# 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 September 6, 2016 at 7:00 p.m.**

**Posted: September 2, 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 the Minutes of the Regular Meeting on August 9, 2016.

**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. **Resolution No. 732** – Consideration and motion to adopt Resolution No. 732 opposing Proposition 53 pending before the state legislature.
2. **Strategic Planning** – Discussion regarding the Strategic Plan of the District.

**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 Legal Counsel – Anticipated Litigation**
  - Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9 (one case).
- **Conference with Labor Negotiators (§54957.6)**
  - District negotiators: Thomas Love and Ron Mitchell
  - Employee organization: AFSCME

**Board Members' Request for Future Agenda Items**

**Adjournment**

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# CRESCENTA VALLEY WATER DISTRICT
## REGULAR MEETING, BOARD OF DIRECTORS
**August 9, 2016**

Pursuant to the order of the Board of Directors of the Crescenta Valley Water District, made at the Regular Meeting of July 19, 2016, a Regular Meeting was held on August 9, 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**<br>**Michael L. Claessens**<br>**Kerry D. Erickson**<br>**Kenneth R. Putnam**<br>**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**<br>**Wendy Holloway, Customer Accounts Supervisor**<br>**Dennis Maxwell, Interim Superintendent** |

**PLEDGE OF ALLEGIANCE**

President Erickson opened the meeting by asking Director Bodnar 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 9, 2016 be adopted as presented.**

**PUBLIC COMMENT** – None

**FOOTHILL MUNICIPAL WATER DISTRICT REPORT** – None

**CONSENT CALENDAR**

**It was moved by Director Claessens, seconded by Director Tejeda and carried by a 5-0 vote to approve the Minutes of the Regular Board Meeting held on July 19, 2016 as amended.**

**It was moved by Director Tejeda, seconded by Director Bodnar and carried by a 5-0 vote to ratify the disbursements for July 2016 which consisted of:**

**Payment of demands against the Crescenta Valley Water District on or before July 31, 2016 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 Nine Hundred Thirty Five Thousand One Hundred Three dollars and Sixty cents (935,103.60), which is composed of the individual items set forth herein.**

## ACTION CALENDAR

**Appeal of a High Water Bill** – Mr. Mitchell reported that Mr. Thompson who owns the property at 2453 Florencita Avenue, which is a 4 unit apartment building. Mr. Mitchell reviewed the history of contact with the customer and how the leak was growing. In early June 2016, work was started to make the repairs and was completed in late June. Mr. Thompson submitted a leak adjustment letter on June 3, 2016, along with a letter to the Board asking for hardship discount. Staff confirmed on July 7, 2016 that the leak had been repaired and issued a $300.00 adjustment. Mr. Mitchell stated that in similar situations the Board would adjust down to a tier 2 rate, however, this being a multi-family unit; it is already being billed at the tier 2 rate. Mr. Thompson addressed the Board regarding this leak and requested a further adjustment to his account.

Following discussion:

**It was moved by Director Bodnar, seconded by Director Tejeda and carried by a 5-0 vote not to grant any additional relief and for staff to work with the homeowner and offer a payment plan for up to a 24 month period.**

**Operations & Maintenance Superintendent Job Description** – Mr. Love reported that the previous Superintendent, Larry Byers, retired last October 2015 and the General Manager elected to fill his role on an interim basis by rotating four Supervisors into the position. This allowed him time to evaluate both the performance of the potential replacements and to see if the role could be consolidated into other staffing changes to realize greater efficiencies in overall performance and achieve budget reductions. The General Manager has completed his evaluation and feels that is in the best interest of the District's operations to fill the Superintendent position on a permanent basis. Staff has updated the job description by downloading a templet from ACWA/JPIA website, and before Mr. Byers left along with other members of the executive management staff reviewed the document and created the draft job description. Staff feels that this updated description accurately identifies the essential functions of the job. The District Rules & Regulations state the General Manager shall prepare job descriptions for all employees and then the Board shall review, comment, and adopt the final description. It is staff's recommendation that the Board approve the job description for the Operations & Maintenance Superintendent position.

Following discussion;

**It was moved by Director Bodnar, seconded by Director Claessens and carried by a 5-0 vote to approve the updated job descriptions for the Operations & Maintenance Superintendent position with changes.**

**Strategic Planning Work Plan** – Mr. Love reported that back in 2005 the Board and staff initiated a strategic planning process resulting in a 2005-2010 Strategic Plan. In 2011 the Board and staff initiated a strategic planning process which resulted in a facilitated workshop with the Board to define the District's issues relative to preparing the FY 2011-12 budgets. Staff has prepared an outline of the strategic planning process and schedule with the goal of completing the process by December 2016. Some of the elements are Situation Analysis, Direction, Alignment, Execution, and Evaluation. During this process staff and the Board will identify several focus areas. Mr. Love discussed with the Board the preliminary strategic planning schedule which includes 3 staff workshops and 3 Board workshops. Each workshop could be from 2 – 6 hours. Staff recommends that the first two Board workshops be scheduled off-site. Dates and times will be determined.

**INFORMATION ITEMS** – Invitation to Senator Carol Liu's reception.

**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 August 5, 2016:**

| | |
|---|---|
| Cash Accounts | $552,336 |
| Great Pacific Securities | |
| Bond Debt Service Fund Acct | $160,978 |
| Local Agency Investment Fund | $2,381,273 |
| Transfer from MTBE Reserve | $2,000,000 |
| Federal Farm Credit (83) | $501,235 |
| Federal Farm Credit (87) | $500,015 |
| Federal Farm Credit (101) | $1,210,620 |
| US Treasury (103) NEW | $1,287,830 |

**MTBE Contingency Funds**

| | |
|---|---|
| Local Agency Investment Fund | $4,000,000 |
| Great Pacific Securities | $1,956,071 |
| Transfer to Water Reserve | ($2,000,000) |
| Federal Farm Credit (M-48) | $520,110 |
| Federal Farm Credit (M-49) | $1,263,612 |
| US Treasury (M-53) NEW | $1,004,970 |

**Fund Balances**

| | |
|---|---|
| Water | $11,245,739.55 |
| Wastewater | $4,764,187.73 |

**GENERAL MANAGER** – Mr. Love discussed the preliminary Budget vs. Actual report for Fiscal Year 2015/16, and reported that in FY 2016 the method of reporting grant revenue was changed from being deducted from capital improvement expenditures to non-operating revenue. There is one anniversary this month; Darlene Telles has been here for 3 years. Applications for the Superintendent position are due on August 12th and interviews will be conducted on August 16th and on the 23rd. Also, a Utility II Worker that is leaving the District and we plan to hire our temporary worker to a permanent Utility Worker I and seek another temporary worker. As of August 5th, the District has worked 787 days without a lost time accident.

