

CRESCENTA VALLEY WATER DISTRICT

**2700 Foothill Boulevard
La Crescenta, California**

**Agenda for the
Adjourned Regular Meeting of the Board of Directors
of the Crescenta Valley Water District
to be held on Tuesday, May 16, 2017 at 7:00 p.m.**

Posted: May 12, 2017 at 3:00 p.m.

Any written materials distributed to the Board in connection with this agenda will be made available at the same time for public inspection at the District office located at the above address.

Call to Order and Determination of Quorum

Pledge of Allegiance

Adoption of Agenda

Public Comments

At this time the public shall have an opportunity to comment on any non-agenda item relevant to the subject matter jurisdiction of the Board. This opportunity is non-transferable and speakers are limited to one three (3) minute comment.

Foothill Municipal Water District Report

1. Report on activities at Foothill Municipal Water District.

Consent Calendar

1. Consideration and approval of Minutes of the Regular Meeting on May 2, 2017.
2. Ratification of Disbursements for April 2017.

Action Calendar

The public shall have an opportunity to comment on any action item as each item is considered by the Board prior to action being taken. This opportunity is non-transferable and speakers are limited to one two (2) minute comment.

1. **Discussion Regarding the District's OPEB Liability** – Discussion and possible action with respect to presentation by Mr. Gary Cline of Nicolay Consulting about the District's Other Postemployment Benefits (OPEB) liabilities.
2. **CVWD's Well 2 and Related Facilities at Ordunio Reservoir, Project E-956** – Consideration and motion to authorize the General Manager to award a contract to Royal Wholesale Electric for manufacturing and delivery of a new electrical motor control center and electrical switchboard for Well 2 at a cost of \$98,547 and establish a contingency amount of 9,855 (10% of contract) to cover the cost of unforeseen or additional work.
3. **Drinking Water Source Assessment and Protection Study, Project M-980** – Consideration and motion to authorize the General Manager to enter into an agreement with AMEC Foster Wheeler to provide professional hydrogeologic services to prepare a drinking water source assessment and protection (DWSAP) study for CVWD's groundwater source for a cost \$35,900 and establish a contingency amount of \$3,590 (10% of contract) to cover the cost of unforeseen or additional work.

4. **Amendment to Resolution No. 681 – Water Conservation Alert System** – Consideration and motion to amend Resolution No. 681 and Appendix G of the Rules and Regulations with respect to the District's Water Conservation Alert System.
5. **Water & Wastewater Budgets for FY 17/18** – Discussion of preliminary water and wastewater budgets for FY 17/18.

Information Items

Written Communications to District/Board

Staff Reports

- Secretary-Treasurer
- General Manager
- District Engineer
- Program Specialist
- Information Technology

Attorney Report

Reports of Committees

- Engineering Committee
- Finance Committee
- Employee Relations Committee
- Policy Committee
- Community Relations/Water Conservation Committee
- Emergency Planning Committee

Director's Oral Reports

Report on issues, meetings, or activities attended by Directors.

Board Members' Request for Future Agenda Items

Adjournment

CRESCENTA VALLEY WATER DISTRICT REGULAR MEETING, BOARD OF DIRECTORS

May 2, 2017

Pursuant to the order of the Board of Directors of the Crescenta Valley Water District, made at the Adjourned Regular Meeting of April 18, 2017, a Regular Meeting was held on May 2, 2017, at 7:00 p.m. at the District office at 2700 Foothill Blvd., La Crescenta, California, with President James D. Bodnar presiding.

At roll call, the following Directors and staff members were present:

Directors:	James D. Bodnar Michael L. Claessens (Absent) Kerry D. Erickson Kenneth R. Putnam Judy L. Tejeda
Attorney:	Thomas S. Bunn
General Manager:	Thomas A. Love
Secretary-Treasurer:	Ron L. Mitchell
District Engineer:	David S. Gould
Others Present:	Mark Hass, IT Manager Wendy Holloway, Customer Accounts Supervisor Christy Scott, Program Specialist Dennis Maxwell, Superintendent James Lee, Accountant

PLEDGE OF ALLEGIANCE

President Bodnar opened the meeting by asking Director Tejeda to lead the Board and staff in reciting the Pledge of Allegiance.

ADOPTION OF AGENDA

It was moved by Director Putnam, seconded by Director Erickson and carried by a 4-0 vote that the Agenda for the Regular Meeting of May 2, 2017 be adopted as presented.

PUBLIC COMMENT – None

FOOTHILL MUNICIPAL WATER DISTRICT REPORT – No Report

CONSENT CALENDAR

It was moved by Director Tejeda, seconded by Director Erickson and carried by a 4-0 vote to approve the Minutes of the Adjourned Regular Board Meeting held on April 18, 2017, and the rejection of two (2) Claims for Damages filed by Patricia Engle and Mary Garcia.

ACTION CALENDAR

Update on the California Water Fix – Mr. Love provided the Board and staff documents that highlight the ten year history of the California Water Fix along with additional information in a question and answer format on the State’s website. He also showed a couple of short videos that explained how the water flows through the Bay Delta and what would happen if the levee system were to fail. Mr. Love said that he would keep the Board informed on any new information regarding the twin tunnels and the California Water Fix as it becomes available.

Resolution No. 736 – Mr. Love informed the Board that he and Mr. Mitchell had recently met with Mr. Timothy Quinn, Executive Director of ACWA, and discussed various water issues including the California Water Fix and the Bay Delta. Mr. Quinn encouraged all districts to become involved and sent the District a request to pass a resolution in support of ACWA’s policy statement on Bay Delta flow requirements.

Following discussion:

It was moved by Director Tejada, seconded by Director Erickson and carried to adopt Resolution No. 736 in support of ACWA’s policy statement on Bay-Delta flow requirements by the following roll call:

AYES:	Director Erickson
AYES:	Director Putnam
AYES:	Director Tejada
NOES:	None
ABSTAIN:	Director Bodnar
ABSENT:	Director Claessens

Director Bodnar informed the Board and staff that he had spoken with legal counsel before the meeting and that even though it was not necessary to recuse himself from this matter due to his employment with Metropolitan Water District, he felt it was best not to vote on this matter.

SCADA Information and Control Systems Replacement, Project E-939A – Mr. Love told the Board that the current SCADA system is at, or near, the end of its useful life and needs to be replaced. Staff has broken this large SCADA replacement project into two components with the first smaller phase being to replace existing software, workstations, servers, and alarms. Mr. Hass answered several questions related to the current vendor and the proposed vendor selected to perform this work. Mr. Hass said that by doing this work it will stabilize the SCADA system and allow the larger second phase, which will replace the RTU’s and physical equipment at all sites, to be deferred for a couple of years until funds are available in the CIP budget.

Following discussion:

It was moved by Director Erickson, seconded by Director Tejada and carried by a 4-0 vote to authorize the General Manager to enter into an agreement with Wonderware California to provide a SCADA information and control systems stabilization at a cost of \$153,885 and establish a contingency of \$15,389 (10% of the contract amount) for unforeseen work.

Strategic Planning – Mr. Love provided the Board a draft Strategic Plan for the District and gave a brief summary of the process to date. He asked the Board to review the section “Message from the Board of Directors” and provide him any comments or suggestions. Mr. Love reviewed the “Goals and Objectives” section and informed the Board that he has revised some of the target dates for completion to be more realistic. The Board gave some suggestions for using pictures in the completed document.

INFORMATION ITEMS – None.

WRITTEN COMMUNICATIONS TO DISTRICT – None.

REPORTS OF PERSONNEL

SECRETARY-TREASURER – Mr. Mitchell had no report.

GENERAL MANAGER – Mr. Love reported on the Third Quarter Budget Report and the community outreach programs. He also discussed correspondence to the Board, and press releases. As of April 28, 2017 the District has worked 1,054 days without a lost time accident. Employee anniversary this month is: Kellen Boyce with 15 years of service.

DISTRICT ENGINEER

Water Production – For the period of April 1 through April 30, 2017, water production averaged 107.8 million gallons per day, which is **16.0% more** than the daily average production of the same period in 2016. This is **0.5% less** from the daily average production of the previous five years.

Rainfall: April 2017	0.15”
Season-to-date:	24.47”

Mr. Love also reported on the status of various CIP projects including the Pickens Canyon pipeline replacement, the pending Pennsylvania Ave. pipeline replacement, and the Well No. 2 project.

PROGRAM SPECIALIST – Ms. Scott reported on water conservation updates, provided the Board with a copy of a Resolution passed by the FMWD Board of Directors amending their conservation plan, and said that she had met with other agencies in the area regarding each agencies current outdoor watering policy. She concluded by saying that staff would be presenting the Board with a revised water alert system in the near future.

INFORMATION TECHNOLOGY – Mr. Hass had no report.

ATTORNEY – Mr. Bunn had no report.

REPORTS OF COMMITTEES

Engineering Committee – Director Putnam reported that the Committee had not met; however a meeting will be scheduled when Mr. Gould returns.

Finance Committee – Director Tejeda reported that the Committee had not met; however a meeting will be scheduled as needed.

Employee Relations Committee – Director Putnam reported that the Committee had not met; however a meeting will be scheduled as needed.

Policy Committee – Director Bodnar reported that the Committee had not met; however a meeting will be scheduled as needed.

Community Relations/Water Conservation Committee – Director Erickson reported that the Committee had not met; however a meeting will be scheduled as needed.

Emergency Planning Committee – Director Bodnar reported that the Committee had not met; however a meeting will be scheduled soon.

Executive Committee – Director Bodnar reported that the Committee had not met; however a meeting will be scheduled as needed.

DIRECTORS ORAL REPORTS

Director Bodnar reported that he attended the Hometown Country Fair at CV Park and congratulated staff for their work in answering questions. He also said he saw the flow monitoring station installed at the park. Director Bodnar also said he attended the Green Expo at the MWD building on April 20th.

Director Tejeda – No Report

Director Putnam – No Report

Director Erickson reported that he attended the bingo event at the American Legion hall and the Hometown Country Fair. He too said that staff did an excellent job.

ADJOURNMENT

There being no other business to come before the Board at 8:25 p.m., it was moved by Director Tejeda and seconded by Director Erickson and carried unanimously that the meeting be adjourned to May 16, 2017 at 7:00 p.m.

APPROVED

James D. Bodnar
President

Ron L. Mitchell
Secretary-Treasurer

CASH DISBURSEMENT LIST

APRIL 2017



<u>Check#</u>	<u>Check Date</u>	<u>Payable To</u>	<u>Description</u>	<u>Water Amount</u>	<u>Wastewater Amount</u>
0	4/24	Southern California Edison Co.	Power purchased 04/2017	19,443.24	266.57
35497	4/4	ADS, LLC	Monthly monitoring 03/2017		1,590.00
35498	4/4	All Valley Material Handling	New forklift Unit #52		6,445.28
35499	4/4	Anawalt Lumber & Materials Co.	Misc hardware 03/2017	20.96	6.99
35500	4/4	AVAYA Financial Services	Land line support 03/2017	380.67	126.89
35501	4/4	BC Laboratories, Inc	Water analysis	3,942.90	
35502	4/4	BC Laboratories, Inc	Water analysis	3,508.40	
35503	4/4	BC Laboratories, Inc	Water analysis	13,177.25	
35504	4/4	Cheryl Bustamante	Refund Check	29.14	
35505	4/4	California Water Environment	Membership renewal - James Halaszynski	129.00	43.00
35506	4/4	CalPERS	Employee/Employer contributions 03/2017	22,080.02	13,015.70
35507	4/4	Capital One Commercial	Misc supplies	395.39	395.37
35508	4/4	CCS Interactive, Inc.	Monthly web hosting 04/2017	78.75	26.25
35509	4/4	City of Glendale - Permits	Excavation permits	3,600.00	
35510	4/4	City of Glendale Water & Power	Power purchased 03/2017	28,574.00	49.88
35511	4/4	Colonial Life & Accidents Ins.	Employee paid insurance 04/2017	183.61	
35512	4/4	Cortech Engineering	E-733-CS retention payment	1,708.82	
35513	4/4	Dell Financial Services	Monthly lease contract 04/2017	727.71	242.57
35514	4/4	Downey Brand Attorneys LLP	ULARA meeting	840.50	
35515	4/4	eShelving Store	Shelving racks at Encinal Reservoir		3,381.90
35516	4/4	Eurofins Eaton Analytical Inc.	Water analysis	674.00	
35517	4/4	Fire Master	Test fire extinguishers	142.28	47.43
35518	4/4	Foothill Car Wash, Lube & Oil	Oil change unit #38	35.84	11.94
35519	4/4	General Pump Company, Inc	E-971 Field Labor 11-14-2016	2,000.00	
35520	4/4	Grainger	Inner tube	11.81	11.81
35521	4/4	Lady Hoerner	New carpet at Sycamore house	1,900.52	633.50
35522	4/4	Wendy Holloway	Longevity pay for 35 years of service	262.50	87.50

<u>Check#</u>	<u>Check Date</u>	<u>Payable To</u>	<u>Description</u>	<u>Water Amount</u>	<u>Wastewater Amount</u>
35523	4/4	Home Depot Credit Services	Misc hardware 03/2017	320.08	92.59
35524	4/4	Inland Water Works Supply Co.	3 - Itron FC300 Carry Cases for handheld reading devices	448.59	
35525	4/4	Eun Jang	Refund Check	4.23	
35526	4/4	L.A. County Dept. Public Works	Excavation permit	779.00	
35527	4/4	Lance Allen Company, Inc	Printers/copiers lease	716.66	716.65
35528	4/4	McCall's Meter Sales & Service	Repair 8" meter head assembly for Montrose PRV	1,267.94	
35529	4/4	Microflex Corporation	Miscellaneous safety supplies	530.04	
35530	4/4	Neofunds by Neopost	Postage machine reimbursement	350.00	350.00
35531	4/4	Newegg, Inc.	Computer hardware	386.42	128.79
35532	4/4	Northern Safety Co., Inc	Miscellaneous safety supplies	272.16	90.72
35533	4/4	O'Reilly Auto Parts	Misc supplies 03/2017	55.72	20.30
35534	4/4	Office Depot - Credit Plan	Misc supplies	389.54	389.54
35535	4/4	Paper Cuts, Inc	Monthly paper shredding 03/2017	26.88	26.87
35536	4/4	Elaine Reavis	Refund Check	243.96	
35537	4/4	Tim Rohan	Refund Check	36.33	
35538	4/4	Royal Wholesale Electric	Power supply for E-733CS; pressure switches; metal seismic enclosures; tools	3,230.00	257.98
35539	4/4	Serge's Automotive	Unit #23A - Electrical repairs	173.05	57.68
35540	4/4	Spectrum Business	Data Communications 03/2017 Glenwood	2,282.29	760.77
35541	4/4	Spectrum Business	Data Communications 03/2017 Office	1,719.59	573.20
35542	4/4	Susan Stauffer-Cardone	Refund Check	63.30	
35543	4/4	Charlotte Stratton	Refund Check	23.50	
35544	4/4	Sully-Miller Contracting Co.	Minimum load charge	550.56	
35545	4/4	Systemated Business Products	Door hangers for office	115.45	115.45
35546	4/4	The Gas Company	Gas purchased Glenwood 03/2017	209.97	69.98
35547	4/4	Underground Service Alert/SC	Underground notifications for 03/2017	195.75	65.25
35548	4/4	US Bank	2007 COPS administrative fees for 02/01/17 - 01/31/18	1,650.00	
35549	4/4	Vision Service Plan Co-(CA)	Group vision for 04/2017	290.64	193.76
35550	4/4	Vulcan Materials Company	Crushed aggregate base	402.26	
35551	4/4	Waste Management - Sun Valley	Disposal service Office & Plant 04/2017	781.70	260.56
35552	4/4	Western Water Works	Mueller meter adpaters 3/4" x 1"	633.47	
35553	4/4	YST Investments LLC	Refund for sewerage facilities charge deposit		20,294.38
35554	4/7	Dennis A. Maxwell, Jr	Health Reimbursement	104.45	69.63
35555	4/11	ACWA Joint Powers Ins Authority	Group health insurance for 05/2017	35,192.83	22,900.77
35556	4/11	Airgas USA, LLC	Monthly cylinder rental 03/2017	213.37	213.37
35557	4/11	All American Landscape Co.	Monthly maintenance office 04/2017	217.50	72.50

