

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, June 13, 2023, at 7:00 p.m.**

Posted: Friday, June 9, 2023 at 4:30 p.m.

This meeting will be conducted in person at the address listed above. Members of the public may also participate virtually by using a touchtone phone. You may select any of the following phone numbers (there are more than one for increased reliability during this time of increased phone traffic)

(669) 900-6833

(346) 248-7799

(929) 205-6099

(253) 215-8782

(301) 715-8592

(312) 626-6799

Then, enter Access Code: 897 5105 7901

Those members of the public who are able to and would like to additionally participate through computer may access the Zoom audio & video conferencing tool available at the following link:

<https://us02web.zoom.us/j/89751057901>

If there is a disruption of service, this meeting will continue without remote participation. The remote participation option is provided as a convenience to the public and is not required.

Public comment may be made either by emailing comments ahead of the meeting or by speaking over the phone. Emailed comments will be sent to the Board of Directors prior to the meeting and posted on the District's website. Comments may be sent to Christy Colby, Regulatory and Public Affairs Manager, at (818) 248-3925 or customerservice@cvwd.com by 3pm on June 13, 2023.

Any person may make a request for a disability-related modification or accommodation needed for that person to be able to participate in the public meeting by contacting the District by phone or in writing at the above email address. Requests must specify the nature of the disability and the type of accommodation requested. A telephone number or other contact information should be included so that District staff may discuss appropriate arrangements. Persons requesting a disability-related accommodation should make the request with adequate time before the meeting for the District to provide the requested accommodation.

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 and posted on the District's website.

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. Under the provisions of the Brown Act, the Board is prohibited from taking action on items not listed on the agenda, except under certain circumstances.

Foothill Municipal Water District Report

1. Report on activities at Foothill Municipal Water District.

Consent Calendar

1. Consideration and approval of the Minutes of the Adjourned Regular Board Meeting on May 23, 2023.

Action Calendar

The public shall have an opportunity to comment on any action item as each item is considered by the Board. This opportunity is non-transferable, and speakers are limited to one two-minute (2) comment.

1. **FY 2023-24 Budget** – Discussion and possible motion related to the FY 2023-24 Water and Wastewater Fund budgets and related items.

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
- Technology Committee

Directors' Oral Reports – Reports on issues, meetings, or activities attended by Directors.

Board Members' Request for Future Agenda Items

Closed Session

Adjournment



CRESCENTA VALLEY WATER DISTRICT REGULAR MEETING, BOARD OF DIRECTORS May 23, 2023

Pursuant to the order of the Board of Directors of the Crescenta Valley Water District made at the Regular Meeting on March 11, 2023, an Adjourned Regular Meeting was held on May 23, 2023, at 7:00 p.m. at the District office at 2700 Foothill Blvd., La Crescenta, California and through audio and video conference. A call-in number was clearly noted on the meeting Agenda, posted in accordance with the Brown Act, with President Sharon Raghavachary presiding.

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

Directors:

**James D. Bodnar
Kerry D. Erickson
Jeffery W. Johnson
Sharon S. Raghavachary
Judy L. Tejada**

Attorney:

Thomas Bunn

Interim General Manager:

James Lee

**Interim Director of Engineering
and Operations:**

Brook Yared (absent)

Staff Members:

**Arturo Montes, Finance & Administration Manager
Christy Colby, Regulatory & Public Affairs Manager
Kellen Boyce, System Operations Manager
Darlene Telles, Operations & Maintenance Manager
Tessa Allmon, Customer Service Lead
Adam Sutphin, Analyst
Pam Leddy, Administrative Assistant**

Guests:

Frank Colcord

PLEDGE OF ALLEGIANCE

Ms. Leddy opened the meeting by leading the Directors and staff in reciting the Pledge of Allegiance.

ADOPTION OF AGENDA

It was moved by Director Erickson, seconded by Director Johnson, and carried by a 5-0 vote that the Agenda for the Adjourned Regular Meeting of May 23, 2023, be adopted as presented.

PUBLIC COMMENTS – None

FOOTHILL MUNICIPAL WATER DISTRICT REPORT – Director Colcord of FMWD reported that an agreement drafted by California, Nevada, and Arizona to collectively reduce water use by at least 3 million acre-feet by the end of 2026 has been submitted to the Bureau of Reclamation.

CONSENT CALENDAR

It was moved by Director Johnson, seconded by Director Erickson to approve the Minutes of the Regular Board Meeting held on May 9, 2023 to include the amendments notated.

ACTION CALENDAR

FY 2023-24 Water and Wastewater Fund Budgets – Mr. Montes announced that the staff presented the preliminary FY 2024 Water and Wastewater Fund Budget to the Finance Committee. Mr. Montes said that since the District is considering a capital charge on the property tax roll to fund pipeline replacement ahead of a public hearing scheduled in June, staff is presenting two budget alternatives for the Water Fund – one budget if the capital charge is approved at the recommended amount of \$4 million and one if the charge is not approved following the public hearing. Mr. Montes stated that based on MWD’s allocation of 100%, and that there is expected to be no additional conservation messaging, an increase in water usage is expected next year.

Public Comments – None

INFORMATION ITEMS – CV Weekly, May 18, 2023 “CVWD Career Development Program for High School Students”, and CV Weekly, May 11, 2023 “Status Quo Must Change”.

WRITTEN COMMUNICATIONS TO DISTRICT – None

GENERAL MANAGER – Mr. Lee reported that a “Coffee and Conversation” meeting was held on May 18th to discuss the Orange Avenue pipe replacement project with the community. Mr. Lee shared that Director Raghavachary and Brook Yared attended the ACWA Conference in Monterey and that the Management team had taken a tour of JPL. Ms. Telles provided highlights of the April 2023 Field Maintenance and Operations report. Mr. Lee stated that as of today’s date, the district has received 28 letters in regard to the Proposition 218 notice.

ATTORNEY REPORT – No report.

REPORTS OF COMMITTEES

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

Finance Committee – Director Raghavachary reported that the Committee had met on May 15, 2023 to discuss FY 2023-24 preliminary Water and Wastewater Fund budgets, and to propose a Request for Proposal (RFP) for the district’s auditor for the three fiscal years beginning FY 2022-23. A meeting will be scheduled as needed.

