

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 January 9, 2018 at 7:00 p.m.**

Posted: January 5, 2018 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 December 12, 2017.

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 Michelle Glavan & Joseph Nagy at 4749 Ramsdell Ave.
2. **Appeal of a High Water Bill** – Consideration and possible action to grant a request for relief from a high water bill by Wayne Butts at 3041 Honolulu Ave.
3. **Appeal of a High Water Bill** – Consideration and possible action to grant a request for relief from a high water bill by Richard Hays at 4714 Ramsdell Ave.
4. **Board Meeting Dates** – Discussion regarding dates for upcoming Board meetings.

Information Items

Written Communications to District/Board of Directors

General Manager's Report

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.

Board Members' Request for Future Agenda Items

Adjournment

CRESCENTA VALLEY WATER DISTRICT
ADJOURNED REGULAR MEETING, BOARD OF DIRECTORS
December 12, 2017

Pursuant to the order of the Board of Directors of the Crescenta Valley Water District, made at the Regular Meeting of December 5, 2017, an Adjourned Regular Meeting was held on December 12, 2017, at 7:00 p.m. at the District office at 2700 Foothill Blvd., La Crescenta, California, with Vice-President Michael L. Claessens presiding.

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

Directors:	James D. Bodnar (Absent) Michael L. Claessens Kerry D. Erickson Kenneth R. Putnam Judy L. Tejeda (arrived at 7:03)
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 Wendy Holloway, Customer Accounts Supervisor James Lee, Accountant Dennis Maxwell, Superintendent Kathy Ross, FMWD Director

PLEDGE OF ALLEGIANCE

Vice President Claessens opened the meeting by asking Director Putnam to lead the Board and staff in reciting the Pledge of Allegiance.

ADOPTION OF AGENDA

It was moved by Director Putnam, seconded by Director Erickson and carried by a 3-0 vote that the Agenda for the Adjourned Regular Meeting of December 12, 2017 be adopted as presented.

PUBLIC COMMENT – None

FOOTHILL MUNICIPAL WATER DISTRICT REPORT – Ms. Kathy Ross reported that at last month's meeting, MWD gave a presentation on the increase of the HPT count, and have they believe this is due to higher temperature in the reservoirs. FMWD also discussed the mutual aid agreement and the management report. Due to the fires they postponed a shut-down so there would be no issues. They will be discussing the emergency preparedness issues next week. The next meeting will be on January 15, 2018.

CONSENT CALENDAR

It was moved by Director Putnam, seconded by Director Tejeda and carried by a 4-0 vote to approve the Minutes of the Regular Board Meeting held on December 5, 2017 and to ratify the disbursements for November 2017.

Payment of demands against the Crescenta Valley Water District on or before November 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 Sixty Nine Thousand, Seven Hundred Twenty Dollars and Ninety Four cents (1,169,720.94), which is composed of the individual items set forth herein.

ACTION CALENDAR

Appeal of a High Water Bill – Mr. Mitchell reported that Michelle Glavan and Joseph Nagy are tenants at 4749 Ramsdell Avenue since July 1, 2016 and have had a high water usage for the May-June and July August 2017 billing cycles. During the meter reading for the June 20, 2017 billing, staff noticed a high usage of 59,000 gallons. Staff provided a report that outlined the various steps taken to verify the reads as accurate and communicate to the customer about the high usage. The report included copies of meter downloads, recalculated billings, correspondence with the customer, and service requests used to gather the information.

Staff followed previous direction from the Board to recalculate consumption to charge only tier 2 rates for water used over the average consumption for the same billing period. This showed that total credit for both the billing periods in question would be \$278.08. However, staff had already provided a \$300.00 credit to the account and recommended that the Board not grant any additional relief.

Following discussion:

It was moved by Director Erickson, seconded by Director Tejeda to follow staff's recommendation.

Following further discussion:

It was moved by Director Tejeda, seconded by Director Putnam) to amend the original motion to provide an additional \$200.00 credit to the two billing cycles. The motion failed by a 2-2 vote (Claessens, Erickson). The Directors tabled this to the next meeting.

Procurement of SCADA Equipment for CVWD's Well 2 and Related Facilities, Project E-956 – Mr. Gould reported the Well 2 Project is under construction, and in order for staff to have the ability to remotely monitor and control the existing booster pumps and motor for Well 2, the chlorination system and the new Nitrate Removal Treatment System, we would need to upgrade the SCADA equipment and PLC/RTU programming at the site. Currently, the District's SCADA equipment and PLC/RTU programming is provided by Tesco Controls, Inc. Staff met with Tesco to discuss the scope of work for the project. Tesco provided a quote on December 6, 2017 for the upgrades at a total cost of \$32,920. It is staff's recommendation to award a contract to Tesco Controls, Inc...

Following discussion:

It was moved by Director Putnam, seconded by Director Erickson and carried a 4-0 vote to authorize the General Manager to award a contract for the procurement of SCADA equipment and

programming to Tesco Controls, Inc. for the Well 2 and related facilities project at a cost of \$32,920.

8-inch Water Main Replacement on the 2700, 3000, 3100 Blocks of Brookhill Ave., Project E-982 –

Mr. Gould reported on October 17, 2017, the Board authorized the General Manager to advertise for bids, for a second time for this project. A mandatory pre-bid meeting was held on November 15, 2017 and was attended by six contractors. On December 6, 2017, at 2:00 p.m., the District opened and read the bid proposals for this project. Staff reviewed the bids received and determined that Robert Brkich Construction of Monrovia, CA was the lower responsible bidder at a cost of \$742,800 which is 8.2% higher than the engineer's estimate. Staff's recommendation is to award the contract for the subject project to the lowest responsible bidder, Robert Brkich Construction, and also is requesting a transfer of \$175,000 from the Water Reserves Fund to make up for the budget shortfall. This project is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15301 of the CEQA Guidelines.

Following discussion:

It was moved by Director Putnam, seconded by Director Tejeda and carried a 4-0 vote to authorize the General Manager to award a contract to the lowest responsible bidder, Robert Brkich Construction, for the construction of 2,700 lineal feet of pipeline replacement on the 2700, 3000, 3100 Blocks of Brookhill Ave. at a cost of \$742,800 and establish a contingency amount of \$74,280 (10% of contract) to cover the cost of unforeseen or additional work and transfer an additional \$175,000 from the water reserve fund to cover the budget shortfall.

Investment Policy for 2018 – Mr. Mitchell reported that annually the District is required to adopt an investment policy, and it's time to do so for the 2018 calendar year. Staff has consulted with legal counsel regarding any changes made by the legislature in the last year. Mr. Bunn informed staff that there were some changes to the wording Section 8.0. No other changes were made by the Legislature during the year. Even though several investment options are outlined and permissible by the state for the District to use for our funds, staff continues to follow the request of the Board to only place such funds in U.S. Treasuries, Federal Farm Credit Bank securities and the Local Agency Investment Fund (LAIF).

Following discussion:

It was moved by Director Erickson, seconded by Director Claessens to adopt Resolution No. 739 setting forth the District's Investment Policy for 2018 by the following role call;

AYES:	Director Claessens
AYES:	Director Erickson
AYES:	Director Putnam
AYES:	Director Tejeda
NOES:	None
ABSENT:	Director Bodnar

Organizational Assessment: - Mr. Love reported that he had hired a consultant to conduct an organizational assessment. The consultant interviewed 30 of the 33 employees and prepared a draft report. Given the impacts and implications of organizational structure changes on employees, Mr. Love is giving appropriate consideration to the preliminary findings and recommendations in the draft report.

Staff has met with the Employees Relations Committee and discussed the draft. Management staff has been evaluating several alternative organizational structures in the near term (6 months to 1 year) and long term (3 to 5 years). In the near term the Sewer Supervisor position will be vacant and merge the sewer operations and maintenance with the water maintenance under the supervision of the Construction Supervisor. In the office staff would like to fill the Accounting Clerk position to offload general bookkeeping duties from the Accountant and also provided additional customer service support. Mr. Love said that he would like to change the Capital Projects Manager position to Senior Engineer as this would leave more time for the District Engineer to focus on higher level planning, evaluation, and analysis, and have more time to supervise his staff. The Employee Relations Committee has requested additional cost and financial evaluation of these near term organizational changes.

Emergency Response Preparedness – Mr. Love discussed the emergency preparedness process. With the winds and fires, he had a live exercise activating the emergency preparedness plan. He discussed how he and other employees were detoured due to the fires and CHP blocking all exits off the freeway. He was concerned because he had stopped at two different exits and showed his emergency response employee id badge and they would not let him off the freeway. He explained that he was with the water district and we are in the middle of emergency response preparations to make sure there was adequate water supply, and he was absolutely refused to be let through. He wants to meet with the CHP Captain in Altadena, Glendale Police, and the LA Sheriff to find out how we could solve this problem should it arise again.

INFORMATION ITEMS – None

WRITTEN COMMUNICATIONS TO DISTRICT – None

REPORTS OF PERSONNEL

GENERAL MANAGER – Mr. Love reported that we are at a 3 ½ years without a lost time accident. Also, we are watching the FMWD water purchases and it now appears that we will be going into FMWD's Tier 2 rate. The month of December, because of the dry warmer weather, water demands are 20% higher than last year at the same time. Ground water production is holding steady, but due to the demands going up, the District needs to purchase more imported water. Two employees have work anniversaries in December. Dennis Maxwell and Robert Wood have been with the District for 12 years.

ATTORNEY – No Report

REPORTS OF COMMITTEES

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

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

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 had not met; however a meeting will be scheduled as needed.

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

DIRECTORS ORAL REPORTS

Director Bodnar – Absent

Director Claessens – No Report

Director Tejeda reported on an article regarding Coachella Valley Water District, to ask the Supreme Court to reverse the decision of the 9th Circuit Court of Appeals on the water rights with Agua Caliente Band of Cahuilla Indian tribe.

Director Putnam asked how did other water agencies fair during the fire and what lessons can we learn from it.

Director Erickson asked about the California Water Fix and where is it going. He attended the tree lighting ceremony Sunday night at the Library, and also attended The Community Festival of Music at the LDS Church, where there were choirs from other various churches.

ADJOURNMENT

There being no other business to come before the Board, at 8:55 p.m.it was moved by Director Tejeda, seconded by Director Erickson and carried by a 4-0 vote that the meeting be adjourned to January 9, 2018, 2017 at 7:00 p.m.

APPROVED

James D. Bodnar
President

Ron L. Mitchell
Secretary-Treasurer

CRESCENTA VALLEY WATER DISTRICT

BOARD OF DIRECTORS - STAFF REPORT

Action Item No.1
January 9, 2018

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:

Appeal of a High Water Bill – Consideration and possible action to grant a request for relief from a high water bill by Michelle Glavan & Joseph Nagy at 4947 Ramsdell Ave.

BACKGROUND:

Michelle Glavan & Joseph Nagy are tenants at the property located at 4749 Ramsdell Ave, since July 1, 2016 and they experienced high water use during the May-June 2017 and July-August 2017 billing cycles. They attended the December 12, 2017 Board meeting to appeal for additional credit due to the high consumptions caused by a leak in their drip irrigation system. The Board was deadlocked on a decision and asked that this item be brought back to this meeting for a final determination.

While reading the meter for the June 30, 2017 billing period, staff discovered that the property had a high usage of 59,000 gallons (59 units). The property's average water usage for the May-June billing period over the last few years was within Tier 2, with a high of 14 units.

- July 10, 2017, staff went back out to re-read the water meter and check for any leaks. The results showed there were no leaks at that time and the water usage reading was correct.
- July 11, 2017, staff requested a download of the water meter usage. The results showed that the irrigation system was in use and was watering every day for the 30-day period recorded.
- On July 21, 2017, staff called and left a message regarding the download.

Note: The message left by staff, and played by the customer at the meeting, informed the customers the report showed that the sprinklers were going off every day and showed high consumption for the period. The message also encouraged the customer to check for any leaks and call the office if they had any questions. No follow-up phone calls were received regarding this message that day. Staff eventually spoke with Ms. Glavan on the phone after the first download and she indicated that there were problems in the irrigation system. The downloaded information was provided to the customer and this was verified in an email dated September 22, 2017 from Ms. Glavan to Mr. Love.

While reading the meter for the August 30, 2017 billing period, staff again discovered that there was still high water usage of 70,000 gallons (70 units). The property's average water usage for the July-August billing period over the last few years was within Tier 2, with a high of 9 units.

- September 8, 2017, staff went back out to re-read the water meter and check for any leak. The results again showed no leaks and the water usage reading was correct.
- September 13, 2017, staff sent a letter to the resident about the increase during the May-June 2017 and July-August 2017 billing cycles.
- September 15, 2017, staff again requested a download of the water meter usage. The results again showed that the irrigation system was in use and was watering every day for the 30-day period.
- On September 15, 2017, staff spoke directly to Mr. Nagy about the information in the download and that they are severely over watering. This information was also emailed to the customer.
- September 25, 2017, Mr. Love requested another water meter usage download as he was planning to meet with the customers. The most recent water meter usage download showed that customers had changed or fixed the irrigation system as of September 16, 2017, as the download showed the consumption dropping.

Note: Mr. Nagy was asked at the December 12th meeting if he had looked at the meter to see if he could determine usage or if water was flowing and he indicated that he didn't think he could touch the meter

box. However, when Mr. Love visited their home he found that the meter lid was off and saw indications that the customer was doing some plumbing work at the property.

At the December 12th meeting Mr. Nagy said that he spoke with our serviceman and attempted to get consumption information from him when he was there performing a re-read of the meter. He said that our serviceman did not answer his questions and got in his truck and drove away. I spoke to the serviceman involved and he said that he informed the customer of why he was there and that he did not have any details of the customer's consumption and told him he would have to contact the office for any consumption information.

Note: When a serviceman goes to a home to perform maintenance of the meter, re-read of the meter, or a download of the meter information, they do not have any information as to the normal consumption at that property and are instructed to politely inform the customer that they need to contact the office for more information. This is precisely what our serviceman did in this situation.

November 1, 2017, staff received a letter from the residents requesting a leak adjustment which showed that they had repaired the irrigation system in their yard. Staff processed a leak adjustment in the amount of \$300.00, which is the maximum amount staff is allowed to adjust a bill.

Staff received another letter from Ms. Glavan and Mr. Nagy on November 30, 2017 requesting an additional adjustment to their May-June 2017 and July-August 2017 bills to be reviewed by the Board of Directors.

There have been similar situations requesting bill adjustments that have been brought to the Board's attention. In the past, the Board has directed staff to recalculate the customer's bill in question by charging only the Tier 2 rate for all usage over the average consumption for that period.

May-June 2017 Bill:

If staff uses that same methodology, the average consumption for the May-June billing period for this account is 14 units. Total consumption was 59 units for the 2017 bill and that the extra 33 units would be billed at the Tier 2 rate.

Staff has prepared a "re-calculated billing" which shows the billing for the period would be \$484.38 instead of \$600.54, which will result in a difference of **\$116.16.**

July-August 2017 Bill:

The average consumption for the August billing period for this account is 9 units. Total consumption was 70 units for the 2017 bill and that the extra 44 units would be billed at Tier 2 rate.

Staff has also prepared a "re-calculated billing" which shows the billing for the period would be \$583.43 instead of \$745.35, which will result in a difference of **\$161.92.**

RECOMMENDATION:

The total credit based on the "re-calculated bills" May-June 2017 and July-August 2017 bills would be **\$278.08.** Staff had previously applied a \$300.00 credit adjustment, which was greater than the "re-calculated bills" credit, therefore staff is recommending no additional credit adjustment to the bills.

If the Board so chooses, the remaining balance can be placed on an amortization schedule for Ms. Michelle Glavan and Mr. Joseph Nagy.

Prepared by:

Submitted by:

Ron L. Mitchell
Secretary-Treasurer

Thomas A. Love
General Manager

Attachments:

g:\management\board meeting staff reports\2018\01-9-18 board memo - relief request 4947 Ramsdell.docx

Crescenta Valley Water District
2700 Foothill Blvd.
La Crescenta, CA 91214-3590
(818)248-3925

Nov. 30th, 2017

RECEIVED

DEC 01 2017

CRESCENTA VALLEY
WATER DISTRICT

For the residential account:
#031758-000
Michelle Glavan & Joseph Nagy
4749 Ramsdell Ave.
La Crescenta, CA 91214
(310)968-6452

Dear Ron L. Mitchell, Thomas Love, and Directors of the board:

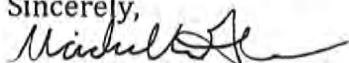
Thank you for the letter addressing the review of our account, as well as the credit of \$300. We are grateful for your time and cooperation in this matter, however we'd like to schedule a meeting to address the board in the hopes of granting additional financial support.

We recognize \$300 is significant in covering half of the \$600 bill (from May to June), but we'd like to ask for another credit to cover half of the \$745 bill (from July to August). We believe it is unfair and negligent on the part of CVWD to provide a High Usage Notification Letter (and finally providing usage reports) dated 9/13/17, when it should have been provided 2 months prior in July, after that initial \$600 bill. That prior bill alone showed water usage that more than tripled, which should have been a trigger for the notification immediately. The two month delay not only wasted water, but also now puts a heavy weight on our shoulders to pay an extremely highly-tiered water bill. More than half of the \$745 bill alone was from tier 3 water usage. To have a customer's water usage jump from 17,000 gallons in April, then more than triple to 60,000 gallons in June clearly shows a water leak, and because we are not given a daily, weekly or even monthly water report from CVWD, we as customers have a hard time noticing the problem without your help. Especially when the leak doesn't manifest visibly atop our yard.

Simply put, we'd like to talk to the board about this issue in the hopes we can have the \$300 credit to the first bill and an additional credit (to be discussed) to the second bill of \$745. After this one-time credit allowance, we understand there will be no more credits given regarding this water leak, and any future water problems will be solely our responsibility. But, we implore you to take into account that the delay and lack of reporting of our water usage has severely impacted our finances, and we kindly ask for more help in this matter.

Thank you for your time and consideration. The best days for us to schedule a meeting with the board in December are Monday through Friday in the mornings, or Monday through Wednesday in the afternoons. If you can provide some scheduling options, we'd greatly appreciate it.

Sincerely,


Michelle & Joe



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

ACCOUNT NUMBER

031758-000

SERVICE ADDRESS

4749 RAMSDELL

DUE DATE

08/03/17

BILLING PERIOD

05/01/17 to 06/30/17

TOTAL CHARGES

\$600.54

AMOUNT ENCLOSED

\$

AUTOSCH 5-DIGIT 91214 7 PS5 102235RA11-A-1
1633 1 AV 0.370



JOE NAGY & MICHELLE GLAVAN
4749 RAMSDELL AVE
LA CRESCENTA CA 91214-2843



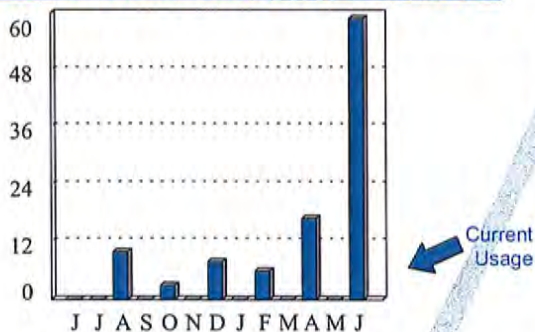
CRESCENTA VALLEY WATER DISTRICT
2700 FOOTHILL BLVD
LA CRESCENTA CA 91214-3590



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	
031758-000	4749 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
79751159		64	123	59	0

WATER USAGE in THOUSAND GALLONS**SUMMARY OF CHARGES**

Previous Balance	\$194.16
Payment on 06/09/2017	\$(194.16)
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 - 33 x \$10.43 (High Usage 27 + Units)	\$344.19
Water Service Charge	\$41.06
Sewer Service Charge	\$45.95
Sewer Flow Charge (Winter Water Use)	\$14.88
TOTAL DUE	\$600.54

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
2700 FOOTHILL BOULEVARD
LA CRESCENTA, CALIFORNIA 91214

FOR MORE INFORMATION
VISIT OUR WEB SITE AT
www.cvwd.com

BILLING INQUIRIES: (818) 248-3925
OFFICE HOURS MON-FRI 8:00 AM - 4:30 pm
24 HR. EMERGENCY #: (818) 249-2185

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

ACCOUNT NUMBER	SERVICE ADDRESS
031758-000	4749 Ramsdell
DUE DATE	
8/3/2017	05/01/17 to 06/30/17
TOTAL CHARGES	AMOUNT ENCLOSED
\$484.38	\$

Joe Nagy & Michelle Glavan
4749 Ramsdell Ave.
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

CORRECTED STATEMENT

ACCOUNT NUMBER	SERVICE ADDRESS	DUE DATE	BILLING PERIOD
031758-000	4749 Ramsdell	8/3/2017	05/01/17 to 06/30/17
METER NUMBER	CURRENT READ	PRIOR READ	USAGE
79751159	123	64	59

SUMMARY OF CHARGES

Previous Balance	\$194.16
Payment on 06/09/2017	(\$194.16)
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 - 11 x \$10.43 (High Usage 27 + Units)	\$0.00
Tier 2 - 33 X \$6.91	\$228.03
Water Service Charge	\$41.06
Sewer Service Charge	\$45.95
Sewer Flow Charge (Winter Water Use)	\$14.88

TOTAL DUE **\$484.38**



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

ACCOUNT NUMBER

031758-000

SERVICE ADDRESS

4749 RAMSDELL

DUE DATE

10/05/17

BILLING PERIOD

07/01/17 to 08/31/17

TOTAL CHARGES

\$745.35

AMOUNT ENCLOSED

\$

AUTOSCH 5-DIGIT 91214 7 PS5 103541RA11-A-1
1620 1 AV 0.370



JOE NAGY & MICHELLE GLAVAN
4749 RAMSDELL AVE
LA CRESCENTA CA 91214-2843

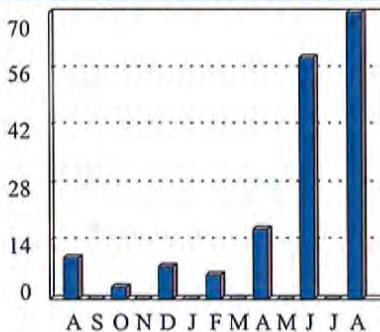
CRESCENTA VALLEY WATER DISTRICT
2700 FOOTHILL BLVD
LA CRESCENTA CA 91214-3590



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	
031758-000	4749 RAMSDELL	08/31/17	10/05/17	07/01/17 to 08/31/17	
METER NUMBER	COMMENTS	PRIOR READ	CURRENT READ	USAGE (IN 1,000 GAL)	USAGE LAST YEAR
79751159		123	193	70	10

WATER USAGE in THOUSAND GALLONS**SUMMARY OF CHARGES**

Previous Balance	\$600.54
Payment on 08/02/2017	\$(600.54)
Water Usage Charges	
Tier 1 - 10 x \$4.58 (Basic Usage 0-10 Units)	\$45.80
Tier 2 - 16 x \$7.21 (Average Usage 11-26 Units)	\$115.36
Tier 3 - 44 x \$10.89 (High Usage 27 + Units)	\$479.16
Water Service Charge	\$47.92
Sewer Service Charge	\$45.95
Sewer Flow Charge (Winter Water Use)	\$11.16
TOTAL DUE	\$745.35

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

ACCOUNT NUMBER	SERVICE ADDRESS
031758-000	4749 Ramsdell
DUE DATE	
10/5/2017	07/01/17 to 08/31/17
TOTAL CHARGES	AMOUNT ENCLOSED
\$583.43	\$

Joe Nagy & Michelle Glavan
4749 Ramsdell Ave.
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

CORRECTED STATEMENT

ACCOUNT NUMBER	SERVICE ADDRESS	DUE DATE	BILLING PERIOD
031758-000	4749 Ramsdell	10/5/2017	07/01/17 to 08/31/17
METER NUMBER	CURRENT READ	PRIOR READ	USAGE
79751159	193	123	70

SUMMARY OF CHARGES

Previous Balance	\$600.54
Payment on 08/02/2017	(\$600.54)
Tier 1 - 10 x \$4.58 (Basic Usage 0-10 Units)	\$45.80
Tier 2 - 16 x \$7.21 (Average Usage 11-26 Units)	\$115.36
Tier 3 - 11 x \$10.89 (High Usage 27 + Units)	\$0.00
Tier 2 - 44 X \$7.21	\$317.24
Water Service Charge	\$47.92
Sewer Service Charge	\$45.95
Sewer Flow Charge (Winter Water Use)	\$11.16
TOTAL DUE	\$583.43

Entry Date	Close Date	Account No	Comment
07/10/2017	07/10/2017	015393-000	rr 7/10/17 no leak rd 028470352
07/10/2017	07/10/2017	015500-000	rr 7/10/17 no leak rd 1315490
07/10/2017	07/10/2017	015608-000	rr 7/10/17 no leak rd 4018960
07/10/2017	07/10/2017	015678-000	rr 7/10/17 no b/o rd 020065551
07/10/2017	07/10/2017	015841-000	rr 7/10/17 no leak rd 017709996
07/10/2017	07/10/2017	015918-000	rr 7/10/17 0807910 .2 gpm, letter sent
07/10/2017	07/10/2017	016001-000	rr 7/10/17 .6 gpm rd 2288890, letter sent
07/10/2017	07/10/2017	016080-000	rr 7/10/17 no leak rd 1209260
07/10/2017	07/10/2017	016155-000	rr 7/10/17 no leak rd 019129273
07/10/2017	07/10/2017	016194-000	rr 7/10/17 no b/o rd 037818545
07/10/2017	07/10/2017	016205-000	rr 7/10/17 no b/o rd 0416210
07/10/2017	07/10/2017	016256-000	rr 7/10/17 no leak rd 023277266
07/10/2017	07/10/2017	016295-000	rr 7/17/17 .2 gpm rd 024923409, letter sent
07/10/2017	07/10/2017	016314-000	rr 7/10/17 no leak rd 0551850
07/10/2017	07/10/2017	016396-000	rr 7/10/17 no leak rd 037913343
07/10/2017	07/10/2017	025492-000	ee 7/7/17 no leak rd 0041650
07/10/2017	07/10/2017	025571-000	rr 6/7/17 no leak rd 0833894
07/10/2017	07/10/2017	025879-000	rr 7/10/17 no leak rd 2123000
07/10/2017	07/10/2017	025950-000	rr 7/7/17 .05 gpm rd 0246751-75, letter sent
07/10/2017	07/10/2017	027401-000	rr 6/7/17 no leak rd 0059613
07/10/2017	07/10/2017	027724-000	rr 7/10/17 no leak rd 046548052
07/10/2017	07/10/2017	028210-000	rr 7/7/17 no leak rd 1075177
07/10/2017	07/10/2017	028529-000	rr 7/7/17 .04 on 60 seconds rd 090282242, letter sent
07/10/2017	07/10/2017	028586-000	rr 7/10/17 no leak rd 017735685
07/10/2017	07/10/2017	028696-000	rr 7/10/17 no leak rd 046611483
07/10/2017	07/10/2017	028783-000	rr 7/7/17 no leak rd 0185649
07/10/2017	07/10/2017	029314-000	rr 7/10/17 no leak rd 042107919
07/10/2017	07/10/2017	029597-000	rr 7/7/17 very small leak rd 0241867.31,letter sent
07/10/2017	07/10/2017	029789-000	rr 7/10/17 no leak rd 3962220
07/10/2017	07/10/2017	030050-000	rr 7/10/17 no leak rd 052194732
07/10/2017	07/10/2017	030395-000	no leak check customer doing laundry rd 2290080
07/10/2017	07/10/2017	030471-000	rr 7/7/17 no leak rd 0811519
07/10/2017	07/10/2017	030496-000	rr 7/10/17 no leak rd 0811050
07/10/2017	07/10/2017	030757-000	rr 7/7/17 no leak rd 1224.760
07/10/2017	07/10/2017	030857-000	rr 7/10/17 no leak rd 011370229
07/10/2017	07/10/2017	030864-000	rr 7/10/17 no leak check customer was using water rd 1245620
07/10/2017	07/10/2017	030972-000	rr 7/7/17 no leak rd 0149850
07/10/2017	07/10/2017	031084-000	rr 7/10/17 no leaks rd 033078489
07/10/2017	07/10/2017	031132-000	rr 7/10/17 no leak rd 030588396
07/10/2017	07/10/2017	031148-000	rr 7/7/17 .20 gpm rd 0241330, letter sent
07/10/2017	07/10/2017	031185-000	rr 7/7/17 no leak rd 0070428
07/10/2017	07/10/2017	031268-000	rr 7/10/17 no leak rd 035480267
07/10/2017	07/10/2017	031307-000	rr 7/7/17 no leak rd 0071029
07/10/2017	07/10/2017	031331-000	rr 7/7/17 no leak rd 0263299
07/10/2017	07/10/2017	031444-000	rr 7/7/17 no leak rd 004142621
07/10/2017	07/10/2017	031529-000	rr 7/7/17 .05 gpm rd 1041515, letter sent
07/10/2017	07/10/2017	031741-000	rr 7/10/17 no leak rd 1222220
07/10/2017	07/10/2017	031755-000	rr 7/7/17 no leak rd 0784346
07/10/2017	07/10/2017	031758-000	rr 7/10/17 no leak rd 013765267
07/10/2017	07/10/2017	031766-000	rr 7/7/17 no leak rd 0385805
07/10/2017	07/10/2017	031825-000	rr 7/10/17 no leak rd 0045749.92
07/10/2017	07/10/2017	031839-000	rr 7/7/17 no leak rd 0131949
07/10/2017	07/10/2017	031862-000	rr 7/7/17 possible leak rd 0123989, letter sent
07/10/2017	07/10/2017	031881-000	rr 7/10/17 no b/o rd 037712342
07/10/2017	07/10/2017	031887-000	rr 7/10/17 1402240, water was in use
07/10/2017	07/10/2017	032080-000	rr 6/7/17 no leak rd 0145733

