CRESCENTA VALLEY WATER DISTRICT

2700 Foothill Boulevard
La Crescenta, California

Agenda for the
Regular Meeting of the Board of Directors
of the Crescenta Valley Water District
to be held on Tuesday, September 1, 2015 at 7:00 p.m.

Posted: August 28, 2015 at 3:00 p.m.

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

Call to Order and Determination of Quorum

Pledge of Allegiance

Adoption of Agenda

Public Comments

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

Foothill Municipal Water District Report

1. Report on activities at Foothill Municipal Water District.

Consent Calendar

1. Consideration and approval of the Minutes of the Adjourned Regular Meeting on August 11, 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. **Discussion Regarding Public Goods Charge** – Discussion regarding possible legislation to impose a Public Goods Charge on all water bills in the State of California.
2. **Chloramination Treatment System Procurement and Installation at Williams Reservoir, Project E-733CS-3** – Consideration and motion to authorize the General Manager to award a contract to the lowest responsible bidder, Cortech Engineering, Inc., for the procurement and installation of the Chloramination Treatment System at Williams Reservoir at a cost of $39,269.75 and establish a contingency amount of $3,930 (10% of contract) to cover the cost of unforeseen or additional work.
3. **Replacement of Motor Control Center at Oak Creek Reservoir, Project E-931** – Consideration and motion to authorize the General Manager to amend the agreement with Cannon Corporation at a cost of $11,000 for quality control inspection services related to the replacement of the motor control center at Oak Creek Reservoir.

Information Items

Written Communications to District

Staff Reports

Secretary-Treasurer

1. Cash and Investments

General Manager

1. Administrative Report.

District Engineer

1. Water Production Report –August 1 - 26, 2015.
2. Report on Administrative and Field Operations.

Program Specialist

1. Report of Water Conservation issues.

Information Technology

1. Report of Information Technology issues.

Attorney

1. Report on legal and related matters relevant to the District.

Reports of Committees

Engineering Committee

1. Consideration of engineering issues affecting the District.

Finance Committee

1. Report of Finance Committee meeting held on August 28, 2015.

Employee Relations Committee

1. Consideration of employee relations issues affecting the District.

Policy Committee

1. Consideration of policy issues affecting the District.

Community Relations/Water Conservation Committee

1. Consideration of community relations/water conservation issues affecting the District.

Emergency Planning Committee

1. Consideration of emergency planning issues affecting the District.

Director's Oral Reports

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

Closed Session

- **Conference with Legal Counsel**
  - Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9: One case.

Board Members' Request for Future Agenda Items

Adjournment

CRESCENTA VALLEY WATER DISTRICT
BOARD OF DIRECTORS - STAFF REPORT

September 1, 2015
Staff Report

To: Honorable President and Members of the Board of Directors

From: Christy J. Scott

Subject: **FMWD Update**

The Foothill Municipal Water District (FMWD) held a Special Board of Directors Meeting on August 17, 2015 at 4:00 p.m. The following is a summary of events.

1. All items on consent calendar were approved (Minutes, financial documents, 2 resolutions regarding the transferring of tax revenues).

2. Action Item 1 regarding the ACWA Region 8 nominations was approved to support the Region 8 nominating Committee's recommended list.

3. Action Item 2 was approved to nominate Direct Matthews to the ACWA Finance Committee for the 2016 – 2017 term.

4. Action Item 3 was approved to nominate Kathleen Tiegs as ACWA President.

5. Ms. Jazmadarian reported that the overall conservation for FMWD for the month of July was 34%. The combined target for FMWD is 29%.

CRESCENTA VALLEY WATER DISTRICT
REGULAR MEETING, BOARD OF DIRECTORS
August 11, 2015

Pursuant to the order of the Board of Directors of the Crescenta Valley Water District, made at the Adjourned Regular Meeting of July 21, 2015, a Regular Meeting was held on August 11, 2015, at 7:00 p.m. at the District office at 2700 Foothill Blvd., La Crescenta, California, with President Kenneth R. Putnam presiding.

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

Directors:	**James D. Bodnar** **Michael L. Claessens** **Kerry D. Erickson** **Kenneth R. Putnam** **Judy L. Tejeda**
Attorney:	**Thomas S. Bunn**
General Manager:	**Thomas A. Love**
Secretary-Treasurer:	**Ron L. Mitchell**
District Engineer:	**David S. Gould**
Others Present:	**Mark Hass, IT Manager** **Christy Scott, Program Specialist** **Larry Byers, Plant Superintendent**

PLEDGE OF ALLEGIANCE
President Putnam opened the meeting by asking Mr. Gould to lead the Board and staff in reciting the Pledge of Allegiance.

ADOPTION OF AGENDA
It was moved by Director Tejeda, seconded by Director Bodnar and carried by a 5-0 vote that the Agenda for the Regular Meeting of August 11, 2015 be adopted as presented.

PUBLIC COMMENT – None

FOOTHILL MUNICIPAL WATER DISTRICT REPORT – Mr. Love reported that there was a managers meeting today and discussed updates from MWD on drought conditions.

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 Adjourned Regular Board Meeting held on July 21, 2015 and to ratify the disbursements of July 2015 which consisted of:

Payment of demands against the Crescenta Valley Water District on or before July 31, 2015 the same having been approved by the General Manager, Thomas A. Love, and heretofore paid, be ratified and approved subject to audit, in the aggregate sum of One

Million Two Hundred Seven Thousand Five Hundred Thirty Nine dollars and Eighty cents (1,207,539.80), which is composed of the individual items set forth herein.

ACTION CALENDAR

Appeal of a High Water Bill – Ms. Tasha Kusama addressed the Board regarding her high water bill and is requesting them to grant further relief for the property she rents at 3128 Altura. She started service on January 2, 2015 and received her first full billing cycle with 118,000 gallons of water that had passed through the meter. This was sent back out for a re-read and check for leak. The reading was correct and there were no indications of a leak. Ms. Kusama checked around her property and found a puddle of water around a sprinkler head and contacted her landlord and they had the leak repaired. Mr. Mitchell reported that we did a download of the water usage and it showed that a lot of water was used in that period of time and that it could be the irrigation. The District also provided a water audit for the customer. We went out again on April 6, 2015 and had another leak check done which showed no leak. On June 28, 2015 staff received a letter from the landlord saying that he had replaced the sprinkler head on April 1, 2015 and then replaced the leaking sprinkler valve on April 4th. Staff processed an adjustment for $300.00, which is the maximum allowed under District's policy. Staff recalculated the bill charging only tier 2 rates for all usage over the average consumption. Staff showed that the bill would be $756.40 instead of $1,146.72 which is a difference of $390.32. Since staff has already processed the adjustment for $300.00, the additional credit would be $90.32 and place the remaining balance on an amortization schedule.

Following discussion:

It was moved by Director Bodnar, seconded by Director Claessens and carried by a 4-1 vote (Tejeda) to recalculate the bill and grant and additional $90.92 credit and set up an amortization agreement for 2 years.

Lower Pickens Canyon Pipeline Crossing Repair, Project E-957 – Mr. Gould reported on May 30, 2015 there was a water main break on the Lower Pickens Canyon pipeline crossing. A site investigation was done on August 4, 2015 with the geologist from AMEC Foster Wheeler, personnel from Montrose Search and Rescue and DMc Engineering to determine the limits of the slope repair. After the site investigation, staff requested a proposal from DMc Engineering to provide an aerial topography of the area to be used as a base map and to provide a boundary map of the properties in the area with owners for future agreements for construction and maintenance of the pipeline. In addition, the proposal included engineering services for alternative preliminary slope repair plans for discussion at the next Engineer Committee meeting. Staff also talked with Los Angeles County Flood Control District (LACFCD) about possible permits for the slope repair. LACFCD indicated that the following permits may be necessary before construction begins from U.S. Army Corps of Engineering, California Department of Fish and Wildlife, and California Regional Water Quality Control Board. Staff has requested AMEC to look into the permits and provide a summary for staff to review with the Engineering Committee. Also obtaining the permits may require site specific biological resources information so the services of an environmental consultant may be required.

Following discussion:

It was moved by Director Claessens, seconded by Director Bodnar and carried by a 5-0 vote to authorize the General Manager to enter into an agreement with DMc Engineering for topographic survey, property mapping and preliminary design services for the Lower Pickens Canyon Pipeline Crossing at an estimated cost of $29,900.

<u>Installation of Variable Frequency Drive for Mills Booster B, Project M-955</u> – Mr. Gould reported on June 17, 2015, staff sent out a Request for Quotes to seven (7) electrical contractors for the installation of the new VFD for Mills Booster B. A pre-bid meeting was held on July 8, 2015. There was only one contractor in attendance at this meeting. A second pre-bid meeting was set for July 29, 2015, and there were three (3) contractors attending. The bid opening for the project was held on August 5, 2015. N.E.C. Electric of Gardena was the apparent low bidder; however, at the time of bidding, N.E.C. was not registered with the California State Department of Industrial Relations (DIR) to perform public works projects in accordance with SB 854 and prevailing wage compliance. California Building Evaluation & Construction (CBEC) of Buena Park, CA was the second low bidder for the project, and CBEC meets the requirements of SB 854 and prevailing wages. The engineer's estimate was $19,000 and the low bid was $35,915 which is 89% higher. The large difference was mainly due to the addition of a new electrical cabinet to house the new VFD equipment. The original estimate was based on replacing the soft start in the existing motor control center; however, the space was not sufficient to provide adequate heating to the VFD. It is staff's recommendation to award the contract to California Building Evaluation & Construction for the total bid price of $35,915. This project is found to be exempt from the CEQA pursuant to Section 15301 if the CEQA guidelines.