<u>Check#</u>	<u>Check Date</u>	<u>Payable To</u>	<u>Description</u>	<u>Water Amount</u>	<u>Wastewater Amount</u>
35558	4/11	Ameripride Uniform Services, Inc	Uniform rentals 03/2017	709.99	236.66
35559	4/11	Bonnors Equipment Rentals	Monthly rentals 03/2017	15.88	5.29
35560	4/11	CA Utility Executive Mgmt Association	Memebership renewal - Love, Mitchell, Lee	750.00	250.00
35561	4/11	Dataprose LLC	Printing and postage for Controls 1-4 03/2017	1,302.31	1,302.30
35562	4/11	Do-it Center	Misc hardware 03/2017	212.42	25.67
35563	4/11	Eurofins Eaton Analytical Inc.	Water analysis	196.00	
35564	4/11	First Choice	Coffee service 02/2017 (Re-issue lost check from February)	182.86	182.85
35565	4/11	Great America Leasing Corp.	Kyocera copiers lease 04/2017	216.96	216.96
35566	4/11	HD Supply Waterworks Ltd	2" water meter for well 10	1,299.93	
35567	4/11	John Robinson Consulting, Inc.	M-965 Grant assistance Well #2 03/2017	10,800.00	
35568	4/11	Logan Supply Co. Inc	Marking paint	678.96	
35569	4/11	McMaster-Carr Supply Co	Insect repellent	49.67	16.55
35570	4/11	Siaki Mortenson	Mileage reimbursment for jury duty	20.40	
35571	4/11	National Business Furniture	Office chair for Cory Whitman	170.21	170.20
35572	4/11	Newegg, Inc.	Intel core processor; network cables; memory cards; routers; memory; drives; software	2,005.97	668.55
35573	4/11	Orchard Supply Hardware	Misc supplies 03/2017	746.93	281.28
35574	4/11	Ramco	Dumping fee's (asphalt)	1,000.00	
35575	4/11	Royal Wholesale Electric	Power transfer switch & mounting kit for sewer lift station	249.39	1,489.93
35576	4/11	Sawyer Petroleum	636.7 gallons of clear diesel fuel at Glenwood	1,335.83	445.27
35577	4/11	Shell	Gas purchased 03/2017	1,305.21	435.06
35578	4/11	Simpler Systems	Monthly maintenance 04/2017	375.00	125.00
35579	4/11	Total Graphics	Update construction signs and new numbers for Units #51 & #52	70.00	70.00
35580	4/11	UPS	Shipping charges	11.79	11.79
35581	4/11	Los Angeles County Assessor	DVD of addresses for Prop 218 FY 2017/18	36.71	12.23
35582	4/18	American Water Works, Inc	Repair pressure washer	130.15	130.14
35583	4/18	Kirk Anderson	Remove bees from meter boxes at 2428 Frances & 5112 Pennsylvania	250.00	
35584	4/18	ARC	Monthly MSP billing 03-2017	740.07	246.68
35585	4/18	AT&T	PRI Usage 03/2017	3,461.81	1,117.03
35586	4/18	AT&T Mobility	Cell phone service 03/08/17 to 04/07/17	890.81	296.93
35587	4/18	BC Laboratories, Inc	Water analysis	83.75	
35588	4/18	California Water Environment	Collection Sys Main Grade 1 renewal - Morgen DuRose	83.00	
35589	4/18	City of Glendale Water & Power	Power purchased Markridge 04/2017	274.62	
35590	4/18	Dispensing Technology Corp.	Blue street markers for fire hydrants	1,166.56	
35591	4/18	Raymond Dodge	Parking fees for AWWA event	12.00	
35592	4/18	E & R Construction, Inc.	E-957 Progress payment #1 Lower Pickens Canyon Slope repair	36,575.00	

<u>Check#</u>	<u>Check Date</u>	<u>Payable To</u>	<u>Description</u>	<u>Water Amount</u>	<u>Wastewater Amount</u>
35593	4/18	Eurofins Eaton Analytical Inc.	Water analysis	148.00	
35594	4/18	First Choice	Coffee service plant & office	93.81	93.79
35595	4/18	Foothill Municipal Water	Purchased water - 03/2017	217,642.66	
35596	4/18	Galpin Raymer Operations	Purchase new Unit #51	29,799.29	
35597	4/18	LA Dept Water and Power	Power purchased 04/2017	46.20	
35598	4/18	Lagerlof, Senecal, Gosney & Kr	Legal services 03/2017	6,880.00	1,250.00
35599	4/18	Logan Supply Co. Inc	Welders pliers	21.63	21.63
35600	4/18	Mimecast North America, Inc.	Email security 04/2017	150.00	50.00
35601	4/18	National Business Furniture	File pedestal	201.76	67.25
35602	4/18	New Image Landscaping	Monthly landscaping 04/2017	902.50	177.50
35603	4/18	Rassac Air Systems	A/C repair main office	92.73	30.90
35604	4/18	Rite-Way Axle & Suspension Inc.	Parts to strengthen unit 16 flat bed	3,315.19	1,105.06
35605	4/18	Royal Wholesale Electric	Aluminum crimp ends for gensets	1,440.15	
35606	4/18	Spectrum Business	Internet charges Mills Plant 04/2017	209.94	70.00
35607	4/18	Star Brite Bldg. Maintenance Inc	Janitoiral service 04/2017	618.75	206.25
35608	4/18	Toro's Lawnmower & Garden	Gas cans	11.34	3.78
35609	4/18	Traffic Management, Inc.	Rental of signs, delineators & barricades	214.80	
35610	4/18	Trench Shoring Company	Steel plates at 4554 Briggs	650.00	
35611	4/18	Univar USA Inc	1490 gallons of cl2 for Glenwood & Mills plants	2,496.74	
35612	4/18	Wells Fargo Card Services	Gould: Training course for P. Leddy; T3-T4 review course for R. Wood; board meeting dinner	421.18	140.39
35613	4/18	Wells Fargo Card Services	Love: Board meeting dinners	666.54	43.88
35614	4/18	Wells Fargo Card Services	Maxwell: Tool boxes for Unit #51; plastic pallets @ Encinal Res.; safety lunch for plant	408.33	653.71
35615	4/18	Wells Fargo Card Services	Mitchell: ACWA Spring Conf -registration; Office safety lunch; office supplies	711.71	237.24
35616	4/18	Wells Fargo Card Services	Scott: CV High School winter advertisement	850.45	
35617	4/18	Wells Fargo Card Services	Tejeda: ACWA Spring Conf. - registration	453.75	151.25
35618	4/18	Xylem Inc.	E-977 - Data logger at Ramsdell Mixing Station	2,076.57	
35619	4/18	Yale Chase Materials Inc	Unit #17 - replace brake switch & adjust clutch cable	112.54	37.51
35620	4/19	Dennis A. Maxwell, Jr	Health reimbursement	255.96	170.64
35621	4/24	Aflac	Employee paid insurance for 05/01/2017	1,406.69	
35622	4/24	Ahas Trust	Refund Check	36.26	
35623	4/24	Kirk Anderson	Remove bee's from meter boxes at 2531 Fairmount & 4718 Rosemont	250.00	
35624	4/24	Crescenta Valley Tow Service	Tow Unit #46 to Star Ford	468.32	156.12
35625	4/24	Direct Connection	Postage for Proposition 218 notices	1,466.32	488.78

<u>Check#</u>	<u>Check Date</u>	<u>Payable To</u>	<u>Description</u>	<u>Water Amount</u>	<u>Wastewater Amount</u>
35626	4/24	Empire Fleetwash, LLC	Truck washing - 02/2017	291.75	97.25
35627	4/24	Shari & Phil Gibbons	Refund Check	22.28	
35628	4/24	Shari & Phil Gibbons	Refund Check	72.54	
35629	4/24	Bryan Jones	Reimbursement for driveway sealer for work done at office	114.16	38.05
35630	4/24	Yun Kang	Refund Check	47.30	
35631	4/24	Steven Kuhn	Refund Check	58.34	
35632	4/24	Ajitha Phikip	Refund Check	44.57	
35633	4/24	Richard Holland Trust	Refund Check	48.73	
35634	4/24	German Siva-Lara	Refund Check	1.01	
35635	4/24	Reuben Sivan	Refund Check	10.30	
35636	4/24	Wells Fargo Card Services	Hass: Recurring monthly charges; supplies for training center C-978; Ambient weather station; computer hardware; monitoring service	3,647.21	1,191.19
35637	4/28	Ron Mitchell	Health Reimbursement	250.15	166.76
Subtoals				<u>\$ 504,263.18</u>	<u>\$ 88,488.62</u>
Total Disbursements for April 2017				<u><u>\$ 592,751.80</u></u>	

Payroll Report for April 2017

Directors	\$ 1,710.00
Office Regular Payroll	\$ 124,557.00
Office OT	\$ 1,778.00
Plant Regular Payroll	\$ 102,405.00
Plant OT & Standby	\$ 9,998.00
Employer Payroll Taxes	\$ 18,501.00
Payroll Service Charges	<u>\$ 372.00</u>
Total Payroll	<u><u>\$ 259,321.00</u></u>

CRESCENTA VALLEY WATER DISTRICT

BOARD OF DIRECTORS - STAFF REPORT

Item No. 1

May 16, 2017

To: Honorable President and Members of the Board of Directors
From: Ron L. Mitchell, Secretary-Treasurer
Subject: **Actuarial Valuation of Other Post-employment Benefits**

ACTION ITEM:

Discussion Regarding the District's OPEB Liability – Discussion and possible action with respect to presentation by Mr. Gary Cline of Nicolay Consulting about the District's Other Postemployment Benefits (OPEB) liabilities.

BACKGROUND:

In 2004 the Governmental Accounting Standard Board (GASB) issued Statement 45 (GASB 45) "*Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*" commonly referred to as Other Postemployment Benefits (OPEB). GASB 45 requires employers to recognize postemployment healthcare expense systematically over periods approximating employees' years of service. Compliance with the provisions of GASB 45 is achieved by preparing an Actuarial Accrued Liability (AAL) representing the estimated present value of future benefits. GASB 45 does not require employers to fully fund the AAL.

GASB has recently issued Statement 75 (GASB 75) which requires employers to include the unfunded AAL in the financial statements balance sheet. GASB 75 also includes provisions regarding the discount rate (investment rate of return) reducing the allowed discount rate if the OPEB liability is not prefunded. The lower discount rate results in a higher OPEB liability that must be reported.

DISCUSSION:

At the April 18th Board meeting, Mr. Gary Cline led a discussion regarding the District's OPEB liability. There was a discussion regarding whether or not we wanted to start prefunding the District's liability in some fashion to get a better discount rate on our actuarial valuation and thus show a reduced liability on our financial statements when GASB 75 goes into effect. Mr. Cline mentioned that any prefunding that we choose would need to be in place by June 30, 2017 in order for the District to show a higher discount rate and thus a lower liability. Mr. Cline has prepared a new Power Point presentation included with this report to help the Board and staff understand the magnitude of the unfunded liability that will be need to be shown on financial statement beginning with FY 2018 depending upon the level of prefunding the Board authorizes through a trust that would need to be established. Staff has discussed trust options with Mr. Cline and feels that the CalPERS trust would be the best option for the District.

RECOMMENDATION:

It is staff's recommendation that the Board provide direction to staff to initiate establishment of a retiree benefit trust with CalPERS and present for future Board action prior to June 30th.

