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 10, 2020 at 7:00 p.m.

Posted: March 6, 2020 at 3:00 p.m.

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

Call to Order and Determination of Quorum

Pledge of Allegiance

Adoption of Agenda

Public Comments
At this time the public shall have an opportunity to comment on any non-agenda item relevant to the subject matter jurisdiction of the Board. This opportunity is non-transferable, and speakers are limited to one three-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 February 25, 2020.
2. Consideration of attendance at the ACWA Spring Conference to be held May 5-8, 2020 in Monterey, CA.

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. **2020 Water & Wastewater Cost of Service Study Update** – Update on the long-range financial plan phase of the study as presented by Raftelis Financial Consultants.
2. **Long-Term Infrastructure Reliability and Funding Roadmap** – Discussion regarding the District's Long-Term Infrastructure Reliability and Funding Roadmap as discussed at the January 24, 2020 Board Workshop and subsequent Board and committee meetings.
3. **FY 2020-21 Water and Wastewater Budgets** – Discussion regarding preliminary operating expenses by department, capital improvement scenarios, and reserve funding related to the FY 2020-21 Water and Wastewater Budgets.
4. **Resolution No. 757 – Water and Wastewater Reserve Funding Policy** – Consideration and motion to adopt Resolution No. 757 amending Article 21 of the District's Rules and Regulations pertaining to the District's Water and Wastewater Reserve Funding Policy.

5. **<u>Replacement of Pump & Motor Assembly for Glenwood Boosters 32 & 33 - Project E-1013</u>** Consideration and motion to authorize the General Manager to award a contract to the lowest responsible bidder Legend Pump and Well Services (Legend) at a cost of $70,940, establish a contingency amount of $7,094 (10% of contract) to cover the cost of unforeseen or additional work and to find said project exempt from the provisions of the California Environmental Quality Act (CEQA).

6. **<u>COVID-19 (Coronavirus) – Potential Impacts and District Response Plan</u>** – Discussion regarding the potential impact of COVID-19 and an appropriate potential response plan to CVWD.

<u>Information Items</u>

<u>Written Communications to District/Board of Directors</u>

<u>General Manager’s Report</u>

<u>Attorney Report</u>

<u>Reports of Committees</u>

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

<u>Director’s Oral Reports</u>

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

<u>Board Members' Request for Future Agenda Items</u>

<u>Closed Session</u>

<u>Adjournment</u>

CRESCENTA VALLEY WATER DISTRICT
ADJOURNED REGULAR MEETING, BOARD OF DIRECTORS
February 25, 2020

Pursuant to the order of the Board of Directors of the Crescenta Valley Water District, made at the Regular Meeting on February 11, 2020 an Adjourned Regular Meeting was held on February 25, 2020, at 7:00 p.m. at the District office at 2700 Foothill Blvd., La Crescenta, California, with President Kerry D. Erickson presiding.

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

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** **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 Putnam, seconded by Director Raghavachary, and carried by a 5-0 vote that the Agenda for the Regular Meeting of February 11, 2020 be adopted as presented.

PUBLIC COMMENTS – None

FOOTHILL MUNICIPAL WATER DISTRICT REPORT – Mr. Frank Colcord thanked the District for its support in promoting FMWD's Smart Controller and Installation Program to the District's customers.

CONSENT CALENDAR

It was moved by Director Tejeda, seconded by Director Raghavachary, and carried by a 5-0 vote to approve the Minutes of the Regular Board Meeting held on February 11, 2020 and to ratify the disbursements for January 2020 as presented.

Payment of demands against the Crescenta Valley Water District on or before January 31, 2019, the same having been approved by the General Manager, and heretofore paid, be ratified and approved subject to audit, in the aggregate sum of One Million, Seventy-Four Hundred Thousand, Five Hundred Seventy-Three Dollars and Sixty-Seven Cents (1,074,573.67), which is composed of the individual items set forth herein.

ACTION CALENDAR

Acceptance of Audited Financial Statements for Fiscal Year 2018-19 – Ms. Renee Graves of Clifton Larson Allen (CLA) presented the District's Audited Financial Statements for Fiscal Year 2018-19 and the accompanying governance letter. Ms. Graves reported that the District's financial position is accurately stated in all material respects and that the District's internal controls are functioning as intended so that funds are managed appropriately.

Director Tejeda left the meeting during consideration of this item.

Following discussion:

It was moved by Director Raghavachary, seconded by Director Bodnar, and carried by a 3-0 vote with 1 abstention (Director Putnam) to accept the Audited Financial Statements for Fiscal Year 2018-19.

Second Quarter Budget Report – Mr. Lee discussed the District's Second Quarter Budget Report on revenues and expenditures for the fiscal year ending June 30, 2020. Notable variances for each of the departments was provided.

2020 Water and Wastewater Cost of Service Study Update – Mr. Lee presented an update of the 2020 Water and Wastewater Cost of Service Study being prepared by Raftelis Financial Consultants (RFC) to ensure that the District is collecting the appropriate allocation of revenue from its various customer classes and that the water and wastewater rates charged reflect the cost of providing customers with water and wastewater services. An updated schedule of workshops, meetings and deadlines necessary to complete the study was provided. Ms. Colby provided information regarding the Community Advisory Committee.

New Emergency Electrical Generator at the La Granada Wastewater Lift Station, Project S-962 – Mr. Gould requested consideration and motion to authorize the General Manager to amend the professional service agreement with Cannon Corporation for additional professional services related to the installation of a new emergency electrical generator at the La Granada wastewater lift station at a cost not to exceed $51,966 and to find said project exempt from the provisions of the California Environmental Quality Act (CEQA)

It was moved by Director Bodnar, seconded by Director Raghavachary and carried by a 4-0 vote to authorize the General Manager to amend the professional service agreement with Cannon

Corporation for additional professional services related to the installation of a new emergency electrical generator at the La Granada wastewater lift station at a cost not to exceed $51,966 and to find said project exempt from the provisions of the California Environmental Quality Act (CEQA).

INFORMATION ITEMS – None

WRITTEN COMMUNICATIONS TO DISTRICT – None

REPORTS OF PERSONNEL – None

GENERAL MANAGER – Mr. Ochoa gave an update on the Metropolitan Water District Hydrology report and initiated discussion regarding the Long-Term Infrastructure Reliability and Funding Roadmap. The Community Advisory Committee's involvement in that and other efforts and review of public outreach documents were discussed as well.

ATTORNEY – No report

REPORTS OF COMMITTEES

Engineering Committee – Mr. Gould reported that the Committee had met on Friday, February 21, 2020 at 9:30 a.m. A meeting is scheduled for Friday, March 6, 2020 at 9:30 a.m.

Finance Committee – Mr. Lee reported that the Committee had met on Friday, February 21, 2020 at 11:00 a.m. A meeting is scheduled for Friday, March 6, 2020 at 11:00 a.m.

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

Policy Committee – Director Erickson reported that the Committee had met on Friday, February 21, 2020 at 1:00 p.m.

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

Emergency Planning Committee – Director Raghavachary reported that the Committee had not met; however, a meeting will be scheduled as needed.

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

DIRECTORS' ORAL REPORTS

Director Erickson – No report

Director Bodnar – Director Bodnar announced that he has accepted a position as the Program Manager of Water Transfers and Exchanges at Metropolitan Water District.

Director Tejeda – No Report

Director Putnam – No Report

Director Raghavachary – No report

CLOSED SESSION – Mr. Ochoa served as the District-designated representative for the closed session discussion. No reportable items.

Outsourcing of the Information Technology Department – Mr. Ochoa discussed a plan to outsource the IT Department and eliminate two positions effective Friday, February 28, 2020. The plan is based on greater efficiency, greater system reliability, and cost savings. Staff met the meet-and-confer requirement per the Memorandum of Understanding by previously meeting with the AFSCME bargaining unit.

Following discussion:

It was moved by Director Raghavachary, seconded by Director Erickson and carried by a 3-1 vote to eliminate the IT Department.

