CRESCENTA VALLEY WATER DISTRICT

2700 Foothill Boulevard
La Crescenta, California

Agenda for the
Regular Meeting of the Board of Directors
of the Crescenta Valley Water District
to be held on August 15, 2017 at 7:00 p.m.

Posted: August 11, 2017 at 3:00 p.m.

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

Call to Order and Determination of Quorum

Pledge of Allegiance

Adoption of Agenda

Public Comments

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

Foothill Municipal Water District Report

1. Report on activities at Foothill Municipal Water District.

Consent Calendar

1. Consideration and approval of the Minutes of the Adjourned Regular Meeting on June 20, 2017.
2. Ratification of Disbursements for June 2017.
3. Consideration of attendance at the 2017 ACWA Fall Conference to be held November 28 – December 1, 2017 in Anaheim, CA.
4. Steel Reservoir Rehabilitation at Oak Creek #1 and #2 Reservoirs, Project E-970 – Consideration and motion to authorize the General Manager to advertise for bids for steel reservoir rehabilitation at Oak Creek #1 & #2 Reservoirs with an engineer's construction estimate of $658,000 and to find said project exempt from the provisions of the California Environmental Quality Act (CEQA).

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. **Appeal of a High Water Bill** – Consideration and possible action to grant a request for relief from a high water bill by Tedd and Cheryl Duncan at 3307 Park Vista Dr.
2. **Appeal of a High Water Bill** – Consideration and possible action to grant a request for relief from a high water bill by Kyoung Koo at 5311 Ramsdell Ave.
3. **Resolution No. 738 –** Consideration and motion to adopt Resolution No. 738 to: Adopt Resolution Approving an Installment Sale Agreement and Escrow Agreement; Adopting a Debt Issuance Policy and Tax Compliance Procedures; and Authorizing Certain Actions in Connection Therewith related to the refinancing of the 2007 Certificates of Participation.

4. **CVWD's Well 2 and Related Facilities, Project E-956** – Consideration and motion to authorize the General Manager to enter into an agreement with Cannon Corporation for quality control inspection services for Well 2 and related facilities at a not-to-exceed cost of $128,614 and establish a contingency amount of $12,861 (10% of contract) to cover the cost of unforeseen or additional work.
5. **FY 2017/18 Grant Assistance Consulting Services, Project M-965** - Consideration and motion to authorize the General Manager to enter into an agreement with John Robinson Consulting to provide consulting services for coordination and preparation of applications for State and Federal Grants at a not-to-exceed cost of $30,000 and establish a contingency amount of $3,000 (10% of contract) to cover the cost of additional work

Information Items

Written Communications to District/Board of Directors

Staff Reports

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

Attorney Report

Reports of Committees

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

Director's Oral Reports

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

Closed Session

- **Public Employee Discipline/Dismissal/Release – (§54957)**

Board Members' Request for Future Agenda Items

Adjournment

CRESCENTA VALLEY WATER DISTRICT
REGULAR MEETING, BOARD OF DIRECTORS
July 11, 2017

Pursuant to the order of the Board of Directors of the Crescenta Valley Water District, made at the Adjourned Regular Meeting of June 20, 2017, a Regular Meeting was held on July 11, 2017, 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** **Michael L. Claessens** **Kerry D. Erickson** **Kenneth R. Putnam** **Judy L. Tejeda**
Attorney:	**Thomas S. Bunn**
General Manager:	**Thomas A. Love**
Secretary-Treasurer:	**Ron L. Mitchell**
District Engineer:	**David S. Gould**
Others Present:	**Mark Hass, IT Manager** **Dennis Maxwell, Superintendent** **James Lee, Accountant** **Bryan Jones, Construction Supervisor** **Kathy Ross, FMWD Director**

PLEDGE OF ALLEGIANCE

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

ADOPTION OF AGENDA

It was moved by Director Tejeda, seconded by Director Putnam and carried by a 5-0 vote that the Agenda for the Regular Meeting of July 11, 2017 be adopted as presented.

PUBLIC COMMENT – None

FOOTHILL MUNICIPAL WATER DISTRICT REPORT – Kathy Ross reported their meeting will be held on July 17, 2017 and that she will be attending the Water Resource Committee meeting on July 12, 2017.

CONSENT CALENDAR

It was moved by Director Claessens, seconded by Director Tejeda and carried by a 5-0 vote to approve the Minutes of the Adjourned Regular Board Meeting held on June 20, 2017, and to ratify the disbursements for June 2017.

Payment of demands against the Crescenta Valley Water District on or before June 30, 2017 the same having been approved by the General Manager, Thomas A. Love, and heretofore paid, be ratified and approved subject to audit, in the aggregate sum of One Million, One Hundred Thirty Seven Thousand, Five Hundred Thirty One Dollars and Forty Seven Cents (1,137,531.47) which is composed of the individual items set forth herein.

ACTION CALENDAR

Well 5 Pump and Motor Assembly Replacement, Project E-983 – Mr. Gould reported that Well 5 has lost production over the last 2 to 3 months and is down to 150 gpm. Staff is concerned with the low capacity and pump efficiency this time of year and sent out a Request for Quote to pump and well contractors. Legend Pump of San Bernardino was the apparent low bidder for the project and meets the requirements of SB 854 and prevailing wage compliance.

Following discussion:

It was moved by Director Claessens, seconded by Director Tejeda and carried by a 5-0 vote to authorize the General Manager to award a contract to Legend Pump, Inc. for well rehabilitation at Well 5 at a cost of $63,483 and to establish a contingency amount of $6,350 (10% of contract) to cover the cost of unforeseen or additional work.

CVWD's Well 2 and Related Facilities, Project E-956 – Mr. Gould reported that CVWD received a grant from the Department of Water Resources to reactivate Well 2 and construct a new nitrate removal treatment facility. Staff is requesting to advertise for bids for engineering services, nitrate treatment system, MCC & switch board, Well 2 facilities, construction management services, inspections, permitting fees, design & construction, and other miscellaneous work with an engineering estimate of $907,000.

Following discussion:

It was moved by Director Claessens, seconded by Director Putnam and carried by a 5-0 vote to authorize the General Manager to advertise for bids for the construction of the Well 2 and related facilities with an engineer's cost estimate of $907,000.

Purchase of New Compact Excavator, Unit #54, Project C-984 – Mr. Gould reported that staff researched the purchase of a new compact excavator. The current excavator (Unit #21) was purchased in 2004 and has been in service for 13 years. Unit #21 is currently in need of repairs with cost estimates of approximately $35,000. Over the years, the District has spent over $46,000 for maintenance and repairs, with the bulk of the costs occurring in the last 5 years. Staff prepared a list of criteria for the new compact excavator for bidding purposes. Staff reviewed the quotes with respect to meeting the District's criteria and budget and indicated that the Caterpillar was easier to maneuver in the field and provided proper safety equipment for operations.

Following discussion:

It was moved by Director Erickson, seconded by Director Tejeda and carried by a 5-0 vote to authorize the General Manager to purchase a new Caterpillar compact excavator model No. 303.5E2 from Quinn Company for a total cost of $60,545 and declare Unit #21 as surplus and direct the General Manager to dispose in a manner that best benefits the District.

Refinancing of the 2007 Certificates of Participation – Mr. Love reported that James Lee had approached Mr. Mitchell and Mr. Love with a financial analysis that could save a significant amount of money by refinancing the bond debt. Mr. Mitchell provided a summary of the 2007 Bond Debt that showed as of June 2017 how much interest and principal had been paid and the remainder of the bond left to be paid. The average interest rate of the outstanding 2007 bonds is 4.35%, and the average rate of the refinancing is currently estimated at 3.30%. Staff provided the Board with two different methods to refinance; a private placement, which basically is operated through a bank or a public offering which is issuing a new series of bonds to take the place of the prior bonds. The private placement has a significantly lower cost than the public offering. Staff has tentatively assembled a financing team that offers a balance between industry expertise and lowest cost which consists of Nixon Peabody LLP as Bond Counsel and Brandis Tallman LLC as a Placement Agent.

Following discussion:

It was moved by Director Claessens, seconded by Director Erickson and carried by a 5-0 vote to approve the staff's recommendation to pursue the private placement method and to request a notice-to-proceed with engaging Nixon Peabody LLP as Bond Counsel and Brandis Tallman LLC as Placement Agent in order to initiate the refinancing process as soon as possible.

Strategic Plan – Mr. Love gave a review and discussed the Draft Strategic Plan. He discussed the six goals; infrastructure, workforce, emergency response, financial stability, customer engagement, and governance. Mr. Love requested feedback from the Board of Directors at the Board meeting in September.

INFORMATION ITEMS – Director Tejeda provided two newspaper articles, one regarding DWP healthcare costs, and the other one on the impact to Coachella Valley Water District on a recent ruling on water rights in the valley.

WRITTEN COMMUNICATIONS TO DISTRICT – None

REPORTS OF PERSONNEL

SECRETARY-TREASURER – Mr. Mitchell reported on the Investment portfolio as of July 7, 2017 and also a recap of Investment in Bonds for FY 2016-17. Also he reported on the PERS unfunded liability charges and that by paying the full amount up front the District will save $5,550 in the current fiscal year.

GENERAL MANAGER – Mr. Love reported that the District now has 5 vacant employment positions including two employees who are on extended leave. Three temporary employees are being used to fill the two employees on leave and one of the vacant positions. He also discussed e-mail correspondence he had sent to the Board. Three employees have work anniversaries in July; Christina Olmedo and Steve Dulay have been with the District for 11 years and Morgen DuRose will complete his 16th year with the District.

DISTRICT ENGINEER

Water Production – For the period of June 1 through June 30, 2017, water production averaged 119.2 million gallons per day, which is **8.9% more** than the daily average production of the same period in 2016. This is **4.6% less** from the daily average production of the previous five years.

Rainfall: June 2017 **0.00"**

Season-to-date: 24.76”

Mr. Gould also reported on the water demand projections for the year. At the next meeting in August he will be giving a power point presentation on the Lower Pickens Canyon Pipeline replacement and slope repair. To date we have replaced 163 water meters, with a total of over 5,000 meters since February 2012. He also reported on laterals leaks on Pinelawn and Foothill.

PROGRAM SPECIALIST – No Report

INFORMATION TECHNOLOGY – Mr. Hass gave an update on the SCADA stabilization project. Estimated completion is in the first two weeks of August 2017.

ATTORNEY – Mr. Bunn gave an update on the Court of Appeals decision on the case between the San Diego Water Authority and MWD. He also reported on legislative bills and will report on water conservation regulations at a future meeting.

REPORTS OF COMMITTEES

Engineering Committee – Mr. Gould reported that the Committee met on June 29, 2017 and reviewed the status of water quality, groundwater wells and well capacity, award of contract – Well 5 Rehabilitation, Project E-983, advertise for bids – Construction of Well 2 and related facilities at 4209 Lowell Ave., Project E-956, request for proposal for construction management services – Well 2, purchase of new compact excavator, and discussion of project schedule. The Committee will meet on July 20, 2017 at 9:00 a.m.

Finance Committee – Director Tejeda reported that the Committee met on June 29, 2017 at 3:30 and reviewed the draft for FY 2016-17 with the new auditors, and discussed the refinancing of 2007 Revenue COPs.

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

Policy Committee – Director Bodnar 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 will meet on July 13, 2017 at 4:00 p.m.

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

DIRECTORS ORAL REPORTS

Director Bodnar – No report

Director Claessens – No Report

Director Tejeda – No Report

Director Putnam – No Report

Director Erickson commented on the Water Quality Report that was sent out.

ADJOURNMENT

There being no other business to come before the Board at 8:50 p.m., it was moved by Director Claessens and seconded by Director Tejeda and carried by a 5-0 vote that the meeting be adjourned to August 15, 2017 at 7:00 p.m.

APPROVED

James D. Bodnar	Ron L. Mitchell
President	Secretary-Treasurer

CASH DISBURSEMENTS LIST
JULY 2017

Check#	Check Date	Payable To	Description	Water Amount	Wastewater Amount
0	7/7	CalPERS	Contributions for 06/2017	21,294.39	12,335.06
0	7/25	Southern California Edison Co.	Power purchased 07/2017	37,182.55	475.70
35924	7/6	EmbroidMe	T-shirts and duffle bags for temp employees	205.95	68.64
35925	7/6	David Gould	Longevity pay for 20 years of service	150.00	50.00
35926	7/6	Spectrum Business	Data communications office 06/2017	2,597.15	865.71
35927	7/6	Spectrum Business	Data communications mills plant 06/2017	2,113.37	704.44
35928	7/10	City of LA Canada Flintridge	Permits for 5637 & 5360 Ocean View - asphalt restoration	350.00	
35930	7/11	ACWA Joint Powers Ins Authority	Group Health for 06/2017	34,552.65	22,473.98
35931	7/11	ACWA Joint Powers Ins Authority	Group Health for 07/2017	34,552.65	22,473.98
35932	7/11	Airgas USA, LLC	Monthly cylinder rental 06/2017	243.41	243.41
35933	7/11	All American Landscape Co.	Monthly landscape maintenance 07/2017	217.50	72.50
35934	7/11	AMEC Foster Wheeler	E-957 Pickens Slope repair -services through 04/28/17	14,628.55	
35935	7/11	American Backflow	Membership renewal Cory Whitman #22025767	60.00	20.00
35936	7/11	Ameripride Uniform Services, Inc	Uniform rentals 06/2017	877.16	292.38
35937	7/11	Anawalt Lumber & Materials Co.	Misc hardware 06/2017	191.84	
35938	7/11	Aquality Engineering, Inc.	M-981 Water quality & sampling assessment 05/2017	1,080.00	
35939	7/11	ARC	Monthly MSP billing 06/2017	690.93	230.31
35940	7/11	Associated Soils Engineering	E-956 Well #2 - services for 06/2017	500.00	
35941	7/11	Regino Avalos	Clear brush, weeds etc from misc. reservoirs	2,675.00	
35942	7/11	AVAYA Financial Services	Land line support	380.67	126.89
35943	7/11	BC Laboratories, Inc	Water analysis	357.75	
35944	7/11	Best Drilling & Pump, Inc.	E-979 Remove & repair Well 8 pump	33,690.00	
35945	7/11	April Bright	Refund Check	84.20	
35946	7/11	Courtney Brucato	Refund Check	42.54	
35947	7/11	C.V. Chamber of Commerce	Water conservation full page ad	655.00	
35948	7/11	Capital One Commercial	Misc supplies 06/2017	395.50	395.49
35949	7/11	Cargill, Inc - Salt Division	24.50 tons bulk solar salt	3,156.75	
35950	7/11	Frances Cash	Refund Check	10.50	
35951	7/11	CCS Interactive, Inc.	Monthly web hosting 07/2017	78.75	26.25

Check#	Check Date	Payable To	Description	Water Amount	Wastewater Amount
35952	7/11	Choice Pest Control	One time live animal trapping (squirrels in Mills house attic)	131.25	43.75
35953	7/11	City of Glendale	Water master fees - Jan-Apr 2017	7,520.80	
35954	7/11	City of Glendale - Permits	Excavation permits	1,800.00	
35955	7/11	City of Glendale Water & Power	Power purchased 06/2017	30,537.36	31.57
35956	7/11	Colonial Life & Accidents Ins.	Employee paid insurance	183.61	
35957	7/11	Contractor Compliance & Mont Inc.	E-733CS - labor compliance for 05/2017	137.50	
35958	7/11	Dataprose LLC	Printing and postage for Control 1-4 06/2017	1,466.70	1,466.70
35959	7/11	Dell Financial Services	Lease contract 06/2017	727.71	242.57
35960	7/11	Ibonne Demogines	Refund Check	40.65	
35961	7/11	Direct Connection	Business cards, "No Parking" signs, postage for Consumer Confidence Reports	3,088.64	254.41
35962	7/11	Do-it Center	Misc hardware 06/2017	338.73	215.03
35963	7/11	E & R Construction, Inc.	E-957 Progress payment #4 - Lower Pickens Slope repair	85,405.00	
35964	7/11	E&M Electric & Machinery,Inc.	E-939A - SCADA stabilization project computer equipment	140,054.35	
35965	7/11	E-Nor Innovations, Inc	Delineator rental for lateral replacement on Ocean View	157.00	
35966	7/11	Education & Training Services	Registration for Management & Supervisor Leadership training class for Dennis Maxwell	374.25	124.75
35967	7/11	Empire Fleetwash, LLC	Cost to clean district vechicles	230.25	76.75
35968	7/11	Employee Relations Network	Back ground check on 2 new temporary employees	52.65	17.55
35969	7/11	Eurofins Eaton Analytical Inc.	Water analysis	758.00	
35970	7/11	First Choice	Coffee service office	108.39	108.38
35971	7/11	Gemini Group, LLC	Graphic design for water quality reports	3,720.00	
35972	7/11	Grainger	Thermostats & fans for wells & reservoirs; disposable gloves	1,013.61	
35973	7/11	Great America Leasing Corp.	Kyocera copier lease 07/2017	217.96	217.95
35974	7/11	Gsolutionz Professional Services	Land line lease 07/2017	262.52	87.50
35975	7/11	Hach Company	Bulk dispenser for total chlorine	853.46	
35976	7/11	Harper & Associates Eng, Inc	Annual inspection and cleaning Ordunio, Dunsmore, Rosemont reservoirs - progress payment #1	6,815.00	
35977	7/11	Hercules Industries, Inc	Padlocks to lock off meters	793.10	
35978	7/11	Home Depot Credit Services	Misc hardware 06/2017	226.77	134.29
35979	7/11	Hopkins Technical Products, Inc.	Chlorine and pH sensors	3,406.61	
35980	7/11	Joseph A. Huerta	Mileage reimbursement Jan - Jun 2017	21.86	1.20
35981	7/11	J & K Welding	Hydrant welding D-16-66 Cortolane	1,890.00	
35982	7/11	John Robinson Consulting, Inc.	M-965 - Grant assistance	2,400.00	
35983	7/11	Hto Sook Kim	Refund Check	61.62	
35984	7/11	L.A. County Dept. Public Works	Excavation permits	6,160.26	

Check#	Check Date	Payable To	Description	Water Amount	Wastewater Amount
35985	7/11	Lincoln Financial Group	Dental & Disability insurance 06/2017	3,420.54	2,250.88
35986	7/11	Jeannie Lobue	Refund Check	3.59	
35987	7/11	Gary R. Lynch	M-981 Water quality assessment & sampling study	1,080.00	
35988	7/11	Dennis A. Maxwell, Jr	Reimbursement for Grade D4 certification renewal	105.00	
35989	7/11	Mimecast North America, Inc.	Email security 06/2017	262.50	87.50
35990	7/11	Newegg, Inc.	Windows 10 licenses, new workstations, upgrade workstations	7,851.27	
35991	7/11	Northern Tool & Equip Co.	Soda ash cleaner	136.21	29.73
35992	7/11	O'Reilly Auto Parts	Misc parts for 06/2017	316.70	105.56
35993	7/11	Office Depot - Credit Plan	Misc supplies 06/2017	635.00	634.99
35994	7/11	Orchard Supply Hardware	Misc hardware 06/2017	1,457.92	235.80
35995	7/11	Pacific Graphics. Inc.	Tow Away Signs (1500)	674.25	674.25
35996	7/11	Paper Cuts, Inc	Paper shredding 06/2017	2.50	2.50
35997	7/11	Paveco Construction Inc	List 2016-17-11 - paving various locations	11,124.55	
35998	7/11	Plumbers Depot Inc	Rotating nozzles for new Vactor truck		518.88
35999	7/11	Ramco	Crushed misc base	2,084.66	
36000	7/11	Ready Refresh by Nestle	Distilled water for 06/2017	39.91	
36001	7/11	Red Wing Shoe Store	Safety boots Rob Wood	121.31	40.43
36002	7/11	Robert Brkich Const. Corp	E-972 Mills pumpline replacement progress payment #1	91,770.00	
36003	7/11	Robert Hall Excavating	Haul 3 loads scrap material	1,575.00	
36004	7/11	Sawyer Petroleum	471.1 gallons clear diesel fuel/Glenwood	930.35	310.11
36005	7/11	Simpler Systems	Monthly maintenance for 07/2017	375.00	125.00
36006	7/11	So Cal Turf & Tractor	Linch pins for Units 15, 21, 46	14.32	4.78
36007	7/11	St Water Resource Control Brd.	Water systems fees 7/1/16 to 6/30/17	25,904.00	
36008	7/11	Staples Business Advantage	Misc supplies 07/2017	94.63	94.61
36009	7/11	Star Brite Bldg. Maintenance Inc	Janitorial service 07/2017	618.75	206.25
36010	7/11	Star Ford	2 shocks for Unit # 18	77.94	25.98
36011	7/11	Still Mor Automotive Inc.	Parts & labor to replace 2 batteries on Unit #36	289.76	96.59
36012	7/11	Sully-Miller Contracting Co.	Minimum load charge	862.88	
36013	7/11	Catherine and Frank Sulzerberger	Rebate for sprinkler to drip irrigation	201.20	
36014	7/11	Tesco Controls, Inc	Liq4 with new wire harness; Liq 5 repairs	1,050.00	
36015	7/11	The Gas Company	Gas purchased 06/2017 Glenwood	50.40	16.80
36016	7/11	Tri-Xecutex Corp	Repairs to alarm system	303.00	101.00
36017	7/11	Underground Service Alert/SC	Underground notification 06/2017	135.00	45.00
36018	7/11	Univar USA Inc	Bleach for Glenwood & Mills - 1400 gal.	2,488.98	
36019	7/11	Univar USA Inc	Bleach for Glenwood & Mills - 1419 gal.	2,522.75	
36020	7/11	University of Southern Califor	Backflow membership renewal for Cory Whitman	295.46	98.49

Check#	Check Date	Payable To	Description	Water Amount	Wastewater Amount
36021	7/11	UPS	Shipping charges	38.47	38.46
36022	7/11	USA Blue Book	Spare hour meters for wells and booster motors	433.18	
36023	7/11	Vision Service Plan Co-(CA)	Group Vision for 07/2017	280.26	186.84
36024	7/11	Vulcan Materials Company	50.9 tons of class "A" base	1,319.14	
36025	7/11	Vulcan Materials Company	145.85 tons of class "A" base	4,035.31	
36026	7/11	Waste Management - Sun Valley	Disposal service Glenwood & Office - 07/2017	781.70	260.56
36027	7/11	Weck Laboratories, Inc.	M-981 - Water quality sampling & assesment study	5,640.00	
36028	7/11	Western Water Works	Brass bushings and adaptors; 4- 6" valves for Nitrate Plant	6,559.10	
36029	7/11	Yale Chase Materials Inc	Unit #17 - Oil change and chain lube on forklift at Plant	121.40	40.47
36030	7/12	City of Glendale - Permits	Permit for E-977 - electrical connection for Montrose PRV	2,325.00	
36031	7/24	Mark Hass	Health Reimbursement	356.70	237.80
36032	7/25	ACWA/JPIA	Worker's Comp for 01/2017 - 03/2017	23,820.52	15,878.68
36033	7/25	ACWA/JPIA	Worker's Comp for 04/2017 - 06/2017	23,706.85	15,804.57
36034	7/25	ADS, LLC	Monthly sewer monitoring 06/2017		1,590.00
36035	7/25	Aflac	Employee paid insurance 07/2017	1,406.69	
36036	7/25	Kirk Anderson	Remove bee's from meter box at 2900 Henrietta & 3100 Alabama	250.00	
36037	7/25	Associated Soils Engineering	E-972 services rendered 06/2017	1,275.00	
36038	7/25	AT&T	Voice communications 07/2017	1,117.67	372.55
36039	7/25	AT&T Mobility	Cell phone service for 07/2017	1,240.68	413.55
36040	7/25	Regino Avalos	E-979 - Well 8 cut down tree	1,175.00	
36041	7/25	Campbell's Automotive Service	Unit #43 - Brake job & oil change	542.01	180.67
36042	7/25	CDW Government, Inc	MS Licensing	11,308.58	3,769.53
36043	7/25	City of Los Angeles	Capital O&M Portion of Asssc		170,829.00
36044	7/25	County Clerk of Los Angeles	E-983 - CEQA exemption	75.00	
36045	7/25	Cues, Inc	Anual sofware support for camera van		1,800.00
36046	7/25	DLT Solutions, LLC	Autodesk support renewal 8/9/17 to 8/8/18	5,693.21	1,897.73
36047	7/25	Dominguez General Engineering, Inc	E-960 mainline replacement final progress payment	45,975.19	
36048	7/25	Downey Brand Attorneys LLP	ULARA services through 05/2017	7,449.36	
36049	7/25	Foothill Municipal Water	Water delivery 06/2017	303,438.86	
36050	7/25	Grainger	Chlorine pump	240.77	
36051	7/25	Haaker Equipment Company	Install valves, etc on new Vactor truck		2,882.94
36052	7/25	Harper & Associates Eng, Inc	Annual inspection and cleaning Ordunio, Dunsmore, Rosemont reservoirs - progress payment #2	5,070.00	
36053	7/25	KR Nida Companies	R & R 2-way radio from old vac truck into new Unit #53		1,126.50
36054	7/25	Lagerlof, Senecal, Gosney & Kr	Legal services for 06/2017	9,720.00	1,250.00
36055	7/25	LMS Electric	E-977 - Electrical work at Ramsdell Mixing Station	24,150.00	

Check#	Check Date	Payable To	Description	Water Amount		Wastewater Amount	
36056	7/25	New Image Landscaping	Monthly maintenance landscape 07/2017		902.50		177.50
36057	7/25	Newegg, Inc.	New keyboards and monitors		1,916.28		
36058	7/25	Northern Safety Co., Inc	Hard hats		73.12		24.38
36059	7/25	Paveco Construction Inc	List 2016-17-12 - various paving locations		15,268.96		
36060	7/25	S & J Supply Company, Inc.	E-972 - slip weld for pipeline replacement		796.14		
36061	7/25	Shell	Gas purchased 07/2017		1,664.15		554.72
36062	7/25	Dave Spain	Reimbursement for purchase of work jeans		71.32		23.78
36063	7/25	Spectrum Business	Internet charges for 07/2017 Glenwood		209.94		70.00
36064	7/25	St Water Resource Control Brd.	Certification for T2 - Brook Yared		60.00		
36065	7/25	T.T. Technologies, Inc	Cost to repair boring machine		482.84		482.84
36066	7/25	Tesco Controls, Inc	Emass annual maint agreement Quote #17D087Q01		6,525.00		2,175.00
36067	7/25	Tri-Xecutex Corp	Repairs to security system at Mills house		570.87		190.28
36068	7/25	Univar USA Inc	Bleach for Glenwood & Mills - 1200 gal.		2,133.40		
36069	7/25	UPS	Shipping Charges		9.20		9.19
36070	7/25	Vulcan Materials Company	Crushed aggragate base		118.92		
36071	7/25	Wells Fargo Card Services	Gould: AWWA Water Ed. Seminar registration for Yared, Olmedo, Huerta; Misc. office supplies		286.44		95.48
36072	7/25	Wells Fargo Card Services	Hass: Monthly recurring charges; board meeting dinner; parts for gates at Glenwood, computer hardware for C-959; lunch for SCADA meeting		1,833.15		166.35
36073	7/25	Wells Fargo Card Services	Love: Dinner for board meeting		66.03		22.01
36074	7/25	Wells Fargo Card Services	Maxwell: Meals for crews working after hours on main leaks; cellphone charger; supplies for 3-yr safety lunch; canopy; tire pressure system		417.83		291.67
36075	7/25	Wells Fargo Card Services	Mitchell: Food for 3-year safety lunch; shipping charges		651.45		232.96
36076	7/25	Wells Fargo Card Services	Scott: Chino Basin Symposium on water conservation; donuts for water sampling video class		85.00		
36077	7/25	Brook Yared	Special License Comp for Grade T2		400.00		
36078	7/25	CalPERS	Annual lump sum prepayment of unfunded liability		90,405.00		60,270.00
36079	7/25	L.A. County Dept. Public Works	E-982 Permit package to cross flood control at 3100 Brookhill.		1,546.00		
36080	7/31	Abe's Lock and Key	R & R Glenwood doors		799.19		266.40
			Subtotal of Disbursements	**$**	**1,269,684.08**	**$**	**353,194.68**
			Total Cash Disbursements for July 2017			**$**	**1,622,878.76**

Check#	Check Date	Payable To	Description	Water Amount	Wastewater Amount
			Payroll Report for July 2017		
			Directors		$ 810.00
			Office Regular Payroll		$ 122,717.00
			Office OT		$ 176.00
			Plant Regular Payroll		$ 108,962.00
			Plant OT & Standby		$ 19,556.00
			Employer Payroll Taxes		$ 18,811.00
			Payroll Service Charges		$ 360.00
			Total Payroll		$ 271,392.00

ACWA
Association of California Water Agencies

ACWA 2017 Fall Conference & Exhibition
PRELIMINARY AGENDA
November 28–December 1, 2017 • Anaheim Marriott

ACWA JPIA - MONDAY, NOV. 27

8:30 – 10:00 AM
- ACWA JPIA Program Committee

10:15 – 11:15 AM
- ACWA JPIA Executive Committee

1:30 – 4:00 PM
- ACWA JPIA Board of Directors

4:00 – 5:00 PM
- ACWA JPIA Town Hall

5:00 – 6:00 PM
- ACWA JPIA Reception

TUESDAY, NOV. 28

8:00 AM – 6:00 PM
- Registration

8:30 AM – Noon
- ACWA/JPIA Seminars

9:00 AM – 4:00 PM
- Legal Affairs Committee CLE Workshop

10:00 – 11:45 AM
- Groundwater Committee
- Local Government Committee

11:00 AM – Noon
- Outreach Task Force

Noon – 2:00 PM
- ACWA 101 & Luncheon
- Committee Lunch Break

1:00 – 2:45 PM
- Energy Committee
- Finance Committee
- Scholarship & Awards Subcommittee
- Water Management Committee

1:30 – 3:30 PM
- ACWA JPIA: Sexual Harassment Prevention for Board Members & Managers (AB 1825)

3:00 – 4:45 PM
- Business Development Committee
- Communications Committee
- Federal Affairs Committee
- Membership Committee
- Water Quality Committee

5:00 – 6:30 PM
- Welcome Reception in the Exhibit Hall

WEDNESDAY, NOV. 29

7:30 AM – 5 PM
- Registration

8:00 – 9:45 AM
- Opening Breakfast *(Ticket Required)*

9:00 AM – Noon & 1:30 – 5:00 PM
- Exhibit Hall

10:00 – 11:30 AM
- Attorneys Program
- Communications Committee Program
- Energy Committee Program
- Exhibitor Case Studies
- Finance Program
- Region Issue Forum
- Statewide Issue Forum
- Water Industry Trends Program

11:30 – 11:45 AM
- Networking in the Exhibit Hall

11:45 AM – 1:45 PM
- General Session Luncheon *(Ticket Required)*

2:00 – 3:15 PM
- Attorneys Program
- Energy Committee Program
- Exhibitor Case Study
- Region Program
- Statewide Issue Forum
- Water Industry Trends Program

3:30 – 4:45 PM
- Aquatic Resources Subcommittee
- Exhibitor Demos
- Finance Program
- Local Government Committee Program
- Statewide Issue Forum
- Water Industry Trends Program

3:30 – 5:30 PM
- Legal Affairs Committee

5:00 – 6:00 PM
- Prize Drawing Fiesta Night in the Exhibit Hall

5:00 – 7:00 PM
- CalDesal Hosted Mixer
- CH2M Hosted Reception

THURSDAY, NOV. 30

7:30 AM – 4 PM
- Registration

8:00 AM – Noon
- Exhibit Hall

8:00 – 9:15 AM
- Networking Continental Breakfast, Exhibit Hall *(Ticket Required)*

8:30 AM – 9:15 AM
- Ag Initiative Meeting

9:30 – 11:00 AM
- Attorneys Program
- Exhibitor Case Studies
- Finance Program
- Region Issue Forum
- Town Hall
- Water Industry Trends Program

9:30 - 11:45 AM
- Ethics Training (AB 1234) - *Limited Seating*

11:00 – 11:30 AM
- Prize Drawings in the Exhibit Hall

11:45 AM – 1:45 PM
- General Session Luncheon *(Ticket Required)*

2:00 – 3:15 PM
- Attorneys Program
- Exhibitor Demos
- Federal Issues Forum
- Statewide Issue Forum
- Water Industry Trends Program

3:30 – 5 PM
- Regions 1 –10 Membership Meetings

6:00 – 7:00 PM
- Outreach Reception

7:00 – 10:00 PM
- Dinner & Entertainment *(Ticket Required)*

FRIDAY, DEC. 1

8:00 – 9:30 AM
- Registration

8:30 – 10:00 AM
- ACWA's Hans Doe Past Presidents' Breakfast in Partnership with ACWA JPIA *(Ticket Required)*

OTHER EVENTS

TUESDAY, NOV. 28

7:00 AM – 4 PM
- ACWA Fall Conference Golf Tournament

THURSDAY, NOV. 30

6:45 – 8:30 AM
- San Joaquin Valley Agricultural Water Committee

All conference programs are subject to change.

Last modified: July 26, 2017

PRICING REFERENCE SHEET

ACWA

ACWA 2017 Fall Conference & Exhibition
REGISTRATION, MEALS & HOTEL PRICING

November 28 – December 1, 2017 | Anaheim Marriott Hotel

Register online @ acwa.com **Regular registration and cancellation deadline is November 1, 2017 • 4:30 p.m. (PST)**

NEED TO REGISTER ON SOMEONE ELSE'S BEHALF? YOU CAN NOW SIGN IN AS YOURSELF - After you've logged-in, you can select from a list of people affiliated with your company and proceed to register him/her for the event. If the registrant is not listed, you will have the opportunity to create a Portal profile for him/her before registering.

REGISTRATION FEES & OPTIONS	REGULAR	ONSITE
Advantage (For ACWA public agency members, affiliates & associates ONLY)	(ends 11/1/17)	
Full Conference Registration & Meals Package	$699	Not Avail.
Full Conference Registration Only (meals sold separately)	$555	$575
One-Day Conference Registration (meals sold separately): Wednesday 11/29 -OR- Thursday 11/30	$320	$340
Wednesday registration includes Welcome Reception on Tuesday evening. *Thursday registration includes ability to purchase a ticket for Friday breakfast.*		
Standard (Applies to non-members of ACWA)		
Full Conference Registration Only (meals sold separately)	$830	$850
One-Day Conference Registration (meals sold separately): Wednesday 11/29 -OR- Thursday 11/30	$470	$490
Wednesday registration includes Welcome Reception on Tuesday evening. *Thursday registration includes ability to purchase a ticket for Friday breakfast.*		
Guest (Guest registration is not available to anyone with a professional reason to attend.)		
Guest Conference Registration (meals sold separately)	$45	$45

MEAL FUNCTIONS	REGULAR	ONSITE
Wednesday - November 29		
Opening Breakfast	$45	$50
Wednesday Luncheon	$50	$55
Thursday - November 30		
Networking Continental Breakfast	$35	$40
Thursday Luncheon	$50	$55
Thursday Dinner	$65	$70
Friday - December 1		
Friday Breakfast	$45	$50

HOTEL INFORMATION *Reservations will not be accepted until August 21, 2017.*

You must be registered for the ACWA conference in order to receive hotel reservation information and conference special room rate. Conference special rate is available August 21 – November 6, based on availability.

Special Hotel Rate

Anaheim Marriott Hotel

700 Convention Way, Anaheim, CA 92802

Single/Double $195 per night (Additional people $20)

Rate is subject to 15% Local Fees & Taxes and CA State Tourism Fee of $0.25 per room and occupancy tax of $0.04 per room and a 2% Anaheim Tourism Improvement District Assessment

Important Dates:

For those **registering for conference prior to August 21**, hotel information will be provided via e-mail on August 21.

For those **registering for conference from August 21 to November 6**, your confirmation e-mail will include hotel reservation information and an opportunity to receive a conference special hotel rate.

Hotel Reservation Questions?

After August 21, call hotel directly.

Questions? Contact us at 916.441.4545, toll free 888.666.2292. **Conference terms and conditions available at acwa.com in the event section.**

CRESCENTA VALLEY WATER DISTRICT

BOARD OF DIRECTORS - STAFF REPORT

Consent Calendar Item No. 4

To: Honorable President and Members of the Board of Directors August 15, 2017

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

Subject: **Advertise for Bids Steel Reservoir Rehabilitation at Oak Creek #1 & #2 Reservoirs, Project E-970**

CONSENT CALENDAR:

Steel Reservoir Rehabilitation at Oak Creek #1 & #2 Reservoirs, Project E-970 – Consideration and motion to authorize the General Manager to advertise for bids for steel reservoir rehabilitation at Oak Creek #1 & #2 Reservoirs with an engineer's construction estimate of $658,000 and to find said project exempt from the provisions of the California Environmental Quality Act (CEQA)

BACKGROUND:

Crescenta Valley Water District (CVWD) owns two (2) 1.6 MG steel tanks at its Oak Creek Reservoir site located at 5041 Cloud Avenue. The steel tanks were built in 1958 and 1961. In 1996, an assessment was performed by Harper & Associates Engineering, Inc. (Harper) of the District's 17 reservoirs and it was determined that the Oak Creek Reservoirs needed to be re-coated to extend the life of the steel tanks. The re-coating of the reservoirs, which also included seismic structural upgrades was completed in September, 2001 and since that time, the interior & exterior of the Oak Creek Reservoirs have been inspected every five (5) years.

