

CRESCENTA VALLEY WATER DISTRICT

**2700 Foothill Boulevard
La Crescenta, California**

**Agenda for the
Adjourned Regular Meeting of the Board of Directors
of the Crescenta Valley Water District
to be held on November 19, 2014 at 7:00 p.m.
Posted: November 14, 2014 at 3:00 p.m.**

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

Call to Order and Determination of Quorum

Pledge of Allegiance

Adoption of Agenda

Public Comments

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

Foothill Municipal Water District Report

1. Report on activities at Foothill Municipal Water District.

Consent Calendar

1. Consideration and approval of Minutes of the Regular Meeting November 4, 2014.
2. Consideration and approval of Minutes of the Special Meeting November 5, 2014.
3. Ratification of Disbursements for October 2014.

Recognition of Director Ross for 11 Years of Service to the District

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. **Amendment to Rate Structure for Large Lots** – Discussion and possible motion in regards to implementing a policy pertaining to large lots and amending the tier rate structure.
2. **Well Operation and Water Purchase/Sale Agreement and Land Lease Agreement for the Rockhaven Well Project, Project E-940** – Consideration and motion to authorize the General Manager to enter into a Well Operation and Water Purchase/Sale Agreement and a Land Lease Agreement with the City of Glendale for the Rockhaven Well Project.
3. **Professional Service Agreement for ULARA Legal Services** - Consideration and motion to authorize the General Manager to enter into a professional services agreement with Downey Brand Attorneys, LLP and ULARA Watermaster for administration of ULARA Legal Services.
4. **ULARA Cost Sharing Agreement - 2015 - 2018** – Consideration and motion to authorize the General Manager to enter into an Cost Sharing Agreement with the Cities of Glendale, Burbank and San Fernando, and the Los Angeles Department of Water and Power regarding the allocation of costs for the ULARA Watermaster and Legal Services.

5. **Replacement of Motor Control Center at Oak Creek Reservoir, Project E-931** – Consideration and motion to authorize the General Manager to award a contract to the lowest responsible bidder, California Building Evaluation & Construction, Inc. for the replacement of the motor control center at Oak Creek Reservoir at a cost of \$309,300 and establish a contingency amount of \$31,000 (10% of contract) to cover the cost of unforeseen or additional work.
6. **Request for Qualifications and Professional Service Agreements for Annual Consulting Services Contracts, Project M-951** – Consideration and motion to authorize the General Manager to request qualifications from professional consulting firms and to enter into professional service agreements with a maximum of three (3) consulting firms with a total cost not-to-exceed \$90,000 to provide engineering services for as-needed services to assist the Engineering Department.
7. **Regulatory and Public Affairs Manager** - Consideration and motion to authorize the adjustment to the salary scale for the Regulatory and Public Affairs Manager.

Information Items

Written Communications to District

Staff Reports

Secretary-Treasurer

1. Cash and Investments –November 19, 2014.

General Manager

1. Administrative Report.

District Engineer

1. Water Production Report –November 1 – 16, 2014.
2. Report on Administrative and Field Operations.

Program Specialist

1. Report on 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. Report of Engineering Committee meeting held on November 14, 2014.

Finance Committee

1. Report of Finance Committee meeting held on November 14, 2014.

Employee Relations Committee

1. Report of Employee Relations Committee meeting held on November 14, 2014.

Policy Committee

1. Report of Policy Committee meeting held on November 18, 2014.

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.
- **Public Employee Appointment (§54957)**
 - Title: General Manager

Board Members' Request for Future Agenda Items

Adjournment

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CRESCENTA VALLEY WATER DISTRICT REGULAR MEETING, BOARD OF DIRECTORS

November 4, 2014

Pursuant to the order of the Board of Directors of the Crescenta Valley Water District, made at the Adjourned Regular Meeting of October 21, 2014, a Regular Meeting was held on November 4, 2014, at 7:00 p.m. at the District office at 2700 Foothill Blvd., La Crescenta, California, with President James D. Bodnar presiding.

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

Directors:

**James D. Bodnar
Kerry D. Erickson
Kenneth R. Putnam
Kathleen M. Ross
Judy L. Tejada**

Attorney:

Thomas S. Bunn

General Manager:

Dennis A. Erdman

Secretary-Treasurer:

Ron L. Mitchell

District Engineer:

David S. Gould

Others Present:

**Mark Hass, IT Manager
Wendy Holloway, Customer Accounts Supervisor
Christy Scott, Program Specialist
Larry Byers, Superintendent
Bryan Jones, Construction Supervisor**

PLEDGE OF ALLEGIANCE

President Bodnar opened the meeting by asking Director Ross to lead the Board and staff in reciting the Pledge of Allegiance.

ADOPTION OF AGENDA

It was moved by Director Putnam, seconded by Director Ross and carried by a 5-0 vote that the Agenda for the Regular Meeting of November 4, 2014 be adopted as presented.

PUBLIC COMMENT – Robyn Battles, President of the Crescenta Valley Town Council, gave the Board an update on the Crescenta Commons project and said that there will be a dedication ceremony on Saturday, November 8th at 9:00 a.m. She said that Supervisor Michael Antonovich will be there and invited all the Board members to attend.

FOOTHILL MUNICIPAL WATER DISTRICT REPORT – No Report

CONSENT CALENDAR

It was moved by Director Ross, seconded by Director Putnam and carried by a 5-0 vote to approve the Minutes of the Adjourned Regular Board Meeting held on October 21, 2014.

It was moved by Director Erickson, seconded by Director Putnam and carried by a 5-0 vote to authorize Director Tejeda to attend the ACWA/JPIA and ACWA Energy Committee meetings to be held on December 1-2, 2014 in San Diego, CA.

ACTION CALENDAR

Appeal of a High Water Bill – Staff provided the Board with a memorandum outlining details of a request from Mr. Bungwoo Min who owns the property at 2001 Manistee Dr. for additional relief from a high water bill due to a leak on his property near the meter. Ms. Diana Hong, Mr. Min's daughter, spoke on his behalf and claims that our crews moved a K rail several times near the meter box to do the lateral replacement and she felt that the work is what caused an elbow to crack. Ms. Holloway spoke to Mr. Jones who said that the K rails were moved away from the meter box and that nothing was leaking when they left the job site. Mr. Min brought in the section of pipe that was removed and showed the Board. The Board was informed that the leak occurred approximately 3 months after this work and they told Mr. Min that they did not think that the work was the cause of the crack in the elbow. Staff provided information about a possible adjustment to help offset the large bill by recalculating the bill by charging any additional usage over the average for that period at tier 3 rates. This would result in a credit of \$287.52. Mr. Mitchell informed the Board that Mr. Erdman had already approved a credit of \$100.00 toward the bill.

Following discussion:

It was moved by Director Erickson, seconded by Director Tejeda and carried by a 5-0 vote to authorize staff to recalculate the bill at tier 3 rates for usage over the normal consumption for the period and allow the customer to pay on an amortization schedule if they desire.

Request to Place a Storage Container on District Property – Mr. Paul Rabinov was present to represent the Arroyos & Foothills Conservancy who owns the property known as the Rosemont Preserve. Mr. Rabinov was requesting that the Board allow them to place a storage container on District property at the Eagle Canyon Reservoir site that is adjacent to the Preserve and has a fence that would allow security for the container. He said that only tools and written materials would be stored in the shed. Staff said that they are reluctant to provide access to the reservoir site for security and safety reasons. The Board asked Mr. Rabinov about the potential to put the container on their own property and build a fence around the container. Mr. Rabinov said that he would explore that option and would come back to the Board with more information.

Claim for Damages – Southern California Edison – Mr. Mitchell provided the Board with a memorandum that said that on April 30, 2014 District crews were assigned to replace an old fire hydrant on the south/west corner of Foothill Blvd. and La Canada Crest Dr. that was in bad shape as part of a preventive maintenance program. In the course of excavation, a two inch traffic signal conduit belonging to the City of La Canada, which was maintained by Southern California Edison, was damaged. This conduit was properly marked and District crews followed standard DigAlert policies by hand digging to expose the conduit. However, while removing a boulder from the excavation, the boulder rolled against the conduit resulting in damage to a four foot section of the pipe. The City of La Canada was immediately notified and Southern California Edison crews were dispatched to the scene to make repairs. Mr. Mitchell said that on September 25, 2014 the District received Claim Against a Governmental Agency with an estimated amount of \$6,000.00. On September 30, 2014, an amended claim for actual costs of \$2,926.12 was received which itemized the costs for repairs.

Following discussion:

It was moved by Director Ross, seconded by Director Tejeda, and carried by a 5-0 vote allow the claim for damages by Southern California Edison in the amount of \$2,926.12 and present to ACWA/JPIA to handle or allow staff to pay this amount directly.

Budget Request to Increase Funding for the District's Turf Rebate Program – Ms. Scott provided the Board a memorandum that outlined the history of the Turf Rebate program and said that 284 rebates have been completed since the inception of the program in 2003. Ms. Scott said that in May of 2014, Metropolitan Water District of Southern California (MWD) announced that it would double its turf rebate amount from \$1.00 per square foot to \$2.00 per square foot with no cap on the rebate amount. This fiscal year through October, the District processed 54 rebates which are more than the entire last fiscal year. In four months there have been 69,735 square feet of turf removed. The District has rebated \$140,400.00 of funds from MWD and exhausted the District's budgeted amount of 35,000.00. Currently there are 85 applications pending. This means that the applicants have had pre-inspection pictures taken and design assistance or completion. Given last year's project completion rate of 75% the District would need an additional \$50,000.00 in funds to cover just the applications that are pending. The District has secured through Foothill Municipal Water District (FMWD) \$875,000.00 in funding which should cover all present and future applications for the remainder of this fiscal year. Ms. Scott provided the Board with three options for funding the program: 1.) Stop funding the District's portion of the rebates immediately since the budget is exhausted; 2.) Fund the applications in progress and inform any potential applicants that only the FMWD portion is available; 3.) Add a fixed amount to the Turf Rebate Budget which will cover the existing applicants and some amount of new applicants. Mr. Bunn informed the Board that there are some conflict of interest questions and that two Directors have pending rebates and could be directly affected by the decision of the Board. He outlined where those Directors should recuse themselves from the discussion and voting and where they could still be involved in the decision process.

It was moved by Director Putnam to follow Option 3 and add funds for existing applicants and some new customers. This motion died for lack of a second.

It was moved by Director Bodnar to follow Option 3 and add funds for existing applications and add \$2,000 for new customers. This motion died for lack of a second.

It was moved by Director Bodnar, seconded by Director Putnam and carried by a 3-1-1 vote (Director Erickson voted no and Director Tejeda abstained) to cover all existing applications for Turf Rebates and authorize an additional \$75,000 in rebates for future applications for Turf Rebates.

Installation of Two Groundwater Monitoring Wells at Crescenta Valley County Park, Project M-903A – Mr. Gould provided the Board a memorandum that said that the District will be drilling two groundwater monitoring wells in conjunction with the Local Groundwater Assistance Grant received from the Department of Water Resources to assist in locating future infiltration galleries for storm water recharge. Mr. Gould said that a mandatory pre-bid meeting was held on October 8th with three contractors in attendance. On October 29th the bids were opened and the apparent low bidder was Yellow Jacket Drilling Services of Upland, CA at a cost of \$69,910. Staff has contacted their references and has received favorable responses to the quality of their work with minimal change orders. Mr. Gould asked for the Board to award the

contract to Yellow Jacket Drilling Services in the amount of \$69,910 and establish a contingency of \$7,000 for unforeseen or additional work related to this project.

Following discussion:

It was moved by Director Ross, seconded by Director Tejeda, and carried by a 5-0 vote to authorize the General Manager to award a contract to Yellow Jacket Drilling Services for the installation of two groundwater monitoring wells at Crescenta Valley Park at a cost of \$69,910 and establish a contingency amount of \$7,000 for unforeseen or additional work.

Design of CVWD's Well 16 and Related Facilities, Project ER-940 – Mr. Gould provided the Board a memorandum that outlined the project and said that the completion of Well 16 is part of the Proposition 84 Drought Relief Grant that the District was awarded in conjunction with the City of Glendale. Mr. Gould said that staff met with the Engineering Committee on October 3rd and it was determined that staff will need a consulting engineering firm to prepare construction documents for the installation of the new pump facility and described the elements that the consultant will design. Mr. Gould said that Requests for Proposal were sent to seven professional consulting firms and that a pre-proposal meeting was held on October 7th with six of those firms in attendance. Staff received the proposals on October 29th with Cannon Corporation as the lowest cost at \$93,850. Staff reviewed each proposal and rated them based on understanding the project, scope of work, consultant fee, project experience, project team qualifications, and project schedule. Mr. Gould said that staff has worked with Cannon Corporation previously on the design of the replacement of the Oak Creek Motor Control Center and is familiar with the project team. In addition, one member of the team previously worked for the City of Glendale on this project.

Following discussion:

It was moved by Director Ross, seconded by Director Bodnar, and carried by a 5-0 vote to authorize the General Manager to enter into an agreement with Cannon Corporation to provide professional engineering services for the design of the District's Well 16 and related facilities for a cost not-to-exceed \$93,850 and establish a 10% contingency fund for unforeseen additional work.

Discussion of Board Vacancy – The Board reviewed a list of questions provided by Directors Bodnar and Ross for the interview of four prospective candidates for the pending vacancy on the Board of Directors. The Board discussed and refined the questions and determined which question each Director would ask at the interviews scheduled for November 5, 2014.

INFORMATION ITEMS – LADWP News: Mayor Garcetti announces increased LADWP rebate for residential turf removal to highest level in Southern California - \$3.75 a square foot from the prior \$3.00 a square foot.

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 November 4, 2014:

Cash Accounts	(\$288,904)
Great Pacific Securities	\$39,772
Bond Debt Service Fund Acct	\$295,379
Local Agency Investment Fund	\$1,745,325
Federal Farm Credit (78)	\$491,545
Federal Farm Credit (81)	\$971,150
Federal Farm Credit (83)	\$496,540
Federal Farm Credit (86)	\$958,680
Federal Farm Credit (87)	\$496,810
US Treasury (92)	\$947,190
US Treasury (93)	\$947,190
Federal Farm Credit (94)	\$945,680
Federal Farm Credit (95)	\$580,152

MTBE Contingency Funds

Local Agency Investment Fund	\$2,694,779
Great Pacific Securities	\$5,249,314
Federal Farm Credit (M-30) NEW	\$1,012,280
Federal Farm Credit (M-31) NEW	\$1,006,980

Fund Balances at May 31, 2014

Water	\$14,427,225.93
Wastewater	\$4,568,803.25

Mr. Mitchell then reviewed the first quarter budget versus actual report for water and wastewater operations in detail and said that he is pleased with where the numbers are at so far.

GENERAL MANAGER – Mr. Erdman reported on the Budget versus Actual report for the first quarter of this fiscal year. He also reported on the turf rebate program and that it has been extremely successful and the annual budget for this item is already at its budgeted limit. Ms. Scott will present options for the Board to consider. Employee's anniversaries this month are Ron Mitchell, 21 years, and Alex Sandoval, 15 years. Mr. Erdman also informed the Board that the District has gone 147 days without a loss-time injury, that the father of an employee passed away unexpectedly, and that another employee had a medical procedure and will be out for approximately six weeks.

DISTRICT ENGINEER

Water Production – For the period of October 1 through October 31, 2014, water production averaged 125.9 million gallons per day, which is **9.3% less** than the daily average production of the same period in 2013. This is **1.8% less** from the daily average production of the previous five years.

Rainfall: October 2014	0.00"
Season-to-date:	0.00"

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

Rainfall Update – 0.00” for October 2014. Rainfall total for 2014-15 is 0.00”.

Report on Engineering

CIP Projects – Well Rehabilitation, E-934 – Well 11 to start on November 12, 2014. Ocean View Chlorination Project – Piping project – Under construction, 85% complete. Oak Creek MCC – Award of Contract – November 2014. Eagle Canyon – Booster B – new pump December 15, 2014. Pipeline Replacement – 8 inch water main on the 2900 Block of Paraiso Way and Santa Carlotta and 4800 Block of Glenwood Avenue – Community meeting on November 12, 2014. Ordunio Wall – Working on permit from Glendale. Sewer Relining Project – Waiting on shop drawings; start date mid December 2014.

Crescent Valley County Park - Local Groundwater Assistance Grant – Flow monitoring in Verdugo Wash – Completed, Working on Calibration. Monitoring Wells – Award of contract; Drilling to start in January 2015.

Glendale – Rockhaven Well – Waiting on DWR for further information. RFP – Award of contract. GWP reviewing Agreement and Land Lease.

Ocean View Overflow/Drain Line – AC replacement in right turn pocket. Design & Permit complete. Bidding documents to be sent out by November 7, 2014. Construction to start mid December 2014. Waiting on request for additional information for hydrology & hydraulics.

FMWD Issues – No Report.

ULARA – Cost Sharing Agreement and MOU. Watermaster – PSA to be presented at November 19, 2014 Board Meeting.

Water Meter Replacement Program – Start FY 14/15 Water Meter Replacement Program – Replaced 229 meters to date. Staff reviewing alternatives to accelerate meter replacement with Engineering Committee.

Report on Administrative and Field Operations:

Well Status – Well production capacity has remained steady at an average of 2.4 MGD.

Booster Pumps – No Report.

Water Quality – No Report.

Reservoirs/Booster Stations – No Report.

Field Maintenance and Operations update for October 20 - 31, 2014

Water lateral leaks & repairs

- 2822 Alabama
- 2432 and 2433 Harmony
- 3110 Stevens
- 2902 Hawkridge
- 3332 Encinal

Water Main Leaks – 2900 Block of Oakendale – 12-inch main. 2400 Block of Carol Park Place – 4-inch main.

Fire Hydrant Replacement – No Report.

Sewer Maintenance – 2200 & 2300 Block Maurice. 2300 Block of Manzanita. 5800 Block Irving and Edmund. 2200 Block Phyllis and 5800 Block of Freeman. 2300 Block Jayma Lane. 5500 Block of Goss Canyon and 5400 Block of Vista Del Arroyo. 5500-5600 Blocks of Canyonside. 5500 Block Freeman and Terrace. 2300 Block of Utley, Pickens Canyon, and Janet Lee. 5300 Block Briggs.

PROGRAM SPECIALIST – Ms. Scott reported that the WET group has been emailing back and forth and that Pasadena and Burbank have decided to go to one day per week watering with Glendale remaining at 3 days for now. Ms. Scott said that MWD may be going into allocation in January or early February and that if it does, the District will go into Orange Alert status which calls for two days per week watering restrictions.

INFORMATION TECHNOLOGY – No Report

ATTORNEY – Mr. Bunn reported that Duane Miller is handling a case for Orange County Water District against BP Arco and Shell Oil Company over contaminants in the groundwater filed in 2004. The oil companies argued that they had previously reached a settlement with the Orange County District Attorney to settle previous claims and they have already paid for the clean-up of the groundwater basin. The courts agreed with the oil companies and said that the Orange County Water District knew about the previous claim and that they had the chance to participate previously.

REPORTS OF COMMITTEES

Engineering Committee – Director Erickson reported that the Committee will meet on November 14, 2014 at 8:00 a.m.

Finance Committee – Director Bodnar reported that the Committee will meet on November 7, 2014, at 9:30 a.m.

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

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

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

Emergency Planning Committee – Director Bodnar reported that the Committee met on October 24, 2014 at 10:30 a.m. and discussed internal planning and to develop a plan to distribute water in an emergency situation and had a tour of the reservoir site for the possible storage shed at Eagle Canyon. Staff will work on a plan on how to proceed with this project.

DIRECTORS ORAL REPORTS

Director Ross - No Report

Director Erickson reported he attended the La Canada Blue Ribbon committee meeting today and that Mr. Gould gave a presentation on our storm water project and Ms. Scott discussed the rebate programs in general with the turf rebate specifically so the other agencies can see what we're doing. Three sub-committees were formed to gather more information on public relations/communications, ordinances, and projects such as storm water projects. Next, he said that he worked on the Crescenta Commons project and also worked at the CVTC pancake

breakfast on Saturday. FMWD has reported that they have seen a 12% reduction from last year on water demand. He concluded by saying that he received a letter about a class action lawsuit regarding the failure of the high efficiency clothes washing machines are not saving the amount of water that they claimed would be realized.

Director Bodnar reported that he attended the CVTC Pancake breakfast on November 1, 2014. He also attended the WEF webinar on EBOLA on November 4, 2014. He received an email from FMWD regarding 12% reduction in water sales from 2013 and 25% since 2006.

Director Tejeda – No Report

Director Putnam – No Report

CLOSED SESSION – No Reportable Action

ADJOURNMENT

There being no other business to come before the Board at 10:07 p.m., it was moved by Director Ross and seconded by Director Erickson that the meeting be adjourned to December 9, 2014 at 7:00 p.m.

APPROVED

James D. Bodnar
President

Ron L. Mitchell
Secretary-Treasurer

CRESCENTA VALLEY WATER DISTRICT

SPECIAL MEETING, BOARD OF DIRECTORS

November 5, 2014

Pursuant to the order of the Board of Directors, a Special Meeting was held on November 5, 2014, at 6:30 p.m. at the District office at 2700 Foothill Blvd., La Crescenta, California, with President James D. Bodnar presiding.

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

Directors:	James D. Bodnar Kerry D. Erickson Kenneth R. Putnam Kathleen M. Ross Judy L. Tejeda
Attorney:	Thomas S. Bunn III
General Manager:	Dennis A. Erdman
Secretary-Treasurer:	Ron L. Mitchell
District Engineer:	Absent
Others Present:	None

PLEDGE OF ALLEGIANCE

President Bodnar opened the meeting by asking Director Erickson to lead the Board and staff in reciting the Pledge of Allegiance.

ADOPTION OF AGENDA

It was moved by Director Ross, seconded by Director Tejeda and carried by a 5-0 vote that the Agenda for the Special Meeting of November 5, 2014, be adopted as presented.

ACTION CALENDAR

Board Interviews – The Board interviewed four candidates to fill the vacancy on the Board of Directors. The candidates were Philip Downs, Michael Claessens, Stephen Pierce, and Frank Colcord. Each of the candidates were asked the same questions and given a chance to ask questions of the Board.

Appointment of New Member of the Board of Directors – President Bodnar opened the discussion by asking each member of the Board who their preferred choice was and then took a vote to see if there was a consensus. The Board further discussed each candidate's answers and what they felt were the strengths and weaknesses of each.

After a lengthy discussion:

It was moved by Director Bodnar, seconded by Director Tejeda and carried by a 4-1 (Putnam) vote to appoint Mr. Michael Claessens to the Board of Directors effective upon the resignation of Kathleen Ross.

ADJOURNMENT

There being no other business to come before the Board, at 9:10 p.m. it was moved by Director Ross, seconded by Director Bodnar, and carried by a 5-0 vote that the meeting be adjourned.

APPROVED:

James D. Bodnar
President

Ron L. Mitchell
Secretary-Treasurer

CASH DISBURSEMENTS LIST

OCTOBER 2014



<u>Check#</u>	<u>Check</u> <u>Date</u>	<u>Payable To</u>	<u>Purpose</u>	<u>Water</u> <u>Amount</u>	<u>Wastewater</u> <u>Amount</u>
Fund: 01 Water					
0	10/27	Southern California Edison Co.	Power purchased 10/2014	37,855.68	454.72
30659	10/2	Cesar Avila	Special license comp and reimbursement for test	367.94	7.65
30660	10/2	Morgen Durose	Reimbursement for jeans	188.07	62.69
30661	10/2	Jaysen Ortega	Reimbursement for Tri-State seminar	75.98	25.32
30662	10/7	ABC Auto Electric	Replace brake light on unit #27	153.75	51.25
30663	10/7	Ameripride Uniform Services, Inc	Uniform rentals 09/2014	454.08	151.36
30664	10/7	Anawalt Lumber & Materials Co.	Misc hardware 09/2014	47.82	15.94
30665	10/7	Arrowhead Mountain Spring Water	Distilled water	39.08	
30666	10/7	Associated Soils Engineering	E-921 - Observing and testing water main installation	780.00	
30667	10/7	AT&T Mobility	Cell phone service	1,857.18	619.05
30668	10/7	AVAYA Financial Services	Land line lease	380.68	126.90
30669	10/7	Cesar Avila	Special License Comp	200.00	
30670	10/7	AW Direct, Inc	Marker lights for unit #2	23.63	7.88
30671	10/7	BC Laboratories, Inc	Water Analysis	1,333.20	
30672	10/7	BC Laboratories, Inc	Water analysis	3,453.75	
30673	10/7	Brady Sheet Metal, Inc.	2-stainless steel screens for M903-A	553.72	
30674	10/7	California Water Environment	Membership renewal for Christy Scott		286.00
30675	10/7	Capital One Commercial	Misc supplies	461.53	461.51
30676	10/7	Cargill, Inc - Salt Division	24.68 tons bulk salt	3,081.72	
30677	10/7	CDW Government, Inc	Microsoft surface Pro ext warranty ADH	4,552.95	115.00
30678	10/7	Charles Z. Fedak & Company	Services for September 2014	1,340.00	1,340.00
30679	10/7	Charter Communications	Fiber Optic, Internet & Cable Office, Glenwood, & Mills 09/2014	3,950.76	1,316.91
30680	10/7	Choice Pest Control	Monthly billing Glenwood	263.00	113.00
30681	10/7	City of Glendale Water & Power	Power purchased 09/2014	34,774.22	99.07
30682	10/7	Coastline Equipment Co.	Unit #15 mirror	109.49	36.50

Check#	Check Date	Payable To	Purpose	Water	Wastewater
				Amount	Amount
Fund: 01 Water					
30683	10/7	Colonial Life & Accidents Ins.	Employee paid insurance	183.61	
30684	10/7	Community Directory Co	Renewal for Community directory	165.00	55.00
30685	10/7	Corporate Telecomm	Land line lease	231.79	77.24
30686	10/7	Dell Marketing L.P.	Maintenance agreement	415.34	138.44
30687	10/7	Dunn-Edwards Corporation	White paint for boosters	76.06	
30688	10/7	Eurofins Eaton Analytical Inc.	Water analysis	610.00	
30689	10/7	Eurofins Eaton Analytical Inc.	Water analysis	533.00	
30690	10/7	First Choice	Coffeee plant	111.27	111.26
30691	10/7	Foothill Car Wash, Lube & Oil	Oil change for Unit #10 and Unit #44	83.71	27.90
30692	10/7	Foothill Municipal Water	Interconnect standby charges May-Aug 2014	200.00	
30693	10/7	Heather Gasaway	Refund Check	8.18	
30694	10/7	Anoosh Gharadaghian	Turf rebate	2,500.00	
30695	10/7	Grainger	Motors, pressure gauges, connectors, and seals	1,271.40	193.75
30696	10/7	Graybar Electric Co., Inc.	Electrical safety equipment	263.87	77.46
30697	10/7	Great America Leasing Corp.	Kyocera copier lease	434.91	434.91
30698	10/7	Kirk Habib	Claim for plumber	60.00	
30699	10/7	Hamilton Tool & Engineering	Bucket brackets for backhoe	122.62	40.88
30700	10/7	Joseph A. Huerta	Mileage reimbursement July - Sept 2014	35.82	9.32
30701	10/7	Sharon Jenkins	Refund Check	20.61	
30702	10/7	Just Tires, Inc.	Unit #10 - 4 new tires	508.56	169.52
30703	10/7	Hratch & Despina Kayichian	Refund Check		64.50
30704	10/7	L.A. County Dept. Public Works	Excavation permit	4,560.00	
30705	10/7	L.A. County Dept. Public Works	Excavation permit	4,725.00	
30706	10/7	LA Dept Water and Power	Power purchased	45.54	
30707	10/7	Lance Allen Company, Inc	Copies for Kyocera 3050 and 4550	1,006.27	1,006.27
30708	10/7	Terry Lee	Refund Check	10.25	
30709	10/7	Lightning Oil Co. & Vacuum Svc	Hazardous waste disposal	157.50	52.50
30710	10/7	Judy Lineberger	Turf rebate	5,000.00	
30711	10/7	Lock-Up Inc.	Gate Repairs	543.00	181.00
30712	10/7	Mathis Group	Retainer for General Manager recruitment	5,625.00	1,875.00
30713	10/7	Mimecast North America, Inc.	E-mail security	150.00	50.00
30714	10/7	Talin Mirzaians	Turf rebate	900.00	

Check#	Check Date	Payable To	Purpose	Water Amount	Wastewater Amount
Fund: 01 Water					
30715	10/7	Dr. Akhtar Mustansar	Turf rebate	5,300.00	
30716	10/7	National Notary Association	Errors & Omissions Insurance	24.75	8.25
30717	10/7	Northern Safety Co., Inc	Safety vests	27.62	9.21
30718	10/7	Office Depot - Credit Plan	Misc supplies	280.03	280.03
30719	10/7	Orchard Supply Hardware	Misc hardware	614.02	152.49
30720	10/7	Paper Cuts, Inc	Paper shredding	26.88	26.87
30721	10/7	Paveco Construction Inc	List 2014-15-04 - various paving locations	47,271.78	
30722	10/7	Powers Electric Products, Co.	Parts for well sounder	165.21	
30723	10/7	Priority Mailing Systems, LLC	Annual Maintenance on mailing equipment	1,475.18	491.73
30724	10/7	Pump Check	E-934 testing well #8	655.00	
30725	10/7	Quinn Power Systems	Unit #18 major repairs to replace 6 injectors	7,844.32	2,614.77
30726	10/7	Ramco	Crushed misc base	2,281.24	
30727	10/7	Rush Truck Center of Cal Inc,	Unit #18 - cost to analyze problems	1,120.20	
30728	10/7	Sawyer Petroleum	600 gal.clear diesel fuel/Glenwood	1,717.10	572.36
30729	10/7	Jeff Schroeder	Refund Check	48.31	
30730	10/7	Seton Identification Products	Protection sign	67.09	22.36
30731	10/7	So Cal Tractor Sales, Inc	Replacement parts for Unit #21 (Kamatsu)	261.35	87.12
30732	10/7	St Water Resource Control Brd.	Water systems fee 7/1/2013 to 6/30/14 Sys#1910028	13,369.85	
30733	10/7	Still Mor Automotive Inc.	Oil change Unit #2; Replace master cylinder on Unit #1; Replace brake rotors, steering pressure hoses, and fuel filters on Unit #27; Replace thermostat on Unit #12	2,046.49	682.17
30734	10/7	Sully-Miller Contracting Co.	Base material	1,014.48	
30735	10/7	The Gas Company	Gas purchased Mills	40.34	13.44
30736	10/7	The Hitch Depot	Repairs to Unit #21's trailer	526.82	175.60
30737	10/7	Toro's Lawnmower & Garden	General maintenance on Echo hedgetrimmer	92.46	145.87
30738	10/7	Tri-Xecutex Corp	Security alarm monitoring Oct Nov Dec 2014	753.00	251.00
30739	10/7	Underground Service Alert/SC	Underground notification for 09/2014	132.75	44.25
30740	10/7	Univar USA Inc	Bleach at Glenwood & Mills	3,868.87	
30741	10/7	Vision Service Plan Co-(CA)	Group vision for 10/2014	264.55	176.36
30743	10/7	Western Water Works	8" std.repair clamp; 12" butterfly valve; 12 fire hydrants; rubber gasket material	17,674.25	91.12
30744	10/13	Larry Byers	Health Reimbursement	38.40	25.60

Check#	Check Date	Payable To	Purpose	Water	Wastewater
				Amount	Amount
Fund: 01 Water					
30745	10/13	CalPers	CalPERS Pension - September 2014	23,505.71	15,670.48
30746	10/13	Dennis A. Erdman	Health Reimbursement	29.80	19.86
30747	10/21	ACWA/Joint Powers Ins. Authori	Workers comp from 7/1/14 to 9/30/14	17,461.80	11,641.20
30748	10/21	ACWA/JPIA	Health insurance for 11/2014	32,177.05	21,451.37
30749	10/21	Aflac	Employee paid insurance	1,363.73	
30750	10/21	Airgas USA, LLC	Monthly cylinder rental	173.13	173.12
30751	10/21	Allstar Fire Equipment Inc	12 - Adapters 2"fip x 2-1/2"nst for fire extinguishers	467.83	
30752	10/21	American Water Works, Inc	Misc. nozzles and parts for mini-vac.	173.46	57.82
30753	10/21	ARC	Monthly MSP billing	1,977.19	289.37
30754	10/21	AT&T	PRI Usage 09/2014	2,151.44	738.62
30755	10/21	AT&T Mobility	Cell phone service	1,759.00	597.24
30756	10/21	BC Laboratories, Inc	Water analysis	1,687.50	
30757	10/21	BC Laboratories, Inc	Water analysis	3,416.75	
30758	10/21	Nancy Black	Refund Check	902.13	
30759	10/21	Bonnors Equipment Rentals	Misc rentals 09/2014	379.33	114.56
30760	10/21	John F. Brugger	Welding services for Nitrate Plant	950.00	
30762	10/21	Cash-Petty Cash	Reimbursement for petty cash	246.44	142.98
30763	10/21	Mee Chung	Refund Check	119.03	
30764	10/21	City of Glendale	ULARA water system fees	3,432.05	
30765	10/21	City of LA Bureau Sanitation	Sewerage facilities charge		3,223.44
30766	10/21	Coastline Equipment Co.	Tracks for unit #21	1,388.84	462.95
30767	10/21	Crescenta Valley Tow Service	Tow unit #12 from Canyonside to Stil Mor	60.00	20.00
30768	10/21	Dataprose LLC	Printing and postage controls 1-4	1,412.46	1,412.46
30769	10/21	Dispensing Technology Corp.	Blue fire hydrant markers	324.23	324.12
30770	10/21	Do-it Center	Misc hardware 09/2014	184.04	44.62
30771	10/21	Downey Brand Attorneys LLP	ULARA legal expense	2,058.00	
30772	10/21	Eurofins Eaton Analytical Inc.	Water analysis	198.00	
30773	10/21	Foothill Municipal Water	Water delivery	250,621.67	
30774	10/21	Foothill Municipal Water	Descanso Garden event	333.92	
30775	10/21	Fred M. Boerner Motor Co.	Unit #31 - Brake Job		479.84
30776	10/21	Galpin Ford Inc.	New valve truck - Unit #46	38,153.79	
30777	10/21	Grainger	20-pressure gauges	1,034.94	20.60

