

CRESCENTA VALLEY WATER DISTRICT

**2700 Foothill Boulevard
La Crescenta, California**

**Agenda for the
Regular Meeting of the Board of Directors
of the Crescenta Valley Water District
to be held on July 11, 2017 at 7:00 p.m.**

Posted: July 7, 2017 at 3:00 p.m.

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

Call to Order and Determination of Quorum

Pledge of Allegiance

Adoption of Agenda

Public Comments

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

Foothill Municipal Water District Report

1. Report on activities at Foothill Municipal Water District.

Consent Calendar

1. Consideration and approval of the Minutes of the Adjourned Regular Meeting on June 20, 2017.
2. Ratification of Disbursements for June 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. **Well 5 Pump and Motor Assembly Replacement, Project E-983** – Consideration and motion to authorize the General Manager to award a contract to Legend Pump, Inc. for well rehabilitation at Well 5 at a cost of \$63,483 and establish a contingency amount of \$6,350 (10% of contract) to cover the cost of unforeseen or additional work.
2. **CVWD's Well 2 and Related Facilities, Project E-956** – Consideration and motion to authorize the General Manager to advertise for bids for the construction of the Well 2 and related facilities with an engineer's cost estimate of \$907,000.
3. **Purchase of New Compact Excavator, Unit #54, Project C-983** – Consideration and motion to authorize the General Manager to purchase a new Caterpillar compact excavator model No. 303.5E2 from Quinn Company for a total cost of \$60,545 and declare Unit #21 as surplus and direct the General Manager to dispose in a manner that best benefits the District.
4. **Refinancing of the 2007 Certificates of Participation** – Discussion regarding the District's consideration for when and how to refinance the District's bond debt, originally issued in 2007.
5. **Strategic Plan** – Discussion regarding the draft Strategic Plan of the District.

Information Items

Written Communications to District/Board of Directors

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
ADJOURNED REGULAR MEETING, BOARD OF DIRECTORS**

June 20, 2017

Pursuant to the order of the Board of Directors of the Crescenta Valley Water District, made at the Regular Meeting of June 6, 2017, an Adjourned Regular Meeting was held on June 20, 2017, at 6:30 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 Wendy Holloway, Customer Accounts Supervisor James Lee, Accountant Dennis Maxwell, Superintendent Kathy Ross, FMWD Director Andy Turner, Lagerlof, Senecal, Gosney & Kruse Brad Schleder, AFSCME

PLEDGE OF ALLEGIANCE

President Bodnar opened the meeting by leading 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 Adjourned Regular Meeting of June 20, 2017 be adopted as presented.

CLOSED SESSION – The Board met in Closed Session under Section §54957 – Public Employee Discipline/Dismissal/Release with no reportable action.

Open Session resumed at 7:20 p.m.

PUBLIC COMMENT – None

FOOTHILL MUNICIPAL WATER DISTRICT REPORT – Ms. Kathy Ross reported FMWD met on June 20, 2017 and passed their budget with an overall 8.6% increase. They also approved the Emergency

Response Plan and member agencies will be getting a copy. Ms. Ross said that sales are up and FMWD haven't seen sales like this in 10 years.

CONSENT CALENDAR

It was moved by Director Claessens, seconded by Director Erickson and carried by a 5-0 vote to approve the Minutes of the Regular Board Meeting held on June 6, 2017, and the Special Meeting held on June 13, 2017.

It was moved by Director Tejeda, seconded by Director Claessens and carried by a 5-0 vote to ratify the disbursements for May 2017 which consisted of:

Payment of demands against the Crescenta Valley Water District on or before May 31, 2017 the same having been approved by the General Manager, Thomas A. Love, and heretofore paid, be ratified and approved subject to audit, in the aggregate sum of Eight Hundred Seventy Eight Thousand, Three Dollars and Seventy Eight cents (878,003.78), which is composed of the individual items set forth herein.

ACTION CALENDAR

Fiscal Year 2017/18 Water and Wastewater Budgets – President Bodnar stated the Board is going to be talking about the FY 2017/18 Water and Wastewater Budgets which is the foundation for the rate increase and requested to have the Wastewater Budget approved.

It was moved by Director Claessens, seconded by Director Tejeda and carried by a 5-0 vote to approved the Wastewater Budget for FY 2017/18.

Mr. Love discussed with the Board the Water Budget with a correction Table WB-9 on the Cash Flow model regarding the percentages for the fixed charges and the commodity charges. President Bodnar opened the discussion to the public for comment, and then he had the Directors discuss the Water Budget.

Following discussion:

It was moved by Director Putnam, seconded by Director Claessens to adopt the fiscal year 2017/18 Water Budget with modifications presented today.

Following discussion:

It was moved by Director Tejeda and seconded by Director Erickson to amend the original motion to take sufficient funds from MTBE reserves to lower the water rate percentage increase to 5.9%. This motion failed by a 2-3 vote (Bodnar, Claessens, Putnam).

The original motion to adopt the fiscal year 2017/18 Water Budget passed by a 3-2 (Tejeda, Erickson) vote.

Resolution No. 737 – Mr. Mitchell asked for the Board's 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.

Following discussion:

It was moved by Director Putnam, seconded by Director Claessens and carried to adopt Resolution No. 737 amending Appendix E of the District's Rules and Regulations pertaining to Rates and Charges for Water Service by the following roll call:

AYES:	Director Bodnar
AYES:	Director Claessens
AYES:	Director Erickson
AYES:	Director Putnam
NOES:	Director Tejeda

Delegation of Authority to Request Disbursements – Staff recommended that the Board authorize the General Manager and Secretary-Treasurer as authorized positions to request disbursements from the CERBT OPEB Trust.

Following discussion:

It was moved by Director Tejeda, seconded by Director Claessens and carried by a 5-0 vote to designate the General Manager and Secretary-Treasurer positions as authorized persons to request disbursements from the CERBT OPEB trust.

INFORMATION ITEMS – CV Weekly: CVWD Rate Increase on the Horizon.

WRITTEN COMMUNICATIONS TO DISTRICT – None

REPORTS OF PERSONNEL

SECRETARY-TREASURER – Mr. Mitchell reported Phase 1 of the audit will begin June 27, 2017.

GENERAL MANAGER – No report

DISTRICT ENGINEER – No Report

PROGRAM SPECIALIST – No Report

INFORMATION TECHNOLOGY – No Report

ATTORNEY – No Report

REPORTS OF COMMITTEES

Engineering Committee – Director Claessens reported that the Committee will meet on June 28, 2017 at 9:00 a.m.

Finance Committee – Director Tejeda reported that the Committee will meet on June 29, 2017 at 3:30 p.m.

Employee Relations Committee – Director Putnam reported that the Committee met on June 14, 2017 at 9:00 a.m. and discussed the hiring of temporary employees.

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 Claessens 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 as needed.

DIRECTORS ORAL REPORTS

Director Bodnar – No Report

Director Claessens – No Report

Director Putnam – No report

Director Tejeda reported that she attended the CV Chamber meeting last week that was held at the VFW. She also attended the safety luncheon for the District employee's on June 15, 2017 celebrating three years without a loss-time injury.

Director Erickson – No Report

The Board discussed the calendar for upcoming meetings and determined that they would only hold one meeting in both July and August. The meeting dates were set for July 11th and August 15th.

ADJOURNMENT

There being no other business to come before the Board, at 8:47 p.m. it was moved by Director Claessens, seconded by Director Tejeda and carried by a 5-0 vote that the meeting be adjourned to July 11, 2017 at 7:00 p.m.

APPROVED

James D. Bodnar
President

Ron L. Mitchell
Secretary-Treasurer

CASH DISBURSEMENTS LIST

JUNE 2017



<u>Check#</u>	<u>Check</u> <u>Date</u>	<u>Payable To</u>	<u>Description</u>	<u>Water</u> <u>Amount</u>	<u>Wastewater</u> <u>Amount</u>
0	6/26	Southern California Edison Co.	Power purchased 06/2017	21,267.37	338.92
35764	6/6	ACV Systems, LLC	E-733-CS - 8"Cla-Val for FMWD connection	7,068.75	
35765	6/6	ADS, LLC	Monthly monitoring 05/2017		1,010.00
35766	6/6	Airgas USA, LLC	Monthly cylinder rental - 05/2017 & 06/2017	958.51	147.29
35767	6/6	AMEC Foster Wheeler Environment	E-957 services through 03/31/2017	14,768.73	
35768	6/6	Anawalt Lumber & Materials Co.	Misc hardware 05/2017	78.06	
35769	6/6	AVAYA Financial Services	Land line lease 05/2017	380.67	126.89
35770	6/6	Gary Bates	Refund Check	64.84	
35771	6/6	BC Laboratories, Inc	Water analysis	1,989.15	
35772	6/6	BC Laboratories, Inc	Water analysis	2,906.65	
35773	6/6	Ruth Blanco	Refund Check	94.20	
35774	6/6	Michele Brooke	Refund Check	80.06	
35775	6/6	Michele Brooke	Refund Check	63.20	
35776	6/6	Cannon	E-940 - Post construction services	4,392.00	
35777	6/6	Linda Casper	Refund Check	89.46	
35778	6/6	CCS Interactive, Inc.	Website enhancements	326.25	108.75
35779	6/6	Choice Pest Control	Monthly service at Mills house & Well 9 - 04/2017	90.50	12.50
35780	6/6	City of Glendale	ULARA water system fees - 04/2017	1,410.28	
35781	6/6	City of Glendale Water & Power	Power purchased 05/2017	30,657.54	26.18
35782	6/6	City of LA Bureau Sanitation	Sewerage Facilities Charge Mar/Apr 2017		3,374.14
35783	6/6	Coastline Equipment Co.	Unit #15 - 410J repairs to boom	1,641.56	547.19
35784	6/6	Colonial Life & Accidents Ins.	Employee paid insurance 05/2017	183.61	
35785	6/6	Contractor Compliance & Mont Inc.	Labor compliance services for 03/2017	63.75	
35786	6/6	Dataprose LLC	Printing & Postage for controls 1-4 05/2017	1,446.54	1,446.54
35787	6/6	Dell Financial Services	Lease contract for 06/2017	727.71	242.57
35788	6/6	Direct Connection	Graphic revision for water conservation alert system	40.88	40.87

<u>Check#</u>	<u>Check Date</u>	<u>Payable To</u>	<u>Description</u>	<u>Water Amount</u>	<u>Wastewater Amount</u>
35789	6/6	Do-it Center	Misc hardware 05/2017	255.78	73.54
35790	6/6	E & R Construction, Inc.	Refund for flood meter	925.00	
35791	6/6	Empire Fleetwash, LLC	Cost to clean vehicles	291.75	97.25
35792	6/6	Eurofins Eaton Analytical Inc.	Water analysis	512.00	
35793	6/6	Foothill Car Wash, Lube & Oil	Oil changes for Unit #51 and #49 - 05/2017	139.07	46.35
35794	6/6	Glendale Hyundai Pre-owned	Refund Check	51.02	
35795	6/6	Grainger	2 Fire extinguisher cabinets, 20 padlocks for lock out, wheel chocks for Unit #53, ladder for cl2 tank @ Mills, signs	1,081.75	346.83
35796	6/6	Gsolutionz Professional Services	3 new handsets and cords	746.69	248.90
35797	6/6	HD Supply Waterworks Ltd	Ford A34 meter adapters 3/4 x 1	3,735.43	
35798	6/6	Home Depot Credit Services	Misc hardware 05/2017	29.36	29.35
35799	6/6	Innovyze	Renewal of H2ONet 2018	750.00	250.00
35800	6/6	Itron, Inc	Renewal software maintenance	1,718.92	572.97
35801	6/6	J & K Welding	Welding cost to install fire hydrant	708.75	
35802	6/6	John Robinson Consulting, Inc.	M-965 Grant assistance through 04/30/2017	2,100.00	
35803	6/6	Joseph G. Pollard Co., Inc	Dechlorinating diffuser	1,245.82	
35804	6/6	Just Tires, Inc.	Unit #46 - 4 new tires	930.50	310.16
35805	6/6	Eunhee Kim	Refund Check	64.48	
35806	6/6	Robert & Marjorie Koerber	Refund Check	110.67	
35807	6/6	Steven Kuhn	Refund Check	39.45	
35808	6/6	L.A. County Dept. Public Works	Excavation permits	3,308.36	
35809	6/6	L.A. County Dept. Public Works	E-972 excavation permit	123.74	
35810	6/6	LA Dept Water and Power	Power purchased 05/2017	46.06	
35811	6/6	Dennis Lee	Refund Check	46.86	
35812	6/6	George Lin	Refund Check	24.84	
35813	6/6	LJ's Access Systems, Inc.	Preventative maint. on security gates @ various locations	543.80	181.26
35814	6/6	Logan Supply Co. Inc	Meter wrenches	215.98	215.97
35815	6/6	Patrick McCormick	Refund Check		79.43
35816	6/6	Mimecast North America, Inc.	Email security 05/2017	262.50	87.50
35817	6/6	Newegg, Inc.	2 - Notebook computers	1,799.68	599.89
35818	6/6	Nicolay Consulting Group	Services for March - May 2017	525.00	525.00
35819	6/6	Northern Safety Co., Inc	Clear safety glasses	204.12	68.04

<u>Check#</u>	<u>Check Date</u>	<u>Payable To</u>	<u>Description</u>	<u>Water Amount</u>	<u>Wastewater Amount</u>
35820	6/6	O'Reilly Auto Parts	Misc parts & supplies for 05/2017	388.76	129.39
35821	6/6	Office Depot - Credit Plan	Misc office supplies 05/2017	374.15	374.14
35822	6/6	Paper Cuts, Inc	Monthly paper shredding 06/2017	26.88	26.87
35823	6/6	Paveco Construction Inc	Asphalt paving list 17-09 & 17-10	26,590.38	
35824	6/6	Chrissy Pavlick	Refund Check	8.29	
35825	6/6	Pump Check	Well #5 pump efficiency testing	695.00	
35826	6/6	Raftelis Financial Consultants, Inc	Services through 03/2017	747.50	747.50
35827	6/6	Ready Refresh by Nestle	Distilled water 05/2017	12.94	
35828	6/6	Sawyer Petroleum	292.2 gallons of clear diesel fuel	619.23	206.41
35829	6/6	James Scranton	Refund Check	63.15	
35830	6/6	Simpler Systems	Monthly maintenance 06/2017	375.00	125.00
35831	6/6	Yongme Song	Refund Check	23.46	
35832	6/6	Spectrum Business	Data communications 05/2017 Main office	1,977.14	659.04
35833	6/6	Spectrum Business	Data communications 05/2017 Mills	2,001.98	667.32
35834	6/6	Staples Business Advantage	Misc supplies	55.34	55.34
35835	6/6	Adrian Stark	Refund Check	227.00	
35836	6/6	Sully-Miller Contracting Co.	8.02 tons of cold patch asphalt	1,588.14	
35837	6/6	The Gas Company	Gas purchased 05/2017 Mills house, Glenwood, Office	72.57	24.18
35838	6/6	The Hitch Depot	Unit #3 - Repair trailer	473.09	157.70
35839	6/6	Tom John's	Unit #2 towing charges	93.75	31.25
35840	6/6	Toro's Lawnmower & Garden	Metal for pipeline & repair chop saw	100.90	19.94
35841	6/6	Trench Shoring Company	Steel plate for main line & fire hydrant repair on Orange	350.00	
35842	6/6	Underground Service Alert/SC	Underground notifications for 05/2017	136.12	45.38
35843	6/6	Univar USA Inc	1435 gallons of bleach	2,551.19	
35844	6/6	UPS	Shipping Charges	11.79	11.79
35845	6/6	Vision Service Plan Co-(CA)	Group vision for 06/2017	280.26	186.84
35846	6/6	Vulcan Materials Company	Crushed aggregate base	646.35	
35847	6/6	Waste Management - Sun Valley	Diposal service plant & office 06/2017	781.70	260.56
35848	6/6	Watco Industrial Floor, Inc.	Concrete	360.83	
35849	6/6	Water Well Redevelopers Inc	E-979 - Sonar jet double cleaning Well #8	5,707.00	
35850	6/6	Western Water Works	Brass nuts, adapters, elbows, plugs, clamps, flanges, gaskets	2,261.83	
35851	6/6	Whittier Fertilizer Co	100 bags top soil	331.38	

<u>Check#</u>	<u>Check Date</u>	<u>Payable To</u>	<u>Description</u>	<u>Water Amount</u>	<u>Wastewater Amount</u>
35852	6/9	Dennis A. Maxwell, Jr	Health Reimbursement - Maxwell	169.41	112.94
35853	6/12	Cash-Petty Cash	Safety awards for employees - 3 year no loss-time accidents	1,200.00	400.00
35854	6/20	ACV Systems, LLC	Parts/labor Montrose PRV Station	1,043.70	
35855	6/20	Affordable Generator Services, Inc.	Service agreement 2017 -minor service units #28,29,30,35,41	1,275.00	
35856	6/20	Aflac	Employee paid insurance 06/2017	1,406.69	
35857	6/20	Airgas USA, LLC	Monthly cylinder rental 05/2016	213.02	213.01
35858	6/20	All American Landscape Co.	Monthly maintenane 06/2017	217.50	72.50
35859	6/20	Ameripride Uniform Services, Inc	Uniform rentals 05/2017	589.44	196.48
35860	6/20	ARC	Monthly MPS billing 05/2017	600.84	200.28
35861	6/20	AT&T	PRI Usage for 05/2017	3,433.20	1,102.02
35862	6/20	AT&T Mobility	Cell phone charges for 05/2017	930.44	310.14
35863	6/20	Regino Avalos	Clear weeds at Ordunio, Encinal & well 7 & well 8	1,925.00	
35864	6/20	Robert & Garnet Basile	Refund Check	62.58	
35865	6/20	BC Laboratories, Inc	Water analysis	2,109.25	
35866	6/20	BC Laboratories, Inc	Water analysis	1,840.25	
35867	6/20	Belzona California Inc.	Epoxy coating for piping	1,303.34	
35868	6/20	Bonnors Equipment Rentals	Propane rental 05/2017	32.56	10.85
35869	6/20	California Water Environment	Membership renewal Jake Whittaker	129.00	43.00
35870	6/20	CalPERS	Contributions for 05/2017	21,854.18	12,623.03
35871	6/20	CCS Interactive, Inc.	Monthly website hosting 06/2017	78.75	26.25
35872	6/20	Choice Pest Control	Monthly service at Mills house & Well 9 - 05/2017	90.50	12.50
35873	6/20	City of Glendale Water & Power	Power purchased 06/2017 Markridge	273.49	
35874	6/20	Vincenzo Colapietro	Refund Check	2.53	
35875	6/20	Cynthia Dempsey	Refund Check	28.15	
35876	6/20	E & R Construction, Inc.	E-957 Progress payment #3 Lower Pickens Slope repair	108,917.50	
35877	6/20	Eurofins Eaton Analytical Inc.	Water analysis	702.00	
35878	6/20	Eurofins Eaton Analytical Inc.	Water analysis	1,502.00	
35879	6/20	Arm Ineh Eyvazi	Refund Check	100.00	
35880	6/20	First Choice	Coffeee service plant & office	114.80	114.79
35881	6/20	Foothill Municipal Water	Purchased water - 05/2017	299,376.56	
35882	6/20	Graybar Electric Co., Inc.	Batteries for UPS's	344.97	114.99
35883	6/20	Great America Leasing Corp.	Kyocera copier lease 06/2017	216.96	216.96

<u>Check#</u>	<u>Check</u> <u>Date</u>	<u>Payable To</u>	<u>Description</u>	<u>Water</u> <u>Amount</u>	<u>Wastewater</u> <u>Amount</u>
35884	6/20	Gsolutionz Professional Services	Land line support 05/2017	431.27	143.75
35885	6/20	Haaker Equipment Company	Purchase new Vactor truck		274,639.44
35886	6/20	Chris Hempel	E-979 -replace landscaping damaged during installation of Well 8	1,500.00	
35887	6/20	John Robinson Consulting, Inc.	Reimbursement for permits for Well 2	3,077.40	
35888	6/20	Joan Kolbe	Refund Check	53.59	
35889	6/20	LA Dept Water and Power	Power purchased 06/2017	47.92	
35890	6/20	Lagerlof, Senecal, Gosney & Kr	Legal services 05/2017	5,375.00	1,250.00
35891	6/20	Lance Allen Company, Inc	Cost for copies at Office & Glenwood (03/2017-06/2017)	734.24	734.23
35892	6/20	Chon Lee	Refund Check	14.65	
35893	6/20	Sarah Marino	Refund Check	23.28	
35894	6/20	New Image Landscaping	Monthly landscaping 06/2017	902.50	177.50
35895	6/20	Northern Tool & Equip Co.	Miscellaneous supplies	29.99	10.00
35896	6/20	Orchard Supply Hardware	Misc hardware 05/2017	520.16	79.60
35897	6/20	Plumbers Depot Inc	New motor for sewer easement machine		6,043.33
35898	6/20	Ramco	Inert loads 05/2017	2,400.00	
35899	6/20	Rassac Air Systems	Repairs to computer room A/C; scheduled maint @ 3 locations	528.75	176.25
35900	6/20	Robert Brkich Const. Corp	E-733 Final progress payment through 06/0217	40,209.86	
35901	6/20	Royal Wholesale Electric	Starter and parts for booster 23	8,305.42	
35902	6/20	Shell	Gas purchased 05/2017	1,317.95	439.32
35903	6/20	Southland Pipe Corp.	E-972 - 1,460' of pipe for Pennsylvania pipeline replacement	26,753.60	
35904	6/20	Spectrum Business	Data communication internet Glenwood	209.94	70.00
35905	6/20	Staples Business Advantage	Misc supplies	84.52	84.52
35906	6/20	Star Brite Bldg. Maintenance Inc	Janitorial service 06/2017	618.75	206.25
35907	6/20	Sully-Miller Contracting Co.	6.27 tons of cold patch	624.07	
35908	6/20	T.T. Technologies, Inc	Oil for boring tool - trenching	55.98	55.98
35909	6/20	Univar USA Inc	1296 gallons of bleach -Mills/Glenwood	2,304.08	
35910	6/20	UPS	Shipping charges	17.46	17.45
35911	6/20	Vicenti Lloyd Stutzman LLP	Progress billing for audit services through 05/31/17	500.00	500.00
35912	6/20	Vulcan Materials Company	Crushed aggregate base	255.63	
35913	6/20	Wells Fargo Card Services	Gould: AWWA reg. for class for Boyce & Whittaker; Water treatment class reg. for Boyce; board meeting dinner	471.02	17.82

<u>Check#</u>	<u>Check</u> <u>Date</u>	<u>Payable To</u>	<u>Description</u>	<u>Water</u> <u>Amount</u>	<u>Wastewater</u> <u>Amount</u>
35914	6/20	Wells Fargo Card Services	Hass: Monthly recurring charges; computer hardware; Accela Conf registration for Hass, Holloway	1,456.46	384.35
35915	6/20	Wells Fargo Card Services	Maxwell: Work boots for B. Jones; backup camera for Unit #51; board meeting dinner; dinner for OT crews	479.90	124.25
35916	6/20	Wells Fargo Card Services	Mitchell:ACWA Spring Conf. (hotel, car rental, meals); CalPERS webinar; mailing certified letter	816.37	252.92
35917	6/20	Wells Fargo Card Services	Scott: AWWA DVD on water quality; community advertisement; board meeting dinner	975.42	20.48
35918	6/20	Western Water Works	E-972 - Weld tee, flange, reducer	1,437.68	
35919	6/23	Christy Joana Scott	Health Reimbursement - Scott	601.53	401.02
35920	6/27	Direct Connection	Postage for Water Quality reports	1,850.19	
35921	6/29	CalPERS	Contibutions for prefunding CERBT trust plan	100,000.00	
35922	6/30	Ron Mitchell	Health Reimbursement - Mitchell	99.24	66.16
35923	6/30	James Lee	Health Reimbursement	333.60	222.40
Subtotal of Disbursements				\$ 820,761.78	\$ 316,769.69
Total Disbursements for June 2017				\$ 1,137,531.47	
<u>Payroll Report for June 2017</u>					
Directors				\$	1,890.00
Office Regular Payroll				\$	118,167.00
Office OT				\$	221.00
Plant Regular Payroll				\$	102,039.00
Plant OT & Standby				\$	9,799.00
Employer Payroll Taxes				\$	17,275.00
Payroll Service Charges				\$	366.00
Total Payroll					\$ 249,757.00

CRESCENTA VALLEY WATER DISTRICT

BOARD OF DIRECTORS - STAFF REPORT

Action Item No. 1

July 11, 2017

To: Honorable President and Members of the Board of Directors
From: David S. Gould, P.E. – District Engineer
Subject: Recommendation to Award Contract for the Rehabilitation of Well 5

ACTION ITEM:

Well 5 Pump and Motor Assembly Replacement, Project E-983 – Consideration and motion to authorize the General Manager to award a contract to Legend Pump, Inc. for well rehabilitation at Well 5 at a cost of \$63,483 and establish a contingency amount of \$6,350 (10% of contract) to cover the cost of unforeseen or additional work.

BACKGROUND:

Well 5 was last rehabilitated and returned to service in June, 2014. Since then, Well 5 has been operating on a 24/7 basis with flows averaging 350 gpm. In November, 2016, the System Operators started seeing a drop off in production to 250 gpm. The pressure-sustaining valve was adjusted and the flows returned to 350 gpm. However, in May 2017, the flow in Well 5 again started to decrease to 150 gpm. Upon further investigation, it appears the pump assembly is experiencing mechanical problems.

Staff has a concern with the low capacity and the pump efficiency below 40% that a failure of the Well 5 pump could occur sooner than later. In addition, Well 5 typically runs at 350 gpm, which is about 25% of the total daily groundwater production. At its current flow rate of 140 gpm, its production is 11% of the total daily groundwater production. Staff's other concern is the possibility of losing the Well 5 pump during the high summer demand season and thereby have to take additional imported water from FMWD. To be proactive, staff prepared a request for quote (RFQ) to perform well rehabilitation and replace the pump at Well 5. After reviewing the Well 5 project with the Engineering Committee, staff proceeded to advertise for bids.

DISCUSSION:

On June 19, 2017, staff sent out a Request for Quotes to five (5) pump and well contractors for the rehabilitation of Well 5 and the installation of a new pump and motor assembly. A mandatory pre-bid meeting was held on June 28, 2017. Contractors were provided project details and allowed access to the site. The bid opening for the project was held on July 5, 2017 and the results are as follows:

	<u>Bidder</u>	<u>Total Bid Amount</u>
Low	Legend Pump	\$63,483
2 nd	Best Pump and Drilling	\$65,950
3 rd	General Pump Company	Declined to Bid

Legend Pump of San Bernardino was the apparent low bidder for the project and meet the requirements of SB 854 and prevailing wage compliance. Staff has reviewed Legend Pump's submitted references. All responding references have been pleased with their work on previous related projects.

The engineer's estimate was \$59,700 and the low bid was \$63,483 which is 6.3% higher than the engineer's estimate.

RECOMMENDATION:

Staff recommends the award of contract to Legend Pump at the cost \$63,483 to proceed with the work in order to reduce the amount of time Well 5 is out of service. It is staff's goal to complete the rehabilitation of Well 5 by the August 18, 2017 to maximize groundwater well production.

ENVIRONMENTAL REVIEW:

N/A

FUNDING AVAILABILITY:

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

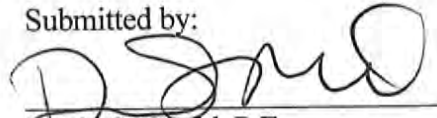
Account Description	Amount
FY 17/18 Water Supply – Well Rehabilitation	\$145,000
Cost Estimate for Contractor	<\$63,483>
Unforeseen or additional work	<\$6,350>
Total Engineer's Cost Estimate	<\$69,833>
Amount Remaining in Water Supply – Well Rehabilitation	\$75,167

Prepared by:



Brook Yared, P.E.
Associate Engineer

Submitted by:



David S. Gould, P.E.
District Engineer

CRESCENTA VALLEY WATER DISTRICT

BOARD OF DIRECTORS - STAFF REPORT

Action Item No. 2

July 11, 2017

To: Honorable President and Members of the Board of Directors
From: David S. Gould, P.E. – District Engineer
Subject: **Advertise for Bids** – Advertisement for bids for the Construction of Well 2 and Related Facilities, Project E-956

ACTION ITEM:

CVWD's Well 2 and Related Facilities, Project E-956 – Consideration and motion to authorize the General Manager to advertise for bids for the construction of Well 2 and related facilities with an engineer's cost estimate of \$907,000.

BACKGROUND:

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

DISCUSSION:

Staff has been working with SA and Associates, which have completed the design of the project and is ready to advertise for bids. The project will include installation of a new 150 gpm submersible pump and motor, onsite piping, a pre-fabricated operations building, electrical and telemetry system, on-site storm drain line, on-site sewer line drain to waste, and on-site improvements. The project will also include the installation of a nitrate removal treatment facility (by APTwater) within a pre-fabricated "carport-type" structure, which will treat the groundwater below the MCL and remove nitrates from the Verdugo Basin. See attached Site Plan.

APTwater was awarded a contract on December 8, 2015 for the design and installation of the ARoNite Nitrate Removal Treatment System for Well 2 for a total cost of \$625,000.

Royal Wholesale Electric was awarded a contract on May 16, 2017 for a cost of \$98,547 to provide the electrical Motor Control Center (MCC), which has a long lead-time and will assist with the project schedule. Staff and John Robinson Consulting have been working with the City of Glendale and Glendale Water & Power on permits for the project as well as providing a new electrical service.

Project Schedule:

The anticipated project schedule is as follows:

Task	Date
Advertisement for Bids	July 11, 2017
Bid Opening	August 30, 2017
Award Contact	September 5, 2017
Mobilization by Contractor	October 30, 2017
Install Buildings & APTwater System	December 15, 2017
Complete APTwater Nitrate Treatment System	March 15, 2018
Testing & DDW approval	April 15, 2018
Well 2 in Service	May 1, 2018

Staff is also working on a public outreach program for the project including sending letters to the residents in the area notifying them of the upcoming project, holding a public meeting about the project and sending a second letter two weeks before construction begins.

Construction Cost Estimate:

The engineer's cost estimate for this portion of the project is \$907,000. The entire project costs including construction management, soils engineer, staff engineering, inspection, procurement of equipment and contingencies is estimated at \$2,025,000 which is \$200,000 over the original budget of \$1,825,000. See the cost breakdown below.

Staff is planning to reduce the amount of pipeline replacement budget for FY 17/18 by deferring the 3200 & 3300 Blocks of Brookhill to FY 18/19 to make up for the additional costs of this project. The total amount to be transferred to this project is \$235,000.

Staff is also planning to submit to Metropolitan Water District (MWD) via FMWD, a Local Resources Program (LRP) funding application for groundwater recovery. MWD defines the objective of the LRP to provide funding for the development of water recycling, groundwater recovery, and seawater desalination supplies that replace an existing demand or prevent a new demand on Metropolitan's imported water deliveries either through direct replacement of potable water or increased regional groundwater production.

The LRP funding could result in CVWD receiving a discounted rate (up to \$340/AF) from FMWD for water produced from Well 2. (i.e. $190 \text{ AF/yr} \times \$340/\text{AF} = \$64,600/\text{yr}$ rebate from MWD) Staff is working with John Robinson Consulting and FMWD on the application and will have more information to report at a future Board meeting.

Cost/Benefit Analysis:

The original benefit-cost analysis prepared by staff with respect to annual savings for purchasing less imported water showed a payback period of 7 years for CVWD's capital investment. Staff adjusted the benefit-cost analysis with the revised total budget and it shows a revised payback period of 8.3 years.

RECOMMENDATION:

It is staff's recommendation to authorize the General Manager to advertise for bids for the project. Staff also reviewed the project with the Engineering Committee and the Committee approved advertising for bids for the project. Staff will advertise the project in the McGraw-Hill Dodge Construction News and will send out plans to selected contractors.

ENVIRONMENTAL REVIEW:

A California Environmental Quality Act (CEQA) Negative Declaration was approved on October 6, 2015.