In December 2005, the Oak Creek Reservoirs were inspected and it showed random corrosion on the roof and rafters.

In October 2011, the reservoirs were again inspected and there was increased corrosion on the roof and rafters above the water line. The report stated that the underside of the roof and structural elements are in poor condition. It was recommended to sand blast, remove the coating and corrosion, and re-coat the interior roof and shell. Also, any structural members damaged by the corrosion should be replaced. It was believed that the advanced corrosion in the open area above the water line was due to "off-gassing" of chlorine and not enough ventilation or air circulation to remove the chlorine into the atmosphere.

In July 2016, the reservoirs were inspected by Harper and they indicated that the condition of the roof, rafters and structural members above the water surface for both reservoirs had deteriorated to a worse condition than seen in 2011. Also, the coal-tar enamel coating on the floors is no longer allowed to be used in steel tanks; therefore, it will have to be removed and a new floor coating system would have to be installed.

DISCUSSION:

Harper was awarded a consultant contract to provide engineering design services for the rehabilitation for Oak Creek #1 & #2 Reservoirs. The project included:

- Sandblasting and removal of the existing interior and floor coating
- Re-coating the interior with an epoxy coating paint
- Installation of additional roof ventilation with fans to increase air circulation and reduce the amount of chlorine "off-gas" inside the reservoir
- A new epoxy coating system on the floor
- Removal and replacement of seismic structural steel to the roof
- New sampling ports, sacrificial anodes for corrosion protection and other appurtenances

RECOMMENDATION:

Staff's recommendation is to authorize the General Manager to advertise for bids for the Steel Reservoir Rehabilitation at Oak Creek #1 & #2 Reservoirs at an engineer's construction estimate of $658,000. This item was discussed with the Engineering Committee and the Committee approved the advertisement for bids and requested the item be placed on the Consent Calendar.

The project schedule is to advertise for bids in August and September 2017, award the contract in late September 2017, start construction in November 2017 on the first reservoir and construction of second reservoir in February 2018. Construction on each reservoir should be about 3 months each and the project should be completed by the end of May 2018.

Christina Olmedo will be the project manager and Cory Whitman will be the daily on-site inspector. This project will also require specialty inspection during the re-coating process and staff will be requesting a proposal from Harper for specialty inspection services.

ENVIRONMENTAL REVIEW:

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 account for the project:

Account Description	Amount
FY 16/17 Water CIP– Water Storage	$900,000
Preliminary Cost Estimate for Contractor	<$658,000>
Additional costs such as specialty inspection costs, construction administration costs, dehumidification equipment & contingency	<$181,000>
Total Cost Estimate	**<$860,800>**
Amount Remaining in Water CIP – Water Storage	**$39,200**

Prepared by:

David S. Gould, P.E.
District Engineer

Submitted by:

Thomas A. Love
General Manager

CRESCENTA VALLEY WATER DISTRICT
BOARD OF DIRECTORS - STAFF REPORT

Action Item No. 1

To: Honorable President and Members of the Board of Directors — August 15, 2017

From: Ron L. Mitchell – Secretary-Treasurer

Subject: **Appeal of a High Water Bill**

ACTION ITEM:

1. **Appeal of a High Water Bill** – Consideration and possible action to grant a request for relief from a high water bill by Tedd & Cheryl Duncan at 3307 Park Vista Dr.

BACKGROUND:

Tedd & Cheryl Duncan own the property located at 3307 Park Vista Dr. since 1999. Their usage is consistently in middle to high tier 2 and low tier 3 during the summer months, with a high of 32 units since 2016. While reading for the April 1 to May 31, 2017 billing period, the meter read indicated that a large amount of water was used during the period. This was sent out for re-read and check for leaks and again no leaks were detected and the read was determined to be accurate. The Duncan's do not have a new iPerl meter and therefore staff could not perform a download of usage data.

Upon receipt of the bill for $1,503.49, Ms. Duncan called the office and spoke to Darlene Telles. Darlene informed her that we had noticed the high usage and had already conducted a re-read of the meter and check for leak that did not show any leaks and that the reading on that date (3228 on June 12th) was consistent with the original read of 3226 on June 5th. Following more discussion with Darlene and Ms. Duncan, staff again conducted a leak test on July 18th that showed no leaks and a reading of 3246. It was also noted by our serviceman that the grass is very green.

Staff took one final reading on July 28th that showed no leaks and a reading of 3251. This indicates that whatever caused the high usage in the previous billing cycle had been corrected and a total of 25 units had been used in the almost two month period between June 1 through July 28, 2017 which is consistent with the Duncan's usual usage pattern and his information was given to Ms. Duncan. She asked what could be done to mitigate her bill and she was told that she would have to appeal to the Board of Directors to see if they would direct staff to recalculate her bill and only charge tier 2 for the usage over 26 units. Because there was no leak detected or reported at the house, staff has not granted any relief in the form of a leak adjustment.

If the Board directs staff to recalculate the bill in question charging only tier 2 rates for all usage in tier 3 it would result in a reduction of $401.28 for water usage and an additional $28.09 for the Glendale Utility Tax to the Duncan's bill for a total credit of $429.37. Staff is also prepared to amortize the remaining balance to accommodate payment of the bill.

RECOMMENDATION:

Staff is prepared to recalculate the excess water usage at tier 2 rates for this account the Board takes that action and is ready to place the remaining balance on an amortization schedule for Tedd & Cheryl Duncan if they so choose.

Prepared by:	Submitted by:
________________________	________________________
Ron L. Mitchell	Thomas A. Love
Secretary-Treasurer	General Manager

Attachments:

RECEIVED

AUG 01 2017

CRESCENTA VALLEY
WATER DISTRICT

Crescenta Valley Water District

July 28, 2017

CVWD Board:

We are requesting your consideration to attend and "plead" our case at your next Board meeting.

Our account number is 024033-000. Our water usage has always been consistent for the twenty years that we have lived here. It will go up a little in the summer because of our pool but not dramatically. Our bill for April/May was far and above any possible water usage. We are steadily billed around $180. This bill was for $1,503. I contacted your office immediately and asked for help. We have had our meter read 3 or 4 times since then. It seems to be functioning properly. We are back on track as far as our water usage for June/July.

In discussing this with your office we were asked about any leaks, sprinkler problems, or flooding. Nothing like that occurred and we did check. We are totally at a loss as to why this amount of water was recorded. I have asked our plumber to check as well. My husband and I were both in town except for one week during this period. Our daughter was here the entire time. There was no problem on our end.

In talking to your office, they said that the only thing that could be done was to ask for a lower tier price for this water bill. We appreciate all of the effort on the part of your staff to look into the situation. The man who came out today reported to us after he checked the meter. He couldn't explain the high water usage for those two months as the meter is reading close to what we usually use. I would especially like to commend Darlene in your front office. She has been patient and helpful through this process.

In closing, we hope that the Board will look at our payment and usage record and consider a reduction for that one bill.

Thank you,

Tedd and Cheryl Duncan

CRESCENTA VALLEY WATER DISTRICT
2700 FOOTHILL BLVD
LA CRESCENTA CA 91214-3590

ACCOUNT NUMBER	SERVICE ADDRESS
024033-000	3307 PARKVISTA
DUE DATE	**BILLING PERIOD**
07/06/17	04/01/17 to 05/31/17
TOTAL CHARGES	**AMOUNT ENCLOSED**
$1,503.49	$

AUTOSCH 5-DIGIT 91214 6 PS5 101841RA12-A-1
1214 1 AV 0.370

CHERYL DUNCAN
3307 PARK VISTA DR
LA CRESCENTA CA 91214-3376

CRESCENTA VALLEY WATER DISTRICT
2700 FOOTHILL BLVD
LA CRESCENTA CA 91214-3590

DETACH AND RETURN THIS REMITTANCE PORTION OF THE BILL WITH YOUR PAYMENT
KEEP THIS PORTION FOR YOUR RECORDS

STATEMENT OF ACCOUNT

ACCOUNT NUMBER	SERVICE ADDRESS	BILL DATE	DUE DATE	BILLING PERIOD
024033-000	3307 PARKVISTA	05/31/17	07/06/17	04/01/17 to 05/31/17

METER NUMBER	COMMENTS	PRIOR READ	CURRENT READ	USAGE (IN 1,000 GAL)	USAGE LAST YEAR
57352138		3,086	3,226	140	14

WATER USAGE in THOUSAND GALLONS

SUMMARY OF CHARGES

Previous Balance	$172.09
Payment on 05/02/2017	$(172.09)
Water Usage Charges	
Tier 1 - 10 x $4.39 (Basic Usage 0-10 Units)	$43.90
Tier 2 - 16 x $6.91 (Average Usage 11-26 Units)	$110.56
Tier 3 - 114 x $10.43 (High Usage 27 + Units)	~~$1,189.02~~
Water Service Charge 787.74	$61.65
Sewer Service Charge	$0.00
Sewer Flow Charge (Winter Water Use)	$0.00
Glendale Tax 70.27	~~$98.36~~
TOTAL DUE	***$1,503.49***

(credit of 401.28)

+ 28.09 for Glendale Utility Tax

Total Credit $429.37

Thank you to the community for the significant efforts to conserve water. The District is now in "Blue Alert". Outdoor watering before 9:00 a.m. and after 5:00 p.m.is allowed any day of the week with a recommendation of no more than 3 days per week. Local groundwater levels are at historic lows, but this year's rainfall should replenish local wells over the next 18 months. This combined with the improved State water supply situation allows the District to relax the conservation alert.

If you have questions regarding this bill or dispute the amount charged, the District's Rules and Regulations (Article 8.05G) permit you to submit a complaint or request an investigation. This process must be commenced by you delivering the complaint or request to the District in writing at least five (5) calendar days of receipt of this bill.

CRESCENTA VALLEY WATER DISTRICT	FOR MORE INFORMATION	BILLING INQUIRIES:	(818) 248-3925
2700 FOOTHILL BOULEVARD	VISIT OUR WEB SITE AT	OFFICE HOURS	MON-FRI 8:00 AM - 4:30 pm
LA CRESCENTA, CALIFORNIA 91214	www.cvwd.com	24 HR. EMERGENCY #:	(818) 249-2185

CVRI072516DA86101- 101841RA12A.1.1214.1.1.0.370 - www.dataprose.com

CVWD
ubuser

Utility Billing
Service Request Form

7/27/2017 - 4:30 PM

Request Number: 000282-07-2017
Account Number: 024033-000

Last Updated By: ubuser
On: 7/27/2017

Account Status: Active

Name: CHERYL DUNCAN
Billing Address: 3307 PARKVISTA
LA CRESCENTA, CA 91214

Home Phone: 8184199752
Business Phone: 8182491863
Service Address: 3307 PARKVISTA

Request Date: 7/27/2017
Request Description: Check for leak & re-read
Service Date: 7/28/2017

Water/Gas Meters	Route-Seq Read Dt	Serial No Cons	Register ID No Of Digits	MXU ID	Manufacturer	Model No	Reading
Existing Water Meter	07-0715 5/31/2017	57352138 140	 4		Precision	Precision14	3226

Location: L WINDOW 8'FROM CURB

Comments:

No Leaks
3251320 25K

Follow up needed? yes no Serviced By: RW Date: 7-28-17 Time: ______

Crescenta Valley Water District

2700 Foothill Blvd.

La Crescenta, California 91214-3590

To Whom It May Concern,

I have called twice regarding our water bill (account #024033-000) which was due on July 6, 2017. I called immediately after receiving the bill and was told that someone would get in touch with us about our water usage. I was told that a note would be placed on our account and not to worry about the payment being late. We heard nothing. I called again last week and was told the same thing. Our bill the previous 2 months which was paid on May 2, was for $172.09. That cost is about what a usual bill for our usage is. The bill we received due on July 6 was for $1503.49!!!!

Needless to say, I am worried about this bill and affording the payment if nothing is resolved. Furthermore, what will we receive due in September? I do not understand why no one who can help us with this has tried to reach us or come out to the house to check things out. I am giving you my number 818-419-9752 once again and hope to get this matter resolved soon.

Thank you,

Cheryl Duncan

CVWD
hollw

Utility Billing
Service Request Form

8/3/2017 - 8:43 AM

Request Number: 000252-06-2017
Account Number: 024033-000

Last Updated By: telld
On: 7/18/2017

Account Status: Active

Name: CHERYL DUNCAN
Billing Address: 3307 PARKVISTA
LA CRESCENTA, CA 91214

Home Phone: 8184199752
Business Phone: 8182491863
Service Address: 3307 PARKVISTA

Request Date: 6/21/2017
Request Description: Check for leak, customer does not believe this could be correct

Service Date: 6/21/2017
Service Description: 07/18 - Jaysen - no leak, grass is very green - read: 3246.920 DT s/w cust - see notes on promise

Water/Gas Meters	Route-Seq / Read Dt	Serial No / Cons	Register ID / No Of Digits	MXU ID	Manufacturer	Model No	Reading
Existing Water Meter	07-0715	57352138			Precision	Precision14	3226
	5/31/2017	140	4				

Location: L WINDOW 8'FROM CURB

Comments:

Follow up needed? yes no   Serviced By: ______________   Date: __________   Time: __________

CVWD
telld

Utility Billing
Service Request Form

7/18/2017 - 8:24 AM

Request Number: 000252-06-2017
Account Number: 024033-000

Last Updated By: leddp
On: 6/21/2017

Account Status: Active

Name: CHERYL DUNCAN
Billing Address: 3307 PARKVISTA
LA CRESCENTA, CA 91214

Home Phone: 8184199752
Business Phone: 8182491863
Service Address: 3307 PARKVISTA

Request Date: 6/21/2017
Request Description: Check for leak, customer does not believe this could be correct
Service Date: 6/21/2017

Water/Gas Meters	Route-Seq Read Dt	Serial No Cons	Register ID No Of Digits	MXU ID	Manufacturer	Model No	Reading
Existing Water Meter	07-0715	57352138			Precision	Precision14	3226
	5/31/2017	140	4				

Location: L WINDOW 8'FROM CURB

3246.920

6/12 - 3228280

Comments:
No sign of leak

Follow up needed? yes no Serviced By: J Ortega Date: 7/18/17 Time:

Entry Date	Close Date	Account No	Comment
06/12/2017	06/12/2017	031763-000	RR 6/8/17 no leak read 086505956
06/12/2017	06/12/2017	031885-000	RR 6/9/17 4/10 gpm leak read 39442276
06/12/2017	06/12/2017	032009-000	RR 6/9/17 read 126060564, no b/o
06/12/2017	06/12/2017	032166-000	rr 6/9/17 no leak rd 076682912
06/12/2017	06/12/2017	032240-000	RR 6/8/17 no leak read 1987340
06/12/2017	06/12/2017	032262-000	rr 6/9/17 no leak rd 006257956
06/12/2017	06/21/2017	024033-000	RR 6/9/17 no leak read 3228280

Records Printed: 55

Original Read done June 5th

USAGE HISTORY

08/03/2017 - 8:27 AM

Current Customer: 024033-000 **Established On:** 3/30/1999 **Route #** 07

Name: CHERYL DUNCAN **Address:** 3307 PARKVISTA

Meter #: 57352138 **Meter Size:** 1 **Status:** A **U/M:** Gallons **Meter Install Date:** 8/14/2001

2017		2016		2015		2014		2013	
Jan	24	Jan	16	Jan	28	Jan	21	Jan	26
Feb	0	Feb	0	Feb	0	Feb	0	Feb	0
Mar	18	Mar	14	Mar	34	Mar	22	Mar	26
Apr	0	Apr	0	Apr	0	Apr	0	Apr	0
May	140	May	14	May	38	May	36	May	30
Jun	0	Jun	0	Jun	0	Jun	0	Jun	0
Jul	0	Jul	27	Jul	47	Jul	15	Jul	28
Aug	0	Aug	0	Aug	0	Aug	0	Aug	0
Sep	0	Sep	32	Sep	65	Sep	51	Sep	32
Oct	0	Oct	0	Oct	0	Oct	0	Oct	0
Nov	0	Nov	24	Nov	20	Nov	31	Nov	28
Dec	0	Dec	0	Dec	0	Dec	0	Dec	0

CRESCENTA VALLEY WATER DISTRICT
BOARD OF DIRECTORS - STAFF REPORT

Action Item No. 2
August 15, 2017

To: Honorable President and Members of the Board of Directors

From: Ron L. Mitchell – Secretary-Treasurer

Subject: **Appeal of a High Water Bill**

ACTION ITEM:

1. **Appeal of a High Water Bill** – Consideration and possible action to grant a request for relief from a high water bill by Kyoung Koo at 5311 Ramsdell Avenue.

BACKGROUND:

Kyoung Koo is the owner of the property located at 5311 Ramsdell Avenue since 1994. Their usage is consistently in tier 2, with a high of 26 units. While reading the meter on June 28, 2017, for the June 30, 2017 billing, staff discovered that he had a high usage of 202,000 gallons. On July 7, 2017 staff sent it back out for re-read and check for leaks, and the results showed that there were no leaks detected and the reading was correct.

On July 17, 2017 Mr. Koo brought in a leak letter and a repair bill dated July 1, 2017, explaining that the main line from the meter to the house had burst. Due to the location and the depth of the main line (4 to 5 feet underground), it was hard for the owner to see it sooner. Mr. Koo came into the office and staff informed them of how to request a leak adjustment and the appeal process with the Board. On that date staff was informed that the leak had been fixed and the meter was re-checked to verify that the leak had indeed been fixed. Staff then processed a leak adjustment in the amount of $300.00, which is the maximum amount that staff can grant, to their account.

In similar situations, the Board has directed staff to recalculate the bill in question charging only tier 2 rates for all usage over the average consumption for that period. If staff uses that same methodology the average consumption for the June billing period for this account is 26. Total consumption was 202 units that means the extra 176 units would be billed at tier 2. Staff has prepared a "re-calculated billing" which shows the billing for the period would be $1,494.67 instead of the $2,118.19 which was billed or a difference of $623.52. Staff has already applied a $300.00 adjustment to the account so the additional credit would be $323.52 ($623.52 - $300.00) if the Board were to choose this solution.

RECOMMENDATION:

Staff recommends granting the request to recalculate the excess water usage at tier 2 rates for this account to be consistent with recent Board actions and is ready to place the remaining balance on an amortization schedule for Mr. Kyoung Koo if they so choose.

Prepared by: Submitted by:

____
Ron L. Mitchell
Secretary-Treasurer

____
Thomas A. Love
General Manager

Attachments:

g:\management\board meeting staff reports\2017\08-15-17 board memo - relief request 5311 Ramsdell.docx

CRESCENTA VALLEY
WATER DISTRICT
2700 FOOTHILL BLVD
LA CRESCENTA, CA 91214-3590

ACCOUNT NUMBER	SERVICE ADDRESS
013193-000	5311 Ramsdell
DUE DATE	
8/3/2017	05/01/17 to 06/30/17
TOTAL CHARGES	AMOUNT ENCLOSED
$1,494.67	$

Kyoung Koo
5311 Ramsdell Avenue
La Crescenta, CA 91224-5476

CRESCENTA VALLEY WATER DISTRICT
2700 FOOTHILL BLVD.
LA CRESCENTA CA 91214-3590

DETACH AND RETURN THIS PORTION WITH YOUR PAYMENT

KEEP THIS PORTION FOR YOUR RECORDS

RE-CALCULATED STATEMENT

ACCOUNT NUMBER	SERVICE ADDRESS	DUE DATE	BILLING PERIOD
013193-000	5311 Ramsdell	8/3/2017	05/01/17 to 06/30/17
METER NUMBER	CURRENT READ	PRIOR READ	USAGE
79751229	337	135	16

SUMMARY OF CHARGES	
Previous Balance	$219.14
Payment on 06/15/2017	($219.14)
Tier 1 - 10 x $4.39 (Basic Usage 0-10 Units)	$43.90
Tier 2 - 16 x $6.91 (Average Usage 11-26 Units)	$110.56
Tier 3 - 176 x $10.43 (High Usage 27 + Units)	$1,212.16
Water Service Charge	$41.06
Sewer Service Charge	$45.95
Sewer Flow Charge (Winter Water Use)	$26.04
Adjustments	$15.00
TOTAL DUE	**$1,494.67**

CRESCENTA VALLEY WATER DISTRICT
2700 FOOTHILL BLVD
LA CRESCENTA CA 91214-3590

ACCOUNT NUMBER	SERVICE ADDRESS
013193-000	5311 RAMSDELL
DUE DATE	**BILLING PERIOD**
08/03/17	05/01/17 to 06/30/17
TOTAL CHARGES	**AMOUNT ENCLOSED**
$2,118.19	$

AUTOSCH 5-DIGIT 91214 2 PS5 102235RA11-A-1
379 1 AV 0.370

KYOUNG KOO
5311 RAMSDELL AVE
LA CRESCENTA CA 91214-1924

CRESCENTA VALLEY WATER DISTRICT
2700 FOOTHILL BLVD
LA CRESCENTA CA 91214-3590

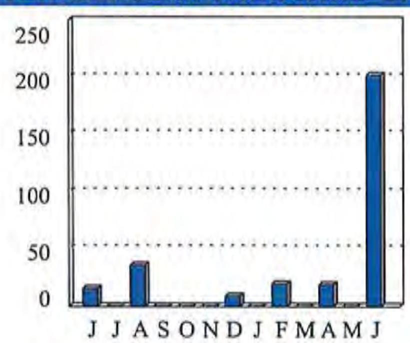
DETACH AND RETURN THIS REMITTANCE PORTION OF THE BILL WITH YOUR PAYMENT
KEEP THIS PORTION FOR YOUR RECORDS

STATEMENT OF ACCOUNT

ACCOUNT NUMBER	SERVICE ADDRESS	BILL DATE	DUE DATE	BILLING PERIOD
013193-000	5311 RAMSDELL	06/30/17	08/03/17	05/01/17 to 06/30/17

METER NUMBER	COMMENTS	PRIOR READ	CURRENT READ	USAGE (IN 1,000 GAL)	USAGE LAST YEAR
79751229		135	337	202	16

WATER USAGE in THOUSAND GALLONS



SUMMARY OF CHARGES

Previous Balance	$219.14
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Water Service Charge	$41.06
Sewer Service Charge	$45.95
Sewer Flow Charge (Winter Water Use)	$26.04
Adjustments	$15.00
TOTAL DUE	***$2,118.19***

Thank you to the community for the significant efforts to conserve water. The District is now in "Blue Alert". Outdoor watering before 9:00 a.m. and after 5:00 p.m.is allowed any day of the week with a recommendation of no more than 3 days per week. Local groundwater levels are at historic lows, but this year's rainfall should replenish local wells over the next 18 months. This combined with the improved State water supply situation allows the District to relax the conservation alert.

If you have questions regarding this bill or dispute the amount charged, the District's Rules and Regulations (Article 8.05G) permit you to submit a complaint or request an investigation. This process must be commenced by you delivering the complaint or request to the District in writing at least five (5) calendar days of receipt of this bill.

CVRI072516DA86101- 102235RA11A.1.379.1.1.0.370 - www.dataprose.com

Wendy Holloway

From: Joseph Koo <jomonki83@gmail.com>
Sent: Tuesday, August 08, 2017 7:45 PM
To: customerservice
Subject: To the Board of Directors : 5311 Ramsdell Ave
Attachments: 20170701_104523.jpg

To the Board of Directors,

Hello, my name is Joseph Koo and this is the second letter I am writing in regard to my appeal for a lowered payment on our recent water bill.

But before I address that I would like to thank you for lowering it by the amount you did thus far. It is greatly appreciated, however we would like to ask for a further reduction. Our monthly water bill has always averaged at 200 dollars. We have never exceeded that in years of water use. The high dollar amount on our bill of 2000 dollars was a result of a burst pipe 5 to 6 feet underground. Granted I understand that it is our responsibility as the pipe in question resides behind the meter. However I would like to point out that there was no way for us to notice the leak until the damage was done.

When the problem was identified. Even before receiving the bill we are appealing. We went ahead and fixed the issue right away. It cost us 850 dollars to fix just the leaking portion of the piping and given the pipe is old and galvanized we would need to replace the entire line from the house to the meter. This is gonna cost us another 1800 to 2200 dollars. This is the rough estimate we were given for the work.

Again, we appreciate your help and understand the situation, however I am asking for some help regarding the payment. We cannot afford to spend 2200 plus another 1000 plus in payments to fix this issue.

We would be more than happy to take a further last adjustment. I hope this email finds you well and you can grant us the reduction. Thank you for your time and I look forward to hearing back from you soon.

Joseph Koo
5311 Ramsdell Ave
La Crescenta CA 91214

Crescenta Valley Water District

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

July 27, 2017

Kyoung Koo
5311 Ramsdell
La Crescenta, CA 91214

RE: Account No. 013193-000

Dear Mr. Koo:

Mr. Love has reviewed your account and problem with excessive water consumption causing a high billing for water service for your residence. He has asked me to personally reply to your request for assistance in the form of an adjustment.

While payment for all water consumption provided through your meter is your responsibility, the District recognizes your efforts to correct the cause of the water loss and is agreeable to a one-time adjustment. This adjustment normally consists of a 50% reduction of all water in excess of normal usage for the periods involved. However, the credit is limited to an amount not to exceed $300.00. Therefore, we have credited your account for $300.00. Your new balance is $1,818.19. If you would like to make payment arrangements, please contact our Customer Service Department.

Please remember that the District has provided a one time adjustment only and future billings for water, even though they may be large, will be your responsibility.

Sincerely,

CRESCENTA VALLEY
WATER DISTRICT

Ron L. Mitchell
Secretary-Treasurer

RLM/wh
cc: Thomas Love

USAGE HISTORY

07/17/2017 - 9:21 AM

Current Customer: 013193-000 **Established On:** 8/10/1994 **Route #** 33

Name: KYOUNG KOO **Address:** 5311 RAMSDELL

Meter #: 79751229 **Meter Size:** .75 **Status:** A **U/M:** Gallons **Meter Install Date:** 12/1/2015

2017		2016		2015		2014		2013	
Jan	0	Jan	0	Jan	0	Jan	0	Jan	0
Feb	20	Feb	14	Feb	18	Feb	18	Feb	18
Mar	0	Mar	0	Mar	0	Mar	0	Mar	0
Apr	19	Apr	14	Apr	16	Apr	17	Apr	16
May	0	May	0	May	0	May	0	May	0
Jun	202	Jun	16	Jun	15	Jun	23	Jun	16
Jul	0	Jul	0	Jul	0	Jul	0	Jul	0
Aug	0	Aug	36	Aug	15	Aug	24	Aug	26
Sep	0	Sep	0	Sep	0	Sep	0	Sep	0
Oct	0	Oct	0	Oct	14	Oct	21	Oct	16
Nov	0	Nov	0	Nov	0	Nov	0	Nov	0
Dec	0	Dec	9	Dec	14	Dec	15	Dec	17

3 yr average = 18,000
202-18 = 184,000
184 ÷ 2 = 92,000

92 x 10.43 = 959.56

$1300 max
OK-Ron

1818.19

CONTRACTORS INVOICE

RECEIVED

JUL 17 2017

CRESCENTA VALLEY WATER DISTRICT

Louis Collins - 213-842-3001

WORK PERFORMED AT:

TO:

5311 Ramsdell
LaCrescenta, CA

DATE	YOUR WORK ORDER NO.	OUR BID NO.
7-1-2017		

DESCRIPTION OF WORK PERFORMED

Water Leaking in Driveway

Temp - Repair - 850

Material Cost: 33

Labor + Material = 883.

Paid via check to Contractor Louis Collins: Louis Collins

X Louis Collins

7-1-2017

CK #568

Total $883.00

All Material is guaranteed to be as specified, and the above work was performed in accordance with the drawings and specifications provided for the above work and was completed in a substantial workmanlike manner for the agreed sum of ______ Dollars ($ ______).

This is a ☐ Partial ☐ Full invoice due and payable by: ______ Month ______ Day, ______ Year

accordance with our ☐ Agreement ☐ Proposal No. ______ Dated ______ Month ______ Day ______ Year

CONTRACTORS INVOICE

KOO Family
Summary of Incident: 5311 Ramsdell Ave.
La Crescenta, CA 91214.

Pipe burst 4 to 5 feet underground. The pipe in question, the main line back from the meter had formed a crack. It was a sudden burst of water. Due to the location of said piping it was hard for us to see it sooner than we did. We called a technician and had it fixed immediately. We are asking for an exception (adjustment) on payment. If you look at our history we never go beyond 200 in payment. I hope you can help us out. We have already paid 800 dollars in a temporary fix and have to spend another unknown amount replacing the old piping.

— Joseph Koo

818-523-5772
- christianiewelry83@gmail.com

CVWD
ubuser

Utility Billing
Service Request Form

7/17/2017 - 8:27 AM

Request Number: 000165-07-2017
Account Number: 013193-000

Last Updated By: ubuser
On: 7/17/2017

Account Status: Active

Name: KYOUNG KOO
Billing Address: 5311 RAMSDELL
LA CRESCENTA, CA 91214

Home Phone:
Business Phone:
Service Address: 5311 RAMSDELL

Request Date: 7/17/2017
Request Description: Check for leak, repairs made
Service Date: 7/17/2017

Water/Gas Meters	Route-Seq Read Dt	Serial No Cons	Register ID No Of Digits	MXU ID	Manufacturer	Model No	Reading
Existing Water Meter	33-0160	79751229			Ipearl	Ipearl.754	337
	6/30/2017	202	4				

Location: N P/L 6'BEHIND 5311 MAILBOX - S OF DIRT DR

Comments: Read - 024281970

No leak

Follow up needed? yes no

Serviced By: Dennis

Date: July 17

Time:

Utility Billing

Comments by Status

User: hollw
Printed: 08/07/2017 - 3:49 PM
Comment Status: Closed
Entry Dates: From: 07/10/2017 To: 07/10/2017

Entry Date	Close Date	Account No	Comment
07/10/2017	07/10/2017	010633-000	7/10/17 per Ron - credit account for 1/2 of charges from 06/08/17. plumber broke lock and turned back on - customer was unaware of the situation.
07/10/2017	07/10/2017	011590-000	rr 6/7/17 no leak rd 0174235
07/10/2017	07/10/2017	011600-000	rr 6/7/17 no leak rd 0119488
07/10/2017	07/10/2017	011606-000	rr 6/7/17 no b/o rd 0094485, home is vacant
07/10/2017	07/10/2017	011610-000	rr 6/7/17 no leak rd 0187353, pool was filled
07/10/2017	07/10/2017	011650-000	rr 6/7/17 no leak rd 0105629
07/10/2017	07/10/2017	011687-000	rr 6/7/17 no leak rd 0106075
07/10/2017	07/10/2017	011710-000	rr 7/7/17 no leak rd 0195040
07/10/2017	07/10/2017	011738-000	rr 7/7/17 no leak rd 0156538
07/10/2017	07/10/2017	011776-000	rr 7/7/17 no leak rd 0069144
07/10/2017	07/10/2017	011779-000	rr 7/10/17 no leak rd 017079104
07/10/2017	07/10/2017	011895-000	rr 7/7/17 no leak rd 0358711
07/10/2017	07/10/2017	012264-000	rr 7/7/17 no b/o rd 0012476
07/10/2017	07/10/2017	012282-000	rr 7/7/17 no leak rd 0057616
07/10/2017	07/10/2017	012318-000	rr 7/7/17 no leak rd 0163612
07/10/2017	07/10/2017	012420-000	rr 7/7/17 no leak, new meter per DR rd 0027990
07/10/2017	07/10/2017	012437-000	rr 7/7/17 possible leak, no one home rd 0419499. Letter sent
07/10/2017	07/10/2017	012480-000	rr 7/7/17 no leak rd 1176660
07/10/2017	07/10/2017	012724-000	rr 7/7/17 possible leak rd 0037576, letter sent
07/10/2017	07/10/2017	012987-000	rr 7/7/17 possible .25 gpm leak rd 0058533, letter sent
07/10/2017	07/10/2017	013020-000	rr 7/7/17 no leak rd 0043179
07/10/2017	07/10/2017	013045-000	rr 7/7/17 no leak rd 0325371
07/10/2017	07/10/2017	013056-000	rr 7/7/17 no leak rd 09375221
07/10/2017	07/10/2017	013090-000	rr 7/7/17 no leak rd 0334686
07/10/2017	07/10/2017	013092-000	rr 7/7/17 no leak rd 0186384
07/10/2017	07/10/2017	013180-000	rr 7/7/17 .07 in 60 seconds possible leak rd 0325285090
07/10/2017	07/10/2017	013193-000	rr 7/7/17 no leak rd 034834798
07/10/2017	07/10/2017	013257-000	Mailed applicatioen to owner: Charles Gruber, 11714 Chenault St., Los Angeles, CA 90049 310 650-3136
07/10/2017	07/10/2017	013277-000	rr 7/7/17 no b/o? rd 0168872.49
07/10/2017	07/10/2017	013403-000	rr 7/7/17 .07 gpm in 60 seconds rd 0261525.66, letter sent
07/10/2017	07/10/2017	013428-000	rr 7/10/17 no b/o rd 0039819.16
07/10/2017	07/10/2017	013657-000	rr 7/7/17 .03 gpm rd 1717.280, letter sent
07/10/2017	07/10/2017	013693-000	rr 7/10/17 no leak rd 0572062.63
07/10/2017	07/10/2017	013736-000	rr 7/10/17 no leak rd 0095831.73
07/10/2017	07/10/2017	013745-000	rr 7/10/17 .15 gpm rd 0705702.66, letter sent
07/10/2017	07/10/2017	013914-000	rr 7/10/17 .04 gpm rd 0059341.86, letter sent
07/10/2017	07/10/2017	014201-000	rr 7/10/17 no leak rd 004264113
07/10/2017	07/10/2017	014232-000	rr 7/10/17 040044655, could not check for leak sprinklers were on
07/10/2017	07/10/2017	014324-000	rr 7/10/17 no leak rd 018386133
07/10/2017	07/10/2017	014582-000	rr 7/10/17 no leak rd 046843689
07/10/2017	07/10/2017	014642-000	rr 7/10/17 no leak rd 2236560
07/10/2017	07/10/2017	014712-000	rr 7/10/17 .1 gpm rd 060717485, letter sent
07/10/2017	07/10/2017	014948-000	rr 7/10/17 no leak rd 019218241
07/10/2017	07/10/2017	015058-000	rr 7/10/17 no leak rd 054643473
07/10/2017	07/10/2017	015237-000	rr 7/10/17 no leak rd 047706052

CRESCENTA VALLEY WATER DISTRICT

FINANCE COMMITTEE - STAFF REPORT

Action Item No. 3
August 15, 2017

To: Honorable President and Members of the Board of Directors

From: Ron L. Mitchell, Secretary-Treasurer

Subject: **Refinancing of the 2007 Certificates of Participation – Adopt Resolution Approving an Installment Sale Agreement and Escrow Agreement; Adopting a Debt Issuance Policy and Tax Compliance Procedures; and Authorizing Certain Actions in Connection Therewith**

ACTION ITEM:

Approval of the subject resolution.

BACKGROUND:

On July 11, 2017, the Board directed Staff to pursue refinancing of the 2007 Certificates of Participation (the "2007 Bonds") using the private placement method with a preference for an annual savings structure. The Board also approved a notice-to-proceed for Nixon Peabody LLP to serve as Special Bond Counsel and Brandis Tallman LLC as Placement Agent in order to initiate the refinancing process as soon as possible (collectively, with others, referred to as the "Financing Team").

A Request for Proposals process with a network of banks yielded four (4) viable bids. The most favorable bid in terms of good economics and low risk came from Pacific Western Bank, a regional bank with a preference for working with local entities such as the District.

The indicative rate offered by Pacific Western is a not-to-exceed of 3.275%.[1] This rate is more favorable than the 3.300% targeted at the beginning of the process, and is estimated to provide greater than $60,000 annual savings through the 20-year remaining term of the loan.

DISCUSSION:

The subject resolution being recommended for adoption essentially: 1) authorizes and approves the form of legal documents (the "Financing Documents") necessary to provide for the successful refinancing of the 2007 Bonds; 2) authorizes and approves two policies – a Debt Policy and a Post-Issuance Tax Compliance Policy.

The adoption of the Resolution is necessary for the Financing Team to move forward with completing the transaction.

The following is a brief summary of each component of the Resolution. Please note that the Financing Documents are being presented to the Finance Committee as form documents, to be finalized prior to the general Board meeting on August 15, 2017.

INSTALLMENT SALES AGREEMENT This is an agreement between the District and Pacific Western Bank. The agreement provides the terms and conditions for the new loan between the District and the

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[1] Secondary terms include: Rate lock for 60 days; loan callable at Year 3; 1.25 times debt service coverage; and 1.35 times coverage for future issuance of additional bonds.

Bank where the District agrees to pay the Bank installment payments at the specified terms and the Bank agrees to pay off the existing loan and related costs of issuance.

ESCROW AGREEMENT This is an agreement between the District and the Escrow Agent. Per this agreement, a portion of the proceeds as specified by the Installment Sales Agreement will be deposited in the Escrow Fund. The Escrow Fund is the mechanism used to prepay the 2007 Bonds on the call date.

DEBT POLICY & POST-ISSUANCE TAX COMPLIANCE POLICY In addition to the approval of the Financing Documents, the subject resolution also adopts a Debt Policy and a Post-Issuance Tax Compliance Policy. These policies are to: 1) align the District with best practices such as prescribed by the Government Finance Officers Association; 2) ensure compliance with applicable federal and state securities laws; and 3) improve the District's credit profile in the event that additional bond issuances are pursued in the future. The Debt Policy provides a roadmap for deciding how and when to issue additional debt or refinance existing debt. The Post-Issuance Tax Compliance Policy ensures compliance with the U.S. Internal Revenue Service and the Treasury with respect to the use and investment of loan proceeds.

