



**PALMDALE WATER DISTRICT**  
A CENTURY OF SERVICE



## **OPERATING BUDGET – Calendar Year 2020**

(Adopted: December 16, 2019)

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





# PALMDALE WATER DISTRICT

A CENTURY OF SERVICE

## BOARD OF DIRECTORS

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DENNIS D. LaMOREAUX  
General Manager

ALESHIRE & WYNDER LLP  
Attorneys



On behalf of the Palmdale Water District Board of Directors, I am pleased to present the budget for Calendar Year (CY) 2020, approved December 16, 2019.

Palmdale Water District expects operating revenues of \$27.3 million with \$24.7 million of operating expenses. Planned capital expenditures are \$6.15 million, and financial obligations for payment of principal and interest on debt are \$4.46 million. Budgeted salary and benefits expense are slightly more compared to CY 2019.

The CY 2020 Budget addresses the Board of Director's updated Strategic Plan, the recovery from the drought in California, and the continued implementation of the Antelope Valley Adjudication Judgement. Palmdale Water District continues its focus on essential services and improvements that will provide efficiency and productivity gains, excellent customer care, and laying the foundation for a more diversified and drought-resistant water supply portfolio.

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

Very truly yours,

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DENNIS D. LaMOREAUX,  
General Manager

DDL/ddl



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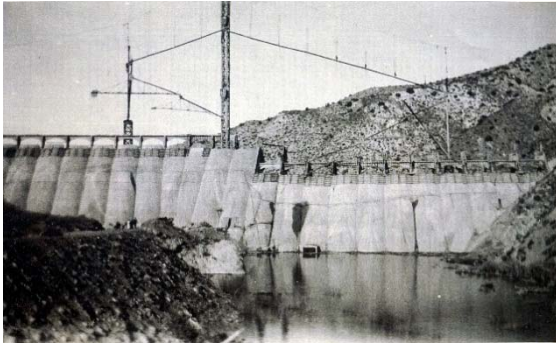
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## INTRODUCTION

Thank you for your interest in Palmdale Water District (PWD) and its approved 2020 Budget. The following provides an overview of the 2020 Budget and how it relates to the 2018 Strategic Plan.



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

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



Palmdale Water District celebrated its centennial in July 2018. This accomplishment was recognized through a variety of ways in the year preceding the 100<sup>th</sup> anniversary. These included monthly public tours of Littlerock Dam and Reservoir and the Leslie O. Carter Water Treatment Plant; a series of displays highlighting events in each decade in both the District lobby and Palmdale City Library; a video series explaining the District's history and projects; and a well-attended celebration on the actual anniversary. The District retains a focus on providing a critical service to the community in its second century of service through the approved 2020 Budget. The focus is detailed in the District's 2018 Strategic Plan Update and in its Mission and Vision statements.



**PALMDALE WATER DISTRICT**  
A CENTURY OF SERVICE

## MISSION

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

## VISION

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

## STRATEGIC PLAN

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

## 2018 STRATEGIC PLAN

The following is a list of the Strategic Initiatives that includes the more specific areas of focus through policy development and projects. The Strategic Initiatives were established through involvement with the Board of Directors and Management Staff. The six (6) Strategic Initiatives serve as the driving force behind the CY 2020 Budget.



### Water Resource Reliability

- Complete the 2018 phase of the Upper Amargosa Creek Recharge Project
- Ensure Palmdale Recycled Water Authority (PRWA) to be fully operational by year 2020
- Adopt new state-of-the-art water treatment technologies
- Implement the Antelope Valley Groundwater Adjudication agreement
- Complete the grade-control structure for the Littlerock Reservoir Sediment Removal Project
- Continue the next phase towards the completion of Palmdale Regional Groundwater Recharge and Recovery Project
- Identify and pursue opportunities to increase the reliability of water supply



### Organizational Excellence

- Offer competitive compensation and benefits package to promote employee retention
- Focus Succession Planning Program on ensuring an overlap of training for key positions
- Continue providing transparency to our ratepayers
- Promote and support leadership training and professional development programs to enhance the District's customers' experience



### Systems Efficiency

- Implement 2016 Water System Master Plan
- Develop a five-year Infrastructure Revitalization Plan to continue the reinvestment and preventative maintenance for aging infrastructure
- Explore energy independence
- Continue being the industry's leader on the use of Granular Activated Carbon (GAC)
- Research and test new technologies to increase efficiencies
- Improve safety and training for Directors, employees and customers
- Develop a crisis communications plan



### Financial Health and Stability

- Pursue additional grant funding for all District projects
- Adopt a sustainable and balanced rate structure to meet short and long-term needs
- Create a five-year financial plan in conjunction with the 2019 Water Rate Plan
- Maintain adequate reserve levels, high-level bond rating, and financial stability



### Regional Leadership

- Enhance relationships with Antelope Valley partnerships, including local water agencies, Antelope Valley State Water Contractors Association and the Palmdale Recycled Water Authority
- Expand school water education programs
- Engage elected officials in water-related issues
- Continue offering career opportunities through the Internship Program
- Provide opportunities for local businesses to contract with the District



### Customer Care, Advocacy, and Outreach

- Increase Customer Care accessibility through communication and feedback to enhance customers' experience
- Evaluate, develop, and market additional payment options
- Be point of communication for customers' water-related public health concerns
- Develop the District's Public Outreach Plan
- Increase public awareness of the District's history and promote centennial anniversary

## OPERATING BUDGET OVERVIEW – Recovering Demands and Controlled Expenses

The District's CY 2020 Operating Revenues are budgeted at just over \$27.3 million and is roughly \$1.56 million more than the CY 2019 Budget. Operating Revenues by category are summarized below:

	CY 2019 BUDGET	CY 2020 BUDGET	% Change
<b>OPERATING REVENUES:</b>			
Water consumption sales	\$ 9,948,000	\$ 10,323,794	3.8%
Monthly meter service charge	13,719,000	14,956,694	9.0%
Water quality fees	826,500	783,015	(5.3%)
Elevation Fees	370,000	354,450	(4.2%)
Other water service charges	875,000	877,625	0.3%
<b>TOTAL OPERATING REVENUES:</b>	<b>\$ 25,738,500</b>	<b>\$ 27,295,578</b>	<b>6.0%</b>

The District's CY 2020 Operating Expenses are budgeted just over \$23.5 million, compared to \$22.7 million in the CY 2019 budget. Operating Expenses by category are summarized below:

<b>OPERATING EXPENSES:</b>			
Source of supply - purchased water	\$ 2,705,000	\$ 3,104,491	14.8%
Directors	140,500	144,150	2.6%
Administration	4,286,200	4,185,109	(2.4%)
Engineering	1,596,550	1,635,725	2.5%
Facilities	6,598,000	6,449,794	(2.2%)
Operations	3,012,000	3,248,390	7.8%
Finance	1,289,750	1,346,687	4.4%
Water-Use Efficiency	374,150	358,682	(4.1%)
Human Resources	438,600	492,512	12.3%
Information Technology	956,050	1,229,489	28.6%
Customer Care	1,347,700	1,292,548	(4.1%)
<b>TOTAL OPERATING EXPENSES:</b>	<b>\$ 22,744,500</b>	<b>\$ 23,487,577</b>	<b>3.3%</b>

The CY 2020 capital portion of the budget includes potential expenditures of \$7.36 million. This includes \$1.57 million in capital projects started in prior years, \$4.58 million in new capital projects, \$600,000 for sediment removal at Littlerock Dam and \$610,556 in plant expenditures.

## REVENUES

The District is projecting customer usage of 16,341 acre-feet of potable water sales for CY 2020, compared to projected 15,870 acre-feet of potable water sales for CY 2019. This is largely due to CY 2019 being wetter than average. The corresponding increase in CY 2020 budgeted revenue is an increase of \$1.56 million, or 6.0%, compared to budgeted revenue in CY 2019.

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

### Tiered Commodity Rates (\$/CCF)

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

### Monthly Meter Charge

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

The CY 2020 Budget also continues the District's effort to control the costs related to the water quality and moving water to customers at higher elevations. Both costs are shown separately on our customers' water bills. This provides transparency and accountability for these expenses and charges.

The water quality fee is largely controlled by the cost of Granular Activated Carbon (GAC). In 2014 the District negotiated a long-term contract related to the purchase expense for GAC used during the water treatment process. The water quality expenses were also put into a five-year running average to avoid any large changes in costs to customers. These have allowed the District to reduce the water quality fee from the initial \$0.20/ccf to \$0.13/ccf in 2016, \$0.12/ccf in 2017 and \$0.11/ccf in 2018. This fee in 2020 will remain at \$0.11/ccf.

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

	CY 2018	CY 2019	CY 2020
<b>Water Quality Fee (\$/ccf)</b>	0.11	0.11	0.11
<b>Elevation Booster Surcharge (\$/ccf)</b>			
<b>Base</b>	-	-	-
<b>Zone A1</b>	0.09	0.08	0.08
<b>Zone A2</b>	0.57	0.61	0.62
<b>Zone A3</b>	1.23	1.26	1.26

## EXPENSES

The 2020 Budget includes operating expenses similar to the CY 2019 year-end forecasts. The CY 2020 operating expenses show an overall increase from the 2019 Budget. Most of this increase is related to increased purchased water and related treatment due to the Valley’s groundwater basin adjudication, additional costs related to GAC filter media replacement, and the additional cost of sedimentation removal (Year 1) at Littlerock Dam. This also reflects the District’s efforts to control costs in other areas even with anticipated higher costs associated with increased water purchases, electricity costs, and treatment/production costs. The District is also seeing a continued decrease in general maintenance and repair related expenses reflective of the increased effort to replace aging infrastructure and equipment.

The District will continue to reach out to the ratepayers in 2020 with various programs that will educate and involve the community. The programs will include offering rebates for landscape conversions, educational presentations at schools, public tours of PWD facilities, gardening workshops, and quarterly newsletters. The 2020 Budget continues again this year with \$236,500 allocated for rebate programs to assist customers with landscape conversion and replacement of inefficient indoor appliances. To ensure that our ratepayers are properly informed about District operations and available programs, the 2020 Budget also includes \$25,000 for the quarterly publication of “The Pipeline,” an external newsletter.

## CAPITAL PROJECTS

As previously stated, the CY 2020 capital portion of the budget includes potential expenditures of \$6.15 million. They are summarized on Pages 21-23 in the “Basis of the Budget” section. The total includes expenditures for projects, equipment, and planning studies that were contractually committed in 2019 but will be finished and expensed in 2020. All the carry-over projects, contractually committed as well as plant expenditures, are shown in the tables on Pages 21. Page 22 and 23 contain the list of new project requests identified in the 2019 Water Rate Study.

Continuing PWD’s commitment to the orderly replacement of capital infrastructure, which is part of the District’s Strategic Plan, staff will focus on replacing and upgrading necessary water production, storage, and distribution infrastructure as well as invest in new information technology. The approved Capital Expenditures Budget contains plant expenditures for \$610,556 that are related to safety and regulatory requirements and equipment replacement, and \$5,539,671 for replacement capital/equipment.

Page 21 shows the planned expenditure of \$1,120,785 in 2020 for the District’s share of the Upper Amargosa Recharge Project. The District’s participation and operational capacity of the Upper Amargosa Recharge Project will allow the District to use 25% of the Project’s capacity to recharge water into the Antelope Valley. The other three (3) partners are the City of Palmdale, Antelope Valley-East Kern Water Agency, and Los Angeles County Waterworks District No. 40.

The District will also continue to implement the design, permitting, and financial planning necessary to improve the long-term water supply and reliability projects. These include the Littlerock Reservoir Sediment Removal Project and the Palmdale Regional Groundwater Recharge and Recovery Project. The 2013A Series Water Revenue Bond provided \$8,500,000 in funding for these and other major projects, including water main replacement projects.

In 2018 the District put in place the 2018A Series Water Revenue Bond in the amount of \$13,572,000 to fund the grade-control structure for the Littlerock Reservoir Sediment Removal Project. The budget also provides additional funding totaling \$293,500 from the operational budget in 2019 for the Palmdale Regional Groundwater Recharge and Recovery Project. There will also be budgeting necessary in subsequent years to continue permitting and implementation, as well as the sediment removal itself at the Littlerock Dam.

The District has also included on Page 25 and 26 a listing of future project expenditures, broken down by category, that are currently deferred or will be funded in future years.

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# BUDGET SUMMARY

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Summary of Revenues and Expenditures – 2020 Budget

<b>Cash Basis (16,341 Ac. Ft.)</b>		
<b>Activity</b>	<b>Estimated Cash Revenues</b>	<b>Estimated Cash Expenditures</b>
Net Water Sales	\$ 10,323,794	
Meter Fees	14,956,694	
Elevation Fees	354,450	
Other Operating Revenue	877,625	
Water Quality Fees (Restricted Use)	783,015	
<b>(Increase)/Decrease in Cash (From Operating)</b>	<b>(2,597,445)</b>	
Directors		\$ 144,150
Administration		4,185,109
Engineering		1,635,725
Facilities		6,449,794
Operations		3,248,390
Finance		1,346,687
Water-Use Efficiency		358,682
Human Resources		492,512
Information Technology		1,229,489
Customer Care		1,292,548
Water Purchases		2,321,476
Littlerock Dam Sediment Removal Project		600,000
Capitalized Expenditures		610,556
Water Quality Expense (GAC)		783,015
<b>SUBTOTAL OPERATING</b>	<b>\$ 24,698,133</b>	<b>\$ 24,698,133</b>
<b>Projected Beginning Cash - 01/01/2020</b>	<b>\$ 11,906,691</b>	
Assessments received	7,271,250	
Capital Improvement Fees	75,000	
State Grants	100,000	
Interest on Investments	150,000	
Other Income	50,000	
Payments for State Water Project		3,593,204
Principal Paid on Long-Term Debt		1,759,583
Interest Paid on Long-Term Debt		2,528,688
Capital Leasing		178,953
Investments in PRWA		300,000
Water-Use Efficiency		236,500
Acquisition of Property, Plant & Equipment		6,150,227
	<u>\$ 19,552,941</u>	<u>\$ 14,747,156</u>
Projected Ending Cash - Non-Operating	4,805,785	
Rate Stabilization Fund	-	
<b>Increase/(Decrease) in Cash (From Operating)</b>	<b>2,597,445</b>	
<b>Projected Ending Cash - 12/31/2020</b>	<b>7,403,230</b>	
Less Restricted Cash	-	
<b>Available Operating Cash - 12/31/2020</b>	<b>\$ 7,403,230</b>	

