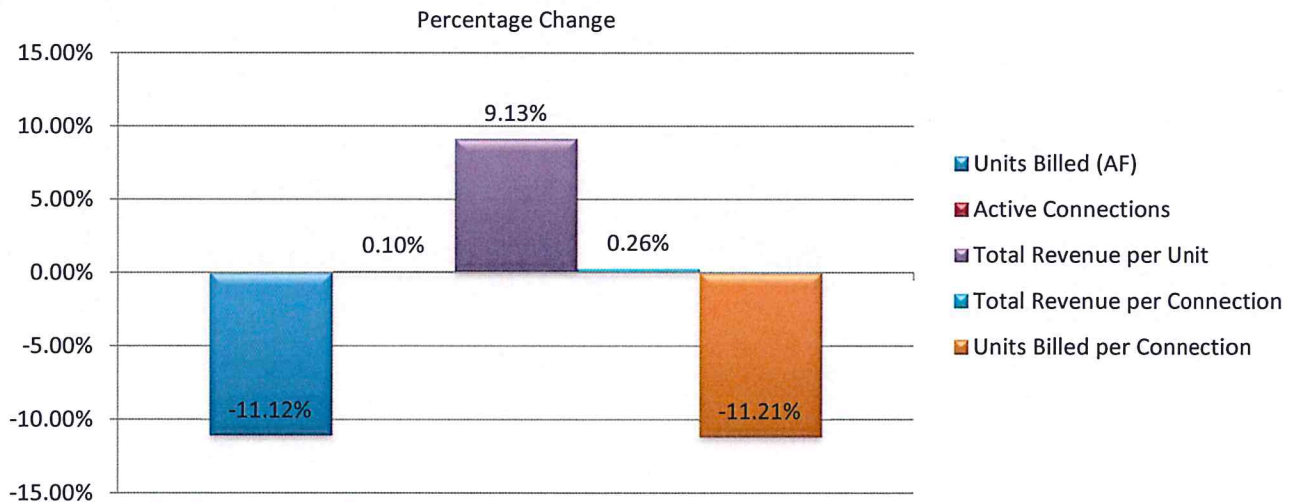
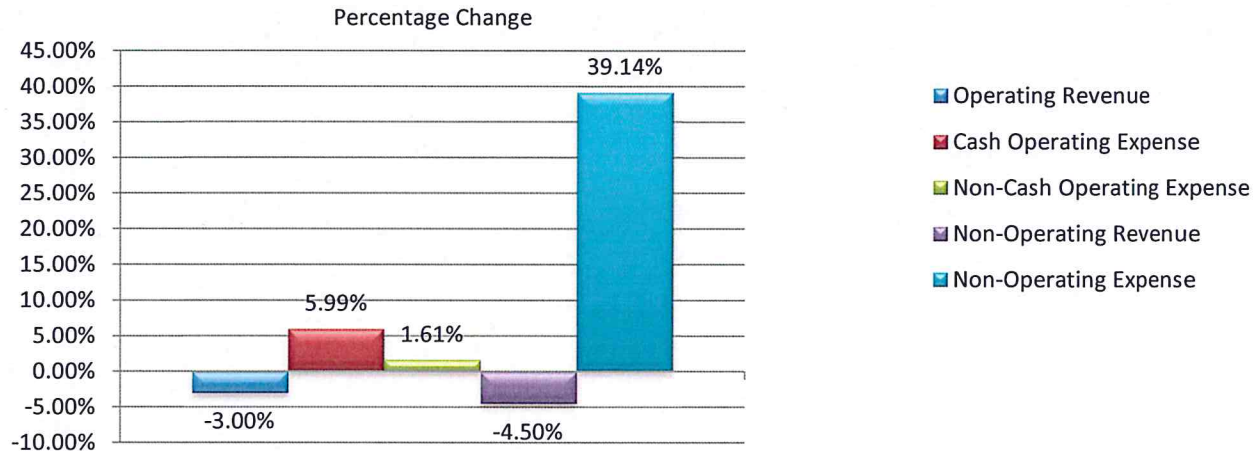
	2016 March	2017 March	Change	% Change		Consumption Comparison	
					Units Billed	2016	2017
						352,930	313,701
Operating Revenue:							
Wholesale Water	\$ 13,897	\$ 631	\$ (13,267)	-95.46%	Active	26,586	26,613
Water Sales	320,747	308,353	(12,394)	-3.86%	Vacant	818	796
Meter Fees	1,015,367	1,057,517	42,150	4.15%			
Water Quality Fees	45,881	37,644	(8,237)	-17.95%			
Elevation Fees	17,005	13,838	(3,167)	-18.62%	Rev/unit	\$ 4.30	\$ 4.69
Other	68,234	54,726	(13,508)	-19.80%	Rev/con	\$ 53.14	\$ 53.28
Drought Surcharge	37,045	(39)	(37,084)	-100.11%	Unit/con	13.28	11.79
Total Operating Revenue	\$ 1,518,176	\$ 1,472,669	\$ (45,507)	-3.00%			
Cash Operating Expenses:							
Directors	\$ 10,563	\$ 5,535	\$ (5,028)	-47.60%			
Administration-Services	128,830	139,851	11,020	8.55%			
Administration-District	246,182	164,949	(81,232)	-33.00%			
Engineering	90,947	106,534	15,587	17.14%			
Facilities	476,475	387,696	(88,779)	-18.63%			
Operations	172,079	229,962	57,882	33.64%			
Finance	94,909	93,567	(1,342)	-1.41%			
Water Conservation	22,104	19,026	(3,078)	-13.92%			
Human Resources	35,715	14,433	(21,282)	-59.59%			
Information Technology	48,897	41,503	(7,393)	-15.12%			
Customer Care	108,420	99,048	(9,373)	-8.64%			
Source of Supply-Purchased Water	36,776	168,345	131,569	357.76%			
Plant Expenditures	16,185	106,746	90,561	559.53%			
GAC Filter Media Replacement	-	-	-				
Total Cash Operating Expenses	\$ 1,488,083	\$ 1,577,195	\$ 89,112	5.99%			
Non-Cash Operating Expenses:							
Depreciation	\$ 485,504	\$ 456,799	\$ (28,705)	-5.91%			
OPEB Accrual Expense	195,860	182,900	(12,961)	-6.62%			
Bad Debts	5,070	390	(4,680)	-92.31%			
Service Costs Construction	11,904	1,847	(10,057)	-84.48%			
Capitalized Construction	(90,745)	(24,536)	66,208	-72.96%			
Total Non-Cash Operating Expenses	\$ 607,593	\$ 617,399	\$ 9,806	1.61%			
Net Operating Profit/(Loss)	\$ (577,500)	\$ (721,925)	\$ (144,425)	25.01%			
Non-Operating Revenues:							
Assessments (Debt Service)	\$ 446,708	\$ 440,417	\$ (6,292)	-1.41%			
Assessments (1%)	144,958	142,917	(2,042)	-1.41%			
DWR Fixed Charge Recovery	-	-	-				
Interest	16,453	(2,060)	(18,513)	-112.52%			
CIF - Infrastructure	-	-	-				
CIF - Water Supply	-	-	-				
Grants - State and Federal	-	-	-				
Other	590	29	(560)	-95.01%			
Total Non-Operating Revenues	\$ 608,710	\$ 581,303	\$ (27,407)	-4.50%			
Non-Operating Expenses:							
Interest on Long-Term Debt	\$ 186,698	\$ 174,018	\$ (12,680)	-6.79%			
Amortization of SWP	196,896	256,417	59,521	30.23%			
Change in Investments in PRWA	2,321	100,000	97,679	4209.12%			
Water Conservation Programs	-	6,529	6,529				
Total Non-Operating Expenses	\$ 385,915	\$ 536,963	\$ 151,048	39.14%			
Net Earnings	\$ (354,705)	\$ (677,585)	\$ (322,880)	91.03%			

Palmdale Water District
Profit and Loss Statement
Year-To-Year Comparison-2 Years - March

	2015 March	2017 March	Change	% Change	Consumption Comparison		
					Units Billed	2015	2017
Operating Revenue:						420,574	313,701
Wholesale Water	\$ 763	\$ 631	\$ (133)	-17.41%	Active	26,462	26,613
Water Sales	409,089	308,353	(100,736)	-24.62%	Vacant	914	796
Meter Fees	974,332	1,057,517	83,184	8.54%			
Water Quality Fees	58,634	37,644	(20,990)	-35.80%			
Elevation Fees	22,721	13,838	(8,882)	-39.09%	Rev/unit	\$ 3.70	\$ 4.69
Other	89,915	54,726	(35,189)	-39.14%	Rev/con	\$ 55.38	\$ 53.28
Drought Surcharge	-	(39)	(39)		Unit/con	15.89	11.79
Total Operating Revenue	\$ 1,555,455	\$ 1,472,669	\$ (82,786)	-5.32%			
Cash Operating Expenses:							
Directors	\$ 10,736	\$ 5,535	\$ (5,200)	-48.44%			
Administration-Services	205,764	139,851	99,036	48.13%			
Administration-District	-	164,949					
Engineering	86,590	106,534	19,944	23.03%			
Facilities	454,488	387,696	(66,792)	-14.70%			
Operations	215,010	229,962	14,952	6.95%			
Finance	146,318	93,567	(52,751)	-36.05%			
Water Conservation	28,002	19,026	(8,977)	-32.06%			
Human Resources	40,895	14,433	(26,462)	-64.71%			
Information Technology	55,338	41,503	(13,835)	-25.00%			
Customer Care	86,328	99,048	12,720				
Source of Supply-Purchased Water	287,460	168,345	(119,115)	-41.44%			
Plant Expenditures	416,241	106,746	(309,496)	-74.35%			
GAC Filter Media Replacement	298,286	-	(298,286)				
Total Cash Operating Expenses	\$ 2,331,455	\$ 1,577,195	\$ (754,260)	-32.35%			
Non-Cash Operating Expenses:							
Depreciation	\$ 533,397	\$ 456,799	\$ (76,599)	-14.36%			
OPEB Accrual Expense	183,580	182,900	(681)	-0.37%			
Bad Debts	11	390	379				
Service Costs Construction	3,561	1,847	(1,713)				
Capitalized Construction	(66,042)	(24,536)	41,506	-62.85%			
Total Non-Cash Operating Expenses	\$ 654,507	\$ 617,399	\$ (37,108)	-5.67%			
Net Operating Profit/(Loss)	\$ (1,430,508)	\$ (721,925)	\$ 708,583	-49.53%			
Non-Operating Revenues:							
Assessments (Debt Service)	\$ 446,500	\$ 440,417	\$ (6,083)	-1.36%			
Assessments (1%)	141,000	142,917	1,917	1.36%			
DWR Fixed Charge Recovery	39,207	-	(39,207)				
Interest	10,878	(2,060)	(12,938)	-118.94%			
CIF - Infrastructure	101,633	-	(101,633)	-100.00%			
CIF - Water Supply	-	-	-				
Grants - State and Federal	-	-	-				
Other	2,271	29	(2,241)	-98.70%			
Total Non-Operating Revenues	\$ 741,489	\$ 581,303	\$ (160,186)	-21.60%			
Non-Operating Expenses:							
Interest on Long-Term Debt	\$ 190,787	\$ 174,018	\$ (16,769)	-8.79%			
Amortization of SWP	172,877	256,417	83,540	48.32%			
Change in Investments in PRWA	-	100,000	100,000				
Water Conservation Programs	13,386	6,529	(6,858)	-51.23%			
Total Non-Operating Expenses	\$ 377,050	\$ 536,963	\$ 159,913	42.41%			
Net Earnings	\$ (1,066,069)	\$ (677,585)	\$ 388,483	-36.44%			

YEAR-TO-YEAR COMPARISON

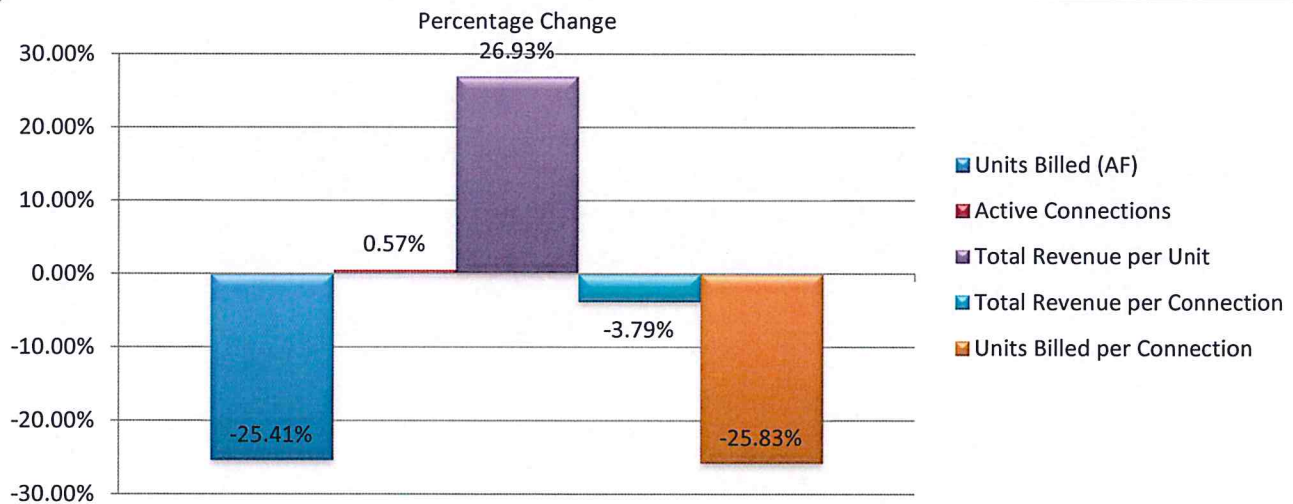
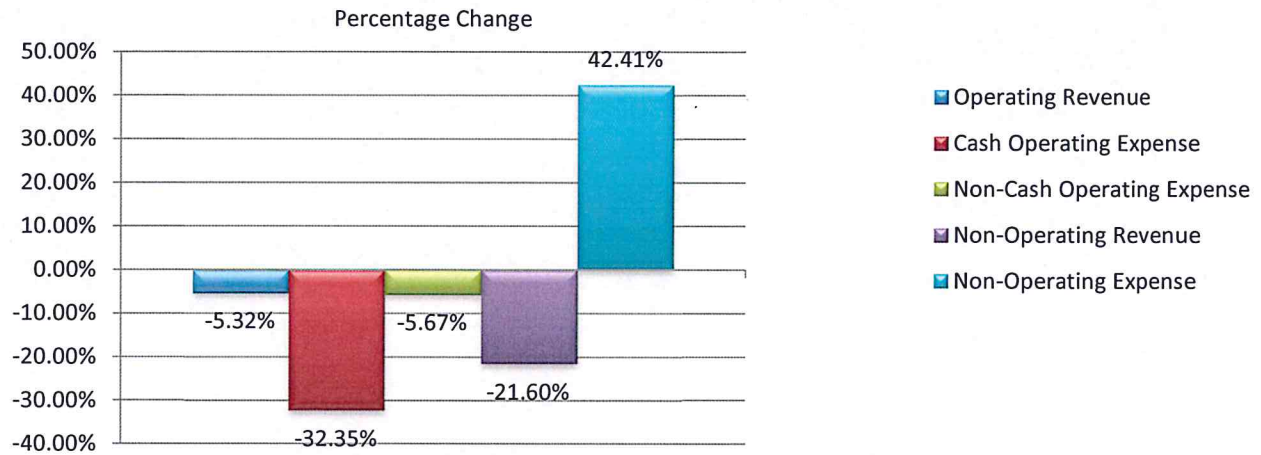
March 2016 -To - March 2017



	2016	2017	Change	
Units Billed (AF)	810	720	-90	-11.12%
Active Connections	26,586	26,613	27	0.10%
Non-Active	818	796	-22	-2.69%
Total Revenue per Unit	\$4.30	\$4.69	\$0.39	9.13%
Total Revenue per Connection	\$53.14	\$53.28	\$0.14	0.26%
Units Billed per Connection	13.28	11.79	-1.49	-11.21%

YEAR-TO-YEAR COMPARISON

March 2015 -To - March 2017



	2015	2017	Change	
Units Billed (AF)	966	720	-245	-25.41%
Active Connections	26,462	26,613	151	0.57%
Non-Active	914	796	-118	-12.91%
Total Revenue per Unit	\$3.70	\$4.69	\$1.00	26.93%
Total Revenue per Connection	\$55.38	\$53.28	-\$2.10	-3.79%
Units Billed per Connection	15.89	11.79	-4.11	-25.83%

Palmdale Water District
Revenue Analysis
For the Three Months Ending 3/31/2017
2017

