



PALMDALE WATER DISTRICT

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



Since 1918

Board of Directors

ROBERT E. ALVARADO
Division 1

JOE ESTES
Division 2

MARCO HENRIQUEZ
Division 3

KATHY MAC LAREN
Division 4

VINCENT DINO
Division 5

ALESHIRE & WYNDER LLP
Attorneys



June 22, 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, June 28, 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) 2017 Water Status. (Water & Energy Resources Director Pernula)
 - 5.2) Status of grant applications. (Engineering/Grant Manager Riley)
- 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 June 14, 2017.
 - 6.2) Payment of bills for June 28, 2017.
 - 6.3) Approval of Statement of Work between the District and Ernst & Young for 2017-2018 State Water Project procedures to be performed related to the Department of Water Resources' 2018 Statement of Charges. (\$7,939.00 – Budgeted – General Manager LaMoreaux)
 - 6.4) Approval of Resolution No. 17-16 Approving the Antelope Valley State Water Contractors Association Budget for Fiscal Year 2017/2018. (Deputy Water & Energy Resources Director/AVSWCA Assistant General Manager Thompson II)
- 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) Status report on Cash Flow Statement and Current Cash Balances as of April, 2017. (Financial Advisor Egan/Finance Committee)
 - 7.2) Status report on Financial Statements, Revenue, and Expense and Departmental Budget Reports for April, 2017. (Finance Manager Williams/Finance Committee)
 - 7.3) Status report on committed contracts issued and water revenue bond projects. (Finance Manager Williams/Finance Committee)
 - 7.4) Consideration and possible action on submittal of a grant application to the Antelope Valley Air Quality Management District for two electric car charging stations to be installed in the District's public and employee parking lots. (\$6,520.00 District's share – Non-Budgeted – Engineering/Grant Manager Riley)
 - 7.5) Consideration and possible action on Memorandum of Understanding regarding the Public Water Agencies Group Emergency Preparedness Coordinator position. (\$23,129.00 Annually – Budgeted – General Manager LaMoreaux)
 - 7.6) Consideration and possible action on Outreach activities for 2017. (General Manager LaMoreaux/Public Affairs Specialist Gallegos)
 - a) Outreach plans for 2017.
 - b) Upcoming events.
 - c) Outreach recommendations from Directors.
 - d) 100th year anniversary events.

- 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) June, 2017 written report of activities through May, 2017.
 - b) Overview of California Special Districts Association (CSDA) benefits and services. (President Alvarado/Public Affairs Specialist Gallegos)
 - 8.3) Report of General Counsel.
- 9) Public comments on closed session agenda matters.
- 10) Break prior to closed session.
- 11) Closed session under:
 - 11.1) Conference with Legal Counsel – Existing Litigation: A closed session will be held, pursuant to Government Code §54956.9 (d)(1), to confer with Special Litigation Counsel regarding existing litigation to which the District is a party. The title of such litigation is as follows: *Antelope Valley Ground Water Cases*.
- 12) Public report of any action taken in closed session.
- 13) Board members' requests for future agenda items.
- 14) Adjournment.



DENNIS D. LaMOREAUX,
General Manager

DDL/dd



2017 Water Supply Status

Palmdale Water District



2017 Water Status

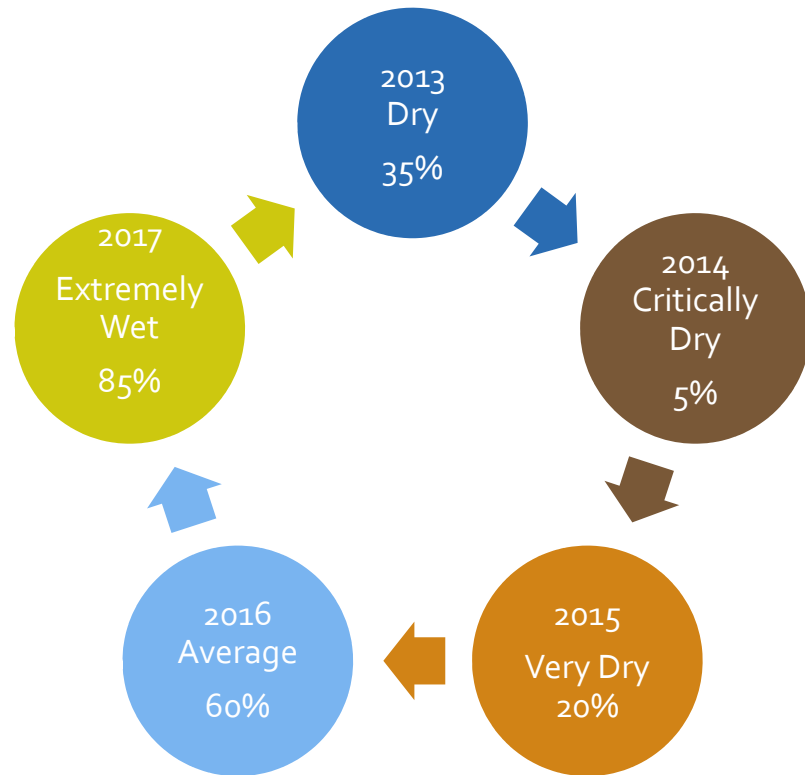
- 2017 State Water Project Allocation is at 85%
- Littlerock Dam is nearly full at elevation 3,262' (spillway is 3,270')
- We will be able to hold 5,000 AF of our State Water Project supplies in Carryover in San Luis Reservoir for use in 2018
- Water consumption demands are slowly increasing but still remain quite low due to conservation efforts
- PWD is currently paying back return water owed to exchange partners to the extent that they are willing to receive additional water in this wet year
- We have increased the normal surface water usage ratio from 60% max to 75% plus to take advantage of abundant water available through the State Water Project
- We have reduced well production to rest and rehabilitate those facilities which have been worked exceedingly hard to carry us through the last five years of drought

California Water Extremes Not enough or too much!



Drought to Drenched the California State Water Project Water Picture in Five Years

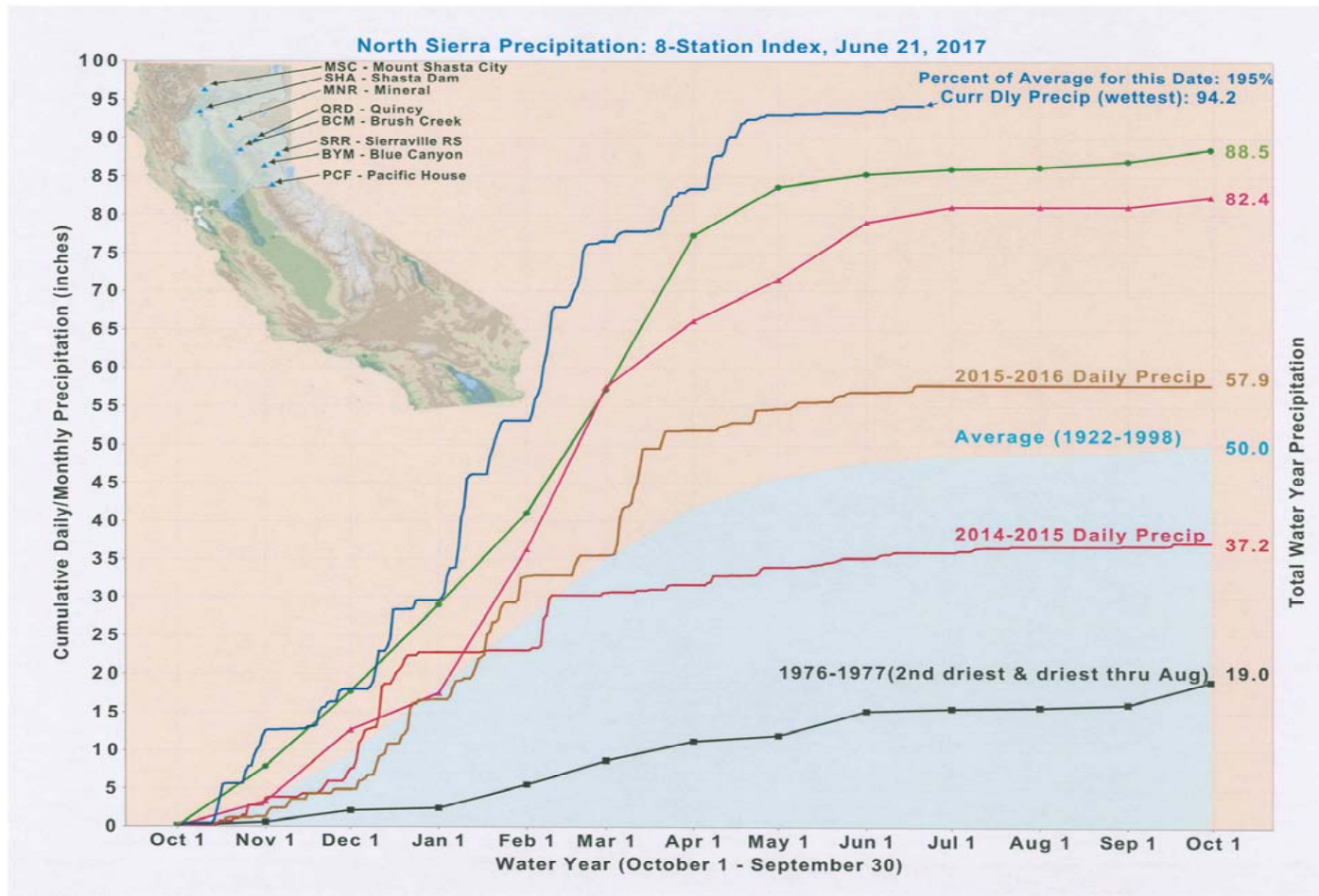
- In the last five years we have experienced both the wettest year and the driest year on record in California
- Palmdale Water Districts future reliance on the SWP necessitates the utilization of water banking in wet years to supplement anticipated dry year demands
- California experiences the most extreme variability in yearly precipitation in the nation



OROVILLE DAM 2015



2017 PRECIPITATION TO DATE



OROVILLE DAM 2017



SWP ALLOCATIONS AND DELIVERED QUANTITIES BY YEAR					
Year	Contractual Table A	Allocation %	ac/ft allocated	ac/ft delivered	% allocation taken
2007	21,300	60%	12,780.00	17,492.00	137%
2008	21,300	35%	7,455.00	11,272.00	151%
2009	21,300	40%	8,520.00	15,387.00	181%
2010	21,300	50%	10,650.00	10,989.00	103%
2011	21,300	80%	17,040.00	14,333.00	84%
2012	21,300	65%	13,845.00	19,056.00	138%
2013	21,300	35%	7,455.00	10,567.00	142%
2014	21,300	5%	1,065.00	8,406.00	789%
2015	21,300	20%	4,260.00	5,854.00	137%
2016	21,300	60%	12,780.00	11,155.00	87%
2017	21,300	85%	18,105.00	4,163.00	23%
TOTALS	NA	NA	113,955.00	128,674.00	NA
AVG.	21300	49%	10,359.00	11,697.00	179%

SWP delivered quantities exceeded contractual Table A allocation in 8 out of the last 10 years

Additional Surface Water Supply was supplemented by the following

- Butte County Lease Agreement
- Yuba Accord
- Dry Year Transfer Water
- Creative exchanges
- Minimally by Banked Water

21,500 AF Needed Absent Conservation				Conservation % Required With Each Component
2014				
RESOURCE COMPONENT	Shortage	ACRE FEET	CUMULATIVE	
Groundwater	9,000	12,500	12,500	42%
Health and Safety Needs DWR	7,150	1,850	14,350	33%
Banked Groundwater AV	4,679	2,471	16,821	22%
Littlerock Dam	3,679	1,000	17,821	17%
PWD TA	2,614	1,065	18,886	12%
Butte TA Allocation	2,044	570	19,456	10%
Yuba Accord	1,544	500	19,956	7%
additional PWD GW (a)	544	1000	20,956	3%
additional PWD GW (b)	44	500	21,456	0%
New exchange Water	-1,456	1500	22,956	-7%
CLWA	-2,456	1000	23,956	-11%
MWA	-3,456	1000	24,956	-16%

2014 water demands exceeded typical supply sources and required acquiring and utilizing 9 different resource components to meet minimum demands

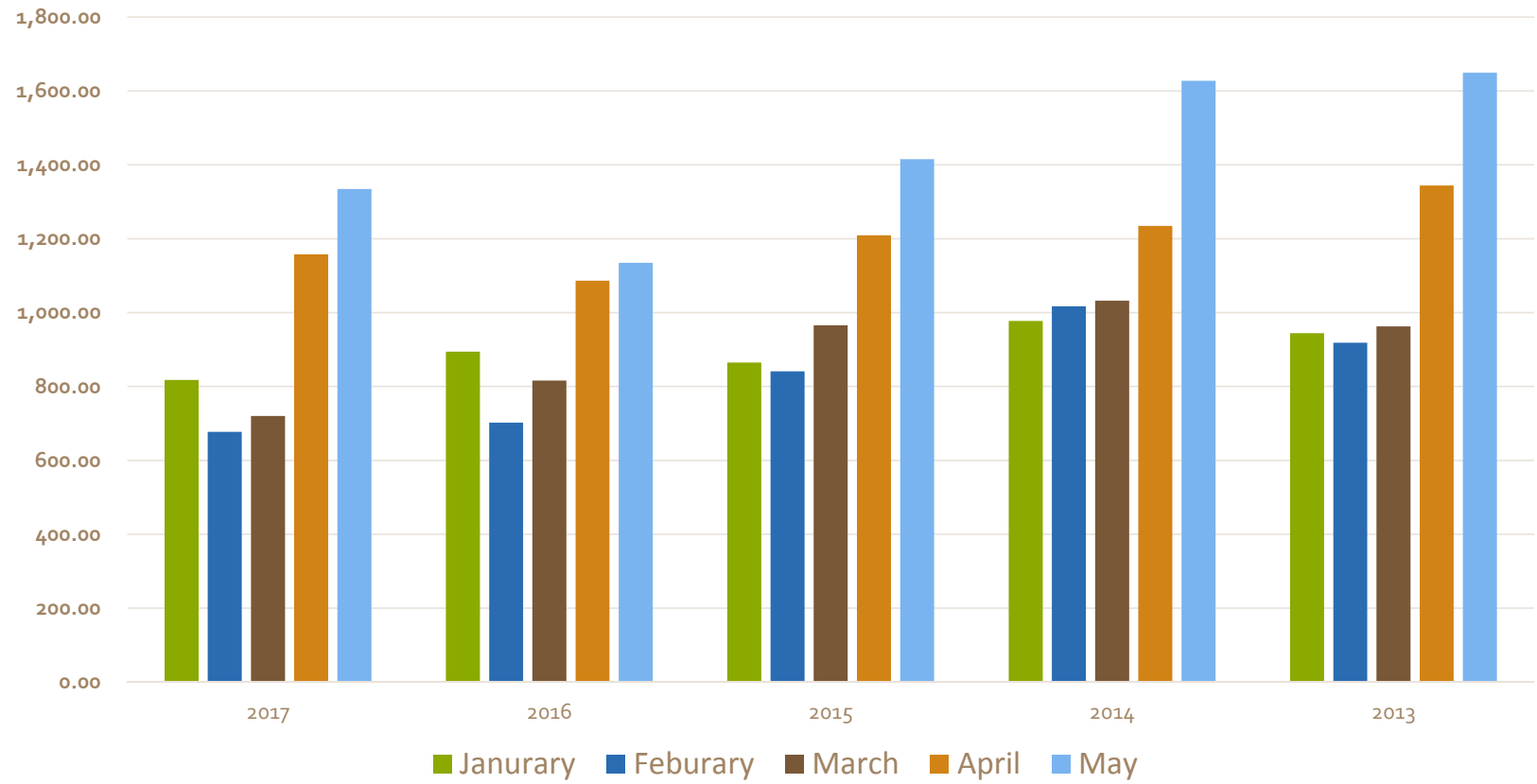
Some components were supplemented by water exchanges

18,500 AF Needed Absent Conservation					Conservation % Required With Each Component
2017 @ 85 % SWP Allocation					
RESOURCE COMPONENT		SHORTAGE	ACRE FEET	CUMULATIVE	
Groundwater		-9000	4,500	4,500	77%
SWP Table A @85%		-7330	18,105	22,605	-16%
Banked Groundwater AV		1,105	0	22,605	-16%
Littlerock Dam SW		2,105	1,000	23,605	-21%
Butte TA Allocation		10,605	8,500	32,105	-65%
Yuba Accord		10,605	0	32,105	-65%
Dry Year Purchase Prog.		10,605	0	32,105	-65%
MYWP		10,605	0	32,105	-65%
additional PWD GW (b)		10,605	0	32,105	-65%
New exchange Water		10,605	0	32,105	-65%
Butte Additional		10,605	0	32,105	-65%
		10,605	0	32,105	-65%

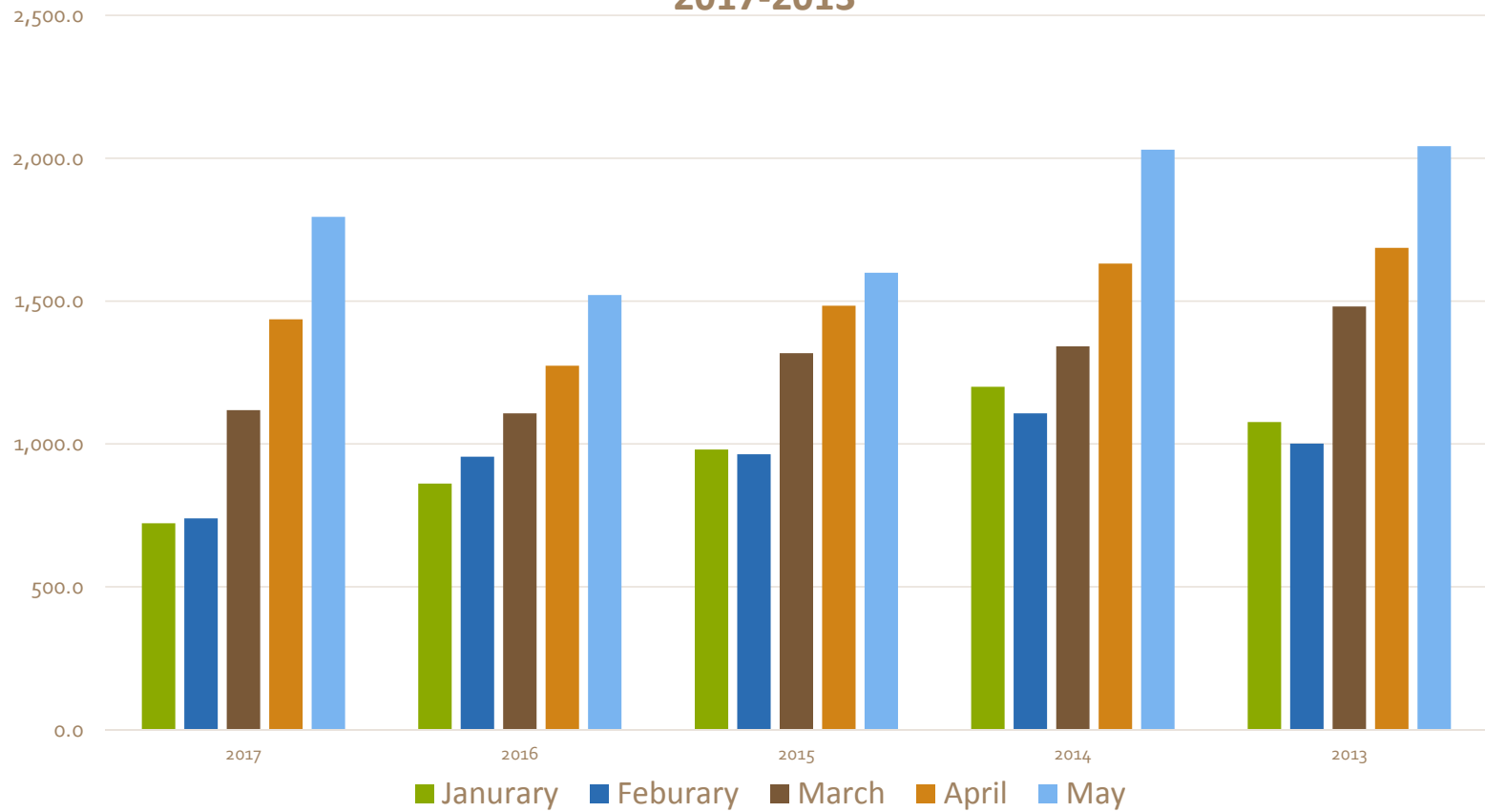
PWD's 2017 water demands could theoretically be met by utilizing State Water Project Table A allocations alone

PWD and Butte lease Table A quantities total 26,605 Acre Feet this year

5 MONTH 5 YEARS CONSUMPTION COMPARISONS 2017-2013



5 MONTH 5 YEARS PRODUCTION COMPARISON 2017-2013



Currently available major supply components

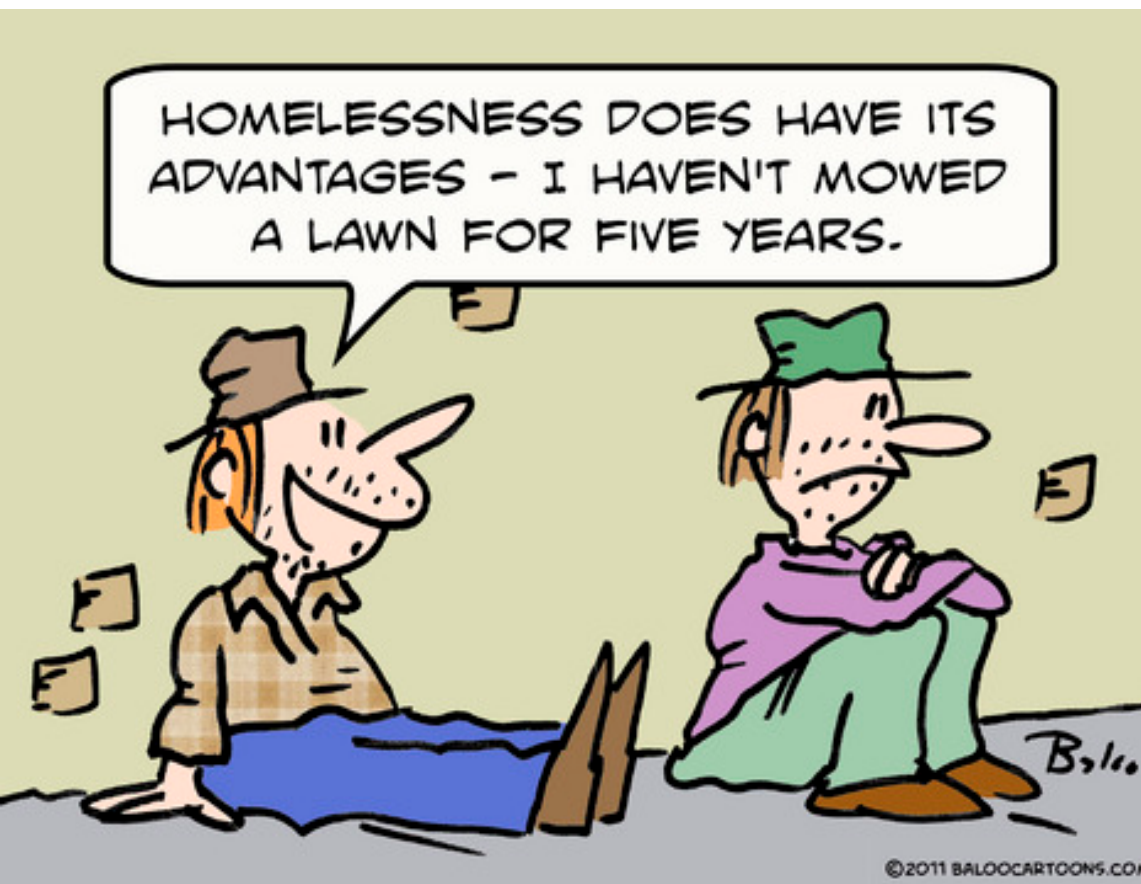
- SWP Table A is comprised of PWD's 2017 allocation and available SWP supplies through our Butte County lease
- Littlerock Dam (LRD) quantity shown is the amount of water currently held in the reservoir and does not reflect any additional seasonal inflow
- Ground Water quantity shown is a normal year average extraction quantity

	Max Supply	Planned PWD Use
SWP TA	26,605	14,500
LRD	2,784	500
G W	10,000	4,000

Excess supply components and their disposition (AF)

- SWP Table A excess supply of 12,105 is scheduled to be dispersed as follows:
5,000 AF to Carryover, 2,500 AF to SBVMWD exchange return, 850 AF to CCWA exchange return water, 500 AF to evaporation refill Lake Palmdale (Total planned use of excess = 8,850 AF)
- Littlerock Dam (LRD) The stored quantity will be held in the reservoir for future use in 2018 or portions to top off Palmdale Lake in peak demands due to contractual limitations in allowable CFS from the SWP
- Ground Water extractions will be scaled back according to need

	Excess Supply	Unassigned
SWP TA	12,105	3,255
LRD	1,784	0
G W	6,000	0



We still have 3 to 4
thousand Acre Feet of
2017 water we haven't
found a home for

All State Water Project Contractors are
faced with the same dilemmas :

1. Overly abundant supplies with reduced demands
2. limitations on recharge capacity in available banking programs
3. Exchanges require a willing taker, supplies are extremely abundant
4. Contractual limitations on moving SWP water outside of the State Water Contract

Status of Grants

Presentation to Palmdale Water District Board of Directors

June 28, 2017

Status of Grant Applications

- **Water Supply and Sustainability Act 2014 (Proposition 1)**
- **U.S. Bureau of Reclamation**
 - WaterSMART – Small Scale Water Projects
 - WaterSMART - Title XVI Water Reclamation and Reuse Program

Proposition 1 - Grant Program

- **Passed by popular vote November 4, 2014**
 - \$7.5 billion water revenue bond
 - \$600 million for water recycling
- **PWD submitted planning grant application**
 - Awarded a planning grant of \$75,000 -
- **Submitted Construction Grant/Funding Application**
 - Initial Submittal June 16th, 2015 (1 page General Info. Package)
 - Revised General Info package June 27th, 2016
 - Revised General Info package June 22nd, 2017

Proposition 1 - Status of Planning Grant

- **Draft Feasibility Report**
 - Submitted June 2016
 - Approved October 2016
- **Final Feasibility Report**
 - Submitted June 2017
- **Funding Reimbursement of \$75,000**
 - \$37,500 approved for payment June 12, 2017
 - Remaining \$37,500 after final report approved







Status of Design & Construction Loan Application

Package	Date Submitted	Status of Review
General Info	4/21/15 6/27/16	Approved
Technical	6/13/16	Approved
Environmental	6/15/16	Approved
Financial	10/10/16	In progress <u>1</u> /
<u>1</u> / Waiting on letter from Holman Capital		

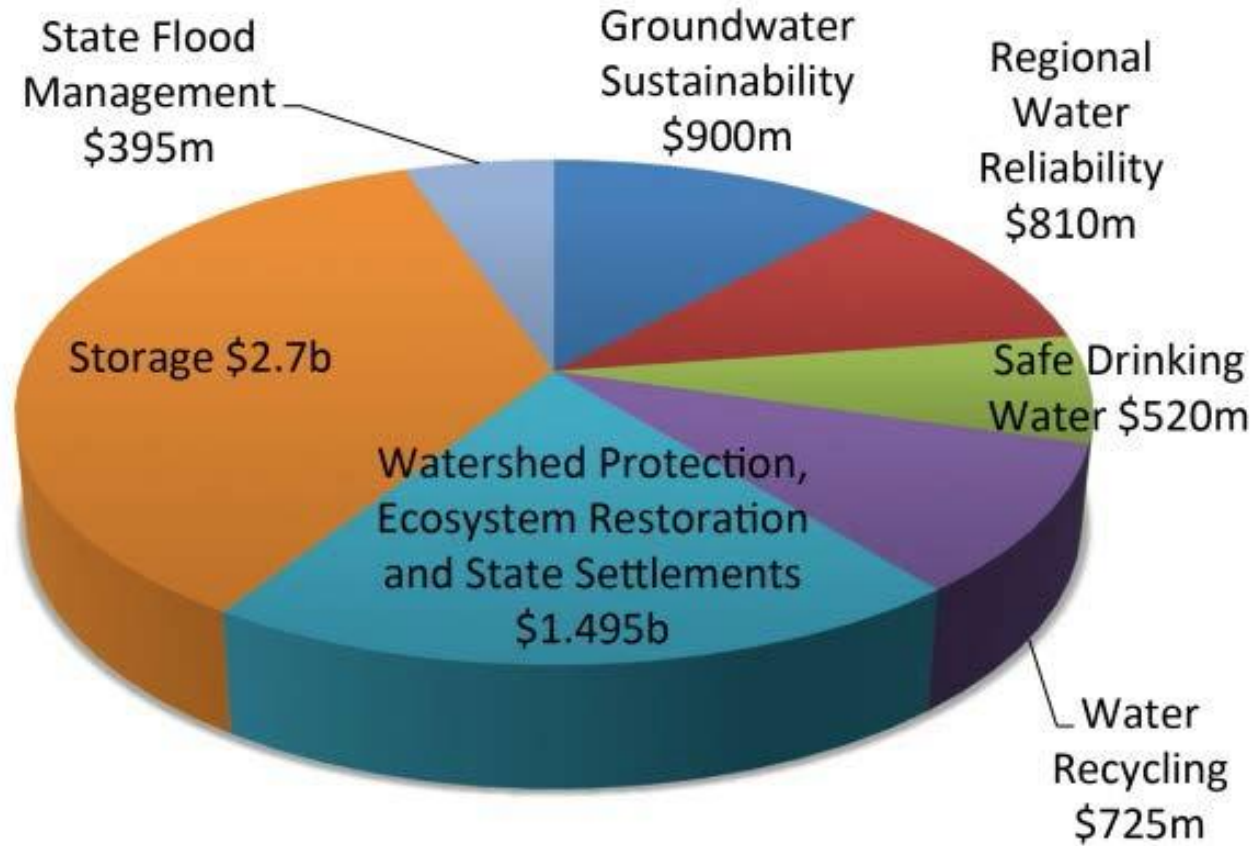
1st Agreement - Planning and Design

- Timeline – one or two months after Holman Capital Letter
- Covers planning, design, permitting, construction management
- Can draw on past expenditures for reimbursement to initiate design
 - \$2,400,000 immediately available for request with Agreement No. 1
- Construction Loan – 1.7% Interest Rate
- Repayment starts – one year after construction completed

Next Steps - Design and Construction

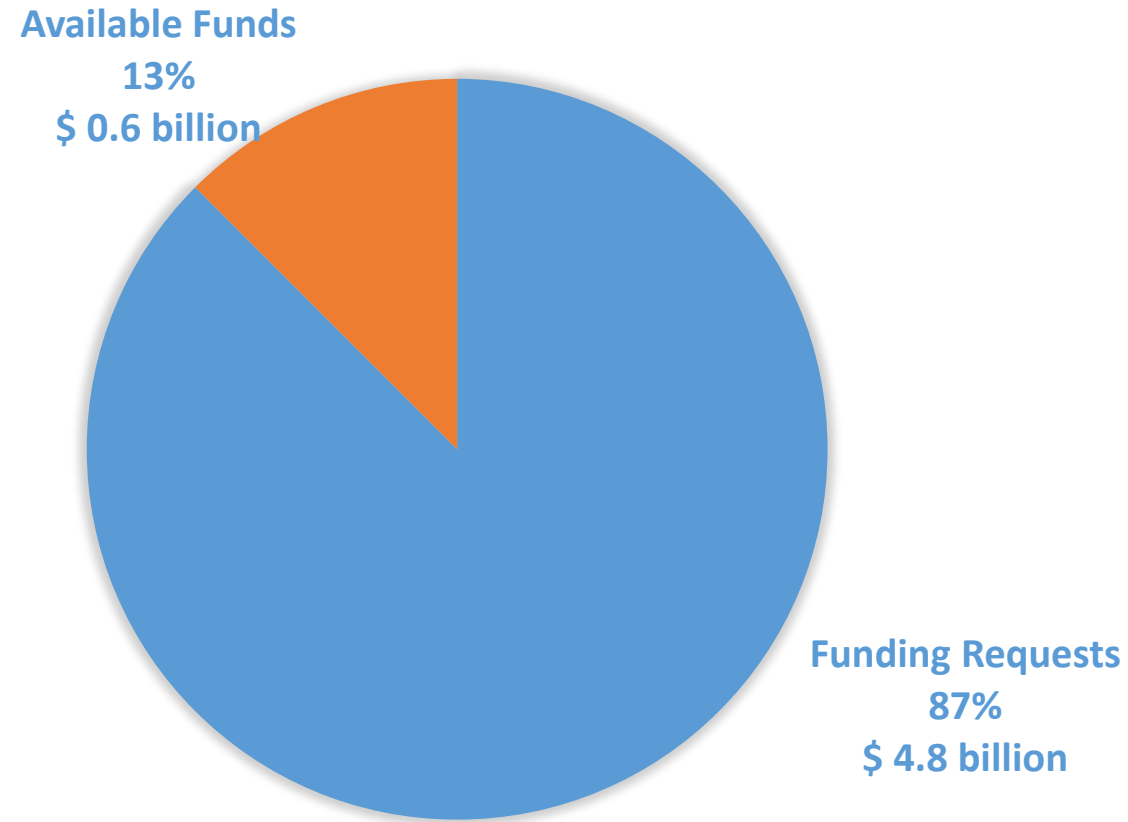
Task	2017	2018	2019	2020	2021
Permitting					
Select Consultant					
Collect Design Data					
Design & Construction					
Start Operation					
Start Repayment					

Proposition 1 – “Water Bond” Breakdown



Total: \$7.5 billion

Reality Check – Comparison of Available and Requested Water Recycling Funding



Bureau of Reclamation - Grant Program

- **WaterSMART – Small Scale Water Projects**
 - Rebates, cash for grass and similar
 - PWD awarded \$75,000 for cash for grass (2017)
- **WaterSMART – Title XVI Water Reclamation and Reuse Program**
 - Passed by Congress in about 1992
 - First authorized a specific number of projects
 - WIN (Water Infrastructure and Improvement Act (December 2016))
 - Set asides funds for water recycling – competitive selection basis

U.S. Bureau of Reclamation

- **WaterSMART – Title XVI Water Reclamation and Reuse Program**
- Up to 25% cost of construction funding
- To be considered for construction
 1. Must have a Bureau of Reclamation approved feasibility report
 2. Palmdale Groundwater Recharge and Recovery Project report approved in April 2017 by Bureau of Reclamation
 3. Report will be submitted by Bureau of Reclamation to Washington D.C.

Our Next Steps – Title XVI

- Need to get on list of projects to be funded in either 2017 or 2018
 - Solicitation coming out any day to respond with the merits of our project
- Met with U.S. Bureau of Reclamation in Denver – June 7th
- Met with U.S. Bureau of Reclamation Temecula Office June 22nd
- Apprise Congressional Representatives

**PALMDALE WATER DISTRICT
BOARD MEMORANDUM**

DATE: June 20, 2017 **June 28, 2017**
TO: BOARD OF DIRECTORS **Board Meeting**
FROM: Mr. Dennis D. LaMoreaux, General Manager
RE: ***AGENDA ITEM NO. 6.3 – APPROVAL OF STATEMENT OF WORK BETWEEN THE DISTRICT AND ERNST & YOUNG FOR 2017-2018 STATE WATER PROJECT PROCEDURES TO BE PERFORMED RELATED TO THE DEPARTMENT OF WATER RESOURCES’ 2018 STATEMENT OF CHARGES. (\$7,939.00 – BUDGETED – GENERAL MANAGER LaMOREAUX)***

Recommendation:

Staff recommends approval of the Statement of Work between the District and Ernst & Young for 2017-2018 State Water Project procedures to be performed related to the Department of Water Resources’ Statement of Charges in the not-to-exceed amount of \$7,939.00.

Background:

The Palmdale Water District is a member of the State Water Contractors Independent Audit Association (IAA) and has been involved in these auditing activities for a number of years. The IAA hires an accounting/auditing firm on an annual basis to review the billings and financial statements prepared by the Department of Water Resources for State Water Project costs. The IAA has reviewed Ernst & Young’s audit procedures and recommends IAA members approve the 2017-2018 Statement of Work.

The cost to the District will range from \$6,351.00 to \$7,939.00 depending upon how many members of the IAA approve the Statement of Work.

Strategic Plan Initiative:

Strategic Initiative No. 1 – Water Resource Reliability

Budget:

These services are under Administration budget line item 1-02-4150-000 – Accounting Services.

Supporting Documents:

- May 31, 2017 letter from Ernst & Young regarding Statement of Work
- May 10, 2017 memo from Independent Audit Association recommending approval of Ernst & Young 2017/18 State Water Project Professional Services Contract
- Ernst & Young Letter Agreement
- Ernst & Young Statement of Work for FY 2017-2018



Ernst & Young LLP
Sacramento Office
Suite 300
2901 Douglas Boulevard
Roseville, CA 95661

Tel: +1 916 218 1900
Fax: +1 916 218 1999
ey.com

RECEIVED

JUN 08 2017

May 31, 2017

Mr. Dennis Lamoreaux
Palmdale Water District
2029 East Avenue "Q"
Palmdale, California 93550

Dear Mr. Lamoreaux:

In coordination with the Independent Audit Association (IAA), we have developed the Statement of Work (SOW) for the 2017-2018 Procedures to be performed related to the 2018 Statement of Charges. This SOW is pursuant to the Master Services Agreement (MSA) by and between EY and Palmdale Water District dated May 31, 2017, which describes the annual approval process of each SOW performed under the MSA.

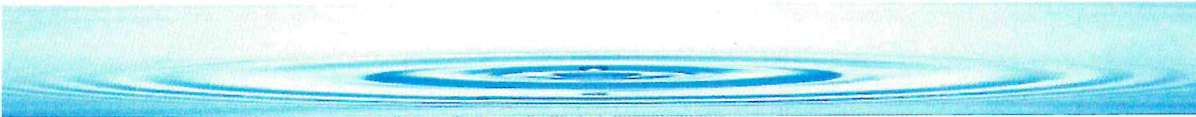
Enclosed are two copies of our SOW and MSA, one for your records and another to be signed and returned to EY in the self-addressed, stamped return envelope provided. We have also enclosed your copy of the support letter from Tamara Baptista, IAA Secretary, recommending the approval of the SOW and MSA by Palmdale Water District.

If you have any questions about the enclosed SOW and MSA, please feel free to call me at (916) 218-1960.

Very truly yours,

Joe Pirnik
Executive Director

Enclosures



MEMORANDUM

Date: May 10, 2017
To: Members of the Independent Audit Association (IAA)
From: Tamara Baptista, IAA Secretary
Subject: Ernst and Young 2017/18 State Water Project Professional Services Contract – Recommended Approval and Execution

Enclosed is also a new Master Services Agreement (MSA) with Ernst and Young which spans a period of 5 years from July 1, 2017 through June 30, 2022. Also, enclosed is the 2017/18 Statement of Work (SOW) which includes the State Water Project procedures to be performed in relation to the Department of Water Resources' (DWR) Statement of Charges.

The Exhibit B budget limit is only billed by Ernst and Young if additional work is reviewed and approved by the IAA and remains at \$50,000. Exhibit C allows individual IAA Members to request Ernst and Young to undertake additional services beyond those included in Exhibit A of the SOW.

The IAA team has reviewed Ernst and Young's proposed procedures and recommends that IAA Members approve and execute the 2017/18 SOW. If you have any questions, please contact me at (925) 454-5011 or tbaptista@zone7water.com.