Summary of Revenues and Expenditures – 2019 Projected

<b>Cash Basis (16,341 Ac. Ft.)</b>		
<b>Activity</b>	<b>Estimated Cash Revenues</b>	<b>Estimated Cash Expenditures</b>
Net Water Sales	\$ 9,109,000	
Meter Fees	13,968,000	
Elevation Fees	336,000	
Other Operating Revenue	940,000	
Water Quality Fees (Restricted Use)	760,000	
<b>(Increase)/Decrease in Cash (From Operating)</b>	<b>(2,399,784)</b>	
Directors		\$ 100,170
Administration		4,119,923
Engineering		1,594,806
Facilities		6,272,655
Operations		3,322,858
Finance		1,253,550
Water-Use Efficiency		243,986
Human Resources		470,194
Information Technology		968,639
Customer Care		1,323,702
Water Purchases		2,346,886
Capitalized Expenditures		132,368
Water Quality Expense (GAC)		563,477
<b>SUBTOTAL OPERATING</b>	<b>\$ 22,713,216</b>	<b>\$ 22,713,216</b>
<b>Projected Beginning Cash - 01/01/2019</b>	<b>\$ 11,785,007</b>	
Assessments received	7,329,360	
Capital Improvement Fees	755,810	
State Grants	9,185	
Interest on Investments	368,696	
Other Income	26,500	
Payments for State Water Project		4,279,042
Principal Paid on Long-Term Debt		1,706,595
Interest Paid on Long-Term Debt		2,581,365
Capital Leasing		178,953
Investments in PRWA		306,656
Water-Use Efficiency		46,386
Acquisition of Property, Plant & Equipment		1,668,654
	<b>\$ 20,274,558</b>	<b>\$ 10,767,651</b>
Projected Ending Cash - Non-Operating	9,506,907	
Rate Stabilization Fund	-	
<b>Increase/(Decrease) in Cash (From Operating)</b>	<b>2,399,784</b>	
<b>Projected Ending Cash - 12/31/2019</b>	<b>11,906,691</b>	
<b>Less Restricted Cash</b>	<b>-</b>	
<b>Available Operating Cash - 12/31/2019</b>	<b>\$ 11,906,691</b>	

Fund Analysis – 2018 End of Year (Actual)

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

Sources of Cash	Actual Ending Balance 12/31/2017	2018 Budget		Actual Ending Balance 12/31/2018
		Sources	Uses	
Net Operating Income		\$ (5,272,869)		
Adjustment - Water Quality (GAC Media)		1,121,260		
Adjustment - Depreciation/Amortization Add Back		5,318,052		
Adjustment - Post-Employment Benefits (GASB 45)		1,882,449		
Adjustment - Bad Debt		2,865		
Adjustment - Service Costs Construction		182,033		
Adjustment - Capitalized Construction		(874,621)		
Net Non-Operating Income		<u>3,182,000</u>		
<b>Cash from Revenues above Expenses to place into funds</b>		<b><u>\$ 5,541,170</u></b>		
<b>Reserve Funds (Based on Resolution No. 13-13)</b>				
1 Capital Improvement Fund (CIF)	\$ -	\$ 106,947	\$ 106,947	\$ -
2 Bond Proceeds Fund	-	13,547,869	1,841,422	11,706,447
3 Debt Service Reserve Fund	-	-	-	-
4 Rate Stabilization Fund (Operating Cash)	<u>485,917</u>	-	<u>241,708</u>	<u>244,210</u>
<b>Total Legally Restricted</b>	<b>\$ 485,917</b>	<b>\$ 13,654,816</b>	<b>\$ 2,190,077</b>	<b>\$ 11,950,657</b>
5 Dam Self-Insurance	\$ 5,000,000	\$ -	\$ -	\$ 5,000,000
6 O&M Operating Reserve (3-Month operating exp.)	5,600,000	-	-	5,600,000
7 O&M Emergency Reserve	-	-	-	-
8 Unrestricted Reserves	<u>3,241,110</u>	<u>5,541,170</u>	<u>7,841,482</u>	<u>940,797</u>
<b>Total Board Restricted</b>	<b>\$ 13,841,110</b>	<b>\$ 5,541,170</b>	<b>\$ 7,841,482</b>	<b>\$ 11,540,797</b>
<b>Total Operating Cash</b>	<b><u>\$ 14,327,027</u></b>			<b><u>\$ 11,785,007</u></b>

Fund Analysis – 2019 Budget (as Approved)

Sources of Cash	2019 Budget			
	Projected Balance 12/31/2018	Sources	Uses	Projected Balance 12/31/2019
Net Operating Income		\$ (3,568,000)		
Adjustment - Water Quality (GAC Media)		800,000		
Adjustment - Depreciation/Amortization Add Back		5,050,000		
Adjustment - Post-Employment Benefits (GASB 45)		1,750,000		
Adjustment - Bad Debt		50,000		
Adjustment - Service Costs Construction		100,000		
Adjustment - Capitalized Construction		(600,000)		
Net Non-Operating Income		<u>1,909,500</u>		
<b>Cash from Revenues above Expenses to place into funds</b>		<b><u>\$ 5,491,500</u></b>		
<b>Reserve Funds (Based on Resolution No. 13-13)</b>				
1 Capital Improvement Fund (CIF)	\$ -	\$ 75,000	\$ 75,000	\$ -
2 Bond Proceeds Fund	-	-	-	-
3 Debt Service Reserve Fund	-	-	-	-
4 Rate Stabilization Fund (Operating Cash)	493,327	4,870	-	498,197
<b>Total Legally Restricted</b>	<b><u>\$ 493,327</u></b>	<b><u>\$ 79,870</u></b>	<b><u>\$ 75,000</u></b>	<b><u>\$ 498,197</u></b>
5 Dam Self-Insurance	\$ 5,000,000	\$ -	\$ -	\$ 5,000,000
6 O&M Operating Reserve (3-Month operating exp.)	5,600,000	3,873,150	3,873,150	5,600,000
7 O&M Emergency Reserve	-	-	-	-
8 Unrestricted Reserves	1,077,844	1,613,480	2,140,501	550,823
<b>Total Board Restricted (Operating Cash)</b>	<b><u>\$ 11,677,844</u></b>	<b><u>\$ 5,486,630</u></b>	<b><u>\$ 6,013,651</u></b>	<b><u>\$ 11,150,823</u></b>
<b>Total Operating Cash</b>	<b><u>\$ 12,171,171</u></b>			<b><u>\$ 11,649,020</u></b>
Carry-over	(2,422,785)			
<b>Available Operating Cash</b>	<b><u>\$ 9,748,386</u></b>			

Fund Analysis – 2019 Estimated End of Year (Actual)

Sources of Cash	Actual Ending Balance 12/31/2018	2019 Budget		Projected Balance 12/31/2019
		Sources	Uses	
Net Operating Income		\$ (3,631,929)		
Adjustment - Water Quality (GAC Media)		563,477		
Adjustment - Depreciation/Amortization Add Back		5,218,213		
Adjustment - Post-Employment Benefits (GASB 45)		1,750,000		
Adjustment - Bad Debt		18,500		
Adjustment - Service Costs Construction		195,000		
Adjustment - Capitalized Construction		(1,150,000)		
Net Non-Operating Income		<u>2,910,203</u>		
<b>Cash from Revenues above Expenses to place into funds</b>		<b>\$ 5,873,464</b>		
<b>Reserve Funds (Based on Resolution No. 13-13)</b>				
1 Capital Improvement Fund (CIF)	\$ -	\$ 755,810	\$ 755,810	\$ -
2 Bond Proceeds Fund	11,706,447	-	5,547,869	6,158,578
3 Debt Service Reserve Fund	-	-	-	-
4 Rate Stabilization Fund (Operating Cash)	244,210	125,570	-	369,780
<b>Total Legally Restricted</b>	<b>\$ 11,950,657</b>	<b>\$ 881,380</b>	<b>\$ 6,303,679</b>	<b>\$ 6,528,358</b>
5 Dam Self-Insurance	\$ 5,000,000	\$ -	\$ -	\$ 5,000,000
6 O&M Operating Reserve (3-Month operating exp.)	5,600,000	-	67,233	5,532,767
7 O&M Emergency Reserve	-	-	-	-
8 Unrestricted Reserves	940,797	5,867,234	5,803,887	1,004,144
<b>Total Board Restricted</b>	<b>\$ 11,540,797</b>	<b>\$ 5,867,234</b>	<b>\$ 5,871,120</b>	<b>\$ 11,536,911</b>
<b>Total Operating Cash</b>	<b>\$ 11,785,007</b>			<b>\$ 11,906,691</b>
			<b>Carry-over</b>	<b>(1,567,785)</b>
			<b>Available Operating Cash</b>	<b>\$ 10,338,906</b>

Fund Analysis – 2020 Budget

Sources of Cash		2020 Budget			
		Projected Balance 12/31/2019	Sources	Uses	Projected Balance 12/31/2020
Net Operating Income			\$ (3,737,555)		
Adjustment - Water Quality (GAC Media)			783,015		
Adjustment - Depreciation/Amortization Add Back			5,050,000		
Adjustment - Post-Employment Benefits (GASB 45)			1,750,000		
Adjustment - Bad Debt			35,000		
Adjustment - Service Costs Construction			100,000		
Adjustment - Capitalized Construction			(600,000)		
Net Non-Operating Income			<u>1,755,750</u>		
Cash from Revenues above Expenses to place into funds			<u>\$ 5,136,210</u>		
<b>Reserve Funds (Based on Resolution No. 13-13)</b>					
1	Capital Improvement Fund (CIF)	\$ -	\$ 75,000	\$ 75,000	\$ -
2	Bond Proceeds Fund	6,158,578	-	6,158,578	-
3	Debt Service Reserve Fund	-	-	-	-
4	Rate Stabilization Fund (Operating Cash)	369,780	120,000	-	489,780
Total Legally Restricted		<u>\$ 6,528,358</u>	<u>\$ 195,000</u>	<u>\$ 6,233,578</u>	<u>\$ 489,780</u>
5	Dam Self-Insurance	\$ 5,000,000	\$ -	\$ -	\$ 5,000,000
6	O&M Operating Reserve (3-Month operating exp.)	5,532,767	4,022,707	7,384,772	2,170,702
7	O&M Emergency Reserve	-	-	-	-
8	Unrestricted Reserves	1,004,144	993,503	2,254,899	(257,251.50)
Total Board Restricted (Operating Cash)		<u>\$ 11,536,911</u>	<u>\$ 5,016,210</u>	<u>\$ 9,639,671</u>	<u>\$ 6,913,450</u>
Total Operating Cash		<u>\$ 11,906,691</u>			<u>\$ 7,403,230</u>
Carry-over		(1,567,785)			
Available Operating Cash		<u>\$ 10,338,906</u>			



Income Statement

	BUDGET 2020	PROJECTED 2019	BUDGET <sup>1</sup> 2019	ACTUAL 2018	ACTUAL 2017	ACTUAL 2016
<b>Operating Revenue</b>						
Wholesale Water (AVEK & LCID)	295,000	525,000	295,000	496,975	438,255	231,820
Water Sales	10,028,794	8,584,000	9,653,000	9,062,631	8,416,723	8,194,074
Meter Fees	14,956,694	13,968,000	13,719,000	13,294,482	12,710,215	12,176,890
Water Quality Fees	783,015	760,000	826,500	803,306	845,526	861,502
Elevation Fees	354,450	336,000	370,000	378,380	365,618	349,673
Other	877,625	940,000	875,000	848,304	889,106	779,854
	<u>27,295,578</u>	<u>25,113,000</u>	<u>25,738,500</u>	<u>24,884,078</u>	<u>23,665,442</u>	<u>22,593,813</u>
<b>Operating Expenses</b>						
Directors	144,150	100,170	140,500	122,252	111,057	162,939
Administration	4,185,109	4,119,923	4,286,200	3,874,010	3,200,269	3,258,302
Engineering	1,635,725	1,594,806	1,596,550	1,770,592	1,456,117	1,295,845
Facilities	6,449,794	6,272,655	6,598,000	6,710,475	5,940,131	6,503,297
Operations	3,248,390	3,322,858	3,012,000	3,579,000	2,993,156	2,682,263
Finance	1,346,687	1,253,550	1,289,750	1,176,821	1,206,440	1,257,585
Water-Use Efficiency	358,682	243,986	374,150	238,146	216,687	239,810
Human Resources	492,512	470,194	438,600	509,576	318,428	390,980
Information Technology	1,229,489	968,639	956,050	896,350	726,798	802,131
Customer Care	1,292,548	1,323,702	1,347,700	1,379,862	1,240,127	1,378,405
Water Purchases	2,425,000	2,189,818	2,000,000	1,784,403	2,248,897	2,007,254
OAP Chrg (Prior Year)	25,000	(7,294)	25,000	(5,148)	-	-
Water Recovery	(128,524)	164,362	(120,000)	(100,666)	(81,911)	(232,890)
Water Quality (GAC Media)	783,015	563,477	800,000	1,121,260	923,815	690,541
Littlerock Dam Sediment Removal Project	600,000	-	-	-	-	-
Plant Expenditures	610,556	132,368	212,000	589,237	287,602	453,366
<b>Cash Expenses</b>	<u>24,698,133</u>	<u>22,713,216</u>	<u>22,956,500</u>	<u>23,646,168</u>	<u>20,787,615</u>	<u>20,889,828</u>
Depreciation	5,050,000	5,218,213	5,050,000	5,318,052	6,113,751	5,599,740
Post-Employment Benefit (GASB 45)	1,750,000	1,750,000	1,750,000	1,882,449	2,224,242	2,069,452
Bad Debts	35,000	18,500	50,000	2,865	133,620	35,937
Service Costs Construction	100,000	195,000	100,000	182,033	111,524	82,905
Capitalized Construction	(600,000)	(1,150,000)	(600,000)	(874,621)	(527,821)	(773,318)
<b>Non-Cash Expenses</b>	<u>6,335,000</u>	<u>6,031,713</u>	<u>6,350,000</u>	<u>6,510,778</u>	<u>8,055,317</u>	<u>7,014,716</u>
<b>Net Operating Income/(Loss)</b>	<u>(3,737,555)</u>	<u>(3,631,929)</u>	<u>(3,568,000)</u>	<u>(5,272,869)</u>	<u>(5,177,489)</u>	<u>(5,310,730)</u>
<b>Non-operating Revenues</b>						
Assessments (Debt Service)	4,925,250	4,752,000	5,125,000	4,811,735	5,102,773	5,168,663
Assessments (1%)	1,785,000	1,852,766	1,750,000	2,032,216	1,665,813	1,665,002
Successor Agency Component (Prop Tax)	561,000	724,594	550,000	403,992	623,525	524,470
DWR Fixed Charge Recovery	175,000	247,469	175,000	266,877	266,638	285,255
Interest	150,000	293,180	150,000	295,246	146,306	105,487
Market Adj. on Investments	-	75,516	-	(2,930)	(90,252)	(62,759)
Capital Improvement Fees	75,000	755,810	75,000	106,947	1,021,406	41,017
Grants - State & Federal	100,000	9,185	100,000	47,666	110,669	306,915
Other	50,000	26,500	50,000	71,225	105,263	147,173
	<u>7,821,250</u>	<u>8,737,020</u>	<u>7,975,000</u>	<u>8,032,975</u>	<u>8,952,140</u>	<u>8,181,224</u>
<b>Non-operating Expenses</b>						
Interest Paid & Amortization on long-term debt	2,648,000	2,619,548	2,648,000	2,405,895	2,175,260	2,211,323
Amortization of SWP	2,881,000	2,854,227	2,881,000	2,646,400	2,600,856	2,362,788
Change in Investments in PRWA	300,000	306,656	300,000	(296,423)	(966,091)	14,559
Water-Use Efficiency	236,500	46,386	236,500	95,102	89,469	57,143
	<u>6,065,500</u>	<u>5,826,817</u>	<u>6,065,500</u>	<u>4,850,974</u>	<u>3,899,495</u>	<u>4,645,813</u>
<b>Net Non-operating Income/(Loss)</b>	<u>1,755,750</u>	<u>2,910,203</u>	<u>1,909,500</u>	<u>3,182,000</u>	<u>5,052,645</u>	<u>3,535,411</u>
<b>Net Earnings(Loss)</b>	<u>(1,981,805)</u>	<u>(721,726)</u>	<u>(1,658,500)</u>	<u>(2,090,868)</u>	<u>(124,844)</u>	<u>(1,775,320)</u>

## Income Statement – General Information

	BUDGET 2020	PROJECTED 2019	BUDGET <sup>1</sup> 2019	ACTUAL 2018	ACTUAL 2017	ACTUAL 2016
Operating Revenue	8.69%	-2.43%	3.43%	16.88%	11.16%	-2.80%
Operating Expenses	5.03%	-5.01%	-2.47%	-27.38%	-10.15%	-8.32%
Non-operating Revenues	-10.48%	9.56%	-0.72%	-0.95%	10.38%	11.04%
Non-operating Expenses	4.10%	-3.94%	25.04%	5.69%	-15.04%	-6.77%

### Footnotes:

<sup>1</sup> 2019 Budget contains all amendments made during the current fiscal year. All amendments were done as transfers between GL accounts with no change to overall budgeted amounts with the exception of Administration for 100th Anniversary.