## DISTRICT ENGINEER

**Water Production** – For the period of July 1 through July 31, 2016, water production averaged 123.5 million gallons per day, which is **19.7% more** than the daily average production of the same period in 2015. This is **13.9% less** from the daily average production of the previous five years.

| | |
|---|---|
| **Rainfall: August 2016** | **0.00”** |
| **Season-to-date:** | **13.34”** |

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

**Rainfall Update** – 0.00” for August 2016. Rainfall total for 2015-16 is 13.34”.

**Report on Engineering**

**CIP Projects** – Ocean View Chlorination Project – Testing – preliminary set for end of July. Pipeline Projects – 3900 Block of Park Place, 2700 Block of Harmony & 2800 Block of Prospect & 3700 Block of Glenwood – Complete. 4200 – 4300 Blocks of Pennsylvania (Mills Pump line) stated design. Pickens Canyon Slope repair – Discuss options for pipe replacement. Wall at Ordunio Reservoir –

**Nitrate Removal Treatment Facility at Well 2 Project** – Met with design team regarding design and coordination issues. 50% technical memorandum by end of August. Setting up meeting with Glendale on permit requirements.

**Crescent Valley County Park Stormwater Recharge Facility Study** – Staff reviewing draft report. Meeting with Stakeholders to discuss the project, support and possible funding contribution for next Prop 1 Grant for stormwater capture. Met with LA County, Public Works Department, Flood Control Operations and Watershed Division. Met with LA County Parks & Recreation. Meeting with Glendale Water & Power. Prop 1 Grant guidelines released by DWR – No date set for submittal of grant application.

**ULARA** – Next Administration Committee meeting – August 25, 2016.

**Water Meter Replacement Program** – The majority of the ¾” and 1” water meters installed before 2000 have been replaced. Staff is looking at replacing water meters based on pressure zone in lieu of year installed. Staff is looking into using pressure zone (or 2) for a pilot project for AMI. Water meter replacements will start in September 2016 after the evaluation is completed.

**Report on Administrative and Field Operations:**

**Well Status** – Well production capacity is down - averaging 2.0 MGD for July 2016. Well 16 was back in service on July 22, 2016. Well 12 was in service on July 17, 2016.

**Field Maintenance and Operations update for July 16 – July 31, 2016 & August 1 – August 5, 2016.**

**Water lateral leaks & repairs**

- 3207 Brookhill
- 2937 Gertrude
- 2831 Orange
- 5724 Freeman
- 2413 Carol Park Place
- 5434 Briggs

- 5434 Ramsdell
- 5028 Ramsdell
- 3232 Foothill
- 3127 Alabama
- 3029 Los Olivos
- 3055 Stevens

**Water Main Leaks** – 2400 Block of Carol Park Place – 3200 Block Montrose

**Reservoir Maintenance** – No Report

**Fire Hydrant Repair** – No Report

**Developer Job** – No Report

**Booster Pump Maintenance** – Booster 12 at Markridge, Oak Creek Booster "B" and Encinal Booster "D" to be installed within the next 3 weeks.

**Sewer Maintenance** – 2400 & 2500 Blocks of Kemper, Los Amigos, El Moreno, Countryside, and Los Olivos. 4500 – 4900 Block of Rosemont. 4600 Block of Marellen. 2300 Blocks of Chapman and Orange Cove. 4800 Block of Sunset. 4800 Block of Janvier. 2400 & 2500 Blocks of Fairmount, Cross, and Laughlin. 2400 Block of Pontiac.

**PROGRAM SPECIALIST** – Mr. Love reported that we saw an 18% decrease for the 2013 Conservation benchmark; also we had a 7% greater demand in July.

**INFORMATION TECHNOLOGY** – Director Putnam stated he saw that JPIA is offering cyber liability insurance, and suggested we check into the cost. Mr. Hass said that we subscribe to services that other District's four times the size of ours do.

**ATTORNEY** – No Report

**REPORTS OF COMMITTEES**

**Engineering Committee** – Director Bodnar reported that the Committee met on July 29, 2016 at 8:00 a.m. and discussed the status of groundwater wells and well capacity. FY 15/16 CIP – Review of Project Costs. FY 16/17 CIP – Review of Project Schedule. Draft10 years CIP Program and the Main Office Building upgrades. The next committee meeting will be on September 9, 2016 at 8:00 a.m.

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

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

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

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

**Emergency Planning Committee** – Director Claessens reported that the Committee will meet on September 9, 2016 at 10:00 a.m.

## DIRECTORS ORAL REPORTS

Director Bodnar reported that on August 2nd he attended that National Night Out and visited the CVWD/Foothill booth. On August 4th he attended the ACWA Region 8 meeting "Preparing for the Next Disaster" which was at MWD. He will be attending the Water Education Seminar on August 10th and out of the 72 classes he has picked 6. He also said that before he became a CVWD Director he consulted the ethics office at MWD and checked the laws with being an employee of MWD. Since he is the manager of the Local Resources Program he wanted to make sure there were no conflicts. He will also be giving a presentation at the Descanso Garden event on September 18, 2016.

Director Tejeda reported that she also attended the ACWA Region 8 Program and the keynote speaker was outstanding and spoke on earthquakes. There was also a panel that gave a presentation on disaster, and talked about the "Three D's" which is death, destruction, and down time. She also attended the National Night Out at both locations.