Sincerely,

Tamara Baptista

Tamara Baptista
Zone 7 Water Agency

CC: Joe Pirnik, EY



Ernst & Young LLP
Sacramento Office
Suite 300
2901 Douglas Boulevard
Roseville, CA 95661

Tel: +1 916 218 1900
Fax: +1 916 218 1999
ey.com

Mr. Dennis Lamoreaux
Palmdale Water District
2029 East Avenue "Q"
Palmdale, California 93550

May 31, 2017

Dear Mr. Lamoreaux:

This letter agreement constitutes the Master Services Agreement (MSA) between Ernst & Young LLP ("we" or "EY") and Palmdale Water District ("you" or "Client") under which EY will perform professional services (the "Services") for Palmdale Water District. It is intended that the professional services performed by EY on behalf of Palmdale Water District under this MSA will also be performed on behalf of a number of other State Water Project contractors under substantially identical MSAs, and that the costs of these services will be shared by all participants. For each project that we agree to undertake for you, we will prepare a Statement of Work describing the particular Services, as well as any advice, presentations, or filings to be made, our fees therefor, and any other project-specific arrangements. All of the Services will be subject to the terms and conditions of this MSA, its attachments, including the General Terms and Conditions, and the applicable Statement of Work (together, this "Agreement"). Except for a claim seeking solely injunctive relief, any dispute or claim arising out of or relating to this Agreement, the Services or any other services provided by us or on our behalf to you shall be resolved by mediation and arbitration as set forth in this Agreement.

Annually or more frequently, we may enter into Statements of Work with you for a period of five years following the date of this letter, although we may agree with you to extend that period, including by executing additional Statements of Work referencing this MSA. We understand that this MSA does not bind you to use our services, but instead reflects our general understanding of the arrangement should EY and you choose to enter into any future Statement of Work.

Please sign this letter in the space provided below to indicate your agreement with these arrangements and return it to Joe Pirnik (2901 Douglas Boulevard, Suite 300, Roseville, CA 95661) at your earliest convenience. If you have any questions about any of these materials, please do not hesitate to contact Joe Pirnik at 916-218-1960 so that we can address any issues you identify before we begin to provide any Services. We appreciate the opportunity to assist you and look forward to working with you.

Very truly yours,

Ernst & Young LLP



AGREED:
Palmdale Water District

Signature

Dennis D. LaMoreaux
Printed Name

General Manager
Title

2029 East Avenue Q, Palmdale, CA 93550
Address

June 28, 2017
Date

General Terms and Conditions

Our relationship with you

1. We will perform the Services in accordance with applicable professional standards, including those established by the American Institute of Certified Public Accountants ("AICPA").
2. We are a member of the global network of Ernst & Young firms ("EY Firms"), each of which is a separate legal entity.
3. We will provide the Services to you as an independent contractor and not as your employee, agent, partner or joint venturer. Neither you nor we have any right, power or authority to bind the other.
4. We may subcontract portions of the Services to other EY Firms, who may deal with you directly. Nevertheless, we alone will be responsible to you for the Reports (as defined in Section 11), the performance of the Services, and our other obligations under this Agreement. From time to time, non-CPA personnel may perform the Services.
5. We will not assume any of your management responsibilities in connection with the Services. We will not be responsible for the use or implementation of the output of the Services, although we may otherwise provide advice and recommendations to assist you in your management functions and making decisions.

Your responsibilities

6. You shall assign a qualified person to oversee the Services. You are responsible for all management decisions relating to the Services, the use or implementation of the output of the Services and for determining whether the Services are appropriate for your purposes.
7. You shall provide (or cause others to provide) to us, promptly, the information, resources and assistance (including access to records, systems, premises and people) that we reasonably require to perform the Services.
8. To the best of your knowledge, all information provided by you or on your behalf ("Client Information") will be accurate and complete in all material respects. The provision of Client Information to us will not infringe any copyright or other third-party rights.
9. We will rely on Client Information made available to us and, unless we expressly agree otherwise, will have no responsibility to evaluate or verify it.

10. You shall be responsible for your personnel's compliance with your obligations under this Agreement.

Our Reports

11. Any information, advice, recommendations or other content of any reports, presentations or other communications we provide under this Agreement ("Reports"), other than Client Information, are for your internal use only (consistent with the purpose of the particular Services).
12. You may not disclose a Report (or any portion or summary of a Report) externally (including to your affiliates) or refer to us or to any other EY Firm in connection with the Services, except:
 - (a) to your lawyers (subject to these disclosure restrictions), who may review it only to give you advice relating to the Services,
 - (b) to the extent, and for the purposes, required by subpoena or similar legal process (of which you will promptly notify us),
 - (c) to other persons (including your affiliates) with our prior written consent, who have executed an access letter substantially in the form we prescribe, or
 - (d) to the extent it contains Tax Advice, as set forth in Section 13.

If you are permitted to disclose a Report (or a portion thereof) externally, you shall not alter, edit or modify it from the form we provided.

13. You may disclose to anyone a Report (or a portion thereof) solely to the extent that it relates to tax matters, including tax advice, tax opinions, tax returns, or the tax treatment or tax structure of any transaction to which the Services relate ("Tax Advice"). With the exception of tax authorities, you shall inform those to whom you disclose Tax Advice that they may not rely on it for any purpose without our prior written consent.
14. You may incorporate into documents that you intend to disclose externally EY summaries, calculations or tables based on Client Information contained in a Report, but not our recommendations, conclusions or findings. However, you must assume sole responsibility for the contents of those documents and not refer to us or any other EY Firm in connection with them. This provision does not affect your ability to circulate Reports internally.

15. You may not rely on any draft Report. We shall not be required to update any final Report for circumstances of which we become aware, or events occurring, after its delivery.

Limitations

16. You (and any others for whom Services are provided) may not recover from us, in contract or tort, under statute or otherwise, any consequential, incidental, indirect, punitive or special damages in connection with claims arising out of this Agreement or otherwise relating to the Services, including any amount for loss of profit, data or goodwill, whether or not the likelihood of such loss or damage was contemplated.
17. You (and any others for whom Services are provided) may not recover from us, in contract or tort, under statute or otherwise, aggregate damages in excess of the fees actually paid for the Services that directly caused the loss in connection with claims arising out of this Agreement or otherwise relating to the Services. This limitation will not apply to losses caused by our fraud or willful misconduct or to the extent prohibited by applicable law or professional regulations.
18. You shall make any claim relating to the Services or otherwise under this Agreement no later than one year after you became aware (or ought reasonably to have become aware) of the facts giving rise to any alleged such claim and in any event, no later than two years after the completion of the particular Services. This limitation will not apply to the extent prohibited by applicable law or professional regulations.
19. You may not make a claim or bring proceedings relating to the Services or otherwise under this Agreement against any other EY Firm or our or its subcontractors, members, shareholders, directors, officers, partners, principals or employees ("EY Persons"). You shall make any claim or bring proceedings only against us. The provisions of Sections 16 through 20 are intended to benefit the other EY Firms and all EY Persons, who shall be entitled to enforce them.

Indemnity

20. To the fullest extent permitted by applicable law and professional regulations, you shall indemnify us, the other EY Firms and the EY Persons against all claims by third parties (including your affiliates and attorneys) and resulting liabilities, losses, damages, costs and expenses (including reasonable external and internal legal costs) arising out of the disclosure of any Report (other than Tax Advice) or a third party's use of or reliance on any Report (including Tax Advice) disclosed to it by you or at your request.

Intellectual property rights

21. We may use data, software, designs, utilities, tools, models, systems and other methodologies and know-how that we own or license ("Materials") in performing the Services. Notwithstanding the delivery of any Reports, we retain all intellectual property rights in the Materials (including any improvements or knowledge developed while performing the Services), and in any working papers compiled in connection with the Services (but not Client Information reflected in them).
22. Upon payment for particular Services and subject to the other terms of this Agreement, you may use the Reports relating to those Services, as well as any Materials owned by us that are included therein, solely to the extent necessary to use the Reports.

Confidentiality

23. Except as otherwise permitted by this Agreement, neither of us may disclose to third parties the contents of this Agreement or any information (other than Tax Advice) provided by or on behalf of the other that ought reasonably to be treated as confidential and/or proprietary. Either of us may, however, disclose such information to the extent that it:
- (a) is or becomes public other than through a breach of this Agreement,
 - (b) is subsequently received by the recipient from a third party who, to the recipient's knowledge, owes no obligation of confidentiality to the disclosing party with respect to that information,
 - (c) was known to the recipient at the time of disclosure or is thereafter created independently,
 - (d) is disclosed as necessary to enforce the recipient's rights under this Agreement, or
 - (e) must be disclosed under applicable law, legal process or professional regulations.

EY acknowledges that Client has taken the position that Client is subject to the Freedom of Information Act ("FOIA") as may be amended, updated or replaced from time to time. EY has made no independent inquiry or determination on the subject, however, to the extent FOIA is applicable, the parties acknowledge and agree that: (a) Subject to clause (b) below, the decision on whether any exemption applies to a request for disclosure of information under the FOIA is a decision for Client after consultation with EY; (b) where Client is managing a request under FOIA to disclose a Report or any information that belongs to EY, EY shall cooperate with Client and shall use all reasonable efforts to respond to Client within ten (10) working

days of Client's request for assistance in determining whether or not an exemption to the FOIA applies; and (c) Client will only disclose the confidential information when required by FOIA, and when Client discloses a Report or EY confidential information, Client shall (i) use all reasonable efforts to limit the disclosure to the maximum extent possible (including redaction of the Report or EY's confidential information where possible), and (ii) notify EY in writing prior to such disclosure unless prohibited by law.

24. Either of us may use electronic media to correspond or transmit information and such use will not in itself constitute a breach of any confidentiality obligations under this Agreement.
25. Unless prohibited by applicable law, we may provide Client Information to other EY Firms (which are listed at www.ey.com) and EY Persons, as well as external third parties providing services on our or their behalf, who may collect, use, transfer, store or otherwise process (collectively, "Process") it in various jurisdictions in which they operate in order to facilitate performance of the Services, to comply with regulatory requirements, to check conflicts, to provide financial accounting and other administrative support services or for quality and risk management purposes. We shall be responsible to you for maintaining the confidentiality of Client Information, regardless of where or by whom such information is Processed on our behalf.
26. With respect to any Services, if U.S. Securities and Exchange Commission auditor independence requirements apply to the relationship between you or any of your associated entities and any EY Firm, you represent, to the best of your knowledge, as of the date of this Agreement and as of the date of each Statement of Work hereunder, that neither you nor any of your affiliates has agreed, either orally or in writing, with any other advisor to restrict your ability to disclose to anyone the tax treatment or tax structure of any transaction to which the Services relate. An agreement of this kind could impair an EY Firm's independence as to your audit or that of any of your affiliates, or require specific tax disclosures as to those restrictions. Accordingly, you agree that the impact of any such agreement is your responsibility.

Data protection

27. If we Process Client Information that can be linked to specific individuals ("Personal Data"), we will Process it in accordance with Section 25 of this Agreement, as well as applicable law and professional regulations, including, where applicable, the European Union Safe Harbor program of the U.S. Department of Commerce, in which EY participates. We will require any service provider that Processes Personal Data on our behalf to adhere to such requirements. If any Client Information is protected health information under the Health Insurance Portability and Accountability Act, as

amended, this Agreement is deemed to incorporate all of the terms otherwise required to be included in a business associate contract relating to such information.

28. You warrant that you have the authority to provide the Personal Data to us in connection with the performance of the Services and that the Personal Data provided to us has been Processed in accordance with applicable law. In order to provide the Services, we may need to access Personal Data consisting of protected health information, financial account numbers, Social Security or other government-issued identification numbers, or other data that, if disclosed without authorization, would trigger notification requirements under applicable law ("Restricted Personal Data"). In the event that we need access to such information, you will consult with us on appropriate measures (consistent with professional standards applicable to us) to protect the Restricted Personal Data, such as deleting or masking unnecessary information before it is made available to us, encrypting any data transferred to us, or making the data available for on-site review at a Client site. You will provide us with Restricted Personal Data only in accordance with mutually agreed protective measures.

Fees and expenses generally

29. You shall pay our professional fees and specific expenses in connection with the Services as detailed in the applicable Statement of Work. You shall also reimburse us for other reasonable expenses incurred in performing the Services. Our fees are exclusive of taxes or similar charges, as well as customs, duties or tariffs imposed in respect of the Services, all of which you shall pay (other than taxes imposed on our income generally). Unless otherwise set forth in the applicable Statement of Work, payment is due within 30 days following receipt of each of our invoices. We may receive rebates in connection with certain purchases, which we use to reduce charges that we would otherwise pass on to you.
30. We may charge additional professional fees if events beyond our control (including your acts or omissions) affect our ability to perform the Services as originally planned or if you ask us to perform additional tasks.
31. If we are required by applicable law, legal process or government action to produce information or personnel as witnesses with respect to the Services or this Agreement, you shall reimburse us for any professional time and expenses (including reasonable external and internal legal costs) incurred to respond to the request, unless we are a party to the proceeding or the subject of the investigation.

Force majeure

32. Neither you nor we shall be liable for breach of this Agreement (other than payment obligations) caused by circumstances beyond your or our reasonable control.

Term and termination

33. This Agreement applies to the Services whenever performed (including before the date of this Agreement).
34. This Agreement shall terminate upon the completion of the Services. Either of us may terminate it, or any particular Services, earlier upon 30 days' prior written notice to the other. In addition, we may terminate this Agreement, or any particular Services, immediately upon written notice to you if we reasonably determine that we can no longer provide the Services in accordance with applicable law or professional obligations.
35. You shall pay us for all work-in-progress, Services already performed, and expenses incurred by us up to and including the effective date of the termination of this Agreement. Payment is due within 30 days following receipt of our invoice for these amounts.
36. The provisions of this Agreement, including Section 14 and otherwise with respect to Reports, that give either of us rights or obligations beyond its termination shall continue indefinitely following the termination of this Agreement, except that our respective confidentiality obligations (other than those relating to Reports or under Section 14) shall continue thereafter for three years only.

Governing law and dispute resolution

37. This Agreement, and any non-contractual matters or obligations arising out of this Agreement or the Services, including (without limitation) claims arising in tort, fraud, under statute or otherwise relating to the Services, or questions relating to the scope or enforceability of this Section 37, shall be governed by, and construed in accordance with, the laws of New York applicable to agreements made, and fully to be performed, therein by residents thereof. Except as otherwise expressly provided in the Cover Letter, any dispute relating to this Agreement or the Services shall be resolved as set forth in Appendix 1 to these Terms and Conditions.

Miscellaneous

38. This Agreement constitutes the entire agreement between us as to the Services and the other matters it covers, and supersedes all prior agreements, understandings and representations with respect thereto,

including any confidentiality agreements previously delivered. In addition, any policy, protocol, agreement (other than this Agreement) or other instrument, in whatever form, imposed at any time that purports to obligate EY, any other EY Firm or any EY Person with respect to the use of Client Information shall be void and of no further effect, and you shall not seek to enforce any such obligation.

39. Both of us may execute this Agreement (including Statements of Work), as well as any modifications thereto, by electronic means and each of us may sign a different copy of the same document. Both of us must agree in writing to modify this Agreement or any Statement of Work hereunder.
40. Each of us represents to the other that each person signing this Agreement or any Statement of Work hereunder on its behalf is expressly authorized to execute it and to bind such party to its terms. You also represent that this Agreement has, if necessary, been considered and approved by your Audit Committee. You represent that your affiliates and any others for whom Services are performed shall be bound by the terms of this Agreement.
41. You agree that we and the other EY Firms may, subject to professional obligations, act for other clients, including your competitors.
42. Neither of us may assign any of our rights, obligations or claims arising out of or related to this Agreement or any Services.
43. If any provision of this Agreement (in whole or part) is held to be illegal, invalid or otherwise unenforceable, the other provisions shall remain in full force and effect.
44. If there is any inconsistency between provisions in different parts of this Agreement, those parts shall have precedence as follows (unless expressly agreed otherwise): (a) the Cover Letter, (b) the applicable Statement of Work and any attachments thereto, (c) these General Terms and Conditions, and (d) other attachments to this Agreement.
45. Neither of us may use or reference the other's name, logo or trademarks publically without the other's prior written consent, although we may publically identify you as a client in connection with specific Services or generally.
46. For administrative reasons, you may from time to time ask that fees and expenses for Services performed for your international affiliates or at international locations be invoiced to you or your designate there, in local currency. You guarantee the timely payment of all those invoices by your affiliates. In addition, from time to time, an affiliate of ours, providing Services as a subcontractor to us, may bill you directly for fees incurred for work outside the US, in local currency or otherwise.

Appendix 1

Dispute resolution procedures

Mediation

A party shall submit a dispute to mediation by written notice to the other party or parties. The mediator shall be selected by the parties. If the parties cannot agree on a mediator, the International Institute for Conflict Prevention and Resolution ("CPR") shall designate a mediator at the request of a party. Any mediator must be acceptable to all parties and must confirm in writing that he or she is not, and will not become during the term of the mediation, an employee, partner, executive officer, director, or substantial equity owner of any EY audit client.

The mediator shall conduct the mediation as he/she determines, with the agreement of the parties. The parties shall discuss their differences in good faith and attempt, with the mediator's assistance, to reach an amicable resolution of the dispute. The mediation shall be treated as a settlement discussion and shall therefore be confidential. The mediator may not testify for either party in any later proceeding relating to the dispute. The mediation proceedings shall not be recorded or transcribed.

Each party shall bear its own costs in the mediation. EY, on the one hand, and the Client(s) (or any others for whom EY's services are performed), on the other hand, shall share equally the fees and expenses of the mediator.

If the parties have not resolved a dispute within 90 days after written notice beginning mediation (or a longer period, if the parties agree to extend the mediation), the mediation shall terminate and the dispute shall be settled by arbitration. In addition, if a party initiates litigation, arbitration, or other binding dispute resolution process without initiating mediation, or before the mediation process has terminated, an opposing party may deem the mediation requirement to have been waived and may proceed with arbitration.

Arbitration

The arbitration will be conducted in accordance with the procedures in this document and the CPR Rules for Non-Administered Arbitration ("Rules") as in effect on the date of the Agreement, or such other rules and procedures as the parties may agree. In the event of a conflict, the provisions of this document will control.

The arbitration will be conducted before a panel of three arbitrators, to be selected in accordance with the screened selection process provided in the Rules. Any issue concerning the extent to which any dispute is subject to arbitration, or concerning the applicability, interpretation, or enforceability of any of these procedures, shall be governed by the Federal Arbitration Act and resolved by the arbitrators. No potential arbitrator may be appointed unless he or she has agreed in writing to these procedures and has confirmed in writing that he or she is not, and will not become during the term of the arbitration, an employee, partner, executive officer, director, or substantial equity owner of any EY audit client.

The arbitration panel shall have no power to award non-monetary or equitable relief of any sort or to make an award or impose a remedy that (i) is inconsistent with the agreement to which these procedures are attached or any other agreement relevant to the dispute, or (ii) could not be made or imposed by a court deciding the matter in the same jurisdiction. In deciding the dispute, the arbitration panel shall apply the limitations period that would be applied by a court deciding the matter in the same jurisdiction, and shall have no power to decide the dispute in any manner not consistent with such limitations period.

Discovery shall be permitted in connection with the arbitration only to the extent, if any, expressly authorized by the arbitration panel upon a showing of substantial need by the party seeking discovery.

All aspects of the arbitration shall be treated as confidential. The parties and the arbitration panel may disclose the existence, content or results of the arbitration only in accordance with the Rules or applicable professional standards. Before making any such disclosure, a party shall give written notice to all other parties and shall afford them a reasonable opportunity to protect their interests, except to the extent such disclosure is necessary to comply with applicable law, regulatory requirements or professional standards.

The result of the arbitration shall be binding on the parties, and judgment on the arbitration award may be entered in any court having jurisdiction.



Ernst & Young LLP
Sacramento Office
Suite 300
2901 Douglas Boulevard
Roseville, CA 95661

Tel: +1 916 218 1900
Fax: +1 916 218 1999
ey.com

Statement of Work

This Statement of Work with the attached Exhibits, dated May 31, 2017 (this SOW) is made by Ernst & Young LLP (“we” or “EY”) and Palmdale Water District on behalf of itself (“you” or “Client”), pursuant to the Master Services Agreement, dated May 31, 2017 (MSA), between EY and Palmdale Water District (the Agency).

The additional terms and conditions of this SOW shall apply only to the Services covered by this SOW and not to Services covered by any other SOW pursuant to the MSA. Capitalized terms used, but not otherwise defined, in this SOW shall have the meanings defined in the MSA, including references in the Agreement to “you” or “Client” shall be deemed references to you.

Scope of services

Except as otherwise set forth in this SOW, this SOW incorporates by reference, and is deemed to be a part of, the MSA. This SOW sets forth the terms and conditions on which EY will perform certain professional services as described in Exhibit A (the Services) for Agency, a member of the State Water Contractors Independent Audit Association (IAA), for the twelve months ending June 30, 2018.

Any changes to the above scope of work will be agreed upon in writing and signed by both parties and will amend this original SOW.

The Services are advisory in nature and will not constitute an audit performed in accordance with Generally Accepted Accounting Principles. EY will perform the Services in accordance with the Statement of Standards for Consulting Services (CS100) of the American Institute for Certified Public Accountants (AICPA). As part of your review of the terms of this Agreement, please refer to the enclosed letter from Ms. Tamara Baptista of the IAA Audit Contract Negotiating Committee dated May 10, 2017.

Your specific obligations

You will not, and you will not permit others to, quote or refer to the Reports, any portion, summary or abstract thereof, or to EY or any other EY Firm, in any document filed or distributed in connection with (i) a purchase or sale of securities to which the United States or state securities laws (Securities Laws) are applicable, or (ii) periodic reporting obligations under Securities Laws. You will not contend that any provisions of Securities Laws could invalidate any provision of this agreement.

We also draw your attention to the reservations set out in paragraph 5 of the General Terms and Conditions of the MSA, as well as your management responsibilities under paragraph 6, your obligations under paragraphs 11 and 12, and your representation, as of the date hereof, under paragraph 26 thereof.



Specific additional terms and conditions

The Services are advisory in nature. EY will not render an assurance report or opinion under the Agreement, nor will the Services constitute an audit, review, examination, or other form of attestation as those terms are defined by the American Institute of Certified Public Accountants. None of the Services or any Reports will constitute any legal opinion or advice. We will not conduct a review to detect fraud or illegal acts.

Notwithstanding anything to the contrary in the Agreement or this SOW, we do not assume any responsibility for any third-party products, programs or services, their performance or compliance with your specifications or otherwise.

We will base any comments or recommendations as to the functional or technical capabilities of any products in use or being considered by you solely on information provided by your vendors, directly or through you. We are not responsible for the completeness or accuracy of any such information or for confirming any of it.

Where our written consent under the MSA is required for you to disclose to a third party any of our Reports (other than Tax Advice), we will also require that third party to execute a letter substantially in the form of Exhibit D to this SOW. To the extent the Agency is permitted to disclose any written Report as set forth herein, it shall disclose such Report only in the original, complete and unaltered form provided by EY, with all restrictive legends and other agreements intact.

Unless prohibited by applicable law, we may provide Client Information to other EY firms, EY Persons and external third parties, who may collect, use, transfer, store or otherwise process such information in various jurisdictions in which they operate in order to provide support services to any EY Firm and/or assist in the performance of the Services.

After the Services under this SOW have been completed, we may disclose or present to prospective clients, or otherwise in our marketing materials, that we have performed the Services for you, and we may use your name solely for that purpose, in accordance with applicable professional obligations. In addition, we may use your name, trademark, service mark and logo as reasonably necessary to perform the Services and in correspondence, including proposals, from us to you.

You shall not, while we are performing the Services hereunder and for a period of 12 months after they are completed, solicit for employment, or hire, any EY personnel involved in the performance of the Services, provided, that you may generally advertise available positions and hire EY personnel who either respond to such advertisements or who come to you on their own initiative without direct or indirect encouragement from you.

The Agency shall, among other responsibilities with respect to the Services, (i) make all management decisions and perform all management functions, including applying independent business judgment to EY work products, making implementation decisions and determining further courses of action in connection with any Services; (ii) assign a competent employee within senior management to make all management decisions with respect to the Services, oversee the Services and evaluate their adequacy and results; and

(iii) accept responsibility for the implementation of the results or recommendations contained in the Reports or otherwise in connection with the Services. The Agency hereby confirms that management of the Agency accepts responsibility for the sufficiency of the Services. In performing the Services neither EY nor EY's partners or employees will act as an employee of the Agency.

The Agency represents and warrants to EY that the Agency's execution and delivery of this Agreement has been authorized by all requisite corporate or other applicable entity action and the person signing this Agreement is expressly authorized to execute it on behalf of, and to bind, the Agency.

The performance of the Services and the parties' obligations in connection therewith are subject to the additional terms and conditions set forth in the MSA.

It is understood that the Agency is not bound by our findings in any controversy or disagreement between the Agency and the Department of Water Resources should the Agency disagree with our findings.

We would also request that, if any IAA member discovers discrepancies in billings or other financial statements relative to their State Water Project costs, in addition to your working with the Department to correct the error, please notify EY for potential future inclusion as part of their procedures related to all IAA members.

Fees and billing

The General Terms and Conditions of the Agreement address our fees and expenses generally.

The total fees for these Services to be rendered to the Agency, as well as an allocation of the total fees for each member agency of the IAA, appear in Exhibits A and B attached (no procedures or fees have been allocated to Exhibit B in this contract). Our total fees pursuant to Exhibit A to be charged to all members of the IAA entering into agreements with us shall not exceed \$494,000 for the twelve months ending June 30, 2018. This agreement will not be effective unless, in addition to the Agency, a sufficient number of other IAA agencies enter into agreements with us for such Services whose combined allocated fee would represent not less than 80% of \$494,000 based on the 100% participation fee allocation (see column 2 at A-4). If all agencies who are presently participating in the Services rendered by our firm enter into agreements with us for this twelve-month period, the maximum fees for our Services to your Agency will not exceed \$6,351 for Exhibit A. However, if not all of the participating agencies enter into agreements with us for services during the twelve-month period ending June 30, 2018, the maximum fees to your Agency will vary between the above-mentioned amount and \$7,939, which represents the maximum fees should sufficient agencies enter into agreements with us with a combined allocated fee of not less than 80%, as stated above.

In addition to the maximum fees under Exhibit A, maximum fees under Exhibit B shall not exceed a total of \$50,000 or \$643 for the Agency unless agreed to by the IAA. As noted above, no procedures have been allocated to Exhibit B. Prior to any expenditures under Exhibit B, said work must be specifically requested in writing in advance of any work being performed. Areas of potential focus for Exhibit B projects could include procedures agreed to by EY and the IAA in advance related to one or more of the items identified in



Exhibit A. In prior years Exhibit B special projects have included projects such as assessing implementation and billing issues relating to the new SAP-based Cost Allocation and Repayment Analysis System (CARA), and studies to evaluate a pay-as-you-go system for funding conservation related operating costs incurred by the Department.

We have also included Exhibit C as part of this contract, which provides the opportunity for individual Contractors to enter into separate agreements for additional services with EY. There are currently no fees related to Exhibit C included herein.

The results of our procedures will include a presentation of our findings, observations and recommendations to be held in Sacramento, California for any interested Contractors. Any presentations requested at individual Contractor locations will be negotiated with the individual Contractor under Exhibit C and will be paid for by that Contractor.

Invoices for time and expenses will be billed monthly and are due upon receipt.



In witness whereof, the parties have executed this SOW as of the date set forth above.

Palmdale Water District

Ernst & Young, LLP

Representative

Representative

Signature

Signature

Dennis D. LaMoreaux

Joe Pirnik

Printed Name

Printed Name

General Manager

Executive Director

Title

Title

2029 E. Ave. Q
Palmdale, CA 93550

Ernst & Young LLP
Suite 300
2901 Douglas Boulevard
Roseville, CA 95661

Address

Address

June 28, 2017

May 31, 2017

Date

Date

EXHIBIT A

I. SCOPE OF ENGAGEMENT

- A-1 EY will work with the IAA, the State Water Contractors (SWC) Audit/Finance Committee, and any subcommittees thereof, and the Department of Water Resources (the Department) during the twelve months ending June 30, 2018 relating to matters currently being discussed between the SWC and the Department.

EY's Services to be rendered as described in this Exhibit shall be determined by the IAA at its discretion. These Services shall include:

1. Completion of the 2017/2018 procedures as outlined further below
2. Participation in all meetings of the SWC Audit/Finance Committee, which is a basic forum for communications between the State Water Project Contractors and the Department's staff on financial and accounting matters.
3. Cooperation with any subcommittees of the IAA assigned to study and resolve specific problem areas, such as the dispute resolution work group.
4. Review of reports and other documents prepared by the Department and disseminated at these meetings.
5. Provide an annual report setting forth the findings, comments, and recommendations related to our Services.

Report definitions

The assessment of risk of future occurrence, included in the findings summary tables in the report, provides the IAA with a meaningful measurement of the likelihood of similar findings in subsequent years if this issue is not addressed by the appropriate parties. This assessment of risk of future occurrence is based on knowledge obtained during discussions with Department of Water Resources personnel and performance of procedures under this Exhibit A. Below are the definitions used in the report of findings and recommendations for the twelve months ending June 30, 2018 and we concur with these definitions.

Risk of Future Occurrence:

- A. High – it is highly likely (or probable) that the error or process failure will be repeated
- B. Medium – it is more likely than not that the error or process failure will be repeated
- C. Low – it is possible that the error or process failure will be repeated

During the twelve months ending June 30, 2018, the Services will include the following procedures.

2017/2018 Procedures

The procedures for the fiscal year ended June 30, 2018 were designed using estimated budgeted hours of 3,000. We will perform all procedures included in items 1-6 below. We will perform the procedures in items 7-8 if time permits. As a part of these procedures, we will regularly meet with the IAA to discuss the progress under this engagement. We will also submit the Report to each agency setting forth the findings, observations, and recommendations related to our Services.

The following items represent the risks, risk factors, and procedures requested and determined by the Independent Audit Association (IAA) for the State Water Contractors (the Contractors) to be performed for the 2018 Statement of Charges (SOC) engagement:

Primary Procedures (Items 1-6)

1. Statement of Charges Testing

Risk:

- Incorrect amounts billed to Contractors for each component by the Department.

Risk Factors:

- Manual adjustments made to SAP data to arrive at amounts billed. Manual processes create opportunities for errors.
- High importance of accurate Contractor bills.
- Actual costs reported in the bills can be misstated.

Areas of Focus:

- Determine that all SOC amounts are internally consistent and agree to the Bulletin 132-17 for five Contractors selected for testing (to be provided by the IAA).
- Agree the debt service amounts in the SOC Attachments to the appropriate debt service schedule.
- Comparison of the current year SOC Attachments to the prior year SOC Attachments.
- Reasonableness of manual adjustments.
- Assess the appropriateness of actual costs charged to various areas of the project.
- Assess the factors for distributing reach capital and minimum costs among the Contractors.

2. Debt Service Procedures

Risk:

- Incorrect bond debt service charged to the Contractors.

Risk Factors:

- WSRB Surcharge calculation is a manual process. Manual processes create opportunities for errors.
- Judgment and estimation in the debt reconciliation project.
- WSRB Surcharge currently does not reflect the results of the debt reconciliation project.

Areas of Focus:

- Debt Reconciliation Procedures:
 - Test Pre-SAP, first wave of SAP, and next wave of SAP cost data included in the capital raw data file by agreeing to source data included in the SAP system.
 - Test the reconciliation between the capital raw data file to the Bulletin 132 Table B-10, *Capital Costs of Each Aqueduct Reach to be Reimbursed through Capital Cost Component of Transportation Charge* and Table B-13 and *Capital and Operating Costs of Project Conservation Facilities to be Reimbursed through Delta Water Charge*.
 - Test the mapping of the capital raw data file to the cost column included in the debt reconciliation.
 - Test the mapping of the Water System Revenue Bonds schedule to the debt column included in the debt reconciliation.
 - Test the reconciling items identified comparing the cost column to the debt column in the debt reconciliation. Gain an understanding of the reconciling items and “judgment calls” from Matthew Carleson and Pedro Villalobos.
 - Test the debt reconciliation results between the projects included in the analysis (Coastal Branch Extension, South Bay Enlargement and Improvement, Tehachapi East Afterbay, East Branch Extension, East Branch Enlargement, and Water System Revenue Bonds).

3. System Power Costs – Variable Transportation

Risk:

- Incorrect Contractor charged and/or incorrect allocation of costs between Contractors.

Risk Factors:

- Calculation of the allocation factors is a manual process. Manual processes create opportunities for errors.
- Potential for high dollar impact (\$164M net system power costs in 2015).
- Estimated Table 2 projected costs (invoicing rate) may not reflect actual costs incurred.

Areas of Focus:

- Vouch power costs and power revenues from SAP greater than \$500K and test the appropriate classification of costs.
- Reconcile the 2016 Preliminary Allocation of Power Costs (PALPOC) to UCABS (SAP). Recalculate appropriate inputs to the 2016 PALPOC (e.g., Value of Recovery Generation credits, direct-to-plant transmission, etc.).
- Recalculate the 2016 calendar year power allocation factors used in UCABS (SAP) to allocate net power costs.
- Recalculate the billed amounts for the transportation variable cost components for 2016 for the five Contractors selected (to be provided by the IAA).

4. Rate Management Calculation Including Revenue and Cost Data

Risk:

- Rate Management Credits are improperly allocated among the Contractors.
- Rate Management Credits are improperly calculated based on the revenue and expenditure data in the funds available for rate management credits statement prepared by the Department.

Risk Factors:

- Calculation of Rate Management Credits is a manual process.
- Lack of review and approval process for the Rate Management Credit calculation.
- Outdated information used to calculate credits due to the Contractors.

Areas of Focus:

- Obtain the rate management allocation schedule used for the SOC Rebill and review the allocation methodology for sample selected.
- Obtain the most recent funds available data schedule for the rate management credits and perform detailed testing of a sample of the largest amounts.
- Compare the figures selected for testing to the future forecasts, and investigate any significant differences.
- Perform testing of revenues including systems revenue and 51e (amount in excess of Rate Management Credits).
- Perform testing of revenues and related cash funds.

5. Delta Water Charge

Risk:

- Incorrect amounts charged to Contractors for conservation based on actual and estimated costs.

Risk Factors:

- Calculation of Delta Water Charge is a manual process.
- New rate reduction measures create opportunities for errors.
- Potential for high dollar impact (\$250M in Delta Water Charges in 2015).

Areas of Focus:

- Recalculate the Delta Water Charge used in the SOC.
- For prior year actual costs included in the calculation, compare costs in SAP to the Department's calculation and investigate variances over \$100K.
- Obtain an understanding of future estimates included in the calculation and perform appropriate procedures to test the reasonableness of such estimates.
- Test the Hyatt-Thermalito credit to the Delta Water Charge.

6. Alpha Allocation Cycles

Risk:

- Incorrect Contractor charged and/or incorrect allocation of costs between Contractors.

Risk Factors:

- Department is in the process of standardizing and reallocating costs for phases 2 and 3. The revised estimated completion date is sometime after the new contract extension is signed (expected within the next five years).
- New alpha allocation cycles are created each year.
- Potential for high dollar impact (\$250M allocated by alpha allocation cycles in 2015).

Areas of Focus:

- Examine all cost centers from SAP to determine which cost centers represent alpha cost centers.
- Select alpha cost centers with the largest total annual costs for testing.
- Review costs being posted to selected alpha cost centers for reasonableness based on activities charged to the alpha cost center through examination of invoices posted and discussions with the project managers, as necessary.
- Review the current year alpha standardization activity performed by the Department.
- Review the current year alpha update performed by the Department.
- Test the F-series and S-series updates performed by the Department.

Other Procedures (Items 7-8)

These procedures will only be performed as time permits after completion of items 1-6 above and consideration of the estimated 3,000 hour time budget.

7. Conservation and Transportation Future Estimates

Risk:

- Incorrect amounts charged to Contractors for conservation and transportation costs based on estimates.

Risk Factors:

- Budgeted amounts reflected in the future estimates may differ materially from actual charges.
- Calculation is a manual process. Manual processes create opportunities for errors.
- Questionable budgeting process.

Areas of Focus:

- Gain an understanding from the Department of the process for calculating the future estimates.
- Obtain support for the future estimates and reconcile support to the SOC.
- Recalculate the component using the future estimates tested.
- Test the future estimates by agreeing the estimates to supporting schedules, budgets, etc.
- Obtain support for any extraordinary projects included in the future estimates and assess their appropriateness.

8. New and Changed Master Data*Risk:*

- Incorrect allocation of costs (based on functional area selected).
- Incorrect recovery of costs (recovery determines SOC component).
- Incorrect funding source is used (capital fund versus operating funds).

Risk Factors:

- Historical lack of review and communication between Project Manager and State Water Project Analysis Office.
- Potential impact (initial setup of master data determines posting of costs in future periods).
- Project Managers' possible lack of understanding of allocation cycle when allocating costs.

Areas of Focus:

- Use SAP to determine functional areas created and changed in the current year.
- Determine how costs are being allocated among and recovered from Contractors.
- Based on activities being performed and the analysis of costs posted to Internal Orders or Work Breakdown Structures, determine if functional area, recovery, and funding are appropriate.

II. FEES FOR EY SERVICES

- A-2. Total fees for Exhibit A services performed by EY will not exceed \$494,000, including reasonable and necessary out-of-pocket expenses, which represent an estimated 3,000 hours to be incurred.

III. ALLOCATION OF FEES

- A-3. The maximum aggregate fee set forth in paragraph A-2 shall be apportioned among the agencies named in paragraph A-4 based on a basis consistent with prior years.

IV. MAXIMUM AGGREGATE FEE FOR EACH AGENCY

A-4. The portion of the maximum aggregate fee set forth in paragraph A-2 applicable to each agency in conformity with the methodology set forth in paragraph A-3 is shown below:

Agency	Maximum fee for each agency, provided all agencies listed below enter into agreements with EY	Maximum fee for each agency, provided 80% of agencies listed below enter into agreements with EY	Percent of total
Alameda County Flood Control and Water Conservation District, Zone No. 7	\$ 24,038	\$ 30,047	4.9%
Alameda County Water District	12,522	15,652	2.5
Antelope Valley-East Kern Water Agency	43,185	53,980	8.7
Casitas Municipal Water District	5,963	7,453	1.2
Castaic Lake Water Agency	28,384	35,479	5.7
Central Coast Water Authority	13,562	16,952	2.7
City of Yuba City	2,862	3,578	0.6
Coachella Valley Water District	41,249	51,561	8.4
County of Kings	2,774	3,468	0.6
Crestline-Lake Arrowhead Water Agency	1,729	2,161	0.4
Desert Water Agency	16,622	20,778	3.4
Dudley Ridge Water District	13,521	16,901	2.7
Empire West Side Irrigation District	894	1,118	0.2
Kern County Water Agency	123,500	154,375	25.0
Littlerock Creek Irrigation District	686	858	0.1
Mojave Water Agency	25,581	31,976	5.2
Napa County Flood Control and Water Conservation District	8,654	10,818	1.8
Palmdale Water District	6,351	7,939	1.3
San Bernardino Valley Municipal Water District	30,590	38,238	6.2
San Gabriel Valley Municipal Water District	8,587	10,734	1.7
San Geronio Pass Water Agency	5,158	6,448	1.0
San Luis Obispo County Flood Control and Water Conservation District	7,454	9,318	1.5
Santa Clara Valley Water District	29,815	37,269	6.0
Solano County Water Agency	14,239	17,799	2.9
Tulare Lake Basin Water Storage District	<u>26,080</u>	32,600	<u>5.3</u>
Total	<u>\$ 494,000</u>		<u>100.0%</u>

V. PAYMENT SCHEDULE

This is the payment schedule for the Agency.

<u>July 10, 2017 Billing</u>	<u>August 10, 2017 Billing</u>	<u>September 10, 2017 Billing</u>	<u>October 10, 2017 Billing</u>	<u>November 10, 2017 Billing</u>	<u>Total Billing</u>
\$1,905	\$1,270	\$1,270	\$1,270	\$636	\$6,351

EXHIBIT B**I. OTHER CONSULTING SERVICES**

EY shall, during the twelve months ending June 30, 2018, perform other services if requested by the IAA. No such work shall be performed unless specifically authorized by the IAA in writing. Areas of potential focus for Exhibit B projects could include in depth procedures agreed to by EY and the IAA in advance related to one or more of the items identified in Exhibit A.

