CRESCENTA VALLEY WATER DISTRICT

2700 Foothill Boulevard
La Crescenta, California

Agenda for the
Adjourned Regular Meeting of the Board of Directors
of the Crescenta Valley Water District
to be held on Tuesday, January 19, 2016 at 7:00 p.m.

Posted: January 15, 2016 at 3:00 p.m.

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

Call to Order and Determination of Quorum

Pledge of Allegiance

Adoption of Agenda

Public Comments

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

Foothill Municipal Water District Report

1. Report on activities at Foothill Municipal Water District.

Consent Calendar

1. Consideration and approval of Minutes of the Regular Meeting on January 5, 2016.
2. Ratification of Disbursements for December 2015.

Action Calendar

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

1. **Water and Wastewater Cost of Service Study, Project M-958** – Discussion of options for the water and wastewater billing structures related to the Water and Wastewater Cost of Service Study.
2. **LAFCO Special District Alternate Representative Ballot** – Consideration and motion to cast the District's ballot for the LAFCO Special District Representative election.
3. **Fiscal Year 2015/16 Second Quarter Budget Review** – Review and discussion of revenues and expenses for the second quarter of fiscal year 2015/16.

Information Items

Written Communications to District

Staff Reports

- **Secretary-Treasurer**
- **General Manager**
- **District Engineer**
- **Program Specialist**
- **Information Technology**

Attorney Report

Reports of Committees

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

Director's Oral Reports

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

Closed Session

- **Conference with Legal Counsel**
  - Existing litigation pursuant to paragraph (1) of subdivision (d) of Section 54956.9: Crescenta Valley Water District vs. City of Glendale, et al., Los Angeles Superior Court case no. BC595199.
- **Conference with Labor Negotiators (§54957.6)**
  - District negotiators: Thomas Love and Ron Mitchell
  - Employee organization: AFSCME

Board Members' Request for Future Agenda Items

Adjournment

CRESCENTA VALLEY WATER DISTRICT
REGULAR MEETING, BOARD OF DIRECTORS
January 5, 2016

Pursuant to the order of the Board of Directors of the Crescenta Valley Water District, made at the Regular Meeting of December 8, 2015, a Regular Meeting was held on January 5, 2016, 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:	**James D. Bodnar** **Michael L. Claessens** **Kerry D. Erickson** **Kenneth R. Putnam** **Judy L. Tejeda**
Attorney:	**Roland Trinh**
General Manager:	**Thomas A. Love**
Secretary-Treasurer:	**Ron L. Mitchell**
District Engineer:	**David S. Gould**
Others Present:	**Mark Hass, IT Manager** **Wendy Holloway, Customer Accounts Supervisor** **Bryan Jones, Interim Superintendent**

PLEDGE OF ALLEGIANCE

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

ADOPTION OF AGENDA

It was moved by Director Bodnar, seconded by Director Tejeda and carried by a 5-0 vote that the Agenda for the Regular Meeting of January 5, 2016 be approved as presented.

PUBLIC COMMENT – None

FOOTHILL MUNICIPAL WATER DISTRICT REPORT – Mr. Love reported that at the meeting FMWD held December 21, 2015, the only thing on the action calendar was the approval of a Service Contract with John Robinson Consulting, Inc. for the replacement of the main line valve. There were oral reports on ACWA, MWD and other organization activities, and they reported on the table top exercises. They discussed the shutdown on February 29, 2016 for 10 days at the MWD Weymouth Treatment Plant in La Verne, and at the same time FMWD will be doing some work that will affect the eastside agencies.

CONSENT CALENDAR

It was moved by Director Tejeda, seconded by Director Bodnar and carried by a 5-0 vote to approve the Minutes of the Regular Board Meeting held on December 8, 2015.

ACTION CALENDAR

Acceptance of Audited Financial Statements for Fiscal Year 2014/15 – Mr. Mitchell reported that the audit has been completed, and the final draft has been prepared by Fedak & Brown LLP. Mr. Chris Brown presented the Board with the Audited Financial Statement for the Fiscal Year 2014/15. He discussed the audit process, the significant audit areas, audit reports, the communications to the governing board, the new GASB 68 & 71 process, the financial highlights and answered questions from the Board. The Board identified some changes to language in the report.

Following discussion:

It was moved by Director Putnam, seconded by Director Claessens and carried by a 5-0 vote to accept the Audited Financial Statements for Fiscal Year 2014-15 with changes as noted.

Installation of Electrical System for Chloramination Station at Williams Reservoir, Project E-733-CS4 – Mr. Gould reported that on October 16, 2015, staff sent out a Request for Quote to seven electrical contractors for the installation of a new electrical system for the Chloramination station at Williams Reservoir. A pre-bid meeting was held on Wednesday, November 4, 2015 with three contractors in attendance. The bid opening for the project was held on December 16, 2015 and Miron Electric Construction Corporation (MECC) was the lowest bidder and meets the requirements of SB854 regarding prevailing wage compliance. The engineer's estimate was $59,500 and the low bid was $56,000 which is 5.9% lower. It is staff's recommendation to authorize the General Manager to enter into an agreement with MECC. A pre-construction meeting will be set as soon as the contract is awarded, the agreement signed, and insurance documents have been delivered. We anticipate construction to begin at the end of February 2016 and be completed by the end of March 2016.

It was moved by Director Putnam, seconded by Director Claessens and carried by a 5-0 vote to authorize the General Manager to enter into an agreement with Miron Electric Construction Corporation for the installation of the Electrical System for Chloramination Station at Williams Reservoir at a cost of $56,000 and to establish a contingency amount of $5,600 (10% of contract) to cover the cost of unforeseen or additional work.

INFORMATION ITEMS – La Canada Valley Sun: Latest water-savings figures trail previous month's conservation numbers. CV Weekly: Time of Reflection at CVTC Meeting.

WRITTEN COMMUNICATIONS TO DISTRICT – None.

REPORTS OF PERSONNEL

SECRETARY-TREASURER – Mr. Mitchell provided the Summary of Cash and Investment report which contained the following items:

Investment Portfolio Summary – as of December 30, 2015:

Cash Accounts	$73,512
Great Pacific Securities	
Bond Debt Service Fund Acct	$226,159
Local Agency Investment Fund	$1,626,304
Transfer from MTBE Reserve	$2,000,000
Federal Farm Credit (78)	$500,100
Federal Farm Credit (81)	$984,950
Federal Farm Credit (83)	$498,600
Federal Farm Credit (86)	$978,510
Federal Farm Credit (87)	$500,045
Federal Farm Credit (96)	$961,035
Federal Farm Credit (97)	$1,223,136
US Treasury 99	$986,410

MTBE Contingency Funds

Local Agency Investment Fund	$449,071
Great Pacific Securities	$178,100
Transfer to Water Reserve	($2,000,000)
Federal Farm Credit (M-35)	$820,080
Federal Farm Credit (M-36)	$981,990
Federal Farm Credit (M-38A)	$982,670
Federal Farm Credit (M-38B)	$982,670
US Treasury (M-40)	$981,990
US Treasury (M-42) NEW	$984,860
US Treasury (M-43) NEW	$993,091

Fund Balances

Water	$11,222,060.74
Wastewater	$5,469,083.83

Mr. Mitchell also provided a recap summary of the investments for the FY 2015-16.

GENERAL MANAGER – Mr. Love reported that the District is right at the target for the conservation goals. He also said that he had sent an email to the Directors regarding the main leak that CVWD crews worked on all night, and would like to acknowledge Bryan Jones, David Gould, and all the crews who responded for their efforts in repairing the leak.

DISTRICT ENGINEER

Mr. Gould reported on a main leak that occurred the night of January 5, 2016. He said that the main leak was on an easement from Dunsmore Reservoir to Markridge Road on a slope, and that they had to shut down Dunsmore Reservoir in order to make the repairs. The main line was impacted by roots from Pine trees and Oleander trees in the area.

Water Production – For the period of December 1 through December 31, 2015, water production averaged 2.95 million gallons per day, which is **9.1% greater** than the daily average production of the same period in 2014. This is **7.6% less** from the daily average production of the previous five years. SWRCB Conservation – 28.8% less than June 2013 – February 2014 period.

Rainfall: December 2015	**1.53"**
Season-to-date:	**1.99"**

Administrative and Field Operations – Mr. Gould provided a memorandum and discussed the following:

Rainfall Update – 1.53" for December 2015. Rainfall total for 2015-16 is 1.99".

Report on Engineering

CIP Projects – Ocean View Chlorination Project – Building – Mobilization early February 2016. Electrical Work – Award of contract. Site work for CVWD crews – complete. Pipeline Projects – Bid opening date: January 27, 2016. Well 16 – Piping & Building – Building and facilities – Building to be delivered and installed the week of January 4, 2016. Electrical and Pump installed week of January 11, 2016. Dedication ceremony – January 19, 2016 – *tentative*. Pickens Canyon Slope repair – Brush clearance – week of January 4, 2016. Finalizing contract for temporary erosion control. Start construction week of January 11, 2016. Wastewater Lift Station – Emergency Electrical Generator – Bid opening date: January 27, 2016.

Water and Wasterwater Cost of Service Study – Discussion at January 19, 2016 on water and wastewater rate structure options.

Nitrate Removal Treatment Facility at Well 2 Project – Greater Los Angeles Leadership Committee – agreed on 21% reduction for all sub-regions. Each sub-region to submit revised grant request. Upper Los Angeles Region suggested four (4) options to allocate the grant funds. ULAR chose Option 2. CVWD's grant amount will be $705,774.45.

Original Grant

Total	**Grant**	**CVWD**
$1,815,559	$1,087,500	$728,059
Percentage Split	60%	40%

Revised Grant

Total	**Grant**	**CVWD**
$1,815,559	$705,774	$1,109,784
Percentage Split	39%	61%

Crescent Valley County Park Stormwater Recharge Facility Study – No Report.

ULARA – Court Date: January 15, 2016

La Canada Flintridge – Water Committee – No Report.

Water Meter Replacement Program – FY 15/16 Water Meter Replacement Program – replaced 287 meters to date.

Report on Administrative and Field Operations:

<u>Well Status</u> – Well production capacity averaging 1.9 MGD for December.

<u>Field Maintenance and Operations update for December 1 - 30, 2015</u>

<u>Reservoir Site Assessment</u> – Complete Reservoir site assessments.

<u>Water lateral leaks & repairs</u>

- 2623 Mayfield
- 3317 Honolulu
- 3024 Alabama
- 4467 Dyer
- 3231 Prospect
- 3332 Stevens

<u>Water Main Leaks</u> – No Report

<u>Reservoir Maintenance</u> – No Report

<u>Fire Hydrant Repair</u> – No Report.

<u>Sewer Maintenance</u> – 5200 – 5300 blocks of Pine Cone. 2900 block of Hawkridge. 2900 – 3000 blocks of Hopeton. 2800 block of Willowhaven. 2900 – 3100 blocks of Cloudcrest. 5000 – 5200 blocks of Pennsylvania. 2900 – 3000 blocks of Highridge. 3000 – 3100 blocks of Markridge. 3100 block of Harmony. 5200 block of Cortolane. 5200 – 5300 blocks of Ramsdell.

<u>PROGRAM SPECIALIST</u> – No Report

<u>INFORMATION TECHNOLOGY</u> – No Report

<u>ATTORNEY</u> – No Report

<u>REPORTS OF COMMITTEES</u>

<u>Engineering Committee</u> – Mr. Gould reported that the Committee will meet on January 15, 2016 at 8:00 a.m.

<u>Finance Committee</u> – Director Bodnar reported that the Committee had not met; however a meeting will be scheduled as needed.

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

<u>Policy Committee</u> – Director Tejeda reported that the Committee had not met; however a meeting will be scheduled as needed.

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

<u>Emergency Planning Committee</u> – Director Bodnar reported that the Committee had not met; however a meeting will be scheduled as needed.

<u>DIRECTORS ORAL REPORTS</u>

Director Claessens – No Report

Director Putnam – No Report

Director Tejeda – No Report

Director Bodnar reported that the Upper Colorado River Basin is at 108% of normal and the Northern Sierra snowpack is at 99% of normal. He also expressed his appreciation to the staff for their efforts for the work done on repairing the main leak all night long.

Director Erickson reported that he received 2.9" of rain at his home.

CLOSED SESSION – No Reportable Action

ADJOURNMENT

There being no other business to come before the Board at 8:50 p.m., it was moved by Director Tejeda and seconded by Director Claessens that the meeting be adjourned to January 19, 2016 at 7:00 p.m.

APPROVED

Kerry D. Erickson	Ron L. Mitchell
President	Secretary-Treasurer

CASH DISBURSEMENTS LIST
DECEMBER 2015

Check#	Check Date	Payable To	Description	Water Amount	Wastewater Amount
32958	12/4	Ron Mitchell	Health Reimbursement	221.99	147.99
32959	12/4	Lynne Sovich	Health Reimbursement	529.31	352.87
32960	12/8	ACV Systems, LLC	Repairs to Glendale Interconnect control valves GI#1 and GI #2	1,234.91	
32961	12/8	Jim & Linda Adams	Turf rebate	2,200.00	
32962	12/8	AMEC Foster Wheeler Environment	E-957 Pickens Cyn Slope repair - services through 09/2015	8,114.54	
32963	12/8	Ameripride Uniform Services, Inc	Uniform rentals 11/2015	558.79	186.26
32964	12/8	Anawalt Lumber & Materials Co.	Misc hardware 11/2015	127.07	94.61
32965	12/8	ARC	Monthly billing bond plot	914.52	304.84
32966	12/8	Hector & Melissa Arias	Turf rebate	3,100.00	
32967	12/8	AVAYA Financial Services	Land line lease	380.68	126.90
32968	12/8	BC Laboratories, Inc	Water analysis	493.60	
32969	12/8	BC Laboratories, Inc	Water analysis	2,578.75	
32970	12/8	Bonners Equipment Rentals	Unit #17 - Propane for forklift	19.30	6.44
32971	12/8	Charles Brashear	Refund Check	2.96	
32972	12/8	John F. Brugger	Welding services for fire hydrant assembly	750.00	
32973	12/8	CalPERS	Employee contributions for 10/2015	20,036.33	11,821.27
32974	12/8	CalPERS	Employee paid contributions 11/2015	18,496.51	11,440.67
32975	12/8	Cannon	E940 Well 16 - services through 09/2015	43,700.43	
32976	12/8	Cargill, Inc - Salt Division	Salt for Nitrate Plant	3,124.11	
32977	12/8	John Carvalho	Turf rebate	1,600.00	
32978	12/8	Cash-Petty Cash	Reimbursement for Petty cash	356.29	109.81
32979	12/8	Choice Pest Control	Monthly service for various sites	194.75	90.25
32980	12/8	City of Glendale	Water system fees - watermaster	3,300.30	
32981	12/8	City of Glendale Water & Power	Power purchased	35,778.74	48.76
32982	12/8	City of LA Bureau Sanitation	Sewerage Facilities Charge 208-50-439601		1,117.52
32983	12/8	Colonial Life & Accidents Ins.	Employee paid insurance	183.61	
32984	12/8	Contractor Compliance & Mont Inc.	E-940 Well 16 - services through 09/2015	1,338.75	
32985	12/8	Amanda Cotter	Refund Check	83.51	
32986	12/8	County Sanitation District #2	Inert Load	395.41	
32987	12/8	Dell Marketing L.P.	5 new laptops and one new server	28,533.46	
32988	12/8	Dell Marketing L.P.	Lease contract	415.34	138.44
32989	12/8	DMC Engineering	E-957 Pickens Cyn Slope - services thorugh 09/2015	8,809.83	

Check#	Check Date	Payable To	Description	Water Amount	Wastewater Amount
32990	12/8	Do-it Center	Misc hardware 11/2015	114.44	34.71
32991	12/8	Eurofins Eaton Analytical Inc.	Water analysis	743.00	
32992	12/8	Wayne Fauber	Turf rebate	3,600.00	
32993	12/8	Fedak & Brown LLP	Accounting services through 11/2015	1,022.50	1,022.50
32994	12/8	Foothill Car Wash, Lube & Oil	Oil change for Unit #38, #36, #6	124.28	100.65
32995	12/8	Foothill Municipal Water	Water delivery 11/2015	198,522.23	
32996	12/8	Grainger	Compressor oil and marking paint	56.02	43.70
32997	12/8	Great America Leasing Corp.	Kyocera copier lease	434.91	434.91
32998	12/8	Haaker Equipment Company	Red poly ball for unit 31		24.43
32999	12/8	Hach Company	Dispensers and lab supplies	515.69	
33000	12/8	Harper & Associates Eng, Inc	Install 12" plug to repair bent valve stem at Edmund II Reservoir	3,125.00	
33001	12/8	Harrington Ind Plastics LLC	Exchanged meter combo pH testers	23.62	
33002	12/8	Home Depot Credit Services	Steel shelves for plant	278.02	92.68
33003	12/8	Imperial Pipe Services, LLC	100' of 6" steel pipe for stock	1,679.80	
33004	12/8	Innovyze	Renewal H20NET software license for 2016	750.00	250.00
33005	12/8	J.G. Tucker & Son, Inc.	Methane gas testers	105.11	35.03
33006	12/8	John Lisee Pumps, Inc	Sump pump for nitrate plant	6,200.88	
33007	12/8	Just Tires, Inc.	Unit #2 -replace tire & rim	687.12	229.03
33008	12/8	Robert Kawahara	Turf rebate	2,100.00	
33009	12/8	Dennis A. Maxwell, Jr	Longevity pay for 10 years of service	75.00	25.00
33010	12/8	Skeet McAuley	Turf rebate	1,200.00	
33011	12/8	Whitney Mervine	Refund Check	8.11	
33012	12/8	Mimecast North America, Inc.	Email security	150.00	50.00
33013	12/8	Neofunds by Neopost	Purchased postage	902.00	
33014	12/8	New Image Landscaping	Monthly maintenance at various sites	1,002.50	177.50
33015	12/8	Northern Tool & Equip Co.	Misc supplies	20.00	19.99
33016	12/8	O'Reilly Auto Parts	Misc supplies 11/2015	429.77	143.32
33017	12/8	Office Depot - Credit Plan	Misc supplies 11/2015	334.99	295.78
33018	12/8	Paper Cuts, Inc	Paper shredding	2.50	2.50
33019	12/8	Paveco Construction Inc	List 2015-16-07 - various paving locations	17,161.27	
33020	12/8	Janmarie Perry	Refund Check	104.83	
33021	12/8	Ramco	Crushed misc base	1,500.00	
33022	12/8	Rassac Air Systems	Glenwood, Mills, Office AC maintenance	356.25	118.75
33023	12/8	Ready Refresh by Nestle	Distilled water	30.92	
33024	12/8	Royal Wholesale Electric	Power Supply for lift station	445.42	
33025	12/8	Rush Truck Center of Cal Inc,	Unit #31 - Replace gear box		2,151.66
33026	12/8	Sawyer Petroleum	55 gallons of T32 well oil & 410 gallons of diesel fuel	1,946.11	
33027	12/8	Christy Joana Scott	Reimbursement for meals at Water Seminar	19.22	6.40