<u>Check#</u>	<u>Check Date</u>	<u>Payable To</u>	<u>Purpose</u>	<u>Water</u>	<u>Wastewater</u>
				<u>Amount</u>	<u>Amount</u>
Fund: 01 Water					
30778	10/21	Graybar Electric Co., Inc.	6 - Smart UPS's and remote cards	3,102.87	
30779	10/21	Harper & Associates Eng, Inc	Edmund I roof, Project E-936	460.00	
30780	10/21	Harrington Ind Plastics LLC	CL Testers	302.96	
30781	10/21	HD Supply Waterworks Ltd	10"-12"flange bolt kits; bushings; nipples; reducers; plugs; ball valves with handles; elbows; couplings	2,865.13	
30782	10/21	Jim Jonides	Treatment of 3 oaks trees at office	798.75	266.25
30783	10/21	Joseph G. Pollard Co., Inc	Project E-733-CS - gate valve extension	130.63	
30784	10/21	Dorothy Kates	Refund Check	30.96	
30785	10/21	KR Nida Companies	Unit #21 - install lights & Unit #13 - remove radio	400.37	133.45
30786	10/21	Lagerlof, Senecal, Gosney & Kr	Legal services for 09/2014	8,822.25	1,250.00
30787	10/21	Larry's Towing Service	Tow unit #13	165.00	55.00
30788	10/21	Lillestrand Leadership Cons. Inc	Consulting services with Dennis and Christy	752.40	752.40
30789	10/21	Matt-Chlor Inc	Pipeline chlorination services - Project E-733-CS	995.00	
30790	10/21	Mimecast North America, Inc.	Email security	150.00	50.00
30791	10/21	New Image Landscape & Design	Monthly maintenance	1,002.50	177.50
30792	10/21	Parcel Quest Corp.	ParcelQuest 1 yr subscription and cut list for details.	1,875.00	625.00
30793	10/21	Steven Park	Turf rebate	2,250.00	
30794	10/21	PMC Engineering LLC	Level transducers for Glenwood forebay, Williams Reservoir, Encinal Reservoir and the lift station	1,019.75	1,291.52
30795	10/21	Pump Check	10" mag meter for Nitrate Plant	3,737.28	
30796	10/21	Robertson's	Concrete at Verdugo & Montrose - Project M-944	588.60	
30797	10/21	Sawyer Petroleum	55 gal. well dripper oil	951.20	
30798	10/21	Scotty's & Sons, Inc	Repair grinder	1,546.25	650.25
30799	10/21	Sems Technologies Corp.	SEMS- Fleet Management, intergration/setup/training SO -	2,075.00	2,075.00
30800	10/21	Shell	Gas purchased 09/2014	1,948.74	649.58
30801	10/21	Springbrook National User Group	Membership renewal	75.00	25.00
30802	10/21	St Water Resource Control Brd.	T-4 renewal for Kellen Boyce	105.00	
30803	10/21	St Water Resource Control Brd.	Grade 3 Certification renewal - Cory Whitman	90.00	
30804	10/21	Star Brite Bldg. Maintenance Inc	Janitorial service 10/2014	618.75	206.25
30805	10/21	Still Mor Automotive Inc.	Unit #36 - Brakes & Oil Change	592.58	197.53
30806	10/21	Sully-Miller Contracting Co.	Cold mix	1,093.82	
30807	10/21	Talley Corp.	M-903A - Pole mount and brackets for solar power units	328.35	

<u>Check#</u>	<u>Check Date</u>	<u>Payable To</u>	<u>Purpose</u>	<u>Water Amount</u>	<u>Wastewater Amount</u>
Fund: 01 Water					
30808	10/21	Trench Shoring Company	Trench plate rental	140.00	
30809	10/21	United Traffic Service & Supply	M-943 - arrow board rental for OV and Foothill	354.25	
30810	10/21	Univar USA Inc	1540 gal. bleach	2,616.91	
30811	10/21	USA Blue Book	Adjustable hydrant wrench		109.09
30812	10/21	Vulcan Materials Company	131.32 tons base	2,893.37	
30813	10/21	Water Wise Consulting, Inc	Water audit at 2617 El Caminito	175.00	
30814	10/21	Wells Fargo Card Services	Erdman- Lunches with Loren Lillestrand & Julian Lee	34.57	20.40
30815	10/21	Wells Fargo Card Services	Gould - Office supplies; hotel for 5 employees at the Tri-State Seminar	795.85	240.13
30816	10/21	Wells Fargo Card Services	Hass - Montly recurring charges; computer hardware & software; cell phone chargers	510.02	169.99
30817	10/21	Wells Fargo Card Services	Mitchell - CUEMA Conf. hotel, car rental , gas; Cal OSHA safety information; lunch & refreshments for 2-day ACWA/JPIA OSHA training class	2,028.05	324.47
30818	10/21	Wells Fargo Card Services	Scott - Cell phone charger; board treats	47.29	15.76
30819	10/21	Western Water Works	Flange bolts; adapters; flanges; wire' pvc tape; flex couplings; spools; weld elbows & gaskets	3,971.55	
30820	10/23	Cory Whitman	Reimbursement for jeans	91.02	30.34
30821	10/28	Diana Beygjianian	Refund Check	53.18	
30822	10/28	County Clerk of Los Angeles	Environmental Filing for E-947 water main replacement	75.00	
30823	10/30	City of LA Canada Flintridge	Excavation permit for M-943	175.00	
30824	10/30	Hara Com, Inc.	M-933 Ordunio Reservoir Wall	1,818.70	
Subtotals				\$ 678,656.04	\$ 81,925.86
Grand Total				\$ 760,581.90	

PAYROLL REPORT

October-14

Directors	\$	1,440
Office Regular Payroll	\$	126,355
Office OT	\$	623
Vacation Cash Out	\$	6,800
Plant Regular Payroll	\$	95,141
Plant OT and Standby	\$	15,245
Vacation Cash Out		
Employer Payroll Taxes	\$	16,006
Payroll Service Charges	\$	354
Total	\$	<u>261,964</u>

CRESCENTA VALLEY WATER DISTRICT

Policy Committee - STAFF REPORT

To: Policy Committee
From: Christy J. Scott – Program Specialist
Subject: Consideration of change to rate structure for large lots

November 18, 2014

Consideration of change to rate structure for large lots – As requested by the Policy Committee, this meeting is to continue the discussion of modified versions of the options discussed at the last Committee meeting held on September 16th, 2014.

BACKGROUND:

At the August 26th Policy Committee meeting staff outlined a variety of options to be considered as possibilities to allow more Tier 2 water to customers with large lots. Of the options listed below, the Committee requested for more analysis on a modified version of option 5. However, after further discussion at the September 16th meeting, further fiscal analysis was requested for irrigation rates.

Options that were considerations for change in rate structure for large lots:

1. No Change
2. Bill large lots as multifamily at a flat Tier 2 rate
3. Modify the allocation of units in the tiered rate structure
4. Develop water budgets for large lots
5. A combination of options 3 and 4
6. Bill large lots at irrigation rates (new option)

At this point in the discussion, Options 3 and 4 have been eliminated.

The process for applying for and receiving any large lot exemption would be as follows:

1. Submit an application and the \$100.00 fee
2. Have a water audit performed by the District's contractor, Water Wise Consulting
3. Correct any problems outlined in the Water Audit
 - a. Install low flow shower heads
 - b. Install aerators in all sinks
 - c. Install High Efficiency Toilets
 - d. Correct any and all irrigation issues
 - e. Ensure all outdoor irrigation best management practices are implemented.
4. Meet with District staff to verify that corrections required are complete and discuss water budget if applicable
5. If not already in place, the District will install an Iperl water meter

For the purpose of this discussion, large lots were defined as parcels which were ½ acre or 21,780 square feet or more. Using this criterion, 108 single family residence accounts would be eligible to apply for an exception based on their lot size.

The eligible group in which the fiscal impact was calculated was based on the single family ½ acre lot size criteria using the list provided by the IT department from the LA County Tax Roll.

Of all eligible accounts, not everyone will apply, not everyone will qualify or be willing to make the steps required to qualify. Not every account would benefit from the exemption.

Fiscal analysis provided used the previous 6 billing periods on all eligible accounts.

Findings from the Tier 2 Rate Analysis:

1. 30 customers never went over the tier 2 allotment of 33 units of water (28%)
2. The loss of revenue if all the tier 3 and 4 water used were billed in tier 2 was \$48,065.40
3. 63% of the loss of revenue was comprised of 13 customers, which is only 12 percent of the eligible customers

Findings from the Irrigation Rate Analysis

1. Using the irrigation rates, on 22 of the 108 accounts would realize lower water bills. That is only 20% compared to the 72% using the Tier 2 method.
2. The loss of revenue was \$18,726.08
3. 87% of the loss of revenue was comprised of 10 customers, which is 45 percent of the eligible customers

Other costs and labor considerations

The Tier 2 rates and the Irrigation rates are already set up in the billing system and would not incur any additional billing costs.

Our current billing system does not contain an option for water budgets or seasonal rates. The rough estimate to incorporate this feature would be a one-time set-up fee of \$8,000.00 and an annual maintenance cost increase of \$1,500.00.

This information could be handled manually. To modify the billing system, each applicant would take about 30 minutes for initial set-up and approximately 10 minutes per year to perform annual maintenance.

CRESCENTA VALLEY WATER DISTRICT

BOARD OF DIRECTORS - STAFF REPORT

Agenda Item No.2

November 19, 2014

To: Honorable President and Members of the Board of Directors
From: David S. Gould, P.E. – District Engineer
Subject: **Approval of Well Operation and Water Purchase/Sale Agreement and Land Lease Agreement with Glendale for the Rockhaven Well Project, Project E-940**

AGENDA ITEM

1. **Well Operation and Water Purchase/Sale Agreement and Land Lease Agreement for the Rockhaven Well Project, Project E-940** – Consideration and motion to authorize the General Manager to enter into a Well Operation and Water Purchase/Sale Agreement and a Land Lease Agreement with the City of Glendale for the Rockhaven Well Project, Project E-940

BACKGROUND:

Glendale Water and Power (GWP) drilled a new groundwater well at the old Rockhaven Sanitarium on Honolulu Avenue near La Crescenta Avenue called the Rockhaven Well. The well construction report showed that the well could produce between 350 gpm to 450 gpm and GWP was planning to use this well to increase water production within the Verdugo Basin. However, the water quality for this well showed high nitrate levels, which is typical of the Verdugo Basin.

CVWD and GWP have been meeting over the last year and have agreed on the concept of CVWD completing the construction of the well facility and piping, leasing the land from GWP, and CVWD purchasing the water from GWP.

Staff has been working on a Well Operation and Water Purchase/Sale Agreement (MOU) and a Land Lease Agreement (Lease) with GWP and the draft agreements were presented to the Board of Directors on October 7, 2014. The Board directed staff to proceed with finalizing the agreement for approval.

In addition, CVWD submitted a grant application in July 2014 to the Greater Los Angeles County (GLAC) Region of the Integrated Regional Water Management (IRWM) Group for a Proposition 84, Drought Relief Grant for the installation of the pump, motor, and piping at the Rockhaven Well. The Rockhaven Well project was included with the GLAC submittal packet to the Department of Water Resources (DWR) and was recently approved for funding.

DISCUSSION

Agreement:

Staff has attached the final Well Operation and Water Purchase/Sale Agreement (Agreement) for approval by the Board of Directors. The major elements of the Agreement include the following:

1. **Land Lease Term:** CVWD will lease the land from Glendale for a 25-year period.
2. **Existing Well and Infrastructure Cost:** CVWD will reimburse GWP at an annual charge for the infrastructure cost for drilling and installing the well casing based on 50-year life cycle over the 25-year term period.
3. **Water Usage Cost:** CVWD agrees to pay GWP based on cost per ac-ft of groundwater produced per Exhibit A of the Agreement.
4. **Land Lease Cost:** CVWD agrees to pay GWP an annual cost for the land lease per Exhibit A of the Agreement.
5. The costs shown in the Agreement are based on the Cost Analysis Study dated October 2014 that was prepared by Raftelis Financial Consultants. The annual charges are based on the scenario where CVWD/GWP receives the Drought Relief Grant and the annual charges will reviewed and adjusted every five (5) years.

Lease Agreement:

Staff has attached the final lease agreement (Lease) for approval by the Board of Directors. The major elements of the Lease include the following:

1. Land Lease Term: CVWD will lease the land from Glendale for a 25-year period.
2. Use of Premises: Allows CVWD to use the land for installation of the facilities for the well.
3. Rent: Based on Cost Analysis Study and reviewed and adjusted every five (5) years.
4. Maintenance and Repairs: CVWD responsible for maintenance and any repairs for the site and the facility.

RECOMMENDATION:

Staff's recommendation is for approval of the Agreement and Lease with GWP. The Agreement and Lease will be brought by GWP staff to the Glendale City Council within the next few weeks for approval.

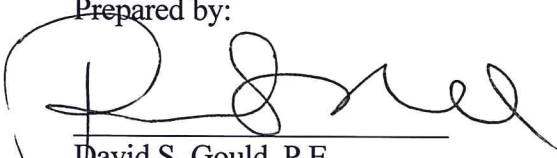
ENVIRONMENTAL REVIEW:

N/A

FUNDING AVAILABILITY:

N/A

Prepared by:


David S. Gould, P.E.
District Engineer

Submitted by:


Dennis Erdman
General Manager

Attachment:

1. Final – City of Glendale and CVWD Rockhaven Well Operation and Water Purchase/Sale Agreement
2. Final – City of Glendale Lease Agreement
3. Rockhaven Wellsite Review Report prepared by Raftelis financial Consultants dated October 2014

CITY OF GLENDALE
AND
CRESCENTA VALLEY WATER DISTRICT
ROCKHAVEN WELL OPERATION
AND WATER PURCHASE/SALE AGREEMENT

This Agreement for the operation of the Rockhaven Well and Water Purchase/Sale Agreement ("Agreement"), is made and entered between the City of Glendale acting by and through Glendale Water and Power (interchangeably referred to as "Glendale" or "GWP") and Crescenta Valley Water District (referred to as "District") (also referred to as each a "PARTY" and collectively, the "PARTIES"), on this ____ day of _____, 2014 ("Effective Date"), with reference to the following facts and intentions, which the PARTIES agree are true and correct to the best of their knowledge and belief:

RECITALS

- A. The groundwater rights of District and Glendale within the Verdugo Basin located within the Upper Los Angeles River Watershed in Los Angeles County ("Verdugo Basin") are defined by the January 26, 1979 Judgment in Los Angeles County Superior Court Case No. 650079, entitled *City of Los Angeles, a Municipal Corporation v. City of San Fernando, et. al.* ("Judgment"). The Judgment is incorporated in the Agreement by this reference as though fully set forth herein.
- B. District and Glendale are the only parties with rights in and to the Verdugo Basin. The Judgment provides that the total Safe-Yield for the Verdugo Basin is 7,150 acre-feet per year ("AF/Y"). The Judgment further adjudicates the rights of the PARTIES to the Verdugo Basin and allocates the entire Safe Yield between them.
- C. Each PARTY holds adjudicated water rights in and to the Verdugo Basin as follows: 3,856 AF/Y for GWP and 3,294 AF/Y for District.
- D. In 2011, GWP constructed a groundwater well, commonly known as the Rockhaven Well ("Well"), at 2740 Hermosa Avenue in order to pump groundwater from the Verdugo Basin for its use.
- E. The Well is capable of producing groundwater, however, the water is contaminated with nitrates, rendering the groundwater from the Well unsuitable for reasonable use without proper treatment.
- F. The District desires to operate the Well and its existing infrastructure for GWP and construct additional facilities and features through which groundwater pumped at the Well can be purchased by the District and delivered to District's nitrate treatment facility pursuant to the terms and conditions as set forth in this Agreement and District may thereafter make use of such treated water for its use.

NOW, THEREFORE, in consideration of the foregoing recitals, which are incorporated into the operative provisions of this Agreement by this reference, and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the PARTIES hereto agree as follows:

AGREEMENT

1. ADJUDICATED RIGHTS.

- 1.1 District recognizes and acknowledges Glendale's right to pump 3,856 AF/Y from the Verdugo Basin under the Judgment.
- 1.2 Glendale recognizes and acknowledges District's right to pump 3,294 AF/Y from the Verdugo Basin.
- 1.3 The PARTIES acknowledge that they are each entitled to pump no more than their rights as set forth herein, per the Judgment.
- 1.4 District acknowledges and agrees that nothing in this Agreement, or otherwise, shall be construed as a past, present, or future, abandonment, forfeiture or waiver by Glendale of its rights, nor any portion thereof, to the 3,856 AF/Y from the Verdugo Basin. District further acknowledges and agrees that District's past, present or future pumping from the Verdugo Basin in excess of District's right at 3,294 AF/Y shall not give rise to any right, claim or interest by District to any quantity of water in excess of District's right as set forth herein per the Judgment.

2. **TERM.** The term of this Agreement shall be for a period of 25 years commencing on the Effective Date; provided, however, that PARTIES may terminate this Agreement pursuant to Article 10, below.

3. **FINANCAL.** GWP shall invoice the District on a monthly basis, an amount based on the following three (3) components and the Five Year Cost Agreement as shown in Exhibit "A". GWP shall invoice the District using the sample form in Exhibit "B".

- a. **Existing Well and Infrastructure Cost.** District agrees to reimburse GWP for the original cost of construction of the Well and existing facilities and features thereto ("Existing Infrastructure"). The amount to be reimbursed shall be based on the 50-year life cycle of the Existing Infrastructure over the 25-year term of the lease and an agreed upon interest rate on investment. In other words, this component of the monthly payment will be 1/600 of the original cost of construction, and at the conclusion of the original term of this Agreement, half the cost will be repaid.

District acknowledges and agrees that payments made pursuant to this section shall not cause or vest any ownership interest in District in the Well. District shall own the improvements constructed by District pursuant to Section 4 of this Agreement.

- b. **Water Usage Cost.** District agrees to pay GWP for the groundwater produced from the Well at a reasonably consistent rate equal to or better than 225 gallons per minute, at a rate per acre-foot as shown in Exhibit "A".

District agrees to pay GWP for the groundwater produced, if the Well is unable to produce water at a reasonably consistent rate of 225 gallons per minute, at a rate per acre-foot as shown in Exhibit "A".

District acknowledges and agrees that the water pumped from the well shall be from the Glendale adjudicated right of 3,856 AF/Y.

District acknowledges that water currently available from the Well may not be suitable for consumption, potable or agricultural use and agrees to purchase water under this Agreement and during its term on an "as is" basis.

- c. **Land Lease Cost.** District agrees to enter into a ground lease agreement ("Lease Agreement") with the City of Glendale whereby District shall lease the land necessary to carry out the intent of this Agreement. The form of the Lease Agreement is attached hereto as Exhibit "D". The cost to lease the land for the term in Section 2 is shown in Exhibit "A".

3.1 District agrees to pay Glendale within 30 calendar days after receiving the invoice following the first of each month.

3.2 These components are based on a Cost Analysis Study dated October 2014, prepared by Raftelis Financial Consultants and attached hereto as Exhibit "C". The Cost Analysis Study, the study assumptions and the components shall be reviewed and adjusted every five (5) years from the date of this agreement.

4 **IMPROVEMENTS.**

District shall, at its sole cost and expense, design and install any necessary infrastructure, equipment, facilities, or features ("Improvement(s)") including but not limited to, pumps, motors, piping, meters, small structures, electrical and telemetry systems, waste drain lines, and water mains in connection with the transportation and delivery of water from the Well to District's water treatment facility. District agrees to install a water meter at the Well to accurately record water flows in a manner acceptable to GWP. District shall obtain any necessary permits or licenses related to the construction of any Improvement at its sole cost and expense. District shall comply with all laws and regulatory standards in effect at the time of construction of any Improvement, including any requirements imposed under the California Environmental Quality Act (CEQA) and California Department of Public Health. District shall own any and all Improvements constructed.

- 5 **MAINTENANCE AND REPAIRS.** District shall, at its sole cost and expense, keep and maintain the Existing Infrastructure and any additional Improvements and shall make all necessary repairs and alterations thereto. District agrees to annually calibrate any water meter(s) installed to maintain their accuracy, and any such calibration shall be conducted in the presence of GWP staff.

- 6 **LEASE OF GLENDALE LAND BY DISTRICT.** District agrees to lease the land necessary for District to access and operate the Existing Infrastructure as well as build, maintain and operate the Improvements. The subject land is depicted in the map attached hereto as Exhibit "D". The Lease Agreement to be executed by the PARTIES shall be

concurrent to this Agreement and shall be incorporated herein by reference, for the amount and under the terms and conditions stated therein.

- 7 **WATER OPERATION.** Upon the execution of Ground Lease Agreement described in Section 6 of this Agreement, District shall be solely responsible for the cost and operations of the Existing Infrastructure and any Improvements thereon.
- 8 **GRANTS.** District shall be the lead agency for obtaining any grants from the State of California to finance the construction of the Improvements.

District shall obtain prior approval from Glendale of any future improvements not described in Section 4 of this agreement

District and GWP shall share equally the costs associated with providing matching funds as part of any grants obtained from the State of California for the project proposed herein.

- 9 **INDEMNITY.** Each PARTY agrees to indemnify, defend, and hold the other PARTY and its respective officers, employees, and agents and representatives harmless from and against any and all liability, suits, actions, proceedings, judgments, claims, losses, liens, damages, injuries (whether in contract, in tort, including personal injury, accidental death or property damage, or as part of an environmental claim, and regardless of whether the allegations are false, fraudulent or groundless), costs and expenses (including attorney fees, litigation, arbitration, mediation, appeal expenses) which in whole or in part arise out of or are connected with, or which are alleged to have arisen out of or to have been connected with, each PARTY's performance under this Agreement.

The indemnified PARTY: (i) shall promptly provide the indemnifying PARTY with written notice of any claim, demand, lawsuit, or the like for which it seeks indemnification pursuant to this Article __ and provide the indemnifying PARTY with copies of any demands, notices, summons, or legal papers received in connection with such claim, demand, lawsuit, or the like; (ii) shall not settle any such claim, demand, lawsuit, or the like without the prior written consent of the indemnifying PARTY; and (iii) shall fully cooperate with the indemnifying PARTY in the defense of the claim, demand, lawsuit, or the like. A delay in notice shall not relieve the indemnifying PARTY of its indemnity obligation, except (1) to the extent the indemnifying PARTY can show it was prejudiced by the delay; and (2) the indemnifying PARTY shall not be liable for any settlement or litigation expenses incurred before the time when notice is given. This provision shall survive expiration or termination of the Agreement.

10 **TERMINATION.**

- 10.1 **Termination Right of GWP.** GWP shall have the right to terminate this Agreement upon giving written notice of such termination to District at least ninety (90) days in advance and pursuant to the notice requirements as set forth in Section 11.9. In the event that such termination by GWP occurs then Glendale will reimburse the depreciated cost incurred by District in connection with the construction based on the 50-year life cycle of the Improvements. Under no circumstances shall GWP have a right or interest in the District's Glenwood nitrate treatment facility.

10.2 Termination Right of District. District shall have the right to terminate this Agreement upon giving written notice of such termination to GWP at least ninety (90) days in advance, pursuant to the notice requirements as set forth in Section 11.9. In the event of such termination by District, GWP shall not be obligated to reimburse District for any costs incurred by District in the construction, or removal, as elected by District in its sole discretion, of any Improvement. Under no circumstances shall GWP have a right or interest in the District's Glenwood nitrate treatment facility.

10.3 Termination of Lease Agreement. This Agreement shall automatically be terminated upon the termination of the Lease Agreement.

11 GENERAL PROVISIONS.

11.1 Assignment. No PARTY shall assign any right or interest in this Agreement, nor delegate any duty owed, without the other PARTY'S prior written consent. Any attempted assignment or delegation shall be void and ineffective for all purposes, and shall constitute a material breach and grounds for immediate termination or suspension of this Agreement. In the event PARTIES consent to an assignment or delegation, the assignee, delegatee, or its legal representative shall agree in writing to personally assume, perform, and be bound by all of the terms of this Agreement.

11.2 Successors. Subject to the provision regarding assignment, above, this Agreement shall be binding on the heirs, executors, administrators, successors, and assigns of the respective PARTIES.

11.3 Insurance. During the term of this Agreement, District shall carry, at its own cost and expense, the following policies of insurance: (i) Insurance against loss or damage to Existing Infrastructure and any Improvements thereon, as is customarily maintained with respect to works and properties of a like character, which may be carried in conjunction with any other policies of fire and extended coverage insurance; (ii) commercial general liability (CGL) insurance with respect to District's activities in connection with this Agreement, such insurance to afford protection of up to One Million Dollars (\$1,000,000) per occurrence and Two Million Dollars (\$2,000,000) general aggregate; and (iii) Workers' Compensation insurance as necessary and required by the laws of the State of California. Upon written request, District shall deliver to GWP copies of each certificate insurance policy obtained.

11.4 No Third-Party Beneficiaries. This Agreement is for the benefit of PARTIES only, and is not intended to benefit any third parties. This Agreement does not create, and shall not be construed to create, any rights enforceable by any person, partnership, corporation, joint venture, limited liability company or other form of organization, association or entity of any kind that is not a PARTY to this Agreement.

- 11.5 Attorneys' Fees.** If any action at law or in equity is brought to enforce or interpret the provisions of this Agreement, the prevailing PARTY shall be entitled to reasonable attorney's fees in addition to any other relief to which it may be entitled.
- 11.6 Construction.** The provisions of this Agreement shall be liberally construed to effectuate its purposes. The language of this Agreement shall be construed simply according to its plain meaning and shall not be construed for or against any PARTY, as each PARTY has participated in the drafting of this Agreement.
- 11.7 Entire Agreement.** In conjunction with the matters considered herein, this Agreement, and the concurrently executed Ground Lease Agreement between the Parties, shall contain the entire understanding and agreement of the PARTIES, and there have been no promises, representations, agreements, warranties or undertakings by any of the PARTIES, either oral or written, of any character or nature binding except as stated herein and the Ground Lease Agreement. This Agreement, and/or the Ground Lease Agreement, may be modified, altered or amended only by an instrument in writing, executed by the PARTIES, and by no other means. Each PARTY waives its right to claim, contest or assert that this Agreement was modified, canceled, superseded or changed by any oral agreement, course of conduct, waiver or estoppel.
- 11.8 Severability.** Should any part, term or provision of this Agreement or any document required herein to be executed be declared invalid, void or unenforceable, all remaining parts, terms and provisions hereof shall remain in full force and effect and shall in no way be invalidated, impaired or affected thereby.
- 11.9 Notices.** All notices, approvals, acceptances, and other communication required or permitted under this Agreement shall be in writing and shall be deemed validly given on the date either: 1) personally delivered to the address indicated below, or 2) on the third business day following deposit, postage prepaid, using certified mail, return receipt requested, in any U.S. Postal mailbox or at any U.S. Post Office, or 3) one business day after the dispatch date by overnight delivery service, or 4) on the date of transmission by facsimile or electronic mail to the number or e-mail address provided below. All notices shall be addressed to the following:

GLENDAL WATER AND POWER
Attn: Ramon Abueg
Assistant General Manager
Glendale Water and Power
City of Glendale
141 North Glendale Ave., 4th Level
Glendale, CA 91206-4496
Facsimile: (818) 552-2852
E-mail: RAbueg@GlendaleCA.GOV

CRESCENTA VALLEY WATER DISTRICT
Attn: Dennis Erdman
General Manager
2700 Foothill Boulevard
La Crescenta, CA 91214-3516
Facsimile: (818) 248-1659
E-mail: derdman@cvwd.com

Any PARTY may change its address by giving the other PARTIES written notice of its new address as provided above.

11.10 Governing Law. This Agreement will be governed by the laws of California, without regard to conflicts of law.

11.11 Waiver. No waiver of any provision or consent to any action shall constitute a waiver of any other provision or consent to any other action, whether or not similar. No waiver or consent shall constitute a continuing waiver or consent or commit a PARTY to provide a waiver or consent in the future except to the extent specifically stated in writing. No waiver shall be binding unless executed in writing by the PARTY making the waiver, based on a full and complete disclosure of all material facts relevant to the waiver requested.

11.12 Authorizations. All individuals executing this Agreement on behalf of the respective PARTIES certify and warrant that they have the capacity, and have been duly authorized to so execute this Agreement on behalf of the entity so indicated.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their officers hereunto duly authorized on the day and year first above written.

CITY OF GLENDALE

Scott Ochoa
City Manager

Date: _____

CRESCENTA VALLEY WATER DISTRICT

Dennis Erdman
General Manager

Dated _____

EXHIBIT "A"

**Rockhaven Well Water Purchase and Sale
Agreement**

Five Year Cost Agreement

2015 – 2019

Exhibit "A"

City of Glendale and Crescenta Valley Water District Rockhaven Well Water Purchase and Sale Agreement Five Year Cost Agreement

Year	2015		2016		2017		2018		2019	
	Annual	Monthly	Annual	Monthly	Annual	Monthly	Annual	Monthly	Annual	Monthly
Existing Well and Infrastructure Cost	\$51,012	\$4,251	\$51,012	\$4,251	\$51,012	\$4,251	\$51,012	\$4,251	\$51,012	\$4,251
	Cost/Ac-ft (above 225 gpm)	Cost/Ac-ft (below 225 gpm)	Cost/Ac-ft (above 225 gpm)	Cost/Ac-ft (below 225 gpm)	Cost/Ac-ft (above 225 gpm)	Cost/Ac-ft (below 225 gpm)	Cost/Ac-ft (above 225 gpm)	Cost/Ac-ft (below 225 gpm)	Cost/Ac-ft (above 225 gpm)	Cost/Ac-ft (below 225 gpm)
Water Usage Cost	\$276	\$236	\$290	\$248	\$305	\$261	\$321	\$275	\$337	\$289
	Annual	Monthly	Annual	Monthly	Annual	Monthly	Annual	Monthly	Annual	Monthly
Land Lease Cost	\$15,040	\$1,253	\$15,040	\$1,253	\$15,491	\$1,291	\$15,956	\$1,330	\$16,435	\$1,370
	Annual	Monthly	Annual	Monthly	Annual	Monthly	Annual	Monthly	Annual	Monthly

Notes:

1. Cost shown above are based on the Cost Analysis Study and Worksheets prepared by Raffetis Financial Consultants dated October 2014
2. Cost shown above are based CVWD/GWP receiving Prop. 84, Drought Relief Grant
3. Cost and Assumptions of the Cost Analysis Study and Worksheets to be reviewed and revised every 5 years, next revision in 2020.

EXHIBIT "B"
Glendale/CVWD Sample
Monthly Invoice

EXHIBIT "B"

MONTHLY PAYMENT FORM ROCKHAVEN WELL

Month: _____ Year: 2015

WATER USAGE:

End-of-Month Rockhaven Well Meter Read = 17441424 cubic feet (cf)

Prior End-of-Month Rockhaven Well Meter Read = 00000000 cf

Total Usage for Month: 17,441,424 cf ÷ 43,560 = 400.40 Acre-Feet, (AF)

a) Usage for Month at 225 gpm or more: 17,441,424 cf ÷ 43,560 = 400.40 AF

b) Usage for Month at 225 gpm or less: 0.00 cf ÷ 43,560 = 0.00 AF

WATER USAGE COST ⁽¹⁾:

a) \$276 per AF x 400.4 AF = \$ 110,510.40

b) \$236 per AF x 0.00 AF = \$ 0.00

Total Water Usage Cost \$ 110,510.40

EXISTING WELL AND INFRASTRUCTURE COST ⁽¹⁾:

\$51,012 per year or \$4,251 per month \$ 4,251.00

LAND LEASE COST ⁽¹⁾:

\$15,040 per year or \$1,253 per month \$ 1,253.00

Total Payment, CVWD to Glendale \$ 116,014.70

Approved by: _____
Glendale

Approved by: _____
CVWD

NOTES:

1. Unit Costs shown are in accordance with Exhibit "A" of the Agreement.
2. Glendale and CVWD will meet prior to the of the 5th year to revised and adjust the unit costs in accordance with Section 3.2 of the Agreement

EXHIBIT "C"

Cost Analysis Study

Dated October 2014

Prepared by

Raftelis Financial Consultants

October 2014

Rockhaven Wellsite Review Report

Crescenta Valley Water District



Prepared by
RAFTELIS FINANCIAL CONSULTANTS

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1 Introduction

1.1 Scope of Work

Crescenta Valley Water District (District) engaged Raftelis Financial Consultants (RFC) to review and update the analysis of the economics of leasing the Rockhaven Well site from the City of Glendale. RFC reviewed Hoag Consulting's methodology, assumptions and conclusions in the memo *Financial Review of Rockhaven Well* dated January 13, 2014. Additionally, RFC updated the original analysis to include an option that incorporates significantly higher well and pipeline costs to prepare the site for production and transmission of well water.

As part of the review we have confirmed and/or amended inflation factors, revised the amortization of capital investments and examined the validity of rate of return (IRR) calculations.

Lastly, the District would like for any arrangement at the Rockhaven wellsite to be a fair deal for both parties. That is to say, the net present value (NPV) of savings over the contracted period from cost reduction in imported supplies from Foothill Municipal Water District (FMWD) would be roughly equal to the payments to Glendale Water and Power (GWP) for production at Rockhaven. The objective of the analysis is to determine the purchase cost of groundwater such that the District and GWP both benefit equally from the arrangement to lease the facilities and sell groundwater to the District.

1.2 Rockhaven Wellsite Background

The City of Glendale owns the property at the Rockhaven wellsite. In 2011, GWP drilled a borehole and poured well casing. GWP has approximately \$1.05 million in sunken construction costs at the site, though it has not been completed. The well yield is anticipated to be 484 acre feet (AF) per year. The District and GWP will incur additional construction and piping costs before the District can avail of the groundwater. These costs will be shared by the District and GWP. There is potential that part of these costs will be funded through grants.

The District currently imports 50% of its water supply from FMWD at a cost of approximately \$890 per AF for supply and an additional \$154 per AF in power cost to deliver water at District facilities, for a total unit cost of \$1,044 per AF. The District would like to offset some of its imported water cost with lower cost groundwater produced at the Rockhaven site, leased from GWP.

