

CRESCENTA VALLEY WATER DISTRICT

2700 Foothill Boulevard
La Crescenta, California

Agenda for the
Adjourned Regular Meeting of the Board of Directors
of the Crescenta Valley Water District
to be held on Tuesday, April 18, 2017 at 7:00 p.m.

Posted: April 14, 2017 at 3:00 p.m.

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

Call to Order and Determination of Quorum

Pledge of Allegiance

Adoption of Agenda

Public Comments

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

Special Presentation – Presentation of insurance premium refund check from ACWA/JPIA by Executive Committee Chairman Mr. E. “Jerry” Gladbach and Ms. Karen Thesing, Director of Insurance Services.

Foothill Municipal Water District Report

1. Report on activities at Foothill Municipal Water District.

Consent Calendar

1. Consideration and approval of Minutes of the Regular Meeting on April 4, 2017.
2. Consideration and approval of Minutes of the Public Workshop on April 11, 2017.
3. Ratification of Disbursements for March 2017.

Action Calendar

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

1. Discussion Regarding the District’s OPEB Liability – Presentation by Mr. Gary Cline of Nicolay Consulting with discussion and possible action regarding the District’s OPEB liability.
2. Water & Wastewater Budgets for FY 17/18 – Discussion of draft water and wastewater budgets for FY 17/18.
3. Proposition 218 Notification for Proposed Water Rates and Charges – Consideration and motion to approve the Proposition 218 Notice for Water rates and charges and authorize staff to mail said notices on or before April 28, 2017.

Information Items

Written Communications to District/Board

Staff Reports

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

Attorney Report

Reports of Committees

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

Director's Oral Reports

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

Board Members' Request for Future Agenda Items

Adjournment

**CRESCENTA VALLEY WATER DISTRICT
REGULAR MEETING, BOARD OF DIRECTORS**

April 4, 2017

Pursuant to the order of the Board of Directors of the Crescenta Valley Water District, made at the Adjourned Regular Meeting of March 21, 2017, a Regular Meeting was held on April 4, 2017, at 7:00 p.m. at the District office at 2700 Foothill Blvd., La Crescenta, California, with President James D. Bodnar presiding.

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

Directors:	James D. Bodnar Michael L. Claessens Kerry D. Erickson Kenneth R. Putnam Judy L. Tejada
Attorney:	Thomas S. Bunn
General Manager:	Thomas A. Love
Secretary-Treasurer:	Ron L. Mitchell
District Engineer:	David S. Gould
Others Present:	Mark Hass, IT Manager Wendy Holloway, Customer Accounts Supervisor Dennis Maxwell, Superintendent James Lee, Accountant

PLEDGE OF ALLEGIANCE

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

ADOPTION OF AGENDA

It was moved by Director Tejada, seconded by Director Claessens and carried by a 5-0 vote that the Agenda for the Regular Meeting of April 4, 2017 be adopted as presented.

PUBLIC COMMENT – None

FOOTHILL MUNICIPAL WATER DISTRICT REPORT – No Report

CONSENT CALENDAR

It was moved by Director Claessens, seconded by Director Tejada and carried by a 5-0 vote to approve the Minutes of the Adjourned Regular Board Meeting held on February 21, 2017.

ACTION CALENDAR

Appeal of High Water Bill – Mr. Mitchell reported the tenants at 2851 Adams Street had a leak for the February 28, 2017 billing. The meter reader contacted the office staff and reported a 4 gpm leak and the current read which determined that 233,000 gallons of water had been used. Staff contacted the owner of the property and explained the situation. The owner had the leak repaired the next day. The tenants came into the office and staff informed them of how to request a leak adjustment and the appeal process to the Board. Staff re-calculated the bill using the Tier 2 for the overage consumption. The difference between the billing charges is \$728.64. Staff applied a credit adjustment of \$300.00 to the account so the additional credit adjustment will be \$428.64.

It was moved by Director Claessens, seconded by Director Tejeda and carried by a 5-0 vote to authorize the General Manager to grant a request for relief from a high water bill and give an additional credit of \$428.64.

Installation of Additional On-Site Piping at Williams Reservoir, Project E-733CS-5 – Mr. Gould reported on March 13, 2017 staff sent out Request for Quotes to six pipeline contractors for the installation of the new pressure reducing valve and on-site piping. The bid opening was on March 29, 2017, and two of the six contractors submitted a bid (four declined to bid). Brkich Construction was the apparent low bidder for the project. The engineers estimate was \$19,500 and the low bid was \$37,500 which is 92% higher. This is largely due to an increase in the size of the excavation area necessary to perform the work.

It was moved by Director Claessens, seconded by Director Tejeda and carried by a 5-0 vote to authorized the General Manager to award a contract to Brkich Construction for the installation of a pressure reducing valve and additional piping at Williams Reservoir at a cost of \$37,500 and to establish a contingency amount of \$3,750 (10% of contract) to cover the cost of unforeseen or additional work with the expectation that this amount be charged to back to FMWD member agencies.

Well Rehabilitation – Well 8, Project E-979 – Mr. Gould reported Well 8 was taken out of service on February 16, 2017. Staff contacted Best Drilling and Pump (Best) for inspection on March 3, 2017. It was determined that the thrust bearing on the pump assembly had failed. On March 9, 2017, Water Well Redevelopers performed a video inspection and found the louvered well liner is plugged with what appears to be mineral deposits. Staff approached the Engineering Committee with details regarding the failure of Well 8, and recommended to request a quote from Best Drilling and Pump which they returned an estimate of \$36,200.

It was moved by Director Putnam, seconded by Director Tejeda and carried by a 5-0 vote to authorize the General Manager to award a contract to Best Drilling and Pump, Inc. for well rehabilitation at Well 8 at a cost of \$36,200 and to establish a contingency amount of \$3.620 (10% of contract) to cover the cost of unforeseen or additional work.

FY 2017/18 Water and Wastewater Budgets and 10 year CIP – Mr. Love presented a draft of the Preliminary Water & Wastewater Budget for the Public Workshop on April 11, 2017 at 6:00 p.m. The Board discussed this and gave direction to staff as how this should be presented. Also the Board and staff reviewed and discussed the draft Proposition 218 Notice, and noted changes to be made on the notice before it is mailed out to the customers.

INFORMATION ITEMS – Waterwise: Maximizing use of recent rain water. CV Weekly: CVWD Invites Public Participation in the Water and Wastewater Budget and Rate Discussion. New York Times: When is a Drought Over? A Wet California wants to know.

WRITTEN COMMUNICATIONS TO DISTRICT – None.

REPORTS OF PERSONNEL

SECRETARY-TREASURER – Mr. Mitchell provided a summary of Conferences and Seminars for calendar year 2016 for Board and staff.

GENERAL MANAGER – Mr. Love reported on the General Manager’s objectives, and also on the community outreach programs. He also reported on March 22, 2017 all employees attended a luncheon where the General Manager presented an overview of the preliminary budget and draft strategic plan. He also discussed correspondence to the Board, and press releases. As of Friday, March 31, 2017 the District has worked 1,025 days without a lost time accident.

DISTRICT ENGINEER

Water Production – For the period of March 1 through March 31, 2017, water production averaged 90.8 million gallons per day, which is **2.2% more** than the daily average production of the same period in 2016. This is **20.6% less** from the daily average production of the previous five years.

Rainfall: March 2017	0.65”
Season-to-date:	24.32”

Administrative and Field Operations – Mr. Gould provided a memorandum and discussed the following:

Report on Engineering

CIP Projects – Ocean View Chlorination Project – Award of Contract for piping for delivering water to FMWD. Agreements – Working with FMWD & LADWP. Pipeline Projects – 4200 – 4400 Blocks Pennsylvania. Project to start April 24, 2017. Pickens Canyon Pipeline Replacement and Slope repair – Construction progress – Slurry backfill of slope – completed 3/31/17. Import soil backfill for slope – start 4/3/17. Pipe installation – start 4/10/17. Project completed by 4/28/17. Seismic Sensors & Valve Actuators at Dunsmore & Pickens Reservoir – Pickens Reservoir – to be completed by end of April 2017.

Nitrate Removal Treatment Facility at Well 2 Project – SA Associates working on 100% design plans and specifications. Plans submittal to Glendale Building & Safety for Permits. RFQ to pre-order Electrical Motor Control Center sent out to vendors.

Crescent Valley County Park Stormwater Recharge Facility Study – Final report submitted to DWR. Presentation at future Board Meeting.

ULARA – RFP for 3 year Watermaster services sent to consultants.

Water Meter Replacement Program – Field crews replacing water meters in Zones 8 & 9 & 1, working on Zone 6 & 7. Replaced 339 meters in FY 16/17.

Report on Administrative and Field Operations:

Well Status – Well production capacity is down - averaging 1.50 MGD for March 2017. Well 8 out of service.

Field Maintenance and Operations update for March 1 – March 31, 2017.

Water lateral leaks & repairs

- 2410 Mayfield
- 2849 Sycamore
- 2505 Montrose
- 2544 & 2545 Frances
- 2354 Rockdell
- 3120 Brookhill
- 4105 Ocean View
- 2916 Mountain Pine
- 4842 Pennsylvania

Water Main Leaks – 4500 Block of Frederick

Reservoir Maintenance – No Report

Fire Hydrant Repair – 5100 Block of Parkhaven Avenue

Developer Job – No Report

Booster Pump Maintenance – No Report

Sewer Maintenance – 4400 – 4500 Blocks of Ramsdell. 2800 – 2900 Blocks of Foothill, Mary, Community, Adams, Paraiso Way, Santa Carlotta, El Caminito, Stevens, Alabama, Los Olivos. 2700 – 2900 Blocks of Henrietta, Orange. 2800 Blocks of Fairmount, Sanborn. 2700 Blocks of Harmony, Frances, Brookhill. 4900 – 5200 Blocks of La Crescenta.

PROGRAM SPECIALIST – No Report

INFORMATION TECHNOLOGY – Mr. Hass reported that 56% of our customers have signed up for the District's online services. This is 10% more than last year. He also said that there will be information coming soon regarding the SCADA upgrade.

ATTORNEY – Mr. Bunn reported on several pieces of legislation and highlighted various assembly bills that could have an impact on the District.

REPORTS OF COMMITTEES

Engineering Committee – Director Claessens reported that the Committee will meet on April 20, 2017 at 9:00 a.m.

Finance Committee – Director Tejada reported that the Committee met on March 30, 2017 at 8:00 a.m. and reviewed the draft of FY 2017-18 Water Budget, FY 2017-18 Wasterwater Budget and the OPEB valuation. The Committee will meet again on April 13, 2017 at 8:00 a.m.