Total fees for such other consulting services shall 1) be agreed to prior to commencement of work, 2) be allocated among the agencies based on the same procedures included in the Exhibit A allocation, and 3) shall not exceed \$50,000, which represents an estimated 305 hours to be incurred, unless agreed to by the IAA, for the year ended June 30, 2018. Any part of the \$50,000 which is unused shall not be billed.

<u>Agency</u>	<u>Maximum fee for each agency, provided all agencies listed below enter into agreements with EY</u>	<u>Percent of total</u>
Alameda County Flood Control and Water Conservation District, Zone No.7	\$ 2,433	4.9%
Alameda County Water District	1,267	2.5
Antelope Valley-East Kern Water Agency	4,371	8.7
Casitas Municipal Water District	604	1.2
Castaic Lake Water Agency	2,873	5.7
Central Coast Water Authority	1,373	2.7
City of Yuba City	290	0.6
Coachella Valley Water District	4,175	8.4
County of Kings	281	0.6
Crestline-Lake Arrowhead Water Agency	175	0.4
Desert Water Agency	1,681	3.4
Dudley Ridge Water District	1,369	2.7
Empire West Side Irrigation District	91	0.2
Kern County Water Agency	12,500	25.0
Littlerock Creek Irrigation District	69	0.1
Mojave Water Agency	2,589	5.2
Napa County Flood Control and Water Conservation District	876	1.8
Palmdale Water District	643	1.3
San Bernardino Valley Municipal Water District	3,096	6.2
San Gabriel Valley Municipal Water District	869	1.7
San Geronio Pass Water Agency	522	1.0
San Luis Obispo County Flood Control and Water Conservation District	754	1.5
Santa Clara Valley Water District	3,018	6.0
Solano County Water Agency	1,441	2.9
Tulare Lake Basin Water Storage District	<u>2,640</u>	<u>5.3</u>
Total	<u>\$ 50,000</u>	<u>100%</u>

EXHIBIT C

I. INDIVIDUAL CONTRACTOR AGREEMENTS

EY may, during the twelve months ending June 30, 2018, perform other consulting services as requested by individual Contractors. These services will be performed and billed separately from the services outlined in Exhibits A and B.

The terms and conditions of any procedures performed under Exhibit C, including payment terms, will be outlined in a separate Statement of Work (SOW). These services, which will be agreed to by EY and the requesting Contractor in advance, will be documented in the example SOW attached to herein as Exhibit C-1. An Exhibit C-1 statement of work will be made available to any Contractor upon request. All other provisions of the Contractor's signed contract with EY for the twelve months ending June 30, 2018 will continue to be in effect.

Total fees for such other consulting services shall be agreed to with the individual Contractor prior to commencement of work. The fees for services provided under Exhibit C will be outside of those referenced in Exhibits A and B, and will be paid for directly by the requesting Contractor.

EXHIBIT C-1

Statement of Work

This Statement of Work with the attached Exhibit, dated May 31, 2017 (this SOW) is made by Ernst & Young LLP (“we” or “EY”) and Palmdale Water District on behalf of itself (“you” or “Client”), pursuant to the Agreement, dated May 31, 2017 (the Agreement), between EY and Palmdale Water District (the Agency).

Except as otherwise set forth in this SOW, this SOW incorporates by reference, and is deemed to be a part of, the Agreement. The additional terms and conditions of this SOW shall apply only to the Services covered by this SOW and not to Services covered by any other Statement of Work pursuant to the Master Services Agreement (MSA) by and between EY and the Agency dated May 31, 2017. Capitalized terms used, but not otherwise defined, in this SOW shall have the meanings defined in the MSA, including references in the Agreement to “you” or “Client” shall be deemed references to you.

Scope of services

Except as otherwise set forth in this SOW, this SOW incorporates by reference, and is deemed to be a part of, the Agreement. This SOW sets forth the terms and conditions on which EY will perform certain professional services as described [INSERT DEFINITION OF SERVICES] (the Services) for Agency, a member of the State Water Contractors Independent Audit Association (IAA), for the twelve months ending June 30, 2018.

Any changes to the above scope of work will be agreed upon in writing and signed by both parties and will amend this original SOW.

The Services are advisory in nature and will not constitute an audit performed in accordance with Generally Accepted Accounting Principles. EY will perform the Services in accordance with the Statement of Standards for Consulting Services (CS100) of the American Institute for Certified Public Accountants (AICPA).

Your specific obligations

You will not, and you will not permit others to, quote or refer to the Reports, any portion, summary or abstract thereof, or to EY or any other EY Firm, in any document filed or distributed in connection with (i) a purchase or sale of securities to which the United States or state securities laws (Securities Laws) are applicable, or (ii) periodic reporting obligations under Securities Laws. You will not contend that any provisions of Securities Laws could invalidate any provision of this agreement.

We also draw your attention to the reservations set out in paragraph 5 of the General Terms and Conditions of the MSA, as well as your management responsibilities under paragraph 6, your obligations under paragraphs 11 and 12, and your representation, as of the date hereof, under paragraph 26 thereof.

Specific additional terms and conditions

The Services are advisory in nature. EY will not render an assurance report or opinion under the Agreement, nor will the Services constitute an audit, review, examination, or other form of attestation as those terms are defined by the American Institute of Certified Public Accountants. None of the Services or any Reports will constitute any legal opinion or advice. We will not conduct a review to detect fraud or illegal acts.

Notwithstanding anything to the contrary in the Agreement or this SOW, we do not assume any responsibility for any third-party products, programs or services, their performance or compliance with your specifications or otherwise.

We will base any comments or recommendations as to the functional or technical capabilities of any products in use or being considered by you solely on information provided by your vendors, directly or through you. We are not responsible for the completeness or accuracy of any such information or for confirming any of it.

Where our written consent under the MSA is required for you to disclose to a third party any of our Reports (other than Tax Advice), we will also require that third party to execute a letter substantially in the form of Exhibit D to the Agreement. To the extent the Agency is permitted to disclose any written Report as set forth herein, it shall disclose such Report only in the original, complete and unaltered form provided by EY, with all restrictive legends and other agreements intact.

Unless prohibited by applicable law, we may provide Client Information to other EY firms, EY Persons and external third parties, who may collect, use, transfer, store or otherwise process such information in various jurisdictions in which they operate in order to provide support services to any EY Firm and/or assist in the performance of the Services.

After the Services under this SOW have been completed, we may disclose or present to prospective clients, or otherwise in our marketing materials, that we have performed the Services for you, and we may use your name solely for that purpose, in accordance with applicable professional obligations. In addition, we may use your name, trademark, service mark and logo as reasonably necessary to perform the Services and in correspondence, including proposals, from us to you.

You shall not, while we are performing the Services hereunder and for a period of 12 months after they are completed, solicit for employment, or hire, any EY personnel involved in the performance of the Services, provided, that you may generally advertise available positions and hire EY personnel who either respond to such advertisements or who come to you on their own initiative without direct or indirect encouragement from you.

The Agency shall, among other responsibilities with respect to the Services, (i) make all management decisions and perform all management functions, including applying independent business judgment to EY work products, making implementation decisions and determining further courses of action in connection with any Services; (ii) assign a competent employee within senior management to make all management decisions with respect to the Services, oversee the Services and evaluate their adequacy and results; and (iii) accept responsibility for the implementation of the results or recommendations contained in the Reports or otherwise in connection with the Services. The Agency hereby confirms that management of the Agency accepts responsibility for the sufficiency of the Services. In performing the Services neither EY nor EY's partners or employees will act as an employee of the Agency.

The Agency represents and warrants to EY that the Agency's execution and delivery of this Agreement has been authorized by all requisite corporate or other applicable entity action and the person signing this Agreement is expressly authorized to execute it on behalf of, and to bind, the Agency.

The performance of the Services and the parties' obligations in connection therewith are subject to the additional terms and conditions set forth in the MSA.

It is understood that the Agency is not bound by our findings in any controversy or disagreement between the Agency and the Department of Water Resources should the Agency disagree with our findings.

We would also request that, if any IAA member discovers discrepancies in billings or other financial statements relative to their State Water Project costs, in addition to your working with the Department to correct the error, please notify EY for potential future inclusion as part of their procedures related to all IAA members.

Project deliverables

The matrix below lists the specific deliverables and related timelines that EY will provide to **(insert Contractor)**.

Deliverable	Timeline	Comments

Additional responsibilities

EY will provide **(insert Contractor)** with a timeline/schedule related to all project deliverables prior to the start of work on the project.

EY will notify **(insert Contractor)** in writing of any incremental changes to the original project estimate.

Production of all elements described in the “Project deliverables” section of this SOW is to be included in the cost breakdown under the “Pricing and payment terms” section below, agreed upon by **(insert Contractor)** and EY for this project.

Fees and billing

Below is a summary of the current cost estimates for this SOW. Due to the complexities and variable nature of this project, actual costs could vary from these estimates. In the event costs are expected to exceed the estimate, EY will contact **(insert Contractor)** before performing any additional work.

Out-of-pocket expenses incurred during this contract are not included in the above SOW estimated cost. Expenses include such items as travel, meals, accommodations, and other administrative expenses based on actual amounts incurred.

Invoices for time and expenses will be billed monthly and are due upon receipt.

IN WITNESS WHEREOF, the parties hereto have executed this SOW as of the day and year written below.

Palmdale Water District

Ernst & Young, LLP

Representative

Representative

Signature

Signature

Printed Name

Printed Name

Title

Title

Address

Address

Date

Date

EXHIBIT D
FORM OF ACCESS LETTER

[Letterhead of EY]

[Addressee (e.g., third party seeking access to EY Report)]
[Street Address]
[City, State Zip]

[Month XX, 20XX]

Dear [] :

[Client] (the "Client") has informed Ernst & Young LLP ("EY") that it wishes to disclose to [party seeking access] (the "Recipient") EY's [describe report(s)] , dated [] , relating to [describe subject] (the "Report(s)"). EY has not placed any limitations on the Client's ability to disclose any contents of the Report relating to the tax aspects or structure of any transaction proposed by the Client.

EY performed Services only for the Client. EY did not undertake the Services on behalf of, or to serve the needs of, the Recipient or any other third party. As part of such services, EY did not audit the Client's financial statements, subsequent to the date(s) of the Report(s).

EY prepared the Report(s) solely for the Client. The Report(s) address[es] only the issues identified by the Client, and [is/are] based solely on information obtained by EY using the procedures specified by the Client or otherwise provided by or on behalf of the Client. The Report(s) [is/are] subject to many limitations and [do/does] not provide any form of assurance with respect to any of the information referred to therein. The Recipient understands and accepts the scope and limitations of the Report(s).

Except (1) where compelled by legal process (of which the Recipient will immediately notify EY and tender to EY, if it so elects, the defense thereof), (2) with respect to any contents of the Report relating to the tax treatment and tax structure of the proposed transaction (including any facts that may be relevant to understanding the proposed tax treatment of the proposed transaction), or (3) with EY's prior written consent, the Recipient will not, circulate, quote, disclose or distribute any of the Report(s) or any information contained therein, or any summary or abstract thereof, or make any reference thereto or to EY, to anyone other than the Recipient's directors, officers or employees or legal advisors who, in each case, need to know its contents in order to _____ , and who have agreed to be bound by the terms and conditions of this agreement to the same extent as the Recipient.

The Recipient further agrees that it will not, and will not permit others to, quote or refer to the Report, any portion, summary or abstract thereof, or to EY, in any document filed or distributed in connection with (a) a purchase or sale of securities to which the United States or state securities laws ("Securities Laws") are applicable or (b) periodic reporting obligations under Securities Laws. The Recipient will not contend that any provisions of Securities Laws could invalidate any provision of this agreement.

In further consideration of EY allowing the Recipient access to the Report(s) and the information contained therein, the Recipient agrees that:

1. It does not acquire any rights against EY, and EY does not assume any duties or obligations to the Recipient or otherwise, as a result of such access.
2. It will not rely on the Report(s) or any portion thereof and will make no claim that it has done so.
3. It will make no claim against EY, its partners, employees or affiliates, or other members of the global Ernst & Young network (collectively, the "EY Parties" that relates in any way to the Report(s), any information contained therein, or the Recipient's access to the Report(s).
4. To the fullest extent permitted by applicable law, it will indemnify, defend and hold harmless the EY Parties from and against any claim or expense, including reasonable attorneys' fees, suffered or incurred by any EY Party relating to any breach by the Recipient of any of its representations or agreements contained herein or the use or disclosure of the Report(s) or any portion thereof by anyone who received it directly or indirectly from or at the request of the Recipient.

Very truly yours,

Ernst & Young LLP

Accepted by:

[Addressee]

By: _____

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: June 21, 2017 **June 28, 2017**
TO: BOARD OF DIRECTORS **Board Meeting**
FROM: Mr. Peter Thompson II, Deputy Water & Energy Resources Dir.
VIA: Mr. Jon Pernula, Water & Energy Resources Director
Mr. Dennis D. LaMoreaux, General Manager
RE: ***AGENDA ITEM NO. 6.4 – APPROVAL OF RESOLUTION NO. 17-16
APPROVING ANTELOPE VALLEY STATE WATER CONTRACTORS
ASSOCIATION BUDGET FOR FISCAL YEAR 2017/2018. (DEPUTY
WATER & ENERGY RESOURCES DIRECTOR/AVSWCA ASSISTANT
GENERAL MANAGER THOMPSON II)***

Recommendation:

Staff recommends the Board approve Resolution No. 17-16 Approving the Antelope Valley State Water Contractors Association (AVSWCA) Budget for Fiscal Year 2017/2018.

Background:

The Commissioners for the AVSWCA approved the budget for fiscal year 2017/2018 at their June 15, 2017 meeting. Per the Joint Powers Agreement that created the AVSWCA, the governing body of each member agency must also approve the budget. The budget is then deemed effective upon receipt by the AVSWCA of certified copies of the approving resolution from each member agency.

The proposed budget has been broken into two categories: General Operating Funds and Restricted Funds (USGS Groundwater Monitoring Program and the Antelope Valley Integrated Regional Water Management Plan).

On the Expenditure side for the General Operating Funds, the categories include:

- Insurance: Liability insurance for the Association obtained through ACWA/JPIA
- Memberships: Membership in ACWA
- Miscellaneous: Includes all miscellaneous expenses not covered in other Association accounts (bank fees, refreshments, etc.)
- Outreach: Includes the website, community activities
- Contract Services – Administration: Services provided by AVEK and PWD
- Contract Services – Financial Audit
- Landscaping Expo – Program Expense

BOARD OF DIRECTORS
PALMDALE WATER DISTRICT
VIA: Mr. Jon Pernula, Water & Energy Resources Director
Mr. Dennis D. LaMoreaux, General Manager

June 20, 2017

On the Expenditure side for Restricted Funds, the categories include:

- Contract Services (AVIRWMP): Consulting engineering services for work related to the Antelope Valley Integrated Regional Water Management Plan (on behalf of the Regional Water Management Team of the AVIRWMP).
- Contract Services (USGS): Consulting engineering services for a Joint Funding Agreement for groundwater monitoring within the Antelope Valley.

The AVSWCA is proposing the General Operating Funds based on the following contributions:

AVEK:	\$10,000
PWD:	\$10,000
LCID:	<u>\$10,000</u>
Total =	\$30,000

The AVSWCA's share of the remaining commitment of the USGS Groundwater Monitoring Program is \$61,100. The AVSWCA's current policy for funding this Program is to use State Water Project Table A amounts to determine the split among the member agencies. Based on this policy, the \$61,100 would be split among the member agencies as follows:

AVEK:	\$52,362.70 (85.7%)
PWD:	\$ 7,881.90 (12.9%)
LCID:	<u>\$ 855.40 (1.4%)</u>
Total =	\$61,100

- The total contribution for AVEK in 2017/18 will be \$62,362.70.
- The total contribution for PWD in 2017/18 will be \$17,881.90.
- The total contribution for LCID in 2017/18 will be \$10,855.40.

Strategic Plan Initiative:

The District's involvement in the AVSWCA is part of Strategic Initiative No. 5 – Regional Leadership

Supporting Documents:

- Resolution No. 17-16

RESOLUTION NO. 17-16

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE PALMDALE WATER DISTRICT
APPROVING ANTELOPE VALLEY
STATE WATER CONTRACTORS ASSOCIATION
BUDGET FOR FISCAL YEAR 2017/2018**

WHEREAS, the Palmdale Water District, along with the Antelope Valley - East Kern Water Agency and the Littlerock Creek Irrigation District, is a member agency of the Antelope Valley State Water Contractors Association formed by a Joint Powers Agreement dated May 26, 1999; and

WHEREAS, said Joint Powers Agreement provides for the formulation and adoption of a budget for the Antelope Valley State Water Contractors Association and approval by members of said budget; and

WHEREAS, the Antelope Valley State Water Contractors Association unanimously adopted a budget for fiscal year 2017/18 at their regular meeting held June 15, 2017 which budget included an allocation among the member agencies.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Palmdale Water District hereby approves the 2017/18 budget and allocation of budgeted funds adopted by the Antelope Valley State Water Contractors Association.

I certify that this is a true copy of Resolution No. 17-16 as passed by the Board of Directors of the Palmdale Water District at its meeting held June 28, 2017 in Palmdale, California.

Date: June 28, 2017

Robert Alvarado, President,
Board of Directors

ATTEST:

Joe Estes, Secretary, Board of Directors

APPROVED AS TO FORM:

BY: _____
Aleshire & Wynder, LLP, General Counsel

**PALMDALE
WATER DISTRICT
BOARD MEMORANDUM**

DATE:	June 20, 2017	June 28, 2017
TO:	BOARD OF DIRECTORS	Board Meeting
FROM:	Mr. Bob Egan, Financial Advisor	
RE:	<i>AGENDA ITEM NO. 7.1 – STATUS REPORT ON CASH FLOW STATEMENT AND CURRENT CASH BALANCES AS OF APRIL, 2017.</i>	

Attached is the Investment Funds Report and current cash balance as of April 30, 2017. The reports will be reviewed in detail at the Board meeting.

PALMDALE WATER DISTRICT
INVESTMENT FUNDS REPORT
April 30, 2017

					April 2017	March 2017
CASH						
1-00-0103-100	Citizens - Checking				50,574.08	248,836.43
1-00-0103-200	Citizens - Refund				12.00	-
1-00-0103-300	Citizens - Merchant				57,769.65	103,499.96
				Bank Total	108,355.73	352,336.39
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	114,055.73	358,036.39
INVESTMENTS						
1-00-0135-000	Local Agency Investment Fund			Acct. Total	11,867.14	11,844.48
1-00-0120-000	UBS Money Market Account General (SS 11469)					
	UBS RMA Government Portfolio				3,573,930.35	1,428,455.56
	UBS Bank USA Dep acct				250,000.00	250,000.00
	Accrued interest				9,231.73	7,879.68
					3,833,162.08	1,686,335.24
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	1,004,380.00	1,004,690.00
				1,000,000	1,004,380.00	1,004,690.00
Certificates of Deposit						
	Issuer	Maturity Date	Rate	Face Value		
1	GE Cap Retail Bank	04/27/2017	1.840	200,000	-	200,116.00
2	Discover Bank	05/02/2017	1.730	240,000	240,007.20	240,189.60
3	Merrick Bank	06/12/2017	1.000	100,000	100,040.00	100,064.00
4	Level One Bank	06/19/2017	0.650	101,000	101,032.32	101,049.49
5	GE Cap Retail Bank	06/22/2017	1.780	200,000	200,306.00	200,470.00
6	Capitol One Bank	08/14/2017	1.200	240,000	240,280.80	240,360.00
7	Triumph Bank	09/26/2017	0.800	200,000	200,200.00	200,258.00
8	MB Finl Bank	10/26/2017	0.850	200,000	199,974.00	199,990.00
9	Bank United Miami	11/21/2017	1.200	240,000	240,400.80	240,482.40
10	Goldman Sachs Bank NY	01/29/2018	1.350	240,000	240,631.20	240,672.00
11	Midland States Bank	02/28/2019	1.400	240,000	239,731.20	239,443.20
12	Key Bank	03/29/2019	1.500	240,000	240,033.60	239,733.60
				2,441,000	2,242,637.12	2,442,828.29
				Acct. Total	7,080,179.20	5,133,853.53
1-00-1110-000	UBS Money Market Account Capital (SS 11475)					
	UBS Bank USA Dep acct				250,000.00	250,000.00
	UBS RMA Government Portfolio				427,309.44	176,323.18
				Acct. Total	677,309.44	426,323.18
1-00-0125-000	UBS Access Account General (SS 11432)					
	UBS Bank USA Dep acct				47,751.86	44,999.11
	UBS RMA Government Portfolio				-	-
	Accrued interest				19,192.71	15,426.99
					66,944.57	60,426.10
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	999,610.00	999,880.00
912828KD1	US Treasury Note	02/15/2019	2.610	1,500,000	1,539,840.00	1,542,015.00
912828P53	US Treasury Note	02/15/2019	0.750	1,000,000	991,170.00	990,980.00
				3,500,000	3,530,620.00	3,532,875.00
Certificates of Deposit						
	Issuer	Maturity Date	Rate	Face Value		
	BMW Bank	11/15/2018	1.960	240,000	242,361.60	242,277.60
	La Salle Bank	03/01/2019	1.350	240,000	239,510.40	239,212.80
	American Express	04/29/2019	1.440	240,000	240,734.40	240,516.00
	Synchrony Bank	04/14/2020	1.850	240,000	241,394.40	241,694.40
	JP Morgan Chase Bank	11/18/2020	1.600	240,000	235,053.60	235,070.40
	Bank of Baroda NY	11/23/2020	1.600	77,000	75,454.61	75,460.00
	Comenity Cap Bank	01/19/2021	1.900	163,000	165,586.81	165,682.98
				1,440,000	1,440,095.82	1,439,914.18
				Acct. Total	5,037,660.39	5,033,215.28
				Total Managed Accounts	12,807,016.17	10,605,236.47
1-00-1121-000	UBS Rate Stabilization Fund (SS 24016) - District Restricted					
	UBS Bank USA Dep acct				1,398.82	1,113.45
	UBS RMA Government Portfolio				-	-
	Accrued interest				1,335.44	1,086.91
					2,734.26	2,200.36
Certificates of Deposit						
	Issuer	Maturity Date	Rate	Face Value		
	Webbank UT US	12/19/2018	1.400	240,000	240,050.40	239,829.60
	Ally Bank UT US	12/24/2018	1.500	240,000	240,417.60	240,208.80
				480,000	480,468.00	480,038.40
				Acct. Total	483,202.26	482,238.76
				GRAND TOTAL CASH AND INVESTMENTS	13,404,274.16	11,445,511.62
				Increase (Decrease) in Funds	1,958,762.54	
1-00-1130-000	2013A Bonds - Project Funds (BNY Mellon)					
	Construction Funds				231,050.33	291,805.21

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	1,472,669	1,761,663	1,876,638	1,895,010	2,343,532	2,248,451	2,409,722	2,187,005	1,948,605	1,734,438	23,032,803	
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	13,404,274	13,560,737	12,761,525	11,868,888	11,889,158	9,233,903	9,404,468	9,275,891		
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	1,616,301	1,746,031	1,895,010	2,343,532	2,248,451	2,409,722	2,187,005	1,948,605	1,734,438	23,620,442	
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	1,618,195	1,746,031	1,895,010	2,343,532	2,248,451	2,409,722	2,187,005	1,948,605	1,734,438	23,624,525	
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)	(1,433,733)	(1,497,820)	(1,373,052)	(1,613,764)	(1,815,868)	(1,666,439)	(2,049,698)	(1,869,774)	(2,078,927)	(1,678,858)	(1,660,776)	(1,794,941)	(20,533,650)	
GAC	(169,477)	-	(169,477)	-	(91,409)	(91,462)	-	-	(190,000)	-	-	(190,000)	(901,826)	
Prepaid Insurance (paid)/refunded	-	-	(67,198)	-	-	-	-	(35,000)	(200,000)	-	-	-	(302,198)	
Total Operating Expense (ACTUAL)	(1,603,210)	(1,497,820)	(1,609,727)	(1,613,764)	(1,907,278)	(1,757,902)	(2,049,698)	(1,904,774)	(2,468,927)	(1,678,858)	(1,660,776)	(1,984,941)	(21,737,674)	
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	759,015	10,679	77,225	130,500	-	-	132,500	2,518,797	6,655,615	
RDA Pass-through (Successor Agency)						396,503.97						200,000.00	596,504	
Interest	11,110	10,049	11,724	11,285	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	84,168	
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	2,274,343	837,545	412,183	260,225	135,500	55,000	5,000	137,500	2,836,297	8,232,309	
Non-Operating Expenses:														
Budgeted Capital Expenditures	(238,494)	(214,207)	(166,000)	(246,000)	(560,041)	(315,000)	(195,000)	(120,000)	(145,000)	(328,000)	(90,000)	-	(2,617,742)	
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	(167,987)	(451,182)	(205,891)	(155,379)	(350,662)	(315,000)	(195,000)	(120,000)	(145,000)	(171,925)	(90,000)	-	(2,368,026)	
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)	-	-	-	(5,267)	(17,296)							(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)	(4,412)	(3,687)	(3,687)	(3,687)	(3,687)	(3,687)	(3,687)	(3,687)	(3,687)	(48,906)	
Total Non-Operating Expenses (ACTUAL)	(876,501)	(615,410)	(2,007,467)	(320,011)	(519,836)	(1,348,502)	(1,446,696)	(458,907)	(2,651,050)	(342,581)	(553,906)	(916,204)	(12,057,071)	
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	13,404,274	13,560,737	12,761,525	11,868,888	11,889,158	9,233,903	9,404,468	9,275,891	10,945,481		
												Budget	10,205,110	
												Difference	740,371	
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: June 21, 2017 **June 28, 2017**
TO: BOARD OF DIRECTORS **Board Meeting**
FROM: Michael Williams, Finance Manager/CFO
VIA: Mr. Dennis LaMoreaux, General Manager
RE: *AGENDA ITEM 7.2 – STATUS REPORT ON FINANCIAL STATEMENTS, REVENUE AND EXPENSE AND DEPARTMENTAL BUDGET REPORTS FOR APRIL, 2017*

Discussion:

Presented here are THE Balance Sheet and Profit/Loss Statement for the period ending April 30, 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 April, 2017.

This is the fourth month of the District's Budget Year 2017. The target percentage is 33%. Revenues ideally are at or above, and expenditures ideally are below.

Balance Sheet:

- Page 1 is our balance sheet on April 30, 2017.
- The significant change is an increase in our investments of approximately \$2MM. This is the result of receiving assessment revenue.

Profit/Loss Statement:

- Page 3 is our profit/loss statement on April 30, 2017.
- Operating revenue is at 28% of budget.
- Cash operating expense is at 30% of budget.
- Departmental budget for Operations is higher than target, reasons will be discussed later in the report.
- Plant Expenditures is showing higher than normal due to the recent completion of meter change out project. This is temporary until proper accounting adjustments are made.
- Revenues have exceeded expenses for the month by \$171K, and year-to-date expenses have exceeded revenues by \$34K.
- Non-Operating revenues are above budgeted figures with more capital improvement fees received and assessment parity charges collected.
- Page 6 is showing the distribution of expense between labor and operations. Labor costs are currently at 53% of total expenses with salaries making up 35% of that.

Year-To-Year Comparison P&L:

- Page 7 is our comparison of April, 2016 to April, 2017.
- Total operating revenue is up \$93K, or 5.5%.

BOARD OF DIRECTORS
PALMDALE WATER DISTRICT

VIA: Mr. Dennis LaMoreaux, General Manager

-2-

June 21, 2017

- Operating expenditures are up \$255K, or 19%. However, as mentioned there are some adjustments that are pending, so that number will decrease.
- Page 7-1 is our comparison of April, 2015 to April, 2017.
- Total operating revenue was up \$24K, or 1%.
- Total operating expenses were up \$597K, or 60%, but with the same exception as above.
- 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 up by 72, or 6.5%.
 - Total revenue per unit sold was down \$0.03, or 9%.
 - Total revenue per connection was up \$5.55, or 9.5%.
 - Units billed per connection is 1.14, or 6.4%.

 - Units billed in acre feet for 2015 comparison were down by 51, or 4%.
 - Total revenue per unit sold was up \$0.20, or 6%.
 - Total revenue per connection was up \$4.07, or 7%.
 - Units billed per connection is down .95, or 5%.

Revenue Analysis Year-To-Date:

- Page 9 is our comparison of revenue, year-to-date.
- Operating revenue through April, 2017 is up \$160K, or 2.6%.
- Retail water revenue from all areas are up by \$252K 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 \$28K.
- Total revenue is up \$479K.
- Operating revenue is at 28% of budget; last year was at 29% of budget.

Expense Analysis Year-To-Date:

- Page 11 is our comparison of expense, year-to-date.
- Cash Operating Expenses through April, 2017 are down \$199K, or 3%, compared to 2016 due to reduced GAC purchases in this year and reduced operating costs in Facilities.
- Total Expenses are down \$138K, or 1%, for the same reasons.

Departments:

- Pages 14 through 24 are detailed individual departmental budgets for your review.
- Page 19 is Operations Department budget. Note that there were some significant pump repairs under Maintenance and Repair totaling about \$35K, which will be reclassified. Expenditure to the wind turbine in excess of \$70K and early year purchases of lab supplies.

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.

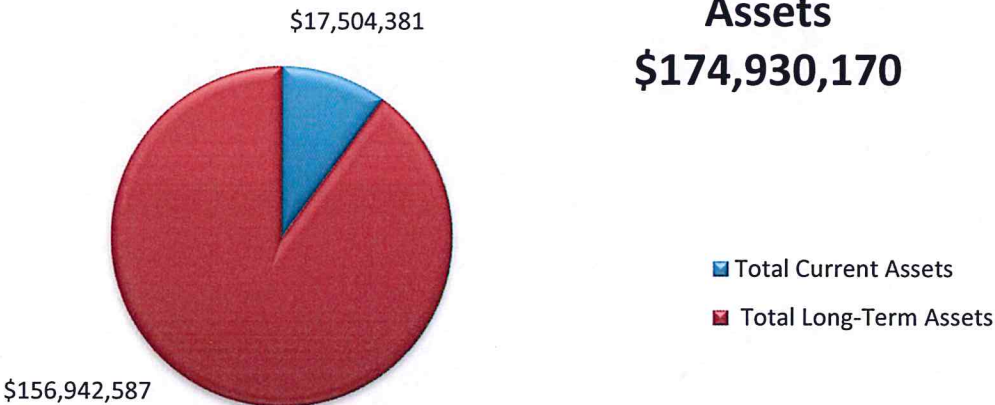
Palmdale Water District
Balance Sheet Report
For the Four Months Ending 4/30/2017

	<u>April 2017</u>	<u>March 2017</u>
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 114,056	\$ 358,036
Investments	12,806,994	10,605,236
2013A Bonds - Project Funds	231,050	291,805
	<u>\$ 13,152,100</u>	<u>\$ 11,255,078</u>
Receivables:		
Accounts Receivables - Water Sales	\$ 1,552,461	\$ 1,296,113
Accounts Receivables - Miscellaneous	62,565	56,659
Allowance for Uncollected Accounts	(153,668)	(153,668)
	<u>\$ 1,461,358</u>	<u>\$ 1,199,104</u>
Assessments Receivables	\$ 1,740,407	\$ 3,708,779
Meters, Materials and Supplies	997,152	1,147,853
Prepaid Expenses	153,365	178,453
Total Current Assets	<u>\$ 17,504,381</u>	<u>\$ 17,489,267</u>
Long-Term Assets:		
Property, Plant, and Equipment, net	\$ 108,886,887	\$ 109,206,507
Participation Rights in State Water Project, net	45,278,214	45,337,068
Investment in PRWA	320,680	320,680
2013A Bonds - Insurance & Surety Bond	211,229	211,896
CalPERS Contributions	2,245,577	2,245,577
	<u>\$ 156,942,587</u>	<u>\$ 157,321,728</u>
Restricted Cash:		
Rate Stabilization Fund	483,202	482,239
Total Long-Term Assets & Restricted Cash	<u>\$ 157,425,790</u>	<u>\$ 157,803,966</u>
Total Assets	<u>\$ 174,930,170</u>	<u>\$ 175,293,233</u>
LIABILITIES AND DISTRICT EQUITY		
Current Liabilities:		
Current Interest Installment of Long-term Debt	\$ 175,394	\$ -
Current Principal Installment of Long-term Debt	1,162,308	1,162,308
Accounts Payable and Accrued Expenses	5,576,442	5,702,520
Deferred Assessments	1,166,667	1,750,000
Total Current Liabilities	<u>\$ 8,080,810</u>	<u>\$ 8,614,827</u>
Long-Term Debt:		
Pension-Related Debt	\$ 9,143,384	\$ 9,143,384
OPEB Liability	13,765,223	13,600,835
2013A Water Revenue Bonds	42,428,455	42,430,706
2012 - Certificates of Participation	7,020,442	7,013,644
2017 - Capital Lease Payable	805,290	805,290
Total Long-Term Liabilities	<u>\$ 73,162,794</u>	<u>\$ 72,993,860</u>
Total Liabilities	<u>\$ 81,243,604</u>	<u>\$ 81,608,687</u>
District Equity		
Revenue from Operations	\$ (1,376,944)	\$ (1,378,964)
Retained Earnings	95,063,510	95,063,510
Total Liabilities and District Equity	<u>\$ 174,930,170</u>	<u>\$ 175,293,233</u>

BALANCE SHEET AS OF APRIL 30, 2017

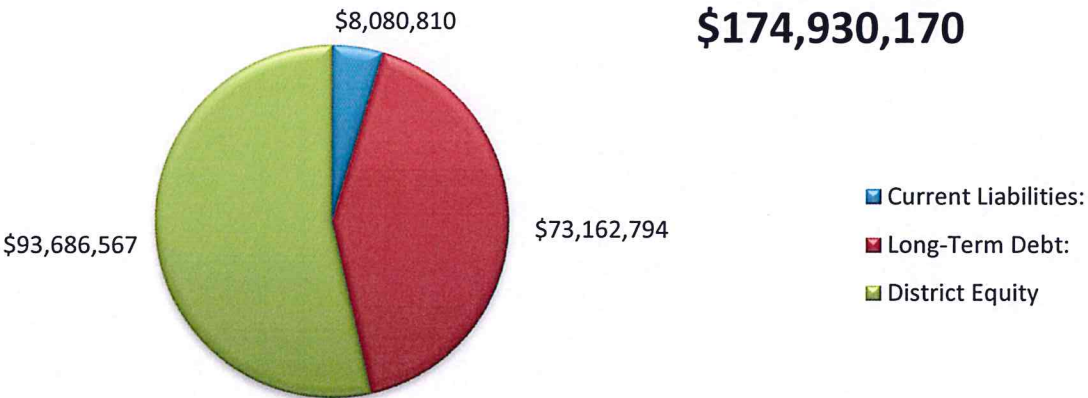
Assets

\$174,930,170



Liability & Equity

\$174,930,170



Palmdale Water District
Consolidated Profit and Loss Statement
For the Four Months Ending 4/30/2017

	Thru March	April	Year-to-Date	Adjustments	Adjusted Budget	% of Budget
Operating Revenue:						
Wholesale Water	\$ 6,494	\$ 614	\$ 7,108		\$ 160,000	4.44%
Water Sales	1,024,090	542,525	1,566,615		8,002,000	19.58%
Meter Fees	3,169,844	1,061,215	4,231,059		12,475,500	33.91%
Water Quality Fees	115,778	60,522	176,299		862,500	20.44%
Elevation Fees	41,993	25,122	67,116		340,000	19.74%
Other (Page 3-1)	203,372	71,665	275,037		960,000	28.65%
Drought Surcharge	66,168	-	66,168		-	
Total Operating Revenue	\$ 4,627,739	\$ 1,761,663	\$ 6,389,402	\$ -	\$ 22,800,000	28.02%
Cash Operating Expenses:						
Directors	\$ 25,909	\$ 7,710	\$ 33,618		\$ 115,500	29.11%
Administration-Services*	437,971	154,770	592,741	(18,000)	1,925,000	30.79%
Administration-District	308,880	93,292	402,171		1,509,500	26.64%
Engineering**	367,293	96,554	463,847	68,750	1,520,250	30.51%
Facilities**	1,348,865	384,353	1,733,218	(68,750)	6,557,250	26.43%
Operations	698,252	236,591	934,843		2,546,250	36.71%
Finance	313,266	91,642	404,908		1,246,500	32.48%
Water Conservation*	51,544	18,348	69,891	2,000	230,000	30.39%
Human Resources*	77,466	20,989	98,456	16,000	313,100	31.45%
Information Technology	173,343	42,385	215,728		804,750	26.81%
Customer Care	301,412	81,064	382,476		1,278,000	29.93%
Source of Supply-Purchased Water	403,074	429	403,503		2,190,000	18.42%
Plant Expenditures	156,299	270,850	427,149		574,292	74.38%
GAC Filter Media Replacement	169,477	91,409	260,886		862,500	30.25%
Total Cash Operating Expenses	\$ 4,833,051	\$ 1,590,386	\$ 6,423,437	\$ -	\$ 21,672,892	29.64%
Net Cash Operating Profit/(Loss)	\$ (205,312)	\$ 171,277	\$ (34,035)	\$ -	\$ 1,127,108	-3.02%
Non-Cash Operating Expenses:						
Depreciation	\$ 1,370,396	\$ 503,187	\$ 1,873,584		\$ 6,000,000	31.23%
OPEB Accrual Expense	548,699	182,900	731,598		2,350,000	31.13%
Bad Debts	49,292	182	49,474		50,000	98.95%
Service Costs Construction	61,021	4,507	65,528		125,000	52.42%
Capitalized Construction	(131,318)	(36,071)	(167,389)		(750,000)	22.32%
Total Non-Cash Operating Expenses	\$ 1,898,090	\$ 654,704	\$ 2,552,795	\$ -	\$ 7,775,000	32.83%
Net Operating Profit/(Loss)	\$ (2,103,402)	\$ (483,427)	\$ (2,586,829)	\$ -	\$ (6,647,892)	38.91%
Non-Operating Revenues:						
Assessments (Debt Service)	\$ 1,321,250	\$ 440,417	\$ 1,761,667		\$ 5,000,000	35.23%
Assessments (1%)	445,147	147,770	592,917		1,957,500	30.29%
DWR Fixed Charge Recovery	-	76,319	76,319		200,000	38.16%
Interest	12,446	9,118	21,564		60,000	35.94%
CIF - Infrastructure	58,697	41,701	100,398		73,000	137.53%
CIF - Water Supply	133,286	178,810	312,095		177,000	176.32%
Grants - State and Federal	-	-	-		178,000	0.00%
Other	46,871	22,019	68,890		60,000	114.82%
Total Non-Operating Revenues	\$ 2,017,696	\$ 916,153	\$ 2,933,849	\$ -	\$ 7,705,500	38.07%
Non-Operating Expenses:						
Interest on Long-Term Debt	\$ 546,325	\$ 180,607	\$ 726,932		\$ 2,228,000	32.63%
Amortization of SWP	650,205	216,735	866,940		2,238,000	38.74%
Change in Investments in PRWA	100,002	-	100,002		100,000	100.00%
Water Conservation Programs	21,896	8,193	30,089		135,500	22.21%
Total Non-Operating Expenses	\$ 1,318,428	\$ 405,535	\$ 1,723,963	\$ -	\$ 4,701,500	36.67%
Net Earnings	\$ (1,404,134)	\$ 27,190	\$ (1,376,944)	\$ -	\$ (3,643,892)	37.79%