CVWD
hollw

Utility Billing
Service Request Form

12/1/2017 - 7:48 AM

Request Number: 000132-07-2017
Account Number: 031758-000

Last Updated By: telld
On: 7/21/2017

Account Status: Active

Name: JOE NAGY & MICHELLE GLAVAN
Billing Address: 4749 RAMSDELL
LA CRESCENTA, CA 91214

Home Phone: 3109686452
Business Phone:
Service Address: 4749 RAMSDELL

Request Date: 7/11/2017
Request Description: Down load meter info for 6/30/17 billing
Service Date: 7/11/2017
Service Description: 07/11 - Jake - DL - read: 013905662 - watering every day and using a lot of water - DT LVM

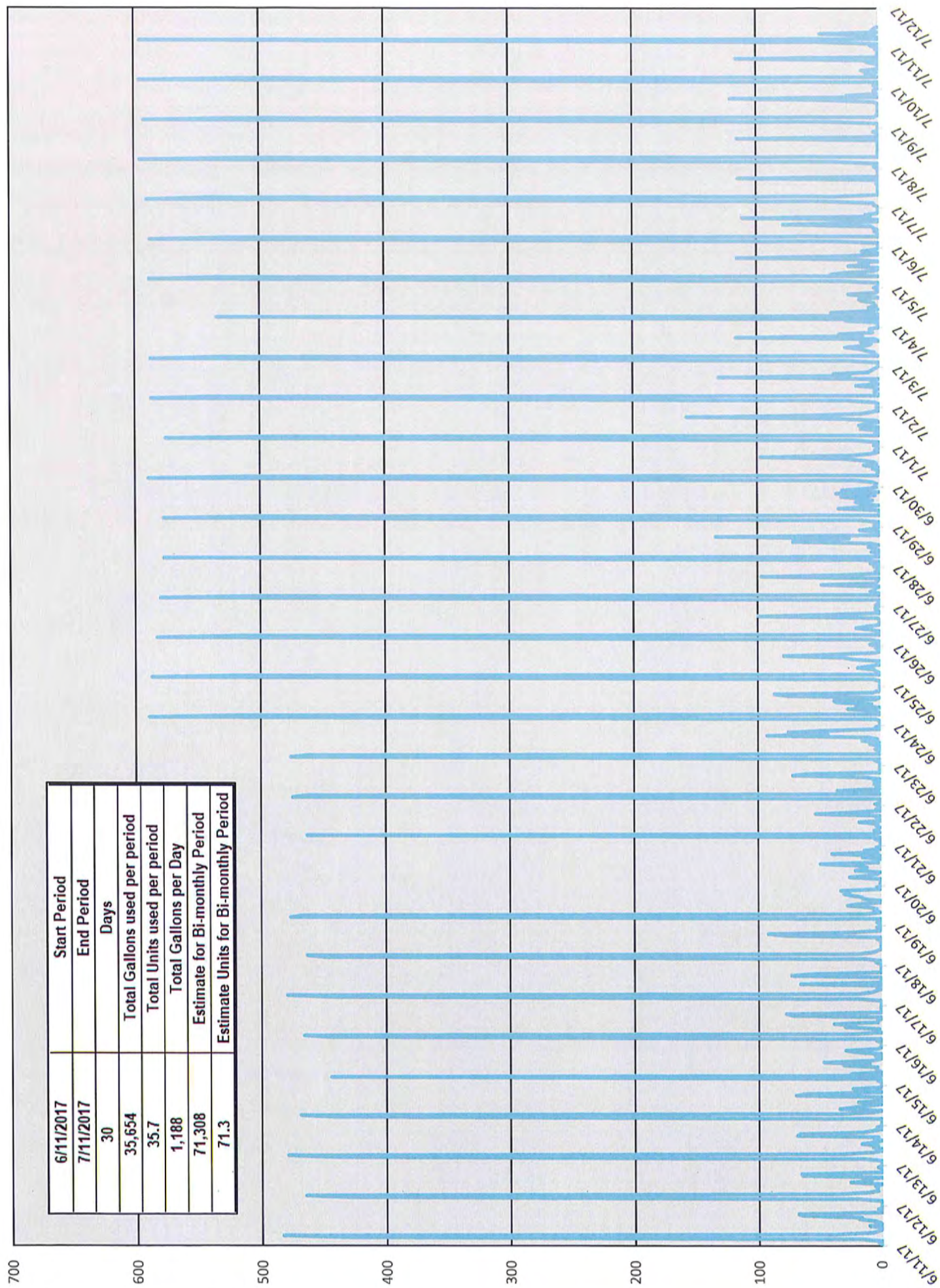
Water/Gas Meters	Route-Seq Read Dt	Serial No Cons	Register ID No Of Digits	MXU ID	Manufacturer	Model No	Reading
Existing Water Meter	37-0130	79751159			Ipearl	Ipearl.754	207
	10/31/2017	14	4				

Location: (WLK UP) - 15'N OF DR - 8'FROM BT

Comments:

Follow up needed? yes no Serviced By: _____ Date: _____ Time: _____

Water Use 4749 Ramsdell from 06/11/17 to 07/11/17



Entry Date	Close Date	Account No	Comment
09/11/2017	09/11/2017	031268-000	rr 9/8/17 no leak rd 036787848
09/11/2017	09/11/2017	031444-000	rr 9/8/17 no leak rd 007591410
09/11/2017	09/11/2017	031468-000	rr 9/8/17 no leak rd 002528601, increase letter sent
09/11/2017	09/11/2017	031481-000	rr 9/8/17 .15 gpm rd 5216310, letter sent
09/11/2017	09/11/2017	031504-000	rr 9/11/17 .24 gpm rd 0858343, letter sent
09/11/2017	09/11/2017	031758-000	rr 9/8/17 no leak rd 019555801, increase letter sent
09/11/2017	09/11/2017	031867-000	rr 9/8/17 .2 gpm rd 006695588, letter sent
09/11/2017	09/11/2017	031887-000	rr 9/8/17 no leak rd 1428390
09/11/2017	09/11/2017	031964-000	rr 9/8/17 no leak rd 0562110, increase letter sent
09/11/2017	09/11/2017	031991-000	rr 9/8/17 .1 gpm rd 1267970, increase letter sent
09/11/2017	09/11/2017	032133-000	rr 9/8/17 no leak rd 035745614
09/11/2017	09/11/2017	032207-000	rr 9/8/17 .2 gpm rd 3705810, letter sent
09/11/2017	09/11/2017	032338-000	rr 9/8/17 .02 gpm rd 0638665, letter sent
09/11/2017	09/11/2017	032360-000	rr 9/8/17 no leak rd 049559391
09/11/2017	09/11/2017	032401-000	rr 9/8/17 no b/o rd 054559460
09/11/2017	09/11/2017	032410-000	RR 9/8/17 no leak rd 081998994
09/11/2017	09/11/2017	032471-000	rr 9/8/17 no leak rd 1649260
09/11/2017	09/12/2017	013470-000	rr 9/8/17 no leak rd 014806158
09/11/2017	09/12/2017	014652-000	rr 9/8/17 no leak rd 009319081, increase letter sent
09/11/2017	09/12/2017	027848-000	rr 9/8/17 no leak rd 0863490, increase letter sent
09/11/2017	10/20/2017	006090-000	9/11/17 will pay on 09/25/17
09/11/2017	10/20/2017	007727-000	09/11 - cust lives alone and is having a handyman come to see if there are any leaks.

Records Printed:

124

CVWD
hollw

Utility Billing
Service Request Form

12/1/2017 - 7:49 AM

Request Number: 000148-09-2017
Account Number: 031758-000

Last Updated By: telld
On: 9/26/2017

Account Status: Active

Name: JOE NAGY & MICHELLE GLAVAN
Billing Address: 4749 RAMSDELL
LA CRESCENTA, CA 91214

Home Phone: 3109686452
Business Phone:
Service Address: 4749 RAMSDELL

Request Date: 9/15/2017
Request Description: Down load meter info

Service Date: 9/15/2017
Service Description: 09/15 - David - DL - cust is severly over watering - DT emailed DL

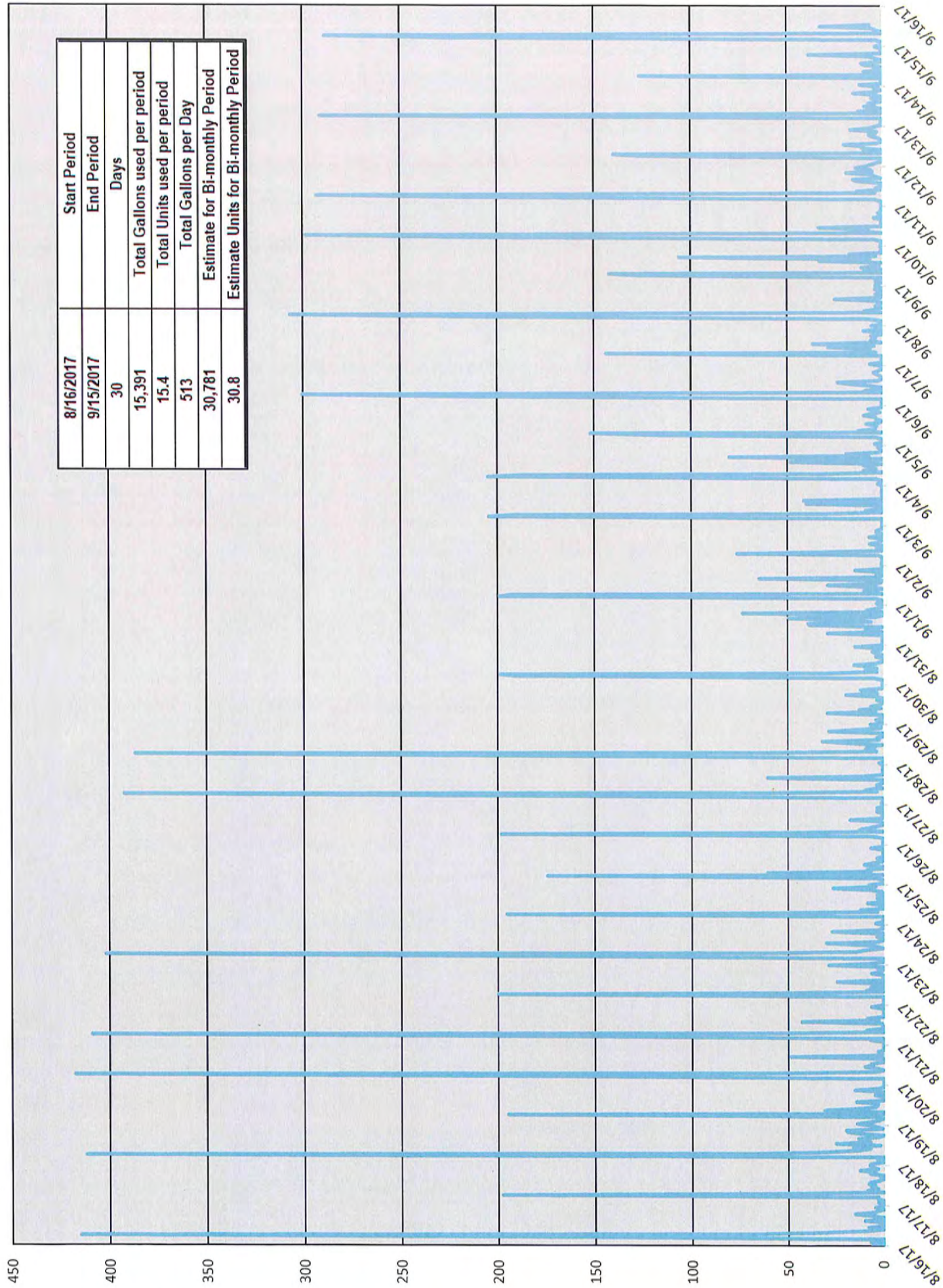
Water/Gas Meters	Route-Seq Read Dt	Serial No Cons	Register ID No Of Digits	MXU ID	Manufacturer	Model No	Reading
Existing Water Meter	37-0130	79751159			Ipearl	Ipearl.754	207
	10/31/2017	14	4				

Location: (WLK UP) - 15'N OF DR - 8'FROM BT

Comments:

Follow up needed? yes no Serviced By: _____ Date: _____ Time: _____

4749 Ramsdell #3 from 08/16/17 to 09/15/17





Crescenta Valley Water District

2700 Foothill Boulevard, La Crescenta, California 91214

Phone (818) 248-3925 Fax (818) 248-1659

Directors

Judy L. Tejeda
James D. Bodnar
Kerry D. Erickson
Kenneth R. Putnam
Michael L. Claessens

Officers

Thomas A. Love, P.E.
General Manager
Ron L. Mitchell
Secretary-Treasurer

Sept 13, 2017

Joe Nagy & Michelle Glavan
4749 Ramsdell
La Crescenta, CA 91214

RE: A/C #031758-000

Dear Customer:

The most recent reading of your water meter on August 31, 2017 indicates a substantially higher usage than your average consumption in a bi-monthly billing period. I have enclosed a copy of your five year consumption history for comparison. Each unit equals 1,000 gallons of water.

If you cannot account for this rise in usage, it is likely due to a leak in your plumbing system that you may not have discovered. We recommend that you check your plumbing system, such as stuck or mis-fitted toilet flapper plugs, dripping faucets, missing sprinkler heads, etc., and correct any leaks to avoid unnecessary loss of water and higher water bills.

This notice is provided as a service to help you avoid unnecessary costs and waste of a precious commodity in this time of water shortages. Because we are not responsible for the location or repair of leaks on your private property, we want to provide you with this information to help you to determine if there are actual leaks. If you have any questions regarding this notice, please contact our Customer Service Department at (818) 248-3925.

Sincerely,

CRESCENTA VALLEY WATER DISTRICT

A handwritten signature in cursive script, reading "Pam Leddy", is written over a horizontal line.

Pam Leddy
Administrative Assistant

CVWD
hollw

Utility Billing
Service Request Form

12/1/2017 - 7:49 AM

Request Number: 000254-09-2017
Account Number: 031758-000

Last Updated By: telld
On: 9/26/2017

Account Status: Active

Name: JOE NAGY & MICHELLE GLAVAN
Billing Address: 4749 RAMSDELL
LA CRESCENTA, CA 91214

Home Phone: 3109686452
Business Phone:
Service Address: 4749 RAMSDELL

Request Date: 9/25/2017

Request Description: Down load meter info

Service Date: 9/25/2017

Service Description: 09/25 - David & Steve - DL - customer finally turned sprinklers down - Tom met w cust

Water/Gas Meters	Route-Seq Read Dt	Serial No Cons	Register ID No Of Digits	MXU ID	Manufacturer	Model No	Reading
Existing Water Meter	37-0130	79751159			Ipearl	Ipearl.754	207
	10/31/2017	14	4				

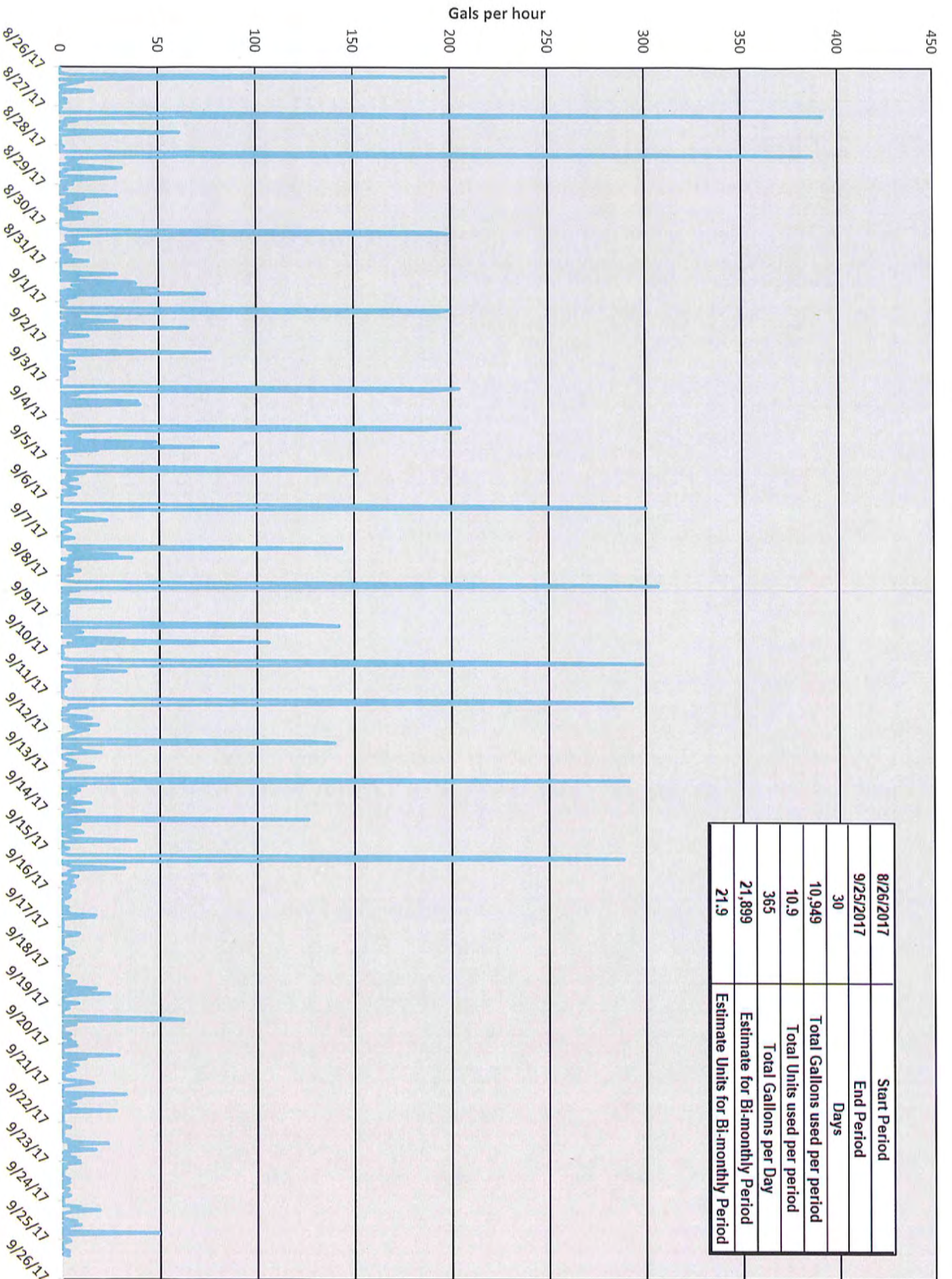
Location: (WLK UP) - 15'N OF DR - 8'FROM BT

Comments:

Follow up needed? yes no Serviced By: _____ Date: _____ Time: _____

Water Use 4749 Ramsdell #4 from 08/26/17 to 09/25/17

8/26/2017	Start Period
9/25/2017	End Period
30	Days
10,949	Total Gallons used per period
10.9	Total Units used per period
365	Total Gallons per Day
21,899	Estimate for Bi-monthly Period
21.9	Estimate Units for Bi-monthly Period



Crescenta Valley Water District
2700 Foothill Blvd.
La Crescenta, CA 91214-3590
(818)248-3925

Nov. 1st, 2017

For the residential account:
#031758-000
Michelle Glavan & Joseph Nagy
4749 Ramsdell Ave.
La Crescenta, CA 91214
(310)968-6452

To Whom It May Concern:

Thank you for working with us during this process of figuring out where the leak is in our yard that caused two large bills of \$600 and \$745. You have been very helpful via phone calls and with sending reports—and it was especially helpful getting Thomas Love's input after meeting him during the Town Council Meeting—so, thank you for that and for your patience as we solve this leak problem. We've had to involve our landlord, since this house is a rental property, and we've also had to spend some time digging in the yard, so our apologies for it taking a few weeks to start this process of paying the large bill.

That being said, we've fixed the issue! Included here are photos and copies of receipts for the fixes.

We have been made aware of your (one-time only) forgiveness policy for leaks of this magnitude, so I wanted to begin that process and see if CVWD is able to provide some relief in the form of a discount to our bill.

Also included are copies of the past 2 bills (\$600 PAID and \$745 UNPAID), and a copy of our High Usage Notification Letter dated 9/13/17—almost 4 months after the high usage leak began. I was hoping both bills could be examined regarding your forgiveness policy since we were completely unaware for such a long time. As vegans, grey-water advocates, and conservationists, we are just as disgusted by the water waste as much as (if not more) than the cost incurred. We look forward to the day when our water meter can provide daily/weekly notifications on excess water usage, like other utilities do, but I know Thomas said this won't happen for some time.

Please let us know what else we can do to resolve this matter, and if need be we'd love to go in front of the board to plead our case and discuss some sort of additional financial relief, since the cost from the leak was tremendous.

Thank you for your time and cooperation! Looking forward to hearing from you.

Sincerely,

Michelle & Joe



USAGE HISTORY

11/06/2017 - 4:00 PM

Current Customer: 031758-000 Established On: 7/1/2016 Route # 37

Name: JOE NAGY & MICHELLE GLAVAN Address: 4749 RAMSDELL

Meter #: 79751159 Meter Size: .75 Status: A U/M: Gallons Meter Install Date: 2/1/2016

2017		2016		2015		2014		2013	
Jan	0	Jan	0	Jan	0	Jan	0	Jan	0
Feb	6	Feb	7	Feb	2	Feb	19	Feb	15
Mar	0	Mar	0	Mar	0	Mar	0	Mar	0
Apr	17	Apr	8	Apr	12	Apr	13	Apr	15
May	0	May	0	May	0	May	0	May	0
Jun	59	Jun	9	Jun	14	Jun	18	Jun	20
Jul	0	Jul	0	Jul	0	Jul	0	Jul	0
Aug	70	Aug	10	Aug	10	Aug	19	Aug	31
Sep	0	Sep	0	Sep	0	Sep	0	Sep	0
Oct	14	Oct	3	Oct	10	Oct	15	Oct	19
Nov	0	Nov	0	Nov	0	Nov	0	Nov	0
Dec	0	Dec	8	Dec	15	Dec	6	Dec	19

3 yr average = 13,000
70 - 13 = 57,000
 $57 \div 2 = 28,500$
 $28.5 \times 10.89 = 310.37$

\$280.00 max
OK-Ron

CVWD
telld

Utility Billing
Service Request Form

11/6/2017 - 3:55 PM

Request Number: 000067-11-2017
Account Number: 031758-000

Last Updated By: telld
On: 11/6/2017

Account Status: Active

Name: JOE NAGY & MICHELLE GLAVAN
Billing Address: 4749 RAMSDELL
LA CRESCENTA, CA 91214

Home Phone: 3109686452
Business Phone:
Service Address: 4749 RAMSDELL

Request Date: 11/6/2017
Request Description: Check for leak, repairs made
Service Date: 11/6/2017

Water/Gas Meters	Route-Seq Read Dt	Serial No Cons	Register ID No Of Digits	MXU ID	Manufacturer	Model No	Reading
Existing Water Meter	37-0130 10/31/2017	79751159 14	 4		Ipearl	Ipearl.754	207

Location: (WLK UP) - 15'N OF DR - 8'FROM BT

Comments:

No leak

MR= 0208328

Follow up needed? yes ☒ no

Served By: D. Pauling

Date: 11-7-17

Time: 8:25^{am}



Crescenta Valley Water District

2700 Foothill Boulevard, La Crescenta, California 91214

Phone (818) 248-3925 Fax (818) 248-1659

Directors

Judy L. Tejeda
James D. Bodnar
Kerry D. Erickson
Kenneth R. Putnam
Michael L. Claessens

Officers

Thomas A. Love, P.E.
General Manager
Ron L. Mitchell
Secretary-Treasurer

November 16, 2017

Michelle Glavan & Joe Nagy
4749 Ramsdell
La Crescenta, CA 91214

RE: Account No. 031758-000

Dear Ms. Glavan & Mr. Nagy:

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 \$625.02. 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



CRESCENTA VALLEY WATER DISTRICT

BOARD OF DIRECTORS - STAFF REPORT

Action Item No.2
January 9, 2018

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:

Appeal of a High Water Bill – Consideration and possible action to grant a request for relief from a high water bill by Wayne Butts at 3041 Honolulu Ave.

BACKGROUND:

Wayne Butts owns the property located at 3041 Honolulu Ave, since November 2009 and he experienced high water use during the August-September 2017 billing cycle.

While reading the meter for the September 30, 2017 billing period, staff discovered that the property had a high usage of 191,000 gallons (191 units). The property's average water usage for the August-September billing period over the last few years was within Tier 2, with a high of 18 units.

- October 5, 2017, staff went back out to re-read the water meter and check for any leaks. The results showed there were no leaks and the water usage reading was correct.
- October 6, 2017, staff attempted to do a download of the iPerl meter, but was not successful due to problems with the pig tail.
- October 10, 2017, staff sent a letter to Mr. Butts informing him of the high usage and that he may have a leak on the property and gave possible things to look for to see if there was a leak.
- On October 13, 2017, staff spoke with Mr. Butts who informed us that he had experienced a 4 gpm leak due to a break on the main water line at the property on September 19th and had it repaired on September 20th. Staff explained to him how he could request a leak adjustment.

October 14, 2017, staff received an email from Mr. Butts requesting a leak adjustment and a copy of the bill which showed that he had repaired the water main. Staff processed a leak adjustment in the amount of \$300.00, which is the maximum amount staff is allowed to adjust a bill.

Staff received another email from Mr. Butts on December 21, 2017 requesting an additional consideration to his August-September 2017 bill by the Board of Directors.

There have been similar situations requesting bill adjustments that have been brought to the Board's attention. In the past, the Board has directed staff to recalculate the customer's bill in question by charging only the Tier 2 rate for all usage over the average consumption for that period.

If staff uses that same methodology, the average consumption for the August-September billing period for this account is 16 units. Total consumption was 191 units for the 2017 bill and that the extra 175 units would be billed at the Tier 2 rate.

Staff has prepared a "corrected statement" which shows the billing for the period would be \$1,497.07 instead of \$2,146.77, which will result in a difference of \$649.70. Staff has previously applied a \$300.00 credit adjustment, so the additional credit to Mr. Butts account will be \$349.70 if the Board chooses to grant additional relief.

RECOMMENDATION:

Staff recommends that the Board grant additional credit of \$349.70 per past practice and place the remaining balance on an amortization schedule for Mr. Butts if necessary.

Prepared by:

Submitted by:

Ron L. Mitchell
Secretary-Treasurer

Thomas A. Love
General Manager

Darlene Telles

From: Wayne Butts <wbutts9661@gmail.com>
Sent: Thursday, December 21, 2017 7:23 AM
To: customerservice
Subject: Request for further consideration on Water Main Leak

To the Board of Directors at Crescenta Valley Water District

Thank you for your waiving of \$300.00 off my water bill of \$2146.77. I believe I now owe \$1646.77 for the leak and would like to request additional consideration. I am not sure what allowances can be made, but would appreciate any help.

As I mentioned in my e-mail of October 14, 2017 we fixed the leak the same day it occurred and paid \$995.00 to fix the leak.

Perhaps we could pay a lower tier rate, or make payments for the balance. Perhaps you could consider a one time payment with a discount off the total. This is a special request and I know you might not be able to help me, but I did want to make this special request.

Thanks for your consideration, and look forward to your response.

Respectfully, Wayne Butts owner at 3041 Honolulu Ave.