2 Review of Previous Analysis

2.1 Methodology

Hoag Consulting performed a financial feasibility examination in 2013 for the District. The annualized cash flows of 484 AF of imported water were compared against well completion and production at Rockhaven, of the same volume of water, over a 15 year period.

After review of the original work we agree with the methodology and formulation of annual expenditures at Rockhaven, annual payments to GWP and determination of the IRR for the District. RFC has updated the assumptions used in the Hoag analysis and extended the analysis to 25 years.

2.2 Assumptions

The Hoag analysis amortized the entirety of GWP's sunken construction cost over the 15 year period, increasing the annual repayment significantly when compared to the RFC analysis below. Additionally an inflation rate of 2% was assumed on construction costs- while this may be accurate in the short term, it is a significant underestimate when comparing long term CCI trends and when projecting a 15-25 year horizon.

While imported water supply costs were inflated by 4% annually, inflation on the lease of groundwater supplies were only inflated by 2% in the Hoag analysis. We expand on our assumed inflation rate for water supply in the next section.

Annual wellsite lease payments were assumed to be \$60k. New negotiations put the figure at roughly one-quarter of that amount (\$15,040) which significantly lowers total annual payments to GWP.

Lastly, the anticipated construction cost, to complete the wellsite and lay 1,200 feet of transmission line, was assumed to be \$845,000 to the District and \$0 to GWP without grants and \$150,000 to each with grants.

3 RFC Analysis

3.1 Methodology

RFC updated the original year 2013 (v13) analysis to reflect 25 years of cashflow, from the original 15 years.

The payback schedule for GWP's sunken construction costs was amended to represent the useful life of improvements at the site (50 years) with the District making payments to match the contract term of 25 years. The interest rate on construction repayments is 4% based on current market debt.

To confirm the internal rate of return (IRR), RFC replicated the original analysis and compared the annual total expenditures at Rockhaven to produce 484 AF against the total annual expenditures on 484 AF of imported supply from FMWD. Next, total annual payments to GWP were calculated for construction repayments, lease of the wellsite and payments for leasing the right to water produced at the wellsite.

Since payments to GWP and well site expenditures for construction, production and treatment are known, in the final step the price paid for leased water rights (per AF) was adjusted until the NPV of savings to the District equals the NPV of payments received by GWP. Two scenarios are evaluated - construction at the wellsite and laying 1,200 feet of water transmission line with and without grants. The internal rate of return (IRR) to the District was determined for both scenarios.

3.2 Assumptions

After discussion with the District, lease payments for the site were changed from \$60k annually to \$15,040 in year 2015. Lease payments are inflated by 3% annually, in line with a long term average in the Consumer Price Index (CPI); and lease payments increase only after the second year (as per the lease contract).

Fixed operating and maintenance (O&M), treatment O&M and other O&M for the Rockhaven site is inflated at 3% per year to more closely match the long term CPI inflation while power O&M is inflated at 6% to reflect increasing energy costs. These rates are identical to those used in the Hoag analysis. The inflation rate on the cost of water is increased by 1% from the original analysis, as we believe 5% annually represents a more conservative long term estimate on the cost of raw water. The interest rate on investment for purposes of amortizing the sunken construction costs is 4%, and the rate for present value calculations to determine the cost of groundwater at which the NPV of District and GWP benefits is equal to 5%.

3.3 Cost Analysis of Rockhaven with Grant Funding

Assuming \$160,875 to make Rockhaven production ready, the District will need to lease water rights from GWP at \$276/AF in 2015. This represents a 70% discount on the existing tier 1 imported rate paid to FMWD. At this price the District will recognize savings of \$3.82 million over 25 years, with an equal amount in payments to GWP. The IRR for this scenario is 63%.

Table 3-1

NPV of Savings (25 years)	\$ 3,818,522
NPV of Payments to Glendale (25 Years)	\$ 3,818,522
Price (\$/AF)	\$276
IRR	63%
Variance	\$0.00

3.4 Cost Analysis of Rockhaven without Grant Funding

If no grant funding is available, \$845k is required to make Rockhaven production ready and the District will need to lease water rights from GWP at \$231/AF in 2015. This represents an 75% discount on the existing tier 1 imported rate paid to FMWD. At this price the District will recognize savings of \$3.66 million over 25 years, with an equal amount in payments to GWP. The IRR for this scenario is 23%.

Table 3-2

NPV of Savings (25 years)	\$ 3,656,413
NPV of Payments to Glendale (25 Years)	\$ 3,656,413
Price (\$/AF)	\$231
IRR	23%
Variance	\$0.00

4 Recommendations

Our analysis shows that it is beneficial to both the District and GWP to enter into an agreement to lease the well-site and produce groundwater. The IRR for both scenarios is quite high and the District's customers will benefit from lower operating costs and rates. The deal is also beneficial to GWP which will be able to recover costs for facilities built and not being used.

Table 1

Existing CVWD Water Supply Costs

Description	CY 2014		CY 2015	CY 2016	CY 2017	CY 2018	CY 2019	CY 2020	CY 2021
	Production Capacity (GPM)	Annual Average Downtime	1	2	3	4	5	6	7
Rockhaven Well Production									
Average Annual Water Production (GPM)	400	25%							
Projected Rockhaven Water Production (AFY)			242	484	484	484	484	484	484
FMWD Imported Water Costs (Base Case)									
Existing FMWD Tier 1 Imported Water Supply Costs	Inflation Rate	Actual 2013							
CVWD Power Costs for FMWD deliveries	5%	\$847	\$935	\$981	\$1,030	\$1,082	\$1,136	\$1,193	\$1,252
Total Unit Cost for FMWD deliveries (\$/AF)	6%	\$145	\$163	\$173	\$183	\$194	\$206	\$218	\$231
Projected Rockhaven Water Production (AFY)		\$992	\$1,097	\$1,154	\$1,213	\$1,276	\$1,342	\$1,411	\$1,483
Annual CVWD Existing Payments to FMWD for the Rockhaven Well Production Level			242	484	484	484	484	484	484
			\$265,505	\$558,350	\$587,103	\$617,344	\$649,150	\$682,602	\$717,787
Grand Total			\$25,640,758						

Table 1
Existing CVWD Water Supply Costs

Description		CY 2014							
Rockhaven Well Production	Production Capacity (GPM)	Annual Average Downtime							
	400	25%							
	Average Annual Water Production (GPM)		300						
Projected Rockhaven Water Production (AFY)			484	484	484	484	484	484	484

Table 1 Existing CVWD Water Supply Costs									
Description			CY 2014	CY 2015	CY 2016	CY 2017	CY 2018	CY 2019	CY 2020
Rockhaven Well Production									
Average Annual Water Production (GPM)			300						
Projected Rockhaven Water Production (AFY)			484	484	484	484	484	484	484
FMWD Imported Water Costs (Base Case)									
Existing FMWD Tier 1 Imported Water Supply Costs									
CVWD Power Costs for FMWD deliveries				\$1,850	\$1,943	\$2,040	\$2,142	\$2,249	\$2,361
Total Unit Cost for FMWD deliveries (\$/AF)				\$368	\$390	\$414	\$439	\$465	\$493
Projected Rockhaven Water Production (AFY)				\$2,219	\$2,333	\$2,454	\$2,581	\$2,714	\$2,854
Annual CVWD Existing Payments to FMWD for the Rockhaven Well Production Level				484	484	484	484	484	484
Grand Total			\$25,640,758	\$1,073,515	\$1,128,973	\$1,187,311	\$1,248,679	\$1,313,236	\$1,381,148

Table 1
Existing CVWD Water Supply Costs

Description		CY 2014	CY 2035 21	CY 2036 22	CY 2037 23	CY 2038 24	CY 2039 25
Rockhaven Well Production							
Average Annual Water Production (GPM)		300					
Projected Rockhaven Water Production (AFY)		484	484	484	484	484	484
FMWD Imported Water Costs (Base Case)							
Existing FMWD Tier 1 Imported Water Supply Costs			\$2,480	\$2,603	\$2,734	\$2,870	\$3,014
CVWD Power Costs for FMWD deliveries			\$523	\$554	\$587	\$622	\$660
Total Unit Cost for FMWD deliveries (\$/AF)			\$3,002	\$3,157	\$3,321	\$3,493	\$3,674
Projected Rockhaven Water Production (AFY)			484	484	484	484	484
Annual CVWD Existing Payments to FMWD for the Rockhaven Well Production Level			\$1,452,590	\$1,527,748	\$1,606,815	\$1,689,997	\$1,777,508
Grand Total		\$25,640,758					

Table 2
Rockhaven Well Future Construction Costs

Description		Cost
Rockhaven Well Project Capitalized Cost		
Transmission Pipe to Blending Plant (a)		\$240,000
Well Equipment		
Pump & Motor		\$90,000
Electrical		\$90,000
Piping		\$40,000
SCADA/Telemetry		\$44,000
Building/Misc		\$35,000
Site work		\$25,000
Subtotal		\$564,000
Construction Cost Multipliers		
Contingency	20%	\$112,800
Engineering & Permitting	15%	\$84,600
Soils Engineering	1%	\$5,640
Construction Mgmt	10%	\$56,400
CVWD Labor, Eqpt, Mtls		\$21,560
Grand Total Capital Cost (2014)		\$845,000
Rockhaven Well Site Costs (2013)		
Local Wellsite Labor		
Weekly	Hrs	10
Annual	Hrs	520
Burdened Labor Rate (\$/hour)		\$60
Annual Labor Cost		\$31,200
Materials Cost at Wellsite (\$/year)		\$5,000
Total Annual Labor & Materials		\$36,200
a. The transmission line is 1,200 ft. at \$200/lf.		

Rockhaven Cost Analysis with Grant Funding		
Interest rate on investment (Construction)	4%	
Inflation (Lease)	3%	
Interest rate on (Well and Pipe Costs)	-	
Inflation on water	5%	
Inflation Rate on O&M (Fixed)	3%	
Inflation Rate on O&M (Treatment)	3%	
Inflation Rate on O&M (Other)	3%	
Inflation Rate on Power	6%	
Rate for PV Calculations	5%	
Lease Payments	\$15,040	
Rockhaven Fixed O&M (2013 \$)	\$36,200	

Negotiated Discount (from FMWD Import)

25%

Well & Pipeline Construction Costs
net of grants \$160,875

NPV of Savings (25 years)	\$ 3,818,522
NPV of Payments to Glendale (2	\$ 3,818,522
Price (\$/AF)	\$276
IRR	63%
Variance	\$0.00

	CY 2015	CY 2016	CY 2017	CY 2018	CY 2019	CY 2020	CY 2021	CY 2022	CY 2023	CY 2024
	1	2	3	4	5	6	7	8	9	10
Rockhaven Well										
GWP Construction Costs at Rockhaven Well	\$ 51,012	\$ 51,012	\$ 51,012	\$ 51,012	\$ 51,012	\$ 51,012	\$ 51,012	\$ 51,012	\$ 51,012	\$ 51,012
Lease of Rockhaven Wellsite from GWP	\$ 15,040	\$ 15,040	\$ 15,491	\$ 15,956	\$ 16,435	\$ 16,928	\$ 17,435	\$ 17,959	\$ 18,497	\$ 19,052
Lease of Water Rights from GWP	\$ 66,731	\$ 140,333	\$ 147,560	\$ 155,161	\$ 163,156	\$ 171,564	\$ 180,408	\$ 189,710	\$ 199,494	\$ 209,785
Rockhaven Well Fixed O&M	\$ 38,405	\$ 39,557	\$ 40,743	\$ 41,966	\$ 43,225	\$ 44,521	\$ 45,857	\$ 47,233	\$ 48,650	\$ 50,109
Treatment O&M (Variable)	\$56,467	\$116,323	\$119,812	\$123,407	\$127,109	\$130,922	\$134,850	\$138,895	\$143,062	\$147,354
Other O&M (Variable)	\$2,515	\$5,182	\$5,337	\$5,497	\$5,662	\$5,832	\$6,007	\$6,187	\$6,373	\$6,564
Power O&M (Variable)	\$25,825	\$54,748	\$58,033	\$61,515	\$65,206	\$69,118	\$73,266	\$77,662	\$82,321	\$87,260
Total Annual O&M Rockhaven	\$ 123,212	\$ 215,809	\$ 223,926	\$ 232,385	\$ 241,202	\$ 250,394	\$ 259,979	\$ 269,977	\$ 280,406	\$ 291,288
Total Annual Expenditures Rockhaven Wellsite	\$ 255,994	\$ 422,194	\$ 437,989	\$ 454,514	\$ 471,804	\$ 489,898	\$ 508,835	\$ 528,657	\$ 549,409	\$ 571,136

FMWD Import

Imported Water Supply Equivalent	\$ 226,089	\$ 474,786	\$ 498,526	\$ 523,452	\$ 549,624	\$ 577,106	\$ 605,961	\$ 636,259	\$ 668,072	\$ 701,476
Power Costs of Delivery	\$ 39,494	\$ 83,726	\$ 88,750	\$ 94,075	\$ 99,719	\$ 105,703	\$ 112,045	\$ 118,767	\$ 125,893	\$ 133,447
Total Import Expenditure Equivalent	\$ 265,582	\$ 558,513	\$ 587,276	\$ 617,527	\$ 649,344	\$ 682,808	\$ 718,006	\$ 755,026	\$ 793,965	\$ 834,923
Net Annual Rockhaven Savings	\$ 9,588	\$ 136,318	\$ 149,286	\$ 163,013	\$ 177,540	\$ 192,911	\$ 209,171	\$ 226,370	\$ 244,557	\$ 263,786

Well and Pipeline Construction Cost
Subtotal

-\$160,875

Annual Payments to GWP

GWP Construction Costs at Rockhaven Well	\$ 51,012	\$ 51,012	\$ 51,012	\$ 51,012	\$ 51,012	\$ 51,012	\$ 51,012	\$ 51,012	\$ 51,012	\$ 51,012
Lease of Rockhaven Wellsite from GWP	\$ 15,040	\$ 15,040	\$ 15,491	\$ 15,956	\$ 16,435	\$ 16,928	\$ 17,435	\$ 17,959	\$ 18,497	\$ 19,052
Lease of Water Rights from GWP	\$ 66,731	\$ 140,333	\$ 147,560	\$ 155,161	\$ 163,156	\$ 171,564	\$ 180,408	\$ 189,710	\$ 199,494	\$ 209,785
Annual Payments to GWP	\$ 132,783	\$ 206,385	\$ 214,063	\$ 222,129	\$ 230,602	\$ 239,504	\$ 248,955	\$ 258,680	\$ 269,003	\$ 279,849
Total Cost per ac-ft	\$ 549	\$ 427	\$ 442	\$ 459	\$ 477	\$ 495	\$ 514	\$ 535	\$ 556	\$ 578
	\$ 330,111									

Existing FMWD Tier 1 Imported Water Supply Cc	CY 2013	CY 2014								
CYWD Power Costs for FMWD deliveries	\$847	\$890	\$935	\$981	\$1,030	\$1,082	\$1,136	\$1,193	\$1,252	\$1,315
Total Unit Cost for FMWD deliveries (\$/AF)	\$145	\$154	\$163	\$173	\$183	\$194	\$206	\$218	\$232	\$245
	\$992	\$1,044	\$1,098	\$1,154	\$1,214	\$1,276	\$1,342	\$1,411	\$1,484	\$1,560
Existing FMWD Tier 1 Imported Water Supply Costs			\$1,098	\$1,154	\$1,214	\$1,276	\$1,342	\$1,411	\$1,484	\$1,560
Negotiated Percentage			25%	25%	25%	25%	25%	25%	25%	25%
Cost per Ac-ft for Rockhaven Well			\$276	\$290	\$305	\$321	\$337	\$355	\$373	\$392
										\$412
										\$434

Rockhaven Cost Analysis with Grant Funding

Interest rate on investment (Construction)
Inflation (Lease)
Interest rate on (Well and Pipe Costs)
Inflation on water
Inflation Rate on O&M (Fixed)
Inflation Rate on O&M (Treatment)
Inflation Rate on O&M (Other)
Inflation Rate on Power
Rate for PV Calculations
Lease Payments
Rockhaven Fixed O&M (2013 \$)

Rockhaven Well

GWP Construction Costs at Rockhaven Well	\$1,095,841	\$ 51,012	\$ 51,012	\$ 51,012	\$ 51,012	\$ 51,012	\$ 51,012	\$ 51,012	\$ 51,012	\$ 51,012	\$ 51,012	\$ 51,012	\$ 51,012	\$ 51,012
Lease of Rockhaven Wellsite from GWP	\$376,000	\$ 19,624	\$ 20,213	\$ 20,819	\$ 21,443	\$ 22,087	\$ 22,749	\$ 23,432	\$ 24,135	\$ 24,859	\$ 25,605	\$ 26,373	\$ 26,373	\$ 26,373
Lease of Water Rights from GWP		\$ 220,609	\$ 231,995	\$ 243,972	\$ 256,570	\$ 269,822	\$ 283,761	\$ 298,425	\$ 313,851	\$ 330,078	\$ 347,148	\$ 365,106	\$ 365,106	\$ 365,106
Rockhaven Well Fixed O&M	2013 Price	\$ 51,613	\$ 53,161	\$ 54,756	\$ 56,398	\$ 58,090	\$ 59,833	\$ 61,628	\$ 63,477	\$ 65,381	\$ 67,343	\$ 69,363	\$ 69,363	\$ 69,363
Treatment O&M (Variable)	\$220	\$151,775	\$156,328	\$161,018	\$165,848	\$170,824	\$175,948	\$181,227	\$186,664	\$192,263	\$198,031	\$203,972	\$203,972	\$203,972
Other O&M (Variable)	\$10	\$6,761	\$6,964	\$7,173	\$7,388	\$7,609	\$7,838	\$8,073	\$8,315	\$8,564	\$8,821	\$9,086	\$9,086	\$9,086
Power O&M (Variable)	\$95	\$92,496	\$98,046	\$103,929	\$110,164	\$116,774	\$123,781	\$131,208	\$139,080	\$147,425	\$156,270	\$165,646	\$165,646	\$165,646
Total Annual O&M Rockhaven		\$ 302,644	\$ 314,498	\$ 326,875	\$ 339,799	\$ 353,298	\$ 367,400	\$ 382,135	\$ 397,535	\$ 413,634	\$ 430,466	\$ 448,068	\$ 448,068	\$ 448,068
Total Annual Expenditures Rockhaven Wellsite		\$ 593,889	\$ 617,718	\$ 642,677	\$ 668,824	\$ 696,218	\$ 724,922	\$ 755,004	\$ 786,532	\$ 819,582	\$ 854,230	\$ 890,558	\$ 890,558	\$ 890,558

FMWD Import

Imported Water Supply Equivalent	\$	736,549	\$	773,377	\$	812,046	\$	852,648	\$	895,280	\$	940,044	\$	987,047	\$	1,036,399	\$	1,088,219	\$	1,142,630	\$	1,199,761
Power Costs of Delivery	\$	141,454	\$	149,941	\$	158,938	\$	168,474	\$	178,582	\$	189,297	\$	200,655	\$	212,694	\$	225,456	\$	238,983	\$	253,322
Total Import Expenditure Equivalent	\$	878,003	\$	923,318	\$	970,983	\$	1,021,122	\$	1,073,863	\$	1,129,342	\$	1,187,702	\$	1,249,093	\$	1,313,675	\$	1,381,613	\$	1,453,084
Net Annual Rockhaven Savings	\$	284,114	\$	305,600	\$	328,306	\$	352,298	\$	377,645	\$	404,419	\$	432,698	\$	462,561	\$	494,093	\$	527,383	\$	562,526

Annual Payments to GWP

[illegible]

	CY 2013	484	484	484	484	484	484	484	484	484	484	484	484	484
Existing FMWD Tier 1 Imported Water Supply Cc	\$847	\$1,522	\$1,598	\$1,678	\$1,762	\$1,850	\$1,943	\$2,040	\$2,142	\$2,249	\$2,361	\$2,480	\$2,603	\$2,755
CWMD Power Costs for FMWD deliveries	\$145	\$292	\$310	\$328	\$348	\$369	\$391	\$415	\$440	\$466	\$494	\$524	\$554	\$585
Total Unit Cost for FMWD deliveries (\$/AF)	\$992	\$1,815	\$1,908	\$2,007	\$2,110	\$2,219	\$2,334	\$2,455	\$2,581	\$2,715	\$2,855	\$3,003	\$3,157	\$3,338
Existing FMWD Tier 1 Imported Water Supply Costs		\$1,815	\$1,908	\$2,007	\$2,110	\$2,219	\$2,334	\$2,455	\$2,581	\$2,715	\$2,855	\$3,003	\$3,157	\$3,338
Negotiated Percentage		25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Cost per Ac-ft for Rockhaven Well		\$456	\$479	\$504	\$530	\$558	\$586	\$617	\$649	\$682	\$717	\$755	\$793	\$832

Rockhaven Cost Analysis with Grant Funding					
Interest rate on investment (Construction)					
Inflation (Lease)					
Interest rate on (Well and Pipe Costs)					
Inflation on water					
Inflation Rate on O&M (Fixed)					
Inflation Rate on O&M (Treatment)					
Inflation Rate on O&M (Other)					
Inflation Rate on Power					
Rate for PV Calculations					
Lease Payments					
Rockhaven Fixed O&M (2013 \$)					
	CY 2036	CY 2037	CY 2038	CY 2039	
	22	23	24	25	
	\$ 51,012	\$ 51,012	\$ 51,012	\$ 51,012	
	\$ 27,164	\$ 27,979	\$ 28,818	\$ 29,683	
	\$ 383,998	\$ 403,872	\$ 424,781	\$ 446,778	
	\$ 71,444	\$ 73,587	\$ 75,795	\$ 78,069	
	\$210,091	\$216,394	\$222,886	\$229,573	
	\$9,359	\$9,639	\$9,929	\$10,226	
	\$175,585	\$186,120	\$197,288	\$209,125	
	\$ 466,479	\$ 485,741	\$ 505,897	\$ 526,993	
	\$ 928,652	\$ 968,604	\$ 1,010,508	\$ 1,054,465	
	\$ 1,259,749	\$ 1,322,737	\$ 1,388,874	\$ 1,458,317	
	\$ 268,522	\$ 284,633	\$ 301,711	\$ 319,814	
	\$ 1,528,271	\$ 1,607,370	\$ 1,690,585	\$ 1,778,131	
	\$ 599,619	\$ 638,766	\$ 680,077	\$ 723,666	
	\$ 51,012	\$ 51,012	\$ 51,012	\$ 51,012	
	\$ 27,164	\$ 27,979	\$ 28,818	\$ 29,683	
	\$ 383,998	\$ 403,872	\$ 424,781	\$ 446,778	
	\$ 462,173	\$ 482,863	\$ 504,611	\$ 527,472	
	\$ 955	\$ 998	\$ 1,043	\$ 1,090	
	\$847	\$2,734	\$2,870	\$3,014	
	\$145	\$588	\$624	\$661	
	\$992	\$3,322	\$3,494	\$3,675	
	\$3,158	\$3,322	\$3,494	\$3,675	
	25%	25%	25%	25%	
	\$794	\$835	\$878	\$923	

EXHIBIT "D"
LEASE AGREEMENT
Between City of Glendale
and
Crescenta Valley Water District

LEASE AGREEMENT

THIS GROUND LEASE AGREEMENT ("Lease Agreement") is made and entered into as of _____, 2014, by and between the **CITY OF GLENDALE, CALIFORNIA**, ("Landlord"), a municipal corporation, and **CRESCENTA VALLEY WATER DISTRICT** ("Tenant"), also referred to as each a "Party" and collectively "Parties".

RECITALS

WHEREAS, Landlord is the owner of certain real property a portion of which is the subject of the terms of this Lease Agreement, which portion is legally described in Exhibit "A" and shown in Exhibit "B" as the "Leased Premises" (hereinafter referred to as the "Leased Premises"); Said Exhibits "A" and "B" are attached hereto and incorporated herein by reference.

WHEREAS, Landlord and Tenant have entered into an executed a memorandum of understanding and agreement entitled City of Glendale and Crescenta Valley Water District Rockhaven Well Operation And Water Purchase/Sale Agreement ("MOU"), which MOU sets forth the Parties' understanding and agreement pertaining to Tenant's proposed use of the Leased Premises;

WHEREAS, Tenant desires to enter into a lease with Landlord for the Leased Premises; and

WHEREAS, Landlord is willing to grant such a lease, subject to the terms and conditions of this Lease Agreement.

NOW, THEREFORE, in consideration of the promises and of the mutual obligations and agreements in this Lease, the Parties agree as follows:

1. TERM

1.1 The term of this Lease Agreement shall be for a period of twenty five (25) years, commencing thirty days following the City Council's approval by way of an ordinance authorizing the subject Lease Agreement. The term of the Lease may be terminated sooner in any one or more of the following: abandonment or voluntary surrender of the Lease by Tenant; forfeiture of the Lease after an uncured breach of the terms of the Lease Agreement; and/or for any other reason stated in this Lease Agreement.

1.2 This Lease Agreement shall terminate prior to the expiration of its Term in the event the MOU between the Parties is terminated, at which time this Lease Agreement shall terminate on the date of the termination of the MOU.

1.3 Landlord may terminate this Lease Agreement, in the event the operations on the Lease Premises are posing or constituting an emergency affecting public welfare, safety and security, and/or in the event Landlord requires the use of the Leased Premises to address an emergency affecting public welfare, safety and security. Such termination shall be effective immediately and shall be without the requirement of any prior notice to Tenant. Landlord will make every effort to provide Tenant with one (1) week notice of termination in instances of public emergency affecting public security and/or safety only if providing such notice is possible in light of the events and circumstances surrounding the emergency.

1.4 This Lease Agreement shall terminate prior to the expiration of its Term in the event the MOU between the Parties is terminated, at which time this Lease Agreement shall terminate on the date of the termination of the MOU.

2. USE OF PREMISES

2.1 The Leased Premises shall be used solely for the purpose of installation/construction of vertical turbine pump and motor, a small building enclosure on a concrete pad over the groundwater well, above ground discharge piping with a flow meter, electrical/telemetry system to provide power for the pump and ability to remotely monitor and control the pump, asphaltic concrete paving and on-site improvements, underground discharge piping to waste, and 8-inch water main which will connect to an existing 8-inch water main to CVWD's Nitrate Removal Treatment and ingress, egress and parking of motor vehicles by Tenant and Tenant's employees, representatives and agents, and for no other purposes, without the written consent of Landlord first being obtained.

2.2 Tenant acknowledges that Landlord shall not be held responsible for the design of the facilities on the Leased Premises. Tenant acknowledges that Landlord shall not be held liable and agrees to defend and hold Landlord harmless to the maximum extent permitted by law from all claims arising out of the design, maintenance and operation of Tenant's Facilities at the Leased Premises.

3. RENT

3.1 Landlord shall invoice Tenant on a monthly basis, pursuant to Section 3 of the MOU. The single monthly invoice shall include, among other components, the rent for the Leased Premises. The rent shall be in the amount as set forth in the Cost Analysis Study dated October 2014, prepared by Raftelis Financial Consultants attached hereto as Exhibit "C". The Cost Analysis Study, the study assumptions and the components shall be reviewed and adjusted every five (5) years from the date of this agreement.

3.2 Tenant shall pay Landlord within 30 calendar days after receiving the invoice following the first of each month.

4. MAINTENANCE AND REPAIRS

4.1 Tenant shall be responsible for maintaining the lighting and landscaping, including planting, trimming and irrigating said landscaping. Tenant acknowledges and agrees that Tenant shall conform to Landlord's reasonable standards, as well as ensure that all work done and any and all site improvements by Tenant is in accordance with the rules, regulations and laws of the City of Glendale, as well as with any applicable State and Federal rules, regulations and mandates.

4.2 Tenant shall be directly responsible for all utilities required by Tenant's use of the Leased Premises, including but not limited to electricity. The cost of any utilities provided by Landlord shall be paid by Tenant to Landlord as payment separate from rent. Tenant shall pay a monthly charge for electricity computed at the then-current public utility rate.

4.3 Tenant shall keep the Leased Premises free from trash and debris. Tenant shall maintain the paved surface of the Leased Premises.

5. ACCESS

5.1 By Landlord: Landlord reserves the right to enter and use the Leased Premises for the purpose of gaining access to Landlord's adjacent properties without interfering with Tenant's use of the Leased Premises.

5.2 By Tenant: At all times throughout the Term of this Lease Agreement, and at no additional charge to Tenant, Tenant and its employees, agents, contractors, and subcontractors, will have twenty-four (24) hour per day, seven (7) day per week right of access to and over Landlord's property, along Landlord's specified access routes, for the installation, repair, maintenance and operation of the Tenant Facilities and any utilities serving the Lease Property. Tenant must provide Landlord with at least 72 hours advance prior notice for any vehicular access if the vehicle or equipment: (1) has a gross vehicle weight in excess of 10,000 pounds; (2) has skid steering including track driven vehicles or equipment; (3) possesses outriggers or stabilizers; (4) needs to be transported by trailer; or (5) is not recognized by the Department of Motor Vehicles to be legally driven or operated across/over public roads or highways. Tenant is responsible for and shall reimburse Landlord for any and all damages to the access to Landlord's property caused by Tenant's activity on Landlord's Property.

6. COMPLIANCE WITH ALL LAWS

6.1 Tenant shall comply with all applicable requirements of federal, state and local laws, rules and to monitor and certify such compliance in accordance with requirements as may be established by Landlord.

6.2 Tenant's ability to use the Lease Property shall be dependent upon Tenant obtaining all the certificates, permits, and other approvals, which may be required from any federal, state, or local authorities. Landlord shall reasonably cooperate with Tenant, but at no expense to Landlord, in obtaining such approvals. If any application by Tenant for any such approval is finally denied or rejected, or if any such certificate, permit, license or approval expires, lapses or is otherwise withdrawn or terminated, or if due to technological changes or for any other reason, Tenant, in its sole discretion, determines that it will be unable to use the Lease Property for Tenant's intended purposes, then Tenant shall have the right to terminate this Lease in accordance with the applicable Sections herein.

7. SIGNS

Tenant shall consult with the Planning Division of the City of Glendale to determine what signs will be permitted. Only those signs permitted by ordinance may be erected on the Leased Premises.

8. TAXES

8.1 Tenant recognizes and understands that this lease may create a possessory interest subject to property taxation and that Tenant may be subject to the payment of property taxes levied on such interest, and Tenant agrees to pay all such taxes levied. Tenant bears the responsibility to determine the subject taxes. Landlord shall not be liable for Tenant's failure to pay such possessory property taxes.

8.2 Tenant shall also pay, before delinquency, all taxes assessed against any personal property of Tenant, which may be located in or upon the Leased Premises, including all facilities, furnishings, fixtures, equipment. Tenant shall not be liable to pay any taxes and assessments arising from fee simple ownership of the Leased Premises.

9. RIGHT OF INSPECTION

Landlord reserves the right, to its officers, agents or employees, to enter upon the Leased Premises, and every part thereof, at all reasonable times during regular business hours for the purpose of inspecting same.

10. INDEMNIFICATION

10.1 Tenant agrees to indemnify, defend and hold harmless, to the maximum extent permitted by law, Landlord and its officers, agents, employees and representatives, from and against any and all liability, suits, actions, proceedings, judgments, claims losses, liens, damages, injuries (whether in contract or in tort, including personal injury, accidental death or property damage, and regardless of whether the allegations are false, fraudulent or groundless), costs and expenses (including attorney's fees), litigation, arbitration, mediation, appeal expenses) which in whole or in part arise out of or are connected with, or which are alleged to have arisen out of or to have been connected with Tenant's use, occupancy, activities, events, or operations on, in or about the Leased Premises.

10.2 Tenant's obligation to indemnify, defend and hold harmless shall remain in effect and shall be binding upon Tenant whether such injury or damage shall accrue, or may be discovered, before or after the termination of this Lease.

11. INSURANCE

11.1 At its own expense, Tenant shall obtain, pay for and maintain during the term of the Lease Agreement an "occurrence" policy for Commercial General Liability (including Contractual Liability) which shall protect Tenant and Landlord from claims for injuries and damages. The policy shall add Landlord, its officers, agents and employees as additional named insureds under the policy in the following amounts:

COMMERCIAL GENERAL LIABILITY INSURANCE in an amount not less than One Million Dollars (\$1,000,000) per occurrence for personal injuries, including accidental death, to any one person.

PROPERTY DAMAGE INSURANCE in an amount not less than One Million Dollars (\$1,000,000); and subject to the above limits and combined single limit of insurance in an amount not less than One Million Dollars (\$1,000,000).

BUSINESS AUTOMOBILE LIABILITY INSURANCE in an amount not less than One Million Dollars (\$1,000,000) per occurrence for bodily injury (including accidental death) to any one person and One Million Dollars (\$1,000,000) per occurrence for property damage, or Two Million Dollars (\$2,000,000) combined single limit.

POLLUTION LIABILITY INSURANCE in an amount not less than One Million Dollars (\$1,000,000) per claim and Two Million Dollars (\$2,000,000) in aggregate.

Complete WORKERS' COMPENSATION INSURANCE meeting or exceeding the coverages and amounts that California law requires.

11.2 At all times, the insurance company issuing the policy shall be an “admitted” insured in the State of California; shall be domiciled within, and organized under the laws of, a state of the United States; and shall carry an A.M. Best & Company minimum rating of “A-“

11.3 All policies shall contain a “Separation of Insured” clause and a “Primary Coverage” clause for any loss arising out of or caused by Tenant’s occupation or use of the Leased Premises. In addition, the policies shall contain a statement of obligation on the insurance carrier’s part to notify Landlord, by registered mail, at least thirty (30) days in advance of any policy cancellation, termination or reduction of the state limits.

11.4 Before signing this Lease Agreement, Tenant shall deliver to Landlord a “certificate of insurance” and an “additional insured endorsement”, both documents countersigned by the insurance carrier or its authorized representative, on forms satisfactory to the City Attorney, which set forth the above provisions.

11.5 Thirty (30) days prior to each anniversary date of this Lease Agreement, each Tenant shall deliver to Landlord a renewal certificate of insurance and renewal additional insured endorsement, in conformance with the requirements set forth herein.