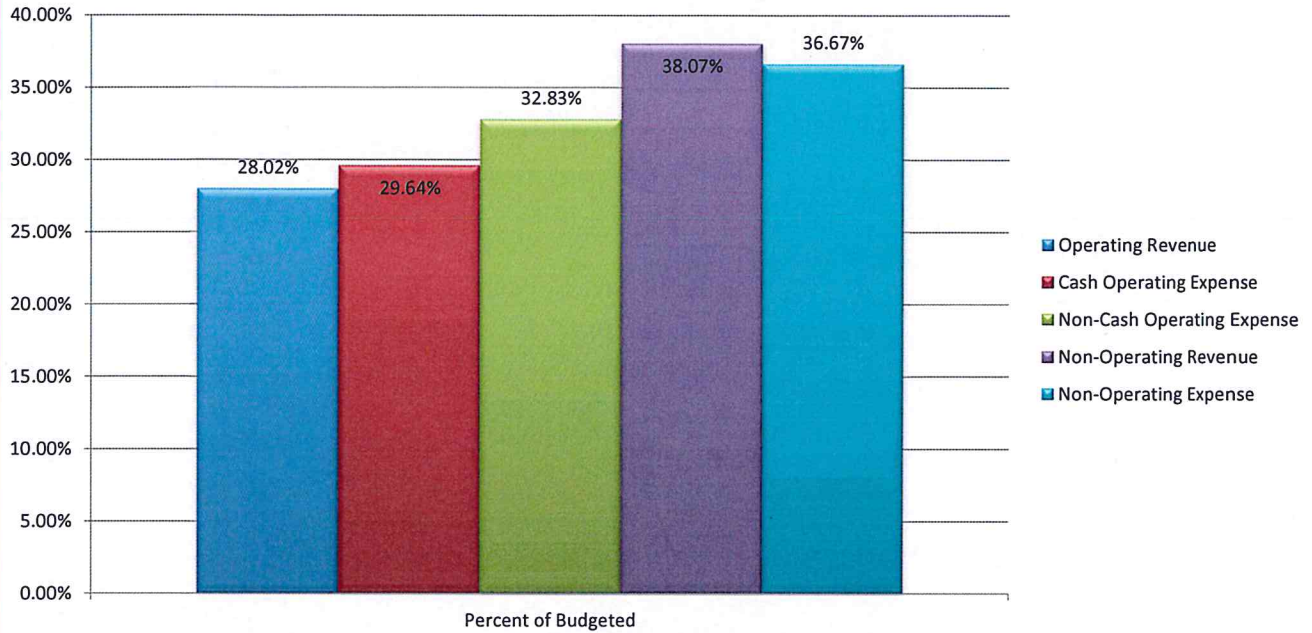
* Budget adjustments by General Manager per Appendix A

** Budget adjustments by Board action 04/12/17

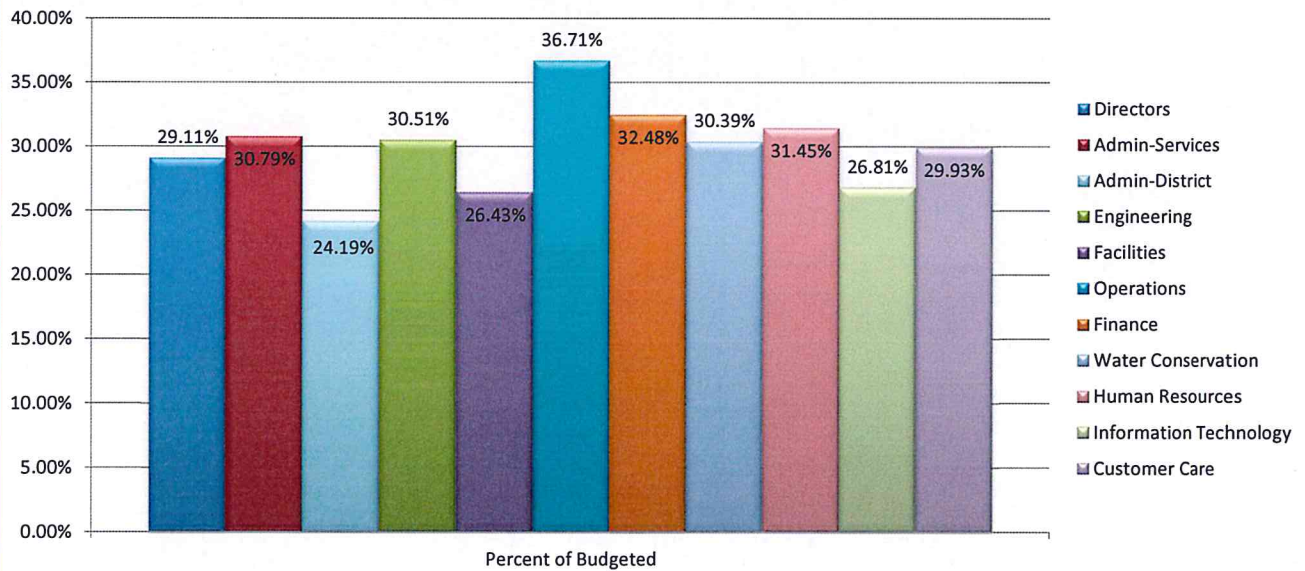
OTHER OPERATING REVENUE

	Current	YTD
Account Setup Charge(\$25)	\$4,500.00	\$15,275.00
After Hours Service Call	\$0.00	\$480.00
Construction Meter Install(\$250)	\$500.00	\$2,250.00
Customer Request Turn On/Off(\$15)	\$0.00	\$30.00
Lock Broken or Missing(\$15)	\$75.00	\$360.00
Non-Compliance Fee Backflow(\$50)	\$0.00	\$100.00
Pulled Meter Service Charge(\$60)	\$240.00	\$960.00
Rejected Payment Notification	\$380.00	\$760.00
Repair Angle Stop After Hours(\$600.00)	(\$600.00)	\$1,200.00
Repair Angle Stop(\$440.00)	\$440.00	\$1,760.00
Shut-Off Charge(\$30)	\$6,540.00	\$23,910.00
Shut-Off Notice Fee (\$5)	\$7,220.00	\$38,695.00
Standard Trip Charge(\$15)	\$135.00	\$540.00
Waste Water 1st Notice(\$50.00)	\$0.00	\$400.00
Late Fees	\$27,948.14	\$125,869.59
NSF Fee	\$675.00	\$1,600.00

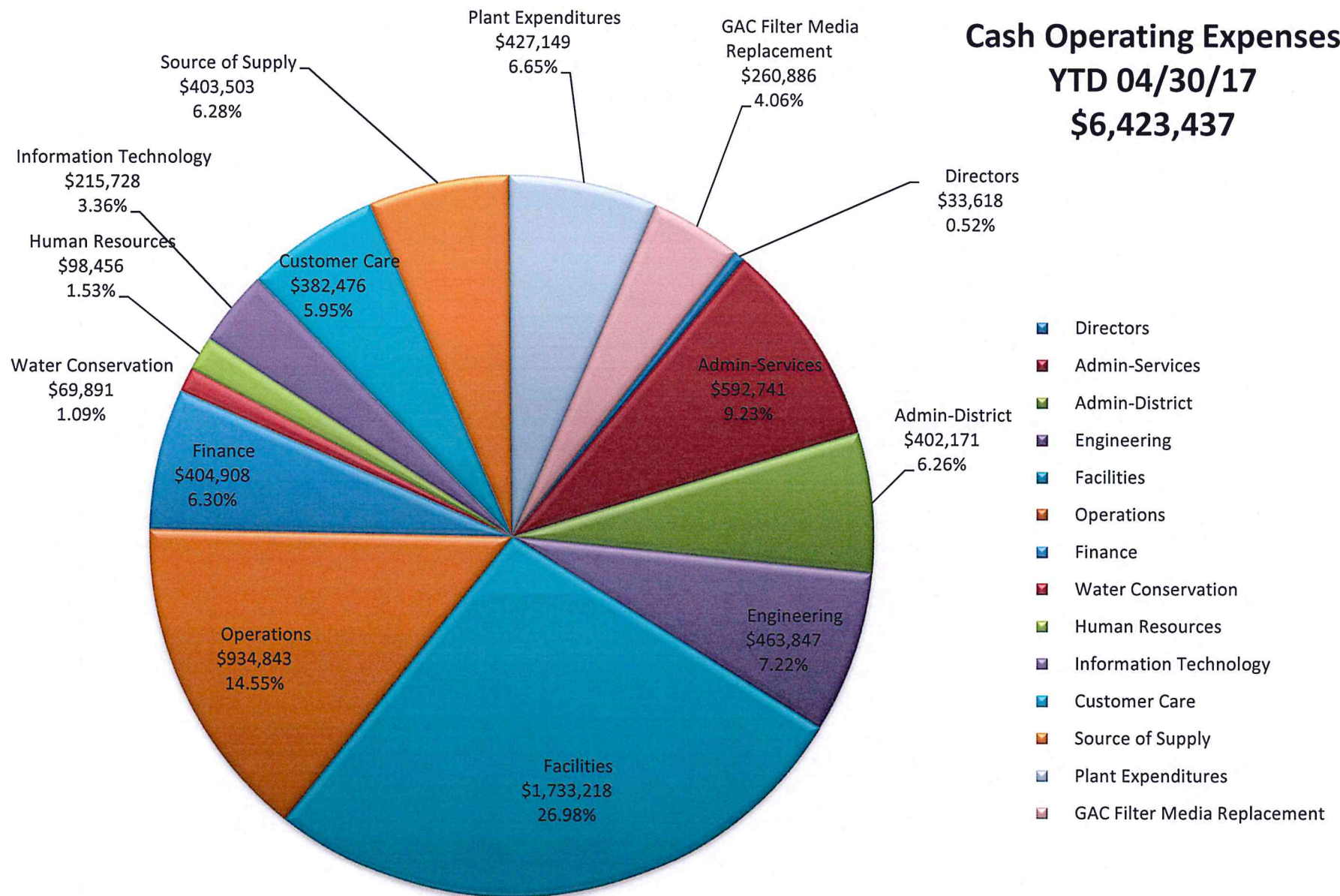
P & L BUDGET vs. ACTUAL



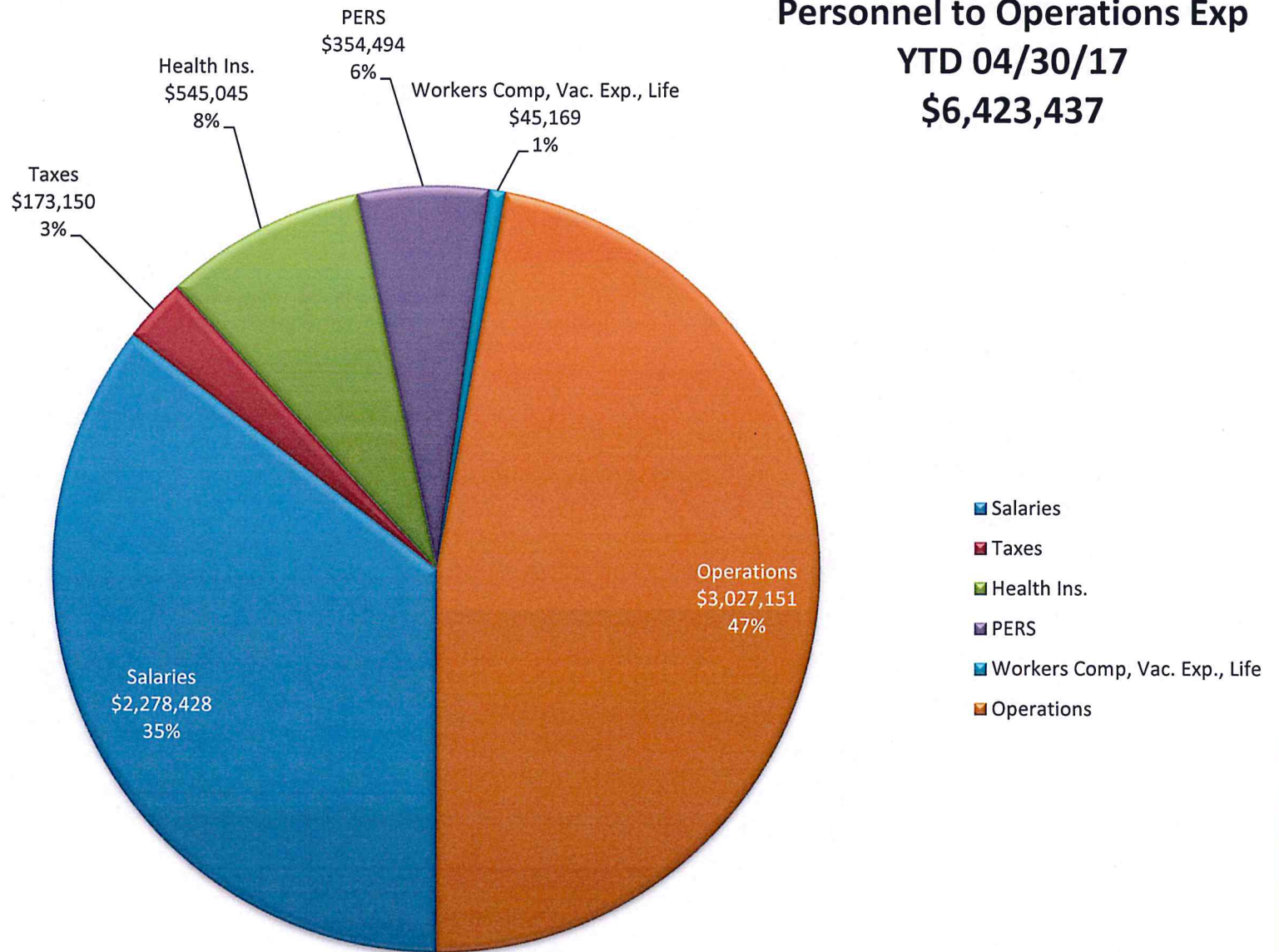
DEPARTMENTAL - BUDGET vs. ACTUAL



Cash Operating Expenses **YTD 04/30/17** **\$6,423,437**



Personnel to Operations Exp
YTD 04/30/17
\$6,423,437



Palmdale Water District
Profit and Loss Statement
Year-To-Year Comparison - April

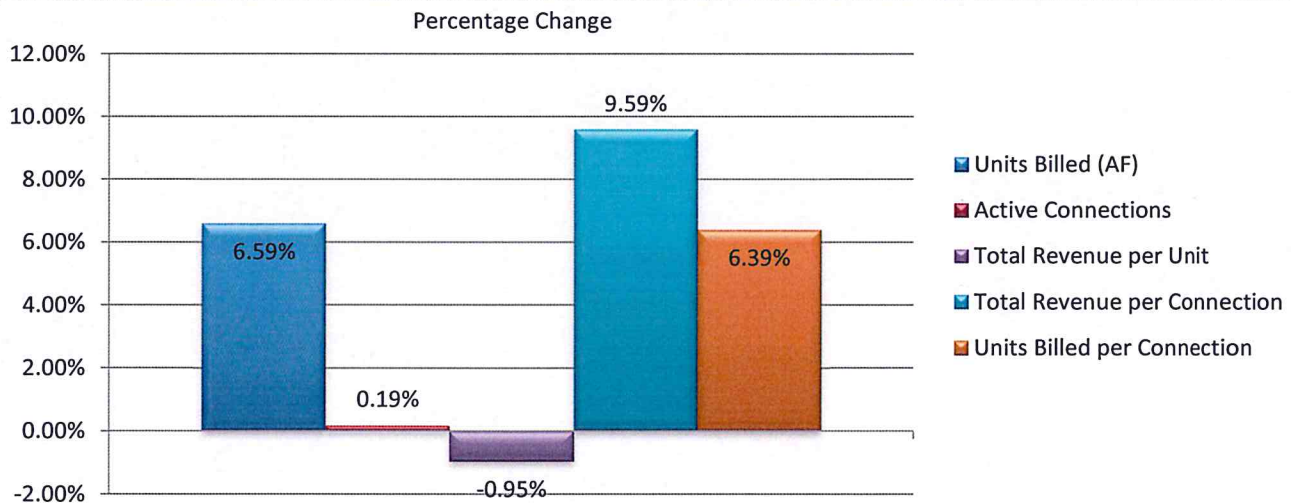
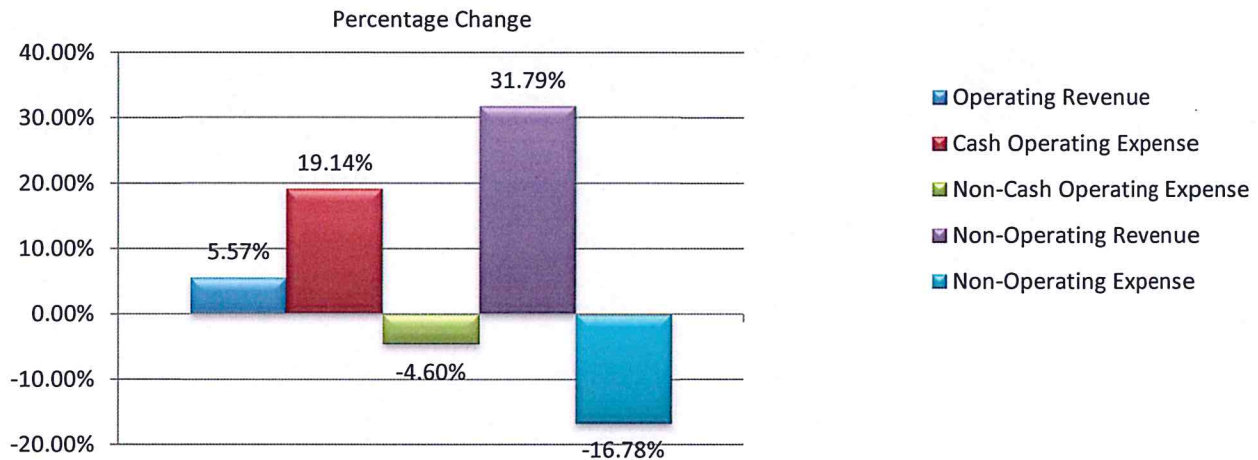
	2016	2017		%	Consumption Comparison		
	April	April	Change	Change	Units Billed	2016	2017
Operating Revenue:						473,159	504,349
Wholesale Water	\$ -	\$ 614	\$ 614		Active	26,580	26,630
Water Sales	441,908	542,525	100,616	22.77%	Vacant	824	780
Meter Fees	1,012,154	1,061,215	49,061	4.85%			
Water Quality Fees	61,511	60,522	(989)	-1.61%	Rev/unit	\$ 3.53	\$ 3.49
Elevation Fees	23,613	25,122	1,509	6.39%	Rev/con	\$ 57.91	\$ 63.46
Other	65,139	71,665	6,526	10.02%	Unit/con	17.80	18.94
Drought Surcharge	64,320	-	(64,320)	-100.00%			
Total Operating Revenue	\$ 1,668,645	\$ 1,761,663	\$ 93,018	5.57%			
Cash Operating Expenses:							
Directors	\$ 16,185	\$ 7,710	\$ (8,475)	-52.37%			
Administration-Services	108,032	154,770	46,739	43.26%			
Administration-District	75,296	93,292	17,995	23.90%			
Engineering	87,085	96,554	9,469	10.87%			
Facilities	456,639	384,353	(72,286)	-15.83%			
Operations	248,905	236,591	(12,313)	-4.95%			
Finance	91,253	91,642	389	0.43%			
Water Conservation	18,933	18,348	(585)	-3.09%			
Human Resources	33,018	20,989	(12,029)	-36.43%			
Information Technology	44,729	42,385	(2,344)	-5.24%			
Customer Care	98,635	81,064	(17,571)	-17.81%			
Source of Supply-Purchased Water	10,058	429	(9,629)	-95.73%			
Plant Expenditures	46,090	270,850	224,760	487.65%			
GAC Filter Media Replacement	-	91,409	91,409				
Total Cash Operating Expenses	\$ 1,334,856	\$ 1,590,386	\$ 255,530	19.14%			
Non-Cash Operating Expenses:							
Depreciation	\$ 483,686	\$ 503,187	\$ 19,501	4.03%			
OPEB Accrual Expense	195,860	182,900	(12,961)	-6.62%			
Bad Debts	4,838	182	(4,657)	-96.24%			
Service Costs Construction	1,881	4,507	2,626	139.59%			
Capitalized Construction	-	(36,071)	(36,071)				
Total Non-Cash Operating Expenses	\$ 686,266	\$ 654,704	\$ (31,562)	-4.60%			
Net Operating Profit/(Loss)	\$ (352,477)	\$ (483,427)	\$ (130,950)	37.15%			
Non-Operating Revenues:							
Assessments (Debt Service)	\$ 446,708	\$ 440,417	\$ (6,292)	-1.41%			
Assessments (1%)	144,958	147,770	2,812	1.94%			
DWR Fixed Charge Recovery	98,537	76,319	(22,218)	-22.55%			
Interest	5,148	9,118	3,970	77.13%			
CIF - Infrastructure	-	41,701	41,701				
CIF - Water Supply	-	178,810	178,810				
Grants - State and Federal	-	-	-				
Other	(202)	22,019	22,220				
Total Non-Operating Revenues	\$ 695,150	\$ 916,153	\$ 221,003	31.79%			
Non-Operating Expenses:							
Interest on Long-Term Debt	\$ 186,292	\$ 180,607	\$ (5,684)	-3.05%			
Amortization of SWP	196,897	216,735	19,838	10.08%			
Change in Investments in PRWA	100,291	-	(100,291)	-100.00%			
Water Conservation Programs	3,800	8,193	4,393	115.61%			
Total Non-Operating Expenses	\$ 487,280	\$ 405,535	\$ (81,745)	-16.78%			
Net Earnings	\$ (144,607)	\$ 27,190	\$ 171,798	-118.80%			

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

	2015 April	2017 April	Change	% Change	Consumption Comparison		
					Units Billed	2015	2017
Operating Revenue:						526,778	504,349
Wholesale Water	\$ -	\$ 614	\$ 614		Active	26,482	26,630
Water Sales	498,255	542,525	44,269	8.88%	Vacant	895	780
Meter Fees	969,957	1,061,215	91,258	9.41%			
Water Quality Fees	73,609	60,522	(13,088)	-17.78%	Rev/unit	\$ 3.30	\$ 3.49
Elevation Fees	30,976	25,122	(5,853)	-18.90%	Rev/con	\$ 59.39	\$ 63.46
Other	164,378	71,665	(92,713)	-56.40%	Unit/con	19.89	18.94
Drought Surcharge	-	-	-				
Total Operating Revenue	\$ 1,737,176	\$ 1,761,663	\$ 24,487	1.41%			
Cash Operating Expenses:							
Directors	\$ 12,737	\$ 7,710	\$ (5,028)	-39.47%			
Administration-Services	188,312	154,770	59,750	31.73%			
Administration-District	-	93,292					
Engineering	91,975	96,554	4,579	4.98%			
Facilities	258,868	384,353	125,486	48.47%			
Operations	140,717	236,591	95,875	68.13%			
Finance	76,750	91,642	14,892	19.40%			
Water Conservation	19,716	18,348	(1,368)	-6.94%			
Human Resources	19,363	20,989	1,627	8.40%			
Information Technology	43,147	42,385	(763)	-1.77%			
Customer Care	107,972	81,064	(26,908)	-24.92%			
Source of Supply-Purchased Water	(26,005)	429	26,434	-101.65%			
Plant Expenditures	59,313	270,850	211,538	356.65%			
GAC Filter Media Replacement	-	91,409	91,409				
Total Cash Operating Expenses	\$ 992,864	\$ 1,590,386	\$ 597,522	60.18%			
Non-Cash Operating Expenses:							
Depreciation	\$ 536,292	\$ 503,187	\$ (33,104)	-6.17%			
OPEB Accrual Expense	183,580	182,900	(681)	-0.37%			
Bad Debts	278	182	(96)	-34.52%			
Service Costs Construction	14,939	4,507	(10,432)	-69.83%			
Capitalized Construction	(122,794)	(36,071)	86,723	-70.62%			
Total Non-Cash Operating Expenses	\$ 612,294	\$ 654,704	\$ 42,410	6.93%			
Net Operating Profit/(Loss)	\$ 132,018	\$ (483,427)	\$ (615,445)	-466.18%			
Non-Operating Revenues:							
Assessments (Debt Service)	\$ 446,500	\$ 440,417	\$ (6,083)	-1.36%			
Assessments (1%)	141,000	147,770	6,770	4.80%			
DWR Fixed Charge Recovery	65,731	76,319	10,588	16.11%			
Interest	4,556	9,118	4,562	100.14%			
CIF - Infrastructure	17,754	41,701	23,947	134.88%			
CIF - Water Supply	-	178,810					
Grants - State and Federal	-	-	-				
Other	4,259	22,019	17,760	417.02%			
Total Non-Operating Revenues	\$ 679,800	\$ 916,153	\$ 57,544	8.46%			
Non-Operating Expenses:							
Interest on Long-Term Debt	\$ 189,396	\$ 180,607	\$ (8,789)	-4.64%			
Amortization of SWP	172,877	216,735	43,858	25.37%			
Change in Investments in PRWA	-	-	-				
Water Conservation Programs	8,781	8,193	(588)	-6.70%			
Total Non-Operating Expenses	\$ 371,054	\$ 405,535	\$ 34,482	9.29%			
Net Earnings	\$ 440,764	\$ 27,190	\$ (592,383)	-134.40%			

YEAR-TO-YEAR COMPARISON

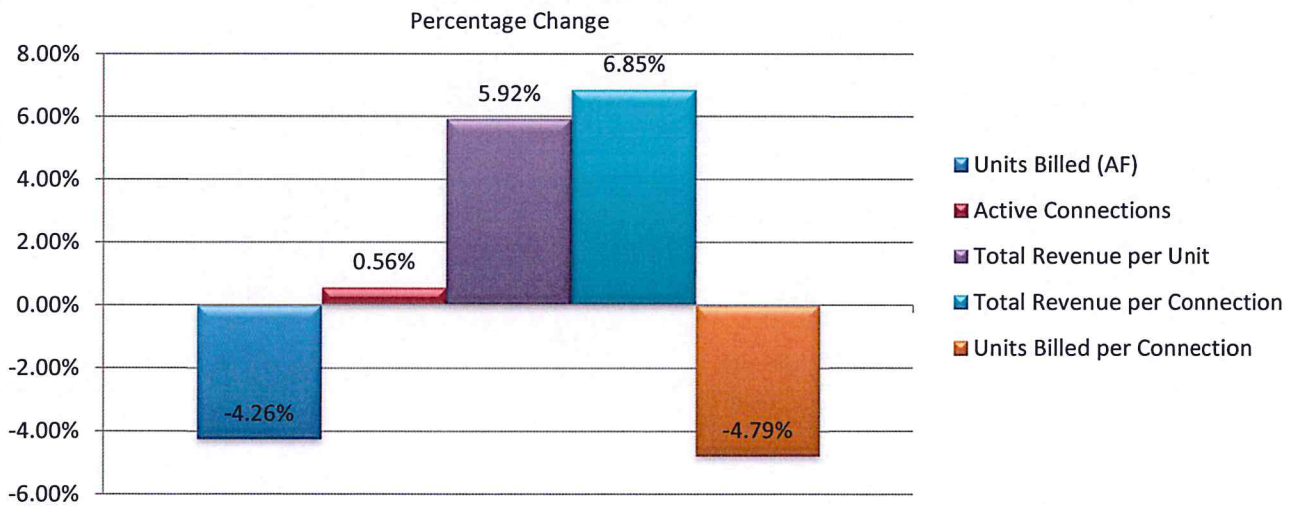
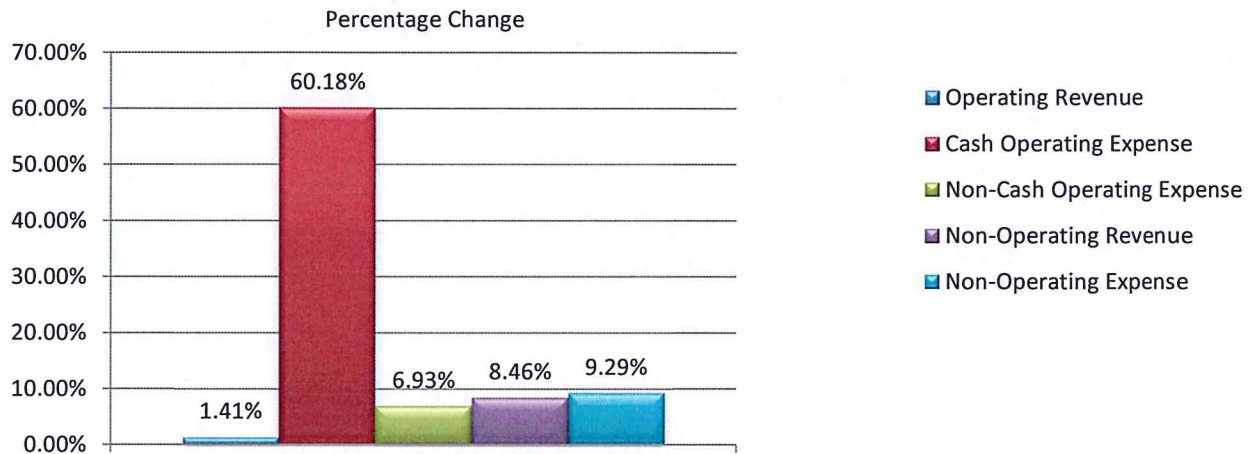
April 2016 -To - April 2017



	2016	2017	Change	
Units Billed (AF)	1,086	1,158	72	6.59%
Active Connections	26,580	26,630	50	0.19%
Non-Active	824	780	-44	-5.34%
Total Revenue per Unit	\$3.53	\$3.49	-\$0.03	-0.95%
Total Revenue per Connection	\$57.91	\$63.46	\$5.55	9.59%
Units Billed per Connection	17.80	18.94	1.14	6.39%

YEAR-TO-YEAR COMPARISON

April 2015 -To - April 2017



	2015	2017	Change	
Units Billed (AF)	1,209	1,158	-51	-4.26%
Active Connections	26,482	26,630	148	0.56%
Non-Active	895	780	-115	-12.85%
Total Revenue per Unit	\$3.30	\$3.49	\$0.20	5.92%
Total Revenue per Connection	\$59.39	\$63.46	\$4.07	6.85%
Units Billed per Connection	19.89	18.94	-0.95	-4.79%

Palmdale Water District
Revenue Analysis
For the Four Months Ending 4/30/2017
2017

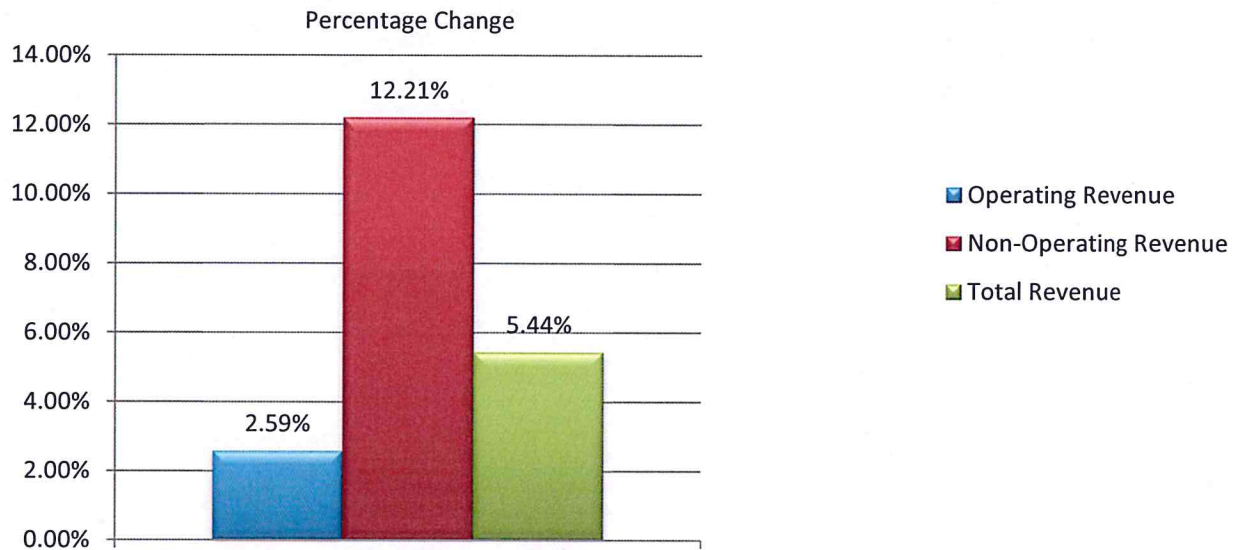
2016 to 2017 Comparison

	Thru March	April	Year-to-Date	Adjusted Budget	% of Budget	April	Year-to-Date	% Change
Operating Revenue:								
Wholesale Water	\$ 6,494	\$ 614	\$ 7,108	\$ 160,000	4.44%	\$ 614	\$ (17,301)	-70.88%
Water Sales	1,024,090	542,525	1,566,615	8,002,000	19.58%	100,616	102,218	6.98%
Meter Fees	3,169,844	1,061,215	4,231,059	12,475,500	33.91%	49,061	176,969	4.37%
Water Quality Fees	115,778	60,522	176,299	862,500	20.44%	(989)	(21,069)	-10.67%
Elevation Fees	41,993	25,122	67,116	340,000	19.74%	1,509	(5,535)	-7.62%
Other	203,372	71,665	275,037	960,000	28.65%	6,526	29,507	12.02%
Drought Surcharge	66,168	-	66,168	-		(64,320)	(104,128)	-61.15%
Total Water Sales	\$ 4,627,739	\$ 1,761,663	\$ 6,389,402	\$ 22,800,000	28.02%	\$ 93,018	\$ 160,661	2.59%
Non-Operating Revenues:								
Assessments (Debt Service)	\$ 1,321,250	\$ 440,417	\$ 1,761,667	\$ 5,000,000	35.23%	\$ (6,292)	\$ (25,167)	-1.41%
Assessments (1%)	445,147	147,770	592,917	1,957,500	30.29%	2,812	13,083	2.26%
DWR Fixed Charge Recovery	-	76,319	76,319	200,000	38.16%	(22,218)	(22,218)	
Interest	12,446	9,118	21,564	60,000	35.94%	3,970	(3,398)	-13.61%
CIF - Infrastructure	58,697	41,701	100,398	73,000	137.53%	41,701	100,398	
CIF - Water Supply	133,286	178,810	312,095	177,000	176.32%	178,810	312,095	
Grants - State and Federal	-	-	-	178,000	0.00%	-	-	
Other	46,871	22,019	68,890	60,000	114.82%	22,220	(55,649)	-44.68%
Total Non-Operating Revenues	\$ 2,017,696	\$ 916,153	\$ 2,933,849	\$ 7,705,500	38.07%	\$ 221,003	\$ 319,145	12.21%
Total Revenue	\$ 6,645,435	\$ 2,677,816	\$ 9,323,251	\$ 30,505,500	30.56%	\$ 314,021	\$ 479,806	5.44%

	2016					
	Thru March	April	Year-to-Date	Adjusted Budget	% of Budget	
Operating Revenue:						
Wholesale Water	\$ 24,409	\$ -	\$ 24,409	\$ 160,000	15.26%	
Water Sales	1,022,489	441,908	1,464,397	7,242,000	20.22%	
Meter Fees	3,041,936	1,012,154	4,054,090	12,079,000	33.56%	
Water Quality Fees	135,858	61,511	197,368	934,500	21.12%	
Elevation Fees	49,037	23,613	72,650	400,000	18.16%	
Other	180,391	65,139	245,530	860,000	28.55%	
Drought Surcharge	105,976	64,320	170,296	-		
Total Water Sales	\$ 4,535,687	\$ 1,668,645	\$ 6,204,332	\$ 21,515,500	28.84%	
Non-Operating Revenues:						
Assessments (Debt Service)	\$ 1,340,125	\$ 446,708	\$ 1,786,833	\$ 4,670,000	38.26%	
Assessments (1%)	434,875	144,958	579,833	2,025,000	28.63%	
DWR Fixed Charge Recovery	-	98,537	98,537	200,000	49.27%	
Interest	19,814	5,148	24,962	35,000	71.32%	
CIF - Infrastructure	-	-	-	50,000	0.00%	
CIF - Water Supply	-	-	-	-		
Grants - State and Federal	-	-	-	485,000	0.00%	
Other	124,741	(202)	124,539	120,000	103.78%	
Total Non-Operating Revenues	\$ 1,919,555	\$ 695,150	\$ 2,614,704	\$ 7,585,000	34.47%	
Total Revenue	\$ 6,455,242	\$ 2,363,795	\$ 8,819,036	\$ 29,100,500	30.31%	

REVENUE COMPARISON YEAR-TO-DATE

April 2016-To- April 2017



**Palmdale Water District
Operating Expense Analysis
For the Four Months Ending 4/30/2017
2017**

2016 to 2017 Comparison

	Thru March	April	Year-to-Date	Adjusted Budget	% of Budget	April	Year-to-Date	% Change
Cash Operating Expenses:								
Directors	\$ 25,909	\$ 7,710	\$ 33,618	\$ 115,500	29.11%	\$ (8,475)	\$ (20,202)	-37.54%
Administration-Services	437,971	154,770	592,741	1,943,000	30.51%	46,739	111,760	23.24%
Administration-District	308,880	93,292	402,171	1,509,500	26.64%	17,995	(78,445)	-16.32%
Engineering	367,293	96,554	463,847	1,451,500	31.96%	9,469	78,878	20.49%
Facilities	1,348,865	384,353	1,733,218	6,626,000	26.16%	(72,286)	(493,987)	-22.18%
Operations	698,252	236,591	934,843	2,546,250	36.71%	(12,313)	161,853	20.94%
Finance	313,266	91,642	404,908	1,246,500	32.48%	389	6,359	1.60%
Water Conservation	51,544	18,348	69,891	228,000	30.65%	(585)	(19,802)	-22.08%
Human Resources	77,466	20,989	98,456	297,100	33.14%	(12,029)	(46,888)	-32.26%
Information Technology	173,343	42,385	215,728	804,750	26.81%	(2,344)	(16,791)	-7.22%
Customer Care	301,412	81,064	382,476	1,278,000	29.93%	(17,571)	(64,677)	-14.46%
Source of Supply-Purchased Water	403,074	429	403,503	2,190,000	18.42%	(9,629)	169,624	72.53%
Plant Expenditures	156,299	270,850	427,149	574,292	74.38%	224,760	272,983	177.07%
GAC Filter Media Replacement	169,477	91,409	260,886	862,500	30.25%	91,409	(260,178)	-49.93%
Total Cash Operating Expenses	\$ 4,833,051	\$ 1,590,386	\$ 6,423,437	\$ 21,672,892	29.64%	\$ 255,530	\$ (199,514)	-3.11%
Non-Cash Operating Expenses:								
Depreciation	\$ 1,370,396	\$ 503,187	\$ 1,873,584	\$ 6,000,000	31.23%	\$ 19,501	\$ (75,389)	-3.87%
OPEB Accrual Expense	548,699	182,900	731,598	2,350,000	31.13%	(12,961)	(51,843)	-6.62%
Bad Debts	49,292	182	49,474	50,000	98.95%	(4,657)	22,492	83.36%
Service Costs Construction	61,021	4,507	65,528	125,000	52.42%	2,626	41,061	167.82%
Capitalized Construction	(131,318)	(36,071)	(167,389)	(750,000)	22.32%	(36,071)	44,785	-21.11%
Total Non-Cash Operating Expenses	\$ 1,898,090	\$ 654,704	\$ 2,552,795	\$ 7,775,000	32.83%	\$ (31,562)	\$ (18,893)	-0.74%
Non-Operating Expenses:								
Interest on Long-Term Debt	\$ 546,325	\$ 180,607	\$ 726,932	\$ 2,228,000	32.63%	\$ (5,684)	\$ (18,827)	-2.52%
Amortization of SWP	650,205	216,735	866,940	2,238,000	38.74%	19,838	79,358	10.08%
Change in Investments in PRWA	100,002	-	100,002	100,000	100.00%	(100,291)	(3,792)	-3.65%
Water Conservation Programs	21,896	8,193	30,089	135,500	22.21%	4,393	23,480	355.27%
Total Non-Operating Expenses	\$ 1,318,428	\$ 405,535	\$ 1,723,963	\$ 4,701,500	36.67%	\$ (81,745)	\$ 80,218	4.88%
Total Expenses	\$ 8,049,569	\$ 2,650,626	\$ 10,700,195	\$ 34,149,392	31.33%	\$ 142,224	\$ (138,189)	-1.27%