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

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

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

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

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

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

DIRECTORS' ORAL REPORTS

Director Bodnar – No report

Director Erickson – No report

Director Johnson – No report

Director Raghavachary – Reported that she attended the ACWA Conference in Monterey.

Director Tejeda – No report

BOARD MEMBERS REQUESTS FOR FUTURE AGENDA ITEMS – None

CLOSED SESSION – No reportable items

ACTION CALENDAR

ADJOURNMENT

There being no other business to come before the Board, at 9:01 p.m., the meeting was adjourned to May 23, 2023, at 7:00 p.m.

APPROVED

Sharon S. Raghavachary
President

James Lee
Interim General Manager

CRESCENTA VALLEY WATER DISTRICT

BOARD OF DIRECTORS - STAFF REPORT

Action Item No. 1
June 13, 2023

To: Honorable President and Members of the Board of Directors
From: James Lee – Interim General Manager
Subject: FY 2023-24 Water and Wastewater Fund Budgets

ACTION ITEM:

Discussion and possible action on the District's FY 2023-24 Water and Wastewater Fund Budgets and related items.

BACKGROUND:

At the May 23, 2023 Board meeting, three preliminary budgets were presented to the Board. Two budgets were for the Water Fund, and one was for the Wastewater Fund. The two Water Fund budgets distinguished between whether the capital charge on the property tax roll as proposed is authorized following a public hearing on June 13, 2023. At that meeting, the Board directed staff to analyze the balance between a reduced capital charge and one or more bond issuances in the near future. There was no further direction for the Wastewater Fund budget. Staff stated that it would develop a budget scenario that balances a lower capital charge, pursuing bond financing, and long-term fiscal sustainability in terms of PayGo and debt service. Staff followed up with the Finance Committee during a June 1, 2023 meeting.

For a summary of the primary advantages and disadvantages of bond financings as they relate to the District's potential financial position, please refer to the Finance Committee packet as included within the 'Reports of Committees' section of this Board packet.

During the Finance Committee, a balanced approach as described above was determined using a financial model-based analysis tool. Based on that analysis, the Committee directed staff to present a budget at the June 13, 2023 Board meeting showing a reduction of 33% to the proposed capital charge, with the difference supported by an approximately \$9 million bond issuance. The bond "par amount" reflects the District's current expectation for 3 years of pipeline CIP cost, as tax law requires that bond proceeds be used within that timeframe.

Shown below is the updated Water Fund budget, followed by detail on the "flow of funds" if bonds are issued. The flow of funds, which tracks pipeline-related items separately from the Water Fund reserve, will be reviewed line by line during the Board meeting.

The purpose of today's discussion is to review the updated Water Fund budget and associated topics such as adjusting the capital charge as proposed or issuing bonds. Approval of this or other budget is to be tabled for the June 27, 2023 meeting, once the Board has determined whether to proceed with the capital charge and, if so, for how much, following input from the community during the public hearing.

**Crescenta Valley Water District
Water Enterprise Budget
FY 2023-24**

**Water Fund Summary
With Reduced Capital Charge
and Bond Issuance**

Water Fund Budget Category	Proposed FY24
Revenues	
Water Sales - Fixed	\$ 3,938,400
Water Sales - Metered	10,990,000
Interest Income Water	170,000
Tax Roll Capital Charge (Reduced)	2,643,279
Other Income Water	370,921
Construction/Grant Revenue	475,000
Bond Revenue (Proceeds from Issuance)	8,934,255
A Revenues:	\$ 27,521,855
Expenses	
Labor & Benefits	3,582,997
Imported Water (Foothill)	3,530,000
Imported Water (Glendale)	68,000
Affordability Program	350,000
Power Cost	910,000
Operating Cost	3,667,806
B Expenses:	\$ 12,108,803
C Debt Service:	\$ 844,478
CIP & OPEB	
Pipeline	3,949,300
All Other CIP	2,887,700
Capital Outlays & Equip	240,000
OPEB	-
D CIP, Outlays, OPEB:	7,077,000
E Change (draw from) in Reserves¹:	7,491,574
Summary of Impact on Water Fund	
Water Reserve Fund	
Beginning Balance (July 1, 2023)	\$ 6,400,000
Changes to Reserves (during FY) ¹	7,491,574
Restricted Cash (Pipeline) ²	7,363,376
Ending Balance (June 30, 2024)	13,891,574
Target (per Reserve Policy)	5,760,000
Above (below) Target:	\$ 8,131,574

1. Changes to Reserves is calculated as Line E = Line A - Line B - Line C - Line D

2. Portion of Reserve Ending Balance restricted for Pipeline CIP

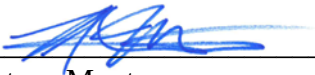
	FY 2024	FY 2025	FY 2026	FY 2027
Pipeline Revenue & Inflows				
		4.50%		
Capital Charge Revenue	2,643,279	2,762,226	2,886,526	3,016,420
Bond Proceeds	8,934,255	-	-	-
Pipeline Costs				
Bond Funded Pipeline	3,949,300	3,895,100	1,089,855	-
Cash Funded Pipeline	-	-	3,000,000	4,608,900
Debt Service	\$264,858	\$529,715	\$529,715	\$529,715
	10.0%	19.2%	18.4%	17.6%
Balances				
Bond Pipeline Restricted Balance	4,984,955	1,089,855	-	-
Total Pipeline Reserve	7,363,376	5,700,787	3,967,743	1,845,548

RECOMMENDATION

Discuss the District's FY 2023-24 Water and Wastewater Fund Budgets and related items, including next steps.

