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, June 20, 2017 at 6:30 p.m.

Posted: June 16, 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

Closed Session

- **Public Employee Discipline/Dismissal/Release – (§54957)**

Open session will not resume before 7:00 p.m.

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 June 6, 2017.
2. Consideration and approval of Minutes of the Public Hearing on June 13, 2017.
3. Ratification of Disbursements for May 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. **Fiscal Year 2017/18 Water and Wastewater Budgets** – Consideration and motion to adopt the fiscal year 2017/18 Water and Wastewater Budgets.
2. **Resolution No. 737** –Consideration and motion to adopt Resolution No. 737 amending Appendix E of the District's Rules and Regulations pertaining to Rates and Charges for Water Service.
3. **Delegation of Authority to Request Disbursements** – Consideration and motion to designate the General Manager and Secretary-Treasurer positions as authorized persons to request disbursements from the CERBT OPEB trust.

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
June 6, 2017

Pursuant to the order of the Board of Directors of the Crescenta Valley Water District, made at the Adjourned Regular Meeting of May 16, 2017, a Regular Meeting was held on June 6, 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** **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** **Christy Scott, Program Specialist** **Dennis Maxwell, Superintendent** **James Lee, Accountant** **Kath Ross, FMWD Director**

PLEDGE OF ALLEGIANCE

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

ADOPTION OF AGENDA

It was moved by Director Tejeda, seconded by Director Claessens and carried by a 5-0 vote that the Agenda for the Regular Meeting of June 6, 2017 be adopted as presented.

PUBLIC COMMENT – None

FOOTHILL MUNICIPAL WATER DISTRICT REPORT – Kathy Ross reported that FMWD held their budget workshop and will bring back the proposed budget for adoption at the Board meeting on June 20, 2017. Agency managers are in agreement with the O&M budget and a major CIP project for a new reservoir is being considered.

CONSENT CALENDAR

It was moved by Director Claessens, seconded by Director Tejeda and carried by a 5-0 vote to approve the Minutes of the Adjourned Regular Board Meeting held on May 16, 2017.

ACTION CALENDAR

Crescenta Valley County Park Stormwater Recharge Facility Study – Mr. Gould reported the study has been completed and Mr. Greg Hamer from Amex Foster Wheeler gave a power point presentation regarding the study. He discussed the scope of work, the work that has been completed, the results of the data analysis, the estimating of water available for recharge, capture of recharged water, the water quality considerations and recommendations.

Water & Wastewater Budgets for FY 2017-18 – Mr. Love discussed the summary of changes that have taken place in the budget of actual cost for the previous ten (10) months. He discussed the projected water sales, purchased water costs from FMWD, projected water service connections, labor, benefits and operating expenses.

INFORMATION ITEMS – None.

WRITTEN COMMUNICATIONS TO DISTRICT – None.

REPORTS OF PERSONNEL

SECRETARY-TREASURER – Mr. Mitchell reported on the Investment portfolio as of June 2, 2017 and also a recap of Investment in Bonds for FY 2016-17. He also said that the District received the reconciliation from the City of Los Angeles Bureau of Sanitation for the FY 2015-16 that gave the District a credit in the amount of $14,200.

GENERAL MANAGER – Mr. Love reported that on June 9th the District staff will have achieved an important milestone of three years without a lost time accident. Also, at the May ACWA/JPIA conference, they recognized four District employees for their suggestions on safety improvement, Roy Spaulding, Alex Sandoval, Dennis Maxwell and Bryan Jones. There are two employees work anniversary in June, Jacob Whittaker, 2 years, and David Gould, 20 years. Mr. Love reported that staff met with CV Ready and discussed the coordination in regards to emergency response planning. Mr. Love provided and discussed a memorandum on the water quality and sampling procedures for the District.

DISTRICT ENGINEER

Water Production – For the period of May 1 through May 31, 2017, water production averaged 112.9 million gallons per day, which is **13.2% more** than the daily average production of the same period in 2016. This is **4.3% less** from the daily average production of the previous five years.

Rainfall: May 2017	**0.00”**
Season-to-date:	**24.76”**

Mr. Gould also reported that Well 8 has been put back in service as of June 5th, Lower Pickens Canyon Pipeline project has been completed and is back in service. The work on Pennsylvania Avenue is still in progress. Mr. Gould also answered some questions regarding the meter replacement program and the AMI project.

PROGRAM SPECIALIST – No Report

INFORMATION TECHNOLOGY – Mr. Hass reported on the SCADA stabilization project.

ATTORNEY – No Report

REPORTS OF COMMITTEES

Engineering Committee – Mr. Gould reported that the Committee met on May 18, 2017 and reviewed the status of groundwater wells and well capacity, the Crescenta Valley County Park Stormwater Project, award of contract for the water distribution leak detection survey, the design for the new emergency electrical generator at the La Granada wastewater lift station and the FY 2016/17 CIP program..

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 will meet on June 14, 2017 at 9:00 a.m.

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 scheduled as needed.

DIRECTORS ORAL REPORTS

Director Bodnar reported that he attended the Memorial Day Ceremony at Two Strike Park.

Director Claessens – No Report

Director Tejeda – No Report

Director Putnam – No Report

Director Erickson reported that he attended the Memorial Day Ceremony at Two Strike Park.

ADJOURNMENT

There being no other business to come before the Board at 9:32 p.m., it was moved by Director Claessens and seconded by Director Tejeda and carried by a 5-0 vote that the meeting be adjourned to June 20, 2017 at 7:00 p.m.

APPROVED

James D. Bodnar	Ron L. Mitchell
President	Secretary-Treasurer

CRESCENTA VALLEY WATER DISTRICT

SPECIAL MEETING, BOARD OF DIRECTORS

June 13, 2017

Pursuant to the order of the Board of Directors, a Special Meeting was held on June 13, 2017, at 6:00 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** **Kerry D. Erickson** **Kenneth R. Putnam** **Judy L. Tejeda**
Attorney:	**Thomas S. Bunn III**
General Manager:	**Thomas A. Love**
Secretary-Treasurer:	**Ron L. Mitchell**
District Engineer:	**David S. Gould**
Others Present:	**Mark Hass, IT Manager** **Christy Scott, Program Specialist** **Wendy Holloway, Customer Accounts Supervisor** **Dennis Maxwell, Superintendent** **James Lee, Accountant**

PLEDGE OF ALLEGIANCE

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

ADOPTION OF AGENDA

It was moved by Director Erickson, seconded by Director Claessens and carried by a 5-0 vote that the Agenda for the Special Meeting of June 13, 2017, be adopted as presented.

ACTION CALENDAR

Public Hearing – President Bodnar opened the meeting for the proposed water rate increase with a brief introduction, including the purpose of the hearing, and how the meeting would be conducted. Mr. Love gave a presentation stating there is no wastewater rate increase. He explained that the District's water fund has had significant financial impacts due to the drought, water conservation and since the ground water supply is low, so we have had to purchase more imported water. He spoke of the aging infrastructure, the rehabilitation and replacement priorities. President Bodnar opened the hearing at 6:15.

The Board heard questions and concerns from customers, including previous water rate increases, rates for large lots, fixed service charges, recycled water, and pipeline replacements. After hearing customer comments, President Bodnar closed the public hearing for the proposed water rate increase at 7:05 p.m.

ADJOURNMENT

There being no other business to come before the Board, at 7:05 p.m. it was moved by Director Tejeda, seconded by Director Erickson, and carried by a 5-0 vote that the meeting be adjourned.

APPROVED:

James D. Bodnar	Ron L. Mitchell
President	Secretary-Treasurer

CASH DISBURSEMENTS LIST
MAY 2017

Check#	Check Date	Payable To	Description	Water Amount	Wastewater Amount
0	5/26	Southern California Edison Co.	Power purchased 05/2017	21,534.25	273.75
35638	5/2	ADS, LLC	Monthly monitoring 04/2017		1,010.00
35639	5/2	American Water Works, Inc	Parts to repair pressure washer	84.60	28.20
35640	5/2	AVAYA Financial Services	Land line lease for 04/2017	380.68	126.88
35641	5/2	BC Laboratories, Inc	Water analysis	2,295.90	
35642	5/2	BC Laboratories, Inc	Water analysis	1,758.75	
35643	5/2	Kellen Boyce	Longevity pay - 15 years of service	112.50	37.50
35644	5/2	California Water Environment	Membership renewal Raymond Dodge	129.00	43.00
35645	5/2	Choice Pest Control	Monthly service at Well 9 & Mills Plant -04/2017	90.50	12.50
35646	5/2	City of Glendale Water & Power	Power purchased 04/2017	29,628.07	23.60
35647	5/2	Colonial Life & Accidents Ins.	Employee paid insurance for 05/2017	183.61	
35648	5/2	Dell Financial Services	New server and equipment for SCADA rehabilitation project C-959	13,863.00	
35649	5/2	Direct Connection	Proposition 218 Notices	1,341.76	1,341.75
35650	5/2	DMC Engineering	E-957 Lower Pickens Cyn service through 02/2017	5,087.92	
35651	5/2	E & R Construction, Inc.	E-957 Lower Pickens Cyn progress payment	168,150.00	
35652	5/2	Empire Fleetwash, LLC	Fleet washing for April	232.50	77.50
35653	5/2	Full Source, LLC	Fire retardant pants and shirts	257.56	85.86
35654	5/2	Glendale Hyundai Pre-owned	Refund Check	33.45	
35655	5/2	Grainger	Blower motors for Mills aeration tower	374.93	33.93
35656	5/2	Graybar Electric Co., Inc.	Smart UPS's and rubber gloves	1,109.69	74.41
35657	5/2	Gsolutionz Professional Services	Land line support 5/2/17 to 6/1/17	150.63	50.21
35658	5/2	HD Supply Waterworks Ltd	A34 meter adapters	1,945.54	
35659	5/2	J&R Concrete Products, Inc	6B poly meter boxes complete	630.65	
35660	5/2	Joseph G. Pollard Co., Inc	Parts for fire flow testing gauge	78.39	
35661	5/2	Kathy Sook Kim	Refund Check	240.70	
35662	5/2	Stephen P. Korejwo	Upgrade training laptop to Windows 10	75.00	24.99
35663	5/2	KR Nida Companies	Unit #51 -led lights & radio installed	1,363.15	454.38
35664	5/2	Lagerlof, Senecal, Gosney & Kr	Public Water Agencies Group legal services	617.31	205.76
35665	5/2	Lincoln Financial Group	Dental, LTD, life insurance for 05/2017	3,202.94	2,135.30
35666	5/2	McCall's Meter Sales & Service	New "10" flowmeter for Mills Plant	5,005.77	

35667	5/2	Newegg, Inc.	Windows 10 Pro 64-bit software	228.36	76.12
35668	5/2	Northern Tool & Equip Co.	Lift plate for unit #52(forklift)	124.99	
35669	5/2	Office Depot - Credit Plan	Misc supplies 04/2017	426.77	426.76
35670	5/2	Paper Cuts, Inc	Monthly paper shredding 04/2017	2.50	2.50
35671	5/2	Paveco Construction Inc	Asphalt paving list 2016-17-08	14,279.75	
35672	5/2	Ready Refresh by Nestle	Distilled Water 04/2017	12.94	
35673	5/2	South Coast Air Quality	AQMD fee - 7/2016 through 6/2017	125.47	
35674	5/2	Spectrum Business	Data Communication 04/2017 Office	1,580.49	526.83
35675	5/2	Spectrum Business	Data Communication 04/2017 Glenwood Plant	2,263.33	754.44
35676	5/2	Star Ford	Lamp assembly kits for units #44 & #48	115.00	38.34
35677	5/2	Still Mor Automotive Inc.	Repairs to Unit #36	40.71	13.57
35678	5/2	Sully-Miller Contracting Co.	Minimum load charge	826.13	
35679	5/2	The Gas Company	Gas purchased Glenwood, Office & Mills house -04/2017	103.07	34.35
35680	5/2	Underground Service Alert/SC	Underground notifications for 04/2017	129.38	43.12
35681	5/2	Univar USA Inc	1280 gallons of bleach at Mills & Glenwood	2,275.63	
35682	5/2	Vision Service Plan Co-(CA)	Group Vision for 05/2017	280.26	186.84
35683	5/2	Vulcan Materials Company	Crushed aggragate base materials	1,034.44	
35684	5/2	Waste Management - Sun Valley	Disopsal service for Glenwood and Office 05/2017	781.70	260.56
35685	5/2	Water Environment Federation	Membership renewal for Dennis Maxwell	234.00	78.00
35686	5/2	Western Water Works	Couplings, sleeves, tees, reducers, gate valves, flanges & elbows	8,886.40	
35687	5/8	EmbroidMe	Orange Safety T-Shirts	1,070.11	356.70
35688	5/16	ACV Systems, LLC	Well 5 valve repairs	1,106.78	
35689	5/16	Airgas USA, LLC	Monthly cylinder rental 04/2017	206.70	206.70
35690	5/16	All American Landscape Co.	Monthly maintenance 05/2017	217.50	72.50
35691	5/16	Ameripride Uniform Services, Inc	Monthly uniform rentals 04/2017	576.84	192.28
35692	5/16	Anawalt Lumber & Materials Co.	Misc hardware 04/2017	9.35	
35693	5/16	Kirk Anderson	Remove bees from meter box at 2835 Harmony	125.00	
35694	5/16	ARC	Monthly MPS billing 04/2017	650.95	216.98
35695	5/16	AT&T	PRI Usage 04/2017	3,480.02	1,123.09
35696	5/16	Regino Avalos	Brush Clearing,well 9,11,14,Rosemont Res & Mills Plant	1,565.00	
35697	5/16	AW Direct, Inc	Underseat for unit #51	156.54	52.17
35698	5/16	BC Laboratories, Inc	Water analysis	2,551.65	
35699	5/16	Bonners Equipment Rentals	Misc rentals 04/2017	44.66	14.88
35700	5/16	CA-NV Section AWWA	Backflow prevention assembly tester renewal - Whitman	180.00	
35701	5/16	CalPERS	Contibutions for 04/2017	21,915.63	12,827.97
35702	5/16	Capital One Commercial	Misc supplies	242.82	242.81
35703	5/16	Cargill, Inc - Salt Division	24.60 tons bulk solar salt	3,168.82	

35704	5/16	CCS Interactive, Inc.	Monthly website hosting/water waster reporting 05/2017	78.75	26.25
35705	5/16	City of Glendale	Utiliity taxes from 1/1/2017 to 03/31/2017	52,180.95	
35706	5/16	Dataprose LLC	Printing & postage for Controls 1-4	1,486.88	1,486.88
35707	5/16	Dell Financial Services	Lease contract 05/17/17 to 06/16/17	727.71	242.57
35708	5/16	Department of Consumer Affairs	Renewal of Professional Engineers license - Brook Yared	115.00	
35709	5/16	Do-it Center	Misc hardware 04/2017	216.63	78.23
35710	5/16	Charles Dress	Refund Check	35.40	
35711	5/16	Eurofins Eaton Analytical Inc.	Water analysis	590.00	
35712	5/16	Eurofins Eaton Analytical Inc.	Water analysis	386.00	
35713	5/16	First Choice	Coffee Service plant & office	135.79	135.79
35714	5/16	Foothill Car Wash, Lube & Oil	Oil changes for units #3, #11, #6, #16	229.36	76.46
35715	5/16	Foothill Municipal Water	Purchased water - 04/2017	272,047.96	
35716	5/16	Grainger	Fire extinguisher boxes, flags, strapping kits, wheel chock for Unit #31	590.28	379.98
35717	5/16	Great America Leasing Corp.	Kyocera copier lease 05/2017	216.96	216.96
35718	5/16	Armik Grigorian	Refund Check	21.23	
35719	5/16	Gsolutionz Professional Services	Landline support 6/2/2017 to 7/1/2017	150.63	50.21
35720	5/16	HD Supply Waterworks Ltd	Brass elbows, ball valves, corp stops, angle stops, couplings, caps	6,265.23	
35721	5/16	Home Depot Credit Services	Misc hardware 04/2017	353.21	408.62
35722	5/16	Sue Kim	Refund Check	56.20	
35723	5/16	L.A. County Dept. Public Works	Excavation permits	4,509.00	
35724	5/16	Lagerlof, Senecal, Gosney & Kr	Legal services 04/2017	3,740.00	1,250.00
35725	5/16	Mail Finance	Postage machine lease	183.97	183.96
35726	5/16	McMaster-Carr Supply Co	Miscellaneous supplies	9.04	9.04
35727	5/16	New Image Landscaping	Monthly miantenance 05/2017	902.50	177.50
35728	5/16	Jon Nord	Refund Check	72.38	
35729	5/16	Northern Tool & Equip Co.	Blasting materials for corrosion removal	471.23	471.23
35730	5/16	O'Reilly Auto Parts	Misc parts 04/2017	302.76	106.00
35731	5/16	Orchard Supply Hardware	Misc hardware 04/2017	614.83	284.66
35732	5/16	Ramco	Dumping charges 04/2017	2,000.00	
35733	5/16	Red Wing Shoe Store	Safety Boots, David R., Carlos,David Inman, Steve D	657.95	219.32
35734	5/16	Royal Wholesale Electric	Misc. electrical for reservoir maintenance	372.59	
35735	5/16	Sawyer Petroleum	600 Gal.clear diesel fuel	1,174.43	391.48
35736	5/16	Shell	Gas purchased 04/2017	1,372.30	457.44
35737	5/16	Simpler Systems	Monthly minatenance for May 2017	375.00	125.00
35738	5/16	Spectrum Business	Internet Data Office 05/2017	134.96	45.00
35739	5/16	Star Brite Bldg. Maintenance Inc	Janitorial service 05/2017	618.75	206.25
35740	5/16	Toro's Lawnmower & Garden	Spark plug and air filter for blower	11.52	11.52