Following discussion:

It was moved by Director Bodnar, seconded by Director Tejeda and carried by a 5-0 vote to award a contract to California Building Evaluation & Construction for the installation of a variable frequency drive for Mills Booster B at a cost of $35,915, establish a contingency amount of $3,600 (10% of contract) to cover the cost of unforeseen or additional work and to find said project exempt from the provisions of the California Environmental Quality Act (CEQA).

<u>INFORMATION ITEMS</u> – None.

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

<u>REPORTS OF PERSONNEL</u>

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

<u>Investment Portfolio Summary – as of August 7, 2015:</u>

Cash Accounts	$219,843
Great Pacific Securities	$1,774,372
Bond Debt Service Fund Acct	$202,461
Local Agency Investment Fund	$1,248,885
Transfer from MTBE Reserve	$2,000,000
Federal Farm Credit (78)	$496,530

Federal Farm Credit (81)	$965,490
Federal Farm Credit (83)	$504,560
Federal Farm Credit (86)	$973,690
Federal Farm Credit (87)	$500,045
Federal Farm Credit (96)	$947,072
Federal Farm Credit (97)	$1,205,364

MTBE Contingency Funds

Local Agency Investment Fund	$826,489
Great Pacific Securities	$159,159
Transfer to Water Reserve	($2,000,000)
Federal Farm Credit (M-35)	$810,856
Federal Farm Credit (M-36)	$971,560
Federal Farm Credit (M-38A)	$971,110
Federal Farm Credit (M-38B)	$971,110
US Treasury (M-39A)	$989,060
US Treasury (M-39B)	$989,060
US Treasury (M-40)	$971,560

Fund Balances at June 30, 2015

Water	$11,856,103.03
Wastewater	$5,810,736.25

Mr. Mitchell also reported on the Fiscal Year 2014/15 Budget versus Actual for the fiscal year ending June 30, 2015, Standard & Poor's rating letter, ACWA Committee Appointments.

GENERAL MANAGER – Mr. Love reported that the Crescenta Valley community continues to exceed the State mandated water conservation goal of 24%. July water production was 3.31 MGD compared with 4.91 MGD in 2013 representing a 33% reduction in water use.

This month there is one anniversary; Darlene Telles has been with the District 2 years. As of August 7, the District has worked 423 days without a lost time accident. At the present time there are two employees on medical leave.

On July 8th, he attended the Chamber of Commerce Mixer; on July 16th he gave a presentation at the CVTC meeting. He had meetings with FMWD member agency managers, ULARA Watermaster, and La Canada Water Committee. The General Manager activities included Water Conservation/Revenue Monitoring and Reporting, Recycled Water Conceptual Evaluation, Organization/Staffing Planning, and Water and Sewer Rate Study RFP.

DISTRICT ENGINEER

Water Production – For the period of July 1 through July 31, 2015, water production averaged 102.7 million gallons per day, which is **26.3% less** than the daily average production of the same period in 2014. This is **31.2% less** from the daily average production of the previous five years.

Rainfall: August 2015	**0.00"**
Season-to-date:	**12.28"**

<u>Administrative and Field Operations</u> – Mr. Gould provided a memorandum and discussed the following:

<u>Rainfall Update</u> – 0.00" for August 2015. Rainfall total for 2014-15 is12.28".

<u>Report on Engineering:</u>

<u>CIP Projects</u> – Ocean View Chlorination Project – Building – Shop drawing review. Mobilization – Late October 2015. Treatment Equipment – Bid due August 26, 2015. Electrical Work – Finalizing design. Site work for CVWD crews – Scheduled for early October 2015. Oak Creek MCC – Complete and in service. Contractor working on sire improvements – completed by August 17, 2015. Pipeline Projects – Under design. 2600 Block of Harmony Place, 2700 Block of Brookhill Avenue, 3900 Block of Park Place, 2800 Block of Prospect, and 4400 Block of Glenwood. Well 16 – Pipeline and Building. Boiling & Facilities - Pre-construction meeting – August 12, 2015. Mobilization – September 8, 2015. Pipeline – 8-inch water main at La Crescenta Avenue & Sycamore Avenue. Installation of valve vault. Completion date – August 21, 2015. Administration – Quarterly report and invoice due by August 19, 2015. Pickens Canyon Slope Repair – Site investigation report to be discussed at September 11, 2015 Engineering Committee meeting.

<u>Water and Wastewater Cost of Service Study</u> – Request for Proposal sent out on July 24, 2015. Proposals due August 26, 2015. Consultant Interviews – September 2 – 9, 2015. Award of Contract – September 15, 2015.

<u>Crescent Valley County Park Stormwater Recharge Facility Study</u> – Flow Monitoring Stations; Monitoring Wells and Infiltration Tests – Complete. Preliminary Report – 40% complete. Task Force Meeting – Tentative set for October 2015.

<u>Nitrate Removal Treatment Facility at Well 2 Project</u> – Grant Application submitted by LACFCD on August 7, 2015. GLA Region - $36M total submitted. DWR to review applications – September 2015. Preliminary approval – November 2015. Construction to start – April 2016. Working with APT Water on agreement for nitrate removal treatment facility. Working on CEQA documentation Negative Declaration, sending out "Notice of Intent: by August 13, 2015. Review period – August 14 – September 14, 2015. Public Hearing – September 15, 2015.

<u>ULARA</u> – Administrative Committee Meeting October 21, 2015.

<u>La Canada Flintridge – Water Committee</u> – Joint Projects/Capitals Improvements Work Group. Met on July 29, 2015, discussed Projects Parking lot at Descanso Gardens as possible project. Updating 2004 Recycled Water Study.

<u>Water Meter Replacement Program</u> – FY 15/16 to start August 2015.

<u>Report on Administrative and Field Operations:</u>

<u>Well Status</u> – Well production capacity was averaging 2.1 MGD for July.

<u>Field Maintenance and Operations update for July 15 – July 31, 2015</u>

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

- 2237 Prospect
- 2959 Fairmount
- 3115 Los Olivos

- 3040 Community
- 2428 Carol Park Place
- 3255 Montrose

Water Main Leaks – No Report.

Valve Replacement – Two Valves – Ocean View & Vista Del Arroyo 7/8/15.

Fire Hydrant Replacement – No Report.

Sewer Maintenance – 2300 – 2500 blocks of Los Amigos, Countryside Lane, Los Olivos. 4700 – 5400 blocks of Rosemont.

PROGRAM SPECIALIST –

Monitoring Report Submitted to State for July 2015:

Production Numbers

- Total Water Production July 2015: 315 AF
- Total Water Production July 2013: 467 AF
- Percent Reduction: 33%
- Residential Gallons per Capita per Day(R-GPCD) July 2015: 69

Compliance Reporting*

- Days of outdoor Irrigation Allowed: 2
- Number of Water Waster Complaints: 112
- Number of Follow-ups: 112
- Number of Warnings: 112
- Number of Penalties: 0

*Breakdown of the specific violations is attached

Mandatory Water Reduction Goal

- Compliance Period: June 2015 – February 2016
- Compliance Goal 380 AF
- Acre Feet Saved for July 152 AF
- Acre Feet Saved to Date during compliance period 279 AF
- Percent of Goal Achieved to Date 73.4%

Turf Rebates: *

- Pending Applications: 96
- CVWD Funds Remaining: 0
- Funds Submitted to MWD 2014/15 FY: $547,390
- MWD Funds Received 2014/15FY: $398,750
- MWD outstanding: $148,640
- Square Feet Removed 273,695

Ms. Scott also gave an update on water audits, direct mailers, and parks and Caltrans. She also said that the District participated in the National Night Out on August 4, 2015 at both locations. Director Claessens and Mr. Love managed the District booth at the NNO event in the Ross parking lot, and that Mr. Love also addressed the public in attendance at the NNO event at the District's Glenwood Water Treatment plant. The District will be participating in the "WET" Group Drought-Tolerant landscape and rain barrel event at Descanso Gardens on Sunday, September 13, 2015 from 10:00 a.m. to 2:00 p.m.

INFORMATION TECHNOLOGY – Mr. Hass reported on the SCADA and Telemetry lifecycle replacement project (E-939), the Cyber and Physical Security enhancements, the payment and account services analysis, customer billing and form generation system, GIS and Asset related systems enhancements, and on the AMI studies.