Prepared by:

Submitted by:



Ron L. Mitchell, Secretary-Treasurer

Thomas A. Love, General Manager



Funding Retiree Medical/OPEB Plans

May 16, 2017 Board Meeting

Purpose

- Review considerations for prefunding the CVWD Retiree Medical Plan
- Review the impact of the upcoming transition from GASB 45 to GASB 75 accounting standards

Agenda

- 7/1/16 OPEB Liability Measures
- A Look Ahead
- Prefunding Considerations
 - Funding Policies
- Options to Implement
 - CVWD Established 115 Trust
 - CERBT
 - PARS
- Decisions for Board to make Today
- Q & A
- Appendix

7/1/16 OPEB Liability Measures

Discount Rate	4.50%
Present Value of Future Benefits (PVFB)	
Active	\$8,924,955
Retiree	2,433,057
Total	\$11,358,012
Actuarial Accrued Liability (AAL)	
Active	\$6,376,299
Retiree	2,433,057
Total	\$8,809,356
Assets	\$0
Unfunded Actuarial Accrued liability (UAAL)	\$8,809,356

A Look Ahead

GASB Accounting Requirements

- **GASB 43/74**

- Covers financial statement of an irrevocable trust, if any
- CVWD does not currently have an irrevocable trust
- Transition to 74 effective with Plan Years beginning after 6/15/16

- **GASB 45/75**

- Covers employer's financial statement for postretirement medical
- Transition to 75 effective with Plan Years beginning after 6/15/17

Discount Rate Shifts Impact UAAL But Does Not Impact NOO

Discount Rate	7.00%	4.50%	3.00%
PVFB	\$6,984,005	\$11,358,012	\$16,131,793
AAL	\$5,902,057	\$8,809,356	\$11,639,214
UAAL	\$5,902,057	\$8,809,356	\$11,639,214
NOO	\$3,741,462	\$3,741,462	\$3,741,462

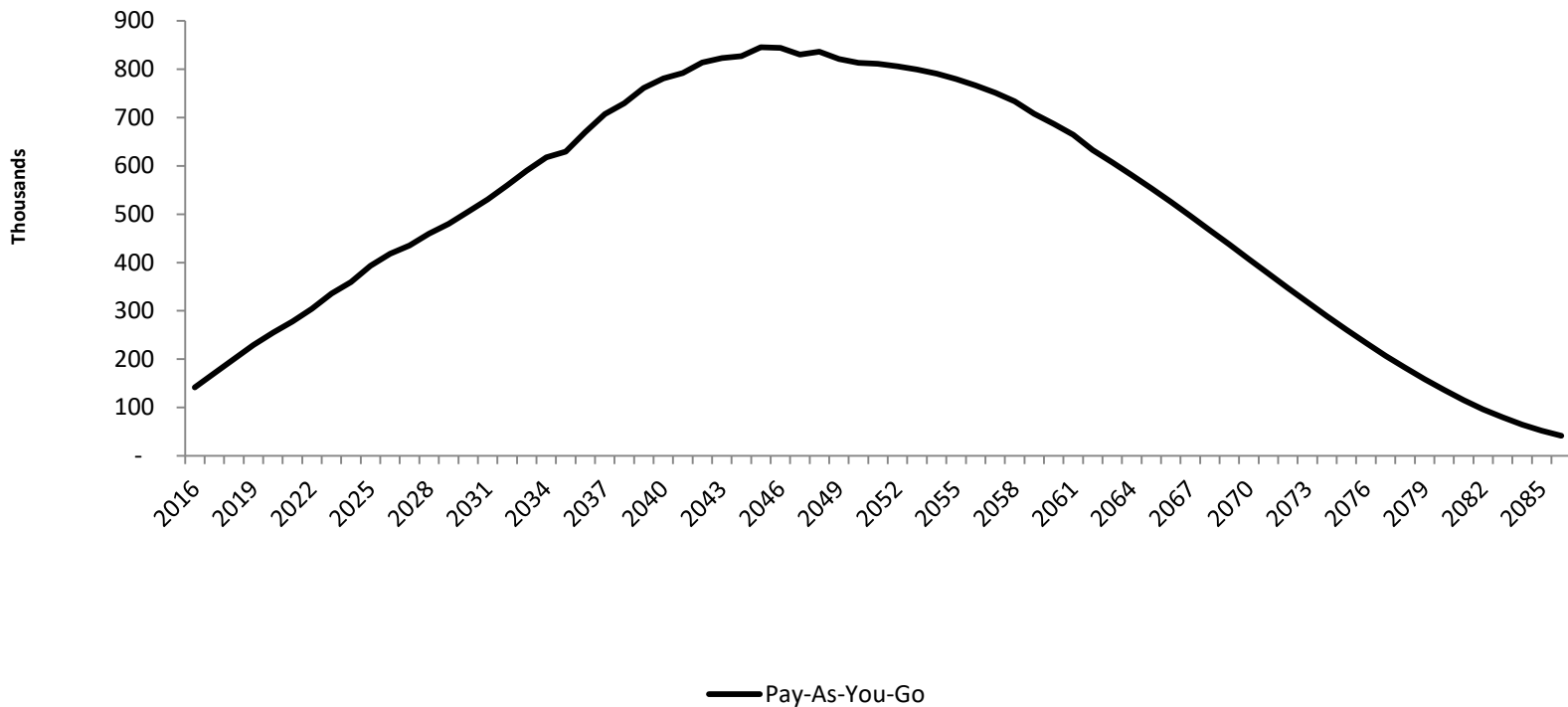
Discount Rate Shifts Impact ARC But Does Not Impact Pay-As-You-Go

Discount Rate	7.00%	4.50%	3.00%
PVFB	\$6,984,005	\$11,358,012	\$16,131,793
AAL	\$5,902,057	\$8,809,356	\$11,639,214
Pay-As-You-Go	\$141,739	\$141,739	\$141,739
Annual Required Contribution (ARC)	\$540,209	\$735,077	\$937,382

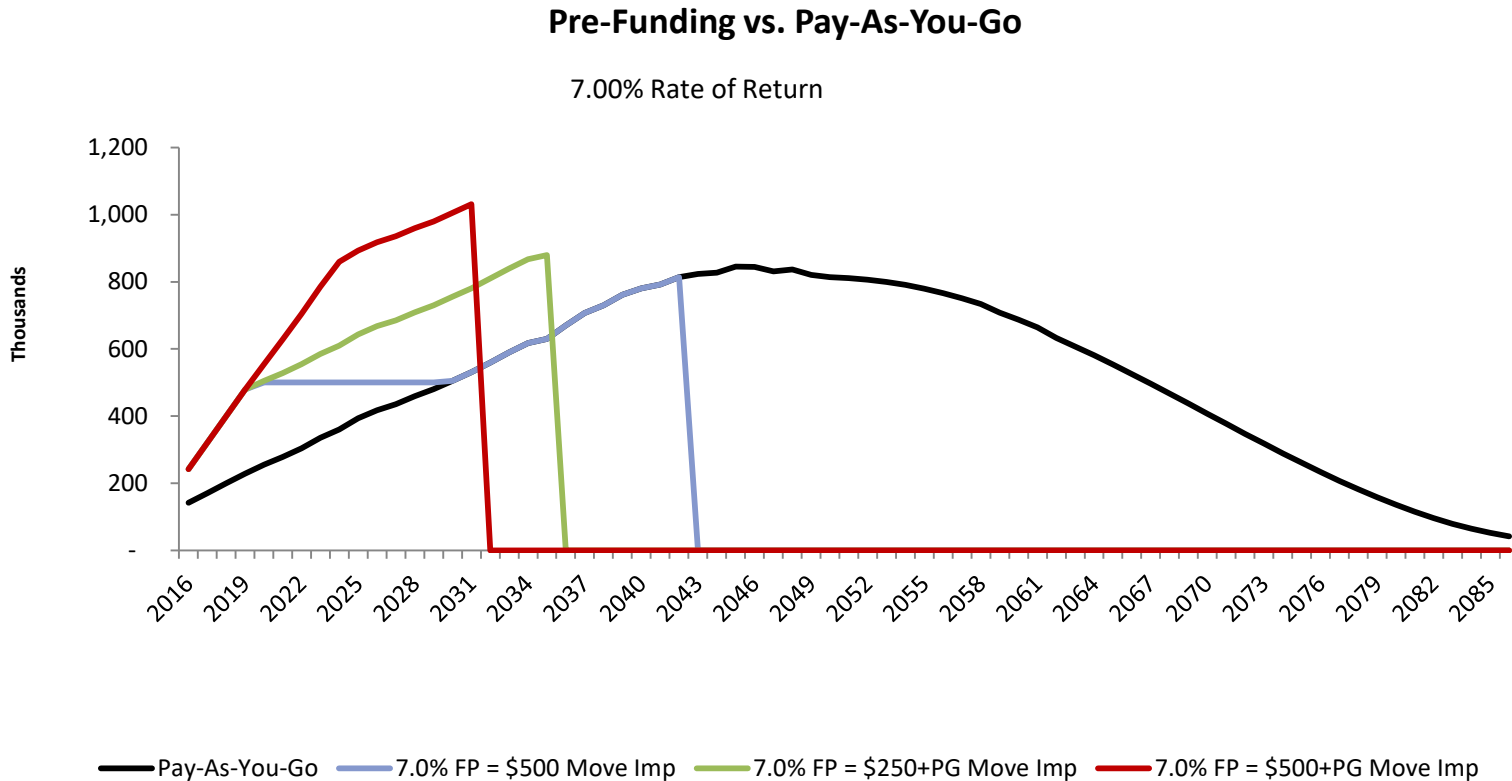
Prefunding Considerations

Pay-As-You-Go is the Cash Demand Without Prefunding

Pay-As-You-Go (Baseline)



Prefunding Scenarios: Assumes 7% Return



*Funding policies: 1st Year trust contribution of \$100K increasing \$50K per year

A 7% Rate of Return Gives Hearty Outcomes

(\$millions)	Cash Spend	Earnings	Total Spend	Years to Full Funding
1) Pay-go	\$35.9	\$0	\$35.9	98
2) Pay-go + Trust, with total held to \$500K	\$15.1	\$20.8	\$35.9	27
3) Pay-go + Trust up to \$250K per year	\$12.6	\$23.3	\$35.9	20
4) Pay-go + Trust up to \$500K per year	\$11.7	\$24.2	\$35.9	16

A 5% Rate of Return Gives Favorable Outcomes Too

(\$millions)	Cash Spend	Earnings	Total Spend	Years to Full Funding
1) Pay-go	\$35.9	\$0	\$35.9	98
2) Pay-go + Trust, with total held to \$500K	\$21.0	\$14.9	\$35.9	34
3) Pay-go + Trust up to \$250K per year	\$17.5	\$18.4	\$35.9	25
4) Pay-go + Trust up to \$500K per year	\$16.1	\$19.8	\$35.9	20

Other Prefunding Considerations

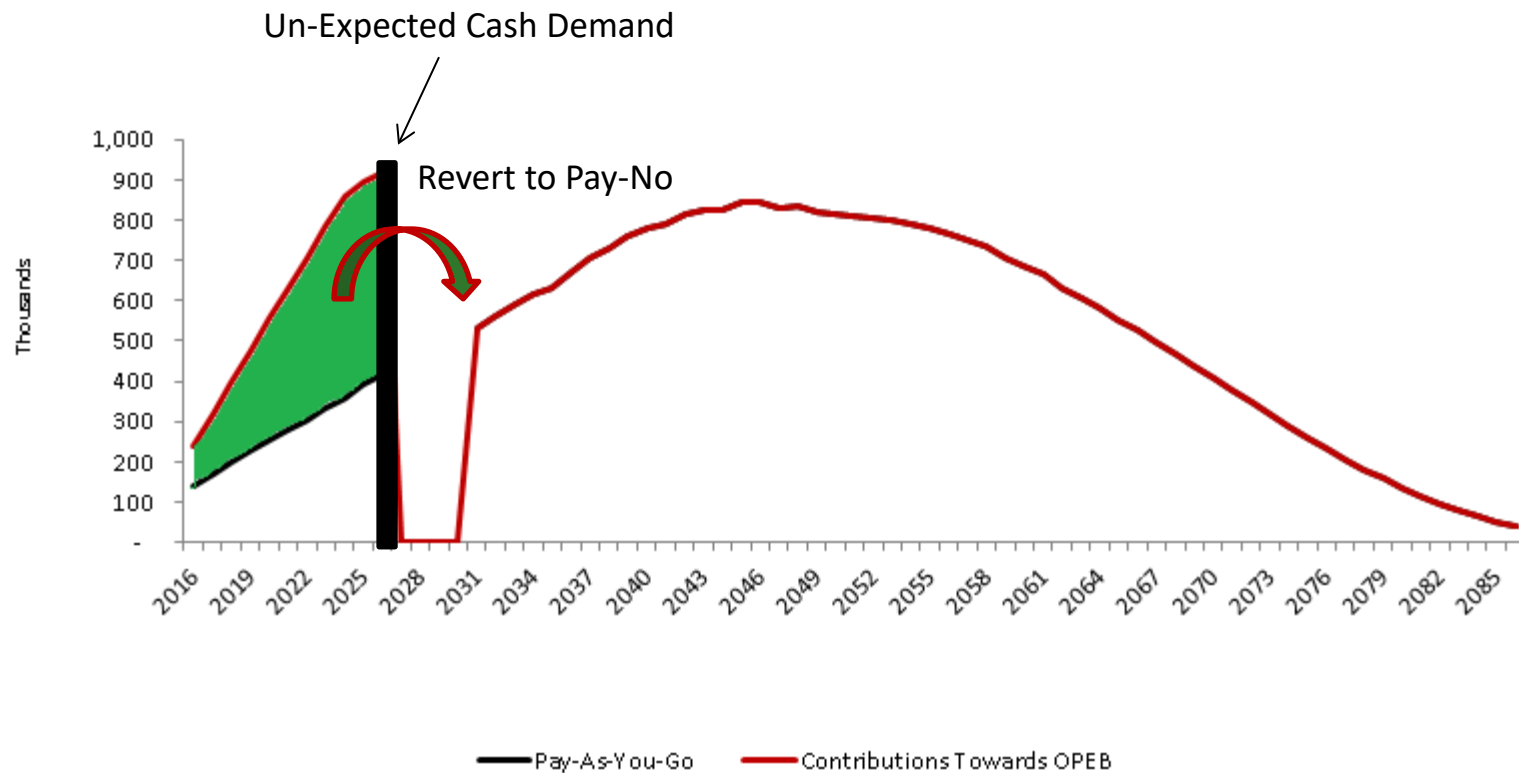
Pros

- Helps manage the impact of volatility on cash flow and operations
- Increases options for managing your OPEB benefit policy
- Investment income can be used to pay for future benefit costs
- Contributes to obtaining a positive credit rating
- Helps ensure sustainability of OPEB benefits for employees/retirees

Cons

- Capital could be used elsewhere in the business
- Assets are no longer employer money
- Engenders sense of entitlement to voluntary benefits
- Requires active management of employee assets

Pay-Go to Pay-No Sets Your Capital Free



Prefunding Options

- Section 115 Trust
- CERBT
- PARS

Section 115 Trust

- An IRC Section 115 trust is established as an integral part of a governmental entity that performs the an essential government function.
- The plan sponsor's governing body (i.e., CVWD's Board) is responsible for the jurisdiction's single-employer 115 trust.
- An independent governance structure is not required, but is sometimes provided for. If an independent governing body is not designated, a Board oversight committee should be formed.

