

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 Tuesday February 11, 2020 at 7:00 p.m.**

Posted: February 7, 2020 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-minute (3) 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 Special Board Meeting on January 24, 2020.
2. Consideration and approval of the Minutes of the Regular Adjourned Board Meeting on January 28, 2020.

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-minute (2) comment.

1. **Notice to Proceed for Financial Advisory Services** – Consideration and motion for the General Manager to provide John Phan of Urban Futures, Inc. a notice to proceed to perform due diligence and assemble a financing team for potential bond financing services.
2. **Resolution No. 757 - Water Reserve Funding Policy** - Consideration and motion to adopt Resolution No. 757 amending Article 21 of the District's Rules and Regulations pertaining to the District's Water Reserve Funding Policy.
3. **Outreach Plan for the Long-Term Infrastructure Reliability and Funding Roadmap** – Discussion regarding the outreach plan to increase customer engagement, understanding, and trust with respect to the District's Long-Term Infrastructure Reliability and Funding Roadmap.

4. **Final Paving on the 4600–4900 Blocks of Pennsylvania Ave, Project E-1009B** - Consideration and motion to authorize the General Manager to award a contract to the lowest responsible bidder, All American Asphalt, for final grind and AC pavement replacement between the 4600 to 4900 Blocks of Pennsylvania Ave at a cost of \$82,620 and establish a contingency amount of \$8,262 (10% of contract) to cover the cost of unforeseen or additional work.

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

Closed Session

CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to paragraph (2) or (3) of subdivision (d) of Section 54956.9: One case:

Dispute with C&T Electrical and Communications and California Building Evaluation and Construction regarding underpayment of wages and assessment of penalties.

Adjournment

CRESCENTA VALLEY WATER DISTRICT

BOARD WORKSHOP

January 24, 2020

A Workshop was held regarding the infrastructure and financial outlook of the District on January 24, 2020 at 11:00 a.m. at the La Crescenta Public Library Community Room located at 2809 Foothill Blvd., La Crescenta, California, with President Kerry D. Erickson presiding.

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

Directors:

**Kerry D. Erickson
James D. Bodnar
Kenneth R. Putnam
Judy L. Tejada
Sharon S. Raghavachary**

Attorney:

Tom Bunn

General Manager:

Nem Ochoa

Director of Finance & Administration James Lee

Director of Engineering

David S. Gould

Others Present:

**Mark Hass, Information Technology Manager
Christy Scott, Regulatory & Public Affairs Manager
Wendy Holloway, Customer Service Manager
Dennis Maxwell, Director of Operations
Arturo Montes, Finance & Administration Manager
Brook Yared, Senior Engineer
Pam Leddy, Administrative Assistant
Frank Colcord, Community Advisory Committee
Jonas Williams, Community Advisory Committee
Tiffany Maxwell, Customer**

PLEDGE OF ALLEGIANCE

President Erickson opened the meeting by leading the Board and staff in reciting the Pledge of Allegiance.

ADOPTION OF AGENDA

It was moved by Director Bodnar, seconded by Director Raghavachary and carried by a 5-0 vote that the Agenda for the Special Meeting of January 24, 2020, be adopted as presented.

PUBLIC COMMENT - None

ACTION CALENDAR

Board Workshop— Mr. Ochoa opened the meeting by presenting a conceptual plan called the Long-Term Infrastructure Reliability and Funding Roadmap. This long-term conceptual plan addresses three main issues; the aging infrastructure, rising operational and maintenance costs and customer engagement and trust. Mr. Gould gave a presentation on a long-term capital improvement project program summary. The main focus of this plan is the aging infrastructure and pipeline replacement. Mr. Maxwell gave a presentation regarding District operations and reliability options for the infrastructure. An emphasis was placed on the many cost savings measures in place. Mr. Lee gave a presentation of the funding plan for infrastructure, focusing on the time value of money and how to use bond financing to counter inflation, intergenerational equity, and the establishment of multiple reserve funds according to specific purpose. Ms. Scott gave a presentation of the outreach plan to achieve public engagement and trust. She explained new opportunities the District has to reach out to the public with information and to request their input on future issues.

ADJOURNMENT

There being no other business to come before the Board, at 1:10 p.m. it was moved by Director Bodnar, seconded by Director Raghavachary and carried by a 5-0 vote that the Special Meeting be adjourned.

APPROVED:

Kerry D. Erickson
President

James Lee
Director of Finance & Administration

CRESCENTA VALLEY WATER DISTRICT

ADJOURNED REGULAR MEETING, BOARD OF DIRECTORS

January 28, 2020

Pursuant to the order of the Board of Directors of the Crescenta Valley Water District, made at the Regular Meeting on January 14, 2020 an Adjourned Regular Meeting was held on January 28, 2020, at 7:00 p.m. at the District office at 2700 Foothill Blvd., La Crescenta, California, with President Kerry D. Erickson presiding.

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

Directors:	Kerry D. Erickson James D. Bodnar Kenneth R. Putnam Sharon S. Raghavachary Judy L. Tejeda
Attorney:	Thomas Bunn
General Manager:	Nem Ochoa
Director of Finance & Administration:	James Lee
Director of Engineering:	David Gould
Others Present:	Mark Hass, Information Technology Manager Christy Scott, Regulatory & Public Affairs Manager Wendy Holloway, Customer Service Manager Dennis Maxwell, Director of Operations Brook Yared, Senior Engineer Arturo Montes, Finance & Administration Manager Pam Leddy, Administrative Assistant Frank Colcord, FMWD Director

PLEDGE OF ALLEGIANCE

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

ADOPTION OF AGENDA

It was moved by Director Putnam, seconded by Director Tejeda, and carried by a 5-0 vote that the Agenda for the Adjourned Regular Meeting of January 28, 2020 be adopted as presented.

PUBLIC COMMENTS – None

FOOTHILL MUNICIPAL WATER DISTRICT REPORT – Mr. Frank Colcord reported that Foothill Municipal Water District has published the 2018/19 Management Report in which water data from all agencies serviced by FMWD is provided. FMWD has approved the proposal from S.A. Associates to prepare the Urban Water Management Plan. Metropolitan Water District will be funding 150 weather-based irrigation controllers to the agencies serviced by FMWD. A decision was made by the FMWD Board to

support Director Raghavachary as the Local Area Formation Commission (LAFCO) Special District Representative.

CONSENT CALENDAR

It was moved by Director Tejeda, seconded by Director Raghavachary, and carried by a 5-0 vote to approve the Minutes of the Regular Board Meeting held on January 14, 2020 and to ratify the disbursements for December 2019 as presented.

Payment of demands against the Crescenta Valley Water District on or before December 31, 2019, the same having been approved by the General Manager, and heretofore paid, be ratified and approved subject to audit, in the aggregate sum of Nine Hundred Sixty-Four Thousand, Five Hundred Eighty Dollars and Fifty-Two Cents (964,580.52), which is composed of the individual items set forth herein.

ACTION CALENDAR

Appeal of a High Water Bill – Mr. Lee presented an appeal from Mr. Ki Ning Ho, the property owner at 4816 Cheryl for possible action to grant a request for relief from a high water bill due to a leak on his property.

Following discussion:

It was moved by Director Tejeda, seconded by Director Bodnar, and carried by a 5-0 vote to recalculate the excess water usage at Tier 2 rates for this account to be consistent with recent Board actions.

Board Committee Assignments – Director Erickson announced the Committee assignments for the calendar year 2020.

Acceptance of Water Facilities at 2218 Montrose Ave. & 2225 Mira Vista Ave. – Mr. Yared made a request for consideration and motion to adopt Resolution Nos. 754 & 755 to authorize the General Manager to accept the water facilities at 2218 Montrose and 2225 Mira Vista Avenue.

Following discussion:

It was moved by Director Bodnar, seconded by Director Raghavachary and carried by a 5-0 roll call vote to adopt Resolution No. 754 to authorize the General Manager to accept the water facilities located at 2218 Montrose Avenue.

AYES:

**Director Bodnar
Director Erickson
Director Putnam
Director Raghavachary
Director Tejeda**

NOES:

None

It was moved by Director Tejeda, seconded by Director Raghavachary and carried by a 5-0 roll call vote to adopt Resolution No. 755 to authorize the General Manager to accept the water facilities located at 2225 Mira Vista Avenue.

AYES:	Director Bodnar
	Director Erickson
	Director Putnam
	Director Raghavachary
	Director Tejeda

NOES:	None
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Adoption of Rules and Regulations as Amended for Appendix C and as added to by Appendix T – Consideration and motion was made to adopt Resolution No. 756 amending Appendix C of the District's Rules & Regulations and adding Appendix T for compliance with SB 998.

It was moved by Director Raghavachary, seconded by Director Tejeda and carried by a 5-0 roll call vote to adopt Resolution No. 756 amending Appendix C of the District's Rules & Regulations and adding Appendix T for compliance with SB 998.

AYES:	Director Bodnar
	Director Erickson
	Director Putnam
	Director Raghavachary
	Director Tejeda

NOES:	None
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Roadmap Discussion – Mr. Ochoa requested the Board to provide comments to the conceptual plan called the Long-Term Infrastructure Reliability and Funding Roadmap to address the aging infrastructure, rising operational and maintenance costs, a funding plan that addresses these issues, and a plan to increase customer engagement and trust. The Roadmap draft schedule was also discussed, which provides a schedule of meetings and events for completion by June 2020.

INFORMATION ITEMS – None

WRITTEN COMMUNICATIONS TO DISTRICT – A letter from Marilyn Tyler, dated December 19, 2019 regarding public engagement, an e-mail from Ted Baumgart, dated January 16, 2020, complimenting the crew on their efficient and organized work at 2425 Mountain Avenue, and an e-mail from Patricia Faieta, dated January 16, 2020, thanking Wayne Boyce for informing her of the upcoming work in front of property at 2430 Orange Avenue in a professional and courteous manner.

REPORTS OF PERSONNEL – None

GENERAL MANAGER – Mr. Ochoa thanked the Board members for their attendance at the Special Board Workshop meeting on January 24, 2020 at the La Crescenta Public Library Community Room. Mr. Ochoa also reported the District's support of the fundraiser at the Sheriff Station's and staff's participation in a training addressing various generations. An update was given by Mr. Gould, Mr. Lee and Mr. Maxwell regarding new cost-efficiency measures that have recently been implemented.

ATTORNEY – No report

REPORTS OF COMMITTEES

Engineering Committee – Director Bodnar reported that the Committee had not met. A meeting was tentatively set for Thursday, January 30 at 3:30 p.m. pending confirmation of committee member schedules.

Finance Committee – Director Tejeda reported that the Committee had not met. A meeting was tentatively set for Thursday, January 30 at 2:00 p.m. pending confirmation of committee member schedules.

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

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

Community Relations/Water Conservation Committee – Director Tejeda reported that the Committee had not met. A meeting was tentatively set for Thursday, January 30 at 4:30 p.m. pending confirmation of committee member schedules.

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

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

DIRECTORS' ORAL REPORTS

Director Erickson – Mr. Erickson reported he had attended the fundraiser barbeque at the La Crescenta Sheriff's Station to raise money for the family of the jailer who unexpectedly passed away.