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

ACCOUNT NUMBER	SERVICE ADDRESS
27170-000	3041 Honolulu Ave
DUE DATE	
11/2/2017	08/01/17 to 09/30/17
TOTAL CHARGES	AMOUNT ENCLOSED
\$1,497.07	\$

Wayne Butts
C/O Rosemarie Payan
3041 Honolulu Ave
La Crescenta, CA 91214-3714

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

CORRECTED STATEMENT

ACCOUNT NUMBER	SERVICE ADDRESS	DUE DATE	BILLING PERIOD
27170-000	3041 Honolulu Ave	11/2/2017	08/01/17 to 09/30/17
METER NUMBER	CURRENT READ	PRIOR READ	USAGE
75115678	493	302	191

SUMMARY OF CHARGES

Previous Balance	\$154.71
Payment on	(\$154.71)
Tier 1 - 10 x \$4.58 (Basic Usage)	\$45.80
Tier 2 - 181 x \$7.21 (Average Usage)	\$1,305.01
Tier 3 - 0 x \$10.89 (High Usage)	\$0.00
Water Service Charge	\$48.32
Sewer Service Charge	\$0.00
Sewer Flow Charge (Winter Water Use)	\$0.00
Glendale Tax	\$97.94
TOTAL DUE	\$1,497.07

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

ACCOUNT NUMBER

027170-000

SERVICE ADDRESS

3041 HONOLULU

DUE DATE

11/02/17

BILLING PERIOD

08/01/17 to 09/30/17

TOTAL CHARGES

\$2,146.77

AMOUNT ENCLOSED

\$

AUTOSCH 5-DIGIT 91214 6 PS5 103943RA10-A-1
1430 1 AV 0.370



WAYNE BUTTS
C/O ROSEMARIE PAYAN
3041 HONOLULU AVE
LA CRESCENTA CA 91214-3714

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

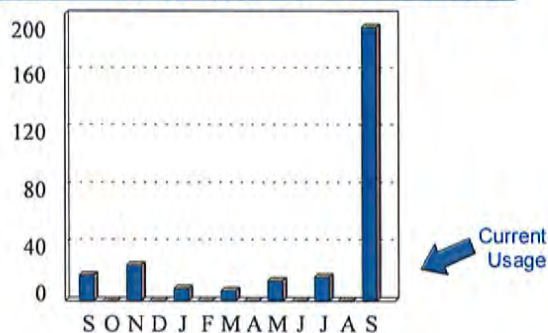


DETACH AND RETURN THIS REMITTANCE PORTION OF THE BILL WITH YOUR PAYMENT
KEEP THIS PORTION FOR YOUR RECORDS

STATEMENT OF ACCOUNT

ACCOUNT NUMBER	SERVICE ADDRESS	BILL DATE	DUE DATE	BILLING PERIOD	
027170-000	3041 HONOLULU	09/30/17	11/02/17	08/01/17 to 09/30/17	
METER NUMBER	COMMENTS	PRIOR READ	CURRENT READ	USAGE (IN 1,000 GAL)	USAGE LAST YEAR
75115678		302	493	191	18

WATER USAGE in THOUSAND GALLONS



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.

SUMMARY OF CHARGES

Previous Balance	\$154.71
Payment on 09/07/2017	\$(154.71)
Water Usage Charges	
Tier 1 - 10 x \$4.58 (Basic Usage 0-10 Units)	\$45.80
Tier 2 - 16 x \$7.21 (Average Usage 11-26 Units)	\$115.36
Tier 3 - 165 x \$10.89 (High Usage 27 + Units)	\$1,796.85
Water Service Charge	\$48.32
Sewer Service Charge	\$0.00
Sewer Flow Charge (Winter Water Use)	\$0.00
Glendale Tax	\$140.44
TOTAL DUE	\$2,146.77



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
2700 FOOTHILL BOULEVARD
LA CRESCENTA, CALIFORNIA 91214

FOR MORE INFORMATION
VISIT OUR WEB SITE AT
www.cvwd.com

BILLING INQUIRIES: (818) 248-3925
OFFICE HOURS MON-FRI 8:00 AM - 4:30 pm
24 HR. EMERGENCY #: (818) 249-2185

Utility Billing

Comments by Status



User: hollw
 Printed: 12/27/2017 - 12:05 PM
 Comment Status: Closed
 Entry Dates: From: 10/05/2017 To: 10/05/2017

Entry Date	Close Date	Account No	Comment
10/05/2017	10/05/2017	005390-000	RR 10/5/17 no leak rd 005644600
10/05/2017	10/05/2017	020514-000	8/7 - LVM re a payment 10/29 - LVM, have not rcvd a payment for Oct 1/19 - LVM 5/11 - LVM - no April payment? 10/19 - LVM 03/08 - LVM 07/06 - they picked up but could not hear me - LVM on home
10/05/2017	10/05/2017	023854-000	9/30/17 billed at '0' rd 05077900, misread previously
10/05/2017	10/05/2017	024012-000	rr 10/5/17 no leak rd 0150914
10/05/2017	10/05/2017	024029-000	rr 10/5/17 no leak rd 0216303
10/05/2017	10/05/2017	024214-000	rr 10/5/17 no leak rd 0090034
10/05/2017	10/05/2017	024219-000	rr 10/5/17 no leak rd 2416800
10/05/2017	10/05/2017	024282-000	rr 10/5/17 no leak rd 0426193, increase letter sent
10/05/2017	10/05/2017	024698-000	rr 10/5/17 no leak rd 0222370
10/05/2017	10/05/2017	024709-000	rr 10/5/17 no leak rd 1319680
10/05/2017	10/05/2017	024803-000	rr 10/5/17 0.38 gpm rd 0315245, letter sent
10/05/2017	10/05/2017	024840-000	rr 10/5/17 no leak rd 1031120
10/05/2017	10/05/2017	024883-000	rr 10/5/17 no leak rd 0077148
10/05/2017	10/05/2017	025072-000	rr 10/5/17 no leak rd 0404437, increase letter sent
10/05/2017	10/05/2017	025113-000	rr 10/5/17 no leak rd 4851790, increase letter sent
10/05/2017	10/05/2017	025117-000	rr 10/5/17 0.20 gpm rd 0178182, letter sent
10/05/2017	10/05/2017	025135-000	rr 10/5/17 no leak rd 2022130
10/05/2017	10/05/2017	025171-000	rr 10/5/17 0.12 gpm rd 0422027, letter sent
10/05/2017	10/05/2017	025185-000	rr 10/5/17 0.02 to 2.99 gpm rd 2184297, units
10/05/2017	10/05/2017	025215-000	rr 10/5/17 no b/o rd 0691260, seems vacant
10/05/2017	10/05/2017	025296-000	rr 10/5/17 no leak rd 1998600
10/05/2017	10/05/2017	025472-000	rr 10/5/17 no leak rd 0261189
10/05/2017	10/05/2017	025931-000	rr 10/5/17 meter barely moving rd 21510900. Drip irrigation in use
10/05/2017	10/05/2017	026381-000	rr 10/5/17 no leak rd 0153046, lush lawn
10/05/2017	10/05/2017	027170-000	rr 10/5/17 no leak rd 0493701, increase letter sent
10/05/2017	10/05/2017	027344-000	rr 10/5/17 no leak rd 0340471
10/05/2017	10/05/2017	028253-000	rr 10/5/17 no leak rd 0174536
10/05/2017	10/05/2017	028606-000	rr 10/5/17 no leak rd 0145270
10/05/2017	10/05/2017	029640-000	rr 10/5/17 no leak rd 0077766
10/05/2017	10/05/2017	030893-000	rr 10/5/17 no leak rd 0099299
10/05/2017	10/05/2017	031256-000	rr 10/5/17 no leak no read 0456890
10/05/2017	10/05/2017	031263-000	rr 10/5/17 no leak rd 0380310
10/05/2017	10/05/2017	031408-000	rr 10/5/17 1.7 gpm SD spoke to Ramda, said they a plumber come out and said there is no leak. A picture was taken to show areas of concern.
10/05/2017	10/05/2017	031468-000	10/05 - used more water because she was re-landscaping her lawn
10/05/2017	10/05/2017	031682-000	rr 10/5/17 no leak, no b/o rd 0116858
10/05/2017	10/05/2017	031739-000	10/05 - s/w Kirby Smith - shred check #1009 660.91, we rcvd their check in the mail for all prop
10/05/2017	10/05/2017	031752-000	rr 10/5/17 no leak rd 2078250
10/05/2017	10/05/2017	031859-000	rr 10/5/17 no leak rd 1152970
10/05/2017	10/05/2017	032009-000	rr 10/5/17 no b/o rd 1260730, business not open
10/05/2017	10/05/2017	032031-000	rr 10/5/17 no leak rd 0266372



Crescenta Valley Water District

2700 Foothill Boulevard, La Crescenta, California 91214

Phone (818) 248-3925 Fax (818) 248-1659

Directors

Judy L. Tejeda
James D. Bodnar
Kerry D. Erickson
Kenneth R. Putnam
Michael L. Claessens

Officers

Thomas A. Love, P.E.
General Manager
Ron L. Mitchell
Secretary-Treasurer

October 10, 2017

Wayne Butts
c/o Rosamarie Payan
3041 Honolulu
La Crescenta, CA 91214

RE: A/C #027170-000

Dear Customer:

The most recent reading of your water meter on September 30, 2017 indicates a substantially higher usage than your average consumption in a bi-monthly billing period. I have enclosed a copy of your five year consumption history for comparison. Each unit equals 1,000 gallons of water.

If you cannot account for this rise in usage, it is likely due to a leak in your plumbing system that you may not have discovered. We recommend that you check your plumbing system, such as stuck or mis-fitted toilet flapper plugs, dripping faucets, missing sprinkler heads, etc., and correct any leaks to avoid unnecessary loss of water and higher water bills.

This notice is provided as a service to help you avoid unnecessary costs and waste of a precious commodity in this time of water shortages. Because we are not responsible for the location or repair of leaks on your private property, we want to provide you with this information to help you to determine if there are actual leaks. If you have any questions regarding this notice, please contact our Customer Service Department at (818) 248-3925.

Sincerely,

CRESCENTA VALLEY WATER DISTRICT

Pam Leddy
Administrative Assistant

Wendy Holloway

27170

From: Wayne Butts <wbutts9661@gmail.com>
Sent: Saturday, October 14, 2017 11:47 AM
To: customerservice
Cc: Wayne Butts; Rose-Marie Payan
Subject: Water main break at 3041 Honolulu
Attachments: Century Rooter Service Invoice.pdf

Per our conversation of October 13, 2016, I am requesting consideration regarding my water bill at 3041 Honolulu. The bill is \$2146.77.

The main water line broke on the afternoon of 9/19/2017. I was called by my tenant at the 3041 Honolulu address and drove down to the house, which is about 5 minutes away. I was met there by a Crescenta Valley Water employee who was sent there because the District noticed a large amount of water being used. He shut the water off. I called a plumber and notified them of the emergency. They responded within an hour and worked the rest of that day, and finished fixing the leak the next day. The water was shut off until the leak was fixed.

I have attached the Century Rooter Service & Plumbing bill dated 9/20/2017, Invoice Number 190077, for \$995.00 that has been paid to fix the leak.

I am requesting consideration for reducing the bill in light of the broken pipe and our swift response. Thanks for your help and consideration.

Century Rooter Service & Plumbing

1609 South California Ave
Monrovia CA 91016
Lic.707409 Office: 800.782.4744
customerservice@centuryrooter.com

Invoice

DATE	INVOICE #
9/20/2017	190077

BILL TO
Wayne Butts 2150 Lyans Dr. La Canada, CA 91011

JOB SITE
3041 Honolulu Ave. La Crescenta Wayne 818-261-9881

P.O. NO.	TERMS	REP
	Net 30	ET

DESCRIPTION	RATE	AMOUNT
Re-ran approximately 25' of 1" copper main water line by tree in front yard. Dug up and back filled. Plumbing Repair Service Fee < Cannot guarantee against damaged or broken pipe work. Not responsible for any existing rusted, settled, cracked, damaged, broken pipe work or faulty manholes. Not responsible for any water damage from regular drain cleaning, resulting in exposure of any such pre-existing conditions. > <i>Paid check No 1517</i>	995.00	995.00
Thank you for your business.		Total \$995.00



Crescenta Valley Water District

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Officers

Thomas A. Love, P.E.
General Manager
Ron L. Mitchell
Secretary-Treasurer

October 18, 2017

Wayne Butts
3041 Honolulu
La Crescenta, CA 91214

RE: Account No. 027170-000

Dear Mr. Butts:

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 \$1,846.77. 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

10/16/2017 - 10:01 AM

Current Customer: 027170-000 Established On: 11/2/2009 Route # 09

Name: WAYNE BUTTS Address: 3041 HONOLULU

Meter #: 75115678 Meter Size: .75 Status: A U/M: Gallons Meter Install Date: 4/14/2014

2017		2016		2015		2014		2013	
Jan	9	Jan	13	Jan	13	Jan	19	Jan	12
Feb	0	Feb	0	Feb	0	Feb	0	Feb	0
Mar	7	Mar	11	Mar	13	Mar	14	Mar	13
Apr	0	Apr	0	Apr	0	Apr	0	Apr	0
May	14	May	22	May	14	May	14	May	16
Jun	0	Jun	0	Jun	0	Jun	0	Jun	0
Jul	17	Jul	22	Jul	14	Jul	19	Jul	19
Aug	0	Aug	0	Aug	0	Aug	0	Aug	0
Sep	191	Sep	18	Sep	13	Sep	17	Sep	19
Oct	0	Oct	0	Oct	0	Oct	0	Oct	0
Nov	0	Nov	25	Nov	12	Nov	18	Nov	21
Dec	0	Dec	0	Dec	0	Dec	0	Dec	0

3 yr average = 16,000

191 - 16 = 175,000

175 ÷ 2 = 87.500

87.5 × 1089 = 95288

\$300 met
OK-Ron

CVWD
leddp

Utility Billing
Service Request Form

12/29/2017 - 10:33 AM

Request Number: 000047-10-2017
Account Number: 027170-000

Last Updated By: telld
On: 10/19/2017

Account Status: Active

Name: WAYNE BUTTS
Billing Address: 3041 HONOLULU
LA CRESCENTA, CA 91214

Home Phone: 8182619881
Business Phone:
Service Address: 3041 HONOLULU

Request Date: 10/5/2017
Request Description: Down load meter info for 9/30/17 billing

Service Date: 10/5/2017
Service Description: 10/16 - David - DL - read: 0495755, Did not DL whole month, Jaysen -changed pig tail but still could not get a full DL - read: 0495605.18, cust already knows they have a leak and submitted leak letter

Water/Gas Meters	Route-Seq Read Dt	Serial No Cons	Register ID No Of Digits	MXU ID	Manufacturer	Model No	Reading
Existing Water Meter	09-0910	75115678			Ipearl	Ipearl.754	502
	11/30/2017	9	4				

Location: 12'E OF DR

Comments:

Follow up needed? yes no Serviced By: _____ Date: _____ Time: _____

CVWD

leddp

Utility Billing
Service Request Form

12/29/2017 - 10:34 AM

Request Number: 000182-09-2017
Account Number: 027170-000Last Updated By: hollw
On: 10/13/2017

Account Status: Active

Name: WAYNE BUTTS
Billing Address: 3041 HONOLULU
LA CRESCENTA, CA 91214Home Phone: 8182619881
Business Phone:
Service Address: 3041 HONOLULURequest Date: 9/19/2017
Request Description: Check for leak and take another read pleaseService Date: 9/19/2017
Service Description: David - customer ball valve is off - meter was going at
4 gpm read 0490137 - called tenant, but msg box was full - anable to give results

Water/Gas Meters	Route-Seq Read Dt	Serial No Cons	Register ID No Of Digits	MXU ID	Manufacturer	Model No	Reading
Existing Water Meter	09-0910	75115678			Ipearl	Ipearl.754	502
	11/30/2017	9	4				

Location: 12'E OF DR

Comments:

Follow up needed? yes no Serviced By: _____ Date: _____ Time: _____

CVWD
hollw

Utility Billing
Service Request Form

10/16/2017 - 10:00 AM

Request Number: 000128-10-2017
Account Number: 027170-000

Last Updated By: hollw
On: 10/16/2017

Account Status: Active

Name: WAYNE BUTTS
Billing Address: 3041 HONOLULU
LA CRESCENTA, CA 91214

Home Phone: 8182619881
Business Phone:
Service Address: 3041 HONOLULU

Request Date: 10/16/2017
Request Description: Check for leak, repairs have been made
Service Date: 10/16/2017

Water/Gas Meters	Route-Seq Read Dt	Serial No Cons	Register ID No Of Digits	MXU ID	Manufacturer	Model No	Reading
Existing Water Meter	09-0910	75115678			Ipearl	Ipearl.754	493
	9/30/2017	191	4				

Location: 12'E OF DR

0495610.60

Comments:

No leak

Follow up needed? yes no

Serviced By:

[Signature]

Date:

10/16/17

Time:

CRESCENTA VALLEY WATER DISTRICT

BOARD OF DIRECTORS - STAFF REPORT

Action Item No.3
January 9, 2018

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:

Appeal of a High Water Bill – Consideration and possible action to grant a request for relief from a high water bill by Richard Hays at 4714 Ramsdell Ave.

BACKGROUND:

Richard Hays rents the property located at 4714 Ramsdell Ave, since September 2013 and he experienced high water use during the July-August 2017 billing cycle.

While reading the meter for the August 31, 2017 billing period, staff discovered that the property had a high usage of 98,000 gallons (98 units). The property's average water usage for the July-August billing period over the last few years was within Tier 2, with a high of 16 units.

- September 11, 2017, staff went back out to re-read the water meter and check for any leaks. The results showed there were no leaks and the water usage reading was correct.
- September 13, 2017, staff did a download of the iPerl meter that showed daily consumption of approximately 700-800 gallons per day. At this time, it was also noted that there was a .12 gpm leak. This information was provided in a voice message to the customer on this same date.
- October 4, 2017, staff received a call from Mr. Hays informing us that he had been out of town and that the high usage was due to a leak in the sprinkler system. Staff explained to him how he could request a leak adjustment.
- October 23, 2017, staff received a letter saying that his landlord has fixed the problems and he requested a leak adjustment. This was granted in the amount of \$300.00, the maximum staff can give.
- On December 28, 2017, staff received a letter from Mr. Hays to the Board requesting additional credit on his bill due to the large leak.

While reading for the September-October billing cycle, it was noted that the consumption was again higher than normal due to the issues discussed above. Consumption was 37,000 gallons (37 units), but his average for this period is 16,000 gallons (16 units) with a high of 25 units in 2014.

There have been similar situations requesting bill adjustments that have been brought to the Board's attention. In the past, the Board has directed staff to recalculate the customer's bill in question by charging only the Tier 2 rate for all usage over the average consumption for that period.

July-August 2017 Bill:

If staff uses that same methodology, the average consumption for the July-August billing period for this account is 10 units. Total consumption was 98 units for the 2017 bill and that the extra 88 units would be billed at the Tier 2 rate. Staff has prepared a "corrected statement" which shows the billing for the period would be \$789.03 instead of \$1,053.99, which will result in a difference of **\$264.96**. Staff has previously applied a \$300.00 credit adjustment.

September-October 2017 Bill:

If staff uses that same methodology, the average consumption for the September-October billing period for this account is 16 units. Total consumption was 37 units for the 2017 bill and that the extra 21 units

would be billed at the Tier 2 rate. Staff has prepared a “corrected statement” which shows the billing for the period would be \$349.22 instead of \$389.70, which will result in a difference of **\$40.48**.

RECOMMENDATION:

The total credit based on the “re-calculated bill” for July-August and September-October 2017 bills would be **\$305.44**. Staff had previously applied a \$300.00 credit adjustment, so the additional credit to Mr. Hays account will be \$5.44 if the Board chooses to grant additional relief. If the Board so chooses, the remaining balance can be placed on an amortization schedule for Mr. Richard Hays.

Prepared by:

Submitted by:

Ron L. Mitchell
Secretary-Treasurer

Thomas A. Love
General Manager

Attachments: g:\management\board meeting staff reports\2018\1-09-18 board memo - relief request 3041 Honolulu.docx

December 21, 2017

Richard Hays
4714 Ramsdell Ave.
La Crescenta CA 91214

RECEIVED

DEC 28 2017

CRESCENTA VALLEY
WATER DISTRICT

Board of Directors
Crescenta Valley Water District
2700 Foothill Blvd.
La Crescenta CA 21214

To Whom It May Concern:

My name is Richard Hays. My son and I rent the house at 4714 Ramsdell Avenue where we live part time. This last summer, we received a bill from CVWD for over \$1,000.00 for two months of service.

Evidently, while we were out of town, there was a power outage that reset the sprinkler system, which then ran for hours each day. We also had a small leak in the sprinkler system that added to the water use.

When I received the bill, I called CVWD and the helpful customer service people explained what had happened. They also told me that if I had the leak fixed and showed proof, I could request a \$300.00 one-time reduction in the bill. I did so, and just received the credit for the bill.

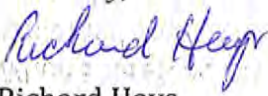
The customer service people also explained that once that had happened, I could appeal to the board for an additional credit. So with this letter, I am so doing.

I respectfully request a one-time credit to help with the payment of this bill. Now that we are aware of the potential problem, we will turn off the sprinkler system while we are out of town in case there is another power outage.

I have enclosed payment of \$389.70 for the subsequent bill. Please let me if you will grant the additional credit for the previous one. It would be a great help to my family.

Thank you for your consideration.

Sincerely,


Richard Hays

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

ACCOUNT NUMBER	SERVICE ADDRESS
29846	4714 Ramsdell
DUE DATE	
10/5/2017	07/01/17 to 08/31/17
TOTAL CHARGES	AMOUNT ENCLOSED
\$789.03	\$

Richard Hays
4714 Ramsdell Ave
La Crescenta, CA 91214-3714

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

CORRECTED STATEMENT

ACCOUNT NUMBER	SERVICE ADDRESS	DUE DATE	BILLING PERIOD
29846	4714 Ramsdell	10/5/2017	07/01/17 to 08/31/17
METER NUMBER	CURRENT READ	PRIOR READ	USAGE
77929580	292	194	98

SUMMARY OF CHARGES

Previous Balance	\$257.94
Payment on	(\$257.94)
Tier 1 - 10 x \$4.58 (Basic Usage)	\$45.80
Tier 2 - 88 x \$7.21 (Average Usage)	\$634.48
Tier 3 - 0 x \$10.89 (High Usage)	\$0.00
Water Service Charge	\$47.92
Sewer Service Charge	\$45.95
Sewer Flow Charge (Winter Water Use)	\$14.88
Glendale Tax	\$0.00
TOTAL DUE	\$789.03



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

ACCOUNT NUMBER

029846-000

SERVICE ADDRESS

4714 RAMSDELL

DUE DATE

10/05/17

BILLING PERIOD

07/01/17 to 08/31/17

TOTAL CHARGES

\$1,053.99

AMOUNT ENCLOSED

\$

AUTOMIXED AADC 750 8 MAAD 103541RA11-A-1
1891 1 MB 0.420



RICHARD HAYS
1929 LA PLAZA DRIVE
SAN MARCOS CA 92078-4836

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**

029846-000

SERVICE ADDRESS

4714 RAMSDELL

BILL DATE

08/31/17

DUE DATE

10/05/17

BILLING PERIOD

07/01/17 to 08/31/17

METER NUMBER

77929580

COMMENTS**PRIOR READ**

194

CURRENT READ

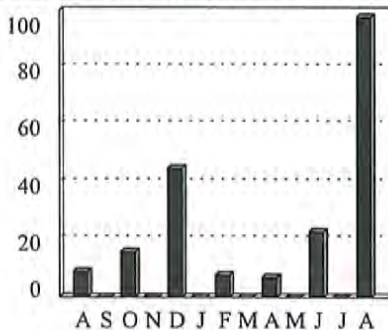
292

**USAGE
(IN 1,000 GAL)**

98

**USAGE
LAST YEAR**

9

WATER USAGE in THOUSAND GALLONS

Current
Usage

SUMMARY OF CHARGES

Previous Balance	\$257.94
Payment on 07/31/2017	\$(257.94)
Water Usage Charges	
Tier 1 - 10 x \$4.58 (Basic Usage 0-10 Units)	\$45.80
Tier 2 - 16 x \$7.21 (Average Usage 11-26 Units)	\$115.36
Tier 3 - 72 x \$10.89 (High Usage 27 + Units)	\$784.08
Water Service Charge	\$47.92
Sewer Service Charge	\$45.95
Sewer Flow Charge (Winter Water Use)	\$14.88

TOTAL DUE**\$1,053.99**

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
2700 FOOTHILL BOULEVARD
LA CRESCENTA, CALIFORNIA 91214

FOR MORE INFORMATION
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www.cvwd.com

BILLING INQUIRIES: (818) 248-3925
OFFICE HOURS MON-FRI 8:00 AM - 4:30 pm
24 HR. EMERGENCY #: (818) 249-2185

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

ACCOUNT NUMBER	SERVICE ADDRESS
29846	4714 Ramsdell
DUE DATE	
12/7/2017	09/01/17 to 10/31/17
TOTAL CHARGES	AMOUNT ENCLOSED
\$349.22	\$

Richard Hays
4714 Ramsdell Ave
La Crescenta, CA 91214-3714

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

CORRECTED STATEMENT

ACCOUNT NUMBER	SERVICE ADDRESS	DUE DATE	BILLING PERIOD
29846	4714 Ramsdell	12/7/2017	09/01/17 to 10/31/17
METER NUMBER	CURRENT READ	PRIOR READ	USAGE
77929580	329	292	37

SUMMARY OF CHARGES

Previous Balance	\$0.00
Payment on	\$0.00
Tier 1 - 10 x \$4.58 (Basic Usage)	\$45.80
Tier 2 - 27 x \$7.21 (Average Usage)	\$194.67
Tier 3 - 0 x \$10.89 (High Usage)	\$0.00
Water Service Charge	\$47.92
Sewer Service Charge	\$45.95
Sewer Flow Charge (Winter Water Use)	\$14.88
Glendale Tax	\$0.00
TOTAL DUE	\$349.22



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

ACCOUNT NUMBER

029846-000

SERVICE ADDRESS

4714 RAMSDELL

DUE DATE

12/07/17

BILLING PERIOD

09/01/17 to 10/31/17

TOTAL CHARGES

\$1,443.69

AMOUNT ENCLOSED

\$

AUTOMIXED AADC 750 8 MAAD 104353RA09-A-1
1882 1 MB 0.420



RICHARD HAYS
1929 LA PLAZA DRIVE
SAN MARCOS CA 92078-4836

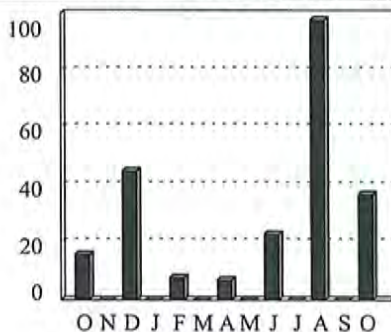
CRESCENTA VALLEY WATER DISTRICT
2700 FOOTHILL BLVD
LA CRESCENTA CA 91214-3590



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	
029846-000	4714 RAMSDELL	10/31/17	12/07/17	09/01/17 to 10/31/17	
METER NUMBER	COMMENTS	PRIOR READ	CURRENT READ	USAGE (IN 1,000 GAL)	USAGE LAST YEAR
77929580		292	329	37	16

WATER USAGE in THOUSAND GALLONS**SUMMARY OF CHARGES**

Previous Balance	\$1,053.99
Payment on	\$0.00
Water Usage Charges	
Tier 1 - 10 x \$4.58 (Basic Usage 0-10 Units)	\$45.80
Tier 2 - 16 x \$7.21 (Average Usage 11-26 Units)	\$115.36
Tier 3 - 11 x \$10.89 (High Usage 27 + Units)	\$119.79
Water Service Charge	\$47.92
Sewer Service Charge	\$45.95
Sewer Flow Charge (Winter Water Use)	\$14.88
TOTAL DUE	\$1,443.69

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
2700 FOOTHILL BOULEVARD
LA CRESCENTA, CALIFORNIA 91214

FOR MORE INFORMATION
VISIT OUR WEB SITE AT
www.cvwd.com

BILLING INQUIRIES: (818) 248-3925
OFFICE HOURS MON-FRI 8:00 AM - 4:30 pm
24 HR. EMERGENCY #: (818) 249-2185



Crescenta Valley Water District

2700 Foothill Boulevard, La Crescenta, California 91214

Phone (818) 248-3925 Fax (818) 248-1659

Directors

Judy L. Tejada

James D. Bodnar

Kerry D. Erickson

Kenneth R. Putnam

Michael L. Claessens

Officers

Thomas A. Love, P.E.