Director Putnam reported that he attended that National Night Out on August 2nd and said that it was mostly the local neighbors and that staff did a great job. He also attended a meeting regarding bond issues for capital projects.

Director Claessens – No report

Director Erickson – No Report

**CLOSED SESSION** – Mr. Bunn reported that the Board met and discussed the closed items on the agenda and the two Conferences with Legal Counsel has no reportable action. Regarding the Conference with Labor Negotiators, the Board voted unanimously to approve the MOU in the form presented to the Board subject to ratification by the Union.

## ADJOURNMENT

There being no other business to come before the Board at 9:45 p.m., it was moved by Director Tejeda and seconded by Director Bodnar that the meeting be adjourned to September 6, 2016 at 7:00 p.m.

## APPROVED

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

# CRESCENTA VALLEY WATER DISTRICT
## BOARD OF DIRECTORS - STAFF REPORT

Item No. 2
September 6, 2016

**To:** Honorable President and Members of the Board of Directors

**From:** Christy J. Scott

**Subject:** **Proposition 53, No Blank Checks Initiative**

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**ACTION ITEM:**

1. **Proposition 53** – Discussion on adopting Resolution 732 to oppose Proposition 53

**BACKGROUND:**

Proposition 53 will appear on the Nov. 8 ballot. The measure, if approved by voters, would amend the California Constitution to require statewide voter approval of infrastructure projects financed through revenue bonds over $2 billion. Many legal experts believe that the measure could impact the construction of vital state and local water projects, including water storage, recycling facilities and other projects.

ACWA's Board of Directors voted in July 2015 to oppose the measure, citing its potential to undermine local control and restrict critical infrastructure projects in the future. ACWA Executive Director Timothy Quinn is one of three signatories to the ballot argument opposing the measure. Others include representatives of the California Professional Firefighters Association and the Office of Emergency Services.

Proponents of the measure and its sponsor, Delta landowner Dean Cortopassi, say Proposition 53 is aimed at giving voters a say before state government incurs large amounts of new debt. It is widely believed, however, that the measure targets a specific state project designed to improve water conveyance in the Delta. The measure is written in such a way that it could affect local projects pursued by joint powers authorities.

ACWA is requesting that the water agencies have their Board of Directors adopt a resolution in opposition to Proposition 53 and forward it to ACWA so that the District may be added to the list of Proposition 53 opponents.

**DISCUSSION:d**

Staff has no position on this ballot measure.

Prepared & Submitted by:

CJ Scott

Christy J. Scott

**RESOLUTION NO. 732**

**RESOLUTION OF THE BOARD OF DIRECTORS OF CRESCENTA VALLEY WATER DISTRICT TO OPPOSE PROPOSITION 53**

**WHEREAS**, local water agencies throughout California are on the front lines of delivering safe, reliable water to people throughout the state; and

**WHEREAS**, the current drought has proven the importance of local supply and local infrastructure in agencies' ability to provide reliable water to customers; and

**WHEREAS**, an initiative on the November would amend the California Constitution to require statewide voter approval of infrastructure projects financed through revenue bonds over $2 billion; and

**WHEREAS**, many legal experts believe that the measure, if approved, could impact the construction of water projects on both the state and local levels, requiring them to be approved by voters statewide if they are constructed in partnership with the state; and

**WHEREAS**, the requirement of a statewide vote would empower voters in distant communities to reject projects outside their communities; and

**WHEREAS**, the measure could impede the ability of regional water agencies to build vital projects to enhance local supplies such as additional storage, desalination plants, stormwater capture, recycling facilities and other projects.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors of the Crescenta Valley Water District opposes Proposition 53.

**PASSED, APPROVED, AND ADOPTED** at a Regular Meeting of the Board of Directors of Crescenta Valley Water District held on September 6, 2016. Resolution No. 732 was adopted by the following vote:

**AYES:** **Director Bodnar**
**Director Erickson**
**Director Bodnar**
**Director Claessens**
**Director Putnam**
**Director Tejeda**

**NOES:**

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

**Secretary of the Board of Directors of**
**Crescenta Valley Water District**

(SEAL)

# Facts about Proposition 53

Proposition 53 will appear on the Nov. 8, 2016 ballot. The measure, if approved by voters, would amend the California Constitution to require statewide voter approval of infrastructure projects financed by revenue bonds over $2 billion.

Many legal experts believe that the measure could impact the construction of water projects – both state and local.

ACWA's Board of Directors voted in July 2015 to oppose the measure.

## Facts about Proposition 53:

- Requires statewide voter approval for projects that are financed, owned, operated, or managed by the state or any joint powers authority created by or including the state, if the revenue bond amount exceeds $2 billion.

- Affects local control by requiring statewide voter approval even for some local infrastructure projects.

- Prohibits the dividing of projects into multiple separate projects to avoid statewide voter approval requirement.

- Applies to revenue bonds, which are repaid by users of a project who directly benefit, not statewide taxpayers.

- Applies to a broad range of projects, including: water storage facilities, desalination plants, water treatments facilities, roads and highways, hospitals and healthcare facilities, UC and CSU facilities, ports, and bridges.

- Contains no exemption for cases where earthquakes or other natural disasters have damaged infrastructure.

## Proposition 53 – Pro and Con Arguments

Proposition 53 will appear on the Nov. 8, 2016 ballot. The measure, if approved by voters, would amend the California Constitution to require statewide voter approval of infrastructure projects financed through revenue bonds over $2 billion. The website of opponents of the measure is www.savelocalcontrol.com. The proponents' website is www.stopblankchecks.com.