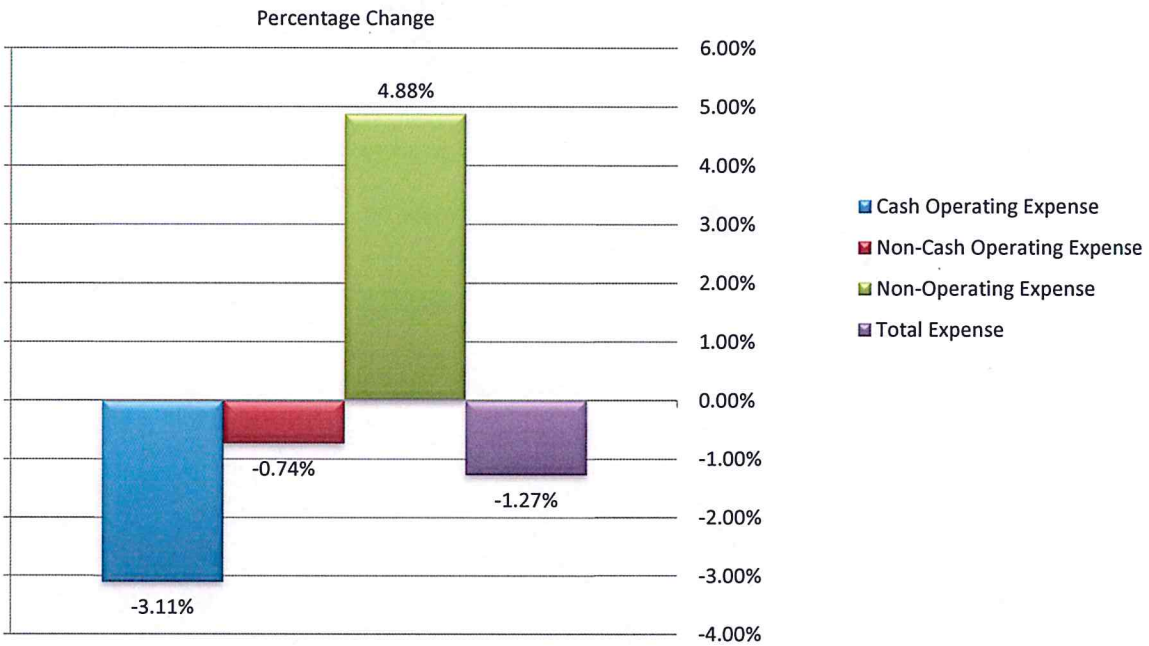
**Palmdale Water District
Operating Expense Analysis
For the Four Months Ending 4/30/2017**

2016 to 2017 Comparison

	Thru March	April	Year-to-Date	Adjusted Budget	% of Budget
Cash Operating Expenses:					
Directors	\$ 37,635	\$ 16,185	\$ 53,820	\$ 145,750	36.93%
Administration-Services	372,949	108,032	480,981	1,588,750	30.27%
Administration-District	405,320	75,296	480,616	1,612,750	29.80%
Engineering	297,884	87,085	384,969	1,279,250	30.09%
Facilities	1,770,566	456,639	2,227,205	6,513,750	34.19%
Operations	524,086	248,905	772,990	2,449,250	31.56%
Finance	307,297	91,253	398,549	1,168,250	34.12%
Water Conservation	70,761	18,933	89,693	239,250	37.49%
Human Resources	112,325	33,018	145,343	420,350	34.58%
Information Technology	187,791	44,729	232,519	867,750	26.80%
Customer Care	348,519	98,635	447,153	1,386,750	32.24%
Source of Supply-Purchased Water	223,821	10,058	233,879	1,725,000	13.56%
Plant Expenditures	108,077	46,090	154,167	-	
GAC Filter Media Replacement	521,064	-	521,064	934,500	55.76%
Total Cash Operating Expenses	\$ 5,288,095	\$ 1,334,856	\$ 6,622,951	\$ 20,331,350	32.58%
Non-Cash Operating Expenses:					
Depreciation	\$ 1,465,287	\$ 483,686	\$ 1,948,973	\$ 7,200,000	27.07%
OPEB Accrual Expense	587,581	195,860	783,441	2,250,000	34.82%
Bad Debts	22,144	4,838	26,982	50,000	53.96%
Service Costs Construction	22,586	1,881	24,467	125,000	19.57%
Capitalized Construction	(212,175)	-	(212,175)	(1,000,000)	21.22%
Total Non-Cash Operating Expenses	\$ 1,885,422	\$ 686,266	\$ 2,571,688	\$ 8,625,000	29.82%
Non-Operating Expenses:					
Interest on Long-Term Debt	\$ 559,468	\$ 186,292	\$ 745,760	\$ 2,228,000	33.47%
Amortization of SWP	590,685	196,897	787,582	2,238,000	35.19%
Change in Investments in PRWA	3,503	100,291	103,794	-	
Water Conservation Programs	2,809	3,800	6,609	126,500	5.22%
Total Non-Operating Expenses	\$ 1,156,465	\$ 487,280	\$ 1,643,745	\$ 4,592,500	35.79%
Total Expenses	\$ 8,329,982	\$ 2,508,402	\$ 10,838,384	\$ 33,548,850	32.31%

EXPENSE COMPARISON YEAR-TO-DATE

April 2016-To-April 2017



Palmdale Water District
2016 Directors Budget
For the Four Months Ending Sunday, April 30, 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	1,469	5,500		4,031	26.71%
Subtotal (Benefits)	1,469	5,500	-	4,031	26.71%
Total Personnel Expenses	<u>\$ 1,469</u>	<u>\$ 5,500</u>	<u>\$ -</u>	<u>\$ 4,031</u>	<u>26.71%</u>
OPERATING EXPENSES:					
1-01-xxxx-007 Director Share - Alvarado, Robert	\$ 7,422	\$ 22,000		\$ 14,578	33.74%
1-01-xxxx-008 Director Share - Mac Laren, Kathy	6,383	22,000		15,618	29.01%
1-01-xxxx-009 Director Share - Estes, Joe	5,955	22,000		16,045	27.07%
1-01-xxxx-010 Director Share - Dino, Vincent	6,516	22,000		15,484	29.62%
1-01-xxxx-011 Director Share - Henriquez, Marco	5,874	22,000		16,126	26.70%
Subtotal Operating Expenses	32,150	110,000	-	16,126	29.23%
Total O & M Expenses	<u>\$ 33,618</u>	<u>\$ 115,500</u>	<u>\$ -</u>	<u>\$ 20,157</u>	<u>29.11%</u>

Palmdale Water District
2016 Administration Services Budget
For the Four Months Ending Sunday, April 30, 2017

	YTD ACTUAL 2017	ORIGINAL BUDGET 2017	ADJUSTMENTS 2017	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-02-4000-000 Salaries*	\$ 347,588	\$ 1,220,500	\$ (16,000)	\$ 856,912	28.86%
1-02-4000-100 Overtime	2,922	8,500		5,578	34.38%
Subtotal (Salaries)	\$ 350,510	\$ 1,229,000	\$ (16,000)	\$ 862,490	28.90%
Employee Benefits					
1-02-4005-000 Payroll Taxes	\$ 26,277	\$ 87,000		60,723	30.20%
1-02-4010-000 Health Insurance	52,489	171,000		118,511	30.70%
1-02-4015-000 PERS	34,869	145,000		110,131	24.05%
Subtotal (Benefits)	\$ 113,635	\$ 403,000	\$ -	\$ 289,365	28.20%
Total Personnel Expenses	\$ 464,145	\$ 1,632,000	\$ (16,000)	\$ 1,151,855	28.72%
OPERATING EXPENSES:					
1-02-4050-000 Staff Travel	\$ 5,474	\$ 14,000	\$ -	\$ 8,526	39.10%
1-02-4050-100 General Manager Travel	1,803	5,000		3,197	36.07%
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	51,844	140,000		88,156	37.03%
1-02-4150-000 Accounting Services	18,000	27,500		9,500	65.45%
1-02-4175-000 Permits	1,475	17,500		16,025	8.43%
1-02-4180-000 Postage	6,253	25,000		18,747	25.01%
1-02-4190-100 Public Relations - Publications	3,981	30,000		26,019	13.27%
1-02-4190-700 Public Relations - General*	23,730	20,000	(2,000)	(5,730)	131.83%
1-02-4200-000 Advertising	1,711	4,000		2,289	42.77%
1-02-4205-000 Office Supplies	11,620	18,000		6,380	64.56%
Subtotal Operating Expenses	\$ 128,596	\$ 311,000	\$ (2,000)	\$ 180,404	41.62%
Total Departmental Expenses	\$ 592,741	\$ 1,943,000	\$ (18,000)	\$ 1,332,259	30.79%

* Budget adjustments by General Manager per Appendix A

Palmdale Water District
2016 Administration District Wide Budget
For the Four Months Ending Sunday, April 30, 2017

	YTD ACTUAL 2017	ORIGINAL BUDGET 2017	ADJUSTMENTS 2017	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-02-5070-001 On-Call	\$ 20,714	\$ 90,000		\$ 69,286	23.02%
Subtotal (Salaries)	\$ 20,714	\$ 90,000	\$ -	\$ 69,286	23.02%
Employee Benefits					
1-02-5070-002 PERS-Unfunded Liability	\$ 144,111	\$ 472,000		327,889	30.53%
1-02-5070-003 Workers Compensation	55,209	185,000		129,791	29.84%
1-02-5070-004 Vacation Benefit Expense	(12,138)	35,000		47,138	-34.68%
1-02-5070-005 Life Insurance	2,098	7,500		5,402	27.97%
Subtotal (Benefits)	\$ 189,280	\$ 699,500	\$ -	\$ 510,220	27.06%
Total Personnel Expenses	\$ 209,994	\$ 789,500	\$ -	\$ 579,506	26.60%
OPERATING EXPENSES:					
1-02-5070-006 Other Operating	\$ 5,330	\$ 20,000		14,670	26.65%
1-02-5070-007 Consultants	23,170	70,000		46,830	33.10%
1-02-5070-008 Insurance	100,166	305,000		204,834	32.84%
1-02-5070-009 Groundwater Adjudication	33,504	50,000		16,496	67.01%
1-02-5070-010 Legal Services	24,391	150,000		125,609	16.26%
1-02-5070-011 Memberships/Subscriptions	5,616	125,000		119,384	4.49%
Subtotal Operating Expenses	\$ 192,178	\$ 720,000	\$ -	\$ 527,822	26.69%
Total Departmental Expenses	\$ 402,171	\$ 1,509,500	\$ -	\$ 1,107,329	26.64%

Palmdale Water District
2016 Engineering Budget
For the Four Months Ending Sunday, April 30, 2017

	YTD ACTUAL 2017	ORIGINAL BUDGET 2017	ADJUSTMENTS 2017	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-03-4000-000 Salaries**	\$ 303,019	\$ 983,500	\$ 45,000	\$ 725,481	29.46%
1-03-4000-100 Overtime	2,833	6,500		3,667	43.59%
Subtotal (Salaries)	\$ 305,852	\$ 990,000	\$ 45,000	\$ 729,148	30.89%
Employee Benefits					
1-03-4005-000 Payroll Taxes**	22,955	73,000	4,750	54,795	29.52%
1-03-4010-000 Health Insurance**	69,524	164,000	16,000	110,476	38.62%
1-03-4015-000 PERS**	29,818	104,500	3,000	77,682	27.74%
Subtotal (Benefits)	\$ 122,297	\$ 341,500	\$ 23,750	\$ 242,953	33.48%
Total Personnel Expenses	\$ 428,149	\$ 1,331,500	\$ 68,750	\$ 972,101	30.58%
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	588	2,500		1,912	23.52%
1-03-4250-000 General Materials & Supplies	297	11,000		10,703	2.70%
1-03-8100-100 Computer Software - Maint. & Support	27,268	60,000		32,732	45.45%
Subtotal Operating Expenses	\$ 35,698	\$ 120,000	\$ -	\$ 84,302	29.75%
Total Departmental Expenses	\$ 463,847	\$ 1,451,500	\$ 68,750	\$ 1,056,403	30.51%

** Budget adjustments by Board action 04/12/17

Palmdale Water District
2016 Facilities Budget
For the Four Months Ending Sunday, April 30, 2017

	YTD ACTUAL 2017	ORIGINAL BUDGET 2017	ADJUSTMENTS 2017	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-04-4000-000 Salaries**	\$ 645,293	\$ 2,096,000	\$ (52,500)	\$ 1,398,207	31.58%
1-04-4000-100 Overtime	28,478	100,000		71,522	28.48%
Subtotal (Salaries)	\$ 673,771	\$ 2,196,000	\$ (52,500)	\$ 1,469,729	31.43%
Employee Benefits					
1-04-4005-000 Payroll Taxes**	51,863	172,000	(4,750)	115,387	31.01%
1-04-4010-000 Health Insurance**	208,590	453,500	(8,500)	236,410	46.87%
1-04-4015-000 PERS**	58,170	258,000	(3,000)	196,830	22.81%
Subtotal (Benefits)	\$ 318,623	\$ 883,500	\$ (16,250)	\$ 548,627	36.74%
Total Personnel Expenses	\$ 992,394	\$ 3,079,500	\$ (68,750)	\$ 2,018,356	32.96%
OPERATING EXPENSES:					
1-04-4050-000 Staff Travel	\$ 988	\$ 3,000		\$ 2,012	32.94%
1-04-4060-000 Staff Conferences & Seminars	-	3,000		3,000	0.00%
1-04-4155-000 Contracted Services	73,089	491,500		418,411	14.87%
1-04-4175-000 Permits-Dams	-	25,000		25,000	0.00%
1-04-4215-100 Natural Gas - Wells & Boosters	39,604	225,000		185,396	17.60%
1-04-4215-200 Natural Gas - Buildings	3,716	9,000		5,284	41.29%
1-04-4220-100 Electricity - Wells & Boosters	276,918	1,320,000		1,043,082	20.98%
1-04-4220-200 Electricity - Buildings	17,924	88,000		70,076	20.37%
1-04-4225-000 Maint. & Repair - Vehicles	13,012	35,000		21,988	37.18%
1-04-4230-100 Maint. & Rep. Office Building	5,467	25,000		19,533	21.87%
1-04-4235-110 Maint. & Rep. Equipment	5,388	6,500		1,112	82.89%
1-04-4235-400 Maint. & Rep. Operations - Wells	21,291	100,000		78,709	21.29%
1-04-4235-405 Maint. & Rep. Operations - Boosters	22,020	80,000		57,980	27.53%
1-04-4235-410 Maint. & Rep. Operations - Shop Bldgs	5,825	10,000		4,175	58.25%
1-04-4235-415 Maint. & Rep. Operations - Facilities	8,162	15,000		6,838	54.41%
1-04-4235-420 Maint. & Rep. Operations - Water Lines	76,451	250,000		173,549	30.58%
1-04-4235-425 Maint. & Rep. Operations - Littlerock Dam	1,288	15,000		13,712	8.59%
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	8,041	20,000		11,959	40.21%
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	15,327	45,000		29,673	34.06%
1-04-4235-460 Maint. & Rep. Operations - Storage Reservoirs	-	5,000		5,000	0.00%
1-04-4235-470 Maint. & Rep. Operations - Meters Exchanges	44,834	250,000		205,166	17.93%
1-04-4270-300 Telecommunication - Other	1,829	4,000		2,171	45.73%
1-04-4300-100 Testing - Regulatory Compliance	-	20,000		20,000	0.00%
1-04-4300-200 Testing - Large Meters	3,765	12,500		8,735	30.12%
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	3,803	20,000		16,197	19.02%
1-04-6100-100 Fuel and Lube - Vehicle	25,993	105,000		79,007	24.76%
1-04-6100-200 Fuel and Lube - Machinery	4,643	40,000		35,357	11.61%
1-04-6200-000 Uniforms	6,833	28,000		21,167	24.40%
1-04-6300-100 Supplies - General	13,620	47,500		33,880	28.67%
1-04-6300-200 Supplies - Hypo Generators	3,077	7,500		4,423	41.03%
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	5,453	40,000		34,547	13.63%
1-04-6400-000 Tools	7,311	25,000		17,689	29.24%
1-04-7000-100 Leases -Equipment	12,517	15,000		2,483	83.45%
1-04-7000-100 Leases -Vehicles	9,850.24	38,000		28,150	25.92%
Subtotal Operating Expenses	\$ 740,825	\$ 3,544,000	\$ -	\$ 2,803,175	20.90%
Total Departmental Expenses	\$ 1,733,218	\$ 6,623,500	\$ (68,750)	\$ 4,821,532	26.44%

** Budget adjustments by Board action 04/12/17

Palmdale Water District
2016 Operation Budget
For the Four Months Ending Sunday, April 30, 2017

	YTD ACTUAL 2017	ORIGINAL BUDGET 2017	ADJUSTMENTS 2017	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-05-4000-000 Salaries	\$ 298,019	\$ 920,000		\$ 621,981	32.39%
1-05-4000-100 Overtime	23,577	56,000		32,423	42.10%
Subtotal (Salaries)	\$ 321,597	\$ 976,000	\$ -	\$ 654,403	32.95%
Employee Benefits					
1-05-4005-000 Payroll Taxes	24,766	67,000		42,234	36.96%
1-05-4010-000 Health Insurance	68,511	144,250		75,739	47.49%
1-05-4015-000 PERS	28,708	111,000		82,292	25.86%
Subtotal (Benefits)	\$ 121,984	\$ 322,250	\$ -	\$ 200,266	37.85%
Total Personnel Expenses	\$ 443,581	\$ 1,298,250	\$ -	\$ 854,669	34.17%
OPERATING EXPENSES:					
1-05-4050-000 Staff Travel	\$ 1,216	\$ 2,500		\$ 1,284	48.65%
1-05-4060-000 Staff Conferences & Seminars	1,210.00	2,500		1,290	48.40%
1-05-4155-000 Contracted Services	34,714	88,000		53,286	39.45%
1-05-4175-000 Permits	4,571	40,000		35,429	11.43%
1-05-4215-200 Natural Gas - WTP	652	3,000		2,348	21.74%
1-05-4220-200 Electricity - WTP	64,637	125,000		60,363	51.71%
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	55,547	65,000		9,453	85.46%
1-05-4235-450 Maint. & Rep. Operations - Hypo Generator	11,630	65,000		53,370	17.89%
1-05-4235-500 Maint. & Rep. Operations - Wind Turbine	70,237	30,000		(40,237)	234.12%
1-05-4236-000 Palmdale Lake Management	12,388	40,000		27,612	30.97%
1-05-6000-000 Waste Disposal	1,168	20,000		18,832	5.84%
1-05-6200-000 Uniforms	4,147	16,000		11,853	25.92%
1-05-6300-100 Supplies - General	4,789	15,000		10,211	31.92%
1-05-6300-600 Supplies - Lab	25,276	50,000		24,724	50.55%
1-05-6300-700 Outside Lab Work	16,095	60,000		43,905	26.83%
1-05-6400-000 Tools	2,711	6,500		3,789	41.71%
1-05-6500-000 Chemicals	161,440	560,000		398,560	28.83%
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	\$ 491,262	\$ 1,248,000	\$ -	\$ 756,738	39.36%
Total Departmental Expenses	\$ 934,843	\$ 2,546,250	\$ -	\$ 1,611,407	36.71%

Palmdale Water District
2016 Finance Budget
For the Four Months Ending Sunday, April 30, 2017

	YTD ACTUAL 2017	ORIGINAL BUDGET 2017	ADJUSTMENTS 2017	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-06-4000-000 Salaries	\$ 219,228	\$ 683,500		\$ 464,272	32.07%
1-06-4000-100 Overtime	251	4,000		3,749	6.27%
Subtotal (Salaries)	\$ 219,479	\$ 687,500	\$ -	\$ 468,021	31.92%
Employee Benefits					
1-06-4005-000 Payroll Taxes	16,453	53,000		36,547	31.04%
1-06-4010-000 Health Insurance	34,755	88,500		53,745	39.27%
1-06-4015-000 PERS	22,094	87,000		64,906	25.40%
Subtotal (Benefits)	\$ 73,302	\$ 228,500	\$ -	\$ 155,198	32.08%
Total Personnel Expenses	\$ 292,781	\$ 916,000	\$ -	\$ 623,219	31.96%
OPERATING EXPENSES:					
1-06-4155-000 Contracted Services	\$ 5,150	\$ 6,000		\$ 850	85.83%
1-06-4155-100 Contracted Services - Infosend	90,001	280,000		189,999	32.14%
1-06-4165-000 Memberships/Subscriptions	220	500		280	44.00%
1-06-4230-110 Maintenance & Repair - Office Equipment	-	500		500	0.00%
1-06-4250-000 General Material & Supplies	-	3,000		3,000	0.00%
1-06-4260-000 Business Forms	-	4,000		4,000	0.00%
1-06-4270-100 Telecommunication - Office	8,902	18,000		9,098	49.45%
1-06-4270-200 Telecommunication - Cellular Stipend	6,610	15,500		8,890	42.65%
1-06-7000-100 Leases - Equipment	1,244	3,000		1,756	41.46%
Subtotal Operating Expenses	\$ 112,127	\$ 330,500	\$ -	\$ 218,373	33.93%
Total Departmental Expenses	\$ 404,908	\$ 1,246,500	\$ -	\$ 841,592	32.48%

Palmdale Water District
2016 Water Conservation Budget
For the Four Months Ending Sunday, April 30, 2017

	YTD ACTUAL 2017	ORIGINAL BUDGET 2017	ADJUSTMENTS 2017	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-07-4000-000 Salaries	\$ 42,677	\$ 144,000		\$ 101,323	29.64%
1-07-4000-100 Overtime	177	1,000		823	17.71%
Subtotal (Salaries)	\$ 42,854	\$ 145,000		\$ 102,146	29.55%
Employee Benefits					
1-07-4005-000 Payroll Taxes	3,512	11,000		7,488	31.93%
1-07-4010-000 Health Insurance	12,146	36,500		24,354	33.28%
1-07-4015-000 PERS	4,734	18,500		13,766	25.59%
Subtotal (Benefits)	\$ 20,393	\$ 66,000	\$ -	\$ 45,607	30.90%
Total Personnel Expenses	\$ 63,247	\$ 211,000	\$ -	\$ 146,930	29.97%
OPERATING EXPENSES:					
1-07-4050-000 Staff Travel	\$ 201	\$ 1,000		\$ 799	
1-07-4060-000 Staff Conferences & Seminar	75	1,500		1,425	
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*	5,304	2,500	4,000	1,196	212.16%
1-07-4190-900 Public Relations - Other*	507	5,000	(2,000)	2,493	10.14%
1-07-6300-100 Supplies - Misc.	520	5,000		4,480	10.40%
Subtotal Operating Expenses	\$ 6,644	\$ 17,000	\$ 2,000	\$ 12,356	39.09%
Total Departmental Expenses	\$ 69,891	\$ 228,000	\$ 2,000	\$ 159,286	30.65%

* Budget adjustments by General Manager per Appendix A

Palmdale Water District
2016 Human Resources Budget
For the Four Months Ending Sunday, April 30, 2017

	YTD ACTUAL 2017	ORIGINAL BUDGET 2017	ADJUSTMENTS 2017	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-08-4000-000 Salaries	\$ 38,222	\$ 122,000		\$ 83,778	31.33%
1-08-4000-200 Salaries - Intern Program*	3,164	-	16,000	12,836	19.78%
Subtotal (Salaries)	\$ 41,386	\$ 122,000	\$ 16,000	\$ 96,614	33.92%
Employee Benefits					
1-08-4005-000 Payroll Taxes	3,186	9,500		6,314	33.54%
1-08-4010-000 Health Insurance	9,840	19,500		9,660	50.46%
1-08-4015-000 PERS	2,343	8,000		5,657	29.29%
Subtotal (Benefits)	\$ 15,369	\$ 37,000	\$ -	\$ 21,631	41.54%
Total Personnel Expenses	\$ 56,756	\$ 159,000	\$ 16,000	\$ 118,244	32.43%
OPERATING EXPENSES:					
1-08-4050-000 Staff Travel	\$ 1,560	\$ 1,500		\$ (60)	104.00%
1-08-4060-000 Staff Conferences & Seminars	749	1,500		751	49.93%
1-08-4070-000 Employee Expense	14,232	50,000		35,768	28.46%
1-08-4090-000 Temporary Staffing	3,522	-		(3,522)	
1-08-4095-000 Employee Recruitment	2,570	3,000		430	85.68%
1-08-4100-000 Employee Retention	370	5,000		4,630	7.40%
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	1,077	1,600		523	67.32%
1-08-4165-100 HR/Safety Publications	-	1,000		1,000	0.00%
1-08-6300-500 Supplies - Safety	10,642	20,000		9,358	53.21%
Subtotal Operating Expenses	\$ 41,700	\$ 138,100	\$ -	\$ 96,400	30.20%
Total Departmental Expenses	\$ 98,456	\$ 297,100	\$ 16,000	\$ 214,644	31.45%

* Budget adjustments by General Manager per Appendix A

Palmdale Water District
2016 Information Technology Budget
For the Four Months Ending Sunday, April 30, 2017

	YTD ACTUAL 2017	ORIGINAL BUDGET 2017	ADJUSTMENTS 2017	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-09-4000-000 Salaries	\$ 52,035	\$ 176,000		\$ 123,965	29.57%
1-09-4000-100 Overtime	527	2,500		1,973	21.06%
Subtotal (Salaries)	\$ 52,561	\$ 178,500		\$ 125,939	29.45%
Employee Benefits					
1-09-4005-000 Payroll Taxes	3,997	18,250		14,253	21.90%
1-09-4010-000 Health Insurance	10,781	38,500		27,719	28.00%
1-09-4015-000 PERS	5,264	22,750		17,486	23.14%
Subtotal (Benefits)	\$ 20,042	\$ 79,500	\$ -	\$ 59,458	25.21%
Total Personnel Expenses	\$ 72,604	\$ 258,000	\$ -	\$ 183,423	28.14%
OPERATING EXPENSES:					
1-09-4050-000 Staff Travel	\$ 610	\$ 3,000		\$ 2,390	20.35%
1-09-4060-000 Staff Conferences & Seminars	6,433	3,500		(2,933)	183.80%
1-09-4155-000 Contracted Services	24,140	101,500		77,360	23.78%
1-09-4165-000 Memberships/Subscriptions	-	2,000		2,000	0.00%
1-09-4270-000 Telecommunications	27,092	87,250		60,158	31.05%
1-09-8000-100 Computer Equipment - Computers	18,827	45,000		26,173	41.84%
1-09-8000-200 Computer Equipment - Laptops	1,723	45,000		43,277	3.83%
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	840	2,500		1,660	33.59%
1-09-8000-600 Computer Equipment - Other	8,407	40,000		31,593	21.02%
1-09-8100-100 Computer Software - Maint. and Support	11,596	60,000		48,404	19.33%
1-09-8100-140 Computer Software - Starnik	31,674	72,000		40,326	43.99%
1-09-8100-150 Computer Software - Dynamics GP Support	8,980	60,000		51,020	14.97%
1-09-8100-200 Computer Software - Software and Upgrades	2,016	15,000		12,984	13.44%
Subtotal Operating Expenses	\$ 143,125	\$ 546,750	\$ -	\$ 403,625	26.18%
Total Departmental Expenses	\$ 215,728	\$ 804,750	\$ -	\$ 587,048	26.81%

Palmdale Water District
2016 Customer Care Budget
For the Four Months Ending Sunday, April 30, 2017

	YTD ACTUAL 2017	ORIGINAL BUDGET 2017	ADJUSTMENTS 2017	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-10-4000-000 Salaries	\$ 248,877	\$ 886,000		\$ 637,123	28.09%
1-10-4000-100 Overtime	827	10,000		9,173	8.27%
Subtotal (Salaries)	\$ 249,704	\$ 896,000	\$ -	\$ 646,296	27.87%
Employee Benefits					
1-10-4005-000 Payroll Taxes	18,673	65,500		46,827	28.51%
1-10-4010-000 Health Insurance	78,409	166,000		87,591	47.23%
1-10-4015-000 PERS	24,383	113,500		89,117	21.48%
Subtotal (Benefits)	\$ 121,464	\$ 345,000	\$ -	\$ 223,536	35.21%
Total Personnel Expenses	\$ 371,169	\$ 1,241,000	\$ -	\$ 869,832	29.91%
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	8,253	22,000		13,747	37.52%
1-10-4230-110 Maintenance & Repair-Office Equipment	-	500		500	0.00%
1-10-4250-000 General Material & Supplies	3,054	7,500		4,446	40.72%
1-10-4260-000 Business Forms	-	4,000		4,000	0.00%
Subtotal Operating Expenses	\$ 11,307	\$ 37,000	\$ -	\$ 25,693	30.56%
Total Departmental Expenses	\$ 382,476	\$ 1,278,000	\$ -	\$ 895,524	29.93%

AGENDA ITEM NO. 7.3 Updated: 6/21/2017

New and Replacement Capital Projects

[illegible]

Palmdale Water District

2017 Capital Projects - Contractual Commitments and Needs

Consulting and Engineering Support

Budget Year	Work Order	Project Title	Project Type	Estimated Expense	Consultant	Approved Contract Amount	Board / Manager Approval	Payments Approved to Date	Contract Balance	Through Dec. 2016	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2017 Total
2017	12-400	PRGRRP - CEQA, Permitting, Pre-Design, and Pilot	Water Supply		Kennedy/Jenks	\$ 1,627,000	05/12/2016	\$ 1,353,426	\$ 273,574	1,293,991		39,889		19,546	70,147	12,790	50,000	50,000	73,574				315,946
2017	16-412	Well CT Study	Regulatory		Carollo	9,700	09/14/2016	8,245	1,455	8,245						1,455							1,455
2017	04-501	Littlerock Sediment Removal Project (EIR/EIS/Permitting)	Water Supply		Aspen	869,023	09/14/2016	762,550	106,473	671,136		10,988	39,137	41,337			50,000	56,473					197,936
2017	04-501	Littlerock Sediment Removal (Cost Recovery Agreement)	Permitting		Forest Service	100,000	04/26/2017	100,000	-								100,000						100,000
2017	15-403	Water Mangement Information System Database	Record Management		DCSE	12,060	10/26/2016	12,060	-					12,060									12,060
2017	14-404	Water System Master Plan - CEQA	Facilities Planning		ESA	174,715	11/09/2016	33,646	141,069			2,230	4,323		10,571	16,523	25,000	25,000	25,000	25,000	41,069		174,715
2017	17-405	WTP Process Evaluation (As-Needed)	Regulatory		Carollo	35,000	01/11/2017	17,500	17,500						17,500	10,000	7,500						35,000
2017	04-501	Littlerock Sediment Removal Project - Design Grade Control Structure	Water Supply	\$ 350,000		-		-	-								75,000	75,000	75,000	6,750			231,750
2017		Sanitary Survey Update	Regulatory	50,000		-		-	-								10,000	10,000	10,000	10,000	10,000		50,000
2018		System Valuation Study	Financial Planning	30,000		-		-	-														-
2018		Electrical Engineering (As-Needed)	Facilities Design	10,000		-		-	-														-
2018		Energy Storage - Feasibility and Pilot Study	Savings/Efficiency	50,000		-		-	-														-
Sub-Totals:				\$ 490,000		\$ 2,827,498		\$ 2,287,427	\$ 540,071	1,973,372	-	53,107	43,460	72,943	98,218	40,768	317,500	216,473	183,574	41,750	51,069	-	1,118,862

New and Replacement Equipment

Budget Year	Work Order	Project Title	Project Type	Estimated Expense	Vendor/Supplier	Approved Contract Amount	Board / Manager Approval	Payments Approved to Date	Contract Balance	Through Dec. 2016	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2017 Total
2017	16-413	CIS Software Replacement (Holman Capital Financed)	Replacement Equip.		TruePoint	\$ 475,000	09/14/2016	\$ 347,538	\$ 127,462	50,000	78,284	48,593	42,405	39,858	44,220	94,177	50,000	77,462					475,000
2017	17-402	Security Improvements @ WTP (Holman Capital Financed) Spec. No. 1702	Safety		Siemens	225,674	02/08/2017	144,258	81,416					75,801		68,457	50,000	31,416					225,674
2017	N/A	Increased Data Storage to Support CMS and Growth (Holman Capital Financed)	New Equipment			98,000	01/26/2017	-	98,000								98,000						98,000
2017	N/A	IVR (Holman Capital Financed)	Replacement Equip.		PALITTO	16,000	01/26/2017	7,797	8,203			7,797					8,203						16,000
2017	N/A	Payment Kiosk for Customer Care Lobby (Holman Capital Financed)	Replacement Equip.		ADCOMP	21,000	01/26/2017	20,425	575			20,425											20,425
2017	N/A	LIMS - Laboratory Information Management System (Holman Capital Financed)	Replacement Equip.		Promium	40,600	02/08/2017	21,181	19,419					11,406	9,775		9,775	9,644					40,600
2018		Water Meter Calibration Bench	New Equipment	\$ 10,000		-		-	-														-
2017		Power Broom Attachment	New Equipment	9,000		-		-	-														-
2018		Online Forms	New Equipment	25,000		-		-	-														-
2018		Customer Texting / Mass Communication - Everbridge	New Equipment	30,000		-		-	-														-
2018		Conference Bridge - Shoretel	New Equipment	25,000		-		-	-														-
2018		Data Center UPS - Whole Room UPS	New Equipment	25,000		-		-	-														-
Sub-Totals:				\$ 124,000		\$ 876,274		\$ 541,200	\$ 335,074	50,000	78,284	76,815	42,405	127,066	53,995	162,634	215,978	118,522	-	-	-	-	875,699

Water Quality Fee Funded Projects

Budget Year	Work Order	Project Title	Project Type	Estimated Expense	Vendor/Supplier	Approved Contract Amount	Board / Manager Approval	Payments Approved to Date	Contract Balance	Through Dec. 2016	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2017 Total
2017	17-401	GAC Replacements @ WTP	Water Quality	\$ 570,000	Calgon Carbon	\$ 549,477	07/09/2014	\$ 169,477	\$ 380,000				169,477				190,000			190,000			549,477
2017	17-402	GAC Replacement @ Underground Booster Station	Water Quality	65,000	Evoqua	250,000	03/10/2017	182,872	67,128						91,409	91,462	67,128						250,000
2017	17-403	Filter Media Testing/Inspection	Water Quality	30,000	ERS	18,348	02/10/2017	18,348	-					18,348									18,348
2017	17-404	Replacement Lab Equipment - GCMS/Autosampler	Regulatory		Agilent	125,042	01/11/2017	125,042	-			121,780		3,262									125,042
Sub-Totals:				\$ 665,000		\$ 942,867		\$ 495,739	\$ 447,128			121,780	169,477	21,610	91,409	91,462	257,128	-	-	190,000	-	-	942,867

- = Projects that originated from 2013 WRB Funds
- = General O&M Project that will be re-classed in the near future to capital expenditure.
- = Project is now deemed complete with no further expense.

