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, March 9, 2021 at 7:00 p.m.

Posted: Friday, March 5, 2021 at 3:30 p.m.

AUDIO & VIDEO CONFERENCING NOTICE

[This meeting will be held by audio & video conference 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: 880-5459-6597

Those members of the public who are able to and would like to additionally participate through computer may access the Zoom audio & video conferencing tool available at the following link –

https://us02web.zoom.us/j/88054596597

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 March 9, 2021.

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. Under the provisions of the Brown Act, the Board is prohibited from taking action on items not listed on the agenda.

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 Board Meeting on February 23, 2021.

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

1. **Pipeline Summary of Cost** – Review and discussion of pipeline construction cost from 1994 to 2020
2. **Resolution No. 765** – Consideration and motion to adopt Resolution No. 765 for authorizing and approving submission for a U.S. Bureau of Reclamation small-scale water efficiency project grant program, Project E-1031
3. **FY 2021-22 Operating Budget** – Preliminary discussion regarding operating expenses by department.

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**

Directors' Oral Reports – Reports on issues, meetings, or activities attended by Directors.

Board Members' Request for Future Agenda Items

Closed Session

Conference with Legal Counsel – Anticipated Litigation

Significant exposure to litigation pursuant to paragraph (2) or (3) of subdivision(d) of Section 54956.9: One case.

Adjournment

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CRESCENTA VALLEY WATER DISTRICT
ADJOURNED REGULAR MEETING, BOARD OF DIRECTORS
February 23, 2021

Pursuant to the order of the Board of Directors of the Crescenta Valley Water District made at the Regular Meeting on February 9, 2021, an Adjourned Regular Meeting was held on February 23, 2021, at 7:00 p.m. through audio and video conference. A call-in number was clearly noted on the meeting Agenda, posted in accordance with the Brown Act, due to the COVID-19 pandemic, with President Sharon S. Raghavachary presiding.

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

Directors:	**Sharon S. Raghavachary** **James D. Bodnar** **Kerry D. Erickson** **Ken R. Putnam** **Judy L. Tejeda**
Attorney:	**Thomas Bunn**
General Manager:	**Nem Ochoa**
Director of Finance & Administration:	**James Lee**
Director of Engineering:	**David Gould**
Staff Members:	**Christy Colby, Regulatory & Public Affairs Manager** **Dennis Maxwell, Director of Operations** **Brook Yared, Engineering Manager** **Arturo Montes, Finance & Administration Manager** **Wendy Holloway, Customer Service Manager** **Pam Leddy, Administrative Assistant**
Guests:	**Kevin Kostiuk, Raftelis**
Public Participation:	**Frank Colcord** **Shelley Powsner** **Marilyn Tyler**

PLEDGE OF ALLEGIANCE

Director Tejeda opened the meeting by leading the Directors and staff in reciting the Pledge of Allegiance.

ADOPTION OF AGENDA

It was moved by Director Tejeda, seconded by Director Bodnar, and carried by a 5-0 roll call vote that the Agenda for the Adjourned Regular Meeting of February 23, 2021 be adopted as presented.

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

Director Putnam
Director Tejeda

NOES: None

PUBLIC COMMENTS – Ms. Tyler expressed her concerns regarding the high level of capital improvement program funds in all scenarios of the Water Financial Plan provided by Raftelis.

FOOTHILL MUNICIPAL WATER DISTRICT REPORT – No report

CONSENT CALENDAR
It was moved by Director Tejeda, seconded by Director Erickson, and carried by a 5-0 roll call vote to approve the Minutes of the Regular Board Meeting held on February 9, 2021 through audio and video conference and to ratify the disbursements for January 2021 as presented.

Payment of demands against the Crescenta Valley Water District on or before January 2021, 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 One-Million Six-Hundred Thirty Thousand, Fourteen Dollars and Twenty-Four Cents (1,630,014.24), which is composed of the individual items set forth herein.

AYES: Director Raghavachary
Director Bodnar
Director Erickson
Director Putnam
Director Tejeda

NOES: None

ACTION CALENDAR

Information Technology Committee – Mr. Ochoa announced the formation of an ad-hoc committee to consider certain Information Technology and other technology-related business. The revisions to the 2021 Committee Assignments are shown below:

Information Technology (Ad-hoc)
Kerry Erickson (Chairperson)
Sharon Raghavachary

Community Relations & Water Conservation:
Kerry Erickson (Chairperson)
Judy Tejeda – *(formerly Sharon Raghavachary)*

2021 Water & Wastewater Cost-of-Service Study Update – Mr. Lee introduced Kevin Kostiuk of Raftelis. Mr. Kostiuk presented the Water and Wastewater Financial Plans for FY 2022/25, which precedes the cost-of-service analysis and rate design stage of the study. The presentation included four (4) financial plans scenarios for the Water and Wastewater funds, each. This presentation had been discussed with the Finance Committee on February 16, 2021 and with the Community Advisory Committee on February 17, 2021. Mr. Lee provided the CVWD meeting schedule as currently expected.

Introduction of the CVWD Community Advisory Committee – Mr. Ochoa thanked the members of the Community Advisory Committee for their time and commitment to the community. Ms. Colby introduced the members as Frank Colcord, Shelley Powser, Marilyn Tyler, Tom Webb, David Weeshoff, and Jonas Williams, and. Members of the committee provided their opinions, comments, and feedback from the Water & Wastewater Cost-of-Service Study which was presented at the first Community Advisory Committee meeting on February 18, 2021.

New Emergency Electrical Generator at the La Granada Wastewater Lift Station, Project S-962 – Mr. Gould provided the background for a request to award a contract for the installation of a new emergency electrical generator at the La Granada Lift Station, which was presented at the February 9, 2021 Board meeting. The details of a formal bid protest received from Taft Electric Company (Taft) on February 8, 2021 were discussed with Legal Counsel, after which the Board was given the option to accept the Affordable Generator Services, Inc. (AGS) bid, find the bid offer from AGS non-responsive, reject their bid, and award the project to Taft, or reject all bids and rebid the project.

Following discussion:

It was moved by Director Erickson, seconded by Director Tejeda, and carried by 5-0 roll call vote to authorize the General Manager to award a contract to the lowest responsible bidder, Affordable Generator Services, Inc. for the installation of a new emergency electrical generator at the La Granada Lift Station at a cost of $192,235.06 and establish a contingency amount of $19,224 (10% of contract) to cover the cost of unforeseen or additional work.

It was moved by Director Erickson, seconded by Director Tejeda, and carried by 5-0 roll call vote to authorize the General Manager to enter into an agreement with APEX Manufacturing Solutions for SCADA programming and integration for said project at a cost not to exceed $12,840.

It was moved by Director Erickson, seconded by Director Tejeda, and carried by 5-0 roll call vote to authorize the General Manager to enter into an agreement with Cannon for Construction Management and Inspection Services for said project at a cost not to exceed $64,160.

It was moved by Director Erickson, seconded by Director Tejeda, and carried by 5-0 roll call vote to transfer an additional $50,000 from the Wastewater Reserve Fund to the Wastewater Capital Improvement Project (CIP) program to complete Project S-962

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

<u>Well Pump Replacement and Casing Rehabilitation of Well 12, Project E-1029</u> – Mr. Yared requested consideration and motion to authorize the General Manager to award a contract to the lowest bidder, Legend Pump and Well Services, Inc for the rehabilitation of Well 12. Mr. Yared indicated that Well 12 was last rehabilitated and redesigned in 2014, at which time CVWD was in middle of a drought where the region was experiencing a decline in the groundwater level. Mr. Yared stated that the installation of a smaller pump and motor assembly would work more efficiently under current conditions.

Following discussion:

It was moved by Director Bodnar, seconded by Director Raghavachary, and carried by 5-0 roll call vote to authorize the General Manager to award a contract to the lowest responsible bidder, Legend Pump and Well Services, Inc. for the rehabilitation of Well 12 at a cost of $74,930 and establish a contingency amount of $7,493 (10% of contract) to cover the cost of unforeseen or additional work.

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

<u>INFORMATION ITEMS</u> – None

<u>WRITTEN COMMUNICATIONS TO DISTRICT</u> – None

<u>REPORTS OF PERSONNEL</u> – No report

<u>GENERAL MANAGER</u> – Mr. Ochoa provided an update on the preparation of the Urban Water Management Plan (UWMP) and Risk & Resilience Assessment. Mr. Lee announced that the “Supervisory Basics” professional development program was introduced to the CVWD employees, along with an Employee Assistance Program (EAP) webinar. Mr. Lee provided highlights for Customer Service and Administration, and Finance, and Ms. Colby provided Public Outreach updates. Mr. Montes announced that CVWD employees are participating in a Gratefulness Challenge over the next two (2) weeks, funded by a grant received from JPIA. Mr. Yared announced that CVWD has been chosen to receive the “LA Basin Best Small Agency Wastewater Association” Award by CWEA.

<u>ATTORNEY</u> – No report

<u>REPORTS OF PERSONNEL</u> – None

<u>REPORTS OF COMMITTEES</u>

<u>Engineering Committee</u> – Director Raghavachary reported that the Committee had not met. An audio/video conference meeting is scheduled for March 16, 2021.

<u>Finance Committee</u> – Director Raghavachary reported that the Committee had met on February 16, 2021. An audio/video conference meeting is scheduled for March 3, 2021.

<u>Employee Relations Committee</u> – Director Bodnar reported that the Committee had not met; however, an audio/video conference meeting will be scheduled as needed.

<u>Policy Committee</u> – Director Putnam reported that the Committee had not met; however, an audio/video conference meeting will be scheduled as needed.

<u>Community Relations/Water Conservation Committee</u> – Director Erickson reported that the Committee had not met; however, an audio/video conference meeting will be scheduled as needed.

<u>Emergency Planning Committee</u> – Director Tejeda reported that the Committee had not met; however, an audio/video conference meeting will be scheduled as needed.

<u>Technology Committee</u> – Director Erickson reported that the Committee had not met; however, an audio/video conference meeting will be scheduled as needed.

<u>Executive Committee</u> – Director Raghavachary reported that the Committee had not met; however, an audio/video conference meeting will be scheduled as needed.

<u>DIRECTORS' ORAL REPORTS</u>

Director Raghavachary – No report

Director Bodnar – No report

Director Erickson – Reported that he had received a reminder email from LA County to electronically file Form 700 (Statement of Economic Interest) by April 1, 2021.

Director Putnam – No report

Director Tejeda – No report

<u>CLOSED SESSION</u> – None

<u>BOARD MEMBERS' REQUESTS FOR FUTURE AGENDA ITEMS</u> – None

<u>ADJOURNMENT</u>

There being no other business to come before the Board, at 10:01 p.m., the meeting was adjourned to March 9, 2021, at 7:00 p.m.