<sup>2</sup> 2020 Budget for water sales is based on 16,341 ac. ft. This amount is 470 ac. ft. more than 2019 projected actual totals.

<sup>3</sup> 2020 water purchases are based on purchasing 10,900 ac. ft. of water from the Department of Water Resources.

<sup>4</sup> GAC filter media purchases are directly offset by the revenues from the water-quality fee for prior year. The 2020 Budget includes the possible replacement of up to five contactors and the localized contactor at the El Camino Underground site.

<sup>5</sup> Post-employment accrual expense (OPEB) was added as a compliance requirement for GASB 45 (2008).

<sup>6</sup> Capital improvement fees for new development are made up of two components: infrastructure and water supply. The water supply fee portion will be used to secure new source supply and will not impact current customers.

### General Information:

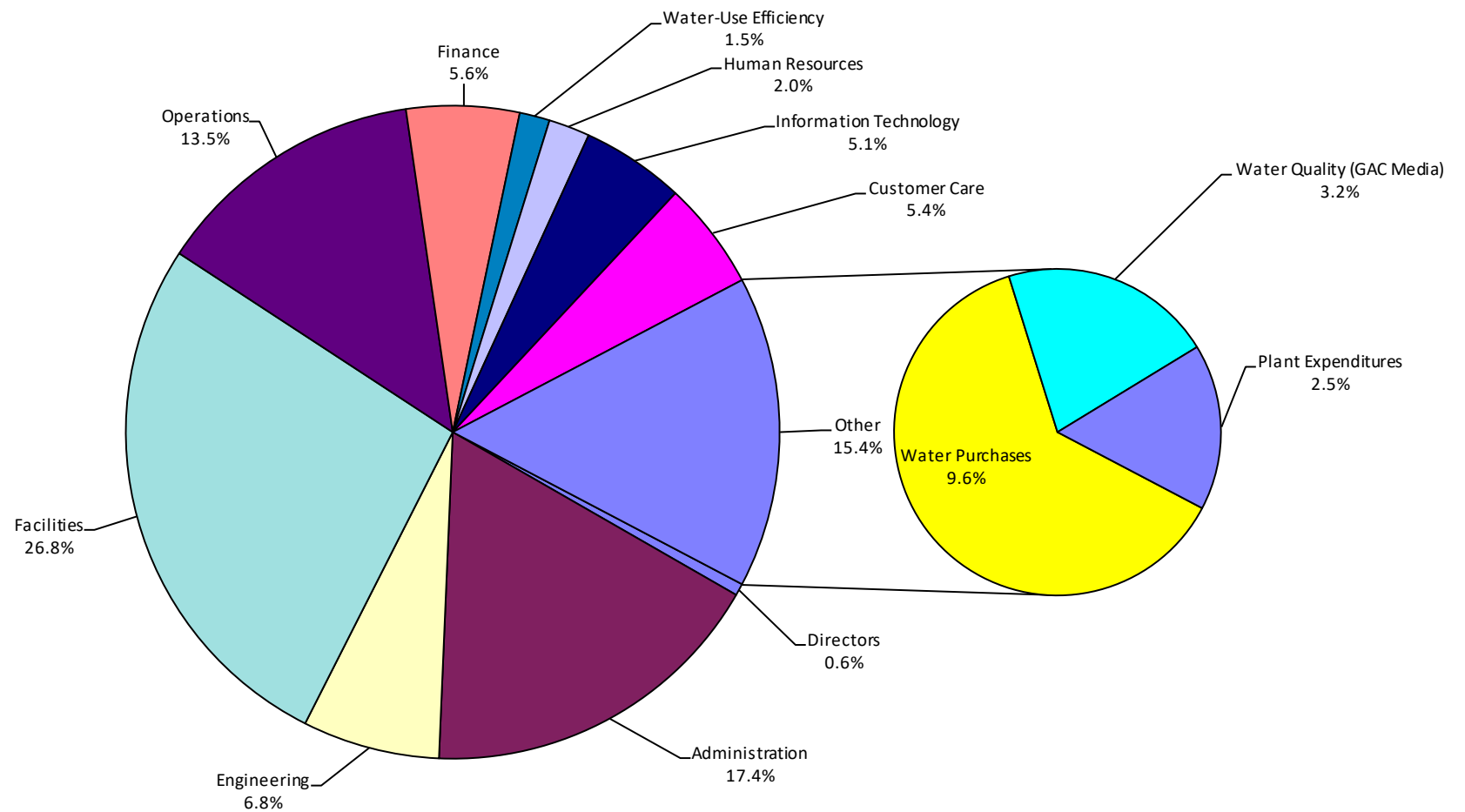
The District entered into Capital Leasing agreement in 2017 for customer information system software, increased data storage, water treatment plant security upgrade, kiosk, IVR, and laboratory software. The agreement is a 5-year term ending 2022.

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

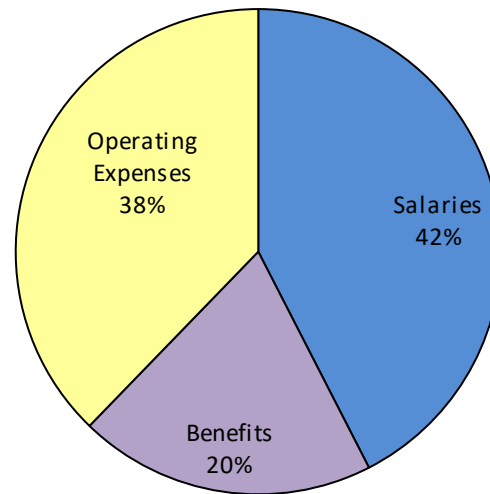
### Cost Factors and Assumptions:

- Water quality fee is \$0.11 per unit for 2020, the same as 2019.
- Cost-of-Living increase of 2.99% effective January 1, 2020.
- Worker's comp rates are calculated at 0.0086 for office personnel and 0.0451 for field personnel.
- PERS is calculated at 10.221% for 6 months (Jan. thru Jun.) and 11.031% for 6 months (Jul thru Dec.) for all employees except for those who fall under Public Employee Pension Reform Act (PEPRA). Classic PERS employees will pay 7% of the employee portion for 2020. [For employees who meet the PEPRA requirement, the employer contribution for 2020 is 6.985% for 6 months (Jan. thru Jun.) and 7.732% for 6 months (Jul thru Dec.) for the District.]
- Employee benefits include the cost of medical, dental & vision plans as well as the Employee Assistance Program and on the job life insurance death benefit. Healthcare is capped per employee at \$1,875 effective January 1, 2020.
- The District's medical insurance rates have increased 2.64% on the blended average for the four medical plans. Currently, the dental insurance and vision insurance offered to employees will remain the same as the 2018 cost. All health insurance plans are managed and administered through ACWA/JPIA.
- Health insurance includes benefits to Directors who qualify for benefits and opt to participate in the plans.
- Operating Revenue estimates were based on the potential sales of 16,341 ac. ft. of water for the 2020 Budget.

2020 Operating Expenses (excluding non-cash expenses) – Graph



2020 Departmental Expenses – Graph



<b>2020 Departmental Expenses</b>		
<b>Salaries</b>	\$	8,655,500
<b>Benefits</b>		4,034,150
<b>Operating Expenses</b>		7,693,436
<b>Total</b>	\$	<u>20,383,086</u>

Statement of Cash Flows

	Audited Numbers				
	Budget 2020	Projected 2019	2018	2017	2016
<b>Beginning Cash</b>	11,906,691	11,785,007	14,327,027	12,853,749	12,243,990
<b>Operating Activities</b>					
Net Operating Revenues	27,295,578	25,113,000	24,884,078	23,693,095	22,586,801
Net Operating Expenses	24,698,133	22,713,216	23,646,168	22,059,825	20,871,018
GAC- Carryover					
<b>Net cash provided by operating activities</b>	2,597,445	2,399,784	1,237,909	1,633,270	1,715,783
<b>Other Sources and Uses of Cash</b>					
Assessments received	7,271,250	7,329,360	7,247,944	7,392,110	7,358,135
Payments for State Water Project	(3,593,204)	(4,279,042)	(3,118,430)	(2,996,405)	(3,195,974)
Capital Improvement Fees Received	75,000	755,810	106,947	1,021,406	234,747
Water-Use Efficiency	(236,500)	(46,386)	-	-	-
Acquisition of Property, Plant & Equip. - Current Yr	(4,582,442)	(1,668,654)	(4,084,538)	(2,039,688)	(2,264,386)
Acquisition of Property, Plant & Equip. - Carry-over	(447,000)	-	-	-	-
Committed Contract - Upper Amargosa Creek Project	(1,120,785)	-	-	-	-
Investments in PRWA	(300,000)	(306,656)	(296,423)	(320,680)	(105,316)
Capital Leasing - Principal & Interest	(178,953)	(178,953)	(178,953)	(120,948)	(229,597)
Principal Paid on Long-Term Debt	(1,759,583)	(1,706,595)	(1,657,084)	(1,610,453)	(1,557,553)
Interest Paid on Long-Term Debt	(2,528,688)	(2,581,365)	(2,210,599)	(2,175,260)	(2,161,369)
State Grants and Other Income	150,000	35,685	118,891	633,872	709,802
Interest on Investments	150,000	368,696	292,316	56,054	105,487
<b>Net Cash Provided by Other Sources and Uses</b>	(7,100,906)	(2,278,100)	(3,779,930)	(159,992)	(1,106,024)
<b>Net Increase (Decrease) in Cash</b>	(4,503,461)	121,684	(2,542,020)	1,473,278	609,759
<b>Rate Stabilization Fund</b>	-	-	-	-	-
<b>Cash End of Year</b>	7,403,230	11,906,691	11,785,007	14,327,027	12,853,749
<b>Less Restricted Cash</b>	-	-	-	-	-
Acquisition of Property, Plant & Equip. - Carry-over	-	(447,000)	-	-	-
Committed Contract - Upper Amargosa Creek Project	-	(1,120,785)	-	-	-
<b>Available Operating Cash</b>	7,403,230	10,338,906	11,785,007	14,327,027	12,853,749
<b>Capital Funding</b>					
<b>Beginning Cash (Restricted)</b>	6,158,578	11,706,447	-		
Proceeds on Issuance of Long-Term Debt			13,547,869		
Committed Contracts on 2018 WRB Projects	(5,547,869)	(5,547,869)	(1,841,422)		
<b>Restricted Cash</b>	610,709	6,158,578	11,706,447		

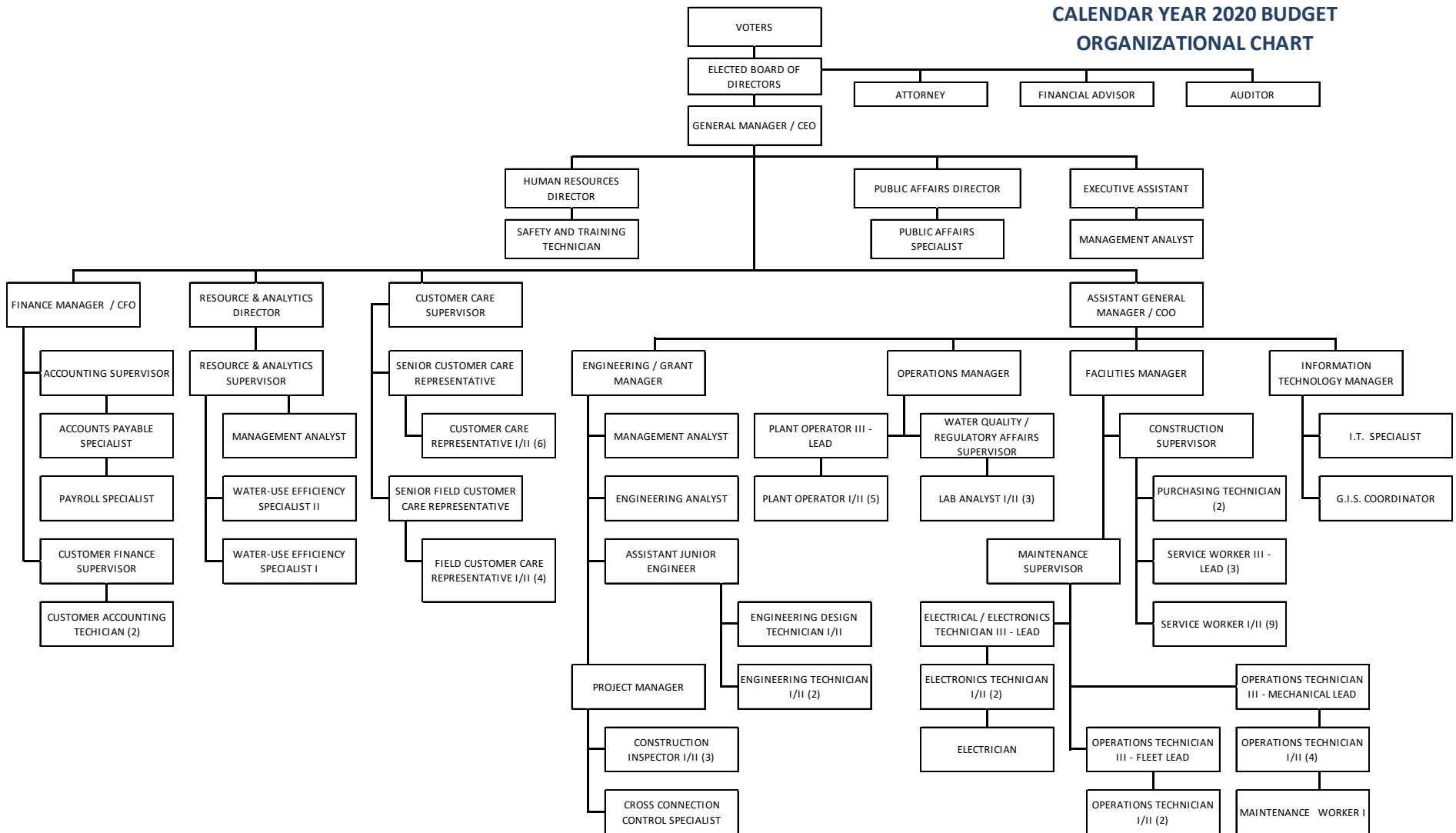
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# **BASIS OF THE BUDGET**