FUNDING AVAILABILITY:

Account Description	Grant Cost Breakdown
Greater Los Angeles County IRWM 2015 Solicitation Implementation Grant	\$1,825,000
<i>Amount reimbursed from Grant (39%)</i>	<i>\$705,775</i>
<i>CVWD Costs (61%)</i>	<i>\$1,119,225</i>
Breakdown of Project Costs	
Approved Contract – SA Associated - Engineering Services	<\$114,000>
Approved Contract – APTwater for ARoNite Nitrate Treatment System	<\$625,000>
Approved Contract – Royal Wholesale Electric for MCC & Switch Board	<\$98,547>
Engineer Cost Estimate – Well 2 Facilities	<\$907,000>
Estimate Cost – Construction Management Services	<\$120,000>
Estimate Cost – Soil Inspection, Permitting Fees, Engineering Services, and Misc work	<\$160,453>
Total Estimated Cost for Design & Construction	<\$2,025,000>
Amount Remaining for Well 2 Project	<\$200,000>
Transfer of funds from Pipeline Replacement (Move the replacement of the pipeline on 3200 & 3300 Blocks of Brookhill to FY 18/19)	\$235,000
Remaining Funds	\$35,000

Prepared by:

Submitted by:

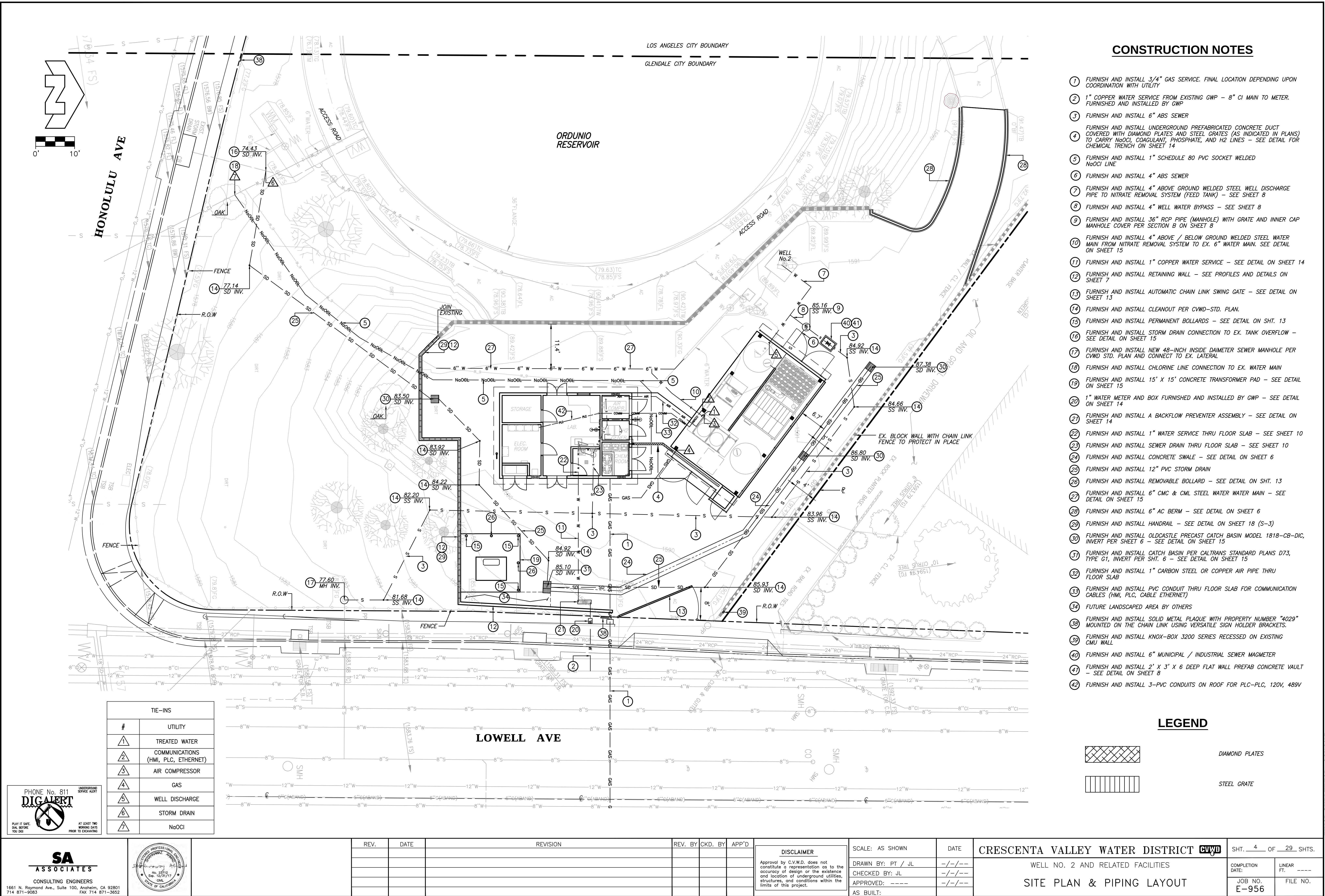


David S. Gould, P.E.
District Engineer

Thomas A. Love
General Manager

Attachments:

1. Site Plan for Well 2



CONSTRUCTION NOTES

- FURNISH AND INSTALL 3/4" GAS SERVICE. FINAL LOCATION DEPENDING UPON COORDINATION WITH UTILITY
- 1" COPPER WATER SERVICE FROM EXISTING GWP - 8" CI MAIN TO METER. FURNISHED AND INSTALLED BY GWP
- FURNISH AND INSTALL 6" ABS SEWER
- FURNISH AND INSTALL UNDERGROUND PREFABRICATED CONCRETE DUCT COVERED WITH DIAMOND PLATES AND STEEL GRATES (AS INDICATED IN PLANS) TO CARRY NaOCl, COAGULANT, PHOSPHATE, AND H2 LINES - SEE DETAIL FOR CHEMICAL TRENCH ON SHEET 14
- FURNISH AND INSTALL 1" SCHEDULE 80 PVC SOCKET WELDED NaOCl LINE
- FURNISH AND INSTALL 4" ABS SEWER
- FURNISH AND INSTALL 4" ABOVE GROUND WELDED STEEL WELL DISCHARGE PIPE TO NITRATE REMOVAL SYSTEM (FEED TANK) - SEE SHEET 8
- FURNISH AND INSTALL 4" WELL WATER BYPASS - SEE SHEET 8
- FURNISH AND INSTALL 36" RCP PIPE (MANHOLE) WITH GRATE AND INNER CAP MANHOLE COVER PER SECTION B ON SHEET 8
- FURNISH AND INSTALL 4" ABOVE / BELOW GROUND WELDED STEEL WATER MAIN FROM NITRATE REMOVAL SYSTEM TO EX. 6" WATER MAIN. SEE DETAIL ON SHEET 15
- FURNISH AND INSTALL 1" COPPER WATER SERVICE - SEE DETAIL ON SHEET 14
- FURNISH AND INSTALL RETAINING WALL - SEE PROFILES AND DETAILS ON SHEET 7
- FURNISH AND INSTALL AUTOMATIC CHAIN LINK SWING GATE - SEE DETAIL ON SHEET 13
- FURNISH AND INSTALL CLEANOUT PER CVWD-STD. PLAN.
- FURNISH AND INSTALL PERMANENT BOLLARDS - SEE DETAIL ON SHT. 13
- FURNISH AND INSTALL STORM DRAIN CONNECTION TO EX. TANK OVERFLOW - SEE DETAIL ON SHEET 15
- FURNISH AND INSTALL NEW 48-INCH INSIDE DIAMETER SEWER MANHOLE PER CVWD STD. PLAN AND CONNECT TO EX. LATERAL
- FURNISH AND INSTALL CHLORINE LINE CONNECTION TO EX. WATER MAIN
- FURNISH AND INSTALL 15' X 15' CONCRETE TRANSFORMER PAD - SEE DETAIL ON SHEET 15
- 1" WATER METER AND BOX FURNISHED AND INSTALLED BY GWP - SEE DETAIL ON SHEET 14
- FURNISH AND INSTALL A BACKFLOW PREVENTER ASSEMBLY - SEE DETAIL ON SHEET 14
- FURNISH AND INSTALL 1" WATER SERVICE THRU FLOOR SLAB - SEE SHEET 10
- FURNISH AND INSTALL SEWER DRAIN THRU FLOOR SLAB - SEE SHEET 10
- FURNISH AND INSTALL CONCRETE SWALE - SEE DETAIL ON SHEET 6
- FURNISH AND INSTALL 12" PVC STORM DRAIN
- FURNISH AND INSTALL REMOVABLE BOLLARD - SEE DETAIL ON SHT. 13
- FURNISH AND INSTALL 6" CMC & CML STEEL WATER MAIN - SEE DETAIL ON SHEET 15
- FURNISH AND INSTALL 6" AC BERM - SEE DETAIL ON SHEET 6
- FURNISH AND INSTALL HANDRAIL - SEE DETAIL ON SHEET 18 (S-3)
- FURNISH AND INSTALL OLDCASTLE PRECAST CATCH BASIN MODEL 1818-CB-DIC, INVERT PER SHEET 6 - SEE DETAIL ON SHEET 15
- FURNISH AND INSTALL CATCH BASIN PER CALTRANS STANDARD PLANS D73, TYPE G1, INVERT PER SHT. 6 - SEE DETAIL ON SHEET 15
- FURNISH AND INSTALL 1" CARBON STEEL OR COPPER AIR PIPE THRU FLOOR SLAB
- FURNISH AND INSTALL PVC CONDUIT THRU FLOOR SLAB FOR COMMUNICATION CABLES (HMI, PLC, CABLE ETHERNET)
- FUTURE LANDSCAPED AREA BY OTHERS
- FURNISH AND INSTALL SOLID METAL PLAQUE WITH PROPERTY NUMBER "4029" MOUNTED ON THE CHAIN LINK USING VERSATILE SIGN HOLDER BRACKETS.
- FURNISH AND INSTALL KNOX-BOX 3200 SERIES RECESSED ON EXISTING CMU WALL
- FURNISH AND INSTALL 6" MUNICIPAL / INDUSTRIAL SEWER MAGMETER
- FURNISH AND INSTALL 2' X 3' X 6 DEEP FLAT WALL PREFAB CONCRETE VAULT - SEE DETAIL ON SHEET 8
- FURNISH AND INSTALL 3-PVC CONDUITS ON ROOF FOR PLC-PLC, 120V, 489V

LEGEND

- DIAMOND PLATES
- STEEL GRATE

TIE-INS	
#	UTILITY
1	TREATED WATER
2	COMMUNICATIONS (HMI, PLC, ETHERNET)
3	AIR COMPRESSOR
4	GAS
5	WELL DISCHARGE
6	STORM DRAIN
7	NaOCl

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SERVICE ALERT
AT LEAST TWO
WORKING DAYS
PRIOR TO EXCAVATING

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

REV.	DATE	REVISION	REV.	BY	CHKD.	BY	APP'D	DISCLAIMER	SCALE: AS SHOWN	DATE	CRESCENTA VALLEY WATER DISTRICT	SHT. 4 OF 29 SHTS.
								Approval by C.V.W.D. does not constitute a representation as to the accuracy of design or the existence and location of underground utilities, structures, and conditions within the limits of this project.	DRAWN BY: PT / JL CHECKED BY: JL APPROVED: ---- AS BUILT:		WELL NO. 2 AND RELATED FACILITIES SITE PLAN & PIPING LAYOUT	COMPLETION DATE: JOB NO. E-956 FILE NO.

CRESCENTA VALLEY WATER DISTRICT

BOARD OF DIRECTORS - STAFF REPORT

Action Item No. 3

July 11, 2017

To: Honorable President and Members of the Board of Directors
From: David S. Gould, P.E. – District Engineer
Subject: Purchase of New Compact Excavator, Unit #54, Project C-983

ACTION ITEM:

Purchase of New Compact Excavator, Unit #54, Project C-983 – Consideration and motion to authorize the General Manager to purchase a new Caterpillar compact excavator model No. 303.5E2 from Quinn Company for a total cost of \$60,545 and declare Unit #21 as surplus and direct the General Manager to dispose in a manner that best benefits the District.

BACKGROUND:

The District has as part of its fleet two (2) tractors that are used on a daily basis for excavating purposes to replace water service laterals and/or water mains, among other necessary tasks. One tractor (Unit #15) is typically used for most projects within the District. However, there are areas within the District where a smaller or a compact excavator has to be used due to site constraints and limited room to maneuver the equipment.

In 2004, the District purchased a Komatsu hydraulic mini-excavator (Unit #21) from Claremont Equipment for \$29,150.

Unit #21 has been in service for the past 13 years and has reached the point where the costs to maintain Unit #21 are greater than the value of the mini-excavator, as shown on the attached chart.



Unit #21 is currently in need of repairs to the two (2) drive motors and the hydraulic pump which run the tractor. The estimates for these repairs are about \$35,000, and the parts would have to be shipped from the factory in Japan, since the parts are not stocked locally. The lead time for the new parts is 8 to 12 weeks and CVWD would have to rent a compact excavator during the interim period at \$250/day or an additional \$21,000.

As shown in the attached graph, the District has spent over \$46,000 to maintain Unit #21 over the last 13 years with the bulk of the maintenance costs occurring in the last five (5) years. The graph also shows that the depreciated value of Unit #21 is less than the cost to maintain it.

DISCUSSION:

Staff started researching the purchase of a new compact excavator in March 2017 and included a cost of \$60,000 in the FY 17/18 water budget. Staff prepared a list of criteria for the new compact excavator for bidding purposes that are shown below:

- Manufacturer must have a local dealership that can provide annual maintenance service and repairs.

- Replacement parts must be non-proprietary and shall be obtained within 5 working days to reduce down time for the equipment.
- The diesel engine shall meet the Air Resources Control Board (ARCB) “Tier 4 Final” requirements for emission controls.
- The unit shall weight a maximum of 8,000 lbs., which is a higher classification excavator than Unit #21.
- The lifting capacity shall be a minimum of 3000 lbs.
- The breakout force required shall be a minimum of 6,000 lbf.
- The maximum ground pressure that the legs can apply to the ground shall be 4.5 psi.
- The unit shall be equipped with a standard power angle blade for grading.
- The unit shall have a hydraulic flow control system for auxiliary excavator controls.
- The manufacturer shall provide the following items:
 - o Three (3) buckets attachments – 12” Wide, 18” Wide & 24” Wide
 - o Anti-Theft option
 - o Hydraulic bucket coupler for changing buckets
- The manufacturer shall also provide a 12-month powertrain & hydraulic warranty

The attached comparison chart for compact excavators shows a breakdown of information from the five (5) leading excavator companies represented in Southern California. Staff met with representatives from Caterpillar and John Deere, who also provided a field demonstration of their equipment.

Staff received quotes from three of the five (5) companies shown below and the attached summary chart:

	<u>Company</u>	<u>Manufacturer</u>	<u>Total Quote including taxes & Freight</u>
1	Quinn Company City of Industry	Caterpillar	\$60,545
2	Coastline Equipment Company Oxnard	John Deere	\$59,269
3	Volvo Construction Equipment & Service Corona	Volvo	\$45,942
4	Sonsray Machinery Santa Fe Springs	Case Excavators	No Quote
5	JCB Southern California City of Industry	JCB Machines	No Quote

Volvo provided a quote, but it did not meet the District’s criteria with respect to the ARCB “Tier 4 Final” requirement and providing a hydraulic bucket coupler. Also, after repeated attempts, Volvo did not provide a field demonstration of their compact excavator.

Staff reviewed the two remaining quotes from Caterpillar and John Deere with respect to meeting the District’s criteria and budget, and the summary of results was shared with the Engineering Committee. Both Caterpillar and John Deere provided a compact excavator for a week for the field crews to become familiar with their capabilities.

The crews indicated that the Caterpillar was easier to maneuver in the field, provided proper safety equipment for operations, had the additional power needed to break through pavement and rocky soils, and was a better overall compact excavator.

Crews were also impressed with the John Deere compact excavator; however, the model that was compared to the Caterpillar had a smaller hydraulic system capacity and a lower bucket breakout force.

RECOMMENDATION:

It is staff's recommendation to purchase the new Caterpillar Excavator Model No. 303.5E2 from Quinn Company for a total cost of \$60,545. While the Caterpillar excavator is \$1,276 more, the John Deere excavator, both staff and the field crews agree that the Caterpillar provides a better excavator for the District's needs. In particular, the Caterpillar's larger hydraulic system capacity and higher bucket breakout force would serve CVWD's typically rocky soils more effectively, and the Caterpillar will overall provide a sturdier product in the long-term. Staff discussed this item at the June 28, 2017 Engineering Committee meeting and the Engineering Committee agreed with Staff's recommendation.

Salvage Value:

Staff's looked into a salvage value for Unit #21 with the Komatsu dealer. Komatsu indicated that the estimated retail value for a 2004 Komatsu is \$11,000 and the wholesale value is \$8,000. However, staff believes the final salvage value could be between \$3,000 and \$3,500 based on the existing condition of Unit #21. Staff included that estimated salvage value in the overall funding breakdown and is also recommending to the Board that Unit #21 be declared as surplus and directing the General Manager to dispose in a manner that best benefits the District.

ENVIRONMENTAL REVIEW:

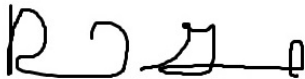
N/A

FUNDING AVAILABILITY:

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

Account Description	Amount
FY 17/18 Water Capital Outlay	\$60,000
Caterpillar Compact Excavator Model No. 303.5E2 from Quinn Company	<\$60,545>
Estimated Salvage Value – Unit #21	\$3,000
Amount Remaining in FY 17/18 Water Capital Outlay Account	\$2,455

Prepared by:



David S. Gould, P.E.
District Engineer

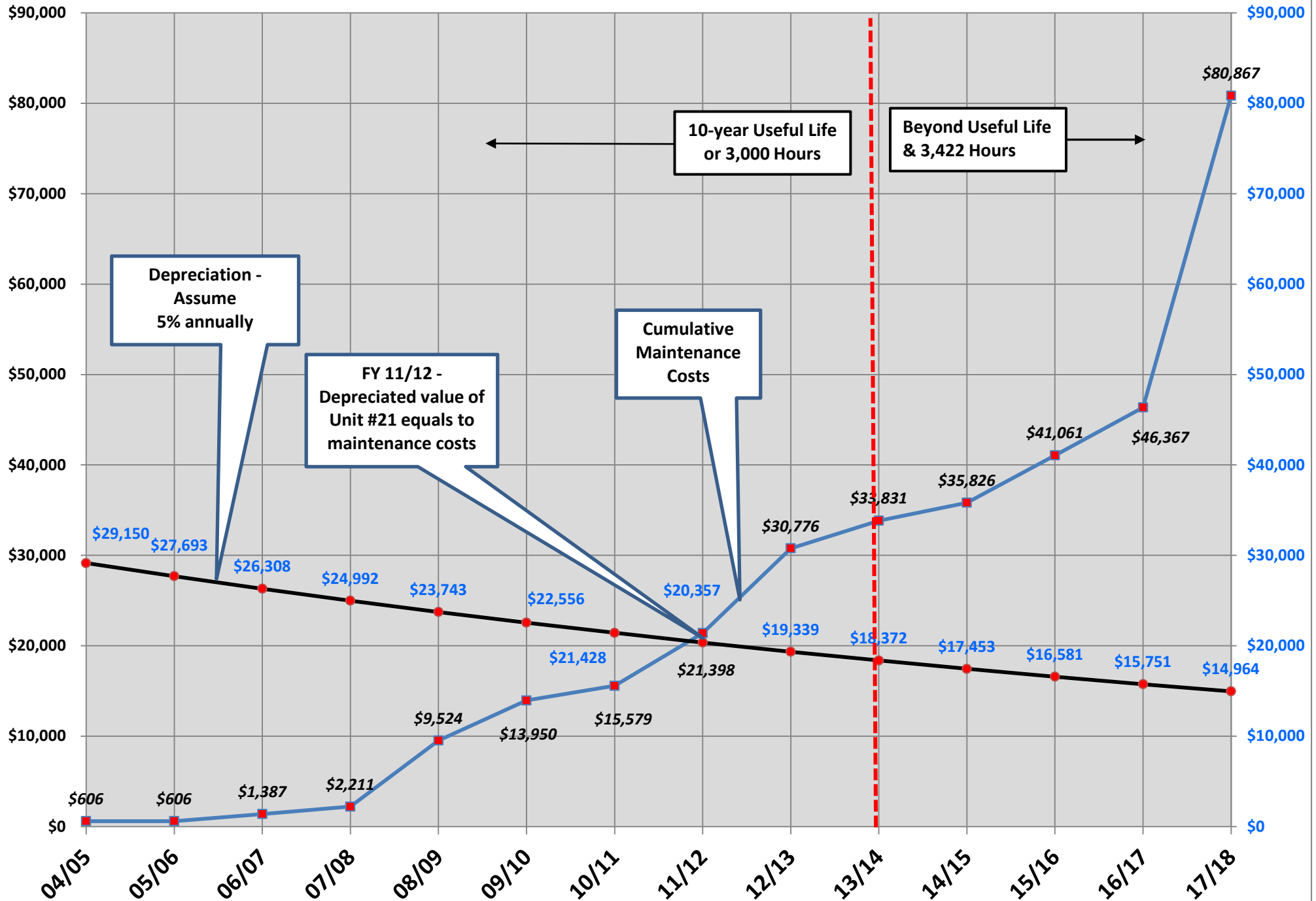
Submitted by:

Thomas A. Love
General Manager

Attachments:

1. Unit #21 – Depreciation vs. Maintenance Cost Chart
2. Comparison Chart for Compact Excavators

Unit #21 - Depreciation vs. Maintenance Cost



Crescenta Valley Water District Comparison Chart for Compact Excavators

Rank	Manufacturer	Dealership	Model No.	Engine Manufacturer	Air Resources Board Certified (Tier Level)	Horsepower Gross (Hp)	Operating Weight (lbs.)	Overall Dimensions	Bucket Rotation (Note 1)	Lifting Capacities (Note 2)	Bucket Breakout Force (lbf)	Hydraulic System Capacity (Note 3)	Swing RPM (Note 4)	Boom Swing Left (Note 5)	Boom Swing Right (Note 5)	Ground Pressure (psi)	Power Angle Blade (Note 6)	Hydraulic Bucket Coupler (Note 7)	Bucket Lifting point	Warranty	Quote - Including Taxes & Delivery
1	Caterpillar	Quinn Company City of Industry	303.5E2 CR	Kubota	Tier 4 Final	24.8	7,803	15'-6" long x 5'-10" wide	200 Degrees	3462 lb.	7,419	17.2 gal	10	80 Degrees	50 Degrees	4.6	Yes	Yes	Permanent mount on bucket linkage	Base: 1-year Extended: 2 year	\$60,545
2	John Deere	Coastline Equipment Company Oxnard	35G	Yammer	Tier 4 Final	23.3	7,760	15'-3" long x 5'-10" wide	N/A	3453 lb.	6,085	8.5 gal	9	72 Degrees	62 Degrees	4.6	Yes	Yes	Not available	Base: 1-year Extended: 2 year	\$59,269
3	Volvo	Volvo Construction Equipment & Service Corona	EC35D	Volvo	No Information Provided	25.0	7,782	14'-11" long x 5'-10" wide	199 Degrees	2108 lb.	7,394	16.3 gal	N/A	76 Degrees	56 Degrees	4.7	Yes	Not available	Welded on back of bucket	Base: Not Provided	\$45,942
4	Case Excavators	Sonsray Machinery Santa Fe Springs	CX37C	Yammer	Tier 4 Interim	24.4	7,990	15'-9" long x 5'-9" wide	180 Degrees	2410 lb.	6,900	15.9 gal	8	75 Degrees	50 Degrees	4.8	Not available	Not available	Welded on back of bucket	Base: 2-year	No Quote
5	JCB Machines	JCB Southern California City of Industry	8035 ZTS	JCB	Tier 3	31.6	8,049	14'-7" long x 5'-5" wide	186 Degrees	2350 lb.	7,194	18.5 gal	9	45 Degrees	60 Degrees	N/A	Not available	Not available	Not available	Base: 1-year	No Quote

NOTES:

1. Bucket rotation is a measurement of how far the bucket opens and close's relative to the arm. In practical terms the more the bucket opens the more efficient for tunneling and the more the bucket close's the less material falls out when loading in to the truck.
2. Lifting capacities are measured from the center of the swing pin with load over the blade to a 10' radius at ground level and are based on ISO standard 10567
3. The larger the hydraulic fluid system capacity, the lower oil temperature which results in lower maintenance cost
4. Swing arm RPM and bucket breakout force work together to reduce cycle times (cycle time is a measurement of how long it takes to remove a bucket of material from the trench and load it in the truck)
5. On this class of tractor, the boom arm can be offset from the housing unit (the housing unit is the part of the tractor where the operator sits and is mounted on the undercarriage)
6. The angle blade increases the operator's efficiency when backfilling the trench, laying down temporary AC pavement, and grading.
7. The hydraulic bucket coupler permits the operator to change the bucket from the housing unit without assistance from personal on the ground. Basically taking a task that use to take two (2) people and making it a one person task. This also reduces potential finger/hand injuries from not having to manually insert and remove pins .

CRESCENTA VALLEY WATER DISTRICT

BOARD OF DIRECTORS - STAFF REPORT

Agenda Item No. 4

July 11, 2017

To: Honorable President and Members of the Board of Directors
From: Ron L. Mitchell, Secretary-Treasurer
Subject: **Refinancing of the 2007 Certificates of Participation**

ACTION ITEM:

Discussion Regarding Refinancing of District Debt – Discussion regarding the District's consideration for when and how to refinance the District's bond debt, originally issued in 2007.

BACKGROUND:

In January of 2007, the District issued its Water System Improvement Revenue Certificates of Participation Series 2007 (the "2007 Bonds"). They were originally issued in the amount of \$10,070,000, maturing June 1, 2037.

The 2007 Bonds have an outstanding principal balance of \$8,100,000, and the District makes semi-annual payments each June 1st and December 1st, with the total principal and interest payments averaging approximately \$615,000 each year to maturity in 2037.

Per the original provisions of the 2007 Bonds, the bonds may now be refinanced with no prepayment penalty. Based on no penalty and a favorable interest rate market, a refinancing of the 2007 Bonds would produce savings that would meaningfully impact the District's finances.

DISCUSSION:

With the District reaching a point where there existed both no prepayment penalty and a favorable interest rate environment, on June 29, 2017, Staff approached the Finance Committee with the following considerations:

METHOD OF REFINANCING The District can accomplish the prepayment and refinancing of the 2007 Bonds either by: 1) refinancing directly with a credit facility, also called a "private placement"; or 2) issuing a new series of bonds to take the place of the prior bonds, a transaction commonly referred to as a "public offering".

Public offerings set interest rates according to the market on the day the bonds are priced. There is a chance that interest rates move to levels lower than they are today, which would translate to greater savings than are estimated based on current interest rates. The chance of waiting for improved interest rates is the primary benefit of a choosing a public offering as the method of refinancing.

Private placements are executed through credit facilities, which are often large banks. This method represents benefit in terms of: 1) eliminating the risk from interest rate fluctuations by locking in the interest rate; 2) allowing a quicker financing process (six weeks on average as compared to 2-3 months for a public offering); 3) reducing financing costs; and 4) minimizing administrative impact.

Staff believes that because interest rates are rising and are widely expected to continue rising as indicated by the Federal Reserve, an expedient refinancing would capture the most savings for the District. A private placement offers the additional benefit of expediency.

SAVINGS STRUCTURE ANALYSIS Savings can be structured as "upfront" or as "annual" savings. The upfront savings structure would maintain the current debt payments and the original payoff period. The savings would come in the form of an upfront sum. Agencies typically use these savings to supplement capital projects or operating budgets. Like the upfront structure, the annual savings

structure also maintains the original payoff period. However, savings would come in the form of reduced debt payments over that term.

Based on various factors such as the remaining balance of the 2007 Bonds, financing costs, and the current interest rate market, the savings as currently estimated are coincidentally almost identical for either savings structure. The average interest rate of the outstanding 2007 Bonds is 4.35% and the average interest rate of the refinancing is currently estimated at 3.30%.

The savings analysis is summarized in dollar terms in the table below, along with the total cost of financing for each method of refinancing. The cost of financing is higher for public offerings because they require more participants and services – e.g. underwriter’s counsel, credit rating process, printing services etc.

SAVINGS ANALYSIS ¹

	UPFRONT SAVINGS	ANNUAL SAVINGS
	<i>Savings</i>	<i>Savings</i>
Private Placement - \$69,000 cost of financing	\$885,000	\$64,250
Public Offering - \$130,000 cost of financing	\$880,000	\$64,100

1 - Estimated, based on a survey of credit facilities for expected interest rate offerings as of July 6, 2017.

FINANCING TEAM Staff has tentatively assembled a financing team that offers a balance between industry expertise and lowest cost. Industry expertise was evaluated in terms of industry reputation and experience. Fees were informally negotiated at costs lower than the industry norm. The two primary components of the financing team are Bond Counsel and Placement Agent (or Underwriter in the case of a public offering).

Three highly qualified firms were considered for each financing team role based on the following: 1) technical expertise and experience; 2) local presence and ability to serve the District with expediency; and 3) competitiveness of quoted fees. The District’s Accountant worked with many industry firms in his previous career and added additional context with respect to potential firms’ reputation and his experience working with them.

Nixon Peabody LLP is a nationally recognized law firm in municipal debt with a strong water enterprise practice and extensive experience with both private placements and public offerings. The partner proposing to work with the District is based out of Los Angeles, resides in the District’s service area, and previously won a contract to serve the District in the capacity of Bond Counsel. Brandis Tallman LLC is a California placement agent / underwriter with extensive experience with water districts such as CVWD as they are also an official underwriter for the California Special Districts Association. Brandis Tallman’s particular strength is their broad access to credit facilities which helps secure the most competitive rates. They would serve the District out of their Los Angeles office.

While engaging a team is necessary to receive formal bids from credit facilities, the fees for the financing team are “success-based” fees. In other words, they are not paid unless a refinancing is successfully completed.

RECOMMENDATION:

It is Staff’s recommendation that the District pursue a refinancing of the 2007 Bonds using the private placement method based on the expediency and lower cost of financing this method offers. The Finance Committee concurs with pursuing a refinancing and expressed a preference for an annual savings structure. The Finance Committee did not express a preference between a private placement or a public offering.

Staff also requests a notice-to-proceed with engaging Nixon Peabody LLP as Bond Counsel and Brandis Tallman LLC as Placement Agent in order to initiate the refinancing process as soon as possible.

The recommended actions do not cause any financial obligations to the District at this point in the process.

Prepared by:

Ron L. Mitchell
Secretary-Treasurer

Submitted by:



Thomas A. Love
General Manager

CRESCENTA VALLEY WATER DISTRICT

BOARD OF DIRECTORS - STAFF REPORT

Action Item No. 5
July 11, 2017

To: Honorable President and Members of the Board of Directors
From: Thomas A. Love, General Manager
Subject: **Draft Strategic Plan**

ACTION ITEM:

1. **Draft Strategic Plan** – Review and discussion of Draft Strategic Plan.

BACKGROUND:

On October 20, 2015 the Board and General Manager identified development of an updated strategic plan as an objective to be completed in 2016. The Board discussed the strategic planning process on June 7, 2016 and provided direction to initiate the strategic planning process.

Leadership staff participated in three workshops on August 30, October 7, and October 12, 2016. The Leadership Team has reviewed the District's Mission Statement and conducted an analysis of strengths, weaknesses, opportunities and threats (SWOT analysis) including ranking by importance. The Leadership team also discussed a value statement (how we conduct business) and vision statement.

On December 2, 2016 the Board of Directors participated in a strategic planning workshop (Workshop No. 1) and discussed the District's Mission Statement and conducted a SWOT analysis. On January 17, 2017 the Board of Directors participated in a second strategic planning workshop (Workshop No. 2) and discussed the future vision for the District and developed a vision statement:

The Board also conducted additional evaluation and ranking of the list of "areas for improvement" which were identified at Workshop No. 1. On February 2, 2017 the Board received draft goals and objectives designed to address the ranked "areas for improvement".

On May 2, 2017 the Board discussed the draft strategic plan and provided comments and direction to staff to prepare a final draft for future consideration by the Board.

DISCUSSION:

Staff has incorporated the information developed in the strategic planning workshops into the attached "Final Draft Strategic Plan" which is provided for the Board's review, discussion and comment.

RECOMMENDATION: That the Board provide comment and direction to finalize the Strategic Plan for future adoption by the Board, and provide direction on the dissemination of the Strategic Plan to the community and District's customers.

Prepared & Submitted by:



Thomas A. Love, P.E.
General Manager

FINAL DRAFT

Crescenta Valley Water District



July 2017

Final Draft Strategic Plan

“Providing quality water and wastewater services to the Crescenta Valley community in a dependable and economically responsible manner”

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District History

The Crescenta Valley Water District (District) was formed as the Crescenta Valley County Water District on December 14, 1950 by the vote of local residents. Organized under the provisions of Division 12 of the State of California Water Code, the District operates as a political subdivision of the State. The term "County" was officially deleted from the District's name in 1996.

In the early 1950's, the newly-formed District purchased the assets and consolidated the infrastructure of several small private water companies then in existence. This was made possible by voter approval of two capital improvement bonds with a value of \$1.35 million. By 1953, with rapid growth in the Crescenta Valley and surrounding foothill communities, it became apparent that the local groundwater supply was not going to be sufficient to meet the increasing demand. Residents from La Crescenta to Altadena voted to form the Foothill Municipal Water District (FMWD) to purchase and distribute imported water from the Metropolitan Water District of Southern California (MWD). By 1955, the District was augmenting its local well water with MWD water from the Colorado River. In the 1960's, MWD increased its supply by also contracting for Northern California water with the completion of the State Water Project. This blend of imported water which fluctuates from 40% to 60% groundwater versus imported water continues today as the source of supply for District customers.

In the 1970's, District officials were becoming aware of potential problems with private wastewater disposal systems (septic tanks) in the vicinity and potential impacts on the local groundwater supply. With federal funds available through the Clean Water Act, the District created two sewer assessment districts in 1979 and sold bonds for the construction of 64 miles of



mainline sewer and 27 miles of house-connection laterals. Approximately 75% of the \$35 million cost was satisfied with federal grant money and the remainder through direct assessment of local property owners. The project also included the purchase of treatment plant capacity from the City of Glendale and the construction of 7 miles of large-diameter sewer interceptor through the City of Glendale. All sewer system construction was completed in the mid-1980's.

The District Today

The District is located in the Crescenta Valley area of Los Angeles County in the foothills of the San Gabriel Mountains, between the San Fernando and San Gabriel valleys. The District provides water distribution and sewage collection within its boundaries to the unincorporated communities of La Crescenta, Montrose, and Verdugo City as well as a small portion of the City of La Canada-Flintridge.

The District serves an area of approximately 4 square miles in relatively steep terrain ranging from 1,200 feet to almost 3,000 feet above sea level. The customer base is primarily residential with some light commercial along Foothill Boulevard in La Crescenta and Honolulu Avenue in Montrose. The District currently provides water to over 8,000 accounts representing a population of approximately 32,000. Customer growth is steady although the Crescenta Valley area is nearly built-out. Residential growth is occurring through increased housing density in the multiple-unit zoned areas (primarily Montrose) as well as limited in-fill housing development on random parcels in La Crescenta.



Message from the Board of Directors

The Crescenta Valley Water District's five elected board members recognize the importance and value of quality and reliable water and wastewater service to the Crescenta Valley community. In order to assure these services will continue for future generations the Board of Directors has developed this strategic plan to assess the current needs of the District and community, identify future challenges, and develop a strategic approach to address those challenges.

Demonstrating a commitment to the customers and community is a top priority for the Board. Every Board member lives in the community and is a customer of the District. As such every decision and action taken by the Board affects them the same as for every District customer. As the District has addressed the recent challenges of drought, state mandated conservation, increasing water supply cost and decreased local water supplies, the Board is appreciative of the community's outstanding water conservation efforts in exceeding the state mandated conservation goals.

In preparing this Strategic Plan the Board focused on priorities of importance to the community including: dependable and reliable water service; public safety and emergency response preparedness; financial and economic factors; mitigation of rate impacts and; aging infrastructure. The Board also recognizes that the successful implantation of this Strategic Plan will require community support and a dedicated workforce.

The Board is proud of the talent we have been able to attract and retain at the District. Our staff performs at a high level implementing the policies that the Board has adopted to achieve the Districts mission. Maintaining this highly qualified, dedicated and productive workforce has and will continue to be one of the highest priorities. Our employees are the most effective tool we can implement to achieve the successful implementation of this strategic plan.

The Board continues to encourage and invite the community to participate as the District implements this Strategic Plan and plans for the future.



James Bodnar

Mike Claessens

Kerry Erickson

Ken Putnam

Judy Tejada

Message from the General Manager

Over the past two years, as General Manager, I have developed an increasing appreciation of the potential of the District, its employees, Board and especially the Crescenta Valley community. The dedication and commitment of the District's employees is exemplary and will be a valued asset in addressing the future challenges identified in this strategic plan.

The participation from the Board and employees in developing this strategic plan provided valuable insights not only into the future challenges but identified many strengths and resources that will be used to achieve the strategic plan goals and objectives. This strategic plan is based on the future vision statement: "To provide water and wastewater services effectively and communicate the value of these services to the customers and community". We recognize that as a public utility our customers only have one source for water and wastewater service. Although there are no other service providers competing for our customers, we strive to provide these services in the most efficient and cost effective manner providing value to our customers.

The success of this strategic plan and the achievement of the vision will require the combined efforts of the Board, management team and employees. In addition, the continual monitoring, measuring and evaluating the progress on each goal and objective will be essential for success. I am counting on the support of the Board and employees and welcome additional suggestions, observations, or critique as we embark on the strategic plan implementation.

I am enthusiastic about the future potential of the District and feel confident that I have the Board's support and the implementation team capable of achieving the District vision.

Sincerely,

Thomas A. Love,
General Manager



Executive Summary

Crescenta Valley Water District is facing significant challenges in providing essential water services. A variety of issues must be planned for and accommodated in order to maintain the effective delivery of these services, including aging infrastructure, changing workforce, community engagement, emergency planning, financial stability and effective governance.

To further this end, the District embarked on the development of this strategic plan to reassess the District's mission, vision and, goals and objectives to leverage the knowledge and commitment of the employees to address these challenges. The strategic plan was developed through a series of workshops with the Board of Directors, Management and key staff. The plan was vetted with the employees and presented to the Board for final approval.

The strategic plan provides continuous guidance and direction for each year's planning, budgeting, implementation, evaluation and reporting. The strategic plan sets the overall policy direction and strategic priorities established by the Board. The District management develops the strategies, programs and activities necessary to effectively implement the Board's direction. The plan further assists in determining whether staff and financial resources need to be realigned to achieve strategic objectives.

The Strategic plan provides a framework for aligning the priorities and actions of the District towards specific and measurable goals in pursuit of accomplishing the organization's mission and vision.

Mission Statement

"To provide quality water and wastewater services to the Crescenta Valley community in a dependable and economically responsible manner."

Vision Statement

"To provide water and wastewater services effectively and communicate the value of these services to the customers and community."

Values

The District values:

- Integrity
- Respect
- Competence
- Professionalism
- Innovation
- Effectiveness
- Teamwork

Organization Strategic Goals and Objectives

Strategic Goals were generated in six focus areas:

1. Infrastructure - Maintain a proactive asset management and replacement program.
2. Workforce – Maintain organizational effectiveness.
3. Emergency Response – Be prepared for emergency response.
4. Financial Stability.
5. Customer Engagement – Improve effective public outreach and customer service.
6. Governance – Enhance effective governance.