Below are some of the arguments being made in the initiative discussion.

| What Supporters Say | What Opponents Say |
| --- | --- |
| • Proposition 53 shifts power from Sacramento politicians and gives more power to the electorate by requiring that all multi-billion state bonds go to a statewide vote.<br><br>• Proposition 53 gives voters a say when the state government wants to incur enormous new debt that the public will have to repay.<br><br>• Proposition 53 will help protect California's financial future by allowing the electorate to rein in the state's massive debt.<br><br>• Proposition 53 will bring transparency to state spending by showing voters the actual costs and benefits of large projects. | • Proposition 53 diminishes local control by requiring statewide voter approval for some local infrastructure projects that could be funded by a mix of local and state funds.<br><br>• Proposition 53 impacts revenue bonds, which are paid for by users of a project who directly benefit, not the general public.<br><br>• Proposition 53 threatens California's future by jeopardizing the building and improvement of aging infrastructure, including water projects voters envisioned when they passed Proposition 1.<br><br>• Proposition 53 is poorly written and, according the Legislative Analyst's Office, creates uncertainties about which projects would be affected by the measure. |

# Key Talking Points on Proposition 53

- Proposition 53, if approved by voters, would amend the California Constitution to require statewide voter approval of infrastructure projects financed through revenue bonds over $2 billion.

- Proposition 53 could undermine local control by delaying or blocking much-needed infrastructure projects pursued by local water agencies and other local jurisdictions.

- Proposition 53 proponents claim the measure is aimed at big projects proposed by the state; however, the language of the measure could affect local projects pursued by joint powers authorities.

- The measure would impact a wide range of infrastructure projects in California. Projects include: water storage facilities, desalination plants, water treatments facilities, roads and highways, hospitals and healthcare facilities, UC and CSU facilities, ports, and bridges.

- Proposition 53 would empower voters in distant communities to reject projects outside of their communities. (Customize with specific examples for your agency.)

- The measure contains no exemptions for emergencies or major disasters. That means in the event of a major disaster such as an earthquake or flood, local governments may have to wait as long as two years to get statewide voter approval to repair bridges, water recycling plants and other critical projects.

- The measure targets revenue bonds, which are typically backed by private investors. Revenue bonds are repaid by users of a project who directly benefit, not taxpayers.

- According to the Legislative Analyst's Office, the new voter requirement might discourage some jurisdictions from pursuing projects due to the additional costs and uncertainty associated with voter approval.

**CRESCENTA VALLEY WATER DISTRICT**
**INVESTMENT PORTFOLIO SUMMARY**
**September 2, 2016**

| 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 | | $ 207,344 | $ 207,344 | 1.32% | $ 207,344 | none | n/a | $ 12 | 0.02% | |
| GREAT PACIFIC SECURITIES | GPC-804452 | | $ - | $ - | 0.00% | $ - | none | n/a | $ - | 0.02% | |
| BOND DEBT SERVICE FUND | 6948-331525 | | $ 212,987 | $ 212,987 | 1.35% | $ 212,987 | none | n/a | $ 8 | 0.06% | |
| LOCAL AGENCY INVESTMENT FUND | 90-19-007 | | $ 2,381,273 | $ 2,381,273 | 15.11% | $ 2,381,273 | none | n/a | $ 1,100 | 0.55% | Jun 2016 |
| TRANSFER FROM MTBE RESERVE | | | $ 2,000,000 | $ 2,000,000 | 12.69% | $ 2,000,000 | | | | | |
| FEDERAL FARM CREDIT (83) | 3133EAY28 | 10/9/2012 | $ 500,000 | $ 502,885 | 3.19% | $ 500,905 | 9/21/2017 | n/a | $ 352 | 0.71% | |
| FEDERAL FARM CREDIT (87) | 3133EC4Y7 | 11/19/2012 | $ 500,000 | $ 500,000 | 3.17% | $ 500,005 | 11/27/2017 | n/a | $ 395 | 0.93% | |
| FEDERAL FARM CREDIT (101) | 31331VY26 | 6/14/2016 | $ 1,000,000 | $ 1,211,530 | 7.69% | $ 1,207,450 | 8/16/2021 | n/a | $ 4,671 | 1.26% | |
| FEDERAL FARM CREDIT (103) | 31331VQG4 | 8/2/2016 | $ 1,000,000 | $ 1,287,830 | 8.17% | $ 1,287,830 | 2/6/2026 | n/a | $ - | 1.88% | |
| | | | **$ 7,801,604** | **$ 8,303,849** | | **$ 8,297,794** | | | **$ 6,538** | | |
| **CONSTRUCTION FUNDS** | | | | | | | | | | | |
| COPS RESERVE FUND | 108614000 | | $ 617,247 | $ 617,247 | 3.92% | $ 617,247 | none | n/a | $ 17 | 0.02% | |
| | | | **$ 617,247** | **$ 617,247** | | **$ 617,247** | | | **$ 17** | | |
| **MTBE CONTINGENCY FUNDS** | | | | | | | | | | | |
| LOCAL AGENCY INVESTMENT FUND | 90-19-007 | | $ 4,000,000 | $ 4,000,000 | 25.38% | $ 4,000,000 | none | n/a | $ - | 0.55% | Jun 2016 |
| GREAT PACIFIC SECURITIES | GPC-003670 | | $ 38,778 | $ 38,778 | 0.25% | $ 38,778 | none | n/a | $ - | 0.02% | |
| TRANSFER TO WATER RESERVE | | | $ (2,000,000) | $ (2,000,000) | -12.69% | $ (2,000,000) | | | | | |
| FEDERAL FARM CREDIT (M-48) | 3133ED4U3 | 5/11/2016 | $ 500,000 | $ 518,915 | 3.29% | $ 518,725 | 10/11/2019 | n/a | $ 902 | 0.99% | |
| FEDERAL FARM CREDIT (M-49) | 3133EA5N4 | 5/11/2016 | $ 1,250,000 | $ 1,260,763 | 8.00% | $ 1,258,975 | 10/22/2019 | n/a | $ 1,327 | 0.99% | |
| US TREASURY (M-53) | 912828R36 | 7/20/2016 | $ 1,000,000 | $ 1,004,970 | 6.38% | $ 1,014,960 | 5/15/2026 | n/a | $ 490 | 1.57% | |
| US TREASURY (M-54) NEW | 912828S76 | 8/5/2016 | $ 1,000,000 | $ 1,002,175 | 6.36% | $ 1,002,175 | 7/31/2021 | n/a | $ - | 1.08% | |
| US TREASURY (M-55) NEW | 912828R36 | 8/25/2016 | $ 1,000,000 | $ 1,004,930 | 6.38% | $ 1,004,930 | 5/15/2026 | n/a | $ - | 1.57% | |
| | | | **$ 6,788,778** | **$ 6,830,530** | | **$ 6,838,543** | | | **$ 2,719** | | |
| **TOTAL INVESTMENTS** | | | $ 15,207,629 | $ 15,751,627 | | $ 15,753,584 | | | $ 9,274 | | |
| CASH- PAYROLL ACCOUNT | 0948-024724 | | $ 9,042 | $ 9,042 | 0.06% | $ 9,042 | | | | | |
| **TOTAL CASH AND INVESTMENTS** | | | **$ 15,216,671** | **$ 15,760,669** | **100%** | **$ 15,762,626** | | | **$ 9,274** | **0.64%** | |
| | | | | | | **$ (2,165)** ***Unrealized Gain/(Loss) on Investments | | | | | |