Check#	Check Date	Payable To	Description	Water Amount	Wastewater Amount
33028	12/8	So Cal Tractor Sales, Inc	Misc.parts for Komatsu	98.67	32.89
33029	12/8	Spectrum Business	Data communications office 11/2015	1,731.05	577.01
33030	12/8	Spectrum Business	Data communications at MIlls house, Mills Plant & Glenwood Plant	2,363.71	787.89
33031	12/8	Sully-Miller Contracting Co.	5.04 tons of cold patch	502.31	
33032	12/8	The Gas Company	Gas purchased Glenwood, Mills & Office	190.42	63.48
33033	12/8	Trench Shoring Company	Steel plate rental for main repair on 3700 Block Glenwood	1,702.50	
33034	12/8	Underground Service Alert/SC	Underground notifications for 11/2015	113.62	37.88
33035	12/8	Univar USA Inc	1396 gallons of bleach at Mills & Glenwood	2,253.64	
33036	12/8	Vision Service Plan Co-(CA)	Group Vision for 12/2015	269.88	179.92
33037	12/8	Waste Management - Sun Valley	Disposal service for Office & Plant	699.07	233.02
33038	12/8	Western Water Works	Air valve for Nitrate Plant; repair clamps; weld couplings; redwood plugs	5,045.94	
33039	12/8	Whittier Fertilizer Co	10 yards of top soil for Well maintenance	198.00	
33040	12/8	Robert Wood	Longevity pay for 10 years of service	75.00	25.00
33041	12/8	Gregory C. Yu	Turf rebate	2,000.00	
33042	12/9	So Cal Water Utilities Assoc.	Monthly lunch meeting- 9 staff	168.75	56.25
33043	12/9	Dave Spain	Reimbursement for Water TreatmentPlant Op. Vol #1 for State Cert	117.68	
33044	12/9	Jacob Whitaker	Special Comp License for G1 Collection System Maint.	400.00	
33045	12/16	ACWA/JPIA	Group health insurance for 01/2016	30,355.04	20,236.70
33046	12/16	ADS, LLC	Monthly monitoring		1,010.00
33047	12/16	Airgas USA, LLC	Monthly cylinder rental	184.13	184.12
33048	12/16	All American Landscape Co.	Repair sprinkliers main office	295.50	98.50
33049	12/16	Allstar Fire Equipment Inc	2.5"x 25' fire hose/2.5"NST aluminum	328.22	
33050	12/16	Carlos R. Alvarez	T2 reveiw class reimbursement	293.90	
33051	12/16	Associated Soils Engineering	E-940 Well 16 - services through 11/2015	1,195.00	
33052	12/16	Association of CA Water Agenci	2015 Annual Agency Dues	13,038.27	4,521.33
33053	12/16	AT&T	PRI Line 11/2015	2,916.47	942.59
33054	12/16	Regino Avalos	Cut down dead tree at Well #7	375.00	125.00
33055	12/16	CA Air Resources Board - Perp Ren	Certification for portable equiptment	570.00	
33056	12/16	California Water Environment	Membership renewal Rob Wood		164.00
33057	12/16	California Water Environment	Membership renewal for Raymond Dodge		81.00
33058	12/16	Capital One Commercial	Misc supplies	580.89	580.88
33059	12/16	City of Glendale - Permits	Excavartion permits	5,037.05	
33060	12/16	Complete Mobile Detailing	Wash and wax district vehicles	449.25	149.75
33061	12/16	Connectronics Corp.	E-931 200 amp panel system for Oak Creek MCC	1,011.11	
33062	12/16	Corporate Telecomm	Land line lease	175.52	58.51
33063	12/16	Dataprose LLC	Printing and postage for controls 1-4	922.78	922.78
33064	12/16	DMC Engineering	M-951A - service through 10/2015	11,328.83	450.00

Check#	Check Date	Payable To	Description	Water Amount	Wastewater Amount
33065	12/16	Eurofins Eaton Analytical Inc.	Water analysis	232.00	
33066	12/16	First Choice	Coffee service office	50.02	50.01
33067	12/16	Grainger	Reflective tape	79.21	26.40
33068	12/16	Jose Castillo Concrete Pumping	E-733CS Concretre pumping service	335.00	
33069	12/16	Mariana Lopez	Deposit refund	100.00	
33070	12/16	Orchard Supply Hardware	Misc hardware 11/2015	873.53	298.63
33071	12/16	Parkhouse Tire, Inc.	Unit #2 - mount spare tire & wheel	92.93	30.98
33072	12/16	Paveco Construction Inc	List 2015-16-01 - various paving locations	12,093.33	
33073	12/16	PDQ Equipment Rental Center	Parts for Unit #21	38.23	12.74
33074	12/16	PMC Engineering LLC	Level transducer for Ocean View Reservoir	635.96	
33075	12/16	Raftelis Financial Consultants, Inc	M-958 Cost of Service/rate study - services through 10/2015	6,565.12	6,565.12
33076	12/16	Royal Wholesale Electric	E-733-CS - misc. electric supplies	401.55	153.11
33077	12/16	SA Associates	Well 2 services through 10/2015	9,862.04	
33078	12/16	Scotty's Industrial Products	Cut-off wheels for masonary; pnuematic tool oil; light	300.52	300.51
33079	12/16	Shell	Gas purchased	1,124.51	374.84
33080	12/16	St Water Resource Control Brd.	D2 certification renewal Rob Wood	60.00	
33081	12/16	Star Brite Bldg. Maintenance Inc	Janitorial services	618.75	206.25
33082	12/16	Sully-Miller Contracting Co.	Misc crushed base	41.97	
33083	12/16	Tesco Controls, Inc	E-931 - Reservior route installation & analyzers for SCADA	15,262.14	
33084	12/16	Wells Fargo Card Services	Gould: Uniform racks for Plant	134.25	44.75
33085	12/16	Wells Fargo Card Services	Hass: Monthly recurring charges; wire for telemetry; SQL server for E-931; security software; lazer pointers	879.02	327.61
33086	12/16	Wells Fargo Card Services	Mitchell: Water level markers for reservoirs; board room supplies; ACWA Fall Conf - meal	338.81	43.29
33087	12/16	Wells Fargo Card Services	Putnam: ACWA Fall Conf. - hotel	309.38	103.13
33088	12/16	Wells Fargo Card Services	Scott: CV High ad; jackets for servicemen; filter for refirigerator at Main Office	1,496.50	217.17
33089	12/16	Western Water Works	Repair clamps; gaskets; weld flanges; spools	1,403.76	
33090	12/16	Yale Chase Materials Inc	Repairs & maintenace to forklift - Unit #17	311.25	103.75
33091	12/23	American Water Works Assoc.	Membership renewal Raymond Dodge	105.00	
33092	12/23	Kellen Boyce	Mileage reimbursement for Crowley Education event	22.86	7.62
33093	12/23	California Water Environment	Membership renewal Christy Scott		164.00
33094	12/23	Paul Finely	Refund for D-13-48	3,367.08	
33095	12/30	CalPERS	Employee contributions for 12/2015	19,788.49	12,488.44
33096	12/30	Judy Tejeda	ACWA Fall Conference - mileage reimbursement	146.62	48.88
			Subtotals	$ 597,402.33	$ 84,330.90
			Total Disbursements for December 2015		$ 681,733.23

PAYROLL REPORT
December-15

Directors	$	1,440
Office Regular Payroll	$	130,646
Office OT	$	-
Office Vacation Cash Out	$	5,440
Plant Regular Payroll	$	98,567
Plant OT and Standby	$	10,314
Employer Payroll Taxes	$	15,434
Payroll Service Charges	$	365
Total	$	262,206

CRESCENTA VALLEY WATER DISTRICT

BOARD OF DIRECTORS - STAFF REPORT

Action Item No. 1
January 19, 2016

To: Honorable President and Members of the Board of Directors

From: David S. Gould. P.E. – District Engineer

Subject: **Water and Wastewater Rate Study, Project M-958**

ACTION ITEM:

Water and Wastewater Cost of Service Study, Project M-958 – Discussion of options for the water and wastewater billing structures related to the Water and Wastewater Cost of Service Study.

BACKGROUND:

CVWD's staff is working with Raftelis Financial Consultants (RFC) on the preparation of new water and wastewater cost of service study relative to possible new water and wastewater rate structures.

RFC has been requested to evaluate water rate structure alternatives including a tiered rate structure, a tiered rate structure based on allotment of groundwater and imported water and a water budget based tiered rate structure. RFC also has been requested to evaluate the wastewater rate structure alternatives including the existing fixed fee wastewater rate structure and a fixed fee rate structure with a variable rate component.

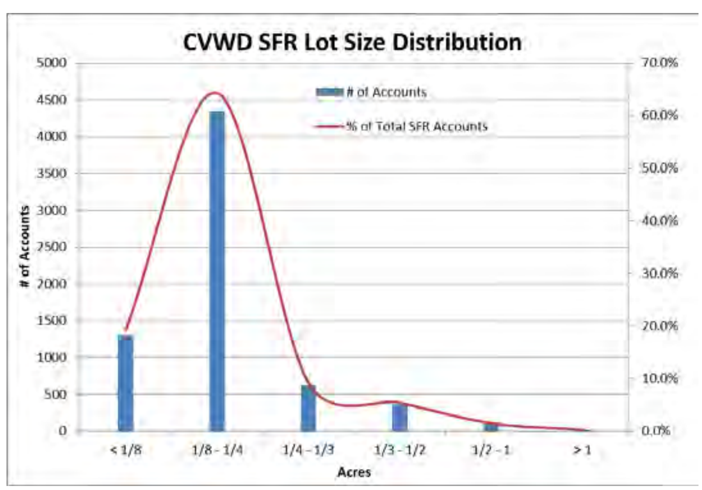
Staff held a kick-off meeting with RFC on October 8, 2015 to discuss the parameters of the study and outline the data needs from CVWD. Key issues that were discussed were community participation, fixed/variable revenue recovery, conservation incentives versus revenue impact, variable wastewater charges, allocation of lowest cost water and sensitivity about existing rates and Proposition 218.

RFC gave a presentation on preparing a simplified "Water Budgets 101" at the November 3, 2015 Board meeting, which gave the Directors an understanding of a water budget based rate structure.

A public workshop was held on November 18, 2016 that included a presentation about CVWD's operations, budget, reserve policy, the water and wastewater cost of service study and alternative rate structures.

Board Workshop Comments: Three (3) CVWD customers provided comments during the public workshop, two of the customers requested the Board evaluate water rate structures that take the lot size into account with respect to water usage. Staff has analyzed the lot size information from the Los Angeles County Assessor's Office for the 6,829 SFR water customers. As shown in the table below, 84% of SFR lots within CVWD's service area are smaller than ¼ acre and 115 lots (1.7%) are ½ acre or larger. The SFR lot size distribution is shown in the table and chart below.

Lot Size - Summary								
Acre	0.11	=	0	to	5,000	SF	747	10.9%
Acre	0.23	=	5,001	to	10,000	SF	4529	66.3%
Acre	0.34	=	10,001	to	15,000	SF	1147	16.8%
Acre	0.46	=	15,001	to	20,000	SF	246	3.6%
Acre	0.57	=	20,001	to	25,000	SF	89	1.3%
Acre	0.69	=	25,001	to	30,000	SF	19	0.3%
Acre	0.80	=	30,001	to	35,000	SF	19	0.3%
Acre	1.00	=	35,001	to	43,500	SF	14	0.2%
Acre	1.00	>			43,560	SF	19	0.3%
Total							6829	100.0%
Acre	0.33	>			14,520	SF	443	6.49%
Acre	0.50	>			21,780	SF	115	1.68%



DISCUSSION:

Staff has met with RFC to discuss the outcome of the public workshop and the next steps for the water and wastewater cost of service study. As a follow up to the public workshop, staff has requested that RFC provide information regarding the benefits/advantages and costs/disadvantages of the alternative water rate structures for further discussion with the Board of Directors. This information is provided in the attached presentation prepared by RFC and presented by staff.

It is staff's goal from the discussion to finalize a water rate structure alternative that meets the District's objectives of Fairness and equity to all customers, revenue & financial stability, ease of understanding for both customers & staff, affordability for essential needs, encouraging conservation, and defensibility under proposition 218. Once the District's objectives are agreed upon, RFC can proceed with the water and wastewater cost of service study.

Staff anticipates that RFC will prepare a preliminary report for discussion by the Board at a future meeting in February 2016.

RECOMMENDATION:
N/A

ENVIRONMENTAL REVIEW:
N/A

FUNDING AVAILABILITY:
N/A

Prepared by:	Submitted by:
David S. Gould, P.E.	Thomas A. Love
District Engineer	General Manager

Attachment:

1. PowerPoint Presentation

Alternative Rate Structures

Board Presentation

January 19, 2016

Agenda

- Goals
- Current Water Rate Structure
- Alternative Rate Structures
- Comparison of Rate Structures
- Rate Design
- Q&A

GOALS and OBJECTIVES for Water Rate Structure

Study Objectives – Rate Structures

Goal for Water Rate Structure:

1. Fairness and equity to all customers
2. Revenue & Financial Stability
3. Ease of understanding for both customers & staff
4. Affordability for essential needs
5. Encouraging conservation
6. Compliance with Proposition 218

CVWD

RAFTELIS FINANCIAL CONSULTANTS, INC

COMMON PRICING OBJECTIVES

Conservation	Funding Mechanism	Affordability	Equity and Allocation Methodologies	Administation
• Reducing total annual demand • Reducing water waste • Reducing peak demand • Reducing outdoor water usage	• Enhancing revenue stability • Ensuring financial sufficiency • Providing funding mechanisms for alternative water supply, conservation program	• Minimizing customer impacts • Maintaining low average customer bills • Crafting rates that provide affordable water for essential uses	• Allocating water supply equitably • Providing a drought management tool • Allocating capital costs equitably • Complying with government regulations and guidelines	• Allowing cost-effective administration • Allowing easy implementation • Enhancing customer understanding

From <u>Water and Wastewater Finance and Pricing: The Changing Landscape, 4th Edition</u>

CVWD

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Balancing Competing Pricing Objectives

Revenue Stability	Affordability
Financial Stability	Conservation
Administrative Ease	Equity
Defensibility	Customer Understanding

Current Water Rate Structure

Current Water Rate Structure – Bi-Monthly Meter Charges

Meter Size	Within District	Outside District
3/4-inch	$38.24	$38.64
1-inch	$46.96	$47.36
1-1/2-inch	$68.56	$68.96
2-inch	$86.72	$87.12
3-inch	$94.56	$94.96
4-inch	$242.94	$243.34

Outside District customers have a $0.40 surcharge

Current Water Rate Structure – Bi-Monthly Commodity Rates

SFR has a four tiered rate structure, represents 65% of total usage for CVWD in FY 14/15

Tier	Tier 1	Tier 2	Tier 3	Tier 4
Tier	$4.61	$5.96	$8.50	$11.39
SFR*	0-10 kgal	11-25 kgal	26-37 kgal	38+ kgal
MFR**/Commercial		Uniform^		
Irrigation		0-70 kgal^^		71+ kgal

* SFR = Single Family Residential
** MFR = Multi-Family Residential
^ MFR is charged a uniform rate for all units of water charged at the Tier 2 rate
^^ Irrigation customers have a two-tier rate structure which corresponds to the Tier 2 and Tier 4 price for SFR

Note: the District offers a Senior low-income discount of 20% for qualifying customers (62 years or older, less than $30,000 annual income)

Alternative Water Rate Structures

Single Family Residential Percent Total Usage by Tier

- Single family residential (SFR) usage represents 65% Water Use in FY 2015

Classification	Total	Percent by Class	Water Use by Class (Kgal)	Percent by Water Use
SFR	6,831	84%	800,280	65%
MFR	693	9%	283,280	23%
COM	338	4%	58,510	5%
INST	51	1%	24,328	2%
IRRG	66	1%	32,588	3%
SCH	19	0%	23,163	2%
FIRE	101	1%	0	0%
Total	8,099	100%	1,222,149	100%

- Rate structure alternatives are essentially for SFR customers

Tier	Percentage
Tier 1	47%
Tier 2	37%
Tier 3	10%
Tier 4	7%

CVWD

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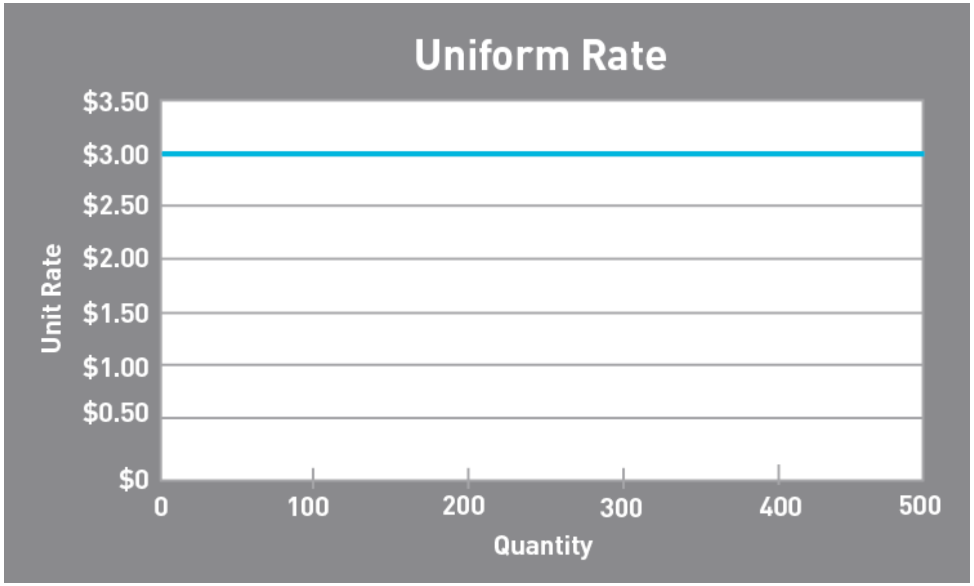
WATER RATE STRUCTURE **EVOLUTION**

Price Information

Uniform Rate

Uniform Rate: $xx / Kgal

- Currently applies to: MFR, COM, INST and SCH
- 14% of Customers
- 32% of Water Use