11.6 The countersigned certificate, along with the additional insured endorsement, shall state: “The City of Glendale, its officers, agents and employees are added as additional names insureds under this policy. This insurance is primary to the coverage of the City of Glendale. Neither the Landlord nor any of its insurers shall be required to contribute to any loss. The insurance shall apply separately to each insured. The issuing company shall mail thirty (30) days advance notice to the Landlord of any policy cancellation, termination or reduction of the stated limits.”

11.7 Additionally, any deductibles or self-insured retentions shall be set forth on the certificate and shall be subject to Landlord’s review and approval. Landlord reserves the right to modify its insurance requirements on an annual basis.

11.8 Tenant’s failure to comply with the provisions of this Section shall constitute a material breach upon which Landlord may immediately terminate this Lease Agreement.

12. DEFAULT BY TENANT

12.1 The occurrence of any one or more of the following events shall constitute an “Event of Default” hereunder by Tenant.

1. The failure by Tenant to make the payment of rent or any other payment required to be made by Tenant hereunder when due, where such failure shall continue for a period of ten (10) days after written notice thereof is received by Tenant from Landlord.
2. The failure by Tenant to observe or perform any of the covenants or provisions of this Lease Agreement to be observed or performed by Tenant, other than as specified in Section 13(A) where such failure shall continue for a period of thirty (30) days after written notice thereof is received by Tenant from Landlord; provided, however, that it shall not be deemed an Event of Default by Tenant if Tenant shall commence to cure such failure within said thirty (30) day period and thereafter diligently prosecute such cure to completion.

12.2 If there occurs an Event of Default by Tenant, in addition to any and all other remedies available to Landlord at law or in equity; Landlord shall have the option to terminate this Lease Agreement and all rights of Tenant hereunder.

12.3 In addition, Landlord shall be entitled to immediate restraint by injunction of any violation of any of the covenants, conditions, or provisions of this Lease Agreement.

12.4 Should Tenant engage in activities which may cause or allow the Leased Premises to become a threat or danger to public welfare and safety, Landlord shall have the right, prior to a determination and authorization by a court of competent jurisdiction, to re-enter the Leased Premises and remove persons and personal property therefrom.

13. ASSIGNMENT AND SUBLETTING

13.1 Tenant shall not have the right to assign this Lease, or to sublet the whole or any portion of the Property without the prior written consent of the Landlord, which consent shall not be unreasonably withheld. No assignment or sublet shall release Tenant or change Tenant's primary liability to perform Tenant's obligations hereunder.

13.2 Tenant's rights hereunder shall not be subject to assignment by attachment, execution or proceedings under any Bankruptcy Act provision. Any such assignment or subletting shall be wholly void and of no force and effect without Landlord's prior written consent.

13.3 Any consent by Landlord to Tenant to assign this lease or sublet the whole or any portion of the Property, shall not be construed as consent to any other assignment or subletting, or as a waiver of Landlord's objection or right to object to any such assignment or subletting to which it has not consented.

14. EFFECT OF BANKRUPTCY

If at any time during the Lease term, in any judicial action or Court proceeding against either of the Tenant, a receiver or other officer or agent of the court is appointed to take charge of Tenant's interest under this Lease, and remain in possession of the Leased Premises for a period of more than twenty (20) days, or if Tenant shall be adjudicated bankrupt, or should any attempt to be made to sell Tenant's interest under this Lease by judicial sale, then Landlord shall have the right, to immediately terminate this Lease Agreement.

15. LANDLORD'S RIGHTS UPON TERMINATION

In the event of a termination or cancellation of this Lease Agreement for any cause or reason whatsoever, before the expiration of the term hereof, Landlord shall be entitled to remove Tenant from the Leased Premises and, except as otherwise hereinabove expressly provided, shall be entitled to retain any sum then held by Landlord as security pursuant to Paragraph 6 hereof, to cover damages and rents owed, pursuant to Section 1950.7 of the California Civil Code.

16. HOLDING OVER

Upon termination of this Lease Agreement, Tenant shall surrender the Leased Premises in good, clean, undamaged condition, wear and tear excepted. Any holding over by Tenant after the term of this Lease Agreement expires, with the consent of Landlord, shall create a month to month tenancy, which either party may terminate by giving the

other party written notice at least thirty (30) days before the intended termination date. Rent shall be at a rate equal to the rent for the immediately preceding month, and shall be payable in advance. In the event of a holding over, all other terms and conditions of this Lease shall remain in full force and effect.

17. NOTICE

Any notice to be provided to the Landlord and Tenant hereunder shall be provided in writing and unless otherwise provided herein, shall be deemed validly given on the date either personally delivered to the address indicated below or on the third (3rd) business day following deposit, postage prepaid, using certified mail, return receipt requested, in any U.S. Postal mailbox or at any U.S. Post Office. Notices shall also be allowed via electronic mail ("email"), and shall be deemed validly given on the date of transmission when sent by email. Should Landlord or Tenant have a change of address, the other party shall immediately be notified in writing of such change, provided, however, that each address for notice must include a street address and not merely a post office box. All notices shall be addressed as follows:

TENANTS:

CRESCENTA VALLEY WATER DISTRICT
ATTN: Dennis Erdman, General Manager
2700 Foothill Boulevard
La Crescenta, CA 91214-3516
Facsimile: (818) 248-1659
Email: derdman@cvwd.com

LANDLORD

CITY OF GLENDALE WATER & POWER
ATTN: Ramon Abueg, Chief Assistant General Manager
141 North Glendale Ave., 4th Level
Glendale, CA 91206-4496
Facsimile: (818) 552-2852
Email: rabueg@glendaleca.gov

18 MISCELLANEOUS PROVISIONS

A. WAIVER. Landlord's failure to exercise any of its rights resulting from a default or breach of covenant on the part of Tenant shall not be construed as a waiver thereof, nor shall any custom or practice which may grow up between the parties in the course of administering this Lease be construed to waiver or to lessen the right of Landlord to insist upon the performance by Tenant of any term, covenant or condition hereof, or to exercise any right given it resulting from any such default. A waiver of a particular breach or default shall not be deemed to be a wavier of the same or any other subsequent breach of default.

B. TIME OF ESSENCE. Time is of the essence of this Lease and of each provision.

C. NO PARTNERSHIP. This Lease Agreement shall not be construed to constitute any form or partnership or joint venture between Landlord and Tenant.

D. CONSTRUCTION

1. Section titles or captions contained in this Lease are inserted as a matter of convenience and for reference and in no way define, limit, extend or describe the scope of this Lease or any provision hereof.
2. Unless defined otherwise, the words used in this Lease shall be construed according to their plain meaning in the English language. The language used in this Lease shall not be interpreted strictly for or against either party.
3. If any provision of this Lease is capable of two constructions, one of which would render the provision void and the other of which would render the provision valid, then the provision shall have the meaning that renders it valid.
4. The singular includes the plural and vice versa, and the masculine includes the feminine and neuter, whenever the context so requires.

E. WARRANTEE. Landlord warrants and agrees that Landlord is seized of good and sufficient title to and interest in the Leased Premises and has full authority to enter into and execute this Lease Agreement and that there are no undisclosed liens, judgment or impediments of title on the Leased Premises that would affect this Lease Agreement. Landlord makes no representation or warranty whatsoever concerning the suitability of the Leased Premises for the purposes intended by Tenant. Tenant acknowledges that neither Landlord, nor any of Landlord's officers, agents and employees have made any representations concerning the suitability of the Leased Premises for the purposes intended by Tenant, nor is Tenant entering into this Lease Agreement in reliance upon any such representations.

F. RIGHT OF QUIET ENJOYMENT. Tenant shall have the right of quiet enjoyment of the Leased Premises.

G. GOVERNING LAW. This Lease Agreement and the performance hereon shall be governed, interpreted, construed and regulated by the laws of the State of California.

H. ENTIRE AGREEMENT. This Lease Agreement constitutes the entire agreement between the parties hereto pertaining to the subject matter hereof, fully supersedes any and all prior understandings, representations, warranties and agreements between the parties hereto, or any of them, pertaining to the subject matter hereof, and may be modified only by written agreement signed by all of the parties hereto.

I. BINDING POWER. Each person executing this Lease warrants and represents that he or she is duly authorized to execute this Lease Agreement on behalf of Landlord or Tenant.

J. SEVERABILITY. If any portion of this Lease Agreement is declared by a court of competent jurisdiction to be invalid or unenforceable, then such portion shall be deemed modified to the extent necessary in such court's opinion to render such portion enforceable and, as so modified, such portion and the balance of this Lease Agreement shall continue in full force and effect.

K. ATTORNEYS' FEES. In case suit shall be brought because of the breach or alleged breach of any covenant herein contained on the part of any party to be kept or performed, or for declaratory relief, the prevailing party or parties shall recover from the non-prevailing party or parties all costs and expenses incurred herein, including reasonable attorneys' fees and expenses incurred in enforcing any judgment.

L. FORCE MAJEURE. For the purposes of this Lease Agreement, "Force Majeure" means an unforeseen event or condition deemed by Landlord as calling for immediate action to avoid the threat of loss or injury of property and/or danger to public safety, including but not limited to, an act of God, labor dispute, civil unrest, epidemic, and/or natural disaster.

19. ENFORCEMENT AUTHORIZATION

The City Manager of Landlord, or his assigned representative, is hereby authorized to act on behalf of the City in all matters pertaining to this Lease, with the exception that a termination of the Lease by Landlord due to breach of any of the terms and conditions herein shall be approved by the Council of the City of Glendale.

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be executed by their officers hereunto duly authorized on the day and year first above written.

LANDLORD:

TENANT:

CITY OF GLENDALE

CRESCENTA VALLEY WATER DISTRICT

By: _____
Scott Ochoa
City Manager

By: _____
Dennis Erdman
General Manager

EXHIBIT "A"
LEGAL DESCRIPTION

EXHIBIT "B"

MAP

EXHIBIT "C"

Cost Analysis Study

Dated October 2014

Prepared by

Raftelis Financial Consultants

CRESCENTA VALLEY WATER DISTRICT

BOARD OF DIRECTORS - STAFF REPORT

Agenda Item No.3
November 19, 2014

To: Honorable President and Members of the Board of Directors
From: David S. Gould, P.E. – District Engineer
Subject: Professional Service Agreement for ULARA Legal Services

ACTION ITEM:

1. **Professional Service Agreement for ULARA Legal Services** - Consideration and motion to authorize the General Manager to enter into a professional services agreement with Downey Brand Attorneys, LLP and the ULARA Watermaster for administration of ULARA Legal Services.

BACKGROUND:

In 2011, the Watermaster requested that the ULARA Administration Committee (AC) retain Special Legal Counsel for the Watermaster pertaining to legal matters relative to the *City of Los Angeles v. City of San Fernando, et al.*, Case No. C650079 ("San Fernando Judgment"). The firm of Downey Brand Attorneys, LLP was awarded a three-year contract for legal services, which expires on December 31, 2014. CVWD has been the administrator of the professional services agreement for the Special Counsel for the Watermaster.

DISCUSSION:

The AC requested that a Request for Proposal (RFP) be sent out to prospective firms to provide legal services for the period from January 1, 2015 to December 31, 2017. The AC also requested that CVWD continue administering the professional services agreement for the Watermaster's Special Counsel.

The RFP was sent to eight (8) firms and six (6) proposals were received by CVWD. The Watermaster and the AC's legal counsels met to discuss the proposal and agree to retain the services of Downey Brand Attorneys, LLP for the next three (3) year period.

The budget approved by the AC for the legal services was not-to-exceed seventy-five thousand dollars (\$75,000) per year. All work will be performed on an as-needed basis at the specific request of the Watermaster. If at any time it becomes apparent that the budget may be exceeded, Special Counsel will promptly notify the ULARA Watermaster, before the existing annual budget is exceeded.

CVWD will continue administering the contract and the Special Counsel will invoice the District on a monthly basis. A separate account will be set up at the District and monies will be used to pay the Special Counsel from this account. The District will then invoice each of the parties for their share in accordance with the amended cost-sharing agreement and replenish that account.

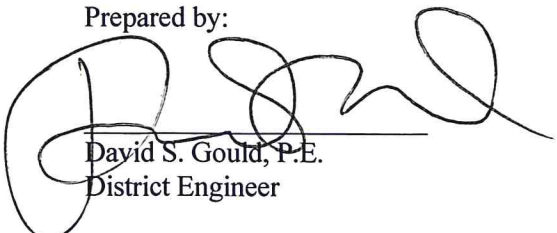
RECOMMENDATIONS:

It is staff's recommendation to approve the attached professional service agreement between the Watermaster, Downey Brand Attorneys, LLP, and CVWD.

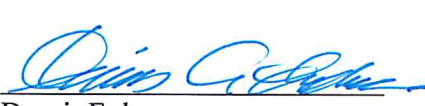
FUNDING AVAILABILITY:

There will be no cost to the District for administering the fund.

Prepared by:


David S. Gould, P.E.
District Engineer

Submitted by:


Dennis Erdman
General Manager

Attachment: Professional Service Agreement

PROFESSIONAL SERVICES AGREEMENT

THIS AGREEMENT ("Agreement") is made and effective January 1, 2015, between Richard C. Slade, Upper Los Angeles River Area Watermaster ("ULARA Watermaster"), Downey Brand Attorneys LLP ("Attorneys"), and Crescenta Valley Water District ("CVWD").

RECITALS

ULARA Watermaster is a court-appointed Watermaster, designated by the Superior Court of Los Angeles in the matter of *City of Los Angeles v. City of San Fernando, et al.*, Case No. C650079 ("San Fernando Judgment"). ULARA Watermaster assists the Court in its administration and enforcement of the provisions of the San Fernando Judgment and any subsequent orders of the Court entered pursuant to the Court's continuing jurisdiction. ULARA Watermaster serves the Court and the Administrative Committee.

CVWD, along with the Cities of Burbank, Glendale, Los Angeles and San Fernando (collectively, the Administrative Committee Members) are parties to the San Fernando Judgment and are the members of the Administrative Committee.

ULARA Watermaster desires to engage the services of Attorneys for representation of the ULARA Watermaster, on an as needed basis, in connection with the San Fernando Judgment. Attorneys' services are desired to: assist the ULARA Watermaster, as needed by the ULARA Watermaster, in consultation on matters of concern regarding the enforcement and interpretation of the San Fernando Judgment; prepare opinions on conjunctive use and storage rights; assist in the preparation of amendments to the Policies and Procedures to the Judgment; and provide representation for the ULARA Watermaster in proceedings related to the enforcement of the San Fernando Judgment.

Attorneys will be paid by CVWD, which will be reimbursed by the other Administrative Committee Members pursuant to a separate agreement.

Attorneys represent that they are duly licensed in the State of California, and admitted to practice before the courts of the State of California and render services as provided herein.

Attorneys further warrant that Kevin M. O'Brien, Esq., and Meredith E. Nikkel, Esq. of the Attorneys' firm shall serve as special counsel to the ULARA Watermaster and that both are experienced and capable of performing the types of tasks hereunder in a professional and competent manner.

NOW, THEREFORE, in consideration of the terms and conditions herein contained, it is mutually agreed as follows:

I. TERM

The term of this Agreement shall commence on the date of execution hereof by ULARA Watermaster and Attorneys, and unless sooner terminated pursuant to the provisions hereof, shall continue until December 31, 2017, subject to renewal for a three-year period thereafter by consent of the Administrative Committee Members.

II. SERVICES

Representation by Attorneys shall include, but not be limited to: assist the ULARA Watermaster, as needed by the ULARA Watermaster, in consultation on matters of concern regarding the enforcement and interpretation of the San Fernando Judgment; preparing opinions on conjunctive use and storage rights; assisting in the preparation of amendments to the Policies and Procedures to the Judgment; and providing representation for the ULARA Watermaster in proceedings related to the enforcement of the San Fernando Judgment. During the term of this agreement, Attorneys shall perform the duties, responsibilities and tasks under this Agreement as assigned by the ULARA Watermaster in a competent, professional and prompt manner.

In order to enable Attorneys to render these services effectively, ULARA Watermaster shall be truthful with Attorneys and shall be reasonably available to attend meetings and participate in conference calls.

III. GENERAL PROVISIONS

A. Account Responsibility—Attorneys

Attorneys shall designate a Relationship Partner, to exercise oversight responsibility for adherence to this Agreement. The Relationship Partner shall be Kevin M. O'Brien, Esq.

B. Account Responsibility—ULARA Watermaster

ULARA Watermaster shall exercise oversight responsibility for adherence to this Agreement.

C. Conflicts of Interest

Attorneys shall not undertake or continue any representation of the ULARA Watermaster until any and all potential conflicts of interest has been identified and resolved or waived in writing by the ULARA Watermaster, as well as any and all counsel for the Administrative Committee Members. ULARA Watermaster acknowledges that Attorneys represent the City of Los Angeles in certain matters unrelated to ULARA and consents to such representation.

D. Coordination Between Attorneys and ULARA Watermaster

It is the objective of the ULARA Watermaster to channel all communications with Attorneys through Kevin O'Brien and Meredith Nikkel in order to consolidate direction of strategies and reduce expenses by eliminating redundant communications. Meaningful and timely communications are critical.

ULARA Watermaster does not require routine status reports on any arbitrary basis (for example, quarterly status reports to the Court). Instead, ULARA Watermaster expects Attorneys to communicate with ULARA Watermaster as soon as any developments occur and prior to undertaking any substantial legal work such as research or motion practice. Telephone and e-mail provide the most effective means of timely communication.

All correspondence and other documents must be sent to the ULARA Watermaster immediately upon receipt or preparation. Any documents prepared by Attorneys on behalf of the ULARA Watermaster must, whenever possible, be forwarded to the ULARA Watermaster in draft form for review prior to sending or filing. ULARA Watermaster requires complete copies of all final pleadings and all documents for its files, including internal correspondence.

E. Confidentiality and Media Contact

In no case should Attorneys speak with members of the media, local or national, concerning the San Fernando Judgment and any and all matters relating to any work tasks requested by the ULARA Watermaster, unless expressly permitted by the ULARA Watermaster.

F. Most Favored Nations

Attorneys represents that, as of the date hereof, the rates set forth in Section VI(A), below, and the other economic terms and conditions provided in this Agreement, taken individually, are at least as favorable to ULARA Watermaster as those provided to any other client of Attorneys for similar work (other than pro bono clients).

If during the term of this Agreement (including any extension or renewal) Attorneys have in effect or places into effect with any client (other than a pro bono client) a lower rate or other more favorable economic term or condition than provided under this Agreement (a "More Favorable Provision"), Attorneys will promptly offer such More Favorable Provision, unconditionally, to ULARA Watermaster by providing written notice thereof to ULARA Watermaster (an "MFN Notice") and, at ULARA Watermaster's election, this Agreement will be deemed to have been modified to provide ULARA Watermaster with such More Favorable Provision from the date such provision is effective for Attorneys' other client. Notwithstanding anything herein to the contrary, Attorneys' failure to provide ULARA Watermaster with an MFN Notice will not limit or otherwise impact ULARA Watermaster's right to enjoy the benefits of the applicable More Favorable Provision(s).

IV. STAFFING

A. Assignments of Personnel

Each lawyer or legal assistant assigned to perform legal services for the ULARA Watermaster pursuant to this Agreement, should have a reason for being involved, such as the required expertise in a specific area of the law, and make a clear contribution. ULARA Watermaster supports the use of associates and paralegals; however, the use of associates and legal assistants should replace partners' time and reduce total billing, not increase total billings. ULARA Watermaster will not pay for non-attorney's time, such as a law clerk, to perform legal services, without prior approval. On the other hand, it may be more economical at times to use an experienced attorney who can dispose of a matter without the detailed research required by a less experienced attorney. Once representation has begun, the lead attorney should consult with the ULARA Watermaster before adding staff to handle an increasing workload. If it becomes necessary to add additional attorneys or substitute an attorney, Attorneys should consult with the ULARA Watermaster before doing so.

B. Training

This Agreement will not authorize pay for the "downtime" or "learning" time that may result from any staffing change by Attorneys. In addition, this Agreement shall not authorize and not pay for the training of Attorneys' personnel.

C. Duplication of Effort

Billing for "conference" or "instruction" time with other attorneys in Attorneys' firm, or for preparation and review of internal memoranda will not be paid except in extraordinary situations approved in advance. Often, the savings envisioned by the use of an associate are lost if conference time is required for instruction. ULARA Watermaster realizes that duplication of tasks and resulting inefficiencies can often be avoided by a few hours of Attorneys' direct effort. Unless otherwise approved in advance, only one attorney is authorized to attend depositions, court appearances, meetings, conferences and the like on the ULARA Watermaster's behalf. During critical adversary states of litigation, should they occur, a partner or experienced associate from Attorneys' firm should attend.

D. Outside Services

Expert witnesses, consultants and investigators should not be engaged without ULARA Watermaster's prior approval. Use and selection of outside professional services must be approved in advance by the ULARA Watermaster. Support services within the ULARA Watermaster's organization or means should be used when it is reasonable and cost-effective to do so.

V. BUDGETS

The budget approved and allocated for Attorneys' services shall be in the not-to-exceed amount of seventy five thousand dollars (\$75,000) per year. All work shall be performed on an as-needed basis at the specific request of the ULARA Watermaster. If at any time after submission of the budget it becomes apparent that the budget is or may be exceeded, Attorneys shall promptly notify the ULARA Watermaster, before the existing annual budget is exceeded.

VI. BILLING AND FEES

A. Fees

Attorneys agree that they will bill for services provided to the ULARA Watermaster pursuant to this Agreement at the Attorneys' most favorable rate charged to public agencies for similar services, at the hourly rate of \$375 per hour for Kevin O'Brien, and \$310 per hour for Meredith Nikkel.

Unless otherwise agreed by ULARA Watermaster, fees and expenses to be paid to Attorneys shall not exceed \$75,000 per year in the aggregate. When 85% of the maximum amount has been billed, Attorneys shall provide written notice to the ULARA Watermaster that they have expended 85% of the maximum limit. In no event shall the maximum limit be expended without prior authorization of the ULARA Watermaster.

B. Billing

Bills should reflect actual time expended in units of not more than one-tenth of an hour.

Billing rates are subject to an annual adjustment on November 1 of each year, based on a percentage equal to the percentage increase in the Consumer Price Index (CPI) for Urban Wage Earners and Clerical Workers as measured from September of the previous calendar year to September of the current calendar year for United States City Average (1982-84=100). This annual adjustment is limited to a minimum of 0 percent and a maximum of 5 percent per year and is subject to the overall contract caps as set forth in this Agreement.

Invoices shall be sent on a monthly basis to the ULARA Watermaster for approval. Once approved, the ULARA Watermaster shall forward said invoices to CVWD for processing and payment.

C. Billing Requirements

1. Separate Invoicing for Each Matter

Unless ULARA Watermaster has made other arrangements, separate invoices should be presented monthly for each matter within 30 days after the end of the month.

Each invoice shall show the amount of services rendered during the billing period, the fee for such services, and the amount of reimbursable expenses.

The invoice shall be accompanied by a separate invoice support statement that briefly describes the name of the attorney who did the work, the date the work was done, the time expended, a description of the services performed and the amount charged per hour, along with any itemized reimbursable expenses. The invoice support statement shall be marked "Confidential—Attorney-Client Privilege." The invoice may be subject to disclosure pursuant to the California Public Records Act.

Each line entry on the invoice shall reflect a single activity. Line entries that include more than one activity and a total time for those activities will experience payment delays while the individual activities are analyzed to determine reasonableness. Time spent on preparation of the billing statements should be considered part of overhead and not be billed to the ULARA Watermaster. Copies of all internal memoranda of fact or law, correspondence, and pleadings filed with the court must be sent to ULARA Watermaster for the period covered by the invoice.

2. Non-Billable Items

Attorneys shall **not** be paid for:

- (a) Meetings or conversations involving Attorneys, legal assistants and other personnel from the same firm, unless such meetings or conversations are an essential part of an activity directly related to the legal engagement.
- (b) Legal research that has not been specifically requested or authorized in advance by the ULARA Watermaster.
- (c) Word processing, overtime charges, secretarial/clerical charges, normal photocopying, fax communications, local transportation, telephone charges, postage charges, books and subscriptions, computer research costs (i.e., Westlaw and Lexis), messenger charges, storage charges, file retrieval charges, computer labels, document binding and duplicating services at more than \$.10 per page, charges for office utilities, in-house conference rooms, use of library facilities and local meals not associated with necessary business meetings, charges for services such as catering, staffing, office planning and coordination or charges for background research and general education.

D. Auditing of Invoices

ULARA Watermaster and the Administrative Committee Members reserve the right to audit Attorneys' invoices to ensure compliance with this Agreement.

ULARA Watermaster may require Attorneys to furnish to the ULARA Watermaster all underlying billing documentation, including original receipts and time records, within ten days of written demand. In addition, Attorneys should maintain all billing documentation, including original records and draft bills, for one year after the matter concludes.

VII. TRAVEL

A. Travel

Attorneys will be reimbursed only for actual, necessary and reasonable travel expenses that have been incurred with ULARA Watermaster's prior permission. Air travel shall be at coach rates. Only coach class airfare, reasonable taxi charges and other ground transportation expenses, moderately-priced hotel accommodations and meals associated with out-of-town travel will be reimbursed. No personal incidental charges such as personal telephone or valet service will be reimbursed. Attorneys will not be reimbursed for entertainment. Travel costs should be listed separately on invoices, broken down by category, and copies of receipts associated with travel must be provided.

B. Travel Time and Work in Transit

Attorneys shall be entitled to bill for half the time spent in transit and/or travel time.

If work is performed for the ULARA Watermaster while traveling for the ULARA Watermaster, Attorneys shall bill for the actual time spent doing the work.

VIII. INSURANCE

A. When Attorneys sign and deliver this Agreement, and during this Agreement's Term, Attorneys shall furnish CVWD with insurance forms that fully meet the requirements of—and contain provisions entirely consistent with—this Article.

B. Commercial General Liability Insurance

Attorneys shall carry Commercial General Liability Insurance in a minimum amount of \$1,000,000, combined single limit.

C. Workers Compensation Insurance

Attorneys shall carry Workers Compensation Insurance as required by law.

D. Professional Liability Insurance

1. Without limiting Attorneys' liability and at its sole expense, Attorneys shall obtain, pay for, and maintain a Professional Liability insurance policy.
2. The Professional Liability policy must:
 - (a) Include "errors and omissions" coverage or "malpractice" coverage;
 - (b) Afford "practice specific" coverage;
 - (c) Provide limits of liability in an amount not less than:
 - (1) ONE MILLION DOLLARS (\$1,000,000) per claim; and
 - (2) ONE MILLION DOLLARS (\$ 1,000,000) in the aggregate;
 - (d) Cover a claim or claims arising out of the negligent performance of professional services by:
 - (1) Attorneys;
 - (2) Attorneys' Subconsultant(s);
 - (3) Anyone for whose acts Attorneys or their Subconsultant(s) may be liable; and
 - (e) Provide coverage for the duration of this Agreement. Attorneys shall obtain, pay for, and maintain successive renewal or replacement policies (with "prior acts" coverage), for a minimum period of three years, with a "retroactive date" that coincides with, or is earlier than, this Agreement's Effective Date.
3. Attorneys shall pay the full amount of all deductibles and any self-insured retention per claim for coverage under the Professional Liability insurance policy.

E. General Requirements

1. Unless otherwise approved by CVWD, at all times, the insurance company issuing the policy must meet both of these requirements:
 - (a) It must be an "admitted" insurer by the State of California Department of Insurance or must be listed on the California Department of Insurance's "List of Surplus Line Insurers" ("LESLI");
 - (b) It must carry an A.M. Best & Company minimum rating of "A-".
2. If the Agreement requires any of the foregoing insurance coverages to remain in force after the Final Payment, and if they are reasonably available, Attorneys shall submit to CVWD with the final Application for Payment, all certificates and additional insured endorsements evidencing the coverages' continuation.

3. A deductible or self-insured retention is subject to CVWD's review and approval. The insurance company or its authorized representative must state either on the insurance certificate or in a separate correspondence:
 - (a) The amount of the deductible, or self-insured retention, or both;
 - (b) Whether a limit of insurance has been lowered by any pending or paid claim; and
4. The Commercial General Liability policy shall afford coverage for Contractual Liability, and:
 - (a) If Attorneys' insurance company adds the ULARA Watermaster and the Administrative Committee Members, and their respective officers, agents, employees, and representatives (collectively, "their representatives") as additional insureds, then for all acts, errors, or omissions of the ULARA Watermaster or any Administrative Committee Members, or their representatives, or both, that insurer shall:
 - (1) Pay those sums that ULARA Watermaster or Administrative Committee Members, their representatives, or both, become legally obligated to pay as damages; and
 - (2) Defend and pay the costs of defending the ULARA Watermaster and Administrative Committee Members, their representatives, or both;
 - (b) ULARA Watermaster or Administrative Committee Members are not liable for a premium payment or another expense under Attorneys' policy.
5. At any time during the duration of this Agreement, CVWD may review this Agreement's insurance coverage requirements.
6. Attorneys shall maintain the insurance policy without interruption, from the Project's commencement date to the Final Payment date, or until a date that CVWD specifies for any coverage that Attorneys must maintain after the Final Payment.
7. Attorneys shall not allow any insurance to expire, cancel, terminate, lapse, or non-renew without arranging for comparable insurance coverage without lapse. Within ten (10) days after the renewal date, Attorneys shall deliver to CVWD evidence of the required coverage as proof that Attorneys' insurance policy has been renewed or replaced with another insurance policy which, during the duration of this Agreement, meets all of this Agreement's insurance requirements.

8. At any time, upon CVWD's request, Attorneys shall furnish satisfactory proof of each type of insurance coverage required including a certified copy of the insurance policy or policies; certificates, endorsements, renewals, or replacements; and documents comprising Attorneys' self-insurance program all in a form and content acceptable to CVWD.
9. If Attorneys hire, employ, or use a subconsultant to perform work, services, operations, or activities on Attorneys' behalf, Attorneys shall ensure that the subconsultant:
 - (a) Meets, and fully complies with, this Agreement's insurance requirements;
 - (b) Delivers to CVWD—for its review, or approval, or both all insurance policies, certificates, and endorsements that this Agreement requires; and
 - (c) Furnishes CVWD, at any time upon its request, with a complete copy of the subconsultant's insurance policy or policies for CVWD's review, or approval, or both.
10. Attorneys' failure to comply with an insurance provision in this Agreement constitutes a breach upon which ULARA Watermaster or CVWD may immediately terminate or suspend Attorneys' performance of this Agreement, or invoke another remedy that this Agreement or the law allows.

F. Attorneys' Submittal of Certificates and Endorsements

1. Attorneys shall have its insurance carrier(s) or self-insurance administrator(s) complete and execute the following insurance documents, unless an exception below applies. When Attorneys signs and delivers the Agreement to CVWD, Attorneys also shall deliver:
 - (a) A "certificate of insurance" for each required liability insurance coverage;
 - (b) A complete copy of Attorneys' Professional Liability insurance policy, including all forms and endorsements attached to it.
2. CVWD will neither sign this Agreement nor issue a "Notice to Proceed" until CVWD has reviewed and approved the insurance documents. CVWD's decision as to the acceptability of all insurance documents is final. Unless Attorneys obtain CVWD's written approval, CVWD will not permit or allow a substitution of an insurance policy, or a change in a certificate's or an endorsement's form and content, or both.

IX. TERMINATION OF SERVICES

ULARA Watermaster shall have the right to terminate Attorneys services at any time upon written notice to Attorneys, and Attorneys shall immediately, after receiving such notice, cease to render additional services. At such time, Attorneys would be compensated only for that work which has been satisfactorily completed to the date of termination. No compensation shall be paid for disengagement, wind-down time or other costs incurred due to termination of this Agreement.

Notice given pursuant to the provisions hereof may be given by depositing the same in the United States mail, duly addressed and postage prepaid, and shall be deemed to have been given on the date of the mailing thereof.

Any such notice may be addressed to Attorneys at:

DOWNEY BRAND ATTORNEYS LLP

Attn: Kevin M. O'Brien, Esq.
621 Capitol Mall, 18th Floor
Sacramento, CA 95814

And to ULARA Watermaster at:

Richard C. Slade, Watermaster
Richard C. Slade and Associates LLC
12750 Ventura Blvd., Suite 202
Studio City, CA 91604

And to Crescenta Valley Water District at:

Crescenta Valley Water District
Attn: Dennis Erdman, General Manager
2700 Foothill Blvd.
La Crescenta, CA 91214

X. VOLUNTARY ARBITRATION

The parties shall arbitrate any fee dispute under this Agreement. Such arbitration shall be held before the Los Angeles County Bar Association pursuant to California Business and Professions Code §6200. Subject to applicable bar rules, the prevailing party in any such arbitration shall be awarded its reasonable costs and attorneys' fees incurred in connection with the dispute.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date below.

Dated: _____

ATTORNEYS:

DOWNEY BRAND ATTORNEYS LLP

By: _____

Kevin M. O'Brien, Attorney at Law

ULARA WATERMASTER

By: _____

Richard C. Slade, ULARA Watermaster

CRESCENTA VALLEY WATER DISTRICT

By: _____

Dennis A. Erdman, General Manager

CRESCENTA VALLEY WATER DISTRICT

BOARD OF DIRECTORS - STAFF REPORT

Agenda Item No.4

November 19, 2014

To: Honorable President and Members of the Board of Directors
From: David S. Gould, P.E. – District Engineer
Subject: Enter into an Amendment No. 1 for Memorandum of Understanding for Allocation of Cost of Watermaster and Watermaster's Legal Services for ULARA

ACTION ITEM:

1. **Amendment No. 1 for Memorandum of Understanding for Allocation of Cost of Watermaster and Watermaster's Legal Services for ULARA** – Consideration and motion to authorize the General Manager to enter into Amendment No. 1 for Memorandum of Understanding with the City of Glendale, the City of Burbank, the City of San Fernando, and the Los Angeles Department of Water and Power regarding the allocation of costs for Watermaster and Watermaster's Legal Services for the ULARA Groundwater Basins.

