CRESCENTA VALLEY WATER DISTRICT

2700 Foothill Boulevard
La Crescenta, California

Agenda for the
Adjourned Regular Meeting of the Board of Directors
of the Crescenta Valley Water District
to be held on Tuesday, October 23, 2018 at 7:00 p.m.

Posted: October 19, 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

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

Foothill Municipal Water District Report

1. Report on activities at Foothill Municipal Water District.

Consent Calendar

1. Consideration and approval of Minutes of the Regular Meeting on October 9, 2018.
2. Ratification of disbursements for September 2018.

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. **TTHM Mitigation and Disinfection Process Upgrades, Project E-995** – Discussion and update of CVWD's TTHM study and disinfection process upgrades.

2. **FMWD Rate Discussion –** Discussion regarding FMWD rate structure.

Information Items

Written Communications to District/Board

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

REGULAR MEETING, BOARD OF DIRECTORS

October 9, 2018

Pursuant to the order of the Board of Directors of the Crescenta Valley Water District, made at the Adjourned Regular Meeting of September 25, 2018, a Regular Meeting was held on October 9, 2018 at 7:00 p.m. at the District office at 2700 Foothill Blvd., La Crescenta, California, with President James D. Bodnar presiding.

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

Directors:	**James D. Bodnar** **Michael L. Claessens** **Kerry D. Erickson** **Kenneth R. Putnam** **Judy L. Tejeda**
Attorney:	**Dominic Nunneri**
General Manager:	**Nem Ochoa**
Secretary-Treasurer:	**Ron L. Mitchell**
District Engineer:	**David S. Gould**
Others Present:	**Wendy Holloway, Customer Service Supervisor** **Dennis Maxwell, Operation & Maintenance Mgr.** **James Lee, Finance & Accounting Manager** **Brook Yared, Senior Engineer** **Kathy Ross, FMWD Director**

PLEDGE OF ALLEGIANCE

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

ADOPTION OF AGENDA

It was moved by Director Tejeda, seconded by Director Claessens and carried by a 5-0 vote that the Agenda for the Regular Meeting of October 9, 2018, be adopted as presented.

PUBLIC COMMENT – None

FOOTHILL MUNICIPAL WATER DISTRICT REPORT – Kathy Ross stated no report, however she is going to take the information from the TTHM's report back to FMWD.

CONSENT CALENDAR

It was moved by Director Claessens, seconded by Director Erickson and carried by a 5-0 vote to approve the Minutes of the Adjourned Regular Board meeting held on September 25, 2018.

ACTION CALENDAR

Steel Reservoir Rehabilitation at Oak Creek #1 & #2 Reservoirs, Project E-970 – Mr. Gould reported that staff requested a proposal to amend the contract with Harper & Associates Engineers, Inc. to provided additional inspection services for the next phase of the rehabilitation project, Oak Creek #2 at a cost of

$45,760. A community meeting will be held on October 17, 2018 at 6:00 p.m. with the local residences about the construction activity during this period. The construction will begin in early November 2018.

Following discussion:

It was moved by Director Claessens, seconded by Director Putnam and carried by a 5-0 vote to authorize the General Manager to amend the agreement with Harper & Associates Engineers, Inc. for Quality Control Inspection Services as part of the rehabilitation of Oak Creek #2 Reservoir at a cost of $45,760.

TTHM Study and Disinfection Process Upgrades, Project E-995 – Mr. Gould gave an update on the process on bringing down the TTHM levels in all the reservoirs below the target level of 64 ug/L. Staff has been reducing the amount of water stored in each reservoir and also reducing the amount of chlorine injected at the Mills and Glenwood Plant to maintain a chlorine level of 1.0 mg/L after breakpoint chlorination. The results from these changes show that the TTHM levels have been reduced or stayed within the limits of 64 ug/L level or the MCL 80 ug/L level. However, the Goss Canyon Reservoir is just above the MCL 80 ug/L. Staff met with WQTS and discussed the results and what additional steps that needs to be taken. Staff will continue with the chlorine for disinfection and continue watching the TTHM level. Staff and John Robinson Consulting are continuing to work on the ammonia injection system and will try to have it installed by the end of the year. Staff's recommendation is to maintain the current operations and continue watching the TTHM level until November 1, 2018.

INFORMATION ITEMS – ACWA Board names Mr. Dave Eggerton as Executive Director Designate.

WRITTEN COMMUNICATIONS TO DISTRICT – None.

REPORTS OF PERSONNEL

GENERAL MANAGER- Mr. Ochoa discussed an incident where staff found a meter that had been bypassed. Staff was out at the property to do a download of the meter, when it was discovered that our meter had been removed and a pipe had been installed so the customer was receiving water without it being metered. Director Claessens inquired if staff had reported this to the Sheriff's department, and if not, strongly suggested that staff do so.

It was moved by Director Claessens, seconded by Director Putnam to add this item to the agenda as an urgent item discovered after posting agenda that needs to be discussed tonight and cannot wait until the next meeting to preserve evidence.

Following discussion:

With no objection from any director, Director Claessens withdrew the motion and Director Putnam withdrew the second.

Mr. Gould reported on the water production of 120.6 MG for the time period of September 1 to September 30^{th}. The average use is 2.0% less than 2017, and 10.5% less than the 5-year average. The total rainfall for the 2017/2018 year is 11.02" which is 51% below average. He also reported on the medians on Foothill Blvd., the Pennsylvania paving project by City of Glendale which will begin at the end of

November 2018 and will run from Markridge Road to the 210 Freeway, and that Well 8 is now back in service.

ATTORNEY- No Report

REPORTS OF COMMITTEES

Engineering Committee – Mr. Gould reported that the Committee will meet on October 18, 2018 at 9:00 a.m.

Finance Committee – Director Bodnar reported that the Committee will meet on October 19, 2018 at 9:00 a.m.

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

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

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

Emergency Planning Committee – Director Claessens reported that the Committee met on October 4, 2018 at 10:00 a.m., and discussed ICS, SEMS, NIMS training, and Mutual Aid/Response Agreements with Los Angeles County Public Works, Cities of Glendale, Burbank and Pasadena. Also there was discussion on CVWD's Emergency Response Plan. Mr. Gould also reported on the SEMS, NIMS, ICS training that staff received on October 8th.

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

DIRECTORS ORAL REPORT

Director Bodnar reported he attended the MWD Board meeting where they elected a new chairperson, Gloria Gray, from West Basin. She is the second woman to be a chairwoman and the first African American chairperson for the District. Also, the Board approved to increase the LRP (Local Resources Program) target from 68,000 AF to 170,000 AF per year.

Director Claessens – No Report

Director Tejeda reported on the upcoming ACWA Region 9 event on Friday November 2, 2018 in Palm Desert.

Director Putnam – No Report

Director Erickson – No Report

The Board discussed upcoming meeting dates for November and December. It was decided to hold meetings on November 6th and 20th and only one meeting in December on the 11th.

CLOSED SESSION – None.

ADJOURNMENT

There being no other business to come before the Board, at 8:20 p.m. it was moved by Director Claessens, seconded by Director Tejeda and carried by a 5-0 vote that the meeting be adjourned to October 23, 2018 at 7:00 p.m.

APPROVED:

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

CASH DISBURSEMENTS LIST
SEPTEMBER 2018

Check#	Check Date	Payable To	Description	Water Amount	Wastewater Amount
0	9/25	CalPERS	PERS contributions for 08/2018	24,522.90	14,672.76
0	9/19	Los Angeles County Public Works	Excavation permit for 5 locations	2,675.00	
0	9/24	Southern California Edison Co.	Power purchased 09/2018	20,701.34	254.01
38061	9/4	Dennis A. Maxwell, Jr	Health Reimbursement	235.08	156.72
38062	9/11	ACV Systems, LLC	Repair booster control pump valve @ Goss Resevoir	2,423.32	
38063	9/11	ADS, LLC	Monthly monitoring 08/2018		1,100.00
38064	9/11	Advanced Industrial Serv. Inc	Refund for flooding meter M-8927475	925.00	
38065	9/11	Airgas USA, LLC	Monthly cylinder rental 08/2018	196.51	196.50
38066	9/11	All American Landscape Co.	Monthly maintenance at office 09/2018	217.50	72.50
38067	9/11	Allen Pipeline, Inc.	Weld 2" coupling for D-17-42	1,248.00	
38068	9/11	American Van Equipment, Inc.	Unit #55 - Dividers for shelving unit	310.18	103.39
38069	9/11	Ameripride Uniform Services, Inc	Uniform rentals 08/2018	886.86	295.62
38070	9/11	Anawalt Lumber & Materials Co.	Misc Hardware 08/2018	207.27	69.85
38071	9/11	Apex Manufacturing Solutions	E-939 Insight License REV2 for SCADA system	7,568.25	2,522.75
38072	9/11	ARC	Monthly MPS billing 08/2018	673.09	224.36
38073	9/11	AT&T	Voice communication 08/2018	231.26	77.08
38074	9/11	Regino Avalos	Monthly maintenance 09/2018	929.37	125.63
38075	9/11	Bonners Equipment Rentals	Misc rentals 08/2018	285.76	96.89
38076	9/11	Campbell's Automotive Service	Unit #33 - Labor to check raditator, replace battery & radiator cap		275.93
38077	9/11	Cannon	E-956 - Inspection services through 07/2018	50,241.61	
38078	9/11	CCS Interactive, Inc.	Monthly web hosting 09/2018	78.75	26.25
38079	9/11	Cerdant, Inc.	Network securities 09/2018	206.25	68.75
38080	9/11	City of Glendale	Glendale Utility Tax 08/2018	81.98	
38081	9/11	Coastline Equipment Co.	Unit #15 - Parts to replace grille	191.30	63.76
38082	9/11	Colonial Life & Accidents Ins.	Employee paid insurance 08/2018	183.61	
38083	9/11	Dataprose LLC	Printing & Postage for Control 1-4 08/2018	1,808.80	1,808.80
38084	9/11	Dell Financial Services	Lease contract for 09/2018	727.71	242.57
38085	9/11	Do-it Center	Misc Hardware 08/2018	298.98	59.65
38086	9/11	E&M Electric & Machinery, Inc.	Top view software and remote services for SCADA	1,215.00	405.00

38087	9/11	E.H. Wachs	Unit #46 - ERV-750 position sensor assembly for valve truck	137.33	45.77
38088	9/11	Donald Friesen	Refund Check	98.37	
38089	9/11	Margaret Gonzales	Refund Check	53.37	
38090	9/11	Gsolutionz Professional Services	Landline support 09/2018	282.12	94.04
38091	9/11	Hach Company	Annual service contract for Chlorine Analyzers	18,770.00	
38092	9/11	J's Maintenance Service, Inc.	Janitorial service 08/2018 Office & Plant	732.00	244.00
38093	9/11	L.A. County Dept. Public Works	E-982 excavation permit	855.52	
38094	9/11	Lawson Products, Inc.	25 - 3/4" stainless steel flat washers	25.82	25.81
38095	9/11	Mimecast North America, Inc.	Email security 08/2018	531.26	177.08
38096	9/11	O'Reilly Auto Parts	Misc supplies 08/2018	35.39	11.79
38097	9/11	Office Depot - Credit Plan	Misc office supplies 08/2018	799.29	685.40
38098	9/11	Orchard Supply Hardware	Misc Hardware 08/2018	959.43	258.96
38099	9/11	Paper Cuts, Inc	Paper shredding 08/2018	2.50	2.50
38100	9/11	Paveco Construction Inc	List 2018-19-01 paving in various locations	14,842.53	
38101	9/11	Plumbers Depot Inc	Replace power supply on PLU		947.59
38102	9/11	Ramco	Bobtail loads 08/2018	3,375.00	
38103	9/11	Reliable Road Service, Inc.	Unit #2 - Service engine; check brakes on Units #25 & #16	440.43	146.81
38104	9/11	Sawyer Petroleum	55 Gallon drum of booster pump oil	820.29	
38105	9/11	Simple Layers, Inc.	Monthly maintenance 09/2018	375.00	125.00
38106	9/11	Stemar Equipment & Supply Co.	100 gunny sacks	67.64	67.64
38107	9/11	Sully-Miller Contracting Co.	Minimum load charge	43.14	
38108	9/11	Darlene Telles	Mileage reimbursment	41.42	
38109	9/11	Tesco Controls, Inc	T-2 terminal board, replacement board for Williams Res	312.07	
38110	9/11	The Gas Company	Gas purchased 08/2018 Mills house	29.44	9.81
38111	9/11	Trench Shoring Company	Steel plate rental for D-17-42 2927 Foothill	422.50	
38112	9/11	Underground Service Alert/SC	Underground notification 08/2018	168.38	56.12
38113	9/11	University of Southern Califor	Backflow membership renewal - Cory Whitman	295.46	98.49
38114	9/11	Ver Sales, Inc	3' red sling for pipe	158.37	158.36
38115	9/11	Vulcan Materials Company	Mixed Bobtail	930.00	
38116	9/11	Water Environment Federation	Membership renewal for Brook Yared	302.00	
38117	9/11	Western Water Works	Items for stock: 4"90 CML CMC weld bells; angle stops; flanges; ball valves; corp stops; tees; polymer boxes & lids; couplings	18,315.09	
38118	9/11	Wilson Amplifiers	Boosters for communication signals at Office and Plant	2,383.21	794.43
38119	9/11	Yardley Orgill Company, Inc.	1" angle stops and meter adapters for stock	7,711.68	
38120	9/14	David Gould	Health Reimbursement	284.04	189.36
38121	9/14	City of LA Canada Flintridge	Excavation permit for 2230 Foothill Blvd.	600.00	
38122	9/19	Aflac	Employee paid insurance 09/2018	1,854.23	
38123	9/19	Airgas National Carbonation	Carbon Dioxide for Well 2	55.00	

38124	9/19	Allen Pipeline, Inc.	Welding for 2230 Foothill Blvd. D-18-70	405.00	
38125	9/19	AT&T Mobility	Cell phone service 08/08/18 to 09/07/18	855.00	285.00
38126	9/19	Regino Avalos	Tree removal @ OceanView Res	1,285.00	
38127	9/19	BC Laboratories, Inc	Water analysis	4,879.15	
38128	9/19	California Water Environment	Collection Sys Maint Grade 1 renewal Jim Halaszynski	87.00	
38129	9/19	CCS Interactive, Inc.	New page for website (Chloramine information)	243.75	81.25
38130	9/19	Cellular Outlet, Inc.	Service call, consulting, site survey fee	413.86	137.95
38131	9/19	Choice Pest Control	Monthly service at Mills house and Well 9 - 09/2018	90.50	12.50
38132	9/19	Contractor Compliance & Mont Inc.	Prevailing wage annual report for 2018	300.00	
38133	9/19	County Sanitation District #2	Inert load	48.44	
38134	9/19	Eurofins Eaton Analytical Inc.	Water analysis 08/2018	1,326.00	
38135	9/19	First Choice	Coffee service Office	54.19	54.19
38136	9/19	Grainger	Disposable respirators, galvanized caps, pressure gauge & signs	642.72	121.10
38137	9/19	Great America Leasing Corp.	Kyocera copier lease 08/2018	264.44	264.43
38138	9/19	Hach Company	Water quality monitoring equipment	519.03	
38139	9/19	Bryan Jones	Reimbursement for safety boots	131.25	43.75
38140	9/19	LA Dept Water and Power	Power purchased 09/2018	53.60	
38141	9/19	Lagerlof, Senecal, Gosney & Kr	PWAG cost for 09/2018	57.53	19.17
38142	9/19	Lagerlof, Senecal, Gosney & Kr	Legal services for 08/2018	2,583.75	861.25
38143	9/19	Majestic Fire Protection	Fire door inspection & certification	296.25	98.75
38144	9/19	Mimecast North America, Inc.	Email security 09/2018	531.26	177.08
38145	9/19	Northern Safety Co., Inc	Misc hardware 08/2018	44.60	44.59
38146	9/19	Performance Line Tool Center	Electric submersible pumps	383.24	383.24
38147	9/19	Royal Industrial Solutions-Chatsworth	2 enclosures, keys, and nameplate for Ordunio Res.	283.04	
38148	9/19	Sawyer Petroleum	508 Gallons of clear diesel	1,507.46	502.48
38149	9/19	Set Point A/C and Heating	Manitowoc Koolaire ice machine at Plant	2,403.38	2,403.37
38150	9/19	Shell	Gas purchased 08/2018	2,005.80	668.60
38151	9/19	Spectrum Business	Data communicatiuons 09/2018 Plant	269.96	89.98
38152	9/19	Staples Business Advantage	Misc supplies office 08/2018	86.26	86.25
38153	9/19	Sterling Water Technologies, LLC	50 lbs pail of phosphoric acid for Well 2	194.32	
38154	9/19	Sully-Miller Contracting Co.	8.07 tons of cold patch	807.48	
38155	9/19	Toro's Lawnmower & Garden	Carburetor for Unit #11 and repairs to Unit #33	61.60	221.94
38156	9/19	Traffic Management, Inc.	Rent 36 delineators for 11 days for D-17-42	258.00	
38157	9/19	Univar USA Inc	600 gallons of liquid bleach for Glenwood	3,648.16	
38158	9/19	Western Water Works	Various items for eye washing stations	926.67	113.98
38159	9/19	Wood Environment & Infrastructure	E-957 - Pickens Canyon slope repair	2,957.75	
38160	9/25	ACWA Joint Powers Ins Authority	Health insurance for October 2018	37,039.39	24,010.85
38161	9/25	AGM Electronics, Inc	Loop powered isolator for Williams Chlorination Station	287.99	