Prepared by:

Submitted by:



Arturo Montes
Finance & Administration Manager



James Lee
Interim General Manager

Attachment(s): none

g:\management\board meeting staff reports\2023

CVWD Proposes Capital Charge on Property Tax Roll

By CV Weekly on June 1, 2023 · 0 Comments



Additional water main breaks, like this one in 2019 on Pennsylvania Avenue, are to be expected, said CVWD officials. File photo

By Mary O'KEEFE

In August 2019 Crescenta Valley Water District (CVWD) experienced a major water main break on an existing eight-inch pipeline on Pennsylvania Avenue between El Caminito and Stevens streets. The pipeline was initially installed in 1946. The water main first broke at 2 a.m. and was isolated by 8 a.m. During that time 925,000 gallons of water was lost and 15 homes were without water. There was damage to the plumbing at the house near the break, excessive damage to the pavement on Pennsylvania Avenue from El Caminito Street to Fairesta Avenue and increased paving costs as Pennsylvania Avenue which had been recently repaved by the City of Glendale.

According to CVWD personnel, they believe this is a sign of things to come as more of the aging pipelines begin to break down.

This is the reasoning behind the proposed capital charge on the 2023-24 property tax roll. A public hearing will be conducted to consider the proposed capital charge on the property tax roll to fund pipeline replacements. If approved, the capital charge will take effect on the 2023-24 property tax roll and, with annual board approval, continue for several years.

This is the first time CVWD has gone in the direction of a property tax roll charge, said Christy Colby CVWD spokeswoman.

According to CVWD, 45% of the area's water pipelines are between 50 and 70 years old, with an average being 46 years old. The oldest pipeline was installed in 1929.

The costs for property owners depend on the size of the location's meter. For a home meter (not a fire service meter) the average size is 3/4 inch. For this size the annual increase for each of five years will average \$404.30.

The costs have also increased due to supply chain issues – seeing prices go up, Colby added.

There have been two town hall meetings concerning the proposal, both of them on April 4. Those meetings can be seen on the CVWD website along with a property roll protest form.

The public hearing will be held on June 13 at 6 p.m. at the CVWD office, 2700 Foothill Blvd. in La Crescenta.

Information on the proposal can be found at cvwd.com on the tab News & Information by clicking on Public Hearings. In addition, the consultants' report is available on the tab Financial Info by clicking on Budget & Financial Information.

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CVWD Proposes Capital Charge on Property Tax Roll added by CV Weekly on June 1, 2023

View all posts by CV Weekly →

Another Water Main Break on Pennsylvania

By CV Weekly on June 3, 2023 · 0 Comments

Initial reports are that there is a 12-inch water main break at Pennsylvania and Henrietta avenues. Reports are that crews might be working all night. Reports are that 30-40 residences had no water today. THIS is why they need the tax roll charge. I hope you can do another story before the June 13 meeting. Idiots on Nextdoor are howling about it — but it's absolutely critical.



Another Water Main Break on Pennsylvania added by **CV Weekly** on June 3, 2023

[View all posts by CV Weekly →](#)

0 Comments

 [Login](#) ▼

Start the discussion...

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OR SIGN UP WITH DISQUS 

Name



Share

Best

Newest

Oldest

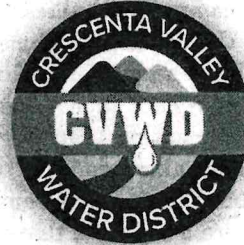
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***This notice applies only to those properties
that receive water service from the
Crescenta Valley Water District.***



CVWD sent you a public notice of a proposed capital charge on the property tax roll earlier this month.

There will be a public hearing on the proposed charges held on June 13, 2023, at 6:00 p.m. at the District's main office at 2700 Foothill Blvd., La Crescenta, CA.

A copy of that notice and other information on the proposed capital charges including a report containing a description of each parcel receiving water service and the amount of the charge for each parcel for the year is available for inspection at the District office and on the District's website at www.cvwd.com.

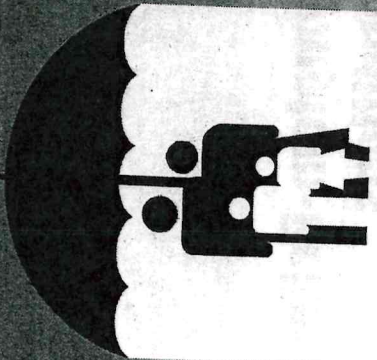
**We invite you to review this information and
contact us at (818) 248-3925 or feedback@cvwd.com
with questions, comments or concerns.**

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.



Patricia Kennedy
 LICENSED MARRIAGE & FAMILY THERAPIST

- 20 Years Experience
- Specializing in Grief & Loss
- Addictions
- Guidance and Healing Through Life Transitions
- Children and Adults Trained in EMDR
- Local Sliding Scale

818 512-2464

Public Urged to Attend Meetings

The Crescenta Valley Water District is having a public hearing on Tuesday, June 13 beginning at 6 p.m. followed by a board meeting at 7 p.m.

CVWD is considering a capital charge on the property tax roll to raise money to meet its commitment to provide safe and reliable water. According to its website, "This includes safeguarding the ability to serve water to individual properties, to maintain the pipelines that are the backbone of the District's distribution system, and to provide water to fire services and residents in the event of an emergency such as earthquakes and fires."

If approved, the capital charge will take effect on the 2023-24 property tax

roll and, with annual board approval, continue for several years. The average estimated annual increase would be \$404.30.

Community members are encouraged to attend the hearing to voice their position.

CVWD is located at 2700 Foothill Blvd. in La Crescenta.

A meeting is also planned on Saturday, June 24 by LA County Public Works to collect feedback about the current service, what residents would like to see included in the future and to learn about the contract solicitation process.

The meeting will be held at 10 a.m. in the community room of the La Crescenta Library, 2809 Foothill Blvd.



Photos by Anne McNEILL
 Breaks in aging water mains, like this one that occurred on May 31 on Pennsylvania and Henrietta avenues, is a reason that CVWD is considering a capital charge on the property tax roll.

CRESCENTA VALLEY WATER DISTRICT

General Manager Report

To: Honorable President and Members of the Board of Directors
From: James Lee, Interim General Manager
Subject: General Manager Report

GM Report
June 13, 2023

General Manager's Report Topics:

- GM Activities
- Engineering & Water Production Report

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

- Field Operations Report

STAFFING

1 employee has a work anniversary in June: Jake Whittaker – 8 years.

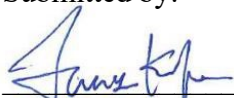
As of June 9th, the District has gone 513 days without a lost time accident. A Safety Lunch recognizing this milestone was held on May 30th.