BACKGROUND:

In December 2008, CVWD entered into a three-year Memorandum of Understanding (MOU) for allocation of costs of Watermaster Services for the Upper Los Angeles River Area (ULARA) with the other ULARA parties to retain the services of Richard Slade as the Watermaster. The City of Glendale was the Administrator for the Watermaster contract.

In December 2011, the MOU was updated to include the allocation of costs of Watermaster Services and the Watermaster's Legal Services for ULARA for the period January 1, 2012 through December 31, 2014.

The City of Los Angeles had born all costs for the Watermaster's office prior to 2008 which included the Watermaster and the administration staff. With a new independent Watermaster, the ULARA Administrative Committee (AC) approved a cost-sharing agreement which allocates responsibility among the agencies for the fees and costs incurred by the new Watermaster. The total Watermaster budget will be allocated between the agencies in proportion to their average annual extractions of groundwater from each basin. A three-year annual average of groundwater pumping from each basin will be used to calculate each agencies annual cost for Watermaster services.

DISCUSSION:

The AC has been working with the Watermaster to develop a scope of work and fee for the amended contract from January 1, 2015 to December 31, 2017. A summary of tasks to be performed by the Watermaster and his staff during the next period are outlined in the attached Amendment No. 1 for the MOU.

The consultant fee for the Watermaster as shown in the Amendment No. 1 for the MOU shall not exceed \$1,530,500 for services rendered for Tasks 1, 2, and 3. Consultant's annual fees during the term shall not exceed: \$510,500 in year 2015, \$510,500 in year 2016, and \$509,500 in year 2017. In addition, the Consultant's fees shall not exceed \$470,000 for services rendered for Task 4.

CVWD will be responsible for its portion of the Consultant's fees and the legal services based on:

"Each basin shall be allocated between the Parties in proportion to their average annual extractions of groundwater from each basin. Average annual extractions of groundwater from each basin shall be calculated by the Consultant by January 15 of each calendar year (effective October 1 of the preceding calendar year) using each Party's annual extractions from the three preceding water years, based upon a three-year rolling average."

The following table shows the cost sharing percentage and costs for each party based on the latest three-year rolling average for groundwater production as provided by the Watermaster (WY 12/13).

Table 1 – Cost Sharing Breakdown

PARTY	3-year Rolling Average Percentage	Amount for WY 14/15 - Watermaster	Amount for WY 14/15 – Legal Services
Burbank	12.93%	\$66,008	\$9,698
Glendale	12.41%	\$63,353	\$9,308
LADWP	66.99%	\$341,984	\$50,243
San Fernando	4.00%	\$20,240	\$3,000
CVWD	3.67%	\$18,735	\$2,753
Total	100.00%	\$510,500	\$75,000

RECOMMENDATIONS:

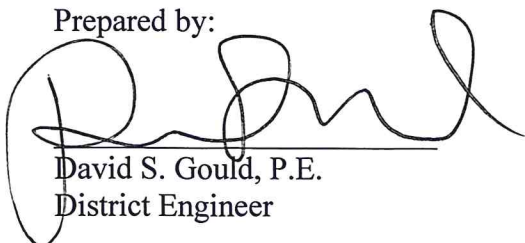
It is staff's recommendation to approve the attached Amendment No. 1 for the MOU between the parties.

FUNDING AVAILABILITY:

The funds for the Amendment No. 1 for the MOU are included in the FY 14/15 budget as shown below.

Account Description	Account Number	Amount
Expense - Water System Fees – Budget (Includes Watermaster, CPDH, RWQCB & other fees)	01-01-5250-000	\$80,000
Cost to Date		<\$14,485>
Estimated Watermaster Cost		<\$18,735>
Estimated Watermaster's Legal Services Cost		<2,753>
Total Water System Fee Amount remaining for FY 14/15		\$44,027

Prepared by:



David S. Gould, P.E.
District Engineer

Submitted by:



Dennis Erdman
General Manager

Attachment: Amendment No. 1 - Memorandum of Understanding (MOU) Regarding the Allocation of Costs of Watermaster Services and Watermaster's Legal Services for the Upper Los Angeles River Area Ground Water Basins

**Memorandum of Understanding (MOU) by and Among the City of Los Angeles
Department of Water and Power (LADWP), the City of Glendale, the City of
Burbank, the City of San Fernando, and the Crescenta Valley Water District
(CVWD), Regarding the Allocation of Costs of Watermaster Services and
Watermaster's Legal Services for the Upper
Los Angeles River Area Ground Water Basins**

AMENDMENT NO. 1

Amendment No. 1 to MOU by and among LADWP, Cities of Glendale, Burbank, San Fernando, and CVWD (collectively Parties), regarding the allocation of costs of Watermaster Services for the Upper Los Angeles River Area (ULARA) Ground Water Basins, is made and entered in between and among the Parties to the MOU.

Parties having entered into MOU on or about December 2011, for the term commencing on January 1, 2012, and ending December 31, 2014, now desire and intend to amend MOU as follows:

I. Section 2 – MOU Term is hereby amended as follows:

MOU term is hereby extended for a period of three years, commencing on January 1, 2015, and ending December 31, 2017, unless extended or sooner terminated upon written notice submitted by one or more Parties to all Parties. Any outstanding invoices payable to Glendale and CVWD, at the time of expiration of MOU, pursuant to MOU terms shall remain due and outstanding notwithstanding the expiration of MOU, until such invoices are fully paid.

II. Section 3 – Professional Services Agreement and Legal Services Agreement is hereby amended as follows:

Subject to the Court's continued approval of Consultant's appointment as the Watermaster, Glendale shall extend its currently existing Professional Services Agreement, Contract No. 105205 (PSA) with Consultant for services as the Watermaster for an additional term of three years commencing January 1, 2015, and ending on December 31, 2017 (Extended PSA). The Extended PSA shall provide that the maximum cost for Consultant's services shall not exceed \$2,000,500 for the Extended PSA term (Extended PSA Cap).

Included within the Extended PSA and Extended PSA Cap, the Consultant's fees shall not exceed \$1,530,500 for services rendered for Tasks 1, 2, and 3, as each task is identified and described in the Scope of Work for the 2015-2017 term, attached hereto as Exhibit "A". Consultant's annual fees during the Extended PSA term shall not exceed: \$510,500 in year 2015, \$510,500 in year 2016, and \$509,500 in year 2017.

Included within the Extended PSA and Extended PSA Cap, Consultant's fees shall not exceed \$470,000 for services rendered for Task 4, as identified and described in Exhibit "A."

Any Consultant fees anticipated to exceed the above annual authorized expenditures shall have prior approval of the Administrative Committee. The Consultant may invoice for direct services in the management, oversight, and administration of subconsultants, including the Consultant's reviewing and processing of subconsultant invoices. No markup by the Consultant or subconsultant for subconsultant services of any tier shall be allowed.

CVWD shall execute a Legal Services Agreement with Downey Brand Attorneys LLP for the Watermaster's Special Counsel legal fees (Legal Services Agreement) for a term of three years commencing on January 1, 2015, and ending on December 31, 2017. The Legal Services Agreement term shall not exceed \$225,000. Additionally, the Watermaster Special Counsel legal fees shall not exceed \$75,000 annually. Any Watermaster Special Counsel legal fees that are anticipated to exceed the annual authorized amount stated herein, shall have prior approval of the Administrative Committee.

III. Section 5 - Cost Sharing is hereby amended as follows:

Fees and costs of the Consultant's services and Consultant's Special Counsel legal fees shall be allocated among the Parties as follows:

- A. Total budget for each basin shall be allocated between the Parties in proportion to their average annual extractions of groundwater from each basin. Average annual extractions of groundwater from each basin shall be calculated by the Consultant by January 15 of each calendar year (effective October 1 of the preceding calendar year) using each Party's annual extractions from the three preceding water years, based upon a three-year rolling average as shown in Exhibit "B" attached hereto.
- B. The Consultant's and Special Counsel's fees for the time spent rendering Watermaster Services, Watermaster Support Services and ongoing CASGEM Services by the Consultant as identified and described in Tasks 1, 2, and 3 of Exhibit "A," and Legal Services by Watermaster's Special Counsel, respectively, are subject to an annual adjustment on November 1 of each year, based on a percentage equal to the percentage increase in the Consumer Price Index (CPI) for Urban Wage Earners and Clerical Workers as measured from September of the previous calendar year to September of the current calendar year for United States City Average (1982-84=100). This annual adjustment is limited to a minimum of 0 percent and a maximum of 5 percent per year and is subject to the overall contract caps as set forth in the Professional Services Agreement and Legal Services Agreement. Consultant's fees for completion of Task 4 - Salt and Nutrient Management Plan as identified and described in Exhibit "A" in the total not-to-exceed amount of \$470,000, shall not be subject to the above adjustment.

IV. Exhibit D is hereby amended as follows:

Item No. 3 of Exhibit D to the MOU, titled Watermaster Support Services Provided by LADWP, pertaining to LADWP providing services related to the maintenance of the ULARA Watermaster Web site and uploading revised content prepared and submitted by the ULARA Watermaster, is hereby deleted. Services related to the maintenance of the current ULARA Watermaster Web site and uploading revised content prepared and submitted by the ULARA Watermaster are included as services to be provided by the Consultant in the Consultant's Scope of Work for the Extended PSA Term. Attached hereto as Exhibit "C" is the revised Exhibit D titled Watermaster Support Services Provided by LADWP.

All other provisions, requirements, terms, and conditions of the MOU dated December 2011 not inconsistent with this Amendment No. 1 shall remain in full force and effect.

[Remainder of this page intentionally left blank]

IN WITNESS WHEREOF, each party hereto has executed this Amendment No. 1 to the MOU be executed by their duly authorized representatives.

DEPARTMENT OF WATER AND POWER
OF THE CITY OF LOS ANGELES BY
BOARD OF WATER AND POWER COMMISSIONERS
OF THE CITY OF LOS ANGELES

By: _____
MARCIE L. EDWARDS
General Manager

Date: _____

And: _____
BARBARA E. MOSCHOS
Secretary

IN WITNESS WHEREOF, each party hereto has executed this Amendment No. 1 to the MOU be executed by their duly authorized representatives.

CITY OF GLENDALE

By: _____
SCOTT OCHOA
City Manager

Date: _____

Approved as to form:

By: _____
DORINE MARTIROSIAN
Assistant City Attorney

IN WITNESS WHEREOF, each party hereto has executed this Amendment No. 1 to the MOU be executed by their duly authorized representatives.

CITY OF BURBANK

By: _____

RONALD E. DAVIS
General Manager
City of Burbank
Department of Water and Power

Date: _____

Attest:

By: _____

MARGARITA CAMPOS
City Clerk

Approved as to form:

By: _____

CAROYLN BARNES
Senior Assistant City Attorney

IN WITNESS WHEREOF, each party hereto has executed this Amendment No. 1 to the MOU be executed by their duly authorized representatives.

CITY OF SAN FERNANDO

By: _____
BRIAN SAEKI
City Manager

Date: _____

IN WITNESS WHEREOF, each party hereto has executed this Amendment No. 1 to the MOU be executed by their duly authorized representatives.

CRESCENTA VALLEY WATER DISTRICT

By: _____
DENNIS A. ERDMAN
General Manager

Date: _____

Scope of Work for 2015-2017 Term



RICHARD C. SLADE & ASSOCIATES LLC
CONSULTING GROUNDWATER GEOLOGISTS

September 5, 2014

Mr. Ramon Abueg
Chief Assistant General Manager
Water & Power
City of Glendale
141 N. Glendale Ave., Level 4
Glendale, CA 91206-4496

Re: Scope of Work Proposal for Ongoing Watermaster Services
Calendar Years 2015-2017, Inclusive
Upper Los Angeles River Area (ULARA)

Job No. 500-LAS

Dear Mr. Abueg:

At your request, Richard C. Slade and Associates LLC, Consulting Groundwater Geologists, presents this proposal for ongoing Watermaster Services for the following three calendar years of 2015 through 2017, inclusive. This current proposal includes our office and field services for the following key tasks:

- Task 1: Regular Watermaster Services, similar to those that have been provided since January 1, 2009.
- Task 2: Watermaster Support Services similar to those that have been provided since late-2010, as a result of the January 19, 2010 letter from LADWP which stated that LADWP staff would no longer be providing most "Support Services" listed on their Exhibit "B" Revision dated October 1, 2009.
- Task 3: Ongoing work for the Watermaster in regard to maintaining compliance with the California Groundwater Elevation Monitoring (CASGEM) program for the four groundwater basins within ULARA.
- Task 4: Ongoing work required by the Regional Water Quality Control Board-Los Angeles Region (RWQCB-LA), as a part of the preparation of a Salt and Nutrient Management Plan for the groundwater basins within ULARA.

Our current Scope of Work for the above-listed tasks is provided on the following pages.

SCOPE OF WORK-ONGOING WATERMASTER SERVICES

Task 1 – Regular Watermaster Services

Based on our existing Watermaster Services Agreement with the City of Glendale (and the ULARA Administrative Committee), the following represent the regular activities for the Watermaster for the following three calendar years.

- Assist the Court with its enforcement of the terms of the Judgment
- Attend meetings with the Superior Court (approximately 2 to 3 times per year)
- Account for groundwater pumping in ULARA
- Account for spreading operations within ULARA
- Prepare annual ULARA Watermaster Report
- Prepare annual ULARA Pumping and Spreading Plan
- Attend AC meetings (approximately 4 times per year)
- Attend meetings set up by the EPA, RWQCB, PRPs, and others.
- Respond to miscellaneous requests for information, prepare correspondence
- Respond to requests for information by the Parties (individually or collectively)
- Participate in the SFB Recharge Task Force Committee on stormwater and spreading grounds.
- Participate in Los Angeles/Burbank/Glendale OU status meetings with EPA
- Participate in Chromium 6 removal study and discussions with EPA
- Participation as the representative for ULARA at AGWA
- Review stormwater infiltration projects (LID) proposed within the ULARA portion of the City of Los Angeles
- Attend groundwater association conferences as the representative for ULARA as authorized by the Administrative Committee
- Periodically update and amend the Policies and Procedures per Section 8.2.5 of the Judgment in cooperation with the Administrative Committee
- Perform other duties as described in Section 8.2 of the Judgment

Included in Task 1 are the special outside services to account for the possible time and effort that may be expended on occasion by Mr. Melvin Blevins as special consultant to the Watermaster. Such services will be under the control of the Watermaster and will be limited to perhaps a few hours per month. Task 1 will account for Mr. Blevins's time to: provide special documents, maps and reports to the Watermaster; to consult on selected historic and/or current issues confronting the Watermaster; to consult on issues regarding the Report of Referee, the Judgment, and/or similar existing documents relating to the adjudication; to visit his offices to collect data/reports in his files; and to consult in the possible re-calculation by others of the safe yield of the San Fernando Basin (if such recalculation work does occur).

Task 2 – Watermaster Support Services

The Watermaster Support Services needed for the next three calendar years are currently considered to remain essentially the same as those identified in our previous proposal to you, dated October 18, 2011. Hence, the Watermaster Support Services for the next three calendar years will include the following items (each listed service below is numbered in a manner that is consistent with the numbering system used by LADWP in its January 19, 2010-dated letter to the Administrative Committee; missing service numbers are for those services [such as computer modeling] that will continue to be provided by LADWP for the Watermaster). A copy of that January 19, 2010 letter from LADWP to the Watermaster is attached hereto.

Service No. 1. Create and Publish Two Reports – RCS will be responsible for data collection from all parties, and will also be responsible for inputting all the data, and also writing and preparing the text for each report, including the report texts, tables and figures for the Annual Watermaster Report, and the Annual Groundwater Pumping and Spreading Plan. The only exception will be the preparation of certain maps and/or plates by Mr. Hadi Jonny and others at LADWP Watermaster Support Services, which require the use of the LADWP computer model (contour maps, plume maps, change in storage plates, etc). RCS will also be responsible for the printing, binding and distribution of these two annual reports.

Service No. 2. Identify Groundwater Production within ULARA – RCS will collect and analyze groundwater production data for parties that produce groundwater within ULARA. LADWP will continue to perform these services for parties whose extractions are chargeable to the groundwater rights of Los Angeles. Hence, RCS will be responsible for accounting for the groundwater extractions of all remaining parties whose pumpage is not chargeable to the rights of the City of Los Angeles.

Service No. 3. Tracking of Watermaster Documents – RCS will be responsible for all correspondence with the Watermaster office, including selecting documents for archive and storage in the Watermaster Library (including those that may be obtained directly from our visits with Mr. Blevins. Work to also include maintaining and providing possible amendments to Annual Policies and Procedures document. However, LADWP will continue to maintain the Watermaster library, including the cataloging and filing of new materials into that library.

Service No. 4. Water Rights Investigation/Correspondence – RCS will be responsible for investigating and corresponding with parties who are interested in or are extracting groundwater from ULARA, whether those parties may or may not have rights to extract groundwater within the ULARA (such as construction de-waterers, cemeteries, etc). LADWP reportedly will continue to aid in these investigations and correspondences when the groundwater being extracted is chargeable against the rights of the City of Los Angeles, but will no longer aid in these investigations and correspondences when the groundwater extractions do not affect the water rights of the City of Los Angeles.

Service No. 6. Meetings – RCS will be responsible for the preparation and distribution of agenda and for preparing minutes (including Drafts) of the quarterly ULARA

Administrative Committee meetings. RCS will also be responsible for scheduling and confirming the dates of each meeting with the Parties. RCS will also participate in other committees, as needed, for the Watermaster.

Service No. 7. Prepare Watermaster Budgets. Review and approve Watermaster budgets, as needed.

Service No. 9. Interface with Public and Outside Agencies. Provide this interface including the two semi-annual meetings of the Association of Groundwater Agencies.

Service No. 10. Website – RCS will maintain the Watermaster website and will be responsible for the site content, including possible changes that may be necessary over time. Note that this service is increased from the previous proposal, as the Watermaster now owns the domain name “ULARAWatermaster.com” and pays regular service fees to a webhosting company.

Service No. 12. Clerical Activities. RCS will now provide these tasks for all above services, as needed.

Task 3 – California CASGEM Program

During the 2012-2014 WM Service Agreement period, the Watermaster was successful in being designated by the State Department of Water Resources as the official monitoring entity (ME) for the ULARA Groundwater basins. As part of that designation process, with the approval of the Administrative Committee, the Watermaster developed, prepared and submitted a CASGEM-compliant Monitoring Plan for the four groundwater basins within ULARA. As a final part of the designation process, the Watermaster uploaded to the CASGEM website data on well construction for each well in the Monitoring Plan, along with current and historic water level depths and respective groundwater elevations for each of the wells.

For Task 3, as part of the ongoing CASGEM work, the Watermaster will continue to collect, organize, properly format, and upload water level data to the CASGEM Website. Such data uploads are required to occur at a minimum frequency of twice per year. As outlined in the ULARA CASGEM Monitoring Plan, these uploads will occur approximately in April and October of each year.

In addition, it is known that at least one well currently included as part of the CASGEM Monitoring Plan is slated for permanent destruction. In its place, a new multi-level monitoring well will be constructed. In order to incorporate that well into the CASGEM Monitoring network, the ULARA CASGEM Monitoring Plan will need to be updated, and resubmitted to the DWR for approval. Hence, Task 3 will also include the as-needed revisions to the ULARA CASGEM Monitoring Plan as changes occur in the monitoring well network.

This task will also include Watermaster or Watermaster staff attendance at any CASGEM-specific public meetings that may be held by the DWR; one such meeting was held during the 2012-2014 WM Service Agreement period.

Task 4 – Salt and Nutrient Management Plan

The basic requirements for preparing a Salt and Nutrient Management Plan (SNMP) were promulgated in the State Water Resources Control Board's Recycled Water Policy, which was initially adopted by the State Board on February 3, 2009; the policy became effective on May 14, 2009. Within the Introduction and Plan Adoption portions of this State Board policy, the following are noteworthy:

1. "Some groundwater basins in the state contain salts and nutrients that exceed or threaten to exceed water quality objectives established in the applicable Water Quality Control Plans (Basin Plans), and not all Basin Plans include adequate implementation procedures for achieving or ensuring compliance with the water quality objectives for salt or nutrients. These conditions can be caused by natural soils/conditions, discharges of waste, irrigation using surface water, groundwater or recycled water and water supply augmentation using surface or recycled water. Regulation of recycled water alone will not address these conditions."
2. "It is the intent of this Policy that salts and nutrients from all sources be managed on a basin-wide or watershed-wide basis in a manner that ensures attainment of water quality objectives and protection of beneficial uses. The State Water Board finds that the appropriate way to address salt and nutrient issues is through the development of regional or subregional salt and nutrient management plans rather than through imposing requirements solely on individual recycled water projects."
3. "It is the intent of this Policy for every groundwater basin/sub-basin in California to have a consistent salt/nutrient management plan. The degree of specificity within these plans and the length of these plans will be dependent on a variety of site-specific factors, including but not limited to size and complexity of a basin, source water quality, stormwater recharge, hydrogeology, and aquifer water quality. It is also the intent of the State Water Board that because stormwater is typically lower in nutrients and salts and can augment local water supplies, including on a significant stormwater use and recharge component within the salt/nutrient management plans is critical to the long-term sustainable use of water in California."
4. "Salt and nutrient plans shall be tailored to address the water quality concerns in each basin-/sub-basin and may include constituents other than salt and nutrients that impact water quality in the basin-/sub-basin...Such plans shall address and implement provisions, as appropriate, for all sources of salt and/or nutrients to groundwater basins, including recycled water irrigation projects and groundwater recharge reuse projects."

Such plans may be developed or funded pursuant to the provisions of Water Code sections 10750 et seq. or other appropriate authority.

5. "Salt and nutrient plans shall be completed and proposed to the Regional Water Board within five years from the date of this Policy [i.e., May 14, 2009] unless a Regional Water Board finds that the stakeholders are making substantial progress towards completion of a plan. In no case shall the period for the completion of a plan exceed seven years."

Work for the SNMP has begun, and is well underway. Some key SNMP work tasks that have been completed and/or are in progress include the following: the SNMP preparation are as follows:

- A detailed Draft Outline titled "Draft Outline Salt and Nutrient Management Plan for the Upper Los Angeles Area" was prepared by the Watermaster and reviewed by the ULARA SNMP subcommittee. This document was provided to Dr. Amah on January 31, 2013 for review and comment; this outline was submitted in lieu of a costly Workplan. Six comments were received from the RWQCB, which were then responded to and addressed in a revised Draft Outline.
- On November 19, 2013, the ULARA Watermaster held the initial public kickoff meeting for the ULARA SNMP development. This meeting was publicized with the help of not only the ULARA AC parties, but also the RWQCB. A number of key stakeholders attended the meeting. For reference, the Sign-in Sheet from this kick-off meeting is attached. Meeting minutes can be downloaded from the ULARA SNMP website (<http://www.ularawatermaster.com/SNMP>).
- The Watermaster is currently working with the historic water quality data provided by the parties to help determine the "historic baseline conditions" of the ULARA groundwater basins. These data, once complete, will be used as inputs into the spreadsheet mixing model to be performed by Todd, contracted by the ULARA Watermaster for this project. As described by Todd in their proposal, The mixing model has two primary functions:
 - Simulate regional groundwater quality within ULARA over the 15-year future planning period from WY 2012-13 through WY 2026-27 under various future salt and nutrient loading conditions, and
 - Quantify the effect of planned future recycled water projects, stormwater capture projects, salt and nutrient related implementation measures, and other land use/water use changes on regional groundwater quality.
- Ongoing data collection efforts include the summary and collection of the necessary data for the proposed spreadsheet modeling effort, including summarization of historic groundwater extractions within ULARA, historic spreading of stormwater, historic water quality data for imported water, estimates of groundwater velocities in the groundwater basins, etc. For the most part, these data are not stored in an electronic database, but are published annually in the Annual Watermaster Report; therefore, the Watermaster is creating digital versions of these data.

As work for the SNMP progresses, Technical Memoranda will be prepared and reviewed by the ULARA Technical Subcommittee. Following that review, each Memorandum will be distributed to the RWQCB and posted to the ULARA SNMP website so that any interested party can review and comment. The purpose of the Technical Memoranda approach is to gain consensus & "buy-in" from all parties involved at key points throughout the process. Technical Memoranda envisioned at this time include:

- Technical Memorandum No. 1 is in progress by the ULARA Watermaster, and it will include a background discussion of the ULARA groundwater basins, the geology of the ULARA, etc.
- Technical Memorandum No. 2 will summarize and analyze the data collected by the ULARA SNMP Technical Subcommittee.
- Technical Memorandum No. 3 will summarize the spreadsheet mixing model work by Todd, and include the results of that modeling.
- Technical Memorandum No. 4 will discuss implementation measures. This will include discussions regarding: future recycled water use; future land development and use; salt/nutrient management options; and future projects (that are currently "on the books").
- Technical Memorandum No. 5 will focus on basin management plan elements and groundwater management goals and objectives.

Following preparation and review of the Technical Memoranda, a summary report that discusses SNMP implementation and draws conclusions from the various Technical Memoranda will be prepared.

On April 16, 2014, a letter was submitted to the RWQCB-LA to formally request a due-date extension for the SNMP for the ULARA groundwater basins. As stated in that letter, the ULARA Watermaster estimates that "...the ULARA SNMP could be completed and ready for CEQA work in late-2015 or early-2016. Assuming CEQA work entails no more than approximately 3 months to complete, the ULARA Watermaster hereby requests a due-date extension of the ULARA SNMP to May 2016." On May 6, 2014, the Watermaster received a letter from the RWQCB-LA, granting the requested due-date extension.

SNMP TEAM

1. Richard C. Slade, ULARA Watermaster and Anthony Hicke, Anthony Hicke, Assistant Watermaster; Hydrogeology, Groundwater Issues and Water Quality.
2. Kevin O'Brien, Downey Brand, Legal Issues/Reviews; outside counsel to Watermaster
3. A Technical Subcommittee specifically dedicated to working on the SNMP was created by the ULARA AC. Each of the five AC Parties was asked to nominate two members to become part of the ULARA SNMP Technical Subcommittee: one policy representative, and one technical representative. The committee members, as named by the AC, include:
 - a. Burbank
 - i. Technical: Bill Mace
 - ii. Policy: Bill Mace
 - b. CVWD
 - i. Technical: Dave Gould
 - ii. Policy: Dave Gould
 - c. Glendale

- i. Technical: Raja Takidin
 - ii. Policy: Ramon Abueg
 - d. Los Angeles
 - i. Technical: Hadi Jonny
 - ii. Policy: Evelyn Cortez-Davis
 - e. San Fernando
 - i. Technical: Tony Salazar
 - ii. Policy: Ron Ruiz (has since retired, replaced by Deputy City Manager/
Public Works Director Chris Marcarello)
- 4. Subconsultants have been retained by the Watermaster for portions of the SNMP development work. Those subconsultants and the their areas of expertise/service for the ULARA SNMP will include:
 - a. RMC Water and Environment - Implementation measures (Salt & Nutrient Management Strategies) Public Meeting Facilitation/Minutes, Technical Document Review
 - b. Todd Groundwater (Todd) - Salt/Nutrient Management Strategies and Modeling, Salt and Nutrient Load Allocations, Anti-degradation Analysis
 - c. Nellor Environmental Associates (NEA) - Basin Management Plan Elements, Groundwater Management Goals & Objectives
 - d. Environmental Science Associates (ESA) – CEQA Analysis

Contracts with RMC, Todd and NEA, have been finalized and executed as of late-2013/early-2014. A contract with ESA will be finalized before the end of 2014. The total costs for all four subcontractors, based on their executed contracts, is \$275,801.00

SNMP BUDGET

In the previous Watermaster Services Agreement dated October 18, 2011, an approximate estimate of the costs to develop the SNMP was provided on the limited information available from the RWQCB-LA at the time. In that proposal the SNMP costs were estimated to range from \$300,000 to \$400,000.

As of September 5, 2014, the total budget amount expended by the Watermaster for SNMP work has been \$127,559.00, plus \$15,001.21 in subcontractor costs, for a total of \$142,560.21. Also as of September 5, 2014, 5 more invoices for Watermaster services are expected to be issued for SNMP work for the months of August 2014 through December 2014, inclusive, before the 2012-2014 Service Agreement expires. Rough projections of the total costs of SNMP services for those five remaining invoices are \$35,000.00 for direct Watermaster work, plus \$25,000.00 in subcontractor costs, for a total of \$60,000. Hence, the estimated total expenditure for the SNMP at the end of the 2012-2014 Service Agreement is roughly estimated to be \$202,560.21 (including subcontractor costs).

COST ESTIMATE FOR NEXT 3-YEAR PERIOD

The following lists our estimated total costs for each listed task above for the forthcoming three-year period of 2015 through 2017, inclusive. Importantly, it should be noted that the billing rates associated with our forthcoming work for 2015-2017, inclusive, as shown on the "Watermaster Services Schedule of Charges and Conditions" (attached), remain unchanged as a courtesy to the ULARA Parties, and are the same rates presented in our current 2012-2014 Watermaster Service Agreement.

Task	Description	Amount
1	Regular Watermaster Services This amount is unchanged from our existing Watermaster Services Agreement dated October 18, 2011.	\$855,000
2	Watermaster Support Services This amount is unchanged from our existing Watermaster Services Agreement dated October 18, 2011.	\$620,000
3	Ongoing California CASGEM Program We estimate an annual cost (for calendar years 2015 through 2017) to be \$18,500.00 per year. This represents \$14,000.00 per year <u>less than</u> the costs listed for these services in our prior October 18, 2011 proposal to you for these support services.	\$55,500
Estimated 3-Year Total Cost for Tasks 1 through 3:		\$1,530,500
4	Salt and Nutrient Management Plan Watermaster Services (Not Including Subcontractor Costs) Subcontractor Costs	\$240,000 \$230,000
GRAND TOTAL Cost including Tasks 1 through 4:		\$2,000,500

It is noteworthy to mention that for the current 2012-2014 Service Agreement, the "Grand Total Cost" for services was estimated to be \$1,944,500. As of September 5, 2014, the total amount for all Watermaster Services, including SNMP subcontractor costs, is \$1,205,918.25. Rough projections of the total Watermaster services for the entire 2012-2014 Service Agreement (including the five remaining invoices for the months of August 2014 through December 2014) is roughly \$1,431,000. Therefore, at the end of the current 2012-2014 Service Agreement, we estimate that the total cost for Watermaster services will be on the order of \$500,000 less than the originally-proposed budget of \$1,944,500.

STANDARD OF PERFORMANCE; DISCLAIMER OF WARRANTIES

Level of Service. RCS offers different levels of groundwater consulting Services to suit the specific desires and needs of a variety of clients. Although the possibility of error can never be eliminated, more detailed and extensive Services yield more information and reduce the probability of error, but at increased time and cost. Client must determine the level of groundwater consulting Services adequate for its current purposes. Client has reviewed our current Scope of Services described above and has determined that it does not need or want a greater level of Services than that being provided at this time.

Standard of Care. Subject to the limitations inherent in the agreed upon Scope of Services as to the degree of care, the amount of time and expenses to be incurred, and subject to any other limitations contained in this Agreement, RCS will perform its Services consistent with that level of care and skill ordinarily exercised by other professional groundwater geologists practicing in the same locale and under similar circumstances at the time the Services are performed.

No Warranty. No warranty, express or implied, is included or intended by this Agreement.

ALLOCATION OF RISK

Limitation of Remedies. The total cumulative liability of RCS, its subconsultants and subcontractors, and all of their respective shareholders, directors, officers, employees and agents (collectively "Entities"), to Client arising from Services under this Agreement, including attorney's fees due under this Agreement, will not exceed the gross compensation received by RCS under this Agreement or \$50,000, whichever is greater; provided, however, that such liability is further limited as described below. This limitation applies to all lawsuits, claims or actions that allege errors or omissions in RCS's Services, whether alleged to arise in tort, contract, warranty, or other legal theory. Upon Client's written request, RCS and Client may agree to increase the limitation to a greater amount in exchange for a negotiated increase in RCS's fee, provided that they amend this Agreement in writing.

DISPUTES

Mediation. All disputes between Entities and Client are subject to mediation. Either party may demand mediation by serving a written notice stating the essential nature of the dispute, amount of time or money claimed, and requiring that the matter be mediated within 45 days of service of notice.

Precondition to Other Action. No action or suit may be commenced unless the mediation did not occur within 45 days after service of notice; or the mediation occurred but did not resolve the dispute; or a statute of limitation would elapse if suit was not filed prior to 45 days after service of notice.

Choice of Law; Venue. This Agreement will be construed in accordance with and governed by the laws of the State of California in which the current Project is located. Unless the parties agree otherwise, any mediation or other legal proceeding will occur in this state in which the Project is located.

Statutes of Limitations. Any applicable statute of limitations will be deemed to commence running on the earlier of the date of substantial completion of Entities' Services under this

Scope of Work Proposal for Ongoing Watermaster Services
Calendar Years 2015-2017, Inclusive
Upper Los Angeles River Area (ULARA)

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Agreement, or the date on which claimant knew, or should have known, of facts giving rise to its claims.

Respectfully submitted
RICHARD C. SLADE & ASSOCIATES LLC

A handwritten signature in black ink, appearing to read "Richard C. Slade", with a stylized flourish at the end.

Richard C. Slade, President
Principal Groundwater Geologist

WATERMASTER SERVICES
SCHEDULE OF CHARGES AND CONDITIONS

PROFESSIONAL HOURLY RATES

Principal Groundwater Geologist	\$260.00 per hour
Senior Groundwater Geologist	\$176.00 per hour
Staff Groundwater Geologist	\$130.00 per hour
Geologic Logging/Field Work, Water Wells	\$98.00 per hour
Clerical, Graphics and GIS Work	\$66.00 per hour
Depositions and Court Testimony (4-hour minimum per day)	\$400.00 per hour

SPECIAL EQUIPMENT AND SERVICES

Pressure Transducers (for water level monitoring during aquifer testing)	\$100.00 per day (Weekly Rates Available)
Field Water Quality Probe (T, pH, EC)	\$50.00 per day
Electric Tape Water Level Probe	\$25.00 per day
Drilling Exploration, Water Quality Laboratory	Cost
Job Supplies, Reproduction, etc.	Cost
Automobile Mileage	\$0.55 per mile

CONDITIONS

In the event subconsultants need to be retained, the client will be invoiced for the direct cost of the subconsultant services with no markup. However, the client will be invoiced for direct services relating to the management, oversight, and administration of subconsultants, including the reviewing and processing of subconsultant invoices.