38162	9/25	Aqua - Metric Sales, Co.	8" Omni T2 water meter with stainless strainer for Williams Reservoir	9,415.15	
38163	9/25	BC Laboratories, Inc	Water analysis	6,521.40	
38164	9/25	BC Laboratories, Inc	Water analysis	3,837.20	
38165	9/25	James Bodnar	Reimbursement for mileage and for AWWA seminar	132.37	44.12
38166	9/25	California Building Evaluations & Const	E-956 - Well 2 progress payment 9	183,526.46	
38167	9/25	Campbell's Automotive Service	Replace water pump on Unit #09	438.44	146.14
38168	9/25	Charles P. Crowley Co.	Metering pump for Oak Creek Chlorination Station	2,913.14	
38169	9/25	City of Glendale Water & Power	Power purchased 09/2018	37,565.01	88.16
38170	9/25	City of Glendale Water & Power	Water used for construction meter - sewer inspection	188.93	
38171	9/25	City of LA Bureau Sanitation	Sewerage Facilities charge July/Aug 2018		5,923.80
38172	9/25	Coastline Equipment Co.	Unit #15 - Nuts & spray for grill	89.06	29.68
38173	9/25	Colonial Life & Accidents Ins.	Employee paid insurance 10/2018	183.61	
38174	9/25	Contractor Compliance & Mont Inc.	Services through 08/31/2018	1,496.25	
38175	9/25	Cypress Ancillary Benefits	Group Dental 10/2018	2,252.04	1,501.36
38176	9/25	Direct Connection	Printing and mailing brochures for chloramine changes	5,014.24	
38177	9/25	Eurofins Eaton Analytical Inc.	Water analysis	7,428.00	
38178	9/25	Foothill Municipal Water	Purchased water delivery 08/2018	373,790.80	
38179	9/25	GardenSoft	Water wise garden website 09/24/18 to 09/24/19	1,500.00	
38180	9/25	Grainger	Stock: Utility pumps, degreaser, batteries, & high cap pleated filter	639.96	13.79
38181	9/25	Sohyang Han	Refund Check	49.67	
38182	9/25	Harrington Ind Plastics LLC	Hand held testers for lab sampling	424.91	
38183	9/25	Impact LA LLC	Cost for copies	1,052.54	1,052.54
38184	9/25	John Robinson Consulting, Inc.	M-965 - grant consulting for 08/2018	3,000.00	
38185	9/25	Just Tires, Inc.	4 tires for Unit #48	581.50	193.82
38186	9/25	Lincoln Financial Group	Life & Disability insurance 10/2018	952.98	635.32
38187	9/25	Rebecca Markarian	Refund Check	155.07	
38188	9/25	McCall's Meter Sales & Service	12" mag water meter	5,774.93	
38189	9/25	Bobby Mehdikhanian	Refund Check		84.68
38190	9/25	Plumbers Depot Inc	4- 2x25' hose assemblies, poles, camlocks for Vactor	366.89	856.34
38191	9/25	Rassac Air Systems	Repairs to A/C on south side office	229.86	76.62
38192	9/25	Craig Smith	Claim for damage during main break by SCE	350.00	
38193	9/25	Dave Spain	Reimbursement for uniform/jeans	123.15	41.05
38194	9/25	Staples Business Advantage	Misc supplies	62.84	62.84
38195	9/25	The Gas Company	Gas purchased Office 09/2018	11.09	3.70
38196	9/25	Tri-Xecutex Corp	Security alarm monitoring for Oct- Nov- Dec 2018	243.00	81.00
38197	9/25	Univar USA Inc	6 buckets of hypo chlorite	1,017.66	
38198	9/25	Vision Service Plan Co-(CA)	Group Vision for 10/2018	278.46	185.64

38199	9/25	Wells Fargo Card Services	Gould: AWWA Fall Conf (reg. & hotel); Tri State seminar (reg. & hotel for Jones/Inman); AWWA D2 review course (Ortega)	1,058.04	352.68
38200	9/25	Wells Fargo Card Services	Maxwell: Review classes for Ortega/Mortenson for D2; vehicle maint on Unit #51; various meals for OT, JPIA Risk Assessor, rack and tie downs	611.86	108.14
38201	9/25	Wells Fargo Card Services	Mitchell: Board meeting dinner, batteries for recorder	95.65	31.89
38202	9/25	Wells Fargo Card Services	Ochoa: Lunches with LA Water Resource manager, GWP AGM, Director Tejeda, and Board meeting dinner	194.46	64.81
38203	9/25	Western Water Works	4" flange bolt kits	110.38	
38204	9/25	Whittier Fertilizer Co	100 Bags of top soil	363.54	
38205	9/25	Sems Technologies Corp.	Onsite Training for Fleet Management & Dig Alert modules	3,750.00	1,250.00
38206	9/27	James Lee	Health Reimbursement	1,800.00	1,200.00
38207	9/27	Mark Hass	Health Reimbursement	188.39	125.60
			Subtotals	$ 924,391.75	$ 71,893.15
			Total Disbursements for September 2018		$ 996,284.90

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Payroll Report

Directors	$ 1,440
Office Regular Payroll	$ 134,189
Office OT	$ 869
Plant Regular Payroll	$ 113,818
Plant OT & Standby	$ 12,322
Employer Payroll Taxes	$ 19,460
Payroll Service Charges	$ 432
Total Payroll for September 2018	$ 282,530

CRESCENTA VALLEY WATER DISTRICT
BOARD OF DIRECTORS - STAFF REPORT

Action Item No. 1
October 23, 2018

To: Honorable President and Members of the Board of Directors

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

Subject: **TTHM Mitigation and Disinfection Process Upgrades, Project E-995**

ACTION ITEM:

TTHM Mitigation and Disinfection Process Upgrades, Project E-995 - Discussion and update of CVWD's TTHM study and disinfection process upgrades

BACKGROUND:

The District uses chlorine as a disinfectant to treat drinking water. Chlorine can create disinfection by-products during treatment, known as total Trihalomethanes or TTHMs, as it reacts with naturally occurring organic matter in untreated water from imported water supplied by FMWD/MWD from either the Colorado River (CRW) or the State Water Project (SWP). The typical water supply blend for CVWD is 60% groundwater and 40% imported water. The water supply blend is now closer to 30% groundwater and 70% imported water.

CVWD has seen a steady rise in the concentration of TTHMs because CVWD is using more imported water as groundwater levels have not yet recovered from the latest drought. The increase in imported water, coupled with the additional chlorine required to maintain a chlorine residual in the system has led to an increase in TTHMs in the distribution system.

Past Actions:

- August 14, 2018 – discussion by Dr. Issam Najm of WQTS on TTTMs and Chloramines. Staff awarded a $10,000 consulting services contract to WQTS for initial study and evaluation.
- August 28, 2018
  - Awarded a contract to WQTS for $99,800 for chloramine conversion, public outreach, staff and operator training, Department of Drinking Water (DDW) permitting support, development of necessary mitigation plans, and preparation of 30% design plans.
  - Staff awarded a contract to Hazen and Sawyer for $9,971 to perform bench testing of CVWD's source water to determine proper breakpoint chlorination and formation of TTHMs.
- September 11, 2018
  - Staff, WQTS and CV Strategies mailed out public information brochures with a list of frequently asked questions.
  - Staff posted information on website and articles in the CV Weekly and Glendale Newspress.
- September 15, 2018 – Public Workshop at the Glenwood Plant
- September 25, 2018
  - Authorized General Manager to select and negotiate with consultants and contractors for the installation of chloramination systems at the Glenwood and Mills Plants for $410,000.
  - Award contract to John Robinson Consulting (JRC) for $45,225 for contract and construction administration for the new ammonia injection system.
  - Amended contract to WQTS for $44,240 for additional design work by Carollo Engineers.
- October 9, 2018
  - Office & field staff trained on the nitrification and chloramines processes
  - Carollo Engineers submitted preliminary 30% design plans for review

DISCUSSION:

Operational Changes:

Staff and its consultants continued working together on the water system operational changes to bring the TTHM levels in the reservoirs to below the target level of 64 ug/L. This included reducing the amount of water stored in each reservoir and amount of chlorine injected at the Mills and Glenwood Plant after breakpoint chlorination over the last two (2) weeks. As shown on the attached charts, the TTHM levels at each reservoir site have decreased and majority of the sites are below the target level of 64 ug/L. The sites that are above the target level are below the MCL limit of 80 ug/L.

Staff discussed the results with Dr. Najm and concluded that we should maintain the current operations with free chlorine for disinfection until November 15, 2018.

Ammonia Injection System for Chloramine Conversion:

The following is an update of tasks completed by staff and consultants:

- Staff and its consultants did a site walk at Glenwood and Mills Plants to determine location of ammonia injection skids, ammonia injection conduits, SCADA and electrical conduits.
- JRC prepared and sent out a request for quote for the purchase of two (2) ammonia injection pump skids. Engineer's cost estimate for the two (2) ammonia injection pump skids is $75,000.
- Grace Environmental Services provided a proposal for a system operator to assist staff during the chloramine conversion process in the distribution system.
- Site visit from Apex Manufacturing Solution (APEX), on the design and installation of SCADA equipment and integration at Glenwood and Mill Plants
- The preliminary design plans reviewed and sent back to Carollo Engineers for final edits.
- Staff met with Hazen and Sawyer on the design and installation of new chlorine analyzers at six (6) locations to provide additional chlorine monitoring after conversion to chloramines.
- Field crews potholed the 14-inch water main at the Glenwood plant for depth and location for the ammonia injection.
- WQTS and staff continue working on Nitrification Monitoring & Control Plan for submittal to DDW

RECOMMENDATION:

It is staff's recommendation to maintain the current operations with free chlorine for disinfection and continue watching the TTHM level until November 15.

ENVIRONMENTAL REVIEW:

See previous staff report dated September 25, 2018

FUNDING AVAILABILITY:

The following is an update of costs for the project:

Account Description	Amount
Total Estimated Cost for Project	**$570,000.00**
Consultants - Planning, Design & Construction Admin	
WQTS - Planning	**$10,000.00**
WQTS - Design	**$144,040.00**
Hazen & Sawyer	**$9,970.00**
John Robinson Consulting	**$45,225.00**
Grace Environmental Services (3 months part-time service)	**$22,000.00**
Apex Manufacturing Solution (Estimate)	**$18,000.00**
Public Notification - CV Strategies , Printing & Mailing	**$11,168.00**
WQ Sampling - 7/1/18 to 10/1/18	**$43,284.00**
Costs to Date	**$303,687.00**
Amount Remaining	**$266,313.00**

Prepared by:

David S. Gould, P.E.
District Engineer

Submitted by:

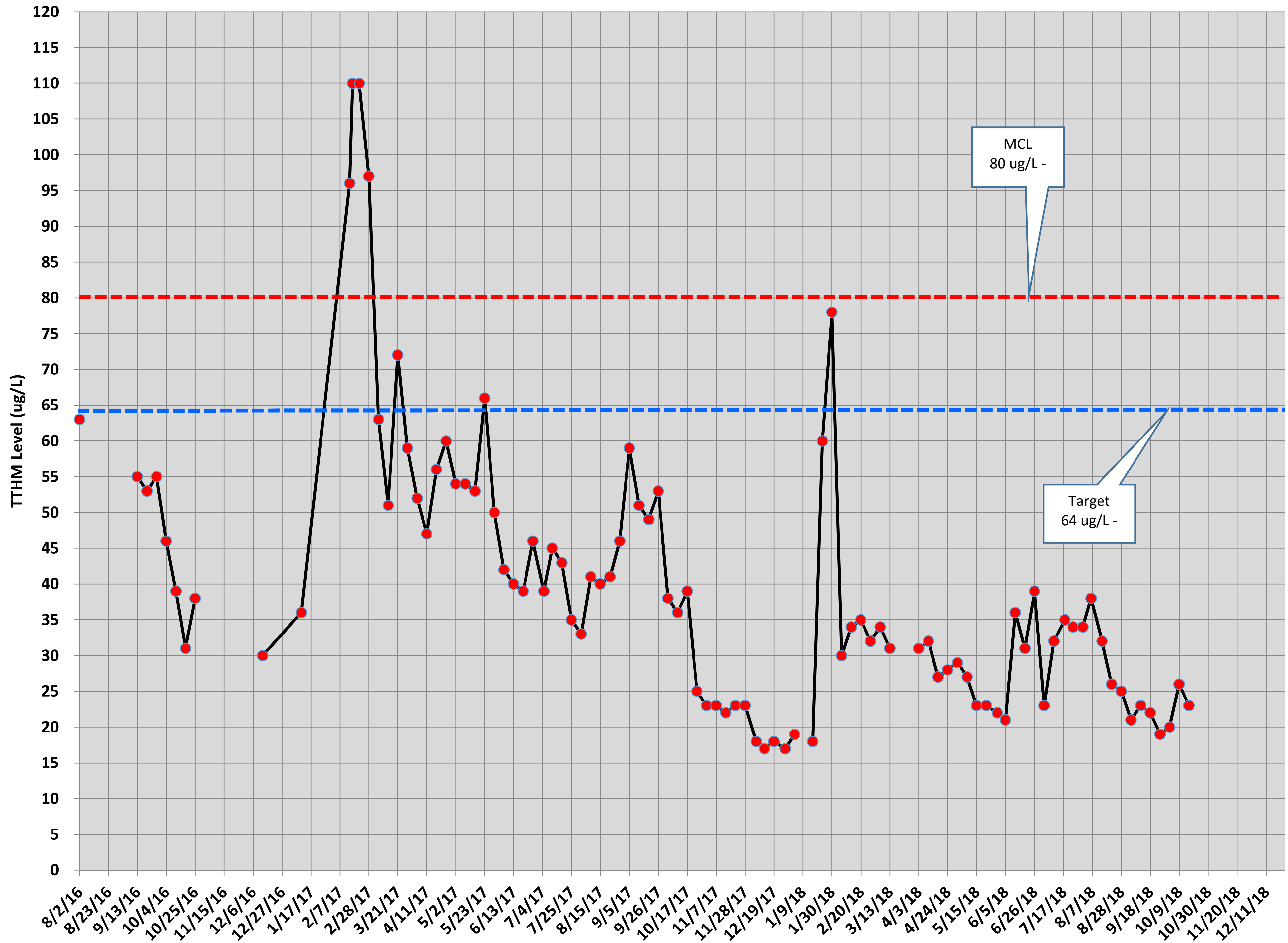
Nem Ochoa
General Manager

Attachments:

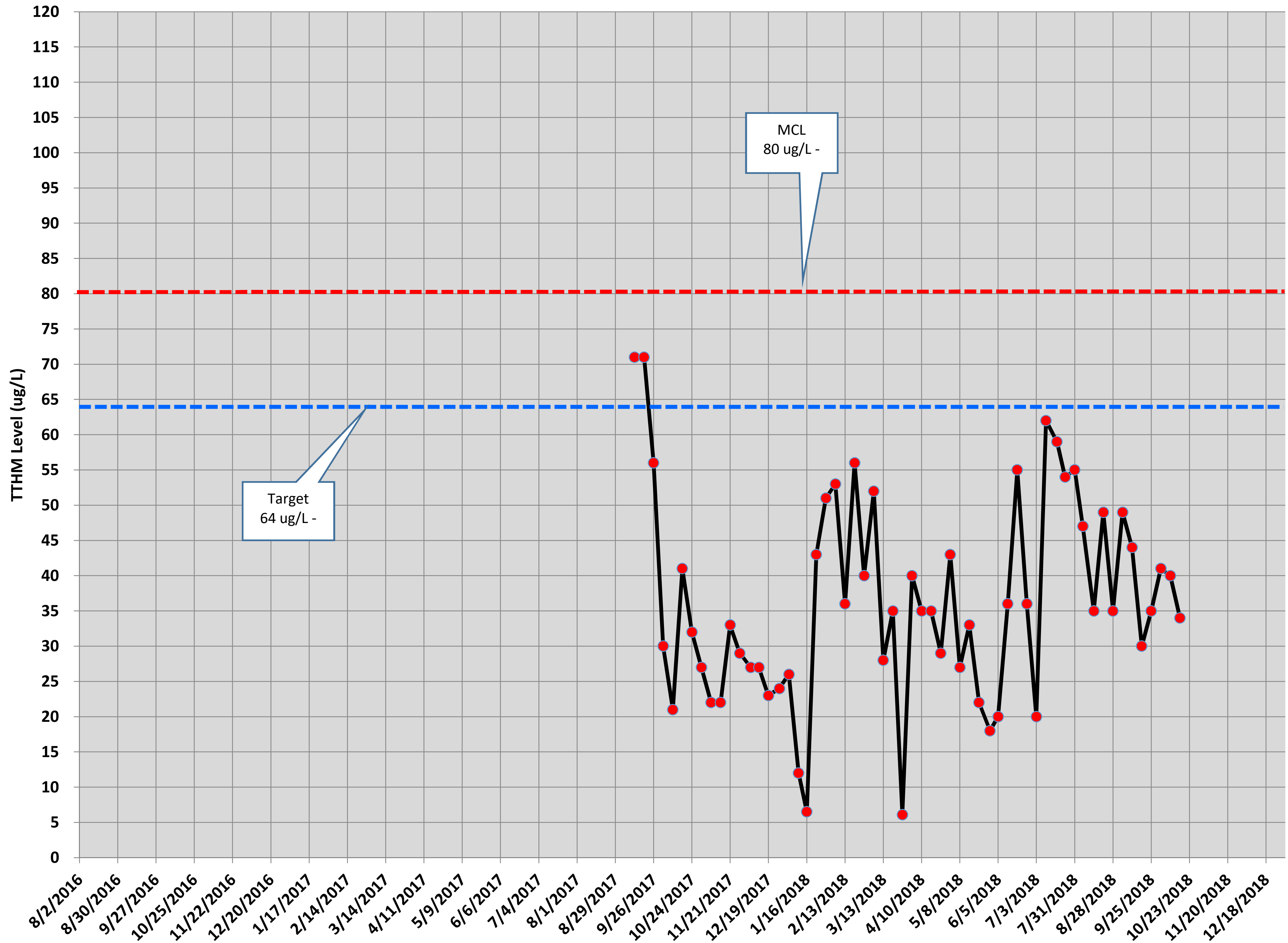
1. TTHM charts for each reservoir site

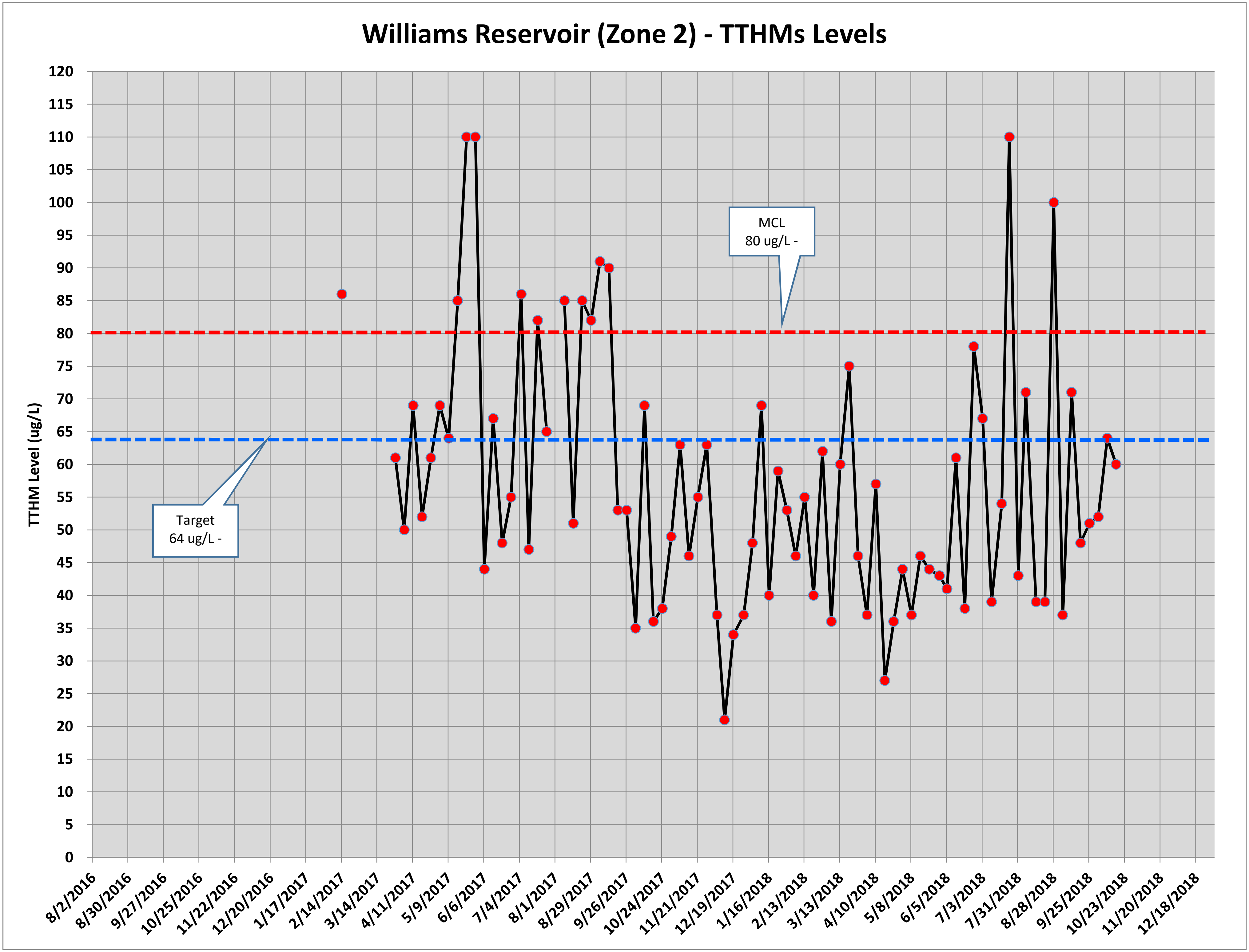
g:\management\board meeting staff reports\2018\10-23-18 board memo - e-995 disinfection process upgrades - update 3.docx

FMWD at Paschall Booster - TTHM's Levels



Encinal Reservoir (Zone 1) - TTHMs Levels





Williams Reservoir (Zone 2) - TTHMs Levels
TTHM Level (ug/L)
MCL
80 ug/L -
Target
64 ug/L -
120
115
110
105
100
95
90
85
80
75
70
65
60
55
50
45
40
35
30
25
20
15
10
5
0
8/2/2016
8/30/2016
9/27/2016
10/25/2016
11/22/2016
12/20/2016
1/17/2017
2/14/2017
3/14/2017
4/11/2017
5/9/2017
6/6/2017
7/4/2017
8/1/2017
8/29/2017
9/26/2017
10/24/2017
11/21/2017
12/19/2017
1/16/2018
2/13/2018
3/13/2018
4/10/2018
5/8/2018
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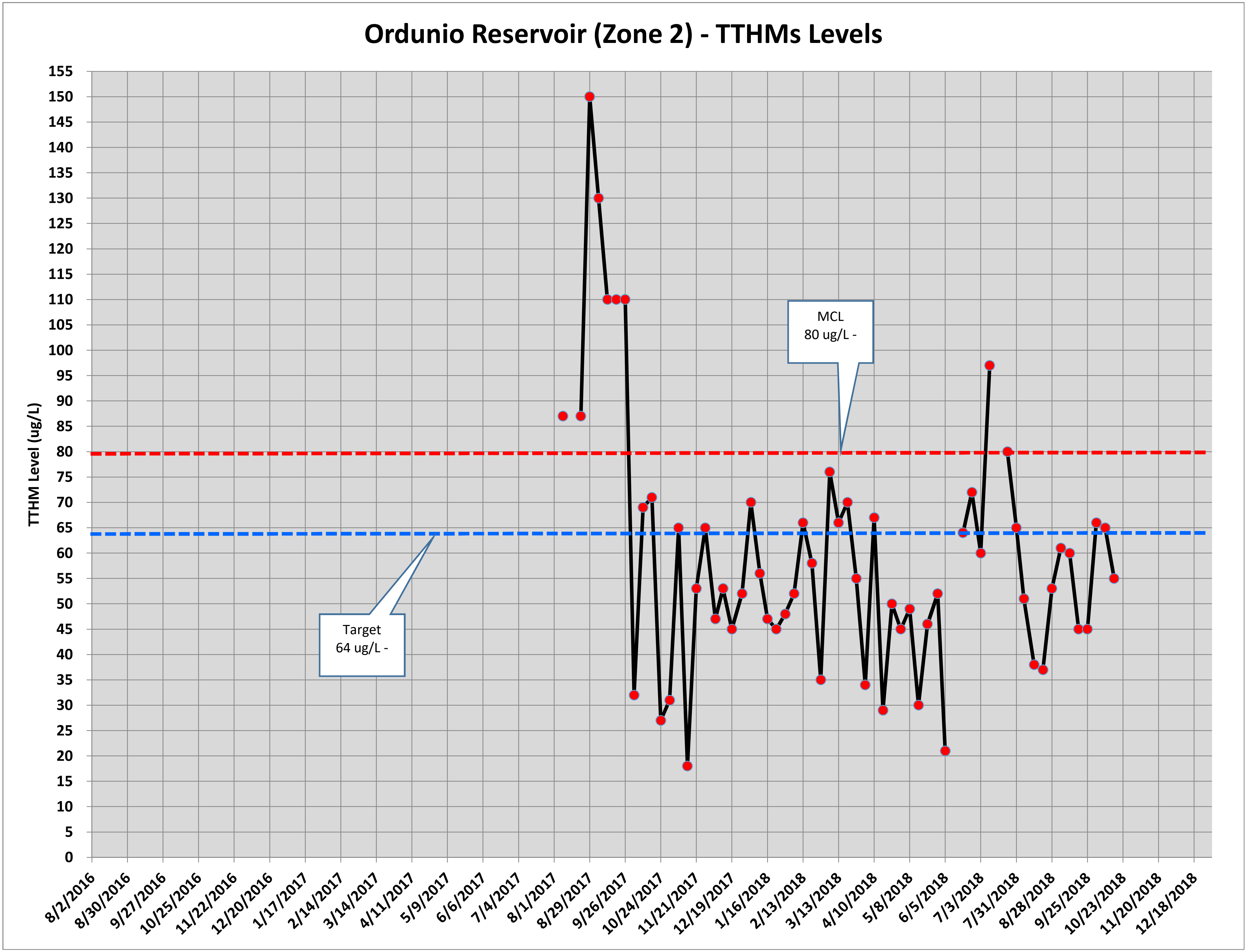
11/20/2018
12/18/2018



Ordunio Reservoir (Zone 2) - TTHMs Levels
TTHM Level (ug/L)
MCL
80 ug/L -
Target
64 ug/L -
155
150
145
140
135
130
125
120
115
110
105
100
95
90
85
80
75
70
65
60
55
50
45
40
35
30
25
20
15
10
5
0
8/2/2016
8/30/2016
9/27/2016
10/25/2016
11/22/2016
12/20/2016
1/17/2017
2/14/2017
3/14/2017
4/11/2017
5/9/2017
6/6/2017
7/4/2017
8/1/2017
8/29/2017
9/26/2017
10/24/2017
11/21/2017
12/19/2017
1/16/2018
2/13/2018
3/13/2018
4/10/2018
5/8/2018
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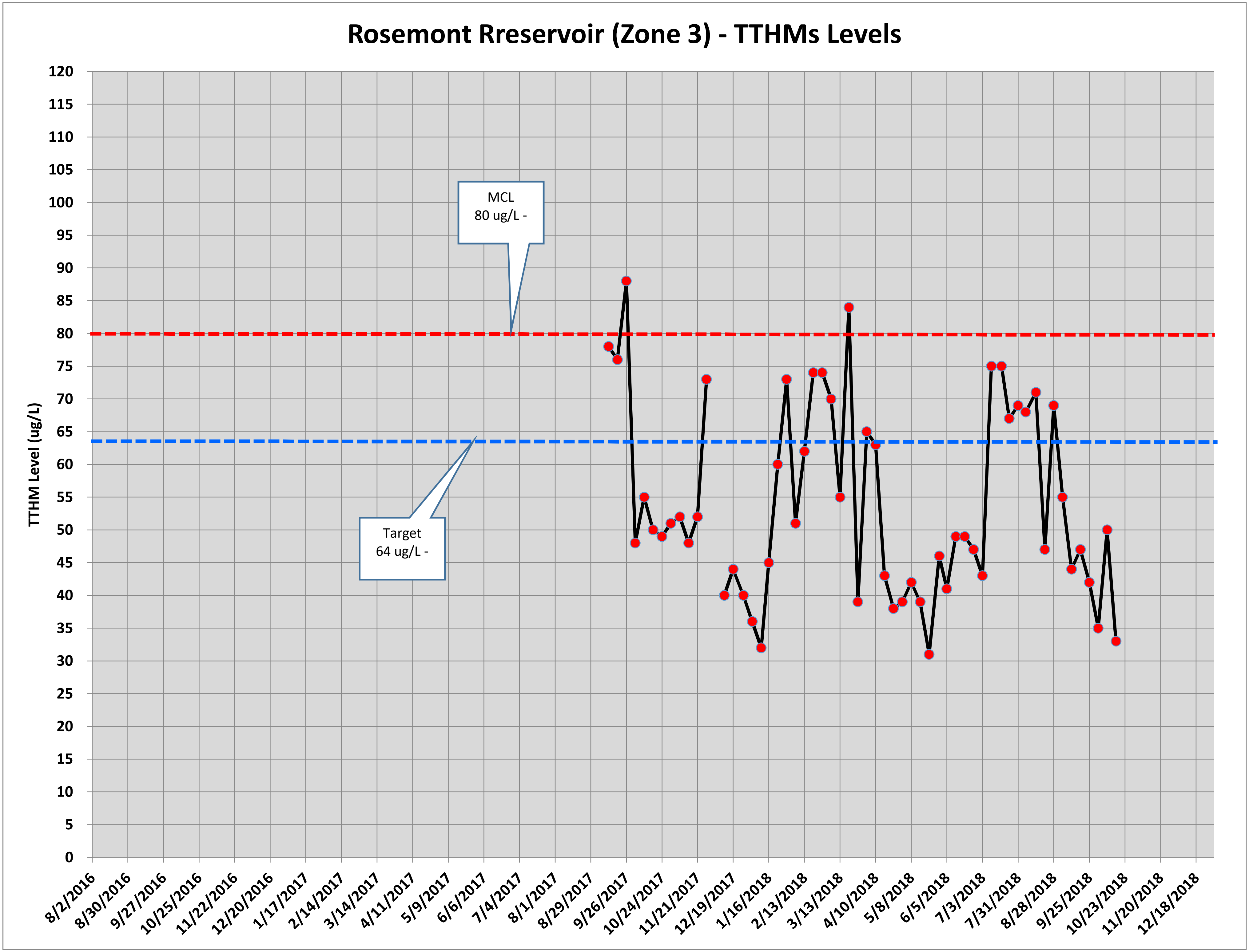
11/20/2018
12/18/2018



