Coachella Valley Water District's Domestic Water Rates

(effective July 1, 2014)

CVWD's domestic water rates are based on where you live (find your Rate Area using the map below) and how much water you use. There is also a monthly service charge based on your meter size. Most single-family residential customers have a ¾" meter.

Consumptive Rates & Monthly Service Charges

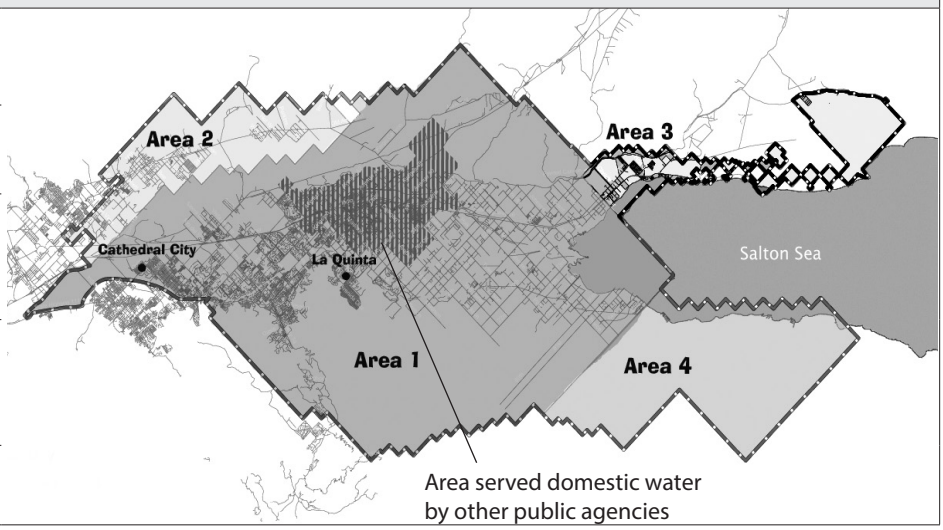
Rate Area (See map below)	Base rate (per 100 cu. ft. [1])	Monthly service charge (per meter, based on meter size)					Multiple unit charge [2]
		¾"	1"	1 ½"	2"	Larger than 2"	
1	$1.12	$7.00	$9.10	$11.50	$18.20	Contact CVWD for current fees	$4
2	$1.35	$7.50	$9.75	$12.00	$19.50		$4
3	$1.64	$7.50	$9.75	$12.00	$19.50		$4
4	$1.42	$7.50	$9.75	$12.00	$19.50		$4
5	$1.69	$17.50	$22.75	$28.00	$45.50		$10

[1] Domestic water use is measured and billed in units of 100 cubic feet (ccf). 1 ccf is equal to 748 gallons.

[2] Applies to apartments, condominiums, mobile home parks and travel trailer parks. When a single meter measures consumption for multiple units, the multiple unit charge shall be multiplied by the total number of units less the number of meters installed.

Rate Areas

Area 1	Represents majority of CVWD customers, except in areas noted below
Area 2	Within Service Area No. 26, including Sky Valley and Indio Hills
Area 3	Within Service Area No. 23, including northeast Salton Sea communities of North Shore, Bombay Beach and Hot Mineral Spa.
Area 4	Within Service Area No. 11, including the southwest Salton Sea communities of Salton City, Salton Sea Beach and Desert Shores
Area 5	Outside CVWD boundaries or an improvement district



Tiered Rates

Tiers	Water use	Cost	Example (For Rate Area 1)	Water budgets
Tier 1: Excellent [3]	Up to 10 ccf	90% Base Rate	$1.01	CVWD uses a budget-based tiered rate structure that discourages wasteful water use. Every residential customer is given a personalized water budget based on number of people living in the home, size of home's landscaped area (budgeting more water to those with larger landscaped area) and daily weather (budgeting more water during hotter months). Customers pay the tier rate for all water used within that tier.
Tier 2: Efficient	Up to 105% of water budget	Base Rate	$1.12	
Tier 3: Inefficient	105% up to 150% of water budget	Base Rate x 1.5	$1.68	
Tier 4: Excessive	150% up to 250% of water budget	Base Rate x 2	$2.24	
Tier 5: Wasteful	250% or more of water budget	Base Rate x 4	$4.48	

[3] Tier 1 was designed to meet indoor water needs of residential customers. Billing for non-residential customers, including commercial businesses and those with dedicated landscape irrigation meters, starts with Tier 2.

New Service	
Account Establishment Fee	$30
Deposit to establish new commercial account	$250
Same Day Turn-on between 8 a.m. and 5 p.m. weekdays (excluding holidays)	$50
Next Day Turn-on between 8 a.m. and 5 p.m. weekdays (excluding holidays)	Free
Turn-on between 5 p.m. and 10 p.m. weekdays (excluding holidays)	$75
Turn-on between 10 p.m. and 8 a.m. weekdays; all day weekends and holidays	$250

Restoration of Service	
Delinquency charge	$50
Same Day Restoration between 8 a.m. and 10 p.m. weekdays (excluding holidays)	$100
Next Day Restoration between 8 a.m. and 10 p.m. weekdays (excluding holidays)	$75
Night Restoration between 10 p.m. and 8 a.m. weekdays; all day weekends and holidays	$250
Restoration of service after unauthorized restoration by others within one year	**In addition to charges listed above**
First occurrence	$75
Second occurrence	$150
Third occurrence	$500
Fourth occurrence	$1,000

Miscellaneous	
Return payment charge	$25

Penalties for Unauthorized Use of the District's Domestic Water System	
Unauthorized installation/connection/use	$1,000 each offense
Unauthorized use of a Private Fire Protection Service Connection	$1,000 each offense
Restoration of Service after unauthorized installation/connection/use	$390
Cutting District lock or bypassing meter	$200
Damage to meter, pipeline, reservoir, well site or other component of the Domestic Water Service Infrastructure	$300 or actual cost of repair, whichever is greater
Broken meter stop/shut off valve	$525

Other restrictions and rates apply where required, and may include a hold harmless agreement and/or various applications where necessary. Fees, charges and services are non-refundable. This information is excerpted from Regulations Governing Domestic Water Service and is not intended to include all district charges or rules. These rates are subject to rules and regulations as adopted and amended by the Coachella Valley Water District Board of Directors.

Coachella Valley Water District
PO Box 1058, Coachella, CA 92236
(760) 391-9600
www.cvwd.org

Fiscal Year 2015-16

Operating Budget

Coachella Valley Water District
75-515 Hovley Lane East
Palm Desert, CA 92211
(760) 398-2651
www.cvwd.org

Making every drop count since 1918

Coachella Valley Water District

Operating Budget

Fiscal Year 2015-16

John P. Powell, Jr., *President, Division 3*

Peter Nelson, *Vice President, Division 4*

G. Patrick O'Dowd, *Director, Division 1*

Ed Pack, *Director, Division 2*

Cástulo R. Estrada, *Director, Division 5*

Jim Barrett, *General Manager*

Robert Cheng, *Assistant General Manager*

P.O. Box 1058
Coachella, CA 92236
(760) 398-2651
www.cvwd.org

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to Coachella Valley Water District, California for its annual budget for the fiscal year beginning July 1, 2014. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communication device

This award is valid for a period of one year only. We believe our current budget continues to conform to the program requirements, as we are submitting it to the GFOA to determine its eligibility for another award.

CVWD Mission Statement: To meet the water-related needs of the people, through dedicated employees, providing high quality water at a reasonable price.

Board of Directors

Back row from left: Peter Nelson, John P. Powell, Jr., and Ed Pack
Front row from left: Cástulo R. Estrada and G. Patrick O'Dowd

Contact Information

This document is produced annually by the Finance and Communication & Conservation Departments. Anyone needing additional information may contact us at:

Coachella Valley Water District
P.O. Box 1058
Coachella, CA 92236
(760) 398-2651

Coachella Valley Water District
Steve Robbins Administration Building
75-515 Hovley Lane East
Palm Desert, CA 92260
(760) 398-2651

Acknowledgements

Thomas Rice, Financial Analyst
Teri Vorster, Financial Analyst
Tina Donahue, Management Analyst
Victoria Jeffers, Administrative Assistant
Petya Vasileva, Accounting Technician

A special thank you to the
Communication & Conservation Department
for their support in producing this document.

The fiscal 2016 Budget is available on our website:
www.cvwd.org

District Departments and Directors

- Board Secretary .....Julia Fernandez
- Communication & Conservation.....Heather Engel
- Engineering.....Mark Johnson
- Environmental Services.....Steve Bigley
- Finance.....Kay Godbey
- Human Resources.....Heidi Keeran
- Information Systems.....Luis Maciel
- Operations.....Dan Farris
- Service.....Raul Aguirre
- Trades & Support.....Javier Miranda

Contents

Established in 1918 as a public agency

Coachella Valley Water District

October 13, 2015

To the Board of Directors:

I am pleased to present the fiscal 2016 operating and capital budget. This financial plan will guide the District toward its achievement of goals while ensuring safe reliable water, long-term financial sustainability and value to our customers. This past June, the Board of Directors adopted its second five-year strategic plan that defined the District's priorities and influenced the development of the budget. Through this process, strategic goals were established with twenty-nine initiatives targeted for completion. This message highlights some of the significant goals and priorities for the upcoming year.

Goal: Water Supply Sustainability

Although the Coachella Valley is blessed with a vast aquifer, the region has relied upon imported water to protect and replenish groundwater supplies for years. Through the foresight of our predecessors, the Coachella Valley Water District is only one of two California water agencies that hold rights to both the Colorado River and the State Water Project. The recent droughts within California and on the Colorado River basin are a stark reminder of how vulnerable our imported water supplies are to the forces of nature, and that these supplies need to be protected and optimally used. The District's largest operating expense is for the purchase of imported water. In fiscal 2016, approximately 30% of the operating budget, or $62.5 million, is appropriated for water purchases.

Drought – Colorado River Basin

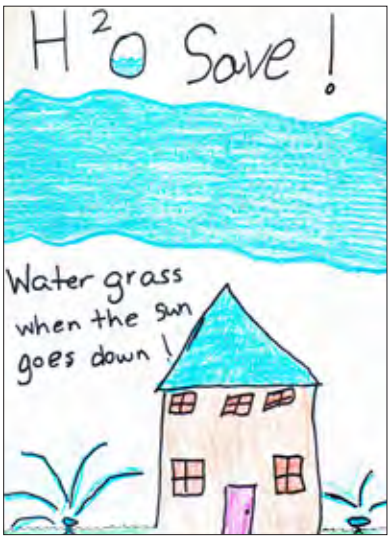
Lake Mead, on the Colorado River, is the largest reservoir in the United States serving water to the states of Arizona, Nevada and California and providing sustenance to nearly 20 million people and crops that feed the nation. The Colorado River system is the primary source of water for the District's irrigation customers and is used to replenish the aquifer. The Colorado River basin has been experiencing drought conditions ranking as one of the driest in the last 100 years according to the U.S. Bureau of Reclamation. If the surface level of Lake Mead drops below 1,075 feet, water restrictions for Arizona and Nevada begin. Although California has no negotiated restrictions, it is anticipated that there would be ripple effects, including political and/or legal confrontation. One strategic initiative in fiscal 2016 is the development of a Colorado River Water Shortage Contingency Plan. The plan will outline possible Colorado River water supply shortage stages, water use reduction goals, and proposed restrictions and drought penalty rates, along with the process for implementation.

California Drought

The Sierra snowpack – the state's largest natural reservoir – is at historic low levels. This means very little runoff to replenish reservoirs and groundwater basins that have been under strain for four consecutive dry years. An executive order issued by Governor Edmund G. Brown on April 1, 2015 reflected the urgency of the drought. The State Water Resources Control Board imposed upon the District, a 36% reduction in urban water use, between June 1, 2015 and February 28, 2016. In response to the Governor's order, the Board of Directors approved drought penalties in addition to water use restrictions. The District is asking customers to reduce outdoor water consumption by 36%; drought penalties are imposed if this threshold is exceeded. The District intends to use the Domestic Water Fund's rate stabilization reserves, and if necessary, other unrestricted reserves to cover impending rate revenue loss from conservation efforts.

Nearly 80% of all water used by the District's domestic water customers is for outdoor irrigation. While the budget includes over $3.0 million for conservation, an additional $1.5 million for turf conversion was appropriated by the Board last month. In addition, two vacant positions were transferred into the Water Management Division to assist with its aggressive conservation and education programs, including landscape workshops, water waste investigations, irrigation audits, and one-on-one assistance.

In order to save precious groundwater, the District is also investing $33.0 million over the next five years to convert golf courses from groundwater to nonpotable water use. Six golf courses are scheduled to be connected in fiscal 2016, creating a savings of nearly 6,000 acre-feet of groundwater annually. Fifteen additional golf courses and businesses are projected to be connected during the following four years, saving another 15,000 acre-feet of groundwater annually.



"A Toast to Tap Water" art contest winner

Goal: Water Quality and Environmental Leadership

Chromium-6 Compliance

On April 15, 2014, the California Department of Public Health announced a new maximum contaminant level of 10 parts per billion for chromium-6. Chromium-6 is a mineral that occurs naturally in the Valley's aquifer. As a result of the new standard, the District plans to treat 30 of its 96 wells with wellhead ion-exchange treatment technology. Treatment facilities are currently in the design phase with construction anticipated to start in summer of 2016. The Chromium-6 project includes $7.5 million for design in the fiscal 2016 budget, for a total of $197 million over the next five years.

On September 8, 2015, Governor Brown signed legislation that allows water agencies throughout the state to submit compliance plans for chromium-6 treatment in order to avoid non-compliance. In order to keep costs as low as possible, the District is seeking grant funding and low interest loans from the Drinking Water State Revolving Fund. The four-part application process will be completed by May 2016.

Goal: Infrastructure Investment and Management

Investment in Infrastructure

In fiscal 2016, the capital budget totals $108.4 million – a capital investment amounting to almost one-half of the operating budget. The infrastructure needs of the District are significant, with a projected five-year Capital Improvement Program (CIP) totaling $701 million.

Although the bulk of the domestic water system is relatively new, ongoing repairs and replacement projects are required, with $16 million budgeted for reservoir and booster station construction, water main replacements and well drilling projects. A $2.2 million grant-funded project will provide drinking water to a disadvantaged community in the eastern Coachella Valley and $7.5 million is appropriated for initial design of the chromium-6 well treatment program.

The canal irrigation system is 65 years old, with many of the 485 miles of irrigation laterals crumbling and leaking. Almost $8 million in projects are planned for a variety of irrigation lateral and drain pipeline replacements. An additional $15 million is budgeted for the Oasis area irrigation system expansion, funded by the Canal and East Replenishment Funds.

The District is the main agency that provides stormwater protection for the Coachella Valley and several areas are currently unprotected. To protect people and property from potential flooding, planned improvements and master plans total $14.1 million and include $4.5 million for the North Indio regional flood control system.

Sanitation projects amount to almost $40 million, over one-third of the 2016 capital improvement budget. Most of the projects are for improvements at Wastewater Reclamation Plants 7 and 10, with additional projects budgeted for lift station upgrades and sewer pipe rehabilitation. Grant funding will bring sewer service to two disadvantaged communities in the eastern Coachella Valley.

In fiscal 2016, Nonpotable construction will enable six new golf courses to connect to either the Canal or the Mid-Valley Pipeline. These projects are funded by the West and East Whitewater Replenishment Funds.

Asset Management

One of the strategic initiatives is the implementation of an asset management program, which includes a physical inventory and assessment of District equipment, infrastructure, and facilities. The process will take three to five years and establishes a baseline from which better financial decisions can be made. Asset management will prioritize rehabilitation and replacement needs, reduce emergency repairs, address system challenges such as regulatory requirements, and demonstrate to the public that rate revenues are used effectively and efficiently.

Goal: Financial Stability

The District's financial condition remains stable due to steady revenues, a strong reserve policy, and prudent financial practices. However, the five-year financial forecast projects declining reserves in several enterprise funds due to structural imbalance and an aggressive capital improvement program.

The domestic water and sanitation rates were last increased in 2010, and the canal rates were last increased in 2012. One of the District's strategic initiatives is to complete a cost of service study for the enterprise funds. This study will develop fair and equitable rates and recommendations for potential rate adjustments that will be necessary to cover operating cost increases and critical investment in the District's infrastructure.

"A Toast to Tap Water" art contest winner

Capital improvements have historically been financed on a pay-as-you-go basis from revenues derived from rates and developer fees. However, the five-year capital improvement plan will require bond financing, state revolving fund loans, or other financing mechanisms to meet its infrastructure needs. The District currently has no debt and will pursue a bond rating in the upcoming year.

The Coachella Valley Water District

Established as a special district in 1918 by the state legislature, the District was formed to protect and conserve local water sources. The District has a deep history; and was one of the original signers of the Seven Party Agreement of 1931 that divided California's share of the Colorado River. Since then, the District has grown into a multi-faceted agency that delivers irrigation water and domestic drinking water, collects and recycles wastewater, provides regional stormwater protection, replenishes the groundwater basins, and promotes water conservation. With offices in Palm Desert and Coachella, the District's service area covers approximately 1,000 square miles. Most of the service area lies in Riverside County, California with small portions in Imperial and San Diego counties.

CVWD is governed by a five-member Board elected to four-year terms by district voters. Each director represents a division of the district. The Board sets policy and represents the ratepayers. District policies are regulated by several state and federal agencies including the State Water Resources Control Board (SWRCB), and the California Environmental Protection Agency. Because the District is a governmental agency and not a private company, it is not regulated by the Public Utilities Commission.

The Coachella Valley (Valley) is located in Riverside County, California and extends from north of Palm Springs to the Salton Sea. It is approximately 15 miles wide, bounded on either side by the Little San Bernardino Mountains and the Santa Rosa Mountains. Storms from the Pacific are usually blocked by the San Bernardino mountain range, leaving little rain for the Valley. The average annual precipitation is less than four inches, rendering the area a desert.

The Valley offers an ideal place to work, play, and raise a family. Decades ago, the Hollywood elite discovered the area as a place for fun, sun, and relaxation. Since then, several hundred thousand residents have discovered the Valley as a year-round home. Tourism is a large part of the local economy. The Coachella Valley's idyllic winters make it a popular destination for tens of thousands of seasonal visitors and part-time residents who travel here to partake in more than 350 days of sunshine per year and the area's 125 golf courses. Vibrant courses are possible in the desert because the District has been and continues to be a responsible steward of water resources.

Budget Summary and Highlights

The operating budget amounts to $221.3 million and is supplemented with $108.4 million in capital improvement projects, to produce a total combined annual budget of $329.7 million. This represents a decrease of $10.1 million, or 4.4%, from the fiscal 2015 operating budget and an increase of $25.8 million, or 31.2%, over the fiscal 2015 Capital Improvement Budget.

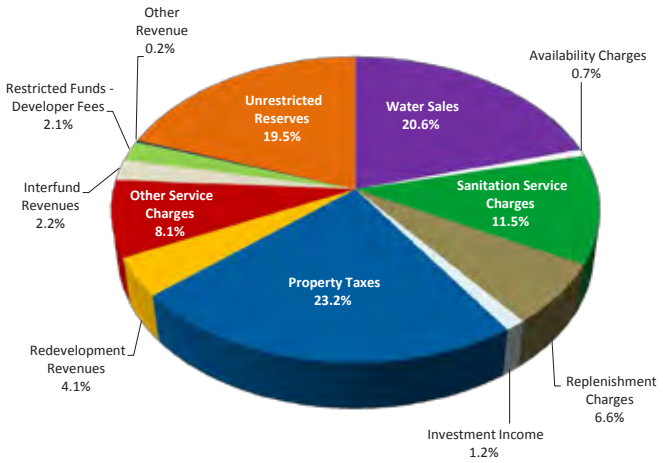
Total Budget	Budget 2014-15	Budget 2015-16	Budget Change	% Change
Operating Budget	231,362,000	221,252,000	(10,110,000)	(4.4%)
Capital Improvement Projects *	82,646,000	108,409,000	25,763,000	31.2
Total Budget	**314,008,000**	**329,661,000**	**15,653,000**	**5.0%**

** Net of reimbursements and District Labor*

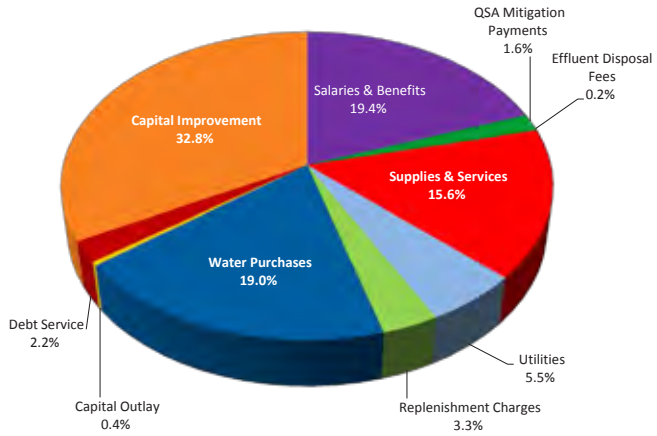
The District expects to receive $248.8 million in operating revenue in fiscal 2016. This revenue is supplemented with $6.8 million in restricted connection fees, $7.2 million in interfund revenues, $2.4 million in grant revenues, and $64.5 million in reserves to provide the total resources of $329.7 million to fund the fiscal 2016 budget.

The $221.3 million operating budget decreased by $10.1 million. The District's largest expense is the purchase of imported water, amounting to nearly $62.5 million, which is a decrease of $8.2 million from fiscal 2015. Expense items that increased significantly in fiscal 2015 are: supplies & services and QSA Mitigation payments.

Where the Money Comes From
Revenues and Other Sources
$329,661,000



Where the Money Goes
Expenses and Other Uses
$329,661,000



Significant Aspects of the Budget

- Rate increases of $7 per acre-foot in the East Whitewater Replenishment Fund, $1.74 in the West Whitewater Replenishment Fund, and $13.27 in the Mission Creek Replenishment Fund
- Increase of $6.9 million in property tax revenues due to increases in assessed valuations
- Decrease of $8.2 million in water purchases, due to the low SWP allocation of 20% and other water budgeted at 25%
- Increase of $4.7 million for supplies & services, including $2.3 million for water conservation programs, and $2.2 million for interim chromium-6 compliance programs
- Over $114.7 million in appropriations for 143 capital projects and 57 vehicle and equipment replacements
- Increased salaries & benefits expense of $2.6 million
- Increased staffing by 10.5 Full Time Equivalents (FTEs)
- Increased QSA Mitigation payments by $1.6 million, which includes prefunding of $1.0 million
- Use of $64.5 million of reserves to balance the budget

Organization of the Adopted Budget

This Budget Message provides the Board with a broad overview of the adopted budget and strategic issues. The Budget Overview chapter offers demographic, policy, and legal background on the District, details on the strategic plan, as well as information on the budget process.

The Budget by Fund chapter presents in-depth analysis on revenues, expenses, and reserves for each of the enterprise and internal service funds. The All Funds Summary combines all of the funds and shows total revenues, expenses, and increases and/or decreases in cash flow. Also included is a comprehensive five-year forecast by fund.

The Budget by Department chapter highlights each of the organization's departments and services provided, including fiscal 2015 accomplishments, fiscal 2016 goals, and a financial trend summary. The Capital Improvements chapter provides a detailed explanation of each of the capital projects approved in the fiscal 2016 budget, their funding sources, and effect on operations.

Acknowledgements

I would like to express my appreciation to the management staff for their diligent efforts in developing a budget that reflects the needs of the District. Through this process, the departments have strengthened their understanding of the needs of the District and the contributions that each department provides the District and its customers.

A special note of thanks should go to the Finance Department for their excellence in gathering, analyzing, and presenting information clearly and accurately. We are confident that this budget document reflects the policies and direction of the Board of Directors, and provides the financial plan for a successful year.

Respectfully submitted,

Jim Barrett
General Manager

About the Community

The Coachella Valley (Valley) extends approximately 45 miles in Riverside County, southeast from the San Bernardino Mountains to the Salton Sea. The Valley is approximately 15 miles wide along most of its length and surrounded by scenic, rugged mountains. To the north is Mount San Gorgonio; to the west, the San Jacinto Mountains; to the south, the Santa Rosa Mountains; and to the east, the Little San Bernardino Mountains and the Chocolate Mountains. The mountains create a "rain shadow," effectively blocking weather systems from the west. The elevations on the valley floor range from 1,600 feet at the north end of the valley, to 250 feet below sea level at the south end of the valley. The southern segment of the San Andreas Fault crosses the valley beginning near Bombay Beach, near the Salton Sea and runs along the southern base of the Little San Bernardino Mountains. The fault is easily visible on the northern side of the valley, as a strip of greenery against an otherwise bare mountain.

The Valley's year-round population is estimated to be over 440,000, increasing to around 600,000 during the months of November through May with the influx of "snowbirds" escaping the cold winters of Canada, the Pacific Northwest, and the Northeastern United States. The average high temperature in the winter ranges between 70 and 85 degrees. The skies are clear blue, and the days are sunny and dry. That, coupled with the occasional snow covered mountain, makes for an amazing and beautiful sight. In the summer, the average high temperature ranges between 104 and 108 degrees.

The valley is a vacation paradise, offering amenities and resorts of all kinds, varieties, and sizes in each city. Each city has its own unique character. Palm Springs is at the west end of the Valley. As you travel east, you encounter Cathedral City, Rancho Mirage, Palm Desert, Indian Wells, La Quinta, Indio, Coachella, Thermal, and Mecca. It is approximately 37.5 miles from Palm Springs to Mecca.

Another day in paradise

Coachella Valley Water District Boundary Map

The Valley is recognized as the golf, tennis, and polo capital of the West. It plays host to many internationally known events and attractions that boost tourism and continue to increase in attendance year after year:

- Palm Springs International Film Festival
- Palm Springs Short Fest
- BNP Paribas Open Tennis Tournament
- Coachella Music Festival
- Stagecoach Music Festival
- Humana Challenge Golf Tournament
- Canada Fest
- Riverside County Fair and National Date Festival
- The Desert Circuit Horse Show
- Coachella Valley Wildflower Festival
- Fashion Week El Paseo
- Modernism Week
- La Quinta Arts Festival
- Annual Choreography Festival
- Coachella Valley Comedy Festival
- Villagefest
- Lemon Lily Festival
- Southwest Arts Festival
- American Documentary Film Festival
- International Tamale Festival
- Palm Springs Air Museum
- Palm Springs Aerial Tramway
- Living Desert Zoo and Gardens
- Joshua Tree National Park
- Santa Rosa & San Jacinto Mountains National Monument

Economic Indicators

According to regional economists, the CoachellaValley's economic growth will continue steadily for several more years.

Tourism

Tourism is a critical component of the Coachella Valley's economy. Palm Springs International Airport seems to have reached its peak for now, after 16 months of steadily climbing passenger activity. In April 2015, the airport showed a decline in passenger activity, but is still on track to have another great year according to Rob Elsner, chairman of the Palm Springs International Airport Commission.

April also marked a decline in the region's hotel occupancy, despite events like the Coachella Music Festival and Stagecoach. Valleywide hotel occupancy was 68.6% for April 2015 down from 75.1% for April 2014, according to Smith Travel Research. However, the drop in occupancy is not impacting hotel room rates. The average daily rate for a hotel room in the Valley in April was 7.7% higher than in April a year ago, and one of the highest rates in the southwestern United States, which is a good economic indicator of the tourism economy.

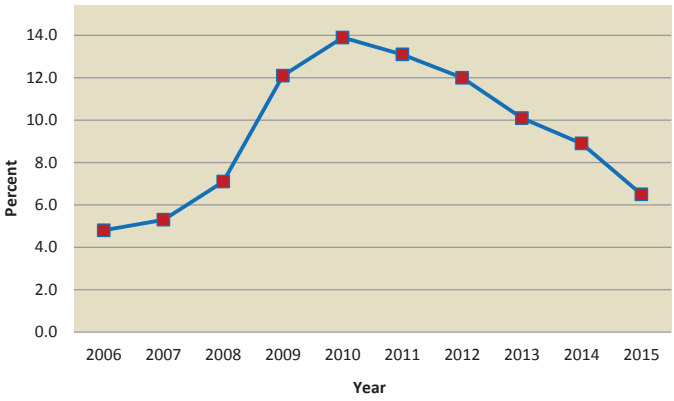
Employment

Unemployment in Riverside County has continued to decrease since hitting a high of over 14% in 2010. As of March, unemployment was down to 6.5%. The graph below shows unemployment in Riverside County over the past 10 years.

Unemployment in the Coachella Valley tends to run slightly higher than the rest of Riverside County. However, economists predict the Valley's unemployment rate will equal California's soon, currently at 6.2%. If current job growth continues through 2015, the Valley will be 96% of the way back to full economic recovery.

Long-term, the Valley continues to be very competitive and is attractive economically as a result of lower water rates, lower industrial lease rates, and reasonable natural gas prices. In addition, average labor costs, office lease rates, and housing costs are only slightly higher than in competitor non-California metropolitan areas. The Valley is affected by California's regulatory, tax, and electrical rate environment, as well as the low educational levels of its labor force.

Riverside County Unemployment Rate
Ten-Year History

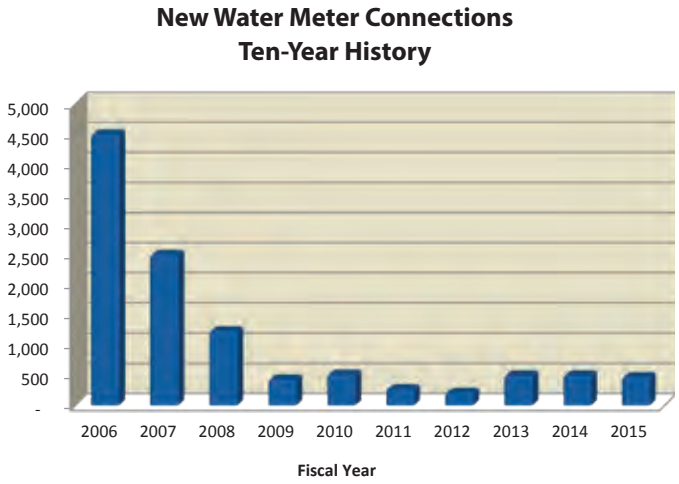


Housing Prices

Year-to-date, home sales are down 13.4%, versus a year ago, according to DesertRealEstate.com. Much of this can be attributed to the high price of the U.S. dollar compared to the Canadian dollar and the fall in oil prices, which has effectively shut Canadians out of the market. As of June 2015, the median price increased 7.8% for the under $500,000 segment of the market, over the past 12 months. This segment accounts for 73.7% of all home sales. The good news is, foreclosure filings are down 18.7% from a year ago, and the District's net taxable value is at the highest since 2008, increasing 5.5% from last year.

Account Growth

New District services and account growth are also an indication of the local economy. The adjacent graph shows the dramatic decline in new water meter installations from 2006 through 2012. Beginning in fiscal 2013, the District again started experiencing nominal account growth. Nominal growth is also projected for fiscal 2016.



Desert friendly landscape

Coachella Valley City Profiles

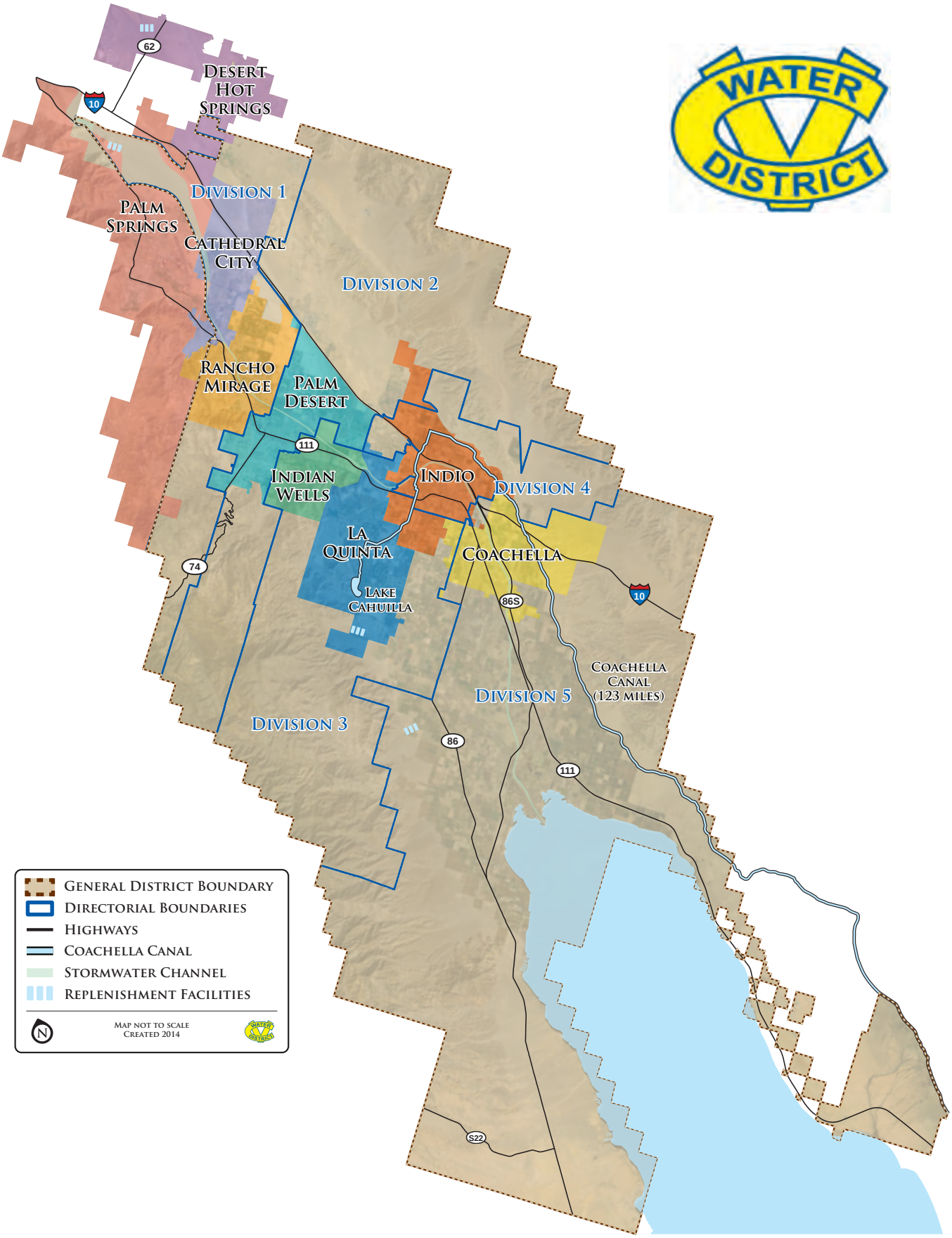
The Coachella Valley is comprised of the cities of Cathedral City, Coachella, Desert Hot Springs, Indian Wells, Indio, La Quinta, Palm Desert, Palm Springs, Rancho Mirage, and several unincorporated areas, which include Mecca, Oasis, Salton City, and Thousand Palms. (Data is not available for Oasis or Salton City.)

Category	Cathedral City	Coachella	Desert Hot Springs	Indian Wells	Indio	La Quinta	Mecca	Palm Desert	Palm Springs	Rancho Mirage	Thousand Palms
Population - January 2015	52,903	43,917	28,134	5,194	84,201	39,694	8,805	51,053	46,611	17,889	7,558
Number of Housing Units	21,063	10,376	11,485	5,225	31,163	24,150	2,020	37,905	35,330	14,366	3,705
Occupied Housing Units	17,111	9,430	8,116	2,792	25,168	15,250	1,854	23,667	23,124	8,910	2,849
Gender											
Female	48.6%	50.2%	50.2%	54.2%	50.7%	51.7%	47.3%	53.0%	43.6%	50.6%	50.0%
Male	51.4%	49.8%	49.8%	45.8%	49.3%	48.3%	52.7%	47.0%	56.4%	49.4%	50.0%
Age											
Children 19 and under	30.1%	42.6%	34.3%	6.3%	30.1%	21.9%	39.3%	15.6%	13.7%	10.6%	22.7%
20 to 24 years	6.6%	8.0%	7.3%	4.0%	10.9%	7.8%	16.2%	6.7%	5.9%	1.6%	4.0%
25 to 34 years	12.1%	16.4%	13.7%	2.2%	15.1%	8.2%	14.2%	9.8%	8.2%	4.4%	10.9%
35 to 44 years	13.2%	12.8%	12.9%	3.0%	12.5%	15.7%	13.0%	8.3%	12.1%	8.2%	12.7%
45 to 54 years	13.6%	10.1%	13.4%	11.6%	11.5%	14.0%	9.6%	12.3%	17.3%	10.3%	12.4%
55+	24.5%	10.0%	18.6%	72.7%	20.0%	32.0%	7.8%	47.0%	43.0%	65.0%	37.0%
Median age (years)	36	25	31	67	31	43	22	53	51	62	45
Education of Adults											
Some High School	27.5%	54.5%	31.3%	1.6%	27.7%	9.3%	71.0%	9.9%	12.4%	4.9%	26.6%
High School Degree	27.6%	24.8%	27.1%	9.8%	24.7%	21.0%	15.4%	19.2%	21.6%	20.5%	26.9%
Some College	22.4%	12.9%	22.0%	24.3%	22.4%	28.3%	9.7%	30.0%	26.1%	30.1%	29.5%
Associate's Degree	6.7%	2.9%	7.9%	9.4%	7.5%	7.1%	2.8%	8.1%	7.3%	5.8%	4.1%
College Degree	9.5%	3.8%	7.8%	34.1%	11.6%	22.5%	1.1%	21.5%	19.3%	21.9%	7.7%
Graduate or Professional Degree	6.2%	1.0%	4.0%	21.0%	6.1%	11.9%	0.0%	11.4%	13.3%	16.7%	5.1%
Household Income											
Under $14,999	13.0%	11.7%	20.1%	6.0%	11.0%	7.0%	21.0%	11.0%	12.4%	11.0%	7.0%
$15,000 to $24,999	12.6%	15.2%	12.1%	8.0%	14.8%	7.2%	23.1%	9.6%	13.4%	8.4%	17.7%
$25,000 to $34,999	11.1%	14.2%	18.5%	7.0%	11.5%	6.0%	26.0%	10.4%	13.2%	6.4%	11.6%
$35,000 to $49,999	17.0%	18.6%	14.8%	7.0%	12.2%	10.7%	13.5%	13.1%	15.4%	8.3%	27.0%
$50,000 to $74,999	18.4%	22.9%	16.7%	13.0%	18.4%	18.5%	14.8%	17.0%	16.1%	16.3%	19.2%
$75,000 to $99,999	11.7%	10.1%	7.2%	11.0%	12.3%	15.3%	0.0%	11.2%	9.8%	8.8%	7.5%
$100,000+	16.0%	7.3%	10.7%	48.0%	20.0%	35.0%	2.0%	28.0%	20.0%	41.0%	10.0%
Median household income ($)	44,939	31,066	34,606	131,250	51,921	75,358	26,207	56,897	44,728	74,327	42,656
Type of Dwelling											
1-unit	69.0%	72.9%	65.9%	87.0%	70.0%	89.0%	42.5%	68.0%	61.0%	84.0%	56.0%
2-units	4.4%	2.4%	6.3%	1.9%	1.1%	1.8%	4.2%	1.7%	2.1%	1.1%	3.0%
3+ units	15.0%	18.0%	19.9%	11.0%	19.0%	8.0%	36.0%	20.0%	31.0%	9.0%	0.0%
Mobile home	11.2%	6.3%	7.7%	0.0%	10.1%	1.0%	17.5%	9.9%	6.1%	5.9%	41.2%

Source: U.S. Census Bureau, California Department of Finance

Profile information not yet available for Oasis or Salton City

Coachella Valley Water District – Directorial Boundaries



About the Coachella Valley Water District

District Governance

Coachella Valley Water District is a special district established by the state legislature and governed by a five-member Board of Directors (Board) elected to four-year terms by District voters. Terms of office are staggered and elections are held every two years, for two or three of the five Board members.

Board of Directors	Division Represented	Expiration
John P. Powell, Jr., President	Division 3	December 2018
Peter Nelson, Vice President	Division 4	December 2016
G. Patrick O'Dowd	Division 1	December 2018
Ed Pack	Division 2	December 2016
Cástulo R. Estrada	Division 5	December 2018

Each director represents a division of the District. Effective June 3, 2014, CVWD Board members are no longer elected at-large by all registered voters within the District boundaries, Board members are elected only by the voters within their division. Candidates for the Board must reside within the boundaries of the division they wish to represent.

Previously, division boundaries were drawn to be nearly equal in acreage. New division boundaries were drawn to be equal in population, and take into consideration geography, cohesiveness, and communities of interest, among other criteria. A directorial boundary map showing the new boundaries is on the previous page.

The Board is the policy-making body of the District. By a majority vote, the Board may enact and enforce ordinances, and pass resolutions necessary for the operation of the District's business. The District plays a vital role in water resource management in Southern California and in the Lower Colorado River Basin.

The District must work collectively and effectively with state and federal agencies, numerous local jurisdictions, and other water purveyors to fulfill this role. Board members actively serve in leadership positions for several intergovernmental agencies and associations that further the interests of the District. Numerous District policies are regulated by several state and federal agencies, including the State Water Resources Control Board (SWRCB), and the California Environmental Protection Agency (EPA). The Public Utilities Commission (PUC) does not regulate the District, since the District is a government agency and not a private company.

Lush and efficient landscape

Coachella Valley Water District is a Multifaceted Agency

The Coachella Valley Water District provides a variety of water-related services to a majority of the people in the Valley.

Domestic Water

All of the drinking water supplied by Coachella Valley Water District comes from the groundwater basin or aquifer. Currently, the basin remains in a state of overdraft, meaning more water is used each year than can be replaced by natural or artificial means. To alleviate groundwater overdraft, CVWD, along with Desert Water Agency (DWA), oversee three active groundwater replenishment facilities and percolate imported water back into the aquifer.

To ensure water supplies remain available, the District implemented various initiatives, including, securing additional water resources, banking unused resources, water conservation programs, tiered rates, water-use restriction, drought penalties, and recycling water.

Sanitation

Coachella Valley Water District treats 6.3 billion gallons of wastewater each year and recycles more than 2.0 billion gallons of wastewater each year, subjecting it to an advanced multi-step process that filters out solids, organic materials, chemicals, and germs. At three of the District's six wastewater reclamation plants (WRPs), the treated reclaimed or nonpotable water is then delivered to customers that use it to irrigate grass, landscapes, and fill lakes. Increasing the supply and use of recycled water is a key component of CVWD's long-range water management plans.

Nonpotable Water

The Valley is home to more than 120 golf courses. Unfortunately, the amount of wastewater that is recycled can't meet the year-round irrigation needs of the courses. In 2009, CVWD completed the Mid-Valley Pipeline Project to bring Colorado River water to the District's largest wastewater reclamation plant in Palm Desert. This increased the available nonpotable water supply for golf courses to reduce their demand on the aquifer.

Currently, 16.5 golf courses within CVWD boundaries use this nonpotable blend of recycled water and Colorado River water for irrigation. An additional 28.5 golf courses use all Colorado River water imported from the Coachella Canal. Plans are underway for an additional 45 golf courses to switch from groundwater to these nonpotable supplies in the future.

CVWD's overall goal is to reduce golf course water use through conservation at existing courses by 10% and for new courses to be 25% more efficient than established courses of similar size.

Irrigation Water

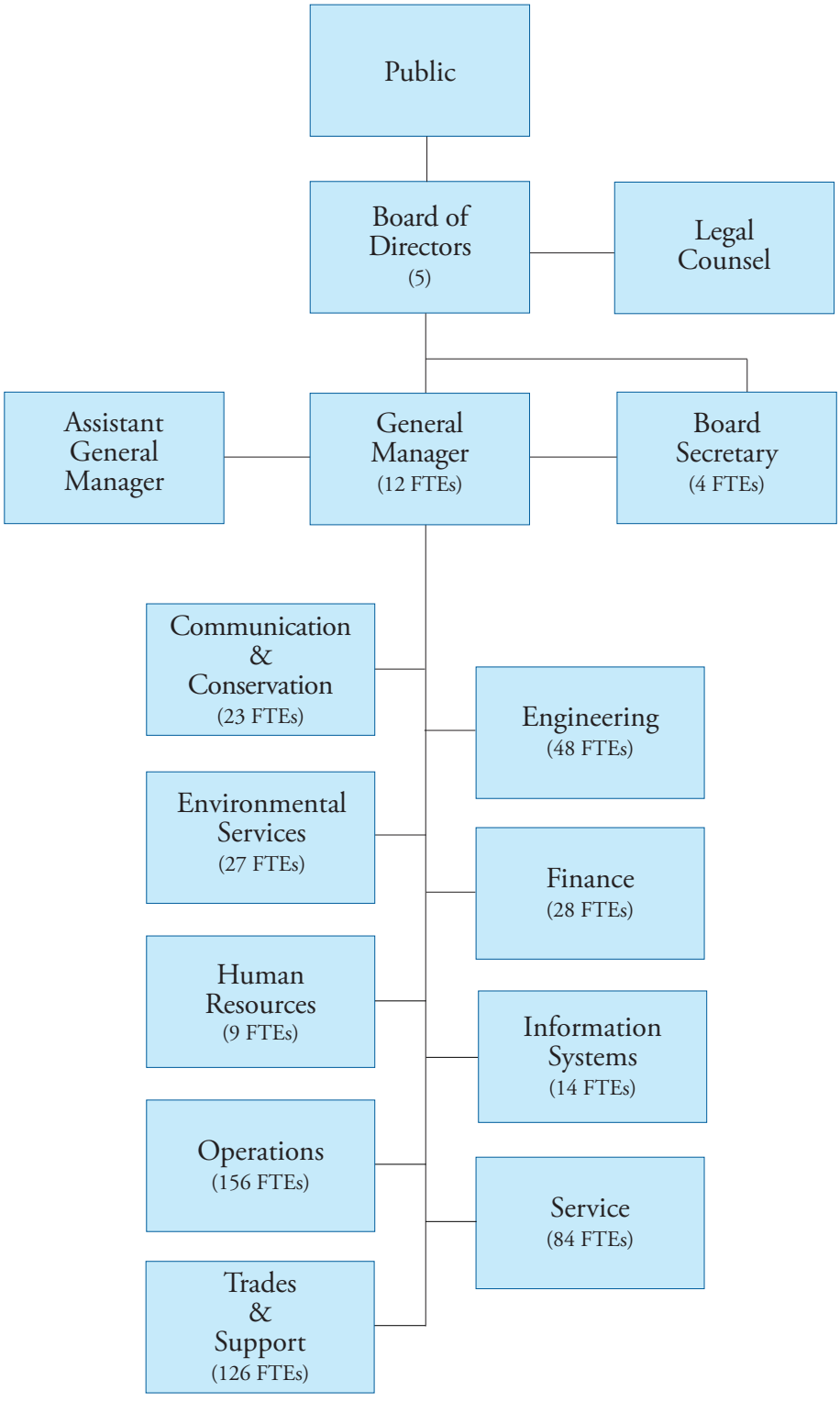
The District also provides water to irrigate more than 76,000 acres of farmland in the Valley. The 123-mile Coachella Canal provides Colorado River water to local farmers, which has helped transform the Coachella Valley into California's third largest agricultural region. Although geographically the Valley is in the northwestern portion of the Sonoran Desert, irrigation allows widespread agriculture. In 2014, crop values totaled more than $730.0 million, using approximately 291,000 acre-feet (af) of canal water.

Stormwater

The Coachella Valley averages less than four inches of rain per year. However, the surrounding mountains are subject to much higher rainfall which can produce unpredictable, damaging, and even deadly flash flooding events throughout the Valley. CVWD is responsible for much of the region's stormwater protection, helping to prevent loss of life and extensive property damage. The District protects nearly 600 square miles from flooding. Within CVWD's boundaries, there are 16 stormwater protection channels. The entire system includes approximately 134 miles of channels built along the natural alignment of dry creeks that flow from the surrounding mountains into the Whitewater River.

District Management

The General Manager, Board Secretary, and legal counsel are appointed by and report to the Board of Directors. The General Manager's administration consists of an Assistant General Manager, an Executive Assistant, Administrative Services, and nine departments: Communication & Conservation, Engineering, Environmental Services, Finance, Human Resources, Information Systems, Operations, Service, and Trades & Support. The organization chart below depicts the District's management along with the number of full-time employees (FTEs) in each department.



Accounting and Budgeting Structure

Proprietary Fund Accounting

The District's financial reporting structure is fund-based. A fund is defined as a separate, self-balancing set of accounts, used to account for resources that are segregated for specific purposes in accordance with special regulations, restrictions, or limitations. **All District funds are categorized as proprietary funds**, which are used to account for a government's business-type activity. There are two types of proprietary funds – enterprise funds and internal service funds. Both fund types use the same Generally Accepted Accounting Principles (GAAP), similar to businesses in the private sector.

GAAP requires full accrual accounting. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the accounting period incurred. Both enterprise and internal service funds recover the full cost of providing services (including capital costs) through fees and other revenues, and charges on those who use their services.

CVWD reports Domestic Water, Canal Water, Sanitation, Stormwater, Nonpotable Water, and Replenishment activities in enterprise funds. Enterprise funds are intended to be entirely or predominantly supported from user charges or rates. Operations are accounted for in a manner to show a profit or loss, on a basis comparable with industries in the private sector. Occasionally, rate adjustments are needed to ensure that the funds maintain adequate cash balances to cover operating costs, debt service, and capital repairs and replacements.

The District reports Motorpool and Workers' Compensation as internal service funds. These funds are used to account for the financing of goods and services by one department to other departments or funds of the District. Internal service fund costs are allocated to the benefiting funds, in the form of fees or charges.

What is a Budget?

The fiscal 2016 budget is presented as a policy document, an operational tool, a financial planning tool, and a link to the strategic plan. In addition, it is also considered a link to the community. This document will be submitted to the Government Finance Officers Association (GFOA) for review and consideration for the Distinguished Budget Award, which the District has received annually since fiscal 2013. The budget includes the financial planning and legal authority to obligate District funds. Additionally, the budget provides significant policy direction from the Board to District staff.

The budget provides five functions:

1. A Policy Document

Decisions made within the budget reflect the general principles or plan that guide the actions taken for the future. As a policy document, the budget links desired goals and policy direction to the actual day-to-day activities of the District. The budget process affords an interesting and challenging opportunity to reassess plans, goals, and the means for accomplishing them.

2. An Operational Tool

The budget directs the operation of the District. Activities of each function or department have been formalized and described in the chapter Budget by Department. This process helps maintain an understanding of the various enterprises of the District, how they relate to each other and to the goals and policies of the District and the Board. In this effort, the budget addresses areas that may not be traditional budget document topics. These include policy issues, staffing levels, long-range planning, capital spending plans, and rate setting.

3. A Financial Planning Tool

Traditionally, the budget is a financial planning tool, but it is also a requirement. A balanced budget must be adopted and in place, prior to the expenditure of District funds on July 1. The budget provides the authority to spend District funds. The District's budget is adopted at the fund level so expenses may not exceed appropriations at that level. Revenues are estimated, along with available cash reserves to indicate funds available for spending. The departmental requests for appropriations comprise the disbursement side of the budget.

4. A Link to the Strategic Plan

The Strategic Plan is a tool that defines what is critical to the District's success and the initiatives necessary to guide the District toward its achievement of goals. It is a plan for today and for the future. The Budget provides a means of allocating resources to achieve the District's goals. In fiscal 2016, twenty-nine strategic initiatives were identified and are linked to specific departmental goals within this document.

5. A Link with the Community

The budget provides a unique opportunity to allow and encourage public review of District operations. The document describes the activities of the District, the reason or cause for those activities, future implications, and the direct relationship to constituents.

How Does the Budget Compare to the Annual Financial Report?

The budgetary management of District funds are based on the "bottom line" and whether the expenses, including capital replacements, are supported by revenue. CVWD uses its reserve balances or "ending reserves", to evaluate its funds. This method works similarly to working capital and is the result of all transactions that affect assets and liabilities.

Some of the common differences between GAAP and the District's budgetary basis of accounting are as follows:

- Under the District's budgetary basis, the receipt of debt proceeds, capital outlays (including the capital improvement program) and debt service principal payments are reported as nonoperating revenues and expenses. Depreciation expense is not reported.

  The opposite is true under the GAAP basis of accounting: capital outlays are reflected as additions to assets on the balance sheet and depreciated over their useful lives. Debt proceeds are shown as a liability and principal expenses on debt service are reflected as a reduction of a liability.

- Investment earnings and property taxes are considered operating revenue under the budgetary basis and are nonoperating revenue under GAAP.

- Contributed assets and development fees are shown on the Statement of Revenues, Expenses and Changes in Fund Net Position under GAAP. Under the budgetary basis, contributed assets are not recognized and only the use of restricted funds are shown as nonoperating revenue.

- Under the GAAP basis of accounting, changes in the fair value of investments are treated as adjustments to revenue. This is not the case under the budgetary basis of accounting.

- Reserves are generally defined as the difference between current assets and current liabilities under the budgetary basis. The net position in GAAP includes the difference between all assets and liabilities.

- The timing of revenue and expenses are the same under both GAAP and the budgetary basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Desert landscape

Budget Planning and Preparation

Budget preparation usually starts in January. At that time, the groundwork for the upcoming year is laid. Each department starts determining what their requirements are for the following fiscal year. Below is the budget calendar for fiscal 2016. Based upon those requirements, budget requests are submitted and reviewed for approval. One of the key foundations to an enterprise fund budget is a solid projection of reserves, revenues, and expenses.

Proposition 218

The need for a rate increase can dictate the timing of the budget process. Proposition 218, officially titled the "Right to Vote on Taxes Act," was approved by California voters in 1996. It amended the State Constitution, and established additional procedural requirements, and limitations on new and increased taxes, assessments, and property-related fees and charges.

For special districts such as CVWD, any fees or charges imposed on persons as an incident of property ownership (water commodity charges, service charges, canal irrigation water charges, sanitation fees, etc.) must comply with the requirements of this law. Specifically, the District must notify all affected property owners 45 days prior to a public hearing on any proposed rate increase. During that 45-day period, the property owner may choose to protest the increase by submitting a written form, to that effect. The proposed fee or increase is prohibited, if written protests constitute a simple majority.

Substantive requirements of Proposition 218 include restrictions on expenses that may be included in the fee or rate. For example, revenues cannot exceed the costs required to provide the property related service, and revenues from the fee cannot be used for any purpose other than that for which it was imposed. These requirements suggest that an agency develop cost of service studies that document the costs for which their fees and rates are imposed, utilizing appropriate industry principles and guidelines.

Date	Budget Calendar Agenda
January 21, 2015	Capital Improvement Plan (CIP) 2016-2020 kick-off
January 30, 2015	Strategic Planning Process - Project progress and next steps
February 2-4, 2015	Budget kick-off training with departments
February 13, 2015	Board Study Session on Cost of Service Study on Domestic Water, Canal, Sanitation and Replenishment Funds
February 20, 2015	CIP requests due
February 27, 2015	New position requests due to Human Resources and Budget Liaison
February 27, 2015	Supplemental requests due to Budget Liaison
March 12, 2015	Strategic Planning Workshop - Review fiscal 2015 and develop fiscal 2016 strategic initiatives
March 13, 2015	Final departmental budget spreadsheets due to Budget Liaison
March 17, 2015	Board Study Session on Chromium-6 Treatment - Phase II and Replenishment Assessment Charges Program Funding
March 23-31, 2015	Budget meetings with department directors and General Manager
March 27, 2015	CIP presented to General Manager
April 6, 2015	CIP Draft sent to Cities and Counties
April 17, 2015	Board Study Session on CalPERS Unfunded Liability and Debt Financing
April 20, 2015	Board Study Session to review fiscal 2016 proposed staffing requests
April 29, 2015	Board Study Session to review draft Cost of Service Study on Domestic Water Fund
April 30, 2015	Strategic Planning Workshop - Final review of fiscal 2015 and development of fiscal 2016 strategic initiatives
May 14, 2015	Canal outreach on proposed canal rate adjustments
May 15, 2015	Board Study Session on proposed Operating and Capital Improvement Budget for fiscal 2016
May 22, 2015	Strategic Planning Workshop - Final review of fiscal 2016 strategic initiatives
May 28, 2015	Board Study Session - Continuation of review of proposed Operating and Capital Improvement Budget for fiscal 2016
June 2, 2015	Board Study Session - Continuation of review of proposed Operating and Capital Improvement Budget for fiscal 2016
June 17-19, 2015	SunGard budget entry training for all departments
June 23, 2015	Board of Directors approve proposed Operating and Capital Improvement Budget for fiscal 2016

Components of the Budget

There are three components of the budget:

1. Base Budget Approach

The base budget approach consists of budget proposals sufficient to maintain the operation of programs authorized in earlier years. Fiscal 2016 budget allocation targets were established at fiscal 2015 base levels for all spending.

2. Capital Improvements

The budget includes authorized capital projects scheduled for design and/or construction, during fiscal 2016. The Board approves specific projects up to the funding approved in the budget. Budget amendments are considered, if the total cost of the project is expected to exceed the original budget. The District's fiscal 2016 capital improvement budget is being financed on a pay-as-you-go basis and is being funded primarily through rates and reserves.

3. Supplemental Requests

Departments may request funding above the base budget amount in order to maintain current levels of service, to provide for the expansion of existing programs, or to enable the implementation of new services or programs. These are considered to be supplemental requests. All supplemental funding requests must be thoroughly described and include a concise justification that reflects consideration of reasonable alternatives, particularly, if the request involves addition of full-time personnel.

Proposed and Adopted Budget

A proposed budget is ready for the General Manager's review by March. The five-year forecast and projected reserves by fund are updated, based on revenue projections and departmental budget requests. The tentative budget is prepared and available for study sessions with the Board. Public Board study sessions are held during April and May, which focus on the details of individual funds. Public hearings for proposed rate increases, if any, normally occur in May.

The final budget is presented at a June Board meeting and normally adopted by July 1. The final budget is issued as a formal published document, as modified by the Board. The actual appropriations approving the budget are contained in a formal resolution.

Staff will begin preparation of the fiscal 2017 Operating and Capital Improvement Budgets in January 2016. The budget calendar, board meeting dates, and agendas will be available for review online at www.cvwd.org.

Amending the Budget

Department directors are responsible for keeping expenses within budget allocations. Directors may exercise discretion in the administration of the budget to respond to changes in circumstances, by requesting budget amendments between line items within their department in the same fund.

Budget transfers between departments within the same fund, must be approved by both department directors. Any revisions that alter the total of a fund must be approved by the General Manager and the Board.

Budget Reporting and Monitoring

The Finance Department and the individual departments monitor the budget, using various reports and accounting controls.

Department directors are provided monthly financial reports to monitor and analyze their expenses in relation to their budget. In addition, consumptive revenue reports for the Domestic Water and Canal Water Funds are prepared and analyzed monthly. Formal financial reports and analysis comparing actual expenses and revenues against the budget, are generated by the Finance Department and presented to the Board on a quarterly basis.

SilverRock waterfallls

Financial Policies and Guidelines

Financial policies and guidelines are used to establish similar goals and targets for the District's financial operation, allowing the Board and District officials to monitor how well the District is performing. Formal policies provide for a consistent approach to fiscal strategies, and set forth guidelines to measure financial performance and future budgetary programs.

General Financial Goals

- Ensure delivery of an adequate level of water-related services, by assuring reliance on ongoing resources and maintaining an adequate financial base.
- Ensure the District is in a position to respond to changes in the economy or new service requirements, without an undue amount of financial stress.
- Assure ratepayers and taxpayers that the District is well managed financially, and maintained in sound fiscal condition.
- Adhere to the highest accounting and management policies as set by Government Finance Officers of America (GFOA), Governmental Accounting Standards Board (GASB), and other professional standards for financial reporting and budgeting.

Cash and Investments Goals

- Maintain cash and investment programs in accordance with the Investment Policy, ensuring proper controls and safeguards are maintained.
- Manage District funds in a prudent and diligent manner, with an emphasis on safety of principal, liquidity, and financial return on principal, in that order.

Revenue Guidelines

- Revenues will not be dedicated for specific purposes, unless required by Board action, law, or GAAP.
- Unrestricted revenue will be deposited in the appropriate fund and appropriated by the budget process.
- Current revenues will fund current expenses.
- One-time revenues may be dedicated to one-time expenses or one-time use of funds.
- One-time revenues may be dedicated to funding reserve shortfalls.
- Enterprise user fees and charges will be examined on a cyclical basis, ensuring that they recover all direct and indirect costs of service, and must be approved by the Board.
- Programs financed with grant monies will be budgeted in separate projects within the appropriate enterprise fund.
- The District will follow an aggressive and consistent policy of collecting revenues, to the limit of the District's ability. The collection policy goal will be for all adjusted uncollectible accounts to be no more than 0.5% of each fund's rate revenue being adjusted for bad debts, annually.

Operating Management and Budget Guidelines

- Revenue and expense forecasts will be prepared to evaluate the District's ability to absorb operating costs due to changes in the economy, service demands, and capital improvements. The forecast will be updated quarterly and focus on a five-year outlook.
- Alternative means of service delivery will be evaluated, ensuring that quality services are provided to our ratepayers at the most competitive and economical cost.
- The budget process is intended to weigh all requests for resources, within expected fiscal constraints. Requests made outside the budget process are discouraged. Appropriations requested after adoption of the original budget will be approved only after considering the elasticity of revenues. All additional appropriations require Board approval.
- Budget development will use strategic multi-year fiscal planning, conservative revenue forecasts, and modified zero-based expense analysis.
- Based on the District's definition of a balanced budget, current operating expenses will be paid from current revenues and reserves carried forward from the prior year. The District will avoid budgetary and accounting practices that balance the current budget at the expense of future budgets.
- Additional personnel will only be requested to meet program initiatives and policy directives after service needs have been thoroughly examined, and it has been determined that additional staffing will result in increased revenue, enhanced operating efficiencies, or service levels. Personnel cost reductions will be achieved through attrition, to the extent feasible.

Capital Management and Replacement Guidelines

- A multi-year replacement schedule of rolling stock and other equipment has been developed and is updated based upon the District's projection of future replacement needs. The operating budget will provide for adequate maintenance of the District's capital and equipment. Replacement funds of rolling stock and other equipment are accumulated in the unrestricted reserves of each enterprise fund.
- A five-year Capital Improvement Plan (CIP) has been developed and will be updated annually, including anticipated funding sources. The CIP should include adequate funding to support repair and replacement of deteriorating infrastructure, and avoidance of a significant unfunded liability.
- Future operating, maintenance, and replacement costs associated with new capital improvements, will be forecasted and included in the operating budget.
- Capital project requests will include a fiscal impact statement, disclosing the expected operating impact of the project.

Reserve Policy

The goal of maintaining adequate reserves is to ensure that there are appropriate levels of working capital in the District's enterprise funds to mitigate current and future risks (e.g., revenue shortfalls and unanticipated expenses); and ensure stable services and fees. The District has defined reserves as the amount of cash and investments in that fund, plus accounts receivable, less accounts payable, and less amounts due to others in the fund.

There are three types of reserves: designated, restricted, and undesignated. It is assumed that all reserves will be designated or restricted, and therefore, there will be no undesignated funds per policy.

Designated Reserves are those established and set aside to be used only for a specific, designated purpose:

1. **Operating** reserves cover operating costs for an established period of time. This reserve will ensure continuity of service, regardless of cash flow, and is considered working capital to be used to fund current expenses, as needed. Operating reserves should be maintained at 90 days or 25% of current year budgeted expenses (less depreciation). Nonpotable Water operating reserves should be maintained at 30 days or 8%.
2. **QSA Mitigation** reserves are used to fund the difference between amounts collected on the rates and amounts needed for the payments. The payment amounts are known, but are not the same amount each year. To prevent large rate swings due to the variability of payments, reserves were established to fund payments in excess of $2.0 million for Domestic Water and $200,000 for Canal Water. Domestic Water reserves were originally established at $18.9 million and Canal Water at $2.3 million, and were drawn down each year. Effective fiscal 2016, QSA Mitigation costs will be expensed to the three replenishment funds. As a result of the Domestic Water Fund and Canal Fund no longer being responsible for these expenses, QSA mitigation reserves are no longer maintained in these funds and this practice will be reviewed by the Board in January 2016, when the Reserve Policy is updated.
3. **Rate Stabilization** reserves cover the smoothing of rates in the event of short- to mid-term rate revenue loss, property tax revenue loss, or higher than anticipated budget costs, that cannot be supported by normal revenues. Rate Stabilization Funds can be used to balance the budget, if revenues are projected to be 10% less than prior year actual revenue, or if expenses are projected to be 10% more than prior year actual expenses.
4. **Capital Improvement Program** reserves cover the ongoing replacement of capital facilities and additional investment in capital. This reserve can also be used in concurrence with outside funding sources. The District currently utilizes pay-as-you-go financing of capital projects; this reserve should be set at two years depreciation expense. For Canal Water, Stormwater, and Replenishment Funds, CIP reserves will be set at the average of the five-year CIP.
5. **Emergency** reserves help ensure continued service to District customers and service areas for events that are impossible to anticipate or budget. The ability of the District to quickly restore facilities and services is critical to the public health and safety of our residents. This reserve assists in covering emergency cash needs for any reason. Reserves are set at 1% of net capital assets for Domestic Water, Nonpotable Water, Sanitation, West Replenishment, and East Replenishment Funds. Reserves for Canal Water are set at 1% of replacement cost of fixed assets. Stormwater emergency reserves are set at $17.6 million.
6. **Other Post-Employment Benefits (OPEB)** reserve was eliminated in 2014 and replaced by an OPEB Irrevocable Trust Fund.

7. **Other Special Purpose** reserves are set aside for a special project or purchase at the discretion of the Board.

Restricted Reserves are those that are restricted by an outside source, such as by statute, court, or contract:

1. **Reserves for Future Capital Commitments** are established by Board Ordinances to ensure that specific fees are set aside to provide for future purchases of imported water, and expansion of the domestic water and sanitation systems. The fees that contribute to these reserve balances are: Water System Backup Facilities Charge (WSBFC), Sanitation Capacity Charge (SCC), and Supplemental Water Supply Charge (SWSC).

2. **State Water Project (SWP)** property taxes are set aside to make payments to the SWP and are based upon the expenses for the wettest three-year period. This reserve is allocated between the West Whitewater and Mission Creek Replenishment Funds, based on annual analysis of production in the basins.

Debt Management

California Government Code provides for a legal debt limit of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective fiscal year 1982, each parcel was assessed at 100% of market value, as of the most recent change in ownership for that parcel.

The calculated legal debt limit is $1,929,228,557 and the District currently has no outstanding bonds chargeable to the limit. The District currently funds its capital projects on a pay-as-you-go basis, choosing to use cash instead of borrowing. The District currently does not have any bonded debt, but has hired a financial advisor to obtain a rating, anticipating the need for debt issuance in early fiscal 2017.

The District's goal when issuing debt is to respond to the infrastructure and capital project needs of its customers, while ensuring that debt is issued and managed prudently, in order to maintain a sound fiscal position.

Debt is an equitable means of financing projects and represents an important means of providing for the infrastructure and project needs of CVWD customers. Debt will be used to finance projects if it is fiscally prudent, responsible, and diligent under the prevailing economic conditions. The pay-as-you-go method of using current revenues to pay for long-term infrastructure and other projects is often considered the preferred means of financing, when sufficient revenues and reserves are available, avoiding interest expense. The District will endeavor to pay for all infrastructure and other projects from a combination of current revenues, available reserves, and prudently issued debt.

There are three interfund loans reflected on the debt service line item of the budget tables. The interfund loans are as follows and summarized in the table below:

1. A loan from the Sanitation Fund to the West Whitewater Replenishment Fund in the amount of $13,350,000, for a five-year term. Interest accrues at a rate that coincides with the District's average monthly return on investments, plus a 10% premium on the calculated interest rate. The loan was used for an advance purchase of 105,000 acre-feet of water from the Metropolitan Water District.

2. A loan from the Sanitation Fund to the Nonpotable Water Fund in the amount of $2,234,020 for a term of 20 years. Interest is 1.46%, and will be reviewed every five years, and adjusted as necessary, based on the District's average monthly return on investments. The loan was used to fund the construction of a pipeline.

3. A loan from the Domestic Water Fund to the East Whitewater Replenishment Fund in the amount of $60,285,179 for a term of 15 years. A variable interest rate equal to the District's average monthly return on investments will accrue, plus a 10% premium on the calculated interest rate. The loan funded construction of the Thomas E. Levy Replenishment Facility.

Loan To / From	Loan Date	Original Amount	Retirement Date	Outstanding Amount
West Whitewater / Sanitation	9/13/2011	$13,350,000	9/30/2016	$3,337,500
Nonpotable Water / Sanitation	4/24/2012	2,234,020	4/30/2032	1,922,258
East Whitewater / Domestic Water	6/25/2013	60,285,179	6/30/2028	52,682,713
Total		**$75,869,199**		**$57,942,471**

Strategic Plan

What is a Strategic Plan?

A Strategic Plan is a tool that defines what is critical to the District's success and the initiatives necessary to guide the District toward achievement of its goals. The District's commitment to this plan puts the CVWD team on the same page and helps focus efforts and energy toward common objectives. It allows the organization to deliver on its mission: To meet the water-related needs of the people of the Coachella Valley through dedicated employees, providing high quality water at a reasonable cost.

Goals

The District has identified and committed to broad goals designed to move the District forward in executing its mission. The strategic goals were developed within the framework of Effective Utility Management (EUM).

EUM was developed by the major water and wastewater organizations in the United States. Effective Utility Management helps water and wastewater utilities select priorities for improvement, based on the unique needs of its community. The framework addresses operations, infrastructure, customer satisfaction, community welfare, natural resource stewardship, and financial performance.

The strategic goals the District has selected to focus on cover six thematic areas:

1. Employee/Workforce Development
2. Financial Stability
3. Water Supply Sustainability
4. Exceptional Customer Service
5. Water Quality & Environmental Leadership
6. Infrastructure Investment & Management

Initiatives

The Strategic Plan covers the second year of the current Five-year Strategic Plan. In June 2015, the Board of Directors adopted the District's fiscal 2016 strategic initiatives. The initiatives are a result of three strategic planning workshops with Board members and 48 members of the District's staff. Twenty-nine initiatives, or project plans, have been targeted for completion in fiscal 2016.

The project plans include target completion dates, quarterly milestones, the project coordinator (or project manager), the project sponsor (typically a department head who will help champion the project) and measurements of success. More information can be found in Chapter IV, Budget by Department.

Strategic planning group members

The following tables list the District's strategic initiatives for fiscal 2016.

STRATEGIC GOAL	RESPONSIBLE DEPARTMENT(S)	OBJECTIVE	INITIATIVE	OUTCOME
Employee Workforce Development	Human Resources	Maintain Competitive Salaries and Benefits	Develop compensation program	Create plan to reward employees for exceptional performance and an evaluation process to provide measureable performance expectations
			Develop employee reward-recognition program	Implement programs to improve morale and promote employee initiative and empowerment
	Human Resources / Engineering / Information Systems	Succession Planning and Knowledge Management	Develop and implement a career path and leadership development program	Allow career growth and expand leadership skills
			Develop and Implement "Intranet"-Collaboration Portal	Provide improved internal communication between departments and employees
Financial Stability	Finance	Follow Industry-Recognized Rate Making Practices	Complete cost of service study for Domestic Water, Canal Water, Nonpotable Water, Replenishment Assessment Charges, Water and Sanitation Connection Fees and Canal Capacity Fees	Develop fair and equitable rates and connection fees based on cost of service and standardize nonpotable rates
		Maintain Organizational Fiscal Health	Complete bond rating	Obtain AA bond rating for best interest rates
			Establish financial policies	Provides framework for financial and budgeting decisions and provides assurances to bondholders
		Ensure Integrity and Transparency of Financial Process	Increase stakeholder outreach (internal and external) regarding proposed rates increases in the Domestic Water, Canal, Nonpotable and Replenishment Assessment Charges and structural changes in the Sanitation rates	Stakeholder education before approving rate increases
Water Supply Sustainability	Communication & Conservation	Enact More Aggressive Conservation	Golf Water Conservation Program	Explore funding opportunities to implement golf course rebate program (turf removal, lake liner replacement, nozzle replacement, etc.)
			Agriculture Water Conservation and Funding	Develop local working group as advisory entity; work on forming Agricultural Water Advisory Group (AWAG)
			Domestic Water Conservation Program (in compliance with Governor's mandate)	Provide staff oversight on progress as related to water use mandates and design and test water waste tracking system

STRATEGIC GOAL	RESPONSIBLE DEPARTMENT(S)	OBJECTIVE	INITIATIVE	OUTCOME
Water Supply Sustainability (Continued)	Engineering / Environmental Services	Expand Nonpotable Water Program	File state Wastewater Change Petition to use Water Reclamation Plant 4 (WRP 4) effluent for nonpotable uses	Obtain state approval to change WRP4 wastewater discharge to increase recycled water use and groundwater conservation
		Update and Comply with Water Management Plan	Develop contingency plan for Colorado River water	Adopt Board-approved plan to address Colorado River water availability
			Perform agency coordination and planning to comply with Sustainable Groundwater Management Act (SGMA)	Plan and coordinate timely compliance with SGMA including, the submittal of an alternative groundwater sustainability plan to the Department of Water Resources by January 1, 2017
Exceptional Customer Service	Information Systems / Communication & Conservation / Operations	Optimize Customer Experience	Create mass notification system to inform customers proactively	Notify customers of major events (boil water alerts, drought updates, conservation tips, or rate adjustments)
			Develop citizen's reporting application	Provide platform for citizens and stakeholders to notify District of infrastructure problems and water waste
		Improve Internal Communications	Develop fact sheets for staff (leader's guide)	Improve internal communications and awareness of the issues facing the District and its customers
			Implement interdepartmental tailgate meetings	Improve internal communications and awareness of the issues facing the District and its customers
		Obtain Customer Feedback and Input	Develop targeted customer experience surveys	Baseline customer satisfaction levels will allow the District to focus resources on improving customer satisfaction in needed areas
Water Quality and Environmental Leadership	Engineering / Environmental Services	Comply with Water Quality Regulations	Obtain state approval for Chromium-6 Water Treatment Compliance Plan	Satisfy State drinking water requirements
			Complete right-of-way acquisition and CEQA-plus document for pipeline to connect Salton City domestic water system to Cove domestic water system	Bring new water source to ID-22 to improve water quality and quantity
		Perform Effective Environmental Resource Management	Submit Garfield Street constructed habitat project concept plan	Satisfy Phase I of the Coachella Valley Multiple Species Habitat Conservation Plan obligation through providing natural habitat for mitigation
			Complete WRP 7 Tamarisk Removal Project	Satisfy the Coachella Valley Multiple Species Habitat Conservation Plan obligation through restoring natural habitat and conserving groundwater
		Optimize Energy Use	Complete alternative energy feasibility study	Identify highest ranked feasible alternative energy projects and provide a path to reduce carbon emissions and energy costs

STRATEGIC GOAL	RESPONSIBLE DEPARTMENT(S)	OBJECTIVE	INITIATIVE	OUTCOME
Infrastructure Investment and Management	Engineering / Operations / Environmental Services	Develop an Asset Management, Capital Improvement Program and Preventive Maintenance Program	Complete asset inventory and condition assessment and create a preventive maintenance management program	Development of plan will guide the District's asset inventory, accounting, maintenance, management, and replacement
		Irrigation Infrastructure Repair and Replacement	Finish development of hydraulic model for irrigation system	Develop and implement irrigation distribution system hydraulic model for use as a tool, to evaluate and design improvements to the irrigation distribution system
			Inspect irrigation and drainage system and begin prioritization of results	Irrigation pipeline inspection program will provide valuable input to asset management master plan pilot program
			Capital Improvement Plan funding strategies and grant writer	On-call consultant will improve the District's grant and low-interest loan funding opportunities
			Reduce resource agency obstacles to execute capital improvement projects	Establish legislative and resource agency contacts and develop path to remove obstacles to timely project completion

Strategic planning meeting

RESOLUTION OF THE BOARD OF DIRECTORS OF
COACHELLA VALLEY WATER DISTRICT

RESOLUTION NO. 2015-50

BE IT RESOLVED by the Board of Directors of the Coachella Valley Water District assembled in regular meeting this 23rd day of June, 2015, that the Fiscal Year 2015-16 Operating and Capital Improvement Budget in the amount of $329,661,000 is hereby approved and adopted as summarized on the Budget Summary. Said Budget Summary reflects the final determination by the Board regarding a reduction in the number of additional new staff to 10.5 positions and the reduction in the budget line item for additional employees and equipment by the amount of $1,082,000.

* * * * * * * * * * *

I, JULIA FERNANDEZ, Secretary of the Board of Directors of the Coachella Valley Water District, DO HEREBY CERTIFY that the foregoing is a full, true and correct copy of Resolution No.2015-50, adopted by the Board of Directors of said District at a regular meeting thereof duly held and convened on the 23rd day of June, 2015, at which meeting a quorum of said Board was present and acting throughout. The Resolution was adopted by the following vote:

Ayes:	Five
Directors:	Powell, Nelson, O'Dowd, Pack, Estrada
Noes:	None

Dated this 23rd day of June, 2015.

(SEAL)

Julia Fernandez
Board Secretary

All Funds Summary

The District reports its activities as proprietary funds. Proprietary funds are used to account for a government's business-type activities, which recognize revenues and expenses on the accrual basis in accordance with Generally Accepted Accounting Principles (GAAP), similar to businesses in the private sector.

The adopted budget for each proprietary fund does not include depreciation, but includes capital acquisitions and debt service payments, which impact cash flows.

CVWD uses two types of proprietary funds to account for its activities, each of which is considered a separate accounting entity with a separate set of self-balancing accounts. All funds are accounted for as Enterprise Funds with the exception of Motorpool and Workers' Compensation Self-Insurance Funds, which are accounted for as Internal Service Funds.

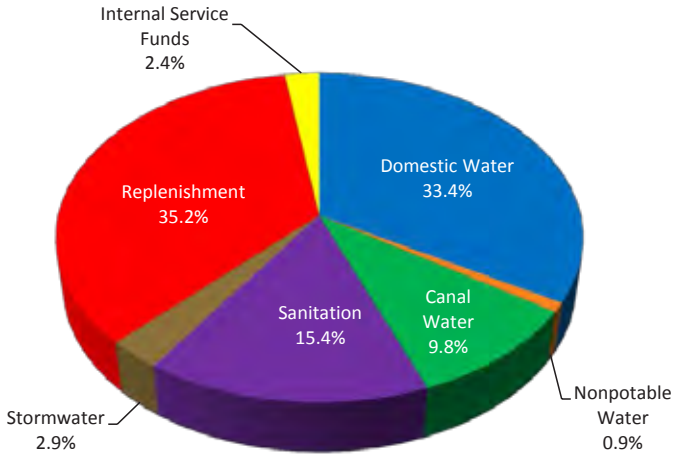
Changes that occur in the operating budget from year to year are generally incremental. Therefore, District officials can draw on recent budget experiences when reviewing the following year's budget requests.

Capital projects or acquisitions requested in one year often differ from year to year. This is because many capital assets have long useful lives and do not need to be replaced frequently. To compensate for this variable, the operating and capital improvement budgets are presented separately.

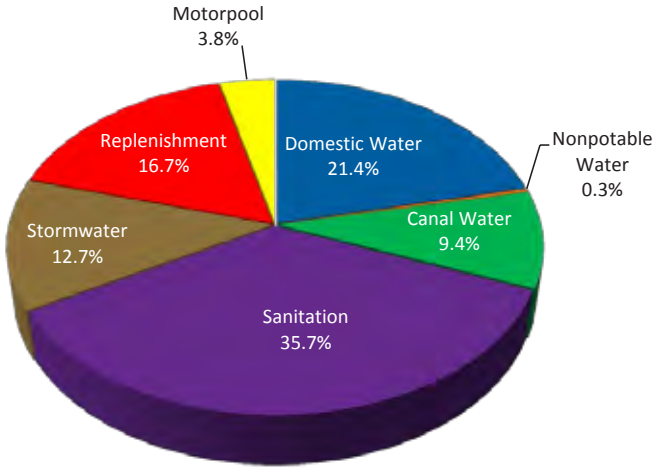
The District is currently conducting cost of service studies (COSS) for the following funds: Domestic Water, Canal Water, and Replenishment. Each of the studies is at various stages in development. The COSS for the Sanitation Fund was completed in fiscal 2015.

The following pie charts depict the fiscal 2016 operating and capital improvement budgets by fund.

Operating Budget by Fund
$221,252,000



Capital Improvement Budget by Fund
$108,409,000



The Expenses by Fund summary illustrates the total operating and capital improvement budgets by fund for fiscal 2015 and fiscal 2016, projected expenses by fund for fiscal 2015, and the change in budget from fiscal 2015 to fiscal 2016.

Total Expenses by Fund	Budget 2014-15	Projected 2014-15	Budget 2015-16	Budget Change	% Change
Domestic Water	78,031,000	71,891,000	73,912,000	(4,119,000)	(5.3)
Canal Water	22,038,000	21,548,000	21,672,000	(366,000)	(1.7)
Sanitation	36,361,000	31,898,000	34,104,000	(2,257,000)	(6.2)
Stormwater	7,411,000	6,263,000	6,458,000	(953,000)	(12.9)
Nonpotable Water	2,060,000	1,634,000	1,944,000	(116,000)	(5.6)
West Whitewater Replenishment	65,625,000	52,837,000	60,870,000	(4,755,000)	(7.2)
Mission Creek Replenishment	3,429,000	2,699,000	3,133,000	(296,000)	(8.6)
East Whitewater Replenishment	11,392,000	11,057,000	13,835,000	2,443,000	21.4
Motorpool	3,724,000	3,756,000	4,044,000	320,000	8.6
Workers' Compensation Self-Insurance	1,291,000	1,040,000	1,280,000	(11,000)	(0.9)
PPO Medical Self-Insurance	-	1,000	-	-	-
Total Operating Budget	**231,362,000**	**204,624,000**	**221,252,000**	**(10,110,000)**	**(4.4%)**
Capital Improvement Projects:					
Domestic Water	18,926,000	9,285,000	23,127,000	4,201,000	22.2
Canal Water	8,174,000	6,748,000	10,221,000	2,047,000	25.0
Sanitation	41,110,000	26,454,000	38,767,000	(2,343,000)	(5.7)
Stormwater	4,151,000	2,494,000	13,722,000	9,571,000	230.6
Nonpotable Water	3,879,000	3,986,000	339,000	(3,540,000)	(91.3)
West Whitewater Replenishment	679,000	494,000	3,065,000	2,386,000	351.4
East Whitewater Replenishment	1,155,000	1,200,000	15,022,000	13,867,000	1,200.6
Motorpool	4,572,000	2,888,000	4,146,000	(426,000)	(9.3)
Total Capital Improvement Budget	**82,646,000**	**53,549,000**	**108,409,000**	**25,763,000**	**31.2%**
Total Budget	**314,008,000**	**258,173,000**	**329,661,000**	**15,653,000**	**5.0%**

Footnote: Capital Improvement Projects are net of District labor.

Golden grass for the golden state

Total expenses and other uses increased by over $15.7 million, or 5% from the fiscal 2015 budget.

Total Expenses by Object	Budget 2014-15	Projected 2014-15	Budget 2015-16	Budget Change	% Change
Salaries & Benefits	61,451,000	56,212,000	64,094,000	2,643,000	4.3
Supplies & Services	46,649,000	42,770,000	51,322,000	4,673,000	10.0
Water Purchases	70,667,000	56,127,000	62,480,000	(8,187,000)	(11.6)
Utilities	18,104,000	16,359,000	18,048,000	(56,000)	(0.3)
Replenishment Charges	11,041,000	9,985,000	11,000,000	(41,000)	(0.4)
QSA Mitigation Payments	3,721,000	3,721,000	5,272,000	1,551,000	41.7
Effluent Disposal Fees	600,000	549,000	600,000	-	-
Capital Outlay	1,898,000	1,578,000	1,242,000	(656,000)	(34.6)
Debt Service	7,231,000	7,323,000	7,194,000	(37,000)	(0.5)
OPEB Trust Payments	10,000,000	10,000,000	-	(10,000,000)	(100.0)
Capital Improvement Projects*	82,646,000	53,549,000	108,409,000	25,763,000	31.2
Total Expenses by Object	**314,008,000**	**258,173,000**	**329,661,000**	**15,653,000**	**5.0%**

**Capital Improvement Projects are reported net of District labor and capital improvement reimbursements.*

Total revenues and other sources increased by over $15.7 million, or 5% from the fiscal 2015 budget.

Total Revenues by Source	Budget 2014-15	Projected 2014-15	Budget 2015-16	Budget Change	% Change
Water Sales	69,875,000	67,423,000	67,927,000	(1,948,000)	(2.8)
Service Charges	12,600,000	12,651,000	12,664,000	64,000	0.5
Sanitation Service Charges	37,450,000	37,450,000	37,825,000	375,000	1.0
Availability Charges	2,312,000	2,233,000	2,334,000	22,000	1.0
Quagga Surcharges	1,564,000	1,630,000	1,625,000	61,000	3.9
Replenishment Charges	22,191,000	21,396,000	21,705,000	(486,000)	(2.2)
Property Taxes	69,477,000	73,398,000	76,383,000	6,906,000	9.9
Redevelopment Revenues	11,408,000	13,547,000	13,547,000	2,139,000	18.8
Charges for Services	10,972,000	12,543,000	10,133,000	(839,000)	(7.6)
Interfund Revenues	7,194,000	7,193,000	7,194,000	-	-
Investment Income	2,592,000	3,884,000	4,060,000	1,468,000	56.6
Grants and Reimbursements	-	39,000	2,384,000	2,384,000	-
Restricted Revenues	14,420,000	13,420,000	6,770,000	(7,650,000)	(53.1)
Other Revenue	600,000	2,720,000	600,000	-	-
(Increase) / Decrease in Unrestricted Revenue	51,353,000	(11,354,000)	64,510,000	13,157,000	25.6
Total Revenues by Source	**314,008,000**	**258,173,000**	**329,661,000**	**15,653,000**	**5.0%**

Consolidated Statement of Revenues, Expenses and Changes in Reserves

The All Funds Summary of Revenues, Expenses and Changes in Reserves illustrates the change in the District's total financial condition between fiscal 2014, budgeted and projected fiscal 2015, and the adopted fiscal 2016 budget.

