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 Tuesday June 9, 2020 at 7:00 p.m.

Posted: June 4, 2020 at 3:00 p.m.

TELECONFERENCING NOTICE

[This meeting will be held by teleconference only.]

Pursuant to the provisions of Executive Order N-29-20 issued by Governor Gavin Newsom on March 18, 2020, the public may not attend the meeting in person.

Any member of the public may participate using a touchtone phone. You may select any of the following phone numbers (there are more than one for increased reliability during this time of increased phone traffic)

(669) 900-6833	**(346) 248-7799**	**(929) 205-6099**
(253) 215-8782	**(301) 715-8592**	**(312) 626-6799**

Then, enter Access Code: 890 5978 6776

Those members of the public who are able to and would like to additionally participate through computer may access the Zoom teleconferencing tool available at the following link – https://us02web.zoom.us/j/89059786776.

Public comment may be made either by emailing comments ahead of the meeting or by speaking over the phone. Emailed comments will be sent to the Board of Directors prior to the meeting and posted on the District's website. Comments may be sent to Christy Colby, Regulatory and Public Affairs Manager, at (818) 248-3925 or customerservice@cvwd.com by 3pm on June 9, 2020.

Any person may make a request for a disability-related modification or accommodation needed for that person to be able to participate in the public meeting by contacting the District by phone or in writing at the above email address. Requests must specify the nature of the disability and the type of accommodation requested. A telephone number or other contact information should be included so that District staff may discuss appropriate arrangements. Persons requesting a disability-related accommodation should make the request with adequate time before the meeting for the District to provide the requested accommodation.

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 and posted on the District's website.

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-minute (3) 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 Regular Adjourned Board Meeting on May 26, 2020.

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-minute (2) comment.

1. **Resolution No. 759** – Consideration and motion to adopt a resolution for the designation of the General Manager and Director of Engineering as subrecipient's agent as part of the grant application for the California Governor's Office of Emergency Services, hazard mitigation grant program and pre-disaster mitigation program, Project M-1004.
2. **FY 2020-21 Water and Wastewater Budgets** – Consideration and motion to adopt the FY 2020-21 Water and Wastewater Budgets.
3. **Long-Term Infrastructure Reliability and Funding Roadmap** – Discuss updates related to the District's bond financing.

Information Items

Written Communications to District/Board of Directors

General Manager's Report

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
May 26, 2020

Pursuant to the order of the Board of Directors of the Crescenta Valley Water District made at the Regular Meeting on May 12, 2020, an Adjourned Regular Meeting was held on May 26, 2020, at 7:00 p.m. through teleconference due to the COVID-19 pandemic, with President Kerry D. Erickson presiding.

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

Directors:	**Kerry D. Erickson** **James D. Bodnar** **Kenneth R. Putnam** **Sharon S. Raghavachary** **Judy L. Tejeda**
Attorney:	**Thomas Bunn**
General Manager:	**Nem Ochoa**
Director of Finance & Administration:	**James Lee**
Director of Engineering:	**David Gould**
Others Present:	**Christy Colby, Regulatory & Public Affairs Manager** **Dennis Maxwell, Director of Operations** **Brook Yared, Senior Engineer** **Arturo Montes, Finance & Administration Manager** **Wendy Holloway, Customer Service Manager** **Pam Leddy, Administrative Assistant** **Frank Colcord, FMWD Director**

PLEDGE OF ALLEGIANCE

President Erickson opened the meeting by leading the Directors and staff in reciting the Pledge of Allegiance.

ADOPTION OF AGENDA

It was moved by Director Bodnar, seconded by Director Tejeda and carried by a 5-0 roll call vote that the Agenda for the Adjourned Regular Meeting of May 26, 2020 be adopted as presented.

AYES:	**Director Tejeda** **Director Bodnar** **Director Putnam** **Director Raghavachary** **Director Erickson**
NOES:	**None**

PUBLIC COMMENTS – Ms. Marilyn Tyler commented on the late agenda posting and subsequent reschedule of the Finance Committee meeting originally scheduled for Wednesday, May 20, 2020.

FOOTHILL MUNICIPAL WATER DISTRICT REPORT – Mr. Frank Colcord reported that the State reservoirs are currently full even with below-average snowpack in the Sierra's. The State Water Project allocation remains at 15%. Foothill Municipal Water District (FMWD) will be voting to finalize their budget on June 15, 2020 for FY 2020/21. Metropolitan Water District has approved a 3% increase for the next year, followed by a 4% increase for the following year for water purchased from their agency.

CONSENT CALENDAR
It was moved by Director Tejeda, seconded by Director Raghavachary, and carried by a 4-0 roll call vote to approve the Minutes of the Regular Board Meeting held on May 12, 2020 through teleconference and to ratify the disbursements for April 2020 as presented.

Payment of demands against the Crescenta Valley Water District on or before April 2020, the same having been approved by the General Manager, and heretofore paid, are to be ratified and approved subject to audit, in the aggregate sum of Five Hundred Twenty-Six Thousand, Eighty-Eight Dollars and Seventy Cents (526,088.70), which is composed of the individual items set forth herein.

AYES: **Director Tejeda**
Director Bodnar
Director Raghavachary
Director Erickson

NOES: **None**

ACTION CALENDAR

FY 2020-21 Water and Wastewater Budgets – Mr. Ochoa presented two budget scenarios assuming no rate increase: 1) Budget without bond proceeds; and 2) Budget with potential bond proceeds ($5M) for FY 2020-21. The completed Q3 financials, which provided additional detail for each department, were discussed in detail to provide additional context to the actual revenue and expenditure figures. A discussion was held regarding whether to authorize bond-funded capital infrastructure when the budget is accepted or in August/September when a decision to finalize bond proceeds is expected.

Long-Term Infrastructure Reliability and Funding Roadmap – Mr. Lee and the District's financial advisor, John Phan, updated the bond financing process and the market as they relate to the Long-Term Infrastructure Reliability and Funding Roadmap. Requests for Proposals from qualified firms to serve as Bond Counsel and/or Disclosure Counsel and as Underwriter for the financing were due on Thursday, May 21, 2020.

INFORMATION ITEMS – None

WRITTEN COMMUNICATIONS TO DISTRICT – None

REPORTS OF PERSONNEL – None

GENERAL MANAGER – Mr. Ochoa reported that CVWD continues to closely monitor guidance regarding COVID-19 from a multitude of agencies. A required site-specific plan for Crescenta Valley Water District is being finalized. Mr. Montes announced the introduction of a Wellness Challenge to staff, which is being funded by a grant from JPIA. Mr. Lee reported on the reduction of bank fees charged by Wells Fargo to CVWD. Mr. Maxwell gave an update on the repair work in process to prepare the rental property located on Mills Avenue for occupancy.

ATTORNEY – No report

REPORTS OF COMMITTEES

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

Finance Committee – Director Tejeda reported that the Committee had met via teleconference, on Thursday, May 21, 2020. A teleconference meeting will be scheduled as needed.

Employee Relations Committee – Mr. Ochoa reported that the Committee had not met; however, a teleconference meeting will be scheduled as needed.

Policy Committee – Director Erickson reported that the Committee had not met; however, a teleconference meeting is scheduled on Friday, May 29 at 1:00 p.m.

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

Emergency Planning Committee – Director Raghavachary reported that the Committee had met via teleconference on Friday, May 15, 2020. A teleconference meeting will be scheduled as needed.

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

DIRECTORS' ORAL REPORTS

Director Erickson – No report

Director Bodnar – No report

Director Tejeda – Thanked the staff at ACWA and JPIA for their assistance with the Wellness Program grant.

Director Putnam – Requested that minutes for committee meetings be included with each Board packet.

Director Raghavachary – Attended, via teleconference, the first Town Council meeting held since February due to the COVID-19 pandemic.

CLOSED SESSION – No reportable items.

BOARD MEMBERS REQUESTS FOR FUTURE AGENDA ITEMS – None

ADJOURNMENT

There being no other business to come before the Board, at 8:41 p.m., it was moved by Director Tejeda, seconded by Director Raghavachary and carried by a 5-0 roll call vote that the meeting be adjourned to June 9, 2020, at 7:00 p.m.

AYES:	**Director Tejeda** **Director Bodnar** **Director Putnam** **Director Raghavachary** **Director Erickson**
NOES:	**None**

APPROVED

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Kerry D. Erickson
President

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James Lee
Director of Finance & Administration

CRESCENTA VALLEY WATER DISTRICT

BOARD OF DIRECTORS - STAFF REPORT

Action Item No. 1

To: Honorable President and Members of the Board of Directors June 9, 2020

From: David S. Gould. P.E. – Director of Engineering

Subject: **Resolution No. 759 – Designation of Subrecipient's Agent Resolution for Hazard Mitigation Grant Program and Pre-Disaster Mitigation Program, Project M-1004**

ACTION ITEM

Resolution No. 759 – Consideration and motion to adopt a resolution for the designation of the General Manager and Director of Engineering as subrecipient's agent as part of the grant application for the California Governor's Office of Emergency Services, hazard mitigation grant program and pre-disaster mitigation program, Project M-1004.

BACKGROUND:

In March 2019, CVWD submitted a grant application with California Governor's Office of Emergency Services (Cal OES) for funding through the Hazard Mitigation Grant Program (HMGP) for development of a local hazard mitigation plan (LHMP). Staff and its consultant John Robinson Consulting (JRC) are working to prepare the OES grant application for the local hazard mitigation plan. The grant application includes a discussion of the following actions for the LHMP.