Rosemont Rreservoir (Zone 3) - TTHMs Levels
MCL
80 ug/L -
Target
64 ug/L -
TTHM Level (ug/L)
120
115
110
105
100
95
90
85
80
75
70
65
60
55
50
45
40
35
30
25
20
15
10
5
0
8/2/2016
8/30/2016
9/27/2016
10/25/2016
11/22/2016
12/20/2016
1/17/2017
2/14/2017
3/14/2017
4/11/2017
5/9/2017
6/6/2017
7/4/2017
8/1/2017
8/29/2017
9/26/2017
10/24/2017
11/21/2017
12/19/2017
1/16/2018
2/13/2018
3/13/2018
4/10/2018
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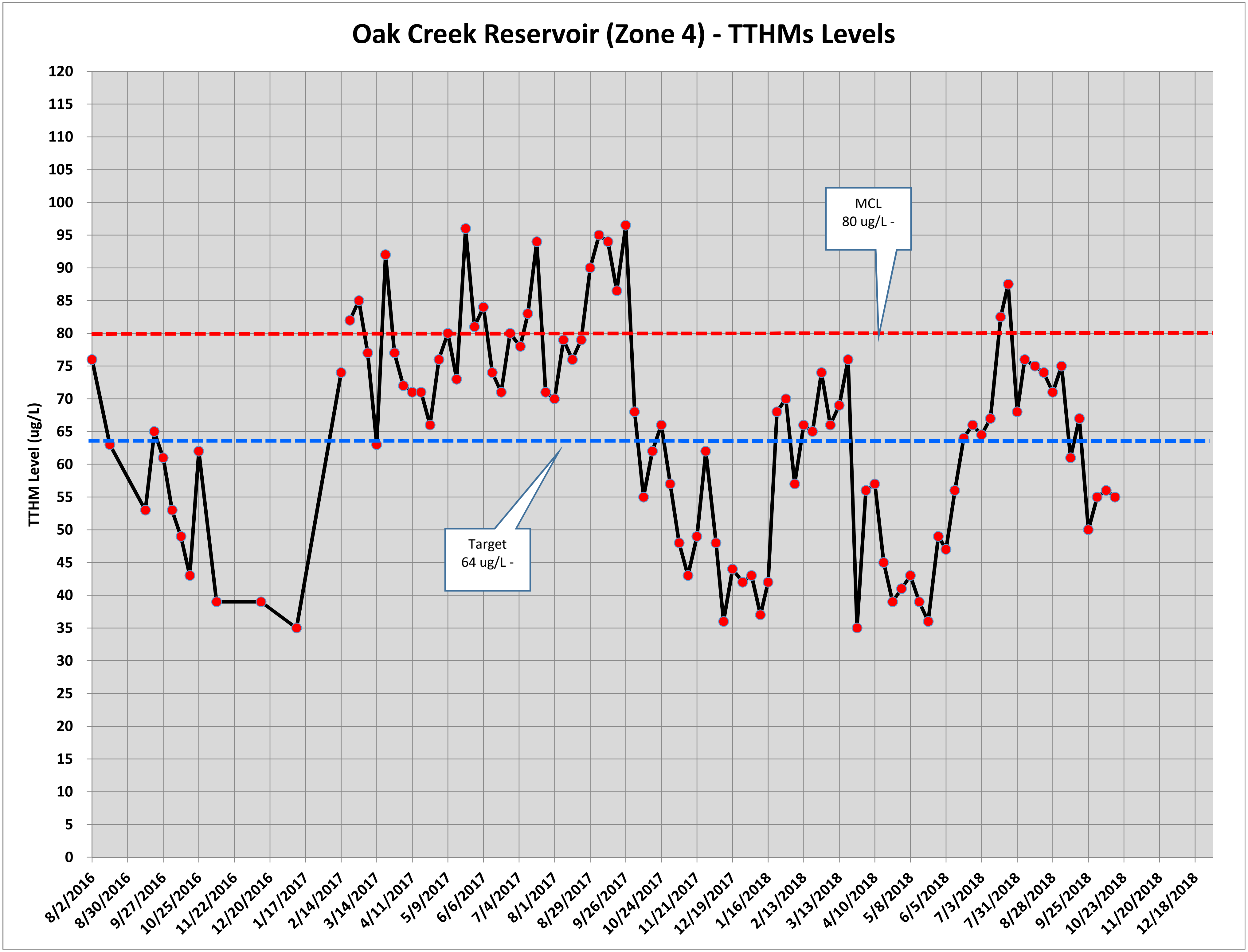
11/20/2018
12/18/2018


Oak Creek Reservoir (Zone 4) - TTHMs Levels
TTHM Level (ug/L)
MCL
80 ug/L -
Target
64 ug/L -
0
5
10
15
20
25
30
35
40
45
50
55
60
65
70
75
80
85
90
95
100
105
110
115
120
8/2/2016
8/30/2016
9/27/2016
10/25/2016
11/22/2016
12/20/2016
1/17/2017
2/14/2017
3/14/2017
4/11/2017
5/9/2017
6/6/2017
7/4/2017
8/1/2017
8/29/2017
9/26/2017
10/24/2017
11/21/2017
12/19/2017
1/16/2018
2/13/2018
3/13/2018
4/10/2018
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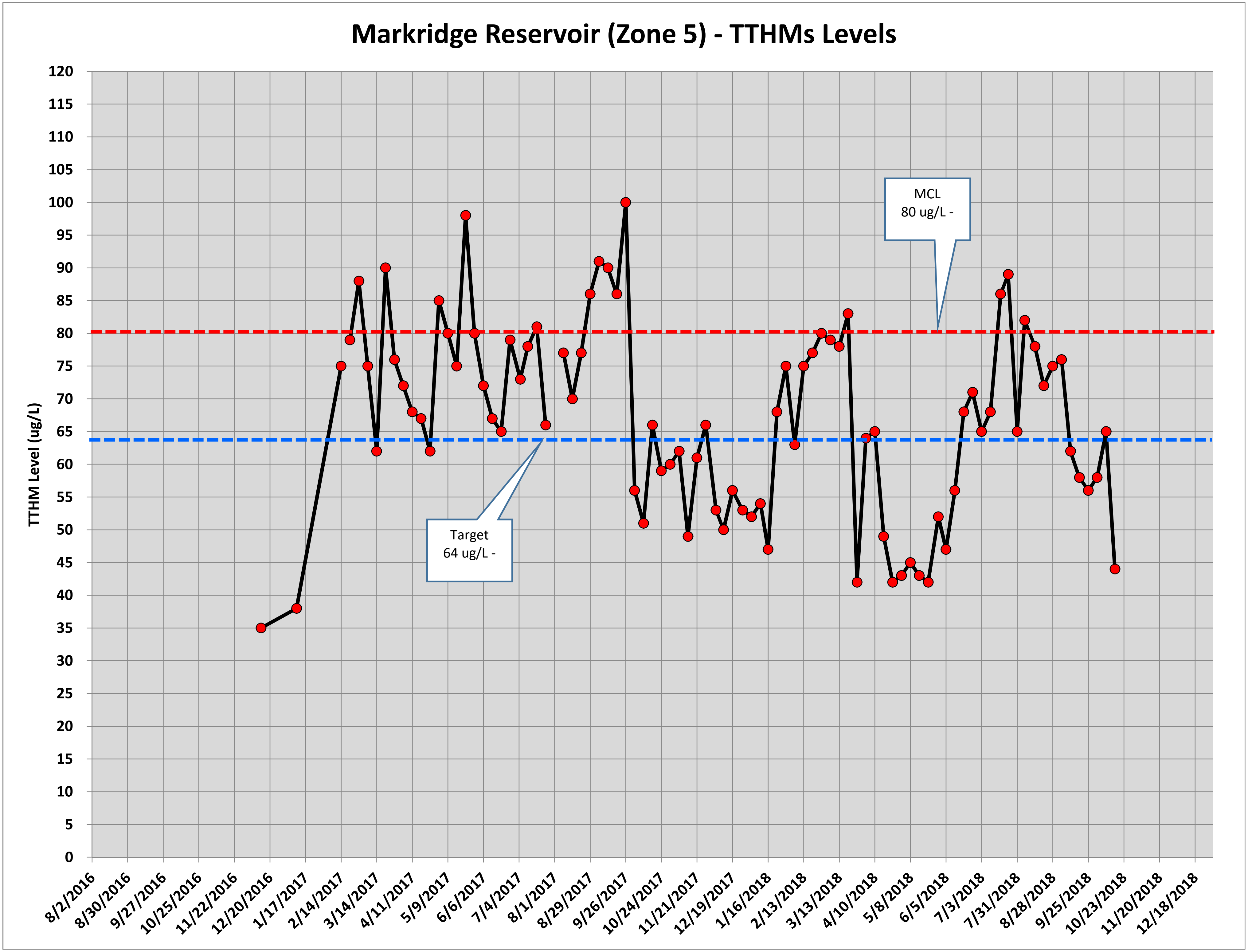
11/20/2018
12/18/2018


Markridge Reservoir (Zone 5) - TTHMs Levels
TTHM Level (ug/L)
120
115
110
105
100
95
90
85
80
75
70
65
60
55
50
45
40
35
30
25
20
15
10
5
0
MCL
80 ug/L -
Target
64 ug/L -
8/2/2016
8/30/2016
9/27/2016
10/25/2016
11/22/2016
12/20/2016
1/17/2017
2/14/2017
3/14/2017
4/11/2017
5/9/2017
6/6/2017
7/4/2017
8/1/2017
8/29/2017
9/26/2017
10/24/2017
11/21/2017
12/19/2017
1/16/2018
2/13/2018
3/13/2018
4/10/2018
5/8/2018
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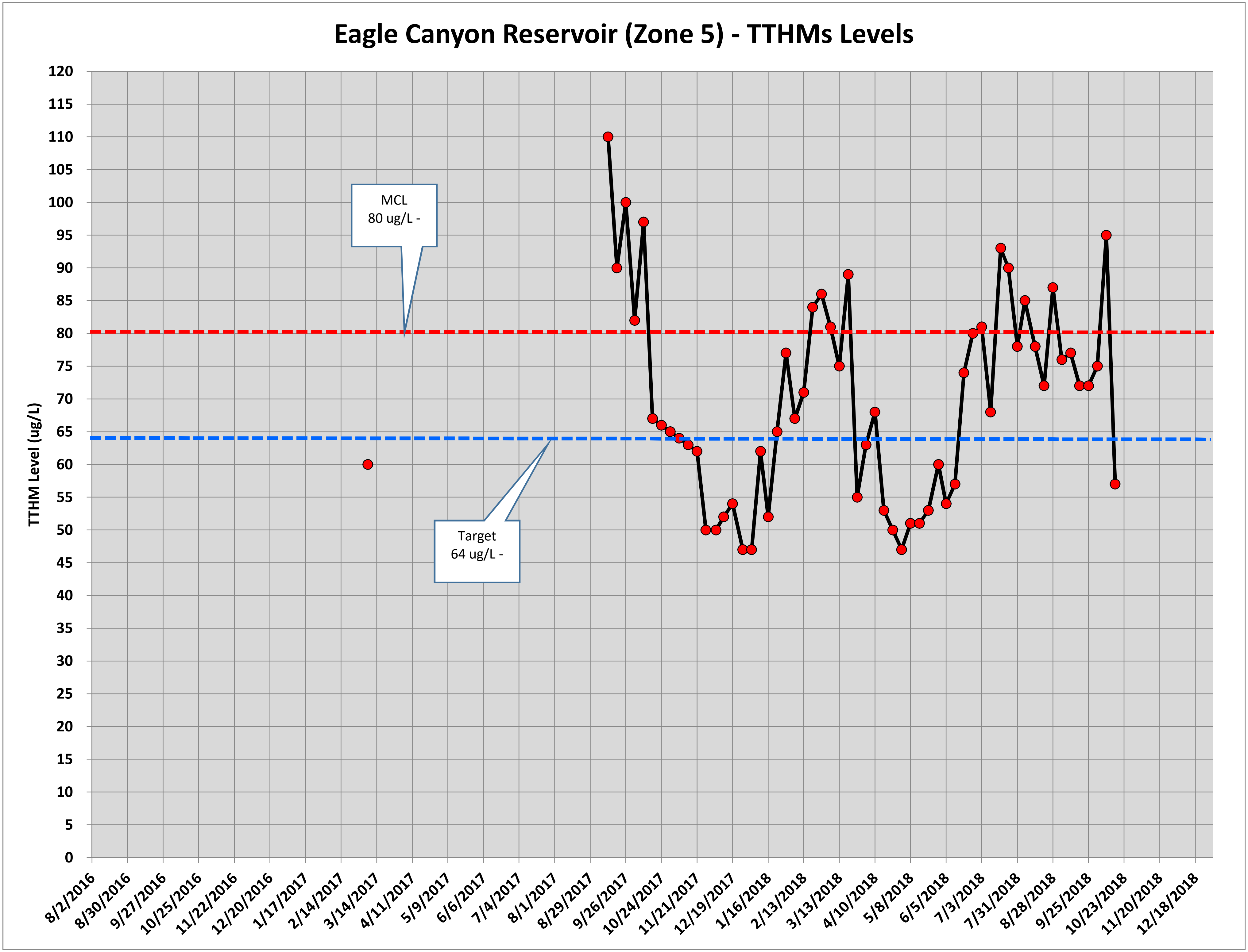
11/20/2018
12/18/2018



Eagle Canyon Reservoir (Zone 5) - TTHMs Levels
TTHM Level (ug/L)
MCL
80 ug/L -
Target
64 ug/L -
0
5
10
15
20
25
30
35
40
45
50
55
60
65
70
75
80
85
90
95
100
105
110
115
120
8/2/2016
8/30/2016
9/27/2016
10/25/2016
11/22/2016
12/20/2016
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3/14/2017
4/11/2017
5/9/2017
6/6/2017
7/4/2017
8/1/2017
8/29/2017
9/26/2017
10/24/2017
11/21/2017
12/19/2017
1/16/2018
2/13/2018
3/13/2018
4/10/2018
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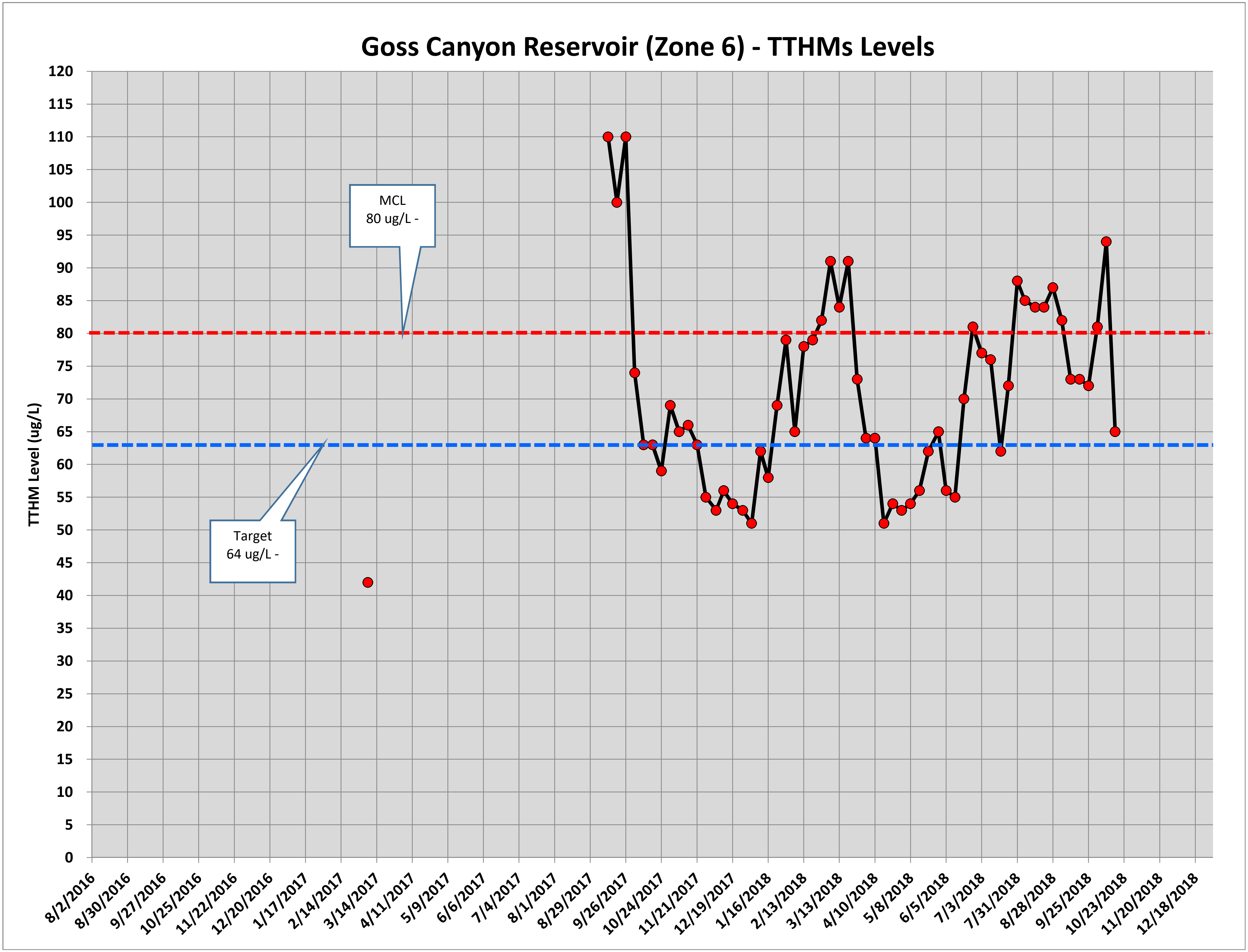
11/20/2018
12/18/2018