General Manager

Ron L. Mitchell

Secretary-Treasurer

December 13, 2017

Richard Hays
4714 Ramsdell
La Crescenta, CA 91214

RE: Account No. 029846-000

Dear Mr. Hays:

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 \$1,143.69. 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

CVWD
hollw

Utility Billing
Service Request Form

12/7/2017 - 10:55 AM

Request Number: 000216-10-2017
Account Number: 029846-000

Last Updated By: telld
On: 10/23/2017

Account Status: Active

Name: RICHARD HAYS
Billing Address: 1929 LA PLAZA DRIVE
SAN MARCOS, CA 92078

Home Phone: 6199951060
Business Phone: 3107177008
Service Address: 4714 RAMSDELL

Request Date: 10/23/2017
Request Description: Check for leak, repairs made
Service Date: 10/23/2017

Water/Gas Meters	Route-Seq Read Dt	Serial No Cons	Register ID No Of Digits	MXU ID	Manufacturer	Model No	Reading
Existing Water Meter	38-0270 10/31/2017	77929580 37	 4		Ipearl	Ipearl.754	329

Location: GO L ON ALABAMA - IN LINE W/ TV MAST

Comments:

N/O leak

MR = 0336361

Follow up needed?

yes ☒ no

Served By:

D. Rawlin

Date:

12-7-17

Time:

1:31 PM



USAGE HISTORY

12/07/2017 - 10:56 AM

Current Customer: 029846-000 Established On: 9/3/2013 Route # 38

Name: RICHARD HAYS Address: 4714 RAMSDELL

Meter #: 77929580 Meter Size: .75 Status: A U/M: Gallons Meter Install Date: 9/10/2015

2017		2016		2015		2014		2013	
Jan	0	Jan	0	Jan	0	Jan	0	Jan	0
Feb	8	Feb	38	Feb	2	Feb	20	Feb	0
Mar	0	Mar	0	Mar	0	Mar	0	Mar	0
Apr	7	Apr	7	Apr	20	Apr	18	Apr	0
May	0	May	0	May	0	May	0	May	0
Jun	23	Jun	26	Jun	44	Jun	17	Jun	0
Jul	0	Jul	0	Jul	0	Jul	0	Jul	0
* Aug	98	Aug	9	Aug	6	Aug	16	Aug	0
Sep	0	Sep	0	Sep	0	Sep	0	Sep	0
** Oct	37	Oct	16	Oct	7	Oct	25	Oct	30
Nov	0	Nov	0	Nov	0	Nov	0	Nov	0
Dec	0	Dec	45	Dec	8	Dec	20	Dec	16

* 3 yr average = 10,000
98-10 = 88,000
88 ÷ 2 = 44,000
44 x 10.89 = 479.16

\$ 380 max
OK-Ron

** 3 yr Average = 16,000
37-16 = 21,000
21 ÷ 2 = 10,500

CVWD

hollw

Utility Billing
Service Request Form

1/3/2018 - 11:12 AM

Request Number: 000112-09-2017

Account Number: 029846-000

Last Updated By: telld

On: 9/26/2017

Account Status: Active

Name: RICHARD HAYS

Home Phone: 6199951060

Billing Address: 1929 LA PLAZA DRIVE
SAN MARCOS, CA 92078

Business Phone: 3107177008

Service Address: 4714 RAMSDELL

Request Date: 9/13/2017

Request Description: Down load meter info for 8/31/17 billing

Please call customer when we get the download back

Service Date: 9/13/2017

Service Description: 09/13 - David - DL - watering every day using 800 plus gallons - DT LVM also has a leak at .12 gpm

Water/Gas Meters	Route-Seq Read Dt	Serial No Cons	Register ID No Of Digits	MXU ID	Manufacturer	Model No	Reading
Existing Water Meter	38-0270	77929580			Ipearl	Ipearl.754	329
	10/31/2017	37	4				

Location: GO L ON ALABAMA - IN LINE W/ TV MAST

Comments:

Follow up needed? yes no Serviced By: _____ Date: _____ Time: _____

Water Use 4714 Ramsdell from 08/14/17 to 09/13/17

1000

900

800

700

600

500

400

300

200

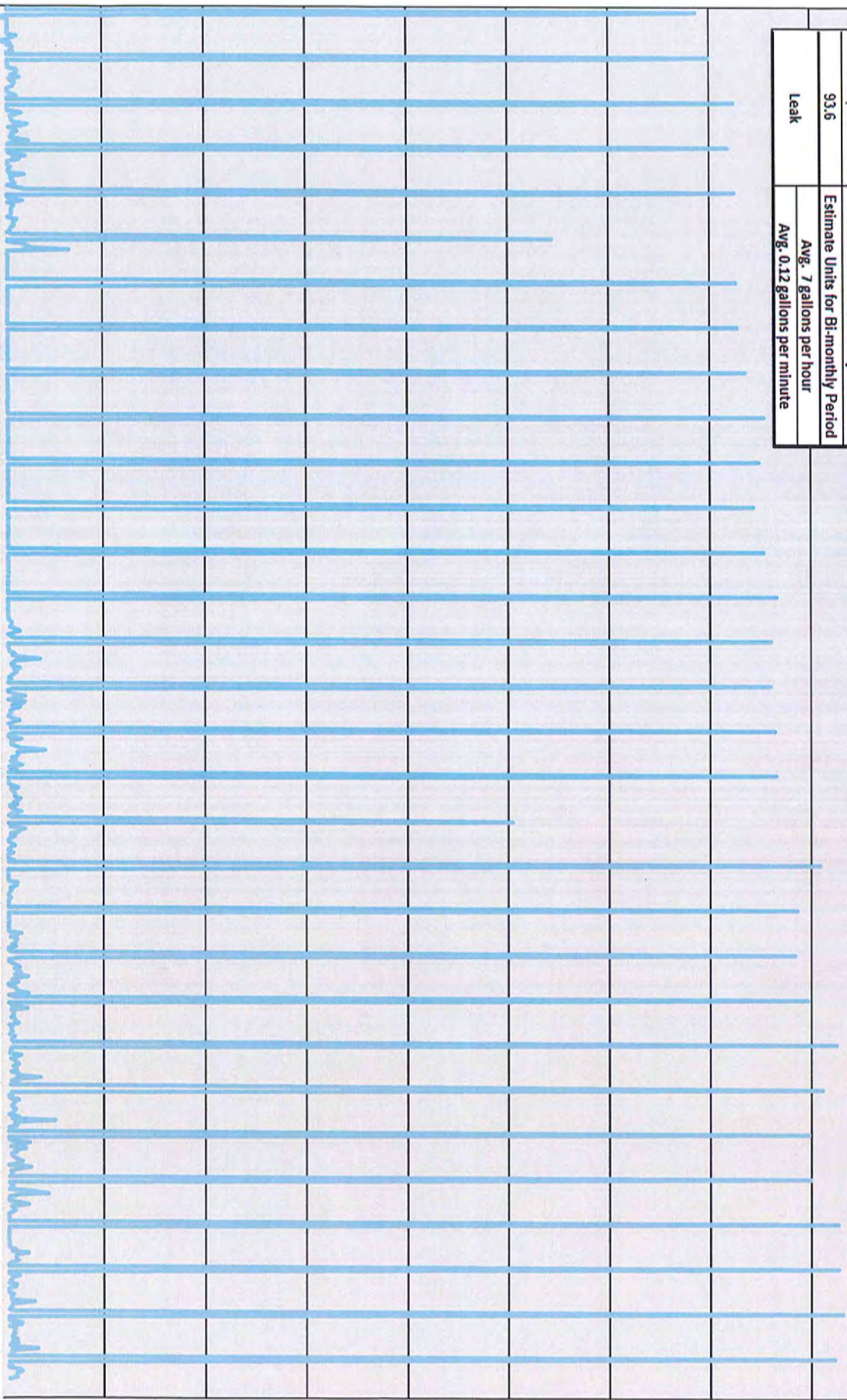
100

0

Gals per hour

8/14/2017	Start Period
9/13/2017	End Period
30	Days
46,786	Total Gallons used per period
46.8	Total Units used per period
1,560	Total Gallons per Day
93,571	Estimate for Bi-monthly Period
93.6	Estimate Units for Bi-monthly Period
Leak	Avg. 7 gallons per hour
	Avg. 0.12 gallons per minute

8/14/17
8/15/17
8/16/17
8/17/17
8/18/17
8/19/17
8/20/17
8/21/17
8/22/17
8/23/17
8/24/17
8/25/17
8/26/17
8/27/17
8/28/17
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9/12/17
9/13/17
9/14/17



CVWD
leddp

Utility Billing
Service Request Form

9/13/2017 - 9:37 AM

Request Number: 000112-09-2017
Account Number: 029846-000

Last Updated By: leddp
On: 9/13/2017

Account Status: Active

Name: RICHARD HAYS
Billing Address: 1929 LA PLAZA DRIVE
SAN MARCOS, CA 92078

Home Phone: 6199951060
Business Phone: 3107177008
Service Address: 4714 RAMSDELL

Request Date: 9/13/2017
Request Description: Down load meter info for 8/31/17 billing
Service Date: 9/13/2017

Water/Gas Meters	Route-Seq Read Dt	Serial No Cons	Register ID No Of Digits	MXU ID	Manufacturer	Model No	Reading
Existing Water Meter	38-0270	77929580			Ipearl	Ipearl.754	292
	8/31/2017	98	4				

Location: GO L ON ALABAMA - IN LINE W/ TV MAST

Comments:

I downloaded meter,

Follow up needed? yes ☒

Serviced By: J. Rawlin

Date: 9-13-17

Time: 4:00 PM

Entry Date	Close Date	Account No	Comment
12/11/2017	12/11/2017	031035-000	rr 12/8/17 no leak rd 0931346, increase letter sent
12/11/2017	12/11/2017	031163-000	rr 12/11/17 no leak rd 0868614, increase letter sent
12/11/2017	12/11/2017	031201-000	rr 12/11/17 no leak rd 0337191, increase letter sent
12/11/2017	12/11/2017	031509-000	rr 12/11/17 no leak rd 0142977
12/11/2017	12/11/2017	031594-000	rr 12/8/17 no leak rd 10153.670, increase letter sent
12/11/2017	12/11/2017	031665-000	rr 12/11/17 no b/o rd 0066443.82, irrigation meter, no watering
12/11/2017	12/11/2017	031682-000	rr 12/11/17 no b/o rd 0116688, misread previously
12/11/2017	12/11/2017	031886-000	rr 12/8/17 no leak rd 10516.000
12/11/2017	12/11/2017	031930-000	rr 12/11/17 no leak rd 0528150
12/11/2017	12/11/2017	032131-000	rr 12/11/17 no leak rd 0334567.84
12/11/2017	12/11/2017	032210-000	rr 12/11/17 rd 0901 no leak per SD, increase letter sent
12/11/2017	12/11/2017	032242-000	rr 12/11/17 no leak rd 0926740
12/11/2017	12/11/2017	032275-000	rr 12/8/17 no leak rd 0500047
12/11/2017	12/11/2017	032318-000	rr 12/8/17 no leak rd 0438.780
12/11/2017	12/11/2017	032385-000	rr 12/8/17 no leak rd 0123142-48
12/11/2017	12/11/2017	032447-000	rr 12/8/17 no leak rd 0532340
12/11/2017	12/11/2017	032476-000	rr 12/8/17 no leak rd 1645560
12/11/2017	12/11/2017	032479-000	rr 12/11/17 no b/o rd 0079450, off on customer side in box
12/11/2017	12/11/2017	032510-000	rr 12/8/17 no leak rd 0283473
12/11/2017	12/11/2017	032617-000	rr 12/11/17 no leak rd 1522960
10/04/2017	12/12/2017	032203-000	10/04 - customer had a leaking toilet, will send a leak letter. 10/10 - leak letter rcvd 10/23 - will pay half now and is going to see if her next bill is equally as high because they just fixed leak two weeks ago and is worried she may need amort instead of being able to pay in two payments. She will call us once she receives next bill.
11/27/2017	12/12/2017	009808-000	11/27 - she mailed a check 11/22 and is not sure that she mailed it to us. She thinks she paid someone else but does not know who., she is very confused. - 2nd check rcvd #3485 \$407.68 - could not leave vm - mb full. still no answer, shred check
11/27/2017	12/12/2017	009808-000	11/27 - if we rcv a second check please do not cash. She is very confused and not sure where she sent her 2nd check to. 11/27 rcvd check via mail. no answer at home and could not leave message on cell phone
12/12/2017	12/12/2017	030279-000	shredded ck #1120, blank check attached with last payment but customer never called back. Shred
10/04/2017	12/15/2017	008934-000	10/04 - Will send a check 10/6/17 mailed check
10/04/2017	12/15/2017	014172-000	w/pay 507.40 10/4/17, balance by 11/4/17
10/04/2017	12/15/2017	027415-000	10/04 - is taveling overseas and scheduled an online payment
10/04/2017	12/15/2017	028818-000	rr 10/4/17 no b/o rd 0318673, home under major renovation
10/04/2017	12/15/2017	029846-000	10/04 - customer found his leak in the sprinklers - he is going to send in a leak letter and then ask for further adjustment from the baord. he was out of twon - this is a rental and he spiltis his time between two homes, he had no idea sprinklers were going off every single day! 10/23 - leak letter rcvd
10/04/2017	12/15/2017	031893-000	10/04 - cust is questioning their bill - we will go out to re-read and will DL 10/10 - cust had a tolilet leak that she has reapiored - she will submitt a leak letter
10/04/2017	12/15/2017	032207-000	w/pay by 10/31/17, disputing this bill
10/05/2017	12/15/2017	005998-000	10/05 - will send payment now
10/05/2017	12/15/2017	028547-000	10/5/17 Customer paid 1/2 - will send leak letter and then pay balance. 10/10 - leak letter rcvd - need copy of repair bill

Wendy Holloway

From: Richard Hays <Redbird52@msn.com>
Sent: Thursday, December 07, 2017 10:53 AM
To: customerservice
Subject: Fw: 4714 Ramsdell Ave. La Crescenta
Attachments: 18 October 2017.docx

From: Richard Hays
Sent: Saturday, October 21, 2017 5:40 PM
To: customerservice@cvwd.com
Subject: 4714 Ramsdell Ave. La Crescenta

To Whom It May Concern,

My name is Richard Hays and I rent a house at 4714 Ramsdell La Crescenta 91214.

My last billing was \$1,053.99, partially due to a leak in the irrigation system, which is managed by my landlord, Gordon Park. Gordon recently repaired the system, including a cracked t-connection which was causing the leak.

With this problem repaired (see attached), I would like to request a one-time leak credit on my recent bill to help with the large amount due.

Please call me at 619-995-1060 if you have any questions.

Thank you for your help.

Richard Hays

18 October 2017

Richard Hays

4714 Ramsdell Avenue

La Crescenta CA 91214.

Dear Richard.

Re- Water Sprinkler System Maintenance Report

This report will serve as a record of the running condition of the lawn sprinkler system at 4714 Ramsdell Avenue. This past weekend I spent 9 hours going through the entire sprinkler system.

First examining the system as is. With the system in standby mode, meaning not running between sprinkler cycles there was no leakage on the pressure side of the system. The system was programmed to run two days a week (Tuesday and Saturday) with a 10 minute cycle time on each circuit starting at 5am. The seasonal adjustment was set at 60% meaning each circuit will now only run for 6 minutes . With 9 operating circuits the total run time can be 90 minutes seasonally adjusted back to 54 minutes.

System Condition - No water distribution pipes or sprinkler lines were leaking or damaged. Three sprinkler heads were replaced to improve the spray pattern and one which had a crack in its body. Several spray heads were adjusted for direction .

The drip system was examined and 80% of the lines were again re-buried under ground. Four sections of drip line were replaced due to pin holes spraying out of pattern. One drip "T " connection was replaced as it was cracked. Trees and bushes were trimmed to clear spray patterns from sprinkler heads.

A new long term battery was installed in the sprinkler controller as back up against power failure.

The system was run and tested regarding sprinkler time and any other possible operational problems. None were found and the system was set to run as noted above. I would suggest that the system be turned off December 1 2017 for the winter season, unless you see the grass getting brown due to a warm winter.

This report confirms the repair and condition of the sprinkler system at 4714 Ramsdell Avenue.

Regards

Gordon N Park AIA

Entry Date	Close Date	Account No	Comment
09/11/2017	09/11/2017	015465-000	rr 9/8/17 .1 gpm rd 067085975, letter sent
09/11/2017	09/11/2017	015474-000	rr 9/8/17 no leak rd 1035940
09/11/2017	09/11/2017	015621-000	rr 9/8/17 no leak rd 1386260
09/11/2017	09/11/2017	015680-000	rr 9/8/17 no leak rd 046057851, increase letter sent
09/11/2017	09/11/2017	015704-000	rr 9/8/17 no leak rd 0919130
09/11/2017	09/11/2017	015712-000	rr 9/11/17 no leak rd 012317314
09/11/2017	09/11/2017	015717-000	rr 9/11/17 .2 gpm rd 110963355, letter sent
09/11/2017	09/11/2017	015790-000	rr 9/11/17 067263991
09/11/2017	09/11/2017	015841-000	rr 9/8/17 no leak rd 021274543, increase letter sent
09/11/2017	09/11/2017	015924-000	rr 9/11/17 no leak rd 2484170
09/11/2017	09/11/2017	015939-000	rr 9/11/17 no leak rd 1557450, increase letter sent
09/11/2017	09/11/2017	015946-000	rr 9/8/17 no leak rd 022103777
09/11/2017	09/11/2017	015987-000	rr 9/11/17 no leak rd 0954490
09/11/2017	09/11/2017	016001-000	8/31/17 estimated high, fenced out entire property, fence is locked. Letter sent
09/11/2017	09/11/2017	016015-000	rr 9/11/17 no leak rd 4968080, increase letter sent
09/11/2017	09/11/2017	016074-000	rr 9/11/17 no leak rd 3761100
09/11/2017	09/11/2017	016087-000	rr 9/11/17 no leak rd 041684810, increase letter sent
09/11/2017	09/11/2017	016197-000	rr 9/11/17 no leak rd 1424940
09/11/2017	09/11/2017	016295-000	rr 9/11/17 no leak rd 027482347
09/11/2017	09/11/2017	016325-000	rr 9/11/17 no leak rd 007057452
09/11/2017	09/11/2017	016391-000	rr 9/11/17 no leak rd 008523088, increase letter sent
09/11/2017	09/11/2017	016420-000	rr 9/11/17 no leak rd 0390600
09/11/2017	09/11/2017	016451-000	rr 9/11/17 no leak rd 1004480, increase letter sent
09/11/2017	09/11/2017	016466-000	rr 9/11/17 no leak rd 054056870
09/11/2017	09/11/2017	025372-000	rr 9/8/17 no leak rd 0385594
09/11/2017	09/11/2017	025589-000	rr 9/8/17 .08 gpm rd 0196330, letter sent
09/11/2017	09/11/2017	026000-000	rr 9/8/17 no leak rd 1480190
09/11/2017	09/11/2017	026086-000	rr 9/8/17 .1 gpm rd 018209001, letter sent
09/11/2017	09/11/2017	026111-000	rr 9/*11/17 .1 gpm rd 051323340, letter sent
09/11/2017	09/11/2017	026361-000	rr 9/8/17 no b/o rd 0090792
09/11/2017	09/11/2017	026374-000	RR 9/8/17 NO LEAK RD 015713628, INCREASE LETTER SENT
09/11/2017	09/11/2017	026435-000	rr 9/8/17 no leak rd 2456970
09/11/2017	09/11/2017	027228-000	rr 9/8/17 no leak rd 0258922
09/11/2017	09/11/2017	027308-000	rr 9/8/17 no leak rd 0550923, increase letter sent
09/11/2017	09/11/2017	027525-000	rr 9/11/17 no leak rd 015434077
09/11/2017	09/11/2017	027735-000	rr 9/11/17 no leak rd 1014010
09/11/2017	09/11/2017	027757-000	rr 9/8/17 no leak rd 054289421, increase letter sent
09/11/2017	09/11/2017	028180-000	rr 9/*8/17 .2 gpm rd 087557024, letter sent
09/11/2017	09/11/2017	029548-000	rr 9/8/17 no leak rd 0290223
09/11/2017	09/11/2017	029559-000	rr 9/8/17 no leak rd 076539688, increase letter sent
09/11/2017	09/11/2017	029789-000	rr 9/8/17 no leak rd 4064960, increase letter sent
09/11/2017	09/11/2017	029846-000	rr 9/11/17 no leak rd 029984860, increase letter sent
09/11/2017	09/11/2017	030042-000	rr 9/8/17 no leak rd 0352781
09/11/2017	09/11/2017	030115-000	rr 9/11/17 rd is correct no leaks. rd 3584040 & 3586380
09/11/2017	09/11/2017	030170-000	rr 9/8/17 no leak rd 019277848
09/11/2017	09/11/2017	030215-000	rr 9/8/17 no leak rd 1447800, increase letter sent
09/11/2017	09/11/2017	030376-000	rr 9/11/17 customer side gasket leak .2 gpm rd 2383810
09/11/2017	09/11/2017	030471-000	rr 9/11/17 no leak rd 0886790
09/11/2017	09/11/2017	030496-000	rr 9/11/17 no leak rd 0832550
09/11/2017	09/11/2017	030958-000	rr 9/8/17 .2 gpm rd 049525024, letter sent
09/11/2017	09/11/2017	030959-000	rr 9/8/17 no b/o rd 028074056
09/11/2017	09/11/2017	030987-000	8/31/17 billed at '0' rd 001464736
09/11/2017	09/11/2017	031078-000	rr 9/11/17 no leak rd 1557460
09/11/2017	09/11/2017	031129-000	rr 9/8/17 no leak rd 1320000, increase letter sent
09/11/2017	09/11/2017	031240-000	rr 9/11/17 no leak rd 1196430

CRESCENTA VALLEY WATER DISTRICT

General Manager Report

GM Report

January 9, 2018

To: Honorable President and Members of the Board of Directors

From: Thomas A. Love, General Manager

Subject: **General Manager Report**

September General Managers Report Topics:

- Staffing
- GM Activities
- Finance (to be included in January 16 agenda package)
- Engineering and Operations

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

- Employee Safety Awards
- Water Supply and Demand
- Rainfall
- Brookhill Pipeline Construction

Submitted by:



Thomas A. Love
General Manager

STAFFING

The 2018 fiscal year budget includes 33 full time employees, current staffing is 32 including one temporary employee.

Four employees have work anniversaries in January. James Lee – 1 year, David Rawlings – 6 years, Dave Spain – 31 years and Joe Huerta – 32 years.

As of January 5th the District has gone 1,305 Days without a lost time accident. On December 11th three

District employees received safety awards from ACWA JPIA, Jaysen Ortega, Alex Sandoval and David Gould.

GENERAL MANAGER ACTIVITIES

Meetings:

Management staff meetings

- December 11th, 18th, January 4th, 8th

FMWD Board Meeting

- December 18th



YOUR BEST PROTECTION

RECEIVED

DEC 14 2017

CRESCENTA VALLEY
WATER DISTRICT

December 11, 2017

ACWA JPIA

P. O. Box 619082
Roseville, CA 95661-9082

phone
916.786.5742
800.231.5742

direct line
916.774.7050
800.535.7899

fax
916.774.7040

claims fax
916.786.0209

www.acwajpia.com

President
E.G. "Jerry" Gladbach

Vice President
Tom Cuquet

Chief Executive Officer
Walter "Andy" Sells

Executive Committee
Tom Cuquet
David Drake
E.G. "Jerry" Gladbach
Brent Hastey
David T. Hodgin
W.D. "Bill" Knutson
Melody A. McDonald
J. Bruce Rupp
Kathleen Tiegs

Mr. Thomas Love, General Manager
Crescenta Valley Water District
2700 Foothill Blvd.
La Crescenta, CA 91214-3516

Re: H.R. LaBounty Safety Awards Program

Dear Mr. Love:

On behalf of the ACWA JPIA, I am pleased to enclose checks, thank you letters, and award certificates for the following employees:

Jaysen Ortega, Maintenance Worker 1	\$50.
Alex Sandoval, Utility Worker II	25.
David Gould, District Engineer	75.

I am sure you will be proud to present these awards to these employees for their outstanding contributions to your District's health and safety programs.

Your District's participation in this ongoing program is deeply appreciated. Continued involvement by Crescenta Valley Water District's employees is always welcomed.

Sincerely,

Walter "Andy" Sells
Chief Executive Officer

Enc.

1117:ll



YOUR BEST PROTECTION

December 11, 2017

ACWA JPIA

P. O. Box 619082
Roseville, CA 95661-9082

phone
916.786.5742
800.231.5742

direct line
916.774.7050
800.535.7899

fax
916.774.7040

claims fax
916.786.0209

www.acwajpia.com

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W.D. "Bill" Knutson

Melody A. McDonald

J. Bruce Rupp

Kathleen Tiegs

Mr. Jaysen Ortega, Maintenance Worker I
Crescenta Valley Water District
2700 Foothill Blvd.
La Crescenta, CA 91214-3516

Re: H.R. LaBounty Safety Awards Program

Dear Mr. Ortega:

On behalf of the ACWA Joint Powers Insurance Authority, we would like to thank you for your recent safety award submission.

We greatly appreciate that you contributed your time and efforts to promote safe workplace behavior and improve existing operational practices. It is individuals like you who demonstrate safe behavior, take part in training, and participate in risk-reducing actions that foster a positive safety culture.

Enclosed is a certificate in honor of your achievement. The entire JPIA membership is successful because of individuals like you.

We encourage you to continue your risk management practices, and look forward to future safety award submissions.

Sincerely,

Walter "Andy" Sells
Chief Executive Officer

1117:ll

Enc. Certificate

The H.R. LaBounty Safety Award

is presented to

Jaysen Ortega
Crescenta Valley Water District



November 2017

ACWA Joint Powers Insurance Authority

2100 Professional Drive
Roseville, CA 95661-9082
(800) 231-5742





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David T. Hodgin

W.D. "Bill" Knutson

Melody A. McDonald

J. Bruce Rupp

Kathleen Tiegs

Mr. Alex Sandoval, Utility Worker II
Crescenta Valley Water District
2700 Foothill Blvd.
La Crescenta, CA 91214-3516

Re: H.R. LaBounty Safety Awards Program

Dear Mr. Sandoval:

On behalf of the ACWA Joint Powers Insurance Authority, we would like to thank you for your recent safety award submission.

We greatly appreciate that you contributed your time and efforts to promote safe workplace behavior and improve existing operational practices. It is individuals like you who demonstrate safe behavior, take part in training, and participate in risk-reducing actions that foster a positive safety culture.

Enclosed is a certificate in honor of your achievement. The entire JPIA membership is successful because of individuals like you.

We encourage you to continue your risk management practices, and look forward to future safety award submissions.

Sincerely,

Walter "Andy" Sells
Chief Executive Officer

1117:ll

Enc. Certificate

The H.R. LaBounty Safety Award

is presented to

Alex Sandoval

Crescenta Valley Water District

November 2017

ACWA Joint Powers Insurance Authority

2100 Professional Drive
Roseville, CA 95661-9082
(800) 231-5742





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December 11, 2017

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Melody A. McDonald

J. Bruce Rupp

Kathleen Tiegs

Mr. David Gould, District Engineer
Crescenta Valley Water District
2700 Foothill Blvd.
La Crescenta, CA 91214-3516

Re: H.R. LaBounty Safety Awards Program

Dear Mr. Gould:

On behalf of the ACWA Joint Powers Insurance Authority, we would like to thank you for your recent safety award submission.

We greatly appreciate that you contributed your time and efforts to promote safe workplace behavior and improve existing operational practices. It is individuals like you who demonstrate safe behavior, take part in training, and participate in risk-reducing actions that foster a positive safety culture.

Enclosed is a certificate in honor of your achievement. The entire JPIA membership is successful because of individuals like you.

We encourage you to continue your risk management practices, and look forward to future safety award submissions.