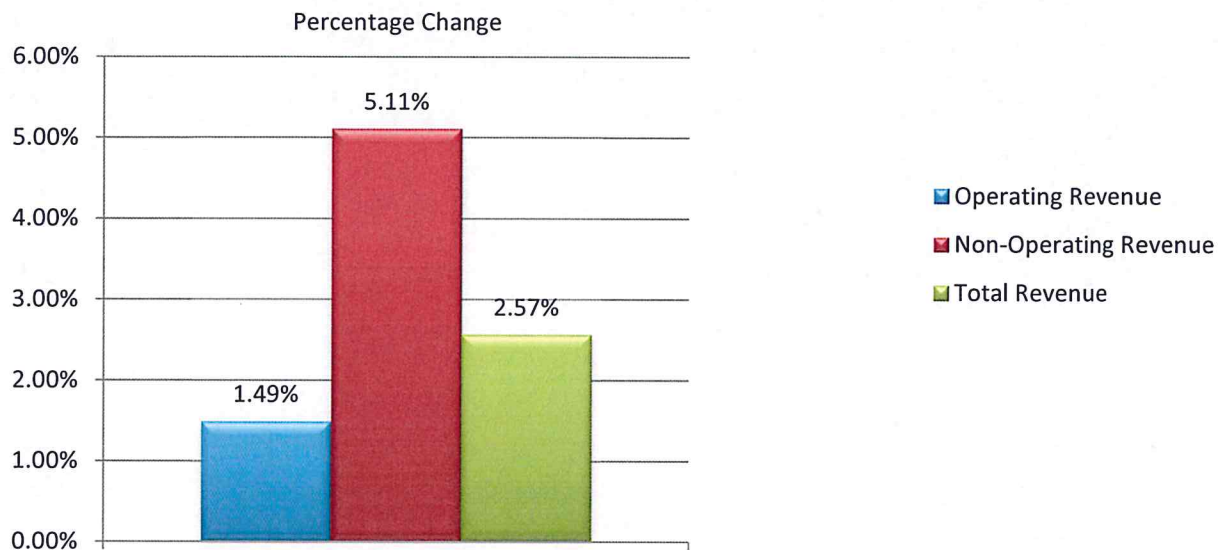
2016 to 2017 Comparison

	Thru February	March	Year-to-Date	Adjusted Budget	% of Budget	March	Year-to-Date	% Change
Operating Revenue:								
Wholesale Water	\$ 5,864	\$ 631	\$ 6,494	\$ 160,000	4.06%	\$ (13,267)	\$ (17,915)	-73.40%
Water Sales	715,737	308,353	1,024,090	8,002,000	12.80%	(12,394)	1,602	0.16%
Meter Fees	2,112,328	1,057,517	3,169,844	12,475,500	25.41%	42,150	127,908	4.20%
Water Quality Fees	78,133	37,644	115,778	862,500	13.42%	(8,237)	(20,080)	-14.78%
Elevation Fees	28,155	13,838	41,993	340,000	12.35%	(3,167)	(7,044)	-14.36%
Other	148,646	54,726	203,372	960,000	21.18%	(13,508)	22,981	12.74%
Drought Surcharge	66,207	(39)	66,168	-		(37,084)	(39,808)	-37.56%
Total Water Sales	\$ 3,155,070	\$ 1,472,669	\$ 4,627,739	\$ 22,800,000	20.30%	\$ (45,507)	\$ 67,643	1.49%
Non-Operating Revenues:								
Assessments (Debt Service)	\$ 880,833	\$ 440,417	\$ 1,321,250	\$ 5,000,000	26.42%	\$ (6,292)	\$ (18,875)	-1.41%
Assessments (1%)	302,230	142,917	445,147	1,957,500	22.74%	(2,042)	10,272	2.36%
DWR Fixed Charge Recovery	-	-	-	200,000	0.00%	-	-	
Interest	14,506	(2,060)	12,446	60,000	20.74%	(18,513)	(7,368)	-37.18%
CIF - Infrastructure	58,697	-	58,697	73,000	80.41%	-	58,697	
CIF - Water Supply	133,286	-	133,286	177,000	75.30%	-	133,286	
Grants - State and Federal	-	-	-	178,000	0.00%	-	-	
Other	46,841	29	46,871	60,000	78.12%	(560)	(77,870)	-62.43%
Total Non-Operating Revenues	\$ 1,436,393	\$ 581,303	\$ 2,017,696	\$ 7,705,500	26.19%	\$ (27,407)	\$ 98,141	5.11%
Total Revenue	\$ 4,591,463	\$ 2,053,972	\$ 6,645,435	\$ 30,505,500	21.78%	\$ (72,913)	\$ 165,784	2.57%

	2016					
	Thru February	March	Year-to-Date	Adjusted Budget	% of Budget	
Operating Revenue:						
Wholesale Water	\$ 10,512	\$ 13,897	\$ 24,409	\$ 160,000	15.26%	
Water Sales	701,741	320,747	1,022,489	7,242,000	14.12%	
Meter Fees	2,026,569	1,015,367	3,041,936	12,079,000	25.18%	
Water Quality Fees	89,977	45,881	135,858	934,500	14.54%	
Elevation Fees	32,032	17,005	49,037	400,000	12.26%	
Other	112,157	68,234	180,391	860,000	20.98%	
Drought Surcharge	68,931	37,045	105,976	-		
Total Water Sales	\$ 3,031,408	\$ 1,504,279	\$ 4,535,687	\$ 21,515,500	21.08%	
Non-Operating Revenues:						
Assessments (Debt Service)	\$ 893,417	\$ 446,708	\$ 1,340,125	\$ 4,670,000	28.70%	
Assessments (1%)	289,917	144,958	434,875	2,025,000	21.48%	
DWR Fixed Charge Recovery	-	-	-	200,000	0.00%	
Interest	3,361	16,453	19,814	35,000	56.61%	
CIF - Infrastructure	-	-	-	50,000	0.00%	
CIF - Water Supply	-	-	-	-		
Grants - State and Federal	-	-	-	485,000	0.00%	
Other	124,151	590	124,741	120,000	103.95%	
Total Non-Operating Revenues	\$ 1,310,845	\$ 608,710	\$ 1,919,555	\$ 7,585,000	25.31%	
Total Revenue	\$ 4,342,253	\$ 2,112,988	\$ 6,455,242	\$ 29,100,500	22.18%	

REVENUE COMPARISON YEAR-TO-DATE

March 2016-To-March 2017



**Palmdale Water District
Operating Expense Analysis
For the Three Months Ending 3/31/2017
2017**

2016 to 2017 Comparison

	Thru February	March	Year-to-Date	Adjusted Budget	% of Budget	March	Year-to-Date	% Change
Cash Operating Expenses:								
Directors	\$ 20,374	\$ 5,535	\$ 25,909	\$ 115,500	22.43%	\$ (5,028)	\$ (11,726)	-31.16%
Administration-Services	298,120	139,851	437,971	1,943,000	22.54%	11,020	65,022	17.43%
Administration-District	143,930	164,949	308,880	1,509,500	20.46%	(81,232)	(82,811)	-21.14%
Engineering	260,759	106,534	367,293	1,451,500	25.30%	15,587	69,409	23.30%
Facilities	960,283	387,696	1,347,979	6,626,000	20.34%	(88,779)	(421,377)	-23.82%
Operations	443,988	229,962	673,949	2,546,250	26.47%	57,882	149,864	28.60%
Finance	219,699	93,567	313,266	1,246,500	25.13%	(1,342)	5,969	1.94%
Water Conservation	32,518	19,026	51,544	228,000	22.61%	(3,078)	(17,268)	-25.10%
Human Resources	63,034	14,433	77,466	297,100	26.07%	(21,282)	(34,859)	-31.03%
Information Technology	131,858	41,503	173,362	804,750	21.54%	(7,393)	(14,420)	-7.68%
Customer Care	202,365	99,048	301,412	1,278,000	23.58%	(9,373)	(47,106)	-13.52%
Source of Supply-Purchased Water	234,729	168,345	403,074	2,190,000	18.41%	131,569	207,644	106.25%
Plant Expenditures	49,553	106,746	156,299	574,292	27.22%	90,561	49,040	45.72%
GAC Filter Media Replacement	169,477	-	169,477	862,500	19.65%	-	(351,587)	-67.47%
Total Cash Operating Expenses	\$ 3,230,686	\$ 1,577,195	\$ 4,807,881	\$ 21,672,892	22.18%	\$ 89,112	\$ (434,209)	-9.03%
Non-Cash Operating Expenses:								
Depreciation	\$ 913,598	\$ 456,799	\$ 1,370,396	\$ 6,000,000	22.84%	\$ (28,705)	\$ (94,890)	-6.48%
OPEB Accrual Expense	365,799	182,900	548,699	2,350,000	23.35%	(12,961)	(38,882)	-6.62%
Bad Debts	48,902	390	49,292	50,000	98.58%	(4,680)	27,148	122.60%
Service Costs Construction	59,174	1,847	61,021	125,000	48.82%	(10,057)	38,436	170.17%
Capitalized Construction	(106,782)	(24,536)	(131,318)	(750,000)	17.51%	66,208	80,857	-38.11%
Total Non-Cash Operating Expenses	\$ 1,280,691	\$ 617,399	\$ 1,898,090	\$ 7,775,000	24.41%	\$ 9,806	\$ 12,669	0.67%
Non-Operating Expenses:								
Interest on Long-Term Debt	\$ 372,307	\$ 174,018	\$ 546,325	\$ 2,228,000	24.52%	\$ (12,680)	\$ (13,143)	-2.35%
Amortization of SWP	393,788	256,417	650,205	2,238,000	29.05%	59,521	59,520	10.08%
Change in Investments in PRWA	2	100,000	100,002	100,000	100.00%	97,679	96,499	2754.58%
Water Conservation Programs	15,367	6,529	21,896	135,500	16.16%	6,529	19,087	679.48%
Total Non-Operating Expenses	\$ 781,465	\$ 536,963	\$ 1,318,428	\$ 4,701,500	28.04%	\$ 151,048	\$ 161,963	14.00%
Total Expenses	\$ 5,292,842	\$ 2,731,557	\$ 8,024,399	\$ 34,149,392	23.50%	\$ 249,967	\$ (259,578)	-3.13%

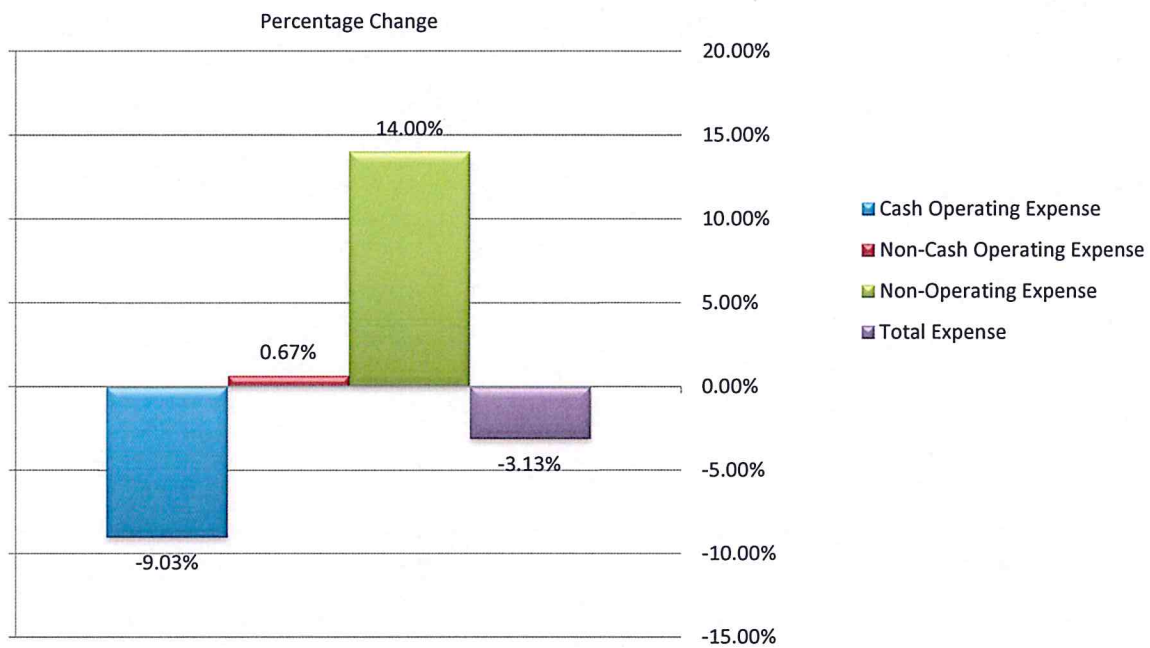
**Palmdale Water District
Operating Expense Analysis
For the Three Months Ending 3/31/2017**

2016 to 2017 Comparison

	2016				
	Thru February	March	Year-to-Date	Adjusted Budget	% of Budget
Cash Operating Expenses:					
Directors	\$ 27,072	\$ 10,563	\$ 37,635	\$ 145,750	25.82%
Administration-Services	244,119	128,830	372,949	1,588,750	23.47%
Administration-District	145,509	246,182	391,691	1,612,750	24.29%
Engineering	206,938	90,947	297,884	1,279,250	23.29%
Facilities	1,292,881	476,475	1,769,356	6,513,750	27.16%
Operations	352,006	172,079	524,086	2,449,250	21.40%
Finance	212,387	94,909	307,297	1,168,250	26.30%
Water Conservation	46,708	22,104	68,812	239,250	28.76%
Human Resources	76,610	35,715	112,325	420,350	26.72%
Information Technology	138,885	48,897	187,782	867,750	21.64%
Customer Care	240,098	108,420	348,519	1,386,750	25.13%
Source of Supply-Purchased Water	158,654	36,776	195,430	1,725,000	11.33%
Plant Expenditures	91,074	16,185	107,259	-	
GAC Filter Media Replacement	521,064	-	521,064	934,500	55.76%
Total Cash Operating Expenses	\$ 3,754,008	\$ 1,488,083	\$ 5,242,090	\$ 20,331,350	25.78%
Non-Cash Operating Expenses:					
Depreciation	\$ 979,783	\$ 485,504	\$ 1,465,287	\$ 7,200,000	20.35%
OPEB Accrual Expense	391,720	195,860	587,581	2,250,000	26.11%
Bad Debts	17,073	5,070	22,144	50,000	44.29%
Service Costs Construction	10,682	11,904	22,586	125,000	18.07%
Capitalized Construction	(121,430)	(90,745)	(212,175)	(1,000,000)	21.22%
Total Non-Cash Operating Expenses	\$ 1,277,828	\$ 607,593	\$ 1,885,422	\$ 8,625,000	21.86%
Non-Operating Expenses:					
Interest on Long-Term Debt	\$ 372,770	\$ 186,698	\$ 559,468	\$ 2,228,000	25.11%
Amortization of SWP	393,789	196,896	590,685	2,238,000	26.39%
Change in Investments in PRWA	1,183	2,321	3,503	-	
Water Conservation Programs	2,809	-	2,809	126,500	2.22%
Total Non-Operating Expenses	\$ 770,551	\$ 385,915	\$ 1,156,465	\$ 4,592,500	25.18%
Total Expenses	\$ 5,802,387	\$ 2,481,591	\$ 8,283,977	\$ 33,548,850	24.69%

EXPENSE COMPARISON YEAR-TO-DATE

March 2016-To-March 2017



Palmdale Water District
2016 Directors Budget
For the Three Months Ending Friday, March 31, 2017

	YTD ACTUAL 2017	ORIGINAL BUDGET 2017	ADJUSTMENTS 2017	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-01-4000-000 Directors Pay	\$ -	\$ -	\$ -	\$ -	
Employee Benefits					
1-01-4005-000 Payroll Taxes	1,010	5,500		4,490	18.36%
Subtotal (Benefits)	1,010	5,500	-	4,490	18.36%
Total Personnel Expenses	<u>\$ 1,010</u>	<u>\$ 5,500</u>	<u>\$ -</u>	<u>\$ 4,490</u>	<u>18.36%</u>
OPERATING EXPENSES:					
1-01-xxxx-007 Director Share - Alvarado, Robert	\$ 4,595	\$ 22,000		\$ 17,405	20.89%
1-01-xxxx-008 Director Share - Mac Laren, Kathy	4,584	22,000		17,417	20.83%
1-01-xxxx-009 Director Share - Estes, Joe	3,768	22,000		18,232	17.13%
1-01-xxxx-010 Director Share - Dino, Vincent	4,905	22,000		17,095	22.29%
1-01-xxxx-011 Director Share - Henriquez, Marco	7,047	22,000		14,953	32.03%
Subtotal Operating Expenses	24,899	110,000	-	14,953	22.64%
Total O & M Expenses	<u>\$ 25,909</u>	<u>\$ 115,500</u>	<u>\$ -</u>	<u>\$ 19,443</u>	<u>22.43%</u>

Palmdale Water District
2016 Administration Services Budget
For the Three Months Ending Friday, March 31, 2017