35741	5/16	UPS	Shipping charges	12.57	12.56
35742	5/16	Derek Vieira	Refund Check	72.38	
35743	5/16	Vulcan Materials Company	Crushed misc base	523.39	
35744	5/16	Wells Fargo Card Services	Gould:AWWA Spring Conf (hotel, meals), computer cord	833.07	277.69
35745	5/16	Wells Fargo Card Services	Hass:Monthly recurring charges; laptops & hardware, postage, lunch for office	765.54	258.95
35746	5/16	Wells Fargo Card Services	Love: Staff dinner for Board meetings	109.37	36.46
35747	5/16	Wells Fargo Card Services	Maxwell:Safety cones & materials; training class refreshments; trailer hitch, lights & fuel filter repairs for Unit #21; Smog check Unit #1	1,017.75	422.69
35748	5/16	Wells Fargo Card Services	Mitchell: Staff dinner for Board meeting and public hearing	132.95	44.32
35749	5/16	Western Water Works	Adapters, gaskets, plastic pipe and flanges	2,651.55	
35750	5/16	Sun Yoo	Refund Check	8.66	
35751	5/23	Ron Mitchell	Health reimbursement - RM	789.52	526.35
35752	5/24	Aflac	Employee paid insurance 05/2017	1,406.69	
35753	5/24	Associated Soils Engineering	E-972 Services for 05/2017	435.00	
35754	5/24	AT&T Mobility	Cell phone service 05/2017	1,177.94	392.64
35755	5/24	California Water Environment	Collection Sys Maint Grade 4 - Dennis Maxwell	98.00	
35756	5/24	City of Los Angeles	Capital Portion and O & M payments		146,538.00
35757	5/24	Northern Tool & Equip Co.	Air compressor for shop		699.99
35758	5/24	So Cal Turf & Tractor	Trailer mounted compressor for the large trailer	1,464.40	488.13
35759	5/24	Spectrum Business	Data Service Glenwood 05/2017	74.98	25.00
35760	5/24	Judy Tejeda	Reimbursement for ACWA/JPIA Conference 05/2017	604.77	201.59
35761	5/24	All Time Delivery	Delivery letter and package to Cesar Avila	48.75	16.25
35762	5/24	David Gould	Health reimbursement - DG	151.20	100.80
35763	5/31	Cash-Petty Cash	Replenish petty cash fund	324.08	46.60
				$ 697,088.38	$ 180,915.40
			Total Disbursements for May 2017		$ 878,003.78

Payroll Report for May 2017

Directors	$ 1,620.00
Office Regular Payroll	$ 117,979.00
Office OT	$ 679.00
Plant Regular Payroll	$ 107,899.00
Plant OT & Standby	$ 9,609.00
Employer Payroll Taxes	$ 18,205.00

Payroll Service Charges	$ 362.00
Total Payroll	$256,353.00

CRESCENTA VALLEY WATER DISTRICT

BOARD OF DIRECTORS - STAFF REPORT

Action Item No. 1
June 20, 2017

To: Honorable President and Members of the Board of Directors

From: Thomas A. Love – General Manager

Subject: **Fiscal Year 2017/18 - Water and Wastewater Budgets**

AGENDA ITEM:

Fiscal Year 2017/18 Water and Wastewater Budgets - Consideration and motion to adopt the fiscal year 2017/18 Water and Wastewater Budgets.

BACKGROUND:

The preliminary budgets for FY 2017/18 for the Water and Wastewater funds have been prepared by staff and previously been presented to the Finance Committee and Board of Directors for review and discussion.

A Public Workshop was held on April 11, 2017 to present a summary of the preliminary budgets.

On June 13, 2017 the Board conducted a Public Hearing. There were seven members of the public that provided comments for the Board's consideration. As of June 15, 2017, nine written protest letters have been received.

DISCUSSION:

The draft water and wastewater cash flow models have been provided to the Board and discussed at various Board meetings. Attached are the final Fiscal Year 2017-2018 Water and Wastewater Cash Flow Models and the draft Water and Wastewater Budget Executive Summaries.

RECOMMENDATION:

Staff recommends that the Board adopt the fiscal year 2017/18 Water and Wastewater Budgets as presented.

Prepared by:

Ron L. Mitchell
Secretary-Treasurer

Submitted by:

Thomas A. Love
General Manager

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CRESCENTA VALLEY WATER DISTRICT

Fiscal Year 2017-2018 Water Budget
Executive Summary

Presented herein is the Crescenta Valley Water District's (CVWD) Fiscal Year 2017-18 Water Budget for consideration by the Board of Directors (Board). The following paragraphs describe the key elements significantly changed from previous years and assumptions that were a part of the budget development process.

The budget proposed for CVWD water operations for FY 2017-18 is guided by the discussion and direction set by the Board in the spring of 2017 with review by and comments from the Finance and Engineering Committees. The Budget is based on continuation of long-term initiatives to maintain system reliability and effectively manage available water resources. The Budget includes funds to continue emphasis on preventive maintenance programs that have been deferred in recent years, funds to continue with a meter replacement program designed to meet AWWA standards, establish a priority list of necessary capital projects, and projects to improve and maintain local well production to reduce the amount of imported water purchased. New treatment facilities for Well No. 2 have been designed and are scheduled for construction in FY 2017-18.

The recent drought, the driest five years on record, the state mandated water conservation, and the resulting reduction in water sales revenue has necessitated the deferral of maintenance and infrastructure improvements. In addition, CVWD has used its rate stabilization reserve funds to mitigate rate increases in past years. The statewide water supply has improved dramatically with the winter storms that happen mostly in Northern California. However, the local precipitation in the Crescenta Valley was slightly more than average rainfall. The State has ended the drought emergency and mandatory water conservation targets, and CVWD has also reduced the water conservation alert level.

Some portions of CVWD's water distribution system are over 70 years old and are approaching, or have already reached, the end of their useful lives. The pipes, wells, pumping plants, reservoirs, and other infrastructure necessary to provide safe, clean water gets old, wears out, and must be replaced before they fail. This is especially true in a hillside community like La Crescenta where, in addition to the loss of water, the consequential damages to surrounding property owners resulting from a large water line failure could amount to millions of dollars.

CVWD has evaluated and identified certain facilities requiring rehabilitation or replacement and has prioritized improvement projects based on criticality to reliable water system operation and risk of failure. The prioritized improvement projects are planned for implementation over several years at an expenditure amount of $3.2 million per year.

Declining water sales combined with increasing infrastructure replacement cost has necessitated the use of the District's rate stabilization reserves to mitigate customer rate impacts. Additionally, inter-fund loans from the MTBE reserve fund have been used to maintain the water reserve fund above the targeted reserve amount.

- Fiscal Year 2017-18 Strategic Plan goals:
    - Maintain a proactive infrastructure management program;
    - Maintain organizational effectiveness;
    - Update and implement emergency response plan;
    - Ensure continued financial stability;
    - Improve effective public outreach and customer service; and
    - Enhance effective governance.

- Fiscal Year 2017-18 Budget and Management Goals:

- o Monitor water sales revenue and adjust budgeted expenditures accordingly to maintain water fund reserves within budgeted amounts;
- o Continue of prudent practice of activities for operations and maintenance at a moderate level and keep close control of general administrative expenses;
- o Continue with the implementation of a meter replacement program over the next 2 years to replace meters over 20 years of age with new meters that can record low levels of consumption (low flows), to reduce the revenue lost to meters that do not accurately record usage;
- o Maintain appropriate staffing levels. Evaluate vacant staff positions on a case-by-case basis;
- o Continue Capital Improvement Projects to improve the District's infrastructure in a "pay-as-you-go" funding method;
- o Maintain water fund reserve levels per CVWD's policy guidelines;
- o Continue to upgrade the District's ability to respond to emergencies and enhance reliability; and
- o Continue cost containment and improvement of financial reporting.

Revenue Projections:

- Projected water sales for FY 2017-18 are estimated to be 4,050 acre feet (AF). Actual water sales in FY 2016-17 are projected to be 3,850 AF. FY 2017-18 revenue is projected at $12,000,000 from water sales and meter charges.
- Groundwater production has declined an average of 14% per year since 2011 due to below average precipitation. CVWD's goal each water year is to meet its adjudicated rights of 3,294 AF/yr. However, this will not be possible to achieve in FY 2017-18 due to low groundwater levels in the Verdugo Basin. The newly constructed well at the Rockhaven site, completed in 2016, is projected to increase total groundwater production by about 18%. Also, a new treatment system for Well No. 2 is being development to re-activate this well within the next 12 months. These projects will help CVWD to increase groundwater production. However, since long term local precipitation remains below normal, groundwater production will be adversely impacted.
- Projected interest income is budgeted at $180,000 from the water and MTBE reserve funds.
- Other projected sources of revenue include developer/connection fees, late fees, fire service, meter charges, flooding meters, fire hydrant testing, and other miscellaneous sources totaling $224,000.
- Grant revenue, which is used to fund capital improvement projects, is anticipated at $1,000,000.

Expense Projections:

Water operational expense projection for FY 2017-18 is $9,210,000 which is $580,000 higher than the prior year due to an increase in purchased imported water expense while groundwater sources continue to recharge from the recent rains. This number does not include $3,275,000 for Capital Improvement Projects (CIP).

Expense for Purchased Water:

- CVWD will continue to work towards its goal to improve the yield of local water produced from the Verdugo Groundwater Basin; however, it will depend on the rainfall amount in the winter of 2017-18.
- For FY 2017-18, FMWD's operations costs are increasing by 8.6% and FMWD's CIP cost are remaining the same. In January 2018, MWD will increase the cost for treated water by 4% to $1,015 per AF.
- CVWD purchased 55% of its overall water supply from FMWD in FY 2016-17 and is projecting to purchase 50% of its overall water supply from FMWD in FY 2017-18.
- A detailed breakdown of FWMD costs are shown in Appendix A - FMWD Cost Analysis.

Compensation and Benefits:

The total cost for compensation and benefits is projected to be $3,048,000. To prepare the compensation and benefits portion of the FY 2017-18 Budget, staff made the following assumptions:

- Labor:
  - A cost of living adjustment (COLA) of 2.25% per Memorandum of Understanding with Local 1902, AFSCME
  - Step increases for eligible employees only
  - Superintendent position filled
  - Five vacant staff positions remain unfilled
- Annual Payroll Taxes:
  - State Unemployment/SUI 2.4% of the first $7,000 per employee
  - Social Security/Medicare 7.65% of earnings
- CalPERS contribution:
  - Rate increased based on the District's annual actuarial valuation report provided by CalPERS
  - New employees hired after January 1, 2013 pay their employee's share beginning on July 1, 2014 per State law.
- Workers' Compensation:
  - Modification factor of 2.43 will be decreased to a to-be-determined amount by ACWA/JPIA's calculations based on three consecutive years of zero lost work-time events; this will decrease the cost of the District's workers' compensation insurance premium.
- Group Insurance:
  - Health/Dental 10.0% increase in District portion of costs
  - Vision 0.0% increase
  - Self-Insurance No change from prior year

Water Operations:

Water operations consist of the maintenance of the water production, treatment, storage, and distribution systems and include the water delivery, infrastructure of wells, treatment plants, mains, pumps, reservoirs, meters, and appurtenant structures.

- CVWD's utility workers and system operators keep the water flowing to District customers while ensuring regulatory compliance. CVWD's superintendent of operations and 11 staff members work in direct support of this mission.
- In FY 2016-17, CVWD water distribution maintenance crews performed the following repairs, replacements, installation, and maintenance:
  - Repaired 4 water main leaks, which was more than the 15 leaks in FY 2015-16.
  - Water service laterals – Replacement
    - 91 water service laterals due to leaks from failure of old pipe or improper backfill
    - 10 water service laterals as part of the water meter replacement program
    - 9 water service laterals were replaced using a horizontal boring machine, which eliminated the need to replace AC pavement and thereby reducing the overall costs.
  - Installed 8 new meter services (D-jobs)
  - Installed or upgraded 6 fire hydrants
  - Exercised 998 or 47% of the system valves in FY 2016-17
  - Clean 850 +/- meter boxes
  - Replaced 850 +/- water meters with new IPerl meters
- The Water Operation and Distribution System budget for FY 2017-18 is $2,174,000. Staff included in the budget the continuation of water service replacements, which is a part of the water meter replacement.

- Staff and field crews plan to continue with the meter replacement program. FY 2017-18 will be the 6th year of the program and about 1,000 meters are planned to be replaced within Pressure Zones 3, 4 & 5.
- The cost of electrical power needed to operate the wells and booster pump systems increased in FY 2016-17 due to rate increase from both Southern California Edison (SCE) and Glendale Water and Power (GWP). Electrical power costs are projected to increase by 3.0% in FY 2017-18 primarily due to anticipated electrical rate increases and increased groundwater pumping from Well 16.
- Staff will be making a concerted effort in FY 2017-18 to contain or reduce other operational costs as much as possible in order to minimize the overall impact to the budget as this relates to reduced water demand and revenue.
- CVWD plans on continuing with increased annual maintenance of the water distribution system such as exercising of water valves, fire hydrant maintenance, water flushing for water quality, water valve replacement, and leak detection. Also, CVWD will continue its effort with emergency services to replace leaking laterals, mains, and meters as funds and man power allow.

Capital Outlay & Equipment:

Capital outlay planned for FY 2017-18 includes the continuation of upgrades to CVWD's computer network system and site security and an evaluation and masterplan for the main office building.

Water Conservation:

Water Conservation has been, and will continue to be, an element of CVWD's budget. Staff efforts will continue in conjunction with Metropolitan Water District of Southern California (MWD) and the California Urban Water Conservation Council in implementing its water conservation and customer rebate programs and implementing best management practices. The District is on target to exceed its water reduction goals as set forth by state law for 2020. The District and customers' conservation efforts also exceeded the water conservation objective mandated by the State in 2015 and 2016.

- CVWD's goal is to continue with educating the public and promoting water use efficiency.
- CVWD's proactive water conservation initiatives and prior year's expenditures have resulted in a declining water use trend that enabled CVWD to exceed the State mandated target of 24% conservation. In recognition of the success of the conservation effort and due to reduced water sales revenues, the water conservation budget for FY 2017-18 is $49,500 or 50% less than two years ago.

Engineering and Capital Improvements:

The Engineering Department leads in planning and implementing the District's Capital Improvement Program, which is based on a priority of projects need to maintain CVWD's water infrastructure. The budget for CIP for FY 2017-18 is $3,275,000.

- Major projects completed in FY 2016-17:
  - Pipeline replacement on the 4400 & 4500 Blocks of Pennsylvania
  - Replacement of the pipeline at the Lower Pickens Canyon Crossing & Slope Restoration
  -
  - Completion of the emergency water supply connection with LADWP at Ocean View & Ordunio Reservoirs, as part of Proposition 50 Water Security grant
  - Finalizing the Storm Water Recharge Feasibility Study at Crescenta Valley County Park
  - Replacement of Booster 12 at Markridge Booster Station
  - Rehabilitation of Well No. 8
  - Recycled Water System Feasibility Study
  - SCADA Information and Control Systems Replacement, Project
  - Design of nitrate treatment removal system and re-activating Well 2 at Ordunio Reservoir site
- Major projects planned for FY 2017-18:
  - Rehabilitation of Well No. 5 & 10

  - Installation of nitrate treatment removal system and re-activating Well 2 at Ordunio Reservoir site
  - Rehabilitation of roof and vents at Oak Creek #1 & #2 Reservoirs
  - Replacement of 2,000 LF of pipeline on 2700, 3000 & 3100 Blocks of Brookhill Avenue
  - Replacement of Booster Pump 32 at Glenwood Plant and Booster C at Encinal Reservoir
- Additional tasks to be performed by the Engineering Department include: submittal of grant application for stormwater recharge project at Crescenta Valley County Park, perform a drinking water source assessment study, a chlorination study and a cathodic protection study, a coordinating construction with other agencies, working with developers on proposed improvements, permit coordination, well and booster pump rehabilitation, grant funding program and other miscellaneous projects.

<u>Technology Improvement Projects:</u>

The mission of CVWD's technology improvement effort is to protect personnel and District assets. Additionally, it is to provide a foundation for future needs of District staff and customers. New equipment and systems are developed, researched and deployed not only to optimize employees' time and productivity, but to ensure potential cost savings and optimizations are realized in future years.