Section 115 Trust

Other Trust Options

- IRC 501(c)9 VEBA (Voluntary Employee Benefit Association)
- IRC 401(h) Pension Plan Separate Account

A Section 115 Trust is Preferred over a VEBA or 401(h)

- Does not require annual reporting to the IRS
- No Plan Document determination letter required from the IRS
- Assets revert to the employer when all benefits paid
- Is most prevalent option used in government
- Multi-employer trusts available to CVWD: CERBT and PARS

Option 1: CVWD Establish Its Own 115 Trust

- Oversight committee required to manage trust
- Formal governance structure identifying the composition and responsibilities of the oversight committee and the process for overseeing investments and service providers
- Establish fiduciary roles (Trust Administrator, Custodian, and Investment Advisor/Manager) to assist in trust administration
- Create trust document and investment policy
- Monitor investment performance quarterly
- Evaluate full fee information from service providers
- Engage auditor and legal counsel

Option 2: California Employers' Retiree Benefit Trust

- CERBT is managed by CalPERS
- Low overhead costs (flat 10 basis points) with no additional custodial or investment management fees
- CalPERS handles the GASB 74 Plan Audit themselves
- Rigid deadlines for reporting
- Only one plan year (July 1 to June 30)
- Three investment strategies and no ability to tailor your own
- Over 500 California employers have assets in CERBT, totaling over \$6 billion
- **Not a Pool:** Assets tracked separately in CVWD's own account

Option 3: Public Agency Retirement Services

- PARS is an independent Section 115 trust
- Overhead higher than with CERBT: management fees starting at 7 basis points
- CVWD would need to contract auditors for GASB 74 Plan Audit
- Flexible deadlines for reporting
- Flexible plan year
- Five investment strategies and ability to tailor your own
- Over 170 California employers have assets in PARS OPEB Trust, totaling over \$1 billion
- **Not a Pool:** Assets tracked separately in CVWD's own account

Comparison of Investment Strategies

CERBT as of Oct 2014		Conservative (Strategy 3)	Moderately Conservative (Strategy 2)	Moderate (Strategy 1)	
Global Equity		24%	40%	57%	
U.S. Nominal Bonds		39%	39%	27%	
Global Real Estate		8%	8%	8%	
Inflation-linked Bonds		26%	10%	5%	
Commodities		3%	3%	3%	
Net Expected Return		6.12%	6.73%	7.28%	
Expected Risk (Std. Dev.)		7.14%	9.32%	11.74%	

PARS as of Jun 2015	Conservative	Moderately Conservative	Moderate	Balanced	Capital Appreciation
Equity	14%	29%	48%	58%	73%
Fixed Income	80%	65%	45%	35%	20%
Real Estate	1%	1%	2%	2%	2%
Cash	5%	5%	5%	5%	5%
Net Expected Return	4.95%	5.68%	6.48%	6.85%	7.39%
Expected Risk (Std. Dev.)	4.13%	5.26%	7.54%	8.84%	10.9%

Decisions for Board Today

1. Prefund or Pay-go

- Zero
- Partial (e.g., \$100K rising to \$250K)
- Full for 2016 (\$5,902)

2. When to Prefund

- Before 6/30/17 (preferred?)
- Before 12/31/17
- Before 6/30/18 (not an option?)

3. Prefunding Medium

- CVWD 115 Trust
- CalPERS 115 Trust (preferred?)
- PARS 115 Trust

4. Investment Strategy (see slide 22)

Funding Retiree Medical/OPEB Plans



Appendix: CERBT Forms

Form	Description
Actuarial Valuation Report	Report detailing current and future cost of OPEB liability
Summary of Actuarial Information	Summary of methods, assumptions, and results from Valuation report
Certification of Actuarial Information	Actuary certifies compliance with CalPERS standards
CERBT Contract Agreement	Legal document specify terms of participation in CERBT
Delegation of Authority to Request Disbursements	Authorization form to be completed by employer governing body
Certification of Funding Policy	Specifies asset allocation strategy selected and outlines prefunding plan

CRESCENTA VALLEY WATER DISTRICT

BOARD OF DIRECTORS - STAFF REPORT

Agenda Item No. 2

May 16, 2017

To: Honorable President and Members of the Board of Directors
From: David S. Gould, P.E. – District Engineer
Subject: **Award of Contract for Procurement of Equipment for CVWD's Well 16 and Related Facilities, Project E-940**

ACTION ITEM:

CVWD's Well 2 and Related Facilities at Ordunio Reservoir, Project E-956 - Consideration and motion to authorize the General Manager to award a contract to Royal Wholesale Electric for manufacturing and delivery of a new electrical motor control center and electrical switchboard for Well 2 at a cost of \$98,547 and establish a contingency amount of 9,855 (10% of contract) to cover the cost of unforeseen or additional work.

BACKGROUND:

CVWD received a grant from the Department of Water Resources (DWR) to reactivate Well 2 and construct a new nitrate removal treatment facility. The project will utilize a local water resource, increase CVWD's ability to use its adjudicated rights within the Verdugo Basin, reduce CVWD's dependence on imported water from MWD and reduce nitrate levels within the Verdugo Basin.

SA and Associates and staff have been working on the design of the project, which should be completed by the end of May 2017. The bidding process and approvals from the City of Glendale should be completed by the middle of July 2017. It is anticipated that construction will begin in late October 2017 and be completed by April 2018. (See attached project schedule)

DISCUSSION:

Mr. Gould recommended at the March 16, 2017 Engineering Committee that several long lead time items such as the electrical motor control center (MCC) and switch board should be pre-ordered so that CVWD meets the proposed schedule to bring Well 2 on line by April 2018. The Engineering Committee concurred with Staff's recommendation and instructed Mr. Gould to proceed with preparing a Request for Quote (RFQ) for the electrical equipment.

Mr. Gould explained to the Engineering Committee that the new MCC will be an Allen-Bradley CENTERLINE 2100 IntelliCENTER, which has become CVWD's standard for MCCs and were previously installed at Eagle Canyon, Oak Creek and Well 16 sites. The Allen-Bradley distributor in our area is Royal Wholesale Electric in Chatsworth, staff has requested that the RFQ be sole sourced to Royal Wholesale Electric. The Engineering Committee concurred with Staff's recommendation and instructed Mr. Gould to proceed with sending the RFQ to Royal Wholesale Electric for the MCC for Well 2. Staff indicated that they will bring the Award of Contract to a future Board meeting.

RECOMMENDATION:

On May 11, 2017, Staff received the RFQ from Royal Wholesale Electric for the MCC and electrical switch board equipment. The total quote was \$98,547 which was 35% lower than the Engineer's cost estimate of \$152,000. It is staff's recommendation to award the contract to Royal Wholesale Electric.

ENVIRONMENTAL REVIEW:

N/A

FUNDING AVAILABILITY:

There are sufficient funds available in the following accounts for the project:

Account Description	Cost Breakdown
<i>2015 IRWM Implementation Grant Reimbursement (39%)</i>	<i>\$705,775</i>
<i>CVWD Costs (61%)</i>	<i>\$1,119,225</i>
Total Project Costs	\$1,825,000
Construction & Design Costs to date	
Design Services – SA Associates	<\$114,000>
Purchase Amount for ARoNite Nitrate Treatment System	<\$625,000>
MCC & Switchboard Equipment plus 10% contingency	<\$108,402>
Royal Wholesale Electric	
Misc. Expenses (i.e. Labor, CEQA, etc.)	<\$39,200>
Total Construction & Design Costs to date	<\$886,602>
Amount Remaining	\$938,398

Prepared by:



David S. Gould, P.E.
District Engineer

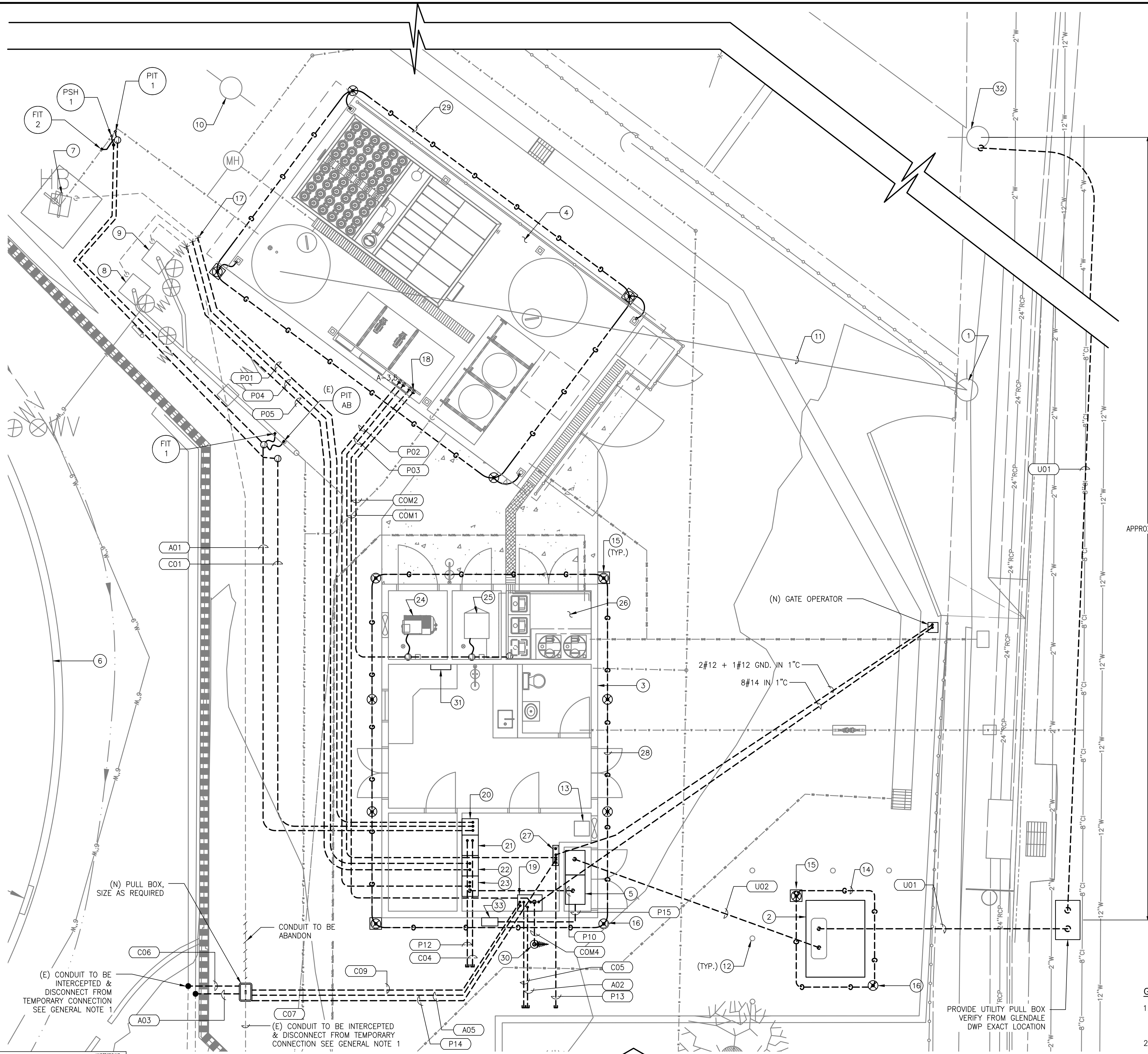
Submitted by:

Thomas A. Love
General Manager

Attachments:

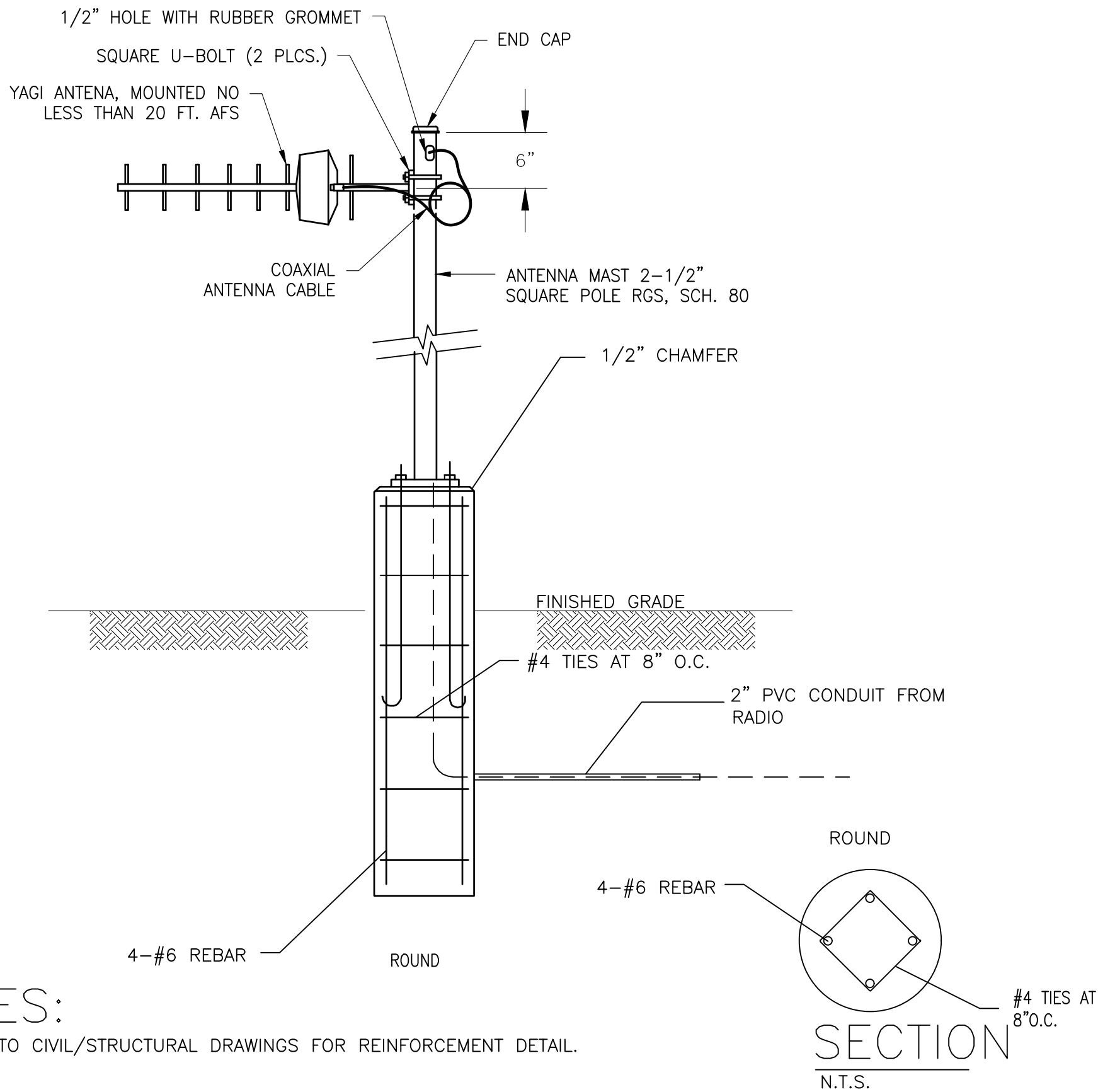
1. Well 2 - Electrical Site Plan
2. Royal Whole Electric – Quote dated 5/11/17

2017/05/02 8:52:20 PM - C:\Production\Water\CA\CVWD\Well 2\CAD Drawings\Electrical Plans\2017-05-03 CVWD Well 2 Electrical.dwg - C:\Production\Water\CA\CVWD\Well 2\CAD Drawings\Electrical Plans\2017-05-03 CVWD Well 2 Electrical.dwg