ATTORNEY – Mr. Bunn reported on a Public Records Act Case regarding turf rebates. The San Diego Union Tribune submitted a request to MWD for the identity for every turf rebate. MWD knowing that name and addresses of public utility customers are exempt from public record, however MWD furnished the turf rebate information by address blocks. This did not satisfy the newspaper. MWD later said that they would provide the information, and they disclosed this to Los Angeles Department of Water & Power, who sued to block this information on its customers. This lawsuit has not been decided on yet; however the Judge did grant a temporary restraining order prohibiting MWD from disclosing the information on LADWP's customer only. MWD released the names and addresses from other water agencies including CVWD to the newspaper. The District was never notified of this. The highest rebate was given to Oakmont Country Club, and the Rose Bowl. He also reported on a Brown Act Case that Mr. Bunn personally participated in and won. The Newhall County Water District filed a lawsuit against Castaic Lake Water over water rates saying they violated Proposition 26 and they authorized that lawsuit in closed session. NCWD for their agenda used an old section number for a closed session. Castaic sued and said the use of an incorrect use of a section number violates the Brown Act because you are not complying with the Brown Act to list why you are meeting in a closed session. The Brown Act has cure provisions in it that says before you can sue, you have to make a demand to cure the violation and a public agency has to be given an opportunity to cure the violation, so Newhall said they will cure it. Newhall held an open session to talk about the lawsuit, and decided to go ahead with the lawsuit. The General Manager of Castaic Lake Water came to the meeting and pleaded with them not to sue and they did it anyway. Castaic sued and said that you must completely undue everything and drop the litigation and start over. The trial court sided with NCWD and Castaic substantially complied with the Brown Act. Castaic has said that they are going to petition the Supreme Court.

REPORTS OF COMMITTEES

Engineering Committee – Director Putnam reported that the Committee will meet on September 11, 2015 at 8:00 a.m.

Finance Committee – Director Bodnar reported that the Committee will meet on August 14, 2015 at 9:30 a.m.

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

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

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

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

DIRECTORS ORAL REPORTS

Director Erickson reported that he received the water conservation postcard. He also attended the La Canada Water Committee meeting. On July 24th he attended the Water Forum hosted by Senator Carol Liu and discussed the balance between usage versus economy..

Director Claessens – No Report

Director Tejeda reported that she attended the Water Forum and she thought it was well run. They discussed almond growing in California and how much water is used. Also the wine industry is finding ways to cut water use. She also attended the National Night Out on August 4, 2015.

Director Bodnar reported that he attended the National Night Out on August 4, 2015. He also will be attending a AWWA Seminar at Santiago College tomorrow.

Director Putnam – No Report

CLOSED SESSION - None

ADJOURNMENT

There being no other business to come before the Board at 9:18 p.m., it was moved by Director Tejeda and seconded by Director Bodnar that the meeting be adjourned to September 1, 2015 at 7:00 p.m.

APPROVED

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Kenneth R. Putnam	Ron L. Mitchell
President	Secretary-Treasurer

CRESCENTA VALLEY WATER DISTRICT

BOARD OF DIRECTORS - STAFF REPORT

Action Item No. 1
September 1, 2015

To: Honorable President and Members of the Board of Directors

From: Ron L. Mitchell – Secretary-Treasurer

Subject: **Discussion Regarding a Public Goods Charge**

ACTION ITEM:

Discussion Regarding a Public Goods Charge – Discussion regarding possible legislation to impose a Public Goods Charge on all water bills in the State of California.

BACKGROUND:

Staff has received an ACWA State Legislative Outreach Alert (copy enclosed) that indicates that when the legislature returns from recess for the final weeks of the session, there are signs that a proposed public goods charge or other tax on water bills could emerge in a policy bill or in a budget trailer bill form. Such a proposal could be billed as a "drought response" measure that would generate funding to assist disadvantaged communities that lack safe drinking water and/or have been severely impacted by the ongoing drought.

ACWA feels that while there is a clear need to fund sensible, long-term solutions and assist disadvantaged communities that do not have safe drinking water, a statewide tax on water bills paid by a subset of Californians is not an appropriate response. Additionally, by redistributing local ratepayer dollars to areas that have been unable to fund water system investments, agencies that have already made significant investments in water efficiency and local water supply needs, like the District, would be unfairly penalized. Further, a permanent statewide tax on water bills would be a major policy change that should not be imposed through a last-minute bill rushed through in the final weeks of the legislative session.

DISCUSSION:

In anticipation of proposed legislation, ACWA is recommending that its members prepare to take a formal position on the concept of a public goods charge or other statewide tax. It is expected that any such legislation has the potential to move quickly through the State Legislature. ACWA currently maintains an oppose position on the current concept.

The Public Water Agency Group (PWAG) is made-up of 17 public agency water suppliers situated in Los Angeles County, including CVWD, and through its legal counsel, Mr. Jim Ciampa, has sent a letter of opposition to Kevin de Leon, Senate President Pro Tempore and Toni Atkins, Speaker of the Assembly (copy enclosed). It now appears that the Public Goods Charge issue will not be dealt with as a budget trailer bill in the legislative year.

Mr. Ciampa has informed the group that he received a response from Senator Fran Pavely (D-Los Angeles) that she will be amending her well log bill, SB20, to strike all prior language and insert in its place new language to create a California Water Resiliency Investment Fund. Her office has indicated they have no intention of moving the bill this year but would like to start a conversation on a sustainable funding source for state and local infrastructure needs in 2016. Thus, we can look forward to fighting this battle next year.

RECOMMENDATION:

It is staff's recommendation that the Board be prepared to authorize the General Manager to prepare a letter, or pass a resolution quickly, to oppose any legislation to impose a Public Goods Charge or any other similar tax on water bills.

Prepared by:

Ron Mitchell

Ron L. Mitchell
Secretary-Treasurer

Submitted by:

Thomas Love

Thomas Love, P.E.
General Manager

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Association of California Water Agencies
Since 1910

STATE LEGISLATIVE OUTREACH ALERT

Aug. 19, 2015

Proposal for New Statewide Tax on Water Bills Could Emerge in Final Weeks of Session

Letters, Calls Will Be Needed to Oppose Last-Minute Legislation on Public Goods Charge

As the Legislature returns from recess for the final weeks of the session, there are signs that a proposed public goods charge or other tax on water bills could emerge in a policy bill or in budget trailer bill form. In anticipation, ACWA is meeting with legislative leaders and potential coalition members to oppose a possible bill or other last-minute effort to advance a public goods charge / water tax before the Legislature adjourns Sept. 11.

Though it remains to be seen exactly what will be proposed and when, ACWA anticipates the proposal could be billed as a "drought response" measure that would generate funding to assist disadvantaged communities that lack safe drinking water and / or have been severely impacted by the ongoing drought. While ACWA agrees that some disadvantaged communities need assistance to address their water supply challenges, we do not believe a public goods charge imposed on water bills is the appropriate mechanism to fund solutions.

Get Prepared Now

To prepare for a potential legislative proposal and subsequent debate, ACWA is urging its member agencies to take a formal position now opposing the concept of a public goods charge or other water tax, and begin drafting letters of opposition that can be sent to the Legislature and Gov. Jerry Brown on short notice.

ACWA is asking members to take this action proactively because there will be little time to react and mobilize once a proposal emerges. As ACWA members may recall, budget trailer bill language on mandatory water system consolidation and drinking water fees appeared in print and passed both houses of the Legislature in a matter of days before the July 1 deadline.

A public goods charge proposal could follow a similar trajectory.

Basis for Opposition

Establishing a permanent statewide tax on water bills under the heading of emergency drought relief is illogical and misleading. Water agencies have made, and continue to make, significant local investments in water management programs and infrastructure. According to a recent report by the Public Policy Institute of California, local water and wastewater agencies are spending more than $25 billion a year on local water-related programs and projects. State and federal agencies spend just a fraction of that on water in California each year. These local investments prepared local water managers to respond successfully to the current drought and have shielded the state's economy from the drought's most severe impacts over the past four years.

While there is clearly a need to fund sensible long-term solutions and assist disadvantaged communities that do not have safe drinking water, a tax on water bills paid by a subset of Californians is not the solution. Further, by redistributing local ratepayer dollars to areas that have been unable to fund water system investments, agencies that already have made significant investments in water efficiency and local water supply needs would be unfairly penalized. A public goods charge on water also would make it more difficult and costly for agencies to fund critical local projects and programs.

A public goods charge on water is contrary to local control and accountability - local water managers are best suited to identify ways to spend locally-generated revenues at their respective agencies. Layering an additional tax on water bills in order to send money to Sacramento, where a portion will be carved out to fund another layer of administration, is not efficient and is not an appropriate solution or sound policy. It will make water less affordable. More appropriate funding sources - such as the state's general fund - should be pursued to address a problem that is in the general public's interest to solve. With income tax making up a good part of the state's general fund, Californians with higher incomes would be contributing more and Californians with lower incomes would contribute less.

The issue is far too important to resolve in a last-minute bill that would be jammed through in the final weeks of the session. ACWA believes a more thoughtful, transparent process is needed to examine alternatives and find appropriate long-term solutions.

Take Action Now

If your agency has not previously adopted a formal position opposing a public goods charge on water, ACWA recommends that you take a resolution to your board of directors as soon as possible. A sample resolution is available here.

In addition, we recommend that you draft a letter expressing your opposition so it is ready to go when needed. A sample letter is available here to edit and send. Please be sure to edit and personalize the sections of the letter referencing your agency name, and send a copy of your final letter to ACWA by fax at (916) 325-4927 or email to mariem@acwa.com.