All Funds Summary

Statement of Revenues, Expenses and Changes in Reserves

	Actual 2013-14	Budget 2014-15	Projected 2014-15	Budget 2015-16	Budget Change	% Change
Revenues						
Water Sales	69,751,000	69,875,000	67,423,000	67,927,000	(1,948,000)	(2.8)
Availability Charges	2,547,000	2,312,000	2,233,000	2,334,000	22,000	1.0
Service Charges	50,714,000	50,050,000	50,101,000	50,489,000	439,000	0.9
Surcharges (Quagga)	1,625,000	1,564,000	1,630,000	1,625,000	61,000	3.9
Replenishment Charges	21,399,000	22,191,000	21,396,000	21,705,000	(486,000)	(2.2)
Property Taxes	69,290,000	69,477,000	73,398,000	76,383,000	6,906,000	9.9
Redevelopment Revenues	16,492,000	11,408,000	13,547,000	13,547,000	2,139,000	18.8
Charges for Services	17,590,000	10,972,000	12,543,000	10,133,000	(839,000)	(7.6)
Effluent Disposal Revenue	586,000	600,000	550,000	600,000	-	-
Investment Income	3,226,000	2,592,000	3,884,000	4,060,000	1,468,000	56.6
Total Revenues	**253,220,000**	**241,041,000**	**246,705,000**	**248,803,000**	**7,762,000**	**3.2%**
Expenses						
Salaries & Benefits	55,474,000	61,451,000	56,212,000	64,094,000	2,643,000	4.3
Supplies & Services	43,948,000	46,649,000	42,770,000	51,322,000	4,673,000	10.0
Utilities	16,329,000	18,104,000	16,359,000	18,048,000	(56,000)	(0.3)
Replenishment Charges	10,722,000	11,041,000	9,985,000	11,000,000	(41,000)	(0.4)
Water Purchases	58,058,000	70,667,000	56,127,000	62,480,000	(8,187,000)	(11.6)
QSA Mitigation Payments	3,688,000	3,721,000	3,721,000	5,272,000	1,551,000	41.7
Effluent Disposal Fee	586,000	600,000	549,000	600,000	-	-
Capital Outlay	2,066,000	1,898,000	1,578,000	1,242,000	(656,000)	(34.6)
Total Expenses	**190,871,000**	**214,131,000**	**187,301,000**	**214,058,000**	**(73,000)**	**(0.03%)**
Operating Income (Loss)	**62,349,000**	**26,910,000**	**59,404,000**	**34,745,000**	**7,835,000**	**29.1%**
Nonoperating Revenues (Expenses)						
Insurance Proceeds	-	-	277,000	-	-	-
Debt Service - Interfund	(7,066,000)	(7,231,000)	(7,323,000)	(7,194,000)	37,000	0.5
Interfund Revenues	7,009,000	7,194,000	7,193,000	7,194,000	-	-
Grant Revenue	61,000	-	8,000	-	-	-
Capital Improvement Program	(75,496,000)	(85,256,000)	(53,549,000)	(114,670,000)	(29,414,000)	(34.5)
Less District Labor	-	2,235,000	-	3,315,000	1,080,000	48.3
Capital Improvement Reimbursements	337,000	375,000	-	2,946,000	2,571,000	685.6
Use of Restricted Funds	27,654,000	14,420,000	13,420,000	6,770,000	(7,650,000)	(53.1)
Capital Grant Revenue	544,000	-	31,000	2,384,000	2,384,000	-
OPEB Trust Payments	(10,000,000)	(10,000,000)	(10,000,000)	-	10,000,000	100.0
Other Revenue (Expenses)	989,000	-	1,893,000	-	-	-
Total Nonoperating Revenues (Expenses)	**(55,968,000)**	**(78,263,000)**	**(48,050,000)**	**(99,255,000)**	**(20,992,000)**	**(26.8%)**
Increase (Decrease) in Cash Flow	**6,381,000**	**(51,353,000)**	**11,354,000**	**(64,510,000)**	**(13,157,000)**	**(25.6)**
Beginning Reserves	**433,468,000**	**439,849,000**	**439,849,000**	**451,203,000**	**11,354,000**	**2.6**
Ending Reserves	**439,849,000**	**388,496,000**	**451,203,000**	**386,693,000**	**(1,803,000)**	**(0.5%)**

Salaries & Benefits

The personnel budget for fiscal 2016 reflects 531 full-time equivalent (FTE) positions. This includes the addition of 10.5 FTE positions for fiscal 2016. Total payroll and related costs are budgeted at $64.1million, an increase of $2.6 million or 4.3% as compared to fiscal 2015.

The District has three bargaining units, each with a separate multiyear Memorandum of Understanding (MOU): Coachella Valley Water District Employees Association (CVWDEA), Association of Supervisory Support Evaluation Team (ASSET), and Association of Coachella Valley Water District Managers (ACVWDM).

ACVWDM and ASSET will participate in negotiations during fiscal 2016, as the current MOUs expire on December 31, 2015 and March 31, 2016, respectively. The current MOU for CVWDEA provided for a two percent (2%) salary increase effective July 1, 2015, and will expire December 31, 2016.

The table below shows the trends in personnel from fiscal year 2012 through 2016. The District participated in the California Public Employees Retirement System (CalPERS) Golden Handshake program in fiscal 2011, which resulted in a reduction of 43 FTEs. The reduction in employees created a temporary suspension of some operations and maintenance tasks. With the economy showing signs of improvement, the District is slowly adding FTEs to reinstate programs and to provide additional services to District's customers.

The following changes were made in fiscal 2014: Information Systems (IS) was established as a separate department, previously included with the General Manager; Environmental Services was established as a separate department, previously included with Engineering; Conservation was established as a part of Communications, previously included with Service; Geographic Information System (GIS) was established as a part of Information Systems, previously included with Engineering. Effective fiscal 2016, Administrative Services was established as a part of General Manager, previously included with Board Secretary. These changes have been made to better align staff to meet the District's strategic goals and objectives.

The District offers three medical plans to eligible employees. There are two health maintenance organizations (HMOs) and one preferred provider organization (PPO). All medical plans are cost-sharing plans. Employee contribution is based on each bargaining unit's MOU.

The table below depicts, by bargaining unit, both the employer and employee contribution. All medical, dental, and vision plans are fully insured plans.

Premium Contribution Split		
Bargaining Unit	Medical/Vision/Dental	
	Employer	Employee
ACVWDM	75.0%	25.0%
ASSET	75.0%	25.0%
CVWDEA	80.0%	20.0%

Personnel Summary by Department	Actual 2011-12	Actual 2012-13	Actual 2013-14	Budget 2014-15	Actual 2014-15	Budget 2015-16
Administration	14	13	3	3	3	12
Board Secretary	12	14	12	13	13	4
Communication & Conservation	9	9	21	22	21	23
Engineering	66	69	44	48	44	48
Environmental Services	-	-	24	26	25	27
Finance	27	25	26.5	27.5	26.5	28
Human Resources	11	8	9	9	9	9
Information Systems	-	-	13	13	13	14
Operations	142	146	150	152	150	156
Service	91	94	79	81	82	84
Trades & Support	121	121	123	125	124	126
Total	**493**	**499**	**504.5**	**519.5**	**510.5**	**531**

California Public Employee Retirement System (CalPERS)

The District contributes to CalPERS, a multiple-employer defined benefit pension plan. Effective fiscal 2008, the District contracted the retirement formula of 2.5% @ 55. All employees hired before January 1, 2013 are covered under this retirement formula, and are referred to as Classic Members. The Public Employees' Pension Reform Act (PEPRA) went into effect January 1, 2013, with a retirement formula of 2% @ 62. All employees hired after 12/31/12 and not previous members of CalPERS are covered under this retirement formula.

The table below indicates the employer and employee contributions based on the participant's hire date. Participants are required to contribute up to 8.0% of their annual covered salary.

In fiscal 2016, the total District CalPERS Employer contribution increased from 22.085% to 24.713%. The District also participates in Social Security.

Workers' Compensation

On May 18, 1992, the District implemented a self-insurance program for its workers' compensation program. In order to limit the District's loss exposure to $250,000 per injury, the District purchases excess insurance coverage through a commercial insurer.

The District conducted an actuarial analysis on the workers' compensation program in 2014. This program is accounted for in the Workers' Compensation Self-Insurance Fund. The rate is reviewed annually as a part of the budget process and is assessed on gross salaries as a means of providing revenue to pay claims and establish adequate reserve levels.

Retiree Benefits/Other Post-Employment Benefits (OPEB)

The District offers post-employment medical benefits. Benefits and employee/employer contributions are based on years of service, hire date, and date of retirement.

Historically, these benefits were funded on a pay-as-you-go basis. In fiscal 2014, the District established an OPEB Trust Fund to reduce the actuarial accrued OPEB liability, and deposited $10.0 million. An additional $10.0 million was deposited in fiscal 2015. As a part of the annual budget process, the District will review and determine future trust payments.

Annual OPEB costs are calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement 45.

ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal expenses each year and to amortize any unfunded actuarial liabilities over a period not to exceed thirty years. In 2013, the District updated its GASB 45 Actuarial Valuation.

Member Type	Hire Date	Retirement Formula	Required Employer Contribution	Required Employee Contribution	Total CalPERS Contribution
Classic	Before 01/01/13	2.5% @ 55	24.713%	8.000%	32.713%
PEPRA	After 12/31/12*	2% @ 62	24.713%	6.500%	31.213%

*Not previous members of CalPERS

Property Taxes

Property taxes are an ad valorem (value-based) tax imposed on real property and tangible personal property. Proposition 13, passed in 1978, limited property tax to a maximum 1% of assessed value, not including voter-approved rates for bond issues and other special purposes. The assessed value of property is capped at the 1975-76 base year, plus a maximum of 2% increase per year. Property that declines in value may be reassessed at the lower market value. Upon change of ownership, properties are reassessed to current full value. Property tax revenue is collected by the county and allocated according to state law among cities, counties, school districts, and special districts.

In fiscal 2016, the District will receive approximately $32.4 million in general property tax revenue. Some of this revenue is earmarked for tax levies that existed prior to Proposition 13. Currently, the District has two: Stormwater and Improvement District 1 (ID 1). The Stormwater tax levy dates back to the Storm Water District Act of 1909. Of the total general property taxes, almost $15.1 million is earmarked for the Stormwater Fund. The Stormwater Fund is almost entirely funded by property taxes.

ID 1 was formed to fund contract repayment obligations for the Canal, and operation and maintenance costs of the irrigation and drainage system. The Canal is owned by the United States Bureau of Reclamation (USBR), but is maintained and operated by the District. After the debt to the Bureau was paid, the District continued to levy the ID 1 tax for purposes of maintaining the Canal.

In addition to the Stormwater and ID 1 tax, there are other Improvement District property taxes resulting from older bond issues which benefitted the Domestic Water and Sanitation Funds.

After the earmarked property taxes are distributed to the appropriate funds, the balance, or discretionary tax, is allocated to the enterprise funds as determined by the Board of Directors, and adopted during the annual budget process.

The following table depicts by fund, a five-year allocation history of discretionary property tax revenue.

Discretionary Property Tax Revenue
Five-Year History

Allocation of Discretionary Property Tax Revenue					
	FY 12	FY 13	FY 14	FY 15	FY 16
Domestic Water	50%	50%	50%	50%	0%
Canal Water	25%	25%	25%	25%	50%
Sanitation	15%	15%	15%	0%	0%
Stormwater	10%	10%	10%	0%	0%
Nonpotable Water	0%	0%	0%	25%	0%
East Replenishment	0%	0%	0%	0%	50%

Reserves

Although there are many factors that evaluate financial condition, one measure of the District's financial strength is the level of reserves or the accumulated revenues in excess of expenses. Although there is no set rule or formula for setting reserve levels, the need is determined primarily by the amount and degree of risk associated with revenues, pay-as-you-go vs. capital financing, and the requirements to fund emergencies or contingencies.

Maintaining healthy operating reserves is paramount to ensuring the District's financial viability and to maintain its stable financial position for future borrowings. Projected total reserves for fiscal 2015 are $62.7 million over fiscal 2015 budget. The primary reason for the difference is reduced capital spending and lower than budgeted water purchases, as a result of the drought.

Overall, District reserves are budgeted to decrease by $1.8 million in fiscal 2016, compared to fiscal 2015 budget. Motorpool reserves are budgeted to increase $2.4 million in fiscal 2016, over fiscal 2015. This is mainly due to funds transferred from the various enterprise funds for rebudgeted equipment.

East Whitewater Replenishment reserves are budgeted to increase $18.3 million, due in part to the receipt of property tax revenue previously allocated to the Domestic Water Fund. In addition, there was a one-time correction of approximately $13.0 million in redevelopment property tax revenue that was incorrectly receipted between 2004 and 2011. This adjustment resulted in a decrease of approximately $12.3 million in the West Whitewater Fund, and $645,000 in the Mission Creek Fund.

The table below illustrates the projected ending operating reserves, as compared with targets established by the Reserve Policy.

Although it may appear that several funds have accrued excess reserves, the District historically has financed capital projects on a pay-as-you-go basis. This has allowed the District to avoid interest and other debt issuance expenses.

The five-year forecast includes over $701.0 million in proposed capital improvement projects, including chromium-6 (Cr-6) compliance, which creates a significant impact on the budget and on reserves. Other financing sources will be necessary in future years to maintain minimum reserve levels.

Changes in Reserves by Fund	Budget 2014-15	Projected 2014-15	Budget 2015-16	Budget Change	% Change	Target 2015-16
Domestic Water	74,670,000	91,258,000	69,389,000	(5,281,000)	(7.1)	63,567,000
Canal Water	32,815,000	39,713,000	33,225,000	410,000	1.2	29,098,000
Sanitation	80,773,000	101,686,000	79,053,000	(1,720,000)	(2.1)	37,711,000
Stormwater	105,795,000	110,806,000	106,542,000	747,000	0.7	46,328,000
Nonpotable Water	3,218,000	2,940,000	3,457,000	239,000	7.4	2,688,000
West Whitewater Replenishment	80,792,000	78,735,000	67,600,000	(13,192,000)	(16.3)	31,371,000
Mission Creek Replenishment	3,611,000	3,626,000	2,997,000	(614,000)	(17.0)	1,512,000
East Whitewater Replenishment	(4,514,000)	11,745,000	13,786,000	18,300,000	405.4	6,648,000
Motorpool	2,256,000	4,759,000	4,701,000	2,445,000	108.4	1,618,000
Workers' Compensation Self-Insurance	5,691,000	5,935,000	5,943,000	252,000	4.4	3,700,000
PPO Medical Self-Insurance	3,389,000	-	-	(3,389,000)	(100.0)	-
Total Reserves	**388,496,000**	**451,203,000**	**386,693,000**	**(1,803,000)**	**(0.5%)**	**224,241,000**

The Five-Year Forecast

The forecast is a model that takes a forward look at the District's revenues and expenses with the purpose of identifying financial trends, shortfalls, and issues, so the Board of Directors and management can make proactive decisions. The financial forecast is not intended as a budget or as a proposed financial plan. The intent is to forecast each fund's financial position under certain assumptions. The forecast sets the stage for the upcoming budget process, aiding the General Manager and Board in establishing priorities and allocating resources appropriately.

The forecast is based on cash flow and differs from the District's audited financial statements. Financial statements exclude capital outlay and principal on debt in accordance with GAAP, since these are reflected as additions to assets and reductions to liabilities on the balance sheet.

By including all cash-based transactions in the forecast, the District can determine whether revenues are adequate to cover all expenses and future capital needs. Forecasting is one of the most powerful tools the District has available to help make informed financial decisions that will ensure the District's future vitality and economic stability.

Forecast Methodology

Economic forecasting is not an exact science. Forecasted amounts are estimates based on historical data, current year budgeted costs, and professional judgment. Reality will be different. The forecast serves as a general guideline and requires regular adjustment, as actual results may vary from the forecast.

To enhance the accuracy of projections, the Finance Department identifies factors that contribute to changes in revenues and expenses such as: development, inflation, personnel costs, expected levels of service, interest rates, and known future events that impact operations or capital needs. Forecasting should neither overstate revenues nor understate expenses.

Many items are beyond the scope of the financial model and control of the Board and staff. Some events that could impact the financial future of the District are: continued drought, economic growth, energy costs, water supply, environmental and water quality mandates, and other events such as a major earthquake. Any of these could make the assumptions and the model obsolete.

Major Assumptions in the Five-Year Forecast

The base year which drives future calculations is fiscal 2016. This model focuses on the best estimate of what will occur on the expense side, as well as a conservative approach on revenues. Since economic recovery in the Valley has been slow, revenue projections reflect nominal growth.

Major assumptions impacting all funds are on page 30. Specific assumptions impacting a fund can be located in the individual budget by fund.

Brittlebush amongst the rocks

Major Revenues

- Water sales revenues are forecast to be relatively flat. No rate increases are included in the five-year forecast.
- Service charges are forecast with no rate increases.
- Property tax revenues are forecast with a 4% per year growth factor in assessed valuation for fiscal 2016 and 2017, and a 2% growth factor for fiscal 2018-2020. Median home sales prices continue to rebound in most of the communities served by the District.

All Funds Summary
Five-Year Forecast

	Budget 2015-16	Projected FY 2017	FY 2018	FY 2019	FY 2020
Revenues					
Water Sales	67,927,000	68,317,000	69,260,000	69,679,000	70,202,000
Availability Charges	2,334,000	2,334,000	2,334,000	2,334,000	2,334,000
Service Charges	50,489,000	50,931,000	51,377,000	51,827,000	52,281,000
Surcharges (Quagga)	1,625,000	1,640,000	1,709,000	1,747,000	1,789,000
Replenishment Charges	21,705,000	22,269,000	21,248,000	20,725,000	20,102,000
Property Taxes	76,383,000	79,439,000	81,027,000	82,647,000	84,299,000
Redevelopment Revenues	13,547,000	13,547,000	13,547,000	13,547,000	13,547,000
Charges for Services	10,133,000	10,263,000	10,435,000	10,594,000	10,757,000
Effluent Disposal Revenue	600,000	600,000	600,000	600,000	600,000
Investment Income	4,060,000	3,551,000	2,928,000	3,780,000	4,811,000
Total Revenues	**248,803,000**	**252,891,000**	**254,465,000**	**257,480,000**	**260,722,000**
% Change from prior year		**1.6%**	**0.6%**	**1.2%**	**1.3%**
Expenses					
Salaries & Benefits	64,094,000	66,020,000	68,000,000	70,042,000	72,141,000
Supplies & Services	51,322,000	50,532,000	52,296,000	54,121,000	56,009,000
Oasis O&M	-	-	820,000	963,000	1,123,000
Chromium 6 O&M	-	378,000	4,091,000	5,591,000	8,149,000
Utilities	18,048,000	19,314,000	20,667,000	22,114,000	23,662,000
Replenishment Charges	11,000,000	11,109,000	11,301,000	11,499,000	11,499,000
Water Purchases	62,480,000	80,914,000	84,003,000	84,147,000	85,865,000
QSA Mitigation Payments	5,272,000	7,804,000	6,032,000	5,696,000	1,745,000
Effluent Disposal Fee	600,000	600,000	600,000	600,000	600,000
Capital Outlay	1,242,000	1,242,000	1,242,000	1,242,000	1,242,000
Total Expenses	**214,058,000**	**237,913,000**	**249,052,000**	**256,015,000**	**262,035,000**
% Change from prior year		**11.1%**	**4.7%**	**2.8%**	**2.4%**
Operating Income (Loss)	**34,745,000**	**14,978,000**	**5,413,000**	**1,465,000**	**(1,313,000)**
Nonoperating Revenues (Expenses)					
Debt Service - Interfund	(7,194,000)	(5,160,000)	(4,453,000)	(4,453,000)	(4,453,000)
Debt Service - Bonds	-	(10,679,000)	(20,164,000)	(20,445,000)	(20,726,000)
Proceeds From Bond Sales	-	161,888,000	143,782,000	8,520,000	-
Interfund Revenues	7,194,000	5,160,000	4,453,000	4,453,000	4,453,000
Capital Improvement Program	(114,670,000)	(255,538,000)	(165,989,000)	(109,700,000)	(55,109,000)
Less District Labor	3,315,000	7,579,000	4,896,000	3,197,000	1,558,000
Capital Improvement Reimbursements	2,946,000	3,614,000	-	-	-
Use of Restricted Funds	6,770,000	36,004,000	5,191,000	5,487,000	3,023,000
Capital Grant Revenue	2,384,000	2,384,000	-	-	-
Other Revenue (Expenses)	-	-	(672,000)	(550,000)	-
Total Nonoperating Revenues (Expenses)	**(99,255,000)**	**(54,748,000)**	**(32,956,000)**	**(113,491,000)**	**(71,254,000)**
Increase (Decrease) in Cash Flow	**(64,510,000)**	**(39,770,000)**	**(27,543,000)**	**(112,026,000)**	**(72,567,000)**
Beginning Reserves	**451,203,000**	**386,693,000**	**346,923,000**	**319,380,000**	**207,354,000**
Ending Reserves	**386,693,000**	**346,923,000**	**319,380,000**	**207,354,000**	**134,787,000**
% Change from prior year		**(10.3%)**	**(7.9%)**	**(35.1%)**	**(35.0%)**

- Redevelopment revenues continue to be received by the District even with dissolution of Redevelopment Agencies (RDAs); however, it is difficult to ascertain one-time vs. recurring redevelopment revenue. Redevelopment revenues are budgeted flat for fiscal 2017-2020.

- Investment income is a function of the cash balance in each fund. Investment rate of return is forecasted at 0.95% of total reserves in each fund.

Major Expenses

- Electric expenses are projected to increase by 7% overall, based on latest information from the Imperial Irrigation District (IID) and Southern California Edison (SCE).

- Supplies & services are estimated to increase by an inflationary factor of 3.5%.

- Capital outlay items vary from year to year, and are forecast at fiscal 2016 levels.

- Water purchases and replenishment charges account for 34.3% of total operating expenses. Increases in water purchases are based on existing contracts with multiple agencies.

- Water supply availability from the State Water Project (SWP) is highly variable and based on weather conditions. The forecast is based on the District's average delivery reliability of 60% of its entitlement for fiscal 2017-2020. Costs to support the development of the Bay-Delta Conservation Plan are not included in the SWP expenses.

- Quantification Settlement Agreement (QSA) Mitigation payments follow the schedule set in the agreement.

Salaries & Benefits

Salaries & benefits comprise 29.9% of fiscal 2016 total operating expenses. Key components of this category are wages, retirement, and health insurance. Budgeted staffing levels increased to 531 full time equivalents (FTEs) for fiscal 2016, with the addition of 10.5 FTEs.

Salaries & benefits for fiscal 2016 are based on current MOUs, and expected terms of MOUs to be negotiated in fiscal 2016. The five-year forecast includes a 3% per year increase for fiscal years 2017-2020.

The entire forecast includes employee contributions of 8% toward CalPERS for Classic Members and 6.5% for PEPRA Members.

Employer contributions are based on the CalPERS Chief Actuary recommended changes in the actuarial assumptions. The forecast includes increased CalPERS rates for all employers, as depicted in the table below.

Nonoperating Revenues and Expenses

- Interfund debt service expenses are decreasing because the interfund loan between West Whitewater and Sanitation will be paid off early in fiscal 2017.

- The forecast includes proceeds from bond sales and debt service on bonds, mainly for the Domestic Water Fund for the Cr-6 project.

- Operations are funded first and remaining resources are allocated to fund capital improvements. The five-year Capital Improvement Plan (CIP):

    a. Includes all proposed projects for the next five years,

    b. Is funded using restricted developer fees, capital improvement reserves, unrestricted reserves, and reimbursements

    c. Contributes to the reduction of reserves from $386.7 million in fiscal 2016 to $134.8 million in fiscal 2020,

    d. Requires debt financing where other funding sources are inadequate and reserves fall below the Reserve Policy targets.

	Actual	Forecasted			
CalPERS Contribution Rates	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Employers Contribution	24.713%	26.4%	27.8%	29.2%	30.6%

Domestic Water Fund

Background

Coachella Valley Water District first provided drinking water to Coachella Valley residents in 1961, when it took over the operations of two privately held water companies. At that time, it served only 1,100 households and businesses. Today, the District is the largest provider of drinking water in the Valley and delivers water to over 108,000 accounts, representing population served of over 318,000.

The District provides domestic water to four separate service areas:

- **Service Area 1** – The central valley, which includes Cathedral City, Thousand Palms, Rancho Mirage, Palm Desert, La Quinta, Indian Wells, portions of Indio, Mecca, Thermal, and Oasis
- **Service Area 2** – Sky Valley and portions of Indio Hills
- **Service Area 3** – North Shore, which covers the North Shore area of the Salton Sea
- **Service Area 4** - West Shores, which covers the Salton City area

Drinking water, also known as domestic water, comes from the Coachella Valley's vast aquifer. Groundwater, pumped from wells up to 1,200 feet deep, is stored in one of the District's 60 enclosed reservoirs for later use. While the aquifer has an estimated capacity of 39 million acre-feet (af), the Coachella Valley currently finds itself in an overdraft situation. That is, more water has been pumped from the groundwater basin in recent decades than has been naturally or artificially replenished. To alleviate groundwater overdraft, the District, in cooperation with Desert Water Agency (DWA), has three groundwater replenishment facilities. The Domestic Water Fund pays replenishment fees to the three replenishment funds based on the total af pumped from District wells within the respective subbasin.

The water for replenishment comes from the State Water Project (SWP) and the Colorado River. Although there is not a direct connection to the SWP system, CVWD exchanges water on an acre-foot for acre-foot basis with Metropolitan Water District of Southern California (MWD) in order to obtain the District's allotment. The average cost for imported SWP water is $640 per acre-foot, based on a 60% allocation from the SWP. The Colorado River base allocation of 301,000 af comes at zero cost; however, the additional water received from the Colorado River is currently priced at $77 per acre-foot.

Groundwater pumped from the aquifer requires minimal treatment to meet all state and federal drinking water quality standards, except for the newly adopted chromium-6 (Cr-6) standard set by the state. Throughout most of the Coachella Valley, only a small amount of chlorine is added as a precautionary measure to ensure compliance with drinking water regulations. CVWD staff annually collects more than 16,000 water samples and tests for more than 100 regulated and unregulated substances, at its own state-certified water quality laboratory. Results of these water quality tests are included in the annual review and mailed to District customers each June.

The District has determined that groundwater treatment is the best solution to meet California's new Cr-6 drinking water standard. Over the next five years, 30 of the District's 96 wells will be equipped with ion-exchange treatment technology to remove chromium-6. A centralized facility will be built to regenerate resin from the treatment vessels so it can be used again. The total cost of the treatment and regeneration facilities is approximately $197.0 million.

The District operates 96 wells, with the ability to pump more than 240 million gallons per day. The combined reservoir storage capacity is approximately 135 million gallons. Reservoirs are secured sites primarily located in elevated areas, using gravity to bring water to homes and businesses. The water is delivered via a network of nearly 2,000 miles of distribution piping. Daily demand for drinking water averages 92.4 million gallons, equal to 103,552 acre-feet per year.

Bighorn sheep

How is Water Measured?

What is one hundred cubic feet (Ccf) of water?

This is the unit of measure used when measuring and billing water to domestic water customers. One hundred cubic feet of water, or one Ccf, is equal to 748 gallons of water. For example, a typical bath tub holds 50 gallons of water. It takes about 15 bath tubs full of water to equal one Ccf.

What is an acre-foot?

Water is commonly measured by the acre-foot. The acre-foot measurement is what is used when the District sells large quantities of water to farmers, golf courses and well producers in the Coachella Valley.

One acre-foot equals 325,851 gallons. Put another way, an acre-foot of water is enough to flood a football field - which is roughly an acre in size - one foot deep.

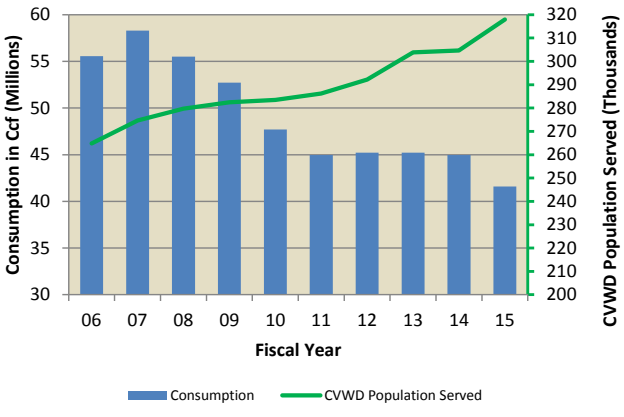
One acre-foot equals 325,851 gallons, or 435.6 Ccf, or 6,517 bath tubs full.

- 1 Ccf = 748 gallons
- 1 Acre foot = 325,851 gallons
- 1 Acre-foot = 435.6 Ccf

Water Consumption

Factors impacting water consumption include: economic conditions, the elasticity of water demand, drought, weather patterns, conservation efforts, and rate increases. Actual water consumption in fiscal 2015 was lower than fiscal 2006, despite a significant increase in population. Historical customer water use as compared with CVWD population served is illustrated below.

Domestic Water Consumption vs. Population
Ten-Year History



A good economic indicator and factor influencing consumption is account growth. As depicted in the table below, over the past ten years the number of domestic water accounts increased by 7.7%; however, most of the growth occurred in 2007 and 2008. Over the past five years, domestic water accounts have only grown by 1.9%.

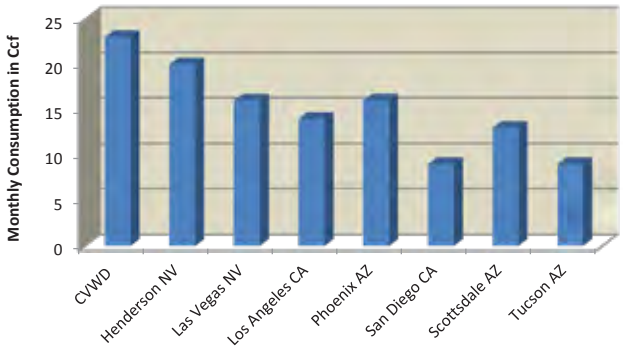
Domestic Water Accounts

Calendar Year	Number of Accounts	Increase	% Increase	Cumulative Increase
2005	97,199			
2006	101,280	4,081	4.2%	4.2%
2007	104,122	2,842	2.8%	7.1%
2008	105,774	1,652	1.6%	8.8%
2009	106,399	625	0.6%	9.5%
2010	107,002	603	0.6%	10.1%
2011	107,349	347	0.3%	10.4%
2012	107,544	195	0.2%	10.6%
2013	108,050	506	0.5%	11.2%
2014	108,599	549	0.5%	11.7%

Domestic water service is broken down into 11 customer classes: single family residential, duplex/triplex, multi-dwelling, mobile home/trailer parks, apartments, business, hotels/motels, commercial, landscape irrigation, public agency, and construction meters.

Single family residential and landscape irrigation classes account for 85% of domestic water consumption. Water is billed monthly in units of hundred cubic feet (Ccf). The typical Coachella Valley single family home uses about 23.1 Ccf of water per month, or 17,279 gallons. The chart below shows how CVWD's average single family consumption compares to other cities in the southwest.

Domestic Consumption Comparison

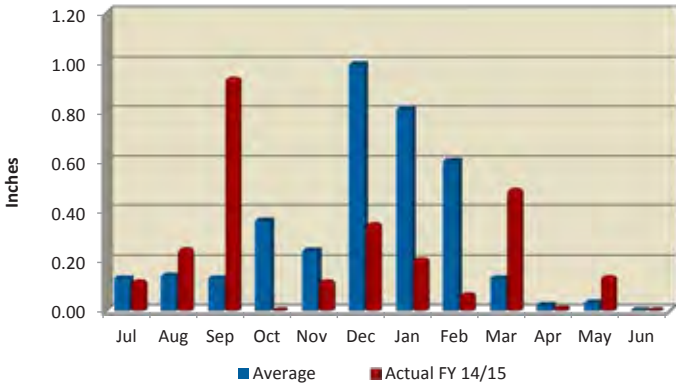


Fiscal 2015 water consumption dropped 7.5% compared to fiscal 2014. The major reason for this significant drop is an executive order issued by the Governor that mandates a statewide 25% reduction in urban water conservation.

Precipitation

Overall precipitation for fiscal 2015 was 2.7 inches, which is approximately three-quarters of the normal precipitation for the Coachella Valley. Along with the rest of the state of California, the Valley is in the midst of a four-year drought.

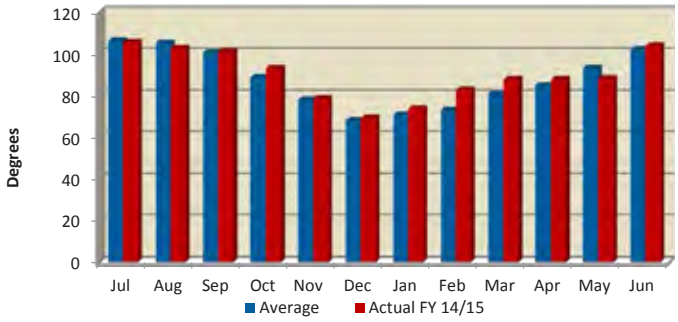
Fiscal 2015 Coachella Valley Precipitation
Actual vs. Average



Temperatures

As seen in the graph below, temperatures this past fall and winter were above normal. This indicates that although it was warmer and drier than average, customers used water more efficiently and the various conservation programs, such as turf buy-back, are effective.

Fiscal 2015 Coachella Valley High Temperatures
Actual vs. Average



Governor's Executive Order on Drought

On April 1, 2015, Governor Jerry Brown announced the first mandatory water restrictions in California history.

The State Water Resources Control Board (SWRCB) analyzed the per capita consumption of all water agencies in the state and divided them into nine tiers for the purpose of determining separate conservation goals for each tier. The District falls into the top tier, with residential water use of 215 gallons per customer per day. As a result, the District must reduce its water use by 36% or face fines of up to $10,000 per day. Mandatory reductions are in place until February 28, 2016, at which time they will be extended, reduced, or eliminated.

In response to this order from the SWRCB, the District passed an ordinance that imposes mandatory restrictions on water use. Violations of mandatory restrictions can result in fines to the customer that would appear on their water bill.

In addition, all customers are being asked to use 36% less of their tier 2 budget. All water use in excess of 64% of the tier 2 water budget results in penalties, in addition to regular tier charges. Temporary drought penalties are in effect for invoices generated July 1, 2015 through at least February 28, 2016, and reflected in the table at the top of the next page.

Temporary Drought Penalties						
	Tier 1	Tier 2 Up to 64%	Tier 2 Above 64%	Tier 3	Tier 4	Tier 5
Drought Penalty (per ccf)	$0.00	$0.00	$2.51	$3.34	$5.01	$10.03

Conservation

All residential customers and most large landscape customers use groundwater for their outdoor irrigation purposes. Nearly 80% of all water used by CVWD's domestic customers is for outside landscaping.

One of the most common causes of water waste in the Coachella Valley is overwatering. For this reason, outdoor water conservation is the primary focus of the District's public outreach and water conservation programs. One of the most successful programs has been the installation of smart controllers, for both residential customers as well as large landscape accounts, such as homeowner's associations. Smart controllers automatically set the amount of water the landscape receives each day based on the weather. Their use can reduce outdoor consumption by as much as 30%.

The District now offers smart controllers free of charge to all residents. As of fiscal 2015, the residential and large landscape smart controller program has saved an estimated 11.0 billion gallons of water. Over 2,775 controllers have been installed.

Another popular program the District has to help reduce outdoor irrigation is the turf buy-back program. The District pays residential customers $1 per square foot, up to a maximum of 1,000 square feet. For commercial customers, rebates are available at $1 per square foot, up to a maximum of 25,000 square feet. To date, more than 5.9 million square feet of grass has been converted to desert landscaping through CVWD's rebate program. This results in an estimated water savings of 812 million gallons.

In addition, the high-efficiency toilet replacement program, has also saved over 10.2 million gallons of water, with over 580 toilets replaced. One local hotel is in the process of converting 850 toilets, which will save an estimated 15 million gallons of water per year.

The District is committed to conservation. Water Management's budget for fiscal 2016 is $5.3 million, with $3.2 million budgeted for conservation programs. This budget is more than double the budget for years past, and may be increased during the fiscal year if there is enough money generated by the drought penalties.

Desert front yard before turf conversion

Desert front yard after turf conversion

Rate Structure

The District uses a budget-based tiered rate structure to curb excess water use and reward water-efficient customers. Tiered rates are helping the District meet legislation enacted by the State of California to reduce per capita urban water use by 20% by the year 2020. Districtwide, domestic water consumption has dropped 21% since 2009.

A successful rate structure must be able to accommodate outside influences, such as drought conditions, a declining economy, or reduced water allocations. Tiered rates, combined with economic conditions and other District conservation programs, have decreased demand. In order to mitigate lower demand, the rate structure must recover a larger percentage of the Domestic Water Fund's fixed costs with the monthly service charge to ensure revenue stability. Domestic Water fixed costs are defined as all operating costs excluding water purchases, power, and chemicals. Approximately 24% of the fixed costs are recovered via the monthly service charge, as compared to over 75% for other water districts that have the same water budget-based tiered rate structure.

The District's budget-based tiered rate structure is designed to encourage conservation and efficient use, both inside and outside the home. Since the majority of water used by Coachella Valley residents is outdoors, the District factors in landscaping and weather conditions when calculating water budgets. For example, a water budget for a single family home makes several assumptions:

- Each customer is given a default indoor water use of 10 Ccf per month (equal to 250 gallons per day for a family of four), which is more generous than current industry standards
- It is assumed that 45% of each lot is landscaped and irrigated
- Weather data is factored daily, based on observed readings

As illustrated in the table below, there are five tiers, with the first two tiers designed to meet the needs of an average-size single family home of four people. All use in excess of tier 2 is considered inefficient, and is charged at a higher rate to cover the incremental costs of providing water in excess of efficient use.

Tiered Rate Structure

Tier	Water Use	Cost
Tier 1 – Excellent	Up to 10 Ccf	90% of base rate
Tier 2 – Efficient	Up to 105% of water budget	Base rate
Tier 3 – Inefficient	105% to 150% of water budget	1.5 X base rate
Tier 4 – Excessive	150% to 250% of water budget	2 X base rate
Tier 5 – Wasteful	250% or more	4 X base rate

Rate History

The following tables show details of the commodity charges and the monthly service charges for the various domestic water service areas. The commodity charges were last increased in August 2010. It is anticipated that rate increases and some changes to the tiered rate structure will take place in the spring of 2016.

Commodity Charge (per Hundred Cubic Feet (Ccf))

	Fiscal Year				
Service Area	12	13	14	15	16
Central Valley	1.12	1.12	1.12	1.12	1.12
Sky Valley	1.35	1.35	1.35	1.35	1.35
North Shore	1.64	1.64	1.64	1.64	1.64
West Shores	1.42	1.42	1.42	1.42	1.42
Outside Boundaries	1.69	1.69	1.69	1.69	1.69

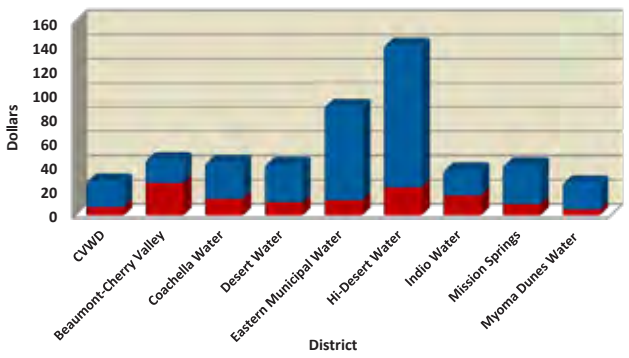
Monthly Service Charge (per Meter)

	Meter Size			
Service Area	¾"	1"	1 ½ "	2"
Central Valley	7.00	9.10	11.50	18.20
Sky Valley	7.50	9.75	12.00	19.50
North Shore	7.50	9.75	12.00	19.50
West Shores	7.50	9.75	12.00	19.50
Outside Boundaries	17.50	22.75	28.00	45.50

Rate Comparison

The table and graph below illustrate rate comparisons between CVWD and other water agencies in the region based upon usage of 20 Ccf. The District's rates are among the lowest in the area. The red portion of the bars indicate the monthly fixed charge; the blue indicates the consumption charges.

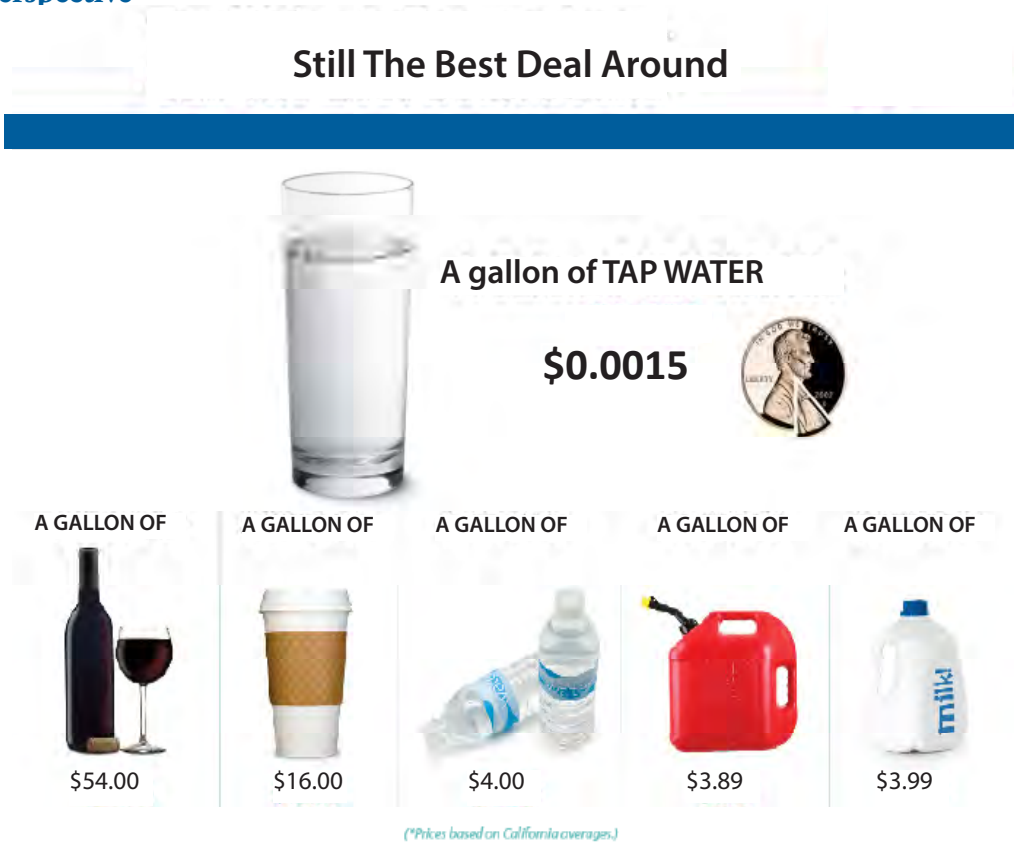
Comparative Residential Water Charges at 20 Ccf Water Use



Residential Rate Comparison

	CVWD	Beaumont Cherry Valley	Coachella Water	Desert Water	Eastern Municipal Water	Hi-Desert Water	Indio Water	Mission Springs
●Fixed Charges	7.00	13.51	13.80	10.75	12.76	23.30	16.79	9.32
●Consumption Charges	21.30	35.00	30.00	31.40	77.62	117.40	37.59	32.25
Total per 20 Ccf Usage	**28.30**	**48.51**	**43.80**	**42.15**	**90.38**	**140.70**	**54.38**	**41.57**

Tap Water in Perspective



Domestic Water Fund

Statement of Revenues, Expenses and Changes in Reserves

	Actual 2013-14	Budget 2014-15	Projected 2014-15	Budget 2015-16	Budget Change	% Change
Revenues						
Water Sales	55,932,000	56,312,000	53,496,000	53,496,000	(2,816,000)	(5.0)
Service Charges	12,602,000	12,600,000	12,651,000	12,664,000	64,000	0.5
Availability Charges	749,000	640,000	640,000	640,000	-	-
Property Taxes	3,523,000	3,518,000	3,706,000	407,000	(3,111,000)	(88.4)
Redevelopment Revenues	3,612,000	2,912,000	2,951,000	-	(2,912,000)	(100.0)
Other Charges	3,344,000	2,200,000	3,201,000	2,200,000	-	-
Investment Income	540,000	481,000	722,000	821,000	340,000	70.7
Total Revenues	**80,302,000**	**78,663,000**	**77,367,000**	**70,228,000**	**(8,435,000)**	**(10.7%)**
Expenses						
Salaries & Benefits	25,185,000	27,684,000	25,318,000	28,970,000	1,286,000	4.6
Supplies & Services	16,649,000	19,455,000	17,516,000	22,576,000	3,121,000	16.0
Utilities	10,174,000	11,201,000	10,399,000	11,144,000	(57,000)	(0.5)
Replenishment Charges	10,722,000	11,041,000	9,985,000	11,000,000	(41,000)	(0.4)
QSA Mitigation Payments	3,319,000	3,349,000	3,349,000	-	(3,349,000)	(100.0)
Capital Outlay	673,000	361,000	384,000	222,000	(139,000)	(38.5)
Total Expenses	**66,722,000**	**73,091,000**	**66,951,000**	**73,912,000**	**821,000**	**1.1%**
Operating Income (Loss)	**13,580,000**	**5,572,000**	**10,416,000**	**(3,684,000)**	**(9,256,000)**	**(166.1%)**
Nonoperating Revenues (Expenses)						
Capital Improvement Program	(5,566,000)	(19,527,000)	(9,285,000)	(25,539,000)	(6,012,000)	(30.8)
Less District Labor	-	601,000	-	766,000	165,000	27.5
Capital Improvement Reimbursements	41,000	-	-	1,646,000	1,646,000	-
Use of Restricted Funds	2,010,000	4,098,000	4,098,000	1,777,000	(2,321,000)	(56.6)
Capital Grant Revenue	130,000	-	-	-	-	-
Interfund Revenues	4,146,000	4,291,000	4,290,000	4,323,000	32,000	0.7
OPEB Trust Payments	(5,000,000)	(4,940,000)	(4,940,000)	-	4,940,000	100.0
Other Revenues (Expenses)	436,000	-	-	-	-	-
Total Nonoperating Revenues (Expenses)	**(3,803,000)**	**(15,477,000)**	**(5,837,000)**	**(17,027,000)**	**(1,550,000)**	**(10.0%)**
Increase (Decrease) in Cash Flow	**9,777,000**	**(9,905,000)**	**4,579,000**	**(20,711,000)**	**(10,806,000)**	**(109.1)**
Beginning Reserves	**73,354,000**	**81,904,000**	**81,904,000**	**91,258,000**	**9,354,000**	**11.4**
Transfer From/(To) Other Funds	(1,227,000)	2,671,000	4,775,000	(1,158,000)	(3,829,000)	(143.4)
Ending Reserves	**81,904,000**	**74,670,000**	**91,258,000**	**69,389,000**	**(5,281,000)**	**(7.1%)**

Budget Summary

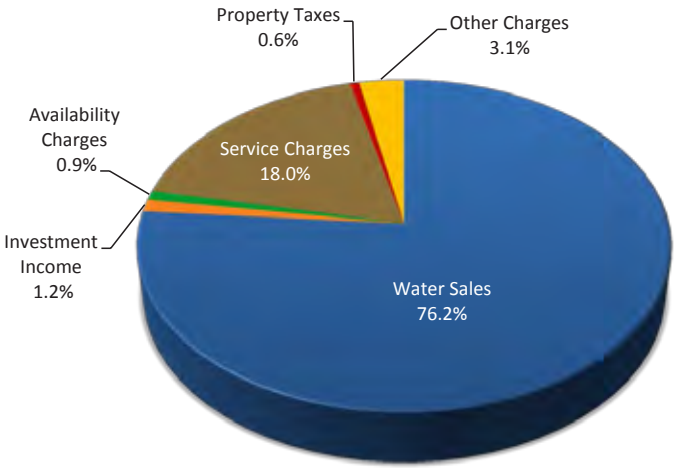
Domestic Water revenues are budgeted 10.7% lower as compared to the fiscal 2015 budget. Because of the uncertainty surrounding consumption related to the drought, the District is basing its fiscal 2016 water sales revenue 5% lower than fiscal 2015 budget.

The budget does not include revenues generated from drought penalties, since it is difficult to predict the amount of conservation. Expenses are expected to increase by $821,000 or 1.1% over the prior year's budget. Ending reserves for fiscal 2016 are budgeted at $69.4 million, a decrease of $5.3 million from fiscal 2015 budget.

Nonoperating revenues include interfund revenues, which consist of principal and interest payments from the East Whitewater Replenishment Fund. This is the third year of a 15-year loan. Additionally, the Domestic Water Fund will transfer $1.2 million to the Motorpool Fund to purchase vehicles or equipment related to Domestic Water.

Revenues

Operating Revenues
$70,228,000



Water Sales represent 76.2% of the Domestic Water Fund operating revenues. Revenues from water sales are budgeted at $53.5 million, based upon average weather conditions and a decrease in consumption of 5% from the fiscal 2015 budget. It is unknown how much of the 36% conservation goal will be achieved and whether or not the drought will end during fiscal 2016.

Water revenues are commodity sales, or the sale of water based upon water consumption at the customer's meter. Water sales are based on the rates and consumption projections in each of the customer classes. Customers pay for the amount of water used, plus a monthly service charge. The amount charged for water used is calculated using the budget-based tiered rate structure. Domestic rates are structured to offset the costs of providing water delivery.

Service Charges are the monthly fees each customer pays, based on the size of the meter installed. Service charges account for 18% of the operating revenues of the Domestic Water Fund and are budgeted at the current rate and a 0.5% increase in the customer base for fiscal 2016. This increase is consistent with the amount of new meters that have been installed in recent years.

Property Taxes represent the dedicated share of the 1% Riverside and Imperial counties' secured property tax levy pursuant to the California Revenue and Taxation Code. Property values have been increasing and recent sales of single-family homes have shown modest price increases. Property values reset each time there is a change in ownership, with the value being established at the sales price. With prices increasing, property tax revenues are projected to be $407,000 in fiscal 2016, accounting for 0.6% of Domestic Water's revenues. The Domestic Water Fund previously received 50% of the general 1% property tax of the District. However, in fiscal 2016, this revenue, which totals $3.4 million, has been redirected to the East Whitewater Replenishment Fund.

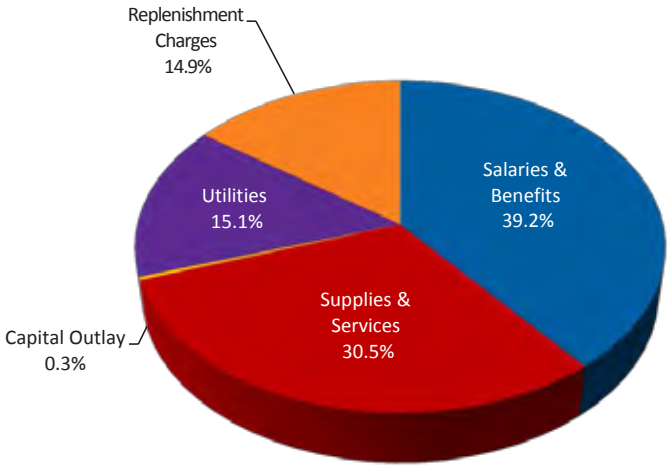
Redevelopment Revenues represent pass-through agreements of former Redevelopment Agencies (RDAs). The Domestic Water Fund historically received 50% of all general redevelopment revenues; however, this revenue totaling $2.9 million has been redirected to the East Whitewater Replenishment Fund for fiscal 2016.

Interfund Revenues are principal and interest payments on a 15-year loan made to the East Whitewater Replenishment Fund for the construction of the Thomas E. Levy Groundwater Replenishment Facility (TEL).

Expenses

Domestic Water Fund expenses amount to $73.9 million, an increase of $821,000 over fiscal 2015. The following chart shows a breakdown by element.

Operating Expenses
$73,912,000



Salaries & Benefits amount to $29.0 million, an increase of 4.6% compared to fiscal 2015. This increase reflects the impact of additional staff, as well as some modest increases in employee salaries and an increase in the CalPERS rate.

Supplies & Services are budgeted at $22.6 million, an increase of $3.1 million. Most of the increases are related to the interim chromium-6 compliance plan and the increase in conservation payments.

Utilities are budgeted at $11.1 million, a $57,000 decrease from fiscal 2015.

Replenishment Charges are budgeted to decrease by $41,000 due to projected decreases in consumption, offset by a rate increase in all Replenishment Assessment Charges.

Domestic Water Restricted Funds

Water System Backup Facility Charges (WSBFC) are fees assessed on all new development, redevelopment projects, connections of existing residential units, and upgrades of existing commercial units within the District's domestic water service areas. These funds are restricted for constructing backbone facilities for additional capacity for pumping, storing, and distributing water.

At the beginning of fiscal 2016, there is $25.7 million in restricted funds available for allowable projects. Approximately $1.8 million in restricted funds will be used to fund domestic water projects in fiscal 2016. WSBFC revenues have been averaging about $3.0 million per year, compared to an average of $13.0 million per year during the building boom. The five-year Capital Improvement Plan proposes using approximately $34.5 million in restricted funds, which will virtually deplete the restricted funds by fiscal 2019.

Capital Improvements

There are $25.5 million in capital improvements budgeted for fiscal 2016. The projects consist of reservoir design and construction, booster station upgrades, transmission main and water main replacements, a well drilling program, and improvements to the ion-exchange treatment plants (IXTPs). In addition, the Cr-6 well treatment project will begin construction in late fiscal 2016. The $197.0 million project will take approximately five years to complete. The complete five-year CIP totals almost $360.0 million.

The fiscal 2016 Capital Improvement Budget is funded using unrestricted reserves and restricted reserves. More details are located in the Capital Improvements chapter.

Domestic operations at work

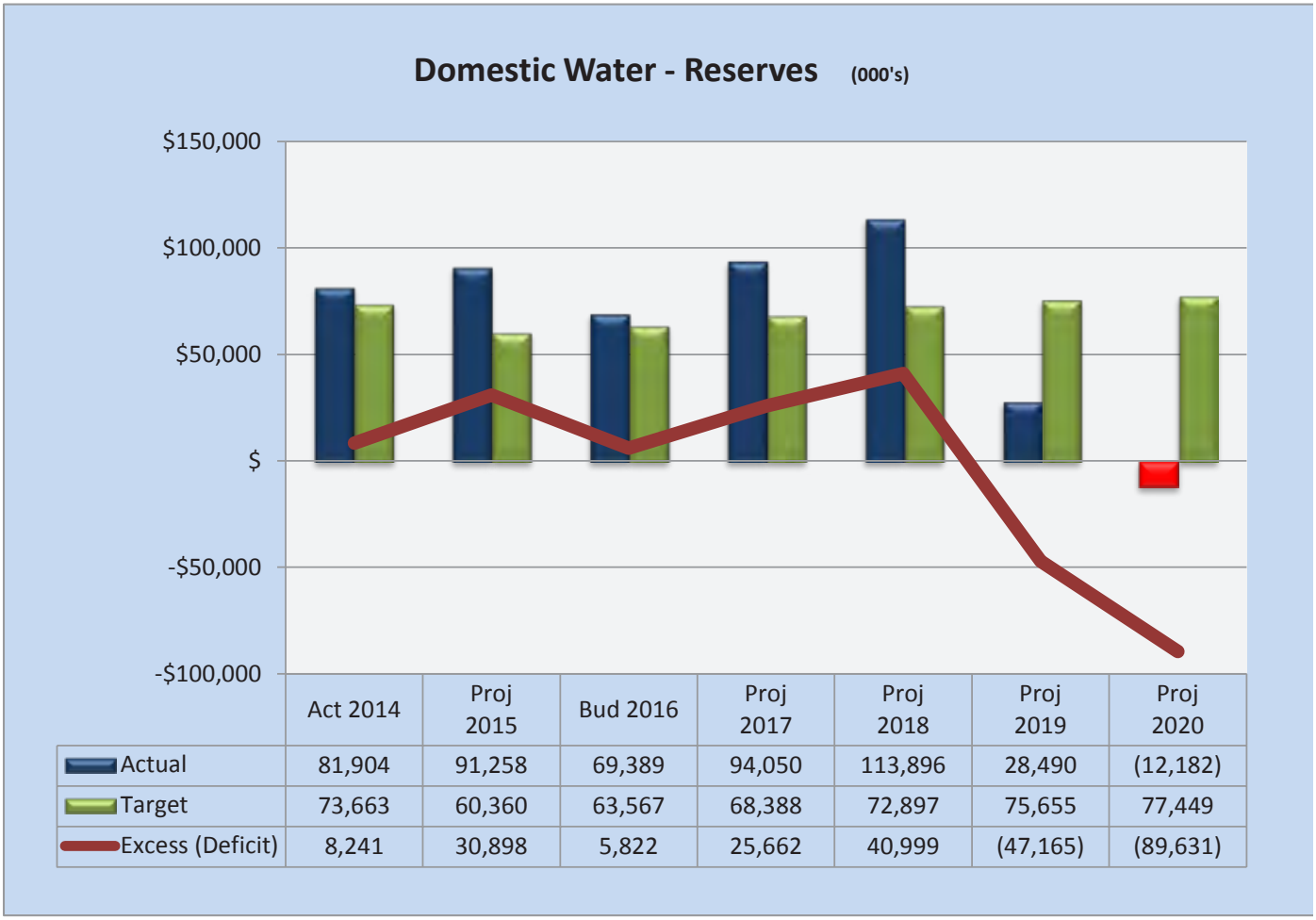
Five-Year Forecast

The biggest challenges facing the Domestic Water Fund over the next five years are the steady decline in operating income and the need to fund the Capital Improvement Plan. Expenses are substantially outpacing revenues from fiscal 2018 through 2020. There are large projected increases in expenses for utilities, replenishment charges, and wages. In addition, revenues are flat as there are no rate increases included in the forecast for water sales or service charges, nor is any major growth factored in.

The District has contracted with an outside firm to provide a cost of service study for the Domestic Water utility. The study, which is in draft form and has been presented to the Board, reviews existing rate structures, allocates revenue requirements to the various customer classes, evaluates adequacy of projected revenues under existing rates, makes recommendations for potential revenue adjustments, and develops a sound financial plan for a ten-year period. Rate setting procedures in California require that agencies responsible for imposing property-related charges demonstrate a nexus between the cost of providing the service and the services or benefits received. The cost of service study made recommendations on potential rate increases. However, rate increases have been deferred to spring of 2016 because the District is focusing its effort on obtaining 36% conservation as mandated by the SWRCB.

There are approximately $360.0 million in capital improvements in the five-year forecast. This includes funding for treatment facilities to remove chromium-6, which is expected to cost $197.0 million over five years. Operating income is not adequate to fund the five-year program. The District will need to use bond financing for a portion of the Capital Improvement Plan. Thus, rate increases as proposed by the cost of service study will need to be implemented during the five-year forecast period.

Reserves are fully funded in fiscal 2016. However, due to drought-related conservation, the District anticipates the need to use rate stabilization reserves. Reserves are projected to become underfunded in fiscal 2019, and deteriorate rapidly. Rate increases and bond financing for capital improvements are imperative for short-term and long-term fiscal stability.



	Act 2014	Proj 2015	Bud 2016	Proj 2017	Proj 2018	Proj 2019	Proj 2020
Actual	81,904	91,258	69,389	94,050	113,896	28,490	(12,182)
Target	73,663	60,360	63,567	68,388	72,897	75,655	77,449
Excess (Deficit)	8,241	30,898	5,822	25,662	40,999	(47,165)	(89,631)

Domestic Water Fund
Five-Year Forecast

	Budget 2015-16	Projected FY 2017	FY 2018	FY 2019	FY 2020
Revenues					
Water Sales	53,496,000	53,496,000	53,496,000	53,496,000	53,496,000
Service Charges	12,664,000	12,728,000	12,792,000	12,856,000	12,920,000
Availability Charges	640,000	640,000	640,000	640,000	640,000
Property Taxes	407,000	4,010,000	4,091,000	4,173,000	4,257,000
Redevelopment Revenues	-	2,951,000	2,951,000	2,951,000	2,951,000
Other Charges	2,200,000	2,200,000	2,200,000	2,200,000	2,200,000
Investment Income	821,000	659,000	-	-	689,000
Total Revenues	**70,228,000**	**76,684,000**	**76,170,000**	**76,316,000**	**77,153,000**
% Change from prior year		**9.2%**	**(0.7%)**	**0.2%**	**1.1%**
Expenses					
Salaries & Benefits	28,970,000	29,840,000	30,734,000	31,656,000	32,606,000
Supplies & Services	22,576,000	22,176,000	22,951,000	23,753,000	24,583,000
Chromium 6 O&M	-	378,000	4,091,000	5,591,000	8,149,000
Utilities	11,144,000	11,924,000	12,760,000	13,653,000	14,609,000
Replenishment Charges	11,000,000	11,109,000	11,301,000	11,499,000	11,499,000
Capital Outlay	222,000	222,000	222,000	222,000	222,000
Total Expenses	**73,912,000**	**75,649,000**	**82,059,000**	**86,374,000**	**91,668,000**
% Change from prior year		**2.4%**	**8.5%**	**5.3%**	**6.1%**
Operating Income (Loss)	**(3,684,000)**	**1,035,000**	**(5,889,000)**	**(10,058,000)**	**(14,515,000)**
Nonoperating Revenues (Expenses)					
Debt Service - Bonds	-	(9,836,000)	(19,321,000)	(19,321,000)	(19,321,000)
Proceeds From Bond Sales	-	149,107,000	143,782,000	-	-
Capital Improvement Program	(25,539,000)	(153,168,000)	(107,791,000)	(62,828,000)	(10,290,000)
Less District Labor	766,000	4,595,000	3,234,000	1,885,000	309,000
Capital Improvement Reimbursements	1,646,000	1,914,000	-	-	-
Use of Restricted Funds	1,777,000	26,768,000	3,000,000	3,000,000	-
Interfund Revenues	4,323,000	4,323,000	4,324,000	4,324,000	4,324,000
Other Revenues (Expenses)	-	-	(672,000)	(550,000)	-
Total Nonoperating Revenues (Expenses)	**(17,027,000)**	**23,703,000**	**26,556,000**	**(73,490,000)**	**(24,978,000)**
Increase (Decrease) in Cash Flow	**(20,711,000)**	**24,738,000**	**20,667,000**	**(83,548,000)**	**(39,493,000)**
Beginning Reserves	**91,258,000**	**69,389,000**	**94,050,000**	**113,896,000**	**28,490,000**
Transfer From/(To) Other Funds	(1,158,000)	(77,000)	(821,000)	(1,858,000)	(1,179,000)
Ending Reserves	**69,389,000**	**94,050,000**	**113,896,000**	**28,490,000**	**(12,182,000)**
% Change from prior year		**35.5%**	**21.1%**	**(75.0%)**	**(142.8%)**

Canal Water Fund

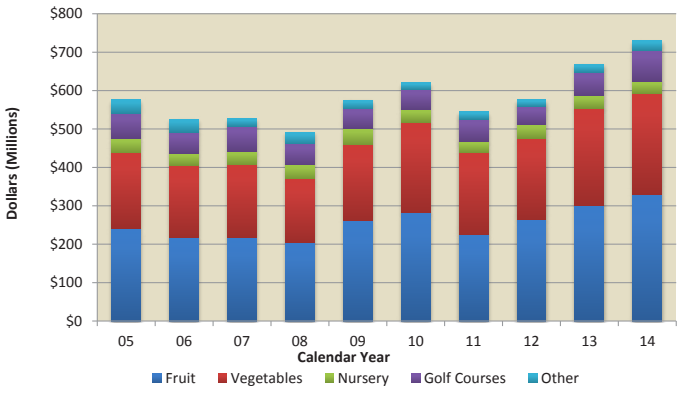
Background

The District provides canal water to more than 1,100 accounts. Customers include: agriculture, golf courses, lakes, and CVWD replenishment facilities. Accounts are billed monthly for canal water usage on a per acre-foot (af) basis.

The Coachella Valley's farmland is among the most profitable crop-growing regions in the state, per acre. More than two-thirds of local farmland is irrigated with Colorado River water delivered via the Coachella Canal (Canal), a branch of the All American Canal. More than 65% of area farms use drip or other micro-irrigation. This reduces water use, allows pesticides and herbicides to be added directly into irrigation lines, and contributes to increased crop yields. Area farms are among the most efficient agricultural water users in the state.

As depicted in the chart below, crop production for 2014 exceeded $730.5 million. This represents a 9.2% increase over 2013. Gross farmed acreage increased 1% over the prior year. The top ten crops by value are grapes, lemons/limes, peppers (bell & chili), dates, nursery plants, lettuce, strawberries, carrots, Oriental vegetables, and oranges/tangerines.

Crop Value by Industry
Ten-Year History



The Coachella Canal

In 1934, the District entered into a contract with the United States Bureau of Reclamation (USBR) for the construction of the Coachella Branch of the All American Canal. The USBR agreed to deliver water to CVWD for potable and irrigation purposes within the "Coachella Service Area", which included 137,000 acres known as Improvement District Number 1 (ID 1). The larger size of ID 1 was established to maximize potential groundwater replenishment. Only 75,000 acres are irrigable.

The costs associated with the construction of the Canal were to be reimbursed by the District. In 1935, the District adopted Ordinance Number 595 authorizing a tax levy for the purpose of satisfying the USBR repayment obligations. CVWD began levying the ID 1 tax in fiscal 1950, with the repayment obligation satisfied in 1994. The Canal is owned by the USBR but is maintained and operated by CVWD.

The Coachella Canal was completed in 1948, with the District taking water delivery in 1949. Water that flows through the Canal travels several hundred miles, via gravity flow. It starts at the Colorado River and diverts into the All American Canal at the Imperial Dam, located 18 miles north of Yuma, Arizona. The water is diverted again, 38 miles downstream, into the Coachella Canal.

When the Canal was built, the northern 38 miles were lined with concrete to ensure more efficient connections to the underground distribution system. In 1980, the southern 49 miles of the Canal were replaced by a parallel concrete waterway that resulted in a savings of more than 130,000 af of water each year. The remaining 36 miles of earthen waterway and canal were replaced with a parallel, concrete canal in 2006. The project was funded by the state of California and San Diego County Water Authority (SDCWA) as part of the 2003 Quantification Settlement Agreement (QSA).

Irrigation Distribution and Drainage System

In 1947, the District entered into another contract with the USBR for the construction of the irrigation distribution system and a system of protective works to protect the Canal and systems from alluvial fan flooding. Shortly after work on the Canal was completed, the District began construction on an underground tile system designed to carry agricultural irrigation drainage water away from farmland to the Salton Sea. The irrigation distribution system includes a system of 485 miles of low-pressure irrigation concrete lateral pipes ranging in size from 12-inch to 92-inch, which distributes water to 40-acre blocks of land within ID 1. Repayment obligations to the USBR were satisfied in 1995 from the ID 1 property taxes. Today, there are nearly 2,300 miles of on-farm and District-maintained drains.

Colorado River Water Supply

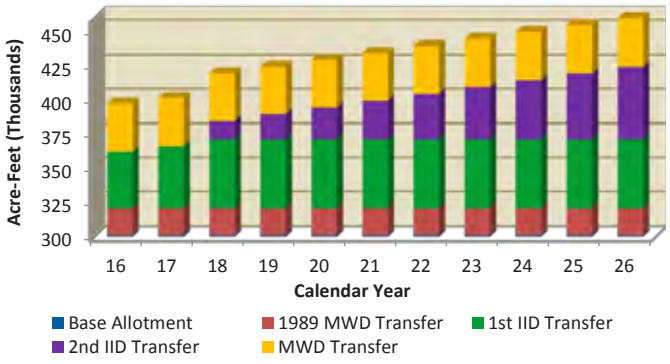
CVWD's Colorado River entitlement is defined by the 2003 Quantification Settlement Agreement.

In October 2003, CVWD successfully completed negotiation of the Quantification Settlement Agreement. The QSA quantifies the Colorado River water allocations of California's agricultural water contractors for 75 years and provides for the transfer of water between agencies. Under the QSA, the District has a base allocation of 330,000 af per year. In accordance with the QSA, CVWD entered into water transfer agreements with Metropolitan Water District (MWD) and the Imperial Irrigation District (IID) that increase the District's Colorado River supplies up to 459,000 af in 2026.

The IID-CVWD Acquisition Agreement provides the District with up to 103,000 af to be delivered at the Imperial Dam via the All-American Canal to the Coachella Canal. This additional water is transferred from IID in two separate allotments of 50,000 af and 53,000 af. Between 2015 and 2018, CVWD's first water allotment will increase by 5,000 af increments. The second water allotment will ramp-up between 2018 and 2026 in 5,000 af increments, with a 13,000 af delivery starting in 2018. The year 2018 marks both the completion of the ramp-up of the first 50,000 af acquisition and the beginning of the second 53,000 af acquisition.

The graph below shows QSA water supply allotments through 2026.

QSA Water Supply Allotments
2016 - 2026



Water Costs

The base allotment of 301,000 is provided at no cost to the District. The cost of additional allotments varies based on the terms of the QSA agreement.

Water payments amount to $76 per acre-foot in 2015 and increase each year according to a set price schedule and an annual 3% inflation factor. As the District ramps up its water deliveries over the next ten years, water costs will increase by almost $10 million. By the end of the contract, Colorado River water costs will exceed $65 million.

The table below depicts the IID water transfer costs over the term of the contract.

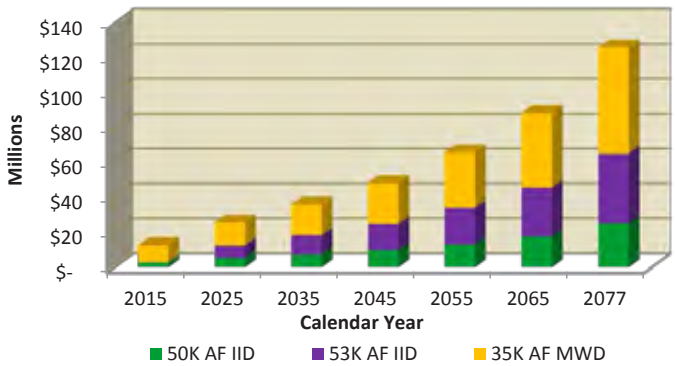
IID Water Transfer Costs
2015 - 2077

	IID Water Transfer Ramp-Up Schedule				Cost Per
Year	50,000 af	53,000 af	Total af	Cost	Acre-Foot
2015	36,000	-	36,000	2,746,000	76.28
2025	50,000	48,000	98,000	12,464,695	127.19
2035	50,000	53,000	103,000	18,308,447	177.75
2045	50,000	53,000	103,000	24,605,021	238.88
2055	50,000	53,000	103,000	33,978,389	329.89
2065	50,000	53,000	103,000	45,664,114	443.34
2077	50,000	53,000	103,000	65,106,106	632.10

In fiscal 2015-16, IID water transfer costs are budgeted in the Canal Fund. The Metropolitan Water District water transfers are budgeted in the West Replenishment Fund, since the water is delivered to the West Whitewater Replenishment Area.

The graph below shows the QSA water costs over the term of the contract.

QSA Water Costs
2015 - 2077



What is the Quantification Settlement Agreement (QSA)?

The 2003 QSA enabled California to implement major Colorado River water conservation and transfer programs, stabilizing water supplies for 75 years and reducing the State's demand on the river to its 4.4 million acre-foot entitlement. It also provided mitigation funding for the environmentally sensitive Salton Sea. The completion of the QSA required the commitment and combined efforts of the following organizations:

- Coachella Valley Water District (CVWD)
- San Diego County Water Authority (SDCWA)
- Imperial Irrigation District (IID)
- Metropolitan Water District of Southern California (MWD)
- State of California
- U.S. Department of the Interior

What are the Benefits?

The QSA enabled California to reduce its historic overdependence on the Colorado River through voluntary agriculture-to-urban water transfers and other water supply programs. The State has since lived within its 4.4 million acre-foot entitlement.

In addition, companion legislation required the State to identify a preferred Salton Sea restoration alternative and funding plan. In 2007, the State identified and submitted to the Legislature an $8.9 billion preferred alternative. The Legislature has not yet acted on the preferred alternative, nor provided a viable funding plan.

Recent developments

All litigation tied to the 12-year-old Quantification Settlement Agreement that establishes, among other things, the history's largest agriculture-to-urban water transfer is effectively over.

On May 26, 2015, a three-judge panel with the Third Appellate District signed off on the agreement between Imperial County and Imperial Irrigation District (IID) ending the litigation, with IID paying $750,000 to the County as part of the settlement. In return, the County and its Air Pollution Control District would end an appeal of an earlier court decision tied to the QSA over fixing the Salton Sea.

Imperial County and IID made a joint presentation to the State Water Resources Control Board (SWRCB) in March 2015 to mandate that the State of California meet its obligations under the QSA to help restore the Salton Sea. CVWD recognizes the importance of the Salton Sea, and is involved through its participation on the governing boards of the QSA Joint Powers Authority and the Salton Sea Authority for funding associated mitigation projects. There was concern that the petition could suspend the water transfers (leading CVWD and several other stakeholders to oppose the petition) if the State did not meet its obligations, as outlined by several bills in the State Legislature. To date, the SWRCB has taken no action on the petition beyond hosting a workshop, and the Governor has created a new Salton Sea task force. CVWD also was an active participant in a Salton Sea hearing conducted by the Little Hoover Commission, but the Commission has not yet released its findings.

How Secure is the Colorado River Water Supply?

The Colorado River Basin is one of the most critical sources of water in the West. It provides water to nearly 40 million people for municipal use, irrigates nearly 5.5 million acres of land, and is the lifeblood for at least 22 Native American tribes, 7 national wildlife refuges, 4 national recreation areas, and 11 national parks.

Under the 1922 Colorado River Compact, both the upper basin that includes Wyoming, Utah, New Mexico, Colorado, and the lower basin of California, Arizona, and Nevada were allocated 7.5 million acre-feet each. Since 1944, Mexico secured an agreement for annual deliveries of 1.5 million acre-feet from the river. It has since become clear that the early decades of the 20th century, the period on which the 1922 compact was based, was the wettest period in the Colorado River basin, and was not representative of the long-term climatic conditions of the West.

The Colorado River Basin has been experiencing drought conditions the last 15 years, and if the remainder of the decade follows a similar pattern, there is a chance that both Lake Powell and Lake Mead could drop too low to generate electricity. If the surface level of Lake Mead drops below 1,075 feet, water restrictions for Arizona and Nevada begin; California has no negotiated restrictions. The latest current forecast calls for Lake Mead's level to be slightly above 1,080 feet by the end of 2015, which is a modest improvement in elevation storage from 2014. The 2015 late spring precipitation in the upper basin provided additional inflows into Lake Powell, which contributed to a slightly improved outlook on the River for 2016.

California has rights to 4.4 million acre-feet of Colorado River water, and of that, 3.85 million af are allocated to Palo Verde Irrigation District, Imperial Irrigation District, and CVWD. These three agencies hold the first three priorities to the use of the water, making the District's Colorado River supply stable when compared to some other users. Although other water managers are discussing agricultural fallowing programs in their districts, CVWD has no plans to do so in our service area.

Annual Colorado River Allocation by State -Millions of Acre-Feet

	California	Colorado	Arizona	Utah	Wyoming	New Mexico	Nevada
Amount	4.40	3.88	2.80	1.72	1.05	0.84	0.30

Canal relocation project at SilverRock

Canal Rate History

The table below shows the five-year history of canal rates for the District. Canal rates have not increased since July 2012.

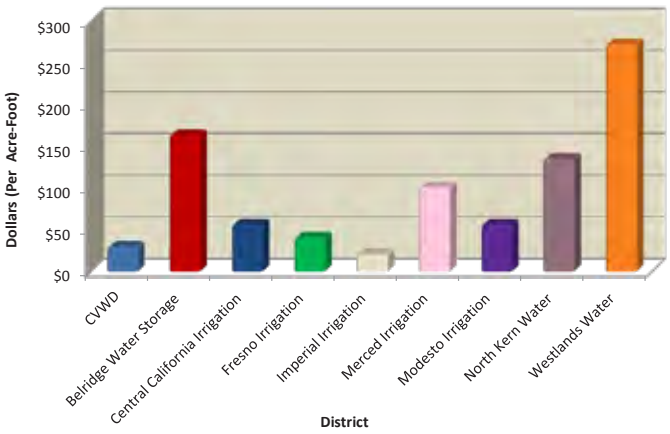
Canal Rate Five-Year History

Service Area	FY 12	FY 13	FY 14	FY 15	FY 16
Water, per acre-foot, Class 1: Agriculture	27.45	28.95	28.95	28.95	28.95
Water, per acre-foot, Class 2: Lakes/Golf Courses	37.15	42.15	42.15	42.15	42.15
Water, per acre-foot, Class 3: Replenishment	74.00	86.25	86.25	86.25	86.25
Water, per acre-foot, Class 4: Construction	140.00	140.00	140.00	140.00	140.00
Gate Charge, per day	11.50	11.50	11.50	11.50	11.50
Quagga Mussel Surcharge, per acre-foot	5.75	5.00	5.00	5.00	5.00

Canal Rate Comparison

The graph below shows the District's agricultural rate, as compared to other irrigation districts in California. The District's rate is among the lowest in the state. This is due in part to the large amount of Colorado River water received at no cost. Imperial Irrigation is the only other district on this list that receives solely Colorado River Water.

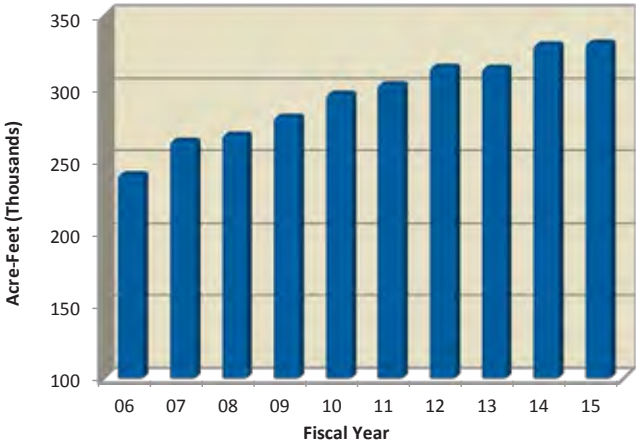
Agriculture Water Rate Comparison



Consumption

Total consumption in fiscal 2015 was 331,290 af, as compared to 330,022 af in fiscal 2014, an increase of 1,268 af, as shown in the chart below. The increase in consumption was primarily in Class 1and Class 2.

Consumption by Year
Ten-Year History



There are four customer classes for canal water:

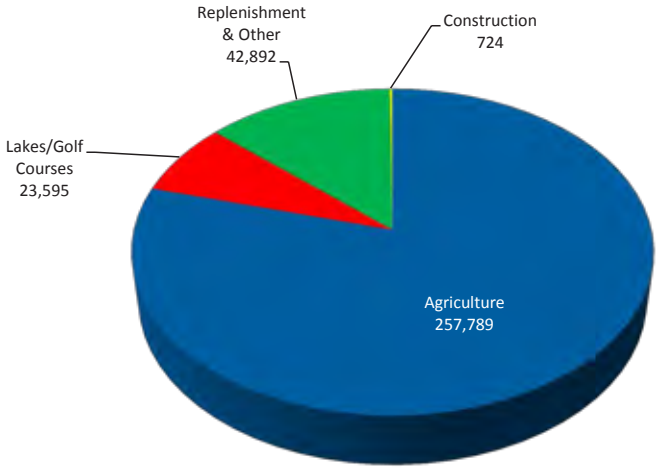
Class 1: Agriculture

Class 2: Nonagriculture with access to groundwater (such as lakes and golf courses)

Class 3: Nonagriculture - Other (such as municipalities and replenishment facilities)

Class 4: Temporary Construction

Budgeted Consumption by Rate Class
325,000 Acre-Feet



As depicted in the chart above, Class 1, Agriculture, consumes the largest amount of canal water, approximately 258,000 acre-feet.

Budget Summary

The Coachella Canal was completed 65 years ago. Currently, the District is challenged with maintaining an aging asset, while promoting water conservation, and maintaining rates that promote continued growth in the agriculture industry. As with all assets, proper maintenance and repair ensure reliable performance at the lowest operating cost. Underfunded canal systems lead to lost water, higher operating costs, and unreliable water deliveries. The replacement cost of the system, which includes: the 123-mile Coachella Canal, 485 miles of distribution pipelines, and 2,298 miles of drainage, is estimated to be $1.4 billion.

The fiscal 2016 strategic plan includes two objectives related to the canal and irrigation system. One objective is to prepare a hydraulic model of the irrigation distribution system. The second objective is to engage a consultant to prepare a comprehensive inspection of the irrigation and drainage system. These objectives begin the process of ensuring reliability of the asset by prioritizing areas of the system that need to be replaced or rehabilitated. The projected cost of these objectives is $450,000.

Revenues are budgeted 20.4% higher than the fiscal 2015 budget. Water sales are budgeted to increase by 4.4%, primarily due to additional golf course connections. Property taxes and redevelopment revenues are budgeted to increase by 72.3% and 72.8%, respectively. Effective fiscal 2016, the Canal Water Fund will receive 25% of the general 1% property tax previously allocated to the Nonpotable Water Fund.

Expenses are budgeted to increase by $1.2 million, or 5.7%. Expenses include a transfer of $1.0 million to the Motorpool Fund to purchase vehicles or equipment related to the Canal Water Fund.

Ending reserves are projected at $33.2 million, an increase of $410,000.

Farm irrigation reservoir

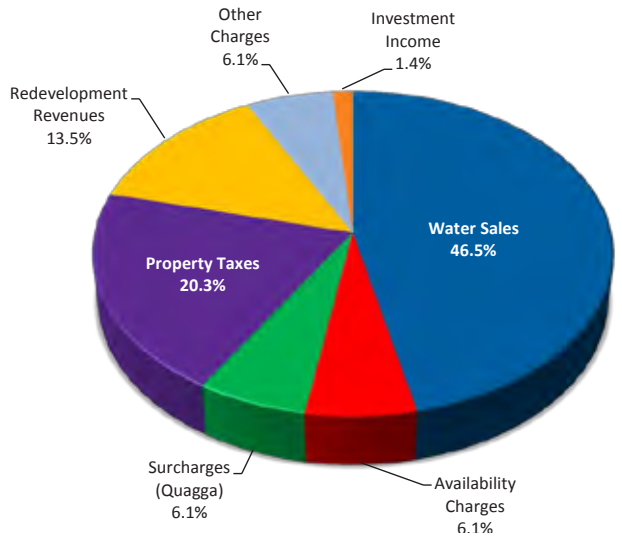
Canal Water Fund

Statement of Revenues, Expenses and Changes in Reserves

	Actual 2013-14	Budget 2014-15	Projected 2014-15	Budget 2015-16	Budget Change	% Change
Revenues						
Water Sales	12,238,000	11,787,000	12,253,000	12,303,000	516,000	4.4
Availability	1,708,000	1,578,000	1,499,000	1,600,000	22,000	1.4
Surcharges (Quagga)	1,625,000	1,564,000	1,630,000	1,625,000	61,000	3.9
Property Taxes	3,403,000	3,112,000	3,448,000	5,362,000	2,250,000	72.3
Redevelopment Revenues	2,829,000	2,064,000	2,159,000	3,567,000	1,503,000	72.8
Other Charges	1,562,000	1,600,000	1,970,000	1,603,000	3,000	0.2
Investment Income	300,000	240,000	333,000	357,000	117,000	48.8
Total Revenues	**23,665,000**	**21,945,000**	**23,292,000**	**26,417,000**	**4,472,000**	**20.4%**
Expenses						
Salaries & Benefits	8,051,000	8,559,000	8,263,000	9,062,000	503,000	5.9
Supplies & Services	7,861,000	7,917,000	7,810,000	8,657,000	740,000	9.3
Utilities	708,000	718,000	701,000	732,000	14,000	1.9
Water Purchases	2,249,000	2,746,000	2,746,000	3,155,000	409,000	14.9
QSA Mitigation Payments	369,000	372,000	372,000	-	(372,000)	(100.0)
Capital Outlay	75,000	200,000	130,000	66,000	(134,000)	(67.0)
Total Expenses	**19,313,000**	**20,512,000**	**20,022,000**	**21,672,000**	**1,160,000**	**5.7%**
Operating Income (Loss)	**4,352,000**	**1,433,000**	**3,270,000**	**4,745,000**	**3,312,000**	**231.1%**
Nonoperating Revenues (Expenses)						
Insurance Proceeds	-	-	277,000	-	-	-
Capital Improvement Program	(4,554,000)	(8,786,000)	(6,748,000)	(11,877,000)	(3,091,000)	(35.2)
Less District Labor	-	237,000	-	356,000	119,000	50.2
Grant Revenue	61,000	-	8,000	-	-	-
Capital Improvement Reimbursements	234,000	375,000	-	1,300,000	925,000	246.7
Use of Restricted Funds	-	115,000	115,000	-	(115,000)	(100.0)
OPEB Trust Payments	(1,400,000)	(1,526,000)	(1,526,000)	-	1,526,000	100.0
Total Nonoperating Revenues (Expenses)	**(5,659,000)**	**(9,585,000)**	**(7,874,000)**	**(10,221,000)**	**(636,000)**	**(6.6%)**
Increase (Decrease) in Cash Flow	**(1,307,000)**	**(8,152,000)**	**(4,604,000)**	**(5,476,000)**	**2,676,000**	**32.8**
Beginning Reserves	**41,161,000**	**39,343,000**	**39,343,000**	**39,713,000**	**370,000**	**0.9**
Transfer From/(To) Other Funds	(511,000)	1,624,000	4,974,000	(1,012,000)	(2,636,000)	(162.3)
Ending Reserves	**39,343,000**	**32,815,000**	**39,713,000**	**33,225,000**	**410,000**	**1.2%**

Revenues

Operating Revenues
$26,417,000



Water Sales are commodity sales, or the sale of water based on consumption in af (an acre-foot is equivalent to 325,851 gallons of water). Water sales represent 46.5% of the operating revenues, and are budgeted to increase 4.4%. The increase is due primarily to increased water demand from golf course connections. Since each class has its own rate, revenues can fluctuate depending on the amount of consumption in each class.

Property Taxes account for 20.3% of the revenues in the Canal Water Fund. Property tax revenues represent the District's allocated share of the 1% Riverside and Imperial county secured property tax levy pursuant to the California Revenue and Taxation Code. Revenues from property taxes are budgeted at $5.4 million, an increase of 72.3% over fiscal 2015.

Property values are starting to rebound after the drop in valuations that began in 2009, this along with the fact that property values reset each time there is a change in ownership, with a new value established at the sales price. During fiscal 2016, assessed values are budgeted to increase 4%. Beginning in fiscal 2016, the Canal Water Fund will receive additional property tax revenues that were previously received by the Nonpotable Water Fund. This amounts to an additional $1.8 million in property tax revenues.

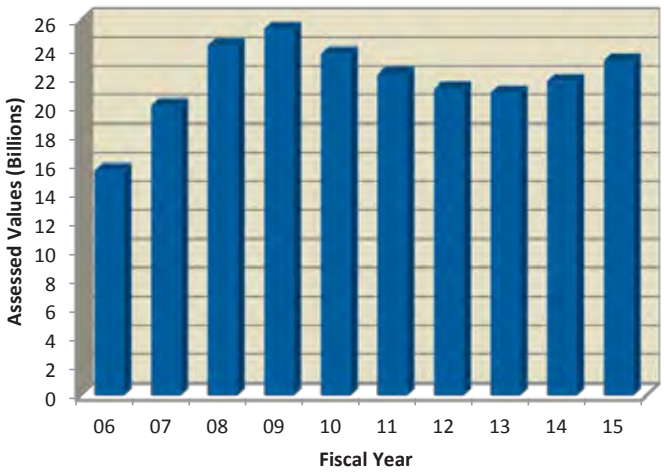
Improvement District 1 property taxes are included in the District's 1% property tax allocated from Riverside County. These revenues are segregated and earmarked for the Canal Fund, before the distribution of the discretionary property taxes.

Improvement District 1 was formed to fund USBR contract repayment obligations for the Canal and its distribution and drainage systems. Although all debt obligations to USBR have been paid, the ID 1 property tax continues to be levied for the operation, maintenance and replacement of the Canal and distribution and drainage systems.

The revenues collected from the ID 1 tax are based on the assessed value of all properties within the improvement district boundary. The ID 1 tax will generate approximately $2.7 million in property taxes in fiscal 2016. Improvement District 1 boundaries are depicted in the map on the following page.