Findings, conclusions, and recommendations will be prepared, within the limits prepared by the client, in accordance with generally accepted professional hydrogeologic practice. No other warranty, either express or implied, is made by any verbal or written reports or services furnished for this project.

Invoices will be issued, at our option, on a monthly basis or when the work is completed. A service charge of 1½% per month will be payable on any amount not paid within 30 days. Any attorney fees or other costs incurred in collecting delinquent charges shall be paid by the client.

Client will furnish rights-of-way to land required for field visits and field operations such as sampling or testing of water wells.

November 2011
(For Period Nov 2011-Oct 2012)

Scope of Work Proposal for Ongoing Watermaster Services
Calendar Years 2015-2017, Inclusive
Upper Los Angeles River Area (ULARA)

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ATTACHMENT

January 19, 2010 letter from LADWP to the Watermaster

Slack

Department of Water and Power



the City of Los Angeles

ANTONIO R. VILLARAIGOSA
Mayor

Commission
LEE KANON ALPERT, *President*
EDITH RAMIREZ, *Vice President*
FORESCEE HOGAN-ROWLES
JONATHAN PARFREY
THOMAS S. SAYLES
BARBARA E. MOSCHOS, *Secretary*

S. DAVID FREEMAN
Interim General Manager
RAMAN RAJ
Chief Operating Officer

January 19, 2010

Administrative Committee Upper Los Angeles River Area (ULARA)

Mr. William Mace, City of Burbank
Mr. Patrick Hayes, City of Glendale

Mr. Ronald Ruiz, City of San Fernando
Mr. Dennis Erdman, Crescenta Valley
Water District

Dear Committee Members:

~~Subject:~~ 60-Day Notice to Terminate Watermaster Support Services Provided by the
Los Angeles Department of Water and Power (LADWP)

In order to enhance the involvement of the Cities of Glendale, Burbank, San Fernando as well as Crescenta Valley Water District in the Upper Los Angeles River Area (ULARA) Watermaster related support services, the LADWP is requesting that the existing ULARA Watermaster or other agreeable means take over the majority of Watermaster support services that are currently being provided by LADWP. These support services are outlined in Exhibit "B" of the Cost Sharing Agreement for the ULARA Watermaster service by and among the Cities of Glendale, Burbank, San Fernando, Crescenta Valley Water District, and LADWP (Agreement). This 60-day termination notice is provided as required by Section 5(C) of the Agreement.

Certain support services are integral to LADWP's operations and it is reasonable for my staff to continue performing those functions and providing the results to the ULARA Watermaster. These integral functions are outlined in the revised Exhibit "B", which is enclosed. Additionally, LADWP will provide any assistance required during the transition period following any new arrangements to support the Watermaster.

LADWP will continue to solely bear the cost of any services provided by its own staff. For those support services provided by an outside party, LADWP is willing to contribute its fair share of the costs in accordance with Section 5(A) of the Agreement. A copy of the Cost Sharing Agreement is enclosed for reference to all aforementioned sections.

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Administrative Committee ULARA
Page 2
January 19, 2010

If you have any questions, please contact me at (213) 367-0968.

Sincerely,

Mark J. Aldrian

Mark J. Aldrian
ULARA Administrative Committee, Los Angeles Representative

GRR:

Enclosures

c: Mr. Richard C. Slade, ULARA Watermaster ✓
Mr. David Gould, Crescenta Valley Water District
Mr. Peter Kavounas, City of Glendale
Mr. Milad Taghavi, LADWP

EXHIBIT "B" (Revision 10/1/2009)

**WATERMASTER SUPPORT SERVICES
PROVIDED BY LADWP**

LADWP shall continue providing the following CONSULTANT support services until further notice is provided pursuant to Section 5(C) of the Cost Sharing Agreement:

1. Provide data and status reports pertaining to LADWP projects and operations upon request from the ULARA Watermaster for the annual reports;
2. Collect, analyze, and prepare spreadsheets to account for parties' current groundwater extractions chargeable to the groundwater entitlements of Los Angeles. Provide parties' reports and groundwater production summary tables to the ULARA Watermaster for incorporation into records accounting for total groundwater production in the basin;
3. Maintain current location of ULARA Watermaster Library;
4. Conduct investigations concerning activities affecting the water rights of Los Angeles. Notify, include and/or provide findings to the ULARA Watermaster;
5. Notify and advise the ULARA Watermaster of physical solutions based on City Water Court issued agreements and stipulations;
6. Attend quarterly ULARA Administrative Committee meetings and biannual Interagency Coordinating Committee meetings;
7. Review and approve ULARA Watermaster annual budget;
8. Review and approve invoices submitted for cost of ULARA Watermaster services;
9. Interface with the public and outside agencies when requested by the ULARA Watermaster to address activities affecting the water rights of Los Angeles;
10. Maintain current ULARA Watermaster website and upload revised content prepared and submitted by the ULARA Watermaster;
11. Provide groundwater modeling support work for monitoring and determining, among other things, groundwater basin storage and the migration of groundwater contamination;
12. Clerical activities related to above.

ORIGINAL

LADWP Ref. Agreement No. 47865

**AGREEMENT BY AND AMONG
THE CITY OF GLENDALE, THE CITY OF BURBANK, THE CITY OF SAN
FERNANDO, THE CRESCENTA VALLEY WATER DISTRICT AND
THE LOS ANGELES DEPARTMENT OF WATER AND POWER
REGARDING THE ALLOCATION OF COSTS OF WATERMASTER SERVICES FOR
THE UPPER LOS ANGELES RIVER AREA GROUNDWATER BASINS**

This Agreement to share costs of Watermaster Services for the Upper Los Angeles River Area Groundwater Basins ("AGREEMENT") is made and entered into by and among the City of Los Angeles acting by and through the Los Angeles Department of Water and Power (LOS ANGELES or LADWP), the City of Glendale (GLENDALE), the City of Burbank (BURBANK), the City of San Fernando (SAN FERNANDO), and the Crescenta Valley Water District (CVWD) (each a "PARTY" and collectively, the "PARTIES"), with reference to the following facts and intentions, which the PARTIES agree are true and correct to the best of their knowledge and belief:

RECITALS

- A. The PARTIES are parties to the 1979 judgment in *The City of Los Angeles v. City of San Fernando, et al.*, County of Los Angeles Superior Court Case No. 650079 ("JUDGMENT").
- B. Each PARTY holds water rights in and to one or more of the groundwater basins subject to the JUDGMENT, as set forth in the JUDGMENT.
- C. The Superior Court of the State of California for the County of Los Angeles ("COURT") retains continuing jurisdiction over the JUDGMENT and the PARTIES to it.
- D. On or about July 10, 2008, the COURT approved a settlement agreement by and among the PARTIES and Mr. Mark Mackowski, the present Upper Los Angeles River Area (ULARA) Watermaster ("SETTLEMENT AGREEMENT"). The SETTLEMENT AGREEMENT requires the PARTIES to select a new ULARA Watermaster ("WATERMASTER") for appointment by the COURT. The SETTLEMENT AGREEMENT specifies that GLENDALE will administer the contract with the WATERMASTER ("PROFESSIONAL SERVICES AGREEMENT"), and that the PARTIES will reimburse GLENDALE for the WATERMASTER services in accordance with the JUDGMENT or other Agreement of the PARTIES.
- E. The PARTIES have unanimously agreed to recommend Richard C. Slade of Slade & Associates, LLC ("CONSULTANT") to the COURT for appointment as the WATERMASTER.
- F. The PARTIES agree to allocate the costs of the CONSULTANT's services as hereinafter set forth.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, which are incorporated into the operative provisions of this AGREEMENT by this reference, and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the PARTIES HERETO AGREE as follows:

1. **Purpose.** The purpose of this AGREEMENT is for the PARTIES to enter into a cost-sharing agreement that allocates responsibility among the PARTIES for the fees and costs incurred by the CONSULTANT.
2. **Term.** This AGREEMENT shall be effective on the date it is executed by all PARTIES and will expire by its own operation upon termination or expiration of GLENDALE's PROFESSIONAL SERVICES AGREEMENT with CONSULTANT and upon final payment by the PARTIES to GLENDALE for the CONSULTANT's services, unless extended or sooner terminated by mutual written agreement by all PARTIES. Upon termination or expiration of this AGREEMENT and upon selection of a new ULARA WATERMASTER, the PARTIES shall enter into a new cost-sharing agreement to allocate the responsibility among the PARTIES for the fees and costs to be incurred by the new ULARA WATERMASTER.
3. **Professional Services Agreement.** Subject to the COURT's approval of CONSULTANT's appointment as the WATERMASTER, GLENDALE shall enter into a PROFESSIONAL SERVICES AGREEMENT with CONSULTANT for services as the WATERMASTER. In accordance with GLENDALE policy, the term of the PROFESSIONAL SERVICES AGREEMENT shall be three years. The PROFESSIONAL SERVICES AGREEMENT provides that the maximum cost for the CONSULTANT's services shall not exceed \$855,000 for the three-year term of the PROFESSIONAL SERVICES AGREEMENT.
4. **Watermaster's Budget.** CONSULTANT shall prepare and submit to the PARTIES an annual budget for review and approval in accordance with the procedures set forth in the JUDGMENT. The budget shall be determined for each basin separately and allocated between the separate groundwater basins. Notwithstanding the final sentence of paragraph 8.4.1 of the JUDGMENT, the CONSULTANT shall allocate the PARTIES' share of the budget in accordance with the formula set forth in section 5 of this AGREEMENT.
5. **Cost-Sharing.** The fees and costs of the CONSULTANT's services shall be allocated among the PARTIES as follows:
 - A. The total budget for each basin shall be allocated between the PARTIES in proportion to their average annual extractions of groundwater from each basin. The average annual extractions of groundwater from each basin shall be calculated using each Party's annual extractions from the three preceding water years. For example, for the October 1, 2008 to September 30, 2009 water year each PARTY's share of costs for a basin shall be based upon its average annual extractions from that basin during the 2005-2006, 2006-2007 and 2007-2008 water years, as shown in Exhibit A attached hereto.

- B. The CONSULTANT's fees for the time spent (\$225 per hour) rendering services shall not exceed Two Hundred and Twenty Five Thousand Dollars (\$225,000.00) per year, which amount is subject to an annual adjustment on November 1 of each year, on the order of 5% and subject to the overall contract cap of \$855,000, as set forth in the PROFESSIONAL SERVICES AGREEMENT. For the October 1, 2008 to September 30, 2009 water year, the PARTIES shall allocate such fees as follows:

PARTY	Percentage of Costs Owed	Amount Owed for Oct. 1, 2008 - Sept. 30, 2009
Burbank	10.70%	\$24,084.60
Glendale	12.05%	\$27,102.90
LADWP	69.50%	\$156,381.23
San Fernando	3.78%	\$8,496.39
CVWD	3.97%	\$8,934.89
Total	100%	\$225,000.00

- C. Subject to the approval of the Administrative Committee, LADWP may provide the WATERMASTER support services set forth in Exhibit B, attached hereto. If Administrative Committee approves and LADWP elects to provide WATERMASTER support services at its sole expense, LADWP reserves the right to terminate such services upon 60 days notice to the parties. If LADWP ceases to provide WATERMASTER support services as set forth in Exhibit B, the cost of such services will thereafter be allocated among the PARTIES in accordance with the cost-sharing formula set forth in Section 5.A, above. LADWP shall be solely responsible for the cost of Mr. Mackowski's assistance to the WATERMASTER in accordance with Sections 10 and 13 of the SETTLEMENT AGREEMENT, set forth in Exhibit C attached hereto.

- D. Each PARTY shall be individually responsible for any fees or costs associated with the hiring of outside legal counsel or professional services as it may deem necessary in connection with the JUDGMENT. In addition, each PARTY shall be individually responsible for costs associated with its staff and administration of the JUDGMENT.

- E. GLENDALE shall bear the costs of administering the PROFESSIONAL SERVICES AGREEMENT with CONSULTANT.

6. invoicing. GLENDALE shall prepare and provide annual invoices to LADWP, BURBANK, SAN FERNANDO and CVWD for the costs of the CONSULTANT's services as herein agreed. Invoices shall be provided to the PARTIES by November 30 of each year.. LADWP, BURBANK, SAN FERNANDO, and CVWD shall make payment to GLENDALE within 60 calendar days of receipt of invoice.

7. **Final Accounting.** GLENDALE shall prepare and provide a final accounting summary to LADWP, BURBANK, SAN FERNANDO and CVWD for all costs incurred under the PROFESSIONAL SERVICES AGREEMENT and as herein agreed within 60 calendar days following the expiration of the PROFESSIONAL SERVICES AGREEMENT. The final accounting summary shall explicitly show all payments made by each of the PARTIES, and all payments made by GLENDALE to the CONSULTANT pursuant to the PROFESSIONAL SERVICES AGREEMENT. Within 120 calendar days from the date of expiration or termination of the PROFESSIONAL SERVICES AGREEMENT, GLENDALE shall reimburse LADWP, BURBANK, SAN FERNANDO and CVWD, in accordance with the cost-sharing formula set forth in Section 5 above, for any overpayment made to GLENDALE for costs associated with the CONSULTANT's services based on the final accounting summary.

8. **Right to Audit.** During the term of this AGREEMENT, and for a period of four years after this AGREEMENT expires or is terminated, GLENDALE shall maintain, and shall contractually require the CONSULTANT to maintain all records, books, papers and documents reflecting costs incurred and payments made pursuant to this AGREEMENT and the PROFESSIONAL SERVICES AGREEMENT. At all reasonable times, GLENDALE shall allow, and shall contractually require the CONSULTANT to permit each of the PARTIES to have access to, examine, copy, and audit such records. This section shall survive the expiration or termination of this Agreement.

9. **Indemnity.** Each PARTY agrees to indemnify, defend, and hold the other PARTIES and their respective officers, employees, and agents harmless from and against any and all claims, demands, liability, damages, costs and expenses, including, without limitation, losses involving bodily injury, death or personal injury of any person, or property damage of any nature whatsoever, resulting from or arising in connection with each PARTY's breach of its obligations under this AGREEMENT. This section shall survive expiration or termination of this AGREEMENT.

10. **General Provisions.**

10.1 **Assignment.** This AGREEMENT shall not be assigned by any PARTY.

10.2 **Attorneys' Fees.** Should legal action be instituted by any PARTY to this AGREEMENT, to enforce or interpret any provision of this AGREEMENT, the prevailing PARTY shall be entitled to attorneys' fees.

10.3 **Authorizations.** All individuals executing this AGREEMENT on behalf of the respective PARTIES certify and warrant that they have the capacity, and have been duly authorized to so execute this AGREEMENT on behalf of the entity so indicated.

10.4 **Construction.** The provisions of this AGREEMENT shall be liberally construed to effectuate its purposes. The language of this AGREEMENT shall be construed simply according to its plain meaning and shall not be construed for or against any PARTY, as each PARTY has participated in the drafting of this AGREEMENT.

10.5 Counterparts. This AGREEMENT may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

10.6 Entire Agreement and Amendment. In conjunction with the matters considered herein, this AGREEMENT contains the entire understanding and agreement of the PARTIES, and there have been no promises, representations, agreements, warranties or undertakings by any of the PARTIES, either oral or written, of any character or nature binding except as stated herein. This AGREEMENT may be modified, altered or amended only by an instrument in writing, executed by the PARTIES to this AGREEMENT, and by no other means. Each PARTY waives its right to claim, contest or assert that this AGREEMENT was modified, canceled, superseded or changed by any oral agreement, course of conduct, waiver or estoppel.

10.7 Good Faith. The PARTIES agree to exercise their reasonable best efforts and utmost good faith to effectuate all the terms and conditions of this AGREEMENT, and to execute such further instruments and documents as are necessary or appropriate, to effectuate all of the terms and conditions of this AGREEMENT.

10.8 Notices. All notices, approvals, acceptances, demands and other communication required or permitted under this AGREEMENT, to be effective, shall be in writing and, unless otherwise provided herein, shall be deemed validly given on the date either: (1) personally delivered to the address indicated below; or (2) on the third business day following deposit, postage prepaid, using certified mail, return receipt requested, in any U.S. Postal mailbox or at any U.S. Post Office; or (3) one business day after the dispatch date by overnight delivery service; or (4) on the date of transmission by facsimile to the number provided below. All notices, demands, or requests shall be addressed to the following:

LADWP:

Richard Harasick
Assistant Director of Water Operations Division
Los Angeles Department of Water and Power
111 North Hope Street, Room 1449
Los Angeles, CA 90012
Facsimile: (213) 367-1061

GLENDAL:

Peter Kavounas
Assistant General Manager - Water Services
Glendale Water and Power
City of Glendale
141 North Glendale Ave., 4th Level
Glendale, CA 91206-4496
Facsimile: (818) 552-2852

BURBANK:

William Mace, Assistant General Manager
Burbank Water and Power
City of Burbank
164 West Magnolia Boulevard
P.O. Box 631

Burbank, CA 91503-0631
Facsimile: (818) 238-3508

City of San Fernando

Attn: City Engineer

117 McNeil Street

San Fernando, CA 91340

Crescenta Valley Water District

Attn: General Manager

2700 Foothill Boulevard

La Crescenta, CA 91214

Facsimile: (818) 248-1659

Any PARTY may change its address by giving the other PARTIES written notice of its new address as provided above.

10.9 Recitals. The recitals set forth at the beginning of this AGREEMENT of any matters or facts shall be conclusive proof of the truthfulness thereof and the terms and conditions set forth therein shall be deemed a part of this AGREEMENT.

10.10 Successors and Assigns. This AGREEMENT shall be binding on and shall inure to the benefit of the PARTIES and their respective successors.

11. Waiver. No waiver of any provision or consent to any action shall constitute a waiver of any other provision or consent to any other action, whether or not similar. No waiver or consent shall constitute a continuing waiver or consent or commit a PARTY to provide a waiver or consent in the future except to the extent specifically stated in writing. No waiver shall be binding unless executed in writing by the PARTY making the waiver, based on a full and complete disclosure of all material facts relevant to the waiver requested.

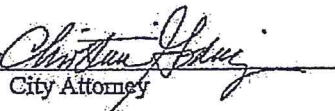
[Continued on next page]

IN WITNESS WHEREOF, the Parties hereto have executed this AGREEMENT.

CITY OF GLENDALE

Date: 1/1/09 By: 
JAMES E. STARBIRD
City Manager

Approved as to Form:

By: 
City Attorney

CITY OF BURBANK

Date: 3/30/09

By: *[Signature]*

RONALDE DAVIS
General Manager

City of Burbank Department of Water and Power

Attest:

By: *[Signature]*
Margarita Campos, City Clerk

APPROVED AS TO FORM

CITY ATTORNEY

Date: 3/23/09

By: *[Signature]*

Title: Private Attorney

DEPARTMENT OF WATER AND POWER OF
THE CITY OF LOS ANGELES BY
BOARD OF WATER AND POWER COMMISSIONERS
OF THE CITY OF LOS ANGELES

Date: 3/31/09

By:

H. DAVID NAHAI
Chief Executive Officer and General Manager

And:

Barbara E. Meschery
Secretary

AUTHORIZED BY RES. 009 200

MAR 17 2009

APPROVED AS TO FORM AND LEGALITY
ROCKARD J. DELGADILLO, CITY ATTORNEY

MAR 03 2009
JULIE CONBOY BILEY
Deputy City Attorney

CITY OF SAN FERNANDO

Date: ^{4/2/09}
April 2, 2009

By: Paul A. Pulido
for JOSE E. PULIDO
City Administrator

CRESCENTA VALLEY WATER DISTRICT

Date: 4/1/2009 By: Dennis A. Erdman
Dennis A. Erdman
General Manager

EXHIBIT A

EXAMPLE OF WATER MASTER COST SHARING CALCULATION									
	2005-06 WY		2006-07 WY		2007-08 WY		2008-2009 Cost Share (3 year average)		
	Extractions (AF)	%	Extractions (AF)	%	Extractions (AF)	%	Extractions (AF)	%	
ULARA									
Burbank	10,108.11	15.25%	9,780.32	9.20%	6,816.16	8.87%	8,901.53	10.70%	
Glendale	9,763.32	14.73%	10,189.86	9.58%	10,098.05	13.14%	10,017.08	12.05%	
LADWP	40,216.29	60.67%	80,170.19	75.40%	53,006.35	68.96%	57,797.61	69.50%	
San Fernando	2,856.96	4.31%	2,894.09	2.72%	3,669.60	4.77%	3,140.22	3.78%	
CVWD	3,342.71	5.04%	3,294.25	3.10%	3,269.89	4.25%	3,302.28	3.97%	
TOTAL	66,287.39	100.00%	106,328.71	100.00%	76,860.05	100.00%	83,158.72	100.00%	

EXHIBIT B

**WATERMASTER SUPPORT SERVICES
PROVIDED BY LADWP**

LADWP shall be solely responsible for the following CONSULTANT support services:

1. Gathers data, writes drafts, and prepares supporting plates, tables, charts, and graphs for two ULARA Watermaster annual reports documenting and analyzing water usage data;
2. Collects, analyzes, and prepares spreadsheets to account for current and projected groundwater production in the ULARA;
3. Develops, implements, and maintains procedures for documentation and retention of ULARA Watermaster actions, discussion, and processes;
4. Conducts investigations of water rights, and prepares reports and correspondence;
5. Notifies and advises the ULARA Watermaster of physical solutions based on City Water Court issued agreements and stipulations;
6. Attends, prepares agenda, and drafts and distributes minutes for quarterly ULARA Administrative Committee meetings and bi-annual Interagency Coordinating Committee meetings;
7. Compiles and monitors information related to ULARA Watermaster annual budget;
8. Prepares invoices and coordinates with LADWP accounting staff for payment of ULARA Watermaster-related activities;
9. Interfaces with the public and outside agencies regarding ULARA Watermaster activities;
10. Maintains ULARA Watermaster web site;
11. Provides groundwater modeling support work for monitoring and determining, among other things, groundwater basin storage and the migration of groundwater contamination;
12. Clerical activities related to above.

EXHIBIT C

SECTIONS 10 and 13 OF THE SETTLEMENT AGREEMENT

10. Upon the appointment of a new Watermaster by the Court, Mr. Mackowski will provide assistance as requested by the new Watermaster and assist in the transition. He will use his best professional judgment in this role. He will continue in his role until July 1, 2009. Upon appointment of a new Watermaster, Mr. Mackowski will be reassigned to other duties consistent with his civil service classification.

13. Mr. Mackowski will continue to be an employee of Los Angeles and will be paid by Los Angeles. Notwithstanding Mr. Mackowski's transition out of his role as Watermaster, Mr. Mackowski's civil service classification, salary and employment benefits shall not change. Mr. Mackowski shall be entitled to all the benefits and privileges afforded any other employee of Los Angeles, including without limitation, opportunities for promotion, salary increases, retirement packages, and all other employee benefits afforded full-time personnel of Los Angeles. Mr. Mackowski shall not be subject to disciplinary action or retaliatory measures in any way arising out of or related to his prior service as Watermaster.

Exhibit B
Annual Calculation of Cost Sharing Percentages

UPPER LOS ANGELES RIVER AREA WATERMASTER

RICHARD C. SLADE – WATERMASTER

Re: City of Los Angeles vs. City of San Fernando, et. al.
Case No. 650079 – County of Los Angeles

July 5, 2013

To: Upper Los Angeles River Area Administrative Committee

From: Richard C. Slade, ULARA Watermaster

Re: Annual Calculation of Cost-Sharing Percentages
Water Year 2012-13
Upper Los Angeles River Area (ULARA)

Job No. 500-LAS03

Provided herein is the Annual Calculation of ULARA Cost-Sharing Percentages for Water Year 2012-13. Calculation of the Cost-Sharing percentages is completed pursuant to the method agreed upon in the document titled "Agreement By And Among The City Of Glendale, The City Of Burbank, The City Of San Fernando, The Crescenta Valley Water District And Los Angeles Department Of Water And Power Regarding The Allocation Of Costs Of Watermaster Services For The Upper Los Angeles River Area Groundwater Basins," signed by the Parties in April 2009.

Therein, the calculation is described as follows:

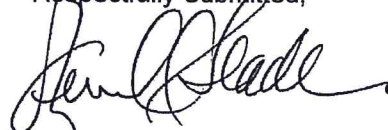
"The total budget for each basin shall be allocated between the PARTIES in proportion to their average annual extractions of groundwater from each basin. The average annual extractions of groundwater from each basin shall be calculated using each Party's annual extractions from the three preceding water years. For example, for the October 1, 2008 to September 30, 2009 water year each PARTY's share of costs for a basin shall be based upon its average annual extractions from that basin during the 2005-2006, 2006-2007 and 2007-2008 water years."

Table 1, "Calculation of Cost Sharing Percentages" shows the cost sharing calculation for each Party for Water Year 2012-13.

At the request of the ULARA Administrative Committee, Table 2, "History of Cost Sharing Percentages" has been prepared to summarize the cost sharing percentages for prior Water Years beginning in Water Year 2009-10.

If you have any questions regarding the calculation, please do not hesitate to contact me.

Respectfully Submitted,



Richard C. Slade
ULARA Watermaster

ULARA WATERMASTER

c/o Richard C. Slade and Associates LLC • 12750 Ventura Blvd., Suite 202 Studio City, CA 91604 • Phone: 818-506-0418 • FAX: 818-506-1343
ULARAwatermaster@rcslade.com

UPPER LOS ANGELES RIVER AREA WATERMASTER

Annual Calculation of Cost Sharing Percentages
Water Year 2012-13
Upper Los Angeles River Area (ULARA)

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TABLE 1
CALCULATION OF COST SHARING PERCENTAGES
FOR WATER YEAR 2012-13

ULARA Pumping (2009-10)

Party	Basin	Acre-feet	%	Total %
Los Angeles	San Fernando	59,958	67.82%	70.70%
	Sylmar	2,544	2.88%	
Glendale	San Fernando	7,935	8.98%	11.39%
	Verdugo	2,135	2.42%	
Burbank	San Fernando	10,048	11.37%	11.37%
San Fernando	Sylmar	3,143	3.55%	3.55%
Crescenta Valley	Verdugo	2,645	2.99%	2.99%
Total		88,408	100.00%	100.00%

ULARA Pumping (2010-11)

Party	Basin	Acre-feet	%	Total %
Los Angeles	San Fernando	43,951	62.24%	63.61%
	Sylmar	964	1.37%	
Glendale	San Fernando	7,476	10.59%	13.17%
	Verdugo	1,826	2.59%	
Burbank	San Fernando	10,398	14.73%	14.73%
San Fernando	Sylmar	3,082	4.36%	4.36%
Crescenta Valley	Verdugo	2,917	4.13%	4.13%
Total		70,614	100.00%	100.00%

ULARA Pumping (2011-12)

Party	Basin	Acre-feet	%	Total %
Los Angeles	San Fernando	49,273	64.40%	65.83%
	Sylmar	1,093	1.43%	
Glendale	San Fernando	7,876	10.29%	12.88%
	Verdugo	1,982	2.59%	
Burbank	San Fernando	9,997	13.07%	13.07%
San Fernando	Sylmar	3,202	4.18%	4.18%
Crescenta Valley	Verdugo	3,090	4.04%	4.04%
Total		76,513	100.00%	100.00%

ULARA Pumping (2010-12; Three-Year Rolling Average)

Party	Basin	Acre-feet	%	Total %
Los Angeles	San Fernando	51,061	65.04%	66.99%
	Sylmar	1,534	1.95%	
Glendale	San Fernando	7,762	9.89%	12.41%
	Verdugo	1,981	2.52%	
Burbank	San Fernando	10,148	12.93%	12.93%
San Fernando	Sylmar	3,142	4.00%	4.00%
Crescenta Valley	Verdugo	2,884	3.67%	3.67%
Total		78,512	100.00%	100.00%

NOTE: Values listed in the final column above are the cost sharing percentages for each Party for Water Year 2012-13

UPPER LOS ANGELES RIVER AREA WATERMASTER

Annual Calculation of Cost Sharing Percentages
Water Year 2012-13
Upper Los Angeles River Area (ULARA)

3

TABLE 2
HISTORY OF COST SHARING PERCENTAGES

Water Year	Cost Sharing percentage (%)				
	Los Angeles	Glendale	Burbank	San Fernando	CVWD
2011-12	67.00	12.88	12.92	4.00	3.20
2010-11	69.19	12.01	10.97	4.20	3.63
2009-10	71.19	11.24	10.12	3.82	3.63
2008-09	69.50	12.05	10.70	3.78	3.97

Exhibit C

Watermaster Support Services Provided by LADWP

(Revised Exhibit “D” for the MOU 2015-2017 Term)

Exhibit D

WATERMASTER SUPPORT SERVICES PROVIDED BY LADWP

LADWP shall continue providing the following WATERMASTER support services until further notice is provided pursuant to Section 5(C.) of this MOU:

1. Provide groundwater modeling support work for monitoring and determining, among other things, groundwater basin storage and the migration of groundwater contamination.
2. Maintain current location of ULARA Watermaster Library.
3. ~~Maintain current ULARA Watermaster website and upload revised content prepared and submitted by the ULARA Watermaster.~~

CRESCENTA VALLEY WATER DISTRICT

BOARD OF DIRECTORS - STAFF REPORT

To: Honorable President and Members of the Board of Directors
From: David S. Gould, P.E. – District Engineer
Subject: Replacement of the Motor Control Center at Oak Creek Reservoir
Award of Contract, Project E-931

Action Item No. 5
November 19, 2014

ACTION ITEM:

1. **Replacement of Motor Control Center at Oak Creek Reservoir, Project E-931** – Consideration and motion to authorize the General Manager to award a contract to the lowest responsible bidder, California Building Evaluation & Construction, Inc. for the replacement of the motor control center at Oak Creek Reservoir at a cost of \$309,300 and establish a contingency amount of \$31,000 (10% of contract) to cover the cost of unforeseen or additional work.

BACKGROUND:

Crescenta Valley Water District (CVWD) is proceeding with the replacement of the electrical motor control center (MCC) located at CVWD's Oak Creek Reservoir site at the north end of the intersection of Cloud Avenue and Brookhill Street as 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 system at Oak Creek Reservoir.

This project is part of the on-going CVWD MCC replacement program in which a replacement MCC is designed one fiscal year and construction takes place in the following fiscal year.

DISCUSSION:

On October 7, 2014, the Board authorized the General Manager to advertise for bids for the subject project. A mandatory Pre-Bid meeting was held on October 14, 2014 that was attended by a number of electrical contractors. It was discussed during the meeting that additional information was needed from Southern California Edison, the construction schedule needed to be revised relative to shop drawing submittals and MCC equipment delivery and there was a request by contractors to increase the bidding period. Staff revised the mandatory Pre-Bid meeting to November 5, 2014, which was attended by six (6) contractors. CVWD specifications indicate that only contractors who attend this meeting are allowed to bid on the project.

On November 12, 2014, at 2:00 PM, the District opened and read the following bid proposals for this project:

	<u>Bidder</u>	<u>Total Bid Amount</u>
Low	California Building Evaluation & Construction, Inc.	\$309,300
2	Miron Electric Construction Corp.	\$344,920
3	N.E.C. Electric, Inc. (<i>Non-Responsive</i>)	\$411,925
4	Coleman-Pacific, Inc.	Did Not Submit Bid
5	National Electrical Contractor	Did Not Submit Bid
6	TESCO Controls, Inc.	Did Not Submit Bid

California Building Evaluation & Construction, Inc. (CBEC) of Buena Park, CA was the apparent lowest responsible bidder for the project. The engineer's estimate was \$293,700 and the low bid was 5.3% higher than the engineer's estimate. CBEC provide a list of references which included electrical upgrades and New MCC for the Cities of Solana Beach, Buena Park and Long Beach. In general, comments were that CBEC and its sub-contractors did a good job, pleased with their work; changes orders were minimal and had a good understanding of the project. However, the references contacted were for projects that were commercial and industrial work. Staff contacted CBEC about this and they understood the scope of the project and its relations to the pump and motors for a Water District. Staff has not worked with CBEC before and expects a learning curve for both the contractor and the District during the project.

RECOMMENDATION:

It is staff's recommendation to award the contract for the subject project to the lowest responsible bidder, CBC Services at a cost of \$309,300.

A pre-construction meeting will be set as soon as the contract is awarded, the agreement is signed, and insurance documents have been delivered. We anticipate the shop drawing submittals to be reviewed and completed in early January 2015 and construction starting in late February 2015 or early March 2015. Mr. David Gould will be the project manager and Raymond Dodge and Cory Whitman will provide field inspection. Staff may need assistance from Cannon during installation and start-up.

Staff is also working on a public outreach program for the project. This will include sending letters within the next month to the residents in the area notifying them of the upcoming project and sending a second letter two weeks before construction begins.

ENVIRONMENTAL REVIEW:

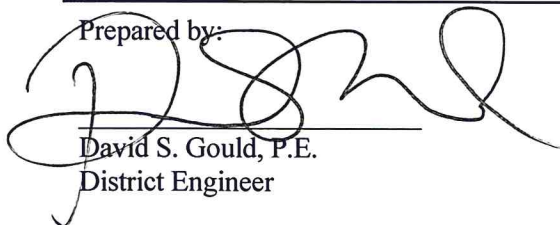
The Board had previously found this project is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15301 of the CEQA Guidelines. This exemption covers the repair of existing facilities involving negligible or no expansion of existing use.