Pros:

- Revenue stability
- Administrative ease
- Easy to understand
- Defensibility under Proposition 218

Cons:

- Weak conservation
- Not affordable for essential use
- Doesn't reflect peaking demand placed on system by different users
- Doesn't meet Grant Requirements

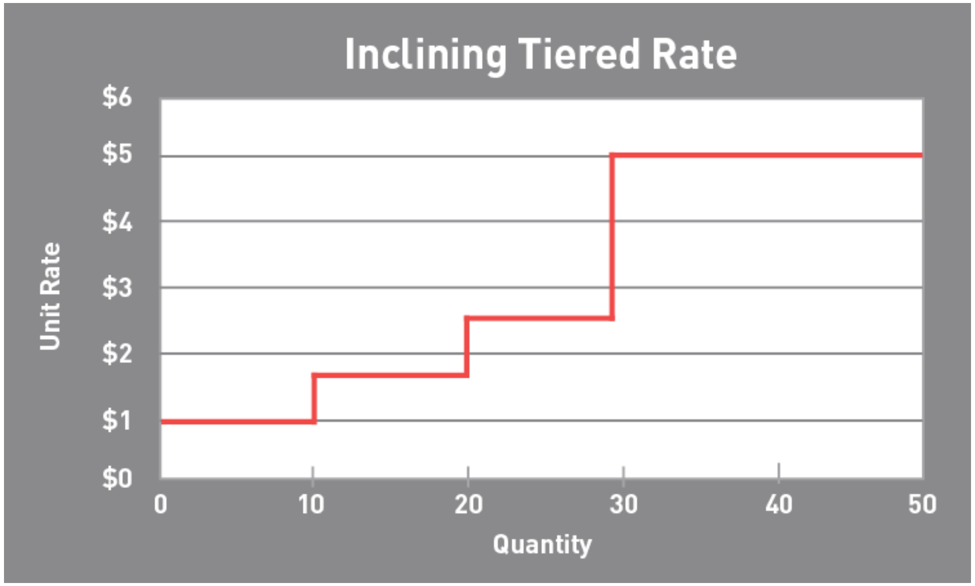
WATER RATE STRUCTURE **EVOLUTION**

Price Information

Behavior Change

Uniform Rate

Inclining Tiered Rate



Tiered Rates:

- Currently applies to: SFR & IRRG
- 85% of Customers
- 68% of Water Use

Pros:

- Promotes conservation
- Equitable
- Easy to understand
- Defensibility under Proposition 218

Cons:

- Not customer and parcel specific
- Targets usage
- Greater revenue instability
- Meets Grant Requirements

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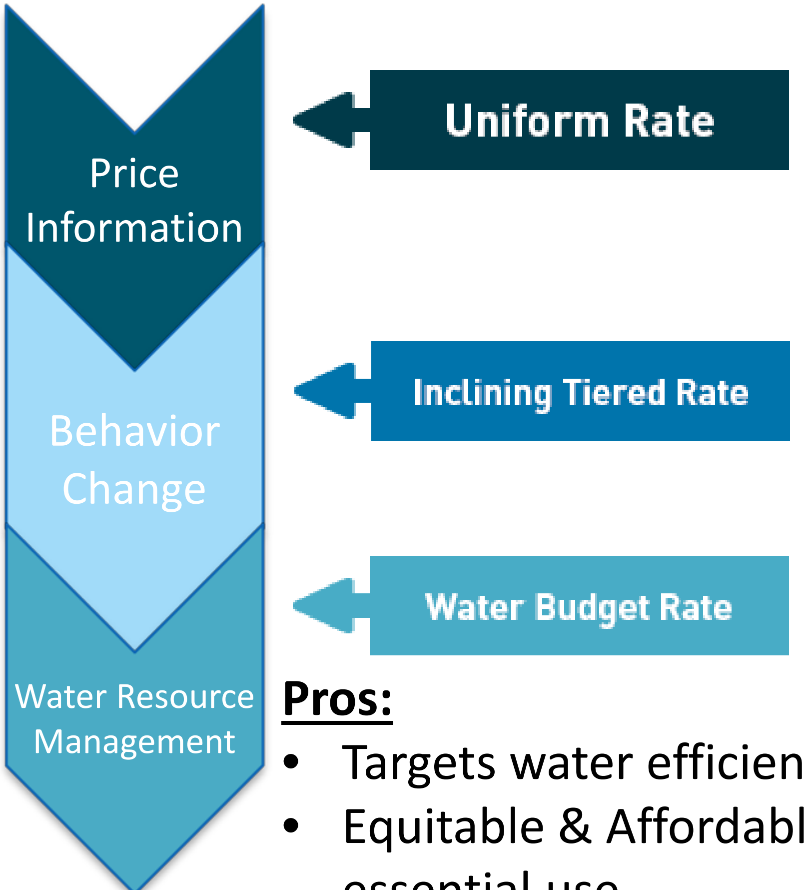
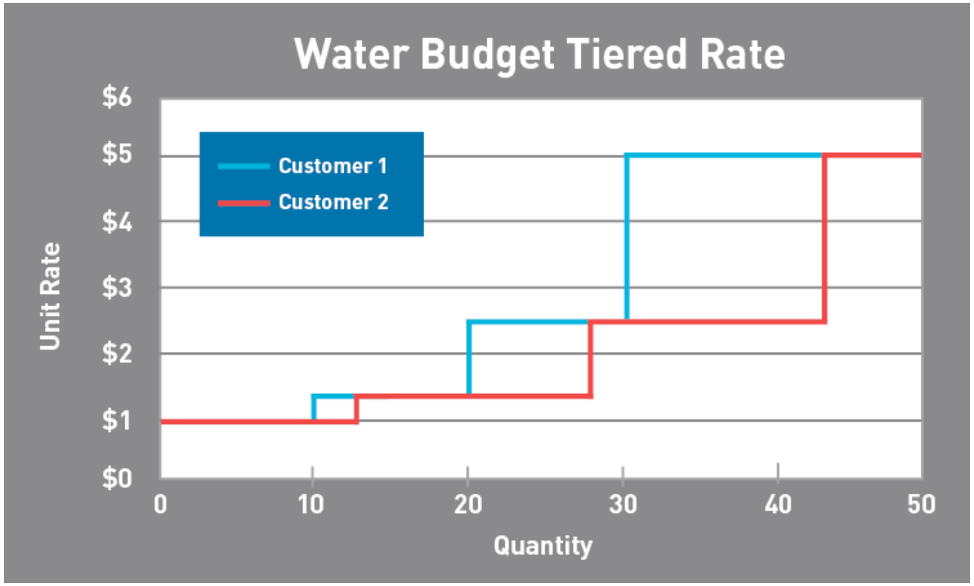
WATER RATE STRUCTURE **EVOLUTION**





Pros:

- Targets water efficiency
- Equitable & Affordable for essential use
- Drought allocation tool
- Revenue stability
- Proposition 218?

Cons:

- High initial administrative cost Targets usage
- additional effort needed for public outreach
- Meets Grant Requirements

Uniform Rate Structure

Advantages	Disadvantages
• Is simple to understand and update • Provides good revenue stability • Reflects usage and provides some incentive for conservation	• Uniform rate may not provide strong incentive for conservation

Inclining Tiered Rate Structure

Advantages	Disadvantages
• Encourages total/peak conservation through pricing	• Assumes high water users are inefficient users
• Rewards low volume users through a low Tier 1 rate and maintains affordability	• Causes fluctuation in cash flows from rate revenues throughout the year
• Is relatively easy to understand and implement	• Increases revenue volatility as additional tiers are introduced

Water Budget Rate Structure

Advantages

- Provides water efficiency targets to individual customers
  - Addresses equity concerns for large families / lots
- Addresses affordability for basic needs

Disadvantages

- Higher administrative costs
  - How is efficiency defined?
  - Billing system update required?
  - Proactive Public outreach
  - Requires increased staffing for customer service
  - May not result in decreased water use compared to inclining block

CVWD

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Structural Differences between Water Budget and Inclining Tiered Structures

- Water Budget Rate Structures focus on efficiency and can take into account the following:
  - Weather
  - Customer specific irrigation area and characteristics
  - Tiers change with weather
- Traditional Inclining Rate Structures focus on use and have the following characteristics:
  - Customers move in out of tiers during the season
  - Customers in hotter climates are naturally in the higher tiers
  - Customers that have larger lots tend to be in the higher tiers

Other Factors to be Considered

- Billing System Capability
  - Can the billing system accommodate the new water rate structure?
  - How much does it cost to have such a billing system?
- Cost and Benefit Analysis
  - What are the implementation costs?
  - How much water cost savings are projected under the new rate structure?
  - Savings > Costs?
- Customer Impact Analysis
  - Who will be impacted under new rate structure? On what magnitude?

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Rate Design

1. Revenue Stability
   - Fixed Cost vs. Variable Cost
2. Tier Design

Current Expense Structure

Fixed Costs Are High	Variable Costs Are Low
• 73% of total annual costs	• 27% of total annual costs

Currently the District recovers 21% of its rate revenue from Fixed Charges

Higher Fixed revenues provide greater revenue stability as consumption changes

Higher fixed revenues impact low volume users

Revenue Stability Options

- Increase the fixed service charge to cover all fixed costs
- Recover fixed costs from core water sales
  - Determine the appropriate water usage level
    - Using either efficiency standards, sustainable use or conservation goals
  - Develop the commodity rate structure based on this level of water sales
- Recover capital peaking costs as a separate component in the fixed service charges
  - Capital peaking costs are allocated based on historical peaking factors for each customer
  - Individualized peaking charge for each customer

Option 1: Fixed Cost = Fixed Revenue

- Recover all fixed costs through the fixed meter charges
- Variable costs include expenditures for producing and purchasing imported water
- Hedge away the risk associated with lower water sales

Option 2: Fixed Cost Based on the Reliable Sales of Water

- Determine the reliable sales, typically the first two tiers
- Collect the fixed costs from usage in those tiers

Option 3: Recover Capital Peaking Costs on Fixed Service Charges

- Allocate the peaking costs to each customer based on their individual peaking factor
  - Example: Peaking factor = average summer use / average annual use
  - The higher the peaking factor, the higher the fixed charge

Number of Tiers – Policy Options

2 TIERS

- Easy to administer
- Easy to justify tier prices
- Weak pricing signal

3-4 TIERS

- Easy to administer
- Easy to justify tier prices
- Adequate pricing signal

5 TIERS

- Difficult to administer
- Difficult to justify tier prices
- Stronger pricing signal

Decreasing Revenue Stability

Tier Definition Options

Based on water consumption targets

- Certain percentage of water use assigned to each block tier
- **Goal:** Reduce high water use

Based on peaking factor

- Tiers based on average winter and summer usage
- **Goal:** Reduce summer water use / peaking cost

Based on water efficiency target

- Determine the appropriate indoor and outdoor water use by account
- **Goal:** Reduce wasteful water use

Conservation Rates and Data Requirements

All tiered rates need customer usage data

Inclining Tier: EBMUD

No additional data requirements

Seasonal Inclining Tier: Marin

Seasonal data

Simplified Water Budget: LADWP

Household size, lot size, zip code data

Water Budget: El Toro

Household size, lot size, footprint, actual weather data

Water Budget: IRWD

Household size, landscape area using GIS, actual weather by microclimates

Q&A

CRESCENTA VALLEY WATER DISTRICT

BOARD OF DIRECTORS - STAFF REPORT

Action Item No.2
January 19, 2016

To: Honorable President and Members of the Board of Directors

From: Ron L. Mitchell – Secretary-Treasurer

Subject: **LAFCO Special District Representative Ballot**

ACTION ITEM:

LAFCO Special District Alternate Representative Ballot – Consideration and motion to cast the District's ballot for the LAFCO Special District Representative election.

BACKGROUND:

LAFCO has retained Mr. William Kruse of Lagerlof, Senecal, Gosney & Kruse LLP to conduct the election for the Representative position expiring in May 2016. Nominations for the position closed on December 21, 2015 with three nominees. To be eligible, the nominee must be an elected official or appointed by the Board for a fixed term.

Included is a complete package of nominee resumes, together with a ballot for consideration by the Board. Voting will be conducted by mailed ballot.

Ballots must be received at the offices of Lagerlof, Senecal, Gosney & Kruse LLP no later than 5:00 p.m. on April 8, 2016.

Prepared by:

Ron Mitchell

Ron L. Mitchell
Secretary-Treasurer

Submitted by:

Thomas L Love

Thomas A. Love
General Manager

Lagerlof Senecal
Gosney & Kruse, LLP

301 NORTH LAKE AVENUE, 10TH FLOOR
PASADENA, CALIFORNIA 91101
PHONE: (626) 793-9400 • FAX (626) 793-5900

William F. Kruse
E-MAIL: WFKRUSE@lagerlof.com

TO: PRESIDING OFFICER OF EACH INDEPENDENT SPECIAL DISTRICT IN LOS ANGELES COUNTY

FROM: WILLIAM F. KRUSE

RE: BALLOT; SPECIAL DISTRICT LAFCO REPRESENTATIVE

DATE : DECEMBER 28, 2015

Enclosed is the Ballot and the supplementary materials submitted for each of the candidates for Special District LAFCO REPRESENTATIVE for the term expiring in May 2016. Nominations closed as of 5:00 p.m. on December 21, 2015.

Please vote for ONE candidate on the BALLOT. The marked ballot should be placed in the envelope marked "Ballot Envelope." Please write the name of your agency and sign your name on the outside of the ballot envelope and return the completed ballot by mail to:

William F. Kruse, Esq.
Lagerlof, Senecal, Gosney & Kruse, LLP
301 N. Lake Avenue, 10th Floor
Pasadena, CA 91101-5123.

No ballot will be counted if it is missing the name of the voting agency and the signature of the Presiding Officer on the ballot envelope.

The candidate receiving the highest number of votes will be declared the special district representative to LAFCO. In the event of a tie, a new election will be held with only the two candidates who constituted a tie on the ballot.

Ballots must be returned by 5:00 p.m. on April 8, 2016.

WFK/pjc
Enclosures

cc: Paul Novak, w/enc.

BALLOT

SPECIAL DISTRICT LAFCO **REPRESENTATIVE**

Please vote for no more than one candidate.

☐ **HAROLD BISSNER III**
Occupation: Water District Director
Sponsor: San Gabriel Valley Mosquito & Vector Control District

☐ **DONALD L. DEAR**
Occupation: Water District Director
Sponsor: West Basin Municipal Water District

☐ **MELVIN L. MATTHEWS**
Occupation: Vice President/Director
Sponsor: Foothill Municipal Water District

NOMINATION
OF
INDEPENDENT SPECIAL DISTRICT **REPRESENTATIVE**
TO THE
LOS ANGELES COUNTY LOCAL AGENCY FORMATION COMMISSION

To: Independent Special District Selection Committee

From: SAN GABRIEL VALLEY MOSQUITO & VECTOR CONTROL DISTRICT

Date: DEC 17 2015

Name of Candidate: HAROLD BISSNER III

THE SAN GABRIEL VALLEY MOSQUITO & VECTOR CONTROL DISTRICT is pleased to nominate HAROLD BISSNER III as a candidate for appointment as special district **REPRESENTATIVE** to the Los Angeles Local Agency Formation Commission. The nominee is an elected official or a member of the board of an independent special district appointed for a fixed term. For your consideration, we submit the following additional information together with a resume of the candidate's qualifications.

Elective office: MEMBER, BOARD OF TRUSTEES

Agency: SAN GABRIEL VALLEY MOSQUITO & VECTOR CONTROL DISTRICT

Type of Agency: INDEPENDENT SPECIAL DISTRICT

Term Expires: ______

Residence Address: 2271 MAIDEN LANE
ALTADENA CA 91001

Telephone: 626 794 4435

PLEASE ATTACH RESUME OR CANDIDATE STATEMENT (limit one page)

SAN GABRIEL VALLEY MOSQUITO & VECTOR CONTROL DISTRICT
(Name of Agency)

By: Kenn K. Fujioka
Its: KENN K FUJIOKA
DISTRICT MANAGER

Harold James Bissner III

2271 Maiden Lane
Altadena, CA 91001
P&F (626) 794-4435
contractinginfo@sbcglobal.net
www.systemsbuildingincorporated.com

Curriculum Vitae for Harold James Bissner III

- Vice President, of the San Gabriel Valley Mosquito and Vector Control District. Appointed by Mike Antonovich in 2012 to represent the interests of LA County residents. Assuming Presidents role in 2016
- Vice President of Sheriff's Support Group of Altadena; a 501 C 3 nonprofit fund raising organization. 2001 to current and Co-producer of their Community Summer Concert Series in Altadena
- Former Councilman in Altadena. 1997-2007. 2009-2015
  Corresponding Secretary 2010-2011. Vice Chair 2012-2013
- Former Chair of Altadena Land Use Committee. 2 years Chair & 12 year member
- Member of LA County Sheriffs Volunteer program 1997- Present
- Former member of the LA County Sheriff's Community Advisory Committee
- 2006 Altadena Outstanding Citizen of the Year cited for crime reduction efforts, volunteerism, and contributions of construction projects to community nonprofit events.
- President of Altadena Community Center Advisory Committee 2013-2015

1996-Current — **Forensic expert.** Consultant for manufacturing processes, property owner's common interest developments, private education & institutional and Home Owners Associations.

1984 – Current — **Systems Building Incorporated, Altadena, CA. President.** Involved in all aspects of running the Corporation.

Design/build construction of new facilities & refit existing for manufacturing/commercial/industrial/Institutional clientele. Facilities and landscape installations & maintenance for facilities.

Renovation of historic residences. Addition, remodel and new construction of single family homes.

Representative commercial projects:
- Baskin-Robbins. Retail, Production facilities, Corporate office expansion.
- Harman International/JBL. Wood mill production facility. Refit for revised production facility. 186,000 sq. ft.
-Harman lacquer facility 76,000 sq. ft.
-Relocation of Long Beach South Light House electric supply.
- Baskin Robbins. Pilot production facility.
- Vanderhoof Veterinary. Surgical training theatre.
- Flavor Forces, Inc. Production facility.
-Prison Industry Authority. Wood mill, Tehachapi

NOMINATION
OF
INDEPENDENT SPECIAL DISTRICT **REPRESENTATIVE**
TO THE
LOS ANGELES COUNTY LOCAL AGENCY FORMATION COMMISSION

To: Independent Special District Selection Committee

From: West Basin Municipal Water District

Date: 11/19/2015

Name of Candidate: Donald L. Dear

West Basin Municipal Water District is pleased to nominate Donald L. Dear as a candidate for appointment as special district **REPRESENTATIVE** to the Los Angeles Local Agency Formation Commission. The nominee is an elected official or a member of the board of an independent special district appointed for a fixed term. For your consideration, we submit the following additional information together with a resume of the candidate's qualifications.

