



PALMDALE WATER DISTRICT

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BOARD APPROVES \$29.8 MILLION BUDGET FOR 2023

Palmdale, CA – The Palmdale Water District (PWD) Board of Directors voted 5-0 Monday night to approve a \$29.86 million budget for the calendar year 2023.

The budget, effective Jan. 1, indicates expected operating expenses to increase \$2.3 million, or nearly 8.5%, from 2022's budget of \$27.86 million. Inflation and drought mandates played significant roles in preparing the budget that sees increases in personnel expenses and water production costs.

According to PWD Finance Manager/CFO Dennis Hoffmeyer, the 2023 operating revenue is based on selling 14,500 acre-feet of water, which is equal to about \$32.6 million. It is \$851,000, or 2.7%, higher than the 2022 budgeted figure. Total revenue also includes \$550,000 in potential capital improvement fees.

Increased cost in water production is the result of the drought, which requires PWD to operate more wells to pump groundwater due to cut backs

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in surface water allocation from the state. Treating surface at the Leslie O. Carter Water Treatment Plant is less costly than energy used to pump groundwater. Increased expenses in personnel costs for 2023 are due to cost-of-living increases, healthcare expenses and retirement funding. There also will be four new positions added.

“Because of the state-mandated conservation of 20%, we had to reduce the projected water sales by about 2,000 acre-feet,” Hoffmeyer said. “Along with water-use restrictions due to the drought, we have hyper-inflation that is pushing up costs for everything. I’m confident with what we put together in this budget that we will meet our goal of maintaining our cash reserves. We appreciate the Board approving and supporting this budget.”

Budget figures show that the District will end this year with about \$12.8 million in cash reserves and with an identical reserve amount planned for the end of 2023.

A complete 2023 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. For more information about PWD, visit www.palmdalewater.org.

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