FUNDING AVAILABILITY:

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

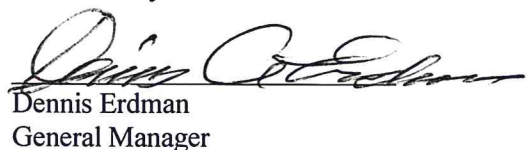
Account Description	Amount
Water CIP– Water Distribution – MCC Replacement – Budget Amount	\$300,000
Transfer – Water Distribution - Pipeline Replacement on the 2800 Block of Prospect & 440 Block of Glenwood	\$200,000
Revised Water CIP– Water Distribution – MCC Replacement – Budget Amount	\$500,000
Contractor Bid Proposal	<\$309,300>
Unforeseen or additional work	<\$31,000>
Additional costs such as SCADA Programming, soils engineer, engineering & inspection labor costs	<\$69,700>
Total Project Cost	<410,000>
Amount Remaining - Revised Water CIP– Water Distribution – MCC Replacement	\$90,000

Prepared by:



David S. Gould, P.E.
District Engineer

Submitted by:



Dennis Erdman
General Manager

Attachment:

1. Bid Summary

CRESCENTA VALLEY WATER DISTRICT

Title:	Electrical MCC & Other Facilities at Oak Creek Reservoir
E-Job No:	E-931
Engineer's Estimate:	\$293,700
Project Manager:	David Gould

BID LOCATION: CVWD's Office
 TIME: 2:00 PM
 DATE: 11/12/14
 BY: DSG CHECKED: _____

Project Manager: David Gould

BY: _____ DSG _____ CHECKED: _____[illegible]

CRESCENTA VALLEY WATER DISTRICT

BOARD OF DIRECTORS - STAFF REPORT

Agenda Item No. 6
November 19, 2014

To: Honorable President and Members of the Board of Directors
From: David S. Gould, P.E. – District Engineer
Subject: Request for Qualifications and Professional Service Agreements for Annual Consulting Services Contracts, Project M-951

ACTION ITEM:

1. **Request for Qualifications and Professional Service Agreements for Annual Consulting Services Contracts, Project M-951** – Consideration and motion to authorize the General Manager to request qualifications from professional consulting firms and to enter into professional service agreements with a maximum of three (3) consulting firms with a total cost not-to-exceed \$90,000 to provide as-needed engineering services to assist the Engineering Department.

BACKGROUND:

At the Engineering Committee meeting on November 14, 2014, staff presented the status of the FY 14/15 CIP program. Staff indicated that a number of projects are behind schedule due to the addition of work for the Ocean View Reservoir overflow/drain line, the Verdugo/Honolulu main break, and the accelerated schedule for the Rockhaven Well project. In addition, staff discussed the time line schedule required to complete the projects for which CVWD has received grants.

The Engineering Committee had a concern that staff will not meet the goal of completing the FY 14/15 \$2M CIP program with the additional workload and recommended that staff look into using consultants to assist the Engineering Department. It was suggested that staff put together annual contracts with at least three (3) consulting firms that could perform the necessary work to complete a project within the required project schedule.

DISCUSSION:

The Engineering Departments goal is to complete at least \$2M in CIP for FY 14/15. The initial project schedule and number of projects have shifted due to unforeseen events over the last few months. Staff has re-arranged project managers and resources to accommodate the changes, however, projects that are schedule driven due to DWR or CDPH grants are getting behind.

An example is the CVWD/LADWP Interconnection and Ocean View Chlorination project, which needs a full-time project manager to complete the project within the next 6 -7 months. We have assigned a person to manage this project full-time; however, other projects such as well rehabilitation, booster pump upgrades, and sewer CIP projects will not get the necessary attention to complete the project before the end of the fiscal year.

In addition, the pipeline project, the Oak Creek MCC project, and installation of the monitoring wells will be starting construction after January 2015, which will require staff time for construction administration and inspection.

Staff will be preparing a request of qualifications that will be sent to 6 -10 engineering firms to provide as-needed engineering services for assistance with well rehabilitation, work at Ordunio Reservoir, work with the Stormwater Recharge Feasibility Study, construction for the Oak Creek MCC, and other projects. In addition, staff needs assistance with the water meter replacement project, coordination of the water service replacement, boundary surveying for a number of sites, and assistance with the GIS program.

Staff's plan is to review the statement of qualifications and meet with at least three (3) firms to set up an "as-needed" annual contract for engineering services. The contracts will be for \$30,000 each firm and will be for the remainder of FY 14/15. At the end of FY 14/15, the contracts and CVWD's project schedule will be reviewed to determine if additional services are needed.

RECOMMENDATION:

It is staff's recommendation to prepare a request for qualification for engineering services to be sent to a number of engineering firms to provide as-needed consulting services. After staff reviews the qualifications, select at least three (3) firms to provide engineering services and enter into a contract for annual services not to exceed \$30,000 for each firm.

ENVIRONMENTAL REVIEW:

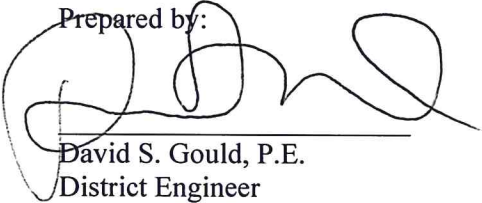
Not Applicable

FUNDING AVAILABILITY:

There are sufficient funds available in the Administrative Consultants account for the project:

Account Description	Account Number	Amount
Expense - Administrative Consultants	01-01-5130-000	\$120,000
Cost to Date		<\$31,714>
Estimated Annual Consulting Services Contracts		<90,000>
Expense - Administrative Consultants Amount remaining for FY 14/15		<\$1,715>

Prepared by:



David S. Gould, P.E.
District Engineer

Submitted by:



Dennis Erdman
General Manager

Attachment:

1. Request for Qualifications

\\FSCVWD\data\Management\Board Meeting Staff Reports\2014\11-19-14 Board Memo - Annual Consult Contract.docx



Sample

Crescenta Valley Water District

2700 Foothill Boulevard, La Crescenta, California 91214
Phone (818) 248-3925 Fax (818) 248-1659

Directors

Judy L. Tejeda
Kathleen M. Ross
James D. Bodnar
Kerry D. Erickson
Kenneth R. Putnam

Officers

Dennis A. Erdman, P.E.
General Manager
Ron L. Mitchell
Secretary-Treasurer

November 17, 2014

Mr. Tom Epperson
Tetra Tech
17885 Von Karman Avenue, Suite 500
Irvine, CA 92614-6213

Subject: Request for Qualifications for Professional Engineering Services to provide "As-Needed" services for Annual Consulting Services Contract, Project M-951

Dear Mr. Epperson:

Crescenta Valley Water District (CVWD) is requesting a statement of qualifications from your firm to provide engineering and surveying services on an "as-needed" basis for the period from January 1, 2015 to June 30, 2015.

The purpose of this Request for Qualifications (RFQ) is to solicit qualification statements for professional services of engineering firms, authorized to do business in the State of California with experience in civil engineering, surveying, and other professional services. Contracts will be executed on an as-needed basis with fees commensurate with an identified scope of work. Under no circumstances will the fee exceed \$30,000 per period, not including reimbursable.

CVWD needs the expertise of various engineering and surveying disciplines to accomplish its goals and objectives for the Engineering Department. These services typically support small projects and are often needed in an expeditious manner.

Statement of Qualifications: The statement of qualifications should address the following items:

1. Firm/entity name
2. Brief description of the firm/entity
3. Sub-Consultants (if necessary)
 - a. Qualifications
 - b. Proposed areas of responsibility
4. A statement of willingness to sign the District's Professional Services Agreement (See Sample Contract)
5. Name, title, and telephone number of individuals who would be involved with CVWD including:
 - a. Pertinent personal professional experience
 - b. Licensing
6. General professional experience relative to:
 - a. Water and sewer systems
 - b. Public and community aspects
 - c. Other similar projects
7. References – List of recent clients on projects. Reference information should include:
 - a. Name of owner
 - b. Project name
 - c. Contact person and address
8. Fees – Provide a detailed 2015 - fee schedule and rates
9. Insurance – Provide certificate of insurance for the following:
 - a. Workers' compensation insurance
 - b. Employer's Errors and Omissions liability insurance
 - c. Comprehensive commercial liability for at least \$1,000,000 per occurrence
 - d. Comprehensive automobile liability for at least \$1,000,000 per occurrence
 - e. District required to be named as additional insured on the policy

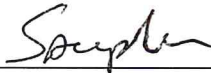
The RFQ will be reviewed by CVWD's Engineering Department and three (3) consultants will be chosen to provide as-needed engineering services. A professional service agreement will be issued for a cost not-to-exceed \$30,000. When engineering services are needed, CVWD will contact the consultant with a scope of work and a project schedule. A cost will be negotiated based on the consultant's fee schedule and proposed hours to complete the project.

One (1) copy of the RFQ should be submitted as a PDF file via e-mail no later than 12:00 pm on Wednesday, December 3, 2014. Three (3) copies of the proposals should be mailed to my attention at: Crescenta Valley Water District, 2700 Foothill Boulevard, La Crescenta, CA 91214.

If you have any questions or comments, please contact me at (818) 236-4119 or e-mail me at dgould@cvwd.com.

Very truly yours,

CRESCENTA VALLEY WATER DISTRICT



David S. Gould P.E.
District Engineer

DSG:sdi

Enclosures:

cc: Dennis Erdman – CVWD

\\fscvwd\data\engineering\e-jobs open\m-951 as- need consultants\m-951 - request for qualifications.docx

CRESCENTA VALLEY WATER DISTRICT

BOARD OF DIRECTORS - STAFF REPORT

To: Honorable President and Members of the Board of Directors
From: Dennis A. Erdman, P. E. – General Manager
Subject: **Regulatory and Public Affairs Manager**

Action Item No. 7
November 19, 2014

ACTION ITEM:

1. **Regulatory and Public Affairs Manager** – Consideration and motion to authorize the adjustment to the salary scale for the Regulatory and Public Affairs Manager.

BACKGROUND:

The regulatory climate has changed dramatically over the past 10 years. There are numerous new regulations which have increased the cost, complexity, and time it takes to remain compliant and knowledgeable of all of the mandatory regulatory requirements. Better technology, information, and public concerns have brought more sampling requirements, reporting requirements, and system wide audits and studies to all water Districts.

Enhanced regulatory requirements coupled with pertinent issues the District has experienced including, a copper violation, NPDES permit violations, and MTBE contamination created the need for a fulltime professional to manage and administer the District's regulatory responsibilities. As such, in 2008, all of the regulatory responsibilities were moved from the District Engineer position to the Program Specialist position. At that time of the change, the Program Specialist had been assisting with the compliance work.

Several weeks ago the job description and title for the Program Specialist position was changed to Regulatory and Public Affairs Manager in order to reflect the scope of the jobs current responsibilities. While the position still oversees and manages the District's Conservation Programs, the primary responsibility of this job is to ensure the safety and quality of the District's water and ensure that the District remains compliant with all regulatory agencies. The new job description for this position is attached.

The job description for the Program Specialist was defined and approved in 2003. The transformation of the Program specialist Position into the current Regulatory Position started in 2005 and was essentially completed in 2008. Over the last six years, the Program Specialist has done an exemplary job developing and maintaining a beneficial relationship with the State Water Board, formally the California Department of Public Health (CDPH), aided with the OSHA investigations and the reduction of penalties and fines, and negotiated the copper violation with CDPH to eliminate the additional treatment facilities which were recommended by District's own consultant Malcolm and Pirnie during the Copper and Lead Study they performed.

The salary range for this position was derived by contacting each agency listed in the attached spreadsheet by telephone and asking which of their employees performed the following tasks:

- Who tracks and reviews the laboratory data
- Who prepares the Monthly Water Quality report
- Who submits the Annual Reports to the State

- Who handles any Stormwater or NPDES issues
- Who tracks and implements new regulatory requirements
- Who coordinates or prepares the UWMP
- Who serves and the primary contact with regulators

In most cases, the duties listed above spanned several positions. Out of the 28 agencies that responded, just over 50% had a person whom with the majority of these duties resided.

RECOMMENDATION:

It is my recommendation that the Board support a proposed salary range for this position of \$8,214 – \$10,533 based on survey results. After discussion, the Employee Relations Committee has recommended that the range for the Regulatory and Public Affairs Manager position initially be established at \$6,898 to \$8,373 per month which is a 5% increase to the Program Specialist salary scale. Furthermore, the Committee proposed that this salary range (Regulatory and Public Affairs Manager) should be examined in conjunction with a review of all of the CVWD management position salary ranges. Staff has compiled a salary survey for management positions which has been the topic of several Employee Relations Committee meetings and remains an active discussion.

Prepared & Submitted by:



Dennis A. Erdman
General Manager

CRESCENTA VALLEY WATER DISTRICT

Regulatory and Public Affairs Manager

Title: Regulatory and Public Affairs Manager

Reports to: The General Manager

Background: The Regulatory and Public Affairs Manager is responsible for ensuring the District remains in compliance with Federal, State, and Local requirements related to the utility operations of the District. In addition, this position is the District's primary point of contact in public affairs. It is the Regulatory and Public Affairs Manager's primary responsibility to ensure the safety and quality of the water the District provides to its customers within an increasingly demanding regulatory environment. Other areas of regulatory affairs which will be addressed by this position include health and safety compliance (OSHA), air quality compliance (AQMD), environmental compliance (CEQA), regional water quality control board matters (NPDES), and risk management (ACWA-JPIA). This management unit position performs complex and difficult work in the development and implementation of District programs while working closely with key District staff.

Oversees: The activities of the Water Conservation Specialist

Works closely with:

The District Superintendent, District Engineer, Finance Manager, IT Manager and the entire Regulatory Community in all its many expressions

Regulatory Reporting Duties:

- Oversee the timely and accurate fulfillment of all regulatory reporting requirements
- Ensures staff is trained in how to fulfill the reporting requirements
- Track progress, and intervene, if the responsible people are having difficulty with either the timeliness or accuracy of their reports
- Develop and maintain a mechanism to track all active permits, licenses, certificates, and other enabling instruments upon which the District depends for authorization to operate. This is known as the Master Regulatory Compliance Matrix
- Coordinate with appropriate staff the renewal, updates or close-outs of permits, licenses, and certifications contained in the Master Regulatory Compliance Matrix
- Follow legislative proposals and make recommendations regarding pending legislation which could impact the District's operation
- Develop and maintain active relationships with staff of regulatory agencies

Public Affairs:

- This position is the District's primary public information contact person
- This position will develop and maintain regular contact with media outlets serving the District
- During emergency situations, this position will serve as the District's Public Information Officer (PIO)

Monitor the System Operators' water quality related duties:

- Specify and communicate the activities and standards required to ensure water quality
- Assure that staff is adequately trained as it relates to the proper processes and procedures required to ensure water quality
- Continually update the Operators on new standards and procedures when changes occur
- Track to ensure that water quality standards are achieved
- Intervene when needed to make the changes necessary to ensure compliance
- Provide input on employee performance reviews as it relates to the portion of system operator workload directly connected to water quality

Manage the Water Conservation Specialist:

- Provide direction to the Water Conservation Specialist in the development of programs and activities of the District's conservation efforts
- Ensure training which enables the Water Conservation Specialist to be effective in this role

Regulatory and Community Relationships

- Serves as primary contact to the Department of Public Health, the State Water Resources Control Board, OSHA, and AQMD
- Develops and maintains peer relationships within regulatory agencies, other local water districts, water wholesalers, and professional organizations
- Serves as primary contact for the press, media, and local community groups

Knowledge of (as it relates to water system operation):

- Rules and regulations of the Department of Public Health and the State Water Resources Control Board
- Rules and regulations of the California Department of Occupational Health and Safety, (CalOSHA)
- Rules and regulations of the SCAQMD and the California Air Resources Board
- Principles and practices of risk management and accident prevention
- Principles and practices of water supply and conservation
- Public relations and customer service

Ability to:

- Prepare concise reports, correspondence and other written materials using mathematical/statistical reasoning
- Accurately assemble and interpret various data and regulations
- Identify project and program needs and exercise initiative in carrying out assignments
- Prepare and monitor program and project budgets
- Professionally represent the District's policies programs and services with individual citizens, employees, community groups and other agencies
- Effectively use MS-Word, Excel, Power Point and other computer software
- Perform detailed work independently under challenging deadlines with multiple concurrent tasks
- Make effective presentations
- Communicate diplomatically and knowledgeably with District customers, employees and the general public
- Establish and maintain cooperative working relationships
- Drive a vehicle safely
- Pass a pre-employment physical/drug screen

Minimum Qualifications

A Bachelor's Degree from an accredited college or university in public administration, communications, resource management, environmental studies, natural/physical sciences, engineering, or a closely related field. A Master's Degree in engineering, environmental science, or public administration is a plus for this position. Also five years of increasingly responsible experience in public affairs, regulatory compliance, water resources, or project management in environmental science. Any combination of education and experience which would likely provide the necessary skills, knowledge and abilities is qualifying. This position requires a valid class "C" California Driver's License.

() move
master's
degree
to this
section*

I have reviewed this Job Description with my Supervisor and agree with its contents.

Employee Signature

Date

Supervisor Signature

Date

Information
Item

glendalenewspress.com/news/tn-gnp-cv-water-district-elects-new-board-member-20141107,0,5281899.story

Glendale News Press

CV Water District elects new board member

Michael Claessens, who serves on CV Town Council, will be sworn into new role next month.

By Alicia Banks, alicia.banks@latimes.com

5:00 PM PST, November 7, 2014

The Crescenta Valley Water District voted this week to elect a current Crescenta Valley Town Council member to its board by year's end. advertisement

Michael Claessens, who serves as the Town Council's recording secretary, will be sworn in as a new board director. He'll replace Kathy Ross, who served on the board for 10 years, as she takes the Division 5 seat for the Foothill Municipal Water District.

Claessens was one of four candidates vying for Ross' soon-to-be-vacant seat.

The other candidates were Frank Colcord, co-chair of the Friends of the Rosemont Preserve; Steve Pierce, a community activist and communications administrator for the Montrose Shopping Park Assn.; and Philip Downs, who retired after 33 years with the Kern County Sheriff's Office and the California Highway Patrol, according to documents from the water district.

"It was a very difficult decision. Any [of the candidates] could have been chosen and been an asset to the district," Ross said. "In the decision making, a lot came down to who we thought would best fit the board."

Claessens was elected with a 4-1 vote. Director Ken Putnam cast the dissenting vote.

After the meeting, Putnam said he preferred another candidate. However, Putnam declined to say which candidate earned his vote.

"All four candidates were good, and had an interest of Crescenta Valley when they applied for the job," Putnam said. "(The board) had a discussion of each candidate's pros and cons, and who we thought was best suited for the job."

Claessens, a 20-year-plus resident of La Crescenta, serves as a member of various groups such as the civilian-based Crescenta Valley Ready and the Crescenta Valley Fire Safe Council, a volunteer group aiming to bring preparedness to the community with safe fire practices.

A husband and father of two children, Claessens currently works as a partner with Pasadena-based

License Advocates Law Group. During his 32 years working for the city of Los Angeles, Claessens worked in various positions, such as a managing senior assistant city attorney and a chief building mechanical inspector.

Claessens said he learned about water and sewer from handling cases as a litigator for the City of Los Angeles, experience he hopes can benefit the water district.

He also voiced concern about the current drought affecting the region. Currently, the district is conducting a study at Crescenta Valley Park, looking into whether the area is a viable resource for groundwater reclamation.

Claessens said one of his goals is to deliver water and sewer services to customers at the lowest cost possible.

"I know and love my community," Claessens wrote in an email Wednesday. "I believe that my skills and experience, along with my demonstrated desire to serve my community, will be a definite asset for the district in the role of a board member."

Outside of his credentials, what gave Claessens the edge was rooted in his interest to help select the district's next general manager, Ross said. Current manager Dennis Erdman plans to retire next year.

"That was one of the things that set him apart," Ross said. "We thought he was a really good fit."

Claessens and Ross will be sworn into their respective roles next month.

IND IZER

Santa Cruz residents using least water in state

State reports Santa Cruz drops consumptions per-capita use

By Samantha Clark, sclark@santacruzsentinel.com @samanthabclark on Twitter

Posted: 11/05/2014 05:28:31 PM PST14 Comments

SANTA CRUZ >> Santa Cruz's tough water restrictions are paying off.

With the lowest water use per capita, the city is doing the best job at conserving water in the state, according to the State Water Resources Control Board report released this week. The report lists which cities are doing well at saving water and which are not.

Gov. Jerry Brown declared a drought emergency in January, calling for Californians to reduce water use 20 percent.

In May, Santa Cruz called for a 25 percent reduction, or a limit of 60 gallons per day, per person. Residents have been meeting or exceeding that goal almost from the start.

The report figures show that Santa Cruz's residential water use is 44.9 gallons per person a day compared to 63.4 at the same time last year.

"Obviously our customers reduced their use beyond the requested amount," said Water District Director Rosemary Menard.

In second place, San Francisco residents use 46 gallons a day. However, the Bay Area averages 84 gallons per person on a daily basis. In Monterey, water use is also low at 49 gallons.

Residents use 81 gallons in Scotts Valley and 97 gallons per day in Watsonville.

The Colorado River area, which includes San Bernardino, averages on the high end of 251.9 gallons.

Despite Santa Cruz's water restrictions, people voluntarily have pitched in to reduce their water usage, Menard said. For example, conservation signs on brown lawns are en vogue.

"It really has been a community effort," she said. "We've had tremendous compliance."

The State Water Resources Control Board also reported that the statewide conservation rate backslid in September after three months of improvement, to 10.3 percent from 11.6 percent in August.

The board is collecting residential water use data to better direct conservation efforts locally as the punishing drought continues.

Santa Cruz's Water Department needs to see a foot of rain in the watershed by the end of the year to consider taking a break from rationing.

Cities with Lowest per capita water use

The figures below show the gallons used per person, per day in 2014 and 2013.

Santa Cruz: 44.9, 63.4	San Francisco: 45.7, 50	South San Francisco: 46.1, 50.3	East Los Angeles: 48.1, 51.3
Half Moon Bay: 48.2, 57.5	Monterey: 49.2, 55.9	San Diego: 49.3, 54.4	East Palo Alto: 49.6, 31.9
Arcata: 50.2, 48.4	Pacifica: 51.1, 50.8		

Source: www.waterboards.ca.gov

CRESCENTA VALLEY WATER DISTRICT

2700 FOOTHILL BOULEVARD
LA CRESCENTA, CALIFORNIA

Agenda for the Meeting of the Engineering Committee
of the Crescenta Valley Water District

To be held on

November 14, 2014 at 8:00 AM

Posted November 13, 2014 at 10:00 am

Call to Order

Adoption of Agenda

Information Items

1. Review of Well Levels and Well Capacity Status Charts
 - A. Well Rehabilitation Status
2. Review of FMWD 10-Year Purchase Order Request and Water Supply Allocation Plan
3. Review of CIP Budget, Project Schedule & Project Status
 - A. Ocean View Reservoir Overflow/Drain Pipe Project
 - B. Well 16 (Rockhaven) Well Project
 - C. Ocean View Chlorination Station Project
 - D. CVWD/LADWP Interconnection Project

Public Comments

At this time, members of the public shall have an opportunity to address the committee on items of interest that are within the subject matter jurisdiction of the Committee. This opportunity is non-transferable and speakers are limited to three (3) minutes each.

Committee Member's Request for Future Agenda Items

Next Engineering Committee Meeting – January 16, 2015

Adjournment

CRESCENTA VALLEY WATER DISTRICT

STAFF REPORT

Information Item No. 1
November 14, 2014

To: Engineering Committee
From: David S. Gould, P.E. – District Engineer
Subject: Discussion of Well Rehabilitation – Wells 5, 8, 9, 11, & 12

INFORMATION ITEM:

Status – Wells 5, 8, 9, 11, & 12 Rehabilitation Project, Project E-934

BACKGROUND:

CVWD awarded a contract to Best Drilling and Pump Company in November 2013 for the rehabilitation of Wells 5, 8, 9, 11, & 12. It was staff's goal to complete the rehabilitation of the five (5) wells to maximize groundwater well production during this time of drought.

Best Drilling and Pump Company has completed rehabilitation of four out of the five wells. Work on the final well under this scope of work, Well 11, is planned to start on November 14, 2014.

DISCUSSION:

The following is a discussion on the status of the rehabilitation of each well:

Well 5: The work for Well 5 started in April 2014, which included removing the existing pump assembly, line shaft, and column pipe, a video survey to visually inspect the well casing, bailing and brushing the well casing to remove the loosened sediment from the well, performing chemical treatment on the well casing to aid in the removal of scaling, mechanical development of the well to loosen geological formations behind the well screen, constant rate and step drawdown tests to determine the optimal new pump design, and installing a new pump and motor assembly.

Work on Well 5 was completed and it was brought back into service on June 22, 2014. Upon returning the pump back to service, the pumping rate for Well 5 was approximately 485 gpm, an increase of 240 gpm from when it was originally taken out of service.

Well 9: The work at Well 9 started on January 15, 2014 and Well 9 was returned to service, after all rehabilitation work was complete, on March 10, 2014, which included removing the existing pump assembly, line shaft, and column pipe, bailing and brushing the well casing, mechanical development of the well to loosen geological formations behind the well screen, and installation of a new submersible pump and motor assembly.

Initially, when Well 9 was returned to service, the pumping capacity increased from 115 gpm to a capacity of 150 gpm. Over the last several months however the well has needed to be throttled, due to declining pumping water levels, in order to prevent cavitation of the pump.

Well 12: Well 12 was removed from service on September 9, 2013 due to repeat failures to pass State mandated bacteriological testing. Work to rehabilitate the well began on January 6, 2014. A spinner's log and discrete biological sampling were performed on this well prior to determining the best methods for rehabilitation. The rehabilitation of Well 12 was completed and the well was returned to service on May 16, 2014. The work included chemical and mechanical cleaning of the well screen. Chemical cleaning of the Well had to be performed on multiple occasions before the pump was able to pass bacteriological testing. Staff tried a variety of well conditioners, applied hydrogen peroxide, and chlorinated the Well until it was able to be returned to service.

There was no pump replacement for Well 12. The pump was replaced in 2012 and was still in good working condition. Well 12 has experienced a few bacteriological issues since its installation, but in general has remained in operation since rehabilitation concluded.

Well 8: Rehabilitation of Well 8 began on June 12, 2014. The work included the chemical and mechanical cleaning of the well screen and bailing of any additional sediment from the well floor. Chemical treatment of Well 8 was possible through the use of a specialty hauling company. The City of Glendale did not allow Best Pump and Drilling to direct well discharges into the City's local sewers. This meant the planned static and dynamic well response tests could not be performed because these tests require the discharge of a large volume of water. Well 8 was returned to service after all rehabilitation activities had taken place, on September 8, 2014.

Initially the pumping capacity of Well 8 increased from 160 gpm to 355 gpm. With the steady decline in water levels this well is now operating at a capacity of 315 gpm.

Staff is still in negotiations with the property owner at Well 8 regarding replacing pavement which was damaged by heavy equipment during the rehabilitation.

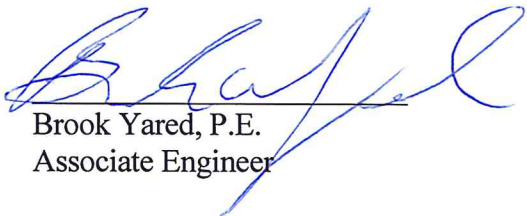
Well 11: Work on Well 11 will begin on November 14, 2014. The bulk of the rehabilitation work, including chemical treatment of the screen, mechanical development, and brushing and bailing of the casing, is anticipated to be complete by the middle of December 2014. The installation of the new pump will take place after rehabilitation and is anticipated to be completed by the end of January 2015.

Work for Well 11 was postponed until November so it could remain online during summer months.

SUMMARY:

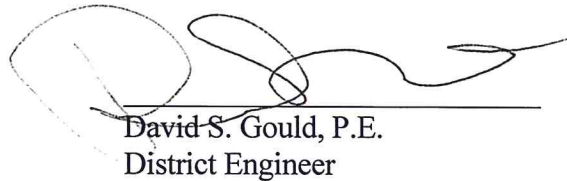
The project is approximately 85% complete with the contractor returning to complete the last well rehabilitation on November 14, 2014. The overall contract cost of this work is projected to be \$299,015 which is 3% lower than the original contract amount of 308,015.00.

Prepared by:



Brook Yared, P.E.
Associate Engineer

Submitted by:



David S. Gould, P.E.
District Engineer

CRESCENTA VALLEY WATER DISTRICT

STAFF REPORT

Information Item No. 2
November 14, 2014

To: Engineering Committee
From: David S. Gould, P.E. – District Engineer
Subject: Discussion of FMWD 10-year Production Order & MWD Water Supply Allocation Plan

INFORMATION ITEM:

FMWD 10-year Production Order & MWD Water Supply Allocation Plan – Review of CVWD 10-year purchase order to FMWD and effects of MWD Water Supply Allocation Plan

BACKGROUND:

10-Year Purchase Order

Metropolitan Water District (MWD) and in turn, FMWD, have requested their member agencies to enter into a purchase order agreement for the period beginning January 1, 2015 to December 31, 2024 (10-year period) by the end of this year. As shown on the attached FMWD October 2014 Board Letter, FMWD has been discussing this issue with their Board and its sub-agencies.

Water Supply Allocation Plan

In 2011, MWD implemented a Water Supply Allocation Plan in response to the drought which occurred from 2010 – 2012. MWD's goal was "Metropolitan will encourage storage of water during periods of surplus and work jointly with its Member Agencies to minimize the impact of water shortages on the region's retail consumers and economy during periods of shortage".

In response to the current drought, MWD's staff has been meeting with member agencies since July 2014 to update the Water Supply Allocation Plan so that it will include a more current base period for retail agencies, provide a conservation demand hardening credit, and allow for more of a conservation rate structure.

DISCUSSION:

10-Year Purchase Order

MWD has asked FMWD to commit to a 10-year purchase order based on the following criteria.

- Option 1 - The current Revised Base Firm Demand, which is the highest fiscal year sales during the past 13-year period of FY 1990 through FY 2002.

OR

- Option 2 - The highest year in the most recent 12-year period of FY 2003 through FY 2014.

As shown on the attached Table – "Purchase Order Analysis", the highest year under Option 1 is 12,219 ac-ft for FMWD and Option 2, which is based on the highest year that occurred in FY 03/04 of 14,831 ac-ft. The current choice by FMWD and its sub-agencies is Option 1.

The Base Firm Demand is used to calculate the Tier 1 upper limit of 90% of the Base Firm Demand. If a sub-agency exceeds the 90% level in a given year, that agency must pay Tier 2 rates. The Tier 1 rate is \$923/ac-ft and the current Tier 2 rate is \$1070/ac-ft starting January 1, 2015.

The "lower" limit of 60% of the Base Firm Demand is a minimum level which a sub-agency must use in a given year. In other words, if a sub-agency uses less than the "lower" limit level, the sub-agency is still required to pay for the amount of water at the lower level.

The attached Table 1 shows CVWD's Base Firm Demand, which is the projected water production for the next 10 years. As shown, CVWD will be under the Tier 2 limit and above the lower limit over the 10 years if Well 16 is not placed into service. If Well 16 is placed into service, then CVWD will be below the lower limit over the 10 years.

According to FMWD, MWD is going to give credit for water produced from a local resource only if the local resource is part of MWD's Local Resource Program (LRP). However, since Well 16 is not a part of MWD's program, CVWD will not get a credit for it. At this time, FMWD is trying to persuade MWD to include a credit for new local groundwater sources.

In the meantime, staff will be looking into the LRP to see if Well 16 qualifies and if there is available funding. The objective of the LRP is to provide funding for the development of water recycling and groundwater recovery supplies which replace an existing demand or prevent a new demand on MWD's imported water supplies either through direct replacement of potable water or increased regional groundwater production. The financial incentives for an agency is a rebate on the cost of between \$0 and \$250 per acre-foot produced over 25 year terms and are recalculated annually based on eligible project costs incurred each year and MWD's applicable water rates.

Over the next few weeks, FMWD will be working with MWD on the final purchase order agreement. MWD is planning to bring the purchase order agreement for its entire 26 member agencies at the December 2014 Board meeting.

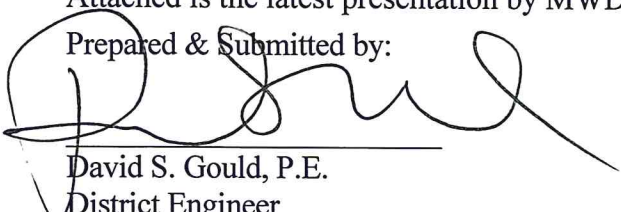
Water Supply Allocation Plan

MWD's staff has been meeting with member agencies finalizing the Water Supply Allocation Plan (WSAP), however, there have been a number of issues still unresolved such as defining the base period for retail agencies, providing a conservation demand hardening credit, and an allowance for a conservation rate structure based on a minimum per-capita water-use credit.

After discussions with FWMD, the current estimate is that FWMD's allocation will be 9,000 ac-ft per year and CVWD's portion is about 20% or 1,800 ac-ft per year. However, the draft proposal for the WSAP will be presented to the MWD Board in January 2015 and it may be implemented as soon as February 2015. What is unclear at the moment is what is the base period based on (calendar year or fiscal year), what credits will be applied, and what the penalties will be for exceeding the allocation.

Attached is the latest presentation by MWD's staff regarding the status of the WSAP.

Prepared & Submitted by:



David S. Gould, P.E.
District Engineer

Attachments:

1. FMWD - October 2014 Board letter regarding MWD Purchase Order
2. Table 1 - Base Firm Demand and Projected Water Production for the Next 10 FY years
3. MWD's presentation on WSAP



October 2014 Board Letter

Date: 10/17/14

To: Board of Directors

From: General Manager

RE: Metropolitan Purchase Orders

Information Item: 8.2

For Information Only

Background

Effective January 1, 2003, the District entered into a purchase order agreement with Metropolitan Water District of Southern California. The agreement established an Initial Base Firm Demand (IBFD) for the District of 12,219 acre-feet. The term of the agreement was for ten years. A tier 1 limit was established for water purchases which equaled 90% of the IBFD or 10,997 acre-feet. Purchases greater than the tier 1 rate limit paid the Tier 2 rate. The District also had a commitment to purchase 60% of its IBFD for ten years or 73,314 acre-feet.

In October 2012, the District Board agreed to an extension of the agreement with Metropolitan for two years. The extension increased the District's commitment to 87,975 acre-feet for a total of a 12-year period commencing January 1, 2003 to December 31, 2014. From January 1, 2003 through September 30, 2012, the District had purchased 101,866 acre-feet thus already meeting this obligation. Therefore the District's only benefit from entering into this agreement was being able to purchase 90% of its IBFD at Tier 1 rates.