Management Terms and Conditions – Mr. Ochoa recommended adjustments to the maximum salary scale for four management positions as a follow-up to his representation of the management unit during the negotiation of the Management Unit Terms and Conditions in September 2019. The adjustments were recommended based on moving closer to the industry median. The impacted positions are: Director of Finance and Administration, Director of Operations, Regulatory and Public Affairs Manager, and Finance and Administration Manager.

Following discussion:

It was moved by Director Bodnar, seconded by Director Raghavachary and carried by a 4-0 vote to adjust the maximum salary scale for the four management positions.

ADJOURNMENT

There being no other business to come before the Board, at 9:40 p.m., it was moved by Director Putnam, seconded by Director Raghavachary and carried by a 4-0 vote that the meeting be adjourned to March 10, 2020, at 7:00 p.m.

APPROVED

Kerry D. Erickson	James Lee
President	Director of Finance & Administration

CRESCENTA VALLEY WATER DISTRICT
BOARD OF DIRECTORS - STAFF REPORT

Action Item No. 1
March 10, 2020

To: Honorable President and Members of the Board of Directors

From: Nem Ochoa – General Manager

Subject: **2020 Cost of Service Study Update**

ACTION ITEM:

Discussion of updates to the 2020 Water and Wastewater Cost of Service Study.

BACKGROUND:

The District is conducting a cost of service (COS) study to ensure that the District is collecting the appropriate allocation of revenue from its various customer classes and that the water and wastewater rates charged reflect the cost of providing customers with water and wastewater services.

Whereas the 2016 COS study changed the rate structure – e.g., reducing the number of tiers from four to three – the 2020 COS study ensures that the current rate structure will continue to collect the appropriate revenue from each customer class given the various changes in operations and capital in the period since the last study.

Staff invited Mr. Kevin Kostiuk of Raftelis Financial Consultants (RFC) as a resource to the Community Advisory Committee (CAC) for its March 3, 2020 meeting, where the CAC discussed the study background and methodology and how the District's rate structure and rate levels compare to peer water/wastewater agencies. Mr. Kostiuk will present the financial plan phase of the study, which is designed to ensure financial sufficiency by meeting operation and maintenance costs, fund capital repairs and replacements, and ensure sufficient funding of District financial reserves.

As part of the financial plan, Mr. Kostiuk will present results with three CIP scenarios that include rate funding, bond funding, or both. These are also the CIP scenarios that will be presented as part of the budget discussion. Mr. Kostiuk will also share RFC's preliminary analysis with respect to potentially designating a class for customers with large lots within the single-family customer class. RFC will be available at the March 24, 2020 Board meeting when the completed study will be presented.

RECOMMENDATION

Discussion and input from the Board of Directors on the 2020 Water and Wastewater Cost of Service Study.

Prepared by:

James Lee
Director of Finance & Administration

Submitted by:

Nem Ochoa
General Manager

CRESCENTA VALLEY WATER DISTRICT
BOARD OF DIRECTORS - STAFF REPORT

Action Item No. 2
March 10, 2020

To: Honorable President and Members of the Board of Directors

From: Nem Ochoa – General Manager

Subject: **Long-Term Infrastructure Reliability and Funding Roadmap**

ACTION ITEM:

Discussion of the District's Long-Term Infrastructure Reliability and Funding Roadmap.

BACKGROUND:

The Long-Term Infrastructure Reliability and Funding Roadmap was introduced to the Board and members of the public during a board workshop on January 24, 2020. The Roadmap is a conceptual plan that addresses: 1) Aging Infrastructure; 2) Rising Operating Costs; and 3) Customer Engagement and Trust.

The Roadmap sets forth the District's long-term strategy for ensuring infrastructure reliability, operational resiliency, and financial viability. The Roadmap includes a robust public outreach plan to increase customer engagement, understanding, and trust. The following are subsequent discussions and presentations regarding CVWD's Roadmap.

- January 30th: Committee meetings (Engineering, Finance, Community Relations)
- February 11th: Regular Board meeting
- February 21st: Committee meetings (Finance, Policy, Engineering)
- February 25th: Regular Board meeting
- March 1st: Montrose Farmer's Market
- March 3rd: Community Advisory Committee I
- March 6th: Committee meetings (Engineering, Finance)
- March 10th: Community Advisory Committee II
- March 19th:Town Council meeting
- Ongoing: Community Advisory Committee

These and other planned meetings, community presentations, discussions, are intended to facilitate the ongoing dialog between the District's customers, Board and staff to develop and maintain the most appropriate plan for today and into the future.

RECOMMENDATION

Discuss the Roadmap.

Prepared by:

James Lee
Director of Finance & Administration

Submitted by:

Nem Ochoa
General Manager

CRESCENTA VALLEY WATER DISTRICT
BOARD OF DIRECTORS - STAFF REPORT

Action Item No. 3
March 10, 2020

To: Honorable President and Members of the Board of Directors

From: Nem Ochoa – General Manager

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

ACTION ITEM:

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

BACKGROUND:

The District's budget is composed of the following primary components and notable considerations for the upcoming fiscal year. 'Budgeted' refers to budget as approved last fiscal year. 'Projected' refers to staff's updated expectations of expenditures by the end of the current year. They are different because of circumstances that change following budget approval. The following are preliminary figures.

1. Operating Budget – Water Purchases, Power, Operations, Labor & Benefits
    a. The operating budget was developed and is now reported on a departmental level
    b. Water purchases are projected to remain stable for FY 2021. Staff anticipates increases in the cost of FMWD. Water purchase cost is expected to increase 4.0% over budgeted and 7.5% over projected.
    c. Operations costs are projected to decrease 6.0% from budgeted and increase 12.8% from projected.
    d. Labor & Benefits costs are projected to decrease 8.4% from budgeted and decrease 3.7% from projected due primarily to the elimination of the IT department.
2. Capital Budget – Pipeline, Wells, Reservoirs, Treatment, Technology, Sewer Lines
    a. Three CIP alternatives are presented for discussion:
        i. Begin replacing pipeline at an average of 85 years and catch up on the most deferred CIP by issuing a series of bonds, beginning with a $22M bond;
        ii. Begin replacing pipeline at an average of 85 years and catch up on the most deferred CIP by issuing one $5M bond with the intent of evaluating subsequent bond issuances;
        iii. Complete CIP based on a level that is supported by the average historical rate increase of 6% and that does not draw further from reserves.

Based on discussions to date regarding the Roadmap, this year's budget looks to provide a plan that meets the following goals:

a. Save on operating costs to the extent possible while continuing to provide safe and reliable water and wastewater services;
b. Address the issue of aging infrastructure in a way that does not put undue pressure on long-term financial flexibility;
c. Build toward target reserves as opposed to drawing down from reserves if the Reserve Policy is adopted in its current or other form.

RECOMMENDATION

Discussion and input from the Board of Directors on the preliminary budget for FY 2020-21.

Prepared by:

James Lee
Director of Finance & Administration

Submitted by:

Nem Ochoa
General Manager

Attachment(s): Departmental Operating Budgets

g:\management\board meeting staff reports\2020\03-10-20 Board Memo - Preliminary Budget Discussion.docx