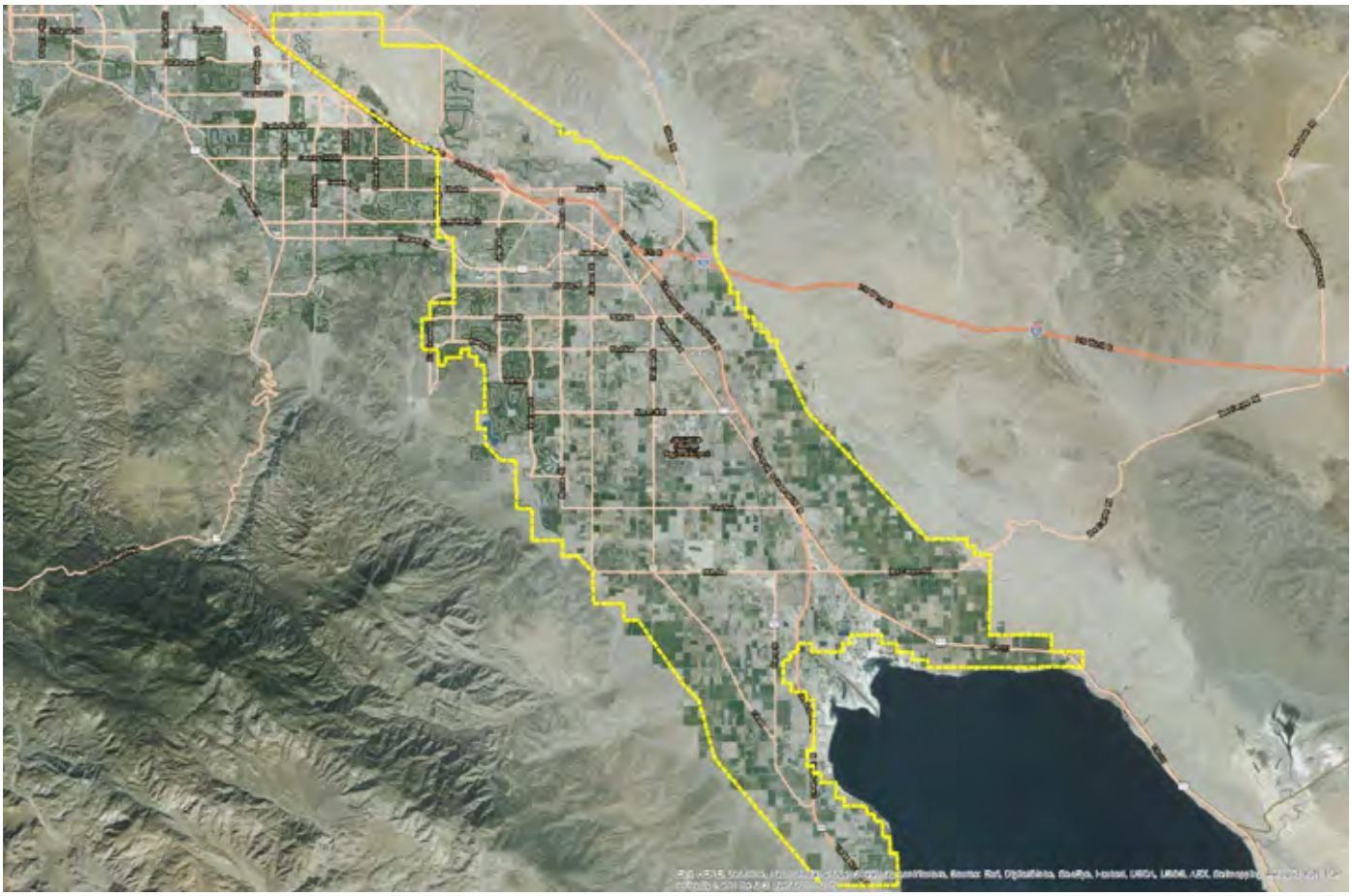
The following graph shows the assessed valuation in ID 1 over the past ten years.

Improvement District 1 - Assessed Valuation
Ten-Year History



Redevelopment Revenues represent pass-through agreements of former Redevelopment Agencies (RDAs). With the dissolution of RDAs, it is challenging to project future income because of the variability of this revenue. These revenues contribute $3.6 million, or 13.5% of operating revenues. Beginning in fiscal 2016, redevelopment revenues previously received by the Nonpotable Water Fund will now be directed to the Canal Water Fund. For fiscal 2016, this amounts to an additional $1.4 million in redevelopment revenues.

Other Charges amount to 6.1% of total Canal Water Fund revenues, and include gate charges, reimbursements, plan check fees, construction inspection fees, and other miscellaneous fees and charges. Gate charges comprise a majority of this revenue source and are assessed to canal customers when water is ordered.



Improvement District 1 Boundaries

Quagga Surcharges total $1.6 million, and account for 6.1% of the revenues of the Canal Water Fund. This revenue source is assessed on a per acre-foot basis and is used to recoup the cost of Quagga mussel mitigation. The Quagga is a non-native invasive mollusk that clogs and compromises water pipes and systems. It is pervasive in the Colorado River system, but District mitigation efforts have kept the Canal free of Quagga mussels.

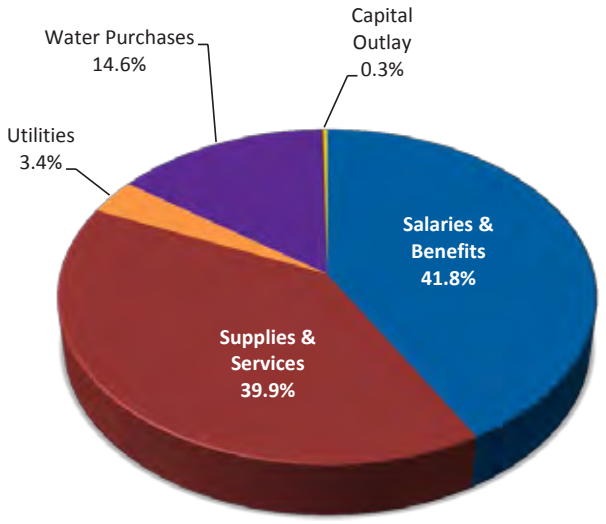
The surcharge pays for the maintenance and capital cost of Quagga mitigation and is estimated based on the rate and the amount of water consumed. The surcharge remains at $5 per acre-foot.

Availability Charges are budgeted at $1.6 million, and account for 6.1% of the revenues of the Canal Water Fund, consistent with fiscal 2015. The District levies an annual per-acre charge on all parcels or groups of parcels located in ID 1, which can be served with canal water.

The per-acre charge is the Class 1 rate multiplied by 3.8, which is the 10-year average water demand per acre. The charge can be satisfied each year in one of three ways: (1) by paying the amount of the levy in full, (2) by paying water service charges equal to or in excess of the levy for that parcel, or (3) in the event water service charges are less than the amount of the levy, by paying the difference. This revenue source can be difficult to estimate due to the variability of water use from year to year.

Expenses

Operating Expenses
$21,672,000



Salaries & Benefits amount to $9.1 million, an increase of 5.9% compared to fiscal 2015. This increase reflects the impacts of the new labor contracts, increases in CalPERS contributions, as well as additional staff.

Supplies & Services are budgeted at $8.7 million, a 9.3% increase from the prior year's budget. Increases include: dues and memberships, legal costs, professional services to fund the strategic initiatives, and contract services related to the Coachella Canal Lining Project, of which $320,000 is reimbursable from the San Diego County Water Authority.

Water Purchases are budgeted at $3.2 million, an increase of $409,000. This reflects 5,000 af of additional water the District is entitled to receive, per the QSA. This allotment will augment the supply of canal water available for farming, golf courses, other urban uses, as well as groundwater replenishment.

Utilities are budgeted at $732,000, an increase of $14,000 from fiscal 2015.

Capital Outlay is budgeted at $66,000, a decrease of $134,000 from fiscal 2015.

Capital Improvements

There are $11.9 million in capital improvements budgeted in fiscal 2016. Projects include: $4.3 million for the Canal Water Fund's share of the Oasis Area Irrigation System Expansion, $3.4 million for irrigation lateral replacements, $2.7 million for drain pipe replacements, $1.2 million in miscellaneous canal projects, and $300,000 for the fund's share of general district projects. More details on the Capital Improvements Plan are located in the Capital Improvement chapter.

Five-Year Forecast

The biggest challenge facing the Canal Water Fund over the next five years is declining operating income. Operating expenses for the Oasis expansion, combined with larger water purchases resulting from the annual increase in QSA water entitlements cause expenses to outpace revenues. To alleviate part of the problem, property tax and redevelopment revenues that were previously allocated to the Nonpotable Water Fund are now being allocated to the Canal Water Fund. Revenues from water sales are projected to increase over the next five years due to golf course and Oasis connections. No rate increases are included in the five-year forecast for water sales or availability charges.

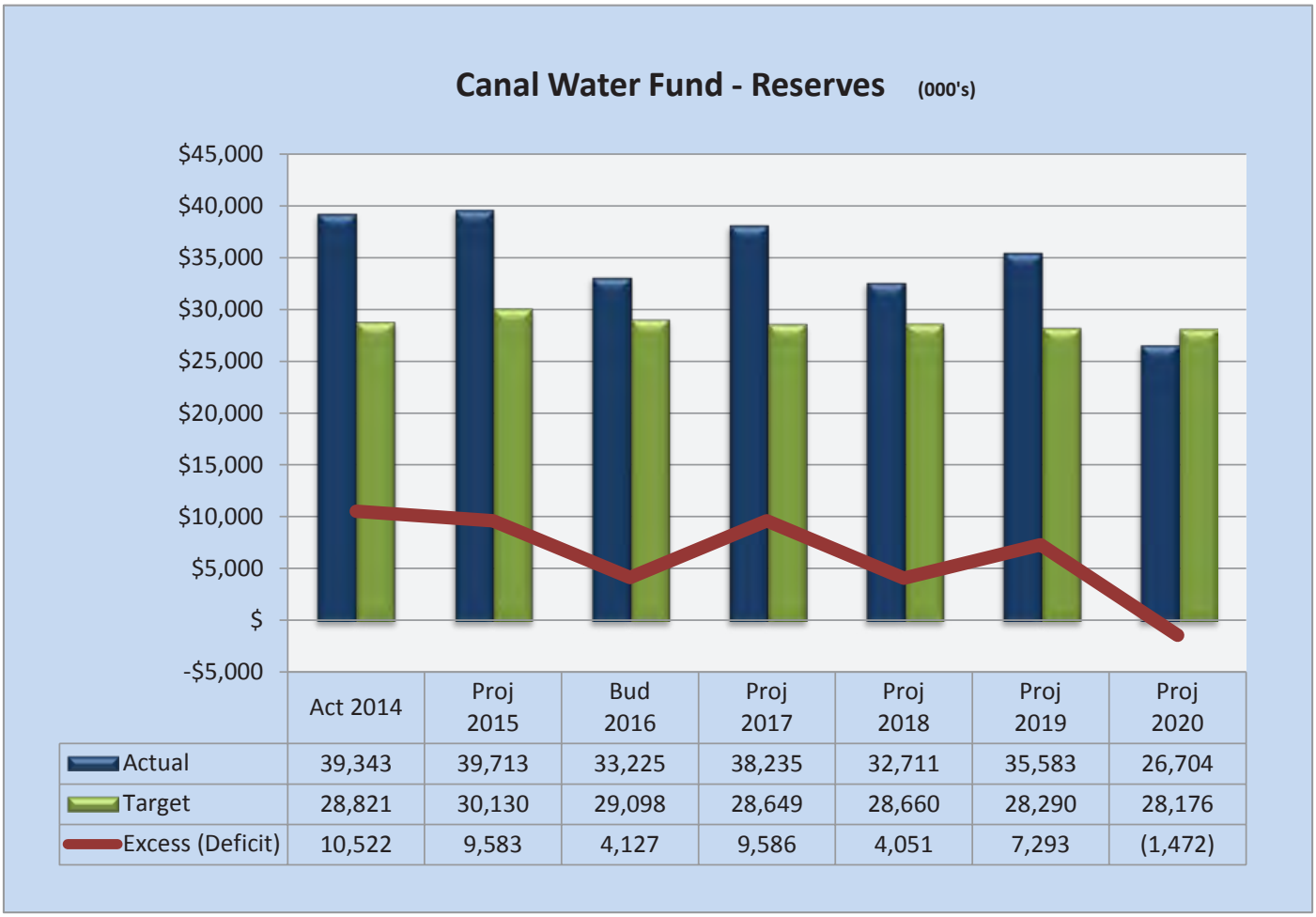
There are approximately $45.6 million in capital improvements included in the five-year forecast. These costs will be partially offset by $3.0 million in capital improvement reimbursements. Major projects include: $21.8 million in irrigation lateral replacements, $4.3 million in drain pipeline replacements, $5.6 million in general canal projects, $8.6 million for the Oasis project, and $5.3 million for the fund's share of general District projects.

Water sales revenues are projected to increase by $1.4 million by fiscal 2020, primarily due to the increased consumption from additional golf course connections and expansion of the Oasis project. Notwithstanding the additional revenues, operating income is not adequate to fund the five-year CIP. The District will need to use a combination of bond financing and rate increases in order to have sufficient funds to pay for the projects and maintain reserve levels.

Even with $21.3 million budgeted in bond financing, the reserves will be underfunded by $1.5 million in fiscal 2020.

The District contracted with an outside firm to provide a cost of service study (COSS) for the Canal Water Fund. The study, which was expected to be completed in the fall of 2014 remains under development and is projected to be presented to the Board in fiscal 2016. The COSS reviews existing rate structures, allocates revenue requirements to the various customer classes, evaluates the adequacy of projected revenues under existing rates, makes recommendations for potential revenue adjustments, and develops a sound financial plan for a ten-year period.

Rate setting procedures in California require that agencies responsible for imposing property-related charges demonstrate a nexus between the cost of providing the service and the services or benefits received. The COSS will make recommendations on potential rate changes.



	Act 2014	Proj 2015	Bud 2016	Proj 2017	Proj 2018	Proj 2019	Proj 2020
Actual	39,343	39,713	33,225	38,235	32,711	35,583	26,704
Target	28,821	30,130	29,098	28,649	28,660	28,290	28,176
Excess (Deficit)	10,522	9,583	4,127	9,586	4,051	7,293	(1,472)

Canal Water Fund
Five-Year Forecast

	Budget 2015-16	Projected FY 2017	FY 2018	FY 2019	FY 2020
Revenues					
Water Sales	12,303,000	12,491,000	13,049,000	13,328,000	13,662,000
Availability	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000
Surcharges (Quagga)	1,625,000	1,640,000	1,709,000	1,747,000	1,789,000
Property Taxes	5,362,000	5,623,000	5,735,000	5,849,000	5,966,000
Redevelopment Revenues	3,567,000	3,567,000	3,567,000	3,567,000	3,567,000
Other Charges	1,603,000	1,611,000	1,658,000	1,688,000	1,719,000
Investment Income	357,000	194,000	311,000	602,000	655,000
Total Revenues	**26,417,000**	**26,726,000**	**27,629,000**	**28,381,000**	**28,958,000**
% Change from prior year		**1.2%**	**3.4%**	**2.7%**	**2.0%**
Expenses					
Salaries & Benefits	9,062,000	9,334,000	9,615,000	9,904,000	10,201,000
Supplies & Services	8,657,000	8,691,000	8,994,000	9,307,000	9,631,000
Oasis - O&M	-	-	820,000	963,000	1,123,000
Utilities	732,000	784,000	837,000	896,000	959,000
Water Purchases	3,155,000	3,555,000	5,251,000	5,838,000	6,481,000
Capital Outlay	66,000	66,000	66,000	66,000	66,000
Total Expenses	**21,672,000**	**22,430,000**	**25,583,000**	**26,974,000**	**28,461,000**
% Change from prior year		**3.5%**	**14.1%**	**5.4%**	**5.5%**
Operating Income (Loss)	**4,745,000**	**4,296,000**	**2,046,000**	**1,407,000**	**497,000**
Nonoperating Revenues (Expenses)					
Debt Service - Bonds	-	(843,000)	(843,000)	(1,124,000)	(1,405,000)
Proceeds From Bond Sales	-	12,781,000	-	8,520,000	-
Capital Improvement Program	(11,877,000)	(13,298,000)	(6,763,000)	(5,696,000)	(7,956,000)
Less District Labor	356,000	399,000	203,000	171,000	239,000
Capital Improvement Reimbursements	1,300,000	1,700,000	-	-	-
Total Nonoperating Revenues (Expenses)	**(10,221,000)**	**739,000**	**(7,403,000)**	**1,871,000**	**(9,122,000)**
Increase (Decrease) in Cash Flow	**(5,476,000)**	**5,035,000**	**(5,357,000)**	**3,278,000**	**(8,625,000)**
Beginning Reserves	**39,713,000**	**33,225,000**	**38,235,000**	**32,711,000**	**35,583,000**
Transfer From/(To) Other Funds	(1,012,000)	(25,000)	(167,000)	(406,000)	(254,000)
Ending Reserves	**33,225,000**	**38,235,000**	**32,711,000**	**35,583,000**	**26,704,000**
% Change from prior year		**15.1%**	**(14.4%)**	**8.8%**	**(25.0%)**

Sanitation Fund

Background

CVWD began wastewater collections and treatment services in 1968. The Sanitation Fund provides sanitation (sewer) service to almost 94,000 accounts, serving an estimated population of 272,000. CVWD operates six wastewater reclamation plants (WRPs, plants) with a total combined plant capacity of 33.5 million gallons per day. The average daily flow of wastewater to the six plants is 17.21 million gallons, which is nearly 6.3 billion gallons per year. The District has the capacity to increase its wastewater treatment as the Valley's population grows. CVWD also maintains 1,129 miles of collection piping systems and 34 lift stations.

Two of the plants, WRPs 7 and 10, produce tertiary treated water, which is available as recycled water and used by the Nonpotable Water Fund for delivery to customers. One other plant, WRP 9, produces treated wastewater that meets state standards for irrigation. Every gallon of recycled water used for outdoor irrigation saves precious groundwater for potable use by domestic customers.

WRPs 1 and 2 are simple lagoon plants. WRP 4 consists of Biolac activated sludge, solids handling, lagoon treatment, and disinfection. WRP 4 discharges into the Coachella Valley Stormwater Channel and is the District's only plant with a National Pollutant Discharge Elimination System (NPDES) permit. WRPs 7, 9, and 10 use conventional activated sludge as the treatment process, along with chlorine disinfection. The table below shows plant efficiencies for removing Total Suspended Solids (TSS) and Biological Oxygen Demand (BOD), expressed in milligrams per liter. Both are standard measures of wastewater strength. Since WRPs 1 and 2 do not discharge, there are no effluent values to calculate efficiency.

Wastewater Reclamation Plant Efficiencies

Plant		Influent	Effluent	% Removed
WRP 4	TSS	6,048	245.6	95.9%
	BOD	5,108	138.9	97.3%
WRP 7	TSS	2,890	68.4	97.6%
	BOD	2,790	26.4	99.1%
WRP 9	TSS	6,118	111.1	98.2%
	BOD	4,894	78.5	98.4%
WRP 10	TSS	4,930	77.7	98.4%
	BOD	3,776	45.8	98.8%
Total	TSS	19,986	502.8	97.5%
	BOD	16,568	289.6	98.3%

WRP 10 - the District's largest treatment plant

Currently, sanitation service is divided into three separate service areas, which the cost of service study recommends eliminating in fiscal 2017:

- **Service Area 80** – Covering the cities of Palm Desert, Rancho Mirage, Indian Wells, and Cathedral City
- **Service Area 81** – North of I-10, covering the cities of Desert Hot Springs, Thousand Palms, Sky Valley, and portions of Indio
- **Service Area 82** – Central Valley, which covers the cities of La Quinta, Coachella, Mecca, Thermal, Oasis, Salton Sea, North Shore, and Bombay Beach

Sanitation Restricted Funds

Sanitation Capacity Charge (SCC) Collection and Treatment fees are assessed on all new development and connections of existing residential units, and upgrades of existing commercial units within the District's sanitation system service area. These funds are restricted for constructing backbone facilities for collection and treatment of wastewater that provide additional capacity to the enterprise.

As of fiscal 2016, there was $2.4 million in SCC Treatment restricted funds available for allowable projects, and $7.5 million in SCC Collection funds. Recent projects to add headworks to two of the treatment plants have reduced the funds available for current year SCC Treatment projects.

The fiscal 2016 capital program will use the remaining amount of Treatment funds and any funds that come in during fiscal 2016, up to a total of $4.0 million. Collection funds in the amount of $1.0 million will be used on capital projects in fiscal 2016.

Recently, SCC revenues have averaged about $5.0 million per year, compared to an average of $16.0 million per year during the building boom from 2004 through 2007. This reduction in revenues, combined with the ongoing use of funds for capital expansion projects, will be an issue for the Sanitation Fund. Treatment funds are projected to be depleted by fiscal 2017; however, the balance in the Collection funds will grow to almost $13.0 million.

Sanitation Rate History

A five-year history of the District's residential and commercial sanitation rates are presented in the following tables. Sanitation rates have not increased since August 1, 2010.

The recently completed cost of service study recommended changes to the way nonresidential customers are charged. Rates will be based on customer class and equivalent dwelling unit (EDU) values. EDU is a term used to compare the maximum flows generated by a residential unit to those generated by a nonresidential unit.

These changes may result in rate adjustments to some nonresidential customer classes. However, the rate adjustments are being deferred until fiscal 2017.

Residential, Hotel/Motel, Public Agency, RV/Trailer Park
Monthly Sanitation Service Charge History

Rate Area	Description	FY 12	FY 13	FY 14	FY 15	FY 16
Service Area 80	Most areas within the cities of Cathedral City, Palm Desert, Indian Wells, and Rancho Mirage	24.50	24.50	24.50	24.50	24.50
Service Areas 58 & 81	North of I-10 from Thousand Palms to Indio	27.65	27.65	27.65	27.65	27.65
Service Areas 50 & 82	North Shore Beach	32.40	32.40	32.40	32.40	32.40
Service Areas 51 & 82	Bombay Beach	31.85	31.85	31.85	31.85	31.85
Service Areas 55 & 82	Cities of La Quinta and Mecca	29.05	29.05	29.05	29.05	29.05

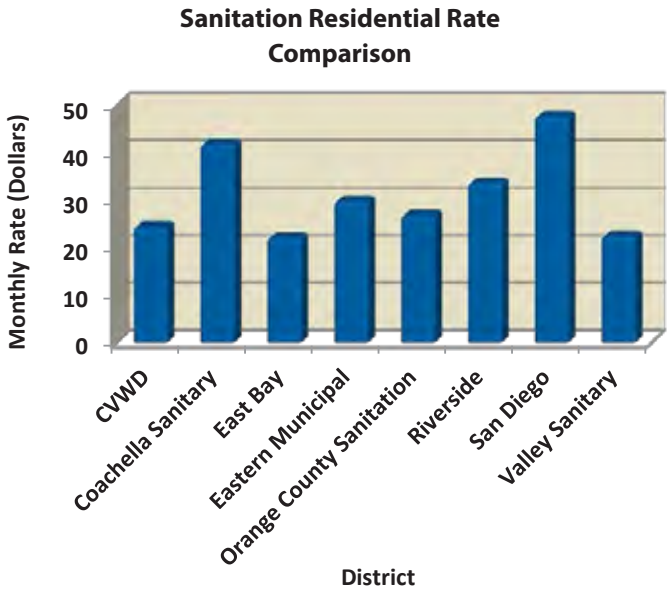
Residential Customers are charged for sewer service per EDU, or equivalent dwelling unit. The typical home is considered 1 EDU. Hotels/Motels, Public Agencies, and RV/Trailer Parks are charge based on the number of EDUs multiplied by the rate.

Business and Commercial Sanitation Service Charge History						
Rate Area	**Description**	**FY 12**	**FY 13**	**FY 14**	**FY 15**	**FY 16**
Service Area 80	Most areas within the cities of Cathedral City, Palm Desert, Indian Wells, and Rancho Mirage	1.07	1.07	1.07	1.07	1.07
Service Areas 58 & 81	North of I-10 from Thousand Palms to Indio	1.20	1.20	1.20	1.20	1.20
Service Areas 50 & 82	North Shore Beach	1.43	1.43	1.43	1.43	1.43
Service Areas 51 & 82	Bombay Beach	1.41	1.41	1.41	1.41	1.41
Service Areas 55 & 82	Cities of La Quinta and Mecca	1.23	1.23	1.23	1.23	1.23
Business and Commercial customers who have separate indoor and outdoor water meters are charged for sewer services based on indoor water usage. There is a minimum charge equal to one residential rate EDU.						

Sanitation Rate Comparison

Sanitation service charges for nonresidential customers are billed monthly. Commercial and business customers' bills are based on indoor water use, with the minimum charge being equal to one EDU. Hotel/Motel, public agency, and RV/trailer park customers are billed based on the number of EDUs assigned to the account.

Residential customers receive their sanitation charges on their property tax bill. The charges are for one EDU, multiplied by the rate area, multiplied by twelve. The District's residential sanitation rates are about average, as shown in the graph below.



Budget Summary

The revenue budget is $40.5 million, which is a 2% increase over fiscal 2015. The increase is due to slight growth in the customer base. The expense budget increased by 2%, due to increases in salaries & benefits, supplies & services, and capital outlay.

Reserves are budgeted at $79.1 million, a decrease of $1.7 million compared to the fiscal 2015 budget. The major cause of the decrease is a large capital program. Reserves for the Sanitation Fund are fully funded per the Reserve Policy.

In the next five to ten years, effluent water produced at the WRPs may be required to meet additional restrictions on total nitrogen concentrations and salt. Further treatment to limit nitrogen would cost about $50.0 million and salinity treatment would be approximately $100.0 million.

Further treatment projects are not included in the five-year CIP, nor the five-year forecast. But readers should be aware that should regulations change, it will have a major impact on the financial health of the fund. The cost of service study recommended 1.9% rate increases for the next five years to be prepared for these large capital expenses. The Board will consider this matter before June 30, 2016.

Sanitation Fund

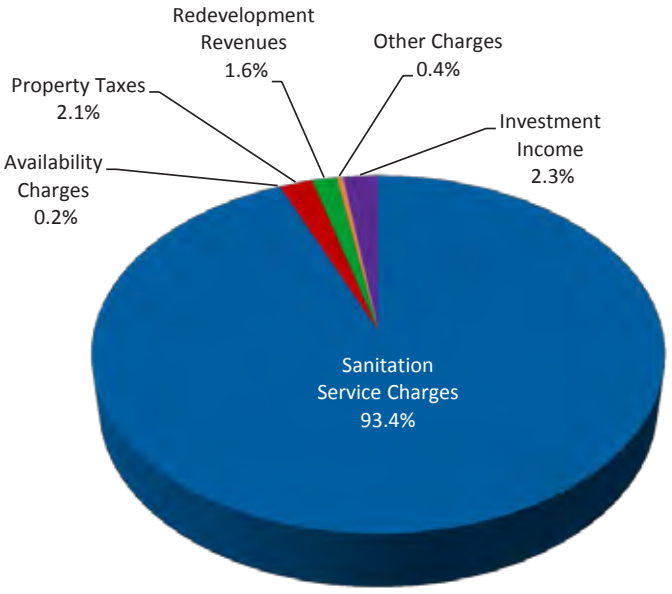
Statement of Revenues, Expenses and Changes in Reserves

	Actual 2013-14	Budget 2014-15	Projected 2014-15	Budget 2015-16	Budget Change	% Change
Revenues						
Sanitation Service Charges	38,112,000	37,450,000	37,450,000	37,825,000	375,000	1.0
Availability Charges	90,000	94,000	94,000	94,000	-	-
Property Taxes	1,937,000	1,018,000	834,000	867,000	(151,000)	(14.8)
Redevelopment Revenues	1,666,000	370,000	642,000	642,000	272,000	73.5
Other Charges	436,000	159,000	261,000	159,000	-	-
Investment Income	884,000	609,000	936,000	915,000	306,000	50.2
Total Revenues	**43,125,000**	**39,700,000**	**40,217,000**	**40,502,000**	**802,000**	**2.0%**
Expenses						
Salaries & Benefits	14,459,000	16,452,000	14,737,000	16,997,000	545,000	3.3
Supplies & Services	9,365,000	10,674,000	8,884,000	10,782,000	108,000	1.0
Utilities	4,200,000	4,922,000	4,131,000	4,838,000	(84,000)	(1.7)
Effluent Disposal Fee	586,000	600,000	549,000	600,000	-	-
Capital Outlay	824,000	787,000	671,000	887,000	100,000	12.7
Total Expenses	**29,434,000**	**33,435,000**	**28,972,000**	**34,104,000**	**669,000**	**2.0%**
Operating Income (Loss)	**13,691,000**	**6,265,000**	**11,245,000**	**6,398,000**	**133,000**	**2.1%**
Nonoperating Revenues (Expenses)						
Interfund Revenues	2,863,000	2,903,000	2,903,000	2,871,000	(32,000)	(1.1)
Capital Improvement Program	(57,658,000)	(42,238,000)	(26,454,000)	(39,966,000)	2,272,000	5.4
Less District Labor	-	1,128,000	-	1,199,000	71,000	6.3
Capital Grant Revenue	414,000	-	31,000	2,384,000	2,384,000	-
Use of Restricted Funds	25,644,000	9,207,000	9,207,000	4,993,000	(4,214,000)	(45.8)
OPEB Trust Payments	(3,000,000)	(2,926,000)	(2,926,000)	-	2,926,000	100.0
Other Revenues (Expenses)	31,000	-	-	-	-	-
Total Nonoperating Revenues (Expenses)	**(31,706,000)**	**(31,926,000)**	**(17,239,000)**	**(28,519,000)**	**3,407,000**	**10.7%**
Increase (Decrease) in Cash Flow	**(18,015,000)**	**(25,661,000)**	**(5,994,000)**	**(22,121,000)**	**3,540,000**	**13.8**
Beginning Reserves	**124,138,000**	**105,295,000**	**105,295,000**	**101,686,000**	**(3,609,000)**	**(3.4)**
Transfer From/(To) Other Funds	(828,000)	1,139,000	2,385,000	(512,000)	(1,651,000)	(145.0)
Ending Reserves	**105,295,000**	**80,773,000**	**101,686,000**	**79,053,000**	**(1,720,000)**	**(2.1%)**

Percolation pond at WRP 10

Revenues

Operating Revenues
$40,502,000



Sanitation Service Charge revenues are budgeted at $37.8 million and represent 93.4% of operating revenues. Sanitation service fees are charged to residential customers as a flat monthly rate. Rather than sending a monthly bill to residential customers, the District places the annual residential sanitation charge on the tax roll. These revenues are transmitted by Riverside County in January and May, and by Imperial County five times throughout the year.

Residential sanitation service revenues are estimated based on current rates, and projected growth of 0.5% for the coming year. Commercial revenues are budgeted with a slight decrease due to expected water conservation.

Property Taxes account for 2.1% of operating revenues and are projected to decrease in fiscal 2016. The fiscal 2015 budget for property taxes was aggressive. The budget for fiscal 2016 is based on a 4% increase over projected 2015 revenues, which is the projected increase in assessed values.

Redevelopment Revenues are a continuation of pass-through agreements and residual revenues from the successor agencies. This revenue source is highly volatile and difficult to estimate since the former redevelopment agencies continue to wind down and sell off assets. This revenue accounts for 1.6% of operating revenues and is budgeted consistent with the fiscal 2015 projection.

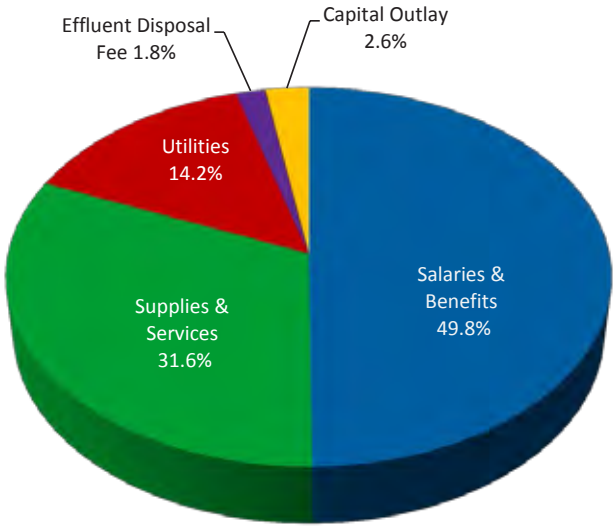
Investment Income is budgeted at $915,000 and represents 2.3% of total Sanitation operating revenues. Interest income is based on the cash balance in the fund and the interest generated by the combined investments of the District. Interest rates have been relatively low for the last several years and are not expected to increase any time in the near future.

Interfund Revenues, which are nonoperating revenues, represent the principal and interest income from two interfund loans: one to the Nonpotable Water Fund for a pipeline, and one to the West Whitewater Replenishment Fund for the advance purchase of water.

Expenses

Budgeted expenses for the Sanitation Fund amount to $34.1 million, which is a 2% increase from the fiscal 2015 budget. The following chart shows a breakdown of the expenses of the Sanitation Fund.

Operating Expenses
$34,104,000



Salaries & Benefits increased 3.3% due to increases in CalPERS expenses and salary increases.

Supplies & Services are budgeted at $10.8 million, an increase of 1%. Professional services increased due to the asset management project, which is a strategic initiative. Fleet charges also increased due to the addition of new vactor trucks and other vehicles.

Utilities are budgeted at $4.8 million, a decrease of 1.7%.

Capital Outlay is budgeted at $887,000, an increase of 12.7% compared to the prior year. Items include new paving at WRPs 4 and 7, a submersible sewage pump, and new nonpotable water pumps.

Effluent Disposal Charges amount to $600,000 and are paid to the Nonpotable Water Fund. The budget for effluent disposal is based on the amount of recycled water that is sent to off-site users.

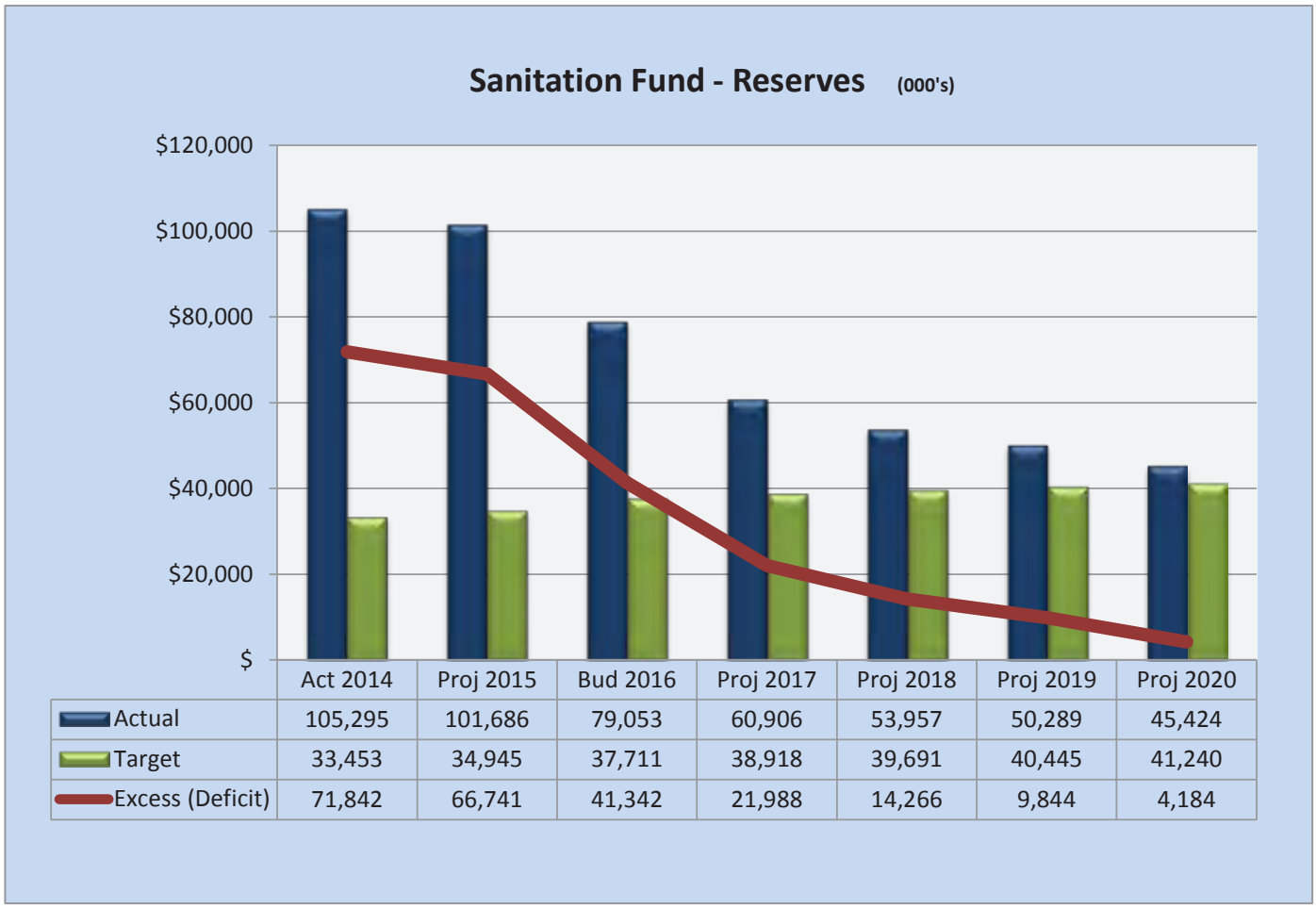
Capital Improvements

There are almost $40.0 million in capital improvements budgeted in fiscal 2016. Major projects include: grant projects to extend sewer service to two disadvantaged communities, several pipeline replacements and lift station upgrades, WRP 7 biosolids upgrade project, installation of air process improvements at WRP 10, a new effluent pump station at WRP 10, and replacement of chlorinator feeder cabinets. More details on the Capital Improvement Plan are located in the Capital Improvements chapter.

Five-Year Forecast

The Sanitation Fund is fiscally declining over the next five years. Although operating revenues continue to exceed operating expenses, expenses are forecast to increase steadily, mainly due to increased salaries & benefits, utility costs, and an increase in supplies & services.

There are over $114.8 million in needed capital improvements included in the five-year forecast. Reserves are fully funded through the forecast period, but are are steadily decreasing. The cost of service study, is therefore recommending 1.9% per year rate increases. The Board will act on this before the end of the fiscal year.



	Act 2014	Proj 2015	Bud 2016	Proj 2017	Proj 2018	Proj 2019	Proj 2020
Actual	105,295	101,686	79,053	60,906	53,957	50,289	45,424
Target	33,453	34,945	37,711	38,918	39,691	40,445	41,240
Excess (Deficit)	71,842	66,741	41,342	21,988	14,266	9,844	4,184

Sanitation Fund
Five-Year Forecast

	Budget 2015-16	Projected FY 2017	FY 2018	FY 2019	FY 2020
Revenues					
Sanitation Service Charges	37,825,000	38,203,000	38,585,000	38,971,000	39,361,000
Availability Charges	94,000	94,000	94,000	94,000	94,000
Property Taxes	867,000	901,000	919,000	937,000	955,000
Redevelopment Revenues	642,000	642,000	642,000	642,000	642,000
Other Charges	159,000	159,000	159,000	159,000	159,000
Investment Income	915,000	751,000	743,000	993,000	1,217,000
Total Revenues	**40,502,000**	**40,750,000**	**41,142,000**	**41,796,000**	**42,428,000**
% Change from prior year		**0.6%**	**1.0%**	**1.6%**	**1.5%**
Expenses					
Salaries & Benefits	16,997,000	17,507,000	18,032,000	18,574,000	19,130,000
Supplies & Services	10,782,000	10,361,000	10,722,000	11,096,000	11,483,000
Utilities	4,838,000	5,178,000	5,541,000	5,929,000	6,344,000
Effluent Disposal Fee	600,000	600,000	600,000	600,000	600,000
Capital Outlay	887,000	887,000	887,000	887,000	887,000
Total Expenses	**34,104,000**	**34,533,000**	**35,782,000**	**37,086,000**	**38,444,000**
% Change from prior year		**1.3%**	**3.6%**	**3.6%**	**3.7%**
Operating Income (Loss)	**6,398,000**	**6,217,000**	**5,360,000**	**4,710,000**	**3,984,000**
Nonoperating Revenues (Expenses)					
Interfund Revenues	2,871,000	837,000	129,000	129,000	129,000
Capital Improvement Program	(39,966,000)	(37,927,000)	(14,261,000)	(11,061,000)	(11,569,000)
Less District Labor	1,199,000	1,138,000	428,000	332,000	347,000
Capital Grant Revenue	2,384,000	2,384,000	-	-	-
Use of Restricted Funds	4,993,000	9,236,000	2,191,000	2,487,000	3,023,000
Total Nonoperating Revenues (Expenses)	**(28,519,000)**	**(24,332,000)**	**(11,513,000)**	**(8,113,000)**	**(8,070,000)**
Increase (Decrease) in Cash Flow	**(22,121,000)**	**(18,115,000)**	**(6,153,000)**	**(3,403,000)**	**(4,086,000)**
Beginning Reserves	**101,686,000**	**79,053,000**	**60,906,000**	**53,957,000**	**50,289,000**
Transfer From/(To) Other Funds	(512,000)	(32,000)	(796,000)	(265,000)	(779,000)
Ending Reserves	**79,053,000**	**60,906,000**	**53,957,000**	**50,289,000**	**45,424,000**
% Change from prior year		**(23.0%)**	**(11.4%)**	**(6.8%)**	**(9.7%)**

Stormwater Fund

Background

Rains are rare in the Coachella Valley, averaging less than four inches per year. But when heavy rains lead to flooding, CVWD is responsible for much of the region's stormwater protection, helping to prevent the loss of life and extensive property damage. Historically, flooding in the Coachella Valley has been a dangerous occurrence with widespread damage and even death occurring after severe storms. Many of the facilities that exist today were built or improved in the 1970s, in cooperation with cities and other agencies following severe floods.

CVWD protects 590 square miles from flooding, with Riverside County Flood Control District responsible for the remaining areas of the valley. There are 16 stormwater channels within CVWD's boundaries. The entire system includes approximately 134 miles of channels built along the natural alignment of dry creeks that flow from the surrounding mountains into the Whitewater River. Along with the channels, a number of levees have been built to collect rapidly flowing flood water as it pours from the adjacent mountains onto the valley floor.

The backbone of the stormwater protection system is a 49-mile storm channel that runs from the Whitewater area north of Palm Springs to the Salton Sea. The western half of the channel runs along the natural alignment of the Whitewater River that cuts diagonally across the valley to Point Happy in La Quinta. Since the riverbed flattens out naturally in the eastern valley, a man-made storm channel directs flood waters downstream from Point Happy to the Salton Sea. The entire length of this flood protection facility, known as the Whitewater River/Coachella Valley Stormwater Channel, was built to withstand a standard project flood, or a flow of about 83,000 cubic feet per second. A standard project flood is greater than a 100-Year flood for watersheds greater than ten square miles.

In 1937, the Coachella Valley Stormwater District of Riverside County was merged into the Coachella Valley Water District. As such, the "Stormwater Unit" had the ability to raise taxes for bonds, indebtedness, works, improvements, and functions authorized by the Storm Water District Act of 1909. This tax levy remains in effect today and is part of the 1% of assessed value that the counties of Riverside and Imperial impose and collect from property owners.

Stormwater protection is funded primarily from local property taxes. Property values reset each time there is a change in ownership, with the value being established at the sales price. Prices are continuing to increase in the Coachella Valley, resulting in an increase in assessed values.

September 2014 storm submerges La Quinta road. The storm was considered a 700-year event and caused widespread flooding.

Stormwater Fund

Statement of Revenues, Expenses and Changes in Reserves

	Actual 2013-14	Budget 2014-15	Projected 2014-15	Budget 2015-16	Budget Change	% Change
Revenues						
Property Taxes	8,407,000	7,963,000	8,359,000	8,694,000	731,000	9.2
Redevelopment Revenues	8,385,000	6,062,000	6,387,000	6,387,000	325,000	5.4
Other Charges	997,000	436,000	1,301,000	850,000	414,000	95.0
Investment Income	731,000	607,000	944,000	997,000	390,000	64.3
Total Revenues	**18,520,000**	**15,068,000**	**16,991,000**	**16,928,000**	**1,860,000**	**12.3%**
Expenses						
Salaries & Benefits	2,956,000	3,424,000	2,842,000	3,461,000	37,000	1.1
Supplies & Services	3,046,000	2,877,000	2,465,000	2,922,000	45,000	1.6
Utilities	52,000	59,000	52,000	54,000	(5,000)	(8.5)
Capital Outlay	407,000	443,000	296,000	21,000	(422,000)	(95.3)
Total Expenses	**6,461,000**	**6,803,000**	**5,655,000**	**6,458,000**	**(345,000)**	**(5.1%)**
Operating Income (Loss)	**12,059,000**	**8,265,000**	**11,336,000**	**10,470,000**	**2,205,000**	**26.7%**
Nonoperating Revenues (Expenses)						
Capital Improvement Program	(2,543,000)	(4,280,000)	(2,494,000)	(14,146,000)	(9,866,000)	(230.5)
Less District Labor	-	129,000	-	424,000	295,000	228.7
Capital Improvement Reimbursements	62,000	-	-	-	-	-
OPEB Trust Payments	(600,000)	(608,000)	(608,000)	-	608,000	100.0
Other Revenues (Expenses)	50,000	-	24,000	-	-	-
Total Nonoperating Revenues (Expenses)	**(3,031,000)**	**(4,759,000)**	**(3,078,000)**	**(13,722,000)**	**(8,963,000)**	**(188.3%)**
Increase (Decrease) in Cash Flow	**9,028,000**	**3,506,000**	**8,258,000**	**(3,252,000)**	**(6,758,000)**	**(192.8)**
Beginning Reserves	**92,930,000**	**101,337,000**	**101,337,000**	**110,806,000**	**9,469,000**	**9.3**
Transfer From/(To) Other Funds	(621,000)	952,000	1,211,000	(1,012,000)	(1,964,000)	(206.3)
Ending Reserves	**101,337,000**	**105,795,000**	**110,806,000**	**106,542,000**	**747,000**	**0.7%**

Budget Summary

Reserves are budgeted at $106.5 million, an increase of $747,000. This is due to an increase in property tax revenues as a result of increased assessed values. Stormwater reserves are fully funded according to the adopted Reserve Policy. The expense budget for fiscal 2016 reflects a 5.1% decrease as compared to fiscal 2015, with revenues increasing by 12.3%.

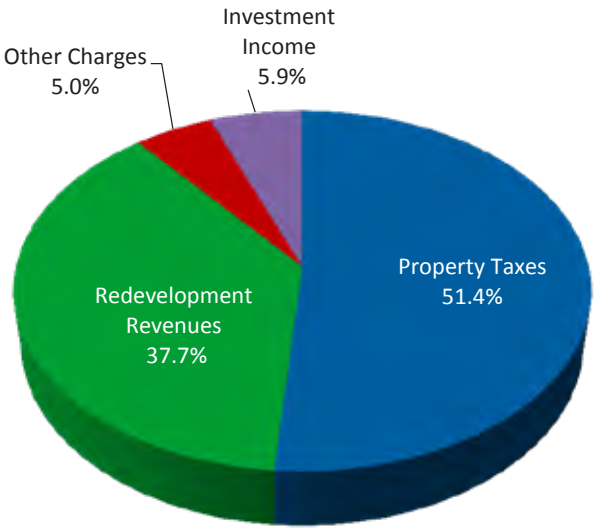
Revenues

Property Taxes account for 51.4% of the revenues in the Stormwater Fund. Property tax revenues represent the allocated share of the 1% Riverside and Imperial counties secured property tax levy pursuant to the California Revenue and Taxation Code. Increases in assessed values contribute to the 9.2% budget change compared to fiscal 2015.

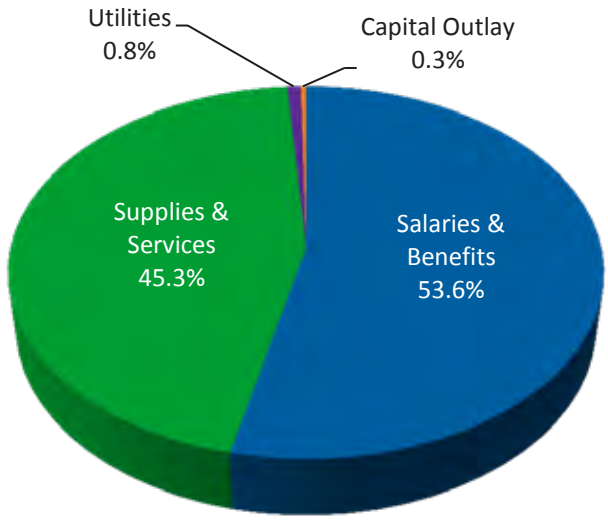
Redevelopment Revenues are revenues from the dissolved redevelopment agencies of cities within District boundaries. As these agencies continue to unwind and sell off assets, the revenue is very hard to predict. Redevelopment revenues account for 37.7% of the Stormwater Fund's revenues. Redevelopment revenues are budgeted to be 5.4% higher than fiscal 2015.

Investment Income is generated on available cash balances in the fund and is a function of the reserve balance and interest rates. Interest rates have been relatively low for the last several years and are not expected to increase any time in the near future. Investment earnings are budgeted at approximately $1.0 million in fiscal 2016 and accounts for 5.9% of the Stormwater Fund's total revenues.

Operating Revenues
$16,928,000

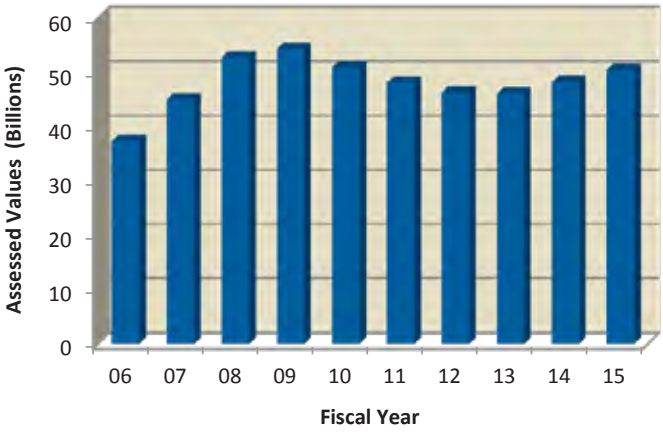


Operating Expenses
$6,458,000



The following bar graph depicts the assessed values within the Stormwater boundaries. Though there was a steady decline in assessed valuation from 2009 through 2013, values are on the rise again, which is contributing to increased revenue for this fund.

Assessed Valuation
Ten-Year History



Expenses

Salaries & Benefits are increasing slightly over fiscal 2015, due to salary increases.

Supplies & Services are budgeted at $2.9 million, an increase of $45,000. The fiscal 2016 budget reflects the consistency of the work that is performed year over year.

Capital Outlay is budgeted at $21,000 in fiscal 2016.

Capital Improvements

There are $14.1 million in capital improvement projects budgeted in fiscal 2016, with all funding coming from unrestricted reserves. Projects continue to focus on regional flood control master planning, constructing wetlands, repair of wasteway channels, levee certifications, and flood easement renewals. The Thousand Palms area and rural areas in the eastern Coachella Valley, from Oasis and Mecca to Salton City, do not currently have flood protection. The budget includes several projects to develop master plans for these unprotected areas, with construction budgeted in fiscal 2017 and beyond. The 5-year CIP amounts to $115.7 million, and includes partial construction of several regional flood control systems.

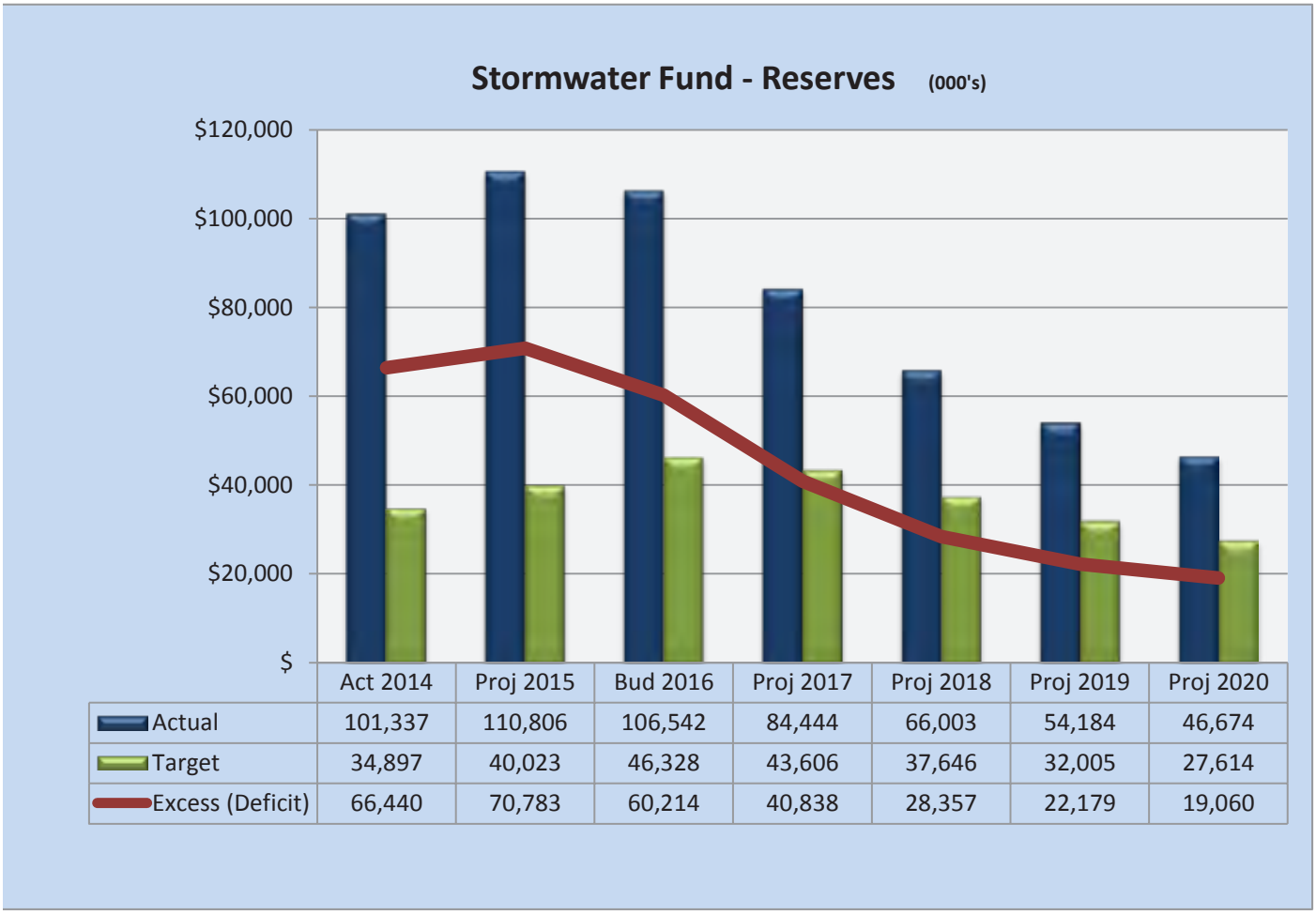
More details on the Capital Improvement Plan are located in the Capital Improvements chapter.

Five-Year Forecast

Operating income increases every year through the forecast period, mainly due to increases in assessed values, which increases property tax revenues each year. Operating expenses are increasing over the forecast period due to increases in salaries & benefits, and supplies & services.

There are approximately $115.7 million in capital improvements in the five-year forecast, with significant projects planned beyond that. A prioritization of these major projects and a funding plan must be prepared, with debt issuance likely. There is no capacity to increase the tax rate, so the revenue source for this fund is relatively fixed. There will be slight increases as assessed values increase.

Reserves are fully funded through fiscal 2020, though they are declining due to the capital investment planned. In order to complete the proposed capital plan, projects will need to be prioritized, and a funding plan implemented. It is likely that debt financing will be necessary.



	Act 2014	Proj 2015	Bud 2016	Proj 2017	Proj 2018	Proj 2019	Proj 2020
Actual	101,337	110,806	106,542	84,444	66,003	54,184	46,674
Target	34,897	40,023	46,328	43,606	37,646	32,005	27,614
Excess (Deficit)	66,440	70,783	60,214	40,838	28,357	22,179	19,060

Stormwater Fund
Five-Year Forecast

	Budget 2015-16	Projected FY 2017	FY 2018	FY 2019	FY 2020
Revenues					
Property Taxes	8,694,000	9,042,000	9,222,000	9,406,000	9,594,000
Redevelopment Revenues	6,387,000	6,387,000	6,387,000	6,387,000	6,387,000
Other Charges	850,000	850,000	850,000	850,000	850,000
Investment Income	997,000	1,012,000	1,030,000	1,214,000	1,311,000
Total Revenues	**16,928,000**	**17,291,000**	**17,489,000**	**17,857,000**	**18,142,000**
% Change from prior year		**2.1%**	**1.1%**	**2.1%**	**1.6%**
Expenses					
Salaries & Benefits	3,461,000	3,566,000	3,674,000	3,785,000	3,899,000
Supplies & Services	2,922,000	2,897,000	2,998,000	3,102,000	3,210,000
Utilities	54,000	57,000	61,000	65,000	69,000
Capital Outlay	21,000	21,000	21,000	21,000	21,000
Total Expenses	**6,458,000**	**6,541,000**	**6,754,000**	**6,973,000**	**7,199,000**
% Change from prior year		**1.3%**	**3.3%**	**3.2%**	**3.2%**
Operating Income (Loss)	**10,470,000**	**10,750,000**	**10,735,000**	**10,884,000**	**10,943,000**
Nonoperating Revenues (Expenses)					
Capital Improvement Program	(14,146,000)	(30,994,000)	(29,362,000)	(22,928,000)	(18,268,000)
Less District Labor	424,000	930,000	881,000	688,000	548,000
Total Nonoperating Revenues (Expenses)	**(13,722,000)**	**(30,064,000)**	**(28,481,000)**	**(22,240,000)**	**(17,720,000)**
Increase (Decrease) in Cash Flow	**(3,252,000)**	**(19,314,000)**	**(17,746,000)**	**(11,356,000)**	**(6,777,000)**
Beginning Reserves	**110,806,000**	**106,542,000**	**84,444,000**	**66,003,000**	**54,184,000**
Transfer From/(To) Other Funds	(1,012,000)	(2,784,000)	(695,000)	(463,000)	(733,000)
Ending Reserves	**106,542,000**	**84,444,000**	**66,003,000**	**54,184,000**	**46,674,000**
% Change from prior year		**(20.7%)**	**(21.8%)**	**(17.9%)**	**(13.9%)**

Storm water runoff

Nonpotable Water Fund

Background

The Nonpotable Water Fund (Nonpotable) accounts for water sales and related expenses incurred in delivering and promoting the use of recycled water and Colorado River water for uses such as golf courses and large landscapes.

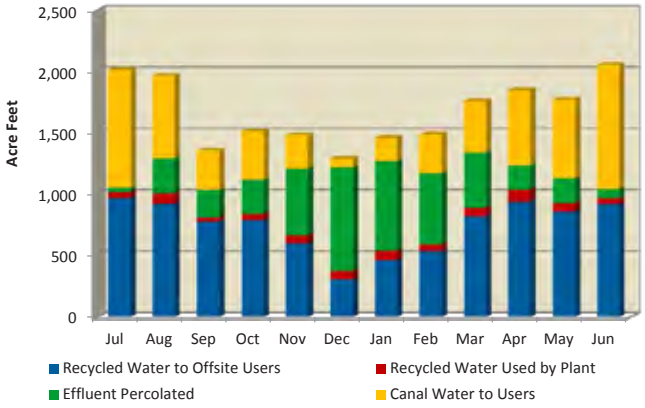
The Mid-Valley Pipeline (MVP) is a 54-inch pipeline that delivers Colorado River water to Wastewater Reclamation Plant (WRP) 10. It runs 6.7 miles, from the Coachella Canal in Indio, through the stormwater channel to WRP 10 in Palm Desert. Customers whose properties are adjacent to the MVP, have a direct connection, and therefore receive strictly Colorado River water. The balance of the Colorado River water delivered by the MVP to WRP 10 is received into a 65 acre-foot storage reservoir and is capable of being pumped into a 45 acre-foot blending reservoir, where it could be mixed with recycled water. This water is subsequently delivered to nonpotable customers for irrigation purposes.

WRP 7 and WRP 10 treat influent using an advanced multi-step treatment process that disinfects and filters microscopic particles, organic chemicals, and pathogens from the water, bringing it to a tertiary level. This treatment improves the water quality to a high enough level for full-body contact and irrigation purposes, but not for drinking or other human consumption. Two golf courses receive recycled water from WRP 7, supplemented at times with Colorado River water.

The District currently sells and delivers recycled, blended, or straight canal water to golf courses, homeowner associations, and a high school that use it to irrigate grass, water landscapes, and fill lakes. Nonpotable water is also used to irrigate the landscaping at the District's facilities in Palm Desert and WRP 10. Since the Valley's population nearly doubles during the winter months, little or no canal water is required during the winter months to augment the recycled water supply.

The graph below shows the amount of recycled water produced, and highlights the amount of canal water required in the summer months to meet demands for nonpotable water.

Distribution of Nonpotable Water Source by Month
Fiscal 2015



Indian Wells golf resort nonpotable connection

Nonpotable Water Fund
Statement of Revenues, Expenses and Changes in Reserves

	Actual 2013-14	Budget 2014-15	Projected 2014-15	Budget 2015-16	Budget Change	% Change
Revenues						
Water Sales	1,581,000	1,776,000	1,674,000	2,128,000	352,000	19.8
Charges for Services	85,000	91,000	11,000	10,000	(81,000)	(89.0)
Property Taxes	-	1,562,000	1,706,000	44,000	(1,518,000)	(97.2)
Redevelopment Revenues	-	1,912,000	1,408,000	-	(1,912,000)	(100.0)
Effluent Disposal Revenue	586,000	600,000	550,000	600,000	-	-
Investment Income	26,000	20,000	15,000	26,000	6,000	30.0
Total Revenues	**2,278,000**	**5,961,000**	**5,364,000**	**2,808,000**	**(3,153,000)**	**(52.9%)**
Expenses						
Salaries & Benefits	658,000	809,000	695,000	767,000	(42,000)	(5.2)
Supplies & Services	273,000	460,000	349,000	391,000	(69,000)	(15.0)
Utilities	100,000	143,000	112,000	135,000	(8,000)	(5.6)
Water Purchases	370,000	501,000	332,000	514,000	13,000	2.6
Capital Outlay	13,000	18,000	17,000	8,000	(10,000)	(55.6)
Total Expenses	**1,414,000**	**1,931,000**	**1,505,000**	**1,815,000**	**(116,000)**	**(6.0%)**
Operating Income (Loss)	**864,000**	**4,030,000**	**3,859,000**	**993,000**	**(3,037,000)**	**(75.4%)**
Nonoperating Revenues (Expenses)						
Debt Service	(129,000)	(129,000)	(129,000)	(129,000)	-	-
Capital Improvement Program	(485,000)	(3,970,000)	(3,986,000)	(350,000)	3,620,000	91.2
Less District Labor	-	91,000	-	11,000	(80,000)	(87.9)
Total Nonoperating Revenues (Expenses)	**(614,000)**	**(4,008,000)**	**(4,115,000)**	**(468,000)**	**3,540,000**	**88.3%**
Increase (Decrease) in Cash Flow	**250,000**	**22,000**	**(256,000)**	**525,000**	**503,000**	**2,286.4**
Beginning Reserves	**2,937,000**	**3,175,000**	**3,175,000**	**2,940,000**	**(235,000)**	**(7.4)**
Transfer From/(To) Other Funds	(12,000)	21,000	21,000	(8,000)	(29,000)	(138.1)
Ending Reserves	**3,175,000**	**3,218,000**	**2,940,000**	**3,457,000**	**239,000**	**7.4%**

Increasing use of nonpotable water is a key component of the District's Water Management Plan in order to save precious groundwater for household use. Four additional golf course connections will be constructed in the summer of 2015. Once connected, they will save approximately 4,000 acre-feet of groundwater from being pumped from the aquifer annually. These connections are being funded by the West Whitewater Replenishment Fund, since they are in-lieu recharge projects.

In the future, the distribution system has the potential to expand westward to provide the canal/recycled water blend to golf courses and large landscape customers in Palm Desert and Rancho Mirage. Currently, these customers use groundwater. Converting customers to nonpotable water significantly reduces demand on the aquifer, making more groundwater available valleywide for drinking.

Budget Summary

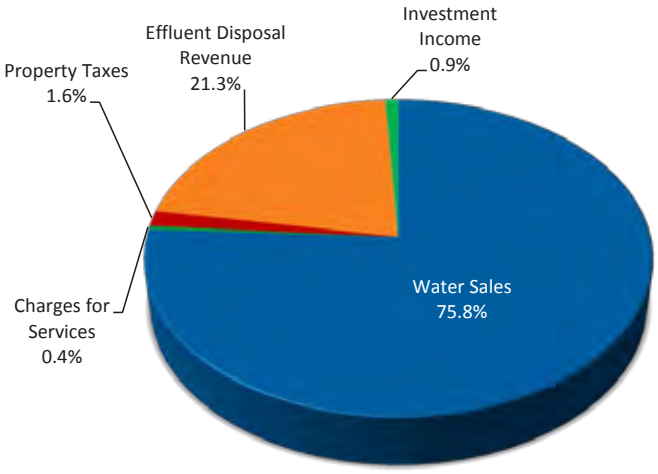
The fiscal 2016 budget reflects an increase in reserves of $239,000. This increase is the result of additional revenue from new connections and capital project expenses allocated to the West Whitewater Replenishment Fund. In fiscal 2015, Nonpotable received 25% of the general 1% property tax of the District. Effective fiscal 2016, this revenue is allocated to the Canal Water Fund. This is an annual revenue loss of $3.4 million for the Nonpotable Water Fund. Reserves are budgeted at $3.5 million at the end of fiscal 2016, an excess of $769,000 according to the Reserve Policy.

The major issue affecting this fund is the need to expand the MVP westward, which requires storage facilities. The estimated cost for this is approximately $50.0 million. Currently, there are not adequate reserves to pay for the system expansion.

Adding golf courses to the nonpotable system is a double-edged sword. The beneficial consequence is that it reduces reliance on the groundwater basin. However, since these courses will no longer be pumping groundwater, they will no longer be paying the replenishment assessment charge (RAC). This reduces revenue in the West Whitewater Replenishment Fund, which could cause the RAC to increase, which would increase the replenishment charges to the Domestic Water Fund.

Revenues

Operating Revenues
$2,808,000



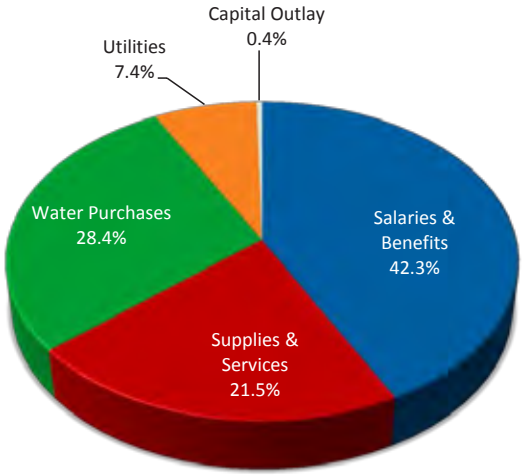
Water Sales account for 75.8% of the operating revenues of the Nonpotable Water Fund. Currently, 21 customers use nonpotable water, and each has an individually negotiated contract. Rates are calculated at 85% of the sum of the electrical cost to pump water and the applicable RAC. Revenue estimates are based on the negotiated rates and the historical usage trend of each customer. Four new customers will begin using nonpotable water in fiscal 2016.

Effluent Disposal Revenues are generated based on the amount of tertiary water produced at WRP 7 and WRP 10. The Sanitation Fund pays the Nonpotable Water Fund for the avoided cost of having to dispose of the water.

Expenses

The expense budget for the Nonpotable Water Fund decreased 6% from fiscal 2015. The adjacent chart shows a breakdown of Nonpotable expenses by element.

Operating Expenses
$1,815,000



Salaries & Benefits amount to $767,000. This is a decrease of 5.2% from fiscal 2015, mainly due to the reallocation of resources.

Supplies & Services are budgeted at $391,000, a decrease of 15%. As more is known about operating this new system, efficiencies are realized and planned work for the year is reduced.

Utilities are budgeted at $135,000, a decrease of $8,000 from fiscal 2015.

Water Purchases are budgeted to increase by 2.6% to $514,000. This increase is a result of additional customers, which will require more water to be purchased from the Canal Water Fund.

Debt Service, a nonoperating expense, is budgeted at $129,000, and is the principal and interest payment on a 20-year interfund loan from the Sanitation Fund for the construction of a pipeline connection to the Classic Club.

Capital Improvements

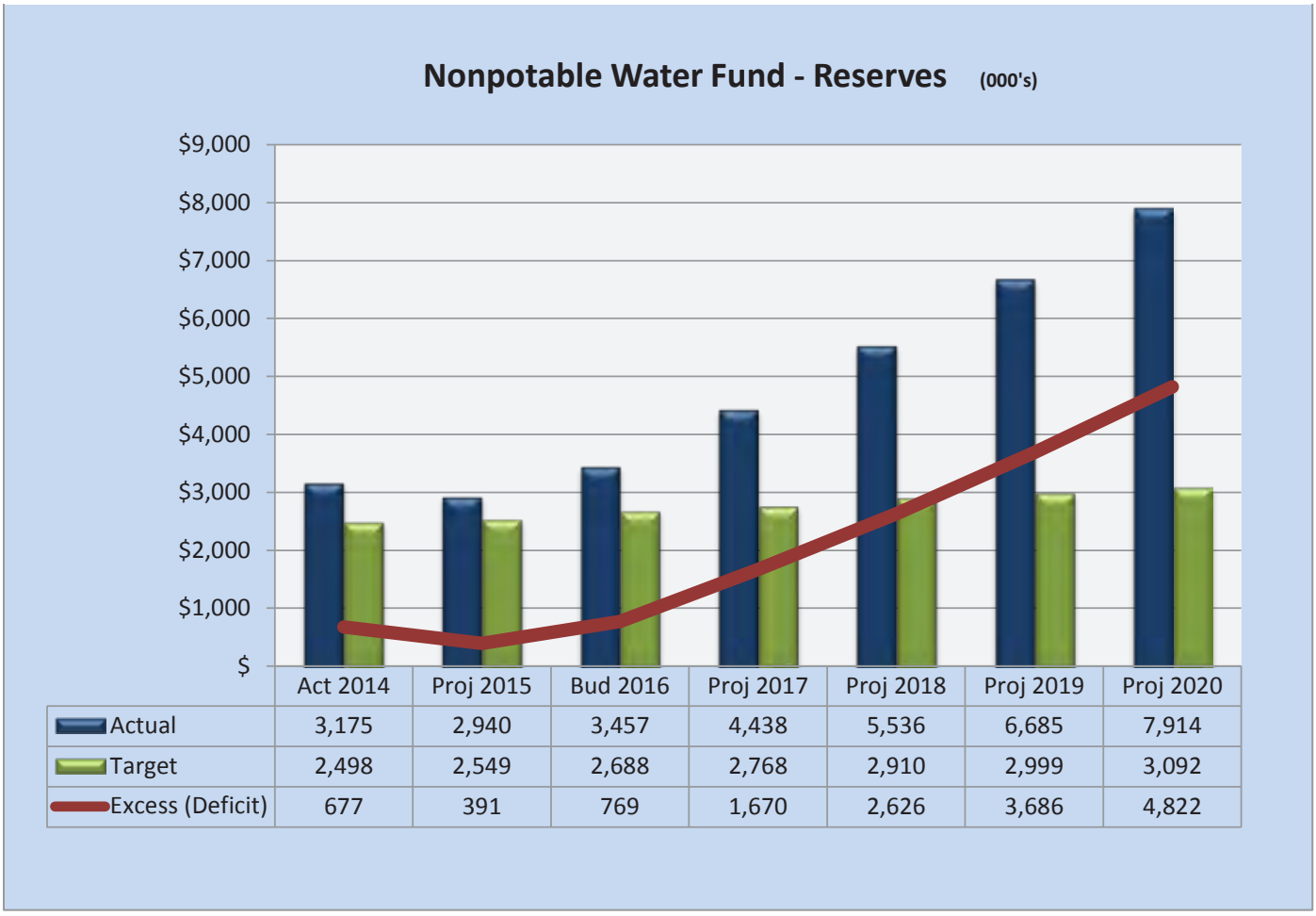
There is $350,000 budgeted in capital improvements. The sole project is the development of a Nonpotable Water Master Plan. All other capital projects, such as golf course connections, have been moved to the West Whitewater Replenishment Fund as in-lieu recharge projects.

More details on the Capital Improvement Plan are located in the Capital Improvements chapter.

Five-Year Forecast

The five-year forecast includes increased revenue from 15 additional connections to the nonpotable system. Along with the 15 new connections, comes an increase in water purchase expense and electricity.

Operating income steadily increases during the five-year forecast period and reserves continue to exceed the Reserve Policy. By fiscal 2020 reserves are budgeted at $7.9 million, an excess of $4.8 million over the reserve requirements.



	Act 2014	Proj 2015	Bud 2016	Proj 2017	Proj 2018	Proj 2019	Proj 2020
Actual	3,175	2,940	3,457	4,438	5,536	6,685	7,914
Target	2,498	2,549	2,688	2,768	2,910	2,999	3,092
Excess (Deficit)	677	391	769	1,670	2,626	3,686	4,822

Nonpotable Water Fund
Five-Year Forecast

	Budget	Projected			
	2015-16	FY 2017	FY 2018	FY 2019	FY 2020
Revenues					
Water Sales	2,128,000	2,330,000	2,715,000	2,855,000	3,044,000
Charges for Services	10,000	10,000	10,000	10,000	10,000
Property Taxes	44,000	-	-	-	-
Effluent Disposal Revenue	600,000	600,000	600,000	600,000	600,000
Investment Income	26,000	33,000	54,000	102,000	162,000
Total Revenues	**2,808,000**	**2,973,000**	**3,379,000**	**3,567,000**	**3,816,000**
% Change from prior year		**5.9%**	**13.7%**	**5.6%**	**7.0%**
Expenses					
Salaries & Benefits	767,000	791,000	815,000	840,000	866,000
Supplies & Services	391,000	272,000	282,000	292,000	302,000
Utilities	135,000	146,000	157,000	168,000	180,000
Water Purchases	514,000	642,000	884,000	972,000	1,091,000
Capital Outlay	8,000	8,000	8,000	8,000	8,000
Total Expenses	**1,815,000**	**1,859,000**	**2,146,000**	**2,280,000**	**2,447,000**
% Change from prior year		**2.4%**	**15.4%**	**6.2%**	**7.3%**
Operating Income (Loss)	**993,000**	**1,114,000**	**1,233,000**	**1,287,000**	**1,369,000**
Nonoperating Revenues (Expenses)					
Debt Service - Interfund	(129,000)	(129,000)	(129,000)	(129,000)	(129,000)
Capital Improvement Program	(350,000)	-	-	-	-
Less District Labor	11,000	-	-	-	-
Total Nonoperating Revenues (Expenses)	**(468,000)**	**(129,000)**	**(129,000)**	**(129,000)**	**(129,000)**
Increase (Decrease) in Cash Flow	**525,000**	**985,000**	**1,104,000**	**1,158,000**	**1,240,000**
Beginning Reserves	**2,940,000**	**3,457,000**	**4,438,000**	**5,536,000**	**6,685,000**
Transfer From/(To) Other Funds	(8,000)	(4,000)	(6,000)	(9,000)	(11,000)
Ending Reserves	**3,457,000**	**4,438,000**	**5,536,000**	**6,685,000**	**7,914,000**
% Change from prior year		**28.4%**	**24.7%**	**20.8%**	**(18.4%)**

Water Replenishment Funds

Background

Decline in the Valley's water table was first noted in the 1910s, when local residents and farmers were concerned that their artesian wells were drying up. When the District was formed in 1918, its first actions included obtaining water rights and building facilities near Windy Point to capture natural runoff from nearby mountains to help replenish the aquifer and to seek a supplemental water supply for the Coachella Valley. The Valley's high mountains provide a barrier, or rain shadow, against coastal storms. This effect renders the area a desert, averaging four inches of rain per year. This rainfall, along with snowmelt from surrounding mountains, is not enough to replenish what is pumped from the groundwater basin to meet the water demands of the Valley.

There are numerous "producers," including the District, that extract groundwater by pumping well water. A producer is a well owner or operator that pumps water from the aquifer such as: water agencies, golf courses, farmers, landowners, and other entities that operate wells within the groundwater replenishment areas of benefit (AOB). The State Water Code allows CVWD to levy and collect groundwater replenishment assessment charges (RACs). In fiscal 1981, RACs were levied on cities, farmers, golf courses, and others that pumped more than 25 acre-feet (af) of groundwater in a 12-month period in the West Whitewater River Subbasin AOB.

Beginning in fiscal 2004, RACs were levied in the Mission Creek Subbasin AOB; and in fiscal 2005, RACs were levied in the East Whitewater River Subbasin AOB.

The replenishment activities of these subbasins are accounted for in three separate enterprise funds. The replenishment assessment charges cover a portion of the costs of importing supplemental water for replenishment, operation, and maintenance of the replenishment basins, and various administrative costs, such as billing, meter reading, and report preparation.

Overdraft

To alleviate groundwater overdraft, the District and Desert Water Agency (DWA) import water to replenish the western portion of the Whitewater River Subbasin and the Mission Creek Subbasin. In addition, the District uses imported water to replenish the eastern portion of the Whitewater River Subbasin. These replenishment programs are a key element of the Coachella Valley Water Management Plans that include water conservation, additional imported water acquisition, water reclamation, and source substitution. In 2014, average groundwater levels increased in all three District AOBs. Engineers have estimated that if the District continues to implement the activities enumerated in the Coachella Valley Water Management Plans, overdraft will be eliminated by 2021.

Colorado River

Building Hoover Dam

Colorado River Water

Recognizing the need to supplement natural replenishment with imported water, the District began efforts to import Colorado River water to the Coachella Valley and approved its first contract with the federal government in 1919 for the survey of the All American Canal route. Bringing imported water to the region required a massive waterway that did not yet exist. In 1928, the Boulder Canyon Act authorized construction of Hoover Dam, Lake Mead, Imperial Dam, the All American Canal, and its 123-mile Coachella Branch. The Coachella Canal was completed in 1949 bringing with it approximately 300,000 acre-feet of water per year primarily to serve farms. This enabled the agriculture industry to reduce pumping of groundwater and help preserve the Coachella Valley groundwater basin.

The Quantification Settlement Agreement (QSA) was signed in 2003, providing CVWD with a secured Colorado River delivery allotment of 459,000 acre-feet per year. Additional information regarding Colorado River water and the QSA is located in the Canal Water Fund section of this chapter.

What is the State Water Project?

The State Water Project (SWP) is the nation's largest state-built water and power development and conveyance system. It is a water storage and delivery system consisting of 34 reservoirs and lakes, 701 miles of aqueducts, 5 power plants, and 24 pumping plants delivering water to 29 urban and agricultural water suppliers in California, providing water to 25 million Californians and 750,000 acres of irrigated farmland. Of the SWP's contracted water supply, approximately 70% is delivered to urban users and 30% is delivered to agricultural users.

The primary purpose of the State Water Project is to provide a water supply – that is, to divert and store water, and distribute it to areas of need in California. Other SWP purposes include flood control, power generation, recreation, fish and wildlife enhancement, and water quality improvement in the Sacramento-San Joaquin Delta (Delta). The Delta is a region where two of California's largest rivers meet – the Sacramento River and the San Joaquin River – and is the hub of the State's water distribution system. It is comprised of 738,000 acres of land and is one of the few estuaries in the world that is used as a major source of drinking water supply.

State Water Project and the District

On March 29, 1963, the District entered into a water supply contract with the State of California Department of Water Resources (DWR) entitling the District to certain amounts of water from the State Water Project. The District became one of the original 29 State Water Project contractors, which enabled deliveries of imported water from the California Delta to replenish the Coachella Valley groundwater basin. Since the Coachella Valley does not have its own aqueduct to bring SWP water directly to the District, a unique "bucket for bucket" exchange agreement was reached with Metropolitan Water District (MWD). This agreement allows the District to trade SWP water to MWD for equal amounts of Colorado River water delivered to the Whitewater River and Mission Creek Groundwater Replenishment facilities through MWD's Colorado River Aqueduct. All SWP exchange water received is used to replenish the Whitewater River and Mission Creek groundwater subbasins. This helps reduce overdraft and ensures a reliable water supply for the Coachella Valley.

California Aqueduct

CALIFORNIA STATE WATER PROJECT

Cost of the State Water Project

All 29 State Water Project contractors pay in proportion to their water supply allocations to cover the cost of constructing and operating facilities which store and transport the SWP water supply. In addition, each contractor pays an additional transportation charge, which covers the cost of facilities required to deliver water to its service area. Contractors such as CVWD that are further away from the Delta, pay higher transportation charges than those near the Delta.

Full payments are made each year for fixed State Water Project costs, regardless of the variations in water deliveries that occur from year to year. Fixed costs include those for operation, maintenance, and debt service. Contractors also pay costs that vary depending on the amount of water delivered during the year. These include costs for energy used to pump water to their aqueduct turnout location.

Individual State Water Project contractors may also incur additional costs associated with water storage or delivery structures unique to their needs. An example of this is the Perris Dam, which is the terminal reservoir on the East Branch of the SWP. Completed in 1972, this 2.2-mile long earthfill dam has a capacity of 131,450 af and serves three State Water Project contractors: MWD, DWA, and CVWD. A study conducted in 2005 showed that additional reinforcement to the dam's foundation was needed in order to meet the current seismic engineering standards. Pending this work, the working water storage elevation was lowered by 25 feet, which greatly reduces the ability to store water. It was proposed that a construction technique known as cement deep soil mixing (CDSM), be used to stabilize the foundation soil of the dam. This, and other ancillary work associated with the seismic stability project, is projected to cost up to $195 million. CVWD's proportional share has been calculated at approximately $43 million, to be paid over the remainder of the existing contract with DWR that ends in 2035.

State Water Project Water Availability

Availability of the water supply is highly variable and based on Delta inflows. Water years are designated by the DWR as "wet," "above normal," "below normal," "dry," or "critical," based on the amount of rain and snow that fell during the preceding period of October 1 through September 30. DWR hydrologists and meteorologists measure snowpack in the northern Sierra Nevada on or about the first of January, February, March, April, and May, in the watersheds where most of the state's water supply originates. Forecasts for snowmelt runoff, and thus, available water supply for the coming spring and summer are made. The latest snowpack survey taken in May 2015, showed water content of the snowpack at 2% of normal, which is a historical low.

State Water Project - California Aqueduct

State Water Project - Table A
CVWD's Ten-Year History of Deliveries

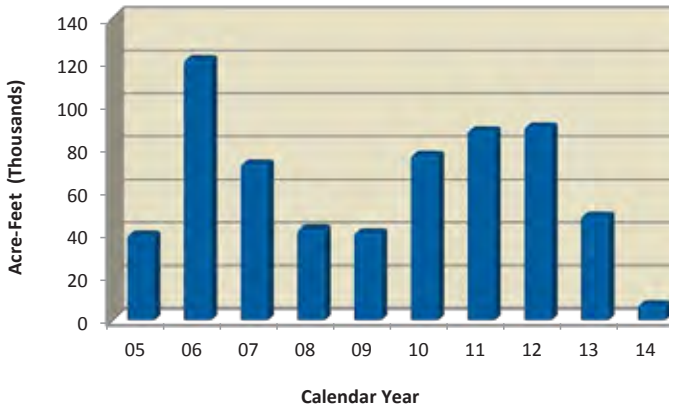


Table A, is an exhibit in the State Water Project water supply contract, which details the full entitlement of water that a contractor could expect to receive annually, although actual delivery varies from year to year, based on hydrology. The current annual water entitlement for CVWD is 138,350 af. The graph above depicts the District's SWP deliveries for the last 10 years, and shows the year-to-year change in reliability of water available. The long-term average delivery reliability from DWR is approximately 60% of the total entitlement. The Coachella Valley Water Management Plan bases its projections on 50% average delivery reliability.

The SWP operates on a calendar year basis; the budgeted water allocation for 2015 is 20%, which is 27,670 acre-feet of water. The low water allocation is due primarily to a record drought in California. Although all contractors are affected, the Northern California contractors which rely on State Project Water as their primary supply are the most negatively impacted. Pumping restrictions in the Delta to protect salmon, Delta smelt, and other endangered species, also limit the reliability of SWP supplies.

State Water Project Challenges

The Delta faces numerous challenges to its long-term sustainability, and includes the continued subsidence of Delta islands, many of which are already below sea level. There is also the related threat of a catastrophic levee failure, as water pressure increases on fragile dirt levees. Climate change threatens to increase the variability in floods and droughts. Changes in sea level also affect efforts to manage salinity levels and preserve water quality in the Delta, so that the water remains suitable for urban and agricultural users.

Perhaps the biggest opportunity to the SWP and to the District is the proposed Delta Habitat Conservation and Conveyance Program (DHCCP). The DHCCP will manage a number of activities to support the development of the Bay-Delta Conservation Plan (BDCP)/California WaterFix, which includes engineering, identification of habitat restoration opportunity areas, and preliminary designs for water conveyance facilities.

One proposed water conveyance facility would feature: 3 pumping plants, state-of-the-art fish screens, a forebay for temporarily storing water pumped from the river, and 2 tunnels to carry the water 35 miles to existing pumping plants in the south Delta. No final decisions on the proposed conveyance facility can be made prior to completion of regulatory and environmental review and public input.

Costs of the new facility, and mitigation associated with that facility, would be paid through charges to water users who benefit from its development and operation. The District would be responsible for paying its share of the estimated $25.9 billion cost. The SWP contractors are estimated to contribute $10.0 billion to the project with the balance paid by State, Federal, and other users. The District's share would be based on its percentage of entitlement, which is 3.3%.

Funding

Article 34 of the DWR contract enables the District to levy a tax on all property within District boundaries not exempt from taxation, in an amount sufficient to provide for all payments due under the contract within that year. The current levy is ten cents per $100 of assessed value. In other words, a house valued at $300,000 would be levied $300 ($300,000/100 X $0.10), or $25 a month. This levy is placed on the property tax rolls for all nonexempt parcels within the boundaries of the District.

Whitewater replenishment basin

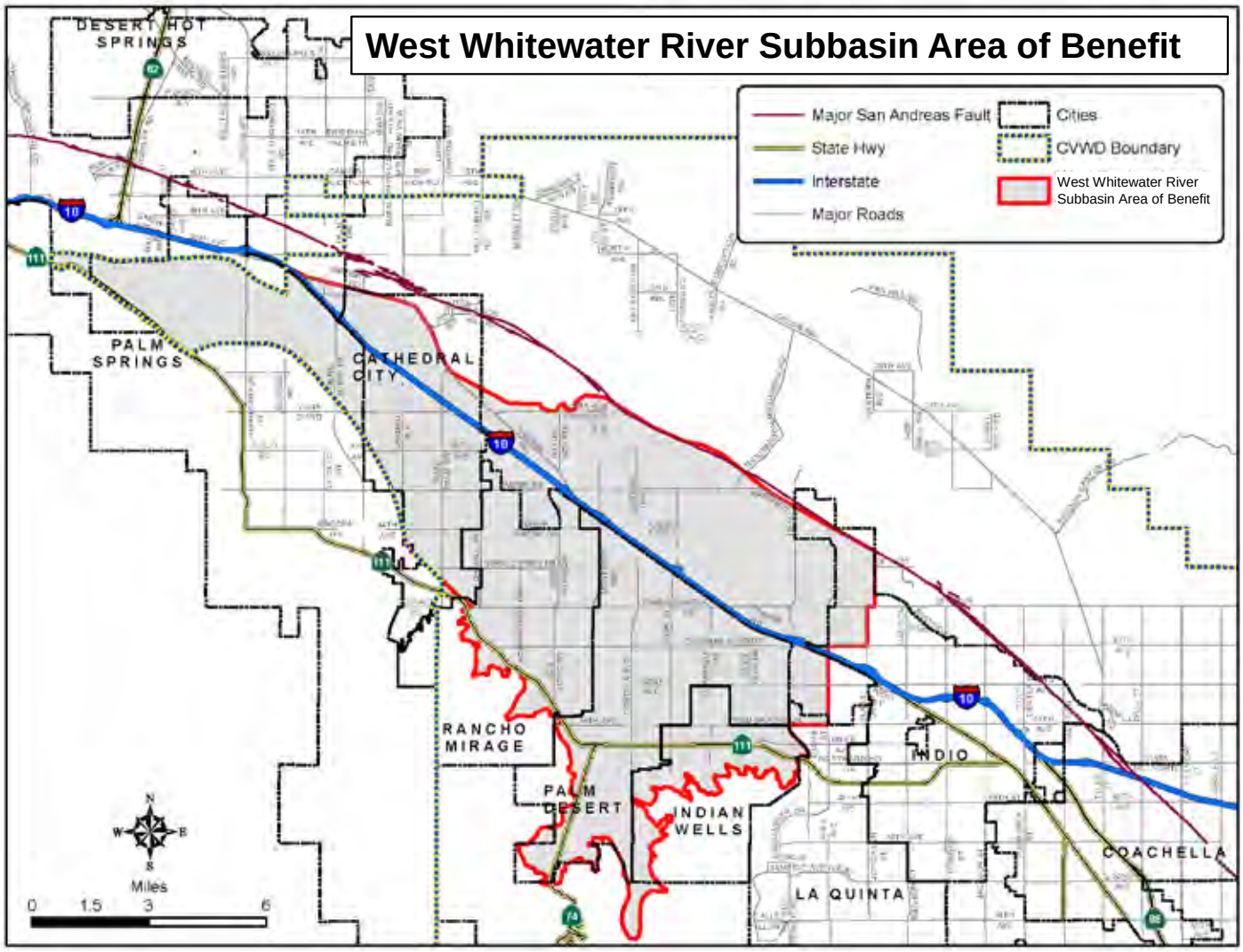
West Whitewater Replenishment Fund

Background

In 1973, CVWD began using the SWP entitlement to replenish the western Coachella Valley's aquifer at the Whitewater spreading area, northwest of Palm Springs. This replenishment area is referred to as the West Whitewater River Subbasin Area of Benefit (AOB) and its activities are accounted for in the West Whitewater Replenishment Fund (West Whitewater).