Crescenta Valley Water District

2017 Strategic Plan

Goals and Objectives

Goal: Maintain proactive asset management/replacement program

Objectives:	By Who:	When:
Update ten year CIP, present to Board for approval.	District Engineer	6/20/17 and annually
Evaluate CIP funding options, present to Board for consideration.	GM	10/17/2017
Update asset inventory with age, condition, remaining useful life.	District Engineer	10/31/2017
Develop Asset Management Plan.	District Engineer	4/15/2018
Develop maintenance management plan/system.	Superintendent	4/15/2018

Goal: Maintain Organizational Effectiveness

Objectives:	By Who:	When:
Conduct staffing needs assessment.	GM/Managers	9/19/2017
Evaluate organizational structure.	GM	9/19/2017
Continuation and enhancement of sound risk management and safety practices and programs.	Managers	On going
Develop mechanisms to retain institutional knowledge.	GM	10/17/2017
Develop and implement cross training program.	GM/Managers	12/1/16 and ongoing
Develop employee retention plan.	GM	10/17/2017

Goal: Be Prepared for Emergency Response

Objectives:	By Who:	When:
Update emergency response plan.	Program Specialist	9/4/2017
Implement emergency response training.	Program Specialist	5/15/17 and ongoing
Formalize mutual aid procedures with emergency response partners.	GM	9/4/2017

Crescenta Valley Water District

2017 Strategic Plan

Goals and Objectives

Goal: Achieve Financial Stability

Objectives:	By Who:	When:
Update ten year budget forecast and financial model, present to Board for annual budget approval.	CFO	6/20/2017 and annually
Identify and implement prudent cost containment measures.	Managers	6/20/2017 and ongoing
Identify and pursue grant and State low interest loan funding for CIP projects.	GM/District Engineer	6/20/2017 and ongoing

Goal: Improve Effective Public Outreach and Customer Service

Objectives:	By Who:	When:
Identify and implement additional public outreach mechanisms.	GM/ Program Specialist	8/15/2017
Maintain relevant, timely and effective messaging.	GM/ Program Specialist	4/15/17 and ongoing
Develop and implement mechanisms to measure public outreach effectiveness and customer perception (satisfaction).	GM/ Program Specialist	8/15/17 and ongoing

Goal: Enhance Effective Governance

Objectives:	By Who:	When:
Adopt and implement strategic plan.	GM/ Board	8/15/2017
Evaluate and implement Board committee structure and improvements to effective committee review process.	Board Executive Committee and GM	9/19/17 and ongoing
Maintain and disseminate Board meeting and agenda item calendars.	GM	2/14/17 and ongoing

**CRESCENTA VALLEY WATER DISTRICT
INVESTMENT PORTFOLIO SUMMARY
July 7, 2017**

INVESTMENT TYPE	ACCT/CUSIP I.D. NO.	PURCHASE DATE	*FACE VALUE	INVESTMENT COST	% OF TOTAL	**MARKET VALUE	MATURITY DATE	DATE CALLABLE	EARNED TO DATE	YIELD TO MATURITY
GENERAL FUNDS										
GENERAL FUND-SWEEP ACCOUNT	0631-525246		\$ 401,017	\$ 401,017	2.59%	\$ 401,017	none	n/a	\$ 301	0.29%
GREAT PACIFIC SECURITIES	GPC-804452		\$ -	\$ -	0.00%	\$ -	none	n/a	\$ 74	0.41%
BOND DEBT SERVICE FUND	6948-331525		\$ 119,770	\$ 119,770	0.77%	\$ 119,770	none	n/a	\$ 156,374	0.06%
LOCAL AGENCY INVESTMENT FUND	90-19-007		\$ 2,102,739	\$ 2,102,739	13.61%	\$ 2,102,739	none	n/a	\$ 21,566	0.78%
FEDERAL FARM CREDIT (83)	3133EAY28	10/9/2012	\$ 500,000	\$ 502,885	3.25%	\$ 499,625	9/21/2017	n/a	\$ 3,809	0.71%
FEDERAL FARM CREDIT (101)	31331VY26	6/14/2016	\$ 1,000,000	\$ 1,211,530	7.84%	\$ 1,146,770	8/16/2021	n/a	\$ 50,479	1.26%
FEDERAL FARM CREDIT (103)	31331VQG4	8/2/2016	\$ 1,000,000	\$ 1,287,830	8.33%	\$ 1,200,660	2/6/2026	n/a	\$ 43,025	1.88%
FEDERAL FARM CREDIT (106)	3133EA3L0	6/26/2017	\$ 1,000,000	\$ 1,001,990	6.48%	\$ 1,001,990	10/5/2022	n/a	\$ 1,096	1.84%
			\$ 6,123,526	\$ 6,627,761		\$ 6,472,571			\$ 276,725	
CONSTRUCTION FUNDS										
COPS RESERVE FUND	108614000		\$ 617,211	\$ 617,211	3.99%	\$ 617,211	none	n/a	\$ 801	0.06%
			\$ 617,211	\$ 617,211		\$ 617,211			\$ 801	
MTBE CONTINGENCY FUNDS										
LOCAL AGENCY INVESTMENT FUND	90-19-007		\$ -	\$ -	0.00%	\$ -	none	n/a	\$ -	0.78%
GREAT PACIFIC SECURITIES	GPC-003670		\$ 142,243	\$ 142,243	0.92%	\$ 142,243	none	n/a	\$ -	0.41%
FEDERAL FARM CREDIT (M-48)	3133ED4U3	5/11/2016	\$ 500,000	\$ 518,915	3.36%	\$ 507,155	10/11/2019	n/a	\$ 9,752	0.99%
FEDERAL FARM CREDIT (M-49)	3133EA5N4	5/11/2016	\$ 1,250,000	\$ 1,260,763	8.17%	\$ 1,245,300	10/22/2019	n/a	\$ 14,341	0.99%
US TREASURY (M-53)	912828R36	7/12/2016	\$ 1,000,000	\$ 1,013,212	6.56%	\$ 955,160	5/15/2026	n/a	\$ 14,380	1.48%
US TREASURY (M-54)	912828S76	8/5/2016	\$ 1,000,000	\$ 1,002,175	6.48%	\$ 978,320	7/31/2021	n/a	\$ 9,216	1.08%
US TREASURY (M-55)	912828R36	8/25/2016	\$ 1,000,000	\$ 1,004,930	6.50%	\$ 955,160	5/15/2026	n/a	\$ 12,421	1.57%
US TREASURY (M-56)	912828R36	10/4/2016	\$ 1,000,000	\$ 997,540	6.45%	\$ 955,160	5/15/2026	n/a	\$ 10,804	1.65%
FEDERAL FARM CREDIT (M-57)	3133EGWX9	10/5/2016	\$ 1,000,000	\$ 987,148	6.39%	\$ 943,200	4/6/2026	n/a	\$ 11,867	1.96%
FEDERAL FARM CREDIT (M-58)	31331VWN2	11/9/2016	\$ 1,000,000	\$ 1,266,700	8.20%	\$ 1,228,240	4/13/2026	n/a	\$ 30,033	2.24%
			\$ 7,892,243	\$ 8,193,626		\$ 7,909,938			\$ 112,814	
TOTAL INVESTMENTS			\$ 14,632,980	\$ 15,438,598		\$ 14,999,721			\$ 390,340	
CASH- PAYROLL ACCOUNT	0948-024724		\$ 15,923	\$ 15,923	0.10%	\$ 15,923				
TOTAL CASH AND INVESTMENTS			\$ 14,648,904	\$ 15,454,521	100%	\$ 15,015,644			\$ 390,340	1.08%
						\$ (438,877)	***Unrealized Gain/(Loss) on Investments			

Yield on investments including LAIF but not cash accounts	1.37%
Yield on investments not including LAIF or cash accounts	1.47%

I certify that this report accurately reflects all pooled investments and is in compliance with California Government Code Sections 5922 & 53601 as amended on 1/1/97; are currently in conformity with the investment policy as stated in Resolution No. 734 adopted on December 6, 2016.
As Treasurer of the Crescenta Valley Water District, I, Ron L. Mitchell hereby certify that sufficient investment liquidity and anticipated revenues are available to meet one year of estimated expenditures for the operations of Crescenta Valley Water District.

*Value at investment maturity date.

***Reported in compliance with GASB Standard No. 31, effective July 1, 1997, the "fair value" adjustment necessary between cost and market value.

	March 31, 2017	February 28, 2017	January 31, 2017
Water	\$ 10,228,076.88	\$ 10,608,056.95	\$ 10,258,903.69
Wastewater	\$ 5,037,485.89	\$ 5,055,176.61	\$ 4,666,726.45
	<u>\$ 15,265,562.77</u>	<u>\$ 15,663,233.56</u>	<u>\$ 14,925,630.14</u>

Ron L. Mitchell, Secretary-Treasurer, CVWD

July 7, 2017
Date

Crescenta Valley Water District
Recap of Investments in Bonds (Does not include LAIF or bank accounts)
Fiscal Year 2016-17

As of
May 31, 2017

Investment Number	Date Purchased	Original Principal Cost	Yield to Maturity at Purchase	Adjustment Amortized Principal	Adjusted Balance	Date Sold	Principal Value at Sale	Yield to Maturity at Sale	Gain (Loss) on Investment	Reason for Transaction	Interest Earned in Current FY	Total FY Return on Investments
83	Oct 9, 2012	\$502,885.00	0.710%	\$0.00					\$0.00		\$ 3,808.95	\$ 3,808.95
87	Nov 19, 2012	\$500,000.00	0.930%	\$0.00	\$500,000.00	2/3/2017	\$500,000.00	93.000%	\$0.00	Investment was called	\$ 2,561.82	\$ 2,561.82
101	6/14/2016	\$1,211,530.00	1.260%	\$0.00					\$0.00	Put money back to work	\$ 50,479.44	\$ 50,479.44
M-48	5/11/2016	\$518,915.00	0.990%	\$0.00					\$0.00	Put money back to work	\$ 9,751.74	\$ 9,751.74
M-49	5/11/2016	\$1,260,762.50	0.990%	\$0.00					\$0.00	Put money back to work	\$ 14,340.73	\$ 14,340.73
M-52	6/28/2016	\$1,016,970.00	1.440%	\$0.00	\$1,016,970.00	7/5/2016	\$1,021,280.00	1.390%	\$4,310.00	Took advantage of turn in market	\$ 220.07	\$ 4,530.07
M-53	7/12/2016	\$1,013,212.34	1.480%	\$0.00						Put money back to work at higher yield than previous investment	\$ 14,380.17	\$ 14,380.17
102	7/12/2016	\$1,002,651.42	1.125%	\$0.00	\$1,002,651.42	8/4/2016	\$1,004,150.00	1.030%	\$1,498.58	Took advantage of turn in market	\$ 703.12	\$ 2,201.70
In/Out	7/20/2016	\$1,004,970.00	1.570%	\$0.00	\$1,004,970.00	7/27/2016	\$1,006,770.00	1.550%	\$1,800.00	Made additional \$1,800 plus interest in 7 days	\$ 309.10	\$ 2,109.10
In/Out	7/25/2016	\$1,000,720.00	1.090%	\$0.00	\$1,000,720.00	7/29/2016	\$1,002,720.00	1.125%	\$2,000.00	Made additional \$2,000 in 2 days	\$ -	\$ 2,000.00
103	8/2/2016	\$1,287,830.00	1.880%	\$0.00	\$1,287,830.00					Put money back to work at higher yield than previous investment	\$ 43,024.66	\$ 43,024.66
M-54	8/5/2016	\$1,002,174.72	1.080%	\$0.00	\$1,002,174.72					Put money back to work at same yield as previously sold investment	\$ 9,215.76	\$ 9,215.76
In/Out	8/5/2016	\$1,004,952.73	1.570%	\$0.00	\$1,004,952.73	8/9/2016	\$1,006,550.00	1.550%	\$1,597.27	Made additional \$1,600 in 4 days	\$ -	\$ 1,597.27
In/Out	8/11/2016	\$1,004,940.00	1.570%	\$0.00	\$1,004,940.00	8/12/2016	\$1,009,440.00	1.520%	\$4,500.00	Made additional \$4,500 in 1 days	\$ -	\$ 4,500.00
In/Out	8/16/2016	\$1,004,940.00	1.570%	\$0.00	\$1,004,940.00	8/18/2016	\$1,006,340.00	1.550%	\$1,400.00	Made additional \$1,400 in 2 days	\$ 88.31	\$ 1,488.31
In/Out	8/19/2016	\$1,004,940.00	1.570%	\$0.00	\$1,004,940.00	8/22/2016	\$1,006,340.00	1.550%	\$1,400.00	Made additional \$1,400 in 3 days	\$ 44.16	\$ 1,444.16
M-55	8/25/2016	\$1,004,930.00	1.570%	\$0.00	\$1,004,930.00					Put money back to work at same yield as previously sold investment	\$ 12,421.26	\$ 12,421.26
In/Out	9/8/2016	\$1,001,450.00	1.600%	\$0.00	\$1,001,450.00	9/27/2016	\$1,004,218.75	1.570%	\$2,768.75	Made additional \$2,769 plus interest of \$618.20 in 3 weeks	\$ 618.20	\$ 3,386.95
In/Out	9/13/2016	\$1,298,000.00	1.970%	\$0.00	\$1,298,000.00	9/22/2016	\$1,301,000.00	1.930%	\$3,000.00	Made additional \$3,000 plus \$1,050 in interest in 9 days	\$ 1,050.00	\$ 4,050.00
M-56	10/4/2016	\$997,540.00	1.650%	\$0.00	\$997,540.00					Put money back to work at higher yield than previous investment	\$ 10,804.10	\$ 10,804.10
M-57	10/5/2016	\$987,147.50	1.960%	\$0.00	\$987,147.50					Put money back to work at same yield as previous investment	\$ 11,867.38	\$ 11,867.38
M-58	11/10/2016	\$1,266,700.00	2.240%	\$0.00	\$1,266,700.00					Reinvest money from 9/13/16 trade & increase yield from 1.97% to 2.24% on same bond	\$ 30,032.88	\$ 30,032.88
M-59	12/20/2016	\$502,797.89	2.930%	\$0.00	\$502,797.89	1/5/2017	\$505,000.00	2.880%	\$2,202.11	Made additional \$2,200 in 16 days	\$ 541.66	\$ 2,743.77
M-60	1/25/2017	\$497,985.19	1.960%	\$0.00	\$497,985.19	2/3/2017	\$498,985.19	1.910%	\$1,000.00	Made additional \$1,000 plus interest of \$155.39 in 8 days	\$ 155.39	\$ 1,155.39
In/Out	3/1/2017	\$497,804.39	1.960%	\$0.00	\$497,804.39	3/22/2017	\$498,518.33	1.930%	\$713.94	Free up money in anticipation of higher interest rates	\$ 543.86	\$ 1,257.80
In/Out	3/14/2017	\$494,825.07	2.090%	\$0.00	\$494,825.07	3/15/2017	\$495,825.05	2.050%	\$999.98	Made additional \$1,000 in 1 days; free money anticipating rates	\$ 25.90	\$ 1,025.88
104	3/28/2017	\$519,813.95	2.220%	\$0.00	\$519,813.95	4/12/2017	\$521,352.52	2.700%	\$1,538.57	Made additional \$1,539 plus interest of \$467.93 in 15 days	\$ 467.93	\$ 2,006.50
105	4/21/2017	\$491,419.52	2.200%	\$0.00	\$491,419.52	6/2/2017	\$491,773.15	2.190%	\$353.63	Free up money in anticipation of higher interest rates	\$ 1,095.90	\$ 1,449.53
106	6/26/2017	\$1,001,990.40	1.840%							Reinvest in 5yr 3 mo bond that will rise in value in 3 months	\$ -	\$ -
									\$31,082.83		\$218,552.49	\$ 249,635.32

FY Cumulative Totals

Month	Total Gain (Loss) on Investment	Total Interest Earned in Current FY	Total FY Return on Investments
July	8,110.00	9,608.76	17,718.76
August	18,505.85	24,086.95	42,592.80
September	24,274.60	41,026.40	65,301.00
October	24,274.60	59,323.67	83,598.27
November	24,274.60	80,553.82	104,828.42
December	24,274.60	104,319.57	128,594.17
January	26,476.71	127,876.99	154,353.70
February	27,476.71	148,401.89	175,878.60
March	29,190.63	171,989.32	201,179.95
April	30,729.20	194,784.40	225,513.60
May	30,729.20	327,046.59	357,775.79
June	31,082.83	218,552.49	249,635.32

CRESCENTA VALLEY WATER DISTRICT

BOARD OF DIRECTORS - STAFF REPORT

GM Report
July 11, 2017

To: Honorable President and Members of the Board of Directors
From: Thomas A. Love, General Manager
Subject: **General Manager Report**

Strategic Plan and Budget Goals

Following adoption of the Water and Wastewater Budgets and water rates and charges on June 20th, staff is focusing on implementing the Board's directives. The Fiscal Year 2017-18 adopted management and budget goals are:

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

In addition to these budget goals staff are also prepared to implement the Strategic Plan goals and objectives when adopted by the Board. The proposed Strategic Plan goals are:

- 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.

Progress towards these Budget and Strategic Goals will be monitored and reported to the Board as the year progresses.

Staffing

The District currently has 36 staff positions, of these 31 are filled leaving 5 vacant positions. In addition, two employees are on extended leave. Three temporary employees are being used to fill these two positions and one of the vacant positions.

Three employees have work anniversaries in July. Christina Olmedo and Steve Dulay have been with the District 11 years and Morgen DuRose will complete his 16th year with the District.

Community Outreach Activities

- Interviewed for Glendale News Press article regarding budget and water rate adoption.

General Manager Correspondence to the Board (Attached)

Prepared & Submitted by:

A handwritten signature in blue ink, appearing to read "Thomas A. Love", with a horizontal line extending to the right.

Thomas A. Love, P.E.
General Manager

Mark Hass

From: Thomas Love
Sent: Wednesday, June 21, 2017 3:37 PM
Subject: FW: PWAG - Updated Legislative Report
Attachments: Leg Report 6-21-17.docx

To: Directors, Legal Counsel.

FYI

From: Jim Ciampa [<mailto:jciampa@lagerlof.com>]
Sent: Wednesday, June 21, 2017 1:49 PM
To: 'mike@lhhcwd.com' <mike@lhhcwd.com>; 'Mike Holmes' <mholmes@wvwd.com>; 'Mark Grajeda' <msgrajeda@picowaterdistrict.net>; 'mel@kinneloairrigationdistrict.info' <mel@kinneloairrigationdistrict.info>; 'rhansen@tvmwd.com' <rhansen@tvmwd.com>; 'jlinthicum@tvmwd.com' <jlinthicum@tvmwd.com>; 'Kirk Howie' <khowie@TVMWD.com>; 'dkasamoto@sgvmwd.com' <dkasamoto@sgvmwd.com>; Ron Mitchell <rmitchell@cvwd.com>; 'a.corrales@pacbell.net' <a.corrales@pacbell.net>; 'creed@qhwd.org' (<creed@qhwd.org>)<creed@qhwd.org>; 'scole@ncwd.org' <scole@ncwd.org>; 'jim@sgcwd.com' <jim@sgcwd.com>; 'Doodle Dee' (<orgagov@gmail.com>)<orgagov@gmail.com>; 'Dennis LaMoreaux' <dlamoreaux@palmdalewater.org>; 'tcoleman@rowlandwater.com' <tcoleman@rowlandwater.com>; 'Greg Galindo' <ggalindo@lapuentewater.com>; 'casey@sgcwd.com' <casey@sgcwd.com>; Thomas Love <TLove@cvwd.com>; 'jmacias@vcwd.org' <jmacias@vcwd.org>; 'tmortenson@vcwd.org' <tmortenson@vcwd.org>; 'Ed Hills' (<edhills@sgvmwd.com>)<edhills@sgvmwd.com>; 'jmartinez@vcwd.org' <jmartinez@vcwd.org>; Christy Scott <cjscott@cvwd.com>; 'Tony Zampielo' <tony@watermaster.org>; Mike Alvord (<malvord@ncwd.org>)<malvord@ncwd.org>
Cc: Roland Trinh <rtrinh@lagerlof.com>; Andy Turner <adturner@lagerlof.com>; Tom Bunn <tombunn@lagerlof.com>
Subject: PWAG - Updated Legislative Report

Good afternoon:

Attached is the updated legislative report, including actions and amendments through close of business yesterday.

Please let me know if you have any questions.

Best regards,

Jim



James D. Ciampa
301 North Lake Avenue, 10th Floor
Pasadena, CA 91101
T: (626) 793-9400 | F: (626) 793-5900
jciampa@lagerlof.com
www.lagerlof.com

MEMORANDUM

To: Public Water Agencies Group

From: James Ciampa

Re: Legislative Report

Date: June 21, 2017

The 2017-18 Legislative Session continues, as bills have now moved from their house of origin into the other house of the Legislature. Attached is an updated legislative report which includes the bills from our last report, dated April 28, along with amendments to those bills and the addition of other bills that may be of interest to the Group. Further amendments and new bills are highlighted in yellow (we have deleted the highlighting from the prior version). The amendments and bills' status are through close of business on June 20. The summary appendix that lists the bills by subject area is at pages 29-32.

ASSEMBLY BILLS:

AB 18 (E. Garcia, et al.) – California Clean Water, Climate, Coastal Protection, and Outdoor Access For All Act of 2018. This bill would enact the California Clean Water, Climate, Coastal Protection, and Outdoor Access For All Act of 2018, which, if approved by the voters, would authorize the issuance of bonds in an amount of \$3,105,000,000 pursuant to the State General Obligation Bond Law to finance clean water, climate, coastal protection, and outdoor access for all programs. ACWA has taken a **Favor and Amend** position on this bill. **The bill has passed the Assembly and is now in the Senate.**

AB 52 (Cooper) – Public Employee Orientation. For public employers subject to various employee relations laws (including the Meyers-Milias-Brown Act), this bill would require the employer to provide all public employees with an orientation, and to permit any exclusive representative to participate. It is anticipated this bill will be amended to add more specific and onerous provisions that infringe upon public agency orientations. ACWA has taken a **Not Favor** position on this bill. **This bill is a two-year bill.**

AB 92 (Bonta) – Extension of 5% Retention Extension Date. Existing law, enacted several years ago, reduced the allowable retention on public works contracts from 10% to 5%. That law is to expire on January 1, 2018. This bill will extend that expiration date to January 1, 2023.

The bill passed the Assembly and the Senate Governmental Organization Committee and is now pending on the Senate floor.

AB 166 (Salas) – Rebates for Household Filtration Systems. This bill would require the State Water Resources Control Board, in collaboration with the State Energy Resources Conservation and Development Commission and other relevant stakeholders, to conduct a study on the feasibility and financial stability of a rebate program that would provide a household that is served by a water system that does not meet primary drinking water standards with a rebate for the purchase of a household water filtration system. The bill would require the study to include any recommendations for the Legislature to implement the rebate program. The bill would require the State Board to conclude the study no later than January 1, 2019, and to submit a report on the study to the Legislature no later than March 1, 2019. As of now, the bill does not impose any requirements on public water systems. **The bill has passed the Assembly and is now pending in the Senate.**

AB 168 (Eggman) – Employment. This bill would prohibit an employer, including local government agencies, from seeking salary history information about an applicant for employment, except as otherwise provided in the bill. ACWA has taken a **Not Favor** position on this bill as several other recently enacted laws already address the issues this bill is trying to address. **The bill passed the Assembly and Senate Labor and Industrial Relations Committee, and has been referred to the Senate Rules Committee.**

AB 196 (Bigelow) – Greenhouse Gas Funds. As amended, this bill would authorize the use of the moneys in the Greenhouse Gas Reduction Fund for electric pump efficiency, water and wastewater systems, pump and pump motor efficiency improvements, and drinking water transmission and distribution systems' water loss if the investment furthers the regulatory purposes of AB 32 in reducing greenhouse gases and is consistent with law. ACWA has taken a **Favor** position on this bill because it would help secure funding that would increase the energy efficiency of the water sector. **The bill passed the Assembly and is pending in the Senate Environmental Quality Committee.**

AB 241 (Dababneh) – Data Breaches. This bill would require a state or local agency, if it was the source of a data breach of a resident's personal information, to offer to provide appropriate identity theft prevention and mitigation services at no cost to any person whose information was or may have been breached if the breach exposed or may have exposed the person's Social Security Number, driver's license number, or California identification card number. ACWA has taken a **Not Favor** position on this bill. **The bill is being held under submission in the Assembly Appropriations Committee.**

AB 272 (Gipson) – Southeast Los Angeles County Drinking Water Relief Act. As amended, this bill would enact the Southeast Los Angeles County Drinking Water Relief Act. The bill would authorize the Department of Water Resources and the State Water Resources Control Board to condition the award of financial assistance to an urban water supplier in southeast Los Angeles County that does not have adequate technical, managerial, and financial capacity for a water infrastructure project on the participation of a public water agency that has sufficient technical, managerial, and financial capacity to complete and operate the project. The bill

would authorize DWR and the State Water Board to provide financial assistance to a public water agency for these purposes. The bill would specifically authorize an urban water supplier in Southeast Los Angeles County to consult with the State Water Board to determine whether consolidation with a receiving water system, extension of service, or provision of administrative or managerial services as a designated public water system under the California Safe Drinking Water Act is appropriate. The bill specifically addresses the Compton area, which is near Group member Sativa-Los Angeles County Water District, but does not otherwise define “Southeast Los Angeles County,” to which it would apply. **This bill is now a two-year bill.**

AB 277 (Mathis) – Low Income Water/Wastewater Grants. As amended, this bill would, to the extent funding is made available, authorize the State Water Resources Control Board to establish the Water and Wastewater Loan and Grant Program to provide funding to eligible applicants for specified purposes relating to drinking water and wastewater treatment. This bill would authorize a county or qualified nonprofit organization to apply to the board for a grant to award loans or grants, or both, to an eligible applicant. ACWA has taken a **Favor** position on this bill. **The bill passed the Assembly and is pending in the Senate Environmental Quality Committee.**

AB 305 (Arambula) – School Drinking Water. This bill would require the school accountability report card prepared by each school district to include an assessment of the drinking water access points at each school site. The bill would require the State Department of Education to compile the assessments and transmit them to the State Water Resources Control Board. **This bill is a two-year bill.**

AB 313 (Gray) – Water Regulation. This bill was significantly amended on April 18 to delete most of its provisions regarding the transfer of various State Board functions to the Department of Water Resources. As amended, the bill now would (i) establish a Water Rights Division within the Office of Administrative Hearings; (ii) require a hearing on administrative civil liability to be held before that Water Rights Division in accordance with the Administrative Procedure Act; and (iii) deem a decision made by an administrative law judge in the Water Rights Division to be a recommendation and not final until accepted by the State Board’s executive director. The bill would authorize an appeal of the executive director’s decision on the recommendation or of the adoption of the recommendation due to the failure to act to a superior court. The bill would add expenditures of the Water Rights Division to the purposes for which the moneys in the Water Rights Fund are available for expenditure, upon appropriation by the Legislature. ACWA has taken a **Support** position on this bill. **The bill passed the Assembly and is now pending in the Senate Judiciary and Natural Resources and Water Committees.**

AB 321 (Mathis, Berryhill and Cristina Garcia) – SGMA. In addition to other existing requirements, this bill would require a Groundwater Sustainability Agency to solicit the participation of farmers, ranchers, and other qualified professionals within the groundwater basin prior to and during the development and implementation of a Groundwater Sustainability Plan. ACWA has taken a **Not Favor** position on this bill. **The bill passed the Assembly and the Senate Natural Resources and Water Committee, and is now pending on the Senate floor.**

AB 366 (Obernolte) – Building Permits – Water Supply. Existing law prohibits a city or county from issuing a building permit for the construction of a new residential development where a source of the water supply is water transported by a water hauler, bottled water, a water-vending machine, or a retail water facility. As amended, this bill would exempt from the prohibition on the issuance of a building permit (1) a development where the source of water supply as described above is not significant, and (2) a development of one detached single-family dwelling unit on a parcel that existed before January 1, 2017, if the water provided to the parcel will be obtained from a legal source and delivered by a licensed water hauler and the parcel is either: (1) five acres or more, but less than 10 acres, and has an average fire response time of 15 or fewer minutes; or (2) ten acres or more and has an average fire response time of 20 or fewer minutes. **The bill has passed the Assembly and is now pending in the Senate Environmental Quality Committee.**

AB 367 (Obernolte) – Building Permits – Water Supply. Existing law prohibits a city or county from issuing a building permit for the construction of a new residential development where a source of the water supply is water transported by a water hauler, bottled water, a water-vending machine, or a retail water facility. This bill would exempt a residence that will be rebuilt because of a fire from the prohibition on the issuance of a building permit. **The bill has passed the Assembly and is now pending in the Senate Environmental Quality Committee.**

AB 375 (Chau) – Public Records Act. **This bill was gutted and amended and now relates to video arcades.**

AB 408 (Chau) – Eminent Domain. Under existing law, if a court in an eminent domain case finds, on motion of the defendant, that the offer of the plaintiff public agency was unreasonable and the offer of the defendant was reasonable in light of the evidence admitted and the compensation awarded in the proceeding, then the costs to be awarded to the defendant shall include the defendant's litigation expenses. This bill would instead provide that if a court finds, on motion of the defendant, that the offer of the plaintiff was lower than 90% of the compensation awarded in the proceeding, then the court would be required to include the defendant's litigation costs in the costs allowed. If the court finds that the offer of the plaintiff was at least 90% and less than 100% of the compensation awarded in the proceeding, the court would be authorized to include the defendant's litigation costs in the costs allowed. **This bill is a two-year bill.**

AB 442 (Frazier) – OSHA. This bill would prohibit Cal-OSHA from commencing any enforcement action for any non-serious violation, as defined in OSHA law, against any employer where the employer is a small business or microbusiness without first giving the employer written notice and providing the employer 30 days to correct the violation. The bill would authorize Cal-OSHA to assess a reasonable fee to cover its costs not to exceed \$50. **This bill is a two-year bill.**

AB 448 (Daly) – Parcel Taxes. Existing law, AB 2476 which was enacted last year, requires the legislative body of a local agency to provide notice of a new parcel tax to the owner of a parcel affected by the tax, if that owner does not reside within the jurisdictional boundaries of the taxing entity. This bill would instead require a local agency to provide notice of a new parcel tax

to any owner of record of a parcel affected by the tax, if that owner of record does not reside within the jurisdictional boundaries of the taxing entity. The bill would also require the notice to be made within 30 days of the certification of the election approving the new parcel tax. As amended on May 18, the bill would, for a school district or special district, require the city or county in which the district is located to prepare and mail the notice on behalf of the district. The bill would also require the district to reimburse the city or county for the cost of preparing and mailing the notices. The author believes this bill is necessary to provide a more transparent appeals process by notifying property owners of the new parcel tax so they can potentially take action to appeal the tax. ACWA has taken a **Not Favor** position on this bill. **This bill passed the Assembly and is pending in the Senate Governance and Finance Committee.**

AB 474 (E. Garcia) – Hazardous Waste – Spent Brine. Existing law exempts from certain requirements of the Hazardous Waste Control Law wastes from the extraction or processing of ores and minerals that are not subject to regulation under the federal Resource Conservation and Recovery Act of 1976, including spent brine solutions used to produce geothermal energy. This bill would exempt spent brine solutions that are byproducts of the treatment of groundwater to meet California drinking water standards from those same requirements if certain conditions are met, including that the spent brine solutions are transferred for dewatering via a closed piping system to lined surface impoundments regulated by a Regional Water Quality Control Board. ACWA has taken a **Favor** position on this bill. **The bill passed the Assembly and is pending in the Senate Environmental Quality Committee.**

AB 551 (Levine) – Political Reform Act – Post-Employment Restrictions. The Political Reform Act prohibits, for a period of one year after the official leaves his or her position, elected and other specified local officials from acting as agents or attorneys for, or otherwise representing, for compensation, any other person, by appearing before, or communicating with, the official's agency, or any committee, subcommittee, or present member of that local government agency, or any officer or employee of the local government agency, if the appearance or communication is made for the purpose of influencing administrative or legislative action, or influencing any action or proceeding involving the issuance, amendment, awarding, or revocation of a permit, license, grant, or contract, or the sale or purchase of goods or property. Existing law excludes from this prohibition appearances and communications by a board member, officer, or employee of another local government agency, or an employee or representative of a public agency in which the individual is appearing or communicating on behalf of that agency. As amended, this bill would remove this exclusion, thereby making these types of appearances or communications on behalf of an individual's agency subject to the one-year prohibition. As amended on April 18, the bill would leave that exclusion in place (meaning the appearances by board members or employees of the agency are not subject to the one-year prohibition) and would add that the prohibition applies to independent contractors of a local government agency or a public agency who are appearing or communicating on behalf of that agency. **The bill passed the Assembly and is pending in the Senate Elections and Constitutional Amendments Committee.**

AB 554 (Cunningham) – Desalination – Statewide Goals. This bill would establish a goal to desalinate 300,000 acre-feet of drinking water per year by the year 2025 and 500,000 acre-feet of drinking water per year by the year 2030. ACWA has taken a **Favor** position on this bill, as

there is a desire to have the bill amended to include the treatment of brackish groundwater as well as ocean water desalination. **The bill is being held under submission in the Assembly Appropriations Committee.**

AB 560 (Salas) – Definition of “Unaffordable Water Rates.” This bill would allow the State Water Board to forgive principal on a State Revolving Fund loan or provide grant funding, and zero percent financing to a project for a water system with a service area that qualifies as a severely disadvantaged community if the water system demonstrates that repaying a State Revolving Fund loan, **with interest,** would result in unaffordable water rates. The bill defines “unaffordable water rates” to mean an average water bill that is greater than 1.5 percent of the median household income of the service area. Although the concept of this bill is acceptable, there is concern regarding the definition of “unaffordable water rates” and how that definition may then be lifted to apply in other contexts relating to promulgation of the human right to water. ACWA has taken a **Not Favor Unless Amended** position on this bill. **The bill passed the Assembly and is pending in the Senate Environmental Quality Committee.**

AB 569 (Gonzalez Fletcher) – Employment Discrimination. This bill would amend provisions of existing labor law relating to the obligations of an employer to prohibit an employer from taking any adverse employment action against an employee based on his or her reproductive health care decisions, including the timing thereof, methods, or the use of any drug, device, or medical service related to reproductive health by an employee or employee’s dependent, or requiring an employee to sign a code of conduct or similar document that purports to deny any employee the right to make his or her own reproductive health care decisions, including the use of a particular drug, device, or medical service. The bill would require an employer that provides an employee handbook to its employees to include in the handbook notice of the employee rights and remedies under the provisions of this bill. **The bill has passed the Assembly and is pending in the Senate Labor and Industrial Relations and Judiciary Committees.**

AB 574 (Quirk) – Potable Reuse. Existing law defines the terms “direct potable reuse,” “indirect potable reuse for groundwater recharge,” and “surface water augmentation” for purposes of reports that are to be provided to the Legislature. This bill would remove certain references to “direct potable reuse,” “indirect potable reuse for groundwater recharge,” and “surface water augmentation,” and would instead specify the four different types of potable reuse projects as “potable reuse through groundwater augmentation,” “potable reuse through reservoir augmentation,” “potable reuse through raw water augmentation,” and “potable reuse through treated drinking water augmentation.” ACWA has taken a **Support** position on this bill, as it will help advance the use of potable reuse water by eliminating confusing statutory definitions. **The bill has passed the Assembly and is pending in the Senate Environmental Quality and Natural Resources and Water Committees.**

AB 577 (Caballero) – Disadvantaged Community Definition. Existing law defines a disadvantaged community as a community with an annual median household income that is less than 80% of the statewide annual median household income. As amended, this bill would expand that definition of a disadvantaged community to also include a community with an annual per capita income that is less than 80% of the statewide annual per capita income. The

bill is intended to provide an opportunity for communities with many multi-family households to qualify as a “disadvantaged community” and receive access to DAC funding. **This bill is a two-year bill.**

AB 592 (Dahle) – Cal-PERS. This bill would authorize a contracting agency at any time to request a calculation of the total costs necessary to terminate its contract with Cal-PERS. **This bill is a two-year bill.**

AB 594 (Irwin) – CEQA. Existing law, until January 1, 2018, exempts from the definition of “project” for CEQA purposes a proposed solar or wind energy generation facility that would demand no more than 75 acre-feet of water annually. This bill would indefinitely exempt from the definition of a CEQA “project” a proposed solar or wind energy generation facility that would demand no more than 50 acre-feet of water annually. **This bill is a two-year bill.**

AB 672 (Jones Sawyer) – Diversion of Utility Service. Civil Code Section 188.21 authorizes a water corporation or a water system operated by a public agency, to bring a civil action for damages against any person who commits, authorizes, solicits, aids, abets, or attempts the diversion of utility services by any means whatsoever. Existing law authorizes the utility to recover as damages 3 times the amount of actual damages, plus the cost of the suit and reasonable attorney’s fees, in any civil action brought pursuant to these provisions. This bill, instead, would authorize the prevailing party to recover actual damages (thus deleting the treble damages provision), plus the costs of the suit and reasonable attorney’s fees. **As amended on May 1, the bill deleted the actual damages provision and now states that if the defendant prevails, it can recover its attorneys’ fees and costs of suit. This bill remains pending in the Assembly Judiciary Committee and thus is a two-year bill.**

AB 746 (Gonzalez Fletcher) – Lead Testing at Schools. This bill would require public school districts, charter schools, community colleges and California State Universities to test for lead in the potable water system at every schoolsite or campus at least once a year (if constructed before January 1, 1986) or once every 3 years (if constructed after January 1, 1986). The bill would require, if a test reveals that a schoolsite’s or campus’ lead level is greater than the United States Environmental Protection Agency drinking water standards for lead, the local educational agency to notify parents and guardians, and the community college board of governors and the Cal. State University trustees to notify students, of the elevated level of lead and provide information on how to obtain physician testing for any pupil or student who may be affected. The bill would require a local educational agency, the board of governors, and the CSU trustees to make inoperable and shut down from use any part of a schoolsite or campus potable water system that has an elevated lead level. **The May 26 amendments deleted the CSU and community colleges from the bill, so it now only applies to local school districts.** In its current form, this bill does not impose any requirements on water systems. ACWA has taken a **Favor if Amended** position on this bill. **The bill passed the Assembly and is pending in the Senate Education and Environmental Quality Committees.**

AB 765 (Low) – Local Initiatives. Existing law permits a local ordinance to be submitted to the governing body of the local agency by filing an initiative petition signed by a specified number of voters. If a district initiative measure qualifies for the ballot, existing law requires that

the election for that initiative be held at either a special election or at the next regular election, depending on whether the initiative petition contains a specified request. This bill instead would require that the election for a local initiative measure that qualifies for the ballot be held at the next statewide or regular election, as applicable, unless the governing body of the local agency calls a special election. **The bill passed the Assembly and is pending in the Senate Elections and Constitutional Amendments Committee.**

AB 791, AB 792 & AB 793 (Frazier) – Delta Bills. These three bills would add requirements relating to the Cal Water Fix. AB 791 would require the Department of Water Resources to conduct a cost-benefit analysis for each State Water Project contractor who enters into a contract to pay for the Cal Water Fix costs. AB 791 is not necessary, as each individual contracting party will conduct its own cost-benefit analysis. AB 792 would provide that the Delta Stewardship Council cannot grant a certification of consistency with the Delta Plan until the State Water Board has completed its update of the 2006 Water Quality Control Plan for the Bay-Delta Estuary that was initiated in 2009. AB 793 would declare the Delta to be part of California’s water infrastructure. AB 793 would also state that the maintenance and repair of the Delta are eligible for the same forms of financing as other water collection and treatment infrastructure and would specify the maintenance and repair activities that are eligible are limited to certain cleanup and abatement-related restoration and conservation activities.