Director Bodnar – Mr. Bodnar completed the AB 1234 ethics training webinar on the Fair Political Practices Commission (FPPC) website.

Director Tejeda – No Report

Director Putnam – No Report

Director Raghavachary – Ms. Raghavachary thanked the staff for their assistance in keeping her street clear from parking obstructions by an outside contractor.

CLOSED SESSION – Mr. Ochoa served as the District-designated representative for the closed session discussion. There was no reportable action.

ADJOURNMENT

There being no other business to come before the Board, at 9:36 p.m., it was moved by Director Putnam, seconded by Director Raghavachary and carried by a 5-0 vote that the meeting be adjourned to February 11, 2020, at 7:00 p.m.

APPROVED

Kerry D. Erickson
President

James Lee
Director of Finance & Administration

CRESCENTA VALLEY WATER DISTRICT

BOARD OF DIRECTORS - STAFF REPORT

Action Item No.1
February 11, 2020

To: Honorable President and Members of the Board of Directors
From: Nemesciano Ochoa, General Manager
Subject: Financial Advisory Services

ACTION ITEM:

Consideration and motion to authorize the General Manager to provide John Phan of Urban Futures, Inc. a notice to proceed to perform due diligence and assemble a financing team for potential bond financing services.

DISCUSSION:

The Long-Term Infrastructure Reliability and Funding Roadmap was introduced to the Board and members of the public during a board workshop on January 24, 2020. The Roadmap is a conceptual plan that addresses: 1) Aging Infrastructure; 2) Rising Operating Costs; and 3) Customer Engagement and Trust. The Roadmap sets forth a long-term strategy for ensuring infrastructure reliability, operational resiliency, and financial viability. The Roadmap includes a robust outreach plan to increase customer engagement, understanding, and trust.

As a follow-up to the workshop, on January 30, 2020, three board committee meetings were held (Engineering, Finance and Community Relations) to further discuss details of the Roadmap, including important milestones and an implementation schedule. The Finance and Engineering committees discussed a long-term funding plan that uses bond issuances to keep pace with needed replacement of aging infrastructure, while building reserve funds to an acceptable level. This approach: 1) Uses low, fixed-rate interest to mitigate the impacts of inflation; 2) Sustains a healthy balance between pay-go funding and bond financing in the future; and 3) Equitably distributes the cost of infrastructure across the different generations that will benefit from the infrastructure.

Based on the discussion during the Finance and Engineering committees, the District has invited a financial advisor (FA), John Phan of Urban Futures, Inc., to share the results of his analysis with respect to the District's bonding capacity, the current interest market for fixed-rate bonds, and the process for assembling a financing team.

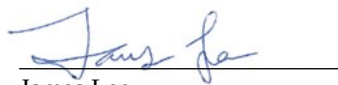
An FA is registered with the Securities and Exchange Commission (SEC) and is required to act as a fiduciary. In other words, the financial advisor is required to provide objective analysis and advice, and as such, uses an objective evaluation matrix to assemble a financing team that will provide the best service at the lowest cost. Mr. Phan is one of the State's leading financial advisors whose experience is distinguished by his time spent on the investment banking side of transactions and has broad experience as a pricing advisor.

Through the proposed engagement, Mr. Phan would continue monitoring the interest-rate market with respect to the District's needs and assemble the financing team through a competitive selection process. The agreement would be on a contingency basis, which means that any members of the financing team would be compensated only in the event of a successful bond financing. Thus, it is in the best interest of the District to engage an FA if there is a reasonable chance that the Board will pursue bond financing within the calendar year.

RECOMMENDATION:

It is staff's recommendation that the Board authorize the General Manager to provide John Phan a notice to proceed to perform due diligence and assemble a financing team for potential bond financing services.

Prepared by:



James Lee
Director of Finance & Administration

Submitted by:



Nem Ochoa
General Manager

CRESCENTA VALLEY WATER DISTRICT

BOARD OF DIRECTORS - STAFF REPORT

Action Item No. 2
February 11, 2020

To: Honorable President and Members of the Board of Directors
From: Nem Ochoa – General Manager
Subject: Establishment of the District's Water Fund Reserve Policy

ACTION ITEM:

Consideration and motion to adopt Resolution No. 757 to amend Article 21 of the District's Rules and Regulations and establish the Water Fund Reserve Policy.

BACKGROUND / DISCUSSION:

Public utilities represent an industry that frequently mitigates unforeseen events such as unplanned infrastructure repairs, catastrophic system failures, evolving regulatory requirements, and weather pattern variations that impact water availability and water use. Because safe drinking water and sanitary sewer service are imperative to public health, public utilities set aside various types of monetary reserves to adapt to these types of challenges.

The need for a Water Fund Reserve Policy (Policy) was shared with the Finance and Engineering committees on January 30, 2020 as a follow-up to the January 24, 2020 Board workshop that introduced the Long-Term Infrastructure Reliability and Funding Roadmap (Roadmap). Whereas bond proceeds are proposed to keep pace with replacement of aging infrastructure, a robust reserve policy is needed to sustain a healthy balance between pay-go funding and bond financing in the future.

In developing the District's proposed Policy, staff applied industry best practices as offered by the American Water Works Association, the Government Finance Officers Association, the Water Environment Federation, and industry-leading water agencies. The proposed reserve policy is outlined below.

1. **Operating Reserve** - The District has previously developed an operating reserve target. The operating reserve as newly defined will more closely reflect current and future economic conditions and industry best practices.
 - **Objective:** The objectives of the operating reserve are to maintain prudent financial management through unforeseen economic influences such as fluctuations in water usage, weather, and other economic factors. Demonstration of a strong operating reserve and the District's adherence to it will also provide a more favorable credit rating for bond issuances, lowering the cost of borrowing.
 - **Reserve Target:**
 - *Emergency Fund:* \$1,000,000 to bridge infrastructure and operations gaps during emergencies;
 - *Rate Stabilization Fund:* One-quarter (¼) of annual water purchases to mitigate the impacts of fluctuating water usage; and
 - *Working Cash:* Funds to maintain up to three (3) months of non-infrastructure operations.
 - **Policy Management:** It is prudent for a water agency's governing body to revisit reserve policies as part of a dynamic and iterative process. The Board providing consistent and

scheduled direction helps ensure the District's adherence to the Policy and that reserves are maintained at levels appropriate to changing operational needs and economic influences.

- *Periodic Review*: Review by the Board every budget cycle, scheduled during the budget process, to ensure that the reserve targets are continuing to meet reserve objectives as they relate to the District's evolving needs.

2. **Pipeline Reserve** - The District has not previously maintained a pipeline reserve. Pipelines are the means of water conveyance to customers, and as such, they represent the backbone of the District's infrastructure. Thus, the pipeline reserve is segregated from the operating reserve to more deliberately plan for and track funds dedicated to maintaining this backbone.

- Objective: The objective of the pipeline reserve is to balance pay-go funding, sustainable rate levels, bond financing, and intergenerational equity. The average useful life of pipeline is 75 years, and the pipeline reserve is designed to achieve a pipeline program that replaces pipe on average, 75 years.
- Reserve Target: Annually, determine the amount of funding needed to build the pipeline reserve to sustain at least three (3) years of pay-go funding.
- Policy Management: Same as for Operating Reserve.

3. **CIP Reserve** - The District has not previously maintained a CIP reserve. Repair and Replacement (R&R) of non-pipeline assets is also critical to fulfilling the District's mission of delivering safe, reliable water. Thus, funds from R&R are further segregated from the pipeline reserve.

- Objective: The objective of the CIP reserve is to build a reserve fund that will indefinitely sustain pay-go funding for non-pipeline assets.
- Reserve Target: Annually, determine the amount of funding needed to build the CIP reserve to sustain at least one (1) year of pay-go financing indefinitely.
- Policy Management: Same as for Operating Reserve.

Article 21 of the District's Rules & Regulations currently references an MTBE Fund that is no longer used. Adoption of Resolution No. 757 would replace MTBE-related language from Article 21 with language pertaining to the Operating Reserve, Pipeline Reserve, and CIP Reserve.

RECOMMENDATION:

It is staff's recommendation that the Board adopt Resolution No. 757 to amend Article 21 of the District's Rules and Regulations and establish the Water Fund Reserve Policy.

Prepared by:



James Lee
Director of Finance & Administration

Submitted by:



Nem Ochoa
General Manager

ARTICLE 21: WATER FUND RESERVE POLICY

21.01 POLICY AND PURPOSE

A key element of prudent financial planning is to ensure that sufficient funding is available for current operating, capital, and debt service needs. Additionally, fiscal responsibility requires anticipating the likelihood of, and preparing for, unforeseen events. Crescenta Valley Water District will at all times strive to have sufficient funding available to meet its operating, capital and debt service obligations while avoiding significant customer rate fluctuations due to changes in cash flow requirements. Through a variety of policy documents and plans, including the District's Strategic Plan and other financial policies, the Board has set forth a number of long-term goals for the District. A fundamental purpose of the District's policy documents and plans are to link what must be accomplished with the necessary resources to successfully do so. The Board of Directors may designate specific reserve funds and maintain minimum fund balances consistent with what is determined to be in the best interest of the District. The Policy directives outlined in this document are intended to ensure that the District has sufficient funds to meet current and future needs. The Board will review the level of reserve funds in accordance with the review and approval of the annual budget. The Board will also review the reserve target every three years.

21.02 OPERATING RESERVE FUND

The Operating Reserve Fund will be comprised of the following sub-accounts: the Emergency Fund, the Rate Stabilization Fund, and the Working Cash Fund.

- A. Emergency Fund – This fund is established in order to address repairs or other operational needs in the event of an emergency where immediate needs exceed what has been budgeted for infrastructure and operations.
 - i. Target Level – This fund shall be maintained at a minimum level equal to \$1.0 million. The balance of the Emergency Fund may decline below the minimum level if recommended by the General Manager and expressly approved by the Board.
 - ii. Events or Conditions Prompting the Use of the Fund – The District may deposit or withdraw available monies upon the authorization of the General Manager in the event of an emergency.
 - iii. Periodic Review Dates for Reserve Targets – Reserve targets will be reviewed by the Board every budget cycle, scheduled during the budget process, to ensure that the reserve targets are continuing to meet reserve objectives as they relate to the District's evolving needs.
- B. Rate Stabilization Fund – This fund is established in order to mitigate the impacts of fluctuating water usage by customers and to augment the District's credit profile with respect to debt financing.
 - i. Target Level – This fund shall be maintained at a minimum level equal to one-quarter of the projected annual water purchases for each budget cycle. The balance of the Rate Stabilization Fund may decline below the minimum level if recommended by the General Manager and expressly approved by the Board.
 - ii. Events or Conditions Prompting the Use of the Fund – This fund will be used to mitigate or spread out rate increases made necessary by unusual circumstances such as drought or mandatory water conservation. The Board will determine the amount and timing for any use of the fund.