APPROVED

Sharon S. Raghavachary	James Lee
President	Director of Finance & Administration

CRESCENTA VALLEY WATER DISTRICT

BOARD OF DIRECTORS - STAFF REPORT

Action Item No. 1
March 9, 2021

To: Honorable President and Members of the Board of Directors

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

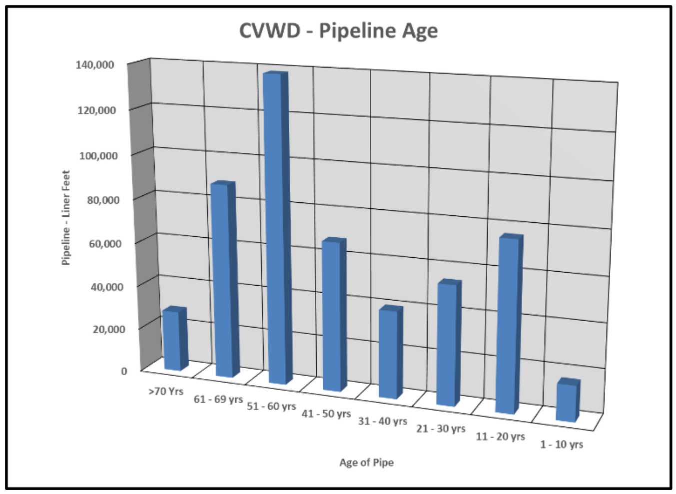
Subject: **Review and Discussion of Pipeline Replacement of Construction Costs from 1994 to 2020**

ACTION ITEM

Pipeline Replacement Construction Costs – Review and discussion of pipeline replacement construction costs from 1994 to 2020.

BACKGROUND:

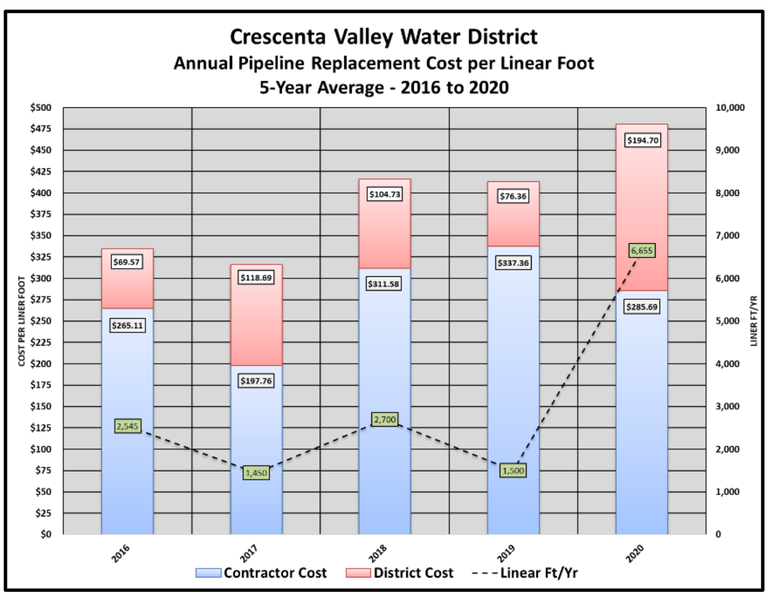
CVWD owns and maintains over 96.3 miles of steel water pipeline within the District's water distribution system. The pipeline diameter sizes range from 2" to 16" and the pipelines were installed between 1933 and 2020. Over 45% of the existing pipelines (48.2 miles) are over 50 years old or more, with the typical life expectancy of a steel pipeline being 75 years.



The Long-Term Infrastructure Reliability and Funding Roadmap was introduced in January 2020 as a plan to address long-term infrastructure goals in the 2020 Strategic Plan. The Roadmap was referenced throughout the year, including during the budget development. One of the goals posed by the Roadmap was a commitment to replace at least one (1) mile (5,280 LF) of pipeline a year for the next 20 years.

DISCUSSION:

Staff has been tracking pipeline replacement costs relative to contractors' cost for installation and the District's cost for design, pipe material, inspection, prevailing wage, and other costs since 1994. As shown in Exhibit 1, CVWD has averaged about 4,000 LF of pipeline replacement per year over the last 27 years. Exhibit 2 shows that the annual pipeline replacement cost has steadily increased with the average cost per linear foot in 2020 at $480/LF.



- 1994 to 2005 - CVWD was replacing an average of 5,540 LF/yr, and the average cost per linear foot remained relatively stable at $114/LF.
- 2006 to 2015 – The average amount of pipeline replacement dropped to 3,600 LF/yr and at the same time, the average cost per linear foot increased to $239/LF. Also, three years, no pipeline replacement occurred.
- 2016 to 2020 – As shown in the graph on the left, the average amount of pipeline replacement dropped again to 2,970 LF/yr and the average cost per linear foot continued increased to $392/LF over the past five-year period.

SUMMARY:

Staff has observed that the last three pipeline bids were less than the engineer's cost estimate and that the construction climate maybe showing some reduction in costs. We have also seen an increase in the number of contractors attending the pre-bid meetings. However, we have also seen an increase in cost of materials such as steel pipe, which rose due to tariffs.

As we move into the future with pipeline construction, staff is looking into cost savings such as pre-purchasing steel pipe to get a discount on larger quantities, pre-selecting contractors and negotiating an annual cost that will remain the same for the entire year, investigating pipe material (i.e., PVC pipe vs. Steel Pipe), and other cost saving measures. However, CVWD will also see an increase in design consultants and construction management and inspection services from previous years. As illustrated in the graph on the previous page, the total cost for the District's pipeline construction has risen by 34% over the past three years, a trend that is anticipated to continue to play out in the mid- and long-term.

ENVIRONMENTAL REVIEW:

N/A

FUNDING AVAILABILITY:

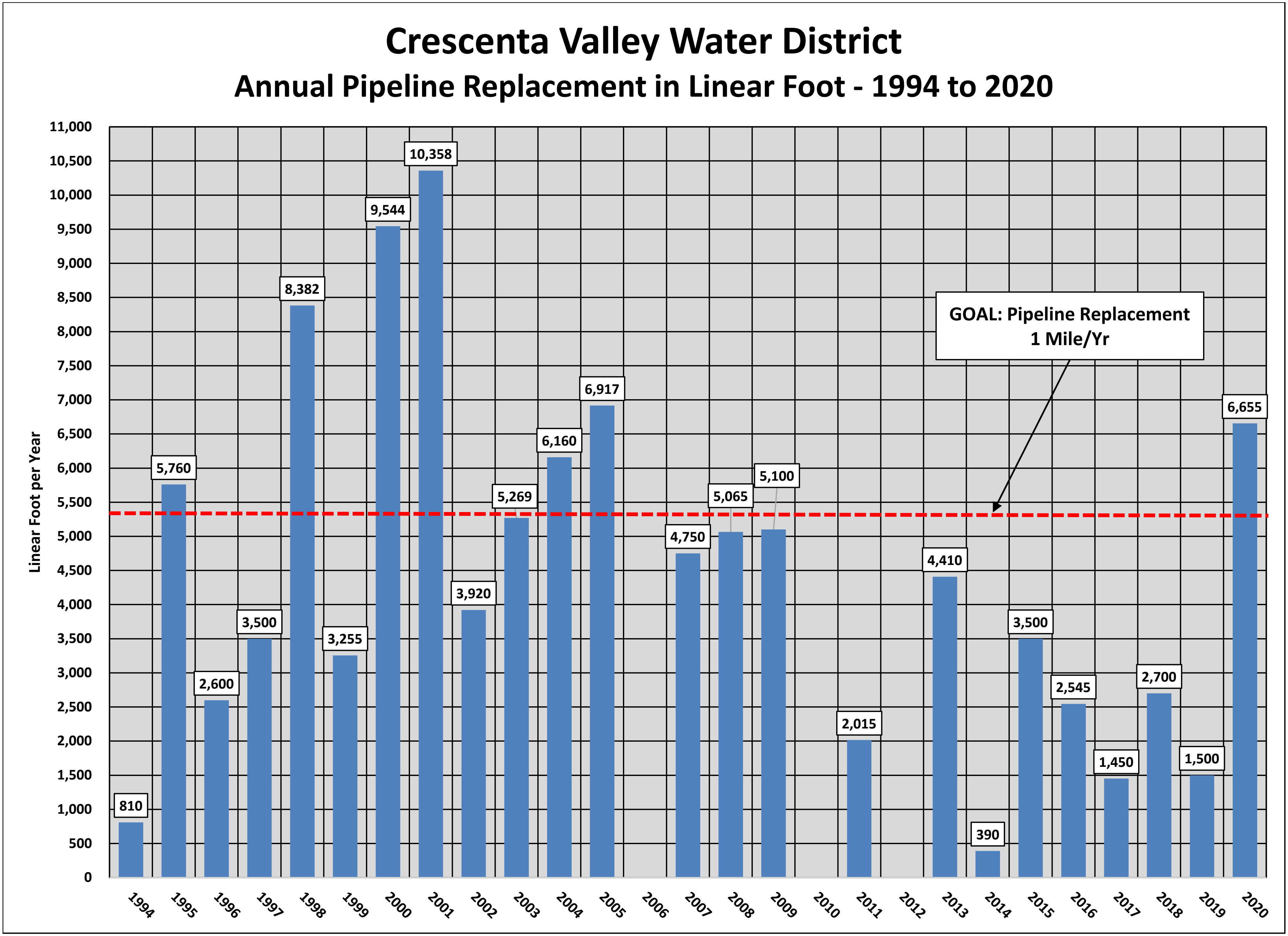
N/A

Prepared by:	Submitted by:
David S. Gould, P.E.	Nem Ochoa
Director of Engineering	General Manager

Attachment:

1. Exhibit 1 - Annual Pipeline Replacement in Linear Foot - 1994 to 2020
2. Exhibit 2 - Annual Pipeline Replacement Cost per Linear Foot - 1994 to 2020