The bills are viewed as ways to delay and impede the Cal Water Fix project. ACWA and MWD have taken positions opposing or not favoring all three bills. **AB 791 is being held under submission in the Assembly Appropriations Committee and is likely dead. AB 792 and AB 793 are two-year bills.**

AB 851 (Caballero) – Design-Build Contract Authority Expansion. This bill was amended on May 10 and now expands design-build contract authority for specified types of projects only for the Santa Clara Valley Water District. ACWA has taken a **Favor** position on this bill. **The bill passed the Assembly and is now pending in the Senate Governance and Finance Committee.**

AB 869 (Rubio) – Urban Water Use Targets – Recycled Water. This bill would require recycled water delivered for either nonpotable or potable use or for groundwater replenishment purposes to be excluded from the calculation of any urban water use target or reduction in urban per capita water use. The bill would state that for these purposes recycled water use is an efficient use of water and would require recycled water use to be considered equivalent to other water use efficiency measures. The bill would also prohibit an urban retail water supplier from being required by a regulation to reduce the amount of recycled water it produces, sells, or distributes for beneficial potable or nonpotable uses at any time. The bill would redefine “recycled water” to also include recycled water supplied for nonpotable uses. **Provisions were added on May 15 to clarify that nothing in the bill is to be construed as diminishing or otherwise affecting any water rights.** ACWA has taken a **Favor** position on this bill. **The bill passed the Assembly and is now pending in the Senate Environmental Quality and Natural Resources and Water Committees.**

AB 885 (Rubio) – Lead in Schools. The bill was further amended on April 18 to delete the requirement for community water systems to conduct the required annual lead testing. The bill now strictly imposes requirements on schools to conduct the annual testing to each water outlet used for drinking or cooking, starting in 2019. The bill would require, if testing reveals an elevated lead level, as defined in the bill, at a water outlet at a school, the school to close off access to the outlet; report the test results to the State Water Resources Control Board; purchase and install certified water filters at all school faucets, fountains, and other outlets designated for drinking or cooking that were not closed off; on or before July 1, 2022, replace all lead-bearing parts within the school’s water delivery system, where feasible and cost effective; and, on or before January 1, 2020, develop and adopt a plan of action relating to these requirements. The bill would authorize a school district to seek assistance from a community water system to help ensure compliance with these requirements. ACWA has taken a **Not Favor Unless Amended** position on this bill. **The bill is being held under submission in the Assembly Appropriations Committee.**

AB 894 (Frazier) – Candidate Statements. Existing law permits a candidate for a nonpartisan elected office, and an officer whose recall is being sought, to file with the elections official a candidate’s statement that includes a brief description of the candidate’s education and qualifications. Existing law prohibits a candidate for such a nonpartisan office, or such an incumbent in a recall election, from knowingly making a false statement of material fact in the candidate’s statement with the intent to mislead the voters in connection with his or her campaign for nomination or election to an office. Violation of this prohibition is punishable by a fine not to exceed \$1,000. **After amendments on May 3 and May 16, this bill would increase the maximum fine to \$10,000 for knowingly making a false statement of a material fact in a candidate’s statement. The bill passed the Assembly and is pending in the Senate Elections and Constitutional Amendments and Public Safety Committees.**

AB 968 (Rubio) – Urban Water Use Targets. See separate memo on legislation to implement the Long-Term Water Conservation Framework. AB 968 is one of the bills developed by ACWA’s task force. ACWA has taken a **Support** position on this bill. **The bill is being held under submission in the Assembly Appropriations Committee.**

AB 975 (Friedman) – Wild and Scenic Rivers. Existing law establishes the policy that certain rivers that possess extraordinary scenic, recreational, fishery, or wildlife values must be preserved in their free-flowing state, together with their immediate environments, for the benefit and enjoyment of the people of the state. This bill would revise that policy to match the federal Wild and Scenic River law by specifying that certain rivers that possess scenic, recreational, fishery, wildlife, **[and adding:] historical, cultural, geological, ecological, hydrological, botanical, [deleted by May 4 amendments]** or other values shall be preserved in their free-flowing state, together with their immediate environments, for the benefit and enjoyment of the people of the state, and would revise the definition of “immediate environments,” and define the term “extraordinary value” for purposes of that policy. ACWA has taken an **Oppose** position on this bill because by expanding the criteria for “wild and scenic” designation, the bill would have unknown consequences to water systems. **The bill was placed in the inactive file by the author when it was pending on the Assembly floor.**

AB 978 (Limon) – Illness and Injury Prevention Plans. Existing law requires every employer to establish, implement, and maintain an effective injury prevention program. This bill would require an employer who receives a written request for a paper or electronic copy of the written injury prevention program from a current employee, or his or her authorized representative, to comply with the request as soon as practicable, but no later than 5 business days from the date the employer receives the request. The bill would require the employer to provide the copy of the written injury prevention program free of charge. **The bill was amended on May 26 to change the employer’s response time to 10 business days, and to authorize the employer to take reasonable steps to verify the identity of a current employee or his or her authorized representative and to designate the person to whom a request is to be made. The bill would authorize the assertion of impossibility of performance, as stated in the bill, as an affirmative defense by an employer in any complaint alleging a violation of these provisions. The bill passed the Assembly and is now pending in the Senate Labor and Industrial Relations Committee.**

AB 979 (Lackey) – LAFCOs – Special District Representation. As amended, this bill pertains to certain proceedings of a LAFCO’s independent special district committee. As special districts in Los Angeles County already have special district representation on L.A. County’s LAFCO, the bill’s most significant changes are not applicable. The bill is co-sponsored by the California Special Districts Association and Cal-LAFCO as a proactive response to the Little Hoover Commission’s concerns regarding special districts. ACWA has taken a **Favor** position on this bill. **The bill passed the Assembly and is pending in the Senate Governance and Finance Committee.**

AB 1000 (Friedman) – Water Conservation. As amended on May 30, the prior provisions of the bill concerning innovative water conservation and water loss technologies were deleted. The bill now authorizes the State Energy Resources Conservation and Development Commission to adopt regulations establishing performance standards for water meters installed in residential and nonresidential buildings. ACWA has taken a **Not Favor Unless Amended** position on this bill, which would implement part of the Governor’s executive order concerning innovative water conservation and water loss detection technologies. **The bill passed the Assembly and is now pending in the Senate Natural Resources and Water Committee.**

AB 1008 (McCarty) – Employment Discrimination – Prior Criminal History. This bill would provide that it is an unlawful employment practice for an employer to include on any employment application a question that seeks the disclosure of an applicant’s criminal history, to inquire into or consider the conviction history of an applicant until that applicant has received a conditional offer, and, when conducting a conviction history background check, to consider, distribute, or disseminate specified information related to prior criminal convictions, except as provided in the bill. This bill would also require an employer who intends to deny an applicant a position of employment solely or in part because of the applicant’s prior conviction of a crime to make an individualized assessment of whether the applicant’s conviction history has a direct and adverse relationship with the specific duties of the job, and to consider certain topics when making that assessment. The bill would require that, if an employer makes a preliminary determination based on that individualized assessment to deny the applicant employment, the employer must notify the applicant of the reasons for that preliminary decision. The bill would

authorize an applicant to respond to that notification within 10 days with information that challenges the accuracy of the information in the notification or that includes specified mitigation or rehabilitation evidence. The bill would require an employer to consider information submitted by the applicant before making a final decision. The bill would require an employer who has made a final decision to deny employment to the applicant to notify the applicant in writing of specified topics, including the procedure to challenge the decision and the right to file a complaint with the Department of Fair Employment and Housing.

The May 1 amendments would repeal Labor Code Section 432.9, which, subject to certain exceptions, prohibits a state or local agency from asking an applicant for employment to disclose information regarding a criminal conviction until the agency has determined the applicant meets the minimum employment qualifications for the position. Those amendments would also add exemptions to the prohibitions under the bill, including where a state or local agency is otherwise required by law to conduct a conviction history background check. The May 30 amendments revise another exemption that had been added by the May 1 amendments with respect to a position of employment for which an employer is required to take an action pursuant to any state, federal, or local law that requires criminal background checks for employment purposes or restricts employment based on criminal history.

ACWA has taken a **Not Favor** position on this bill, which would interfere with local agencies' ability to recruit and hire employees in an efficient manner. **The bill has passed the Assembly and is pending in the Senate Labor and Industrial Relations and Judiciary Committees.**

AB 1025 (Rubio) – Incompatible Office Doctrine. As gutted and amended on April 20, this bill would repeal Government Code Section 1099, which was adopted several years to codify the incompatible office doctrine. **This bill will need to be reassigned to the appropriate policy committee, likely the Assembly Local Government Committee, for consideration.**

AB 1066 (Aguiar-Curry) – Public Works – Prevailing Wage. For purposes of the application of the prevailing wage requirement, this bill would specify that the term “demolition” within the definition of “public works” includes, but is not limited to, tree removal. **This bill passed the Assembly and is now pending in the Senate Labor and Industrial Relations Committee.**

AB 1089 (Mullin) – Local Election Campaign Contribution Limitations. Commencing January 1, 2019, this bill would prohibit campaign contributions to a candidate for local elective office that total more than the amount set forth in the Political Reform Act for limitations on contributions to a candidate for statewide elective office. This bill would also authorize a county, city, special district, or school district to impose a limitation that is different from the limitation imposed by the bill. **This bill is being held under submission in the Assembly Appropriations Committee.**

AB 1117 (Fong) – CEQA. This bill would make various changes to CEQA. It would prohibit a lead agency from being required to evaluate the aesthetic effects of a project subject to CEQA and would prohibit aesthetic effects from being considered significant effects on the environment, except in certain circumstances.

The bill would declare the Legislature’s intent that CEQA not be used for a “nonenvironmental purpose,” including, but not limited to, competing with another business, delaying a project for reasons unrelated to environmental protection, or extracting concessions unrelated to the environment from project proponents. The bill would authorize the court, after a hearing on the evidence and upon a finding that a petitioner is using CEQA for primarily nonenvironmental purposes, to take any necessary action, including dismissal of the action, award of attorneys’ fees, or both. The bill would authorize the court, if the court finds the petitioner has a pattern of using CEQA for primarily nonenvironmental purposes, to either order the petitioner to furnish security or enter a prefiling order prohibiting the petitioner from filing any new CEQA action. The bill would require the clerk of the court to provide the Judicial Council a copy of any prefiling orders and would require the Judicial Council to maintain a record of petitioners subject to those prefiling orders and to annually disseminate a list of those persons to the clerks of the court. The bill would prohibit a clerk of the court from accepting for filing any action or proceeding presented by a petitioner subject to a prefiling order unless the petitioner obtains an order from the presiding justice or judge permitting the filing.

CEQA currently allows a plaintiff or petitioner to elect to prepare the record of proceedings. This bill would eliminate that authorization regarding the preparation of the record of proceedings.

The bill would also require that the court consider, in determining whether a prejudicial abuse of discretion exists with respect to the lead agency’s alleged failure to comply with CEQA, whether the lead agency made a good faith effort and otherwise substantially complied with requirements of the act and would authorize the court to consider whether a different outcome would have resulted.

CEQA prohibits a person from bringing an action or proceeding challenging a public agency’s action on the grounds of noncompliance with CEQA unless the alleged grounds of noncompliance were presented, orally or in writing, to the public agency during the public comment period or prior to the close of the public hearing on the project before the issuance of a notice of determination. CEQA prohibits a person from maintaining an action or proceeding unless that person objected to the approval of the project, orally or in writing, during the public comment period or before the close of the public hearing on the project before the filing of a notice of determination. This bill would allow a person to bring an action or proceeding challenging a public agency’s action on the grounds of noncompliance with CEQA, orally or in writing, after the public comment period but before the close of the public hearing if new information arises after the close of the public comment period that was not known or could not have been known or if there are significant discrepancies between the information contained in the environmental documentation and other documentation submitted to other state or federal regulatory agencies. The bill would allow a person to maintain an action or proceeding if that person objected to the approval of the project orally after the public comment period and before the close of the public hearing, before filing the specified notice of determinations. **This is a two-year bill.**

AB 1145 (Quirk) – Relocation of Utility Facilities. This bill was gutted and amended on May 1 and now concerns the undergrounding of electric and communications facilities.

AB 1180 (Holden) – MS4 Compliance. This bill was gutted and amended on May 30 to now address tires that may contain zinc oxide substances.

AB 1223 (Caballero) – Public Works Construction. As amended on April 18, this bill would require, within 21 days of making a construction contract payment, a state or local agency that maintains an Internet website to post on its website the project for which the payment was made, the name of the construction contractor or company paid, the date the payment was made, the payment application number or other identifying information, and the amount of the payment. The bill would exempt construction contracts valued below \$25,000 from these provisions. The bill was amended on May 3 to delete its application to local agencies and it now applies only to state agencies. The bill passed the Assembly and is now pending in the Senate Governmental Organization Committee.

AB 1323 (Weber) – Water Conservation. Existing law requires the state to achieve a 20% reduction in urban per capita water use in California by December 31, 2020. This bill would require the Department of Water Resources to convene a stakeholder workgroup no later than February 1, 2018 to develop, evaluate, and recommend proposals for establishing new water use targets for urban water suppliers and to examine and report to the Governor and the Legislature by December 31, 2018. The workgroup is to consist of representatives from the Department of Water Resources, the State Water Resources Control Board, the building and construction industry, urban water suppliers, and commercial, industrial, and institutional users, including, but not limited to, the military, agricultural water suppliers, recognized environmental advocacy groups, environmental justice groups, cities, counties, professional associations, academia, and stakeholder industry groups. The bill would require all expenses for the stakeholder working group to be the responsibility of the non-state agency stakeholders. The bill would repeal its provisions on January 1, 2022.

The May 30 amendments move the stakeholder workgroup deadline to February 1, 2019, the legislative report deadline to December 31, 2019 and the repeal date to January 1, 2023. The May 30 amendments also add a provision that DWR will not convene the stakeholder workgroup if a law is passed in the 2017-18 Legislative Session that establishes water conservation targets and long-term drought contingency planning for urban water suppliers. ACWA has taken a Favor position on this bill. This bill passed the Assembly and is now pending in the Senate Natural Resources and Water Committee.

AB 1333 (Dababneh) – Election Notices. This bill would require every local government agency that maintains a website to prominently post on that website, as specified in the bill, a notice of any upcoming election in which voters will vote on a tax measure or proposed bond issuance of the agency. The bill would also require every local government agency that publishes an electronic newsletter to include the notice in the electronic newsletter. The bill was amended on May 13 to distinguish between local government agency websites whose content is manually changed at least once a week, in which case the notice must be posted within 10 days [changed from seven days in the initial version of the bill] of the agency's governing body voting to place

the tax measure or proposed bond issuance on the ballot, or the tax measure or proposed bond issuance qualifying to be placed on the ballot as an initiative measure; and all other local agency websites, where the notice must be posted the next time the content of the site is manually changed.

ACWA has taken a **Not Favor** position on this bill. **The bill is being held under submission in the Assembly Appropriations Committee.**

AB 1343 (Chen) – Water Conservation – School Programs. This bill would authorize the governing board of a school district to enter into a Go Low Flow Water Conservation Partnership with a public water system for purposes of reducing water use at schools, reducing stormwater and dry weather runoff at schools, reducing schoolsite water pollution, and establishing the basis for educational opportunities in water conservation. The bill would authorize a public water system to offer, as part of a partnership, a water rebate for a school that implements water-saving measures. There is concern that this bill is not necessary because water agencies already have the power to pursue the type of programs covered in this bill. **The bill passed the Assembly and the Senate Education Committee and is now pending in the Senate Environmental Quality Committee.**

AB 1369 (Gray and Gonzalez Fletcher) – Water Storage. This bill would require the Department of Water Resources to increase statewide water storage capacity by 25% by January 1, 2025, and 50% by January 1, 2050. The bill would also require DWR, on or before January 1, 2019, to identify the current statewide water storage capacity and prepare a strategy and implementation plan to achieve those expansions in statewide water storage capacity, and would require DWR to update the strategy and implementation plan on January 1, 2020, and every 2 years thereafter, until January 1, 2050. The bill would require the Legislative Analyst's Office to report to the Legislature on January 1, 2020, and every 5 years thereafter, until January 1, 2050, on the department's progress on achieving those required increases in statewide water storage capacity, as specified. The bill would, beginning in the 2018–19 fiscal year, continuously appropriate 25% of the annual proceeds of the Greenhouse Gas Reduction Fund to DWR to comply with these requirements.

This bill would also require the State Water Resources Control Board, in formulating state policy for water quality control and adopting or approving a water quality control plan for the Delta, to take into consideration, consistent with CEQA, any applicable groundwater sustainability plan or alternative and available information and data regarding the impacts of groundwater use and management on beneficial uses of surface waters. ACWA has taken a **Favor** position on this bill. **This bill a two-year bill.**

AB 1427 (Eggman) – Right to Stored Water. Under existing law, the right to water or to the use of water is limited to that amount of water that may be reasonably required for beneficial use. Existing law provides for the reversion of water rights to which a person is entitled when the person fails to beneficially use the water for a period of 5 years. Existing law declares that the storing of water underground, and related diversions for that purpose, constitute a beneficial use of water if the stored water is eventually applied to the beneficial purposes for which the appropriation for storage was made. This bill would additionally provide that certain

uses of stored water while underground constitute beneficial use. The bill would provide that the forfeiture periods of a water right do not apply to water being beneficially used or being held in storage for later beneficial use. **The bill is being held under submission in the Assembly Appropriations Committee.**

AB 1438 (Committee on Environmental Safety and Toxic Materials) – Accredited Laboratories. Existing law authorizes the State Water Board, after notice and hearing, to suspend or revoke a permit if the State Board determines that the permittee is in violation of the Environmental Laboratory Accreditation Act or has made a false statement or representation on an application, record, or report maintained and submitted for purposes of compliance with that act. That act allows the State Board to temporarily suspend a permit before a hearing when necessary to prevent an imminent or substantial danger to health, requires the state board to hold a hearing and give notice on the temporary suspension, and requires that notice of the hearing be given within 15 days of the effective date of suspension. This bill would revise and update those provisions. The bill would instead allow the applicant to petition the State Board for reconsideration of, instead of appealing, a decision or action of the deputy director with regard to issuance of a public water system permit. The bill would set forth a hearing process, including notice, with regard to the suspension, revocation, or temporary suspension of a public water system permit, as specified in the bill. The bill would authorize, within 30 days of issuance of specified orders, decisions, or final actions of an officer or employee of the State Board, the person subject to the order, decision, or final action to petition the State Board for reconsideration. **The bill has passed the Assembly and the Senate Environmental Quality Committee, and is now pending in the Senate Judiciary Committee.**

AB 1442 (Travis Allen) – High Speed Rail Funds. This bill would require provide that no further bonds to fund the high speed rail project can be sold and all unspent monies from prior bond issuances for the high speed rail project are to be used to retire the high speed rail project debt and to fund State Water Project improvements. **This bill failed passage in the Transportation Committee and is likely dead.**

AB 1455 (Bocanegra) – Public Records Act. This bill would create a new exception from disclosure under the Public Records Act for records of local agencies related to activities under the Meyers-Milias-Brown Act that reveal a local agency's deliberative processes, impressions, evaluations, opinions, recommendations, meeting minutes, research, work products, theories, or strategy, or that provide instruction, advice, or training to employees who do not have full collective bargaining and representation rights under that chapter. **This bill passed the Assembly and is pending in the Senate Public Employment and Retirement and Judiciary Committees.**

AB 1458 (Friedman) – Political Reform Act – Campaign Finance. As amended on April 18, this bill would require a candidate for statewide elective office to include and conspicuously display on the homepage of any campaign website of the candidate a hyperlink to the Secretary of State's Cal-Access Internet Web site page that displays the candidate's campaign finance information. The bill would not apply to social media. **This bill failed passage on the Assembly floor.**

AB 1479 (Bonta) – Public Records Act. As gutted and amended, this bill would require public agencies to identify a supervisor of records who must review a determination by the agency that a request for records is denied. The bill would also authorize a court that finds that an agency improperly withheld public records from a member of the public without justification, failed to furnish a properly requested record or a portion thereof in a timely manner, assessed an unreasonable fee upon a requester, or otherwise did not act in good faith to comply with its duties under the Public Records Act, to assess punitive damages against the agency in an amount not less than \$1,000, nor more than \$5,000, that would be deposited into the Public Records Assistance Fund, which is created by the bill.

The April 27 amendments to the bill change the reference from a supervisor of records to a custodian of records. Those amendments also specify that the custodian is responsible for responding to any request made pursuant to the Public Records Act and to any inquiry from the public about a decision by the agency to deny a request for records. Those amendments also change the conduct that could give rise to a civil penalty to include improper withholding of public records which are clearly subject to public disclosure, unreasonable delay in providing the contents of a record subject to disclosure, or the assessment of an unreasonable or unauthorized fee on a requesting party. Those amendments change the reference from “punitive damages” to “civil penalty” and delete the reference to the Public Records Assistance Fund. No state reimbursement is provided for the compliance with this new mandate. ACWA has taken an Oppose position on this bill. **The bill passed the Assembly and is now pending in the Senate Judiciary Committee.**

AB 1490 (Gray) – School Drinking Water Quality. As amended on April 17, this bill would require the state board, no later than July 1, 2018, to prepare and submit to the Legislature a report evaluating potential adverse impacts resulting from the implementation of the Bay-Delta Water Quality Control Plan on the quality and supply of drinking water provided to schools in disadvantaged communities in the state, including a summary describing any measures that may be implemented to address any adverse impacts identified in the report. The bill would require the State Board, to the extent that funds are available, to provide financial assistance to schools in disadvantaged communities to address any adverse impacts on the supply and quality of drinking water provided to schools identified in the report. **The bill is being held under submission in the Assembly Appropriations Committee.**

AB 1524 (Brough) – Mass Mailing Prohibition. The Political Reform Act prohibits sending mass mailings at public expense. The act defines “mass mailing” as over 200 substantially similar pieces of mail not including form letters or other mail that is sent in response to an unsolicited request, letter, or other inquiry. This bill would prohibit, within 90 days preceding an election, the sending of a mass mailing by either (1) a candidate, or on his or her behalf, if the candidate’s name will be on the ballot at that election, or (2) an agency, if a measure on the ballot at that election will have a direct financial impact on the agency, except as specified in the bill with respect to school districts and community college districts. **This is a two-year bill.**

AB 1529 (Thurmond) – Backflow Prevention Certification. As gutted and amended on April 19, this bill would provide that valid and current certifications for cross-connection inspection and testing or backflow prevention device inspection, testing, and maintenance that were

determined by the State Department of Public Health before January 1, 2016 to demonstrate competency are approved California-specific certifications either until the State Water Board promulgates regulations for cross-connection inspection and testing and backflow prevention device inspection, testing, and maintenance, or until January 1, 2020, whichever comes first. The bill would, under certain conditions, prohibit a water supplier from refusing to recognize statewide certifications that meet standards set by regulations of the State Water Board. ACWA has taken a **Not Favor** position on this bill. **The bill passed the Assembly and is pending in the Senate Environmental Quality Committee.**

AB 1548 (Fong) – OSHA. Existing law requires any civil or administrative penalty assessed pursuant to the California Occupational Safety and Health Act of 1973 against a school district, county board of education, county superintendent of schools, charter school, community college district, California State University, University of California, or joint powers agency performing education functions to be deposited with the Workplace Health and Safety Revolving Fund. Existing law authorizes these entities to apply for a refund of the civil penalties assessed against them if specified conditions are met. This bill would expand the application of this section to public entities, defined as a city, county, city and county, district, public authority, public agency, and any other political subdivision. The bill would state the Legislature's intent that a public entity that has demonstrated a commitment to a safe and healthy workplace, as specified in the bill, should be able to seek and obtain a return of the penalty paid by that public entity. ACWA has taken a **Favor** position on this bill. **This is a two-year bill.**

AB 1587 (Levine) – Quagga Mussels. The May 10 amendments deleted the authorization of the Director of the Department of Fish and Wildlife to order the closure of waters or facilities to conveyances for a period of no less than 7 working days if dreissenid mussels are detected or may be present. The May 10 amendments would require the director, upon lifting a closure or quarantine or other restriction on a reservoir where dreissenid mussels have been detected, to order the entity that owns or manages the reservoir to implement a dreissenid mussel control program to prevent the spread of dreissenid mussels from conveyances exiting the reservoir. The bill would authorize the Division of Boating and Waterways to award grants from funds generated from the quagga and zebra mussel prevention infestation fee to those entities required by the director to implement a dreissenid mussel control program for the reasonable regulatory costs to implement the program. The bill would make violations of an order issued by the director subject to a civil penalty of \$1,000 per violation, imposed administratively by the Department of Fish and Wildlife. The May 10 amendments would additionally impose a quagga and zebra mussel infestation prevention fee, in an amount to be determined by the Division of Boating and Waterways not to exceed a maximum annual amount of \$50, on a nonresident owner of a vessel, to be paid by that owner before placing the vessel on a waterway. The bill would require the Division to prescribe procedures for the collection and use of those fees. The bill would require that all revenues collected from that fee be deposited into the Harbors and Watercraft Revolving Fund and be used for the dreissenid mussel control program. The May 30 amendments delete the existing immunity from liability of public or private agencies that operate a water supply system. ACWA has taken a **Favor if Amended** position on this bill. **This bill passed the Assembly and is now pending in the Senate Natural Resources and Water and Judiciary Committees.**

AB 1603 (Ridley-Thomas) – Meyers-Milias-Brown Act. This bill would make various changes to the Meyers-Milias-Brown Act (MMBA) to address joint employment situations. Under current MMBA provisions, unit determinations and representation elections are determined and processed in accordance with rules adopted by a public agency and the MMBA. Existing law requires, in a representation election, a majority vote of the employees in the appropriate bargaining unit. This bill also would specify that the appropriate bargaining unit includes a unit that consists of a public agency and one or more joint employers.

This bill would also specify that the requirement of a majority of the employees in an appropriate bargaining unit desire the representation also includes an appropriate bargaining unit consisting of a public agency and one or more joint employers. The bill would change the definition of “public employee” for the purpose of the act to include persons jointly employed by a public agency. **This bill passed the Assembly and is now pending in the Senate Public Employment and Retirement Committee.**

AB 1605 (Caballero) – Nitrate MCL Exceedance. This bill would deem a person that causes or permits, or threatens to cause or permit, any waste to be discharged that contributes to the exceedance of the maximum contaminant level for nitrate in drinking water to not have caused pollution or a nuisance or to not be liable for negligence or trespass, if the person or entity takes certain actions to provide replacement water until the maximum contaminant level for nitrate is no longer exceeded. **The bill remains pending in the Assembly Judiciary Committee and is a two-year bill.**

AB 1654 (Rubio) – Water Conservation. See separate memo on legislation to implement the Long-Term Water Conservation Framework. AB 1654 is one of the bills developed by ACWA’s task force. ACWA has taken a **Support** position on this bill. **This bill passed the Assembly and is now pending in the Senate Natural Resources and Water Committee.**

AB 1667 (Friedman) – Water Conservation. AB 1667 has been amended to now address the agricultural water use aspects of the Long-Term Water Conservation Framework, as formerly included in Budget Trailer Bill 810. **This bill passed the Assembly and is now pending in the Senate Natural Resources and Water Committee.**

AB 1668 (Friedman) – Water Conservation. See separate memo on legislation to implement the Long-Term Water Conservation Framework. AB 1668 has been amended to now address the urban water management planning aspects of the Framework, as formerly included in Budget Trailer Bill 810. ACWA has taken an **Oppose** position on this bill. **This bill passed the Assembly and is now pending in the Senate Natural Resources and Water Committee.**

AB 1669 (Friedman) – Urban Water Use. See separate memo on legislation to implement the Long-Term Water Conservation Framework. AB 1669 has been amended to now address the water use efficiency aspects of the Framework, as formerly included in Budget Trailer Bill 810. ACWA has taken an **Oppose** position on this bill. **This bill is being held under submission in the Assembly Appropriations Committee.**

AB 1671 (Caballero) – Backflow Prevention Regulations. As gutted and amended on April 19, this bill would require the State Water Board, on or before January 1, 2020, to update its backflow protection and cross-connection control regulations. ACWA has taken a **Favor** position on this bill. **The bill passed the Assembly and is now pending in the Senate Environmental Quality Committee.**

SENATE BILLS:

SCA 4 (Hertzberg) – Proposition 218 Changes. This is currently a spot bill regarding the Legislature’s intent to provide a program that would ensure that affordable water is available to all Californians and to ensure that water conservation is given a permanent role in California’s future. However, draft language is being circulated to address establishing water systems’ ability to utilize tiered rates for water conservation purposes and to establish and implement “lifeline” rates for low income customers. This proposed constitutional amendment likely will not be placed in Article XIID, which was enacted as part of Proposition 218, but will be in a separate article of the California Constitution.

SB 5 (De Leon) – Drought, Water, Parks, Climate, Coastal Protection and Outdoor Access for All Act of 2018. This bill would enact the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access For All Act of 2018, which, if approved by the voters, would authorize the issuance of bonds in an amount of **\$3,500,000,000 [increased from \$3 billion by May 10 amendments]** of general obligation bonds finance a drought, water, parks, climate, coastal protection, and outdoor access for all program. \$1 billion would be allocated for clean drinking water and drought preparedness and \$500 million would be allocated for flood protection and repair. ACWA has taken a **Favor and Amend** position on this bill. **The bill passed the Senate and is now pending in the Assembly.**

SB 24 (Portantino) – Political Reform Act – Investments in Real Property and Income. The Political Reform Act requires financial disclosures to include a statement indicating, within a specified value range, the fair market value of investments or interests in real property and the aggregate value of income received from each reportable source. This bill would revise the dollar amounts associated with these ranges to provide for 8 total ranges (instead of 4 under current law) of fair market value of investments and real property interests and 10 total ranges (instead of 4 under current law) of aggregate value of income. **This bill has passed the Senate and is now pending in the Assembly Elections and Redistricting Committee.**

SB 32 (Moorlach) – PERS Reform. As amended, this bill would make various changes to PERS, including:

1. Creation of a Citizens’ Pension Oversight Committee to serve in an advisory role to the PERS Board of Administration of PERS. That committee, on or before January 1, 2019, and annually thereafter, would review the actual pension costs and obligations of PERS and report on these costs and obligations to the public and would require reports of audits of PERS to be filed with the committee for this purpose.

2. Require the PERS Board to determine what the level of the unfunded liability of PERS was in 1980 and would require the board to reduce the unfunded liability to that level by 2030, with the goal of fully funding PERS. In any year in which the unfunded actuarial liability of PERS is greater than zero, the bill would require the PERS Board to increase the employer contribution rate by 10 percent.

3. Require the PERS Board, on or before January 1, 2019, to develop and submit to the Legislature for approval a hybrid plan consisting of defined benefit and defined contribution components, and would require the plan to be applied to members who elect to be subject to the plan or who are first employed by the state, a contracting agency, or a school employer and become members of the system on or after the approval of the plan by the Legislature.

4. Would enact the California Public Employees' Pension Reform Act of 2018 (PEPRA 2018). The bill, for an individual who becomes a member of any public retirement system for the first time on or after January 1, 2018, and who was not a member of any other public retirement system prior to that date, would require the final compensation used to determine the member's retirement benefits to be the highest annual pensionable compensation earned by the member during a period of at least 60 consecutive months. The bill would also provide that if the member leaves the employment of a public employer participating in a public retirement system for other employment and is subsequently reemployed by the public employer at least one year later, the member will be subject to the same benefits, contributions, and other terms and conditions applicable to an individual who becomes a member of the public retirement system for the first time on the date of the member's return, for service rendered on or after that date.

5. The bill, as part of PEPRA 2018, would prohibit a public retirement system from making a cost of living adjustment to any allowance payable to, or on behalf of, a person retired under the system for any year beginning on or after January 1, 2018, in which PERS is not fully funded. **This bill failed passage in the Senate Public Employment and Retirement Committee, but reconsideration has been granted.**

SB 45 (Mendoza) – Political Reform Act – Mass Mailings. The Political Reform Act defines “mass mailing” as over 200 substantially similar pieces of mail not including form letters or other mail that is sent in response to an unsolicited request, letter, or other inquiry. This bill would codify the provision of the FPPC Regulations that prohibits a mass mailing from being sent within the 90 days preceding an election by or on behalf of a candidate whose name will appear on the ballot. **This bill has passed the Senate and is now pending in the Assembly Elections and Redistricting Committee.**

SB 80 (Wieckowski) – CEQA. CEQA requires a lead agency to mail certain notices to persons who have filed a written request for such notices. CEQA further provides that if the agency offers to provide the notices by email, upon filing a written request for notices, a person may request that the notices be provided to him or her by email. This bill would require the lead agency to post those notices on the agency's Internet Web site and to require the agency to offer to provide those notices by e-mail. The bill would also require the county clerk to post the notices regarding an EIR or a negative declaration on the county's website. This bill would also require the filing of a notice of exemption if the lead agency determines the project falls within a class of projects that is exempt from CEQA by reason of the CEQA Guidelines. ACWA has

taken an **Oppose Unless Amended** position on this bill because it would increase the burden on agencies with respect to posting and could require postings in multiple counties. **This bill has passed the Senate and is now pending in the Assembly Natural Resources Committee.**

SB 210 (Leyva) – Lead in Schools. This bill was heavily amended on May 26 to delete most of its provisions. As amended, this bill would give priority under the State Water Board’s school grant program for projects for schools that have tested their drinking water fixtures, and the results show the drinking water either does not meet the U.S. EPA drinking water standards for lead or is above the California maximum contaminant level for any other contaminant. **The bill passed the Senate and is now pending in the Assembly Environmental Safety and Toxic Materials and Education Committees.**

SB 224 (Jackson) – CEQA – Baseline. As amended on April 5, this bill would require the Office of Planning and Research, on or after January 1, 2018, at the time of the next review of the CEQA Guidelines, to prepare, develop, and transmit to the Secretary of the Natural Resources Agency proposed changes or amendments to determine the baseline physical conditions by which a lead agency determines whether a project has a significant effect on the environment. The bill would require the office, in developing the recommendations to limit the consideration of modifications to the environment at the project site cause by certain actions. That amendment changed the bill from its prior version that would have prohibited a lead agency, in determining baseline physical conditions, from considering the effects of an action undertaken without an environmental review or an action that was unpermitted or illegal at the time the action was undertaken. **This bill is being held under submission in the Senate Appropriations Committee.**

SB 231 (Hertzberg) – Proposition 218. This bill would add the definition of “sewer” to the Proposition 218 Implementation Act, and include “stormwater” within that definition. That would potentially result in fees imposed for stormwater-related issues (such as MS4 permit compliance) as being exempt from the voter-approval requirement of Proposition 218. ACWA has taken a **Favor** position on this bill. **This bill passed the Senate and the Assembly Local Government Committee and is now pending on the Assembly floor.**

SB 252 (Dodd) – Well Permitting Requirements. This bill would impose new well permitting requirements, including a public hearing, for wells constructed in a critically overdrafted groundwater basin. The bill would also set forth specific factors to be applied in a case involving alleged liability for interference with a well used primarily for domestic use. ACWA has taken an **Oppose** position on this bill. **The bill has passed the Senate and the Assembly Local Government Committee and is now pending in the Assembly Water, Parks and Wildlife Committee.**

SB 256 (Atkins) – Public Works Contracting – Competitive Bidding. For public agencies that have elected to be governed by uniform construction cost accounting procedures, this bill would make it a misdemeanor to intentionally split public works contracts to avoid competitive bidding. **This bill is being held under submission in the Senate Appropriations Committee.**

SB 358 (Stern) – Campaign Statements. This bill would require the Secretary of State to conspicuously post on its website hyperlinks to the website of any local government agency that contains publically-disclosed campaign finance information. **This bill has passed the Senate and is now pending in the Assembly Elections and Redistricting Committee.**

SB 371 (Moorlach) – Meyers-Milias-Brown Act. As amended on April 17, this bill would prohibit an individual who will be **affected, directly or indirectly,** by a memorandum of understanding between a local public agency and a recognized public employee organization from representing the public agency in negotiations with the recognized employee organization. **The bill would define the phrases “indirectly affected” and “represent the public agency” for those purposes. This bill failed passed in the Senate Public Employment and Retirement Committee, but reconsideration was granted. It is likely now a two-year bill.**

SB 427 (Leyva) – Lead Service Lines. Existing law requires a public water system, by July 1, 2018, to compile an inventory of known lead user service lines in use in its distribution system and identify areas that may have lead user service lines in use in its distribution system. Existing law requires the public water system, after completing the inventory, to provide a timeline for replacement of known lead user service lines in the distribution system to the State Water Resources Control Board. Under existing law, by July 1, 2020, a public water system with areas that may have lead user service lines in use in its distribution system must either determine the existence or absence of lead user service lines in these areas and provide that information to the State Water Board or provide a timeline for replacement of the user service lines whose content cannot be determined.