Operations

FY2021 Expense Budget

		FY 20 Budget	FY20 Projected	FY21 Proposed Budget
Gen'l and Admin Expenses				
5180-000	Office Supplies & Misc Exp	$ 19,024	$ 19,000	$ 19,570
5320-000	Conferences & Seminars	3,253	2,500	2,500
5355-000	Memberships/Subscriptions	697	525	2,000
5350-000	Misc Administration	-	-	6,000
Gen'l and Admin Expenses		**$ 22,974**	**$ 22,025**	**$ 30,070**
Operation Expense				
5150-000	Building Maintenance-Plant	$ 34,619	$ 34,500	$ 42,000
5170-000	Landscaping Expenses-Plant	9,164	5,000	8,000
5200-000	Utilities-Plant	20,750	19,800	19,800
5300-000	Training-Plant	11,664	13,861	13,861
5310-000	Operator Certifications-Educ	4,600	3,700	3,700
5330-000	Safety & Security	28,886	27,000	28,000
5340-000	Uniforms	15,354	19,800	19,800
5360-000	Emergency Operations/Repairs	12,000	12,000	12,000
5370-000	Permit & Assessment Fees	-	-	-
5380-000	Tools and Eq Maintenance	31,484	35,500	35,500
5390-000	Nitrate Plant	82,500	82,000	82,000
5441-000	Inventory Shrinkage/Overage	-	20,000	20,000
5442-000	Inventory Disposal	-	41	41
5445-000	Telemetering & Signal System	-	-	-
5460-000	Water Treatment Expense	102,000	105,000	130,000
Operation Expense		**$ 353,021**	**$ 378,202**	**$ 414,702**
System Expense				
5400-000	Water Usage Cost Exp Well 16	$ 157,850	$ 60,980	$ 117,000
5401-000	Purchased Water FMWD	3,332,018	3,500,000	3,341,000
5402-000	Power Purchased	696,421	836,600	761,040
5700-000	Wastewater System Expense	1,426,000	1,462,000	1,850,000
System Expense		**$ 5,612,289**	**$ 5,859,580**	**$ 6,069,040**

Operations

FY2021 Expense Budget

		FY 20 Budget	FY20 Projected	FY21 Proposed Budget
Distribution System Expense				
5423-100	Pipelines - Maintenance	$ 63,933	$ 35,500	$ 45,000
5423-300	Fire Hydrant Repair/Replace	12,000	10,000	15,000
5423-500	Pipelines-Trench Plate Rentals	2,000	-	
5423-700	Pipelines - Valves	6,000	2,000	6,000
5424-100	Reservoir Maintenance	75,000	65,000	75,000
5424-200	Reservoir Landscape	20,000	21,000	21,000
5425-100	Meter Maintenance	71,500	50,000	75,000
5425-300	Meter Repair/Replace/Upgrade	10,000	13,500	8,000
5425-400	Lateral Leaks and Repairs	85,000	87,000	87,000
5425-500	Meters - Trench Plate Rentals	5,000	-	
5431-000	Land Lease Expense Well16	-	-	
5432-100	Well Site - Maintenance	50,000	62,000	62,000
5432-200	Well Site - Landscape	7,000	7,000	7,000
5433-000	Booster Pumps - Maintenance	36,000	15,000	15,000
5434-000	Emergency Power Generators	22,500	25,742	25,742
5440-100	Auto/Truck Maintenance	98,508	87,000	87,000
5440-200	Auto/Truck Maintenance-Gas	27,584	31,600	31,600
5440-300	Auto/Truck Maintenance-Diesel	27,428	25,900	25,900
5621-000	Sewer Flow Monitoring Expense	-	-	
5624-000	Sewer Camera Van Inspection	2,618	-	7,500
5625-000	Sewer Interceptor Maintenance	2,727	10,000	20,000
5628-000	Sewer Lift Station Maintenance	3,055	13,500	15,000
Distribution System Expense		**$ 627,853**	**$ 561,742**	**$ 628,742.00**

Engineering

FY2021 Expense Budget

		FY 20 Budget	FY20 Projected	FY21 Proposed Budget
Gen'l and Admin Expenses				
5130-000	Administrative Consultants	$ 156,584	$ 110,000	$ 147,000
5135-000	Interns	2,000	22,700	-
5180-000	Office Supplies & Misc Exp	3,884	4,500	4,635
5260-000	Engineering Expense	13,077	14,000	14,400
5300-000	Training	1,846	2,000	2,000
5320-000	Conferences & Seminars	4,647	4,900	6,200
5355-000	Memberships/Subscriptions	2,988	3,200	3,200
Gen'l and Admin Expenses		**$ 185,026**	**$ 161,300**	**$ 177,435**
Operation Expense				
5370-000	Permit & Assessment Fees	$ 3,000	$ 3,000	$ -
Operation Expense		**$ 3,000**	**$ 3,000**	**$ -**
Distribution System Expense				
5410-000	Backflow Expense	$ 700	$ 400	$ 800
5423-200	Pipelines - Paving	15,500	20,000	10,000
5423-400	Pipelines - Leak Detect/Repair	28,000	5,000	22,000
5424-100	Reservoir Maintenance	1,967	20,000	19,500
5425-100	Meter Maintenance	14,951	50,000	-
5425-200	Meters - Paving	205,000	104,000	68,000
5425-700	D-Job Meters/Hydrants	39,996	200,000	75,000
5431-000	Land Lease Well 16	16,000	16,440	16,500
5432-300	Well Site - Lease Payment	300	300	300
5433-000	Booster Pumps - Maintenance	36,000	-	35,000
Distribution System Expense		**$ 358,414**	**$ 416,140**	**$ 247,100**
Collection System Expense				
5621-000	Sewer Flow Monitoring Expense	$ 15,273	$ 14,000	$ 15,000
Collection System Expense		**$ 15,273**	**$ 14,000**	**$ 15,000**

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Regulatory

FY2021 Expense Budget

		FY 20 Budget	FY20 Projected	FY21 Proposed Budget
Gen'l and Admin Expenses				
5130-000	Administrative Consultants	$ 30,963	$ 27,500	$ 31,000
5135-000	Interns	3,000	3,000	
5180-000	Office Supplies & Misc Exp	1,110	1,204	1,500
5270-000	Water Conservation Expense	25,500	17,000	25,500
5270-400	Water Conservation Rebates	5,000	5,000	5,000
5270-600	Community Outreach	20,000	19,000	20,000
5355-000	Memberships/Subscriptions	-	164	
5320-000	Conferences & Seminars	-	-	2,500
Gen'l and Admin Expenses		**$ 85,573**	**$ 72,868**	**$ 85,500**
Operation Expense				
5450-100	Lab & Sampling Expense	$ 125,000	$ 90,000	$ 100,000
5450-200	Non-Lab & Sampling	74,004	74,000	15,000
Operation Expense		**$ 199,004**	**$ 164,000**	**$ 115,000**

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Technology

FY2021 Expense Budget

		FY 20 Budget	FY20 Projected	FY21 Proposed Budget
Gen'l and Admin Expenses				
5130-000	Administrative Consultants	$ 12,378	$ 12,000	$ 159,902
5180-000	Office Supplies & Misc Expense	555	600	-
5190-000	Computers and Network	35,333	35,000	28,266
5195-000	Computer Software	68,067	65,400	54,454
5225-000	Enterprise Voice Com	30,492	10,600	10,600
5226-000	Wireless Voice & Data	20,421	29,000	29,000
5227-000	Data Communications - Fiber	63,673	75,300	75,300
5300-000	Training	5,954	2,100	-
5320-000	Conferences & Seminars	2,696	1,000	-
5355-000	Memberships/Subscriptions	478	360	-
Gen'l and Admin Expenses		**$ 240,047**	**$ 231,360**	**$ 357,522**
Operation Expense				
5445-100	Telemetering & Signal System	$ 25,099	$ 28,182	$ 28,000
5445-200	SCADA Hardware	11,500	4,588	5,000
5445-300	SCADA Software	27,883	20,000	20,000
5445-400	SCADA Phone Lines	2,176	-	
Operation Expense		**$ 66,658**	**$ 52,770**	**$ 53,000**