| | |
|---|---|
| Yield on investments including LAIF but not cash accounts | 1.10% |
| Yield on investments not including LAIF or cash accounts | 1.22% |

**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. 728 adopted on December 8, 2015.**
**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.

***Reported in compliance with GASB Standard No. 31, effective July 1, 1997, the "fair value" adjustment necessary between cost and market value.

| | **June 30, 2016** | **May 31, 2016** | **April 30, 2016** |
|---|---|---|---|
| Water | $ 11,245,739.55 | $ 11,210,049.46 | $ 11,775,047.18 |
| Wastewater | $ 4,764,187.73 | $ 4,404,631.74 | $ 4,696,963.14 |
| **Total Funds** | $ 16,009,927.28 | $ 15,614,681.20 | $ 16,472,010.32 |

September 2, 2016

**Ron L. Mitchell, Secretary-Treasurer, CVWD** **Date**

# CRESCENTA VALLEY WATER DISTRICT
## BOARD OF DIRECTORS - STAFF REPORT

GM Report
September 6, 2016

**To:** Honorable President and Members of the Board of Directors

**From:** Thomas A. Love, General Manager

**Subject:** **General Manager Report**

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**Water Sales Status**

The budgeted water production for Fiscal Year 2017 is 3,700 acre-feet, or 6% more than produced in FY 2016. Budgeted water sales revenue is $6.95 million in FY 2017. While it's early, FY 2017 projected water sales revenue to date is trending at budget. Projected water sales revenue for July, August and September is $2.10 million versus $2.07 million budgeted revenue. However purchased water expense is trending slightly higher than budget by about $60,000. Other water fund expenditures are trending at or below budget. Additional information and details will be provided with the first quarter budget variance report next month.

**General Manager Objectives**

In November 2015 the Board identified objectives for the District and General Manager. The General Manager is also taking the lead on additional projects. The following is a summary of the progress and status for each objective or project.

| **Objective** | **Due Date** | **Status** |
|---|---|---|
| Long-term strategic plan | December 31, 2016 | Leadership Staff Kick-off Workshop held August 30, 2016 |
| Complete Cost of Service Study for water and wastewater | June 30, 2016 | Completed |
| Continued cost containment and improved financial reporting | On Going | In progress. |
| Develop a ten-year CIP | June 30, 2016 | Draft ten-year CIP has been prepared by the District Engineer and presented to the Engineering Committee. |
| Develop staff succession plan | December 31, 2016 | Included organizational and workforce planning in strategic planning process. |
| **Project** | | |
| Recycled water evaluation | July 26, 2016 | Consultant retained to review draft conceptual evaluation |

| | | |
|---|---|---|
| | | prepared by GM in 2015. |
| Solar energy evaluation | August 31, 2016 | Request sent to solar vendors for evaluation of solar energy potential and cost for the District. |
| Main office building master plan | December 31, 2016 | List of architectural consultants, including local firms, prepared. Discussed with the Engineering Committee |

**Staffing**
On August 26th Dennis Maxwell was promoted to Superintendent of Operations and Maintenance. This month there are five employment anniversaries: Peter Hilke – 4 years, Lynne Sovich – 12 years, Brook Yared - 9 years, Cesar Avila – 4 years, and Bryan Jones – 21 years.

As of September 2nd, the District has worked 815 days without a lost time accident.

# CRESCENTA VALLEY WATER DISTRICT
## BOARD OF DIRECTORS - STAFF REPORT

September 6, 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**
   - August 1 – 31 – Water production – 45%/ 55% split – 124.9 MG for the time period. Average use – 13.8% more than 2015 and 10.4% less than 5-yr average
2. **Rainfall Update**
   - 0.00" for August 2016
   - Rainfall total for Rainfall Year 2015/16 – 13.34"
3. **Report on Engineering**
   - **CIP Projects**
     - Ocean View Chloramination Project
       - Testing – Preliminary set for end of October
     - Pipeline Projects
       - 4200 - 4300 Blocks of Pennsylvania (Mills Pumpline) – under design
     - Pickens Canyon Pipeline Replacement and Slope Repair
       - Discuss options for pipe replacement
     - Wall at Ordunio Reservoir
       - Construction begin on August 25, 2016
       - Completion by September 16, 2016
       - See attached pictures
   - **Nitrate Removal Treatment Facility at Well 2 Project**
     - Finalizing 50% technical memorandum
     - Setting up meeting with Glendale on permit requirements
   - **Crescenta Valley County Park Stormwater Recharge Facility Study**
     - Staff reviewing draft report
     - Meeting with ULARA Watermaster and Stakeholders to discuss the project impacts to the Verdugo Basin.
     - Prop 1 Grant – tentative date for submittal – November 2017
   - **ULARA**
     - Administrative Committee meeting held on August 25, 2016
     - Finalizing 2013-14 & 2014-15 Annual Water Reports
     - Additional information can be found on ULARA Website - http://ularawatermaster.com
   - **Water Meter Replacement Program**
     - Staff is planning to replace the remaining water meters in Pressure Zones 6 through 11 which were not replaced in the last 4 years. A total of 850 water meters will be replaced in FY 16/17.
     - Water meter replacements will start in late September 2016, after receiving the shipment of new meters.