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**CALENDAR YEAR 2020 BUDGET  
ORGANIZATIONAL CHART**



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Personnel Summary

	CY 2020 BUDGET	CY 2019 BUDGET	CY 2018 BUDGET	CY 2017 BUDGET
<b>ADMINISTRATION</b>				
Managers/Supervisors	8	7	7	7
Staff	6	6	7	6
<b>TOTAL ADMINISTRATION</b>	<b>14</b>	<b>13</b>	<b>14</b>	<b>13</b>
<b>FINANCE</b>				
Managers/Supervisors	3	3	3	3
Staff	4	4	4	4
<b>TOTAL FINANCE</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>
<b>CUSTOMER CARE</b>				
Managers/Supervisors	1	1	1	1
Clerical	7	7	7	7
Field	5	5	5	5
<b>TOTAL CUSTOMER CARE</b>	<b>13</b>	<b>13</b>	<b>13</b>	<b>13</b>
<b>ENGINEERING</b>				
Managers/Supervisors	2	2	2	2
Staff	9	9	9	8
<b>TOTAL ENGINEERING</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>10</b>
<b>FACILITIES</b>				
Managers/Supervisors	3	2	2	2
Staff	27	27	27	27
<b>TOTAL FACILITIES</b>	<b>30</b>	<b>29</b>	<b>29</b>	<b>29</b>
<b>OPERATIONS</b>				
Managers/Supervisors	2	2	2	2
Staff	9	9	8	9
<b>TOTAL OPERATION AND PRODUCTION</b>	<b>11</b>	<b>11</b>	<b>10</b>	<b>11</b>
<b>WATER-USE EFFICIENCY</b>				
Managers/Supervisors	-	-	-	-
Staff	2	2	2	2
<b>TOTAL WATER-USE EFFICIENCY</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>
<b>TOTAL PERSONNEL</b>	<b>88</b>	<b>86</b>	<b>86</b>	<b>85</b>

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

-	-	-	1
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**Notes:**

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

Labor and Benefits Cost Summary

Accounting Category	CY 2020 BUDGET	CY 2019 PROJECTED	CY 2019 BUDGET	CY 2018 ACTUAL	CY 2017 ACTUAL
Salaries (Includes On-Call and Overtime)	8,735,500	8,365,331	8,263,000	8,118,393	7,398,673
FICA / Medicare (Employer Portion)	651,250	629,516	614,250	585,179	544,273
Healthcare Benefits	1,305,750	1,413,438	1,472,400	1,444,398	1,305,755
Retirement (CalPERS)	1,585,000	1,380,672	1,479,750	1,463,521	1,185,559
Workers Comp	375,000	400,000	375,000	437,754	189,902
Life Insurance/EAP Program	6,500	6,472	6,500	6,344	6,312
<b>TOTAL</b>	<b>12,659,000</b>	<b>12,195,429</b>	<b>12,210,900</b>	<b>12,055,590</b>	<b>10,630,474</b>



### New Capital Expenditures Project Request Summary

Project No.	Project Budget Requests (Committed)	Category	Project Type	CY 2020
<b>Asset/Infrastructure Related Expense</b>				
	Pipeline Design (2020/2021)	NCP	New Capital	512,177
	WTP - AC Unit	NCP	New Capital	15,127
	WTP - Entry Buildings @ Filter & GAC Pipe Gallery Entrance	NCP	New Capital	51,506
	Bucket Truck (Looking at Lease Option)	NRE	Replace/New Equip.	75,635
	Hydraulic Concrete Breaker w/attachment for skidsteer	NRE	Replace/New Equip.	7,059
	Replace EOL Oasis recorder	NRE	Replace/New Equip.	25,212
	Replacement Diaphragm Pump (Yr. 1 - 2020/2023)	NRE	Replace/New Equip.	8,068
19-605	Trailer mounted vac/pressure washer	NRE	Replace/New Equip.	146,227
20-617	Truck mounted welder for truck 115	NRE	Replace/New Equip.	5,042
	V-67 1999 Water Truck	NRE	Replace/New Equip.	65,550
	V-7 Replacement	NRE	Replace/New Equip.	23,195
	V-82 2004 PU - Traffic Control - Overload	NRE	Replace/New Equip.	55,465
	V-84 Replacement	NRE	Replace/New Equip.	23,195
	25th St. Booster #3	RCP	Replacement Cap.	18,152
	45th St. Booster #3 Zone 2800	RCP	Replacement Cap.	23,195
	45th St. Booster #3 Zone 3000	RCP	Replacement Cap.	25,212
	Booster Building Rehabilitation (Yr. 1 - 2020/2024)	RCP	Replacement Cap.	36,054
	Brine Storage Tanks - Well Sites (Yr. 1 - 2020/2023)	RCP	Replacement Cap.	32,775
16-611	CL2 Monitoring @ Well Sites	RCP	Replacement Cap.	112,679
	District Office - Stucco Repair & Painting	RCP	Replacement Cap.	221,476
	District Office - Fire System Upgrade w/Ctrl Panel Changeout	RCP	Replacement Cap.	43,023
20-611	Meter Replacement Program 2020	RCP	Replacement Cap.	705,923
	NaOCL Generator Replacement (Yr. 1 - 2020/2023)	RCP	Replacement Cap.	66,811
20-602	Palmdale Ditch Improvements (Yr. 1 - 2020/2024)	RCP	Replacement Cap.	15,452
	Parking Lot Resurfacing (Main Office)	RCP	Replacement Cap.	43,265
20-606	Pipeline with Velocity Deficiency (2800 Zone)	RCP	Replacement Cap.	11,341
	Two-Way Radio System Upgrades for District	RCP	Replacement Cap.	81,685
20-608	Repl WL - 17TH ST E between Avenue P4 & P8	RCP	Replacement Cap.	355,785
19-601	Repl WL - Avenue P @ 10TH ST E (Lockheed)	RCP	Replacement Cap.	183,540
	Repl WL - Well 17 Yard Piping	RCP	Replacement Cap.	64,897
20-605	Sierra Hwy. Tie-In and Abandonment (Harold Streets)	RCP	Replacement Cap.	143,201
20-615	Soft Starts Units (Well & Booster Sites - Yr. 1 - 2020/2024)	RCP	Replacement Cap.	32,271
20-700	Vault/Large Meter (Yr. 1)	RCP	Replacement Cap.	113,452
	Well 3 Rehabilitation	RCP	Replacement Cap.	195,723
	Well 16 Rehabilitation	RCP	Replacement Cap.	123,614
	Well 23 Rehabilitation	RCP	Replacement Cap.	185,421
	WTP - GAC Staging Area Pavement	RCP	Replacement Cap.	121,015
20-603	WTP - Turbidimeter	RCP	Replacement Cap.	100,846
12-400	Recharge Project Design (PRGRRP - Yr. 1 - 2020/2023)	WS	Water Supply	512,177
			<b>Subtotal:</b>	4,582,442

New Capital Expenditures Project Summary (continued)

<i>Plant Expenditure Budget Requests (Committed)</i>		<i>Category</i>	<i>Project Type</i>	<i>CY 2020</i>
<b>Plant Expenditure Related Expense</b>				
	Arc Flash Study	CES	Studies & Planning	122,923
	Ergonomic Retrofit of CC workstation w/Expert Evaluation	CES	Studies & Planning	76,827
	Hazard Mitigation Plan	CES	Studies & Planning	102,435
	Public Web Site Redesign	CES	Studies & Planning	76,827
	Intranet Redesign	CES	Studies & Planning	50,000
	Human Resources Information System	CES	Studies & Planning	60,000
	Personnel Emergency Notification System	CES	Studies & Planning	40,974
N/A	GIS enhancement (Yr. 1 - 2020/2024)	CES	Studies & Planning	75,000
	Emergency Supplies	NRE	Replace/New Equip.	1,537
	Replacement Wackers - J Tamps (Yr. 1 - 2020/2023)	NRE	Replace/New Equip.	4,034
			<b>Subtotal:</b>	<b>610,556</b>

*Total Asset/Infrastructure Project Requests* 4,582,442

*Total Plant Expenditures* 610,556

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Deferred Capital Expenditures Project Summary

Project No.	Project Budget Requests (Not Committed)	Category	Project Type	CY 2021
<b>Asset/Infrastructure Related Expense</b>				
<b>Pipeline Projects</b>				
	Repl WL - Avenue Q6 from 12th to 15th ST E (2800' Zone)	RCP	Replacement Cap.	280,898
	Repl WL - Pipeline with Velocity Deficiency (2950 Zone)	RCP	Replacement Cap.	37,240
16-608	Repl WL - Avenue Q1, Q2, Q3, Q4, & Q5 @ 5th ST E (Spec 1603)	RCP	Replacement Cap.	86,000
	Repl WL - Avenue Q14 and 15th ST E	RCP	Replacement Cap.	56,700
	Repl WL - Avenue Q10 and 12th ST E	RCP	Replacement Cap.	47,000
	Pipeline Design			400,000
			<b>Subtotal:</b>	907,838
<b>Water Supply Projects</b>				
	Recharge Project Design (PRGRRP - Yr. 2 - 2020/2023)	WS	Water Supply	750,000
	Annual Sediment Removal of 38,000 cubic yards		O&M Funds	600,000
			<b>Subtotal:</b>	1,350,000
<b>Well Projects</b>				
	NaOCL Generator Replacement (Yr. 2 - 2020/2023)	RCP	Replacement Cap.	66,250
	Brine Storage Tanks - Well Sites (Yr. 2 - 2020/2023)	RCP	Replacement Cap.	32,500
	Well 2 Rehabilitation	RCP	Replacement Cap.	185,000
	Well 33 Rehabilitation	RCP	Replacement Cap.	185,000
	Well/Booster Rehab (Yr. 1 - 2021/2024)	RCP	Replacement Cap.	95,000
			<b>Subtotal:</b>	563,750
<b>Booster Projects</b>				
	Booster Building Rehabilitation (Yr. 2 - 2020/2024)	RCP	Replacement Cap.	35,000
			<b>Subtotal:</b>	35,000
<b>Water Treatment Plant Projects</b>				
	Hypo Generator	RCP	Replacement Cap.	800,000
	Influent Mag Meter 30"	RCP	Replacement Cap.	20,000
			<b>Subtotal:</b>	820,000

Deferred Capital Expenditures Project Summary (continued)

Project No.	Project Budget Requests (Not Committed)	Category	Project Type	CY 2021
<b>Asset/Infrastructure Related Expense (Continued)</b>				
<b>Facility Projects</b>				
	Meter Replacement Program 2021	RCP	Replacement Cap.	700,000
	Vault/Large Meter (Yr. 2 - 2020/2024)	RCP	Replacement Cap.	112,500
	Palmdale Ditch Improvements (Yr. 2 - 2020/2024)	RCP	Replacement Cap.	15,000
	Warehouse Conversion to Office & Fleet Shop Repairs	NRE	Replace/New Equip.	50,000
	Carpet, Tile and Painting of District Building	RCP	Replacement Cap.	150,000
	Parking Lot Re-Surfacing - Administration and N.O.B.	RCP	Replacement Cap.	130,000
	Radio System for SCADA (Yr. 1 - 2021/2024)	NRE	Replace/New Equip.	50,000
			<b>Subtotal:</b>	1,207,500
<b>Equipment</b>				
	Replacement Diaphragm Pump (Yr. 2 - 2020/2023)	NRE	Replace/New Equip.	8,000
	Replacement Wackers - J Tamps (Yr. 2 - 2020/2023)	NRE	Replace/New Equip.	4,000
	Soft Starts Units (Well & Booster Sites - Yr. 2 - 2020/2024)	RCP	Replacement Cap.	32,000
	Cooling Unit for Fab Shop	NRE	Replace/New Equip.	4,500
	Cat C-7 engine rehabilitation (Yr. 1 - 2021/2022)	RCP	Replacement Cap.	30,000
	Replace SCADAPack 32 with SCADAPack 575 (Yr. 1 - 2021/2024)	NRE	Replace/New Equip.	43,750
			<b>Subtotal:</b>	122,250
<b>Vehicle Replacements</b>				
	V-35 Replacement	NRE	Replace/New Equip.	23,000
	V-60 1998 Utility	NRE	Replace/New Equip.	23,000
	V-101 2007 Cat 420E Backhoe	NRE	Replace/New Equip.	160,000
	V-04 1991 Dump Truck	NRE	Replace/New Equip.	65,000
	V-68 1999 Utility		Lease	-
			<b>Subtotal:</b>	271,000
<b>Information Technology</b>				
	GIS enhancement (Yr. 2 - 2020/2024)	CES	Studies & Planning	75,000
	Data Warehousing	NRE	Replace/New Equip.	60,000
	Mass Communications	NRE	Replace/New Equip.	60,000
	Customer Mobile App	NRE	Replace/New Equip.	25,000
	GIS Drone	NRE	Replace/New Equip.	15,000
	Cameras for Dam & Windmill	NRE	Replace/New Equip.	8,000
	Gig to desktop/Infrastructure Refresh (Yr. 1 - 2021/2024)	CES	Studies & Planning	50,000
			<b>Subtotal:</b>	293,000

Total Asset/Infrastructure Project Requests 5,570,338

# DEPARTMENTS

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## Administration Department

### **DESCRIPTION:**

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

### **2019 ACCOMPLISHMENTS:**

- 1) Successfully promoted and publicized District's Prop 218 process via workshops, printed material, open house, mailings, social media, chamber presentations, etc.
- 2) Co-hosted regional Greater Antelope Valley Water Emergency Coalition event.
- 3) Toured L.A. County Supervisor Kathryn Barger at WTP.
- 4) Hosted 2nd Annual Water Ambassadors Academy and added a Jr. Water Ambassadors Academy.
- 5) Publicized the construction of the Littlerock Dam grade-control structure.
- 6) Continued to work with community groups such as Friends of Littlerock Dam and San Gabriel Mountains Community Collaborative.
- 7) Continued to use centennial anniversary videos for outreach purposes, including at schools, community events & business gatherings.
- 8) Hosted Red Cross Blood Drive, Imagine a Day Without Water event, and WTP tours.
- 9) Made bi-monthly appearances on Spanish radio show, Café con Leche, to bring PWD news to the Latino community.
- 10) Continued to network with Palmdale Chamber, AV Hispanic Chamber, AV African American Chamber, GAVEA, AVBOT and other community groups.
- 11) Held Coffee with a Director for all Directors in their divisions.
- 12) Continued to publish "The Pipeline" quarterly and the "Employee Buzz" monthly.
- 13) Continued to collaborate with the City of Palmdale on ways to promote one another in "The Pipeline" and Palmdale Magazine.
- 14) Highlighted employees during 3rd Annual Water Professionals Appreciation Week.
- 15) Continued to promote & publicize Water-Use Efficiency programs.
- 16) Continued partnership with Palmdale Prep Academy by having two presentations at the school by lab and water resource staff.
- 17) Continued to submit important stories to ACWA News and CSDA magazine.
- 18) Assist WTP lab with 2018 CCR.
- 19) Utilized new features on social media, such as Facebook Live, as a means of communication. Continued to expand social media to highlight PWD and established a Nextdoor account to further reach ratepayers.
- 20) Won the Award of Distinction for Internal Communications, Small Population, from CAPIO's 2019 Excellence in Public Information and Communications Awards

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**2020 GOALS:**

- 1) Publicize revenue increases; promote ways to save water and reduce water bills.
- 2) Participate in the 2020 Strategic Plan; oversee the design and production of pamphlet.
- 3) Host 3rd Annual Water Ambassadors Academy and 2nd Annual Jr. Water Ambassadors Academy.
- 4) Work with consultant to redesign and update information on the website.
- 5) Start introducing the concept of recycled water in recharge projects. Publicize the Palmdale Regional Recharge and Recovery Project.
- 6) Assist with overseeing the PRWA branding contract.
- 7) Publicize the completion of the grade-control structure and the start of the sediment removal. Hold press event.
- 8) Publicize the completion of the Upper Amargosa Creek Recharge Project.
- 9) Highlight the problems with disposing of meds in toilets with “Think Before Dumping & Flushing” campaign.
- 10) Introduce new Congress person to PWD with tour of facilities.
- 11) Speak at events, including GAVEA Luncheon, Palmdale Chamber Luncheon, school events.
- 12) Develop more web and community friendly videos.
- 13) Host Open House, WTP tours, Red Cross Blood Drive, Customer Appreciation days, and Imagine a Day Without Water events.
- 14) Restart talks with Palmdale School District for a Community Learning Garden.
- 15) Hold press events announcing PWD’s important events.
- 16) Make bi-monthly appearances on Spanish radio show, Café con Leche, to bring PWD news to the Latino community.
- 17) Continue to network with Palmdale Chamber, AV Hispanic Chamber, AV African American Chamber, GAVEA, AVBOT, Friends of Littlerock Dam, San Gabriel Mountains Community Collaborative, and other community groups.
- 18) Continue to publish “The Pipeline” quarterly and the “Employee Buzz” monthly.
- 19) Continue to collaborate with the City of Palmdale on ways to promote one another in “The Pipeline” and Palmdale Magazine.
- 20) Highlight employees during 4th Annual Water Professionals Appreciation Week.
- 21) Collaborate with the Water-Use Efficiency team to promote programs and events for the community and schools.
- 22) Continue partnership with Palmdale Prep Academy and other schools within District boundaries.
- 23) Continue to submit important stories to ACWA News and CSDA magazine.
- 24) Assist WTP lab with 2019 CCR.
- 25) Continue to use social media, Enplug and Constant Contact to publicize PWD and send information to ratepayers. Utilize Nextdoor to frequently notify customers of upcoming construction/work in their neighborhoods.
- 26) Host Coffee with a Director for all Directors.
- 27) Promote Capital Improvement Projects.