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

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

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

Emergency Planning Committee – Director Bodnar reported that the Committee will meet on April 21, 2017 at 8:00 a.m.

Executive 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 Tejada – No Report

Director Putnam – No Report

Director Claessens – No report

Director Erickson – No Report

ADJOURNMENT

There being no other business to come before the Board at 8:46 p.m., it was moved by Director Tejada and seconded by Director Claessens and carried unanimously that the meeting be adjourned April 18, 2017 at 7:00 p.m.

APPROVED

James D. Bodnar
President

Ron L. Mitchell
Secretary-Treasurer

CRESCENTA VALLEY WATER DISTRICT

WATER AND WASTEWATER BUDGET WORKSHOP

April 11, 2017

A Budget Workshop was held regarding the Water/Wastewater Budget for FY 2017/18 on April 11, 2017 at 6:00 p.m. at the office of the District office at 2700 Foothill Blvd., La Crescenta, California, with President James D. Bodnar presiding.

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

Directors:

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

Attorney:

Thomas S. Bunn III

General Manager:

Thomas A. Love

Secretary-Treasurer:

Ron L. Mitchell

District Engineer:

David S. Gould (absent)

Others Present:

Mark Hass, IT Manager
Christy Scott, Program Specialist
Wendy Holloway, Customer Accounts Supervisor
Dennis Maxwell, Superintendent
James Lee, Accountant

ADOPTION OF AGENDA

It was moved by Director Tejada seconded by Director Claessens and carried by a 5-0 vote that the Agenda for the Water and Wastewater Budget Workshop of April 11, 2017, be adopted as presented.

ACTION CALENDAR

FY 2017/18 Water and Wastewater Budget – Mr. Love opened the meeting by giving a draft presentation for the FY 2017/18 Water and Wastewater Budgets. He gave an overview on budget and rate setting principles, Wastewater budget and rates, Water budget, water demands and supply, operating expenses, infrastructure investments, capital improvements, financial reserves and proposed water rates. The Board discussed the budget with staff, heard remarks from the public, and made suggestions for the public hearing in June 2017.

ADJOURNMENT

There being no other business to come before the Board, at 7:30 p.m. it was moved by Director Tejada, seconded by Director Erickson, and carried by a 5-0 vote that the meeting be adjourned.

APPROVED:

James D. Bodnar
President

Ron L. Mitchell
Secretary-Treasurer

CASH DISBURSEMENTS LIST

MARCH 2017



<u>Check#</u>	<u>Check Date</u>	<u>Payable To</u>	<u>Description</u>	<u>Water Amount</u>	<u>Wastewater Amount</u>
0	3/1	Southern California Edison Co.	Power purchased 02/2017	16,728.75	247.61
0	3/27	Southern California Edison Co.	Power purchased 03/2017	17,638.60	267.58
35330	3/7	ACV Systems, LLC	Well 10 & 14 valve repairs	2,712.56	
35331	3/7	ACWA Joint Powers Ins Authority	Group Health insurance for 03/2017	33,912.47	22,047.19
35332	3/7	ADS, LLC	Monthly monitoring 02/2017		1,010.00
35333	3/7	Affordable Generator Services, Inc.	Unit #41 - Replace battery and air filter (main office generator)	495.01	
35334	3/7	Aflac	Employee paid insurance 02/2017	1,337.53	
35335	3/7	Allen Pipeline, Inc.	Welding services on main repair at Mary & Raymond	1,155.60	
35336	3/7	AMEC Foster Wheeler	E-956 - Engineering services through 12/23/2016	5,452.98	
35337	3/7	Anawalt Lumber & Materials Co.	Misc hardware	100.84	33.61
35338	3/7	APTwater, LLC	E-956 - Well 2 treatment plant progress payment	31,250.00	
35339	3/7	ARC	Monthly MPS billing 02/2017	973.30	324.44
35340	3/7	AT&T	PRI Usage 02/2017	2,295.96	765.31
35341	3/7	AVAYA Financial Services	Land line lease 02/2017	380.67	126.89
35342	3/7	BC Laboratories, Inc	Water analysis	180.65	
35343	3/7	Natalie Bellissimo	Mileage reimbursement for Jan & Feb 2017	20.40	4.97
35344	3/7	BNI Building News	CA Field Guide for Temporary Traffic Control	371.61	123.87
35345	3/7	CalPERS	Employee contributions 02/2017	23,303.47	13,857.41
35346	3/7	CCS Interactive, Inc.	New page & water supply graphic on website	93.75	31.25
35347	3/7	Choice Pest Control	Monthly service at Well 9 and Mills house - 02/2017	98.00	15.00
35348	3/7	City of Glendale Fire Dept.	Haz Material/industrial waste annual permit 12/2016 to 12/2017	1,672.00	
35349	3/7	City of Glendale Water & Power	Power purchased 02/2017	32,573.86	26.91
35350	3/7	Colonial Life & Accidents Ins.	Employee paid insurance 02/2017	183.61	
35351	3/7	Contractor Compliance & Mont Inc.	E-956 Service for 01/2017	106.25	
35352	3/7	County Sanitation District #2	Inert load	380.16	
35353	3/7	Dataprose LLC	Printing and postage for Control 1-4 02/2017	1,534.71	1,534.71
35354	3/7	Dell Financial Services	Lease contract	727.71	242.57
35355	3/7	DMC Engineering	E-957 Services through 11/2016	20,372.58	

<u>Check#</u>	<u>Check Date</u>	<u>Payable To</u>	<u>Description</u>	<u>Water Amount</u>	<u>Wastewater Amount</u>
35356	3/7	Do-it Center	Misc hardware for 02/2017	217.50	151.61
35357	3/7	Dunn-Edwards Corporation	Paint and supplies for board room	96.58	32.19
35358	3/7	Eurofins Eaton Analytical Inc.	Water analysis	282.00	
35359	3/7	Foothill Car Wash, Lube & Oil	Oil change for Unit #6	44.06	14.69
35360	3/7	Grainger	Hour meters, motor grease, brooms, and supplies	341.41	73.57
35361	3/7	Gsolutionz Professional Services	Land line support 2/1/17 to 5/1/17	150.60	50.20
35362	3/7	Harrington Ind Plastics LLC	500' of 3/8"od black chlorine tubing	394.24	
35363	3/7	Home Depot Credit Services	Misc hardware 02/2017	559.67	513.66
35364	3/7	J & K Welding	Welding service and travel time for D-16-82	997.50	
35365	3/7	L.A. County Dept. Public Works	Excavation permits	4,656.00	
35366	3/7	LA County Tax Collector	2nd half installment payment for property taxes - 2016	6,382.60	2,127.47
35367	3/7	LA Dept Water and Power	Power purchased 02/2017	46.12	
35368	3/7	Lincoln Financial Group	Dental & Life insurance 03/2017	3,292.84	2,195.23
35369	3/7	Lock-Up Inc.	Repair gate at Glenwood	285.00	95.00
35370	3/7	Logan Supply Co. Inc	Duct tape, electrical tape and painting supplies	164.38	164.36
35371	3/7	Los Angeles Times	Yearly renewal 2017/2018	219.84	73.28
35372	3/7	Dennis A. Maxwell, Jr	Reimbursement for air conditioner and microwave Penn house	500.80	166.93
35373	3/7	McMaster-Carr Supply Co	Split rings and door handles for cabinets	34.20	34.20
35374	3/7	Mimecast North America, Inc.	Email security for January 2017	300.00	100.00
35375	3/7	New Image Landscaping	Monthly maintenance 02/2017	902.50	177.50
35376	3/7	New Pig Corp.	MAT508 oil absorbent pads	514.52	171.50
35377	3/7	Newegg, Inc.	Electronic waste recycle fee	356.03	118.66
35378	3/7	Northern Safety Co., Inc	Misc. safety supplies	34.99	34.98
35379	3/7	Northern Tool & Equip Co.	Unit #39 - Tires for trailer	123.36	41.11
35380	3/7	O'Reilly Auto Parts	Misc parts 02/2017	6.84	
35381	3/7	Office Depot - Credit Plan	Misc supplies 02/2017	374.60	374.58
35382	3/7	Paper Cuts, Inc	Paper shredding 02/2017	2.50	2.50
35383	3/7	Paveco Construction Inc	List 2016-17-06	9,243.46	
35384	3/7	Pres-Tech Manufacturer's Inc.	Misc. shop supplies	233.30	77.76
35385	3/7	Ramco	Crushed misc base	2,150.00	
35386	3/7	Rassac Air Systems	Repairs to main office heater	82.50	27.50
35387	3/7	Ready Refresh by Nestle	Distilled water	39.91	
35388	3/7	Reliable Road Service, Inc.	Cost to replace air dryer on unit #25	518.33	172.78
35389	3/7	Robertson's	20 yd.concrete D-16-82 4004 La Crescenta	1,740.00	