This bill, by July 1, 2020, would require a public water system to provide the timeline for replacement of known lead user service lines in use in its distribution system to the State Water Board. The bill, by July 1, 2020, would require a public water system that has identified areas that may have lead user service lines in use in its distribution system to (a) provide to the State Water Board its determination as to whether there are any lead user service lines in use in those areas of its distribution system and provide a timeline to the State Water Board for replacement of those lead use service lines, and (b) provide findings as to whether there are any areas for which it cannot determine the content of the user service lines and a timeline for the replacement of those user service lines.

Under existing law, the State Water Board must either approve a proposed replacement timeline or deny and propose a revised replacement timeline to the public water system. Under existing law, if the public water system rejects the State Board’s revised timeline, the public water system and the state board must develop a compromise timeline within 30 days. **The May 10 amendments deleted the provisions that allowed the State Board to unilaterally implement a replacement timeline if a compromise timeline is not developed within 30 days. Those amendments also changed references in the bill to “community water systems” instead of “public water systems.” The bill has passed the Senate and is pending the Assembly Environmental Safety and Toxic Materials Committee.**

SB 448 (Wieckowski) – Audits – Filing with LAFCO; Statement of Purpose. The May 26 amendments delete the requirement that the State Controller identify “idle districts” and instead

changes the terminology in the bill to “inactive districts.” The bill also would require the State Controller to publish on its website a comprehensive list of special districts on or before July 1, 2019 and to update that list each year. ACWA has taken a **Favor if Amended** position on this bill. **The bill passed the Senate and is now pending in the Assembly Local Government Committee.**

SB 450 (Hertzberg) – Bonds. As amended, this bill, prior to authorization of the issuance of bonds with of at least 13 months, would require the governing body of a public agency to obtain and disclose specified information (including annual interest costs, total finance costs, total amount financed and total amount of payments) regarding the bonds in a meeting open to the public. The bill would require the information to be obtained as a good faith estimate from an underwriter, financial advisor or private lender. **The bill passed the Senate and is now pending in the Assembly Local Government Committee.**

SB 513 (Bradford) – Assault on a Utility Worker. This bill would increase the criminal penalties for assault or battery on a utility worker (including a worker employed by a publicly owned utility). **The May 26 amendments limit the penalties to an increased fine of up to \$3,000 and/or 6 months in county jail. The May 26 amendments also require that an injury be inflicted on the utility worker for the increased criminal penalties to apply. The bill has passed the Senate and is now pending in the Assembly Public Safety Committee.**

SB 541 (T. Allen) – Water Capture at Schools. This bill would require the State Department of Education, the State Water Resources Control Board, and the Division of the State Architect to consult and recommend best design practices that include **storm water and dry weather runoff capture** design standards for all new, reconstructed, or altered public schools, including school grounds. The bill would require these recommendations to be reported to the Governor and the Legislature on or before January 1, 2019. **The June 19 amendments change the reference in the bill from “water capture” to “storm water and dry weather runoff capture.” The bill has passed the Senate and is now pending in the Assembly Education and Environmental Safety and Toxic Materials Committees.**

SB 558 (Glazer) – Property Tax – Rain Water Capture System. Under the California Constitution, “new construction” may trigger property tax reassessment. This bill would exclude from classification as “newly constructed” and “new construction” the construction or addition, on or after January 1, **2019 (date changed from January 1, 2018 in April 26 amendment),** of a rain water capture system, as specified in the bill. **This bill passed the Senate Governance and Finance Committee but remains pending in the Senate Appropriations Committee.**

SB 564 (McGuire) – JPAs – Water Bill Savings Act. This bill would enact the Water Bill Savings Act, which would authorize a joint powers authority to provide funding for a customer of a local agency to acquire, install, or repair a water efficiency improvement on the customer’s property served by the local agency. The bill would require the customer to repay the authority through an efficiency charge on the customer’s water bill to be established and collected by the local agency on behalf of the authority pursuant to a servicing agreement. The bill would authorize the JPA to issue bonds to fund the program. The bill would require an efficiency improvement to comply with certain provisions of the CalConserve Water Use Efficiency

Revolving Loan Program guidelines to be eligible for financing under the bill. **This bill has passed the Senate and is now pending in the Assembly Local Government Committee.**

SB 571 (Pan) – Public Employee Retirement Plans. This bill would authorize a state or local public employer participating in an employee supplemental retirement savings plan to make a deduction from the wages or compensation of an employee for contributions attributable to automatic enrollment and automatic escalation in the employee retirement plan. The bill would require an employer that provides for automatic enrollment in a supplemental retirement savings plan to provide a default investment option and default investment plan that meets the various criteria specified in the bill, including providing employees an opportunity to opt out or withdraw. The bill would provide that an employer that provides automatic enrollment or automatic escalation in an employee retirement plan subject to these provisions is not liable for the investment decisions made by the employer on behalf of any participating employee with respect to the default investment of contributions made for that employee to the plan. The bill would prohibit an employer from making deductions from the compensation of represented employees in the absence of a collectively bargained memorandum of understanding or other collective bargaining agreement authorizing those deductions. The bill would also prohibit an employer that makes employer contributions to an employee retirement plan that implements automatic enrollment or escalation from contributing at a greater rate for nonrepresented, managerial, or supervisory employees than that contributed for represented employees who are in related retirement membership classifications, except in specified instances. The bill would prohibit personnel, including members of governing bodies, acting on behalf of an employer from receiving consideration from a vendor in exchange for the promotion of a vendor product. **This bill is a two-year bill.**

SB 589 (Hernandez) – MS4 Permit – Financial Capability Analysis. As amended on April 6 and April 26, the prior provisions in the bill were deleted and the bill would instead require the State Water Resources Control Board, in conjunction with an unnamed educational institution, to establish financial capability assessment guidelines for MS4 permittees by an unspecified date. The bill would require the Los Angeles Regional Water Quality Control Board to use those guidelines in a pilot project conducted to assess if a financial capability analysis can be effectively used to help municipalities to implement a municipal separate storm sewer system permit. The bill would require the State Water Board to oversee the use of the guidelines and to make statewide recommendations upon the completion of the pilot project. ACWA has taken a **Favor** position on this bill. **This bill passed the Senate Environmental Quality Committee but is being held under submission in the Senate Appropriations Committee.**

SB 609 (Vidak) – Local Initiatives and Referendum. Existing law authorizes any person who meets specified requirements to circulate an initiative petition to be presented to the voters at a municipal, county, or special district election. Existing law requires the elections official to examine the petitions, and from the records of registration ascertain whether or not the petition is signed by the requisite number of voters. If the petition is found sufficient, the elections official is required to certify the results of the examination to the appropriate legislative body. This bill would, in addition, require the elections official to immediately place the initiative measure on the election ballot for which it qualifies if the official finds the petition to be sufficient. **This bill**

failed passage in the Senate Elections and Constitutional Amendments Committee, but has been granted reconsideration. It is now a two-year bill.

SB 615 (Hueso) – Salton Sea Restoration. This bill would require the Natural Resources Agency, by January 1, 2018, to develop a 10-year plan to implement the memorandum of understanding between the agency and the United States Department of the Interior entered into on August 31, 2016, and its addendum, entered into on January 18, 2017, and would require the agency to address certain issues in the plan. **The May 1 amendments reflect the continuing jurisdiction of the State Water Resources Control Board and the essential role it has played in ordering mitigation water inflows.** ACWA has taken a **Favor** position on this bill. **This bill has passed the Senate and is now pending in the Assembly Water, Parks and Wildlife Committee.**

SB 623 (Monning) – Safe and Affordable Drinking Water Fund. This bill would establish the Safe and Affordable Drinking Water Fund in the State Treasury and would provide that moneys in the fund are available, upon appropriation, to the State Water Board (amended on April 26). By creating a new continuously appropriated fund, this bill would make an appropriation. This bill is a placeholder for a major proposal on drinking water funding that is being developed, particularly with an emphasis on needed improvements for disadvantaged communities and funding for AB 401's low-income water rate assistance program. As amended on March 30, the bill would also require the State Water Board to administer that fund and authorize the State Board to provide for the deposit of federal contributions and of voluntary contributions, gifts, grants, or bequests. The bill would require the State Board to expend moneys in the fund for grants, loans, contracts, or services to assist those without access to safe and affordable drinking water consistent with a fund implementation plan adopted annually by the State Board, as stated in the bill. The bill would require the State Board annually to prepare and make available a report of expenditures of the fund and to adopt annually, after a public hearing, an assessment of funding needed to ensure all Californians have access to safe drinking water. **Senator Monning has expressed his intent to add a public goods charge to this bill as a funding mechanism, but those amendments have not yet been finalized and put out in print.** ACWA has taken an **Oppose Unless Amended** position on this bill. **This bill passed the Senate and is now pending in the Assembly Environmental Safety and Toxic Materials Committee.**

SB 633 (Portantino) – Stormwater. This bill would require a regional board preparing a water quality control plan for a region having a population in excess of 10 million residents (i.e., Los Angeles County) to additionally consider opportunities to convey stormwater to a regional site within the watershed in which the stormwater originated for capture and infiltration and to consider the opportunity for stormwater capture when determining past and probable future beneficial uses of water, as specified in the bill. The bill would make legislative findings and declarations as to the necessity of a special statute for the Los Angeles region. ACWA has taken a **Favor and Amend** position on this bill. **This bill passed the Senate Environmental Quality Committee but is being held under submission in the Senate Appropriations Committee.**

SB 634 (Wilk) – Santa Clarita Valley Water District. This bill would implement the merger between Group member Newhall County Water District and Castaic Lake Water Agency. As amended, provisions were added to require an application for the consolidation to be submitted

to the L.A. County LAFCO and for the new district to reimburse L.A. County LAFCO for any costs incurred. ACWA has taken a **Support** position on this bill. **This bill has passed the Senate and is now pending in the Assembly Water, Parks and Wildlife and Local Government Committees.**

SB 657 (Bates) – Public Records Act. This bill would add provisions to the Public Records Act to authorize a reverse public records action by a third party to request a court to enjoin a decision by a public agency to disclose a public record in response to a request by a requestor. The bill would require a court in a reverse public records action to apply the provisions of the California Public Records Act as if the action had been initiated by a person requesting disclosure of a public record. This bill would require the requestor to be named as a real party of interest in the action, and would require a court to allow the requestor, at his or her request, to be heard on the merits of the reverse public records action. This bill would require the person who initiated the reverse public records action to serve a requestor with a copy of the pleadings, and would prohibit a court from awarding any relief in that action until that person provides proof of service to the court. This bill would require the person who initiated the action to label the action as a reverse public records action on the first page of the pleadings.

This bill would provide that, if a court orders the public agency to disclose the records in a reverse public records action, the court shall order the person who initiated the action to pay the court costs and reasonable attorney's fees of the requestor. Alternatively, this bill would authorize a court, if the court makes a finding that the public agency delayed disclosure to facilitate the filing of the action, to require the public agency to pay court costs and reasonable attorney's fees of the requestor. This bill would also prohibit a court from requiring the requestor to pay court costs and attorney's fees to the person who initiated the reverse public records action or to the public agency if the court orders the public agency to not disclose the record, and would require a court to, within 10 days of the hearing in which the court decided that the records shall not be disclosed, issue a statement of opinion explaining the factual and legal basis for its decision. ACWA has taken a **Not Favor** position on this bill. **This bill is a two-year bill.**

SB 681 (Moorlach) – PERS. As amended on April 17, this bill would require the PERS Board of Administration to allow a contracting agency to terminate its contract with CalPERS in a manner that does not result in excessive costs or penalties to the contracting agency, allows the contracting agency to withdraw its net assets paid into the system less payments made to its members and their beneficiaries, and ensures that the contracting agency remains responsible for its unfunded liabilities so that those liabilities are not shifted onto other PERS members or employers. Before a contracting agency would be eligible to terminate its contract, the bill would require that the contract must have been in effect for at least 5 years and meet other notice and approval requirements. The bill also would require the agreement between the contracting agency and CalPERS to contain provisions to protect the interests of the system, and would require a contracting agency, before terminating its contract, to determine how termination would affect the health care benefits of its members and also to determine the federal tax ramifications associated with its decision. **This bill is a two-year bill.**

SB 693 (Mendoza) – Lower San Gabriel River Recreation and Park District. This bill would authorize the establishment of the Lower San Gabriel River Recreation and Park District,

by petition or resolution submitted to the Los Angeles County Local Agency Formation Commission before January 1, 2020. The bill would authorize specified city councils (including Pico Rivera, Downey, Whittier, Long Beach, Bellflower, Lakewood and Cerritos) and the Los Angeles County Board of Supervisors to appoint the initial board of directors of the district. The bill would specify that the district has financing authority under existing law and would further prescribe additional functions and duties of the district, including, but not limited to, the acquisition, construction, improvement, maintenance, and operation of open space and parks along the Lower San Gabriel River. **This bill passed the Senate and is now pending in the Assembly Local Government and Water, Parks and Wildlife Committees.**

SB 701 (Hueso) – State Resources Obligation Act of 2018. This bill would enact the State Resources Obligations Act of 2018, which, if approved by the voters at the November 2018 general election, would authorize the issuance of General Obligation bonds in an unspecified amount to finance a program to comply with specified state obligations relating to natural resources, including the Central Valley Project, Lake Tahoe, the San Joaquin River and Salton Sea. ACWA has taken a **Favor** position on this bill. **This bill passed the Senate and is now pending in the Assembly Water, Parks and Wildlife Committee.**

SB 740 (Wiener) – On-Site Treated Water. This bill was substantially amended on April 26, and now would require the State Water Resources Control Board, on or before December 1, 2018, in consultation with other state agencies, to adopt regulations, consistent with federal and state law in effect on January 1, 2018, to provide comprehensive risk-based standards for local permitting programs for onsite recycling of water in multifamily residential, commercial, and mixed-use buildings for nonpotable use. The bill would require those regulations to address specified issues and practices relating to the management, monitoring, and treatment of recycled water for nonpotable use. The bill would require that a local jurisdiction comply with those regulations if the local jurisdiction allows the onsite recycling of water and subsequent uses of that recycled water. **This bill is being held under submission in the Senate Appropriations Committee.**

SB 771 (DeLeon) – CEQA – Continuing Education Requirements. This bill would establish a continuing education requirement under CEQA of two hours per year for employees of public agencies who have responsibility for overseeing compliance with CEQA. ACWA has taken a **Not Favor** position on this bill. **The bill passed the Senate and is now pending in the Assembly Natural Resources Committee.**

SB 778 (Hertzberg) – Consolidation of Water Systems. This bill was gutted and amended on April 5 and now concerns consolidation of drinking water systems. As amended on April 5 and further amended on April 26, the bill would require the State Water Board, on or before March 1, 2018, to track and publish on its Internet Web site an analysis of all voluntary and ordered consolidations of water systems, including information on the resulting outcomes of the consolidations and whether the consolidations have succeeded or failed in providing an adequate supply of safe drinking water to the communities served by the consolidated water systems. **The May 26 amendments delete the prior provisions that would have created the Safe Drinking Water Fund, and would have made moneys in that fund available, upon appropriation by the Legislature, for the purposes of contracting with an administrator to provide administrative and**

managerial services to designated public water systems and ordering the designated public water system to accept the administrative and managerial services. **This bill passed the Senate and is now pending in the Assembly Environmental Safety and Toxic Materials Committee.**

SB 780 (Wiener) – Landscaping – Water Conservation. As amended on April 4, bill would require the Department of Water Resources, by January 1, 2019, to establish guidelines for designing, installing, and rehabilitating landscapes of any size consistent with the watershed approach to landscaping, as provided in the bill. The bill would require, within 6 months of adoption of the guidelines, the Department of Water Resources and any other state agency with a grant or loan program that provides funding for water-conserving or water-efficient landscapes, (1) for programs funded by general obligation bonds, to revise funding guidelines to provide a preference for projects that comply with the adopted guidelines; (2) for programs funded by sources other than general obligation bonds, to revise funding guidelines to require projects to comply with the adopted guidelines; and (3) for programs funded by any source, to give, to the extent feasible, additional funding preference for a project that implements the watershed approach to landscaping whose project application includes the use of services of specified entities. The bill would also require DWR to promote the watershed approach to landscaping by providing education and training for homeowners, contractors, certified community conservation corps, and other landscape professionals who plan, develop, or implement landscaping projects. ACWA has taken an **Oppose Unless Amended** position on this bill. **The bill is being held under submission in the Senate Appropriations Committee.**

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From: [Thomas Love](#)
Subject: FW: Emailing - Crescenta Valley Water District plans to raise bills an average of.pdf
Date: Tuesday, June 27, 2017 8:00:11 AM
Attachments: [Crescenta Valley Water District plans to raise bills an average of.pdf](#)

To: Directors, Legal Counsel.

GNP coverage of the budget and rate adoption. FYI.

Thomas A. Love, P.E.
General Manager
Crescenta Valley Water District
818-248-3925 (office)
626-825-3678 (cell)

From: Christy Scott
Sent: Monday, June 26, 2017 3:39 PM
To: Thomas Love <TLove@cvwd.com>
Subject: Emailing - Crescenta Valley Water District plans to raise bills an average of.pdf

Crescenta Valley Water District plans to raise bills an average of \$6

Crescenta Valley Water District customers can expect an increase to their monthly bills. (File photo)



Jeff Landa Contact Reporter

Crescenta Valley Water District customers can expect a \$6 average increase to their monthly bills.

The board of directors voted in favor of rate and service increases Tuesday as part of the district's annual budget.

Directors voted 4-1 to pass a resolution that would implement the increases. Board member Judy Tejada dissented.

The district provides water and sewage services to unincorporated La Crescenta, Verdugo City and Montrose, as well as a portion of incorporated La Cañada Flintridge. The utility serves a population of about 34,000.

Starting July 1, water-quantity charges will jump 4.6%, and monthly service will go up 16.7%. It is expected the monthly bills for the heaviest water users will increase by about \$8.85, around \$5.86 for the "typical" user, and the lowest user will see a \$4 increase.

The utility has generally increased water rates over the past five years, with the highest increase in monthly service charges, 7.5%, implemented just last year.

Thomas Love, general manager for the utility, recommended the board adopt the increase.

“As our reserves continue to get lower, I think the board understands that our financial stability is very important while maintaining our water quality and water-supply reliability,” Love said Friday.

District officials determined in a water-rate study that the rate hike was necessary, due in large part to the drop in the utility’s year-over-year revenue, Love said.

In a report, the utility said it does not expect revenues to return to pre-drought levels, as customers have adapted to drought restrictions through usage habits, drought-tolerant landscapes and water-efficient fixtures.

Officials also point to the growing annual cost of water — which is purchased to make up for declining groundwater production — maintenance of aging infrastructure and the increased cost of employee healthcare benefits.

Next fiscal year’s water revenue is projected at \$12 million from water sales and meter charges, as well as an additional \$1.4 million from other projected sources of revenue, according to a Water District budget report.

Water operational expense projection is at \$9.2 million, and \$3.2 million will go toward capital improvement projects for the next fiscal year. The total cost for compensation and benefits is projected at about \$3 million.

Shortly before the final vote Tuesday, Tejeda proposed a change to the budget in lieu of the rate hike, asking the board to consider using reserves. Although board member Kerry Erickson supported the idea, the proposal was voted down 3-2.

“We had lots of forewarning about what was coming up because of the Prop. 218 mailer telling residents that we could raise the rates up to 7.2%,” Tejada said Friday.

“I said right from the get-go that I would not vote for any rate that was higher than 5.9% ... the reason I got on the board many years ago was because I felt that the water board then was raising the rates unnecessarily.”

Tejada said she understands the utility’s fiscal situation and has asked Love to not fill a recently vacated staff position as a way to cut costs and stave off any future rate hikes.

Love said they are also working to keep empty another three vacant staff positions.

Sewer rates were not part of the vote. Rates for both sewage and water will be considered by the board again in one year.

jeff.landa@latimes.com

Twitter: @JeffLanda

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Mark Hass

From: Thomas Love
Sent: Tuesday, June 27, 2017 7:56 AM
Subject: FW: Resending: Outreach Advisory: Federal Agencies Issue Biological Opinions for California WaterFix

To: Directors, Legal Counsel.

FYI. This is a major milestone for the Delta tunnel project.

Tom

From: ACWA Outreach [mailto:acwabox@acwa.com]
Sent: Monday, June 26, 2017 4:47 PM
To: Thomas Love <TLove@cvwd.com>
Subject: Resending: Outreach Advisory: Federal Agencies Issue Biological Opinions for California WaterFix



Click [here](#) to view it in your browser.



JUNE 26, 2017

NOTE: This advisory is being resent with the correct email address for Rebecca Franklin (RebeccaF@acwa.com)

Federal Agencies Issue "Non-Jeopardy" Biological Opinions for California WaterFix

The U.S. Fish and Wildlife Service and the National Marine Fisheries Service today issued "non-jeopardy" biological opinions for California WaterFix, allowing the project to move forward for the next key decisions and construction as early as 2018.

The FWS biological opinion is available [here](#), and the biological opinion from NOAA Fisheries is [here](#). The decisions state that the project as proposed is not likely to jeopardize the continued existence of endangered or threatened species such as smelt or salmon, or adversely impact critical habitat.

The U.S. Bureau of Reclamation and the California Department of Water Resources still must

make a determination if the project will move forward. WaterFix also must receive approval from the State Water Resources Control Board, which has been holding hearings on the project for several months.

A final operations plan for the project also must still be finalized, reviewed and approved.

ACWA Executive Director Timothy Quinn called the release of the biological opinions “a positive step toward a long-term solution to improve water conveyance infrastructure in the Delta.”

“ACWA supports a long-term Delta solution as a key element of the comprehensive strategy outlined in Governor Brown’s California Water Action Plan. All elements of that plan – including investments in surface and groundwater storage, sustainable groundwater management, ongoing improvements in water-use efficiency and development of a more effective water market – must move ahead to create a more resilient water system that can meet today’s challenges and those on the horizon,” Quinn said in a written statement.

Questions?

Questions on California WaterFix may be directed to ACWA Senior Regulatory Advocate Rebecca Franklin at RebeccaF@acwa.com or 916 441-4545.

CONTACT
REBECCA FRANKLIN
SENIOR REGULATORY ADVOCATE
(916) 441-4545

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910 K Street, Suite 100, Sacramento, CA 95814

We hope you enjoy receiving email notices and updates from ACWA. At any time you can click [here](#) to unsubscribe or to change your subscription preferences.

From: [Thomas Love](#)
Subject: Colored Water
Date: Friday, June 30, 2017 3:05:58 PM

Directors, the newly replaced pipeline on Pennsylvania was placed into service today which resulted in some mobilization of debris/rust in the pipelines (this is not unusual). Staff have responded to customer calls and the problem appears to be resolved, see Dennis's update below.

Tom

From: Dennis Maxwell
Sent: Friday, June 30, 2017 2:04 PM
To: GRP_CVWD_Managers <GRP_CVWD_Managers@cvwd.com>
Subject: Couple of updates.

Good afternoon,

- We received approximately 20 brown water calls today at various locations. Dave S and Kellen did a great job and cleared most with just having the residents run a little water in the home. Some hydrant flushing was completed as well on a very small scale. This was a result of starting up the Mills pump line. The customer service staff did an excellent job dealing with the complaints/concerns.
- AT&T conduit was hit today @ 2914 Hawkridge while Alex was digging. (slightly bent) AT&T will be onsite before 6:00 pm tonight to inspect/repair. I will stand by with Bryan and then we will slide the plate over the trench for the weekend.
(Below is the start of Bryan's damage report)

	List the date, time, place, and other circumstances of the occurrence or transaction which gave rise to the claim asserted.		
	Date: 06/30/17	Time: 10:30 AM	Place:
	Tell What Happened (give complete information): In the course of excavating a trench for a water service lateral, a AT&T conduit was struck with the digging bucket of the excavator. The		
	conduit was marked out. AT&T was contacted 10:45 AM 800-246-8464 (trouble report # PG3QFW39)		

P.S. Mr. Erickson lives on this street approximately 10 houses away.

Thanks,

Dennis Maxwell Jr

Operations and Maintenance Superintendent

Crescenta Valley Water District

3730 Glenwood Ave.

La Crescenta, Ca 91214

dmaxwell@cvwd.com

(818) 249-2185 EXT 3108

(818) 445-1721 CELL (24 HOURS)

(818) 249-8752 FAX

CRESCENTA VALLEY WATER DISTRICT

BOARD OF DIRECTORS - STAFF REPORT

July 11, 2017
Staff Report

To: Honorable President and Members of the Board of Directors
From: David S. Gould, P.E. – District Engineer
Subject: District Engineer – Staff Report

1. Water Production Report

- June 1 – 30 – Water production – 41%/19% split – 119.2 MG for the time period
- Average use – 8.9% more than 2016 and 4.6% less than 5-yr average
- Final Water Production for FY 16/17 – 3,865 ac-ft
 - o 4.5% (or 165 ac-ft) higher than 3,700 ac-ft projected for FY 16/17
 - o 10.3% (or 361 ac-ft) higher than 3,504 ac-ft for FY 15/16

2. Rainfall Update

- 0.00" for June 2017
- Rainfall total for Rainfall Year 2016/17 – 24.76"

3. Report on Engineering

• **CIP Projects**

- Ocean View Chloramination Project
 - o Used Ocean View Meter from FMWD to CVWD
 - o Agreements – Working with FMWD & LADWP
- Pipeline Projects
 - o 4200 – 4400 Blocks of Penn. - Anticipated Completion date - 7/14/17
 - o 2700, 3000 & 3100 Blocks of Brookhill – Started Design
- Well 5 Rehabilitation
 - o See Staff Report
- Pickens Canyon Pipeline Replacement and Slope Repair
 - o Re-Landscaping Slope – Oct. 2017
- Seismic Sensors & Valve Actuators at Dunsmore & Pickens Reservoir
 - o Pickens Reservoir – New valve vault under construction

• **Nitrate Removal Treatment Facility at Well 2 Project**

- See Staff Report

• **Crescenta Valley County Park Stormwater Recharge Facility Study**

- No Report

• **ULARA**

- No Report

• **Water Meter Replacement Program**

- Field crews continue working on Zone 6; to be complete by July 14, 2017
- Replaced 763 meters in FY 16/17; Replace Total – 5,164 since Feb. 2012
- FY 17/18 – Working in Zones 4 & 5; Start Oct. 1, 2017

4. **Report on Administrative and Field Operations**

• **Wells - Status**

- Well production capacity – average increased to 1.73 MGD for June 2017 with Well 8 back in service

5. **Field Maintenance & Operations**

▪ **Water Lateral Leaks & Repairs**

5135 Circle Vista	5124 Circle Vista	2953 Fairway
2542 Whittier	5120 Pennsylvania	2914 Hawkridge
2963 Fairway	2914 Hawkridge	3319 Montrose

▪ **Fire Hydrant Repair**

- No Report

▪ **Developer Job**

- Installed Fire Hydrant on 5600 Block of Cortolane

▪ **Water Main Leaks**

- 2500 Block of Queensview
- 4400 Block of Rosemont

▪ **Booster Pump Maintenance**

- No Report

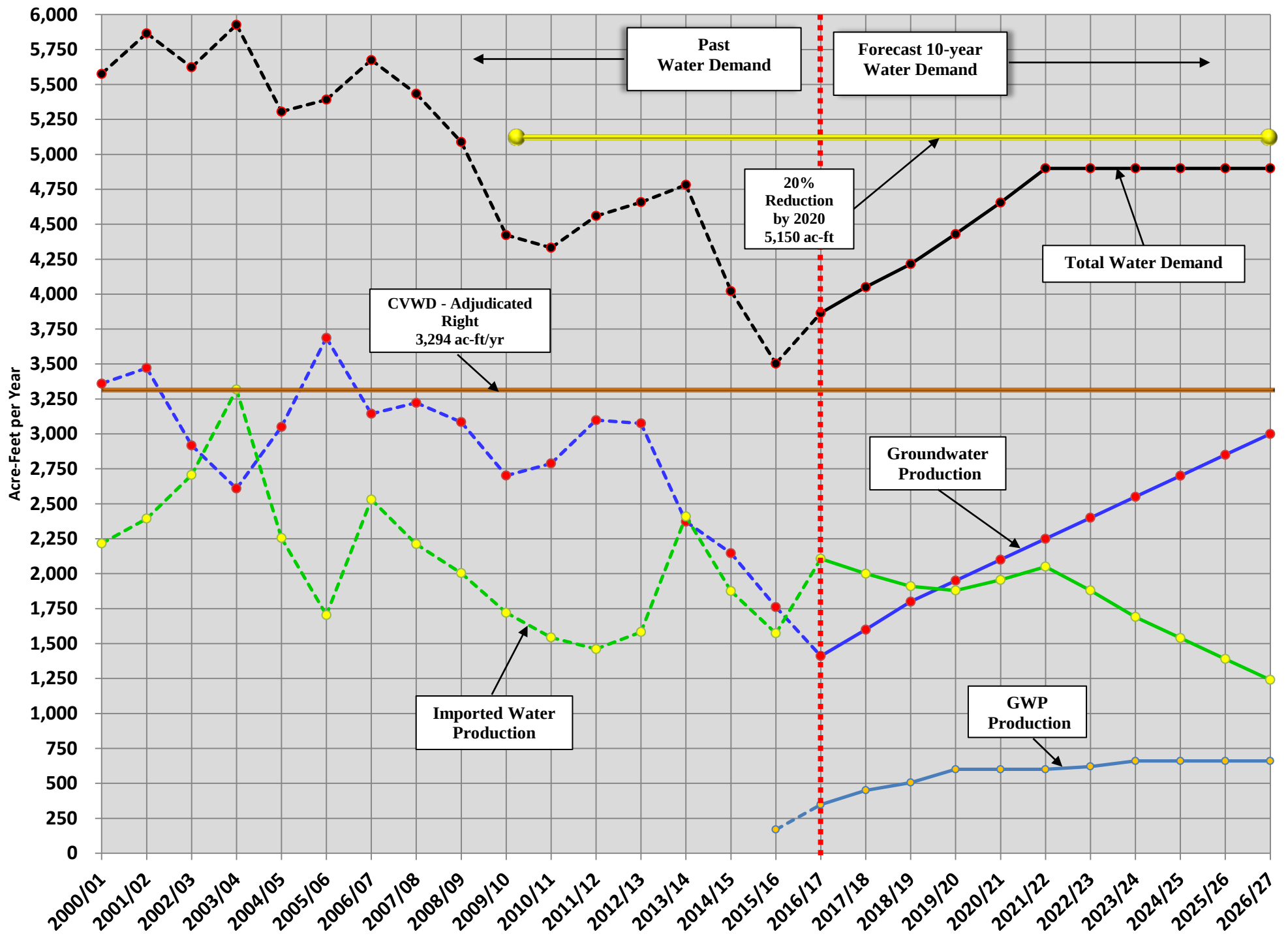
▪ **Reservoir Maintenance**

- No Report

▪ **Sewer Maintenance**

2600, 2700 & 2800 Blocks of El Caminito	2700 Block of Stevens	2600 & 2700 Blocks of Alabama
--	-----------------------	----------------------------------

Water Demand Projections - FY 00/01 to FY 26/27 - Update 7/11/17



CRESCENTA VALLEY WATER DISTRICT

WATER PRODUCTION REPORT

June 1 - June 30, 2017

Well Production:	38,336,820	Gals		
GWP Production:	8,971,000	Gals		
Gravity Production:	1,356,500	Gals	% GW	41%
Purchased Water:				
FMWD:	70,651,500	Gals		
City of Glendale:	0	Gals	% Import	59%
TOTAL:	119,315,820	Gals		
	366.17	ac-ft		

Glenwood Nitrate Water

Reclamation Plant:* 10,815,000 *Included in Well Production

WATER DEMAND COMPARISON

Time Period	Average Daily Usage (gals)	Current Period Change
June 1, 2017 - June 30, 2017	4,049,272	
June 1, 2016 - June 30, 2016	3,719,799	8.9%
5-yr Average - June 2012 - 2016	4,245,007	-4.6%

RAINFALL: June 1 - June 30, 2017

0.00"

Season-To-Date:

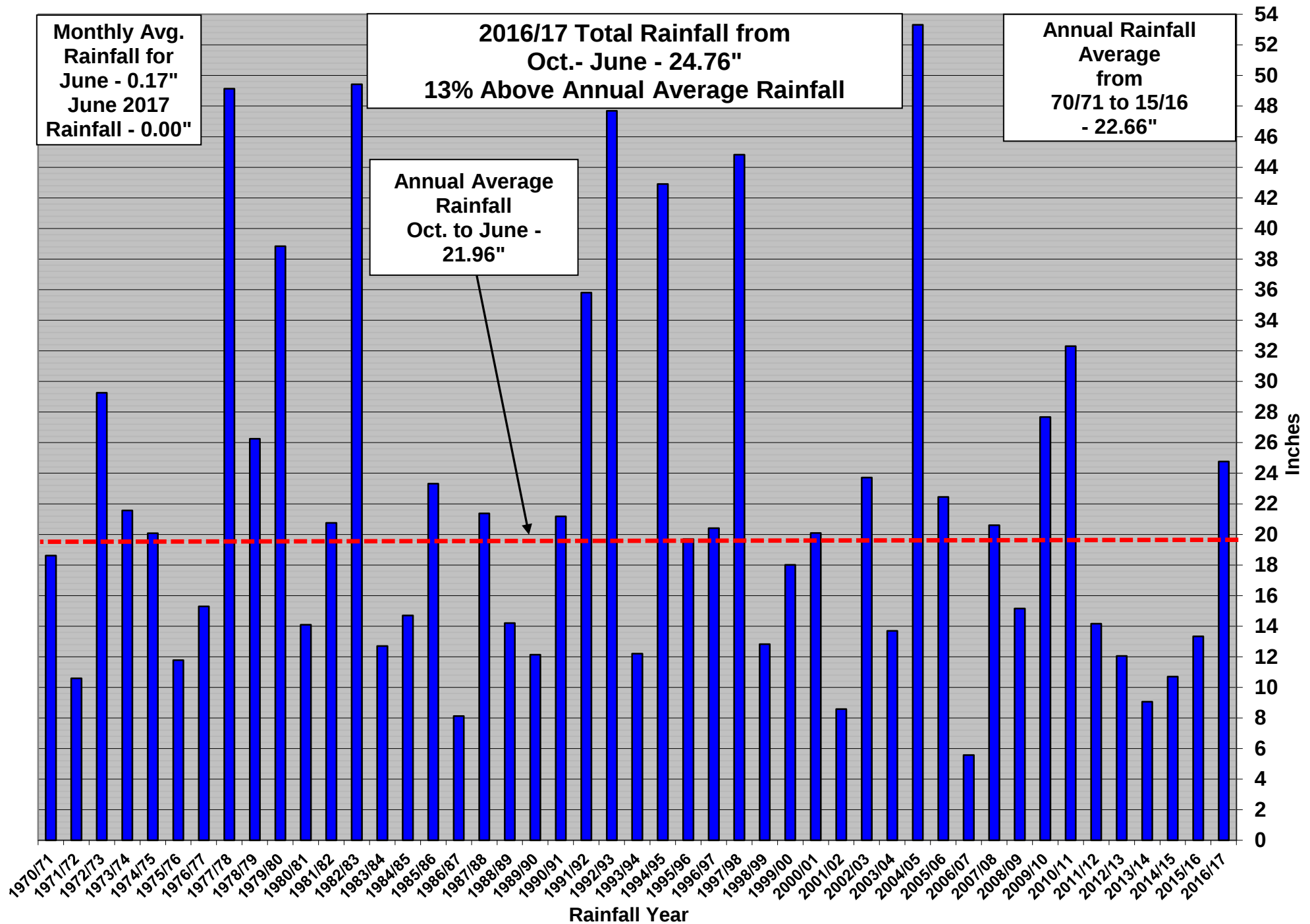
24.76"

2016/17 Fiscal Year Water Production			Groundwater Production Water Rights		GWP (Well 16) Water Production		Purchased Water Production Tier 2 Allocation	
Month	Actual Total Water Production (ac-ft)	Projected Total Water Production (ac-ft)	Month	Month	Month	Well Production (ac-ft)	Month	Imported Water Production (ac-ft)
July	379	315	October	123	January	31	January	102
August	383	345	November	120	February	27	February	82
September	376	325	December	100	March	29	March	141
October	354	315	January	112	April	28	April	195
November	320	290	February	95	May	29	May	218
December	277	250	March	108	June	28	June	217
January	245	260	April	107	July		July	
February	205	285	May	100	August		August	
March	282	330	June	122	September		September	
April	331	325	July		October		October	
May	347	325	August		November		November	
June	366	335	September		December		December	
Total to Date	3,865	3,700	Total to Date	988	Total to Date	173	Total to Date	956
Projected	3,834	3,700	Water Rights	3,294			Tier 2	2,154
% of Projected	104.5%	100.0%	% of Rights	30%			% of Allocation	44%
Remaining	(165)	0	Remaining	2,306			Remaining	1,198

NOTE:

1) Blue Numbers = Estimated Water Production

Monthly Rainfall - 1970/71 - 2016/17 (Oct.- June)



CRESCENTA VALLEY WATER DISTRICT

BOARD OF DIRECTORS - STAFF REPORT

To: Honorable President and Members of the Board of Directors
From: Mark E. Hass – IT Manager
Subject: Progress Update - SCADA Information and Control Systems Replacement, Project E-939A

June 7, 2017

SCADA Information and Control Systems Replacement, Project E-939A -

The SCADA stabilization project is proceeding on a healthy and acceptable trajectory. Estimated completion is in the first two weeks of August 2017 for the production systems. This will be marked completed once the new systems are online and our current legacy system is retired (offline). Staffs' original goal of first two weeks of July for deployment was hindered due to slow response of legacy vendor. Wonderware California and staff have worked past those issues and are moving forward with an engineered solution that will minimize any additional delays.