Elective office: Director, West Basin Municipal Water District, Board of Directors

Agency: West Basin Municipal Water District

Type of Agency: Special District (Water Agency)

Term Expires: January 2017

Residence Address: 15433 Catalina Avenue
Gardena, CA 90247

Telephone: (310) 922-0117

PLEASE ATTACH RESUME OR CANDIDATE STATEMENT (limit one page)

West Basin Municipal Water District
(Name of Agency)

By: [signature]
Its:

DONALD L. DEAR
BIOGRAPHY

Don Dear began his distinguished career in public service over 46 years ago. Don was first elected to the Gardena City Council in 1970. After 12 years of service on the Gardena City Council, he was elected Mayor of Gardena in 1982. He served as Mayor of Gardena for record breaking nine consecutive terms. He retired from his service to the City of Gardena in 2001 with 27 years service. Donald L. Dear was elected to the West Basin Municipal Water District Board of Directors in November 2000 to represent the Cities of Gardena, Hawthorne, Lawndale, and portions of El Camino Village. In September 2013, the West Basin Board appointed him as one of the Board's two representatives on the Metropolitan Water District of Southern California's Board of Directors. In 2004, 2008 and again in 2012, he was elected as one of the representatives for the Los Angeles County Independent Special Districts on the Local Agency Formation Commission of which he currently serves as 1st Vice President. In October 2011, the West Basin Board paid tribute to Director Dear's distinguished public service by naming their Carson Headquarters the Donald L. Dear Building.

Don's years of experience have given him a deep first-hand understanding of the roles, responsibilities and challenges facing local governmental institutions. In addition to his service as Council Member and Mayor of the City of Gardena, Don has served for 24 years as a Trustee of the Greater Los Angeles Vector Control District, and for 19 years on the Board of Directors for the Los Angeles County Sanitation District No. 5. He also served as President of the South Bay Cities Association (now known as South Bay Cities Council of Governments), on the Board of Directors of the Southern California Cities Joint Powers Consortium and is a member of the Sierra Club.

A former teacher at Stephen White Middle School in Carson for 38 years, he is well known and widely respected by his former students, colleagues and members of the community. In 1983 he was "Teacher of the Year" for Region A of the Los Angeles Unified School District. Dear's professional affiliations include his service as a member of the National Council for Social Studies, board member of the Political Action Council of Educators, and six terms of service as a member of the House of Representatives of the United Teachers of Los Angeles (UTLA). His civic affiliations include the Gardena High School Booster Club, Gardena Jaycees, Gardena Valley Friends of the Library, Gardena Valley Music Association, Gardena Valley Cultural Arts Corporation, Gardena Valley Red Cross, Gardena-Carson Family YMCA, Hollypark and Gardena Lions Club, Gardena Elks, El Nido Services, Association for Retarded Citizens - South Bay, Kiwanis Club of Gardena Valley, Hawaiian Community Center Association, Serra High School Advisory Board, the University of Southern California San Pedro Peninsula Trojan Club, and Harbor General Hospital Advisory Board.

Director Dear has also distinguished himself through his outstanding work with youth, not only as a noteworthy educator, but also for his 30 years of unselfish dedication as a coach for more than 70 teams in three sports through the Gardena Recreation Department Youth Sports Leagues.

NOMINATION
OF
INDEPENDENT SPECIAL DISTRICT <u>REPRESENTATIVE</u>
TO THE
LOS ANGELES COUNTY LOCAL AGENCY FORMATION COMMISSION

To: Independent Special District Selection Committee

From: Foothill Municipal Water District

Date: November 16, 2015

Name of Candidate: Melvin L. Matthews

Foothill Municipal Water District is pleased to nominate Melvin L. Matthews as a candidate for appointment as special district **REPRESENTATIVE** to the Los Angeles Local Agency Formation Commission. The nominee is an elected official or a member of the board of an independent special district appointed for a fixed term. For your consideration, we submit the following additional information together with a resume of the candidate's qualifications.

Elective office: Vice President/Director

Agency: Foothill Municipal Water District

Type of Agency: Municipal Water District/Special District

Term Expires: 12-06-2018

Residence Address: 2121 Glen Springs Road
Pasadena, CA 91107

Telephone: (626) 622-9137

PLEASE ATTACH RESUME OR CANDIDATE STATEMENT (limit one page)

Foothill Municipal Water District
(Name of Agency)

By: Karen Oblak Karen Oblak
Its: Treasurer

Melvin L. Matthews
2121 Glen Springs Road
Pasadena, CA 91107-1015
Phone: 626-794-4167
Mobile: 626-622-9137
E-mail: melmatthews@outlook.com

Mel is the general manager of the Kinneloa Irrigation District, a water company serving the Kinneloa Ranch area east of Altadena and portions of the City of Pasadena. He has served in this position for eleven years. Before becoming general manager, he was elected to the Board of Directors of the Kinneloa Irrigation District in 1997 and served as chairman of the board or treasurer for seven years.

Mel is also concurrently serving as a director and vice-president on the board of the Foothill Municipal Water District. FWMD is a member of the Metropolitan Water District of Southern California and provides supplemental imported water to eight local water agencies. He also serves on the finance committee which oversees the financial matters of the district including the preparation of the budget.

Previously, Mel was in the cable television business for 32 years as founder and president of KTS Corporation and later with Charter Communications serving as the director of government and community relations after selling his cable systems to Charter in 1993.

Mel has extensive experience working on various projects and issues with the County of Los Angeles and cities as well as participating in community groups, homeowners' associations and service clubs. Mel has extensive education and experience in finance and has served as treasurer for many of these organizations.

Mel is active with the California Special Districts Association and the Association of California Water Agencies and has gained first-hand knowledge and experience of the issues and challenges facing special districts and public water agencies in providing services to the citizens of the County of Los Angeles and State of California.

Mel is a graduate of the University of California at Berkeley with a BS in Chemical Engineering. He has also earned a MBA in Operations Management from the Anderson Graduate School of Business at UCLA. He was born in Pasadena and still lives there with his wife, Donna. They have five children and ten grandchildren.

CRESCENTA VALLEY WATER DISTRICT
BOARD OF DIRECTORS - STAFF REPORT

Action Item #3
January 19, 2016

To: Honorable President and Members of the Board of Directors

From: Thomas A. Love, General Manager

Subject: **Fiscal Year 2015/16 Second Quarter Budget Review**

Second Quarter Budget Report

The Fiscal Year 2015/16 Budget assumptions for water sales revenue were based on meeting the state mandated conservation target. However, as previously reported, water demands are significantly below the conservation target resulting in reduced revenue. During the first quarter of the fiscal year the loss in water sales revenue was partially offset by reductions in purchased water and energy. However groundwater production has declined an additional 12% since January (due to declining groundwater levels). Consequently purchased water expense has exceeded budgeted amounts in October, November and December resulting in a year to date net variance of $41,000 (over budget). Staff is evaluating operational changes to increase groundwater production. For example, the new motor control at the Mills pumping station has improved flow control resulting in improved groundwater production. The startup of Well 16 later this month will have a positive impact on groundwater production.

The following tables summarize the financial impact of reduced water sales and groundwater production for the first and second quarter, and the projected impact at fiscal year-end.

Q2	Budgeted Revenue	Actual Revenue	Cumulative Variance
July	$ 650,000	$ 560,510	$ (89,490)
Aug	$ 691,000	$ 602,476	$ (178,014)
Sep	$ 700,000	$ 619,133	$ (258,881)
Oct	$ 697,000	$ 518,927	$ (436,954)
Nov	$ 593,000	$ 496,000	$ (533,954)
Dec	$ 530,000	$ 484,450	$ (547,522)
Avoided FMWD/Power			$ (41,362)
Net Q1 Cost Impact			$ (588,884)

Year-End Projections	
Revenue Variance	$ (795,932)
Avoided FMWD/Power	$ (84,696)
Net Year-End Cost Impact	$ (880,628)

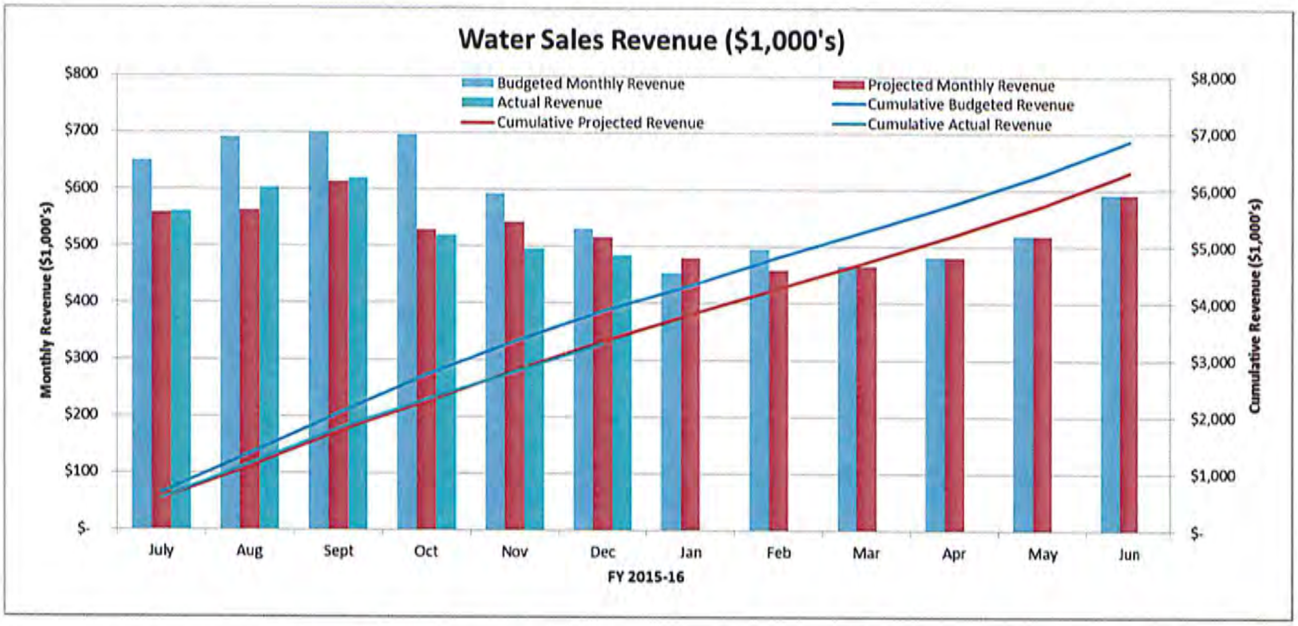
The year-end projections are based on conservation and expense trends in the first and second quarter with increased groundwater production beginning in February. These trends will be closely monitored and the year-end projections updated with current information. The projected net year-end cost impact is the target for budgeted expense reductions described below.

In order to further offset the reduction in water sales revenue, several reductions in budgeted expenses have been identified and summarized in the table below. These cost savings have been classified by type to clarify the nature of cost reduction. Additional cost reductions are under evaluation.

FY 2015-16 Identified Cost Savings - Water Fund					
Category	Budget Amount	Projected Expenditure	Savings	Type*	Notes
Election Expense	$40,000	$0	$40,000	Avoided	
Compensation & Benefits	$2,964,900	$2,546,900	$418,000	Avoided	Vacant positions, injury/medical leave, prepaid PERS
Conservation	$102,000	$72,000	$30,000	Avoided	Possible reduction in future years
Administrative Consultants	$120,000	$112,000	$8,000	Avoided	Reduced UWMP expense
Lab & Sampling Expense	$65,000	$63,000	$2,000	Reduction	Reduced regulatory sampling (excludes reduced MTBE
Deferred Maintenance	$1,117,050	$970,050	$147,000		Reservoir/ well site maint., lateral repair
Capital Projects	$2,000,000	$1,925,000	$75,000	Deferral	Additional deferrals under evaluation
Memberships	$26,000	$22,000	$4,000	Avoided	Water Education Foundation. Other reductions under evaluation.
Total Cost Savings			**$724,000**		

* Type
Reduction -- Expense is reduced in current and future years
Avoided -- Expense is reduced in current year only
Deferral -- Expense is deferred to a future year

Revenue impacts resulting from the increased water conservation are being monitored closely. The following chart shows budgeted, projected and actual water sales revenue.



Attached for reference is the 2nd quarter and December budget vs. actual reports for the water and sewer funds.

Prepared and Submitted by:

Thomas A. Love, General Manager

CRESCENTA VALLEY WATER DISTRICT

FISCAL YEAR 2015-16
BUDGET VERSUS ACTUAL
FOR THE FISCAL YEAR ENDING JUNE 30, 2016

Description	First Quarter Ending 9/30/15 Actual	First Quarter Ending 9/30/15 25% of Budget[1]	Second Quarter Ending 12/31/15	Second Quarter Ending 12/31/15 50% of Budget[1]	Third Quarter Ending 3/31/16	Third Quarter Ending 3/31/16 75% of Budget[1]	Fourth Quarter Ending 6/30/16	Fourth Quarter Ending 6/30/16 100% of Budget
Water Operations								
Operating Revenues	2,308,780	2,574,621	4,335,828	4,915,730		6,892,835		9,007,300
Non-Operating Revenue	106,780	61,925	315,488	123,850		185,775		247,700
Revenues	2,415,560	2,636,546	4,651,316	5,039,580	-	7,078,610	-	9,255,000
Compensation and Benefits	635,176	741,225	1,320,627	1,482,450		2,223,675		2,964,900
Gen'l and Admin Expenses	156,544	192,425	309,070	384,850		577,275		769,700
Non-Operating Expense	63,112	93,025	155,321	186,050		279,075		372,100
Water Plant Operation Expense	54,303	107,575	169,994	215,150		322,725		430,300
Water System Expense	895,278	1,005,656	1,718,964	1,684,047		2,273,996		2,992,100
Distribution System Expense	197,742	279,263	460,543	558,525		837,788		1,117,050
Expenses	2,002,154	2,419,169	4,134,519	4,511,072	-	6,514,534	-	8,646,150
Revenue minus Expenses	413,406	217,378	516,797	528,508	-	564,077	-	608,850
W Capital Outlay & Equipment	25,180	16,250	26,180	32,500		48,750		65,000
W Capital Improvements	418,033	453,750	1,108,203	907,500		1,361,250		1,815,000
Principal Payment on Debt	61,250	61,250	122,500	122,500		183,750		245,000
OPEB Fund	25,000	25,000	50,000	50,000		75,000		100,000
Addition/(Reduction) to Working Cash	(116,057)	(338,873)	(790,086)	(583,992)	-	(1,104,674)	-	(1,616,150)
Wastewater Operations								
Operating Revenues	845,022	851,375	1,670,704	1,702,750		2,554,125		3,405,500
Non-Operating Revenue	2,172	2,000	3,971	4,000		6,000		8,000
Revenues	847,194	853,375	1,674,675	1,706,750	-	2,560,125	-	3,413,500
Compensation and Benefits	334,600	397,265	698,846	794,530		1,191,795		1,589,060
Gen'l and Admin Expenses	50,144	97,978	122,455	195,955		293,933		391,910
Non-Operating Expense	546	263	546	525		788		1,050
Wastewater Operation Expense	10,701	17,550	24,107	35,100		52,650		70,200
Collection System Expense	13,016	17,925	34,518	35,850		53,775		71,700
Wastewater System Expense	398,623	380,750	597,934	761,500		1,142,250		1,523,000
Expenses	807,630	911,730	1,478,406	1,823,460	-	2,735,190	-	3,646,920
Revenue minus Expenses	39,564	(58,355)	196,269	(116,710)	-	(175,065)	-	(233,420)
WW Capital Outlay & Equipment	32,801	23,000	32,801	46,000		69,000		92,000
WW Capital Improvements	22,636	46,250	38,121	92,500		138,750		185,000
Addition/(Reduction) to Working Cash	(15,873)	(127,605)	125,347	(255,210)	-	(382,815)	-	(510,420)

1) Quarterly Budgets for Operating Revenues and Water System Expense adjusted for seasonal variations

CRESCENTA VALLEY WATER DISTRICT
FISCAL YEAR 2015-16
BUDGET VERSUS ACTUAL
FOR THE SIX MONTHS ENDED DECEMBER 31, 2015
PRELIMINARY

	Description	Annual Budget	Ending Balance	End Bal % of Revenue	End Bal % of Budget 50.00%	Budget Amount Remaining	July - Dec BUDGET	July - Dec VARIANCE
	WATER FUND							
01-00-4010-000	Water Sales - Consumers	6,868,000	3,281,496	70.55%	47.78%	(3,586,504)	3,846,080	(564,584)
01-00-4010-008	Water Sales- Service Charge	1,938,000	971,322	20.88%	50.12%	(966,678)	969,000	2,322
01-00-4010-009	Water Sales - Fire Service	34,000	17,841	0.38%	52.47%	(16,159)	17,000	841
01-00-4020-000	Water Sales - Others	70,000	29,421	0.63%	42.03%	(40,579)	35,000	(5,579)
01-00-4110-000	Meter Installation/Hydrant	50,000	6,633	0.14%	13.27%	(43,367)	25,000	(18,367)
01-00-4220-000	Water Systems Connect Fee	39,800	15,690	0.34%	39.42%	(24,110)	19,900	(4,210)
01-00-4230-000	Other Income	7,500	13,425	0.29%	179.00%	5,925	3,750	9,675
	Operating Revenues	**9,007,300**	**4,335,828**	**93.22%**	**48.14%**	**(4,671,472)**	**4,915,730**	**(579,902)**
01-00-4240-000	Interest Earned - Water	225,200	102,817	2.21%	45.66%	(122,383)	112,600	(9,783)
01-00-4245-000	Interest Earned-2007 COPS Proc	-	52	0.00%		52	-	52
01-00-4270-000	Gain/Loss on Sale of Assets	-	3,901	0.08%			-	3,901
01-00-4271-000	Gain/Loss on Sale of Investments	-	6,040	0.13%			-	6,040
01-00-4275-001	Rental Income	22,500	11,850	0.25%	52.67%	(10,650)	11,250	600
01-00-4285-000	Grant Revenue		190,828	4.10%				
	Non-Operating Revenue	**247,700**	**315,488**	**6.78%**	**127.37%**	**(132,981)**	**123,850**	**810**
	Revenue	**9,255,000**	**4,651,315**	**100.00%**	**50.26%**	**(4,804,454)**	**5,039,580**	**(579,092)**
01-01-5000-000	Director Fees	8,000	3,645	0.08%	45.56%	4,355	4,000	355
01-01-5010-000	Officer Salaries	164,500	75,079	1.61%	45.64%	89,421	82,250	7,171
01-01-5015-000	Administrative Services-Labor	360,000	161,407	3.47%	44.84%	198,593	180,000	18,593
01-01-5015-100	Administrative Services-OT	3,000	1,233	0.03%	41.11%	1,767	1,500	267
01-01-5020-000	Engineering-Labor	436,000	137,723	2.96%	31.59%	298,277	218,000	80,277
01-01-5020-100	Engineering-OT	2,000	2,548	0.05%	127.38%	(548)	1,000	(1,548)
01-01-5045-000	Automobile Allowance	10,000	5,100	0.11%	51.00%	4,900	5,000	(100)
01-01-5050-000	Employer Portion of PERS	291,000	134,776	2.90%	46.31%	156,224	145,500	10,724
01-01-5060-000	Taxes-Payroll	136,000	61,328	1.32%	45.09%	74,672	68,000	6,672
01-01-5070-000	Sick Leave/Vacation-Office	107,000	63,429	1.36%	59.28%	43,571	53,500	(9,929)
01-01-5080-000	Health Dental Vision	137,000	65,863	1.42%	48.08%	71,137	68,500	2,637
01-01-5080-055	Retiree Health Care Expense	79,000	34,601	0.74%	43.80%	44,399	39,500	4,899
01-01-5082-000	Life and Disability Insurance	10,000	5,013	0.11%	50.13%	4,987	5,000	(13)
01-01-5083-000	Self Insurance	13,000	3,756	0.08%	28.89%	9,244	6,500	2,744