In addition, a sample fact sheet is available here for use in briefing various audiences on the issue.

Watch for additional outreach materials from ACWA and updates as events unfold.

Questions

Questions may be directed to ACWA Director of State Relations Wendy Ridderbusch at (916) 441-4545 or wendyr@acwa.com.

A New Statewide Tax on Water Bills is Not the Solution
August 2015

As the Legislature returns from recess for the final weeks of the session, there are signs that a proposed public goods charge or other tax on water bills could emerge in a policy bill or in budget trailer bill form. Such a proposal could be billed as a "drought response" measure that would generate funding to assist disadvantaged communities that lack safe drinking water and / or have been severely impacted by the ongoing drought.

While there is a clear need to fund sensible, long-term solutions and assist disadvantaged communities that do not have safe drinking water, a statewide tax on water bills paid by a subset of Californians is not an appropriate response. Here are some key reasons why a new statewide tax on water bills in not the solution.

Major Policy Changes Should Not be Imposed through Last-Minute Bills

- A permanent statewide tax on water bills would be a major policy change that should not be imposed through a last-minute bill rushed through in the final weeks of the legislative session.

- A more thoughtful, transparent process is needed to identify long-term funding solutions that can assist disadvantaged communities that do not have safe drinking water.

Water Agencies Already Make Significant Investments and Are Prepared for Drought

- Establishing a permanent statewide tax on water bills under the heading of emergency drought relief is illogical and misleading. Water agencies have made, and continue to make, significant local investments in water management programs and infrastructure.

- According to a recent report by the Public Policy Institute of California, local water and wastewater agencies are spending more than $25 billion a year on local water-related programs and projects. State and federal spending on water is just a fraction of that in California each year.

- Local investments prepared local water managers to respond successfully to the current drought and have shielded the state's economy from the drought's most severe impacts over the past four years.

A Tax on Water Bills is Contrary to Local Control and Accountability

- A tax on water bills would make it more difficult and costly for local water agencies to fund critical local water efficiency and supply projects.

- Local water managers are best suited to identify ways to spend locally-generated revenues at their respective agencies.

A Tax on Water Bills is an Inappropriate and Inefficient Method of Funding Solutions

- A tax on water bills is not the appropriate mechanism to fund water solutions or address the water quality and water supply problems faced by some disadvantaged communities

- While there is a clear need to fund sensible long-term funding solutions and assist disadvantaged communities that do not have safe drinking water, a tax on water bills paid by a subset of Californians is not the solution.

- Layering an additional tax on water bills in order to send money to Sacramento, where a portion will be carved out to fund another layer of administration, is not efficient and is not an appropriate solution or sound policy.

- More appropriate funding sources – such as the state's general fund – should be pursued to address a problem that is in the general public's interest to solve. With income tax making up a good part of the state's general fund, Californians with higher incomes would be contributing more and Californians with lower incomes would contribute less.

Lagerlof Senecal Gosney & Kruse LLP

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Established 1908

August 24, 2015

VIA FACSIMILE (916) 651-4924 & (916) 319-2178

Hon. Kevin de León
Senate President Pro Tempore
State Capitol, Room 205
Sacramento, CA 95814

Hon. Toni Atkins
Speaker of the Assembly
State Capitol, Room 219
Sacramento, CA 95814

RE: Proposed Statewide Tax on Water Bills/Public Goods Charge
POSITION: OPPOSE

Dear President Pro Tem de León and Speaker Atkins:

We are counsel to the Public Water Agencies Group (the "Group"), an association of 17 public agency water suppliers situated in Los Angeles County.[1] We are writing to express the Group's strong opposition to efforts to establish a public goods charge or other permanent statewide tax on water. The Group also strongly opposes the use of the budget trailer bill process or other last-minute attempts to circumvent the appropriate legislative policy committee process to advance policy issues without full disclosure and transparency to allow for public input on this important issue that would have a direct impact on all Californians.

Establishing a permanent statewide tax on water under the heading of emergency drought relief is misleading and disingenuous. The Group's members have made, and continue to make, significant local investments in conservation programs and infrastructure, including, but not limited to, miles of pipeline replacements, installation of smart meters, water treatment projects and well rehabilitations, that have allowed their respective agencies to respond to the current drought. Such investments made by the Group's members and other water agencies throughout California have shielded our communities and the state's economy from the drought's most severe impacts over the past four years.

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[1] The Group consists of Crescenta Valley Water District, Kinneloa Irrigation District, La Habra Heights County Water District, La Puente Valley County Water District, Newhall County Water District, Orchard Dale Water District, Palmdale Water District, Pico Water District, Quartz Hill Water District, Rowland Water District, San Gabriel County Water District, San Gabriel Valley Municipal Water District, Sativa-Los Angeles County Water District, South Montebello Irrigation District, Three Valleys Municipal Water District, Valley County Water District and Walnut Valley Water District.

The Group understands and recognizes the need to fund sensible long-term solutions and assist disadvantaged communities that do not have safe drinking water. However, a tax or other type of charge on water bills is directly contrary to the human right to water that has been enacted in California and thus is not the solution. Layering an additional tax on water bills in order to send money to Sacramento, where a portion will fund another layer of administration, is not efficient and is not an appropriate solution or sound policy. More appropriate funding sources – such as the state's general fund – should be pursued to address a problem that is in the general public's interest to solve.

Through use of a statewide tax or charge on water at this time, water retailers would pass through those levies to their end user customers, who are already facing higher water rates and charges due to the ongoing drought. This situation is exacerbated by the fact that water suppliers are facing significant reductions in local revenues due to the state's required water reductions. Imposing a further tax or charge at this time will worsen the financial situations all water retailers will face and increase the burden that water customers must pay. This is simply the wrong time for a significant new imposition to be placed on the backs of California's citizens.

Finally, there is significant uncertainty over what would occur if citizens exercise their protest rights under Proposition 218 (Article 13D, Section 6 of the California Constitution) and blocked the imposition of that new charge at the end user level. That would place public agency water retailers in the untenable position of being required to pay substantial amounts to the state under the new tax or charge, with no means to collect those taxes or charges from their end users. That is a recipe for fiscal disaster for those agencies.

For the aforementioned reasons, the Group and each of its members oppose a public goods charge or other permanent statewide tax on water bills. While the Group requests a "NO" vote on any bill that would seek to establish such a charge, it also hopes that you will ensure that the Legislature's consideration of such a significant change in existing water taxes/charges be handled through an open, transparent process, rather than through a rushed and largely closed budget trailer bill process.

Very truly yours,

James D. Ciampa

JDC/cc

cc: Public Water Agencies Group
Association of California Water Agencies

CRESCENTA VALLEY WATER DISTRICT
BOARD OF DIRECTORS - STAFF REPORT

Action Item No. 2
September 1, 2015

To: Honorable President and Members of the Board of Directors

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

Subject: **Award of Contract - Chloramination Treatment System Procurement for Williams Reservoir, Project E-733CS-3**

ACTION ITEM:

Chloramination Treatment System Procurement and Installation at Williams Reservoir, Project E-733CS-3 – Consideration and motion to authorize the General Manager to award a contract to the lowest responsible bidder, Cortech Engineering, Inc., for the procurement and installation of the Chloramination Treatment System at Williams Reservoir at a cost of $39,269.75 and establish a contingency amount of $3,930 (10% of contract) to cover the cost of unforeseen or additional work.

BACKGROUND:

In 2008, CVWD received a Proposition 50 Grant from the State of California to construct an emergency water supply interconnection with the Los Angeles Department of Water and Power (LADWP) and the Foothill Municipal Water District (FMWD). On July 7, 2015, the Board authorized the General Manager to award a contract to General Consolidated Constructors for the construction of a chlorination building at Williams Reservoir, Phase 2 of the project. While the building is being constructed, the remaining phases of the project need to proceed such that the project can continue as soon as the building is complete.

The scope of work for this phase of the project (Phase 3) includes the procurement of a sodium hypochlorite and aqueous ammonia feed systems located on skids for the chloramination of water that would exported to FMWD and the break point chlorination of water that CVWD imports from FMWD.

DISCUSSION:

On July 21, 2015, the Board authorized the General Manager to advertise for bids for the subject project. An optional pre-bid meeting was held on July 29, 2015. However, only one (1) contractor attended the meeting. At this time, staff determined that CVWD would get better results if this project was bid to suppliers rather than installation contractors. As a result, the installation of the skids was removed from the scope of work. A revised request for quote was distributed on August 11, 2015 with a revised bid date of August 26, 2015 and revised engineer's estimate of $45,000.

On August 26, 2015, at 2:00 PM, the District opened and read aloud the following bid proposals for this project:

	Bidder	Total Bid Amount
Low	Cortech Engineering, Inc.	$ 39,269.75
2	Charles P. Crowley Company	$ 44,980.10
3	Hill Brothers Chemical Company	Declined to Bid

Cortech Engineering of Yorba Linda, CA was the apparent lowest responsible bidder for the project. The engineer's estimate was $45,000 and the low bid was 12.1% lower than the engineer's estimate. The District has had experience working with Cortech in the past with largely positive feedback.

RECOMMENDATION:

It is staff's recommendation to award the contract for the subject project to the lowest responsible bidder, Cortech Engineering at a cost of $39,269.75 and establish a 10% contingency fund of $3,930.