## 4. Report on Administrative and Field Operations

- **Wells - Status**
  - Well production capacity down - averaging 2.0 MGD for July 2016.
  - Well l6 was back in service on July 22, 2016
  - Well 12 was in service on July 17, 2016

## 5. Field Maintenance & Operations –August 6 – August 31, 2016

- **Water Lateral Leaks & Repairs**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 2371 | Mayfield | 2928 | Los Olivos | 3325 | Community | 2812 | Alabama |
| 5004 | El Adobe | 5033 | Glenwood | 2938 | Frances | 3330 | Stevens |
| 2677 | Ridgepine | 4900 | Caminito Ln. | 3217 | Prospect | 5532 | Ocean View |
| 3219 | Montrose | 2647 | Foothill | 3352 | Los Olivos | 2921 | Franklin |

- **Fire Hydrant Repair**
  - No Report
- **Developer Job**
  - No Report
- **Water Main Leaks**
  - No Report
- **Booster Pump Maintenance**
  - Booster 12 at Markridge – Complete
  - Oak Creek Booster “B - Waiting on New Motor – Late October 2016
- **Reservoir Maintenance**
  - No Report
- **Sewer Maintenance**

| | | | |
|---|---|---|---|
| 2500 Blocks of Piedmont, Manhattan & Hermosa | 2400-2500 Blocks of Community | 2400 - 2600 Blocks of Foothill | 2300 - 2400 Blocks of Florencita |
| 2400 - 2600 Blocks of Mary | 2300 - 2600 Blocks of Montrose | 2500 - 2600 Blocks of Altura | 3800 - 4400 Blocks of Sunset |
| 3900 - 4400 Blocks of Rosemont | 3900 - 4000 Blocks of Orangedale | 2300 Block of Mira Vista | 2500 - 2600 Blocks of Mayfield |

# Footing for the Wall at Ordunio Reservoir

# CRESCENTA VALLEY WATER DISTRICT

## WATER PRODUCTION REPORT

**August 1 - August 31, 2016**

| | | | | |
|---|---|---|---|---|
| **Well Production:** | 41,964,532 | Gals | | |
| **GWP Production:** | 12,612,000 | Gals | | |
| **Gravity Production:** | 1,466,800 | Gals | % GW | 45% |
| **Purchased Water:** | | | | |
| FMWD: | 68,893,500 | Gals | | |
| City of Glendale: | 0 | Gals | % Import | 55% |
| **TOTAL:** | 124,936,832 | Gals | | |
| | 383.39 | ac-ft | | |
| Glenwood Nitrate Water Reclamation Plant:* | 0 | *Included in Well Production | | |

## WATER DEMAND COMPARISON

| Time Period | Average Daily Usage (gals) | Current Period Change |
|---|---|---|
| August 1, 2016 - August 31, 2016 | 4,176,968 | |
| August 1, 2015 - August 31, 2015 | 3,671,213 | 13.8% |
| 5-yr Average - August 2011 - 2015 | 4,663,965 | -10.4% |

RAINFALL: August 1 - August 31, 2016 0.00"

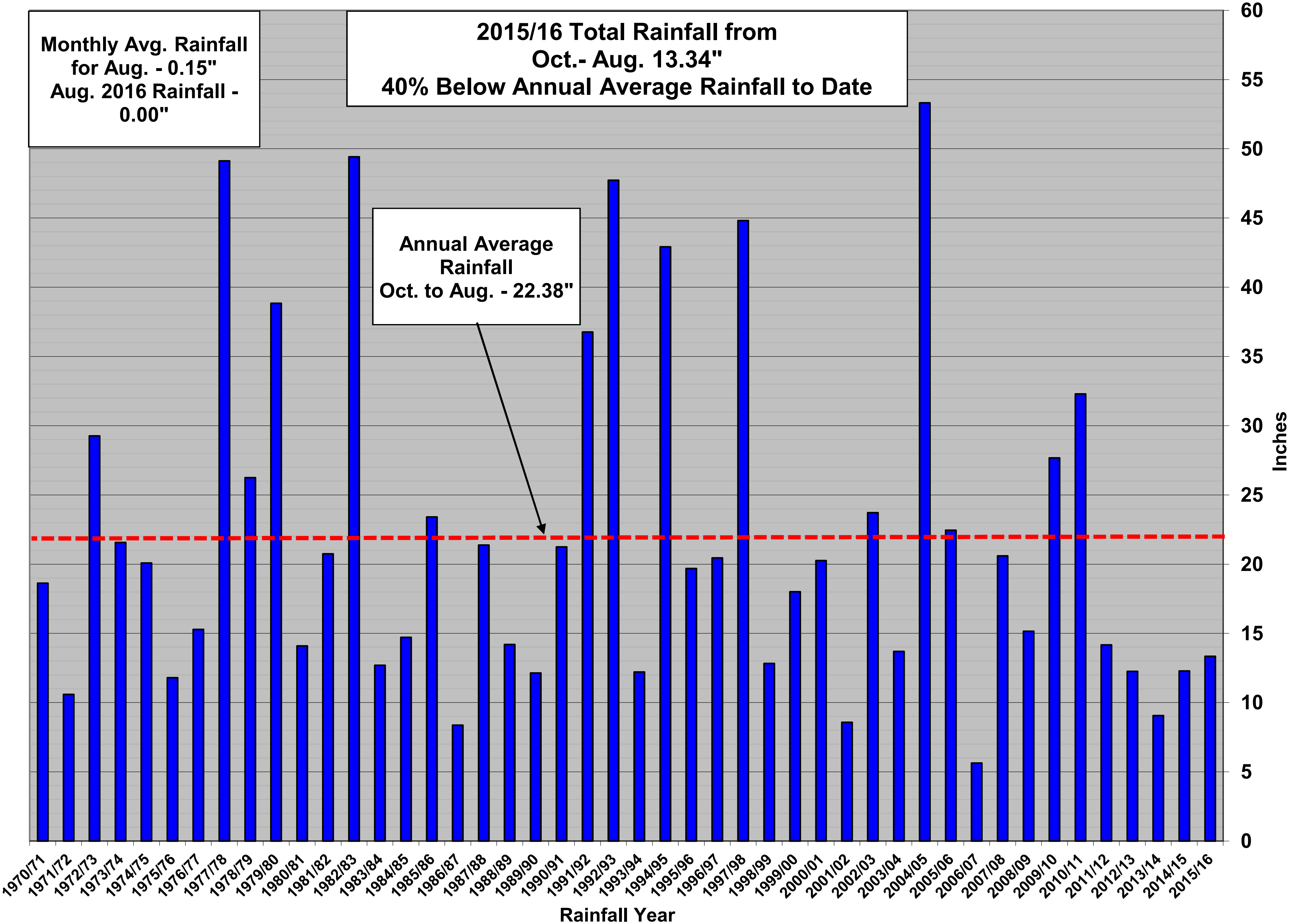
Season-To-Date: 13.34"