ATTACHMENTS:

- Resolution
  - Form of Escrow Agreement (attachment to the Resolution)
  - Form of Installment Sales Agreement (attachment to the Resolution)
  - Form of Debt Policy (attachment to the Resolution)
  - Form of Post-Issuance Tax Compliance Policy and Procedures (attachment to the Resolution)

RECOMMENDATION:

It is Staff's recommendation that the District approve the Resolution.

Prepared by: Submitted by:

Ron L. Mitchell
Secretary-Treasurer

Thomas A. Love
General Manager

RESOLUTION NO. 738

RESOLUTION OF THE BOARD OF DIRECTORS OF THE CRESCENTA VALLEY WATER DISTRICT APPROVING AN INSTALLMENT SALE AGREEMENT AND AN ESCROW AGREEMENT; ADOPTING A DEBT ISSUANCE POLICY AND POST-ISSUANCE TAX COMPLIANCE PROCEDURES; AND AUTHORIZING CERTAIN ACTIONS IN CONNECTION THEREWITH

WHEREAS, Crescenta Valley Water District (the "District") solicited bids from prospective lenders to refund the District's previously issued Revenue Certificates of Participation (Water System Improvement Projects) Series 2007 (the "2007 Certificates");

WHEREAS, Pacific Western Bank (the "Bank") provided the District with the best bid to assist in the refunding of all of the outstanding 2007 Certificates;

WHEREAS, the District desires to facilitate the refunding of the 2007 Certificates by entering into an Installment Sale Agreement, dated as of August 1, 2017 (the "Installment Agreement"), with the Bank, pursuant to which the Bank will provide funds to refund the 2007 Certificates in consideration of the payment by the District of installments of principal and interest as set forth in Exhibit A to the Installment Agreement (the "Installment Payments"); and

WHEREAS, pursuant to the Installment Agreement, the District is obligated to pay to the Bank or its assigns, the Installment Payments; and

WHEREAS, the District's obligation to make the Installment Payments under the Installment Agreement is an obligation of the District payable from net revenues of the water system; and

WHEREAS, the Board of Directors desires to approve the Installment Agreement and the Escrow Agreement, dated as of August 1, 2017 (the "Escrow Agreement"), by and between the District and U.S. Bank National Association; and

WHEREAS, there has been presented to this Board of Directors at this meeting copies of the Installment Agreement, the Escrow Agreement, the Debt Issuance Policy, and the Post-Issuance Tax Compliance Procedures; and

WHEREAS, the capitalized terms in this Resolution shall have the meaning as set forth in the Installment Agreement;

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE CRESCENTA VALLEY WATER DISTRICT DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. This Board of Directors approves the Installment Agreement with such changes to be made to said agreement as may be approved by the General Manager of the District; provided, however, that in no event shall the interest payable under the Installment Agreement exceed 3.275% per annum, and the original aggregate principal amount of the payments under the Installment Agreement shall not exceed $8,500,000. The Board of Directors directs its President, Vice President, General Manager, Secretary-Treasurer or any other person designated as an authorized representative of the District by a written certificate of the District signed by the President and filed with the Secretary-Treasurer (the “Authorized Officers”) to execute said agreement and authorizes the Secretary-Treasurer to attest thereto. Approval of any changes to the Installment Agreement shall be conclusively evidenced by the execution and delivery of said agreement by the Authorized Officer executing the same.

SECTION 2. This Board of Directors approves the Escrow Agreement with such changes to be made to said agreement as may be approved by the General Manager of the District to accomplish the refunding of the 2007 Certificates. The Board of Directors directs its Authorized Officers to execute said agreement and authorizes the Secretary-Treasurer to attest thereto. Approval of any changes to the Escrow Agreement shall be conclusively evidenced by the execution and delivery of said agreement by the Authorized Officer executing the same.

SECTION 3. The District hereby adopts and agrees to comply with the Debt Issuance Policy of the District attached as Exhibit A to this Resolution and the Post-Issuance Tax Compliance Procedures attached as Exhibit B to this Resolution;

SECTION 4. The law firm of Nixon Peabody LLP, is hereby retained as special counsel. Brandis Tallman LLC is hereby designated as placement agent.

SECTION 5. The Authorized Officers are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents, agreements and certificates including, without limitation, a tax certificate, which they may deem necessary and advisable in order to consummate the delivery of the Installment Agreement, the Escrow Agreement and otherwise effectuate the purposes of this Resolution.

SECTION 6. This Resolution shall take effect from and after its date of adoption.

PASSED, APPROVED AND ADOPTED at a Regular Meeting of the Board of Directors of Crescenta Valley Water District held on August 15, 2017, Resolution No. 738 was adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

____
President of the Board of Director of Crescenta Valley Water District

ATTEST:

____
Secretary-Treasurer of the Board of Directors of Crescenta Valley Water District

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

I, RON MITCHELL, Secretary of the Crescenta Valley Water District, DO HEREBY CERTIFY that the foregoing is a full, true and correct copy of Resolution No. 738 of the Board of Directors of Crescenta Valley Water District adopted at a Regular Meeting held on August 15, 2017, and that the same has not been amended or repealed.

Secretary of the Board of Directors of
Crescenta Valley Water District

DATED: August 15, 2017 **(S E A L)**

INSTALLMENT SALE AGREEMENT

THIS INSTALLMENT SALE AGREEMENT, (this "Installment Sale Agreement"), dated as of August 1, 2017, is by and between Pacific Western Bank, a state-chartered banking corporation duly organized and existing under the laws of the State of California (the "Bank")], and Crescenta Valley Water District (the "District"), a water district duly organized and existing under, and by virtue of the laws, of the State of California.

WITNESSETH:

WHEREAS, the District has previously issued its Revenue Certificates of Participation (Water System Improvement Projects) Series 2007 (the "2007 Certificates");

WHEREAS, the District has approved this Installment Sale Agreement, the proceeds of which are to be used, together with certain other available funds, to prepay all outstanding 2007 Certificates (the "Refunded Certificates") and to pay the costs of issuance in connection with such prepayment; and

NOW, THEREFORE, in consideration of the above premises and of the mutual covenants hereinafter contained and for other good and valuable consideration, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS AND EXHIBITS

SECTION 1.1. Definitions. All capitalized terms used in this Section 1.1 shall for all purposes of this Installment Sale Agreement have the meanings herein specified or as hereinafter defined.

"Additional Revenues" means, an allowance for Net Revenues arising from any increase in the charges made for service from the Enterprise which has become effective prior to the incurring of such Parity Obligations but which, during all or any part of the latest Fiscal Year or such twelve (12) month period, was not in effect, in an amount equal to the total amount by which the Net Revenues would have been increased if such increase in charges had been in effect during the whole of such Fiscal Year or twelve (12) month period, all as shown by the certificate or opinion of an independent certified public accountant (which may but need not be the outside firm providing auditing services) retained by the District.

"Authority Representative" means the President, Vice President, General Manager, Treasurer, or Secretary of the Board of Directors or any other person authorized by resolution of the Board of Directors of the Authority to act on behalf of the Authority under or with respect to this Installment Sale Agreement.

"Bank" means Pacific Western Bank, a state-chartered banking corporation duly organized and existing under the laws of the State of California.

"Bond Counsel" means any attorney or firm of attorneys of nationally recognized expertise with respect to legal matters relating to obligations the interest on which is excludable from gross income under Section 103 of the Tax Code.

"Closing Date" means the date the Bank deposits the funds necessary to refund the Refunded Certificates pursuant to Section 3.1.

"District" means Crescenta Valley Water District, a county water district organized and existing under, and by virtue of the laws of the State of California.

"Enterprise" means the existing facilities and property owned or operated by the District in connection with the water supply services of the District, together with all extensions thereof and improvements thereto hereafter acquired, constructed or installed by the District.

"Escrow Agent" means U.S. Bank National Association, as escrow agent under the Escrow Agreement.

"Escrow Agreement" means the Escrow Agreement, dated as of August 1, 2017, by and between the District and the Escrow Agent.

"Escrow Fund" means the fund established for the refunding of the Refunded Certificates under the Escrow Agreement.

"Event of Default" means any of the events of default as defined in Section 5.1.

"Federal Securities" means any direct general non-callable obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America), or obligations the timely payment of principal of and interest on which are directly guaranteed by the United States of America.

"Fiscal Year" means each twelve-month period during the Term of this Installment Sale Agreement commencing on July 1 in any calendar year and ending on June 30 in the next succeeding calendar year, or any other twelve-month period selected by the District as its fiscal year period, notice of which has been provided to the Bank prior to the effective date of such change.

"Governmental Authority" means any governmental or quasi-governmental entity, including any court, department, commission, board, bureau, agency, administration, central bank, service, district or other instrumentality of any governmental entity or other entity exercising executive, legislative, judicial, taxing, regulatory, fiscal, monetary or administrative powers or functions of or pertaining to government, or any arbitrator, mediator or other person with authority to bind a party at law.

"Gross Revenues" means all income, rents, rates, fees, charges and other moneys derived from the ownership or operation of the Enterprise, including, without limiting the generality of the foregoing, all income, rents, rates, fees, charges, business interruption insurance proceeds or other moneys derived by the District from the sale, furnishing and supplying of water or other services, facilities, and commodities sold, furnished or supplied through the facilities of or in the conduct or operation of the business of the Enterprise, plus the proceeds of any stand-by water availability charges, plus the earnings on and income derived from the investment of the amounts described above and on Enterprise reserves, but excluding in all cases connection charges and facility fees or similar charges related to the Enterprise, customer deposits or any other deposits or advances subject to refund until such deposits or advances have become the property of the District, and any proceeds of taxes restricted by law to be used by the District to pay bonds hereafter issued.

"Installment Sale Agreement" means this Installment Sale Agreement, dated as of August 1, 2017, between the Bank and the District.

"Installment Payment Date" means the date on which each Installment Payment is due and payable, commencing December 1, 2017 and continuing to and including the date on which the Installment Payments have been paid in full.

"Installment Payments" means all payments required to be paid by the District on any date pursuant to Section 3.3, including any prepayment thereof pursuant to Section 6.2 or 6.3.

"Maintenance and Operation Costs" means the reasonable and necessary costs and expenses paid by the District for maintaining and operating the Enterprise, including but not limited to the reasonable expenses of management and repair and other costs and expenses necessary to maintain and preserve the Enterprise in good repair and working order, and including but not limited to administrative costs of the District attributable to the Enterprise and the financing thereof, including salaries and wages of employees, payment to employees retirement system (to the extent paid from Gross Revenues), overhead taxes (if any), fees of auditors, accountants, attorneys or engineers and insurance premiums along with all other reasonable and necessary costs of the District but in all cases excluding depreciation, replacement and obsolescence charges or reserves therefor and excluding amortization of intangibles or other bookkeeping entries of a similar nature.

"Material Adverse Effect" means an event or occurrence which adversely affects in a material manner (a) the assets, liabilities, condition (financial or otherwise), business, facilities or operations of the District, (b) the ability of the District to carry out its business in the manner conducted as of the date of this Installment Sale Agreement or to meet or perform its obligations under this Installment Sale Agreement on a timely basis, or (c) the validity or enforceability of this Installment Sale Agreement.

"Material Litigation" means any action, suit, proceeding, inquiry or investigation against the District in any court or before any arbitrator of any kind or before or by any Governmental Authority, of which the District has notice or knowledge and which, (i) if determined adversely to the District, may have a Material Adverse Effect, (ii) seek to restrain or enjoin any of the transactions contemplated hereby, or (iii) may adversely affect (A) the receipt by the District of Gross Revenues or (B) the ability of the District to perform its obligations under this Installment Sale Agreement.

"Maximum Annual Debt Service" means, as of the date of any calculation, the maximum sum obtained for the current or any future Fiscal Year during the Term of this Installment Sale Agreement by totaling the aggregate amount of (i) the Installment Payments coming due in such Fiscal Year, and (ii) the principal and interest coming due and payable in such Fiscal Year on any Parity Obligations, including the principal amount coming due and payable by operation of mandatory sinking fund redemption. There shall be excluded from such calculation any principal of and interest on the Installment Payments and any Parity Obligations which have been defeased or discharged, or for the payment of which a security deposit has been posted. With respect to any Parity Obligations which then bear interest at a variable rate, such interest shall be calculated at an assumed rate equal to the average rate of interest per annum for each of the 5 previous whole calendar years as shown by the J. J. Kenny Index (or at any time in the event and to the extent such index is not maintained for all or any portion of such period, any similar index of variable rate interest for tax-exempt obligations as may be selected by the District in its sole discretion).

"Net Revenues" means, for any period, an amount equal to all of the Gross Revenues received during such period, minus the amount required to pay all Maintenance and Operation Costs becoming payable during such period.

"Parity Obligations" means any bonds, notes or other obligations of the District payable from and secured by a pledge of and lien upon any of the Net Revenues on a parity with the Installment Payments.

"Rate Stabilization Fund" means the fund of that name established by the District pursuant to Section ____ hereof.

"Refunded Certificates" means the refunded 2007 Certificates described in Exhibit B attached hereto and by this reference incorporated herein.

"Revenue Fund" means the fund by that name established by the District and referenced in Section 3.5(b).

"Tax Code" means the Internal Revenue Code of 1986. Any reference herein to a provision of the Tax Code shall include all applicable temporary and permanent regulations promulgated under the Tax Code.

"Term of this Installment Sale Agreement" or "Term" means the time during which this Installment Sale Agreement is in effect, as provided in Section 3.2.

"2007 Certificates" means the Crescenta Valley Water District Revenue Certificates of Participation (Water System Improvement Projects) Series 2007.

SECTION 1.2. Exhibits. The following Exhibits are attached to, and by reference made a part of, this Installment Sale Agreement:

Exhibit A: Schedule of Installment Payments to be paid by the District hereunder, showing the date and amount of each such Installment Payment.

Exhibit B: The description of the Refunded Certificates.

Exhibit C: Costs of Issuance

Exhibit D: Closing Wire Confirmation

ARTICLE II

REPRESENTATIONS, COVENANTS AND WARRANTIES

SECTION 2.1. Representations, Covenants and Warranties of the District. The District represents, covenants and warrants to the Bank as follows:

(a) Due Organization and Existence. The District is a county water district organized and existing under and by virtue of Division 12, commencing with Section 30000 of California Water Code of the State of California.

(b) Authorization. The laws of the State of California authorize the District to enter into this Installment Sale Agreement and to enter into the transactions contemplated hereby and thereby, and to carry out its obligations under this Installment Sale Agreement and the Board of Directors of the District has duly authorized the execution and delivery of this Installment Sale Agreement.

(c) No Violations. The execution and delivery of this Installment Sale Agreement, the consummation of the transactions herein contemplated and the fulfillment of or compliance with the terms and conditions hereof, do not and will not conflict with or constitute a violation or breach of or default (with due notice or the passage of time or both) under any applicable law or administrative rule or regulation, or any applicable court or administrative decree or order, or any indenture, mortgage, deed of trust, lease, contract or other agreement or instrument to which the District is a party or by which it or its properties are otherwise subject or bound, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the District, which conflict, violation, breach, default, lien, charge or encumbrance would have consequences that would materially and adversely affect the consummation of the transactions contemplated by this Installment Sale Agreement or the financial condition, assets, properties or operations of the District.

(d) No Prior Indebtedness. The District has not issued or incurred any obligations which, as of the Closing Date, are currently outstanding having any priority in payment out of the Gross Revenues or the Net Revenues over the payment of the Installment Payments as provided herein.

(e) Due Execution. The representatives of the District executing this Installment Sale Agreement have been fully authorized to execute the same under a resolution duly adopted by the Board of Directors of the District.

(f) Valid, Binding and Enforceable Obligations. This Installment Sale Agreement has been duly authorized, executed and delivered by the District and constitutes the legal, valid and binding agreement of the District enforceable against the District in accordance with its terms.

(g) Consents and Approvals. No consent or approval of any trustee or holder of any indebtedness of the District or of the voters of the District, and no consent, permission, authorization, order or license of, or filing or registration with, any governmental authority is necessary in connection with the execution and delivery of this Installment Sale Agreement, or the consummation of any transaction herein contemplated, except as have been obtained or made and as are in full force and effect.

(h) No Litigation. There is no action, suit, proceeding, inquiry or investigation before or by any court or federal, state, educational or other governmental authority pending or, to the knowledge of the District after reasonable investigation, threatened against or affecting the District or the assets, properties or operations of the District which, if determined adversely to the District or its interests, would have a material and adverse effect upon the consummation of the transactions contemplated by or the validity of this Installment Sale Agreement or upon the financial condition, assets, properties or operations of the District, and the District is not in default with respect to any order or decree of any court or any order, regulation or demand of any federal, state, educational or other governmental authority, which default might have consequences that would materially and adversely affect the consummation of the transactions contemplated by this Installment Sale Agreement or the financial conditions, assets, properties or operations of the District.

(i) Financial Statements. The District's comprehensive annual financial report for the period ended June 30, 2016, presents fairly the financial condition of the District and the Enterprise as of the date hereof and the results of operation for the period covered thereby. Except as has been disclosed to the Bank, there has been no change in the financial condition of the District or the Enterprise since June 30, 2016, that will in the reasonable opinion of the District materially impair its ability to perform its obligations under this Installment Sale Agreement. All information provided by the District to the Bank with respect to the financial performance of the Enterprise is accurate in all material respects as of its respective date and does not omit any information necessary to make the information provided not misleading.

(j) Compliance with Laws. As currently conducted, the District's activities with respect to the Enterprise are in all material respects in compliance with all applicable laws, administrative regulations of the State of California and of the United States and any agency or instrumentality of either, and any judgment or decree to which the District is subject.

SECTION 2.2. Representations, Covenants and Warranties of the Bank. The Bank represents, covenants and warrants to the District as follows:

(a) Due Organization and Existence. The Bank is a state-chartered banking corporation duly organized and existing under the laws of the State of California.

(b) Authorization. The laws of the State of California authorize the Bank to enter into this Installment Sale Agreement and to enter into the transactions contemplated hereby and thereby, and to carry out its obligations under this Installment Sale Agreement and the Board of Directors of the Bank has duly authorized the execution and delivery of this Installment Sale Agreement.

(c) No Violations. Neither the execution and delivery of this Installment Sale Agreement nor the fulfillment of or compliance with the terms and conditions hereof or thereof, nor the consummation of the transactions contemplated hereby or thereby, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the Bank is now a party or by which the Bank is bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any lien, charge or encumbrance whatsoever upon any of the property or assets of the Bank.

(d) No Assignments. Except as provided herein, the Bank will not assign this Installment Sale Agreement, its right to receive Installment Payments from the District, or its duties and obligations hereunder to any other person, firm or corporation so as to impair or violate the representations, covenants and warranties contained in this Section 2.2.

ARTICLE III

TERMS OF INSTALLMENT SALE

SECTION 3.1. Amounts and Use of Proceeds. On the Closing Date, the proceeds received from the Bank shall be applied as follows: (1) the amount of $[_________] shall be transferred to the Escrow Agent for deposit into the Escrow Fund established under the Escrow Agreement; and (2) the amount of $[_______] shall be applied by the Bank to pay all of the costs of issuance related to the execution and delivery of this Installment Sale Agreement, as set forth in Exhibit C.

SECTION 3.2. Term. The Term of this Installment Sale Agreement shall commence on the Closing Date, and shall end on the date on which the District shall have paid all of the Installment Payments and all other amounts due and payable hereunder or provision for such payment shall be made as provided herein.

SECTION 3.3. Installment Payments.

(a) Obligation to Pay. The District hereby agrees to pay to the Bank, as the purchase price hereunder, Installment Payments with principal components aggregating $[______] and interest components (calculated at the rate of 3.30% on the basis of a 360-day year of twelve 30-day months) on the unpaid principal components thereof, payable in the respective amounts and on the respective Installment Payment Dates specified in Exhibit A attached hereto. The District agrees to make all Installment Payments by wire transfer to the Bank in accordance with the following wire transfer instructions (which instructions may be changed from time to time by the Bank upon written notice to the District):

[INSERT WIRING INSTRUCTIONS]

(b) Effect of Prepayment. In the event that the District prepays the Installment Payments in full pursuant to Article VI, the District's obligations under this Installment Sale Agreement shall thereupon cease and terminate, including but not limited to the District's obligation to pay Installment Payments under this Section 3.3; subject however, to the provisions of Section 6.1 in the case of prepayment by application of a security deposit. In the event that the District prepays the Installment Sale in part but not in whole pursuant to Section 6.3, the principal components of the remaining Installment Payments shall be reduced so as to produce equal Installment Payments over the remaining Term of this Installment Sale Agreement.

(c) Rate on Overdue Payments. If the District fails to make any of the payments required in this Section 3.3, the payment in default will continue as an obligation of the District until the amount in default has been fully paid, and the District agrees to pay the same with interest thereon, from the date of default to the date of payment at the rate of 5% per annum.

(d) Source of Payments; Budget and Appropriation. The Installment Payments are payable solely from Net Revenues and from any other source of legally available funds of the District, subject to the provisions of Section 6.1. The District covenants to take such action as may be necessary to include all Installment Payments in each of its annual budgets during the Term of this Installment Sale Agreement and to make the necessary annual appropriations for all such Installment Payments. The covenants on the part of the District herein contained constitute duties imposed by law and it is the duty of each and every public official of the District to take such action and do such things as are required by law in the performance of the official duty of such officials to enable the District to carry out and perform the covenants and agreements in this Installment Sale Agreement agreed to be carried out and performed by the District.

SECTION 3.4. Nature of District's Obligations.

(a) Special Obligation. The District's obligation to pay the Installment Payments is a special obligation of the District limited solely to the Net Revenues and all amounts on deposit in the Revenue Fund. Under no circumstances is the District required to advance moneys derived from any source of income other than the Net Revenues and other sources specifically identified herein for the payment of the Installment Payments, and no other funds or property of the District are liable for the payment of the Installment Payments. Notwithstanding the foregoing provisions of this Section, however, nothing herein prohibits the District voluntarily from making any payment hereunder from any source of available funds of the District.

(b) Obligations Absolute. The obligations of the District to pay the Installment Payments from the Net Revenues and to perform and observe the other agreements contained herein are absolute and unconditional and are not subject to any defense or any right of setoff, counterclaim or recoupment arising out of any breach of the District or the Bank of any obligation to the District or otherwise with respect to the Enterprise, whether hereunder or otherwise, or out of indebtedness or liability at any time owing to the District by the Bank. Until such time as all of the Installment Payments have been fully paid or prepaid, the District:

(i) will not suspend or discontinue payment of any Installment Payments,

(ii) will perform and observe all other agreements contained in this Installment Sale Agreement, and

(iii) will not terminate this Installment Sale Agreement for any cause, including, without limiting the generality of the foregoing, the occurrence of any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, destruction of or damage to the Enterprise, sale of the Enterprise, the taking by eminent domain of title to or temporary use of any component of the Enterprise, commercial frustration of purpose, any change in the tax or other laws of the United States of America or the State of California or any political subdivision of either thereof or any failure of the Bank to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with this Installment Sale Agreement.

(c) Protection of Rights. If the Bank fails to perform any such agreements on its part, the District may institute such action against the Bank as the District deems necessary to compel performance so long as such action does not abrogate the obligations of the District contained in the preceding subsection (b). The District may, however, at the District's own cost and expense and in the District's own name or in the name of the Bank prosecute or defend any action or proceeding or take any other action involving third persons which the District deems reasonably necessary in order to secure or protect the District's rights hereunder, and in such event the Bank will cooperate fully with the District and take such action necessary to effect the substitution of the District for the Bank in such action or proceeding if the District shall so request.

SECTION 3.5. Pledge and Application of Net Revenues and Revenue Fund.

(a) Pledge. All of the Net Revenues and all amounts on deposit in the Revenue Fund are hereby irrevocably pledged to the punctual payment of the Installment Payments and any Parity Obligations. In accordance with Section 5451 of Title 1, Chapter 5.5 of the California Government Code, this pledge shall constitute a first and exclusive lien on the Net Revenues and such other moneys for the payment of the Installment Payments and any Parity Obligations in accordance with the terms hereof and the terms of the instruments authorizing the issuance of any Parity Obligations. So long as any of the Installment Payments are outstanding, the Net Revenues and such moneys may not be used for any other purpose; except that out of the Net Revenues there may be apportioned such sums, for such purposes, as are expressly permitted by the Section 3.5.

(b) Deposit of Gross Revenues; Transfers to Make Installment Payments. The District has heretofore established the Revenue Fund, which the District agrees to continue to hold and maintain for the purposes and uses set forth herein. The District shall deposit all Gross Revenues in the Revenue Fund promptly upon the receipt thereof.

All Net Revenues shall be held by the District in the Revenue Fund in trust for the benefit of the Bank and for the benefit of the owners of any Parity Obligations. The District shall withdraw from such fund or funds and transfer to the Bank an amount of Net Revenues equal to the aggregate amount of the Installment Payment when and as the same becomes due and payable. In addition, the District shall withdraw from such fund or funds such amounts of Net

Revenues at such times as required to pay the principal of and interest on any Parity Obligations and otherwise comply with the provisions of the instruments authorizing the issuance of any Parity Obligations.

(c) Other Uses Permitted. The District shall manage, conserve and apply the Net Revenues in such a manner that all deposits required to be made under the preceding paragraph will be made at the times and in the amounts so required. Subject to the foregoing sentence, so long as no Event of Default has occurred and is continuing hereunder, the District may at any time and from time to time use and apply Net Revenues for (i) the acquisition and construction of improvements to the Enterprise; (ii) the prepayment of the Installment Payments and any Parity Obligations, or (iii) any other lawful purpose of the District.

(d) Budget and Appropriation of Installment Payments. During the Term of this Installment Sale Agreement, the District shall adopt all necessary budgets and make all necessary appropriations of the Installment Payments from the Net Revenues. In the event any Installment Payment requires the adoption by the District of any supplemental budget or appropriation, the District shall promptly adopt the same. The covenants on the part of the District contained in this subsection (d) shall be deemed to be and shall be construed to be duties imposed by law, and it shall be the duty of each and every public official of the District to take such actions and do such things as are required by law in the performance of the official duty of such officials to enable the District to carry out the perform the covenants and agreements in this subsection (d).

(e) Rate Stabilization Fund. The District may maintain and hold a separate fund to be known as the "Rate Stabilization Fund." From time to time the District may deposit in the Rate Stabilization Fund, from Net Revenues or other available funds of the District, such amounts as the District shall determine. The District may withdraw amounts from the Rate Stabilization Fund (i) for transfer to the Revenue Fund for inclusion in Gross Revenues for any Fiscal Year, or (ii) for any other lawful use of the District. All interest or other earnings upon deposits in the Rate Stabilization Fund shall be withdrawn therefrom and accounted for as Gross Revenues. Amounts transferred from the Rate Stabilization Fund to the Revenue Fund pursuant to this subsection (e) within 270 days after a Fiscal Year, may be taken into account as Net Revenues for purposes of the calculations in Section 4.5(b) in such Fiscal Year.

ARTICLE IV

COVENANTS OF THE DISTRICT

SECTION 4.1. Release and Indemnification Covenants. The District shall indemnify the Bank and its officers, agents, successors and assigns and hold them harmless from and against all claims, losses and damages, including legal fees and expenses, arising out of the following:

(a) the use, maintenance, condition or management of, or from any work or thing done on or about the Enterprise by the District,

(b) any breach or default on the part of the District in the performance of any of its obligations under this Installment Sale Agreement,

(c) any intentional misconduct or negligence of the District or of any of its agents, contractors, servants, employees or licensees with respect to the Enterprise, and

(d) any intentional misconduct or negligence of any lessee of the District with respect to the Enterprise.

No indemnification is made under this Section 4.1 or elsewhere in this Installment Sale Agreement for willful misconduct, gross negligence, or breach of duty under this Installment Sale Agreement by the Bank, its officers, agents, employees, successors or assigns.

SECTION 4.2. Sale or Eminent Domain of Enterprise. Except as provided herein, the District covenants that the Enterprise will not be encumbered, sold, leased, pledged, any charge placed thereon, or otherwise disposed of, as a whole or substantially as a whole if such encumbrance, sale, lease, pledge, charge or other disposition would materially impair the ability of the District to pay the Installment Payments or the principal of or interest on any Parity Obligations, or would materially adversely affect its ability to comply with the terms of this Installment Sale Agreement or the instruments authorizing the issuance of any Parity Obligations. The District shall not enter into any agreement which impairs the operation of the Enterprise or any part of it necessary to secure adequate Net Revenues to pay the Installment Payments and any Parity Obligations, or which otherwise would impair the rights of the Bank with respect to the Net Revenues. If any substantial part of the Enterprise is sold, the payment therefor must either (a) be used for the acquisition or construction of improvements and extensions or replacement facilities or (b) be applied to prepay or redeem the Installment Payments and any Parity Obligations, on a pro rata basis, in the manner provided herein and in the instruments authorizing such Parity Obligations.

Any amounts received as awards as a result of the taking of all or any part of the Enterprise by the lawful exercise of eminent domain, if and to the extent that such right can be exercised against such property of the District, shall either (a) be used for the acquisition or construction of improvements and extension or replacement facilities of the Enterprise, or (b) be applied to prepay or redeem the Installment Payments and any Parity Obligations, on a pro rata basis, in the manner provided herein and in the instruments authorizing such Parity Obligations.

SECTION 4.3. Insurance. The District shall at all times maintain with responsible insurers all such insurance on the Enterprise as is customarily maintained with respect to works and properties of like character against accident to, loss of or damage to the Enterprise. All amounts collected from insurance against accident to or destruction of any portion of the Enterprise shall be used to repair or rebuild such damaged or destroyed portion of the Enterprise or if determined not to repair or rebuild such portion and in any event to the extent not so applied, must either (a) be used for the acquisition or construction or improvements and extensions or replacement facilities or (b) be applied to prepay or redeem the Installment Payments and any Parity Obligations, on a pro rata basis, in the manner provided in this Installment Sale Agreement and in the instruments authorizing such Parity Obligations. The District shall also maintain, with responsible insurers, worker's compensation insurance and insurance against public liability and property damage to the extent reasonably necessary to protect the District and the Bank. Any insurance required to be maintained hereunder may be maintained in the form of participation by the District in a program of pooled insurance.

SECTION 4.4. Records and Accounts. The District shall keep proper books of records and accounts of the Enterprise, separate from all other records and accounts, in which complete and correct entries shall be made of all transactions relating to the Enterprise. Said books shall, upon prior request, be subject to the reasonable inspection of the Bank.

The District shall cause the books and accounts of the Enterprise to be audited annually by an independent certified public accountant or firm of certified public accountants, not more than two hundred seventy (270) days after the close of each Fiscal Year, and shall furnish a copy of such report to the Bank. The audit of the accounts of the Enterprise may be included as part of a general District-wide audit. [Each such audit, in addition to whatever matters may be considered proper by the independent certified public accountant to be included therein, shall include a statement as to whether or not the Net Revenues for such Fiscal Year were equal to at least 1.25 times the Installment Payments and the principal of an interest on Parity Obligations for such Fiscal Year, calculated as provided in Section 4.5 hereof.] In addition, the District shall deliver to the Bank, not later than August 1 of each year, commencing August 1, 2018, a copy of the District's adopted budget for the then current Fiscal Year.

The District shall cause to be published annually, not more than two hundred seventy (270) days after the close of each Fiscal Year, a summary statement showing the amount of Gross Revenues and the disbursements from Gross Revenues and from other funds of the District in reasonable detail. The District shall furnish a copy of the statement, upon reasonable written request, to the Bank.

SECTION 4.5. Rates and Charges.

(a) Covenant Regarding Gross Revenues. The District shall fix, prescribe, revise and collect rates, fees and charges for the services and facilities furnished by the Enterprise during each Fiscal Year which (together with existing unencumbered cash and cash-equivalent balances which are lawfully available to the District for payment of any of the following amounts during such Fiscal Year) are at least sufficient, after making allowances for contingencies and error in the estimates, to pay the following amounts in the following order:

(i) All Maintenance and Operation Costs estimated by the District to become due and payable with respect to such Fiscal Year;

(ii) The Installment Payments and all principal of and interest and premium (if any) on any Parity Obligations coming due and payable during such Fiscal Year, without preference or priority;

(iii) All other payments coming due and payable during such Fiscal Year and required to be paid pursuant to this Installment Sale Agreement and the instruments authorizing any Parity Obligations; and

(iv) All payments required to meet any other obligations of the District which are charges, liens, encumbrances upon or payable from the Gross Revenues during such Fiscal Year.

(b) Covenant Regarding Net Revenues. In addition to the covenant set forth in the preceding clause (a) of this Section, the District shall fix, prescribe, revise and collect rates, fees and charges for the services and facilities furnished by the Enterprise during each Fiscal Year which are sufficient to yield Net Revenues which (together with existing unencumbered cash and cash-equivalent balances which are lawfully available to the District with respect to such Fiscal Year) are at least equal to 125% of the aggregate amount of Installment Payments and principal of and interest on any Parity Obligations coming due and payable with respect to such Fiscal Year.

SECTION 4.6. No Priority for Additional Obligations. The District may not issue or incur any bonds or other obligations having any priority in payment of principal or interest out of the Net Revenues over the Installment Payments.

SECTION 4.7. Issuance of Parity Obligations. Except for obligations incurred to prepay or post a security deposit for the Installment Payments in whole, the District may not issue or incur any Parity Obligations unless:

(a) The District is not then in default under the terms of this Installment Sale Agreement.

(b) The sum of (1) Net Revenues (excluding connection charges), calculated in accordance with sound accounting principles, as shown by the books of the District for the latest Fiscal Year or as shown by the books of the District for any more recent 12 month period selected by the District, in either case verified by a certificate or opinion of an independent certified public accountant (which may be, but not need be, the outside firm providing auditing services) employed by the District, and (2) any Additional Revenues at least equal 135% of the amount of Maximum Annual Debt Service; *provided, however,* that this subsection (b) does not apply to any issue of Parity Obligations the net proceeds of which are applied to refund the Installment Payments or any Parity Obligations in whole or in part, so long as (i) the final maturity of such Parity Obligations does not exceed the final maturity of the obligations being refunded, and (ii) the aggregate amount of debt service on such Parity Obligations in each Fiscal Year does not exceed the amount of debt service which would otherwise come due and payable in such Fiscal Year on the obligations being refunded.

(c) Notwithstanding the above, the District may incur debt payable from Net Revenues (i) to cause a defeasance of this Installment Sale Agreement or (ii) which is payable on a basis which is junior to the payment of the Installment Payments.

SECTION 4.8. Assignment by the District. This Installment Sale Agreement may not be assigned by the District, other than to a public agency which shall succeed to the interests of the District in and to the Enterprise and which (by operation of law, by contract or otherwise) becomes legally bound to all of the terms and provisions hereof.

SECTION 4.9. Amendment of this Installment Sale Agreement. This Installment Sale Agreement may be amended by the District and the Bank.

SECTION 4.10. Tax Covenants.

(a) The District shall not take any action or permit to be taken any action within its control which would cause or which, with the passage of time if not cured would cause, the interest components of the Installment Payments to become includable in gross income for federal income tax purposes.

(b) The District shall assure that the proceeds of the Installment Sale are not so used as to cause the Installment Sale to satisfy the private business tests of section 141(b) of the Tax Code or the private loan financing test of section 141(c) of the Tax Code.

(c) The District shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Installment Payments to be "federally guaranteed" within the meaning of Section 149(b) of the Tax Code.

(d) The District shall not take, or permit or suffer to be taken, any action with respect to the proceeds of the Installment Payments which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the Closing Date would have caused the Installment Payments to be "arbitrage bonds" within the meaning of Section 148(a) of the Tax Code.

(e) The District hereby designates this Installment Sale Agreement for purposes of paragraph (3) of Section 265(b) of the Tax Code and represents that not more than $10,000,000 aggregate principal amount of obligations the interest on which is excludable (under Section 103(a) of the Tax Code) from gross income for federal income tax purposes (excluding (i) private activity bonds, as defined in Section 141 of the Tax Code, except qualified 501(c)(3) bonds as defined in Section 145 of the Tax Code and (ii) current refunding obligations to the extent the amount of the refunding obligation does not exceed the outstanding amount of the refunded obligation), including this Installment Sale Agreement, has been or will be issued by the District, including all subordinate entities of the District, during the calendar year 2017.

(f) The District shall take any and all actions necessary to assure compliance with section 148(f) of the Tax Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to the Installment Sale.

SECTION 4.11. Notices. The District shall provide to the Bank:

(a) Immediate notice by telephone, promptly confirmed in writing, of any event, action or failure to take any action which constitutes an Event of Default under this Installment Sale Agreement, together with a detailed statement by an Authorized Representative of the steps being taken by the District to cure the effect of such Event of Default.

(b) Prompt written notice (i) of any action, suit or proceeding or any investigation, inquiry or similar proceeding by or before any court or other governmental authority, domestic or foreign, against the District or the Enterprise or the Gross Revenues which involve claims equal to or in excess of $100,000 or that seeks injunctive relief, or (ii) of any loss or destruction of or damage to any portion of the Enterprise in excess of $100,000.

(c) Prompt written notice of any Material Litigation, or any investigation, inquiry or similar proceeding by any Governmental Authority with respect to any matter that relates to or could impact any Gross Revenues.

