

CAPITAL PROJECTS

replacements and upgrades



Reservoir 3570-1
Located in the hills above the I-10 freeway near Cathedral City

DOMESTIC WATER: \$63.3 MILLION for 4 Booster Station Upgrades, 4 Reservoirs (large water tanks) under construction, 7 Water main improvements, 6 well upgrades and 2 treatment system improvements. These projects will ensure water delivery, improve reliability, and replace pipelines that are leaking.

CANAL WATER: \$16.5 MILLION for 1 pump station relocation project and 7 irrigation lateral replacements. The irrigation lateral projects are being funded by a low-cost loan from the US Bureau of Reclamation.

SANITATION: \$45.1 MILLION for 6 treatment projects, 7 collection rehabilitation and upgrade projects, and 23 nonpotable water connection projects. These projects will improve the efficiency of the treatment process, enable CVWD to meet increased demands for recycled water, and eliminate the potential for sewer overflows.

STORMWATER: \$25.0 MILLION for 10 stormwater improvement projects, including the completion of the North Indio Regional Flood Control System and Coachella Valley Stormwater Channel Improvements from Avenue 54 to the Thermal Drop Structure. These projects will protect various areas of the Coachella Valley from flooding, and remove 2,700 acres of land from a FEMA designated Special Flood Hazard Area.

REPLENISHMENT: \$8.5 MILLION Projects include the expansion of the current Palm Desert Replenishment Facility, which will allow the District to replenish additional water.

REPLACEMENT & UPGRADES: \$158.3 MILLION FY 2025 includes \$158.3 million in budgeted capital projects that will improve infrastructure throughout the community. Funding includes the use of \$44.4 million in grants, \$19.7 million in restricted developer funds, and \$51.1 million in low-cost loans for funding projects.

A MESSAGE FROM CVWD'S GENERAL MANAGER

The Fiscal Year 2025 budget demonstrates Coachella Valley Water District's (CVWD) ability to respond to changing conditions and plan for future needs. Last summer, two 1,000-year storms impacted the Coachella Valley within two weeks, causing flash flooding from the surrounding mountains and canyons. Tropical Storm Hilary impacted the Whitewater Groundwater Facility near Palm Springs, and the second storm caused costly damage to the Coachella Canal in Thermal. CVWD crews responded to multiple emergency repairs throughout the valley, and staff have been working with the Federal Emergency Management Agency (FEMA) to assess damages eligible for reimbursement. The State of California experienced a second year with above average precipitation, which saw reservoirs throughout the state again fill to capacity. While the change in hydrology is good news, CVWD continues to do its part to promote conservation efforts through education, rebate programs, and voluntary curtailment in partnership with the US Bureau of Reclamation (USBR). CVWD also reached a significant milestone in 2024, reaching \$100 million in grant funding from local, state, and federal partners. This funding will be used to continue efforts to bring clean, affordable water and sewer services to underserved communities.

The Budget was adopted by the Board on June 11, 2024 after three study sessions in the spring. Planned capital construction projects and the final payoff of the District's Domestic notes reflect the largest increases in the budget, with operating expenses held to inflationary levels. The Board approved a 5.0% rate increase for the Domestic Water fund, an 8.5% average rate increase for the Sanitation fund, and gate and surcharge increases for the Canal fund to keep up with increased costs. The rate increases result in an average increase of about \$1.90 per month for a typical residential Domestic customer and \$2.42 per month for a typical Sanitation customer, and reflect the Board's commitment to manage the affordability of CVWD's rates and keep up with expenses. The Budget-in-Brief document provides an overview of the District's revenue and expenses planned for Fiscal Year 2025.



COACHELLA VALLEY WATER DISTRICT BUDGET IN BRIEF 2024-25



View of the stormwater channel (facing east) north of Highway 111 and the Hyatt Regency in Indian Wells



YourWater
is our promise.