Goss Canyon Reservoir (Zone 6) - TTHMs Levels
TTHM Level (ug/L)
MCL
80 ug/L -
Target
64 ug/L -
0
5
10
15
20
25
30
35
40
45
50
55
60
65
70
75
80
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8/2/2016
8/30/2016
9/27/2016
10/25/2016
11/22/2016
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6/6/2017
7/4/2017
8/1/2017
8/29/2017
9/26/2017
10/24/2017
11/21/2017
12/19/2017
1/16/2018
2/13/2018
3/13/2018
4/10/2018
5/8/2018
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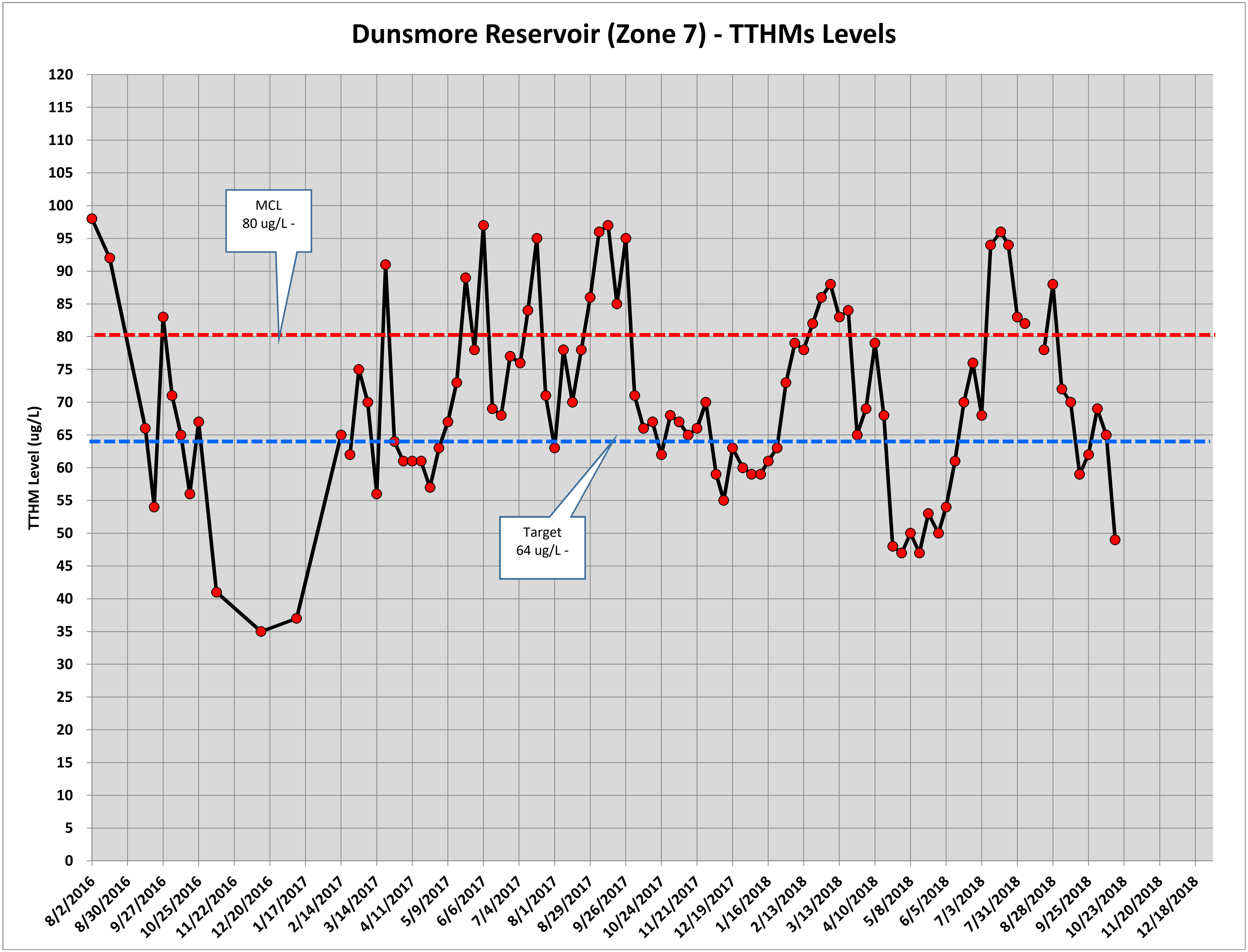
10/23/2018
11/20/2018
12/18/2018



Dunsmore Reservoir (Zone 7) - TTHMs Levels
TTHM Level (ug/L)
MCL
80 ug/L -
Target
64 ug/L -
0
5
10
15
20
25
30
35
40
45
50
55
60
65
70
75
80
85
90
95
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105
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115
120
8/2/2016
8/30/2016
9/27/2016
10/25/2016
11/22/2016
12/20/2016
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2/14/2017
3/14/2017
4/11/2017
5/9/2017
6/6/2017
7/4/2017
8/1/2017
8/29/2017
9/26/2017
10/24/2017
11/21/2017
12/19/2017
1/16/2018
2/13/2018
3/13/2018
4/10/2018
5/8/2018
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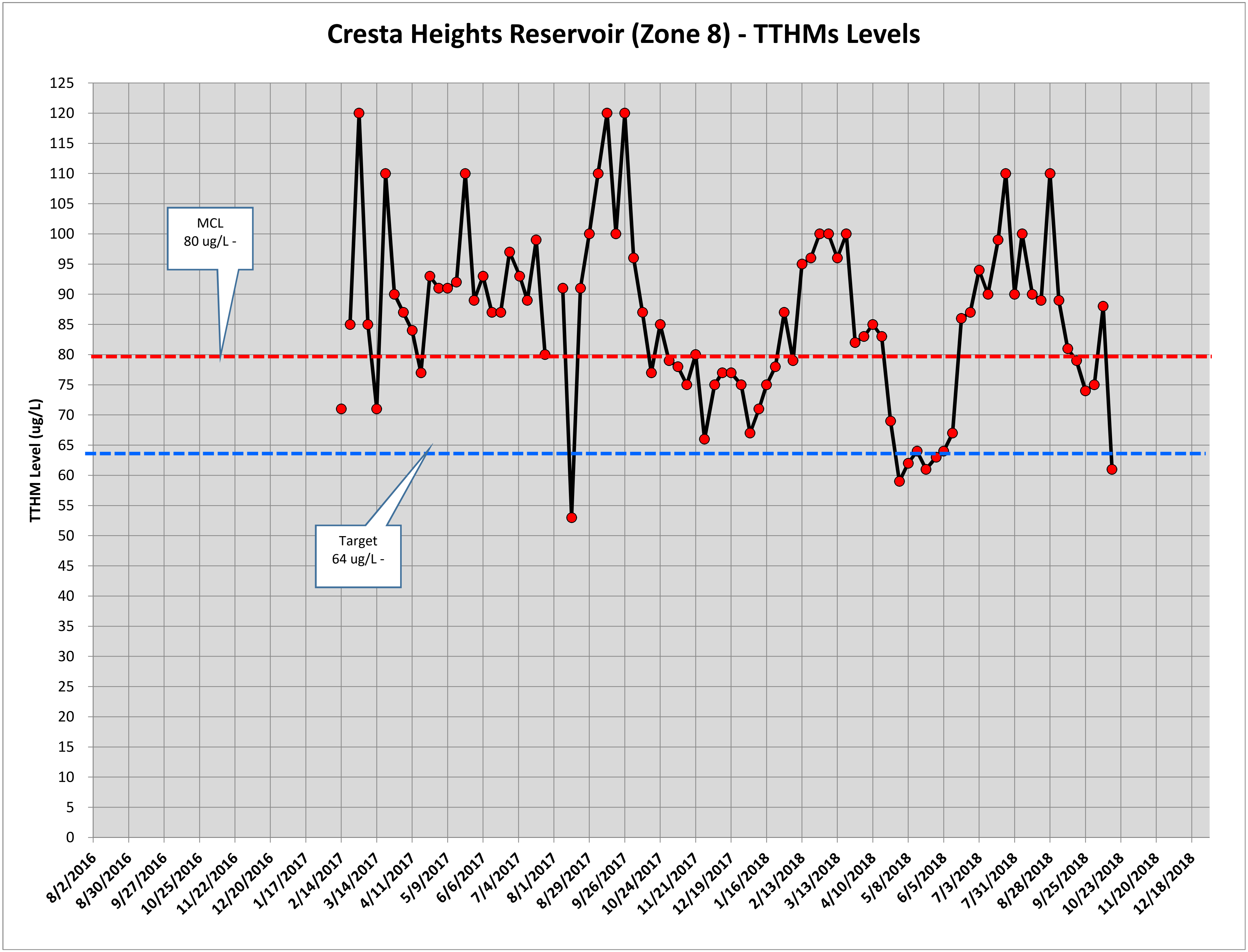
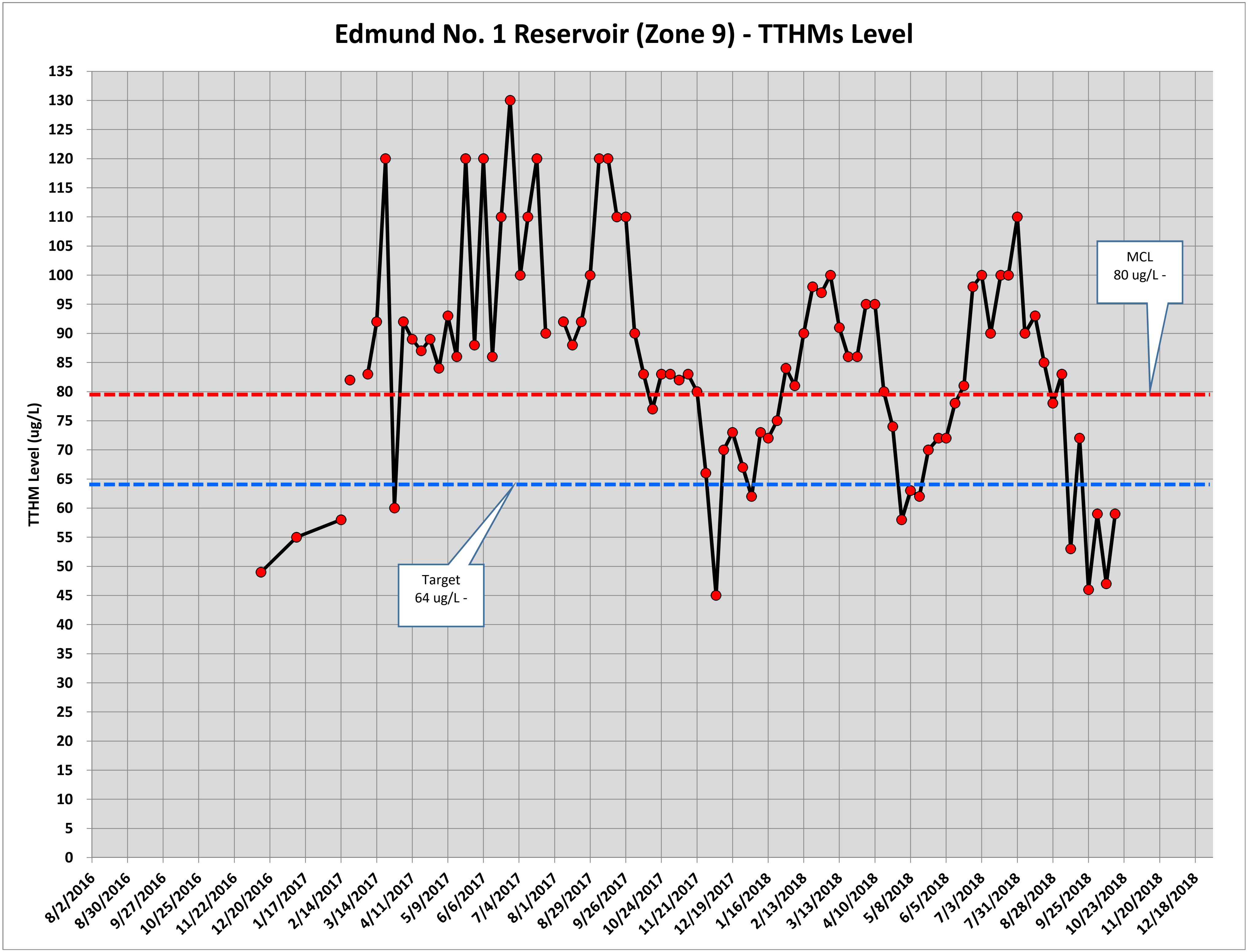

Cresta Heights Reservoir (Zone 8) - TTHMs Levels
TTHM Level (ug/L)
125
120
115
110
105
100
95
90
85
80
75
70
65
60
55
50
45
40
35
30
25
20
15
10
5
0
MCL
80 ug/L -
Target
64 ug/L -
8/2/2016
8/30/2016
9/27/2016
10/25/2016
11/22/2016
12/20/2016
1/17/2017
2/14/2017
3/14/2017
4/11/2017
5/9/2017
6/6/2017
7/4/2017
8/1/2017
8/29/2017
9/26/2017
10/24/2017
11/21/2017
12/19/2017
1/16/2018
2/13/2018
3/13/2018
4/10/2018
5/8/2018
6/5/2018
7/3/2018
7/31/2018
8/28/2018
9/25/2018
10/23/2018
11/20/2018
12/18/2018


Edmund No. 1 Reservoir (Zone 9) - TTHMs Level
TTHM Level (ug/L)
MCL
80 ug/L -
Target
64 ug/L -
0
5
10
15
20
25
30
35
40
45
50
55
60
65
70
75
80
85
90
95
100
105
110
115
120
125
130
135
8/2/2016
8/30/2016
9/27/2016
10/25/2016
11/22/2016
12/20/2016
1/17/2017
2/14/2017
3/14/2017
4/11/2017
5/9/2017
6/6/2017
7/4/2017
8/1/2017
8/29/2017
9/26/2017
10/24/2017
11/21/2017
12/19/2017
1/16/2018
2/13/2018
3/13/2018
4/10/2018
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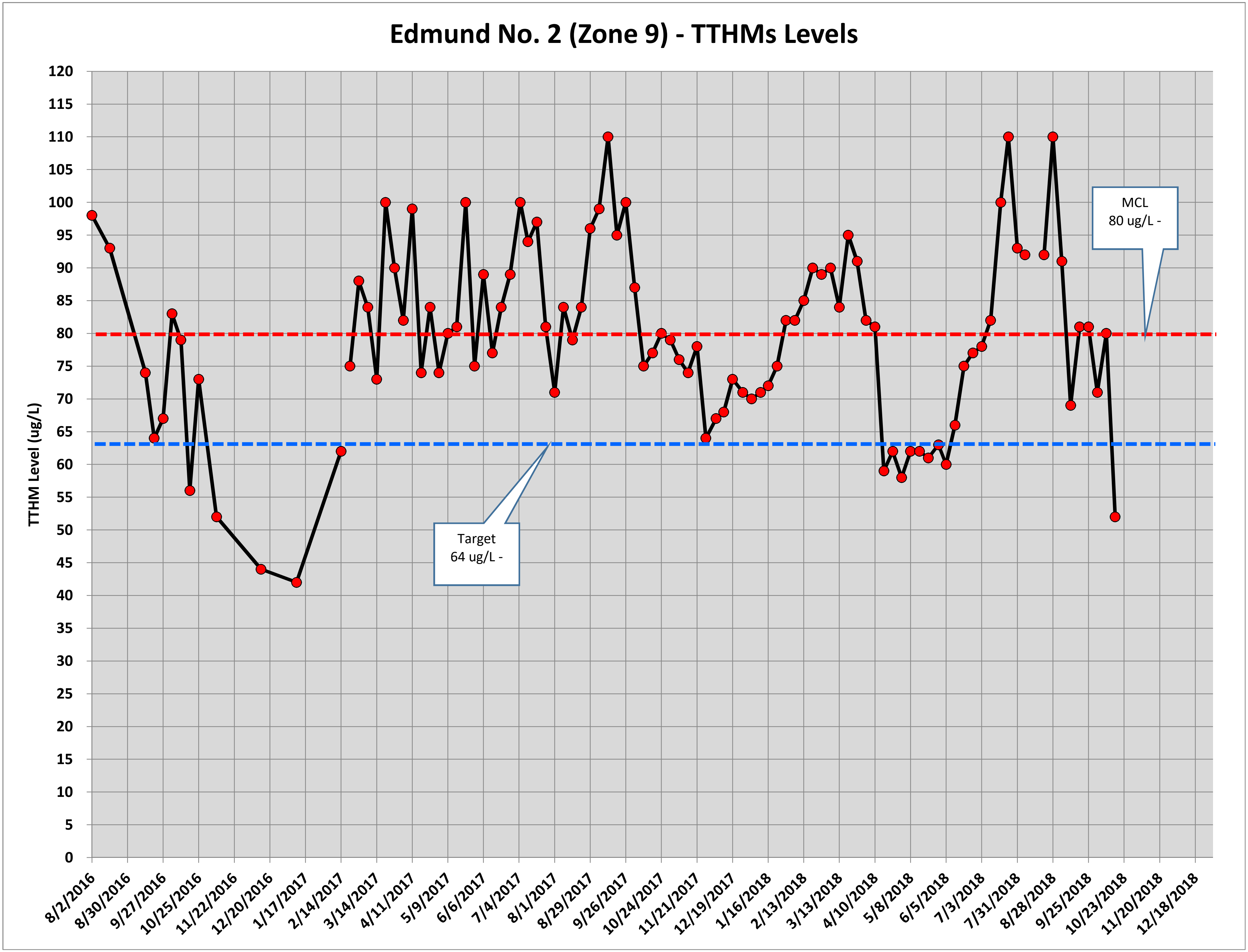
11/20/2018
12/18/2018