ELECTRICAL SITE PLAN NOTES:

- (E) UTILITY POLE, & (E) SERVICE TO BE DISCONNECTED UPON TRANSITION OF OPERATION.
- (N) UTILITY TRANSFORMER LOCATION.
- (N) OPERATIONS BUILDING.
- (N) NITRATE REMOVAL TREATMENT PLANT.
- (N) MAIN SWITCHBOARD.
- (E) ORDUNIO RESERVOIR.
- (N) WELL PUMP 2.
- (N) BOOSTER PUMP A.
- (N) BOOSTER PUMP B.
- (E) POWER POLE TO BE REMOVED BY CONTRACTOR.
- (E) UTILITY SERVICE TO BE DISCONNECTED AND REMOVED, NOTIFY GWP FOR DISCONNECTION.
- (N) REMOVABLE BOLLARD PIPE PER GWP STANDARD.
- (N) 480V-120/240V-3PH TRANSFORMER, SEE SLD.
- (N) #2 BTCW GROUND RING (TYP.).
- (N) 3/4" DIA x 10 FT. LONG GROUND ROD IN ACCESS WELL (TYP.).
- (N) 3/4" DIA. GROUND ROD (TYP.).
- INTERCEPT EXISTING WELL PUMP CONDUIT AS CLOSE TO EQUIPMENT.
- STUB UP CONDUITS FROM THE EDGE OF SKID (TYP. ALL APT CONDUIT).
- (N) MCC-SCADA/PLC SECTION.
- (N) MCC-WELL PUMP 2 SECTION.
- (N) MCC-SPARE SECTION.
- (N) MCC-BOOSTER SECTION.
- (N) MCC-MAIN/DISTRIBUTION SECTION.
- (N) AIR COMPRESSOR.
- (N) H2 GENERATOR.
- (N) CHEMICAL ROOM (PHOSPAHTE, CHLORINE, COAGULANT).
- (N) 120V/240V PANEL "A".
- (N) OPERATION BUILDING GROUND RING, BOND MAIN SWITCHBOARD, MCC, AND TRANSFORMER AS SHOWN IN SHEET E-2 SLD.
- (N) NITRATE TREATMENT PLANT GROUND RING, BOND EACH SKID CORNER POST & EACH EQUIPMENT TO GROUND RING USING #2 BTCW.
- (N) RADIO ANTENNA MOUNTED ON SQUARE POLE, VERIFY EXACT MOUNTING LOCATION.
- (N) COMMUNICATION PULLBOX, 24"x24"x6" NEMA 12
- (E) UTILITY POLE & (N) POWER POINT OF CONNECTION.
- (N) GENERATOR CONNECTOR BOX, SEE SLD.



NOTES:

- REFER TO CIVIL/STRUCTURAL DRAWINGS FOR REINFORCEMENT DETAIL.

ANTENNA MAST DETAIL

SCALE: NTS

GENERAL NOTES:

- ALL (E) TEMPORARY CONNECTION WILL BE DISCONNECTED & RECONNECT TO (N) EQUIPMENT DURING AGREED TRANSITION PERIOD.
- AT THE END OF THE PROJECT, REMOVE ALL TEMPORARY INSTALLATIONS AND TURN OVER TO THE OWNER, PROPERLY DISPOSE OF MISCELLANEOUS ITEM AS DIRECTED BY THE OWNER.

PHONE No. 811
DIGALERT



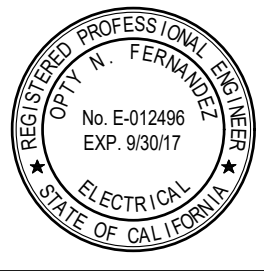
ELECTRICAL SITE PLAN

SCALE: 3/16" = 1'-0"

1



SA
ASSOCIATES
CONSULTING ENGINEERS
1661 N. Raymond Ave., Suite 100, Anaheim, CA 92801
714 871-9083



LINKTURY
CONSULTING ENGINEERS
6260 West Third Street, Suite 437
Los Angeles, CA 90036-7611
Phone: 323.297.3575 Fax: 949.988.1557
email@linktury.com

REV.	DATE	REVISION	REV. BY	CKD. BY	APP'D

DISCLAIMER
Approval by C.V.W.D. does not constitute a representation as to the accuracy of design or the existence and location of underground utilities, structures, and conditions within the limits of this project.

SCALE: AS SHOWN	DATE
DRAWN BY: ER	-/-/-
CHECKED BY: OF	-/-/-
APPROVED: ----	-/-/-
AS BUILT:	

CRESCENTA VALLEY WATER DISTRICT		SHT. 25 OF 31 SHTS.	
WELL NO. 2		COMPLETION DATE:	LINEAR FT. ----
ELECTRICAL SITE PLAN		JOB NO. E-956	FILE NO. ----



9700 Topanga Canyon Blvd, Chatsworth, CA 91311
 Phone 818-988-3365 Fax 818-988-2573
tbrown@royalchatsworth.com

Quote: 51117TB-1A
 DATE: 5/11/2017

Freight Terms:	Normal Frt allowed
Submittal lead-time:	(4-6) wks
Delivery:	(12-16) wks ARO

Project:	Well No. 2
Location:	Ordunio Reservoir Pump Station
Customer:	Crescenta Valley Water District
Date: 5/11/2017	

Item #	Quantity	Description	Price	Ext
1	1	MCC per Section 16480: Allen-Bradley CENTERLINE 2100 Intellicenter ArcShield		
		NEMA 1G gasketed Indoor, 4-Section, 600A Main, 3P 3W 480VAC 65kAIC		
2	1	SE Main Switchboard per Section 16425: IEM Mfg w/ Siemens Breakers		
		Indoor 3P 4W 277/480V 65kAIC 400A CU BUS c/o: Main section w/ Distribution		
		(1) UGPS, (1) Siemens CB 300A 3P Main w/ LSI Electronic trip		
		(1) Siemens CB 300A 3P Generator w/ LSI Electronic trip- Kirk Key Interlocked		
3	1	SCADA Panel: Full Section Blank Mtg plate 90"H x 30"W		
4	1	MCC Section 16310 VFD Start-Up/Training Services		
		(2.0) Days(M-F, 8AM-5PM)		
5	1	Section 16280: Short Circuit Analysis, Coordination & Protective Device Evaluation		
		Study and Arc Flash Analysis (with installation of labels)		
6	1	Seismic Restraint for Electrical Equipment		
7	1	Generator Connection Box : (1)C4B4POLW Connectronics,(1) Hoffman CSD202010		
8	1	Transformer 75KVA 3P 480VAC Pri 120/208 SEC N1		
9	1	Panelboard 200A Main 3P 4W 120/240VAC N1 c/o: (53) 1P 20A, (1) 2P 50A		
10	1	O & M Manuals		
SUB-TOTAL			\$90,410.00	
Tax @ 9.0%			\$8,136.90	
TOTAL:			\$98,546.90	

Quoted by: Tom Brown

Please note: This is not an offer to contract, but merely a quotation of current prices for your convenience and information. Orders based on this quotation are subject to our acceptance and the terms and conditions stated in our written acknowledgement of order. We make no representations with respect to compliance with job specifications. Prices quoted are based on our receiving orders for quantity specified. Stenographic and clerical errors are subject to correction. Prices are subject to applicable sales tax.

Visit us at - www.royalchatsworth.com



9700 Topanga Canyon Blvd, Chatsworth, CA 91311
 Phone 818-988-3365 Fax 818-988-2573

QUOTATION

tbrown@royalchatsworth.com



9700 Topanga Canyon Blvd, Chatsworth, CA. 91311

Phone 818-988-3365 Fax 818-988-2573

Clarifications & Exceptions

- 1.) Harmonic study is excluded from this scope of work
- 2.) No conduit cut-outs are provided for separate sections (responsibility of installation contractor).
- 3.) Transformer & Panelboard supplied separate from MCC. Installation and conduit cut-outs responsibility of contractor.
- 4.) Standard Warranty applies
- 5.) Generator connections are Green, White, Black & Black
- 6.) Generator connections & enclosure supplied separate from Switchboard
Installation and conduit cut-outs responsibility of contractor.

CRESCENTA VALLEY WATER DISTRICT

BOARD OF DIRECTORS - STAFF REPORT

Agenda Item No. 3

May 16, 2017

To: Honorable President and Members of the Board of Directors

From: David S. Gould, P.E. – District Engineer

Subject: **Award of Contract for AMEC Foster Wheeler to perform a Drinking Water Source Assessment and Protection Study, Project M-980**

ACTION ITEM:

Drinking Water Source Assessment and Protection Study, Project M-980 Consideration and motion to authorize the General Manager to enter into an agreement with AMEC Foster Wheeler to provide professional hydrogeologic services to prepare a drinking water source assessment and protection (DWSAP) study for CVWD's groundwater source for a cost \$35,900 and establish a contingency amount of \$3,590 (10% of contract) to cover the cost of unforeseen or additional work

BACKGROUND:

The 1996 Federal Safe Drinking Water Act amendments require the State Water Resources Control Board, Division of Drinking Water (DDW) to develop and implement a Source Water Assessment Program to protect sources of drinking water, specifying that the program must include both a source water assessment program and a wellhead protection program. In response DDW developed the California's DWSAP Program which addresses protection of groundwater and surface water sources.

The first step was for DDW to require water agencies that use groundwater as a water source to develop a DWSAP study that included the following:

- A delineation of the area around a drinking water source through which contaminants might move and reach that drinking water supply
- An inventory of possible contaminating activities (PCAs) that might lead to the release of microbiological or chemical contaminants within the delineated area
- A determination of the PCAs to which the drinking water source is most vulnerable.

The second step was for DDW to develop a voluntary drinking water source protection plan which included the following:

- Descriptions of state actions to support local entities in developing local protection programs including technical assistance, financial assistance, training, and demonstration projects.
- Identification of management approaches that can be used to protect the water supply from contaminants associated with PCAs. These approaches may include, as appropriate, implementation of regulatory and non-regulatory control measures and public education.
- Criteria for developing contingency plans indicating the location and provision of alternate drinking water supplies for each public water system in the event of loss of one or more of the normal sources of supply.

The third step was for DDW to implement assessment and protection programs which include the following:

- Description of the methods DDW will use for assessing California's nearly 16,000 active drinking water sources.
- Guidance for larger public water systems and others that may choose to perform their own assessments.
- Guidance for implementing successful drinking water source protection programs at the local level.

DISCUSSION:

CVWD completed the DWSAP as required by DDW in May 2003 and DDW recommends that assessments be reviewed and updated every five (5) years. However, DDW has not required CVWD to update its DWSAP, since the business areas within the District have not changed over the last 10 years were possible contaminating activities could occur.

Last year, CVWD added Well 16 and as part of the amendment of CVWD's DDW permit, a DWSAP study was completed for Well 16. CVWD will be adding Well 2 and this triggered DDW's request to update CVWD's 2003 DWSAP study for all of the CVWD's groundwater wells.

This DWSAP study was included as part of the FY 16/17 budget for administrative consultants. Staff requested a proposal from AMEC Foster Wheeler (AMEC) to complete the DWSAP study as AMEC had done the DWSAP for Well 16 and is familiar with the DDW requirements for the study.

AMEC provided a proposal (see attached) to complete the DWSAP study for a cost of \$35,900. The proposed project schedule will be to complete the majority of the work by July 1, 2017 and finalize the study with DDW by the September 2017.

RECOMMENDATION:

It is staff's recommendation to award the contract to AMEC and to proceed with the DWSAP study for a cost of \$35,900.

ENVIRONMENTAL REVIEW:

N/A

FUNDING AVAILABILITY:

There are sufficient funds available in the following accounts for the project:

Account Description	Cost Breakdown
FY 16/17 - Administrative Consultants Total Budget	\$130,000
Amount Used to-date	<\$44,380>
Amount Remaining in Budget	\$85,620
Drinking Water Source Assessment and Protection Study Proposal	<\$35,900>
10% Contingency	<\$3,590>
Total Cost	<\$39,490>
Amount Remaining in Administrative Consultants	\$46,130

Prepared by:



David S. Gould, P.E.
District Engineer

Submitted by:

Thomas A. Love
General Manager

Attachments:

1. AMEC Foster Wheeler Proposal dated May 1, 2017

May 1, 2017
0092310100



Mr. David S. Gould, PE
District Engineer
Crescenta Valley Water District
2700 Foothill Blvd.
La Crescenta, CA 91214

SCOPE AND COST ESTIMATE FOR DRINKING WATER SOURCE ASSESSMENT AND PROTECTION (DWSAP) PROGRAM REPORTS

Crescenta Valley Water District (CVWD) Wells
La Crescenta, California

Dear Mr. Gould:

This letter proposal presents Amec Foster Wheeler Environment and Infrastructure's scope of work and cost estimate for preparing California State Water Resources Control Board, Division of Drinking Water (DDW) Source Assessment and Protection (DWSAP) Program (Program) reports. The reports will be prepared for 12 Crescenta Valley Water District (CVWD) water supply wells (wells 1, 2, 5, 6, 7, 8, 9, 10, 11, 12, 14, and 15).

In preparing the new Program reports for CVWD, as a template, we will utilize the DWSAP Program report we prepared previously for nearby CVWD Well 16. For each well, we will perform the various calculations required by the Program and complete the appropriate Program forms¹. A key input to the calculations is the pumping rate assigned to each well. Recognizing that the design pumping rate and actual pumping rate for each well are different, we will discuss the pumping rates with CVWD and with CVWD input select a representative pumping rate for each well. We will use the pumping rate and other data for each well to calculate 1-, 5-, and 10-year time-of-travel protection zones (protection zones) for each well or group of wells.

Where feasible, CVWD is interested in grouping wells geographically so that single Program reports can be prepared for multiple wells. Grouping of wells would reduce the number of reports required by DDW and reduce the overall cost of preparing the Program reports. The decision regarding grouping of wells, however, requires DDW approval. We understand that CVWD is planning to meet with DDW during the course of this project, to discuss well locations and grouping for reporting purposes, and to seek DDW approval for well groupings.

We will do a single database search for the composite protection zone surrounding each group of wells that can be grouped together. A database search will consist of three Environmental Data Resources, Inc., (EDR) reports: A Radius Map Report, a Historical Aerial Photos Report, and a Historical Topographic Map Report. A separate database search will be made for the protection zone related to each well that cannot be included in a group.

¹ The calculations of protection zones and the related forms are based on the construction and pumping rate of each individual well. As a result, this work needs to be performed separately for each well.

Mr. David S. Gould, PE
Crescenta Valley Water District
May 1, 2017

The results of the database searches will be used to identify environmental sites that need to be considered as part of the Program requirements. We will also do an internet search for local facilities defined by the Program as having "potential contaminating activities" (PCAs; such as dry cleaners) that may have the potential to impact the environment and pose a threat to groundwater quality within the 1-, 5-, and 10-year protection zones for the wells. We will do one field reconnaissance (one day) for the protection zones for all 12 wells.