- Hazard Mitigation Planning Committee (HMPC): District to organize a HMPC that will include representatives from each participating jurisdiction; staff with other local, state, and federal agencies; take the "whole community" approach including members of the public; and may also include a cross-section of the community, such as residents, private nonprofit organizations, community leaders, and business owners.
- Detailed Risk Assessment Plan: develop a plan to understand the risk and vulnerability of identified natural hazards and to provide a basis for hazard mitigation strategy development. The risk assessment will include 1) prioritization of the hazards that have occurred within the District, 2) maps that delineate areas affected by hazards and identify locations of local assets, 3) develop an overview of the District's vulnerability to specific hazards and 4) capability assessment that will inventory existing plans, policies, and procedures that the District has in place to temper the effect of hazards.
- Development of Mitigation Strategy: develop a strategy to address the District's exposure to identified hazards. This will require meetings of the HMPC, and include 1) developing mitigation goal statements that focus on reducing the risk and vulnerability from the identified hazards 2) developing a comprehensive range of specific mitigation actions items being considered to reduce the effects of each hazard, based on the risk assessment, 3) prepare a plan ensure that each required component are included in the plan.
- Hazard Mitigation Plan Maintenance Process and Plan Adoption: that will include 1) monitor, evaluate, implement, and update the LHMP, 2) implement and incorporate hazard mitigation plan goals and actions into other local planning documents, 3) implementation of a LHMP schedule, 4) continued public involvement in the LHMP development, maintenance, and future updates, 5) prepare a Final LHMP that incorporates public comments, make all necessary revisions, and submittal to Cal OES and FEMA Region IX for review and approval, 6) CVWD's Board to adopt the LHMP upon approval of the Plan from Cal OES and FEMA Region IX.

In June 2019, Resolution 744 was approved by the Board of Directors to a) appoint a person(s) with legal authority to enter into an agreement; b) the appropriate official or governing body has reviewed and supports the application submitted; c) the capability of the applicant to provide the amount of funding and that the applicant will work with the California Governor's Office of Emergency Services to meet established deadlines for entering into a grant or cooperative agreement.

DISCUSSION:

In April 2020, CVWD was informed that we were awarded the Cal OES Hazard Mitigation Assistance grant and we were requested to submit additional information. Cal OES requested a valid Resolution that was approved within the last 3 years stating the legal authority of the District to enter into an agreement.

At that time, Resolution 744 was approved, it stated the position of District Engineer was include as a legal authority. In July 2019, the position was of District Engineer was re-classified as Director of Engineering. Cal OES has suggested that CVWD revise the Resolution with the correct job title. As shown in the attached Resolution 759, the title of District Engineer has been replaced with Director of Engineering.

RECOMMENDATION:
It is staff's recommendation to adopt Resolution 759 with the revised title of Director of Engineering. This revised Resolution will be valid for the next 3 years, if CVWD wants to get additional funding from Cal OES and FEMA.

ENVIRONMENTAL REVIEW:
N/A

FUNDING AVAILABILITY:
N/A

Prepared by:

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David S. Gould, P.E.
Director of Engineering

Submitted by:

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Nem Ochoa
General Manager

Attachment:

1. Resolution No. 759
2. Resolution No. 744 dated June 11, 2019

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<u>RESOLUTION NO. 759</u>

RESOLUTION OF THE BOARD OF DIRECTORS OF
CRESCENTA VALLEY WATER DISTRICT
DESIGNATION OF SUBRECIPIENT'S AGENT RESOLUTION
FOR NON-STATE AGENGIES

WHEREAS, The California Governor's Office of Emergency Services provides financial assistance through its Hazard Mitigation Grant Program for entities to undertake projects that result in eligible hazard mitigation activities that will reduce or eliminate damages to life and property; and

WHEREAS, the Board of Directors of Crescenta Valley Water District desires to pursue grant funds from said program; and

WHEREAS, the California Governor's Office of Emergency Services has been delegated the responsibility of the administration of this grant program and establishing necessary procedures; and

WHEREAS, said procedures established by California Governor's Office of Emergency Services require the applicant to certify by resolution the identity of the official with legal authority to enter into an agreement; that the appropriate official or governing body has reviewed and supports the application submitted; the capability of the applicant to provide the amount of funding and that the applicant will work with the California Governor's Office of Emergency Services to meet established deadlines for entering into a grant or cooperative agreement; and

BE IT RESOLVED by the Board of Directors of the Crescenta Valley Water District resolves as follows:

The General Manager or Director of Engineering or his designee, is hereby authorized to execute for and on behalf of the Crescenta Valley Water District, a public entity established under the laws of the State of California, this application and to file it with the California Governor's Office of Emergency Services for the purpose of obtaining certain federal financial assistance under Public Law 93-288 as amended by the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1988 and/or state financial assistance under the California Disaster Assistance Act.

THAT the Crescenta Valley Water District, a public entity established under the laws of the State of California, hereby authorizes its agent(s) to provide to the California Governor's Office of Emergency Services for all matters pertaining to such state disaster assistance the assurances and agreements required.

This is a universal resolution and is effective for all and future disasters/grants up to three (3) years following the date of approval.

PASSED, APPROVED, AND ADOPTED at a Regular Meeting of the Board of Directors of Crescenta Valley Water District held on June 9, 2020, Resolution No. 759 was adopted by the following vote:

AYES:

NOES:

ATTEST:

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President, Board of Directors
Crescenta Valley Water District

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Secretary of the Board of Directors

STATE OF CALIFORNIA)

) ss.

COUNTY OF LOS ANGELES)

I, James K. Lee, Secretary to the Board of the Crescenta Valley Water District, DO HEREBY CERTIFY that the foregoing is a full, true and correct copy of Resolution No. 759 of the Board of Directors of Crescenta Valley Water District adopted at a Regular Meeting held on June 9, 2020, and that the same has not been amended or repealed.

Secretary of the Board of Directors of

Crescenta Valley Water District

DATED: June 9, 2020 **(S E A L)**

<u>RESOLUTION NO. 744</u>

RESOLUTION OF THE BOARD OF DIRECTORS OF

CRESCENTA VALLEY WATER DISTRICT

DESIGNATION OF SUBRECIPIENT'S AGENT RESOLUTION

HAZARD MITIGATION GRANT PROGRAM AND PRE-DISASTER MITIGATION PROGRAM

WHEREAS, The California Governor's Office of Emergency Services provides financial assistance through its Hazard Mitigation Grant Program for entities to undertake projects that result in eligible hazard mitigation activities that will reduce or eliminate damages to life and property; and

WHEREAS, the Board of Directors of Crescenta Valley Water District desires to submit an application for grant funds from said program; and

WHEREAS, the California Governor's Office of Emergency Services has been delegated the responsibility of the administration of this grant program and establishing necessary procedures; and

WHEREAS, said procedures established by California Governor's Office of Emergency Services require the applicant to certify by resolution the identity of the official with legal authority to enter into an agreement; that the appropriate official or governing body has reviewed and supports the application submitted; the capability of the applicant to provide the amount of funding and that the applicant will work with the California Governor's Office of Emergency Services to meet established deadlines for entering into a grant or cooperative agreement; and

BE IT RESOLVED by the Board of Directors of the Crescenta Valley Water District resolves as follows:

The General Manager, or District Engineer or his designee, is hereby authorized to execute for and on behalf of the Crescenta Valley Water District, a public entity established under the laws of the State of California, this application and to file it with the California Governor's Office of Emergency Services for the purpose of obtaining certain federal financial assistance under Public Law 93-288 as amended by the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1988 and/or state financial assistance under the California Disaster Assistance Act.

The Crescenta Valley Water District, a public entity established under the laws of the State of California, hereby authorizes its agent(s) to provide to the California Governor's Office of Emergency Services for all matters pertaining to such state disaster assistance the assurances and agreements required.

This is a universal resolution and is effective for all and futures disasters/grants up to three (3) years following the date of approval.

PASSED, APPROVED, AND ADOPTED at a Regular Meeting of the Board of Directors of Crescenta Valley Water District held on June 11, 2019, Resolution No. 744 was adopted by the following vote:

AYES:	**Director Bodnar**
	Director Erickson
	Director Putnam
	Director Raghavachary
	Director Tejeda
NOES:	**None**

ATTEST:

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President, Board of Directors
Crescenta Valley Water District

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Secretary of the Board of Directors

STATE OF CALIFORNIA)

) ss.

COUNTY OF LOS ANGELES)

I, RON MITCHELL, Secretary of the Crescenta Valley Water District, DO HEREBY CERTIFY that the foregoing is a full, true and correct copy of Resolution No. 744 of the Board of Directors of Crescenta Valley Water District adopted at a Regular Meeting held on June 11, 2019, and that the same has not been amended or repealed.

Secretary of the Board of Directors of

Crescenta Valley Water District

DATED: June 11, 2019 **(S E A L)**

CRESCENTA VALLEY WATER DISTRICT
BOARD OF DIRECTORS - STAFF REPORT

Action Item No. 2
June 9, 2020

To: Honorable President and Members of the Board of Directors

From: Nem Ochoa – General Manager

Subject: **Budget Discussion for FY 2020-21**

ACTION ITEM:

Approve the District's budget for FY 2020-21.