EXHIBIT 1



Crescenta Valley Water District
Annual Pipeline Replacement in Linear Foot - 1994 to 2020
Linear Foot per Year
GOAL: Pipeline Replacement
1 Mile/Yr
810
5,760
2,600
3,500
8,382
3,255
9,544
10,358
3,920
5,269
6,160
6,917
4,750
5,065
5,100
2,015
4,410
390
3,500
2,545
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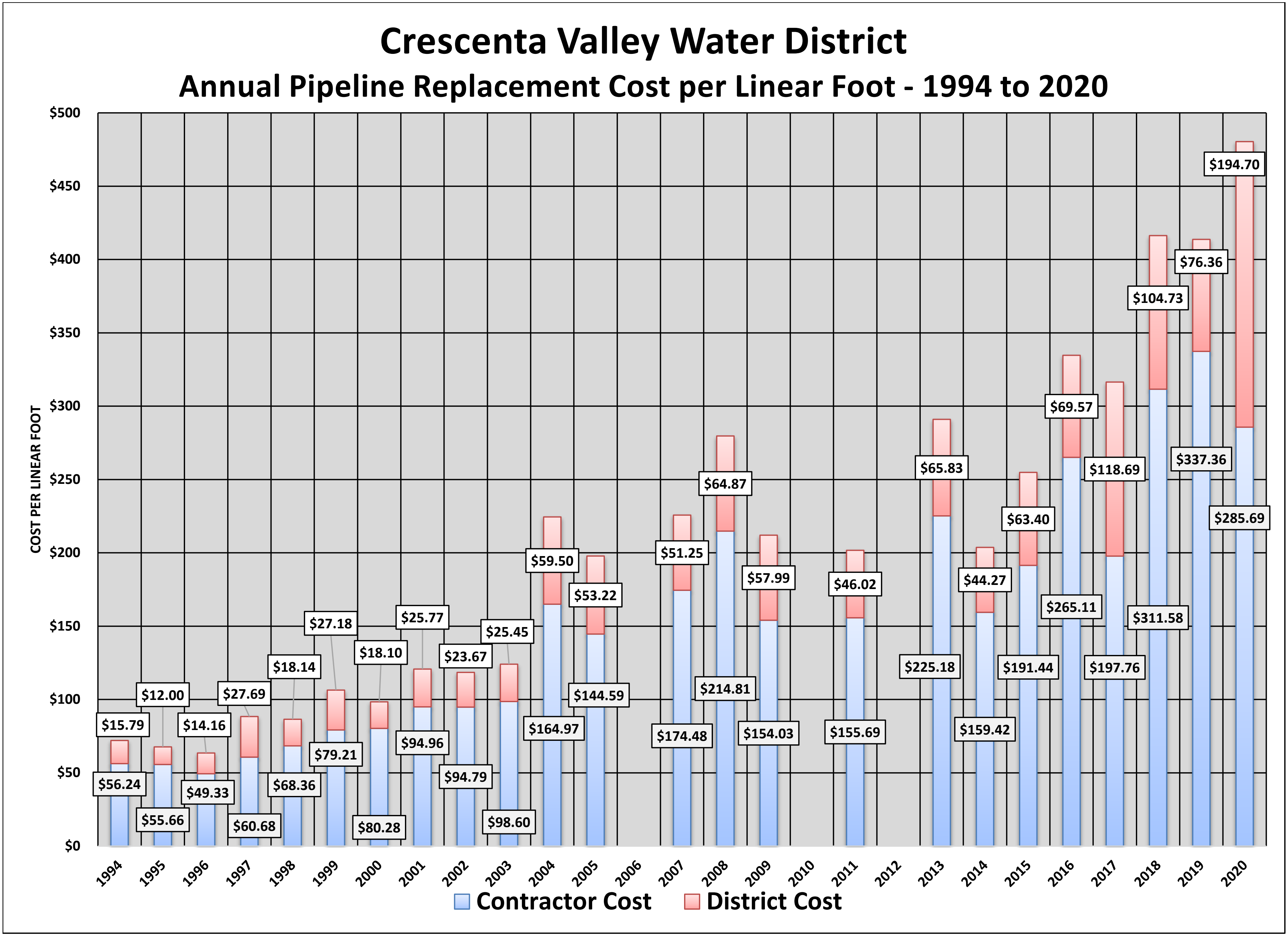
EXHIBIT 2



Crescenta Valley Water District
Annual Pipeline Replacement Cost per Linear Foot - 1994 to 2020
COST PER LINEAR FOOT
$0
$50
$100
$150
$200
$250
$300
$350
$400
$450
$500
1994
1995
1996
1997
1998
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$14.16
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$164.97
$59.50
$144.59
$53.22
$174.48
$51.25
$214.81
$64.87
$154.03
$57.99
$155.69
$46.02
$225.18
$65.83
$159.42
$44.27
$191.44
$63.40
$265.11
$69.57
$197.76
$118.69
$311.58
$104.73
$337.36
$76.36
$285.69
$194.70
Contractor Cost
District Cost

CRESCENTA VALLEY WATER DISTRICT

BOARD OF DIRECTORS - STAFF REPORT

Action Item No. 2

To: Honorable President and Members of the Board of Directors March 9, 2021

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

Subject: **Resolution No. 765 – Authorizing and Approving Submission for a USBR Small-Scale Water Efficiency Projects Grant Program, Project E-1031**

ACTION ITEM

1. **Resolution No. 765** – Consideration and motion to adopt Resolution No. 765 for authorizing and approving submission for a U.S. Bureau of Reclamation small-scale water efficiency project grant program, Project E-1031

BACKGROUND:

The U.S. Bureau of Reclamation (USBR) is making grant funding available through its WaterSMART Program for Small-Scale Water Efficiency Grant, which will provide a 50/50 cost share funding to irrigation and water districts, tribes, states and other entities with water or power delivery authority for small water efficiency improvements. Projects eligible for funding include installation of flow measurement or automation in a specific part of a water delivery system, lining of a section of a canal to address seepage, or other similar projects that are limited in scope. The notice of funding opportunity is available on grants.gov by searching for opportunity number R21AS00300. Applications are due on March 18, 2020, at 4 pm.

In 2020, USBR provided over $3.3M to 52 projects in 13 states in the West for WaterSMART grants for small-scale water efficiency improvements with each project getting up to $75,000 in grant funding for each project. A recent project that was awarded in 2020 was:

Yucaipa Valley Water District - Distribution Metering Enhancement Project
USBR funding: $75,000 and Total Project Cost: $227,742.
The Yucaipa Valley Water District, located in southern California, will install 49 smart meters on the District's distribution system. Meters will be installed on effluent discharge points at the Yucaipa Valley Regional Water Filtration Facility and on wells, boosters, and reservoirs in the distribution system. The meters will allow the District to determine water use, identify leaks, and increase the system reliability by being proactive.

DISCUSSION:

Staff reviewed CVWD's AMI program for similar projects that could be eligible for small-scale water efficiency project grant program and concluded that replacement of the District's 3-inch and 4-inch water displacement meters with new and more efficient "Smart Meters" would meet the grant requirements.

Large Water Meter Replacement Project

CVWD has twenty-nine (29) 3-inch meters and three (3) 4-inch meters that are located at large apartment and condominium complexes, senior living apartments, and irrigation for parks and Caltrans. These meters were scheduled to be replaced in FY 23/24 at an estimated cost of $300,000 that includes new meters with smart points, new meter boxes, new lids, and piping upgrades. The work will be performed by an outside contractor. The USBR grant will allow CVWD to accelerate the large meter upgrades to "Smart Meters", monitor water use and reduce the amount of unaccountable water (i.e., from low flows) through the older meters.

Preliminary Cost Estimate			
Task	**Quality**	**Unit Cost**	**Cost**
New 3-inch & 4-inch meters	32	$1,529	$48,925
New Large Meter Boxes with Lids	32	$1,547	$49,500
Piping & Valve Upgrades	32	$2,688	$86,000
New "Smart Points"	32	$409	$13,100
Construction - Outside Contractor	32	$2,800	$89,600
Project Management - Highroad IT	1	$3,200	$3,200
Misc.			$9,675
Total			**$300,000**

Grant Application:
Staff will be working with John Robinson Consulting (JRC) to prepare the USBR grant application for CVWD's Large Water Meter Replacement Program that will request a $75,000 grant from USBR and $225,000 matching cost from CVWD.

As part of the process, USBR is requesting that a resolution be approved by the Board of Directors to certify that CVWD has the legal authority to enter into an agreement with USBR; that CVWD has reviewed and supports the application submitted; that CVWD has the capability to provide the amount of funding and/or in-kind contributions specified in the application funding plan; and that CVWD will work with the Bureau of Reclamation to meet established deadlines for entering into a grant or cooperative agreement.

RECOMMENDATION:
It is staff's recommendation to adopt Resolution No. 765, such that CVWD can continue with preparation and submittal of a USBR grant application for the Large Water Meter Replacement Project.

ENVIRONMENTAL REVIEW:

N/A

FUNDING AVAILABILITY:

N/A

Prepared by:

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

Submitted by:

Nem Ochoa
General Manager

Attachment:

1. Resolution No. 765

Attachment

RESOLUTION NO. 765

RESOLUTION OF THE BOARD OF DIRECTORS OF

CRESCENTA VALLEY WATER DISTRICT

AUTHORIZING AND APPROVING SUBMISSION FOR A UNITED STATES BUREAU OF RECLAMATION SMALL-SCALE WATER EFFICIENCY PROJECTS GRANT

WHEREAS, the United States Department of the Interior provides financial assistance through WaterSMART; Small-Scale Water Efficiency Projects for entities to undertake projects that result in quantifiable and sustained water savings and support broader water reliability benefits; 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 Bureau of Reclamation has been delegated the responsibility of the administration of this grant program and establishing necessary procedures; and

WHEREAS, said procedures established by the Bureau of Reclamation 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/or in-kind contributions specified in the application funding plan; and that the applicant will work with the Bureau of Reclamation to meet established deadlines for entering into a grant or cooperative agreement; and

NOW, THEREFORE, that the Board of Directors of the Crescenta Valley Water District resolves as follows:

Section 1. The Board of Directors of Crescenta Valley Water District appoints the General Manager, or his designee, to act as agent with legal authority to enter into grant or cooperative agreement, conduct all negotiations, execute and submit all documents for the Large Meter Advanced Metering Infrastructure Replacement Program, Project E-1031 including, but not limited to, applications, agreements, payment requests and any other grant required correspondence with may be necessary for the completion of the grant program.

Section 2. The Board of Directors of Crescenta Valley Water District has sufficient funds available to provide the amount of funding specified in the funding plan as matching funds/in-kind contributions.

Section 3. Crescenta Valley Water District will work with the US Bureau of Reclamation to meet established deadlines for entering into a cooperative agreement.

Section 4. This Resolution shall take effect immediately upon its adoption by the Board, and the Secretary to the Board shall certify the vote adopting this Resolution.

PASSED, APPROVED, AND ADOPTED at a Regular Meeting of the Board of Directors of Crescenta Valley Water District held on March 9, 2021, Resolution No. 765 was adopted by the following vote:

AYES:

Director Bodnar
Director Erickson
Director Putnam
Director Raghavachary
Director Tejeda

NOES: **None**

____

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

____

Secretary of the Board of Directors

STATE OF CALIFORNIA)

) ss.

COUNTY OF LOS ANGELES)

I, 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. 765 of the Board of Directors of Crescenta Valley Water District adopted at a Regular Meeting held on March 9, 2021 and that the same has not been amended or repealed.