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Administration

FY2021 Expense Budget

		FY 20 Budget	FY20 Projected	FY21 Proposed Budget
Gen'l and Admin Expenses				
5090-000	GL, Property, Fidelity Ins	$ 113,200	$ 103,500	$ 153,000
5100-000	Accounting	14,250	12,000	19,500
5125-000	Legal	110,000	176,300	120,000
5130-000	Administrative Consultants	24,329	40,130	30,500
5150-000	Building Maintenance	17,495	17,310	17,600
5170-000	Landscaping Expense	15,286	7,553	8,500
5180-000	Office Supplies & Misc Expense	5,814	5,692	6,000
5200-000	Utilities	29,494	30,803	32,000
5230-000	Printing Postage Stationery	71,000	83,100	72,100
5250-000	Water System Fees	60,000	60,000	60,000
5300-000	Training	5,538	3,534	5,000
5320-000	Conferences & Seminars	4,090	5,564	5,800
5350-000	Misc Administration	5,195	4,856	5,200
5355-000	Memberships/Subscriptions	29,580	29,000	30,000
5365-000	Bank Charges	58,000	66,800	70,000
Gen'l and Admin Expenses		**$ 563,271**	**$ 646,142**	**$ 635,200**
Non-Operating Expense				
5910-000	Interest Expense - Notes	$ -	$ 248,500	$ 248,500
5920-100	Rental Expenses - PA House	1,282	800	1,500
5920-200	Rental Expenses - Sycamore	1,810	1,000	1,800
5920-300	Rental Expenses - Mills	-	-	15,000
Non-Operating Expense		**$ 3,092**	**$ 250,300**	**$ 266,800**
Operation Expense				
5145-000	Taxes-Property	$ 18,000	$ 14,000	$ 15,000
Operation Expense		**$ 18,000**	**$ 14,000**	**$ 15,000**

CRESCENTA VALLEY WATER DISTRICT
BOARD OF DIRECTORS - STAFF REPORT

Action Item No. 4
March 10, 2020

To: Honorable President and Members of the Board of Directors

From: Nem Ochoa – General Manager

Subject: **Establishment of the District's Reserve Policies**

ACTION ITEM:

Consideration and motion to adopt Resolution No. 757 to amend Article 21 of the District's Rules and Regulations and establish the District's Reserve Policies.

BACKGROUND / DISCUSSION:

Public utilities represent an industry that frequently mitigates unforeseen events such as unplanned infrastructure repairs, catastrophic system failures, evolving regulatory requirements, and weather pattern variations that impact water availability and water use. Because safe drinking water and sanitary sewer service are imperative to public health, public utilities set aside various types of monetary reserves to adapt to these types of challenges.

The need for Reserve Policies was shared with the Finance and Engineering committees on January 30, 2020 as a follow-up to the January 24, 2020 Board workshop that introduced the Long-Term Infrastructure Reliability and Funding Roadmap (Roadmap). Whereas bond proceeds are proposed to keep pace with replacement of aging infrastructure, a robust reserve policy is needed to sustain a healthy balance between pay-go funding and bond financing in the future. The policies were presented to the Board on February 11, 2020 and to the Policy and Finance committees on February 21, 2020. Changes since the February 11 Board meeting are redlined for reference in the attached draft.

RECOMMENDATION:

It is staff's recommendation that the Board adopt Resolution No. 757 to amend Article 21 of the District's Rules and Regulations and establish the District's Reserve Policies.

Prepared by:

James Lee
Director of Finance & Administration

Submitted by:

Nem Ochoa
General Manager

Attachment(s): 1) Resolution No. 757; and 2) Article 21 of the Rules and Regulations

g:\management\board meeting staff reports\2020\03-10-20 Board Memo - Establish Water Reserve Policy.docx

ARTICLE 21: ~~WATER FUND~~ RESERVE POLICIES~~Y~~

21.01 POLICY AND PURPOSE

A key element of prudent financial planning is to ensure that sufficient funding is available for current operating, capital, and debt service needs. Additionally, fiscal responsibility requires anticipating the likelihood of, and preparing for, unforeseen events. Crescenta Valley Water District will at all times strive to have sufficient funding available to meet its operating, capital and debt service obligations while avoiding significant customer rate fluctuations due to changes in cash flow requirements. Through a variety of policy documents and plans, including the District's Strategic Plan and other financial policies, the Board has set forth a number of long-term goals for the District. A fundamental purpose of the District's policy documents and plans are to link what must be accomplished with the necessary resources to successfully do so. The Board of Directors may designate specific reserve funds and maintain minimum fund balances consistent with what is determined to be in the best interest of the District. The Policy directives outlined in this document are intended to ensure that the District has sufficient funds to meet current and future needs. The Board will review the level of reserve funds in accordance with the review and approval of ~~the annual budget~~each budget cycle. The Board will also review the reserve target ~~every three years~~each budget cycle.

21.02 WATER OPERATING RESERVE FUND

The Water Operating Reserve Fund will be comprised of the following sub-accounts: the Emergency Fund, the Rate Stabilization Fund, and the Working Cash Fund.

A. Emergency Fund – This fund is established in order to address repairs or other operational needs in the event of an emergency where immediate needs exceed what has been budgeted for infrastructure and operations. This fund should be sufficient to cover the immediate average cost of an emergency such as a main break and also ensure the fund level keeps pace with inflation.

   i. Target Level – This fund shall be maintained at a minimum level equal to $1.0 million as of the adoption of this policy. On July 1 of each year, the emergency fund target will be adjusted by the Consumer Price All Items Index for all Urban Consumers (CPI-U) for Los Angeles- Long Beach-Anaheim for February of that year (published about March 15th). The balance of the Emergency Fund may decline below the minimum level if recommended by the General Manager and expressly approved by the Board.

   ii. Events or Conditions Prompting the Use of the Fund – The District may deposit or withdraw available monies upon the authorization of the General Manager in the event of an emergency.

   iii. Periodic Review Dates for Reserve Targets – Reserve targets will be reviewed by the Board every budget cycle, scheduled during the budget process, to ensure that the reserve targets are continuing to meet reserve objectives as they relate to the District's evolving needs.

B. Rate Stabilization Fund – This fund is established in order to mitigate the impacts of fluctuating water usage by customers and to augment the District's credit profile with respect to debt financing.

   i. Target Level – This fund shall be maintained at a minimum level equal to ~~one quarter~~25% of the projected annual water purchases for each budget cycle. This is in line with industry standards and credit rating agency expectations for a healthy level. The balance of the Rate

Stabilization Fund may decline below the minimum level if recommended by the General Manager and expressly approved by the Board.

ii. Events or Conditions Prompting the Use of the Fund – This fund will be used to mitigate or spread out rate increases made necessary by unusual circumstances such as drought or mandatory water conservation. The Board will determine the amount and timing for any use of the fund.

iii. Periodic Review Dates for Reserve Targets – Reserve targets will be reviewed by the Board every budget cycle, scheduled during the budget process, to ensure that the reserve targets are continuing to meet reserve objectives as they relate to the District's evolving needs.

C. Working Cash Fund – This fund is established in order to maintain a reserve for current operations and to meet routine cash flow needs.

i. Target Level – This fund shall be maintained at a minimum level equal to three months of the District's water operating costs less the cost of purchased water as projected for each budget cycle. This is in line with industry standards and credit rating agency expectations for a healthy level. The balance of the Working Cash Fund may decline below the minimum level if recommended by the General Manager and expressly approved by the Board.

ii. Events or Conditions Prompting the Use of the Fund – The Board, on a case-by-case basis, will determine the amount and timing for any use of the fund.

iii. Periodic Review Dates for Reserve Targets – Reserve targets will be reviewed by the Board every budget cycle, scheduled during the budget process, to ensure that the reserve targets are continuing to meet reserve objectives as they relate to the District's evolving needs.

21.03 WATER PIPELINE RESERVE FUND

A. Water Pipeline Reserve Fund – This fund is established in order to develop and maintain a dedicated pipeline replacement program that replaces pipe every 75 years, which is the average useful life of pipeline.

i. Target Level – This fund shall be funded to sustain at least two~~three~~ years of construction costs of pipeline consistent with a 75-year pipeline replacement program. The balance of the Pipeline Reserve Fund may decline below the minimum level if recommended by the General Manager and expressly approved by the Board.

ii. Events or Conditions Prompting the Use of the Fund – The District may use the fund for construction costs as authorized by the Board in the budget.

iii. Periodic Review Dates for Reserve Targets – Reserve targets will be reviewed by the Board every budget cycle, scheduled during the budget process, to ensure that the reserve targets are continuing to meet reserve objectives as they relate to the District's evolving needs.