<u>Check#</u>	<u>Check Date</u>	<u>Payable To</u>	<u>Description</u>	<u>Water Amount</u>	<u>Wastewater Amount</u>
35390	3/7	Royal Roofing Company	Repairs to roof at Glenwood Plant	4,037.40	1,345.80
35391	3/7	Royal Wholesale Electric	Softstart and fan for Well 10, enclosures, filters, & contact blocks	4,433.56	
35392	3/7	Sems Technologies Corp.	Annual renewal software - water quality-back flow-lab connect	3,108.75	1,036.25
35393	3/7	Serge's Automotive	Unit #23A - oil change & repair tire rub & body noise	120.17	40.06
35394	3/7	So Cal Turf & Tractor	Misc parts unit #21	45.47	15.16
35395	3/7	Spectrum Business	Data communication office 02/2017	1,719.60	573.19
35396	3/7	Spectrum Business	Data communication Glenwood 02/2017	2,282.31	760.75
35397	3/7	Stemar Equipment & Supply Co.	Misc. supplies	8.24	8.24
35398	3/7	Sully-Miller Contracting Co.	Minimum load charge	1,139.77	
35399	3/7	Systemated Business Products	Stationary letter head	320.86	320.86
35400	3/7	The Gas Company	Gas purchased 02/2017 Glenwood, Office and Mills house	323.08	107.69
35401	3/7	Trench Shoring Company	Steel plates for 4004 La Crescenta	690.00	
35402	3/7	Underground Service Alert/SC	Underground notification for 02/2017	103.50	34.50
35403	3/7	Vision Service Plan Co-(CA)	Group vision for 03/2017	290.64	193.76
35404	3/7	Vulcan Materials Company	Crushed aggregate base	602.88	
35405	3/7	Waste Management - Sun Valley	Disposal service 03/2017 Office & Plant	781.70	260.56
35406	3/7	Western Water Works	E-976 - 12" reducing weld tees; 6 - fire hydrants	8,807.12	
35407	3/7	Xylem Inc.	E-977 - Data Logger at Ramsdell mixing station	2,076.57	
35408	3/13	Cash-Petty Cash	Petty cash reimbursement	325.99	55.37
35409	3/15	Dennis A. Maxwell, Jr	Health Reimbursement	190.60	127.07
35410	3/16	Christy Joana Scott	Health Reimbursement	273.32	182.21
35411	3/21	Acme Wiping Materials	Misc. shop supplies	102.75	102.75
35412	3/21	ACV Systems, LLC	Repair pressure reducer valves	1,740.69	
35413	3/21	ACWA/JPIA	Property program renewal for 4/1/2017 to 4/1/2018	7,201.00	7,201.00
35414	3/21	ACWA/JPIA	Annual excess crime program for 4/1/2017 to 4/1/2018	647.50	647.50
35415	3/21	Adams Pipeline Tapping	4" hot tap for D-16-83 - 4004 La Crescenta	400.00	
35416	3/21	Adventist Health	Pre-employment physical for James Lee	77.25	25.75
35417	3/21	AES Water, Inc	Repair seismic controller at Markridge Reservoir	1,006.62	
35418	3/21	Aflac	Employee paid insurance 03/2017	1,337.53	
35419	3/21	Samantha Aguilar	Refund Check	29.15	
35420	3/21	Airgas USA, LLC	Monthly cylinder rental 02/2017	193.36	193.36
35421	3/21	All American Landscape Co.	Monthly maintenance for 02/2017	217.50	72.50
35422	3/21	All Rags	Misc. shop supplies	138.50	138.50
35423	3/21	Allstate Environmental Solutions, Inc.	Asbestos sampling and report for Mills Pump house	375.00	125.00

<u>Check#</u>	<u>Check Date</u>	<u>Payable To</u>	<u>Description</u>	<u>Water Amount</u>	<u>Wastewater Amount</u>
35424	3/21	AMEC Foster Wheeler	E-957 - Engineering services through 01/2017	2,898.12	
35425	3/21	Ameripride Uniform Services, Inc	Uniform rentals 02/2017	574.26	191.42
35426	3/21	AT&T	PRI Usage 03/2017	3,461.06	1,116.79
35427	3/21	AT&T Mobility	Cell phone service 03/2017	906.26	302.09
35428	3/21	Yoon Sok Baek	Refund Check		17.62
35429	3/21	BC Laboratories, Inc	Water analysis	2,337.90	
35430	3/21	BC Laboratories, Inc	Water analysis	2,873.40	
35431	3/21	Bonnors Equipment Rentals	Misc rentals for 02/2017	256.26	71.30
35432	3/21	Cargill, Inc - Salt Division	24.66 tons bulk solar salt	3,174.56	
35433	3/21	CCS Interactive, Inc.	Monthly web hosting 03/2017	78.75	26.25
35434	3/21	Choice Pest Control	Monthly service at Well 9 and Mills house - 03/2017	90.50	12.50
35435	3/21	City of Glendale	ULARA water service fees Nov & December 2016	9,120.33	
35436	3/21	City of Los Angeles	Capital and O&M Portion of Asssc		160,800.00
35437	3/21	Coastline Equipment Co.	2 week rental of Komatsu backhoe	3,229.86	1,076.62
35438	3/21	Contractor Compliance & Mont Inc.	E-956 - Labor compliance for 02/2017	340.00	
35439	3/21	DMC Engineering	E-957 Services through 01/2017	20,715.09	
35440	3/21	Eurofins Eaton Analytical Inc.	Water analysis	340.00	
35441	3/21	Ferguson Enterprises, A Wolsley Co.	E-972 - Gate valves, flanges, bolts, and gaskets	9,979.28	
35442	3/21	Fire Master	Annual cost to r & r District fire extinguishers	682.02	227.34
35443	3/21	First Choice	Coffee service plant & office	253.47	253.46
35444	3/21	Foothill Municipal Water	Purchase water - 02/2017	163,859.86	
35445	3/21	Grainger	4 - Axial fans	42.76	
35446	3/21	Great America Leasing Corp.	Kyocera copiers lease	216.96	216.96
35447	3/21	Gsolutionz Professional Services	Land line support - 3/2/17 to 4/1/17	301.26	100.42
35448	3/21	J's Maintenance Service, Inc	Strip & wax Glenwood floors	671.25	223.75
35449	3/21	Jensen Instrument Company	E-977 - Pressure gauges for Ramsdell mixing station	1,189.02	
35450	3/21	John Lisee Pumps, Inc	Pump motor for nitrate plant	3,781.18	
35451	3/21	LA Dept Water and Power	Power purchased 03/2017	46.86	
35452	3/21	Lagerlof, Senecal, Gosney & Kr	Legal services 02/2017	1,925.00	1,250.00
35453	3/21	Pam Leddy	Longevity pay for 15 years of service	112.50	37.50
35454	3/21	Lightning Oil Co. & Vacuum Svc	Dispose of waste oil	93.75	31.25
35455	3/21	Lock-Up Inc.	Part of yearly maintenance Glenwood, Mills, Encinal	427.50	142.50
35456	3/21	Matt-Chlor Inc	2 - 1" corp stops for chlorination stations	714.19	
35457	3/21	Jaime Melzer	Refund Check	60.30	

<u>Check#</u>	<u>Check Date</u>	<u>Payable To</u>	<u>Description</u>	<u>Water Amount</u>	<u>Wastewater Amount</u>
35458	3/21	Mimecast North America, Inc.	Email security for 03/2017	150.00	50.00
35459	3/21	National Business Furniture	C-978 Triple work station for training center at Glenwood	1,910.52	636.83
35460	3/21	John Nelson	Refund Check	18.75	
35461	3/21	New Image Landscaping	Monthly maintenance 03/2017	902.50	177.50
35462	3/21	Newegg, Inc.	C-978 - Intel Core processor for training center at Glenwood	557.54	185.84
35463	3/21	Orchard Supply Hardware	Misc hardware 02/2017	432.14	116.38
35464	3/21	Rassac Air Systems	Air/heating maintenance at Mills house	356.25	118.75
35465	3/21	Reliance Safety Consultants	Traffic Control training for field crews	900.00	300.00
35466	3/21	Royal Wholesale Electric	4 - Enclosures for Goss Canyon Reservoir	1,543.36	
35467	3/21	SA Associates	E-956 - Well 2 service 9/1/16 to 2/28/17	51,792.78	
35468	3/21	Sawyer Petroleum	594 gallons clear diesel fuel Glenwood Plant	1,266.18	422.06
35469	3/21	Shell	Gas purchased 02/2017	1,215.65	405.21
35470	3/21	Simpler Systems	Monthly maintenance 03/2017	375.00	125.00
35471	3/21	St Water Resource Control Brd.	Grade T2 renewal James Halaszynski	110.00	
35472	3/21	Star Brite Bldg. Maintenance Inc	Janitorial services 03/2017	618.75	206.25
35473	3/21	Sully-Miller Contracting Co.	Minimum load charge	568.06	
35474	3/21	Talley Inc.	Misc. electrical supplies	123.84	
35475	3/21	Toro's Lawnmower & Garden	Purchase new chop saw	717.81	717.80
35476	3/21	Tri-Xecutex Corp	Security alarm monitoring April-May-June 2017	243.00	81.00
35477	3/21	Univar USA Inc	1506 gal.bleach at Mills & Glenwood	2,568.55	
35478	3/21	UPS	Shipping charges	32.25	32.24
35479	3/21	Vulcan Materials Company	Crushed aggregate base	527.44	
35480	3/21	Water Well Redevelopers Inc	Videolog of Well #8	765.00	
35481	3/21	Wells Fargo Card Services	Gould: AWWA Spring Conf -registration (Gould, Dodge, Halaszynski) and hotel deposit (Gould, Leddy); constructions books; organizers	1,945.00	169.75
35482	3/21	Wells Fargo Card Services	Hass: Monthly recurring charges; keyboards; cellphone repair; computer hardware; projector for Board room	1,935.07	645.02
35483	3/21	Wells Fargo Card Services	Love : Board meeting dinners	130.90	43.63
35484	3/21	Wells Fargo Card Services	Mitchell: Safety jacket (S. Dulay); office lunch when short -handed	138.53	46.16
35485	3/21	Wells Fargo Card Services	Scott: Urban Water Institute Conference (hotel, meals)	237.28	79.09
35486	3/21	Western Water Works	E-972 - Weld reducers, tees, and weld bells	3,861.72	
35487	3/21	Western Water Works	Bushings, plastic pipe, and pressure reducing valves	1,494.24	
35488	3/21	Cory Whitman	Reimbursement for work jeans	33.72	11.23

<u>Check#</u>	<u>Check Date</u>	<u>Payable To</u>	<u>Description</u>	<u>Water Amount</u>	<u>Wastewater Amount</u>
35489	3/21	Yale Chase Materials Inc	Unit #17 - Change oil and grease chain on fork lift	283.07	94.36
35490	3/21	ACWA Joint Powers Ins Authority	Group Health for 04/2017	33,912.47	22,047.19
35491	3/21	Lincoln Financial Group	Dental - Life - Disability insurance for 04/2017	3,292.84	2,195.23
35492	3/22	La Canada Imports	Strategic Planning staff luncheon	191.01	63.67
35493	3/22	Sully-Miller Contracting Co.	Flooding meter refund	940.00	
35494	3/23	Safelite Auto Glass	Replace windshield in Unit #48	265.82	88.60
35495	3/24	David Gould	Health Reimbursement	766.65	511.10
35496	3/31	Spectrum Business	New data service & set up charges	432.69	144.25
Subtotals				<u>\$ 628,799.48</u>	<u>\$ 257,030.32</u>
Total Disbursements for March 2017				<u><u>\$ 885,829.80</u></u>	

Payroll Report for March 2017

Directors	\$ 1,530.00
Office Regular Payroll	\$ 143,104.00
Office OT	\$ 714.00
Plant Regular Payroll	\$ 98,157.00
Plant OT & Standby	\$ 8,765.00
Employer Payroll Taxes	\$ 18,568.00
Payroll Service Charges	\$ 378.00
Total Payroll	<u><u>\$ 271,216.00</u></u>

CRESCENTA VALLEY WATER DISTRICT

BOARD OF DIRECTORS - STAFF REPORT

Item No. 1
April 18, 2017

To: Board of Directors
From: Ron L. Mitchell, Secretary-Treasurer
Subject: Actuarial Valuation of Other Post-employment Benefits

ACTION ITEM:

1. **Discussion Regarding the District's OPEB Liability** – Presentation by Mr. Gary Cline of Nicolay Consulting with discussion and possible action regarding the District's OPEB liability.