- In FY 2016-17 important projects accomplished included:
  - Platform upgrades for the billing and connected systems ensuring enhanced disaster recovery and general performance.
  - Deployed security and surveillance equipment to protect District employees and assets
  - Upgrades to internal and external security for information systems safeguarding against destructive and intrusive cyber threats and targeted attacks.
  - Rehabilitation of existing equipment to extend the lifecycle and minimize costs.
  - Expanded upgrades of virtual services for current and future storage and service needs.
  - Additional sampling and monitoring equipment for water quality was integrated with SCADA.
  - Engineered and upgraded new communication fabric and routes ensuring redundancy and lowest expense.
  - Enhanced security protocols and policies reviewed and are in implementation
  - Designed phase one and began implementation of SCADA modernization and replacement
  - AMI system and analysis for permanent AMI system was completed
- Projects supported by capital outlay expense for FY 2017-18:
  - Continuation of enhancements of the billing process, printing and mailing systems;
  - Upgrading aspects of security on telemetry, data technology and physical venues including additional firewalls, network based security and additional third party monitoring; concentration on modernization of personnel policies and procedures.
  - Completion of Phase one SCADA modernization
  - Enhancing current public facing offerings including account management and water conservation tools;
  - Begin phase two of SCADA modernization to replace "end of life" telemetry equipment, enhancing information, management and data archiving abilities for operations. Adding functionally to assist in normal and emergency operations. Analytics will allow staff to responding and possibly predict incidents saving resources and time. Engineering analytics to assist in predictive planning and expense control
  - Asset and resource tagging for GIS, asset management and other future management systems. Completion of Fleet management systems.
  - Wastewater level and flow equipment testing for integration with monitoring and alarms.
  - Implementation of new policies and management software to monitor security and add additional user based safeguards from intrusion and data loss.

General Administrative Services:

General administration expenses represent the costs for consultants, accountants, lawyers, IT, conservation programs, conferences, training, and other administrative services.

- In FY 2017-18, CVWD is planning to expend $726,000 for general administration.
- Voice and wireless data communications budgets were increased to properly reflect actual expenses.
- Staffing - The District's organizational chart shows 34 full time employees. Filling of vacancies will be evaluated on an individual basis.

Conclusion:

The coming year will present a variety of challenges for Crescenta Valley Water District. The impact of the drought and mandated water conservation has resulted in significantly reduced water sales revenue over the past four years. In addition, the reduced availability of local groundwater will result in increased costs for imported water. The need to maintain a high quality water system makes it important for the District to be as efficient as possible in the execution of its mission. We need to recruit and select good employees to fill the openings we have at our entry levels. The employees will continue to work to deliver excellent customer service, be efficient in their approach, and be aware and alert to ways to improve and save money in the conduct of our business.

Special thanks to the Finance and Engineering Committees that worked diligently to provide valuable input in developing the FY 2017-18 Budget.

I also want to express my gratitude to the management staff for their diligent efforts spent preparing this FY 2017-18 Budget.

Submitted by:

Thomas A. Love, P.E.
General Manager

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Table Water Budget WB - 1 Projected Water Customers - FY 17/18 - Draft V.June 20

	2	1				1		2	3	4	5
Water Meter Size	**Recorded FY 2014-15**	**Recorded FY 2015-16**		Budget FY 2016-17	**Projected FY 2016-17**	**Budget FY 2017-18**		**Forecast FY 2018-19**	**Forecast FY 2019-20**	**Forecast FY 2020-21**	**Forecast FY 2021-22**
3/4 inch	**6,921**	**6,919**		6,926	**6,917**	**6,917**		6,917	6,917	6,917	6,917
1 inch	**814**	**815**		818	**854**	**894**		897	900	903	906
1-1/2 inch	**145**	**146**		147	**147**	**149**		150	151	152	153
2 inch	**64**	**64**		65	**64**	**67**		68	69	70	71
3 inch	**28**	**28**		29	**28**	**28**		28	28	28	28
4 inch	**2**	**2**		2	**2**	**2**		2	2	2	2
6 inch	**0**	**0**		0	**0**	**0**		0	0	0	0
8 inch	**0**	**0**		0	**0**	**0**		0	0	0	0
10 inch	**0**	**0**		0	**0**	**0**		0	0	0	0
Total water services	7,974	7,974		7,987	8,012	8,057		8,062	8,067	8,072	8,077
Projected No. of Account Annual Increase	5	0		13	38	45		5	5	5	5
Projected Percent of Account Annual Increase	0.06%	0.00%		0.16%	0.48%	0.56%		0.06%	0.06%	0.06%	0.06%

Table Water Budget - WB-2 Water Production and Costs - FY 17/18 - Draft V.June 20

Description	Recorded FY 2014-15	Recorded FY 2015-16	Budget FY 2016-17	Projected FY 2016-17	Budget FY 2017-18	Forecast FY 2018-19	Forecast FY 2019-20	Forecast FY 2020-21	Forecast FY 2021-22
	2	1			1	2	3	4	5
Well Production (Verdugo Basin)	2,146	1,761	1,950	1,413	1,600	1,800	1,950	2,100	2,250
Well Production (GWP)	0	169	555	356	450	505	600	600	600
Foothill MWD Purchases[4]	1,875	1,573	1,195	2,083	2,000	1,910	1,880	1,955	2,050
Total Production [1][2]	4,021	3,503	3,700	3,852	4,050	4,215	4,430	4,655	4,900
Shrinkage (percent)[3]	8%	8%	8%	8%	8%	8%	8%	8%	8%
Less Shrinkage (ac-ft)	322	280	296	308	324	337	354	372	392
Total billable consumption (sales)	3,699	3,223	3,404	3,544	3,726	3,878	4,076	4,283	4,508
FMWD Purchased Water	1,875	1,573	1,195	2,083	2,000	1,910	1,880	1,955	2,050
FMWD Unit Charge (inc. Power)		$1,076		$1,091					
FMWD Fixed Charge		$762,787		$774,611					
FMWD Effective Unit Charge ($/ac-ft)	$1,461	$1,560	$1,757	$1,462	$1,542	$1,684	$1,693	$1,736	$1,784
FMWD Cost	$ 2,742,335	$ 2,454,524	$2,099,400	$3,045,567	$3,084,100	$3,217,300	$3,182,800	$3,394,700	$3,658,000
Cost Increase/Decrease from FMWD Unit Charge	$153	$99	$196	-$98	$80	$142	$9	$43	$48
Percent FMWD Cost Increase/Decrease	11.72%	6.80%	12.59%	-6.30%	5.47%	9.23%	0.51%	2.57%	2.76%
Well Production (GWP)	0	169	555	356	450	505	600	600	600
GWP Unit Charge ($/ac-ft)	$0	$290	$417	$424	$460	$460	$462	$449	$475
GWP Cost	$ -	$ 49,036	$231,435	$151,100	$207,000	$232,300	$277,200	$269,400	$285,000

Notes:

1. All quantities are in acre-feet (ac-ft).
2. Projected Total Production for FY 17/18 at 4,050 ac-ft due to relaxation of water conservation alert.
3. Shrinkage (water loss) anticipated to be 8% as part of the continuation of the water meter replacement program.
4. FMWD Cost based on FMWD's Preliminary Budget for FY 17/18.

Water Budget Table WB-3 Sources of Water Funds - FY 17/18 - Draft V.June 20

Description	Recorded FY 2014-15	Recorded FY 2015-16	Budget FY 2016-17	Projected FY 2016-17	Budget FY 2017-18	Forecast FY 2018-19	Forecast FY 2019-20	Forecast FY 2020-21	Forecast FY 2021-22
	2	1			1	2	3	4	5
Sources of Funds - Variable Sources									
Water Sales - Consumers	**$ 6,594,471**	**$ 5,952,066**	*$ 6,953,000*	**$ 6,632,864**	**$ 8,157,000**	**$ 9,121,000**	**$ 10,303,000**	**$ 11,580,000**	**$ 12,190,000**
Water Sales - Irrigation									
Water Sales - CVWD	$ 4,162,173	**$ 5,952,066**	*$ 6,953,000*	$ 6,632,864	$ 8,157,000	$ 9,121,000	$ 10,303,000	$ 11,580,000	$ 12,190,000
Water Sale - FMWD	$ 2,432,299		*$ -*		$ -	$ -	$ -	$ -	$ -
Interest Earned - Water	**$ 91,782**	**$ 188,668**	*$ 107,000*	**$ 143,259**	**$ 105,000**	**$ 85,000**	**$ 82,000**	**$ 90,000**	**$ 100,000**
Gain/Loss on Sale of Investments	**$ 94,125**	**$ 83,806**	*$ 56,000*	**$ 36,875**	**$ 60,000**	**$ 53,000**	**$ 52,000**	**$ 55,000**	**$ 62,000**
Fair Value Adjustment	**$ (122,475)**	**$ 362,379**	*$ -*		$ -	$ -	$ -	$ -	$ -
Interest Earned - MTBE Reserve Fund	**$ 103,498**		*$ 77,000*	**$ 115,000**	**$ 76,000**	**$ 78,000**	**$ 80,000**	**$ 82,000**	**$ 84,000**
Gain/Loss on Sale of Assets *(deleted)*	**$ -**								
Subtotal variable sources	$ 6,761,401	$ 6,586,919	*$ 7,193,000*	*$ 6,927,998*	*$ 8,398,000*	*$ 9,337,000*	*$ 10,517,000*	*$ 11,807,000*	*$ 12,436,000*
Sources of Funds - Stable Sources									
Water Sales - Service Charge	**$ 1,828,481**	**$ 1,949,220**	*$ 2,247,000*	**$ 2,246,625**	**$ 2,433,000**	**$ 2,618,000**	**$ 2,817,000**	**$ 3,017,000**	**$ 3,020,000**
Fire Service Meter Charge	**$ 33,300**	**$ 36,773**	*$ 38,000*	**$ 58,379**	**$ 41,000**	**$ 44,000**	**$ 48,000**	**$ 48,000**	**$ 52,000**
Late Fees/Fire Hydrant Flow/Backflow Tests	**$ 71,455**	**$ 62,897**	*$ 80,000*	**$ 65,374**	**$ 68,374**	**$ 71,374**	**$ 74,374**	**$ 77,374**	**$ 80,374**
Other Income - Water	**$ -**	**$ 54,024**	*$ 5,000*	**$ 45,000**	**$ 5,000**	**$ 5,000**	**$ 5,000**	**$ 5,000**	**$ 5,000**
Rental Property Income	**$ 22,200**	**$ 21,263**	*$ 23,000*	**$ 22,590**	**$ 23,000**	**$ 23,000**	**$ 23,000**	**$ 26,000**	**$ 26,000**
Subtotal - Stable Sources	$ 1,955,436	$ 2,124,176	*$ 2,393,000*	**$ 2,437,968**	**$ 2,570,374**	**$ 2,761,374**	**$ 2,967,374**	**$ 3,173,374**	**$ 3,183,374**
Sources of Funds - CIP Sources									
Water Systems Connect Fee	**$ 40,212**	**$ 36,551**	*$ 45,000*	**$ 202,500**	**$ 45,000**	**$ 50,000**	**$ 55,000**	**$ 60,000**	**$ 60,000**
Meter Installation/Hydrant Charges	**$ 148,150**	**$ 40,690**	*$ 30,000*	**$ 43,440**	**$ 43,440**	**$ 60,000**	**$ 70,000**	**$ 80,000**	**$ 90,000**
Grant Revenue	**$ 49,273**	**$ 574,983**	*$ 1,150,250*	**$ 560,300**	**$ 1,013,000**	**$ 620,475**	**$ 285,300**	**$ 250,000**	**$ 250,000**
Glendale Capital Contribution (GWP)		**$ 214,346**		**$ -**	**$ -**				
Gain/Loss on Sale of Assets	**$ 664**	**$ 5,401**	*$ -*	**$ -**	**$ -**	$ -	$ -	$ -	$ -
Interest Earned - COP Bonds (not included in subtotal or total)	**$ 162**	**$ 222**	*$ 200*	**$ 841**	**$ 841**	$ -	$ -	$ -	$ -
Subtotal CIP Sources	$ 238,461	$ 872,193	*$ 1,225,450*	$ 807,081	$ 1,102,281	$ 730,475	$ 410,300	$ 390,000	$ 400,000
TOTAL SOURCE OF FUNDS	$ 8,955,298	$ 9,583,288	*$ 10,811,450*	$ 10,173,047	$ 12,070,655	$ 12,828,849	$ 13,894,674	$ 15,370,374	$ 16,019,374

Water Budget Table WB-4 - Summary of Water O & M Expenses - FY 17/18 - Draft V.June 20