- iii. Periodic Review Dates for Reserve Targets – Reserve targets will be reviewed by the Board every budget cycle, scheduled during the budget process, to ensure that the reserve targets are continuing to meet reserve objectives as they relate to the District’s evolving needs.
- C. Working Cash Fund – This fund is established in order to maintain a reserve for current operations and to meet routine cash flow needs.
 - i. Target Level – This fund shall be maintained at a minimum level equal to three months of the District’s operating costs less the cost of purchased water as projected for each budget cycle. The balance of the Working Cash Fund may decline below the minimum level if recommended by the General Manager and expressly approved by the Board.
 - ii. Events or Conditions Prompting the Use of the Fund – The Board, on a case-by-case basis, will determine the amount and timing for any use of the fund.
 - iii. Periodic Review Dates for Reserve Targets – Reserve targets will be reviewed by the Board every budget cycle, scheduled during the budget process, to ensure that the reserve targets are continuing to meet reserve objectives as they relate to the District’s evolving needs.

21.03 PIPELINE RESERVE FUND

- A. Pipeline Reserve Fund – This fund is established in order to develop and maintain a dedicated pipeline replacement program that replaces pipe every 75 years, which is the average useful life of pipeline.
 - i. Target Level – This fund shall be funded to sustain at least three years of construction costs of pipeline consistent with a 75-year pipeline replacement program. The balance of the Pipeline Reserve Fund may decline below the minimum level if recommended by the General Manager and expressly approved by the Board.
 - ii. Events or Conditions Prompting the Use of the Fund – The District may use the fund for construction costs as authorized by the Board in the budget.
 - iii. Periodic Review Dates for Reserve Targets – Reserve targets will be reviewed by the Board every budget cycle, scheduled during the budget process, to ensure that the reserve targets are continuing to meet reserve objectives as they relate to the District’s evolving needs.

21.04 CAPITAL IMPROVEMENT PROGRAM REPAIR & REPLACEMENT RESERVE FUND

- A. Capital Improvement Program Repair & Replacement Reserve Fund – This fund is established in order to develop and maintain a dedicated replacement program for non-pipeline infrastructure.
 - i. Target Level – This fund shall be funded to sustain at least one year of projected capital repair and replacement costs indefinitely. The balance of the Repair & Replacement Fund may decline below the minimum level if recommended by the General Manager and expressly approved by the Board.
 - ii. Events or Conditions Prompting the Use of the Fund – The District may use the fund for construction costs as authorized by the Board in the budget.

- iii. Periodic Review Dates for Reserve Targets – Reserve targets will be reviewed by the Board every budget cycle, scheduled during the budget process, to ensure that the reserve targets are continuing to meet reserve objectives as they relate to the District’s evolving needs.

21.05 EXCESS OF RESERVE REQUIREMENTS

In the event that reserve accounts exceed minimum target levels, the Board may instruct staff to perform either of the following. The Board may authorize additional funding of any reserve fund as appropriate given the current operational and infrastructure needs and economic factors.

The Board may also instruct staff to prepare an analysis to determine the liabilities for which prefunding will yield the most savings for the District.

Staff will present this analysis to the Finance Committee and the Board for review and approval of the recommended options.

21.06 FINANCIAL BENCHMARKS

The District strives to maintain a strong credit profile in order to provide assurance to customers, bond holders, rating agencies and other stakeholders that the District proactively manages its financial resource and is financially sustainable. These benchmarks will be evaluated and communicated to the Board during each budget cycle. The District has set forth the following financial benchmark goals:

- A. Credit Rating: The District’s credit rating is an easily accessible measure for the District’s financial health. The credit rating also has a direct impact on the access to financial markets and the cost of incurring debt. It is the District’s goal to achieve and maintain an AA (Standard & Poor’s) rating.
- B. Debt Service Coverage: The District is required to maintain a minimum debt service coverage ratio ranging from 1.00 times to 1.25 times the annual debt service payment. It is the District’s goal to exceed the minimum coverage ratio with a target of 2.00 times the annual debt service payment.

21.07 RULES AND REGULATIONS

The District shall have the authority to create rules, regulations, and procedures to implement and carry out the intent and purpose of this section provided such rules, regulations, and procedures are consistent with this section

21.08 AMENDMENT/MODIFICATION/TERMINATION

This Article 21 may be amended, modified, or terminated by the District at any time after its adoption. Amendments, modifications, or termination shall be considered and approved, or disapproved, only at a noticed regular public meeting by the District’s Board of Directors.

RESOLUTION NO. 757

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
THE CRESCENTA VALLEY WATER DISTRICT TO
AMEND ARTICLE 21 OF THE RULES AND REGULATIONS – WATER RESERVE FUND POLICY**

WHEREAS; the adoption of a Water Reserve Policy represents an industry best practice in terms of prudent financial management;

WHEREAS; the Board hereby recognizes the financial prudence of developing and sustaining a Water Reserve Policy with three separate reserve funds – an Operating Reserve Fund, a Pipeline Reserve Fund, and a Capital Improvement Program Repair and Replacement Reserve Fund.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Crescenta Valley Water District authorize the revision of Article 21 of the District Rules and Regulations as shown on the attachment for establishment of the Water Reserve Policy.

PASSED, APPROVED AND ADOPTED at a Regular Meeting of the Board of Directors of Crescenta Valley Water District held on February 11, 2020. Resolution No. 757 was adopted by the following vote:

AYES:

NOES:

ATTEST:

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

Secretary of the Board of Directors

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

I, James K. Lee, Secretary to the Board of the Crescenta Valley Water District, DO HEREBY CERTIFY that the foregoing is a full, true and correct copy of Resolution No. 757 of the Board of Directors of Crescenta Valley Water District adopted at a Regular Meeting held on February 11, 2020 and that the same has not been amended or repealed.

Secretary of the Board of Directors

Crescenta Valley Water District

DATED: February 11, 2020

(S E A L)

CRESCENTA VALLEY WATER DISTRICT

BOARD OF DIRECTORS - STAFF REPORT

Action Item No. 3

February 11, 2020

To: Honorable President and Members of the Board of Directors

From: Christy Scott – Regulatory and Public Affairs Manager

Subject: Outreach Plan for the Long-Term Infrastructure Reliability and Funding Roadmap

ACTION ITEM:

Discuss the District's outreach plan for the Long-Term Infrastructure Reliability and Funding Roadmap

BACKGROUND / DISCUSSION:

CVWD's 2020 Strategic Plan emphasized exceptional customer and community service through transparency and accountability to the Crescenta Valley Community. Part of that objective included a goal to increase customer awareness. It was with this goal in mind that Staff developed and presented to the Community Relations Committee the following list of opportunities to increase customer awareness and solicit customer feedback on the upcoming 2020/2021 fiscal year budget and the Long-Term Infrastructure Reliability and Funding Roadmap.

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| 1. Town Council | Thursday, February 20 th @ 7:00 p.m. |
| 2. Montrose Farmers Market | Sunday, March 1 st 8:00 a.m. - 2:00 p.m. |
| 3. Sierra Club – Crescenta Valley Group | Tuesday, March 10, 2020 @ 7:30 p.m. |
| 4. La Crescenta Women's Club | Wednesday, March 11 th 9:30 a.m. – 11:30 a.m. |
| 5. Historical Society | Monday, March 16 th 7:00 p.m. – 9:00 p.m. |
| 6. LA County Sheriff's Department Civilian Volunteer | Wednesday, March 18 @ 6:45 p.m. |
| 7. Crescenta Valley Community Association | Thursday, March 26 th @ 7:00 p.m. |
| 8. CVWD Open House (Main Office) | Tuesday, March 31 st All Day |
| 9. CVWD Tour | Saturday, April 18 th time TBD |
| 10. Community Advisory Committee | Ongoing |

Most public outreach events are scheduled after the February 25th Board meeting in order to provide the most up-to-date information regarding implementation of the roadmap.

Additionally, Staff will be working to sign-up interested parties for email notifications from the District to disseminate new information or alerts for District events.

Staff will be distributing informational handouts as described below at the events noted above, on the website and other media platforms.

1. The Value of Water – Approved by committee with minor edits for distribution upon notification of the remainder of the Board
2. Pennsylvania Avenue Water Main Break Case Study – Approved by committee with minor edits for distribution upon notification of the remainder of the Board
3. Long-Term CIP Project Summary – Approved by committee with minor edits for distribution upon notification of the remainder of the Board
4. State of the District – Pending final review comments and edits.

RECOMMENDATIONS:

Staff recommends proceeding with the outreach plan as described.

Prepared by:



Christy J. Colby
Regulatory and Public Affairs Manager

Submitted by:



Nem Ochoa
General Manager

Attachments:

1. Public Outreach Calendar
2. The Value of Water
3. Pennsylvania Avenue Water Main Break
4. Long Term CIP Project
5. State of the District

January 30, 2020

Thursday

2:00 PM - 3:00 PM

Finance Committee - Draft Reserve Policy and Draft Finance Plan

3:30 PM - 4:30 PM

Engineering Committee - Preliminary CIP

4:30 PM - 5:30 PM

Community Relations Committee - Draft Outreach Plan

February 11, 2020

Tuesday

7:00 PM - 9:00 PM

Board Meeting - Final Reserve Policy, Final Finance Plan, Final Outreach Plan

February 14, 2020

Friday

All Day

Engineering Committee - Draft CIP

All Day

Finance Committee - Preliminary Cost of Service Study

February 20, 2020

Thursday

All Day

Outreach - Present to Town Council

February 25, 2020

Tuesday

7:00 PM - 9:00 PM

Board Meeting - Final CIP, Preliminary Cost of Service Study

February 28, 2020

Friday

All Day

Finance Committee - Preliminary Operating Budget

All Day

Ongoing Community Advisory Meeting

Multiple Dates

March 1, 2020

Sunday

8:00 AM - 2:00 PM

Montrose Farmers Market

March 5, 2020

Thursday

All Day

Committee Relations Committee - Draft 218 Notice

March 10, 2020

Tuesday

7:00 PM - 9:00 PM

Board Meeting - Draft Operating Budget, Draft 218 Notice

7:30 PM - 8:00 PM

Sierra Club/Crescenta Valley Group -- Los Angeles Public Library

2809 Foothill Blvd.

La Crescenta, CA 91214

March 11, 2020

Wednesday

9:30 AM - 6:30 PM

La Crescenta Woman's Club - Daytime Business Luncheon Meeting

March 16, 2020

Monday

7:00 PM - 9:00 PM

Historical Society of Crescenta Valley

March 18, 2020

Wednesday

6:45 PM - 8:45 PM

L.A. County Sheriff's Department Civilian Volunteer

March 24, 2020

Tuesday

7:00 PM - 9:00 PM

Board Meeting - Final Operating Budget, Final Cost of Service Study, Final 218 Notice

March 26, 2020

Thursday

7:00 PM - 7:30 PM

Crescenta Valley Community Association -- CV Library

March 31, 2020

Tuesday

All Day

Outreach - CVWD Open House Event

April 15, 2020

Wednesday

All Day

Mail Prop 218 Notices

All Day

Prop 218 45-day Notice Period

April 18, 2020

Saturday

All Day

Outreach - CVWD Facilities Public Tour

Power point and tour.