| 2016/17 Fiscal Year Water Production | | | Groundwater Production Water Rights | | GWP (Well 16) Water Production | | Purchased Water Production Tier 2 Allocation | |
|---|---|---|---|---|---|---|---|---|
| Month | Actual Total Water Production (ac-ft) | Projected Total Water Production (ac-ft) | Month | Month | Month | Well Production (ac-ft) | Month | Imported Water Production (ac-ft) |
| July | 379 | 315 | October | 146 | January | 0 | January | 109 |
| August | 383 | 345 | November | 149 | February | 0 | February | 100 |
| September | | 325 | December | 139 | March | 30 | March | 78 |
| October | | 315 | January | 140 | April | 50 | April | 84 |
| November | | 290 | February | 158 | May | 47 | May | 134 |
| December | | 250 | March | 142 | June | 42 | June | 153 |
| January | | 260 | April | 150 | July | 13 | July | 218 |
| February | | 285 | May | 127 | August | 39 | August | 211 |
| March | | 330 | June | 142 | September | | September | |
| April | | 325 | July | 148 | October | | October | |
| May | | 325 | August | 133 | November | | November | |
| June | | 335 | September | | December | | December | |
| Total to Date | 762 | 660 | Total to Date | 1,574 | Total to Date | 222 | Total to Date | 1,088 |
| Projected | 3,802 | 3,700 | Water Rights | 3,294 | | | Tier 2 | 2,154 |
| % of Projected | 20.6% | 17.8% | % of Rights | 48% | | | % of Allocation | 51% |
| Remaining | 2,938 | 3,040 | Remaining | 1,720 | | | Remaining | 1,066 |

**NOTE:**

**1) Blue Numbers = Estimated Water Production**

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




Revised Date: 9/2/2016

# CRESCENTA VALLEY WATER DISTRICT
## BOARD OF DIRECTORS - STAFF REPORT

September 6, 2016
Staff Report

**To:** Honorable President and Members of the Board of Directors

**From:** Christy J. Scott

**Subject:** **Water Conservation Update**

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**<u>Monitoring Report Submitted to State for August 2016</u>**:

**Production Numbers**

| | |
|---|---|
| Total Water Production August 2016: | 383 AF |
| Total Water Production August 2013: | 483 AF |
| Monthly Percent Reduction: | 21 % |
| Residential Gallons per Capita per Day (R-GPCD) August 2016: | 110 |

*** Compliance Reporting**

| | |
|---|---|
| Days of Outdoor Irrigation Allowed: | 3 |
| Number of Water Waste Complaints: | 2 |
| Number of Follow-ups: | 2 |
| Number of Warnings: | 2 |
| Number of Penalties: | 0 |

* The District is currently in Yellow Alert (3-days per week watering)

**<u>Event Calendar:</u>**

**Rain Barrel Event – Multi-Agency – Descanso Gardens – September 18th – 10:00 a.m. – 2:00 p.m.**

**Smart Gardening Class – Compost – Glenwood Nitrate Plant – September 24th – 9:30 a.m. – 11:30 a.m.**

Descanso Gardens – Mulch Giveaway – September 24th – 8:00 a.m. – 1:00 p.m.

**CVWD/GWP – CA Friendly Landscape Class – October 15th - 9:00 a.m. – 12:00 p.m.**

**Crescenta Valley Chamber of Commerce – Halloween Fun Run, October 15th Two Strike Park 7:00 a.m.**

Descanso Gardens – Japanese Garden Festival – October 15th and 16th – 9:00 a.m. – 5:00 p.m.

Theodore Payne Foundation – Fall Plant Sale – October 27th through October 29th – 8:30 a.m. – 4:30 p.m.

**<u>Senate Bill 814</u>**

Senate Bill 814 was signed by Governor Brown on August 29th 2016. The excessive water use bill is a pared down version of the original. SB 814 is valid only during times of mandated conservation, a declared statewide drought emergency. The District's current rate structure will most likely provide compliance with SB 814. Staff will have further discussion with legal counsel in regards to this matter. The earliest compliance date for SB814 would be in January of 2017.

## Senate Bill No. 814

CHAPTER 230

An act to add Chapter 3.3 (commencing with Section 365) to Division 1 of the Water Code, relating to water.

[Approved by Governor August 29, 2016. Filed with Secretary of State August 29, 2016.]

LEGISLATIVE COUNSEL'S DIGEST

SB 814, Hill. Drought: excessive water use: urban retail water suppliers.

The California Constitution declares the policy that the water resources of the state be put to beneficial use to the fullest extent of which they are capable, that the waste or unreasonable use or unreasonable method of use of water be prevented, and that the conservation of such waters is to be exercised with a view to the reasonable and beneficial use of the waters in the interest of the people and for the public welfare. Existing law requires the Department of Water Resources and the State Water Resources Control Board to take all appropriate proceedings or actions to prevent waste, unreasonable use, unreasonable method of use, or unreasonable method of diversion of water in this state. Existing law authorizes any public entity, as defined, that supplies water at retail or wholesale for the benefit of persons within the service area or area of jurisdiction of the public entity to, by ordinance or resolution, adopt and enforce a water conservation program to reduce the quantity of water used for the purpose of conserving the water supplies of the public entity. Existing law provides that a violation of a requirement of a water conservation program is a misdemeanor punishable by imprisonment in a county jail for not more than 30 days, or by a fine not exceeding $1,000, or both.