Per your suggestion, our work will include attending two meetings with CVWD and the DDW to discuss the grouping of wells into single Program reports, and to review the initial findings of the work. Prior to the first meeting, we will calculate preliminary estimates of the protection zones for the anticipated well groups and individual wells. Based on our initial review of well locations, we assume that the four wells at CVWD's Glenwood facility (wells 6, 10, 12, and 15) can be grouped together and that wells 1 and 5 might be grouped together. We assume that the remaining six wells will each need a separate Program report. Groupings of wells will be finalized based on the meetings with the DDW.

Each Program report will include a summary letter providing information on well constructions, delineation of groundwater protection zones, PCA evaluation, and findings regarding groundwater quality and PCAs. The Program reports will include all the items required by the Program *Checklist for Drinking Water Source Assessment-Groundwater Source*. We will submit draft reports to CVWD. With CVWD's review of the drafts, we will incorporate CVWD's edits and comments and prepare final versions for submittal to the DDW.

SCHEDULE

We can start work as soon as authorized. The overall schedule, however, will depend on the availability of data from CVWD and of the DDW for an initial meeting. Once we have well and water quality data and input from the DDW, we will have draft reports submitted in approximately five weeks. Once we receive CVWD comments on the draft reports, we can have final reports submitted to CVWD within three weeks.

ESTIMATED COSTS

Our work will be performed on a time-and-materials basis, consistent with the billing rates and terms of our existing contract with CVWD. Our estimated cost of \$35,900, including non-labor items, is summarized in Table 1.

We appreciate the opportunity to support CVWD. If you have questions regarding the scope or estimated costs described above, please call Greg Hamer at 949-574-7093.

Sincerely yours,
Amec Foster Wheeler Environment & Infrastructure, Inc.



W. Greg Hamer, PG, CHg, CEG
Principal Hydrogeologist



Craig A. Stewart, PG, CHg, CEG
Principal Hydrogeologist

Table 1. Estimated Labor and Costs

Task	Labor Hours	Labor Cost	Other Direct Costs	Cost Subtotal
Collect and Review Data	49	\$7,100	\$2,000	\$ 9,100
Prepare for and Attend Two DDW Meetings	24	\$3,900	\$150	\$ 4,050
Analyses and Calculations, Field Visit, Prepare Draft and Final Reports	153	\$22,550	\$200	\$22,750
Totals	226	\$33,550	\$2,350	\$35,900

CRESCENTA VALLEY WATER DISTRICT

BOARD OF DIRECTORS - STAFF REPORT

Item No. 4

May 16, 2017

To: Honorable President and Members of the Board of Directors
From: Christy J. Scott
Subject: **Water Conservation Alert System, Resolution 681**

ACTION ITEM:

Amendment to Resolution No. 681 – Water Conservation Alert System – Consideration and motion to amend Resolution No. 681 and Appendix G of the Rules and Regulations with respect to the District's Water Conservation Alert System

BACKGROUND:

The District modified the Water Conservation Alert System (WCAS) as described in Resolution No. 681 and Appendix G of the Rules and regulations in April 2015 to incorporate additional water-wasting practices, following Governor Brown's issuance of the first executive order with mandatory restrictions and the State Water Resources Control Board's (State) mandatory water reduction requirement.

Currently, the WCAS consists of five stages or phases which are designated by a color coded system as detailed in Resolution 681, and Appendix G. (See Attached)

DISCUSSION:

Following discussion with the Water Efficiency Team (WET) that included the cities of Burbank, Glendale and Pasadena and the Foothill Municipal Water District's member agencies, it was agreed to make the following changes to the WCAS:

1. Reduce the number of stages from five (5) stages to four (4) stages
2. Re-label Stage 1 (Blue) as Standard Conservation instead of Voluntary Conservation
 - a. Re-define Standard Conservation (Blue) with the recommendation of no more than three (3) days per week of outdoor watering
3. Delete Stage 2 (Green), Increased Conservation Alert with watering on odd/even days
4. Re-label Stage 3 (Yellow) to **Stage 2 (Yellow)** and the requirements stay the same
5. Re-label Stage 4 (Orange) to **Stage 3 (Orange)** and rename as Allocation Conservation instead of Rationing Conservation
6. Re-label Stage 5 (Red) to **Stage 4 (Red)** and the requirements stay the same

Additionally, Staff made the following changes to Appendix G for clarification purposes:

1. Stage 2 (Yellow) - added "and/or the District's Groundwater Supplies has been reduced"
2. Stage 3 (Orange) - added "and/or the State of California has imposed mandatory water restrictions or reductions"
3. The wording in Stages Yellow, Orange, and Red, regarding indoor conservation has been revised from "Customers are **requested** to minimize indoor water use to" Customers are **required** to minimize indoor water use"

An updated Resolution 681 and Appendix G are attached for review.

It is important to note that future Governor or Legislative Actions may require further amendments to the District's Water Conservation Plan. Staff will keep the Board informed as implementation of the State's plan to *Make Water Conservation a Way of Life* moves forward.

RECOMMENDATION:

It is staff's recommendation to Adopt Resolution 681 and Appendix G as amended.

Submitted by:



Christy J. Scott

Attachments:

1. Resolution 681, Current Version
2. Appendix G, Current Version
3. Resolution 681, Draft Revisions
4. Resolution 681, as Revised
5. Appendix G, as Revised

RESOLUTION NO. 681

**RESOLUTION OF THE BOARD OF DIRECTORS OF
CRESCENTA VALLEY WATER DISTRICT
ADOPTING A WATER CONSERVATION ALERT SYSTEM**

WHEREAS, the Crescenta Valley Water District was established for the purpose of providing adequate and reliable potable water to its inhabitants at a reasonable cost; and

WHEREAS, the groundwater supply in the Verdugo Basin is utilized as the primary source of water for District customers; and

WHEREAS, consecutive years of below normal precipitation in the watersheds of the Verdugo Basin have severely reduced the groundwater production capacity and individual well reliability in the Verdugo Basin and hence the water supply available to the District; and

WHEREAS, the District's imported water supply connections with the Foothill Municipal Water District and the emergency water supply interconnection with the City of Glendale, both which provide a supplemental source of water for District customers, are limited in size and capacity, may be subjected to random mechanical failures, and are being subjected to increased demands; and

WHEREAS, the District's imported water supply may be subject to a reduced water allotment from the Foothill Municipal Water District should the Metropolitan Water District of Southern California put into effect their approved allocation plan; and

WHEREAS, the above limitations have created the possibility that the District may be unable to meet customer demand during periods of high water use such as hot weather; and

WHEREAS, the District's Phase I Voluntary Water Conservation Program has been only minimally successful in reducing water demand; and

WHEREAS, conservation of water by District customers will help the District supply water for customers and keep water in storage for fire protection during peak periods; and

WHEREAS, peak summer water demands are generally considered to be caused by outdoor water use and the District should place special emphasis on outdoor water conservation; and

WHEREAS, the District, through its public information program, should advise and alert its customers to the serious nature of the situation and the need for a reduction in demand by customers through the use of a conservation alert system; and

WHEREAS, the District has the power and authority, under Section 375 of the California Water Code, to adopt water conservation measures for activities within its service area; and

WHEREAS, given the current conditions, the District finds it necessary and beneficial to undertake the second phase of its water conservation program; and

NOW, THEREFORE, BE IT RESOLVED, that the General Manager is authorized to implement a color-coded water conservation alert system, as Phase II of the goal to reduce the risk and severity of water shortage; and

BE IT FURTHER RESOLVED, that the Crescenta Valley Water District requires its customers to follow the alert system described below:

- a. Color Code “Blue” is defined as the Normal Water Conservation Alert, Foothill Municipal Water District can meet all Member Agency demands. Standard water conservation applies as defined in Appendix G of the Rules and Regulations.
- b. Color Code “Green” is defined as an Increased Voluntary Conservation Alert, some supplies have been impacted and customers should increase efforts to conserve by following strict water conservation practices indoors and limiting outdoor water use to odd or even days, based on ending number of customer address.
- c. Color Code “Yellow” is defined as an Extraordinary Conservation Alert, when Metropolitan Water District of Southern California is pulling water from most of its storage programs to meet demands. Extraordinary conservation is called for from customers. Customers are requested to minimize indoor water use and water outdoors no more than three (3) days per week. Outdoor irrigation will be permitted only on Tuesday, Thursday, and Saturday.
- d. Color Code “Orange” is defined as a Rationing Conservation Alert, when Metropolitan Water District of Southern California has implemented its allocation plan to its member agencies. Customers are requested to minimize indoor water use and severely limit outdoor water use as further detailed in Appendix G of the District Rules and Regulations.
- e. Color Code “Red” is defined as a Critical Water Conservation Alert, when water supplies are only available for health and safety needs. Customers are requested to minimize indoor water use and curtail all outdoor water use as further detailed in Appendix G of the District’s Rules and Regulations.

BE IT FURTHER RESOLVED, that the Board of Directors of the Crescenta Valley Water District authorize that Appendix G of the District’s Rules and Regulations is amended to read as attached; and

BE IT FURTHER RESOLVED, that if critical water shortages continue to exist and if a water conservation alert system proves insufficient to accomplish the necessary conservation, the Crescenta Valley Water District will consider additional and more restrictive phases of water conservation to curtail water use. Likewise, should water supply conditions return to normal, the Crescenta Valley Water District will also consider ending this program at such time.

PASSED, APPROVED, AND ADOPTED at a Regular Meeting of the Board of Directors of Crescenta Valley Water District held on January 7, 2009, Resolution No. 681 was adopted by the following vote:

AYES: Directors

NOES: Directors None

ABSTAIN: Directors None

**ATTEST: President, Board of Directors
Crescenta Valley Water District**

Secretary of the Board of Directors

**STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)**

I, RON MITCHELL, Secretary of the Crescenta Valley Water District, DO HEREBY CERTIFY that the foregoing is a full, true and correct copy of Resolution No. 681 of the Board of Directors of Crescenta Valley Water District adopted at a Regular Meeting held on January 7, 2009, and that the same has not been amended or repealed.

**Secretary of the Board of Directors of
Crescenta Valley Water District**

DATED: March 27, 2009 (S E A L)

CRESCENTA VALLEY WATER DISTRICT

APPENDIX G

WATER CONSERVATION PROGRAM

GENERAL STATEMENT

1. Due to the water supply conditions prevailing in the Crescenta Valley Water District (CVWD) and/or in the area from which CVWD obtains a portion of its water supply, the general welfare requires that:
 - The water resources available to the CVWD be put to the maximum beneficial use;
 - The waste or unreasonable use, or unreasonable method of use of water be prevented;
 - The conservation of such water be practiced with a view to the reasonable and beneficial use thereof in the interest of the customers of CVWD and for the public health and safety.
2. The purpose of this program is to provide water conservation regulations, in a phased approach, to minimize the effect of a shortage of water supplies on the customers of CVWD during various critical stages of a water shortage.

PHASE I –NORMAL WATER CONSERVATION

Phase I standard water conservation practices will be in effect at all times. The CVWD Board of Directors has adopted the following measures to reduce consumption and prohibit water waste for existing and new water users within CVWD in order to sustain water supply reliability.

Prohibited Use Applicable to Existing and New Customers

1. **Water hose usage:** Hose washing of sidewalks, walkways, driveways, or parking areas, tennis courts, patios, porches or other paved areas shall not be permitted. Exception: Flammable or other dangerous substances may be disposed of by direct hose flushing by public safety officers for the benefit of public health and safety. Businesses or schools required to hose down public eating areas will be provided with access to a water broom.
2. **Overspray and runoff:** Use of water for any purpose which results in overspray, excessive runoff onto hardscapes, driveways, streets, adjacent lands or into gutters shall not be permitted.
3. **Fountains, similar structures and swimming pools:** Water used to clean, fill or maintain levels in decorative fountains or similar structures must be part of a recirculation system.
4. **Leaks:** Leaks from any facility both inside and outside of a customer's premises must be repaired within seventy-two hours after the customer is notified of, or discovers the leak. Failure to affect the repair of any leak shall subject said customer to all penalties provided herein for waste of water.
5. **Irrigating times:** No watering, sprinkling or irrigating shall take place between the hours of nine a.m. (9:00AM) and five p.m. (5:00PM) in any landscaped or vegetated areas, including, but not limited to, golf courses, parks, cemeteries and school areas landscaped with, but not limited to, grass, lawn, groundcover, shrubbery, annual and perennial plants, crops, trees, and California-friendly plantings.

6. **Hand Watering:** Hand watering of non-turf areas is allowed using a hose with a positive shut-off nozzle or watering can within the allowable times as specified above.
7. **Windy and rainy days:** No watering, sprinkling or irrigating shall take place in any landscaped or vegetated areas on days when the wind is blowing causing overspray. No irrigation or watering of turf or ornamental-landscapes during and 48 hours following measurable precipitation.
8. **Vehicle washing:** The washing of commercial and non-commercial privately owned automobiles, trucks, trailers, motor-homes, boats, buses, airplanes and other types of vehicles is restricted to use of a hand-held bucket and quick rinses using a hose with a positive shut-off nozzle. Exceptions: the use of wash water which is on the immediate premises of a commercial car wash or commercial service station; where health, safety and welfare of the public is contingent upon frequent vehicle cleaning, such as garbage trucks and vehicles which transport food and perishables.
9. **Swimming pools:** Owners of outdoor swimming pools, wading pools or spas, when these are not in use, are requested to use covers to minimize the evaporation of water.
10. **Construction water restrictions:** Water for construction purposes including but not limited to de-brushing of vacant land, compaction of fills and pads, trench backfill and other construction uses, shall be used in an efficient manner which will not result in runoff.
11. **Fire hydrants:** The use of potable water from fire hydrants shall be limited to firefighting related activities or other activities immediately necessary to maintain the health, safety, and welfare of the residents of the city.
12. **Drinking water upon request:** No restaurant, hotel, café, cafeteria or other public place where food is sold, served or offered for sale, shall serve drinking water to any customer unless expressly requested by a customer.
13. **Hotels/Motels:** Hotels, motels, and other commercial lodging establishments are requested to post notices informing their guests about the city's water conservation policy and urging guests to conserve water. Water conservation notices will be provided by CVWD.
14. **Hotels/Motels:** Hotels, motels and other commercial lodgings are requested to post notices giving their guests the option of not laundering towels and linens daily.
15. **Reporting waste of water:** The District shall maintain a program for residents to report waste of water throughout the District boundaries. This will include an online submittal form, a dedicated phone number, and follow-up by District staff on all waste of water reports. Residents are requested to report any observed waste of water from surrounding properties or in the community and report to the District for follow-up.
16. **Pre-rinse spray valve:** Where applicable, restaurants must utilize water conserving nozzles.
17. **New Development (new commercial and multi-family accounts):**
 - 1) All new commercial and multi-family accounts are prohibited from water waste such as, but not limited to: single-pass cooling systems; conveyor and in-bay vehicle wash and commercial laundry systems which do not reuse water; non-recirculating decorative water fountains.
 - 2) All landscape must be in accordance with the permitting agency's landscape ordinance. If the permitting agency does not have a landscape ordinance, the Department of Water Resources Model Landscape Ordinance will apply.