June 9, 2020

Tuesday

7:00 PM - 9:00 PM

Board Meeting - Public Hearing/Rates

The Value of Water

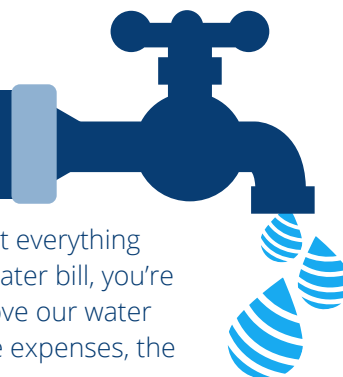


How Crescenta Valley Water District Serves and Protects Our Precious Water Resources

Clean, safe and reliable water service is essential to nearly every aspect of life. To ensure water is available today and in the future, this valuable resource must be captured, cleaned, and distributed. At Crescenta Valley Water District (CVWD), we are committed to optimizing every drop, but we can't do it alone. Investment in our community's infrastructure helps to secure our quality of life for our current and future generations.



BEHIND THE TAP



When most people turn on their water faucets, chances are they aren't thinking about everything that **CVWD** does behind the scenes to keep that water flowing. When you pay your water bill, you're purchasing a vital service that covers the costs to install, operate, maintain and improve our water system. While every effort is made by **CVWD** to find improved efficiencies and reduce expenses, the costs to provide reliable and sustainable water service involves many factors.

- **Water Supply:** CVWD utilizes two water sources including 45 % groundwater from the Verdugo Basin and 55% from imported supplies from Northern California and the Colorado River.
- **Operating Expenses:** Costs to operate the district and support its daily functions. Including many water quality tests, repairing leaks and maintaining adequate water storage.
- **Labor:** Highly specialized staff to support CVWD daily operations, customer services and emergency response.
- **Capital Improvement Projects:** Projects to improve and secure our water infrastructure to maintain water quality, reliability and future needs.
- **Debt Service:** Costs to repay money borrowed to build existing and future infrastructure.

Cost Components

Water Supply (33%)

Operating Expenses (22%)

Labor (22%)

**Capital Improvement
Projects (19%)**

Debt Service (4%)



The Value of Water



Safeguarding Our Infrastructure For The Future

At **CVWD**, we take our responsibility to provide safe and reliable water seriously, and we are committed to upholding that responsibility today and well into the future. With much of our infrastructure built in the 1950s, many of our aging pipelines, wells and facilities have exceeded their life expectancy. While we've already begun replacing and rehabilitating many of our wells and have plans to replace approximately two miles of pipeline per year for the next 20 years, there is much more work to do. But doing so will require a significant financial investment from our community in order to make the necessary upgrades to secure our water system for existing and future generations.

CVWD At A Glance

Our Service Area:

- La Crescenta
- Montrose
- Portions of Glendale & La Cañada Flintridge

Our System:

- 95 miles of pipelines
- 12 wells
- 17 reservoirs
- 34 booster pumps
- 651 fire hydrants
- Stationary and mobile generators
- Emergency water supply connections to neighboring water agencies

Key Statistics:

- 8,000 water connections and 33,000 people
- 1.2 billion gallons of water supplied to customers annually
- 11 separate water pressure zones
- 14 pumping stations
- 17.5 million gallons of water stored

The Community's Future Depends on Water: How **You** Can Help

It is imperative that we take a proactive approach to plan now for our future. By making a community investment for critical infrastructure improvements, we can protect our water system and continue to provide you the level of service you've come to expect from your water district. In 2020, you'll be hearing more about our Infrastructure Roadmap and we encourage you to join our efforts to ensure infrastructure integrity, reliability and financial sustainability for years to come. For updates and information, please visit our website at www.CVWD.com.

CVWD's Aging Pipeline System



45% of our water pipelines are between 50-70 years old



The average age of our pipelines is 46 years old



Our oldest operational pipe was installed in 1929



Current plans call for approximately two miles of pipe to be replaced each year for the next 75 years, at an estimated annual cost of \$4.5 million a year in today's dollars

Pennsylvania Ave. Water Main Break

CASE STUDY

Consequences of pipeline failure of an 8-inch water main on the 4700 & 4800 Blocks of Pennsylvania Ave.

BACKGROUND

On August 4, 2019, CVWD experienced a major water main break on an existing 8-inch pipeline on Pennsylvania Ave. between El Caminito Street and Stevens Street that was installed in 1946. The water main break started about 2:00 am and water from the pipeline was isolated by 8:00 am. As a result of the water main break:



- 925,000 gallons of water was lost
- 15 homes were without water
- Damage to the plumbing at house near main break.
- Excessive damage to the pavement on Pennsylvania Ave from El Caminito Street to Fairesta Ave.
- Road closure of a portion of the street to traffic
- Increased paving costs as Pennsylvania Ave. was recently repaved by the City of Glendale and there was a five-year moratorium for new construction on the street

CHALLENGE

CVWD was faced with the challenge to restoring the street to thru traffic while at the same time repairing a large section of existing pipeline. There were two approaches to tackling the repair of the pipeline. Either repair the pipe in place or replace the existing pipeline, which was over 70 years old, with a new pipeline in an emergency situation. In addition, the pavement on Pennsylvania Ave. would have to be repaired as soon as possible to open the roadway to traffic.

- Field crews repaired the leak with a repair clamp to restore water service in the area. However, there were additional leaks on the pipeline that were revealed when water was being restored.
- The condition and age of the pipeline warranted its replacement in this emergency situation and CVWD could take advantage of replacing the pipe during the pavement restoration.
- CVWD would have to repair about 23,000 SF of pavement to get the roadway back into condition for normal traffic on Pennsylvania Ave.

SOLUTION

CVWD worked with Los Angeles County and City of Glendale personnel to determine the extent of pavement area that would need to be replaced in the short-term. CVWD contracted with a paving construction contractor to repair the roadway.

Pennsylvania Ave. was repaved and repaired within two weeks after the event and traffic was returned to normal. In addition, CVWD coordinated the pavement work with the start of the 2019-20 school year and provided detour routes for dropping off school children.



Pennsylvania Ave. Water Main Break

SOLUTION (Continued)

CVWD staff prepared plans and specifications for replacement of 850 feet of pipeline, met with contractors for quotes and coordinated with Los Angeles County and City of Glendale within a month after the event. Construction began in October 2019 and was completed in 30 days, which included removal of a portion of the existing pipeline to reuse the existing alignment. There were three (3) water services that were replaced and these people were back to full service within the 30 days.

BENEFITS

The benefit to the District and the community was that CVWD has the ability to respond and react to a major water main break and complete the project within a three month period. However, this event should be seen as a one-time occurrence and not be seen as a normal way to do business as CVWD's pipeline infrastructure deteriorates over time.

The overall cost for emergency pipeline replacement of the pipeline as shown below resulted in a cost of \$914 per foot of pipeline replaced:

Description	Amount
CVWD - Labor, Equipment & Material Cost	\$17,000
Temporary Street Repair and Traffic Control	\$8,633
AC Pavement Restoration - Phase 1	\$306,537
Personal Property Replacement	\$3,750
Pipeline Replacement Cost	\$325,605
AC Pavement Restoration - Phase 2	\$115,000
Total Cost	\$776,525
Cost per LF - 850 LF	\$914

As compared to the cost for a typical pipeline replacement as part of the CIP program that show a \$364 per foot of pipeline replaced as shown below:

Description	Amount
Pothole Utility Crossings	\$2,750
Excavation and Backfill	\$80,100
Trench Resurfacing	\$26,700
Remove Existing 8-inch pipeline	\$8,925
8"CML & CMC Steel Pipe - 850 LF	\$57,750
8" Line-Stop Gate Valve	\$10,000
1-inch Water Services	\$6,000
Traffic Control	\$12,475
Subtotal	\$204,700
Contingency - 20%	\$40,940
Total Construction	\$245,640
Total Materials	\$32,000
Soils Eng	\$5,400
Engineering/Permits	\$26,000
Total Construction	\$309,040
Contractor Cost/LF	\$289
Total Cost/LF	\$364

RESULTS

The results of this event are an example of what happens if a pipeline reaches the end of its useful life and starts leaking. Typically, a steel pipeline has a life expectancy of 75 years before the pipeline will experience leaks due to metal fatigue and corrosion. This main break showed that an unplanned event has a high probability of resulting in higher costs including pipeline repair under emergency conditions; replacement of the damaged public right-of-way and possible damage to personal property.



SUMMARY

This case study gives a great demonstration of the significance of deferring maintenance until there is a pipeline main break taking place instead of properly planning for pipeline replacement. As shown about, the overall replacement cost during an emergency situation could be at least three times as much as a typically pipeline replacement. As the District moves forward addressing the issue of aging infrastructure, we can reflect on this case study to show the consequence of delaying the replacement of pipeline over a 200-year period.

Crescenta Valley Water District

Long Term Capital Improvement Project Program Summary

1. Water Supply

- Well Rehabilitations
 - 2 Well per Year
- New Groundwater Wells
 - Well Replacement Study including drilling pilot holes
 - New Well 18 – Sycamore
 - New Well 19 – based on Well Replacement Study
- Stormwater Recharge Projects
 - Crescenta Valley Water Park
 - 3-year project including planning, design & const.
 - Grant & Stakeholder (Glendale & Los Angeles County) Funding
- Water Supply Studies
 - Water Resource Study – Groundwater, Import & Recycled Water
 - GWP Water Supply Feasibility Study
 - Verdugo Basin Groundwater Study

2. Water Storage

- Steel & Concrete Reservoir Rehabilitation
 - 1 Reservoir per Year
- Cathodic Protection Inspection & Replacement
- Water Quality Mixing Systems
 - Water mixing systems to prevent nitrification
- Water Storage Studies
 - Reservoir Inlet/Outlet & Overflow Piping Study
 - Conditional Assessment of Reservoirs Study
 - Ocean View #2 Reservoir Feasibility Study

3. Water Distribution

- Pipeline Replacement
 - 10,600 LF per Year
- Booster Pumps Replacement
 - 2 Booster Pumps per Year
- Pump Station Upgrade & Motor Control Center Replacement
 - Upgrade Pump Station with building, new pumps, site improvements, etc.
 - Upgrade Electrical Motor Control Centers
 - Replace 1 Pump Station every 2-years
- Ramsdell Mixing Station
 - New Pressure Reducing Station – Zone 2 to Zone 1
 - Upgrade Ramsdell Mixing Station with new valves, meter and SCADA
- Miscellaneous Projects
 - Upgrade Surge Tanks at Glenwood, Mills & Paschal
 - Mills Plant Aeration Tower
- Water Distribution Studies
 - Surge Control Analysis Study
 - Pressure Reducing Station Analysis Study
 - Power/Electrical Study
 - Water Distribution Hydraulic Study

Crescenta Valley Water District

Long Term Capital Improvement Project Program Summary

4. Water Treatment

- Ion Exchange Treatment Plant
 - Glenwood – Replace Resin
- Bio Remediation AroNite Treatment Plant
 - Ordunio – Replace Media
- New Nitrate Treatment Plant
 - Mills – design & const.
- Disinfection System Upgrades
 - Conversion to Chloramines

