

# CRESCENTA VALLEY WATER DISTRICT

2700 FOOTHILL BOULEVARD  
LA CRESCENTA, CALIFORNIA

To be held on  
May 12, 2021 at 2:00 PM

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

Posted May 11, 2021 at 2:00 PM

## TELECONFERENCING NOTICE

[This meeting will be held by teleconference only.]

Pursuant to the provisions of Executive Order N-29-20 issued by Governor Gavin Newsom on March 18, 2020, the public may not attend the meeting in person.

Any member of the public may participate 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: 892 8631 3152

[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/89286313152>

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](mailto: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 Items(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. Discuss the City of Los Angeles Wastewater Treatment Pass Through Rate Component
2. Discuss the Water and Wastewater Fund Budgets

**Committee Members' Request for Future Agenda Items**

**Adjournment**

## **Crescenta Valley Water District**

### **Finance Committee**

#### **Water & Wastewater Fund Budgets / Wastewater Treatment Cost Pass-Through**

***May 12, 2021***

For the Water Fund, the Board has moved to implement a three-year rate schedule at 8 percent for each year, with a CIP based on a “ramp-up” plan for pipeline replacement. A new, multi-year rate schedule is projected for an October 1 implementation based on timing for the cost-of-service study and Prop 218 process. In the interim, the District needs to adopt Water and Wastewater Fund budget to bridge the July 1 to October 1 timeframe.

Both the Operating Budget and CIP Budget have been discussed, and Q3 financials have been recorded. The Water Fund budget as enclosed factors all decisions from the past several months of discussion except a rate increase. This “placeholder” budget projects a draw of \$682K from the Water Reserve Fund for FY 2022. An October 1 adoption of an 8 percent rate increase will add to reserves and support a future of infrastructure funded primarily through PayGo. The Water Fund is substantially complete as presented.

For the Wastewater Fund, the most significant issue is the 65 percent increase over two years in treatment costs charged by LA City. This represents almost half of the Wastewater Fund’s operating costs. Reserves are drawn down, and there remains no opportunity to plan for future CIP needs. The “placeholder” budget projects a draw of \$937K from the Wastewater Reserve Fund for FY 2022. Staff is determining various alternatives to sending wastewater effluent to LA, beginning with a study budgeted for the upcoming year. For the interim, the Board has directed staff to explore the possibility of a “pass-through” for treatment costs, and Raftelis will be available to walk the Committee through various policy considerations. The Wastewater Fund budget can be finalized once the District has decided to whether to move forward with this component of the rates, and this decision will need to be communicated to Raftelis by the May 25 Board meeting if the District is reasonably to implement a new rate schedule by October 1.

There are three Board meetings before June 30, and the Board will need to adopt the placeholder budgets during one of those meetings.