	Description	Annual Budget	Ending Balance	% of Revenue	% of Budget	Amount Remaining	BUDGET	VARIANCE
01-01-5085-000	Workers' Compensation Ins	16,000	9,552	0.21%	59.70%	6,448	8,000	(1,552)
01-02-5015-000	Administrative Services-Plant	236,000	69,459	1.49%	29.43%	166,542	118,000	48,542
01-02-5015-100	Administrative OT-Plant	400	-	0.00%	0.00%	400	200	200
01-02-5030-000	System Operations	324,000	128,553	2.76%	39.68%	195,447	162,000	33,447
01-02-5030-100	System Operations OT	27,000	10,273	0.22%	38.05%	16,727	13,500	3,227
01-02-5035-000	Maintenance - Labor	372,000	151,150	3.25%	40.63%	220,850	186,000	34,850
01-02-5035-100	Maintenance OT	45,000	24,345	0.52%	54.10%	20,655	22,500	(1,845)
01-02-5036-000	Standby Pay	41,000	21,612	0.46%	52.71%	19,388	20,500	(1,112)
01-02-5070-000	Sick Leave/Vacation-Plant	71,000	42,286	0.91%	59.56%	28,714	35,500	(6,786)
01-02-5080-000	Health Dental Vision	152,000	69,015	1.48%	45.40%	82,985	76,000	6,985
01-02-5085-000	Workers' Compensation Ins	74,000	38,884	0.84%	52.55%	35,116	37,000	(1,884)
	Labor Transfer to Capital	(150,000)	(116,538)	2.51%	77.69%	(33,462)	(75,000)	41,538
	Compensation and Benefits	**2,964,900**	**1,320,627**	**28.39%**	**44.54%**	**1,760,811**	**1,482,450**	**278,361**
01-01-5090-000	GL, Property, Fidelity Ins	53,000	23,943	0.51%	45.18%	29,057	26,500	2,557
01-01-5100-000	Accounting	13,000	6,441	0.14%	49.54%	6,560	6,500	60
01-01-5125-000	Legal	45,000	26,417	0.57%	58.71%	18,583	22,500	(3,917)
01-01-5130-000	Administrative Consultants	120,000	26,504	0.57%	22.09%	93,496	60,000	33,496
01-01-5140-000	Election Expense	40,000	-	0.00%	0.00%	40,000	20,000	20,000
01-01-5150-000	Building Maintenance-Office	12,000	4,834	0.10%	40.28%	7,166	6,000	1,166
01-01-5170-000	Landscaping Expense	7,500	2,381	0.05%	31.74%	5,120	3,750	1,370
01-01-5180-000	Office Supplies & Misc Expense	5,500	3,120	0.07%	56.73%	2,380	2,750	(370)
01-01-5190-000	Computers and Network	27,000	5,289	0.11%	19.59%	21,711	13,500	8,211
01-01-5195-000	Computer Software	60,000	22,170	0.48%	36.95%	37,830	30,000	7,830
01-01-5200-000	Utilities	20,000	13,378	0.29%	66.89%	6,622	10,000	(3,378)
01-01-5225-000	Enterprise Voice Communications	12,750	18,668	0.40%	146.41%	(5,918)	6,375	(12,293)
01-01-5226-000	Wireless Voice & Data Communications	29,500	6,160	0.13%	20.88%	23,340	14,750	8,590
01-01-5227-000	Data Communications	48,750	23,101	0.50%	47.39%	25,649	24,375	1,274
01-01-5230-000	Printing Postage Stationery	37,000	16,960	0.36%	45.84%	20,040	18,500	1,540
01-01-5240-000	Uncollectible Accounts	3,000	2,402	0.05%	80.06%	598	1,500	(902)
01-01-5250-000	Water System Fees	60,000	20,008	0.43%	33.35%	39,992	30,000	9,992
01-01-5260-000	Engineering Expense	9,900	5,564	0.12%	56.20%	4,336	4,950	(614)
01-01-5270-001	Water Conservation Expense	45,000	7,982	0.17%	17.74%	37,018	22,500	14,518
01-01-5270-002	Water Conservation Advertising	5,000	845	0.02%	16.90%	4,155	2,500	1,655
01-01-5270-003	Water Conservation Turf Rebate	35,000	33,450	0.72%	95.57%	1,550	17,500	(15,950)
01-01-5270-005	Water Conservation Rebates	5,000	1,400	0.03%	28.00%	3,600	2,500	1,100
01-01-5270-006	Interns	-	1,635	0.04%		(1,635)	-	(1,635)
01-01-5270-007	Community Outreach	12,000	4,091	0.09%	34.09%	7,909	6,000	1,909
01-01-5300-000	Training-Office	3,000	1,401	0.03%	46.71%	1,599	1,500	99

	Description	Annual Budget	Ending Balance	% of Revenue	% of Budget	Amount Remaining	BUDGET	VARIANCE
01-01-5320-000	Conferences & Seminars	10,000	3,645	0.08%	36.45%	6,355	5,000	1,355
01-01-5320-005	Conferences & Seminars-Board	2,300	1,217	0.03%	52.90%	1,083	1,150	(67)
01-01-5350-000	Misc Administration	5,000	1,682	0.04%	33.64%	3,318	2,500	818
01-01-5350-005	Misc Administration-Board	2,000	499	0.01%	24.97%	1,501	1,000	501
01-01-5355-000	Memberships/Subscriptions	26,000	15,443	0.33%	59.40%	10,557	13,000	(2,443)
01-01-5365-000	Bank Charges	15,500	8,389	0.18%	54.13%	7,111	7,750	(639)
	Gen'l and Admin Expenses	**769,700**	**309,017**	**6.64%**	**40.15%**	**460,683**	**384,850**	**75,833**
01-01-5910-000	Interest Expense - Notes	369,000	153,682	3.30%	41.65%	215,318	184,500	30,818
01-01-5911-000	Interest Expense - Pension			0.00%		0	-	0
01-01-5920-001	Rental Expense - PA House			0.00%		0	-	0
01-01-5920-002	Rental Expense - Sycamore House	3,100	1,639	0.04%		1,461	1,550	(89)
	Non-Operating Expense	**372,100**	**155,321**	**3.34%**	**41.74%**	**216,542**	**186,050**	**30,492**
01-02-5145-000	Taxes-Property	12,800	6,251	0.13%	48.84%	6,549	6,400	149
01-02-5150-000	Building Maintenance-Plant	25,000	5,549	0.12%	22.19%	19,451	12,500	6,951
01-02-5170-000	Landscaping Expenses-Plant	7,500	2,685	0.06%	35.80%	4,815	3,750	1,065
01-02-5180-000	Office Supplies & Misc Expense	6,000	4,462	0.10%	74.37%	1,538	3,000	(1,462)
01-02-5200-000	Utilities-Plant	14,000	5,174	0.11%	36.96%	8,826	7,000	1,826
01-02-5300-000	Training-Plant	7,000	3,323	0.07%	47.48%	3,677	3,500	177
01-02-5310-000	Operator Certifications-Educ	4,000	2,943	0.06%	73.58%	1,057	2,000	(943)
01-02-5330-000	Safety & Security	17,000	8,106	0.17%	47.68%	8,894	8,500	394
01-02-5340-000	Uniforms	8,500	5,380	0.12%	63.30%	3,120	4,250	(1,130)
01-02-5360-000	Emergency Operations/Repairs	2,000	276	0.01%	13.82%	1,724	1,000	724
01-02-5370-000	Permit & Assessment Fees	1,500	11	0.00%	0.73%	1,489	750	739
01-02-5380-000	Tools and Equipment Maintenance	20,000	6,234	0.13%	31.17%	13,766	10,000	3,766
01-02-5390-000	Nitrate Plant	80,000	32,728	0.70%	40.91%	47,272	40,000	7,272
01-02-5445-000	Telemetering & Signal System	13,500	1,607	0.03%	11.91%	11,893	6,750	5,143
01-02-5445-001	SCADA Hardware	6,000	1,045	0.02%	17.42%	4,955	3,000	1,955
01-02-5445-002	SCADA Software	12,000	7,822	0.17%	65.18%	4,178	6,000	(1,822)
01-02-5445-003	SCADA Phone Lines	3,500	907	0.02%	25.92%	2,593	1,750	843
01-02-5450-000	Lab & Sampling Expense	65,000	21,702	0.47%	33.39%	43,298	32,500	10,798
01-02-5450-013	Lab & Sampling Expense - MTBE	50,000	14,847	0.32%	29.69%	35,153	25,000	10,153
01-02-5460-000	Chlorine & Treatment Expense	75,000	38,942	0.84%	51.92%	36,058	37,500	(1,442)
	Water Plant Operation Expense	**430,300**	**169,994**	**3.65%**	**39.51%**	**260,306**	**215,150**	**45,156**
01-02-5401-000	Purchased Water	2,277,100	1,355,606	29.14%	59.53%	921,494	1,293,393	(62,213)
01-02-5402-000	Power Purchased - Pumping	715,000	363,358	7.81%	50.82%	351,642	385,385	22,027
	Water System Expense	**2,992,100**	**1,718,964**	**36.96%**	**57.45%**	**1,273,136**	**1,678,778**	**(40,186)**

	Description	Annual Budget	Ending Balance	% of Revenue	% of Budget	Amount Remaining	BUDGET	VARIANCE
01-02-5410-000	Backflow Expense	250	132	0.00%	52.78%	118	125	(7)
01-02-5423-000	Pipelines - Maintenance	50,000	15,564	0.33%	31.13%	34,436	25,000	9,436
01-02-5423-007	Pipelines-Paving	17,000	9,881	0.21%	58.12%	7,120	8,500	(1,381)
01-02-5423-008	Fire Hydrant Repair/Replace	12,000	8,592	0.18%	71.60%	3,408	6,000	(2,592)
01-02-5423-009	Pipelines-Leak Detect/Repair	3,000	1,641	0.04%	54.71%	1,359	1,500	(141)
01-02-5423-010	Pipelines-Trench Plate Rentals	1,500	2,008	0.04%	133.83%	(508)	750	(1,258)
01-02-5423-011	Water Sampling Stations	500	-	0.00%	0.00%	500	250	250
01-02-5423-012	Pipelines - Valves	3,000	1,750	0.04%	58.33%	1,250	1,500	(250)
01-02-5424-000	Reservoir Maintenance	80,000	18,141	0.39%	22.68%	61,859	40,000	21,859
01-02-5424-006	Reservoir Landscape	22,000	11,250	0.24%	51.14%	10,750	11,000	(250)
01-02-5425-000	Meter Maintenance	275,000	119,434	2.57%	43.43%	155,566	137,500	18,066
01-02-5425-007	Meters - Paving	275,000	146,011	3.14%	53.09%	128,989	137,500	(8,511)
01-02-5425-008	Meter Repair/Replace/Upgrade	15,000	379	0.01%	2.52%	14,621	7,500	7,121
01-02-5425-009	Lateral Leaks and Repairs	150,000	23,591	0.51%	15.73%	126,409	75,000	51,409
01-02-5425-010	Meters - Trench Plate Rentals	2,000	-	0.00%	0.00%	2,000	1,000	1,000
01-02-5425-011	Meters - D-Jobs	8,000	3,011	0.06%	37.64%	4,989	4,000	989
01-02-5432-000	Well Site - Maintenance	32,000	4,794	0.10%	14.98%	27,206	16,000	11,206
01-02-5432-006	Well Site - Landscape	3,500	1,400	0.03%	40.00%	2,100	1,750	350
01-02-5432-007	Well Site - Lease Payment	300	300	0.01%	100.00%	0	150	(150)
01-02-5433-000	Maintenance - Booster Pumps	60,000	39,940	0.86%	66.57%	20,060	30,000	(9,940)
01-02-5434-000	Emergency Power Generators	22,000	3,568	0.08%	16.22%	18,432	11,000	7,432
01-02-5440-000	Auto/Truck Maintenance	50,000	30,355	0.65%	60.71%	19,645	25,000	(5,355)
01-02-5440-015	Auto/Truck Maintenance-Gas	17,500	8,436	0.18%	48.20%	9,064	8,750	314
01-02-5440-016	Auto/Truck Maintenance-Diesel	17,500	7,694	0.17%	43.97%	9,806	8,750	1,056
01-02-5441-000	Inventory Shrinkage/Disposal		2,672	0.06%		(2,672)	-	(2,672)
	Distribution System Expense	**1,117,050**	**460,543**	**9.90%**	**41.23%**	**656,507**	**558,525**	**97,982**
	Expense	**8,646,150**	**4,134,466**	**88.89%**	**47.82%**	**4,627,985**	**4,505,803**	**487,638**
		608,850	**516,849**					
	Increase in Inventory		**189,913**					
	W Capital Outlay & Equipment	**65,000**	**26,180**		40.28%	38,820	32,500	6,320
	W Construction in Progress	**1,815,000**	**1,108,203**		61.06%	706,797	907,500	(200,703)
	Principal Payment on Debt (INT $368,838)	**245,000**	**122,500**		50.00%	122,500	122,500	0
	OPEB Fund	**100,000**	**50,000**		50.00%	50,000	50,000	0
Addition/(Reduction) in Cash		**(1,616,150)**	**(979,947)**					**194,383**

BOND COVENANT	Revenue Less Operating Expenses from GL	980,950	672,170	**(does not include deprec or OPEB)**
	Debt Service - Principal and Interest	614,000	276,182.35	
	Debt Service Coverage	**1.60**	**2.43**	

	Description	Annual Budget	Ending Balance	% of Revenue	% of Budget	Amount Remaining	BUDGET	VARIANCE
01-00-4265-000	Fair Value Adjustment		123,067	2.65%				
These non cash items are not included in above expenses:								
01-01-5900-000	Amortization of Intangibles		3,720	0.08%				
01-01-5900-001	Amortization of Investment Premium		237	0.01%				
01-01-5080-055	Post Employment Medical Benefits		486,852	10.47%				
01-01-5800-000	Depreciation - Office		30,294	0.65%				
01-02-5805-000	Depreciation-Pumping		199,103	4.28%				
01-02-5810-000	Depreciation-Distribution		317,520	6.83%				
01-02-5815-000	Depreciation-Nitrate Plant		10,545	0.23%				
	Non-Cash Expense Items		**1,048,272**	**22.54%**				

	Description	Annual Budget	Ending Balance	% of Revenue	% of Budget	Amount Remaining	BUDGET	VARIANCE
		WASTEWATER FUND						
02-00-4010-000	Sewage Disposal Sales	3,384,000	1,659,697	99.11%	49.05%	(1,724,303)	1,692,000	(32,303)
02-00-4220-000	Property Owner Assessments	15,000	11,007	0.66%	73.38%	(3,993)	7,500	3,507
02-00-4225-000	Sewer Permits	1,500	-	0.00%	0.00%	(1,500)	750	(750)
02-00-4230-000	Other Income - Wastewater	5,000	-	0.00%	0.00%	(5,000)	2,500	(2,500)
	Operating Revenues	**3,405,500**	**1,670,704**	**99.76%**	**49.06%**	**(1,734,796)**	**1,702,750**	**(32,046)**
02-00-4240-000	Interest Earned - Sewer	500	21	0.00%	4.21%	(479)	250	(229)
02-00-4270-000	Gain/Loss on Sale of Assets		-	0.00%		0	-	0
02-00-4275-002	Rental Income	7,500	3,950	0.24%	52.67%	(3,550)	3,750	200
	Non-Operating Revenue	**8,000**	**3,971**	**0.24%**	**49.64%**	**(4,029)**	**4,000**	**(29)**
	Revenue	**3,413,500**	**1,674,675**	**100.00%**	**49.06%**	**(1,738,825)**	**1,706,750**	**(32,075)**
02-01-5000-000	Director Fees	8,000	3,645	0.22%	45.56%	4,355	4,000	355
02-01-5010-000	Officer Salaries	164,500	75,078	4.48%	45.64%	89,422	82,250	7,172
02-01-5015-000	Administrative Services-Labor	285,000	127,455	7.61%	44.72%	157,545	142,500	15,045
02-01-5015-100	Administrative Services-OT	3,000	1,233	0.07%	41.11%	1,767	1,500	267
02-01-5020-000	Engineering-Labor	145,000	42,713	2.55%	29.46%	102,287	72,500	29,787
02-01-5020-100	Engineering-OT	660	849	0.05%	128.67%	(189)	330	(519)
02-01-5045-000	Automobile Allowance	10,000	5,100	0.30%	51.00%	4,900	5,000	(100)
02-01-5050-000	Employer Portion of PERS	194,000	90,468	5.40%	46.63%	103,532	97,000	6,532
02-01-5060-000	Taxes - Payroll	90,000	40,885	2.44%	45.43%	49,115	45,000	4,115
02-01-5070-000	Sick Leave/Vacation-Office	36,000	21,143	1.26%	58.73%	14,857	18,000	(3,143)
02-01-5080-000	Health Dental Vision	91,000	43,910	2.62%	48.25%	47,090	45,500	1,590
02-01-5080-055	Retiree Health Care Expense	52,000	23,067	1.38%	44.36%	28,933	26,000	2,933
02-01-5082-000	Life and Disability Insurance	6,600	3,342	0.20%	50.64%	3,258	3,300	(42)
02-01-5083-000	Self Insurance	8,800	2,504	0.15%	28.45%	6,296	4,400	1,896
02-01-5085-000	Workers' Compensation Ins	10,500	6,368	0.38%	60.64%	4,132	5,250	(1,118)
02-02-5015-000	Administrative Services-Plant	79,000	18,369	1.10%	23.25%	60,631	39,500	21,131
02-02-5015-100	Administrative OT-Plant	-	-	0.00%		0	-	0
02-02-5035-000	Maintenance-Plant Labor	199,000	87,653	5.23%	44.05%	111,347	99,500	11,847
02-02-5035-100	Maintenance- OT	22,000	11,832	0.71%	53.78%	10,168	11,000	(832)
02-02-5036-000	Standby Pay	14,000	7,204	0.43%	51.46%	6,796	7,000	(204)
02-02-5070-000	Sick Leave/Vacation-Plant	24,000	14,095	0.84%	58.73%	9,905	12,000	(2,095)
02-02-5080-000	Health Dental Vision	101,000	46,008	2.75%	45.55%	54,992	50,500	4,492
02-02-5085-000	Workers' Compensation Ins	50,000	25,923	1.55%	51.85%	24,077	25,000	(923)
	Transfer to Capital	(5,000)	(5,503)	-0.33%	110.06%	503	(2,500)	3,003
	Compensation and Benefits	**1,589,060**	**698,846**	**41.73%**	**43.98%**	**895,718**	**794,530**	**101,188**