5. Technology

- Advanced Metering Infrastructure (AMI) System
 - Replacement – Smart Meters
 - Meter Lids & Radio Transceivers
 - Communication Network
 - Customer Service Interface
- Supervisory Control and Data Acquisition (SCADA) System Upgrade
 - Upgrade Communication Radio Network
 - 2-year project - SCADA RTU/PLC Replacement Project

6. Public Safety/Emergency Response

- New Emergency Electrical Generator – Field
- Seismic Sensors & Valve Actuators – 3 Reservoir sites
- Local Hazard Mitigation Plan (FEMA Grant)
- Security Cameras & Equipment
 - Main Office
 - Reservoir/Booster Station Sites (17 sites)

7. Facilities & Planning

- Williams (Ocean View) Site
 - Site Improvements to improve efficiency
- Encinal Reservoir
 - Conversion of Old Reservoir to Storage Equipment Facility
- Facilities Maintenance Master Plan
- Pickens Canyon Reservoir
 - Relocation of Roadway
- Edmund #2 Reservoir
 - Repairs of Roadway
- Facilities & Planning Studies
 - Asset Management Study
 - Computer Maintenance Management System (CMMS)
 - Solar Power Feasibility Study



CVWD At A Glance

Our Service Area:

- La Crescenta
- Montrose
- Portions of Glendale & La Cañada Flintridge

Our System:

- 95 miles of pipelines
- 12 wells
- 17 reservoirs
- 34 booster pumps
- 651 fire hydrants
- Stationary and mobile generators
- Emergency water connections to neighboring water agencies

Key Statistics:

- 33,000 water customers
- 1.2 billion gallons of water supplied to customers
- 11 separate water pressure zones
- 14 pumping stations
- 17.5 million gallons of water stored



Fulfilling Our Mission and Vision For The Future:

Crescenta Valley Water District (CVWD) takes great pride in delivering high quality, reliable and cost-efficient water and wastewater service to our 33,000 ratepayers. As we uphold our mission statement “To provide quality water and wastewater services to the Crescenta Valley community in a dependable and economically responsible manner”, it is important that we recognize our key challenges and develop solutions now to secure our mission and reach our vision for the future of our District.

CVWD, as well as many other water providers throughout California, continue to face increasing operational and financial challenges to maintain and update infrastructure. Contributing to these challenges are escalating energy costs, expanding regulatory costs, rising imported water costs, the increasing costs of construction and the growing costs of deferred facility maintenance. Additionally, CVWD has declining revenues due to the community's awareness of conservation measures and increased water use efficiency. As part of our strategic plan, it's imperative that we recognize the district's key challenges and develop and implement a proactive and aggressive action plan to immediately address these challenges.

Key District Challenges:

Through our strategic planning process, three areas emerged as top priorities: Infrastructure Strategy & Performance, Financial Viability and Stakeholder Understanding & Support. Specifically, the following three key challenges have been identified:

Aging Infrastructure

Rising Operational Costs

Customer Engagement/Trust

Failure to address these three issues immediately will ultimately result in CVWD's inability to accomplish its mission for the community; and potentially lead to insolvency and consolidation.



Key Area One: Aging Infrastructure

Challenges:

- Pipeline lifespan is typically 75 years for steel pipe.
- The majority of our pipes are beyond the mid-way point of their lifespan.
- As pipes age, ruptures and leaks will increase, causing costs to soar for unanticipated repairs, higher labor costs and overtime, unforeseen repairs for streets and right of way, possible damage to private property, insurance premium increases, etc.
- Aging pipelines are particularly vulnerable during high demand in the summer season or emergency events (e.g. suppressing wildfires).
- Planned pipeline replacement programs can create significant savings vs. emergency repairs.
- The current pace of pipeline replacements will result in repair costs that will rise exponentially within the next 25 years and will impact or restrict our ability to provide reliable service.
- If the District keeps pipeline replacement at the current rate, there would be 200 years or older pipes in the ground which creates a greater risk of failure.

Benefits of Immediate Action:

- A more proactive pipeline replacement program will reduce costs in the long run and improve planning, budgeting, and maintaining the District's assets.
- Better coordination with right-of-way agencies (LA County, City of Glendale) will improve regional cost-efficiency and reduce construction impact on the community.
- Significant savings can be realized through economies of scale with more competitive bidding that larger pipeline projects can attract.
- Interest rates on bond financing to fund improvements are still at historic lows and lower than the rate of escalating construction costs.
- Customers can continue to expect a high level of service reliability, particularly during high demand periods and emergency events.





Key Area Two: Rising Operational Costs

Challenges:

• Areas Impacting Cost of Service:

- CVWD has and will continue to implement cost-saving measures to mitigate rising costs.
- If CVWD's cost of service increases in a given year, a corresponding increase in revenue needs to occur in that given year.
- At a minimum, CVWD needs to pass rate increases annually that keep up with inflation and its impact on our cost of service to the community.

CVWD					
MAJOR COST DRIVERS	ACTUALS				PROJECTED
	2017	2018	2019	3-YEAR AVERAGE	2020
Imported Water - MWD	3.90%	3.70%	3.40%	3.70%	2.70%
Imported Water - FMWD	7.70%	8.60%	6.00%	7.40%	6.50%
Labor (COLA, Health Ins)	6.90%	3.70%	4.40%	5.00%	4.30%
Construction (Infrastructure)	3.90%	3.00%	2.90%	3.30%	3.20%
Power (Combined SCE & GWP)	4.00%	4.00%	4.50%	4.20%	5.00%



Key Area Two: Rising Operational Costs (Continued)

- **Reserve Funds:**

- CVWD's annual budget objective is for the total amount of expenditures in a given year to match the total amount of revenue generated for that year without utilizing reserve funds.
- If CVWD is unable to increase rates to keep up with inflation, it is forced to utilize reserves, reduce operating costs or cut its capital improvement budget.
- CVWD has drawn down its water reserve fund \$7.5 million in the last five years to maintain its current level of service and offset higher rate increases.

- **Rate Increases:**

- CVWD's past rate increases incorporated a marginal budget for capital improvements; namely a "200-yr pipeline replacement program" at just under \$1M per year.
- At a minimum, CVWD needs to pass annual rate increases that will keep up with inflation and its impact on cost of service. Without rate increases, CVWD reserves would be depleted in three-four years.

Benefits of Immediate Action:

- Implementing a rate that keeps up with inflation + builds reserves will sustain current level of service (outside of costs required for infrastructure reliability).
- Implementing a rate that keeps up with inflation + builds reserves + pays for infrastructure reliability will avoid insolvency.
- Continuing to implement cost-saving measures will help marginalize the impact of inflation.
- Interest rates on bond financing are still at historic lows. Interest rates on bond financing are comparable if not lower than the average rate of escalating construction costs.

Bond Benefits:

Issuing Bonds are especially suitable for capital improvement projects. Such investments typically last for many years, and bonds can be repaid over a comparatively long period. Stretching these payments out makes sense from the perspective of equity across generations, also known as intergenerational equity. In other words, each generation pays its fair share of the infrastructure benefits.

On face value, bonds appear more expensive than pay-as-you-go financing. There are times, however, when borrowing today makes a dollar go further than paying as you go. This can happen when interest rates are about equal to or lower than the cost of inflation. Another benefit is that infrastructure can be made significantly more reliable today as opposed to making incrementally reliable over many years.

Through the timely replacement of infrastructure at or near its useful life, customers will benefit from a more reliable water and wastewater system under both normal operating conditions and during emergency events.



Key Area Three: Customer Engagement/Trust



Challenges:

- With the increasing presence of social media, the District is more susceptible to dissemination of inaccurate information, undermining our community outreach and trust-building efforts.
- CVWD needs customers who are engaged and informed to garner support for critical initiatives (e.g. rate increases, mandated conservation).

Benefits of Immediate Action:

- Building of trust between the District and our customers will establish a platform for more synergy, innovation, and efficiency.
- The public's full understanding of the current and future issues facing the District is critical to the success implementing this Roadmap.

The Bottom Line



- The District will need to invest at least \$70 million within the next 10 years to appropriately address its aging infrastructure.
- The cost for repairs (pipe and street right-of-way) are expected to increase exponentially within the next 15 years.
- The District will need to raise rates on a consistent basis to keep up with inflation.
- The District will need to review and abide by its reserves policy to ensure financial stability.
- A robust and strategic public outreach and engagement plan is critical to the District's mission and long-term vision.

Roadmap: A Plan of Action to Execute our Mission and Reach our Vision.



Our Mission

To provide quality water and wastewater services to the Crescenta Valley community in a dependable and economically responsible manner.

Our Vision

Secure sustainable water supplies and ensure infrastructure reliability, while furthering our commitment to accountability, transparency and cost – effectiveness.



CRESCENTA VALLEY WATER DISTRICT

BOARD OF DIRECTORS - STAFF REPORT

To: Honorable President and Members of the Board of Directors
From: David S. Gould, P.E. – Director of Engineer
Subject: Final Paving on the 4600 to 4900 Blocks of Pennsylvania Ave, Project E-1009B

Action Item No. 4
February 11, 2020

ACTION ITEM:

Final Paving on the 4600 to 4900 Blocks of Pennsylvania Ave, Project E-1009B – Consideration and motion to authorize the General Manager to award a contract to the lowest responsible bidder, All American Asphalt for the final grind and AC overlay on the 4600 & 4900 Blocks of Pennsylvania Ave. at a cost of \$82,620 and establish a contingency amount of \$8,260 (10% of contract) to cover the cost of unforeseen or additional work.

BACKGROUND:

On August 4, 2019, there was a major water main break on the existing 8-inch pipeline in front of 4811 Pennsylvania that did significant damage to the existing AC pavement on Pennsylvania Ave. from El Caminito Street to Fairesta Street. There were a number of areas where the pavement sank and other areas where the pavement was uplifted as shown in the attached incident report. Residents in the area did not have access to their driveways and water service has been restored to the area in a reduced capacity.

The preliminary plan discussed was to remove the existing pavement that was damaged, compact the base material and re-pave the areas with a “temporary” AC pavement to get the roadway back into service. Then over the next few months, observe the pavement for any additional sinkholes or uneven surfaces that may occur as the pavement and base material settled over time. During this time period Staff replaced the water main that caused the initial damage since it could not be repaired in place.

On December 19, 2019, staff met with the City of Glendale and the Los Angeles County Public Works Inspector to review the extent of additional paving repairs. Plans were generated with the help of Glendale Public Works Department. Staff then sent a request for proposal to a select group of Contractor’s and held a Pre-Bid meeting on January 26, 2020.

DISCUSSION:

Three (3) Contractors were in attendance at the Pre-bid meeting. The bid opening was held on February 5, 2020 with all three (3) bidders responding as follows:

	Contractor	Bid Amount
1 st	All American Asphalt	\$82,620
2 nd	Paveco Construction	\$89,540
3 rd	GM Sager Construction	\$92,526

After opening bids on February 5, 2020, staff reached out to All American Asphalt’s references and received nothing but positive comments back regarding their performance. Staff has also reached out to ACWA JPIA to determine whether this work can be included for reimbursement under our original emergency paving claim.