BACKGROUND:

During the May 26, 2020 Board meeting, the Board discussed the operating and capital budgets based on Q3 results and financial projections. The Board also discussed the timing for approving the bond-funded capital infrastructure and whether it should coincide with final authorization of bond financing, expected to occur in the August/September timeframe.

Since the May 26 Board meeting, the District has received an additional reimbursement payment of $77K from the District's insurance provider, JPIA, associated with the Pennsylvania Ave main break that occurred last year. The additional reimbursement is attributed to the Engineering Department's close coordination and efforts with JPIA. This will effectively lower the cost of CIP for the fiscal year, reflected in the enclosed Water and Wastewater Budgets for FY 2020-21, in their final proposed form.

The Board is in a position to approve the budget. The Board can also decide whether to authorize bond-funded capital infrastructure under the action item, contingent on final authorization of bond financing.

RECOMMENDATION

Approve the District's Water and Wastewater Budget for FY 2020-21.

Prepared by:

James Lee
Director of Finance & Administration

Submitted by:

Nem Ochoa
General Manager

Attachment(s):

1. Water and Wastewater Budgets for FY 2020-21
2. CIP Budget

Attachment 1a

Crescenta Valley Water FY20-21 Budget
Summary of Revenues Expenses - Water Fund

0% Rate Increase
$0M Bond

Summary of Revenues & Expenses - Water Fund	Recorded FY 2016-17	Recorded FY 2017-18	Recorded FY 2018-19	Budgeted FY 2019-20	Projected FY 2019-20	Proposed FY 2020-21
Revenue						0.00%
Water Sales - Service, Fixed	2,305,004	2,707,497	2,854,445	3,023,931	3,058,600	3,087,489
Water Sales - Metered, Variable	6,632,864	8,024,289	7,768,586	9,141,201	8,764,668	8,858,374
Interest Income - Water Reserve	180,134	311,694	263,458	200,000	245,000	200,000
Interest Income - MTBE Reserve	115,000	10,485	460	-	200	-
Other Income - Water	132,964	145,117	135,877	160,000	127,000	160,000
Construction Revenues	807,081	1,066,196	811,352	452,500	501,000	277,500
Total Revenue:	**10,173,047**	**12,265,278**	**11,834,178**	**12,977,632**	**12,696,468**	**12,583,363**
Emergency Funding from MTBE for TTHMs:			**1,000,000**			
O&M Expense						
Labor & Benefits	2,970,120	2,959,433	3,157,716	3,376,264	3,291,713	3,142,453
Imported Water Cost (Foothill Municipal WD)	3,045,346	3,087,280	3,767,540	3,332,019	3,191,000	3,108,762
Imported Water Cost (Glendale Water and Power)	150,944	155,200	175,000	157,850	102,000	138,960
Power Cost	694,548	697,000	714,425	695,671	760,000	801,800
Operating Cost	1,766,416	1,924,851	1,943,751	2,310,038	2,166,852	2,321,917
Total O&M Expense:	**8,627,373**	**8,823,764**	**9,758,433**	**9,871,842**	**9,511,565**	**9,513,892**
Debt Service	**615,000**	**615,000**	**539,645**	**539,645**	**539,645**	**539,645**
Cash Available for Capital	**930,674**	**2,826,514**	**1,536,100**	**2,566,145**	**2,645,258**	**2,529,826**
Capital, OPEB & Other Commitments						
Infrastructure	2,335,400	3,931,700	1,911,005	2,877,500	2,627,000	2,304,826
Bond Funded CIP						
Capital Outlays & Equipment	45,177	120,000	167,899	308,370	210,000	225,000
OPEB Commitment	100,000	100,000	100,000	100,000	-	-
Total Capital, OPEB & Other Commitments:	**2,480,577**	**4,151,700**	**2,178,904**	**3,285,870**	**2,837,000**	**2,529,826**
Increase (Decrease) to Cash	**(1,549,903)**	**(1,325,186)**	**(642,804)**	**(719,725)**	**(191,742)**	**0**
Reserve Fund Balances						
Beginning Balance	**3,719,947**	**3,170,820**	**2,345,634**	**5,597,830**	**5,597,830**	**5,406,088**
From MTBE Fund (Transfer In)	1,000,000	500,000	3,895,000			0
Restricted Cash (Bonds)				0	0	0
Ending Balance	**3,170,820**	**2,345,634**	**5,597,830**	**4,878,105**	**5,406,088**	**5,406,088**
Target	3,313,000	3,707,000	3,707,000	3,948,000	3,948,000	4,009,000
Above (Below) Target	**(142,180)**	**(1,361,366)**	**1,890,830**	**930,105**	**1,458,088**	**1,397,088**

Attachment 1b

Crescenta Valley Water FY20-21 Budget
Summary of Revenues Expenses - Water Fund

0% Rate Increase
$5M Bond

Summary of Revenues & Expenses - Water Fund	Recorded FY 2016-17	Recorded FY 2017-18	Recorded FY 2018-19	Budgeted FY 2019-20	Projected FY 2019-20	Proposed FY 2020-21
Revenue						0.00%
Water Sales - Service, Fixed	2,305,004	2,707,497	2,854,445	3,023,931	3,058,600	3,087,489
Water Sales - Metered, Variable	6,632,864	8,024,289	7,768,586	9,141,201	8,764,668	8,858,374
Interest Income - Water Reserve	180,134	311,694	263,458	200,000	245,000	200,000
Interest Income - MTBE Reserve	115,000	10,485	460	-	200	-
Other Income - Water	132,964	145,117	135,877	160,000	127,000	160,000
Construction Revenues	807,081	1,066,196	811,352	452,500	501,000	277,500
Total Revenue:	**10,173,047**	**12,265,278**	**11,834,178**	**12,977,632**	**12,696,468**	**12,583,363**
Emergency Funding from MTBE for TTHMs:			**1,000,000**			
O&M Expense						
Labor & Benefits	2,970,120	2,959,433	3,157,716	3,376,264	3,291,713	3,142,453
Imported Water Cost (Foothill Municipal WD)	3,045,346	3,087,280	3,767,540	3,332,019	3,191,000	3,108,762
Imported Water Cost (Glendale Water and Power)	150,944	155,200	175,000	157,850	102,000	138,960
Power Cost	694,548	697,000	714,425	695,671	760,000	801,800
Operating Cost	1,766,416	1,924,851	1,943,751	2,310,038	2,166,852	2,321,917
Total O&M Expense:	**8,627,373**	**8,823,764**	**9,758,433**	**9,871,842**	**9,511,565**	**9,513,892**
						5,000,000
Debt Service	**615,000**	**615,000**	**539,645**	**539,645**	**539,645**	**632,810**
Cash Available for Capital	**930,674**	**2,826,514**	**1,536,100**	**2,566,145**	**2,645,258**	**7,436,661**
Capital, OPEB & Other Commitments						
Infrastructure	2,335,400	3,931,700	1,911,005	2,877,500	2,627,000	2,211,661
Bond Funded CIP						3,000,000
Capital Outlays & Equipment	45,177	120,000	167,899	308,370	210,000	225,000
OPEB Commitment	100,000	100,000	100,000	100,000	-	-
Total Capital, OPEB & Other Commitments:	**2,480,577**	**4,151,700**	**2,178,904**	**3,285,870**	**2,837,000**	**5,436,661**
Increase (Decrease) to Cash	**(1,549,903)**	**(1,325,186)**	**(642,804)**	**(719,725)**	**(191,742)**	**0**
Reserve Fund Balances						
Beginning Balance	**3,719,947**	**3,170,820**	**2,345,634**	**5,597,830**	**5,597,830**	**5,406,088**
From MTBE Fund (Transfer In)	1,000,000	500,000	3,895,000			0
Restricted Cash (Bonds)				0	0	0
Ending Balance	**3,170,820**	**2,345,634**	**5,597,830**	**4,878,105**	**5,406,088**	**5,406,088**
Target	3,313,000	3,707,000	3,707,000	3,948,000	3,948,000	4,009,000
Above (Below) Target	**(142,180)**	**(1,361,366)**	**1,890,830**	**930,105**	**1,458,088**	**1,397,088**