	Description	Annual Budget	Ending Balance	% of Revenue	% of Budget	Amount Remaining	BUDGET	VARIANCE
02-01-5090-000	GL, Property, Fidelity Ins	53,000	23,943	1.43%	45.18%	29,057	26,500	2,557
02-01-5100-000	Accounting	13,000	6,441	0.38%	49.54%	6,560	6,500	60
02-01-5125-000	Legal	15,000	6,641	0.40%	44.28%	8,359	7,500	859
02-01-5130-000	Adminstrative Consultants	120,000	16,147	0.96%	13.46%	103,853	60,000	43,853
02-01-5140-000	Election Expense	40,000	-	0.00%		40,000	20,000	20,000
02-01-5150-000	Building Maintenance-Office	4,000	1,611	0.10%	40.28%	2,389	2,000	389
02-01-5170-000	Landscaping Expense-Office	2,500	794	0.05%	31.74%	1,707	1,250	457
02-01-5180-000	Office Supplies & Misc Expense	1,800	3,120	0.19%	173.32%	(1,320)	900	(2,220)
02-01-5190-000	Computers and Network	9,000	1,763	0.11%	19.59%	7,237	4,500	2,737
02-01-5195-000	Computer Software	19,600	7,390	0.44%	37.70%	12,210	9,800	2,410
02-01-5200-000	Utilities	6,500	4,292	0.26%	66.03%	2,208	3,250	(1,042)
02-01-5225-000	Enterprise Voice Communications	4,200	6,222	0.37%	148.15%	(2,022)	2,100	(4,122)
02-01-5226-000	Wireless Voice & Data Communications	9,860	2,053	0.12%	20.82%	7,807	4,930	2,877
01-01-5227-000	Data Communications	16,300	7,700	0.46%	47.24%	8,600	8,150	450
02-01-5230-000	Printing Postage Stationery	36,000	14,700	0.88%	40.83%	21,300	18,000	3,300
02-01-5240-000	Uncollectible Accounts	1,000	756	0.05%	75.61%	244	500	(256)
02-01-5260-000	Engineering Expenses	3,300	1,855	0.11%	56.20%	1,445	1,650	(205)
02-01-5300-000	Training-Office	3,000	467	0.03%	15.57%	2,533	1,500	1,033
02-01-5320-000	Conferences & Seminars	3,400	1,215	0.07%	35.73%	2,185	1,700	485
02-01-5320-005	Conferences & Seminars-Board	500	406	0.02%	81.12%	94	250	(156)
02-01-5350-000	Misc Administration	5,000	527	0.03%	10.55%	4,473	2,500	1,973
02-01-5350-005	Misc Administration-Board	650	142	0.01%	21.88%	508	325	183
02-01-5355-000	Memberships/Subscriptions	8,800	5,850	0.35%	66.47%	2,950	4,400	(1,450)
02-01-5365-000	Bank Charges	15,500	8,421	0.50%	54.33%	7,079	7,750	(671)
	Gen'l and Admin Expenses	**391,910**	**122,455**	**7.31%**	**31.25%**	**269,455**	**195,955**	**73,500**
02-01-5920-001	Rental Expense - PA House		-	0.00%		0	-	0
02-01-5920-002	Rental Expense - Sycamore House	1,050	546	0.03%	52.02%	504	525	(21)
	Non-Operating Expense	**1,050**	**546**	**0.03%**	**52.02%**	**504**	**525**	**(21)**

	Description	Annual Budget	Ending Balance	% of Revenue	% of Budget	Amount Remaining	BUDGET	VARIANCE
02-02-5145-000	Taxes-Property	4,200	2,084	0.12%	49.61%	2,116	2,100	16
02-02-5150-000	Building Maintenance-Plant	8,500	1,854	0.11%	21.82%	6,646	4,250	2,396
02-02-5170-000	Landscaping Expense-Plant	2,500	895	0.05%	35.80%	1,605	1,250	355
02-02-5180-000	Office Supplies & Misc Expense	6,000	4,518	0.27%	75.31%	1,482	3,000	(1,518)
02-02-5200-000	Utilities-Plant	4,660	1,239	0.07%	26.59%	3,421	2,330	1,091
02-02-5300-000	Training-Plant	2,300	925	0.06%	40.22%	1,375	1,150	225
02-02-5310-000	Operator Certifications-Educ	1,000	-	0.00%	0.00%	1,000	500	500
02-02-5330-000	Safety & Security	5,800	3,290	0.20%	56.73%	2,510	2,900	(390)
02-02-5340-000	Uniforms	2,830	1,793	0.11%	63.37%	1,037	1,415	(378)
02-02-5380-000	Tools and Equipment Maintenance	20,000	6,615	0.39%	33.07%	13,385	10,000	3,385
02-02-5402-000	Power Purchased	750	357	0.02%	47.65%	393	375	18
02-02-5445-000	Telemetering & Signal System	4,500	536	0.03%	11.91%	3,964	2,250	1,714
02-02-5445-001	SCADA Hardware	2,000	-	0.00%	0.00%	2,000	1,000	1,000
02-02-5445-002	SCADA Software	4,000	-	0.00%	0.00%	4,000	2,000	2,000
02-02-5445-003	SCADA Phone Lines	1,160	-	0.00%	0.00%	1,160	580	580
	Wastewater Operation Expense	**70,200**	**24,107**	**1.44%**	**34.34%**	**46,093**	**35,100**	**10,993**
02-02-5423-000	Pipeline Maintenance	5,000	1,477	0.09%	29.55%	3,523	2,500	1,023
02-02-5440-000	Autos/Truck Maintenance	16,600	18,535	1.11%	111.66%	(1,935)	8,300	(10,235)
02-02-5440-015	Auto/Truck Maintenance-Gas	5,800	2,812	0.17%	48.48%	2,988	2,900	88
02-02-5440-016	Auto/Truck Maintenance-Diesel	5,800	2,565	0.15%	44.22%	3,235	2,900	335
02-02-5441-000	Inventory Shrinkage/(Overage)		-	0.00%		0	-	0
02-02-5621-000	Sewer Flow Monitoring Expense	25,000	6,780	0.40%	27.12%	18,220	12,500	5,720
02-02-5624-000	Sewer Camera Van Inspection	3,500	-	0.00%	0.00%	3,500	1,750	1,750
02-02-5625-000	Sewer Interceptor Maintenance	4,000	-	0.00%	0.00%	4,000	2,000	2,000
02-02-5628-000	Sewer Lift Station Maintenance	6,000	2,349	0.14%	39.15%	3,651	3,000	651
	Collection System Expense	**71,700**	**34,518**	**2.06%**	**48.14%**	**37,182**	**35,850**	**1,332**
02-02-5700-000	Wastewater System Expense	1,523,000	597,934	35.70%	39.26%	925,066	761,500	163,566
	Wastewater System Expense	**1,523,000**	**597,934**	**35.70%**	**39.26%**	**925,066**	**761,500**	**163,566**
	Expense	**3,646,920**	**1,478,406**	**88.28%**	**40.54%**	**2,174,017**	**1,823,460**	**350,557**
WASTEWATER INCOME/(LOSS) BEFORE NON-CASH ITEMS		**(233,420)**	**196,269**					
	Change in Inventory		-					
	WW Capital Outlay & Equipment	92,000	32,801		35.65%	59,199	46,000	13,199
	WW Construction in Progress	185,000	38,121		20.61%	146,879	92,500	54,379
	Addition/(Reduction) in Cash	(510,420)	125,347					

Description		Annual Budget	Ending Balance	% of Revenue	% of Budget	Amount Remaining	BUDGET	VARIANCE
These items are not included in above expenses:								
02-01-5080-055	Post Employment Medical		324,568					
02-01-5800-000	Depreciation-Office		1,072					
02-02-5805-000	Depreciation-Pumping		2,818					
02-02-5820-000	Depreciation-Collection System		388,947					
	Non-Cash Expense Items		**717,405**					
COMBINED WATER/WASTEWATER REVENUE		12,668,500	6,325,991					
COMBINED EXPENSES BEFORE NON-CASH		12,293,070	5,612,873					
INCOME/(LOSS) BEFORE NON-CASH EXPENSES		**375,430**	**713,118**					
COMBINED TOTALS:								
INCREASE IN INVENTORY		-	189,913					
CAPITAL OUTLAY AND EQUIPMENT		157,000	58,981					
CONSTRUCTION IN PROGRESS		2,000,000	1,146,324					
PRINCIPAL PAYMENTS ON COPS DEBT		245,000	122,500					
OPEB FUND		100,000	50,000					
COMBINED ADDITION/(REDUCTION) CASH		(2,126,570)	(854,599)					

Crescenta Valley Water District
Recap of Investments
Fiscal Year 2015-16

As of
October

Investment Number	Date Purchased	Original Principal Cost	Yield to Maturity at Purchase	Adjustment Amortized Principal	Adjusted Balance	Date Sold	Principal Value at Sale	Yield to Maturity at Sale	Gain (Loss) on Investment	Reason for Transaction	Interest Earned in Current FY	Total FY Return on Investments
78	Jul 17, 2012	$500,000.00	1.840%						$0.00		$ 3,856.43	$3,856.43
81	Sep 11, 2012	$1,005,220.00	1.890%						$0.00		$ 8,173.96	$8,173.96
83	Oct 9, 2012	$502,885.00	0.710%						$0.00		$ 1,739.61	$1,739.61
86	Nov 15, 2012	$1,002,300.00	1.580%						$0.00		$ 6,748.78	$6,748.78
87	Nov 19, 2012	$500,000.00	0.930%						$0.00		$ 1,949.17	$1,949.17
96	2/2/2015	$1,001,790.00	2.140%						$0.00		$ 9,054.24	$9,054.24
97	2/9/2015	$1,245,288.79	2.380%						$0.00		$ 11,498.88	$11,498.88
98	6/2/2015	$996,650.00	1.570%	-$56.78	$996,706.78	7/6/2015	$997,421.88	1.550%	$715.10	Free up money in anticipation of expected Fed rate increase that will push yields higher	$ 242.76	$957.86
M-35	2/3/2015	$849,960.00	2.190%						$0.00		$ 12,198.09	$12,198.09
M-36	2/6/2015	$1,011,800.00	1.870%						$0.00		$ 8,383.57	$8,383.57
M-38A	4/22/2015	$996,470.00	2.410%						$0.00		$ 9,934.54	$9,934.54
M-38B	4/23/2015	$999,110.00	2.380%						$0.00		$ 9,934.54	$9,934.54
M-39A	4/27/2015	$1,003,135.92	1.375%	$261.34	$1,002,874.58	9/30/2015	$1,002,968.75	1.300%	$94.17	Free up money in anticipation of expected Fed rate increase that will push yields higher	$ 3,343.12	$3,437.29
M-39B	4/28/2015	$1,001,204.82	1.375%	$120.48	$1,001,084.34	8/24/2015	$1,001,815.00	1.330%	$730.66	Free up money in anticipation of expected Fed rate increase that will push yields higher	$ 1,998.31	$2,728.97
M-40	4/27/2015	$1,008,892.00	2.000%						$0.00		$ 8,383.57	$8,383.57
In/Out	9/15/2015	$991,680.00	1.550%	$0.00	$991,680.00	9/18/2015	$994,680.00	1.480%	$3,000.00	Realize a net capital gain before the original purchase was even paid for	$ -	$3,000.00
In/Out	9/24/2015	$994,478.75	1.490%	$0.00	$994,478.75	9/30/2015	$995,979.00	1.450%	$1,500.25	Realize a net capital gain before the original purchase was even paid for	$ -	$1,500.25
99	10/28/2015	$996,878.12	1.440%							Put money back to work - market has settled into a new range	$ 1,130.14	$1,130.14
M-41	10/31/2015	$989,260.00	1.600%	$0.00	$989,260.00	12/11/2015	$989,474.93	1.600%	$214.93	Free up money in anticipation of expected Fed rate increase that will push yields higher	$ 941.78	$1,156.71
M-42	12/16/2015	$984,860.00	1.700%		$984,860.00	1/6/2016	$986,660.00	1.660%	$1,800.00	Realize a net capital gain of $1,800 due to China stock crisis reaction	$ 793.27	$2,593.27
M-43	12/29/2015	$999,047.00	1.770%	$0.00	$999,047.00	1/4/2016	$1,001,148.00	1.730%	$2,101.00	Realize a net capital gain of $2,101 in one day due to China stock crisis reaction	$ 240.38	$2,341.38
									$10,156.11		$100,545.14	$110,701.25

CRESCENTA VALLEY WATER DISTRICT
BOARD OF DIRECTORS - STAFF REPORT

January 19, 2016
Staff Report

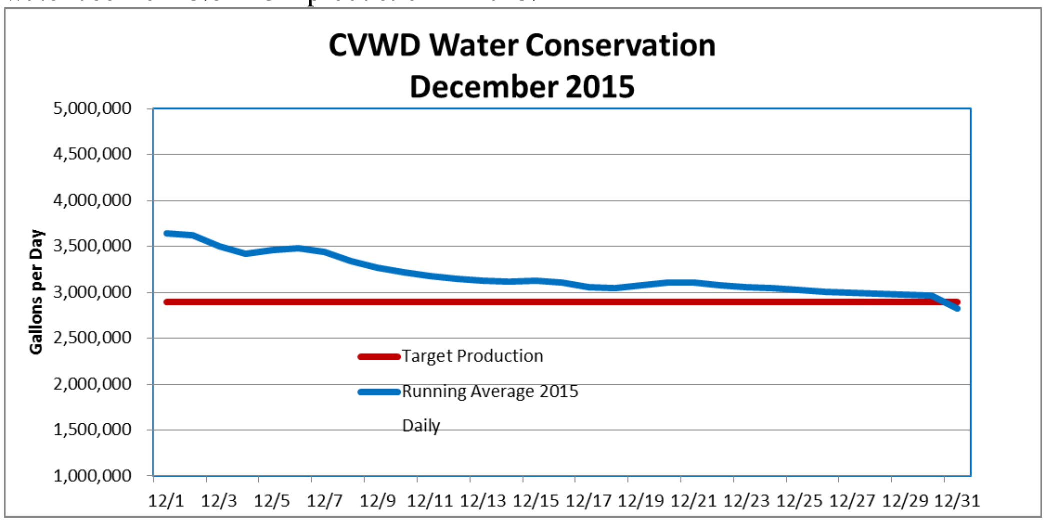
To: Honorable President and Members of the Board of Directors

From: Thomas A. Love, General Manager

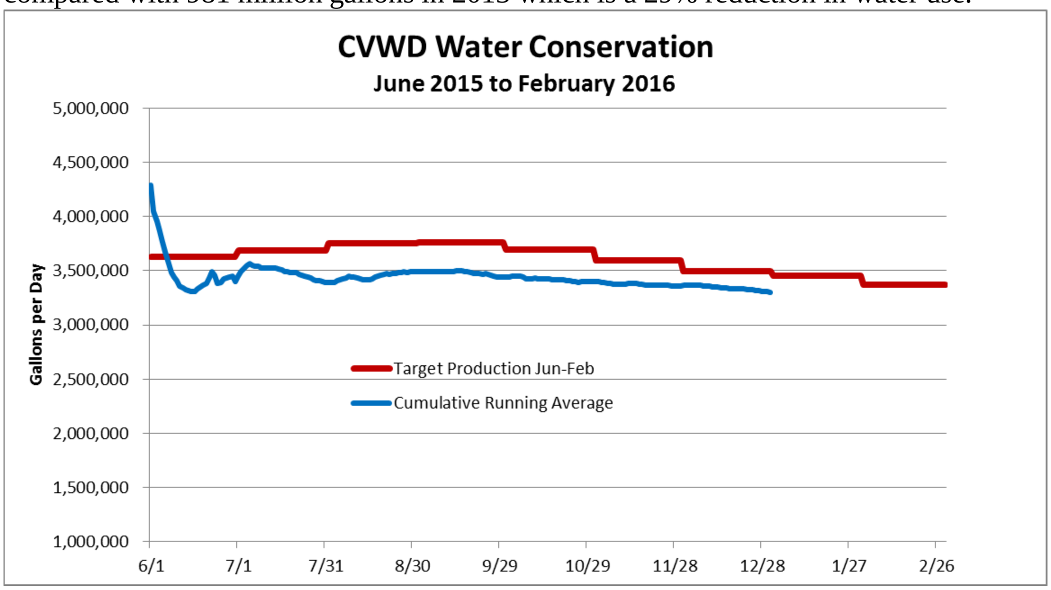
Subject: **General Managers Report**

Water Conservation

December water production of 2.83 million gallons per day (MGD) represents a 26% reduction in water use from 3.8 MGD production in 2013.



The District remains in compliance with the cumulative water conservation for the first 6 months of the State mandated compliance period (June 1, 2015 through February 29, 2015). District water production for the period June1, 2015 through December 30, 2015 was 694 million gallons compared with 981 million gallons in 2013 which is a 29% reduction in water use.



Staffing

This month there are three employment anniversaries: Joe Huerta has completed 30 years with the District; Dave Spain - 29 years and David Rawlings - 4 years.

As of December 31st, the District has worked 570 days without a lost time accident.