GENERAL MANAGER ACTIVITIES

Meetings:

Managers Meetings	- May 30 th , June 6 th , June 12 th
Public Water Agencies Group Meeting	- May 24 th
Meeting with La Canada Irrigation District	- May 25 th
Pre-Construction Meeting for Orange Ave	- May 25 th
Meeting with CA Dept of Drinking Water	- May 30 th
Meeting with Moulton Niguel Water	- May 31 st
District Finance Committee Meeting	- June 1 st
Meeting with Valley County Water District	- June 2 nd
Meeting with ACWA	- June 8 th
Executive Committee Meeting	- June 9 th

Submitted by:



James Lee

Interim General Manager

Field Maintenance and Operations Report

May 2023

0

Water Main Repairs

9

Water Service

Repairs: 4 Replacements: 5

2

After Hours Leaks/Repairs

36,660'

Sewer Maintenance

Clean: 00' Inspect: 36,600 Reports: 122

- **Field Maintenance Projects**

- * Install location stations on 12" pumpline: 2636 & 2732 Prospect
- * AMI Meter Lid Pilot – Zone 11
- * E-1031: Replace 7 3" meters and abandon 1
- * LCID Intertie: Aging pipeline failure response/project planning

- **Operations Report**

- * La Canada Intertie: Collaborate with operations re: aging infrastructure and project planning
- * Well #9 – Rehab project nearing completion
- * Well & Booster Site Survey – Operations Team & General Pump

- **Electrical/Telemetry**

- * La Granada Lift Station – Collaborate with operations to install Wet Well Wizard
- * E-962 & E-939 – Integration build with Apex – Williams Booster
- * Portable Generator Maintenance

- **Wastewater**

- * Lift Station Visits: 4 (De-rag pumps, check valves & add degreaser)
- * La Granada Lift Station – Install Wet Well Wizard (Tri-state)
- * Sewer Interceptor Maintenance - Nightwork

Field Maintenance and Operations Report

May 2023

Days without a lost-time incident: **504**

120+

Water Quality Samples

135

Valves

Replace: 2 Exercise: 131 Install: 0

25

Fire Hydrant Maintenance

Rebuild: 4 Replace: 0 Inspect: 21

7

Water Meter Replacement

¾": 0, 1": 0, 1.5": 0, 2": 0, 3": 7, 4": 0

- **Training/Cross Training**

- * Royal Summit Vendor Fairs

- Morgen D

- Kellen B

- Wayne B

- Raymond D

- * System Operations

- Joseph R

- **New Certification**

- * None to report

- **Safety**

- * Glenwood Plant

- Temporary Traffic Control rescheduled to June

Engineering Report

June 13, 2023
Staff Report

To: Honorable President and Members of the Board of Directors
From: Brook Yared, M.S., P.E. – Interim Director of Engineering & Operations
Subject: **Engineering Report – May 2023**

1. Water Production Report

- May 1 – 31 – Water production – 64%/36% split – 94.1 MG for the month
- Average use – 14.9% less than 2022 and 16.4% less than 5-yr average

2. Rainfall Update

- 1.28” for May 2023
- Rainfall Total for WY 2022/23 for May – 42.51”
- So far for June 1-8, 2023 – Month: 0.06”, Total: 42.57”

3. Engineering Update - Water

- **FY 22/23 Capital Improvement Project**
 - Project 1 – 2600 & 2700 Blocks of Orange Ave
 - Potholing and Centerline Marking
 - Main installation to Begin – 6/14/2023
 - Goss Canyon #1 Reservoir Rehabilitation
 - Spring Rain Construction Delays
 - Tentative Completion Date – 7/7/2023
 - Conversion to Chloramination
 - WQTS Proposal Accepted
 - Data Submitted & Plans Under Review
 - Well 9 Rehabilitation
 - Pump Installed – 6/8/2023
 - Performing Water Quality Testing
 - Booster Pump 26 at Cresta Heights Rehabilitation
 - Pump Installation – Late June
 - Ramsdell Mixing Station/Pressure Reducing Station – On Hold
- **AMI Customer Engagement Portal**
 - Continuing Water Meter Replacement Program
 - Zone 1 & 11 Pilot Project – Complete
 - Purchasing Materials for Zones 9, 10 & 11
 - Currently 255 customers are waiting to be configured for the Customer Engagement Platform
 - 184 are active on the Customer Engagement Platform
 - Approximately 7067 radios and lids to install/replace
 - 190, ¾-inch meters to replace
 - 31, 1-inch meters to replace
 - Materials Estimate: \$2.1 M
 - Labor Estimate (in-house installation): \$210,000
 - Began installing meters in 2012 – 20 year expected battery life

- **Replacement of Supervisory Control and Data Acquisition (SCADA) System**

- Project Schedule – April 2022 to December 2023
- APEX – Programming & Integration
- Sites Completed
 - Wells 5, 7, 8, 9, 11, 14 & 16
 - Ramsdell Mixing Station
 - Glendale/CVWD Interconnection
 - Glenwood Plant with Wells 6, 10, 12 & 15
 - Mills Plant
 - Encinal Reservoir
 - Ordunio Reservoir/Nitrate Removal Plant
 - Well 2 Controls Update
 - Ocean View
- Sites Pending Integration (2023)
 - Paschall – June 2023
 - Chloramine Conversion SCADA Programming

4. **Engineering Update - Wastewater**

- Initial SSMP Submission Complete
 - SSMP Recertification Date – August 2, 2025
 - Wastewater Master Plan
 - Hydraulic Model Calibration Data Gathering Complete
 - Lift Station Condition Assessment

5. **Grant Program**

- USBR Small-Scale Water Efficiency Grant 2020 – 3” & 4” Meters – Installation to be complete by August 2023
- USBR Small-Scale Water Efficiency Grant 2022 – 1-½-inch Meters awarded on 5/18/23
- Cal OES – New emergency generators and seismic feasibility study – Pending Funding Availability
- Water Recycling Grant – No Report
- Stormwater Capture Project at Crescenta Valley County Park – No Report