Attachment 1c

Crescenta Valley Water FY20-21 Budget

0% Rate Increase

Summary of Revenues Expenses - Wastewater Fund

Summary of Revenues & Expenses - Wastewater Fund	Recorded FY 2015-16	Recorded FY 2016-17	Recorded FY 2017-18	Recorded FY 2018-19	Budgeted FY 2020	Projected FY 2020	Proposed FY 2021
Revenue							0.00%
Wastewater Sales - User Charges	3,275,859	2,988,079	3,033,860	3,291,114	3,305,000	3,130,235	3,327,575
Permits/ Connection Fees	48,956	34,000	77,863	81,147	36,500	38,640	36,500
Interest Income	196	196	283	540	500	1,000	500
Total Revenue:	**3,325,000**	**3,022,000**	**3,112,000**	**3,373,000**	**3,342,000**	**3,169,875**	**3,364,575**
O&M Expense							
Labor & Benefits	1,423,107	1,470,286	1,416,617	1,576,379	1,710,942	1,596,100	1,651,250
City of LA Sewer Charges	1,362,190	950,537	1,097,781	1,119,000	1,426,000	1,462,000	1,849,900
Operating Cost	442,612	370,245	408,702	401,329	449,000	477,685	548,839
Total O&M Expense:	**3,227,909**	**2,791,068**	**2,923,100**	**3,096,708**	**3,585,942**	**3,535,785**	**4,049,988**
Debt Service							
Cash Available for Capital	**97,091**	**230,932**	**188,900**	**276,292**	**(243,942)**	**(365,910)**	**(685,413)**
Capital, OPEB & Other Commitments							
Infrastructure	9,221	-	25,710	-	175,000	75,000	175,000
Capital Outlays & Equipment	32,801	362,388	36,290	-	80,000	77,000	64,500
OPEB Commitment				200,000	200,000		
Total Capital, OPEB & Other Commitments:	**42,022**	**362,388**	**62,000**	**200,000**	**455,000**	**152,000**	**239,500**
Increase (Decrease) to Cash	**55,069**	**(131,456)**	**126,900**	**76,292**	**(698,942)**	**(517,910)**	**(924,913)**
Reserve Fund Balances							
Beginning Balance	**4,823,229**	**4,878,298**	**4,746,842**	**4,873,742**	**4,950,034**	**4,950,034**	**4,432,124**
							0
					0	0	0
Ending Balance	**4,878,298**	**4,746,842**	**4,873,742**	**4,950,034**	**4,251,092**	**4,432,124**	**3,507,211**
Target	3,130,000	3,313,000	3,707,000	3,707,000	2,594,750	2,630,000	2,644,750
Above (Below) Target	**1,748,298**	**1,433,842**	**1,166,742**	**1,243,034**	**1,656,342**	**1,802,124**	**862,461**

Attachment 2a

Crescenta Valley Water District

FY 20/21 Capital Improvement Project Priority List

Capital Improvement Project Program	Budget FY 20/21	Category	Committee Priority	Staff Priority Level	Cumulative Estimated Costs	Project Description
Steel Reservoir Rehabilitation - Rosemont	$480,000	Water Storage		1	$480,000	**Reservoir Rehabilitation** - Structural repairs and re-coating at Rosemont Reservoir during low demand (Winter) season
Annual Pipeline Replacement - 1.0 Mile	$2,300,000	Water Distribution		2	$2,780,000	**Pipeline Replacement** - Pipelines that are greater than 50 years old - 5,280 LF
Well 9 Rehabilitation	$95,000	Water Supply		3	$2,875,000	**Well Rehabilitation Increase Well Capacity -** Remove & Inspect Well Pump & Casing, Chemical Treatment Well Casing, Pump Test, New Pump & Motor
PRS - Zone 2 to Zone 1/Upgrade - Ramsdell Mixing Station	$600,000	Water Distribution		4	$3,475,000	**New Pressure Reducing Station & Upgrade Ramsdell Mixing Station** - PRS for water from Zone 2 to zone 1 need when Ramsdell Mixing Station out of service during construction
Replacement - SCADA System	$610,000	Technology		5	$4,085,000	**Replacement of SCADA System** - Replacement of RTU/PLC Equipment at 26 sites including equipment, programing, integration and testing
Replacement - SCADA Communication Radio Network	$260,000	Technology		6	$4,345,000	**Replacement of SCADA Radio Communication System** - Replace 900 MHz radios with upgraded 5.8GHz radios
FEMA Local Hazard Mitigation Plan	$165,000	Public Safety/ Emerg. Resp.		7	$4,510,000	**FEMA Grant** - **$125,000 grant**, $40,000 CVWD to Prepare a local hazard mitigation plan
Annual Booster Pump Replacement	$75,000	Water Distribution		8	$4,585,000	**Replace 15-year vertical turbine pump** - replace with new pump assembly and high efficiency motor
AMI - 3/4" to 1" - Smart Meters & AMI Communication Network	$200,000	Technology		9	$4,785,000	**Installation of 1,000 water meters -** in Zones 1 & 2 by CVWD crews
Stormwater Recharge CVC Park - Planning	$75,000	Water Supply		10	$4,860,000	**Concept Plan, grant funding options and coordination with stakeholders** - Proposed Stormwater Recharge Project at CVC Park
New Roof for Old Encinal - Storage Bldg	$105,000	Facilities & Planning		11	$4,965,000	**Installation of a new roof -** convert old concrete reservoir to storage facilities bldg.
Rehabilitation Surge Tank at Glenwood	$35,000	Water Distribution		12	$5,000,000	**Rehabilitation of water surge tank** - replacement of piping & appurtenances and recoating at Glenwood
Total	**$5,000,000**					

Date: 5/19/2020

Attachment 2b

FY 20/21 - Capital Improvement Project Program - Preliminary Project Schedule

Capital Improvement Project Program	Budget FY 20/21	Category	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
Steel Reservoir Rehabilitation - Rosemont	$480,000	Water Storage	Design		Bidding/Award		Construction							
Annual Pipeline Replacement - 1.0 Mile	$2,300,000	Water Distribution	Design				Bidding/Award		Construction					
Well 9 Rehabilitation	$95,000	Water Supply		Design		Bidding/Award		Construction						
PRS - Zone 2 to Zone 1/Upgrade - Ramsdell Mixing Station	$600,000	Water Distribution	Design			Bidding/Award			Construction					
Replacement - SCADA System	$610,000	Technology	RFP	Design			Bidding/Award			Construction				
Replacement - SCADA Communication Radio Network	$260,000	Technology		RFP	Design			Bidding/Award			Construction			
FEMA Local Hazard Mitigation Plan	$165,000	Public Safety/ Emerg. Resp.			Mitigation Plan									
Annual Booster Pump Replacement	$75,000	Water Distribution				Design		Bidding/Award		Construction				
AMI - 3/4" to 1" - Smart Meters & AMI Communication Network	$200,000	Technology	Design			Bidding/Award			Construction					
Stormwater Recharge CVC Park - Planning	$75,000	Water Supply		Planning										
New Roof for Old Encinal - Storage Bldg	$105,000	Facilities & Planning	RFP	Design		Bidding/Award			Construction					
Rehabilitation Surge Tank at Glenwood	$35,000	Water Distribution				Design		Bidding/Award		Construction				
Total	$5,000,000													

Date: 5/19/2020

Attachment 2c

FY 20/21 - Capital Improvement Project Program - Preliminary Project Cost Schedule

Capital Improvement Project Program	Budget FY 20/21	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
Steel Reservoir Rehabilitation - Rosemont	**$480,000**	$12,500	$12,500		Award	$113,750	$113,750	$113,750	$113,750				
Annual Pipeline Replacement - 1.0 Mile	**$2,300,000**	$50,000	$50,000	$50,000	$50,000		Award	$350,000	$350,000	$350,000	$350,000	$350,000	$350,000
Well 9 Rehabilitation	**$95,000**		$7,500	$7,500			Award	$55,000	$25,000				
PRS - Zone 2 to Zone 1/Upgrade - Ramsdell Mixing Station	**$600,000**	$15,000	$30,000		Award				$110,000	$125,000	$150,000	$120,000	$50,000
Replacement - SCADA System	**$610,000**		$50,000	$50,000		Award		$85,000	$100,000	$100,000	$125,000	$75,000	$25,000
Replacement - SCADA Communication Radio Network	**$260,000**		$10,000	$50,000			Award		$40,000	$40,000	$40,000	$40,000	$40,000
FEMA Local Hazard Mitigation Plan	**$165,000**		$20,625	$20,625	$20,625	$20,625	$20,625	$20,625	$20,625	$20,625			
Annual Booster Pump Replacement	**$75,000**					$7,500		Award		$40,000	$20,000	$7,500	
AMI - 3/4" to 1" - Smart Meters & AMI Communication Network	**$200,000**	$15,000	$15,000			Award			$75,000	$65,000	$30,000		
Stormwater Recharge CVC Park - Planning	**$75,000**		$12,000	$12,000	$12,000	$12,000	$11,000	$11,000	$5,000				
New Roof for Old Encinal - Storage Bldg	**$105,000**			$15,000			Award	$35,000	$30,000	$25,000			
Rehabilitation Surge Tank at Glenwood	**$35,000**					$5,000			$30,000				
Total	**$5,000,000**	**$92,500**	**$207,625**	**$205,125**	**$82,625**	**$158,875**	**$145,375**	**$670,375**	**$899,375**	**$765,625**	**$715,000**	**$592,500**	**$465,000**
Culminative	**$5,000,000**	**$92,500**	**$300,125**	**$505,250**	**$587,875**	**$746,750**	**$892,125**	**$1,562,500**	**$2,461,875**	**$3,227,500**	**$3,942,500**	**$4,535,000**	**$5,000,000**

Date: 5/19/2020

Attachment 2d

Crescenta Valley Water District
FY 20/21 Capital Improvement Project Priority List - PAYGO