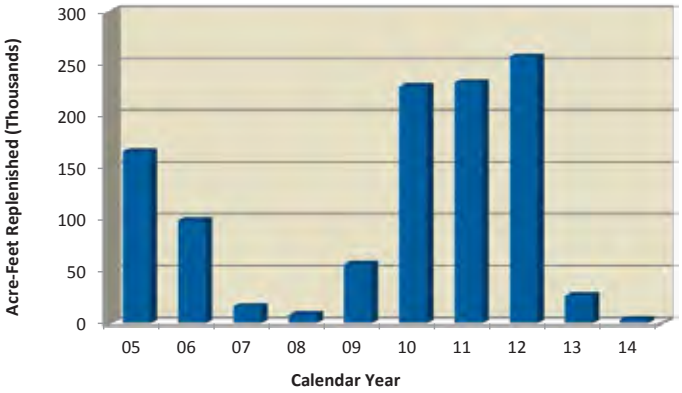
The West Whitewater River Subbasin AOB is replenished using imported water from the SWP, water purchased from MWD, Glorious Land Company and Rosedale-Rio Bravo Water Storage District (GLC), other available purchase opportunities, as well as natural runoff. Other available water purchases include water purchased from MWD QSA Transfer water.

The following map shows the West Whitewater Area of Benefit, along with CVWD Boundaries.



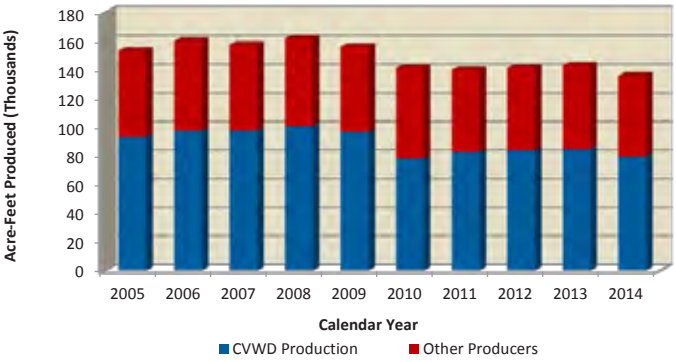
The graph below shows the amount of water the District has replenished over the last ten years. It also shows the variability of the supply of SWP water. To date, CVWD has replenished approximately 2.9 million acre-feet of water in the West Whitewater River Subbasin AOB. The amount of water replenished varies year to year. This is due in part to the 1984 Advance Delivery Agreement between CVWD, DWA, and MWD, whereby the District will allow MWD to pre-deliver up to 800,000 af of water in the Whitewater River Subbasin. MWD pre-delivered or advance delivered a total of over 300,000 af of water from 2010 through 2012, which is reflected in the graph below. In years where an advanced delivery balance exists, MWD may deliver less than CVWD's SWP allocations to the Coachella Valley and instead draw down the advanced delivery account. However the account can never go below zero. This agreement allows MWD to store Colorado River Water in the Whitewater River Basin in wet years on the Colorado River.

West Whitewater River Subbasin AOB
Ten-Year History of Acre-Feet Replenished



There were 71 producers in the West Whitewater River Subbasin AOB that pumped a total of 136,027 acre-feet of water from the aquifer in 2014, a decrease of 4.9% from 2013. Of the 136,027 acre-feet produced in 2014, CVWD's wells produced 79,786 af for use as domestic water compared to 84,555 af in 2013, a decrease of 5.6%. The adjacent graph shows the amount of water produced in the subbasin over the last ten years. The reduction in water pumped from the aquifer in 2014 can be attributed to CVWD's robust conservation program and the voluntary conservation efforts by domestic users in response to Governor Brown's 2014 drought declaration that called for a voluntary 25% reduction in urban water use.

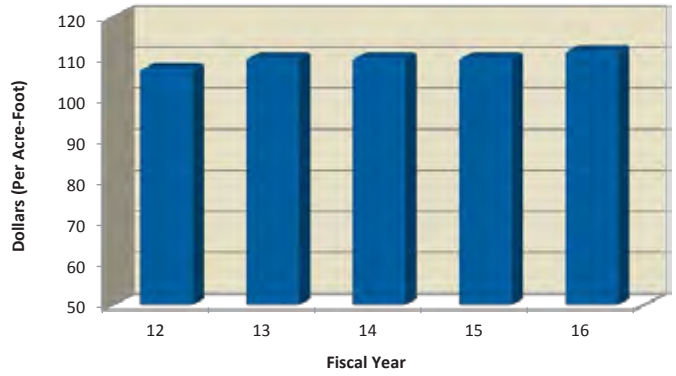
West Whitewater River Subbasin AOB
Ten-Year History of Acre-Feet Produced



West Whitewater RAC Rate History

The RAC rate for fiscal 2016 increased from $110.26 per af to $112.00 per af as depicted in the graph below.

West Whitewater RAC Rates
Five-Year History



Budget Summary

West Whitewater revenues are budgeted to decrease by 9.8%, compared to fiscal 2015. The primary reason is a decrease in property tax revenues of $4.9 million. In fiscal 2013, the Board authorized an increase in the SWP tax from $0.08 to $0.10. One-cent of the tax was earmarked for the West Whitewater Fund and one-cent earmarked for the East Whitewater Replenishment Fund. In fiscal 2016, the Board authorized moving a total of $0.02 to the East Whitewater Replenishment Fund. Operating expenses are budgeted to decrease by 7.5% compared to fiscal 2015, due primarily to the decrease in water purchases. Offsetting the decrease in water purchases are the QSA Mitigation costs.

Beginning in fiscal 2016, the QSA Mitigation costs have been allocated to the three replenishment funds. These costs were previously allocated 90% to the Domestic Water Fund and 10% to the Canal Water Fund. The replenishment funds will pay their proportionate share of QSA Mitigation costs, based on the percent of water produced in the respective three subbasins. Ending reserves for fiscal 2016 are budgeted at $67.6 million, a decrease of $13.2 million from fiscal 2015. The decrease in reserves is primarily due to a one-time correction of approximately $12.3 million in redevelopment revenue that was incorrectly receipted to the State Water Project Fund between 2004 and 2011.

The SWP Fund was subsequently closed to the West Whitewater and Mission Creek Fundsreceived by the West Whitewater Fund. Even with the revenue correction, the fund's reserves are within the District's Reserve Policy.

Although reserves are projected at $67.6 million, over $55 million is reserved for SWP purposes.

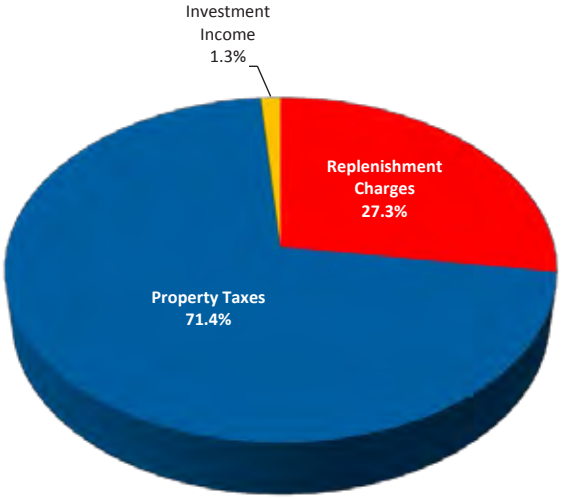
Nonoperating expenses include debt service of $2.7 million for fiscal 2016. This represents annual debt service on a five-year interfund loan to repay the Sanitation Fund for the advance purchase of MWD water. The loan is scheduled to be paid in full in fiscal 2017.

West Whitewater Replenishment Fund
Statement of Revenues, Expenses and Changes in Reserves

	Actual 2013-14	Budget 2014-15	Projected 2014-15	Budget 2015-16	Budget Change	% Change
Revenues						
Replenishment Charges	15,459,000	15,445,000	14,673,000	14,442,000	(1,003,000)	(6.5)
Property Taxes (SWP)	43,409,000	42,775,000	42,825,000	37,801,000	(4,974,000)	(11.6)
Other Charges	19,000	-	(180,000)	-	-	-
Investment Income	542,000	515,000	741,000	709,000	194,000	37.7
Total Revenues	**59,429,000**	**58,735,000**	**58,059,000**	**52,952,000**	**(5,783,000)**	**(9.8%)**
Expenses						
Salaries & Benefits	852,000	916,000	1,047,000	1,057,000	141,000	15.4
Supplies & Services	1,812,000	1,307,000	2,115,000	1,737,000	430,000	32.9
Utilities	20,000	19,000	21,000	22,000	3,000	15.8
QSA Mitigation	-	-	-	2,720,000	2,720,000	-
Water Purchases	7,941,000	14,918,000	1,088,000	3,417,000	(11,501,000)	(77.1)
SWP - Allocated Costs	41,448,000	45,659,000	45,826,000	49,160,000	3,501,000	7.7
Capital Outlay	19,000	32,000	30,000	15,000	(17,000)	(53.1)
Total Expenses	**52,092,000**	**62,851,000**	**50,127,000**	**58,128,000**	**(4,723,000)**	**(7.5%)**
Operating Income (Loss)	**7,337,000**	**(4,116,000)**	**7,932,000**	**(5,176,000)**	**(1,060,000)**	**(25.8%)**
Nonoperating Revenues (Expenses)						
Debt Service	(2,734,000)	(2,774,000)	(2,710,000)	(2,742,000)	32,000	1.2
Capital Improvement Program	(2,024,000)	(700,000)	(494,000)	(3,160,000)	(2,460,000)	(351.4)
Less District Labor	-	21,000	-	95,000	74,000	352.4
Use of Restricted Funds	-	950,000	-	-	(950,000)	(100.0)
Other Revenues (Expenses)	-	-	1,600,000	-	-	-
Total Nonoperating Revenues (Expenses)	**(4,758,000)**	**(2,503,000)**	**(1,604,000)**	**(5,807,000)**	**(3,304,000)**	**(132.0%)**
Increase (Decrease) in Cash Flow	**2,579,000**	**(6,619,000)**	**6,328,000**	**(10,983,000)**	**(4,364,000)**	**(65.9)**
Beginning Reserves	**81,200,000**	**87,265,000**	**87,265,000**	**78,735,000**	**(8,530,000)**	**(9.8)**
Transfer From/(To) Other Funds	3,486,000	146,000	(14,858,000)	(152,000)	(298,000)	(204.1)
Ending Reserves	**87,265,000**	**80,792,000**	**78,735,000**	**67,600,000**	**(13,192,000)**	**(16.3%)**

Revenues

Operating Revenues
$52,952,000



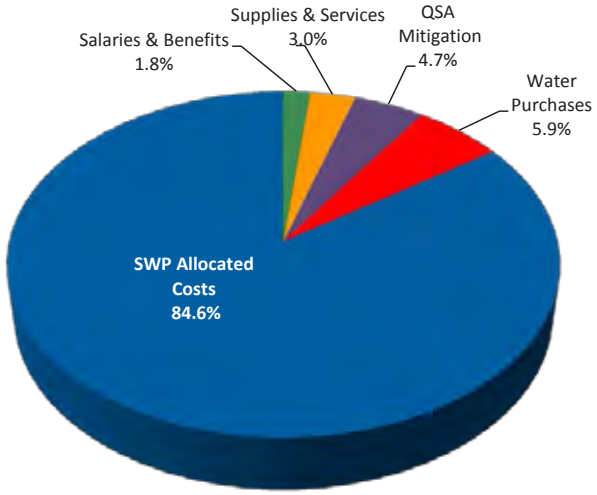
Replenishment Charges comprise 27.3% of the revenue. The replenishment charge revenues are budgeted based on the amount of water expected to be pumped from the aquifer (well production), multiplied by the RAC rate. The RAC rate increased to $112.00 per acre-foot in fiscal 2016. Replenishment charge revenues are budgeted at $14.4 million for fiscal 2016, a decrease of 6.5% from fiscal 2015. The decrease is due to a budgeted 5% reduction in residential, HOA, and golf course customer water usage due to the drought.

Property Taxes make up 71.4% of the revenues of the fund, down 11.6% from fiscal 2015. The ten-cent State Water Project tax levy is divided between the three replenishment funds. In fiscal 2015, the West Whitewater fund received 95% of the revenue generated by eight cents of the tax levy along with 100% of the revenue generated by one cent of the levy, based on assessed values from 2013. Beginning in fiscal 2016, the one cent of the levy is being moved to the East Whitewater Fund. The West Whitewater Fund will continue to receive its share of the eight-cent levy.

Investment Income is budgeted at $709,000 and represents 1.3% of the fund's revenues. Investment income is based on the cash balance in the fund and is generated by the combined investments of the District.

Expenses

Operating Expenses
$58,128,000



Salaries & Benefits amount to $1.1 million, an increase of 15.4% compared to fiscal 2015. This increase reflects the impacts of negotiated labor contracts, increased CalPERS contributions, as well as additional staff.

Supplies & Services are budgeted at $1.7 million. The fiscal 2016 budget is higher than fiscal 2015, due primarily to increased dues & memberships expenses that were underbudgeted in fiscal 2015, but are in line with fiscal 2015 projected costs.

QSA Mitigation costs are budgeted at $2.7 million. Beginning in fiscal 2016, these costs have been reallocated to the three replenishment funds based on production. Mitigation costs were previously expensed in the Domestic Water and Canal Water Funds. The West Whitewater Fund accounts for 51.6% of all water produced from the three subbasins, so it is responsible for 51.6% of the estimated $5.3 million QSA Mitigation costs budgeted in fiscal 2016.

Water Purchases are budgeted at $3.4 million for non-SWP water, as compared to $14.9 million budgeted in fiscal 2015, representing a 77.1% decrease in water purchases. The District has agreements that would allow the purchase of 35,000 acre-feet from the MWD QSA Transfer and up to 16,500 acre-feet from GLC. The water purchased from MWD is considered SWP water. The conveyance cost of this water is charged to water purchases while the cost of the water is charged to the SWP water costs. Due to drought conditions in California, the District only forecasts receipt of 25% of the water from MWD and GLC.

SWP Allocated Costs are budgeted at $49.2 million, an increase of 7.7%. The increase in SWP costs is due to a small increase in the projected SWP water allocation, the water component of the MWD water purchases, and increases in SWP operating costs.

Capital Outlay is budgeted at $15,000 for fiscal 2016.

Capital Improvements

The Capital Improvements Budget of $3.2 million is for the connections of three golf courses to the Mid-Valley Pipeline. Although connecting golf courses to the Mid-Valley Pipeline is a key component of the District's Water Management Plan, it reduces replenishment charge revenues. It is estimated these connections will save approximately 3,000 acre-feet of groundwater per year. These golf course connections are considered in-lieu recharge projects and therefore, are being paid by the West Whitewater Fund. More details on the Capital Improvement Plan are located in the Capital Improvements chapter.

Five-Year Forecast

Reserves are forecasted to decline for the West Whitewater Fund during the next five years primarily due to projected reductions in groundwater production, reductions in property tax revenue, and increases in QSA mitigation costs.

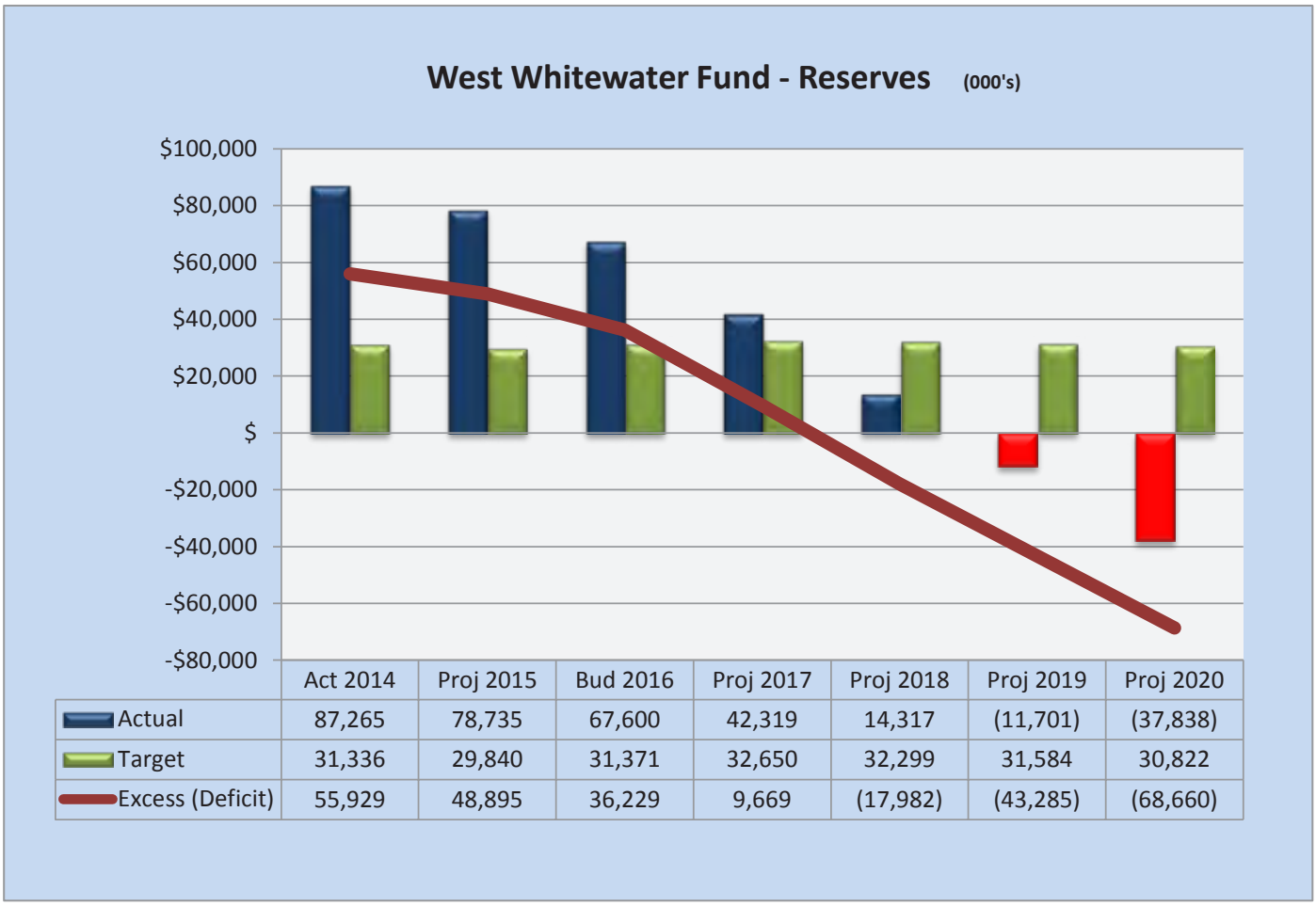
Because water costs comprise more than 90% of the operating expenses of the fund it is difficult to budget, with any accuracy, the operating income for the fund during

Whitewater replenishment basin

this period. The District is taking a conservative stance and projecting that beginning in fiscal 2017, the fund will receive its full allotment of water from the Metropolitan Water District Quantification Settlement Agreement Transfer, Glorious Land Company, and the State Water Project. Although the amount of water available from the SWP is directly related to the drought conditions in the state, the overall cost of the SWP remains high due to the large amount of fixed costs associated with the SWP system. As a result, it is anticipated that the fund will have operating losses beginning fiscal 2016. Reserves are fully funded through fiscal 2017, but are projected to drop below the District's Reserve Policy beginning in fiscal 2018.

The District has contracted with an outside firm to provide a cost of service study (COSS) for the West Whitewater Fund. The study remains in development and is projected to be presented to the Board in fiscal 2016. The COSS reviews the existing rate structure, evaluates the adequacy of projected revenues under existing rates, makes recommendations for potential revenue adjustments, and develops a sound financial plan for a ten-year period.

Rate setting procedures in California require that agencies responsible for imposing property-related charges demonstrate a nexus between the cost of providing the service and the services or benefits received. The COSS will make recommendations on potential rate increases.



	Act 2014	Proj 2015	Bud 2016	Proj 2017	Proj 2018	Proj 2019	Proj 2020
Actual	87,265	78,735	67,600	42,319	14,317	(11,701)	(37,838)
Target	31,336	29,840	31,371	32,650	32,299	31,584	30,822
Excess (Deficit)	55,929	48,895	36,229	9,669	(17,982)	(43,285)	(68,660)

West Whitewater Replenishment Fund

Five-Year Forecast

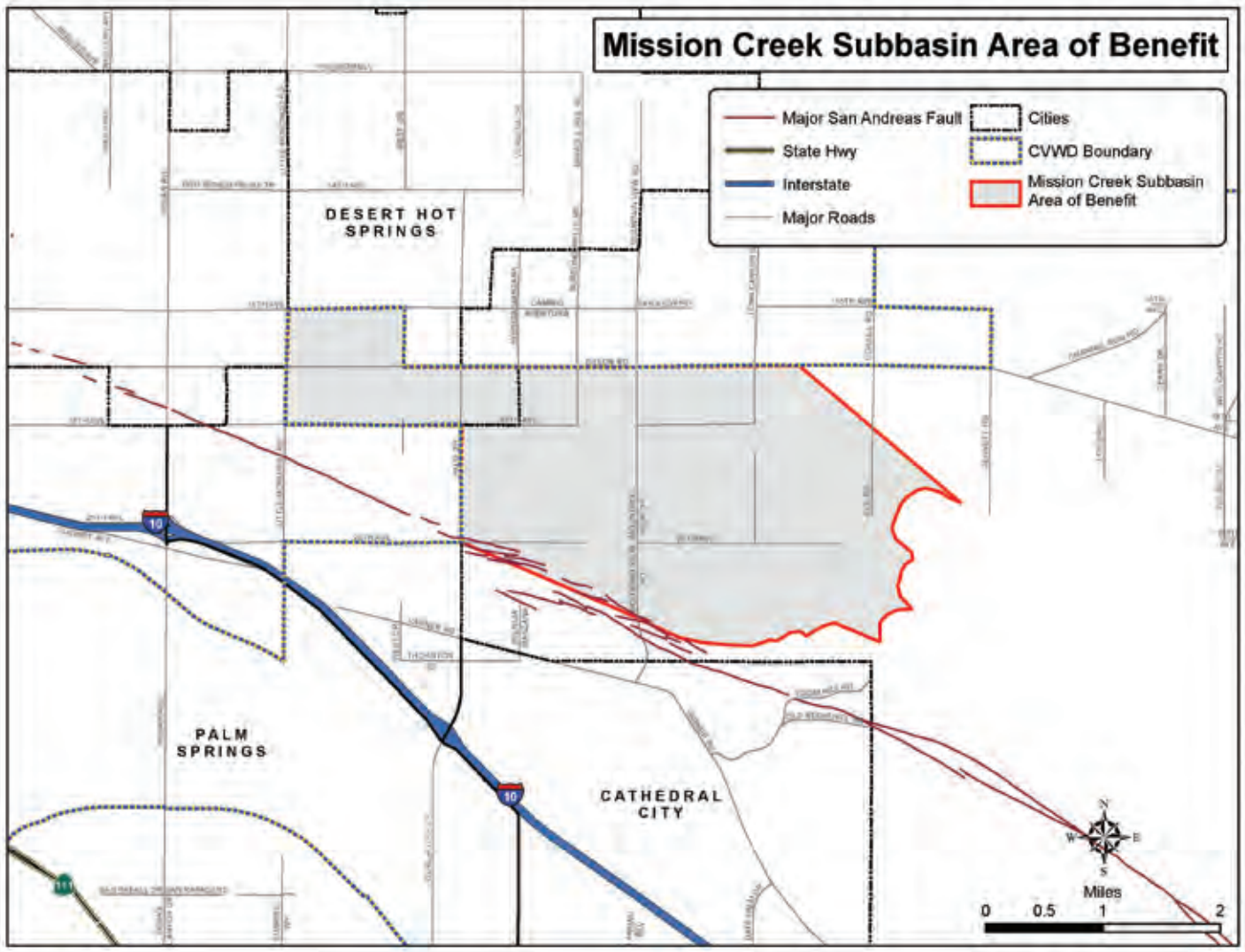
	Budget 2015-16	Projected FY 2017	FY 2018	FY 2019	FY 2020
Revenues					
Replenishment Charges	14,442,000	14,338,000	14,040,000	13,980,000	13,834,000
Property Taxes (SWP)	37,801,000	37,801,000	37,801,000	37,801,000	37,801,000
Investment Income	709,000	642,000	516,000	263,000	(283,000)
Total Revenues	**52,952,000**	**52,781,000**	**52,357,000**	**52,044,000**	**51,352,000**
% Change from prior year		**(0.3%)**	**(0.8%)**	**(0.6%)**	**(1.3%)**
Expenses					
Salaries & Benefits	1,057,000	1,089,000	1,122,000	1,156,000	1,190,000
Supplies & Services	1,737,000	1,776,000	1,838,000	1,902,000	1,968,000
Utilities	22,000	24,000	26,000	28,000	30,000
QSA Mitigation	2,720,000	4,026,000	3,112,000	2,939,000	901,000
Water Purchases	3,417,000	9,645,000	9,845,000	9,845,000	10,214,000
SWP - Allocated Costs	49,160,000	59,941,000	60,835,000	60,330,000	60,870,000
Capital Outlay	15,000	15,000	15,000	15,000	15,000
Total Expenses	**58,128,000**	**76,516,000**	**76,793,000**	**76,215,000**	**75,188,000**
% Change from prior year		**31.6%**	**0.4%**	**(0.8%)**	**(1.3%)**
Operating Income (Loss)	**(5,176,000)**	**(23,735,000)**	**(24,436,000)**	**(24,171,000)**	**(23,836,000)**
Nonoperating Revenues (Expenses)					
Debt Service - Interfund	(2,742,000)	(708,000)	-	-	-
Capital Improvement Program	(3,160,000)	(860,000)	(3,560,000)	(1,831,000)	(2,253,000)
Less District Labor	95,000	26,000	107,000	55,000	68,000
Total Nonoperating Revenues (Expenses)	**(5,807,000)**	**(1,542,000)**	**(3,453,000)**	**(1,776,000)**	**(2,185,000)**
Increase (Decrease) in Cash Flow	**(10,983,000)**	**(25,277,000)**	**(27,889,000)**	**(25,947,000)**	**(26,021,000)**
Beginning Reserves	**78,735,000**	**67,600,000**	**42,319,000**	**14,317,000**	**(11,701,000)**
Transfer From/(To) Other Funds	(152,000)	(4,000)	(113,000)	(71,000)	(116,000)
Ending Reserves	**67,600,000**	**42,319,000**	**14,317,000**	**(11,701,000)**	**(37,838,000)**
% Change from prior year		**(37.4%)**	**(66.2%)**	**(181.7%)**	**223.4%**

Mission Creek Replenishment Fund

Background

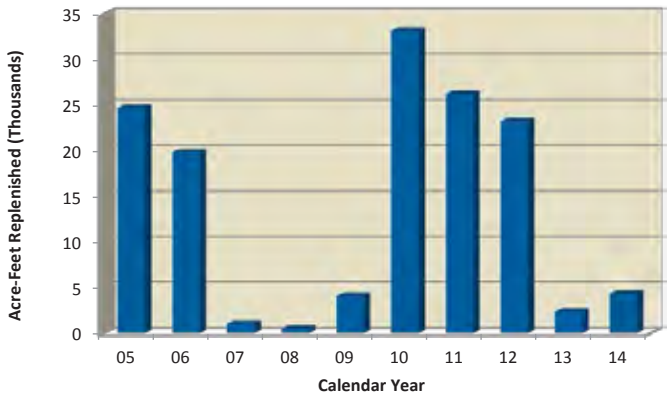
The Mission Creek Subbasin Area of Benefit (AOB) is bound on the south by the Banning fault and on the north and east by the Mission Creek fault as depicted in the map below. This subbasin relies on the same imported SWP exchange water source, as does West Whitewater River Subbasin AOB. CVWD and DWA began constructing facilities to replenish the Mission Creek subbasin in 2001, and completed in 2002. In 2003, recognizing that management of the Mission Creek Subbasin extended across agency boundaries, CVWD and DWA entered into the Mission Creek Groundwater Replenishment Agreement. This agreement recognizes the need to operate the subbasin as a complete unit rather than as individual segments delineated by agency boundaries.

The following map shows the Mission Creek Area of Benefit, along with CVWD Boundaries.



To date, CVWD has replenished approximately 150,142 acre-feet in the Mission Creek Subbasin AOB. The graph below shows the annual acre-feet replenished at the Mission Creek Replenishment Facility over the last ten years. The amount of water replenished varies each year, due in part to the 1984 Advance Delivery Agreement between CVWD, DWA, and MWD; whereby MWD is allowed to pre-deliver water in the Mission Creek Subbasin.

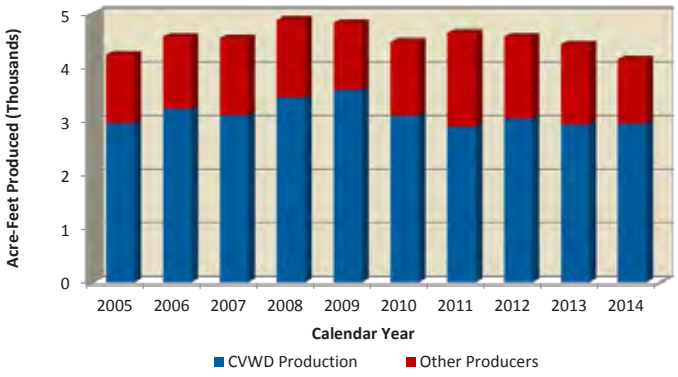
Mission Creek Subbasin AOB
Ten-Year History of Acre-Feet Replenished



In 2014, there were four producers in the Mission Creek Subbasin that pumped a total of 4,154 af of water. Of that total production, 2,950 af were produced by CVWD wells for use as domestic water.

Annual production for the Mission Creek Subbasin AOB is depicted in the following graph.

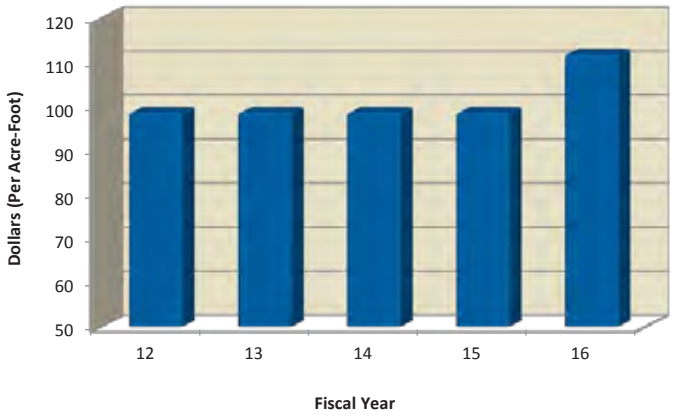
Mission Creek Subbasin AOB
Ten-Year History of Acre-Feet Produced



Mission Creek RAC Rate History

The RAC rate increased from $98.73 per af to $112.00 per af in fiscal 2016, as depicted in the graph below.

Mission Creek RAC Rates
Five-Year History



Budget Summary

Mission Creek revenues are budgeted to increase $34,000 as compared to fiscal 2015. The primary reason is the increase in the RAC rate. Operating expenses are budgeted to decrease by 8.6% compared to fiscal 2015, due primarily to the decrease in water purchases. Ending reserves for fiscal 2016 are budgeted at $3.0 million, a decrease of $614,000 from fiscal 2015. The decrease in reserves is primarily due to a one-time correction of $645,000 in redevelopment revenue that was incorrectly received by the Mission Creek Fund. Reserves remain within the District's Reserve Policy.

Mission Creek replenishment facility

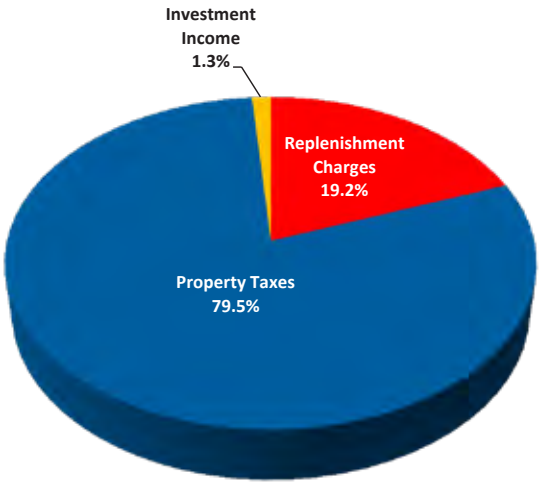
Mission Creek Replenishment Fund

Statement of Revenues, Expenses and Changes in Reserves

	Actual 2013-14	Budget 2014-15	Projected 2014-15	Budget 2015-16	Budget Change	% Change
Revenues						
Replenishment Charges	437,000	454,000	431,000	481,000	27,000	5.9
Property Taxes (SWP)	2,100,000	1,990,000	1,990,000	1,990,000	-	-
Other Charges	2,000	-	1,000	-	-	-
Investment Income	25,000	26,000	31,000	33,000	7,000	26.9
Total Revenues	**2,564,000**	**2,470,000**	**2,453,000**	**2,504,000**	**34,000**	**1.4%**
Expenses						
Salaries & Benefits	101,000	135,000	131,000	151,000	16,000	11.9
Supplies & Services	65,000	97,000	80,000	130,000	33,000	34.0
QSA Mitigation	-	-	-	83,000	83,000	-
Water Purchases	418,000	785,000	57,000	179,000	(606,000)	(77.2)
SWP - Allocated Costs	2,182,000	2,404,000	2,424,000	2,587,000	183,000	7.6
Capital Outlay	4,000	8,000	7,000	3,000	(5,000)	(62.5)
Total Expenses	**2,770,000**	**3,429,000**	**2,699,000**	**3,133,000**	**(296,000)**	**(8.6%)**
Operating Income (Loss)	**(206,000)**	**(959,000)**	**(246,000)**	**(629,000)**	**330,000**	**34.4%**
Nonoperating Revenues (Expenses)						
Use of Restricted Funds	-	50,000	-	-	(50,000)	(100.0)
Total Nonoperating Revenues (Expenses)	**-**	**50,000**	**-**	**-**	**(50,000)**	**(100.0%)**
Increase (Decrease) in Cash Flow	**(206,000)**	**(909,000)**	**(246,000)**	**(629,000)**	**280,000**	**30.8**
Beginning Reserves	**8,312,000**	**4,520,000**	**4,520,000**	**3,626,000**	**(894,000)**	**(19.8)**
Transfer From/(To) Other Funds	(3,586,000)	-	(648,000)	-	-	-
Ending Reserves	**4,520,000**	**3,611,000**	**3,626,000**	**2,997,000**	**(614,000)**	**(17.0%)**

Revenues

Operating Revenues
$2,504,000



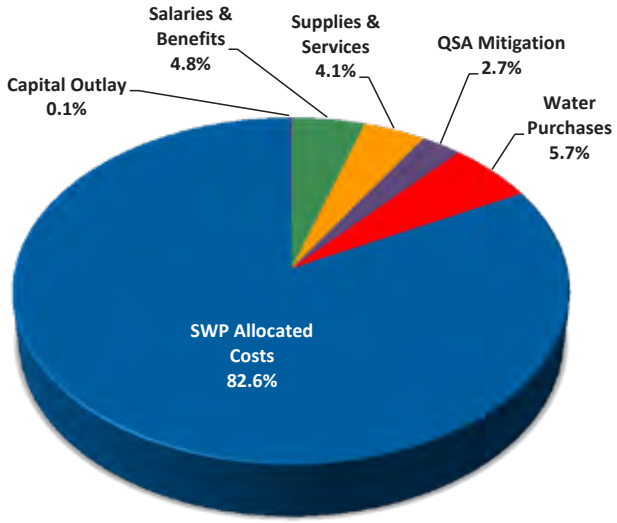
Replenishment Charges account for 19.2% of fiscal 2016 revenue. Replenishment charge revenues are based on the amount of water expected to be pumped from the aquifer (well production), multiplied by the RAC rate. The RAC rate for fiscal 2016 increased from $98.73.to $112.00 per acre-foot. Replenishment charge revenues for fiscal 2016 are budgeted at $481,000, and are based on a 5% decrease in production offset by the increased RAC rate.

Property Taxes make up 79.5% of the fund's revenue and are generated from the State Water Project tax. Property tax revenues are budgeted at fiscal 2015 levels.

Water flowing down Mission Creek towards replenishment ponds

Expenses

Operating Expenses
$3,133,000



Salaries & Benefits amount to $151,000, an increase of 11.9% compared to fiscal 2015. This increase reflects the impacts of negotiated labor contracts, increased CalPERS contributions, as well as additional staff.

Supplies & Services are budgeted at $130,000, an increase of $33,000 from fiscal 2015, primarily due to increased dues and memberships, professional services, and contract services.

QSA Mitigation costs are budgeted at $83,000. Beginning in fiscal 2016, costs have been reallocated to the three replenishment funds based on production. Mission Creek's production amounted to 1.6% of all water produced from the three subbasins. Mitigation costs were previously expensed in the Domestic Water and Canal Water Funds.

Water Purchases are budgeted at $179,000 for non-State Water Project water, as compared to $785,000 budgeted in fiscal 2015, representing a 77.2% decrease in water purchases. The water purchased from MWD is considered SWP water. However, conveyance cost of this water is charged to water purchases while the cost of the water is charged to the SWP water costs. Due to drought conditions in California, the District only forecasts receipt of 25% of the water from MWD and GLC.

SWP Allocated Costs are budgeted at $2.6 million, an increase of 7.6%. The increase in SWP costs is due to a small increase in the projected SWP water allocation, the water component of the MWD water purchases, and increases in SWP operating costs.

Capital Outlay is budgeted at $3,000 for fiscal 2016.

Capital Improvements

There are no budgeted capital improvements in fiscal 2016.

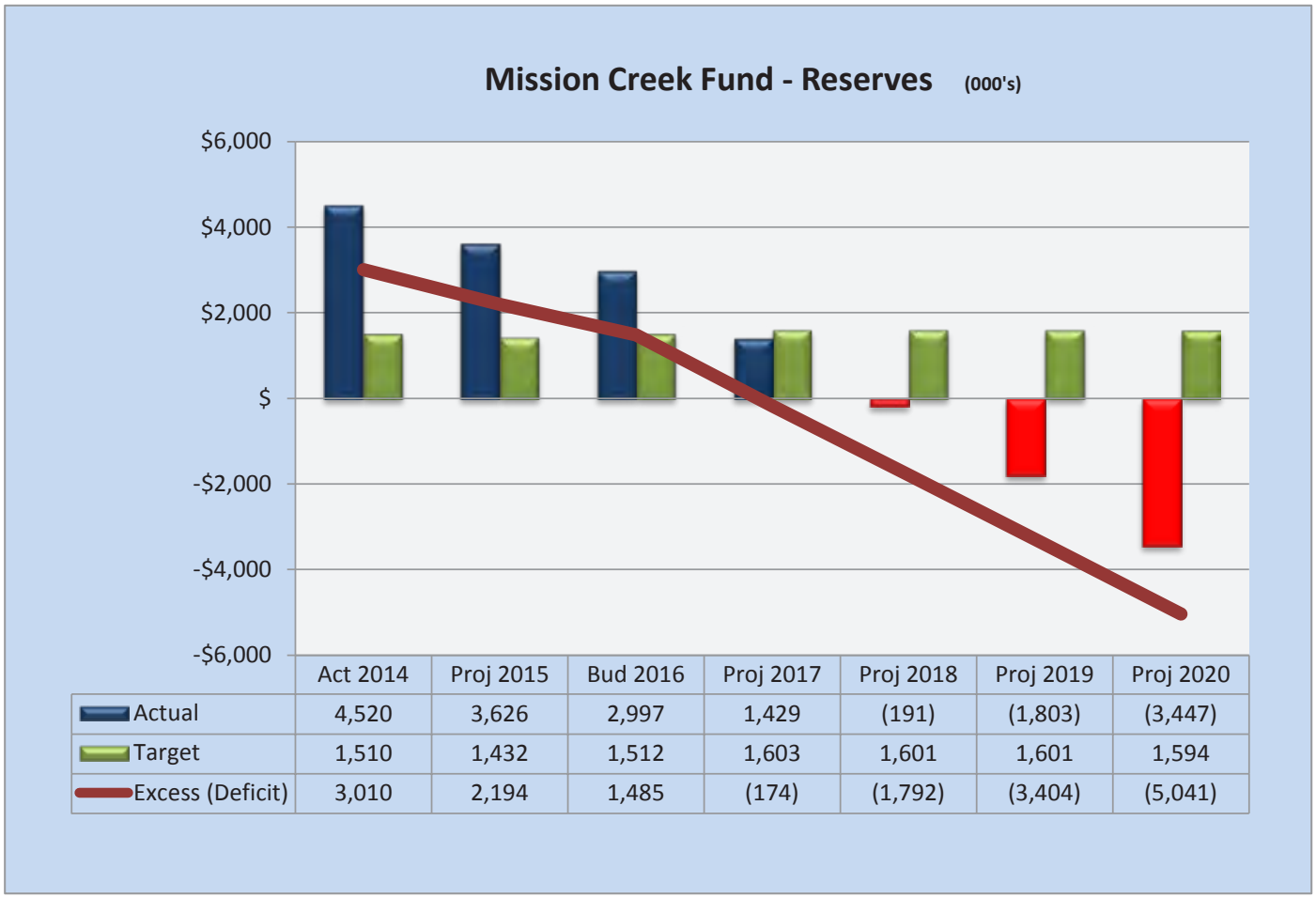
Five-Year Forecast

The biggest challenge facing the Mission Creek Replenishment Fund over the next five years is annual operating losses, which continue to deplete reserves. The Mission Creek Fund shows an average operating loss of $1.4 million per year over the next five years. By fiscal 2017, the reserves are no longer fully funded.

Although the RAC rate was increased in fiscal 2016, it is not sufficient to offset the projected increased expenses. An increase in the State Water Project tax levy assigned to the fund and/or additional RAC increases will be necessary, in order to ensure operating income and reserve funding.

The District has contracted with an outside firm to provide a cost of service study (COSS) for the Mission Creek Replenishment Fund. The study, which was expected to be completed in the fall of 2014, remains in development and is projected to be presented to the Board in fiscal 2016. The COSS reviews the existing rate structure, evaluates the adequacy of projected revenues under existing rates, makes recommendations for potential revenue adjustments, and develops a sound financial plan for a ten-year period.

Rate setting procedures in California require that agencies responsible for imposing property-related charges demonstrate a nexus between the cost of providing the service and the services or benefits received. The COSS will make recommendations on potential rate increases.



	Act 2014	Proj 2015	Bud 2016	Proj 2017	Proj 2018	Proj 2019	Proj 2020
Actual	4,520	3,626	2,997	1,429	(191)	(1,803)	(3,447)
Target	1,510	1,432	1,512	1,603	1,601	1,601	1,594
Excess (Deficit)	3,010	2,194	1,485	(174)	(1,792)	(3,404)	(5,041)

Mission Creek Replenishment Fund

Five-Year Forecast

	Budget	Projected			
	2015-16	FY 2017	FY 2018	FY 2019	FY 2020
Revenues					
Replenishment Charges	481,000	481,000	481,000	481,000	481,000
Property Taxes (SWP)	1,990,000	1,990,000	1,990,000	1,990,000	1,990,000
Investment Income	33,000	28,000	17,000	(4,000)	(44,000)
Total Revenues	**2,504,000**	**2,499,000**	**2,488,000**	**2,467,000**	**2,427,000**
% Change from prior year		**(0.2%)**	**(0.4%)**	**(0.8%)**	**(1.6%)**
Expenses					
Salaries & Benefits	151,000	155,000	159,000	163,000	167,000
Supplies & Services	130,000	121,000	125,000	129,000	133,000
QSA Mitigation	83,000	123,000	95,000	90,000	27,000
Water Purchases	179,000	508,000	519,000	519,000	537,000
SWP - Allocated Costs	2,587,000	3,155,000	3,201,000	3,175,000	3,204,000
Capital Outlay	3,000	3,000	3,000	3,000	3,000
Total Expenses	**3,133,000**	**4,065,000**	**4,102,000**	**4,079,000**	**4,071,000**
% Change from prior year		**29.7%**	**0.9%**	**(0.6%)**	**(0.2%)**
Operating Income (Loss)	**(629,000)**	**(1,566,000)**	**(1,614,000)**	**(1,612,000)**	**(1,644,000)**
Nonoperating Revenues (Expenses)					
Use of Restricted Funds	-	-	-	-	-
Total Nonoperating Revenues (Expenses)	**-**	**-**	**-**	**-**	**-**
Increase (Decrease) in Cash Flow	**(629,000)**	**(1,566,000)**	**(1,614,000)**	**(1,612,000)**	**(1,644,000)**
Beginning Reserves	**3,626,000**	**2,997,000**	**1,429,000**	**(191,000)**	**(1,803,000)**
Transfer From/(To) Other Funds	-	(2,000)	(6,000)	-	-
Ending Reserves	**2,997,000**	**1,429,000**	**(191,000)**	**(1,803,000)**	**(3,447,000)**
% Change from prior year		**(52.3%)**	**(113.4%)**	**844.0%**	**(91.2%)**

East Whitewater Replenishment Fund

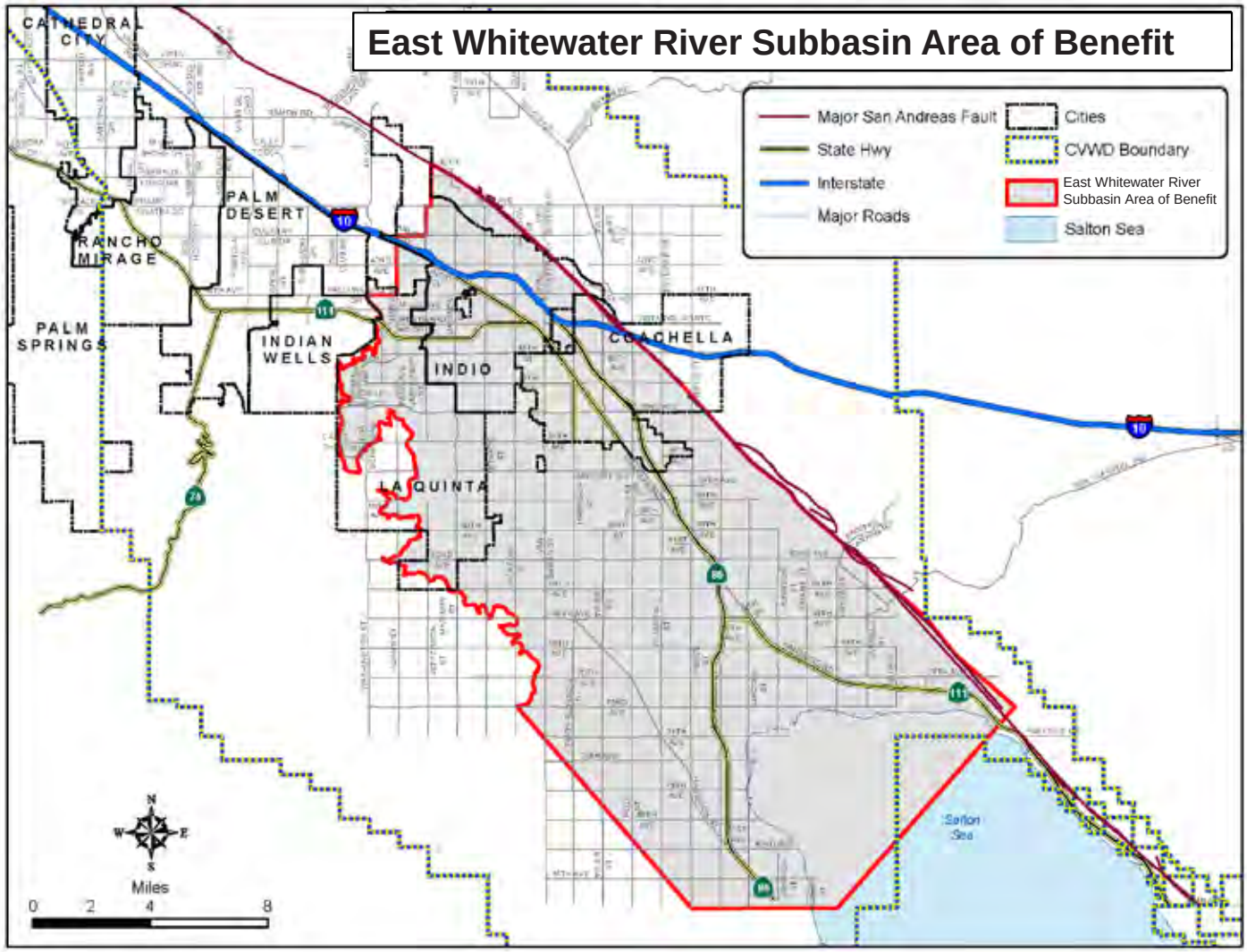
Background

The eastern boundary of the Whitewater River Subbasin is formed primarily by the watershed of the Mecca Hills and by the northwest shoreline of the Salton Sea, running between the Santa Rosa Mountains and Mortmar. The southern boundary roughly coincides with the Riverside/ Imperial county line. The western boundary runs from Point Happy in La Quinta, to Indio Hills and the San Andreas Fault.

Groundwater replenishment in the east valley began in 1997, using pilot groundwater replenishment facilities at Martinez Canyon and Dike 4. The Thomas E. Levy Groundwater Replenishment Facility (TEL) became operational in June 2009. A loan from the Domestic Water Fund paid for the cost of the new facilities. The East Whitewater Replenishment Fund (East Whitewater) will repay the costs of the TEL facility by 2028.

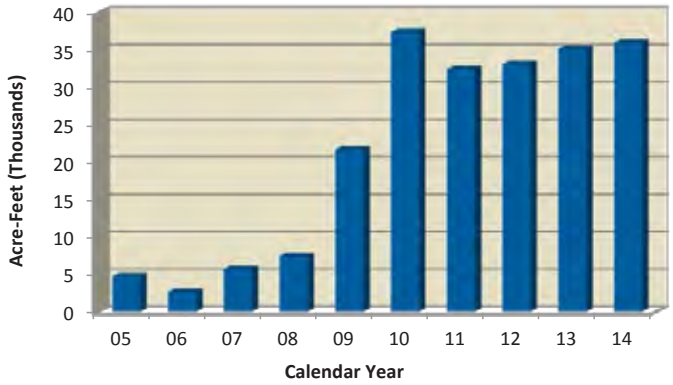
Since 2009, groundwater levels have risen in the eastern Coachella Valley an average of 29 feet and in some instances by as much as 75 feet. According to a 2014 study released by the U.S. Geological Survey (USGS), at five locations in the city of La Quinta, near the TEL facility, average subsidence rates decreased, and in one case, USGS measured ground uplift. These measurements were taken in 2010, after only one full year of operation of the TEL facility.

The following map shows the East Whitewater Area of Benefit, along with CVWD Boundaries.



The following graph depicts the amount of water replenished in this subbasin for the last ten years.

East Whitewater River Subbasin AOB
Ten-Year History of Acre-Feet Replenished



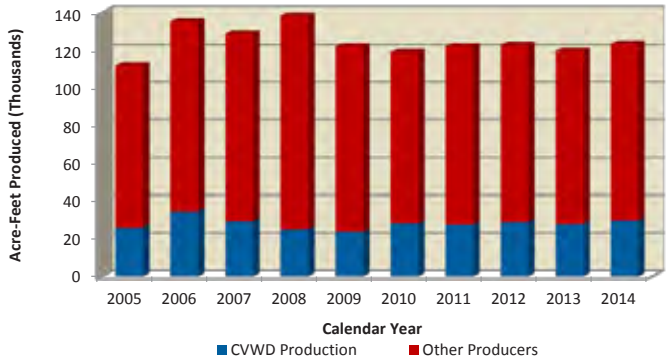
To date, CVWD has replenished approximately 234,027 acre-feet of water in this subbasin. The water is supplied from the Colorado River via the Coachella Branch of the All American Canal.

Of the 137 producers in the East Whitewater River Subbasin AOB in 2014, 37 were "self-reporters." Self-reporters are producers that read their own water meter and report their own groundwater production to the District, rather than entering into an agreement with the District to allow District staff to read their meter and report production. The District requires these producers to accurately and timely report the volume of water pumped from all their wells located within the AOB on a monthly basis. The District performs audits on these self-reporters, along with aggressively identifying producers that do not accurately report the amount of water produced. If, after investigation, it is determined that groundwater production is under-reported, the District invoices the producers for the past under-reported production.

Production is charged to the period it was produced, while the revenues are reported in the fiscal year invoiced. As a result, production numbers reported for prior years will be updated as necessary.

There are 137 producers in the East Whitewater River Subbasin AOB that pumped a total of 123,465 acre-feet of water from the aquifer in 2014, an increase of 3.6% from 2013. Of the 123,465 acre-feet produced in 2014, CVWD's wells produced 29,381 af for use as domestic water as compared to 27,566 af in 2013, an increase of 6.6%. The following graph shows the amount of water produced in the subbasin over the last ten years.

East Whitewater River Subbasin AOB
Ten-Year History of Acre-Feet Produced

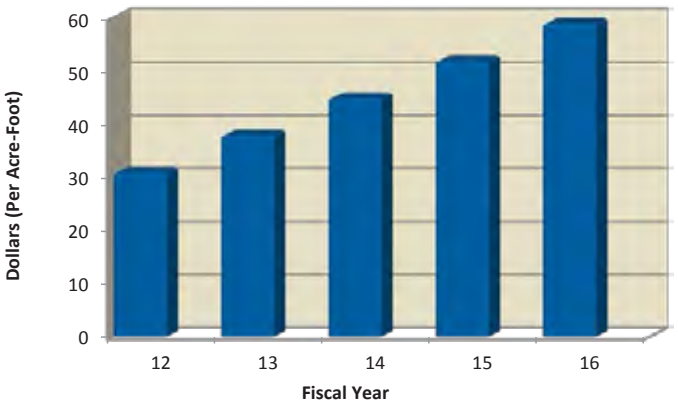


The preceding graph shows the amount of water produced for the last ten calendar years.

East Whitewater River RAC Rate History

The RAC rate for fiscal year 2016 increased from $52 per af to $59 per af, as depicted in the graph below.

East Whitewater RAC Rates – Five-Year History
2012-2016



Budget Summary

East Whitewater revenues are budgeted 78.3% higher as compared to the fiscal 2015 budget. State Water Project property tax revenues are budgeted to increase by over $10 million. Replenishment revenues are budgeted to increase 7.8% due to a $7 per acre-foot increase in the replenishment rate. Operating expenses are budgeted to increase by 34.7% over the fiscal 2015 budget, primarily due to the fund being responsible for its share of the QSA Mitigation costs. Ending reserves for fiscal 2016 are budgeted at $13.8 million, a significant improvement over fiscal 2014.

Reserves

On June 30, 2014, ending reserves were approaching a negative $6.0 million. In fiscal 2015, the East Whitewater Fund realized an increase in cash flow of $4.6 million, largely due to increases in assessed valuation on SWP property taxes. In addition, $12.9 million in general property taxes were transferred into the Fund, the result of a correction to redevelopment taxes that were improperly receipted to the State Water Project Fund between 2004 and 2011. These taxes are part of the 1% general property tax and are discretionary. These two transactions largely contributed to the June 30, 2015 projected ending reserves of $11.7 million.

In fiscal 2016, two changes to property tax distributions will have a positive impact on the East Whitewater Fund: The Board authorized a two-cent increase in the SWP tax from $0.08 to $0.10 per hundred of assessed valuation in fiscal 2013. At the time, one-cent of the tax increase was earmarked for the West Whitewater Replenishment Fund, and one-cent earmarked for the East Replenishment Fund. The Board also authorized fiscal 2013 as the base year for future tax increments, with all the growth in assessed valuation on the full $0.10 tax going to the East Replenishment Fund. In fiscal 2016, the East Replenishment Fund will receive two-cents of the tax rate, in addition to the growth in assessed value on the full $0.10 tax levy.

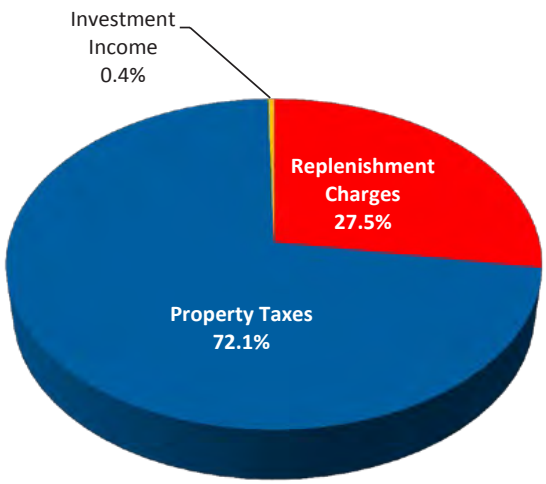
Additionally, $6.4 million in general property taxes will be diverted to the East Replenishment Fund on a one-time basis. These property taxes were previously receipted to the Domestic Water Fund.

East Whitewater Replenishment Fund
Statement of Revenues, Expenses and Changes in Reserves

	Actual 2013-14	Budget 2014-15	Projected 2014-15	Budget 2015-16	Budget Change	% Change
Revenues						
Replenishment Charges	5,503,000	6,292,000	6,292,000	6,782,000	490,000	7.8
Property Taxes (SWP)	6,511,000	7,539,000	10,530,000	17,770,000	10,231,000	135.7
Investment Income	8,000	-	-	106,000	106,000	-
Other Charges	(3,000)	-	26,000	-	-	-
Total Revenues	**12,019,000**	**13,831,000**	**16,848,000**	**24,658,000**	**10,827,000**	**78.3%**
Expenses						
Salaries & Benefits	1,049,000	1,147,000	998,000	1,222,000	75,000	6.5
Supplies & Services	781,000	1,181,000	941,000	1,212,000	31,000	2.6
Utilities	1,074,000	1,042,000	942,000	1,122,000	80,000	7.7
QSA Mitigation	-	-	-	2,469,000	2,469,000	-
Water Purchases	3,450,000	3,654,000	3,654,000	3,468,000	(186,000)	(5.1)
Capital Outlay	24,000	40,000	38,000	19,000	(21,000)	(52.5)
Total Expenses	**6,378,000**	**7,064,000**	**6,573,000**	**9,512,000**	**2,448,000**	**34.7%**
Operating Income (Loss)	**5,641,000**	**6,767,000**	**10,275,000**	**15,146,000**	**8,379,000**	**123.8%**
Nonoperating Revenues (Expenses)						
Debt Service	(4,203,000)	(4,328,000)	(4,484,000)	(4,323,000)	5,000	0.1
Capital Improvement Budget	(369,000)	(1,183,000)	(1,200,000)	(15,486,000)	(14,303,000)	(1,209.0)
Less District Labor	-	28,000	-	464,000	436,000	1,557.1
Property Taxes - One-time	-	-	-	6,399,000	6,399,000	-
Total Nonoperating Revenues (Expenses)	**(4,572,000)**	**(5,483,000)**	**(5,684,000)**	**(12,946,000)**	**(7,463,000)**	**(136.1%)**
Increase (Decrease) in Cash Flow	**1,069,000**	**1,284,000**	**4,591,000**	**2,200,000**	**916,000**	**71.3**
Beginning Reserves	**(6,928,000)**	**(5,961,000)**	**(5,961,000)**	**11,745,000**	**17,706,000**	**297.0**
Transfer From/(To) Other Funds	(102,000)	163,000	13,115,000	(159,000)	(322,000)	(197.5)
Ending Reserves	**(5,961,000)**	**(4,514,000)**	**11,745,000**	**13,786,000**	**18,300,000**	**405.4%**

Revenues

Operating Revenues
$24,658,000



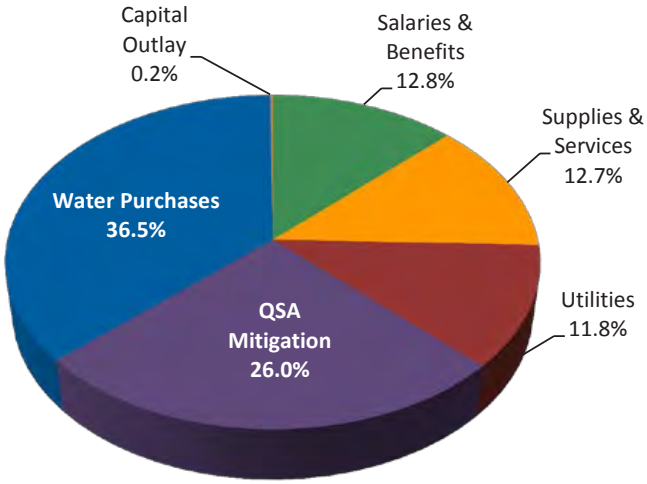
Replenishment Charges comprise 27.5% of the revenue. The replenishment charge budget is based on the amount of water expected to be pumped from the aquifer (well production), multiplied by the RAC rate. The RAC rate for fiscal 2016 increased $7 per acre-foot to $59. Replenishment charge revenues are budgeted at $6.8 million for fiscal 2016, an increase of 7.8% over fiscal 2015. The increase in the RAC rate will offset a budgeted 5% reduction in residential, HOA, and golf course customer water usage due to the drought.

Property Taxes make up 72.1% of the fund's revenue. Property tax revenues are budgeted at $17.8 million, as compared to $7.5 million in fiscal 2015. The East Whitewater Fund received one cent of the ten-cent tax levy in fiscal 2015. Effective fiscal 2016, the East Whitewater Fund will receive two cents of the ten-cent tax levy. The additional one cent was previously allocated to the West Whitewater Fund. East Whitewater will continue to receive all revenues generated by the increase in assessed values over 2013 values, multiplied by the full ten-cent SWP levy.

Investment Income is budgeted at $106,000. Investment income is based on the cash balance in the fund and is generated by the combined investments of the District.

Expenses

Operating Expenses
$9,512,000



Salaries & Benefits amount to $1.2 million, an increase of 6.5%, compared to fiscal 2015. This increase reflects the impacts of negotiated labor contracts, increased CalPERS contributions, and additional staff.

Supplies & Services are budgeted at $1.2 million, an increase of $31,000 over fiscal 2015. Increased expenses include professional services, contract services, and motorpool.

QSA Mitigation costs are budgeted at $2.5 million. Beginning in fiscal 2016, these costs have be reallocated to the three replenishment funds based on production. Mitigation costs were previously expensed in the Domestic Water and Canal Water Funds. The East Whitewater Fund accounts for 46.8% of all water prduced from the three subbasins, so it is responsible for 46.8% of the estimated $5.3 million QSA Mitigation costs budgeted in fiscal 2016.

Water Purchases are budgeted at $3.5 million, a decrease of $186,000 compared to fiscal 2015. The fiscal 2016 replenishment budget was reduced to reflect fiscal 2015 actual replenishment results. Water used for replenishment in the East Whitewater Subbasin AOB comes from the Colorado River via the Coachella Canal. The East Whitewater Fund purchases water from the Canal Water Fund at the class 3 rate.

Utilities are budgeted to increase by 7.7% in fiscal 2016, which reflects the anticipated increase in electrical rates from Imperial Irrigation District.

Capital Outlay is budgeted at $19,000. There are no specific projects for the East Whitewater Fund. The budget is for the fund's share of Districtwide costs from the Information Systems and Finance Departments.

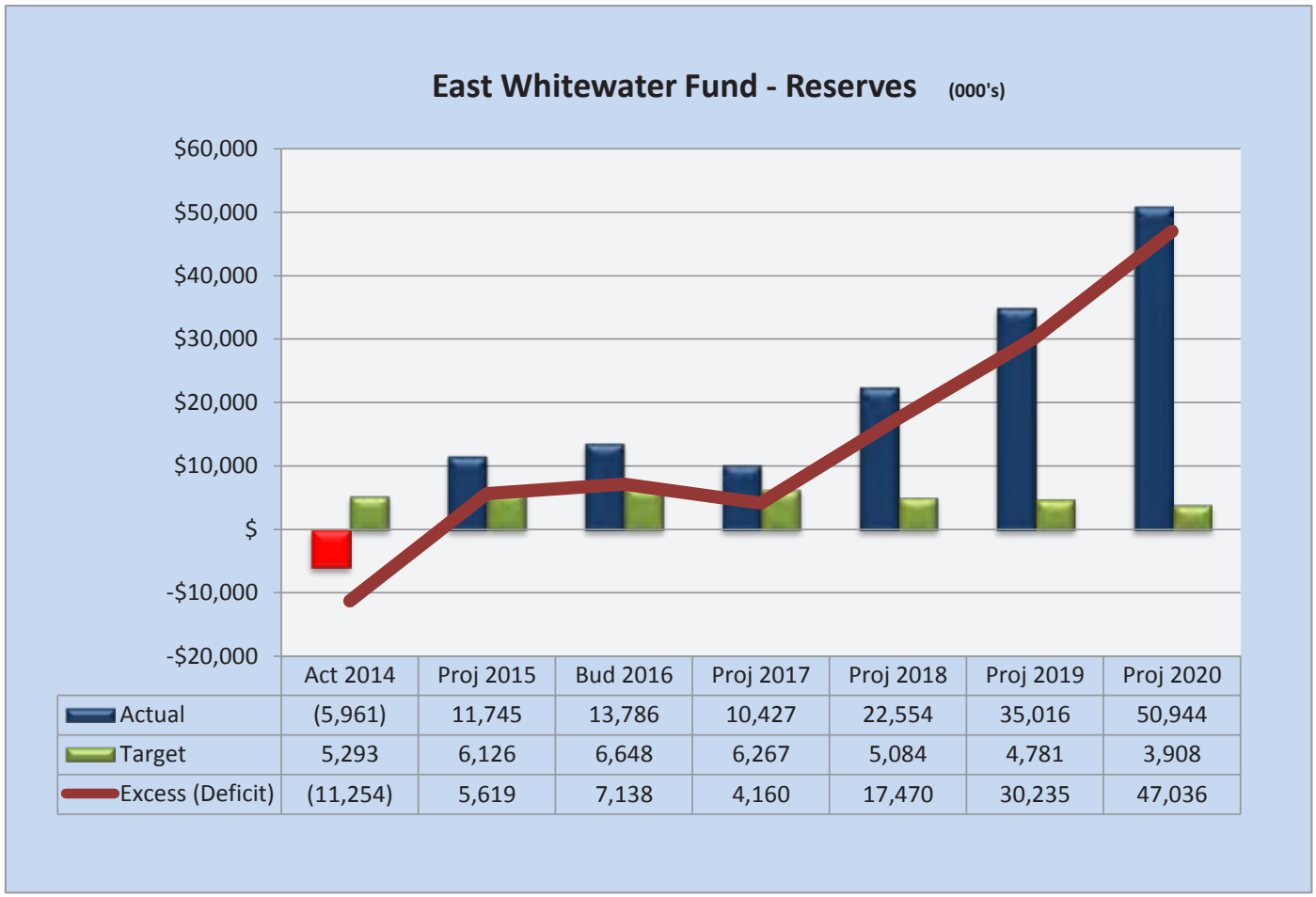
Debt Service is payment on the 15-year interfund loan with the Domestic Water Fund. It is projected to be $4.3 million in fiscal 2016.

Capital Improvements

The Capital Improvement Budget amounts to $15.5 million. There are two main projects for fiscal 2016. The first is $11.1 million for the Oasis Area Irrigation System Expansion Project, an in-lieu recharge project. This project is an expansion of the irrigation distribution system to landowners in the southeastern part of the Coachella Valley who pump groundwater because they do not currently have access to canal water for irrigation purposes. Additionally, there is $4.0 million budgeted for the L4 Pump Station Extension required to connect three golf courses to the canal, also in-lieu recharge projects, and therefore being paid for by the East Whitewater Fund. More details are located in the Capital Improvement chapter.

Five-Year Forecast

Operating income is steadily increasing during the five-year forecast period, mainly due to changes in the property tax revenue benefitting the East Whitewater Fund. Replenishment charges, RAC, are projected to increase by $7 per acre-foot in fiscal 2017. This increase represents the fifth and final year increase of a Proposition 218 notice issued in 2011.



	Act 2014	Proj 2015	Bud 2016	Proj 2017	Proj 2018	Proj 2019	Proj 2020
Actual	(5,961)	11,745	13,786	10,427	22,554	35,016	50,944
Target	5,293	6,126	6,648	6,267	5,084	4,781	3,908
Excess (Deficit)	(11,254)	5,619	7,138	4,160	17,470	30,235	47,036

Approximately $35.3 million in capital improvements are included in the five-year forecast. The Oasis project comprises $21.0 million of the project costs. Costs for connecting seven golf courses to the canal are budgeted at $13.0 million, with the remainder for improvements to the Thomas E. Levy Facility. Reserves are fully funded for the five-year forecast, due to the property tax transfer and increased revenues generated from the SWP tax levy.

The District has contracted with an outside firm to provide a cost of service study (COSS) for the East Whitewater Fund. The study remains in development and is projected to be presented to the Board in fiscal 2016. The COSS reviews the existing rate structure, evaluates the adequacy of projected revenues under existing rates, makes recommendations for potential revenue adjustments, and develops a sound financial plan for a ten-year period.

Rate setting procedures in California require that agencies responsible for imposing property-related charges demonstrate a nexus between the cost of providing the service and the services or benefits received. The cost of COSS will make recommendations on potential rate increases.

East Whitewater Replenishment Fund

Five-Year Forecast

	Budget	Projected			
	2015-16	FY 2017	FY 2018	FY 2019	FY 2020
Revenues					
Replenishment Charges	6,782,000	7,450,000	6,727,000	6,264,000	5,787,000
Property Taxes (SWP)	17,770,000	20,072,000	21,269,000	22,491,000	23,736,000
Investment Income	106,000	131,000	127,000	415,000	847,000
Total Revenues	**24,658,000**	**27,653,000**	**28,123,000**	**29,170,000**	**30,370,000**
% Change from prior year		**12.1%**	**1.7%**	**3.7%**	**4.1%**
Expenses					
Salaries & Benefits	1,222,000	1,259,000	1,297,000	1,336,000	1,376,000
Supplies & Services	1,212,000	1,220,000	1,262,000	1,306,000	1,351,000
Utilities	1,122,000	1,200,000	1,284,000	1,374,000	1,470,000
QSA Mitigation	2,469,000	3,655,000	2,825,000	2,667,000	817,000
Water Purchases	3,468,000	3,468,000	3,468,000	3,468,000	3,468,000
Capital Outlay	19,000	19,000	19,000	19,000	19,000
Total Expenses	**9,512,000**	**10,821,000**	**10,155,000**	**10,170,000**	**8,501,000**
% Change from prior year		**13.8%**	**(6.2%)**	**0.1%**	**(16.4%)**
Operating Income (Loss)	**15,146,000**	**16,832,000**	**17,968,000**	**19,000,000**	**21,869,000**
Nonoperating Revenues (Expenses)					
Debt Service - Interfund	(4,323,000)	(4,323,000)	(4,324,000)	(4,324,000)	(4,324,000)
Capital Improvement Budget	(15,486,000)	(16,355,000)	(1,445,000)	(2,211,000)	(1,550,000)
Less District Labor	464,000	491,000	43,000	66,000	47,000
Property Taxes - One-time	6,399,000	-	-	-	-
Total Nonoperating Revenues (Expenses)	**(12,946,000)**	**(20,187,000)**	**(5,726,000)**	**(6,469,000)**	**(5,827,000)**
Increase (Decrease) in Cash Flow	**2,200,000**	**(3,355,000)**	**12,242,000**	**12,531,000**	**16,042,000**
Beginning Reserves	**11,745,000**	**13,786,000**	**10,427,000**	**22,554,000**	**35,016,000**
Transfer From/(To) Other Funds	(159,000)	(4,000)	(115,000)	(69,000)	(114,000)
Ending Reserves	**13,786,000**	**10,427,000**	**22,554,000**	**35,016,000**	**50,944,000**
% Change from prior year		**(24.4%)**	**116.3%**	**55.3%**	**45.5%**

Internal Service Funds

(Motorpool Fund and Workers' Compensation Self-Insurance Fund)

Internal Service Funds

Internal Service Funds are used to account for the financing of goods or services provided by one department to other departments or funds of the District. Internal Service Funds are expressly designed to function as cost-reimbursement devices. These funds accumulate costs related to an activity on an accrual basis, so that the costs can subsequently be allocated to the benefitting funds or departments in the form of fees and charges. Internal Service Funds are appropriate when the intent is to recover the full cost of providing the activity.

CVWD operates two funds in this manner: Motorpool Fund and Workers' Compensation Self-Insurance Fund.

Motorpool Fund

Background

The Motorpool Fund is used to account for repairs, maintenance, fuel, and services to all District vehicles and equipment. The Motorpool division of the Trades & Support Department is responsible for the management of the entire fleet. Services provided by this division include:

- South Coast Air Quality Management District compliance
- Vehicle and equipment rental
- Vehicle and equipment maintenance
- Preventative maintenance program
- Unscheduled repairs
- Fuel and parts inventory control
- Vehicle and equipment specifications preparation
- Vehicle and equipment acquisition

Budget Summary

The fiscal 2016 budget shows reserves increasing by $2.4 million, compared to the fiscal 2015 budget. This increase is primarily due to $4.0 million in interfund transfers to the Motorpool Fund from the various enterprise funds. Instead of accumulating reserves in the Motorpool Fund, each enterprise fund established a designated reserve for vehicle replacements. Although capital expenses for vehicle replacement are included in the Motorpool Fund, all replacements are funded by the appropriate enterprise fund.

Charges for services amount to $4.1 million in fiscal 2016. This amount includes operation and maintenance (O&M) and insurance costs, which are charged to user departments. In addition, there is a small amount of investment income.

Budgeted expenses of $4.0 million in fiscal 2016 are supplemented by $4.1 million in capital improvements. Supplies & services increased $234,000, mainly due to increased maintenance costs.

Additional details in regards to vehicle equipment replacements are located in the Capital Improvements chapter.

Heavy equipment maintenance

Motorpool Internal Service Fund

Statement of Revenues, Expenses and Changes in Reserves

	Actual 2013-14	Budget 2014-15	Projected 2014-15	Budget 2015-16	Budget Change	% Change
Revenues						
Charges for Services	7,351,000	3,350,000	3,891,000	4,076,000	726,000	21.7
Investment Income	95,000	43,000	84,000	43,000	-	-
Total Revenues	**7,446,000**	**3,393,000**	**3,975,000**	**4,119,000**	**726,000**	**21.4%**
Expenses						
Salaries & Benefits	2,034,000	2,202,000	2,054,000	2,295,000	93,000	4.2
Supplies & Services	1,551,000	1,513,000	1,696,000	1,747,000	234,000	15.5
Utilities	1,000	-	1,000	1,000	1,000	-
Capital Outlay	27,000	9,000	5,000	1,000	(8,000)	(88.9)
Total Expenses	**3,613,000**	**3,724,000**	**3,756,000**	**4,044,000**	**320,000**	**8.6%**
Operating Income (Loss)	**3,833,000**	**(331,000)**	**219,000**	**75,000**	**406,000**	**122.7%**
Nonoperating Revenues (Expenses)						
Capital Improvement Program	(2,297,000)	(4,572,000)	(2,888,000)	(4,146,000)	426,000	9.3
Other Revenues (Expenses)	472,000	-	269,000	-	-	-
Total Nonoperating Revenues (Expenses)	**(1,825,000)**	**(4,572,000)**	**(2,619,000)**	**(4,146,000)**	**426,000**	**9.3%**
Increase (Decrease) in Cash Flow	**2,008,000**	**(4,903,000)**	**(2,400,000)**	**(4,071,000)**	**832,000**	**17.0**
Beginning Reserves	**8,466,000**	**13,875,000**	**13,875,000**	**4,759,000**	**(9,116,000)**	**(65.7)**
Transfer From/(To) Other Funds	3,401,000	(6,716,000)	(6,716,000)	4,013,000	10,729,000	159.8
Ending Reserves	**13,875,000**	**2,256,000**	**4,759,000**	**4,701,000**	**2,445,000**	**108.4%**

Fleet - Vactor Trucks

Workers' Compensation Self-Insurance Fund

Background

This fund accounts for all expenses associated with self-insuring the District's workers' compensation program. Rates are assessed against gross salaries as a means of providing revenue to cover workers' compensation claims and administrative costs.

Budget Summary

The budget for workers' compensation rates was derived from an actuarial analysis conducted in 2014. The actuarial liability, based on a 70% payout of estimated outstanding liabilities, projected the workers' compensation liability at $4.1 million, as of June 30, 2015. The outstanding liabilities represent the estimated cost of unpaid claims.

Estimated outstanding liabilities include: case reserves, development of known claims, and incurred, but not reported claims. Case reserves are an estimate of unpaid amounts established by claims adjusters, for which particular claims will ultimately be settled or adjudicated. It is anticipated that the cost of workers' compensation claims will remain relatively flat in fiscal 2016.

The Reserve Policy establishes reserves for the Workers' Compensation Fund at $3.7 million. Currently, the Workers' Compensation Fund has excess reserves totaling $2.2 million.

Workers' Compensation Self-Insurance Internal Service Fund
Statement of Revenues, Expenses and Changes in Reserves

	Actual 2013-14	Budget 2014-15	Projected 2014-15	Budget 2015-16	Budget Change	% Change
Revenues						
Other Charges	1,441,000	1,224,000	1,200,000	1,235,000	11,000	0.9
Investment Income	42,000	34,000	51,000	53,000	19,000	55.9
Total Revenues	**1,483,000**	**1,258,000**	**1,251,000**	**1,288,000**	**30,000**	**2.4%**
Expenses						
Salaries & Benefits	129,000	123,000	127,000	112,000	(11,000)	(8.9)
Supplies & Services	918,000	1,168,000	913,000	1,168,000	-	-
Total Expenses	**1,047,000**	**1,291,000**	**1,040,000**	**1,280,000**	**(11,000)**	**(0.9%)**
Operating Income (Loss)	**436,000**	**(33,000)**	**211,000**	**8,000**	**41,000**	**124.2%**
Nonoperating Revenues (Expenses)						
Other Revenues (Expenses)	-	-	-	-	-	-
Total Nonoperating Revenues (Expenses)	**-**	**-**	**-**	**-**	**-**	**0.0%**
Increase (Decrease) in Cash Flow	**436,000**	**(33,000)**	**211,000**	**8,000**	**41,000**	**124.2**
Beginning Reserves	**5,288,000**	**5,724,000**	**5,724,000**	**5,935,000**	**211,000**	**3.7**
Ending Reserves	**5,724,000**	**5,691,000**	**5,935,000**	**5,943,000**	**252,000**	**4.4%**

Department Budgets

Each department is an organizational unit of the District, which provides distinct and different services. Included for each department is a functional organization chart, detailed descriptions of the functions of the divisions, fiscal 2015 accomplishments and fiscal 2016 goals by division. Goals are linked to the Strategic Plan, where applicable. A two-year financial trend summarizing the department's expenses by object, division, and fund, along with any supplemental requests are also included.

Operating expenses are controlled at the department level and may not exceed appropriations. Budget transfers within a department may be made administratively, if the transfer is within the same fund; transfers between departments within the same fund require approval by both departments.

Engineering, Finance, Operations, and Service are responsible for large expenses that are unique to certain funds, including water purchases, replenishment charges, debt service, and Other Post-Employment Benefits (OPEB) Trust payments. In order to avoid distorting the overall performance of the department, these costs have been segregated as separate line items in the Expenses by Department table below.

Human Resources is responsible for the self-insured workers' compensation program, which is accounted for in an internal service fund.

Strategic planning meeting

Expenses by Department	Budget 2014-15	Projected 2014-15	Budget 2015-16	Budget Change	% Change
Administration	5,532,000	5,075,000	5,436,000	(96,000)	(1.7)
Board Secretary	685,000	667,000	548,000	(137,000)	(20.0)
Communication & Conservation	6,784,000	6,399,000	7,130,000	346,000	5.1
Engineering	10,383,000	9,051,000	10,695,000	312,000	3.0
Environmental Services	5,182,000	4,628,000	8,733,000	3,551,000	68.5
Finance	4,274,000	4,131,000	4,588,000	314,000	7.3
Human Resources	6,189,000	5,007,000	6,154,000	(35,000)	(0.6)
Information Systems	5,109,000	4,888,000	4,766,000	(343,000)	(6.7)
Operations	43,731,000	41,316,000	45,676,000	1,945,000	4.4
Service	11,351,000	10,769,000	12,030,000	679,000	6.0
Trades & Support	28,191,000	24,496,000	28,270,000	79,000	0.3
Water Purchases	70,667,000	56,127,000	62,480,000	(8,187,000)	(11.6)
Replenishment Charges	11,041,000	9,985,000	11,000,000	(41,000)	(0.4)
QSA Mitigation	3,721,000	3,721,000	5,272,000	1,551,000	41.7
Debt Service	7,231,000	7,323,000	7,194,000	(37,000)	(0.5)
OPEB Trust Payments	10,000,000	10,000,000	-	(10,000,000)	(100.0)
Workers' Compensation	1,291,000	1,040,000	1,280,000	(11,000)	(0.9)
Medical PPO	-	1,000	-	-	-
Total Budget	**231,362,000**	**204,624,000**	**221,252,000**	**(10,110,000)**	**(4.4%)**

Base Budget

At the start of the budget process, each department is given a base budget. A base budget is the previous year's appropriations less any nonrecurring expenses. The base budget enables the department to operate at current levels. Anything a department requires in addition to that base budget, is considered a supplemental request. Listed below is a summary of each department's supplemental requests for fiscal 2016. All nonrecurring amounts are removed to establish the next fiscal year's base budget.

Desert landscape

FY 2015-16 Approved Supplemental Requests

Department	Salaries & Benefits*	Supplies & Service	Capital	Total Request	Nonrecurring
Administration	-	64,750	-	64,750	40,000
Communication & Conservation	152,080	2,476,908	26,400	2,655,388	57,200
Engineering	196,903	216,600	-	413,503	2,600
Environmental Services	-	3,040,550	-	3,040,550	-
Finance	102,114	369,400	115,000	586,514	410,000
Human Resources	1,200	370,839	48,050	420,089	302,300
Information Systems	137,280	167,600	335,000	639,880	335,000
Operations	461,184	1,387,780	485,513	2,334,477	1,077,083
Service	217,751	224,697	-	442,448	80,150
Trades & Support	136,228	467,092	284,465	887,785	667,420
COMBINED TOTAL	**1,404,740**	**8,721,466**	**1,294,428**	**11,420,634**	**2,931,753**

*Includes Supplemental Approved FTEs & Supplemental Overtime & Standby Requests

Cost Allocation

The District is a multifaceted entity, with eight different enterprise funds or business units, which share a common workforce. With the exception of the Operations Department, each department performs services that benefit all enterprise funds.

A cost allocation methodology has been developed that systematically charges costs to the appropriate funds. Maintaining an internal cost allocation structure is a detailed and involved activity. In preparation for the budget, each department is examined to determine an appropriate allocation of salaries and benefits based upon an estimate of time spent in each enterprise or activity.

Once the labor allocation is developed, the remaining expenses for each division are distributed based upon the established allocation. In the event a particular expense or activity is directly attributable to just one enterprise, those expenses are charged directly to the enterprise fund receiving benefit and not based upon the allocation.

As an example, the Domestic Operation Maintenance Division in the Operations Department only performs services for the Domestic Water Fund; therefore, all of its expenses are charged directly to that fund. On the other hand, the Safety Division of Human Resources performs services for all of the enterprise funds; therefore, expenses for Safety are distributed to all of the funds based upon the average distribution of the entire workforce.

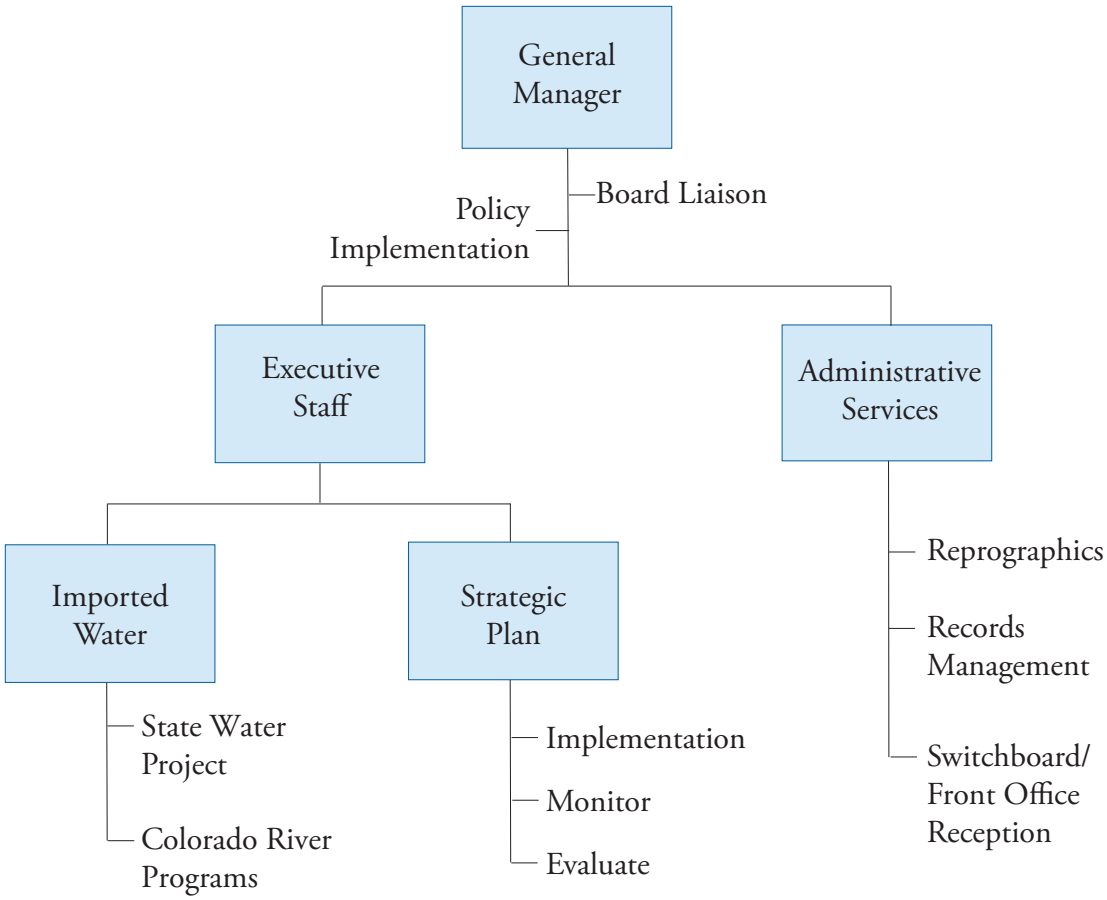
The expenses for each department are allocated to the funds, based on the services each department provides. The table below illustrates the funds each department is allocated to.

Interfund Allocations by Department

Department	Stormwater	Canal Water	Domestic Water	Nonpotable	Replenishment	Sanitation	Motorpool	Self Insurance
Administration	✔	✔	✔	✔	✔	✔		
Board Secretary	✔	✔	✔		✔	✔		
Communication & Conservation	✔	✔	✔	✔	✔	✔		
Engineering	✔	✔	✔	✔	✔	✔		
Environmental Services	✔	✔	✔	✔	✔	✔		
Finance	✔	✔	✔	✔	✔	✔	✔	✔
Human Resources	✔	✔	✔	✔	✔	✔	✔	✔
Information Systems	✔	✔	✔	✔	✔	✔	✔	
Operations			✔	✔		✔		
Service	✔	✔	✔	✔	✔	✔		
Trades & Support	✔	✔	✔	✔	✔	✔	✔	

Colorful desert landscape

Administration Department



Department Description

The Administration Department is new this year, combining the responsibilities of the Executive Staff with those of the Administrative Services Division.