RECOMMENDATION:

It is staff’s recommendation to award the contract for the subject project to the lowest responsible bidder, All American Asphalt at a cost of \$82,620 and establish a 10% contingency fund of \$8,260.

A pre-construction meeting will be set as soon as the contract is awarded, the agreement is signed, and insurance documents have been delivered. Brook Yared will be the project manager and Cory Whitman will provide field inspection.

ENVIRONMENTAL REVIEW:

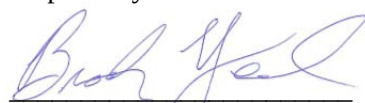
This project is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15301 of the CEQA Guidelines. This exemption covers the repair of existing facilities involving negligible or no expansion of existing use.

FUNDING AVAILABILITY:

There are funding available for the project estimated below:

Account Description	Amount
Contact Awarded to Pavco Construction (E-1009A)	<\$300,260.80>
Soils Inspection, Traffic Control, & Permitting – (E-1009A)	<\$14,909.20>
Contract Awarded to Brkich (E-1009)	<\$222,700.00>
Materials, Soils Inspection & Permitting (E-1009)	<\$102,905.00>
Contract Awarded to All American Asphalt (E-1009B)	<82,620.00>
Contingency for E-1009B	<\$8,260.00>
CVWD Labor and Property Claim Reimbursement	<\$20,750>
ACWA-JPIA Reimbursement Claim	\$315,350.90
Amount included in the FY 19/20 CIP Budget	\$515,000.00
Cost Recovery Estimate (ACWA-JPIA) [assuming 85% recovery of total cost] – Amended Claim	\$70,227.00
Amount to be remaining on the FY 19/20 CIP Budget	\$148,172.90

Prepared by:



Brook Yared, P.E.
Senior Engineer

Submitted by:



David S. Gould, P.E.
Director of Engineering

Attachments:

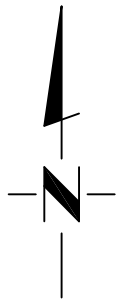
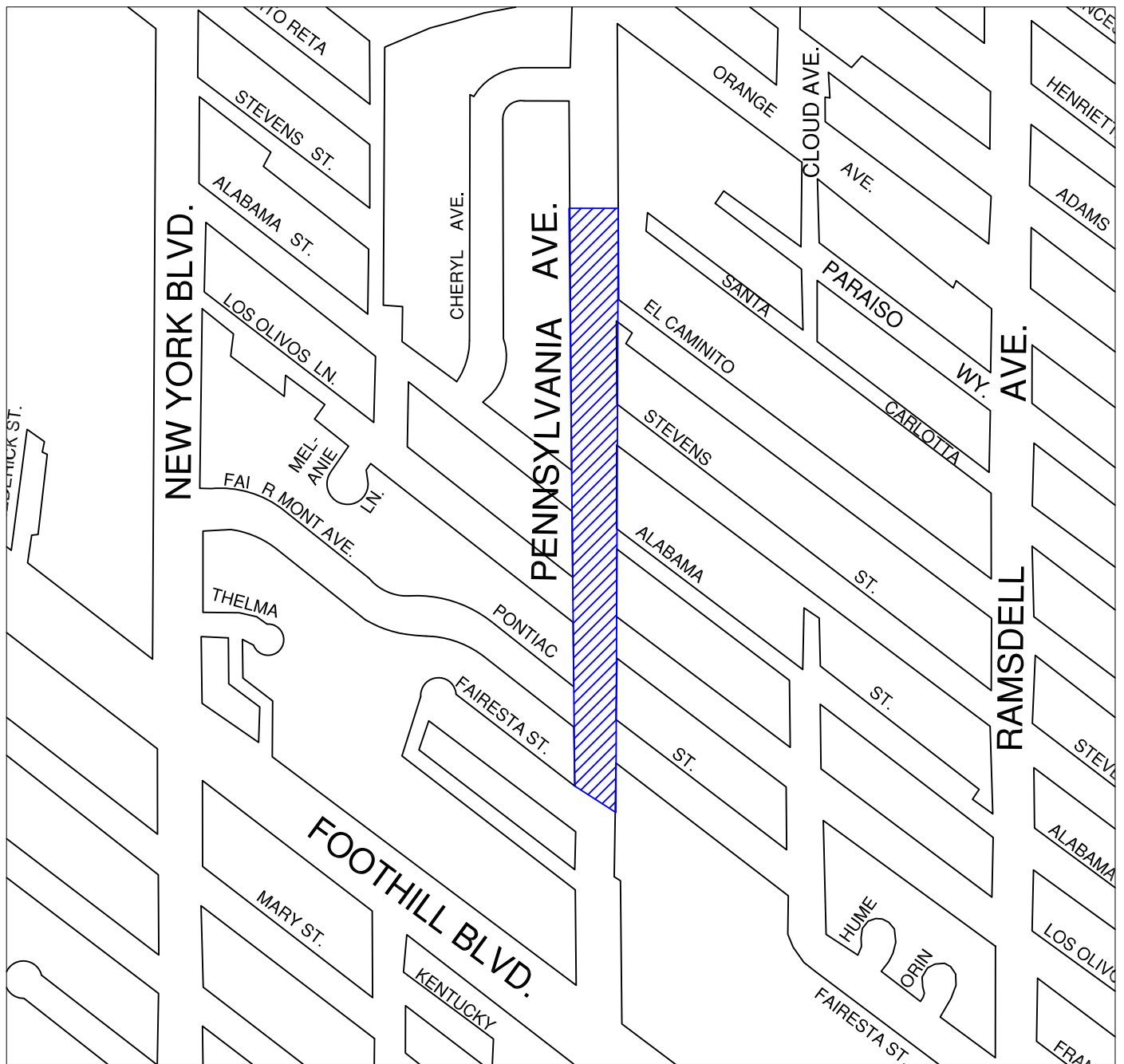
1. Bid Summary
2. Project Location Map

CRESCENTA VALLEY WATER DISTRICT

Title: Final Paving on the 4600 to 4900 Blocks of Pennsylvania Ave
E-Job No: E-1009B
Engineer's Estimate: \$99,750
Project Manager: Brook Yared

Bid Location: CVWD's Office
Time: 12:00 PM
Date: 2/5/2020
By: Brook Yared
Checked: D. Gould Date: 2/7/2020

				Engineers Estimate		All American Asphalt		Paveco Construction		GM Sager Construction	
ITEM	DESCRIPTION	QUANTITY		UNIT	AMOUNT	UNIT	AMOUNT	UNIT	AMOUNT	UNIT	AMOUNT
1	Mobilization and Demobilization:	1	LS	\$5,000.00	\$5,000.00	\$5,485.00	\$5,485.00	\$1,500.00	\$1,500.00	\$7,000.00	\$7,000.00
2	1-1/2 inch Grind and AC Overlay	32,570	SF	\$2.20	\$71,650.00	\$1.75	\$56,985.00	\$2.35	\$76,539.50	\$2.15	\$70,025.50
3	Adjust to Grade – Manholes:	10	EA	\$1,250.00	\$12,500.00	\$890.00	\$8,900.00	\$850.00	\$8,500.00	\$1,000.00	\$10,000.00
4	Adjust to Grade – Valve Cans:	5	LF	\$120.00	\$600.00	\$700.00	\$3,500.00	\$100.00	\$500.00	\$500.00	\$2,500.00
5	Traffic Control:	1	LS	\$10,000.00	\$10,000.00	\$7,750.00	\$7,750.00	\$2,500.00	\$2,500.00	\$3,000.00	\$3,000.00
				EE	\$99,750.00	LOW	\$82,620.00	2ND	\$89,539.50	3RD	\$92,525.50



NOT TO SCALE

PROJECT LOCATION 4600-4900 BLOCKS OF
PENNSYLVANIA AVENUE



CRESCENTA VALLEY WATER DISTRICT PROJECT LOCATION MAP

FINAL PAVING ON THE 4600 TO 4900 BLOCKS OF PENNSYLVANIA AVE, PROJECT E-1009B

Thursday, January 30, 2020



NEWS From Crescenta Valley Water District

CVWD's Water Infrastructure

A water distribution system is a network of pipes that carry potable water from the water company to its consumers. While there are many material options for water pipes, the majority of the pipes you will find in the District are made of steel.

Steel pipes cost a little more than other pipe options, but steel is known for its strength and durability with an average lifespan of about 75 years.

The average age of CVWD's pipes is 45 years, with 45% of the pipes beyond their expected life of 75 years. Furthermore, an additional 22 miles of pipe will reach the 75-year mark within the next 15 years.

For the past 10 years, the District has been replacing pipe at an average rate of one-half mile per year. At this rate, the District is on track to replace pipe when it reaches an age of 200 years (a 200-year pipeline replacement program).

While this method may appear to save money today, it will likely cost the District more money in the long run.

As pipes age, ruptures and leaks are more likely to occur. Consequently, costs for unforeseen repairs to pipes and streets (as a result of ruptures and leaks) also increase and can potentially draw down the District's limited reserves.

In general, pipes that are still active beyond their useful lifespan are less reliable and at higher risk of failure. Older pipes are particularly vulnerable during high-flow and high-stress/surges that are typically present during emergency events (e.g. suppressing wildfires, earthquakes, etc.).

Unforeseen expenditures are above and beyond the budgeted pipeline replacement program and require overtime work that contributes to higher labor costs and cost premiums associated with emergency construction work.

Unforeseen repairs to streets, public right-of-way, and (in some cases) private property can double the construction cost of a typical pipeline replacement project.

In summary, minimizing unexpected pipe failures through a proactive maintenance and replacement program will maximize rate-payer dollars by:

- 1) Lowering overall repair and replacement costs
- 2) Allowing the District to reinvest those savings into an effective asset management program (to ensure infrastructure reliability) and into other programs that improve operations, customer service or public outreach.

Bond financing is one option to fund a more appropriate pipeline replacement program. Significant savings can be realized through economies of scale and more competitive bidding that larger pipeline projects and long-term contracts can attract.

Interest rates on bond financing are still at historic lows and are the same or lower than the rate of escalating construction costs, an effective hedge against inflation.

Future customers pay a fair share of the costs, instead of today's customers absorbing the entire share through unsustainably high rates. Future generations that will share these costs will accordingly benefit from the infrastructure that is built from bond proceeds.

The District will be considering options to fund pipeline replacement and other capital improvement projects during this next 2020-21 budget cycle. Please look for opportunities to attend public board meetings and workshops so that you can take part in the process.

Meetings and information will be posted on our website www.cvwd.com.

CRESCENTA VALLEY WATER DISTRICT

General Manager Report

GM Report

February 11, 2020

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:

- Water Production
- Engineering Projects
- Operational Activities
- Rainfall/Hydrology Report

STAFFING

As of February 7th the District has gone 80 days without a lost time accident.