BACKGROUND:

In 2004 the Governmental Accounting Standard Board (GASB) issued Statement 45 (GASB 45) "*Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*" commonly referred to as Other Postemployment Benefits (OPEB). GASB 45 requires employers to recognize postemployment healthcare expense systematically over periods approximating employees' years of service. Compliance with the provisions of GASB 45 is achieved by preparing an Actuarial Accrued Liability (AAL) representing the estimated present value of future benefits. GASB 45 does not require employers to fully fund the AAL.

GASB has recently issued Statement 75 (GASB 75) which requires employers to include the unfunded AAL in the financial statements balance sheet. GASB 75 also includes provisions regarding the discount rate (investment rate of return) reducing the allowed discount rate if the OPEB liability is not prefunded. The lower discount rate results in a higher OPEB liability that must be reported.

The District has engaged the services of Nicolay Consulting to update the OPEB actuarial and evaluate the impacts of GASB 75. Nicolay Consulting has completed the OPEB evaluation and will present the findings at the April 18th Board meeting (presentation attached). The consultant has identified some alternatives which would reduce the OPEB liability including partial prefunding through a retiree benefit trust. In order to recognize the reduced OPEB liability in the Fiscal Year 2018 financial statements the trust must be established prior to the beginning of the fiscal year.

The Finance Committee has previously heard a presentation from Mr. Cline about this subject and has been updated by staff about the need to establish the trust account before June 30, 2017 in order to report a lower discount rate and thus show a significantly lower liability on our financial statements. They are in support of establishing such an irrevocable trust account with CalPERS.

Recommendation

It is staff recommendation that the Board provide direction to staff to initiate establishment of a retiree benefit trust with CalPERS and present for future Board action prior to June 30th.

Prepared by:

Ron L. Mitchell, Secretary-Treasurer

Submitted by:



Thomas A. Love, General Manager



Funding Retiree Medical/OPEB Plans

March/April __, 2017 Board Meeting

Purpose

To review the considerations for prefunding the CVWD Retiree Medical Plan and the impact on the upcoming transition from GASB 45 to GASB 75 accounting standards.

Contents

- Summary of Key Issues
- A Look Ahead
 - GASB 75 Overview
 - Balance Sheet Liability
- Pre-Funding Considerations
 - GASB Prefunding Discount Rates
 - Impact on Balance Sheet Liability
 - Other Considerations
- Options to Implement
 - CVWD Established 115 Trust
 - CERBT
 - PARS
- Decisions for Board to make Today
- Q & A

Summary of Key Issues

- CVWD's financial liability (Net OPEB Obligation (NOO)) has risen from \$3.1 million in FY2014/15 to \$4.3 million in FY2016/17
- The full amount of \$4.3 million will be posted as a liability in the FY 2016/17 financial audit
- GASB 75 Balance Sheet Liability = UAAL, not NOO
- UAAL is \$8.8M in FY2016/17 using GASB 45 discount rate of 4.5%
- Prefunding allows CVWD to use a higher discount rate for UAAL
- FY2017/18 UAAL reduced \$6.0M from \$12.3M at 3% to \$6.3M at 7% if GASB 75 prefunding discount rate (7%) is used instead of the unfunded rate (3%) [see slide 12]
- CVWD should make a decision on prefunding prior to the GASB 75 measurement date for FY2017/18, which could be as early as June 30, 2017 [see slide 8]

A Look Ahead

GASB Accounting Requirements

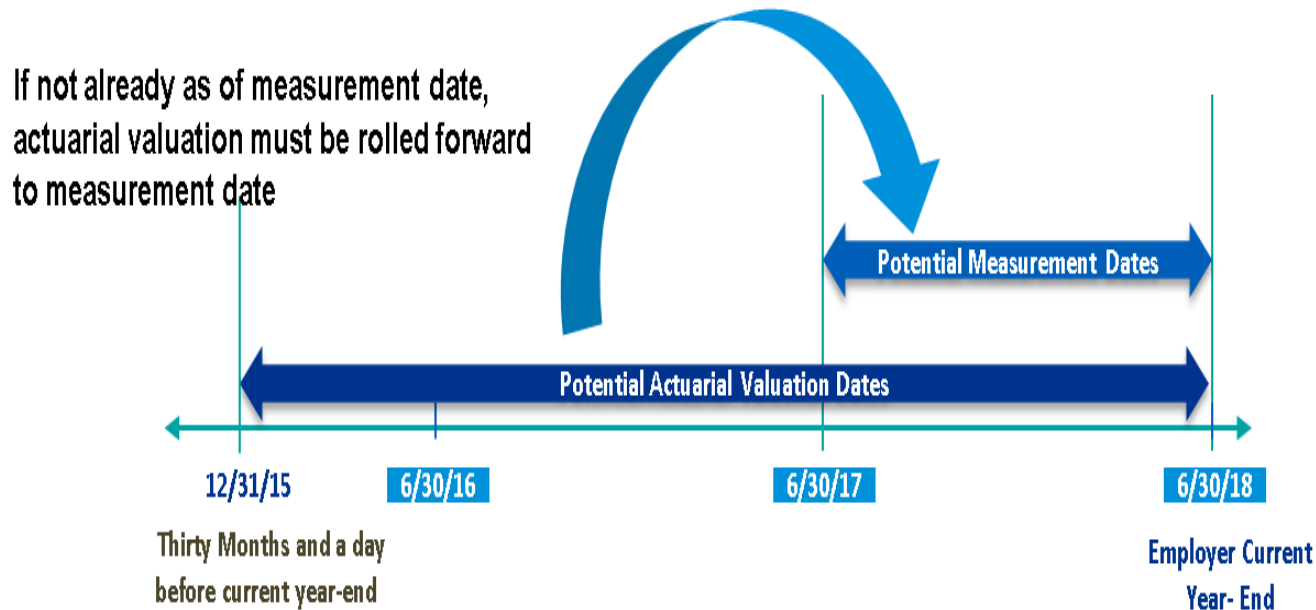
- **GASB 43/74**
 - Covers financial statement of an irrevocable trust, if any
 - CVWD does not currently have an irrevocable trust
 - Transition to 74 effective with Plan Years beginning after 6/15/16
- **GASB 45/75**
 - Covers employer's financial statement for postretirement medical
 - Transition to 75 effective with Plan Years beginning after 6/15/17

GASB 75 Overview

GASB 75 is effective for CVWD in fiscal year 2017/18

- Puts the full unfunded liability on the balance sheet
 - FY2017/18 full unfunded is \$12.3M at 3% as of 7/1/17
- Lower discount rate (4.5 to 3%) for valuing unfunded liabilities
 - Still allows use of a relatively high equity indexed discount rate for prefunded liabilities
- Shortens the amortization of expensing gain/loss due to actual experience from 23 to 5-15 years, increasing volatility in year-over-year annual OPEB expense
- Greater need to manage OPEB Plan risks via:
 - OPEB Investment Policy
 - OPEB Funding Policy
 - OPEB Benefit Policy
 - OPEB Accounting Policy

GASB 75—Close OPEB Books by 6/30/17?



- Some prefunding options may require CVWD adopt a 6/30/17 measurement date to have audited assets for 6/30/18
- CVWD should review prefunding options as soon as possible

Retiree Medical Plan—Balance Sheet Liability

(Thousands)	FY 2016/17	Estimated FY 2017/18
Accounting Standard	GASB 45	GASB 75
Total Liability (UAAL)	\$8,809	\$12,259
Balance Sheet Liability As of end of fiscal year (June 30)	NOO = \$4,296	NOL = \$12,259
Discount Rate	4.50%	3.00%

- **Balance Sheet Liability:** The amount of liability shown on CVWD’s books as of the end of the fiscal year is different under GASB 45 and 75
 - **GASB 45:** The balance sheet liability is the difference between cumulative expense and contributions since adoption of GASB 45
 - **GASB 75:** The balance sheet liability is the unfunded actuarial accrued liability

Prefunding Considerations

Prefunding Impact on GASB Discount Rates

Funding Policy	Approximate Discount Rate	
	GASB 45	GASB 75
No Prefunding (i.e., Pay-go Funding Only)	4.50%	3.00%
Partial Prefunding	5.75%	4.75%
Full Prefunding (i.e., Explicit and Implicit Subsidies)	7.00%	7.00%

- GASB 45: Unfunded liabilities are discounted using long-term return of employer assets (4.50% assumed)
- GASB 75: Unfunded liabilities are discounted using rate on 20-year, tax-exempt general obligation municipal bonds rated AA/Aa or higher (3.00% assumed)
- GASB 45 and GASB 75: Pre-funded liabilities are discounted using Trust long term target return (7.00% assumed)

CVWD Balance Sheet—Impact of Prefunding OPEB

Estimated FY2017/18 (Thousands)	Pay-go	Funding Over A Fixed Period	Immediate Full Funding
Actuarial Accrued Liability	\$12,259	\$6,301	\$6,301
Market Value of Assets	<u>0</u>	<u>540¹</u>	<u>6,301¹</u>
Balance Sheet Liability (NOL)	\$12,259	\$5,761	\$ 0
Discount Rate	3.00%	7.00%	7.00%

¹Trust contributions should be made between now and as soon as 6/30/17 to be counted in GASB 75 NOL.

- **Higher Discount Rate:** Prefunding would lower the AAL by gaining access to a higher discount rate (~7.00% or more depending on asset allocation)
- **GASB Recognized Assets:** Trust Assets must fit three criteria:
 - (a) Employer contributions to the plan are irrevocable,
 - (b) Plan assets are dedicated to providing benefits to retirees and their beneficiaries in accordance with the terms of the plan, and
 - (c) Plan assets are legally protected from creditors of the employer or plan administrator

Other Prefunding Considerations

Pros

- Helps manage the impact of volatility on cash flow and operations
- Increases options for managing your OPEB benefit policy
- Investment income can be used to pay for future benefit costs
- Contributes to obtaining a positive credit rating
- Helps ensure sustainability of OPEB benefits for employees/retirees

Cons

- Capital could be used elsewhere in the business
- Assets are no longer employer money
- Engenders sense of entitlement to voluntary benefits
- Requires active management of employee assets

Prefunding Options

- Section 115 Trust
- CERBT
- PARS

Section 115 Trust

- An IRC Section 115 trust is established as an integral part of a governmental entity that performs the an essential government function.
- The plan sponsor's governing body (i.e., CVWD's Board) is responsible for the jurisdiction's single-employer 115 trust.
- An independent governance structure is not required, but is sometimes provided for. If an independent governing body is not designated, a Board oversight committee should be formed.