Edmund No. 2 (Zone 9) - TTHMs Levels
TTHM Level (ug/L)
MCL
80 ug/L -
Target
64 ug/L -
8/2/2016
8/30/2016
9/27/2016
10/25/2016
11/22/2016
12/20/2016
1/17/2017
2/14/2017
3/14/2017
4/11/2017
5/9/2017
6/6/2017
7/4/2017
8/1/2017
8/29/2017
9/26/2017
10/24/2017
11/21/2017
12/19/2017
1/16/2018
2/13/2018
3/13/2018
4/10/2018
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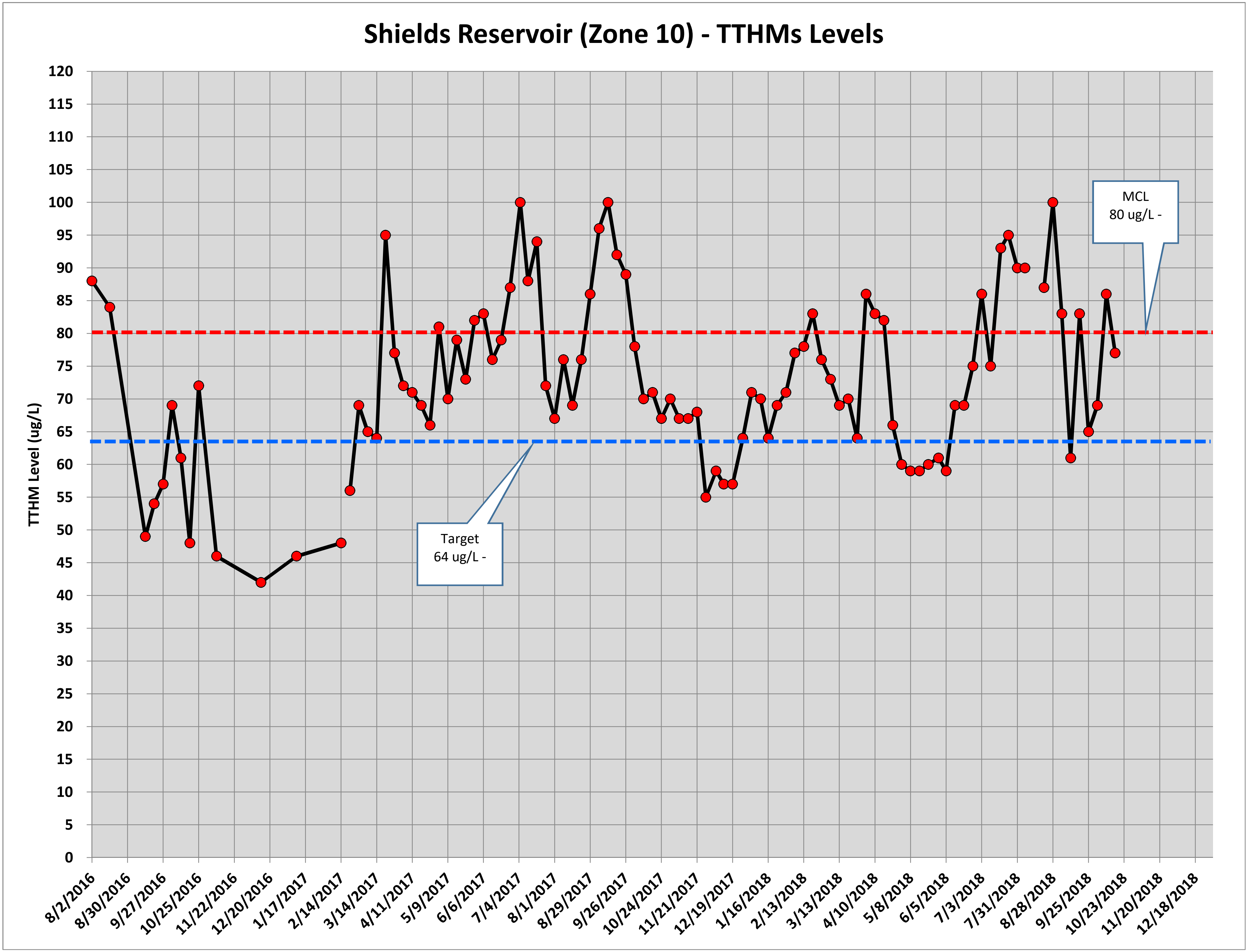

Shields Reservoir (Zone 10) - TTHMs Levels
TTHM Level (ug/L)
MCL
80 ug/L -
Target
64 ug/L -
0
5
10
15
20
25
30
35
40
45
50
55
60
65
70
75
80
85
90
95
100
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115
120
8/2/2016
8/30/2016
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7/4/2017
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8/29/2017
9/26/2017
10/24/2017
11/21/2017
12/19/2017
1/16/2018
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3/13/2018
4/10/2018
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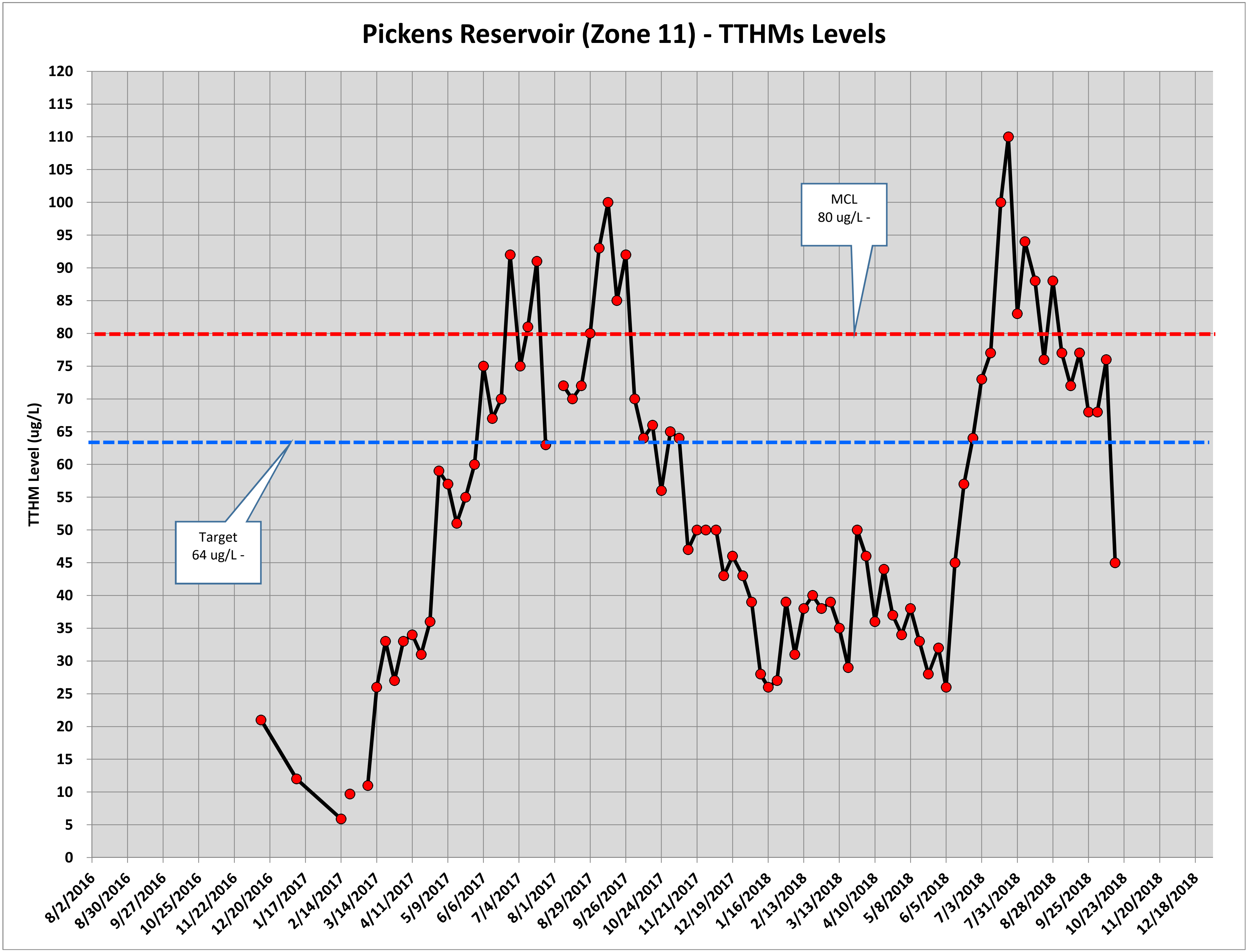
11/20/2018
12/18/2018


Pickens Reservoir (Zone 11) - TTHMs Levels
TTHM Level (ug/L)
MCL
80 ug/L -
Target
64 ug/L -
0
5
10
15
20
25
30
35
40
45
50
55
60
65
70
75
80
85
90
95
100
105
110
115
120
8/2/2016
8/30/2016
9/27/2016
10/25/2016
11/22/2016
12/20/2016
1/17/2017
2/14/2017
3/14/2017
4/11/2017
5/9/2017
6/6/2017
7/4/2017
8/1/2017
8/29/2017
9/26/2017
10/24/2017
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CRESCENTA VALLEY WATER DISTRICT

BOARD OF DIRECTORS - STAFF REPORT

Action Item No. 2
October 23, 2018

To: Honorable President and Members of the Board of Directors

From: Nem Ochoa, P.E. – General Manager

Subject: **Wholesale Water Rate Discussion**

ACTION ITEM:

Review and Discuss Wholesale Water Rates

Review and discuss wholesale water rates, including Foothill Municipal Water District (FMWD) and Metropolitan Water District of Southern California (MWDSC).

BACKGROUND:

Crescenta Valley Water District's (CVWD's) water supply portfolio consists of local groundwater, spring water collected in mountain tunnels, and imported water sourced in Northern California and the Colorado River Basin. Currently, imported water makes up approximately 60% to 70% of CVWD's total water supply. If drought conditions persist in Southern California and groundwater levels continue to decline, CVWD will need to take a larger percentage of imported water to meet its water demands. In light of the cost impacts resulting from increased reliance on imported water and in preparation of the 2019-20 FY budget, this board item is intended to provide a review and discussion of the cost of imported water, specifically rates and related fees and charges.

FMWD, a member agency of MWDSC, was formed in 1952 to meet the future water supply needs of the rapidly growing foothill communities. MWDSC, formed in 1928, manages and wholesales imported water supplies to Southern California. CVWD purchases imported water from FMWD, which procures imported water from MWDSC by way of purchase order.

FMWD provides imported water to its retail agencies, including CVWD, per Resolution No. 881-0618 (Attachment 1), which describes FWMD's rates, fees, and charges required to recover operating costs and maintain level of service.

DISCUSSION:

Per the resolution, FMWD allocates a base firm demand among its retail agencies based on actual fiscal year 2001-02 firm water deliveries, amended to include replenishment sales (revised base firm demands). The amount assigned annually to each retail agency is also called their "base allocation." Table 1 shows the initial base firm demands, revised base firm demands, Tier 1 Limit, and the minimum 10-year commitment for FMWD's retail agencies.

Table 1. Annual Tier 1 Limit

	Initial Base Firm Demands (IBFD)	Revised Base Firm Demands (RBFD) (Includes Replenishment)	Annual Tier 1 Limit (90% of (RBFD)	Ten-Year Minimum Commitment (60% of IBFD)
Crescenta Valley Water District	2,393	2,393	2,154	14,360
La Cañada Irrigation District.	2,879	2,947	2,652	17,273
Las Flores Water Company	776	776	699	4,657
Lincoln Avenue Water Company	1,774	1,814	1,633	10,646
Mesa Crest Water Company	744	744	670	4,465
Rubio Cañon Land & Water Assoc.	1,038	1,038	934	6,227
Valley Water Company	2,614	3,369	3,032	15,683
Total*	12,219	13,081	11,773	73,310

** May not foot due to rounding*

If a retail agency exceeds 90% of its base allocation, that agency will be billed Tier 2 rates, per Section 3-4.003d of the resolution shown below:

Customers shall pay the following rates per acre-foot for firm deliveries from the listed reservoir or main transmission line leading thereto:

Effective January 1, 2018

Tier 1	*$1,015*
Tier 2	*$1,101*

Effective January 1, 2019

Tier 1	*$1,050*
Tier 2	*$1,136*

Per the resolution, other fees and charges that may apply to imported water purchased from FMWD include:

- Capacity Charge
- Readiness-to-serve Charge
- Capital and Rehabilitation Charge
- Administrative and Operating Charge
- Power Costs

Specific examples of how these charges may apply will be provided at the board meeting.

FMWD's rates and charges generally reflect those of MWDSC and provide a pass through for revenue sources required for cost recovery. MWDSC's Cost of Service Report for Proposed Water Rates and Charges is included as Attachment 2.

Per the cost of service report, MWDSC's Tier 2 Rate reflects additional costs associated with purchasing water transfers north of the Delta. The Tier 2 Supply Rate encourages MWDSC's member agencies to develop cost-effective local water supply and conservation.

Per FMWD's resolution, regardless of whether FMWD stays within its Tier 1 allocation with MWDSC, FMWD can still assess Tier 2 rates on its retail agencies to pay for conservation and reliability projects within the FMWD service area.

RECOMMENDATION:

Review and discuss current imported water rates and charges assessed by FMWD and MWDSC.

ENVIRONMENTAL REVIEW:

Not applicable

FUNDING AVAILABILITY:

Not applicable.

Submitted by:

Nem Ochoa, P.E.
General Manager

Attachments:

1. FMWD Resolution No. 881-0618
2. MWDSC Cost of Service Report for Proposed Water Rates and Charges

G:\Management\Board Meeting Staff Reports\2018\10-23-18 Board Memo - FMWD Rate Discussion.docx

RESOLUTION NO. 881-0618

A RESOLUTION OF THE BOARD OF DIRECTORS OF FOOTHILL MUNICIPAL WATER DISTRICT AMENDING RESOLUTION NO. 643-0100 (THE ADMINISTRATIVE CODE) AS IT RELATES TO RATES, FEES AND CHARGES FOR WATER DELIVERIES

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF FOOTHILL MUNICIPAL WATER DISTRICT as follows:

1. Purpose.

This resolution substantially revises Resolution No. 643-0100 as it relates to rates, fees and charges by the District for the delivery of water.

2. Findings.

The board of directors finds:

(a) The rates, fees and charges set forth herein are based on evidence presented to the board at a duly-noticed public hearing.

(b) The rates, fees and charges set forth herein do not exceed the reasonable cost of the service for which the rate, fee or charge has been levied.

(c) The rates, fees and charges set forth herein are reasonable and necessary to maintain service at the current level.

(d) The adoption of this resolution and the levy and collection of the rates, fees and charges set forth herein will have no significant impact on the environment.