	YTD ACTUAL 2017	ORIGINAL BUDGET 2017	ADJUSTMENTS 2017	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-02-4000-000 Salaries*	\$ 267,235	\$ 1,220,500	\$ (16,000)	\$ 937,265	22.19%
1-02-4000-100 Overtime	2,136	8,500		6,364	25.13%
Subtotal (Salaries)	\$ 269,371	\$ 1,229,000	\$ (16,000)	\$ 943,629	22.21%
Employee Benefits					
1-02-4005-000 Payroll Taxes	\$ 20,204	\$ 87,000		66,796	23.22%
1-02-4010-000 Health Insurance	39,717	171,000		131,283	23.23%
1-02-4015-000 PERS	29,621	145,000		115,379	20.43%
Subtotal (Benefits)	\$ 89,542	\$ 403,000	\$ -	\$ 313,458	22.22%
Total Personnel Expenses	\$ 358,913	\$ 1,632,000	\$ (16,000)	\$ 1,257,087	22.21%
OPERATING EXPENSES:					
1-02-4050-000 Staff Travel	\$ 3,646	\$ 14,000	\$ -	\$ 10,354	26.05%
1-02-4050-100 General Manager Travel	301	5,000		4,699	6.02%
1-02-4060-000 Staff Conferences & Seminars	1,363	6,000		4,637	22.72%
1-02-4060-100 General Manager Conferences & Seminars	1,342	4,000		2,659	33.54%
1-02-4130-000 Bank Charges	38,392	140,000		101,608	27.42%
1-02-4150-000 Accounting Services	-	27,500		27,500	0.00%
1-02-4175-000 Permits	1,475	17,500		16,025	8.43%
1-02-4180-000 Postage	4,385	25,000		20,615	17.54%
1-02-4190-100 Public Relations - Publications	-	30,000		30,000	0.00%
1-02-4190-700 Public Relations - General*	18,954	20,000	(2,000)	(954)	105.30%
1-02-4200-000 Advertising	51	4,000		3,949	1.28%
1-02-4205-000 Office Supplies	9,149	18,000		8,851	50.83%
Subtotal Operating Expenses	\$ 79,058	\$ 311,000	\$ (2,000)	\$ 229,942	25.59%
Total Departmental Expenses	\$ 437,971	\$ 1,943,000	\$ (18,000)	\$ 1,487,029	22.75%

* Budget adjustments by General Manager per Appendix A

Palmdale Water District
2016 Administration District Wide Budget
For the Three Months Ending Friday, March 31, 2017

	YTD ACTUAL 2017	ORIGINAL BUDGET 2017	ADJUSTMENTS 2017	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-02-5070-001 On-Call	\$ 15,103	\$ 90,000		\$ 74,897	16.78%
Subtotal (Salaries)	\$ 15,103	\$ 90,000	\$ -	\$ 74,897	16.78%
Employee Benefits					
1-02-5070-002 PERS-Unfunded Liability	\$ 108,083	\$ 472,000		363,917	22.90%
1-02-5070-003 Workers Compensation	55,209	185,000		129,791	29.84%
1-02-5070-004 Vacation Benefit Expense	(15,994)	35,000		50,994	-45.70%
1-02-5070-005 Life Insurance	1,576	7,500		5,924	21.02%
Subtotal (Benefits)	\$ 148,875	\$ 699,500	\$ -	\$ 550,625	21.28%
Total Personnel Expenses	\$ 163,978	\$ 789,500	\$ -	\$ 625,522	20.77%
OPERATING EXPENSES:					
1-02-5070-006 Other Operating	\$ 2,469	\$ 20,000		17,531	12.34%
1-02-5070-007 Consultants	20,170	70,000		49,830	28.81%
1-02-5070-008 Insurance	75,079	305,000		229,921	24.62%
1-02-5070-009 Groundwater Adjudication	25,954	50,000		24,046	51.91%
1-02-5070-010 Legal Services	15,614	150,000		134,386	10.41%
1-02-5070-011 Memberships/Subscriptions	5,616	125,000		119,384	4.49%
Subtotal Operating Expenses	\$ 144,902	\$ 720,000	\$ -	\$ 575,098	20.13%
Total Departmental Expenses	\$ 308,880	\$ 1,509,500	\$ -	\$ 1,200,620	20.46%

Palmdale Water District
2016 Engineering Budget
For the Three Months Ending Friday, March 31, 2017

	YTD ACTUAL 2017	ORIGINAL BUDGET 2017	ADJUSTMENTS 2017	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-03-4000-000 Salaries	\$ 231,113	\$ 983,500		\$ 752,387	23.50%
1-03-4000-100 Overtime	1,691	6,500		4,809	26.02%
Subtotal (Salaries)	\$ 232,804	\$ 990,000		\$ 757,196	23.52%
Employee Benefits					
1-03-4005-000 Payroll Taxes	17,468	73,000		55,532	23.93%
1-03-4010-000 Health Insurance	56,534	164,000		107,466	34.47%
1-03-4015-000 PERS	25,105	104,500		79,395	24.02%
Subtotal (Benefits)	\$ 99,108	\$ 341,500	\$ -	\$ 242,393	29.02%
Total Personnel Expenses	\$ 331,912	\$ 1,331,500	\$ -	\$ 999,588	24.93%
OPERATING EXPENSES:					
1-03-4050-000 Staff Travel	\$ -	\$ 2,500		\$ 2,500	0.00%
1-03-4060-000 Staff Conferences & Seminars	-	2,500		2,500	0.00%
1-03-4155-000 Contracted Services	7,544	41,500		33,956	18.18%
1-03-4165-000 Memberships/Subscriptions	438	2,500		2,062	17.52%
1-03-4250-000 General Materials & Supplies	297	11,000		10,703	2.70%
1-03-8100-100 Computer Software - Maint. & Support	27,102	60,000		32,898	45.17%
Subtotal Operating Expenses	\$ 35,381	\$ 120,000	\$ -	\$ 84,619	29.48%
Total Departmental Expenses	\$ 367,293	\$ 1,451,500	\$ -	\$ 1,084,207	25.30%

Palmdale Water District
2016 Facilities Budget
For the Three Months Ending Friday, March 31, 2017

	YTD ACTUAL 2017	ORIGINAL BUDGET 2017	ADJUSTMENTS 2017	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-04-4000-000 Salaries	\$ 501,028	\$ 2,096,000	\$ -	\$ 1,594,972	23.90%
1-04-4000-100 Overtime	22,372	100,000		77,628	22.37%
Subtotal (Salaries)	\$ 523,400	\$ 2,196,000	\$ -	\$ 1,672,600	23.83%
Employee Benefits					
1-04-4005-000 Payroll Taxes	40,167	172,000		131,833	23.35%
1-04-4010-000 Health Insurance	172,396	453,500		281,104	38.01%
1-04-4015-000 PERS	48,726	258,000		209,274	18.89%
Subtotal (Benefits)	\$ 261,288	\$ 883,500	\$ -	\$ 622,212	29.57%
Total Personnel Expenses	\$ 784,688	\$ 3,079,500	\$ -	\$ 2,294,812	25.48%
OPERATING EXPENSES:					
1-04-4050-000 Staff Travel	\$ 147	\$ 3,000		\$ 2,853	4.89%
1-04-4060-000 Staff Conferences & Seminars	-	3,000		3,000	0.00%
1-04-4155-000 Contracted Services	62,512	491,500		428,988	12.72%
1-04-4175-000 Permits-Dams	-	25,000		25,000	0.00%
1-04-4215-100 Natural Gas - Wells & Boosters	33,275	225,000		191,725	14.79%
1-04-4215-200 Natural Gas - Buildings	3,397	9,000		5,603	37.74%
1-04-4220-100 Electricity - Wells & Boosters	208,198	1,320,000		1,111,802	15.77%
1-04-4220-200 Electricity - Buildings	13,285	88,000		74,715	15.10%
1-04-4225-000 Maint. & Repair - Vehicles	10,169	35,000		24,831	29.06%
1-04-4230-100 Maint. & Rep. Office Building	2,808	25,000		22,192	11.23%
1-04-4235-110 Maint. & Rep. Equipment	5,197	6,500		1,303	79.95%
1-04-4235-400 Maint. & Rep. Operations - Wells	12,981	100,000		87,019	12.98%
1-04-4235-405 Maint. & Rep. Operations - Boosters	17,233	80,000		62,767	21.54%
1-04-4235-410 Maint. & Rep. Operations - Shop Bldgs	3,755	10,000		6,245	37.55%
1-04-4235-415 Maint. & Rep. Operations - Facilities	3,056	15,000		11,944	20.37%
1-04-4235-420 Maint. & Rep. Operations - Water Lines	56,621	250,000		193,379	22.65%
1-04-4235-425 Maint. & Rep. Operations - Littlerock Dam	756	15,000		14,244	5.04%
1-04-4235-430 Maint. & Rep. Operations - Palmdale Dam	132	7,500		7,368	1.76%
1-04-4235-435 Maint. & Rep. Operations - Palmdale Canal	2,057	10,000		7,943	20.57%
1-04-4235-440 Maint. & Rep. Operations - Large Meters	6,409	20,000		13,591	32.05%
1-04-4235-445 Maint. & Rep. Operations - Telemetry	-	5,000		5,000	0.00%
1-04-4235-450 Maint. & Rep. Operations - Hypo Generators	428	10,000		9,572	4.28%
1-04-4235-455 Maint. & Rep. Operations - Heavy Equipment	14,222	45,000		30,778	31.61%
1-04-4235-460 Maint. & Rep. Operations - Storage Reservoirs	-	5,000		5,000	0.00%
1-04-4235-470 Maint. & Rep. Operations - Meters Exchanges	37,575	250,000		212,425	15.03%
1-04-4270-300 Telecommunication - Other	1,269	4,000		2,731	31.71%
1-04-4300-100 Testing - Regulatory Compliance	-	20,000		20,000	0.00%
1-04-4300-200 Testing - Large Meters	3,075	12,500		9,425	24.60%
1-04-4300-300 Testing - Edison Testing	-	30,000		30,000	0.00%
1-04-5070-009 Groundwater Adjudication-Pumping Assessment	-	50,000		50,000	0.00%
1-04-6000-000 Waste Disposal	2,216	20,000		17,784	11.08%
1-04-6100-100 Fuel and Lube - Vehicle	14,969	105,000		90,031	14.26%
1-04-6100-200 Fuel and Lube - Machinery	4,643	40,000		35,357	11.61%
1-04-6200-000 Uniforms	5,178	28,000		22,822	18.49%
1-04-6300-100 Supplies - General	7,211	47,500		40,289	15.18%
1-04-6300-200 Supplies - Hypo Generators	-	7,500		7,500	0.00%
1-04-6300-300 Supplies - Electrical	-	3,000		3,000	0.00%
1-04-6300-400 Supplies - Telemetry	167	5,000		4,833	3.34%
1-04-6300-800 Supplies - Construction Materials	4,840	40,000		35,160	12.10%
1-04-6400-000 Tools	6,359	25,000		18,641	25.44%
1-04-7000-100 Leases -Equipment	11,828	15,000		3,172	78.85%
1-04-7000-100 Leases -Vehicles	7,322.80	38,000		30,677	19.27%
Subtotal Operating Expenses	\$ 563,291	\$ 3,544,000	\$ -	\$ 2,980,709	15.89%
Total Departmental Expenses	\$ 1,347,979	\$ 6,623,500	\$ -	\$ 5,275,521	20.35%

Palmdale Water District
2016 Operation Budget
For the Three Months Ending Friday, March 31, 2017

	YTD ACTUAL 2017	ORIGINAL BUDGET 2017	ADJUSTMENTS 2017	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-05-4000-000 Salaries	\$ 230,010	\$ 920,000		\$ 689,990	25.00%
1-05-4000-100 Overtime	17,057	56,000		38,943	30.46%
Subtotal (Salaries)	\$ 247,067	\$ 976,000	\$ -	\$ 728,933	25.31%
Employee Benefits					
1-05-4005-000 Payroll Taxes	19,024	67,000		47,976	28.39%
1-05-4010-000 Health Insurance	56,966	144,250		87,284	39.49%
1-05-4015-000 PERS	24,310	111,000		86,690	21.90%
Subtotal (Benefits)	\$ 100,300	\$ 322,250	\$ -	\$ 221,950	31.12%
Total Personnel Expenses	\$ 347,367	\$ 1,298,250	\$ -	\$ 950,883	26.76%
OPERATING EXPENSES:					
1-05-4050-000 Staff Travel	\$ 553	\$ 2,500		\$ 1,947	22.11%
1-05-4060-000 Staff Conferences & Seminars	1,210.00	2,500		1,290	48.40%
1-05-4155-000 Contracted Services	34,504	88,000		53,496	39.21%
1-05-4175-000 Permits	-	40,000		40,000	0.00%
1-05-4215-200 Natural Gas - WTP	652	3,000		2,348	21.74%
1-05-4220-200 Electricity - WTP	44,689	125,000		80,311	35.75%
1-05-4230-110 Maint. & Rep. - Office Equipment	-	500		500	0.00%
1-05-4235-110 Maint. & Rep. Operations - Equipment	485	20,000		19,515	2.42%
1-05-4235-410 Maint. & Rep. Operations - Shop Bldgs	-	6,000		6,000	0.00%
1-05-4235-415 Maint. & Rep. Operations - Facilities	25,902	65,000		39,098	39.85%
1-05-4235-450 Maint. & Rep. Operations - Hypo Generator	1,876	65,000		63,124	2.89%
1-05-4235-500 Maint. & Rep. Operations - Wind Turbine	67,367	30,000		(37,367)	224.56%
1-05-4236-000 Palmdale Lake Management	12,127	40,000		27,873	30.32%
1-05-6000-000 Waste Disposal	876	20,000		19,124	4.38%
1-05-6200-000 Uniforms	3,154	16,000		12,846	19.71%
1-05-6300-100 Supplies - General	2,589	15,000		12,411	17.26%
1-05-6300-600 Supplies - Lab	23,859	50,000		26,141	47.72%
1-05-6300-700 Outside Lab Work	13,065	60,000		46,935	21.78%
1-05-6400-000 Tools	2,611	6,500		3,889	40.16%
1-05-6500-000 Chemicals	72,716	560,000		487,284	12.99%
1-05-7000-100 Leases -Equipment	-	3,000		3,000	0.00%
3-05-4300-100 Filter Media Testing/Inspection	18,348	30,000		11,652	61.16%
Subtotal Operating Expenses	\$ 326,583	\$ 1,248,000	\$ -	\$ 921,417	26.17%
Total Departmental Expenses	\$ 673,949	\$ 2,546,250	\$ -	\$ 1,872,301	26.47%

Palmdale Water District
2016 Finance Budget
For the Three Months Ending Friday, March 31, 2017

	YTD ACTUAL 2017	ORIGINAL BUDGET 2017	ADJUSTMENTS 2017	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-06-4000-000 Salaries	\$ 169,884	\$ 683,500		\$ 513,616	24.86%
1-06-4000-100 Overtime	230	4,000		3,770	5.74%
Subtotal (Salaries)	\$ 170,114	\$ 687,500	\$ -	\$ 517,386	24.74%
Employee Benefits					
1-06-4005-000 Payroll Taxes	12,761	53,000		40,239	24.08%
1-06-4010-000 Health Insurance	27,642	88,500		60,858	31.23%
1-06-4015-000 PERS	18,853	87,000		68,147	21.67%
Subtotal (Benefits)	\$ 59,256	\$ 228,500	\$ -	\$ 169,244	25.93%
Total Personnel Expenses	\$ 229,370	\$ 916,000	\$ -	\$ 686,630	25.04%
OPERATING EXPENSES:					
1-06-4155-000 Contracted Services	\$ 3,150	\$ 6,000		\$ 2,850	52.50%
1-06-4155-100 Contracted Services - Infosend	68,421	280,000		211,579	24.44%
1-06-4165-000 Memberships/Subscriptions	220	500		280	44.00%
1-06-4230-110 Maintenance & Repair - Office Equipment	-	500		500	0.00%
1-06-4250-000 General Material & Supplies	-	3,000		3,000	0.00%
1-06-4260-000 Business Forms	-	4,000		4,000	0.00%
1-06-4270-100 Telecommunication - Office	6,503	18,000		11,497	36.13%
1-06-4270-200 Telecommunication - Cellular Stipend	4,980	15,500		10,520	32.13%
1-06-7000-100 Leases - Equipment	622	3,000		2,378	20.73%
Subtotal Operating Expenses	\$ 83,896	\$ 330,500	\$ -	\$ 246,604	25.38%
Total Departmental Expenses	\$ 313,266	\$ 1,246,500	\$ -	\$ 933,234	25.13%

Palmdale Water District
2016 Water Conservation Budget
For the Three Months Ending Friday, March 31, 2017

	YTD ACTUAL 2017	ORIGINAL BUDGET 2017	ADJUSTMENTS 2017	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-07-4000-000 Salaries	\$ 31,982	\$ 144,000		\$ 112,018	22.21%
1-07-4000-100 Overtime	177	1,000		823	17.71%
Subtotal (Salaries)	\$ 32,160	\$ 145,000		\$ 112,840	22.18%
Employee Benefits					
1-07-4005-000 Payroll Taxes	2,564	11,000		8,436	23.31%
1-07-4010-000 Health Insurance	9,110	36,500		27,390	24.96%
1-07-4015-000 PERS	4,033	18,500		14,467	21.80%
Subtotal (Benefits)	\$ 15,706	\$ 66,000	\$ -	\$ 50,294	23.80%
Total Personnel Expenses	\$ 47,866	\$ 211,000	\$ -	\$ 162,311	22.69%
OPERATING EXPENSES:					
1-07-4050-000 Staff Travel	\$ 161	\$ 1,000		\$ 839	
1-07-4060-000 Staff Conferences & Seminar	-	1,500		1,500	
1-07-4190-300 Public Relations - Landscape Workshop/Training	38	1,000		962	3.79%
1-07-4190-400 Public Relations - Contests	-	1,000		1,000	0.00%
1-07-4190-500 Public Relations - Education Programs*	2,746	2,500	4,000	3,754	109.86%
1-07-4190-900 Public Relations - Other*	494	5,000	(2,000)	2,506	9.88%
1-07-6300-100 Supplies - Misc.	238	5,000		4,762	4.77%
Subtotal Operating Expenses	\$ 3,678	\$ 17,000	\$ 2,000	\$ 15,322	21.63%
Total Departmental Expenses	\$ 51,544	\$ 228,000	\$ 2,000	\$ 177,634	22.61%