(d) Promptly upon notice thereof, any termination or cancellation of any insurance policy which the District is required to maintain, or any uninsured or partially uninsured loss through liability or property damage, or through fire, theft or any other cause affecting the District property in excess of an aggregate of $100,000.

(e) With reasonable promptness, such other information respecting the District, Enterprise, and the operations, affairs and financial condition of the District as the Bank may from time to time reasonably request.

The covenants on the part of the District herein contained shall be deemed to be and shall be construed to be ministerial duties imposed by law and it shall be the ministerial duty of each and every public official of the District to take such action and do such things as are required by law in the performance of such official duty of such officials to enable the District to carry out and perform the covenants and agreements on the part of the District contained in this Installment Sale Agreement.

ARTICLE V

EVENTS OF DEFAULT AND REMEDIES

SECTION 5.1. Events of Default Defined. The following shall be Events of Default under this Installment Sale Agreement.

(a) Failure by the District to pay the Bank any Installment Payment or to pay other amounts required to be paid hereunder within fifteen (15) days of the time specified herein.

(b) Failure by the District to observe and perform any covenant, condition or agreement on its part to be observed or performed hereunder other than as referred to in the preceding clause (a) of this Section, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied has been given to the District by the Bank *provided, however,* if in the reasonable opinion of the District the failure stated in the notice can be corrected, but not within such thirty (30) day period, the Bank shall not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the District within such thirty (30) day period and diligently pursued until the default is corrected.

(c) The filing by the District of a voluntary petition in bankruptcy, or failure by the District promptly to lift any execution, garnishment or attachment, or adjudication of the District as bankrupt, or assignment by the District for the benefit of creditors, or the approval by a court of competent jurisdiction of a petition applicable to the District in any proceedings instituted under the provisions of the Federal Bankruptcy Code, as amended, or under any similar acts which may hereafter be enacted.

(d) An event of default as defined under any contracts or agreements relating to any Parity Obligations.

(e) Any statement, representation or warranty made by the District in or pursuant to this Installment Sale Agreement or its execution, delivery or performance proves to have been false, incorrect, misleading, or breached in any material respect on the date made, and is continuing for a period of thirty (30) days after written notice specifying such misrepresentation or breach and requesting that it be remedied has been given to the District by the Bank; provided, however, that the Bank and the District may agree that action by the District to cure such failure may be extended beyond such thirty-day period.

(f) This Agreement or any material provision of this Installment Sale Agreement shall at any time for any reason cease to be the legal, valid and binding obligation of the District or shall cease to be in full force and effect, or shall be declared to be unenforceable, invalid or void, or the validity or enforceability thereof shall be contested by the District, or the District shall renounce the same or deny that it has any further liability hereunder.

(g) Dissolution, termination of existence or insolvency of the District.

(h) Any court of competent jurisdiction with jurisdiction to rule on the validity of any provision of this Installment Sale Agreement shall find or rule that this Installment Sale Agreement is not valid or not binding on the District.

SECTION 5.2. Remedies on Default. Whenever any Event of Default shall have happened and be continuing, the Bank shall have the rights, at its option and without any further demand or notice to:

(a) declare all principal components of the unpaid Installment Payments, together with all accrued and unpaid interest components of the Installment Payments from the immediately preceding Installment Payment Date on which payment was made, to be immediately due and payable, whereupon the same shall immediately become due and payable; and,

(b) take whatever action at law or in equity may appear necessary or desirable to collect the Installment Payments then due or thereafter to become due during the Term of this Installment Sale Agreement, or enforce performance and observance of any obligation, agreement or covenant of the District under this Installment Sale Agreement.

The provisions of the preceding clause (a) are subject to the condition that if, at any time after the principal components of the unpaid Installment Payments shall have been so declared due and payable pursuant to the preceding clause (a), and before any judgment or decree for the payment of the moneys due shall have been obtained or entered, the District shall deposit with the Bank a sum sufficient to pay all principal components of the Installment Payments coming due prior to such declaration and all matured interest components (if any) of the Installment Payments, with interest on such overdue principal and interest components calculated at the rate set forth in Section 3.4(c) and the reasonable expenses of the Bank (including any fees and expenses of its attorneys), and any and all other defaults known to the Bank (other than in the payment of the principal and interest components of the Installment Payments due and payable solely by reason of such declaration) shall have been made good, then, and in every such case, the Bank may, by written notice to the District rescind and annul such declaration and its consequences. However, no such rescission and annulment shall extend to or shall affect any subsequent default, or shall impair or exhaust any right or power consequent thereon.

SECTION 5.3. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Bank is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Installment Sale Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Bank to exercise any remedy reserved to it in this Article V it shall not be necessary to give any notice, other than such notice as may be required in this Article V or by law.

SECTION 5.4. Agreement to Pay Attorneys' Fees and Expenses. In the event either party of this Installment Sale Agreement should default under any of the provisions hereof and the prevailing party should employ attorneys (including in-house counsel) or incur other expenses for the collection of moneys or the enforcement of performance or observance of any obligation or agreement on the part of the defaulting party herein contained, the defaulting party agrees that it will on demand therefor pay to the prevailing party the reasonable fees of such attorneys (including the allocable cost of in-house counsel) and such other expenses so incurred by the prevailing party.

SECTION 5.5. No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Installment Sale Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

ARTICLE VI

PREPAYMENT OF INSTALLMENT PAYMENTS

SECTION 6.1. Security Deposit. Notwithstanding any other provision of this Installment Sale Agreement, the District may on any date secure the payment of Installment Payments, in whole, by irrevocably depositing with a fiduciary an amount of cash which, together with other available amounts, is either (a) sufficient to pay all such Installment Payments, including the principal and interest components thereof, when due pursuant to Section 3.3(a), or (b) invested in whole or in part in Federal Securities in such amount as will, in the opinion of an independent certified public accountant, together with interest to accrue thereon and together with any cash which is so deposited, be fully sufficient to pay all such Installment Payments when due pursuant to Section 3.3(a) or when due on any optional prepayment date pursuant to Section 6.2, as the District shall instruct at the time of said deposit. In the event of a security deposit pursuant to this Section for the payment of all remaining Installment Payments, all obligations of the District under this Installment Sale Agreement, and the pledge of Net Revenues and all other security provided by this Installment Sale Agreement for said obligations, shall cease and terminate, excepting only the obligation of the District to make, or cause to be made, all of Installment Payments from such security deposit. Said security deposit shall be deemed to be and shall constitute a special fund for the payment of such Installment Payments in accordance with the provisions of this Installment Sale Agreement.

SECTION 6.2. Optional Prepayment. The District shall have the option to prepay the principal components of the Installment Payments in whole, [on any date], commencing on September 1, 2020, by paying the Installment Payment required to be paid on such date plus a prepayment price equal to the principal amount of the Installment Payments to be prepaid, without premium. The District shall give the Bank written notice of its intention to exercise its option not less than thirty (30) days in advance of the date of exercise.

SECTION 6.3. Mandatory Prepayment From Net Proceeds of Insurance or Eminent Domain. The District shall prepay the unpaid principal components of the Installment Payments in whole on any date or in part, on any Installment Payment Date, from and to the extent the District determines to apply any Net Proceeds of insurance award or condemnation award with respect to the Enterprise for such purpose pursuant to Sections 4.2 or 4.3 at a price equal to the principal components of the Installment Payments to be prepaid. The District and the Bank hereby agree that such proceeds, to the extent remaining after payment of any delinquent Installment Payments, shall be credited towards the District's obligations under this Section 6.3.

ARTICLE VII

MISCELLANEOUS

SECTION 7.1. Notices. All written notices to be given under this Installment Sale Agreement shall be given by first class mail or personal delivery to the party entitled thereto at its address set forth below, or by telecopier or other form of telecommunication, at its number set forth below. Notice shall be effective either (a) upon transmission by telecopier or other form of telecommunication, (b) 48 hours after deposit in the United States of America first class mail, postage prepaid, or (c) in the case of personal delivery to any person, upon actual receipt. The Bank or the District may, by written notice to the other parties, from time to time modify the address or number to which communications are to be given hereunder.

If to the District:	Crescenta Valley Water District 2700 Foothill Boulevard La Crescenta, CA 91214 Attention: General Manager
If to the Bank:	Pacific Western Bank 9701 Wilshire Blvd, Suite 700 Beverly Hills, CA 90212 Attention: Christopher Baron

With a copy to: Pacific Western Bank
14th Floor
444 South Flower Street
Los Angeles, California 90071
Attention: Holly Hayes

SECTION 7.2. Binding Effect. This Installment Sale Agreement shall inure to the benefit of and shall be binding upon the Bank and the District and their respective successors and assigns.

SECTION 7.3. Severability. In the event any provision of this Installment Sale Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

SECTION 7.4. Net-net-net Contract. This Installment Sale Agreement shall be deemed and construed to be a "net-net-net" contract, and the District hereby agrees that the Installment Payments shall be an absolute net return to the Bank, free and clear of any expenses, charges or set-offs whatsoever.

SECTION 7.5. Further Assurances and Corrective Instruments. The Bank and the District agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for carrying out the expressed intention of this Installment Sale Agreement.

SECTION 7.6. Execution in Counterparts. This Installment Sale Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 7.7. Applicable Law. This Installment Sale Agreement shall be governed by and construed in accordance with the laws of the State of California.

SECTION 7.8. Captions. The captions or headings in this Installment Sale Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Section of this Installment Sale Agreement.

SECTION 7.9. Judicial Reference. The Bank and the District hereby agree: (i) each proceeding or hearing based upon or arising out of, directly or indirectly, this Installment Sale Agreement or any document related thereto, any dealings between the District and the Bank related to the subject matter of this Installment Sale Agreement or any related transactions, and/or the relationship that is being established between the District and the Bank (hereinafter, a "Claim") shall be determined by a consensual general judicial reference (the "Reference") pursuant to the provisions of California Code of Civil Procedure Section 638 et seq., as such statutes may be amended or modified from time to time; (ii) upon a written request, or upon an appropriate motion by either the Bank or the District, as applicable, any pending action relating to any Claim and every Claim shall be heard by a single Referee (as defined below) who shall then try all issues (including any and all questions of law and questions of fact relating thereto), and issue findings of fact and conclusions of law and report a statement of decision. The Referee's statement of decision will constitute the conclusive determination of the Claim. The Bank and the District agree that the Referee shall have the power to issue all legal and equitable relief appropriate under the circumstances before the Referee; (iii) the Bank and the District shall promptly and diligently cooperate with one another, as applicable, and the Referee, and shall perform such acts as may be necessary to obtain prompt and expeditious resolution of all Claims in accordance with the terms of this Section 7.9; (iv) either the Bank or the District, as applicable, may file the Referee's findings, conclusions and statement with the clerk or judge of any appropriate court, file a motion to confirm the Referee's report and have judgment entered thereon. If the report is deemed incomplete by such court, the Referee may be required to complete the report and resubmit it; (v) the Bank and the District, as applicable, will each have such rights to assert such objections as are set forth in California Code of Civil Procedure Section 638 et seq.; and (vi) all proceedings shall be closed to the public and confidential, and all records relating to the Reference shall be permanently sealed when the order thereon becomes final.

(a) Selection of Referee; Powers. The parties to the Reference proceeding shall select a single neutral referee (the "Referee"), who shall be a retired judge or justice of the courts of the State, or a federal court judge, in each case, with at least ten (10) years of judicial experience in civil matters. The Referee shall be appointed in accordance with California Code of Civil Procedure Section 638 (or pursuant to comparable provisions of federal law if the dispute falls within the exclusive jurisdiction of the federal courts). If within ten (10) days after the request or motion for the Reference, the parties to the Reference proceeding cannot agree upon a Referee, then any party to such proceeding may request or move that the Referee be appointed by the Presiding Judge of the Los Angeles County Superior Court. The Referee shall determine all issues relating to the applicability, interpretation, legality and enforceability of this Section 7.9.

(b) Provisional Remedies and Self Help. No provision of this Section 7.9 shall limit the right of either the Bank or the District, as the case may be, to (i) exercise such self-help remedies as might otherwise be available under applicable law, or (ii)) obtain or oppose provisional or ancillary remedies, including without limitation injunctive relief, writs of possession, the appointment of a receiver, and/or additional or supplementary remedies from a court of competent jurisdiction before, after, or during the pendency of any Reference. The exercise of, or opposition to, any such remedy does not waive the right of the Bank or the District to the Reference pursuant to this Section 7.9(b).

(c) Costs and Fees. Promptly following the selection of the Referee, the parties to such Reference proceeding shall each advance equal portions of the estimated fees and costs of the Referee. In the statement of decision issued by the Referee, the Referee shall award costs, including reasonable attorneys' fees, to the prevailing party, if any, and may order the Referee's fees to be paid or shared by the parties to such Reference proceeding in such manner as the Referee deems just.

SECTION 7.10. Closing Conditions. The Bank has entered into this Installment Sale Agreement in reliance upon the representations and warranties of the District contained in this Installment Sale Agreement and to be contained in the documents and instruments to be delivered on the Closing Date and upon the performance by the District of the obligations of the District pursuant to this Installment Sale Agreement at or prior to the Closing Date. Accordingly, the obligation of Bank to execute this Installment Sale Agreement is subject to the fulfillment to the reasonable satisfaction of the Bank of the following conditions:

(a) The representations and warranties of the District contained in this Installment Sale Agreement shall be true, complete and correct on the Closing Date.

(b) All representations, warranties and covenants made herein, and in certificates or other instruments delivered pursuant hereto or in connection herewith, shall be deemed to have been relied upon by the Bank notwithstanding any investigation heretofore or hereafter made by the Bank or on their behalf.

(c) On the Closing Date, the Resolution and this Installment Sale Agreement shall be in full force and effect and shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Bank.

(d) On the Closing Date, the District will have adopted and there will be in full force and effect such resolutions as in the opinion of Bond Counsel and counsel to the Bank shall be necessary in connection with the transactions contemplated by this Installment Sale Agreement, and all necessary action of the District relating to the issuance of the Installment Payment will have been taken, will be in full force and effect and will not have been amended, modified or supplemented, except as may have been agreed to in writing by the Bank.

(e) At or prior to the Closing Date, the Bank will have received the following documents:

(i) The approving opinions, dated the Closing Date and addressed to the Bank, of Bond Counsel in form and content satisfactory to the Bank and its counsel, addressing the status of the Installment Payments and binding obligations of the District, enforceable in accordance with its terms subject to customary exceptions for bankruptcy and judicial discretion.

(ii) A certificate or certificates, dated the date of the Closing Date signed on behalf of the District by an Authorized Representative, to the effect that (I) the representations and warranties contained in this Installment Sale Agreement are true and correct in all material respects on and as of the date of the Closing Date; (II) no litigation of any nature is then pending or, to his or her knowledge, threatened, seeking to restrain or enjoin the issuance and delivery of the Agreement or the levy or collection of revenues to pay the Installment Payments, questioning the proceedings and authority by which such pledge is made, affecting the validity of this Installment Sale Agreement or contesting the existence or boundaries of the District or the title of the present officers to their respective offices; (III) no authority or proceedings for the issuance of this Installment Sale Agreement has been repealed, revoked or rescinded and no petition or petitions to revoke or alter the authorization to issue this Installment Sale Agreement has been filed with or received by the District; and (IV) the District has complied with all the agreements and covenants and satisfied all the conditions on its part to be performed or satisfied at or prior to, and to the extent possible before, the Closing Date.

(iii) A certified copy of the Resolution;

(iv) The items required by the Resolution as conditions for execution and delivery of this Installment Sale Agreement;

(v) A non-arbitrage tax certificate of the District, in form and substance satisfactory to Bond Counsel;

(vi) The filing copy of the Information Return Form 8038-G; and

(vii) Such additional legal opinions, certificates, instruments and other documents as the Bank or its counsel may reasonably request to evidence the truth and accuracy, as of the date of this Installment Sale Agreement and as of the Closing Date, of the representations, warranties, agreements and covenants of the District contained herein and the due performance or satisfaction by the District at or prior to the Closing Date of all agreements then to be performed and all conditions then to be satisfied by the District.

IN WITNESS WHEREOF, the Bank has caused this Installment Sale Agreement to be executed in its corporate name by its duly authorized officer, and the District has caused this Installment Sale Agreement to be executed in its name by its duly authorized officer, as of the date first above written.

CRESCENTA VALLEY WATER DISTRICT

By: ________________________________
President of the Board

Attest:

____
Secretary of the Board

PACIFIC WESTERN BANK

By: ________________________________
Authorized Signatory

EXHIBIT A

SCHEDULE OF INSTALLMENT PAYMENTS

PMT #	Due Date	Installment Payment	To Principal	To Interest
1	12/1/2017			
2	6/1/2018			
3	12/1/2018			
4	6/1/2019			
5	12/1/2019			
6	6/1/2020			
7	12/1/2020			
8	6/1/2021			
9	12/1/2021			
10	6/1/2022			
11	12/1/2022			
12	6/1/2023			
13	12/1/2023			
14	6/1/2024			
15	12/1/2024			
16	6/1/2025			
17	12/1/2025			
18	6/1/2026			
19	12/1/2026			
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26	6/1/2030			
27	12/1/2030			
28	6/1/2031			
29	12/1/2031			
30	6/1/2032			
31	12/1/2032			
32	6/1/2033			
33	12/1/2033			
34	6/1/2034			
35	12/1/2034			
36	6/1/2035			
37	12/1/2035			
38	6/1/2036			

TOTALS:

EXHIBIT B

POTENTIAL REFUNDED CERTIFICATES

Maturity Date (September 1)	Interest Rate	Principal Amount Outstanding
6/1/2018	4.000%	$ 265,000
6/1/2019	4.000	275,000
6/1/2020	4.125	285,000
6/1/2021	4.125	300,000
6/1/2022	4.125	310,000
6/1/2023	4.250	325,000
6/1/2024	4.250	340,000
6/1/2025	4.250	355,000
6/1/2031	4.375	2,460,000
6/1/2037	4.375	3,185,000

EXHIBIT C

COSTS OF ISSUANCE

Cost of Issuance	**Amount**
Bond Counsel	$30,000
Placement Agent	25,000
Bank Counsel	10,000
Escrow Agent	1,800
CDIAC	1,916
Verification Agent	1,750
Miscellaneous	1,000

EXHIBIT D

CLOSING WIRE CONFIRMATION

ESCROW AGREEMENT

by and between the

CRESCENTA VALLEY WATER DISTRICT

and

U.S. BANK NATIONAL ASSOCIATION,
as 2007 Certificates Trustee and
as Escrow Agent

Dated as of August 1, 2017

Pertaining to the Defeasance of
All of the Currently Outstanding

$10,070,000 Crescenta Valley Water District
Revenue Certificates of Participation
(Water System Improvement Projects)
Series 2007

ESCROW AGREEMENT

This Escrow Agreement (the "Agreement"), made and entered into as of August 1, 2017, by and between Crescenta Valley Water District, water district organized and existing under, and by virtue of the laws, of the State of California (the "District"), and U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, as Escrow Agent and as 2007 Certificates Trustee (the "Escrow Agent");

W I T N E S S E T H:

WHEREAS, the District previously issued its Revenue Certificates of Participation (Water System Improvement Projects) Series 2007 (the "2007 Certificates"); and

WHEREAS, the District has approved the Installment Sale Agreement, dated as of August 1, 2017, by and between the District and Pacific Western Bank, a portion of the proceeds of which are to be used, together with certain other available funds, to defease and prepay all outstanding 2007 Certificates (the "Refunded Certificates"); and

NOW, THEREFORE, in consideration of the mutual premises contained herein and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

SECTION 1. As used herein, the following terms shall have the following meanings:

"Code" means the Internal Revenue Code of 1986.

"Escrow Fund" means the fund by that name established and held by the Escrow Agent pursuant to Section 3 hereof.

"Escrow Requirements" means an amount sufficient to pay the principal amount of the Refunded Certificates, plus accrued interest evidenced and represented thereon to the Prepayment Date, as shown on Exhibit A hereto.

"Prepayment Date" means September [__], 2017.

"2007 Certificates Trust Agreement" means the Trust Agreement, dated as of December 1, 2006, by and between the District and the 2007 Certificates Trustee pursuant to which the Refunded Certificates were issued.

SECTION 2. The District hereby appoints U.S. Bank National Association, as Escrow Agent under this Agreement for the benefit of the holders of the Refunded Certificates. The Escrow Agent hereby accepts the duties and obligations of Escrow Agent under this Agreement and agrees that the irrevocable instructions to the Escrow Agent herein provided are in a form satisfactory to it. The applicable and necessary provisions of the 2007 Certificates Trust Agreement, including particularly the prepayment provisions thereof, are incorporated herein by reference. Reference herein to, or citation herein of, any provisions of the 2007

Certificates Trust Agreement shall be deemed to incorporate the same as a part hereof in the same manner and with the same effect as if the same were fully set forth herein.

SECTION 3. Pursuant to this Agreement, there is created and established with the Escrow Agent special and irrevocable trust funds designated the Escrow Fund, to be held by the Escrow Agent separate and apart from all other funds and accounts, and used only for the purposes and in the manner provided in this Agreement.

SECTION 4. (a) The District herewith deposits, or causes to be deposited, with the Escrow Agent into the Escrow Fund, to be held in irrevocable trust by the Escrow Agent and to be applied solely as provided in this Agreement, the sum of $[________], as follows:

(i) from the proceeds of the Installment Sale Agreement, the sum of $[________]; and

(ii) from moneys held by the 2007 Certificates Trustee pursuant to the 2007 Certificates Trust Agreement relating to the Refunded Certificates, the sum of $[_________] consisting of amounts held in the reserve fund, payment fund, interest fund and principal fund established thereunder.

SECTION 5. The Escrow Agent acknowledges receipt of the moneys described in Section 4. The Escrow Agent agrees to retain the amounts of $[_________] uninvested in the Escrow Fund. Such amounts shall be applied by the Escrow Agent to the payment of the Escrow Requirements for the equal and ratable benefit of the holders of the Refunded Certificates.

SECTION 6. The District hereby directs and the Escrow Agent hereby agrees that the Escrow Agent will perform all the duties expressly required to be taken by it hereunder. The liability of the Escrow Agent for the payment of the Escrow Requirements shall be limited to the application, in accordance with this Agreement, of the moneys available for such purposes in the Escrow Fund.

SECTION 7. The District irrevocably instructs the Escrow Agent to pay to the 2007 Certificates Trustee from amounts held in the Escrow Fund, the amount equal to the principal amount of the Refunded Certificates called for prepayment, plus accured interest evidenced and represented thereby to the Prepayment Date, all as shown on Exhibit A hereto. The District irrevocably instructs the 2007 Certificates Trustee under the 2007 Certificates Trust Agreement to mail a notice of prepayment of the Refunded Certificates as provided therein in the form attached as Exhibit B hereto. In addition, the District irrevocably instructs the 2007 Certificates Trustee under the 2007 Certificates Trust Agreement to mail a notice of defeasance of the Refunded Certificates as provided therein in the form attached as Exhibit C hereto on August [__], 2017.

SECTION 8. The trust hereby created shall be irrevocable and the holders of the Refunded Certificates shall have an express lien limited to all moneys in the Escrow Fund, including the interest earnings thereon, until paid out, used and applied in accordance with this Agreement.

SECTION 9. This Agreement is made pursuant to and in furtherance of the 2007 Certificates Trust Agreement and for the benefit of the District and the holders from time to time of the Refunded Certificates and it shall not be repealed, revoked, altered, amended or supplemented without the written consent of all such holders and the written consent of the Escrow Agent, Assured Guaranty Municipal Corp. (formerly known as Financial Security Assurance Inc., the "Insurer") and the District; provided, however, that the District and the Escrow Agent may, without the consent of, or notice to, such holders enter into such amendments or supplements as shall not be inconsistent with the terms and provisions of this Agreement, for any one or more of the following purposes:

(a) to cure an ambiguity or formal defect or omission in this Agreement;

(b) to grant to, or confer upon, the Escrow Agent for the benefit of the holders of the Refunded Certificates, any additional rights, remedies, powers or agency that may lawfully be granted to, or conferred upon, such holders or the Escrow Agent; and

(c) to transfer to the Escrow Agent and make subject to this Agreement additional funds, securities or properties.

The Escrow Agent and 2007 Certificates Trustee shall be entitled to conclusively rely upon an unqualified opinion of nationally recognized bond counsel with respect to compliance with this Section, including the extent, if any, to which any change, modification or addition affects the rights of the holders of the Refunded Certificates, or that any instrument executed hereunder complies with the conditions and provisions of this Section.

SECTION 10. In consideration of the services rendered by the Escrow Agent under this Agreement, the District agrees to and shall pay to the Escrow Agent its fees, plus expenses, including all reasonable expenses, charges, counsel fees and other disbursements incurred by it or by its attorneys, agents and employees in and about the performance of their powers and duties hereunder, and the Escrow Agent shall have no lien, claim or right of setoff whatsoever upon any of the moneys in the Escrow Fund for the payment of such proper fees and expenses.

SECTION 11. The Escrow Agent at the time acting hereunder may at any time resign and be discharged from the trusts hereby created by giving not less than 60 days' written notice to the District and the 2007 Certificates Trustee, specifying the date when such resignation will take effect in the same manner as a notice is to be mailed pursuant to Section 7 hereof, but no such resignation shall take effect unless a successor Escrow Agent shall have been appointed by the holders of the Refunded Certificates or by the District as hereinafter provided and such successor Escrow Agent shall have accepted such appointment, in which event such resignation shall take effect immediately upon the appointment and acceptance of a successor Escrow Agent.

The Escrow Agent may be removed at any time by an instrument or concurrent instruments in writing, delivered to the Escrow Agent and to the District and the 2007 Certificates Trustee and signed by the holders of a majority in principal amount of the Refunded Certificates.

In the event the Escrow Agent hereunder shall resign or be removed, or be dissolved, or shall be in the course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in the case the Escrow Agent shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor Escrow Agent may be appointed by the holders of a majority in principal amount of the Refunded Certificates, by an instrument or concurrent instruments in writing, signed by such holders, or by their attorneys-in-fact, duly authorized in writing; provided, nevertheless, that in any such event, the District shall appoint a temporary Escrow Agent to fill such vacancy until a successor Escrow Agent shall be appointed by the holders of a majority in principal amount of the Refunded Certificates, and any such temporary Escrow Agent so appointed by the District shall immediately and without further act be superseded by the Escrow Agent so appointed by such holders.

In the event that no appointment of a successor Escrow Agent or a temporary successor Escrow Agent shall have been made by such holders or the District pursuant to the foregoing provisions of this Section within 60 days after written notice of the removal or resignation of the Escrow Agent has been given to the District, the holder of any of the Refunded Certificates or any retiring Escrow Agent may apply to any court of competent jurisdiction for the appointment of a successor Escrow Agent, and such court may thereupon, after such notice, if any, as it shall deem proper, appoint a successor Escrow Agent.

No successor Escrow Agent shall be appointed unless such successor Escrow Agent shall be a corporation or institution with trust powers organized under the financial institution laws of the United States or any state, and shall have at the time of appointment capital and surplus of not less than $50,000,000. For purpose of this Section 11, a corporation or institution with trust powers organized under the financial institution laws of the United States of America or any state shall be deemed to have combined capital and surplus of at least $50,000,000 if it has a combined capital surplus of at least $20,000,000 and is a wholly-owned subsidiary of a corporation having a combined capital and surplus of at least $50,000,000.

Every successor Escrow Agent appointed hereunder shall execute, acknowledge and deliver to its predecessor and to the District, an instrument in writing accepting such appointment hereunder and thereupon such successor Escrow Agent without any further act, deed or conveyance, shall become fully vested with all the rights, immunities, powers, trust, duties and obligations of its predecessor; but such predecessor shall, nevertheless, on the written request of such successor Escrow Agent or the District execute and deliver an instrument transferring to such successor Escrow Agent all the estates, properties, rights, powers and trusts of such predecessor hereunder; and every predecessor Escrow Agent shall deliver all moneys held by it to its successor. Should any transfer, assignment or instrument in writing from the District be required by any successor Escrow Agent for more fully and certainly vesting in such successor Escrow Agent the estates, rights, powers and duties hereby vested or intended to be vested in the predecessor Escrow Agent, any such transfer, assignment and instrument in writing shall, on request, be executed, acknowledged and delivered by the District.

Any corporation or association into which the Escrow Agent, or any successor to it in the trusts created by this Agreement, may be merged or converted or with which it or any successor to it may be consolidated, or any corporation resulting from any merger, conversion, consolidation or reorganization to which the Escrow Agent or any successor to it shall be a party or any successor to a substantial portion of the Escrow Agent's corporate trust business, shall, if it meets the qualifications set forth in the fifth paragraph of this Section, be the successor Escrow Agent under this Agreement without the execution or filing of any paper or any other act on the part of any of the parties hereto, anything herein to the contrary notwithstanding. The liability of the Escrow Agent to make payments required in the Agreement shall be limited to the moneys in the Escrow Fund.

SECTION 12. The Escrow Agent shall have no power or duty to invest any funds held under this Agreement except as provided in Sections 4 and 5 hereof. The Escrow Agent shall have no power or duty to transfer or otherwise dispose of the moneys held hereunder except as provided in this Agreement.

SECTION 13. To the extent permitted by law, the District hereby assumes liability for, and hereby agrees (whether or not any of the transactions contemplated hereby are consummated) to indemnify, protect, save and keep harmless the Escrow Agent and its successors, assigns, agents, employees and servants, from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including reasonable legal fees and disbursements) of whatsoever kind and nature which may be imposed on, incurred by, or asserted against, the Escrow Agent at any time (whether or not also indemnified against the same by the District or any other person under any other agreement or instrument, but without double indemnity) in any way relating to or arising out of the execution, delivery and performance of this Agreement, the establishment hereunder of the Escrow Fund, the acceptance of the funds and securities deposited therein, the purchase of any securities to be purchased pursuant thereto, the retention of such securities or the proceeds thereof and any payment, transfer or other application of moneys or securities by the Escrow Agent in accordance with the provisions of this Agreement. The District shall not be required to indemnify the Escrow Agent against the Escrow Agent's own negligence or willful misconduct or the negligence or willful misconduct of the Escrow Agent's successors, assigns, agents and employees or the material breach by the Escrow Agent of the terms of this Agreement as may be finally determined by a court of competent jurisdiction. In no event shall the District or the Escrow Agent be liable to any person by reason of the transactions contemplated hereby other than to each other as set forth in this Section. The indemnities contained in this Section shall survive the termination of this Agreement and the resignation or removal of the Escrow Agent. The District shall pay the Escrow Agent full compensation for its duties under this Agreement, including out-of-pocket costs such as publication costs, prepayment expenses, legal fees and other costs and expenses relating hereto. Under no circumstances shall amounts deposited in or credited to the Escrow Fund be deemed to be available for said purposes.

SECTION 14. The recitals of fact contained in the "Whereas" clauses herein shall be taken as the statements of the District, and the Escrow Agent assumes no responsibility for the correctness thereof. The Escrow Agent makes no representation as to the sufficiency of the moneys to accomplish the prepayment of the Refunded Certificates pursuant to the 2007 Certificates Trust Agreement or to the validity of this Agreement as to the District and, except as otherwise provided herein, the Escrow Agent shall incur no liability in respect thereof. The Escrow Agent shall not be liable in connection with the performance of its duties under this Agreement except solely for its own negligence or willful misconduct or the negligence or willful misconduct of the Escrow Agent's successors, assigns, agents and employees, as may be finally determined by a court of competent jurisdiction and the duties and obligations of the Escrow Agent shall be determined by the express provisions of this Agreement. The Escrow Agent may consult with counsel, who may or may not be counsel to the District, and in reliance upon the written opinion of such counsel shall have full and complete authorization and protection in respect of any action taken, suffered or omitted by it in good faith in accordance therewith. Whenever the Escrow Agent shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering, or omitting any action under this Agreement, such matter (except the matters set forth herein as specifically requiring a certificate of a nationally recognized firm of independent certified public accountants or an opinion of nationally recognized bond counsel) may be deemed to be conclusively established by a written certification of the District. Whenever the Escrow Agent shall deem it necessary or desirable that a matter specifically requiring a certificate of a nationally recognized firm of independent certified public accountants or an opinion of nationally recognized bond counsel be proved or established prior to taking, suffering, or omitting any such action, such matter may be established only by such a certificate or such an opinion. The Escrow Agent shall incur no liability for losses arising from any investment made pursuant to this Agreement.

No provision of this Agreement shall require the Escrow Agent to expend or risk its own funds or otherwise incur any financial liability in the performance or exercise of any of its duties hereunder, or in the exercise of its rights or powers.

SECTION 15. This Agreement shall terminate upon payment of all Refunded Certificates on the Prepayment Date. Upon such termination, all moneys remaining in the Escrow Fund after payment of all fees and expenses of the Escrow Agent shall be released to the District.

SECTION 16. This Agreement is made in the State of California under the Constitution and laws of the State of California and is to so be construed.

SECTION 17. If any one or more of the covenants or agreements provided in this Agreement on the part of the District or the Escrow Agent to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement.

All the covenants, promises and agreements in this Agreement contained by or on behalf of the District or by or on behalf of the Escrow Agent shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not. The Bond Insurer shall be a third party beneficiary hereof.

SECTION 18. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Escrow Agreement to be executed by their duly authorized officers as of the date first-above written.

CRESCENTA VALLEY WATER DISTRICT

By____
General Manager

US BANK NATIONAL ASSOCIATION,
as Escrow Agent and as 2007 Certificates Trustee

By____
Authorized Officer

EXHIBIT A

ESCROW REQUIREMENTS

EXHIBIT B

Notice of Optional Prepayment

CRESCENTA VALLEY WATER DISTRICT
Revenue Certificates of Participation
(Water System Improvement Projects)
Series 2007

NOTICE IS HEREBY GIVEN by U.S. Bank National Association, as Escrow Agent for the Crescenta Valley Water District (the "District"), that the District intends to exercise its option to prepay the maturities identified below of its outstanding Crescenta Valley Water District Revenue Certificates of Participation (Water System Improvement Projects) Series 2007 (the "Refunded Certificates") on September [__], 2017 (the "Prepayment Date") prior to their stated maturities, at a prepayment price equal to 100% (the "Certificate Price"), plus accrued interest evidenced and represented thereon to the Prepayment Date.

Maturity Date (September 1)	Interest Rate	Principal Amount Outstanding	CUSIP No.*
6/1/2018	4.000%	$ 265,000	225840AK3
6/1/2019	4.000	275,000	225840AL1
6/1/2020	4.125	285,000	225840AM9
6/1/2021	4.125	300,000	225840AN7
6/1/2022	4.125	310,000	225840AP2
6/1/2023	4.250	325,000	225840AQ0
6/1/2024	4.250	340,000	225840AR8
6/1/2025	4.250	355,000	225840AS6
6/1/2031	4.375	2,460,000	225840AU1
6/1/2037	4.375	3,185,000	225840AV9

To receive payment of the Prepayment Price, the Refunded Certificates described above must be presented to:

BY MAIL OR BY HAND
U.S. Bank National Association
Global Corporate Trust Services
111 Fillmore Avenue E
St. Paul, MN 55107

* Neither the District nor the Escrow Agent shall have any responsibility for any defect in the CUSIP numbers appearing herein. CUSIP numbers have been assigned by Standard & Poor's CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. and appear in this notice for convenience of reference only.

On the Prepayment Date, there shall become due and payable upon the Refunded Certificates the Prepayment Price which is equal to the principal amount of the Refunded Certificates, plue accrued interest evidenced and represented thereon to the Prepayment Date, and from and after the Prepayment Date interest on the Refunded Certificates shall cease to accrue and be payable.

Certificateholders presenting their certificates in person for same day payment must surrender their certificate(s) by 1:00 P.M. CST on the Prepayment Date and a check will be available for pick up after 2:00 P.M. CST. Checks not picked up by 4:30 P.M. CST will be mailed out to the Certificateholder via first class mail. If payment of the Prepayment Price is to be made to the registered owner of the Certificate, you are not required to endorse the Certificate to collect the Prepayment Price.

For a list of prepayment requirements please visit our website at www.usbank.com/corporatetrust and click on the "Bondholder Information" link for Redemption instructions. You may also contact our Bondholder Communications team at 1-800-934-6802 Monday through Friday from 8 AM to 6 PM CST.

IMPORTANT NOTICE

Federal law requires the Agent to withhold taxes at the applicable rate from the payment if an IRS Form W-9 or applicable IRS Form W-8 is not provided. Please visit www.irs.gov for additional information on the tax forms and instructions.

Dated: [______1 20__]

By: U.S. Bank National Association
as the Escrow Agent

EXHIBIT C

NOTICE OF DEFEASANCE
CRESCENTA VALLEY WATER DISTRICT
Revenue Certificates of Participation
(Water System Improvement Projects)
Series 2007

Maturity Date (September 1)	Interest Rate	Principal Amount Outstanding	CUSIP No.*
6/1/2018	4.000%	$ 265,000	225840AK3
6/1/2019	4.000	275,000	225840AL1
6/1/2020	4.125	285,000	225840AM9
6/1/2021	4.125	300,000	225840AN7
6/1/2022	4.125	310,000	225840AP2
6/1/2023	4.250	325,000	225840AQ0
6/1/2024	4.250	340,000	225840AR8
6/1/2025	4.250	355,000	225840AS6
6/1/2031	4.375	2,460,000	225840AU1
6/1/2037	4.375	3,185,000	225840AV9

Notice is hereby given to the owners of the above-captioned and listed certificates (collectively, the "Refunded Certificates") that:

(i) There has been deposited in an Escrow Fund with US Bank National Association, as Escrow Bank, certain monies as permitted by that Trust Agreement dated as of December 1, 2006 (the "Trust Agreement") by and between US Bank National Association, as trustee (the "Trustee") and the Crescenta Valley Water District (the "District"), pursuant to which the Refunded Certificates were issued. The moneys in the Escrow Fund are sufficient to prepay the Refunded Certificates on September [__], 2017 (the "Prepayment Date") at prepayment price equal to 100% of the principal amount thereof plus accrued interest evidenced and represented thereon to the Prepayment Date (the "Prepayment Price").