Capital Improvement Project Program	Budget FY 20/21	Category	Committee Priority	Staff Priority Level	Cumulative Estimated Costs	Project Description
Steel Reservoir Rehabilitation - Rosemont	$480,000	Water Storage		1	$480,000	**Reservoir Rehabilitation** - Structural repairs and re-coating at Rosemont Reservoir during low demand (Winter) season
Annual Pipeline Replacement - 1,000 LF	$510,000	Water Distribution		2	$990,000	**Pipeline Replacement** - Pipelines that are greater than 50 years old -1,000 LF
Well 9 Rehabilitation	$95,000	Water Supply		3	$1,085,000	**Well Rehabilitation Increase Well Capacity -** Remove & Inspect Well Pump & Casing, Chemical Treatment Well Casing, Pump Test, New Pump & Motor
PRS - Zone 2 to Zone 1/Upgrade - Ramsdell Mixing Station	$600,000	Water Distribution		4	$1,685,000	**New Pressure Reducing Station & Upgrade Ramsdell Mixing Station** - PRS for water from Zone 2 to zone 1 need when Ramsdell Mixing Station out of service during construction
Replacement - SCADA System	$105,000	Technology		5	$1,790,000	**Replacement of SCADA System** - Design for the replacement of RTU/PLC Equipment. 2-yr project with installing equipment, programing, integration and testing in year 2.
Replacement - SCADA Communication Radio Network	$100,000	Technology		6	$1,890,000	**Replacement of SCADA Radio Communication System** - Design for the replacement of the 900 MHz radios with upgraded 5.8GHz radios. 2-year proejct with installation in Year 2.
FEMA Local Hazard Mitigation Plan	$165,000	Public Safety/ Emerg. Resp.		7	$2,055,000	**FEMA Grant** - **$125,000 grant**, $40,000 CVWD to Prepare a local hazard mitigation plan
AMI - 3/4" to 1" - Smart Meters & AMI Communication Network	$50,000	Technology		8	$2,105,000	**Installation of 1,000 water meters -** in Zones 1 & 2 by CVWD crews
Stormwater Recharge CVC Park - Planning	$35,000	Water Supply		9	$2,140,000	**Project coordination** - LADWP, LA County, Glendale and other stakeholders.
Annual Booster Pump Replacement	$0	Water Distribution		10	$2,140,000	**Deferred to FY 21/22**
New Roof for Old Encinal - Storage Bldg	$0	Facilities & Planning		11	$2,140,000	**Deferred to FY 21/22**
Rehabilitation Surge Tank at Glenwood	$0	Water Distribution		12	$2,140,000	**Deferred to FY 21/22**
Total	**$2,140,000**					

Date: 5/19/2020

CRESCENTA VALLEY WATER DISTRICT
BOARD OF DIRECTORS - STAFF REPORT

Action Item No. 3
June 9, 2020

To: Honorable President and Members of the Board of Directors

From: Nem Ochoa – General Manager

Subject: **Long-Term Infrastructure Reliability and Funding Roadmap – Bond Financing Update**

ACTION ITEM:

Discuss bond financing updates as they relate to the Long-Term Infrastructure Reliability and Funding Roadmap.

BACKGROUND:

During the April 28, 2020 teleconferenced Board meeting, the Board directed staff to proceed with a refinance of its existing bonds in addition to a new money component that would enable the refinancing by sharing financing costs between the two components and raise additional bond proceeds. Total bond proceeds would be $5 million to be used for capital infrastructure. The following points summarize updates regarding the financing:

Selection of Bond Counsel, Disclosure Counsel, and Underwriter – The District sent RFPs to qualified firms to serve as Bond Counsel and/or Disclosure Counsel and as Underwriter for the financing. Proposals were due on Thursday, May 21, 2020. Per Government Finance Officers Association (GFOA) best practices, it is ideal that Bond Counsel and Disclosure Counsel are served by separate firms. RFPs were sent to five qualified law firms, and five responses were received. RFPS were sent to six qualified underwriting firms, and four responses were received.

1. *Selection of Bond Counsel* – Bound Counsel's primary role is to draft the bond documents and to ensure that the legal requirements to issue tax-exempt bonds are satisfied. Staff recommends selecting Nixon Peabody LLP for Bond Counsel. Nixon Peabody is one of the most active bond counsel firms in the country. Nixon Peabody is already familiar with the District and its finances based on representing the District during its 2017 bond refinancing. Additionally, proposed engagement lead Danny Kim is a District customer.

2. *Selection of Disclosure Counsel* – Disclosure Counsel's primary role is to assist with the drafting of the marketing document. Staff recommends selecting Kutak Rock LLP for Disclosure Counsel. Kutak Rock is a national leader in disclosure counsel, particularly for water and sewer projects. Jessica Shaham and Sam Balisy are proposed engagement leads for the District's financing.

3. *Selection of Underwriter* – The Underwriter will market and sell the bonds to investors. Staff recommends selecting Stifel, Nicolaus & Company as Underwriter. Stifel is the #1 California bond underwriter and the top underwriter of water and wastewater bonds. In addition to submitting a competitive bid, Stifel provided a detailed credit review of the District in its proposal. Tom Jacob is the proposed engagement lead for the District's financing.

Fees for all parties are being negotiated.

Market Update – The bond market continues to improve slowly, with investors continuing to put cash into bond funds. In the week ended May 27, weekly tax-exempt mutual funds saw $1.1 billion of inflows.

1. The 30-year tax-exempt bond index (MMD) was at 1.80% two weeks ago and is currently 1.65%.
2. At this time, the expectation holds that the District's bond issuance will likely be in the high-2% to mid-3% range.

DISCUSSION:

This action item serves as a placeholder for any discussion related to long-term infrastructure reliability and funding.

RECOMMENDATION

NA.

Prepared by:	Submitted by:
James Lee	Nem Ochoa
Director of Finance & Administration	General Manager

CRESCENTA VALLEY WATER DISTRICT

General Manager Report

GM Report
June 9, 2020

To: Honorable President and Members of the Board of Directors
From: Nem Ochoa, General Manager
Subject: **General Manager Report**

General Manager's Report Topics:

- GM Activities

The following are some highlights in this month's report:

- GUSD Coordination and Projects
- Mills House Rental Update
- Board Member ID's and Badges
- LAFCO Representative Alternate
- Water Production
- Hydrology Report
- Engineering Projects
- Operational Activities

STAFFING

Two (2) employees have a work anniversary in June. Dave Gould – 23 years, Jake Whittaker – 5 years.

As of June 4th the District has gone 198 days without a lost time accident.

GENERAL MANAGER ACTIVITIES

Meetings:

Management Staff Meeting	- June 1st , June 8th
MWD IRP Committee Meeting (observer)	- April 28th
PWAG COVID-19 Response Update	- June 1st

Submitted by:

Nem Ochoa
General Manager

Engineering and Operations

June 9, 2020
Staff Report

To: Honorable President and Members of the Board of Directors

From: David S. Gould. P.E. – Director of Engineering

Subject: **Engineering & Operations – May 2020**

---

1. Water Production Report

- May 1 – 31 – Water production – 47%/53% split – 125.8 MG for the time period
- Average use – 38.8% greater than 2019 and 25.1% greater than 5-yr average

2. Rainfall Update

- 0.50" for May 2020
- Rainfall Total for Rainfall Year 2019/20 – 20.48"

3. Report on Engineering

- **CIP Projects**
  - Booster Pump Replacement – Booster 32 removed and new pumps ordered
  - Well 11 – Work to begin week of June 8, 2020
  - Ramsdell Mixing Station/Pressure Reducing Station – Under Design
  - Rosemont Reservoir Rehabilitation – Under Design
  - Emergency Generator at Sewer Lift Station – Met with LCF; Planning Community meeting in July 2020
- **Nitrate Removal Treatment Facility at Well 2 Project**
  - Back in Service
- **Grant Program**
  - See Staff Report
- **Water Meter Replacement Program**
  - Program to resume on June 15, 2020

4. Report on Administrative and Field Operations

- Wells Status – Well production capacity steady at 1.98 mgd

5. Developer Projects

- 4520 Montrose – New 6 Units – Plan Check
- Waiting on Developer
  - 4521 Briggs/2413 Foothill – New 70 Units
  - 3900 Park Place – New 28 Units
  - 2341 Mira Vista – New 6 Units
  - 2345 Mira Vista – New 4 Units
  - 2314 Montrose – New 5 Units
  - 1961 Waltonia – New 6 Units

6. FMWD – No Report

7. Street Projects

- Verdugo Paving Project – City of Glendale – Under Construction
- CVWD relocate water service lateral at 3701 Ocean View

8. <u>Field Maintenance & Operations – May 1, 2020 – May 31, 2020</u>

- **<u>Water Lateral Leaks & Repairs</u>**
  3045 Sycamore 2712 Sanborn 2830 Community
  3010 Sycamore
- **<u>Large Water Meter Replacement</u>**
  - 3-inch meter at CV High School
- **<u>Water Main Leaks</u>**
  - 4-inch main – Alabama at Cloud
- **<u>Valve Replacement</u>**
  - Valve Exercise Program – Cleaned over 120 valve cans with debris
- **<u>Fire Hydrant Repair</u>**
  - No Report
- **<u>Booster Pump Maintenance</u>**
  - No Report
- **<u>Reservoir Maintenance</u>**
  - No Report
- **<u>Sewer Maintenance – May 1, 2020 – May 31, 2020</u>**
  - Sewer CCTV Inspection resumed on May 27, 2020
- **<u>Sewer Lift Station</u>**
  - Maintenance – Site inspection and clean check valves every 2 weeks.
- **<u>Training</u>**
  - Cross-Training – Valve maintenance equipment
  - Cross Training – Sewer videotape inspection equipment and vehicle

CRESCENTA VALLEY WATER DISTRICT

WATER PRODUCTION REPORT

May 1 - May 31, 2020

Well Production:	52,345,800	Gals		
GWP Production:	5,452,000	Gals		
Gravity Production:	1,320,682	Gals	% GW	47%
Purchased Water:				
FMWD:	66,651,138	Gals		
City of Glendale:	0	Gals	% Import	53%
TOTAL:	125,769,620	Gals		
	385.97	ac-ft		
Glenwood Nitrate Water Reclamation Plant:*	0	*Included in Well Production		