**Crescenta Valley Water FY21-22 Budget 0% Rate Increase  
Summary of Revenues Expenses - Water Fund**

<b>Summary of Revenues &amp; Expenses - Water Fund</b>	<i>Budgeted</i>		<i>Proposed</i>
	<b>FY 2021</b>	<b>FY 2021</b>	<b>FY 2022</b>
<b>Revenue</b>			<b>0.00%</b>
Water Sales - Service, Fixed	3,087,489	3,097,687	3,118,364
Water Sales - Metered, Variable	8,858,374	9,923,294	9,736,295
Interest Income - Water Reserve	238,000	130,000	200,000
Interest Income - MTBE Reserve	-	-	-
Other Income - Water	160,000	109,087	145,000
Construction Revenues	277,500	208,308	250,000
<b>Total Revenue:</b>	<b>12,621,363</b>	<b>13,468,376</b>	<b>13,449,658</b>
<b>Bond Revenue:</b>	<b>5,000,000</b>	<b>5,000,000</b>	-
<b>O&amp;M Expense</b>			
Labor & Benefits	3,142,453	3,184,396	3,293,484
Imported Water Cost (Foothill Municipal WD)	3,108,762	3,750,000	3,491,618
Imported Water Cost (Glendale Water and Power)	138,960	81,912	80,868
Power Cost	801,800	800,000	825,854
Operating Cost	2,321,917	2,240,792	2,351,673
<b>Total O&amp;M Expense:</b>	<b>9,513,892</b>	<b>10,057,100</b>	<b>10,043,497</b>
<b>Debt Service</b>	<b>581,000</b>	<b>581,000</b>	<b>581,000</b>
<b>Cash Available for Capital</b>	<b>2,526,471</b>	<b>2,830,276</b>	<b>2,825,162</b>
<b>Capital, OPEB &amp; Other Commitments</b>			
Pay-GO CIP	2,304,826	1,372,768	3,267,085
Bond Funded CIP	2,695,174	3,058,335	1,941,665
Capital Outlays & Equipment	225,000	187,500	240,000
OPEB Commitment	-	-	-
<b>Total Capital, OPEB &amp; Other Commitments:</b>	<b>5,225,000</b>	<b>4,618,603</b>	<b>5,448,750</b>
<b>Increase (Decrease) to Cash</b>	<b>(3,355)</b>	<b>1,270,008</b>	<b>(681,923)</b>
<b>Reserve Fund Balances</b>			
<b>Beginning Balance</b>	<b>4,934,453</b>	<b>4,934,453</b>	<b>6,204,461</b>
MTBE			
Restricted Cash (Bonds)	2,304,826	1,941,665	0
<b>Ending Balance</b>	<b>4,931,098</b>	<b>6,204,461</b>	<b>5,522,538</b>
Target	3,948,000	3,948,000	5,052,000
<b>Above (Below) Target</b>	<b>983,098</b>	<b>2,256,461</b>	<b>470,538</b>

**Crescenta Valley Water FY21-22 Budget 0% Rate Increase  
Summary of Revenues Expenses - Wastewater Fund**

<b>Summary of Revenues &amp; Expenses - Wastewater Fund</b>	<i>Budgeted</i>		<i>Proposed</i>
	<b>FY 2021</b>	<b>FY 2021</b>	<b>FY 2022</b>
<b>Revenue</b>			<b>0.00%</b>
Wastewater Sales - User Charges	3,327,575	3,433,913	3,411,370
Permits/ Connection Fees	36,500	52,512	48,860
Interest Income	500	2,300	1,000
<b>Total Revenue:</b>	<b>3,364,575</b>	<b>3,488,725</b>	<b>3,461,230</b>
<b>O&amp;M Expense</b>			
Labor & Benefits	1,651,250	1,471,486	1,652,547
City of LA Sewer Charges	1,849,900	1,849,900	1,809,800
Operating Cost	550,000	470,905	696,358
<b>Total O&amp;M Expense:</b>	<b>4,051,150</b>	<b>3,792,291</b>	<b>4,158,704</b>
<b>Debt Service</b>			
<b>Cash Available for Capital</b>	<b>(686,575)</b>	<b>(303,566)</b>	<b>(697,474)</b>
<b>Capital, OPEB &amp; Other Commitments</b>			
Infrastructure	175,000	381,500	175,000
Capital Outlays & Equipment	64,500	64,500	64,500
OPEB Commitment	-		-
<b>Total Capital, OPEB &amp; Other Commitments:</b>	<b>239,500</b>	<b>446,000</b>	<b>239,500</b>
<b>Increase (Decrease) to Cash</b>	<b>(926,075)</b>	<b>(749,566)</b>	<b>(936,974)</b>
<b>Reserve Fund Balances</b>			
Beginning Balance	4,606,600	4,606,600	3,857,034
Ending Balance	3,680,525	3,857,034	2,920,060
Target	2,630,000	2,630,000	2,439,843
<b>Above (Below) Target</b>	<b>1,050,525</b>	<b>1,227,034</b>	<b>480,217</b>