Secretary of the Board of Directors of
Crescenta Valley Water District

DATED: March 9, 2021 **(S E A L)**

CRESCENTA VALLEY WATER DISTRICT
BOARD OF DIRECTORS - STAFF REPORT

Action Item No. 3
March 09, 2021

To: Honorable President and Members of the Board of Directors

From: James Lee – Director of Finance and Administration

Subject: **Preliminary Operating Budget Discussion for FY 2021-22**

ACTION ITEM:

Discussion of the District's preliminary operating budget for FY 2021-22.

BACKGROUND:

The District's budget is composed of the following primary components – 1) Operating Budget; and 2) Capital Budget. The FY 2022 preliminary budget discussion begins with the Operating Budget, the expenses used to operate and maintain the District – e.g. water purchases, materials and parts for leak repairs, training, emergency supplies, consultants, etc. The Capital Budget will be presented at a subsequent meeting.

Last year's operating budget was defined by uncertainty due to the pandemic, particularly with respect to revenue from rates, as rate increases were suspended, and a moratorium was placed on late fees and shutoffs. Staff cut the budget significantly in areas such as consultants, paving, meter maintenance, and labor and benefits, and identified various savings initiatives.

The operating budget was presented and discussed at the March 3, 2021 Finance Committee meeting and the March 4, 2021 Community Advisory Committee (CAC) meeting. Staff presented their forecast of necessary expenses to maintain safe and reliable services to the community.

The upcoming year's operating budget includes a number of operating needs that had been deferred. The following are notable year-over-year proposed changes and their respective percent change from current-year projections.

Proposed increases include:

- Administrative Consultants – A significant increase is proposed based on initiatives that invest in greater long-run efficiency (e.g., Sewer Master Plan, hydraulic modeling) or support other current initiatives (GIS work to supplement AMI); (159% Increase)
- Landscaping – A significant amount of tree trimming and other landscape maintenance around District buildings and reservoirs will require an increased budget; (26% Increase)
- Community Outreach – A larger outreach budget is based on direction from the board and input from the community requesting increased outreach activity; (40% Increase)
- Wastewater Treatment – The City of Los Angeles has provided the District with its estimate of 2022 charges, including pass throughs for operating and capital expenses. (2.4% increase)
- Pipeline Maintenance – In line with our Sewer System Management Plan, the sewer system requires a video inspection of the complete system every ten years. This will be spread over the next few years to smooth out the annual cost; (126% Increase)
- Lateral Leaks & Repairs – An increase in both material costs and occurrences has caused a significant increase in projected costs; (84% Increase)

Proposed decreases include:

- Computers, Network & Software – Streamlining of the District's technology assets and resources has led to significant savings by maximizing use and efficiency, as well as eliminating unnecessary or inefficient technology and associated vendors. (44% Decrease)
- Postage & Stationary – Savings will result from increased customer adoption of paperless billing; (10% Decrease)
- Nitrate Plant – Lower nitrate levels over the past year has led to less groundwater needing to be treated. Based on this, lower costs for treatment and maintenance are projected.; (0%)
- Water Purchases – At this time, the volume of water purchased from FMWD is projected based on meet pre-pandemic levels. Although FMWD's rate increases will still pass through to the District, the overall cost of purchased water is projected to decrease. (4% Decrease)
- Booster Pump Maintenance – Staff's maintenance and replacement schedule for booster pumps has increased their reliability and decreased projected repairs; (17% Decrease)
- Auto/Truck Maintenance – a more proactive fleet management and replacement program will reduce long-term costs, beginning with next year's maintenance expenses; (6% Decrease)

The Operating Budget as enclosed is each department's best representation of what is needed in the upcoming year to continue achieving the District's mission and the Strategic Plan goals that support it. In the budget document are two sets of columns with FY 2021 Budgeted vs. FY 2022 Budgeted and FY 2021 Projected vs. FY 2022 Budgeted. 'FY 2021 Budgeted' refers to the budget as approved last fiscal year. 'FY 2021 Projected' refers to staff's updated expectations of expenditures by the end of January of the current year (as reported in the January Dashboard). Budgeted and Projected are different because of circumstances that change following budget approval.

Going forward, staff seeks:

1. The Board's support with regard to the Operating Budget needed for next year and the Board's direction to defer certain initiatives and projects, if needed;
2. The Board's direction with respect to lower and upper limits for rate increases for the Water and Wastewater funds along with any policy considerations such as use of PayGo and bonds or the level to which deferred infrastructure will be addressed. This will determine the Capital Budget, and staff will be able to present an overall budget at subsequent meetings.

RECOMMENDATION

Discuss and support the District's FY 2022 Operating Budget.

Prepared by:

Arturo Montes
Finance & Administration Manager

Submitted by:

James Lee
Director of Finance & Administration

Attachment(s): 1) Departmental Operating Budgets; 2) Recent Savings Opportunities

CVWD Summary

Crescenta Valley Water District
FY 2022 Preliminary Operating Budget

Description	2021 Budget	2022 Budget	Budgeted V. Budgeted		2021 Projections	2022 Budget	Projected V. Budgeted	
General and Administrative								
	$ 1,349,656	$ 1,620,771	$ 271,115	20% ▲	$ 1,244,645	$ 1,620,771	$ 376,126	30% ▲
Operation Expense								
	$ 657,902	606,650	$ (51,252)	8% ▼	$ 505,743	$ 606,650	$ 100,907	20% ▲
Purchased Resources*								
	$ 5,899,422	6,262,128	$ 362,706	6% ▲	$ 6,308,785	$ 6,262,128	$ (46,657)	1% ▼
Distribution/Collection								
	$ 967,399	1,007,780	$ 40,381	4% ▲	$ 886,942	1,007,780	$ 120,838	14% ▲
Non-Operating Expense								
	$ 18,300	10,500	$ (7,800)	43% ▼	$ 12,200	10,500	$ (1,700)	14% ▼
Total								
	$ 8,892,679	$ 9,507,829	$ 615,151	7% ▲	$ 8,958,315	9,507,829	$ 549,515	6% ▲

*This category includes Water Supply, Power Purchases, and Wastewater Treatment

Crescenta Valley Water District
FY 2022 Preliminary Operating Budget

Description	2021 Budget	2022 Budget	Budgeted V. Budgeted		2021 Projections	2022 Budget	Projected V. Budgeted	
General and Administrative								
GL, Property, Fidelity Ins	$ 153,000	134,000	$ (19,000)	12% ▼	$ 129,000	134,000	$ 5,000	4% ▲
Accounting	$ 19,500	19,500	$ -		$ 19,500	19,500	$ -	
Legal	$ 120,000	178,000	$ 58,000	48% ▲	$ 128,000	178,000	$ 50,000	39% ▲
Administrative Consultants	$ 321,499	599,800	$ 278,301	87% ▲	$ 231,500	599,800	$ 368,300	159% ▲
Interns	$ 9,000	14,100	$ 5,100	57% ▲	$ 26,631	14,100	$ (12,531)	47% ▼
Election Expense	$ 40,000	0	$ (40,000)	100% ▼	$ -	0	$ -	
Building Maintenance	$ 59,600	51,000	$ (8,600)	14% ▼	$ 42,000	51,000	$ 9,000	21% ▲
Landscaping Expense	$ 16,500	21,600	$ 5,100	31% ▲	$ 17,100	21,600	$ 4,500	26% ▲
Office Supplies & Misc Exp	$ 31,736	27,000	$ (4,736)	15% ▼	$ 25,700	27,000	$ 1,300	5% ▲
Misc Expense - COVID-19	$ -	7,500	$ 7,500		$ 6,502	7,500	$ 998	15% ▲
Computers & Network	$ 28,267	25,101	$ (3,166)	11% ▼	$ 48,000	25,101	$ (22,899)	48% ▼
Computer Software	$ 54,453	70,775	$ 16,322	30% ▲	$ 124,000	70,775	$ (53,225)	43% ▼
Utilities	$ 51,800	46,300	$ (5,500)	11% ▼	$ 44,700	46,300	$ 1,600	4% ▲
Enterprise Voice Communications	$ 10,600	18,000	$ 7,400	70% ▲	$ 12,000	18,000	$ 6,000	50% ▲
Wireless Voice & Data	$ 29,000	18,760	$ (10,240)	35% ▼	$ 20,000	18,760	$ (1,240)	6% ▼
Data Communications - Fiber	$ 75,300	52,200	$ (23,100)	31% ▼	$ 47,500	52,200	$ 4,700	10% ▲
Printing Postage Stationery	$ 72,100	65,000	$ (7,100)	10% ▼	$ 72,000	65,000	$ (7,000)	10% ▼
Water System Fees	$ 60,000	65,000	$ 5,000	8% ▲	$ 60,000	65,000	$ 5,000	8% ▲
Engineering Expense	$ 14,400	7,500	$ (6,900)	48% ▼	$ 14,500	7,500	$ (7,000)	48% ▼
Water Conservation Expense	$ 25,500	15,000	$ (10,500)	41% ▼	$ 15,000	15,000	$ -	
Water Conservation Rebates	$ 5,000	5,000	$ -		$ 5,000	5,000	$ -	
Community Outreach	$ 20,000	35,000	$ 15,000	75% ▲	$ 25,000	35,000	$ 10,000	40% ▲