GENERAL MANAGER ACTIVITIES

Meetings:

Finance Committee Meeting	- January 30 th
Engineering Committee Meeting	- January 30 th
Community Relations Committee Meeting	- January 30 th
Management Staff Meetings	- February 3 rd , February 10 th
Meeting with Foothill MWD	- February 7 th

Submitted by:



Nem Ochoa
General Manager

Engineering and Operations

February 11, 2020
Staff Report

To: Honorable President and Members of the Board of Directors
From: David S. Gould, P.E. – Director of Engineering
Subject: Engineering & Operations – January 2020

1. **Water Production Report**

- January 1 – 31 – Water production – 62%/38% split – 87.9 MG for the time period
- Average use – 8.0% greater than 2018 and 2.8% greater than 5-yr average

2. **Rainfall Update**

- 0.26” for January 2020
- Rainfall Total for Rainfall Year 2019/20 – 8.18”

3. **Report on Engineering**

- **CIP Projects**

- Pipeline Replacement – 3200 & 3300 Blocks of Brookhill - Completed
- Pipeline Replacement – 4600 - 4800 Blocks of Pennsylvania
 - See Staff Report
- Markridge Reservoir Rehabilitation
 - Continue re-coating interior
- Well 16 – Well Rehabilitation
 - Completed – well casing cleaning
 - Test pumping – Week of 2/17/20
 - Estimated completion date March 1, 2020
- Booster Pump Replacement
 - Continue design for replacement of booster pumps at Glenwood Plant

- **Nitrate Removal Treatment Facility at Well 2 Project**

- No Report

- **Grant Program**

- Hazard Mitigation Grant Program (HMGP) – Waiting on CalOES

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

- Wells Status – Well production capacity remained at 1.85 mgd

5. **Developer Projects**

- Waiting on Developer
 - 4521 Briggs/2413 Foothill – New 70 Units
 - 3900 Park Place – New 28 Units
 - 4520 Montrose – New 6 Units
 - 2341 Mira Vista – New 6 Units
 - 2345 Mira Vista – New 4 Units
 - 2314 Montrose – New 5 Units

6. **FMWD** – No Report

7. **Street Projects**

- Verdugo Paving Project – City of Glendale – Waiting for construction
- Cloud Pre-school – GUSD – 8-inch main upgrade on Cloud Ave – Started 2/6/20

8. **Field Maintenance & Operations – January 1, 2020 – January 31, 2020**

- **Water Lateral Leaks & Repairs**
2534 Frances 2428 Mountain 2430 Orange
3156 Harmony
- **Large Water Meter Replacement**
 - Replaced 2-inch meter at 2231 Montrose
 - Replaced 12-inch meter at Glendale/CVWD interconnection
- **Water Main Leaks**
 - 12-inch water main on 3100 Block of Henrietta
- **Valve Replacement**
 - No Report
- **Fire Hydrant Repair**
 - 3 new fire hydrant heads at 4125 Ramsdell (Northwood Townhomes)
 - New fire hydrant heads at 2256 Montrose, 3005 Henrietta & 2800 Foothill
 - 4456 Rockland Place
 - 2712 Harmony
 - 4441 Young Dr.
- **Booster Pump Maintenance**
 - No Report
- **Reservoir Maintenance**
 - No Report
- **Sewer Maintenance – January 1, 2020 – January 31, 2020**
5700 & 5800 Blocks of 2000 Block of Derwood 2000 Block of Manistee
Ocean View
- **Sewer Manhole Repair**
 - No Report

CRESCENTA VALLEY WATER DISTRICT

WATER PRODUCTION REPORT

January 1 - January 31, 2020

Well Production:	53,304,204	Gals		
GWP Production:	0	Gals		
Gravity Production:	1,463,120	Gals	% GW	62%
Purchased Water:				
FMWD:	33,203,525	Gals		
City of Glendale:	0	Gals	% Import	38%
TOTAL:	87,970,849	Gals		
	269.97	ac-ft		

Glenwood Nitrate Water

Reclamation Plant:* 5,152,000 *Included in Well Production

WATER DEMAND COMPARISON

Time Period	Average Daily Usage (gals)	Current Period Change
January 1 - January 31, 2020	2,875,400	
January 1 - January 31, 2019	2,663,439	8.0%
5-yr Average - January 2015 - 2019	2,797,017	2.8%

RAINFALL: Jan. 1 - Jan. 31, 2020 0.26"

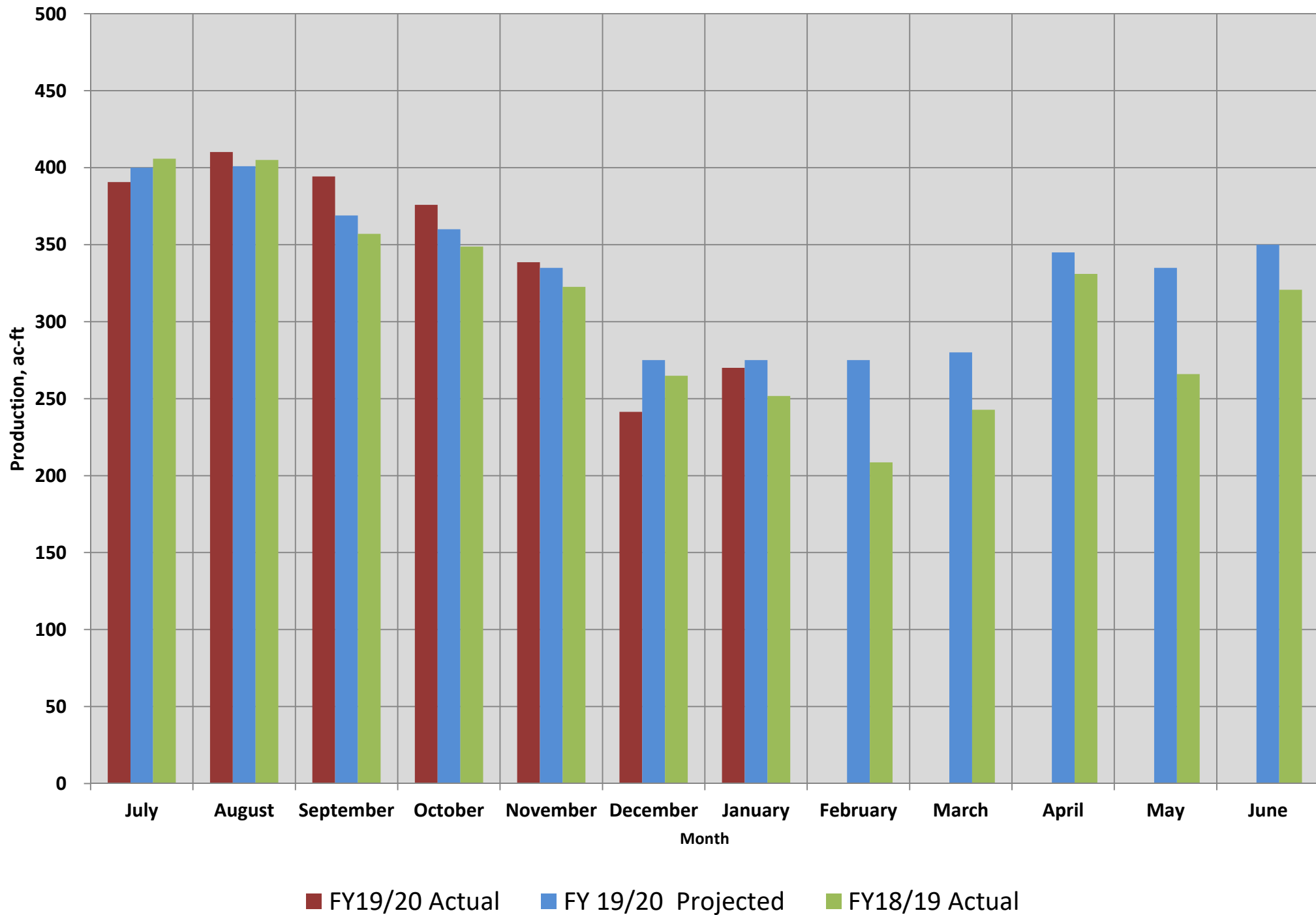
Season-To-Date: 8.18"

2019/20 Fiscal Year Water Production			WY 19/20 - Groundwater Production Water Rights		GWP (Well 16) Water Production - 2020		Purchased Water Production Tier 2 Allocation 2020	
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	391	400	October	166	January	0	January	102
August	410	401	November	171	February		February	
September	394	369	December	161	March		March	
October	376	360	January	168	April		April	
November	339	335	February		May		May	
December	241	275	March		June		June	
January	270	275	April		July		July	
February		275	May		August		August	
March		280	June		September		September	
April		345	July		October		October	
May		335	August		November		November	
June		350	September		December		December	
Total to Date	2,421	2,140	Total to Date	666	Total to Date	0	Total to Date	102
Projected	4,011	4,000	Water Rights	3,294			Tier 2	2,154
% of Projected	60.5%	53.5%	% of Rights	20%			% of Allocation	5%
Remaining	1,579	1,860	Remaining	2,628			Remaining	2,052

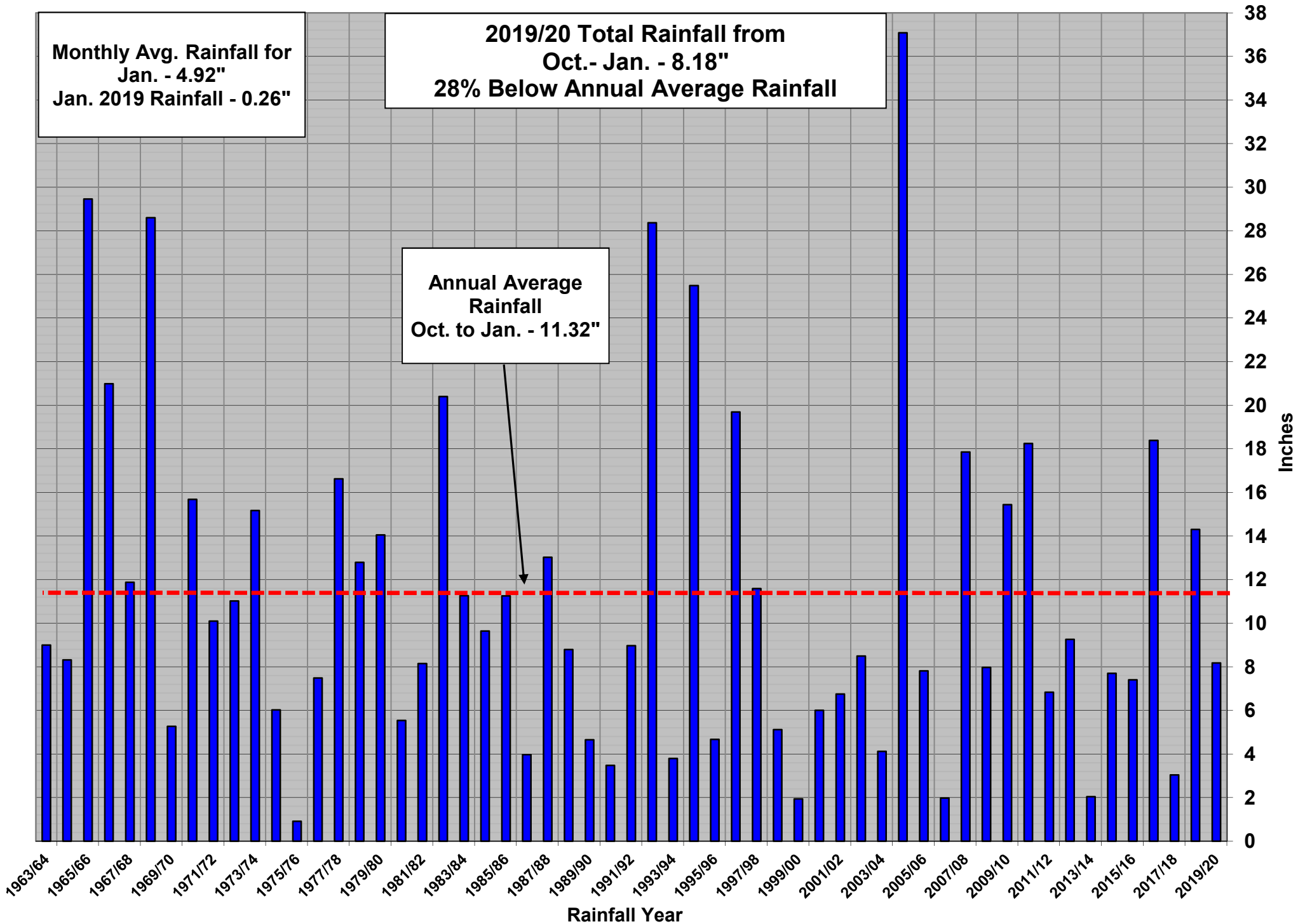
NOTE:

1) Blue Numbers = Estimated Water Production

Monthly Water Production: FY19/20 Actual, FY 19/20 Projected & FY18/19 Actual



Monthly Rainfall - 1963/64 - 2019/20 (Oct.- Jan.)



CRESCENTA VALLEY WATER DISTRICT

MEMORANDUM

DATE: January 30, 2020
TO: Finance Committee
FROM: James Lee, Director of Finance and Administration
SUBJECT: CVWD Finance Committee Meeting

Following is a summary of the Finance Committee Meeting held at 2:00 p.m. on January 30th 2020, at the CVWD main office, which was attended by the following:

Director Judy Tejeda - Committee Chairperson	CVWD
Director Sharon Raghavachary - Committee Member	CVWD
Nem Ochoa – General Manager	CVWD
James Lee – Director of Finance and Administration	CVWD
David Gould – Director of Engineering	CVWD
Arturo Montes – Finance and Administration Manager	CVWD
Marilyn Tyler – Community Member	Resident

1. Long-Term Infrastructure Reliability and Funding Roadmap

Staff provided a presentation on the funding component of the Long-Term Infrastructure Reliability and Funding Roadmap. The following represents the primary points of discussion:

- A conceptual plan that addresses: 1) Aging Infrastructure; 2) Rising Operational Costs; and 3) Customer Engagement and Trust. The Roadmap sets forth a long-term strategy for ensuring infrastructure reliability, operational resiliency, and financial viability. The Roadmap also includes a robust outreach plan to increase customer engagement, understanding, and trust.

The funding component of the Roadmap addresses deferred pipeline and CIP maintenance through bond issuances and builds reserves to sustain a healthy balance between pay-go funding and bond financing in the future;

- A plan to develop three separate water fund reserves through adoption of a Water Reserve Policy –
 - Operating reserve consisting of: 1) emergency fund; 2) rate stabilization fund; and 3) working cash for several months;
 - Pipeline reserve to achieve sustained pay-go funding, specifically, a pipeline program that matches the average useful life of pipeline (75 years); and
 - CIP R&R (repair and replacement) reserve to achieve sustained pay-go funding; and
- A plan to issue a series of bonds, beginning with a bond of approximately \$25 million in early FY 20/21

2. Long-Term Capital Improvement Program

Staff provided comment regarding a long-term CIP program as it relates to the District's ability to fund such a plan through a combination of rates, bond financing, and reserve funds as set by a Water Reserve Policy. This incorporates CIP for the upcoming budget cycle, including specific plans for the first few pipeline projects.

Based on discussion, staff will present two items at the next Board meeting: 1) a notice-to-proceed for financial advisory services to perform diligence for a potential bond financing; and 2) a Water Reserve Policy with provisions for three separate reserve funds as detailed above.

Adjournment – The Finance Committee meeting was adjourned at 3:25pm on January 30, 2020

CRESCENTA VALLEY WATER DISTRICT

MEMORANDUM

DATE: February 5, 2020
TO: Engineering Committee
FROM: David S. Gould, District Engineer
SUBJECT: CVWD Engineering Committee Meeting No. 313

Following is a summary of Engineering Committee Meeting No. 313, held at 3:30 PM on January 30, 2020, at CVWD's main office, and was attended by the following:

Director James Bodnar – Committee Chairperson	CVWD
Director Ken Putnam	CVWD
Nem Ochoa – General Manager	CVWD
David Gould – Director of Engineering	CVWD
Brook Yared – Senior Engineer	CVWD
Dennis Maxwell – Director of Operations	CVWD
James Lee – Director of Finance & Administration	CVWD
Marilyn Tyler	Resident

1. Long-Term Infrastructure and Funding Roadmap

Mr. Lee gave a presentation on the funding component of the Long-Term Infrastructure and Funding Roadmap. The following represents the primary points of discussion:

- A plan that addresses the problem of deferred pipeline and CIP maintenance through bond issuances and builds reserves to sustain a healthy balance between pay-go and bond financing in the future;
- A plan to develop three separate water fund reserves through a water reserve fund policy including:
 - Operating reserve consisting of: 1) emergency fund; 2) rate stabilization fund; and 3) working cash for several months;
 - Pipeline reserve to achieve sustained pay-go financing; and
 - CIP R&R (repair and replacement) reserve to achieve sustained pay-go financing; and
- A plan to issue a series of bonds, beginning with a bond of approximately \$25 million in early FY 20/21

Mr. Gould gave a presentation on the infrastructure component of the Roadmap. The infrastructure component works within the bounds of a plan that promotes a healthy balance between bond financing, pay-go, and financial sustainability. The proposed long-term CIP budget included a FY 20/21 CIP budget. Mr. Gould discussed the following:

- Replacement of 10,600 feet of pipeline per year to meet the 75-year replacement schedule
 - A detailed cost breakdown and sample logistics map for the first year of design and construction were included
- Need to maintain CVWD's local water supply with well rehabilitation and new groundwater wells
- Implementation of Stormwater Recharge Project at Crescenta Valley County Park
- Continuation of steel and concrete reservoir rehabilitation
- Installation of a water quality mixing system in the reservoirs
- Repair or replacement of two booster pumps per year
- Upgrade three pump stations with new electrical motor control centers
- Upgrade the Ramsdell Mixing station including a new pressure reducing station
- Replacement of media and filters at the Glenwood & Well 2 nitrate removal treatment systems
- Installation of a new nitrate removal treatment system at the Mills plant
- Implementation of Advanced Metering Infrastructure (AMI) System within the next five years
- Upgrade the Supervisory Control and Data Acquisition (SCADA) System including radio communications system and RTU/PLC replacement

- New Emergency Electrical Generator – Field
- Seismic Sensors & Valve Actuators – 3 Reservoir sites
- Local Hazard Mitigation Plan (FEMA Grant)
- Williams (Ocean View) Site - Site Improvements to improve efficiency
- Encinal Reservoir Conversion of Old Reservoir to Storage Equipment Facility
- Facilities Maintenance Master Plan

2. FY 19/20 – Capital Improvement Project (CIP) Program:

Mr. Gould provided an updated FY 19/20 CIP cost update relative to approved projects. Mr. Gould indicated that the FY 19/20 CIP on track to adhere to the budget as approved by the Board.

3. Next Meeting

- Next meeting scheduled for February 14, 2020 at 9:00 am

Adjournment - The Engineering Committee meeting was adjourned at 4:30 pm on January 30, 2020

CRESCENTA VALLEY WATER DISTRICT

MEMORANDUM

DATE: January 30, 2020
TO: Community Relations and Water Conservation Committee Meeting File
FROM: Christy J. Colby, Regulatory and Public Affairs Manager
SUBJECT: CVWD Community Relations and Water Conservation Committee Meeting

Following is a summary of the Community Relations and Water Conservation Committee Meeting held at 4:30 p.m. on January 30th 2020, at the CVWD main office, and was attended by the following:

Director Judy Tejeda - Committee Chairperson	CVWD
Director James Bodnar - Committee Member	CVWD
Nem Ochoa – General Manager	CVWD
Christy Colby – Regulatory and Public Affairs Manager	CVWD
James Lee – Director of Finance and Administration	CVWD
Marilyn Tyler – Community Member	CVWD

1. Discussion of the customer engagement plan as it relates to the District's Long-Term Infrastructure and Funding Roadmap –

The committee and staff discussed the outreach plan to inform and involve the community with the District's Roadmap, beginning with the upcoming fiscal year's budget and rate cycle. Staff presented to the committee the following list of community organizations or events that Staff will be contacting to arrange presentations or the distribution of fact sheets and calendar of events.

Please note that most public outreach events are scheduled after the February 25th Board meeting to increase the amount of details that will be available to communicate with the public.

- | | |
|--|--|
| 1. Town Council | Thursday, February 20 th @ 7:00 p.m. |
| 2. Montrose Farmer's Market | Sunday, March 1 st 8:00 a.m. - 2:00 p.m. |
| 3. Sierra Club – Crescenta Valley Group | Tuesday, March 10, 2020 @ 7:30 p.m. |
| 4. La Crescenta Women's Club | Wednesday, March 11 th 9:30 a.m. – 11:30 a.m. |
| 5. Historical Society | Monday, March 16 th 7:00 p.m. – 9:00 p.m. |
| 6. LA County Sheriff's Department Civilian Volunteer | Wednesday, March 18 @ 6:45 p.m. |
| 7. Crescenta Valley Community Association | Thursday, March 26 th @ 7:00 p.m. |
| 8. CVWD Open House (Main Office) | Tuesday, March 31 st All Day |
| 9. CVWD Tour | Saturday, April 18 th time TBD |
| 10. Community Advisory Committee | Ongoing |

Other items discussed included the handouts presented at the Board Workshop:

1. The Value of Water – Approved with minor edits for distribution upon notification of the remainder of the Board
2. Pennsylvania Avenue Water Main Break Case Study – Approved with minor edits for distribution upon notification of the remainder of the Board

3. Long-Term CIP Project Summary - Approved with minor edits for distribution upon notification of the remainder of the Board
4. State of the District – On Hold

The Committee also directed staff to conduct a more robust recruitment for the Community Advisor Committee.

Staff will be encouraging interested residents to provide email addresses to sign up for email notifications from the District to disseminate new information or event dates.

Time Adjourned. 5:15 p.m.

Next Scheduled Meeting TBD

g:\management\minutes\community relations and wc\01302020 community relations committee minutes.docx