Division Descriptions

Executive Staff maintains effective and timely communications between the publicly elected five member Board of Directors and the District's departments. Responsibilities include prioritizing items that need to come before the Board for authorization and approval, and assists staff in the development and conduct of consistent practices. In addition, this group's focus is on integrating the strategic plan, monitoring performance efforts, and decision-making processes while creating more accountability and transparency within the District.

Imported Water is critical to the overall stability and survival of the District. The Assistant General Manager is the principal staff representative in all matters related to the District's sources of imported water. The District has contracted for deliveries through the California State Water Project and holds rights through the federal government to Colorado River water. Imported water is used directly for irrigation and groundwater replenishment purposes. Both sources are critically important for sustaining the economic and recreational future of the Valley and require significant management, attention, and protection.

Strategic Plan (Plan) was initially approved by the Board in June 2014. The Plan which was reviewed and updated with initiatives for fiscal 2016 was approved by the Board of Directors in June 2015. The Strategic Plan is a tool that defines what is critical to the District's success and the initiatives necessary to guide the District toward its achievement of goals. The Assistant General Manager is responsible for implementing, overseeing, and monitoring the District's Five-Year Strategic Plan.

Significant planning, time, and effort are given to making decisions and developing action plans and initiatives that shape and guide the direction of the District.

Administrative Services is comprised of three divisions: reprographics, records management, and switchboard/ front office reception.

Reprographics provides high volume photocopy services for District personnel. As a fully functioning copy center, large copy jobs are usually routed here. This division processes all incoming and outgoing correspondence. Incoming correspondence is received, sorted, date stamped, opened, and distributed electronically throughout the District. Interoffice mail from the two Palm Desert offices is received, sorted, and distributed to the Coachella office.

Records Management is the central repository for all District records. The District uses an enterprise content management solution to control all of the various types of District records. Records Management is responsible for classifying, prioritizing, storing, securing, archiving, preserving, retrieving, tracking, and destroying records. Work performed in this division must be in compliance with government retention requirements and in accordance with the Records Retention Schedule adopted by the Board of Directors (Board) in fiscal 2015.

Switchboard/Front Office Reception is responsible for answering the main incoming switchboard for the District, as well as greeting and receiving visitors at two District locations. Each visitor is logged in, assigned a visitor badge, and a staff person called to escort the visitor to their destination.

Jim Barrett, General Manager

Robert Cheng, Assistant General Manager

District receptionist

Fiscal 2014-15 Accomplishments

- Finalized and published the District's first five-year Strategic Plan and completed the first annual review with initiatives for the next fiscal year
- Reinitiated informal discussions with employees at all levels of the District's organization and took additional steps to foster improved internal communications
- Developed and obtained Board approval for an enhanced conservation policy to comply with State Water Resources Control Board regulations, implemented in support of the Governor's Drought Executive Order
- Obtained full state Senate approval for SB385, which provides time for the construction of facilities to remediate groundwater to new drinking water standards
- Updated the District's policy on the future of the Salton Sea and participated in a number of outreach programs to disseminate the information
- Initiated the implementation of a comprehensive document retention and destruction program
- Adopted new Records Retention Schedule by CVWD Board of Directors
- Provided ongoing and consistent on-time delivery for Copy Center job requests
- Cultivated a team focused on providing superior customer service
- Developed a comprehensive indexing guide for FileNet
- Strengthened team effectiveness through external training opportunities

Fiscal 2015-16 Goals

- Obtain Board approval to implement recommendations from the District's Cost of Service Studies
- Develop effective plans to implement an alternate work schedule for District employees
- Develop data driven performance metrics to benchmark critical processes necessary for improving efficiency in each department
- Submit an application to the Association of Metropolitan Water Agencies (AMWA) for consideration for the AMWA Gold Award for Exceptional Utility Performance
- Review, refine, enhance, and continuously improve day-to-day activities to provide superior customer service
- Continue cross-training program in the Records Management division
- Create a cohesive and productive team within the division
- Improve the appearance of scanned documents

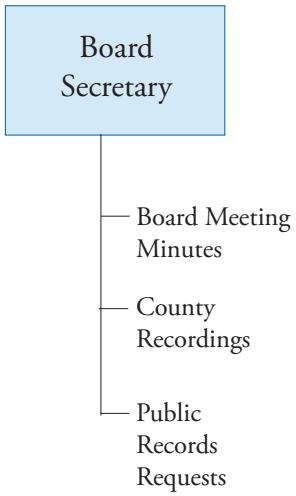
FY 2015-16 Approved Supplemental Requests

Fund	Dept./ Div.	Elem./ Object	Description	Supplies & Service	Capital	Total Request	Nonrecurring
803	2005	2599	Gladwell - Records Retention Initiative	40,000	-	40,000	40,000
803	2107	1801	Temporary Labor	16,350	-	16,350	-
803	2107	5599	Contract Services - Shred It	8,400	-	8,400	-
			ADMINISTRATION TOTAL	**64,750**	**-**	**64,750**	**40,000**

Department Financial Trend - Administration

	Budget 2014-15	Projected 2014-15	Budget 2015-16	Budget Change	% Change
Expenses by Object					
Salaries & Benefits	1,681,000	1,587,000	1,859,000	178,000	10.6
Professional Development	847,000	845,000	856,000	9,000	1.1
Professional Services	2,233,000	2,076,000	2,268,000	35,000	1.6
Election Costs	340,000	120,000	-	(340,000)	(100.0)
Utilities	13,000	4,000	11,000	(2,000)	(15.4)
Materials & Supplies	195,000	197,000	194,000	(1,000)	(0.5)
Motorpool	10,000	9,000	11,000	1,000	10.0
Contract Services	1,000	3,000	10,000	9,000	900.0
Miscellaneous Expense	212,000	234,000	227,000	15,000	7.1
Total	**5,532,000**	**5,075,000**	**5,436,000**	**(96,000)**	**(1.7%)**
Expenses by Division					
Administration	2,129,000	2,294,000	3,779,000	1,650,000	77.5
Board of Directors	891,000	617,000	537,000	(354,000)	(39.7)
Records Management	680,000	666,000	876,000	196,000	28.8
Reprographics	244,000	247,000	244,000	-	-
Legal	1,588,000	1,251,000	-	(1,588,000)	(100.0)
Total	**5,532,000**	**5,075,000**	**5,436,000**	**(96,000)**	**(1.7%)**
Expenses by Fund					
Domestic Water	1,858,000	1,142,000	1,546,000	(312,000)	(16.8)
Canal Water	1,431,000	1,692,000	1,559,000	128,000	8.9
Sanitation	1,164,000	665,000	1,056,000	(108,000)	(9.3)
Stormwater	525,000	342,000	448,000	(77,000)	(14.7)
Nonpotable Water	93,000	55,000	64,000	(29,000)	(31.2)
West Whitewater Replenishment	260,000	1,019,000	573,000	313,000	120.4
Mission Creek Replenishment	12,000	28,000	18,000	6,000	50.0
East Whitewater Replenishment	189,000	132,000	172,000	(17,000)	(9.0)
Total	**5,532,000**	**5,075,000**	**5,436,000**	**(96,000)**	**(1.7%)**

Board Secretary Department



Department Description

The Board Secretary Department produces the Board of Directors (Board) meeting agendas, packets, and minutes.

The Board Secretary is responsible for ensuring that accurate and sufficient documentation exists to meet legal requirements and enable authorized persons to determine when, how, and by whom the Board's business was conducted. In order to fulfill these responsibilities, subject to organizational policies, the Board Secretary records and maintains Board and Committee meeting minutes, resolutions, and ordinances. Additionally, this department is responsible for preparing, publishing, posting, and mailing all legal notices.

The Board Secretary supports and coordinates general District election procedures, paperwork, and related communications. Furthermore, this department coordinates filing: Conflict of Interest Statements, Annual Campaign Disclosure Statements, Statement of Facts, right-of-way documents, and other filings as required. This department is also responsible for making travel arrangements for Board Members and District personnel.

Fiscal 2014-15 Accomplishments

- Participated in the preparation of documentation for Measure D, which changed CVWD Board members from being elected "at-large" to "by division"
- Recorded 268 District right-of-way documents executed during fiscal year for property located in Riverside and Imperial Counties
- Participated in responding to Public Records Act (PRA) requests for information
- Processed 483 travel authorizations
- Successfully completed first year of Board agenda automation using Sire Technologies

Fiscal 2015-16 Goals

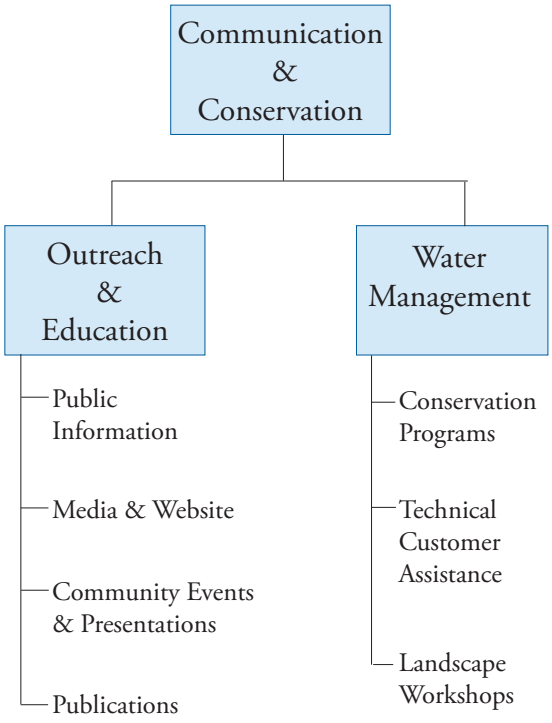
- Provide excellent customer service for external District Customers
- Create a cross-training program to enhance employee knowledge, create operational efficiencies, and provide coverage during absences
- Implement use of Sire Technologies automation for Board Meeting minutes

Department Financial Trend - Board Secretary

	Budget 2014-15	Projected 2014-15	Budget 2015-16	Budget Change	% Change
Expenses by Object					
Salaries & Benefits	655,000	633,000	518,000	(137,000)	(20.9)
Professional Development	6,000	9,000	6,000	-	-
Advertising & Media	20,000	20,000	20,000	-	-
Materials & Supplies	4,000	4,000	4,000	-	-
Motorpool	-	1,000	-	-	-
Total	**685,000**	**667,000**	**548,000**	**(137,000)**	**(20.0%)**
Expenses by Division					
Board Secretary	685,000	667,000	548,000	(137,000)	(20.0)
Total	**685,000**	**667,000**	**548,000**	**(137,000)**	**(20.0%)**
Expenses by Fund					
Domestic Water	172,000	167,000	138,000	(34,000)	(19.8)
Canal Water	171,000	167,000	137,000	(34,000)	(19.9)
Sanitation	171,000	167,000	137,000	(34,000)	(19.9)
Stormwater	103,000	100,000	82,000	(21,000)	(20.4)
West Whitewater Replenishment	34,000	33,000	27,000	(7,000)	(20.6)
East Whitewater Replenishment	34,000	33,000	27,000	(7,000)	(20.6)
Total	**685,000**	**667,000**	**548,000**	**(137,000)**	**(20.0%)**

Board meeting preparation

Communication & Conservation Department



Department Description

The Communication & Conservation Department is comprised of two divisions: Outreach & Education and Water Management. Outreach & Education is responsible for internal communication, public outreach, education, and media relations. Water Management is responsible for the District's conservation programs, along with assisting customers in improving water use efficiency.

Division Descriptions

Outreach & Education is responsible for providing relevant information through presentations to civic and community organizations, tours, public events, newsletters, brochures, the District website, and the District's Facebook page.

News media is utilized to help educate the community through the use of news releases, fact sheets, interviews, editorial board meetings, and paid advertising, including newspaper and magazine ads, billboards, and other means to help educate the community.

Internal communication includes the publication of a biweekly paycheck insert and a monthly newsletter mailed to homes to alert employees about policies, upcoming events, and other District related news and information. These publications help promote open communication between administration and all staff levels.

Credentialed teachers deliver classroom presentations, along with tours to public and private school children in grades from preschool through college. All presentations are based on state academic standards, and include information such as: history of water in the Coachella Valley, water safety, water conservation, the water cycle, and other earth and natural sciences. CVWD teachers serve as science fair judges and present special awards for the top water-related science projects.

Legislative work includes analyzing state and federal legislation that would have an impact on the District, writing letters to express policy positions on such legislation, and meeting regularly with local legislators to foster open dialogue about complicated water issues.

Water Management is primarily responsible for assisting our customers to improve water use efficiency. Water Management oversees the implementation of a number of conservation programs: including rebates for large landscape smart controllers, turf removal, sprinkler nozzle replacement, and high efficiency toilets. Conservation programs also include: free smart irrigation controllers, free indoor conservation kits for homeowners, and water brooms and pre-rinse nozzles for restaurants and HOAs.

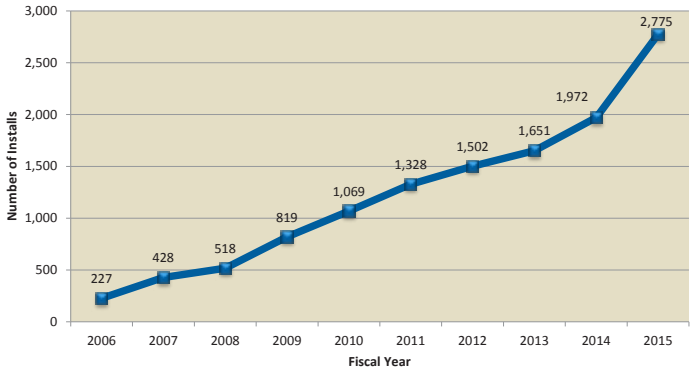
Highly-trained staff members provide technical assistance, including on-site conservation reviews or audits, to evaluate water use and offer suggestions to improve water-use efficiency, and meet assigned water budgets.

Smart controller installations and turf convertions increased substatially from fiscal 2014 to fiscal 2015 as depicted in the graphs below. At the same time, the number of water waste investigations and site visit/conservation review requests also increased substatially. Demonstrating like never before that Valley residents want to do their part.

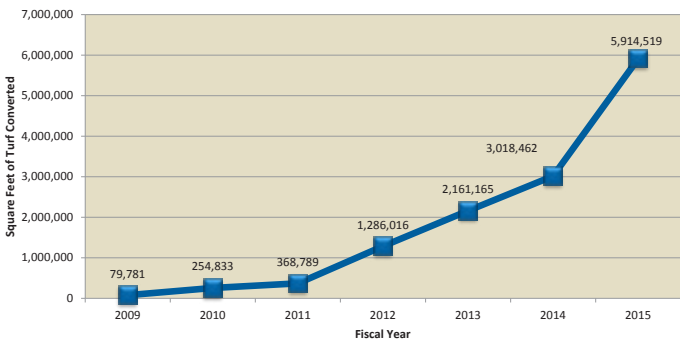
In 2014, the District adopted its first ever water-use restrictions. Water Management is responsible for investigating possible violations and helping violators comply. As a result, beginning January 2015, one staff member was designated as a full-time Water Waste Investigator. In addition to the one full-time Water Waste Investigator, additional Water Management staff help ensure water-use restrictions are followed.

Water Management staff also review plans of new and rehabilitated landscapes for compliance with the District's strict Landscape Ordinance.

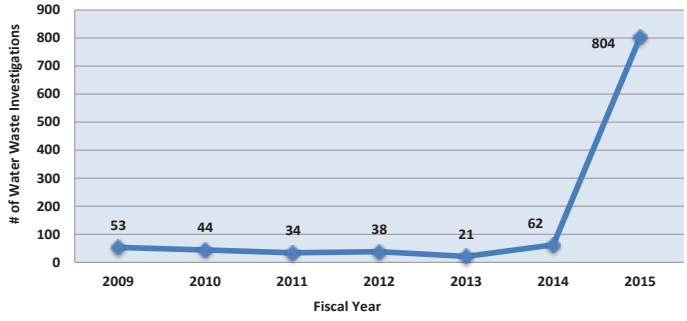
Smart Controller Installations To Date



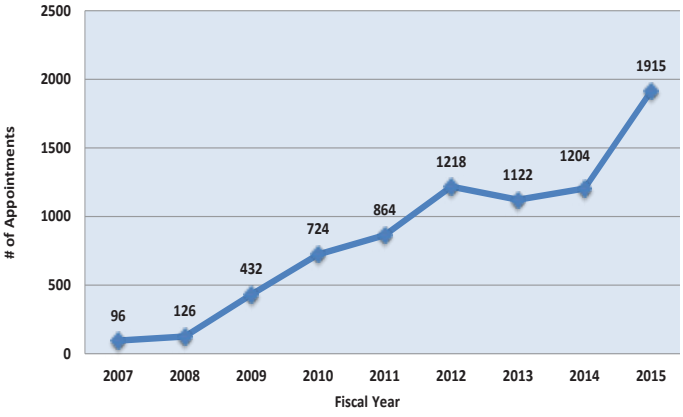
Total Square Feet of Turf Converted To Date



Water Waste Investigations Seven-Year History



Site Visits/Conservation Reviews Nine-Year History



Fiscal 2014-15 Accomplishments

Strategic Plan

- Redesigned the District's website, streamlined navigation, and made it easier for customers to find information

Outreach & Education

- Delivered educational presentations to 16,400 students in public and private schools throughout the Coachella Valley
- Distributed 50 news releases about the District and important water-related issues
- Submitted letters on nine different topics to state legislators supporting or opposing legislation that would affect the District
- Participated in 52 tours of District facilities, the Salton Sea, and local farms to inform the community about important water-related issues
- Delivered 69 informative presentations to various community groups
- Staffed informational booths at 50 community events
- Hosted "A Toast to Tap Water" community event to celebrate the Coachella Valley's high-quality drinking water and answer questions about water quality
- Hosted five educational workshops on chromium-6 to inform residents about the new drinking water standard and its likely effect on future rate increases
- Hosted a special chromium-6 tour for elected officials and other community leaders
- Hosted five District sponsored Landscape Workshops for home gardeners and two Water Management Seminars for landscape professionals (one in English and one in Spanish)
- Facilitated a Project WET (Water Education for Teachers) Workshop to train teachers how to bring water education into the classroom while meeting state standards for education

Water Management

- Installed 803 residential smart controllers at homes throughout the service area and 319 large landscape smart controllers at homeowner associations
- Issued rebates to 628 homeowners who participated in the landscape conversion program and replaced 760,094 square feet of grass with desert-friendly landscaping
- Issued rebates to 212 large landscape customers who participated in the landscape conversion program and replaced 2.1 million square feet of grass with desert-friendly landscaping
- Issued rebates to 344 homeowners who participated in the toilet replacement program
- Investigated 804 reports of water waste

Fiscal 2015-16 Goals

Strategic Plan

- Provide more conservation assistance to golf courses
- Develop a conservation program for agriculture customers
- Develop a domestic water conservation program to help the District comply with the state's 36% conservation mandate
- Develop internal fact sheets to better educate employees about important topics

Outreach & Education

- Continue to educate the community about important water-related topics and District policies and projects utilizing presentations to civic and community organizations, tours, community events, media, and classroom presentations
- Continue to educate District staff about important policies, events, and projects utilizing internal newsletters, fliers, and other communication
- Maintain communication with local legislators to foster an open dialogue about relevant water issues

Water Management

- Increase public awareness about the statewide drought, water-use restrictions, and mandatory conservation goals, and increase outreach efforts to educate the community about how to conserve water and take advantage of the District's rebate and incentive programs
- Continue to offer ongoing conservation rebate and incentive programs, while looking for ways to enhance existing programs and provide additional programs

Department Financial Trend - Communication & Conservation

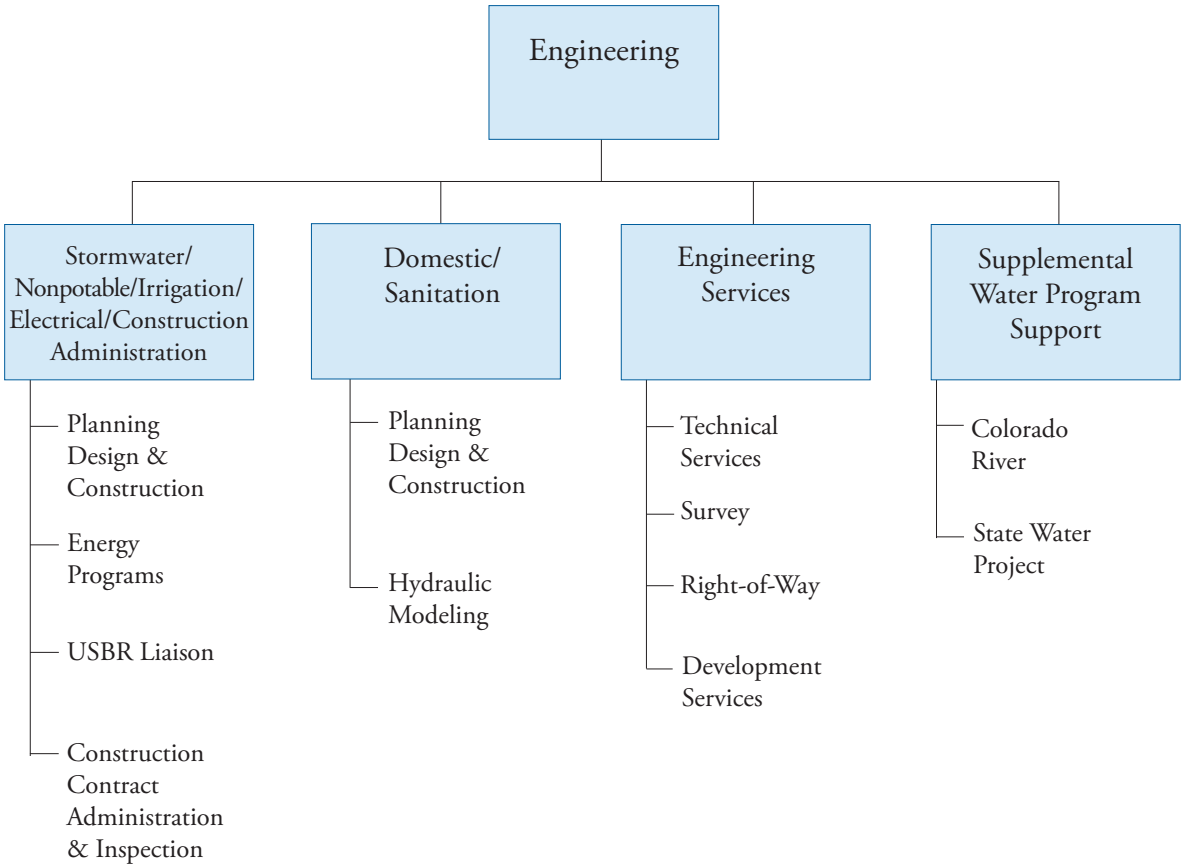
	Budget 2014-15	Projected 2014-15	Budget 2015-16	Budget Change	% Change
Expenses by Object					
Salaries & Benefits	2,888,000	2,833,000	3,128,000	240,000	8.3
Outside Labor	-	-	22,000	22,000	-
Professional Development	40,000	26,000	37,000	(3,000)	(7.5)
Advertising & Media	73,000	37,000	117,000	44,000	60.3
Utilities	5,000	4,000	4,000	(1,000)	(20.0)
Materials & Supplies	133,000	212,000	242,000	109,000	82.0
Motorpool	58,000	51,000	69,000	11,000	19.0
Contract Services	329,000	342,000	284,000	(45,000)	(13.7)
Miscellaneous Expense	3,258,000	2,894,000	3,227,000	(31,000)	(1.0)
Total	**6,784,000**	**6,399,000**	**7,130,000**	**346,000**	**5.1%**
Expenses by Division					
Outreach & Education	1,863,000	1,664,000	1,785,000	(78,000)	(4.2)
Water Management	4,921,000	4,735,000	5,345,000	424,000	8.6
Total	**6,784,000**	**6,399,000**	**7,130,000**	**346,000**	**5.1%**
Expenses by Fund					
Domestic Water	5,828,000	5,660,000	6,362,000	534,000	9.2
Canal Water	453,000	370,000	379,000	(74,000)	(16.3)
Sanitation	134,000	116,000	122,000	(12,000)	(9.0)
Stormwater	111,000	99,000	105,000	(6,000)	(5.4)
Nonpotable Water	132,000	62,000	65,000	(67,000)	(50.8)
West Whitewater Replenishment	74,000	49,000	51,000	(23,000)	(31.1)
East Whitewater Replenishment	52,000	43,000	46,000	(6,000)	(11.5)
Total	**6,784,000**	**6,399,000**	**7,130,000**	**346,000**	**5.1%**

FY 2015-16 Approved Supplemental Requests

Fund	Dept./ Div.	Elem./ Object	Description	FTEs	Salaries & Benefits	Supplies & Service	Capital	Total Request	Nonrecurring
535	2314	1002	Water Management Specialist I	1.0	127,280	-	-	127,280	-
			PERSONNEL TOTAL	**1.0**	**127,280**	**-**	**-**	**127,280**	**-**
535	2314	4205	Standard Desktop Computer*	-	-	2,300	-	2,300	2,300
535	2314	4205	Toughbook*	-	-	6,500	-	6,500	6,500
535	2314	8003	2016 Ford F-150 Pickup Truck*	-	-	-	26,400	26,400	26,400
535	2314	1003	Overtime	-	24,800	-	-	24,800	-
535	2314	1801	Temporary Agencies	-	-	22,000	-	22,000	22,000
535	2314	2001	Dues & Memberships	-	-	700	-	700	-
535	2314	4298	Work Orders - Smart Controllers	-	-	103,400	-	103,400	-
535	2314	7261	Conservation Program Payments	-	-	2,342,008	-	2,342,008	-
			OTHER TOTAL	**-**	**24,800**	**2,476,908**	**26,400**	**2,528,108**	**57,200**
			COMMUNICATION & CONSERVATION COMBINED TOTAL	**1.0**	**152,080**	**2,476,908**	**26,400**	**2,655,388**	**57,200**

* Expenses Associated with Additional Personnel

Engineering Department



Department Description

The primary responsibilities of the District's Engineering Department include design, construction, and inspection of: water resources, domestic water, sanitation (wastewater), nonpotable water, irrigation/drainage, stormwater, and groundwater replenishment facilities. Engineering is also responsible for coordinating with developers to expand the water resource facilities related to developmental growth. Engineering maintains District infrastructure drawings and maps and assists with rate-making and setting various fees and charges.

The department consists of Administration and five divisions: Stormwater/Irrigation/Electrical/Construction Administration, Domestic Water/General District, Sanitation/Nonpotable, Engineering Services, and Supplemental Water Program Support.

Surveying for District right-of-way

Division Descriptions

Administration provides overall management support and leadership to ensure the Engineering Department's mission and goals are accomplished.

Stormwater/Irrigation/Electrical/Construction Administration is responsible for the planning, design, and construction of the District's irrigation/drainage, stormwater, and electrical facilities. The irrigation system is owned by the United States Bureau of Reclamation (USBR), with operations and maintenance (O&M) responsibilities belonging to the District. This division coordinates design, construction, and O&M activities with the USBR. This division manages the District's energy programs. In addition, this division has overall responsibility for capital project construction administration, including construction inspection.

Domestic Water/General District is responsible for the planning, design, and construction of the District's domestic water and general District facilities. This division also establishes developer connection fees, including the Water System Backup Facilities Charge (WSBFC), and prepares hydraulic model studies to assist developers with sizing infrastructure for planned development.

Sanitation/Nonpotable is responsible for the planning, design, and construction of the District's sanitation and nonpotable facilities. Moreover, this division establishes developer connection fees, including the Sanitation Capacity Charge (SCC), and prepares hydraulic model studies to assist developers with sizing infrastructure for planned development.

Engineering Services consists of Technical Services (Computer-Aided Drafting (CAD) and plan checking), Right-of-Way (ROW), Survey, and Development Services. The ROW group monitors, reviews, and approves activities related to the District's fee-owned land and easements, including encroachment permits, lease agreements, and license/consent applications for use of USBR ROW. Development Services is responsible for coordinating the expansion of water resource facilities related to developmental growth. This division coordinates developer meetings, establishes new customer accounts, tracks infrastructure plan submittal, and developer fees.

Supplemental Water Program Support provides technical support for the Colorado River and the State Water Project (SWP) activities.

Plan checking at new reservoir

Fiscal 2014-15 Accomplishments

Administration

- Completed pre-qualification of underground pipeline contractors ($3 million and below
- Completed engineering portal (central location for forms, agreements, contracts, etc.)
- Completed Design/Build Contract documents
- Developed CIP project prioritization program

Domestic Water/General District

- Completed Domestic Water Source of Supply Treatment Study
- Initiated chromium-6 Well Treatment Design
- Completed Booster Station 04568 generator enclosure
- Completed 50% of Well 5640 redrill
- Completed Well 5657 redrill
- Completed Larkspur Lane water main replacement
- Completed Dillon Road/Sunnyslope/Pace Lane/ Desert Rock Road water main replacements
- Completed design/build Statement of Qualification and Request for Proposal for relocation of water quality laboratory to Palm Desert

Sanitation/Nonpotable

- Completed WRP 4 & WRP 7 headworks construction
- Completed WRP 10 septage receiving construction
- Completed 50% of WRP 10 air process control construction
- Completed 50% of WRP 10 generator & switchgear construction
- Completed WRP 10 Plant C improvements
- Completed design of WRP 10 effluent pump station and construction out to bid
- Completed design of WRP 7 & WRP 10 replacement of chlorinator feeder cabinets, prequalifying bidders for construction
- Completed design of WRP 7 biosolids upgrade project and construction out to bid
- Completed design of WRP 7 clarifier improvement and construction out to bid
- Completed design of Avenue 57 sewer pipeline and abandonment of Lift Station 55-14 and construction out to bid
- Completed design of sewer and manhole rehabilitation projects (Bombay Beach, Fred Waring, Shifting Sands) and construction out to bid
- Completed ID 53 trunk sewer rehabilitation, phase 3
- Completed nonpotable water pipeline projects (The Lakes, Desert Horizons, and Palm Desert Country Club)

Stormwater/Irrigation/Electrical/Construction Administration

- Completed Coachella Canal relocation (SilverRock)
- Completed replacement of Laterals 117.8, 101.3, and 123.45
- Completed replacement design of Laterals 113.5, 100.9, and 114.3
- Completed Oasis irrigation system expansion project design and received construction bids
- Completed 80% of Thousand Palms Flood Control Project design and 50% of environmental documentation
- Completed 90% of North Indio Regional Flood Control Project design
- Completed design of Whitewater River Park slope protection

Engineering Services

- Updated Standard and Special Developer Installation Agreement templates
- Updated CVWD Disposal of Surplus Real Estate Policy
- Adopted new resolution for acceptance of offers of dedication and fee title and easements
- Developed Consent to Easement and Consent to Agreement Templates

Fiscal 2014-15 Accomplishments (cont'd)

- Completed biennial on-call contract for domestic water valve operator wells and manhole adjustments

Supplemental Water Program Support

- Monitored and assisted with State Water Project and Colorado River Water activities

Planning & Special Programs

- Completed the 2014 Coachella Valley Water Management Plan (CVWMP) Status Report
- Completed the Coachella Valley Salt and Nutrient Management Plan
- Received $5.2 million Proposition 84, Integrated Regional Water Management Plan Grant Funds (San Cristobal and St. Anthony Projects)
- Implemented Stage 2 and Stage 3 Mandatory Water Shortage Contingency Ordinances in support of Governor's Statewide Drought Declarations

Fiscal 2015-16 Goals

Strategic Plan

- Develop Drought Contingency Plan for Colorado River Water
- Complete right-of-way acquisition and California Environmental Quality Act-plus document to connect Salton City domestic water system to Cove domestic water system
- Complete asset inventory and condition assessment, and create a Preventive Maintenance Program
- Finish development of hydraulic model for the irrigation system
- Inspect irrigation and drainage system and begin prioritization of results
- Develop CIP funding strategies and hire grant writer

Administration

- Design and construct CIP projects on time and within budget
- Adhere to CVWD's Project Administration Manual

Domestic Water/General District

- Implement approved Water Management Plan and Master Plan CIP projects

Sanitation/Nonpotable

- Implement approved Water Management Plan and Master Plan CIP projects
- Update Sanitation Rules & Regulations
- Update Sanitation Standard Specifications

Stormwater/Irrigation/Electrical/Construction Administration

- Implement approved Water Management Plan and Master Plan CIP projects
- Adopt Irrigation & Drainage Rules and Regulations

Capital Projects Completed					
	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Budget	80,222,234	62,296,000	62,225,000	99,681,000	81,227,000
Actual	46,149,042	18,854,496	37,173,000	75,496,293	52,548,000
% Complete	58%	30%	60%	76%	65%

Department Financial Trend - Engineering

	Budget 2014-15	Projected 2014-15	Budget 2015-16	Budget Change	% Change
Expenses by Object					
Salaries & Benefits	7,078,000	5,331,000	7,083,000	5,000	0.1
Professional Development	67,000	45,000	73,000	6,000	9.0
Professional Services	725,000	1,118,000	1,202,000	477,000	65.8
Utilities	11,000	8,000	11,000	-	-
Materials & Supplies	52,000	39,000	38,000	(14,000)	(26.9)
Motorpool	109,000	94,000	117,000	8,000	7.3
Contract Services	582,000	450,000	421,000	(161,000)	(27.7)
Safety	2,000	2,000	2,000	-	-
Purchased Water	66,512,000	52,141,000	58,498,000	(8,014,000)	(12.0)
QSA Mitigation Payments	3,721,000	3,721,000	5,272,000	1,551,000	41.7
Miscellaneous Expense	1,757,000	1,964,000	1,748,000	(9,000)	(0.5)
Total	**80,616,000**	**64,913,000**	**74,465,000**	**(6,151,000)**	**(7.6%)**
Expenses by Division					
Engineering					
Administration	1,382,000	1,448,000	1,325,000	(57,000)	(4.1)
Colorado River & Other	8,123,000	8,328,000	10,073,000	1,950,000	24.0
State Water Project & Other Water Costs	63,831,000	49,465,000	55,608,000	(8,223,000)	(12.9)
Domestic Water and Sanitation					
Administration	228,000	-	175,000	(53,000)	(23.2)
Domestic Water	1,065,000	758,000	1,075,000	10,000	0.9
Sanitation	734,000	281,000	746,000	12,000	1.6
Canal, Stormwater & Electrical					
Administration	239,000	230,000	250,000	11,000	4.6
Construction Inspection	736,000	617,000	758,000	22,000	3.0
Electrical Energy	331,000	197,000	329,000	(2,000)	(0.6)
Irrigation - Canal Water	578,000	354,000	757,000	179,000	31.0
Stormwater	364,000	286,000	371,000	7,000	1.9
Engineering Services					
Administration	225,000	227,000	238,000	13,000	5.8
Development Services	744,000	673,000	660,000	(84,000)	(11.3)
Technical Services	1,129,000	1,112,000	1,189,000	60,000	5.3
Right of Way	511,000	528,000	512,000	1,000	0.2
Survey	396,000	409,000	399,000	3,000	0.8
Total	**80,616,000**	**64,913,000**	**74,465,000**	**(6,151,000)**	**(7.6%)**

Department Financial Trend - Engineering

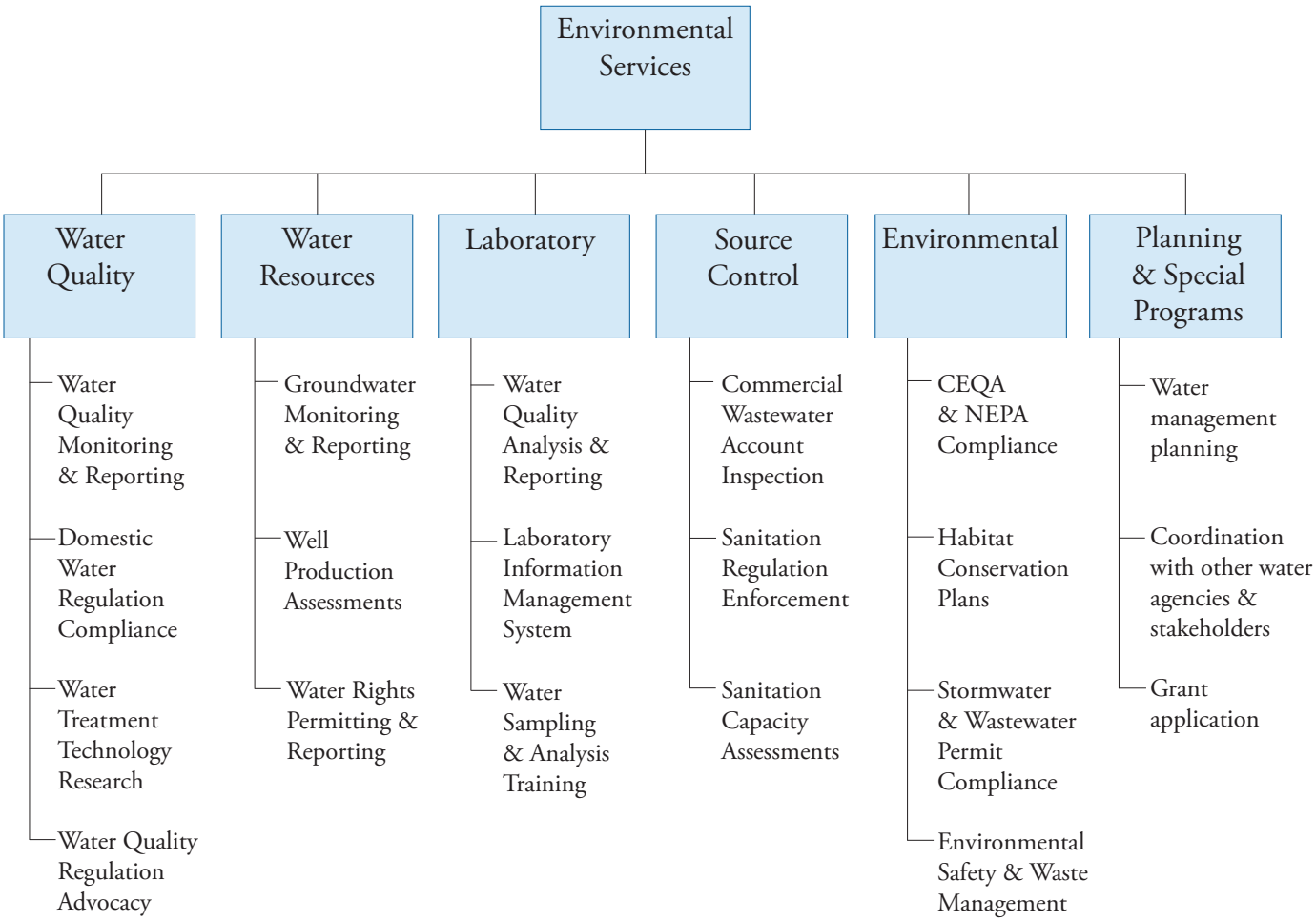
	Budget 2014-15	Projected 2014-15	Budget 2015-16	Budget Change	% Change
Expenses by Fund					
Domestic Water	6,432,000	5,945,000	2,748,000	(3,684,000)	(57.3)
Canal Water	6,134,000	6,073,000	6,459,000	325,000	5.3
Sanitation	2,764,000	2,064,000	2,904,000	140,000	5.1
Stormwater	1,103,000	1,042,000	1,163,000	60,000	5.4
Nonpotable Water	162,000	120,000	153,000	(9,000)	(5.6)
West Whitewater Replenishment	60,723,000	47,085,000	55,551,000	(5,172,000)	(8.5)
Mission Creek Replenishment	3,235,000	2,525,000	2,913,000	(322,000)	(10.0)
East Whitewater Replenishment	63,000	59,000	2,574,000	2,511,000	3,985.7
Total	**80,616,000**	**64,913,000**	**74,465,000**	**(6,151,000)**	**(7.6%)**

FY 2015-16 Approved Supplemental Requests

Fund	Dept./ Div.	Elem./ Object	Description	FTEs	Salaries & Benefits	Supplies & Service	Capital	Total Request	Nonrecurring
803	4099	1002	Engineering Manager	1.0	196,903			196,903	-
			PERSONNEL TOTAL	**1.0**	**196,903**	**-**	**-**	**196,903**	**-**
803	4099	4205	Standard Desktop Computer with Dual Screen*	-	-	2,600	-	2,600	2,600
803	4005	2501	Legal-General Engineering	-	-	84,000	-	84,000	-
501	4125	2599	Irrigation Lateral Inspection Program	-	-	130,000	-	130,000	-
			OTHER TOTAL	**-**	**-**	**216,600**	**-**	**216,600**	**2,600**
			ENGINEERING COMBINED TOTAL	**1.0**	**196,903**	**216,600**	**-**	**413,503**	**2,600**

* Expenses Associated with Additional Personnel

Environmental Services Department



Department Description

The Environmental Services Department is organized into six divisions that develop and implement programs to comply with local, state, and federal regulations protecting water quality and environmental resources. The department's primary responsibilities include: water quality, groundwater replenishment monitoring and reporting, biological resource management, environmental assessments and permitting, water management planning, and advocating for water quality and environmental regulations based on good science.

Water quality lab

Division Descriptions

Water Quality is responsible for developing and implementing water quality monitoring and reporting programs for District domestic water services. This division performs sample collection services supporting the District's wastewater, stormwater, recycled water, water replenishment, irrigation and drainage services.

Water Quality evaluates proposed regulations, surveys and tests new water treatment technologies, and works with regulators and the regulated water community to develop reasonable, beneficial, and cost-effective water quality regulations.

Water Resources is responsible for developing, implementing, monitoring, and reporting District groundwater replenishment and water rights programs. This division monitors water levels in wells throughout the Coachella Valley to produce reports needed to evaluate water supply conditions and make water management decisions. Water Resources works with private well operators to locate and inventory water wells to measure and report groundwater production. Water Resources administers the Artesian Well Rebate Program, the water level monitoring program, and the State Well Numbering Program. In addition, this division is leading the District's compliance with the Coachella Valley Agriculture Conditional Waiver and representing the District's interests during development of the state's emerging groundwater sustainability initiative.

Laboratory is responsible for maintaining a state-certified laboratory to perform timely and high quality sample analysis and reporting needed to determine compliance with water quality regulations. This division implements a Laboratory Information Management System (LIMS) needed to meet state and federal electronic reporting requirements and provide an effective data storage system for performing water quality evaluations. The Laboratory trains District staff to perform field sampling and analysis at District facilities, including domestic water and wastewater treatment plants.

Source Control is responsible for evaluating, inspecting, and permitting commercial use of District wastewater collection and treatment facilities. This division develops and implements programs that enforce sanitation regulations protecting District wastewater collection and treatment facilities. Source Control evaluates proposed wastewater discharges and supports the assessment of Sanitation Capacity Charges (SCC).

Environmental is responsible for conducting biological and cultural resources surveys, and coordinating mitigation and compliance work for habitat conservation plans. Environmental also ensures District projects and activities are permitted and comply with local, state, and federal environmental protection requirements. This division develops and implements compliance plans and performs regulatory monitoring and reporting for District stormwater, wastewater treatment and reclamation, environmental safety, and waste management programs. In addition, Environmental works with regulatory agency staff to obtain permits for District facilities and covered activities.

Planning and Special Programs is responsible for water resource planning, including the Coachella Valley Water Management Plan, CVWD Urban Water Management Plan, Integrated Regional Water Management Plan (IRWMP) and other water resources planning activities involving coordination with other water agencies and stakeholders.

Chromium-6 presentation

Fiscal 2014-15 Accomplishments

Water Quality

- Coordinated monitoring for multiple domestic water chromium-6 removal research projects
- Coordinated monitoring for brine optimization study for strong-base ion exchange water treatment
- Provided technical support and testimony for the development of chromium-6 compliance period legislation
- Developed a conceptual alternative chromium-6 drinking water regulation compliance strategy
- Performed tasks to implement Laboratory Information Management System (LIMS) upgrade
- Completed initial chromium-6 regulation compliance monitoring for District drinking water sources
- Added an Environmental Services Specialist position to meet increased water quality monitoring and reporting demands
- Completed first round of unregulated contaminant monitoring for the District's largest public water system
- Submitted 2014 Annual Report of Systems to the state
- Submitted state permit amendment application to accept chromium-6 removal for Well Site 6806 and 7802 Ion Exchange Treatment Plants (IXTPs)

Water Resources

- Added 10 new groundwater producers to the East Whitewater River Subbasin Area of Benefit (AOB)
- Completed 12 groundwater producer audits in the West Whitewater River Subbasin AOB
- Held successful public hearing to approve increases to the Replenishment Assessment Charges (RAC) for the West Whitewater River Subbasin AOB, East Whitewater River Subbasin AOB, and Mission Creek Subbasin AOB
- Completed fiscal 2015 Engineer's Reports on Water Supply and Replenishment Assessment
- Developed and implemented the Compliance Plan for the Coachella Valley Agriculture Discharge Waiver
- Completed reports on groundwater monitoring programs for District groundwater replenishment facilities

Laboratory

- Selected and purchased a new Laboratory Information Management System
- Completed analytical testing for multiple domestic water chromium-6 removal research projects
- Installed and implemented advanced chromium-6 analytical instrumentation
- Completed analytical testing for brine optimization study for strong-base ion exchange water treatment

Source Control

- Prepared source control revisions to the District's Regulations Governing Sanitation Service
- Continued industrial waste survey of commercial users of District wastewater collection facilities

Environmental

- Continued environmental permitting process for District capital improvement projects
- Completed and implemented operations and maintenance plan for District lands within conservation areas
- Coordinated District activities for canal lining mitigation at Dos Palmas Preserve
- Submitted the drain maintenance pupfish study work-plan for agency approval
- Worked towards obtaining Clean Water Act permits to clean and maintain the stormwater channel
- Completed enhanced compliance action reporting for ID 53 sewer project in accordance with Water Board agreement
- Implemented resource agency approved District laboratory Quagga mussel analysis program
- Presented venomous animal training to District staff
- Procured air quality permits for District portable equipment at WRP 4 & WRP 7 headworks

Fiscal 2014-15 Accomplishments (cont'd)

- Applied for multiple lift station odor scrubber permits

Planning & Special Programs

- Completed the 2014 Coachella Valley Water Management Plan (CVWMP) Status Report
- Completed the Coachella Valley Salt and Nutrient Management Plan
- Received $5.2 million Proposition 84, Integrated Regional Water Management Plan Grant for Coachella Valley turf rebate programs
- Received $5.4 million United States Department of Agricultural Rural Assistance Grant Funds (San Cristobal and St. Anthony Projects)
- Implemented Stage 2 and Stage 3 Mandatory Water Shortage Contingency Ordinances in support of Governor's Statewide Drought Declarations

Fiscal 2015-16 Goals

Strategic Plan

- File state wastewater change petition to use WRP 4 effluent for nonpotable uses
- Perform agency coordination and planning to comply with the Sustainable Groundwater Management Act (SGMA)
- Obtain state approval for the District's chromium-6 water treatment compliance plan
- Prepare a California Environmental Quality Act (CEQA) plus environmental document for State Highway 86 pipeline - Phase 2
- Provide environmental support for Garfield Street constructed habitat project concept plan submittal
- Complete WRP 7 tamarisk tree removal project
- Complete an alternative energy feasibility study using District facilities

Water Quality

- Complete monitoring for chromium-6 removal research projects
- Complete monitoring for brine optimization study for strong-base ion exchange water treatment
- Complete tasks to install Laboratory Information Management System (LIMS) upgrade
- Complete triggered quarterly chromium-6 regulation compliance monitoring for District drinking water sources
- Complete second round of unregulated contaminant monitoring for the District's largest public water system
- Complete lead and copper monitoring for the District's largest public water system
- Submit fiscal 2015 Annual Report of Systems to the State Department of Drinking Water

Water Resources

- Complete fiscal 2016 water supply and replenishment assessment reports
- Complete initial year of implementation of the Compliance Plan for the Coachella Valley Agriculture Discharge Waiver
- Respond to new groundwater management monitoring requirements
- Complete 20 groundwater production audits within the District's groundwater management areas

Laboratory

- Implement the LIMS upgrade
- Complete analytical testing for enhanced pilot ion exchange chromium-6 removal project

Source Control

- Develop and implement a sewer collection system monitoring program
- Develop a compliance plan for new regulations governing mercury discharges from dental offices

Environmental

- Obtain environmental permits needed for District Capital Improvement Projects
- Obtain a revised waste discharge permit for WRP 10
- Coordinate District obligations for canal lining mitigation at Dos Palmas Preserve
- Complete renewal activities for facility hazardous materials business plans and air quality permits

Fiscal 2015-16 Goals (cont'd)

- Obtain Phase 1 of Clean Water Act permits to clean and maintain the stormwater channel
- Obtain remaining air quality permits for wastewater lift station odor scrubbers
- Submit application and develop compliance plan for coverage under the State Drinking Water Discharge Permit
- Receive approval from resource agencies on Desert Pupfish Drain Study

Planning and Special Program

- Facilitate Integrated Regional Water Management Plan (IRWMP) Grants

FY 2015-16 Approved Supplemental Requests

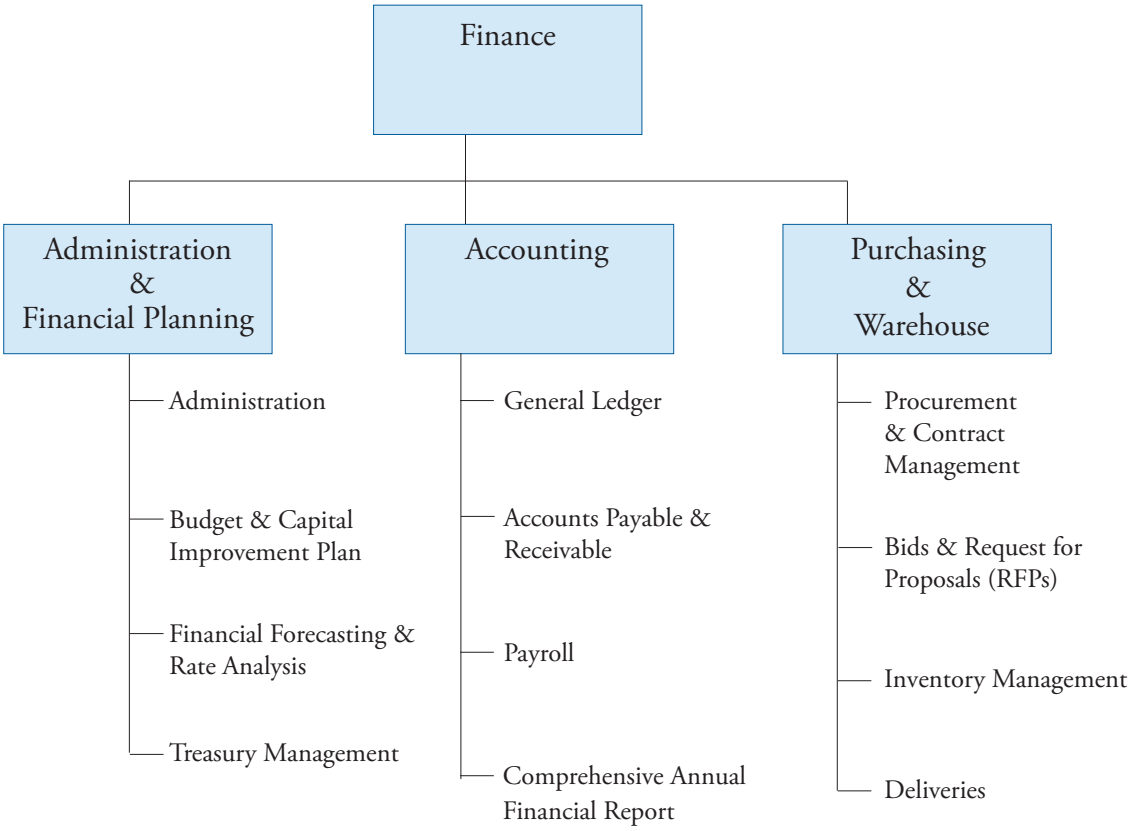
Fund	Dept./ Div.	Elem./ Object	Description	FTEs	Salaries & Benefits	Supplies & Service	Capital	Total Request	Nonrecurring
803	4305	2599	IRWM Program	-	-	200,000	-	200,000	-
803	4305	2599	Water Management Plan/Update	-	-	50,000	-	50,000	-
803	4305	2599	Groundwater Sustainability	-	-	50,000	-	50,000	-
535	4305	5599	Implement Interim Compliance Plan for Chromium-6 Rule	-	-	2,382,000	-	2,382,000	-
535	4305	5599	CV Land Subsidence Study - Phase 6	-	-	118,000	-	118,000	-
803	4305	2501	Legal fees for Environmental Services	-	-	20,000	-	20,000	-
501	4331	5599	Canal lining OM&R mitigation (costs paid by San Diego CWA)	-	-	155,000	-	155,000	-
803	4331	7202	Permits & Fees (MS4, Haz Waste, CEQA, Clean Water Act)	-	-	16,500	-	16,500	-
803	4333	2701	Fees to complete Proposition 218 notifications for RACs	-	-	6,000	-	6,000	-
803	4333	7201	SWRCB water rights fees & annual well recordations (15% increase)	-	-	10,200	-	10,200	-
803	4335	5502	Contract Services - Regulatory monitoring programs	-	-	30,250	-	30,250	-
803	4335	4004	Data/voice usage for mobile devices	-	-	2,600	-	2,600	-
			ENVIRONMENTAL SERVICES TOTAL	**-**	**-**	**3,040,550**	**-**	**3,040,550**	**-**

Flowing artesian well

Department Financial Trend - Environmental Services

	Budget 2014-15	Projected 2014-15	Budget 2015-16	Budget Change	% Change
Expenses by Object					
Salaries & Benefits	3,282,000	2,955,000	3,526,000	244,000	7.4
Professional Development	124,000	122,000	132,000	8,000	6.5
Professional Services	20,000	154,000	680,000	660,000	3,300.0
Advertising & Media	7,000	-	13,000	6,000	85.7
Utilities	4,000	4,000	7,000	3,000	75.0
Materials & Supplies	169,000	155,000	196,000	27,000	16.0
Motorpool	88,000	77,000	99,000	11,000	12.5
Contract Services	636,000	430,000	3,310,000	2,674,000	420.4
Safety	5,000	4,000	5,000	-	-
Miscellaneous Expense	742,000	622,000	765,000	23,000	3.1
Capital Outlay	105,000	105,000	-	(105,000)	(100.0)
Total	**5,182,000**	**4,628,000**	**8,733,000**	**3,551,000**	**68.5%**
Expenses by Division					
Administration	362,000	363,000	3,953,000	3,591,000	992.0
Environmental	1,089,000	937,000	1,125,000	36,000	3.3
Laboratory	907,000	832,000	833,000	(74,000)	(8.2)
Source Control	491,000	445,000	418,000	(73,000)	(14.9)
Water Quality	1,493,000	1,357,000	1,539,000	46,000	3.1
Water Resources	840,000	694,000	865,000	25,000	3.0
Total	**5,182,000**	**4,628,000**	**8,733,000**	**3,551,000**	**68.5%**
Expenses by Fund					
Domestic Water	1,646,000	1,355,000	4,747,000	3,101,000	188.4
Canal Water	688,000	781,000	919,000	231,000	33.6
Sanitation	1,691,000	1,543,000	1,803,000	112,000	6.6
Stormwater	421,000	320,000	449,000	28,000	6.7
Nonpotable Water	76,000	66,000	98,000	22,000	28.9
West Whitewater Replenishment	166,000	146,000	183,000	17,000	10.2
Mission Creek Replenishment	92,000	86,000	105,000	13,000	14.1
East Whitewater Replenishment	399,000	328,000	425,000	26,000	6.5
Motorpool	3,000	3,000	4,000	1,000	33.3
Total	**5,182,000**	**4,628,000**	**8,733,000**	**3,551,000**	**68.5%**

Finance Department



Department Description

The Finance Department is comprised of three divisions which provide financial services to various departments throughout the District and its customers. The department provides financial and administrative services, such as financial analysis, accounting, budget, capital improvement program analysis and reporting, financial forecasting, rate setting, purchasing, and materials management.

Division Descriptions

Administration provides overall management of the Finance Department's operations. **Financial Planning** provides District management current financial and economic information, along with rate and financial analysis for the Domestic Water, Canal Water, Sanitation, Stormwater, Nonpotable Water, and Replenishment Funds. The Financial Planning division is also responsible for coordinating, developing, and monitoring the District's operating and capital budgets, along with preparing and monitoring the five-year forecast for the enterprise funds. In addition, this division maintains, reconciles, and reports on Capital Improvement Projects (CIP) and non-CIP projects.

Accounting is responsible for accounts payable, payroll processing, grants, along with cash and investments reporting. The Accounting Division ensures that the District meets all Internal Revenue Service and state agency reporting requirements. This Division maintains the general ledger, including account and subsidiary ledger reconciliations, along with accounts receivable and fixed asset management. Accounting staff also oversees special assessment district administration and debt management.

Additional responsibilities include providing internal controls over all financial functions and ensuring grant compliance. Monthly and annual financial reports are prepared by Accounting, including the preparation of the Comprehensive Annual Financial Report (CAFR).

Purchasing is responsible for acquiring or assisting District personnel in acquiring required goods, services, equipment, and supplies from reliable sources following the District's Procurement Policy.

The **Warehouse** is responsible for receiving and inspecting goods, equipment, and supplies ordered by District personnel. Additional warehouse responsibilities include inventory controls to ensure supplies are available and ready when needed by District personnel. Warehouse services also include, mail delivery between CVWD offices in Coachella and Palm Desert, records retrieval, inventory, and delivery of lab samples.


Discussing financial stability

Fiscal 2014-15 Accomplishments

Strategic Plan

- Conducted and completed a cost of service study (COSS) for Sanitation
- Conducted draft cost of service studies for Canal Water, Domestic Water, and Replenishment Funds
- Prefunded Other Post-Employment Benefits (OPEB) to reduce future liabilities
- Completed a request for proposal (RFP) and hired a financial advisor to work on establishing a District bond rating

Supplemental

- Received the Distinguished Budget Award for the fiscal 2015 budget document from the Government Finance Officers Association (GFOA)
- Received the Certificate of Achievement for Excellence in Financial Reporting for the fiscal 2014 Comprehensive Annual Financial Report (CAFR)
- Received a clean audit opinion
- Received the Board's approval to prepay the fiscal 2016 CalPERS employer expense at an estimated cost savings of $648,000
- Implemented a Capitalization Policy for the District's Capital Assets
- Worked with Engineering to improve grants financial accountability and effectiveness
- Implemented Adobe EchoSign for digital processing of invoices throughout the District
- Worked with Information Systems on implementing an electronic time and attendance system
- Worked with Human Resources on implementing alternative work week schedules
- Developed training for all staff on the new version of WORKS (P-Card Program)
- Implemented a vendor emergency response program using Planet Bids module
- Cross trained all procurement technicians
- Developed training for staff on procurement policy and procedures
- Developed a warehouse procedures manual
- Identified obsolete/slow moving inventory and appropriately auctioned or moved
- Replaced pallet racking at the Coachella warehouse
- Updated all procurement contracts with legal counsel
- Updated CVWD website with new terms and conditions, contracts, and insurance requirements
- Implemented the new procedures requirements for Public Works Contracts with the Department of Industrial Relations
- Replaced one expired Certificate of Deposit (CD) with a cash deposit and released 15

Fiscal 2015-16 Goals

Strategic Plan

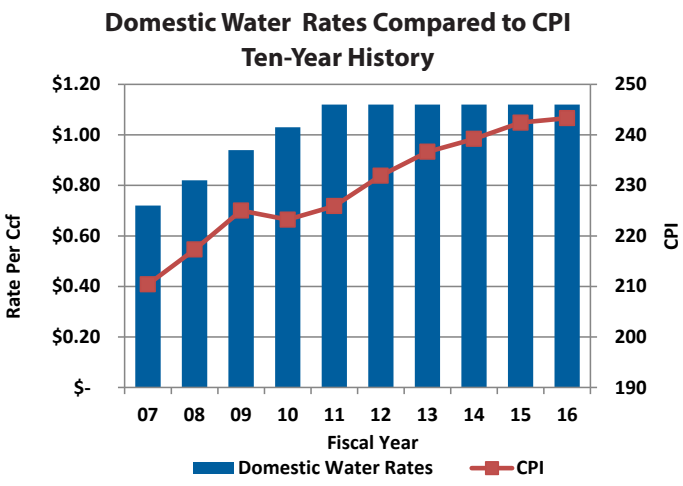
- Complete COSS for Domestic Water, Canal Water, Nonpotable Water, Replenishment Assessment Charges
- Complete COSS for water and sanitation connection fees and canal capacity fees
- Work with financial advisors and bond rating agencies to develop a financial plan and establish enterprise bond rating
- Develop financial policies
- Develop internal control policies

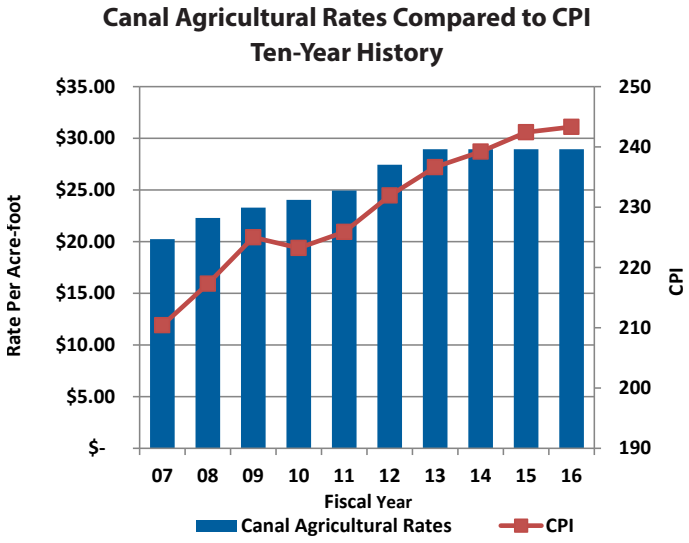
Supplemental

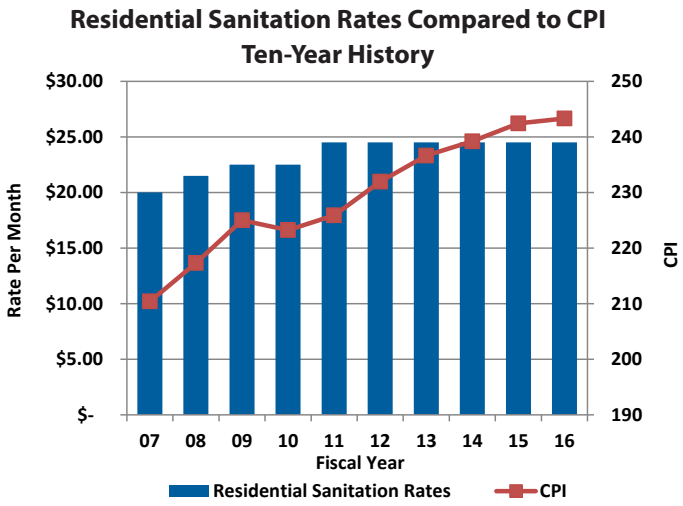
- Create a contracts and bid procedure manual
- Develop internal vendor emergency response manual to include all necessary documents/ forms needed in the event of a disaster
- Update Procurement Policy and obtain Board approval
- Create procedure guidelines for District use for submitting Request for Proposals (RFPs)
- Provide outreach to customers on proposed rate increases
- Develop an Emergency Operation Center (EOC) plan for Finance

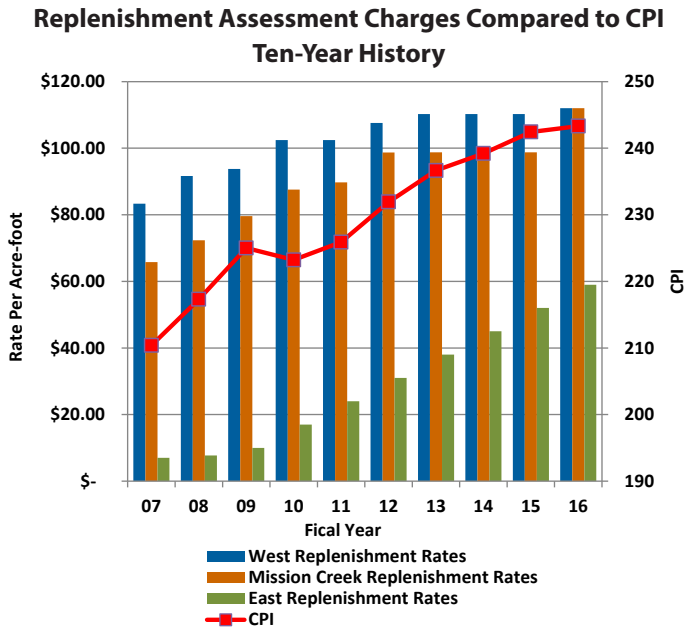
Finance Workload Measures and EUMs

	FY 2013	FY 2014	FY 2015
Administration			
Complete Cost of Service Studies	N/A	N/A	No
Produce Distinguished Budget Document by September 30	Yes	Yes	Yes
Are financial policies and procedures available	No	No	No
Are financial results audited	Yes	Yes	Yes
Have control deficiencies and material weaknesses from previous audits been corrected	No	No	Yes
Cash Management			
% of Total Cash Invested	99.0%	99.1%	99.3%
Average Cash on Hand	$ 3,703,953	$ 4,429,289	$ 3,310,228
Average TPIF Interest Rate	0.20%	0.38%	0.44%
Average Rate of Return on Investments	0.82%	0.74%	0.84%
Average Investment Portfolio	$ 432,922,526	$ 469,863,542	$ 475,340,352
Accounting			
Produce Comprehensive Annual Financial Report by December 31	Yes	Yes	Yes
Average Accounts Receivable	$ 3,096,264	$ 2,245,159	$ 2,147,611
Payroll	$ 36,512,323	$ 36,649,551	$ 39,395,595
Amount Paid Through Accounts Payable	$ 84,194,401	$ 110,747,295	$ 124,908,245
Number of Accounts Payable Checks	11,912	8,924	8,118
Number of Purchasing Card Transactions	N/A	6,822	8,639
Purchasing			
Amount of Inventory Received	$ 6,930,616	$ 7,320,417	$ 6,599,870
Amount of Inventory Issued	$ 7,008,641	$ 6,827,920	$ 6,566,926
Incoming Warehouse Transactions	25,015	27,586	25,765
Outgoing Warehouse Transactions	93,975	96,040	94,467
Number of Competitive Bids and Quotes	238	254	250
Number of Purchase Orders Issued	3,202	3,530	3,600









FY 2015-16 Approved Supplemental Requests

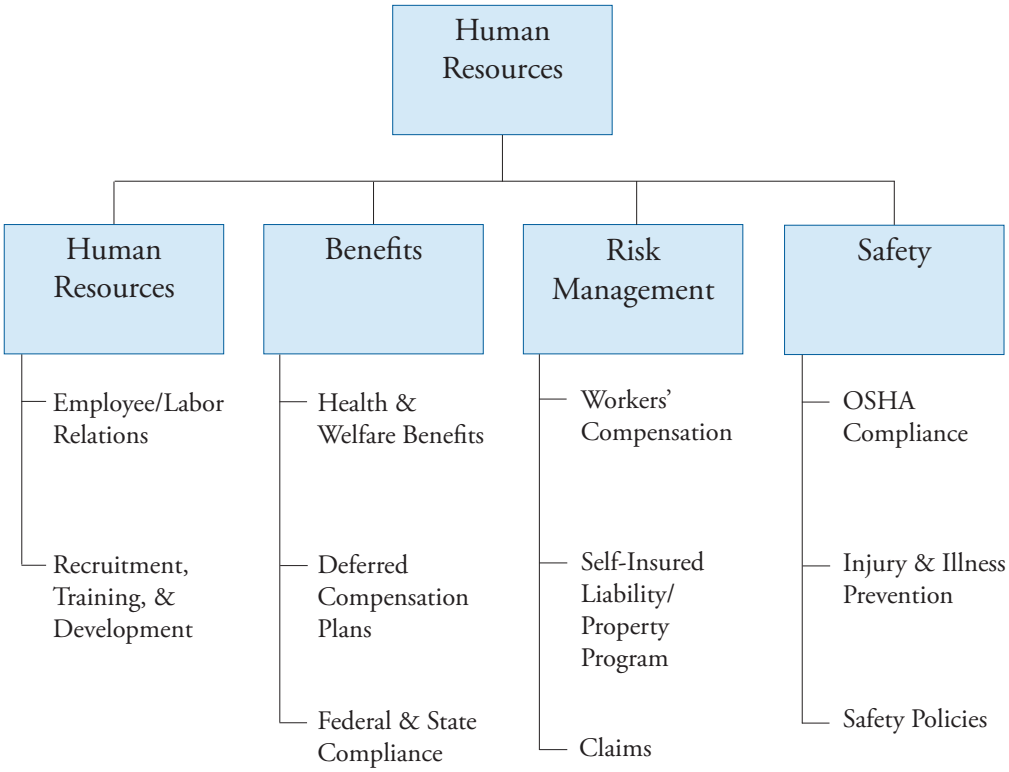
Fund	Dept./ Div.	Elem./ Object	Description	FTEs	Salaries & Benefits	Supplies & Service	Capital	Total Request	Nonrecurring
803	3018	1002	Accountant*	0.5	102,114	-	-	102,114	-
			PERSONNEL TOTAL	**0.5**	**102,114**	**-**	**-**	**102,114**	**-**
Mult	3005	2599	Cost of Service Study - Additional Services	-	-	155,000	-	155,000	155,000
535	3005	7208	Domestic Prop 218 Notices	-	-	100,000	-	100,000	100,000
Mult	3005	2599	Cost of Service Study - rebudgeted amount	-	-	20,000	-	20,000	20,000
803	3018	2599	PFM - Financial Advisory Services	-	-	72,000	-	72,000	-
803	3018	2599	CalPERS - GASB 68 Report	-	-	2,400	-	2,400	-
803	3018	2599	Bartel & Associates - Valuation Report - GASB 45	-	-	20,000	-	20,000	20,000
803	3018	8001	Accounts Payable Digital Invoice Processing Software	-	-	-	115,000	115,000	115,000
			OTHER TOTAL	**-**	**-**	**369,400**	**115,000**	**484,400**	**410,000**
			FINANCE COMBINED TOTAL	**0.5**	**102,114**	**369,400**	**115,000**	**586,514**	**410,000**

* This amount will be offset by the elimination of part-time Accounting Clerk

Department Financial Trend - Finance

	Budget 2014-15	Projected 2014-15	Budget 2015-16	Budget Change	% Change
Expenses by Object					
Salaries & Benefits	3,126,000	3,003,000	3,314,000	188,000	6.0
Professional Development	42,000	26,000	30,000	(12,000)	(28.6)
Professional Services	491,000	563,000	491,000	-	-
Utilities	1,000	1,000	1,000	-	-
Materials & Supplies	73,000	68,000	20,000	(53,000)	(72.6)
Motorpool	54,000	54,000	75,000	21,000	38.9
Contract Services	142,000	113,000	129,000	(13,000)	(9.2)
Safety	2,000	2,000	2,000	-	-
Miscellaneous Expense	246,000	240,000	411,000	165,000	67.1
Capital Outlay	97,000	61,000	115,000	18,000	18.6
OPEB Trust Payments	10,000,000	10,000,000	-	(10,000,000)	(100.0)
Total	**14,274,000**	**14,131,000**	**4,588,000**	**(9,686,000)**	**(67.9%)**
Expenses by Division					
Administration	1,778,000	1,593,000	1,475,000	(303,000)	(17.0)
Financial Accounting	926,000	1,009,000	1,442,000	516,000	55.7
Purchasing	565,000	560,000	589,000	24,000	4.2
Warehouse	780,000	785,000	792,000	12,000	1.5
Nondepartmental	10,225,000	10,184,000	290,000	(9,935,000)	(97.2)
Total	**14,274,000**	**14,131,000**	**4,588,000**	**(9,686,000)**	**(67.9%)**
Expenses by Fund					
Domestic Water	6,535,000	6,481,000	1,732,000	(4,803,000)	(73.5)
Canal Water	2,272,000	2,265,000	730,000	(1,542,000)	(67.9)
Sanitation	3,931,000	3,931,000	1,094,000	(2,837,000)	(72.2)
Stormwater	955,000	906,000	350,000	(605,000)	(63.4)
Nonpotable Water	92,000	83,000	103,000	11,000	12.0
West Whitewater Replenishment	202,000	197,000	239,000	37,000	18.3
Mission Creek Replenishment	35,000	22,000	34,000	(1,000)	(2.9)
East Whitewater Replenishment	130,000	124,000	150,000	20,000	15.4
Motorpool	122,000	122,000	156,000	34,000	27.9
Total	**14,274,000**	**14,131,000**	**4,588,000**	**(9,686,000)**	**(67.9%)**

Human Resources Department



Department Description

The Human Resources Department provides administrative, and operational human resources support to District employees, retirees, directors, and all eligible dependents by providing services in five core areas: human resources, benefits, risk management, safety, and claims.

Services include: employee and labor relations, recruitment and selection, training and development, compensation, administration of mandatory and voluntary benefits, leave administration, short- and long-term disability administration, workers' compensation, risk management, contract management, claims analysis, compliance and litigation, casualty claims management to minimize financial liability and unnecessary litigation, occupational health and safety administration, and training.

Division Descriptions

Human Resources responsibilities include managing the District's workforce so that they develop empowered employees who provide quality services to their customers. This division uses technology to streamline processes related to facilitating and managing employees in compliance with federal and state laws and current Memorandum of Understanding (MOU) guidelines.

This division achieves these responsibilities through recruitment, development and training, competitive rewards and compensation packages, and negotiating MOUs with District bargaining units.

Ergonomics training

Benefits administers the mandatory and voluntary health and welfare benefits – medical, dental, vision, employee assistance program (EAP), supplemental and group term life insurance, short- and long-term disability, Consolidated Omnibus Budget Reconciliation Act (COBRA), medical and dependent care, flexible spending accounts (FSA), wellness program, 401(a) and 457 deferred compensation plans for employees, retirees, Board of Directors and their eligible dependents.

Risk Management is responsible for analyzing and evaluating work involving the District's risk management and insurance programs, including but not limited to, securing insurance to limit the District's exposure to financial risk, administration of the District's self-insured Workers' Compensation program, insured and self-insured property and casualty claims, and contractor insurance compliance. This division serves as a consultant to management in a wide range of risk, insurance, claims matters and performs related work in these areas identifying procedures to avoid or minimize negative impact to the District.

Claims investigates, analyzes, evaluates, and resolves internal and external claims involving potential or present damages to person and/or property. The claims department will interpret state and federal law to ensure that claims are handled in accordance with the applicable law. This department protects the Coachella Valley Water District from undue liability and ensures that claims are resolved efficiently and justly.

Safety plans, implements, monitors, and evaluates the District's injury and illness prevention program. This division develops proactive training programs that actively and effectively communicate to employees the District's safety policies and standards as they pertain to Occupational Safety and Health Administration (OSHA) compliance. In addition, Safety works in tandem with Risk Management to investigate and report incidents and claims according to federal and state statutes and codes.

Fiscal 2014-15 Accomplishments

Strategic Plan

- Conducted a comprehensive salary and benefit survey
- Updated 50% of job descriptions
- Implemented a job opportunity outreach program at local schools
- Prepared a succession planning report
- Implemented suggestion box program

Human Resources

- Recruited and placed 30 new hires due to voluntary termination, talent needs, and retirement
- Negotiated a MOU with Coachella Valley Water District Employee Association (CVWDEA)
- Implemented a new Wellness Program

Benefits

- Contracted a new benefit consultant and partnered with new providers to reduce annual healthcare premium costs
- Conducted biannual sexual harassment and ethics training
- Completed Health Insurance Portability and Accountability Act (HIPAA) Policy and Procedure Manual
- Conducted a training needs assessment

Risk Management

- Analyzed and updated District insurance requirements using case precedence and Insurance Services Office (ISO) standards
- Completed biannual training for supervisors on Workers' Compensation processes
- Reduced workers' compensation and lost time costs by $50,766
- Increased insurance compliance rate by 4% to 87% for District agreements

Claims

- Investigated and resolved 550 potential claims involving the District's facilities, bodily injury, or property damages
- Successfully implemented a recording and monitoring system for motor vehicle incidents
- Created a new Government Claim form focusing on ease of use and claim efficiency

Fiscal 2014-15 Accomplishments (cont'd)

Safety

- Decreased OSHA recordable injuries from 22 for calendar year 2013 to 16 for calendar year 2014
- Decreased lost time days by 69 days; decreased modified duty days by 465 days compared to calendar year 2013 (Five-year history of lost time and modified duty depicted the following page)
- Provided confined space and confined space rescue training to approximately 80 employees
- Reviewed and updated the District Injury Illness Prevention Program (IIPP)
- Updated the District's Heat Illness Prevention Program to include changes to standard
- Conducted the following safety trainings: Confined Space Competent Person Rescue and Awareness, Hazard Communication (HAZCOM), Globally Harmonized System (GHS) classification and labeling of chemicals, Heat Illness Prevention, Incident Command System (ICS) for EOC staff and alternates, Asbestos Cement Pipe, Cardio Pulmonary Resuscitation (CPR), Trench/Excavation, Extension & Stepladder Safety Inspection/Training, Office Ergonomics, Flu Prevention, Training, Research and Education for Driving Safety (TREDS) Distracted Driving, Dog Bite Prevention

Fiscal 2015-2016 Goals

Strategic Plan

- Conduct compensation survey - create compensation program
- Create a Leadership Development Training Program
- Explore "out of the box" nonfinancial employee benefits, create an employee reward and recognition program
- Implement an intranet for Human Resources

Human Resources

- Implement a 9/80 alternative work week program
- Implement an on-line benefits enrollment program
- Negotiate MOU's with Association of Coachella Valley Water District Management (ACVWDM) and Association of Supervisory Support Evaluation Team (ASSET)
- Launch on online Employee Self-Service Application (App)
- Update Employer-Employee Relations Ordinances (EEROs) with bargaining units

Benefits

- Partner with providers to reduce health care costs
- Comply with Affordable Care Act (ACA) annual reporting requirements

Risk Management

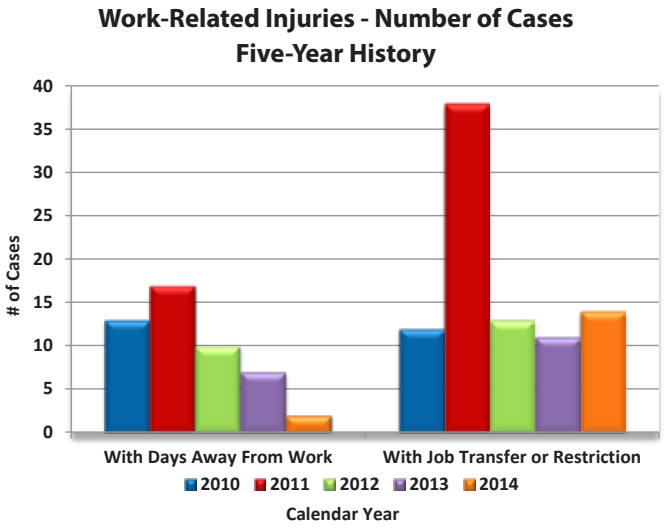
- Perform a Workers' Compensation Actuarial Study to provide an accurate forecast of future liabilities

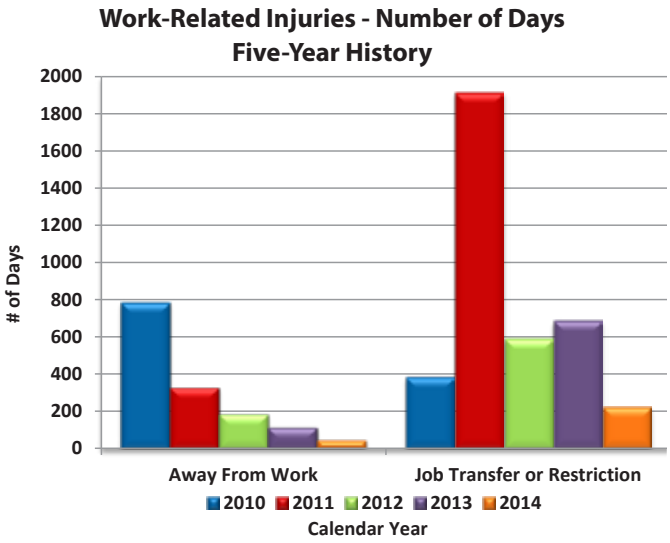
Claims

- Prepare and present incident reporting procedure training to supervisors
- Prepare a new and more efficient incident report document for use by District personnel

Safety

- Review and update comprehensive Respiratory Protection Program
- Continue to identify strategies to improve the safety culture
- Conduct a districtwide OSHA mock inspection to identify and prioritize hazards and issues that can benefit employee safety and health
- Inspect all district facilities including well sites and reservoirs for compliance with safety standards
- Begin retrofit of district reservoirs based on consultant's recommendation for fall protection
- Review and update the District's Confined Space and Lockout/Tagout written programs to California OSHA requirements
- Apply for the California Voluntary Protection Program Star (Cal/VPP Star) which recognizes employers and their employees who have implemented safety and health programs that effectively prevent and control occupational hazards
- Conduct Districtwide earthquake drill





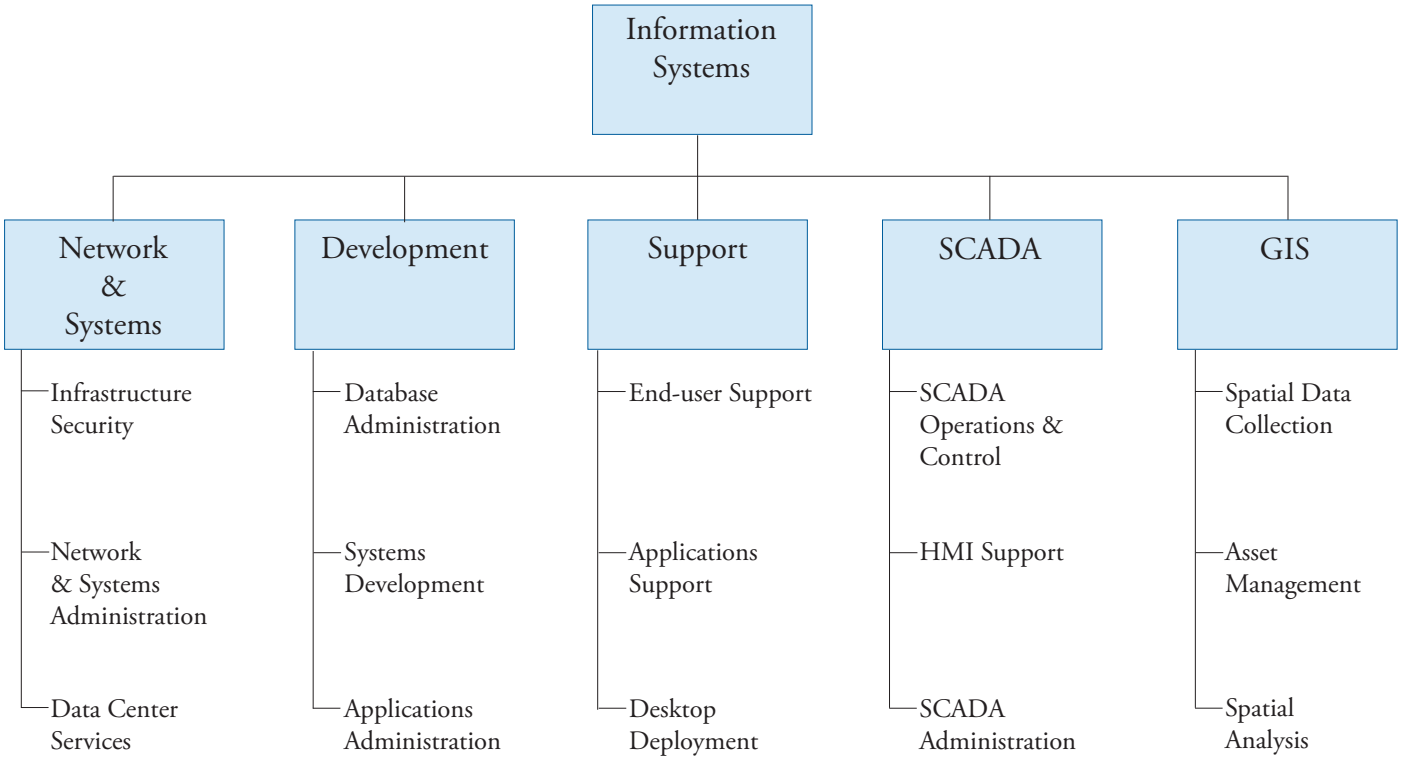
FY 2015-16 Approved Supplemental Requests

Fund	Dept./ Div.	Elem./ Object	Description	Salaries & Benefits	Supplies & Service	Capital	Total Request	Nonrecurring
803	2205	1003	Overtime	1,000	-	-	1,000	-
803	2205	2003	Conferences & Seminars	-	1,500	-	1,500	-
803	2205	2008	Educational Reimbursement	-	5,000	-	5,000	-
803	2205	2599	Legal	-	25,000	-	25,000	-
803	2205	3003	Medical Exams	-	5,000	-	5,000	-
803	2205	3005	Employee Assistance Program	-	4,000	-	4,000	-
803	2205	3007	Unemployment	-	15,000	-	15,000	-
580	2210	8003	Confined Space Trailer and Contents	-	-	48,050	48,050	48,050
535	2210	5599	Flexible Ladder System for Reservoirs & Vaults	-	190,000	-	190,000	190,000
803	2210	4297	Automated External Defibrillators	-	7,500	-	7,500	7,500
580	2210	4297	Pro Hoist with Trailer	-	22,000	-	22,000	22,000
580	2210	4297	Level B Hazardous Material Suits	-	15,300	-	15,300	15,300
803	2210	4297	Supplies for Confined Space Trailer Purchased FY15	-	11,950	-	11,950	11,950
803	2210	4299	Emergency food	-	7,500	-	7,500	7,500
803	2417	1003	Overtime	200	-	-	200	-
803	2417	3203	Crime Coverage - Premium Increase	-	850	-	850	-
803	2417	3207	Underground Storage Tank - Premium Increase	-	1,395	-	1,395	-
803	2417	3208	Property Flood/Quake/Boiler - Premium Increase	-	43,450	-	43,450	-
803	2417	3210	Public Office Liability - Premium Increase	-	3,109	-	3,109	-
803	2417	3211	Employee Benefit Liability - Premium Increase	-	585	-	585	-
803	2417	3216	Security & Privacy - Premium Increase	-	11,300	-	11,300	-
803	2417	4004	Mobile/Telephone Data	-	400	-	400	-
			HUMAN RESOURCES TOTAL	**1,200**	**370,839**	**48,050**	**420,089**	**302,300**

Department Financial Trend - Human Resources

	Budget 2014-15	Projected 2014-15	Budget 2015-16	Budget Change	% Change
Expenses by Object					
Salaries & Benefits	1,135,000	1,105,000	1,175,000	40,000	3.5
Outside Labor	3,000	1,000	3,000	-	-
Professional Development	101,000	81,000	109,000	8,000	7.9
Professional Services	755,000	407,000	773,000	18,000	2.4
Personnel Cost	2,354,000	1,942,000	2,246,000	(108,000)	(4.6)
Insurance Cost	1,128,000	1,023,000	1,075,000	(53,000)	(4.7)
Self Insurance Cost	200,000	18,000	200,000	-	-
Collection Cost	1,000	-	1,000	-	-
Utilities	5,000	2,000	5,000	-	-
Materials & Supplies	132,000	99,000	143,000	11,000	8.3
Motorpool	17,000	15,000	17,000	-	-
Contract Services	283,000	191,000	284,000	1,000	0.4
Safety	70,000	62,000	70,000	-	-
Miscellaneous Expense	5,000	25,000	5,000	-	-
Capital Outlay	-	36,000	48,000	48,000	-
Total	**6,189,000**	**5,007,000**	**6,154,000**	**(35,000)**	**(0.6%)**
Expenses by Division					
Administration	3,338,000	3,010,000	3,288,000	(50,000)	(1.5)
Claims	832,000	262,000	811,000	(21,000)	(2.5)
Risk Management	1,270,000	1,142,000	1,238,000	(32,000)	(2.5)
Safety	749,000	593,000	817,000	68,000	9.1
Total	**6,189,000**	**5,007,000**	**6,154,000**	**(35,000)**	**(0.6%)**
Expenses by Fund					
Domestic Water	2,827,000	2,276,000	2,887,000	60,000	2.1
Canal Water	806,000	672,000	758,000	(48,000)	(6.0)
Sanitation	1,785,000	1,411,000	1,748,000	(37,000)	(2.1)
Stormwater	427,000	376,000	411,000	(16,000)	(3.7)
Nonpotable Water	64,000	50,000	60,000	(4,000)	(6.3)
West Whitewater Replenishment	124,000	96,000	125,000	1,000	0.8
East Whitewater Replenishment	124,000	96,000	125,000	1,000	0.8
Motorpool	32,000	30,000	40,000	8,000	25.0
Total	**6,189,000**	**5,007,000**	**6,154,000**	**(35,000)**	**(0.6%)**

Information Systems Department



Department Description

Information Systems (IS) provides information technologies to enable efficiency, productivity, and innovation to the various District departments.