Summary (W/O GAC)			Totals	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2017 Total
Total Approved Contracts to Date	\$	6,758,813														
Total Payments on Approved Contracts to Date		4,144,524														
Total Contract Balance to Date		2,611,558														
Non-Operating Capital Expenditures (Committed)		3,368,843	246,271	578,873	287,434	343,328	212,912	291,768	860,044	313,435	98,574	325,000	41,069	-	3,368,843	
Non-Operating Capital Expenditures (Projected)		2,349,265	-	-	-	-	-	-	335,000	375,000	385,000	291,750	260,000	100,000	2,349,265	
Funding Through Series 2013A WRB (Remaining)		250,000	(22,454)	(50,877)	(39,137)	(60,884)	(100,000)	(100,000)	(25,000)						(398,353)	
Funding Through Holman Capital (Remaining)		335,074	(78,284)	(76,815)	(42,405)	(127,066)	(53,995)	(162,634)	(215,978)	(118,522)					(875,699)	
Funding Available Through Water Supply Fees		629,380					(100,000)	(100,000)	(100,000)	(127,000)					(427,000)	
Funding Through 2017 Budgeted Non-Operating Capital Ex.	\$	4,017,057	145,533	451,181	205,892	155,378	(41,083)	(70,867)	854,066	442,913	483,574	616,750	301,069	100,000	4,017,057	

Water Revenue Bond - Series 2013A

Updated: June 20, 2017

Project	Work Order	Description	Allocated Based on Bond	Contractual Commitment	Payout to Date	Grant Funds/Operating Budget	Uncommitted Bond \$
Spec. 1204	603-12	Ave. Q - Q-3, Division and Sumac	\$ 725,000	\$ 765,085	\$ 765,085	\$ -	\$ (40,085)
Spec. 1201	606-11	20th, Puerta, Sweetbriar, and 22nd St. E.	\$ 1,450,000	\$ 1,487,261	\$ 1,487,261	\$ -	\$ (37,261)
Spec. 1205	605-12	Frontier, 31st St. E., etc. between Ave. Q and Q-4	\$ 1,200,000	\$ 1,291,539	\$ 1,291,539	\$ -	\$ (91,539)
Spec. 1207	607-12	10th St. E. between Ave. P and Palmdale Blvd.	\$ 1,400,000	\$ 1,327,806	\$ 1,327,806	\$ -	\$ 72,194
LRDSR	501-04	Littlerock Sediment Removal (EIR/EIS/Permits)	\$ 975,000	\$ 869,023	\$ 762,550	\$ -	\$ 105,977
LCGRRP	400-12	Littlerock Recharge and Recovery (Feasibility)	\$ 1,500,000	\$ 769,891	\$ 769,891	\$ -	\$ 730,109
UAR	TBD	Upper Amargosa Recharge (Project Capacity)	\$ 1,250,000	\$ 1,250,000	\$ 129,215	\$ 1,153,589	\$ -
Spec. 0905	601-09	15th St. E. between Ave. P and Ave. Q (Material)	\$ -	\$ 362,984	\$ 362,984	\$ -	\$ (362,984)
PRGRRP	400-12	Palmdale Regional Recharge and Recovery (Permits)	\$ -	\$ 1,530,000	\$ 1,436,363	\$ -	\$ (1,530,000)
Totals:			\$ 8,500,000	\$ 9,653,589	\$ 8,332,694	\$ 1,153,589	\$ (1,153,589)

Requisition No.	Payee	Date Approved	Invoice No.	Project	Payment Amount
2	Issuance Costs	Jul 8, 2013	N/A	WRB	\$ 24,815.84
3	BV Construction - Progress Payment #1	Jul 9, 2013	1	Spec. 1204	\$ 98,552.53
4	JT Eng. - Design Progress Payment	Jul 17, 2013	5187	Spec. 1207	\$ 9,108.00
5	BV Construction - Progress Payment #2	Aug 5, 2013	2	Spec. 1204	\$ 145,175.44
6	BV Construction - Progress Payment #3-4	Sep 4, 2013	3 and 4	Spec. 1204	\$ 167,790.43
7	Aspen - EIR/EIS Progress Payment	Sep 30, 2013	1116.002-01	LRDSR	\$ 18,499.60
8	BV Construction - Progress Payment #5	Sep 30, 2013	5	Spec. 1204	\$ 46,862.08
9	BV Construction - Progress Payment #6	Oct 24, 2013	6	Spec. 1204	\$ 51,052.05
10	Aspen - EIR/EIS Progress Payment	Oct 24, 2013	1116.002-02	LRDSR	\$ 8,410.32
11	BV Construction - Progress Payment #7	Nov 7, 2013	7	Spec. 1204	\$ 87,960.50
12	BV Construction - Progress Payment #8	Dec 4, 2013	8	Spec. 1204	\$ 70,650.08
13	Aspen - EIR/EIS Progress Payment	Dec 4, 2013	1116.002-03	LRDSR	\$ 11,054.97
14	Kennedy/Jenks - Progress Payment	Jan 2, 2014	78236	LCGRRP	\$ 24,066.25
14	BV Construction - Progress Payment #1	Jan 2, 2014	1	Spec. 1201	\$ 29,925.00
14	BV Construction - Progress Payment #9	Jan 2, 2014	9	Spec. 1204	\$ 58,787.84
14	Aspen - EIR/EIS Progress Payment	Jan 2, 2014	1116.002-04	LRDSR	\$ 36,178.95
14	JT Eng. - Design Progress Payment	Jan 2, 2014	5200	Spec. 1207	\$ 9,518.00
15	BV Construction - Progress Payment #2 & #3	Jan 21, 2014	2 & 3	Spec. 1201	\$ 114,095.00
16	Aspen - EIR/EIS Progress Payment	Feb 24, 2014	1116.002-05	LRDSR	\$ 4,917.47
16	BV Construction - Progress Payment #4 & #5	Feb 24, 2014	4 & 5	Spec. 1201	\$ 131,743.15
17	BV Construction - Retention Payment	Mar 3, 2014	10	Spec. 1204	\$ 38,254.26
17	Kennedy/Jenks - Progress Payment	Mar 3, 2014	79010 & 80391	LCGRRP	\$ 113,652.66
18	BV Construction - Progress Payment #6	Mar 31, 2014	6	Spec. 1201	\$ 126,834.50
18	Aspen - EIR/EIS Progress Payment	Mar 31, 2014	1116.002-06 and 07	LRDSR	\$ 17,080.04
19	Kennedy/Jenks - Progress Payment	Apr 16, 2014	78236	LCGRRP	\$ 28,228.60
19	BV Construction - Progress Payment #7	Apr 16, 2014	7	Spec. 1201	\$ 252,741.80
20	BV Construction - Progress Payment #8	May 15, 2014	8	Spec. 1201	\$ 69,825.00
20	Aspen - EIR/EIS Progress Payment	May 15, 2014	1116.002-08	LRDSR	\$ 33,388.96
20	Kennedy/Jenks - Progress Payment	May 15, 2014	82422 & 80900	LCGRRP	\$ 135,858.74
21	BV Construction - Progress Payment #9	Jun 4, 2014	9	Spec. 1201	\$ 67,260.00
21	Aspen - EIR/EIS Progress Payment	Jun 4, 2014	1116.002-09	LRDSR	\$ 31,845.93
22	BV Construction - Progress Payment #10	Jun 30, 2014	10	Spec. 1201	\$ 139,498.00
23	Kennedy/Jenks - Progress Payment	Jun 30, 2014	83735	LCGRRP	\$ 30,172.21
23	Aspen - EIR/EIS Progress Payment	Jun 30, 2014	1116.002-10	LRDSR	\$ 10,672.32
24	BV Construction - Progress Payment #11	Jul 21, 2014	11	Spec. 1201	\$ 141,217.50
24	Kennedy/Jenks - Progress Payment	Jul 21, 2014	84147	LCGRRP	\$ 26,431.83
24	Aspen - EIR/EIS Progress Payment	Jul 21, 2014	1116.002-11	LRDSR	\$ 6,274.20
25	BV Construction - Progress Payment #12	Aug 19, 2014	12	Spec. 1201	\$ 84,386.60
25	Aspen - EIR/EIS Progress Payment	Aug 19, 2014	1116.002-12	LRDSR	\$ 11,115.51
26	BV Construction - Progress Payment #13	Sept 10, 2014	13	Spec. 1201	\$ 47,654.85
26	Aspen - EIR/EIS Progress Payment	Sept 10, 2014	1116.002-13	LRDSR	\$ 37,715.30
27	BV Construction - Progress Payment #14	Sept 29, 2014	14	Spec. 1201	\$ 122,741.90
27	PWD - Reimbursement	Sept 29, 2014	N/A	Spec. 0905	\$ 260,611.31
28	Cedro Construction - Progress Payment #1	Oct 14, 2014	1	Spec. 1207	\$ 310,752.41
28	City of Palmdale - Recharge Project	Oct 14, 2014	PWD-2014	UAR	\$ 38,402.47
29	Aspen - EIR/EIS Progress Payment	Oct 23, 2014	1116.002-14	LRDSR	\$ 56,223.72
29	Kennedy/Jenks - Progress Payment	Oct 23, 2014	87036	LCGRRP	\$ 80,732.32
30	BV Construction - Progress Payment #15	Nov 12, 2014	15	Spec. 1201	\$ 84,974.65
30	Aspen - Bio and Cultural Report	Nov 12, 2014	3277.001-01	Spec. 1205	\$ 10,608.08
30	Cedro Construction - Progress Payment #2	Nov 12, 2014	2	Spec. 1207	\$ 195,802.84
31	ANM Construction - Paving	Nov 17, 2014	011115-1	Spec. 0905	\$ 102,373.00
32	Aspen - Bio and Cultural Report	Nov 26, 2014	3277.001-02	Spec. 1205	\$ 1,147.81
32	Aspen - EIR/EIS Progress Payment	Nov 26, 2014	1116.002-15	LRDSR	\$ 76,161.79
33	Kennedy/Jenks - Progress Payment	Dec 29, 2014	88741	LCGRRP	\$ 71,831.14
33	BV Construction - Progress Payment #16 (Retention)	Dec 29, 2014	16 - Retention	Spec. 1201	\$ 74,363.05
33	Aspen - EIR/EIS Progress Payment	Dec 29, 2014	1116.002-16	LRDSR	\$ 6,136.99
34	Cedro Construction - Progress Payment #3	Jan 7, 2015	3	Spec. 1207	\$ 294,189.21
35	BV Construction - Progress Payment #1	Jan 26, 2015	1	Spec. 1205	\$ 152,445.08
35	Aspen - EIR/EIS Progress Payment	Jan 26, 2015	1116.002-17	LRDSR	\$ 13,105.63

Requisition No.	Payee	Date Approved	Invoice No.	Project	Payment Amount
36	Kennedy/Jenks - Progress Payment	Feb 2, 2015	89538	LCGRRP	\$ 78,066.17
37	BV Construction - Progress Payments #2 and #3	Feb 19, 2015	2 and 3	Spec. 1205	\$ 195,962.20
37	Aspen - EIR/EIS Progress Payment	Feb 19, 2015	1116.002-18	LRDSR	\$ 8,814.60
38	BV Construction - Progress Payment #4	Mar 9, 2015	4	Spec. 1205	\$ 123,500.00
38	Cedro Construction - Progress Payment #4	Mar 9, 2015	4	Spec. 1207	\$ 70,371.25
39	BV Construction - Progress Payment #5	Mar 31, 2015	5	Spec. 1205	\$ 144,210.00
39	Aspen - EIR/EIS Progress Payment	Mar 31, 2015	1116.002-19	LRDSR	\$ 12,057.52
39	Kennedy/Jenks - Progress Payment	Mar 31, 2015	90983	LCGRRP	\$ 134,407.47
40	Cedro Construction - Progress Payment #5	Apr 13, 2015	5	Spec. 1207	\$ 116,680.99
41	BV Construction - Progress Payment #6	Apr 27, 2015	6	Spec. 1205	\$ 125,003.43
41	Aspen - EIR/EIS Progress Payment	Apr 27, 2015	1116.002-20	LRDSR	\$ 7,540.62
42	Cedro Construction - Progress Payment #6	May 19, 2015	6	Spec. 1207	\$ 103,592.13
43	BV Construction - Progress Payment #7	Jun 8, 2015	7	Spec. 1205	\$ 72,296.90
43	Aspen - Native American Monitoring	Jun 8, 2015	3277.001-03	Spec. 1205	\$ 7,702.52
43	Aspen - EIR/EIS Progress Payment	Jun 8, 2015	1116.002-21	LRDSR	\$ 44,109.14
44	Aspen - EIR/EIS Progress Payment	Jun 23, 2015	1116.002-22	LRDSR	\$ 34,285.59
44	Cedro Construction - Progress Payment #7	Jun 23, 2015	7	Spec. 1207	\$ 60,299.73
45	BV Construction - Progress Payment #8	Jul 15, 2015	8	Spec. 1205	\$ 111,492.00
45	Kennedy/Jenks - Progress Payment	Jul 15, 2015	93555	LCGRRP	\$ 46,443.99
45	Kennedy/Jenks - Progress Payment	Jul 15, 2015	93556	PRGRRP	\$ 251,714.21
46	Aspen - EIR/EIS Progress Payment	Jul 21, 2015	1116.002-23	LRDSR	\$ 16,484.80
46	Aspen - Native American Monitoring	Jul 21, 2015	3277.001-04	Spec. 1205	\$ 4,152.75
46	City of Palmdale - Recharge Project	Jul 21, 2015	PWD-2015	UAR	\$ 54,977.18
47	BV Construction - Progress Payment #9	Aug 11, 2015	9	Spec. 1205	\$ 107,542.76
47	Kennedy/Jenks - Progress Payment	Aug 11, 2015	94435	PRGRRP	\$ 238,422.35
48	Aspen - EIR/EIS Progress Payment	Sept 14, 2015	1116.002-24	LRDSR	\$ 9,024.21
48	Cedro Construction - Final Payment/Retention	Sept 14, 2015	Final Retention	Spec. 1207	\$ 157,491.76
49	Aspen - EIR/EIS Progress Payment	Sept 28, 2015	1116.002-25	LRDSR	\$ 1,034.50
49	Kennedy/Jenks - Progress Payment	Sept 28, 2015	95632	PRGRRP	\$ 190,705.91
50	Aspen - Native American Monitoring	Oct. 12, 2015	3277.001-05	Spec. 1205	\$ 5,581.50
50	BV Construction - Progress Payment #10	Oct. 12, 2015	10	Spec. 1205	\$ 92,241.20
51	Aspen - Native American Monitoring	Nov. 4, 2015	3277.001-06	Spec. 1205	\$ 4,707.50
51	Kennedy/Jenks - Progress Payment	Nov. 4, 2015	96460	PRGRRP	\$ 129,704.49
52	Aspen - Native American Monitoring	Dec. 28, 2015	96461	Spec. 1205	\$ 3,013.50
52	Kennedy/Jenks - Progress Payment	Dec. 28, 2015	97775	PRGRRP	\$ 159,241.36
53	Kennedy/Jenks - Progress Payment	Jan. 21, 2016	98545	PRGRRP	\$ 67,612.54
53	Aspen - EIR/EIS Progress Payment	Jan. 21, 2016	1116.002-25 & 27	LRDSR	\$ 3,751.40
54	BV Construction - Progress Payment #11	Feb. 3, 2016	11	Spec. 1205	\$ 67,200.17
55	BV Construction - Retention Payment	Feb. 23, 2016	Retention	Spec. 1205	\$ 62,731.78
55	Kennedy/Jenks - Progress Payment	Feb. 23, 2016	99318	PRGRRP	\$ 58,537.45
56	Aspen - EIR/EIS Progress Payment	Mar. 28, 2016	1116.003-01	LRDSR	\$ 33,898.64
56	Kennedy/Jenks - Progress Payment	Mar. 28, 2016	99918	PRGRRP	\$ 57,193.72
57	Kennedy/Jenks - Progress Payment	Apr. 19, 2016	100572	PRGRRP	\$ 7,364.72
58	Aspen - EIR/EIS Progress Payment	May 23, 2016	1116.003-02	LRDSR	\$ 5,535.88
58	Kennedy/Jenks - Progress Payment	May 23, 2016	101354	PRGRRP	\$ 26,258.21
59	Aspen - EIR/EIS Progress Payment	Jun 20, 2016	1116.003-03	LRDSR	\$ 37,001.22
59	Kennedy/Jenks - Progress Payment	Jun 20, 2016	102083	PRGRRP	\$ 5,389.60
60	Aspen - EIR/EIS Progress Payment	Jul 21, 2016	1116.003-05 & 05	LRDSR	\$ 43,122.23
60	Kennedy/Jenks - Progress Payment	Jul 21, 2016	103204	PRGRRP	\$ 21,078.38
61	City of Palmdale - Recharge Project	Jul 27, 2016	PWD-2016	UAR	\$ 35,834.85
62	Aspen - EIR/EIS Progress Payment	Sept 6, 2016	1116.003-06	LRDSR	\$ 3,097.87
62	Kennedy/Jenks - Progress Payment	Sept 6, 2016	104354	PRGRRP	\$ 32,202.76
63	Kennedy/Jenks - Progress Payment	Sept 19, 2016	104792	PRGRRP	\$ 25,142.44
64	Aspen - EIR/EIS Progress Payment	Oct. 31, 2016	1116.003-07	LRDSR	\$ 4,298.50
64	Kennedy/Jenks - Progress Payment	Oct. 31, 2016	105451	PRGRRP	\$ 6,899.35
65	Aspen - EIR/EIS Progress Payment	Nov. 15, 2016	1116.003-08	LRDSR	\$ 8,375.36
65	Kennedy/Jenks - Progress Payment	Nov. 15, 2016	1116.004-01	PRGRRP	\$ 13,942.29
66	Aspen - EIR/EIS Progress Payment	Jan. 2, 2017	1116.004-02 & 03	LRDSR	\$ 19,872.98
66	Kennedy/Jenks - Progress Payment	Jan. 2, 2017	107221	PRGRRP	\$ 2,581.18
67	Aspen - EIR/EIS Progress Payment	Feb. 6, 2017	1116.004-04	LRDSR	\$ 10,988.25
68	Kennedy/Jenks - Progress Payment	Feb. 14, 2017	109065	PRGRRP	\$ 39,889.11
69	Aspen - EIR/EIS Progress Payment	Mar. 2, 2017	1116.004-05	LRDSR	\$ 39,137.36
70	Aspen - EIR/EIS Progress Payment	Apr. 5, 2017	1116.004-06	LRDSR	\$ 20,798.62
70	Kennedy/Jenks - Progress Payment	Apr. 5, 2017	110286	PRGRRP	\$ 19,546.10
71	Aspen - EIR/EIS Progress Payment	Apr. 24, 2017	1116.004-07	LRDSR	\$ 20,538.81
72	Kennedy/Jenks - Progress Payment	May 25, 2017	111972	PRGRRP	\$ 70,146.59
73	Kennedy/Jenks - Progress Payment	June 12, 2017	112500	PRGRRP	\$ 12,790.00

**PALMDALE WATER DISTRICT
BOARD MEMORANDUM**

DATE: June 21, 2017 **June 28, 2017**
TO: BOARD OF DIRECTORS **Board Meeting**
FROM: Mr. James Riley, Engineering/Grant Manager
VIA: Mr. Dennis D. LaMoreaux, General Manager
RE: ***AGENDA ITEM NO. 7.4 – CONSIDERATION AND POSSIBLE ACTION ON SUBMITTAL OF A GRANT APPLICATION TO THE ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT FOR TWO ELECTRIC CAR CHARGING STATIONS TO BE INSTALLED IN THE DISTRICT’S PUBLIC AND EMPLOYEE PARKING LOTS (\$6,520.00 – NON-BUDGETED – ENGINEERING/GRANT MANAGER, RILEY)***

Recommendation:

Staff recommends that the Board approve two electric car charging stations:

- Model CPE 1001-CMB Charging rate of 25 mile range per hour
- Model CPE 4021-GW1 Charging rate of 100 mile range per hour

Alternative Options:

The Board can take no action.

Impact of Taking No Action:

The District would lose the opportunity for grant funding

Background:

The District has a desire to be a partner in promoting energy efficiency. The installation of electric car charging stations will contribute to saving energy needs being providing by fossil fuels.

Strategic Plan Initiative:

This item is under Strategic Initiative No. 5 – Regional Leadership

Budget:

This total cost of purchasing and installing the two charging stations would be \$37,039 of which the District would pay \$6,520, which equates essentially to an 82% grant.

Supporting Documents:

- PDF presentation

Electric Vehicle Charging Stations

June 28, 2017

Grant Request

- **Antelope Valley AQMD**
 - 50% cost share
 - PWD is on their July 18th Agenda
- **Effective grant percentage for our two stations**
 - Essentially 81% due to PWD doing installation
 - Explain in next slides

EV Charging Stations

CPE101-CMB



CT4021-GW1



Comparison of Charging Units

CPE1001-CMB

- 100 miles per charging hour
- One charging port
- Cost = \$13,942 excluding installation costs
- Two types of connectors
 - Combo & CHAdeMO

CT4021-GW

- 25 miles per charging hour
- Two charging ports
- Cost = \$7,474 excluding installation costs
- Electric connector works with every car (J1772 connector)

Connector Types

SAE Combo (CCS) is compatible with

- + BMW
- + VW
- + Chevy
- + All upcoming U.S. and European cars
- + Some of the new cars from Asian manufacturers



CHAdeMO is compatible with

- + Nissan
- + Mitsubishi
- + Kia



Tesla is compatible with

- + Tesla
- Note: adapters available for J1772 and CHAdeMO



Cost Comparison

CPE1001-CMB

- Charging Unit = \$13,942
- Installation
 - Parts & Material = \$2,891
 - PWD Labor = \$6,000
- Subtotal = \$22,833

CT4021-GW

- Charging Unit = \$7,474
- Installation
 - Parts & Material = \$2,700
 - PWD Labor = \$6,000
- Subtotal = \$14,206

Total = \$37,039

Cost Sharing

CPE1001-CMB

- Subtotal = \$22,833
- Subtract
 - 50% cost share = \$11,417
 - PWD Labor = \$6,000
- PWD Out-of-Pocket = \$5,417

CT4021-GW

- Subtotal = \$14,206
- Subtract
 - 50% cost share = \$7,103
 - PWD Labor = \$6,000
- PWD Out-of-Pocket = \$1,103

Total PWD Out-of-Pocket Costs = \$6,520

Effective Cost Share Percentage

- Total Costs = \$37,039
- Cost Share & PWD In-Kind Services = \$30,519

Effective Cost Share Percentage = $\$30,519 / \$37,039 = \mathbf{82\%}$

**PALMDALE WATER DISTRICT
BOARD MEMORANDUM**

DATE: June 21, 2017 **June 28, 2017**
TO: BOARD OF DIRECTORS **Board Meeting**
FROM: Mr. Dennis D. LaMoreaux, General Manager
RE: ***AGENDA ITEM NO. 7.5 – CONSIDERATION AND POSSIBLE ACTION ON
MEMORANDUM OF UNDERSTANDING REGARDING THE PUBLIC WATER
AGENCIES GROUP EMERGENCY PREPAREDNESS COORDINATOR
POSITION. (\$23,129.00 ANNUALLY – BUDGETED – GENERAL MANAGER
LaMOREAUX)***

Recommendation:

Staff recommends that the Board approve the Memorandum of Understanding regarding the Public Water Agencies Group (PWAG) Emergency Preparedness Coordinator position in the not-to-exceed amount of \$23,129.00 annually.

Alternative Options:

The Board can choose not to approve this item.

Impact of Taking No Action:

The District will continue to have no Coordinator for its Emergency Preparedness Plan and will not be part of PWAG's emergency resource database.

Background:

The District has been a member of PWAG for many years. PWAG was formed as an information sharing forum for public agencies and also as a cost sharing tool on items of common concern. One of the areas of concern is the absence of water agency presence in county-wide emergency preparedness systems. To address this concern, PWAG formed a Committee and engaged an outside consultant to identify the most feasible alternative to address this concern with the recommendation being for PWAG's attorney to hire an employee to render emergency preparedness services.

A Memorandum of Understanding to share in the cost of the Emergency Preparedness Coordinator position has been prepared with the cost to participating agencies based on agency size. The District's annual cost for this position is \$23,129.00 per year based on the District being a large agency with over 20,000 service connections.

A PowerPoint presentation from the Public Water Agencies Group on this position, the Memorandum of Understanding, a job summary, and a cost allocation breakdown are attached.

Strategic Plan Initiative:

This item is under Strategic Initiative No. 5 – Regional Leadership.

Budget:

This project is under Budget Item No.1-02-5070-007 – Consultants.

Supporting Documents:

- PowerPoint presentation from Public Water Agencies Group
- Memorandum of Understanding Regarding Public Water Agencies Group Emergency Preparedness Coordinator Position
- Exhibit A Public Water Agencies Group Emergency Preparedness Coordinator Job Summary
- Exhibit B Public Water Agencies Group Emergency Preparedness Coordinator Cost Allocation

PUBLIC WATER AGENCIES GROUP

EMERGENCY PREPAREDNESS COORDINATOR



1

WHAT IS PWAG?

- History goes back to early 1960's
- Currently, 17 members throughout L.A. County
- Information sharing – General Manager and staff forum for common issues; website in progress
- Cost sharing on items of common concern
 - Legislative and regulatory analysis, comments and positions
 - Policy forms
 - Construction contract documents
 - State Water Board issues
 - NPDES issues



2

EMERGENCY PREPAREDNESS BACKGROUND

- No county-wide water agency to fulfill role, like MWDOC and its WEROC program in Orange County
- Absence of water agency presence in county-wide emergency preparedness systems
- Federal and state requirements; jeopardize possible emergency assistance funding if not met
- PWAG process – goes back approximately 15 years – work with L.A. County Fire Department
 - 2 years ago – renewed efforts
 - Established PWAG Emergency Preparedness Committee
 - Engaged outside consultant
 - Identified feasible alternatives



3

EMERGENCY PREPAREDNESS COORDINATOR ALTERNATIVES

1. PWAG continues to use a consultant – downside of amount and uncertainty/variability of expense
2. PWAG hires an employee – would require more formal entity to act as employer
3. A PWAG member agency hires an employee to serve as the PWAG Emergency Preparedness coordinator - increased public employee expense
4. PWAG's attorney hires an employee to render emergency preparedness services – some administrative cost, but that cost is offset by reduced benefit burden

Group decision: Alternative No. 4



4

JOB STRUCTURE

- Job Description prepared (copy provided)
- Availability to all participating PWAG members
- Manages and updates PWAG members' emergency resource database
- Coordinates participating members' emergency preparedness plans and materials
- Training – NIMS (federal) and SEMS (state)
- Interfaces and acts as liaison with county and state emergency planning officials
- Coordinates emergency preparedness drills
- Point of contact in the event of an emergency



5

COST SHARING MOU

- Memorandum of Understanding among participating agencies to memorialize cost sharing and payment process (copy provided); 13 member agencies have signaled interest in participating
- Costs allocated based on agency size
 - 0-999 Service Connections – Very Small: \$3,869 per year;
 - 1,000 to 4,999 Service Connections – Small: \$6,939 per year;
 - 5,000 to 9,999 Service Connections – Medium: \$11,565 per year;
 - 10,000 to 19,999 Service Connections – Medium-Large: \$18,503 per year;
 - Over 20,000 Service Connection – Large: \$23,129 per year
- Estimated annual cost of \$170,000 for salary, benefits and administrative costs
- Possible future reduction in per agency annual costs if added participants (see next slide)



6

FUTURE

- Involvement of large mutual water companies – possibly at the outset
- Addition of non-PWAG special districts
- Possible need for additional coordinator support



7

QUESTIONS?



8

**MEMORANDUM OF UNDERSTANDING
REGARDING PUBLIC WATER AGENCIES GROUP
EMERGENCY PREPAREDNESS COORDINATOR POSITION**

This Memorandum of Understanding regarding Public Water Agencies Group Emergency Preparedness Coordinator Position (“MOU”) is made, entered into and effective as of _____, 2017 (the “Effective Date”), by and among: Crescenta Valley Water District, Kinneloa Irrigation District, La Puente Valley County Water District, Palmdale Water District, Pico Water District, Quartz Hill Water District, Rowland Water District, San Gabriel County Water District, San Gabriel Valley Municipal Water District, South Montebello Irrigation District, Three Valleys Municipal Water District, Valley County Water District and Walnut Valley Water District (which entities may be referred to individually herein as a “Party” or collectively as the “Parties”), and Lagerlof, Senecal, Gosney & Kruse, LLP (“Legal Counsel” with respect to the following facts:

RECITALS

- A. Each Party is a member of the Public Water Agencies Group (“PWAG” or the “Group”), an informal association of 17 public agency water suppliers located in Los Angeles County, California.
- B. Over the past several years, the Group has been pursuing efforts to enhance the emergency preparedness of certain of the Parties who have elected to participate in those efforts.
- C. Based on those prior efforts, the Group has determined that a need exists to engage a dedicated emergency preparedness coordinator (the “Coordinator”), to be employed through the Legal Counsel, to render training and coordination services, as more fully described in the job description set forth in Exhibit A hereto, to the Parties and to those entities who may subsequently elect to be added as Parties to this MOU.
- D. The Parties therefore desire to set forth their respective obligations with respect to the engagement and compensation of the Coordinator, as set forth herein.

NOW, THEREFORE, the Parties agree as follows:

1. Cost Sharing Allocation. The Parties estimate that the salary, benefit burden, overhead and related administrative costs related to the engagement and compensation of the Coordinator (collectively, the “Coordinator Costs”) will be up to \$170,000.00 per year, with possible subsequent increases in salary based on step increases and/or cost of living adjustments to be approved by the Group’s Emergency Preparedness Committee (the “Committee”). Each Party shall pay its share of the Coordinator Costs, as allocated among the Parties as set forth in Exhibit B hereto, to

Legal Counsel as specified herein and Legal Counsel shall thereafter pay all costs associated with Legal Counsel's employment of the Coordinator, based on Legal Counsel's employment practices, including salary, benefits and required employer contributions. The foregoing cost allocation is based on the number of service connections each Party has, as follows:

0-999 Service Connections – Very Small;
1,000 to 4,999 Service Connections – Small;
5,000 to 9,999 Service Connections – Medium;
10,000 to 19,999 Service Connections – Medium-Large;
Over 20,000 Service Connection – Large; and
Wholesale or replenishment water providers are classified as Medium.

2. Changes to Cost Allocation. In the event that a new Party is added to this MOU, Exhibit B shall be amended accordingly to proportionately reduce the required financial contributions of each of the previously existing Parties. Any such new Parties will be responsible for their respective share beginning the month following approval of their participation in this MOU, as specified in Section 6, below. Similarly, in the event a Party withdraws from this MOU, in the manner specified in Section 7, below, then Exhibit B shall be amended accordingly to proportionately increase the required financial contributions of each of the remaining Parties.

3. Payment of Costs. The Group's Legal Counsel shall invoice each Party by e-mail on a monthly basis, in advance, for that Party's share of the Coordinator Costs, as specified on Exhibit B. All payments are to be made payable to the "Lagerlof, Senecal, Gosney & Kruse, LLP Client Trust Account" and will be held in trust by Legal Counsel until paid to Legal Counsel's general account for payment to Coordinator or to Legal Counsel for overhead and administrative costs, as specified in Section 8, below. Each Party shall pay such costs within thirty (30) days of presentation of the monthly invoice from Legal Counsel. If payment is not received by Legal Counsel by the thirtieth (30th) day after presentation of that invoice, the Legal Counsel shall notify the Party who has failed to pay of that failure and that Party shall then have five (5) days to pay its outstanding share of the Coordinator Costs to Legal Counsel. If that Party does not make that required payment within that five (5) day period, Legal Counsel shall then notify each of the other Parties of the need to make additional payments pursuant to Section 4, below.

4. Withdrawal of a Party or Party's Failure to Pay. Each Party acknowledges that if any Party fails to pay Coordinator Costs as specified herein or if a Party withdraws as specified in Section 7, below, the other Parties shall contribute additional funds to cover that failure to pay or the withdrawing Party's share of the Coordinator Costs. Legal Counsel shall promptly notify the Parties in either situation, and the Parties shall pay to the Legal Counsel within fourteen (14) days of receipt of notice from the Legal Counsel all sums required, as specified in that notice. The Parties may commence legal action to collect any unpaid amounts from a Party who fails to pay its share of the Coordinator Costs in accordance with this MOU.

5. Coordinator Hiring and Duties. The duties and obligations of the Coordinator are specified in the Job Description set forth in Exhibit A hereto. The Coordinator shall be engaged as an employee by Legal Counsel. Legal Counsel shall coordinate the Coordinator's duties with the Committee. The Committee shall oversee the recruitment and hiring of the Coordinator; provided that the hiring of the Coordinator, including the Coordinator's salary, must be approved by at least a majority of the Parties.

6. Additional Parties. Parties may be added to this MOU upon the approval of at least a majority of the then existing Parties. Upon the approval of any new Party by the existing Parties, Exhibit B shall be amended to reflect the revised cost allocation among the Parties as a result of that addition, based on the classification of that new Party as set forth in Section 1, above.

7. Term; Withdrawal of a Party. This MOU shall have an initial term of two (2) years from the Effective Date (the "Initial Term") and shall thereafter continue for consecutive two (2) year terms unless terminated by a majority of the Parties at least sixty (60) days, but not more than one hundred twenty (120) days, before the expiration of the then current term. The Parties acknowledge that this MOU is made possible by the commitment of each of the Parties and thus no Party may withdraw from this MOU during the Initial Term. In any subsequent term, a Party may withdraw from the MOU on at least four (4) months' written notice to the other Parties, and such withdrawing Party shall be responsible for paying its allocated share of the Coordinator Costs until that notice period has expired.

8. Coordinator Costs; Overhead and Administrative Costs. Legal Counsel agrees to timely pay all monies owed to the Coordinator, based on the salary and benefits approved by the Parties. In addition to those salary and benefit costs, which costs shall include any employer contributions required under applicable law, Legal Counsel shall be entitled to a seven percent (7%) fee, calculated on the salary and benefits to be provided to the Coordinator, for its overhead and administrative costs in employing the Coordinator. This fee is not related to any legal services to be provided by Legal Counsel and all such legal fees shall be separately invoiced to the Parties. Any Party may audit Legal Counsel's records with respect to payments made, and benefits provided, to the Coordinator upon at least forty-eight (48) hours' prior written notice.

9. Indemnification of Coordinator Costs. The Parties agree to indemnify the Group's Legal Counsel, as the Coordinator's employer, against, and hold the Group's Legal Counsel harmless from, any liability resulting from the payment of the Coordinator Costs, except to the extent that any such costs result from the Legal Counsel's negligence or willful misconduct.

10. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

11. Amendment. This Agreement may be modified only by a written agreement signed by the Parties.

12. Severability. If any court determines that any provision of this Agreement is invalid or unenforceable, any invalidity or unenforceability will affect only that provision and will not make any other provision of this Agreement invalid or unenforceable and such provision shall be modified, amended or limited only to the extent necessary to render it valid and enforceable.

13. Counterparts; Execution Transmitted by E-Mail or Fax. This Agreement may be executed in counterparts, effective as of the Effective Date first set forth above. The parties agree that this Agreement will be considered signed when the signature of a party is delivered by e-mail or by facsimile transmission. Such e-mailed or facsimile signature shall be treated in all respects as having the same effect of an original signature.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed and delivered as of the last date set forth below.

Crescenta Valley Water District

Dated: _____, 2017

By _____
Its _____

Kinneloa Irrigation District

Dated: _____, 2017

By _____
Its _____

La Puente Valley County Water District

Dated: _____, 2017

By _____
Its _____

Palmdale Water District

Dated: _____, 2017

By _____
Its _____

Pico Water District

Dated: _____, 2017

By _____
Its _____

Quartz Hill Water District

Dated: _____, 2017

By _____
Its _____

Rowland Water District

Dated: _____, 2017

By _____
Its _____

San Gabriel County Water District

Dated: _____, 2017

By _____
Its _____

San Gabriel Valley Municipal Water District

Dated: _____, 2017

By _____
Its _____

South Montebello Irrigation District

Dated: _____, 2017

By _____
Its _____

Three Valleys Municipal Water District

Dated: _____, 2017

By _____
Its _____

Valley County Water District

Dated: _____, 2017

By _____
Its _____

Walnut Valley Water District

Dated: _____, 2017

By _____
Its _____

Lagerlof, Senecal, Gosney & Kruse, LLP

Dated: _____, 2017

By _____
James D. Ciampa, Managing Partner

EXHIBIT A

PUBLIC WATER AGENCIES GROUP EMERGENCY PREPAREDNESS COORDINATOR

[SUBJECT TO MODIFICATION]

JOB SUMMARY: Acts as a general and individual resource for the Public Water Agencies Group to:

- Document standard emergency response operating guidelines and operational checklists, and related training;
- Coordinate overall emergency planning activities;
- Conduct regular review and editing of participating agencies' emergency response plans;
- Manage and update participating agencies' emergency resource database, consisting of participating agencies' equipment and personnel that are available to other agencies in the event of an emergency;
- Employ standard emergency management concepts and strategic methodologies;
- Conduct disaster exercises in accordance with state and federal requirements, operates and tests Emergency Operations Center (EOC) equipment and systems, develops activation procedures, prepares checklists for positions in the Incident Command System for training programs and tabletop drills;
- Familiar with SEMS and NIMS procedures and functions and provide SEMS and NIMS training;
- Liaison with applicable federal, state and local emergency planning and response offices; staffs and serves on committees with other departments, agencies, commissions and emergency management groups; coordinates the other agencies concerned with emergency management;
- Work to enhance the visibility of the participating member agencies in county-wide emergency planning and management efforts, and to integrate water agencies into such planning activities
- Coordinate with participating agencies' Public Information Coordinators/Officers to establish communication channels with local mutual aid groups, emergency responders, hospitals, and local officials on agencies' response capabilities and plans in the event of an emergency;
- Confer with state and federal emergency management representatives in supporting participating agencies' emergency management activities; assures conformity of participating agencies' emergency management programs with federal and state requirements;
- Works in conjunction with the PWAG Group to promote awareness and to coordinate of emergency response plans and procedures;
- Provide requisite planning activity reports, budget submissions, and/or other required documentation for federal and state emergency response funding sources to ensure all necessary prerequisites to receiving federal and state emergency funding are met;
- Assist with development of operational drills and/or exercise scenarios among participating agencies and other public entities to train, test and evaluate emergency response concepts or standard operating guidelines;
- Adjust emergency plans, procedures or protocols to reflect any changes in federal, state, or local laws and improve efficiency as appropriate;
- Participate in related training programs as directed, completing courses, workshops, seminars, and other training to keep abreast of emergency planning issues and concepts;
- Perform other related duties as assigned; and
- Carry cellular phone, or other emergency communication devices during all work hours and at all other times when unavailable by phone at home (cellular phone costs to be included in salary).

KNOWLEDGE, SKILLS AND ABILITIES

Knowledge of the laws and regulations governing emergency management; Recommend and assist in the implementation of goals and objectives; establish schedules and methods for providing emergency preparedness services; implement policies and procedures. Knowledge of emergency and/or disaster planning principles and practices; Conducts/oversees disaster exercises in accordance with state and federal requirements, operates and tests Emergency Operations Center (EOC) equipment and systems, develops activation procedures, prepares checklists for positions in the Incident Command System for training programs and tabletop drills; activates sections of the emergency plan; Skill in organization and planning techniques; Ability to analyze information under emergency operating conditions and directing the course of action to be taken; Skill in public relations and public speaking; Skill in computer and communication equipment operation; Knowledge of basic budget development and fiscal management; Knowledge of public health; Ability to establish and maintain effective working relationships with other government officials, employees, agencies, volunteers, and the public; Ability to communicate effectively, verbally and in writing; Ability to learn the principles, practices and techniques involved in emergency management; and Knowledge of principles and practices of governmental and public health agency structures and resources.

SPECIAL REQUIREMENTS

Ability to travel throughout Los Angeles County and possible neighboring counties; mileage reimbursement at establish IRS rate to be provided. May be on-call twenty-four (24) hours a day, seven (7) days a week. The person filling this position must complete training courses as recommended.

EDUCATION AND EXPERIENCE

Equal to the ability and experience to get the job done

EXPERIENCE

At least three years of water agency management, and/or direct experience coordinating emergency services.

LICENSING AND CERTIFICATION

Not required for the position, but any professional certification or pertinent undergraduate or graduate specialized degree would be beneficial.

SALARY AND BENEFITS

Range of \$85,000 to \$105,000 per year, plus retirement benefits and health benefits to be negotiated. Step salary increases and/or cost of living adjustments to be considered.

EXPENSES

To be addressed in employment agreement

OFFICE SPACE

To be agreed upon with applicant. Office equipment and support to be provided by PWAG Legal Counsel, as needed.

REPORT TO:

Public Water Agencies Group Emergency Preparedness Committee, with direct reporting to PWAG Legal Counsel.

EXHIBIT B**PUBLIC WATER AGENCIES GROUP****EMERGENCY PREPAREDNESS COORDINATOR COST ALLOCATION**

Agency	Size Category	Annual Cost	Monthly Cost
Crescenta Valley Water District	Medium	\$11,565	\$963.75
Kinneloa Irrigation District	Very Small	\$3,469	\$289.08
La Puente Valley County Water District	Small	\$6,939	\$578.25
Palmdale Water District	Large	\$23,129	\$1,927.42
Pico Water District	Medium	\$11,565	\$963.75
Quartz Hill Water District	Medium	\$11,565	\$963.75
Rowland Water District	Medium-Large	\$18,503	\$1,541.92
San Gabriel County Water District	Medium	\$11,565	\$963.75
San Gabriel Valley Municipal Water District	Medium	\$11,565	\$963.75
South Montebello Irrigation District	Small	\$6,939	\$578.25
Three Valleys Municipal Water District	Medium	\$11,565	\$963.75
Valley County Water District	Medium-Large	\$18,503	\$1,541.92
Walnut Valley Water District	Large	<u>\$23,129</u>	<u>\$1,927.42</u>
TOTALS:		\$170,001	\$14,166.76

A verbal report on this item will be provided at the meeting.

MINUTES OF REGULAR MEETING OF THE COMMISSIONERS OF THE ANTELOPE VALLEY STATE WATER CONTRACTORS ASSOCIATION, MAY 18, 2017.

A regular meeting of the Commissioners of the Antelope Valley State Water Contractors Association was held Thursday, May 18, 2017, at the Palmdale Water District at 2029 East Avenue Q, Palmdale. Chair Parris called the meeting to order at 7:00 p.m.

1) Pledge of Allegiance.

At the request of Chair Parris, Commissioner Dyas led the pledge of allegiance.

2) Roll Call.

Attendance:

Robert Parris, Chair
Kathy Mac Laren, Secretary
Leo Thibault, Treasurer-Auditor
Robert Alvarado, Commissioner
Keith Dyas, Commissioner

Others Present:

Matt Knudson, AVSWCA General Mngr.
Tom Barnes, Controller
Dwayne Chisam, AVEK General Mngr.
James Chaisson, LCID General Mngr.
Justin Lane, AVEK Director
Danielle Henry, Administrative Assistant
2 members of the public

EXCUSED ABSENCE –

Barbara Hogan, Vice Chair
Tim Clark, Alt. Commissioner

3) Adoption of Agenda.

It was moved by Commissioner Mac Laren, seconded by Commissioner Alvarado, and after a brief discussion of General Manager Knudson's new position with AVEK and of the Association's General Manager position, it was unanimously carried by all members of the Board of Commissioners present at the meeting to adopt the agenda, as written.

4) Public Comments for Non-Agenda Items.

There were no public comments.

5) Consideration and Possible Action on Minutes of Regular Meeting Held April 13, 2017.

It was moved by Commissioner Dyas, seconded by Commissioner Mac Laren, and unanimously carried by all members of the Board of Commissioners present at the meeting to approve the minutes of the regular meeting held April 13, 2017, as written.

6) Payment of Bills.

Commissioner Thibault reviewed the bills received for payment and then moved to pay the bills received as presented from PWD in the amount of \$435.36 for staff services, from AVEK in the amount of \$854.43 for staff services and from AV Web Designs in the amount of \$199.95 for the recurring monthly AVSavesWater.com website charge for May, 2017. The motion was seconded by Commissioner Mac Laren and unanimously carried by all members of the Board of Commissioners present at the meeting.

7) Discussion and Possible Action on the Annual SMART Landscaping Expo. (Commissioner Alvarado/Mike Shuck, Interim Events & Vendor Manager for the Antelope Valley Fair)

After a brief discussion of previous SMART Landscaping Expo costs and the potential cost savings, dates and event title of joining the Antelope Valley Home and Garden Show, it was moved by Commissioner Mac Laren, seconded by Commissioner Alvarado, and unanimously carried by all members of the Board of Commissioners present at the meeting to pursue discussions of a partnership with the Antelope Valley Fair Association to combine the SMART Landscaping Expo with the Home and Garden Show.

Chair Parris then suggested that AVEK continue to take the lead on the Expo planning through their Water Conservation Committee meetings with the attendance of a representative from each member agency after which it was determined that Commissioner Alvarado will attend for PWD and Commissioner Hogan for LCID.

8) Status Update on Member Agency Joint Projects. (General Manager Knudson/Controller Barnes)

General Manager Knudson stated that each member agency is continuing to collect infrastructure plans for the development of a combined plan of all infrastructure and future potential interconnections.

9) Consideration and Possible Action on the Formation of an Ad Hoc Committee for the Antelope Valley Water Plan. (Chair Parris)

After a brief discussion of Board support from each member agency for creating an Ad Hoc Committee to develop an Antelope Valley Water Plan, Chair Parris stated that this item will remain on the next meeting agenda to report the Ad Hoc Committee members and the first meeting date.