6. **Developer Projects**

- 3037/3043 Foothill – Establishing Estimate, Developer Selecting Contractor
- 4360 Ocean View – 3 Units upgraded to 7 units – One year warranty expires June 2024.
- 2341 Mira Vista – New 4 Units – Reconciliation and Transfer of Ownership
- 2201 Honolulu – New 4" water main – Contractor Experience Under Review
- Waiting on Developer
 - 1961 Waltonia – New 6 units
 - 4521 Briggs/2413 Foothill – New 70 units
 - 3900 Park Place – New 28 units
 - 2345 Mira Vista – New 4 units
 - 2434 Foothill – New 31 Units

7. **FMWD** – La Crescenta Reservoirs – Landscaping

CRESCENTA VALLEY WATER DISTRICT

WATER PRODUCTION REPORT

May 1 - May 31, 2023

Well Production:	53,847,700	Gals		
GWP Production:	4,624,000	Gals		
Gravity Production:	1,425,820	Gals	% GW	64%
FMWD:	34,190,766	Gals		
City of Glendale:	0	Gals	% Import	36%
TOTAL:	94,088,286	Gals		
	288.75	ac-ft		

Glenwood Nitrate Water

Reclamation Plant:*

0

*Included in Well Production

WATER DEMAND COMPARISON

Time Period	Average Daily Usage (gals)	Current Period Change
May 1 - May 31, 2023	2,937,586	
May 1 - May 31, 2022	3,452,058	-14.9%
5-yr Average - May 2018 - 2022	3,515,099	-16.4%

RAINFALL: May 1 - 31, 2023

1.28"

Season-To-Date:

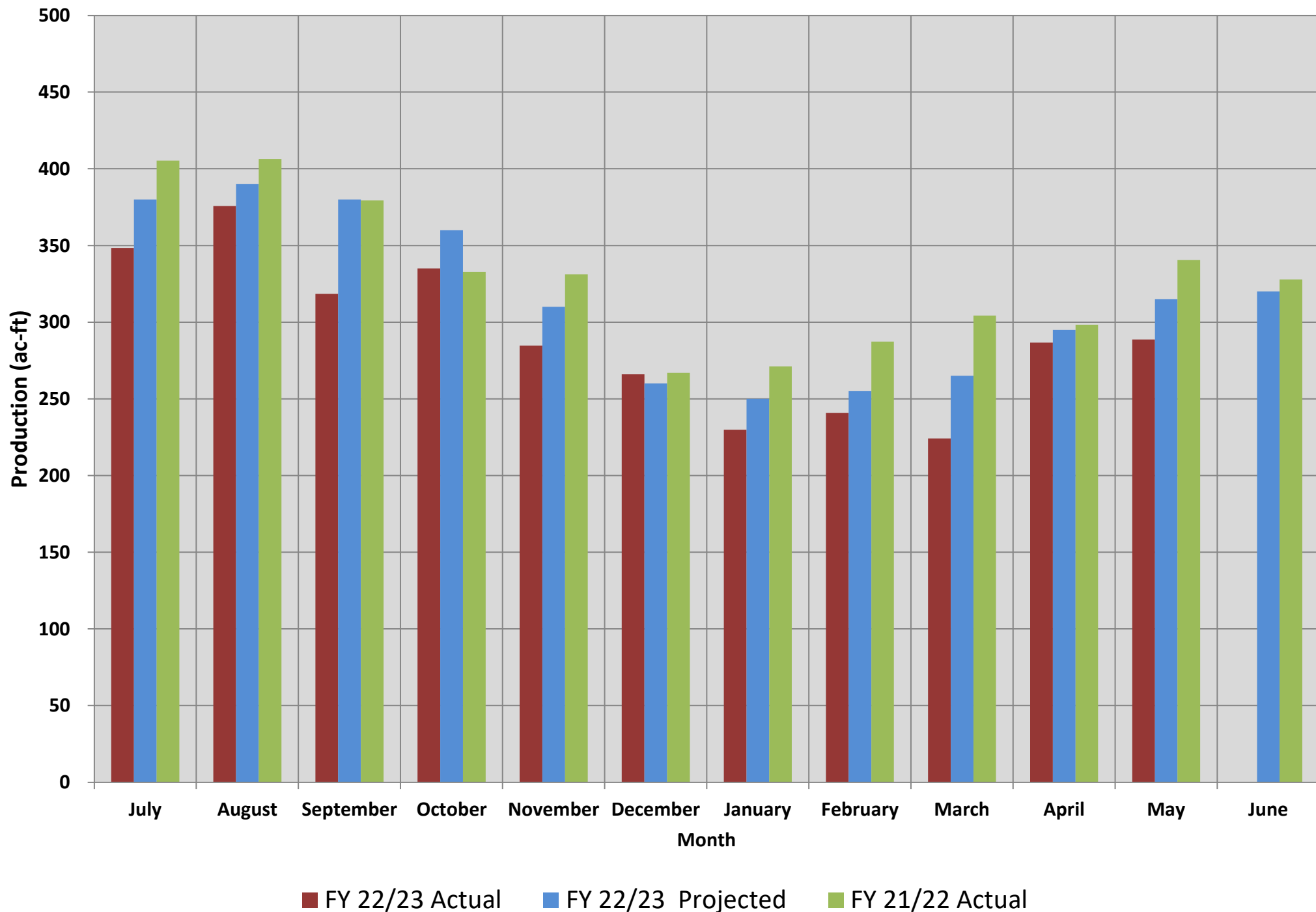
42.51"

2022/23 Fiscal Year Water Production			WY 22/23 - Groundwater Production Water Rights		GWP (Well 16) Water Production - 2023		Purchased Water Production Tier 2 Allocation 2023	
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	348	380	October	165	January	13	January	74
August	376	390	November	155	February	13	February	92
September	318	380	December	152	March	14	March	67
October	335	360	January	143	April	13	April	94
November	285	310	February	136	May	14	May	105
December	266	260	March	144	June		June	
January	230	250	April	180	July		July	
February	241	255	May	170	August		August	
March	224	265	June		September		September	
April	287	295	July		October		October	
May	289	315	August		November		November	
June		320	September		December		December	
Total to Date	3,199	3,460	Total to Date	1,244	Total to Date	67	Total to Date	432
Projected	3,519	3,780	Water Rights	3,294			Tier 2	2,154
% of Projected	84.6%	91.5%	% of Rights	38%			% of Allocation	20%
Remaining	581	320	Remaining	2,050			Remaining	1,722