The main objective of this department is to meet the technological challenges of the District. Information Systems provides strategic technology direction, manages information technology, supports cross-departmental priorities, and implements operational policies and standards.

In addition, Information Systems is responsible for the design, development, analysis, implementation, integration, and maintenance of new and existing applications, such as the Finance and Supervisory Control and Data Acquisition (SCADA) systems. Other critical responsibilities of IS include the development of specialized computer applications, workstation customization, installation and configuration of new and existing IS related equipment, server and network management, network security, voice networks, e-mail, internet access, audio/visual equipment, and end-user support.

Server mainenance

Division Descriptions

Network & Systems is responsible for implementing and maintaining network infrastructure throughout the District. This division effectively plans, designs, and maintains servers and data networks; administers day-to-day operations of networks and servers; and implements Local Area Network (LAN) and Wide Area Network (WAN) maintenance and server administration procedures. This division's responsibilities include securing all systems and network related equipment such as firewalls, switches, and routers. Other areas of responsibility include improvements to and upgrades of e-mail system, virtual infrastructure, file systems, domain controllers, and databases.

Development provides an integrated and complete set of services that include analysis, design, development, testing, implementation, and maintenance. Development works closely with project managers and department liaisons to develop specifications and make recommendations on the use of new and emerging technologies. Development is also responsible for determining the appropriate architecture and other technical solutions to reduce non-value-added work.

Support provides maintenance and support for every aspect of electronic equipment such as computer hardware, software, networking, mobile technologies, and telephony. Support analysts work directly with end-users to provide technical support and training. In addition, the support division develops methods, practices, and procedures in an effective and efficient manner to ensure maximum access to technology services and resources.

Supervisory Control and Data Acquisition (SCADA) oversees the operation, support and maintenance, analyses, databases, graphic display, and external system interface requirements adhering to SCADA technology standards. This division also evaluates the effectiveness of the systems and develops specifications for new technologies or prototype systems to improve production and/or workflow, as necessary.

Geographic Information Systems (GIS) is responsible for the development of comprehensive GIS that provide valuable tools for more efficient and effective access, linking, analysis, and maintenance of information for and about the District and its ratepayers.

Fiscal 2014-15 Accomplishments

Strategic Plan

- Implemented a call monitoring system at the call center to improve customer service quality, increase efficiency, and maintain compliance with regulations
- Implemented a co-browsing tool that provides real-time visual collaboration to provide a better customer service experience

Network & Systems

- Expanded the District's "Storage Area Network" to host additional data and systems
- Upgraded 13 physical servers
- Upgraded the Palm Desert firewall (Demilitarized Zone (DMZ)) and implemented a security appliance to better protect the District from "Cyber Attacks"
- Replaced the core switch and distribution switches in the Coachella Data Center
- Implemented a new solution to share and e-mail large files
- Replaced network distribution switches at WRP 10
- Replaced the proxy appliances for both Coachella and Palm Desert

Development

- Implemented SharePoint
- Deployed an Employee Self-Serve Solution (ESS)

Support

- Implemented Video Plus to record Board meetings, providing the public an opportunity to view meetings on demand via the District's website
- Replaced 100 outdated desktops and laptops
- Acquired a virtual desktop infrastructure (VDI) system allowing the district to deploy energy efficient and low maintenance desktop computers

SCADA

- Replaced the Human Machine Interface (HMI) and Programmable Logic Controller (PLCs) at Ion-Exchange Plant (IXTP) 6806
- Replaced 10 outdated Remote Terminal Unit (RTU) devices throughout the system

Fiscal 2014-15 Accomplishments (cont'd)

- Outfitted Coachella and Palm Desert Data Centers with a new electronic access control system

GIS

- Developed a GIS solution to streamline field data collection of crop information and received the John Keys Award from the United States Bureaus of Reclamation (USBR) - Yuma
- Completed a solution to streamline workflow of mapping landscape types and Home Owner Associations (HOAs)
- Implemented ArcGIS online to provide a web-based mapping solution to meet various District needs

Fiscal 2015-16 Goals

Strategic Plan

- Implement an electronic mass notification system to proactively inform customers
- Develop a GIS web-based platform for citizens to report issues/concerns

Network & Systems

- Expand the District's wireless local network
- Implement a business continuity plan
- Implement a mobile data management solution
- Deploy a centralized network management system
- Deploy a Digital Bulletin Board solution to display internal information to employees

Development

- Expand SharePoint as an intranet solution to deliver internal content to employees and as a communication tool to improve employee collaboration and communication
- Expand ESS as a part of the intranet solution
- Apply Records Retention Policy to FileNet to rebuild and restructure the document classes based on the recommended taxonomy

Support

- Replace 80 outdated desktop and laptop computers
- Expand the virtual desktop infrastructure (VDI)
- Upgrade the existing document scanning solution

SCADA

- Develop a SCADA Master Plan to replace/upgrade the existing SCADA system
- Continue replacement of outdated RTU devices throughout the system

GIS

- Develop a web-based GIS application to streamline right-of-way document tracking
- Standardize GPS field data collection using high accuracy GPS units and Collector for ArcGIS
- Develop web-based GIS application to streamline meter reader workflow

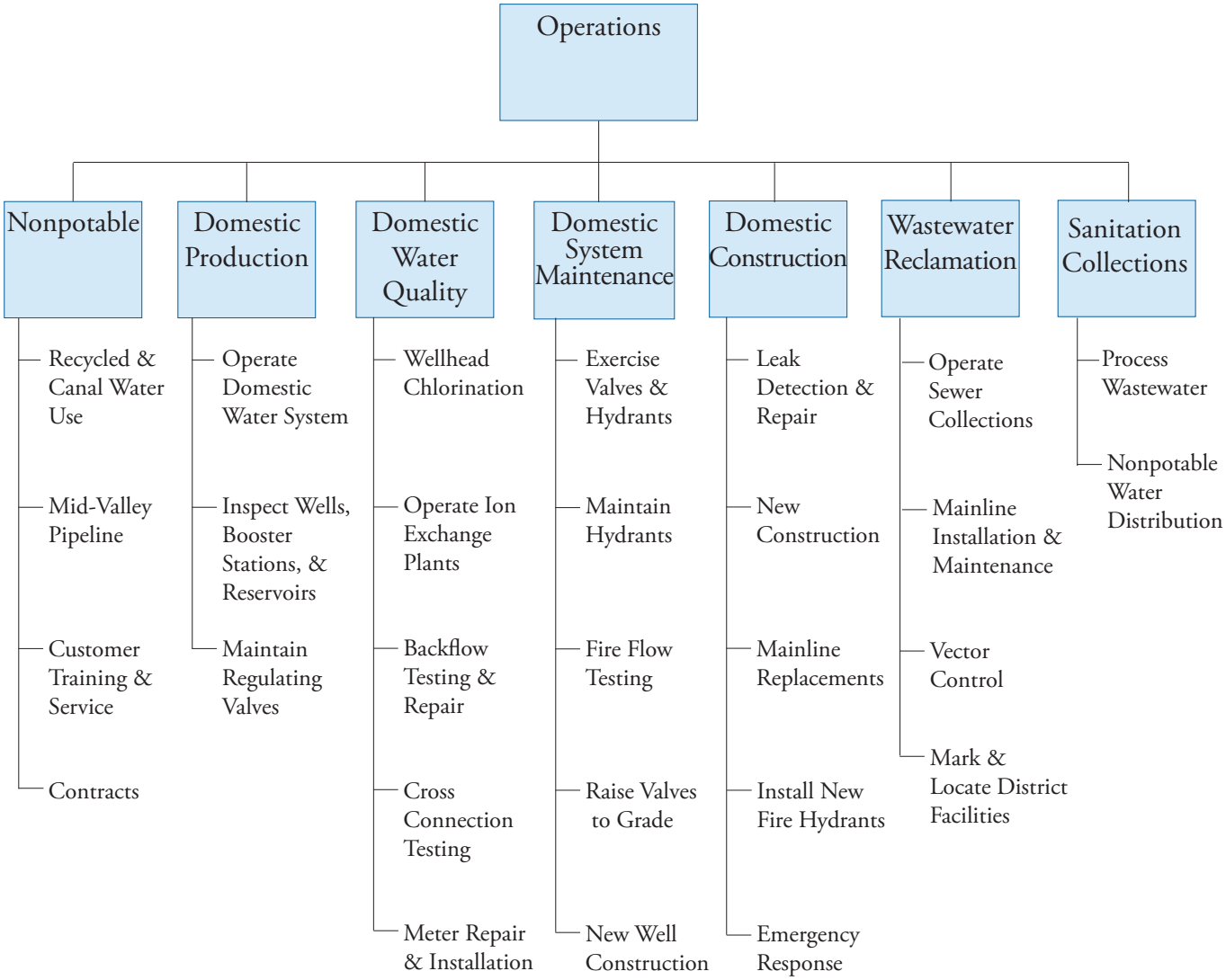
Department Financial Trend - Information Systems

	Budget 2014-15	Projected 2014-15	Budget 2015-16	Budget Change	% Change
Expenses by Object					
Salaries & Benefits	1,919,000	1,910,000	2,143,000	224,000	11.7
Professional Development	44,000	32,000	42,000	(2,000)	(4.5)
Professional Services	50,000	55,000	55,000	5,000	10.0
Personnel Cost	15,000	1,000	15,000	-	-
Utilities	32,000	31,000	32,000	-	-
Materials & Supplies	930,000	960,000	545,000	(385,000)	(41.4)
Motorpool	4,000	6,000	4,000	-	-
Contract Services	1,420,000	1,217,000	1,595,000	175,000	12.3
Miscellaneous Expense	-	9,000	-	-	-
Capital Outlay	695,000	667,000	335,000	(360,000)	(51.8)
Total	**5,109,000**	**4,888,000**	**4,766,000**	**(343,000)**	**(6.7%)**
Expenses by Division					
Information Services	4,723,000	4,509,000	4,354,000	(369,000)	(7.8)
Geographic Information System (GIS)	386,000	379,000	412,000	26,000	6.7
Total	**5,109,000**	**4,888,000**	**4,766,000**	**(343,000)**	**(6.7%)**
Expenses by Fund					
Domestic Water	2,027,000	1,942,000	1,879,000	(148,000)	(7.3)
Canal Water	784,000	751,000	753,000	(31,000)	(4.0)
Sanitation	1,375,000	1,310,000	1,263,000	(112,000)	(8.1)
Stormwater	256,000	244,000	279,000	23,000	9.0
Nonpotable Water	102,000	97,000	95,000	(7,000)	(6.9)
West Whitewater Replenishment	205,000	197,000	171,000	(34,000)	(16.6)
Mission Creek Replenishment	49,000	47,000	46,000	(3,000)	(6.1)
East Whitewater Replenishment	254,000	243,000	208,000	(46,000)	(18.1)
Motorpool	57,000	57,000	72,000	15,000	26.3
Total	**5,109,000**	**4,888,000**	**4,766,000**	**(343,000)**	**(6.7%)**

FY 2015-16 Approved Supplemental Requests

Fund	Dept./ Div.	Elem./ Object	Description	FTEs	Salaries & Benefits	Supplies & Service	Capital	Total Request	Nonrecurring
803	2415	1002	SCADA Analyst II	1.0	127,280	-	-	127,280	-
			PERSONNEL TOTAL	**1.0**	**127,280**	**-**	**-**	**127,280**	**-**
803	2415	1003	Overtime	-	3,000	-	-	3,000	-
803	2415	1015	Standby	-	7,000	-	-	7,000	-
803	2415	5503	Software Support Agreements	-	-	100,000	-	100,000	-
803	2415	5530	Hardware Support Agreements	-	-	7,600	-	7,600	-
803	2415	5599	Customer Mass Notification Solution	-	-	60,000		60,000	-
803	2415	8001	Wireless Network Upgrade	-	-	-	75,000	75,000	75,000
803	2415	8001	VDI Expansion - Rebudgeted from fiscal 2015	-	-	-	75,000	75,000	75,000
803	2415	8001	Digital Bulletin Board - Strategic Plan Initiative	-	-	-	35,000	35,000	35,000
803	2415	8001	SharePoint - Rebudgeted from fiscal 2015	-	-	-	50,000	50,000	50,000
803	2415	8001	FileNet - Strategic Plan Initiative	-	-	-	100,000	100,000	100,000
			OTHER TOTAL	**-**	**10,000**	**167,600**	**335,000**	**512,600**	**335,000**
			INFORMATION SYSTEMS COMBINED TOTAL	**1.0**	**137,280**	**167,600**	**335,000**	**639,880**	**335,000**

Operations Department



Department Description

The Operations Department is responsible for efficiently operating and maintaining the District's domestic water, wastewater, and nonpotable facilities to meet the needs of the Coachella Valley, while protecting public health and providing the highest levels of customer service; all accomplished at a reasonable cost.

Division Descriptions

The Operations Department management team provides organizational oversight to facilitate interdivision relationships and efficiencies to ensure safe, reliable, and economical services to our customers. The Operations Department provides the following services: potable and nonpotable water systems operations, construction maintenance, sewer collection, and treatment operations.

Stub out valve installation

LIft station repairs

Nonpotable water operations protect the Valley's water supply by assisting customers in maximizing the use of recycled and canal water to reduce reliance on groundwater pumping. This division markets and promotes the use of nonpotable water in the community and holds training events for recycled water customers.

The District currently sells and delivers recycled water, canal water, and recycled water blended with canal water, to 45 golf courses and homeowner associations that use it to irrigate grass, landscapes, and fill lakes.

Domestic Production is responsible for the daily operations of the domestic water system, ensuring that the water meets all quality standards, the reservoirs are full, and system water is at pressure. This division is the first to respond to all domestic water calls and inspects the District's active facilities: 96 wells, 56 booster stations, and 59 reservoirs. In addition, crews maintain all regulating valves in the domestic and the nonpotable water distribution systems. The West Shores crew's primary responsibility is to maintain the West Shores area by performing some or all of the duties of the service workers, leak repair, meter repair, maintenance, and construction divisions.

Domestic Water Quality is responsible for water quality, backflow, and meter repair. Water quality crews provide disinfection and treatment of the District's drinking water supply. This consists of well head chlorination at the District's 96 active wells. This group also operates the three ion-exchange treatment plants (IXTPs) for the removal of arsenic. Backflow crews test 10,500 backflow devices each year, as required by the state. Approximately 10% of these require repair or replacement each year.

Backflow crews are responsible for performing cross-connection testing for each site that uses recycled water as regulated by the Department of Health. The meter repair crew provides meter maintenance and repairs, or replacement of meters to ensure the accurate metering of water consumed by customers.

Domestic System Maintenance is responsible for valve and hydrant maintenance and paving. The valve and hydrant crew's primary role is to exercise all valves and fire hydrants, flush, repair, and paint all hydrants in our domestic water system. This crew also performs hydrant flow testing.

The maintenance crew has a wide range of duties, from repairing or replacing all nonoperable valves and fire hydrants, to replacement of hydrants damaged by motorists. This crew also constructs all new domestic water well ancillary improvements including all piping (above and below ground), valves, air compressors, and all other related hydro-pneumatic tank (surge tanks) appurtenances. The paving crew performs all asphalt repairs.

Domestic Construction is responsible for domestic water construction and leak repair. The primary role of the construction crew is to install new appurtenances such as detector-check valve assemblies, fire hydrants, stub out connections, water services, meters, and backflow devices. This division is equipped to work with the smallest pipelines up to pipelines as large as 48" in diameter.

The leak repair crew repairs domestic water mainlines and the service lines, from the mainline up to the customer's meter. The leak repair crew uses leak detection equipment to perform proactive leak detection, in addition to responding to leaks reported by others.

Sanitation Collections is responsible for collecting wastewater from residential and commercial establishments, and safely transporting it to one of the six Wastewater Reclamation Plants (WRPs) for treatment. The collections system utilizes 32 lift stations, consists of approximately 1,095 miles of sewer pipeline, and 17,000 manholes.

The collections construction crew is responsible for all installations, relocations, and repairs to the collections system mainline facilities and mainlines of the nonpotable water distribution system. Additionally, they assist with maintenance and repairs at all six WRPs. The collections maintenance crew is responsible for monthly, quarterly, and biannual jetting and cleaning of the collections system. They also clean lift-station wet wells, perform manhole maintenance, and respond to customer service calls related

to the collections system. The collections operations crew is responsible for lift station inspection and general cleaning, air-relief-valve maintenance and repair, video inspection of the sewers, dredging operations, bypass pump set up, investigating trouble spots and performing general condition assessments. The facilities location crew marks all District facilities for the general public, construction contractors, and other municipalities in order to prevent damage.

Wastewater Reclamation is responsible for the overall operation and supervision of the District's six WRPs, which treat 6.3 billion gallons of wastewater annually. Of the six WRPs, three are equipped to treat wastewater to meet state standards for nonpotable water for irrigation.

WRPs 1 and 2 are simple lagoon plants. WRP 4 consists of Biolac activated sludge, solids handling, lagoon treatment and disinfection. WRP 4 discharges into the Coachella Valley Stormwater Channel and is the District's only plant with a National Pollutant Discharge Elimination System (NPDES) permit. WRPs 7, 9, and 10 use conventional activated sludge as the treatment process, along with chlorine disinfection.

WRP's 4, 7, and 10 perform solids handling. WRPs 7 and 10 perform tertiary treatment, and the effluent is recycled. WRP 9 recycles secondary effluent, perhaps the last site in the state authorized to do so. At WRPs 7 and 10, the tertiary effluent is mixed with canal water for use in outdoor irrigation.

Lift station rehabilitation

Domestic Water Metrics

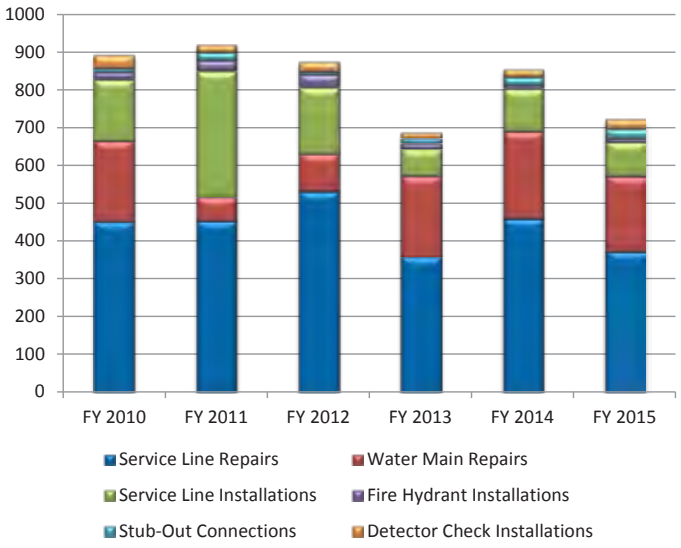
Domestic Operations Workload Indicators						
	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Fire Hydrant Flow Tests	21	31	40	108	52	22
Repaired/Replaced Fire Hydrants	685	625	407	253	312	403
Repaired/Replaced Main Line Valves	121	366	223	216	164	145
Asphalt Replaced - Square Feet	87,006	77,581	104,676	74,519	59,034	67,171
Concrete Collars Replaced	222	42	202	265	174	134
Proactive Meter Replacements	0	0	0	0	0	4,455
Meter Installations	450	319	190	517	489	423
Meter Exchanges	2,228	1,760	1,176	2,010	2,778	1,467
Meter Register and Box Repairs	2,523	2,517	6,668	4,896	4,892	3,436
AMR Meter Upgrades	20	638	118	1,670	648	177
Customer Service Calls	5,600	5,466	5,077	5,093	5,373	4,474
Facilities Maintained	12,778	4,260	11,886	8,294	9,255	11,721
Facilities Repaired/Replaced	175	259	266	398	252	434
Backflows Tested	7,344	11,134	10,551	9,796	11,547	8,952

The table above depicts various areas of responsibility within the Domestic Water Department.

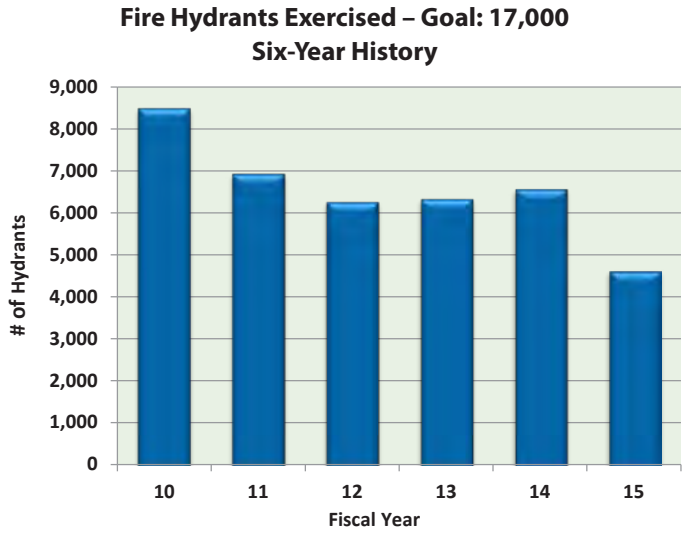
A portion of the indicators included in the table are initiated by customer contact. As a result of current workloads, staff is only able to perform preventative maintenance 44% of the time. Additional personnel were requested for fiscal 2016 in order to work on backlogs, increase preventative maintenance, and improve metrics to AWWA standards, but only one additional crew member was approved. The approved position is on the air-vac crew, which should reduce some of the technical complaints received and bring the District closer to AWWA standards.

Domestic Water Technical Quality Complaints				
	FY 2012	FY 2013	FY 2014	FY 2015
Air in the Lines	42	61	45	63
Bad Taste	45	42	21	39
Pressure Problem	316	331	306	261
No Water	438	436	415	348
Sand in Water	42	78	71	48
Service Line Problems	339	306	226	223
Total	1,222	1,254	1,084	982
Complaints Per 1,000 Customers	11.31	11.61	10.04	9.09

Domestic Water Operations Workload Indicators Six-Year History

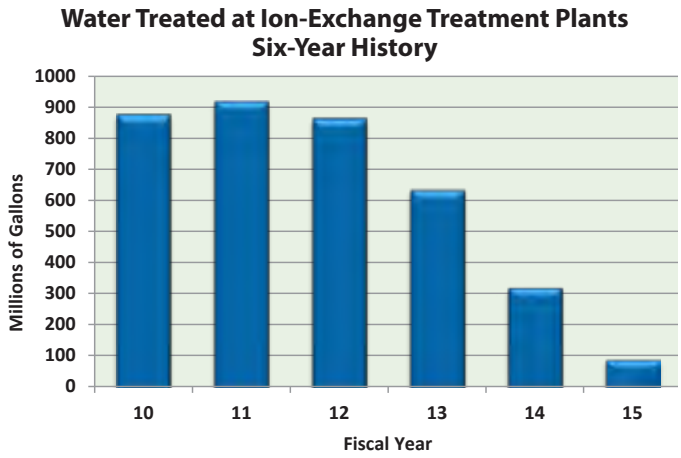


These graphs below show the backlog of the Operations Department for fire hydrant and valve maintenance. AWWA standards state that all system fire hydrants and valves should be exercised, flushed, and maintained annually. Additional personnel were requested for fiscal 2016, but due to budget constraints, the request was denied.

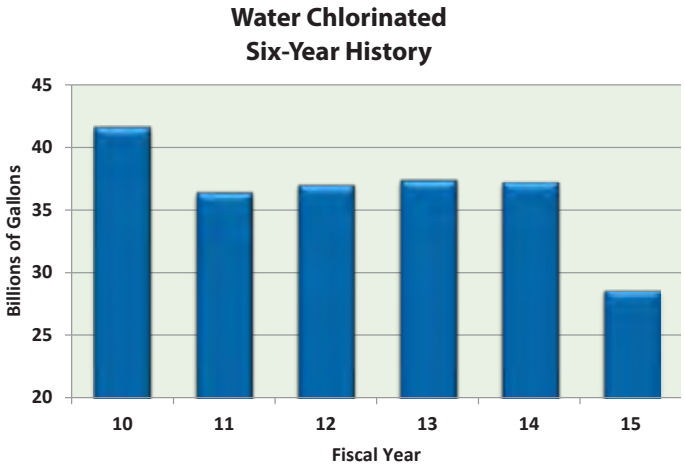


The graph at the top of the next column shows a sharp decrease in the amount of water being treated at the ion-exchange treatment plants. There are two reasons for the trend. One reason is that there is now a redundant source of supply for the areas that are served by these plants. The other is that these plants are in need of some technical upgrades.

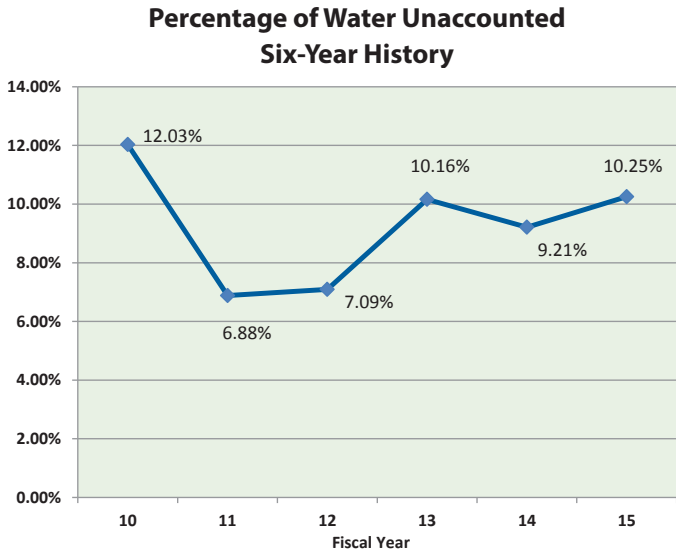
Technical upgrades for these plants are scheduled to occur at the same time the chromium-6 treatment plants are constructed.



The downward trend of the graph depicting the amount of water chlorinated mirrors that of domestic water consumption.



The District's unaccounted for water is within the reasonable range for a district of its size. The District's leak detection, leak repair, and pro-active meter replacement programs are helping to reduce unaccounted for water.



Sanitation Metrics

Sanitation Operations Workload Indicators						
	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Vactor/Jetting of Lines - Linear Feet	412,412	429,027	415,734	572,501	504,848	468,752
Manholes Inspected	8,190	9,159	8,320	4,627	9,372	9,931
Air Vac Maintenance	N/A	N/A	N/A	N/A	N/A	937
Video Assessment of Lines - Linear Feet	183,119	138,612	172,448	169,993	156,434	282,248

The above table depicts various workload indicators of the sanitation collections crew.

Due to increased staffing in recent years, the sanitation division has been able to improve on the number of technical complaints received by staying on top of proactive maintenance.

Sanitation Technical Quality Complaints				
	FY 2012	FY 2013	FY 2014	FY 2015
Sewer Backup	22	18	20	24
Blockage	2	8	3	4
Noisy Manhole	12	7	4	2
Odor Complaint	43	39	27	47
Manhole Overflowing	5	1	5	2
Rodent Problem	5	3	4	2
Roach Problem	35	10	26	15
Total	124	86	89	96
Complaints Per 1,000 Customers	1.32	0.91	0.95	1.02

Sewer line maintenance

Fiscal 2014-15 Accomplishments

Domestic Water

- Produced 33.3 billion gallons or 108,711 acre-feet of high quality domestic water, with 34.0 billion gallons or 104,240 acre-feet metered as consumed, leaving a very acceptable unaccounted for water percentage of 9.7%
- Contracted for inspections on 10 water storage tanks
- Rehabbed Booster Station 0562
- Coordinated the rehab and warranty work to Reservoir 7990-1
- Performed Rossum sand content tests on 31 wells for the first two phases of the districts Cr-6 program
- Retrofitted or replaced 13 well/booster meters
- Completed ion-exchange treatment plant (IXTP) brine processing unit automation in Mecca
- Continued valve and hydrant maintenance to maintain each on a two-year cycle
- Leak Detection crew found 91 leaks that had not surfaced, preventing further loss of approximately 13.45 million gallons of potable water
- Completed 50 feet of 24" ductile iron pipe siphon on PGA Boulevard in La Quinta
- Constructed Salton City regulation station replacement/upgrade
- Eliminated the meter repair backlog from 2,450 down to near zero
- Replaced spent resin at IXTP 6806, Train A and Train B
- Converted four on-site generation chlorine sites to tablet feeders
- Completed Lakes Country Club and Palm Valley reclaimed water survey

Nonpotable Water

- Delivered 5,901 acre-feet of canal water to customers via the Mid-Valley Pipeline
- Delivered 8,893 acre-feet of recycled water to the mid-valley area
- Delivered 20,380 acre-feet of canal water to golf courses in the east valley
- Began delivering nonpotable water from WRP 10 to The Lakes Country Club, Desert Horizons Country Club, and the remainder of Palm Desert Country Club
- Worked with Avondale Country Club, Desert Falls Country Club and Palm Valley Country Club to establish connections to the WRP 10 nonpotable water delivery system and La Quinta Country Club and the La Quinta Resort's Mountain and Dunes courses for connection to canal water laterals
- Performed cross connection tests at eight sites that use recycled water

Sanitation

- Completed the new headworks facilities projects at WRP 4 and WRP 7
- Put into service the new Avenue 62 trunk sewer line
- Decommissioned Lift Station 55-20 at Trilogy
- Decommissioned Lift Station 81-05 at WRP 7
- Completed internal rehabilitation project at Lift Station 80-06 in Rancho Mirage
- Completed emergency rehabilitation project of the ID 53 trunk sewer
- Completed the mechanical upgrade/pump replacement project at Lift Station 80-13
- Performed required internal audit of the District's Sewer System Management Plan
- Removed 1,000 tons of dried sludge and installed the newest technology in the aeration treatment process to meet regulatory requirement at WRP 1
- Completed the Septic receiving upgrade project at WRP 10

Fiscal 2015-16 Goals

Strategic Plan

- Implement Golf Course Rebate Program

Domestic Water

- Perform inspections on 10 water storage tanks
- Start proactive Rossum sand content testing program for all districts wells
- Replace three pressure regulating stations
- Rehab all District reservoirs with proper safety equipment
- Implement a domestic air vacuum release valve inspection program
- Implement a proactive fire hydrant and valve maintenance program
- Implement a leak detection schedule to complete survey of domestic distribution system within 24 months
- Continue to find non-surfacing leaks, decreasing total water loss
- Complete Phase II of aging meter replacements – approximately 3,171 meters
- Upgrade 400 water meters to Automated Meter Reading (AMR) meters at Salton Sea Beach
- Convert six onsite chlorine generations systems to tablet feed chlorination systems
- Continue proactive replacement of obsolete and unrepairable fire hydrants
- Service connections for Avondale and Desert Falls Country Clubs

Nonpotable Water

- Replace six high-pressure nonpotable pump variable speed drives (VFD)

Sanitation

- Pump down and clean pond #2 at WRP 1
- Install new lagoon liner and install new aeration process equipment at WRP 2
- Complete air process handling upgrade project at WRP 10
- Coordinate with Engineering and contractor on WRP 7 and WRP 10 chlorination project
- Coordinate with Engineering and contractor on WRP 7 tertiary filter, clarifier, aeration basin, and solids handling equipment upgrade projects
- Coordinate with Engineering the decommissioning of Lift Station 55-15
- Coordinate with Engineering completions of collection system rehabilitation projects at various locations within the District's service area

Roadrunner

Department Financial Trend - Operations

	Budget 2014-15	Projected 2014-15	Budget 2015-16	Budget Change	% Change
Expenses by Division					
Administration	982,000	983,000	1,023,000	41,000	4.2
Nonpotable Water	864,000	671,000	806,000	(58,000)	(6.7)
Domestic Production	21,991,000	20,564,000	21,918,000	(73,000)	(0.3)
Domestic Water					
Service Workers	2,065,000	1,835,000	2,041,000	(24,000)	(1.2)
Leak Repair	1,146,000	1,087,000	1,313,000	167,000	14.6
Leak Construction	829,000	628,000	775,000	(54,000)	(6.5)
Leak Detection	324,000	302,000	440,000	116,000	35.8
Quality Administration	167,000	168,000	173,000	6,000	3.6
Water Quality	2,169,000	1,837,000	1,387,000	(782,000)	(36.1)
Back Flow	841,000	938,000	837,000	(4,000)	(0.5)
Meter Repair	1,700,000	1,729,000	1,734,000	34,000	2.0
Treatment Administration*	-	-	159,000	159,000	-
Treatment*	-	-	990,000	990,000	-
West Shores	888,000	822,000	1,006,000	118,000	13.3
Facilities Location	533,000	507,000	530,000	(3,000)	(0.6)
Valve & Hydrant	762,000	798,000	880,000	118,000	15.5
Maintenance Administration	388,000	435,000	522,000	134,000	34.5
Domestic Maintenance	1,241,000	1,241,000	1,357,000	116,000	9.3
Pressure Control Devices	890,000	975,000	1,138,000	248,000	27.9
Paving	830,000	834,000	962,000	132,000	15.9
Construction Administration	228,000	198,000	200,000	(28,000)	(12.3)
Construction Crew 1	1,392,000	1,375,000	1,574,000	182,000	13.1
Emergency Response Crew	128,000	279,000	99,000	(29,000)	(22.7)
Sanitation					
Collections Administration	398,000	517,000	434,000	36,000	9.0
Collections Construction	860,000	818,000	893,000	33,000	3.8
Collections Maintenance	1,416,000	1,220,000	1,495,000	79,000	5.6
Collections Operations	849,000	794,000	955,000	106,000	12.5
WRPs 7 & 9 Administration	1,719,000	1,682,000	1,836,000	117,000	6.8
WRPs 1, 2 & 4 Administration	1,280,000	951,000	1,155,000	(125,000)	(9.8)
WRP 10 Administration	3,284,000	2,628,000	3,272,000	(12,000)	(0.4)
WRPs 1, 2 & 4 Operations	995,000	950,000	1,005,000	10,000	1.0
WRPs 7 & 9 Operations	1,168,000	1,163,000	1,290,000	122,000	10.4
WRP 10 Operations	2,946,000	2,704,000	2,991,000	45,000	1.5
Total	**55,273,000**	**51,633,000**	**57,190,000**	**1,917,000**	**3.5%**
Expenses by Fund					
Domestic Water	38,627,000	36,686,000	40,046,000	1,419,000	3.7
Canal Water	80,000	47,000	80,000	-	-
Sanitation	15,659,000	14,156,000	16,214,000	555,000	3.5
Nonpotable Water	907,000	744,000	850,000	(57,000)	(6.3)
Total	**55,273,000**	**51,633,000**	**57,190,000**	**1,917,000**	**3.5%**

** Treatment and Treatment Administration are new divisions that are necessary to provide staffing for the Chromium-6 treatment facilities.*

Department Financial Trend - Operations

	Budget 2014-15	Projected 2014-15	Budget 2015-16	Budget Change	% Change
Expenses by Object					
Salaries & Benefits	17,379,000	16,574,000	18,153,000	774,000	4.5
Outside Labor	-	3,000	-	-	-
Professional Development	72,000	75,000	79,000	7,000	9.7
Professional Services	-	67,000	-	-	-
Utilities	15,598,000	14,004,000	15,437,000	(161,000)	(1.0)
Materials & Supplies	5,322,000	5,714,000	5,889,000	567,000	10.7
Motorpool	2,087,000	1,878,000	2,338,000	251,000	12.0
Contract Services	2,331,000	2,194,000	2,568,000	237,000	10.2
Safety	31,000	35,000	34,000	3,000	9.7
Purchased Water	11,542,000	10,317,000	11,514,000	(28,000)	(0.2)
Miscellaneous Expense	668,000	627,000	692,000	24,000	3.6
Capital Outlay	243,000	145,000	486,000	243,000	100.0
Total	**55,273,000**	**51,633,000**	**57,190,000**	**1,917,000**	**3.5%**

WRP 4 Headworks

FY 2015-16 Approved Supplemental Requests

Fund	Dept./ Div.	Elem./ Object	Description	FTEs	Salaries & Benefits	Supplies & Service	Capital	Total Request	Nonrecurring
535	7468	1002	Distribution Operator III	1.0	112,896	-	-	112,896	-
535	7573	1002	Meter & Valve Technician Trainee	1.0	79,916	-	-	79,916	-
535	7405	1002	Domestic Water Treatment Supervisor	1.0	142,587	-	-	142,587	-
535	7465	1002	Domestic Water Treatment Crew Chief	1.0	125,785	-	-	125,785	-
			PERSONNEL TOTAL	**4.0**	**461,184**	**-**	**-**	**461,184**	**-**
535	7405	4205	Toughbook*	-	-	6,500	-	6,500	6,500
535	7405	4297	Toughbook Truck Mount*	-	-	275	-	275	275
535	7465	4205	Toughbook*	-	-	6,500	-	6,500	6,500
535	7465	4297	Toughbook Truck Mount*	-	-	275	-	275	275
535	7468	4205	Toughbook*	-	-	6,500	-	6,500	6,500
535	7468	4297	Toughbook Truck Mount*	-	-	275	-	275	275
535	7468	4297	Digital Camera*	-	-	200	-	200	200
535	7573	4205	Toughbook*	-	-	6,500	-	6,500	6,500
535	7573	4297	Toughbook Truck Mount*	-	-	275	-	275	275
535	7573	4297	Digital Camera*	-	-	200	-	200	200
535	7261	4297	Increase tool budget	-	-	5,500	-	5,500	5,500
535	7262	4205	Toughbook	-	-	6,000	-	6,000	6,000
535	7263	4205	Toughbook	-	-	6,000	-	6,000	6,000
535	7264	4205	Toughbook	-	-	6,000	-	6,000	6,000
535	7264	4297	Small Tools and Equipment	-	-	30,000	-	30,000	30,000
535	7364	4205	Toughbook and Truck Mount	-	-	6,775	-	6,775	6,775
803	7469	4297	TX-10B Radio Detection 10 Watt Transmitter with ILOC	-	-	3,500	-	3,500	3,500
535	7470	4205	Toughbook (2)	-	-	13,000	-	13,000	13,000
535	7470	4297	Digital Camera	-	-	400	-	400	400
535	7505	5599	Contract out the replacement of 125 valve collars	-	-	127,500	-	127,500	127,500
535	7572	4205	Toughbook	-	-	6,500	-	6,500	6,500
535	7572	4297	Replace existing small tools/equipment	-	-	41,795	-	41,795	41,795
535	7572	4298	Hydrant/valve replacement	-	-	65,000	-	65,000	65,000
535	7573	4298	Upgrade (4) zone-split meters	-	-	25,000	-	25,000	25,000
535	7676	4205	Toughbook	-	-	6,000	-	6,000	6,000
580	7705	4297	Rotating Assemblies for T6A3S-B Pumps	-	-	10,000	-	10,000	10,000
580	7781	4297	Replace Shoring Box	-	-	6,600	-	6,600	6,600
580	7783	5599	Contract Services: CA River Watch	-	-	127,500	-	127,500	127,500
580	7805	4006	Grit/Trash Removal	-	-	10,000	-	10,000	10,000
580	7805	5599	Replace WRP 2 Pond Liner	-	-	20,000	-	20,000	20,000
580	7886	4297	T1 & T2 Chlorine Residual Analyzers (4)	-	-	30,000	-	30,000	30,000
580	7886	4297	WRP 10 Control Building Lockers	-	-	11,000	-	11,000	11,000
536	7105	7006	Canal water for new connections in Mid-Valley	-	-	13,000	-	13,000	-
535	7205	5599	Annual Reservoir Inspections	-	-	25,000	-	25,000	-
535	7205	5599	Annual Hydropneumatic Tank Inspection	-	-	25,000	-	25,000	-
535	7261	2005	Increase training budget	-	-	1,200	-	1,200	-
535	7262	4298	Funding required for Work Orders	-	-	75,000	-	75,000	-
535	7262	4299	Funding required for Materials and Supplies	-	-	30,560	-	30,560	-
535	7262	7202	Funding required for Encroachment Permits	-	-	12,000	-	12,000	-
535	7366	4004	Mobile Telephone/Data	-	-	3,000	-	3,000	-
535	7366	4298	Work Orders	-	-	100,000	-	100,000	-
535	7468	4299	Aggregate Product	-	-	9,000	-	9,000	-
535	7470	4004	Added cost of Toughbook Service	-	-	1,450	-	1,450	-
535	7573	4298	Additional preventive maintenance	-	-	50,000	-	50,000	-
535	7573	4298	Upgrade (3) Regulating Stations	-	-	63,000	-	63,000	-
535	7676	4298	Funding for Work Orders	-	-	185,000	-	185,000	-
535	7676	7201	Funding for Equipment Leases	-	-	12,000	-	12,000	-
580	7781	4298	Nonpotable replacements & repairs	-	-	25,000	-	25,000	-
580	7783	4298	Work orders Nonpotable System	-	-	21,000	-	21,000	-
580	7810	4004	Mobile Telephone / Data	-	-	1,000	-	1,000	-
580	7810	4006	Grit & Screenings / Trash Removal / Recycling	-	-	20,000	-	20,000	-
580	7815	4006	Trash Removal & Recycling	-	-	10,000	-	10,000	-
580	7815	4299	Materials & Supplies	-	-	28,000	-	28,000	-
580	7884	5539	Biosolid Transport	-	-	30,000	-	30,000	-
580	7885	5539	Biosolid Transport	-	-	34,000	-	34,000	-
580	7886	4299	Materials & Supplies	-	-	10,000	-	10,000	-
580	7886	4808	Pool Billing	-	-	1,000	-	1,000	-
580	7886	5599	Contract Services	-	-	10,000	-	10,000	-
580	7886	6001	Uniform Rentals & Cleaning	-	-	1,000	-	1,000	-
			OTHER SUB-TOTAL	**-**	**-**	**1,387,780**	**-**	**1,387,780**	**591,570**

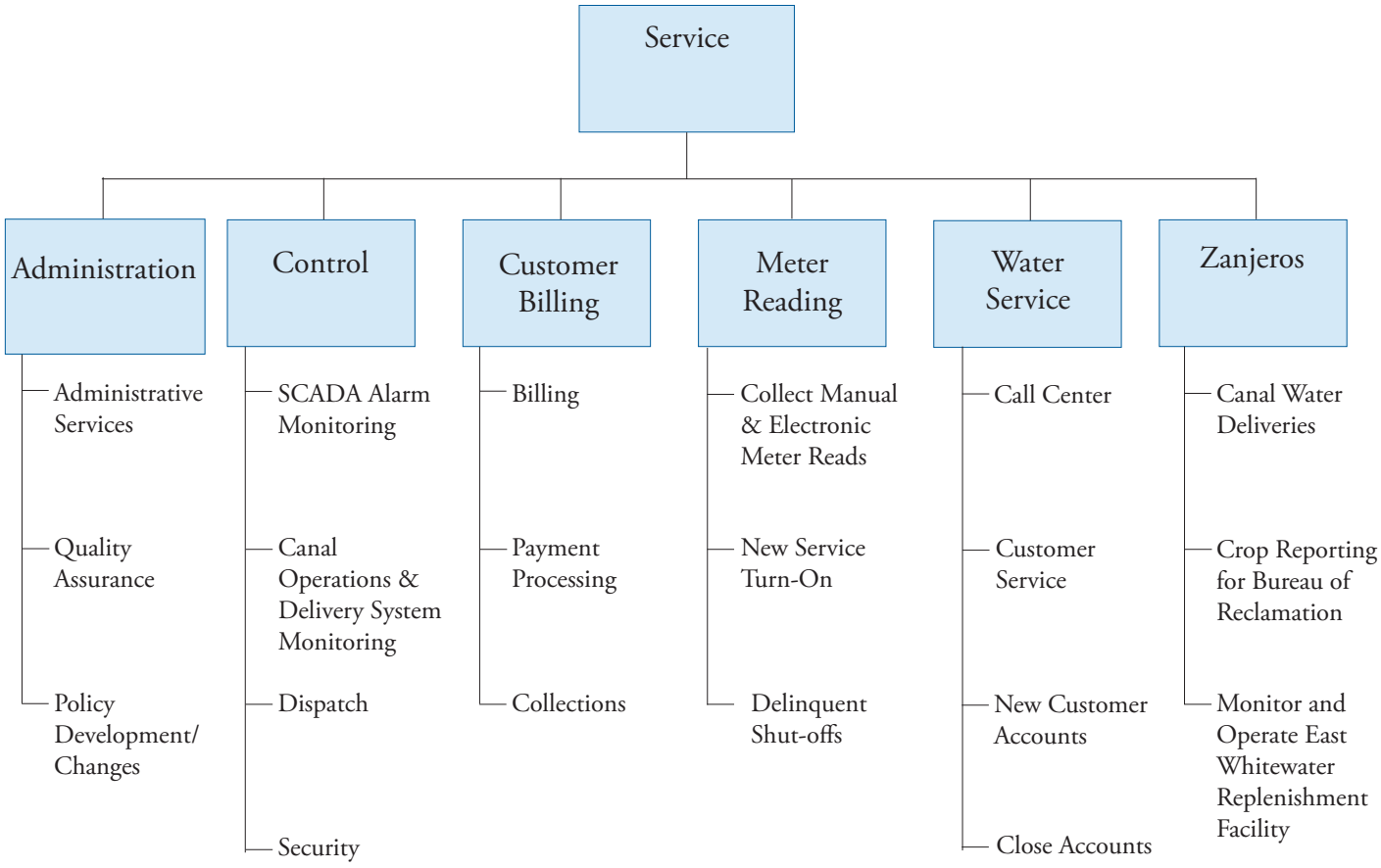
FY 2015-16 Approved Supplemental Requests (cont'd)

Fund	Dept./ Div.	Elem/ Object	Description	F.T.E.'s	Salaries & Benefits	Supplies & Service	Capital	Total Request	Nonrecurring
535	7470	8003	Hurco Valve Exerciser	-	-	-	22,000	22,000	22,000
580	7574	8002	New Paving at WRP 4 & WRP 7	-	-	-	103,513	103,513	103,513
580	7782	8003	JetScan HD Video Nozzle	-	-	-	20,000	20,000	20,000
580	7805	8003	Spare Blower Motor	-	-	-	30,000	30,000	30,000
580	7805	8003	20 HP Aerators (4)	-	-	-	60,000	60,000	60,000
580	7805	8003	Submersible Raw Sewage Pump	-	-	-	75,000	75,000	75,000
580	7810	8003	Grit Pump	-	-	-	50,000	50,000	50,000
580	7815	8003	High Pressure Nonpotable Water Pump 8304	-	-	-	35,500	35,500	35,500
580	7815	8003	Low Pressure Nonpotable Water Pump 8312	-	-	-	33,500	33,500	33,500
580	7815	8003	Low Pressure Nonpotable Water Pump 8313	-	-	-	33,500	33,500	33,500
580	7815	8003	Low Pressure Nonpotable Water Pump 8102	-	-	-	22,500	22,500	22,500
			OTHER TOTAL	**-**	**-**	**-**	**485,513**	**485,513**	**485,513**
			OPERATIONS COMBINED TOTAL	**4.0**	**461,184**	**1,387,780**	**485,513**	**2,334,477**	**1,077,083**

* Expenses Associated with Additional Personnel

Sanitation using a vactor truck to clean a sewer line

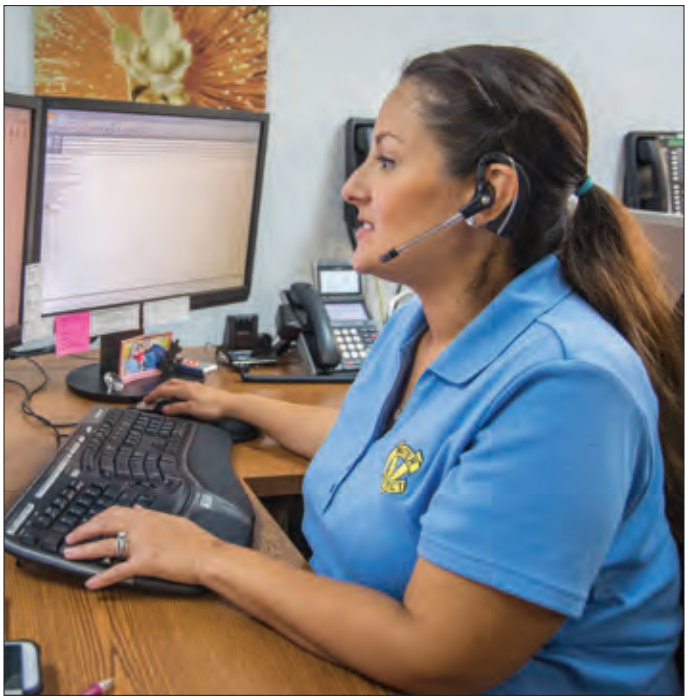
Service Department



Department Description

The Service Department is organized into six divisions that provide customer-related services to the District's entire customer base. The department provides administrative services, supervisory control and data acquisition (SCADA) system monitoring, customer billing, meter reading, customer service, customer relations, and irrigation water delivery.

The Service Department has a variety of roles focusing on customer interaction on the phones, in the field, over the counter, and through written correspondence. The Service Department strives to promote a customer-friendly experience that covers the complete life cycle of the customer's account. Working closely within the Service Department, as well as the entire District, the department plays a significant role in ensuring overall customer satisfaction.



Water Service working with a customer

Division Descriptions

Administration supports the District's efforts to improve the customer experience by engaging in quality assurance programs, developing recommendations for new policies, policy changes, and improved procedures based upon research, data analysis, and best practices.

Control is a 24/7 operation that provides SCADA system monitoring and analysis of the entire domestic, sanitation, irrigation, stormwater, nonpotable, and security systems. Responsibilities include canal operations, emergency phone service, dispatch call-outs, system troubleshooting, and repairs stemming from monitored alarms.

Customer Billing is responsible for billing all water-related services, including: domestic water, sewer, well replenishment, nonpotable, canal, and canal water availability. Customer Billing also receives and processes all customer payments on a daily basis. Collection activity and customer notification of past due accounts, liens, and promissory notes are included in Customer Billing's responsibilities.

Meter Reading is responsible for the daily collection of manual and automated meter (AMR) reads, along with monthly reading of construction meters and replenishment assessment charge (RAC) wells. This division handles customer turn-ons, final reads, as well as delinquent turn-offs. Additional responsibilities include working with customers to perform meter accuracy tests, resolve complaints, and investigate possible causes of consumption problems.

Water Service is the customer service call and correspondence center of the District. This department consists of 15 staff members assigned to the Palm Desert Operations or Coachella Office. Phones are answered from 8 a.m. to 5 p.m., Monday through Friday, and 9 a.m. to 5 p.m. on weekends and holidays. Eighty percent of all incoming calls to the District are received by the call center, averaging over 500 calls per day. Staff assists with new customer accounts, payments, high consumption issues, closing accounts, and answering various questions through written and verbal correspondence.

Zanjeros provide canal water delivery to the farming community and golf courses throughout the 123-mile canal irrigation delivery system. Canal water is also delivered to Water Reclamation Plants (WRP) 10 and WRP 7 for blending purposes (for golf course and other community landscaping), and to the East Whitewater replenishment ponds of the Thomas E. Levy Groundwater Replenishment Facility (TEL) for the eastern Coachella Valley. Zanjeros are in charge of the operations at the TEL Facility, along with monitoring tailwater and regulatory spills. Zanjeros deliver water seven days a week from 6 a.m. to 10 p.m., with standby service during off hours.

Zanjero reading a meter

Fiscal 2014-15 Accomplishments

Strategic Plan

- Partnered with Communication & Conservation to develop the customer service portion of the newly designed District website
- Implemented call recording
- Implemented co-browsing application
- Developed a framework for periodic interdepartmental meetings with employees, directors, the General Manager and the Assistant General Manager

Administration

- Developed and implemented a formalized tiered rate adjustment policy, which was adopted by the Board of Directors. Formalized policy created efficiencies, which resulted in 100 fewer customer requests for adjustments and $105,000 in increased revenues
- Developed and implemented an Automated Meter Reader Opt-Out Program
- Conducted outreach for online irrigation ordering, which resulted in over 700 online orders
- Developed and implemented safety training on activation and response to the duress buttons, safe mail handling, and response to suspicious substances
- Revised applications for service to allow customers to sign up for e-billing and automatic payments
- Increased e-billing 103%
- Amended regulations governing Domestic Water Service
- Implemented an "Account Establishment Fee" July 1, 2014, generating revenue of $246,000 in fiscal 2015
- Developed partnership with California Desert Association of Realtors to improve customer service during the transfer of property ownership
- Developed a training tracking system
- Completed Emergency Operation Center (EOC) plan for the Service Department
- Partnered with other water agencies by becoming active members of the Inland Empire Customer Billing and Customer Service Group and initiating periodic meetings with the Indio Water Authority

Control

- Used performance metrics to drive training improvements and incorporated them into employee evaluations
- Implemented a Control training calendar
- Established Control Activities Report
- Gathered control room numbers from other districts to evaluate schedules and manpower requirements
- Incorporated work safety and wellness training into department meetings
- Developed a training manual for control operators
- Reduced system alarms by 10%

Customer Billing

- Updated notices for nonpayment to include multiple languages, as required by Assembly Bill 2747
- Reduced 90-day aging by one basis point from fiscal 2014 to fiscal 2015
- Increased collections on past due replenishment assessment charges (RAC) accounts
- Transferred $31.8 million to Riverside and Imperial County property tax bills
- Reviewed and streamlined customer high/low consumption process
- Streamlined the tax transfer process, resulting in staff efficiencies and savings of over $15,000

Meter Readers

- Conducted course to certify Meter Readers on testing meters
- Consistently met all billing deadlines, despite an 8% increase in customer service work orders
- Updated Meter Reader Handbook and Procedure Manual

Fiscal 2014-15 Accomplishments (cont'd)

- Upgraded manual read meters in unsafe areas to AMRs

Water Service

- All Customer Service Representatives (CSRs) received certificates for successfully passing the Front Line Customer Service Program
- Enabled the wallet feature in "Manage My Account" to allow customers to store multiple payment options
- Developed improvements to "Manage My Account" by working with SunGard and Information Systems, reducing trouble calls from customers by 75%
- Implemented a process where customers maintain their place in the queue, but no longer have to remain on hold
- Improved quality of customer data, by reviewing and updating customer accounts to include: telephone numbers, e-mail addresses, and clarified owner/tenant responsibility for accounts
- Activated interactive voice response (IVR) pop-up screen
- Developed and implemented performance metrics for water service
- Conducted the following in-house training for customer billing, water service, zanjeros, meter readers, control operators, and administrative staff:
    - o The ART of Customer Service
    - o The Telephone Connection
    - o Customer Service Counts
    - o Effective Email Communications
    - o Listening Skills
    - o Listening Under Pressure
    - o Dealing with the Irate Customer
    - o Seven Keys to a Positive Mental Attitude
    - o Proactive Customer Service
- Answered 53.2% of calls in 30 seconds or less
- Participated in interdepartmental cross training

Zanjero

- Implemented a Global Positioning System (GPS) meters/valves/stands program along with tracking progress
- Started valve exercise program along with tracking progress
- Incorporated performance metrics into employee evaluations and used those metrics to drive training improvements
- Incorporated work safety and wellness training into tailgates
- Provided additional staff training and established a mentoring team of Zanjero IIs to assist new staff, resulting in a reduced number of trouble calls going to the night shift
- Performed canal wasteway gate testing on each of the four gates

Fiscal 2015-16 Goals

Strategic Plan

- Create mass notification system to notify customers of important information including boil alerts, drought updates, conservation tips, or rate adjustments
- Develop citizens' reporting app to provide a platform for citizens and stakeholders to notify the District of infrastructure problems and water waste
- Develop fact sheets for staff to improve internal communications and awareness on issues facing the District and its customers
- Implement inter-departmental tailgate meetings to improve internal communications and awareness of the issues facing the District and its customers
- Develop targeted customer experience surveys to develop baseline customer satisfaction levels, to enable the District to focus resources in the future on improving customer satisfaction in needed areas

Administration

- Review service initiation and service termination policies and procedures to complete business process improvement initiatives
- Develop training standards for all Service Department staff

Fiscal 2015-16 Goals (cont'd)

- Strengthen role of quality assurance in driving customer service improvements
- Implement tools to improve the development and modification of staff schedules
- Continue to establish partnerships with other water agencies and local community organizations
- Develop upgrades and release an updated version of CVWD's canal online ordering app
- Develop recommendation for Board consideration to transfer the monthly domestic water service charge to customers' property tax, rather than monthly billing

Control

- Improve staff safety and wellness to reduce on the job injuries
- Use GPS to inventory and determine locations of meters and irrigation infrastructure
- Work with other departments to reduce SCADA system alarms
- Use and establish additional metrics to evaluate job performance
- Train new Supervisory Control Operator(s)
- Improve staff training and development

Meter Readers

- Meet all reading and billing deadlines
- Using GPS collect data points for all AMR, direct read, and RAC well meters
- Upgrade Salton City and Salton Sea Beach backyard meters to AMRs
- Install LED amber lights with warning flash patterns on 20 Meter Reading vehicles
- Replace metal covers with composite at Desert Princess HOA
- Streamline the water waste process
- Standardize reading method and metering device for all RAC wells
- Improve staff training and development
- Roll out the Meter Readers GIS Viewer

Customer Billing

- Implement continued improvements to the annual property tax transfer process
- Promote e-billing and automatic payment options
- Strengthen collection practices
- Review best practices and propose changes to delinquency process and charges
- Complete cross training of staff to ensure coverage of daily billing and cash functions
- Explore additional payment options
- Update billing section of Sanitation Regulations
- Upgrade software and interface streamlining remittance processing

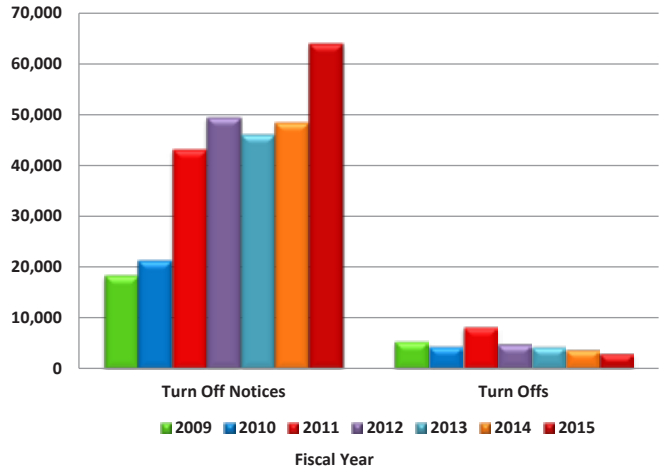
Water Service

- Develop and implement strategies for one-call resolution of customer issues
- Develop and implement customer service training/ resource manual for CSRs
- Improve training and development
- Formalize Saturday quarterly meetings and trainings for all CSRs
- Engage customers to provide input on process improvement initiatives
- Develop and implement customer satisfaction survey

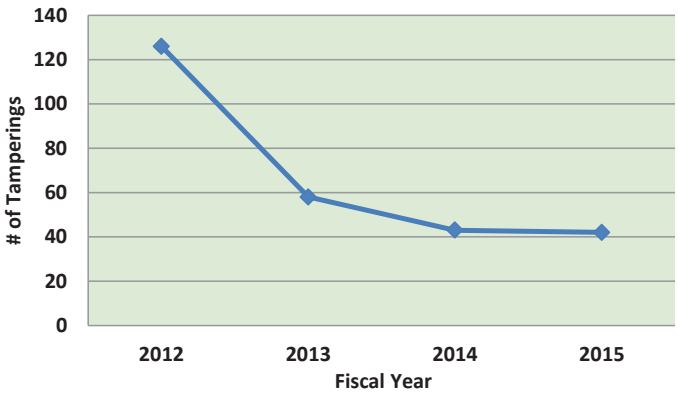
Zanjeros

- Formalize valve exercise program
- Replenish 38,000 acre-feet of water at the Thomas E. Levy Facility
- Establish and use additional metrics to evaluate job performance
- Improve staff training and development

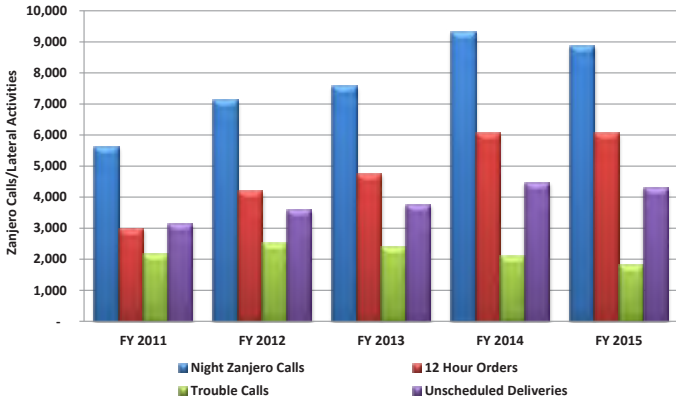
Number of Turn Off Notices and Turnoffs
Seven-Year History



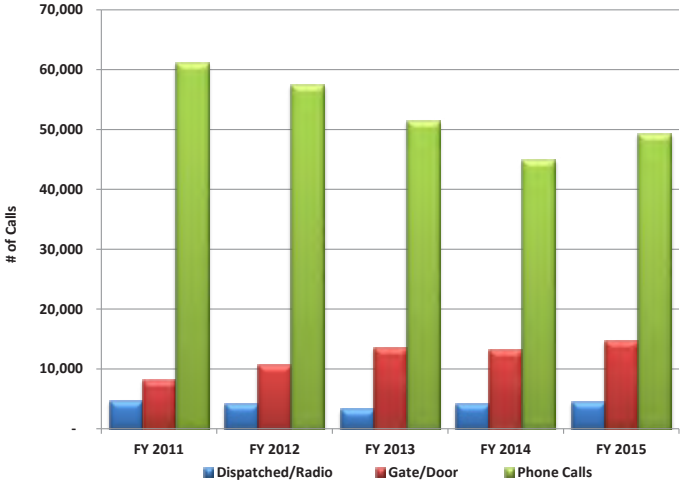
Number of Tamperings
Four-Year History



Number of Zanjero Calls
Five-Year History



Number of Control Calls
Five-Year History

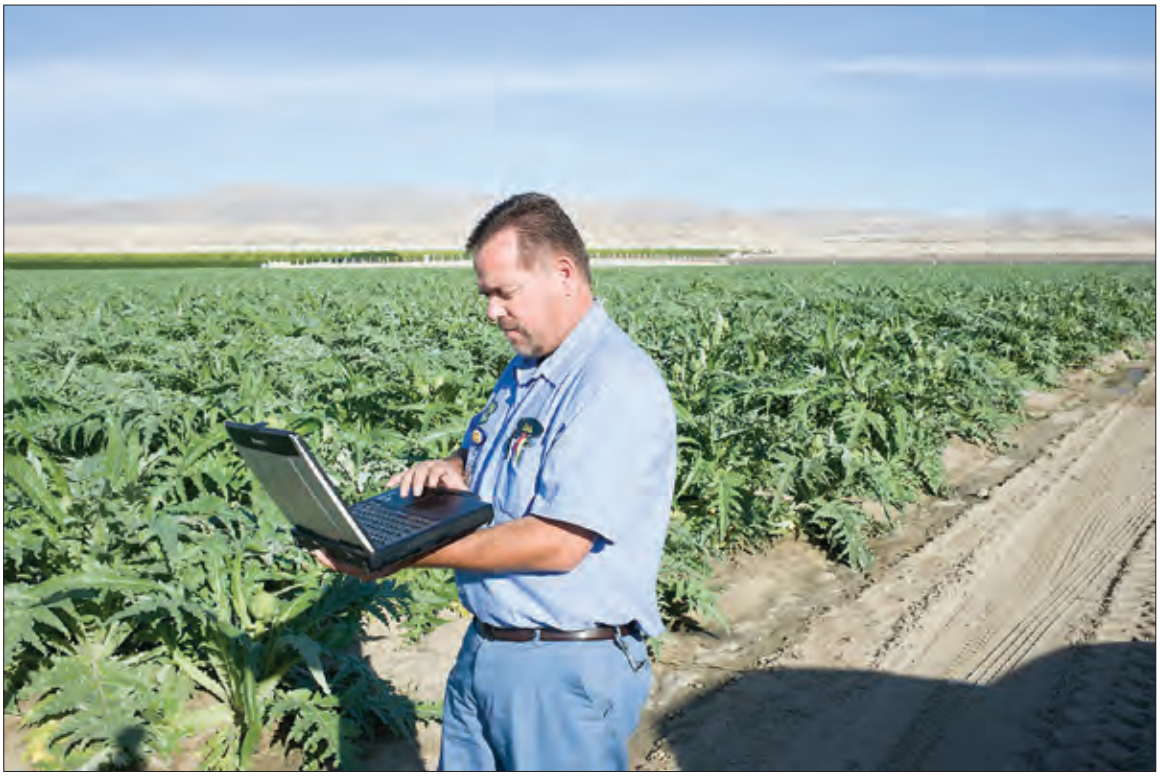


Department Financial Trend - Service

	Budget 2014-15	Projected 2014-15	Budget 2015-16	Budget Change	% Change
Expenses by Object					
Salaries & Benefits	8,190,000	7,982,000	8,637,000	447,000	5.5
Outside Labor	63,000	32,000	47,000	(16,000)	(25.4)
Professional Development	70,000	40,000	81,000	11,000	15.7
Collection Cost	14,000	-	-	(14,000)	(100.0)
Utilities	1,026,000	920,000	1,109,000	83,000	8.1
Materials & Supplies	611,000	566,000	681,000	70,000	11.5
Motorpool	444,000	374,000	493,000	49,000	11.0
Contract Services	840,000	825,000	890,000	50,000	6.0
Safety	10,000	10,000	10,000	-	-
Purchased Water	3,654,000	3,654,000	3,468,000	(186,000)	(5.1)
Miscellaneous Expense	83,000	20,000	82,000	(1,000)	(1.2)
Total	**15,005,000**	**14,423,000**	**15,498,000**	**493,000**	**3.3%**
Expenses by Division					
Administration	586,000	564,000	650,000	64,000	10.9
Customer Service	1,663,000	1,515,000	1,700,000	37,000	2.2
Zanjeros	7,081,000	7,004,000	7,159,000	78,000	1.1
Control	797,000	831,000	999,000	202,000	25.3
Meter Reading	2,393,000	2,293,000	2,475,000	82,000	3.4
Customer Billing	2,485,000	2,216,000	2,515,000	30,000	1.2
Total	**15,005,000**	**14,423,000**	**15,498,000**	**493,000**	**3.3%**
Expenses by Fund					
Domestic Water	6,000,000	5,653,000	6,286,000	286,000	4.8
Canal Water	2,825,000	2,755,000	3,077,000	252,000	8.9
Sanitation	616,000	569,000	663,000	47,000	7.6
Stormwater	32,000	8,000	10,000	(22,000)	(68.8)
Nonpotable Water	48,000	41,000	49,000	1,000	2.1
West Whitewater Replenishment	152,000	151,000	157,000	5,000	3.3
Mission Creek Replenishment	17,000	3,000	17,000	-	-
East Whitewater Replenishment	5,315,000	5,243,000	5,239,000	(76,000)	(1.4)
Total	**15,005,000**	**14,423,000**	**15,498,000**	**493,000**	**3.3%**

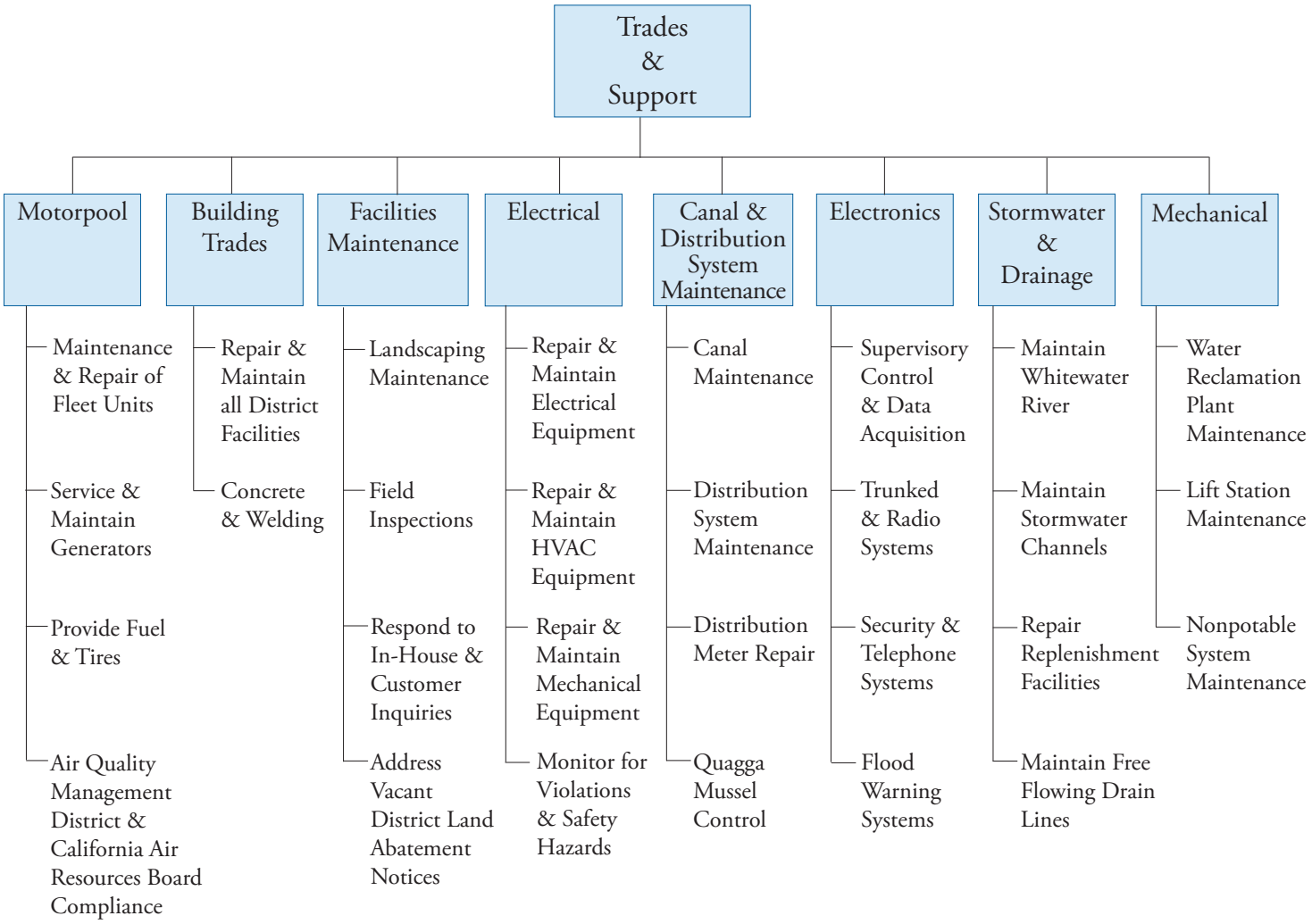
FY 2015-16 Approved Supplemental Requests

Fund	Dept./ Div.	Elem./ Object	Description	FTEs	Salaries & Benefits	Supplies & Service	Capital	Total Request	Nonrecurring
803	6305	1002	Supervisory Control Operator (Trainee)	2.0	172,696	-	-	172,696	-
			PERSONNEL TOTAL	**2.0**	**172,696**	**-**	**-**	**172,696**	**-**
803	6005	4206	Executime Scheduling Software	-	-	18,525	-	18,525	18,525
803	6005	4299	Office Supplies - Increase Budget	-	-	1,000	-	1,000	-
803	6005	5599	Adobe Echosign Software - Increase Budget	-	-	5,555	-	5,555	-
803	6005	5599	Journey Mapping	-	-	5,700	-	5,700	5,700
803	6105	1003	Overtime - Increase Budget	-	24,793.00	-	-	24,793	-
803	6105	2005	Training - Increase Budget	-	-	5,000	-	5,000	-
803	6105	4299	Office Supplies - Increase Budget	-	-	1,000	-	1,000	-
501/552	6205	1003	Overtime - Increase Budget	-	20,262.00	-	-	20,262	-
552	6205	4001	Electricity - Increase Budget	-	-	79,102	-	79,102	-
501/552	6205	4004	Mobile Data - Increase Budget	-	-	1,380	-	1,380	-
501/552	6205	4206	Adobe Professional (4)	-	-	1,200	-	1,200	1,200
501/552	6205	4297	LED Lights w/Flash Pattern, Truck Steps, Small Tools	-	-	16,227	-	16,227	16,227
552	6205	5599	Levy Replenishment Facility - Increase Budget	-	-	11,563	-	11,563	-
535/580	6405	2003	Conferences & Seminars - Increase Budget	-	-	1,000	-	1,000	-
535/580	6405	2004	Travel & Per Diem - Increase Budget	-	-	3,000	-	3,000	-
535/580	6405	2005	Training - Increase Budget	-	-	1,800	-	1,800	-
535/580	6405	4004	Mobile Data - Increase Budget	-	-	1,655	-	1,655	-
535/580	6405	4205	Toughbook (2)	-	-	13,000	-	13,000	13,000
535/580	6405	4297	Meter Testers and amber flashing lights for trucks	-	-	14,144	-	14,144	14,144
535/580	6405	4299	Meter Lids Replacement (173) Desert Princess CC	-	-	5,898	-	5,898	5,898
535/580	6405	5599	Handheld Maintenance & Recalibrate Meter Testers	-	-	4,556	-	4,556	4,556
803	6905	5538	Credit Card Processing Fees - Increase Budget	-	-	31,412	-	31,412	-
803	6905	4205	Computer Monitor (3)	-	-	900	-	900	900
803	6905	5599	Shred It - Increase Budget	-	-	1,080	-	1,080	-
			OTHER TOTAL	**-**	**45,055**	**224,697**	**-**	**269,752**	**80,150**
			SERVICE COMBINED TOTAL	**2.0**	**217,751**	**224,697**	**-**	**442,448**	**80,150**



Zanjero crop reporter

Trades & Support Department



Department Description

The Trades & Support Department consists of eight divisions with a variety of skills, including: fleet services, building and trades, grounds maintenance, landscaping, electrical, heating ventilation and air conditioning (HVAC), electronics, mechanical, pump repair, canal and distribution system maintenance, and stormwater and drainage.

Generator maintenance

Division Descriptions

Motorpool is responsible for the maintenance and repair of all District vehicles and equipment, along with providing support equipment. The District's fleet is comprised of light-duty vehicles, heavy trucks, small equipment, off-road construction equipment, and stationary emergency generators. Fleet services include repair, maintenance, acquisition, and disposal of all vehicles. Fleet manages two fueling stations and the activities associated with each. The

Coachella facility has three 10,000-gallon unleaded gasoline tanks and two 10,000-gallon diesel fuel tanks; the Palm Desert facility has one 15,000-gallon unleaded tank and one 15,000-gallon diesel tank.

Building Trades is responsible for the repairs and maintenance of all District buildings and facilities from the Whitewater spreading area to the north through the All American Canal turn-out southwest of Yuma, AZ. The welding staff is responsible for all District fabrication and welding needs associated with pipe leak repairs, new well installations, canal weir structures, traveling screens, equipment repairs, and facility improvements.

Facilities Maintenance is responsible for the landscaping and maintenance of all District facilities and land holdings, such as District office grounds, potable and nonpotable water sites, sanitation sites, and canal and irrigation sites. In addition, this division handles in-house and citizen complaints, addresses abatement notices on vacant District land, performs field inspections, and provides assistance as needed to other Trades & Support divisions.

Electrical consists of three divisions: Electrical, HVAC, and Pump and Motor Maintenance. This division is primarily responsible for the electrical, mechanical, and HVAC maintenance and repair at all District facilities. Immediate repairs to failed equipment and routine maintenance of equipment performed by the Electrical Shop prevents future failures, improves reliability, and extends equipment life.

A secondary function of the Electrical Shop is to provide support to other departments, as needed. This is accomplished by providing technical support including: National Electrical Code and National Fire Protection Association 70E code requirements, electrical limitations and control strategy options; plan checking electrical drawings and specifications for accuracy and proper function; inspection assistance of new electrical, HVAC, and mechanical equipment construction; support for new construction and remodels of District facilities; and providing instruction in the operation of new or upgraded devices and systems used by the operators.

Canal & Distribution System Maintenance is primarily responsible for maintenance of the 123-mile Coachella Canal and the associated 485 miles of distribution system. The distribution crew is responsible for ensuring the system is capable of meeting the needs of the District's agricultural customers throughout the Coachella Valley. In addition, the Canal & Distribution System Maintenance division is responsible for Quagga mussel control at the head of the canal. This includes monitoring and maintaining adequate sodium hypochlorite storage levels on site, as well as proper dosage of sodium hypochlorite into the canal water. Proper dosage insures that the required chlorine residual is present as a preventative measure against Quagga mussel infestation and colonization within the canal distribution system.

Electronics is responsible for installation, implementation, design, and maintenance of weather alert stations, automation and communication equipment, video security and building electronics at all domestic, sanitation, irrigation, nonpotable, stormwater, and microwave tower sites. Electronics Technicians possess valid technician certificates issued through a program endorsed by the Federal Communications Commission (FCC).

Stormwater & Drainage maintains the integrity of the Whitewater River, the Coachella Valley Stormwater Channels and its tributary channels from Palm Springs to Salton Sea. In addition, Stormwater & Drainage provides heavy equipment and support to help meet various District needs including maintainance and repair of percolation ponds/basins at the District's replenishment facilities.

Additional responsibilities include maintaining free-flowing underground drain lines and open channels in order to maintain proper water table levels and facilitate leaching of salt nutrients down into the soil and away from the subsurface into the drainage system.

Mechanical plans, organizes, supervises, and coordinates the design, construction, maintenance activities, and repairs of the mechanical equipment at the District's wastewater reclamation plants, lift stations, pumping plants, and related equipment in the sanitation sewer system.

Canal Maintenance

Fiscal 2014-15 Accomplishments

Strategic Plan

- Assisted in restoring internal suggestion box

Motorpool

- Improved communication with fleet users by utilizing Auto Shop Drop-Off forms, posting online daily shop activity reports, and attending tailgate meetings
- Updated roadside assistance information cards for all fleet vehicles
- Assigned individual fleet identification numbers and scheduled for preventive maintenance for equipment costing less than $5,000

Building Trades

- Palm Desert Operations - Replaced three entrance doors to meet Americans with Disabilities Act (ADA) requirements
- Palm Desert Operations Training Room - Installed new projector and new carpet
- Palm Desert Auto Shop - Constructed a 50'x25' reinforced concrete slab
- Coachella Facility - Assisted in the relocation of the main entrance
- Coachella Facility - Paved parking lot at gates 3 and 4
- Coachella Rummonds Building - Upgraded existing roof system to a urethane system
- Coachella Rummonds Building - Replaced aluminum side lights and main door
- Coachella Rummonds Training Room - Upgraded interior sound walls
- Coachella Forbes Auditorium - Painted and replaced carpet, sound walls, and CVWD emblem
- Fabricated and installed canal weir structures, mobile generator steel storage boxes, drainage discharge manifold, and lift station down spouts
- Fabricated canal traveling screen frames, antenna brackets, and sensor enclosure boxes for canal telemetry upgrades, pump manifolds, and locking anti-theft steel collars for domestic fire hydrants
- Reinforced steel structure for Lift Station 55-10 suction elbow

Electrical

- Palm Desert Operations - Installed Energy Management System (EMS)
- Coachella Facility - Upgraded transfer switch
- Coachella Rummonds Building - Replaced two HVAC units
- Coachella Rummonds Building - Installed Control Room/SCADA Room Rack Mount A/C Unit
- Coachella Welding Shop - Upgraded exhaust fans and electrical
- Canal Telemetry Sites - Upgraded seven sites
- WRP 10 & Tertiary 2 - Replaced various Variable Frequency Drives (VFDs)
- Nonpotable - Installed five actuator sites
- Lift Station 81-03 - Installed standby generator

Canal & Distribution System Maintenance

- Replaced 60 buckled canal panels
- Replaced one radial gate on canal
- Replaced 3,000 feet of chain link fence on canal/ distribution system
- Raised level of freeboard on the canal

Electronics

- Upgraded six lower canal check gate sites - Phase 1
- WRPs 4 and 7 - Installed headworks telemetry

Stormwater & Drainage

- Mulched 313,760 linear feet of the Storm Channel
- Ripped a total of 23 Percolations Ponds for Sanitation WRPs 2, 7, 9, and 10
- Removed 144,000 cubic yards of silt from percolation ponds number 1, 2, 10, and 14 at the West Whitewater Replenishment Facility
- Restored 21 miles of service roads

Fiscal 2014-15 Accomplishments (cont'd)

Mechanical

- Replaced WRP 10 return activated sludge (RAS) secondary sludge pump
- Replaced WRP 10 waste activated sludge (WAS) secondary sludge pump
- Replaced WRP 10 high pressure reclaimed water pump 8303
- Rebuilt WRP 10 high pressure reclaimed water pump 8302
- Rebuilt WRP 10 effluent pump 3
- Rebuilt WRP 10 T-1 filter feed pump
- Rebuilt WRP 7 wash water pump 1

Fiscal 2015-16 Goals

Strategic Plan Goals

- Complete Alternative Energy Feasibility Study
- Implement a Preventative Maintenance Management Program
- Perform a comprehensive inspection of irrigation and drainage infrastructure

Fleet

- Research and develop an alternative fuel infrastructure plan

Building Trades

- Coachella - Hazardous Waste Storage - Construct a 25'x30'x12' steel shelter with containment slab

Electrical

- Coachella Rummonds Building - Install HVAC for the Emergency Operation Center (EOC)
- Coachella Rummonds Building - Upgrade Building Automation System
- WRP 10 Control Building Training Room - Install A/C
- WRP 10 Headworks Motor Control Center (MCC) - Replace HVAC equipment
- WRP 4 MCC 4 - Upgrade transfer switch
- Booster 4701 - Install new motor control center with transfer switch and standby generator
- Canal Telemetry - Continue with upgrade
- Canal - Install replacement standby generators and transfer switches
- Oasis Tower - Install replacement standby generators and transfer switches

Canal & Distribution System Maintenance

- Replace 30 buckled canal panels
- Replace one radial gate on canal
- Replace 3,000 feet of chain link fence on canal & distribution system
- Blade and water 145 miles of canal road
- Raise level of freeboard on the Canal
- Implement a minor valve replacement program

Electronics

- Upgrade telemetry at Oasis tower
- Reband District two-way trunked radio system (multi-year project)
- Upgrade six additional lower canal check gate sites - Phase 2

Stormwater & Drainage

- Perform silt removal at West Whitewater Replenishment Facility on percolation ponds 11, 13, and 19
- Continue to define our operation and maintenance cycles for all stormwater & drainage facilities
- Implement a proactive maintenance schedule regarding maintenance of the tile line drainage system
- Restore service roads on floodway dikes

Mechanical

- WRP 10 - Assist with the installation of septic receiving project upgrade

Department Financial Trend - Trades & Support

	Budget 2014-15	Projected 2014-15	Budget 2015-16	Budget Change	% Change
Expenses by Object					
Salaries & Benefits	13,991,000	12,174,000	14,443,000	452,000	3.2
Professional Development	103,000	83,000	126,000	23,000	22.3
Professional Services	10,000	9,000	10,000	-	-
Insurance Costs	202,000	189,000	202,000	-	-
Utilities	1,410,000	1,382,000	1,443,000	33,000	2.3
Materials & Supplies	5,016,000	4,465,000	5,189,000	173,000	3.4
Motorpool	2,216,000	2,098,000	2,537,000	321,000	14.5
Contract Services	3,775,000	3,059,000	3,351,000	(424,000)	(11.2)
Safety	37,000	30,000	37,000	-	-
Miscellaneous Expense	672,000	436,000	673,000	1,000	0.1
Capital Outlay	759,000	571,000	259,000	(500,000)	(65.9)
Total	**28,191,000**	**24,496,000**	**28,270,000**	**79,000**	**0.3%**
Expenses by Division					
Administration	639,000	578,000	625,000	(14,000)	(2.2)
Buildings & Facilities	1,229,000	1,097,000	1,233,000	4,000	0.3
Building Trades					
Administration	427,000	442,000	451,000	24,000	5.6
Carpentry	1,613,000	1,253,000	1,419,000	(194,000)	(12.0)
Welding	694,000	574,000	723,000	29,000	4.2
Facilities Maintenance					
Administration	799,000	443,000	479,000	(320,000)	(40.1)
Facilities Maintenance	627,000	576,000	619,000	(8,000)	(1.3)
Electrical					
Administration	463,000	474,000	538,000	75,000	16.2
Electricians	2,566,000	1,923,000	2,588,000	22,000	0.9
Pump Maintenance	778,000	606,000	780,000	2,000	0.3
Air Conditioning	411,000	266,000	434,000	23,000	5.6
Canal Distribution System					
Administration	1,024,000	993,000	1,059,000	35,000	3.4
Distribution Maintenance	960,000	927,000	1,022,000	62,000	6.5
Canal Maintenance	2,783,000	2,470,000	2,841,000	58,000	2.1
Electronics			-		
Administration	761,000	712,000	842,000	81,000	10.6
Electronic Technicians	1,770,000	1,145,000	1,854,000	84,000	4.7
Stormwater Drainage					
Administration	355,000	318,000	347,000	(8,000)	(2.3)
Stormwater Drainage Crew	4,501,000	4,033,000	4,358,000	(143,000)	(3.2)
Mechanical					
Administration	322,000	308,000	328,000	6,000	1.9
Mechanical Technicians	2,008,000	1,785,000	2,013,000	5,000	0.2
Motorpool					
Administration	617,000	492,000	512,000	(105,000)	(17.0)
Autoshop	2,645,000	2,876,000	2,998,000	353,000	13.3
Service Station	199,000	205,000	207,000	8,000	4.0
Total	**28,191,000**	**24,496,000**	**28,270,000**	**79,000**	**0.3%**

Department Financial Trend - Trades & Support

	Budget 2014-15	Projected 2014-15	Budget 2015-16	Budget Change	% Change
Expenses by Fund					
Domestic Water	6,064,000	4,584,000	5,538,000	(526,000)	(8.7)
Canal Water	6,385,000	5,975,000	6,822,000	437,000	6.8
Sanitation	7,057,000	5,966,000	7,100,000	43,000	0.6
Stormwater	3,480,000	2,826,000	3,162,000	(318,000)	(9.1)
Nonpotable Water	255,000	186,000	277,000	22,000	8.6
West Whitewater Replenishment	912,000	1,154,000	1,052,000	140,000	15.4
East Whitewater Replenishment	491,000	260,000	547,000	56,000	11.4
Motorpool	3,547,000	3,545,000	3,772,000	225,000	6.3
Total	**28,191,000**	**24,496,000**	**28,270,000**	**79,000**	**0.3%**

FY 2015-16 Approved Supplemental Requests

Fund	Dept./ Div.	Elem./ Object	Description	FTEs	Salaries & Benefits	Supplies & Service	Capital	Total Request	Nonrecurring
803	5548	1002	Electronic Technician I	1.0	118,218	-	-	118,218	-
			PERSONNEL TOTAL	**1.0**	**118,218**	**-**	**-**	**118,218**	**-**
803	5548	4205	Toughbook*	-	-	6,500	-	6,500	6,500
803	5548	4206	Visio, GE Proficy PRO, Adobe Pro*	-	-	3,300	-	3,300	3,300
803	5548	8004	E-350 Cutaway Van with Covered Utility Body*	-	-	-	40,200	40,200	40,200
803	5105	1003	Overtime - Increase	-	2,010	-	-	2,010	-
580	5140	4298	Control Room Remodel - WRP 7	-	-	90,000	-	90,000	90,000
803	5140	4298	IS Data Area Upgrade -Rummonds Building	-	-	22,000	-	22,000	22,000
803	5140	4298	Work Orders - Increase	-	-	40,000	-	40,000	-
803	5305	2005	Mobile Crane Training & Certification	-	-	3,000	-	3,000	3,000
803	5305	2005	Factory Training on Boiler Units	-	-	2,550	-	2,550	2,550
803	5305	2005	Training - Pump Training w/ Sulzer	-	-	6,600	-	6,600	6,600
803	5305	4004	Mobile Data Service	-	-	3,000	-	3,000	-
803	5305	5599	Alternative Energy Feasibility Study - SG 5,3,5	-	-	50,000	-	50,000	50,000
803	5342	1003	Overtime - Increase	-	5,000	-	-	5,000	-
536	5342	5599	Medium Voltage Switchgear - Maintenance - Mid-Valley Pumping Plant	-	-	68,000	-	68,000	68,000
580	5342	5599	Medium Voltage Switchgear - Maintenance - WRP 7	-	-	29,000	-	29,000	29,000
580	5342	5599	Automatic Transfer Switch - Upgrade - WRP 4 MCC 2	-	-	25,000	-	25,000	25,000
580	5344	8002	Air Conditioner - WRP 10 Headworks Motor Control Center	-	-	15,000	-	15,000	15,000
501	5445	1003	Overtime - Increase	-	5,000	-	-	5,000	-
501	5445	4298	Work Orders - Increase	-	-	20,000	-	20,000	-
501	5445	4298	Work Orders - Increase	-	-	15,000	-	15,000	-
501	5446	4298	Radial gate - Canal Gate Structure	-	-	12,500	-	12,500	12,500
501	5446	4298	Traveling Screens - Canal Distribution System	-	-	10,000	-	10,000	10,000
501	5446	5599	Chain Link Fence & Barbwire - Replacement - Canal	-	-	18,000	-	18,000	18,000
803	5505	2005	Training - Chromium 6	-	-	21,505	-	21,505	21,505
803	5505	4001	Electricity - Increase - Energy Rate Increase	-	-	1,200	-	1,200	-
803	5505	4003	Telephone Landline - Increase	-	-	4,937	-	4,937	-
803	5548	1003	Overtime - Increase	-	6,000	-	-	6,000	-
580	5750	8003	Plant Water Pump - WRP 7	-	-	-	46,093	46,093	46,093
580	5750	8003	AWT Pump - WRP 7	-	-	-	50,554	50,554	50,554
580	5750	8003	Reclaim Water Pump - WRP 7	-	-	-	97,064	97,064	97,064
580	5750	8003	Plant Water Pump - WRP 4	-	-	-	50,554	50,554	50,554
			OTHER TOTAL	**-**	**18,010**	**467,092**	**284,465**	**769,567**	**667,420**
			TRADES & SUPPORT COMBINED TOTAL	**1.0**	**136,228**	**467,092**	**284,465**	**887,785**	**667,420**

* Expenses Associated with Additional Personnel

Capital Improvements

What are Capital Improvements?