21.04 WATER CAPITAL IMPROVEMENT PROGRAM REPAIR & REPLACEMENT RESERVE FUND

A. Water Capital Improvement Program Repair & Replacement Reserve Fund – This fund is established in order to develop and maintain a dedicated replacement program for non-pipeline infrastructure.

i. Target Level – This fund shall be funded to sustain at least one year of projected capital repair and replacement costs indefinitely. The balance of the Repair & Replacement Fund may decline below the minimum level if recommended by the General Manager and expressly approved by the Board.

ii. Events or Conditions Prompting the Use of the Fund – The District may use the fund for construction costs as authorized by the Board in the budget.

iii. Periodic Review Dates for Reserve Targets – Reserve targets will be reviewed by the Board every budget cycle, scheduled during the budget process, to ensure that the reserve targets are continuing to meet reserve objectives as they relate to the District's evolving needs.

21.05 WASTEWATER OPERATING RESERVE FUND

The Wastewater Operating Reserve Fund will be comprised of the following sub-accounts: the Emergency Fund, the Rate Stabilization Fund, and the Working Cash Fund.

D. Emergency Fund – This fund is established in order to address repairs or other operational needs in the event of an emergency where immediate needs exceed what has been budgeted for infrastructure and operations. This fund should be sufficient to cover the immediate average cost of an emergency such as a main break and also ensure the fund level keeps pace with inflation.

i. Target Level – This fund shall be maintained at a minimum level equal to $1.0 million as of the adoption of this policy. On July 1 of each year, the emergency fund target shall be adjusted by the Consumer Price All Items Index for all Urban Consumers (CPI-U) for Los Angeles- Long Beach-Anaheim for February of that year (published about March 15th). The balance of the Emergency Fund may decline below the minimum level if recommended by the General Manager and expressly approved by the Board.

ii. Events or Conditions Prompting the Use of the Fund – The District may deposit or withdraw available monies upon the authorization of the General Manager in the event of an emergency.

iii. Periodic Review Dates for Reserve Targets – Reserve targets will be reviewed by the Board every budget cycle, scheduled during the budget process, to ensure that the reserve targets are continuing to meet reserve objectives as they relate to the District's evolving needs.

E. Rate Stabilization Fund – This fund is established in order to mitigate the impacts of fluctuating water usage by customers and to augment the District's credit profile with respect to debt financing.

i. Target Level – This fund shall be maintained at a minimum level equal to 25% of projected wastewater rate revenues for each budget cycle. This is in line with industry standards and credit rating agency expectations for a healthy level. The balance of the Rate Stabilization Fund may decline below the minimum level if recommended by the General Manager and expressly approved by the Board.

ii. Events or Conditions Prompting the Use of the Fund – This fund will be used to mitigate or spread out rate increases made necessary by unusual circumstances such as drought or mandatory water conservation. The Board will determine the amount and timing for any use of the fund.

iii. Periodic Review Dates for Reserve Targets – Reserve targets will be reviewed by the Board every budget cycle, scheduled during the budget process, to ensure that the reserve targets are continuing to meet reserve objectives as they relate to the District's evolving needs.

F. Working Cash Fund – This fund is established in order to maintain a reserve for current operations and to meet routine cash flow needs.

i. Target Level – This fund shall be maintained at a minimum level equal to three months of the District's wastewater operating costs ~~less the cost of purchased water~~ as projected for each budget cycle. This is in line with industry standards and credit rating agency expectations for a healthy level. The balance of the Working Cash Fund may decline below the minimum level if recommended by the General Manager and expressly approved by the Board.

ii. Events or Conditions Prompting the Use of the Fund – The Board, on a case-by-case basis, will determine the amount and timing for any use of the fund.

iii. Periodic Review Dates for Reserve Targets – Reserve targets will be reviewed by the Board every budget cycle, scheduled during the budget process, to ensure that the reserve targets are continuing to meet reserve objectives as they relate to the District's evolving needs.

21.06 WASTEWATER SEWER INTERCEPTOR RESERVE FUND

B. Sewer Interceptor Reserve Fund – This fund is established in order to develop and maintain a dedicated reserve to replace at least one-half of the approximately 6.7-mile sewer interceptor line which connects the District's collections system to the City of Los Angeles' treatment facility. The majority of the sewer interceptor line was constructed in one year, 37 years before the adoption of this Policy, and is therefore expected to require significant surges in required replacement rather than incremental maintenance. This fund should also keep pace with inflation.

i. Target Level – The target level for this fund shall be the estimated current cost of replacing at least one-half of the sewer interceptor line, which is estimated at $11.0 million as of the adoption of this policy. On July 1 of each year, the estimated current cost shall be adjusted by the Consumer Price All Items Index for all Urban Consumers (CPI-U) for Los Angeles-Long Beach-Anaheim for February of that year (published about March 15th). The balance of the Sewer Interceptor Reserve Fund may decline below the minimum level if recommended by the General Manager and expressly approved by the Board.

ii. Events or Conditions Prompting the Use of the Fund – The District may use the fund for construction costs as authorized by the Board in the budget.

iii. Periodic Review Dates for Reserve Targets – Reserve targets will be reviewed by the Board every budget cycle, scheduled during the budget process, to ensure that the reserve targets are continuing to meet reserve objectives as they relate to the District's evolving needs.

21.07 WASTEWATER CAPITAL IMPROVEMENT PROGRAM REPAIR & REPLACEMENT RESERVE FUND

B. Wastewater Capital Improvement Program Repair & Replacement Reserve Fund – This fund is established in order to develop and maintain a dedicated replacement program for non-sewer interceptor infrastructure.

i. Target Level – This fund shall be funded to sustain at least one year of projected capital repair and replacement costs indefinitely. This is in line with industry standard. The balance of the Repair & Replacement Fund may decline below the minimum level if recommended by the General Manager and expressly approved by the Board.

ii. Events or Conditions Prompting the Use of the Fund – The District may use the fund for construction costs as authorized by the Board in the budget.

iii. Periodic Review Dates for Reserve Targets – Reserve targets will be reviewed by the Board every budget cycle, scheduled during the budget process, to ensure that the reserve targets are continuing to meet reserve objectives as they relate to the District's evolving needs.

21.0~~5~~8 EXCESS OF RESERVE REQUIREMENTS

In the event that reserve accounts exceed minimum target levels, the Board may instruct staff to perform either of the following. The Board may authorize additional funding of any reserve fund as appropriate given the current operational and infrastructure needs and economic factors.

The Board may also instruct staff to prepare an analysis to determine the liabilities for which prefunding will yield the most savings for the District.

Staff will present this analysis to the Finance Committee and the Board for review and approval of the recommended options.

21.0~~6~~9 FINANCIAL BENCHMARKS

The District strives to maintain a strong credit profile in order to provide assurance to customers, bond holders, rating agencies and other stakeholders that the District proactively manages its financial resource and is financially sustainable. These benchmarks will be evaluated and communicated to the Board during each budget cycle. The District has set forth the following financial benchmark goals:

A. Credit Rating: The District's credit rating is an easily accessible measure for the District's financial health. The credit rating also has a direct impact on the access to financial markets and the cost of incurring debt. It is the District's goal to achieve and maintain an AA (Standard & Poor's) rating.

B. Debt Service Coverage: The District's ~~is~~ require~~d~~ment to maintain a minimum debt service coverage ratio will rang~~inge~~e from 1.00 times to 1.25 times the annual debt service payment. It is the District's goal to exceed the minimum coverage ratio with a target of 2.00 times the annual debt service payment.

21.~~07~~10 RULES AND REGULATIONS

The District shall have the authority to create rules, regulations, and procedures to implement and carry out the intent and purpose of this section provided such rules, regulations, and procedures are consistent with this section

21.~~08~~11 AMENDMENT/MODIFICATION/TERMINATION

This Article 21 may be amended, modified, or terminated by the District at any time after its adoption. Amendments, modifications, or termination shall be considered and approved, or disapproved, only at a noticed regular public meeting by the District's Board of Directors.