WATER DEMAND COMPARISON

Time Period	Average Daily Usage (gals)	Current Period Change
May 1 - May 31, 2020	4,033,763	
May 1 - May 31, 2019	2,906,613	38.8%
5-yr Average - May 2015 - 2019	3,225,196	25.1%

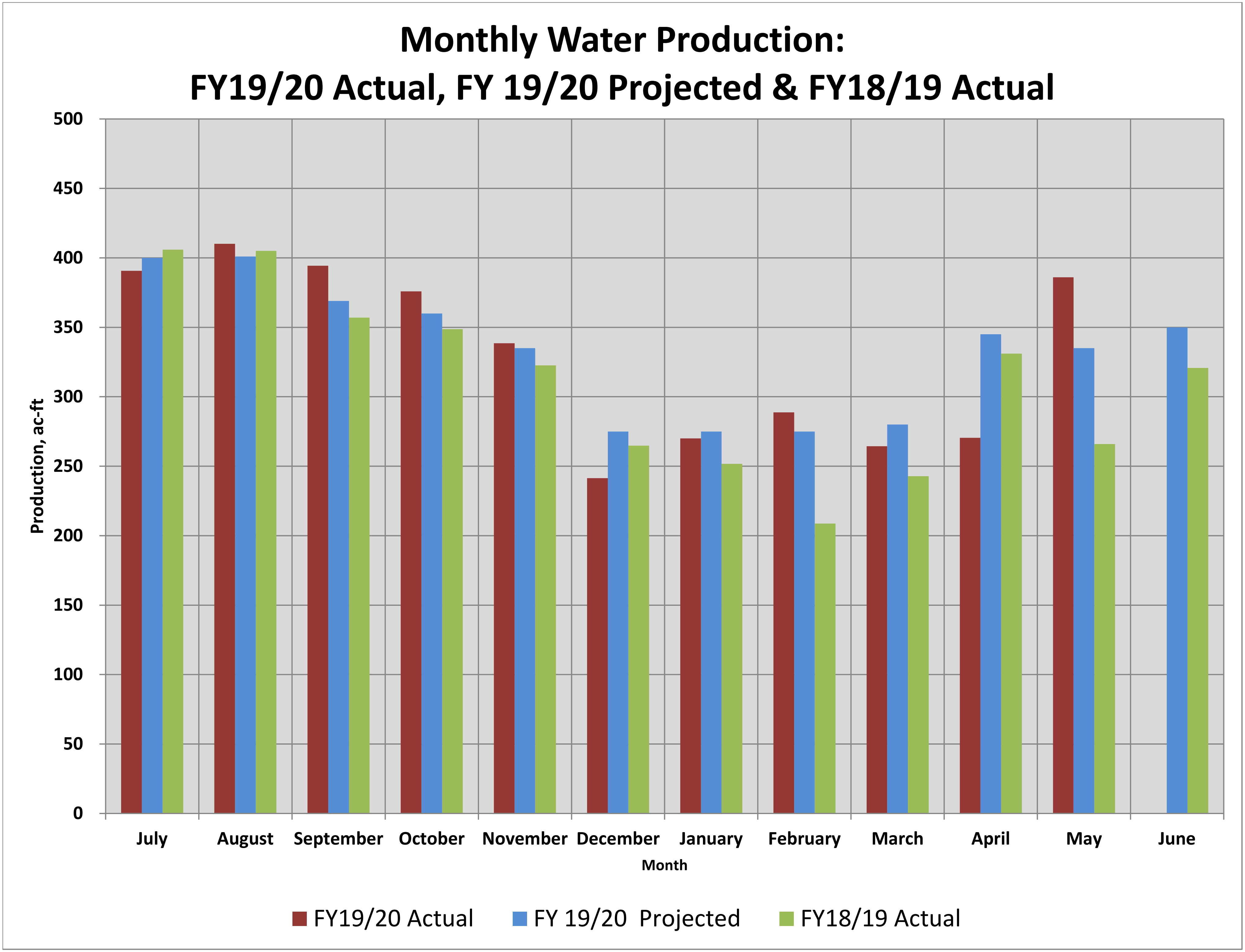
RAINFALL: May 1 - May 31, 2020 0.50"

Season-To-Date: 20.48"

2019/20 Fiscal Year Water Production			WY 19/20 - Groundwater Production Water Rights		GWP (Well 16) Water Production - 2020		Purchased Water Production Tier 2 Allocation - 2020	
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	**391**	**400**	**October**	**166**	**January**	**0**	**January**	**102**
August	**410**	**401**	**November**	**171**	**February**	**0**	**February**	**130**
September	**394**	**369**	**December**	**161**	**March**	**0**	**March**	**102**
October	**376**	**360**	**January**	**168**	**April**	**7**	**April**	**111**
November	**339**	**335**	**February**	**158**	**May**	**17**	**May**	**205**
December	**241**	**275**	**March**	**163**	**June**		**June**	
January	**270**	**275**	**April**	**153**	**July**		**July**	
February	**289**	**275**	**May**	**165**	**August**		**August**	
March	**264**	**280**	**June**		**September**		**September**	
April	**270**	**345**	**July**		**October**		**October**	
May	**386**	**335**	**August**		**November**		**November**	
June		**350**	**September**		**December**		**December**	
Total to Date	3,631	3,650	Total to Date	1,304	Total to Date	23	Total to Date	650
Projected	3,981	4,000	Water Rights	3,294			Tier 2	2,154
% of Projected	90.8%	91.3%	% of Rights	40%			% of Allocation	30%
Remaining	369	350	Remaining	1,990			Remaining	1,504

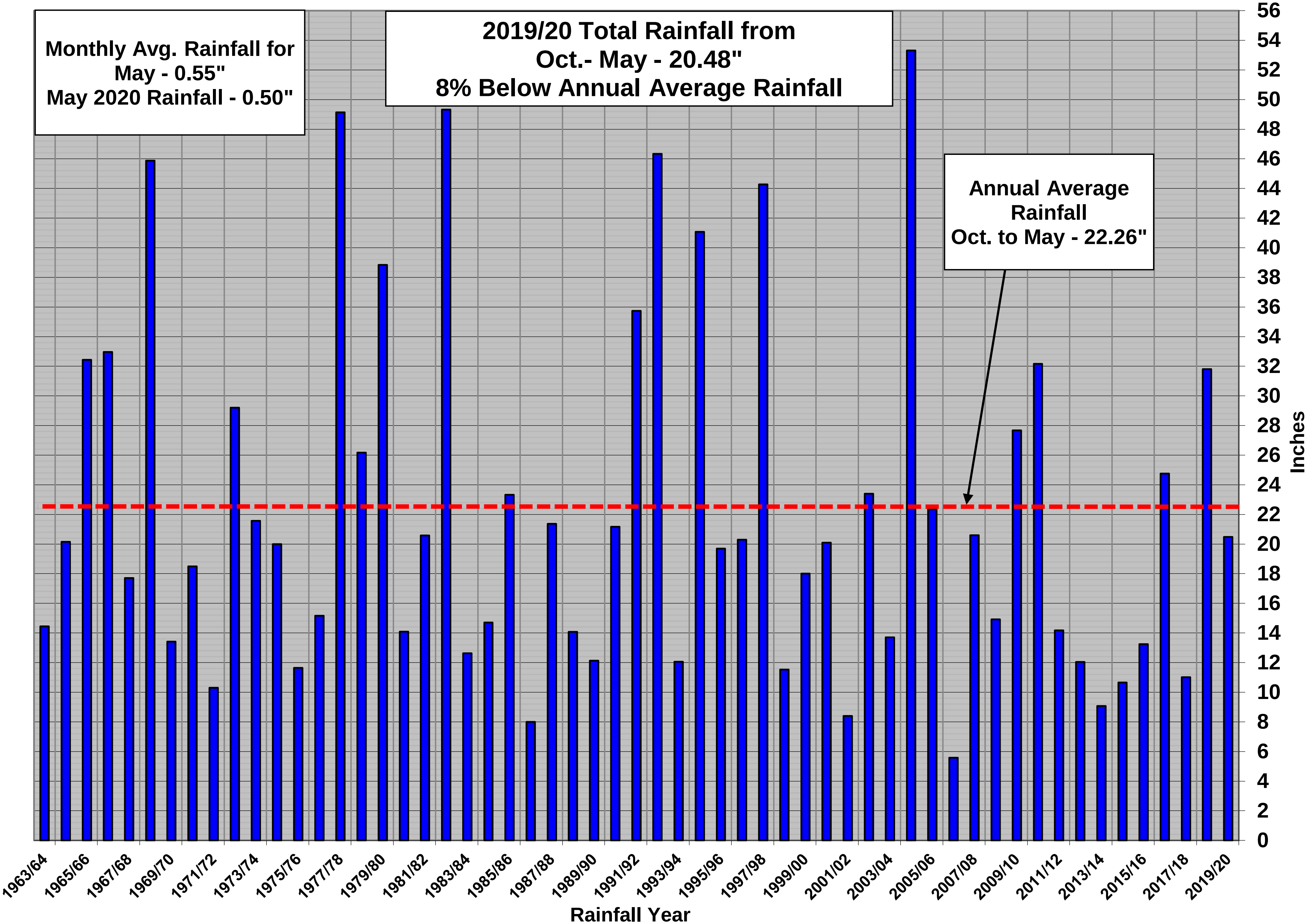
NOTE:

1) Blue Numbers = Estimated Water Production



Monthly Water Production:
FY19/20 Actual, FY 19/20 Projected & FY18/19 Actual
Production, ac-ft
0
50
100
150
200
250
300
350
400
450
500
July
August
September
October
November
December
January
February
March
April
May
June
Month
FY19/20 Actual
FY 19/20 Projected
FY18/19 Actual

Monthly Rainfall - 1963/64 - 2019/20 (Oct.- May)



Revised Date: 6/3/2020

Note: This meeting was held after distribution of the Board packets.