Board of Directors

		BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL
		2020	2019	2019	2018	2017	2016
<b>Directors</b>							
PERSONNEL BUDGET:							
1-01-4000-000	Directors Fees	-	-	-	-	-	64,200
Benefits							
1-01-4005-000	Payroll Taxes	5,650	4,138	5,500	3,909	4,705	4,533
1-01-4010-000	Health Insurance	-	-	-	-	-	75,765
	Subtotal (Benefits)	5,650	4,138	5,500	3,909	4,705	80,297
	Personnel Expenses	5,650	4,138	5,500	3,909	4,705	144,497
OPERATING EXPENSES:							
1-01-4050-000	Director's Travel, Seminars & Meetings	-	-	-	-	-	18,442
1-01-xxxx-006	Director's Expense Share - Gloria Dizmang	27,700	4,707	20,250	-	-	-
1-01-xxxx-007	Director's Expense Share - Alverado, Robert	27,700	30,467	27,000	26,050	20,512	-
1-01-xxxx-008	Director's Expense Share - Mac Laren, Kathy	27,700	11,986	27,000	18,516	21,693	-
1-01-xxxx-009	Director's Expense Share - Estes, Joe	-	-	-	25,765	22,843	-
1-01-xxxx-010	Director's Expense Share - Dino, Vincent	27,700	22,545	27,000	20,522	21,275	-
1-01-xxxx-011	Director's Expense Share - Henriquez, Marco	-	5,320	6,750	26,890	20,030	-
1-01-xxxx-012	Director's Expense Share - Don Wilson	27,700	21,008	27,000	600	-	-
	Total Operating Expense	138,500	96,033	135,000	118,343	106,353	18,442
	Total Departmental Expenses	144,150	100,170	140,500	122,252	111,057	162,939

Administration

<b>Administration</b>		BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2020	2019	2019	2018	2017	2016
1-02-4000-000	Salaries	1,279,750	1,305,398	1,350,000	1,162,862	1,078,885	1,059,738
1-02-4000-100	Salaries - Departmental Overtime	13,500	4,284	14,000	4,556	7,946	7,357
	Subtotal (Salaries)	1,293,250	1,309,682	1,364,000	1,167,418	1,086,831	1,067,095
Employee Benefits							
1-02-4005-000	Payroll Taxes	91,000	93,679	96,500	78,250	74,016	67,781
1-02-4010-000	Health Insurance	150,500	174,534	194,000	166,558	151,134	141,074
1-02-4015-000	Pers	116,750	106,703	120,000	114,537	111,903	173,459
	Subtotal (Benefits)	358,250	374,917	410,500	359,345	337,053	382,314
District-wide Salaries & Benefits							
1-02-5070-001	Salaries-On-Call/Stand By Time	80,000	78,375	105,000	72,726	68,836	78,783
1-02-5070-002	PERS-Unfunded Liability	764,000	699,500	699,000	571,885	472,523	405,575
1-02-5070-003	Worker's Compensation	375,000	400,000	375,000	437,754	189,902	178,578
1-02-5070-004	Vacation Benefit Expense	25,000	43,437	25,000	39,573	(6,272)	12,321
1-02-5070-005	Life Insurance/EAP	6,500	6,472	6,500	6,344	6,312	6,379
1-02-5070-013	Salaries-Public Relations Overtime	-	-	-	-	-	-
	Subtotal (District-wide)	1,250,500	1,227,785	1,210,500	1,128,281	731,300	681,635
	Personnel Expenses	2,902,000	2,912,383	2,985,000	2,655,044	2,155,185	2,131,044
OPERATING EXPENSES:							
1-02-4050-000	Staff Travel	15,365	15,465	14,000	16,589	17,071	-
1-02-4050-100	General Manager Travel	5,122	5,844	5,000	7,462	7,091	5,821
1-02-4060-000	Staff Conferences & Seminars	6,146	12,406	6,000	1,749	1,683	-
1-02-4060-100	General Manager Conferences & Seminars	4,097	3,545	4,000	3,246	3,306	2,150
1-02-4130-000	Bank Charges	185,000	183,294	150,000	177,448	164,613	156,058
1-02-4150-000	Accounting Services	25,609	24,000	25,000	25,043	24,351	25,471
1-02-4175-000	Permits (Construction)	17,926	17,556	17,500	11,844	11,228	10,332
1-02-4180-000	Postage	25,609	10,887	25,000	15,224	13,006	11,783
1-02-4190-100	Public Relations - Publications	30,731	28,207	30,000	20,931	20,479	29,642
1-02-4190-700	Public Affairs - Marketing/Outreach	40,000	45,000	25,000	27,222	40,847	-
1-02-4190-710	Public Affairs - Advertising	5,000	779	4,000	65	-	-
1-02-4190-720	Public Affairs - Equipment	2,500	652	2,500	1,548	-	-
1-02-4190-730	Public Affairs - Conference/Seminar/Travel	3,000	1,419	2,500	1,025	-	-
1-02-4190-740	Public Affairs - Consultants	3,000	-	3,000	1,000	-	-
1-02-4190-750	Public Affairs - Memberships	1,200	640	700	675	-	-
1-02-4190-900	Public Relations - Other	-	-	-	-	-	6,555
1-02-4200-000	Advertising	4,097	2,921	4,000	4,006	1,902	3,833
1-02-4205-000	Office Supplies	25,097	29,328	22,000	25,977	24,494	20,836
1-02-4210-000	Office Furniture	5,122	5,500	5,000	-	5,917	5,333
	Total Operating Expense	404,621	387,443	345,200	341,053	335,988	277,813
District-wide Operating Expense							
1-02-5070-006	Other Operating	25,609	26,671	25,000	22,916	30,069	28,084
1-02-5070-007	Consultants	239,699	228,515	234,000	272,436	60,568	94,638
1-02-5070-008	Insurance	255,000	231,045	280,000	241,076	286,478	297,231
1-02-5070-009	Groundwater Adjudication - Legal	40,974	34,081	40,000	42,477	82,277	57,678
1-02-5070-010	Legal Services	128,044	107,862	125,000	89,038	85,014	139,168
1-02-5070-011	Memberships	128,044	100,000	125,000	94,942	124,247	127,763
1-02-5070-012	Elections	-	51,671	57,000	-	-	104,882
1-02-5070-013	Succession Planning	-	-	25,000	-	-	-
1-02-5070-014	Groundwater Adjudication - Pumping Assessment	46,118	40,251	45,000	-	-	-
1-02-5070-015	Computer Software - Info 360	15,000	-	-	-	-	-
1-02-5070-099	100th Anniversary	-	-	-	115,028	40,443	-
	Total District-wide Operating Expense	878,488	820,097	956,000	877,912	709,097	849,445
	Total Departmental Expenses	4,185,109	4,119,923	4,286,200	3,874,010	3,200,269	3,258,302



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## Engineering Department

### **DESCRIPTION:**

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

### **2019 ACCOMPLISHMENTS:**

- 1) Water Management System Database – Continued to improve the centralized database as a District-wide tool.
- 2) Continued efforts to improve and streamline its processes to become more efficient. Spreadsheets have been created to view, update, track, and record various Engineering related items. Forms have been updated and will be uploaded on the internet as well as the intranet. Focus Group meetings as well as Staff meetings are held frequently to keep the Department updated and to address any issues within the Department.
- 3) Troubleshooting and recommendations for emergency repairs in the distribution system.
- 4) Continued cross-training of District personnel in Regulatory Compliance for the California Environmental Reporting System and cross-training WTP personnel in the acquired analytics for the District's Distribution System Operations and Control Set Points to ensure energy cost reductions and optimal site operations.
- 5) Completed Emergency Action Plans and Flood Inundation Maps for the Littlerock and Harold dams. (DSOS requirement).
- 6) Constructed Battery Containment at DWR Building to Comply with FERC
- 7) Completed design work on the following projects:
  - Avenue V5 mainline replacement.
  - Remote Water Fill Station located at the District's main yard.
  - Mechanic Shop, Warehouse and Maintenance Yard.
  - Submitted Revised Drawings for Hydro Generator at DWR Building to comply with FERC.
  - Stairway inside Littlerock Dam.
  - Salt silo and cover at Treatment Plant.
  - Ferric chloride tank connections.
- 8) Completed review and approval process for developer projects.
  - Circle K.
  - Assisted Living II (Multi-Family).
  - 2263 Palmdale Blvd. Office Buildings.
  - Veterans Housing Phase I.
  - Soccer Field on Avenue Q-6.
  - Addition to Iglesia Cristo Miel.
  - Fire Hydrant on 17th Street East.
- 9) Completed inspection on the following District projects.
  - Camares Dr. waterline replacement.
  - Avenue P8 waterline replacement from 20<sup>th</sup> to 25<sup>th</sup> Street East.
  - Littlerock Sediment Removal grade-control structure.
- 10) Submitted grant funding applications.
  - Antelope Valley Integrated Regional Water Management Prop. 1 funding application for Littlerock Dam Sediment Removal (Notification late spring)
  - Antelope Valley Integrated Regional Water Management Prop. 1 funding application for PRWA Phase 2 project, assisted City (Notification late spring)
  - Bureau of Reclamation Small Efficiency project for Cash for Grass campaign (Awarded).

**2020 GOALS:**

- 1) Complete design plans for the 25th and Avenue P area (FAA).
- 2) Submit yearly reports on Lake Palmdale and Littlerock Dam to the State of California Division of Safety of Dams.
- 3) Continue to maintain an updated organizational chart.
- 4) Assist other departments with the output of various printed media.
- 5) Assist other departments in maintaining plans of District facilities and buildings as required.
- 6) Continue expanding the use of Desktop GIS viewing application.
- 7) Complete the design for the following projects for construction by District staff or outside contractors:
  - Mainline replacement at Harold Street and abandonment plans.
  - 2800 zone pipeline improvements (23 feet of 20-inch pipe)
  - Vault design plans for 45th St. Tank altitude valve.
  - Vault relocation and hatch replacement plans for 45th St. PRV.
  - Drainage plans for 37th St. PRV.
  - Pipeline improvements at Al's Tank plans.
  - Mainline replacement – Avenue P at 10th St.
  - Mainline replacement – 17th St. from Avenue P4 to P8.
  - Mainline replacement – Avenue Q6 from 12th to 15th St.
  - 3M BPS capacity analysis and design.
  - Mainline replacement – Division, 2nd, and 3rd St. from Avenue Q to P12.

Engineering

<b>Engineering</b>		BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2020	2019	2019	2018	2017	2016
1-03-4000-000	Salaries	1,171,500	1,120,473	1,092,500	1,100,010	1,025,227	870,400
1-03-4000-100	Salaries - Departmental Overtime	12,000	34,866	11,250	45,309	12,745	10,469
	Subtotal (Salaries)	1,183,500	1,155,339	1,103,750	1,145,319	1,037,973	880,869
Employee Benefits							
1-03-4005-000	Payroll Taxes	88,000	87,453	82,000	85,430	77,032	65,930
1-03-4010-000	Health Insurance	196,500	199,019	211,000	206,949	181,559	152,691
1-03-4015-000	PERS	119,000	97,288	106,000	133,366	102,417	149,436
	Subtotal (Benefits)	403,500	383,759	399,000	425,745	361,008	368,057
	Personnel Expenses	1,587,000	1,539,097	1,502,750	1,571,064	1,398,981	1,248,926
OPERATING EXPENSES:							
1-03-4050-000	Staff Travel	4,610	6,500	4,500	5,192	3,095	-
1-03-4060-000	Staff Conferences & Seminars	4,917	2,120	4,800	4,377	3,895	-
1-03-4060-001	Staff Training - Auto CAD Civil 3D	13,000	-	13,000	1,879	-	-
1-03-4155-305	Contracted Services - GIS Services	-	3,000	18,000	26,500	7,544	28,491
1-03-4155-310	Contracted Services - Reproduction	2,049	100	2,000	-	-	-
1-03-4155-320	Contracted Services - Plotter/Scanner	-	-	-	640	-	-
1-03-4165-000	Memberships/Subscriptions	2,561	6,305	2,500	4,840	4,470	3,897
1-03-4250-000	General Materials & Supplies	3,530	-	3,500	-	-	4,541
1-03-4250-100	Supplies - Plotter Paper/Toner	4,538	1,551	4,500	-	714	-
1-03-4250-150	Supplies - Surveying Total Station	2,521	-	2,500	7,052	-	-
1-03-4250-200	Supplies - Miscellaneous	-	345	-	954	746	-
1-03-8100-100	Computer Software - Maint. & Support	11,000	3,915	31,000	94,233	36,672	9,990
1-03-8100-200	Computer Software - SCADAWatch	-	31,873	7,500	53,860	-	-
	Total Operating Expense	48,725	55,709	93,800	199,528	57,136	46,919
	Total Departmental Expenses	1,635,725	1,594,806	1,596,550	1,770,592	1,456,117	1,295,845

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Facilities Department

**DESCRIPTION:**

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

**2019 ACCOMPLISHMENTS:**

1. Completed line repair of the Treatment Plant effluent mainline.
2. Performed ditch maintenance, including concrete repairs and a trial installation of a Geosynthetic Clay Liner.
3. Completed installation of Camares mainline replacement.
4. Completed in-house meter exchange program that included installation of 2,224 meters in nine routes.
5. Completed Aerospace Academy mainline repair and installation of two hydrants.
6. Completed installation of Avenue P8 mainline replacement between 20th and 25th Street East.
7. Continued valve exercising program that were scheduled on year 3 of 4 plan
8. Performed weekly, biweekly, and annual flushing.
9. Fixed 83 service line leaks, 94 mainline leaks.
10. Completed full integration to Fleetmate maintenance software - 449 work orders completed.
11. Performed all fleet maintenance and repairs.
12. Transferred all leased vehicle maintenance to be performed by in-house staff.
13. 48 Fix-O-Grams completed.
14. Solved long-term equipment failures on both Peterbilt trucks' air compressor drivelines by improving original factory design with soft start PTO's.
15. Performed 14 smog inspections.
16. Resolved long-term circuitry issues with welder 87.
17. Installed block heaters on both Peterbilt trucks.
18. Performed safety upgrades to multiple District assets:
  - Palmdale Lake influent channel
  - aqueduct traveling screen site
  - storage tank ladders at Wells 18/19, 5, 14 and 5M Reservoir.
19. Completed Booster pump, motor and skid assembly repair/replacements at Avenue T8 and 45th Street East sites.
20. Performed natural gas engine services, repairs and upgrades.
21. Completed remote site SCADA panel upgrades.
22. Completed rebuild of electrical panel at Well 5.
23. Performed HVAC replacement and system repairs at Treatment Plant.
24. Completed LED lighting changeout program at Treatment Plant and remote sites.
25. Completed auma valve actuator upgrades at Treatment Plant.
26. Performed system flow meter verification/calibrations.
27. Completed Well 6 building rebuild.