(ii) The Trustee has been irrevocably instructed by the District to mail a notice of prepayment with respect to the Refunded Certificates in accordance with the Trust Agreement and to prepay the Refunded Certificates on September [__], 2017.

(iii) The Refunded Certificates are deemed to be paid in accordance with the Trust Agreement and all liability of the District under the Trust Agreement has ceased and been discharged except for the obligation of the Trustee to pay the owners of the Refunded Certificates

* Neither the District nor the Escrow Agent shall have any responsibility for any defect in the CUSIP numbers appearing herein. CUSIP numbers have been assigned by Standard & Poor's CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. and appear in this notice for convenience of reference only.

the Prepayment Price when due from amounts on deposit in the Escrow Fund in accordance with the Trust Agreement.

Dated: ______, 20__

By: U.S. Bank National Association
as the Escrow Agent

CRESCENTA VALLEY WATER DISTRICT

DEBT ISSUANCE POLICY

This policy documents the goals of the Crescenta Valley Water District ("District") for the use of debt instruments and provides guidelines for the use of debt for financing District water infrastructure and project needs. The District's overriding goal in issuing debt is to respond to and provide for its infrastructure, capital project and other financing needs while ensuring that debt is issued and managed prudently in order to maintain a sound fiscal position and protect credit quality. The District issues debt instruments, administers District held debt proceeds and makes debt service payments, acting with prudence, diligence and attention to prevailing economic conditions.

The District will pay for all infrastructure, projects, and other financing needs from a combination of current revenues, available reserves, if any, and prudently issued debt. The District believes that debt can provide an equitable means of financing projects for its customers and provide access to new capital needed for infrastructure and project needs. Debt will be used to meet financing needs (i) if it meets the goals of equitable treatment of all customers, both current and future; (ii) if it is the most cost-effective means available; (iii) if it is fiscally prudent, responsible, and diligent under the prevailing economic conditions; and (iv) if there are other important policy reasons therefor. The District will not issue debt without the approval of the Board of Directors ("Board").

Goals and Objectives

The Board establishes the following principal goals and objectives with respect to proposed debt obligations.

- ***Cost-Effectiveness***. The District shall borrow, when required, in the most cost-effective and most desirable manner possible, within the context of preserving financial flexibility and meeting capital funding requirements.

- ***Risk Profile***. The District shall pursue financing vehicles with the lowest possible risk to the District and its customers, avoiding elaborate and novel financing structures unless there shall be good cause shown.

- ***Maintenance of High Credit Ratings***. The District shall strive to attain the best credit rating for each debt issue if deemed financially beneficial to obtain a credit rating for such debt issuance. The high credit ratings reduce the interest costs paid by the District on the amounts borrowed. .

- ***Compliance with State and Federal Law***. At all times, the District shall maintain strict compliance with State and federal law applicable to its debt obligations. In particular, (i) Division 12 of the State of California Water Code (the "Water Code") of the State; and (ii) applicable requirements of the Internal Revenue Code of 1986, as amended (the "Tax Code") with respect to all tax-exempt debt obligations.

- ***Sizing of Transactions***. The District's public offerings of debt shall be offered in the principal amounts that reflect the projected capital needs of the District, taking into account the costs of issuance of each transaction, interest rates that are obtainable for larger versus smaller financings and the staff time available to support each financing.

- ***Useful Life***. The term of any debt obligation should not exceed the average useful life of the financed assets, taking into account periodic costs such as maintenance, major renovation or replacement of component parts of the financed improvement during the life of the indebtedness.

Relationship of Debt to, and Integration with, the District's Facilities Program.

The General Manager, in consultation with the Board, shall assess and identify the capital needs of the District and review the current facilities plan (the "Facilities Plan") to develop a schedule for when assets should be improved or acquired. The General Manager shall identify potential funding sources and financing options and match those resources to the capital needs identified in the Facilities Plan. In making such determination, the General Manager shall consider the maximum term, average maturity, amortization of debt service, option redemption features, and use of variable or fixed-rate debt, credit enhancements, and other structuring considerations, as further discussed below.

Policy Goals related to the District's Planning Goals and Objectives

The projects in the Facilities Plan must be in-line with the District's mission and the General Manager will only finance assets with debt obligations which further the District's mission and are consistent with this Debt Policy's goals and objectives.

Manner of Borrowing; Types of Debt that May be Issued and Purposes of Debt

<u>District</u>. The following are the types of debt obligations that the District may issue, in each case, with a preference first for tax-exempt debt and second for taxable debt:

1. *General Obligation Bonds*

The District is empowered, under California law, to levy taxes on all taxable property within its boundaries for the purpose of paying its voter-approved general obligation bonds and, subject to certain limitations.

2. *Commercial Paper*

The District may issue short-term revenue certificates, including commercial paper and extendable commercial paper. Board action is sufficient to legally authorize a commercial paper issue. The District's commercial paper is secured by net revenues. Voter approval is not required to issue commercial paper.

3. *Assessment Bonds*

The District is authorized to issue assessment bonds pursuant to the Improvement Bond Act of 1915, subject to requirements imposed by Proposition 218. Such bonds are typically repaid from assessments collected within an assessment district formed pursuant to the Municipal Improvement Act of 1913. Assessments are levies of charges on real property to pay for projects or services that specifically benefit that parcel of property.

4. *Certificates of Participation or Revenue Bonds*

Certificates of Participation (COP) provide debt financing through a lease, installment sale agreement or contract of indebtedness and typically do not require voter approval. Board action is sufficient to legally authorize a COP issue. The District shall pledge net revenues to the repayment of its COPs, under the terms and conditions specified in the Trust Agreement. As an alternative to COPs, the District may obtain financing through the issuance of Debt by a joint exercise of powers agency with such Debt payable from amounts paid by the District under a lease, installment sale agreement, or contract of indebtedness.

5. *Special Tax Bonds*

The District is authorized to issue special tax bonds pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Part 1, Division 2, and Title 5 of the Government Code of the State of California.

Method of Sale

At the discretion of the General Manager, any debt offering may be pursued as (1) a competitive sale; (2) a negotiated offering; or (3) a private placement. In making his or her election under this provision, the General Manager shall consider conditions in the municipal markets, the type and complexity of the transaction, and the timing of the issue and the costs of issuance. The District shall pursue the method that has the potential to achieve the lowest financing costs.

- ***Competitive Sales of Debt***. In a competitive sale, underwriters submit sealed bids and the underwriter or the underwriting syndicate with the lowest true interest cost is awarded the sale.

- ***Negotiated Sales of Debt***. In a negotiated sale, the underwriter or underwriting syndicate is selected through a request for proposal (RFP) process or through negotiations with the District.

- ***Private Placements***. The General Manager may structure an offering as a private placement when appropriate or desirable, in particular, when (i) critical timing issues prevent use of either a competitive or negotiated sale of debt, (ii) the financing can or must be structured for a single or limited number of purchasers, or (iii) a lower all-in cost of financing is achievable through a private placement.

In connection with a proposed private placement, the General Manager shall select the purchaser or purchasers submitting proposals for purchase of the obligations on the best terms for the District, with such results provided on an informational basis to the Board prior to the Board's considering an action to authorize the private placement.

Factors in Structuring Each Debt Offering

- ***Maximum Term***. The maximum term of the debt obligations shall be limited to the average useful life of the financed assets.

- ***Average Maturity***. The District shall attempt to align the useful life of the financed capital improvement with the period during which the debt obligation will be outstanding. The final maturity of the debt shall be equal to or less than the useful life of the assets being financed, and the average life of the financing shall not exceed 120% percent of the average life of the assets being financed. The District may also consider whether the useful life of the capital improvement aligns with the period during which those benefiting from the improvement are paying for it.

- ***Debt Service Amortization***. The District shall design the financing schedule and repayment of debt so as to take best advantage of market conditions, provide flexibility, account for tax rate limitations, and, as practical, to recapture or maximize its credit for future use. Annual debt service payments shall generally be amortized on a level basis, or in the case of G.O. Bonds, consistent with conservative growth expectations for assessed valuation.

- ***Redemption Provisions***. The General Manager shall set forth call provisions for each debt issue, in consultation with the underwriter and financial advisor, which provides the best economic outcome to the District taking into account the needs of the District and market conditions. While the General Manager is allowed flexibility in setting the call provisions, debt obligations should generally be callable in no later than 10 years.

- ***Credit Enhancement of Debt Issues***. The General Manager, in consultation with the financial advisor, shall determine whether it is financially advantageous to the District to purchase bond insurance to secure the repayment of its publicly offered debt obligations and/or a reserve fund surety policy to satisfy the reserve requirement. The costs of bond insurance and/or reserve fund surety policy on tax-exempt offerings must demonstrate an overall debt service savings to the District. For other than G.O. Bond issues, the General Manager may, upon consultation with the financial advisor, determine to obtain credit enhancement through the issuance of letters of credit or standby purchase agreements, upon his or her determination that it is financially advantageous to the District to do so.

Refundings

Refundings may be considered by the General Manager and recommended to the Board when a targeted present value savings can be achieved.

Selection of Professional Services

- ***Independent Financial Advisor***. Irrespective of the nature of the sale of securities (competitive or negotiated), the District may select and retain a general financial advisory team led by an experienced independent financial advisor to provide advice on the District's debt management program, debt issuance structure, rating agency relations, credit enhancement decisions and other transaction details.

- ***Bond Counsel***. The District shall select and retain a bond counsel who shall prepare Board resolutions, bond documents and provide tax advice on specific debt transactions.

- ***Disclosure Counsel***. Irrespective of the nature of the sale of securities (competitive or negotiated), the District may select and retain a disclosure counsel. In doing so, the District recognizes the importance of accurate and adequate disclosure and the relationship between District staff and disclosure counsel retained directly by District.

- ***Underwriter***. The underwriter or underwriting syndicate shall be selected taking into account the considerations discussed in "Method of Sale" above.

- ***Ratings and Rating Agencies***. At the option of the General Manager, a publicly offered issue of debt may be rated by one or more of the national rating agencies (each, a "Rating Agency"), as the General Manager shall elect, upon consultation with the financial advisor and other members of the financing team. The General Manager may, from time to time when recommended by its financial advisor or other members of the financing team, provide updated financial and operational data to the Rating Agencies in order to maintain the rating of the District at the highest achievable level.

- ***Other Team Members***. The District, upon the counsel of staff and the financial advisor, shall select and retain other qualified and needed financing team members as may be required to fulfill the District's obligations related to the District's debt management program. Other financing team members may include, but are not limited to, special tax consultant, continuing disclosure consultant, continuing disclosure review consultant, continuing disclosure dissemination agent, trustee/fiscal agent, paying agent and bond registrar, financial printers, credit enhancement provider, reserve surety policy provider, economic analyst and/or data analyst, and arbitrage rebate service provider.

Post-Closing Procedures

The General Manager shall take such actions as may be necessary to ensure that the District complies with its post-issuance tax compliance procedures and continuing disclosure policies and procedures.

The District shall submit an annual report for any issue of debt for which it has submitted a report of final sale to the California Debt and Investment Advisory Committee ("CDIAC") on or after January 21, 2017, which shall cover a reporting period from July 1 to June 30, inclusive, to CDIAC no later than seven months after the end of such reporting period in a method approved by CDIAC and which complies with Section 8855 of the Government Code of the State.

Internal Control Procedures

District staff shall implement internal control procedures, consistent with the requirements of State law, to ensure that the proceeds of any debt issuance are directed to the intended use. Whenever reasonably possible, proceeds of debt will be held by a third-party trustee and the District will submit written requisitions for such proceeds. The District will submit a requisition only after obtaining the signature of the General Manager or such other designee as appropriate.

Waivers of Debt Policy

There will be circumstances from time to time when strict adherence to a provision of this Debt Policy is not possible or not in the best interest of the District. If the District staff has determined that a waiver of one or more provisions of this Debt Policy should be considered by the Board, it will prepare an analysis for the Board describing the rationale for the waiver and the impact of the waiver on the proposed debt issuance and on taxpayers, if applicable.

Upon a majority vote of the Board, one or more provisions of this Debt Policy may be waived for a debt financing. The failure of a debt financing to comply with one or more provisions of this Debt Policy shall in no way affect the validity of any debt issued by the District in accordance with applicable

Post-Issuance Tax Compliance Procedures of

Crescenta Valley Water District

The purpose of these Post-Issuance Tax Compliance Procedures ("Procedures") is to establish procedures to assist the Crescenta Valley Water District (the "Issuer") in complying with its federal tax obligations to maintain the exclusion from federal income taxes of interest on tax-exempt bonds that have been issued on its behalf (each an "Issue" and collectively, the "Bonds"). The Bonds, as updated from time to time, are listed in Exhibit B along with other information regarding each Issue of Bonds.

I. Overview of Objectives

These Procedures are intended to raise awareness within the Issuer of the ongoing requirements and limitations that must be satisfied to maintain the exclusion from federal income taxes of interest on each Issue, to avoid circumstances that cause noncompliance and to facilitate the prompt discovery of any noncompliance should it occur. These Procedures are not a comprehensive guide to the Issuer's post-issuance compliance requirements imposed by the Internal Revenue Code (the "Code") and the Treasury Regulations (the "Regulations"). The Issuer is advised to seek assistance from nationally recognized bond counsel dealing with situations not addressed herein and as appropriate from time to time.

Each tax certificate or agreement (each, a "Tax Certificate" and collectively, the "Tax Certificates") executed by the Issuer in conjunction with an Issue will provide specific information regarding the expected facts regarding such Issue and a more specific analysis of the limits imposed on the Issuer regarding the way it can invest proceeds of such Issue and use the facilities financed or refinanced by such Issue (such facilities financed by an Issue is referred to as a "Project," and any portion or component thereof, a "Project Component"). Accordingly, the Issuer will treat each Tax Certificate as supplementing these Procedures in fulfilling its obligations hereunder.

The Issuer will conduct, in consultation with nationally recognized bond counsel if deemed necessary, a periodic review of these Procedures and make updates or changes as necessary to accomplish the purpose of these Procedures, until the final maturity date of each Issue of Bonds.

The post-issuance obligations imposed by the Code and the Regulations are to ensure compliance with the following two general principles:

- LIMITS ON THE ABILITY TO EARN AND RETAIN ARBITRAGE: An issuer generally may not take advantage of the reduced borrowing costs associated with tax-exempt bonds by investing tax-exempt bond proceeds in investments with a higher yield and retaining the difference ("arbitrage"); and

- LIMITS ON NONGOVERNMENTAL OR PRIVATE USE OF THE FINANCED PROJECT: While any Issue of Bonds are outstanding, no more than 10 percent of such Issue's proceeds, or the Project financed by such each Issue, may be used in any trade or business activity carried on by any person or entity, including the United States Government and all of its agencies and instrumentalities, other than the Issuer or a state or political subdivision of a state. In addition, no more than 5% of an Issue's proceeds (or the Project) may be used in any trade or business activity carried on any person or entity, including the United States Government and all of its agencies and instrumentalities, other than the Issuer or a state or political subdivision of a state where such use is (i) disproportionate to a related governmental use or is (ii) unrelated to the governmental use of the proceeds of the Bonds.

As outlined below, the Issuer should keep accurate and adequate records to facilitate compliance with the above rules and should conduct periodic, at least annually, checks to affirm compliance. To the extent that the Issuer violates one of the above rules, nationally recognized bond counsel should be promptly consulted to assist with the analysis. Further, timely identification of violations are critically important as there are provisions in the Code which allow the Issuer to "remediate" the violations without jeopardizing the continued exclusion of interest on each Issue of Bonds for federal tax purposes, so long as the identification of the violation and the remediation thereof is timely made.

There are other rules that must be complied with and which are described in the Tax Certificates; however, these principles generate the most significant compliance obligations with respect to the Bonds.

II. Delegation of Responsibility

- The General Manager (the "Responsible Officer"), will have primary responsibility for ensuring compliance with these Procedures and ensuring that these Procedures are responsive to future legislative changes at both the federal and state level;

- On each May 1 (the "Annual Compliance Check"), the Responsible Officer shall take the steps described herein and affirmatively declare that the Issuer is in compliance with all of the requirements contained herein (see "Exhibit A" for sample declaration);

- The Responsible Officer will be assisted by other persons with responsibility to ensure compliance with these Procedures as provided herein or as determined by the Responsible Officer.

- In the event that Responsible Officer is unsure whether the Issuer is in compliance, the Responsible Officer shall consult with nationally recognized bond counsel for advice and, if necessary, assistance in taking steps necessary to remedy any failure to comply with these Procedures.

III. Investment of Proceeds (arbitrage and rebate)

a. Arbitrage Limitations and Requirements.

The ability to issue tax-exempt debt presents the Issuer with the opportunity to invest the proceeds of an Issue in debt or other investments that are subject to tax and that bear a higher investment return. In other words, "arbitrage" in the context of tax-exempt debt relates to the ability to issue tax-exempt debt and use the proceeds from the debt to purchase securities or other investments that are not tax-exempt and realize a positive difference between the interest income return on the investments and the interest costs of the tax-exempt debt. The arbitrage requirements and limitations must be satisfied for the life of each Issue lest the debt could be determined to fail to qualify for tax exemption, retroactive to the date of issuance.

The federal tax law requirements and limitations generally are structured as follows:

- Rule 1- Arbitrage earnings are not permitted, meaning that the proceeds of an Issue may not be invested at more than the yield of the Issue.

- Rule 2 – Exceptions to Rule 1 permit arbitrage earnings for short "temporary periods" pending the expenditure of the proceeds or for certain specific and/or limited amounts such as a reasonably required reserve fund. Generally, proceeds of an Issue to be used for acquisition and construction in capital financings qualify for a "temporary period" if the issuer reasonably expects to (1) spend at least 85% of the net sale proceeds of the bonds within 3 years of issuance, (2) enter into a substantial binding obligation to spend at least 5% of the net sale proceeds of the Issue within 6 months of the date of issuance and to (3) proceed with due diligence to acquire or construct the project and allocate the net sale proceeds of the Issue to expenditures. Generally, a reserve fund is eligible for an exception to Rule 1 and may be invested without yield limits if it is reasonably required and is not larger than the least of (1) maximum annual debt service of the Issue, (2) 125 percent of average debt service of the Issue and (3) 10 percent of the proceeds of the Issue. For reserve funds that secures multiple Issues (e.g., a parity reserve fund), the size limitation in the preceding sentence may be measured on an aggregate basis.

- Rule 3 – Arbitrage permitted to be earned pursuant to Rule 2 generally may not be retained by the state or local government but instead must be paid, or "rebated," to the federal government.

- Rule 4 – Limited exceptions to Rule 3 allow arbitrage earnings to be retained, all in circumstances where the potential for arbitrage earnings is expected to be minimal (such as the 2-Year, 18 Month or 6 Month exceptions to rebate).

Generally, arbitrage remains relevant for post-issuance compliance for each Issue only for such time for which there are unspent bond proceeds. However, the concept of proceeds is quite broad and there may be unspent bond proceeds in many different situations. Proceeds include the amounts derived from the sale of an Issue of Bonds ("Sale Proceeds"), earnings on Sale Proceeds ("Investment Proceeds") and amounts that have a direct nexus to the Issue or to the governmental purpose of the Issue ("Replacement Proceeds"). Replacement Proceeds could include amounts, if any, set aside in a sinking fund or pledged fund for an Issue. For example, if, after all the proceeds of an Issue have been spent on Project costs or to redeem a prior Issue, the Issuer establishing a sinking fund to repay such Issue, the amounts in the sinking fund would likely be treated as proceeds of the Issue and subject to the arbitrage rules. Refunding Issues may have an additional category of proceeds referred to as "Transferred Proceeds" which generally are proceeds of a prior Issue that remain unspent on the date or dates that such prior Issue is redeemed with proceeds of a refunding Issue which are treated as "transferring" to the refunding Issue. In this regard, if and to the extent the proceeds of an issue are to be used to retire a prior Issue, the Issuer will determine whether there are any unspent proceeds of such prior Issue, including reviewing the tax certificate for the Issue and any discussion therein regarding transferred proceeds.

b. Procedures Relating to Arbitrage.

The Issuer will perform or caused to be performed, the following procedures:

- For each outstanding Issue and upon the issuance of each new Issue, review the Tax Certificate for such Issue and
  - Identify the Sale Proceeds and expected Investment Proceeds for such Issue and the dates by with such proceeds are expected to be expended.
  - For refunding Issues, determine whether there are or may be Transferred Proceeds.
  - Note whether any proceeds are deposited to a Reserve Fund and expected to be invested for the entire life of the Issue.
  - Note the temporary period end date for proceeds deposited to a construction fund established for an Issue (typically three years following the issue date).
  - Note the Computation Dates (each date that rebate is to be computed, generally, within 45 days of each Bond Year and within 45 days of the date that the Issue is fully paid or redeemed) and Rebate Payment Dates (the fifth Computation Date, generally each fifth successive Computation Date thereafter and the date that the Issue is fully paid or redeemed) for the Issue.

- Monitor and track the amounts of unspent proceeds, the expenditures of proceeds and work with a rebate service provider or with bond counsel as required to determine if any exceptions from arbitrage rebate are applicable.

- Engage a rebate service provider as necessary to assist in calculating the amount of arbitrage rebate due to the federal government.

- Each Bond Year (up to and including the Bond Year in which all of the proceeds of an Issue have been fully expended), confirm that the Issuer's rebate analyst has received trustee reports or other data that reflects investment and expenditure activity of proceeds of the Issue within 30 days of each Computation Date in such year.

- Arrange the payment of rebate, if any is owed, within 45 days of each Rebate Payment Date.

- If proceeds remain unexpended following the end of an applicable "temporary period," confirm that such proceeds are not thereafter invested at a yield in excess of the yield of the Issue or that yield reduction payments are timely made, as directed by the applicable Tax Certificate.

- If there is uncertainty whether there are unspent proceeds for an Issue, consult with nationally recognized bond counsel and, if necessary, a rebate service provider for the identification and proper treatment of such proceeds.

- Additional procedures may be appropriate for any particular Issue. If the Issuer is unsure whether additional Procedures are necessary for an Issue, the Issuer will consult the Tax Certificate for the Issue and with nationally recognized bond counsel as necessary.

Until three years following the final maturity date of an Issue (or any tax-exempt bonds issued to refund an Issue), the Issuer shall maintain copies of all arbitrage reports, trustee statements, disposition records, and other documentation relating to arbitrage rebate in accordance with Section V of these Procedures.

IV. Use of the Project

a. Limitations on Private Business Use

To preserve the tax exemption of each Issue of Bonds, private business use of the Project financed by the Issue is limited. If a facility is financed by funds in addition to the proceeds of an Issue, only those specific portions of the facility that were financed with proceeds from the Issue comprise the Project for purposes of these Procedures and are subject to private business use limitations.

b. What is "private business use"?

The Code requires the application of complex rules regarding "private business use," the application of which is required (1) prior to issuance based on the Issuer's reasonable expectations and (2) on an ongoing basis based on actual facts until the bonds are fully paid. Private use generally means the use of a financed Project in the trade or business of any person other than a state or local government, other than use that is on the same basis of the use of the project by the general public. Loans of proceeds of an Issue to nongovernmental persons ("private loans") also will generally prevent such Issue from qualifying for tax exemption. De minimis amounts of "private use" or "private loans" is permitted but the application of complex rules is required to measure the amount of private use or private loans. Private business use generally may not exceed ten percent or, in certain circumstances, five percent of the Project financed by each Issue of Bonds. Private loans may not exceed the lesser of five percent of the proceeds of an Issue or $5,000,000. Both direct and indirect use by an entity or person other than the Issuer or other state or political subdivision must be taken into account. For example, a Project or Project Component that is leased to a government and subleased to an entity or person that is not a government is taken into account.

For purposes of these Procedures, "private business use" may include use pursuant to any of the following types of arrangements with respect to a Project or Project Component:

- Ownership of a Project or Project Component by an entity or person that is not a state or local government.

- A management or service contract that does not meet the guidelines set forth in Rev. Proc. 2017-13, as amended and amplified;

- A lease or license;

- An installment sale or other form of transfer of ownership;

- Research agreements that does not meet the guidelines set forth in Rev. Proc. 2007-47; and

- Any other arrangements conveying special legal entitlements with regard to the Project including, for example, naming rights contracts or contracts that convey priority or reserved rights.

c. <u>What is not "private business use"?</u>

For purposes of these Procedures, "private business use" does not include the following:

- Use of a Project of Project Component in the same manner as the Project or Project Component is used by the general public; and

- Activities conducted in any portion of a facility that was not constructed, renovated, or improved using proceeds of an Issue.

In addition, the Code and related Regulations include certain de minimis exceptions where use that would otherwise constitute private business use is permitted. The two most important de minimis exceptions are as follows:

- Any single contract for use with a term of less than 50 days (measured both annually and in the aggregate for multiple years) including all renewals, with a fee negotiated on an arms-length basis; and

- "Incidental Uses" (e.g., vending machine, pay phone, kiosks) if the same do not aggregate more than 2.5% of the bond-financed facilities and are not functionally related to other use of the facility by the same private user.

d. Procedures relating to Private Business Use

The Issuer will perform or caused to be performed, the following procedures:

- For each outstanding Issue and upon the issuance of each new Issue, review the Tax Certificate for such Issue and prepare a schedule similar to Exhibit C that details all of the Project Components for each Issue (including buildings, equipment, tangible property, etc.), and to update such schedule from time to time as necessary.

- For each Project Component or group of Project Components, the Responsible Officer shall have primary responsibility for ensuring compliance with these Procedures with respect each Project Component.

- The Responsible Officer shall on an ongoing basis monitor the use of the Project Components to ensure the use of such Project Components is consistent with the applicable Tax Certificate.

- The Responsible Officer shall consult with nationally recognized bond counsel and other professional advisors as necessary with regard to any planned disposition of a Project Component and in connection with review of any material contracts (including management contracts, leases, licenses, research contracts) that may result in private business use of a Project or Project Component;

- All identified private business uses of a Project or Project Component for each Issue shall be included on the schedule similar to Exhibit D and updated from time to time, no less frequently than annually.

- Additional procedures may be appropriate for any particular Issue. If the Issuer is unsure whether additional Procedures are necessary for an Issue, the Issuer will consult the Tax Certificate for the Issue and with nationally recognized bond counsel as necessary.

- For the duration of the Retention Period, maintain records in accordance with Section V of these Procedures.

V. Record Keeping Requirements

The Issuer shall continue to keep records and retain documents for either (1) three years past the final maturity date of each Issue of Bonds, or (2) if there is a refunding of the Issue, three years following the final maturity date of the refunding issue (the "Retention Period").

The Issuer shall retain all records related to expenditures of proceeds of an Issue and all records related to the use and disposition of the Project acquired or constructed with proceeds of an Issue. The following are some examples of records that should be kept, along with any other relevant documents, over the course of the Retention Period:

- Basic records and documents relating to the Issue (i.e., the transcript);
- Documentation evidencing the investment activity and expenditure of proceeds of an Issue, including the dates and amounts of expenditures for the Issue;
- Documentation evidencing the use of all, any portion or any components of the Project by public and private sources (i.e., copies of management contracts, research agreements, leases, sales or other dispositions of all, portions or components of the Project, etc.);
- Documentation evidencing all sources of payment or security for the Issue;
- Documentation regarding the timing and allocation to expenditures of proceeds of the Issue;
- Documentation pertaining to any investment of proceeds of the Issue (including the purchase and sale of securities, SLGs subscriptions, yield calculations, actual investment income received from the investment of proceeds, guaranteed investment contracts, and rebate calculations);
- Records of all amounts paid to the United States as rebate or yield reduction payments.

VI. Procedures for Correcting Non-Compliance

Procedures exist for self-reporting and correcting any post-issuance compliance violations. If any non-compliance of applicable federal tax requirements is identified, the Responsible Officer shall immediately evaluate, with the assistance of nationally recognized bond counsel, the availability of the remedies provided under the Code, including Treasury Regulation 1.141-12 and other IRS guidance as to remediation of violations of Sections 103 and 141-150 of the Code, as well as the IRS Voluntary Closing Agreement Program. The Issuer will comply with such procedures to the extent necessary to ensure that the interest on the Bonds remains excludable from gross income for federal income tax purposes.

VII. Training

Once each year, the Responsible Officer and other Issuer staff as determined by the Responsible Officer, shall receive training relevant and appropriate to the responsibility undertaken and assigned hereunder.

List of Exhibits and Appendices

Exhibit A	Annual Certification
Exhibit B	Bond Issues
Exhibit C	Project Financed with each Issue
Exhibit D	Private Business Use by Issue

Exhibit A

Annual Certification

On [DATE], I, [NAME], was appointed the Responsible Officer and assigned the responsibility of ensuring that the Issuer has adhered to and complied with all of its post-issuance compliance obligations as enunciated in the Post-Issuance Tax Compliance Procedures (the "Procedures"), dated [__________].

By signing this certificate, I affirm that I have reviewed the necessary documentation and performed the necessary review to confirm that between [DATE] and [DATE], the Issuer was in compliance with all of its post-issuance compliance obligations as set forth in the Procedures and as described in the Tax Certificates.

____
Name
Date

Exhibit B

<u>Bond Issues</u>

Exhibit C

Projects Financed with each Issue

Exhibit D

Private Business Use by Issue

CRESCENTA VALLEY WATER DISTRICT
BOARD OF DIRECTORS - STAFF REPORT

Action Item No. 5

To: Honorable President and Members of the Board of Directors August 15, 2017

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

Subject: <u>Award of Contract</u> - **Quality Control Inspection Services for Well 2 and related facilities, Project E-956**

<u>INFORMATION ITEM:</u>

<u>CVWD's Well 2 and Related Facilities, Project E-956</u> – Consideration and motion to authorize the General Manager to enter into an agreement with Cannon Corporation for quality control inspection services for Well 2 and related facilities at a not-to-exceed cost of $128,614 and establish a contingency in the amount of $12,861 (10% of contract) to cover the cost of additional work

<u>BACKGROUND:</u>

CVWD received a grant from the Department of Water Resources (DWR) to reactivate Well 2 and construct a new biological nitrate removal treatment facility. The project will utilize a local water resource, increase CVWD's ability to use its adjudicated rights within the Verdugo Basin, reduce CVWD's dependence on imported water from MWD and reduce nitrate levels within the Verdugo Basin.

On July 15, 2017, the Well 2 and related facilities project was advertised for bids. The bids will be opened on August 30, 2017. Construction should commence in late October 2017 and it is anticipated to be completed in May 2018.

<u>DISCUSSION:</u>

Staff needs the services of a construction management firm to coordinate the project in the field and to provide oversite during construction. Staff needs this assistance since CVWD's Construction Inspector will be assigned to the Oak Creek Reservoir Rehabilitation project, the pipeline project on the 2700, 3000 & 3100 Blocks of Brookhill and the upgrades to Ramsdell mixing station during the same time period as the Well 2 project.

Staff sent a request for proposal (RFP) to four (4) firms qualified to provide construction management services, which did not include the design-engineering firm. The firms were Butier Engineering, Tetra-Tech, Civiltec Engineering and Cannon. Staff has worked with these firms on past projects and is well versed in these firm's capabilities.

The proposals were received on August 2, 2017 from three (3) firms as Civiltec Engineering decided to not provide a proposal due to insufficient availability of staff. Staff reviewed each proposal and ranked each firm based on Project Concept/ Understanding, Scope of Work, Consultants Fee, Project Experience, Project Team Qualifications, and Project Schedule. As shown on the attached Consultant Ranking, Cannon Corporation (Cannon) provided a proposal that meets the District's needs for the project and at a cost within the project's budget.

	<u>Consultant</u>	**<u>Total Proposal Amount</u>**
Low	Cannon Corporation	$128,681
2nd	Tetra-Tech	$148,855
3rd	Butier Engineering	$155,280
4th	Civiltec Engineering	Declined to Bid

RECOMMENDATION:

It is staff's recommendation to enter into an agreement with Cannon for quality control inspection and construction management services at a not-to-exceed cost of $128,614. Staff has had experience with Cannon since they provided construction management services for the Well 16 project. This item was discussed with the Engineering Committee and the Committee approved awarding a consultant contract to Cannon.

ENVIRONMENTAL REVIEW:

N/A

FUNDING AVAILABILITY:

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

Account Description	Grant Cost Breakdown
Greater Los Angeles County IRWM 2015 Solicitation Implementation Grant	**$1,825,000**
Amount reimbursed from Grant (39%)	*$705,775*
CVWD Costs (61%)	*$1,119,225*
Breakdown of Project Costs	
Approved Contract – SA Associated - Engineering Services	<$114,000>
Approved Contract – APTwater for ARoNite Nitrate Treatment System	<$625,000>
Approved Contract – Royal Wholesale Electric for MCC & Switch Board	<$98,547>
Engineer Cost Estimate – Well 2 Facilities	<$907,000>
Construction Management Services	<$128,614>
Contingency amount to cover the cost of additional work	<$12,861>
Estimate Cost – Soil Inspection, Permitting Fees, Engineering Services, and Misc work	<$138,978>
Total Estimated Cost for Design & Construction	***<$2,025,000>***
Amount Remaining for Well 2 Project	**<$200,000>**
Transfer of funds from Pipeline Replacement	**$235,000**
Remaining Funds	**$35,000**

Prepared by:

David S. Gould, P.E.
District Engineer

Submitted by:

Thomas A. Love
General Manager

Attachments:
1. Quality Control Inspection Services Consultant Ranking

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Crescenta Valley Water District

Quality Control Inspection Services for CVWD's Well 2 and Related Facilities at 4029 Lowell Ave
Project E-956

Consultant Ranking

Ranking	Weighted Percent	Cannon		Tetra Tech		Butier Engineering		Civiltec Engineering	
		Score	Weighted Score	Score	Weighted Score	Score	Weighted Score	Score	Weighted Score
Project Concept/ Understanding	**25%**	5.0	1.25	5.0	1.25	5.0	1.25		
Scope of Work	**35%**	5.0	1.75	5.0	1.75	5.0	1.75		
Consultant's Fee	**15%**	4.0	0.60	3.5	0.53	3.0	0.45		
Project Experience	**10%**	5.0	0.50	5.0	0.50	5.0	0.50		
Project Team Qualifications	**10%**	5.0	0.50	5.0	0.50	5.0	0.50		
Project Schedule	**5%**	5.0	0.25	4.0	0.20	5.0	0.25		
Final Weighted Score	**100%**	1st	4.85	2nd	4.73	3rd	4.70		
Proposal Cost			$128,614		$148,855		$155,280		

Each consultant's proposal rated 1 - 5 (5 outstanding - 3 average - 1 unsatisfactory) on each category above. Each rating is multiplied by the weighted average for each category and totaled for the final weighted score.

Categories:

Project Concept/ Understanding - *How well the consultant's proposal addressed the needs of the District as outlined in the request for proposal*
Scope of Work - *How well the consultant showed how its firm would complete the requested tasks*
Consultants Fee - *How well the consultant's proposal utilized their staff and the costs associated with the proposal*
Project Experience - *How much previous experience has the consultant on projects similar to this project*
Project Team Qualifications - *How did the consultant's proposal use its staff and the experience of the individual people involved*
Project Schedule - *How well did the consultant's proposal address the schedule and completion of the project*

CRESCENTA VALLEY WATER DISTRICT

BOARD OF DIRECTORS - STAFF REPORT

Action Item No. 4
August 15, 2017

To: Engineering Committee

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

Subject: **Award of Contract – FY 2017/18 Grant Assistance Consulting Services, Project M-965**

ACTION ITEM:

FY 2017/18 Grant Assistance Consulting Services, Project M-965 - Consideration and motion to authorize the General Manager to enter into an agreement with John Robinson Consulting to provide services for coordination and preparation of applications for State and Federal Grants at a not-to-exceed cost of $30,000 and establish a contingency amount of $3,000 (10% of contract) to cover the cost of additional work

BACKGROUND:

In FY 16/17, staff utilized the services of John Robinson Consulting, Inc. (JRC) to provide assistance on a number of projects and with research and information gathering on obtaining various Federal, State and Local grant funding for CVWD project's as shown below:

- Provided an evaluation of CVWD's Recycled Water Study
- Attended the Greater Los Angeles County Region Integrated Regional Water Management Plan (IRWMP) and the Upper Los Angeles River (ULAR) Sub-region steering committee meetings and reporting on the current status of the Prop 84 grant program
- Coordinating stakeholder meetings for CVWD's Crescenta Valley County Park (CVC Park) Stormwater capture project with City of Glendale, Los Angeles County Department of Parks & Recreation and Los Angeles County Department of Public Works
- Investigate Federal Emergency Management Agency (FEMA) grant funding to potentially assist with the design and/or construction for the repairs to the Lower Pickens Canyon water pipeline crossing
- Investigate United States Bureau of Reclamation (USBR) grant funding for CVWD's Automated Meter Information (AMI) installation program
- Assisted with the CEQA documentation for CVWD's Well 2 project as part of the Prop. 84 grant requirements
- Assisted with preparing MWD Local Resources Program (LRP) application and background material for Well 2 and related facilities project
- Project management services for CVWD's Well 2 and related facilities project including coordinating with City of Glendale on permitting issues

JRC's original consulting contract was for $21,000 and an amendment was made to the contact for an additional $12,000 for project management services for the Well 2 and related facilities project for a total of $33,000, which was included in the FY 16/17 Administrative Consultants budget.