CRESCENTA VALLEY WATER DISTRICT
BOARD OF DIRECTORS - STAFF REPORT

January 19, 2016
Staff Report

To: Honorable President and Members of the Board of Directors

From: David S. Gould. P.E. – District Engineer

Subject: **District Engineer – Staff Report**

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1. Water Production Report

- January 1 – 17 – Water Production – 55%/ 45% split – 45.2 MG for the time period.
  Average use – 16.1% less than 2015 and 22.0% less than 5-yr average
  SWRCB Conservation – 29.3% less than June 2013 – Feb 2014 period

2. Rainfall Update

- 3.73” for January 2015
- Rainfall total for Rainfall Year 2015/16 – 5.72"

3. Report on Engineering

- **CIP Projects**
  - Ocean View Chlorination Project
    - Building - Mobilization – Early February 2016
  - Pipeline Projects
    - Bid opening date: January 27, 2016
  - Well 16 – Pipeline & Building
    - Building & Facilities
      - Building to be complete by Jan. 26, 2016
      - Electrical and Pump installed Week of Jan. 25, 2016
    - Dedication Ceremony – TBA
  - Pickens Canyon Slope Repair
    - Brush Clearance – Week of Jan. 25, 2016
    - Start construction Week of Feb. 1, 2016
  - Wastewater Lift Station – Emergency Electrical Generator
    - Bid opening date: January 27, 2016
- **Water and Wastewater Cost of Service Study**
  - See Staff Report
- **Nitrate Removal Treatment Facility at Well 2 Project**
  - DWR approved Greater Los Angeles Region amount of $27.2M
  - CVWD’s grant amount - $705,774.45
  - Design re-started – 50% technical memorandum by March 4, 2016
- **Crescenta Valley County Park Stormwater Recharge Facility Study**
  - No Report
- **ULARA**
  - Court Date – January 15, 2016
- **La Canada Flintridge – Water Committee**
  - No Report

- **Water Meter Replacement Program**
  - FY 15/16 water meter replacement program – Replaced 386 meters to date

4. Report on Administrative and Field Operations

- **Wells - Status**
  - Well production capacity averaging 2.0 MGD for December

5. Field Maintenance & Operations – Jan 1 – 15, 2016

- **Reservoir Site Assessment**
  - Complete Reservoir site assessments
- **Water Lateral Leaks & Repairs**
  - 3341 Encinal
  - 2214 Del Mar
  - 2734 Paraiso
  - 3317 Honolulu
  - 2615 Honolulu
- **Fire Hydrant Repair**
  - No Report
- **Water Main Leaks**
  - No Report
- **Reservoir Maintenance**
  - No Report
- **Sewer Maintenance**
  - 5200-5300 Blocks of Ramsdell
  - 5000-5300 Blocks of Pennsylvania
  - 5000 Block of Cloud
  - 2900 - 3000 Blocks of Henrietta,
  - 2900 - 3100 Blocks of Frances
  - 3000 Block of Brookhill
  - 5100 Block of Daver & Parham

CRESCENTA VALLEY WATER DISTRICT

WATER PRODUCTION REPORT

January 1 - January 17, 2016

Well Production:	23,949,477	Gals		
Gravity Production:	680,000	Gals	% GW	55%
Purchased Water:				
FMWD:	20,301,250	Gals		
City of Glendale:	0	Gals	% Import	45%
TOTAL:	44,930,727	Gals		
	137.89	ac-ft		
Glenwood Nitrate Water Reclamation Plant:*	6,923,720	*Included in Well Production		

WATER DEMAND COMPARISON

	Average Daily Usage (gals)	Current Period Change	Average Daily Usage (gals)	Percentage Change
January 1, 2016 - January 17, 2016	2,642,984			
January 1, 2015 - January 17, 2015	3,167,815	-16.6%		
5-yr Average - January 2011 - 2015	3,406,895	-22.4%		
SWRCB CONSERVATION REGULATIONS June 1, 2015 through Feb 29, 2016			3,253,572	
BASELINE CONSERVATION June 1, 2013 through Feb 28, 2014			4,600,163	-29.3%

RAINFALL: January 1 - January 17, 2016 3.73"

Season-To-Date: 5.72"

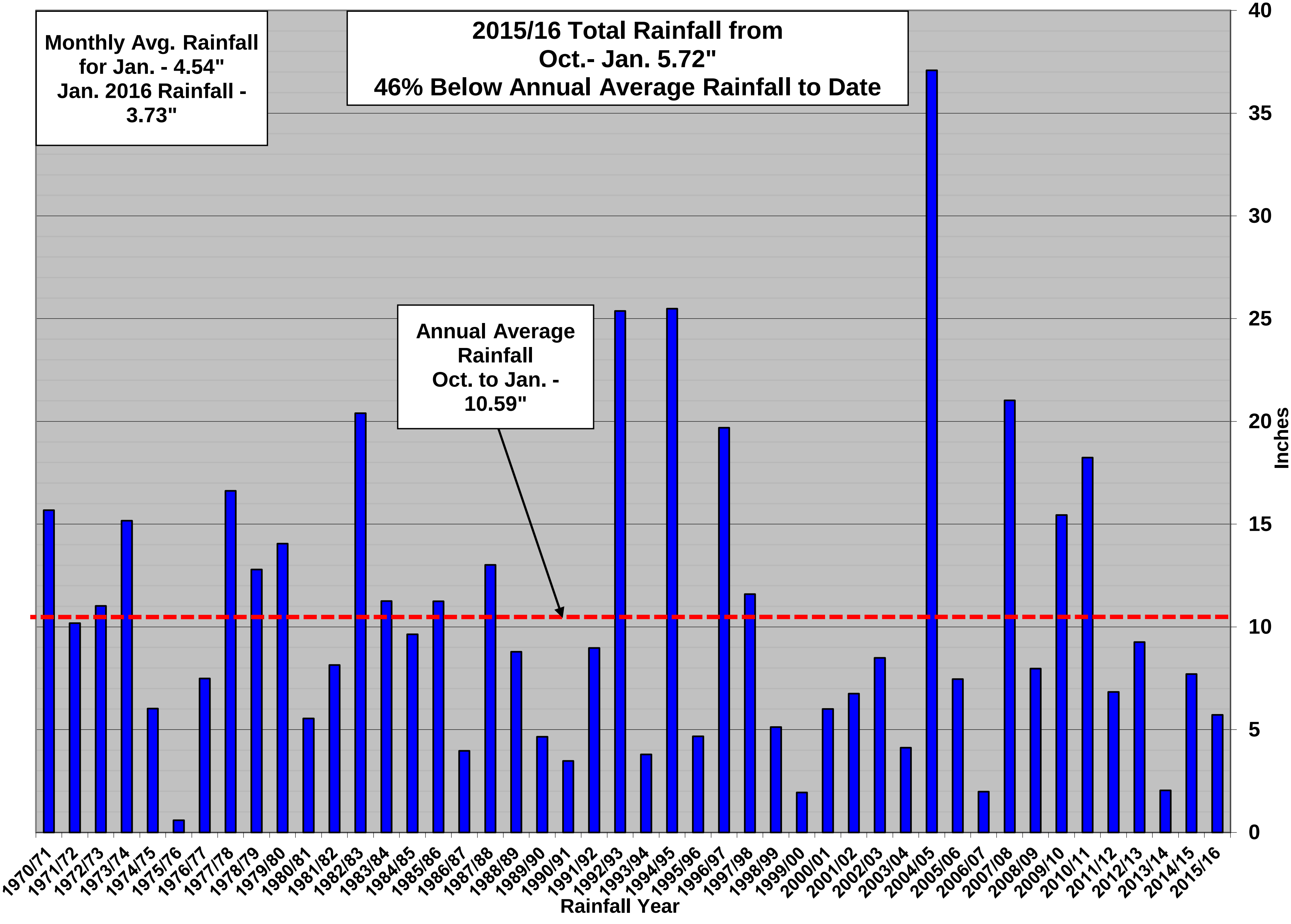
2015/16 Fiscal Year Water Production			**Groundwater Production Water Rights**		**Purchased Water Production Tier 2 Allocation**		**FMWD Water Supply Allocation Plan**	
Month	**Actual Total Water Production (ac-ft)**	**Projected Total Water Production (ac-ft)**	**Month**	**Well Production (ac-ft)**	**Month**	**Imported Water Production (ac-ft)**	**Month (July 15 - June 16)**	**Imported Water Production (ac-ft)**
July	**315**	**380**	**October**	**143**	**January***	**114**	**July**	**161**
August	**344**	**360**	**November**	**149**	**February**		**August**	**176**
September	**296**	**345**	**December**	**145**	**March**		**September**	**151**
October	**301**	**315**	**January***	**140**	**April**		**October**	**158**
November	**289**	**265**	**February**		**May**		**November**	**140**
December	**281**	**265**	**March**		**June**		**December**	**136**
January*	**254**	**265**	**April**		**July**		**January***	**114**
February		**265**	**May**		**August**		**February**	**60**
March		**310**	**June**		**September**		**March**	**65**
April		**335**	**July**		**October**		**April**	**80**
May		**365**	**August**		**November**		**May**	**100**
June		**375**	**September**		**December**		**June**	**110**
Total to Date	2,080	2,195	Total to Date	577	Total to Date	114	Total to Date	1,451
Projected	3,730	3,845	Water Rights	3,294	Tier 2	2,154	WSAP	2,009
% of Projected	54.1%	57.1%	% of Rights	18%	% of Allocation	5%	% of Allocation	72%
Remaining	1,765	1,650	Remaining	2,717	Remaining	2,040	Remaining	558

NOTE:

1) Blue Numbers - Estimate Total Water Production

***Estimate for January 2016**

Monthly Rainfall - 1970/71 - 2015/16 (Oct.- Jan.)



Revised Date: 1/15/2016

CRESCENTA VALLEY WATER DISTRICT

BOARD OF DIRECTORS - STAFF REPORT

To: Honorable President and Members of the Board of Directors — January 19, 2016

From: Christy J. Scott – Program Specialist

Subject: **Discussion on the District's plan for the February 2016 FMWD/MWD Imported Water Shutdown**

ACTION ITEM:

FMWD/MWD Shutdown – Discussion regarding the upcoming Metropolitan Water District shutdown scheduled for February 29, 2016 – March 10, 2016.

BACKGROUND:

From February 29th to March 10th, 2016, Metropolitan Water District of Southern California (MWD) will shut down its F.E. Weymouth Water Treatment Plant in La Verne to tie in the ozone treatment system and inspect structures which are inaccessible when the plant is in service.

Water Supply & Demand:

Within the last two years, CVWD's water supply has averaged around a 50% local groundwater and 50% imported water on an annual basis. February, which is usually a low demand month, the ratio of local groundwater to imported water usually averages 67% to 33%.

With the low demand in February, CVWD has imported an average of 103 AF of water from FMWD and 178 AF from local groundwater for an average total customers' demand of 280 AF (3.1 MGD).

During the shutdown, the District will be using the emergency water supply interconnection with the City of Glendale. This interconnection allows the District to obtain water from the City of Glendale for emergency purposes. During the shutdown period, Glendale has stated that the District would be able to take the maximum amount of 5 cfs, which is approximately 3.2 MGD.

DISCUSSION:

The District does not anticipate any water supply difficulties during the FMWD/MWD shutdown. Past water demands in February have averaged 3.1 MGD and current daily groundwater production is 1.7 MGD, and the Glendale interconnection can provide 3.2 MGD, which will be for blending and any emergency conditions. Therefore, CVWD should be able to meet average daily demands with its current water supply.

In addition, CVWD has been working with La Canada Irrigation District (LCID) on providing water during the shutdown. The District anticipates supplying a small amount of water to LCID. Typically this amount is about 0.5 cfs during the latter part of the shutdown period.

Public Outreach:

The impact of the FMWD/MWD shutdown varies from agency to agency; however, the Westside Foothill water agencies as well as Pasadena Water and Power have agreed upon a unified message to the community during this shutdown period.

CRESCENTA VALLEY WATER DISTRICT
BOARD OF DIRECTORS - STAFF REPORT

January 19, 2016
Staff Report

To: Honorable President and Members of the Board of Directors

From: Christy J. Scott

Subject: **Water Conservation Update / Regulatory Update**

Monitoring Report Submitted to State for December 2015:

Production Numbers

Total Water Production December 2015:	287 AF
Total Water Production December 2013:	356 AF
Percent Reduction:	24.5 %
Residential Gallons per Capita per Day (R-GPCD) December 2015:	88

Compliance Reporting

Days of outdoor Irrigation Allowed:	2
Number of Water Waste Complaints:	12
Number of Follow-ups:	12
Number of Warnings:	12
Number of Penalties:	0

Mandatory Water Reduction Goal

Compliance Period:	June 2015 – February 2016
Compliance Goal:	380 AF
Acre Feet Saved for December:	87 AF
Acre Feet Saved to Date:	867 AF
Acre Feet Saved Beyond Required Target:	488 AF

Turf Rebates: (FINAL NUMBERS)

Pending Applications:	0
CVWD Funds Remaining:	$0
Funds Submitted to MWD July 2014 to December 2015:	$739,870.00
MWD outstanding:	$94,800.00
Total Square footage of turf removed:	371,035

Urban Water Management Plan (UWMP):

The 2015 UWMP is due to the Department of Water Resources July 1, 2016.

The last of the three table top exercises took place December 10, 2015. Findings from the previous two meetings were presented by the consultant. Information learned from these exercises will be incorporated into the decision-making process for future capital improvement projects. The FMWD Board workshop previously slated to be in January or February will be will be delayed as discussion on the capital improvement side was not completed during the meeting and further discussion with the member agency managers will be required.

The District's kickoff meeting with the contracted consultant, SA and Associates will be on January 26, 2016. The schedule in the RFP required a draft copy of the UWMP for review by the end of March.

Regulatory Updates:

Proposed Regulations for Extended emergency Regulation for Urban Water Conservation

On November 13, 2015, Governor Brown issued Executive Order B-36-15 which called for an extension of urban water use restrictions until October 31, 2016, should drought conditions persist through January 2016. In December, the State Water Board also held a public workshop on December 7, 2015, to solicit input on elements of the existing Emergency Regulation, if any, that should be modified. The stakeholder process and workshop led to development of several proposals for modification of the Emergency Regulation. Of the State supported stakeholder proposals, none of them would make any change to the District's current conservation target of 24%. The proposed regulatory framework for the extended emergency regulation of urban water conservation is attached.

SB 814

SB 814 (Hill) was introduced this January to prevent unreasonable waste of water and would require water suppliers to take enforcement actions against excessive water users. (Attached)

> *This bill would declare that excessive water use, as defined by each urban retail water supplier, is a waste or unreasonable use of water. This bill would prohibit excessive water use by a residential customer and would make a violation of this prohibition an infraction punishable by a fine of at least $500 per 100 cubic feet of water used above the excessive water use definition in a billing cycle. By creating a new infraction, this bill would impose a state-mandated local program.*
>
> *This bill would provide that these provisions apply only during a period for which the Governor has issued a proclamation of a state of emergency based on drought conditions.*

Staff will be monitoring this Senate Bill.

December 21, 2015

Proposed Regulatory Framework for Extended Emergency Regulation for Urban Water Conservation

Background:

On April 1, 2015, Governor Brown issued the fourth in a series of executive orders on actions necessary to address California's drought. On May 5, 2015, the State Water Resources Control Board (State Water Board) adopted an Emergency Regulation to address specific provisions of the April 1 Executive Order, including a mandatory 25 percent statewide reduction in potable urban water use between June 2015 and February 2016. To reach the statewide 25 percent reduction mandate, the Emergency Regulation assigns each urban water supplier a conservation tier that ranges between 4 and 36 percent based residential per capita water use for the months of July – September 2014.

At the time the State Water Board adopted the current Emergency Regulation some urban water suppliers had proposed further refinement to the conservation tiers to reflect a range of factors that contribute to water use. State Water Board Resolution No. 2015-0032 directed staff to work with stakeholders to further develop and consider these factors, including but not limited to temperature, growth, use of drought resilient supplies, and others for adjustment to the Emergency Regulation should it need to be extended into 2016.

On November 13, 2015, Governor Brown issued Executive Order B-36-15 (EO B-36-15) calling for an extension of urban water use restrictions until October 31, 2016, should drought conditions persist through January 2016. Between August and November 2015 State Water Board staff convened a small group of individuals representing a variety of water interests to further explore potential modification of the Emergency Regulation. The State Water Board also held a public workshop on December 7, 2015, to solicit input on elements of the existing Emergency Regulation, if any, that should be modified. The stakeholder process and workshop led to development of several proposals for modification of the Emergency Regulation, which are discussed below, along with staff recommendations.

Staff recommendations are based on the criteria that modifications to the Emergency Regulation be transparent, intelligible, equitable, reasonable, provide sufficient water savings statewide, and be feasible to implement and enforce. As directed by the Governor in EO B-36-15, this proposal would extend until October 31, 2016 restrictions to achieve a statewide reduction in urban potable water usage.

Climate adjustment:

Stakeholder Proposal: Water suppliers in warmer climates would be granted a reduced conservation standard based on their service area evapotranspiration (ET) relative to statewide average ET. The adjustments would be calculated by multiplying the deviation from average ET by the water supplier's conservation standard and would range from a 0-15 percentage point decrease to suppliers existing conservation requirement. As proposed, no supplier would have their standard increased.

Staff Recommendation: **Incorporate a climate adjustment in the Emergency Regulation that reduces the conservation requirement by up to 4 percentage points for water suppliers located in**

the warmest regions of the State. The climate adjustment would be based on each urban water supplier's approximate service area ET for the months of July through September as compared to statewide average ET for the same months. The adjustment would range from a 2-4 percentage point decrease in an urban water supplier's conservation requirement depending on service area ET as follows:

Deviation from Average ET	Reduction in Conservation Standard
>20%	4%
10 to 20%	3%
5 to <10%	2%

Default service area ET will be based on the California Irrigation Management Information System (CIMIS) Mapped ET Zone for which the supplier's service area has the greatest overlap. Each Urban Water Supplier will have the opportunity to refine its service area ET using specific data from CIMIS stations within its service area, provided each station used has a continuous period of record of at least 5 years.

Staff estimates that this adjustment will result in 1.4 percentage point reduction in statewide water savings from that currently required.

Example Calculation of Climate Adjustment

Original Conservation Requirement	32%	
Statewide Average ET Jul-Sep	6.13	inches
Service Area Average ET Jul-Sep (Zone 17)	8.4	inches
Service Area % Deviation from Average ET = (8.4-6.13)/6.13	0.37 or 37%	
Climate Adjustment	-4%	
Adjusted Conservation Requirement	**28%**	

Growth adjustment:

Stakeholder Proposal: Each urban water supplier's 2013 baseline water use would be increased to account for growth in new service connections since 2013. The volume of water per connection in 2013 would be calculated (based on total use divided by number of connections) and multiplied by the number of connections added since 2013. This volume of water could be added to the 2013 baseline to account for new growth, resulting in a decrease to the supplier's conservation volume requirement but not its conservation standard.