Sincerely,

Walter "Andy" Sells
Chief Executive Officer

1117:11

Enc. Certificate



The H.R. Labounty Safety Award

is presented to



David Gould

Crescenta Valley Water District

November 2017

ACWA Joint Powers Insurance Authority

2100 Professional Drive
Roseville, CA 95661-9082
(800) 231-5742



Engineering and Operations

January 9, 2018
Staff Report

To: Thomas A. Love – General Manager
From: David S. Gould, P.E. – District Engineer
Subject: Engineering & Operations – January 2018

1. **Water Production Report**

- December 1 – 31 - Water production – 45%/55% split – 112.8 MG for the time period
- Average use – 21.2% greater than 2016 and 16.7% greater than 5-yr average
- Water Production 2017 – 3,929 ac-ft 4.1% greater than 2016 (3,775 ac-ft)
- FMWD Total Projection 2017 - 2,217 ac-ft
 - o Tier 1 limit = 2,154 ac-ft
 - o Tier 2 by 63 ac-ft
 - o Extra Cost - 63 ac-ft x (\$1073/ac-ft - \$979/ac-ft) = \$5,922

2. **Rainfall Update**

- 0.00" for December 2017
- Rainfall Total for Rainfall Year 2017/18 – 0.16"

3. **Report on Engineering**

- **CIP Projects**
 - Ocean View Chloramination Project
 - o Finalizing FMWD & LADWP operational testing procedures & agreements
 - Pipeline Project - 2700, 3000 & 3100 Blocks of Brookhill
 - o Construction at Brookhill & Pennsylvania to start 1/15/18
 - Well 10 Rehabilitation
 - o Construction to start in February 2018
 - Oak Creek #1 & #2 Reservoir Rehabilitation
 - o Under Construction - Oak Creek #1
- **Nitrate Removal Treatment Facility at Well 2 Project**
 - Under Construction
 - o Grading of pad & retaining walls complete
 - o Working on underground utilities
 - APTwater to move on-site in February 2018
- **Crescenta Valley County Park Stormwater Recharge Facility Study**
 - Updated Report on January 23, 2018
- **ULARA**
 - Finalizing agreement for ULARA legal services
 - AC meeting – January 17, 2018
- **Grant Program**
 - No Report
- **Water Meter Replacement Program**
 - Replaced 157 meters to date
 - Update on WMRP & AMI at February 6, 2018 Board Meeting

4. **Report on Administrative and Field Operations**

• **Wells - Status**

- Well production capacity – averaged 1.88 MGD for December 2017

5. **Field Maintenance & Operations – December 9, 2017 – January 5, 2018**

▪ **Water Lateral Leaks & Repairs**

3006 & 3005 Highridge	2740 Prospect	4946 Pennsylvania
5004 La Crescenta	5009 Rosemont	2918 Mayfield
2918 Mayfield	3110 Orange	2910 Mountain Pine
4850 Pennsylvania		

▪ **Water Main Leaks**

- 4400 Block of Rosemont Ave, north of the 210 freeway overcrossing

▪ **Fire Hydrant Repair**

- No Report

▪ **Developer Job**

- 4201 Pennsylvania – New Water Main

▪ **Booster Pump Maintenance**

- No Report

▪ **Reservoir Maintenance**

- No Report

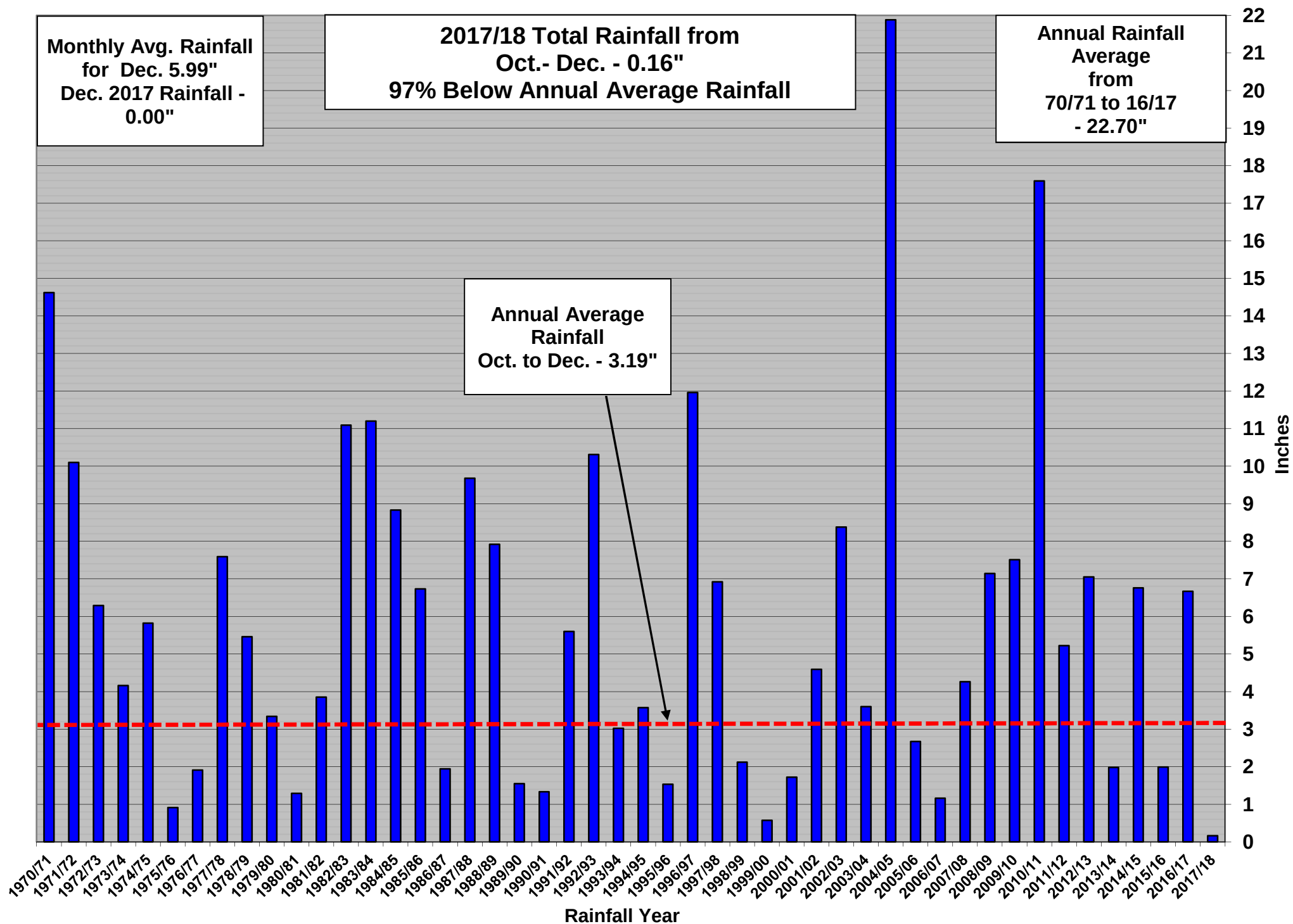
▪ **Sewer Maintenance – December 9, 2017 – January 5, 2018**

2400 Block of Shields	2400 – 2500 Blocks of Olive	2400 – 2500 Blocks of Janet Lee
5200 - 5400 Blocks of Rosemont	2700 Block of Timberlake	5400 Block of Pineridge

▪ **Sewer Interceptor**

- Videotape inspection of sewer interceptor near connection to LA/Glendale Treatment Plant due to City of LA construction of emergency sewer line project.

Monthly Rainfall - 1970/71 - 2017/18 (Oct.- Dec.)



CRESCENTA VALLEY WATER DISTRICT

WATER PRODUCTION REPORT

December 1 - December 31, 2017

Well Production:	40,545,700	Gals		
GWP Production:	9,266,000	Gals		
Gravity Production:	1,361,740	Gals	% GW	45%
Purchased Water:				
FMWD:	61,639,500	Gals		
City of Glendale:	0	Gals	% Import	55%
TOTAL:	112,812,940	Gals		
	346.21	ac-ft		
Glenwood Nitrate Water				
Reclamation Plant:*	4,586,000		*Included in Well Production	

WATER DEMAND COMPARISON

Time Period	Average Daily Usage (gals)	Current Period Change
December 1, 2017 - December 31, 2017	3,626,195	
December 1, 2016 - December 31, 2016	2,992,314	21.2%
5-yr Average - December 2012 - 2016	3,106,651	16.7%

RAINFALL: December 1 - December 31, 2017

0.00"

Season-To-Date:

0.16"

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	129	January	31	January	102
August	382	395	November	111	February	27	February	82
September	361	385	December	129	March	29	March	141
October	362	365	January		April	28	April	195
November	308	330	February		May	29	May	218
December	346	290	March		June	28	June	217
January		260	April		July	29	July	235
February		260	May		August	31	August	239
March		295	June		September	29	September	226
April		325	July		October	29	October	203
May		365	August		November	28	November	169
June		390	September		December	28	December	189
Total to Date	2,153	1,865	Total to Date	369	Total to Date	347	Total to Date	2,217
Projected	3,992	4,050	Water Rights	3,294			Tier 2	2,154
% of Projected	53.2%	46.0%	% of Rights	11%			% of Allocation	103%
Remaining	1,897	2,185	Remaining	2,925			Remaining	(63)

NOTE:

1) Blue Numbers = Estimated Water Production

CRESCENTA VALLEY WATER DISTRICT

MEMORANDUM

DATE: December 20, 2017
TO: Finance Committee Meeting File
FROM: Ron L. Mitchell

Following is a summary of the Finance Committee Meeting held at 4:00 p.m. on December 20, 2017, at the CVWD main office, and was attended by the following:

Director Judy Tejeda - Committee Chairperson	CVWD
Director James Bodnar - Committee Member	CVWD
Thomas A. Love – General Manager	CVWD
Ron L. Mitchell – Secretary-Treasurer	CVWD
James Lee – Accountant	CVWD
Leslie Ward	Clifton Larson Allen

1. Review of draft FY 2016/17 Audit

The Committee and staff met with Ms. Leslie Ward of Clifton Larson Allen (CLA) (formerly Vicenti Lloyd & Stutzman). She discussed the first draft of the financial statements for FY 2016-17. She informed the Committee of the process that was used to perform the audit and that no major weaknesses were found in the District's internal controls. Ms. Ward said that in their opinion, the financial statements present fairly, in all material respects, the financial position of the District.

Ms. Ward did inform the Committee that they are aware that some information needs to be updated in the report, such as the information on the Board of Directors, and that District staff still needs to update the Management Discussion and Analysis (MD&A) section of the report. She said that the tables in the MD&A section are accurate, but the text is what staff needs to update before the final report is issued. Staff informed the Committee that the final draft is scheduled to be brought to the full Board on the January 23, 2018 agenda for acceptance.

2. Review of Credit Card Costs

The Committee and staff reviewed a spreadsheet that summarized credit card payment activity from customers paying their water bills from its inception in FY 2014-15 to present. This information was broken down by number of transactions, total charges, fees, and cost of transaction per month and totaled for the full year. Staff also provided information obtained from five other water agencies that accept credit card payments and all absorbed the costs and did not require customers to pay for the convenience of paying with credit cards. The Committee asked staff to review our current provider charges and see if there are other providers who can perform this function at a lower cost. Staff was also directed to do more analysis of the costs and see if other alternatives can be implemented in conjunction with the Proposition 218 process.

3. Review of 2018-19 Budget Schedule

Staff provided the Committee with a schedule that outlined the budget process and milestones that need to be accomplished to meet Proposition 218 and budget adoption goals.

Staff also updated the Committee on the status of bank charges by providing them with our latest analysis that showed average charges of \$720 per month from Wells Fargo Bank. Mr. Mitchell said that he has contacted our representative at Wells Fargo and has asked to see if charges can be reduced in the future. They will be examining our account after the holidays and will get back to us then. Mr. Mitchell said that he will be contacting other banks to get cost comparisons and that this information will be brought back to the Board or Finance Committee when complete.

The meeting adjourned at 5:20 p.m.

CRESCENTA VALLEY WATER DISTRICT

FINANCE COMMITTEE - STAFF REPORT

December 20, 2017

Staff Report

To: Finance Committee

From: Thomas A. Love, General Manager

Subject: Summary of Agenda Items for December 20, 2017 Committee Meeting

1. Review of Draft Financial Statements for FY 2016-17

The District's auditors – the accounting firm of CliftonLarsonAllen LLP – have developed a draft Report on Audit of Financial Statements for FY 2016-17. The draft report and the auditors' letter of required communications are attached.

Note that the charts in the Management's Discussion and Analysis section – e.g. Statements of Net Position – are substantially complete, while the text – e.g. Board of Directors schedule – will be updated. The auditors will present the draft and their findings during the Finance Committee meeting.

2. Review Credit Card Costs

Per the Board's direction, staff analyzed the impact of credit card fees for customer bill payments and how these fees impact the District's as expenses. First, staff summarized the trend of credit card fees from October 2014 to current. The attached summary shows that an increasing number of customers are opting to pay by credit card. The average cost per transaction to the District is also increasing, from 1.89% (\$3.31) in FY 2014-15 to 2.03% (\$4.58) in FY 2017-18.

Staff also reached out to the District's network of sister agencies to poll their current practices. The responses received to date are shown below, and staff continues to collect responses.

	Rowland WD	Palmdale WD	Kinneloa Irrigation	Pico WD
Accept CC Payments?	Yes	Yes	Yes	No
Accept Payments Over the Phone	No	Yes	No	NA
Charge for CC as Payment?	No	No	No	NA

3. Review of FY 2018-19 Budget Schedule

Staff has initiated the budget process earlier than in years past. The intent of an earlier start is to improve the budget process and forecast accuracy. The preliminary budget schedule is attached for discussion regarding how to proceed with major budget milestone – e.g. Prop 218 Notice, Public Hearing etc.

4. Other Business

Per the Board's direction, staff is looking into level of charges to the District for banking fees charged by Wells Fargo. The District's schedule of banking fees from June 2017 to current is attached, and it shows a range of monthly fees from \$704 to \$770 during that period. Staff has contacted the Wells Fargo relationship manager to explore reductions to current fees. Staff is also contacting relationship managers for competing banks to survey their level of charges and how they compare to services offered and how they could benefit the District otherwise.

Board of Directors
Crescenta Valley Water District
La Crescenta, California

We have audited the financial statements of the Crescenta Valley Water District (the District) as of and for the year ended June 30, 2017, and have issued our report thereon dated December 20, 2017. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Accounting policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Crescenta Valley Water District are described in Note 1 to the financial statements.

No new accounting policies were adopted and the application of existing policies was not changed during 2016-17.

We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive accounting estimates affecting the financial statements were:

- Management's estimate of the useful lives of its capital assets and the related period of depreciation which is based on historic knowledge of the assets and the frequency with which capital assets must be replaced;
- Management's estimate of the fair value of investments based upon relevant information about similar investments held in managed portfolios and used to determine the probable market value of the investments;

- Management's estimate of pension liabilities and postemployment benefits based upon actuarial assumptions; and
- Management's estimate of unbilled revenues which is based on the revenue cycle of the water system and expected usage of water using historic information.

We evaluated the key factors and assumptions used to develop the sensitive accounting estimates described above in determining that they are reasonable in relation to the financial statements taken as a whole.

Financial statement disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management did not identify and we did not notify them of any uncorrected financial statement misstatements.

Corrected Misstatements

The following material misstatement detected as a result of audit procedures was corrected by management:

- Record current year fair value adjustment to properly report investments at their fair value as of June 30, 2017. This resulted in an increase to net position of \$77,852.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 20, 2017.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the entity’s financial statements or a determination of the type of auditors’ opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Significant Issues Discussed With Management Prior To Engagement

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to engagement as the entity’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.

Other Audit Findings or Issues

Audit standards require that we communicate to you any internal control related matters and any other audit findings or issues that are, in our professional judgment, significant and relevant to those charged with governance in overseeing the financial reporting process. We have discussed this matter with management and are communicating this finding to you.

We noted during our audit procedures that there was no systematic method to ensure complete monthly closing procedures take place and reconciliations are performed. A lack of specific closing procedures and multiple accounts that are not regularly reconciled may ultimately cause significant errors in the financial records and statements as well as allow possible irregularities including fraud, to exist and continue without notice. We noted that there are no formal procedures for monthly close activities or regular account reconciliations for multiple accounts. Specifically, the accounts receivable balance, and the accounts payable balance were not reconciled to the general ledger. In addition, the detailed fixed asset listing was not reconciled to the general ledger.

We discussed this with management and recommended that the District establish a system of consistent monthly reconciliations and closing procedures in order to provide more accurate financial statements. In addition, we recommended that the District establish more effective review and reconciliation policies and procedures as a customary part of the accounting process. Management has begun implementing a monthly close procedure which includes a monthly close schedule and checklist and monthly reconciliations of all accounts.

Other Information in Documents Containing Audited Financial Statements

With respect to the required supplementary information (RSI) accompanying the financial statements, we made certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, and whether there were any significant assumptions or interpretations underlying the measurement or presentation of the RSI.

We compared the RSI for consistency with management's responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we did not express an opinion or provide any assurance on the RSI.

With respect to the supplementary information accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period or the reasons for such changes, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated December 20, 2017.

This communication is intended solely for the information and use of the Board of Directors and management of Crescenta Valley Water District and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP
Glendora, California
December 20, 2017

Credit/Debit Card Cost Analysis Oct. 2014 - Dec. 2017

Actual		Costs		FY 2014-15	
	Transactions	Total Charges	Fees	Cost Per Transaction	
Oct 2014	49	\$ 13,002.55	\$ 256.32	\$ 5.23	
Nov	153	\$ 34,515.59	\$ 621.00	\$ 4.06	
Dec	124	\$ 24,194.36	\$ 442.74	\$ 3.57	
Jan 2015	248	\$ 43,734.13	\$ 852.37	\$ 3.44	
Feb	194	\$ 33,585.51	\$ 661.46	\$ 3.41	
Mar	439	\$ 66,911.78	\$ 1,201.62	\$ 2.74	
Apr	317	\$ 53,787.36	\$ 1,005.20	\$ 3.17	
May	355	\$ 58,599.23	\$ 1,130.77	\$ 3.19	
Jun	266	\$ 48,055.63	\$ 926.09	\$ 3.48	
Total	2145	\$ 376,386.14	\$ 7,097.57	\$ 3.31	
AVG/Mo.	179	\$ 31,365.51	\$ 591.46		
Average cost per transaction				\$	3.31
Average charge per transaction				\$	175.47
					1.89%

Actual		Costs		FY 2015-16	
	Transactions	Total Charges	Fees	Cost Per Transaction	
Jul 2015	400	\$ 65,748.95	\$ 1,238.16	\$ 3.10	
Aug	301	\$ 54,346.20	\$ 1,129.14	\$ 3.75	
Sep	457	\$ 83,862.60	\$ 1,526.34	\$ 3.34	
Oct	327	\$ 65,277.23	\$ 1,281.17	\$ 3.92	
Nov	489	\$ 90,136.39	\$ 1,709.73	\$ 3.50	
Dec	287	\$ 56,305.33	\$ 1,070.70	\$ 3.73	
Jan 2016	544	\$ 96,182.34	\$ 1,795.73	\$ 3.30	
Feb	383	\$ 66,752.44	\$ 1,298.19	\$ 3.39	
Mar	513	\$ 78,872.99	\$ 1,554.19	\$ 3.03	
Apr	395	\$ 70,998.74	\$ 1,375.84	\$ 3.48	
May	521	\$ 76,652.66	\$ 1,506.69	\$ 2.89	
Jun	405	\$ 76,899.36	\$ 1,461.42	\$ 3.61	
Total	5022	\$ 882,035.23	\$ 16,947.30	\$ 3.37	
AVG/Mo.	419	\$ 73,502.94	\$ 1,412.28		
Average cost per transaction				\$	3.37
Average charge per transaction				\$	175.63
					1.92%

Actual		Costs		FY 2016-17	
	Transactions	Total Charges	Fees	Cost Per Transaction	
Jul 2016	488	\$ 82,895.18	\$ 1,643.54	\$ 3.37	
Aug	424	\$ 80,965.02	\$ 1,625.82	\$ 3.83	
Sep	546	\$ 113,934.52	\$ 2,484.80	\$ 4.55	
Oct	474	\$ 112,046.87	\$ 2,227.96	\$ 4.70	
Nov	604	\$ 133,578.35	\$ 2,545.50	\$ 4.21	
Dec	465	\$ 96,658.61	\$ 2,003.87	\$ 4.31	
Jan 2017	575	\$ 100,165.69	\$ 2,057.73	\$ 3.58	
Feb	469	\$ 87,934.47	\$ 1,841.08	\$ 3.93	
Mar	590	\$ 89,784.39	\$ 1,850.35	\$ 3.14	
Apr	491	\$ 84,364.41	\$ 1,790.52	\$ 3.65	
May	618	\$ 101,513.23	\$ 2,052.22	\$ 3.32	
Jun	510	\$ 100,620.45	\$ 2,154.55	\$ 4.22	
Total	6254	\$ 1,184,461.19	\$ 24,277.94	\$ 3.88	
AVG/Mo.	521	\$ 98,705.10	\$ 2,023.16		
Average cost per transaction				\$	3.88
Average charge per transaction				\$	189.39
					2.05%

Actual		Costs		FY 2017-18	
	Transactions	Total Charges	Fees	Cost Per Transaction	
Jul 2017	684	\$ 146,351.38	\$ 2,867.58	\$ 4.19	
Aug	578	\$ 123,870.51	\$ 2,533.69	\$ 4.38	
Sep	667	\$ 163,831.95	\$ 3,312.50	\$ 4.97	
Oct	594	\$ 139,356.69	\$ 2,924.71	\$ 4.92	
Nov	713	\$ 158,635.63	\$ 3,191.82	\$ 4.48	
Dec				#DIV/0!	
Jan 2018				#DIV/0!	
Feb				#DIV/0!	
Mar				#DIV/0!	
Apr				#DIV/0!	
May				#DIV/0!	
Jun				#DIV/0!	
Total	3236	\$ 732,046.16	\$ 14,830.30	\$ 4.58	
AVG/Mo.	647	\$ 146,409.23	\$ 2,966.06		
Average cost per transaction				\$	4.58
Average charge per transaction				\$	226.22
					2.03%

Crescenta Valley Water District

FY 2018-19 Budget Schedule - Preliminary, Water & WW

Task	Date	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18
Schedule											
CIP/Capital Equipment & Contracts											
Purchased Power											
Compensation & Benefits											
OT											
Grant Revenue											
Communications/Public Outreach											
Investment Revenue											
SCADA											
Communications											
Other Technology											
Admin. Consultants											
Meters											
Other Distribution											
Other Budget Requests											
Water Demand/Supply Projections											
Water Production - FMWD/GWP											
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Budget Model Structure & Dashboard											
File Management Discussion											
Budget User Controls											
Tier Structure in Budget - Water & WW											
Budget Assumptions											
Monthly Financial Reporting Tie-In											
Preliminary Budget Review - Water and Wastewater	Week of Feb 12, 2018										
Board Budget Detailed Review ¹	March 7, 2018										
Draft Final Budget Review - Water and Wastewater	March 21, 2018										
Preliminary Prop. 218 Notice	April 4, 2018										
Public Workshop ²	April 11, 2017										
Prop. 218 Notice - Final (send to the printer, 45-day clock starts)	April 16, 2017										
Public Hearing	June 6, 2018										
Board Consideration of Budget and Rates	June 20, 2018										

1 - Board meetings are subject to change per upcoming scheduling discussion in January 2018.

2 - Special Board meeting



Statements & Notices

Welcome **RON MITCHELL**

Client Analysis Statement

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For More Information

Client Analysis Statement: [Summary](#) | [Relationship Summary](#) | [Intermediate Summary](#) | [Account Summary](#)

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Viewing 1 of 1 Relationships

Previous Detail Next Detail

Relationship Summary for CRESCENTA VALLEY

NOVEMBER 2017

WELLS FARGO BANK, N.A.
NORTHERN CAL SMG GNP
1995 EL CAMINO REAL, 3RD FLOOR, STE 302
SANTA CLARA, CA 95050-4066

Officer: KABILAFKAS, EVGENIA-JEANNIE
Phone Number: 805-407-6174

CRESCENTA VALLEY
WATER DISTRICT
2700 FOOTHILL BLVD
LA CRESCENTA, CA 91214-3516

For More Information Term Definition Billing Account New Service Charge New Price Change Fee-Based Charge
 Volumes for Tiered Pricing

Customer must examine this statement and report to Bank any claim for credit or refund within 60 days after Bank makes the statement available. If Bank does not receive notice of error or discrepancy within the timeframe, items on the statement will be deemed to be correct.

Analysis Summary

PDF

[Download Section](#)
To perform trending of historical data, check one or more boxes, then click **Perform Trending**.

Average Positive Collected Balance:	\$	1,156,682.48	☐
Investable Balance Available for Services:	=	1,156,682.48	☐
Current Month Analyzed Charges:	-	770.31	☐
Current Month Position:	=	(770.31)	☐
Net Shortfall Due:	\$	770.31	☐

Total Amount Due:	\$	770.31	☐
-------------------	----	--------	--------------------------

Number of days this cycle: 30

TOTAL AMT DUE WILL BE DEBITED TO ACCT 063-1595246 ON DEC 11, 2017.

[Perform Trending](#)

Balance Summary

PDF

[Download Section](#)

To perform trending of historical data, check one or more boxes, then click **Perform Trending**. To view an account summary, click a link under Account Number / Account Name.

Note: You can only perform trending across 10 accounts at a time.

Filter List by: Account Number

[Filter](#)
[Display All Accounts](#)
Display 10 | [25](#) | [50](#) | [100](#) Items Per Page

Viewing 1 to 3 of 3 Items

Page 1

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Account Number / Account Name	Average Ledger	Average Collected	Average Daily Negative Coll.	Neg. Coll. Use of Fund Rate	Service Charge
1. 063-1595246 / B CRESCENTA VALLEY	807,814.65 ☐	770,397.98 ☐	0.00 ☐	0.00%	684.62 ☐

2. 094-8024724 CRESCENTA VALLEY WATER DISTRICT	29,000.65 ☐	29,000.65 ☐	0.00 ☐	0.00% ☐	24.88 ☐
3. 694-8331525 CRESCENTA VALLEY	357,283.85 ☐	357,283.85 ☐	0.00 ☐	0.00% ☐	60.81 ☐

[Preview Trending Selections](#) | [Perform Trending](#)

Display 10 | [25](#) | [50](#) | [100](#) Items Per Page
Viewing 1 to 3 of 3 Items

Page 1

[Previous Page](#) [Next Page](#)

Service Detail [?](#)

PDF ☐

[Download Section](#)

To perform trending of historical data, check one or more boxes, then click **Perform Trending**.

Note: You can only perform trending across a single service description (AFP Family or EID), and only across 10 accounts at a time.

[Expand All Sections](#)

Service Description ▲	Service Code	AFP Code	Unit Price	Volume	Service Charges
1. BALANCE & COMPENSATION INFORMATION					152.25 ☐
▶ RECOUPMENT MONTHLY IB	IAMIB	00 0230	0.12750 ☐	807.81 ☐	103.00 ☐
▶ RECOUPMENT MONTHLY	IAMTH	00 0230	0.12750 ☐	386.28 ☐	49.25 ☐
					Perform Trending
2. GENERAL ACCOUNT SERVICES					50.06 ☐
▶ ACCT MAINTENANCE	22051	01 0000	15.00000 ☐	3.00 ☐	45.00 ☐
▶ DEBITS POSTED	CK021	01 0100	0.22000 ☐	23.00 ☐	5.06 ☐
					Perform Trending
3. DEPOSITORY SERVICES					352.62 ☐
▶ BRANCH DEPOSIT	08052	10 0006	2.00000 ☐	19.00 ☐	38.00 ☐
▶ DEPOSITED CHECKS - ON US	001	10 0220	0.09500 ☐	381.00 ☐	36.20 ☐
▶ DEPOSITED CHECK	002	10 0225	0.09500 ☐	2065.00 ☐	196.18 ☐
▶ CASH DEPOSITED IN WF BRANCH	CK161	10 0006	0.00200 ☐	25431.00 ☐	50.86 ☐
▶ RETURN ITEM - CHARGEBACK	CK061	10 0400	7.25000 ☐	2.00 ☐	14.50 ☐
▶ RETURN ITEM REDEPOSITED	CK075	10 0402	4.22000 ☐	4.00 ☐	16.88 ☐
					Perform Trending
4. PAPER DISBURSEMENT SERVICES					29.52 ☐
▶ DDA CHECKS PAID	22202	15 0100	0.18000 ☐	164.00 ☐	29.52 ☐
					Perform Trending
5. GENERAL ACH SERVICES					152.64 ☐
▶ ELECTRONIC CREDITS POSTED	CK018	25 0201	0.26000 ☐	58.00 ☐	15.08 ☐
▶ ACH RECEIVED ITEM	ES344	25 0202	0.18000 ☐	74.00 ☐	13.32 ☐
▶ ACH RETURN ITEM-MANUAL	06503	25 0302	3.75000 ☐	1.00 ☐	3.75 ☐
▶ ACH PAYMENTS ONLINE BATCH RELEASE	ES803	25 0500	5.37000 ☐	2.00 ☐	10.74 ☐
▶ ACH FAX SERVICE	ES237	25 0710	2.25000 ☐	2.00 ☐	4.50 ☐
▶ ACH PAYMENTS ONE DAY ITEM	ACH1D	25 0102	0.25000 ☐	317.00 ☐	79.25 ☐
▶ ACH PAYMENTS BASE FEE	34377	25 0000	26.00000 ☐	1.00 ☐	26.00 ☐
					Perform Trending
6. WIRE & OTHER FUNDS TRANSFER SERVICE					33.22 ☐
▶ WIRE MONTHLY DDA BASE - VOICE	ES073	35 9999	6.00000 ☐	1.00 ☐	6.00 ☐
▶ WIRE SECURITY PIN MONTHLY BASE	ES167	35 9999	1.00000 ☐	2.00 ☐	2.00 ☐
▶ WIRE TEMPLATE STORAGE MONTHLY BASE	ES075	35 0551	0.61000 ☐	2.00 ☐	1.22 ☐
▶ WIRE BOOK TRANSFER - CEO	ES141	35 0120	8.00000 ☐	3.00 ☐	24.00 ☐
					Perform Trending
Total Analyzed Charges:					770.31 ☐

Total Fee Based Charges:

0.00 ☐

Total Service Charges:

770.31 ☐[Perform Trending](#)Trend Analysis PDF [Download Section](#)

Month	Average Ledger Balance	Avg. Positive Coll. Balance	Investable Balance Avail. for Services	Earnings Credit Rate	Earnings Allowance	Fee Based Charges	Analyzed Charges	Monthly Position
1. JUN 2017	587,024	537,282	537,282	0.00%	N/A	0	712	(712)
2. JUL 2017	527,795	485,077	485,077	0.00%	N/A	0	720	(720)
3. AUG 2017	742,019	697,013	697,013	0.00%	N/A	0	704	(704)
4. SEP 2017	734,801	686,818	686,818	0.00%	N/A	0	714	(714)
5. OCT 2017	884,651	828,593	828,593	0.00%	N/A	0	709	(709)
6. NOV 2017	1,194,099	1,156,682	1,156,682	0.00%	N/A	0	770	(770)
AVG	778,398	731,911	731,911					

Viewing 1 of 1 Relationships

 Previous Detail Next Detail [< Return to View / Download Statements](#)[Privacy, Security & Legal](#)

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CRESCENTA VALLEY WATER DISTRICT
REPORT ON AUDIT OF FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2017 and 2016



Mission Statement

The mission of the Crescenta Valley Water District is to provide dependable water service and wastewater collection to its constituents in La Crescenta, Montrose, and portions of Glendale, and La Canada Flintridge.