Crescenta Valley Water District
FY 2022 Preliminary Operating Budget

Description	2021 Budget	2022 Budget	Budgeted V. Budgeted		2021 Projections	2022 Budget	Projected V. Budgeted	
Training	$ 21,000	19,900	$ (1,100)	5% ▼	$ 17,150	19,900	$ 2,750	16% ▲
Conferences & Seminars	$ 17,000	19,500	$ 2,500	15% ▲	$ 7,700	19,500	$ 11,800	153% ▲
Misc Administration	$ 5,200	9,000	$ 3,800	73% ▲	$ 9,952	9,000	$ (952)	10% ▼
Memberships/Subscriptions	$ 35,200	36,235	$ 1,035	3% ▲	$ 32,210	36,235	$ 4,025	12% ▲
Bank Charges	$ 54,000	60,000	$ 6,000	11% ▲	$ 64,000	60,000	$ (4,000)	6% ▼
General and Administrative	**$ 1,349,656**	**$ 1,620,771**	**$ 271,115**	20% ▲	**$ 1,244,645**	**$ 1,620,771**	**$ 376,126**	30% ▲
Operation Expense								
Taxes-Property	$ 16,500	20,500	$ 4,000	24% ▲	$ 20,000	20,500	$ 500	3% ▲
Building Maintenance-Plant	$ 59,600	51,000	$ (8,600)	14% ▼	$ 42,000	51,000	$ 9,000	21% ▲
Landscaping Expenses-Plant	$ 16,500	21,600	$ 5,100	31% ▲	$ 17,100	21,600	$ 4,500	26% ▲
Utilities-Plant	$ 51,800	46,300	$ (5,500)	11% ▼	$ 44,700	46,300	$ 1,600	4% ▲
Training-Plant	$ 21,000	19,900	$ (1,100)	5% ▼	$ 17,150	19,900	$ 2,750	16% ▲
Operator Certifications-Educ	$ 4,500	8,300	$ 3,800	84% ▲	$ 2,500	8,300	$ 5,800	232% ▲
Tuition Reimbursment	$ -	4,750	$ 4,750		$ -	4,750	$ 4,750	
Safety & Security	$ 28,000	23,000	$ (5,000)	18% ▼	$ 23,000	23,000	$ -	
Uniforms	$ 19,800	18,500	$ (1,300)	7% ▼	$ 18,500	18,500	$ -	
Misc- Administration	$ 5,200	9,000	$ 3,800	73% ▲	$ 9,952	9,000	$ (952)	10% ▼
Emergency Operations/Repairs	$ 24,000	16,000	$ (8,000)	33% ▼	$ 12,000	16,000	$ 4,000	33% ▲
Permit & Assessment Fees	$ -	0	$ -		$ 3,000	0	$ (3,000)	100% ▼
Tools and Eq Maintenance	$ 35,500	35,300	$ (200)	1% ▼	$ 35,300	35,300	$ -	
Nitrate Plant	$ 82,500	61,500	$ (21,000)	25% ▼	$ 61,500	61,500	$ -	
Inventory Shrinkage/Overage	$ 20,000	6,000	$ (14,000)	70% ▼	$ 12,000	6,000	$ (6,000)	50% ▼
Inventory Disposal	$ -	0	$ -		$ 41	0	$ (41)	100% ▼
Telemetering & Signal System	$ 28,000	15,000	$ (13,000)	46% ▼	$ 17,000	15,000	$ (2,000)	12% ▼
Lab & Sampling Expense	$ 100,000	100,000	$ -		$ 50,000	100,000	$ 50,000	100% ▲
Non-Lab & Sampling	$ 15,000	15,000	$ -		$ -	15,000	$ 15,000	
Water Treatment Expense	$ 130,000	135,000	$ 5,000	4% ▲	$ 120,000	135,000	$ 15,000	13% ▲
Operation Expense	**$ 657,902**	**606,650**	**$ (51,252)**	8% ▼	**$ 505,743**	**$ 606,650**	**$ 100,907**	20% ▲
Purchased Resources								
Water Usage Cost Exp Well 16	$ 138,960	129,000	$ (9,960)	7% ▼	$ 110,000	129,000	$ 19,000	17% ▲
Purchased Water FMWD	$ 3,108,762	3,417,108	$ 308,346	10% ▲	$ 3,551,322	3,417,108	$ (134,214)	4% ▼
Power Purchased	$ 801,800	821,500	$ 19,700	2% ▲	$ 797,562	821,500	$ 23,938	3% ▲
Wastewater System Expense	$ 1,849,900	1,894,520	$ 44,620	2% ▲	$ 1,849,900	1,894,520	$ 44,620	2% ▲
Purchased Resources	**$ 5,899,422**	**6,262,128**	**$ 362,706**	6% ▲	**$ 6,308,785**	**$ 6,262,128**	**$ (46,657)**	1% ▼

Crescenta Valley Water District
FY 2022 Preliminary Operating Budget

Description	2021 Budget	2022 Budget	Budgeted V. Budgeted		2021 Projections	2022 Budget	Projected V. Budgeted	
Distribution/Collection								
Backflow Expense	$ 800	800	$ -		$ 500	800	$ 300	60% ▲
Pipelines - Maintenance	$ 45,000	106,000	$ 61,000	136% ▲	$ 47,000	106,000	$ 59,000	126% ▲
Pipelines - Paving	$ 25,000	10,000	$ (15,000)	60% ▼	$ 10,000	10,000	$ -	
Fire Hydrant Repair/Replace	$ 15,000	20,000	$ 5,000	33% ▲	$ 15,000	20,000	$ 5,000	33% ▲
Pipelines - Leak Detect/Repair	$ 22,000	25,000	$ 3,000	14% ▲	$ 25,000	25,000	$ -	
Pipelines-Trench Plate Rentals	$ 2,000	0	$ (2,000)	100% ▼	$ -	0	$ -	
Pipelines - Valves	$ 6,000	10,000	$ 4,000	67% ▲	$ 6,000	10,000	$ 4,000	67% ▲
Reservoir Maintenance	$ 94,500	79,500	$ (15,000)	16% ▼	$ 91,000	79,500	$ (11,500)	13% ▼
Reservoir Landscape	$ 21,000	20,000	$ (1,000)	5% ▼	$ 20,000	20,000	$ -	
Meter Maintenance	$ 75,000	6,000	$ (69,000)	92% ▼	$ 3,900	6,000	$ 2,100	54% ▲
Meters - Paving	$ 125,000	115,000	$ (10,000)	8% ▼	$ 105,000	115,000	$ 10,000	10% ▲
Meter Repair/Replace/Upgrade	$ 8,000	6,000	$ (2,000)	25% ▼	$ 69,000	6,000	$ (63,000)	91% ▼
Lateral Leaks and Repairs	$ 87,000	160,000	$ 73,000	84% ▲	$ 87,000	160,000	$ 73,000	84% ▲
Meters - Trench Plate Rentals	$ -	0	$ -		$ -	0	$ -	
D-Job Meters/Hydrants	$ 75,000	100,000	$ 25,000	33% ▲	$ 75,000	100,000	$ 25,000	33% ▲
Land Lease Well 16	$ 16,500	16,680	$ 180	1% ▲	$ 16,500	16,680	$ 180	1% ▲
Well Site - Maintenance	$ 62,000	62,000	$ -		$ 62,000	62,000	$ -	
Well Site - Landscape	$ 7,000	20,000	$ 13,000	186% ▲	$ 7,000	20,000	$ 13,000	186% ▲
Well Site - Lease Payment	$ 300	300	$ -		$ 300	300	$ -	
Booster Pumps - Maintenance	$ 50,000	25,000	$ (25,000)	50% ▼	$ 30,000	25,000	$ (5,000)	17% ▼
Emergency Power Generators	$ 25,800	26,000	$ 200	1% ▲	$ 22,242	26,000	$ 3,758	17% ▲
Auto/Truck Maintenance	$ 86,999	78,000	$ (8,999)	10% ▼	$ 83,000	78,000	$ (5,000)	6% ▼
Auto/Truck Maintenance-Gas	$ 31,600	34,000	$ 2,400	8% ▲	$ 31,000	34,000	$ 3,000	10% ▲
Auto/Truck Maintenance-Diesel	$ 25,900	28,000	$ 2,100	8% ▲	$ 25,500	28,000	$ 2,500	10% ▲
Sewer Flow Monitoring Expense	$ 15,000	17,500	$ 2,500	17% ▲	$ 19,000	17,500	$ (1,500)	8% ▼
Sewer Camera Van Inspection	$ 10,000	8,000	$ (2,000)	20% ▼	$ 8,000	8,000	$ -	
Sewer Interceptor Maintenance	$ 20,000	20,000	$ -		$ 14,000	20,000	$ 6,000	43% ▲
Sewer Lift Station Maintenance	$ 15,000	14,000	$ (1,000)	7% ▼	$ 14,000	14,000	$ -	
Distribution/Collection	**$ 967,399**	1,007,780	**$ 40,381**	4% ▲	**$ 886,942**	**1,007,780**	**$ 120,838**	14% ▲
Non-Operating Expense								
Rental Expenses - PA House	$ 1,500	3,500	$ 2,000	133% ▲	$ 2,200	3,500	$ 1,300	59% ▲
Rental Expenses - Sycamore	$ 1,800	3,500	$ 1,700	94% ▲	$ 1,000	3,500	$ 2,500	250% ▲
Rental Expenses - Mills	$ 15,000	3,500	$ (11,500)	77% ▼	$ 9,000	3,500	$ (5,500)	61% ▼

CVWD - Summary Detail

Crescenta Valley Water District
FY 2022 Preliminary Operating Budget

Description		2021 Budget	2022 Budget	Budgeted V. Budgeted			2021 Projections	2022 Budget	Projected V. Budgeted	
Non-Operating Expense		$ 18,300	10,500	$ (7,800)			$ 12,200	10,500	$ (1,700)	14% ▼
Total										
		$ 8,892,679	$ 9,507,829	$ 615,151	7% ▲		$ 8,958,315	9,507,829	$ 549,515	6% ▲

Crescenta Valley Water District
FY 2022 Preliminary Operating Budget

Description	2021 Budget	2022 Budget	Budgeted V. Budgeted		2021 Projections	2022 Budget	Projected V. Budgeted	
General and Administrative								
Office Supplies & Misc Exp	$ 19,600	$ 18,000	$ (1,600)	8% ▼	$ 18,000	$ 18,000	$ -	
Misc Expense - COVID-19	-	4,000	4,000		1,000	4,000	3,000	300% ▲
Conferences & Seminars	2,500	7,500	5,000	200% ▲	1,400	7,500	6,100	436% ▲
Memberships/Subscriptions	2,000	2,000	-		1,100	2,000	900	82% ▲
General and Administrative	**$ 24,100**	**$ 31,500**	**$ 7,400**	31% ▲	**$ 21,500**	**$ 31,500**	**$ 10,000**	47% ▲
Operation Expense								
Building Maintenance-Plant	$ 42,000	$ 26,000	$ (16,000)	38% ▼	$ 31,000	$ 26,000	$ (5,000)	16% ▼
Landscaping Expenses-Plant	8,000	13,000	5,000	62% ▲	8,900	13,000	4,100	46% ▲
Utilities-Plant	19,800	17,800	(2,000)	10% ▼	17,200	17,800	600	3% ▲
Training-Plant	14,000	12,700	(1,300)	9% ▼	12,700	12,700	-	
Operator Certifications-Educ	4,500	2,500	(2,000)	44% ▼	2,500	2,500	-	
Tuition Reimbursment	-	2,000	2,000			2,000	2,000	
Safety & Security	28,000	23,000	(5,000)	18% ▼	23,000	23,000	-	
Uniforms	19,800	18,500	(1,300)	7% ▼	18,500	18,500	-	
Misc- Administration	-	2,500	2,500		452	2,500	2,048	453% ▲
Emergency Operations/Repairs	24,000	16,000	(8,000)	33% ▼	12,000	16,000	4,000	33% ▲
Permit & Assessment Fees	-	-	-		-	-	-	
Tools and Eq Maintenance	35,500	35,300	(200)	1% ▼	35,300	35,300	-	
Nitrate Plant	82,500	61,500	(21,000)	25% ▼	61,500	61,500	-	
Inventory Shrinkage/Overage	20,000	6,000	(14,000)	70% ▼	12,000	6,000	(6,000)	50% ▼
Inventory Disposal	-		-		41	-	(41)	100% ▼
Telemetering & Signal System	-	15,000	15,000		-	15,000	15,000	
Water Treatment Expense	130,000	135,000	5,000	4% ▲	120,000	135,000	15,000	13% ▲
Operation Expense	**$ 428,102**	**$ 386,800**	**$ (41,302)**	10% ▼	**$ 355,093**	**$ 386,800**	**$ 31,707**	9% ▲