DISCUSSION:

Staff requested JRC to provide a new time & materials proposal for grant assistance and project management services during FY 17/18 that includes the following:

1. Crescenta Valley County Park Storm Water Project:
   a. Coordination with potential project partners - City of Glendale, Glendale Water & Power, County of Los Angeles Department Parks & Recreation and Los Angeles County Department of Public Works
   b. Assist CVWD with obtaining grant funding through the Prop 1 IRWMP process
2. Coordinate with CVWD to research other grant opportunities to support CIP projects including grants through USBR, FEMA and DWR
3. Assist CVWD with financing opportunities such as State Water Resource Control Board Division of Financial Assistance Drinking Water State Revolving Funding for future CIP projects
4. Project management services during construction of CVWD's Well 2 and related facilities project

JRC provided a proposal dated July 30, 2017 (see attached) for $30,000 to provide grant assistance and project management services for FY 17/18.

RECOMMENDATION:

Staff recommends that the General Manager enter into an agreement with John Robinson Consulting, Inc. for a time & materials contract at a not-to exceed cost of $30,000 for grant assistance and project management services for FY 17/18. This item was discussed with the Engineering Committee and the Committee approved awarding a consultant contract to JRC.

ENVIRONMENTAL REVIEW:

N/A

FUNDING AVAILABILITY:

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

Account Description	Amount
FY 17/18 Administrative Consultants	$161,500
Grant Assistance and Project Management Services	<$30,000>
Contingency amount to cover the cost of additional work	<$3,000>
Total Cost	**<$33,000>**
Amount Remaining in FY 17/18 Administrative Consultants	**$128,500**

Prepared by:

David S. Gould, P.E.
District Engineer

Submitted by:

Thomas A. Love
General Manager

Attachments:

1. John Robinson Consulting, Inc. proposal dated July 30, 2017

July 30, 2017

Mr. Thomas A. Love, General Manager
Crescenta Valley Water District
2700 Foothill Boulevard
La Crescenta CA 91214

Subject: Letter Proposal to Provide On-Call Consulting

Dear Mr. Love:

John Robinson Consulting, Inc. (JR Consulting) is pleased to offer is letter proposal to Crescenta Valley Water District (CVWD) based upon the email from July 10, 2017 and a follow up discussion on July 28th. Our firm is a California S Corporation, is a Small Business Enterprise (SBE) and is located locally in Pasadena. This letter proposal outlines our scope of service, schedule and fee estimate.

SCOPE OF SERVICES

Task 1: Crescenta Valley County Park Storm Water Project:

JR Consulting will assist CVWD and their consultant (Amec Foster Wheeler) with the next steps of implementation including the followings:

A. Coordination with potential project partners (City of Glendale, Glendale Water & Power, County of Los Angeles Department Parks & Recreation (LACDPR) and Los Angeles County Department of Public Works.
B. JR Consulting will assist CVWD with obtaining grant funds for the Crescenta Valley County Park Stormwater Recharge Facility (See deliverable and schedule below). CVWD wants to install a stormwater recharge facility at the Crescenta Valley County (CVC) Park to capture and infiltrate stormwater and dry-weather flow within the Verdugo Wash to recharge the Verdugo Basin. CVC Park which is owned by the LACDPR, located within the County of Los Angeles and surrounded by the City of Glendale provides a rich partnership project opportunity to implement the goal for the stormwater recharge facility to increase groundwater supplies, improve local water supply reliability particularly during times of drought, improve groundwater quality and reduce surface water runoff within CVC Park. The potential grant being investigated would be the 2017 Integrated Regional Water Management Grant Program, Chapter 7 under Department of Water Resources.

Deliverable: *JR Consulting in coordination with CVWD staff would purse Prop 1 IRWM Grant Program, Chapter 7 funding. JR Consulting will coordinate with ULAR as well as GLAC to submit the project for consideration. JR Consulting will attend key ULARA monthly meetings.*

Schedule: *Prop 1 IRWM Grant applications are expected to begin in Spring 2018.*

Task 2 – Grant Opportunities:

JR Consulting will coordinate with CVWD to research other grant opportunities to support CIP projects including those grants listed below

Task 2-1: JR Consulting will investigate Federal Emergency Management Agency (FEMA) grant funding to potentially assist with the design and/or construction for the repairs to the Lower Pickens Canyon water pipeline crossing.

Deliverable: *JR Consulting will investigate and provide the findings to CVWD regarding potential FEMA funding for design and/or construction funds for repairing the Lower Pickens Canyon water pipeline crossing.*

Schedule: *FEMA grants can be submitted anytime but typically new applications occur from November 2017 to February 2018.*

Task 2-2: JR Consulting will investigate United States Bureau of Reclamation (USBOR) funding to help offset CVWD's investments into AMI installation in the service area. CVWD current installation is estimated at approximately 4,000 AMI installation on meters installed in the late 1970's to mid-1980 with measurable improvements in losses of approximately 4.0%. The potential funding would help accelerate the remaining installation as well as the development of a fixed area network to have the AMI meters to be read automatically versus manually.

Deliverable: *JR Consulting will investigate and provide the findings to CVWD regarding potential USBOR funding AMI installations as well as fixed area network.*

Schedule: *USBOR issues Proposed Solicitation Packages (PSPs) in October to mid-November. After the PSPs are approved grants can be submitted typically from November 2017 to February 2018.*

Task 2-3: JR Consulting will investigate the potential to obtain a State Water Resource Control Board Division of Financial Assistance Drinking Water State Revolving Funding for capital improvement projects (CIP) which could be provided at a low interest loan (1.8-percent). JR Consulting is currently developing a DWSRF application package for another water retailer and will take that knowledge of the process and make recommendations to CVWD based upon CVWD 5-year CIP.

Deliverable: *JR Consulting will investigate and provide the findings to CVWD regarding potential SWRCB DFA DWSRF future CVWD CIP projects.*

Schedule: *Drinking Water State Revolving Funds (DWSRF) can be submitted anytime and currently SWRCB Division of Final Assistance are looking for projects to fund and the process typically takes 12 to 18 months so would not impact the current 2017-2018 CIP budget.*

Task 3: Well #2 and Related Facilities:

JR Consulting will assist CVWD with three specific tasks with Well #2 and Related Facilities. Those tasks include:

A. Permitting with City of Glendale (Grading and potentially a Building and Safety permit)
B. Permitting and coordination with Glendale Water & Power (permits to be obtained by the selected Contractor)
C. Assisting SA Associates (designers), APT (Equipment suppliers) and Construction Management teams during construction and testing of the new equipment with the SWRCB Division of Drinking Water.
D. Completion on an Local Resource Program application to be submitted to Foothill Municipal Water District who will submit to Metropolitan Water District of Southern California.

MEETINGS

JR Consulting will be available for up to three (3) meetings including Executive management, Engineering Committee and Board of Directors to discuss the deliverables from the tasks.

Time Schedule

JR Consulting will commence with the proposed scope of services after the Professional Services Agreement (PSA) has fully been executed. JRC will provided a copy of our Certificate of Insurance per the PSA requirements and will keep the insurance valid throughout the project. JR Consulting will focus on Task 1 after the Notice to Proceed. JR Consulting will then focus on Task 2 and Task 3 during the period of the work.

The scope of work will be starting on July 1, 2017 through June 30, 2018 (12 months).

Compensation

JR Consulting will provide the scope of services with the proposed schedule as set forth in this proposal to CVWD on a time and material basis. Based on JR Consulting's present knowledge of the services described above, it is recommended that $30,000 and is based on 200 hours at $150 per hour which is $3,000 per month but hours will only be charged for those hours worked as this is a not a lump sum proposal.

JR Consulting commits to timely, responsive services, and to deliver excellence in the offered services. We are eager and enthusiastic to begin this technical memorandum for CVWD.

If there are any questions, please feel free to contact me at (626) 375-9389 or jrobinson@johnrobinsonconsulting.com

Very truly yours,

John Robinson Consulting, Inc.

John Robinson, Principal

To: Staff - Directors From: Judy T.

News Mirror June 23, 2017

The Korean Water Works Association members at the filtration plant.

YVWD hosts South Korean representatives to its processing systems at sewer plant

The Yucaipa Valley Water District frequently hosts visitors from around the world who are interested in touring the advanced membrane drinking water filtration system.

Recently a group of representatives from South Korea toured the district's drinking water plant seeking information on the latest water treatment technologies.

Kevin King, operations manager of Yucaipa Valley Water District's sewer treatment plant, lead the tour for the Korean Water Works Association (KWWA) on June 2.

KWWA is made up of professionals working to bridge the gap between industry, academics and government through the exchange and expansion of water supply knowledge.

The technological achievements by the Yucaipa Valley Water District provide a unique opportunity for visitors to see how microfiltration and molecular filtration processes provide ultra-pure drinking water and highly purified recycled water for a community of about 50,000 customers.

For more information about tours, contact Jennifer Ares, Water Resource Manager for Yucaipa Valley Water District at 790-3301.

CalPERS

CalPERS Reports Preliminary 11.2 Percent Investment Return For Fiscal Year 2016-17

July 14, 2017

Communications & Stakeholder Relations
(916) 795-3991
Brad W. Pacheco, Deputy Executive Officer
Wayne Davis, Chief, Office of Public Affairs
Contact: Megan White, Information Officer
newsroom@calpers.ca.gov

News media availability with CIO today at 10:35 PDT

SACRAMENTO, CA - The California Public Employees' Retirement System today reported a preliminary 11.2 percent net return on investments for the 12-month period that ended June 30, 2017. CalPERS assets at the end of the fiscal year stood at more than $323 billion.

The strongest returns came from the Public Equity Program, which generated a 19.7 percent return. Private Equity's preliminary net returns were 13.9 percent, followed by Real Estate, with preliminary net returns of 7.6 percent.

Based on these preliminary fiscal year returns, the funded status of the overall CalPERS fund is an estimated 68 percent, an increase of 3 percentage points from the previous fiscal year. This estimate is based on a 7 percent discount rate.

"I am proud of our investment team for achieving double digit returns this year," said Ted Eliopoulos, CalPERS chief investment officer. "Our globally diversified portfolio performed well across most asset classes, and we were able to take advantage of what the market gave us. However, I want to emphasize that as pleased as we are with this one-year return, our focus is always on the long-term. We invest for decades, not years."

"We will continue to work towards reducing the cost, risk, and complexity of the portfolio while also achieving the returns necessary to pay pensions the public service workers of California have earned."

View Eliopoulos discussing the preliminary returns.

Additional returns include Fixed Income, which earned 0.3 percent, while Inflation Assets lost 2.7 percent for the fiscal year.

This brings Total Fund performance to 8.8 percent for the five-year time period, 4.4 percent for the 10-year time period, and 6.6 percent for the 20-year time period.

"CalPERS is focused on the long-term sustainability of our system," said Marcie Frost, CalPERS chief executive officer. "Of course, we welcome this fiscal year's strong returns, but we also remain about 68 percent funded and vulnerable to a downturn in stock markets. This will be our focus as we continue to move through the asset allocation process over the next six months."

Today's announcement includes asset class performance as follows:

	Net Rate of Return	Performance Relative to Policy Benchmarks
Total Fund	11.2%	(15) bps
Public Equity	19.7%	(18) bps
Private Equity	13.9%	(640) bps
Fixed Income	0.3%	115 bps
Real Assets	7.4%	43 bps
Real Estate	7.6%	24 bps

	Net Rate of Return	Performance Relative to Policy Benchmarks
Infrastructure	9.9%	345 bps
Forestland	1.0%	(268) bps
Liquidity	0.8%	29 bps
Inflation Assets	-2.7%	(83) bps

Returns for Real Estate, Private Equity and some components of the Inflation Assets reflect market values through March 31, 2017.

CalPERS' 2016-17 final fiscal year investment performance will be calculated based on audited figures and will be reflected in contribution levels for the State of California and school districts in fiscal year 2018-19, and for contracting cities, counties and special districts in fiscal year 2019-20.

The ending value of the CalPERS fund is based on several factors and not investment performance alone. Contributions made to CalPERS from employers and employees, monthly payments made to retirees, and the performance of its investments, among other factors, all influence the ending total value of the fund.

CalPERS will continue its Asset Liability Management Review Cycle (PDF) throughout 2017. This review takes a holistic and integrated view of our assets and liabilities. At a November workshop, the Board will consider several different investment portfolio scenarios as it makes a decision on the fund's overall asset allocation mix.

News Media Availability Today

Today CalPERS will hold news media availability at 10:35 a.m., PDT, with its Chief Investment Officer, Ted Eliopoulos, to discuss earnings for the 2016-17 fiscal year. To participate, call the toll-free number 888-324-9562 from the U.S., using the pass code "5184413" for call leader Wayne Davis. International callers may call 1-773-756-4814.

About CalPERS

For more than eight decades, CalPERS has built retirement and health security for state, school, and public agency members who invest their lifework in public service. Our pension fund serves more than 1.8 million members in the CalPERS retirement system and administers benefits for 1.4 million members and their families in our health program. CalPERS' total fund market value currently stands at approximately $327 billion. For more information, visit www.calpers.ca.gov.

Videos

CRESCENTA VALLEY WATER DISTRICT

General Manager Report

GM Report
August 15, 2017

To: Honorable President and Members of the Board of Directors

From: Thomas A. Love, General Manager

Subject: **General Manager Report**

This month I am combining the staff reports under the General Managers Report. The report is organized with the following sections:

- Staffing
- GM Activities
- Finance
- Engineering and Operations
- Water Quality

These sections may vary month to month depending on the subjects reported.

The following are some highlights in this month's report:

- Fiscal Year End Budget Variance
- Water Production
- Leak Detection
- Pennsylvania Ave. Pipeline Completion
- Water Quality Investigation

Submitted by:

Thomas A. Love
General Manager

STAFFING

The District currently has 36 staff positions, of these 31 are filled leaving 5 vacant positions. In addition, two employees are on extended leave. Three temporary employees are being used to fill these two positions and one of the vacant positions.

One employees has a work anniversary in August. Darlene Telles has been with the District 4 years.

GENERAL MANAGER ACTIVITIES

Meetings:

Management staff meetings	- July 18, 24, 31, August 7
FMWD managers meeting	- July 12th
CV Town Counsel	- July 20th
Meeting with Bond Underwriter	- August 1st
Staff meeting re: water quality	- August 2nd

Other Activities:

National Night Out
Personnel management
Customer issue resolution

FINANCE

Fiscal Year End Budget Variance Report

Attached is the Fiscal Year 2016/17 preliminary year end budget variance summary and detail for the water and wastewater funds.

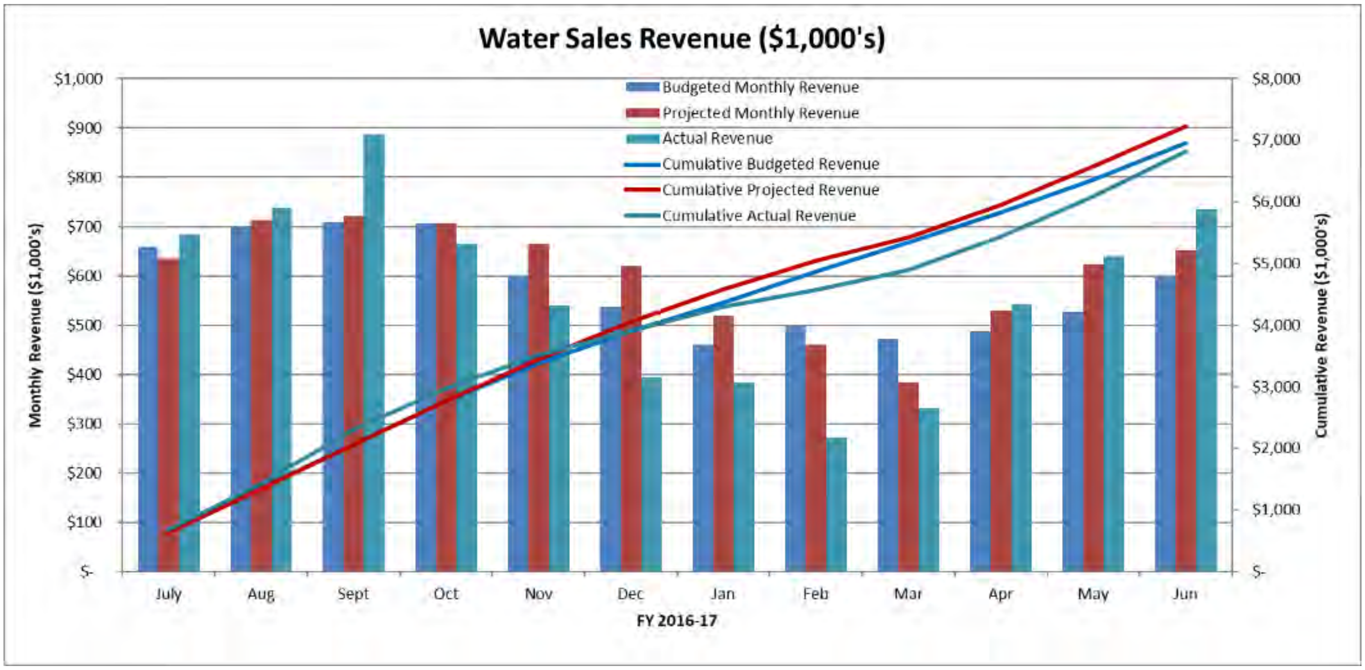
On June 28, 2016, the Board adopted the water and wastewater fund budgets. Staff has provided quarterly budget variance summary reports to the Board following each quarter. Staff also provided projected fiscal year-end revenues and expenses with the draft and recommended Fiscal Year 2017/18 Budgets which the Board adopted on June 20, 2017. The following is a summary comparison of the budgeted, projected and preliminary fiscal year end change in reserves for the water and wastewater funds.

FY End Additions (Reductions) of Reserves	Budgeted	Projected (6/20/17)	Preliminary FYE
Water Fund	($ 856,650)	($ 1,549,130)	($ 999,200)
Wastewater Fund	($ 349,250)	($ 146,110)	$220,190

DISCUSSION:

Water Fund

Operating Revenue: The Fiscal Year 2016/17 Budget assumptions for water sales revenue are based on water demands increasing by 6% over the prior year. Although water demands have slightly exceeded projections, by 4%, fewer customers are in Tier 2 and 3, especially during the winter months, resulting in water sales revenue at $132,000 below budget by 1.9%. Another factor is that the average water rate (Tier 2) used to calculate budgeted water sales revenue was not adjusted when the Tier 4 rate was eliminated.



Connection fee revenue is $221,000 over budget a result of an increase in development activity. Two large developments account for $234,000 of connection fee revenue.

Overall Operating Revenues are $145,000 over budget.

Non-Operating Revenue: Net interest earnings and investment gain total $298,000, $57,800 over budget. Grant revenue is $708,000 under budget, partly due to early receipt of $300,000 grant revenue in the prior year. Remaining grant revenue is either pending project completion or is in process with the grantors. Unbudgeted MTBE Settlement revenue of $24,000 was also received.

Overall Non-Operating Revenues are $707,000 under budget.

Expense: Total expenses, excluding purchased water, are $232,000 under budget. Purchased water expense is $725,000 over budget due to reduced local groundwater availability.

Capital Expense: Capital improvement expense is $943,000 under budget primarily due to the deferral of the Oak Creek Reservoir rehabilitation ($300,000) and delay in construction of the Well 2 treatment project ($530,000).

Overall Capital Expenses are $940,000 under budget.

Wastewater Fund

Revenue: Sewer service charge revenue is $200,000 under budget which is a result of the new variable volumetric sewer charge.

Overall revenues are $117,000 under budget.

Expense: Wastewater expenses are $146,000 under budget and City of LA Disposal expense is $293,000 under budget.

Capital Expense: The new Vactor truck purchase was completed under budget. Other sewer capital expense requirements were less than budgeted.

Overall Capital Expense is $247,000 under budget.

CRESCENTA VALLEY WATER DISTRICT

FISCAL YEAR 2016-17
BUDGET VERSUS ACTUAL
FOR THE FISCAL YEAR ENDING JUNE 30, 2017

Description	First Quarter Ending 9/30/16 25% of Budget[1,2]	First Quarter Ending 9/30/16 Actual	Second Quarter Ending 12/31/16 50% of Budget[1,2]	Second Quarter Ending 12/31/16 Actual	Third Quarter Ending 3/31/17 75% of Budget[1,2]	Third Quarter Ending 3/31/17	Fourth Quarter Ending 6/30/17 100% of Budget	Fourth Quarter Ending 6/30/17	Fiscal Year Ending 6/30/17 Variance
Water Operations									
Operating Revenues	2,697,150	2,940,249	5,116,180	5,179,064	7,187,560	6,922,414	9,398,000	9,543,096	145,096
Non-Operating Revenue[3]	353,363	74,656	706,725	478,384	1,060,088	609,092	1,413,450	705,926	(707,524)
Revenues	3,050,513	3,014,905	5,822,905	5,657,448	8,247,648	7,531,505	10,811,450	10,249,022	(562,428)
Compensation and Benefits	739,250	639,275	1,478,500	1,432,035	2,217,750	2,208,611	2,957,000	2,946,224	10,776
Gen'l and Admin Expenses	172,375	145,948	344,750	284,966	517,125	416,573	689,500	588,226	101,274
Non-Operating Expense	90,375	92,243	180,750	186,957	271,125	219,278	361,500	368,048	(6,548)
Water Plant Operation Expense	98,450	93,933	196,900	178,185	295,350	273,697	393,800	365,086	28,714
Water System Expense	881,090	1,096,188	1,698,045	2,045,434	2,292,010	2,770,415	3,025,000	3,818,185	(793,185)
Distribution System Expense	253,075	196,763	506,150	481,705	759,225	597,175	1,012,300	872,672	139,628
Expenses	2,234,615	2,264,350	4,405,095	4,609,281	6,352,585	6,485,749	8,439,100	8,958,441	(519,341)
Revenue minus Expenses	815,898	750,555	1,417,810	1,048,167	1,895,063	1,045,757	2,372,350	1,290,581	(1,081,769)
W Capital Outlay & Equipment	27,500	-	55,000	8,077	82,500	113,278	110,000	113,278	(3,278)
W Capital Improvements	350,000	255,163	700,000	543,246	1,750,000	929,719	2,800,000	1,857,498	942,502
Principal Payment on Debt	54,750	54,750	109,500	109,500	164,250	164,250	219,000	219,000	0
OPEB Fund	25,000	25,000	50,000	50,000	75,000	75,000	100,000	100,000	0
Addition/(Reduction) to Working Cash	358,648	415,642	503,310	337,344	(176,688)	(236,490)	(856,650)	(999,195)	(142,545)
Wastewater Operations									
Operating Revenues	849,250	804,143	1,698,500	1,596,881	2,547,750	2,481,834	3,397,000	3,279,608	(117,392)
Non-Operating Revenue	2,000	1,478	4,000	3,855	6,000	5,635	8,000	8,730	730
Revenues	851,250	805,621	1,702,500	1,600,736	2,553,750	2,487,468	3,405,000	3,288,338	(116,662)
Compensation and Benefits	395,000	335,216	790,000	718,948	1,185,000	1,097,853	1,580,000	1,472,149	107,851
Gen'l and Admin Expenses	70,888	66,736	141,775	129,894	212,663	179,161	283,550	236,423	47,127
Non-Operating Expense	213	828	425	2,468	638	3,268	850	3,275	(2,425)
Wastewater Operation Expense	16,381	15,067	32,763	29,749	49,144	47,527	65,525	72,268	(6,743)
Collection System Expense	14,725	7,906	29,450	26,762	44,175	38,037	58,900	58,996	(96)
Wastewater System Expense	310,855	321,599	621,710	482,399	932,565	803,999	1,243,420	950,537	292,883
Expenses	808,061	747,352	1,616,123	1,390,220	2,424,184	2,169,846	3,232,245	2,793,648	438,597
Revenue minus Expenses	43,189	58,269	86,378	210,516	129,566	317,622	172,755	494,690	321,935
									0
WW Capital Outlay & Equipment	93,750	-	187,500	-	281,250	-	375,000	274,500	100,500
WW Capital Improvements	36,750	-	73,500	-	110,250	-	147,000	-	147,000
Addition/(Reduction) to Working Cash	(87,311)	58,269	(174,623)	210,516	(261,934)	317,622	(349,245)	220,190	569,435

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

2) Quarterly Budgets for Capital Improvments adjusted - 12.5 % in Q1, Q2 - 37.5% in Q3, Q4

3) $1,000,000 Loan from MTBE Fund not included

CRESCENTA VALLEY WATER DISTRICT
FISCAL YEAR 2016-17
BUDGET VERSUS ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Description	Annual Budget	Ending Balance	End Bal % of Revenue	End Bal % of Budget	Ending Variance Full Fiscal Year
	WATER FUND					
01-00-4010-000	Water Sales - Consumers	6,953,000	6,821,314	66.56%	98.11%	(131,686)
01-00-4010-005	FMWD Charge-COMBINED IN FY2016					
01-00-4010-007	Irrigation - added to Water Sales					0
01-00-4010-008	Water Sales- Service Charge	2,247,000	2,245,629	21.91%	99.94%	(1,371)
01-00-4010-009	Water Sales - Fire Service	38,000	58,342	0.57%	153.53%	20,342
01-00-4020-000	Water Sales - Others	80,000	64,438	0.63%	80.55%	(15,562)
01-00-4110-000	Meter Installation/Hydrant	30,000	43,440	0.42%	144.80%	13,440
01-00-4220-000	Water Systems Connect Fee	45,000	265,966	2.60%	591.04%	220,966
01-00-4230-000	Other Income	5,000	43,965	0.43%	879.31%	38,965
	Operating Revenues	**9,398,000**	**9,543,096**	**93.11%**	**101.54%**	**145,096**
01-00-4240-000	Interest Earned - Water	184,200	265,447	2.59%	144.11%	81,247
01-00-4245-000	Interest Earned-2007 COPS Proc		928	0.01%		928
01-00-4270-000	Gain/Loss on Sale of Assets	-	587	0.01%		587
01-00-4271-000	Gain/Loss on Sale of Investments	56,000	31,083	0.30%	55.51%	(24,917)
01-00-4275-001	Rental Income	23,000	24,113	0.24%	104.84%	1,113
01-00-4285-000	Grant Revenue	1,150,250	359,759	3.51%	31.28%	(790,491)
01-00-4280-000	MTBE Settlement		24,010	0.23%		24,010
	Non-Operating Revenue	**1,413,450**	**705,926**	**6.89%**	**49.94%**	**(707,524)**
	Revenue	**10,811,450**	**10,249,022**	**100.00%**	**94.80%**	**(562,428)**
01-01-5000-000	Director Fees	9,000	8,100	0.08%	90.00%	900
01-01-5010-000	Officer Salaries	170,000	174,752	1.71%	102.80%	(4,752)
01-01-5015-000	Administrative Services-Labor	366,000	351,382	3.43%	96.01%	14,618
01-01-5015-100	Administrative Services-OT	3,000	4,009	0.04%	133.64%	(1,009)
01-01-5020-000	Engineering-Labor	298,000	330,176	3.22%	110.80%	(32,176)
01-01-5020-100	Engineering-OT	4,000	3,682	0.04%	92.06%	318
01-01-5045-000	Automobile Allowance	10,000	10,221	0.10%	102.21%	(221)
01-01-5050-000	Employer Portion of PERS	315,000	299,306	2.92%	95.02%	15,694
01-01-5060-000	Taxes-Payroll	139,000	132,971	1.30%	95.66%	6,029
01-01-5070-000	Sick Leave/Vacation-Office	112,000	120,214	1.17%	107.33%	(8,214)
01-01-5080-000	Health Dental Vision	128,000	134,747	1.31%	105.27%	(6,747)
01-01-5080-055	Retiree Health Care Expense	74,000	74,753	0.73%	101.02%	(753)
01-01-5082-000	Life and Disability Insurance	10,000	9,177	0.09%	91.77%	823
01-01-5083-000	Self Insurance	13,000	8,142	0.08%	62.63%	4,858
01-01-5085-000	Workers' Compensation Ins	21,000	20,938	0.20%	99.71%	62
01-02-5015-000	Administrative Services-Plant	221,000	203,457	1.99%	92.06%	17,543
01-02-5015-100	Administrative OT-Plant	-	411	0.00%		(411)
01-02-5030-000	System Operations	298,000	310,994	3.03%	104.36%	(12,994)
01-02-5030-100	System Operations OT	22,000	9,749	0.10%	44.32%	12,251
01-02-5035-000	Maintenance - Labor	345,000	359,831	3.51%	104.30%	(14,831)
01-02-5035-100	Maintenance OT	52,000	38,658	0.38%	74.34%	13,342
01-02-5036-000	Standby Pay	43,000	44,868	0.44%	104.35%	(1,868)
01-02-5070-000	Sick Leave/Vacation-Plant	74,000	80,143	0.78%	108.30%	(6,143)
01-02-5080-000	Health Dental Vision	140,000	132,311	1.29%	94.51%	7,689
01-02-5085-000	Workers' Compensation Ins	90,000	83,231	0.81%	92.48%	6,769
	Compensation and Benefits	**2,957,000**	**2,946,224**	**28.75%**	**99.64%**	**10,776**
01-01-5090-000	GL, Property, Fidelity Ins	56,000	52,847	0.52%	94.37%	3,153
01-01-5100-000	Accounting	13,000	5,757	0.06%	44.28%	7,243
01-01-5125-000	Legal	47,000	49,138	0.48%	104.55%	(2,138)

	Description	Annual Budget	Ending Balance	End Bal % of Revenue	End Bal % of Budget	Variance Full Fiscal Year
01-01-5125-001	Legal - MTBE			0.00%		
01-01-5130-000	Administrative Consultants	130,000	61,264	0.60%	47.13%	900
01-01-5140-000	Election Expense	-	-	0.00%		
01-01-5150-000	Building Maintenance-Office	12,000	11,339	0.11%	94.49%	661
01-01-5170-000	Landscaping Expense	7,500	5,017	0.05%	66.89%	2,483
01-01-5180-000	Office Supplies & Misc Expense	5,500	4,309	0.04%	78.34%	1,192
01-01-5190-000	Computers and Network	25,000	18,960	0.18%	75.84%	6,040
01-01-5195-000	Computer Software	50,000	46,987	0.46%	93.97%	3,013
01-01-5200-000	Utilities	21,000	17,336	0.17%	82.55%	3,664
01-01-5225-000	Enterprise Voice Communications	40,000	42,108	0.41%	105.27%	(2,108)
01-01-5226-000	Wireless Voice & Data Communications	14,000	14,818	0.14%	105.84%	(818)
01-01-5227-000	Data Communications	49,000	53,424	0.52%	109.03%	(4,424)
01-01-5230-000	Printing Postage Stationery	37,500	44,300	0.43%	118.13%	(6,800)
01-01-5240-000	Uncollectible Accounts	3,500	4,380	0.04%	125.15%	(880)
01-01-5250-000	Water System Fees	50,000	58,473	0.57%	116.95%	(8,473)
01-01-5260-000	Engineering Expense	11,000	8,490	0.08%	77.18%	2,510
01-01-5270-001	Water Conservation Expense	30,000	17,493	0.17%	58.31%	12,507
01-01-5270-002	Water Conservation Advertising	2,500	4,446	0.04%	177.83%	(1,946)
01-01-5270-003	Water Conservation Turf Rebate	-		0.00%		
01-01-5270-005	Water Conservation Rebates	5,000	696	0.01%	13.92%	4,304
01-01-5270-006	Interns	-	-	0.00%		0
01-01-5270-007	Community Outreach	12,000	2,530	0.02%	21.08%	9,470
01-01-5300-000	Training-Office	3,500	2,150	0.02%	61.42%	1,350
01-01-5320-000	Conferences & Seminars	9,000	9,252	0.09%	102.80%	(252)
01-01-5320-005	Conferences & Seminars-Board	5,000	2,392	0.02%	47.83%	2,608
01-01-5350-000	Misc Administration	5,000	5,324	0.05%	106.49%	(324)
01-01-5350-005	Misc Administration-Board	2,000	2,187	0.02%	109.33%	(187)
01-01-5355-000	Memberships/Subscriptions	22,000	19,455	0.19%	88.43%	2,545
01-01-5365-000	Bank Charges	21,500	23,356	0.23%	108.63%	(1,856)
	Gen'l and Admin Expenses	**689,500**	**588,226**	**5.74%**	**85.31%**	**33,439**
01-01-5910-000	Interest Expense - Notes	359,000	358,188	3.49%	99.77%	812
01-01-5920-001	Rental Expense - PA House	1,000	3,099	0.03%		(2,099)
01-01-5920-002	Rental Expense - Sycamore House	1,500	6,761	0.07%		(5,261)
	Non-Operating Expense	**361,500**	**368,048**	**3.59%**	**101.81%**	**(6,548)**
01-02-5145-000	Taxes-Property	13,300	12,766	0.12%	95.99%	534
01-02-5150-000	Building Maintenance-Plant	23,000	20,349	0.20%	88.47%	2,651
01-02-5170-000	Landscaping Expenses-Plant	5,500	6,658	0.06%	121.06%	(1,158)
01-02-5180-000	Office Supplies & Misc Expense	7,000	13,398	0.13%	191.40%	(6,398)
01-02-5200-000	Utilities-Plant	16,000	11,605	0.11%	72.53%	4,395
01-02-5300-000	Training-Plant	7,000	4,515	0.04%	64.50%	2,485
01-02-5310-000	Operator Certifications-Educ	4,000	2,819	0.03%	70.48%	1,181
01-02-5330-000	Safety & Security	17,000	26,104	0.25%	153.55%	(9,104)
01-02-5340-000	Uniforms	9,000	11,570	0.11%	128.56%	(2,570)
01-02-5360-000	Emergency Operations/Repairs	2,000	-	0.00%	0.00%	2,000
01-02-5370-000	Permit & Assessment Fees	1,500	1,672	0.02%	111.47%	(172)
01-02-5380-000	Tools and Equipment Maintenance	16,000	13,289	0.13%	83.05%	2,711
01-02-5390-000	Nitrate Plant	70,000	69,275	0.68%	98.96%	725
01-02-5441-000	Inventory Shrinkage/Disposal		2,082	0.02%		(2,082)
01-02-5445-000	Telemetering & Signal System	10,000	2,755	0.03%	27.55%	7,245
01-02-5445-001	SCADA Hardware	6,000	2,633	0.03%	43.88%	3,367
01-02-5445-002	SCADA Software	13,000	6,525	0.06%	50.19%	6,475
01-02-5445-003	SCADA Phone Lines	2,500	1,340	0.01%	53.62%	1,160
01-02-5450-000	Lab & Sampling Expense	65,000	76,962	0.75%	118.40%	(11,962)
01-02-5450-013	Lab & Sampling Expense - MTBE	35,000	18,944	0.18%	54.13%	16,056
01-02-5460-000	Chlorine & Treatment Expense	71,000	59,824	0.58%	84.26%	11,176

	Description	Annual Budget	Ending Balance	End Bal % of Revenue	End Bal % of Budget	Variance Full Fiscal Year
	Water Plant Operation Expense	**393,800**	**365,086**	**3.56%**	**92.71%**	**28,714**
01-02-5400-000	**Water Usage Cost Expense Well 16**	**-**	**94,181**	0.92%		
01-02-5401-000	Purchased Water	2,330,000	3,055,064	29.81%	131.12%	(725,064)
01-02-5402-000	Power Purchased - Pumping	695,000	668,941	6.53%	96.25%	26,059
	Water System Expense	**3,025,000**	**3,818,185**	**37.25%**	**126.22%**	**(699,004)**
01-02-5410-000	Backflow Expense	500	529	0.01%	105.77%	(29)
01-02-5423-000	Pipelines - Maintenance	51,000	24,320	0.24%	47.69%	26,680
01-02-5423-007	Pipelines-Paving	20,000	16,941	0.17%	84.70%	3,059
01-02-5423-008	Fire Hydrant Repair/Replace	13,000	12,950	0.13%	99.61%	50
01-02-5423-009	Pipelines-Leak Detect/Repair	25,000	1,280	0.01%	5.12%	23,720
01-02-5423-010	Pipelines-Trench Plate Rentals	2,500	760	0.01%	30.40%	1,740
01-02-5423-011	Water Sampling Stations	500	33	0.00%	6.54%	467
01-02-5423-012	Pipelines - Valves	4,000	-	0.00%	0.00%	4,000
01-02-5424-000	Reservoir Maintenance	80,000	72,474	0.71%	90.59%	7,526
01-02-5424-006	Reservoir Landscape	17,000	12,481	0.12%	73.41%	4,520
01-02-5425-000	Meter Maintenance	250,000	198,972	1.94%	79.59%	51,028
01-02-5425-007	Meters - Paving	230,000	196,847	1.92%	85.59%	33,153
01-02-5425-008	Meter Repair/Replace/Upgrade	10,000	496	0.00%	4.96%	9,504
01-02-5425-009	Lateral Leaks and Repairs	76,000	37,102	0.36%	48.82%	38,898
01-02-5425-010	Meters - Trench Plate Rentals	2,000	7,063	0.07%	353.13%	(5,063)
01-02-5425-011	Meters - D-Jobs	8,000	31,297	0.31%	391.21%	(23,297)
01-02-5432-000	Land Lease Cost Expense Well 16	-	15,264	0.15%		(15,264)
01-02-5432-000	Well Site - Maintenance	45,000	55,954	0.55%	124.34%	(10,954)
01-02-5432-006	Well Site - Landscape	5,000	4,875	0.05%	97.49%	126
01-02-5432-007	Well Site - Lease Payment	300	300	0.00%	100.00%	0
01-02-5433-000	Maintenance - Booster Pumps	57,000	78,407	0.77%	137.56%	(21,407)
01-02-5434-000	Emergency Power Generators	22,500	13,592	0.13%	60.41%	8,908
01-02-5440-000	Auto/Truck Maintenance	55,000	61,544	0.60%	111.90%	(6,544)
01-02-5440-015	Auto/Truck Maintenance-Gas	20,000	15,319	0.15%	76.59%	4,681
01-02-5440-016	Auto/Truck Maintenance-Diesel	18,000	13,875	0.14%	77.08%	4,125
	Distribution System Expense	**1,012,300**	**872,672**	**8.51%**	**86.21%**	**139,628**
	Expense	**8,439,100**	**8,958,440**	**87.41%**	**106.15%**	**(492,995)**
		2,372,350	**1,290,581**			
				10,170,367		
	Increase/(Decrease) in Inventory		**(12,996)**			
	W Capital Outlay & Equipment	**110,000**	**113,278**		102.98%	(3,278)
	W Construction in Progress	**2,800,000**	**1,857,498**		66.34%	942,502
	Principal Payment on Debt	**219,000**	**219,000**		100.00%	0
	OPEB Fund	**100,000**	**100,000**		100.00%	0
Addition/(Reduction) in Cash		**(856,650)**	**(986,198)**			