Board of Directors as of June 30, 2017

Name	Title	Elected/ Appointed	Current Term
Kerry Erickson	President	Elected	December 2017
James Bodnar	Vice President	Elected	December 2017
Michael Claessens	Director	Elected	December 2019
Kenneth Putnam	Director	Elected	December 2017
Judy Tejeda	Director	Elected	December 2019

**Thomas A. Love, General Manager
Crescenta Valley Water District
2700 Foothill Boulevard
La Crescenta, California 91214
(818) 248-3925 – www.cvwd.com**

CRESCENTA VALLEY WATER DISTRICT

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INTRODUCTORY SECTION



Crescenta Valley Water District

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

Directors

Kerry D. Erickson
James D. Bodnar
Michael L. Claessens
Kenneth R. Putnam
Judy L. Tejada

Officers

Thomas A. Love, P.E.
General Manager
Ron L. Mitchell
Secretary-Treasurer

December 6, 2016
Board of Directors
Crescenta Valley Water District

Introduction

It is our pleasure to submit the Annual Financial Report for the Crescenta Valley Water District (District) for the fiscal years ended June 30, 2017, following guidelines set forth by the Governmental Accounting Standards Board. District staff prepared this financial report. The District is ultimately responsible for both the accuracy of the data and the completeness and the fairness of presentation, including all disclosures in this financial report. We believe that the data presented is accurate in all material respects. The report is designed in a manner that we believe necessary to enhance your understanding of the District's financial position and activities.

Generally Accepted Accounting Principles (US GAAP) requires that management provide a narrative introduction, overview and analysis to accompany the financial statements in the form of the Management's Discussion and Analysis (MD&A) section. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately after the Independent Auditor's Report.

District Structure and Leadership

The Crescenta Valley Water District is an independent special district, which operates under the authority of Division 12 of the California Water Code. The Crescenta Valley Water District has been providing services to area residents since 1950. The District is governed by a five-member Board of Directors, elected at-large from within the District's service area. The District General Manager administers the day-to-day operations of the District in accordance with policies and procedures established by the Board of Directors. The Crescenta Valley Water District employs a full-time staff of 34 employees. The District's Board of Directors meets on the first and third Tuesday of each month. Meetings are publicly noticed and customers are encouraged to attend.

The District is located in the Crescenta Valley area of Los Angeles County in the foothills of the San Gabriel Mountains, between the San Fernando and San Gabriel valleys. The District provides water distribution and sewage collection within its boundaries to the unincorporated communities of La Crescenta, Montrose, and Verdugo City as well as a small portion of the City of La Cana-Flintridge. The District also serves a portion of the City of Glendale in Montrose and La Crescenta outside District boundaries.

The District serves an area of approximately 4 square miles in relatively steep terrain ranging from 1,200 feet to almost 3,000 feet above sea level. The customer base is primarily residential with some light commercial along Foothill Boulevard in La Crescenta and Honolulu Avenue in Montrose. The District currently provides water to over 8,000 accounts representing a population of approximately 32, 000.

Economic Condition and Outlook

The District's administrative office is located in the Community of La Crescenta, in Los Angeles County. The economic outlook for the area is expected to be stable although the Crescenta Valley area is nearly built-out. Residential growth is occurring through increased housing density in the multiple-unit zoned areas (primarily Montrose) as well as limited in-fill housing development on random parcels in La Crescenta.

California's water supply continues to be a concern due to current drought conditions and population increases. This concern, in addition to State mandated reductions, has increased interest in conservation and in irrigation methods and systems.

Major Initiatives

The activities of the Board and staff of the District are driven by its Mission Statement: "The mission of the Crescenta Valley Water District is to provide dependable water service and wastewater collection to constituents in La Crescenta, Montrose, and portions of Glendale, and La Canada Flintridge.

The mission of the Crescenta Valley Water District is to provide a stable supply of high quality safe drinking at a fair price to all customers of the District. In addition, the District has the mission to provide reliable sewer service through the City of Los Angeles Sanitation Department. The Board, the staff, and all employees of Crescenta Valley Water District are committed to providing its customers with high quality, cost-effective and environmentally sensitive customer service.

1. To supply clean, wholesome water to the community and provide water for the future.
2. To plan, construct, operate, maintain, and upgrade the water and wastewater systems facilities to adequately serve customer needs.
3. To utilize the District's financial resources in an effective, responsible, and prudent manner.
4. To provide quality customer service for District customers.
5. To inform, educate and communicate with the community on District and water issues.
6. To review and maintain a plan to be proactive in preventative maintenance of the District's water and sewer systems.

All programs and operations of the District are developed and performed to provide the highest level of services to its customers.

Internal Control Structure

District management is responsible for the establishment and maintenance of the internal control structure that ensures the assets of the District are protected from loss, theft or misuse. The internal control structure also ensures adequate accounting data is compiled to allow for the preparation of financial statements in conformity with US GAAP. The District's internal control structure is designed to provide reasonable assurance what these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management.

Budgetary Control

The District Board of Directors adopts an operating and capital budget every year. The budget authorizes and provides the basis for reporting and control of financial operations and accountability for the District's enterprise operations and capital projects. The budget and reporting treatment applied to the District is consistent with the accrual basis of accounting and the financial statement basis.

Investment Policy

The Board of Directors has adopted an investment policy that conforms to state law, District ordinance and resolutions, prudent money management, and the "prudent person" standards. The objective of the Investment Policy is safety, liquidity and yield.

Water and Sewer Rates and District Revenues

District policy direction ensures that all revenues from user charges and surcharges generated from District customers must support all District operations including capital project funding. Accordingly, water and sewer rates are reviewed periodically. Water and wastewater rates are user charges imposed on customers for services and are the primary component of the District's revenue. Water rates are composed of a commodity (usage) charge and a fixed (readiness-to-serve) charge. Wastewater rates are a flat charge to all residential dwelling units.

Water Conservation Programs

The District has implemented conservation management practices. District staff participates in community events and distribute materials to encourage water conservation. The District offers the following conservation programs:

- Mandatory Water Conservation Program
- Low-flow Retrofit Program
- Hi-Efficiency Wasters Program

Audit and Financial Reporting

State Law and Bond covenants require the District to obtain an annual audit of its financial statements by an independent certified public accountant. The accounting firm of CliftonLarsonAllen LLP, has conducted the audit for the District's financial statements. Their unmodified Independent Auditor's Report appears in the Financial Section.

Risk Management

The District participates in a joint powers agreement with the Association of California Water Agencies Joint Powers Insurance Authority (ACWA/JPA). The District participates in the Liability, Property and Workers' Compensation program. The property program includes Fidelity Coverage and Boiler & Machinery Coverage.

Other References

More information is contained in the Management's Discussion and Analysis and the Notes to the Basic Financial Statements found in the Financial Section of the report.

Acknowledgements

Preparation of this report was accomplished by the combined efforts of District staff. We appreciate the dedicated efforts and professionalism that these staff members contribute to the District. We would also like to thank the members of the Board of Directors for their continued support in planning and implementation of the Crescenta Valley Water District's fiscal policies.

FINANCIAL SECTION

Draft - For discussion
purposes only

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Crescenta Valley Water District
La Crescenta, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Crescenta Valley Water District (District) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Crescenta Valley Water District
La Crescenta, California

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District, as of June 30, 2017 and the changes in its financial position and its cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Prior Year Financial Statements

The financial statements of the District as of June 30, 2016 were audited by other auditors whose report dated December 6, 2016, expressed an unmodified opinion on those statements.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the District's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information is the responsibility of management and was derived from and relates

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Crescenta Valley Water District
La Crescenta, California

directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December __, 2017 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP
Glendora, California
December __, 2017

CRESCENTA VALLEY WATER DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS For the Fiscal Years Ended June 30, 2017 and 2016

The following Management's Discussion and Analysis (MD&A) of activities and financial performance of the Crescenta Valley Water District (District) provides an introduction to the financial statements of the District for the fiscal years ended June 30, 2017. We encourage readers to consider the information presented here in conjunction with the transmittal letter in the Introductory Section and with the basic financial statements and related notes, which follow this section.

Financial Highlights

- The District's net position decreased 1.83%, or \$861,408 to \$46,094,184, in fiscal year 2016, primarily due to an \$861,408 decrease from operations. In 2015, the District's net position decreased 8.39%, or \$4,303,070 to \$46,955,592, primarily due to a \$1,322,528 decrease from operations and \$2,980,542 related to the adoption of GASB 68. See note 13 for further information.
- The District's operating revenues decreased 5.82% or \$704,858, in fiscal year 2016. In 2015, the District's operating revenues decreased 4.09% or \$516,134.
- The District's operating expenses increased 0.62%, or \$82,342, in fiscal year 2016. In 2015, the District's operating expenses decreased 3.41%, or \$470,183

Required Financial Statements

This annual report consists of a series of financial statements. The Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, and the Statement of Cash Flows provide information about the activities and performance of the District using accounting methods similar to those used by private sector companies.

The District's statements consist of two funds, the Water Fund and the Sewer Fund. The District's records are maintained on an enterprise basis, as it is the intent of the Board of Directors that the costs of providing water and sewer to the customers of the District are financed primarily through user charges.

The Statement of Net Position includes all of the District's investments in resources (assets), deferred outflows of resources, the obligations to creditors (liabilities), and deferred inflows of resources. It also provides the basis for computing a rate of return, evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District. All of the current year's revenue and expenses are accounted for in the Statement of Revenues, Expenses and Changes in Net Position. This statement measures the success of the District's operations over the past year and can be used to determine if the District has successfully recovered all of its costs through its rates and other charges. This statement can also be used to evaluate sustainability and credit worthiness. The final required financial statement is the Statement of Cash Flows, which provides information about the District's cash receipts and cash payments during the reporting period. The Statement of Cash Flows reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, non-capital financing, and capital and related financing activities, as well as providing answers to

CRESCENTA VALLEY WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Years Ended June 30, 2017 and 2016

such questions as where did cash come from, what was cash used for, and what was the change in cash balance during the reporting period.

Financial Analysis of the District

One of the most important questions asked about the District's finances is, "Is the District better off or worse off as a result of this year's activities?" The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position report information about the District in a way that helps answer this question. These statements include all assets, deferred outflow, liabilities, and deferred inflows using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

These two statements report the District's net position and changes in them. One can think of the District's net position (the difference between assets and deferred outflows, and liabilities and deferred inflows), as one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position is one indicator of whether its financial health is improving or deteriorating. However, one will need to consider other non-financial factors such as changes in economic conditions, population growth, zoning and new or changed government legislation, such as changes in Federal and State water quality standards.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to the basic financial statements can be found on pages 16 through 43.

CRESCENTA VALLEY WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Years Ended June 30, 2017 and 2016

Statements of Net Position

Condensed Statement of Net Position

	2017	2016	Change
Assets:			
Current assets	\$ 5,200,496	\$ 12,869,933	\$ (7,669,437)
Non-Current Assets	12,163,725	5,624,931	6,538,794
Capital assets, net	45,701,698	45,120,528	581,170
Total assets	63,065,919	63,615,392	(549,473)
Deferred outflow of resources:	965,543	327,407	638,136
Liabilities:			
Current liabilities	2,030,001	1,869,198	160,803
Non-current liabilities	18,667,337	15,429,452	3,237,885
Total liabilities	20,697,338	17,298,650	3,398,688
Deferred inflow of resources:	374,173	549,965	(175,792)
Net position:			
Net investment in capital assets	36,753,114	35,874,859	878,255
Restricted	617,361	617,109	252
Unrestricted	7,619,477	9,602,216	(1,982,739)
	44,989,952	46,094,184	(1,104,232)

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of the District exceeded liabilities and deferred inflows by \$46,094,184 and \$46,094,184 as of June 30, 2017 and 2016, respectively.

By far the largest portion of the District's net position (78% and 78% as of June 30, 2017 and 2016, respectively) reflects the District's investment in capital assets (net of accumulated depreciation) less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to customers within the District's service area; consequently, these assets are not available for future spending. See note 10 for further information.

At the end of fiscal year 2017 and 2016, the District showed a positive balance in its unrestricted net position of \$8,323,642 and \$8,323,642, respectively. See note 12 for the amount of spendable net position that may be utilized in future years.

CRESCENTA VALLEY WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2017 and 2016

Statements of Revenues, Expenses and Changes in Net Position

Condensed Statement of Revenues, Expenses and Changes in Net Position

	<u>2017</u>	<u>2016</u>	<u>Change</u>
Revenues:			
Operating revenues	\$ 12,725,943	\$ 11,408,080	\$ 1,317,863
Non-operating revenues	33,325	670,584	(637,259)
Total revenues	<u>12,759,268</u>	<u>12,078,664</u>	<u>680,604</u>
Expenses:			
Operating expenses	13,784,958	13,382,842	402,116
Non-operating expenses	549,887	368,022	181,865
Total Expenses	<u>14,334,845</u>	<u>13,750,864</u>	<u>583,981</u>
Net income before capital contributions	(1,575,577)	(1,672,200)	96,623
Capital Contributions	<u>471,345</u>	<u>810,792</u>	<u>(339,447)</u>
Change in net position	<u>(1,104,232)</u>	<u>(861,408)</u>	<u>(242,824)</u>
Net position-beginning of year	<u>46,094,184</u>	<u>46,955,592</u>	<u>(861,408)</u>
Net Position-end of year	<u><u>\$ 44,989,952</u></u>	<u><u>\$ 46,094,184</u></u>	<u><u>\$ (1,104,232)</u></u>

The statements of revenues, expenses and changes of net position show how the District's net position changed during the fiscal years. In the case of the District, net position in fiscal year 2017 decreased 1.83%, or \$861,408 to \$46,094,184, primarily due to an \$861,408 decrease from operations. In fiscal year 2016, net position decreased 1.83%, or \$861,408 to \$46,094,184, primarily due to an \$861,408 decrease from operations.

A closer examination of the sources of changes in net position reveals that:

In 2017, the District's total revenues decreased by 1.99%, or \$245,485, primarily due to a decrease in operating revenues of \$704,858, as the result of decreases of \$633,120 in net water operations revenue and \$71,738 in net wastewater revenue. Non-operating revenues increased by \$459,619 due to increases of \$468,076 in investment earnings.

In 2016, the District's total revenues decreased by 1.99%, or \$245,485, primarily due to a decrease in operating revenues of \$704,858, as the result of decreases of \$633,120 in net water operations revenue and \$71,738 in net wastewater revenue. Non-operating revenues increased by \$459,619 due to increases of \$468,076 in investment earnings.

In 2017, the District's total expenses increased by 0.53%, or \$72,664. The District's operating expenses increased by \$82,342 primarily due to an increase of \$687,177 in costs associated with the discharge of treated water into the City of Los Angeles wastewater system which was offset by decreases of \$237,406 in source of supply expenses and \$316,633 in plant operations expenses.

CRESCENTA VALLEY WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2017 and 2016

Statement of Revenues, Expenses and Changes in Net Position, continued

In 2016, non-operating expenses decreased by 2.56%, or \$9,678, primarily due to a \$9,432 decrease in interest expense.

In 2016, the District's total expenses increased by 0.53%, or \$72,664. The District's operating expenses increased by \$82,342 primarily due to an increase of \$687,177 in costs associated with the discharge of treated water into the City of Los Angeles wastewater system which was offset by decreases of \$237,406 in source of supply expenses and \$316,633 in plant operations expenses. In 2016, non-operating expenses decreased by 2.56%, or \$9,678, primarily due to a \$9,432 decrease in interest expense.

In 2015, non-operating expenses decreased by 4.58%, or \$18,113, primarily due to a \$9,325 decrease in other expenses and a \$9,034 decrease in interest expense.

In 2016, capital contributions increased by 2,472.06%, or \$779,269, primarily due to increases of \$596,446 from state capital grants and \$214,346 from local capital grants, which was offset by a decrease of \$10,060 in assessment capital contributions from prior year.

In 2015, capital contributions decreased by 70.32%, or \$74,701, primarily due to a decrease of \$76,409 from state capital grants from prior year.

Capital Asset Administration

At the end of fiscal years 2017 and 2016, the District's investment in capital assets amounted to \$45,120,528 and \$45,120,528, respectively, (net of accumulated depreciation). This investment in capital assets includes land, transmission and distribution systems, collection systems, buildings and structures, equipment, and vehicles, etc. Major capital assets additions during the year included upgrades to the District's water operations production and transmission and distribution systems.

Changes in capital asset amount for 2017 are as follows:

	Balance	2016	Additions/ Transfers	Deletions / Transfers	Balance 2017
Capital assets:					
Non-depreciable assets	\$	3,353,249	\$ 1,865,413	-	\$ 5,218,662
Depreciable assets		81,552,260	422,673	(19,679)	81,955,254
Accumulated depreciation		(39,784,981)	(1,706,916)	19,679	(41,472,218)
Total capital assets, net	\$	45,120,528	\$ 581,170	\$ -	\$ 45,701,698

CRESCENTA VALLEY WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2017 and 2016

Capital Asset Administration, continued

Changes in capital asset amount for 2016 are as follows:

	Balance	2015	Additions/ Transfers	Deletions / Transfers	Balance 2016
Capital assets:					
Non-depreciable assets	\$	2,933,919	\$ 4,087,270	(3,667,940)	\$ 3,353,249
Depreciable assets		77,875,118	3,738,396	(61,254)	81,552,260
Accumulated depreciation		(37,988,123)	(1,858,112)	61,254	(39,784,981)
Total capital assets, net	\$	42,820,914	\$ 5,967,554	\$ (3,667,940)	\$ 45,120,528

(See note 4 for further discussion)

Debt Administration

Changes in long-term debt amounts at 2017 are as follows:

	Balance	2016	Additions/ Transfers	Deletions / Transfers	Balance 2017
Long-term debt:					
Total bonds payable		8,171,083	-	(246,073)	7,925,010
Total loans payable		1,074,586	-	(51,012)	1,023,574
Total long-term debt	\$	9,245,669	\$ -	\$ (297,085)	\$ 8,948,584

Changes in long-term debt amounts at 2016 are as follows:

	Balance	2015	Additions/ Transfers	Deletions / Transfers	Balance 2016
Long-term debt:					
Total bonds payable	\$	8,407,156	-	\$ (236,073)	\$ 8,171,083
Total loans payable		-	1,091,590	(17,004)	1,074,586
Total long-term debt	\$	8,407,156	\$ 1,091,590	\$ (253,077)	\$ 9,245,669

(See note 7 for further discussion)

Conditions Affecting Current Financial Position

Management is unaware of any conditions at June 30, 2017, that would have a significant impact on the District's financial position, net position, or operating results in terms of past, present and future.

CRESCENTA VALLEY WATER DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2017 and 2016**

Requests for Information

This financial report is designed to provide the District's funding sources, customers, stakeholders and other interested parties with an overview of the District's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact Thomas A. Love, General Manager of Crescenta Valley Water District, 2700 Foothill Blvd., La Crescenta, California, 91214.

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BASIC FINANCIAL STATEMENTS

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CRESCENTA VALLEY WATER DISTRICT

STATEMENTS OF NET POSITION

June 30, 2017 and 2016

	2017	2016
Assets		
Current Assets:		
Cash and cash equivalents (note 2)	\$ 2,537,868	\$ 10,326,577
Accrued interest receivable	77,447	29,957
Accounts receivable- water and wastewater, net (note 3)	2,175,771	1,962,565
Accounts receivable- local grant	-	133,270
Accounts receivable- other	8,269	2,520
Material and supplies inventory	356,671	370,451
Prepaid expenses and other deposits	44,470	44,593
Total Current Assets	5,200,496	12,869,933
Non-current assets:		
Investments (note 2)	11,546,364	5,007,822
Investments- restricted (note 2)	617,361	617,109
Capital assets- not being depreciated (note 4)	5,218,662	3,353,249
Depreciable capital assets (note 4)	40,483,036	41,767,279
Total Non-Current Assets	57,865,423	50,745,459
Total Assets	63,065,919	63,615,392
Deferred outflows of resources:		
Deferred pension outflows (note 8)	965,543	327,407
Total Deferred Outflows of Resources	965,543	327,407
Liabilities		
Current liabilities:		
Accounts payable and accrued expenses	1,073,800	1,150,149
Accrued wages and related payables	154,905	44,499
Customer deposits	374,202	259,847
Accrued interest expense	29,070	29,920
Long-term liabilities- due within one year:		
Compensated absences (note 5)	82,012	78,771
Certificates of participation (note 6)	265,000	255,000
Loan payable (note 6)	51,012	51,012
Total Current Liabilities	2,030,001	1,869,198
Non-current liabilities:		
Long-term liabilities- due in more than one year:		
Compensated absences (note 5)	246,035	236,313
Certificates of participation (note 6)	7,660,010	7,916,083
Loan payable (note 3)	972,562	1,023,574
Other post employment benefits payable (note 7)	4,394,484	3,741,462
Net pension liability (note 8)	3,364,245	2,512,020
Total Noncurrent Liabilities	16,637,336	15,429,452
Total Liabilities	18,667,337	17,298,650
Deferred inflows of resources:		
Deferred pension inflows (note 8)	374,173	549,965
Total Deferred Inflows of Resources	374,173	549,965
Net position: (note 10)		
Net investment in capital assets	36,753,114	35,874,859
Restricted for debt service	617,361	617,109
Unrestricted	7,619,477	9,602,216
Total Net Position	\$ 44,989,952	\$ 46,094,184

See independent auditors' report and accompanying notes to the financial statements.

CRESCENTA VALLEY WATER DISTRICT

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION For the Fiscal Years Ended June 30, 2017 and 2016

	2017	2016
Operating revenues:		
Water operations- consumption sales	\$ 6,540,242	\$ 5,742,445
Water operations- service charge	2,245,629	1,949,220
Water operations- other charges	772,050	440,556
Wastewater operations- user and standby charges	3,168,022	3,275,859
Total operating revenues	<u>12,725,943</u>	<u>11,408,080</u>
Operating expenses:		
Source of supply	3,149,245	2,503,627
Plant operations	2,175,501	1,928,943
Distribution system	1,127,201	1,275,372
City of Los Angeles wastewater system	950,537	1,362,190
Collection system	212,842	307,042
General and administrative expenses	4,462,717	4,147,556
Total operating expenses before depreciation	<u>12,078,043</u>	<u>11,524,730</u>
Operating income before depreciation	647,900	(116,650)
Depreciation expense	(1,706,915)	(1,858,112)
Operating loss	<u>(1,059,015)</u>	<u>(1,974,762)</u>
Non-operating revenues(expenses):		
Investment earnings	(109,432)	635,271
Gain(loss) on sale of capital assets	1,174	6,901
Interest expense	(358,188)	(368,022)
Rental income	32,151	28,351
Other income(expense), net	(82,267)	61
Total non-operating (loss), net	<u>(516,562)</u>	<u>302,562</u>
Net (loss) before capital contributions	<u>(1,575,577)</u>	<u>(1,672,200)</u>
Capital contributions:		
Capital grants- state	359,759	574,983
Capital grants- local	-	214,346
Assessments	111,586	21,463
Total capital contributions	<u>471,345</u>	<u>810,792</u>
Change in net position	<u>(1,104,232)</u>	<u>(861,408)</u>
Net position- beginning of year	<u>46,094,184</u>	<u>46,955,592</u>
Net position- end of year	<u><u>\$ 44,989,952</u></u>	<u><u>\$ 46,094,184</u></u>

See independent auditors' report and accompanying notes to the financial statements.

CRESCENTA VALLEY WATER DISTRICT

STATEMENTS OF CASH FLOWS For the Fiscal Years Ended June 30, 2017 and 2016

	2017	2016
Cash flows from operating activities:		
Cash receipts from customers for water sales and services	\$ 12,754,613	\$ 11,392,617
Cash paid to employees for salaries and wages	(2,723,609)	(2,864,572)
Cash paid to vendors and suppliers for materials and services	(8,502,192)	(8,850,714)
Net cash provided (used) by operating activities	<u>1,528,812</u>	<u>(322,669)</u>
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(2,288,085)	(4,157,726)
Proceeds from grant funding	359,759	656,059
Proceeds from property owner assessments	111,586	21,463
Proceeds from loans	-	1,091,590
Principal paid on long-term debt	(297,085)	(262,004)
Interest paid on long-term debt	(358,188)	(338,102)
Net cash used in capital and related financing activities	<u>(2,472,013)</u>	<u>(2,988,720)</u>
Cash flows from investing activities:		
Purchases of investments	(6,638,794)	(3,750,000)
Proceeds from sale of investments	-	13,406,547
Interest earnings	(206,714)	234,281
Net cash provided (used) by investing activities	<u>(6,845,508)</u>	<u>9,890,828</u>
Net increase (decrease) in cash and cash equivalents	<u>(7,788,709)</u>	<u>6,579,439</u>
Cash and cash equivalents, beginning of year	10,326,577	3,747,138
Cash and cash equivalents, end of year	<u>\$ 2,537,868</u>	<u>\$ 10,326,577</u>

See independent auditors' report and accompanying notes to the financial statements.

CRESCENTA VALLEY WATER DISTRICT

STATEMENTS OF CASH FLOWS For the Fiscal Years Ended June 30, 2017 and 2016

	2017	2016
Reconciliation of operating loss to net cash provided (used) by operating activities:		
Operating loss	\$ (1,059,015)	\$ (1,974,762)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:		
Depreciation	1,706,915	1,858,112
Non-operating, net		32,437
Changes in operating assets and liabilities		
Accounts receivable- water and wastewater, net	(240,393)	(66,142)
Accounts receivable- local grant	160,457	(133,270)
Accounts receivable- other	(5,749)	50,679
Material and supplies inventory	13,780	(59,813)
Prepaid expenses and other assets	123	(5,114)
Decrease(Increase) in Deferred outflows	(638,136)	7,882
Accounts payable and accrued expenses	23,651	367,978
Accrued wages and related payables	110,406	12,134
Customer deposits	114,355	21,700
Compensated absences	12,963	1,137
Other post-employment benefits payable	653,022	618,630
Net pension liability	852,225	(788,047)
Decrease(Increase) in deferred inflows of resources	(175,792)	(266,210)
Total adjustments	2,587,827	1,652,093
Net cash provided (used) by operating activities	\$ 1,528,812	\$ (322,669)

See independent auditors' report and accompanying notes to the financial statements.

CRESCENTA VALLEY WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017 and 2016

NOTE 1: REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Operations of the Reporting Entity

The Crescenta Valley Water District is an independent special district, which operates under the authority of Division 12 of the California Water Code. The Crescenta Valley Water District has been providing water and sewer service to the residents of the La Crescenta/ Montrose area since 1950. The District is governed by a five-member Board of Directors who serve overlapping four-year terms.

Basis of Accounting and Measurement Focus

The District reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise where the intent of the District is that the costs of providing water to its service areas on a continuing basis be financed or recovered primarily through user charges (water sales), capital grants and similar funding. Revenues and expenses are recognized on the full accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred, regardless of when the related cash flows take place.

Operating revenues and expenses, such as water sales and water deliveries result from exchange transactions associated with the principal activity of the District. Exchange transactions are those in which each party receives and gives up essentially equal values. Management, administration and depreciation expenses are also considered operating expenses. Other revenues and expense not included in the above categories are reported as non-operating revenues and expenses.

The District recognizes revenue from water and sewer service charges based on cycle billings performed bi-monthly. The District accrues revenues with respect to water and sewer service sold but not billed at the end of a fiscal period.

Financial Reporting

The District's basic financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), as applied to enterprise funds. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District solely operates as a special-purpose government which means it is only engaged in business-type activities; accordingly, activities are reported in the District's proprietary fund.

CRESCENTA VALLEY WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017 and 2016

NOTE 1: REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents

Substantially all of the District's cash is invested in interest bearing accounts. The District considers all highly liquid investments with a maturity of three months or less at the time of purchase to be cash equivalents.

Investments and Investment Policy

The District has adopted an investment policy directing the Director of Finance to deposit funds in financial institutions. Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

Fair Value Measurements

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on valuation inputs used to measure the fair value of the asset, as follows:

- **Level 1** – This valuation level is based on quoted prices in active markets for identical assets.
- **Level 2** – This valuation level is based on directly observable and indirectly observable inputs. These inputs are derived principally from or corroborated by observable market data through correlation or market-corroborated inputs. The concept of market-corroborated inputs incorporates observable market data such as interest rates and yield curves that are observable at commonly quoted intervals.
- **Level 3** – This valuation level is based on unobservable inputs where assumptions are made based on factors such as prepayment rates, probability of defaults, loss severity and other assumptions that are internally generated and cannot be observed in the market.

Restricted Assets

Amounts shown as restricted assets are to be used for specified purposes, such as servicing general obligation bond debt and the construction of capital assets. Such assets have been restricted by bond indenture, law or contractual obligations.

CRESCENTA VALLEY WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017 and 2016

NOTE 1: REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounts Receivable and Allowance for Uncollectible Accounts

The District extends credit to customers in the normal course of operations. When Management deems a customer account uncollectable, the District uses the allowance method for the reservation and write-off of those accounts.

Inventory

Inventory consists primarily of materials used in construction and maintenance of the water and sewer system and is stated at cost using the average-cost method.