CRESCENTA VALLEY WATER DISTRICT

2700 FOOTHILL BOULEVARD LA CRESCENTA, CALIFORNIA

Agenda for the Meeting of the Policy Committee of the
Crescenta Valley Water District
To be held on Friday, June 5, 2020 at 1:00 p.m.
Posted: Thursday, June 4, 2020 at 12:00 p.m.

TELECONFERENCING NOTICE

[This meeting will be held by teleconference only.]

Pursuant to the provisions of Executive Order N-29-20 issued by Governor Gavin Newsom on March 18, 2020, the public may not attend the meeting in person.

Any member of the public may participate by listening or making comments using a touchtone phone. You may select any of the following phone numbers (there are more than one for increased reliability during this time of increased phone traffic)

(669) 900-6833	**(346) 248-7799**	**(929) 205-6099**
(253) 215-8782	**(301) 715-8592**	**(312) 626-6799**

Then, enter Access Code: 845 4720 1084

[Pursuant to the above Executive Order, the public may not attend the meeting in person.]

Any person may make a request for a disability-related modification or accommodation needed for that person to be able to participate in the public meeting by contacting the District by phone or in writing at the above email address. Requests must specify the nature of the disability and the type of accommodation requested. A telephone number or other contact information should be included so that District staff may discuss appropriate arrangements. Persons requesting a disability-related accommodation should make the request with adequate time before the meeting for the District to provide the requested accommodation.

Call to Order

Adoption of Agenda

Action Item(s)

1. Discuss temporary COVID-19 policies
2. Discuss potential changes to the customer low-income discount program
3. Discuss a potential level payment plan for customers
4. Discuss revisions to customer deposits, non-rate fees, and labor recovery rates
5. Discuss practice of imposing liens on properties for non-payment

Committee Members' Request for Future Agenda Items

Adjournment

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Attachment(s): A. Staff report; B. Summary of policies

CRESCENTA VALLEY WATER DISTRICT
BOARD OF DIRECTORS - STAFF REPORT

June 5, 2020

To: Policy Committee

From: Nem Ochoa – General Manager

Subject: **Digest of Implemented Policies and Policy Updates for Consideration**

BACKGROUND:

Discuss policies that have been implemented and policy updates that are being considered.

DISCUSSION:

1) **Report on Temporary COVID-10 Policies**

Resolution No. 758 was adopted by the Board to authorize the General Manager to take actions necessary to ensure the health and safety of staff, families, and the public at District facilities and continue operations to the extent possible. Since then, the State and Los Angeles County are progressing through Stage 2 of the State's Resilience Roadmap and employees transition with the roadmap toward what may be a "new normal" for governmental operations.

The General Manager has implemented a number of policies to ensure health and safety while maintaining operations to the extent possible. Resolution No. 758 states that the General Manager will report actions that have been taken. The following policies reflect federal, state, and local guidance, in addition to regulatory agencies such as DPH and OSHA and labor counsel. They are subject to change with circumstances as needed and appropriate. They are summarized in Attachment B. [1]

- Accommodation of High-Risk Employees
- Cleaning & Disinfecting
- Employee Leave Under the Families First Coronavirus Response Act (FFCRA)
- Social Distancing
- Temperature Screening
- Testing Employees for COVID
- Use and Disclosure of Medical Information
- Emergency Telecommuting

2) **Low-Income Discount Program for Customers**

The District currently offers a Senior Low-Income Discount program which serves approximately 140 accounts with a financial impact of approximately $25K - $30K annually. The discount is supported by non-rate revenues such as new account and late fees and rental income.

At the May 21, 2020 Finance Committee meeting, the Committee directed staff to prepare information regarding the existing program and the Care Lifeline program for the Policy Committee. The Lifeline program is used by many major utilities including SCE and SoCal Gas, and is an alternative that provides a standardized approach to providing discounts for the customers who depend on them most.

[1] Attachment B is configured to be printed and viewed on ledger paper (11x17).

The Lifeline program requirements are more flexible than the District's current requirements, and the number of participants and annual financial impact to the District is projected to increase marginally. The tables below provide a summary of the programs –

Requirements & Provisions	Current	Care of Lifeline
Discount	20% off the service charge and 20% of the usage charge up to 26 units	
Income Requirement (annual)	Total household income less than $30K	Match Lifeline program guidelines (see Table 1)
Age Requirement	Over the age of 62	*< eliminates requirement >*
Tenure Requirement	Account holder for at least 6 months	*< eliminates requirement >*
Verification	Income - most recent copies of Federal and State incomes statements for all members of the household Age - picture ID Renewal - verified every 2 years	*Per Lifeline program guidelines*
Participants	~ 140	if: 5% increase - ~ 150 10% increase - ~ 155 15% increase - ~ 161
Financial Impact (annual)	$25K-$30K	if: 5% increase - ~ $29K 10% increase - ~ $31K 15% increase - ~ $32K

Table 1 - Qualification through Public Assistance Programs OR Maximum Household Income

Public Assistance Programs	Number of Persons in Household	Total Annual Household Income
Medi-Cal/Medicaid	1-2	$34,480
Medi-Cal for Families A & B	3	$43,440
Women, Infants, & Children (WIC)	4	$52,400
CalWORKs (TANF)1 / Tribal TANF	5	$61,630
Head Start Income Eligible — Tribal Only	6	$70,320
Bureau of Indian Affairs General Assistance	7	$79,280
CalFresh (Food Stamps)	8	$88,240
National School Lunch Program (NSLP)	-	-
Low-Income Home Energy Assistance	-	-
Supplemental Security Income	-	-

3) Level Pay Plan for Customers

The Board directed staff to provide information on a level pay plan for customers. A level pay plan option can help smooth the ups and downs in water bills that typically occur due to varying seasonal usage. It is not a discount program; it is a program that offers to support customers' individual or household budgeting. The District bills bi-monthly, and there are 6 billing periods over one year.

The typical approach for peer agencies offering this option is to:

a. Evaluate annual average water usage for a customer to determine what the projected dollar amount for the subsequent year;

b. The dollar amount is divided by 5 bills and becomes the Level Pay Plan the customer pays over the next 10 months;

c. The 6th bill (on the 12th month), the customer receives a settlement bill showing either a payment due or a credit to the account based on how much water and/or services were used during the year.

Other than one-time setup costs to implement the program in the District's utility billing system, there is likely no continuing direct financial impact to provide an option for a level pay plan. There would be moderate administrative burden on staff, and that also is not likely to impose an ongoing financial impact. Staff is currently working on a complex and significant upgrade to its utility billing software, "Springbrook". With the standardization and advanced customization features the upgrade includes, the implementation costs would be reduced. The upgrade is expected for July/August completion, and if the Board moves to incorporate a level pay plan option, staff recommends confirming at that time the resources needed to make such a program function effectively.

4) Updated Fees & Deposits: New Account Deposits, New Account & Late Fees, Labor Recovery Rates

a. <u>Customer Deposits</u> – The District currently collects deposits in the amount of $100 from customers who sign up as tenants. This is to defray potential inability to collect charges, particularly for final bills upon accounts being closed. When tenant customers close their accounts, the deposit is applied to their final bill or a refund check is issued. Currently, the District writes off approximately $2K-$10K annually.

During the May 21, 2020 Finance Committee meeting, the Committee discussed various alternatives to the policy, including: 1) increasing the deposit amount; 2) requiring owners to provide a deposit as well; 3) basing deposits on a sliding scale according to credit score; 4) returning deposits to customers after a period based on good payment history.

The Finance Committee directed staff to discuss customer deposits with the Policy Committee to consider updates to customer deposits.

b. <u>New Account & Late Fees</u> – A 2017 survey of peer agencies showed that the majority of agencies charged a fee for new accounts and that the District's late, shutoff, and other fees were lower than other agencies. New account fees of $40 were implemented in July 2018, and fees were increased (late fees are $25).

During the May 26, 2020 Board meeting, the Board directed staff to determine a method to ensure such fees maintain pace with inflation. The District can adopt a practice of updating Appendix C of the Rules & Regulations annually according to an inflation index such as the Bureau of Labor Statistics' CPI-U, a common inflation index.

c. <u>Labor Recovery Rates</u> – In July 2018, the hourly rate that the District recovers from District staff working on developer projects was updated after a number of years. Rates are based on the impacted ("all-in") cost of staff time.

During the May 26, 2020 Board meeting, the Board directed staff to determine whether the labor recovery rates need to be updated. The District can adopt a practice of updating those labor rates annually based on updated costs.

5) Lien Claims on Property for Non-Payment

The District relies on customer deposits to minimize write-offs related to non-payment of bills.

During the May 21, 2020 Finance Committee meeting, the Committee directed staff to discuss with the Policy Committee whether the District file liens on property for non-payment.