3. Amendment.

Chapter 4 of Title 3 of Resolution No. 643-0100 is amended and reenacted to read as follows:

"CHAPTER 4. WATER RATES AND CHARGES

3-4.001 GENERAL

This Chapter sets forth the rates and charges for water delivered by the District.

3-4.002 DEFINITIONS

The following terms are defined for the purposes of this chapter:

Customer means a water district, agency, association, firm or corporation which purchases water from the District.

District means Foothill Municipal Water District.

Firm deliveries mean the direct use of water, other than groundwater, for reasonable and beneficial uses.

Replenishment deliveries mean water delivered for groundwater storage/injection under Metropolitan's Long-Term Storage Program.

Metropolitan means The Metropolitan Water District of Southern California.

Treated water means water treated by filtration and disinfection at a Metropolitan surface water treatment facility and meets drinking water standards.

3-4.003 FIRM DELIVERIES

(a) The amount of firm water the District can deliver for direct use and the price is a function of the terms under which Metropolitan delivers water to the District. Commencing with Metropolitan deliveries occurring after January 1, 2015, the terms are set forth in a Purchase Order attached as Exhibit A.

(b) The District has allocated the base firm demand among customers based on actual fiscal year 2001-02 firm deliveries amended to include replenishment sales (revised base firm demands). The amount assigned annually to each customer by the District is called the customer's "base allocation." The following is the initial base firm demands, revised base firm demands and Tier 1 Limit in acre-feet for the District's agencies for each calendar year. In addition, the Minimum Commitment for the ten-year period is shown below:

	Initial Base Firm Demands (IBFD)	Revised Base Firm Demands (RBFD) (Includes Replenishment)	Annual Tier 1 Limit (90% of (RBFD)	Ten-Year Minimum Commitment (60% of IBFD)
Crescenta Valley Water District	2,393	2,393	2,154	14,360
La Cañada Irrigation District.	2,879	2,947	2,652	17,273
Las Flores Water Company	776	776	699	4,657
Lincoln Avenue Water Company	1,774	1,814	1,633	10,646
Mesa Crest Water Company	744	744	670	4,465
Rubio Cañon Land & Water Assoc.	1,038	1,038	934	6,227
Valley Water Company	2,614	3,369	3,032	15,683
Total*	12,219	13,081	11,773	73,310

**** May not foot due to rounding***

Each customer's base allocation may change if the District's initial base firm demand is changed, but the sum of the base allocations of all customers shall continue to be the same as the base firm demand assigned by Metropolitan to the District.

(c) If the District's base firm demand is changed, a customer's base allocation will change in proportion to the amount the customer contributed to the change in comparison to the total increase in the District's base firm demand. However, a customer's initial base allocation will not decrease because of increases to other agency allocations.

(d) Customers shall pay the following rates per acre-foot for firm deliveries from the listed reservoir or main transmission line leading thereto:

	Effective January 1, 2018
Tier 1	$1,015
Tier 2	$1,101

	Effective January 1, 2019
Tier 1	$1,050
Tier 2	$1,136

(e) In the month that any agency exceeds 90% of its base firm demand, that agency will be billed Tier 2 rates through its water billing system. Any surplus Tier 2 revenue collected by the District through Tier 2 charges when the District does not go into Tier 2 allocation will be used for conservation and reliability projects within the District. Average Tier 2 supply rates from MWD will be tracked to ensure that there are enough funds in the Water Resources and Conservation Fund to cover any additional payments to Metropolitan at the end of the ten-year period. Any credit from Metropolitan will go into the

Water Resources and Conservation Fund.

(f) A tracking system will be developed showing how much has been purchased and planned future purchases so that agencies may purchase water and put into storage if the minimum commitment cannot be made. If at the end of the ten-year period, the District has not purchased its minimum commitment, any charge that is assessed by Metropolitan for that obligation will be passed through proportionately to those agencies that did not purchase their minimum commitment."

3-4.004 REPLENISHMENT CHARGE

(a) The District may obtain Metropolitan water for indirect uses such as groundwater storage/injection.

(b) Customers shall pay the following rates for water delivered for Long Term Storage:

(1) Effective January 1, 2013, customers shall pay the Tier 1 or Tier 2 rate per acre-foot for replenishment deliveries, as described in section 3-4.002.

(c) Long Term Storage deliveries shall be available at Metropolitan's and the District's discretion, and may be interrupted at any time by Metropolitan or the District. District agencies shall comply with Metropolitan's adopted terms and conditions for Long Term Storage.

3-4.005 CAPACITY CHARGE

(a) Each customer shall pay a charge based on the capacity of the District's system and the capacity of the system of Metropolitan needed to serve water to the customer.

(1) After January 1, 2018, each customer shall pay $8,364 per CFS of flow used for setting the peak rate. The capacity charge for each customer shall be paid monthly commencing January 1, 2018, as follows:

	Flows	Monthly Amount
Crescenta Valley Water District	5.4	$ 3,764
La Canada Irrigation District	5.8	$ 4,042
Las Flores Water Company	0.5	$ 348
Lincoln Avenue Water Company	1.7	$ 1,185
MCWC	1.3	$ 906
RCLWA	-	$ -
VWC	6.0	$ 4,182

(2) After January 1, 2019, each customer shall pay $8,955 per CFS of flow used for setting the peak rate. The capacity charge for each customer shall be paid monthly commencing January 1, 2019 as follows:

	Flows	Monthly Amount
Crescenta Valley Water District	4.0	$ 3,010
La Canada Irrigation District	4.6	$ 3,451
Las Flores Water Company	1.4	$ 1,045
Lincoln Avenue Water Company	3.0	$ 2,239
MCWC	0.8	$ 581
RCLWA	-	$ -
VWC	4.0	$ 3,004

(b) If the capacity charge is revised by Metropolitan the revised capacity charge will reallocated to each customer based on the capacity of the District's system and the capacity of Metropolitan's system needed to serve water to the customer on the effective date of the revision. The District will allocate the revised capacity charge to customers in proportion to their share in the revised peak twenty-four hour demand.

(c) Demands measured for the purposes of billing the capacity charge include all firm demand deliveries. Replenishment service is not included in the measurement of peak day demand for purposes of billing the capacity charge.

(d) The capacity charge shall be paid regardless of the quantity of water delivered. The capacity charge shall be in addition to and shown separate from other charges invoiced by the District.

3-4.006 READINESS-TO-SERVE (RTS) CHARGES

(a) Metropolitan has adopted Readiness-to-Serve (RTS) charges applicable to the District, based upon historic average annual water deliveries as calculated and defined by Metropolitan. A portion of the District RTS charge obligation will be met through a parcel charge imposed by Metropolitan within the District service area. However, the parcel charge is inadequate to cover the District's entire RTS charge. The District will collect the remainder of the RTS charge from customers, using the same methodology as Metropolitan.

(b)

(1) Commencing January 1, 2018, each customer shall pay the following monthly RTS charge to the District:

Crescenta Valley Water District	$ 8,206
La Cañada Irrigation District	$ 10,962
Las Flores Water Company	$ 2,303
Lincoln Avenue Water Company	$ 3,451
Mesa Crest Water Company	$ 2,872
Rubio Cañon Land & Water Assoc.	$ 1,351
Valley Water Company	$ 11,561

(2) Commencing January 1, 2019, each customer shall pay the following monthly RTS charge to the District:

Crescenta Valley Water District	$ 7,931
La Cañada Irrigation District	$ 10,480
Las Flores Water Company	$ 2,142
Lincoln Avenue Water Company	$ 3,309
Mesa Crest Water Company	$ 2,750
Rubio Cañon Land & Water Assoc.	$ 908
Valley Water Company	$ 11,041

(c) The monthly RTS charge shall be paid regardless of the quantity of water delivered during the month. The monthly RTS amount due shall be in addition to and shown separate from other charges invoiced by the District.

3-4.007 CAPITAL AND REHABILITATION CHARGE

(a) Each customer shall pay for a share of the District's capital and rehabilitation costs necessary to serve each customer.

(b) Commencing January 1, 2018, the monthly capital and rehabilitation fee for each customer is as follows:

Crescenta Valley Water District	$ 17,055.42
Kinneloa Irrigation District	$ 0.0
La Cañada Irrigation District	$ 17,039.42
Las Flores Water Company	$ 2,032.64
Lincoln Avenue Water Company	$ 6,922.83
Mesa Crest Water Company	$ 3,122.92
Rubio Cañon Land & Water Assoc.	$ 4,414.75
Valley Water Company	$ 7,362.40

(c) Commencing January 1, 2019, the monthly capital and rehabilitation fee for each customer is as follows:

Crescenta Valley Water District	$ 17,055.42
Kinneloa Irrigation District	$ 0.0
La Cañada Irrigation District	$ 17,039.42
Las Flores Water Company	$ 2,032.64
Lincoln Avenue Water Company	$ 6,922.83
Mesa Crest Water Company	$ 3,122.92
Rubio Cañon Land & Water Assoc.	$ 4,414.75
Valley Water Company	$ 7,362.40

3-4.008 ADMINISTRATIVE AND OPERATING CHARGES

(a) Each customer shall pay for a share of the District's administrative and operating costs attributable to the provision of water service to that customer. The customer's share is based on the ten-year average of sales, including wheeled water, groundwater transfers and surface water transfers during each fiscal year commencing July 1, 1998.

(b) The District shall bill each customer for administrative and operating costs based on the approved budget for the fiscal year commencing July 1, 2009. For each subsequent fiscal year, the billing shall commence on January 1st for the fiscal year commencing on the preceding July 1st.

(d) Commencing January 1, 2018, the monthly administrative and operating charge for each customer is as follows:

Crescenta Valley Water District	$ 39,183.38
Kinneloa Irrigation District	$ 708.72
La Cañada Irrigation District	$ 48,593.41
Las Flores Water Company	$ 11,360.03
Lincoln Avenue Water Company	$ 28,043.27
Mesa Crest Water Company	$ 12,536.15
Rubio Cañon Land & Water Assoc.	$ 15,988.45
Valley Water Company	$ 55,258.86

(c) Commencing January 1, 2019, the monthly administrative and operating charge for each customer is as follows:

Crescenta Valley Water District	$ 41,539.08
Kinneloa Irrigation District	$ 795.83
La Cañada Irrigation District	$ 51,514.83
Las Flores Water Company	$ 12,043.00
Lincoln Avenue Water Company	$ 29,729.25
Mesa Crest Water Company	$ 13,289.83
Rubio Cañon Land & Water Assoc.	$ 16,949.67
Valley Water Company	$ 58,581.00

3-4.009 POWER COSTS

Commencing January 1, 2010, each customer will be charged power costs based on the proportionate amount of energy used for delivering water to that customer compared to other customers, times the amount of the energy bill for that month or portion of month. Bills will be tendered in arrears. If an agency causes an increase in the peaking charge by a power provider, that agency will be assessed increased charges.

3-4.010 OTHER CHARGES

(a) A retail agency shall reimburse the District for the District's stranded costs as determined by the Board of Directors if the retail agency imports water from a source other than the District.

(b) Water, in excess of regular deliveries, transported or "wheeled" through the District distribution system for the benefit of a District distributing agency or agencies shall be assessed an administration charge of $5.00 per acre-foot, plus an amount to reflect any costs to the District arising from the transporting or wheeling of water. Such water shall meet State Water Resources Control Board's Division of Drinking Water standards and approval before being introduced into Foothill's distribution system.

4. Other.

Except as provided herein, Resolution No. 643-0100 is reaffirmed and readopted.

PASSED, APPROVED AND ADOPTED on June 18, 2018.

Roll Call: Ayes: Noes:

____
President

ATTEST:

____
Secretary

(Seal)

Metropolitan Water District of Southern California

FISCAL YEARS 2018/19 and 2019/20 COST OF SERVICE REPORT FOR PROPOSED WATER RATES AND CHARGES

February 2018

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RATE STRUCTURE

Framework

The Rate Structure Framework evolved through a comprehensive strategic planning process initiated in 1998. As depicted in the following figure, the first step of the process was to identify the "Major Requirements of Metropolitan's Mission," which was reflected in the Strategic Plan Policy Principles. The Statement of Common Interests formed the basis of Metropolitan's strategic plan to address these mission requirements. One of the most important common interests was "Cost Allocation and Rate Structure." In determining the most appropriate Cost of Service (COS) and rate structure, a set of pricing objectives, or guiding rate principles, was developed. These guiding rate principles defined Metropolitan's Rate Structure Framework by which various COS and rate-setting methodologies could be evaluated.

Development of the Rate Structure Framework

Major Requirements of Metropolitan's Mission

- Flexibility
- Certainty
- Public Stewardship

Statement of Common Interest

- Regional Provider
- Financial Integrity
- Local Resource Development
- Imported Water Services
- Choice and Competition
- Responsibility for Water Quality
- Cost Allocation and Rate Structure

Rate Structure Framework

- Fair
- Based on the stability of MWD's revenue and coverage of its costs
- Provide certainty and predictability
- Not place any class of customers at significant economic disadvantage
- Reasonably simple and easy to understand
- Any dry-year allocation should be based on need

The strategic planning process which established the foundation of the Rate Structure Framework is discussed below.

Major Requirements of Metropolitan's Mission

As one of the first steps in the strategic planning process in 1998, the Board developed a list of three mission requirements in its Metropolitan vision statement – flexibility, certainty, and public stewardship:

- **Flexibility.** Metropolitan is aware of the legislative and economic pressures which make flexibility in providing water services for a changing demand and in a competitive water market paramount. Fair compensation for wheeling through Metropolitan's conveyance systems is an essential element of Southern California's developing market.

- **Certainty.** The certainty that Metropolitan's water supply is reliable and that the COS is appropriate is of utmost importance to member agencies and their retailers who are endeavoring to provide not only water, but value to the residents in their service area.
- **Public Stewardship.** As public stewards of much of Southern California's water supply, Metropolitan and its member agencies are responsible for making certain that the water is provided in a cost-effective and environmentally sound manner.

Statement of Common Interests

From the strategic planning mission requirements, the Board developed a list of seven areas of common interest that formed the major focus elements of the Metropolitan strategic plan:

- **Regional provider.** This area includes the concerns of protecting regional infrastructure and providing service during drought periods. Regional water must be provided to meet the needs of the member agencies, and water supplies must be equitably allocated during drought periods based on the Water Surplus and Drought Management Plan principles.
- **Financial integrity.** It is a common interest of the members for Metropolitan to assure the financial integrity of the agency in all aspects of its operations.
- **Local resource development.** Metropolitan supports local resources development by working in partnership with its member agencies and by providing member agencies with financial incentives for water conservation and for local projects.
- **Imported water service.** Metropolitan is responsible for providing imported water to meet the committed needs of its member agencies.
- **Choice and competition.** After Metropolitan provides imported water for the member agencies' committed demands, a member agency can choose the most cost-effective additional water supplies for its customers. These choices include either Metropolitan, local resource development, market transfers, or some combination of these secondary options. Metropolitan and its member agencies can decide how to provide these additional supplies collaboratively while balancing local, imported, and market opportunities with affordability.
- **Responsibility for water quality.** Metropolitan must advocate source water quality and implement in-basin water quality for the imported water it supplies. This is necessary to guarantee compliance with primary drinking water standards and to meet the water quality requirements for water recycling and ground water replenishment.
- **Cost allocation and rate structure.** The framework for a revised rate structure will be established to address allocation of costs, financial commitment, unbundling of services, and fair compensation for services including wheeling, peaking, growth, and others.

Rate Structure Framework

A major element of common interest was *"Cost Allocation and Rate Structure."* In addressing this element a set of pricing objectives, or guiding rate principles, had to be developed to evaluate alternative COS and rate setting approaches, or methodologies. As a result, the Board adopted a set of rate principles which was defined as the *Rate Structure Framework.* The Rate Structure Framework provided the principles for the Strategic Planning Steering Committee to develop a preferred rate structure. The Rate Structure Framework includes the following principles:

- The rate structure should be *fair;*
- It should be based on the *stability* of Metropolitan's revenue and coverage of its costs;
- It should provide certainty and predictability;

- It should not place any class of customers at *significant economic disadvantage*;
- It should be reasonably *simple and easy to understand*; and
- Any dry-year allocation should be *based on need*.

The 2001 COS and rate structure was adopted by the Board to address the Rate Structure Framework.