**2020 GOALS:**

1. Perform Cl<sub>2</sub> monitoring at well sites.
2. Installation of NaOCl generator replacement (one site per year).
3. Installation of brine storage tank at various well sites (two sites per year).
4. Perform large meter/vault rehabilitation (fifteen sites pe year).
5. Perform stucco replacement located at the District's main office.
6. Perform parking lot repair/replacement at the District's main office.
7. Perform Palmdale Ditch improvements, including installation of Geosynthetic Clay Liner (Year one).
8. Perform District main office fire system upgrade with control panel changeout.
9. Conduct large scale meter exchange program by facilities staff (Year two).
10. Purchase eight vehicle replacements.
11. Purchase Ditch Witch HX 50 vacuum excavator.
12. Purchase replacement small equipment.
13. Perform upgrades to the District's two-way radio system.
14. Continue with fire hydrant rehabilitation program.

Facilities

<b>Facilities</b>		BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2020	2019	2019	2018	2017	2016
1-04-4000-000	Salaries	2,493,500	2,198,597	2,251,500	2,136,946	2,047,671	2,019,399
1-04-4000-100	Salaries - Departmental Overtime	115,000	181,333	115,000	155,494	114,871	111,003
	Subtotal (Salaries)	2,608,500	2,379,931	2,366,500	2,292,440	2,162,542	2,130,402
Employee Benefits							
1-04-4005-000	Payroll Taxes	197,750	188,137	181,000	177,933	167,159	164,677
1-04-4010-000	Health Insurance	473,750	487,709	473,000	510,242	464,206	443,728
1-04-4015-000	PERS	238,500	187,476	230,500	249,995	196,596	367,342
	Subtotal (Benefits)	910,000	863,321	884,500	938,170	827,961	975,748
	Personnel Expenses	3,518,500	3,243,252	3,251,000	3,230,610	2,990,504	3,106,150
OPERATING EXPENSES:							
1-04-4050-000	Staff Travel	6,146	9,000	6,000	4,651	3,969	-
1-04-4060-000	Staff Conferences & Seminars	15,365	5,176	15,000	1,050	297	-
1-04-4155-405	Contracted Services - Landscape Svcs (All Sites)	15,877	11,233	15,500	16,075	10,325	11,353
1-04-4155-410	Contracted Services - Landscape Svcs (Wells)	38,925	41,000	38,000	34,344	33,659	35,804
1-04-4155-415	Contracted Services - Alarm Services	-	-	-	-	8,322	3,234
1-04-4155-420	Contracted Services - Janitorial Services (All Sites)	46,096	45,181	45,000	44,832	46,237	40,504
1-04-4155-425	Contracted Services - Pest Control Svcs (Contracted)	6,146	4,732	6,000	5,934	4,915	6,297
1-04-4155-430	Contracted Services - Pest Control Svcs (Plm Dam)	5,122	3,650	5,000	3,448	3,312	21,925
1-04-4155-435	Contracted Services - Elevator Services	4,097	50,000	46,500	2,903	11,815	3,318
1-04-4155-440	Contracted Services - SCADA Software	18,000	-	16,000	17,856	15,043	35,314
1-04-4155-445	Contracted Services - SCADA Hardware	10,000	-	25,000	1,119	24,118	-
1-04-4155-450	Contracted Services - Seismic Valve Controllers	7,683	-	7,500	6,415	6,415	6,085
1-04-4155-455	Contracted Services - Annual Tank Service	102,435	319,100	330,000	319,100	329,545	319,100
1-04-4155-460	Contracted Services - Fire Extinguisher Servicing	5,122	6,187	5,000	7,644	-	-
1-04-4155-465	Contracted Services - Firetide Radio	-	-	15,000	-	-	-
1-04-4155-466	Contracted Services - Clearscada	15,365	14,796	15,000	3,163	-	-
1-04-4155-499	Contracted Services - Miscellaneous	2,049	2,420	2,000	-	1,639	2,444
1-04-4175-000	Permits (District Facilities including Dams)	40,974	43,000	40,000	63,350	7,433	18,301
1-04-4215-100	Natural Gas - Wells & Boosters	218,350	210,550	210,000	266,569	170,596	165,926
1-04-4215-200	Natural Gas - Buildings	9,371	7,800	9,000	7,480	6,613	6,619
1-04-4220-100	Electricity - Wells & Boosters	827,487	1,083,144	1,150,000	1,185,888	1,091,131	1,298,902
1-04-4220-200	Electricity - Buildings	91,624	74,853	88,000	77,395	73,376	70,681
1-04-4225-000	Maint. & Repair - Vehicles	33,479	23,064	32,500	35,133	21,897	40,706
1-04-4230-100	Maint. & Rep. Operations - Office Building	25,753	6,292	25,000	7,868	21,364	33,215
1-04-4235-110	Maint. & Rep. Operations - Equipment	12,361	9,099	12,000	4,285	8,512	2,955
1-04-4235-400	Maint. & Rep. Operations - Wells	82,297	54,126	80,000	67,930	55,508	78,836
1-04-4235-405	Maint. & Rep. Operations - Boosters	51,435	51,225	50,000	29,376	27,474	48,838
1-04-4235-410	Maint. & Rep. Operations - Shop Bldgs	25,753	7,374	25,000	19,258	20,786	12,844
1-04-4235-415	Maint. & Rep. Operations - Facilities	51,506	21,295	50,000	17,006	16,691	35,918
1-04-4235-420	Maint. & Rep. Operations - Water Lines	309,036	272,365	300,000	354,568	318,750	302,124
1-04-4235-425	Maint. & Rep. Operations - Littlerock Dam	15,452	225	15,000	487	1,642	23,134
1-04-4235-430	Maint. & Rep. Operations - Palmdale Dam	-	670	-	550	4,070	6,724
1-04-4235-435	Maint. & Rep. Operations - Palmdale Canal	10,301	6,512	10,000	1,110	4,837	-
1-04-4235-440	Maint. & Rep. Operations - Large Meters	15,452	17,177	25,000	9,809	34,420	28,942
1-04-4235-445	Maint. & Rep. Operations - Telemetry	5,151	1,191	-	275	2,125	2,933
1-04-4235-450	Maint. & Rep. Operations - Hypo Generators	7,726	1,924	10,000	4,574	2,645	4,056
1-04-4235-455	Maint. & Rep. Operations - Heavy Equipment	43,780	68,000	42,500	32,408	43,617	36,942
1-04-4235-460	Maint. & Rep. Operations - Storage Reservoirs	5,151	3,032	5,000	13,590	2,367	2,753
1-04-4235-461	Maint. & Rep. Operations - Air Vacs	5,151	15,000	15,000	41,486	-	-
1-04-4235-470	Maint. & Rep. Operations - Meter Exchanges	154,518	85,933	50,000	183,630	139,830	314,917

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Facilities (Continued)

OPERATING EXPENSES (Continued):

1-04-4270-300	Telecommunication - Other	5,122	8,386	5,000	6,994	5,732	6,292
1-04-4300-100	Testing - Regulatory Compliance	20,487	8,725	20,000	15,935	9,612	-
1-04-4300-200	Testing - Large Meter Testing	12,804	15,360	12,500	19,098	11,357	18,598
1-04-4300-300	Testing - Edison Testing	15,365	7,733	15,000	8,100	2,755	5,655
1-04-5070-009	Groundwater Adjudication - Pumping Assessment	-	-	-	60,775	19,552	-
1-04-6000-000	Waste Disposal	20,824	14,580	20,000	14,653	15,183	24,588
1-04-6100-100	Fuel - Gas and Diesel	138,809	124,000	134,000	119,063	84,621	84,737
1-04-6100-200	Lubricates District Wide	25,897	27,760	25,000	23,332	17,842	14,092
1-04-6200-000	Uniforms	28,237	21,000	28,000	21,894	20,803	26,242
1-04-6300-100	Supplies - General	75,635	33,350	55,000	78,916	52,867	63,234
1-04-6300-200	Supplies - Hypo Generators	-	8,836	7,500	7,195	3,340	6,094
1-04-6300-300	Supplies - Electrical	3,025	738	3,000	852	2,944	1,117
1-04-6300-400	Supplies - Telemetry	-	2,421	5,000	587	6,070	4,340
1-04-6300-800	Supplies - Construction Materials	35,296	34,178	35,000	33,672	37,608	51,447
1-04-6400-000	Tools	-	-	-	-	-	34,027
1-04-6400-100	Tools - Facilities	35,296	30,245	35,000	32,365	17,942	-
1-04-6400-200	Tools - Vehicles	10,085	10,766	10,000	15,823	10,122	-
1-04-6450-100	Equipment - Firetide Radios	-	-	8,000	784	-	-
1-04-6450-110	Equipment - GF Signet Flow Meters	7,563	-	7,500	-	-	-
1-04-6450-120	Equipment - SCADA Workstations	-	-	-	27,169	-	-
1-04-7000-100	Leases - Equipment	15,127	23,000	15,000	12,246	22,460	17,387
1-04-7000-200	Leases - Fleet	141,185	82,000	70,000	87,852	33,524	17,652
	Total Operating Expense	2,931,294	3,029,403	3,347,000	3,479,864	2,949,628	3,397,147
	Total Departmental Expenses	6,449,794	6,272,655	6,598,000	6,710,475	5,940,131	6,503,297



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## Operations Department

### **DESCRIPTION:**

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

### **2019 ACCOMPLISHMENTS:**

1. Refined plant systems operational practices to optimize water quality.
2. Staff conducted jar testing with many available coagulant aids from different chemical companies.
3. Installed new Zetasizer for particle charge monitoring during the coagulation process.
4. Participated on demand response programs with Honeywell to reduce electricity costs.
5. Continued to perform full-scale performance study between Calgon and Evoqua Carbon media.
6. Reactivated 5 GAC contactors at the treatment plant.
7. Successfully discontinued the use coagulant aid chemical SWT-9302.
8. Successfully maintained water in Lake Palmdale free of algae blooms that could adversely affect our treatment process.
9. Provided training with Sterling Water Technologies on coagulant chemicals for all operations staff.
10. Provided numerous educational tours and events at the treatment plant for various public events.
11. Completed the 2018 Consumer Confidence Report, including all document submission to the State.
12. Completed ELAP renewal, which includes passing WS270 and WS271.
13. Completed required monitoring for EPA unregulated contaminant monitoring rule (UCMR-4), which includes tests for AM1 & AM2 (Metals, Pesticides, Alcohols, SVOCs and HAAs) and AM3 (Cyanotoxins).
14. Continued quarterly monitoring on Well 1A and 1B at the Palmdale Regional Groundwater Recharge and Recovery Project (PRGRRP).
15. Completed bacteriological sample site plan update.
16. Participated and completed NSF/DBP sampling study with Metropolitan Water District and the University of South Carolina.

**2020 GOALS:**

1. Meet water quality challenges while continuing to refine plant and distribution systems, operational practices to reduce costs and optimize treatment.
2. Continue development and execution of an effective lake monitoring program and cleanup of Lake Palmdale shoreline.
3. Work closely with Resource and Analytics Director to effectively manage water supplies.
4. Work closely with Facilities Department and continue Edison Demand Response programs to reduce electricity costs.
5. Provide cross-training with other departments and encourage staff to get higher licenses.
6. Maintain excellent interdepartmental cooperation through clear communication and promoting understanding and respect of all staff's contributions toward our shared mission.
7. Continue to upgrade, standardize, maintain and repair WTP facilities to ensure reliable and efficient performance.
8. Operation and maintenance of all slide gate valves.
9. Perform treatment plant vault maintenance.
10. Perform UCMR-4 Monitoring, which includes tests for AM1 & AM2 (Metals, Pesticides, Alcohols, SVOCs and HAAs) and AM3 (Cyanotoxins).
11. Begin sampling for the Lead and Copper Rule (June).
12. Perform the Coliform Sample Siting Plan update.
13. Continue development of Lab Maintenance and Lab Training programs.
14. Continue to perform compliance monitoring of water supplies for Radioactivity, MTBE, and Hexavalent Chromium, Cyanide, General Physical, General Mineral, Inorganics & Organics and all other constituents required by law.
15. Complete the Consumer Confidence Report for 2019.
16. Continue Palmdale Regional Groundwater Recharge and Recovery Project monitoring quarterly.
17. Continue to promote education and conservation through informational tours and a proactive positive response in handling water quality complaints.
18. Once a year, staff will visit other treatment facilities and districts to possibly obtain more knowledge or different innovative ideas to enhance performance and efficiency.
19. Encourage continued education and training to equip staff with the knowledge necessary to deal effectively with current and future water industry challenges.
20. Review systems, emergency drill scenarios with Operations staff.
21. Update Operations and Maintenance Manual for annual SWRCB reporting.
22. Renew Water Research Foundation membership.