BE IT FURTHER RESOLVED, Crescenta Valley Water District urges the following water usage to all of its customers:

1. To reduce the amount of turf and install new drought tolerant landscaping, low-water using trees and plants, and efficient irrigation systems including but not limited to ET controllers, drip irrigation, and “high efficiency sprinkler heads”.
2. To wash only full loads of dishes or clothes in automatic washers, and do not allow indoor faucets to run continuously.
3. To turn water system off when leaving property unoccupied for an extended period of time.
4. To use covers to minimize the evaporation of water from outdoor swimming pools, wading pools or spas when they are not in use.

WATER CONSERVATION ALERT SYSTEM

When a water conservation alert system is implemented by direction of the General Manager, the following measures to reduce water consumption will be required for all water users within CVWD.

- a. Color Code **“Blue”** is defined as the Normal Water Conservation Alert, Foothill Municipal Water District can meet all Member Agency demands. Standard water conservation applies as defined in Appendix G of the Rules and Regulations.
- b. Color Code **“Green”** is defined as an Increased Voluntary Conservation Alert, some supplies have been impacted and customers should increase efforts to conserve by following strict water conservation practices indoors and limiting outdoor water use to odd or even days, based on ending number of customer address.
- c. Color Code **“Yellow”** is defined as an Extraordinary Conservation Alert, when Metropolitan Water District of Southern California is pulling water from most of its storage programs to meet demands. Extraordinary conservation is called for from customers. Customers are requested to minimize indoor water use and water outdoors no more than three (3) days per week. Outdoor irrigation will be permitted only on Tuesday, Thursday, and Saturday.
- d. Color Code **“Orange”** is defined as a Rationing Conservation Alert, when Metropolitan Water District of Southern California has implemented its allocation plan to its member agencies. Customers are requested to minimize indoor water use and severely limit outdoor water use as follows:
 1. Residential and commercial landscape irrigation is limited to no more than two (2) days per week on Tuesday and Saturday.
 2. Exemption: Public use areas owned and/or operated by School Districts are exempt from watering days, and public use areas greater than 4,000 square feet are exempt from watering days so long as best management practices are applied by all.
 3. The filling, refilling or adding of water to indoor and outdoor pools, wading pools, or spas is prohibited. Exemptions: Commercial Repairs mandated by the Federal Virginia Graeme Baker Act, or adding water for the prevention of equipment failure is permissible, however, the District strongly urges that a cover be used to prevent evaporation and thereby reducing the frequency of refilling..
 4. The use of water to clean, maintain, fill, or refill decorative fountains or similar structures is prohibited. Exemptions: Adding water for the prevention of equipment failure is permissible.

5. Vehicle washing is restricted to the use of a hand-held bucket and quick rinses using a hose with a positive shut-off nozzle.
 6. Fix leaks within 48 hours.
- e. Color Code **“Red”** is defined as a Critical Water Conservation Alert, when water supplies are only available for health and safety needs. Customers are required to minimize indoor water use and curtail all outdoor water use. Fix any leaks within 24 hours.

Notification of the Water Conservation Alert System status on any given day shall be visibly posted at the exterior of the District’s Administration Office (2700 Foothill Blvd., La Crescenta) and other accessible locations throughout the District service area where allowed. At least one direct mailing shall be made to all water customer accounts, with notification and explanation of the alert system. Newspaper coverage will also be used to disseminate alert system status and water conservation updates.

RESOLUTION NO. 681

**RESOLUTION OF THE BOARD OF DIRECTORS OF
CRESCENTA VALLEY WATER DISTRICT
ADOPTING A WATER CONSERVATION ALERT SYSTEM**

WHEREAS, the Crescenta Valley Water District was established for the purpose of providing adequate and reliable potable water to its inhabitants at a reasonable cost; and

WHEREAS, the groundwater supply in the Verdugo Basin is utilized as the primary source of water for District customers; and

WHEREAS, consecutive years of below normal precipitation in the watersheds of the Verdugo Basin have severely reduced the groundwater production capacity and individual well reliability in the Verdugo Basin and hence the water supply available to the District; and

WHEREAS, the District's imported water supply connections with the Foothill Municipal Water District and the emergency water supply interconnection with the City of Glendale, both which provide a supplemental source of water for District customers, are limited in size and capacity, may be subjected to random mechanical failures, and are being subjected to increased demands; and

WHEREAS, the District's imported water supply may be subject to a reduced water allotment from the Foothill Municipal Water District should the Metropolitan Water District of Southern California put into effect their approved allocation plan; and

WHEREAS, the above limitations have created the possibility that the District may be unable to meet customer demand during periods of high water use such as hot weather; and

WHEREAS, the District's Phase I Voluntary Water Conservation Program has been only minimally successful in reducing water demand; and

WHEREAS, conservation of water by District customers will help the District supply water for customers and keep water in storage for fire protection during peak periods; and

WHEREAS, peak summer water demands are generally considered to be caused by outdoor water use and the District should place special emphasis on outdoor water conservation; and

WHEREAS, the District, through its public information program, should advise and alert its customers to the serious nature of the situation and the need for a reduction in demand by customers through the use of a conservation alert system; and

WHEREAS, the District has the power and authority, under Section 375 of the California Water Code, to adopt water conservation measures for activities within its service area; and

WHEREAS, given the current conditions, the District finds it necessary and beneficial to undertake the second phase of its water conservation program; and

NOW, THEREFORE, BE IT RESOLVED, that the General Manager is authorized to implement a color-coded water conservation alert system, as Phase II of the goal to reduce the risk and severity of water shortage; and

BE IT FURTHER RESOLVED, that the Crescenta Valley Water District requires its customers to follow the alert system described below:

- a. Color Code “Blue” is defined as the **Standard Water Conservation Alert**. Standard water conservation applies as defined in Appendix G of the Rules and Regulations. **Outdoor watering is recommended to be no more than three (3) days per week.**
- b. **REMOVE** Color Code “Green” is defined as an ~~Increased Voluntary Conservation Alert~~, some supplies have been impacted and customers should increase efforts to conserve by following strict water conservation practices indoors and limiting outdoor water use to odd or even days, based on ending number of customer address.
- b. Color Code “Yellow” is defined as an **Extraordinary Conservation Alert**, when Metropolitan Water District of Southern California is taking water from most of its storage programs to meet demand, **and/or the District’s Groundwater Supplies have been reduced**. Customers are **required** to minimize indoor water use and water outdoors no more than three (3) days per week. Outdoor irrigation will be permitted only on Tuesday, Thursday, and Saturday, as further detailed in Appendix G of the District Rules and Regulations.
- c. Color Code “Orange” is defined as **Allocation Conservation Alert**, when Metropolitan Water District of Southern California has implemented an allocation plan to its member agencies, **and/or the State of California has imposed mandatory water restrictions or reductions**. Customers are **required** to minimize indoor water use and water outdoors no more than **two (2) days per week**. Outdoor irrigation will be permitted only on Tuesday and Saturday as further detailed in Appendix G of the District Rules and Regulations.
- d. Color Code “Red” is defined as a **Critical Water Conservation Alert**, when water supplies are only available for health and safety needs. Customers are **required** to minimize indoor water use and curtail all outdoor water use as further detailed in Appendix G of the District’s Rules and Regulations.

BE IT FURTHER RESOLVED, that the Board of Directors of the Crescenta Valley Water District authorize that Appendix G of the District’s Rules and Regulations is **amended** to read as attached; and

BE IT FURTHER RESOLVED, that if critical water shortages continue to exist and if a water conservation alert system proves insufficient to accomplish the necessary conservation, the Crescenta Valley Water District will consider additional and more restrictive phases of water conservation to curtail water use. Likewise, should water supply conditions return to normal, the Crescenta Valley Water District will also consider ending this program at such time.

PASSED, APPROVED, AND ADOPTED at an Adjourned Meeting of the Board of Directors of Crescenta Valley Water District held on **May 16, 2017**, Resolution No. 681 was **amended** by the following vote:

AYES:

NOES:

ABSENT:

James Bodnar
President, Board of Directors
Crescenta Valley Water District

ATTEST:

Ron Mitchell
Secretary of the Board of Directors

RESOLUTION NO. 681

**RESOLUTION OF THE BOARD OF DIRECTORS OF
CRESCENTA VALLEY WATER DISTRICT
ADOPTING A WATER CONSERVATION ALERT SYSTEM**

WHEREAS, the Crescenta Valley Water District was established for the purpose of providing adequate and reliable potable water to its inhabitants at a reasonable cost; and

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WHEREAS, the District's imported water supply may be subject to a reduced water allotment from the Foothill Municipal Water District should the Metropolitan Water District of Southern California put into effect their approved allocation plan; and

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- c. Color Code “Orange” is defined as Allocation Conservation Alert, when Metropolitan Water District of Southern California has implemented its allocation plan to its member agencies, or the State of California has imposed mandatory water restrictions or reductions. Customers are required to minimize indoor water use and water outdoors no more than two (2) days per week. Outdoor irrigation will be permitted only on Tuesday and Saturday as further detailed in Appendix G of the District Rules and Regulations.
- d. Color Code “Red” is defined as a Critical Water Conservation Alert, when water supplies are only available for health and safety needs. Customers are required to minimize indoor water use and curtail all outdoor water use as further detailed in Appendix G of the District’s Rules and Regulations.

BE IT FURTHER RESOLVED, that the Board of Directors of the Crescenta Valley Water District authorize that Appendix G of the District’s Rules and Regulations is amended to read as attached; and

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PASSED, APPROVED, AND ADOPTED at an Adjourned Meeting of the Board of Directors of Crescenta Valley Water District held on May 16, 2017, Resolution No. 681 was adopted by the following vote:

AYES: Directors,

NOES: Directors None

ABSTAIN: Directors None

ATTEST: President, Board of Directors
Crescenta Valley Water District

Secretary of the Board of Directors

STATE OF CALIFORNIA)

) ss.

COUNTY OF LOS ANGELES)

I, RON MITCHELL, Secretary of the Crescenta Valley Water District, DO HEREBY CERTIFY that the foregoing is a full, true and correct copy of Resolution No. 681 of the Board of Directors of Crescenta Valley Water District adopted at an adjourned ~~Regular~~ Meeting held on May 16, 2017, and that the same has not been amended or repealed.

Secretary of the Board of Directors of
Crescenta Valley Water District

DATED: May 16, 2017 (S E A L)

CRESCENTA VALLEY WATER DISTRICT

APPENDIX G

WATER CONSERVATION PROGRAM

GENERAL STATEMENT

1. Due to the water supply conditions prevailing in the Crescenta Valley Water District (CVWD) and/or in the area from which CVWD obtains a portion of its water supply, the general welfare requires that:
 - The water resources available to the CVWD be put to the maximum beneficial use;
 - The waste or unreasonable use, or unreasonable method of use of water be prevented;
 - The conservation of such water be practiced with a view to the reasonable and beneficial use thereof in the interest of the customers of CVWD and for the public health and safety.
2. The purpose of this program is to provide water conservation regulations, in a phased approach, to minimize the effect of a shortage of water supplies on the customers of CVWD during various critical stages of a water shortage.

PHASE I –STANDARD WATER CONSERVATION

Phase I standard water conservation practices will be in effect at all times. The CVWD Board of Directors has adopted the following measures to reduce consumption and prohibit water waste for existing and new water users within CVWD in order to sustain water supply reliability.

Prohibited Use Applicable to Existing and New Customers

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3. **Fountains, similar structures and swimming pools:** Water used to clean, fill or maintain levels in decorative fountains or similar structures must be part of a recirculation system.
4. **Leaks:** Leaks from any facility both inside and outside of a customer's premises must be repaired within seventy-two hours after the customer is notified of, or discovers the leak. Failure to affect the repair of any leak shall subject said customer to all penalties provided herein for waste of water.
5. **Irrigating times:** No watering, sprinkling or irrigating shall take place between the hours of nine a.m. (9:00AM) and five p.m. (5:00PM) in any landscaped or vegetated areas, including, but not limited to, golf courses, parks, cemeteries and school areas landscaped with, but not limited to, grass, lawn, groundcover, shrubbery, annual and perennial plants, crops, trees, and California-friendly plantings.

6. **Hand Watering:** Hand watering of non-turf areas is allowed using a hose with a positive shut-off nozzle or watering can within the allowable times as specified above.
7. **Windy and rainy days:** No watering, sprinkling or irrigating shall take place in any landscaped or vegetated areas on days when the wind is blowing causing overspray. No irrigation or watering of turf or ornamental-landscapes during and 48 hours following measurable precipitation.
8. **Vehicle washing:** The washing of commercial and non-commercial privately owned automobiles, trucks, trailers, motor-homes, boats, buses, airplanes and other types of vehicles is restricted to use of a hand-held bucket and quick rinses using a hose with a positive shut-off nozzle. Exceptions: the use of wash water which is on the immediate premises of a commercial car wash or commercial service station; where health, safety and welfare of the public is contingent upon frequent vehicle cleaning, such as garbage trucks and vehicles which transport food and perishables.
9. **Swimming pools:** Owners of outdoor swimming pools, wading pools or spas, when these are not in use, are requested to use covers to minimize the evaporation of water.
10. **Construction water restrictions:** Water for construction purposes including but not limited to de-brushing of vacant land, compaction of fills and pads, trench backfill and other construction uses, shall be used in an efficient manner which will not result in runoff.
11. **Fire hydrants:** The use of potable water from fire hydrants shall be limited to firefighting related activities or other activities immediately necessary to maintain the health, safety, and welfare of the residents of the city.
12. **Drinking water upon request:** No restaurant, hotel, café, cafeteria or other public place where food is sold, served or offered for sale, shall serve drinking water to any customer unless expressly requested by a customer.
13. **Hotels/Motels:** Hotels, motels, and other commercial lodging establishments are requested to post notices informing their guests about the city's water conservation policy and urging guests to conserve water. Water conservation notices will be provided by CVWD.
14. **Hotels/Motels:** Hotels, motels and other commercial lodgings are requested to post notices giving their guests the option of not laundering towels and linens daily.
15. **Reporting waste of water:** The District shall maintain a program for residents to report waste of water throughout the District boundaries. This will include an online submittal form, a dedicated phone number, and follow-up by District staff on all waste of water reports. Residents are requested to report any observed waste of water from surrounding properties or in the community and report to the District for follow-up.
16. **Pre-rinse spray valve:** Where applicable, restaurants must utilize water conserving nozzles.
17. **New Development** (new commercial and multi-family accounts):
 - 1) All new commercial and multi-family accounts are prohibited from water waste such as, but not limited to: single-pass cooling systems; conveyor and in-bay vehicle wash and commercial laundry systems which do not reuse water; non-recirculating decorative water fountains.
 - 2) All landscape must be in accordance with the permitting agency's landscape ordinance. If the permitting agency does not have a landscape ordinance, the Department of Water Resources Model Landscape Ordinance will apply.