* Budget adjustments by General Manager per Appendix A

Palmdale Water District
2016 Human Resources Budget
For the Three Months Ending Friday, March 31, 2017

	YTD ACTUAL 2017	ORIGINAL BUDGET 2017	ADJUSTMENTS 2017	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-08-4000-000 Salaries	\$ 29,211	\$ 122,000		\$ 92,789	23.94%
1-08-4000-200 Salaries - Intern Program*	2,290	-	16,000	13,710	14.31%
Subtotal (Salaries)	\$ 31,501	\$ 122,000	\$ 16,000	\$ 106,499	25.82%
Employee Benefits					
1-08-4005-000 Payroll Taxes	2,425	9,500		7,075	25.52%
1-08-4010-000 Health Insurance	8,680	19,500		10,820	44.51%
1-08-4015-000 PERS	1,753	8,000		6,247	21.91%
Subtotal (Benefits)	\$ 12,857	\$ 37,000	\$ -	\$ 24,143	34.75%
Total Personnel Expenses	\$ 44,359	\$ 159,000	\$ 16,000	\$ 130,641	25.35%
OPERATING EXPENSES:					
1-08-4050-000 Staff Travel	\$ 936	\$ 1,500		\$ 564	62.40%
1-08-4060-000 Staff Conferences & Seminars	-	1,500		1,500	0.00%
1-08-4070-000 Employee Expense	12,354	50,000		37,646	24.71%
1-08-4090-000 Temporary Staffing	-	-		-	
1-08-4095-000 Employee Recruitment	2,209	3,000		791	73.65%
1-08-4100-000 Employee Retention	(46)	5,000		5,046	-0.91%
1-08-4105-000 Employee Relations	2,704	3,500		796	77.24%
1-08-4120-100 Training-Safety	447	35,000		34,553	1.28%
1-08-4120-200 Training-Speciality	3,787	15,000		11,213	25.25%
1-08-4121-000 Safety Program	40	1,000		960	4.00%
1-08-4165-000 Membership/Subscriptions	1,059	1,600		541	66.19%
1-08-4165-100 HR/Safety Publications	-	1,000		1,000	0.00%
1-08-6300-500 Supplies - Safety	9,617	20,000		10,383	48.09%
Subtotal Operating Expenses	\$ 33,108	\$ 138,100	\$ -	\$ 104,992	23.97%
Total Departmental Expenses	\$ 77,466	\$ 297,100	\$ 16,000	\$ 235,634	24.74%

* Budget adjustments by General Manager per Appendix A

Palmdale Water District
2016 Information Technology Budget
For the Three Months Ending Friday, March 31, 2017

	YTD ACTUAL 2017	ORIGINAL BUDGET 2017	ADJUSTMENTS 2017	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-09-4000-000 Salaries	\$ 38,995	\$ 176,000		\$ 137,005	22.16%
1-09-4000-100 Overtime	527	2,500		1,973	21.06%
Subtotal (Salaries)	\$ 39,522	\$ 178,500		\$ 138,978	22.14%
Employee Benefits					
1-09-4005-000 Payroll Taxes	3,005	18,250		15,245	16.47%
1-09-4010-000 Health Insurance	8,736	38,500		29,764	22.69%
1-09-4015-000 PERS	4,407	22,750		18,343	19.37%
Subtotal (Benefits)	\$ 16,148	\$ 79,500	\$ -	\$ 63,352	20.31%
Total Personnel Expenses	\$ 55,670	\$ 258,000	\$ -	\$ 200,356	21.58%
OPERATING EXPENSES:					
1-09-4050-000 Staff Travel	\$ -	\$ 3,000		\$ 3,000	0.00%
1-09-4060-000 Staff Conferences & Seminars	6,433	3,500		(2,933)	183.80%
1-09-4155-000 Contracted Services	19,191	101,500		82,309	18.91%
1-09-4165-000 Memberships/Subscriptions	-	2,000		2,000	0.00%
1-09-4270-000 Telecommunications	20,462	87,250		66,788	23.45%
1-09-8000-100 Computer Equipment - Computers	18,845	45,000		26,155	41.88%
1-09-8000-200 Computer Equipment - Laptops	792	45,000		44,208	1.76%
1-09-8000-300 Computer Equipment - Monitors	628	2,000		1,372	31.38%
1-09-8000-400 Computer Equipment - Printers	-	5,000		5,000	0.00%
1-09-8000-500 Computer Equipment - Toner Cartridges	159	3,000		2,841	5.31%
1-09-8000-550 Computer Equipment - Telephony	-	2,500		2,500	0.00%
1-09-8000-600 Computer Equipment - Other	7,823	40,000		32,177	19.56%
1-09-8100-100 Computer Software - Maint. and Support	9,171	60,000		50,829	15.29%
1-09-8100-140 Computer Software - Starnik	23,774	72,000		48,226	33.02%
1-09-8100-150 Computer Software - Dynamics GP Support	8,418	60,000		51,583	14.03%
1-09-8100-200 Computer Software - Software and Upgrades	1,996	15,000		13,004	13.31%
Subtotal Operating Expenses	\$ 117,691	\$ 546,750	\$ -	\$ 429,059	21.53%
Total Departmental Expenses	\$ 173,362	\$ 804,750	\$ -	\$ 629,415	21.54%

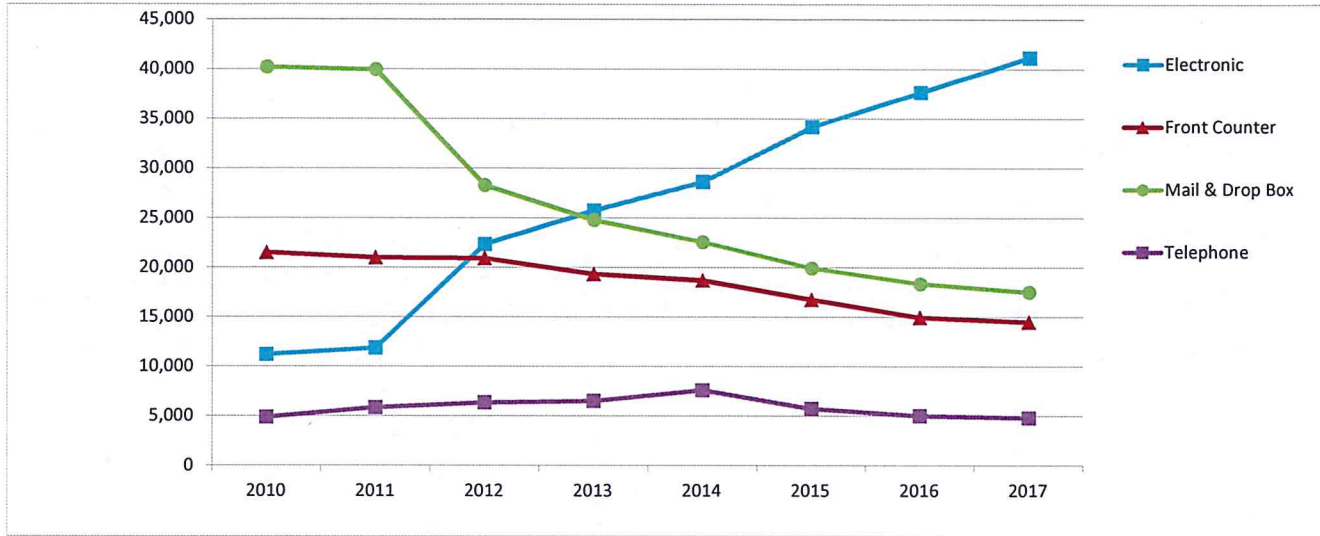
Palmdale Water District
2016 Customer Care Budget
For the Three Months Ending Friday, March 31, 2017

	YTD ACTUAL 2017	ORIGINAL BUDGET 2017	ADJUSTMENTS 2017	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-10-4000-000 Salaries	\$ 189,978	\$ 886,000		\$ 696,022	21.44%
1-10-4000-100 Overtime	622	10,000		9,378	6.22%
Subtotal (Salaries)	\$ 190,600	\$ 896,000	\$ -	\$ 705,400	21.27%
Employee Benefits					
1-10-4005-000 Payroll Taxes	14,087	65,500		51,413	21.51%
1-10-4010-000 Health Insurance	66,480	166,000		99,520	40.05%
1-10-4015-000 PERS	20,616	113,500		92,884	18.16%
Subtotal (Benefits)	\$ 101,183	\$ 345,000	\$ -	\$ 243,817	29.33%
Total Personnel Expenses	\$ 291,783	\$ 1,241,000	\$ -	\$ 949,217	23.51%
OPERATING EXPENSES:					
1-10-4050-000 Staff Travel	\$ -	\$ 1,000		\$ 1,000	0.00%
1-10-4060-000 Staff Conferences & Seminars	-	2,000		2,000	0.00%
1-10-4155-000 Contracted Services	7,075	22,000		14,925	32.16%
1-10-4230-110 Maintenance & Repair-Office Equipment	-	500		500	0.00%
1-10-4250-000 General Material & Supplies	2,554	7,500		4,946	34.06%
1-10-4260-000 Business Forms	-	4,000		4,000	0.00%
Subtotal Operating Expenses	\$ 9,629	\$ 37,000	\$ -	\$ 27,371	26.02%
Total Departmental Expenses	\$ 301,412	\$ 1,278,000	\$ -	\$ 976,588	23.58%

Billing Statistics

	Bills	LF Notice	Shut Notice	Off & Lock	Based on Bills Issued			Based on Late Notices		Based on Shut Notice
	(A)	(B)	(C)	(D)	B / A	C / A	D / A	C / B	D / B	D / C
Oct-15	26,418	6,419	1,791	339	24.3%	6.8%	1.3%	27.9%	5.3%	18.93%
Nov-15	26,414	6,016	1,885	211	22.8%	7.1%	0.8%	31.3%	3.5%	11.19%
Dec-15	26,473	6,359	1,863	273	24.0%	7.0%	1.0%	29.3%	4.3%	14.65%
Jan-16	26,451	5,630	1,495	246	21.3%	5.7%	0.9%	26.6%	4.4%	16.45%
Feb-16	26,451	5,382	1,633	276	20.3%	6.2%	1.0%	30.3%	5.1%	16.90%
Mar-16	26,462	5,211	1,597	225	19.7%	6.0%	0.9%	30.6%	4.3%	14.09%
Apr-16	26,462	5,481	1,848	253	20.7%	7.0%	1.0%	33.7%	4.6%	13.69%
May-16	26,449	5,809	1,977	267	22.0%	7.5%	1.0%	34.0%	4.6%	13.51%
Jun-16	26,441	5,817	2,031	295	22.0%	7.7%	1.1%	34.9%	5.1%	14.52%
Jul-16	26,484	5,141	2,174	296	19.4%	8.2%	1.1%	42.3%	5.8%	13.62%
Aug-16	26,531	6,330	2,333	324	23.9%	8.8%	1.2%	36.9%	5.1%	13.89%
Sep-16	26,457	6,341	2,329	294	24.0%	8.8%	1.1%	36.7%	4.6%	12.62%
Oct-16	26,489	6,249	2,284	204	23.6%	8.6%	0.8%	36.5%	3.3%	8.93%
Nov-16	26,491	5,964	2,187	224	22.5%	8.3%	0.8%	36.7%	3.8%	10.24%
Dec-16	26,496	6,206	2,312	253	23.4%	8.7%	1.0%	37.3%	4.1%	10.94%
Jan-17	26,507	6,024	2,020	233	22.7%	7.6%	0.9%	33.5%	3.9%	11.53%

Payment Transactions By Types Jan-Mar



Payment Type	2010	2011	2012	2013	2014	2015	2016	2017
Electronic	11,193	11,846	22,316	25,723	28,609	34,179	37,667	41,158
Front Counter	21,475	20,963	20,898	19,289	18,674	16,740	14,930	14,475
Mail & Drop Box	40,178	39,923	28,253	24,752	22,542	19,909	18,323	17,485
Telephone	4,878	5,847	6,341	6,515	7,596	5,738	5,020	4,801
Total	77,722	78,579	77,808	76,279	77,421	76,566	75,940	77,919

Detail of Electronic Payments	2010	2011	2012	2013	2014	2015	2016	2017
META - ACH Pymt	1,666	2,322	1,853	1,844	902	775	397	421
WES - ACH Pymt	0	227	220	232	241	241	253	267
INF - Website Pymts	9,527	9,297	15,345	17,138	18,809	19,151	20,405	22,099
IVR - Automated Pay ##	0	0	0	0	453	5,224	6,933	8,052
KIOSK - Automated Pay \$\$	0	0	0	0	0	0	210	283
PNM - Automated Pay %%	0	0	0	0	0	0	0	598
VAN - ACH Pymt &&	0	0	4,898	6,509	8,204	8,788	9,469	9,438
Total	11,193	11,846	22,316	25,723	28,609	34,179	37,667	41,158

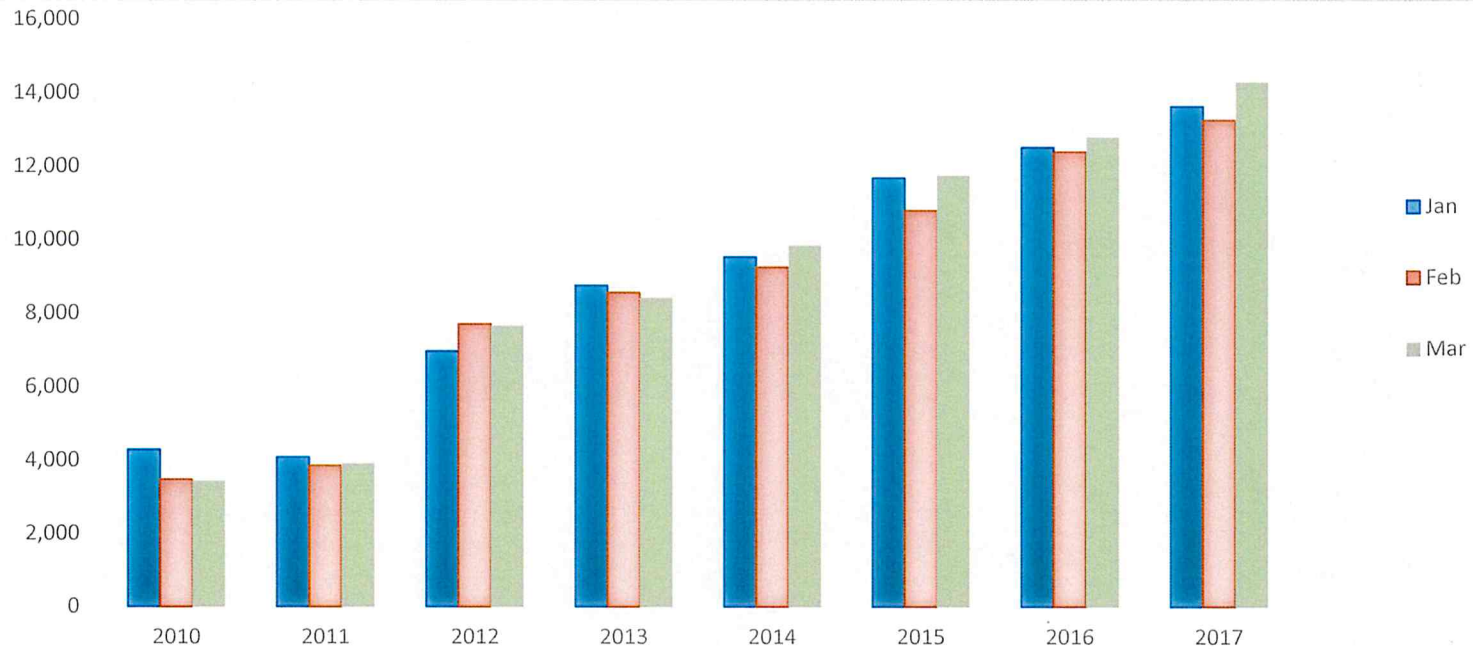
##- IVR service started March 13, 2014

\$\$ - Kiosk service started July 1, 2015

%% - PNM - Pay Near Me service started June 9, 2016

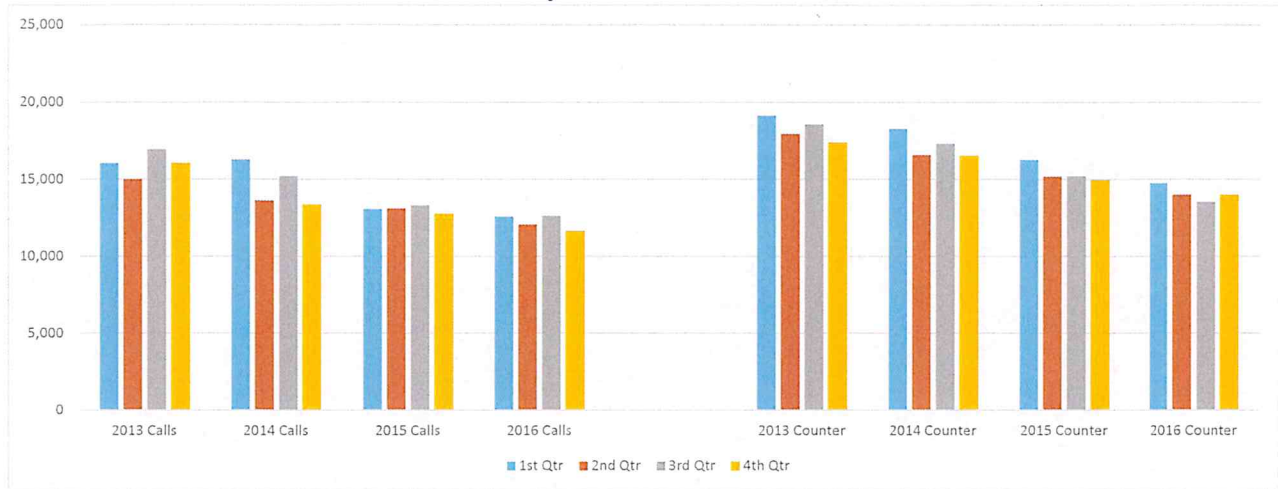
&& - Vanco ACH service started Sept 2011