We anticipate the treatment equipment will have a lead time of approximately thirty (30) days. This puts the delivery of the treatment skids by early October, which is well ahead of the scheduled completion of the Chloramination building.

ENVIRONMENTAL REVIEW:

N/A

FUNDING AVAILABILITY:

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

Account Description	Amount
FY 15/16 Water CIP– Water Supply – Import Water	$292,535
Proposition 50 Grant Funding	$292,535
Total Funds Available for Project	**$585,070**
Actual Construction Cost for E-733CS – 1	<$256,648>
Contract for E-733CS – 2	<$156,550>
Amount Remaining in Project	**$171,872**
Construction Cost Estimate for E-733CS – 3	<$39,270>
Additional costs such as soils engineer, inspection labor costs & contingency	<$3,930>
Total Engineer's Cost Estimate	**<$43,200>**
Amount Remaining in Water CIP – Water Supply – Import Water	**$128,672**

Prepared by:

Brook Yared. P.E.
Associate Engineer

Submitted by:

David S. Gould, P.E.
District Engineer

Attachment:

1. Project Bid Summary

g:\management\board meeting staff reports\2015\09-01-15 board memo - e-733cs-3 ocean view treatment skid - ac.docx

CRESCENTA VALLEY WATER DISTRICT

Title: Chloramination Treatment System at Williams Reservoir
E-Job No: E-733CS-3
Eng's Est: $45,000.00
PM: Brook Yared

BID LOCATION: CVWD's Main Office
TIME: 2:00 PM
DATE: 8/26/15
BY: BY CHECKED: DSG DATE: 8/28/15

				Engineer's Estimate		Cortech Engineering, Inc.		Charles P. Crowley Company	
ITEM	DESCRIPTION	QUANTITY		UNIT	AMOUNT	UNIT	AMOUNT	UNIT	AMOUNT
1	Sodium Hypochlorite Feed System	1	LS	$ 22,500.00	$ 22,500.00	$ 19,786.25	$ 19,786.25	$ 20,070.60	$ 20,070.60
2	Aqueous Ammonia Feed System	1	LS	$ 22,500.00	$ 22,500.00	$ 19,786.25	$ 19,786.25	$ 24,909.50	$ 24,909.50
				EE	$45,000.00	LOW	$39,572.50	2ND	$44,980.10
							12.06%		0.04%

CRESCENTA VALLEY WATER DISTRICT

BOARD OF DIRECTORS - STAFF REPORT

Action Item No. 3
September 1, 2015

To: Honorable President and Members of the Board of Directors

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

Subject: **Amendment to Contract for Quality Control Inspection Services for Replacement of Motor Control Center at Oak Creek Reservoir, Project E-931**

ACTION ITEM:

Replacement of Motor Control Center at Oak Creek Reservoir, Project E-931 – Consideration and motion to authorize the General Manager to amend the agreement with Cannon Corporation at a cost of $11,000 for quality control inspection services related to the replacement of the motor control center at Oak Creek Reservoir.

BACKGROUND:

California Building Evaluation & Construction, Inc. (CBEC) is nearly complete with the construction of the electrical motor control center (MCC) at CVWD's Oak Creek Reservoir. Cannon Corporation (Cannon) has been providing quality control inspection services for the project since April 2015.

The project site is located at the north end of the intersection of Cloud Avenue and Brookhill Street as was part of the FY 14/15 CIP Program. The MCC was originally constructed in 1980, and the District will be replacing the MCC unit with updated electrical equipment for the booster pump station at Oak Creek Reservoir.

DISCUSSION:

In March 2015, Staff requested that Cannon provide quality control inspection services until CVWD's inspector was back at work. Cannon was the design engineering firm for the project and had knowledge of the new MCC and appurtenances.

A contract was approved by the Board of Directors on April 7, 2015 for Cannon to provide quality control inspection services for a cost of $54,300, which included full-time inspection, daily and weekly reports, responses to request for information, verification of equipment delivery, coordination with CVWD personnel, coordination with SCE and project close-out.

As shown in the attached letter from Cannon, they are requesting an additional $11,000 to provide quality control inspection services through site clean-up and demobilization. The contractor has completed the installation of the MCC, which is currently in service. The contractor is finalizing the project close out punch list and should be completely done by September 4, 2015. The time need from Cannon will be minimal to close-out the project.

RECOMMENDATION:

The original agreement for design services with Cannon included a 10% contingency for additional costs; however, the agreement for quality control inspection services did not include the 10% contingency. Therefore, it is staff's recommendation to authorize the General Manger to enter into amendment to the agreement with a Cannon for quality control inspection services at a cost of $11,000 to complete the project.

ENVIRONMENTAL REVIEW:

N/A

FUNDING AVAILABILITY:

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

Account Description	Amount
Water CIP– Water Distribution – MCC Replacement – FY 14/15	$300,000
Water CIP– Water Distribution – MCC Replacement – FY 15/16	$185,000
Total Budget for – MCC Replacement	**$485,000**
Contractor Bid Proposal	<$309,300>
Unforeseen or additional work	<$31,000>
Quality Control Inspection Services	<$53,400>
Additional Quality Control Inspection Services	**<$11,000>**
Additional costs such as SCADA Programming, soils engineer, & design engineering services	<$69,800>
Total Project Cost	<474,500>
Amount Remaining - Revised Water CIP– Water Distribution – MCC Replacement	$10,500

Prepared by:

David S. Gould, P.E.
District Engineer

Submitted by:

Thomas Love, P.E.
General Manager

Attachments:

1. Attachment "A" – Proposal from Cannon dated July 30, 2015

\\cvfsxx\data\management\board meeting staff reports\2015\09-01-15 board memo - e-931 oak creek inspection ac amend.docx

Cannon

July 30, 2015

Mr. David S. Gould, PE
Crescenta Valley Water District
2700 Foothill Boulevard
La Crescenta, CA 91214

SUBJECT: **ADDITIONAL QUALITY CONTROL INSPECTION SERVICES FOR REPLACEMENT OF THE ELECTRICAL MCC AND RELATED FACILITIES AT OAK CREEK RESERVOIR, PROJECT E-931**

Dear Mr. Gould:

I am excited about the opportunity to continue to work with you on this project to continue to provide inspection services for the replacement of the electrical motor control center (MCC) at Oak Creek Reservoir, located in the City of La Crescenta (Project E-931). We understand the intent of the project is to replace the MCC and related facilities including concrete pad, weather protection structure, conduits and wires, and new asphalt.

Cannon is currently working on your project and can continue to work with you through its completion, which is expected on August 13, 2015. It is understood that the scope of work for this project is already defined and that the existing time and materials based contract will be extended. In addition, Cannon's assigned inspector is committed to completing this water facility project and will not be changed mid-project. Ms. Beth McDonough, our construction manager, and I will continue to oversee the observation and inspection services for this project. Mr. Miguel Campos will continue to provide full time support in the field for this project.

The current contract amount of $111,741 includes surveying, design, and construction management services. It is estimated that an additional amount of $11,000 will be needed to provide full-time inspection and construction management services through the completion of the project including site clean-up and demobilization. The original cost estimate for the field observation and project oversight was based on the construction taking approximately two full months to complete and completed in two stages; one stage in April and one stage after the fabrication of the MCC. According to the contractor's most current schedule, the work is expected to be completed on August 13, 2015. With the requested increase, the total revised contract amount will be $122,741.

Please note that the estimated total cost mentioned above is based on the current construction schedule provided by the contractor. If the contractor is able to complete the work in less time, Cannon will bill less, and if the contractor requires additional time to complete the project, Cannon will submit an additional service agreement (ASA) to the District's Project Manager for approval prior to charging more time to the project.

Please feel free to contact me at 310-382-5122 if you have any questions regarding this letter, and thank you again for the opportunity to work together on this project.