Additional enhancements beyond basic replacement will continue, however are not critical to our goal of realizing a stable platform that is operating in a healthy environment and that meets our disaster recovery tolerance needs.

The District has taken delivery of all software, hardware and their respective licenses. The equipment has been bench/stress tested in the contractor's lab and softwares have been deployed. In the week of July 10, staff will permanently mount servers and final development and testing will begin.

Staff will work with the contractors to verify all alarms, controls and loggings system are not only redundant to current systems, but enhanced over the next few weeks. Successful completion of this project will return time back to operations and engineering due to the enhancements of reports and analytics.

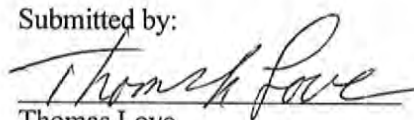
This project currently is tracking with budget and all current estimations, including third party assistance, should not exceed contingency. Additional updates will be provided to the Directors in August 2017.

Prepared by:



Mark E. Hass
Information Technology Manager

Submitted by:



Thomas Love
General Manager

Attachments:

CRESCENTA VALLEY WATER DISTRICT

MEMORANDUM

DATE: June 29, 2017
TO: Engineering Committee
FROM: David S. Gould, District Engineer
SUBJECT: CVWD Engineering Committee Meeting No. 303

Following is a summary of Engineering Committee Meeting No. 303, held at 9:00 AM on June 28, 2017, at the CVWD main office, and was attended by the following:

Director Michael Claessens - Committee Chairperson	CVWD
Director Ken Putnam	CVWD
Tom Love – General Manager	CVWD
David S. Gould – District Engineer	CVWD
Brook Yared – Associate Engineer	CVWD
Christy Scott – Program Specialist	CVWD

1. Status of Water Quality Investigation

Mr. Love and Ms. Scott gave an update on the investigation of microbial test results for samples collected on April 25, 2017 and May 16, 2017. Ms. Scott indicated most of the corrective actions identified by staff and the consultants have been completed. Ms. Scott discussed the water quality sampling in CVWD's lab area and refrigerator and the results. Director Claessens requested additional testing of the water used for testing. Ms. Scott indicated that new procedures for disinfection of the plant laboratory and refrigerator have been implemented.

In addition, a new laboratory grade sample storage refrigerator has been ordered to replace the existing 20 plus year old refrigerator and a new ice maker that is dedicated to water quality sampling has been ordered. Finally, Ms. Scott and Mr. Love are arranging an on-site laboratory audit at Eurofins within the next two weeks.

2. Status of Groundwater Wells and Well Capacity

Mr. Gould presented an updated Water Production Chart showing the status of the daily water production and the breakdown between groundwater and FMWD production. Mr. Gould indicated there was an increase in groundwater production after Well 8 was put back into service.

3. Award of Contract – Well 5 Rehabilitation, Project E-983

Mr. Yared discussed the status of Well 5 and that the water production drop off to 250 gpm in November, 2016. The pressure-sustaining valve was adjusted and flows returned to 350 gpm. However, in May 2017, the flow in Well 5 again started to decrease to 150 gpm. Upon further investigation, it appears the pump assembly is experiencing mechanical problems.

Mr. Yared indicated that Well 5 is CVWD's largest producer and there is a possibility of losing Well 5 during the high summer demand season, which will result in additional imported water from FMWD.

Mr. Yared discussed that a request for quote (RFQ) to perform well rehabilitation and replace the pump at Well 5 had been sent out to pump contractors. Since time is of the essence for this project, staff's goal is for the contractor to pull the pump, videotape inspect the casing, perform cleaning of the casing and install a new pump within a three-week period.

Director Putnam asked if the pump flow varies due to water levels, should a variable speed drive (VSD) be installed on the motor to allow for variable flow.

Mr. Yared explained that under normal conditions, a VSD would not be necessary for Well 5, the lead time to order, fabricate and install a new VSD will be 8 – 12 weeks and the cost of a new VSD will be about \$25,000. Director Putnam asked if Mr. Yared can ask the pump contractors for a preliminary cost and time line to install a VSD.

Mr. Yared indicated that quotes will be due on July 5, 2017 and the award of contract will be placed on the July 11, 2017 Board Meeting Agenda. The Engineering Committee approved adding the award of the contract for the new pump assembly and well rehabilitation at the July 11, 2017 Board meeting.

4. Advertise for Bids – Construction of Well 2 and related facilities at 4209 Lowell Ave, Project E-956

Mr. Gould discussed the status of the design and the project is ready to be advertised for bids. Mr. Gould discussed the project schedule with the bid opening in late August 2017 and construction starting at the end of October 2018. Mr. Gould also provided an update on the project costs and indicated that the project is anticipated to be about \$200,000 over budget. Mr. Gould indicated that by reducing the length of the Brookhill pipeline project, that additional funds could be used for the Well 2 project. Mr. Gould also discussed the benefit-cost analysis with respect to the payback period.

Director Putnam expressed his concerns about the viability of the project and requested staff to provide additional information with presenting this project to the Board.

The Engineering Committee approved adding the advertisement for bids for construction of Well 2 and related facilities at the July 11, 2017 Board meeting.

5. Request for Proposal for Construction Management Services - Construction of Well 2 and related facilities at 4209 Lowell Ave, Project E-956

Mr. Gould discussed the need for the services of a Construction Management firm to coordinate the project in the field and to provide oversight during construction and reviewed the request for proposal (RFP) with the Committee. Mr. Gould indicated that the RFP will be sent to four (4) firms that have construction management experience. Mr. Gould also discussed that CVWD's inspector will be involved with other CIP projects during the duration of the Well 2 project.

The Engineering Committee approved sending the RFP for Construction Management services to the four (4) firms, which will be due on August 1, 2017.

6. Purchase of New Compact Excavator, Project C-984

Mr. Gould discussed status of the District's mini-excavator (Unit #21) and the need to replace the 13-year old tractor, which has reached the end of its useful life. Mr. Gould explained that staff has done research and developed a criteria list for a new compact excavator. Staff had requested quotes from five (5) companies that manufacture a compact excavator and provided comparison chart for review. Mr. Gould indicated that two (2) companies provided quotes that met the District's criteria. It was staff's recommendation to purchase a new Caterpillar Excavator from Quinn Company at a cost of \$60,545. The Engineering Committee approved adding the purchase of the new compact excavator to the July 11, 2017 Board Agenda and to provide additional information about the two (2) compact excavators for discussion with the Board.

7. Discussion of Board Meeting - Project Schedule

Mr. Gould provided a preliminary project schedule relative to upcoming Board meetings in 2017 for review and discussion. Mr. Gould indicated that at the next Engineering Committee meeting, he will provide a detailed breakdown of CIP cost for FY 16/17, updated CIP costs for FY 17/18 and updated grant funding summary.

8. **The next Engineering Committee meeting** was scheduled for July 20, 2017 at 9:00AM

9. **Adjournment** - The Engineering Committee meeting was adjourned at 9:57 am on June 28, 2017

**See CVWD Website www.cvwd.com
for the Engineering Committee Packet**

CRESCENTA VALLEY WATER DISTRICT

2700 FOOTHILL BOULEVARD
LA CRESCENTA, CALIFORNIA

Agenda for the Meeting of the Engineering Committee
of the Crescenta Valley Water District

To be held on

June 28, 2017 at 9:00 AM

Posted June 26, 2017 at 10:00 am

Call to Order

Adoption of Agenda

Information Items

1. Status of Water Quality Investigation
2. Status of Groundwater Wells and Well Capacity
3. Award of Contract – Well 5 Rehabilitation, Project E-983
4. Advertise for Bids – Construction of Well 2 and related facilities at 4209 Lowell Ave, Project E-956
5. Request for Proposal for Construction Management Services - Construction of Well 2 and related facilities at 4209 Lowell Ave, Project E-956
6. Purchase of New Compact Excavator, Project C-984
7. Discussion of Board Meeting - Project Schedule

Public Comments

At this time, members of the public shall have an opportunity to address the Committee on items of interest that are within the subject matter jurisdiction of this Committee. This opportunity is non-transferable and speakers are limited to three (3) minutes each.

Committee Member's Request for Future Agenda Items

Next Engineering Committee Meeting – July 20, 2017

Adjournment

CRESCENTA VALLEY WATER DISTRICT

STAFF REPORT

Information Item No. 1
June 28, 2017

To: Engineering Committee
From: Thomas A. Love – General Manager
Subject: Water Quality Investigation Update

INFORMATION ITEM:

Water Quality Investigation Update – Status report on investigation of microbial test results for samples collected on April 25th and May 16th.

DISCUSSION:

Staff is concluding the investigation into possible causes of the positive detection of total coliform and E. coli bacteria in test results received on April 26th and May 17th. Most of the corrective actions identified by staff and consultants have been completed (see attached matrix). Since May 17th there have been no positive test results for total coliform or E. coli bacteria.

As part of the investigation, on June 20th blank tests were conducted on samples stored in the laboratory refrigerator and on the laboratory counter at the Glenwood Plant. Both sample results had positive heterotrophic plate counts (HPC's) indicating the plant laboratory and refrigerator as possible sources of contamination. New procedures for disinfection of the plant laboratory and refrigerator have been implemented. The existing refrigerator used in the laboratory is a 20-year-old standard kitchen refrigerator. It will be replaced with a laboratory grade sample storage refrigerator.

Additionally, a new icemaker is on order for dedicated use by the system operators for sampling and transportation of samples to the contract laboratory. Staff also ordered dedicated sampling ice chests for the operators to use on the sampling route. Both of these changes will provide the proper temperature environment for the water samples and eliminate possible contamination from the contract lab's supplied ice chests and blue ice.

The next significant step in the investigation process will be to conduct the laboratory audit. This will take place on July 12th.

Prepared & Submitted by:

Thomas A. Love
General Manager

Water Quality Investigation of E. Coli. Positive Sample Results.									
Task	Potential Cause	Description	Factors/Variables	Situational Summary	Investigation Summary	Corrective Action	Conclusions	Action Items	Progress/Assignment
1	Sample Port Contamination	Debris, rodents, insects, other source contaminating sample port	Exposure to environment. Flush time prior to sample. CL2 residual.	Sample ports are in a locked enclosure protected from the environment. Sample port is flushed until water runs cool indicating the sample is representative of water in the main pipeline. Disinfect the sample port prior to sampling by either heat or a chemical agent.	Sampling stations with positive results were inspected for potential causes of contamination. (include photos, notes)	Update sample procedures to ensure sufficient torching of sampling line, and increase flush time. Consider additional sample port disinfection at time of sampling. Operators will pre-check the sampling ports for the next weeks sample route the prior week.	Sample port contamination could likely have resulted in repeat positives at the same location. Unlikely to have occurred at 4 separate and widely dispersed locations.	Flame sample ports where applicable. Operations to precheck all sample collection stations the week prior to sampling and record the total and residual Chlorine	1. Training has been conducted. A written sampling procedure is in progress. (Christy) 2. Operations has began prior week inspections and will begin measuring the chlorine levels this week.
2	Contamination During Sample Collection	Sample contaminated by sampler or environment during sample collection.	Adherence to sampling procedures including protection of sample bottle and sampler hygiene.	Procedures require the sample bottle remain sealed until sample is taken and is immediately re-sealed. Sampler takes precautions to avoid any contact with the interior of the sample bottle and lid. The April 26th and May 16th samples were taken by different staff.	Staff responsible for sampling were interviewed to determine whether sampling procedures were followed. The sampling process was reviewed with the consultant. Sample procedures appear to have been followed and no environmental conditions were noted.	Review sample procedures and consider adding additional precautionary measures such as sterile gloves. Environmental factors are such as wind or rain are noted on the COC. Sampling procedures will be reviewed with the use of a training video on order. (Completed)	Positive E. Coli (should be "coli" and not "Coli"...) results occurred on the April 26th and May 16th samples. Different staff collected the samples on those two days indicating than an individual sampler not following sampling procedures was most likely not the cause. Environmental conditions at the time of sampling were calm and dry and not a likely factor.	Where disposable gloves and note any environmental factors on COC	Completed
3	Sample Bottle Contamination	Bottles arrive by shipping courier form the lab and are presterilized, sealed and included sodium thiosulfate to neutralize the chlorine. All three labs surveyed use bottles prepared by IDEX (please check, but I think it is IDEXX). Bottles for the District are ordered approximately every other month and are located at the District's Glenwood Treatment Plant Lab. Sample bottles are inspected by the sampler. Sample labels arrive in bulk and are filled out by the sampler and attached to the sample at the lab to reduce the contact time with the sample container.	Bottles are batched and quality controlled by the shipper. The certified laboratory is required to test a random number of samples within each batch of bottles received. All bottles checks by the lab were fine. The laboratory reported they had not had any other questionable E. Coli results come through the lab.	Samples were collected following the first E. Coli positive sample on April 25 using the same batch of bottles. The amount of follow-up samples in addition to the routine samples collected from the same batch between the Positive E. Coli events was over 50. Following the second E. Coli event, the remaining bottles from that batch were disposed and new bottles were acquired from two different sources. Note: That same batch was used to collect the 28 follow-up samples in duplicate; all results were not detected. Negative for total coliform and E. coli.	The opinion of a neutral third party microbiological laboratory manager indicated that contaminated bottles from the laboratory, while possible, are rare. (FYI only; you do not need to keep this! The counterpart of this is that airline fractures of these bottles have occurred in the past. Whether this can result in sample contamination is unknown, but cannot be ignored...)	Staff will review the laboratory's written procedures and historical results during its laboratory audit. (A request has been made to the laboratory for written materials and a lab audit has been scheduled)	All three outside laboratories surveyed use the same company (IDEX) to supply bottles. None of the labs had any concerns or bottle contamination issues with that company.	Inspect Bottles prior to sampling. Any bottle with debris, cracks etc. Will be marked as bad and another sample will be collected. Both samples will be analyzed to test for bottle contamination. Collect documentation from laboratory regarding bottle handling and quality control check procedures.	Operators do inspect bottles but this will be included in the sampling procedure. Christy will work with the lab to verify procedures (Lab Audit has been scheduled)
4	Contamination during transport from the sampling site to the Glenwood Plant	The samples for the weeks route are carried in a District vehicle from site to site. After collection of the route, usually in no more than three hours, the samples are placed in the dedicated refrigerator located in the District's Glenwood Plant lab.	The consultant claimed that the transportation time and temperature during the sampling process was not sufficient to create and E. Coli positive. (May need to rephrase this: keeping samples cold is necessary to prevent bacteria growth between sample collection and analysis. In this case, E. coli would have been in the bottle or sampled water at the first place; it would not appear during a 3-hour period... so there is a nuance there!)	The samples were collected in the filed (field?) and transported to the Glenwood Plant in an ice chest and blue ice for cooling.	Staff will review procedures and environmental factors to determine is multiple trips back to the District's Glenwood Treatment Plant is required during the coliform sampling route. (Personally, I don't think this is needed if samples are put on ice immediately after collection. Gary, you did not comment on this; any thoughts?) Staff will include the transportation of the samples to the Glenwood Plant in its sampling procedures	Samples can be bagged in zip lock freezer bags after collection as a double protection measure from contamination. Staff will investigate the Glenwood Plant refrigerator to see if a replacement is needed.		Switch to using doubled bagged wet ice. Bag all sample bottles after collection. There will be additional discussion of switching to wet ice and the purchase of higher quality ice chests as well as a proper laboratory refrigerator.	Bags were ordered for the sample bottles. Wet ice will be discussed at operations meeting. Dennis is looking into the cost of ice chests and Christy is working with Dennis and Dave in regards to a new refrigerator. (Ice machine has been ordered. Quites for a regrigerator are under review.)
5	Contamination during transport from the Glenwood Plant to the Outside Laboratory	Samples are collected by the outside laboratory courier in a ice chest with bagged blue ice that is provided by the outside laboratory.	The courier from the outside laboratory may not go directly back to the certified laboratory, but the sample temperatures are check upon arrival.	At this time courier records have been requested, but so far the only information received is the name of the courier and the temperature the samples were received. Note: The courier for the two separate events were not the same.	Procedures from the certified laboratory are being requested for review. The District wants to ensure that samples from other sites are not placed in the same container as the District's samples.	Samples can be bagged in zip lock freezer bags after collection as a double protection measure from contamination.		Work with the laboratory to obtain courier procedures and verify that sample are isolated from other customer's samples	Christy (Procedures from the laboratory have been requested and will be provided during the scheduled laboratory audit)

Water Quality Investigation of E. Coli. Positive Sample Results.									
Task	Potential Cause	Description	Factors/Variables	Situational Summary	Investigation Summary	Corrective Action	Conclusions	Action Items	Progress/Assignment
6	Laboratory Contamination	The laboratory is regulated through the State Water Resources Control Board's Environmental Laboratory accreditation Program (ELAP) . The methods used and the Quality Control procedures dictated are regulated by the State.	The acceptable methods used to analyze water samples contain guidelines to protect against contamination. A Sample Duplicate, Sample Blank and Laboratory Blank are required to be completed for every set amount of samples completed by batch or by frequency.	A review of the laboratory's quality control showed that all the measures were within acceptable range. The analyst from each separate E. Coli event were different. A Peer and management level review was performed by the laboratory of the positive coliform and E. C Coli results. Make statement (if true) that no other samples analyzed by the lab for other utilities were positive that day for E. coli.	While laboratory contamination is always a possibility, all checks that are required were completed and within the acceptable range.	Sample duplicates are being collected and being sent to an alternate certified laboratory. Staff will conduct an outside laboratory audit to ensure that all records are maintained and acceptable and that the sample receiving and storage areas meet best management practices.		Obtain laboratory procedures from lab on sample receiving and microbiological room blanks. Conduct laboratory audit. change the method used to collect routine well samples. Ask laboratory to speciate all positives samples.	Christy (Procedures from the laboratory have been requested and will be provided during the scheduled laboratory audit).
7	Laboratory Contamination at Glenwood	The samples are store at the laboratory located at the Glenwood Treatment Plant after collection and prior to transportation to the outside laboratory.	As the Glenwood lab only contains drinking water samples and supplies. Contamination is not likely.	The doors and windows at the Glenwood lab are often open. There is quite a bit of traffic in and out of the lab.	The lab bottle storage area and sample holding refrigerator were inspected and cleaned.	To eliminate the Glenwood lab as a possible contamination source, blank samples of deionized water will be placed in the lab and the sample storage refrigerator and analyzed along with the weekly coliform samples.		Setup Deionized water samples	June 13, 217 (Christy) Completed
8	Surface Contamination at wells	1) Located near septic system 2) Located near existing sewer mains 3) Location near active or abandon wells 4) Surface water runoff draining into Concrete Well Pedestal or Surface Seal 5) Lack of annular seal in upper 50' of Well 6) Contamination in well column pipe 7) Contamination through vent and sounder tubes including cap 8) Contamination of sampling port 9) Contamination of Well Level sounding equipment 10) Cascading water into the well 11) Oil lubrication from Pump	Septic tanks can contaminate drinking water wells with bacteria and in some cases, wells are contaminated as a result of recent service or pump repair work. Other sources of bacterial contamination may include run-off from yards, or canine runs, and other farm land areas where animal waste products are deposited. Insect pests, rodents and/or wildlife coming into the well can also be reasons for pollution. Harmful microorganisms can enter a water source thru infiltration by means of floods or possibly by surface run-off during heavy periods of rain.	While there has been historical rainfall, no flooding events or environmental factors were noted prior to or on the day of either sampling events. 1) 2002 Sanitary Survey showed no active Septic Systems near CVWD's Wells 2) 2002 Sanitary Survey showed no existing sewer mains within 50 feet of CVWD's Wells 3) Surface Seal or Concrete Well Pedestals are typically 1.5' about the finish surface and drain away from the wellhead 4) Well 7 & 9 were constructed with no annular seal 5) Well 9 - submersible pump, no oil lubrication 6) Well 7 - vertical pump with oil lubrication 7) Well 7 & 9 are pumped to the Mills Plant and water is dosed with 5 - 7 ppm of Cl2 before leaving the Mills Plant	A visual inspection is made of the wells each time the operator visits. All wells are visited at least once a week, and some of them several times per day. At least quarterly, a formal well inspection sheet is completed. Staff has reviewed with operations the latest inspection results. 1) Sampling ports were inspected on 5/17/17 2) Rodent droppings observed in Well 9 housing on 5/18/17 3) Vent and Sounding Tubes were secure 4) No recent work or rehabilitation on Wells 7 or 9 within the last 6 months 5) Well 7 & 9 Static and Pumping water levels are below the perforations; cascading water 6) Water level sounding equipment was used at the end of April 2017 7) Chlorine level at the Mills plant was around 5 ppm during the period	Consider installing packers into wells with cascading water	Conduct Sanitary Survey.	Contractor / David / Christy	
9	Imported Water Contamination	The District routinely receives imported water from two connections from Foothill Municipal Water District (FMWD). FMWD purchases water from Metropolitan Water District of Southern California.	The District does not routinely test the imported water received from FMWD for Coliform or E. Coli. Staff discussed the situation with operational staff from FMWD to ensure that there were no positives samples found by MWD or FMWD. 1) Low Total Chlorine Level from FMWD/MWD 2) Contamination at Briggs Meter Vault 3) Contamination at Ramsdell/Mayfield Mixing Station 4) Contamination at FMWD Reservoirs 5) Contamination from MWD	While it is possible for imported water to reach most of the sites were Total and E. Coli were detected, it is not likely that imported water was the source of contamination. The District will complete inspections at the vaults and mixing stations.	No Coliform or E. Coli. hits were detected in the imported water by either FMWD or MWD.	The District will begin collecting a sample of imported water to test for Total and Coliform and E. Coli. as well as NH₃ as N and Total Chlorine for comparison against data collected from FMWD..		Sample FMWD imported water.	Completed
10	Treatment/Blending/ Chlorination process	1) Age of 12.5% Solution - Sodium hydrochloride 2) "Breakpoint" Chlorination Ratio	1) Degradation of chlorine levels in sodium hypochlorite solution over time 2) Variability of flow based on demand can change the "Breakpoint" Chlorination ratio 3) Variability of Total Chlorine residual and ammonia residual from MWD can change the "Breakpoint" Chlorination ratio	1. Reviewed residuals at sample collection points	In Process			Verify Breakpoint chlorination process. Sample imported Water for Chloramines, and NH3, Raise the residual in the system to a minimum of 0.7	Samples from Paschal are being collected. Flushing in zones with low chlorine residual (Operators). Chlorine and breakpoint analysis (David / Christy)

Water Quality Investigation of E. Coli. Positive Sample Results.									
Task	Potential Cause	Description	Factors/Variables	Situational Summary	Investigation Summary	Corrective Action	Conclusions	Action Items	Progress/Assignment
11	Distribution System Contamination	Review records of distribution system maintenance, construction work, valve turning, flushing.	Pipe breaks, leaks in low pressure zones, air-vacs, construction, fire flow from the Fire Department	Staff is currently in the process of reviewing all maintenance work, leaks, valve exercising and flushing what was conducted by the District. In addition, contact will be made with all contractors who have checked out flooding meters, the fire department, and the county departments that may access the Districts water through fire hydrants. Locations will be plotted on a map in connection to Coliform hits. a visual inspection will be made of all air-vacs.	In Process			Modify the TCR sampling plan to reduced the number of sampling stations and remove sampling stations at dead ends.	Christy
12	Reservoir Contamination	Review reservoir inspection files. Review all reservoir levels and access points including vents and hatches.	Overflow piping, vents, cleaning operations	A visual inspection is made of the reservoirs each time the operator visits. All Reservoirs are visited at least twice a week, and some of them several times per day. At least quarterly, a formal reservoir inspection sheet is completed. Staff has reviewed with operations the latest inspection results.	Currently Staff is in the process of completing a completed assessment of all reservoir sites			Investigate the use of SolarBee mixers to prevent the loss of residual. Evaluate operations of competing sources and reservoirs in Zone 2. Investigate the operation of all 17 storage tanks and the age of the water and residual chlorine levels.	Dennis / David / Operations
13	Other access points	Review cross connection control records.	vaults, valves, hydrants, pump stations, commercial and irrigation services, temporary construction meters	The backflow inspection program is ongoing. Record were recently reviewed during the annual report process.	No backflows were found out of compliance during the review of the last inspection in April of 2017.			Verify the location of all flooding meters and usage. Contact the Fire Department, and County in regards to filling or flowing hydrants.	
14	Vandalism	Intentional or un intentional damage that causes contamination	The District has not had too many vandalism problems. Most are related to trash dumping and graffiti.	During the current inspections or reservoirs, wells and other facilities, Staff will be looking for evidence of any tampering or vandalism.	In Process			Continue routine Inspections of facilities.	Ongoing

Level 1 Effort Level 2 Effort • Review all monitoring results from appropriate areas of the distribution system for the previous 12 months • Review all monitoring results from appropriate areas of the distribution system for the previous 12 months • Conduct additional investigatory monitoring • Review cross connection control records for • Review cross connection control records for

- Interview sample collectors, distribution system managers, other appropriate employees Consult with outside experts, professional engineers Interview residents and businesses in the area of the positive samples
- Review records of entry point and distribution system disinfectant levels
-
-

Review records of entry point and distribution system disinfectant levels, including historical seasonal changes if any Conduct additional residual testing at the entry point and appropriate locations in the distribution system

- Review records of distribution system maintenance, especially in the area of the positive samples

Staff will be developing a low residual chlorine action plan.

-

Review records of distribution system maintenance, especially in the area of the positive samples Inspect on-going maintenance activities

- Notify the state of results state as needed and discuss with the •
-

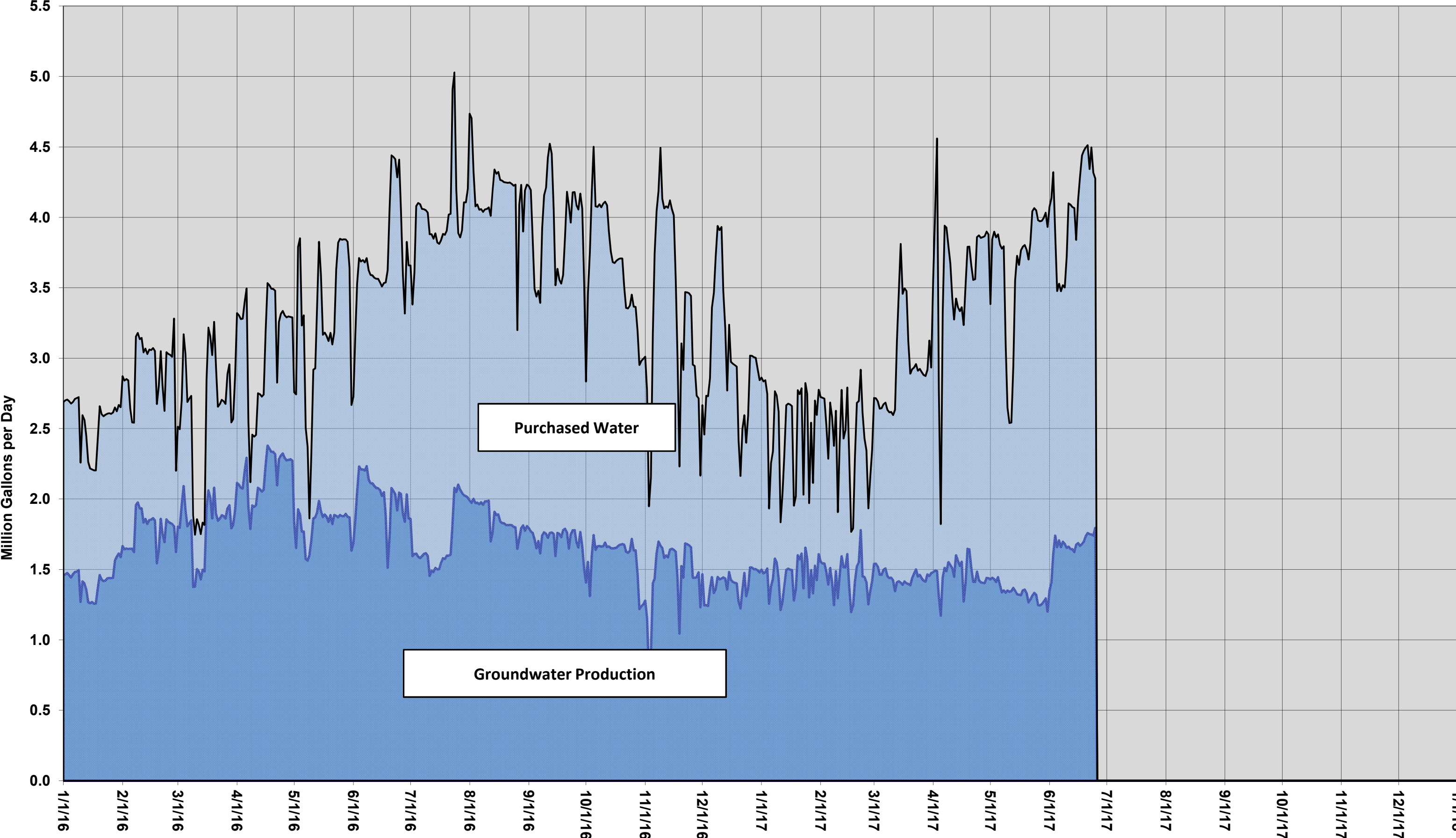
Consult with the state about assessment plans and approach, especially if the assessment is triggered by detection of E. coli. Notify the state of results and discuss with the state

RTCR ACAGM - Interim Final 4-8

Level 1 Effort Level 2 Effort • Conduct on-site inspections as indicated by • Conduct on-site inspections as indicated above record reviews and interviews above

Water Production Chart 2016 - 2017

Groundwater Production (MGD) Purchased Water (MGD)



CRESCENTA VALLEY WATER DISTRICT

STAFF REPORT

Information Item No. 3
June 28, 2017

To: Engineering Committee
From: Brook Yared, M.S., P.E. – Associate Engineer
Subject: Request for Quote and Award of Contract - Rehabilitation of Well 5, Project E-983

INFORMATION ITEM:

Advertise for Bid and Award of Contract - Well 5 Rehabilitation, Project E-983 – Request for Quote and Award of Contract for the Rehabilitation of Well 5 including replacement the pump and motor assembly at an estimated cost of \$58,900.

BACKGROUND:

Well 5 was last rehabilitated and returned to service in June, 2014. Since then, Well 5 has been operating on a 24/7 basis with flows averaging 350 gpm. In November, 2016, the System Operators started seeing a drop off in production to 250 gpm. The pressure-sustaining valve was adjusted and the flows returned to 350 gpm. However, in May 2017, the flow in Well 5 again started to decrease to 150 gpm. Upon further investigation, it appears the pump assembly is experiencing mechanical problems.

DISCUSSION:

Staff has a concern with the low capacity and the pump efficiency below 40% that a failure of the Well 5 pump could occur sooner than later. In addition, Well 5 typically runs at 350 gpm, which is about 25% of the total daily groundwater production. At its current flow rate of 140 gpm, its production is 11% of the total daily groundwater production. Staff's other concern is the possibility of losing the Well 5 pump during the high summer demand season and thereby have to take additional imported water from FMWD.

To be proactive, staff has prepared a request for quote (RFQ) to perform well rehabilitation and replace the pump at Well 5. The RFQ was sent to five (5) pump companies for quotes. Based on past experience from the last three (3) well rehabilitation projects, it will take about three (3) months for the project to be completed. Since time is of the essence for this project, staff's goal is for the contractor to pull the pump, videotape inspect the casing, perform cleaning of the casing and installing a new pump within a three-week period. The plan is to order a new pump and assembly before performing any work at the site, which typically takes about two (2) weeks such that the contractor can be ready to install the new pump immediately after cleaning the well casing.

Staff anticipates the contract to be awarded at the July 11, 2017 Board meeting. The pump should be available by July 25, 2017 and the work could commence starting the week of July 31, 2017 and completed by August 11, 2017. After staff completes a successful chlorination of the well, it possible to have Well 5 back in service by the week of August 18, 2017. The anticipated time Well 5 will be out of service will be three (3) weeks.

Another option would be to order the new pump assembly now and wait until the existing pump fails, then mobilize to perform well cleaning and installation of the new pump. This option may buy some time until the fall of 2017, when the water demands are lower, since it is unknown how long Well 5 can remain in operation at this time.

RECOMMENDATION:

Staff recommends that the Engineering Committee approve the request for quote and awarding the contract for the new pump assembly and well rehabilitation at the July 11, 2017 Board meeting.

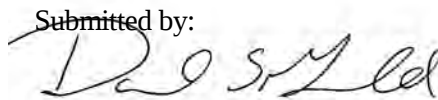
Prepared by:

Brook Yared, P.E.
Associate Engineer

Attachments:

1 – Request for Quote

Submitted by:



David S. Gould, P.E.
District Engineer



CRESCENTA VALLEY WATER DISTRICT

Request for Quotes

Well 5 Pump and Motor Assembly Replacement, Project E-983

Date: June 19, 2017

Proposal Documents:

Contractors shall quote on providing labor, materials, and equipment for well rehabilitation, including brushing, chemical treatment, swabbing, and new pump procurement and installation at the District's Well No. 5 according to the following provisions. The project site is located at 3937 Pennsylvania Ave., Glendale, CA, 91214.

Contractors are required to include this page and the following bid proposal when submitting their quote. The attachments provided are the bid proposal, technical provisions and appendices shall be used by the Contractor in providing this quote. Engineer's Estimate for this project is **\$59,700.**

A mandatory pre-bid meeting will be held on Wednesday, June 28, 2017 at 10:00 a.m. at 3937 Pennsylvania Ave., Glendale, CA, 91214. Quotes shall be faxed to (818) 248-1659 before 2:00 p.m., Wednesday, July 5, 2017, and originals sent via U.S. Mail to the Crescenta Valley Water District (CVWD) at 2700 Foothill Boulevard, La Crescenta, California 91214, Attention: Brook Yared.

If you have any questions before opening of this quote, please contact Brook Yared at (818) 236-4117 or via e-mail at byared@cvwd.com.