Electronic Payment Transactions by Year for Jan - Mar



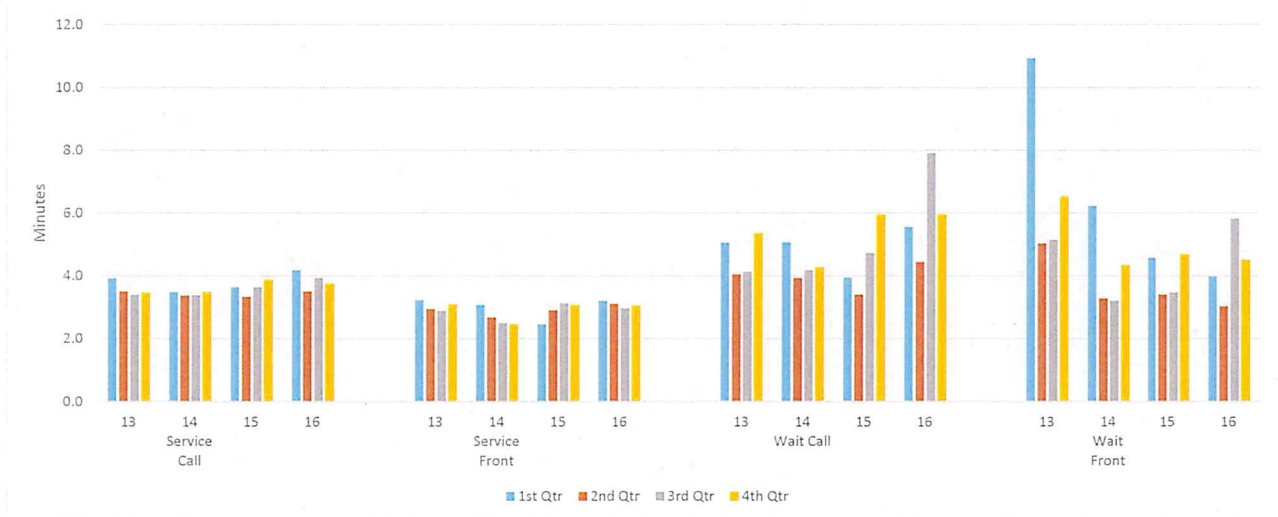
Year	Jan	Feb	Mar	Total
2010	4,284	3,474	3,435	11,193
2011	4,083	3,853	3,910	11,846
2012	6,964	7,696	7,656	22,316
2013	8,746	8,559	8,418	25,723
2014	9,523	9,244	9,842	28,609
2015	11,666	10,781	11,732	34,179
2016	12,505	12,379	12,783	37,667
2017	13,624	13,247	14,287	41,158
Total	71,395	69,233	72,063	212,691

Palmdale Water District Customer Activity - Calls and Front Counter

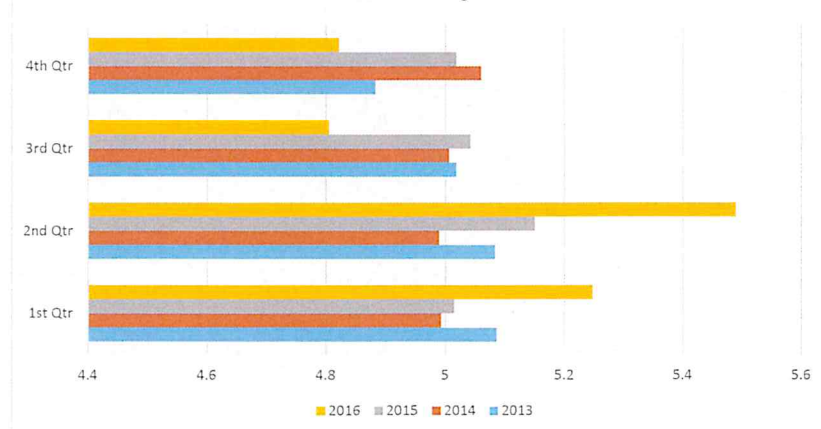


Total Number of Customers by Quarter					
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
2016	27,321	26,067	26,153	25,652	105,193
2015	29,325	28,288	28,530	27,766	113,909
2014	34,571	30,205	32,517	29,925	127,218
2013	35,169	32,931	35,524	33,456	137,080

Service & Wait Times



Number of Agents



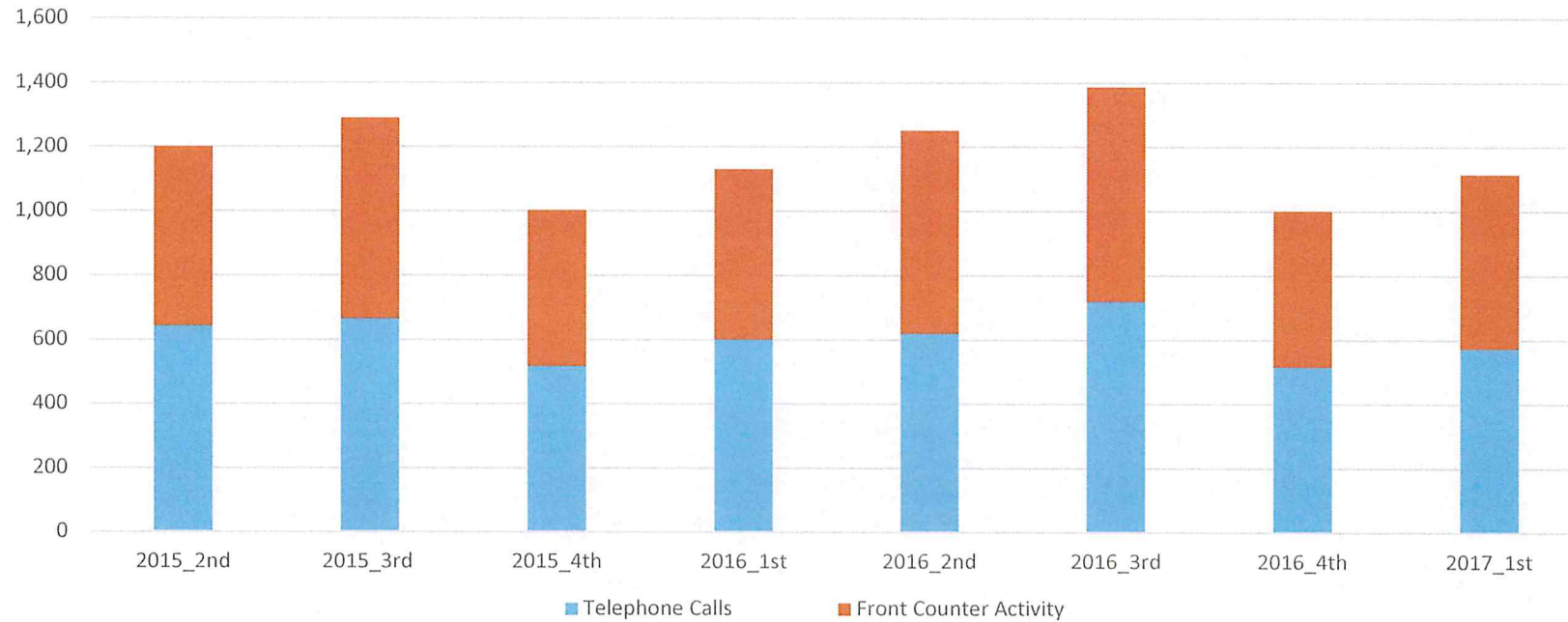
* 2013 - 1st & 4th Quarters - Increase in wait times (calls and front) due to freeze events (1/14 to 1/16 & 12/9 - 12/12).

* 2014 & 2015 - 1st Qtr - Wait times higher due to office closure in December for a week, catching up on the issuance of doortags and shutoffs.

* 2016 - 3rd Quarter wait times higher due to decrease in number of agents

PALMDALE WATER DISTRICT

Customer Activity from 5:00 PM to 6:00 PM by Quarter



	2015_2nd	2015_3rd	2015_4th	2016_1st	2016_2nd	2016_3rd	2016_4th	2017_1st
Telephone Calls	642	664	517	600	619	718	515	572
Front Counter Activity	558	626	485	531	632	668	486	542
Total Customers Handled	1,200	1,290	1,002	1,131	1,251	1,386	1,001	1,114

A report on this item will be distributed at the meeting.

**PALMDALE WATER DISTRICT
BOARD MEMORANDUM**

DATE: May 16, 2017 **May 24, 2017**
TO: BOARD OF DIRECTORS **Board Meeting**
FROM: Mr. Matthew R. Knudson, Assistant General Manager
VIA: Mr. Dennis D. LaMoreaux, General Manager
RE: ***AGENDA ITEM NO. 7.5 – CONSIDERATION AND POSSIBLE ACTION
ON AMENDMENT TO EXISTING CONTRACT WITH ASPEN
ENVIRONMENTAL GROUP FOR THE DESIGN OF THE GRADE
CONTROL STRUCTURE ASSOCIATED WITH THE LITTLEROCK
RESERVOIR SEDIMENT REMOVAL PROJECT. (\$231,719.00 –
BUDGETED – ASSISTANT GENERAL MANAGER KNUDSON)***

Recommendation:

Staff recommends that the Board:

1. Approve an amendment, which includes the Tasks as listed on the attached Exhibit "A" with Aspen Environmental Group (Aspen), in the not-to-exceed amount of \$231,719.00; and
2. Authorize the General Manager to execute an amendment with Aspen Environmental Group utilizing the District's standard professional services amendment form for same.

Background:

Now that the District has certified the Final EIR under CEQA, the Forest Service is scheduled to sign the Record of Decision in late June, and the permit applications have been submitted to the regulatory agencies, the District is ready to proceed with finalizing the design of the proposed grade control structure.

A plan for the Littlerock Reservoir grade control structure was developed at 30 percent design level by the Aspen Team (Northwest Hydraulics Consultants [NHC] of Pasadena, under contract to Aspen Environmental Group [Aspen]) in July, 2015. The grade control is designed to prevent headcut from the proposed reservoir excavation, as well as headcut from additional excavation that may be contemplated in the future, to achieve up to 350 acre feet in additional reservoir capacity. The 30 percent grade control design needs to be brought to 100 percent design for construction.

BOARD OF DIRECTORS
PALMDALE WATER DISTRICT
VIA: Mr. Dennis D. LaMoreaux, General Manager

May 16, 2017

The attached Exhibit “A” explains in detail the scope of work, tasks, hourly rate, and estimated hours associated with this proposed Amendment.

Strategic Plan Element:

Strategic Initiative No. 1 – Water Resource Reliability

Budget:

This project is identified as one of the projects in the 2017 Budget, and we had estimated \$350,000 at the time the budget was prepared. The Finance Department is proposing to borrow money to complete the construction of the grade control structure once an accurate estimate is established. As part of the loan for the construction, the District will have the option to reimburse itself for the cost associated with this amendment.

Supporting Documents:

- Proposed Amendment
- Exhibit “A”

AMENDMENT

This Amendment is to the Professional Services Agreement dated 09/07/04 between Palmdale Water District and Aspen Environmental Group, for work professional services related to the Littlerock Reservoir Sediment Removal Project. This Amendment is to add the Scope of Work (Exhibit A, attached) for Aspen to complete the Grade Control Structure Design in the not-to-exceed amount of \$231,719.00.

Amendment Not-to-Exceed Total: \$ 231,719.00

Except as modified by the foregoing, the parties' Professional Services Agreement dated 09/07/04 remains in full force and effect.

The parties hereto have caused this Agreement to be duly executed by its authorized officers.

PALMDALE WATER DISTRICT

ASPEN ENVIRONMENTAL GROUP

By _____
Its: General Manager

By _____
Its: _____

Date _____

Date _____

Littlerock Reservoir Sediment Removal Project

EXHIBIT A

Scope of Work and Associated Costs for Grade Control Structure Design April 2017

Below is a description of the scope of work proposed by Aspen Environmental Group (Aspen) for completion of grade control structure design for Palmdale Water District's (District) Littlerock Reservoir Sediment Removal Project.

Grade Control Structure Design

A plan for the Littlerock Reservoir grade control structure was developed at 30 percent design level by the Aspen Team (Northwest Hydraulics Consultants [NHC] of Pasadena, under contract to Aspen Environmental Group [Aspen]) in July, 2015. The grade control is designed to prevent headcut from the proposed reservoir excavation, as well as headcut from additional excavation that may be contemplated in the future, to achieve up to 350 acre feet in additional reservoir capacity. The 30 percent grade control design needs to be brought to 100 percent design for construction.

The current design is a single roller-compacted concrete (RCC) structure spanning the bed of the Littlerock Reservoir at Rocky Point. The structure would consist of a sill 10 feet wide by the width of the reservoir bed at Rocky Point, with a series of RCC blocks, 4 feet by 12 feet, arranged stepwise downward from the reservoir bed to a toedown depth of 56 feet below the bed at a point approximately 112 feet downstream of the sill. The purpose of the toedown is to ensure the integrity of the structure in the event of scour expected from the reservoir excavation. RCC bank protection will be installed along the sides of the reservoir near the grade control. The District has expressed the desire to revisit the grade control design to determine whether the design can be modified to achieve the goal of headcut protection at lower cost.

This design scope consists of Tasks 1, 2, and 3 for completion and finalization of the Grade Control Structure Design prior to start of construction in 2018. Task 1 is for Design Development, Task 2 is for Final Design to 90 Percent, and Task 3 is for Final Design to 100 Percent. Task 1 will develop an updated topographic map for the area of the grade control and construction footprint, an evaluation of the 30 percent design to determine whether modifications can reduce the construction cost, and a dewatering plan for permitting purposes. Modifications may include using different construction methods and materials, or adjusting the depth of toe-down or other features that may reduce construction costs and construction footprint without compromising function. Design modifications will not include alternate locations for the grade control structure. Tasks 2 and 3 will develop 90 percent and 100 percent design plans to be used for construction of the grade-control structure, and will include bid assistance to the District.

The design will be conducted by the Aspen Team. Aspen will coordinate with the District and NHC during the design, and provide environmental and design-related guidance. NHC will contract directly with and manage SAGE Engineers of Roseville California for geotechnical support in the design. It is assumed that all design-related meetings with the District will be conducted by telephone or web-conference arranged by Aspen.

Task 1. Design Development

This task includes an initial meeting with the District to define and refine the design and contracting approach for the Project. NHC will review site conditions and will perform a site survey to update topographic information in the bed of the channel at the grade control structure and to collect additional field topography in key locations for the design. NHC assumes one (1) day of field survey near the grade control structure at the currently anticipated location for its siting (i.e., Rocky Point).

The Aspen Team will investigate options to reduce the construction cost of the grade control structure, primarily by reconsidering assumptions regarding the minimum reservoir bed elevation downstream and by investigating potential cost reductions associated with raising the base elevation of the outlet and incorporating scour protection in lieu of a straight drop with deep toe-down in the bed. As part of this effort, a preliminary dewatering/stream diversion plan will be developed so that the cost of shoring and dewatering may be considered in combination with the structure costs for the design options. The Aspen Team will prepare a short memorandum on the design development, and coordinate a meeting with the District to review the results and define a design direction for the final plans.

Task 2. Final Plans

NHC will develop the preliminary design to prepare a 90 percent set of Plans, Specifications, and Estimate (PS&E) for review by the District. The 90 percent submittal will refine the preliminary design for the grade control structure by developing additional details, refining the dewatering/stream diversion approach, refining access plans, and preparing draft technical specifications for construction access, water and air pollution control, earthwork, roller compacted concrete, and dewatering. The 90 percent submittal will include an updated estimate of quantities and refinement of unit costs to produce an updated construction cost estimate.

This task includes geotechnical and structural engineering support from SAGE Engineers of Roseville California to evaluate slope stability, provide design assistance for roller compacted concrete and other structural elements, refine the dewatering design, review and provide input to earthwork specifications, and provide specifications for roller compacted concrete and dewatering. The budget for this task assumes that the existing geotechnical report prepared by URS in 2008 will be used to define site characteristics and design parameters, and no additional field exploration will be conducted.