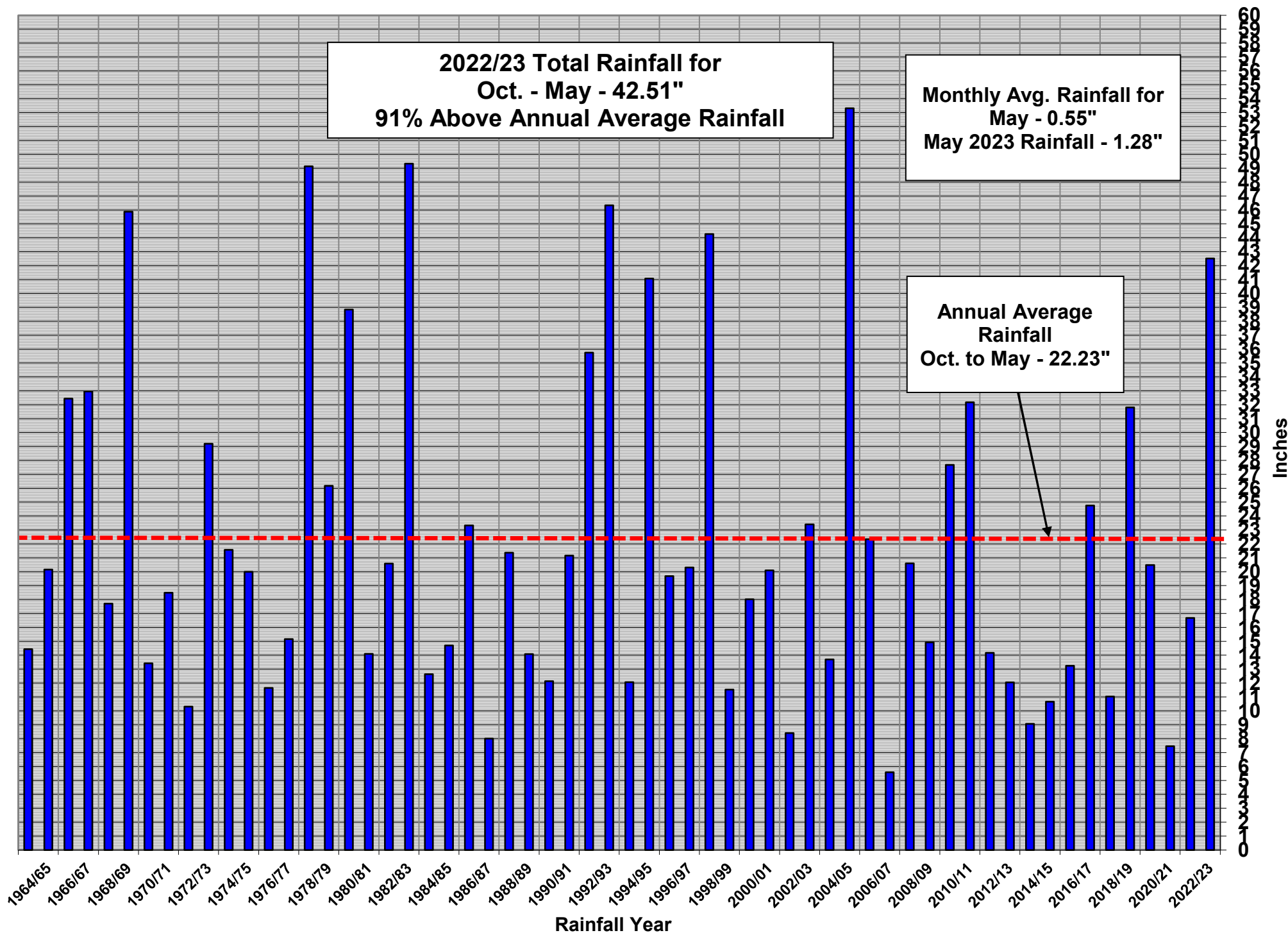
NOTE:

1) Blue Numbers = Estimated Water Production

Monthly Water Production: FY 22/23 Actual, FY 22/23 Projected & FY 21/22 Actual

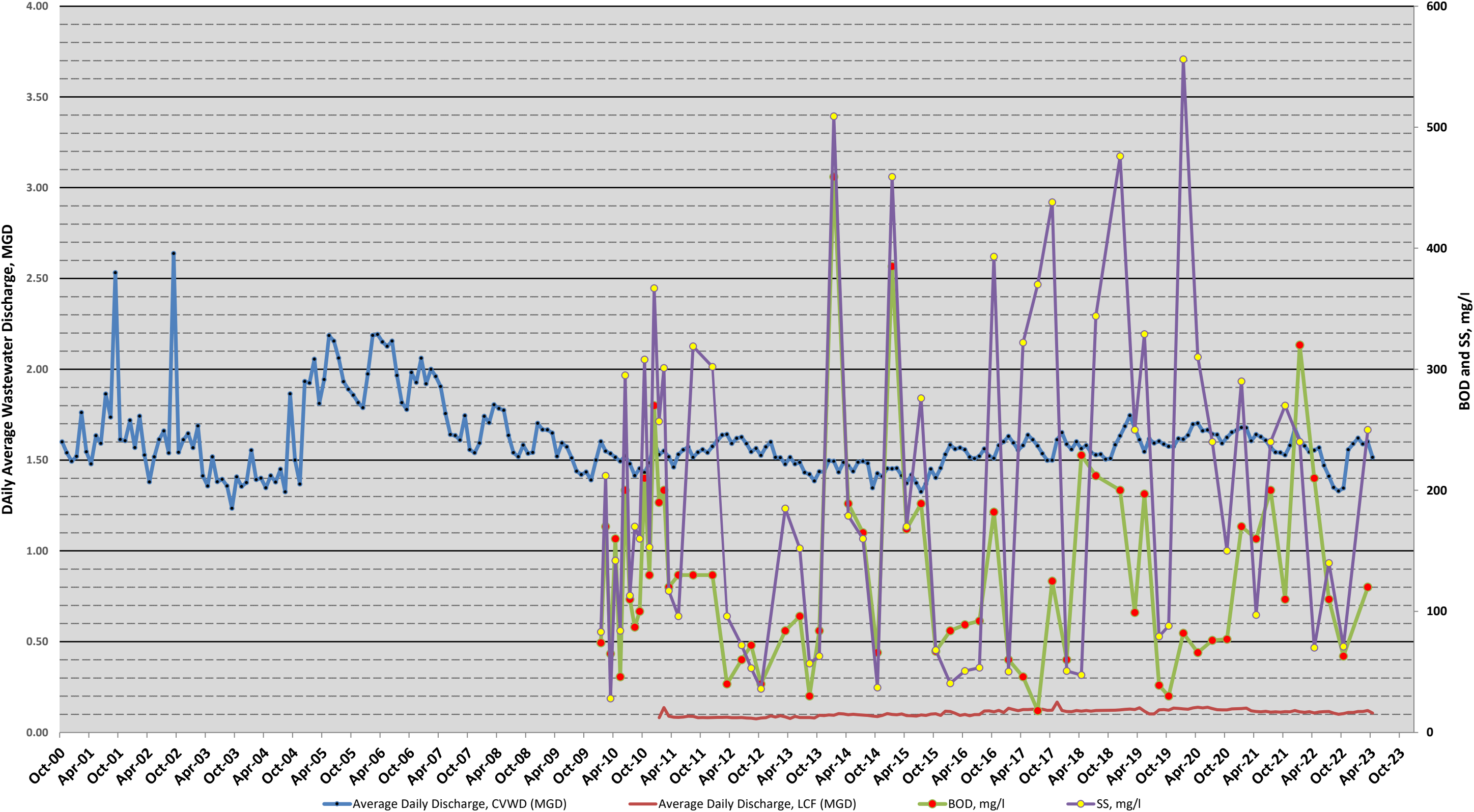


Monthly Rainfall - 1963/64 - 2022/23 (Oct. 1 - May 31)



CVWD Daily Average Wastewater Discharge and Strength

October 1, 2000 - April 30, 2023



CRESCENTA VALLEY WATER DISTRICT

2700 FOOTHILL BOULEVARD
LA CRESCENTA, CALIFORNIA

To be held on
June 1, 2023 at 4:30 PM

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

Posted May 31, 2023 at 4:30 PM

TELECONFERENCING NOTICE

This meeting will be conducted in person at the address listed above. Members of the public may also participate virtually by using a touchtone phone. You may select any of the following phone numbers (there are more than one for increased reliability during this time of increase phone traffic).

(669) 900-6833
(253) 215-8782

(346) 248-7799
(301) 715-8592

(929) 205-6099
(312) 626-6799

Then, enter Access Code: 864 3239 7695

[Pursuant to the above Executive Order, the public may not attend the meeting in person]

Those members of the public who are able to and would like to additionally participate with a computer through videoconference may access the Zoom videoconferencing tool available at the following link:

<https://us02web.zoom.us/j/86432397695>

If there is a disruption of service, this meeting will continue without remote participation. The remote participation option is provided a convenience to the public and is not required.

Any person may make a request for a disability-related modification or accommodation needed for that person to be able to participate in the public meeting by contacting the District by phone or in writing at customerservice@cvwd.com. Requests must specify the nature of the disability and the type of accommodation requested. A telephone number or other contact information should be included so that District staff may discuss appropriate arrangements. Persons requesting a disability-related accommodation should make the request with adequate time before the meeting for the District to provide the requested accommodation.

Call to Order

Adoption of Agenda

Public Comment:

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

the Board is prohibited from taking action on items not listed on the agenda, except under certain circumstances.

Action Item(s)

The public shall have an opportunity to comment on any action item as each item is considered by the Committee. This opportunity is non-transferrable and speakers are limited to one two-minute (2) comment each.

1. Discussion on Bond Issuances as a Complement to the Proposed Capital Charge on the Property Tax Roll
2. Discussion on Level Pay Program

Committee Members' Request for Future Agenda Items

Adjournment

CRESCENTA VALLEY WATER DISTRICT

BOARD OF DIRECTORS - STAFF REPORT

Information Item No. 1
June 1, 2023

To: Finance Committee
From: James Lee – Interim General Manager
Subject: **Discussion on Bond Issuances as a Complement to the Proposed Capital Charge on the Property Tax Roll**

ACTION ITEM:

Discussion on bond issuances as a complement to the proposed capital charge on the property tax roll.

BACKGROUND:

The District is considering a capital charge on the property tax roll to fund pipeline replacement. The maximum annual authorization for this charge as recently noticed to the community is \$404 per residence.¹ At this level, approximately \$4 million would be raised for “pipelines and associated costs” as specified in Resolution No. 785 which was recently approved and filed with Los Angeles County.

This \$4 million was included in one of the FY 2023-24 Water Fund budgets presented to the Board on May 23, 2023. During that meeting, the Board directed staff to prepare an analysis that shows the relationship between the amount collected through the property roll and the use of bond funds should the District move forward with one or more bond issuances. More specifically, the Board would like to see the balance between the portion of the capital charge used for “PayGo” pipeline projects and the portion used for debt service.

Utilizing bonds as a complement to the proposed capital charge can be beneficial in a number of ways –

1. *Higher Credit Rating (lower interest cost)* – During the District’s last bond issuance of \$5 million in 2020, the credit rating agency Standard & Poor’s increased the District’s credit rating two notches from “A” to “AA-”, which significantly lowered the interest rate. Adoption of a capital charge to be collected through a secure means such as the property tax roll would present an exceptionally strong credit factor for rating agencies. This would provide an argument for an additional bump in rating, further decreasing the cost of borrowing.
2. *Keep Rate Increases Lower Than Planned* – Based on the District’s “Roadmap” plan, the District developed a long-term infrastructure funding plan, and the rates to support the plan were three-year tranches of 8%, 7%, and 6%, respectively. The District will revisit rates in the coming year, and adopting a capital charge and complementing it with bonds may present an opportunity to lessen rate increases, particularly in the latter years.
3. *Lower the Capital Charge Assessed by the County* – The introduction of bonds means that only a nominal amount of pipeline needs to be paid in cash. Meanwhile, annual debt service costs are a small fraction of the cash needed for a PayGo-only approach.² This means that while the District

¹ This amount is for customers with ¾” meters, which comprise approximately 86% of the District’s water customers.