Sincerely,

CRESCENTA VALLEY WATER DISTRICT

David S. Gould, P.E.
District Engineer

BDY: syg

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CRESCENTA VALLEY WATER DISTRICT
REQUEST FOR QUOTES
WELL 5 PUMP AND MOTOR ASSEMBLY REPLACEMENT,
PROJECT E-983
SPECIAL PROVISIONS

SCOPE OF WORK

Contractors shall quote on providing all materials, labor, equipment and work necessary to carry out the work as specified below on Well 5 located at 3937 Pennsylvania Ave., Glendale, CA, 91214. (site photos included in Appendix C).

The work to be done under this contract will include the following:

- Bid item No. 1 New Pump & Motor Assembly Procurement:** The cost for this bid item, new pump & motor assembly procurement, shall include all labor and incidentals necessary for the procurement of a new pump and motor assembly all associated plumbing and fittings needed to properly operate the pump.
- Bid item No. 2 Mobilization and Demobilization:** Mobilization shall include all activities and costs for transportation of personnel, equipment, and supplies/materials to the job site. Demobilization shall include all activities and costs for transportation of personnel, equipment and supplies/materials, including the disassembly, removal and site cleanup.
- Bid Item No. 3 Remove Existing Pump & Motor Assembly, Line Shaft and Column Pipe:** Pump and motor assembly removal shall include all labor, equipment and materials needed to completely remove the existing vertical turbine pump and motor assembly, existing column piping, line shaft and appurtenances.
- Bid Item No. 4 Wire Brush Casing & Bailing:** Wire brush casing shall include all activities and equipment needed to thoroughly brush the well casing and remove loose sediment from the casing, a minimum of sixteen (16) hours of brushing is estimated for bidding purposes. This work will be performed before and after chemical treatment for eight (8) hours.
- Bid Item No. 5 Chemical Treatment & Mechanical Development:** Chemical treatment shall include all labor, equipment, and incidentals necessary to implement the most effective remedy to chemically treat the perforated well casing. Including, swabbing across the perforated casing (mechanical development) to ensure the introduced chemicals effectively remove scaling, bacteriological and/or mineral, from the well casing liner, and neutralization of discharge water into temporary storage in a Baker Tank or equivalent onsite containment vessels.
- Bid Item No. 6 New Pump & Motor Assembly Installation:** The cost for this bid item, new pump & motor assembly installation, shall include all labor, equipment and incidentals necessary for the installation of the new pump and motor assembly including all associated plumbing, couplings and fittings, connection to the existing discharge head, and any other appurtenances needed to properly operate the pump. As-built drawings of the new pump and motor assembly shall be provided to the District at the completion of installation providing all equipment information and well depth dimensions of the assembly.

CRESCENTA VALLEY WATER DISTRICT

REQUEST FOR QUOTES

WELL 5 PUMP AND MOTOR ASSEMBLY REPLACEMENT, PROJECT E-983

- Bid Item No. 7** **Column Piping, Line Shaft and Chemical Feed Tube:** The cost of this bid item shall include all labor, equipment and incidentals necessary for the inspection, procurement, and installation of column piping and line shaft, as well as the installation of the chemical feed tube for the pump and motor assembly.
- Bid Item No. 8** **Start-up and Testing:** Start up and testing shall include all labor, equipment and incidentals necessary to test and establish all applicable benchmarks for the new pump assembly after all rehabilitation work is completed and provide all necessary supporting documentation to the District.

MANDATORY PRE-BID CONFERENCE

A mandatory pre-bid meeting will be held on Wednesday, **June 28, 2017 at 10:00 a.m.** at 3937 Pennsylvania Ave., Glendale, CA, 91214. Contractors shall attend this meeting and perform a site visit before the bid opening. **Contractors must attend this meeting to qualify to submit a bid for this project. Any bid submitted from a contractor who has not attended this meeting shall be rejected and returned unopened.**

DATE OF BID OPENING

Proposals shall be faxed to (818) 248-1659 by **Wednesday, July 5, 2017 at 2:00 p.m.**, and originals sent via U.S. Mail to the Crescenta Valley Water District (CVWD) at 2700 Foothill Boulevard, La Crescenta, California 91214, Attention: Brook Yared.

AWARD OF CONTRACT

The Contract will be awarded on **Tuesday, July 11, 2017 at 7:00 pm** during a public Board of Directors meeting held at CVWD's main office, 2700 Foothill Boulevard, La Crescenta, California 91214. CVWD reserves the right, after opening bids, to reject any or all bids, or to make award to lowest responsible bidder and reject all other bids. Bids will be compared on the basis of the Engineer's estimate of the quantities of bid items of work as shown on the Bid Proposal. A good faith determination by CVWD as to whether a bid is not responsive or whether a bidder is responsible shall be final, conclusive and binding, and shall not be the basis of a claim for lost profits or other damages by a bidder to whom the contract is not awarded.

PRE-CONSTRUCTION MEETING

A mandatory pre-construction meeting will be scheduled at least 72 hours prior to start of work with the following people present: CVWD Personnel, Constructor's Project Manager and Foreman. At this meeting the coordination and logistics of unloading material, Contractor work area, scope of work and other related matters will be discussed.

BID PROPOSAL

Crescenta Valley Water District
2700 Foothill Boulevard
La Crescenta, California 91214

Sir or Madam:

The undersigned declares that he or she has carefully examined the location of the work, has read the Proposal, has examined the General Provisions, Technical Provisions and appendices, and hereby proposes to furnish all materials, labor and equipment to complete the bid proposal in accord with these contract documents, and will take in full payment therefore the following unit prices for the material, complete and in place, to wit:

NOTE: All applicable sales taxes, State and/or Federal, and any other special taxes, patent rights or royalties shall be included in the prices quoted in this proposal.

Item No.	Approximate Quantity	Description	Unit Price	Total
1	Lump Sum	New Pump & Motor Assembly Procurement	\$	\$
2	Lump Sum	Mobilization and Demobilization	\$	\$
3	Lump Sum	Remove Existing Pump Assembly, Line Shaft and Column Pipe	\$	\$
4	16 hours	Wire Brush Casing Airlifting/Bailing	\$	\$
5	16 Hours	Chemical Treatment & Mechanical Development	\$	\$
6	Lump Sum	New Pump & Motor Assembly Installation	\$	\$
7	220 ft.	Column Piping, Line Shaft and Chemical Feed Tube	\$	\$
8	Lump Sum	Start-up and Testing	\$	\$

CRESCENTA VALLEY WATER DISTRICT

STAFF REPORT

Information Item No. 4
June 28, 2017

To: Engineering Committee
From: David S. Gould, P.E. – District Engineer
Subject: Advertise for Bids – Advertisement for bids for the Construction of Well 2 and Related Facilities, Project E-956

INFORMATION ITEM:

CVWD's Well 2 and Related Facilities, Project E-956 – Advertise for bids for the construction of the Well 2 and related facilities with an engineer's cost estimate of \$907,000.

BACKGROUND:

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

DISCUSSION:

Staff has been working with SA and Associates, which have completed the design of the project and is ready to advertise for bids. The project will include installation of a new 150 gpm submersible pump and motor, onsite piping, a pre-fabricated operations building, electrical and telemetry system, on-site storm drain line, on-site sewer line drain to waste, and on-site improvements. The project will also include the installation of a nitrate removal treatment facility (by APTwater) within a pre-fabricated "carport-type" structure, which will treat the groundwater below the MCL and remove nitrates from the Verdugo Basin. See attached Site Plan.

As part of the project, Royal Wholesale Electric was awarded a contract to provide the electrical Motor Control Center (MCC), which has a long lead-time and will assist with the project schedule. Staff and John Robinson Consulting have been working with the City of Glendale and Glendale Water & Power on permits for the project as well as providing a new electrical service.

Project Schedule:

The anticipated project schedule is as follows:

Task	Date
Advertisement for Bids	July 11, 2017
Bid Opening	August 30, 2017
Award Contact	September 5, 2017
Mobilization by Contractor	October 30, 2017
Install Buildings & APTwater System	December 15, 2017
Complete APTwater Nitrate Treatment System	March 15, 2018
Testing & DDW approval	April 15, 2018
Well 2 in Service	May 1, 2018

Staff is also working on a public outreach program for the project including sending letters to the residents in the area notifying them of the upcoming project, holding a public meeting about the project and sending a second letter two weeks before construction begins.

Construction Cost Estimate

The engineer's cost estimate for this portion of the project is \$907,000. The entire project costs including construction management, soils engineer, staff engineering, inspection, procurement of equipment and contingencies is estimated at \$2,025,000 which is \$200,000 over the original budget of \$1,825,000. See the cost breakdown below.

Staff is planning to reduce the amount of pipeline replacement budget for FY 17/18 by deferring the 3200 & 3300 Blocks of Brookhill to FY 18/19 to make up for the additional costs of this project. The total amount to be transferred to this project is \$235,000. In addition, Staff revised the original benefit-cost analysis with the adjusted total budget and it showed that the project will have a payback period of 13 years instead of the original payback period of 10 years.

RECOMMENDATION:

Staff recommends that the Engineering Committee approve advertising for bids for the project and for this item to be placed on the July 11, 2017 Board agenda. Staff will advertise the project in the McGraw-Hill Dodge Construction News and will send out plans to selected contractors.

ENVIRONMENTAL REVIEW:

N/A

FUNDING AVAILABILITY:

Account Description	Grant Cost Breakdown
Greater Los Angeles County IRWM 2015 Solicitation Implementation Grant	\$1,825,000
<i>Amount reimbursed from Grant (39%)</i>	<i>\$705,775</i>
<i>CVWD Costs (61%)</i>	<i>\$1,119,225</i>
Engineering Services	<\$160,000>
Quote for MCC Procurements	<98,547>
Engineer Cost Estimate – Building & Facilities	<\$907,000>
Construction Management Services	<\$120,000>
Estimate for Soil Inspection, Permitting Fees, and Misc	<\$114,453>
Total Estimated Cost for Design & Construction	<\$2,025,000>
Amount Remaining for Well 2 Project	<\$200,000>
Transfer of funds from Pipeline Replacement (Move the replacement of the pipeline on 3200 & 3300 Blocks of Brookhill to FY 18/19)	\$235,000
Remaining Funds	\$35,000

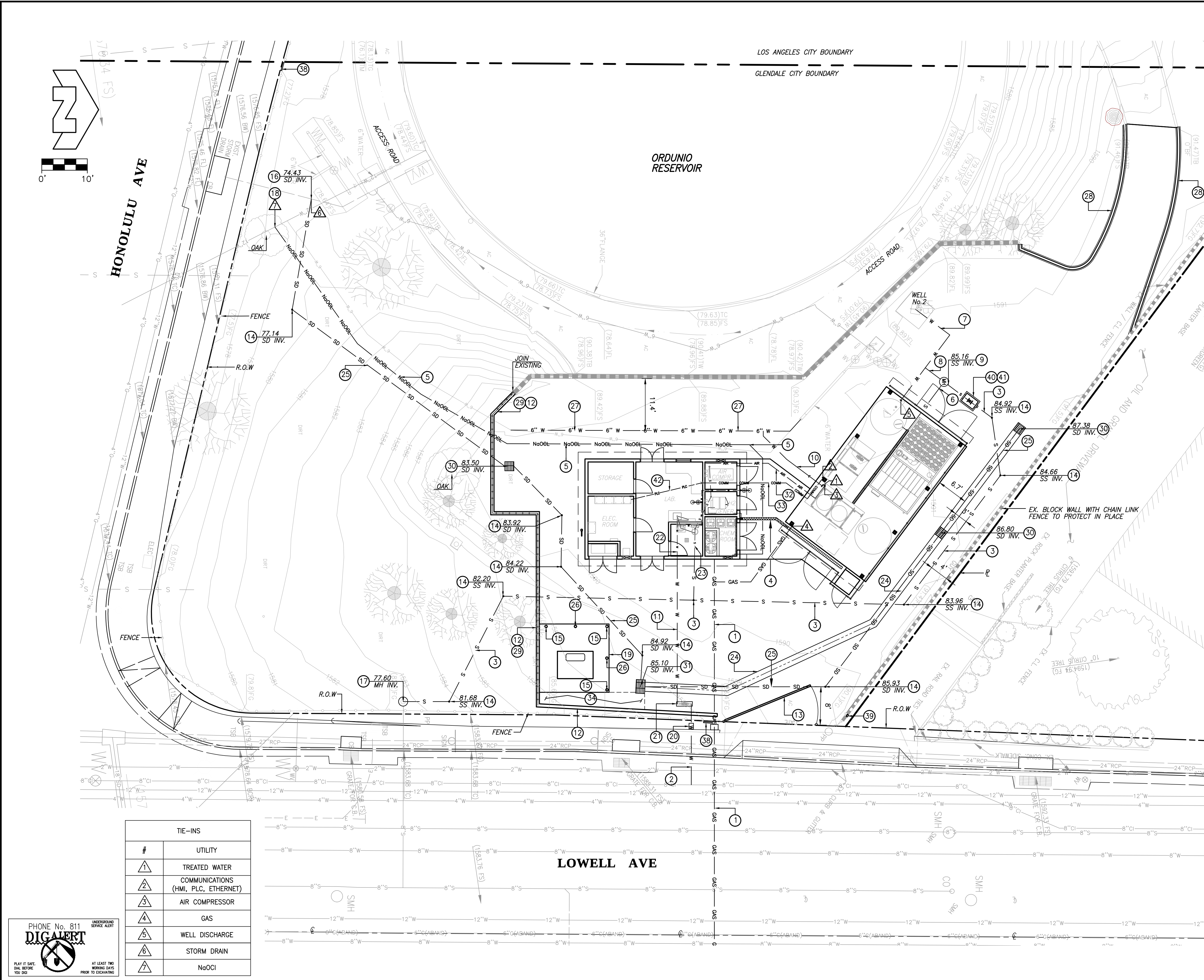
Prepared & Submitted by:



David S. Gould, P.E.
District Engineer

Attachment:

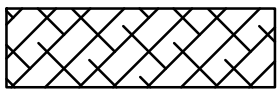
1. Site Plan for Well 2



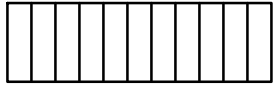
CONSTRUCTION NOTES

- FURNISH AND INSTALL 3/4" GAS SERVICE. FINAL LOCATION DEPENDING UPON COORDINATION WITH UTILITY
- 1" COPPER WATER SERVICE FROM EXISTING GWP - 8" CI MAIN TO METER. FURNISHED AND INSTALLED BY GWP
- FURNISH AND INSTALL 6" ABS SEWER
- FURNISH AND INSTALL UNDERGROUND PREFABRICATED CONCRETE DUCT COVERED WITH DIAMOND PLATES AND STEEL GRATES (AS INDICATED IN PLANS) TO CARRY NaOCl, COAGULANT, PHOSPHATE, AND H2 LINES - SEE DETAIL FOR CHEMICAL TRENCH ON SHEET 14
- FURNISH AND INSTALL 1" SCHEDULE 80 PVC SOCKET WELDED NaOCl LINE
- FURNISH AND INSTALL 4" ABS SEWER
- FURNISH AND INSTALL 4" ABOVE GROUND WELDED STEEL WELL DISCHARGE PIPE TO NITRATE REMOVAL SYSTEM (FEED TANK) - SEE SHEET 8
- FURNISH AND INSTALL 4" WELL WATER BYPASS - SEE SHEET 8
- FURNISH AND INSTALL 36" RCP PIPE (MANHOLE) WITH GRATE AND INNER CAP MANHOLE COVER PER SECTION B ON SHEET 8
- FURNISH AND INSTALL 4" ABOVE / BELOW GROUND WELDED STEEL WATER MAIN FROM NITRATE REMOVAL SYSTEM TO EX. 6" WATER MAIN. SEE DETAIL ON SHEET 15
- FURNISH AND INSTALL 1" COPPER WATER SERVICE - SEE DETAIL ON SHEET 14
- FURNISH AND INSTALL RETAINING WALL - SEE PROFILES AND DETAILS ON SHEET 7
- FURNISH AND INSTALL AUTOMATIC CHAIN LINK SWING GATE - SEE DETAIL ON SHEET 13
- FURNISH AND INSTALL CLEANOUT PER CVWD-STD. PLAN.
- FURNISH AND INSTALL PERMANENT BOLLARDS - SEE DETAIL ON SHT. 13
- FURNISH AND INSTALL STORM DRAIN CONNECTION TO EX. TANK OVERFLOW - SEE DETAIL ON SHEET 15
- FURNISH AND INSTALL NEW 48-INCH INSIDE DIAMETER SEWER MANHOLE PER CVWD STD. PLAN AND CONNECT TO EX. LATERAL
- FURNISH AND INSTALL CHLORINE LINE CONNECTION TO EX. WATER MAIN
- FURNISH AND INSTALL 15' X 15' CONCRETE TRANSFORMER PAD - SEE DETAIL ON SHEET 15
- 1" WATER METER AND BOX FURNISHED AND INSTALLED BY GWP - SEE DETAIL ON SHEET 14
- FURNISH AND INSTALL A BACKFLOW PREVENTER ASSEMBLY - SEE DETAIL ON SHEET 14
- FURNISH AND INSTALL 1" WATER SERVICE THRU FLOOR SLAB - SEE SHEET 10
- FURNISH AND INSTALL SEWER DRAIN THRU FLOOR SLAB - SEE SHEET 10
- FURNISH AND INSTALL CONCRETE SWALE - SEE DETAIL ON SHEET 6
- FURNISH AND INSTALL 12" PVC STORM DRAIN
- FURNISH AND INSTALL REMOVABLE BOLLARD - SEE DETAIL ON SHT. 13
- FURNISH AND INSTALL 6" CMC & CML STEEL WATER MAIN - SEE DETAIL ON SHEET 15
- FURNISH AND INSTALL 6" AC BERM - SEE DETAIL ON SHEET 6
- FURNISH AND INSTALL HANDRAIL - SEE DETAIL ON SHEET 18 (S-3)
- FURNISH AND INSTALL OLDCASTLE PRECAST CATCH BASIN MODEL 1818-CB-DIC, INVERT PER SHEET 6 - SEE DETAIL ON SHEET 15
- FURNISH AND INSTALL CATCH BASIN PER CALTRANS STANDARD PLANS D73, TYPE G1, INVERT PER SHT. 6 - SEE DETAIL ON SHEET 15
- FURNISH AND INSTALL 1" CARBON STEEL OR COPPER AIR PIPE THRU FLOOR SLAB
- FURNISH AND INSTALL PVC CONDUIT THRU FLOOR SLAB FOR COMMUNICATION CABLES (HMI, PLC, CABLE ETHERNET)
- FUTURE LANDSCAPED AREA BY OTHERS
- FURNISH AND INSTALL SOLID METAL PLAQUE WITH PROPERTY NUMBER "4029" MOUNTED ON THE CHAIN LINK USING VERSATILE SIGN HOLDER BRACKETS.
- FURNISH AND INSTALL KNOX-BOX 3200 SERIES RECESSED ON EXISTING CMU WALL
- FURNISH AND INSTALL 6" MUNICIPAL / INDUSTRIAL SEWER MAGMETER
- FURNISH AND INSTALL 2' X 3' X 6 DEEP FLAT WALL PREFAB CONCRETE VAULT - SEE DETAIL ON SHEET 8
- FURNISH AND INSTALL 3-PVC CONDUITS ON ROOF FOR PLC-PLC, 120V, 489V

LEGEND



DIAMOND PLATES



STEEL GRATE

TIE-INS	
#	UTILITY
1	TREATED WATER
2	COMMUNICATIONS (HMI, PLC, ETHERNET)
3	AIR COMPRESSOR
4	GAS
5	WELL DISCHARGE
6	STORM DRAIN
7	NaOCl

PHONE No. 811
DIGALERT
PLAY IT SAFE
CALL BEFORE
YOU DIG

UNDERGROUND
SERVICE ALERT
AT LEAST TWO
WORKING DAYS
PRIOR TO EXCAVATING

SA ASSOCIATES CONSULTING ENGINEERS 1661 N. Raymond Ave., Suite 100, Anaheim, CA 92801 714 871-9083 FAX 714 871-3652	REGISTERED PROFESSIONAL ENGINEER No. 23912 Exp. 12/31/17 CML STATE OF CALIFORNIA	REV.	DATE	REVISION	REV.	BY	CKD.	BY	APP'D	DISCLAIMER Approval by C.V.W.D. does not constitute a representation as to the accuracy of design or the existence and location of underground utilities, structures, and conditions within the limits of this project.	SCALE: AS SHOWN	DATE	CRESCENTA VALLEY WATER DISTRICT CVWD WELL NO. 2 AND RELATED FACILITIES SITE PLAN & PIPING LAYOUT	SHT. 4 OF 29 SHTS.	
											DRAWN BY: PT / JL	-/-/-		COMPLETION DATE:	LINEAR FT. ----
											CHECKED BY: JL	-/-/-		JOB NO. E-956	FILE NO.
											APPROVED: ----	-/-/-			

CRESCENTA VALLEY WATER DISTRICT

STAFF REPORT

Information Item No. 5
June 28, 2017

To: Engineering Committee
From: David S. Gould, P.E. – District Engineer
Subject: **Request for Proposal** – Construction Management Services for Construction of Well 2 and Related Facilities, Project E-956

INFORMATION ITEM:

CVWD's Well 2 and Related Facilities, Project E-956 – Request for proposal for Construction Management Services for the Construction of the Well 2 and Related Facilities, Project E-956

BACKGROUND:

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

SA and Associates and staff have completed the design of the project, which should be advertised for bid at the next Board meeting. It is anticipated that construction will begin in late September 2017 and be completed by May 2018.

DISCUSSION:

Staff needs the services of a construction management firm to coordinate the project in the field and to provide oversight during construction. Staff prepared a request for proposal (see attached) that including the following tasks:

- Provide field reports to the District's project manager on a weekly basis.
- Provide on-site field inspection and quality control for all construction activities including project start up.
- Provide coordination and represent CVWD for all change orders.
- Coordination of shop drawing submittals with consultants and CVWD.
- Coordination with Glendale Water and Power (GWP), City of Glendale, Southern California Gas Company, CVWD's soils and materials testing firm and CVWD's construction staking firm.
- Coordination with APTwater for the new nitrate removal treatment system.
- Observe all deliveries for conformance to contract documents and shop drawings.
- Provide input and recommendations regarding the contractor's construction schedule.
- Assist District in processing monthly progress pay estimates including review of contractor's work progress with the District's project manager.
- Provide guidance and recommendations to the District with respect to the contractor's general conformance to Contract Documents.
- Coordination with City of Glendale and GWP for all permits and inspection.
- Coordination of construction administration and project schedule with District Personnel.
- Project Close-Out.

Staff estimates that the consultant fee for Construction Management Services will be around \$120,000, which is based on past consultant cost for construction of Well 16 and the overall project schedule.

The RFP outlines a proposed schedule, which anticipates less man hours during the startup and shop drawing review phase, full-time services during construction and decreased hours during the project closeout.

Staff will be sending the RFP to four (4) firms qualified to provide construction management services, which does not include the design-engineering firm. The firms are Butier Engineering, Tetra-Tech, Civiltec Engineering and Cannon. Staff has worked with these firms on past projects and is well versed in these firm's capabilities.

Staff is requesting that these services be provided by an outside firm since CVWD's inspector will be involved in other CIP projects such as the pipeline construction on Brookhill Ave, the re-coating of the Oak Creek Reservoirs and pipeline replacement at the Ramsdell Mixing Station.

RECOMMENDATION:

Staff recommends that the Engineering Committee approve sending the RFP for Construction Management services to the four (4) firms. The proposal will be due on August 9, 2017 and placed on the August 15, 2017 Board agenda.

Prepared & Submitted by:

A handwritten signature in black ink, appearing to read 'D. S. Gould', written over a horizontal line.

David S. Gould, P.E.
District Engineer

Attachments:

1. Request for Proposal for Construction Management Services

g:\engineering committee\2017 ec memo\06-28-17 ecm memo - well 2 - construction management.docx



REQUEST FOR PROPOSAL

QUALITY CONTROL INSPECTION SERVICES FOR CONSTRUCTION OF CVWD'S WELL No. 2 AND RELATED FACILITIES AT 4029 LOWELL AVENUE, PROJECT E-956

PROPOSAL DUE DATE: August 9, 2017

INTRODUCTION

Crescenta Valley Water District (CVWD) project is to reactivate its Well 2 and install a new nitrate removal treatment facility at CVWD's Ordunio Reservoir site located at 4029 Lowell Avenue. The project will utilize a local water resource, increase CVWD's ability to pump its adjudicated rights within the Verdugo Basin, reduce CVWD's dependence on imported water from MWD and reduce nitrates levels within the Verdugo Basin. Well No. 2 was drilled in 1927 and was taken out of service in 1977 due to nitrate levels above the MCL and lack of a nitrate removal treatment facility

The project will include installation of a new 150 gpm submersible pump and motor, onsite piping, an pre-fabricated operations building, electrical and telemetry system, on-site storm drain line, on site sewer line drain to waste, and on-site improvements. The project will also include the installation of a nitrate removal treatment facility (by APTwater) within a pre-fabricated "carport-type" structure, which will treat the groundwater below the MCL and remove nitrates from the Verdugo Basin.

CVWD's Ordunio Reservoir is also located at the site, which is a 2.75 MG steel tank that provides water to CVWD's Zone 2. There are two booster pumps that move water within Zone 2 from Ordunio Reservoir to Williams Reservoir. Ordunio Reservoir is controlled by an altitude valve, which opens and closes as the reservoir fills with water. There is an existing chlorine analyzer that provides chlorine levels to CVWD's SCADA system.

A portion of the site is located within the City of Glendale and a portion of the site is located within the City of Los Angeles and the project will be located within the City of Glendale.

This project will not include the installation of new landscaping or irrigation system. CVWD will perform this work under another contract and at a later date.

PROJECT OBJECTIVE

The District requests the services of a consulting firm to full time quality control inspection services in connection with construction of the Well 2 facilities that will include installation of underground and above ground piping, grading, overexcavation, retaining walls, installation of two (2) concrete building pad, installation of pump and assembly, installation of two (2) pre-fabricated building, installation of a new MCC, connection to the SCADA system, coordination with utilities, coordination for the new nitrate removal treatment system and project start up for the Well 2 project.

1. Construction Services

- A. Provide field reports to the District's Project Manager on a weekly basis.
- B. Provide on-site field inspection and quality control for all construction activities including project start up in accordance with the Contract Documents.
- C. Provide coordination and represent CVWD for all change orders.
- D. Coordination of shop drawing submittals with consultants and CVWD

E. Coordination with the following:

- a. Glendale Water and Power (GWP) for new electrical service and water service
- b. City of Glendale for sewer service
- c. Southern California Gas Company for new natural gas service
- d. APTwater for the new nitrate removal treatment system
- e. CVWD's soils and materials testing firm
- f. CVWD's construction staking firm

F. Observe all deliveries of MCC, switchboard, pump and motor assembly, pre-fabricated buildings, nitrate removal treatment system, and other project materials for conformance to contract documents and shop drawings.

G. Provide input and recommendations regarding the contractor's construction schedule.

H. Assist District in processing monthly progress pay estimates including review of contractor's work progress with the District's project manager.

I. Provide guidance and recommendations to the District with respect to the contractor's general conformance to Contract Documents.

J. Coordination with GWP connection to the new GWP meter and other upgrade necessary for the project.

K. Coordination with City of Glendale and GWP for all permits and inspection.

L. Coordinate construction administration and project schedule with District Personnel.

2. Project Close-out

A. Observe and coordinate that all testing for the new facility has been successfully completed and is satisfactory.

B. Prepare final punch list of deficiencies relative to the project.

C. Observe contractor's successful completion of all work required by the final punch list.

D. Obtain from the contractor any written documents required by the Contract Documents for project close-out relative to the MCC replacement and related facilities.

E. Deliver all project records to the District including daily logs and photographs.

PROPOSAL REQUIREMENTS:

1. Scope of Work

The proposal shall include a detailed list itemizing the tasks required to complete a scope of work addressing all project criteria outlined above. Each task shall include a detailed estimate of man-hours required to complete each task.

2. Construction Schedule

The construction schedule for inspection of the project (See attached schedule) will be as follows:

- a. August 1, 2017 to September 5, 2017 - Consultant will assist with the pre-bid meeting and coordination of request for information during the bidding process.
- b. September 5, 2017 to October 30, 2017 – Coordination of shop drawings and fabrication.
- c. October 30, 2017 to April 18, 2018 – Contractor mobilization and on-site inspection.
- d. April 18, 2018 – May 7, 2018 – Project testing and project close out.

3. Proposal Fee Schedule

The proposal shall include a "Fee Schedule" outlining all applicable hourly rates and costs for the inspection services. The proposal shall provide a breakdown of fees associated with the project task as specified above. The proposal shall also include a "not-to exceed" total fee, which shall include all work necessary to complete the project objective.

4. Consultant's Representative

The proposal shall name a responsible representative, an alternate, and all sub-consultants to perform the assigned tasks. The chosen Consultant's representative will remain in responsible charge of all duties from contract negotiations through project completion. If the primary representative is unable to continue with the project, then the alternate representative will become the primary representative.

The District must approve any other changes in responsible representative, in advance. The District will have the right to reject other proposed changes in personnel, and may consider any other changes in responsible personnel a breach of contract.

ADDITIONAL INFORMATION

1. Professional Service Agreement

The Consultant shall be responsible for completing the specified services in accordance with the District's standard "Professional Services Agreement," which will be prepared by the District. Services specified in this agreement shall be taken directly from the Consultant's accepted proposal and from this "Request for Proposal", if applicable.

2. Insurance Requirements

The District will require employer's liability, comprehensive commercial liability insurance, and errors and omissions insurance coverage for at least \$1,000,000 and comprehensive automobile liability for at least \$1,000,000. Also, we required that the District be named as additional insured on the policy and such insurance policy shall not be terminated or canceled without thirty (30) days prior written notice to the District.

3. District Reimbursements

The District normally reimburses consultants for the actual cost (plus 15%) for all outside expenses, including those for material costs authorized in advance by the District. Automobile travel will be reimbursed at the rate of 53.5 cents per mile or the latest rate per the IRS, which shall not be subject to the 1.15 factor. Other reasonable expenses will be reimbursed where such costs have been advanced by Consultant and approved by the District.

The Consultant shall not be compensated for use of computers, office equipment, hardware, or software materials. Said costs are non-compensable. Time expended by Consultant's personnel on such equipment shall be paid on an hourly rate based on the Consultant's fee schedule.

PROPOSAL DUE DATE

One (1) copy of the quote should be submitted as a PDF file and emailed to David Gould at dgould@cvwd.com before 12:00 p.m. Wednesday, August 9, 2017, and originals sent via U.S. Mail to the Crescenta Valley Water District at 2700 Foothill Boulevard, La Crescenta, California 91214, Attention: David Gould.

CRESCENTA VALLEY WATER DISTRICT

STAFF REPORT

Information Item No. 6
June 28, 2017

To: Engineering Committee
From: David S. Gould, P.E. – District Engineer
Subject: Award of Contract – Purchase of a Compact Excavator, Project C-983

ACTION ITEM:

1. **Purchase of New Compact Excavator, Unit #54, Project C-983** – Discussion regarding the purchase of a new compact excavator from Quinn Company for a new Caterpillar excavator model No. 303.5E2 for a total cost of \$60,545.

BACKGROUND:

The District has as part of its fleet, two (2) tractors that are used on a daily basis for excavating purposes to replace water service laterals and/or water mains among other necessary tasks. One tractor (Unit #15) is typically used for most projects within the District. However, there are areas within the District where a smaller or mini-excavator has to be used due to site constraint and limited room to maneuver the equipment.

In 2004, the District purchased a Komatsu hydraulic mini-excavator (Unit #21) from Claremont Equipment for \$29,150.

Unit #21 has been in service for the past 13 years and has reached the point where the costs to maintain the tractor are greater than the value of the mini-excavator as shown on the attached chart.

Unit #21 is currently in need of repairs to the two (2) drive motors and the hydraulic pump, which runs the tractor. The estimates for these repairs are about \$35,000 and the parts would have to be shipped from the factory in Japan, since the parts are not stocked locally. The lead time for the new parts is 8 to 12 weeks and CVWD would have to rent a compact excavator during the interim period at \$250/day or an additional \$21,000.

As shown on the attached graph, the District has spent over \$46,000 to maintain Unit #21 over the last 13 years with the bulk of the maintenance costs occurring in the last five (5) years. The graph also shows that the depreciated value of Unit #21 is less than the cost to maintain it.

DISCUSSION:

Staff started researching purchasing a new compact excavator in March 2017 and included a cost of \$60,000 in the FY 17/18 water budget. Staff prepared a list of criteria for the new compact excavator as shown below:

- Manufacturer has to be a local dealership that can provide annual maintenance service and repairs
- Replacement parts must be non-proprietary and shall be obtained within 5 working days to reduce down time for the equipment.
- The diesel engine shall meet the Air Resources Control Board Tier 4 Final requirements for emission controls.
- The unit shall weigh a maximum of 8,000 lbs., which is a higher class of excavator from Unit #21.
- The lifting capacity shall be a minimum of 3000 lbs.
- The breakout force required shall be a minimum of 6,000 lbf
- Maximum ground pressure that the legs can apply to the ground shall be 4.5 psi
- The unit shall be equipped with a standard power angle blade for grading
- The unit shall have a hydraulic flow control system for the auxiliary excavator controls



- Manufacturer shall provide three (3) buckets – 12”W, 18”W & 24”W attachments; Anti-Theft options & hydraulic bucket coupler for changing buckets
- Provide a 12-month powertrain & hydraulic warranty

The attached comparison chart for compact excavators shows a breakdown of information from the five (5) leading excavator companies represented in Southern California. Staff met with representatives from Caterpillar and John Deere, who also provided a field demonstration of their equipment.

Staff received quotes from three of the five companies as shown in the chart (Caterpillar, John Deere and Volvo). Volvo provided a quote but did not meet the District’s criteria with respect to the ARCB Tier 4 requirements and the hydraulic bucket coupler. Also, after repeated attempts, Volvo did not provide a field demonstration of their compact excavator.

Staff reviewed the two remaining quotes from Caterpillar and John Deere with respect to meeting the District’s criteria and budget. Both Caterpillar and John Deere provided a compact excavator for a week for the field crews to become familiar with their capabilities. The crews indicated that the Caterpillar was easier to maneuver in the field and was a better “balanced” machine. Also, the Caterpillar had additional power to break through pavement and rocky soils. Staff expressed concerns with the John Deere having a smaller hydraulic system capacity and a lower bucket breakout force.

RECOMMENDATION:

It is staff recommendation to the Engineering Committee to add the purchase of the new Caterpillar Excavator Model No. 303.5E2 from Quinn Company to the July 11, 2017, Board agenda for a total cost of \$60,545. While the John Deere excavator is \$1,276 less, the field crews believe that the Caterpillar will provide a better product in the long-term.