RESOLUTION NO. 757

A RESOLUTION OF THE BOARD OF DIRECTORS OF
THE CRESCENTA VALLEY WATER DISTRICT TO
AMEND ARTICLE 21 OF THE RULES AND REGULATIONS –RESERVE FUND POLICIES

WHEREAS; the adoption of a Reserve Policy represents an industry best practice in terms of prudent financial management;

WHEREAS; the Board hereby recognizes the financial prudence of developing and sustaining a Reserve Policy with three separate reserve funds for the Water Fund – an Operating Reserve Fund, a Pipeline Reserve Fund, and a Capital Improvement Program Repair and Replacement Reserve Fund – and three separate reserve funds for the Wastewater Fund – an Operating Reserve Fund, Sewer Interceptor Fund, and Replacement Reserve Fund.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Crescenta Valley Water District authorize the revision of Article 21 of the District Rules and Regulations as shown on the attachment for establishment of the Reserve Policy.

PASSED, APPROVED AND ADOPTED at a Regular Meeting of the Board of Directors of Crescenta Valley Water District held on March 10, 2020. Resolution No. 757 was adopted by the following vote:

AYES:

NOES:

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. 757 of the Board of Directors of Crescenta Valley Water District adopted at a Regular Meeting held on March 10, 2020 and that the same has not been amended or repealed.

Secretary of the Board of Directors

Crescenta Valley Water District

DATED: March 10, 2020 **(S E A L)**

CRESCENTA VALLEY WATER DISTRICT
BOARD OF DIRECTORS - STAFF REPORT

Action Item No. 5
March 10, 2020

To: Honorable President and Members of the Board of Directors

From: Brook Yared, M.S., P.E. – Senior Engineer

Subject: **Award of Contract –** Replacement of Pump and Motor Assembly for Glenwood Boosters 32 & 33, Project E-1013

ACTION ITEM:

Replacement of Pump and Motor Assembly for Glenwood Boosters 32 & 33 - Project E-1013
Consideration and motion to authorize the General Manager to award a contract to the lowest responsible bidder Legend Pump and Well Services (Legend) at a cost of $70,940, establish a contingency amount of $7,094 (10% of contract) to cover the cost of unforeseen or additional work and to find said project exempt from the provisions of the California Environmental Quality Act (CEQA).

BACKGROUND:

Glenwood Boosters pumps 32 and 33 were each designed to operate at 800 gpm with a 75 Hp motor and were last rehabilitated in June 2001. Since they were installed, ground water capacity has reduced and variable frequency drives (VFD) were installed on each pump to reduce the design flowrate and allow for better operating efficiency. The existing pump and motor assemblies have been in service for over 70,000 hours, which is beyond their useful life and this project was included in the FY 19/20 CIP budget. Glenwood Boosters 32 and 33 are critical for the operation of CVWD's nitrate removal treatment facility and distribution of groundwater to the water distribution system. With the new pumps installed, CVWD will be increasing its water system reliability, while minimizing operational costs going into the future.

As part of the design, CVWD looked into possible energy efficiency savings and the new design is estimated to increase "water to wire" efficiency by 3-8% for each booster based on pump testing data provided in 2018. Staff has determined that replacing Booster 32 with a slightly smaller pump will provide for more efficient operation and cost savings to the District.

DISCUSSION:

On February 18, 2020, staff sent out a Request for Quotes (RFQ) to seven (7) pump contractors for the replacement of the existing pump and motor assembly for Glenwood Boosters 32 and 33. A Pre-Bid meeting was held on February 26, 2020 and there were a total of three (3) attending contractors. The bid opening for the project was held on March 4, 2020 and the results are as follows:

	Bidder	**Total Bid Amount**
Lowest	Legend Pump and Well Services	$ 70,940.00
2nd	General Pump Company	$ 101,501.00
3rd	Best Drilling and Pump	Declined to Bid

Legend Pump and Well Services of San Bernardino, CA, was the apparent lowest responsible bidder for the project. The engineer's estimate was $62,000 and the low bid was 14.4% higher than the engineer's estimate. Staff has worked with Legend in the past on similar well and booster pump projects, and the experience working with Legend has been very positive.

RECOMMENDATION:

It is staff's recommendation to award the project to the lowest responsible bidder, Legend Pump and Well Services for the pump and motor assembly for Glenwood Boosters 32 and 33, Project E-1013 for the price of $70,940. In addition, establish a contingency amount of $7,094 (10% of contract) to cover the cost of unforeseen or additional work. If approved, the work should be completed in mid-June 2020. This item was discussed with the Engineering Committee and the Committee recommended approval of the project.

ENVIRONMENTAL REVIEW:

Staff is requesting that the Board find this project to be exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15301 of the CEQA Guidelines. This exemption covers the repair of existing facilities involving negligible or no expansion of existing use.

FUNDING AVAILABILITY:

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

Account Description	Amount
FY 19/20 Water CIP – Booster Pumps Replacement	**$85,000**
E-1013 – Glenwood Boosters 32 & 33 Replacement	<$70,940>
Glenwood Boosters 32 & 33 – 10% Contingency	<$7,094>
Amount Remaining in Water CIP – Booster Pump Systems	**$6,966**

Prepared by:

Brook Yared, P.E.
Senior Engineer

Submitted by:

David S. Gould, P.E.
District Engineer

Attachments:
1 – Bid Summary

g:\management\board meeting staff reports\2020\03-10-20 board memo - glenwood boosters 32 and 33 ac.docx

CRESCENTA VALLEY WATER DISTRICT

Title: Replacement of Pump and Motor Assembly for Glenwood Boosters 32 & 33
E-Job No: E-1013
Engr's Est.: $62,000
oj. Manager: Brook Yared

Bid Location: CVWD's Main Office
Time: 2:00 PM
Date: 3/4/2020
By: BY CHECKED: DSG

DATE: 3/6/2020

				Engineers Estimate		Legend Pump and Well		General Pump		Best Drilling and Pump	
ITEM	DESCRIPTION	QUANTITY		UNIT	AMOUNT	UNIT	AMOUNT	UNIT	AMOUNT	UNIT	AMOUNT
1	Mobilization and Demobilization	1	LS	$5,000.00	$5,000.00	$5,640.00	$5,640.00	$21,313.00	$21,313.00		
2	Remove Existing Pump and Motor Assemblies	2	Ea	$2,000.00	$4,000.00	$2,500.00	$5,000.00	$6,866.00	$13,732.00		
3	Booster 32: New Vertical Turbine Pump Assembly (65 hp)	1	Ea	$12,500.00	$12,500.00	$15,500.00	$15,500.00	$11,554.00	$11,554.00		
4	Booster 32: New 60 hp Vertical Turbine Motor	1	Ea	$8,000.00	$8,000.00	$7,420.00	$7,420.00	$17,268.00	$17,268.00		
5	Booster 33: New Vertical Turbine Pump Assembly (75 hp)	1	Ea	$13,500.00	$13,500.00	$15,640.00	$15,640.00	$11,714.00	$11,714.00		
6	Booster 33: New 75 hp Vertical Turbine Motor	1	Ea	$9,000.00	$9,000.00	$9,590.00	$9,590.00	$17,086.00	$17,086.00		
7	Discharge Head, Column Pipe and Additional Equipment	2	Ea	$2,500.00	$5,000.00	$4,875.00	$9,750.00	$1,762.00	$3,524.00		
8	Field Balancing, Start-up and Testing	2	Ea	$2,500.00	$5,000.00	$1,200.00	$2,400.00	$2,155.00	$4,310.00		
Alt 9	Booster 34 New 75 hp Variable Frequency Drive	1	Ea	$40,000.00	$40,000.00	$57,360.00	$57,360.00	$26,218.00	$26,218.00		
				EE	$62,000.00	LOW	$70,940.00	2ND	$100,501.00	3RD	$0.00
		w/alt			$102,000.00		14.4%		62.1%		-100.0%

CRESCENTA VALLEY WATER DISTRICT

BOARD OF DIRECTORS - STAFF REPORT

Action Item No. 6
March 10, 2020

To: Honorable President and Members of the Board of Directors

From: Nem Ochoa, P.E. – General Manager

Subject: **CVWD Emergency Preparedness for COVID-19 (Corona Virus)**

ACTION ITEM:

Discuss CVWD Emergency Preparedness for COVID-19

BACKGROUND:

Per Centers for Disease Control and Prevention (CDC), COVID-19 is not currently spreading widely in the United States. However, it is important to note that current global circumstances suggest it is likely that this virus will cause a pandemic.