Section 115 Trust

Other Trust Options

- IRC 501(c)9 VEBA (Voluntary Employee Benefit Association)
- IRC 401(h) Pension Plan Separate Account

A Section 115 Trust is Preferred over a VEBA or 401(h)

- Does not require annual reporting to the IRS
- No Plan Document determination letter required from the IRS
- Assets revert to the employer when all benefits paid
- Is most prevalent option used in government
- Multi-employer trusts available to CVWD: CERBT and PARS

Option 1: CVWD Establish Its Own 115 Trust

- Oversight committee required to manage trust
- Formal governance structure identifying the composition and responsibilities of the oversight committee and the process for overseeing investments and service providers
- Establish fiduciary roles (Trust Administrator, Custodian, and Investment Advisor/Manager) to assist in trust administration
- Create trust document and investment policy
- Monitor investment performance quarterly
- Evaluate full fee information from service providers
- Engage auditor and legal counsel

Option 2: California Employers' Retiree Benefit Trust

- CERBT is managed by CalPERS
- Low overhead costs (flat 10 basis points) with no additional custodial or investment management fees
- CalPERS handles the GASB 74 Plan Audit themselves
- Rigid deadlines for reporting
- Only one plan year (July 1 to June 30)
- Three investment strategies and no ability to tailor your own
- Over 500 California employers have assets in CERBT, totaling over \$6 billion
- **Not a Pool:** Assets tracked separately in CVWD's own account

Option 3: Public Agency Retirement Services

- PARS is an independent Section 115 trust
- Overhead higher than with CERBT: management fees starting at 7 basis points
- CVWD would need to contract auditors for GASB 74 Plan Audit
- Flexible deadlines for reporting
- Flexible plan year
- Five investment strategies and ability to tailor your own
- Over 170 California employers have assets in PARS OPEB Trust, totaling over \$1 billion
- **Not a Pool:** Assets tracked separately in CVWD's own account

Comparison of Investment Strategies

CERBT as of Oct 2014		Conservative (Strategy 3)	Moderately Conservative (Strategy 2)	Moderate (Strategy 1)	
Global Equity		24%	40%	57%	
U.S. Nominal Bonds		39%	39%	27%	
Global Real Estate		8%	8%	8%	
Inflation-linked Bonds		26%	10%	5%	
Commodities		3%	3%	3%	
Net Expected Return		6.12%	6.73%	7.28%	
Expected Risk (Std. Dev.)		7.14%	9.32%	11.74%	

PARS as of Jun 2015	Conservative	Moderately Conservative	Moderate	Balanced	Capital Appreciation
Equity	14%	29%	48%	58%	73%
Fixed Income	80%	65%	45%	35%	20%
Real Estate	1%	1%	2%	2%	2%
Cash	5%	5%	5%	5%	5%
Net Expected Return	4.95%	5.68%	6.48%	6.85%	7.39%
Expected Risk (Std. Dev.)	4.13%	5.26%	7.54%	8.84%	10.9%

Decisions for Board Today

1. Prefund or Pay-go

- Zero
- Partial (e.g., \$540K)
- Full for 2016 (\$6,301)

2. When to Prefund

- Before 6/30/17 (preferred?)
- Before 12/31/17
- Before 6/30/18 (not an option?)

3. Prefunding Medium

- CVWD 115 Trust
- CalPERS 115 Trust (preferred?)
- PARS 115 Trust

4. Investment Strategy

(see slide 20)

Funding Retiree Medical/OPEB Plans



CRESCENTA VALLEY WATER DISTRICT

BOARD OF DIRECTORS - STAFF REPORT

Action Item No. 3

April 18, 2017

To: Honorable President and Members of the Board of Directors
From: Ron L. Mitchell – Secretary-Treasurer
Subject: **Proposition 218 Notification for Proposed Water Rates and Charges**

ACTION ITEM:

Proposition 218 Notification for Water Rates and Charges – Consideration and motion to approve the Proposition 218 Notice for Water Rates and Charges and to authorize staff to mail said notices on or before April 28, 2017.

BACKGROUND:

CVWD is required to notify all of its customers about proposed changes in the water rates and charges and allow customers an opportunity to protest the proposed rate increases as outlined in the provisions of Proposition 218. This legislation states that any new fee or rate imposed by a government agency must be noticed to its stakeholders and stakeholders must have an opportunity to protest any proposed rate increase.

For CVWD to be in compliance with the provisions of Proposition 218, the following steps must be followed:

1. Staff prepares a Proposition 218 notice describing the proposed rate increase and the method for protesting. The notice is provided to the Board of Directors for discussion.
2. The Board of Directors approves the notice and directs staff to send the Proposition 218 notice to all property owners within the District's service area.
3. A 45-day Public Notice review period commences for the public to submit a written protest.
4. Any written protests are summarized and submitted to the Board of Directors after the 45-day notice period is completed.
5. A public hearing will be held to determine if a majority of property owners within the District's service area have submitted written protests. If the submissions are less than one half of the majority of property owners, then the Board of Directors can proceed with a public hearing on the proposed rate increase.

DISCUSSION:

Last year as part of the Cost of Service Study, the Board approved the fixed meter service charge to be set to collect 25% of the total water service revenue. Staff is presenting two versions of the final Proposition 218 notification letter for review and discussion by the Board of Directors for water rates and charges (see attachments).

The operative legal consideration driving the numbers in the following two scenarios is the "cost-of-service" concept. Cost-of-service is the legal requirement that the rates and charges must reflect the cost of providing service. This means that the various costs of providing service shift according to the level of water sales. In other words, adhering to the cost-of-service principle naturally shifts the balance between water sales allocated to fixed costs versus variable costs.

Scenario A This Proposition 218 notice shows an "across-the-board" 7.2% increase for both the fixed service charge and the commodity rates as discussed at the last Board meeting. However, projections show that these rates will only bring approximately 23% of total service charge revenue

due to higher-than-expected water sales in the current fiscal year that actually decrease the proportion of the fixed charge revenues and increase the variable charge revenues to 77%. Since staff is applying the 7.2% “across-the-board” increase to both fixed and commodity rates, fixed revenues will remain at 23%. This scenario is consistent with cost-of-service principles.

Scenario B This Proposition 218 notice has been adjusted to increase fixed service charges by 16.7% to achieve an overall 25% collection of fixed revenues and reduces the increase in the commodity (tiers) by 4.4%, thus achieving the overall 7.2% rate increase recommended by staff. This scenario is consistent with cost-of-service principles as they relate to the expected water sales for the upcoming fiscal year.

These notices have been reviewed by the Finance Committee on April 14, 2017 and have been approved to bring to the full Board for consideration and are in compliance with the cost-of-service study.

The content of the notice also provides the required information to the public for protesting the proposed water rate increase.

Under the provisions of Proposition 218, water rates and charges which are published in the notices can be adjusted lower, but not higher.

SCHEDULE:


After the final Proposition 218 notices are approved, staff will prepare the notices to be sent to property owners by April 28, 2017.

This will start the 45-day review and comment period, which will end on June 12, 2017. The comments will be tabulated and presented to the Board at a Public Hearing on June 13, 2017.

Prepared by:

Ron L. Mitchell
Secretary-Treasurer

Submitted by:



Thomas A. Love
General Manager

Attachments:

1. Final Proposition 218 Notification for Water Rates and Charges



**PUBLIC NOTICE OF PROPOSED INCREASE
IN WATER RATES AND CHARGES**

**Public Hearing to be held on Tuesday, June 13, 2017, at 6:00 p.m.
2700 Foothill Blvd., La Crescenta, CA 91214**

The Crescenta Valley Water District (CVWD) is considering a water rate and charge increase for water services. **If approved, a water bill for a typical residence with a 3/4-inch meter using 17 units of water (17,000 gallons) during a two-month billing period, will increase by \$9.66 or 7.2%, (a monthly increase of \$4.83). This will result in a two-month bill increase from \$133.33 to \$142.99.**

Effective Date: If approved, the increased rates will become effective on all rates and charges on any bill where the billing period ends after July 1, 2017.

Why is there a need for a rate increase?

Clean, reliable water is a fundamental and essential public service provided by CVWD. Each year CVWD performs a comprehensive analysis of the costs to provide water services and the corresponding rates and charges for those services. Rates are designed to be adequate to cover expenses while ensuring that costs are equitably allocated so that rates are fair and in proportion to the services required by various customer classifications. With lower demands and recent rainfall, rates are still increasing, why?

Drought and Water Conservation: Despite the recent amounts of historic precipitation, the effects of the extended state-wide drought and less than average rainfall over the past five years in the Crescenta Valley has reduced the availability of CVWD's lowest cost water supply, local groundwater. Groundwater levels are at historic lows, which results in an increase in the amount of expensive imported water CVWD needs to purchase to meet demands. During the last fiscal year, even with the tremendous community water conservation efforts, the cost of purchased water increased by over \$1,000,000.

Aging Infrastructure: CVWD is committed to providing the highest quality of service at the lowest possible cost for our customers. Some portions of CVWD's water distribution system are over 70 years old and are approaching, or have already reached, the end of their useful lives.

Pipes, wells, pumping plants, reservoirs, and other infrastructure necessary to provide safe, clean water, wear out and must be replaced before they fail. This is especially true in a hillside community like La Crescenta where, in addition to the loss of water, the consequential damages to surrounding property owners resulting from a large water line failure could amount to millions of dollars. Proactive maintenance and strategic system replacement increases the lifespan of the District's most costly assets.

CVWD evaluates the infrastructure needs, programs, and operations and maintenance costs of the water services for the next five years. CVWD has evaluated and identified certain facilities requiring rehabilitation or replacement, which is estimated to be \$3.3 million for FY 2017/18.

CVWD is a Public Agency and does not operate on a for-profit basis.

What is CVWD doing to help reduce costs?

CVWD is committed to an efficient and economic operation and continuously evaluates every opportunity for expense reductions. CVWD reduced spending last year in operating expenses by over \$225,000 and was under budget in all other expense categories with the exception of purchased water.

CVWD has used and may continue to use funds from its Reserves.

By State law, CVWD may not collect more revenue than is necessary to recover the costs of providing services.

What happens if CVWD does not raise rates?