NHC will coordinate with Aspen to provide information to support permitting applications and consultation with permitting agencies. Identified environmental requirements will be incorporated into the 90 percent submittal. NHC will also prepare a draft SWPPP for the project and incorporate main provisions of the plan into the plans and specifications. The 90 percent submittal will be provided in digital (.pdf and .doc) formats, and a review meeting will be conducted with the District to review comments. Comments will be recorded in mark-ups and meeting notes and will be addressed.

Task 3. Final (100 Percent) Construction Documents

Based on the District's comments and permitting agency input, NHC will prepare final construction contract documents. The final specifications will include sections for temporary facilities and environmental protection, and a bid proposal form in the District's format. The District will provide the Bidding and General Provisions (Division 0 and 1) specifications. NHC will provide input to General Provisions related to the technical requirements of the work, where needed, and will prepare Division 2 (Site Work) and Division 3 (Concrete) specifications. No utility work is anticipated. Construction

documents will be sealed and signed by a registered civil engineer. The final construction documents will be provided in digital and hard copy formats with seal and signature.

Construction Bidding Assistance. The Aspen Team will assist the District during bidding to answer questions and attend a pre-bid site walk, as part of Task 2c. NHC will prepare any necessary addenda, if requested by the District, as additional services. The Aspen Team will assist the District in evaluating bids for construction.

Design Deliverables

- Design Development Memorandum
- 90 percent grade control structure plans, specifications, and estimate.
- Final (100 percent) grade control structure stamped and signed plans and specifications, bid proposal form, and cost estimate.

Project Team

To provide continuity, the project team will consist of Aspen Environmental Group supported by previous project team member NHC (Design/Engineering [supported by their subcontractor Sage]) to assist with finalization of the grade control design.

Summary of Assumptions and Proposed Cost

Exhibit A-1 summarizes Aspen's key assumptions incorporated into the proposed scope of work and associated cost presented in Exhibit A-2.

Exhibit A-1. Summary of Important Assumptions and Optional Tasks for Grade Control Structure Design

- Aspen Team will develop an updated topographic map for the area of the grade control and construction footprint, an evaluation of the 30 percent design to determine whether modifications can reduce the construction cost, and a dewatering plan for permitting purposes. Design modifications will not include alternate locations for the grade control structure. It is assumed that all design-related meetings with the District will be conducted by telephone or web-conference arranged by Aspen.
 - Aspen will coordinate with the District and with NHC during the design. NHC will contract directly with and manage SAGE Engineers of Roseville California for geotechnical support in the design.
 - Scope of work does not include engineering services for any restoration activities that may be necessary and related to the grade control structure.
-
- Design development Task 1 assumes one (1) initial meeting with the District to define and refine the design and contracting approach for the project. Following preparation of the Design Development Memorandum, Aspen will coordinate a meeting with the District to review the results and define a design direction for the final plans.
-
- Final Plans Task 2 assumes that the existing geotechnical report prepared by URS in 2008 will be used to define site characteristics and design parameters, and no additional field exploration will be conducted.
 - The 90 percent submittal will be provided in digital (.pdf and .doc) formats, and a review meeting will be conducted with the District to review comments. Comments will be recorded in mark-ups and in notes taken during the review meeting. All comments will be addressed in the final construction contract documents.
-
- The District will provide the Bidding and General Provisions (Division 0 and 1) specifications for Final (100 Percent) construction documents (Task 3). This scope of work assumes that no utility work is anticipated. Final construction documents will be provided in digital and hard copy formats with seal and signature.
-

Cost

Aspen's proposed cost to complete the tasks described above for the proposed Littlerock Reservoir Sediment Removal Project is **\$231,719**. Labor hours and other estimated costs for each task are displayed in Exhibit A-2 (Proposed Cost). Our proposed cost is based on the work program, our understanding of the services desired by the District.



Aspen Environmental Group

Littlerock Reservoir Sediment Removal Project Palmdale Water District

EXHIBIT A-2: PROPOSED COST - SUMMARY SHEET Grade Control Structure Design

Task 1	Task 2	Task 3	TOTAL
Design Development	Final Design 90 Percent	Final Design 100 Percent	

ASPEN LABOR COST

Total Aspen Labor Cost	\$6,860	\$6,510	\$4,760	\$18,130
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Aspen Other Direct Costs

Aspen Other Direct Costs	\$138	\$413		\$550
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SUBCONTRACTORS COST

Northwest Hydraulic Consultants	\$40,040	\$142,289	\$30,711	\$213,039
Total Subcontractor Cost	\$40,040	\$142,289	\$30,711	\$213,039

Total Cost	\$47,037	\$149,212	\$35,471	\$231,719
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Note: The rates on this cost estimate are good through July 2018, after which they would increase by 3%.

Aspen Environmental Group

Littlerock Reservoir Sediment Removal Project Palmdale Water District

EXHIBIT A-2: PROPOSED COST Additional Required Plans and Permits (Pre-Construction)

Key Personnel/Category	Rate	Task 1		Task 2		Task 3		TOTAL	
		Design Development		Final Design 90 Percent		Final Design 100 Percent		Quantity	Cost
		Hours	Cost	Hours	Cost	Hours	Cost		
Negar Vahidi, Project Manager	\$175.00	8	\$1,400	8	\$1,400	8	\$1,400	24	\$4,200
Chris Huntley, Senior Biologist	\$175.00	6	\$1,050	4	\$700	2	\$350	12	\$2,100
Will Walters, Senior Air Quality	\$188.00								
Sandra Alarcon-Lopez, Public Involvement	\$187.00								
Phil Lowe, Sr. Hydrologist	\$175.00	24	\$4,200	24	\$4,200	16	\$2,800	64	\$11,200
Jared Varonin, Biology/Permitting	\$125.00								
Scott Debauche, Environmental Planner	\$115.00								
Justin Wood, Botanist OT	\$130.00								
Justin Wood, Botanist	\$104.00								
Tatiana Inouye, Sr. Environmental Sci.	\$112.00								
Margaret Schaap, Biologist OT	\$94.00								
Margaret Schaap, Biologist	\$75.00								
Patrick Meddaugh, Environmental Life Sci	\$75.00								
Emily Chithea, Admin/Clerical	\$65.00								
Kati Simpson, Graphics/Production	\$110.00								
Elise Camacho, Project Accounting/Controls	\$105.00	2	\$210	2	\$210	2	\$210	6	\$630
Darlene Freeman, Admin/Clerical	\$86.00								
Total Labor		40	\$6,860	38	\$6,510	28	\$4,760	106	\$18,130

Direct Project Cost Item	Unit Cost	Cost	Cost	Cost	Total
Copies/Printing		\$125	\$250		\$375
Travel & Per Diem			\$125		\$125
Mileage					
Postage/Delivery					
Telephone (Cell+Conf Calls)					
Computer (per billable hour)					
Equipment Rental					
Document/Data Acquisition/Ads					
Materials					
Subtotal		\$125	\$375		\$500
Aspen Fee on all Non-Labor Costs & Subs (10%)		\$13	\$38		\$50
Total Non-Labor		\$138	\$413		\$550

Total Cost	\$6,998	\$6,923	\$4,760	\$18,680
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Aspen Environmental Group

Littlerock Reservoir Sediment Removal Project Palmdale Water District

PROPOSED COST Grade Control Structure Design Subcontractor: Northwest Hydraulic Consultants

Key Personnel/Category	Rate	Task 1		Task 2		Task 3		TOTAL	
		Design Development		Final Design 90 Percent		Final Design 100 Percent			
		Hours	Cost	Hours	Cost	Hours	Cost	Quantity	Cost
Principal Engineer	\$237.62	28	\$6,653	92	\$21,861	28	\$6,653	148	\$35,168
Senior Project Engineer	\$230.42	46	\$10,599	32	\$7,373	2	\$461	80	\$18,434
Senior Engineer 1	\$191.17		\$0	0	\$0	0	\$0	0	\$0
Senior Engineer 2	\$160.46	6	\$963	226	\$36,264	58	\$9,307	290	\$46,533
Engineer 1	\$136.31		\$0	0	\$0	0	\$0	0	\$0
Engineer 2	\$111.36		\$0	0	\$0	0	\$0	0	\$0
Junior Engineer	\$97.16	52	\$5,052	200	\$19,432	12	\$1,166	264	\$25,650
GIS Specialist	\$128.17	0	\$0	0	\$0	0	\$0	0	\$0
Senior Engineering Technician	\$129.85	20	\$2,597	112	\$14,543	20	\$2,597	152	\$19,737
Senior Engineering Lab Technician	\$92.10		\$0		\$0		\$0	0	\$0
Engineering Technician	\$61.96		\$0		\$0		\$0	0	\$0
GIS Analyst	\$85.94		\$0		\$0		\$0	0	\$0
Senior Contract Administrator	\$129.44		\$0		\$0		\$0	0	\$0
Senior Document Production Specialist	\$114.34		\$0		\$0		\$0	0	\$0
Document Production Specialist	\$80.28		\$0		\$0		\$0	0	\$0
					\$0		\$0	0	\$0
Total Labor		152	\$25,865	662	\$99,474	120	\$20,184	934	\$145,522

Direct Project Cost Item	Unit Cost	Cost	Cost	Cost	Cost	Total
Copies/Printing						\$0
Travel & Per Diem		\$200		\$200		\$400
Postage/Delivery						\$0
Telephone (Cell+Conf Calls)						\$0
Computer (per billable hour)						\$0
Equipment Rental		\$250		\$250		\$500
Document/Data Acquisition/Ads						\$0
Sage (Outside Service)		\$10,085		\$29,430	\$7,735	\$47,250
Subtotal Other Direct Costs		\$10,535		\$29,880	\$7,735	\$48,150
Subtotal Labor and ODCs		\$36,400		\$129,354	\$27,919	\$193,672
Aspen Fee on all Non-Labor Costs & Subs (10%)		\$3,640		\$12,935	\$2,792	\$19,367
Total Cost		\$40,040		\$142,289	\$30,711	\$213,039

**PALMDALE WATER DISTRICT
BOARD MEMORANDUM**

DATE: May 17, 2017 **May 24, 2017**
TO: BOARD OF DIRECTORS **Board Meeting**
FROM: Mr. Dennis D. LaMoreaux, General Manager
RE: ***AGENDA ITEM NO. 7.6 – CONSIDERATION AND POSSIBLE ACTION ON
AMENDMENT TO ARTICLE 4.07.4 OF THE DISTRICT’S RULES AND
REGULATIONS REGARDING DIRECTOR EXPENSES. (GENERAL
MANAGER LaMOREAUX)***

Recommendation:

Staff recommends that the Board approve the amendment to Article 4.07.4 of the District’s Rules and Regulations regarding Director expenses.

Alternative Options:

The Board can choose to not approve the amendment; however this is against the advice of the auditor.

Impact of Taking No Action:

Article 4.07.4 would remain unchanged.

Background:

Article 4.07.4 of the District’s Rules and Regulations relates to Director Expenses but currently does not include recommendations from the District’s auditors regarding the submittal of detailed receipts for travel expenses. Language regarding detailed receipts has been added to Article 4.07.4 in addition to travel guidelines and criteria regarding credit card use, mileage, air travel, car rentals, meals, lodging, and parking, which have also been adopted for District staff. This additional language protects Directors and the District and conveys to the public the Board’s continued efforts to remain transparent in its activities.

Appendix V has been updated to include revised versions of the Director Monthly Meeting Compensation Form and Director Expense Report.

Strategic Plan Initiative:

This item is under Strategic Initiative No. 2 – Organizational Excellence and Initiative No. 5 – Regional Leadership.

Budget:

Director expenses are under the Directors’ individual budgets.

Supporting Documents:

- Clarification changes to Article 4.07.4 Director Expenses
- Appendix V

RULES AND REGULATIONS
CLARIFICATION CHANGES TO ARTICLE 4.07.4 DIRECTOR EXPENSES
MAY 24, 2017

4.07.4 DIRECTOR EXPENSES

The District has set the reimbursement for director expenses as provided herein, pursuant to Water Code, Section 20200, *et seq.* and Government Code, Section 53232, *et seq.* Directors shall be compensated for actual, reasonable and necessary expenses incurred for participating in activities approved in advance by the Board of Directors or as allowed as indicated in Appendix V attached hereto, and that further the goals and interests of the District.

This policy is intended to result in no personal gain or loss to a Director and no reimbursement shall be allowed for transportation, lodging, meals or incidental expenses of family members or guests of a Director traveling with the Director to an authorized event.

Directors shall exercise prudence in all expenditures. Requests for reimbursement must be accompanied by detailed receipts showing each item purchased and documentation and shall be submitted on a form provided by the District (included in Appendix V) and signed by the Director. Email or FAX submittal of the form shall be acceptable with signature to follow.

The following guidelines and criteria for reimbursement while traveling on District business have been established for District employees and shall also apply to Directors:

a. Credit Card Use:

Credit cards are issued to Directors and are to only be used for District business and expenses. No personal items may be charged on District credit cards, and all charges must be in line with travel guidelines and policies, and detailed and summary receipts. Director Expense Reports must be submitted within one month of credit card charges.

b. Mileage:

The mileage reimbursement rate to operate privately-owned vehicles used on District business will be the allowable IRS rate in effect at the time the expense is incurred. The mileage distance subject to reimbursement should be calculated based on actual miles traveled.

c. Air Travel:

Air travel should be booked as the least expensive flight. First class travel is prohibited unless there is no other alternative available and the travel on that particular flight is absolutely necessary.

d. Car Rentals:

It is the District's policy to allow the rental of a mid-size automobile for District business. Additional car rental loss and damage coverage may be required, and this requirement should be reviewed with Human Resources prior to rental.

e. Meals:

<u>Partial Day Travel</u>		<u>Full Day Travel</u>
Breakfast	\$10	\$55/day
Lunch	\$15	
Dinner	\$30	

- To be eligible for breakfast reimbursement: Travel must have started prior to 7 a.m. or have stayed overnight;

- To be eligible for lunch reimbursement: Travel must have started prior to 11 a.m. or have stayed overnight. If travel ends prior to noon, lunch expenses will not be eligible for reimbursement.
- To be eligible for dinner reimbursement: Travel must have started prior to 4 p.m. or have stayed overnight. If travel ends prior to 6 p.m., dinner expenses will not be eligible for reimbursement.

f. Lodging:

The reimbursement rate should not exceed the published conference rates for lodging unless the conference hotels are completely full. If full, a hotel with comparable lodging costs should be chosen.

g. Parking:

Parking for District travel shall be reimbursed.

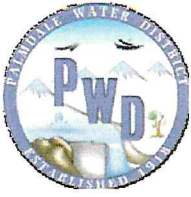
All requests for reimbursement shall be submitted monthly to the General Manager after the expenses were incurred or expenditures made. The General Manager shall ensure prompt payment of the reimbursable expenses and all questions regarding payment of reimbursable expenses to the staff shall be directed to the General Manager. The Finance Committee shall periodically review Director's expense reports and shall prepare such reports and documents as may be required under Government Code Section 53065.5 and Government Code Section 53232.3.