Prepared & Submitted by:

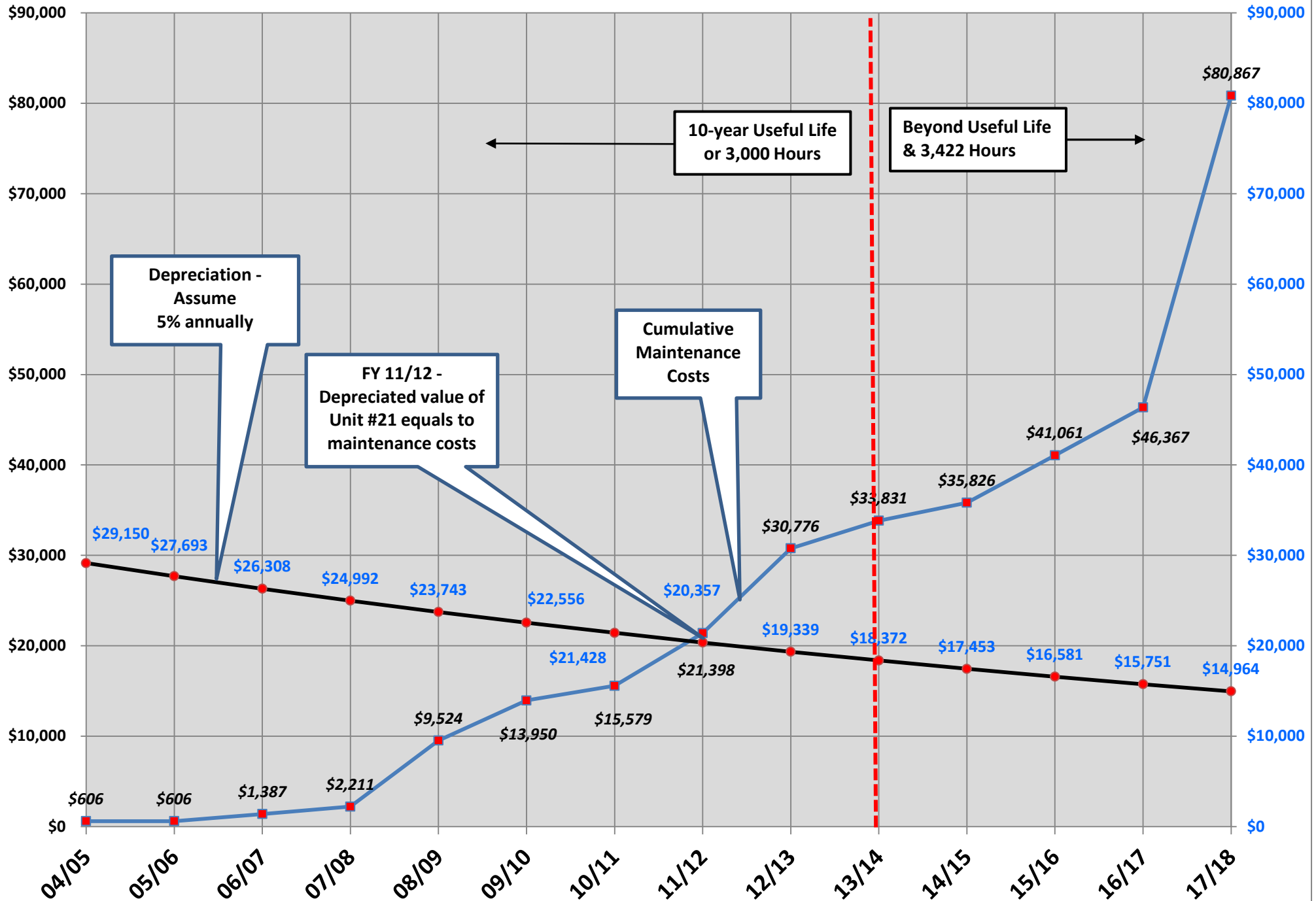


David S. Gould, P.E.
District Engineer

Attachments:

1. Request for quotes from Caterpillar, John Deere & Volvo
2. Unit #21 – Depreciation vs. Maintenance Cost Chart
3. Comparison Chart for Compact Excavators

Unit #21 - Depreciation vs. Maintenance Cost



Crescenta Valley Water District Comparison Chart for Compact Excavators									
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Rank	Manufacturer/ Company	Model No.	Engine Manufacturer	Air Resources Board Certified (Tier Level)	Horsepower Gross (Hp)	Operating Weight (lbs.)	Overall Dimensions	Bucket Rotation (Note 1)	Lifting Capacities (Note 2)	Bucket Breakout Force (lbf)	Hydraulic System Capacity (Note 3)	Swing RPM (Note 4)	Boom Swing Left (Note 5)	Boom Swing Right (Note 5)	Ground Pressure (psi)	Power Angle Blade (Note 6)	Hydraulic Bucket Coupler (Note 7)	Bucket Lifting point	Warranty	Quote - Including Taxes & Delivery	Comments
1	Caterpillar	303.5E2 CR	Kubota	Tier 4 Final	24.8	7,803	15'-6" long x 5'-10" wide	200 Degrees	3462 lb.	7,419	17.2 gal	10	80 Degrees	50 Degrees	4.6	Yes	Yes	Permanent mount on bucket linkage	Base: 1-year Extended: 2 year	\$60,545	Local dealership; Parts available in USA; Provides hydraulic bucket coupler; Demo by Crews; easy to use
2	John Deere	35G	Yammer	Tier 4 Final	23.3	7,760	15'-3" long x 5'-10" wide	N/A	3453 lb.	6,085	8.5 gal	9	72 Degrees	62 Degrees	4.6	Yes	Yes	Not available	Base: 1-year Extended: 2 year/2,000 hours	\$59,269	Local dealership; Parts available in USA; Provides hydraulic bucket coupler; Smaller hydraulic system capacity and bucket breakout force, Demo by Crews
3	Volvo	EC35D	Volvo	No Information Found	25.0	7,782	14'-11" long x 5'-10" wide	199 Degrees	2108 lb.	7,394	16.3 gal	N/A	76 Degrees	56 Degrees	4.7	Yes	Not available	Welded on back of bucket	Base: Not Provided	\$45,942	Local Dealership, Does not provide hydraulic bucket coupler; Parts made out of country, provides 24- hour guarantee on parts; Did not provide a demo
4	Case Excavators	CX37C	Yammer	Tier 4 Interim	24.4	7,990	15'-9" long x 5'-9" wide	180 Degrees	2410 lb.	6,900	15.9 gal	8	75 Degrees	50 Degrees	4.8	Not available	Not available	Welded on back of bucket	Base: 2- year/3,000 Hours	No Quote	
5	JCB Machines	8035 ZTS	JCB	Tier 3	31.6	8,049	14'-7" long x 5'-5" wide	186 Degrees	2350 lb.	7,194	18.5 gal	9	45 Degrees	60 Degrees	N/A	Not available	Not available	Not available	Base: 1-year	No Quote	

NOTES:

1. Bucket rotation is a measurement of how far the bucket opens and close's relative to the arm. In practical terms the more the bucket opens the more efficient for tunneling and the more the bucket close's the less material falls out when loading in to the truck.
2. Lifting capacities are measured from the center of the swing pin with load over the blade to a 10' radius at ground level and are based on ISO standard 10567
3. The larger the hydraulic fluid system capacity, the lower oil temperature which results in lower maintenance cost
4. Swing arm RPM and bucket breakout force work together to reduce cycle times (cycle time is a measurement of how long it takes to remove a bucket of material from the trench and load it in the truck)
5. On this class of tractor, the boom arm can be offset from the housing unit (the housing unit is the part of the tractor where the operator sits and is mounted on the undercarriage)
6. The angle blade increases the operator's efficiency when backfilling the trench, laying down temporary AC pavement, and grading.
7. The hydraulic bucket coupler permits the operator to change the bucket from the housing unit without assistance from personal on the ground. Basically taking a task that use to take two (2) people and making it a one person task. This also reduces potential finger/hand injuries from not having to manually insert and remove pins .

CRESCENTA VALLEY WATER DISTRICT

STAFF REPORT

Information Item No. 7
June 28, 2017

To: Engineering Committee
From: David S. Gould, P.E. – District Engineer
Subject: **Preliminary Board and Engineering Committee Project Schedule**

INFORMATION ITEM:

Discussion of Board Meeting and Engineering Project Schedule

DISCUSSION:

Staff has put together a preliminary project schedule relative to upcoming Board Meetings and Committee Meetings for discussion. See attached table

Prepared & Submitted by:



David S. Gould, P.E.
District Engineer

Attachments:

1. preliminary project schedule

g:\engineering committee\2017 ec memo\06-28-17 ecm memo - board schedule.docx

Board Meetings		Committee Meetings		
Date	Agenda	Date	Committee Meeting	Agenda
7/11/2017	E-956 - Well 2 - Advertise for Bid	6/28/2017	Engineering	Water Quality Investigation
	E-956 - Well 2 - Construction Management - Award Contract			Status of Groundwater/Water Production
	E-983 - Well 5 Rehabilitation - Award Contract			E-956 - Well 2 - Advertise for Bid
	C-984 - New Compact Excavator - Award Contract			E-956 - Well 2 - Construction Management - Award Contract
				E-983 - Well 5 Rehabilitation - Award Contract
				C-984 - New Compact Excavator - Award Contract
7/25/2017	No Meeting	7/20/2017	Engineering	Status of Groundwater/Water Production
				Finalize FY 16/17 CIP Costs
				Discuss FY 17/18 CIP - Schedule & Costs
				Update Summary of Grant Cost and Reimbursements
8/15/2017	S-962 - Sewer Lift Station Emergency Generator - Advertise for Bid	8/10/2017	Engineering	Status of Groundwater/Water Production
	E-970 - Oak Creek Reservoirs - Design - Award Contract			S-962 - Sewer Lift Station Emergency Generator - Advertise for Bid
				E-970 - Oak Creek Reservoirs - Design - Award Contract
9/5/2017	E-956 - Well 2 - Award Contract	8/31/2017	Engineering	Status of Groundwater/Water Production
				E-956 - Well 2 - Award Contract
9/19/2017	E-970 - Oak Creek Reservoirs - Advertise for Bid	9/14/2017	Engineering	Status of Groundwater/Water Production
	S-962 - Sewer Lift Station Emergency Generator - Award of Contract			E-970 - Oak Creek Reservoirs - Advertise for Bid
				S-962 - Sewer Lift Station Emergency Generator - Award of Contract
10/3/2017				
10/17/2017	E-982 - Pipeline Replacement - Brookhill - Advertise for Bid	10/12/2017	Engineering	Status of Groundwater/Water Production
	E-970 - Oak Creek Reservoirs - Award Contract			E-982 - Pipeline Replacement - Brookhill - Advertise for Bid
				E-970 - Oak Creek Reservoirs - Award Contract
11/7/2017	E-985 - Well 10 Rehabilitation - Advertise for Bid			
11/21/2017	E-982 - Pipeline Replacement - Brookhill - Award Contract	11/15/2017	Engineering	Status of Groundwater/Water Production
				E-982 - Pipeline Replacement - Brookhill - Award Contract
12/12/2017	E-985 - Well 10 Rehabilitation - Award Contract			

CRESCENTA VALLEY WATER DISTRICT

MEMORANDUM

DATE: June 29, 2017
TO: Finance Committee Meeting File
FROM: Ron L. Mitchell

Following is a summary of the Finance Committee Meeting held at 3:30 p.m. on June 29, 2017, at the CVWD main office, and was attended by the following:

Director Judy Tejeda - Committee Chairperson	CVWD
Director James Bodnar - Committee Member	CVWD
Thomas A. Love – General Manager	CVWD
Ron L. Mitchell – Secretary-Treasurer	CVWD
James Lee – Accountant	CVWD
Renee Graves	Clifton Larson Allen
Leslie Ward	Clifton Larson Allen

1. Review of draft FY 2016/17 Audit

The Committee and staff met with Ms. Renee Graves and Ms. Leslie Ward of Clifton Larson Allen (CLA)(formerly Vicenti Lloyd & Stutzman). They discussed their recent merger with CLA and the added benefits that their clients will receive due to increased resources and experience with new GASB pronouncements. Ms. Graves and Ms. Ward then reviewed the audit services/objectives, audit requirements, how they intend to communicate with the Board and staff, the timing of the audit and issuance of the final report, and review of internal controls and detection of fraud. They concluded with an overview of GASB statements that will be coming in future years and how they may affect the District.

2. Refinancing of 2007 Revenue COPs

The Committee and staff reviewed a Power Point presentation that outlined the history of the 2007 issuance of Certificates of Participation (COPs), why now is a good time to pursue refinancing of the debt, whether to use this refinancing to realize annual savings in debt payment to reduce future expenses or to use proceeds to fund a new capital project now, refinancing via a public vs. private offering, and the timing of refinancing the debt. Staff also provided the Committee a spreadsheet that summarized the current debt and how much has been paid in interest and principal, and another that showed how the proceeds of the 2007 bond issuance was spent.

The Committee asked that this information be brought to the full Board at the next meeting.

The meeting adjourned at 4:45 p.m.

CRESCENTA VALLEY WATER DISTRICT

MEMORANDUM

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The Committee asked that this information be brought to the full Board at the next meeting.

The meeting adjourned at 4:45 p.m.

CRESCENTA VALLEY WATER DISTRICT

2700 FOOTHILL BOULEVARD
LA CRESCENTA, CALIFORNIA

Agenda for the Meeting of the Finance Committee
of the Crescenta Valley Water District

To be held June 29, 2017 at 3:30 p.m.

Posted: June 28, 2017 at 1:00 p.m.

Call to Order

Adoption of Agenda

Action Items

- 1) Review FY 2016-17 audit procedures with team from Vicenti Lloyd & Stutzman.
- 2) Refinancing of 2007 Revenue COPs.

Committee Member's Request for Future Agenda Items

Adjournment

CRESCENTA VALLEY WATER DISTRICT
OVERALL PLAN TO ACCOMPLISH THE AUDIT
For the Year Ended June 30, 2017

Presented by CliftonLarsonAllen LLP
Renee Graves, CPA, CGFM
Leslie Ward, CPA

AUDIT SERVICES/OBJECTIVES

Our audit will be made in accordance with auditing standards generally accepted in the United States of America and the Standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The audit will include such tests of the accounting records and other auditing procedures as we consider necessary to enable us to express our professional opinion whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

An essential feature of our audit is to gain an understanding of your system of internal controls upon which the scope and extent of our audit tests will be determined. Such an audit is not intended to be sufficiently conclusive to assure the discovery of errors, fraudulent financial reporting, misappropriation of assets, or violations of laws or governmental regulations, although their discovery may result. However, we feel that it offers an acceptable balance between conclusive reliability and reasonable audit costs. It provides for inquiries and selective tests of your operating procedures, including those designed to safeguard property and the accuracy and timeliness of cash disbursements. It gives reasonable assurance that the overall financial position and the results of operations are fairly presented on the basis indicated. It should be recognized, however, that it gives less assurance as to the accuracy of the individual items appearing in the financial statements since the tests are directed toward forming an opinion on the financial statements taken as a whole.

2017 AUDIT REQUIREMENTS

We will audit the statement of net position, statement of revenues, expenses and changes in net position and statement of cash flows for the year ended June 30, 2017. The financial statements referred to above will include required supplementary information and all supplementary schedules required by generally accepted accounting standards. We have not been engaged to report on any other statements, reports or forms that require an auditors' opinion.

Now
Clifford
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CRESCENTA VALLEY WATER DISTRICT

OVERALL PLAN TO ACCOMPLISH THE AUDIT
For the Year Ended June 30, 2017

2017 AUDIT REQUIREMENTS (continued)

Management will prepare the financial statements, including footnotes and supplementary schedules in compliance with the reporting format required by Governmental Accounting Standards Board (GASB) No. 34; this includes financial reporting and disclosures for GASB No. 45 Other Postemployment Benefits Other Than Pensions (OPEB) and GASB No. 68 Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27. We will assist management in the preparation of the financial statements.

The audit referred to above also includes reporting on internal control related to the financial statements and compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants, noncompliance with which could have a material effect on the financial statements in accordance with Government Auditing Standards.

COMMUNICATIONS ARISING FROM THE AUDIT

We will communicate to the Finance committee certain other matters related to the conduct of our audit, in accordance with, generally accepted auditing standards on *The Auditor's Communication with Those Charged with Governance*, this communication will include:

- ❖ The Auditor's Responsibilities with Regard to the Financial Statement Audit
- ❖ Planned Scope and Timing of the Audit
- ❖ Significant Findings from the Audit:
 - ◆ Qualitative aspects of significant accounting practices of the District such as accounting policies, accounting estimates and financial statement disclosures
 - ◆ Significant difficulties, if any, encountered in performing the audit
 - ◆ Uncorrected misstatements
 - ◆ Disagreements with management
 - ◆ Material, corrected misstatements as a result of audit procedures
 - ◆ Representations the auditor has requested from management
 - ◆ Management's consultations with other accountants
 - ◆ Significant issues such as business conditions affecting the District or the application of accounting principles and auditing standards – especially if discussed prior to our retention as the auditor
 - ◆ Other findings or issues that we believe to be significant and relevant to those responsible for the financial reporting process
- ❖ Independence – communication of any non-audit services performed or expected to be performed

CRESCENTA VALLEY WATER DISTRICT

OVERALL PLAN TO ACCOMPLISH THE AUDIT

For the Year Ended June 30, 2017

COMMUNICATIONS ARISING FROM THE AUDIT (continued)

As part of the required communications, we will communicate to the extent that they come to our attention, material errors, fraud or other illegal acts that are clearly not inconsequential, and any control deficiencies. Any internal control or compliance related matters that are required to be communicated under professional standards or Federal and State agencies will be included in our audit report.

We may also have other comments for management on matters we have observed and possible ways to improve the efficiency of your operations, or other recommendations concerning the internal control structure. With respect to these other communications, it is our normal practice to discuss comments, if appropriate, with the level of management responsible for the matters prior to their communication to senior management and/or the Finance Committee.

Before our reports are issued, draft copies are reviewed with management and Finance Committee. These reports are also subjected to firm technical review procedures by an independent partner.

ORGANIZATION AND STAFF

Our staffing has been planned to obtain the optimum blend of efficiency and quality. The partner, manager and in-charge with significant industry knowledge are assigned to your engagement. The manager and in-charge will have responsibility for coordinating all of the audit areas on the 2017 engagement.

TIMING OF THE AUDIT

Our audit of the financial statements will be performed in three phases: (1) planning, (2) test of controls and risk assessment, and (3) account balance procedures. We will maintain regular contact with appropriate members of management to ensure all due dates will be met.

CRESCENTA VALLEY WATER DISTRICT
OVERALL PLAN TO ACCOMPLISH THE AUDIT
For the Year Ended June 30, 2017

TIMING OF THE AUDIT (continued)

Our audit work will be scheduled to meet the following timetable:

Audit Planning	April - June
Pre-audit meeting with management	May 1, 2017
Additional planning and risk assessment, including testing of internal controls	Week of June 26 th , 2017
Pre-audit Finance Committee presentation	June 29, 2017
Commencement of year-end work	Week of August 28 th , 2017
Meet with management to review draft of financial statements	1 st week of October 2017
Finalize audit report	Week of October 16, 2017
Present final report to Finance Committee	Week of October 23, 2017
Present final report to Board of Directors	November 7, 2017

ITEMS OF CONSIDERATION FOR THE 2017 AUDIT

Litigation Review

We are required to circulate letters to various attorneys handling any significant legal matters and discuss these issues with management in consideration of the appropriate recording and disclosure of contingencies.

Consideration of Fraud in a Financial Statement Audit

Generally accepted auditing standards requires auditors to assess and identify the risk of fraud in an organization that could be material to the financial statements. We will make inquiries of management and others, including a board member, regarding their knowledge of fraud and known allegations of fraud. We will evaluate the entity's programs and controls in place to mitigate risks of fraud and how the organization's business practices and ethical standards are communicated to employees.

CRESCENTA VALLEY WATER DISTRICT
OVERALL PLAN TO ACCOMPLISH THE AUDIT
For the Year Ended June 30, 2017

NEW GOVERNMENTAL ACCOUNTING STANDARDS

As deemed necessary, the Governmental Accounting Standard Board (GASB) will issue new accounting standards that may impact financial presentations. It is management's responsibility to implement the appropriate GASB Statement as they pertain to District operations. We will provide assistance to the District with implementation of a new standard under a separate agreement.

Governmental Accounting Standards Board Statement No. 80

In January 2016, the GASB issued Statement No. 80 **Blending Requirements for Certain Component Units—an amendment of GASB Statement No. 14**. This statement establishes an additional blending requirement for the financial statement presentation of component units. A component unit should be included in the reporting entity financial statements if the component unit is organized as a not-for-profit corporation in which the primary government is the sole corporate member, as identified in the component unit's articles of incorporation or bylaws, and the component unit is included in the financial reporting entity pursuant to the provisions in paragraphs 21–37 of Statement 14, as amended. The statement is effective for the fiscal year 2016-17.

Governmental Accounting Standards Board Statement No. 82

In March 2016, the GASB issued Statement No. 82 **Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73**. This statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The statement is effective for the fiscal year 2016-17.

NEW GOVERNMENTAL ACCOUNTING STANDARDS ISSUED, NOT YET EFFECTIVE

Future GASB Statements

In addition, to the GASB Statements noted above, there are several exposure drafts with potential implementation dates ranging from fiscal years 2017-18 and beyond.

Governmental Accounting Standards Board Statement No. 75

In June 2015, the GASB issued Statement No. 75 **Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions**. This statement establishes standards for governmental employer recognition, measurement, and presentation of information about OPEB.

CRESCENTA VALLEY WATER DISTRICT
OVERALL PLAN TO ACCOMPLISH THE AUDIT
For the Year Ended June 30, 2017

***NEW GOVERNMENTAL ACCOUNTING STANDARDS ISSUED, NOT YET EFFECTIVE
(continued)***

Governmental Accounting Standards Board Statement No. 75 (continued)

The statement also establishes requirements for reporting information about financial support provided by certain non-employer entities for OPEB that is provided to the employees of other entities. This statement is closely related in some areas to GASB Statement No. 74. The statement is effective for the fiscal year 2017-18.

Governmental Accounting Standards Board Statement No. 81

In March 2016, the GASB issued Statement No. 81 **Irrevocable Split-Interest Agreements**. This statement establishes guidance in order to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. This Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This Statement requires that a government recognize revenue when the resources become applicable to the reporting period. The statement is effective for the fiscal year 2017-18.

Governmental Accounting Standards Board Statement No. 85

In March 2017, the GASB issued Statement No. 85 **Omnibus 2017**. The objective of the statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. Specific topics addressed in this statement are related to blended component units, goodwill, fair value measurement and application, and postemployment benefits (OPEB). The statement is effective for the fiscal year 2017-18.

Governmental Accounting Standards Board Statement No. 83

In November 2016, the GASB issued Statement No. 83 **Certain Asset Retirement Obligations**. This statement addresses accounting and financial reporting for certain asset retirement obligations when a legally enforceable liability is associated with the retirement of a tangible capital asset. The statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources. The statement is effective for the fiscal year 2018-19.

CRESCENTA VALLEY WATER DISTRICT
OVERALL PLAN TO ACCOMPLISH THE AUDIT
For the Year Ended June 30, 2017

***NEW GOVERNMENTAL ACCOUNTING STANDARDS ISSUED, NOT YET EFFECTIVE
(continued)***

Governmental Accounting Standards Board Statement No. 84

In January 2017, the GASB issued Statement No. 84 **Fiduciary Activities**. The objective of the statement is to improve guidance regarding the recognition of fiduciary activities for accounting and financial reporting purposes by establishing criteria for identifying fiduciary activities of all state and local governments. The statement is effective for the fiscal year 2019-20.

Refinancing of 2007 Revenue COPs

Finance Committee: June 29, 2017

- CVWD issued \$10,700,000 of Certificates of Participations (COPs) at interest rates ranging from 4.000% to 4.375%
 - \$8,100,000 callable bonds remain outstanding
 - The COPs are callable at par (no penalty)
- The proceeds of the COPs were used to construct a variety of capital improvements to the water system such as:
 - Well rehabilitation / Improvements to existing reservoirs / Upgrades to pumping stations / Water pipeline replacements

Credit rating

- Originally insured by FSA with an underlying Standard & Poor's (S&P) rating of 'A'
- Current underlying S&P rating remains 'A'



Why Pursue a Refinancing?

- Interest rates are at historic lows
 - Credit spreads have narrowed
- A refinancing of CVWD's 2007 COPs would produce significant savings
 - Option 1 – Savings: ~\$63,000 annual savings
 - Option 2 – New Construction Proceeds: raise ~\$880,000 while maintaining the same level of debt service
- Release reserve funds
 - Release reserve fund of \$617,307 (will flow through savings structure)



Private Placement vs Public Offering

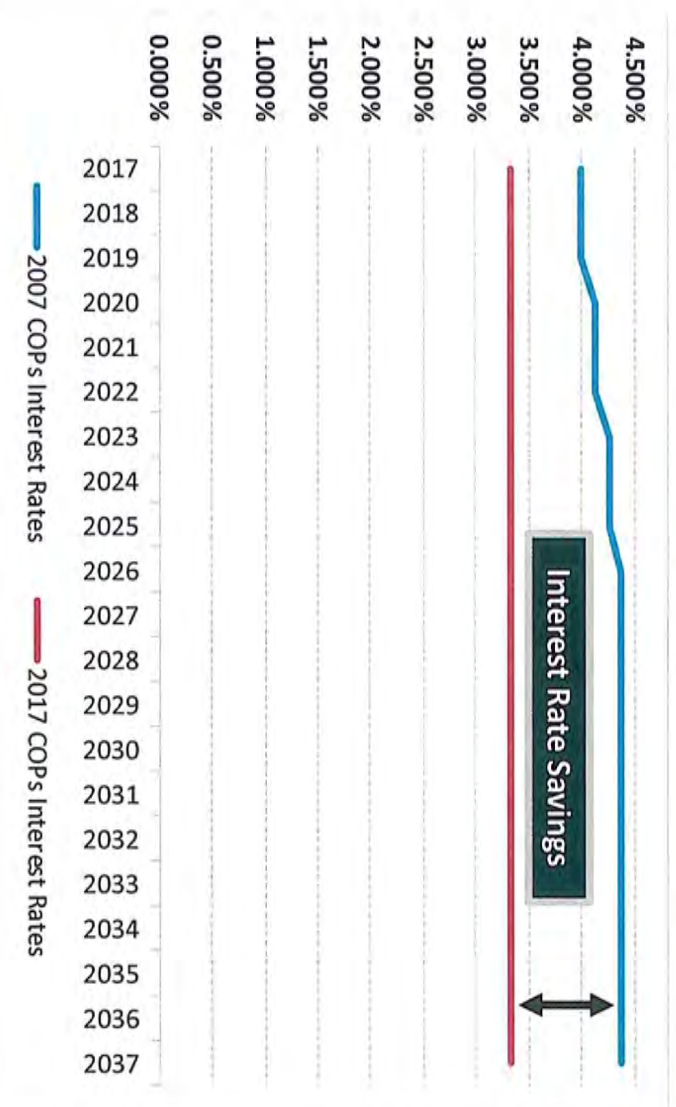
- Private Placement
 - Eliminate market risk (interest rate fluctuations) by locking in rate – e.g. locking in a rate on a home loan
 - Quicker financing process (less than one month) and minimized administrative impact
- Public Offering
 - There is a chance that the market will improve (interest rates go down), yielding higher savings
 - Longer financing process (several months) and higher administrative impact

Under current market conditions, the economics for private placements and public offerings are virtually the same.



Interest Rate Comparisons: 2007 vs. Proposed (Today)

- Proposed interest rates are significantly lower than the interest rates on the District's 2007 COPS
 - Avg. interest rate of 4.35% (existing) vs. 3.30% (proposed)
- A refinancing of CVWD's 2007 COPS would produce ~\$63,000/year savings or ~\$880,000 upfront savings



Sample Next Steps

Process	Timeline
Present to District Board and receive notice to proceed	July 11
Policy decision: annual savings vs upfront savings	July 11
Solicit and receive bids from credit facilities (banks)	Week of July 24
Assemble financing team	Week of July 24
Complete loan documentation	Week of August 7
Close Financing	Week of August 14



CVWD BOND FUND CAPITAL IMPROVEMENT PROJECTS

E-JOB NO.	DESCRIPTION	Prior to 06/07	06/07	07/08	08/09	09/10	10/11	11/12	12/13	13/14
136-00	Tools & Lab Equipment - Water			14,166						
149-00	Computers - Water		46,434	10,895						
E-726	Construction of 8-inch Water Main on the 2700 Block of El Caminito		27,720							
E-733P	Construction of 12-inch Water Main on Ocean View Blvd. & Chloramination Station at Williams Reservoir	26,281		243,281						
E-733CS	Chloramination Station at Williams Reservoir			3,790	25,634		2119	10,930	37,279	1,001
E-735	Installation of 8-Inch Water Main on the 2300 blocks of El Moreno and Pickens Cyn Road									
E-735a	Installation of 8-Inch Water Main on the 2300 blocks of El Moreno and Pickens Cyn Road			11,606						
E-741	Water & Wastewater Rate Study & related Public Relation Services	120,003			9,647					
E-745	Water Supply and System Master Plan	191,109	75,487	68,071	8,238	16,183				
E-756	14" Water Transmission Main Relocation at Sheriff's Station from Ocean View Reservoir	205,188	3,026	15,041						
E-765	8" Water Main Replacement on the 3200 & 3300 Blocks of Los Olivos Avenue	478,988	32,522							
E-766	Water Supply Interconnection with the City of LA at Honolulu & Lowell	57,947	64,561	89,397	67,737	893				
E-766A	Water Supply Interconnection with the City of LA Honolulu & Lowell Fiscal 2011							1,600	49,743	0
E-768	Rehabilitation of Roof at Edmund No.1 Reservoir		5,700		239,548	6,961				
E-770	Construction of New Roof at Old Enchinal Reservoir and Improvements to the Site		6,398	340	49,365	21				
E-772	Well Rehabilitation and Construction of Related Facilities at Well #2	31,034	59,156	28,820	717					
E-777	Construction of Water Service Replacement/Relocation on Montrose Avenue from Ramsdell Ave to Verdugo Boulevard	189,423	19,417	456						
E-778	Installation of New MCC, Emergency Generator & ATS at Glenwood	51,010	155,834							
E-779	Water Main Replacements on New York, Maryland, Prospect, Community, & Maryann		1,072,175							
E-780	Well Rehabilitation - Well #15	3,580	23,496							
134-00	Emergency Well Rehabilitation - Well #10		23,840							
E-784	Springbrook Software		79,101	26,657						
E-787A	Eagle Canyon MCC Redesign		4,368	770	14,329	40,528	208,539			
E-788	Revise Verdugo Basin Groundwater Flow Model		27,349		10,257	2,070				

CVWD BOND FUND CAPITAL IMPROVEMENT PROJECTS

E-JOB NO.	DESCRIPTION	prior to 06/07	06/07	07/08	08/09	09/10	10/11	11/12	12/13	13/14
E-791	New Nitrate Monitor Installation at Oak Creek Reservoir		16,461							
	Emergency Repair Cresta Heights - Booster 26		15,725							
E-792	Rehabilitation of Booster Pumps-Booster 21 at Edmund No. 1		15,643							
E-793	Rehabilitation of Booster Pumps-Booster "D" at Encinal		18,062							
E-794	Glendwood Booster Station Pipe Manifold Replacement	4,244								
E-796	SCADA Communications from Edmund 1 to Pickens Reservoir		24,030							
E-797	Upgrade to Ramsdell/Mayfield Mixing Station		7,556	1,120	59,813	25,354	11,346			
E-799	Rehabilitation of Booster Pump at Paschall Booster #17			25,656	5,274					
E-800	Rehabilitation of Booster Pump at Rosemont Booster #23			50,239	722					
E-801A	Air Conditioner Vent Changes/Storage Cabinets/Chairs/Keyboards			20,046						
E-802A	Enterprise Communications Project		2,400	13,109	17,939					
E-806	Construction of 12-inch Water Main on the 2700 & 2800 Blocks of Foothill Blvd.			621,867	149,237	56,428				
E-807	SCADA Needs Assessment and Support Services			25,364						
E-808	Mills Office Conversion/Remodeling			24,687						
E-809	Glenwood Plant Remodel			123,077						
E-810	SCADA Computer Hardware & Software Upgrades, Phase 1			95,152	9,950					
E-811	Construction of Water Service Relocation on Montrose from Raymond to East Rosemont			9,502						
E-812	Sodium Hypochlorite Conversion at the Glenwood Plant			2,923	36,797					
E-813A	Water Main Replacements on Pontiac, Cloud, & Pennsylvania			233,973	15,986					
E-813B	Water Main Replacements on North Side of Pennsylvania			85,252	10,539					
E-813C	Water Main Replacements on South Side of Pennsylvania				281,472	6,186				
E-814	Construction of Water Service Replacement/Relocation on Piedmont Avenue from Ramsdell Ave to La Cresentia Ave			388		40,429	181,874			
E-815	SCADA Emergency Recovery System			18,500						
E-818	Financial & Inventory Software System				46,750	22,001	19,581			

CVWD BOND FUND CAPITAL IMPROVEMENT PROJECTS

E-JOB NO.	DESCRIPTION	prior to 06/07	06/07	07/08	08/09	09/10	10/11	11/12	12/13	13/14
E-819	Well Rehabilitation and Related Facilities at Well #9			1,731	26,985	829				
E-820	Well Rehabilitation and Related Facilities at Well #12			26,348	29,025					
E-821	Well Rehabilitation and Related Facilities at Well #14			23,678	20,820					
E-822	Construction of 8-inch Water Main on the 2300 Block of Chapman					3,572		195,160		
E-824	Upgrade Ex. Pressure Reducing Stations - Z4 to Z3				14,103					
E-826	Corrosion Control Study/CDPH Lead and Copper Rule				107,367					
E-828	New Chlorine Analyzers				35,974	381				
E-829	Planning/Investigation/Radio Survey/Pilot				20,330	573				
E-830	GIS - Water Meters, Valves & FH's				23,054	3,090				
E-831	Computer Hardware Upgrades			4,913	55,714					
E-832	One (1) Emergency Portable Generator				35					
E-833	Plant Fire Alarm/Security Camera									
E-834	Rehabilitation of Booster Pump at Oceanview Booster A			26,280	19					
E-835	Rehabilitation of Booster Pump at Encinal Booster C			24,407	6,127					
E-837	Valve Replacement 4500, 4600, 4700 Blocks of Ramsdell			14,079	4,315					
E-838	Security & Surveillance			8,322	18,811	340				
E-839	Paschall Booster Stn - Motor Control Center Update			57	-57					
E-840	Repair of Eagle Canyon Booster B			38	1,170					
E-840R	Repair of Eagle Canyon Booster A and B						21,499			
E-841	Paschall Booster Stn - Transformer Update				6,604					
E-843	Encinal Reservoir - Re-Piping Project				19					
E-844	Retaining Wall - Ordunio			19	38					
E-845	Construction of 12-inch Water Main on the 3000 & 3100 Blocks of Foothill Blvd.				362,036	2,462	7,212			
E-846	Security Gate - Glenwood Plant				20,484					

CVWD BOND FUND CAPITAL IMPROVEMENT PROJECTS

E-JOB NO.	DESCRIPTION	prior to 06/07	06/07	07/08	08/09	09/10	10/11	11/12	12/13	13/14
E-847	Markridge Reservoir Corrosion Investigation Study				46,319	5,023				
E-848	Ramsdell/Mayfield SCADA Move (SEE E-797 FOR VAULT/VALVES)				20,098	3,692				
E-849	Eagle Canyon Booster Station - Manifold Replacement				19,673	6,919				
E-851	Arc Flash Study				26,589					
E-851A	Arc Flash Study Phase II					125	6720			
E-853	Encinal D - Pump and Motor Replacement				16,435					
E-854	Reroute Water Main inside Glenwood Plant				16,273					
E-855	Project Management and Other System									
E-857	pH Adjustment Study for Copper Corrosion Control				10,143	14,550				
E-858	Well Rehabilitation - Well 11 (?) (Still undecided which well/pump)									
E-860	Replace a Section of Mills Plant Booster Discharge				12,136					
E-862	Glenwood Booster Station Improvements				6,575		23,618			
E-863	Paschall Booster Station Improvements				35					
E-864	Construction 8" Water Main 3200 Blocks Frances/Henrietta and 5300 Block of Maryland				4,446	416,165				
E-865	Installation of Pressure Transducers in Groundwater Wells				1,367	6,584				
E-866	Computer Hardware and Work Stations				18,945	30,307				
E-868	Well #9 Rehabilitation					55,434				
E-872	Well #10 Rehabilitation 2009									
E-874	Seismic Sensors at Edmund #2 and Shields Reservoirs					93,009	8,140			
E-875	Installation of System Wide Wireless Communication Network					16,647	147,440	62,459		
E-880	Diesel Tank at Glenwood Plant						4,104	38,065		
E-881	Repair of Mills Booster A					23,966	3,910			
E-883	Well 11 Pump Repair and Rehab					493	95,457			
E-884	Replace Ordunio A & B Booster Pumps						43,903			

CVWD BOND FUND CAPITAL IMPROVEMENT PROJECTS

E-JOB NO.	DESCRIPTION	prior to 06/07	06/07	07/08	08/09	09/10	10/11	11/12	12/13	13/14
E-885	Emergency Interconnection CVWD & LCID						Paid by La Canada			
E-886	Protective Cover for Inlet/Outlet Pipes Edmund #2 Reservoir							23,941		
E-887	Oak Creek - Booster D Repair							26,252		
E-889	Design 8" Water Main 3800 & 3900 Blocks of Cloud							7,181	195,956	
E-890	Well #14 Rehabilitation 2010							51,650	376	
E-891	Dunsmore Reservoir - Electrical Supply							10,375	0	
E-892	Pickens Canyon Reservoir - Electrical Supply							268	12,049	
E-893	Glenwood Nitrate Plant Rehab & New Resin							5,167	370,314	
E-894	Well 10 Rehab - Fiscal 2012								75,979	
E-895	Two Security Gates at Glenwood Plant								32,033	
E-898	Repairs to Paschall Booster Station								34,058	

	Total Expenditures		\$1,826,461	\$2,013,286	\$2,011,958	\$901,215	\$910,296	\$1,028,979	\$87,022	\$1,001
	Bond Fund Balance	\$8,780,218	\$6,953,757	\$4,940,471	\$2,928,513	\$2,027,298	\$1,117,002	\$88,023	\$1,001	\$0