



PALMDALE WATER DISTRICT

A CENTURY OF SERVICE

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Contact:

Judy Shay
Public Affairs Director

d: 661-456-1041

c: 661-297-3011

jshay@palmdalewater.org

PWD BOARD APPROVES \$34.5 MILLION BUDGET FOR 2025

Palmdale, CA – The Palmdale Water District (PWD) Board of Directors has adopted an operating budget of \$34,566,887 for the calendar year 2025.

The new budget is an increase of about \$1.4 million, or 4.5%, compared to 2024's \$33.1 million budget. The increase is primarily due to planning for higher operational costs due to inflation, water purchases of \$2.6 million, and \$1.8 million for the Littlerock Sediment Removal Project. Similar to previous years, increased personnel expenses for next year are the result of cost-of-living increases, healthcare expenses and retirement funding.

The 2025 operating revenue is based on selling 15,000 acre-feet of water, which will generate about \$35 million. It is \$1 million higher than the 2024 budgeted figure. Total revenue also includes \$550,000 in potential capital improvement fees and about \$10.4 million in December property tax assessments.

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The budget estimates that the District will end this year with about \$17.4 million in cash reserves, which will exceed the projected amount of nearly \$16.5 million as identified in the 2019 Water Rate Study report. The increase in reserves is due to the extra water allocated by the State Water Project during the past two wet winters, allowing PWD to sell excess water to other agencies.

The projected cash reserve for 2025 is about \$21.3 million.

“This is a fiscally sound budget that will fund the necessary costs of providing our customers with reliable, high-quality water,” said PWD CFO/Finance Manager Dennis Hoffmeyer. “This balanced budget also ensures that we meet our goal of maintaining a healthy cash reserve for emergencies. We appreciate the Board supporting the budget by unanimously approving it.”

A complete 2025 budget package will be available in January on the PWD website at www.palmdalewater.org.

Since 1918, the Palmdale Water District has provided high-quality water at a reasonable cost. We pride ourselves on providing great customer care; advocating for local water issues that help our residents; educating the community on water-use efficiency; and leading our region in researching and implementing emerging technologies that increase operational efficiency.

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