BOND COVENANT	Revenue Less Operating Expenses from GL	2,733,850	1,173,806	**(does not include deprec or OPEB or GASB 6**
	Debt Service - Principal and Interest	578,000	577,188	
	Debt Service Coverage	**4.73**	**2.03**	

	Description	Annual Budget	Ending Balance	End Bal % of Revenue	End Bal % of Budget	Variance Full Fiscal Year
		WASTEWATER FUND				
02-00-4010-000	Sewage Disposal Sales	3,368,000	3,168,022	96.34%	94.06%	(199,978)
02-00-4220-000	Property Owner Assessments	20,000	111,586	3.39%	557.93%	91,586
02-00-4225-000	Sewer Permits	4,000	-	0.00%	0.00%	(4,000)
02-00-4230-000	Other Income - Wastewater	5,000	-	0.00%	0.00%	(5,000)
	Operating Revenues	**3,397,000**	**3,279,608**	**99.73%**	**96.54%**	**(117,392)**
02-00-4240-000	Interest Earned - Sewer	500	105	0.00%	21.09%	(395)
02-00-4270-000	Gain/Loss on Sale of Assets		587	0.02%		587
02-00-4275-002	Rental Income	7,500	8,038	0.24%	107.17%	538
	Non-Operating Revenue	**8,000**	**8,730**	**0.27%**	**109.12%**	**730**
	Revenue	**3,405,000**	**3,288,338**	**100.00%**	**96.57%**	**(116,662)**
02-01-5000-000	Director Fees	9,000	8,100	0.25%	90.00%	900
02-01-5010-000	Officer Salaries	170,000	174,752	5.31%	102.80%	(4,752)
02-01-5015-000	Administrative Services-Labor	283,000	287,185	8.73%	101.48%	(4,185)
02-01-5015-100	Administrative Services-OT	3,000	4,009	0.12%	133.64%	(1,009)
02-01-5020-000	Engineering-Labor	111,000	110,059	3.35%	99.15%	941
02-01-5020-100	Engineering-OT	1,000	1,227	0.04%	122.75%	(227)
02-01-5045-000	Automobile Allowance	10,000	10,221	0.31%	102.21%	(221)
02-01-5050-000	Employer Portion of PERS	210,000	200,010	6.08%	95.24%	9,990
02-01-5060-000	Taxes - Payroll	93,000	88,647	2.70%	95.32%	4,353
02-01-5070-000	Sick Leave/Vacation-Office	37,000	40,071	1.22%	108.30%	(3,071)
02-01-5080-000	Health Dental Vision	86,000	89,813	2.73%	104.43%	(3,813)
02-01-5080-055	Retiree Health Care Expense	49,000	49,836	1.52%	101.71%	(836)
02-01-5082-000	Life and Disability Insurance	7,000	6,088	0.19%	86.98%	912
02-01-5083-000	Self Insurance	8,000	5,077	0.15%	63.46%	2,923
02-01-5085-000	Workers' Compensation Ins	14,000	13,958	0.42%	99.70%	42
02-02-5015-000	Administrative Services-Plant	74,000	59,024	1.79%	79.76%	14,976
02-02-5015-100	Administrative OT-Plant	-	137	0.00%		(137)
02-02-5035-000	Maintenance-Plant Labor	201,000	126,300	3.84%	62.84%	74,700
02-02-5035-100	Maintenance- OT	22,000	12,326	0.37%	56.03%	9,674
02-02-5036-000	Standby Pay	14,000	14,956	0.45%	106.83%	(956)
02-02-5070-000	Sick Leave/Vacation-Plant	25,000	26,714	0.81%	106.86%	(1,714)
02-02-5080-000	Health Dental Vision	93,000	88,149	2.68%	94.78%	4,851
02-02-5085-000	Workers' Compensation Ins	60,000	55,487	1.69%	92.48%	4,513
	Compensation and Benefits	**1,580,000**	**1,472,149**	**44.77%**	**93.17%**	**107,851**
02-01-5090-000	GL, Property, Fidelity Ins	56,000	52,847	1.61%	94.37%	3,153
02-01-5100-000	Accounting	13,000	5,757	0.18%	44.28%	7,243
02-01-5125-000	Legal	15,600	14,513	0.44%	93.03%	1,087
02-01-5130-000	Adminstrative Consultants	44,000	18,700	0.57%	42.50%	25,300
02-01-5140-000	Election Expense	-	-	0.00%		0
02-01-5150-000	Building Maintenance-Office	4,000	3,780	0.11%	94.49%	220
02-01-5170-000	Landscaping Expense-Office	2,500	1,672	0.05%	66.89%	828
02-01-5180-000	Office Supplies & Misc Expense	5,500	4,260	0.13%	77.46%	1,240
02-01-5190-000	Computers and Network	8,500	6,320	0.19%	74.35%	2,180
02-01-5195-000	Computer Software	17,000	15,679	0.48%	92.23%	1,321
02-01-5200-000	Utilities	7,200	6,400	0.19%	88.89%	800
02-01-5225-000	Enterprise Voice Communications	13,600	14,036	0.43%	103.21%	(436)
02-01-5226-000	Wireless Voice & Data Communications	4,750	4,939	0.15%	103.99%	(189)
01-01-5227-000	Data Communications	16,000	17,808	0.54%	111.30%	(1,808)
02-01-5230-000	Printing Postage Stationery	37,500	30,257	0.92%	80.69%	7,243
02-01-5240-000	Uncollectible Accounts	1,150	1,549	0.05%	134.68%	(399)
02-01-5260-000	Engineering Expenses	3,600	2,830	0.09%	78.61%	770
02-01-5300-000	Training-Office	1,150	537	0.02%	46.72%	613
02-01-5320-000	Conferences & Seminars	3,000	2,574	0.08%	85.79%	426
02-01-5320-005	Conferences & Seminars-Board	1,675	797	0.02%	47.59%	878
02-01-5350-000	Misc Administration	1,675	1,775	0.05%	105.96%	(100)

	Description	Annual Budget	Ending Balance	End Bal % of Revenue	End Bal % of Budget	Variance Full Fiscal Year
02-01-5350-005	Misc Administration-Board	650	729	0.02%	112.13%	(79)
02-01-5355-000	Memberships/Subscriptions	7,500	6,988	0.21%	93.17%	512
02-01-5365-000	Bank Charges	18,000	21,676	0.66%	120.42%	(3,676)
	Gen'l and Admin Expenses	**283,550**	**236,423**	**7.19%**	**83.38%**	**47,127**
02-01-5920-001	Rental Expense - PA House	250	1,022	0.03%	408.74%	(772)
02-01-5920-002	Rental Expense - Sycamore House	600	2,254	0.07%	375.60%	(1,654)
	Non-Operating Expense	**850**	**3,275**	**0.10%**	**385.35%**	**(2,425)**
02-02-5145-000	Taxes-Property	4,500	4,255	0.13%	94.57%	245
02-02-5150-000	Building Maintenance-Plant	7,500	10,641	0.32%	141.88%	(3,141)
02-02-5170-000	Landscaping Expense-Plant	1,800	2,219	0.07%	123.30%	(419)
02-02-5180-000	Office Supplies & Misc Expense	7,000	13,697	0.42%	195.67%	(6,697)
02-02-5200-000	Utilities-Plant	5,300	2,881	0.09%	54.37%	2,419
02-02-5300-000	Training-Plant	2,375	892	0.03%	37.54%	1,483
02-02-5310-000	Operator Certifications-Educ	1,000	-	0.00%	0.00%	1,000
02-02-5330-000	Safety & Security	5,750	9,092	0.28%	158.13%	(3,342)
02-02-5340-000	Uniforms	3,000	3,857	0.12%	128.56%	(857)
02-02-5380-000	Tools and Equipment Maintenance	16,000	21,039	0.64%	131.50%	(5,039)
02-02-5402-000	Power Purchased - Lift Station	750	600	0.02%	80.05%	150
02-02-5445-000	Telemetering & Signal System	3,300	918	0.03%	27.83%	2,382
02-02-5445-001	SCADA Hardware	2,000	-	0.00%	0.00%	2,000
02-02-5445-002	SCADA Software	4,400	2,175	0.07%	49.43%	2,225
02-02-5445-003	SCADA Phone Lines	850	-	0.00%	0.00%	850
	Wastewater Operation Expense	**65,525**	**72,268**	**2.20%**	**110.29%**	**(6,743)**
02-02-5423-000	Pipeline Maintenance	5,000	1,382	0.04%	27.64%	3,618
02-02-5440-000	Autos/Truck Maintenance	18,300	27,359	0.83%	149.50%	(9,059)
02-02-5440-015	Auto/Truck Maintenance-Gas	6,600	5,106	0.16%	77.37%	1,494
02-02-5440-016	Auto/Truck Maintenence-Diesel	6,000	4,625	0.14%	77.08%	1,375
02-02-5441-000	Inventory Shrinkage/(Overage)	-	655	0.02%		(655)
02-02-5621-000	Sewer Flow Monitoring Expense	12,500	14,440	0.44%	115.52%	(1,940)
02-02-5624-000	Sewer Camera Van Inspection	3,000	2,377	0.07%	79.22%	623
02-02-5625-000	Sewer Interceptor Maintenance	4,000	-	0.00%	0.00%	4,000
02-02-5628-000	Sewer Lift Station Maintenance	3,500	3,053	0.09%	87.22%	447
	Collection System Expense	**58,900**	**58,996**	**1.79%**	**100.16%**	**(96)**
02-02-5700-000	Wastewater System Expense	1,243,420	950,537	28.91%	76.45%	(292,883)
	Wastewater System Expense	**1,243,420**	**950,537**	**28.91%**	**76.45%**	**(292,883)**
	Expense	**3,232,245**	**2,793,648**	**84.96%**	**86.43%**	**(147,169)**
WASTEWATER INCOME/(LOSS) BEFORE NON-CASH ITEMS		**172,755**	**494,690**			
	Increase/(Decrease) in Inventory		(1,309)			
	WW Capital Outlay & Equipment	375,000	274,500		73.20%	281,250
	WW Construction in Progress	147,000	-		0.00%	110,250
	Addition/(Reduction) in Cash	(349,245)	220,190			
COMBINED WATER/WASTEWATER REVENUE		**14,216,450**	**13,537,360**			
COMBINED EXPENSES BEFORE NON-CASH		**11,671,345**	**11,752,088**			
INCOME/(LOSS) BEFORE NON-CASH EXPENSES		**2,545,105**	**1,785,271**			
COMBINED TOTALS:						
INCREASE IN INVENTORY		**-**	**(12,996)**			
CAPITAL OUTLAY AND EQUIPMENT		**485,000**	**387,778**			
CONSTRUCTION IN PROGRESS		**2,947,000**	**1,857,498**			
PRINCIPAL PAYMENTS ON COPS DEBT		**219,000**	**219,000**			
OPEB FUND		**100,000**	**100,000**			
COMBINED ADDITION/(REDUCTION) CASH		**(1,205,895)**	**(766,009)**			
		(1,205,895)	(766,009)	HIDE		

CRESCENTA VALLEY WATER DISTRICT
INVESTMENT PORTFOLIO SUMMARY
August 10, 2017

INVESTMENT TYPE	ACCT/CUSIP I.D. NO.	PURCHASE DATE	*FACE VALUE	INVESTMENT COST	% OF TOTAL	**MARKET VALUE	MATURITY DATE	DATE CALLABLE	EARNED TO DATE	YIELD TO MATURITY	
GENERAL FUNDS											
GENERAL FUND-SWEEP ACCOUNT	0631-525246		$ 560,359	$ 560,359	3.75%	$ 560,359	none	n/a	$ 36	0.09%	
GREAT PACIFIC SECURITIES	GPC-804452		$ -	$ -	0.00%	$ -	none	n/a	$ -	0.41%	
BOND DEBT SERVICE FUND	6948-331525		$ 223,778	$ 223,778	1.50%	$ 223,778	none	n/a	$ 8	0.06%	
LOCAL AGENCY INVESTMENT FUND	90-19-007		$ 1,308,151	$ 1,308,151	8.76%	$ 1,308,151	none	n/a	$ 1,000	0.92%	Jun 2017
FEDERAL FARM CREDIT (83)	3133EAY28	10/9/2012	$ 500,000	$ 502,885	3.37%	$ 499,625	9/21/2017	n/a	$ 352	0.71%	
FEDERAL FARM CREDIT (101)	31331VY26	6/14/2016	$ 1,000,000	$ 1,211,530	8.11%	$ 1,146,770	8/16/2021	n/a	$ 4,671	1.26%	
FEDERAL FARM CREDIT (103)	31331VQG4	8/2/2016	$ 1,000,000	$ 1,287,830	8.62%	$ 1,200,660	2/6/2026	n/a	$ 4,416	1.88%	
FEDERAL FARM CREDIT (106)	3133EA3L0	6/26/2017	$ 1,000,000	$ 1,001,990	6.71%	$ 1,001,990	10/5/2022	n/a	$ 1,597	1.84%	
			$ 5,592,287	**$ 6,096,523**		**$ 5,941,333**			**$ 12,081**		
CONSTRUCTION FUNDS											
COPS RESERVE FUND	108614000		$ 617,211	$ 617,211	4.13%	$ 617,211	none	n/a	$ -	0.06%	
			$ 617,211	**$ 617,211**		**$ 617,211**			**$ -**		
MTBE CONTINGENCY FUNDS											
LOCAL AGENCY INVESTMENT FUND	90-19-007		$ -	$ -	0.00%	$ -	none	n/a	$ -	0.92%	Jun 2017
GREAT PACIFIC SECURITIES	GPC-003670		$ 142,243	$ 142,243	0.95%	$ 142,243	none	n/a	$ -	0.41%	
FEDERAL FARM CREDIT (M-48)	3133ED4U3	5/11/2016	$ 500,000	$ 518,915	3.47%	$ 507,155	10/11/2019	n/a	$ 902	0.99%	
FEDERAL FARM CREDIT (M-49)	3133EA5N4	5/11/2016	$ 1,250,000	$ 1,260,763	8.46%	$ 1,245,300	10/22/2019	n/a	$ 1,327	0.99%	
US TREASURY (M-53)	912828R36	7/12/2016	$ 1,000,000	$ 1,013,212	6.80%	$ 955,160	5/15/2026	n/a	$ 1,380	1.48%	
US TREASURY (M-54)	912828S76	8/5/2016	$ 1,000,000	$ 1,002,175	6.71%	$ 978,320	7/31/2021	n/a	$ 955	1.08%	
US TREASURY (M-55)	912828R36	8/25/2016	$ 1,000,000	$ 1,004,930	6.73%	$ 955,160	5/15/2026	n/a	$ 1,380	1.57%	
US TREASURY (M-56)	912828R36	10/4/2016	$ 1,000,000	$ 997,540	6.68%	$ 955,160	5/15/2026	n/a	$ 1,401	1.65%	
FEDERAL FARM CREDIT (M-57)	3133EGWX9	10/5/2016	$ 1,000,000	$ 987,148	6.61%	$ 943,200	4/6/2026	n/a	$ 1,546	1.96%	
FEDERAL FARM CREDIT (M-58)	31331VWN2	11/9/2016	$ 1,000,000	$ 1,266,700	8.48%	$ 1,228,240	4/13/2026	n/a	$ 4,586	2.24%	
			$ 7,892,243	**$ 8,193,626**		**$ 7,909,938**			**$ 13,479**		
TOTAL INVESTMENTS			$ 14,101,742	$ 14,907,360		$ 14,468,482			$ 25,559		
CASH- PAYROLL ACCOUNT	0948-024724		$ 26,702	$ 26,702	0.18%	$ 26,702					
TOTAL CASH AND INVESTMENTS			**$ 14,128,444**	**$ 14,934,062**	**100%**	**$ 14,495,185**			**$ 25,559**	**1.08%**	
						$ (438,877)	***Unrealized Gain/(Loss) on Investments				

Yield on investments including LAIF but not cash accounts	1.39%
Yield on investments not including LAIF or cash accounts	1.47%

I certify that this report accurately reflects all pooled investments and is in compliance with California Government Code Sections 5922 & 53601 as amended on 1/1/97; are currently in conformity with the investment policy as stated in Resolution No. 734 adopted on December 6, 2016.
As Treasurer of the Crescenta Valley Water District, I, Ron L. Mitchell hereby certify that sufficient investment liquidity and anticipated revenues are available to meet one year of estimated expenditures for the operations of Crescenta Valley Water District.

*Value at investment maturity date.

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

	March 31, 2017	February 28, 2017	January 31, 2017
Water	$ 10,228,076.88	$ 10,608,056.95	$ 10,258,903.69
Wastewater	$ 5,037,485.89	$ 5,055,176.61	$ 4,666,726.45
	$ 15,265,562.77	$ 15,663,233.56	$ 14,925,630.14

Ron L. Mitchell, Secretary-Treasurer, CVWD

August 10, 2017
Date

Engineering and Operations

August 15, 2017
Staff Report

To: Thomas A. Love – General Manager

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

Subject: **Engineering & Operations – July 2017**

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1. **Water Production Report**
   - July 1 – 31 – Water production – 40%/60% split – 128.2 MG for the time period
   - Average use – 4.2% more than 2016 and 5.0% less than 5-yr average

2. **Rainfall Update**
   - 0.00" for July 2017
   - Rainfall total for Rainfall Year 2016/17 – 24.76”

3. **Report on Engineering**
   - **CIP Projects**
     - Ocean View Chloramination Project
       - Agreements – Working with FMWD & LADWP
     - Pipeline Projects
       - 4200 – 4400 Blocks of Penn. – Completed
       - 2700, 3000 & 3100 Blocks of Brookhill – 80% design complete
     - Well 5 Rehabilitation
       - Work started on 8/10/17; to be completed by 8/25/17
     - Oak Creek #1 & #2 Reservoir Rehabilitation
       - See Staff Report
     - Seismic Sensors & Valve Actuators at Dunsmore & Pickens Reservoir
       - Pickens Reservoir – New valve vault under construction
   - **Nitrate Removal Treatment Facility at Well 2 Project**
     - See Staff Report
   - **Crescenta Valley County Park Stormwater Recharge Facility Study**
     - No Report
   - **ULARA**
     - No Report
   - **Grant Program**
     - See attached Grant Summary
   - **Leak Detection Survey**
     - North half of District (above Foothill) Complete
       - 49 miles of pipe surveyed
       - 4 main leaks
       - 12 lateral & Fire Hydrant leaks
       - Estimate total water loss – 100 gpm or 144,000 gallons per day
       - Savings of $1,067/day
     - South half of District (below Foothill) to start 8/28/17
   - **Water Meter Replacement Program**

- Replaced 802 meters in FY 16/17; Replace Total – 5,194 or 66% of the system
- FY 17/18 – Working in Zones 3, 4 & 5; Start Oct. 1, 2017

4. Report on Administrative and Field Operations

- **Wells - Status**
  - Well production capacity – average was 1.72 MGD for July 2017

5. Field Maintenance & Operations

- **Water Lateral Leaks & Repairs**

3100 Foothill	2620 Willowhaven	5501 Canyonside
2763 Orange	5244 Pennsylvania	3227 Brookhill
5140 Cloud	2836 Adams	3319 Montrose
2723 Pinelawn		

- **Water Main Leaks**
  - 2400 Block of Upper Terrace
  - 4500 Block of Pennsylvania
- **Fire Hydrant Repair**
  - 2114 Verdugo Rd
- **Developer Job**
  - No Report
- **Booster Pump Maintenance**
  - No Report
- **Reservoir Maintenance**
  - No Report
- **Sewer Maintenance**

2700 & 2800 Blocks of Frances	2700 Block of Brookhill	2700 Block of Henrietta
5200 Block of El Adobe, & Parkhaven	2600 & 2700 Blocks of Orange	4900 Block of Cecilville & Vicwood
2700 Block of Paraiso Way	2600 – 2800 Blocks of El Caminito	2700 Block of Stevens & Alabama

CRESCENTA VALLEY WATER DISTRICT

WATER PRODUCTION REPORT

July 1 - July 31, 2017

Well Production:	40,848,446	Gals		
GWP Production:	9,537,000	Gals		
Gravity Production:	1,440,700	Gals	% GW	40%
Purchased Water:				
FMWD:	76,430,466	Gals		
City of Glendale:	0	Gals	% Import	60%
TOTAL:	128,256,612	Gals		
	393.61	ac-ft		
Glenwood Nitrate Water Reclamation Plant:*	2,194,000	*Included in Well Production		

WATER DEMAND COMPARISON

Time Period	Average Daily Usage (gals)	Current Period Change
July 1, 2017 - July 31, 2017	4,167,835	
July 1, 2016 - July 31, 2016	3,999,693	4.2%
5-yr Average - July 2012 - 2016	4,384,947	-5.0%

RAINFALL: July 1 - July 31, 2017 0.00"

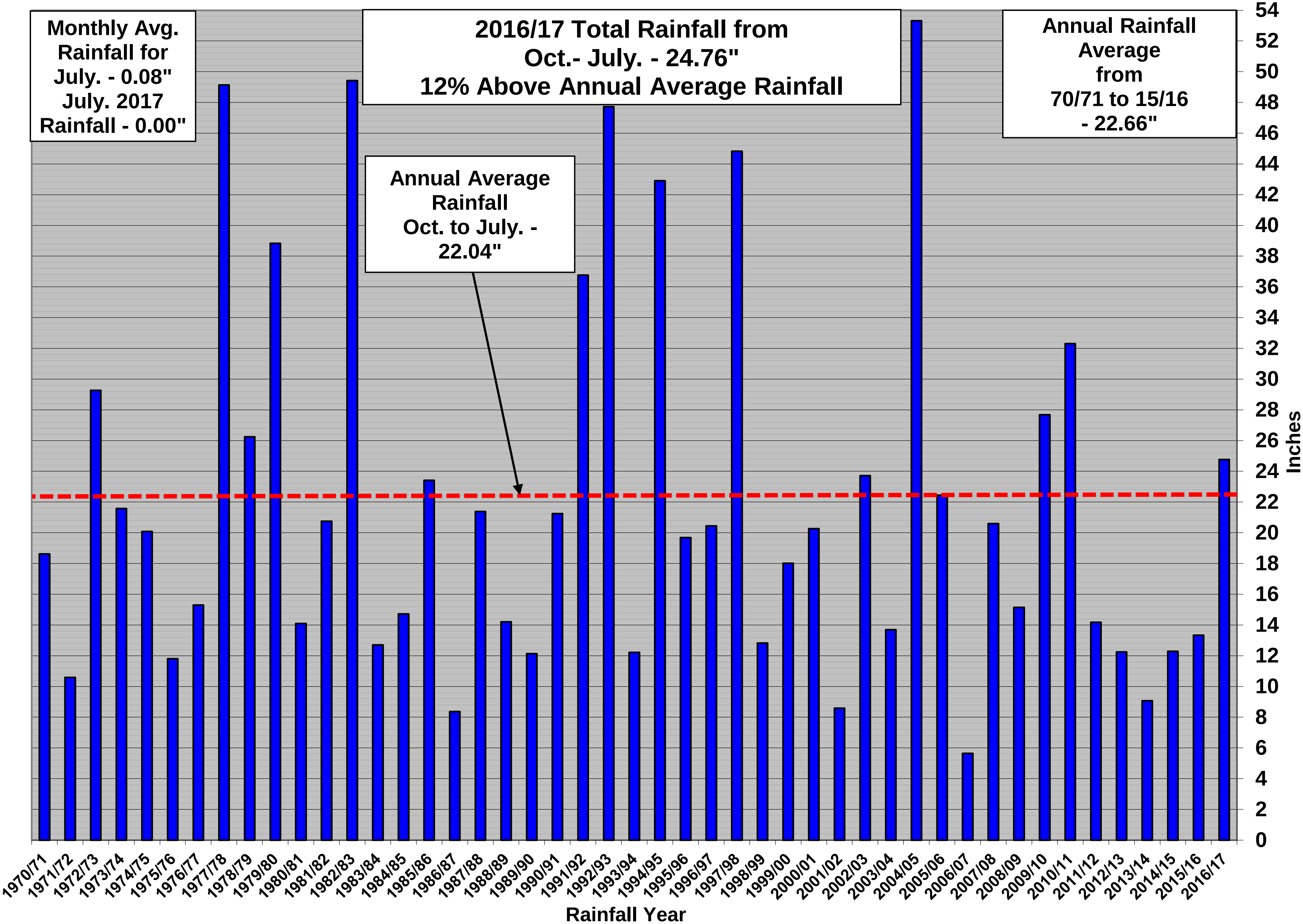
Season-To-Date: 24.76"

2017/18 Fiscal Year Water Production			**Groundwater Production Water Rights**		**GWP (Well 16) Water Production**		**Purchased Water Production Tier 2 Allocation**	
Month	**Actual Total Water Production (ac-ft)**	**Projected Total Water Production (ac-ft)**	**Month**	**Month**	**Month**	**Well Production (ac-ft)**	**Month**	**Imported Water Production (ac-ft)**
July	**394**	**390**	**October**	**123**	**January**	**31**	**January**	**102**
August		**395**	**November**	**120**	**February**	**27**	**February**	**82**
September		**385**	**December**	**100**	**March**	**29**	**March**	**141**
October		**365**	**January**	**112**	**April**	**28**	**April**	**195**
November		**330**	**February**	**95**	**May**	**29**	**May**	**218**
December		**290**	**March**	**108**	**June**	**28**	**June**	**217**
January		**260**	**April**	**107**	**July**	**29**	**July**	**235**
February		**260**	**May**	**100**	**August**		**August**	
March		**295**	**June**	**122**	**September**		**September**	
April		**325**	**July**	**130**	**October**		**October**	
May		**365**	**August**		**November**		**November**	
June		**390**	**September**		**December**		**December**	
Total to Date	394	390	Total to Date	1,118	Total to Date	202	Total to Date	1,190
Projected	4,054	4,050	Water Rights	3,294			Tier 2	2,154
% of Projected	9.7%	9.6%	% of Rights	34%			% of Allocation	55%
Remaining	3,656	3,660	Remaining	2,176			Remaining	964

NOTE:

1) Blue Numbers = Estimated Water Production

Monthly Rainfall - 1970/71 - 2016/17 (Oct.- July)



Revised Date: 8/11/2017

Crescenta Valley Water District

Summary of CVWD's Grant Program

ID No.	E-Job No.	Project Title	Project Description	Funding	Start Date	End Date	Status	Consultant	Original Project Amount	Grant Amount	CVWD Amount	CVWD Total Expenditures to Date	Grant Reimbursement to Date	CVWD Matching Funds as part of Grant to Date	Actual Total Amount of Project *(Estimate)*	Actual Total Amount of Grant Reimbusement	Actual CVWD Amount *(Estimate)*
1	E-696	Verdugo Basin Groundwater Evaluation and Monitoring Project	Installation of Monitoring Wells - MW-1, MW-2 & MW-4	AB303 - Local Groundwater Management Assistance Act of 2000	Oct-02	Jun-04	Complete	Bookman-Edmonton , Inc	$250,000	$250,000	$0	$347,531	$250,000	$0	$347,531	$250,000	$97,531
2	E-713	Verdugo Basin Groundwater Storage and Conjunctive Use Feasibility Study	Evaluate the potential of developing a supplemental recharge and conjunctive use program in the Verdugo Basin. Include Groundwater Model	AB303 - Local Groundwater Management Assistance Act of 2000	Jan-04	May-05	Complete	Geomatric, Inc	$185,000	$185,000	$0	$198,732	$185,000	$0	$198,732	$185,000	$13,732
3	E-760	Verdugo Basin Geophysical Study	Geophysical Survey of Verdugo Basin including Gravity Survey, Seismic Refraction and Resistivity Survey -Information added to groundwater model	AB303 - Local Groundwater Management Assistance Act of 2000	Aug-05	Jun-06	Complete	Geomatric, Inc	$250,000	$250,000	$0	$250,000	$250,000	$0	$250,000	$250,000	$0
4	E-766/ E-733CS	Emergency Water Supply Interconnection between LADWP, CVWD & FMWD	Water Supply interconnection with LADWP Phase 1 - LADWP/CVWD connection at Ordunio Phase 2 - Chlorination Station and connection to FMWD Phase 3 - Piping Upgrades and FMWD's P1 Station	Proposition 50 - Chapter 3 - Water Security	May-06	Apr-16	85% Complete	Civiltec Engineering, Inc	$1,213,850	$606,925	$606,925	$1,052,665	$203,678	$848,987	*$1,220,000*	$606,925	*$613,075*
5	M-903	Crescenta Valley County Park Stormwater Recharge Facility Study	Installation of monitoring wells, channel flow gages and percolation tests to determine if CVC Park can be used for stormwater recharge	AB303 - Local Groundwater Management Assistance Act of 2000	Jul-12	Apr-17	Complete	AMEC	$272,500	$158,450	$114,050	$328,000	$158,450	$169,550	$347,844	$158,450	$189,394
6	E-940	Crescenta Valley Water District and Glendale Water and Power's Rockhaven Well Project	Installation of Well 16 at Rockhaven Site	Department of Water Resources - Proposition 84 Round 3 Implementation Grant Program	Jul-14	Apr-16	95% Complete	Cannon Corp, Inc.	$1,195,047	$873,298	$321,749	$1,513,612	$806,129	$707,483	*$1,515,000*	$873,298	*$421,041 = $641,702 (Total) - $220,661 (Credit from GWP)*
7	E-956	Nitrate Removal Treatment Facility at Well 2 Project	Install New Nitrate Removal Treatment Facility and Re-activate Well 2	Proposition 84 2015 Integrated Regional Water Management Grant Program	Jul-15	May-18	50% Complete	SA Associates, Inc	$2,025,000	$705,775	$1,319,225	$454,063	$73,307	$380,756	*$2,025,000*	$705,775	*$1,319,225*
								Total	$5,391,397	$3,029,448	$2,361,949	$4,144,603	$1,926,564	$2,106,776	$5,904,107	$3,029,448	$2,688,998

Revised Date: 12/31/15

<u>**Water Quality**</u>

Staff is concluding the investigation into possible causes of the positive detection of total coliform and E. coli bacteria in test results received on April 26th and May 17th. Most of the corrective actions identified by staff and consultants have been completed (see attached matrix). Since May 17th there have been no positive test results for total coliform or E. coli bacteria.

As part of the investigation, on June 20th blank tests were conducted on samples stored in the laboratory refrigerator and on the laboratory counter at the Glenwood Plant. Both sample results had positive heterotrophic plate counts (HPC's) indicating the plant laboratory and refrigerator as possible sources of contamination. New procedures for disinfection of the plant laboratory and refrigerator have been implemented. The existing refrigerator used in the laboratory is a 20-year-old standard kitchen refrigerator. It has been replaced with a laboratory grade sample storage refrigerator.

Additionally, a new icemaker has been installed for exclusive use by the system operators for sampling and transportation of samples to the contract laboratory. Staff also ordered dedicated sampling ice chests for the operators to use on the sampling route. Both of these changes will provide the proper temperature environment for the water samples and eliminate possible contamination from the contract lab's supplied ice chests and blue ice.

Staff conducted an audit of the contract laboratory on July 12th and found that industry standard quality control and quality assurance procedures are documented and followed. A review of the sample courier procedures is underway.

Water Quality Investigation of E. Coli. Positive Sample Results.

Task	Potential Cause	Description	Factors/Variables	Situational Summary	Investigation Summary	Corrective Action	Conclusions	Action Items	Progress/Assignment	DUE DATE
1	Sample Port Contamination	Debris, rodents, insects, other source contaminating sample port	Exposure to environment. Flush time prior to sample. CL2 residual.	Sample ports are in a locked enclosure protected from the environment. Sample port is flushed until water runs cool indicating the sample is representative of water in the main pipeline. Disinfect the sample port prior to sampling by either heat or a chemical agent.	Sampling stations with positive results were inspected for potential causes of contamination.	Update sample procedures to ensure sufficient torching of sampling line, and increase flush time. Consider additional sample port disinfection at time of sampling. Operators will pre-check the sampling ports for the next weeks sample route the prior week.	Sample port contamination could likely have resulted in repeat positives at the same location. Unlikely to have occurred at 4 separate and widely dispersed locations.	Flame sample ports where applicable. Operations to precheck all sample collection stations the week prior to sampling and record the total and residual Chlorine	1. Training has been conducted. A written sampling procedure is in progress. (Christy) 2. Operations has began prior week inspections and will begin measuring the chlorine levels this week.	9/4/2017
2	Contamination During Sample Collection	Sample contaminated by sampler or environment during sample collection.	Adherence to sampling procedures including protection of sample bottle and sampler hygiene.	Procedures require the sample bottle remain sealed until sample is taken and is immediately re-sealed . Sampler takes precautions to avoid any contact with the interior of the sample bottle and lid. The April 26th and May 16th samples were taken by different staff.	Staff responsible for sampling were interviewed to determine whether sampling procedures were followed. The sampling process was reviewed with the consultant. Sample procedures appear to have been followed and no environmental conditions were noted.	Review sample procedures and consider adding additional precautionary measures such as sterile gloves. Environmental factors are such as wind or rain are noted on the COC. Sampling procedures will be reviewed with the use of a training video on order. (Completed)	Positive E. Coli results occurred on the April 26th and May 16th samples. Different staff collected the samples on those two days indicating than an individual sampler not following sampling procedures was most likely not the cause. Environmental conditions at the time of sampling were calm and dry and not a likely factor.	Where disposable gloves and note any environmental factors on COC	Completed (Gloves have been removed from the sampling protocol after discussion with other agencies and laboratories.	Completed
3	Sample Bottle Contamination	Bottles arrive by shipping courier form the lab and are presterilized, sealed and included sodium thiosulfate to neutralize the chlorine. All three labs surveyed use bottles prepared by IDEXX. Bottles for the District are ordered approximately every other month and are located at the District's Glenwood Treatment Plant Lab. Sample bottles are inspected by the sampler. Sample labels arrive in bulk and are filled out by the sampler and attached to the sample at the lab to reduce the contact time with the sample container.	Bottles are batched and quality controlled by the shipper. The certified laboratory is required to test a random number of samples within each batch of bottles received. All bottles checks by the lab were fine. The laboratory reported they had not had any other questionable E. Coli results come through the lab.	Samples were collected following the first E. Coli positive sample on April 25 using the same batch of bottles. The amount of follow-up samples in addition to the routine samples collected from the same batch between the Positive E. Coli events was over 50. Following the second E. Coli event, the remaining bottles from that batch were disposed and new bottles were acquired from two different sources. Note: That same batch was used to collect the 28 follow-up samples in duplicate; all results were Negative for total coliform and E. coli.	The opinion of a neutral third party microbiological laboratory manager indicated that contaminated bottles from the laboratory, while possible, are rare. (FYI only; you do not need to keep this! The counterpart of this is that airline fractures of these bottles have occurred in the past. Whether this can result in sample contamination is unknown, but cannot be ignored...)	Staff will review the laboratory's written procedures and historical results during its laboratory audit. (A request has been made to the laboratory for written materials and a lab audit has been scheduled)	All three outside laboratories surveyed use the same company (IDEX) to supply bottles. None of the labs had any concerns or bottle contamination issues with that company.	Inspect Bottles prior to sampling. Any bottle with debris, cracks etc. Will be marked as bad and another sample will be collected. Both samples will be analyzed to test for bottle contamination. Collect documentation from laboratory regarding bottle handling and quality control check procedures.	Operators do inspect bottles but this will be included in the sampling procedure. Christy will work with the lab to verify procedures.	Completed
4	Contamination during transport from the sampling site to the Glenwood Plant	The samples for the weeks route are carried in a District vehicle from site to site. After collection of the route, usually in no more than three hours, the samples are placed in the dedicated refrigerator located in the District's Glenwood Plant lab.	The consultant stated that the transportation time and temperature during the sampling process was not sufficient to create an E. Coli positive result. In this case, E. coli would have been in the bottle or sampled water at the first place; it would not appear during a 3-hour period.	The samples were collected in the field and transported to the Glenwood Plant in an ice chest and blue ice for cooling.	Staff will review procedures and environmental factors to determine is multiple trips back to the District's Glenwood Treatment Plant is required during the coliform sampling route. (Personally, I don't think this is needed if samples are put on ice immediately after collection. Gary, you did not comment on this; any thoughts?) Staff will include the transportation of the samples to the Glenwood Plant in its sampling procedures	Samples can be bagged in zip lock freezer bags after collection as a double protection measure from contamination. Staff will investigate the Glenwood Plant refrigerator to see if a replacement is needed.		Switch to using doubled bagged wet ice. Bag all sample bottles after collection. There will be additional discussion of switching to wet ice and the purchase of higher quality ice chests as well as a proper laboratory refrigerator.	Bags were ordered for the sample bottles. Wet ice will be discussed at operations meeting. (Ice machine has been installed. New Ice chest were ordered and are in place. Refrigerator has been installed)	Make cleaning log for Glenwood laboratory
5	Contamination during transport from the Glenwood Plant to the Outside Laboratory	Samples are collected by the outside laboratory courier in a ice chest with bagged blue ice that is provided by the outside laboratory.	The courier from the outside laboratory may not go directly back to the certified laboratory, but the sample temperatures are check upon arrival.	At this time courier records have been requested, but so far the only information received is the name of the courier and the temperature the samples were received. Note: The courier for the two separate events were not the same.	Procedures from the certified laboratory are being requested for review. The District wants to ensure that samples from other sites are not placed in the same container as the District's samples.	Samples can be bagged in zip lock freezer bags after collection as a double protection measure from contamination.		Work with the laboratory to obtain courier procedures and verify that sample are isolated from other customer's samples	Lab Audit is Complete. Lab is currently reviewing transportation procedures with there contract couriers.	9/4/2017

Water Quality Investigation of E. Coli. Positive Sample Results.