BE IT FURTHER RESOLVED, Crescenta Valley Water District urges the following water usage to all of its customers:

1. To reduce the amount of turf and install new drought tolerant landscaping, low-water using trees and plants, and efficient irrigation systems including but not limited to ET controllers, drip irrigation, and “high efficiency sprinkler heads”.
2. To wash only full loads of dishes or clothes in automatic washers, and do not allow indoor faucets to run continuously.
3. To turn water system off when leaving property unoccupied for an extended period of time.
4. To use covers to minimize the evaporation of water from outdoor swimming pools, wading pools or spas when they are not in use.

WATER CONSERVATION ALERT SYSTEM

When a water conservation alert system is implemented by direction of the General Manager, the following measures to reduce water consumption will be required for all water users within CVWD.

- a. Color Code **“Blue”** is defined as the Standard Water Conservation Alert, Standard water conservation applies as defined in Appendix G of the Rules and Regulations as Stage 1. Outdoor watering is recommended to be no more than three (3) days per week.
- b. Color Code **“Yellow”** is defined as an Extraordinary Conservation Alert, when Metropolitan Water District of Southern California is pulling water from most of its storage programs to meet demand, or the District’s Groundwater Supplies have been reduced. Customers are required to minimize indoor water use and water outdoors no more than three (3) days per week. Outdoor irrigation will be permitted only on Tuesday, Thursday, and Saturday.
- c. Color Code **“Orange”** is defined as a Allocation Conservation Alert, when Metropolitan Water District of Southern California has implemented its allocation plan to its member agencies, or the State of California has imposed mandatory water restrictions or reductions. Customers are required to minimize indoor water use and water outdoors no more than two (2) days per week. Outdoor irrigation will be permitted only on Tuesday and Saturday. The following additional rules apply:
 1. The filling, refilling or adding of water to indoor and outdoor pools, wading pools, or spas is prohibited. Exemptions: Commercial Repairs mandated by the Federal Virginia Graeme Baker Act, or adding water for the prevention of equipment failure is permissible, however, the District strongly urges that a cover be used to prevent evaporation and thereby reducing the frequency of refilling..
 2. The use of water to clean, maintain, fill, or refill decorative fountains or similar structures is prohibited. Exemptions: Adding water for the prevention of equipment failure is permissible.
 3. Vehicle washing is restricted to the use of a hand-held bucket and quick rinses using a hose with a positive shut-off nozzle.
 4. Fix leaks within 48 hours.
 5. Exemption: Public use areas owned and/or operated by School Districts are exempt from watering days, and public use areas greater than 4,000 square feet are exempt from watering days so long as best management practices are applied.

- d. Color Code “Red” is defined as a Critical Water Conservation Alert, when water supplies are only available for health and safety needs. Customers are required to minimize indoor water use and curtail all outdoor water use. Fix any leaks within 24 hours

Notification of the Water Conservation Alert System status on any given day shall be visibly posted at the exterior of the District’s Administration Office (2700 Foothill Blvd., La Crescenta) and other accessible locations throughout the District’s service area where allowed.

CRESCENTA VALLEY WATER DISTRICT

BOARD OF DIRECTORS - STAFF REPORT

Action Item No. 5

May 16, 2017

To: Honorable President and Members of the Board of Directors
From: Thomas A. Love, General Manager
Subject: FY 2017/18 Preliminary Water Budget – Year End Projections

ACTION ITEM:

FY 2017/18 Water and Wastewater Budget – Discussion of Preliminary FY 2017/18 Water and Wastewater Budgets

BACKGROUND:

The preliminary Water Budget for FY 2017/18 was presented at the Board meeting on March 3, 2017. On May 2, 2017, the Third Quarter budget variance report was presented to the Board. Based on the Third Quarter budget variance report, staff has updated the FY 2016/17 Water Fund Budget year-end projections, which are shown in the attached exhibit 'Cash Flow - Table WB-9'. This table compares the Projected FY 16/17 numbers after 7 months and after 9 months. The rows highlighted in yellow show the largest differences between FY 16/17 budget and FY 16/17 year-end projections.

DISCUSSION:

The following is a summary of changes that have taken place in the budget since the March 3, 2017 Preliminary Budget FY 2016/17 year-end Projections:

1. Projected water sales revenue is \$369,900 less than budgeted. Although total water use is higher by 4% than budgeted, the proportion of the number of customers within Tier 2 and Tier 3 are lower, which results in overall reduced water sales revenue.
2. Projected water service connection fees are \$157,500 above budget.
3. Labor, benefits and operating expenses are projected to be \$335,800 under budget.
4. Purchased water costs from FMWD are projected to be \$895,900 over budget due to increased water use and low groundwater production.
5. Grant Revenue is projected to be \$481,000 less than budget due to the timing difference between a grant request for reimbursement and the actual reimbursement from DWR.
6. FY 2016/17 capital improvement costs are \$302,000 less than budget, which is primarily due to the Oak Creek Reservoir Rehabilitation project deferred to FY 2017/18.
7. In summary, there is a net decrease to reserves of \$78,000 vs. a net increase to reserves of \$593,000 that was budgeted for FY 16/17.

Submitted by:

Thomas A. Love
General Manager

Attachments:

1. Updated Cash Flow - Table WB-9 dated 5/12/17

Water Budget Table WB-9 - Total Sources - FY 17/18 - Draft V.05 (Preliminary as of 5/16/17)

	Recorded FY 2014-15	Recorded FY 2015-16	Budget FY 2016-17	Projected (based on 7 months) FY 2016-17	Projected (based on 9 months) FY 2016-17	Budget FY 2017-18	Forecast FY 2018-19	Forecast FY 2019-20	Forecast FY 2020-21	Forecast FY 2021-22
REVENUE										
Service Readiness Charge Revenue	\$ 1,828,481	\$ 1,949,220	\$ 2,247,000	\$ 2,283,849	\$ 2,247,967	\$ 2,433,000	\$ 2,618,000	\$ 2,817,000	\$ 3,017,000	\$ 3,020,000
Metered sales of water (CVWD Costs)	\$ 4,162,173	\$ 5,952,066	\$ 6,953,000	\$ 6,998,600	\$ 6,583,084	\$ 8,157,000	\$ 9,121,000	\$ 10,303,000	\$ 11,580,000	\$ 12,190,000
Required metered sales of water (FMWD Costs)	\$ 2,432,299	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Income - Water Reserves	\$ 91,782	\$ 188,668	\$ 163,000	\$ 167,609	\$ 178,421	\$ 165,000	\$ 138,000	\$ 134,000	\$ 145,000	\$ 161,000
Interest Income - MTBE Reserves	\$ 103,000	\$ -	\$ 77,000	\$ 115,000	\$ 115,000	\$ 75,000	\$ 77,000	\$ 79,000	\$ 81,000	\$ 83,000
Source of Funds - Other Sources	\$ 221,080	\$ 258,763	\$ 146,000	\$ 242,990	\$ 235,613	\$ 141,783	\$ 147,783	\$ 154,783	\$ 160,783	\$ 167,783
Sources of Funds - CIP Sources	\$ 238,461	\$ 872,193	\$ 1,225,450	\$ 1,133,345	\$ 915,769	\$ 1,102,269	\$ 730,475	\$ 410,300	\$ 390,000	\$ 400,000
TOTAL REVENUE	\$ 9,077,276	\$ 9,220,909	\$ 10,811,450	\$ 10,941,393	\$ 10,275,855	\$ 12,074,052	\$ 12,832,258	\$ 13,898,083	\$ 15,373,783	\$ 16,021,783
OPERATIONS & MAINTENANCE (O & M) EXPENSE										
Labor & Benefits	\$ 2,786,149	\$ 2,708,472	\$ 2,957,000	\$ 2,914,473	\$ 2,949,396	\$ 3,048,300	\$ 3,035,700	\$ 3,099,200	\$ 3,152,200	\$ 3,233,200
Purchased Water (FMWD)	\$ 2,741,033	\$ 2,454,591	\$ 2,099,000	\$ 2,963,900	\$ 2,994,892	\$ 3,084,000	\$ 3,217,000	\$ 3,183,000	\$ 3,395,000	\$ 3,658,000
Purchased Water (GWP)	\$ -	\$ -	\$ 231,000	\$ 153,873	\$ 152,737	\$ 207,000	\$ 232,000	\$ 277,000	\$ 269,000	\$ 285,000
Power	\$ 682,044	\$ 673,699	\$ 695,000	\$ 692,316	\$ 693,648	\$ 697,000	\$ 718,000	\$ 739,000	\$ 762,000	\$ 781,000
Operating expenses	\$ 2,098,151	\$ 1,972,016	\$ 2,063,100	\$ 1,826,309	\$ 1,734,925	\$ 2,173,826	\$ 2,265,800	\$ 2,170,500	\$ 2,285,700	\$ 2,289,600
Total O & M Expense	\$ 8,307,377	\$ 7,808,777	\$ 8,045,100	\$ 8,550,871	\$ 8,525,598	\$ 9,210,126	\$ 9,468,500	\$ 9,468,700	\$ 9,863,900	\$ 10,246,800
Debt Service (principal & interest)	\$ 612,454	\$ 613,022	\$ 614,000	\$ 614,038	\$ 614,038	\$ 613,838	\$ 613,238	\$ 612,238	\$ 615,481	\$ 613,106
Total O & M Expense + Debt Service	\$ 8,919,831	\$ 8,421,799	\$ 8,659,100	\$ 9,164,908	\$ 9,139,635	\$ 9,823,964	\$ 10,081,738	\$ 10,080,938	\$ 10,479,381	\$ 10,859,906
Cash Available for Capital - [Revenue - (Total O & M Expense + Debt Service)]	\$ 157,445	\$ 799,110	\$ 2,152,350	\$ 1,776,485	\$ 1,136,219	\$ 2,250,089	\$ 2,750,520	\$ 3,817,145	\$ 4,894,401	\$ 5,161,876
CAPITAL OUTLAY, LIABILITIES and CAPITAL PROJECTS										
Capital Outlay & Equipment	\$ 150,242	\$ 26,180	\$ 110,000	\$ 42,338	\$ 45,177	\$ 120,000	\$ 130,000	\$ 136,000	\$ 140,000	\$ 130,000
Re-Payment to MTBE Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 750,000	\$ 750,000
Future Liability (OPEB)	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Capital Improvements (pay-as-you-go)	\$ 1,981,000	\$ 2,941,000	\$ 2,800,000	\$ 2,158,200	\$ 2,497,300	\$ 3,275,000	\$ 2,625,000	\$ 2,570,000	\$ 2,900,000	\$ 3,180,000
Total - Capital Outlay, CIP, CIP Fund & Future Liability	\$ 2,291,609	\$ 3,127,547	\$ 3,010,000	\$ 2,300,538	\$ 2,642,477	\$ 3,495,000	\$ 2,855,000	\$ 2,806,000	\$ 3,890,000	\$ 4,160,000
INCREASE (DECREASE) TO CASH	\$ (2,134,165)	\$ (2,328,437)	\$ (857,650)	\$ (524,053)	\$ (1,506,258)	\$ (1,244,912)	\$ (104,480)	\$ 1,011,145	\$ 1,004,401	\$ 1,001,876
FY begin available Water Reserves	\$ 5,512,136	\$ 4,048,384	\$ 3,719,947	\$ 3,719,947	\$ 3,719,947	\$ 3,213,690	\$ 1,968,778	\$ 1,864,298	\$ 2,875,443	\$ 3,879,845
Transfer In from MTBE Reserves		\$ 2,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000					
FY End Water Reserves	\$ 3,377,971	\$ 3,719,947	\$ 3,862,298	\$ 4,195,894	\$ 3,213,690	\$ 1,968,778	\$ 1,864,298	\$ 2,875,443	\$ 3,879,845	\$ 4,881,721
Reconciliation	\$ 670,413		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FY End Water Reserves	\$ 4,048,384	\$ 3,719,947	\$ 3,862,298	\$ 4,195,894	\$ 3,213,690	\$ 1,968,778	\$ 1,864,298	\$ 2,875,443	\$ 3,879,845	\$ 4,881,721
TOTAL TARGET WATER CASH RESERVES	\$ 3,327,000	\$ 3,130,000	\$ 3,269,000	\$ 3,406,000	\$ 3,292,000	\$ 3,776,000	\$ 4,033,000	\$ 4,327,000	\$ 4,678,000	\$ 4,849,000
Above or (below) Target Reserves	\$ 721,384	\$ 589,947	\$ 593,298	\$ 789,894	\$ (78,310)	\$ (1,807,222)	\$ (2,168,702)	\$ (1,451,557)	\$ (798,155)	\$ 32,721
Effective date of water rates	7/1/14	7/1/15	7/1/16	7/1/16	7/1/16	7/1/17	7/1/18	7/1/19	7/1/20	7/1/21
Projected Rate Increase for Service Charge	5.8%	5.7%	7.5%	7.5%	7.5%	7.2%	7.4%	7.5%	7.0%	0.0%
Service rates (\$/month for 3/4" meter)	\$18.10	\$19.10	\$20.53	\$20.53	\$20.53	\$22.00	\$23.60	\$25.40	\$27.20	\$27.20
Projected Rate Increase for Quantity Charge	5.8%	5.7%	5.2%	5.2%	5.2%	7.2%	7.4%	7.5%	7.0%	0.0%
Quantity Charge: (\$/kgal)	\$5.64	\$5.96	\$6.27	\$6.27	\$6.27	\$6.72	\$7.22	\$7.76	\$8.30	\$8.30
FMWD Quantity Charge: (\$/kgal)	\$2.03									
CVWD Quantity Charge: (\$/kgal)	\$3.61	\$5.96	\$ 6.27	\$ 6.27	\$6.27	\$6.72	\$7.22	\$7.76	\$8.30	\$8.30

Legend

Blue - Recorded Revenues & Expenses

Brown - Previous Year Budget & Projected End of Year

Black - Budget Revenues & Expenses

Green - Forecast Revenues & Expenses

149.93%