Then in December 2012, Metropolitan agreed to increase the Base Firm Demand to include historical replenishment deliveries. Fiscal years 1990 through 2002 were used for historic data. For the District, the Revised Base Firm Demand increased by 862 acre-feet for a total of 13,081 acre-feet. The tier 1 limit increased by 776 acre-feet for a total of 11,773 acre-feet. The District's commitment remained at 87,975 acre-feet. This commitment has not been an issue in the past. The District applies historic purchases to its retail agencies based on how those purchases were taken by the retail agency. If a retail agency purchases greater than 90% of its historic base amount, it must pay tier 2 at an increment which is currently \$145 per acre-foot greater than the tier 1 rate. That tier 2 increment for water purchased by agencies and not paid to Metropolitan is placed in the Water Resources and Conservation Fund.

Current Situation

The current purchase order with Metropolitan Water District of Southern California expires at the end of this calendar year. Metropolitan wishes to renew the purchase order agreement with its agencies for ten more years with modifications to some of the terms.

Metropolitan has given the agencies the option of staying with the current base period or the highest fiscal year demands between fiscal years 2003-2004 and 2013-2014. For Foothill, the new base period would be higher thereby exposing agencies to less risk of tier 2. However, there is more exposure to the 60% commitment as agencies' demands go down due to conservation and groundwater leases. An analysis is provided of those risks (attached).

There is less risk of tier 2 exposure with either choice for the Base Firm Demand because Metropolitan staff is proposing that tier 2 only be charged should an agency go over its annual base firm demand times ten at the end of the ten-year period. However, with a higher base there is risk that the District must pay for water not taken because of the 60%

commitment. Even with the lower baseline, some of the retail agencies will be exposed to not meeting their own commitment. However, unless the District must pay Metropolitan for water it has not taken, it will be recommended that the District not charge these agencies for any commitment obligation not met. Metropolitan will also be providing a provision to lower the commitment if an agency develops local supplies including conservation and cannot meet its commitment.

Metropolitan staff will be providing draft terms to the agencies, for their review in the next two weeks. Metropolitan staff plan on taking this item to their Board in November for action. This item has been discussed with the retail agencies and I will continue discussing this item with both the agencies and counsel before bringing to the Board for a recommendation.

Attachment (s):

Purchase Order Analysis

Purchase Order Analysis

	Initial Base Firm Demands	Revised Base Firm Demands (Includes Replenishment)	Current Tier 1 (90% of Base) [multiply by 10]	Current Tier 1 Commitment (60% of IBFD) [multiply by 10]	Possible Revised Base (FY 2003-2004) Percentage of Base	Prorate FMWD Purchase From MWD	Optional New Tier 1 (90% of Base) [multiply by 10]	Optional New Tier 1 Commitment (60% of Base) [multiply by 10]
Crescenta Valley Water District	2,393	2,393	2,154	1,436	22%	3,293	2,964	1,976
La Cañada Irrigation District.	2,879	2,947	2,652	1,727	21%	3,185	2,866	1,911
Las Flores Water Company	776	776	699	466	5%	677	609	406
Lincoln Avenue Water Company	1,774	1,814	1,633	1,065	14%	2,004	1,803	1,202
Mesa Crest Water Company	744	744	670	447	5%	785	707	471
Rubio Cañon Land & Water Assoc.	1,038	1,038	934	623	9%	1,344	1,209	806
Valley Water Company	2,614	3,369	3,032	1,568	24%	3,543	3,189	2,126
Total	12,219	13,081	11,773	7,331	100%	14,831.1	13,348	8,899

FMWD Purchase from MWD

14,831.1

Retail Agency Historic Purchases	10 X CY 2013	10 X CY 2012	10 X CY 2011	10 X CY 2010	10 X CY 2009	10 X CY 2008	CY 2007	CY 2006	CY 2005	CY 2004	10-Yr Avg	Projections
CWWD	1,922	1,515	1,421	1,897	1,831	2,106	2,282	2,174	1,715	3,133	1,980	1,500
LCID	2,653	2,443	2,232	2,154	2,578	2,842	3,095	2,759	2,617	2,993	2,637	2,500
LFWC	498	466	489	511	535	620	687	745	637	672	586	450
LAWC	264	186	1,048	1,428	1,643	1,592	1,197	726	1,287	1,984	1,136	230
MCWC	688	640	597	604	680	770	751	703	688	767	687	650
RCLWA	-	-	308	427	804	818	1,118	860	835	952	612	918
Valley	2,767	2,821	2,433	2,344	2,856	2,987	2,938	2,651	2,113	2,795	2,650	2,600
Agency Total	8,772	7,870	8,528	9,166	10,928	11,736	12,069	10,618	9,891	13,295	10,287	8,848

Table 1

Base Firm Demand and Projected Water Production for the Next 10 FY years

Retail Agency	Initial Base Firm Demands	Percent	Initial Base Firm Demands with Replenishment Water	Percent	Current Tier 1 (90% of Base)	Current Tier 1 Commitment (60% of IBFD)
Crescenta Valley Water District	2,393	20%	2,393	18%	2,154	1,436
La Cañada Irrigation District	2,879	24%	2,947	23%	2,652	1,727
Las Flores Water Company	776	6%	776	6%	699	466
Lincoln Avenue Water Company	1,774	15%	1,814	14%	1,633	1,065
Mesa Crest Water Company	744	6%	744	6%	670	447
Rubio Cañon Land & Water Assoc.	1,038	8%	1,038	8%	934	623
Valley Water Company	2,614	21%	3,369	26%	3,032	1,568
Total	12,219	100%	13,081	100%	11,773	7,331

CVWD - Water Production Projections - 2015/16 - 2025/26

Fiscal Year	GW	GWP	Import	Total	Above/Below Tier 2	Above/Below 60%
2015/16	2,850		1,550	4,400	(604)	114
2016/17	2,950		1,460	4,410	(694)	24
2017/18	3,125		1,275	4,400	(879)	(161)
2018/19	3,290		1,210	4,500	(944)	(226)
2019/20	3,290		1,310	4,600	(844)	(126)
2020/21	3,290		1,410	4,700	(744)	(26)
2021/22	3,290		1,510	4,800	(644)	74
2022/23	3,290		1,610	4,900	(544)	174
2023/24	3,290		1,710	5,000	(444)	274
2024/25	3,290		1,910	5,200	(244)	474
2025/26	3,290		1,910	5,200	(244)	474
Avg	3,204		1,533	4,737	(621)	97
Min	2,850		1,210	4,400	(944)	(226)
Max	3,290		1,910	5,200	(244)	474

CVWD - Water Production Projections - 2015/16 - 2025/26 (Including Well 16)

Fiscal Year	GW	GWP	Import	Total	Above/Below Tier 2	Above/Below 60%
2015/16	2,850	480	1,070	4,400	(1,084)	(366)
2016/17	2,940	515	955	4,410	(1,199)	(481)
2017/18	3,115	420	865	4,400	(1,289)	(571)
2018/19	3,280	395	825	4,500	(1,329)	(611)
2019/20	3,290	445	865	4,600	(1,289)	(571)
2020/21	3,290	475	935	4,700	(1,219)	(501)
2021/22	3,290	480	1,030	4,800	(1,124)	(406)
2022/23	3,290	485	1,125	4,900	(1,029)	(311)
2023/24	3,280	545	1,175	5,000	(979)	(261)
2024/25	3,290	560	1,350	5,200	(804)	(86)
2025/26	3,290	560	1,350	5,200	(804)	(86)
Avg	3,200	487	1,050	4,737	(1,104)	(386)
Min	2,850	395	825	4,400	(1,329)	(611)
Max	3,290	560	1,350	5,200	(804)	(86)

CRESCENTA VALLEY WATER DISTRICT

STAFF REPORT

Information Item No. 3
November 14, 2014

To: Engineering Committee
From: David S. Gould, P.E. – District Engineer
Subject: FY 14/15 Capital Improvement Project Program Update

ITEM:

1. Review of FY 14/15 CIP Budget, Project Schedule, & Project Status
 - a. Ocean View Reservoir Overflow/Drain Pipe Project
 - b. Well 16 (Rockhaven) Well Project
 - c. Ocean View Chlorination Station Project
 - d. CVWD/LADWP Interconnection Project

DISCUSSION:

Staff has begun the FY 2014/15 CIP program and attached is the proposed project schedule for the coming year.

The FY 14/15 CIP budget was \$2,000,000 which included well rehabilitation, pipeline replacement, motor control center upgrades, SCADA Upgrades, and the Crescenta Valley County Park Stormwater Feasibility Study.

a. Status - Ocean View Reservoir Overflow/Drain Pipe Project

- AC Pavement Replacement
 - i. RFQ out to bid
 - ii. Bids due 11/19/14
 - iii. If under \$65,000, staff to proceed
 - iv. If over \$65,000, take to 12/9/14 Board Meeting
 - v. Start on Dec 8 – finish by Dec. 19
- Pipeline Design
 - i. Request by LCF for Hydrology/Hydraulics Design Cost
 - ii. Civiltec Design – waiting
 - iii. After meeting with LCF on Pipe Size, proceed with Design
 - iv. Advertise for Bids in Jan. 2015; Award in Feb 2015
 - v. Start in March 2015

b. Status - Well 16 – Well Project

- Agreement
 - i. Finalize for 11/19/14 Board Meeting
 - ii. Glendale to review and approve in Dec. 2014
- Grant
 - i. Agreement and additional information to DWR by 12/20/14
 - ii. Agreement complete by Jan. 15
- Design
 - i. Kick-off Meeting – 11/18/14 with Cannon
 - ii. Design complete and Advertise for bids in March 2015
 - iii. Award Contract – April 2015; Start in May 2015

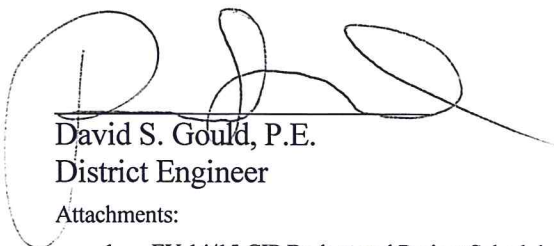
c. Status - Ocean View Chlorination Station Project

- **E-733CS – 1 Piping and Metering Vaults:** The piping and metering vaults were installed as of November 7, 2014. Disinfection and flushing of the pipeline will be performed the week of November 17, 2014.
- **E-733CS – 2 Chlorination Building:** Staff is currently revising the original plans of construction to provide for prefabricated structure options. The revised plans and specs should be ready to advertise for bid by late December or early January.
- **E-733CS – 3 Purchase and Install Treatment Equipment:** Staff researching the purchase of treatment equipment including metering pumps, chemical storage tanks, and a chlorine analyzer. This equipment will be ordered after the final design of the new building design is approved.
- **E-733CS – 4 Electrical and SCADA Equipment:** This equipment shall be purchased and installed after the structure is complete. Staff estimates that this work will begin in February 2015.
- **E-733CS – 5 Collaborative Work Performed by CVWD Crews:** This work will be completed by CVWD crews after the building construction is finished.
- **E-733CS – 6 Other Work:** Currently, staff is preparing bids for contractors for the paving of the sidewalk and street adjacent to Ocean View now that piping and vault installation is complete. This work is anticipated to be completed by late January 2015.

d. Status - CVWD/LADWP Interconnection Project

- The connection from LADWP to CVWD is complete
- The connection from CVWD to LADWP has been delayed due to other projects and time commitments
- Staff's goal is to complete the design by March 2015 and construction by September 2015.

Prepared & Submitted by:



David S. Gould, P.E.
District Engineer

Attachments:

1. FY 14/15 CIP Budget and Project Schedule – Revised 11/13/14

Capital Improvement Project Program FY 14/15 - Updated 11/14/14						
1. Water Supply						
A. Groundwater						
i. Well Rehabilitation						
	Well 11 Rehabilitation	E-934	\$ 65,000	\$ 16,315	\$ 88,685	\$ (40,000)
	Well 14 Rehabilitation (Project Removed)		\$ 60,000	\$ -	\$ -	\$ 60,000
ii. New Wells						
	Rockhaven Well - Equipment & Pipeline - Design (Grant Funding)	E-940	\$ 85,000	\$ 12,070	\$ 46,790	\$ 26,140
	Rockhaven Well - Equipment & Pipeline - Construction	E-940	\$ -	\$ -	\$ -	\$ -
B. Imported Water						
	CVWD/LADWP Interconnection (Grant Funding)	E-766	\$ 125,000	\$ -	\$ 100,000	\$ 25,000
	Ocean View Pipeline & Chlorination Station (Grant Funding)	E-733	\$ 210,000	\$ 31,185	\$ 175,000	\$ 3,815
C. Groundwater Basin Recharge						
	Storm Water Recharge Study (Grant Funding)	M-903	\$ 55,000	\$ 39,602	\$ 15,398	\$ -
WS Total			\$ 600,000	\$ 99,172	\$ 425,873	\$ 74,955
2. Water Storage						
A. Reservoir Rehabilitation						
v. Overflow & Drain System Upgrade						
	Upgrade Overflow/Drain System - Design + Maintenance	M-943	\$ -	\$ 14,810	\$ 21,190	\$ (36,000)
	Ocean View Reservoir - AC Pavement	M-943	\$ -	\$ -	\$ 65,000	\$ (65,000)
	Ocean View Reservoir - Upgrade Overflow/Drain System - Construction	M-943	\$ -	\$ -	\$ 350,000	\$ (350,000)
WS Total			\$ -	\$ 14,810	\$ 436,190	\$ (451,000)
3. Water Distribution						
A. Pipeline Replacement						
	2900 Block - Paraiso Way - 800 LF	E-947	\$ 200,000	\$ 7,250	\$ 185,450	\$ 7,300
	2900 Block - Santa Carlotta - 800 LF	E-947	\$ 200,000	\$ 7,250	\$ 185,450	\$ 7,300
	4900 Block - Glenwood - 600 LF	E-947	\$ 150,000	\$ 5,500	\$ 139,100	\$ 5,400
	2800 Block - Prospect - 600 LF (Project Removed)		\$ 150,000	\$ -	\$ -	\$ 150,000
	4400 Block - Glenwood - 200 LF (Project Removed)		\$ 50,000	\$ -	\$ -	\$ 50,000

Capital Improvement Project Program FY 14/15 - Updated 11/14/14			E-job	Budget FY 14/15	Cost to date 7/1/14 - 11/1/14	Cost Committed - 11/1/14 - 6/30/15	Cost Remaining
C. Booster Pump System							
i. Annual Pump /Motor Replacement							
	Eagle Canyon - Booster B	E-941	\$	-	\$ 1,185	\$ 35,315	\$ (36,500)
	Encinal - Booster A	E-918	\$	\$ 35,000	\$ 24,556	\$ -	\$ 10,444
ii. Pump Station Upgrade							
	Mills Plant - Aeration Tower Rehabilitation (Project Removed)		\$	\$ 35,000	\$ -	\$ -	\$ 35,000
iv. MCC Replacement							
	MCC upgrade at Oak Creek	E-931	\$	\$ 300,000	\$ 22,000	\$ 388,000	\$ (110,000)
E. Miscellaneous Projects							
i. Water Surge Control							
	Rehabilitation Surge Tanks at Glenwood (Project Removed)		\$	\$ 28,000	\$ -	\$ -	\$ 28,000
iii. Misc							
	Repairs to Ramsdell Mixing Station (Project Removed)		\$	\$ 35,000	\$ -	\$ -	\$ 35,000
WD Total			\$	\$ 1,183,000	\$ 67,741	\$ 933,315	\$ 181,944
4. Water Treatment							
B. Chlorine Disinfection							
	New Chlorination Station at Markridge Reservoir (Project Removed)		\$	\$ 43,000	\$ -	\$ -	\$ 43,000
WT Total			\$	\$ 43,000	\$ -	\$ -	\$ 43,000
5. Technology							
B. Supervisory Control and Data Acquisition (SCADA) System							
	SCADA RTU Replacement (35 sites) - Design	E-939	\$	\$ 25,000	\$ 4,500	\$ 7,500	\$ 13,000
	SCADA RTU Replacement (35 sites) - Equipment & Integration (Project Reduced)	E-939	\$	\$ 149,000	\$ -	\$ 100,000	\$ 49,000
C. Graphical Information System (GIS)							
TECH Total			\$	\$ 174,000	\$ 4,500	\$ 107,500	\$ 62,000

Capital Improvement Project Program FY 14/15 - Updated 11/14/14		E-job	Budget FY 14/15	Cost to date 7/1/14 - 11/1/14	Cost Committed - 11/1/14 - 6/30/15	Cost Remaining
6. Public Safety/Emergency Response						
SF/ER Total			\$ -			
7. Facilities & Planning						
F & P Total			\$ -			
Capital Improvement Projects - Total			\$ 2,000,000	\$ 186,223	\$ 1,902,878	\$ (89,101)

CRESCENTA VALLEY WATER DISTRICT

EMPLOYEE RELATIONS COMMITTEE MINUTES

DATE: November 14, 2014
TO: Employee Relations Committee Meeting Minutes
FROM: Ron Mitchell, Secretary-Treasurer

Following is a summary of the Employee Relations Committee Meeting held at 7:30 a.m. on November 14, 2014, at the CVWD main office, and was attended by the following:

Director James Bodnar - Committee Chairperson	CVWD Board of Director
Director Kathleen Ross - Committee Member	CVWD Board of Director
Ron Mitchell	CVWD
Dennis Erdman	CVWD
Christy Scott	CVWD

Mr. Mitchell welcomed the Committee and said the purpose of the meeting was to discuss the salary scale for the Regulatory and Public Affairs Manager, formerly known as the Program Specialist, and to review the Management Unit salary survey. Mr. Erdman and Ms. Scott informed the Committee of the change in regulatory requirements over the last 10 years and that Ms. Scott has been focusing more of her time in this area while still overseeing the water conservation efforts of the District.

Staff provided the Committee with a spreadsheet that compared the duties, now being performed by Ms. Scott, with other water agencies along with the title of person who performs those duties and the salary scale that person is paid. It was recognized that most agencies that perform the duties operate under a vast number of titles and they were listed on the right hand margin.

The Committee reviewed the salary scale and recommendation from Mr. Erdman and discussed how the scale should be reviewed in context with the salary structure of the entire Management Unit.

Mr. Mitchell provided the Committee with three spreadsheets that showed 1.) Salary scales of agencies previously outlined by the Committee as being most like the District in terms of service connections and number of employees; 2.) Those same agencies, along with some wholesale water providers; and 3.) A comparison of other benefits such as payouts for unused vacation/sick leave, administrative leave for managers, automobile allowances, and deferred compensation policies and other non-merit based performance bonuses. Copies are enclosed for your review.

After lengthy discussion, the Committee recommended that the salary range for the Regulatory and Public Affairs Manager position be placed 5% higher than the current scale for the Program Specialist position and then be re-evaluated when the full Board discusses the other members of the Management Unit.

The Committee did recognize that there is a salary gap in some of the Management Unit positions based on the information provided by staff for other water agencies performing essentially the same functions. The Committee had concerns over some of the areas of compensation (vacation/sick leave annual payouts), automobile allowances, and administrative leave days and felt that this needs to be discussed by the entire Board. This issue will be brought to the Board at a meeting in January for discussion.

The meeting adjourned at 8:50 a.m.

Crescenta Valley Water District
Compensation and Benefits Comparison (Monthly Gross Salary)
Management Positions
Based upon current information from Various Southern California Agencies

Removed data from Wholesale Agencies & Selected Agencies																			
Agency	County	No. of Connections	No of Employees	COLA Adj	General Manager		District Engineer		Chief Financial Officer		Superintendent		IT Manager		Accountant				
Beaumont-Cherry Valley Water District	Riverside	16,100	34	1.00%	\$ 14,633	\$ 15,833	\$ 9,163	\$ 11,249	\$ 9,163	\$ 11,249	\$ 6,490	\$ 7,968	\$ 5,771	\$ 8,667	\$ 6,353	\$ 7,800			
Carroza Water District	Ventura	11,000	21	0.00%	-	15,155	-	10,382	-	9,941	-	8,937	-	11,463	-	5,343			
Carpenteria Valley Water District	Santa Barb	4,400	20	2.00%	-	12,931	-	11,380	-	10,968	-	8,236	-	-	-	-			
Hill Desert Water District	San Bern	9,500	42	2.20%	-	16,692	9,795	12,852	8,518	11,176	7,100	9,316	-	-	4,514	5,923			
Indian Wells Valley Water District	Keen	12,170	29	2.00%	-	12,168	7,400	10,542	6,700	9,588	6,210	8,160	-	-	3,519	5,415			
Laguna Beach County Water District	Orange	8,500	42	1.50%	-	18,577	-	-	8,165	11,736	6,572	9,447	-	-	5,687	8,175			
Marina Coast Water District	Monterey	8,000	36	2.00%	-	15,833	11,219	14,319	8,551	10,913	7,558	9,646	-	-	6,517	8,318			
Mission Springs Water District	Riverside	14,000	37	2.00%	-	15,400	9,235	11,787	10,182	12,997	6,505	8,537	-	-	6,072	7,748			
Monte Vista Water District	LA	12,000	33	2.00%	-	19,235	9,762	12,806	9,762	12,806	6,505	8,537	-	-	6,505	8,537			
Newhall County Water District	LA	10,000	33	2.00%	-	12,778	-	-	11,140	7,812	7,812	10,547	-	-	5,913	7,983			
Rainbow Municipal Water District	San Diego	7,775	51	0.00%	-	15,834	10,360	13,594	9,861	12,939	7,703	10,108	-	-	6,979	9,157			
Ranoma Municipal Water District	San Diego	9,500	48	1.00%	-	15,668	-	-	8,687	11,966	7,249	9,955	-	-	-	-			
Romoland Area County Water District	LA	13,500	26	1.30%	11,895	14,604	-	-	9,366	11,708	7,546	9,433	-	-	6,345	8,249			
Santa Fe Irrigation District	San Diego	7,300	44	3.00%	-	16,916	11,636	15,126	7,287	9,561	7,287	9,561	-	-	4,833	6,341			
Valley County Water District	LA	12,400	24	2.00%	-	11,267	-	-	-	-	-	-	-	-	-	-			
Average of Low and High Salary Ranges as reported from 15 agencies surveyed		Avg. No of Connection	Avg. No of Employees	Avg. COLA	General Manager		District Engineer		Chief Financial Officer		Superintendent		IT Manager		Accountant				
					Low	High	Low	High	Low	High	Low	High	Low	High	Low	High			
					10,410	35	1.57%	13,264	15,259	9,821	11,276	8,952	11,547	7,025	9,192	6,719	10,032	5,749	7,416
					159,168	183,113	117,855	135,313	107,424	138,563	84,305	110,306	80,622	120,380	68,986	88,989			
Crescenta Valley Water District Monthly Compensation	LA	8,100	34	0.38%	-	13,971	8,490	11,185	7,783	10,154	6,402	8,601	7,088	8,861	5,470	7,221			
Crescenta Valley Water District Annual Compensation					-	167,652	101,880	134,220	93,396	121,848	81,624	103,212	85,056	106,532	65,640	86,652			
Current salary for each management unit positions (including longevity pay) are listed here (attached/2022 - For section 25 of the Management MOU, Managers can earn up to 5% longevity pay) for service over 10 years.																			
Difference between Average Low & High Salary Range vs. CWORD Low and High Salary Range					-	1,288	1,331	91	1,169	1,393	223	591	(370)	1,171	279	195			
Difference between Average, High Salary Range vs. Current Salary with longevity pay						1,288		(468)		886		161		1,171		195			

**Crescenta Valley Water District
Compensation and Benefits Comparison (Monthly Gross Salary)
Management Positions**

Based upon current information from Various Southern California Agencies

Agency	County	No. of Connections	No of Employees	Emp. Per 1,000 Connections	COLA Adj	General Manager		District Engineer		Chief Financial Officer		Superintendent		IT Manager		Accountant	
						Low	High	Low	High	Low	High	Low	High	Low	High	Low	High
Beaumont-Cherry Valley Water District	Riverside	16,100	34	2.11	1.00%	\$ 14,633	\$ 15,833	\$ 9,163	\$ 11,249	\$ 9,163	\$ 11,249	\$ 6,490	\$ 7,968	\$ 5,771	\$ 8,667	\$ 6,353	\$ 7,800
Camrosa Water District	Ventura	11,000	21	1.91	0.00%	-	15,155	-	10,382	-	9,941	-	9,837	-	11,463	-	5,343
Carpenaria Valley Water District	Santa Barb	4,400	20	4.55	2.00%	-	12,931	-	11,380	-	10,968	-	8,236	-	-	-	-
Hi-Desert Water District	San Bern	9,500	42	4.42	2.20%	-	16,692	9,795	12,852	8,518	11,176	7,100	9,316	-	-	4,514	5,923
Indian Wells Valley Water District	Kern	12,170	29	2.38	2.00%	-	12,168	7,400	10,542	6,700	9,588	6,210	8,160	-	-	3,519	5,415
Laguna Beach County Water District	Orange	8,500	42	4.94	1.50%	-	18,577	-	-	8,165	11,736	6,572	9,447	-	-	5,687	8,175
Marina Coast Water District	Monterey	8,000	36	4.50	2.00%	-	15,833	11,219	14,319	8,551	10,913	7,558	9,646	-	-	6,517	8,318
Monte Vista Water District	LA	12,000	33	2.75	1.50%	-	19,235	9,762	12,806	9,762	12,806	6,505	8,537	-	-	6,505	8,537
Newhall County Water District	LA	10,000	33	3.30	2.00%	-	12,778	-	-	-	11,140	7,812	10,547	-	-	5,913	7,983
Rainbow Municipal Water District	San Diego	7,775	51	6.56	0.00%	-	15,834	10,360	13,594	9,861	12,939	7,703	10,108	-	-	6,979	9,157
Ramona Municipal Water District	San Diego	9,500	48	5.05	1.00%	-	15,668	-	-	8,687	11,946	7,249	9,955	-	-	-	-
Rowland Area County Water District	LA	13,500	26	1.93	1.30%	11,895	14,604	-	-	9,366	11,708	7,546	9,433	-	-	-	-
Santa Fe Irrigation District	San Diego	7,300	44	6.03	3.00%	-	16,916	11,636	15,126	11,182	14,536	6,735	8,756	7,666	9,965	6,345	8,249
Mission Springs Water District	Riverside	14,000	37	2.64	2.00%	-	15,400	9,235	11,787	10,182	12,997	6,563	8,376	-	-	6,072	7,748
Valley County Water District	LA	12,400	24	1.94	2.00%	-	11,267	10,250	-	7,287	9,561	7,287	9,561	-	-	4,833	6,341
Calleguas Municipal Water District	Ventura	Wholesaler	63	-	0.40%	-	17,500	10,250	13,689	9,925	13,234	6,923	9,231	-	-	4,862	6,483
Central Coast Water Authority	Santa Barb	Wholesaler	30	-	1.14%	-	18,127	-	12,680	8,268	10,087	7,065	8,619	-	-	4,686	5,717
McJannet Water Agency	San Bern	Wholesaler	38	-	0.00%	-	19,879	7,464	11,943	7,464	11,943	6,604	10,238	6,604	10,238	3,830	5,552
Three Valleys Municipal Water District	LA	Wholesaler	24	-	1.13%	-	20,433	9,935	15,896	9,935	15,896	6,046	9,673	-	-	4,965	7,944
West Basin Municipal Water District	LA	Wholesaler	40	-	0.00%	-	21,339	11,245	14,056	11,245	14,056	-	-	8,183	10,228	6,012	7,515
Average of Low and High Salary Ranges as reported from 31 agencies surveyed		Avg. No of Connection	Avg. No of Employees	Emp. Per 1,000 Connections	Avg. COLA	General Manager		District Engineer		Chief Financial Officer		Superintendent		IT Manager		Accountant	
		10,410	35	3.33	1.57%	13,264	16,308	9,789	12,019	9,074	11,921	6,939	9,244	7,056	10,112	5,475	7,188
Average of Ranges Shown in Annual Compensation						159,168	195,701	117,464	144,226	108,890	143,052	83,272	110,938	84,672	121,346	65,654	86,259
Crescenta Valley Water District Monthly Compensation	LA	8,100	34	4.20	0.36%	-	13,971	8,490	11,185	7,783	10,154	6,802	8,601	7,088	8,861	5,470	7,221
Crescenta Valley Water District Annual Compensation						-	167,652	101,880	134,220	93,396	121,848	81,624	103,212	85,056	106,332	65,640	86,652
Current salary for each management unit positions (including longevity pay) are listed here Longevity Pay - Per Section 2.5 of the Management MOU, Managers can earn up to 5% longevity pay for service over 10 years.																	
Difference between Average Low & High Salary Range vs. CVWD Low and High Salary Range						-	2,337	1,299	834	1,291	1,767	137	643	(32)	1,251	5	(33)
Difference between Average High Salary Range vs. Current Salary with longevity pay							2,337		275		1,260		213		1,251		(33)

**Crescenta Valley Water District
Compensation and Benefits Comparison
Management Positions**
Based upon current information from Various Southern California Agencies

Agency	County	No of Connections	No of Employees	Admin leave Days	Excess Leave Payout Policy	Automobile Allowance	Matching Deferred Comp	Performance Bonus
Beaumont-Cherry Valley Water District	Riverside	16,100	34	0	Vacation = 100% of annual accrual; Sick = up to 16 hours of annual accrual.	0	None	None
Camrosa Water District	Ventura	11,000	21	40 hours for all managers	Annual leave (no separate vac and sick) with caps based upon years of service. Use it or lose it with no payouts.	Managers are given district vehicles with only the GM allowed to use for personal use	None	Can earn up to a 5% annually to a profit share similar to a 457 plan
Carpenteria Valley Water District	Santa Barb	4,400	20	40 hours for mgrs; Can cash out up to 2 days	No Payouts; Vacation = can accumulate based upon years of service; Sick = can accrue up to 960 hours	GM & Engineer have a district vehicle	GM gets \$5,200/year; district matches up to 2.5% of salary for all other employees.	None
HC-Best Water District	San Bern	9,500	42		Vacation = 100% payout over 400 hours; Sick = can accumulate up to 96 hours max, and can sell up to 24 hours per year.	GM has a district vehicle	None	None
Indian Wells Valley Water District	Kern	12,170	29	Managers get an additional 40 hours of vacation per year over non-exempt	Vacations: 100% of unused annual accrual; Sick - no payout and unused accruals converted to PERS credit.	GM, AGM, and Operations Mgr. have a district vehicle.	None	GM is reviewed annually and could receive a bonus.
Laguna Beach County Water District	Orange	8,500	42	40 hours for GM only	Vacations: 100% of unused annual accrual; Sick - no payout and unused accruals converted to PERS credit.	GM = \$ 500/ month; Other managers have a pool car available.	None	None
Marina Coast Water District	Monterey	8,000	36	80 hours	Vacations: 100% over 240 hr; Sick - no payout and unused accruals converted to PERS credit.	GM, Engineering Mgr. & Superintendent have district vehicles	Match up to 2% of salary/yr.	None
Mission Springs Water District	Riverside	14,000	37	27 hours for all exempt	Vacations: 100% of annual accrual; Sick - can sell 50% of unused annual accrual	GM, Engineering Mgr. & Superintendent have district vehicles	Pays up to maximum for the GM allowed under law per year.	None
Monte Vista Water District	LA	12,000	33	0	Vacation = twice annual accrual max, but allows employee to buy back up to 88 hrs./year. Sick = allows employee to buy back up to 50 hours at 50% for hours over 400.	GM = 750/mo. Plus gas allowance; Fin/Admin Mgr. and Engineering Mgr. = \$500/mo.	Match up to \$650/year (all emp.)	None
Newhall County Water District	LA	10,000	33	40 hours for GM & Finance Director	Vacation = 100% payout over 250 hours; Sick = 50% payout over 200 hours.	GM = district vehicle; Finance Director = \$350/mo.	Match up to \$650/year (all emp.)	None
Rainbow Municipal Water District	San Diego	7,775	51	60 hours for exempt	Annual leave (no separate vac and sick) >560 hours pay 100%. (Employee must use 30 days of time in year and maintain at least 120 hours in account.)	GM = district vehicle; On call supervisor takes home his truck.	Match up to \$2,600/year (all emp.)	2.5% merit increase one time in contract life if at top of scale and receives an above satisfactory evaluation
Ranoma Municipal Water District	San Diego	9,500	48	0	Annual leave (no separate vac and sick) >520 hours pay 50% to deferred comp and balance goes back into account.	GM has a district vehicle	None	None
Rowland Area County Water District	LA	13,500	26	40 hours for all managers	Vacation = Pay for all hours over 160 maximum accrual; Sick = can cash in hours over 354 threshold for 50% of value.	GM = \$ 550; AGM = \$ 450	None	None
Santa Fe Irrigation District	San Diego	7,300	44	0	Vacations: Must use 80 hrs and retain 80 hours then can get 100% of unused; Sick = unlimited accruals - can get 50% payout at retirement or convert for PERS credit.	GM = \$600	None	None
Valley County Water District	LA	12,400	24	0	No Payouts; Vacation = Can accumulate up to twice annual accrual; Sick = Unlimited accrual	0	None	None
Calleguas Municipal Water District	Ventura	Wholesaler	63	0	Vacations/Max accrual is 480 hrs. Must use 80 hrs in calendar year & have 80 hrs on books then can cash out balance. Sick = Unlimited accrual that converts to PERS credit on retirement.	GM, Engineer & Inspectors have district vehicles.	None	Can earn 1% - 3% if get 19 or 20 out of 20 on performance evaluation.
Central Coast Water Authority	Santa Barb	Wholesaler	30	40 hours for all managers	Vacations: Must use 10 days in 12 months then can cash-out 50% of balance. Sick = no payouts & unlimited accrual that is converted to PERS credit upon retirement.	GM= \$750/month; AGM has a district vehicle.	None	None
Mojave Water Agency	San Bern	Wholesaler	38					
Three Valleys Municipal Water District	LA	Wholesaler	24	40 hours for all managers	Annual leave (no separate vac and sick) >520 hours pay 100% of excess hours. Sick = no payouts - can accumulate up to 400 hrs max. Sick= maximum accrual is 960 hours and can cash in 50% of unused annual accrual after reaching maximum.	0	Match up to \$650/year (all emp.)	None
West Basin Municipal Water District	LA	Wholesaler	40	40 hours for GM		GM= \$700/month	None	None