10) Discussion and Possible Action on Agreement Related to Regional Exchange of Water from the State Water Project. (Controller Barnes)

Controller Barnes reported that the Department of Water Resources' legal counsel does not support the proposed agreement for regional exchange of water from the State Water Project between the member agencies as they feel that only one of the three member agencies would benefit and it would set a precedent for other agencies followed by discussion of alternative ways to accomplish water transfers among the member agencies.

Chair Parris then requested that this item remain on the agenda and stated that he and Commissioner Mac Laren will be attending the California Foundation on the Environment and the Economy Roundtable Conference on Water in November and will have the opportunity to provide input, such as water exchanges, on the Conference agenda.

11) Report of General Manager.

a) Update on Revenue, Expenditures and Change in Net Position.

General Manager Knudson provided a brief update of the Association's finances.

b) Update on Antelope Valley Watermaster Meetings.

General Manager Knudson stated that the next Antelope Valley Watermaster meeting will be held on June 5, 2017 at 10:00 a.m. at the City of Palmdale.

ANTELOPE VALLEY STATE WATER CONTRACTORS ASSOCIATION
MAY 18, 2017
REGULAR MEETING

He then stated that he has taken a position with AVEK as their new Assistant General Manager and that an item will be added to the next meeting agenda to discuss the position of General Manager for the Association after which Chair Parris and Commissioner Alvarado congratulated him on his new position.

12) Report of Controller.

Controller Barnes stated that he has nothing further to report.

13) Reports of Commissioners.

Commissioner Thibault stated that General Manager Knudson will be missed; that he appreciates everything he has done for the Association; and that he is happy he will continue to work in the Antelope Valley.

Commissioner Mac Laren reported that she recently attended the ACWA Spring Conference and is happy to report that the Association's liability insurance is in good shape with the ACWA Joint Powers Insurance Authority.

Commissioner Alvarado wished General Manager Knudson his best.

Chair Parris stated that he looks forward to the member agencies continuing to work together for the benefit of the Antelope Valley and that General Manager Knudson will remain a key figure in the relationships.

There were no further reports.

14) Report of Attorney.

No attorney was present.

15) Commission Members' Requests for Future Agenda Items.

General Manager Knudson stated that "Discussion and Possible Action on the Annual SMART Landscaping Expo," "Status Update on Member Agency Joint Projects," "Consideration and Possible Action on the Formation of an Ad Hoc Committee for the Antelope Valley Water Plan" and "Discussion and Possible Action on Agreement Related to Regional Exchange of Water from the State Water Project"

ANTELOPE VALLEY STATE WATER CONTRACTORS ASSOCIATION
MAY 18, 2017
REGULAR MEETING

will remain as standing items on the next agenda and that "Discussion and Possible Action on Position of General Manager" and "Consideration and Possible Action on Budget for Fiscal Year 2017/2018" will be added to the next agenda.

There were no further requests for future agenda items.

16) Consideration and Possible Action on Scheduling the Next Association Meeting. (June 15, 2017)

After audience introductions of AVEK Director and AVSWCA Alt. Commissioner Justin Lane, Palmdale Recycled Water Authority Board Member Helen Velador, and PWD Deputy Water and Energy Resource Director Peter Thompson II, it was determined that the next regular meeting of the Association will be held June 15, 2017 at 7:00 p.m. at PWD.

17) Adjournment.

There being no further business to come before the Commissioners, it was moved by Commissioner Thibault, seconded by Commissioner Alvarado, and unanimously carried by all members of the Board of Commissioners present at the meeting to adjourn the regular meeting of the Commissioners of the Antelope Valley State Water Contractors Association at 7:39 p.m.


Secretary

PALMDALE WATER DISTRICT

BOARD MEMORANDUM

DATE: June 15, 2017

June 28, 2017

TO: BOARD OF DIRECTORS

Board Meeting

FROM: Mr. Dennis D. LaMoreaux, General Manager

RE: *AGENDA ITEM NO. 8.2.a – June, 2017 General Manager Report*

The following is the June report to the Board of activities through May, 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 organized within each strategic initiative and include status of 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.



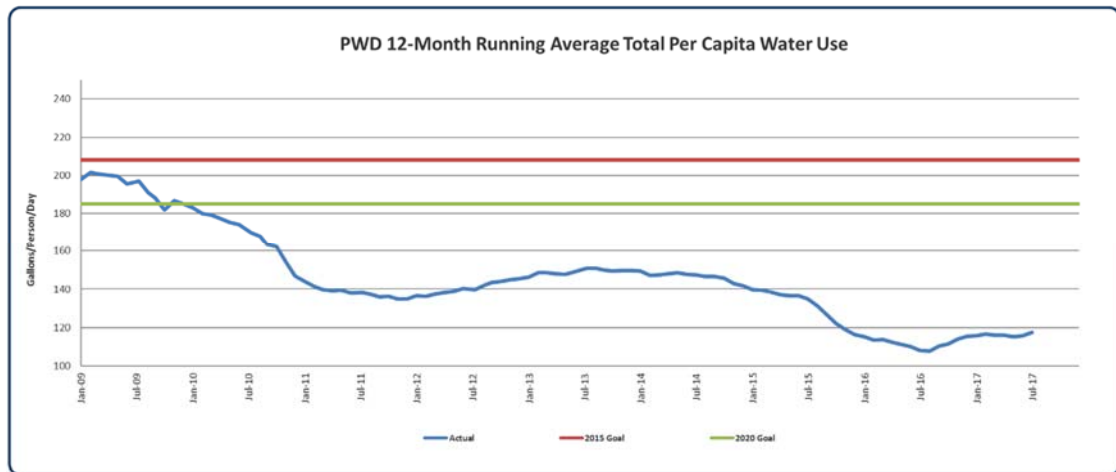
Water Resource Reliability

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.

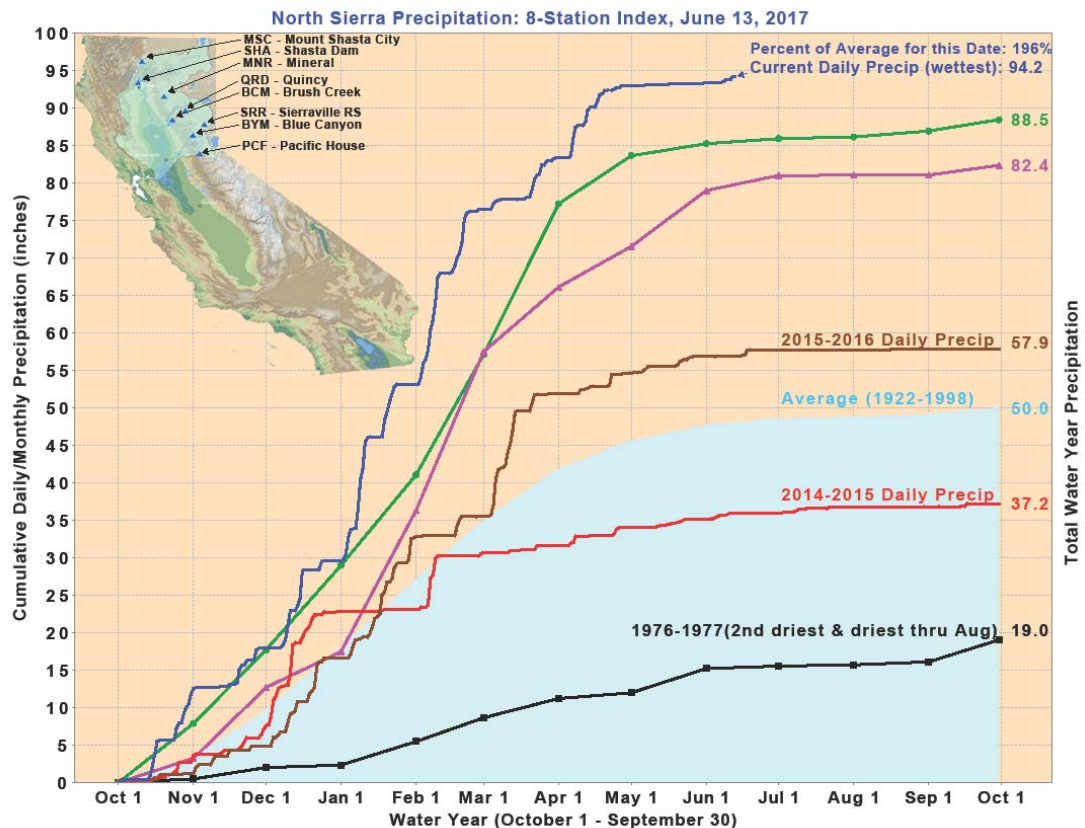
The District's compliance with the 20 x 2020 law is evident from the chart titled "PWD 12-Month Running Average Total Per Capita Water Use.":



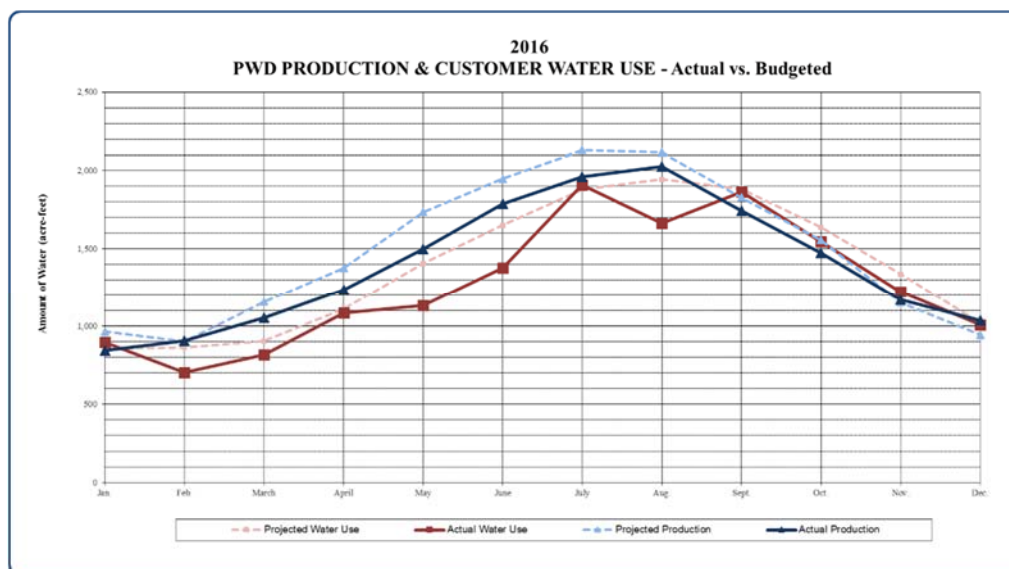
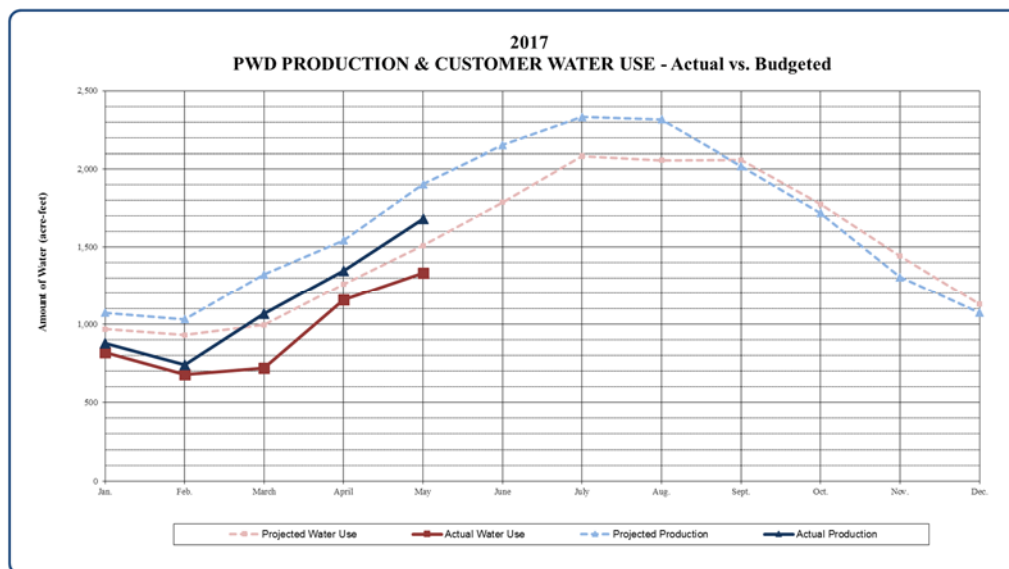
The District's customers have cut their water use by **49.4%** from the baseline number of 231 and met the 2020 Goal in early 2010. The current Total-GPCD is 117.

Water Supply Information

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



- The local water supply is also much better than in recent years. Littlerock Dam spilled for the first time in years. The District began transferring water to Palmdale Lake in April, 2017 for the first time since 2015. After lowering the water level several feet, Littlerock Reservoir was shutoff in May to take advantage of this year's SWP supply. Littlerock's use will be re-evaluated later this year.
- 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 May 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. The 2016 chart is added in this report for comparison.



Other Items

- The Littlerock Reservoir Sediment Removal Project Environmental Impact Report/Environmental Impact Statement (EIR/EIS) is nearly fully approved. 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. Thereafter, the various regulatory agency permits can be obtained.

The future steps for implementing this Project start with finalizing the grade control structure design. A contract amendment for Aspen to design the grade control structure was approved by the Board in May. Once the design is complete and permits are obtained, construction estimates will be made, financing options evaluated and implemented, the grade control structure contract can be bid, and construction tentatively scheduled to begin in late summer of 2018.

- 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 were addressed and returned for further review. 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.
- The 2016/2017 Strategic Plan Update is posted in the board room 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 being in May, 2016. The Board adopted this policy at the March 8, 2017 meeting.

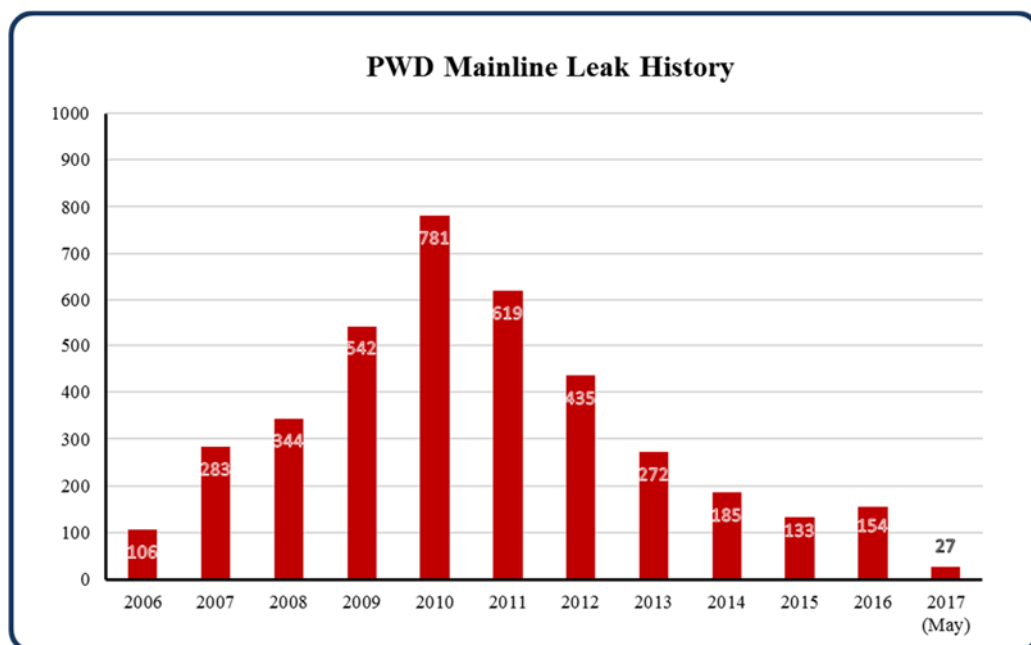
- The Public Affairs Director position recruitment process is nearly complete.
- The District is working with other members of the Public Water Agencies Group to hire and share the services of an Emergency Preparedness Coordinator. The MOU for this is being presented to the Board for consideration.



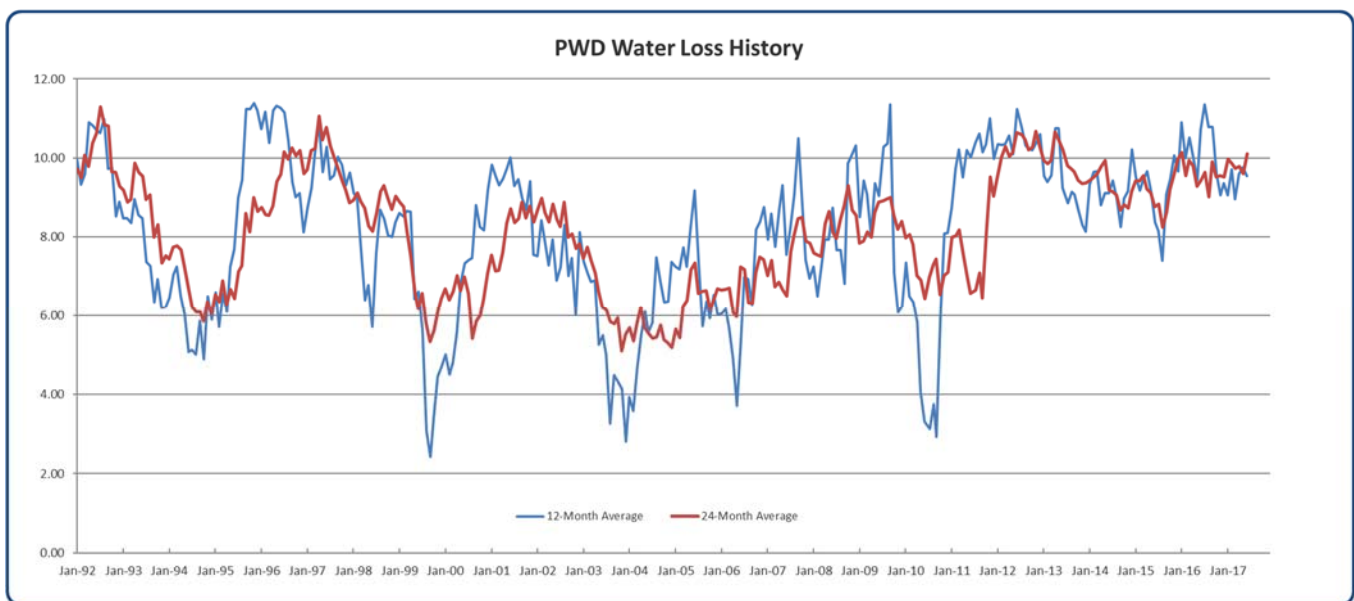
Systems Efficiency

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 has begun.
- 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 May, 2017 are 27 and service lines 31.



- The budgeted meter replacement project of approximately 3,300 meters is complete.
- Facilities staff is adding to its maintenance activities to incorporate pressure reducing valves and other facilities as their efforts can continue to be more preventative due to a lower number of emergency repairs.
- 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 for 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.
- Engineering/Grant Manager Riley 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. Mr. Riley and I visited the Bureau in Denver to discuss future funding opportunities. The Bureau staff was very receptive to the project. Our project is one of 30 from across the country that is eligible to compete for a portion of \$10M in this year's Federal budget due to the approved Feasibility Report. This competition will be announced by the end of June.



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.
- The District staff continues to be active in the Antelope Valley Watermaster Board (AVWB) meetings and related meetings.
- 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 soon.
- 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 new lobby kiosk is continuing to give customers another choice for making a payment at the District office at a reduced cost from the initial kiosk. Financial staff is also testing the new IVR for use.
- 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 is continuing.
- Customer Care staff is being trained on the TruePoint software that will replace the District's use of Starnik. The planned date for going live with TruePoint is July 30, 2017.

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: June 21, 2017 **June 28, 2017**
TO: BOARD OF DIRECTORS **Board Meeting**
FROM: Miss Laura Gallegos, Public Affairs Specialist
VIA: Mr. Dennis D. LaMoreaux, General Manager
RE: ***AGENDA ITEM NO. 8.2.b – OVERVIEW OF CALIFORNIA SPECIAL DISTRICTS ASSOCIATION (CSDA) BENEFITS AND SERVICES. (PRESIDENT ALVARADO/PUBLIC AFFAIRS SPECIALIST GALLEGOS)***

A verbal report on the benefits and services provided by the California Special Districts Association (CSDA) will be provided at the meeting.

Supporting Documents:

- Various CSDA brochures



**California Special
Districts Association**
Districts Stronger Together

Value-Added Benefits for Members Only

	ALLIANCE PARTNERS	MEMBER BENEFIT	BENEFIT SUMMARY
Financing	CSDA Finance Corporation 877.924.2732 www.csdafinance.ne	Access to Cost Effective Tax-Exempt Financing	CSDA Finance Corporation was established to help special districts and other public agencies through innovative and efficient financing programs. We provide members with competitively priced financing of major capital projects, equipment purchases and real estate acquisitions.
Risk Management	SDRMA 800.537.7790 www.sdrma.org	Property/Liability, Workers' Compensation and Health Benefits	SDRMA's primary objective is to serve as a single resource to meet all of the risk management needs of members. Current programs include Property and Liability coverage, Workers' Compensation, Health Benefits and MemberPlus™ Services.

	PROVIDER/CONTACTS	MEMBER BENEFIT	BENEFIT SUMMARY
Purchasing Card	Bank of the West Government Banking 866.588.1358 www.csda.net/card	Cash rebates, improved cash flow, expense management	Brought to you by Bank of the West, the CSDA District Purchasing Card is designed specifically for special districts. We help you find ways to manage and report spending while providing your employees with convenient tools for making necessary purchases. The card can be used for vendor payments, travel expenses, online purchases, utility bills and more.
Digital Mapping Solutions	California CAD Solutions 800.617.4447 www.calcad.com	Free month of service	"GIS as a Service" is a cost-effective solution for Special Districts that need a GIS but don't have or can't afford to hire dedicated GIS staff. "GIS as a Service" is a monthly subscription allowing special districts to leverage important data to meet the needs of the district without the expense of special software and employees. CSDA members receive one month FREE with their initial 12-month term.
Investing	CalTRUST 888.422.8778 www.caltrust.org	Stable Option for Investment of District Funds	The Investment Trust of California (CalTRUST) is a program established by public agencies in California for the purpose of pooling and investing local agency funds. CalTRUST offers several account options to provide participating agencies with a convenient method of pooling funds including money market, short term and medium term funds.
First Aid, Safety Products and Services	Cintas First Aid and Safety Erika Klein 916.419.1099 kleine@cintas.com	Discounts on First Aid and Safety Products and Services	20% discount on all regularly priced first aid/safety products. Discounts are available to all CSDA members not already serviced by a Cintas branch in their local markets.
Actuary Service	California School Boards Association 916.669.3328 www.csba.org	Alternative Measurement Method	California School Boards Association (CSBA) offers Governmental Accounting Standards Boards Statement (GASB) 45 Alternative Measurement Method (AMM) to assist smaller districts in complying with GASB 45. Special districts with less than 100 plan members may be eligible to use this approved cost-effective alternative method. CSBA's GASB 45 AMM allows small special districts to be compliant for a fraction of the cost of a full valuation.

Value-Added Benefits for Members Only

Website Design and Hosting	Streamline 916.900.6619 www.getstreamline.com	50% Discount on monthly fees	Streamline is a website tool that allows districts to be up and running with a site in just 20 minutes, and provides a transparency dashboard that helps districts meet transparency best practices as recommended by the Special District Leadership Foundation.
HR: Pre-employment Services	Employee Relations 800.716.7773 www.erelations.com	20% Discount	This program provides local government with pre-screening employment background investigations, drug testing and employee hotline services to help reduce liability for negligent hire or negligent retention of employees.
Vehicle Rental	Enterprise Holdings, Inc. www.enterpriseholdings.com	Government Rates	The State of California has awarded Enterprise Holdings, Inc. a contract for commercial car rentals and this benefit is being passed on to CSDA members. Use the code below to get discounts for business rentals. When renting from either Enterprise or National, use code NACA107 with pin # CSD.
Travel	Statewide Travel Program Kelly Bouchard 916.376.3991 kelly.bouchard@dgs.ca.gov	Various Discounts	Developed in partnership with the State of California, the Statewide Travel & Fuel Card program gives special district business travelers access to discounted, unrestricted, fully refundable airfares, discounted car rental fees, and automatic travel insurance.
Discounted Purchasing	U.S. Communities www.uscommunities.org	Various Discounts	U.S. Communities provides a national purchasing cooperative for local and state government agencies by pooling the purchasing power of over 90,000 public agencies.
Utility Cost Control	Utility Cost Management 559.261.9230 www.utilitycostmanagement.com	One-hour Free Advisory Services and 16% Discount on Bill Analysis Service	Utility Cost Management, LLC seeks to reduce clients' electricity, gas, water, sewer and solid waste charges through the informed application of utility regulations. With its Bill Analysis Service SM , UCM applies utility regulations to customers' bills to uncover errors. When billing errors are corrected, UCM receives a percentage of the corresponding refunds and savings. If UCM fails to reduce clients' utility costs, then the Bill Analysis Service is free.



California Special Districts Association

Highlights of 2016

ADVOCACY & PUBLIC AFFAIRS • MEMBER SERVICES • PROFESSIONAL DEVELOPMENT • VALUE ADDED BENEFITS

CSDA's Membership

Stronger Than Ever

CALIFORNIA SPECIAL DISTRICTS ALLIANCE: YOUR DISTRICT'S PREMIER RESOURCE

The Partners of the **California Special Districts Alliance** continued efforts to provide special districts with the best in resources and services. CSDA, CSDA Finance Corporation, and Special District Risk Management Authority (SDRMA) collaborated on numerous educational opportunities including specialized conferences, regional workshops, and webinars. Many of these opportunities were available at a discount or even free for SDRMA members.



CSDA
Finance Corporation

The **CSDA Finance Corporation** hosted two free webinars related to capital improvement projects and financing options. With interest rates at historic lows, the staff and consultants of the CSDA Finance Corporation responded to dozens of inquiries from districts seeking financing for mission-critical projects or refinancing of prior debt. In the past five years, the CSDA Finance Corporation facilitated over \$117 million in financings for special districts.



Special District Risk Management Authority

Special District Risk Management Authority (SDRMA) continued to focus on providing special districts the most cost-effective risk management

solutions possible, including property/liability coverage, workers' compensation and health benefits. For 2016-17, the SDRMA Board of Directors kept rates flat for property/liability for the seventh year in a row and also kept rates flat for the workers' compensation for the second year in a row. There were 101 attendees at SDRMA Safety/Claims Education Day in Newport Beach on March 28-29, 2016. This free event for SDRMA members and CSDA members included the Annual Membership Meeting, special guest speaker Scott Bloom, SDRMA General Safety Specialist Certificate Program and sessions on Employment Law Updates, Target Solutions, Catastrophic Injuries, Dangerous Conditions, Return to Work, and Workplace Violence.

ENDORSED AFFILIATE PROGRAMS ADD MORE VALUE TO MEMBERSHIP

Designed with special district needs in mind, the CSDA Endorsed Affiliate programs have expanded and grown to save our members even more time and money.

Streamline, the endorsed website design system, collaborated with CSDA in the development of a tool to help members comply with SB 272. The free online tool has been utilized by more than 260 special districts and dozens of other local governments to publish their required Enterprise System Catalog.

The new Government Money Market Fund offered by **CalTRUST**, the local agency investment pool endorsed by CSDA, proved to be a popular addition to the slate of available products and has shown strong growth in its first year. Special district assets in CalTRUST now represent over 1/3 of the total \$2.5 billion in investments!

MORE PUBLICATIONS & RESOURCES AVAILABLE ONLINE

The **2015-16 CSDA Administrative Salary and Benefits Survey** was released this spring. More than 400 districts of all types and sizes responded to the survey, providing valuable, up-to-date information on salary, health insurance practices, and retirement plans for the most common administrative positions. Thank you to CPS HR Consulting for their assistance in this project.

The newest additions to CSDA's collection of free, downloadable publications include the **California Public Records Act Compliance Manual and the Special District Formation Guide**. CSDA also collaborated with the Institute for Local Government (ILG) in the development of two co-branded publications: **Understanding the Basics of Municipal Revenues in California and Sustainability in Special Districts**.

SPECIAL DISTRICT MAPPING PROJECT

CSDA's online map of independent special districts got a fresh new look this fall. While the map continues to be updated regularly, it now contains shape files for more than 2,000 districts. Thanks to California CAD Solutions, the map is more user friendly and includes search options such as assembly and senate districts. This project benefits all districts in CA to provide for greater transparency and access for the public to learn more about districts.

CSDA's Advocacy and Public Affairs

The Voice of Special Districts

RAISING PUBLIC AWARENESS AND UNDERSTANDING

Launched Public Outreach Campaign – Called “Districts Make the Difference,” this campaign built a robust website platform providing members, media, and the public with a toolkit that includes fact sheets, talking points, and other information, including a dozen professionally produced videos about special districts.

Promoted Social Media Engagement – Actively managed Facebook, Twitter, and YouTube accounts pushing original content and driving activity towards DistrictsMakeTheDifference.org.

Conducted Statewide Video Contest – Received 20 videos from high school and college students educating the public about how special districts make a difference in their communities, and awarded scholarships to the top three after more than a thousand votes were cast in the online competition.

LEADING WHEN IT MATTERS MOST: LITTLE HOOVER COMMISSION REVIEW

Represented all Special Districts – Issued a 19-page written testimony and delivered the lead oral testimony at the Commission's August hearing on special districts in follow-up to its 2000 report, *Special Districts: Relics of the Past or Resources for the Future*.

Organized an Effective Response – Managed conference calls and meetings with special district officials and stakeholders, and spoke frequently with Commission staff to foster a mutual understanding of concerns and opportunities.

Encouraged Desirable Outcomes – While the Commission's report is not due until 2017, it has largely focused its attention toward constructive issues facing special districts, including climate-change adaptation, State permitting, and forest management.

STRENGTHENING NETWORKS AND GROWING GRASSROOTS

300

Special District Visits

Increased the number of site visits to CSDA members by 12% from last year, listening to the concerns and needs of the membership, sharing the latest information from Sacramento, and strengthening the foundation of CSDA's advocacy efforts.

Tripled

Chapter Participation

Nearly tripled CSDA staff attendance of chapter meetings over last year, visiting 61 CSDA affiliated chapter meetings throughout California.

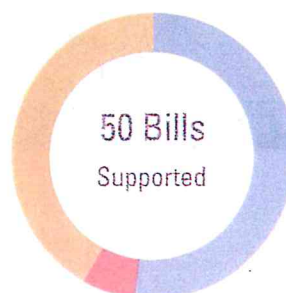
Amplified

Grassroots Action

More than quadrupled the average number of statewide responses to CSDA “Calls to Action” from last year, intensifying our impact on legislation in Sacramento.

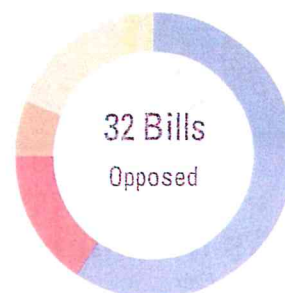
SUMMARY OF CSDA 2016 LEGISLATIVE STATISTICS

Reviewed 2,331 bills, Actively tracked 619 bills, Directly lobbied on 82 bills



50 Bills Supported

- 26 - Signed into law
- 3 - Failed passage
- 21 - Vetoed



32 Bills Opposed

- 19 - Failed passage
- 5 - Signed into law
- 2 - Vetoed
- 6 - Amended to remove opposition

PROTECTING CRITICAL LOCAL FUNDS

Guarded Public Works Contracts – Led a coalition in the successful opposition of legislation that would have made it illegal to require contracted architects and engineers to defend legal claims related to their work on behalf of special districts and other public agencies (SB 885).

Saved Money for Small Districts – Successfully sponsored legislation that established a new, more affordable, alternative to annual financial audits for special districts with less than \$250 thousand in annual revenue (AB 2613).

Blocked Employee Orientation Mandate – As part of a coalition, successfully opposed legislation that would have required special districts to provide employees various orientations in an overly prescriptive fashion, including union membership orientations on paid-time (AB 2835).

REPRESENTING SPECIAL DISTRICTS IN THE COURTS OF LAW

Defended State Mandate Reimbursements – Fought against the State Mandates Commission's actions to deny mandate reimbursements to special districts with fee authority (amicus brief: *Paradise Irrigation District v. Commission on State Mandates*).

Supported Local Boards' Fee Authority – Argued against efforts to circumvent the established Proposition 218 and local initiative processes and special district board decisions related to necessary fees (amicus brief: *Monterey Peninsula Taxpayers' Association v. Board of Directors of the Monterey Peninsula Water Management District*).

Established Reasonable Brown Act Interpretation – Successfully petitioned the State Attorney General to opine that the Brown Act is not necessarily violated when a local agency's website experiences technical difficulties that cause an agenda to become inaccessible.

CSDA's Professional Development

Timely and Relevant Information You Can Use

SPECIAL DISTRICT LEADERSHIP ACADEMY CONFERENCE

CSDA completed two Special District Leadership Academy (SDLA) Conferences in 2016, one in La Quinta and the other in Napa. The SDLA conferences focus on the necessity of the board and general manager to work closely toward a common goal and covered all four modules of the SDLA over the course of the two-and-a-half day conference. In 2017, attendees will have three opportunities to participate in the SDLA Conference: February 26 – March 1 in La Jolla, April 23 – 26 in San Luis Obispo, and July 9 – 12 in Napa.

BOARD SECRETARY/CLERK CONFERENCE

Our 2016 Board Secretary / Clerk Conference is our largest in its six-year history with over 250 attendees. The previous high, just last October, was 200 attendees. Over 70 attendees participated in the first pre-conference workshop associated with this conference, a full-day "Policy and Procedure Writing" workshop.

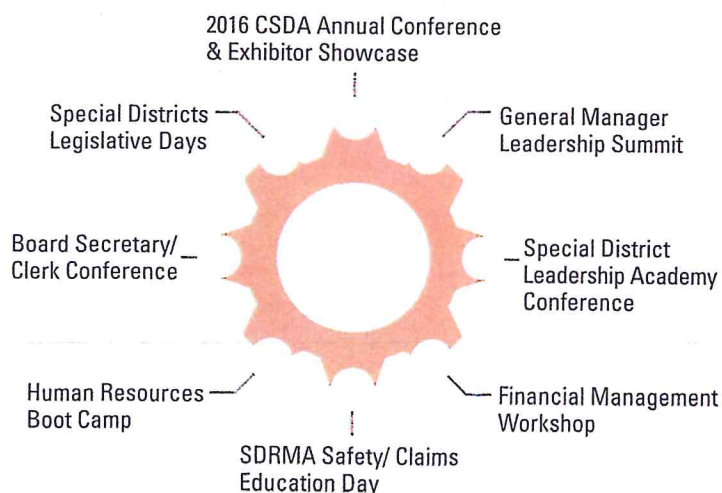
GENERAL MANAGER LEADERSHIP SUMMIT

Attendance at the General Manager Leadership Summit continues to grow with well over 200 attendees again this year. Popular session topics included Coaching for Performance, Finding Funding, and Medical Marijuana in the Workplace. Save the Date! The 2017 General Manager Leadership Summit is returning to Newport Beach, June 25 -27, 2017.

2016 CSDA ANNUAL CONFERENCE & EXHIBITOR SHOWCASE

Held October 10 - 13, this year's conference was another record setting event, topping 800 attendees for the first time. Over 40 breakout sessions provided attendees with valuable information covering a variety of topics including CEQA, ethics in elected office, drones, workers' compensation claims and more. Don't Miss Out! The 2017 CSDA Annual Conference & Exhibitor Showcase is coming to Monterey, September 25 – 28, 2017.

MAJOR CONFERENCES FOR SPECIAL DISTRICTS



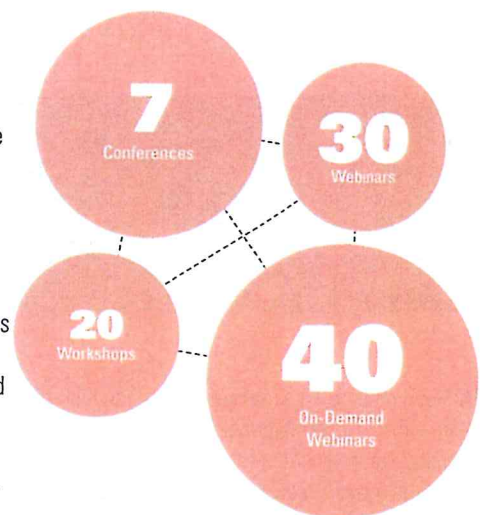
ON-DEMAND WEBINARS

In 2016 CSDA fully launched our On-Demand webinar service that enables attendees to participate in many of CSDA's most popular webinars at a time and place that is most convenient for them. Participants are able to login, watch the webinar of their choice and even print their certificate of completion all on their own time. Approximately 40 titles will be available by the end of 2016, in addition to our regularly scheduled "live" webinars, with more being added all the time. Visit the professional development section of the CSDA website and click on "On-Demand Webinars" for more information.

MORE SPECIALIZED WORKSHOPS FOR SPECIAL DISTRICTS

In 2016 CSDA partnered with the Special District Risk Management Authority and Liebert Cassidy Whitmore for two more Human Resources Boot Camps for Special Districts and two new Financial Management for Special Districts workshops. These one-day workshops are designed to maximize an attendee's time and featured substantive information for attendees to use right away. CSDA also partnered with CPS HR Consulting on two sold-out Supervisory Skills for the Public Sector workshops in 2016. All three of these workshops will be held again in 2017 along with a new workshop "Hammering Out a Legal Framework for Construction & Business Matters" covering key aspects of business and construction that your district's management personnel should know.

OPPORTUNITIES FOR PROFESSIONAL DEVELOPMENT



MORE WORKSHOPS...CLOSER TO HOME

With the growth of CSDA's District NetWorks program, we continue to support the six different Networks throughout the state through a variety of professional development opportunities. In 2016 we had a total of six District Network workshops, including education and a lunch sponsored by the California Special Districts Alliance. We will expand this program in 2017 with a total of 12 District Network workshops; six board member focused workshops in January and February from Anderson to Claremont and all the Networks in between, followed by six more Network focused workshops in the second half of the year.