Capital Improvements include the purchase, construction, replacement, addition, or major repair of public facilities, infrastructure, and equipment. The selection and evaluation of capital projects involves analysis of District requirements, speculation on growth, the ability to make estimates, and the consideration of historical perspectives. A "Capital Project" has a monetary value of at least $25,000, has a useful life of more than a year, and results in the creation or revitalization of a fixed asset. A capital project is usually relatively large compared to other "capital outlay" items in the annual operating budget. Vehicles and heavy equipment are considered capital projects by the District for the purpose of financial planning.

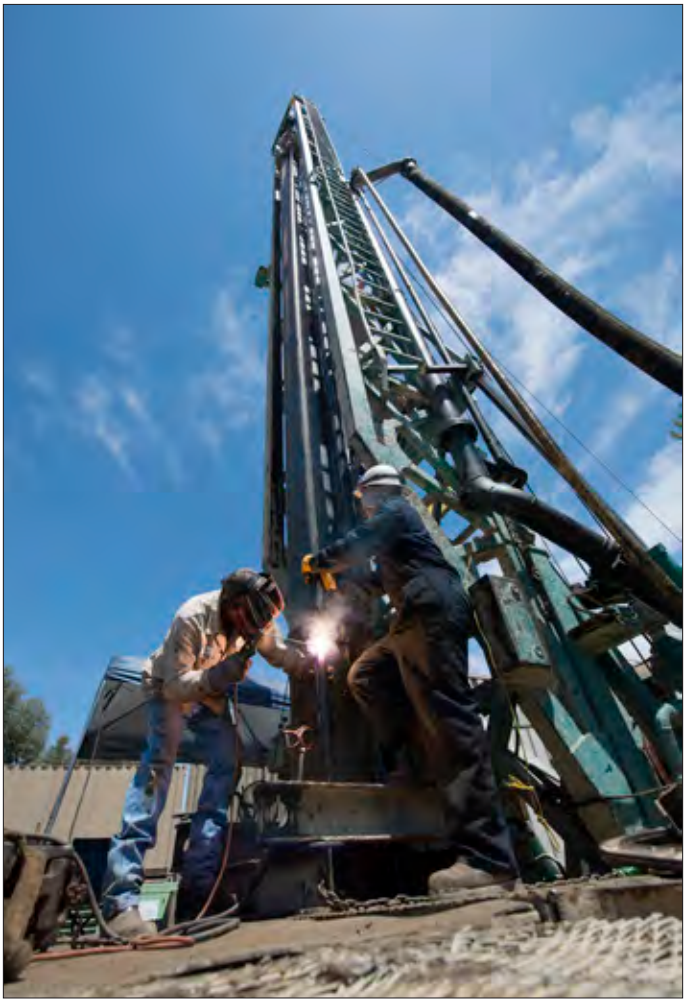
How are Capital Improvements Funded?

Various funding sources are available, including unrestricted reserves, reimbursements, grants, Sanitation Capacity Charges (SCC), Water System Backup Facility Charges (WSBFC), and Supplemental Water Supply Charges (SWSC). Each project is reviewed to determine the appropriate financing for the project. The District generally funds capital projects on a pay-as-you-go basis from available funding sources.

Unrestricted Reserves: Unrestricted reserves represent the "working capital" of each fund, or cash, plus accounts receivable, less accounts payable. The Board has designated a portion of each fund's unrestricted reserves for capital improvements. The District plans to spend approximately $105.5 million of its unrestricted reserves for the fiscal 2016 Capital Improvement Program.

***Reimbursements*:** The District often enters into agreements with other entities whereby certain projects will be built by the District with the understanding that all, or a portion of the project, will be reimbursed by that entity. The District expects to receive reimbursements and grants totaling approximately $5.3 million.

Sanitation Capacity Charges: The District assesses SCC-Collection and SCC-Treatment fees on all new development, redevelopment projects, connections to existing residential units, and upgrade of existing commercial units within the District's sanitation service area. These restricted funds can only be used for constructing backbone facilities for collection and treatment of wastewater to provide additional sanitation service. Funding from SCC-Collection and SCC-Treatment for fiscal 2016 total $1.0 million and $4.0 million, respectively.



Drilling a well

Water System Backup Facility Charges: The District assesses the WSBFC on all new development and redevelopment projects within the District's domestic water service area. These restricted funds can only be used for constructing backup water facilities to ensure domestic water availability for new development projects. Backup facilities include wells, treatment facilities, booster stations, reservoirs, and large diameter transmission mains. Funding from WSBFC fees for fiscal 2016 amounts to $1.8 million.

***Supplemental Water Supply Charges*:** The District assesses the SWSC on all new development and redevelopment projects within the District's domestic water service area. These restricted funds are used to purchase supplemental water to ensure the District has adequate water supplies. There are no planned projects using funding from SWSC fees for fiscal 2016.

What is the Capital Improvement Plan (CIP)?

The CIP is the multiyear plan used to identify and coordinate public facility and equipment needs in a way that maximizes the return to the ratepayers. Advance planning of all District projects helps the Board, staff, and public make choices based on rational decision-making, rather than reacting to events as they occur. The CIP represents improvements that are viewed as urgent and can be funded from available revenue and/or reserve sources. The system of CIP management is important because: (1) the consequences of investments in capital improvements extend far into the future; (2) decisions to invest are often irreversible; (3) such decisions significantly influence a community's ability to grow and prosper.

The CIP Process

The development and update of the CIP is an ongoing activity. It is part of the overall budgeting process since current year capital improvements are implemented through adoption of the annual budget. Specific activities in the process are:

Establishing Timetables, Goals, and Objectives: At the onset of the budgeting process, the CIP update begins with formal budget planning discussions between management, department heads, and the Board of Directors. Timetables are set that extend through development and final adoption of the budget. District goals and objectives are reviewed to ensure that they are being met through the budget cycle.

Taking Inventory and Developing Proposals: Staff gathers information about the District's capital facilities and equipment in order to assess the condition of each. Staff carefully considers construction, repair, replacement, and additions. From there, a list of proposed projects and equipment is developed.

Conducting Financial Analysis: Finance staff conducts financial analysis of historic and projected revenues and expenses in order to estimate the District's cash flow and long-term financial condition. Capital financing alternatives are identified and recommendations are prepared to match the type of funding most appropriate for specific capital improvements.

WRP 10 improvements

The Five-Year Plan

The adopted 2016-2020 Capital Improvement Plan amounts to $701.0 million, with a fiscal 2016 capital improvement plan of $114.7 million. Revenue sources include unrestricted reserves, restricted developer fees, grants, reimbursements from other agencies, the formation of an assessment district, and bonds.

Domestic Water projects total $359.6 million. In addition to completing construction on the $196.0 million chromium-6 treatment facilities, the five-year capital improvement plan includes approximately $17.3 million in reservoir rehabilitation and construction, $9.9 million in booster station upgrades, $67.1 million in water main improvements and $31.5 million in well drilling. There is also a project to expand one of the major pressure zones. Funding will be provided by unrestricted reserves, WSBFC fees (restricted reserves), grants, revolving fund loans, and revenue bonds.

Canal Water projects amount to $45.6 million and include the Oasis Area Irrigation System Expansion project (Oasis), which will be partially funded by the formation of an assessment district, and bond issuance. The Canal Water Fund will contribute $8.6 million to the Oasis Project, and the East Whitewater Replenishment Fund will contribute $22.1 million. Other notable projects include the Coachella

Canal lining and replacement projects, numerous irrigation lateral replacements, and drain replacement projects at Durbrow and Harrison and Airport Roads.

Sanitation projects total $114.8 million. This amount includes $46.4 million for WRP 10 treatment upgrades, $15.4 million for WRP 7 treatment upgrades, and $2.2 million for WRP 4 treatment process upgrades. In addition, there is over $31.3 million in collection system and lift station upgrades. Projects will be funded with unrestricted reserves, Sanitation Capacity Charge fees (restricted reserves), and grants.

Stormwater projects total $115.7 million. Included in this amount is the Thousand Palms Flood Control project, the North Cathedral City Stormwater project and the North Indio Stormwater project. Costs for these projects total approximately $46.5 million during the five-year planning period. They are not scheduled to be completed within that time frame. In addition, there are several other areas which require construction funding in the future for which master plans are being developed. Projects will be funded using unrestricted reserves and debt.

Nonpotable Water projects amount to $350,000, for the Mid-Valley Pipeline Master Plan and will be funded using unrestricted reserves.

Replenishment projects amount to $48.7 million. Of that amount, there $22.1 million is budgeted for the Oasis Area Irrigation System Expansion project. This project will be partially funded by the formation of an assessment district, and bond issuance. Replenishment is responsible for $22.1 million of the costs and the Canal Water Fund is responsible for $8.6 million. There is $21.0 million for nonpotable pipeline connections and $5.6 million in facility improvements.

Motorpool projects amount to $16.3 million and consists of vehicle and other rolling stock replacements. All funding will be from unrestricted reserves from the appropriate enterprise fund.

Five-Year Capital Improvement Plan (in 000s)

Fund	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	Total
Domestic Water	25,539	153,168	107,791	62,828	10,290	359,617
Canal Water	11,876	13,298	6,763	5,696	7,956	45,589
Sanitation	39,966	37,927	14,261	11,061	11,569	114,783
Stormwater	14,146	30,994	29,362	22,928	18,268	115,699
Nonpotable Water	350	-	-	-	-	350
West Whitewater Replenishment	3,160	860	3,560	1,831	2,253	11,664
East Whitewater Replenishment	15,486	16,355	1,445	2,211	1,550	37,047
Motorpool	4,146	2,936	2,807	3,145	3,223	16,257
Total Five-Year CIP	**114,670**	**255,538**	**165,989**	**109,700**	**55,109**	**701,006**

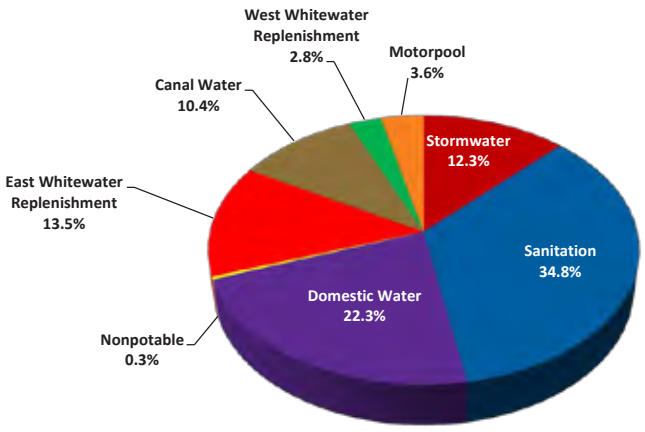
Fiscal 2016 Capital Improvement Budget

The fiscal 2016 Capital Improvement Budget (CIB) is integrated with the operating budget and amounts to $114.7 million. Included in that total is approximately $3.3 million in District labor that will be capitalized with the projects. Please note: the Salaries & Benefits line item in the Operating Budget has not been reduced by this amount; therefore, there should be realized salary savings as compared to budget. Fiscal 2016 Capital Improvements consists of projects in the District's enterprise funds and the Motorpool Internal Service Fund. All projects are accounted for and funded by each individual fund.

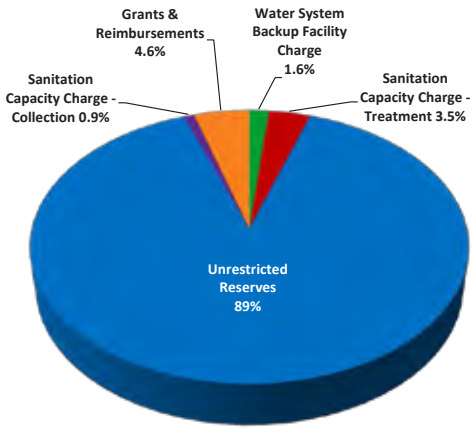
The following graphs and table show capital improvements by fund and by funding source.

Well site

Capital Improvements Projects by Fund $114,670,000



Capital Improvements Funding by Source $114,670,000



Capital Improvement Budget - Projects by Fund

	Funding Sources					
Fund	Unrestricted Reserves	Grants	WSBFC Restricted Reserves	SCC Treatment Restricted Reserves	SCC Collection Restricted Reserves	Total
Domestic Water	23,762,000	-	1,777,000	-	-	25,539,000
Canal Water	11,876,000	-	-	-	-	11,876,000
Sanitation	32,589,000	2,384,000	-	4,000,000	993,000	39,966,000
Stormwater	14,146,000	-	-	-	-	14,146,000
Nonpotable Water	350,000	-	-	-	-	350,000
West Whitewater Replenishment	3,160,000	-	-	-	-	3,160,000
East Whitewater Replenishment	15,487,000	-	-	-	-	15,487,000
Motorpool	4,146,000	-	-	-	-	4,146,000
Total Capital Improvement Budget	**105,516,000**	**2,384,000**	**1,777,000**	**4,000,000**	**993,000**	**114,670,000**
Less District Labor						3,315,000
Less Reimbursements						2,946,000
Net Capital Improvement Budget						**108,409,000**

Districtwide Projects

Districtwide projects in fiscal 2016 amount to $2.3 million. The following projects are not specific to any fund. The expenses are charged to the enterprise funds on an allocation methodology, based on districtwide labor costs.

GD1501 - Coachella Facility - Installation of Emergency Operations Center (EOC) - Heat, Ventilation, and Air Conditioning (HVAC)

The current EOC air conditioner does not have generator backup due to the electrical load being too high for the existing generator for the Rummonds building. Installation of the new HVAC will be supported from a generator-backed electrical panel. This will ensure that the EOC maintains proper temperatures during a power outage. There is no projected impact on operating costs.

GD1602 - Coachella Facility - Energy Management System (EMS)

This project includes installation of an Energy Management System & Control System for HVAC equipment. Having an EMS will reduce operating costs of the facility by approximately $40,000.

GD1601 - Coachella Facility - Roll-Up Door Replacement

Replacing roll-up doors that have been in service for approximately 40 years will ensure more efficient operation. Most of the current roll-up doors are obsolete, and spare parts are not readily available. It is expensive to maintain the old doors, and can be a safety issue. Twenty-six doors are scheduled to be replaced over five years. There is no projected impact on operating costs.

GD0062 - Coachella Facility - Upgrades

This multiyear project includes: planning, designing, and constructing seismic and fire protection improvements at the Coachella facility. The project corrects existing seismic structural issues and converts the Coachella facility from Life Safety seismic status to Immediate Occupancy seismic status. The project also provides for improved fire protection that will lead to removal of the elevated storage tank, which does not meet current seismic codes and is in poor condition. Removing the storage tank will eliminate maintenance costs associated with it. There is a one-time charge of $10,000 to the city of Coachella for a fire protection connection.

Capital Improvement Budget - Districtwide

	Project No.	Budget 2015-16	Planned FY 2017	Planned FY 2018	Planned FY 2019	Planned FY 2020	Total 5-Year
Districtwide Projects - Allocated							
Coachella Facility - Emergency Operations Center - HVAC Installation	GD1501	39,000	-	-	-	-	39,000
Coachella Facility - Energy Management System	GD1602	86,000	-	-	-	-	86,000
Coachella Facility - Roll-Up Door Replacement	GD1601	108,000	87,000	87,000	87,000	87,000	456,000
Coachella Facility - Upgrades	GD0062	100,000	3,350,000	3,350,000	800,000	-	7,600,000
Coachella Facility - Welding Shop - Crane Replacement	GD1603	55,000	315,000	-	-	-	370,000
Geographic Information Systems (GIS) Strategic Plan Implementation	GD1402	100,000	94,000	76,000	-	-	270,000
Laboratory Information Management System (LIMS) Upgrade	GD1401	37,000	-	-	-	-	37,000
Palm Desert - Beacon Hill Pavement Reconstruction	GD1515	340,000	-	-	-	-	340,000
Palm Desert Facility - Warehouse	GD1504	100,000	2,250,000	2,250,000	-	-	4,600,000
Palm Desert Facility - Auto Shop Carport	GD1604	62,000	-	-	-	-	62,000
Palm Desert Facility - Shade Structure and Five-Ton Crane	GD1606	45,000	441,000	-	-	-	486,000
Palm Desert Facility - System Control and Information Systems Building	GD1506	150,000	3,450,000	3,300,000	-	-	6,900,000
Palm Desert Facility - Water Quality Laboratories (WQL) Improvement Project	GD1412	500,000	4,726,000	4,000,000	-	-	9,226,000
Palm Desert Facility - WRP 10 HVAC Installation	GD1605	17,000	-	-	-	-	17,000
SCADA System Replacement	GD1301	500,000	1,675,000	1,675,000	1,675,000	1,675,000	7,200,000
Districtwide Equipment - Allocated							
Ford E-350 Cutaway Van	GD1607	40,200	-	-	-	-	40,200
Total Districtwide - Allocated to Enterprise Funds		**2,279,200**	**16,388,000**	**14,738,000**	**2,562,000**	**1,762,000**	**37,729,200**

GD1603 - Coachella Facility - Welding Shop - Crane Replacement

This project includes the purchase and installation of a new five-ton crane within the welding shop at the Coachella facility. The crane will provide a safer, easier method to transport and maneuver canal gates, screens, vehicles, heavy plates, and other equipment. The crane will also allow welding shop staff to elevate and hold in place pre-assembled structures for heavy equipment installations. There is no projected impact on operating costs.

GD1402 - Geographic Information System (GIS) Strategic Plan Implementation

The GIS Strategic Plan Implementation project is a multiyear Districtwide technology enhancement and implementation project. The project includes data conversion, data acquisition, software enhancement, implementation, and business process streamlining. This is critical since the District relies heavily on operating its facilities remotely. There is no projected impact on operating costs.

GD1401 - Laboratory Information Management System (LIMS) Upgrade

The LIMS upgrade is a multiyear project. A fully supported upgraded LIMS is needed to process monitoring samples in an efficient manner with limited down time. LIMS is used to schedule, track, and report thousands of monitoring events each year to avoid monitoring and reporting violations. LIMS produces electronic compliance reports required by State and Federal agencies. The LIMS upgrade software was purchased in fiscal 2015 and implementation of this upgrade is in progress. The upgraded LIMS will help ensure compliance with new analytical methods and electronic reporting requirements, along with improving staff efficiency. There is no projected impact on operating costs.

GD1515 - Palm Desert - Beacon Hill Pavement Reconstruction

The project consists of repaving Beacon Hill, from Mediterranean to Hovley Lane East. CVWD's Agreement with Palm Desert Business Center Owners Association requires CVWD to maintain this portion of Beacon Hill. Reduced road maintenance and repairs will be required, which will decrease operating costs by $5,000.

GD1504 - Palm Desert Facility - Warehouse

This multiyear project includes the planning, design, and construction of a new warehouse in Palm Desert. Approximately 70% of warehouse inventory is issued out of the Palm Desert warehouse. Currently, inventory is delivered to Coachella and subsequently transferred to Palm Desert, as space allows. A larger warehouse will eliminate double handling of materials and supplies resulting in reduced equipment use and a more efficient staff.

GD1604 - Palm Desert Facility - Auto Shop Carport

The auto shop in Palm Desert needs additional space to work on District vehicles. An existing outside structure/carport will be extended to accommodate additional workspace needed. There is no projected impact on operating costs.

GD1606 - Palm Desert Facility - Shade Structure and Five-Ton Crane

This project includes the purchase and installation of a new shade structure and five-ton crane within the southwest area of the Operations building in Palm Desert. The improvement will provide a safer, easier method to assemble needed pipeline materials and equipment. The shade structure will meet Cal-OSHA standard Title 8, Section 3395, Heat Illness Program. The project is expected to reduce labor cost required to operate a forklift to maneuver the pumps and motors within the building.

GD1506 - Palm Desert Facility - System Control & Information Systems Building

This multiyear project includes the planning, design, and construction of a new system control room, information systems data/communication center, along with communication tower improvements. Fiscal 2016 is the design phase, with actual construction to occur in fiscal 2017. The total cost of this project is approximately $7.9 million. There is no projected impact on operating costs.

GD1412 - Palm Desert Facility - Water Quality Laboratories (WQL) Improvement Project

The WQL improvement project is a multiyear project to replace the existing Coachella Water Quality Laboratory with one in Palm Desert. The project will provide updated laboratory equipment, and an updated

GD1412 - Palm Desert Facility - Water Quality Laboratories (WQL) Improvement Project (cont.)

and efficient workspace for laboratory staff. This project will enable lab testing to meet current and future water quality regulatory requirements. In addition, it will enable the WQL to provide critical services following a major earthquake. There is no projected impact on operating costs.

GD1605 - Palm Desert Facility - Wastewater Reclamation Plant (WRP) 10 HVAC Installation

The WRP 10 training room is used often for training and meetings. The room is currently climate controlled by two window air-conditioning units. These units are loud and must be turned off in order to hear the presentations and instructors. This project includes installation of a split system and eliminates the two window units. There is no projected impact on operating costs.

GD1301 - Supervisory Control and Data Acquisition Master Plan and Supervisory Control and Data Acquisition (SCADA) System Programmable Logic Controller (PLC) Upgrades

The District's SCADA system server hardware and software are obsolete. The original Virtual Memory System (VMS) operating system is obsolete and no longer being supported by the manufacturer. This project is a multiyear project that will replace all of the core SCADA system hardware and software with modern Windows/Intel equivalents. There is no projected impact on operating costs.

GD1607 - Ford E-350 Cutaway Van

The van is required for the Electronic Technician I position approved to prepare for the design and pre-construction of the 19 chromium-6 treatment facilities. Annual operating costs are expected to increase by $12,494 to cover equipment usage, fuel, and insurance.

Domestic Water Projects

Planned improvements for the domestic water system for fiscal 2016 total $25.5 million. Of this amount, $23.8 million is funded by unrestricted reserves, $1.6 million in reimbursements, and $1.8 million in Water System Backup Facility Charges. The District is applying for grant funding and state revolving fund loans for the Chromium-6 project.

R01401 - Reservoir 1092-1 - Inspection and Rehabilitation

Inspect, repair, and rehabilitate Reservoir 1092-1 to maximize the service life of reservoir. This will improve water quality and maintain water storage capacity to the surrounding areas. There is no projected impact on operating costs.

R01501 - Reservoir 3571-1 - Inspection and Rehabilitation

Inspect, repair, and rehabilitate Reservoir 3571-1 to maximize the service life of reservoir. This will improve water quality and maintain the water storage capacity to the surrounding areas. There is no projected impact on operating costs.

R0XXXX - Reservoir 3601-1 - Inspection and Rehabilitation

Inspect, repair, and rehabilitate Reservoir 3601-1 to maximize the service life of reservoir. Based on American Water Works Association guidelines, this reservoir may require additional foundation and anchoring modifications. This will improve water quality and maintain the water storage capacity to the surrounding areas. There is no projected impact on operating costs.

R01601 - Reservoir 3601-2 - Design and Construction

Design and construct an additional 1.7 million gallon domestic water reservoir on existing Reservoir/Booster Site 3601. This will provide additional water storage for increasing domestic water and fire protection demands within the Improvement District (ID) 8 and ID-18 pressure zones. The additional reservoir will require inspection and maintenance. However, additional storage will allow the District to take advantage of time-of-use (TOU) electricity rates, which will decrease annual operating costs by $3,700.

R01406 - Reservoir 4701-1 - Inspections and Rehabilitation

Rehabilitate and install safety equipment at Reservoir 4701-1 to maximize service life. In addition, the project will improve water quality and maintain water storage capacity for the surrounding areas. There is no projected impact to operating costs.

Capital Improvement Budget - Domestic Water							
			Planned				
	Project No.	Budget 2015-16	FY 2017	FY 2018	FY 2019	FY 2020	Total 5-Year
Districtwide Project Allocation		1,046,432	7,538,480	6,779,480	1,178,520	810,520	17,353,432
Reservoir Construction Program							
Reservoir 1092-1 - Inspection and Rehabilitation	R01401	578,000	-	-	-	-	578,000
Reservoir 3571-1 - Inspection and Rehabilitation	R01501	500,000	-	-	-	-	500,000
Reservoir 3601-1 - Inspection and Rehabilitation	R0XXXX	-	335,000	244,000	-	-	579,000
Reservoir 3601-2 - Design and Construction	R01601	53,500	1,529,500	-	-	-	1,583,000
Reservoir 4701-1 - Inpection and Rehabilitation	R01406	132,000	-	-	-	-	132,000
Reservoir 4711-3 and 4711-4 - Design and Construction	R01503	45,000	1,977,000	-	-	-	2,022,000
Reservoir 5504-1 and 5504-2 - Inspection and Rehabilitation	R01603	109,000	1,380,000	-	-	-	1,489,000
Reservoir 5509-1 and 5509-2 - Earthquake Valve Installation	R01602	109,000	-	-	-	-	109,000
Reservoir 5655-2 - Design and Construction	R01604	130,000	5,124,600	3,416,400	-	-	8,671,000
Reservoir 8121-1 - Inspection and Rehabilitation	R01504	399,000	-	-	-	-	399,000
Reservoir 8121-2 - Design and Construction	R01402	1,058,500	-	-	-	-	1,058,500
Reservoir Site Acquisition - Airport Boulevard	R01404	138,000	-	-	-	-	138,000
West Shore Facility - Security Upgrade	R01605	50,000	-	-	-	-	50,000
Booster Station Construction Program							
Booster Station 01092 - Rehabilitation and Upgrade	B0XXXX	-	85,000	760,000	-	-	845,000
Booster Station 03601 - Rehabilitation and Upgrade	B01501	11,000	289,000	-	-	-	300,000
Booster Station 03603 - Rehabilitation and Upgrade	B01502	45,000	294,000	-	-	-	339,000
Booster Station 04701 - Rehabilitation and Upgrade	B01404	180,000	-	-	-	-	180,000
Booster Station 05514 - Upgrade	B01503	-	150,000	927,000	-	-	1,077,000
Booster Station 05602 - Rehabilitation and Upgrade	B01504	11,000	309,000	-	-	-	320,000
Booster Station 05657 - Interzone Transfer Station	B01601	40,000	745,000	-	-	-	785,000
Booster Station 06806 - Upgrade	B01402	329,000	-	-	-	-	329,000
Booster Station 07101 - Rehabilitation and Upgrade	B01602	25,000	375,000	-	-	-	400,000
Booster Station 07990 - Rehabilitation and Upgrade	B01403	166,500	700,000	-	-	-	866,500
Booster Station 08886 - Construction	DW1105	311,000	1,948,000	2,184,000	-	-	4,443,000
Pressure Reducing Station Construction							
Domestic Water Intertie - CVWD/Desert Water Agency	DW1204	40,000	576,000	-	-	-	616,000
Pass-Thru Stations - Date Palm, Sky Mountain, and Valley Pressure Zone	DW1601	12,000	674,100	-	-	-	686,100
Water Pipeline Improvements							
Water Facilities - Corrosion Protection System	DW1608	250,000	-	-	-	-	250,000
Water Facilities - Sky Mountain Pressure Zone Infrastructure Improvements	DW1315	223,000	2,400,000	5,500,000	8,000,000	-	16,123,000
Water Main Replacement - B-Bar-H Ranch - Phase 2	DWXXXX	-	-	160,000	2,988,000	-	3,148,000
Water Main Replacement - B-Bar-H Ranch - 20th Avenue	DWXXXX	-	75,000	221,000	-	-	296,000
Water Main Replacement - Corregidor Drive	DW1516	500,000	-	-	-	-	500,000
Water Main Replacement - Hotwell, Hopper, and Pushawalla Road	DWXXXX	-	-	150,000	2,211,000	-	2,361,000
Water Main Replacement - Mecca Street Improvement	DWXXXX	-	5,000	266,000	-	-	271,000
Water Main Replacement - Portola Del Sol	DWXXXX	-	-	75,000	963,000	-	1,038,000
Water Main Replacement - Portola Village	DWXXXX	-	55,000	866,000	-	-	921,000
Water Main Replacement - Ramon Road West	DWXXXX	-	-	334,000	-	-	334,000
Water Main Replacement - Reservoir 7101 to Reservoir 7103 - Phase 1	DW1503	-	70,000	391,000	-	-	461,000
Water Main Replacement - Reservoir 7101 to Reservoir 7103 - Phase 2	DWXXXX	-	-	55,000	655,000	-	710,000
Water Main Replacement - Reservoir 7101 to Reservoir 7103 - Phase 3	DWXXXX	-	-	-	60,000	659,000	719,000
Water Main Replacement - Salton City - Phase 1	DW1606	120,000	1,180,000	-	-	-	1,300,000
Water Main Replacement - Salton City - Phase 2	DWXXXX	-	120,000	1,180,000	-	-	1,300,000
Water Main Replacement - Salton City - Phase 3	DWXXXX	-	-	120,000	1,180,000	-	1,300,000
Water Main Replacement - Salton City - Phase 4	DWXXXX	-	-	-	120,000	1,180,000	1,300,000
Water Main Replacement - West Shores Schools	DW1602	145,000	1,367,000	-	-	-	1,512,000
Water Pipeline Assessment and Replacement - Talavera	DW1605	100,000	1,300,000	2,000,000	-	3,000,000	6,400,000
Water Pipeline Replacement - UPRR Crossing - North Shore to Mecca	DW1603	50,000	379,000	-	-	-	429,000
Water Transmission Main - Airport Boulevard - Phase 1	DW1604	100,000	2,342,000	-	-	-	2,442,000
Water Transmission Main - Airport Boulevard - Phase 3A-2	DW1414	130,000	2,000,000	-	-	-	2,130,000
Water Transmission Main - Highway 86 - Phase 2	DW1202	195,000	4,795,750	4,795,750	-	-	9,786,500
Water Transmission Main - Highway 86 - Phase 3	DWXXXX	-	200,000	2,961,000	2,961,000	-	6,122,000
Water Transmission Main Replacement - Dillon Road - Phase 2	DW1504	3,790,000	-	-	-	-	3,790,000
Water Transmission Main Replacement - Dillon Road - Phase 3	DWXXXX	-	150,000	1,965,000	-	-	2,115,000
Well Drilling and Upgrade Program							
Backup Generator Installation - Well 3405 and Well 3408	WD1401	12,000	300,000	-	-	-	312,000
Drill Well - Date Palm Pressure Zone (2)	DW1609	75,000	1,185,000	875,000	1,185,000	635,000	3,955,000
Drill Well - La Quinta Zone (2)	DWXXXX	-	100,000	1,762,500	1,762,500	-	3,625,000
Drill Well - Mission Hills Pressure Zone (1)	DW1424	-	75,000	1,125,000	685,000	-	1,885,000
Drill Well - Valley Pressure Zone (2)	DW1507	75,000	1,185,000	875,000	1,185,000	635,000	3,955,000
Redrill Well - La Quinta Pressure Zone - Replaces Well 5704	DWXXXX	-	1,038,000	886,000	-	-	1,924,000
Redrill Well - La Quinta Pressure Zone - Replaces Well 5712	DWXXXX	-	75,000	983,000	866,000	-	1,924,000
Redrill Well - Middleton Pressure Zone - Replaces Well 6804	DWXXXX	-	75,000	1,125,000	685,000	-	1,885,000
Redrill Well - Sky Mountain Pressure Zone - Replaces Well 4502	DWXXXX	-	-	1,038,000	817,000	-	1,855,000
Redrill Well - Sky Mountain Pressure Zone - Replaces Well 4520	WD1404	1,908,000	-	-	-	-	1,908,000
Redrill Well - Sky Mountain Pressure Zone - Well 5518-2	DWXXXX	-	1,260,000	718,000	-	-	1,978,000
Redrill Well - Sky Mountain Pressure Zone - Well 5640-2	WD1403	610,600	-	-	-	-	610,600
Redrill Well - Valley Pressure Zone - Well 5620-2	DW1506	1,200,000	748,000	-	-	-	1,948,000
Redrill Well - Valley Pressure Zone - Replaces Well 5666	DWXXXX	-	75,000	983,000	866,000	-	1,924,000
Well Site Gas Chlorine System Replacement - 27 Total	DW1505	75,000	1,698,000	-	-	-	1,773,000

Capital Improvement Budget - Domestic Water							
			Planned				
	Project No.	Budget 2015-16	FY 2017	FY 2018	FY 2019	FY 2020	Total 5-Year
Capital Improvement Budget - Domestic Water - Cont'd							
			Planned				
	Project	Budget	FY 2017	FY 2018	FY 2019	FY 2020	Total
Treatment							
Chromium 6 Well Treatment	DW1407	7,510,000	93,260,000	57,070,000	34,460,000	3,370,000	195,670,000
Grant Projects							
San Cristobal and Los Vinedos Community Improvements	GR0014	2,194,000	1,626,000	-	-	-	3,820,000
Planning							
Mission Hills Pressure Zone Expansion	DW1309	500,000	10,000,000	5,000,000	-	-	15,500,000
Equipment							
Ford F-150 4x4 Truck	DW1613	26,400	-	-	-	-	26,400
Ford F-150 4x4 Truck	DW1614	44,400	-	-	-	-	44,400
Ford F-150 4x4 Truck	DW1615	44,400	-	-	-	-	44,400
Ford F-350 4x4 Utility Bed Truck	DW1610	51,150	-	-	-	-	51,150
Ford F-350 4x4 Utility Bed Truck	DW1611	51,150	-	-	-	-	51,150
Ford Transit Van	DW1612	39,580	-	-	-	-	39,580
Total Domestic		**25,538,612**	**153,168,430**	**107,791,130**	**62,828,020**	**10,289,520**	**359,615,712**

R01503 - Reservoirs 4711-3 and 4711-4 - Design and Construction

This project consists of designing two new 0.5 million gallon reservoirs to replace Reservoirs 4711-1 and 4711-2. Both of the existing reservoirs are bolted-steel tanks that leak and have significant corrosion. Analysis shows that replacing the existing reservoirs with new welded steel reservoirs is more cost effective than renovating the existing reservoirs. There is no projected impact on operating costs.

R01603 - Reservoirs 5504-1 and 5504-2 - Inspection and Rehabilitation

Inspect, repair, and rehabilitate Reservoirs 5504-1 and 5504-2. This project also includes earthquake valves, in order to maximize the service life of the reservoirs. This will improve water quality and maintain the water storage capacity to the surrounding areas. There is no projected impact on operating costs.

R01602 - Reservoirs 5509-1 and 5509-2 - Earthquake Valve Installation

This project involves the installation of earthquake shut-off valves for Reservoirs 5509-1 and 5509-2. The earthquake shut-off valves will be an important asset for CVWD's earthquake preparedness program. Scheduled inspection will be required, which will increase annual operating costs by $400.

R01604 - Reservoir 5655-2 - Design and Construction

Design and construct a new 5 million gallon storage reservoir within the Valley Pressure Zone (VPZ). This zone has a storage deficiency of approximately 40 million gallons. The proposed reservoir would help minimize the zone deficiency and improve the

R01604 - Reservoir 5655-2 - Design and Construction (cont.)

redundancy of the system. There is no projected impact on operating costs.

R01504 - Reservoir 8121-1 - Inspection and Rehabilitation

Inspect, repair, and rehabilitate once Reservoir 8121-2 is constructed and placed into service. The two reservoirs will be located on the same site. This will improve water quality and secure additional water storage capacity to the surrounding areas. There is no projected impact on operating costs.

R01402 - Reservoir 8121-2 - Construction

Construct a 0.5 million gallon reservoir to supplement the existing storage to the area. The additional storage will help meet peak demands and fire flow for the Bombay Beach domestic water system. Additional storage will provide more reliable domestic service to existing customers in the area. The additional reservoir will require inspection and maintenance. However, additional storage will allow District to take advantage of TOU electricity rates, which will decrease annual operating costs by $3,700.

R01404 - Reservoir Site Acquisition - Airport Boulevard

Obtain right-of-way for the construction of a reservoir and pipeline on the east side of the valley in the approximate region of Airport Boulevard, east of the Coachella Canal. The reservoir is a key component for the eastern valley domestic water system. The reservoir will provide storage and pressure stabilization for the Middleton Pressure Zone. The estimated impact on operating costs is $3,500 for the lease of Bureau of Land Management (BLM) land.

R01605 - West Shore Facility - Security Upgrade

Increase site security by installing three light poles in dimly lit areas of facility grounds. This project also includes installation of a programmable vehicle gate with card reader access. The gate will automatically close after a vehicle has passed and secure the site. It will also allow access for outside security patrols at night. This is a remote facility and these improvements will provide additional site security.

B0XXXX - Booster Station 01092 - Rehabilitation and Upgrade

Replace inefficient pumps and modify outlet manifolds, piping, and controls to maximize booster station capacity and efficiency. These modifications will improve operations and help meet peak demands and fire flow for the Salton City Service Area. Less maintenance will be required with the new equipment, and electricity costs are expected to decrease, which will decrease annual operating costs by $5,000.

B01501 - Booster Station 03601 - Rehabilitation and Upgrade

Rehabilitate and upgrade Booster Station 03601 and all necessary appurtenances including: pumps, motors, piping, valves, mechanical, structural, electrical, instrumentation, telemetry, and other miscellaneous work. This will improve efficiency, as well as save money and energy. Less maintenance will be required with the new equipment, and electricity costs are expected to decrease, which will decrease annual operating costs by $8,500.

B01502 - Booster Station 03603 - Rehabilitation and Upgrade

Replace oversized pumps and/or modify outlet manifolds and controls to maximize booster station capacity and efficiency. These modifications will improve operations and help meet peak demands and fire flow for the Sky Valley domestic water system in the Indio Hills/Desert Hot Springs area, increasing efficiency and reliability. Operating costs are expected to decrease by $3,500, as a result of decreased pumping costs.

Thermal Club water main tie-in

B01404 - Booster Station 04701 - Rehabilitation and Upgrade

Replace and/or modify outlet manifolds, piping, pumps and controls to maximize booster station capacity and efficiency. Purchase and install a back-up electrical generator. These modifications will help meet peak demands and fire flow for the Sky Valley domestic water system in the Indio Hills/Desert Hot Springs area. Installation of a back-up electrical generator will increase water supply reliability. Overall operating costs are expected to decrease by $1,500 as a result of reduced pumping costs.

B01503 - Booster Station 05514 - Upgrade

This project involves upgrading Booster Station 05514. This includes improvements and replacement of appurtenances including: pumps, motors, piping, valves, building, electrical control, standby generator, and instrumentation. The upgrade will improve operational reliability and fire flow to the upper Thunderbird Pressure Zone. Overall operating costs are expected to decrease by $4,000 as a result of reduced energy costs, partially offset by a permit.

B01504 - Booster Station 05602 - Rehabilitation and Upgrade

Rehabilitate and upgrade Booster Station 05602 and all necessary appurtenances including: pumps, motors, piping, valves, mechanical, structural, electrical, instrumentation, telemetry, and other miscellaneous work to improve the efficiency of the booster. Less maintenance will be required with the new equipment, and electricity costs are expected to decrease, which will decrease annual operating costs by $8,500.

B01601 - Booster Station 05657 - Interzone Transfer Station

Construct an interzone transfer station at Booster Station 05657 to allow water movement between the Valley Pressure Zone and the Sun City Pressure Zone. This will provide for more reliable and flexible domestic water services. The project includes booster pumps and a pass-thru pressure-reducing valve. Additional labor for maintenance and energy costs will increase operating costs by $5,500.

B01402 - Booster Station 06806 - Upgrade

Replace and/or modify pumps and controls to maximize booster station capacity and efficiency. The ability to transfer domestic water between pressure zones will help meet peak demands. Operating costs are projected to decrease by $3,500 annually, as a result of decreased pumping costs from more efficient pumps.

B01602 - Booster Station 07101 - Rehabilitation and Upgrade

Rehabilitate and upgrade Booster Station 07101 and all necessary appurtenances including: pumps, motors, piping, valves, mechanical, structural, electrical, instrumentation, telemetry, and other miscellaneous work to improve the efficiency of the booster. Less maintenance will be required with the new equipment, and electricity costs will decrease, reducing operating costs by $8,500 annually.

B01403 - Booster Station 07990 - Rehabilitation and Upgrade

Rehabilitate and upgrade Booster Station 07990 and all necessary appurtenances including: pumps, motor, piping, valves, mechanical, structural, electrical, instrumentation, telemetry, and other miscellaneous work to improve efficiency of the booster. Less maintenance will be required with the new equipment, and electricity costs will decrease, reducing operating costs by $8,900 annually.

DW1105 - Booster Station 08886 - Construction

Construct booster station at Harrison Street and Avenue 80 to provide a reliable secondary source of water and additional needed capacity for ID-11. This booster station will eventually replace the aging well field located on Avenue 86, and will work in conjunction with the existing and proposed Highway 86 transmission mains. The estimated annual impact on operating costs upon completion is $93,500 in increased maintenance and energy pumping costs, offset by discontinued maintenance on the ID-11 well field.

DW1204 - Desert Water Agency/CVWD Intertie

Design and construct a second water system interconnection between portions of CVWD and DWA to obtain a backup source of water in the event of an emergency. This is being done per an agreement between both agencies. The proposed location of the intertie is at Ramon Road through the stormwater channel. Estimated impact to operating costs is $1,350 to cover maintenance and meter reading. DWA will reimburse CVWD for one-half of the project costs.

DW1601 - Pass-Thru Stations - Date Palm, Sky Mountain, and Valley Pressure Zone

The project will improve the transfer of water from the Date Palm and Sky Mountain Pressure Zone (SMPZ) to the Valley Pressure Zone. This will increase flexibility of the operating distribution system during peak demand periods. Five additional pressure-reducing valves will require maintenance and electricity, which will increase operating costs by $6,000.

DW1608 - Water Facilities - Corrosion Protection System Project

The project consists of repairing and/or replacing the cathodic protection system at the following domestic water facilities: Bombay Beach pipeline, Airport Boulevard pipeline, Reservoir 5501, Reservoir 5503, and Reservoir 5644. There is no projected impact on operating costs.

DW1315 – Water Facilities - Sky Mountain Pressure Zone Infrastructure Improvements

Design and construct a 10 million gallon domestic water reservoir and transmission main to support the Sky Mountain Pressure Zone (SMPZ). The proposed SMPZ Reservoir 4605 will be located at the east end of Rio Del Sol in Thousand Palms. The proposed transmission main will connect the reservoir to an existing SMPZ water main in Bob Hope Drive at Ramon Road. Inspection and maintenance will be required, as well as electric consumption, increasing operating costs by $3,500.

DWXXXX - Water Main Replacement - B-Bar-H Ranch - Phase 2

Design and construct approximately 14,200 feet of domestic water pipelines, 114 service lines, tie-in connections, fire hydrants, and appurtenances in Sagebrush Trail, Cactus Apple Drive, Prickly Pear Trail, Paintbrush Trail, White Sage Trail, Hatchet Cactus Drive, Pepper Lane, and portions of 20th Avenue and Club House Drive in B-Bar-H Ranch. This will improve domestic service, fire protection, and increase reliability of water delivery to customers within the project area. The replacement will lead to reduced maintenance and leak repair, reducing operating costs by $8,500.

DWXXXX - Water Main Replacement - B-Bar-H Ranch - 20th Avenue

Replace 1,000 feet of 6-inch concrete mortar-lined/ concrete mortar-coated (CML/CMC) water main with6-inch ductile iron pipe. This line was installed in 1966 and is prone to leaks. Replacement will ensure the District is able to continue providing reliable domestic and fire protection water, and decrease operating costs by $5,000.

DW1516 - Water Main Replacement - Corregidor Drive

Replace 1,200 feet of 4-inch steel water main, with an 8-inch ductile iron pipe water main on Corregidor Drive in Cathedral City. This line was installed in 1956 and is prone to leaks. Replacement will reduce operating costs by $2,500.

DWXXXX - Water Main Replacements - Hotwell Road, Hopper Road, and Pushawalla Road

Replace 6-inch steel CML/CMC pipeline with an 8-inch ductile iron pipeline. The existing 6-inch steel CML/CMC pipelines are 37 years old and have been high maintenance due to leak repairs. Replacement of the main prior to the county repaving will reduce pavement restoration costs by $20,000. The replacement will lead to reduced maintenance, decreasing operating costs by $8,500.

DWXXXX - Water Main Replacement - Mecca Street Improvement

Install approximately 1,000 feet of 8-inch ductile iron pipe in Avenue 66 (1st Street) from Hammond Street to Date Palm Street in Mecca. This section of pipe is the final portion to be installed in conjunction with Riverside County's street improvement project. Highly contaminated soil exists in the location of the proposed pipeline. Coordination with the County's contractor will save CVWD hazardous waste disposal and final paving. The County is also handling all related environmental issues. There is no projected impact on operating costs.

DWXXXX - Water Main Replacement - Portola Del Sol

Design and install approximately 2,780 feet of 8-inch pipe on Catalina Way within Portola Del Sol in Palm Desert. This will replace an old, deteriorated, and undersized water main, and upgrade water services from plastic to copper. This project will provide more reliable domestic water service to existing customers. Operation and maintenance costs will be reduced by $2,500.

DWXXXX - Water Main Replacement - Portola Village

Design and install approximately 2,360 feet of 8-inch pipe on Santa Rosa Circle and Anacapa Way within Portola Village in Palm Desert. This will replace old, deteriorated, and undersized water mains, and upgrade water services from plastic to copper. This project will provide more reliable domestic water service to existing customers. Operation and maintenance costs will be reduced by $2,500.

DWXXXX – Water Main Replacement - Ramon Road West

Replace approximately 1,170 feet of deteriorated 12-inch pipe with a new 18-inch pipeline in Ramon Road in the community of Thousand Palms. The eastern portion of this pipeline was replaced in 2007. There is no projected impact on operating costs.

DW1503 - Water Main Replacement - Reservoir 7101 to Reservoir 7103 - Phase 1

Acquire pipeline easements for existing facilities and infrastructure related to Reservoir 7101. Replace existing 8-inch transmission main from Sea View Way to Windlass Drive along 70th Avenue. Obtain property to increase existing reservoir site for future expansion. Replacing the deteriorating pipeline allow the District to continue to provide reliable domestic water and fire protection. Operating costs are expected to decrease by $5,000 due to fewer leak repairs.

DWXXXX - Water Main Replacement - Reservoir 7101 to Reservoir 7103 - Phase 2

Replace 8-inch water main from the intersection of Windlass Drive and 70th Avenue to 72nd Avenue along Windlass Drive. The existing water main is aging and prone to numerous leaks which cause flooding and hamper ability to meet peak demands. Replacing the deteriorating pipeline will allow the District to continue providing reliable domestic and fire protection water. Operating costs are expected to decrease by $10,000 due to fewer leak repairs.

DWXXXX - Water Main Replacement - Reservoir 7101 to Reservoir 7103 - Phase 3

Replace 8-inch water main from Windlass Avenue and 72nd Avenue to Reservoir 7103. The existing water main is aging and prone to numerous leaks, which cause flooding and hamper ability to meet peak demands. Replacing the deteriorating pipeline will allow the District to continue providing reliable domestic and fire protection water. Operating costs are expected to decrease by $10,000 due to fewer leak repairs.

DW1606 - Water Main Replacement - Salton City - Phase 1

Replace 4-inch and 6-inch water mains in the community of Salton City. The existing asbestos cement water mains were installed in the late 1950s to early 1960s in extremely corrosive soil and are prone to numerous leaks. This causes flooding and hampers the ability to meet peak demands. Replacement will reduce leak repair, reducing operating costs by $10,000.

DWXXXX - Water Main Replacement - Salton City - Phase 2

Replace 4-inch and 6-inch water mains in the community of Salton City. The existing asbestos cement water mains were installed in the late 1950s to early 1960s in extremely corrosive soil and are prone to numerous leaks. This causes flooding and hampers the ability to meet peak demands. Replacement will reduce leak repair, reducing operating costs by $10,000.

DWXXXX - Water Main Replacement - Salton City - Phase 3

Replace 4-inch and 6-inch water mains in the community of Salton City. The existing asbestos cement water mains were installed in the late 1950s to early 1960s in extremely corrosive soil and are prone to numerous leaks. This causes flooding and hampers the ability to meet peak demands. Replacement will reduce leak repair, reducing operating costs by $10,000.

DWXXXX - Water Main Replacement - Salton City - Phase 4

Replace 4-inch and 6-inch water mains in the community of Salton City. The existing asbestos cement water mains were installed in the late 1950s to early 1960s in extremely corrosive soil and are prone tonumerous leaks. This causes flooding and hampers the ability to meet peak demands. Replacement will reduce leak repair, reducing operating costs by $10,000.

DW1602 - Water Main Replacement - West Shores Schools

Construct new pipeline to provide adequate fire flow to the West Shores High School and Sea View Elementary School in Salton City. The existing small diameter pipelines cannot sustain sufficient fire flow to the schools. Install approximately 8,700 feet 8-inch pipeline to provide adequate fire flow to two schools. Periodic monitoring of pipeline and pressure reducing valve (PRV) station for fire flow will be required. Replacement will reduce leak repair, reducing operating costs by $3,500.

DW1605 – Water Pipeline Assessment and Replacement - Talavera

Investigate cause of pipeline corrosion within Talavera in Indio. Design and construct new pipelines as needed. This will increase domestic water service reliability within Talavera. There is no projected impact on operating costs.

DW1603 - Water Pipeline Replacement - UPRR Crossing - North Shore to Mecca

Design and construct two domestic water pipeline crossings to coincide with the Union Pacific Railroad (UPRR) expansion from North Shore to Mecca. The District will be required to install new casing and carrier pipe per UPRR standards utilizing jack-and-bore method. This relocation is necessary to ensure that CVWD routine operation and maintenance activities are not hindered. There is no projected impact on operating costs.

DW1604 - Water Transmission Main - Airport Boulevard - Phase 1

Install approximately 10,500 feet of 30-inch pipe, from Fillmore Street to Buchanan Street in Coachella. Installation of this pipeline will be coordinated with the installation of other segments of the Airport Boulevard water transmission main project and Airport Boulevard Reservoir. The entire project is expected to reduce operation maintenance and run time at Ion-Exchange Treatment Plant 6806, reducing operating expenses by approximately $355,450.

DW1414 - Water Transmission Main - Airport Boulevard - Phase 3A-2

Install approximately 3,100 feet of 30-inch pipe from the west side of Highway 111 heading east under Highway 111, under the railroad tracks, and across the Coachella Valley Stormwater Channel. Installation of this pipeline will be coordinated with the installation of other segments of the Airport Boulevard water transmission main project and Airport Boulevard Reservoir.

DW1202 - Water Transmission Pipeline Installation - Highway 86 - Phase 2

This is a multiyear project for the construction of a 30-inch domestic transmission main along Highway 86 from Avenue 74 to Avenue 86 (Phase 2). This phase of the transmission main will provide a critical link between domestic water supplies in ID-11 and groundwater supplies located in the Thermal area.

DW1202 - Water Transmission Pipeline Installation - Highway 86 - Phase 2 (cont.)

This will result in a long-term reliable water supply to the Imperial County service area. The existing ID-11 well field does not provide for a long-term source of water due to water quality concerns and declining water levels. Overall maintenance of the pipeline will decrease $31,200 upon completion of Phase 2 and Phase 3 and will provide an estimated $165,000 in spare parts.

DWXXXX - Water Transmission Pipeline Installation - Highway 86 - Phase 3

The project is for the construction of Phase 3 of the Highway 86 water transmission pipeline installation, from Avenue 86 to Brawley Avenue in Salton Sea Beach, and from Salton City to Reservoir 1092. This phase of the transmission main will provide a critical link between the Salton City service area and the groundwater supplies located in the Thermal area. Overall maintenance of the pipeline will decrease $31,200 upon completion of Phase 2 and Phase 3 and will provide an estimated $165,000 in spare parts.

DW1504 - Dillon Road Transmission Main Replacement - Phase 2

Replace 8-inch transmission main in Dillon Road from Booster Station 04701 to Reservoir 4711. The existing main is currently undersized to deliver peak day demand, stay within acceptable pressure limits, and provide fire flow capacity to refill Reservoir 4711. The additional pipeline capacity will reduce reservoir fill time and help replenish Reservoir 4711. This will decrease run time reducing operating costs by $1,000.

DWXXXX - Dillon Road Transmission Main Replacement - Phase 3

Replace 8-inch transmission main in Dillon Road from East Deception Road to Booster Station 03603. The existing main is currently undersized to deliver peak day demand, stay within acceptable pressure limits, and provide fire flow capacity to refill Reservoir 4701 and Reservoir 4711. The additional pipeline capacity will improve pumping capacity at Booster Station 03603, reduce reservoir fill time, and help replenish Reservoirs 4701 and 4711. This will decrease run time reducing operating costs by $1,000.

WD1401 - Backup Generator Installation - Well 3405 and Well 3408

Purchase and install two generators with enclosures, for Well 3405 and Well 3408. This will ensure emergency

WD1401 - Backup Generator Installation - Well 3405 and Well 3408 (cont.)

backup power is available to provide domestic drinking water and fire protection, without any interruptions to the wells in the event of a power outage. Annual operation and maintenance will be required, which will increase operating costs by $5,000.

DW1609 - Drill Well - Date Palm Pressure Zone (2)

Drill two new wells in the Date Palm Pressure Zone in order to continue to provide the surrounding residents with reliable domestic water and fire protection. In addition, these wells will help maintain adequate water pressure and increase the reliability of water delivery to residents in the Date Palm Pressure Zone. The estimated impact on operating costs is $250,000 annually for maintenance and electricity.

DWXXXX - Drill Well - La Quinta Pressure Zone (2)

Drill two new wells in the La Quinta Pressure Zone in order to continue to provide the surrounding residents with reliable domestic water and fire protection. In addition, these wells will help maintain adequate water pressure and increase the reliability of water delivery to residents in the La Quinta Pressure Zone. The estimated impact on operating costs is $130,000 annually for maintenance and electricity.

DW1424 - Drill Well - Mission Hills Pressure Zone (MHPZ) (1)

Drill a new well within the MHPZ in order to continue to provide the surrounding residents with reliable domestic water and fire protection. In addition, a new well will help maintain adequate water pressure and increase the reliability of water delivery to residents in the MHPZ. This well replaces Well 4506-2. The estimated impact on operating costs is $65,000 annually for maintenance and electricity.

DW1507 - Drill Well - Valley Pressure Zone (VPZ) (2)

Drill two new wells in the VPZ in order to continue to provide the surrounding residents with reliable domestic water and fire protection. In addition, these wells will help maintain adequate water pressure and increase the reliability of water delivery to residents in the VPZ. The estimated impact on operating costs is $250,000 annually for maintenance and electricity.

Irrigation Pipeline

DWXXXX - Redrill Well - La Quinta Pressure Zone - Replaces Well 5704

Redrill a well in the La Quinta Pressure Zone to replace Well 5704. In order to continue providing the surrounding residents with reliable domestic water and fire protection, and maintain adequate water pressure within the La Quinta Pressure Zone, an additional well is required. Increased maintenance and electricity are expected to increase operating cost by $53,000.

DWXXXX - Redrill Well - La Quinta Pressure Zone - Replaces Well 5712

Redrill a well in the La Quinta Pressure Zone to replace Well 5712. In order to continue providing the surrounding residents with reliable domestic water and fire protection, and maintain adequate water pressure within the La Quinta Pressure Zone, an additional well is required. Increased maintenance and electricity are expected to increase operating cost by $53,000.

DWXXXX - Redrill Well - Middleton Pressure Zone - Replaces Well 6804

Redrill a well in the Middleton Pressure Zone to replace Well 6804. In order to continue providing the surrounding residents with reliable domestic water and fire protection, and maintain adequate water pressure within the Middleton Pressure Zone, an additional well is required. Increased maintenance and electricity are expected to increase operating cost by $65,000.

DWXXXX - Redrill Well - Sky Mountain Pressure Zone (SMPZ) - Replaces Well 4502

Redrill a well in the Sky Mountain Pressure Zone to replace Well 4502. In order to continue providing the surrounding residents with reliable domestic water and fire protection, and maintain adequate water pressure within the SMPZ, an additional well is required. Increased maintenance and electricity are expected to increase operating cost by $66,000.

WD1404 - Redrill Well - Sky Mountain Pressure Zone - Replaces Well 4520

Redrill a well in the Sky Mountain Pressure Zone to replace Well 4520. In order to continue providing the surrounding residents with reliable domestic water and fire protection, and maintain adequate water pressure within the SMPZ, an additional well is required. The estimated impact on operating costs is $65,000 annually for maintenance and electricity.

DWXXXX - Redrill Well - Sky Mountain Pressure Zone - Well 5518-2

Redrill Well 5518-2 in the Sky Mountain Pressure Zone. In order to continue providing the surrounding residents with reliable domestic water and fire protection, and maintain adequate water pressure within the SMPZ, an additional well is required. The estimated impact on operating costs is $125,000 annually for maintenance and electricity.

WD1403 - Redrill Well - Sky Mountain Pressure Zone - Well 5640-2

Redrill Well 5640-2 in the Sky Mountain Pressure Zone. In order to continue providing the surrounding residents with reliable domestic water and fire protection, and maintain adequate water pressure within the SMPZ, an additional well is required. The estimated impact on operating costs is $125,000 annually for maintenance and electricity.

DW1506 - Redrill Well - Valley Pressure Zone (VPZ) - 5620-2

Redrill Well 5620-2 in the Valley Pressure Zone. In order to continue providing the surrounding residents with reliable domestic water and fire protection, and maintain adequate water pressure within the VPZ, an additional well is required. Increased maintenance and electricity are expected to increase operating cost by $125,000.

DWXXXX - Redrill Well - Valley Pressure Zone - Replaces Well 5666

Redrill a well in the Valley Pressure Zone to replace Well 5666. In order to continue providing the surrounding residents with reliable domestic water and fire protection, and maintain adequate water pressure within the VPZ, an additional well is required. Increased maintenance and electricity are expected to increase operating cost by $126,000.

DW1505 - Replace Gas Chlorine Systems at Well Sites (27)

Replace gas chlorine systems at 27 active well sites with permanent tablet-feeder systems. Tablet-feeder systems are cost effective and require minimal maintenance. In addition, they meet environmental compliance, safety guidelines, and ensure that the District is able to provide high-quality drinking water to our customers. There is no projected impact on operating costs.

DW1407 - Chromium-6 Well Treatment

This project consists of design, construction, and construction coordination/inspection of ion-exchange treatment facilities for up to 31 wells and a central ion-exchange resin regeneration facility in order to meet future drinking water standards. Costs to maintain and operate 31 well-site treatment facilities, a central regeneration facility, including projected electricity costs are $8.1 million.

GR0014 - San Cristobal and Los Vinedos Community Improvements

Construct an approximately 6,500 foot 24-inch domestic water pipeline and relocate power poles. The proposed water facilities will serve the existing and proposed San Cristobal and Las Vinedos project, and adjacent communities along Hammond Road. Operating costs will increase by $2,500 for operation and maintenance.

DW1309 - Mission Hills Pressure Zone (MHPZ) Expansion

Construct a 6.5 million gallon reservoir and 36-inch transmission main to accommodate existing CVWD customers in the Mission Hills Pressure Zone, who are currently dependent on the Date Palm Pressure Zone for storage. Construction will benefit both the MHPZ and the Date Palm Pressure Zone. It will also allow the MHPZ to expand to other areas. There is an estimated increase of $3,500 in operating costs for maintenance and pumping.

DW1613 - Ford F-150 Truck (1)

This truck is for a new position in the Water Management division. Annual operating costs are expected to increase by $4,225 to cover equipment usage, fuel, and insurance.

DW1614 & DW1615 - Ford F-150 4x4 Truck (2)

These trucks are for positions approved to handle chromium-6 treatment. Annual operating costs are expected to increase by $15,732 to cover equipment usage, fuel, and insurance.

DW1610 & DW1611 - Ford F-350 4x4 Utility Bed Truck (2)

These trucks will be utilized for hauling and picking up material. Also used for valving off water mains leaks without pulling other crew members from existing work load. Annual operating costs are expected to increase by $8,674 to cover equipment usage, fuel, and insurance for each truck.

DW1612 - Ford Transit Van (1)

The van will be used in conjunction with CVWD's current van used for leak detection. The additional van will reduce the current back logs and provide services to area required. Annual operating costs are expected to increase by $6,247 to cover equipment usage, fuel, and insurance.

Cook Street sewer project

Capital Improvement Budget - Canal Water							
			Planned				
	Project No.	Budget 2015-16	FY 2017	FY 2018	FY 2019	FY 2020	Total 5-Year
Districtwide Project Allocation		319,088	2,294,320	2,063,320	358,680	246,680	5,282,088
Canal							
Bureau of Land Management Land Grant - Cactus City	C01403	15,000	25,000	-	-	-	40,000
Canal - Generator Replacement Program	C01503	200,000	175,000	-	-	-	375,000
Canal - Quagga Mussel Control Program	C01501	335,000	-	-	-	-	335,000
Canal - Telemetry Replacement Program	C01401	300,000	-	-	-	-	300,000
Coachella Canal Check Gate Structure Replacement - MP 120.8	C0XXXX	-	-	68,000	432,000	-	500,000
Coachella Canal Lining Replacement - Lower Canal	C0XXXX	-	300,000	300,000	-	300,000	900,000
Coachella Canal Lining Replacement - Mid Canal	C01601	300,000	1,700,000	-	-	-	2,000,000
Coachella Canal Lining Replacement - Upper Canal	C0XXXX	-	-	200,000	200,000	200,000	600,000
Coachella Canal Radial Gate Improvement - Lower Canal	C0XXXX	-	-	-	200,000	300,000	500,000
Irrigation							-
Irrigation Lateral 88.6 Replacement	IRXXXX	-	-	-	100,000	615,000	715,000
Irrigation Lateral 99.8 Replacement	IR1403	227,000	-	-	-	-	227,000
Irrigation Lateral 99.8-0.51 Replacement	IR1501	2,500,000	2,693,000	2,692,000	-	-	7,885,000
Irrigation Lateral 100.9 Replacement	IR1502	260,000	-	-	-	-	260,000
Irrigation Lateral 102.3 Replacement - Phase 1	IRXXXX	-	-	80,000	1,245,000	-	1,325,000
Irrigation Lateral 102.3 Replacement - Phase 2	IRXXXX	-	-	150,000	1,150,000	-	1,300,000
Irrigation Lateral 108.2 Replacement	IRXXXX	-	-	-	-	125,000	125,000
Irrigation Lateral 114.3 Replacement	IR1503	375,000	-	-	-	-	375,000
Irrigation Lateral 117.8 Relocation	IR0030	20,000	-	-	-	-	20,000
Irrigation Lateral 119.64-2.6 Replacement	IRXXXX	-	80,000	325,000	-	-	405,000
Irrigation Lateral 119.64-4.1 Replacement	IRXXXX	-	-	200,000	1,610,000	1,610,000	3,420,000
Irrigation Lateral 119.64-4.6 Replacement	IRXXXX	-	36,000	-	-	1,464,000	1,500,000
Irrigation Lateral 119.64-7.5 Baffle Stand and Meter Replacement	IRXXXX	-	-	-	60,000	1,090,000	1,150,000
Irrigation Lateral 123.45-1.3-2.2 Replacement	IRXXXX	-	65,000	685,000	-	-	750,000
Irrigation Lateral 123.45-1.3-2.8 Replacement	IRXXXX	-	65,000	-	230,000	-	295,000
Irrigation Lateral 123.45-5.4 Replacement	IRXXXX	-	-	-	110,000	1,805,000	1,915,000
Irrigation Lateral 123.45-6.0 Replacement	IRXXXX	-	235,000	-	-	-	235,000
Irrigation System Expansion - Oasis Area	IR0041	4,300,000	4,300,000	-	-	-	8,600,000
Drainage							-
Drain Pipeline Replacement - Avenue 59	IRXXXX	-	-	-	-	95,000	95,000
Drain Pipeline Replacement - Avenue 62	IRXXXX	-	-	-	-	105,000	105,000
Drain Pipeline Replacement - Durbrow	IR1406	2,625,000	-	-	-	-	2,625,000
Drain Pipeline Replacement - Harrison and Airport	IR1505	100,000	1,330,000	-	-	-	1,430,000
Total Canal		**11,876,088**	**13,298,320**	**6,763,320**	**5,695,680**	**7,955,680**	**45,589,088**

Canal Water Projects

Planned improvements for the canal water system amount to $11.9 million. Projects will be funded using unrestricted reserves, and $1.3 million in reimbursements.

C01403 - Bureau of Land Management (BLM) Land Grant - Cactus City

Renew BLM Grant R03307 for existing communication facility which houses microwave radios for upper canal telemetry and noncommercial two-way radio system. This is the central hub for microwave communications supporting all aspects of operations. Amend site to include an access road for ingress and egress to the existing site. There is no projected impact on operating costs.

C01503 - Canal - Generator Replacement Program

Replace stationary generators located at various sites along the Canal. Existing generators are obsolete. Replacement will provide power that is more reliable. Overall labor costs associated with servicing the generators will be reduced by $5,000 annually.

C01501 Canal - Quagga Mussel Control Program

Construct a new chemical containment basin and replace two existing chemical tanks that have deteriorated over the years due to sun exposure and chemical use. Replacement will ensure continued safe storage and containment of the sodium hypochlorite used as a preventative measure against Quagga mussel infestation. Less labor will be required to service existing containment basin, reducing operating costs by $5,000.

C01401 - Canal - Telemetry Replacement Program

This is a multiyear project to replace obsolete telemetry equipment at various canal sites throughout the Coachella Valley. Replacement parts are no longer available for the existing telemetry equipment, as they are antiquated. Twelve new telemetry cabinets were purchased in fiscal 2014. Installation will occur over the next two years. The project will update the SCADA technology and provide more efficient canal operations, which will decrease operating costs by $7,500.

C0XXXX – Coachella Canal Check Gate Structure Replacement - Mile Post (MP) 120.8

Design and construct a replacement check gate structure at MP 120.8 on the Coachella Canal. The existing gate structure is in a state of disrepair and is required to be replaced according to the United States Bureau of Reclamation (USBR) Operation, Maintenance, and Replacement Report 2014. There is no projected impact on operating costs.

C0XXXX - Coachella Canal Lining Replacement - Lower Canal

Replace multiple buckled or broken concrete lining panels on the Coachella Canal between Mile Posts 88.6 and 123.45. Replacing panels will reduce the loss of valuable Colorado River water through seepage. There is no projected impact on operating costs.

C01601 - Coachella Canal Lining Replacement - Mid Canal

Replace approximately 450 cracked or broken concrete lining panels and repair up to 4,500 linear feet of cracks. This project will be reimbursed by SDCWA. There is no projected impact on operating costs, but this will reduce water loss by eliminating seepage.

C0XXXX - Coachella Canal Lining Replacement - Upper Canal

Replace multiple buckled or broken concrete lining panels on the Coachella Canal between Mile Posts 0.2 and 48.3. Replacing these panels will reduce the loss of valuable Colorado River water through seepage. There is no projected impact on operating costs.

C0XXXX - Coachella Canal Radial Gate Improvement - Lower Canal

Purchase and replace aging motor-actuated valves on up to 21 sites, including canal check structures, and large radial gate turnouts. Repairs to existing equipment can no longer be made, as the parts are unavailable. Annual gate gear actuator maintenance savings of $1,000 are projected.

IRXXXX - Irrigation Lateral 88.6 Replacement

Replace approximately 2,800 linear feet of concrete pipe with 12-inch polyvinyl chloride pipe (PVC) pipe and appurtenances east of Cleveland Street, between Avenue 70 and Highway 111. The pipeline has experienced numerous leaks and is in a state of disrepair. Decreased leak and meter repair maintenance costs will decrease operating costs by $5,000.

IR1403 - Irrigation Lateral 99.8 Replacement

Replace approximately 1,320 linear feet of pipe with 12-inch PVC pipe along Avenue 57 east of Highway 86. The existing lateral has experienced numerous leaks and is currently in a state of disrepair. This project is expected to save approximately $7,500 annually in reduced operation and maintenance costs.

IR1501 - Irrigation Lateral 99.8-0.51 Replacement

Replace approximately 18,500 linear feet of concrete pipe and appurtenances with PVC pipe. The existing lateral wastes approximately 1,500 acre-feet of water per year due to surges and leaks, which affect delivery of canal water to customers. CVWD has applied for a grant through United States Bureau of Reclamation (USBR). Upon completion, this project is expected to reduce operating costs by approximately $15,000 annually.

IR1502 - Irrigation Lateral 100.9 Replacement

Replace approximately 1,350 linear feet of irrigation pipe with 12-inch PVC. This will improve deliveries and customer service, while minimizing the potential for a pipeline leaks underneath Highway 86. This is expected to reduce annual repair costs by approximately $7,500 due to the current state of disrepair of the existing lateral.

IRXXXX - Irrigation Lateral 102.3 Replacement - Phase 1

Replace approximately 5,050 linear feet of reinforced-concrete pipe with 12-inch and 18-inch PVC pipe and appurtenances along Avenue 52 and Highway 86 South. The pipeline has experienced numerous leaks and is in a state of disrepair. Estimated savings of $22,000 are projected in leak and meter repair maintenance costs.

IRXXXX - Irrigation Lateral 102.3 Replacement - Phase 2

Replace approximately 4,700 linear feet of reinforced-concrete pipe with 18-inch and 24-inch PVC pipe and appurtenances along Avenue 52 between Fillmore Street and Pierce Street. The pipeline has experienced

IRXXXX - Irrigation Lateral 102.3 Replacement - Phase 2 (cont.)

numerous leaks and is in a state of disrepair. Savings of $22,000 are projected in leak and meter repair maintenance costs.

IRXXXX - Irrigation Lateral 108.2 Lateral Replacement

Replace approximately one mile of 33-inch concrete pipe with 30-inch PVC pipe. The pipeline has experienced numerous leaks and is in a state of disrepair. The replacement of this pipeline will improve deliveries and customer service while minimizing the amount of water lost through leaks. Operating costs are projected to decrease by $19,500.

IR1503 - Irrigation Lateral 114.3 Replacement

Replace approximately 1,910 linear feet of irrigation pipe with 18-inch PVC pipe along 42nd Avenue near Madison Street. This project will improve deliveries and customer service, while minimizing the amount of water lost through leaks. This is expected to reduce operating costs by approximately $7,500 in leak repairs.

IR0030 - Irrigation Lateral 117.8 Relocation

Relocate Irrigation Lateral 117.8 between Hjorth and Monroe. The existing lateral lies beneath several trailers within the Desert Aire RV Resort. The lateral will be relocated to private streets within the park. This project includes the relocation and extension of the lateral within Indian Palms Golf Course. The relocation and extension will allow Indian Palms Golf Course to reduce groundwater pumping. There is no projected impact on operating costs.

IRXXXX - Irrigation Lateral 119.64-2.6 Replacement

Replace approximately 1,320 feet of 27-inch concrete irrigation pipe with 24-inch PVC pipe along Tyler Street near Avenue 54. The pipeline has experienced numerous leaks and is in a state of disrepair. Replacement will improve deliveries and customer service, while minimizing the amount of water lost through leaks. Fewer leak and meter repairs, as well as eliminating stagnant water, will decrease operating costs by approximately $2,500.

IRXXXX - Irrigation Lateral 119.64-4.1 Replacement

Replace approximately 12,850 linear feet of concrete irrigation pipe with PVC pipe and appurtenances. The pipeline has experienced numerous leaks and is in a state of disrepair. Fewer leak and meter repairs, as

Laying Canal irrigation lateral

IRXXXX - Irrigation Lateral 119.64-4.1 Replacement (cont.)

well as eliminating stagnant water, which will decrease operating costs by $15,500.

IRXXXX - Irrigation Lateral 119.64-4.6 Replacement

Replace approximately 5,500 linear feet of pipe with 24-inch PVC pipe and appurtenances along Avenue 57 between Jackson and Van Buren. The pipeline has experienced numerous leaks and is in a state of disrepair. Fewer leak and meter repairs, as well as eliminating stagnant water, will decrease operating costs by $5,000.

IRXXXX - Irrigation Lateral 119.64-7.5 Baffle Stand Replacement

Replace approximately eight baffle stands on Irrigation Lateral 119.64-7.5. New baffles will improve operation of the line and help alleviate nuisance water and surges. Replacement will improve deliveries and customer service, while reducing leaks and minimizing water loss. This will decrease operating costs by $3,000.

IRXXXX - Irrigation Lateral 123.45-1.3-2.2 Replacement

Replace approximately 2,650 linear feet of 20-inch reinforced-concrete pipe with 18-inch C905 polyvinyl chloride pipe. Replacing this section of the lateral will improve deliveries and improve service to customers.

IRXXXX - Irrigation Lateral 123.45-1.3-2.2 Replacement (cont.)

Replacement will decrease leak repairs, reducing operating costs by $8,850.

IRXXXX - Irrigation Lateral 123.45-1.3-2.8 Replacement

Replace approximately 1,000 linear feet of 20-inch reinforced-concrete pipe with 18-inch PVC pipe. The line has multiple leaks, resulting in over $40,000 in repairs and replacement to date. Replacing this section of the lateral will improve deliveries and customer service, while minimizing water loss. Fewer leak and meter repairs will decrease operating costs by $13,333.

IRXXXX - Irrigation Lateral 123.45-5.4 Replacement

Replace approximately 7,000 linear feet of 24-inch and 27-inch pipe and appurtenances along Avenue 65, between Jackson and Van Buren. The pipeline has experienced numerous leaks and is in a state of disrepair. Replacing this section of the lateral will improve deliveries and customer service, while minimizing water loss. Decreased leak and meter repair maintenance will decrease operating costs by $10,500.

IRXXXX - Irrigation Lateral 123.45-6.0 Replacement

Replace approximately 11,350 linear feet of concrete irrigation pipeline and appurtenances along Avenue 66, between Jackson and Harrison Streets. The pipeline has experienced numerous leaks and is in a state of disrepair. Replacing this section of the lateral will improve deliveries and customer service, while minimizing water loss. Decreased leak and meter repair maintenance will decrease operating costs by $5,000.

IR0041 - Irrigation System Expansion - Oasis Area

This is a multiyear project to design and construct an irrigation system to serve an additional 7,100 acres of land in the Oasis area. This project includes three reservoirs, five pump stations, and several miles of conveyance. The design phase includes environmental, assessment engineering, and options on land acquisition for the three reservoir sites. Construction is projected to be completed by fiscal 2018. Currently, costs for this project are being funded by the Canal Water Fund and the East Whitewater Replenishment Fund. In addition, a portion of this project will be funded by a proposed assessment district. Operating costs are expected to increase by $1.1 million by 2020. These expenses will be offset by additional revenue.

IRXXXX - Drain Pipeline Replacement - Avenue 59

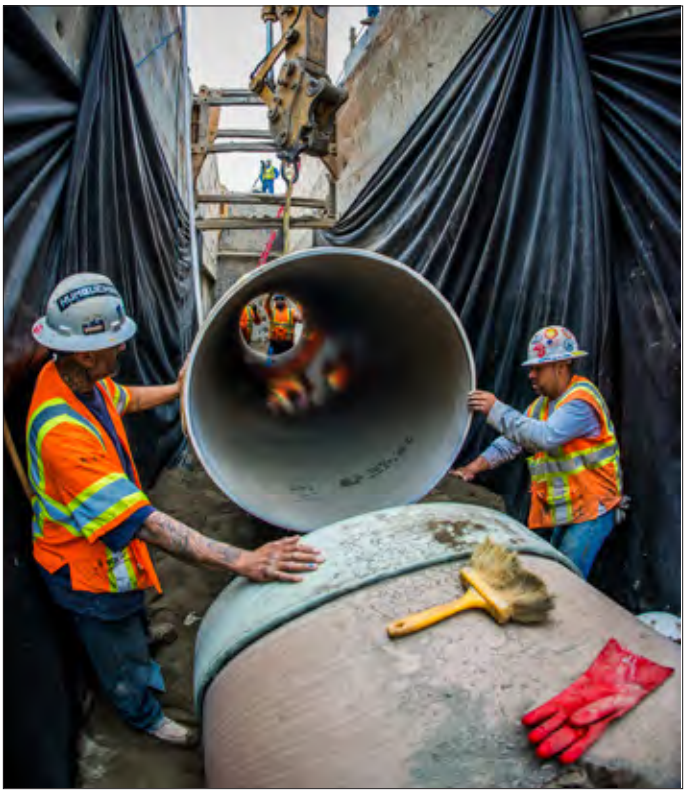
Replace approximately 6,600 linear feet of concrete drain pipeline with 18-inch and 24-inch high density polyethylene (HDPE) pipe and construct up to six manholes. The existing line cannot convey the required flows due to pipe constrictions and failed joints. This project will improve conveyance of drain flows through the area and is expected to reduce operation and maintenance costs by $10,000.

IRXXXX - Drain Pipeline Replacement - Avenue 62

Replace approximately 13,000 linear feet of concrete drain pipeline with HDPE pipe and construct up to ten manholes. The existing line cannot convey the required flows due to pipe constrictions and failed joints. This project will improve conveyance of drain flows through the area and is expected to reduce operation and maintenance costs by $10,000.

IR1406 - Drain Pipeline Replacement - Durbrow

Replace approximately 12,480 linear feet of concrete drain pipeline with HDPE pipe and construct manholes. The existing line cannot convey the required flows due to pipe constrictions and failed joints. This project will improve conveyance of drain flows through the area and is expected to reduce operation and maintenance costs by $10,000.



Avenue 62 Trunk Sewer project

Capital Improvement Budget - Sanitation

	Project No.	Budget 2015-16	Planned FY 2017	Planned FY 2018	Planned FY 2019	Planned FY 2020	Total 5-Year
Districtwide Project Allocation		797,720	5,735,800	5,158,300	896,700	616,700	13,205,220
WRP 10 Treatment							
Air Blower Switchgear and Standby Generator	WR1019	800,000	-	-	-	-	800,000
Biosolids Upgrade	WRXXXX	-	-	550,000	2,667,000	-	3,217,000
Chemical System Safety Upgrade	WR1030	100,000	677,000	-	-	-	777,000
Chlorinator Feeder Cabinet Replacement	WR1015	2,163,000	-	-	-	-	2,163,000
Control Building Duct Work and Lighting	WR1029	76,000	-	-	-	-	76,000
Design and Install Process Air Improvements	WR1002	9,100,000	-	-	-	-	9,100,000
Effluent Pump Station Replacement	WR1003	5,925,000	8,896,000	-	-	-	14,821,000
Headworks Treatment System Upgrade	WRXXXX	-	-	-	950,000	6,045,000	6,995,000
M1 Backup Generator and Automatic Transfer Switch Replacement	WRXXXX	-	-	-	160,000	3,360,000	3,520,000
Perimeter Security Wall	WR1021	43,000	440,000	-	-	-	483,000
Return Activated Sludge (RAS) Pump and Plant C Clarifier Gate Replacement	WR1028	95,000	1,605,000	-	-	-	1,700,000
Recycled Water Storage Basin Floating Cover Rplacement	WRXXXX	-	30,000	870,000	-	-	900,000
Roadway Pavement Improvements	WR1027	65,000	616,000	-	-	-	681,000
Security System Upgrade	WR1020	80,000	617,000	-	-	-	697,000
T1 Tertiary Filters - Seal Coating	WR1022	490,000	-	-	-	-	490,000
WRP 9 Treatment							
Plant Closure and Flow Diversion Evaluation	WR9002	45,000	531,000	-	-	-	576,000
WRP 7 Treatment							
Administration Building	WRXXXX	-	-	-	-	350,000	350,000
Biosolids Upgrade	WR7011	6,955,270	3,425,730	-	-	-	10,381,000
Chemical System Safety Upgrade	WR7014	100,000	431,000	-	-	-	531,000
Chlorinator Cabinet Replacement	WR7008	985,000	-	-	-	-	985,000
Secondary Clarifier and Filter Modifications	WR7012	2,472,500	-	-	-	-	2,472,500
Security System Upgrade	WR7010	74,000	630,000	-	-	-	704,000
WRP 4 Treatment							
Administration Building	WRXXXX	-	-	-	-	350,000	350,000
Chemical System Safety Upgrade	WR4013	195,000	842,000	-	-	-	1,037,000
Plant Water System Upgrade	WR4012	30,000	110,000	-	-	-	140,000
Security System Upgrade	WR4006	63,000	630,000	-	-	-	693,000
Collection							
Lift Station 55-10 Abandonment - Citrus	LSXXXX	-	-	180,000	1,820,000	-	2,000,000
Lift Station 55-11 Capacity Upgrade - Hammond Road	LS0005	-	-	3,019,000	-	-	3,019,000
Lift Station 55-12 Electrical and Site Upgrade - Jefferson Street	LSXXXX	-	-	-	95,000	847,000	942,000
Lift Station 55-13 Abandonment - Avenue 58	LS0014	335,000	-	-	-	-	335,000
Lift Station 55-14 Abandonment - Avene 57 Sewer Pipeline	SA1201	1,596,000	-	-	-	-	1,596,000
Lift Station 55-15 East Abandonment - Avenue 58	LSXXXX	-	192,000	-	-	-	192,000
Lift Station 80-03 Structural Repairs - Cook Street	LS0009	101,400	-	-	-	-	101,400
Lift Station 80-03 Upgrade - Cook Street	LSXXXX	-	-	210,000	1,887,000	-	2,097,000
Lift Station 80-04 Upgrade - Indian Wells	LS0010	85,000	314,000	270,000	-	-	669,000
Lift Station 80-06 Upgrade - Country Club Drive	LS0011	85,000	734,000	-	-	-	819,000
Lift Station 80-07 Perimeter Wall - Paxton	LS0012	65,000	481,000	-	-	-	546,000
Lift Station 80-13 Upgrade - Grand Champion	LSXXXX	-	-	140,000	1,009,000	-	1,149,000
Lift Station 80-16 Upgrade - Bob Hope Drive	LS0013	75,000	708,000	-	-	-	783,000
Lift Station 81-01 Upgrade - Washington Street	LSXXXX	-	-	120,000	1,128,000	-	1,248,000
Lift Station 81-03 Capacity Upgrade and Force Main - Burr Street	LS0001	203,000	2,409,000	623,000	-	-	3,235,000
Sewer and Pipeline Rehabilitation - Bombay Beach	SA1409	1,636,000	-	-	-	-	1,636,000
Sewer and Pipeline Rehabilitation - Mecca	SA1601	248,000	3,725,000	-	-	-	3,973,000
Sewer and Pipeline Rehabilitation - Palm Desert and Thousand Palms	SA1602	150,000	552,000	531,000	448,000	-	1,681,000
Sewer Manhole Replacement - City of Rancho Mirage	SAXXXX	-	95,000	900,000	-	-	995,000
Sewer Pipeline Rehabilitation - Avenida Juarez	SAXXXX	-	45,000	341,000	-	-	386,000
Sewer Pipeline Rehabilitation - Avenue 50	SAXXXX	-	45,000	586,000	-	-	631,000
Sewer Pipeline Rehabilitation - Cedar Crest	SAXXXX	-	45,000	763,000	-	-	808,000
Sewer Pipeline Rehabilitation - Fairway Drive	SA1603	54,000	618,000	-	-	-	672,000
Sewer Pipeline Rehabilitation - Fred Waring Drive	SA1403	806,000	-	-	-	-	806,000
Sewer Pipeline Rehabilitation - Shifting Sands	SA1404	571,000	-	-	-	-	571,000
Sewer Pipeline Relocation - Bob Hope Drive	SA1501	65,000	362,000	-	-	-	427,000
Grant Projects							
Sewer Improvements - San Antonio Del Desierto Mobile Home Park	GR0016	1,933,000	1,628,000	-	-	-	3,561,000
Sewer Improvements - San Cristobal and Los Vinedos	GR0015	1,078,000	757,000	-	-	-	1,835,000
Planning							
WRP 1 - Plant and Process Evaluation - Bombay Beach	WR0101	45,000	-	-	-	-	45,000
WRP 2 - Plant and Process Evaluation - North Shore	WR0201	45,000	-	-	-	-	45,000
Equipment							
Ford F-150 4x4 Truck	SA1604	29,600	-	-	-	-	29,600
Ford F-150 4x4 Truck	SA1606	29,600	-	-	-	-	29,600
Trailer Mounted Jetter	SA1605	65,000	-	-	-	-	65,000
Utility Cart 4x4	SA1607	10,800	-	-	-	-	10,800
Total Sanitation		**39,965,890**	**37,926,530**	**14,261,300**	**11,060,700**	**11,568,700**	**114,783,120**

IR1505 - Drain Pipeline Replacement - Harrison and Airport

Replace approximately 8,000 linear feet of concrete drain line with HDPE pipe and construct manholes. The existing pipeline cannot convey the required flows due to pipe constrictions and failed joints. Replacing this pipeline will improve conveyance of drain flows through the area and will reduce operation and maintenance costs by approximately $10,000.

Sanitation Projects

Planned improvements for the sanitation system total $40.0 million. Funding includes $32.6 million of unrestricted reserves, $2.4 million in grants, with the balance funded by Sanitation Capacity Charges (SCC).

WR1019 - WRP 10 - Air Blower Switchgear and Standby Generator

Install a new generator, switch board, and transfer switch to prevent potential plant operation interruption and downtime due to power failures. If the existing generator fails, there is no source of power to operate the aeration blowers. The estimated annual increase in operating costs is $6,000.