Sincerely,

Derek Romer, PE
Senior Principal Electrical Engineer

CRESCENTA VALLEY WATER DISTRICT
INVESTMENT PORTFOLIO SUMMARY
August 28, 2015

INVESTMENT TYPE	ACCT/CUSIP I.D. NO.	PURCHASE DATE	*FACE VALUE	INVESTMENT COST	% OF TOTAL	**MARKET VALUE	MATURITY DATE	DATE CALLABLE	EARNED TO DATE	YIELD TO MATURITY	
GENERAL FUNDS											
GENERAL FUND-SWEEP ACCOUNT	0631-525246		$ 257,021	$ 257,021	1.44%	$ 257,021	none	n/a	$ 4	0.02%	
GREAT PACIFIC SECURITIES	GPC-804452		$ 1,774,372	$ 1,774,372	9.94%	$ 1,774,372	none	n/a	$ 8	0.02%	
BOND DEBT SERVICE FUND	6948-331525		$ 202,461	$ 202,461	1.13%	$ 202,461	none	n/a	$ 6	0.06%	
LOCAL AGENCY INVESTMENT FUND	90-19-007		$ 1,248,885	$ 1,248,885	7.00%	$ 1,248,885	none	n/a	$ 500	0.28%	Mar 2015
TRANSFER FROM MTBE RESERVE			$ 2,000,000	$ 2,000,000	11.21%	$ 2,000,000					
FEDERAL FARM CREDIT (78)	3133EAZN1	7/17/2012	$ 500,000	$ 500,000	2.80%	$ 498,595	7/24/2020	10/24/2012	$ 781	1.84%	
FEDERAL FARM CREDIT (81)	3133EAYP7	9/11/2012	$ 1,000,000	$ 1,005,220	5.63%	$ 974,410	7/19/2022	n/a	$ 1,656	1.95%	
FEDERAL FARM CREDIT (83)	3133EAY28	10/9/2012	$ 500,000	$ 502,885	2.82%	$ 504,435	9/21/2017	n/a	$ 352	0.71%	
FEDERAL FARM CREDIT (86)	3133EC4L5	11/15/2012	$ 1,000,000	$ 1,002,300	5.62%	$ 980,310	11/23/2021	n/a	$ 1,367	1.58%	
FEDERAL FARM CREDIT (87)	3133EC4Y7	11/19/2012	$ 500,000	$ 500,000	2.80%	$ 500,020	11/27/2017	n/a	$ 395	0.93%	
FEDERAL FARM CREDIT (96)	3133EENM8	2/2/2015	$ 1,000,000	$ 1,001,790	5.61%	$ 959,028	2/6/2025	n/a	$ 1,835	2.14%	
FEDERAL FARM CREDIT (97)	3133EENM8	2/9/2015	$ 1,270,000	$ 1,245,289	6.98%	$ 1,220,580	2/6/2025	n/a	$ 2,330	2.38%	
			$ 11,252,740	**$ 11,240,224**		**$ 11,120,118**			**$ 9,235**		
CONSTRUCTION FUNDS											
COPS RESERVE FUND	108614000		$ 617,077	$ 617,077	3.46%	$ 617,367	none	n/a	$ 10	0.02%	
			$ 617,077	**$ 617,077**		**$ 617,367**			**$ 10**		
MTBE CONTINGENCY FUNDS											
LOCAL AGENCY INVESTMENT FUND	90-19-007		$ 826,489	$ 826,489	4.63%	$ 826,489	none	n/a	$ -	0.28%	Mar 2015
GREAT PACIFIC SECURITIES	GPC-003670		$ 1,165,345	$ 1,165,345	6.53%	$ 1,165,345	none	n/a	$ -	0.02%	
TRANSFER TO WATER RESERVE			$ (2,000,000)	$ (2,000,000)	-11.21%	$ (2,000,000)					
FEDERAL FARM CREDIT (M-35)	3133EDWX6	2/3/2015	$ 800,000	$ 849,960	4.76%	$ 820,064	10/7/2024	n/a	$ 2,472	2.19%	
US TREASURY (M-36)	912828J27	2/6/2015	$ 1,000,000	$ 1,011,800	5.67%	$ 982,730	2/15/2025	n/a	$ 1,699	2.00%	
FEDERAL FARM CREDIT (M-38A)	3133EEWP1	4/22/2015	$ 1,000,000	$ 996,470	5.58%	$ 983,240	4/1/2025	n/a	$ 2,013	2.41%	
FEDERAL FARM CREDIT (M-38B)	3133EEWP1	4/23/2015	$ 1,000,000	$ 999,110	5.60%	$ 983,240	4/1/2025	n/a	$ 2,013	2.38%	
US TREASURY (M-39A)	912828K58	4/27/2015	$ 1,000,000	$ 1,003,136	5.62%	$ 993,670	4/30/2020	n/a	$ 1,168	1.38%	
US TREASURY (M-39B) SOLD	912828K58	4/28/2015	$ -	$ -	0.00%	$ -	4/30/2020	n/a	$ 1,168	1.38%	
US TREASURY (M-40)	912828J27	4/27/2015	$ 1,000,000	$ 1,008,892	5.65%	$ 982,730	2/15/2025	n/a	$ 1,699	1.90%	
			$ 5,791,835	**$ 5,861,202**		**$ 5,737,509**			**$ 12,230**		
TOTAL INVESTMENTS			$ 17,661,651	$ 17,718,503		$ 17,474,993			$ 21,476		
CASH- PAYROLL ACCOUNT	0948-024724		$ 125,120	$ 125,120	0.70%	$ 125,120					
TOTAL CASH AND INVESTMENTS			**$ 17,786,772**	**$ 17,843,623**	**100%**	**$ 17,600,114**			**$ 21,476**	**1.23%**	
						$ (243,800)	***Unrealized Gain/(Loss) on Investments				

Yield on investments including LAIF but not cash accounts	1.48%
Yield on investments not including LAIF or cash accounts	1.65%

I certify that this report accurately reflects all pooled investments and is in compliance with California Government Code Sections 5922 & 53601 as amended on 1/1/97; are currently in conformity with the investment policy as stated in Resolution No. 722 adopted on December 9, 2014.
As Treasurer of the Crescenta Valley Water District, I, Ron L. Mitchell hereby certify that sufficient investment liquidity and anticipated revenues are available to meet one year of estimated expenditures for the operations of Crescenta Valley Water District.

*Value at investment maturity date.
**Portfolio positions per Great Pacific Security Corp., Bloomberg CMO Analytical Report and Actual.
***Reported in compliance with GASB Standard No. 31, effective July 1, 1997, the "fair value" adjustment necessary between cost and market value.

Balance as of July 31, 2015	
Water	$ 11,713,566.65
Wastewater	$ 5,453,739.16
Total Funds	$ 17,167,305.81

Ron L. Mitchell, Secretary-Treasurer, CVWD

August 28, 2015
Date

CRESCENTA VALLEY WATER DISTRICT
BOARD OF DIRECTORS - STAFF REPORT

September 1, 2015
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

- Aug. 1 – 26 – Water Production – 48%/ 52% split – 96.2 MG for the time period.
  Average use – 15.2% less than 2014 and 24.5% less than 5-yr average
  SWRCB Conservation – 28.8% less than June 2013 – Feb 2014 period

2. Rainfall Update

- 0.00” for August 2015
- Rainfall total for Rainfall Year 2014/15 – 12.28"

3. Report on Engineering

- **CIP Projects**
  - Ocean View Chlorination Project
    - Building
      - Mobilization – Early November 2015
    - Treatment Equipment – Award of Contract
    - Electrical Work – Finalizing design
    - Site Work for CVWD crews – Scheduled for October 2015
  - Oak Creek MCC
    - Contractor working final punch list
  - Pipeline Projects – Under Design
    - 2600 Block of Harmony Pl, 2700 Block of Brookhill, 3900 Block of Park Pl
    - 2800 Block of Prospect & 4400 Block of Glenwood
  - Well 16 – Pipeline & Building
    - Building & Facilities
      - Pre-Construction Meeting – August 28, 2015
      - Mobilization – September 21, 2015
    - Pipeline
      - Install valve vault and final paving
      - Behind schedule - Completion date – September 11, 2015
  - Pickens Canyon Slope Repair
    - Aerial Topography complete; Property Mapping – 75% complete
    - Site Investigation Report at September 11, 2015 Engineering Committee meeting
- **Water and Wastewater Cost of Service Study**
  - Proposals due September 2, 2015
  - Consultant Interviews – September 2 – 9, 2015
  - Award of Contract – September 15, 2015
- **Crescenta Valley County Park Stormwater Recharge Facility Study**
  - Preliminary Report – 45% complete
  - Task Force Meeting – Tentative set for October 2015

- **Nitrate Removal Treatment Facility at Well 2 Project**
  - Grant Application submitted by LACFCD on August 7, 2015
    - Preliminary approval – November 2015
    - Construction to start – April 2016
  - Working with APT Water on agreement for nitrate removal treatment facility
  - CEQA - Negative Declaration, sent out "Notice of Intent on August 28, 2015
    - Review period – August 28 – September 29, 2015
    - Public Hearing – October 6, 2015
- **ULARA**
    - Administrative Committee Meeting – October 21, 2015
- **La Canada Flintridge – Water Committee**
    - No Report
- **Water Meter Replacement Program**
    - Received 1,000 new ¾" meters and 100 new 1" meters
    - Started FY 15/16 water meter replacement program – Replaced 36 meters to date

4. Report on Administrative and Field Operations

- **Wells - Status**
  - Well production capacity was averaging 2.0 MGD for August.