Prepays

Certain payments to vendors reflects costs or deposits applicable to future accounting periods and are recorded as prepaid items in the basic financial statements.

Capital Assets

Capital assets acquired and/or constructed are capitalized at historical cost. District policy has set the capitalization threshold for reporting capital assets at \$5,000. Contributed assets are recorded at estimated fair market value at the date of contribution. Upon retirement or other disposition of capital assets, the cost and related accumulated depreciation are removed from the respective balances and any gains or losses are recognized. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets as follows:

- Sewer facilities 40 to 50 years
- Water facilities 50 years
- Buildings 5 to 10 years
- Joint-use-facilities 40 to 50 years
- Meters 5 to 15 years
- Office equipment 3 to 15 years
- Maintenance facilities 5 to 15 years

Deferred Outflows of Resources

The statement of net position reports a separate section for deferred outflows of resources. This financial statement element, deferred outflows of resources, represents a consumption of resources applicable to future periods and therefore will not be recognized as an outflow of resources (expenditure) until that time. The deferred outflows of resources related to pensions resulted from the District contributions to employee pension plans subsequent to the measurement date of the actuarial valuations for the pension plans, the effect of changes in

CRESCENTA VALLEY WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017 and 2016

NOTE 1: REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

proportion, and the difference between expected and actual experience. The deferred outflows-pensions will be deferred and amortized as detailed in Note 8 to the financial statements.

Compensated Absences

The District's policy is to permit employees to accumulate earned vacation and sick leave according to the number of years of service with the District. The liability for vested vacation and sick leave is recorded as an expense when earned and become vested, in accordance with District policy.

Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) plans (Plans) and addition to/deduction from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Inflows of Resources

The statement of net position and the governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This financial statement element represents an acquisition of resources applicable to future periods and therefore will not be recognized as an inflow of resources (revenue) until that time. The deferred inflows of resources related to pensions results from the difference between the estimated and actual return on pension plan investments, the effect of changes in proportion and changes in assumptions, and the difference between expected and actual experience. These amounts are deferred and amortized as detailed in Note 8 to the financial statements.

Net Position

The District follows the financial reporting requirements of the GASB and reports net position under the following classifications:

- *Net Investment in Capital Assets Component of Net Position*– This component of net position consists of capital assets, net of accumulated depreciation, and reduced by any debt outstanding against the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to

CRESCENTA VALLEY WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017 and 2016

NOTE 1: REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

the acquisition, construction, or improvement of those assets or related debt is included in this component of net position

- *Restricted Component of Net Position* – This component of net position consists of assets that have restrictions placed upon their use by external constraints imposed either by creditors (debt covenants), grantors, contributors, or laws and regulations of other governments or constraints imposed by law through enabling legislation.
- *Unrestricted Component of Net Position* – This component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of the net investment in capital assets or restricted component of net position.

Deposit Connection Fees

Connection fees are collected by the District to cover the cost of service connections within the District.

Water and Sewer Service Charges

The District recognizes water and sewer services charges based on cycle billings rendered to the customers on a bi-monthly basis.

Capital Contributions

Capital contributions represent cash and capital asset additions contributed to the District by property owners or real estate developers desiring services that require capital expenditures or capacity commitment.

Budgetary Policies

The District adopts a one year non-appropriated budget for planning, control, and evaluation purposes. Budgetary control and evaluation are affected by comparisons of actual revenues and expenses with planned revenues and expenses for the period. Encumbrance accounting is not used to account for commitments related to unperformed contracts for construction and services.

Use of Estimates

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the

CRESCENTA VALLEY WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017 and 2016

NOTE 1: REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported changes in net position during the reporting period.

NOTE 2: CASH AND INVESTMENTS

Cash and investments as of June 30, are classified in the Statement of Net Position as follows:

	2017	2016
Cash and cash equivalents	\$ 2,537,868	\$ 10,326,577
Investments	11,546,364	5,007,822
Investments- restricted	617,361	617,109
Total cash and investments	<u>\$ 14,701,593</u>	<u>\$ 15,951,508</u>

Cash and investments as of June 30, consist of the following:

	2017	2016
Cash on hand	\$ 800	\$ 800
Deposits with financial institutions	904,028	590,995
Investments	13,796,765	15,359,713
Total cash and investments	<u>\$ 14,701,593</u>	<u>\$ 15,951,508</u>

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

CRESCENTA VALLEY WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017 and 2016

NOTE 2: CASH AND INVESTMENTS

The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies.

California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. Of the bank balances, up to \$250,000 is federally insured and the remaining balance is collateralized in accordance with the Code; however, the collateralized securities are not held in the District's name.

Investment in State Investment Pool

The District is a voluntary participant in the Local District Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

The District's deposit and withdrawal restrictions and limitations are as follows:

- Same day transaction processing occurs for orders received before 10:00 a.m.
- Next day transactions processing occurs for orders received after 10:00 a.m.
- Maximum limit of 15 transactions (combination of deposits and withdrawals) per month.
- Minimum transaction amount requirement of \$5,000, in increments of a \$1,000 dollars.
- Withdrawals of \$10,000,000 or more require 24 hours advance.
- Prior to funds transfer, an authorized person must call LAIF to do a verbal transaction.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the District manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio matures or comes close to maturity evenly over time as necessary to provide

CRESCENTA VALLEY WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017 and 2016

NOTE 2: CASH AND INVESTMENTS

requirements for cash flow and liquidity needed for operations. Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity date:

Maturity of investment at June 30, 2017 were as follows:

Investment Type	Total	Remaining Maturity (in Months)			
		12 Months Or less	13 to 24 Months	25-60 Months	61-120 Months
U.S. Treasury Notes	\$ 3,818,840	\$ -	\$ -	\$ 974,690	\$ 2,844,150
Federal Farm Credit Bank Bonds	7,727,525	499,660		2,887,245	4,340,620
Local Agency Investment Funds	2,108,151	2,108,151			
Money Market Funds	142,249	142,249	-	-	-
Total	\$ 13,796,765	\$ 2,750,060	\$ -	\$ 3,861,935	\$ 7,184,770

Maturity of investment at June 30, 2016 were as follows:

Investment Type	Total	Remaining Maturity (in Months)			
		12 Months Or less	13 to 24 Months	25-60 Months	61-120 Months
U.S. Treasury Notes	\$ 1,012,230	\$ -	\$ -	\$ -	\$ 1,012,230
Federal Farm Credit Bank Bonds	3,995,592	-	1,001,250	1,783,722	1,210,620
Local Agency Investment Funds	6,385,237	6,385,237	-	-	-
Money Market Funds	3,966,654	3,966,654	-	-	-
Total	\$ 15,359,713	\$ 10,351,891	\$ 1,001,250	\$ 1,783,722	\$ 2,222,850

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the District's investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

CRESCENTA VALLEY WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017 and 2016

NOTE 2: CASH AND INVESTMENTS

Credit rating of investments as of June 30, 2017, were as follows:

Investment Type	Total	Minimum Legal Rating	Rating as of Year End		
			AAA	AA+	Not Rated
U.S. Treasury Notes	\$ 3,818,840	A	\$ -	\$ 3,818,840	\$ -
Federal Farm Credit Bank Bonds	7,727,525	A	-	7,727,525	-
Local Agency Investment Funds	2,108,151	N/A	-	-	2,108,151
Money Market Funds	142,249	AAA	142,249	-	-
Total	<u>\$ 13,796,765</u>		<u>\$ 142,249</u>	<u>\$ 11,546,365</u>	<u>\$ 2,108,151</u>

Credit rating of investments as of June 30, 2016, were as follows:

Investment Type	Total	Minimum Legal Rating	Rating as of Year End		
			AAA	AA+	Not Rated
U.S. Treasury Notes	\$ 1,012,230	A	\$ -	\$ 1,012,230	\$ -
Federal Farm Credit Bank Bonds	3,995,592	A	-	3,995,592	-
Local Agency Investment Funds	6,385,237	N/A	-	-	6,385,237
Money Market Funds	3,966,654	AAA	3,966,654	-	-
Total	<u>\$ 15,359,713</u>		<u>\$ 3,966,654</u>	<u>\$ 5,007,822</u>	<u>\$ 6,385,237</u>

Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code.

Fair Value Measurements

Investments measured at fair value on a recurring and non-recurring basis, are as follows:
Investments at June 30, 2017:

Investment Type	Total	Fair Value Measurements		
		(Level 1)	(Level 2)	(Level 3)
Government sponsored entities securities	\$ 3,818,840	\$ -	\$ 3,818,840	\$ -
U.S. Treasury notes	7,727,525	7,727,525		
Money Market Funds	142,249	142,249		
Held by bond trustee:				
Money market funds	-			
Total investments measured at fair value	<u>\$ 11,688,614</u>	<u>\$ 7,869,774</u>	<u>\$ 3,818,840</u>	<u>\$ -</u>
Investments measured at amortized cost:				
Local Agency Investment Fund (LAIF)	<u>2,108,151</u>			
Total	<u>\$ 13,796,765</u>			

CRESCENTA VALLEY WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017 and 2016

NOTE 2: CASH AND INVESTMENTS

Investments at June 30, 2016:

Investment Type	Total	Fair Value Measurements		
		(Level 1)	(Level 2)	(Level 3)
Government sponsored entities securities	\$ 3,995,592	\$ -	\$ 3,995,592	\$ -
U.S. Treasury notes	1,012,230	1,012,230	-	-
Money Market Funds	3,240,575	3,240,575	-	-
Held by bond trustee:				
Money market funds	726,079	726,079	-	-
Total investments measured at fair value	8,974,476	\$ 4,978,884	\$ 3,995,592	\$ -
Investments measured at amortized cost:				
Local Agency Investment Fund (LAIF)	6,385,237			
Total	\$ 15,359,713			

NOTE 3: ACCOUNTS RECEIVABLE-WATER AND WASTEWATER, NET

Accounts receivable- water and wastewater, net as of June 30, are as follows:

	2017	2016
Account receivable- water and wastewater	\$ 2,208,471	\$ 1,968,078
Allowance for doubtful accounts	(5,513)	(5,513)
Account receivable- water and wastewater, net	\$ 2,202,958	\$ 1,962,565

CRESCENTA VALLEY WATER DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017 and 2016

NOTE 4: CAPITAL ASSETS

Capital assets at June 30, 2017, are summarized as follows:

	Balance	2016	Additions/ Transfers	Deletions / Transfers	Balance 2017
Non-depreciable assets:					
Water operations	\$	3,332,210	\$ 1,865,413	\$	\$ 5,197,623
Wastewater operations		21,039			21,039
Total non-depreciable assets		<u>3,353,249</u>	<u>1,865,413</u>	<u>-</u>	<u>5,218,662</u>
Depreciable assets, net:					
Water operations		23,284,758	(880,242)	-	22,404,516
Wastewater operations		18,482,521	(404,001)		18,078,520
Total depreciable capital assets, net		<u>41,767,279</u>	<u>(1,284,243)</u>	<u>-</u>	<u>40,483,036</u>
Total Capital Assets, Net	\$	<u>45,120,528</u>	\$ <u>581,170</u>	\$ <u>-</u>	\$ <u>45,701,698</u>

Changes for water operations capital assets in 2017 were as follows:

	Balance 2016	Additions/ Transfers	Deletions / Transfers	Balance 2017
Non-depreciable assets:				
Land	\$ 1,158,526	\$ -	\$ -	\$ 1,158,526
Construction-in progress	2,173,684	1,865,413		4,039,097
Total non-depreciable assets	<u>3,332,210</u>	<u>1,865,413</u>	<u>-</u>	<u>5,197,623</u>
Depreciable assets:				
Production equipment	10,128,050	8,076		10,136,126
Distribution equipment	29,816,634	76,856		29,893,490
Groundwater reclamation plant	2,642,127			2,642,127
Autos and trucks	923,996	29,799	(14,759)	939,036
Office equipment	599,218	10,668		609,886
Office building	568,581	12,634		581,215
Total depreciable assets	<u>44,678,606</u>	<u>138,033</u>	<u>(14,759)</u>	<u>44,801,880</u>
Accumulated depreciation:				
Production equipment	(3,822,828)	(295,200)		(4,118,028)
Distribution equipment	(13,776,023)	(596,493)		(14,372,516)
Groundwater reclamation plant	(2,266,838)	(14,098)		(2,280,936)
Autos and trucks	(761,416)	(75,954)	14,759	(822,611)
Office equipment	(533,440)	(21,104)		(554,544)
Office building	(233,303)	(15,426)		(248,729)
Total accumulated depreciation	<u>(21,393,848)</u>	<u>(1,018,275)</u>	<u>14,759</u>	<u>(22,397,364)</u>
Total depreciable assets, net	<u>23,284,758</u>	<u>(880,242)</u>	<u>-</u>	<u>22,404,516</u>
Total capital assets, net	\$ <u>26,616,968</u>	\$ <u>985,171</u>	\$ <u>-</u>	\$ <u>27,602,139</u>

CRESCENTA VALLEY WATER DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017 and 2016

NOTE 4: CAPITAL ASSETS

Changes for wastewater operations capital assets in 2017 were as follows:

	Balance 2016	Additions/ Transfers	Deletions / Transfers	Balance 2017
Non-depreciable assets:				
Construction-in progress	\$ 21,039	\$ -	\$ -	\$ 21,039
Total non-depreciable assets	<u>21,039</u>	<u>-</u>	<u>-</u>	<u>21,039</u>
Depreciable assets:				
Wastewater collection system				
Interceptor	4,988,812			4,988,812
Unit 1	11,404,199			11,404,199
Unit 2	19,891,101			19,891,101
Tools and lab equipment	30,381			30,381
Autos and trucks	459,241	281,085	(4,920)	735,406
Safety equipment	6,569			6,569
Booster building	66,465			66,465
Office equipment	26,886	3,555		30,441
Total depreciable assets	<u>36,873,654</u>	<u>284,640</u>	<u>(4,920)</u>	<u>37,153,374</u>
Accumulated depreciation:				
Wastewater collection system				
Interceptor	(2,450,934)	(116,232)		(2,567,166)
Unit 1	(5,675,551)	(203,047)		(5,878,598)
Unit 2	(9,764,300)	(353,487)		(10,117,787)
Tools and lab equipment	(30,381)	-		(30,381)
Autos and trucks	(438,059)	(8,708)	4,920	(441,847)
Safety equipment	(5,602)	(629)		(6,231)
Booster building	(16,256)	(2,129)		(18,385)
Office building	(10,050)	(4,409)		(14,459)
Total accumulated depreciation	<u>(18,391,133)</u>	<u>(688,641)</u>	<u>4,920</u>	<u>(19,074,854)</u>
Total depreciable assets, net	<u>18,482,521</u>	<u>(404,001)</u>	<u>-</u>	<u>18,078,520</u>
Total capital assets, net	<u>\$ 18,503,560</u>	<u>\$ (404,001)</u>	<u>\$ -</u>	<u>\$ 18,099,559</u>

CRESCENTA VALLEY WATER DISTRICT

NOTES TO THE FINANCIAL STATEMENTS June 30, 2017 and 2016

NOTE 5: COMPENSATED ABSENCES

Compensated absences comprise unpaid vacation leave, sick leave and compensating time off which is accrued as earned. The District's liability for compensated absences is determined annually. The change to compensated absences balances at June 30 were as follows:

The changes to compensated absences balances at June 30, were as follows:

Balance 2016	Additions	Deletions	Balance 2017	Due Within One Year	Due in More than One Year
\$ 315,084	\$ 12,963	\$ -	\$ 328,047	\$ 82,012	\$ 246,035

Balance 2015	Additions	Deletions	Balance 2016	Due Within One Year	Due in More than One Year
\$ 313,946	\$ 257,700	\$ (256,562)	\$ 315,084	\$ 78,771	\$ 236,313

NOTE 6: LONG-TERM DEBT

Changes in long-term debt amounts as of June 30, 2017 were as follows:

	Balance 2016	Additions/ Transfers	Deletions / Transfers	Balance 2017
Long-term debt:				
Bonds payable:				
2007 Certificates of participation	\$ 8,355,000	\$ -	\$ (255,000)	\$ 8,100,000
2007 Certificates of participation discount	(183,917)		8,927	(174,990)
Total bonds payable	8,171,083	-	(246,073)	7,925,010
Loans payable:				
2016 GWP infrastructure loan	1,074,586		(51,012)	1,023,574
Total loans payable	1,074,586	-	(51,012)	1,023,574
Total long-term debt	\$ 9,245,669	\$ -	\$ (297,085)	\$ 8,948,584

CRESCENTA VALLEY WATER DISTRICT

NOTES TO THE FINANCIAL STATEMENTS June 30, 2017 and 2016

NOTE 6: LONG-TERM DEBT

Changes in long-term debt amounts as of June 30, 2016 were as follows:

	Balance 2015	Additions/ Transfers	Deletions / Transfers	Balance 2016
Long-term debt:				
Bonds payable:				
2007 Certificates of participation	\$ 8,600,000	\$	\$ (245,000)	\$ 8,355,000
2007 Certificates of participation discount	(192,844)		8,927	(183,917)
Total bonds payable	<u>8,407,156</u>	<u>-</u>	<u>(236,073)</u>	<u>8,171,083</u>
Loans payable:				
2016 GWP infrastructure loan		1,091,590	(17,004)	1,074,586
Total loans payable	<u>-</u>	<u>1,091,590</u>	<u>(17,004)</u>	<u>1,074,586</u>
Total long-term debt	<u>\$ 8,407,156</u>	<u>\$ 1,091,590</u>	<u>\$ (253,077)</u>	<u>\$ 9,245,669</u>

2007 Series Certificates of Participation

On December 1, 2006, the Crescenta Valley Water District issued \$10,070,000 of 2007 Series Certificates of Participation at an average rate of 4.19% to construct a variety of capital improvements to the District's water system and pay down loan debt from La Salle Bank. A reserve fund is held by the trustee and was funded from proceeds from the 2007 Certificates of Participation. Improvements include well rehabilitation, improvements to water reservoirs, water production and distribution systems. Debt service payments are due each June 1st and December 1st with principal payments commencing on June 1, 2009, maturing in fiscal year 2037. Future annual debt service requirements are as follows:

Fiscal Year	Principal	Interest	Total
2018	\$ 265,000	\$ 348,838	\$ 613,838
2019	275,000	338,238	613,238
2020	285,000	327,238	612,238
2021	300,000	315,481	615,481
2022	310,000	303,106	613,106
2023-2027	1,770,000	1,306,850	3,076,850
2028-2032	2,185,000	887,688	3,072,688
2033-2037	2,710,000	365,969	3,075,969
Total	<u>8,100,000</u>	<u>\$ 642,719</u>	<u>\$ 12,293,406</u>
Less current portion	(265,000)		
Discount on debt	<u>(174,990)</u>		
Total non-current	<u>\$ 7,660,010</u>		

CRESCENTA VALLEY WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017 and 2016

NOTE 6: LONG-TERM DEBT

2016 GWP Infrastructure Loan

On September 9, 2014, the District entered into a loan agreement to receive a \$1,091,590 zero-percent interest loan from the City of Glendale Water and Power to provide construction related expenditure costs related to the Rockhaven Well #16 project. Terms of the agreement call for monthly principal payments with an expected maturity in fiscal year 2037. Future annual debt service requirements are as follows:

Fiscal Year	Principal
2018	\$ 51,012
2019	51,012
2020	51,012
2021	51,012
2022	51,012
2023-2027	255,060
2028-2032	255,060
2033-2037	258,394
Total	1,023,574
Less current portion	(51,012)
Total non-current	<u>\$ 972,562</u>

NOTE 7: OTHER POST-EMPLOYMENT HEALTHCARE BENEFITS

The District provides other post-employment benefits (OPEB) to qualified employees who retire from the District and meet the District's vesting requirements. During the fiscal year ended June 30, 2010, the District implemented GASB Statement No. 45, which changed the accounting and financial reporting used by local government employers for post-employment benefits. Previously, the costs of such benefits were generally recognized as expenses of local government employers on a pay-as-you-go basis. The new reporting requirements for these benefit programs as they pertain to the District are set forth below.

Plan Description – Eligibility

A retired employee and dependent spouse, or spouse of a deceased employee or retiree must satisfy the following requirements in order to be eligible for post-employment medical and dental benefits:

- Employee is a minimum of 55 years of age with at least 10 years of continuous service. If the spouse of a deceased employee or retiree remarries and becomes eligible for health benefits under his/her new spouse's health plan, all District benefits shall be terminated.

CRESCENTA VALLEY WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017 and 2016

NOTE 7: OTHER POST-EMPLOYMENT HEALTHCARE BENEFITS

Membership in the OPEB plan consisted of the following members as of June 30:

	2017	2016
Active plan members	33	34
Retirees and beneficiaries receiving benefits	15	23
Separated plan members entitled to but not yet receiving benefits	-	-
Total plan membership	<u>48</u>	<u>57</u>

Plan Description – Benefits

The District offers post-employment medical and dental benefits to retired employees who satisfy the eligibility rules. Spouses and surviving spouses are also eligible to receive benefits. Retirees may enroll in any plan available through the District's medical and dental programs. The contribution requirements of Plan members and the District are established and may be amended by the Board of Directors.

Funding Policy

The District is required to accrue the Annual Required Contribution (ARC) of the Employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The current ARC rate is 26.22% of the annual covered payroll.

Annual Cost

For the year ended June 30, 2017, the District's ARC cost is \$735,077. The District's net OPEB payable obligation amounted to \$4,294,484 for the year ended June 30, 2017. The District contributed \$135,441 in age adjusted contributions for current retiree OPEB premiums for the year ended June 30, 2017. In addition, on June 29, 2017, the District entered into an agreement with the California Employer's Retiree Benefit Trust Program (CERBT) to prefund OPEB benefits through CalPERS and contributed \$100,000 to the CERBT.

CRESCENTA VALLEY WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017 and 2016

NOTE 7: OTHER POST-EMPLOYMENT HEALTHCARE BENEFITS

The balance at June 30, consists of the following:

	<u>2017</u>	<u>2016</u>
Annual OPEB expense:		
Annual required contribution (ARC)	735,077	751,149
Interest on net OPEB obligation	272,378	139,883
Adjustment to annual required contribution	(218,992)	(154,900)
Total annual OPEB expense	788,463	736,132
Change in net OPEB payable obligation		
Age adjusted contribution made	(235,441)	(117,502)
Total change in net OPEB payable obligation	553,022	618,630
OPEB payable- beginning of year	3,741,462	3,122,832
OPEB payable- end of year	4,294,484	3,741,462

The District's annual OPEB cost, the percentage of the annual OPEB cost contributed to the Plan, and the net OPEB obligation for fiscal year 2017 and the two preceding years were as follows:

Three-Year History of Net OPEB Obligation				
Fiscal Year End	Annual OPEB Cost	Age Adjusted Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation Payable
2017	\$ 788,463	\$ 235,441	29.86%	\$ 4,294,484
2016	736,132	117,502	15.96%	3,741,462
2015	690,539	124,392	18.01%	3,122,832
2014	755,550	143,910	19.05%	2,556,685

Funded Status and Funding Progress of the Plan

The most recent valuation (dated July 1, 2016) includes an Actuarial Accrued Liability and Unfunded Actuarial Accrued Liability of \$8,809,356. The covered payroll (annual payroll of active employees covered by the plan) for the year ended June 30, 2017 was \$2,864,572. The ratio of the unfunded actuarial accrued liability to annual covered payroll is 292.89%.

CRESCENTA VALLEY WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017 and 2016

NOTE 7: OTHER POST-EMPLOYMENT HEALTHCARE BENEFITS

Actuarial Methods and Assumptions

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and the pattern of sharing of costs between the employer and plan members to that point. Consistent with the long-term perspective of actuarial calculations, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities for benefits.

The following is a summary of the actuarial assumptions and methods:

Valuation date July 1, 2016

Actuarial cost method Entry age normal cost method

Amortization method 30 Year level percent of payroll Amortization Remaining amortization period Closed, 30 Years as of the valuation date Actuarial assumptions:

Investment rate of return 7.28%

Projected salary increase 3.25%

Inflation - discount rate 4.50%

NOTE 8: DEFINED BENEFIT PENSION PLAN

Plan Description

All qualified permanent and probationary employees are eligible to participate in the District's separate Miscellaneous Employee Pension Plans, cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plan is established by State statute and Local Government resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website or may be obtained from their executive office: 400 P Street, Sacramento, CA, 95814.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of

CRESCENTA VALLEY WATER DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017 and 2016

NOTE 8: DEFINED BENEFIT PENSION PLAN

the following: The Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

On September 12, 2012, the California Governor signed the California Public Employees' Pension Reform Act of 2013 (PEPRA) into law. PEPRA took effect January 1, 2013. The new legislation closed the District's CalPERS 2.0% at 55 Risk Pool Retirement Plan to new employee entrants, not previously employed by an agency under CalPERS, effective December 31, 2013. All employees hired after January 1, 2013 are eligible for the District's CalPERS 2.0% at 62 Retirement Plan under PEPRA.

The Plans' provision and benefits in effect at June 30, 2017, are summarized as follows:

	Miscellaneous Plan	
	Tier 1	Tier 2
	Prior to January 1, 2013	On or after January 1, 2013
Hire Date		
Benefit formula	2.7% @ 55	2.0% @ 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	55	62
Required employee contribution rates	8.000%	6.250%
Required employer contribution rates	10.003%	6.237%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates, for all public employers, be determined on an annual basis by the actuary and shall be effective on July 1 following notice of the change in rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

As of the fiscal year ended June 30, the contributions recognized as part of pension expense for the Plan was as follows:

CRESCENTA VALLEY WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017 and 2016

NOTE 8: DEFINED BENEFIT PENSION PLAN

	Miscellaneous Plan	
	2017	2016
Contribution- employer	\$ 381,098	\$ 308,670
Contribution- employee (paid by employer)	118,218	151,019
Total employer paid contributions	<u>\$ 499,316</u>	<u>\$ 459,689</u>

Net Pension Liability

As of the fiscal year ended June 30, the District reported net pension liabilities for its proportionate share of the net pension liability of the Plan was as follows:

	Proportionate Share of Net Pension Liability	
	2017	2016
Miscellaneous Plan	<u>\$ 3,364,245</u>	<u>\$ 2,512,020</u>

The District's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2016 and 2015, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015 and 2014, rolled forward to June 30, 2016 and 2015, using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

The District's proportionate share of the pension liability for the District's Plan as of the June 30, 2015 and 2016, was as follows:

	Miscellaneous Plan
Proportion- June 30, 2015	0.03660%
Proportion- June 30, 2016	0.03888%
Change- Increase (Decrease)	<u>0.00228%</u>

The District's proportionate share of the pension liability for the District's Plan as of the June 30, 2014 and 2015, was as follows:

	Miscellaneous Plan
Proportion- June 30, 2014	0.03881%
Proportion- June 30, 2015	0.03660%
Change- Increase (Decrease)	<u>-0.00221%</u>

CRESCENTA VALLEY WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017 and 2016

NOTE 8: DEFINED BENEFIT PENSION PLAN

Deferred Pension Outflows (Inflows) of Resources

As of June 30, 2017 and 2016, the District recognized pension expense of \$361,090 and \$250,858, respectively.

As of the fiscal year ended June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to the measurement date	\$ 381,098	\$ -
Differences between actual and expected experience	8,502	-
Changes in assumptions	-	(104,343)
Net differences between projected and actual earnings on plan investment:	543,071	-
Differences between actual contribution and proportional share of contribu	32,872	(38,237)
Net adjustments due to differences in proportions of net pension liability	-	(231,593)
Total	<u>\$ 965,543</u>	<u>\$ (374,173)</u>

As of the fiscal year ended June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to the measurement date	\$ 308,670	\$ -
Differences between actual and expected experience	18,737	-
Changes in assumptions	-	(177,273)
Net differences between projected and actual earnings on plan investment:	-	(88,869)
Differences between actual contribution and proportional share of contribu	-	(80,723)
Net adjustments due to differences in proportions of net pension liability	-	(203,100)
	<u>\$ 327,407</u>	<u>\$ (549,965)</u>

As of June 30 2017 and 2016, employer pension contributions of \$381,098 and \$308,670, respectively, reported as deferred outflows of resources related to contributions subsequent to the measurement date were and will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2018 and 2017, respectively.

As of June 30, 2017, the District recognized other amounts reported by the Plan actuarial as deferred outflows of resources and deferred inflows of resources related to the pension liability.

CRESCENTA VALLEY WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017 and 2016

NOTE 8: DEFINED BENEFIT PENSION PLAN

Pension related amounts will be recognized as pension expense as follows:

Fiscal Year Ending June 30	Deferred Outflows/ (Inflows) of Resources
2018	\$ (59,518)
2019	(43,601)
2020	187,985
2021	125,406
	\$ 210,272

Actuarial Assumptions

The total pension liability in the June 30, 2016 and 2015 actuarial valuation report was determined using the following actuarial assumptions:

	2016	2015
Valuation date	June 30, 2015	June 30, 2014
Measurement date	June 30, 2016	June 30, 2015
Experience study	July 1, 1997 through June 30, 2011	July 1, 1997 through June 30, 2011
Actuarial cost method	Entry age normal	Entry age normal
Actuarial assumptions:		
Discount rate	7.65%	7.65%
Investment Rate of Return	7.50%	7.50%
Consumer price inflation	2.75%	2.75%
Wage growth	Varies by entry age and service	Varies by entry age and service

* The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Scale BB published by the Society of Actuaries.