Operations

<b>Operations</b>		BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2020	2019	2019	2018	2017	2016
1-05-4000-000	Salaries	1,090,000	1,024,853	1,006,500	1,154,301	953,323	988,198
1-05-4000-100	Salaries - Departmental Overtime	87,500	113,109	73,500	98,526	78,833	65,122
	Subtotal (Salaries)	1,177,500	1,137,962	1,080,000	1,252,827	1,032,157	1,053,319
Employee Benefits							
1-05-4005-000	Payroll Taxes	86,000	88,539	81,000	87,400	79,405	80,923
1-05-4010-000	Health Insurance	153,500	152,919	179,000	153,953	160,866	180,467
1-05-4015-000	PERS	111,250	88,526	102,000	122,221	98,359	167,291
	Subtotal (Benefits)	350,750	329,984	362,000	363,575	338,630	428,681
	Personnel Expenses	1,528,250	1,467,946	1,442,000	1,616,402	1,370,787	1,482,000
OPERATING EXPENSES:							
1-05-4050-000	Staff Travel	3,073	5,750	3,000	6,065	3,875	-
1-05-4060-000	Staff Conferences & Seminars	3,073	2,000	3,000	790	1,855	-
1-05-4120-100	Training - Lab Equipment	5,122	-	5,000	-	-	-
1-05-4155-505	Contracted Services - Landscape Services	3,585	1,620	3,500	6,881	3,261	2,620
1-05-4155-510	Contracted Services - Alarm Services	-	-	-	714	1,732	975
1-05-4155-525	Contracted Services - Wind Turbine Services	30,731	10,551	30,000	39,029	38,805	2,150
1-05-4155-540	Contracted Services - Lab Software	7,683	6,307	7,500	6,393	7,456	1,470
1-05-4155-545	Contracted Services - Lab Equipment Services	26,633	17,489	26,000	9,181	9,153	25,184
1-05-4155-550	Contracted Services - Water Quality Svcs (SolarBee)	30,731	29,228	30,000	29,228	28,016	28,016
1-05-4155-599	Contracted Services - Miscellaneous	-	-	-	-	-	986
1-05-4175-000	Permits (WTP Facilities Inclusive)	69,656	65,450	68,000	119,287	67,631	30,155
1-05-4215-200	Natural Gas - Water Treatment Plant	3,124	1,112	3,000	1,327	1,063	1,376
1-05-4220-200	Electricity - Water Treatment Plant	208,237	238,685	200,000	173,435	297,253	159,361
1-05-4230-110	Maint. & Rep. Office - Equipment	5,151	2,193	5,000	4,484	183	126
1-05-4235-110	Maint. & Rep. Operations - Equipment	20,602	19,490	20,000	19,054	18,068	18,394
1-05-4235-410	Maint. & Rep. Operations - Shop Bldgs	6,181	8,000	6,000	5,961	1,818	14,856
1-05-4235-415	Maint. & Rep. Operations - Facilities	72,108	88,500	70,000	78,306	81,972	89,129
1-05-4235-450	Maint. & Rep. Operations - Hypo Generators	-	-	-	61,795	52,898	67,315
1-05-4235-500	Maint. & Repair - Wind Turbine	10,301	3,720	10,000	4,129	1,345	39,603
1-05-4236-000	Palmdale Lake Management	102,600	111,000	100,000	100,413	65,913	-
3-05-4300-100	Filter Media Testing/Inspection	-	-	-	-	18,348	-
1-05-6000-000	Waste Disposal	20,824	23,000	20,000	29,716	3,678	10,417
1-05-6200-000	Uniforms	16,135	12,750	16,000	13,343	13,155	14,340
1-05-6300-100	Supplies - General	15,127	7,613	15,000	16,513	13,955	16,939
1-05-6300-600	Supplies - Lab	62,471	50,341	60,000	50,825	51,859	44,895
1-05-6300-700	Outside Lab Work	104,119	81,157	100,000	88,280	53,280	69,835
1-05-6400-000	Tools	6,051	3,905	6,000	3,906	6,504	5,234
1-05-6500-000	Chemicals	883,797	1,054,051	760,000	1,090,810	779,292	556,243
1-05-7000-100	Leases -Equipment	3,025	11,000	3,000	2,732	-	644
	Total Operating Expense	1,720,140	1,854,913	1,570,000	1,962,598	1,622,369	1,200,263
	Total Departmental Expenses	3,248,390	3,322,858	3,012,000	3,579,000	2,993,156	2,682,263

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## Finance Department

### **DESCRIPTION:**

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

### **2019 ACCOMPLISHMENTS:**

1. Completed the annual audit and required reporting to outside governing agencies. This included producing the actual audited financial report in-house for review by the independent auditors.
2. Provided technical, financial, and acquisition support to all departments.
3. Provided monthly financial reports to General Manager and Board of Directors.
4. Provided employee compensation in a timely manner.
5. Performed required work necessary to perform water rate study and update of District's rate structure.
6. Successfully completed Prop 218 process with the passing of five-year fixed rate structure and commodity charges.
7. Liquidated District's obligations in a timely manner.
8. Continued workflow schedule for better closure of financial periods to improve monthly reconciliation processes.
9. Produced annual District budget.

### **2020 GOALS:**

1. Complete year-end audit and required financial reporting in a timely manner.
2. Continue to provide technical, financial, and acquisition support to all departments.
3. Continue to provide monthly financial reports to the General Manager and Board of Directors.
4. Complete work on procedural documentation related to payables and payroll processing and related cross-training.
5. Continue development of procedural documentation related to other financial related processes, such as job costing, depreciation, and account reconciliation.
6. Continue improving on finance workflow schedule to better position the District for information requests related to the District's financial information.

Finance

<b>Finance</b>		BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2020	2019	2019	2018	2017	2016
1-06-4000-000	Salaries	742,750	684,828	711,750	687,741	670,064	669,472
1-06-4000-100	Salaries - Departmental Overtime	3,000	1,250	3,000	902	1,808	236
	Subtotal (Salaries)	745,750	686,078	714,750	688,644	671,872	669,709
Employee Benefits							
1-06-4005-000	Payroll Taxes	57,250	50,296	55,000	45,324	46,901	47,518
1-06-4010-000	Health Insurance	105,250	109,161	101,250	104,561	88,182	92,028
1-06-4015-000	PERS	79,000	62,087	72,500	87,867	70,754	118,395
	Subtotal (Benefits)	241,500	221,544	228,750	237,752	205,836	257,941
	Personnel Expenses	987,250	907,623	943,500	926,395	877,709	927,650
OPERATING EXPENSES:							
1-06-4050-000	Staff Travel	2,049	462	2,000	2,108	-	-
1-06-4060-000	Staff Conferences & Seminars	1,537	447	1,500	445	-	-
1-06-4155-100	Contracted Services - Infosend	276,576	269,500	270,000	174,100	261,932	272,395
1-06-4155-300	Contracted Services - AdComp Systems	9,200	4,085	4,250	4,085	4,085	-
1-06-4155-620	Contracted Services - Letter Extractor (OPEX)	3,073	3,000	3,000	2,865	2,805	2,720
1-06-4155-625	Contracted Services - GASB Actuarial Reports	5,122	10,750	5,000	5,050	5,850	3,000
1-06-4165-000	Memberships/Subscriptions	512	250	500	110	330	220
1-06-4230-110	Maintenance & Repair - Office Equipment	515	-	500	-	-	-
1-06-4250-000	General Material & Supplies	3,025	-	3,000	-	-	366
1-06-4260-000	Business Forms	4,097	-	4,000	421	1,598	3,470
1-06-4270-100	Telecommunication - Office	25,609	30,672	25,000	36,131	29,872	24,796
1-06-4270-200	Telecommunication - Cellular Stipend	25,097	24,125	24,500	22,500	19,655	20,360
1-06-7000-100	Leases - Equipment	3,025	2,637	3,000	2,610	2,605	2,609
	Total Operating Expense	359,437	345,927	346,250	250,426	328,732	329,935
	Total Departmental Expenses	1,346,687	1,253,550	1,289,750	1,176,821	1,206,440	1,257,585

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## Water-Use Efficiency Department

### **DESCRIPTION:**

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

### **2019 ACCOMPLISHMENTS:**

1. Reached out to over 800 students through classroom presentations for student grades 2 – 7.
2. Successfully hosted student contest of Water Awareness Education to local schools within PWD service boundaries, receiving over 300 entries.
3. Implemented 2018 Water-wise Landscape Conversion Program from the previous Cash for Grass program and conducted workshops for potential applicants.
4. Implemented two new rebate programs of Micro-Irrigation rebate program and Water-wise sprinkler upgrade.
5. Implemented a Residential Water Survey Program and collateral pieces.
6. Continued public education of water education and awareness through continued free workshops at AVC.
7. Instrumental in recruiting vendors for the Smart Water Expo, part of the Home and Garden Show.
8. Continued meter testing for accuracy and implemented standards for Water Loss Tap audit.

### **2020 GOALS:**

1. Continue to improve all existing programs.
2. Start PWD's first art gallery through contest for public with regards to water, water efficiency, life, earth.
3. Partner with Home Depot to offer DIY classes for fixing leaking toilets, irrigation and related topics.
4. Work with AVRCD to develop future use/program of facilities for student education.
5. Start Phase I to develop grass area at District office for an employee/student education center, making better use of this area.
6. Continue to host and improve AVC workshops.

Water-Use Efficiency

<b><u>Water-Use Efficiency</u></b>		BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2020	2019	2019	2018	2017	2016
1-07-4000-000	Salaries	152,250	156,270	156,750	151,114	142,927	118,371
1-07-4000-100	Salaries - Departmental Overtime	5,000	4,408	3,000	1,827	540	316
	Subtotal (Salaries)	157,250	160,679	159,750	152,942	143,467	118,687
Employee Benefits							
1-07-4005-000	Payroll Taxes	12,000	12,659	12,500	12,313	11,628	11,546
1-07-4010-000	Health Insurance	23,750	40,528	40,400	40,123	36,439	37,724
1-07-4015-000	PERS	16,750	15,104	16,000	20,972	16,189	18,245
	Subtotal (Benefits)	52,500	68,291	68,900	73,408	64,256	67,515
	Personnel Expenses	209,750	228,970	228,650	226,350	207,723	186,202
OPERATING EXPENSES:							
1-07-4050-000	Staff Travel	2,561	2,121	2,500	2,492	703	-
1-07-4060-000	Staff Conferences & Seminars	3,073	1,527	3,000	910	470	-
1-07-4190-300	Public Relations - Landscape Workshop/Training	5,122	250	5,000	1,757	124	5,164
1-07-4190-400	Public Relations - Contests	3,073	520	3,000	536	-	-
1-07-4190-500	Public Relations - Education Programs	122,923	1,569	120,000	1,863	6,461	299
1-07-4190-700	Public Relations - General Media (Public Outreach)	-	-	-	-	-	39,672
1-07-4190-900	Public Relations - Other	5,122	2,029	5,000	2,752	546	5,717
1-07-4500-000	Drought Enforcement Expense	-	-	-	-	-	714
1-07-6300-100	Supplies - General	7,059	7,000	7,000	1,486	659	2,043
	Total Operating Expense	148,932	15,016	145,500	11,796	8,963	53,609
	Total Departmental Expenses	358,682	243,986	374,150	238,146	216,687	239,810



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## Human Resources Department

### **DESCRIPTION:**

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

### **2019 ACCOMPLISHMENTS:**

- 1) Analyzed District benefit positions and made recommendations to Personnel Committee.
- 2) Revived Emergency Management Committee and began process of certifications for members.
- 3) Administrated employee-specific training programs, including Emergency Management/Cultural Training/Diversity Training/Situational Leadership Training.
- 4) Conducted thirteen recruitment processes, including internal and external.
- 5) Participated in Antelope Valley's Great ShakeOut.
- 6) Submitted grant application for Hazard Mitigation Plan update.

### **2020 GOALS:**

1. Establish mutual aid agreement among Antelope Valley agencies.
2. Continue to review and revise job descriptions.
3. Coordinate 2021 Employee Benefits Open Enrollment.
4. Continue focus on increased safety awareness through training and resources.
5. Complete four safety projects begun in 2019.
6. Implement new HRIS system with employee portal and performance management.
7. Continued focus on cross-training to create a flexible workforce along with a workforce prepared for succession.
8. Establish a Supervisor/Lead Training Program.
9. Continue and enhance the Palmdale Water District's Internship Program through outreach to high school students.

Human Resources

<b>Human Resources</b>		BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2020	2019	2019	2018	2017	2016
1-08-4000-000	Salaries	238,750	232,549	222,750	207,111	133,004	115,827
1-08-4000-100	Salaries - Departmental Overtime	1,000	-	1,000	449	-	-
1-08-4000-200	Salaries - Intern Program	-	-	-	-	6,236	33,594
	Subtotal (Salaries)	239,750	232,549	223,750	207,560	139,240	149,421
Employee Benefits							
1-08-4005-000	Payroll Taxes	18,500	18,391	17,000	16,221	10,749	11,490
1-08-4010-000	Health Insurance	18,500	29,124	31,750	28,463	19,570	18,080
1-08-4015-000	Pers	20,750	17,775	18,000	20,828	8,753	12,669
	Subtotal (Benefits)	57,750	65,290	66,750	65,512	39,071	42,239
	Personnel Expenses	297,500	297,840	290,500	273,072	178,312	191,659
OPERATING EXPENSES:							
1-08-4050-000	Staff Travel	1,537	1,037	1,500	273	1,433	40,694
1-08-4060-000	Staff Conferences & Seminars	1,537	999	1,500	-	749	14,097
1-08-4070-000	Employee Expense	95,000	88,224	50,000	81,692	59,183	49,291
1-08-4095-000	Employee Recruitment	3,073	9,404	3,000	10,442	5,036	1,822
1-08-4100-000	Employee Retention	5,122	3,262	5,000	29,903	3,009	12,836
1-08-4105-000	Employee Relations	3,585	1,250	3,500	2,270	3,752	2,181
1-08-4110-000	Consultants	-	-	-	-	-	3,797
1-08-4120-100	Training - Safety	35,852	4,537	35,000	40,909	24,220	24,112
1-08-4120-200	Training - Specialty	15,365	19,418	15,000	27,555	11,862	15,171
1-08-4121-000	Safety/HR Program	1,024	100	1,000	1,065	-	614
1-08-4165-000	Memberships/Subscriptions	1,639	1,349	1,600	1,657	1,535	947
1-08-4165-100	HR/Safety Publications	1,024	-	1,000	263	-	120
1-08-6300-500	Supplies - Safety	30,254	42,775	30,000	40,475	29,338	33,640
	Total Operating Expense	195,012	172,355	148,100	236,504	140,116	199,320
	Total Departmental Expenses	492,512	470,194	438,600	509,576	318,428	390,980

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## Information Technology Department

### **DESCRIPTION:**

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

### **2019 ACCOMPLISHMENTS:**

- 1) Replaced End of Life Wi-Fi Access Points.
- 2) Enhanced network security and automated reporting.
- 3) Upgraded 75% of District desktops to Windows 10.
- 4) Upgraded existing network security.
- 5) Upgraded mobile devices.
- 6) Created several GIS applications.
- 7) Enhanced drone usage with 2D and 3D mapping.
- 8) Introduction to MS Teams.
- 9) Continued with certification of IT staff on various systems.
- 10) Completed GIS updates, corrections and revisions to continue improving the quality and accuracy of our GIS data.
- 11) Attended the annual ESRI User Conference and GIS Water/Wastewater User Group meetings to stay current with rapidly advancing GIS technology.
- 11) Implemented Versioned Workflows in a Multiuser Geodatabase (ESRI training).
- 12) Cross-trained staff on use of ArcGIS desktop software and ArcGIS Online (Cloud App).
- 13) Attended workshops and webinars to keep current with advancement in GIS technology.

### **2020 GOALS:**

- 1) Assist in the ergonomic evaluation and retrofit of District work areas.
- 2) Assist with District office fire system upgrade.
- 3) Website and Intranet redesign.
- 4) Implement the Human Resources Information System.
- 5) Personnel Emergency Notification System.
- 6) Replace End of Life (EoL) Oasis recorder.
- 7) GIS Enhancements and applications.
- 8) Further enhance drone usage.
- 9) Continued certification of IT staff on various systems and applications.