Crescenta Valley Water District
FY 2022 Preliminary Operating Budget

Description	2021 Budget	2022 Budget	Budgeted V. Budgeted		2021 Projections	2022 Budget	Projected V. Budgeted	
Purchased Resources								
Water Usage Cost Exp Well 16	$ 138,960	$ 129,000	$ (9,960)	7% ▼	$ 110,000	129,000	$ 19,000	17% ▲
Purchased Water FMWD	3,108,762	3,417,108	308,346	10% ▲	3,551,322	3,417,108	(134,214)	4% ▼
Power Purchased	801,800	821,500	19,700	2% ▲	797,562	821,500	23,938	3% ▲
Wastewater System Expense	1,849,900	1,894,520	44,620	2% ▲	1,849,900	1,894,520	44,620	2% ▲
Purchased Resources	**$ 5,899,422**	**$ 6,262,128**	**$ 362,706**	6% ▲	**$ 6,308,785**	**$ 6,262,128**	**$ (46,657)**	1% ▼
Distribution/Collection								
Pipelines - Maintenance	$ 45,000	$ 106,000	$ 61,000	136% ▲	$ 47,000	106,000	59,000	126% ▲
Fire Hydrant Repair/Replace	15,000	20,000	5,000	33% ▲	15,000	20,000	5,000	33% ▲
Pipelines-Trench Plate Rentals	2,000	-	(2,000)	100% ▼	-	-	-	
Pipelines - Valves	6,000	10,000	4,000	67% ▲	6,000	10,000	4,000	67% ▲
Reservoir Maintenance	75,000	60,000	(15,000)	20% ▼	75,000	60,000	(15,000)	20% ▼
Reservoir Landscape	21,000	20,000	(1,000)	5% ▼	20,000	20,000	-	
Meter Maintenance	75,000	6,000	(69,000)	92% ▼	3,000	6,000	3,000	100% ▲
Meter Repair/Replace/Upgrade	8,000	6,000	(2,000)	25% ▼	69,000	6,000	(63,000)	91% ▼
Lateral Leaks and Repairs	87,000	160,000	73,000	84% ▲	87,000	160,000	73,000	84% ▲
Meters - Trench Plate Rentals	-	-	-		-	-	-	
Land Lease Expense Well16	-	-	-		-	-	-	
Well Site - Maintenance	62,000	62,000	-		62,000	62,000	-	
Well Site - Landscape	7,000	20,000	13,000	186% ▲	7,000	20,000	13,000	186% ▲
Booster Pumps - Maintenance	15,000	25,000	10,000	67% ▲	15,000	25,000	10,000	67% ▲
Emergency Power Generators	25,800	26,000	200	1% ▲	22,242	26,000	3,758	17% ▲
Auto/Truck Maintenance	86,999	78,000	(8,999)	10% ▼	83,000	78,000	(5,000)	6% ▼
Auto/Truck Maintenance-Gas	31,600	34,000	2,400	8% ▲	31,000	34,000	3,000	10% ▲
Auto/Truck Maintenance-Diesel	25,900	28,000	2,100	8% ▲	25,500	28,000	2,500	10% ▲
Sewer Flow Monitoring Expense	-		-		4,000	-	(4,000)	100% ▼
Sewer Camera Van Inspection	10,000	8,000	(2,000)	20% ▼	8,000	8,000	-	
Sewer Interceptor Maintenance	20,000	20,000	-		14,000	20,000	6,000	43% ▲
Sewer Lift Station Maintenance	15,000	14,000	(1,000)	7% ▼	14,000	14,000	-	
Distribution/Collection Expense	**$ 633,299**	**$ 703,000**	**$ 69,701**	11% ▲	**$ 607,742**	**$ 703,000**	**$ 95,258**	16% ▲
	$ 6,984,923	**$ 7,383,428**	**$ 398,505**	6% ▲	**$ 7,293,120**	**$ 7,383,428**	**$ 90,308**	1% ▲

Crescenta Valley Water District
FY 2022 Preliminary Operating Budget

Description	2021 Budget	2022 Budget	Budgeted V. Budgeted		2021 Projections	2022 Budget	Projected V. Budgeted	
General and Administrative								
Administrative Consultants	$ 147,000	$ 357,600	$ 210,600	143% ▲	$ 110,000	$ 357,600	$ 247,600	225% ▲
Interns	-	14,100	14,100		17,320	14,100	(3,220)	19% ▼
Office Supplies & Misc Exp	4,636	3,000	(1,636)	35% ▼	3,000	3,000	-	
Misc Expense - COVID-19	-	1,000	1,000		2,001	1,000	(1,001)	50% ▼
Engineering Expense	14,400	7,500	(6,900)	48% ▼	14,500	7,500	(7,000)	48% ▼
Conferences & Seminars	6,200	4,500	(1,700)	27% ▼	3,500	4,500	1,000	29% ▲
Memberships/Subscriptions	3,200	500	(2,700)	84% ▼	1,610	500	(1,110)	69% ▼
General and Administrative	**$ 175,436**	**$ 388,200**	**$ 212,764**	121% ▲	**$ 151,931**	**$ 388,200**	**$ 236,269**	156% ▲
Operation Expense								
Training	$ 2,000	$ 1,200	$ (800)	40% ▼	$ 1,150	$ 1,200	$ 50	4% ▲
Certifications-Educ	-	5,800	5,800		-	5,800	5,800	
Tuition Reimbursment	-	1,000	1,000		-	1,000	1,000	
Misc- Administration	-	500	500		-	500	500	
Emergency Operations/Repairs	-	-	-		-	-	-	
Permit & Assessment Fees	-	-	-		3,000	-	(3,000)	100% ▼
Telemetering & Signal System	-		-		-	-	-	
Operation Expense	**$ 2,000**	**$ 8,500**	**$ 6,500**	325% ▲	**$ 4,150**	**$ 8,500**	**$ 4,350**	105% ▲

Crescenta Valley Water District
FY 2022 Preliminary Operating Budget

Description	2021 Budget	2022 Budget	Budgeted V. Budgeted		2021 Projections	2022 Budget	Projected V. Budgeted	
Distribution/Collection Expense								
Backflow Expense	$ 800	$ 800	$ -		$ 500	$ 800	300	60% ▲
Pipelines - Paving	25,000	10,000	(15,000)	60% ▼	10,000	10,000	-	
Pipelines - Leak Detect/Repair	22,000	25,000	3,000	14% ▲	25,000	25,000	-	
Pipeline Maintenance	-		-		-	-	-	
Reservoir Maintenance	19,500	19,500	-		16,000	19,500	3,500	22% ▲
Meter Maintenance	-	-	-		900	-	(900)	100% ▼
Meters - Paving	125,000	115,000	(10,000)	8% ▼	105,000	115,000	10,000	10% ▲
D-Job Meters/Hydrants	75,000	100,000	25,000	33% ▲	75,000	100,000	25,000	33% ▲
Land Lease Well 16	16,500	16,680	180	1% ▲	16,500	16,680	180	1% ▲
Well Site - Lease Payment	300	300	-		300	300	-	
Booster Pumps - Maintenance	35,000	-	(35,000)	100% ▼	15,000	-	(15,000)	100% ▼
Sewer Flow Monitoring Expense	15,000	17,500	2,500	17% ▲	15,000	17,500	2,500	17% ▲
	$ 334,100	**$ 304,780**	**$ (29,320)**	9% ▼	**$ 279,200**	**$ 304,780**	**$ 25,580**	9% ▲
	$ 511,536	**701,480**	**$ 189,944**	37% ▲	**$ 435,281**	**$ 701,480**	**$ 266,199**	61% ▲

Regulatory

Crescenta Valley Water District
FY 2022 Preliminary Operating Budget

Description	2021 Budget	2022 Budget	Budgeted V. Budgeted		2021 Projections	2022 Budget	Projected V. Budgeted	
General and Administrative								
Administrative Consultants	$ 31,000	$ 40,000	$ 9,000	29% ▲	$ 10,000	$ 40,000	$ 30,000	300% ▲
Interns	9,000	-	(9,000)	100% ▼	9,000	-	(9,000)	100% ▼
Office Supplies & Misc Expense	1,500		(1,500)	100% ▼	1,200	-	(1,200)	100% ▼
Water Conservation Expense	25,500	15,000	(10,500)	41% ▼	15,000	15,000	-	
Water Conservation Rebates	5,000	5,000	-		5,000	5,000	-	
Community Outreach	20,000	35,000	15,000	75% ▲	25,000	35,000	10,000	40% ▲
Conferences & Seminars	2,500	2,500	-		800	2,500	1,700	213% ▲
Memberships/Subscriptions	-	2,735	2,735		-	2,735	2,735	
General and Administrative	**$ 94,500**	**$ 100,235**	**$ 5,735**	6% ▲	**$ 66,000**	**$ 100,235**	**$ 34,235**	52% ▲
Operation Expense								
Lab & Sampling Expense	$ 100,000	100,000	$ -		$ 50,000	100,000	$ 50,000	100% ▲
Non-Lab & Sampling	15,000	15,000	-		-	15,000	15,000	
Operation Expense	**$ 115,000**	**115,000**	**$ -**		**$ 50,000**	**$ 115,000**	**$ 65,000**	130% ▲
	$ 209,500	**215,235**	**$ 5,735**	3% ▲	**$ 116,000**	**$ 215,235**	**$ 99,235**	86% ▲

Crescenta Valley Water District
FY 2022 Preliminary Operating Budget

Description	2021 Budget	2022 Budget	Budgeted V. Budgeted		2021 Projections	2022 Budget	Projected V. Budgeted	
General and Administrative								
Consultants	$ 113,000	$ 188,200	$ 75,200	67% ▲	$ 88,000	$ 188,200	$ 100,200	114% ▲
Computers & Network	28,267	25,101	(3,166)	11% ▼	48,000	25,101	(22,899)	48% ▼
Computer Software	54,453	70,775	16,322	30% ▲	124,000	70,775	(53,225)	43% ▼
Enterprise Voice Communications	10,600	18,000	7,400	70% ▲	12,000	18,000	6,000	50% ▲
Wireless Voice & Data	29,000	18,760	(10,240)	35% ▼	20,000	18,760	(1,240)	6% ▼
Data Communications - Fiber	75,300	52,200	(23,100)	31% ▼	47,500	52,200	4,700	10% ▲
General and Administrative	**$ 310,620**	**$ 373,036**	**$ 62,416**	20% ▲	**$ 339,500**	**$ 373,036**	**$ 33,536**	10% ▲
Operation Expense								
Telemetering & Signal System	$ 28,000	$ -	$ (28,000)	100% ▼	$ 17,000	$ -	$ (17,000)	100% ▼
SCADA Hardware	5,000	-	(5,000)	100% ▼	16,000	-	(16,000)	100% ▼
SCADA Software	20,000	30,190	10,190	51% ▲	16,000	30,190	14,190	89% ▲
Operation Expense	**$ 53,000**	**$ 30,190**	**$ (22,810)**	43% ▼	**$ 49,000**	**$ 30,190**	**$ (18,810)**	38% ▼
Total								
	$ 363,620	**403,226**	**$ 39,606**	11% ▲	**$ 388,500**	**$ 403,226**	**$ 14,726**	4% ▲