During the week of February 23, CDC reported community spread of the virus that causes COVID-19 in California (in two places), Oregon and Washington. Community spread in Washington resulted in the first death in the United States from COVID-19, as well as the first reported case of COVID-19 in a health care worker, and the first potential outbreak in a long-term care facility.

On March 4, 2020, the Los Angeles County Board of Supervisors (Board) and the Department of Public Health (Public Health) declared a local and public health emergency in response to increased spread of COVID-19 across the country and six additional cases in LA County.

DISCUSSION:

District employees are being kept abreast of any new developments related to COVID-19, particularly as it relates to following specific steps to prevent the spread of the virus at the workplace. They have also been advised to stay home if they are sick and see a doctor if symptoms are severe or persistent.

A potential outbreak affecting CVWD's workforce is a concern. Proper planning and immediate action, will help ensure that CVWD can continue fulfilling its mission of providing quality water and wastewater services to the Crescenta Valley community in a dependable manner.

RECOMMENDATION:

Discuss CVWD emergency preparedness for COVID-19 and next steps.

ENVIRONMENTAL REVIEW:

Not applicable

FUNDING AVAILABILITY:

Not applicable.

Submitted by:

Nem Ochoa, P.E.
General Manager

written communications

RECEIVED

MAR 06 2020

CRESCENTA VALLEY
WATER DISTRICT

10:50 a.m.

March 6, 2020 - Public Comment - Community Advisory Committee Mtg #1

To: CVWD Board of Directors
CC: Tom Bunn, Attorney for CVWD
From: Marilyn Tyler (address and signature below)
Subject: Public Comment - Feedback on First Meeting of Community Advisory Committee

I was very impressed by the first meeting of the Community Advisory Committee on Tuesday March 3, 2020. Christy Scott, assisted by James Lee, led a meeting which was both welcoming and well-organized. Speaker Kevin Kostiuk of Raftelis, who is the project manager for CVWD's cost of service study, provided basic information about the study and answered questions.

The committee members are a good mix of open-minded customers from diverse backgrounds (the following is from my notes and may not be completely accurate): Tom Webb, construction, real estate; Lester Robert, newly arrived from NY with experience in public finance; Jonas Williams, long-time Crescenta Valley resident; Frank Colcord, FMWD board member; Sherry Taylor, Glendale educator and negotiator for Glendale Schools teachers' union?; Kartik Sundram, small business owner with background in robotics; Shelley Powsner, qualitative assessment of soils, who said she realized that CVWD was not your usual impersonal large organization when she called CVWD and actually got to speak to a friendly human being.

With a sincere desire to listen and learn on all sides, the future of this committee is very promising.

M. Tyler
3139 Brookhill St., La Crescenta

CRESCENTA VALLEY WATER DISTRICT

General Manager Report

GM Report
March 10, 2020

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:

- Community Advisory Committee
- CVWD Fleet Life Cycle Cost Analysis
- IT Transition
- Water Production
- Hydrology Report
- Engineering Projects
- Operational Activities

STAFFING

Eight (8) employees have work anniversaries in March. Wendy Holloway – 38 years, Raymond Dodge – 27 years, Cory Whitman – 27 years, Pam Leddy – 18 years, Christy Scott – 17 years, Mark Hass – 14 years, Siaki Mortenson – 4 years, Tessa Allmon – 2 year

As of March 6^{th} the District has gone 108 days without a lost time accident.

GENERAL MANAGER ACTIVITIES

<u>Meetings:</u>

Management Staff Meetings	- March 2^{nd}, March 9^{th}
Emergency Preparedness Table Top Exercise	- March 3^{rd}
Engineering Committee Meeting	- March 6^{th}
Finance Committee Meeting	- March 6^{th}

Submitted by:

Nem Ochoa
General Manager

Engineering and Operations

March 10, 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 – February 2020**

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1. **Water Production Report**
   - February 1 – 29 – Water production – 55%/45% split – 94.1 MG for the time period
   - Average use – 32.7% greater than 2019 and 9.8% greater than 5-yr average
2. **Rainfall Update**
   - 0.31” for February 2020
   - Rainfall Total for Rainfall Year 2019/20 – 8.49”
3. **Report on Engineering**
   - **CIP Projects**
     - Pipeline Replacement – 4600 - 4800 Blocks of Pennsylvania
       - Paving to start week of March 16th
     - Markridge Reservoir Rehabilitation
       - Continue re-coating interior
     - Well 16 – Well Rehabilitation
       - Test pumping – Complete
       - Estimated well capacity – 120 gpm
       - Estimated completion date March 27, 2020
     - Booster Pump Replacement
       - See Staff Report
   - **Nitrate Removal Treatment Facility at Well 2 Project**
     - No Report
   - **Grant Program**
     - Hazard Mitigation Grant Program (HMGP) – Waiting on CalOES
   - **Water Meter Replacement Program**
     - Re-started cleaning meter boxes and replacing water meters in Zone 3
4. **Report on Administrative and Field Operations**
   - Wells Status – Well production capacity remained at 1.80 mgd
5. **Developer Projects**
   - Waiting on Developer
     - 4521 Briggs/2413 Foothill – New 70 Units
     - 3900 Park Place – New 28 Units
     - 4520 Montrose – New 6 Units
     - 2341 Mira Vista – New 6 Units
     - 2345 Mira Vista – New 4 Units
     - 2314 Montrose – New 5 Units
6. **FMWD** – No Report
7. **Street Projects**
   - Verdugo Paving Project – City of Glendale – Waiting for construction to begin
   - Cloud Pre-school – GUSD – 8-inch main upgrade on Cloud Ave – Complete

8. Field Maintenance & Operations – February 1, 2020 – February 29, 2020

- **Water Lateral Leaks & Repairs**

4123 Ocean View	3021 Stevens	5128 Circle Vista
3156 Harmony	2735 Honolulu	

- **Large Water Meter Replacement**
  - No Report
- **Water Main Leaks**
  - No Report
- **Valve Replacement**
  - No Report
- **Fire Hydrant Repair**
  - New fire hydrant heads at 3105 Montrose & 2621 Orange
- **Booster Pump Maintenance**
  - No Report
- **Reservoir Maintenance**
  - No Report
- **Sewer Maintenance – February 1, 2020 – February 29, 2020**

4900 to 5700 Blocks of Ocean View	2000 Block of Derwood	2100 Blocks of Bristow, Earnslow & Normanton
5400 & 5500 Blocks of Rock Castle	2200 Blocks of Fairhurst and Canalda	2200 Blocks of Laughlin and Los Amigos

- **Sewer Manhole Repair**
  - No Report

CRESCENTA VALLEY WATER DISTRICT

WATER PRODUCTION REPORT

February 1 - February 29, 2020

Well Production:	50,478,400	Gals		
GWP Production:	0	Gals		
Gravity Production:	1,238,990	Gals	% GW	55%
Purchased Water:				
FMWD:	42,377,529	Gals		
City of Glendale:	0	Gals	% Import	45%
TOTAL:	94,094,919	Gals		
	288.77	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 29, 2020	3,206,406	
February 1 - February 28, 2019	2,417,130	32.7%
5-yr Average - February 2015 - 2019	2,919,472	9.8%