Description	Account No.	Recorded FY 2014-15	Recorded FY 2015-16	Budget FY 2016-17	Projected FY 2016-17	Budget FY 2017-18	Forecast FY 2018-19	Forecast FY 2019-20	Forecast FY 2020-21	Forecast FY 2021-22
		2	1			1	2	3	4	5
EXPENSE										
COMPENSATION AND BENEFITS										
Director Fees	451-99	$ 9,225	$ 8,370	*$ 9,000*	$ 8,000	$ 9,000	$ 9,000	$ 9,000	$ 9,000	$ 9,000
Compensation										
Officer Salaries	441-99	$ 150,010	$ 163,897	*$ 170,000*	$ 178,114	$ 175,000	$ 178,000	$ 181,000	$ 184,000	$ 187,000
Administrative Services Labor	452-98/99	$ 332,408	$ 349,000	*$ 366,000*	$ 354,040	$ 365,000	$ 373,000	$ 381,000	$ 389,000	$ 397,000
Administrative Services Labor - OT		$ 3,209	$ 3,493	*$ 3,000*	$ 4,271	$ 3,000	$ 3,000	$ 3,000	$ 3,000	$ 3,000
Engineering Department Labor	473-98/99	$ 291,255	$ 279,073	*$ 298,000*	$ 331,450	$ 330,000	$ 301,000	$ 308,000	$ 313,000	$ 317,000
Plant - Office Labor	447-98/99	$ 202,521	$ 135,448	*$ 221,000*	$ 198,546	$ 203,600	$ 223,000	$ 225,000	$ 228,000	$ 243,000
Plant - Office Labor-OT		$ 352	$ 271	*$ -*	$ 705	$ -	$ -	$ -	$ -	$ -
System Operators Labor	403-98/99	$ 274,129	$ 282,916	*$ 298,000*	$ 310,418	$ 315,000	$ 301,000	$ 304,000	$ 307,000	$ 310,000
System Operators Labor-OT		$ 24,973	$ 16,649	*$ 22,000*	$ 11,607	$ 15,000	$ 22,000	$ 22,000	$ 23,000	$ 23,000
Utility Workers Labor	425-98/99	$ 325,943	$ 346,303	*$ 345,000*	$ 357,081	$ 368,000	$ 356,000	$ 364,000	$ 374,000	$ 398,000
Utility Workers Labor-OT		$ 51,582	$ 38,487	*$ 52,000*	$ 40,129	$ 52,000	$ 52,000	$ 52,000	$ 53,000	$ 54,000
Standby Pay		$ 41,038	$ 43,125	*$ 43,000*	$ 44,729	$ 46,000	$ 46,000	$ 46,000	$ 46,000	$ 46,000
Auto Allowance		$ 9,075	$ 10,200	*$ 10,000*	$ 10,200	$ 10,200	$ 10,200	$ 10,200	$ 10,200	$ 10,200
Compensation Total		$ 1,718,347	$ 1,683,271	*$ 1,841,000*	$ 1,852,247	$ 1,895,800	$ 1,878,200	$ 1,909,200	$ 1,944,200	$ 2,002,200
Sick and Vacation - Office	439-01	$ 133,363	$ 101,616	*$ 112,000*	$ 129,353	$ 112,500	$ 114,000	$ 116,000	$ 118,000	$ 120,000
Sick and Vacation - Plant	439-02	$ 88,909	$ 67,744	*$ 74,000*	$ 86,236	$ 75,000	$ 76,000	$ 78,000	$ 80,000	$ 82,000
Taxes - Payroll (Total Employees)	459-00	$ 130,866	$ 130,768	*$ 139,000*	$ 134,020	$ 138,000	$ 140,000	$ 142,000	$ 144,000	$ 146,000
PERS Retirement (Total Employees)	469-00	$ 274,681	$ 275,500	*$ 315,000*	$ 300,157	$ 342,000	$ 342,000	$ 367,000	$ 392,000	$ 404,000
Workers' Compensation - Office	487-01	$ 13,221	$ 19,387	*$ 21,000*	$ 21,170	$ 18,000	$ 16,500	$ 16,000	$ 13,000	$ 13,000
Workers' Compensation - Plant	487-02	$ 56,460	$ 79,614	*$ 90,000*	$ 84,224	$ 73,000	$ 72,000	$ 71,000	$ 57,000	$ 58,000
Health and Dental and Vision - Office	464-01	$ 136,220	$ 129,880	*$ 128,000*	$ 134,600	$ 140,000	$ 141,000	$ 142,000	$ 143,000	$ 144,000
Life & Disability Insurance - Office & Plant		$ 9,497	$ 9,959	*$ 10,000*	$ 9,972	$ 10,000	$ 10,000	$ 10,000	$ 11,000	$ 12,000
Health and Dental and Vision - Plant	464-02	$ 140,649	$ 132,772	*$ 140,000*	$ 132,098	$ 147,000	$ 148,000	$ 149,000	$ 150,000	$ 151,000
Self Insurance		$ 9,301	$ 7,468	*$ 13,000*	$ 10,000	$ 13,000	$ 13,000	$ 13,000	$ 13,000	$ 13,000
Retiree - Health Care Expense	464-55	$ 74,635	$ 70,387	*$ 74,000*	$ 75,000	$ 84,000	$ 85,000	$ 86,000	$ 87,000	$ 88,000
Benefits Total		$ 1,067,802	$ 1,025,201	*$ 1,116,000*	$ 1,116,831	$ 1,152,500	$ 1,157,500	$ 1,190,000	$ 1,208,000	$ 1,231,000
TOTAL COMPENSATION AND BENEFITS		$ 2,786,149	$ 2,708,472	*$ 2,957,000*	$ 2,969,077	$ 3,048,300	$ 3,035,700	$ 3,099,200	$ 3,152,200	$ 3,233,200
PLANT - WATER OPERATION										
Utilities	404-00									
Taxes - Property	413-00	$ 12,302	$ 12,502	*$ 13,300*	$ 12,767	$ 13,300	$ 13,500	$ 13,700	$ 13,900	$ 14,100
Glenwood - Plant Maintenance	405-02	$ 35,332	$ 17,036	*$ 23,000*	$ 22,433	$ 23,000	$ 23,500	$ 24,000	$ 24,500	$ 25,000
Glenwood - Landscape	406-02	$ 5,460	$ 4,950	*$ 5,500*	$ 6,832	$ 7,500	$ 7,500	$ 7,500	$ 7,500	$ 7,500
Office Supplies & Misc Expenses - Plant		$ 9,369	$ 7,784	*$ 7,000*	$ 13,728	$ 7,000	$ 7,500	$ 8,000	$ 8,000	$ 8,000
Glenwood - Utilities	404-02	$ 17,368	$ 12,119	*$ 16,000*	$ 12,360	$ 16,000	$ 17,000	$ 18,000	$ 19,000	$ 20,000
Training - Plant	407-02	$ 6,307	$ 6,731	*$ 7,000*	$ 4,848	$ 7,000	$ 7,500	$ 8,000	$ 8,500	$ 8,700
Education Reimbursement/Certifications	475-00	$ 3,707	$ 5,532	*$ 4,000*	$ 2,911	$ 4,000	$ 4,000	$ 5,000	$ 5,000	$ 5,000
Glenwood - Safety and Security System	409-02	$ 16,888	$ 21,511	*$ 17,000*	$ 28,002	$ 20,000	$ 20,500	$ 21,000	$ 21,500	$ 22,000
Glenwood - Uniforms	427-02	$ 9,865	$ 11,264	*$ 9,000*	$ 10,594	$ 9,500	$ 10,000	$ 10,500	$ 11,000	$ 11,500
Permit & Assessment Fees	446-00	$ 1,230	$ 1,973	*$ 1,500*	$ 2,006	$ 1,500	$ 2,000	$ 2,000	$ 2,000	$ 2,000
Tools and Equipment Maintenance	455-02	$ 14,961	$ 14,125	*$ 16,000*	$ 13,963	$ 16,000	$ 17,000	$ 18,000	$ 19,000	$ 20,000
Nitrate Plant Maintenance	430-00	$ 49,440	$ 60,134	*$ 70,000*	$ 68,818	$ 70,000	$ 75,000	$ 77,000	$ 79,000	$ 81,000
Inventory Disposal	409-00		$ 1,276		$ 185					
SCADA - Telemetering & Signal	445-00	$ 7,687	$ 3,619	*$ 10,000*	$ 2,892	$ 10,000	$ 12,000	$ 13,000	$ 14,000	$ 15,000
SCADA Hardware	445-14	$ 11,182	$ 1,832	*$ 6,000*	$ 1,732	$ 6,000	$ 8,000	$ 9,000	$ 10,000	$ 11,000
SCADA Software	445-15	$ -	$ 16,522	*$ 13,000*	$ -	$ 13,000	$ 13,000	$ 13,000	$ 13,000	$ 13,000
SCADA - Communications	445-16	$ 1,431	$ 1,505	*$ 2,500*	$ 1,324	$ 2,500	$ 3,000	$ 3,500	$ 4,000	$ 4,500
Lab & Sampling	428-00	$ 93,575	$ 51,649	*$ 65,000*	$ 76,998	$ 90,000	$ 140,000	$ 69,000	$ 71,000	$ 73,000
Chlorine & Treatment	429-00	$ 72,859	$ 66,968	*$ 71,000*	$ 55,415	$ 65,000	$ 67,000	$ 69,000	$ 78,000	$ 80,000
TOTAL PLANT WATER OPERATION		$ 421,450	$ 326,987	*$ 356,800*	$ 337,806	$ 381,300	$ 448,000	$ 389,200	$ 408,900	$ 421,300

Water Budget Table WB-4 - Summary of Water O & M Expenses - FY 17/18 - Draft V.June 20

Description	Account No.	Recorded FY 2014-15	Recorded FY 2015-16	Budget FY 2016-17	Projected FY 2016-17	Budget FY 2017-18	Forecast FY 2018-19	Forecast FY 2019-20	Forecast FY 2020-21	Forecast FY 2021-22
		2	1			1	2	3	4	5
DISTRIBUTION SYSTEM EXPENSES										
Backflow Expense	410-00	$ 331	$ 460	*$ 500*	$ 635	$ 500	$ 500	$ 500	$ 500	$ 500
Pipelines - Maintenance	423-00	$ 55,643	$ 28,705	*$ 51,000*	$ 23,164	$ 52,000	$ 53,000	$ 54,000	$ 55,000	$ 56,000
Pipelines - Paving	423-07	$ 19,030	$ 22,074	*$ 20,000*	$ 17,638	$ 20,000	$ 21,000	$ 22,000	$ 23,000	$ 24,000
Pipelines - Fire Hydrant & Fire Service Repair/Replace	423-08	$ 9,939	$ 17,298	*$ 13,000*	$ 11,290	$ 14,000	$ 15,000	$ 16,000	$ 17,000	$ 18,000
Pipelines - Leak Detection/Leak Repair	423-09	$ 550	$ 2,673	*$ 25,000*	$ 1,310	$ 25,000	$ 5,000	$ 5,000	$ 5,000	$ 6,000
Pipelines - Trench Plate Rentals	423-10	$ 4,373	$ 2,008	*$ 2,500*	$ 492	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 2,000
Pipelines - Water Sampling Stations	423-11	$ 1,252	$ -	*$ 500*	$ 38	$ 500	$ 500	$ 500	$ 500	$ 500
Pipelines - Valves	423-12	$ -	$ 1,750	*$ 4,000*	$ -	$ 5,000	$ 6,000	$ 7,000	$ 8,000	$ 9,000
Reservoir - Maintenance	424-00	$ 73,564	$ 58,220	*$ 80,000*	$ 71,669	$ 83,000	$ 86,000	$ 89,000	$ 92,000	$ 95,000
Reservoir - Landscape	424-06	$ 14,752	$ 25,600	*$ 17,000*	$ 9,780	$ 30,000	$ 31,000	$ 32,000	$ 33,000	$ 34,000
Meters - Maintenance	425-00	$ 265,372	$ 277,558	*$ 250,000*	$ 169,691	$ 250,000	$ 225,000	$ 185,000	$ 185,000	$ 185,000
Meters - Paving	425-07	$ 186,142	$ 254,427	*$ 230,000*	$ 158,605	$ 230,000	$ 230,000	$ 235,000	$ 240,000	$ 240,000
Meters - Repair/Replacement/Upgrade	425-08	$ 4,823	$ 731	*$ 10,000*	$ 596	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000
Meters - Lateral Leaks	425-09	$ 58,875	$ 45,285	*$ 76,000*	$ 36,952	$ 65,000	$ 65,000	$ 66,000	$ 67,000	$ 68,000
Meters - Trench Plate Rentals	425-10	$ 3,420	$ 1,855	*$ 2,000*	$ 8,476	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000
Meters - D-jobs		$ 101,219	$ 12,286	*$ 8,000*	$ 29,881	$ 8,000	$ 8,000	$ 9,000	$ 9,000	$ 10,000
Wells - Maintenance	432-00	$ 54,389	$ 5,688	*$ 45,000*	$ 65,198	$ 45,000	$ 48,000	$ 51,000	$ 54,000	$ 57,000
Wells - Landscape	432-06	$ 3,360	$ 7,832	*$ 5,000*	$ 2,760	$ 5,000	$ 5,000	$ 6,000	$ 6,000	$ 6,000
Wells - Rent	432-07	$ 300	$ 300	*$ 300*	$ 300	$ 300	$ 300	$ 300	$ 300	$ 300
GWP - Land Lease			$ 15,036		$ 15,000	$ 15,726	$ 16,000	$ 16,000	$ 16,000	$ 16,000
Booster Pump - Maintenance	433-00	$ 18,453	$ 54,365	*$ 57,000*	$ 85,139	$ 62,000	$ 67,000	$ 72,000	$ 77,000	$ 82,000
Emergency Generators	434-00	$ 21,348	$ 15,154	*$ 22,500*	$ 12,537	$ 22,500	$ 23,000	$ 23,500	$ 24,000	$ 24,500
Auto/Truck - Maintenance	426-00	$ 72,212	$ 68,051	*$ 55,000*	$ 64,716	$ 70,000	$ 72,000	$ 74,000	$ 76,000	$ 77,000
Auto/Truck - Gas	426-15	$ 21,008	$ 14,955	*$ 20,000*	$ 15,154	$ 20,000	$ 20,500	$ 21,000	$ 21,500	$ 22,000
Auto/Truck - Diesel	426-16	$ 18,566	$ 15,055	*$ 18,000*	$ 13,381	$ 18,500	$ 19,000	$ 19,500	$ 20,000	$ 20,500
TOTAL DISTRIBUTION SYSTEM EXPENSES		$ 1,008,921	$ 947,366	*$ 1,012,300*	$ 814,401	$ 1,064,526	$ 1,039,300	$ 1,026,800	$ 1,052,300	$ 1,073,300
GENERAL AND ADMINISTRATIVE EXPENSES			-							
General Liability Insurance	472-00	$ 44,131	$ 50,444	*$ 56,000*	$ 52,849	$ 53,000	$ 56,000	$ 59,000	$ 62,000	$ 65,000
Accounting - Audit	458-00	$ 11,515	$ 10,940	*$ 13,000*	$ 13,000	$ 11,000	$ 11,000	$ 12,000	$ 12,500	$ 13,000
Legal Consulting Fees	457-00	$ 85,614	$ 75,684	*$ 47,000*	$ 52,516	$ 49,000	$ 51,000	$ 53,000	$ 55,000	$ 57,000
Administrative Consultants	470-00	$ 73,932	$ 81,820	*$ 130,000*	$ 53,256	$ 161,500	$ 150,000	$ 150,000	$ 150,000	$ 150,000
Office Maintenance	405-01	$ 9,652	$ 9,263	*$ 12,000*	$ 11,874	$ 12,000	$ 12,000	$ 13,000	$ 14,000	$ 15,000
Landscape Maintenance - Office	406-01	$ 6,631	$ 4,541	*$ 7,500*	$ 5,156	$ 7,500	$ 8,000	$ 8,500	$ 9,000	$ 9,500
Office Supplies & Misc Expenses - Office	455-01	$ 5,041	$ 5,287	*$ 5,500*	$ 4,097	$ 5,500	$ 6,000	$ 6,000	$ 6,000	$ 6,500
Computers & Network *(previously Computer Hardware)*	453-01	$ 24,719	$ 23,480	*$ 25,000*	$ 25,000	$ 25,000	$ 26,000	$ 27,000	$ 28,000	$ 29,000
Computer Software, Maintenance, Licenses		$ 19,353	$ 65,578	*$ 50,000*	$ 50,000	$ 53,000	$ 53,000	$ 54,000	$ 55,000	$ 56,000
Utilities - Office	404-01	$ 19,978	$ 21,381	*$ 21,000*	$ 18,220	$ 21,000	$ 21,500	$ 22,000	$ 22,500	$ 23,000
Enterprise Voice Communications	443-01	$ 25,463	$ 40,395	*$ 40,000*	$ 42,916	$ 40,000	$ 41,000	$ 42,000	$ 43,000	$ 44,000
Data Communications - Fiber Lines/Internet		$ -	$ 47,963	*$ 49,000*	$ 50,358	$ 49,000	$ 50,000	$ 51,000	$ 52,000	$ 53,000
Wireless Voice & Data Communications-cell	444-01	$ 5,670	$ 13,802	*$ 14,000*	$ 15,252	$ 14,000	$ 15,000	$ 15,500	$ 16,000	$ 16,500
Printing, Postage, Stationery, Copier Maint.	456-01	$ 43,423	$ 40,413	*$ 37,500*	$ 35,168	$ 36,000	$ 36,500	$ 37,000	$ 38,000	$ 39,000
Uncollectible Accounts-Water	463-00	$ 9,312	$ 4,503	*$ 3,500*	$ 2,749	$ 4,000	$ 3,500	$ 3,500	$ 3,500	$ 3,500
Water System Fees (DHS, RWQCB, LAFCO, Misc)	465-00	$ 46,503	$ 49,690	*$ 50,000*	$ 68,036	$ 50,000	$ 51,000	$ 52,000	$ 53,000	$ 54,000
Engineering Department	473-00	$ 10,660	$ 10,012	*$ 11,000*	$ 10,129	$ 11,000	$ 12,000	$ 13,000	$ 14,000	$ 15,000
Water Conservation	481-00	$ 22,848	$ 31,855	*$ 30,000*	$ 20,992	$ 30,000	$ 31,000	$ 32,000	$ 33,000	$ 34,000
Pipeline/Advertising - Water Conservation	481-30	$ 1,309	$ 2,733	*$ 2,500*	$ 3,528	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 2,500
Device Rebates - Water Conservation	481-33	$ 3,775	$ 1,820	*$ 5,000*	$ 354	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000
Community Outreach		$ 534	$ 7,745	*$ 12,000*	$ 2,964	$ 12,000	$ 12,000	$ 12,000	$ 12,000	$ 12,000
Training - Office	407-01	$ 3,271	$ 3,189	*$ 3,500*	$ 2,477	$ 4,000	$ 4,500	$ 5,000	$ 5,500	$ 6,000
Conferences and Seminars - Office	408-01	$ 7,518	$ 7,377	*$ 9,000*	$ 8,405	$ 8,500	$ 9,500	$ 10,500	$ 11,500	$ 12,500
Board of Directors - Conferences and Seminars	408-05	$ 2,265	$ 7,179	*$ 5,000*	$ 2,144	$ 5,000	$ 5,000	$ 5,500	$ 6,000	$ 6,500

Water Budget Table WB-4 - Summary of Water O & M Expenses - FY 17/18 - Draft V.June 20

				2	1			1	2	3	4	5
Description	**Account No.**			**Recorded FY 2014-15**	**Recorded FY 2015-16**	*Budget FY 2016-17*	**Projected FY 2016-17**	**Budget FY 2017-18**	**Forecast FY 2018-19**	**Forecast FY 2019-20**	**Forecast FY 2020-21**	**Forecast FY 2021-22**
Misc Administration - Office	461-01			$ 5,292	$ 3,662	$ 5,000	$ 5,514	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000
Board of Directors - Misc Administration	461-05			$ 1,758	$ 1,158	$ 2,000	$ 2,123	$ 2,000	$ 2,000	$ 2,000	$ 2,000	$ 2,000
Membership Renewals/Subscriptions				$ 22,893	$ 19,708	$ 22,000	$ 22,883	$ 23,000	$ 24,000	$ 25,000	$ 26,000	$ 27,000
Bank Charges	485-00			$ 14,971	$ 20,271	$ 21,500	$ 22,249	$ 23,000	$ 24,000	$ 25,000	$ 26,000	$ 27,000
Rental Property				$ 2,314	$ 1,689	$ 2,500	$ 10,000	$ 3,500	$ 3,500	$ 3,500	$ 3,500	$ 3,500
TOTAL GENERAL AND ADMINISTRATIVE EXPENSES				$ 667,780	$ 697,387	$ 692,000	$ 614,209	$ 726,000	$ 776,500	$ 751,500	$ 821,500	$ 792,000
Emergency Operations	7			$ -	$ 276	$ 2,000	$ -	$ 2,000	$ 2,000	$ 3,000	$ 3,000	$ 3,000
EMERGENCY OPERATIONS				$ -	$ 276	$ 2,000	$ -	$ 2,000	$ 2,000	$ 3,000	$ 3,000	$ 3,000
TOTAL EXPENSE		3238848	3711608	$ 4,884,300	$ 4,680,487	$ 5,020,100	$ 4,735,493	$ 5,222,126	$ 5,301,500	$ 5,269,700	$ 5,437,900	$ 5,522,800
Total O & M Expense (w/o Labor & Benefits)				$ 2,098,151	$ 1,972,016	$ 2,063,100	$ 1,766,416	$ 2,173,826	$ 2,265,800	$ 2,170,500	$ 2,285,700	$ 2,289,600