California Special Districts Association
1112 I Street, Suite 200
Sacramento, CA 95814

PRSRT STD
U.S. Postage
PAID
Permit No. 316
Sacramento, CA

CSDA'S HIGHLIGHTS OF 2016

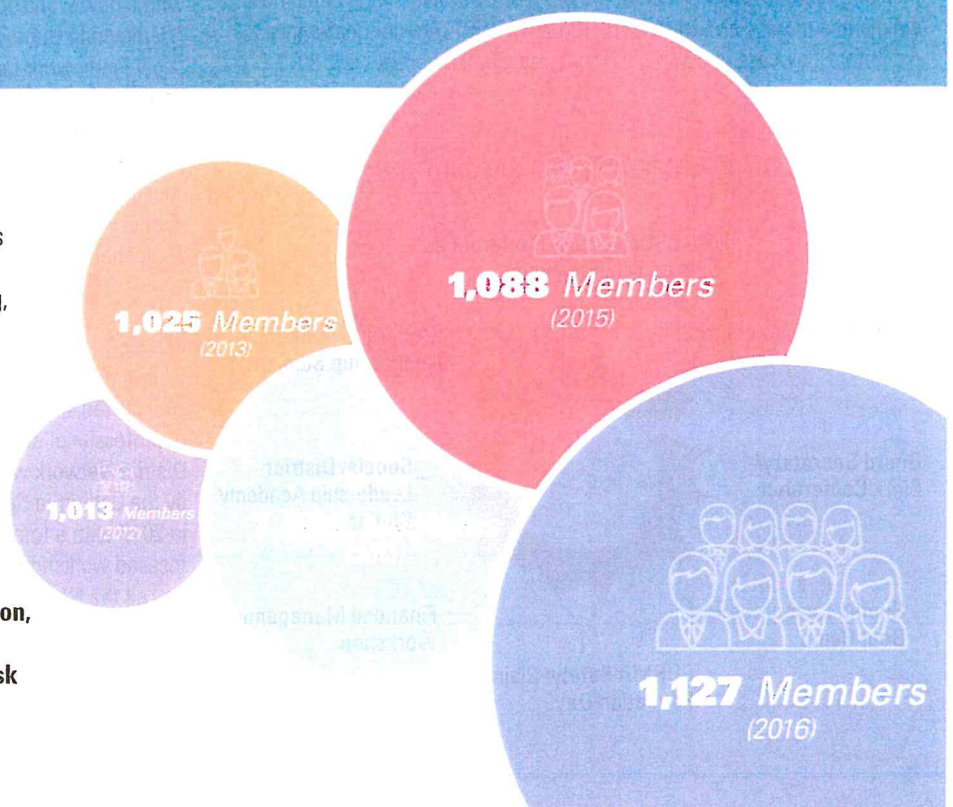
CSDA's Membership

Stronger Than Ever

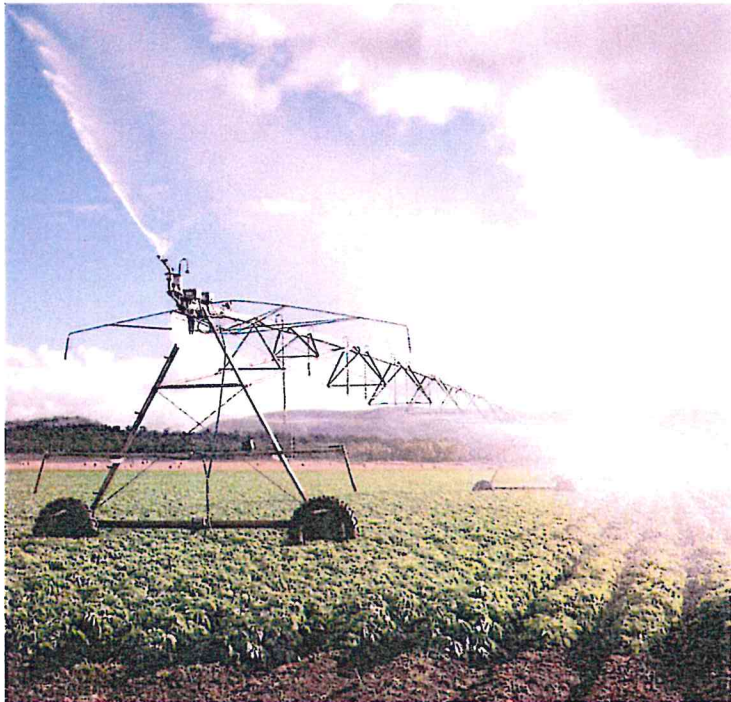
CSDA's total membership reached an all-time high of 1,127 this year, with 76 new members joining the association. Additionally, retention rates remain high as member districts recognize the ever-increasing value of advocacy services, professional development opportunities, information sharing, and all the other benefits they've come to count on.

CSDA is also grateful for the support of 129 Business Affiliates. These vendors and service providers share a commitment to special districts. We are grateful to these companies not only for their financial contributions, but for lending their expertise to our educational sessions, publications, advisory committees, listserv, and more.

A special acknowledgement goes out to Diamond and Platinum Business Affiliates, including: **Atkinson, Andelson, Loya, Ruud & Romo - CSDA Finance Corporation - Hanson Bridgett - Meyers Nave - Special District Risk Management Authority (SDRMA).**



Providing trusted property/liability, workers' compensation and health benefits coverage solutions for California public agencies.



A proud California Special Districts Alliance partner.

Special District Risk Management Authority

For 30 years, SDRMA has exclusively served California public agencies. That gives us an unequalled base of knowledge and unsurpassed expertise. Our members depend on us to provide them with the best opportunities and valued solutions for property and liability, workers' compensation and health benefits coverages.

PROPERTY/LIABILITY PROGRAM

Designed to provide maximum protection, minimize risk and control potential loss exposure while protecting your important assets.

WORKERS' COMPENSATION PROGRAM

Proactive prevention – to control and prevent losses to reduce your workers' compensation contributions.

HEALTH BENEFITS PROGRAM

Providing flexibility through multiple health plans and ancillary coverages.



MEMBERSHIP IN SDRMA HAS GIVEN US FREE ACCESS TO SO MANY RESOURCES. AND MOST IMPORTANT, INSURANCE COVERAGE AT THE MOST REASONABLE RATE... ONE-FOURTH OF WHAT WAS PREVIOUSLY PAID!

— LORETTA SPANSAIL
ALPINE VILLAGE-SEQUOIA CREST
COMMUNITY SERVICES DISTRICT

**CONTACT
SDRMA**

Learn more about SDRMA's cost-effective coverages. Call SDRMA at 800.537.7790 or visit www.sdrma.org.

CALIFORNIA SPECIAL DISTRICTS ALLIANCE

Partnered with the California Special Districts Association (CSDA) and the CSDA Finance Corporation, SDRMA is part of the California Special Districts Alliance, committed to being the premier resource for your special district.

Need money for capital improvements?
We're here to help.



**CSDA
Finance Corporation**

A proud California Special Districts Alliance partner.

CSDA Finance Corporation

Contact us today for a no-obligation quote.

Building Construction | Equipment & Vehicles | Land Purchases | Refinancing

For 25 years, CSDA Finance Corporation has provided special districts and other public agencies with financing for capital improvement projects and equipment purchases of all kinds. Even in today's challenging financial environment, CSDA Finance Corporation is ready to assist with the funding you need to serve your community.

COMPLETED FINANCINGS INCLUDE:

- Rosedale-Rio Bravo Water Storage District
Counterparty services: \$29,610,000
- Fresno Westside Mosquito Abatement District
Admin building: \$1,500,000
- Pleasant Hill Recreation & Park District
Fixtures & furnishings: \$300,000
- Cambria Community Services District
Vehicle purchase: \$100,000

”

I FOUND CSDA FINANCE CORPORATION TO BE BOTH PROFESSIONAL AND EFFICIENT. WE WERE ABLE TO OBTAIN THE QUOTE, AND CLOSE THE DESIRED LOAN AT COMPETITIVE RATES WELL WITHIN THE TIMEFRAMES TO FILL THE NEED FOR THE LOAN. I WOULD RECOMMEND CSDA FINANCE CORPORATION TO OTHERS.

— MARK BLAIR, ACCOUNTING SUPERVISOR
PLEASANT HILL RECREATION & PARK DISTRICT

**REQUEST
A QUOTE!**

Download a quote request form at
www.csdafinance.net or call 877.924.2732
to learn more about CSDA Finance
Corporation's tax-exempt financing programs.

CALIFORNIA SPECIAL DISTRICTS ALLIANCE

Partnered with California Special Districts Association (CSDA) and Special District Risk Management Authority (SDRMA), CSDA Finance Corporation is part of the California Special Districts Alliance - committed to being the premier resource for your special district.



GRASSROOTS ACTION BRIEF

TAKE ACTION

California Special Districts Association Priorities

JUNE 2017 EDITION

Each section of this packet covers a CSDA long-range policy priority, focusing on pressing legislative and regulatory issues at the State Capitol. "Action Items" are featured on each page to direct your assistance in supporting CSDA's advocacy efforts. We encourage you to get involved. Visit the *Grassroots Action Center* at csda.net today to take action!

Inside This Issue

Revenue, Finances, and Taxation.....2

- ☐ Subscribe to CSDA's blog at www.csda.net/blog
- ☐ Find a list of CSDA tracked bills by clicking the "Bill Tracking" link under the Advocacy tab at csda.net

Governance and Accountability.....3

- ☐ Actively participate in CSDA's Little Hoover Commission efforts by emailing kylep@csda.net
- ☐ Register to attend CSDA's GM Summit June 25-27 in Newport Beach at gmsummit.csda.net
- ☐ Support AB 979 by emailing rylang@csda.net for a sample support letter

Human Resources and Personnel.....4

- ☐ Participate in the Legislature's CalPERS hearing by emailing dillong@csda.net
- ☐ Join CSDA's Human Resources Expert Feedback Team by e-mailing marcusd@csda.net

Infrastructure, Innovation, and Investment.....5

- ☐ Submit comments on the FCC's wireless proposal by emailing rylang@csda.net for a sample comment letter

Districts Make the Difference.....6

- ☐ Share your stories about how your district has made a difference in your community by e-mailing tatianas@csda.net

How to Get Involved.....7

Your Public Affairs Field Coordinators

Dane Wadlé
Colleen Haley
Steven Nascimento
Chris Palmer

Northern and Sierra Networks
Bay Area Network
Central Network
Coastal and Southern Networks

danew@csda.net
colleenh@csda.net
stevenn@csda.net
chrisp@csda.net

REVENUE, FINANCES, AND TAXATION

CSDA's long range policy goal is to: "Ensure adequate funding for special districts' safe and reliable core local service delivery. Protect special districts' resources from the shift or diversion of revenues without the consent of the affected districts. Promote the financial independence of special districts and afford them access to revenue opportunities equal to that of other types of local agencies."

TAKE ACTION!

Subscribe to CSDA's blog at www.csdanet.net/blog to stay up to date on state budget activity.

Find a list of all CSDA tracked legislation by clicking the "Bill Tracking" link under the Advocacy tab at www.csdanet.net

State Budget Talks Continue as June 15 Deadline Approaches

The Legislature must pass the state budget by June 15 to meet its constitutional deadline. Budget subcommittees wrapped up their hearings on May 26 and the joint Conference Committee has been meeting since June 1 to consider budget items on which the Senate and Assembly did not agree. This brief includes information about a number of budget related items of interest to special districts still pending, including mandatory employee orientation, changes to registration requirements for public works projects, and the Governor's proposed "Water Conservation as a Way of Life" proposal.

Housing Crisis Keeps Talk of RDAs Alive in the Capitol

Lawmakers continue to look for solutions to the affordable housing and homelessness problems facing many areas of the state. This includes a focus on the loss of affordable housing dollars due to the dissolution of redevelopment agencies. CSDA traditionally supports proposals that provide a revenue stream for affordable housing while not undermining existing essential local services or diverting property taxes without the consent of the taxing entity. This year, Legislators introduced over 100 housing, planning, and homelessness related bills. CSDA is actively tracking many of these bills to help provide local options for communities facing affordable housing shortfalls.

Hot Legislation

- **AB 71 (Chiu) Tax Credits for Affordable Housing – Support**

Status: Assembly Floor

Increases tax credits for low-income housing projects by \$300 million. The bill is similar to bills CSDA supported in 2015 and 2016. This year's version includes a funding source by prohibiting homeowners from deducting the interest from the mortgage on their second home from their state taxes. That amount is estimated to be about \$300 million.

- **AB 733 (Berman) Funding for Climate Adaptation Projects – Support**

Status: Senate Governance and Finance Committee

Allows an Enhanced Infrastructure Financing District (EIFD) to fund projects that enable communities to adapt to the impacts of climate change including, but not limited to, extreme weather events, sea level rise, flooding, heat waves, wildfires, and drought. Special districts may choose to participate in an EIFD.

- **SB 2 (Atkins) Building Homes and Jobs Act – Support**

Status: Senate Floor

Creates an ongoing funding source for affordable housing by imposing a \$75 recording fee on certain real estate documents. The money derived from the fee would go to the Building Homes and Jobs Trust Fund, created by SB 2, to fund a variety of affordable housing related programs, including workforce housing. This bill is similar to previous efforts that CSDA supported.

- **SB 231 (Hertzberg) Prop. 218 Omnibus Amendment – Watch**

Status: Assembly Local Government Committee

Defines the term "sewer" to include stormwater sewers in addition to sanitary sewers, in an attempt to clarify that stormwater charges should be considered property-related fees, subject to the majority protest provisions of Proposition 218 instead of a special tax two-thirds vote threshold.

- **SB 778 (Hertzberg) Water Charge – Watch**

Status: Assembly

Requires the State Water Resources Control Board (SWRCB) to track and publish on its website an analysis of all voluntary and ordered consolidations of water systems. Previous versions of the bill also created the Safe Drinking Water Fund and continuously appropriates money to the fund to implement SB 88 (Budget, 2015), which granted the State Water Resources Control Board power to force the consolidation of water systems.

- **SCA 4 (Hertzberg) Prop. 218 Constitutional Amendment – Watch**

Status: Introduced

Intends to amend the State Constitution to allow local agencies to offer low-income residents reduced water rates, and provide enhanced authority for conservation pricing.

GOVERNANCE AND ACCOUNTABILITY

CSDA's long range policy goal is to: "Enhance special districts' ability to govern as independent, local government bodies in an open and accessible manner. Encourage best practices that avoid burdensome, costly, redundant or one-size-fits all approaches. Protect meaningful public participation in local agency formations, dissolutions, and reorganizations, and ensure local services meet the unique needs, priorities, and preferences of each community."

Little Hoover Holds Final "Roundtable" on Special Districts

The Little Hoover Commission will hold a "Roundtable Meeting" on June 22 in Sacramento to work through its remaining questions and final discussion points concerning its review on special districts. The Commission will invite a select number of witnesses to participate in this meeting and CSDA will be in attendance on behalf of all special districts.

TAKE ACTION!

If you are interested in actively participating in CSDA's LHC efforts, please contact CSDA Advocacy and Public Affairs Director Kyle Packham at kylep@csla.net.

Attend CSDA's GM Summit June 25-27 in Newport Beach by registering at gmsummit.csla.net.

Support CSDA's Sponsored bill, AB 979 (Lackey). Email Legislative Representative Rylan Gervase at rylang@csla.net for a sample support letter.

It is anticipated the meeting will focus on how special districts and the State can continue to promote transparency and accountability for local government agencies. As part of this discussion, it is further expected the meeting will concentrate on the role of local agency formation commissions (LAFCOs) and how best to empower them to effectively fulfill their mission.

If you are interested in actively participating in CSDA's efforts, please contact advocacy and public affairs director Kyle Packham at kylep@csla.net. Packham will also be providing an update on the proceedings of the Little Hoover Commission on Tuesday, June 27 at CSDA's General Manager Leadership Summit. To learn more and to register, visit gmsummit.csla.net.

Hot Legislation

- **AB 492 (Grayson) Public Records Act – Support**

Status: Senate Judiciary Committee

Requires any letter from a business or individual that is soliciting a fee to provide a public record for a third-party to include certain disclosures, including that the document is not from a government agency, that the person solicited has no legal obligation to obtain the record, and that the public records are available, for the cost of duplication, from the government agency having custody of the public record. This may help reduce the number of PRA requests.

- **AB 671 (Chavez) Veterans Memorial Districts – Support**

Status: Senate Veterans Affairs Committee

Expands the types of services a veterans memorial district may provide by allowing a district to provide services that improve the quality of life for veterans and their families. These services may include, but are not limited to, behavioral health services, counseling, social services, case management, affordable housing, and employment training and placement.

- **AB 979 (Lackey) Special District Representation on LAFCO – Sponsor**

Status: Senate Governance and Finance Committee

Simplifies the process for special districts to gain representation on local agency formation commissions (LAFCOs), while maintaining local control. Specifically, allows special districts to obtain representation on LAFCOs with a majority vote of the county's independent special district selection committee, consisting of the presiding officer of the legislative body of each independent special district in the county. Each district would cast one vote.

- **SB 448 (Wieckowski) Definition of Inactive Districts – Oppose Unless Amended**

Status: Assembly

Establishes a definition of "inactive district" and creates an expedited process for dissolution of inactive districts. Also requires the State Controller's Office to publish a comprehensive list of independent special districts on its website.

HUMAN RESOURCES AND PERSONNEL

CSDA's long range policy goal is to: "Encourage prudent planning for investment and maintenance of innovative long-term infrastructure. Support the contracting flexibility and fiscal tools and incentives needed to help special districts meet California's changing demands. Promote the efficient, effective, and sustainable delivery of core local services."

TAKE ACTION!

If you would like to participate in the CalPERS hearing, email Dillon Gibbons at dillong@csla.net.

If you are an expert on HR and personnel issues, CSDA would like your feedback on legislation affecting special districts. E-mail marcusd@csla.net and ask to be added to CSDA's HR Expert Feedback Team.

Mandatory Orientation Language Returns

The Legislature intends to introduce budget trailer bill language to address employee orientations for union represented employees. Over the last several years, in response to court cases headed to or in front of the Supreme Court of the United States (SCOTUS), labor organizations have been working on legislation to mandate new employee orientations for represented employees. Additionally, and more significantly, the mandated orientations would require employers to provide representatives from the unions representing the various classes of employees an opportunity to meet with the new employees during these orientations. The stated purpose of these meetings would be to allow the unions to share with new employees the value unions provide and important information on the employees' benefits as well as perks and services available to employees.

Past iterations of the legislation were quite onerous, and applied one-size-fits-all requirements on employers on how and when orientations would be scheduled. However, this most recent version of the orientation mandate is proposed by Governor Brown, not the unions, and would require employers and unions to develop all the orientation guidelines through the MOU process. This version is significantly more manageable than past legislation. The proposed language will require employers to meet with unions as part of the collective bargaining process to determine when and how the orientations will take place. All other aspects of the orientations will also be left to collective bargaining, and if an agreement cannot be reached, the orientation issue by itself would go to arbitration. The costs of arbitration would be split equally by the employer and union. If you have any questions about the orientation requirements, please contact legislative representative, Dillon Gibbons, at dillong@csla.net.

Legislature to Hold Joint Hearing on CalPERS Contracts

In recent months, CalPERS has reduced the benefits to retirees from several public agencies after those agencies failed to make their required payments to CalPERS. This reduction in benefits marks the first time in CalPERS' long history that it has been forced to reduce benefits to retirees. As such, the Assembly Committee on Public Employees, Retirement and Social Security, and the Senate Public Employment and Retirement Committee, are holding an information hearing on June 28, from 10:30 am to 1:00 pm in the State Capitol to discuss "CalPERS Contracts with Participating Employers: Cities, Counties, Towns, Joint Powers Authorities, Special Districts, Nonprofits and Others." The hearing will include several panel discussions from representatives from public agencies with an opportunity for public comment, where it is anticipated that numerous individuals whose benefits have been reduced will talk about the impacts of their benefit reductions. If you have questions about the hearing or would like to participate please contact legislative representative, Dillon Gibbons, at dillong@csla.net.

Hot Legislation

- **AB 161 (Levine) CalPERS Investment in Infrastructure – Support**

Status: Senate

Allows the Department of Finance to evaluate and identify infrastructure projects for which it can guarantee a rate of return on investment for a CalPERS investment made in that project. Also creates a state special fund, the Reinvesting in California Special Fund, to fund the rate of return on the infrastructure investment.

- **AB 1008 (McCarty) Ban the Box Expansion – Oppose**

Status: Senate

Prohibits an employer from asking or considering a job applicant's prior criminal history, including several specific prohibitions until a conditional offer of employment has been made. Also requires an employer that intends to deny an applicant a position of employment because of the applicant's prior conviction to make an individualized assessment of whether the applicant's conviction history has a direct and adverse relationship with the specific duties of the job that justify denying the applicant the position. The employer must notify the applicant of this decision and allow the applicant an opportunity to respond.

- **SB 63 (Jackson) Small Employers: Expanded Family Leave – Oppose**

Status: Assembly

Provides an additional 12 weeks of leave for employees of small employers with 20 or more employees for an employee who has a child born to, adopted by, or placed for foster care.

INFRASTRUCTURE, INNOVATION, AND INVESTMENT

CSDA's long range policy goal is to: "Encourage prudent planning for investment and maintenance of innovative long-term infrastructure. Support the development of fiscal tools and incentives to assist special districts in their efforts to meet California's changing demands, ensuring the efficient and effective delivery of core local services."

TAKE ACTION!

Submit comments on the FCC's proposal. Email Legislative Representative Rylan Gervase at rylang@csla.net for a sample comment letter.

Budget Update: Water Standards and Public Works Changes

Two notable policy proposals were introduced through the budget trailer bill process over the past couple of weeks: the Governor's proposed new water conservation policy, known as "Making Water Conservation a California Way of Life" and a trailer bill introduced by the Department of Industrial Relations (DIR) as a proposed overhaul of the public works contractor registration program.

The water conservation budget trailer bill requires the State Water Resources Control Board to set long-term urban water use efficiency standards by May 20, 2021 and allows the State Water Board set interim standards to apply before 2021. Following heavy opposition from water agencies and local governments urging the budget committees to defer to the traditional policy process, the Senate Committee on Budget voted to reject the trailer bill on a bipartisan vote. The Assembly Budget Committee also declined to advance the trailer bill, deferring to other water conservation bills currently making their way through the Legislature, including AB 1654 (Rubio) and AB 1668 (Friedman).

The Department of Industrial Relations (DIR) trailer bill seeks to overhaul the public works contractor registration program which is used by the department to oversee compliance with public works laws, including payment of prevailing wage. On a positive note for public agencies, the trailer bill language proposes to increase the cap under which a project is exempt from the requirements of the registration program, to under \$25,000 for construction and under \$15,000 for maintenance. The proposal also allows the Labor Commissioner to fine contractors and agencies for noncompliance. Public agencies could face up to a \$10,000 fine for using unregistered contractors when required.

Recent amendments raise the fee for contractors to register from \$300 to \$400, which could decrease the pool of available registered contractors. However, this is expected to be offset by raising the exemption from projects costing \$1,000 to those costing \$25,000, which would likely decrease the need to use contractors registered with the department. In addition, the Labor Commissioner will have the authority to waive fines for an unintentional first time violation and allow the public agencies to withhold final payment to the contractor for 30 days until the contractor submits all information required to verify registration. The public works contractor registration trailer bill is still pending, and is not anticipated to be part of the Budget Conference Committee negotiations.

Proposed New FCC Regulations Limit Local Flexibility

Many special districts rent space to broadband providers on district properties, including on buildings, light poles, community parks, and water tanks. This arrangement provides community with greater access to wireless connections and compensates the district for their duties as a landlord. The Federal Communications Commission (FCC) is considering regulations to determine whether the commission can regulate 1. the price charged for wireless access, 2. the amount of time a district can take to decide whether to make such space available, and 3. what other terms and conditions a district may impose for the use of its property. Comments on the FCC's notice of rule making are due June 15. To find out more on the proposed regulations and how to comment go [here](#). Email legislative representative Rylan Gervase at rylang@csla.net for a sample comment letter.

Hot Legislation

- **AB 1654 (Rubio) – Support**

Status: Senate

Creates a new drought response plan by recasting the requirements of a water shortage contingency analysis (WSCA), and creates a new annual water supply reporting requirement for urban water suppliers.

- **AB 1668 (Friedman) – Oppose Unless Amended**

Status: Senate

Requires every urban water supplier to prepare and adopt an urban water management plan (UWMP). Requires the UWMP be updated at least once every five years on or before December 31, in years ending in five and zero.

DISTRICTS MAKE THE DIFFERENCE PUBLIC OUTREACH CAMPAIGN

CSDA's public outreach campaign is aimed at providing the general public a platform where they can access information about special districts and learn more about these important local government agencies providing services to millions of Californians. This campaign focuses on the impact that special districts have in our daily day lives and the positive difference the make in their communities.

Our District Makes the Difference Stories

Do you or, better yet, one of your residents or stakeholders have a story to share about how your district has made a difference in your community? We want you to share it with us. Please send us personal stories about how your district has impacted its community. No story is too small or too big.

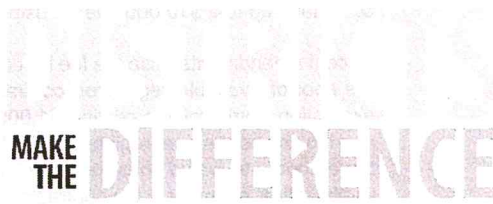
TAKE ACTION!

Share your stories about how your district has made a difference in your community by e-mailing tatianas@cda.net.

Examples may range from a sanitation district that went the extra mile for a local homeowner, a resource conservation district that helped a small farmer survive the drought, a fire protection district that taught a child CPR and saved a life, or a utility district that provided a brand new state-of-the-art arena with 100 percent renewable energy.

If these stories come from, or include quotes from members of the public, that is all the better!

Please share these stories about how your district makes the difference in your community by e-mailing Public Affairs Specialist Tatiana Stewart at tatianas@cda.net.



www.DistrictsMakeTheDifference.org

Learn more about our public outreach campaign at www.DistrictsMakeTheDifference.org and engage with us on social media:

- Like us on Facebook.com/CASpecialDistricts
- Follow us on Twitter @CA_Districts
- Subscribe to us on www.YouTube.com/c/CaSpecialDistrictsDMTD
- Download the logo to your homepage and link to www.DistrictsMakeTheDifference.org

How to Get Involved

CSDA Legislative Committee

The committee plays a key role in establishing priorities and positions on legislation each legislative session. CSDA members or business affiliates may apply to join. Contact Marcus Detwiler at marcusd@csla.net for more information.

CSDA Legislative Distribution List

Participants are copied on email correspondence sent to the CSDA Legislative Committee. Members have the opportunity to give feedback on issues before the Legislature. This is a great way to stay informed of CSDA's legislative efforts without the time and travel commitment of serving as a member of the legislative committee. Contact Marcus Detwiler at marcusd@csla.net for more information.

Grassroots Mobilization Survey

Join CSDA in grassroots advocacy efforts by sharing with us your personal legislative relationships and willingness to reach out to them when priority legislation is introduced impacting your district's delivery of core local services. By answering CSDA's Grassroots Mobilization Survey on page 8 of this packet, you are helping CSDA strengthen advocacy efforts on behalf of all special districts. One voice at one district may be able to reach one legislator, but to be successful we must reach all 120 legislators.

Expert Feedback Teams

CSDA utilizes seven teams to provide invaluable expertise to CSDA advocacy staff. The teams are comprised of district staff, management, directors and business affiliates who work within specified disciplines. When a need for feedback arises on a particular policy matter, CSDA advocacy staff sends an email to an expert feedback team asking for input. Team members reply with their thoughts, opinions and experiences. Teams include: Budget, Finance and Taxation; Environment; Formation and Reorganization; Human Resources and Personnel; Governance; Public Works and Contracting; and Legal. Contact Marcus Detwiler at marcusd@csla.net for more information.

Your Tools

In addition to the many ways you can be involved with CSDA's advocacy efforts, CSDA offers a variety of tools to keep you up-to-date and assist you in your district's legislative and public outreach:

CSDA e-News

A weekly electronic newsletter detailing the most important legislative and regulatory issues affecting special districts.

Advocacy Alerts

An email with an urgent call to action on legislative issues with information on how to join statewide efforts.

CSDA Blog

Engage in an interactive forum on the hottest issues, including breaking news from CSDA's legislative representatives. Subscribe to receive real-time, daily, or weekly alerts on new blog posts. www.csla.net/advocacy/blog

Bill Tracking

The CSDA website contains many useful tools for your district, including bill reports, information on your legislator, assistance with setting up a meeting with your legislator, helpful guides and more!

Grassroots Action Center

An online destination where you can find the most pressing issues facing special districts, including how your district can join ongoing advocacy efforts.

Social Media

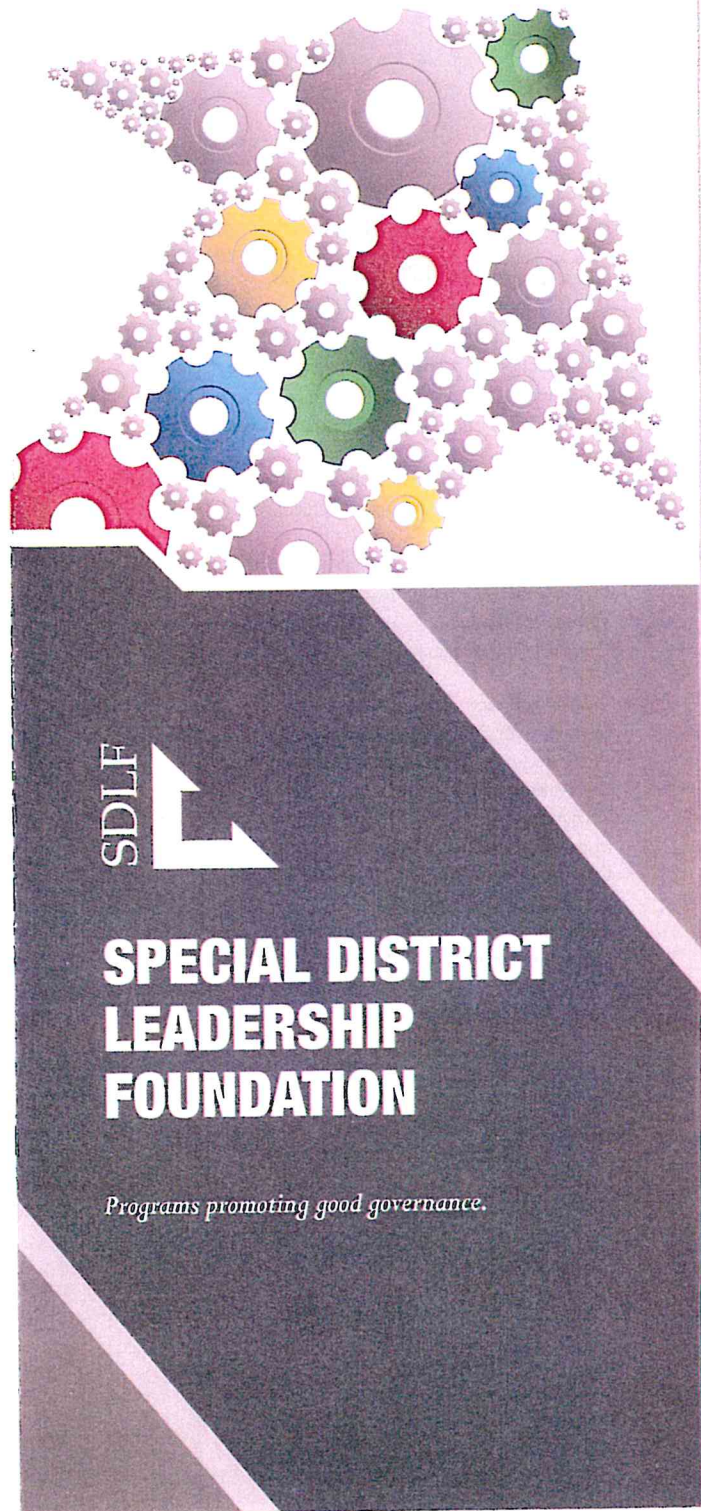
Stay connected to the special district community. Follow @specialdistrict on Twitter and "like" CSDA's Facebook page facebook.com/specialdistrict

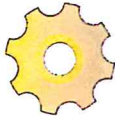
Use CSDA as a Resource

CSDA provides template letters to districts when a call-to-action is sent out. For information on writing a support/opposition letter on a bill of interest and keys to successful letter writing, please see the CSDA *Grassroots Advocacy Guide* or call toll-free 877.924.2732.



SPECIAL DISTRICT LEADERSHIP FOUNDATION
1112 I Street, Suite 200
Sacramento, CA 95814





SHOWCASE YOUR COMMITMENT TO TRANSPARENCY

District Transparency Certificate of Excellence

The District Transparency Certificate of Excellence was created in an effort to promote transparency in the operations and governance of special districts. There are no fees for this certificate and districts will be recognized for two full years.

The certificate covers general, website and outreach best practices and requirements regarding transparency for special districts.

The three main subject areas addressed by the certificate include:

- Basic transparency requirements
- Website requirements
- Outreach requirements

Your district will receive the following:

- Certificate for display (covering two years)
- Window cling to showcase your achievement
- Press release template
- Recognition on SDLF website, in *California Special District* magazine, or in the CSDA *e-News*
- Letter to legislators within the district's boundaries announcing the achievement
- Presentation of the award at a California Special Districts Association (CSDA) event



SHOWCASE YOUR COMMITMENT TO EXCELLENCE

Districts of Distinction Accreditation

This accreditation is designed as a way for districts to highlight the prudent practices important to effectively operate and govern a special district.

Districts must meet the following requirements and demonstrate that:

- They undergo regular financial audits, have no major deficiencies and apply any recommendations to future years.
- Their operations conform to all statutes and regulations under state law as reflected in a policies and procedures manual.
- All directors/trustees, general manager and executive staff (as designated by the district) have received training in governance as well as compliance with AB 1234 Ethics Training and AB 1825 Harassment Prevention Training.
- They have completed SSDLF's District Transparency Certificate of Excellence.



Districts of Distinction Seal

Districts of Distinction earn the right to use the program's seal on district materials. The District of Distinction seal is visual proof that your special district stands out from others.



Why get the District Transparency Certificate of Excellence

Earning the certificate is a tangible acknowledgement of transparency efforts. Demonstrate to your constituents and other stakeholders your district's commitment to being open and accessible to them.



Why should your district become a District of Distinction?

The accreditation criteria gets to the heart of best practices in public agencies and demonstrates that your district:

- Understands and respects the responsibilities inherent in providing essential public services.
- Has clean financial audits and operates in a fiscally responsible and transparent manner.
- Places an emphasis on continuing education.
- Focuses on having sound policies.

INDIVIDUAL RECOGNITION OPPORTUNITIES



FOR AGENCY GENERAL MANAGERS AND OTHER
MANAGEMENT STAFF

Special District Administrator Certification

The Special District Administrator (SDA) Certification is a voluntary designation sought by individuals who strive to be the best in their field. Administrators with various academic and professional backgrounds can be candidates for this program.

The certification examination and study guide were developed through the participation of volunteer subject matter experts who know special district administration. Guided by the SDLF Board, Certification and Audit Advisory Committee and under direction by a professional examination development firm, this certification gives successful candidates recognition unmatched by any other program.

The two-hour exam covers all key aspects of special district administration including: governance; legal requirements; policy development; ethics in public service; strategic planning; public finance and more.



FOR AGENCY DIRECTORS AND TRUSTEES

Recognition in Special District Governance

The Recognition in Special District Governance was designed to acknowledge special district board members and trustees who have taken extra steps to become better educated in core areas of governance.

In order to receive the Recognition in Special District Governance certificate, participants must satisfy the following requirements:

1. Completion of the Special District Leadership Academy four courses: Governance Foundations, Setting Direction/Community Leadership, Board's Role in Human Resources and Board's Role in Finance and Fiscal Accountability.
2. 10 additional hours of continuing education completed within 2 years and received from the California Special Districts Association (CSDA) or any other state-wide association specializing in local government.

In addition to recognitions given to individual directors there are also district recognitions. Districts that have a majority of their governing board holding recognitions will receive a Silver Recognition and districts with their entire board holding recognition will receive a Gold Recognition.



Why become a Special District Administrator and earn your certification?

- Demonstrates your commitment to the profession and special districts.
- Makes you stand out as one of the recognized "best in the field."
- Reflects achievement and that you have fulfilled a set of standards and requirements.
- Improves your career opportunities.
- Improves your overall skills and knowledge.
- Offers greater professional recognition from peers and agency governing boards.



Why get a Recognition in Special District Governance?

This recognition is an opportunity for board members and trustees in districts to demonstrate to their constituents and fellow directors the extent of their commitment and dedication to providing the best possible service to the communities they serve.



Opportunities to be recognized as a leader in special districts!

WHAT IS SDLF?

The Special District Leadership Foundation (SDLF) is an independent, non-profit organization formed to promote good governance and best practices among California's special districts through certification, accreditation and other recognition programs. The SDLF and its activities are supported by the California Special Districts Association and the Special District Risk Management Authority.

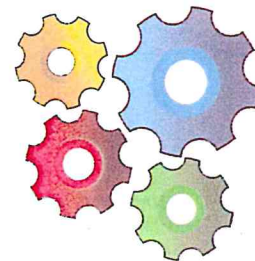
CURRENT SDLF PROGRAMS:

- Special District Administrator Certification
- Recognition in Special District Governance
- District Transparency Certificate of Excellence
- Districts of Distinction Accreditation

CONTACT SDLF AND GET INVOLVED

1112 I Street, Suite 200, Sacramento, CA 95814
t: 916.231.2939 f: 916.520.2469 www.sdlf.org
e: info@sdlf.org

SDLF is supported by



The Special District Leadership Foundation is committed to helping special districts obtain current and relevant continuing education. To that end they have funded three scholarship opportunities for special district elected officials and staff:

DR. JAMES KOHNEN SCHOLARSHIP

Available to elected/appointed special district board members from districts with limited budgets, who have not previously completed the Special District Leadership Academy.

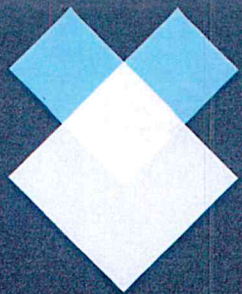
JOHN YEAKLEY SPECIAL DISTRICT ADMINISTRATOR SCHOLARSHIP

Available to general managers and executive staff of districts with limited budgets.

EDUCATION ALLOWANCE FUND

Provides financial assistance to elected officials and staff from districts with limited budgets, who are first-time attendees at select events and/or programs.

Be sure to visit www.sdlf.org to download current scholarship applications and check on fund availability and requirements.



Districts Make the Difference

California special districts are much more than local service providers. These local agencies are directly accountable to their residents and they are passionate about providing high-quality services and resources in the most efficient and effective manner. Find out more about the impact special districts are having and how they benefit the millions of Californians that use their services.

Social media



Visit us online.

DistrictsMakeTheDifference.org

DISTRICT TYPES

AIRPORT DISTRICTS

CEMETERY DISTRICTS

COMMUNITY SERVICES DISTRICTS

FIRE PROTECTION DISTRICTS

HARBOR AND PORT DISTRICTS

HEALTHCARE DISTRICTS

IRRIGATION DISTRICTS

LIBRARY DISTRICTS

MOSQUITO AND PEST
ABATEMENT DISTRICTS

RECLAMATION AND LEVEE DISTRICTS

RECREATION AND PARK DISTRICTS

RESOURCE CONSERVATION DISTRICTS

SANITATION DISTRICTS

TRANSIT DISTRICTS

UTILITY DISTRICTS

VETERANS MEMORIAL DISTRICTS

WATER DISTRICTS



California Special
Districts Association

Districts Stronger Together

A public outreach campaign supported by the
California Special Districts Association.

DISTRICTS
MAKE
THE **DIFFERENCE**



What is a "Special District"?

Special districts are local government agencies that provide essential services to millions of Californians. Special districts are formed and governed by local residents to establish or enhance essential services and infrastructure in their communities. Each special district focuses on providing specific types of services. It is this focused service that allows for innovation and long-term planning to meet the community's needs.

History of Special Districts

In 1887, the Legislature passed the Wright Act which allowed landowners to form local government agencies to deliver water for irrigation purposes. This ultimately led to the foundation of other special districts that now deliver a wide range of local services and infrastructure.

Independent vs. Dependent

Independent special districts are, just as they sound, independent from other governments. They are:
 • Directly accountable to the people they serve.
 • A local form of government.
 • Governed by a board of directors elected directly by the voters or sometimes appointed by other locally elected officials to fixed terms.

Dependent special districts are governed by other governmental entities. For example:

- City councils
- County boards of supervisors
- Components of other government bodies

Governance and Accountability

PUBLICLY ACCOUNTABLE BOARDS

- Local residents who represent the community
- Open meetings and public records
- Required ethics training
- Independent financial audits

Local Revenue for Local Services

Special districts are funded by local property taxes and fees for service. They keep local dollars focused on local priorities:

LOCAL PROPERTY TAXES

- Financial stability
- Infrastructure bonding capacity
- Non-enterprise services such as fire protection and parks

FEES FOR SERVICE

- Water conservation, storage, and delivery
- Trash and wastewater removal and recycling
- Medical care

What Special Districts are Not

- State government
- County or city governments
- School districts or community college districts
- "Mello-Roos" districts, community facilities districts, or benefit assessment districts
- Joint powers authorities
- Investor-owned utilities or mutual water companies

Learn More and Share!

DISTRICTS
MAKE
THE
DIFFERENCE

www.DistrictsMakeTheDifference.org

- Information and background about special districts
- Descriptions about how special districts serve communities
- News and compelling videos about special districts



- Like and Follow us on [Facebook.com/CAspecialDistricts](https://www.facebook.com/CAspecialDistricts)



- Follow and Retweet us on [Twitter @CA_Districts](https://twitter.com/CA_Districts)



- Subscribe to our YouTube channel www.youtube.com/c/CAspecialDistrictsDMTD



- Find your special district using the interactive mapping tool available under "Resources" at www.DistrictsMakeTheDifference.org