Information Technology

<b>Information Technology</b>		BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2020	2019	2019	2018	2017	2016
1-09-4000-000	Salaries	303,250	279,913	213,500	191,822	178,266	208,849
1-09-4000-100	Salaries - Departmental Overtime	3,000	1,000	3,000	510	981	1,761
	Subtotal (Salaries)	306,250	280,913	216,500	182,500	179,247	210,611
Employee Benefits							
1-09-4005-000	Payroll Taxes	26,000	20,886	17,000	13,373	12,979	14,987
1-09-4010-000	Health Insurance	34,500	28,704	24,750	26,093	27,143	33,903
1-09-4015-000	PERS	30,500	25,822	21,750	22,997	17,825	35,653
	Subtotal (Benefits)	91,000	75,412	63,500	67,250	57,947	84,542
	Personnel Expenses	397,250	356,325	280,000	249,750	237,194	295,153
OPERATING EXPENSES:							
1-09-4050-000	Staff Travel	3,073	3,000	3,000	1,323	610	-
1-09-4060-000	Staff Conferences & Seminars	10,244	3,000	10,000	1,000	6,433	-
1-09-4155-801	Cloud Services-MS-Office 360	30,731	28,500	30,000	26,140	-	-
1-09-4155-802	Cloud Services-MS-Project	3,073	-	3,000	840	-	-
1-09-4155-803	Cloud Services-MS-Visio	1,024	-	1,000	283	-	-
1-09-4155-804	Cloud Services-Adobe-Creative Suite	5,122	7,650	5,000	6,457	-	-
1-09-4155-805	Cloud Services-SeamlessDocs	5,122	400	5,000	10,000	-	-
1-09-4155-806	Cloud Services-IPSwitch-Moveit	6,146	10,027	6,000	9,866	-	-
1-09-4155-807	Cloud Services-GFI Fax	2,561	-	2,500	3,000	-	-
1-09-4155-808	Cloud Services-KnowBe4-Security Awareness	1,537	2,000	1,500	-	-	-
1-09-4155-809	Cloud Services-Network Solutions-DNS, Web Registration	4,097	1,000	4,000	4,237	-	-
1-09-4155-810	Cloud Services-IBM-MaaS 360	6,146	-	6,000	4,396	-	-
1-09-4155-811	Cloud Services-MSP Portal-Bit Defender	3,227	6,500	3,150	3,427	-	-
1-09-4155-812	Cloud Services-Akins-WiFi	3,175	-	3,100	3,061	-	-
1-09-4155-813	Cloud Services-FleetMate	6,658	-	6,500	1,000	-	-
1-09-4155-814	Cloud Services-Security Metrics-PCI Compliance	3,073	4,750	3,000	3,051	-	-
1-09-4155-815	Cloud Services-Citrix	2,049	2,000	2,000	-	-	-
1-09-4155-905	Contracted Services - Offsite Services	5,122	-	5,000	-	3,420	3,420
1-09-4155-910	Contracted Services - Printer Services	2,561	4,250	2,500	3,928	-	6,994
1-09-4155-915	Contracted Services - Website Design Services	3,688	7,500	3,600	9,871	9,989	16,166
1-09-4155-920	Contracted Services - Telephony Services	5,122	-	5,000	2,390	3,154	248
1-09-4155-925	Contracted Services - Cloud Services	-	-	-	-	36,906	46,969
1-09-4155-930	Contracted Services - Network Services	35,852	14,500	35,000	12,644	19,953	58,793
1-09-4155-935	Contracted Services - Hardware Warranties	15,365	500	15,000	-	848	315
1-09-4155-940	Contracted Services - Access Control	56,339	49,000	55,000	29,769	-	-
1-09-4155-945	* Contracted Services - LA County Dataset	8,000	-	-	-	-	-
1-09-4155-950	* Contracted Services - ESRI Customer Care	5,000	-	-	-	-	-
1-09-4165-000	Memberships/Subscriptions	2,561	2,000	2,500	330	459	1,410
1-09-4270-100	Telecommunication - Office Phone	17,926	17,500	17,500	15,176	14,878	15,260
1-09-4270-125	Telecommunication - Office Backbone	22,536	20,580	22,000	18,865	21,530	21,453
1-09-4270-150	Telecommunication - WTP Backbone	15,365	11,400	15,000	13,115	10,348	11,463
1-09-4270-300	Telecommunication - Cellular (Data & On-Call)	46,096	44,500	45,000	43,496	43,587	32,193
1-09-7000-100	Leases - Equipment	56,000	54,500	-	-	-	-
1-09-8000-100	Computer Equipment - Computers	45,381	60,000	45,000	44,250	40,143	30,158
1-09-8000-200	Computer Equipment - Mobility	45,381	42,000	45,000	10,039	37,199	23,883
1-09-8000-300	Computer Equipment - Monitors	2,017	2,750	2,000	2,130	1,470	192
1-09-8000-400	Computer Equipment - Printers	-	-	-	931	-	-
1-09-8000-500	Computer Equipment - Printer Supplies	3,025	100	3,000	3,299	159	350
1-09-8000-550	Computer Equipment - Telephony	3,025	-	3,000	-	840	300
1-09-8000-600	Computer Equipment - Other	25,212	17,041	25,000	20,331	27,649	22,330
1-09-8000-650	Computer Equipment - Warranty and Support	15,127	8,000	15,000	7,555	-	-
1-09-8100-100	Software - Maint. and Support	-	-	-	975	48,774	49,537
1-09-8100-101	Software M&S - Xtelesis-Phone	10,244	10,000	10,000	19,680	-	-
1-09-8100-102	Software M&S - Tredent-Appassure	8,195	8,000	8,000	9,491	-	-
1-09-8100-103	Software M&S - Conduive/V-locity-Diskeeper	5,250	5,128	4,500	4,250	-	-
1-09-8100-104	Software M&S - FWI	512	500	500	-	-	-
1-09-8100-105	Software M&S - Strategy 7	2,561	-	2,500	702	-	-
1-09-8100-106	Software M&S - Astria Solutions-Docstar	16,390	12,643	16,000	12,643	-	-
1-09-8100-107	Software M&S - NemoQ-Ticketing	2,561	1,945	2,500	1,945	-	-
1-09-8100-108	Software M&S - FMT-Management Reporter	1,537	-	1,500	175	-	-

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Information Technology (Continued)

OPERATING EXPENSES (Continued):

1-09-8100-109	Software M&S- Neogov	8,195	8,250	8,000	7,922	-	-
1-09-8100-110	Software M&S- TruePoint	37,901	42,560	45,000	50,340	34,290	-
1-09-8100-111	Software M&S- Technology Unlimited	2,049	2,000	2,000	3,499	-	-
1-09-8100-112	Software M&S- Sierra Workforce-Timesheet	4,097	5,000	4,000	6,039	-	-
1-09-8100-113	Software M&S- Tredent-SAN Manager	3,073	-	3,000	-	-	-
1-09-8100-114	Software M&S- Faranics-Powersaver	-	-	200	225	-	-
1-09-8100-115	Software M&S- Network Monitoring	47,500	2,348	2,000	2,134	-	-
1-09-8100-116	Software M&S- VMWare-Virtualization	7,000	6,788	1,000	6,596	-	-
1-09-8100-117	Software M&S- iPrism-Web Filter	26,633	27,734	26,000	-	-	-
1-09-8100-118	Software M&S- Quest-VMWare Recovery	8,707	-	8,500	-	-	-
1-09-8100-119	Software M&S- Palitto Consulting (IVR)	2,750	2,599	-	-	-	-
1-09-8100-120	* Software M&S - ESRI GIS Software	25,000	-	-	-	-	-
1-09-8100-121	* Software M&S - ESRI Drone2Map	1,500	-	-	-	-	-
1-09-8100-140	Software M&S - Starnik	-	-	-	-	63,274	94,800
1-09-8100-150	Software M&S- Dynamics GP	56,339	40,938	55,000	34,337	46,847	60,653
1-09-8100-200	Software - Software and Upgrades	20,487	10,933	20,000	7,216	16,845	10,094
Total Operating Expense		832,239	612,314	676,050	646,600	489,605	506,978
Total Departmental Expenses		1,229,489	968,639	956,050	896,350	726,798	802,131

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## Customer Care Department

### **DESCRIPTION:**

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

### **2019 ACCOMPLISHMENTS:**

- 1) Continued building work knowledge with TruePoint billing system.
- 2) Increased communication between departments by aiding with TruePoint.
- 3) Updated RAP forms for more efficient processing and email reminders.
- 4) Field Customer Care Representatives performed accuracy check by walking routes from meter change-out program to ensure proper billing.
- 5) Implemented fillable forms for the customers utilizing SeamlessDocs.
- 6) Improved SharePoint calendar usage by Customer Care Representatives as a communication tool.
- 7) Utilized intern for the State's Work Source program.
- 8) Implemented and restructured the positions for Field Customer Care Representatives I/II.
- 9) Condensed the new customer's welcome packet to save trees and money.

### **2020 GOALS:**

- 1) Continue building the fillable forms available to customers.
- 2) Improve Customer Care office with:
  - Sit/Stand stations for a more ergonomic workstation.
  - Lower cubicles for communication and transparency.
- 3) Perform upgrade of Itron's MVRS system to FCS – Meter reading equipment (Phase 1).
- 4) Continue efforts in providing training of Customer Care staff.

Customer Care

<b>Customer Care</b>		BUDGET	PROJECTED	BUDGET	ACTUAL	ACTUAL	ACTUAL
PERSONNEL BUDGET:		2020	2019	2019	2018	2017	2016
1-10-4000-000	Salaries	936,250	941,136	921,500	949,871	871,635	886,578
1-10-4000-100	Salaries - Departmental Overtime	7,500	2,688	7,500	6,146	4,872	6,142
	Subtotal (Salaries)	943,750	943,824	929,000	956,018	876,506	892,720
Employee Benefits							
1-10-4005-000	Payroll Taxes	74,750	69,476	72,250	68,934	64,404	68,418
1-10-4010-000	Health Insurance	149,500	191,740	217,250	207,455	176,657	213,071
1-10-4015-000	PERS	88,500	80,391	94,000	118,854	90,241	174,644
	Subtotal (Benefits)	312,750	341,607	383,500	395,243	331,302	456,134
	Personnel Expenses	1,256,500	1,285,431	1,312,500	1,351,261	1,207,808	1,348,853
OPERATING EXPENSES:							
1-10-4050-000	Staff Travel	2,049	5,000	2,000	1,018	1,759	-
1-10-4060-000	Staff Conferences & Seminars	3,073	3,250	3,000	673	2,090	-
1-10-4155-005	Contracted Services - Assessor Data (Realquest)	10,244	9,900	10,000	9,900	9,900	9,900
1-10-4155-010	Contracted Services - Credit Reporting Services	4,097	4,500	4,000	3,848	3,917	3,952
1-10-4155-015	Contracted Services - AMR Services (Itron)	8,300	12,250	8,000	5,984	7,598	5,454
1-10-4155-020	Contracted Services - NEMO-Q System	-	-	-	-	-	1,945
1-10-4230-110	Mtce & Rep Office - Equipment	202	-	200	-	-	499
1-10-4250-000	General Material & Supplies	7,059	2,500	7,000	6,955	7,055	7,209
1-10-4260-000	Business Forms	1,024	871	1,000	224	-	592
	Total Operating Expense	36,048	38,271	35,200	28,602	32,319	29,551
	Total Departmental Expenses	1,292,548	1,323,702	1,347,700	1,379,862	1,240,127	1,378,405



# APPENDIX

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## Budget Control Guidelines

The 2020 Budget approved by the Board of Directors will serve as the basis for operating Palmdale Water District. It includes many individual items and projects as well as the anticipated operations and maintenance budgets. Occasional questions have come up in previous years as the District has gotten familiar with the budget process. These range from adjustments in accounts of departmental operating budgets to implementing projects approved in the budget. The following are intended to act as guidelines for working within the budget and to clarify the Board's involvement in the process.

- 1) Work on purchasing equipment and other projects in the approved budget can be initiated by staff. Approval of proposals for the construction projects or purchasing equipment will follow the appropriate District policy and may involve Committee or Board action.
- 2) Department managers are required to operate within the approved budget amounts, both the total department amount and individual accounts. Permission from the General Manager is needed prior to exceeding any account budget amount.
- 3) The General Manager is authorized to approve transfers between operating budget accounts within or between departments up to \$25,000. These transfers must be requested in writing from the department manager and shall not increase the overall District budget. Transfers above \$25,000 must be approved by the Board of Directors.
- 4) Items not included in the approved budget and recommended by staff must be approved by the Board.
- 5) Increases in the total operating budget that are not due to emergency or maintenance activities must be approved by the Board of Directors. The General Manager shall inform the Board of Directors of spending related to emergency situations.
- 6) The General Manager will periodically provide the Board of Directors with reports on actual spending versus the approved budget, any recommended adjustments and any approved transfers.
- 7) The Departmental Staffing Summary included in the 2020 Budget is for monetary planning purposes only. The General Manager will consult with the Personnel Committee or full Board of Directors, as appropriate, prior to filling any vacant positions shown in the summary.

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Resolution No. 18-10

Palmdale Water District's Reserve Policy

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

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

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

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

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

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

***Legally Restricted Funds:***

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

***1. Capital Improvement Fund:***

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

***2. Bond Proceeds Fund(s):***

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

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

3. *Debt Service Reserve Funds:*

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

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

4. *Rate Stabilization Fund:*

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

***Board Designated Funds:***

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

1. *Dam Self Insurance:*

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

2. *O&M Operating Reserve:*

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

3. *O&M Emergency Reserve:*

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

4. *Unrestricted Reserves:*

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

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

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

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

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

Noes: None

Absent: President Dino, Director Estes

Abstain: None

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

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2020 Water Rate Schedule

<b>Meter Fee Charge (Effective 01/01/2020)</b>	
5/8"	38.22
1"	38.22
1-1/2"	92.99
2"	140.84
3"	252.48
4"	412.05
6"	810.62
8"	1,289.09
10"	1,847.47

<b>Commodity Rates (\$/ccf)</b>	
<b>Tiers</b>	
Essential Use – Tier 1	0.88
Efficient Use – Tier 2	1.52
Tier 3	2.03
Tier 4	3.29
Tier 5	4.64
<b>Water Quality Fee (\$/ccf)</b>	
0.11	
<b>Elevation Booster Surcharge (\$/ccf)</b>	
B	-
A1	0.08
A2	0.62
A3	1.26
Drought Surcharge Stage 1, 2, 3	0.35, 0.54, 0.79

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2020 Holiday Observance Calendar

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

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

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

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

PWD Observed Holiday

PWD Observed Holiday (Dates Subject to Change)

PWD Scheduled Office Closure (Dates Subject to Change)

January 20 – Martin Luther King Jr. Day  
 July 3 – Independence Day  
 November 26 & 27 – Thanksgiving

February 17 – Presidents Day  
 September 7 – Labor Day  
 December 23, 24 & 25 – Christmas Break

May 25 – Memorial Day  
 November 11 – Veterans Day  
 January 1 – New Years



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California Water Code – Section 370-374

ALLOCATION-BASED CONSERVATION WATER PRICING

(Copied from original posted at <http://www.leginfo.ca.gov/calaw.html>)

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

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

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

(4) Securing dry-year water supply arrangements.

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

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

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

(1) Billing is based on metered water use.

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

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

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

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

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

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

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

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

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

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

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

(2) Basic use allocations.

(3) Meter size.

(4) Metered volume of water consumed.

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

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

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

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

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

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

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



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## Glossary of Terms

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

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Glossary of Terms *(Continued)*

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

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Glossary of Terms *(Continued)*

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

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Glossary of Terms *(Continued)*

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