Water Budget Table WB-5 Water - Purchase Water & Power - FY 17/18 - Draft V.June 20

	2	1			1	2	3	4	5
Description	**Recorded FY 2014-15**	**Recorded FY 2015-16**	*Budget FY 2016-17*	**Projected FY 2016-17**	**Budget FY 2017-18**	**Forecast FY 2018-19**	**Forecast FY 2019-20**	**Forecast FY 2020-21**	**Forecast FY 2021-22**
Purchased Water - FWMD (ac-ft)	**1,875**	1,573	*1,195*	2,083	**2,000**	**1,910**	**1,880**	**1,955**	**2,050**
Projected FMWD Cost	**$ 2,741,033**	**$ 2,454,591**	*$ 2,099,400*	$ 3,045,567	$ 3,084,100	$ 3,217,300	$ 3,182,800	$ 3,394,700	$ 3,658,000
Purchased Water - GWP (ac-ft)	0	169	*555*	356	450	505	600	600	600
Projected GWP Cost	$ -	$ 49,036	*$ 231,435*	$ 151,100	$ 207,000	$ 232,300	$ 277,200	$ 269,400	$ 285,000
Purchased Power Cost	$ 682,044	$ 673,699	*$ 695,000*	$ 695,400	$ 697,000	$ 718,000	$ 739,000	$ 762,000	$ 781,000
SCE	*$ 296,387*	*$ 268,287*	*$ 265,000*	*$ 258,600*	*$ 267,000*	*$ 275,010*	*$ 283,260*	*$ 291,758*	*$ 299,052*
Glendale	*$ 388,734*	*$ 405,648*	*$ 430,000*	*$ 436,800*	*$ 430,000*	*$ 442,900*	*$ 456,187*	*$ 469,873*	*$ 481,619*
Constellation Credit	$ (3,077)	$ (235)	*$ (500)*	$ (852)	$ -	$ -	$ -	$ -	$ -
% Increase/Decrease - Import Water Cost	-13.0%	-10.5%	*-13.0%*	21.6%	1.3%	4.3%	-1.1%	6.7%	7.8%
% Increase/Decrease - Power Cost	1.4%	-1.2%	*3.1%*	3.2%	0.2%	3.0%	3.0%	3.0%	2.5%
Power cost/ac-ft	$170	$192	*$188*	$181	$172	$170	$167	$164	$159

Water Budget Table WB - 6 Water Capital Outlay & Equipment - FY 17/18 - Draft V.June 20

	2	1			1	2	3	4	5
Description	**Recorded FY 2014-15**	**Recorded FY 2015-16**	Budget FY 2016-17	**Projected FY 2016-17**	**Budget FY 2017-18**	**Forecast FY 2018-19**	**Forecast FY 2019-20**	**Forecast FY 2020-21**	**Forecast FY 2021-22**
Spring Brook Software - Fixed Assets			*$ 11,250*		**$ 11,250**				
Spring Brook Software - Payroll Module						**$ 18,750**			
Spring Brook Software - Work Order Module							**$ 26,250**		
Spring Brook Software - Project Management Module								**$ 15,000**	
Spring Brook Software - Extend Budget Module									**$ 15,000**
Software (Document/Billing Process Design)									
Upgrade SCADA Equipment (SCADA 1A & 1B)									
Upgrade Computer Hardware & Security			*$ 30,000*	***$ 7,500***	**$ 30,000**	**$ 30,000**	**$ 30,000**	**$ 30,000**	**$ 20,000**
Main Office - Master Plan			*$ 15,000*		**$ 15,000**				
Main Office - Upgrades			*$ 20,000*			**$ -**	**$ -**	**$ 15,000**	**$ 15,000**
Misc.			*$ 3,750*		**$ 3,750**	**$ 6,250**	**$ 4,750**	**$ 5,000**	**$ 5,000**
CO Total	**$ -**	**$ -**	*$ 80,000*	***$ 7,500***	**$ 60,000**	**$ 55,000**	**$ 61,000**	**$ 65,000**	**$ 55,000**
Capital - Equipment									
Water Quality - 5 Chlorine Analyzers									
Pipe Tool	**$ 7,721**								
Portable Light Tower				***$ 8,077***					
Vehicle Replacement - Unit 5									
Vehicle Replacement - Unit 7									
Vehicle Replacement - Unit 12									
Vehicle Replacement - Unit 46	**$ 90,546**								
Vehicle Replacement - Unit 47	**$ 51,975**								
Vehicle Replacement - Unit 48		**$ 26,180**							
Vehicle Replacement - Unit 1			*$ 30,000*	***$ 29,600***					
Vehicle Replacement - Komatsu					**$ 60,000**	**$ 75,000**	**$ 75,000**	**$ 75,000**	**$ 75,000**
CE Total	**$ 150,242**	**$ 26,180**	*$ 30,000*	***$ 37,677***	**$ 60,000**	**$ 75,000**	**$ 75,000**	**$ 75,000**	**$ 75,000**
CO & CE - Total	**$ 150,242**	**$ 26,180**	*$ 110,000*	***$ 45,177***	**$ 120,000**	**$ 130,000**	**$ 136,000**	**$ 140,000**	**$ 130,000**

Water Budget Table WB -7 Water - Capital Improvement Projects - FY 17/18 - Draft V.June 20

	2	1			1	2	3	4	5
Description	**Recorded FY 2014-15**	**Recorded FY 2015-16**	*Budget FY 2016-17*	***Projected FY 2016-17***	**Budget FY 2017-18**	**Forecast FY 2018-19**	**Forecast FY 2019-20**	**Forecast FY 2020-21**	**Forecast FY 2021-22**
Water Supply	$ 545,588	$ 1,644,306	$ 840,000	$ 660,000	$ 1,425,000	$ 805,000	$ 600,000	$ 500,000	$ 500,000
Water Storage	$ 172,335		$ 320,000	$ -	$ 900,000	$ 320,000	$ 400,000	$ 400,000	$ 400,000
Water Distribution	$ 1,143,405	$ 819,708	$ 1,365,000	$ 1,327,900	$ 950,000	$ 1,395,000	$ 1,245,000	$ 1,350,000	$ 1,550,000
Water Treatment	$ -	$ 380,203	$ -	$ -	$ -	$ -	$ 50,000	$ 75,000	$ 75,000
Technology	$ 25,524	$ 96,879	$ 200,000	$ 200,000	$ -	$ 30,000	$ 200,000	$ 450,000	$ 380,000
Public Safety/Emergency Response	$ 93,754		$ 75,000	$ 82,500	$ -	$ 75,000	$ 75,000	$ -	$ -
Facilities & Planning	$ -		$ -	$ 65,000	$ -	$ -	$ -	$ 125,000	$ 275,000
Total CIP	$ 1,980,606	$ 2,941,096	$ 2,800,000	$ 2,335,400	$ 3,275,000	$ 2,625,000	$ 2,570,000	$ 2,900,000	$ 3,180,000

Water Budget Table WB - 8 Water Reserve Targets - FY 17/18 - Draft V.June 20

	2	1			1	2	3	4	5
Description	**Recorded FY 2014-15**	**Recorded FY 2015-16**	*Budget FY 2016-17*	***Projected FY 2016-17***	**Budget FY 2017-18**	**Forecast FY 2018-19**	**Forecast FY 2019-20**	**Forecast FY 2020-21**	**Forecast FY 2021-22**
Rate stabilization (a)	$ 1,649,000	$ 1,488,000	$ 1,565,000	$ 1,658,000	$ 2,039,000	$ 2,280,000	$ 2,576,000	$ 2,895,000	$ 3,048,000
Emergency fund (b)	$ 750,000	$ 750,000	$ 750,000	$ 750,000	$ 750,000	$ 750,000	$ 750,000	$ 750,000	$ 750,000
Labor & benefits	$ 2,786,149	$ 2,708,472	$ 2,957,000	$ 2,969,077	$ 3,048,300	$ 3,035,700	$ 3,099,200	$ 3,152,200	$ 3,233,200
Power	$ 682,044	$ 673,699	$ 695,000	$ 695,400	$ 697,000	$ 718,000	$ 739,000	$ 762,000	$ 781,000
Operating expenses	$ 2,098,151	$ 1,972,016	$ 2,072,600	$ 1,766,416	$ 2,173,826	$ 2,265,800	$ 2,170,500	$ 2,285,700	$ 2,289,600
O & M Costs	$ 5,566,344	$ 5,354,187	$ 5,724,600	$ 5,430,893	$ 5,919,126	$ 6,019,500	$ 6,008,700	$ 6,199,900	$ 6,303,800
Working cash (c)	$ 927,724	$ 892,364	$ 954,100	$ 905,149	$ 986,521	$ 1,003,250	$ 1,001,450	$ 1,033,317	$ 1,050,633
Total target cash reserves	$ 3,327,000	$ 3,130,000	$ 3,269,000	$ 3,313,000	$ 3,776,000	$ 4,033,000	$ 4,327,000	$ 4,678,000	$ 4,849,000

Note:

a. Rate stabilization reserves are based on 25 percent of total water commodity sales

b. Emergency reserves equal $750,000.

c. Working cash is based on two months of O&M less purchased water

Water Budget Table WB - 8A MTBE Fund Reserve - FY 17/18 - V.Final

	2	1			1	2	3	4	5
Description	**Recorded FY 2014-15**	**Recorded FY 2015-16**	*Budget FY 2016-17*	***Projected FY 2016-17***	**Budget FY 2017-18**	**Forecast FY 2018-19**	**Forecast FY 2019-20**	**Forecast FY 2020-21**	**Forecast FY 2021-22**
MTBE - Income									
MTBE Settlement	$ -	$ 6,390	$ -	$ 24,010	$ -	$ -	$ -	$ -	$ -
Repayment from CVWD General Fund	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 750,000	$ 750,000
MTBE - Income from Sale of Investments	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Income	$ -	$ 6,390	$ -	$ 24,010	$ -	$ -	$ -	$ 750,000	$ 750,000
MTBE - Expense									
Transfer to CVWD General Fund	$ -	$ 2,000,000	$ 1,000,000	$ 1,000,000	$ -	$ -	$ -	$ -	$ -
Lab Expense	$ 43,798	$ 27,156	$ 35,000	$ 22,986	$ 35,000	$ 35,000	$ 35,000	$ 35,000	$ 25,000
Labor Expense	$ -	$ -	$ 8,000	$ -	$ 8,000	$ 8,000	$ 8,000	$ 8,000	$ 6,000
Administrative Consultant	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 75,000	$ -
Total Expense	$ 43,798	$ 2,027,156	$ 1,043,000	$ 1,022,986	$ 43,000	$ 43,000	$ 43,000	$ 118,000	$ 31,000
Increase (Decrease) to Fund	$ (43,798)	$ (2,020,766)	$ (1,043,000)	$ (998,976)	$ (43,000)	$ (43,000)	$ (43,000)	$ 632,000	$ 719,000
MTBE Reserve Fund									
FY Begin Available MTBE Reserve Funds	$ 8,880,019	$ 8,836,221	$ 6,815,455	$ 6,815,455	$ 5,816,479	$ 5,773,479	$ 5,730,479	$ 5,687,479	$ 6,319,479
FY End Available MTBE Reserve Funds	$ 8,836,221	$ 6,815,455	$ 5,772,455	$ 5,816,479	$ 5,773,479	$ 5,730,479	$ 5,687,479	$ 6,319,479	$ 7,038,479

Note:

a. Interest Income based on 1% annual rate of return on investment

Water Budget Table WB-9 - Total Sources - FY 17/18 - Draft V.June 20

	Recorded FY 2015-16	Budget FY 2016-17	Projected 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	$ 1,949,220	$ 2,247,000	$ 2,246,625	$ 2,433,000	$ 2,618,000	$ 2,817,000	$ 3,017,000	$ 3,020,000
Metered sales of water (CVWD Costs)	$ 5,952,066	$ 6,953,000	$ 6,632,864	$ 8,157,000	$ 9,121,000	$ 10,303,000	$ 11,580,000	$ 12,190,000
Required metered sales of water (FMWD Costs)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Interest Income - Water Reserves	$ 188,668	$ 163,000	$ 180,134	$ 165,000	$ 138,000	$ 134,000	$ 145,000	$ 162,000
Interest Income - MTBE Reserves	$ -	$ 77,000	$ 115,000	$ 76,000	$ 78,000	$ 80,000	$ 82,000	$ 84,000
Source of Funds - Other Sources	$ 258,763	$ 146,000	$ 236,342	$ 142,374	$ 148,374	$ 155,374	$ 161,374	$ 168,374
Sources of Funds - CIP Sources	$ 872,193	$ 1,225,450	$ 807,081	$ 1,102,281	$ 730,475	$ 410,300	$ 390,000	$ 400,000
TOTAL REVENUE	$ 9,220,909	$ 10,811,450	$ 10,218,047	$ 12,075,655	$ 12,833,849	$ 13,899,674	$ 15,375,374	$ 16,024,374
OPERATIONS & MAINTENANCE (O & M) EXPENSE								
Labor & Benefits	$ 2,708,472	$ 2,957,000	$ 2,969,077	$ 3,048,300	$ 3,035,700	$ 3,099,200	$ 3,152,200	$ 3,233,200
Purchased Water (FMWD)	$ 2,454,591	$ 2,099,000	$ 3,045,567	$ 3,084,000	$ 3,217,000	$ 3,183,000	$ 3,395,000	$ 3,658,000
Purchased Water (GWP)	$ -	$ 231,000	$ 151,100	$ 207,000	$ 232,000	$ 277,000	$ 269,000	$ 285,000
Power	$ 673,699	$ 695,000	$ 695,400	$ 697,000	$ 718,000	$ 739,000	$ 762,000	$ 781,000
Operating expenses	$ 1,972,016	$ 2,063,100	$ 1,766,416	$ 2,173,826	$ 2,265,800	$ 2,170,500	$ 2,285,700	$ 2,289,600
Total O & M Expense	$ 7,808,777	$ 8,045,100	$ 8,627,560	$ 9,210,126	$ 9,468,500	$ 9,468,700	$ 9,863,900	$ 10,246,800
Debt Service (principal & interest)	$ 613,022	$ 614,000	$ 614,038	$ 613,838	$ 613,238	$ 612,238	$ 615,481	$ 613,106
Total O & M Expense + Debt Service	$ 8,421,799	$ 8,659,100	$ 9,241,597	$ 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)]	$ 799,110	$ 2,152,350	$ 976,450	$ 2,251,691	$ 2,752,111	$ 3,818,736	$ 4,895,992	$ 5,164,467
CAPITAL OUTLAY, LIABILITIES and CAPITAL PROJECTS								
Capital Outlay & Equipment	$ 26,180	$ 110,000	$ 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
Capital Improvements (pay-as-you-go)	$ 2,941,000	$ 2,800,000	$ 2,335,400	$ 3,275,000	$ 2,625,000	$ 2,570,000	$ 2,900,000	$ 3,180,000
Total - Capital Outlay, CIP, CIP Fund & Future Liability	$ 3,127,547	$ 3,010,000	$ 2,480,577	$ 3,495,000	$ 2,855,000	$ 2,806,000	$ 3,890,000	$ 4,160,000
INCREASE (DECREASE) TO CASH	$ (2,328,437)	$ (857,650)	$ (1,504,127)	$ (1,243,309)	$ (102,889)	$ 1,012,736	$ 1,005,992	$ 1,004,467
FY begin available Water Reserves	$ 4,048,384	$ 3,719,947	$ 3,719,947	$ 3,215,820	$ 1,972,511	$ 1,869,622	$ 2,882,358	$ 3,888,350
Transfer In from MTBE Reserves	$ 2,000,000	$ 1,000,000	$ 1,000,000					
FY End Water Reserves	$ 3,719,947	$ 3,862,298	$ 3,215,820	$ 1,972,511	$ 1,869,622	$ 2,882,358	$ 3,888,350	$ 4,892,818
Reconciliation		$ -	$ -	$ -	$ -	$ -	$ -	$ -
FY End Water Reserves	$ 3,719,947	$ 3,862,298	$ 3,215,820	$ 1,972,511	$ 1,869,622	$ 2,882,358	$ 3,888,350	$ 4,892,818
TOTAL TARGET WATER CASH RESERVES	$ 3,130,000	$ 3,269,000	$ 3,313,000	$ 3,776,000	$ 4,033,000	$ 4,327,000	$ 4,678,000	$ 4,849,000
Above or (below) Target Reserves	$ 589,947	$ 593,298	$ (97,180)	$ (1,803,489)	$ (2,163,378)	$ (1,444,642)	$ (789,650)	$ 43,818
Effective date of water rates	7/1/15	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	5.7%	7.5%	7.5%	7.2%	7.4%	7.5%	7.0%	0.0%
Service rates ($/month for 3/4" meter)	$19.10	$20.53	$20.53	$22.00	$23.60	$25.40	$27.20	$27.20
Projected Rate Increase for Quantity Charge	5.7%	5.2%	5.2%	7.2%	7.4%	7.5%	7.0%	0.0%
Quantity Charge: ($/kgal)	$5.96	$6.27	$6.27	$6.72	$7.22	$7.76	$8.30	$8.30
CVWD Quantity Charge: ($/kgal)	$5.96	$ 6.27	$ 6.27	$6.72	$7.22	$7.76	$8.30	$8.30

CRESCENTA VALLEY WATER DISTRICT

Fiscal Year 2017-18 Wastewater Budget
Executive Summary

Presented herein is the Crescenta Valley Water District's (CVWD) Fiscal Year 2017-18 Wastewater Budget for consideration by the Board of Directors (Board). The following paragraphs describe the key areas where the budget has changed from years past and certain assumptions that were a part of the budget development process. The proposed budget for CVWD Wastewater operations for FY 2017-18 is guided by the discussion and direction set by the Board in the Spring of 2017. The budget presented here was developed with the assistance of the Finance Committee and Engineering Committee.