- 💧 More frequent service disruptions caused by failing facilities
- 💧 Increased costs from emergency repairs and revenues from loss of water
- 💧 Increased risk of impact on water quality
- 💧 Revenue will not cover expenses
- 💧 Decreased utility credit rating
- 💧 Lower reserve levels impeding recovery from natural disasters, fires, or operational emergencies

Your Water Bill: There are two components that make up the water portion of the CVWD bill which you receive every two months.

- 💧 **Water Service Charge:** A portion of CVWD's overall fixed costs, which is not affected by water use, such as: infrastructure, well rehabilitation, system maintenance, and administration.
- 💧 **Water Quantity Rate:** The cost per unit of water is based on a tiered rate structure. *A unit of water is 1,000 gallons.*

All applicable rates and charges are included in the following tables.

Where Your Water Comes From:

CVWD serves its customers water from two water supply sources: (1) Water supplied from a local resource which is pumped from the ground (produced) by CVWD through a series of groundwater wells located within the Verdugo Basin; (2) and water purchased from Foothill Municipal Water District (FMWD). FMWD is a water wholesaler whose primary responsibility is to purchase water from Metropolitan Water District of Southern California (MWD) and sell the water to retail agencies like CVWD. The purchased water consists of a combination of water from the California State Water Project in Northern California and from the Colorado River.

The distance water must travel greatly increases the cost of supplying the water. CVWD's water supply purchased from FMWD is nearly three times more expensive than local groundwater.

Public Hearing:

CVWD welcomes your comments. There will be a public hearing on the proposed changes in rates and charges on **June 13, 2017, at 6:00 p.m.** at CVWD's main office. You may attend in person, or submit comments in writing.

Protest Letters:

Any CVWD customer or property owner within the CVWD water service area may file a written protest of the proposed rate changes by sending a letter to: CVWD, 2700 Foothill Boulevard, La Crescenta, CA 91214. A valid protest letter must include your name, your CVWD service address, a statement of protest, and an original signature, and must be received at the address above no later than **June 13, 2017 at 4:30 p.m.** Letters received prior to June 9, 2017 at noon will be included in the agenda package distributed to the Board of Directors and posted online at www.cvwd.com.

When will the CVWD Board of Directors consider adoption of new rates and charges?

The Board of Directors will meet on **Tuesday, June 20, 2017 at 7:00 p.m.** to consider the proposed changes. The Board may adopt, reject, or modify the proposed rate structure. The Board can't legally increase water rates and charges more than indicated in this notice.

Questions?

On the following page is a table showing the proposed water rates and charges. It is also available for inspection on the CVWD website, www.cvwd.com, or at the CVWD main office between 8:00 a.m. and 4:30 p.m., Monday through Friday. CVWD staff can assist in answering any questions about your bill. If you have questions or need additional information, please call CVWD at (818) 248-3925 or e-mail water@cvwd.com.

Current and Proposed Water Rates and Charges Table:

<u>Current</u>			<u>Proposed 7.2% Increase</u>		
<u>Usage Charge for Single Family Residence</u>			<u>Usage Charge for Single Family Residence</u>		
	<u>Water Use Range</u>	<u>Cost per Unit⁽¹⁾</u>		<u>Water Use Range</u>	<u>Cost per Unit⁽¹⁾</u>
Tier 1	1 - 10 Units	\$ 4.39	Tier 1	1 - 10 Units	\$ 4.71
Tier 2	11 - 26 Units	\$ 6.91	Tier 2	11 - 26 Units	\$ 7.41
Tier 3	27 Units and above	\$ 10.43	Tier 3	27 Units and above	\$ 11.18
<u>Usage Charge for Multi-Family, Commercial, Institutional, & School</u>			<u>Usage Charge for Multi-Family, Commercial, Institutional, & School</u>		
		<u>Cost per Unit⁽¹⁾</u>			<u>Cost per Unit⁽¹⁾</u>
Base Rate		\$ 6.22	Base Rate		\$ 6.67
<u>Usage Charge for Irrigation</u>			<u>Usage Charge for Irrigation</u>		
	<u>Water Use Range</u>	<u>Cost per Unit⁽¹⁾</u>		<u>Water Use Range</u>	<u>Cost per Unit⁽¹⁾</u>
Tier 1	1 - 80 Units	\$ 4.80	Tier 1	1 - 80 Units	\$ 5.15
Tier 2	81 Units and above	\$ 9.20	Tier 2	81 Units and above	\$ 9.86
<u>Meter Service Charge (per bimonthly period)</u>			<u>Meter Service Charge (per bimonthly period)</u>		
<u>Meter Size</u>	<u>Within District</u>	<u>Outside District⁽²⁾</u>	<u>Meter Size</u>	<u>Within District</u>	<u>Outside District⁽²⁾</u>
3/4"	\$ 41.06	\$ 41.46	3/4"	\$ 44.02	\$ 44.42
1"	\$ 61.25	\$ 61.65	1"	\$ 65.66	\$ 66.06
1½"	\$ 111.73	\$ 112.13	1½"	\$ 119.77	\$ 120.17
2"	\$ 172.32	\$ 172.72	2"	\$ 184.73	\$ 185.13
3"	\$ 364.16	\$ 364.56	3"	\$ 390.38	\$ 390.78
4"	\$ 646.87	\$ 647.27	4"	\$ 693.44	\$ 693.84
<u>Private Fire Protection Service Charge (per bimonthly period)</u>			<u>Private Fire Protection Service Charge (per bimonthly period)</u>		
<u>Meter Size</u>	<u>Within District</u>	<u>Outside District⁽²⁾</u>	<u>Meter Size</u>	<u>Within District</u>	<u>Outside District⁽²⁾</u>
1"	\$ 12.03	\$ 12.43	1"	\$ 12.90	\$ 13.30
2"	\$ 18.57	\$ 18.97	2"	\$ 19.91	\$ 20.31
3"	\$ 33.44	\$ 33.84	3"	\$ 35.85	\$ 36.25
4"	\$ 59.08	\$ 59.48	4"	\$ 63.33	\$ 63.73
6"	\$ 151.10	\$ 151.50	6"	\$ 161.98	\$ 162.38
8"	\$ 309.82	\$ 310.22	8"	\$ 332.13	\$ 332.53
10"	\$ 548.57	\$ 548.97	10"	\$ 588.07	\$ 588.47

Notes: ⁽¹⁾A unit is 1,000 gallons

⁽²⁾ Service addresses within the Glendale Annex area



PUBLIC NOTICE OF PROPOSED INCREASE IN WATER RATES AND CHARGES

**Public Hearing to be held on Tuesday, June 13, 2017, at 6:00 p.m.
2700 Foothill Blvd., La Crescenta, CA 91214**

25% Fixed 75% Variable

The Crescenta Valley Water District (CVWD) is considering a water rate and charge increase for water services. **If approved, a water bill for a typical residence with a 3/4-inch meter using 17 units of water (17,000 gallons) during a two-month billing period, will increase by \$10.92, (a monthly increase of \$5.46). This will result in a two-month bill increase from \$133.33 to \$144.25.**

Effective Date: If approved, the increased rates will become effective on all rates and charges on any bill where the billing period ends after July 1, 2017.

Why is there a need for a rate increase?

Clean, reliable water is a fundamental and essential public service provided by CVWD. Each year CVWD performs a comprehensive analysis of the costs to provide water services and the corresponding rates and charges for those services. Rates are designed to be adequate to cover expenses while ensuring that costs are equitably allocated so that rates are fair and in proportion to the services required by various customer classifications. With lower demands and recent rainfall, rates are still increasing, why?

Drought and Water Conservation: Despite the recent amounts of historic precipitation, the effects of the extended state-wide drought and less than average rainfall over the past five years in the Crescenta Valley has reduced the availability of CVWD's lowest cost water supply, local groundwater. Groundwater levels are at historic lows, which results in an increase in the amount of expensive imported water CVWD needs to purchase to meet demands. During the last fiscal year, even with the tremendous community water conservation efforts, the cost of purchased water increased by over \$1,000,000.

Aging Infrastructure: CVWD is committed to providing the highest quality of service at the lowest possible cost for our customers. Some portions of CVWD's water distribution system are over 70 years old and are approaching, or have already reached, the end of their useful lives.

Pipes, wells, pumping plants, reservoirs, and other infrastructure necessary to provide safe, clean water, wear out and must be replaced before they fail. This is especially true in a hillside community like La Crescenta where, in addition to the loss of water, the consequential damages to surrounding property owners resulting from a large water line failure could amount to millions of dollars. Proactive maintenance and strategic system replacement increases the lifespan of the District's most costly assets.

CVWD evaluates the infrastructure needs, programs, and operations and maintenance costs of the water services for the next five years. CVWD has evaluated and identified certain facilities requiring rehabilitation or replacement, which is estimated to be \$3.3 million for FY 2017/18.

CVWD is a Public Agency and does not operate on a for-profit basis.

What is CVWD doing to help reduce costs?

CVWD is committed to an efficient and economic operation and continuously evaluates every opportunity for expense reductions. CVWD reduced spending last year in operating expenses by over \$225,000 and was under budget in all other expense categories with the exception of purchased water.

CVWD has used and may continue to use funds from its Reserves.

By State law, CVWD may not collect more revenue than is necessary to recover the costs of providing services.

What happens if CVWD does not raise rates?

- 💧 More frequent service disruptions caused by failing facilities
- 💧 Increased costs from emergency repairs and revenues from loss of water
- 💧 Increased risk of impact on water quality
- 💧 Revenue will not cover expenses
- 💧 Decreased utility credit rating
- 💧 Lower reserve levels impeding recovery from natural disasters, fires, or operational emergencies

Your Water Bill: There are two components that make up the water portion of the CVWD bill which you receive every two months.

- 💧 **Water Service Charge:** A portion of CVWD's overall fixed costs, which is not affected by water use, such as: infrastructure, well rehabilitation, system maintenance, and administration.
- 💧 **Water Quantity Rate:** The cost per unit of water is based on a tiered rate structure. *A unit of water is 1,000 gallons.*

All applicable rates and charges are included in the following tables.

Where Your Water Comes From:

CVWD serves its customers water from two water supply sources: (1) Water supplied from a local resource which is pumped from the ground (produced) by CVWD through a series of groundwater wells located within the Verdugo Basin; (2) and water purchased from Foothill Municipal Water District (FMWD). FMWD is a water wholesaler whose primary responsibility is to purchase water from Metropolitan Water District of Southern California (MWD) and sell the water to retail agencies like CVWD. The purchased water consists of a combination of water from the California State Water Project in Northern California and from the Colorado River.