Rate Structure Design

The elements of the rate structure, and the rates and charges for calendar year 2018 are summarized in Table 9 below:

Table 9: Rate Elements, Calendar Year 2018

Rate Design Elements	Functional Costs Recovered	Type of Charge	Rate or charge effective January 1, 2018
Tier 1 Supply Rate	Supply	Volumetric ($/af)	$209
Tier 2 Supply Rate	Supply	Volumetric ($/af)	$295
System Access Rate	Conveyance/Distribution (Average Capacity)	Volumetric ($/af)	$299
Water Stewardship Rate	Demand Management	Volumetric ($/af)	$55
System Power Rate	Power	Volumetric ($/af)	$132
Treatment Surcharge	Treatment	Volumetric ($/af)	$320
Capacity Charge	Peak Distribution Capacity	Fixed ($/cfs)	$8,700
Readiness-to-Serve Charge	Conv./Distr./Emergency Storage (Standby Capacity)	Fixed ($M)	$140

Supply Rates

Purpose

The rate structure recovers supply costs through a two-tiered price structure. The amount of water a member agency may purchase at a lower Tier 1 Supply Rate, water sales within a member agency's Tier 1 maximum, is established by either a purchase order agreement or calculated as 60% of its Revised Base Firm Demand.

Tier 1 Supply Rate

The Tier 1 Supply Rate is a volumetric rate charged on Metropolitan's water sales that are within a member agency's Tier 1 maximum. The Tier 1 Supply Rate Supports a regional approach through the uniform, postage stamp rate. The Tier 1 Supply Rate is calculated as the amount of the total supply revenue requirement that is not recovered by the Tier 2 supply Rate divided by the estimated amount of Tier 1 water sales.

Tier 2 Supply Rate

The Tier 2 Supply Rate is a volumetric rate that reflects Metropolitan's cost of purchasing water transfers north of the Delta. The Tier 2 Supply Rate is charged on Metropolitan water sales that exceed a member agency's Tier 1 maximum. The Tier 2 Supply Rate encourages the member agencies and their customers to maintain existing local supplies and develop cost-effective local supply resources and conservation.

Implementation

Because the Tier 1 maximum is set at a total member agency level and not at a meter level, all system water delivered will be billed at the Tier 1 Supply Rate. Any water delivered that exceeds the Tier 1 maximum will be billed an additional amount equivalent to the difference between the Tier 2 and Tier 1 Supply Rates.

For member agencies without purchase orders and member agencies with purchase orders that accrue a cumulative Tier 2 obligation at the end of year five of the purchase order, the Tier 2 Supply Rate will be applied in the month where the Tier 1 maximum is surpassed on all applicable deliveries. Otherwise, any obligation to pay the Tier 2 Supply Rate will be calculated over the ten-year period, consistent with the calculation of any purchase order commitment obligation.

System Access Rate (SAR)

Purpose

The SAR recovers the cost of the Conveyance and Distribution System that is used on an average annual basis through a uniform, volumetric rate. All users (member agencies and third–party wheelers) pay the SAR for access to conveyance and distribution capacity in the Metropolitan system.

Implementation

The SAR is charged for each acre-foot of water transported by Metropolitan, regardless of the ownership of the water being transported. All users (member agencies and third-party wheelers) using the Metropolitan system to transport water pay the same SAR for the use of the system conveyance and distribution capacity used to meet average annual demands.

Water Stewardship Rate (WSR)

Purpose

The WSR provides a dedicated source of funding for conservation and local resources development through a uniform, volumetric rate. The WSR supports past and future conservation and local resources projects. Because of the uniform benefits conferred on all system users by investments in conservation and local resources, all users of Metropolitan's conveyance and distribution system pay the WSR.

Implementation

The WSR is charged to each acre-foot of water delivered by Metropolitan, regardless of the water being transported. All users (member agencies and third-party wheelers) benefit from avoided system infrastructure costs through conservation and local resources development, and from the system capacity made available by investments in Demand Management Programs like Metropolitan's Conservation Credits Program and Local Resources Program. Therefore, all users pay the WSR.

System Power Rate (SPR)

Purpose

The SPR recovers the costs of energy required to pump water to Southern California through the SWP and CRA. The cost of power is recovered through a uniform, volumetric rate.

Implementation

The SPR is applied to all deliveries of Metropolitan water to member agencies. Wheeling parties pay for actual cost (not system average) of power needed to move the water. Member agencies engaging in wheeling transactions of up to one year pay the wheeling rate (consisting of the actual cost of power, SAR, WSR, and an administrative fee). Other wheeling transactions are pursuant to individual contracts. For example, a party wheeling water through the California Aqueduct would pay the variable power cost associated with using the SWP transportation facilities.

Treatment Surcharge

Purpose

The Treatment Surcharge recovers all of the costs of providing treatment capacity and operations through a uniform, volumetric rate per acre-foot of treated water transactions.

Implementation

The Treatment Surcharge is charged to all treated water transactions.

Capacity Charge

Purpose

The Capacity Charge recovers the costs incurred to provide peak capacity within the Distribution System. The Capacity Charge provides a price signal to encourage agencies to reduce peak demands on the Distribution System and to shift demands that occur during the May 1 through September 30 period into the October 1 through April 30 period, resulting in more efficient utilization of Metropolitan's existing infrastructure and deferring capacity expansion costs.

Implementation

Each member agency will pay the Capacity Charge per cubic feet per second (cfs) based on a three-year trailing peak (maximum) day demand, measured in cfs. Each member agency's peak day is likely to occur on different days; therefore this measure approximates peak week demands on Metropolitan.

Readiness-To-Serve Charge (RTS)

Purpose

The RTS recovers the cost of the portion of system that is available to provide emergency service and available capacity during outages and hydrologic variability.

Implementation

The RTS is a fixed charge that is allocated among the member agencies based on a ten-fiscal-year rolling average of firm demands. Water transfers and exchanges are included for purposes of calculating the ten-year rolling average[4]. The Standby Charge will continue to be collected at the request of the member agency and applied as a direct offset to the member agency's RTS obligation.

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[4] The SDCWA Exchange Water amounts are excluded from the calculation of the ten-year rolling average per the terms of the Amended and Restated Agreement Between the Metropolitan Water District of Southern California and the San Diego County Water Authority for the Exchange of Water.

Purchase Order Option

Purpose

The current rate structure allows member agencies to choose to purchase water from Metropolitan by means of a Purchase Order. Purchase Orders are voluntary agreements that determine the amount of water that a member agency can purchase at the Tier 1 Supply Rate. They allow member agencies to purchase a greater amount of water at the lower Tier 1 Supply Rate than would otherwise be authorized by the Administrative Code. In exchange for the higher Tier 1 Maximum, the member agency commits to purchase a specific amount of water (based on past purchase levels) over the term of the agreement. Such agreements allow member agencies to manage costs and provide Metropolitan with a measure of secure revenue.

In November 2014, the Metropolitan Board approved new Purchase Orders effective January 1, 2015 through December 31, 2024 (the "Purchase Order Term"). Twenty-one of the twenty-six member agencies have Purchase Orders, which commit the member agencies to purchase a minimum amount of supply from Metropolitan (the "Purchase Order Commitment").

The key terms of the Purchase Orders include:

- A ten-year term, effective January 1, 2015 through December 31, 2024;
- A higher Tier 1 limit based on the Base Period Demand, determined by the member agency's choice between (1) the Revised Base Firm Demand, which is the highest fiscal year purchases during the 13-year period of fiscal year 1990 through fiscal year 2002, or (2) the highest year purchases in the most recent 12-year period of fiscal year 2003 through 2014. The demand base is unique for each member agency, reflecting the use of Metropolitan's system water over time;
- An overall purchase commitment by the member agency based on the Demand Base period chosen, times ten to reflect the ten-year Purchase Order term. Those agencies choosing the more recent 12-year period may have a higher Tier 1 Maximum and commitment. The commitment is also unique for each member agency.
- The opportunity to reset the Base Period Demand using a five-year rolling average;
- Any obligation to pay the Tier 2 Supply Rate will be calculated over the ten-year period, consistent with the calculation of any Purchase Order commitment obligation; and
- An appeals process for agencies with unmet purchase commitments that will allow each acre-foot of unmet commitment to be reduced by the amount of production from a local resource project that commences operation on or after January 1, 2014.

Member agencies that do not have Purchase Orders in effect are subject to Tier 2 Supply Rates for amounts exceeding 60 percent of their base amount (equal to the member agency's highest fiscal year demand between 1989-90 and 2001-02) annually.

Implementation

Purchase Order Commitments are unique for each member agency. The commitment is calculated based on the demand base chosen (the "Base Period Demand") and multiplied by ten to reflect the ten-year Purchase Order Term. If a member agency opted to use the Revised Base Firm Demand, which is the highest fiscal year purchases during the original 13-year period of fiscal year 1990 through fiscal year 2002 for their Purchase Order, their Commitment is 60% of the 2003 Initial Base Firm Demand, the same as the previous Amended and Restated Purchase Order agreement, multiplied by ten. If a member agency opted to use the more recent 12-year period of fiscal year 2003 through fiscal year 2014 for their Purchase Order, their Commitment is 60% of the highest year in the period of fiscal year 2003 through fiscal year 2014, multiplied by ten. The Purchase Order Commitment is fixed for the Purchase Order Term.

At the end of the Purchase Order Term, if the member agency has not purchased enough firm supply to meet its Purchase Order Commitment, it will be billed for the remaining balance of the Purchase Order Commitment at the average of the Tier 1 Supply Rate in effect during the Term. This payment may be prorated with interest evenly over the next 12 invoices.

If a member agency fulfills its Purchase Order Commitment prior to the end of the Purchase Order Term, then the member agency has met its obligation under the Purchase Order. The member agency may continue to purchase up to 90 percent of its cumulative Base Period Demand over the Term at the Tier 1 Supply Rate for the duration of the Purchase Order Term.

Firm water purchases made under the terms of the Purchase Order agreements are subject to reduction in accordance with the shortage allocation provisions of the Water Surplus and Drought Management Plan (WSDM Plan) implemented through the Water Supply Allocation Plan (WSAP). In the event that Metropolitan's Board or General Manager determines to reduce, interrupt or suspend deliveries of water, any outstanding balance of the Purchase Order Commitment at the end of the Term will be reduced by the "Purchase Order Commitment—Annual Average" for each and every fiscal or calendar year that a reduction, interruption or suspension occurred.

The following water transactions will be counted toward the Purchase Order Commitment:

- Tier 1 Supply Rate
- Tier 2 Supply Rate
- Conjunctive Use sales
- Cyclic sales.

The current bundled full service costs are shown in Table 10.

Table 10: Bundled Full Service Costs[5]

Rate Type	Type of Charge	Rate or charge effective January 1, 2018
Tier 1 Full Service Untreated Cost	Volumetric ($/af)	$695
Tier 2 Full Service Untreated Cost	Volumetric ($/af)	$781
Tier 1 Full Service Treated Cost	Volumetric ($/af)	$1,015
Tier 2 Full Service Treated Cost	Volumetric ($/af)	$1,101

The Tier 1 Full Service Untreated Cost consists of the following rate elements: The Tier 1 Supply Rate, the System Access Rate, the System Power Rate, and the Water Stewardship Rate.

The Tier 2 Full Service Untreated Cost consists of the following rate elements: The Tier 2 Supply Rate, the System Access Rate, the System Power Rate, and the Water Stewardship Rate.

The Tier 1 Full Service Treated Cost consists of the following rate elements: The Tier 1 Supply Rate, the System Access Rate, the System Power Rate, the Water Stewardship Rate, and the Treatment Surcharge.

The Tier 2 Full Service Treated Cost consists of the following rate elements: The Tier 2 Supply Rate, the System Access Rate, the System Power Rate, the Water Stewardship Rate, and the Treatment Surcharge.

[5] Nineteen of Metropolitan's member agencies have invoices prepared using bundled rates; seven of Metropolitan's member agencies have invoices prepared using the unbundled rate elements.

Community Preparedness Forum
Tuesday - October 30, 2018
6:30 pm - 8:30 pm

Information
818-957-0387

La Crescenta Library
2809 Foothill Blvd.
Upstairs Community Room

- **The Crescenta Valley Fire Safe Council and the Crescenta Valley Town Council invite you to learn what you will need to do in the event of a major disaster.**
- **Community resource agencies may not be able to address the needs of individual community residents during a major event. Community residents are expected to know what to do and prepare in advance to address their own needs and those of their neighbors. Are you ready? Find out what you need to do and what you can do to adequately prepare NOW!**
- **This forum is free to attend. Bring your questions. Prepare before the threat!**

www.cvfiresafecouncil.org

CRESCENTA VALLEY WATER DISTRICT

General Manager Report

GM Report
October 28, 2018

To: Honorable President and Members of the Board of Directors

From: Nem Ochoa, General Manager

Subject: **General Manager Report**

General Managers Report Topics:

- GM Activities

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

- Legislative Update on SB 998 – Discontinuation of Water Service
- Board of Directors Stipend Report
- Crescenta Valley Fire Safe Council Forum

STAFFING

2 employees have work anniversaries in October. Jaysen Ortega – 5 years, Jim Halaszynski – 21 years

As of October 19th the District has gone 1,592 Days without a lost time accident.

GENERAL MANAGER ACTIVITIES

Meetings:

FMWD Manager’s Meeting	- October 10th
MWD and FMWD LRP meeting	- October 15th
Leadership Training	- October 17th
CV Council Meeting	- October 18th
Finance Committee meeting	- October 19th
Southern California Edison meeting	- October 19th

Submitted by:

Nem Ochoa
General Manager

CRESCENTA VALLEY WATER DISTRICT

BOARD OF DIRECTORS - STAFF REPORT

To: Honorable President and Members of the Board of Directors October 23, 2018

From: Christy Joana Scott

Subject: **SB-998, Discontinuation of Water Service**

BACKGROUND:

SB 998, signed by Governor Brown, is a new law that applies to all urban and community water systems, public or private, that provide water to more than 200 service connections. For water systems regulated by the Public Utilities Commission, or those supplying water to more than 3,000 customers annually, the new requirements will go into effect on Feb. 1, 2020.

DISCUSSION:

This law prohibits an urban and community water system from discontinuing residential service for nonpayment until a payment by a customer has been delinquent for at least 60 days.
Water systems must adopt written discontinuation policies that are available in English, Spanish, Chinese, Tagalog, Vietnamese, Korean and any other language spoken by 10 percent or more people within the system's service area. The policies must contain certain information, and be posted on the water system's website

Water systems will need to contact the customer named on the account and provide the customer with the policy on discontinuation of residential service for nonpayment no less than 7 business days before discontinuation of residential service.

Water systems may not discontinue residential water service if all of the following take place:

1) A primary care provider certifies that the discontinuation of water service will pose a serious or potentially fatal threat to a resident,
2) The customer demonstrates inability to pay and
3) The customer is willing to enter into an alternative payment arrangement.

Water systems must attempt to provide notice to renters and mobile home residents that their service may be discontinued due to delinquent payments by their landlords, and that the residents have the right to become customers of the water system without paying the past-due amounts on the landlords' accounts.

Water systems must annually post on their websites the number of times the system has discontinued service due to inability to pay.

SUMMARY:

Staff will be review the complete text of SB 998 and prepare an update to the District's current policies which will be submitted to the Policy Committee after the first of the year.

Prepared by:

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Crescenta Valley Water District
Director Stipend/Expense Reimbursements
October 2018

Name	Meeting Date	Meeting/ Event	Items Discussed	Meeting Compensation	Expense Reimbursement
Director Bodnar	10/09/18	Board meeting		$ 90.00	
	10/19/18	Finance Committee	Q1 budget v. actual; 2-year budgets	$ 90.00	
	10/23/18	Board meeting		$ 90.00	
Director Claessens	10/04/18	Emergency Planning Com	Emerg. Ops handbook; Coordination with local agencies, etc.	$ 90.00	
	10/08/18	Training class @ Plant	SEMS/NIMS/ICS training class	$ 90.00	
	10/09/18	Board meeting		$ 90.00	
	10/23/18	Board meeting		$ 90.00	
Director Erickson	10/09/18	Board meeting		$ 90.00	
	10/23/18	Board meeting		$ 90.00	
Director Putnam	10/09/18	Board meeting		$ 90.00	
	10/19/18	Finance Committee	Q1 budget v. actual; 2-year budgets	$ 90.00	
	10/23/18	Board meeting		$ 90.00	
Director Tejeda	10/04/18	Emergency Planning Com	Emerg. Ops handbook; Coordination with local agencies, etc.	$ 90.00	
	10/08/18	Training class @ Plant	SEMS/NIMS/ICS training class	$ 90.00	
	10/09/18	Board meeting		$ 90.00	
	10/11/18	Utility Day 2018	GWP Utility Day 2018	$ 90.00	
	10/23/18	Board meeting		$ 90.00	