² This is not to be confused with the fact that the overall cost of financing using debt is typically significantly higher than PayGo. From a cash flow perspective, however, debt service is a small fraction of current-day costs. For example, debt service for a potential 3-year pipeline CIP plan of \$9M based on current interest rates and the District’s credit rating would be approximately \$525K/year.

may approve the full proposed amount of \$4 million, the Board could elect to assess a lower amount each year to match a combination of PayGo and debt service.

4. *Intergenerational Equity* – Bonds are generally accepted as increasing equity across generations because ratepayers are not asked to catch up on behalf of previous generations that didn't sufficiently develop infrastructure, and they are not asked to prepay on behalf of future generations. The equity component is particularly pronounced with bonds that are paying for an asset like a pipeline, as debt service payments are typically spread over 30 years, and the useful lives of the pipelines being financed are even longer at approximately 75 years.

There are two primary drawbacks to bonds -

1. *Overall Cost* - The overall cost of financing is typically significantly higher. For example, the approximate total payments for a \$10 million bond over 30 years is \$17.8 million. This is arguably offset by inflation; it is further offset by the investment of bond proceeds.³
2. *Increase in Interest Rates* - Although interest rates are still low relative to rates over the last 75 years, they are high compared to rates over the last 10 years. This exposure to higher interest rates can be mitigated by structuring a favorable "call option" when issuing bonds.⁴ This means that bonds can be refinanced earlier at lower rates.

Staff has prepared a simple financial model-based analysis. The analysis shows that the balance between using the proposed capital charge for PayGo and debt service depends primarily on two variables: 1) the amount of PayGo used each year; and 2) the amount needed to maintain a stable reserve fund. The model also provides an indication for how low the capital charge can be assessed to support the above-discussed approach. Staff will utilize the model to show these relationships.

RECOMMENDATION

Discuss bond issuances as a complement to the proposed capital charge on the property tax roll.

Prepared by:



Arturo Montes
Finance & Administration Manager

Submitted by:



James Lee
Interim General Manager

Attachment(s): none

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³ If the District were to issue bonds at a 4.25% interest rate, bond proceeds could be invested during the 3-year window to spend the proceeds. LAIF, considered the District's most secure and liquid investment source, is currently yielding 2.87%, which would partially offset the interest expense. The yield for LAIF and other investment vehicles typically move up and down with interest rates. The District is limited to the "arbitrage yield", which means that the yields earned by the District must be limited to the interest rate on the bonds.

⁴ The District has had success with structuring aggressive call options. For example, the 2017 refinancing of the 2007 bonds featured a 3-year call option as compared to the 10-year industry standard. The District was able to use this call option to its advantage during the 2020 financing.

CRESCENTA VALLEY WATER DISTRICT

BOARD OF DIRECTORS - STAFF REPORT

Information Item No. 2
June 1, 2023

To: Finance Committee
From: James Lee – Interim General Manager
Subject: Discussion on Level Pay Program

ACTION ITEM:

Discussion on making a level pay program available to customers.

BACKGROUND:

The Finance Committee had previously directed staff to investigate the possibility of implementing a level pay program. A level pay plan smooths out a customer's water bill avoiding summer spikes and winter lows. With a level pay plan customers pay the same amount each billing period. The amount due is calculated using the customer's average consumption from the previous year and the projected future rates. In the summer, customers may pay less than they consume but during the winter they would pay more than they consume. This program is not a discount program, customers would be responsible for all water consumption at the District's posted rates.

PROGRAM DETAILS:

A customer would first notify staff of their interest in participating in the level pay program. Staff would then calculate the average consumption for the previous 12 months. Using the average consumption, staff would then calculate the bill amount for the following 12-month period. Staff will continue to record actual meter readings, which will be printed on the customer's bills. After 12 months, staff will calculate a reconciliation bill. If customers used more water than their average over the previous billing periods, they would receive a bill. If they used less water, they would receive a credit. At this point a new level bill amount will be calculated based on the previous 12-month period.

The benefits of a level pay plan include:

1. *Budgeting* – Having a fixed bill amount simplifies monthly expense budgeting for customers
2. *Avoids Spikes* – A level plan can avoid the frustration and stress of large summer bills
3. *Revenue Smoothing* – The District will also experience revenue smoothing with customers paying a set amount throughout the year

The disadvantages of a level pay plan include:

1. *Disconnect with Usage* – Having a fixed bill amount can cause customers to not realize if they are overusing water if they don't track their actual usage
2. *High Reconciliation* – If a customer has above average consumption, they may end up with an unexpectedly high reconciliation bill
3. *Program Costs* – Enacting a level plan would incur some additional costs to the District including, billing system set up fees, marketing costs, and additional staff time to administer program

RECOMMENDATION

Discuss level pay program and direct staff to any next steps.

Prepared by:

A blue ink signature of Arturo Montes, consisting of stylized initials and a surname, written over a horizontal line.

Arturo Montes
Finance & Administration Manager

Submitted by:

A blue ink signature of James Lee, consisting of stylized initials and a surname, written over a horizontal line.

James Lee
Interim General Manager

Attachment(s): none

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CRESCENTA VALLEY WATER DISTRICT

2700 FOOTHILL BOULEVARD
LA CRESCENTA, CALIFORNIA

To be held on
June 9, 2023 at 3:00 PM

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

Posted June 8, 2023 at 3:00 PM

Call to Order

Adoption of Agenda

Action Item(s)

1. Planning for the upcoming public hearing
2. Update name for Engineering Committee
3. Employee retention planning
4. Recognition of Board member for service tenure
5. Recognition of past and present Board members
6. Board room updates

Committee Members' Request for Future Agenda Items

Closed Session - None

Adjournment