The distance water must travel greatly increases the cost of supplying the water. CVWD's water supply purchased from FMWD is nearly three times more expensive than local groundwater.

Public Hearing:

CVWD welcomes your comments. There will be a public hearing on the proposed changes in rates and charges on **June 13, 2017, at 6:00 p.m.** at CVWD's main office. You may attend in person, or submit comments in writing.

Protest Letters:

Any CVWD customer or property owner within the CVWD water service area may file a written protest of the proposed rate changes by sending a letter to: CVWD, 2700 Foothill Boulevard, La Crescenta, CA 91214. A valid protest letter must include your name, your CVWD service address, a statement of protest, and an original signature, and must be received at the address above no later than **June 13, 2017 at 4:30 p.m.** Letters received prior to June 9, 2017 at noon will be included in the agenda package distributed to the Board of Directors and posted online at www.cvwd.com.

When will the CVWD Board of Directors consider adoption of new rates and charges?

The Board of Directors will meet on **Tuesday, June 20, 2017 at 7:00 p.m.** to consider the proposed changes. The Board may adopt, reject, or modify the proposed rate structure. The Board can't legally increase water rates and charges more than indicated in this notice.

Questions?

On the following page is a table showing the proposed water rates and charges. It is also available for inspection on the CVWD website, www.cvwd.com, or at the CVWD main office between 8:00 a.m. and 4:30 p.m., Monday through Friday. CVWD staff can assist in answering any questions about your bill. If you have questions or need additional information, please call CVWD at (818) 248-3925 or e-mail water@cvwd.com.

Current and Proposed Water Rates and Charges Table:

<u>Current</u>			<u>Proposed 7.2% Increase</u>		
<u>Usage Charge for Single Family Residence</u>			<u>Usage Charge for Single Family Residence</u>		
	<u>Water Use Range</u>	<u>Cost per Unit⁽¹⁾</u>		<u>Water Use Range</u>	<u>Cost per Unit⁽¹⁾</u>
Tier 1	1 - 10 Units	\$ 4.39	Tier 1	1 - 10 Units	\$ 4.58
Tier 2	11 - 26 Units	\$ 6.91	Tier 2	11 - 26 Units	\$ 7.21
Tier 3	27 Units and above	\$ 10.43	Tier 3	27 Units and above	\$ 10.89
<u>Usage Charge for Multi-Family, Commercial, Institutional, & School</u>			<u>Usage Charge for Multi-Family, Commercial, Institutional, & School</u>		
		<u>Cost per Unit⁽¹⁾</u>			<u>Cost per Unit⁽¹⁾</u>
Base Rate		\$ 6.22	Base Rate		\$ 6.49
<u>Usage Charge for Irrigation</u>			<u>Usage Charge for Irrigation</u>		
	<u>Water Use Range</u>	<u>Cost per Unit⁽¹⁾</u>		<u>Water Use Range</u>	<u>Cost per Unit⁽¹⁾</u>
Tier 1	1 - 80 Units	\$ 4.80	Tier 1	1 - 80 Units	\$ 5.01
Tier 2	81 Units and above	\$ 9.20	Tier 2	81 Units and above	\$ 9.60
<u>Meter Service Charge (per bimonthly period)</u>			<u>Meter Service Charge (per bimonthly period)</u>		
<u>Meter Size</u>	<u>Within District</u>	<u>Outside District⁽²⁾</u>	<u>Meter Size</u>	<u>Within District</u>	<u>Outside District⁽²⁾</u>
3/4"	\$ 41.06	\$ 41.46	3/4"	\$ 47.92	\$ 48.32
1"	\$ 61.25	\$ 61.65	1"	\$ 71.48	\$ 71.88
1½"	\$ 111.73	\$ 112.13	1½"	\$ 130.39	\$ 130.79
2"	\$ 172.32	\$ 172.72	2"	\$ 201.10	\$ 201.50
3"	\$ 364.16	\$ 364.56	3"	\$ 424.97	\$ 425.37
4"	\$ 646.87	\$ 647.27	4"	\$ 754.90	\$ 755.30
<u>Private Fire Protection Service Charge (per bimonthly period)</u>			<u>Private Fire Protection Service Charge (per bimonthly period)</u>		
<u>Meter Size</u>	<u>Within District</u>	<u>Outside District⁽²⁾</u>	<u>Meter Size</u>	<u>Within District</u>	<u>Outside District⁽²⁾</u>
1"	\$ 12.03	\$ 12.43	1"	\$ 14.04	\$ 14.44
2"	\$ 18.57	\$ 18.97	2"	\$ 21.67	\$ 22.07
3"	\$ 33.44	\$ 33.84	3"	\$ 39.02	\$ 39.42
4"	\$ 59.08	\$ 59.48	4"	\$ 68.95	\$ 69.35
6"	\$ 151.10	\$ 151.50	6"	\$ 176.33	\$ 176.73
8"	\$ 309.82	\$ 310.22	8"	\$ 361.56	\$ 361.96
10"	\$ 548.57	\$ 548.97	10"	\$ 640.18	\$ 640.58

Notes: ⁽¹⁾A unit is 1,000 gallons

⁽²⁾ Service addresses within the Glendale Annex area

CV Weekly

April 13, 2017

Drought is Over – For Now



Photo provided by CVWD

In March, Thomas Love of the CVWD changed the conservation status sign from Yellow-Extraordinary to Blue-Standard/Voluntary. Though Gov. Brown declared the drought emergency over, both he and Love advise ongoing vigilance regarding conservation efforts.

By Charly SHELTON

On Friday, Gov. Jerry Brown issued Executive Order B-40-17, ending the drought state of emergency. After this year's unprecedented rainfall and snowpack, things are looking good. For now.

"This drought emergency is over, but the next drought could be around the corner," Gov. Brown said in a statement released Friday. "Conservation must remain a way of life."

The order lifted the drought emergency in all counties except Fresno, Kings, Tulare and Tuolumne where drinking water projects will continue to help provide relief. And while EO B-40-17 rescinds the emergency status, conservation actions will remain in effect to guard against falling back into a drought as Gov. Brown said.

Coinciding with this, state agencies issued a plan to establish new legislation to cement long-term and large-scale water conservation efforts and better planning for any future droughts.

In the Crescenta Valley, the Verdugo Groundwater Basin is still lower than it should be, said Tom Love, general manager of the Crescenta Valley Water District. It is at the lowest level it has been since record keeping began, and it's 40% down from where it was when the drought cycle began. But the recent rains are still soaking in, and locally we will begin to see the levels rise a bit in the next month or so, with full saturation within 12-18 months. But this is not our only water resource.

"While the Verdugo Groundwater Basin is very low, the availability of imported water is great. That's the water we get from Metropolitan Water District, through Foothill Water District, which comes from the Colorado River Aqueduct and the State Water Project," Love said. "In fact, I've been watching the eight station index report – that's the northern Sierra precipitation – and it is now 0.3 inches below the wettest year ever recorded. That's a major part of the supply to the State Water Project."

The rainfall was huge and things are improving, but the importing of water from out of the area is a tricky issue, going through many layers and agencies before reaching a faucet. As JPL Climatologist and Oceanographer Bill Patzert said earlier this year in an interview with CV Weekly, one year of heavy rain isn't enough to fix everything.

"It took us many, many years to deplete the groundwater basins here in the San Gabriel Valley and there's no quick fix," Patzert said. "The other thing is our other two sources of water, which are imported water from northern California and the Colorado River. Lake Mead is at record low levels and it will take decades to refill it. Not years, but decades. And at this point, it's not clear how much water the State Resources Board will allocate for Southern California this summer and into the fall. At this point, we're importing 70% of our water, so who cares how much it rains here because it will take months, years to fill up the groundwater basins."

It is hoped that the water imported from other agencies, such as Metropolitan Water District, will be allocated to the CVWD in great enough quantity this year so that CVWD will be able to maintain its Water Conservation Alert Status which the agency changed from Extraordinary to Standard/Voluntary two weeks before Gov. Brown lifted the state of emergency.

"Those that we call standard conservation practices should be practiced all the time," Love said. "Some examples of what those include are no hosing down your driveway, don't allow excessive runoff when watering your lawn, no watering within 48 hours after a rain, and more. In other words, for what it means to us, we already have those permanent water standards incorporated into our water conservation ordinance."