APPENDIX V

- **GUIDELINES FOR DIRECTOR COMPENSATED MEETINGS AND ACTIVITIES**
- **DIRECTOR MONTHLY MEETING COMPENSATION FORM**
- **DIRECTOR EXPENSE REPORT**
- **DIRECTOR MEETING REPORT FORM**

APPENDIX V

Palmdale Water District Guidelines for Director Compensated Meetings and Activities				
Organization/Affiliation	Meeting, Event, or Function	Criteria	Director Fee	Expenses
Palmdale Water District	Business Functions: Board meetings, Committee meetings, Appointed Position meetings (i.e. AVSWCA, Plant 42 ERAB), and General Manager initiated meetings.	All meetings and functions sponsored or conducted by the District; all Board-approved chair, member, and alternate committee and liaison assignments as provided; legislative meetings and trips for District related business.	YES	YES
	Internal District Activities: Staff meetings, Employee Lunches, Employee Appreciation Events, and Christmas Lunch/Dinner, etc.		NO	NO
	Water Awareness Activities: Landscape Workshops, Blue Ribbon Water Week, Water Awareness Month Activity, etc.	Director compensation only if scheduled to work a booth or some aspect of the event.	YES	YES
Antelope Valley water purveyors	Public Board and committee meetings of AVEK, LCID, QHWD, RCSD, LACWW District 40, and mutual water companies.	All meetings in this category can be claimed for compensation during the first year of a new director's term. All meetings and functions sponsored or conducted by these organizations where business with PWD is directly referenced as an agenda item can be claimed for compensation by all directors.	YES	YES
Areas Served by the District	Meetings of the Palmdale City Council, Palmdale Planning Commission, Los Angeles County Regional Planning, and Los Angeles County Board of Supervisors.	All meetings in this category can be claimed for compensation during the first year of a new director's term. All meetings and functions sponsored or conducted by these organizations where business with PWD is directly referenced as an agenda item can be claimed for compensation by all directors.	YES	YES
Antelope Valley Integrated Regional Water Management Group	Monthly meetings scheduled through completion of Plan.	Meetings will be compensated for one director per month unless an Ad-Hoc Committee is formed for this issue. Both assigned directors would then be eligible for attendance compensation.	YES	YES
Association of California Water Agencies (ACWA)	ACWA Spring and Fall Conferences (including ACWA/JPIA meetings), Federal and State Legislative Conferences, Region 8 meetings, ACWA-appointed committee meetings, Public Water Agency Group meetings, and other ACWA-sponsored events.	All meetings, functions, and tours, sponsored or conducted by this organization and confirmed in advance by PWD Board action.	YES	YES
California Special Districts' Association (CSDA)	Annual Conference, educational functions, legislative meetings, CSDA-appointed committee meetings, and other CSDA-sponsored events.	All meetings, functions, and tours, sponsored or conducted by this organization and confirmed in advance by PWD Board action.	YES	YES
Water Education Foundation	Annual briefings and water-related tours.	All meetings, functions, and tours, sponsored or conducted by this organization and confirmed in advance by PWD Board action.	YES	YES
Director Training Programs	CSDA Governance Academy and Special District Institute Certificate of Completion.	All new directors are encouraged to complete one or both of these programs in their first two years on the Board in addition to any legally required training.	YES	YES
Palmdale Chamber of Commerce	Annual dinner, monthly business meetings, business mixers, monthly luncheons, Christmas Parade, and other special events.	Attendance not compensable unless speaking on behalf of the District.	NO	YES
Other Antelope Valley Non-Governmental Organizations	Meetings of the A.V. Board of Trade, A.V. Building Industry Association, Palmdale Sheriff Boosters, Chambers of Commerce, etc.	Attendance not compensable unless speaking on behalf of the District.	NO	YES
Other Antelope Valley Governmental Organizations	Meeting of the Sanitation Districts of Los Angeles County Districts 14 and 20, Lahontan Regional Water Quality Control Board (Southern California), Lancaster City Council, town councils, etc.	Attendance not compensable unless speaking on behalf of the District.	NO	YES
Other Community Events	Antelope Valley Fair, Home & Garden Show, Palmdale Fall Festival, Palmdale Thursday Nights at the Square, Summer Concerts, Poppy Festival, etc.	Attendance not compensable unless speaking on behalf of the District, scheduled to work a booth on behalf of the District, or otherwise act as a formal representative of the District.	NO	NO



PALMDALE WATER DISTRICT DIRECTOR MONTHLY MEETING COMPENSATION FORM

INSTRUCTIONS: SUBMIT FORM TO DAWN DEANS BY THE FIRST REGULAR BOARD MEETING FOR PRIOR MONTHS' MEETINGS. VERIFIED FORMS WILL BE FORWARDED FOR PROCESSING. DIRECTOR TO COMPLETE AB1234 REPORTING COLUMN

NAME:_____ **MONTH:**_____ **YEAR:**_____

SIGNATURE:_____ **DATE:**_____

		AB1234 REPORT GIVEN PER ARTICLE 4 SECTION 4.07.5	
MEETING DESCRIPTION	DATE	AMOUNT	
REGULAR BOARD MEETINGS:			
2 nd Wednesday		N/A	\$
4 th Wednesday		N/A	\$
SPECIAL BOARD MEETINGS:			
		N/A	\$
		N/A	\$
		N/A	\$
COMMITTEE MEETINGS:			
		<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
		<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
		<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
		<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
OTHER AUTHORIZED MEETINGS:			
		<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
		<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
		<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
		<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
		<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
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		<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
		<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
		<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
		TOTAL AMOUNT DUE: \$	
FOR OFFICE USE ONLY:			
VERIFICATION OF AB1234 REPORTING PER BOARD MINUTES			
		NAME/SIGNATURE	DATE

PALMDALE WATER DISTRICT DIRECTOR EXPENSE REPORT

name of conference/dates

**Expense Type	Sun.		Mon.		Tues.		Wed.		Thurs.		Fri.		Sat.		Total
	c	cc	c	cc	c	cc	c	cc	c	cc	c	cc	c	cc	
Hotel															
Telephone															
\$10/DAY -Breakfast															
\$15/DAY -Lunch															
\$30/DAY -Dinner															
Gratuities															
Air Travel															
Shuttle/Taxi Fares															
Parking															
Registration Fees															
Total															
Mileage			To	Around Town	Return						Total Roundtrip				
Start											Roundtrip				
End															
Total															

CC - Denotes a Credit Card (CalCard) Expenses/C - Denotes a Cash Expenses
Personnal Credit Cards are considered "Cash"; check the CC box for District CalCard Expenses

Total Mileage: _____
x Mileage Rate: 0.535

Cash Expenses: _____
Credit Card Expense: _____
Mileage Expense: _____
Total Expenses: _____
Total Reimbursement: _____

Printed Name

Director's Signature: **Date:**

PER RULES AND REGULATONS ARTICLE 4.07.4:
DETAILED RECEIPTS AND SUMMARY RECEIPTS
MUST BE ATTACHED FOR ALL EXPENSES

DIRECTOR MEETING REPORT FORM

NAME: _____ **DATE:** _____

PWD BOARD APPROVAL DATE: _____

NAME OF MEETING/ORGANIZATION:

DATE(S) AND LOCATION OF MEETING:

GENERAL SUBJECT MATTER OF MEETING:

KEY POINT(S) RELATING TO PWD OPERATIONS AND/OR POLICIES:

LIST OF NEW CONTACT(S) AND HOW THEY CAN BENEFIT PWD:

MINUTES OF MEETING OF THE FINANCE COMMITTEE OF THE PALMDALE WATER DISTRICT, MARCH 16, 2017:

A meeting of the Finance Committee of the Palmdale Water District was held Thursday, March 16, 2017, at 2029 East Avenue Q, Palmdale, California, in the Board Room of the District office. Chair Henriquez called the meeting to order at 4:40 p.m.

1) Roll Call.

Attendance:

Finance Committee:
Marco Henriquez, Chair
Robert Alvarado, Committee
Member

Others Present:

Dennis LaMoreaux, General Manager
Matt Knudson, Assistant General Manager
Vincent Dino, PWD Director
Mike Williams, Finance Manager
Laura Gallegos, Public Affairs Specialist
Bob Egan, Financial Advisor
Dawn Deans, Executive Assistant
3 members of the public

2) Adoption of Agenda.

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

3) Public Comments on Non-Agenda Items.

There were no public comments on non-agenda items.

4) Action Items:

4.1) Consideration and Possible Action on Approval of Minutes of Meeting Held January 10, 2017.

It was moved by Committee Member Alvarado, seconded by Chair Henriquez, and unanimously carried by all members of the Committee present at the meeting to approve the minutes of the Finance Committee meeting held January 10, 2017, as written.

4.2) Discussion and Overview of Cash Flow Statement and Current Cash Balances as of January, 2017. (Financial Advisor Egan)

Financial Advisor Egan reviewed the investment funds report as of January, 2017, including maturing and replacement CDs, and requested direction from the Committee and management to initiate the purchase of two additional \$240,000.00 CDs. After discussion of interest earnings, the Committee and management concurred with Financial Advisor Egan's recommendation, and Chair Henriquez requested this transaction be reported to the full Board at the March 22, 2017 Regular Board Meeting.

Financial Advisor Egan then provided an overview of the cash flow statement, projected 2017 year-end cash, and recommended no additional projects be committed to ensure the year-end cash balance is maintained followed by discussion of water sales and revisions to the cash flow report.

4.3) Discussion and Overview of Financial Statements, Revenue, and Expense and Departmental Budget Reports for January, 2017. (Finance Manager Williams)

Finance Manager Williams reviewed in detail the balance sheet, profit and loss statement, year-to-year comparisons, month-to-month comparisons, consumption comparisons, and revenue and expense analysis reports for the period ending January, 2017 and stated that most departments are operating at or below the targeted expenditure percentage of 8% followed by clarification of plant expenditures.

4.4) Discussion and Overview of Committed Contracts Issued and Water Revenue Bond Projects. (Assistant General Manager Knudson)

Assistant General Manager Knudson provided an update on the Contractual Commitments and Needs for 2017 capital projects, consulting and engineering support projects, new and replacement equipment, and water quality fee funded projects along with an update on the Water Revenue Bond Series 2013A Bond funds and payments to date followed by discussion of the Palmdale Regional Groundwater Recharge and Recovery Project monitoring well construction and other committed projects.

4.5) Consideration and Possible Action on Amending the Approved November 7, 2016 Finance Committee Meeting Minutes. (Chair Henriquez)

Chair Henriquez distributed his recommended revision to the approved November 7, 2016 Finance Committee meeting minutes and stated that he requests the revision as the minutes were used in a manner that was not appropriate to what had

happened; that he understands the action and what happened and is not denying the action; but that he is denying the manner it was used.

The recommended revision and the approved November 7, 2016 Finance Committee meeting minutes and discussions at that meeting were then reviewed.

Alisha Semchuck, Antelope Valley Press, then stated that what matters is if Chair Henriquez agreed or not agreed with the motion and referred to Roberts Rules regarding approval of agenda items.

After additional discussion of the requested revision and of the audio recording for the November 7, 2016 Finance Committee meeting, it was moved by Chair Henriquez to substitute language for the approved November 7, 2016 Finance Committee meeting minutes under the second paragraph of Agenda Item No. 4.6 as follows: "After further review of Resolution No. 16-17, revenue projections, and covering increasing fixed costs, it was initially moved by Committee Member Alvarado, seconded by chair Henriquez to present to the entire Board. It was then asked by staff if it was with recommendation to the Board. Director Alvarado initially agreed to send with recommendation to the Board. Director Henriquez did not agree initially and after various requests from members of staff he agreed to send to the Board with recommendation clarifying that this decision should be made by the entire Board. It was then unanimously carried by all members of the Committee present at the meeting to recommend approval of Resolution No. 16-17 being a Resolution of the Board of Directors of the Palmdale Water District Adopting a Reduced Water Rate Adjustment of 4.25% for Each Calendar Year 2017, 2018, and 2019, Amending Appendix C to the Rules and Regulations of the Palmdale Water District, and Establishing Prudent Parameters to Consider Further Water Rate Adjustment Reductions." The motion died for lack of a second.

4.6) Consideration and Possible Action on the Meeting Room for Finance Committee Meetings. (Committee Member Alvarado)

Committee Member Alvarado stated that Committees have typically met in the small Board room, and he does not see a need to move Committee meetings to any other location and then moved that Finance Committee meetings continue to be held in the small Board room. The motion died for lack of a second.

Chair Henriquez then stated that he agrees; that some people use these meetings for political purposes; that things transcribe and people are denying these things; that there needs to be a video recording of the meetings for transparency; and that he requests the meetings be moved to the Board room.

Helen Velador, Director for the Palmdale Recycled Water Authority, stated that Committee meetings are recorded, and the set up in the small Board room seems to be more exact for the purposes of reviewing reports and seems to work best for this specific Committee meeting.

After a further discussion, there was no action taken on this item, and Chair Henriquez stated that Finance Committee meetings will remain in the small Board room.

5) Information Items.

5.1) Status of Debt Service Coverage. (Financial Advisor Egan)

Financial Advisor Egan stated that the Debt Service Coverage for the period of January, 2016 through January, 2017 is 1.52 and meets the required Debt Service Coverage followed by discussion of the importance of meeting the Debt Service Coverage for existing and future bond issues, future loans and bonds for needed infrastructure projects requiring a higher Debt Service Coverage, and the importance of consistent rate increases.

5.2) Status of Refunding 2012 Installment Purchase Agreement and a Portion of the 2013A Water Revenue Bonds. (Finance Manager Williams)

Finance Manager Williams stated that interest rates are increasing, and refinancing is no longer being considered.

5.3) Status on Financing Grade Control Structure at Littlerock Dam for the Littlerock Dam Sediment Removal Project. (Committee Member Alvarado/Assistant General Manager Knudson)

Assistant General Manager Knudson reviewed the three components of the Littlerock Dam Sediment Removal Project, the costs involved with the construction and proposed schedule of the grade control structure, and the need to determine financing for the grade control structure followed by discussion of the overall Project.

It was then determined that funding options for the construction of the Littlerock Dam Sediment Removal Project grade control structure will be placed on the next agenda for consideration.

5.4) Other.

Financial Advisor Egan inquired about the final audit report followed by discussion of GASBY 68 actuarial calculations.

There were no other information items.

6) Board Members' Requests for Future Agenda Items.

Committee Member Alvarado requested "Consideration and possible action on funding options for the construction of the Littlerock Dam Sediment Removal Project grade control structure" be placed on the next agenda.


Chair Henriquez then requested "Status report on funding for District projects based on funds freed up through the Holman Capital lease" be placed on the next agenda.

There were no further requests for future agenda items.

It was determined that the next Finance Committee meeting will be held April 24, 2016 at 4:30 p.m.

7) Adjournment.

There being no further business to come before the Finance Committee, the meeting was adjourned at 5:53 p.m.



Chair

PALMDALE WATER DISTRICT

BOARD MEMORANDUM

DATE: May 17, 2017 **May 24, 2017**
TO: BOARD OF DIRECTORS **Board Meeting**
FROM: Mr. Dennis D. LaMoreaux, General Manager
RE: ***AGENDA ITEM NO. 8.2.b – May, 2017 General Manager Report***

The following is the May report to the Board of activities through April, 2017. It is organized to follow the District's six strategic initiatives adopted in 2016 & 2017 and is intended to provide a general update on the month's activities. A summary of the initiatives is as follows:



Water Resource Reliability

2015 Urban Water Management Plan, drought response
Palmdale Regional Groundwater Recharge & Recovery Project
Littlerock Reservoir Sediment Removal Project
Recycled water allocation and use



Organizational Excellence

Maintain formal management/supervisor training and development program
Maintain competitive compensation and benefits package
Employee wellness program; Succession planning
Board/staff events to develop innovative ideas and awards



Systems Efficiency

Water system Master Plan update and related EIR
Reinvestment in aging infrastructure
Investment, implementation, and training plan for new technology
Computerized maintenance management software (CMMS)



Financial Health and Stability

Pursue Federal and State funding opportunities
Sustainable and balanced rate structure
Maintain adequate reserve levels
Maintain high level bond rating



Regional Leadership

Create a regional best practices Antelope Valley partnership
Enhance community partnerships and expand school programs in water education
Emphasize the importance and long history of the District as a community asset
Continue to evaluate District internship needs



Customer Care and Advocacy

Customer Care accessibility through automation
Evaluate, develop, and market additional payment options
Improve customer account management tools
Enhance customer experience through assessment of infrastructure, processes, and policies to maximize the customer care experience

This report also includes charts that show the effects of the District's efforts in several areas. They are now organized within each strategic initiative and include status of the drought, upcoming State Water Resources Control Board's (SWRCB) long-term conservation orders, 20 x 2020 status, the District's total per capita water use trends, 2017 water production and customer use graph, mainline leaks, and the water loss trends for both 12 and 24 month running averages.



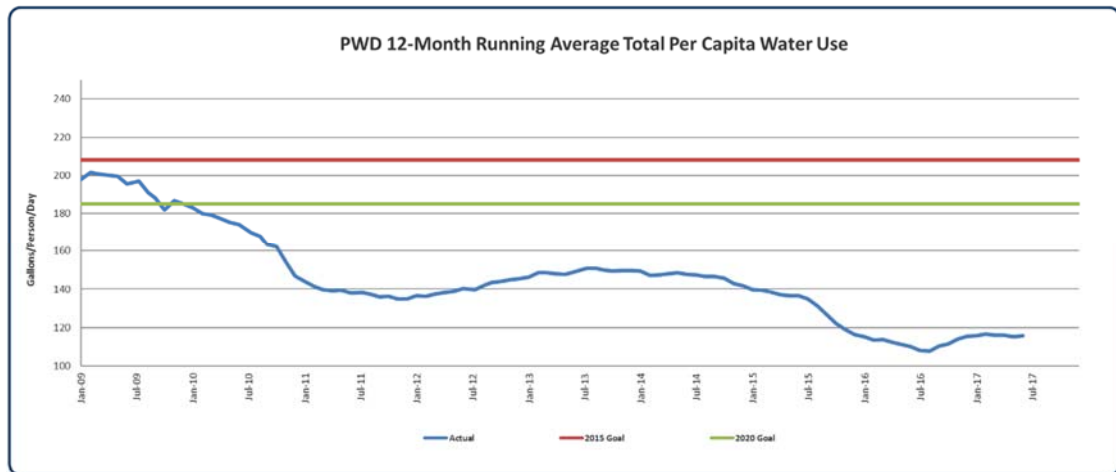
Water Resource Reliability

This initiative includes conservation efforts, water supply projects, and water planning. Recent highlights are as follows:

State Water Resources Control Board (SWRCB) Activities

- The SWRCB is anticipated to replace the 20 x 2020 per capita reduction goals passed by the legislature in 2009 with new long-term water budgeting requirements. These are explained in the "Making Water Conservation a California Way of Life" plan. The District has submitted a comment letter and ACWA has been very active in the process. A concern at this point is whether the requirements and goals will be set by the SWRCB or the legislature. ACWA's and the District's preference is the legislature.