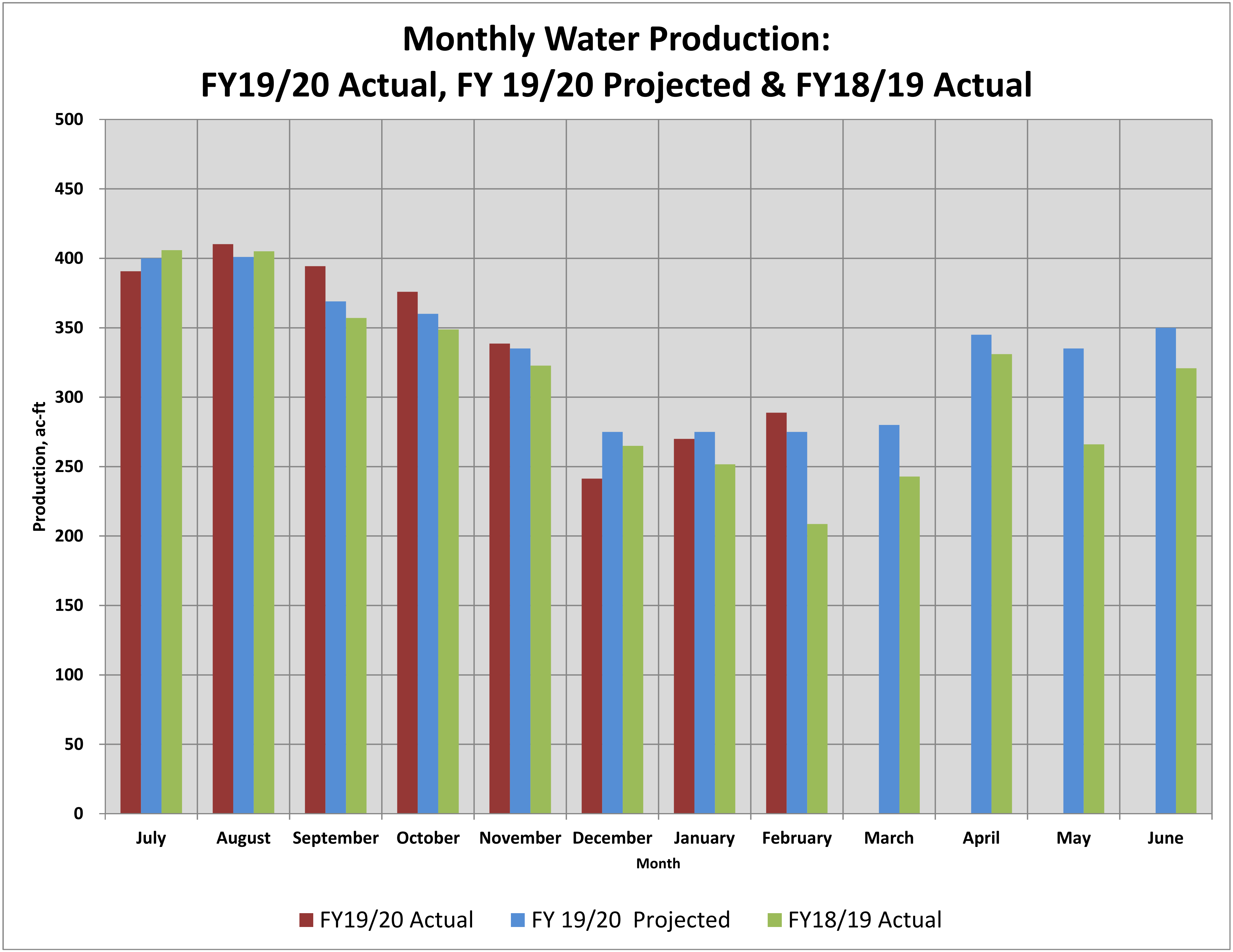
RAINFALL: Feb. 1 - Feb. 29, 2020 0.31"

Season-To-Date: 8.49"

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		March	
October	376	360	January	168	April		April	
November	339	335	February	158	May		May	
December	241	275	March		June		June	
January	270	275	April		July		July	
February	289	275	May		August		August	
March		280	June		September		September	
April		345	July		October		October	
May		335	August		November		November	
June		350	September		December		December	
Total to Date	2,710	2,690	Total to Date	824	Total to Date	0	Total to Date	232
Projected	4,020	4,000	Water Rights	3,294			Tier 2	2,154
% of Projected	67.7%	67.3%	% of Rights	25%			% of Allocation	11%
Remaining	1,290	1,310	Remaining	2,470			Remaining	1,922

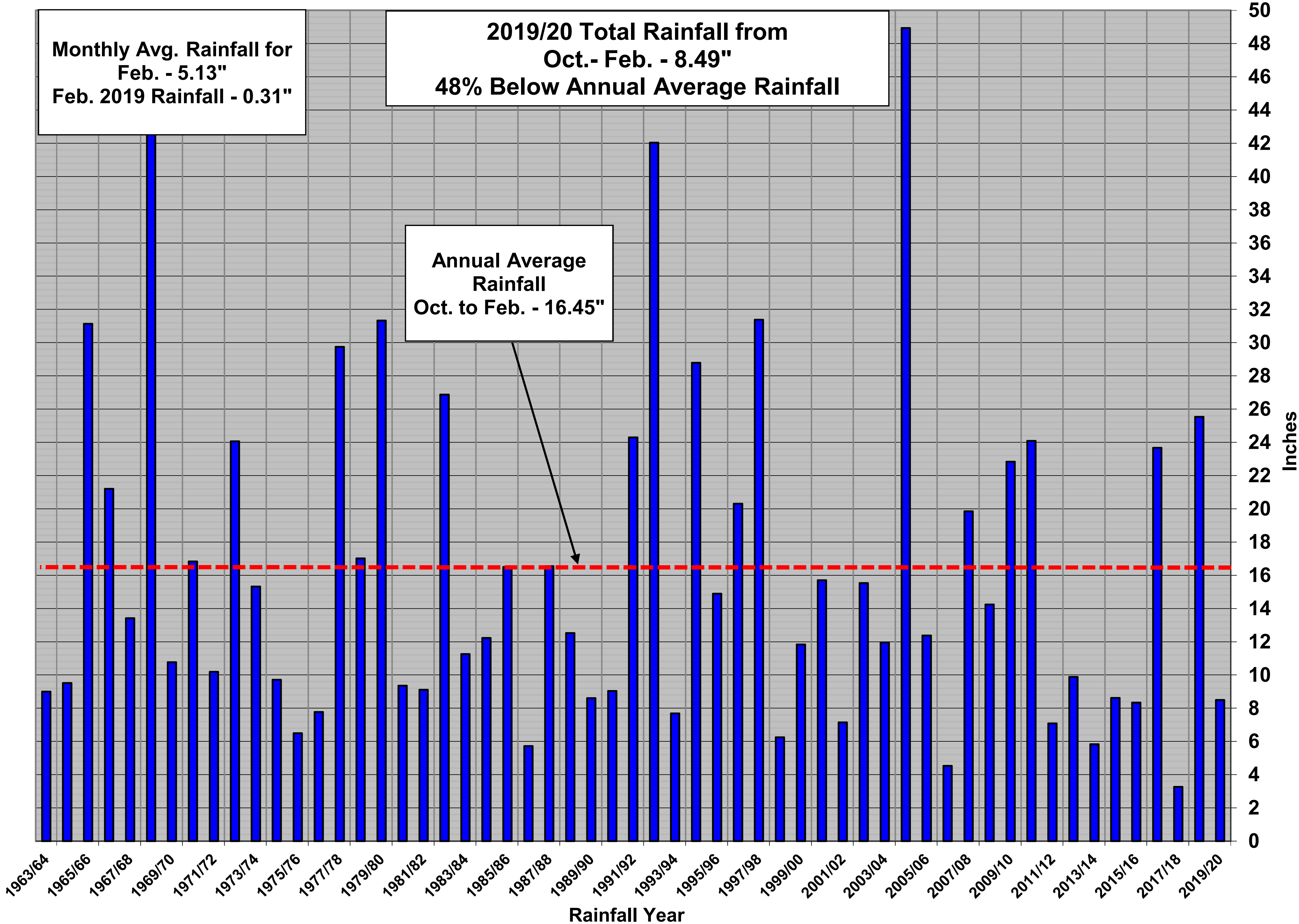
NOTE:

1) Blue Numbers = Estimated Water Production



Monthly Water Production:
FY19/20 Actual, FY 19/20 Projected & FY18/19 Actual
Production, ac-ft
500
450
400
350
300
250
200
150
100
50
0
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.- Feb.)



Revised Date: 3/5/2020