This bill would declare that during prescribed periods excessive water use by a residential customer in a single-family residence or by a customer in a multiunit housing complex, as specified, is prohibited. This bill, during prescribed periods, would require each urban retail water supplier to establish a method to identify and discourage excessive water use. This bill would authorize as a method to identify and discourage excessive water use the establishment of a rate structure that includes block tiers, water budgets, or rate surcharges over and above base rates for excessive water use by residential customers. This bill would authorize as a method to identify and discourage excessive water use the establishment of an excessive water use ordinance, rule, or tariff condition that includes a definition of or procedure to identify and address excessive water use, as prescribed, and would make a violation of this excessive water use ordinance, rule, or tariff condition an infraction or administrative civil penalty and would authorize the penalty for a violation to be based on conditions identified by the urban retail water supplier. By creating a new infraction, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

*The people of the State of California do enact as follows:*

SECTION 1. Chapter 3.3 (commencing with Section 365) is added to Division 1 of the Water Code, to read:

Chapter 3.3. Excessive Residential Water Use During Drought

365. (a) The Legislature finds and declares that this chapter furthers important state policies of encouraging water conservation and protecting water resources in the interest of the people and for the public welfare.

(b) For the purposes of this chapter, "urban retail water supplier" has the same meaning as provided in Section 10608.12.

366. (a) During periods described in subdivision (a) of Section 367, excessive water use is prohibited by a residential customer in a single-family residence or by a customer in a multiunit housing complex in which each unit is individually metered or submetered by the urban retail water supplier.

(b) Each urban retail water supplier shall establish a method to identify and discourage excessive water use, through one of the following options:

(1) Establishing a rate structure, subject to applicable constitutional and statutory limitations, that includes block tiers, water budgets, or rate surcharges over and above base rates for excessive water use by a residential water customer.

(2) (A) Establishing an excessive water use ordinance, rule, or tariff condition, or amending an existing ordinance, rule, or tariff condition, that includes a definition of or a procedure to identify and address excessive water use by metered single-family residential customers and customers in multiunit housing complexes in which each unit is individually metered or submetered and may include a process to issue written warnings to a customer and perform a site audit of customer water usage prior to deeming the customer in violation.

(B) For the purposes of subparagraph (A), excessive water use shall be measured in terms of either gallons or hundreds of cubic feet of water used during the urban retail water supplier's regular billing cycle. In establishing the definition of excessive use, the urban retail water supplier may consider factors that include, but are not limited to, all of the following:

(i) Average daily use.

(ii) Full-time occupancy of households.

(iii) Amount of landscaped land on a property.

(iv) Rate of evapotranspiration.
(v) Seasonal weather changes.
(C) (i) A violation of an excessive use ordinance, rule, or tariff condition established pursuant to subparagraph (A) shall result in an infraction or administrative civil penalty. The penalty for a violation may be based on conditions identified by the urban retail water supplier and may include, but is not limited to, a fine of up to five hundred dollars ($500) for each hundred cubic feet of water, or 748 gallons, used above the excessive water use threshold established by the urban retail water supplier in a billing cycle.
(ii) Any fine imposed pursuant to this subparagraph shall be added to the customer's water bill and is due and payable with that water bill.
(iii) Each urban retail water supplier shall have a process for nonpayment of the fine, which shall be consistent with due process and reasonably similar to the water supplier's existing process for nonpayment of a water bill.
(D) (i) Consistent with due process, an urban retail water supplier shall establish a process and conditions for the appeal of a fine imposed pursuant to subparagraph (C) whereby the customer may contest the imposition of the fine for excessive water use.
(ii) As part of the appeal process, the customer shall be provided with an opportunity to provide evidence that there was no excessive water use or of a bona fide reason for the excessive water use, including evidence of a water leak, a medical reason, or any other reasonable justification for the water use, as determined by the urban retail water supplier.
(iii) As part of the appeal process, the urban retail water supplier shall provide documentation demonstrating the excessive water usage.
(c) (1) The provisions of subdivision (b) do not apply to an urban retail water supplier that is not fully metered in accordance with Section 527. An urban retail water supplier shall comply with the provisions of subdivision (b) when all of the water supplier's residential water service connections are being billed based on metered water usage.
(2) An urban retail water supplier that is not fully metered shall prohibit water use practices by an ordinance, resolution, rule, or tariff condition that imposes penalties for prohibited uses of water supplied by the water supplier. The urban retail water supplier may include a process to issue written warnings prior to imposing penalties as well as increased penalty amounts for successive violations.
367. (a) This chapter applies only as follows:
(1) During a period for which the Governor has issued a proclamation of a state of emergency under the California Emergency Services Act (Chapter 7 (commencing with Section 8550) of Division 1 of Title 2 of the Government Code) based on statewide drought conditions to an urban retail water supplier that has moved to a stage of action in response to a local water supply shortage condition under the water supplier's contingency plan pursuant to paragraph (1) of subdivision (a) of Section 10632 that requires mandatory water use reductions.
(2) To an urban retail water supplier during a period in which the water supplier has moved to a stage of action in response to a local water supply

shortage condition under the water supplier's contingency plan pursuant to paragraph (1) of subdivision (a) of Section 10632 that requires mandatory water use reductions.

(3) To an urban retail water supplier affected during a period for which the Governor has issued a proclamation of a state of emergency under the California Emergency Services Act (Chapter 7 (commencing with Section 8550) of Division 1 of Title 2 of the Government Code) based on local drought conditions.

(b) The provisions of this chapter are in addition to, and do not supersede or limit, any other measures or remedies implemented by an urban retail water supplier.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

O