Staff's goals for the FY 2017-18 wastewater budget are:

- Maintain appropriate and necessary spending levels and identify opportunities for expense reductions;
- Continue the pass-through of costs for City of Los Angeles Wastewater Treatment rate increases;
- Systematically reduce wastewater reserve funds to approach target levels through deferral of wastewater rate increases; and
- Continue funding the District's OPEB liability and funding replacement of capital assets in the future.

Revenue Projections:

The District completed an updated cost of service study in FY 2015-16 which included an evaluation of implementing a variable wastewater rate component which is incorporated into the proposed wastewater rate structure. The variable wastewater rate component is based on sewer flows which are estimated using winter months water use.

Staff calculated the expected monthly service charge revenues from residential, commercial, and school customers based upon 8,057 Equivalent Dwelling Units (EDU's) for FY 2017-18. Wastewater usage charge revenue is calculated based on prior year winter water use. Total wastewater service and usage charges are budgeted at $3,114,000 for FY 2017-18. Projected wastewater revenues for FY 2017-18 were based on a 0% rate increase in the fixed monthly charges.

- Staff planned for nominal interest income from the wastewater reserve funds due to current market conditions and a re-allocation of funds for FY 2016-17.
- Other projected sources of revenue include developer/connection fees, late fees, and other miscellaneous sources totaling $37,000 which brings the total anticipated revenue for FY 2017-18 to $3,152,000.

Expenses for City of Los Angeles Treatment and Disposal Costs:

The City of Los Angeles (LA) has provided CVWD with cost projections for FY 2017-18 through FY 2021-22 based on the cost to treat CVWD's wastewater flow and CVWD's portion of LA's capital improvements.

- Cost projections from LA vary greatly from year to year from the estimated cost to the actual cost. Staff averaged the LA cost over the next five (5) years to minimize the wide fluctuations that can affect annual rate increases.
- For FY 2017-18 staff used the average LA Cost of $1,216,000 per year for the treatment and disposal of CVWD's wastewater.

Compensation and Benefits:

The compensation and benefits assumptions for the wastewater budget are the same as for the water budget.

Wastewater Operations:

The Wastewater Operations Department was formed in FY 2005-06 and fully staffed in FY 2007-08. CVWD's efforts in cleaning the sewer collection system have resulted in significantly limiting the number of sanitary sewer overflows over the last ten (10) years.

- CVWD's wastewater crews in FY 2016-17 cleaned about 58 miles of the wastewater collection systems and videotaped approximately 4 miles of sewer main. District crews have almost completed the second full video inspections of the entire collection system.
- The enhanced maintenance areas were cleaned as required by CVWD’s Sewer System Maintenance plan.
- Staff performed an updated sewer flow evaluation of the sewer interceptor and modified the brine diverter valve operation.
- The Wastewater Operations Crew did not lose any time to on-the-job injuries and the wastewater crew was also able to assist the water crew with cleaning of meter boxes and installation of water service laterals.
- There were no sanitary sewer overflows in FY 2016-17.
- The efforts of videotaping the wastewater system has assisted crews in locating areas of concern and has resulted in identifying sections of main that need rehabilitation.
- The system is now about 33 years old and staff anticipates the need to do minor upgrades to the wastewater collection system. Staff has requested that a wastewater master plan be performed in FY 2017-18 to assess the needs of the wastewater collection system.
- The overall Operations and Maintenance (O&M) budget has been set at $411,000 for FY 2017-18, which is $2,000 more than budgeted for FY 2016-17.

Capital Outlay & Equipment:

Capital outlay & equipment planned for FY 2017-18 include funds to upgrade CVWD’s computer network system and site security and an evaluation and master plan for the main office building. Also included is the purchase of one new vehicle and replacement of the sewer vactor truck which have reached the end of their useful lives. Total for this category was $375,000 for FY 2016-17 which is $283,000 higher than in FY 2015-16 due to the $300,000 estimated cost for a new sewer vactor truck.

It is important to note that the existing sewer vactor truck was purchased in 2005, and typically this type of equipment remains in service for 10 –11 years due to the harsh environment of cleaning the sewers. CVWD has been able to stretch the life of the vactor truck to almost 11 years with regular maintenance.

Engineering and Capital Improvements:

The Engineering Department has the lead in planning and implementing the District's Capital Improvement Program, which is based on a priority of projects need to maintain CVWD’s Wastewater infrastructure. The budget for CIP for FY 2017-18 is $147,000, which is $38,000 less than was budgeted in FY 2016-17.

- Major projects completed in FY 2016-17:
  - Sewer Relining – 500 linear feet; and
  - Design of new telemetry/communication equipment for Diverter Valve & Lift Station.
- Major projects planned in FY 2017-18:
  - Repairs and/or relining of approximately 1,000LF of pipes as identified during the videotape inspection;
  - Sewer manhole rehabilitation; and
  - Installation of new monitoring stations as part of Sewer System Management Plan (SSMP).

- Other tasks include GIS data information to be input over the next 18 months for the wastewater collections systems, which will assist the District with the SSMP; and
- Developing agreements with neighboring agencies to establish protocols and payment methods for emergency assistance.

General Administrative Services:

The general administrative services discussion for the wastewater budget is the same as for the water budget.

Conclusion:

The coming fiscal year will present a variety of challenges for Crescenta Valley Water District. The significant annual changes in the City of Los Angeles treatment and disposal costs make it important for the District to be fiscally prepared for such changes by maintaining sufficient reserves. The District also must remain as efficient as possible in the execution of its mission. The Wastewater Reserve balance decreased $146,000 in FY 2016-17 and is projected to decrease an additional $278,000 in FY 2017-18. The Wastewater Reserve balance is projected to be $2,001,000 above the target reserve amount at the end of FY 2017-18.

Special thanks to the Finance and Engineering Committees that worked diligently to provide valuable input in developing the FY 2017-18 Budget.

I also want to express my gratitude to the management staff for their many hours spent preparing the FY 2017-18 Wastewater Budget.

Submitted by:

Thomas A. Love, P.E.
General Manager

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Wastewater Budget Table WWB-1 Projected Wastewater Accounts - FY 17/18 - Draft V.June 20

	2	1			1	2	3	4	5
Wastewater Accounts	**Recorded FY 2014-15**	**Recorded FY 2015-16**	Budget FY 2016-17	**Projected FY 2016-17**	**Budget FY 2017-18**	**Forecast FY 2018-19**	**Forecast FY 2019-20**	**Forecast FY 2020-21**	**Forecast FY 2021-22**
Residential Units - EDU[1]									
Single Family	**5,273**	**5,247**	5,252	**5,252**	**5,254**	**5,256**	**5,258**	**5,260**	**5,262**
Multi-family	**2,548**	***2,548***	2,550	**2,587**	**2,627**	**2,629**	**2,631**	**2,633**	**2,635**
Total Residential Units - EDU[1]	7,821	7,795	7,802	7,839	7,881	7,885	7,889	7,893	7,897
Total No. of Accounts - Commercial	**166**	**168**	166	**170**	**170**	**170**	**170**	**170**	**170**
Total No. of Accounts - School	**6**	**6**	6	**6**	**6**	**6**	**6**	**6**	**6**
Total EDUs	7,993	7,969	7,974	8,015	8,057	8,061	8,065	8,069	8,073
Projected No. of Account Annual Increase	4	(24)	5	46	42	4	4	4	4
Projected Percent of Account Annual Increase	0.05%	-0.30%	0.06%	0.58%	0.52%	0.05%	0.05%	0.05%	0.05%

Note:
1. EDU = Equivalent Dwelling Units

Wastewater Budget Table WWB-2 Revenues - FY 17/18 - Draft V.June 20

	2	1			1	2	3	4	5
	Recorded FY 2014-15	Recorded FY 2015-16	Budget *FY 2016-17*	Projected FY 2016-17	Budget FY 2017-18	Forecast FY 2018-19	Forecast FY 2019-20	Forecast FY 2020-21	Forecast FY 2021-22
Wastewater User and Standby Charge Revenues									
Single family dwelling unit	$ 3,341,597	$ 2,126,359	*$ 2,138,000*	$ 2,121,492	$ 2,241,203	$ 2,281,373	$ 2,346,758	$ 2,415,345	$ 2,487,319
Multiple family dwelling		$ 1,040,190	*$ 1,034,000*	$ 731,928	$ 766,881	$ 779,950	$ 793,189	$ 818,107	$ 843,050
Total School charges		$ 94,835	*$ 95,000*	$ 119,208	$ 61,126	$ 62,045	$ 62,978	$ 64,869	$ 66,815
Total Commercial user charges		$ 208,491	*$ 251,000*	$ 158,359	$ 195,460	$ 198,569	$ 201,689	$ 207,938	$ 214,176
Sewer Service Discount		$ (194,016)	*$ (150,000)*	$ (150,000)	$ (150,000)	$ (150,000)	$ (150,000)	$ (150,000)	$ (150,000)
Total user charge revenues	$ 3,341,597	$ 3,275,859	*$ 3,368,000*	$ 2,980,988	$ 3,114,670	$ 3,171,937	$ 3,254,614	$ 3,356,259	$ 3,461,361
Permit/Connection Fees/Misc.									
Sewer Permits	$ 6,000	$ -	*$ 4,000*	$ 1,500	$ 4,000	$ 4,000	$ 3,000	$ 2,000	$ 1,500
Sewer Connection Fee (CVWD)	$ 31,523	$ 21,463	*$ 20,000*	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 15,000	$ 15,000
Misc. Revenue	$ 27,577	$ 20,405	*$ 5,000*	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000
Rental Properties Income	$ 7,400	$ 7,088	*$ 7,500*	$ 7,500	$ 7,500	$ 7,500	$ 7,500	$ 7,500	$ 7,500
Total Permit/Connection Fees/Misc.	$ 72,500	$ 48,956	*$ 36,500*	$ 34,000	$ 36,500	$ 36,500	$ 35,500	$ 29,500	$ 29,000
Interest Earned	$ 103	$ 196	*$ 500*	$ 500	$ 500	$ 500	$ 500	$ 500	$ 500
Total Revenue	$ 3,414,200	$ 3,325,011	$ 3,405,000	$ 3,015,488	$ 3,151,670	$ 3,208,937	$ 3,290,614	$ 3,386,259	$ 3,490,861

Wastewater Budget Table WWB-3 City of Los Angeles O & M and Capital Expense - FY 17/18 - Draft V.June 20

	2	1			1	2	3	4	5	6
Description	**Recorded FY 2014-15**	**Recorded FY 2015-16**	*Budget FY 2016-17*	**Projected FY 2016-17**	**Budget FY 2017-18**	**Forecast FY 2018-19**	**Forecast FY 2019-20**	**Forecast FY 2020-21**	**Forecast FY 2021-22**	**Forecast FY 2022-23**
City of Los Angeles Projection O & M	$ 346,710	$ 542,477	$ 696,140	$ 513,708	$ 831,520	$ 831,520	$ 831,520	$ 831,520	$ 831,520	
City of Los Angeles Projection Capital	$ 328,303	$ 819,713	$ 547,280	$ 436,829	$ 384,360	$ 384,360	$ 384,360	$ 384,360	$ 384,360	
City of Los Angeles Projection Total	$ 675,013	$ 1,362,190	$ 1,243,420	$ 950,537	$ 1,215,880	$ 1,215,880	$ 1,215,880	$ 1,215,880	$ 1,215,880	
City of Los Angeles Projections - March 2017 [1]					*FY 2017-18*	*FY 2018-19*	*FY 2019-20*	*FY 2020-21*	*FY 2021-22*	***5 - Yr Avg***
City of Los Angeles Projection O & M					$ 796,500	$ 810,500	$ 834,600	$ 850,100	$ 865,900	*$ 831,520*
City of Los Angeles Projection Capital					$ 510,200	$ 567,500	$ 458,500	$ 244,600	$ 141,000	*$ 384,360*
City of Los Angeles Projection Total					*$ 1,306,700*	*$ 1,378,000*	*$ 1,293,100*	*$ 1,094,700*	*$ 1,006,900*	*$ 1,215,880*

Notes:

1. Source for FY 2017-18 City of Los Angeles - Amalgamated System Sewer Service Charges (ASSSC) include both capital and O&M charges dated 3/15/17
2. Projected FY 2016/17 does includes City of LA Reconciliation Charge for FY 2015/16 of $14,000
3. Budget 17/18 - 21/22 - Based on Average Cost from City of LA from 2017-2022

Wastewater Budget Table WWB - 4 Operation and Maintenance Expenses - FY 17/18 - Draft V.June 20

Description	Recorded FY 2014-15	Recorded FY 2015-16	Budget FY 2016-17	Projected FY 2016-17	Budget FY 2017-18	Forecast FY 2018-19	Forecast FY 2019-20	Forecast FY 2020-21	Forecast FY 2021-22
	2	1			1	2	3	4	5
TREATMENT AND DISPOSAL CHARGES									
Los Angeles ASSSC	$ 675,013	$ 1,362,190	$ 1,243,420	$ 950,537	$ 1,216,000	$ 1,216,000	$ 1,216,000	$ 1,216,000	$ 1,216,000
TOTAL TREATMENT AND DISPOSAL CHARGES	$ 675,013	$ 1,362,190	$ 1,243,420	$ 950,537	$ 1,216,000	$ 1,216,000	$ 1,216,000	$ 1,216,000	$ 1,216,000

Description	Recorded FY 2014-15	Recorded FY 2015-16	Budget FY 2016-17	Projected FY 2016-17	Budget FY 2017-18	Forecast FY 2018-19	Forecast FY 2019-20	Forecast FY 2020-21	Forecast FY 2021-22
COMPENSATION AND BENEFITS									
Director Fees	$ 9,225	$ 8,370	$ 9,000	$ 7,614	$ 9,000	$ 9,000	$ 9,000	$ 9,000	$ 9,000
Compensation									
Officer Salaries	$ 150,010	$ 164,628	$ 170,000	$ 173,114	$ 170,000	$ 171,000	$ 172,000	$ 174,000	$ 176,000
Administrative Services Labor	$ 261,192	$ 267,658	$ 283,000	$ 287,813	$ 283,000	$ 247,000	$ 251,000	$ 255,000	$ 256,600
Administrative Services Labor - OT	$ 3,923	$ 3,493	$ 3,000	$ 4,271	$ 3,000	$ 2,000	$ 2,000	$ 2,000	$ 2,000
Engineering Department Labor	$ 91,208	$ 88,004	$ 111,000	$ 110,484	$ 111,000	$ 100,300	$ 102,600	$ 104,300	$ 105,700
Engineering Department Labor-OT	$ 876	$ 2,013	$ 1,000	$ 986	$ 1,000	$ 1,325	$ 1,350	$ 1,700	$ 1,700
Auto Allowance	$ 9,075	$ 10,200	$ 10,000	$ 10,200	$ 10,200	$ 10,200	$ 10,200	$ 10,200	$ 10,200
Plant - Office Labor	$ 56,639	$ 35,385	$ 74,000	$ 56,568	$ 74,000	$ 74,300	$ 75,000	$ 76,000	$ 81,000
Plant - Office Labor-OT	$ 117	$ 90	$ -	$ 164	$ -	$ -	$ -	$ -	$ -
Maintenance Workers Labor	$ 174,267	$ 184,136	$ 201,000	$ 127,180	$ 201,000	$ 213,000	$ 218,000	$ 220,000	$ 226,000
Maintenance Workers Labor-OT	$ 18,157	$ 17,511	$ 22,000	$ 13,114	$ 22,000	$ 22,000	$ 22,000	$ 22,000	$ 23,000
Standby Pay	$ 13,679	$ 14,375	$ 14,000	$ 14,909	$ 14,000	$ 14,600	$ 14,600	$ 15,000	$ 15,300
Labor Transfer to Capital	$ -	$ -	$ -	$ -	$ -	*combined with Engineering Dept. Labor*			
Compensation Total	$ 788,369	$ 795,863	$ 898,000	$ 806,415	$ 898,200	$ 864,725	$ 877,750	$ 889,200	$ 906,500
PERS Retirement (Total Employees)	$ 185,480	$ 184,189	$ 210,000	$ 200,656	$ 210,000	$ 228,000	$ 245,000	$ 262,000	$ 269,300
Taxes - Payroll (Total Employees)	$ 87,244	$ 87,179	$ 93,000	$ 89,346	$ 93,000	$ 94,000	$ 95,300	$ 96,600	$ 98,000
Sick and Vacation - Office	$ 44,454	$ 33,872	$ 37,000	$ 43,117	$ 37,000	$ 37,300	$ 37,600	$ 38,300	$ 38,600
Health and Dental and Vision - Office	$ 91,056	$ 86,590	$ 86,000	$ 89,711	$ 86,000	$ 87,300	$ 88,600	$ 90,600	$ 92,000
Retiree - Health Care Expense	$ 49,757	$ 47,114	$ 49,646	$ 48,000	$ 49,646	$ 50,000	$ 51,300	$ 52,000	$ 53,000
Life & Disability Insurance - Office and Plant	$ 6,331	$ 6,639	$ 7,000	$ 6,648	$ 7,000	$ 6,750	$ 6,750	$ 7,300	$ 8,000
Self Insurance	$ 6,201	$ 4,936	$ 8,000	$ 4,091	$ 8,000	$ 8,600	$ 8,600	$ 8,600	$ 8,600
Workers' Compensation - Office	$ 8,815	$ 12,925	$ 14,000	$ 14,112	$ 14,000	$ 12,000	$ 10,600	$ 8,600	$ 8,600
Sick and Vacation - Plant	$ 29,636	$ 22,581	$ 25,000	$ 28,745	$ 25,000	$ 24,600	$ 25,300	$ 25,600	$ 25,600
Health and Dental and Vision - Plant	$ 93,666	$ 88,143	$ 93,000	$ 87,995	$ 93,000	$ 94,700	$ 96,600	$ 98,600	$ 100,000
Workers' Compensation - Plant	$ 37,640	$ 53,076	$ 60,000	$ 56,149	$ 60,000	$ 54,675	$ 47,300	$ 38,000	$ 38,600
Benefits Total	$ 640,280	$ 627,244	$ 682,646	$ 668,569	$ 682,646	$ 697,925	$ 712,950	$ 726,200	$ 740,300
TOTAL COMPENSATION AND BENEFITS	$ 1,428,649	$ 1,423,107	$ 1,580,646	$ 1,474,985	$ 1,580,846	$ 1,562,650	$ 1,590,700	$ 1,615,400	$ 1,646,800