Task	Potential Cause	Description	Factors/Variables	Situational Summary	Investigation Summary	Corrective Action	Conclusions	Action Items	Progress/Assignment	DUE DATE
6	Laboratory Contamination	The laboratory is regulated through the State Water Resources Control Board's Environmental Laboratory accreditation Program (ELAP). The methods used and the Quality Control procedures dictated are regulated by the State.	The acceptable methods used to analyze water samples contain guidelines to protect against contamination. A Sample Duplicate, Sample Blank and Laboratory Blank are required to be completed for every set amount of samples completed by batch or by frequency.	A review of the laboratory's quality control showed that all the measures were within acceptable range. The analyst from each separate E. Coli event were different. A Peer and management level review was performed by the laboratory of the positive coliform and E. C Coli results. No other samples analyzed by the lab for other utilities were positive that day for E. coli.	While laboratory contamination is always a possibility, all checks that are required were completed and within the acceptable range.	Sample duplicates are being collected and being sent to an alternate certified laboratory. Staff will conduct an outside laboratory audit to ensure that all records are maintained and acceptable and that the sample receiving and storage areas meet best management practices.		Obtain laboratory procedures from lab on sample receiving and microbiological room blanks. Conduct laboratory audit. change the method used to collect routine well samples. Ask laboratory to speciate all positives samples.	Lab Audit is complete and laboratory procedures and record were complete and above ELAP standards. The lab is working on a quote for speciation of positive samples	Test sample sent out for speciation. Due 9/04/2017
7	Laboratory Contamination at Glenwood	The samples are store at the laboratory located at the Glenwood Treatment Plant after collection and prior to transportation to the outside laboratory.	As the Glenwood lab only contains drinking water samples and supplies. Contamination is not likely.	The doors and windows at the Glenwood lab are often open. There is quite a bit of traffic in and out of the lab.	The lab bottle storage area and sample holding refrigerator were inspected and cleaned.	To eliminate the Glenwood lab as a possible contamination source, blank samples of deionized water will be placed in the lab and the sample storage refrigerator and analyzed along with the weekly coliform samples.		Setup Deionized water samples	June 13, 217 (Christy) Completed	Completed
8	Surface Contamination at wells	1) Located near septic system 2) Located near existing sewer mains 3) Location near active or abandon wells 4) Surface water runoff draining into Concrete Well Pedestal or Surface Seal 5) Lack of annular seal in upper 50' of Well 6) Contamination in well column pipe 7) Contamination through vent and sounder tubes including cap 8) Contamination of sampling port 9) Contamination of Well Level sounding equipment 10) Cascading water into the well 11) Oil lubrication from Pump	Septic tanks can contaminate drinking water wells with bacteria and in some cases, wells are contaminated as a result of recent service or pump repair work. Other sources of bacterial contamination may include run-off from yards, or canine runs, and other farm land areas where animal waste products are deposited. Insect pests, rodents and/or wildlife coming into the well can also be reasons for pollution. Harmful microorganisms can enter a water source thru infiltration by means of floods or possibly by surface run-off during heavy periods of rain.	While there has been historical rainfall, no flooding events or environmental factors were noted prior to or on the day of either sampling events. 1) 2002 Sanitary Survey showed no active Septic Systems near CVWD's Wells 2) 2002 Sanitary Survey showed no existing sewer mains within 50 feet of CVWD's Wells 3) Surface Seal or Concrete Well Pedestals are typically 1.5' about the finish surface and drain away from the wellhead 4) Well 7 & 9 were constructed with no annular seal 5) Well 9 - submersible pump, no oil lubrication 6) Well 7 - vertical pump with oil lubrication 7) Well 7 & 9 are pumped to the Mills Plant and water is dosed with 5 - 7 ppm of Cl2 before leaving the Mills Plant	A visual inspection is made of the wells each time the operator visits. All wells are visited at least once a week, and some of them several times per day. At least quarterly, a formal well inspection sheet is completed. Staff has reviewed with operations the latest inspection results. 1) Sampling ports were inspected on 5/17/17 2) Rodent droppings observed in Well 9 housing on 5/18/17 3) Vent and Sounding Tubes were secure 4) No recent work or rehabilitation on Wells 7 or 9 within the last 6 months 5) Well 7 & 9 Static and Pumping water levels are below the perforations; cascading water 6) Water level sounding equipment was used at the end of April 2017 7) Chlorine level at the Mills plant was around 5 ppm during the period	Consider installing packers into wells with cascading water		Conduct Sanitary Survey.	Contractor / David	10/31/2017
9	Imported Water Contamination	The District routinely receives imported water from two connections from Foothill Municipal Water District (FMWD). FMWD purchases water from Metropolitan Water District of Southern California.	The District does not routinely test the imported water received from FMWD for Coliform or E. Coli. Staff discussed the situation with operational staff from FMWD to ensure that there were no positives samples found by MWD or FMWD. 1) Low Total Chlorine Level from FMWD/MWD 2) Contamination at Briggs Meter Vault 3) Contamination at Ramsdell/Mayfield Mixing Station 4) Contamination at FMWD Reservoirs 5) Contamination from MWD	While it is possible for imported water to reach most of the sites were Total and E. Coli were detected, it is not likely that imported water was the source of contamination. The District will complete inspections at the vaults and mixing stations.	No Coliform or E. Coli. hits were detected in the imported water by either FMWD or MWD.	The District will begin collecting a sample of imported water to test for Total and Coliform and E. Coli. as well as NH_3 as N and Total Chlorine for comparison against data collected from FMWD..		Sample FMWD imported water.	Completed	
10	Treatment/Blending/ Chlorination process	1) Age of 12.5% Solution - Sodium hydrochloride 2) "Breakpoint" Chlorination Ratio	1) Degradation of chlorine levels in sodium hypochlorite solution over time 2) Variability of flow based on demand can change the "Breakpoint" Chlorination ratio 3) Variability of Total Chlorine residual and ammonia residual from MWD can change the "Breakpoint" Chlorination ratio	1. Reviewed residuals at sample collection points	In Process			Verify Breakpoint chlorination process. Sample imported Water for Chloramines, and NH3, Raise the residual in the system to a minimum of 0.7	Samples from Paschal are being collected. Flushing in zones with low chlorine residual (Operators). Chlorine and breakpoint analysis (David / Christy)	11/22/2017

Water Quality Investigation of E. Coli. Positive Sample Results.										
Task	**Potential Cause**	**Description**	**Factors/Variables**	**Situational Summary**	**Investigation Summary**	**Corrective Action**	**Conclusions**	**Action Items**	**Progress/Assignment**	**DUE DATE**
11	Distribution System Contamination	Review records of distribution system maintenance, construction work, valve turning, flushing.	Pipe breaks, leaks in low pressure zones, air-vacs, construction, fire flow from the Fire Department	Staff is currently in the process of reviewing all maintenance work, leaks, valve exercising and flushing what was conducted by the District. In addition, contact will be made with all contractors who have checked out flooding meters, the fire department, and the county departments that may access the Districts water through fire hydrants. Locations will be plotted on a map in connection to Coliform hits. a visual inspection will be made of all air-vacs.	In Process			Modify the TCR sampling plan to reduced the number of sampling stations and remove sampling stations at dead ends.	Christy (Not Started) (Meeting Scheduled 08/17/2017)	9/4/2017
12	Reservoir Contamination	Review reservoir inspection files. Review all reservoir levels and access points including vents and hatches.	Overflow piping, vents, cleaning operations	A visual inspection is made of the reservoirs each time the operator visits. All Reservoirs are visited at least twice a week, and some of them several times per day. At least quarterly, a formal reservoir inspection sheet is completed. Staff has reviewed with operations the latest inspection results.	Currently Staff is in the process of completing a completed assessment of all reservoir sites			Investigate the use of SolarBee mixers to prevent the loss of residual. Evaluate operations of competing sources and reservoirs in Zone 2. Investigate the operation of all 17 storage tanks and the age of the water and residual chlorine levels.	Dennis / David / Operations	10/31/2017
13	Other access points	Review cross connection control records.	vaults, valves, hydrants, pump stations, commercial and irrigation services, temporary construction meters	The backflow inspection program is ongoing. Record were recently reviewed during the annual report process.	No backflows were found out of compliance during the review of the last inspection in April of 2017.			Verify the location of all flooding meters and usage. Contact the Fire Department, and County in regards to filling or flowing hydrants.		Completed
14	Vandalism	Intentional or un intentional damage that causes contamination	The District has not had too many vandalism problems. Most are related to trash dumping and graffiti.	During the current inspections or reservoirs, wells and other facilities, Staff will be looking for evidence of any tampering or vandalism.	In Process			Continue routine Inspections of facilities.	Ongoing	

CRESCENTA VALLEY WATER DISTRICT
M E M O R A N D U M

DATE: August 11, 2017

TO: Engineering Committee

FROM: David S. Gould, District Engineer

SUBJECT: CVWD Engineering Committee Meeting No. 304

Following is a summary of Engineering Committee Meeting No. 304, held at 9:00 AM on August 10, 2017, at the CVWD main office, and was attended by the following:

Director Michael Claessens - Committee Chairperson	CVWD
Director Ken Putnam	CVWD
Tom Love – General Manager	CVWD
David Gould – District Engineer	CVWD
Brook Yared – Associate Engineer	CVWD

1. Status of Groundwater Wells and Well Capacity

Mr. Yared presented an updated Water Production Chart showing the status of the daily water production and the breakdown between groundwater and FMWD production. Mr. Gould indicated that water production was about the same as the previous year.

2. Award of Contract –FY 17/18 Grant Consultant Services, Project M-965

Mr. Gould discussed that staff has been utilizing the services of John Robinson Consulting, Inc. (JRC) to provide assistance on a number of projects and with research and information gathering on obtaining various Federal, State and Local grant funding for CVWD project. Mr. Gould also indicated that he has requested a proposal from JRC for grant assistance and project management services during FY 17/18 for review and discussion with the Engineering Committee. Director Putnam indicated that he agreed with the additional services and that staff should plan to explain in more detail at the next Board Meeting.

The Engineering Committee approved awarding a consultant contract to John Robinson Consulting and this should be added to the next Board agenda.

3. Award of Contract for Quality Control Inspection Services Construction of Well 2 and related facilities at 4209 Lowell Ave, Project E-956

Mr. Gould discussed the need for the services of a Construction Management firm to coordinate the project in the field and to provide oversite during construction. Mr. Gould indicated that three (3) firms provided proposal for the project and staff reviewed each proposal and ranked each firm based on Project Concept/ Understanding, Scope of Work, Consultants Fee, Project Experience, Project Team Qualifications, and Project Schedule. Staff reviewed the consultant ranking chart with the Engineering Committee.

Director Putnam requested that additional information be provided regarding using the status of CVWD's construction inspector relative to inspection of this project.

The Engineering Committee approved awarding a consultant contract to Cannon Corporation for quality control inspection services and this should be added to the next Board agenda.

4. Advertise for Bids Steel Reservoir Rehabilitation at Oak Creek #1 & #2 Reservoirs, Project E-970

Mr. Gould discussed that Harper & Associates have completed the design of the Oak Creek #1 & #2 reservoir rehabilitation project which included sandblasting and removal of the existing interior and floor coating, re-coating the interior with an epoxy coating paint, installation of additional roof ventilation with fans to increase air circulation and reduce the amount of chlorine "off-gas" inside the reservoir, a new epoxy coating system on the floor, removal and replacement of seismic structural steel to the roof and new sampling ports, sacrificial anodes for corrosion protection and other appurtenances

The Engineering Committee approved the advertisement for bids for this project and requested the item be placed on the Consent Calendar at the next Board Meeting.

The next Engineering Committee meeting was scheduled for August 31, 2017 at 9:00AM

Adjournment - The Engineering Committee meeting was adjourned at 9:33 am on August 10, 2017

See CVWD Website www.cvwd.com
for the Engineering Committee Packet

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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

August 10, 2017 at 9:00 AM

Posted August 8, 2017 at 4:00 pm

Call to Order

Adoption of Agenda

Information Items

1. Status of Groundwater Wells and Well Capacity
2. Award of Contract – FY 17/18 Grant Consultant Services, Project M-965
3. Award of Contract – Quality Control Inspection Services - Construction of Well 2 and related facilities at 4209 Lowell Ave, Project E-956
4. Advertise for Bids – Oak Creek No. 1 & No. 2 Steel Reservoir Rehabilitation, Project E-970

Public Comments

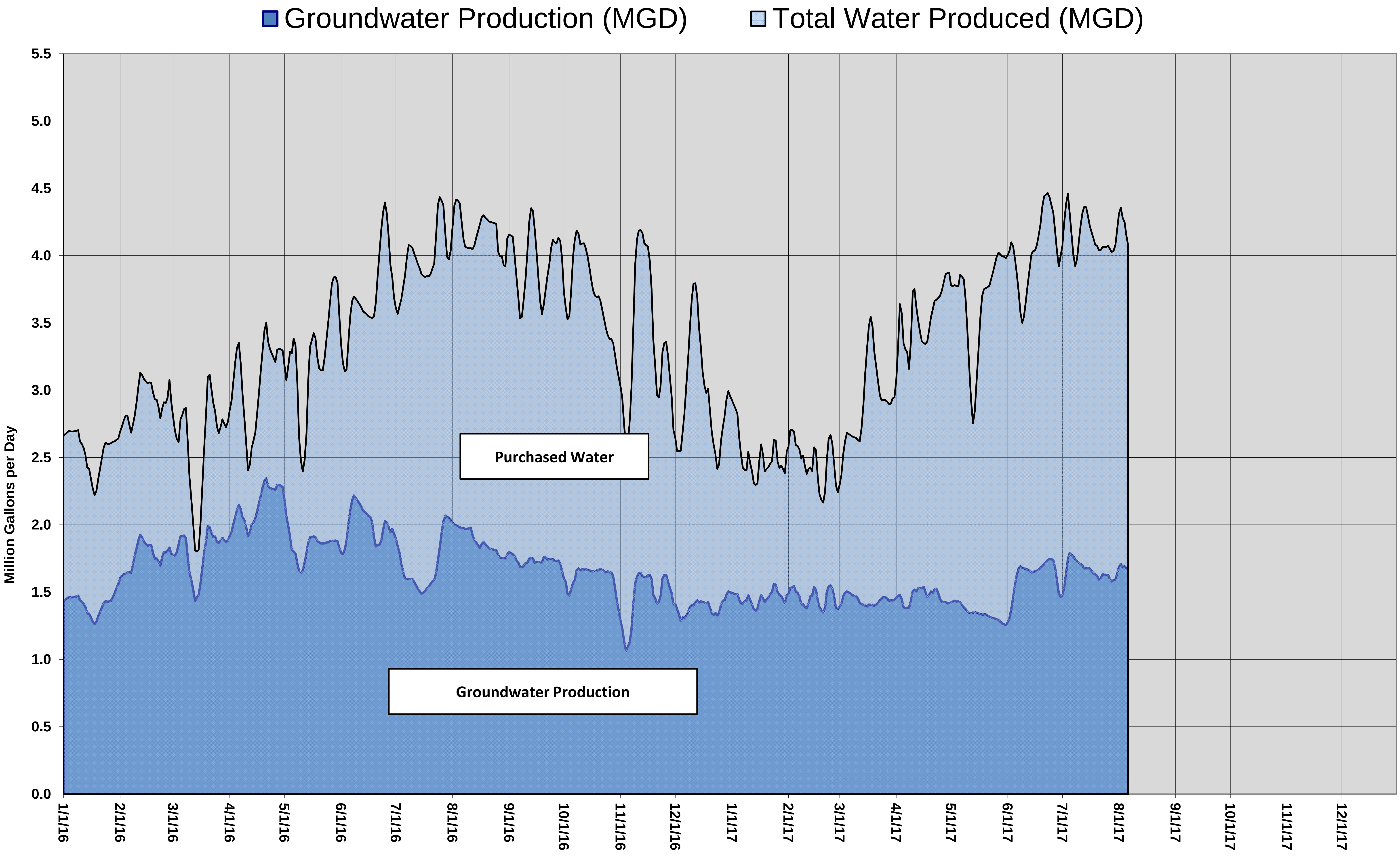
At this time, members of the public shall have an opportunity to address the Committee on items of interest that are within the subject matter jurisdiction of this Committee. This opportunity is non-transferable and speakers are limited to three (3) minutes each.

Committee Member's Request for Future Agenda Items

Next Engineering Committee Meeting – August 31, 2017

Adjournment

Water Production Chart 2016 - 2017



CRESCENTA VALLEY WATER DISTRICT

STAFF REPORT

Information Item No. 2

To: Engineering Committee — August 10, 2017

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

Subject: **Award of Contract – FY 2017/18 Grant Assistance Consulting Services, Project M-965**

INFORMATION ITEM:

FY 2017/18 Grant Assistance Consulting Services, Project M-965 - Consideration and motion to authorize the General Manager to enter into an agreement with John Robinson Consulting to provide services for coordination and preparation of applications for State and Federal Grants at a cost of $30,000 and establish a contingency amount of $3,000 (10% of contract) to cover the cost of additional work

BACKGROUND:

In FY 16/17, staff utilized the services of John Robinson Consulting, Inc. (JRC) to provide assistance on a number of projects and with research and information gathering on obtaining various Federal, State and Local grant funding for CVWD project's as shown below:

- Provided an evaluation of CVWD's Recycled Water Study
- Attended the Greater Los Angeles County Region Integrated Regional Water Management Plan (IRWMP) and the Upper Los Angeles River (ULAR) Sub-region steering committee meetings and reporting on the current status of the Prop 84 grant program
- Coordinating stakeholder meetings for CVWD's Crescenta Valley County Park (CVC Park) Stormwater capture project with City of Glendale, Los Angeles County Department of Parks & Recreation and Los Angeles County Department of Public Works
- Investigate Federal Emergency Management Agency (FEMA) grant funding to potentially assist with the design and/or construction for the repairs to the Lower Pickens Canyon water pipeline crossing
- Investigate United States Bureau of Reclamation (USBR) grant funding for CVWD's Automated Meter Information (AMI) installation program
- Assisted with the CEQA documentation for CVWD's Well 2 project as part of the Prop. 84 grant requirements
- Assisted with preparing MWD Local Resources Program (LRP) application and background material for Well 2 and related facilities project
- Project management services for CVWD's Well 2 and related facilities project including coordinating with City of Glendale on permitting issues

JRC's original consulting contract was for $21,000 and an amendment was made to the contact for an additional $12,000 for project management services for the Well 2 and related facilities project for a total of $33,000 which was included in the FY 16/17 Administrative Consultants budget.

DISCUSSION:

Staff requested JRC to provide a new proposal for grant assistance and project management services during FY 17/18 that includes the following:

1. Crescenta Valley County Park Storm Water Project:
   a. Coordination with potential project partners - City of Glendale, Glendale Water & Power, County of Los Angeles Department Parks & Recreation and Los Angeles County Department of Public Works
   b. Assist CVWD with obtaining grant funding through the Prop 1 IRWMP process
2. Coordinate with CVWD to research other grant opportunities to support CIP projects including grants through USBR, FEMA and DWR
3. Assist CVWD with financing opportunities such as State Water Resource Control Board Division of Financial Assistance Drinking Water State Revolving Funding for future CIP projects
4. Project management services during construction of CVWD's Well 2 and related facilities project

JRC provided a proposal dated July 30, 2017 (see attached) for $30,000 to provide grant assistance and project management services for FY 17/18.

RECOMMENDATION:

Staff recommends that the Engineering Committee approves the General Manager to enter into an agreement with John Robinson Consulting, Inc. for $30,000 for grant assistance and project management services for FY 17/18 at the August 15, 2017 Board meeting.

ENVIRONMENTAL REVIEW:

N/A

FUNDING AVAILABILITY:

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

Account Description	Amount
FY 17/18 Administrative Consultants	$161,500
Grant Assistance and Project Management Services	<$30,000>
Contingency amount to cover the cost of additional work	<$3,000>
Total Cost	**<$33,000>**
Amount Remaining in FY 17/18 Administrative Consultants	**$128,500**

Prepared & Submitted by:

David S. Gould, P.E.
District Engineer

Attachments:

1. John Robinson Consulting, Inc. proposal dated July 30, 2017

July 30, 2017

Mr. Thomas A. Love, General Manager
Crescenta Valley Water District
2700 Foothill Boulevard
La Crescenta CA 91214

Subject: Letter Proposal to Provide On-Call Consulting

Dear Mr. Love:

John Robinson Consulting, Inc. (JR Consulting) is pleased to offer is letter proposal to Crescenta Valley Water District (CVWD) based upon the email from July 10, 2017 and a follow up discussion on July 28th. Our firm is a California S Corporation, is a Small Business Enterprise (SBE) and is located locally in Pasadena. This letter proposal outlines our scope of service, schedule and fee estimate.

SCOPE OF SERVICES

Task 1: Crescenta Valley County Park Storm Water Project:

JR Consulting will assist CVWD and their consultant (Amec Foster Wheeler) with the next steps of implementation including the followings:

A. Coordination with potential project partners (City of Glendale, Glendale Water & Power, County of Los Angeles Department Parks & Recreation (LACDPR) and Los Angeles County Department of Public Works.
B. JR Consulting will assist CVWD with obtaining grant funds for the Crescenta Valley County Park Stormwater Recharge Facility (See deliverable and schedule below). CVWD wants to install a stormwater recharge facility at the Crescenta Valley County (CVC) Park to capture and infiltrate stormwater and dry-weather flow within the Verdugo Wash to recharge the Verdugo Basin. CVC Park which is owned by the LACDPR, located within the County of Los Angeles and surrounded by the City of Glendale provides a rich partnership project opportunity to implement the goal for the stormwater recharge facility to increase groundwater supplies, improve local water supply reliability particularly during times of drought, improve groundwater quality and reduce surface water runoff within CVC Park. The potential grant being investigated would be the 2017 Integrated Regional Water Management Grant Program, Chapter 7 under Department of Water Resources.

Deliverable: *JR Consulting in coordination with CVWD staff would purse Prop 1 IRWM Grant Program, Chapter 7 funding. JR Consulting will coordinate with ULAR as well as GLAC to submit the project for consideration. JR Consulting will attend key ULARA monthly meetings.*

Schedule: *Prop 1 IRWM Grant applications are expected to begin in Spring 2018.*

Task 2 – Grant Opportunities:

JR Consulting will coordinate with CVWD to research other grant opportunities to support CIP projects including those grants listed below

Task 2-1: JR Consulting will investigate Federal Emergency Management Agency (FEMA) grant funding to potentially assist with the design and/or construction for the repairs to the Lower Pickens Canyon water pipeline crossing.

Deliverable: *JR Consulting will investigate and provide the findings to CVWD regarding potential FEMA funding for design and/or construction funds for repairing the Lower Pickens Canyon water pipeline crossing.*

Schedule: *FEMA grants can be submitted anytime but typically new applications occur from November 2017 to February 2018.*

Task 2-2: JR Consulting will investigate United States Bureau of Reclamation (USBOR) funding to help offset CVWD's investments into AMI installation in the service area. CVWD current installation is estimated at approximately 4,000 AMI installation on meters installed in the late 1970's to mid-1980 with measurable improvements in losses of approximately 4.0%. The potential funding would help accelerate the remaining installation as well as the development of a fixed area network to have the AMI meters to be read automatically versus manually.

Deliverable: *JR Consulting will investigate and provide the findings to CVWD regarding potential USBOR funding AMI installations as well as fixed area network.*

Schedule: *USBOR issues Proposed Solicitation Packages (PSPs) in October to mid-November. After the PSPs are approved grants can be submitted typically from November 2017 to February 2018.*

Task 2-3: JR Consulting will investigate the potential to obtain a State Water Resource Control Board Division of Financial Assistance Drinking Water State Revolving Funding for capital improvement projects (CIP) which could be provided at a low interest loan (1.8-percent). JR Consulting is currently developing a DWSRF application package for another water retailer and will take that knowledge of the process and make recommendations to CVWD based upon CVWD 5-year CIP.

Deliverable: *JR Consulting will investigate and provide the findings to CVWD regarding potential SWRCB DFA DWSRF future CVWD CIP projects.*

Schedule: *Drinking Water State Revolving Funds (DWSRF) can be submitted anytime and currently SWRCB Division of Final Assistance are looking for projects to fund and the process typically takes 12 to 18 months so would not impact the current 2017-2018 CIP budget.*

Task 3: Well #2 and Related Facilities:

JR Consulting will assist CVWD with three specific tasks with Well #2 and Related Facilities. Those tasks include:

A. Permitting with City of Glendale (Grading and potentially a Building and Safety permit)
B. Permitting and coordination with Glendale Water & Power (permits to be obtained by the selected Contractor)
C. Assisting SA Associates (designers), APT (Equipment suppliers) and Construction Management teams during construction and testing of the new equipment with the SWRCB Division of Drinking Water.
D. Completion on an Local Resource Program application to be submitted to Foothill Municipal Water District who will submit to Metropolitan Water District of Southern California.

MEETINGS

JR Consulting will be available for up to three (3) meetings including Executive management, Engineering Committee and Board of Directors to discuss the deliverables from the tasks.

Time Schedule

JR Consulting will commence with the proposed scope of services after the Professional Services Agreement (PSA) has fully been executed. JRC will provided a copy of our Certificate of Insurance per the PSA requirements and will keep the insurance valid throughout the project. JR Consulting will focus on Task 1 after the Notice to Proceed. JR Consulting will then focus on Task 2 and Task 3 during the period of the work.

The scope of work will be starting on July 1, 2017 through June 30, 2018 (12 months).

Compensation

JR Consulting will provide the scope of services with the proposed schedule as set forth in this proposal to CVWD on a time and material basis. Based on JR Consulting's present knowledge of the services described above, it is recommended that $30,000 and is based on 200 hours at $150 per hour which is $3,000 per month but hours will only be charged for those hours worked as this is a not a lump sum proposal.

JR Consulting commits to timely, responsive services, and to deliver excellence in the offered services. We are eager and enthusiastic to begin this technical memorandum for CVWD.

If there are any questions, please feel free to contact me at (626) 375-9389 or jrobinson@johnrobinsonconsulting.com

Very truly yours,

John Robinson Consulting, Inc.

John Robinson, Principal

CRESCENTA VALLEY WATER DISTRICT
STAFF REPORT

Information Item No. 3

To: Engineering Committee August 10, 2017

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

Subject: **Award of Contract for Quality Control Inspection Services for Well 2 and related facilities, Project E-956**

INFORMATION ITEM:

CVWD's Well 2 and Related Facilities, Project E-956 – Consideration and motion to authorize the General Manager to enter into an agreement with Cannon Corporation for quality control inspection services for Well 2 and related facilities at a cost of $128,614 and establish a contingency in the amount of $12,861 (10% of contract) to cover the cost of unforeseen or additional work.

BACKGROUND:

CVWD received a grant from the Department of Water Resources (DWR) to reactivate Well 2 and construct a new biological nitrate removal treatment facility. The project will utilize a local water resource, increase CVWD's ability to use its adjudicated rights within the Verdugo Basin, reduce CVWD's dependence on imported water from MWD and reduce nitrate levels within the Verdugo Basin.

On July 15, 2017, the Well 2 and related facilities project was advertised for bids and the bids will be opened on August 30, 2017, construction should commence in late October 2017 and completed in May 2018.

DISCUSSION:

Staff needs the services of a construction management firm to coordinate the project in the field and to provide oversite during construction. Staff sent the RFP to four (4) firms qualified to provide construction management services, which does not include the design-engineering firm. The firms are Butier Engineering, Tetra-Tech, Civiltec Engineering and Cannon. Staff has worked with these firms on past projects and is well versed in these firm's capabilities.

The proposals were received on August 2, 2017 from three (3) firms as Civiltec Engineering declined to provide a proposal due to insufficient availability of staff. Staff reviewed each proposal and ranked each firm based on Project Concept/ Understanding, Scope of Work, Consultants Fee, Project Experience, Project Team Qualifications, and Project Schedule. As shown on the attached Consultant Ranking, Cannon Corporation (Cannon) provided as proposal that meets the District's needs for the project and at a cost within the project's budget.

	Consultant	**Total Proposal Amount**
Low	Cannon Corporation	$128,681
2nd	Tetra-Tech	$148,855
3rd	Butier Engineering	$155,280
4th	Civiltec Engineering	Declined to Bid

RECOMMENDATION:

It is staff's recommendation to enter into an agreement with Cannon for quality control inspection and construction management services at a total cost of $128,614. Staff has had experience with Cannon since they provided construction management services for the Well 16 project.

ENVIRONMENTAL REVIEW:

N/A

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

Account Description	Grant Cost Breakdown
Greater Los Angeles County IRWM 2015 Solicitation Implementation Grant	**$1,825,000**
Amount reimbursed from Grant (39%)	*$705,775*
CVWD Costs (61%)	*$1,119,225*
Breakdown of Project Costs	
Approved Contract – SA Associated - Engineering Services	<$114,000>
Approved Contract – APTwater for ARoNite Nitrate Treatment System	<$625,000>
Approved Contract – Royal Wholesale Electric for MCC & Switch Board	<$98,547>
Engineer Cost Estimate – Well 2 Facilities	<$907,000>
Construction Management Services	<$128,614>
Contingency amount (10% of contract) to cover the cost of unforeseen or additional work.	<$12,861>
Estimate Cost – Soil Inspection, Permitting Fees, Engineering Services, and Misc work	<$138,978>
Total Estimated Cost for Design & Construction	***<$2,025,000>***
Amount Remaining for Well 2 Project	**<$200,000>**
Transfer of funds from Pipeline Replacement (Move the replacement of the pipeline on 3200 & 3300 Blocks of Brookhill to FY 18/19)	**$235,000**
Remaining Funds	**$35,000**

Prepared & Submitted by:

David S. Gould, P.E.
District Engineer

Attachments:
1. Quality Control Inspection Services Consultant Ranking

Crescenta Valley Water District

Quality Control Inspection Services for CVWD's Well 2 and Related Facilities at 4029 Lowell Ave
Project E-956

Consultant Ranking

Ranking	Weighted Percent	Cannon		Tetra Tech		Butier Engineering		Civiltec Engineering	
		Score	Weighted Score	Score	Weighted Score	Score	Weighted Score	Score	Weighted Score
Project Concept/ Understanding	25%	5.0	1.25	5.0	1.25	5.0	1.25		
Scope of Work	35%	5.0	1.75	5.0	1.75	5.0	1.75		
Consultant's Fee	15%	4.0	0.60	3.5	0.53	3.0	0.45		
Project Experience	10%	5.0	0.50	5.0	0.50	5.0	0.50		
Project Team Qualifications	10%	5.0	0.50	5.0	0.50	5.0	0.50		
Project Schedule	5%	5.0	0.25	4.0	0.20	5.0	0.25		
Final Weighted Score	100%	1st	4.85	2nd	4.73	3rd	4.70		
Proposal Cost			$128,614		$148,855		$155,280		

Each consultant's proposal rated 1 - 5 (5 outstanding - 3 average - 1 unsatisfactory) on each category above. Each rating is multiplied by the weighted average for each category and totaled for the final weighted score.

Categories:

Project Concept/ Understanding - *How well the consultant's proposal addressed the needs of the District as outlined in the request for proposal*
Scope of Work - *How well the consultant showed how its firm would complete the requested tasks*
Consultants Fee - *How well the consultant's proposal utilized their staff and the costs associated with the proposal*
Project Experience - *How much previous experience has the consultant on projects similar to this project*
Project Team Qualifications - *How did the consultant's proposal use its staff and the experience of the individual people involved*
Project Schedule - *How well did the consultant's proposal address the schedule and completion of the project*

CRESCENTA VALLEY WATER DISTRICT

STAFF REPORT

Information Item No. 4
August 10, 2017

To: Engineering Committee

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

Subject: **Advertise for Bids – Steel Reservoir Rehabilitation at Oak Creek #1 & #2 Reservoirs, Project E-970**

INFORMATION ITEM:

Steel Reservoir Rehabilitation at Oak Creek #1 & #2 Reservoirs, Project E-970 – Consideration and motion to authorize the General Manager to advertise for bids for steel reservoir rehabilitation at Oak Creek #1 & #2 Reservoirs with an engineer's construction estimate of $658,000

BACKGROUND:

Crescenta Valley Water District (CVWD) owns two (2) 1.6 MG steel tanks at its Oak Creek Reservoir site located at 5041 Cloud Avenue. The steel tanks were built in 1958 and 1961. In 1996, an assessment was performed by Harper & Associates Engineering, Inc. (Harper) of the District's 17 reservoirs and it was determined that the Oak Creek Reservoirs needed to be re-coated to extend the life of the steel tanks. The re-coating of the reservoirs, which also included seismic structural upgrades was completed in September, 2001 and since that time, the interior & exterior of the Oak Creek Reservoirs have been inspected every five (5) years.

In December 2005, the Oak Creek reservoirs were inspected and it showed random corrosion on the roof and rafters.

In October 2011, the reservoirs were again inspected and there was increased corrosion on the roof and rafters above the water line. The report stated that the underside of the roof and structural elements are in poor condition. It was recommended to sand blast, remove the coating and corrosion, and re-coat the interior roof and shell. Also, any structural members damaged by the corrosion should be replaced. It was believed that the advanced corrosion in the open area above the water line was due to "off-gassing" of chlorine and not enough ventilation or air circulation to remove the chlorine into the atmosphere.

In July 2016, the reservoirs were inspected by Harper and they indicated that the condition of the roof, rafters and structural members above the water surface for both reservoirs had deteriorated to a worse condition than seen in 2011. Also, the coal-tar enamel coating on the floors is no longer allowed to be used in steel tanks; therefore, it will have to be removed and a new floor coating system would have to be installed.

DISCUSSION:

Harper was awarded a consultant contract to provide engineering design services for the rehabilitation for Oak Creek #1 & #2 Reservoirs. The project included:

- Sandblasting and removal of the existing interior and floor coating
- Re-coating the interior with an epoxy coating paint
- Installation of additional roof ventilation with fans to increase air circulation and reduce the amount of chlorine "off-gas" inside the reservoir
- A new epoxy coating system on the floor
- Removal and replacement of seismic structural steel to the roof
- New sampling ports, sacrificial anodes for corrosion protection and other appurtenances

RECOMMENDATION:

Staff recommendation is to authorize the General Manager to advertise for bids for the Steel Reservoir Rehabilitation at Oak Creek #1 & #2 Reservoirs at an engineer's construction estimate of $658,000.

The project schedule is to advertise for bids in August and September 2017, award the contract in late September 2017, start construction in November 2017 on the first reservoir and construction of second reservoir in February 2018. Construction on each reservoir should be about 3 months each and the project should be completed by the end of May 2018.

Christina Olmedo will be the project manager and Cory Whitman will be the daily on-site inspector. This project will also require specialty inspection during the re-coating process and staff will be requesting a proposal from Harper for specialty inspection services.

ENVIRONMENTAL REVIEW:

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 account for the project:

Account Description	Amount
FY 16/17 Water CIP– Water Storage	$900,000
Cost for Design Services + 10% Contingency	<$21,800>
Preliminary Cost Estimate for Contractor	<$658,000>
Additional costs such as specialty inspection costs, construction administration costs, dehumidification equipment & contingency	<$181,000>
Total Cost Estimate	**<$860,800>**
Amount Remaining in Water CIP – Water Storage	**$39,200**

Prepared & Submitted by:

David S. Gould, P.E.
District Engineer