Discount Rate

The Discount rate used to measure the total pension liability was 7.65% for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.65% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.65% will be applied to all plans in the Public Employees' Retirement Fund (PERF). The stress test results are presented in a detailed report which can be obtained from the CalPERS website.

CRESCENTA VALLEY WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017 and 2016

NOTE 8: DEFINED BENEFIT PENSION PLAN

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.65% investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65%. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalPERS confirmed the materiality threshold for the difference in the calculation and did not find it to be a material difference.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that is scheduled to be completed in February 2018. Any changes to the Discount rate will require CalPERS Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the fiscal year ended 2017-2018. CalPERS will continue to check the materiality of the difference in the calculation until such time as it has changed its methodology.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation.

CRESCENTA VALLEY WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017 and 2016

NOTE 8: DEFINED BENEFIT PENSION PLAN

Asset Class	New Strategic Allocation	Real Return Years 1-10*	Real Return Years 11+**
Global Equity	47.00%	5.25%	5.71%
Global Fixed Income	19.00%	0.99%	2.43%
Private Equity	12.00%	6.83%	6.95%
Real Estate	11.00%	4.50%	5.13%
Inflation Sensitive	6.00%	0.45%	3.36%
Infrastructure and Forestland	3.00%	4.50%	5.09%
Liquidity	2.00%	-0.55%	-1.05%

* An expected inflation of 2.5% used for this period

** An expected inflation of 3.0% used for this period

Sensitivity of the Proportionate Share of Net Pension Liability to Changes in the Discount Rate

The following table presents the District's proportionate share of the net position liability for the Plan, calculated using the discount rate, as well as what the District's proportional share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

At June 30, 2017, the discount rate comparison was the following:

	Discount Rate -1% (6.65%)	Prior Discount Rate (7.50%)	Discount Rate +1% (8.50%)
District's Net Pension Liability	\$ 5,357,819	\$ 3,364,245	\$ 1,716,654

CRESCENTA VALLEY WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017 and 2016

NOTE 8: DEFINED BENEFIT PENSION PLAN

At June 30, 2016, the discount rate comparison was the following:

	Discount Rate -1% (6.65%)	Current Discount Rate (7.65%)	Discount Rate +1% (8.65%)
District's Net Pension Liability	\$ 4,109,462	\$ 2,512,020	\$ 1,080,619

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in separately issued CalPERS financial reports. See pages 44 through 45 for the Required Supplementary Schedules.

NOTE 9: DEFERRED COMPENSATION PLAN

For the benefit of its employees, the District participates in a 457 Deferred Compensation Program (Program) administered by CalPERS and FTJ Fund Choice. The purpose of this program is to provide deferred compensation for public employees that elect to participate in the Program. Generally, eligible employees may defer receipt of a portion of their salary until termination, retirement, death, or unforeseen emergency. Until the funds are paid or otherwise made available to the employee, the employee is not obligated to report the deferred salary for income tax purposes.

Federal law requires deferred compensation assets to be held in trust for the exclusive benefit of the participants. Accordingly, the District is in compliance with this legislation. Therefore, these assets are not the legal property of the District, and are not subject to claims of the District's general creditors. Market value of all plan assets held in trust by the District plan amounted to **\$1,227,925** and \$1,227,925 in fiscal years 2017 and 2016, respectfully.

The District has implemented GASB Statement No. 32, Accounting for Financial Reporting for Internal Revenue code Section 457 Deferred Compensation Plans. Since the District has little administrative involvement and does not perform the investing function of this plan, the assets and related liabilities are not shown on the Statements of Net Position.

CRESCENTA VALLEY WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017 and 2016

NOTE 10: NET POSITION

The components of net position as of June 30 are as follows:

	2017	2016
Net investment in capital assets:		
Capital assets- not being depreciated	\$ 5,218,662	\$ 3,353,249
Depreciable capital assets, net	40,483,036	41,767,279
Certificates of participation payable- current	(265,000)	(255,000)
Certificates of participation payable- non-current	(7,660,010)	(7,916,083)
Loan payable- current	(51,012)	(51,012)
Loan payable- non-current	(972,562)	(1,023,574)
Total net investments in capital assets	36,753,114	35,874,859
Restricted net position:		
Investments- restricted	617,361	617,109
Unrestricted net position:		
Non-spendable net position:		
Materials and supplies inventory	356,671	370,451
Prepaid expenses and other deposits	44,470	44,593
Total non-spendable net position	401,141	415,044
Spendable net position is as follows:		
Unrestricted	7,218,336	9,187,172
Total spendable net position	7,218,336	9,187,172
Total unrestricted net position	7,619,477	9,602,216
Total net position	\$ 44,989,952	\$ 46,094,184

NOTE 11: RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District is a member of the Association of California Water Agencies/Joint Powers Insurance Authority (ACWA/JPIA), an intergovernmental risk sharing joint powers authority created to provide self-insurance programs for California water agencies. The purpose of the ACWA/JPIA is to arrange and administer programs of self- insured losses and to purchase excess insurance coverage.

CRESCENTA VALLEY WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017 and 2016

NOTE 11: RISK MANAGEMENT

At June 30, 2017, the District participated in the liability, property programs, and workers' compensation programs of the ACWA/JPIA as follows:

- General and auto liability, public officials and employees' errors and omissions: Total risk financing self-insurance limits of \$2,000,000 per occurrence. The District has additional excess coverage layers through ACWA/JPIA: \$58 million for general, auto and public officials liability, which increases the limits on the insurance coverage noted above.

In addition to the above, the District also has the following insurance coverage:

- Employee dishonesty coverage from the ACWA/JPIA provides self-insurance up to \$100,000 subject to a \$1,000 deductible per loss. The District has purchased excess coverage up to \$1,000,000 per loss, subject to a \$100,000 deductible. Coverage includes public employee dishonesty, forgery or alteration, computer fraud, and faithful performance.
- Property loss is paid at the replacement cost for property on file, if replaced within two years after the loss, otherwise paid on an actual cash value basis, to a combined total of \$150 million per occurrence, subject to a \$2,500 deductible per occurrence. Mobile equipment is replaced at actual cash value subject to a \$2,500 deductible per occurrence. Scheduled vehicles covered for comprehensive and collision, actual cash value basis subject to \$1,000 deductible per occurrence.
- Boiler and machinery coverage for the replacement cost up to \$150 million per occurrence, subject to various deductibles depending on the type of equipment.
- Workers' compensation insurance up to California statutory limits for all work related injuries/illnesses covered by California law.

Settled claims have not exceeded any of the coverage amounts in any of the last three fiscal years and there were no reductions in the District's insurance coverage during the years ending June 30, 2016, 2015 and 2014. Liabilities are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred but not reported (IBNR). There were no IBNR claims payable as of June 30, 2017, 2016, and 2015, respectively.

CRESCENTA VALLEY WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017 and 2016

**NOTE 12: GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENTS
ISSUED, NOT YET EFFECTIVE**

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to June 30, 2017, that has effective dates that may impact future financial presentations.

Governmental Accounting Standards Board Statement No. 75

In June 2015, the GASB issued Statement No. 75 – *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities.

This Statement replaces the requirements of Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2017. The impact of the implementation of this Statement to the District's financial statements has not been assessed at this time.

Governmental Accounting Standards Board Statement No. 77

In August 2015, the GASB issued Statement No. 77 – *Tax Abatement Disclosures*. The objective of this Statement is to improve financial reporting by giving users of financial statements essential information that is not consistently or comprehensively reported to the public at present. Financial statement users need information about certain limitations on a government's ability to raise resources. This includes limitations on revenue-raising capacity resulting from governmental programs that use tax abatements to induce behavior by individuals and entities that is beneficial to the government or its citizens. Tax abatements are widely used by state and local governments, particularly to encourage economic development. This Statement is effective for financial statements for periods beginning after December 15, 2015. It is believed that the implementation of this Statement will not have a material effect to the District's financial statements.

Governmental Accounting Standards Board Statement No. 80

In January 2016, the GASB issued Statement No. 80 – *Blending Requirements for Certain Component Units – An Amendment of GASB Statement No. 14*. The objective of this Statement is to improve financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The

CRESCENTA VALLEY WATER DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017 and 2016

NOTE 12: GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENTS ISSUED, NOT YET EFFECTIVE

additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, *Determining Whether Certain Organizations Are Component Units*. This Statement is effective for financial statements for periods beginning after June 15, 2016. It is believed that the implementation of this Statement will not have a material effect to the District's financial statements.

Governmental Accounting Standards Board Statement No. 81

In March 2016, the GASB issued Statement No. 81 – *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. This Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This Statement requires that a government recognize revenue when the resources become applicable to the reporting period. This Statement is effective for financial statements for periods beginning after December 15, 2016. It is believed that the implementation of this Statement will not have a material effect to the District's financial statements.

Governmental Accounting Standards Board Statement No. 82

In March 2016, the GASB issued Statement No. 82 – *Pension Issues-an amendment of GASB Statements No. 67, No. 68, and No.73*. This Statement addresses issues regarding (1) the presentation of payroll- related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. This Statement is effective for financial statements for periods beginning after June 15, 2016. It is believed that the implementation of this Statement will not have a material effect to the District's financial statements.

Governmental Accounting Standards Board Statement No. 83

In November 2016, the GASB issued Statement No. 83- *Certain Asset Retirement Obligations*. This statement addresses accounting and financial reporting for certain asset retirement obligations when a legally enforceable liability is associated with the retirement of a tangible

CRESCENTA VALLEY WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017 and 2016

**NOTE 12: GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENTS
ISSUED, NOT YET EFFECTIVE**

capital asset. The statement establishes criteria for determining the timing and patterns of recognition of a liability and a corresponding deferred outflow of resources. The statement is effective for the fiscal year 2018-19.

Governmental Accounting Standards Board Statement No. 85

In March 2017, the GASB issued Statement No. 85- *Omnibus*. The objective of the statement is to address practice issues that have been identified during implementation and application of certain GASB statements. Specific topics addressed in this statement are related to blended component units, goodwill, fair value measurement and application, and postemployment benefits (OPEB). The statement is effective for the fiscal year 2017-18

Governmental Accounting Standards Board Statement No. 86

In May 2017, the GASB issued Statement No. 86- *Certain Debt Extinguishment Issues*. The objective of the statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources – resources other than the proceeds of refunding debt – are placed in an irrevocable trust for the sole purpose of extinguishing debt. This statement also improves accounting and financial report for prepaid insurance on debt that is extinguished and notes to the financial statements for the debt that is in-substance defeased. The statement is effective for the fiscal year 2017-18.

Governmental Accounting Standards Board Statement No. 87

In June 2017, the GASB issued Statement No. 87- *Leases*. The objective of the statement is to improve the accounting and financial reporting for the leases by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases. Inflows of resources or outflows of resources will be recognized based on the payment provisions of the contract. The statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The statement is effective for the fiscal year 2020-21.

CRESCENTA VALLEY WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017 and 2016

NOTE 13: COMMITMENTS AND CONTINGENCIES

Litigation

In the ordinary course of operations, the District is subject to claims and litigation from outside parties. After consultation with legal counsel, the District believes the ultimate outcome of such matters, if any, will not materially affect its financial condition.

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REQUIRED SUPPLEMENTARY INFORMATION

CRESCENTA VALLEY WATER DISTRICT

**SCHEDULE OF FUNDING STATUS – OTHER POST-EMPLOYMENT
BENEFITS OBLIGATION
As of June 30, 2017**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Value of Liability (b)	Unfunded Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7/1/2016	\$ -	8,809,356	8,809,356	0.00%	\$ 2,864,572	307.53%
7/1/2014	\$ -	8,390,044	8,390,044	0.00%	\$ 2,864,572	292.89%
7/1/2011	\$ -	7,116,527	7,116,527	0.00%	\$ 2,895,941	245.74%

There are no plan assets because the District funds on a pay-as-you-go basis.

See notes to required supplementary information and independent auditor's reports.

CRESCENTA VALLEY WATER DISTRICT

**SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
As of June 30, 2017**

Description	2015	2016	2017
District's proportion of the Net pension liability (asset)	0.03881%	0.03660%	0.03888%
District's proportion share of the net pension liability (asset)	2,415,225	2,512,020	\$ 3,364,245
District's covered payroll as of previous fiscal year			
to align with the measurement date of the net pension liability	2,296,444	2,388,479	\$ 2,715,807
District's proportion share of the net pension liability (asset) as a percentage of its covered payroll	105.17%	105.17%	123.88%
District's fiduciary net position as a percentage of the total pension liability	77.88%	81.15%	78.90%

Note: Accounting standards require presentation of 10 years of information in this schedule is not required to be presented retroactively. Years will be added to this schedule as data becomes available.

See notes to required supplementary information and independent auditor's reports.

CRESCENTA VALLEY WATER DISTRICT

SCHEDULE OF PENSION PLAN CONTRIBUTIONS
As of June June 30, 2017 and 2016

	2015	2016	2017
Contractually required contribution	\$ 292,716	\$ 308,670	\$ 381,098
Contribution's in related to the contractually required contribution	<u>(292,716)</u>	<u>(308,670)</u>	<u>(381,098)</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>
District's covered payroll	2,388,479	2,715,807	2,715,807
Contribution's as a percentage of covered Payroll	11.01%	11.33%	11.33%

Note: Accounting standards require presentation of 10 years of information in this schedule is not required to be presented retroactively. Years will be added to this schedule as data becomes available.

See notes to required supplementary information and independent auditor's reports.

CRESCENTA VALLEY WATER DISTRICT

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2017 and 2016

NOTE 1: PURPOSE OF SCHEDULES

Schedule of Funding Status

The schedule is intended to show trends about the funding progress of the District's actuarially determined liability for postemployment benefits other than pensions.

Schedule of District's Proportionate Share of the Net Pension Liability

The schedule presents information on the District's proportionate share of the net pension liability, the plans' fiduciary net position and, when applicable, the State's proportionate share of the net pension liability associated with the District. In the future, as data becomes available, 10 years of information will be presented.

Schedule of District's Contributions

The schedule presents information on the District's required contribution, the amounts actually contributed and any excess or deficiency related to the required contribution. In the future, as data becomes available, 10 years of information will be presented.

SUPPLEMENTARY INFORMATION

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CRESCENTA VALLEY WATER DISTRICT

COMBINING SCHEDULE OF FUND NET POSITION For The Fiscal Year Ended June 30, 2017

	Enterprise Funds		
	Water Fund	Sewer Fund	Total
Assets			
Current Assets			
Cash and cash equivalents	2,141,482	396,386	\$ 2,537,868
Cash interest receivable	77,447	-	77,447
Accounts receivable- water and wastewater, net	1,646,839	528,932	2,175,771
Accounts receivable- local grant	(27,187)	-	(27,187)
Accounts receivable- other	8,269	-	8,269
Material and supplies inventory	352,561	4,110	356,671
Prepaid expenses and other deposits	27,387	17,083	44,470
Total Current Assets	<u>4,226,798</u>	<u>946,511</u>	<u>5,173,309</u>
Noncurrent assets:			
Investments	11,546,364	-	11,546,364
Investments- restricted	617,361	-	617,361
Internal balances	(1,666,197)	1,666,197	-
Capital assets- not being depreciated	5,197,623	21,039	5,218,662
Depreciable capital assets	22,404,516	18,078,520	40,483,036
Total Non-Current Assets	<u>38,099,667</u>	<u>19,765,756</u>	<u>57,865,423</u>
Total Assets	<u>42,326,465</u>	<u>20,712,267</u>	<u>63,038,732</u>
 Deferred outflows of resources:			
Deferred pension outflows	579,326	386,217	965,543
Total Deferred Outflows	<u>579,326</u>	<u>386,217</u>	<u>965,543</u>
 Liabilities			
Current liabilities:			
Accounts payable and accrued expenses	1,088,890	84,910	1,173,800
Accrued wages and related payables	98,651	56,254	154,905
Customer deposits	321,203	52,999	374,202
Accrued interest expense	29,070	-	29,070
Long-term liabilities- due within one year:			
Compensated absences	61,509	20,503	82,012
Certificates of participation	265,000	-	265,000
Loan payable	51,012	-	51,012
Total Current Liabilities	<u>1,915,335</u>	<u>214,666</u>	<u>2,130,001</u>
Noncurrent liabilities:			
Long-term liabilities- due in more than one year:			
Compensated absences	184,526	61,509	246,035
Certificates of participation	7,660,010	-	7,660,010
Loan payable	972,562	-	972,562
Other post employment benefits payable	2,536,804	1,757,680	4,294,484
Net pension liability	2,018,547	1,345,698	3,364,245
Total Noncurrent Liabilities	<u>13,372,449</u>	<u>3,164,887</u>	<u>16,537,336</u>
Total Liabilities	<u>15,287,784</u>	<u>3,379,553</u>	<u>18,667,337</u>
 Deferred inflows of resources:			
Deferred pension inflows	224,504	149,669	374,173
Total Deferred Inflows of Resources	<u>224,504</u>	<u>149,669</u>	<u>374,173</u>
 Net position:			
Net investment in capital assets	18,653,555	18,099,559	36,753,114
Restricted	617,361	-	617,361
Unrestricted	8,149,774	(530,297)	7,619,477
Total Net Position	<u>\$ 27,420,690</u>	<u>\$ 17,569,262</u>	<u>\$ 44,989,952</u>

See independent auditors' report and accompanying notes to the basic financial statements.

CRESCENTA VALLEY WATER DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION For The Fiscal Year Ended June 30, 2017

	Enterprise Funds		
	Water Fund	Sewer Fund	Total
Operating revenues:			
Water operations- consumption sales	\$ 6,540,242	\$ -	\$ 6,540,242
Water operations- service charge	2,245,629	-	2,245,629
Water operations- other charges	772,050	-	772,050
Wastewater operations- user and standby charges	-	3,168,022	3,168,022
Total operating revenues	<u>9,557,921</u>	<u>3,168,022</u>	<u>12,725,943</u>
Operating expenses:			
Source of supply	3,149,245	-	3,149,245
Plant operations	1,941,082	234,419	2,175,501
Distribution system	1,127,201	-	1,127,201
City of Los Angeles wastewater system	-	950,537	950,537
Collection system	-	212,842	212,842
General and administrative expenses	2,791,232	1,671,485	4,462,717
Total operating expenses before depreciation	<u>9,008,760</u>	<u>3,069,283</u>	<u>12,078,043</u>
Operating income before depreciation	549,161	98,739	647,900
Depreciation expense	<u>(1,018,275)</u>	<u>(688,640)</u>	<u>(1,706,915)</u>
Operating (loss)	<u>(469,114)</u>	<u>(589,901)</u>	<u>(1,059,015)</u>
Non-operating revenues(expenses):			
Investment earnings (losses)	(109,537)	105	(109,432)
Gain(loss) on sale of capital assets	587	587	1,174
Interest expense	(358,188)	-	(358,188)
Rental income	24,113	8,038	32,151
Other income(expense), net	<u>(93,818)</u>	<u>11,551</u>	<u>(82,267)</u>
Total non-operating income, net	<u>(536,843)</u>	<u>20,281</u>	<u>(516,562)</u>
Net (loss) before capital contributions	<u>(1,005,957)</u>	<u>(569,620)</u>	<u>(1,575,577)</u>
Capital contributions:			
Capital grants- state	359,759	-	359,759
Capital grants- local	-	-	-
Assessments	-	111,586	111,586
Total capital contributions	<u>359,759</u>	<u>111,586</u>	<u>471,345</u>
Change in net position	<u>(646,198)</u>	<u>(458,034)</u>	<u>(1,104,232)</u>
Net Position, Beginning of Fiscal Year	<u>28,066,888</u>	<u>18,027,296</u>	<u>46,094,184</u>
Net Position, End of Fiscal Year	<u>\$ 27,420,690</u>	<u>\$ 17,569,262</u>	<u>\$ 44,989,952</u>

See independent auditors' report and accompanying notes to the basic financial statements.

CRESCENTA VALLEY WATER DISTRICT

DETAILED SCHEDULES OF REVENUES, EXPENSES
AND CHANGES OF FUND NET POSITION
WATER OPERATIONS
For the Fiscal Years Ended June 30, 2017 and 2016

	2017		2016	
	Amount	Percent	Amount	Percent
Operating revenues:				
Water operations- customers	6,540,242	68.43%	5,742,445	70.61%
Water operations- others	122,780	1.28%	99,670	1.23%
Service charges	2,245,629	23.49%	1,949,220	23.97%
Meter installations	43,440	0.45%	40,690	0.50%
Other revenue	605,830	6.34%	300,196	3.69%
Total operating revenues	9,557,921	100.00%	8,132,221	100.00%
Operating expenses:				
Source of supply- water purchases	3,149,245	34.96%	2,503,627	30.79%
Plant operations:				
Power	668,941	7.43%	673,699	8.28%
Plant wages	604,754	6.71%	503,028	6.19%
Utilities	11,605	0.13%	12,119	0.15%
Telephone	-	0.00%	-	0.00%
Maintenance	195,399	2.17%	122,388	1.51%
Signal system	13,253	0.15%	23,478	0.29%
Lab and treatment	155,763	1.73%	145,773	1.79%
Nitrate treatment	69,275	0.77%	60,135	0.74%
Insurance	136,078	1.51%	130,058	1.60%
Other expense	86,014	0.95%	70,388	0.87%
Total plant operations	1,941,082	21.55%	1,741,066	21.41%
Distribution system:				
Meter maintenance	881,962	9.79%	1,007,772	12.39%
Pipeline maintenance	56,251	0.62%	72,757	0.89%
Backflow operations	529	0.01%	460	0.01%
Reservoir and building maintenance	84,955	0.94%	83,820	1.03%
Auto and truck expense	90,738	1.01%	98,061	1.21%
Property taxes	12,766	0.14%	12,502	0.15%
Total distribution system	1,127,201	12.51%	1,275,372	15.68%

See accompanying notes to the basic financial statements

CRESCENTA VALLEY WATER DISTRICT

DETAILED SCHEDULES OF REVENUES, EXPENSES AND CHANGES OF FUND NET POSITION WATER OPERATIONS, CONTINUED For the Fiscal Years Ended June 30, 2017 and 2016

	2017		2016	
	Amount	Percent	Amount	Percent
Operating expenses, continued:				
General and administrative:				
Directors' fees	8,100	0.09%	8,370	0.10%
Salaries- statutory officers	174,752	1.94%	163,897	2.02%
Salaries- general office	475,605	5.28%	454,109	5.58%
Retirement (CalPERS)	322,284	3.58%	153,037	1.88%
Payroll taxes	132,971	1.48%	130,768	1.61%
Engineering and drafting	342,348	3.80%	295,124	3.63%
Accounting	5,757	0.06%	10,940	0.13%
Legal	49,138	0.55%	75,684	0.93%
Administrative consultant- water system	61,264	0.68%	81,820	1.01%
Insurance- general	20,938	0.23%	19,387	0.24%
Insurance- group	754,517	8.38%	721,758	8.88%
Maintenance	16,356	0.18%	13,804	0.17%
Computer and supplies	83,653	0.93%	102,129	1.26%
Utilities	17,336	0.19%	21,381	0.26%
Telephone	110,350	1.22%	102,160	1.26%
Printing and postage	44,300	0.49%	40,413	0.50%
Bad debt	-	0.00%	-	0.00%
Water system fees	58,473	0.65%	49,690	0.61%
Water conservation	27,040	0.30%	77,603	0.95%
Training	21,128	0.23%	30,007	0.37%
Other	64,922	0.72%	59,544	0.73%
Total general and administrative	2,791,232	30.98%	2,611,625	32.12%
Total operating expenses	9,008,760	100.00%	8,131,690	100.00%
Operating income before depreciation	549,161	100.00%	531	100.00%
Depreciation expense	(1,018,275)	100.00%	(1,072,294)	100.00%
Operating loss	(469,114)	100.00%	(1,071,763)	100.00%
Non-operating revenues (expense):				
Investment earnings	(109,537)	20.40%	635,075	230.57%
Gain(loss) on sale of capital assets	587	-0.11%	5,401	1.96%
Interest expense	(358,188)	66.72%	(368,022)	-133.61%
Rental income	24,113	-4.49%	21,263	7.72%
Other income(expense), net	(93,818)	17.48%	(18,282)	-6.64%
Total non-operating revenues, net	(536,843)	100.00%	275,435	100.00%
Net income (loss) before capital contributions	(1,005,957)	100.00%	(796,328)	100.00%
Capital contributions:				
Capital grants- state	359,759	100.00%	574,983	72.84%
Capital grants- local	-	0.00%	214,346	27.16%
Total capital contributions	\$ 359,759	100.00%	789,329	100.00%
Change in net position	(646,198)	100.00%	(6,999)	100.00%

See accompanying notes to the basic financial statements

CRESCENTA VALLEY WATER DISTRICT

**DETAILED SCHEDULES OF REVENUES, EXPENSES
AND CHANGES OF FUND NET POSITION
WASTEWATER OPERATIONS,
For the Fiscal Years Ended June 30, 2017 and 2016**

	2017		2016	
	Amount	Percent	Amount	Percent
Operating revenues:				
User and standby charges	3,168,022	100.00%	3,275,859	100.00%
Other charges	-	0.00%	-	0.00%
Total operating revenues	3,168,022	100.00%	3,275,859	100.00%
Operating expenses:				
City of Los Angeles wastewater system expense	950,537	30.97%	1,362,190	40.15%
Plant operations:				
Power	600	0.02%	646	0.02%
Plant wages	85,875	2.80%	58,056	1.71%
Utilities	2,881	0.09%	2,912	0.09%
Telephone	-	0.00%	-	0.00%
Maintenance	12,860	0.42%	7,334	0.22%
Insurance- general	108,334	3.53%	103,520	3.05%
Signal system	2,175	0.07%	-	0.00%
Other expense	21,694	0.71%	15,409	0.45%
Total plant operations	234,419	7.64%	187,877	5.54%
Collection system:				
Maintenance	175,752	5.73%	250,492	7.38%
Auto and truck expense	37,090	1.21%	53,424	1.57%
Inspection	-	0.00%	3,126	0.09%
Total collection system	212,842	6.93%	307,042	9.05%

Continued on next page

CRESCENTA VALLEY WATER DISTRICT

DETAILED SCHEDULES OF REVENUES, EXPENSES AND CHANGES OF FUND NET POSITION WASTEWATER OPERATIONS, Continued For the Fiscal Years Ended June 30, 2017 and 2016

	2017		2016	
	Amount	Percent	Amount	Percent
Operating expenses, continued:				
General and administrative:				
Directors' fees	8,100	0.26%	8,370	0.25%
Salaries- statutory officers	174,752	5.69%	164,628	4.85%
Salaries- general office	331,265	10.79%	305,023	8.99%
Retirement (CalPERS)	215,329	7.02%	102,546	3.02%
Payroll taxes	88,647	2.89%	87,179	2.57%
Engineering and drafting	114,116	3.72%	93,354	2.75%
Accounting	5,757	0.19%	10,940	0.32%
Legal	14,513	0.47%	15,503	0.46%
Administrative	18,700	0.61%	69,512	2.05%
Insurance- general	13,958	0.45%	12,925	0.38%
Insurance- group	502,553	16.37%	480,762	14.17%
Maintenance	5,452	0.18%	4,601	0.14%
Computer and supplies	39,961	1.30%	40,577	1.20%
Utilities	6,400	0.21%	6,848	0.20%
Telephone	36,783	1.20%	34,053	1.00%
Printing and postage	30,257	0.99%	36,718	1.08%
Bad debt	-	0.00%	-	0.00%
Training	3,371	0.11%	4,703	0.14%
Other	61,571	2.01%	57,689	1.70%
Total general and administrative	1,671,485	54.46%	1,535,931	45.27%
Total operating expenses	3,069,283	100.00%	3,393,040	100.00%
Operating income before depreciation	98,739	100.00%	(117,181)	100.00%
Depreciation expense	(688,640)	100.00%	(785,818)	100.00%
Operating loss	(589,901)	100.00%	(902,999)	100.00%
Non-operating revenues (expense):				
Investment earnings	105	0.52%	196	0.72%
Gain(loss) on sale of capital assets	587	2.89%	1,500	5.53%
Interest expense	-	0.00%	-	0.00%
Rental income	8,038	39.63%	7,088	26.13%
Other income(expense), net	11,551	56.95%	18,343	67.62%
Total non-operating revenues, net	20,281	100.00%	27,127	100.00%
Loss before capital contributions	(569,620)	100.00%	(875,872)	100.00%
Capital contributions:				
Assessments	111,586	100.00%	21,463	100.00%
Change in net position	\$ (458,034)	100.00%	\$ (854,409)	100.00%

See accompanying notes to the basic financial statements

OTHER INDEPENDENT AUDITOR'S REPORT

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors
Crescenta Valley Water District
La Crescenta, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Crescenta Valley Water District (the District), as of and for the year ended June 30, 2017 and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December __, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency or a combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CliftonLarsonAllen LLP
Glendora, California
December __, 2017