WRXXXX - WRP 10 - Biosolids Upgrade

This project includes installation of a new belt filter press and sludge dryer with associated ancillary equipment that matches the existing equipment and modification of the discharge conveyors. This will provide for redundancy and increased solids production as plant flow rates increase. In addition, this will increase sludge drying, reducing sludge disposal costs, providing safer access to conveyor components, and optimizing discharge to hauler's trucks. The additional equipment will increase maintenance and electricity costs, but will be offset by reduced hauling costs. Overall operating costs are expected to decrease by $280,000.

WR1030 - WRP 10 - Chemical System Safety Upgrade

Design and construct upgrades to the chlorination building to conform to the chemical system safety requirements of the 2013 California Fire Code. State and Federal Risk Management Plans (RMPs) require, in the event of an accidental release (leak), chlorine gas is to be reduced to maximum allowable concentrations before reaching the public population. The upgrades

WR1030 - WRP 10 - Chemical System Safety Upgrade (cont.)

planned for the Chlorination Building at WRP 10 will bring District facilities into compliance with RMPs and the requirements of the 2013 California Fire Code. Operating costs are expected to decrease by $1,200.

WR1015 - WRP 10 - Chlorinator Feeder Cabinet Replacement

Replace floor chlorinator feeder cabinets. New chlorinator feeder cabinets will increase the reliability and safety of the chlorine treatment process. In addition, parts for the existing equipment are becoming less available. This is projected to save approximately $14,830 annually in labor and material costs.

WR1029 - WRP 10 - Control Building Duct Work and Lighting

This project includes the purchase and installation of insulated ductwork and lighting, along with repair of the drop ceiling to accommodate the new ductwork and lighting at the WRP 10 Control Building. Insulation on the existing ductwork is degraded such that condensation forms and damages the existing ceiling. In addition, the existing lighting is integrated into the ductwork and is inefficient. There is no projected impact on operating costs.

WR1002 - WRP 10 - Design and Install Process Air Improvements

Install efficient air blowers, piping, valves, aeration diffusers, aeration basin gates, and automated controls within the new blower control room. The new automated air process and system will provide WRP 10 with an efficient air distribution system, enabling improved and more efficient wastewater treatment. Existing aeration control of the air supply within each aeration plant is being done manually, leading to significant losses in efficiency and treatment. These improvements should save approximately $262,000 annually, in reduced labor and electrical costs.

WR1003 - WRP 10 - Effluent Pump Station Replacement

Design and construct a new secondary effluent pump station. The existing equipment is reaching the end of its useful life. A new pump station will improve existing operational flexibility and efficiency, along with providing additional flow capacity. Operating costs are expected to decrease by $1,000 as a result of more efficient equipment.

WRXXXX - WRP 10 - Headworks Treatment System Upgrade

Design and construct preliminary treatment system upgrades at WRP 10. This project includes: site work, influent pumps, vortex grit chamber, influent equalization basin, and odor control. The project will maximize treatment capacity and increase redundancy and reliability. Operating costs are expected to increase by approximately $2,500 to cover maintenance and electricity for the new grit chamber.

WRXXXX - WRP 10 - M-1 Generator Backup System and Automatic Transfer Switch Replacement

Design and construct a new generator backup system and automatic transfer switch. The existing backup system is old and unreliable. If the existing system fails during an outage, CVWD does not have another source of power to operate M-1 switchgear, which operates several processes in the plant, including the tertiary building, Indian Ridge pumps, and the A and B plants. There is no projected impact on operating costs.

WR1021 - WRP 10 - Perimeter Security Wall

Design a perimeter security wall along the west and north boundaries of WRP 10. This project will eliminate the existing 6-foot chain link fence and replace it with an 8-foot wall. The project reduces liability and risk from unwarranted access. There is no projected impact on operating costs.

WR1028 - WRP 10 - Return Activated Sludge (RAS) Pump and Plant C Clarifier Gate Replacement

The project includes the replacement of RAS pumps, clarifier gates, and RAS discharge valves at Plant C. The new improvements will reduce operating costs by $1,500.

WRXXXX - WRP 10 - Recycled Water Storage Basin Floating Cover Replacement

Replace the existing 5 million gallon per day recycled water storage basin floating cover. The existing cover is 15 years old and reaching the end of its useful life because of deterioration due to heat and exposure to sun. There is no projected impact on operating costs.

WR1027 - WRP 10 - Roadway Pavement Improvements

Design and construct new pavement surfaces and maintain existing pavement at WRP 10. The project will lengthen the life cycle of the existing pavement

WR1027 - WRP 10 - Roadway Pavement Improvements (cont.)

by installing a slurry seal or thin asphalt overlay. In addition, this will stop premature pavement failure andavoid costly repairs. There is no projected impact on operating costs.

WR1020 - WRP 10 - Security System Upgrade

Design and construct a security system upgrade, which includes site work, internet protocol, close circuit television, telemetry, and access control. The project will incorporate video motion detection, audio detection, active tampering alarm, input/output, and active event management. The security system upgrade minimizes staff callouts, provides better risk management, improves safety, reduces insurance premiums, and directs alerts to appropriate staff, improving response times. There is a positive impact on operating costs of $9,880 per year due to reduced callouts, which will be partially offset by an increase in electricity costs, and operations and maintenance costs.

WR1022 - WRP 10 - T1 Tertiary Filters - Seal Coating

Design and install a polyurethane coating for the tertiary filters, flocculation basins, and center channel at WRP 10. The polyurethane coating will seal the walls of the T1 tertiary filters preventing leaks that cause costly repairs to pipelines, concrete structures, and the adjacent pump station. Upon completion, this will save approximately $12,500 in operation and maintenance costs.

WR9002 - WRP 9 - Plant Closure and Flow Diversion Evaluation

Evaluate the timing of the closure of WRP 9 based on plant and equipment age, regulatory climate, and the ability of off-site infrastructure to support the transfer of flow from WRP 9 to WRP 4. Operations, mechanical, and trades crews will no longer be required to visit and maintain WRP 9; electricity costs savings are projected, which will result in decrease in operating costs by $264,000.

WRXXXX - WRP 7 - Administration Building

Design and construct a new administration building which will incorporate into one building: an office facility, lunch room, shower, and maintenance shop. The existing building is 15 years old, is undersized and in need of renovation. This project will incorporate

WRXXXX - WRP 7 - Administration Building (cont.)

these areas in one building versus a separate location, and includes a maintenance shop. Operating costs are expected to increase by $1,500 to cover additional electricity for the maintenance shop.

WR7011 - WRP 7 - Biosolids Upgrade

Construct solids handling improvements inside a new building to accommodate new and redundant gravity belt thickener and centrifuge equipment. Project will replace the existing facilities that are reaching the ends of their useful lives. This will provide for redundancy and increased solids production as plant flow rates increase. Additional time to operate and maintain the new equipment will be required, as well as additional polymer and electricity usage, which will increase operating costs by $6,500.

WR7014 - WRP 7 - Chemical System Safety Upgrade

Design and construct upgrades to the chlorination building to conform to the chemical system safety requirements of the 2013 California Fire Code. State

WR7014 - WRP 7 - Chemical System Safety Upgrade (cont.)

and Federal Risk Management Plans (RMPs) require, in the event of an accidental release (leak), chlorine gas is to be reduced to maximum allowable concentrations before reaching the public population. The upgrades planned for the Chlorination Building at WRP 7 will bring District facilities into compliance with RMPs and the requirements of the 2013 California Fire Code. Operating costs are expected to decrease by $1,200.

WR7008 - WRP 7 - Chlorinator Feeder Cabinet Replacement

Replace floor chlorinator cabinets. New chlorinator feeder cabinets will increase the reliability and safety of the chlorine treatment process. In addition, parts for the existing equipment are becoming less available. This is projected to save approximately $8,830 annually in labor and material costs.

Generator installation at WRP 10 - Air Process Improvement project

WR7012 - WRP 7 - Secondary Clarifier and Filter Modifications

This project includes: replacing existing clarifier equipment, filter media, under drains, air piping, along with effluent gates on tertiary filter 3. Aeration basin 1 will be cleaned and diffusers replaced. Existing equipment is reaching the end of its useful life and replacement parts are becoming less available. This project will provide for better process control through more reliable and consistent solids removal and should maximize treatment capacity. Additional time to operate and maintain the new equipment will be needed, as well as additional polymer usage, which will increase operating costs by $5,000.

WR7010 - WRP 7 - Security System Upgrade

Design and construct a security system upgrade, which includes site work, internet protocol, close circuit television, telemetry, and access control. The project will incorporate video motion detection, audio detection, active tampering alarm, input/output, and active event management. The security system upgrade minimizes staff callouts, provides better risk management, improves safety, reduces insurance premiums, and directs alerts to appropriate staff, improving response times. Construction will take place in fiscal 2017. There is a positive impact on operating costs of $9,880 per year due to reduced callouts, which will be partially offset by an increase in electricity costs, and operations and maintenance costs.

WRXXXX - WRP 4 - Administration Building

Design and construct a new administration building to replace the existing control building. The control building currently occupies the area north of the existing biosolids building. This project will relocate the building and incorporate the control room, offices, laboratory, conference/training room, restroom/showers, electrical room, and a maintenance shop. Operating costs are expected to increase by $1,500 due to electricity consumption.

WR4013 - WRP 4 - Chemical System Safety Upgrade

Design and construct upgrades to the chlorination building to conform to the chemical system safety requirements of the 2013 California Fire Code. State and Federal Risk Management Plans require, in the event of an accidental release (leak), chlorine gas be reduced to maximum allowable concentrations

WR4013 - WRP 4 - Chemical System Safety Upgrade (cont.)

before reaching the public population. The upgrades plannedfor the Chlorination Building at WRP 4 will bring District facilities into compliance with RMPs and the requirements of the 2013 California Fire Code. Operating costs are expected to decrease by $1,200.

WR4012 - WRP 4 - Plant Water System Upgrades

Design and construct upgrades to the WRP 4 plant water system to incorporate a secondary connection to the well water system and add a strainer to the plant water piping at the recently constructed headworks. Water supply to the headworks equipment is critical to maintain operation of the facility. The current system is unreliable and prone to shut down. A strainer on the plant water system will protect the headworks equipment from fouling and clogging and will prolong the life of the equipment. There is no projected impact on operating costs.

WR4006 - WRP 4 - Security System Upgrade

Design and construct a security system upgrade, which includes site work, internet protocol, close circuit television, telemetry, and access control. The project will incorporate video motion detection, audio detection, active tampering alarm, input/output, and active event management. The security system upgrade minimizes staff callouts, provides better risk management, improves safety, reduces insurance premiums, and directs alerts to appropriate staff, improving response times. Construction will take place in fiscal 2017. There is a positive impact on operating costs of $9,880 per year due to reduced callouts, which will be partially offset by an increase in electricity costs, and operations and maintenance costs.

LSXXXX - Lift Station 55-10 Abandonment - Citrus

Abandon Lift Station 55-10. Sewer flows may be rerouted to the Madison Street gravity sewer that ties into the Monroe Trunk Sewer, which also connects into the Avenue 62 Trunk Sewer. The recently constructed Avenue 62 Trunk Sewer will allow the lift station to be removed from service. Crews will no longer be required to maintain Lift Station 55-10, and electricity cost associated with Lift Station 55-10 will be eliminated, reducing operating costs by $7,000.

LS0005 - Lift Station 55-11 Capacity Upgrade - Hammond Road

Installation of a new 12-foot diameter wet well, pumps, piping, electrical cabinets, generator, controls, building, perimeter block wall, and other site features. Lift Station 55-11 will accommodate growth in the community of Mecca area per the Sewer Collection System Master Plan. The upgrades will reduce callouts to maintain Lift Station 55-11, and electricity costs will decrease as a result of more efficient pumps, reducing overall operating costs by $6,500.

LSXXXX - Lift Station 55-12 Electrical and Site Upgrades - Jefferson Street

Design and install new pumps, valves, piping, electrical cabinets, odor scrubber, small building, and other site features. The upgrade will replace and improve aging infrastructure, maximizing collection capacity and increase redundancy and reliability. Electrical costs are projected to be lower, with more efficient pumps, which will decrease operating costs by $1,000.

LS0014 - Lift Station 55-13 Abandonment - Avenue 58

Abandon Lift Station 55-13. Sewage discharge from this lift station may be rerouted to the Monroe Trunk Sewer, which also connects into the Avenue 62 Trunk Sewer. The recently constructed Avenue 62 Trunk Sewer will allow the lift station to be removed from service. Crews will no longer be required to maintain Lift Station 55-10, and electricity cost associated with Lift Station 55-10 will be eliminated, reducing operating costs by $7,000.

SA1201 - Lift Station 55-14 Abandonment and Sewer Pipeline - Avenue 57

Design and construct 5,000 linear feet of 12-inch gravity sewer pipeline along Avenue 57 to connect to the sewer in Polk Street. This will allow Lift Station 55-14 to be abandoned. Crews will no longer be required to maintain Lift Station 55-14, and electricity cost associated with the lift station will be eliminated, reducing operating costs by $16,500.

LSXXXX - Lift Station 55-15 Abandonment - Avenue 58

Abandon Lift Station 55-15. Sewer flows may be rerouted to the Monroe Trunk Sewer, which also connects into the Avenue 62 Trunk Sewer. The recently constructed Avenue 62 Trunk Sewer will allow the lift station to be removed from service. Crews will no

Providing recycled water to Palm Desert Country Club

LSXXXX - Lift Station 55-15 Abandonment - Avenue 58 (cont.)

longer be required to maintain Lift Station 55-15, and electricity costs associated with the lift station will be eliminated, reducing operating costs by $7,000.

LS0009 - Lift Station 80-03 Structural Repairs - Cook Street

Prepare contract specifications and drawings to complete structural repairs of roof hatch, roof slab, concrete beam, conduit spall, and concrete-wall cracks. Structural repairs to the dry well section of Lift Station 80-03 will help maintain safe access and prevent the defects from expanding. There is no projected impact on operating costs.

LSXXXX - Lift Station 80-03 Upgrade - Cook Street

Design and install new wet-well, pumps, valves, piping, electrical cabinets, and other site features. The upgrade will replace and improve an aging infrastructure, maximizing collection capacity and increasing redundancy and reliability. Electrical costs are projected to be lower, with more efficient pumps, which will decrease operating costs by $1,000.

LS0010 - Lift Station 80-04 Upgrade - Indian Wells

Design and install new wet-well, pumps, valves, piping, electrical cabinets, and other site features. The upgrade will replace and improve an aging infrastructure, maximizing collection capacity and increasing redundancy and reliability. Electrical costs are projected to be lower, with more efficient pumps, which will decrease operating costs by $1,000.

LS0011 - Lift Station 80-06 Upgrade - Country Club Drive

Design and install new pumps, valves, piping, wet well coating, electrical cabinets, and other site features. The upgrade will replace and improve an aging infrastructure, maximizing collection capacity and increasing redundancy and reliability. Electrical costs are projected to be lower, with more efficient pumps, which will decrease operating costs by $1,000.

LS0012 - Lift Station 80-07 Perimeter Wall - Paxton Drive

Design and construct new perimeter wall at the Lift Station 80-07. The project will minimize staff call-outs for unwarranted vandalism and theft. The wall will allow for better risk management, improved safety, and reduction of insurance premiums. Projected impact on operating costs is unknown.

LSXXXX - Lift Station 80-13 Upgrade - Hyatt Grand Champion

Design and install new pumps, valves, piping, electrical cabinets, and other site features. The upgrade will replace and improve an aging infrastructure, maximizing collection capacity and increasing redundancy and reliability. Electrical costs are projected to be lower, with more efficient pumps, which will decrease operating costs by $1,000.

LS0013 - Lift Station 80-16 Upgrade - Bob Hope Drive

Design and install new pumps, valves, piping, wet well coating, electrical cabinets, and other site features. The upgrade will replace and improve an aging infrastructure, maximizing collection capacity and increasing redundancy and reliability. Electricity costs are projected to be lower, with the more efficient pumps, which will decrease operating costs by $1,000.

LSXXXX - Lift Station 81-01 Upgrade - Washington Street

Design and install new pumps, valves, piping, wet well coating, electrical cabinets, and other site features. The upgrade will replace and improve an

LSXXXX - Lift Station 81-01 Upgrade - Washington Street (cont.)

aging infrastructure, maximizing collection capacity and increasing redundancy and reliability. Electricity costs are projected to be lower, with the more efficient pumps, which will decrease operating costs by $1,000.

LS0001 - Lift Station 81-03 Capacity Upgrade and Force Main - Burr Street

Design and install new 16-foot diameter wet well, pumps, variable frequency drives (VFDs), piping, valves, electrical building, generator, odor control, 5,300 feet of 18-inch PVC force main, perimeter wall, and other site features on a new site. Electricity costs are projected to be lower, with the more efficient pumps and VFDs, which will decrease operating costs by $2,500.

SA1409 - Sewer and Pipeline Rehabilitation - Bombay Beach

Replace approximately 2,900 feet of cured-in-place pipe, and 4,200 linear feet of 8-inch force main, manholes and appurtenances within the community of Bombay Beach. This project will address issues caused by existing sags and longitudinal cracked pipeline segments. Labor and equipment required to clean the sewer pipelines to maintain level of service will no longer be necessary, which will decrease operating costs by $15,000.

SA1601 - Sewer and Pipeline Rehabilitation - Mecca

Rehabilitate manholes and install approximately 25,000 linear feet of cured-in-place pipe within the community of Mecca. This project will address issues caused by existing sags and longitudinal cracked pipeline segments. Labor and equipment required to clean the sewer pipelines to maintain level of service will no longer be necessary, which will decrease operating costs by $15,200.

SA1602 - Sewer and Pipeline Rehabilitation - Palm Desert and Thousand Palms

Rehabilitate manholes and 9,500 linear feet of 8-inch, 10-inch, and 12-inch cured-in-place pipe to fix existing sags and cracks within the communities of Palm Desert and Thousand Palms. Labor and equipment required to clean the sewer pipelines to maintain level of service will no longer be necessary, which will decrease operating costs by $7,500.

SAXXXX - Sewer Manhole Replacement - City of Rancho Mirage

Replace approximately 39 deteriorating sewer manholes on Da Vall Drive within the city of Rancho Mirage. The sewer manholes are currently deteriorating, requiring complete removal and replacement. Labor and equipment to clean the sewer pipelines to maintain level of service will no longer be necessary, which will decrease operating costs by $3,500.

SAXXXX - Sewer Pipeline Rehabilitation - Avenida Juarez

Replace approximately 400 linear feet of 8-inch gravity sewer pipeline and appurtenances within Cathedral City to address issues caused by existing sags and cracks. Labor and equipment required to clean the sewer pipelines to maintain level of service will no longer be necessary, which will decrease operating costs by $9,500.

SAXXXX - Sewer Pipeline Rehabilitation - Avenue 50

Replace approximately 800 linear feet of 18-inch gravity sewer pipeline and appurtenances within thecity of La Quinta, to address issues caused by existing sags and longitudinal cracks. Labor and equipment required to clean the sewer pipelines to maintain level of service will no longer be necessary, which will decrease operating costs by $19,500.

SAXXXX - Sewer Pipeline Rehabilitation - Cedar Crest

Replace approximately 1,600 linear feet of 8-inch gravity sewer pipeline and appurtenances within the city of La Quinta to address issues caused by existing sags and cracks. Labor and equipment required to clean the sewer pipeline to maintain level of service will no longer be necessary, which will decrease operating costs by $4,500.

SA1603 - Sewer Pipeline Rehabilitation - Fairway Drive

Replace approximately 1,600 linear feet of existing 10-inch gravity sewer pipeline and appurtenances within the city of Palm Desert to address issues from existing sags and longitudinal cracks. Labor and equipment required to clean the sewer pipelines to maintain level of service will no longer be necessary, which will decrease operating costs by $12,000.

SA1403 - Sewer Pipeline Rehabilitation - Fred Waring Drive

Replace approximately 1,600 linear feet of 10-inch gravity sewer pipeline and appurtenances within the city of Palm Desert to address issues caused by existing

SA1403 - Sewer Pipeline Rehabilitation - Fred Waring Drive (cont.)

sags and longitudinal cracks. Labor and equipment required to clean the sewer pipelines to maintain level of service will no longer be necessary, which will decrease operating costs by $4,500.

SA1404 - Sewer Pipeline Rehabilitation - Shifting Sands Drive

Replace approximately 1,000 linear feet of 10-inch gravity sewer pipeline and appurtenances within Cathedral City to address issues caused by existing sags and longitudinal cracks. Labor and equipment required to clean the sewer pipelines to maintain level of service will no longer be necessary, which will decrease operating costs by $4,500.

SA1501 - Sewer Pipeline Relocation - Bob Hope Drive

Relocate approximately 700 linear feet of 15-inch gravity sewer pipeline and appurtenances within the city of Rancho Mirage to address horizontal conflict. There is no projected impact on operating costs.

GR0016 - Sewer Improvements - San Antonio Del Desierto Mobile Home Park

Construct approximately 5,000 feet of 6-inch force main, a sewer lift station, and 2,000 feet of 10-inch gravity sewer pipeline. The proposed sanitary sewer collection facilities will serve the proposed San Antonio Del Desierto Mobile Home Park, and adjacent communities along Lincoln Street. Additional time to operate and maintain the new equipment will be required, as well as electricity, which will increase operating costs by $5,000.

GR0015 - Sewer Improvements - San Cristobal and Los Vinedos Community

Design and construct a 6,200 foot, 6-inch force main, and a private lift station to serve the existing and proposed San Cristobal and Los Vinedos communities, along with the adjacent communities on Hammond Road. Additional time to operate and maintain a new sewer force main and water lines will be required, which will increase operating costs by $2,000.

WR0101 - WRP 1 - Plant and Process Evaluation - Bombay Beach

The Regional Water Quality Control Board has imposed effluent limits on WRP 1, including biochemical oxygen demand. Total suspended solids may be regulated in the future. This project

WR0101 - WRP 1 - Plant and Process Evaluation - Bombay Beach (cont.)

provides for an engineering study to evaluate the current plant process and make recommendations for a more efficient plant that will meet stricter future requirements. There is no projected impact on operating costs.

WR0201 - WRP 2 - Plant and Process Evaluation - North Shore

The Regional Water Quality Control Board has imposed effluent limits on WRP 2, including biochemical oxygen demand. Total suspended solids may be regulated in the future. This project provides for an engineering study to evaluate the current plant process and make recommendations for a more efficient plant that will meet stricter future requirements. There is no projected impact on operating costs.

SA1604 - Ford F-150 4X4 Truck

This truck will be used by WRP 10 chief plant operator to be able to respond to remote sanitation sites and areas of responsibility in the field during and after hours, including EOC standby response. Truck 2242 currently driven by the chief plant operator, will be used by the WRP 10 day supervisor. The estimated annual impact on operating costs is $5,244 to cover equipment usage, fuel, and insurance.

SA1606 - Ford F-150 4X4 Truck

The operators stationed at WRP 4 also operate WRP 1 and WRP 2. Those plants located on dirt roads and small streams of water must be passed through to enter. There are times during the year when the operators need four wheel drive to enter these plants, and to go into the Stormwater Channel for testing of discharge flow. This vehicle will provide for a safer operation of these treatment plants. The estimated annual impact on operating costs is $5,244 to cover equipment usage, fuel, and insurance.

SA1605 - Trailer Mounted Jetter

Equipment required to maintain the District's sewer system located in easements, isolated areas, golf courses, and other areas where conventional jetting equipment is unable to travel or may cause unnecessary damage to property. The estimated annual impact on operating costs is $6,239 to cover equipment usage and fuel.

SA1607 - Utility Cart 4x4

The utility cart will help the plant operator accomplish tasks, without the need of a full size pick-up. The estimated annual impact on operating costs is $3,128 to cover equipment usage and fuel.

Stormwater Projects

Planned improvements for the Stormwater Fund total $14.1 million for fiscal 2016. All projects are funded by unrestricted reserves.

SW0044 - Coachella Valley Multiple Species Habitat Conservation Plan (CVMSHCP) - Constructed Wetlands Project

Design, construct, and establish a permanent riparian and wetland habitat within the Coachella Valley Stormwater Channel and Delta Conservation Area in accordance with the CVMSHCP. Included in the CVMSHCP is the District's obligation to replace habitat that is periodically altered by flood control and drain maintenance activities. The estimated annual impact to operating costs is $25,000 for environmental inspections and general maintenance.

SW0039 - Coachella Valley Stormwater Channel (CVSC) - Hydraulic Analysis to Support Federal Emergency Management Agency's (FEMA's) Levee Analysis Mapping Procedure (LAMP)

Continue to provide hydraulic analysis to support FEMA's Levee Analysis Mapping Procedure for pending physical map revisions of the Flood Insurance Rate Maps (FIRM) within the cities of Coachella, Indio, and Riverside County. The project will help maintain continuity in providing hydraulic analyses and other required supports to FEMA for the pending map revisions of the FIRMs in the effort to map the flood hazards of the Coachella Valley Stormwater Channel. There is no projected impact on operating costs.

SW0042 - Coachella Valley Stormwater Channel Improvements - Phase 1

This project includes design and environmental studies for improvements within the Coachella Valley Stormwater Channel to increase the conveyance capacity of stormwater flows from Avenue 54 to the Thermal drop structure. Increasing conveyance capacity will help protect life and property. There is no projected impact on operating costs.

SW1501 - Evacuation Channel Improvements - Avenue 64

This project incorporates the design of a portion of the Avenue 64 evacuation channel. It incorporates the area from approximately 2,000 feet west of Tyler Street to the Coachella Valley Stormwater Channel (CVSC). The design will also consider the Future Eastern Coachella Valley Stormwater Master Plan, which proposes to upsize the evacuation channel to accept flows from tributary facilities. In addition, this project will address recent flooding capacity issues associated with the panel failure and vegetation growth in the Avenue 64 evacuation channel. There is no projected impact to operating costs.

SW1605 - Federal Emergency Management Agency's Flood Insurance Rate Map (FIRM) Revisions

Hire an engineering consultant to prepare Letter of Map Revision (LOMR) package for submittal to FEMA. It also includes follow-up to address FEMA's comments or additional studies for areas within CVWD Stormwater boundary. There is no projected impact on operating costs.

SW0004 - Flood Control Project - Thousand Palms

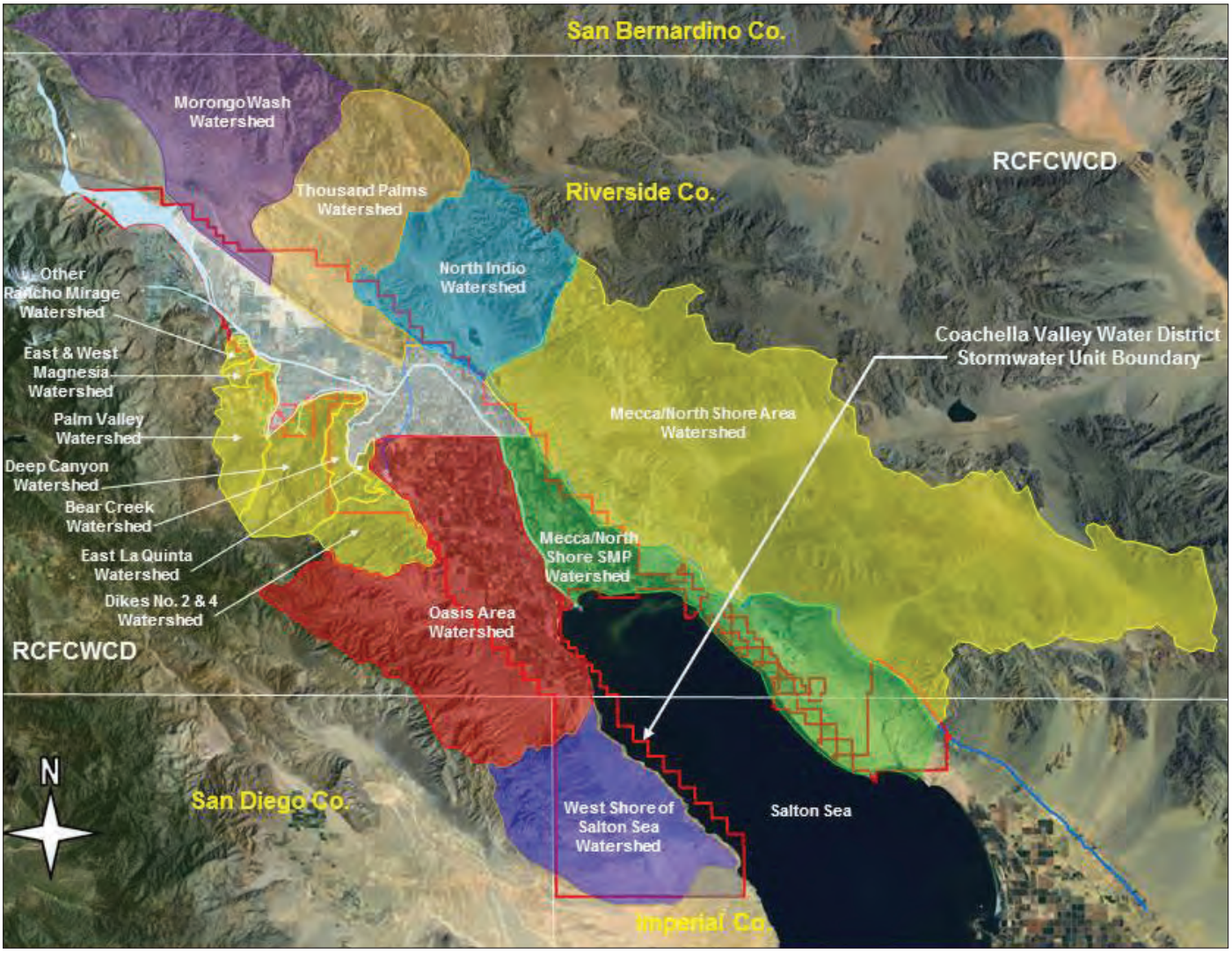
Design and construct a series of levees and channels to protect a portion of Thousand Palms and north Cathedral City from flooding. This project would convey flows to the Sun City Palm Desert flood control channel. In addition, this project will help to maintain the sand transport system essential to the survival of the endangered Coachella Valley Fringe-toed Lizard. The estimated annual impact to operating costs is $50,000 due to required annual maintenance.

SW1601 - Levee Certification for the East Side Dike - Adams Street to Dos Palmas

This project includes performing hydrology and hydraulics, along with hiring a geotechnical and/or engineering consultant to assist in levee certification of the East Side Dike to Federal Emergency Management Agency. The analyses are required components to certify the East Side Dike to FEMA as a regional stormwater facility. CVWD operates and maintains the East SideDike, which was built by the United States Bureau of Reclamation to protect the Coachella Canal and agricultural lands. There is no projected impact on operating costs.

Capital Improvement Budget - Stormwater

	Project No.	Budget 2015-16	Planned FY 2017	Planned FY 2018	Planned FY 2019	Planned FY 2020	Total 5-Year
Districtwide Project Allocation		113,960	819,400	736,900	128,100	88,100	1,886,460
Stormwater							
Coachella Valley Multiple Species Habitat Conservation Plan (CVMSHCP) Constructed Wetlands Project	SW0044	670,000	2,600,000	2,700,000	2,700,000	-	8,670,000
Coachella Valley Stormwater Channel (CVSC) - Hydraulic Analysis to support Federal Empergency Management Agency's (FEMA's) Levee Analysis Mapping Procedure (LAMP)	SW0039	100,000	100,000	100,000	100,000	100,000	500,000
Coachella Valley Stormwater Channel Improvements - Phase 1	SW0042	800,000	1,100,000	4,000,000	4,000,000	4,000,000	13,900,000
Evacuation Channel Improvements - Avenue 64	SW1501	100,000	1,600,000	1,600,000	1,700,000	-	5,000,000
FEMA Flood Insurance Rate MAP Revisions	SW1605	100,000	100,000	100,000	100,000	100,000	500,000
Flood Control - Thousand Palms	SW0004	500,000	3,000,000	3,000,000	3,000,000	3,000,000	12,500,000
Levee Certification for the East Side Dike - Adams Street to Dos Palmas	SW1601	500,000	2,000,000	2,000,000	2,000,000	2,000,000	8,500,000
Levee Certification for WWRSC/CVSC - Vista Chino to Monroe Street	SW1602	300,000	500,000	750,000	800,000	775,000	3,125,000
Rainfall Gauging Stations - Evaluation and Installation	SW1606	50,000	100,000	-	-	-	150,000
Regional Flood Control System - North Indio	SW0005	4,450,000	3,250,000	3,250,000	3,250,000	3,250,000	17,450,000
Slope Protection - CVSC Central Regeneration Facility	SW1607	500,000	4,400,000	3,000,000	-	-	7,900,000
Slope Protection - Whitewater River Park	SW1502	500,000	500,000	-	-	-	1,000,000
Slope Rehabilitation - Coachella Valley Stormwater Channel	SW1604	200,000	1,300,000	-	-	-	1,500,000
Slope Rehabilitation - Deep Canyon Stormwater Channel (DCSC)	SW1603	300,000	1,500,000	-	-	-	1,800,000
Stormwater Master Plan - Mecca/North Shore	SW0041	100,000	100,000	100,000	-	-	300,000
Stormwater Master Plan - North Cathedral City - Phase 1	SW0001	500,000	4,000,000	4,000,000	4,000,000	4,000,000	16,500,000
Stormwater Master Plan - Oasis	SW0040	100,000	100,000	100,000	-	-	300,000
Stormwater Master Plan - West Salton Sea	SW1402	50,000	50,000	50,000	50,000	50,000	250,000
Stormwater System Improvements - La Quinta	SW1609	500,000	500,000	500,000	500,000	305,000	2,305,000
Wasteway Channels Improvements	SW0054	2,800,000	2,725,000	2,725,000	-	-	8,250,000
Whitewater River Stormwater Channel (WRSC) and Coachella Valley Stormwater Channel General Maintenance Permits	SW0009	200,000	150,000	150,000	100,000	100,000	700,000
Whitewater River Stormwater Channel - Chaparral Channel Contouring	SW1608	500,000	500,000	500,000	500,000	500,000	2,500,000
Equipment							
2000 International Sprayer	MP1532	32,402	-	-	-	-	32,402
Caterpillar D7 Dozer	MP1535	179,263	-	-	-	-	179,263
Total Stormwater		**14,145,625**	**30,994,400**	**29,361,900**	**22,928,100**	**18,268,100**	**115,698,125**



CVWD Stormwater Unit boundary

SW1602 - Levee Certification for Whitewater River Stormwater Channel (WWRSC)/CVSC - Vista Chino to Monroe Street

This project includes hiring a geotechnical and/or engineering consultant to perform required studies for levee certification of the WWRSC/CVSC banks. The Whitewater River Stormwater Channel/Coachella Valley Stormwater Channel banks have identified levee portions with deficiencies. This project will help to determine required mitigations and prepare plans and other required submittal packages to certify to FEMA. There is no projected impact on operating costs.

SW1606 - Rainfall Gauging Stations - Evaluation and Installation

Hire an engineering consultant to determine the location and number of additional rainfall gauging stations required to provide additional rainfall data to better represent the amount and real distribution of rainfall within the Coachella Valley. There is no projected impact on operating costs.

SW1606 - Rainfall Gauging Stations - Evaluation and Installation (cont.)

SW0005 - Regional Flood Control System - North Indio

This project includes design and construction of a regional flood control conveyance from the Stormwater Master Plan for the North Indio area which has been completed. The project will capture flows from Del Webb Sun City and convey them through Sun City Shadow Hills and then on to the Coachella Valley Stormwater Channel. Operating costs are expected to increase $50,000 annually in operation and maintenance costs.

SW1607 - Slope Protection - Coachella Valley Stormwater Channel - Central Regeneration Facility

The project consists of design and environmental studies for concrete slope protection, compacted embankments, and a channel to protect WRP 4 and the central resin regeneration facility site from the regional flooding. This project is located between Avenue 62 and Avenue 64, and Fillmore Street and the Coachella Valley Stormwater Channel (CVSC). There is no projected impact on operating costs.

SW1502 - Slope Protection - Whitewater Park

This project involves the design and construction of concrete slope protection on the Whitewater River Stormwater Channel adjacent to the Whitewater Park in the city of Rancho Mirage. Preparation of construction plans and specifications has commenced. The projected impact on operating costs is minimal.

SW1604 - Slope Rehabilitation - Coachella Valley Stormwater Channel

Hire an engineering consultant to prepare construction plans and specifications for the repair of undermined portions of CVSC slope protection between Washington and Monroe Street. Rehabilitation will ensure lateral erosion protection, flood protection for adjacent properties, and safe conveyance of 100-year flood and standard project flood for this portion of the Coachella Valley Stormwater Channel. There is no projected impact on operating costs.

SW1603 - Slope Rehabilitation - Deep Canyon Stormwater Channel (DCSC)

Hire an engineering consultant to prepare repair plans and specifications for the repair of undermined portions of concrete DCSC slope protection between the Highway 111 Bridge and Mountain Cove Drive in the city of Indian Wells. The project includes performing the actual repair and rehabilitation work. There is no projected impact on operating costs.

SW0041 - Stormwater Master Plan - Mecca/North Shore

Perform hydrologic and hydraulic studies to develop a regional Stormwater Master Plan for the Mecca/North Shore area. The Master Plan will involve evaluation of the risks from alluvial fan flooding from the Santa Rosa Mountains riverine flooding, as well as local drainage. This project is critical to future growth in the Mecca/North Shore area, and will provide stormwater planning for future development. There is no projected impact to operating costs.

SW0001 - Stormwater Master Plan - North Cathedral City - Phase 1

This project includes design and construction of a flood control system, including a bridge across Interstate 10, to convey flows from Morongo Creek, north of Interstate 10 to the Whitewater River Stormwater Channel based on the Stormwater Master Plan for the north Cathedral City area. Construction of the channel will protect a portion of Cathedral City from flooding. The estimated annual impact to operating costs is $25,000 for required annual inspections, operations, and maintenance.

SW0040 - Stormwater Master Plan - Oasis

Perform hydrologic and hydraulic studies to develop a regional Stormwater Master Plan for the Oasis area. The Master Plan will involve evaluation of the risks from alluvial fan flooding from the Santa Rosa Mountains, riverine flooding from the Coachella Valley Stormwater Channel, and valley floor flooding. The master plan will help to strategically guide future CVWD and developer improvements in the area. A Letter of Map Revision report to update the FEMA flood insurance rate maps for the Oasis area will be submitted. There is no projected impact on operating costs.

SW1402 - Stormwater Master Plan - West Salton Sea

Perform hydrologic and hydraulic studies to develop a regional Stormwater Master Plan for the area west of the Salton Sea. The Master Plan will involve evaluation of the risks from alluvial fan flooding from the mountains located west of the Salton Sea. There is no projected impact to operating costs.

SW1609 - Stormwater System Improvements - La Quinta

This project analyzes the hydraulic capacity of the existing La Quinta Stormwater System utilizing current design standards for the 100-year flood and the standard project flood (SPF). The project will also examine alternative improvements required for identified deficiencies. There is no projected impact on operating costs.

SW0054 - Wasteway Channels Improvements

This project implements recommendations from the Preliminary Design Report (PDR) to repair existing wasteway channels. The existing wasteways have structural damage and are in a state of disrepair. Repair of the wasteways will ensure conveyance of stormwater flows from behind the detention dikes during a flooding event and provide the means to drain the

SW0054 - Wasteway Channels Improvements (cont.)

canal during an emergency. This project is projected to save approximately $5,000 per year in operation and maintenance costs.

SW0009 - Whitewater River Stormwater Channel (WWRSC) and Coachella Valley Stormwater Channel General Maintenance Permits

Complete a jurisdictional delineation report for the Whitewater River Stormwater Channel and the Coachella Valley Stormwater Channel, and obtain the required resource agency permits for operation and maintenance activities within WWRSC and CVSC. Permits will allow grading, excavating, and vegetation removal to restore channel flood control capacity. This project includes cultural and biological surveys. The estimated annual impact to operating costs is $100,000, because maintenance activities that have been postponed for many years will now be permitted.

SW1608 - Whitewater River Stormwater Channel Chaparral Channel Contouring

This project involves channel contouring to increase the conveyance capacity of the Whitewater River Stormwater Channel during the 100-year flood and the standard project flood. There is no projected impact on operating costs.

MP1532 - Replacement Equipment - 2000 International Sprayer

This equipment is obsolete and was budgeted for replacement in fiscal 2015. It was ordered but not received, so it had to be rebudgeted in fiscal 2016.

MP1535 - Replacement Equipment – Caterpillar D7 Dozer

This equipment was budgeted for replacement in fiscal 2015. It was ordered in fiscal 2015 but not received, so it had to be rebudgeted in fiscal 2016.

Nonpotable Water Projects

Nonpotable Water projects for fiscal 2016 are funded from unrestricted reserves and total $350,000.

NP1601 - Mid-Valley Pipeline Master Plan

Develop a Nonpotable Water Master Plan to define the needed infrastructure to allow additional customers to use nonpotable water and reduce the reliance on groundwater for turf irrigation purposes. The Nonpotable Water Master Plan will serve as a long-range planning document. This plan is intended to identify existing system deficiencies and recommend a phase expansion and/or upgrade program covering a 25-year planning period to meet current and future nonpotable water demand. There is no projected impact on operating costs.

Replenishment Projects

Projects for fiscal 2016 for the West Whitewater and East Whitewater Replenishment Funds total to $3.2 million and $15.5 million, respectively. All funding is from unrestricted reserves.

West Whitewater Replenishment

NPXXXX - Mid-Valley Pipeline Construction

Design and construct the next phase of the Mid-Valley Pipeline In-Lieu Recharge Project. This project entails the expansion of the Colorado River distribution system, provides critical capacity enhancements to the service area, and allows additional golf courses to connect, reducing reliance on groundwater for turf irrigation purposes. There is no projected impact on operating costs.

NPXXXX - Mid-Valley Pipeline Corrosion Protection System

Develop engineered plans and specifications to repair the Mid-Valley Pipeline. The plans and specifications will be used to solicit bids for the repair or replacement of existing cathodic protection systems. Impact on operating costs is unknown at this time.

Capital Improvement Budget - Nonpotable Water

	Project No.	Budget 2015-16	Planned FY 2017	Planned FY 2018	Planned FY 2019	Planned FY 2020	Total 5-Year
Mid-Valley Pipeline - Nonpotable Water Connections							
Mid-Valley Pipeline Master Plan	NP1601	350,000	-	-	-	-	350,000
Total Nonpotable		**350,000**	-	-	-	-	**350,000**

NP1502 - Nonpotable Water Pipeline Connection - Avondale Golf Club

Design and construct a nonpotable water pipeline and meter connection from WRP 10's 24-inch high-pressure distribution piping system to Avondale Golf Club. The connection will reduce reliance on groundwater for turf irrigation purposes. Operating costs are expected to increase by approximately $2,100 to cover maintenance and electrical costs. These costs will be offset by revenue from nonpotable water sales.

NPXXXX - Nonpotable Water Pipeline Connection - Chaparral Country Club

Design and construct a nonpotable connection from the Mid-Valley Pipeline to Chaparral Country Club. The connection will reduce reliance on groundwater for turf irrigation purposes. Annual maintenance and electricity costs are projected to increase operating costs by $2,100. These costs will be offset by revenue from nonpotable water sales.

NP1505 - Nonpotable Water Pipeline Connection - Desert Falls Country Club

Design and construct a nonpotable water pipeline and meter connection from WRP 10's 24-inch low-pressure distribution piping system to Desert Falls Country Club. The connection will reduce reliance on groundwater for turf irrigation purposes. Operating costs are expected to increase by approximately $2,100 for maintenance and electricity costs. These costs will be offset by revenue from nonpotable water sales.

NP1602 - Nonpotable Water Pipeline Connection - Emerald Desert Country Club

Design and construct a nonpotable water pipeline and meter connection from WRP 10's 24-inch high-pressure distribution piping system to Desert Falls Country Club. The connection will reduce reliance on groundwater for turf irrigation purposes. Operating costs are expected to increase by approximately $2,100 for maintenance and electricity costs. These costs will be offset by revenue from nonpotable water sales.

Capital Improvement Budget - Replenishment

	Project No.	Budget 2015-16	Planned FY 2017	Planned FY 2018	Planned FY 2019	Planned FY 2020	Total 5-Year
West Whitewater Replenishment							
Mid-Valley Pipeline Construction	NPXXXX	-	-	-	500,000	450,000	950,000
Mid-Valley Pipeline Corrosion Protection System	NPXXXX	-	65,000	-	-	-	65,000
Nonpotable Water Pipeline Connection - Avondale Golf Club	NP1502	820,000	-	-	-	-	820,000
Nonpotable Water Pipeline Connection - Chaparral Country Club	NPXXXX	-	-	-	30,000	235,000	265,000
Nonpotable Water Pipeline Connection - Desert Falls Country Club	NP1505	825,000	-	-	-	-	825,000
Nonpotable Water Pipeline Connection - Emerald Desert Country Club	NP1602	50,000	450,000	-	-	-	500,000
Nonpotable Water Pipeline Connection - Indian Wells Tennis Garden	NPXXXX	-	-	150,000	716,000	-	866,000
Nonpotable Water Pipeline Connection - Marriott Desert Springs	NPXXXX	-	75,000	1,085,000	-	-	1,160,000
Nonpotable Water Pipeline Connection - Marriott Shadow Ridge	NPXXXX	-	110,000	1,910,000	-	-	2,020,000
Nonpotable Water Pipeline Connection - Oasis Country Club	NPXXXX	-	-	-	250,000	1,068,000	1,318,000
Nonpotable Water Pipeline Connection - Palm Desert Resort Country Club	NPXXXX	-	-	-	-	150,000	150,000
Nonpotable Water Pipeline Connection - Palm Valley Country Club	NP1503	1,365,000	-	-	-	-	1,365,000
Nonpotable Water Pipeline Connection - Southwest Community Church	NPXXXX	-	-	100,000	335,000	-	435,000
Nonpotable Water Pipeline Connection - Suncrest Country Club	NPXXXX	-	-	-	-	150,000	150,000
Nonpotable Water Pipeline Connection - Woodhaven Country Club	WRXXXX	-	-	-	-	150,000	150,000
Whitewater River Easement Acquisition / Land Grant Renewal	UV1403	100,000	100,000	-	-	-	200,000
WRP 10 - Distribution Piping Upgrade	WRXXXX	-	-	-	-	50,000	50,000
WRP 10 - T2 Pump Station Upgrades	WRXXXX	-	60,000	315,000	-	-	375,000
Total West Whitewater		**3,160,000**	**860,000**	**3,560,000**	**1,831,000**	**2,253,000**	**11,664,000**
East Whitewater Replenishment							
L4 Pump Station Extension	C01505	4,000,000	-	-	-	-	4,000,000
Nonpotable Water Pipeline Connection - Bermuda Dunes Country Club	C01506	260,000	3,800,000	-	-	-	4,060,000
Nonpotable Water Pipeline Connection - Eagle Falls Golf Course	COXXXX	-	55,000	660,000	-	-	715,000
Nonpotable Water Pipeline Connection - Indian Springs Golf Club	NP1501	-	1,400,000	-	-	-	1,400,000
Nonpotable Water Pipeline Connection - Palm Royal Country Club	COXXXX	-	-	50,000	316,000	-	366,000
Nonpotable Water Pipeline Connection - PGA West Weiskopf Golf Course	C01504	-	-	-	1,745,000	-	1,745,000
Nonpotable Water Pipeline Connection - Rancho Casa Blanca Golf Course	COXXXX	-	50,000	735,000	-	-	785,000
Nonpotable Water Pipeline Connection - The Quarry Country Club Golf Course	COXXXX	-	-	-	150,000	1,550,000	1,700,000
Thomas E. Levy Groundwater Replenishment Facility - Security Improvements	LV0008	40,000	-	-	-	-	40,000
Thomas E. Levy Groundwater Replenishment Facility - Interties	LV0009	136,500	-	-	-	-	136,500
Oasis Expansion							
Irrigation System Expansion - Oasis Area	IR0041	11,050,000	11,050,000	-	-	-	22,100,000
Total East Whitewater		**15,486,500**	**16,355,000**	**1,445,000**	**2,211,000**	**1,550,000**	**37,047,500**

Nonpotable water distribution system

NPXXXX - Nonpotable Water Pipeline Connection - Indian Wells Tennis Garden

Design and construct a nonpotable water pipeline and meter connection from the Mid-Valley Pipeline to Indian Wells Tennis Garden. The connection will reduce reliance on groundwater for turf irrigation purposes. Annual maintenance and electricity costs are projected to increase operating costs by $2,100. These costs will be offset by revenue from nonpotable water sales.

NPXXXX - Nonpotable Water Pipeline Connection - Marriott Desert Springs

Design and construct a nonpotable water pipeline and meter connection from WRP 10's 24-inch low-pressure distribution piping system to Marriott Desert Springs' north course. The connection will reduce reliance on groundwater for turf irrigation purposes. Annual maintenance and electricity costs are projected, which will increase operating costs by $2,100. These costs will be offset by revenue from nonpotable water sales.

NPXXXX - Nonpotable Water Pipeline Connection - Marriott Shadow Ridge

Design and construct a nonpotable water pipeline and meter connection from WRP 10's 24-inch low-pressure distribution piping system to Marriott Shadow Ridge. The connection will reduce reliance on groundwater for turf irrigation purposes. Annual maintenance and electricity costs are projected, which will increase operating costs by $2,100. These costs will be offset by revenue from nonpotable water sales.

NPXXXX - Nonpotable Water Pipeline Connection - Oasis Country Club

Design and construct a nonpotable water pipeline and meter connection from WRP 10's 24-inch high-pressure distribution piping system to Oasis Country Club. The connection will reduce reliance on groundwater for turf irrigation purposes. Annual maintenance and electricity costs are projected, which will increase operating costs by $2,100. These costs will be offset by revenue from nonpotable water sales.

NPXXXX - Nonpotable Water Pipeline Connection - Palm Desert Resort Country Club

Design and construct a nonpotable water pipeline and meter connection from WRP 10's 24-inch high-pressure distribution piping system to Palm Desert Resort Country Club. The connection will reduce reliance on groundwater for turf irrigation purposes. Annual maintenance and electricity costs are projected, which will increase operating costs by $2,100. These costs will be offset by revenue from nonpotable water sales.

NP1503 - Nonpotable Water Pipeline Connection - Palm Valley Country Club

Design and construct a nonpotable water pipeline and meter connection from WRP 10's 24-inch high-pressure distribution piping system to Palm Valley Country Club. The connection will reduce reliance on groundwater for turf irrigation purposes. Operating costs are expected to increase by approximately $2,100 to cover maintenance and electricity costs. These costs will be offset by revenues from nonpotable water sales.

NPXXXX - Nonpotable Water Pipeline Connection - Southwest Community Church

Design and construct a nonpotable water pipeline and meter connection from the Mid-Valley Pipeline to Southwest Community Church. The connection will reduce reliance on groundwater for turf irrigation purposes. Annual maintenance and electricity costs are projected, which will increase operating costs by $2,100. These costs will be offset by revenues from nonpotable water sales.

NPXXXX - Nonpotable Water Pipeline Connection - Suncrest Country Club

Design and construct a nonpotable water pipeline and meter connection from WRP 10's 24-inch high-pressure distribution piping system to Suncrest Country Club. The connection will reduce reliance on groundwater for turf irrigation purposes. Annual maintenance and electricity costs are projected, which will increase operating costs by $2,100. These costs will be offset by revenues from nonpotable water sales.

WRXXXX - Nonpotable Water Pipeline Connection - Woodhaven Country Club

Design and construct a nonpotable water pipeline and meter connection from WRP 10's 24-inch high-pressure distribution piping system to Woodhaven Country Club. The connection will reduce reliance on groundwater for turf irrigation purposes. Annual maintenance and electricity costs are projected, which will increase operating costs by $2,100. These costs will be offset by revenues from nonpotable water sales.

UV1403 - Whitewater River Easement Acquisition / Land Grant Renewal

Acquire Whitewater River Easement, renew BLM Grant LA052742 for West Whitewater Groundwater Replenishment facility, renew BLM grant CA-19150

UV1403 - Whitewater River Easement Acquisition / Land Grant Renewal (cont.)

for the Whitewater River Low Flow Crossing, andacquire BLM grant for 550 acres in Section 32 for groundwater replenishment projects to eliminate groundwater overdraft, and provide works for stormwater control. There is no projected impact on operating costs.

WRXXXX - WRP 10 - Distribution Piping Upgrade

Design and construct a new 24-inch diameter pipeline, along the same alignment of WRP 10's low-pressure system distribution piping. This will provide a critical capacity enhancement to this service area, and will allow additional golf courses to connect and reduce reliance on groundwater for turf irrigation purposes. There is no projected impact on operating costs.

WRXXXX - WRP 10 - T2 Pump Station Upgrade

Design and construct an additional pump at WRP 10's T2 Pump Station to increase pumping capacity on the high-pressure distribution system. Pump improvements will allow additional golf course connections and reduce reliance on groundwater for turf irrigation purposes. Annual maintenance and electricity costs are projected to increase operating costs by $11,000.

East Whitewater Replenishment

CO1505 - L4 Pump Station Extension

Design and construct an extension to Irrigation Lateral 120.8 from the L4 Pump Station to the La Quinta Resort Mountain Golf Course, Dunes Golf Course, and La Quinta Country Club. The connections will reduce reliance on groundwater for turf irrigation. Annual maintenance and electricity costs are projected to increase operating costs by $2,100. These costs will be offset by revenues from nonpotable water sales.

CO1506 - Nonpotable Water Pipeline Connection - Bermuda Dunes Country Club

Design and construct a nonpotable water pipeline and meter connection from the Coachella Canal to Bermuda Dunes Country Club. The connection will reduce reliance on groundwater for turf irrigation purposes. Annual maintenance and electricity costs are projected, which will increase operating costs by $2,100. These costs will be offset by revenues from nonpotable water sales.

COXXXX - Nonpotable Water Pipeline Connection - Eagle Falls Golf Course

Design and construct a canal water pipeline and meter connection from the Coachella Canal Irrigation Distribution piping system to the Eagle Falls Golf Course. The connection will reduce reliance on groundwater for turf irrigation purposes. Annual maintenance and electricity costs are projected to increase operating costs by $2,100. These costs will be offset by revenues from nonpotable water sales.

NP1501 - Nonpotable Water Pipeline Connection - Indian Springs Golf Club

Design and construct a nonpotable water pipeline and meter connection from the Mid-Valley Pipeline to Indian Springs Golf Club. The connection will reduce reliance on groundwater for turf irrigation purposes. Annual maintenance and electricity costs are projected to increase operating costs by $2,100. These costs will be offset by revenues from nonpotable water sales.

COXXXX - Nonpotable Water Pipeline Connection - Palm Royale Country Club

Design and construct a nonpotable water pipeline and meter connection from the Mid-Valley Pipeline to Palm Royale Country Club. The connection will reduce reliance on groundwater for turf irrigation purposes. Annual maintenance and electricity costs are projected to increase operating costs by $2,100. These costs will be offset by revenues from nonpotable water sales.

CO1504 - Nonpotable Water Pipeline Connection - PGA West Weiskopf Golf Course

Design and construct a canal water pipeline and meter connection from Irrigation Lateral 123.45 to the Weiskopf Golf Course, within PGA West. The connection will reduce reliance on groundwater by $2,100. These costs will be offset by revenues from nonpotable water sales.

COXXXX - Nonpotable Water Pipeline Connection - Rancho Casa Blanca RV Resort & Country Club

Design and construct a canal water pipeline and meter connection from Irrigation Lateral 109.8 to Rancho Casa Blanca RV Resort & Country Club. The connection will reduce reliance on groundwater for turf irrigation purposes. Annual maintenance and electricity costs are projected to increase operating costs by $2,100. These costs will be offset by revenues from nonpotable water sales.

COXXXX - Nonpotable Water Pipeline Connection - Rancho Casa Blanca RV Resort & Country Club (cont.)

COXXXX - Nonpotable Water Pipeline Connection - The Quarry Country Club Golf Course

Design and construct a canal water pipeline and meter connection from Lake Cahuilla to the Quarry Country Club. The connection will reduce reliance on groundwater for turf irrigation purposes. Annual maintenance and electricity costs are projected to increase operating costs by $2,100. These costs will be offset by revenues from nonpotable water sales.

LV0008 - Thomas E. Levy (TEL) Groundwater Replenishment Facility - Security Improvements

This project consists of installing a new chain link fence with double car gate near the entrance. The fencing will improve site security and prevent unauthorized access to the TEL facility. This will reduce vandalism and decrease operating costs by $2,500.

LV0009 - Thomas E. Levy Groundwater Replenishment Facility - Interties

This project consists of constructing two intertie pipelines to improve operations and groundwater replenishment. The interties are expected to reduce site maintenance costs by $2,500.

Oasis Expansion

IR0041 - Irrigation System Expansion - Oasis Area

This is a multiyear project to design and construct an irrigation system to serve an additional 7,100 acres of land in the Oasis area. This project includes three reservoirs, five pump stations, and several miles of conveyance. The design phase includes environmental, assessment engineering, and options on land acquisition for the three reservoir sites. Construction is projected to be completed by fiscal 2017. Currently, costs for this project are being funded by the Canal Water Fund and the East Whitewater Replenishment Fund. In addition, a portion of this project will be funded by a proposed assessment district.

Barko mulcher clearing vegetation in the stormwater channel

Motorpool

Planned purchases for vehicles and heavy equipment for fiscal 2016 totals $4.1 million, including $1.3 million in rebudgeted equipment. Equipment is funded by unrestricted reserves from the appropriate enterprise fund.

The table below reflects the Five-Year Motorpool Capital Improvement Budget by cost by fund.

The table on the following page depicts stock by department being replaced in fiscal 2016.

Capital Improvement Budget - Motorpool

	Budget 2015-16*	Planned FY 2017	Planned FY 2018	Planned FY 2019	Planned FY 2020	Total 5-Year
Motorpool - Replacements by Fund						
Domestic Water	1,156,000	77,000	821,000	1,858,000	1,179,000	5,091,000
Canal Water	1,012,000	25,000	167,000	406,000	254,000	1,864,000
Sanitation	510,000	32,000	796,000	265,000	779,000	2,382,000
Stormwater	1,010,000	2,784,000	695,000	463,000	733,000	5,685,000
Nonpotable Water	10,000	4,000	6,000	9,000	11,000	40,000
West Whitewater Replenishment	154,000	4,000	113,000	71,000	116,000	458,000
Mission Creek Replenishment	-	2,000	6,000	-	-	8,000
East Whitewater Replenishment	161,000	4,000	115,000	69,000	114,000	463,000
Motorpool	133,000	4,000	88,000	4,000	37,000	266,000
Total Motorpool	**4,146,000**	**2,936,000**	**2,807,000**	**3,145,000**	**3,223,000**	**16,257,000**

** Fiscal 2016 inlcudes $1.3 million rebudgeted replacements from fiscal 2015 previously funded by the appropriate enterprise fund*

Capital Improvement Budget - Motorpool

Department	Division	Vehicle Replaced	Yr/Make/Model of Vehicle Being Replaced	Replacement Vehicle Type	Adopted Budget
Engineering	Inspection	2258	2008 Ford PU 4WD 1/2 Ton	1/2 Ton 4WD Pick-up	25,000
Finance	Warehouse	809	2000 Hyster Forklift 4k	Forklift 4k	34,000
Human Resources	Safety	363	2003 Ford PU 2WD 1/2 Ton	1/2 Ton 2WD Pick-up	23,000
Operations	Meter Repair	206	2004 Ford PU 2WD 1/2 Ton	1/2 Ton 2WD Pick-up	23,000
Operations	Water Quality	172	2005 Chevy PU 2WD 1/2 Ton	1/2 Ton 2WD Pick-up	23,000
Operations	Paving	2180	2006 Chevy PU 2WD 1/2 Ton	1/2 Ton 2WD Pick-up	23,000
Operations	Water Quality	2176	2006 Chevy PU 4WD 1/2 Ton	1/2 Ton 4WD Pick-up	25,000
Operations	West Shores	2266	2011 Ford PU 4WD 1/2 Ton	1/2 Ton 4WD Pick-up	25,000
Operations	WRPs 1, 2 and 4	187	2005 Chevy PU 2WD 1/2 Ton	1/2 Ton 4WD Pick-up	25,000
Operations	WRPs 1, 2 and 4	2221	2007 Ford PU 2WD 1/2 Ton	1/2 Ton 4WD Pick-up	25,000
Operations	Pressure Control	553	2005 Chevy Maintainer Truck	Maintainer Truck 26k GVWR	137,000
Operations	Leak Repair	549	2006 Chevy Dump Truck 26k	Dump Truck 26, GVWR	98,000
Operations	Sanitation Collection	630	2000 Trail-Eze Tilt Trailer	Trailer, Equipment Transport, 445 GVWR	28,000
Operations	Service Workers	2407	2008 Ford 4WD Utilbed Truck	Utility Bed Truck 4WD	60,600
Operations	Leak Repair	704	2002 CAT 416D Backhoe 2WD	Backhoe Loader	141,000
Operations	Contraction Crew 1	705	2002 John Deer 710D Backhoe 2WD	Backhoe Loader	177,000
Service	Meter Readers	213	2004 Ford PU 2WD 1/2 Ton	1/2 Ton 2WD Pick-up	23,000
Service	Zanjeros	378	2002 Ford PU 4WD 1/2 Ton	1/2 Ton 4WD Pick-up	25,000
Service	Zanjeros	249	2003 Ford PU 4WD 1/2 Ton	1/2 Ton 4WD Pick-up	25,000
Service	Zanjeros	193	2005 Chevy PU 4WD 1/2 Ton	1/2 Ton 4WD Pick-up	25,000
Service	Zanjeros	2262	2009 Ford PU 4WD 1/2 Ton	1/2 Ton 4WD Pick-up	25,000
Service	Zanjeros	2263	2009 Ford PU 4WD 1/2 Ton	1/2 Ton 4WD Pick-up	25,000
Service	Zanjeros	2265	2011 Ford PU 4WD 1/2 Ton	1/2 Ton 4WD Pick-up	25,000
Trades & Support	Auto Shop	110	2006 Ford SIV 4WD Expedition	Full-size 4x4 SUV	45,000
Trades & Support	Facilities Maintenance	2224	2007 Ford PU 2WD 1/2 Ton	1/2 Ton 2WD Pick-up	23,000
Trades & Support	Drainage	2260	2009 Ford PU 4WD 1/2 Ton	1/2 Ton 4WD Pick-up	25,000
Trades & Support	Electronics	338	2001 GMC Excab 4WD 1/2 Ton	Cargo Van 2WD	35,000
Trades & Support	Drainage	720	1999 Koma D155AX Dozer	D8 Dozer	730,000
Trades & Support	Mechanical	404	1999 Ford Utilbed Truck	Utility Bed Truck 2WD	83,000
Trades & Support	Mechanical	406	2003 Ford Utilbed Truck	Utility Bed Truck 2WD	83,000
Trades & Support	Electricians	408	2003 Ford Utilbed Truck 2WD	Utility Bed Truck 4WD	60,600
Trades & Support	Electricians	2404	2007 Ford Utilbed Truck 4WD	Utility Bed Truck 4WD	60,600
Trades & Support	Canal Maintenance	439	2006 Ford Fuel Truck 17k	Utility Bed Truck 4WD	60,600
Trades & Support	Drainage	412	2005 Ford Fuel Truck 17k	Utility Bed Truck 4WD	60,600
Trades & Support	Canal Maintenance	701	2001 Volvo G780 Grader	AWD Motor Grader	510,000
Trades & Support	Canal Maintenance	911	1987 JCB Road King Sloper	Slope Board	50,000
Fiscal 2016 Replacement Total					**2,892,000**
Rebudgeted Items from Fiscal 2015					
Operations	Service Workers	2408	2008 Ford Utilbed Truck 12k	Ford F-350	45,000
Trades and Support	Carpenter Shop	436	2001 GMC Utilbed Truck 15k	Ford F-550	65,000
Trades and Support	Carpenter Shop	423	2001 GMC Utilbed Truck 15k	Ford F-550	65,000
Trades and Support	Facilities Maintenance	653	2002 Morbark Chipper	Morbark M18RX Chipper	69,000
Trades and Support	Electric Shop	496	2004 Ford Utilbed Truck 2WD 15k	Ford F-550	55,000
Trades and Support	Electrical - Pump Maintenance	426	2006 Ford Utilbed Truck 18k	Ford F-550	86,000
Trades and Support	Canal Maintenance	479	2003 Ford Utilibed Truck 2WD 15k	Ford F-550	86,000
Trades and Support	Canal Maintenance	2416	2007 Ford Utilibed Truck 12k	Ford F-550	62,000
Trades and Support	Stormwater	517	2000 International Sprayer	Ford F-550	97,000
Trades and Support	Stormwater	727	1984 CAT D7 Dozer LPG	Cat D8 Dozer	538,000
Trades and Support	Auto Shop	424	1999 GMC Utilbed Truck 11k	Ford F-550	86,000
Fiscal 2015 Rebudgeted Total					**1,254,000**
Combined Motorpool Total					**4,146,000**

Acronyms

A/C	Air Conditioner
ACA	Affordable Care Act
ACH	Automated Clearing House
ACVWDM	Association of Coachella Valley Water District Managers
ADR	Automated Demand Response
AF	Acre-Foot or Acre-Feet
AMI	Advanced Meter Infrastructure
AMR	Automated Meter Reading
AMWA	Association of Metropolitan Water Agencies
AOB	Area of Benefit
AQMD	Air Quality Management District
ARC	Annual Required Contribution
ASA	Adaptive Security Appliance
ASSET	Association of Supervisory Support Evaluation Team
AWWA	American Water Works Association
BDCP	Bay-Delta Conservation Plan
BIA	Bureau of Indian Affairs
BLM	Bureau of Land Management
BPS	Booster Pump Station
CAD	Computer-Aided Design
CAFR	Comprehensive Annual Financial Report
CalPERS	California Public Employee's Retirement System
Cal/VPP Star	California Voluntary Protection Program Star
CARB	California Air Resources Board
Ccf	One Hundred Cubic Feet
CCLP	Coachella Canal Lining Project
CCTV	Closed Circuit Television
CEQA	California Environmental Quality Act
CIB	Capital Improvement Budget
CIP	Capital Improvement Plan
CMC	Concrete Mortar Coated
CML	Concrete Mortar Lined
CMMS	Computerized Maintenance Management System
COBRA	Consolidated Omnibus Budget Reconciliation Act
COLAs	Cost-of-Living Adjustments
COP	Certificates of Participation
CPI	Consumer Price Index
CPR	Cardiopulmonary Resuscitation
Cr-6	Chromium-6
CVILC	Coachella Valley Irrigated Lands Coalition
CVMSHCP	Coachella Valley Multiple Species Habitat Conservation Plan
CVRWMG	Coachella Valley Regional Water Management Group
CVSC	Coachella Valley Stormwater Channel
CVWD	Coachella Valley Water District
CVWDEA	Coachella Valley Water District Employees Association
CVWMP	Coachella Valley Water Management Plan
DCSC	Deep Canyon Stormwater Channel
DHCCP	Delta Habitat Conservation and Conveyance Program
DIP	Ductile Iron Pipe
DMS	Document Management System
DMZ	Demilitarized Zone (firewall)
DWA	Desert Water Agency
DWR	Department of Water Resources
EAP	Employee Assistance Program
EDU	Equivalent Dwelling Unit
EERO	Employer-Employee Relations Ordinances
EMS	Energy Management System
EOC	Emergency Operation Center
EPA	Environmental Protection Agency
ESS	Employee Self-Serve Solution
EUM	Effective Utility Management
FCC	Federal Communication Commission
FEMA	Federal Emergency Management Agency
FIRM	Flood Insurance Rate Maps
FSA	Flexible Spending Account
FTE	Full-Time Equivalent
FTP	File Transfer Protocol
GAAP	Generally Accepted Accounting Principles
GASB	Governmental Accounting Standards Board
GE	General Electric

GFOA	Government Finance Officers Association
GHS	Global Harmonization System
GIS	Geographic Information System
GLC	Glorious Land Company
GPS	Global Positioning System
HDPE	High Density Polyethylene
HMI	Human Machine Interface
HOA	Homeowner's Association
HP	Horsepower
HVAC	Heating, Ventilation, and Air Conditioning
ID 1	Improvement District 1
ID 11	Improvement District 11
ID 53	Improvement District 53
IID	Imperial Irrigation District
IIPP	Injury Illness Prevention Program
I/O	Input/Output
IP	Internet Protocol
IRWMP	Integrated Regional Water Management Plan
IS	Information Systems
ISO	Insurance Services Office
IVR	Interactive Voice Response
IXTP	Ion Exchange Treatment Plant
KW	Kilowatt
L4	La Quinta 4 Pump Station
LAMP	Levee Analysis Mapping Procedure
LAN	Local Area Network
LIMS	Laboratory Information Management System
LLPT	Local Levee Partnership Team
LOMR	Letter of Map Revision
MHPZ	Mission Hills Pressure Zone
MOU	Memorandum of Understanding
MP	Mile Post
MPN	Medical Provider Network
MVP	Mid-Valley Pipeline
MWD	Metropolitan Water District
NEPA	National Environmental Protection Act
NFPA	National Fire Protection Association
NPDES	National Pollutant Discharge Elimination System
O&M	Operations and Maintenance
OPEB	Other Post-Employment Benefits
OSHA	Occupational Safety & Health Administration
PCI	Payment Card Industry
PDR	Preliminary Design Report
PEPRA	Public Employee Pension Reform Act
PLC	Programmable Logic Controller
PPB	Parts per Billion
PPO	Preferred Provider Organization
PUC	Public Utilities Commission
PVC	Polyvinyl Chloride
QSA	Quantification Settlement Agreement
RAC	Replenishment Assessment Charge
RAS	Return Activated Sludge
RDA	Redevelopment Agency
RFP	Request for Proposal
RMP	Risk Management Plan
ROW	Right-of-Way
RTU	Remote Terminal Unit
SCADA	Supervisory Control and Data Acquisition
SCC	Sanitation Capacity Charge
SCE	Southern California Edison
SCIF	State Compensation Insurance Fund
SDCWA	San Diego County Water Authority
SGMA	Sustainable Groundwater Management Act
SMPZ	Sky Mountain Pressure Zone
SNMP	Salt and Nutrient Management Plan
SPF	Standard Project Flood
SWP	State Water Project
SWRCB	State Water Resources Control Board
SWSC	Supplemental Water Supply Charge
T1	Tertiary Plant 1
TEL	Thomas E. Levy Groundwater Replenishment Facility
TOU	Time of Use
UPRR	Union Pacific Railroad
USBR	United States Bureau of Reclamation
USGS	United States Geological Survey
UWMP	Urban Water Management Plan
VCP	Vitrified Clay Pipe

VDI	Virtual Desktop Infrastructure
VFD	Variable Frequency Drive
VMS	Virtual Memory System
VOIP	Voice Over Internet Protocol
VPN	Virtual Private Network
VPZ	Valley Pressure Zone
WAN	Wide Area Network
WAS	Waste Activated Sludge
WQL	Water Quality Laboratory
WRP	Wastewater Reclamation Plant
WSBFC	Water System Backup Facility Charge
WWRSC	Whitewater River Stormwater Channel
WWSA	Whitewater Spreading Area

Glossary

Accrual Basis of Accounting. Method of accounting that recognizes the financial effect of transactions, events and interfund activity when they occur, regardless of the timing of related cash flows. Revenues are recorded when earned and expenses recognized when incurred.

Active. The asset is functioning.

Adequacy. 1. When the asset is able to do the job that it is assigned to do (e.g., flow capacity relative to required capacity); 2. Delivery of an acceptable quantity and quality of water at a suitable pressure in response to customer requirements.

Advanced Meter Infrastructure (AMI). Provides more information including data from other sensors, extended meter history or unusual patterns captured by the meter.

Advanced Treatment. A treatment process that involves sophisticated methods to bring about high quality water. Advanced treatment is often associated with drinking water, reuse, or wastewater treatment.

Aeration. A gas transfer unit process that allows for the absorption of gas (most commonly oxygen) by water.

Aerator. A device that brings air into contact with a liquid for the purpose of mixing or transferring gasses from air into the liquid phase.

Air Relief Valve. A valve that allows accumulating gases to escape at the top of the valve and seal closed when displaced by liquid.

All-American Canal. An 80-mile (130 km) long aqueduct, located in southeastern California. It conveys water from the Colorado River into the Imperial Valley and to nine cities. It is the Imperial Valley's only water source.

Alluvial Fan. A fan- or cone-shaped deposit of sediment crossed and built up by streams.

Alluvial Fan Flooding. Flooding occurring on the surface of an alluvial fan or similar landform, which originates at the highest spot and is characterized by high-velocity flows; active processes of erosion, sediment transport, and deposition; and unpredictable flowpaths.

Appropriation. Authorization of funds restricting expenditure to a designated purpose(s) within a specified time frame.

Appurtenances. Something added to another, more important thing; an appendage.

Aqueduct. A conduit, at or above ground level, to convey water by gravity.

Aquifer. An underground layer of water bearing permeable rock or unconsolidated materials (gravel, sand, silt) from which groundwater can be extracted.

ArcGIS. A geographic information system (GIS) for working with maps and geographic information. It is used for creating and using maps, compiling geographic data, analyzing mapped information, sharing and discovering geographic information, using maps and geographic information in a range of applications, and managing geographic information in a database.

Artesian Well. A well in which water flows to the surface under natural pressure without pumping.

Asset. Anything of value such as an area of land, or a building, or an item of plant or equipment or infrastructure that provides service potential or future economic benefits over a period greater than one year, and has a cost that is material (at least $10,000). Assets are typically classified as either physical, financial (e.g., cash, stocks, debt instruments), or intangible (e.g., intellectual property, goodwill).

Automated Meter Reader (AMR). A method of conveying water meter reading without interfacing directly with the meter or a contact point, normally through radio transmitters.

Balanced Budget. The District's current operating expenses will be paid from current revenues and reserves carried forward from the prior year.

Biosolids. Nutrient-rich organic materials resulting from the treatment of domestic sewage in a treatment facility.

Blower. Mechanical equipment used to pump air.

Bureau of Reclamation (USBR), formerly the United States Reclamation Service. An agency under the U.S. Department of the Interior, which oversees water resource management, specifically as it applies to the oversight and/or operation of numerous diversion, delivery and storage projects it built throughout the western United States for irrigation, water supply, and attendant hydroelectric power generation.

Bypass Line. A pipe designed to divert flow around a pipe segment, typically to enable maintenance or another activity to be performed.

California Environmental Quality Act (CEQA). A California statute passed in 1970, shortly after the United States federal government passed the National Environmental Policy Act (NEPA), to institute a statewide policy of environmental protection. CEQA does not directly regulate land uses, but instead requires state and local agencies within California to follow a protocol of analysis and public disclosure of environmental impacts of proposed projects and adopt all feasible measures to mitigate those impacts.

Channel. An open (nonpressurized) waterway that conveys water between two points.

Check Valve. A controlling device connected to a pipe that only permits flow in one direction.

Chlorination. The process of adding the element chlorine to water for oxidation and disinfection. Chlorine systems can use chlorine gas, hypochlorite solution or onsite hypochlorite generation.

Chlorinator. A device used to add chlorine to water.

Chromium-6 (Cr-6). A form of the metallic element chromium that is found naturally in common minerals. Also known as hexavalent chromium.

Classic Member. An existing CalPERS member as of December 31, 2012; or a member that has a break in servie of more than six months, but returns to service with the same employer.

Coachella Canal. A 123-mile (196 km) aqueduct that conveys Colorado River water for irrigation from the All-American Canal to the Coachella Valley in Riverside County, California.

Collapse. A failed segment of a sanitary sewer in which a portion of the pipe has broken away and invariably blocks the passage of wastewater.

Controller. A device that controls the starting, stopping, or operation of a device or piece of equipment.

Conveyance System. The combination of assets used to deliver an adequate supply of the selected material (water) from one point to another. The conveyance can include piping, pumps, controls (valves), and storage.

Cooling Tower. A tower-like device in which atmospheric air circulates and cools warm water, generally by direct contact (evaporation).

Cyber Attack. Any type of offensive maneuver employed by individuals or whole organizations that target computer information systems, infrastructures, computer newtworks and/or personal computer devices by various means of malicious acts, usually originating from an anonymous source that either steals, alters or destroys a specified target by hacking into a suseptible system.

Delivery System. The piping, valves and related assets that convey water from one point in the operation to another. For example, a delivery system can take water from the intake to the plant or from plant to the customer.

Depreciation. The reduction in value of a long lived asset from use or obsolescence. The decline in value is recognized by a periodic allocation of the original cost of the asset to current operations on an income statement.

Diffuser. A device to inject a gas or liquid into water, so that it disperses evenly.

Downtime. The time that water mains or service lines are unavailable for use. Can be a function of a failure and the time to restore service or can refer to the time required to renew the main or service.

Drain. A gravity system the carries water from a higher level of flow to a lower level, usually via pipe.

Dry Well. A dry compartment of a pumping station where pumps are located.

Effective Utility Management. A nationally recognized framework designed to help water and wastewater utility managers make practical, systematic changes to achieve excellence in utility performance.

Enterprise Fund. Proprietary fund type used to report an activity for which a fee is charged to external users for goods or services.

Environmental Protection Agency (EPA or sometimes USEPA). An agency of the United States federal government which was created for the purpose of protecting human health and the environment by writing and enforcing regulations based on laws passed by Congress.

Estuary. An arm of the sea that extends inland to meet the mouth of a river.

Filter. A unit designed with a physical barrier (media or screen) to remove particulate matter from a liquid stream but allows a stream to pass through. May operate by gravity or applied pressure.

Filter Press. A device used to dewater sludge by applying pressure between two plates or belts to force water out and leave a sludge cake.

Flocculation. A sanitation treatment process that applies gentle stirring to bring suspended particles together so that they will form larger, more settleable clumps called floc.

Flocculation Basin. A tank used for formation of floc by gentle stirring.

Forebay. A small reservoir at the head of the pipeline that carries water to the consumer.

Full-Time Equivalent (FTE). A measure of labor requirement equal to the full time use of one worker (e.g., could be one person full time or two people half time).

Fund. Fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources; including all related liabilities and residual equities or balances, with changes segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

Gauge. A device or instrument for measuring and registering a physical property (e.g., pressure gauge).

Headworks. Structures and devices located at the diversion point of a pipe, channel, or treatment process. The beginning or point of origin of a treatment process.

Hydraulic. Operated by the pressure created by forcing water through a comparatively narrow pipe or orifice.

Hydrologic. Of or dealing with the science of occurrence, circulation, distribution, and properties of the waters of the earth and its atmosphere.

Inflow. Sewage that enters into a sewer system at points of direct connection from various sources.

Influent. A stream of liquid that enters a location; such as a water plant intake.

Intake. A structure or device placed in a surface water source to permit the withdrawal of water.

Interruption. An event in which the customer is deprived of a proper level of service. For water service, it typically implies loss of flow and pressure to a few customers for brief periods.

Ion Exchange. A reversible chemical process to exchange ions in solution with ions from an insoluble solid medium.

Lagoon. A detention or holding pond used to contain sludge that may promote evaporation, sedimentation, or biological oxidation.

Lake. A body of relatively still water, of considerable size.

Manhole. The opening in a vault to allow access for maintenance, inspections, and operations to pipelines. In sewer lines, this can interface directly with the run of flow through adjacent sewer pipe.

Meter. A device that measures and records the quantity of a substance, such as water or energy that has passed through it during a specified period.

Metropolitan Water District of Southern California (MWD). The largest supplier of treated water in the US. It is a cooperative of 14 cities and 12 municipal water districts that indirectly provides water to 18 million people in its 5,200-square-mile (13,000 km2) service area.

Odor Control. The elimination of odors by aeration, chemical oxidation, adsorption or other means.

Outage. An event in which the customer is deprived of a proper level of service. For water service, it typically implies loss of flow and pressure to multiple customers for extended periods.

Overflow. A sewer overflow is a discharge of untreated, raw sewage into local waterways. Overflows occurs when there is too much wastewater for the sewer system or treatment plants to handle, such as after heavy rainstorms.

Peak Demand. The experienced or calculated maximum requirements for management of wastewater or delivery of water expressed as a unit of time (year, month, day, hour, minute).

PEPRA Member. A new hire who has no prior membership in any California public retirement system prior to January 1, 2013; and who is rehired by a different CalPERS employer after a break in service of greater than six months.

Pipe. A conduit that conducts or diverts water from one location to another.

Pressure. The amount of force per unit area. In water, this is expressed in pounds per square inch (psi) or an equivalent of the weight of a water column at a specific height (feet) exerted in a confident space.

Pressure Zone. An area within a distribution system in which the pressure is maintained by pumps, tank levels, or regulators independent from any adjacent pressure zone (separated by valves).

Pump. A mechanical device for raising or lifting water, pushing it, and changing flow and pressure.

Pump Station. A structure containing pumps and appurtenant piping, valves, and other mechanical and electrical equipment for pumping raw water. Also called a lift station.

Quagga Mussel. A subspecies of freshwater mussel, an aquatic bivalve mollusk. It is one of seven Dreissena species and has an average life span of 3 to 5 years. Quagga Mussels were discovered in Lake Mead on January 6, 2007 and all reservoirs, lakes and watersheds receiving raw Colorado River water have been exposed to Quagga Mussels.

Quality. Measures the performance of assets to perform their function toward meeting regulatory and nonregulatory goals; these are often associated with water quality.

Redevelopment Agency (RDA). Created for the purpose of improving, upgrading, and revitalizing areas within the City that had become blighted because of deterioration, disuse, and unproductive economic conditions. It is a legal and separate public body, with separate powers and a separate budget from the City. In February 2012 all Redevelopment Agencies within the State of California were dissolved.

Regulator. A device for controlling flow, movement or pressure.

Release Piping System. A piping system, including pipes, fittings, and valves, for discharging stored water from a dam or impoundment; as opposed to a spillway that discharges only when the water level reaches an overflow level.

Reliability. The probability that a system performs a specified function or mission under given conditions for a prescribed time.

Replenish. A hydrologic process where water, usually from an imported source, is moved through layers of sand, dirt, and rock to groundwater.

Reserves. The amount of cash and investments in a fund, plus the accounts receivable, less the accounts payable and amounts due to others in that fund.

Reservoir. An impounded body of water or controlled lake, in which water can be collected and stored.

Sacramento-San Joaquin River Delta or California Delta. An expansive inland river delta and estuary in Northern California in the United States. The Delta is formed at the western edge of the Central Valley by the confluence of the Sacramento and San Joaquin rivers, lying just east of where the rivers enter Suisun Bay.

Screen. A device to retain or remove debris and suspended solids.

Secondary Clarifier. A process designed to facilitate gravity removal of suspended matter from a liquid by settling (usually after flocculation in water treatment).

Septage Receiving Facility. A structure used to accept and process septic system waste.

Service Line. Pipe from the common distribution main to provide water to individual customers for domestic or fire service.

Siphon. A closed conduit in which enough pressure is created to permit a fluid to flow upward, then transferred across a higher elevation to a discharge point at a lower elevation.

Sludge. The by-product of drinking water and wastewater treatment processes that contains most of the solids (residuals). Sludge contains water, and many processes are used to remove the sludge from the liquid treatment; as well as significant portions of the water in the by-product.

State Water Project (SWP). The world's largest publicly built and operated water and power development and conveyance system. The original purpose of the project was to provide water for arid Southern California, which lacks adequate local water resources to provide for the growth the region has experienced.

Storage. A vessel that can provide a readily available water supply and can be used to account for variations in demand.

Storage Tank. A container for storing liquids or gases.

Submersible Pump. A device designed to fit inside a tank or well casing used to operate below the water level and lift water to facilities above ground, or directly to customers.

Subsidence. The gradual sinking of landforms to a lower level resulting from earth movements.

SunGard. A multi-national company based in Wayne, Pennsylvania, which provides software and services to education, financial services and public sector organizations.

Supervisory Control and Data Acquisition (SCADA). A computer monitored alarm, response, control, and data acquisition system used by drinking water facilities to monitor operations.

Supplemental Request. A budget request for funds to purchase items that exceed a department's base budget. A supplemental request may be recurring or non-recurring.

Tank. A vessel or container used to hold water or other liquid.

Tap. The connection to a main for a lateral service line, hydrant, or other inlet or outlet.

Telemetry. Communication technologies that allow the remote measurement and status reporting of information.

Transmission Main. A large water main that transports water from the main supply or source, to a distant area where the water is then further distributed. Finished water transmission mains usually have no or few connections.

Tunnel. An underground passage for conveyance of water, vehicles, piping, or conduit.

Valve. A device to regulate or isolate the flow of water.

Vault. An underground structure to house pumps, meters, etc.

Wastewater Treatment. The planned actions taken on sewer discharges that may remove solids, particulate matter, chemical contaminants, or render biological organisms inert for placement of water back into the environment and proper handling of sludge.

Water Distribution. A network of pipe, pumps, and storage facilities to transport potable water from the source/ treatment facility to the consumer.

Water Meter. A device designed to accurately measure flow passing through it. Meters are of various types, materials and function with accuracy within certain flow ranges.

Water Quality. Various measures by which materials (contaminants) and appearance (aesthetics) are compared against what are considered appropriate levels for acceptable water.

Water Quality Monitoring. Instrumentation for measuring the quality of water.

Watershed. The area of land that catches rain and snow, and drains or seeps into a marsh, stream, river, lake, or groundwater aquifer.

Water Treatment. Any process that intentionally alters and improves the chemical, biological, or physical characteristics of water.

Well. (1) A subsurface source of water that is generally accessed through a drilled casing and pipe into the aquifer. (2) The entire system of the underground water source, pipe casing, pump, etc. Also called a borehole.

Wellhead Protection. A system of deterrents to guard against potential groundwater contamination through the well casing. Includes well curb or cap, fences, etc.

Wet Well. A chamber in which water or wastewater is collected and to which a suction pump is connected.

Wetland. An area saturated by surface or groundwater at sufficient frequency and duration to support vegetation adapted for life in saturated soil conditions.

Whitewater River. A small permanent stream in western Riverside County, California, except for a small upstream portion in southwestern San Bernardino County.

Whitewater River Stormwater Channel. The naturally occurring portion of the storm channel that runs from the Whitewater area north of Palm Springs to Washington Street.

Working Capital. The amount of cash and investments in a fund, plus the accounts receivable, less the accounts payable and amounts due to others in that fund.

Facts and Figures

As of 12-31-14

General Information

Employees (Budgeted Positions)	519.5
Total service area	639,857 acres
Total service area	1,000 sq. miles

Domestic Water

Service information

Population served	318,217
Active accounts	108,599
Average daily demand	90.4 mgd
Total water delivered	101,302 af

System information

Active wells	96
Total well capacity	240 mgd
Distribution reservoirs	61
Storage capacity	135 mg
Distribution piping system	1,996 miles

Canal Water

Service information

Irrigable acres for service	76,354
Active accounts	1,224
Total water delivered	334,638 af
Average daily demand	917 af
Maximum daily demand	1,461 af

System information

Reservoirs	2
Storage capacity	1,301 af
Distribution system	485 miles
Pumping plants	16
Length of canal	123 miles

Agricultural Drainage

Total on-farm drains	2,298 miles
Acreage with farm drains	37,425
District open drains	21 miles
District pipe drains	166 miles

Wastewater

Service information

Population served	272,357
Active accounts	93,797
Average daily flow	17.21 mgd

System information

Wastewater reclamation plants	6
Total daily plant capacity	33.5 mgd
Collection piping system	1,129 miles

Nonpotable Water

(Includes Colorado River water and recycled water)

Service information

Active accounts	46
Nonpotable water deliveries	35,356 af

System information

Wastewater reclamation plants producing recycled water	3
Total daily capacity	18 mgd
Distribution piping system	29.5 miles

Groundwater Management

(In cooperation with Desert Water Agency)

Replenishment facilities	3
Replenishment from imported water	43,912 af
Imported supply since 1973	3,271,210 af

Stormwater Protection

Service area	381,479 acres

System information

Number of stormwater channels	16
Length of Whitewater River/ Coachella Stormwater Channel	49 miles
Length of all regional flood protection facilities	134 miles

af = acre-feet. An acre-foot of water is equal to 325,851 gallons, or enough water to cover one-acre of land one-foot deep.
mgd = million gallons per day.