Crescenta Valley Water District
FY 2022 Preliminary Operating Budget

Description	2021 Budget	2022 Budget	Budgeted V. Budgeted		2021 Projections	2022 Budget	Projected V. Budgeted	
General and Administrative								
GL, Property, Fidelity Ins	$ 153,000	$ 134,000	$ (19,000)	12% ▼	$ 129,000	$ 134,000	$ 5,000	4% ▲
Accounting	19,500	19,500	-		19,500	19,500	-	
Legal	120,000	178,000	58,000	48% ▲	128,000	178,000	50,000	39% ▲
Administrative Consultants	30,499	14,000	(16,499)	54% ▼	23,500	14,000	(9,500)	40% ▼
Interns	-	-	-		311	-	(311)	100% ▼
Election Expense	40,000	-	(40,000)	100% ▼	-	-	-	
Building Maintenance	17,600	25,000	7,400	42% ▲	11,000	25,000	14,000	127% ▲
Landscaping Expense	8,500	8,600	100	1% ▲	8,200	8,600	400	5% ▲
Office Supplies & Misc Expense	6,000	6,000	-		3,500	6,000	2,500	71% ▲
Misc Expense - COVID-19	-	2,500	2,500		3,501	2,500	(1,001)	29% ▼
Utilities	32,000	28,500	(3,500)	11% ▼	27,500	28,500	1,000	4% ▲
Printing Postage Stationery	72,100	65,000	(7,100)	10% ▼	72,000	65,000	(7,000)	10% ▼
Water System Fees	60,000	65,000	5,000	8% ▲	60,000	65,000	5,000	8% ▲
Training	5,000	6,000	1,000	20% ▲	3,300	6,000	2,700	82% ▲
Conferences & Seminars	5,800	5,000	(800)	14% ▼	2,000	5,000	3,000	150% ▲
Tuition Reimbursment	-	1,750	1,750			1,750	1,750	
Misc Administration	5,200	6,000	800	15% ▲	9,500	6,000	(3,500)	37% ▼
Memberships/Subscriptions	30,000	31,000	1,000	3% ▲	29,500	31,000	1,500	5% ▲
Bank Charges	54,000	60,000	6,000	11% ▲	64,000	60,000	(4,000)	6% ▼
General and Administrative	**$ 659,199**	**$ 655,850**	**$ (3,349)**	**1% ▼**	**$ 594,312**	**$ 655,850**	**$ 61,538**	**10% ▲**
Operation Expense								
Taxes-Property	$ 16,500	$ 20,500	$ 4,000	24% ▲	$ 20,000	$ 20,500	$ 500	3% ▲
Operation Expense	**$ 16,500**	**$ 20,500**	**$ 4,000**	**24% ▲**	**$ 20,000**	**$ 20,500**	**$ 500**	**3% ▲**

Crescenta Valley Water District
FY 2022 Preliminary Operating Budget

Description	2021 Budget	2022 Budget	Budgeted V. Budgeted		2021 Projections	2022 Budget	Projected V. Budgeted	
Non-Operating Expense								
Rental Expenses - PA House	1,500	3,500	2,000	133% ▲	2,200	3,500	1,300	59% ▲
Rental Expenses - Sycamore	1,800	3,500	1,700	94% ▲	1,000	3,500	2,500	250% ▲
Rental Expenses - Mills	15,000	3,500	(11,500)	77% ▼	9,000	3,500	(5,500)	61% ▼
Non-Operating Expense	**$ 18,300**	**$ 10,500**	**$ (7,800)**	43% ▼	**$ 12,200**	**$ 10,500**	**$ (1,700)**	14% ▼
Total								
	$ 693,999	**$ 686,850**	**$ (7,149)**	1% ▼	**$ 626,512**	**$ 686,850**	**$ 60,338**	10% ▲

Recent Savings Implemented	One-Time Savings	Annual Savings
Oak Creek Reservoir - perform repairs in-house	$200,000+	
IT Dept - contract services out		$275,000 - $325,000
Energy Study - optimize billing codes		$10,000 - $15,000
Utility Billing - switch provider		$6,000 - $10,000
Simplar Systems - cancel service		$6,000
ARC Plotting Printer - renegotiate contract		$6,000
Waste Services - update agreement		$4,800
AC Service - cancelled annual maintenance contract		$3,000
Mills House - cancel communication lines		$2,900
Fire Hydrant Repairs - update repair method		$1,500
Audit - negotiated fees	$1,750	
Exacavator - replace tracks in-house	$1,250	
Totals:	**$203,000**	**$315,200 - $374,200**

From:
Sent: Monday, March 1, 2021 1:48 PM
To: customerservice
Subject: Compliments to Wayne

Dear Crescenta Valley Water District, I am writing to compliment your meter installer Wayne for the excellent work he is doing. He advised me that he would be changing my water meter and he did so quickly and within the time allotted. I went out there to ask him many questions to ensure that I knew what to do in case of emergency and to understand the new meter. Wayne was very helpful and informative. I now have a better understanding of the meter and what to do in case of a emergency. I also know how to test for leakage. Thank you for hiring such an excellent employee. He surely is meeting our North star.

Donna Ramirez
3337 Mills Ave., La Crescenta 91214.

Sent from AT&T Yahoo Mail for iPhone

CRESCENTA VALLEY WATER DISTRICT

General Manager Report

GM Report
March 9, 2021

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

General Managers Report Topics:

- GM Activities

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

- Operational Activities and Fire Hydrant Incident
- Water Production, Engineering Projects, and Rainfall/Hydrology Report
- District-wide Communications Training

STAFFING

As of March 4th the District has gone 471 days without a lost time accident. Six (6) employees have work anniversaries in March: Wendy Holloway – 39 years, Raymond Dodge – 28 years, Pam Leddy – 19 years, Christy Scott – 18 years, Siaki Mortenson – 5 years, Tessa Allmon – 3 years.

GENERAL MANAGER ACTIVITIES

Meetings:

Finance Committee Meeting	- March 3rd
PWAG Meeting	- February 24th
LHMP Core Planning Meeting	- February 25th
Management Staff Meetings	- March 1st, March 8th

Submitted by:

Nemesiano Ochoa

Nem Ochoa
General Manager

Field Maintenance and Operations Report
February 2021

0	Water Main Repairs
8	Water Service Repairs/Replacements
21	¾” & 1” Meters Replaced
21	Meter Boxes Cleaned
16,740	Sewer Pipe Cleaned (ft)

- **Field Maintenance Projects**
  - * Developer Jobs: D-21-02 - 1” service
  - * Division of Drinking Water Site Inspections

- **Operations Report**
  - * Disinfection/Treatment Maintenance:
    - - Replaced Chlorine analyzer probe @ Encinal Reservoir
    - - Calibrated analyzer probes @ Edmund 1 & Rosemont Reservoir
  - * Booster Pump Maintenance:
    - - Markridge annual motor maintenance
    - - Replaced air relief valves @ Well 7, Well 14 & Paschall
    - - Glenwood/Mills Aeration Tower – replaced fan belts

- **Electrical/Telemetry**
  - * Motor Control Center (MCC) maintenance: Well 14, Lift Station, Rosemont Williams, Ordunio, Edmund 1& Paschall
  - * Maintain SCADA & wireless radio networks
  - * Seismic Equipment Maintenance @ Shields & Cresta Heights, installed seismic actuator @ Pickens Reservoir

- **Wastewater Lift Station**
  - * De-ragged pumps, check valves & added degreaser as needed

Field Maintenance and Operations Report
February 2021

Days without a lost-time incident: **471**

- **2** After Hours Leaks/Repairs
- **26** Fire Hydrant Maintenance Program: 1 Rebuild, 1 Replace, 24 painted
- **177** Water Quality Samples
- **89** Valves Exercised
- **1** Valve Replacements

- **Training/Cross Training**
  - * Vactor/Sewer: Jonathan R.
  - * Valve Truck: Jaysen O.
  - * Glenwood Plant (In Person):
    - - Jones Hydrant Rebuild
    - - Utility Line Locating
    - - Boring Tool
- **New Certification**
  - * None to report
- **Safety**
  - * COVID protocols: Continued cleaning
  - * Fire Extinguisher Safety Training – Glenwood Plant
  - * Monthly Safety Meeting: Hand & Power Tool

Fire Hydrant Damage at Ramsdell & Orange

Engineering Report

March 9, 2021
Staff Report

To: Honorable President and Members of the Board of Directors

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

Subject: **Engineering Report – February 2021**

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1. Water Production Report

- February 1 – 28 – Water production – 58%/42% split – 93.7 MG for the month
- Average use – 2.5% greater than 2020 and 14.3% greater than 5-yr average

2. Rainfall Update

- 0.12” for February 2021
- Rainfall Total for Rainfall Year 2020/21 – 5.66”

3. Report on Engineering

- **CIP Projects**
  - Rosemont Reservoir Rehabilitation
    - Recoating interior shell
    - Estimated completion date – End of March 2021
  - Pipeline Replacement – Project 1 & 2 – 2400 & 2500 Blocks of Janet Lee & 4300 Block of Rosemont.
    - Construction started on 3/8/21
  - Pipeline Replacement – Project 3 – 3300 & 3400 Blocks of Encinal
    - Construction started on 3/15/21.
  - Pipeline Replacement – Project 4 – El Caminito, Dryer, etc.
    - Pre-construction mtg – 3/11/2021
    - Community mtg – 3/11/2021
    - Construction to start early April 2021
  - Emergency Generator at Sewer Lift Station
    - Pre-construction mtg – 3/10/21
    - Shop drawing review & fabrication of electrical generator – estimated to be completed by May 2021
    - Estimated completion date – July 2021
  - Rehabilitation of Well 12
    - Pre-construction mtg – 3/10/2021
    - Construction – April to May 2021
  - Booster Pump Replacement - Paschall – Booster B
    - Complete
  - SCADA Radio Communications Network
    - Final report due 3/15/21
    - Review at next Engineering Committee for next step
  - SCADA System Upgrades
    - Working on draft Scope of Work
    - Review at next Engineering Committee
  - Ramsdell Mixing Station/Pressure Reducing Station
    - Working on draft Request for Proposal
    - Review at next Engineering Committee