Description	Recorded FY 2014-15	Recorded FY 2015-16	Budget FY 2016-17	Projected FY 2016-17	Budget FY 2017-18	Forecast FY 2018-19	Forecast FY 2019-20	Forecast FY 2020-21	Forecast FY 2021-22
PLANT OPERATING EXPENSES									
Taxes - Property	$ 4,101	$ 4,167	$ 4,500	$ 4,255	$ 4,500	$ 4,600	$ 4,800	$ 4,900	$ 5,100
Glenwood - Plant Maintenance	$ 3,174	$ 5,684	$ 7,500	$ 12,110	$ 7,500	$ 8,000	$ 8,500	$ 8,600	$ 9,000
Landscaping Expense	$ 1,820	$ 1,650	$ 1,800	$ 2,276	$ 1,800	$ 2,000	$ 2,150	$ 2,300	$ 2,500
Office Supplies & Misc Expenses - Plant	$ 9,353	$ 8,071	$ 7,000	$ 13,986	$ 7,000	$ 7,500	$ 8,000	$ 8,000	$ 8,000
Glenwood - Utilities	$ 3,575	$ 2,912	$ 5,300	$ 2,935	$ 5,300	$ 5,700	$ 6,000	$ 6,300	$ 6,600

Wastewater Budget Table WWB - 4 Operation and Maintenance Expenses - FY 17/18 - Draft V.June 20

	2	1			1	2	3	4	5
Description	**Recorded FY 2014-15**	**Recorded FY 2015-16**	*Budget FY 2016-17*	**Projected FY 2016-17**	**Budget FY 2017-18**	**Forecast FY 2018-19**	**Forecast FY 2019-20**	**Forecast FY 2020-21**	**Forecast FY 2021-22**
Training - Plant	$ 3,222	$ 1,861	$ 2,375	$ 1,046	$ 2,375	$ 2,500	$ 2,650	$ 2,800	$ 2,900
Education Reimbursement/Cert. - WW	$ 252		$ 1,000	$ 750	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000
Glenwood - Safety and Security System	$ 5,820	$ 8,583	$ 5,750	$ 9,503	$ 5,750	$ 5,800	$ 6,000	$ 6,200	$ 6,300
Glenwood - Uniforms	$ 3,288	$ 3,755	$ 3,000	$ 3,530	$ 3,000	$ 3,250	$ 3,350	$ 3,500	$ 3,700
Tools and Equipment Maintenance	$ 17,375	$ 15,409	$ 16,000	$ 15,035	$ 16,000	$ 17,000	$ 18,000	$ 19,000	$ 20,000
Power - Lift Station	$ 723	$ 646	$ 750	$ 596	$ 750	$ 800	$ 800	$ 800	$ 800
Telemetering & Signal System	$ 2,680	$ 1,038	$ 3,300	$ 3,300	$ 3,300	$ 4,000	$ 4,300	$ 4,700	$ 5,000
SCADA Hardware	$ -	$ -	$ 2,000	$ 2,000	$ 2,000	$ 2,700	$ 3,000	$ 3,300	$ 3,700
SCADA Software	$ -	$ -	$ 4,400	$ 4,400	$ 4,400	$ 4,700	$ 5,000	$ 5,300	$ 5,600
SCADA Phone Lines & Radio	$ -	$ -	$ 850	$ 850	$ 850	$ 1,000	$ 1,150	$ 1,300	$ 1,500
TOTAL PLANT OPERATING EXPENSES	$ 72,878	$ 53,774	$ 65,525	$ 76,574	$ 65,525	$ 70,550	$ 74,700	$ 78,000	$ 81,700
COLLECTION SYSTEM EXPENSE									
Pipelines - Maintenance	$ 4,746	$ 14,171	$ 5,000	$ 1,552	$ 5,000	$ 6,000	$ 7,000	$ 8,000	$ 8,000
Auto/Truck - Maintenance	$ 34,676	$ 43,421	$ 18,300	$ 24,842	$ 18,300	$ 19,000	$ 19,700	$ 20,300	$ 21,000
Auto/Truck - Gas	$ 7,003	$ 4,985	$ 6,600	$ 5,051	$ 6,600	$ 6,800	$ 7,000	$ 7,200	$ 7,300
Auto/Truck - Diesel	$ 6,189	$ 5,018	$ 6,000	$ 4,460	$ 6,000	$ 6,200	$ 6,300	$ 6,500	$ 6,600
Sewer Flow Monitoring Expense	$ 12,860	$ 14,000	$ 12,500	$ 14,208	$ 14,208	$ 14,708	$ 15,208	$ 26,500	$ 26,500
Sewer Camera Van Inspection	$ 3,091	$ 2,557	$ 3,000	$ 69	$ 3,000	$ 3,000	$ 3,000	$ 3,000	$ 3,000
Sewer Interceptor - Maintenance	$ 1,360	$ 3,126	$ 4,000	$ -	$ 4,000	$ 4,000	$ 4,000	$ 4,000	$ 4,000
Sewer Lift Station - Maintenance	$ 4,275	$ 2,704	$ 3,500	$ 3,663	$ 3,663	$ 4,163	$ 4,663	$ 5,163	$ 5,663
TOTAL COLLECTION SYSTEM EXPENSE	$ 74,200	$ 89,983	$ 58,900	$ 53,845	$ 60,771	$ 63,871	$ 66,871	$ 80,663	$ 82,063
GENERAL AND ADMINISTRATIVE EXPENSES									
General Insurance (General Liability, Property, Fidelity)	$ 44,131	$ 50,444	$ 56,000	$ 52,849	$ 56,000	$ 59,000	$ 62,000	$ 65,000	$ 68,000
Accounting - Audit	$ 11,515	$ 10,940	$ 13,000	$ 10,000	$ 13,000	$ 14,500	$ 15,000	$ 15,500	$ 16,000
Legal Consulting Fees	$ 16,163	$ 15,503	$ 15,600	$ 15,915	$ 15,600	$ 16,600	$ 17,000	$ 17,600	$ 18,300
Administrative Consultants	$ 27,706	$ 69,512	$ 44,000	$ 20,912	$ 44,000	$ 42,500	$ 42,500	$ 43,300	$ 33,000
Election Expense	$ -	$ 41		$ -	$ -	$ 45,000	$ -	$ 50,000	$ -
Office Maintenance	$ 3,217	$ 3,088	$ 4,000	$ 3,958	$ 4,000	$ 4,000	$ 4,300	$ 4,700	$ 5,000
Landscape Maintenance - Office	$ 2,210	$ 1,514	$ 2,500	$ 1,718	$ 2,500	$ 2,650	$ 2,800	$ 3,000	$ 3,100
Office Supplies & Misc Expenses	$ 5,008	$ 5,262	$ 5,500	$ 4,039	$ 5,500	$ 6,000	$ 6,000	$ 6,000	$ 6,500
Computers Hardware	$ 6,837	$ 7,827	$ 8,500	$ 6,728	$ 8,500	$ 8,600	$ 9,000	$ 9,300	$ 9,700
Computer Software	$ 9,322		$ -	$ -	$ -	*Combined with computer software, maint, licnc.*			
Computer Software, Maintenance, License	$ 6,241	$ 19,418	$ 17,000	$ 10,139	$ 17,000	$ 17,000	$ 17,000	$ 17,300	$ 17,600
Utilities - Office	$ 6,294	$ 6,848	$ 7,200	$ 6,818	$ 7,200	$ 7,200	$ 7,300	$ 7,500	$ 7,700
Enterprise Voice Communications - land line phones	$ 8,488	$ 13,465	$ 13,600	$ 14,304	$ 13,600	$ 13,600	$ 14,000	$ 14,300	$ 14,700
Data Communications: Fiber Lines/Internet	$ -	$ 15,988	$ 16,000	$ 16,786	$ 16,000	$ 17,000	$ 17,000	$ 17,000	$ 17,700
Wireless Voice & Data Communications - cell	$ 1,890	$ 4,601	$ 4,750	$ 5,083	$ 4,750	$ 5,000	$ 5,200	$ 5,300	$ 5,500
Printing, Postage, Stationery, Copier Maintenance	$ 43,425	$ 36,718	$ 37,500	$ 30,641	$ 37,500	$ 38,000	$ 38,500	$ 39,500	$ 40,500
Uncollectible Accounts	$ 1,975	$ 1,355	$ 1,150	$ 1,048	$ 1,150	$ 1,150	$ 1,300	$ 1,300	$ 1,500
Engineering Department	$ 3,500	$ 3,337	$ 3,600	$ 3,376	$ 3,600	$ 4,000	$ 4,300	$ 4,700	$ 5,000

Wastewater Budget Table WWB - 4 Operation and Maintenance Expenses - FY 17/18 - Draft V.June 20

Description	2 Recorded FY 2014-15	1 Recorded FY 2015-16	Budget FY 2016-17	Projected FY 2016-17	1 Budget FY 2017-18	2 Forecast FY 2018-19	3 Forecast FY 2019-20	4 Forecast FY 2020-21	5 Forecast FY 2021-22
Training - Office	$ 938	$ 1,077	$ 1,150	$ 629	$ 1,150	$ 1,350	$ 1,500	$ 1,700	$ 1,800
Conferences and Seminars - Office	$ 2,298	$ 2,311	$ 3,000	$ 2,189	$ 3,000	$ 3,300	$ 3,600	$ 4,000	$ 4,300
Board of Directors - Conferences and Seminars	$ 755	$ 2,393	$ 1,675	$ 714	$ 1,675	$ 1,675	$ 1,800	$ 2,000	$ 2,150
Misc Administration - Office	$ 1,758	$ 1,079	$ 1,675	$ 1,837	$ 1,675	$ 1,675	$ 1,700	$ 1,700	$ 1,700
Board of Directors - Misc Administration	$ 590	$ 362	$ 650	$ 707	$ 650	$ 650	$ 650	$ 650	$ 650
Membership Renewals/Subscriptions	$ 7,376	$ 6,585	$ 7,500	$ 8,231	$ 7,500	$ 7,600	$ 8,000	$ 8,300	$ 8,600
Bank Charges	$ 13,347	$ 18,624	$ 18,000	$ 20,233	$ 18,000	$ 19,000	$ 20,000	$ 21,000	$ 22,000
Rental Properties Expense	$ 580	$ 563	$ 1,050	$ 3,929	$ 850	$ 850	$ 850	$ 850	$ 850
GENERAL AND ADMINISTRATIVE EXPENSES	$ 225,562	$ 298,854	$ 284,600	$ 242,783	$ 284,400	$ 337,900	$ 301,300	$ 361,500	$ 311,850

TOTAL WASTEWATER SYSTEM EXPENSE (w/o LA Treatment Costs)	$ 1,801,288	$ 1,865,718	$ 1,989,671	$ 1,848,187	$ 1,991,542	$ 2,034,971	$ 2,033,571	$ 2,135,563	$ 2,122,413
TOTAL WASTEWATER SYSTEM EXPENSE (w/o LA Treatment & Labor Costs)	$ 372,639	$ 442,611	$ 409,025	$ 373,202	$ 410,696	$ 472,321	$ 442,871	$ 520,163	$ 475,613

Wastewater Budget Table WWB - 5 Reserve Targets - FY 17/18 - Draft V.June 20

	2	1			1	2	3	4	5
Description	**Recorded FY 2014-15**	**Recorded FY 2015-16**	*Budget FY 2015-16*	**Projected FY 2015-16**	**Budget FY 2017-18**	**Forecast FY 2018-19**	**Forecast FY 2019-20**	**Forecast FY 2020-21**	**Forecast FY 2021-22**
Rate stabilization (a)	$ 512,100	$ 498,750	$ 496,350	$ 452,250	$ 472,800	$ 481,350	$ 493,650	$ 507,900	$ 523,650
Emergency reserves (b)	$ 750,000	$ 750,000	$ 750,000	$ 750,000	$ 750,000	$ 750,000	$ 750,000	$ 750,000	$ 750,000
Depreciation (reserves for replacements)	$ 850,000	$ 850,000	$ 850,000	$ 850,000	$ 900,000	$ 950,000	$ 1,000,000	$ 1,050,000	$ 1,100,000
Working cash (c)	$ 300,000	$ 310,000	$ 330,000	$ 310,000	$ 330,000	$ 340,000	$ 340,000	$ 360,000	$ 350,000
Total Target WW Reserves	$ 2,412,100	$ 2,408,750	$ 2,426,350	$ 2,362,250	$ 2,452,800	$ 2,521,350	$ 2,583,650	$ 2,667,900	$ 2,723,650

Note:

Cash reserves target is per 6/30/03 policy in Annual Financial Statement.

a. Rate stabilization reserve target equals .15 percent of sewer sales.

b. The emergency reserve is set at 750,000.

c. The working cash level is set at two months of O&M expenses.