**CRESCENTA VALLEY WATER DISTRICT
INVESTMENT PORTFOLIO SUMMARY
April 15, 2017**

INVESTMENT TYPE	ACCT/CUSIP I.D. NO.	PURCHASE DATE	*FACE VALUE	INVESTMENT COST	% OF TOTAL	**MARKET VALUE	MATURITY DATE	DATE CALLABLE	EARNED TO DATE	YIELD TO MATURITY
GENERAL FUNDS										
GENERAL FUND-SWEEP ACCOUNT	0631-525246		\$ 527,571	\$ 527,571	3.28%	\$ 527,571	none	n/a	\$ 223	0.02%
GREAT PACIFIC SECURITIES	GPC-804452		\$ -	\$ -	0.00%	\$ -	none	n/a	\$ 24	0.29%
BOND DEBT SERVICE FUND	6948-331525		\$ 449,941	\$ 449,941	2.80%	\$ 449,941	none	n/a	\$ 118	0.06%
LOCAL AGENCY INVESTMENT FUND	90-19-007		\$ 2,098,247	\$ 2,098,247	13.04%	\$ 2,098,247	none	n/a	\$ 18,574	0.68%
FEDERAL FARM CREDIT (83)	3133EAY28	10/9/2012	\$ 500,000	\$ 502,885	3.12%	\$ 499,805	9/21/2017	n/a	\$ 3,115	0.71%
FEDERAL FARM CREDIT (101)	31331VY26	6/14/2016	\$ 1,000,000	\$ 1,211,530	7.53%	\$ 1,147,080	8/16/2021	n/a	\$ 41,288	1.26%
FEDERAL FARM CREDIT (103)	31331VQG4	8/2/2016	\$ 1,000,000	\$ 1,287,830	8.00%	\$ 1,187,770	2/6/2026	n/a	\$ 34,334	1.88%
FEDERAL FARM CREDIT (104)	3133EFH91	3/28/2017	\$ 542,000	\$ 519,814	3.23%	\$ 517,436	3/2/2026	n/a	\$ 99	2.74%
			\$ 6,117,760	\$ 6,597,819		\$ 6,427,851			\$ 97,776	
CONSTRUCTION FUNDS										
COPS RESERVE FUND	108614000		\$ 617,211	\$ 617,211	3.83%	\$ 617,211	none	n/a	\$ 474	0.02%
			\$ 617,211	\$ 617,211		\$ 617,211			\$ 474	
MTBE CONTINGENCY FUNDS										
LOCAL AGENCY INVESTMENT FUND	90-19-007		\$ 250,000	\$ 250,000	1.55%	\$ 250,000	none	n/a	\$ -	0.68%
GREAT PACIFIC SECURITIES	GPC-003670		\$ 550,662	\$ 550,662	3.42%	\$ 550,662	none	n/a	\$ -	0.02%
FEDERAL FARM CREDIT (M-48)	3133ED4U3	5/11/2016	\$ 500,000	\$ 518,915	3.22%	\$ 507,195	10/11/2019	n/a	\$ 7,976	0.99%
FEDERAL FARM CREDIT (M-49)	3133EA5N4	5/11/2016	\$ 1,250,000	\$ 1,260,763	7.85%	\$ 1,242,200	10/22/2019	n/a	\$ 11,729	0.99%
US TREASURY (M-53)	912828R36	7/12/2016	\$ 1,000,000	\$ 1,013,212	6.31%	\$ 938,010	5/15/2026	n/a	\$ 11,664	1.48%
US TREASURY (M-54)	912828S76	8/5/2016	\$ 1,000,000	\$ 1,002,175	6.23%	\$ 969,840	7/31/2021	n/a	\$ 7,336	1.08%
US TREASURY (M-55)	912828R36	8/25/2016	\$ 1,000,000	\$ 1,004,930	6.24%	\$ 938,010	5/15/2026	n/a	\$ 9,706	1.57%
US TREASURY (M-56)	912828R36	10/4/2016	\$ 1,000,000	\$ 997,540	6.20%	\$ 938,010	5/15/2026	n/a	\$ 8,047	1.65%
FEDERAL FARM CREDIT (M-57)	3133EGWX9	10/5/2016	\$ 1,000,000	\$ 987,148	6.13%	\$ 920,020	4/6/2026	n/a	\$ 8,826	1.96%
FEDERAL FARM CREDIT (M-58)	31331VWN2	11/9/2016	\$ 1,000,000	\$ 1,266,700	7.87%	\$ 1,209,440	4/13/2026	n/a	\$ 21,008	2.24%
			\$ 8,550,662	\$ 8,852,044		\$ 8,463,387			\$ 86,292	
TOTAL INVESTMENTS			\$ 15,285,633	\$ 16,067,075		\$ 15,508,449			\$ 184,542	
CASH- PAYROLL ACCOUNT	0948-024724		\$ 28,373	\$ 28,373	0.18%	\$ 28,373				
TOTAL CASH AND INVESTMENTS			\$ 15,314,006	\$ 16,095,448	100%	\$ 15,536,822			\$ 184,542	1.07%
						\$ (558,625)	***Unrealized Gain/(Loss) on Investments			

Yield on investments including LAIF but not cash accounts	1.42%
Yield on investments not including LAIF or cash accounts	1.55%

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

*Value at investment maturity date.

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

	December 31, 2016	November 30, 2016	October 31, 2016
Water	\$ 10,300,841.04	\$ 10,226,866.07	\$ 10,737,673.36
Wastewater	\$ 4,675,951.62	\$ 4,561,479.38	\$ 4,600,534.52
	<u>\$ 14,976,792.66</u>	<u>\$ 14,788,345.45</u>	<u>\$ 15,338,207.88</u>

Ron L. Mitchell, Secretary-Treasurer, CVWD

April 15, 2017

Date

Crescenta Valley Water District
 Recap of Investments in Bonds (Does not include LAIF or bank accounts)
 Fiscal Year 2016-17

As of
 Mar. 31, 2017

Investment Number	Date Purchased	Original Principal Cost	Yield to Maturity at Purchase	Adjustment Amortized Principal	Adjusted Balance	Date Sold	Principal Value at Sale	Yield to Maturity at Sale	Gain (Loss) on Investment	Reason for Transaction	Interest Earned in Current FY	Total FY Return on Investments
83	Oct 9, 2012	\$502,885.00	0.710%	\$0.00					\$0.00		\$ 3,115.38	\$ 3,115.38
87	Nov 19, 2012	\$500,000.00	0.930%	\$0.00	\$500,000.00	2/3/2017	\$500,000.00	93.000%	\$0.00	Investment was called	\$ 2,561.82	\$ 2,561.82
101	6/14/2016	\$1,211,530.00	1.260%	\$0.00					\$0.00	Put money back to work	\$ 41,287.66	\$ 41,287.66
M-48	5/11/2016	\$518,915.00	0.990%	\$0.00					\$0.00	Put money back to work	\$ 7,976.05	\$ 7,976.05
M-49	5/11/2016	\$1,260,762.50	0.990%	\$0.00					\$0.00	Put money back to work	\$ 11,729.43	\$ 11,729.43
M-52	6/28/2016	\$1,016,970.00	1.440%	\$0.00	\$1,016,970.00	7/5/2016	\$1,021,280.00	1.390%	\$4,310.00	Took advantage of turn in market	\$ 220.07	\$ 4,530.07
M-53	7/12/2016	\$1,013,212.34	1.480%	\$0.00						Put money back to work at higher yield than previous investment	\$ 11,664.41	\$ 11,664.41
102	7/12/2016	\$1,002,651.42	1.125%	\$0.00	\$1,002,651.42	8/4/2016	\$1,004,150.00	1.030%	\$1,498.58	Took advantage of turn in market	\$ 703.12	\$ 2,201.70
In/Out	7/20/2016	\$1,004,970.00	1.570%	\$0.00	\$1,004,970.00	7/27/2016	\$1,006,770.00	1.550%	\$1,800.00	Made additional \$1,800 plus interest in 7 days	\$ 309.10	\$ 2,109.10
In/Out	7/25/2016	\$1,000,720.00	1.090%	\$0.00	\$1,000,720.00	7/29/2016	\$1,002,720.00	1.125%	\$2,000.00	Made additional \$2,000 in 2 days	\$ -	\$ 2,000.00
103	8/2/2016	\$1,287,830.00	1.880%	\$0.00	\$1,287,830.00					Put money back to work at higher yield than previous investment	\$ 34,334.25	\$ 34,334.25
M-54	8/5/2016	\$1,002,174.72	1.080%	\$0.00	\$1,002,174.72					Put money back to work at same yield as previously sold investment	\$ 7,335.62	\$ 7,335.62
In/Out	8/5/2016	\$1,004,952.73	1.570%	\$0.00	\$1,004,952.73	8/9/2016	\$1,006,550.00	1.550%	\$1,597.27	Made additional \$1,600 in 4 days	\$ -	\$ 1,597.27
In/Out	8/11/2016	\$1,004,940.00	1.570%	\$0.00	\$1,004,940.00	8/12/2016	\$1,009,440.00	1.520%	\$4,500.00	Made additional \$4,500 in 1 days	\$ -	\$ 4,500.00
In/Out	8/16/2016	\$1,004,940.00	1.570%	\$0.00	\$1,004,940.00	8/18/2016	\$1,006,340.00	1.550%	\$1,400.00	Made additional \$1,400 in 2 days	\$ 88.31	\$ 1,488.31
In/Out	8/19/2016	\$1,004,940.00	1.570%	\$0.00	\$1,004,940.00	8/22/2016	\$1,006,340.00	1.550%	\$1,400.00	Made additional \$1,400 in 3 days	\$ 44.16	\$ 1,444.16
M-55	8/25/2016	\$1,004,930.00	1.570%	\$0.00	\$1,004,930.00					Put money back to work at same yield as previously sold investment	\$ 9,705.50	\$ 9,705.50
In/Out	9/8/2016	\$1,001,450.00	1.600%	\$0.00	\$1,001,450.00	9/27/2016	\$1,004,218.75	1.570%	\$2,768.75	Made additional \$2,769 plus interest of \$618.20 in 3 weeks	\$ 618.20	\$ 3,386.95
In/Out	9/13/2016	\$1,298,000.00	1.970%	\$0.00	\$1,298,000.00	9/22/2016	\$1,301,000.00	1.930%	\$3,000.00	Made additional \$3,000 plus \$1,050 in interest in 9 days	\$ 1,050.00	\$ 4,050.00
M-56	10/4/2016	\$997,540.00	1.650%	\$0.00	\$997,540.00					Put money back to work at higher yield than previous investment	\$ 8,046.57	\$ 8,046.57
M-57	10/5/2016	\$987,147.50	1.960%	\$0.00	\$987,147.50					Put money back to work at same yield as previous investment	\$ 8,825.74	\$ 8,825.74
M-58	11/10/2016	\$1,266,700.00	2.240%	\$0.00	\$1,266,700.00					Reinvest money from 9/13/16 trade & increase yield from 1.97% to 2.24% on same bond	\$ 21,008.22	\$ 21,008.22
M-59	12/20/2016	\$502,797.89	2.930%	\$0.00	\$502,797.89	1/5/2017	\$505,000.00	2.880%	\$2,202.11	Made additional \$2,200 in 16 days	\$ 541.66	\$ 2,743.77
M-60	1/25/2017	\$497,985.19	1.960%	\$0.00	\$497,985.19	2/3/2017	\$498,985.19	1.910%	\$1,000.00	Made additional \$1,000 plus interest of \$155.39 in 8 days	\$ 155.39	\$ 1,155.39
In/Out	3/1/2017	\$497,804.39	1.960%	\$0.00	\$497,804.39	3/22/2017	\$498,518.33	1.930%	\$713.94	Free up money in anticipation of higher interest rates	\$ 543.86	\$ 1,257.80
In/Out	3/14/2017	\$494,825.07	2.090%	\$0.00	\$494,825.07	3/15/2017	\$495,825.05	2.050%	\$999.98	Made additional \$1,000 in 1 days; free money anticipating rates	\$ 25.90	\$ 1,025.88
104	3/28/2017	\$519,813.95	2.220%	\$0.00	\$519,813.95					Put money back to work at higher yield than previous investment	\$ 98.90	\$ 98.90
									\$29,190.63		\$171,989.32	\$ 201,179.95

FY Cumulative Totals

Month	Total Gain (Loss) on Investment	Total Interest Earned in Current FY	Total FY Return on Investments
July	8,110.00	9,608.76	17,718.76
August	18,505.85	24,086.95	42,592.80
September	24,274.60	41,026.40	65,301.00
October	24,274.60	59,323.67	83,598.27
November	24,274.60	80,553.82	104,828.42
December	24,274.60	104,319.57	128,594.17
January	26,476.71	127,876.99	154,353.70
February	27,476.71	148,401.89	175,878.60
March	29,190.63	171,989.32	201,179.95
April			-
May			-
June			-