Section 12.07b of the Rules & Regulations read, "Claim of Lien: Unpaid charges for water and other services may, at the discretion the District, be secured by filing in the Office of the County Recorder of any county, a certificate specifying the amount of such charges, and the name and address of the person liable therefore. (Water Code Sec. 31701.7)."

The District can file a lien to real property owned or later acquired by the customer. If the customer is a tenant, there may be no asset to lien. A lien likely cannot be foreclosed, and a liened property would need to be sold, with proceeds being paid off through the escrow process.

RECOMMENDATION

Discuss next steps regarding policy updates.

Prepared by:

James Lee
Director of Finance & Administration

Prepared by:

CJColby

Christy Colby
Regulatory & Public Affairs Manager

Submitted by:

Nem Ochoa
General Manager

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Crescenta Valley Water District

Summary of Emergency Policies

May 2020

Please review the following, acknowledge that you have read and understand by signing, and return to your department head Dennis Maxwell, David Gould, or James Lee by end of Wednesday, June 3, 2020.
A signature page is provided following this summary.

- All, the District has prepared emergency policies.
- They are intended to provide a safe workplace for employees while complying with laws and regulations as the District and community transition toward a "new normal" until further notice.
- The policies capture federal, state, and local regulations and guidance from the CA DPH, the CDC, and OSHA, among others.
- A number of these policies formalize what we are already doing a great job with with respect to social distancing, cleaning, providing accommodations, etc.
- Policies are subject to revision as circumstances improve.
- All policies are effective upon receipt.
- Please note that the District has designated all of its employees as Essential Workers and Emergency Responders.

	Accommodation of High-Risk Employees	Cleaning & Disinfecting	Employee Leave Under FFCRA	Social Distancing	Temperature Screening	Testing Employees for COVID	Use and Disclosure of Medical Information	Emergency Telecommuting [1]
PURPOSE	Provide reasonable work accommodations for employees at higher risk of severe illness from COVID-19	Assure safe and healthy working conditions for all workers by reducing the risk of exposure and infection from surface germs	FMLA provides family leave such as parental leave. This policy covers a temporary law that expands family and medical leave for reasons related to COVID	Provides guidance on social distancing	Establishes protocol for daily temperature screening	Establishes protocol for testing employees for COVID-19. At this time, the District is not expecting blanket testing	Establishes protocol for maintaining confidentiality over employee medical records	Establishes protocol for instances where employee must work remotely as a result of COVID-19
PROVISIONS	Individuals can identify themselves as higher risk based on age or varying underlying conditions as listed in the Policy	Disinfection cleaning is to be conducted at minimum, daily (once per shift). Disinfection includes surfaces such as light switches, doorknobs, coffee makers, vehicle door handles etc.	Disability takes two weeks (10 days) to take effect. This Policy provides a bridge to cover this time	Social distancing is to be maintained to the extent it is practically possible, including in vehicles	Testing at the beginning of each shift on a daily basis. Each dept head establishes a procedure for testing for their respective buildings / workplaces	Employees refusing a request to test will be placed on unpaid leave, but may supplement that time with sick or other leave	If the District receives notice that an employee tested positive for COVID, the District will provide a Notice of Privacy Practices	Employees are to adhere to a schedule determined by their supervisor
	Employees have the right to request HR for reasonable accommodations if they fall within the above categories	District will provide disinfectants in buildings and each vehicle to the extent they are available	There are two categories of Emergency Paid Sick Leave, and the provisions are detailed in the Policy	Face coverings are to be worn at all times to the extent practical - e.g., at minimum, cloth face coverings when outside work stations or in the event vehicles must be shared	Testing is non-invasive and is conducted through using a contactless infrared thermometer	The District will have a testing clinic partner, and they will notify the employee of the results in a confidential manner	The District may, in specific cases, disclose medical information if there is a serious threat to public safety or a public authority is authorized by law to request the information from the District	Employees are to remain fit for duty at their alternate workplaces
		District will ensure air filters and HVAC systems are properly maintained	1. Employee is experiencing symptoms or has been advised by a health care provider to self-quarantine	This includes any members of the public, vendors, or other visitors	If an employee's temperature is over 100.4, they are to inform HR and not enter the building		Employees are entitled to access their medical file as maintained by the District	Employees are to maintain District network security by logging in through VPN
			2. Employee is caring for an individual who is subject to quarantine or a child's school has been closed and childcare is unavailable due to COVID-19	Wash hands with soap or sanitizer at minimum, once every hour				Participating employees will review a Telecommuting Agreement with their supervisor

1 - Will be distributed to those who must telecommute.

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 on Thursday, May 21, 2020 at 3:30 p.m.
Posted: Wednesday, May 20, 2020 at 12:00 p.m.

TELECONFERENCING NOTICE

[This meeting will be held by teleconference only.]

Pursuant to the provisions of Executive Order N-29-20 issued by Governor Gavin Newsom on March 18, 2020, the public may not attend the meeting in person.

Any member of the public may participate by listening or making comments using a touchtone phone. You may select any of the following phone numbers (there are more than one for increased reliability during this time of increased phone traffic)

(669) 900-6833	**(346) 248-7799**	**(929) 205-6099**
(253) 215-8782	**(301) 715-8592**	**(312) 626-6799**

Then, enter Access Code: 884 7556 6281

[Pursuant to the above Executive Order, the public may not attend the meeting in person.]

Any person may make a request for a disability-related modification or accommodation needed for that person to be able to participate in the public meeting by contacting the District by phone or in writing at the above email address. Requests must specify the nature of the disability and the type of accommodation requested. A telephone number or other contact information should be included so that District staff may discuss appropriate arrangements. Persons requesting a disability-related accommodation should make the request with adequate time before the meeting for the District to provide the requested accommodation.

Call to Order

Adoption of Agenda

Action Item(s)

1. Discuss update on banking charges (no attachment)
2. Discuss FY 2020-21 budget (attachment)
3. Discuss customer deposits (attachment)

Committee Members' Request for Future Agenda Items

Adjournment

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Attachment(s): Budget staff report and related attachments; survey of peer agency customer deposits.

CRESCENTA VALLEY WATER DISTRICT
BOARD OF DIRECTORS - STAFF REPORT

Action Item No. 1
May 26, 2020

To: Honorable President and Members of the Board of Directors

From: Nem Ochoa – General Manager

Subject: **Budget Discussion for FY 2020-21**

ACTION ITEM:

Discussion of the District's budget for FY 2020-21.

BACKGROUND:

The District's budget is comprised of three primary components or levers: 1) Operating Budget; 2) Capital Budget (CIP); and 3) Available Funds from rate revenue and reserves.

The Operating Budget was presented by department during the February 28, 2020 Finance Committee meeting and the March 10, 2020 Board meeting. The discussion summarized areas of increase for operational needs and areas of decrease created by a range of cost saving measures – e.g., fire hydrant program, paperless billing, non-renewals with vendors, and permanent staff reductions. The Operating Budget is updated with Q3 figures, and discussion points are enclosed.

During the April 14, 2020 Board meeting, the Board moved to postpone any rate increases until further notice. During the April 28, 2020 Board meeting, the Board also moved to proceed with bond financing that refinances existing bonds and raises additional proceeds for a total of $5 million. Staff was directed to present two budget scenarios assuming no rate increase: 1) Budget Without Bond Proceeds; and 2) Budget With Bond Proceeds.

With the rate adjustment (0%) and potential bond proceeds ($5M) known, the remaining driver in determining the budget is reserves. More specifically:

To what level should reserves fund the capital budget: 1) without bond proceeds; and 2) with bond proceeds?

As discussed in prior Board meetings, refinancing existing debt coupled with additional bonds is a prudent course of action that the Board is currently pursuing. By determining the level of reserves and CIP pursuant to bond proceeds, the Board will be in position to approve two FY 2020-21 budget scenarios, with one contingent on the successful issuance of bond proceeds in the amount of $5 million.

RECOMMENDATION

Discuss the desired level of reserves, capital budget, and operating budget with and without bond proceeds for FY 2020-21.

Prepared by:

James Lee
Director of Finance & Administration

Submitted by:

Nem Ochoa
General Manager

Crescenta Valley Water District
Customer Deposits for New Accounts
Survey of Peer Agencies

Agency	CVWD *(Current)*	Glendale Water & Power	Pasadena Water & Power	Burbank Water & Power	La Canada Irrigation	Glendora, City of	Azusa Light & Water	Walnut Valley WD	East Valley WD	Rowland WD
Deposit?	✓	✓	None, if identity can be verified	✓	⊘	✓	✓	✓	✓	✓
Deposit $	$100	3 months of bills (min. $100)	$280	$100 - $600, depending on credit	Transfer fee of $10	$200	$110	Based on credit	$150	If negative credit, 1 month of bills
Applies to *Tenant*?	✓	✓	✓	✓	NA	✓	✓	✓	✓	✓
Applies to *Owner*?	⊘	✓	✓	✓	NA	⊘	✓	✓	✓	✓
Credit Check?	⊘	✓	⊘	✓	NA	⊘	⊘	✓	⊘	✓
Deposit Return	- When customer closes account	- Credited back to account after 1 year of good payment history	- Credited back to account after 1 year of good payment history	- When customer closes account	NA	- When customer closes account	- Credited back to account after 2 years of good payment history	- When customer closes account	- When customer closes account	- When customer closes account