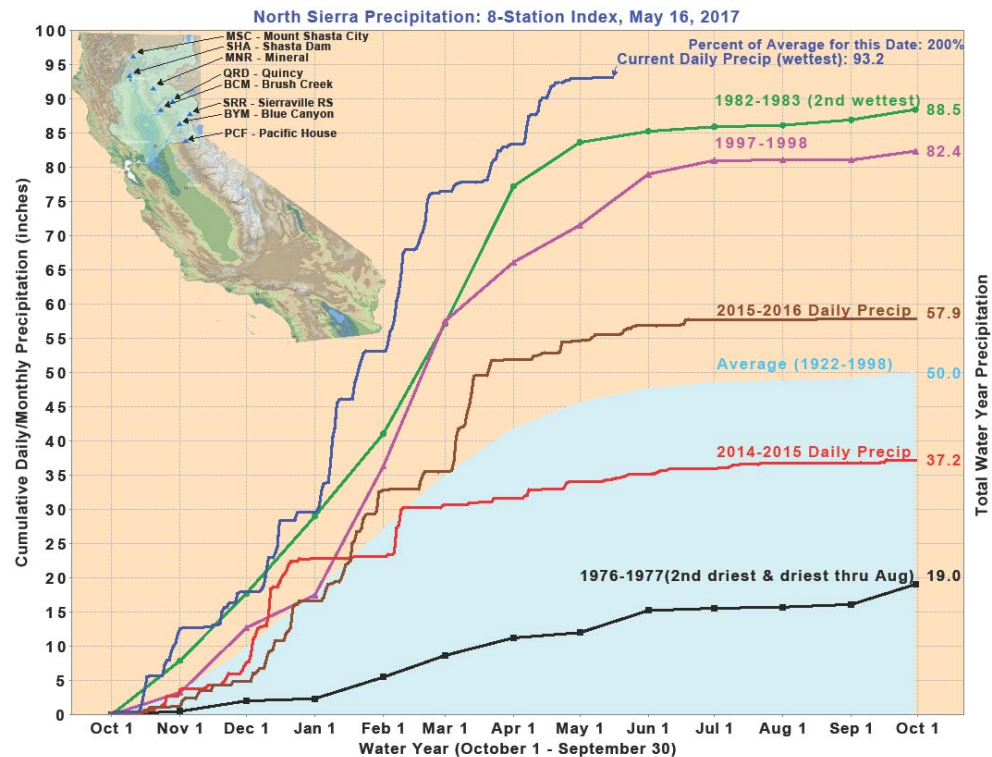
The District's compliance with the 20 x 2020 law is evident from the chart titled "PWD 12-Month Running Average Total Per Capita Water Use.":



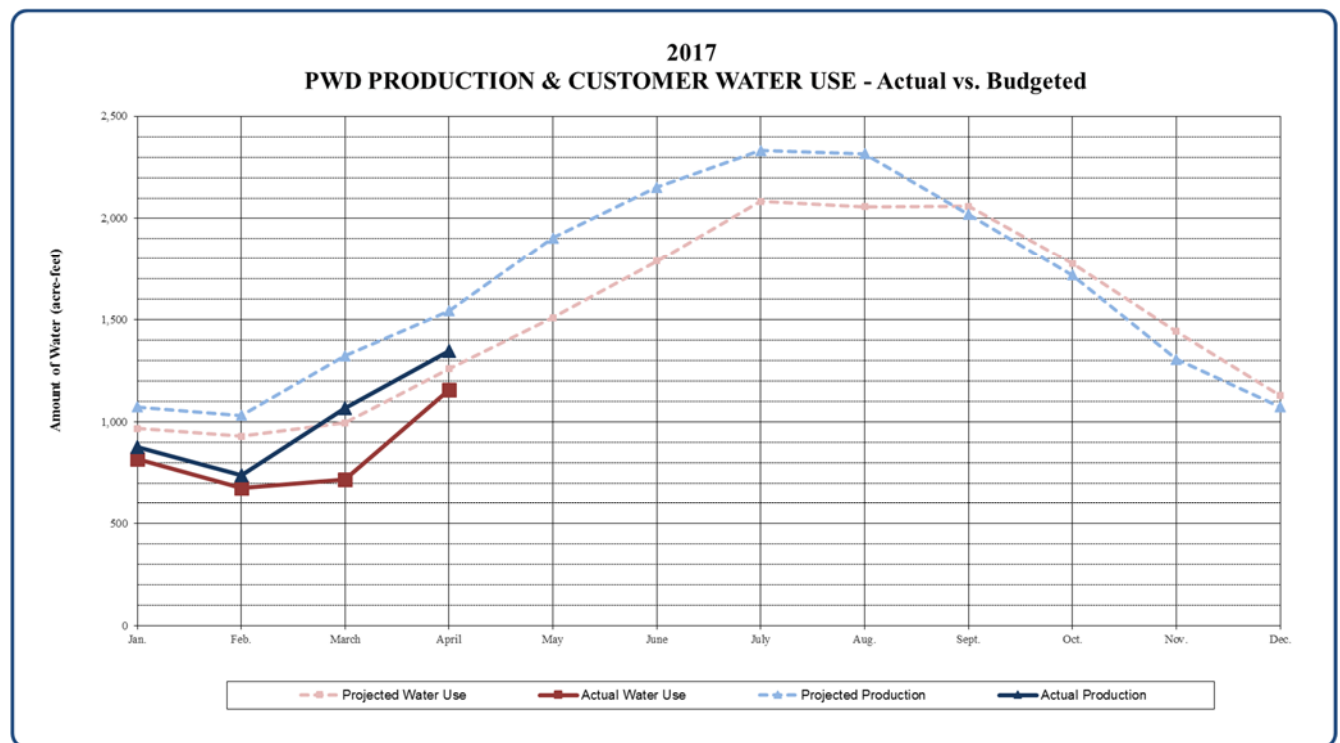
This chart differs from the prior charts as a change was made in the average number of people per connection based on the 2010 Census. The District's customers have cut their water use by **49.8%** from the baseline number of 231 and met the 2020 Goal in early 2010. The current Total-GPCD is 116.

Water Supply Information

- The staff has planned water resources for 2017 based on the current State Water Project allocation of 60%. The allocation was increased to 85% on April 14, 2017. The 2016-2017 water year is now a record for Northern California as shown in the following graph.



- The local water supply is much better than in recent years. As of this date, Littlerock Dam is spilling for the first time in years. The District began transferring water to Palmdale Lake on April 3, 2017 for the first time since 2015.
- Water and Energy Resources staff prepared a plan for 2017 that incorporates available water with the anticipated water usage. The following graph shows actual amounts through April and monthly projections for both production and consumption, based on the prior five years of actual monthly information, for the entire year. It is anticipated that this year's consumption and production pattern will continue to move back into a more-normal pattern.



Other Items

The Littlerock Reservoir Sediment Removal Project Environmental Impact Report/Environmental Impact Statement (EIR/EIS) is nearly fully approved. A meeting with Forest Service staff and Supervisor, District staff, Aspen Environmental, and the Center for Biological Diversity (CBD) was held in late March to answer questions CBD had about the Project. The meeting was successful as the CBD did not file an objection to the Federal NEPA process. A final document is being published for the Forest Service to adopt the Record of Decision. The USFS is expected to sign the Record of Decision

for NEPA in late June or July. A contract amendment for Aspen to design the grade control structure is being considered by the Board this evening.

- The public review of the Draft California Environmental Quality Act (CEQA) EIR for the Palmdale Regional Groundwater Recharge and Recovery Project is complete. The Final EIR was certified by the Board on July 13, 2016, and the Notice of Determination was filed on July 14, 2016. The comments from the SWRCB Recycled Water Division on the Title 22 Engineering Report are being addressed. Construction of monitoring wells and a pilot recharge basin was awarded, and the contractor is completing the necessary paperwork to begin the work.



Organizational Excellence

This initiative includes efforts to restructure staff duties and activities to more efficiently provide service to our customers. Recent highlights are as follows:

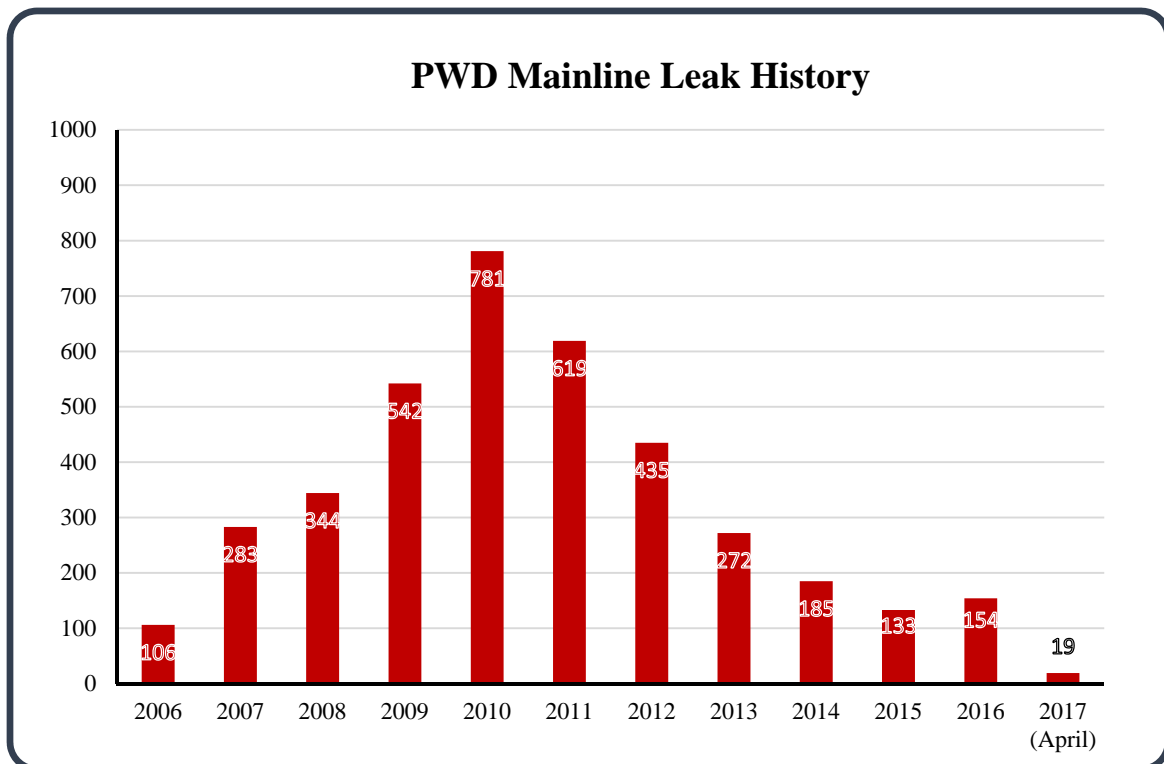
- The electronic time keeping software is now being used by staff.
- A policy outlining the preparation of meeting minutes was adopted by the Board at the March 8, 2017 meeting.
- The 2016/2017 Strategic Plan Update is posted in the board room and posters and brochure are now complete. A Spanish translation has been printed and will also be posted in the Board room. The recently adopted principles for conducting meetings will also be posted in the Board room in both English and Spanish.
- An interpreter is provided upon request for public comments at regular Board meetings as an interim policy beginning in May, 2016. The Board adopted this policy at the March 8, 2017 meeting.
- The Public Affairs Director position was advertised in February and March and is now closed. Applicants are being reviewed for further action.
- The District is working with other members of the Public Water Agencies Group to hire and share the services of an Emergency Preparedness Coordinator. The paperwork for this is being reviewed and will be presented to the Board for consideration soon.



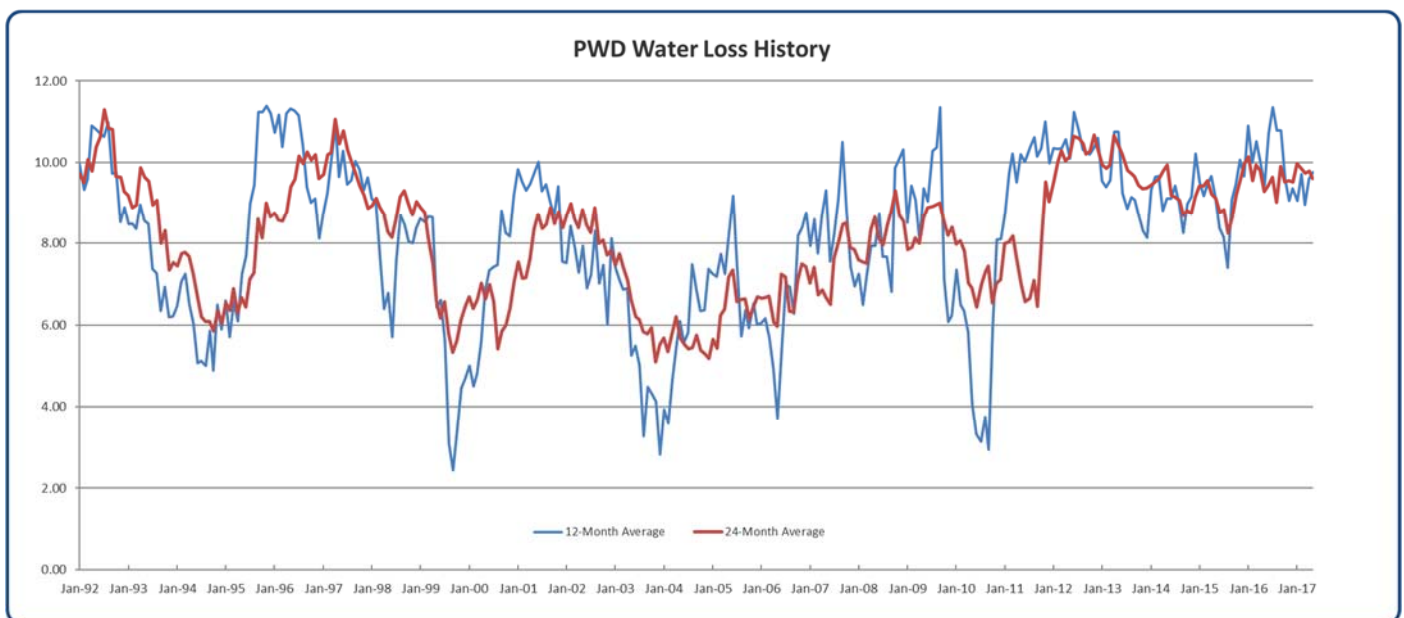
Systems Efficiency

This initiative largely focuses on the state of the District's infrastructure. Recent highlights are as follows:

- Installation of security upgrades for the Leslie O. Carter Water Treatment Plant was awarded, a preconstruction meeting was held, and the work will begin soon.
- New water main replacement projects will be completed within the funds available in the 2017 Budget to continue the District's efforts to maintain the water system. The effects of the District's past efforts in replacing failing water mains can be seen in the reduced number of mainline leaks. This is illustrated in the chart titled "Mainline Leak History." The total for 2016 was slightly above, 154 vs. 133, the numbers for 2015. The 2016 service line leaks remained fairly constant at 89. While this is a vast improvement from 2010's number of 781 mainline leaks, replacement work must continue. The mainline leaks through April, 2017 are 19 and service lines 22.



- A replacement project in the area south of Avenue Q near 15th Street East was recently completed.
- The 2016 budgeted meter replacement project of approximately 3,300 meters is nearly complete.
- The effect of both water main and water meter replacement is shown on the chart titled “PWD Water Loss History.”



Financial Health and Stability

- Engineering staff has successfully applied for planning grant funding for the Palmdale Regional Groundwater Recharge and Recovery Project and for the Phase II pipeline for the Palmdale Recycled Water Authority. Application packages for further funding have been determined to be complete by the State. A comment letter was also submitted to raise the priority of both projects in the State’s funding plan for 2017/2018.
- The District received a \$75,000 Grant from the Bureau of Reclamation to assist in funding the Cash for Grass Program.

- Water rate changes of 4.25% for 2017, 2018, and 2019 were approved at a Board meeting held November 9, 2016. The resolution is also unique in that it included criteria that, if met, would allow for lesser changes.
- Staff is working with the approved Holman Capital on a technology lease agreement to fund \$830,000 in projects. The low interest rate of 2.78% and ability to fund additional repair and replacement projects make this a prudent action.
- Staff has worked with the Bureau of Reclamation for the acceptance of a Feasibility Report for the Palmdale Regional Groundwater Recharge and Recovery Project and having it eligible for funding. Staff is also planning a visit to the Bureau's Denver office to further promote the Project.



Regional Leadership

This initiative includes efforts to involve the community, be involved in regional activities, and be a resource for other agencies in the area. Recent highlights are as follows:

- Activities of the Palmdale Recycled Water Authority (PRWA) and Antelope Valley State Water Contractors Association have continued.
- Additional meetings of the Antelope Valley Watermaster Board (AVWB) were recently held with topics including recruiting for the Watermaster Engineer and facilitating the Alternate Landowner director election.
- District staff is active in the local chambers and is on the board of the Palmdale Chamber and GAVEA.
- Staff is developing a plan and budget for a year-long celebration of the District's 100th Anniversary in July, 2018. The draft plan and budget are anticipated to be presented to the Board for consideration in June.
- Staff is completing work on draft by-laws for a Community Liaison Committee intended to better involve our customers in the District's activities.



Customer Care and Advocacy

This initiative includes efforts to better serve our customers. Recent highlights are as follows:

- The lobby kiosk is continuing to give customers another choice for making a payment at the District office. Financial staff is testing a new kiosk and IVR that were purchased as part of the Holman Capital lease replacing the prior devices due to the high transaction processing costs.
- The ability to make payments at 7-Eleven and Family Dollar Store is also continuing to grow.
- A plan to update and improve the front entrance and lobby was approved by the Facilities Committee in March and work has begun.