5. Field Maintenance & Operations – Aug 1 – 28, 2015

- **Water lateral leaks & repairs**
  - 4614 Hume
  - 2860 Mayfield Ave
  - 2357 Mountain Ave
  - 4355 Rosemont
  - 2156 Crescent Ave
  - 3048 Orange
  - 5138 Pennsylvania
  - 5545 Rock Castle
  - 4712 New York
  - 2365 Teasley
  - 4526 Ramsdell
- **Water Main Leaks**
  - 3900 Park Place
- **Sewer Maintenance**
  - 4800 blocks of Janvier & Sunset
  - 2400 blocks of Mountain, Los Olivos & 2400 block of Fairmont
  - 4600 block of Marellen
  - 2500 block of Fairmont
  - 4600 – 4700 blocks of Sunset
  - 4500 block of Rosemont
  - 2300 blocks - Chapman, Orange Cove, Panorama, El Moreno, Mountain & Los Amigos
  - 4800 & 4900 blocks of El Sereno
  - 4500 - 4800 blocks of Briggs including easement areas
  - 2400 – 2500 blocks of Foothill
  - 4400 block of Sunset
  - 2400 - 2500 blocks of Mary and Community

CRESCENTA VALLEY WATER DISTRICT

WATER PRODUCTION REPORT

August 1 - August 26, 2015

Well Production:	45,156,532	Gals		
Gravity Production:	1,140,200	Gals	% GW	48%
Purchased Water:				
FMWD:	49,919,000	Gals		
City of Glendale:	0	Gals	% Import	52%
TOTAL:	96,215,732	Gals		
	295.28	ac-ft		
Glenwood Nitrate Water Reclamation Plant:*	0	*Included in Well Production		

WATER DEMAND COMPARISON

	Average Daily Usage (gals)	Current Period Change	Average Daily Usage (gals)	Percentage Change
August 1, 2015 - August 26, 2015	3,700,605			
August 1, 2014 - August 26, 2014	4,361,676	-15.2%		
5-yr Average - August 2010 - 2014	4,902,388	-24.5%		
SWRCB CONSERVATION REGULATIONS June 1, 2015 through Feb 29, 2016			3,485,703	
BASELINE CONSERVATION June 1, 2013 through Feb 28, 2014			4,898,558	-28.8%

RAINFALL: August 1 - August 26, 2015 0.00"

Season-To-Date: 12.25"

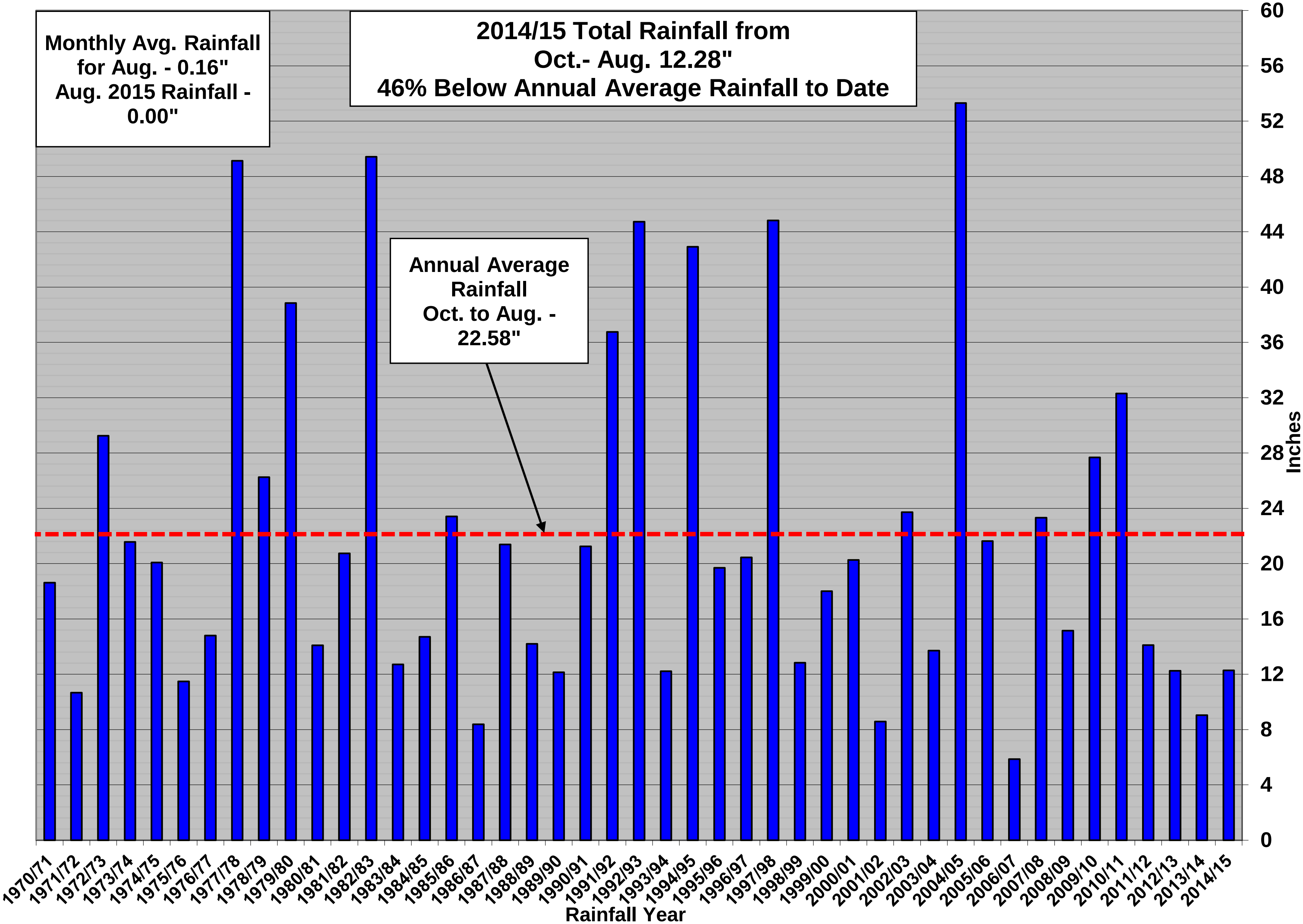
2015/16 Fiscal Year Water Production			Groundwater Production Water Rights		Purchased Water Production Tier 2 Allocation		FMWD Water Supply Allocation Plan	
Month	**Actual Total Water Production (ac-ft)**	**Projected Total Water Production (ac-ft)**	**Month**	**Well Production (ac-ft)**	**Month**	**Imported Water Production (ac-ft)**	**Month (July 15 - June 16)**	**Imported Water Production (ac-ft)**
July	**315**	**380**	**October**	**212**	**January**	**127**	**July**	**161**
August*	**354**	**360**	**November**	**191**	**February**	**119**	**August***	**184**
September		**345**	**December**	**159**	**March**	**150**	**September**	**140**
October		**315**	**January**	**175**	**April**	**138**	**October**	**110**
November		**265**	**February**	**147**	**May**	**136**	**November**	**60**
December		**265**	**March**	**189**	**June**	**154**	**December**	**60**
January		**265**	**April**	**184**	**July**	**161**	**January**	**60**
February		**265**	**May**	**152**	**August***	**184**	**February**	**60**
March		**310**	**June**	**159**	**September**		**March**	**65**
April		**335**	**July**	**154**	**October**		**April**	**80**
May		**365**	**August***	**170**	**November**		**May**	**100**
June		**375**	**September**		**December**		**June**	**110**
Total to Date	669	740	Total to Date	1,892	Total to Date	1,170	Total to Date	1,190
Projected	3,774	3,845	Water Rights	3,294	Tier 2	2,154	WSAP	2,009
% of Projected	17.4%	19.2%	% of Rights	57%	% of Allocation	54%	% of Allocation	59%
Remaining	3,176	3,105	Remaining	1,402	Remaining	984	Remaining	819

NOTE:

1) Blue Numbers - Estimate Total Water Production

***Estimate for August 2015**

Monthly Rainfall - 1970/71 - 2014/15 (Oct.- Aug.)



Revised Date: 8/28/2015

CRESCENTA VALLEY WATER DISTRICT
BOARD OF DIRECTORS - STAFF REPORT

September 1, 2015
Staff Report

To: Honorable President and Members of the Board of Directors

From: Christy J. Scott

Subject: **Water Conservation Update / Water Quality Update**

Monitoring Report Submitted to State for August 2015:

Production Numbers *

➤ Total Water Production August 2015:	358 AF
➤ Total Water Production August 2013:	486 AF
➤ Percent Reduction:	26 %
➤ Residential Gallons per Capita per Day (R-GPCD) June 2015:	103

* Data was calculated using estimated numbers for August 26^{th} – August 31^{st}

Compliance Reporting *

➤ Days of outdoor Irrigation Allowed:	2
➤ Number of Water Waste Complaints:	51
➤ Number of Follow-ups:	51
➤ Number of Warnings:	51
➤ Number of Penalties:	0

* Data as of 08/26/2015, a breakdown of the specific violations is attached

Mandatory Water Reduction Goal

➤ Compliance Period:	June 2015 – February 2016
➤ Compliance Goal	380 AF
➤ Acre Feet Saved for August	128 AF
➤ Acre Feet Saved to Date	407 AF
➤ Percent of Goal Achieved to Date	107 %

Turf Rebates: *

➤ Pending Applications:	83
➤ CVWD Funds Remaining:	$0
➤ Funds Submitted to MWD July 2014 to date:	$577,850.00
➤ MWD Funds Received July 2015 to date:	$479,250.00
➤ MWD outstanding:	$98,600.00
➤ Square footage of turf removed:	288,925

* Data as of 08/26/2015

Urban Water Management Plan (UWMP):

The 2015 UWMP will be due to the Department of Water Resources July 1, 2016. Typically, the District participates with FMWD, Valley, Rubio and Lincoln in completing a regional style UWMP. FMWD received four responses to their RFP for consultant services as follows:

1. Arcadis - $24,000 for FMWD, $16,688 for Retail Agencies. Total = $91,176
2. SA Associates $35,000 for FMWD, $17,000 for CVWD and Valley, $15,000 for Rubio and Lincoln. Total = $99,000
3. Risk Management Professionals Inc. did not separate out the pricing by agency. Total = $117,937 to $135,577 based onthe selection of optional sections to the Plan.
4. Stetson - $40,000 for FMWD, $29,000 for Retail Agencies. Total = $156,000

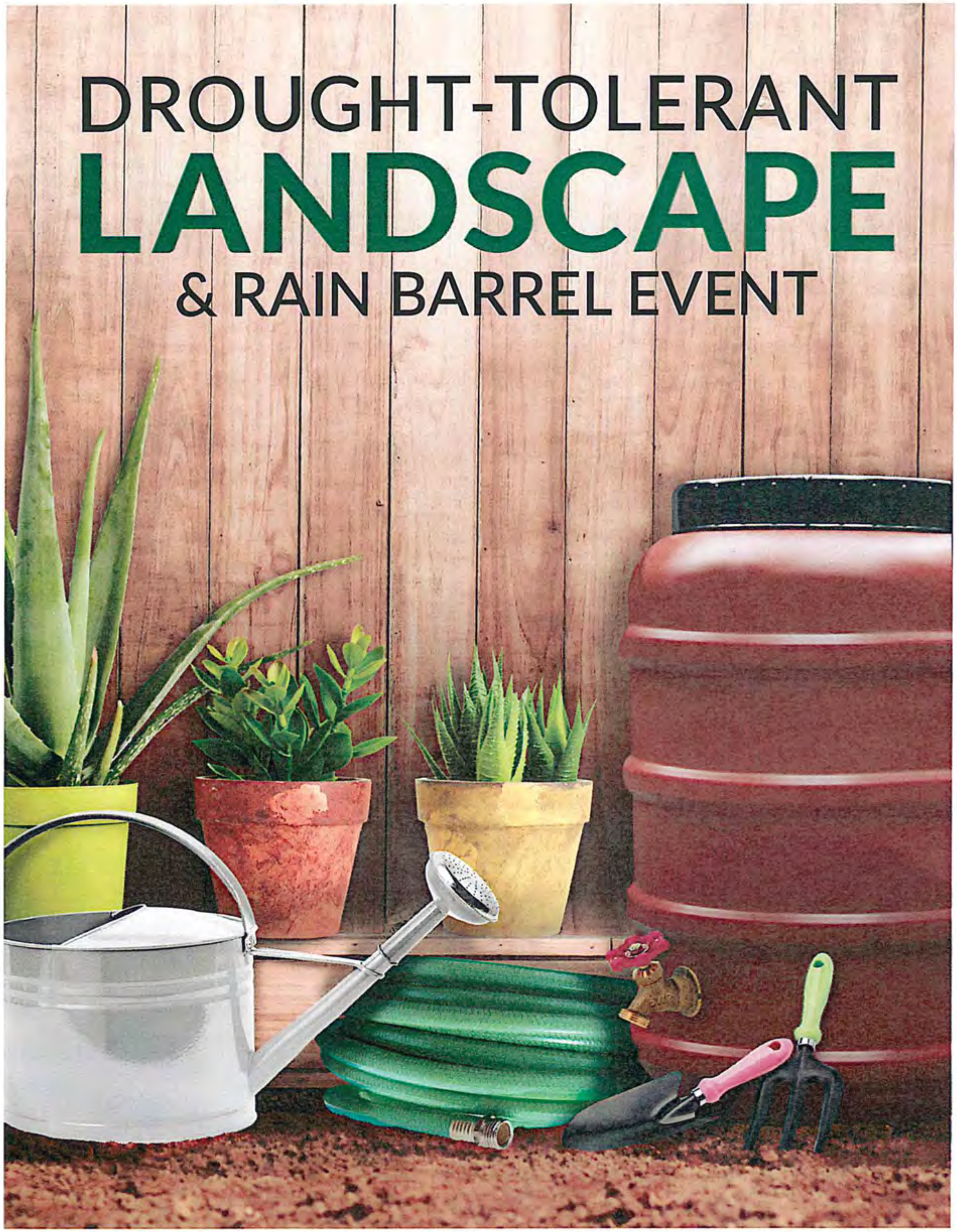
Interviews have been scheduled with the two lowest bidders. FMWD will enter into a contract with the selected consultant and CVWD will reimburse FMWD for CVWD's portion of the costs, estimated at $17,000.00. The budgeted amount for this item was $25,000.00. The District will see an approximate savings of $8,000.00 based on the pricing of the two lowest bidders.

Upcoming Events:

Sunday, September 13, 2015: Descanso Gardens, Drought Tolerant Landscape and Rain Barrel Event 10:00 a.m. – 2:30 p.m. RSVP's required

Saturday, October 24, 2015: Smart Gardening Workshop, CVWD Glenwood Operations Facility 9:30 a.m. – 11:00 a.m.

DROUGHT-TOLERANT LANDSCAPE & RAIN BARREL EVENT



SEPTEMBER 13, 2015 AT DESCANSO GARDENS

1418 Descanso Dr., La Cañada, CA 91011

10am-2:30pm | RSVPs Are Required

FREE ADMISSION — Please Bring Identification

EVENT SCHEDULE

10:00 am	California's Drought
10:45 am	Rain Barrel 101
11:45 am	Efficient Irrigation by Rain Bird
12:30 pm	Greywater Presentation
1:30 pm	Water-Wise Landscapes

Seating for classes is limited and will be on a first-come, first-serve basis.

RAIN BARRELS - $85

Preorder your rain barrel by **SEPTEMBER 10, 2015** at **RainBarrelsIntl.com** (Under the EVENTS tab select "Descanso Gardens.") Rain barrels will also be available for purchase at the event. Attendance is not required to purchase/pick up a rain barrel. Rain barrel rebates are $75 and up (4 maximum) at **SoCalWaterSmart.com.**

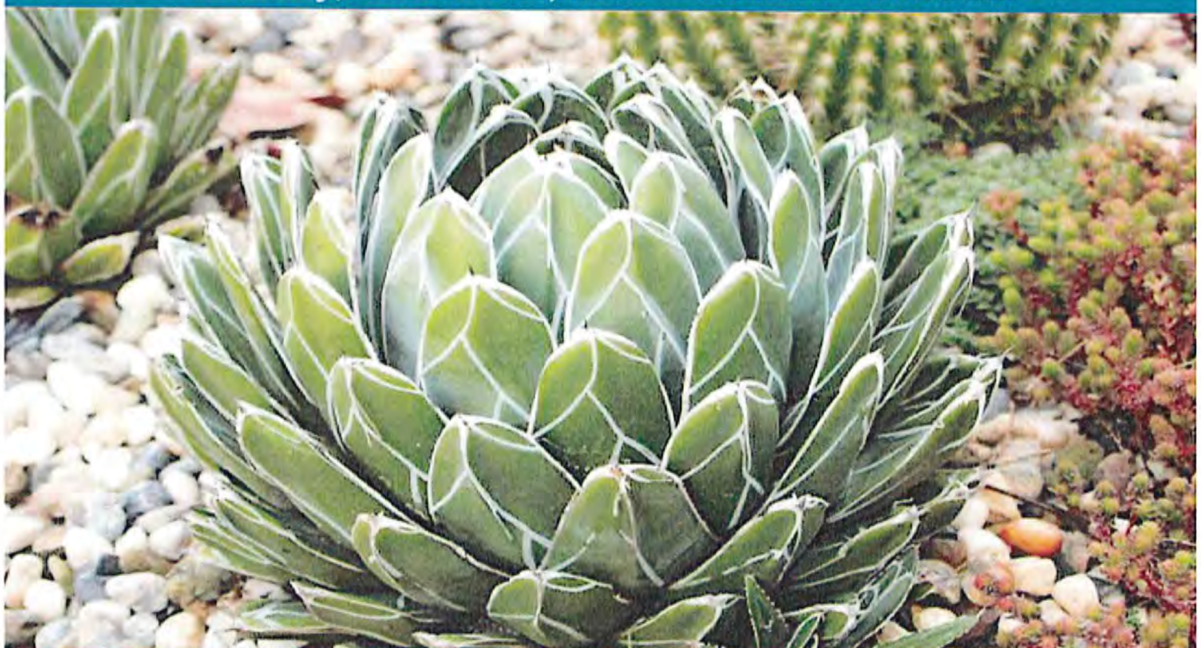
Call your local water agency to RSVP!

626.403.7311	818.548.2789	818.238.3730
626.744.7311	818.248.3925	818.790.4036

You're invited to a free

Smart Gardening Workshop

Saturday, October 24, 2015 • 9:30 am - 11:00 am



Learn backyard composting, water-wise gardening, worm composting, and grass cycling. No reservation needed.

CVWD CRESCENTA VALLEY WATER DISTRICT

Bring friends and neighbors!

Compost bins will be available for purchase at a discount after you attend workshop, cash or check.

$40
backyard
compost bin

$65
worm compost bin
(includes worms)

Crescenta Valley Water District
3730 Glenwood Ave
(enter on Sycamore Ave)
La Crescenta 91214

1(888)CLEANLA **CleanLA.com** **smartgardening.com**