- **<u>Grant Program</u>**
    - Local Hazard Mitigation Plan – Next Steering Committee Mtg – 3/17/21
    - USBR WaterSmart Grant – See Staff Report
    - Stormwater Capture Project at Crescenta Valley County Park
        - Finalizing request letter to LADWP for Stormwater Rights
- **<u>AMI Communication Network</u>**
    - Installation of Base Stations – Complete
    - Installation of 100 water meter lids & SmartPoints – Complete
    - Next steps – Connecting meters to Base Station & verify data

4. <u>Developer Projects</u>

- 4520 Rosemont – New 6 Units– Final concrete paving
- 2314 Montrose – New 5 Units - Developer obtaining construction permit
- 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
    - 1961 Waltonia – New 6 Units

5. <u>FMWD</u> – No Report

6. <u>Street Projects</u> – No Report

CRESCENTA VALLEY WATER DISTRICT

WATER PRODUCTION REPORT

February 1 - February 28, 2021

Well Production:	48,285,100	Gals		
GWP Production:	5,040,000	Gals		
Gravity Production:	1,182,793	Gals	% GW	58%
Purchased Water:				
FMWD:	39,143,326	Gals		
City of Glendale:	0	Gals	% Import	42%
TOTAL:	93,651,219	Gals		
	287.41	ac-ft		
Glenwood Nitrate Water Reclamation Plant:*	0	*Included in Well Production		

WATER DEMAND COMPARISON

Time Period	Average Daily Usage (gals)	Current Period Change
February 1 - February 28, 2021	3,292,506	
February 1 - February 28, 2020	3,213,644	2.5%
5-yr Average - February 2016 - 2020	2,881,171	14.3%

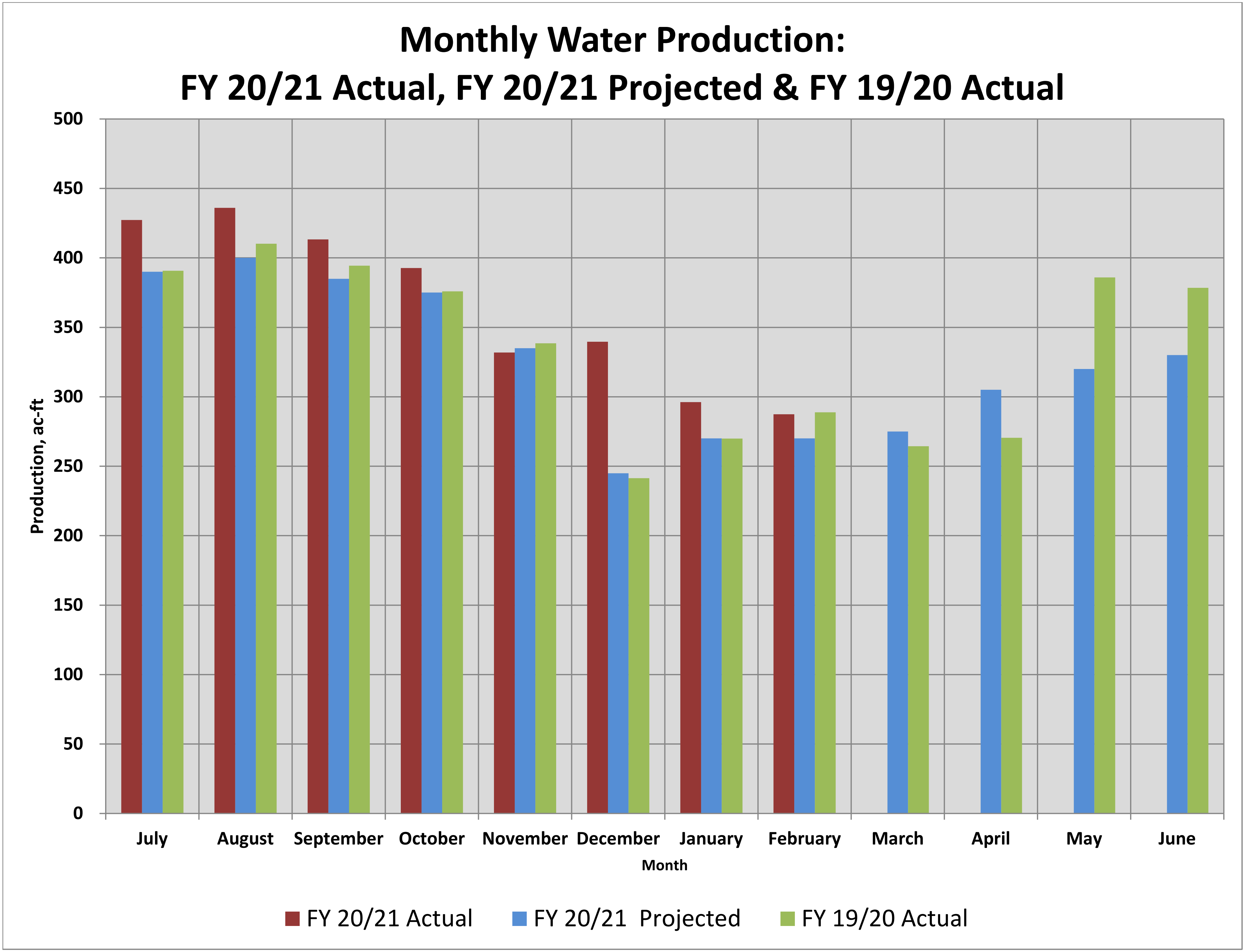
RAINFALL: Feb 1 - Feb 28, 2021 0.12"

Season-To-Date: 5.66"

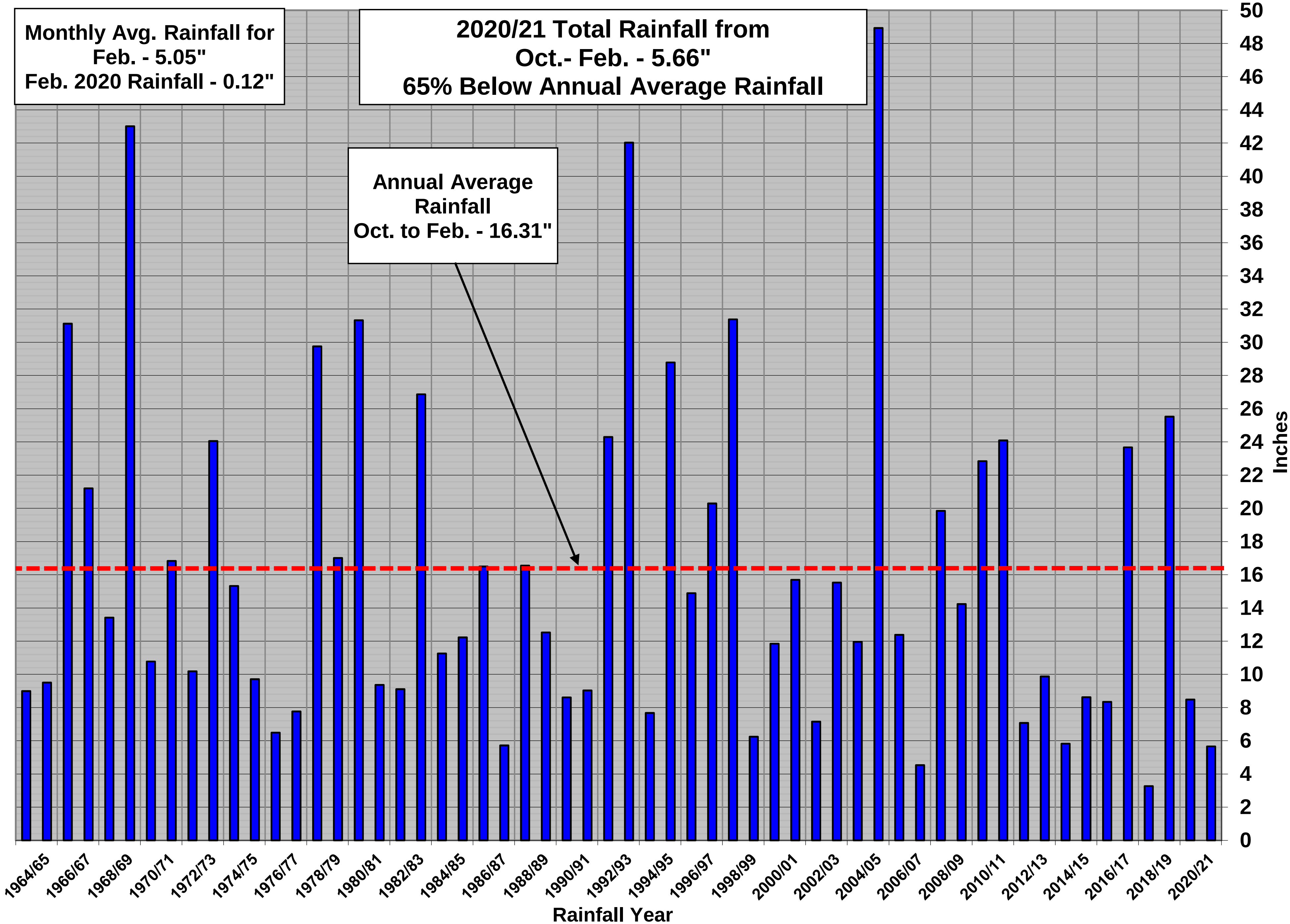
2020/21 Fiscal Year Water Production			WY 20/21 - Groundwater Production Water Rights		GWP (Well 16) Water Production - 2021		Purchased Water Production Tier 2 Allocation - 2021	
Month	Actual Total Water Production (ac-ft)	Projected Total Water Production (ac-ft)	Month	Month	Month	Well Production (ac-ft)	Month	Imported Water Production (ac-ft)
July	427	390	October	160	January	17	January	143
August	436	400	November	130	February	15	February	120
September	413	385	December	151	March		March	
October	393	375	January	136	April		April	
November	332	335	February	152	May		May	
December	340	245	March		June		June	
January	296	270	April		July		July	
February	287	270	May		August		August	
March		275	June		September		September	
April		305	July		October		October	
May		320	August		November		November	
June		330	September		December		December	
Total to Date	2,924	2,670	Total to Date	729	Total to Date	33	Total to Date	263
Projected	4,154	3,900	Water Rights	3,294			Tier 2	2,154
% of Projected	75.0%	68.5%	% of Rights	22%			% of Allocation	12%
Remaining	976	1,230	Remaining	2,565			Remaining	1,891

NOTE:

1) Blue Numbers = Estimated Water Production


Monthly Water Production:
FY 20/21 Actual, FY 20/21 Projected & FY 19/20 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
FY 20/21 Actual
FY 20/21 Projected
FY 19/20 Actual

Monthly Rainfall - 1963/64 - 2020/21 (Oct.- Feb.)



Revised Date: 3/3/2021