Wastewater Budget Table WWB-6 CIP & Capital Outlay - FY 17/18 - Draft V.June 20

	2	1			1	2	3	4	5
Description	**Recorded FY 2014-15**	**Recorded FY 2015-16**	*Budget FY 2016-17*	**Projected FY 2016-17**	**Budget FY 2017-18**	**Forecast FY 2017-18**	**Forecast FY 2018-19**	**Forecast FY 2019-20**	**Forecast FY 2020-21**
1. Collections Systems	$ 8,112	$ 8,112	$ 75,000	$ -	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000
2. Interceptor System	$ 1,109	$ 1,109	$ 2,000	$ -	$ 2,000	$ 2,000	$ 2,000	$ 2,000	$ 2,000
3. Lift Station			$ 75,000	$ -	$ 40,000	$ 3,000	$ 3,000	$ 3,000	$ 3,000
4. Technology (Sewer Projects Only)			$ 5,000	$ -	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000
5. Public Safety/Emergency Response			$ -	$ -	$ -	$ -	$ -	$ -	$ -
6. Facilities & Planning			$ 20,000	$ -	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000
7. Misc. Sewer Projects			$ 8,000	$ -	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000
Total CIP Projects	$ 9,221	$ 9,221	$ 185,000	$ -	$ 147,000	$ 110,000	$ 110,000	$ 110,000	$ 110,000
Capital Outlay									
Software (Spring Brook) - Fixed Assets					$ 3,750				
Spring Brook Software - Payroll Module						$ 6,250			
Spring Brook Software - Work Order Module							$ 8,750		
Spring Brook Software - Project Management Module								$ 5,000	
Spring Brook Software - Extend Budget Module									$ 5,000
Upgrade Computer Hardware & Security			$ 8,000	$ 8,000	$ 10,000	$ 10,000	$ 10,000	$ 6,600	$ 6,600
Main Office - Upgrades			$ 3,000	$ 3,000	$ 3,000	$ 3,000	$ 3,000	$ 3,000	$ 3,000
Misc	$ 8,593	$ 8,593	$ 1,000	$ 1,000	$ 3,250	$ 2,750	$ 2,250	$ 2,400	$ 2,400
Equipment Outlay									
Sewer Cover Transmitter			$ 5,000	$ -					
Sewer Vactor Truck			$ 300,000	$ 300,000					
Annual Vehicle Replacement (1 vehicle)	$ 24,208	$ 24,208	$ 75,000	$ 50,388	$ 55,000	$ 40,000	$ 40,000	$ 40,000	$ 40,000
Total CO Projects	$ 32,801	$ 32,801	$ 392,000	$ 362,388	$ 75,000	$ 62,000	$ 64,000	$ 57,000	$ 57,000
Total CIP & CO Projects	$ 42,022	$ 42,022	$ 577,000	$ 362,388	$ 222,000	$ 172,000	$ 174,000	$ 167,000	$ 167,000

Wastewater Budget Table WWB - 7 Sources and Applications of Funds - FY 17/18 - Draft V.June 20

	2	1			1	2	3	4	5
Budget	**Recorded FY 2014-15**	**Recorded FY 2015-16**	*Budget FY 2016-17*	**Projected FY 2016-17**	**Budget FY 2017-18**	**Forecast FY 2018-19**	**Forecast FY 2019-20**	**Forecast FY 2020-21**	**Forecast FY 2021-22**
REVENUE									
Projected user charges	$ 3,341,597	$ 3,275,859	*$ 3,368,000*	$ 2,980,988	$ 3,115,000	$ 3,171,937	$ 3,254,614	$ 3,356,259	$ 3,461,361
Total permit/connection fee	$ 72,500	$ 48,956	*$ 36,500*	$ 34,000	$ 36,500	$ 36,500	$ 35,500	$ 29,500	$ 29,000
Interest earnings	$ 103	$ 196	*$ 500*	$ 500	$ 500	$ 500	$ 500	$ 500	$ 500
TOTAL REVENUE	$ 3,414,000	$ 3,325,000	*$ 3,405,000*	$ 3,015,000	$ 3,152,000	$ 3,209,000	$ 3,291,000	$ 3,386,000	$ 3,491,000
EXPENSE									
City of LA Sewer Service Charges	$ 675,013	$ 1,362,190	*$ 1,243,000*	$ 950,537	$ 1,216,000	$ 1,216,000	$ 1,216,000	$ 1,216,000	$ 1,216,000
Sewer Labor & Benefits	$ 1,428,649	$ 1,423,107	*$ 1,580,000*	$ 1,474,985	$ 1,580,846	$ 1,562,650	$ 1,590,700	$ 1,615,400	$ 1,646,800
Sewer O & M Expense	$ 372,639	$ 442,611	*$ 409,000*	$ 373,202	$ 411,000	$ 472,000	$ 443,000	$ 520,000	$ 476,000
Sewer CIP & CO Expense	$ 42,022	$ 42,022	*$ 522,000*	$ 362,388	$ 222,000	$ 172,000	$ 174,000	$ 167,000	$ 167,000
Transfer to Water Reserves	$ -	$ -	*$ -*	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL EXPENSE	$ 2,518,323	$ 3,269,930	*$ 3,754,000*	$ 3,161,112	$ 3,429,846	$ 3,422,650	$ 3,423,700	$ 3,518,400	$ 3,505,800
Additions (reductions) to cash	$ 895,677	$ 55,070	*$ (349,000)*	$ (146,112)	$ (277,846)	$ (213,650)	$ (132,700)	$ (132,400)	$ (14,800)
Effective date of Wastewater rates	7/1/14	7/1/15	*7/1/16*	7/1/16	7/1/17	7/1/18	7/1/19	7/1/20	7/1/21
Rate increase	4.7%	0.0%	*0.0%*	0.0%	0.0%	0.0%	1.0%	1.0%	1.0%
FY beginning Wastewater Reserves	$ 4,504,530	$ 4,823,229	*$ 4,878,298*	$ 4,878,298	$ 4,732,186	$ 4,454,341	$ 4,240,691	$ 4,107,991	$ 3,975,591
Additions (reductions)	$ 895,677	$ 55,070	*$ (349,000)*	$ (146,112)	$ (277,846)	$ (213,650)	$ (132,700)	$ (132,400)	$ (14,800)
FY ending Wastewater Reserves	$ 5,400,207	$ 4,878,298	*$ 4,529,298*	$ 4,732,186	$ 4,454,341	$ 4,240,691	$ 4,107,991	$ 3,975,591	$ 3,960,791
Reconciliation	$ (576,978)	$ (576,978)	*$ -*	$ -	$ -	$ -	$ -	$ -	$ -
FY ending Wastewater Reserves	$ 4,823,229	$ 4,301,320	*$ 4,482,896*	$ 4,732,186	$ 4,454,341	$ 4,240,691	$ 4,107,991	$ 3,975,591	$ 3,960,791
TOTAL TARGET WASTERWATER CASH RESERVES	$ 2,152,251	$ 2,272,087	*$ 2,456,350*	$ 2,362,250	$ 2,452,800	$ 2,521,350	$ 2,583,650	$ 2,667,900	$ 2,723,650
Above (below) target	$ 3,247,956	$ 2,606,211	*$ 2,072,948*	$ 2,369,936	$ 2,001,541	$ 1,719,341	$ 1,524,341	$ 1,307,691	$ 1,237,141

Legend

Blue - Recorded Revenues & Expenses

Brown - Previous Year Budget & Projected Revenues & Expenses

Black - Budget Revenues & Expenses

Green - Forcast Revenues & Expenses

RESOLUTION NO. 737

RESOLUTION OF THE BOARD OF DIRECTORS OF CRESCENTA VALLEY WATER DISTRICT ADOPTING RATES AND CHARGES FOR WATER SERVICE

WHEREAS, the Crescenta Valley Water District is a county water district empowered under the Water Code to fix rates and charges for its water service;

WHEREAS, a water and sewer cost of service study has been prepared and presented to the Board of Directors of the District;

WHEREAS, based on the cost of service study, a proposed change in water rates and charges has been presented to the Board of Directors of the District for bills rendered after July 1, 2017;

WHEREAS, notice of the proposed rates and charges was published in advance, and a public hearing was held on the proposed rates and charges;

WHEREAS, pursuant to section 15273 of the District's CEQA guidelines, the Board of Directors hereby finds that the proposed rates and charges are for the purpose of meeting operating expenses, including employee wage rates and fringe benefits, purchasing or leasing supplies, equipment, or material, meeting financial reserve needs and requirements, and obtaining funds for capital projects, necessary to maintain service within existing service areas, and therefore the California Environmental Quality Act does not apply to the approval of the rates and charges;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Crescenta Valley Water District authorize that Appendix E of the District's Rules and Regulations, Rates and Charges for Water Service, is amended to read as attached.

PASSED, APPROVED, AND ADOPTED at an Adjourned Meeting of the Board of Directors of Crescenta Valley Water District held on June 20, 2017. Resolution No. 737 was adopted by the following vote:

AYES:

NOES:

ATTEST:

____
President, Board of Directors
Crescenta Valley Water District

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

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. 737 of the Board of Directors of Crescenta Valley Water District adopted at an Adjourned Meeting held on June 20, 2017, and that the same has not been amended or repealed.

Secretary of the Board of Directors of
Crescenta Valley Water District

DATED: June 20, 2017 **(S E A L)**

APPENDIX E
CRESCENTA VALLEY WATER DISTRICT
RATES AND CHARGES FOR WATER SERVICE

CRESCENTA VALLEY WATER DISTRICT

APPENDIX E

RATES AND CHARGES FOR WATER SERVICE

Quantity rate charge for single family residential usage: Quantity charges are applicable to all water consumption in addition to the bi-monthly service charge. The rates charged by the District for water consumption, per 1,000 gallons (Unit) of water consumed per bi-monthly billing period, are as follows:

For Bills Rendered After: 7/1/17 Water Use Range		Rate per 1,000 Gallons
Tier I	1-10 Units	$ 4.58
Tier II	11-26 Units	$ 7.21
Tier III	27 Units and above	$10.89

Quantity rate charge for multi-family units, commercial, institutions, & schools usage: The rates charged by the District for water consumption, per 1000 gallons (Unit) of water consumed per bi-monthly billing period, are as follows:

For Bills Rendered After: 7/1/17	Rate per 1,000 Gallons
Base Rate	$ 6.49

Quantity rate charge for irrigation usage: The rates charged by the District for water consumption, per 1000 gallons (Unit) of water consumed per bi-monthly billing period, are as follows:

For Bills Rendered After: 7/1/17 Water Use Range		Rate per 1000 Gallons (Unit)
Tier I	1-80 Units	$ 5.01
Tier II	81 Units and above	$ 9.60

Service Charge: The bi-monthly service charge is a fixed charge per meter size and does not provide for any minimum water consumption allowance are as follows:

Commencing the First Billing Period Following:

Meter Size	7/1/17 Within District	7/1/17 Outside District
3/4"	$47.92	$48.32
1"	$71.48	$71.88
1½"	$130.39	$130.79
2"	$201.10	$201.50
3"	$424.97	$425.37
4"	$754.90	$755.30

Minimum Monthly Charge for Temporary Service per Article 9.02: $35.00

One-Time Service Charge for Temporary Service per Article 9.02: $25.00

<u>Private Fire Protection Charge:</u> The bi-monthly service charge for fire protection services per meter size and does not provide for any minimum water consumption allowance are as follows:

Meter Size	7/1/17 Within District	7/1/17 Outside District
1"	$14.04	$14.44
2"	$21.67	$22.07
3"	$39.02	$39.42
4"	$68.95	$69.35
6"	$176.33	$176.73
8"	$361.56	$361.96
10"	$640.18	$640.58

<u>Glendale Utility Tax Administration Fee</u> – Effective 1/1/11 for customers within the City of Glendale - $0.40 per bi-monthly bill.

<u>WATER SYSTEM CONNECTION FEE:</u>

1. The basic fee is **<u>$3,875</u>** per equivalent dwelling unit for fiscal year **<u>2017-2018</u>**. On July first of each year, the fee shall be revised according to the following equation.

$$\text{Fee} = \frac{BV + CIP_5}{\Sigma\ EDU}$$

Where:

Fee = Current year's connection fee per equivalent dwelling unit.

BV = Current value of all District water system property and equipment minus the depreciation of water system assets as published in the District's independently audited financial statements.

CIP_5 = The average annual cost of water system projects in the District's most recent Capital Improvement Program attributed to the need for increased water system capacity multiplied by 5 years.

Σ EDU = The sum of equivalent dwelling units in the District's water system as calculated at the end of the prior year based on the meter conversion method in the November 2003 report entitled "Establishment of a New Water System Connection Fee Structure for Crescenta Valley Water District".

2. **Exception**: For the installation of a <u>new fire service line,</u> where no other construction is proposed, the water system connection fee shall only include the CIP component as follows:

$$\text{Fee} = CIP_5 / \Sigma\ EDU$$

CRESCENTA VALLEY WATER DISTRICT
BOARD OF DIRECTORS - STAFF REPORT

Action Item No. 3

To: Honorable President and Members of the Board of Directors June 20, 2017

From: Ron L. Mitchell, Secretary-Treasurer

Subject: **Delegation of Authority to Request Disbursements**

ACTION ITEM:

Delegation of Authority to Request Disbursements – Consideration and motion to designate the General Manager and Secretary-Treasurer positions as authorized persons to request disbursements from the CERBT OPEB trust.

BACKGROUND:

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.

At the May 16th Board meeting, Mr. Cline presented a new Power Point presentation to help the Board and staff understand the magnitude of the unfunded liability that will be needed 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. The Board took action to authorize the General Manager and staff to take whatever steps necessary to establish a CERBT OPEB trust fund before June 30, 2017 and prefund at $100,000 using Strategy 1.

As part of the process to establish this trust fund, CERBT requires the Board to designate certain positions as authorized to request disbursements from the trust. These disbursements most likely will not occur for several years until we have built up a significant amount to cover the OPEB liability, but it is best to have this done now so all the proper authorizations are in place.

RECOMMENDATION:

It is staff's recommendation that the Board authorize the General Manager and Secretary-Treasurer positions to request disbursements from the CERBT OPEB trust.

Prepared by: Submitted by:

Thomas A. Love

Ron L. Mitchell, Secretary-Treasurer Thomas A. Love, General Manager

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DELEGATION OF AUTHORITY TO REQUEST DISBURSEMENTS

CalPERS

RESOLUTION OF THE

Board of Directors
(GOVERNING BODY)

OF THE

Crescenta Valley Water District
(NAME OF EMPLOYER)

The Board of Directors (GOVERNING BODY) delegates to the incumbents

in the positions of General Manager (TITLE) and

Secretary-Treasurer (TITLE) and/or

____________________ (TITLE) authority to request on

behalf of the Employer disbursements from the Other Post Employment Prefunding

Plan and to certify as to the purpose for which the disbursed funds will be used.

By ____________________

Title President, Board of Directors

Witness ____________________

Date June 20, 2017

CVWD Rate Increase on the Horizon

Photo by Julie BUTCHER

Members of the CVWD board of directors listen to audience members speaking in support of and opposition to a proposed rate increase.
By Julie BUTCHER

Director James Bodnar opened the Crescenta Valley Water District (CVWD) board's public hearing regarding the rate increase proposed for water rates by welcoming those in attendance, noting "ours is a community water and sewer district."

"That's why," he added, "the key point tonight is to listen."

District management analyzed cost and usage data and proposed an increase to water rates of approximately $5.46 per gallon for a typical residence (that is one that uses 8,500 gallons a month). Sewer rates have not increased since 2014 and a rate increase is not proposed.

Board members heard from several of the approximately 22 customers who attended the meeting, provided back-up documentation and answered questions. General Manager Tom Love pledged that answers to all of the questions raised, as well as the full report relied upon for calculating the rate increase, will be answered on the District's website by close of business on Tuesday, June 20.

Also on June 20, the board will meet at 7 p.m. at the CVWD headquarters at 2700 Foothill Blvd. to specifically deliberate over the rate increase. The board's meetings are open to the public, and public comment is heard in an informal manner.

Jonas Williams spoke at the meeting and also submitted a seven-page letter dated June 2 raising numerous, detailed questions and urging the board to consider different billing mechanisms to provide relief for owners of larger lots.

"I've spent $9,000 installing irrigation equipment. We've got six rain barrels. I've done everything to save water, and we still fall into the higher tier," Williams said. He also submitted a petition signed by 10 other district customers.

George Solymar voiced his opposition to the water rate hike.

"I've got one brother who lives in Calabasas and has a pool and he pays less than I do. I've got another brother who lives in Lakewood and he pays less, too. I've been happy to talk engineer-to-engineer to Mr. Tom Love but this doesn't make sense," Solymar told the board.

According to the District, revenue from water sales has dropped dramatically in the past three years while the expense for imported, purchased water has increased $630,000 in the past year.

“It is a small, community district, covering only 8,000 customers,” Bodnar said. “On the other hand, we’ve got reserves that few districts maintain. Our pipes are in pretty good shape. But our streets are not straight so our pipes can’t be straight. We’ve got rock and hills. Every drop has to be pumped. Still, our rates are comparable with rates charged by Glendale, Pasadena, and smaller Kinneloa districts.”

The CVWD maintains 88 miles of pipeline, 19 reservoirs, 12 wells and three pumping stations. Some of the facilities are over 70 years old. Unlike similarly situated water districts, the Crescenta Valley Water District funds a Capital Improvement Program (CIP) to plan for infrastructure needs.

Water comes from two sources: local groundwater (the cheapest) and imported water purchased from the Foothill Municipal Water District (FMWD), which purchases its water from the Metropolitan Water District (MWD). That water is more expensive, coming either through the California Aqueduct from the Bay Delta or from the Colorado River.

Crescenta Valley water rates have increased 5.2%, 5.7% and 5.8% each of the three past years, respectively. At the same time, the average rate across California has increased 7%.

Director Mike Claessens addressed the audience.

“We live here, too, and we don’t get a break. We’ve all spent an incredible amount of time grilling staff over costs – my wife is not happy with how much time I spend, in fact. We’re a responsible district. We have reserves. In the event of an earthquake, we anticipate that we could provide 40% of the current usage to our customers immediately. Other districts will look to us in that eventuality."

"I'm grateful for the diligence we [apply]," Claessens concluded. "Safe, dependable water is one of the reasons we moved here."

Frank Colcord spoke "in general support of the increase."

"Water is by far our most precious resource and it is expensive," Colcord said. "Local water is even more precious. We are privileged to live here; our climate is Mediterranean, and we should take the opportunity to build water reserves while the costs are lowest, to make infrastructure fixes now."

Following the public hearing, the board indicated it will provide answers to all of the questions raised. The rate increase will be discussed and is expected to be approved at the board meeting set for June 20 at 7 p.m. Comments can be submitted on the District's website www.cvwd.com.