Staff Recommendation: **Provide a mechanism to adjust urban water supplier conservation standards to account for water efficient growth since 2013.** The adjustment will be equal to the ratio of the additional volume of water used since 2013 to the baseline water use for 2013, multiplied by the water supplier's conservation standard. The volume of water added due to growth will be calculated as the sum of:

1. Number of new residential connections since 2013 multiplied by 165 gallons (55 gallons per person per day multiplied by three people) multiplied by 270 days.
2. Area of new residential landscaped area (square feet) served by connections since 2013 multiplied by 55% of total service area ET (inches) for the months of February through October multiplied by a conversion factor of 0.623 (converting inches to gallons).
3. Number of new commercial, industrial, and intuitional (CII) connections since 2013 multiplied by the average commercial industrial, and institutional water use per connection during February through October 2015.

Staff estimates that this adjustment will result in about a one percentage point reduction in statewide water savings compared to the current requirements, assuming that growth has increased by 4% since 2013 for every urban water supplier.

Example Calculation of Growth Adjustment

# of new residential connections since 2013	4,000	
Residential landscaped area served by connections since 2013	10,000,000	sq. feet
Total ET February through October	44	inches
Volume of water attributable to new residential connections = [4000*165*270] + [10,000,000 * 44 *0.55*0.623]	**328,966,000**	gallons
# of new commercial, industrial, and institutional connections since 2013	700	
Average use per CII connection Feb-Oct 2015	900,000	gallons
Volume of water attributable to new CII connections = 700 * 900,000	**630,000,000**	gallons
Total volume of water attributable to growth since 2013	**958,966,000**	gallons
Baseline 2013 total water production Feb-Oct	**16,000,000,000**	gallons
Gallons of water attributable to growth	**958,966,000**	gallons
Percentage change in potable water production due to growth	**6%**	
Original Conservation Requirement	**36%**	
Adjusted Conservation Requirement = .36 * [1-0.06]	**34%**	

Drought Resilient Sources of Supply Credit:

Stakeholder Proposal Suppliers would receive a credit for desalinated seawater or indirect potable re-use (IPR) water. The credit would come in the form of a one-to-one reduction from the calculated amount of water that needs to be saved under the Emergency Regulation. A supplier could deduct all water derived from desalination or IPR from their total savings requirement. San

Diego County Water Authority proposes a similar credit for Colorado River water received through long-term transfers of conserved water. No supplier would be allowed to have an effective conservation rate below 8%.

Staff Recommendation: **Provide a one-tier (four percentage point) reduction to the conservation standard of urban water suppliers using new drought resilient water supplies.** The credit would apply to urban water suppliers that certify, and provide documentation upon request, that at least 4 percent of its potable supply is comprised of indirect potable reuse of coastal wastewater (the creation and use of which does not injure another legal user of water or the environment) or desalinated seawater developed since 2013. Staff does not recommend extending this credit to Colorado River water received through long-term transfer of conserved water.

Staff estimates that this credit will result in about a 0.6 percentage point decrease in statewide water savings.

Non-potable Recycled Water Use Credit:

Stakeholder Proposal: This proposal would apply to suppliers that meet a large portion of irrigation demand with non-potable recycled water. These suppliers would be able to reduce their 2016 monthly potable water production by the ratio of non-potable recycled water use to total potable water production multiplied by their total water production and their conservation. Reducing 2016 total potable water production would have the effect of reducing the required volume of water saved.

Staff Recommendation: **Staff does not recommend providing additional credit for non-potable recycled water use.** Under the current Emergency Regulation, non-potable recycled water is not counted in total potable water production. Suppliers' conservation standards are based on residential use of potable water, and while suppliers have been generally expected to target outdoor irrigation as a means of achieving savings, high use of recycled water should not, by itself, prevent a supplier from meeting those standards with reductions from residential and non-residential customers. These suppliers have already realized the benefit of providing recycled water by not having that water counted as part of their total production and not having to reduce use of that water. Urban water suppliers that cannot meet their conservation standard due to a disproportionate share of recycled water use may pursue relief through the existing alternate compliance process on case by case basis.

Groundwater Credits:

Stakeholder Proposal: This set of proposals would provide credit for "sustainable" groundwater management and groundwater augmentation. Suppliers would provide verification that the groundwater supply is formally certified to meet certain eligibility requirements and then would be eligible to deduct certain groundwater use from their total potable production. In effect, the use of eligible groundwater would be counted the same as conserved water. There are four proposed credit scenarios: 1) Groundwater Banking; (2) Conjunctive Use; (3) "Sustainable" Groundwater Management; and (4) Adjudicated Basins. The proposals include requirements that would govern the use of the credits under each scenario.

Staff Recommendation: **Staff does not recommend providing credits for groundwater use or management since the effect of such credits are not well-defined and are generally inconsistent with goal of conserving the state's remaining surface and groundwater supplies during the drought.** While groundwater augmentation with surface water is a critical element of drought resilience, it is materially different than creation of new drought-resilient sources of supply, such as through indirect potable reuse of wastewater or seawater desalination. Using seawater and wastewater that, for example, would otherwise have been discharged to the ocean to create supply adds to existing surface and groundwater supplies, whereas groundwater augmentation uses water that was already part of existing freshwater resources. Moreover, the proposed groundwater management credits do not adequately demonstrate how other users of a groundwater basin, whether adjudicated or not, would be impacted from pumping by the supplier receiving a credit. Suppliers whose basins are replenished with imported water would place additional strain on those supplies by using more water under a credit system. Suppliers whose basins fill without imports may impact others by increasing pumping under a credit system. Even self-sufficient, adjudicated basins are not guaranteed to maintain all uses during an extended severe drought, where the next opportunity for recharge is unknown. Additionally, there is no credible estimate of how much credit would accrue for groundwater management and how that credit would impact statewide savings. Credit for sustainable groundwater management may be appropriate for a permanent regulation, and certainly will be addressed by the Sustainable Groundwater Management Act as that legislation is implemented, but it is not adequately transparent, intelligible, implementable, or reasonable for an Emergency Regulation of limited duration, the chief aim of which is to preserve existing surface and groundwater supplies through conservation while extreme drought conditions persist.

Regional Compliance Approach:

Stakeholder Proposal: This proposal would allow suppliers to jointly comply with their aggregated conservation standards as a single entity. Regions would be allowed to form, on a voluntary basis, based on the criteria for forming a SBx7-7 regional alliance, per Water Code Section 10608.28. A lead agency for the region would report the Regional Conservation Standard monthly to the State Water Board on behalf of the region. Each urban retail water supplier would also continue to report their individual monthly water use data. If a group as whole did not meet its regional conservation target, the suppliers would revert back to their individual requirements.

Staff Recommendation: **Staff does not recommend providing an option for regional compliance because it will impede timely compliance and enforcement action by the Board and has the potential to reduce individual water supplier accountability.** While a regional approach could help water suppliers provide a consistent message about a regional target to their customers, residents and businesses need to conserve differing amounts to achieve a supplier's reduction target, so the benefits of this approach are not well substantiated. There is no reason that suppliers (and their regional or wholesale partners) cannot develop consistent messaging under the current Emergency Regulation, such as limits on outdoor watering, nor does the current emergency regulation inhibit regionally-grouped suppliers or wholesalers from working together on messaging to encourage conservation. In addition, there are multiple drawbacks to the proposed regional approach. First, it would impede the Board's enforcement and compliance efforts, by disallowing the Board from using its enforcement tools to timely address the shortcomings of an individual supplier if that supplier's region was meeting its target. In the case where a region dropped out of compliance late in the 270 day life of the regulation, the Board would have little time to institute corrective actions for the individual suppliers. Second, it could encourage regional agencies to focus efforts on additional conservation savings in high-performing communities rather than on steps to change the conservation behaviors of poorer performing communities in order to meet the regional target. Finally, the regional approach would undermine the direct accountability for water supply managers established through the existing regulation. Staff encourages suppliers to work together on messaging and outreach, but believes the drawbacks of a regional approach outweigh any potential benefits.

Elimination of Commercial Agriculture Exclusion:

Stakeholder Proposal: The current Emergency Regulation allows water supplied for commercial agricultural use to be excluded from total potable production, if certain conditions are met. The proposal is to eliminate the exclusion or to change the definition of what constitutes commercial agricultural use to prevent exclusion of water attributable to noncommercial agricultural use or non-agricultural use that may be excluded improperly.

Staff Recommendation: **Staff recommends modifying the Commercial Agriculture Exclusion to require certification that customers whose water use is subtracted under the exclusion produce a minimum of $1,000 per year in revenue from agricultural sales and are not subtracting water used on ornamental landscapes.** This change would limit use of the exclusion for properties with minimal agricultural sales or mixed commercial agricultural and ornamental landscape use. The $1,000 threshold is consistent with the US Department of Agriculture's definition of a farm.[1]

Staff estimates the existing agricultural exclusion has resulted in about an 11,000 acre feet reduction in conserved water since June 2015. Modifying the commercial agriculture exclusion as proposed could result in a slight increase of conserved water.

Exemption for regions without drought conditions and no exports/imports:

Stakeholder Proposal: This proposal would allow isolated hydrogeological regions that do not have drought conditions and do not import or export water to be excluded from the conservation standard element of the Emergency Regulation. Suppliers would apply to the State Water Board for an exemption from the conservation standard and provide verification that water resources in these regions are not available to benefit other regions.

Staff Recommendation: **Staff does not recommend exempting or relaxing conservation requirements for isolated hydrogeologic regions.** The current Emergency Regulation contains a reserved four percent tier for suppliers that can demonstrate multiple years of supply and no use of imported water and groundwater. Staff continues to believe the four percent tier is adequate and appropriate for an extended Emergency Regulation given the uncertainty of the state's surface and groundwater suppliers during the drought.

Revisions for suppliers with significant seasonal or transient populations:

[1] See http://www.ers.usda.gov/topics/farm-economy/farm-household-well-being/glossary.aspx, accessed December 11, 2015.

Stakeholder Proposal: The Emergency Regulation assigned conservation tiers based on R-GPCD during the months of July, August, and September 2014. The proposal is to re-assign tiers based on 12 months of R-GPCD data, because some areas, mainly the desert regions, have the highest population during the winter months.

Staff Recommendation: **Staff does not recommend changing the process for assigning conservation tiers to account for year round residential per capita water use because it would reduce the regulation's current emphasis on saving water where outdoor use is highest.** In addition, this proposal would in effect provide allowances for properties that are unoccupied for part of the year but irrigated year-round. However, staff proposes to update each water suppliers R-GPCD values using the most up to date July-September 2014 data that had been provided as of January 1, 2016. Water suppliers have also been encouraged and allowed to correct any inaccurate data and provide modified population information to account for monthly changes in population.

A Cap on Credits and Adjustments:

Staff recommends that all credits and adjustments be capped to allow up to a maximum of a four percentage point decrease to any individual water supplier's conservation standard (tier).

Staff Recommendations on Other Elements of an Extended Emergency Regulation:

Staff recommends maintaining other elements of the current Emergency Regulation in the extended Emergency Regulation. These elements include the alternate compliance approach, the statewide prohibited end-uses, the monthly reporting requirements for urban water suppliers, and the conservation and reporting requirements for small suppliers. Staff proposes that small suppliers again be required to report after six months of conservation under a readopted emergency regulation.

Staff also recommends, based on feedback from both suppliers and the general public, adding a prohibition against homeowners' associations interfering with certain conservation actions of their association members in violation of existing law.

Next Steps:

- Comments are due on this proposed regulatory framework by January 6, 2016
- A draft Emergency Regulation will be released for public comment in mid-January 2016
- State Water Board consideration of an extended emergency regulation is anticipated in early February 2016.

Input Requested: The State Water Board is interested in receiving feedback on this proposed regulatory framework. Please submit comments with the subject line: "Comments on Proposed Regulatory Framework" by email to: Kathy Frevert at Kathy.Frevert@waterboards.ca.gov **by January 6, 2016.**

SB 814 – Reducing Excessive Water Use – Factsheet

IN BRIEF

To prevent the unreasonable waste of water, SB 814 will require California's water suppliers to take enforcement actions against excessive water users.

THE PROBLEM

Under the State Water Resources Control Board's (the "Board") emergency regulations, water use restrictions may vary slightly among the 411 water supplier territories throughout the state. But in general, residential water users can be – and are – fined $500 a day for the following:

- Using a hose to wash a car without an automatic shutoff valve
- Washing down a driveway or sidewalk
- Watering outdoor landscaped areas within 48 hours of it raining
- Watering outdoor landscapes on the wrong day or during the wrong period of the day, as established by local rules

However, while $500 fines can be assessed for these infractions, residential water users in California that use an excessive amount of water are not subject to any fines. The great majority of Californians are making sacrifices to conserve water and meet the mandatory statewide water conservation goal of 25%, but there is a segment of residential water users appear to be using as much water as they want, whenever they want. This is a clear inequity in California's efforts to conserve water during the state's worst drought in recorded history.

It's unknown how many residential water users have been fined, but according to data collected by the Board, between April and October 2015, water suppliers issued at least 60,000 penalties for water waste or not meeting conservation goals. This number also includes drought surcharges. The only known water supplier that assesses penalties on excessive water users is East Bay MUD because the state currently doesn't compel water suppliers to have an excessive water use policy.

In the face of such a severe drought, all Californians should have to cut back water use. By not publicly identifying and taking enforcement actions against excessive water users, the state's water suppliers aren't meeting Governor Brown's 2014 Executive Order to "bring enforcement actions against illegal diverters and those engaging in the wasteful and unreasonable use of water."

BACKGROUND

California is experiencing the worst drought in modern history. According to the Public Policy Institute of California, "the three-year period between fall 2011 and fall 2014 was the driest since recordkeeping began in 1895." In response, in April 2015, Governor Brown declared a state of emergency, requiring a 25% reduction of water use statewide. To meet this goal, the State Water Resources Control Board issued emergency regulations in May 2015. The regulations require each individual water supplier to reduce its water use by varying water conservation rates, ranging from 4% to 36%. Each of the state's 411 water suppliers must report monthly conservation data enforcement statistics to the Board every month. Any water supplier that doesn't meet its established conservation threshold can be fined by the Board up to $500 per day.

Under the Board's emergency drought regulations, residential water users are prohibited to hose down driveways, to cause water runoff, to use hoses without shutoff nozzles, and more. Any person who breaks these rules can result in a fine of up to $500 per day, assessed by the local water supplier. In addition, the California Public Utilities Commission (CPUC) oversees Investor Owned Utility (IOU) water suppliers, which deliver water to about 16% of the state. The CPUC has ordered all IOU water suppliers to implement similar measures to comply with the 25% water reduction mandate.

The Board's emergency regulations don't preclude a local water supplier from adopting more stringent conservation measures and local suppliers retain overall enforcement discretion in enforcing the emergency regulations to conserve water. It's up to each local water supplier to decide if and when to issue fines. The Board has encouraged water suppliers to develop their own progressive enforcement practices to promote conservation.

The $500 fines are typically assessed on average residential water users, people living in households that use about 11,700 (based on the Board's reported average daily household use for September 2015 of 97 gallons per day) gallons per month. At the same time, excessive water users – households that in some cases are using more than 80,000 gallons per month, or 8 times as much as average user – are not fined for their unreasonable and wasteful use of water. Although it's not known exactly how many excessive water users there are across the state, at least 365 households have been identified that use over 1 million gallons of water a year.

In Los Angeles alone, at least 92 households used 4.2 million gallons in one year, an amount that could supply enough water for at least 30 families. At least 73 households used more than 3 million gallons in a year and 14 households used more than 6 million gallons in a year. One household used over 12 million gallons in one year. While current law shields the identity of these excessive water users, protecting them from the state's and local water supplier's efforts to encourage people to use less water, it's known that most are located in affluent areas such as Beverly Hills and Brentwood in Los Angeles, La Jolla in San Diego, and Lafayette and Danville in the Bay Area.

Most water suppliers and their residents have been able to meet their established water conservation goals and as a result, the 25% statewide water use reduction goal has been met for four straight months. But while the state has so far achieved its conservation goal, only one local water supplier – the East Bay Municipal Utility District (EBMUD) – has established a policy to go after excessive water users. EBMUD has identified over 1,000 homes that meet their definition of excessive water use, which is about 1,000 gallons per day, four times the average use EBMUD's service area. EBMUD imposes fines for exceeding the limit and, in accordance with existing law, also publicly discloses who the excessive users are. The highest user in EBMUD's service territory used over 11,000 gallons a day.

The policy seems to be working. According to EBMUD, 2/3 of homes initially identified as excessive users have cut their water use by 20%. In some instances, the identification of excessive users helped those users identify leaks that were previously undetected. EBMUD noted that other factors, such as cooler weather, may have contributed to the water use reduction.

THE SOLUTION

During the worst drought in recorded history, SB 814 is intended to prevent the unreasonable use or the waste of water to protect water resources in the interest of the people and for the public welfare. SB 814 will require both public and private urban retail water suppliers – agencies that directly provide potable municipal water to more than 3,000 users – to levy fines against excessive water users. Specifically:

- The bill prohibits excessive water use and requires water suppliers to assess a penalty of at least $500 on residential water customers for every hundred cubic feet (748 gallons) used above the excessive use definition.

- Urban retail water suppliers will be required to establish an ordinance or rule (or amend an existing ordinance or rule), to create a definition of excessive use based on local conditions, including, but not limited to, average daily water use, full-time occupancy of residences, amount of landscaped land on a property, the evapotranspiration rate, and seasonal changes in the weather.

- The fines will be assessed on a residential customer's regular bill. Each water supplier will be required to have a process for non-payment that must be consistent with each water supplier's existing process for customer non-payment, including, but not limited to, past due penalties, discontinuing water service, or placing a lien on a customer's property.

- Every water supplier will be required to have an appeal process for assessed fines. In order to be considered for an appeal, a customer must demonstrate that their use of water did not violate the excessive use ordinance or rule, or that there was a demonstrable leak, that the water was used for a bona fide medical reason, or for any other reasons that a water supplier might decide are reasonable considerations for the basis of an appeal.

- Users who are deemed to be using water to excess will have their usage information publicly disclosed by their water supplier, consistent with the state's efforts to identify people who violate water conservation rules.

- The bill will only take effect when the Governor has declared a state of emergency based on drought conditions.

SUPPORT

FOR MORE INFORMATION

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