BOARD OF DIRECTORS

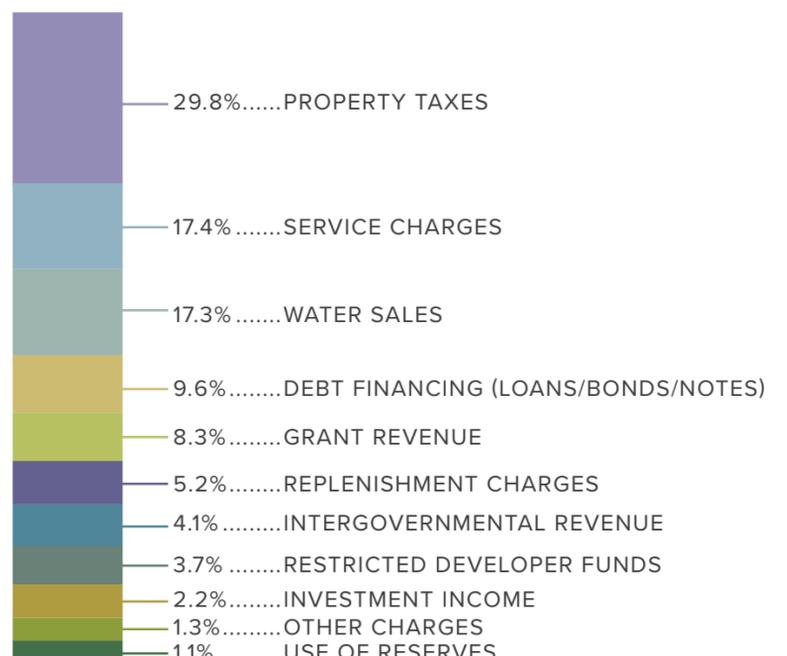
John Powell Jr., Board President | Cástulo R. Estrada, Board Vice President
John Aguilar | Anthony Bianco | Peter Nelson

Jim Barrett, General Manager
Robert Cheng, Assistant General Manager
Dan Charlton, Assistant General Manager

Where does the money come from?

COMBINED OPERATING & CAPITAL IMPROVEMENT BUDGETS

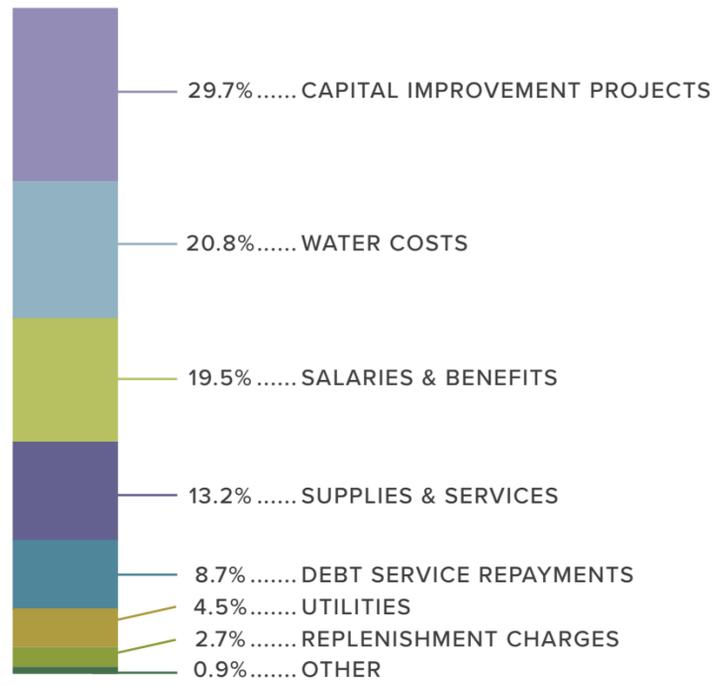
FISCAL 2024-25 | \$533.3 MILLION





Where does the money go?

BUDGET
\$533.3 MILLION TOTAL INCLUDING
\$158.3 MILLION FOR CAPITAL PROJECTS



BUDGET KEY POINTS



T1 Pump Station, Palm Desert

OPERATING RESERVES ACCOUNT FOR

90 DAYS CASH ON HAND

- The reserves are broken into several types and most of the money is designated by the Board of Directors for specific uses. The District follows guidelines outlined by the Government Finance Officers Association.
- A large component of the reserves is for capital projects.
- The emergency reserve is for the restoration of critical services in the event of floods, earthquakes, and other disasters.
- The rate stabilization reserve exists so that in the event of a major revenue shortfall (for instance, a prolonged drought) we would not immediately implement rate increases to maintain existing services.
- A vehicle replacement reserve helps us maintain our fleet of heavy equipment and service vehicles.
- Debt service reserves are sometimes required by lenders, but CVWD holds the annual debt service amount for each fund in reserve per policy.
- State Water Project Reserves exist to stabilize the fluctuation in SWP water deliveries. The reserve can be used to pay for additional deliveries in wet years.

SIX MAIN WATER-RELATED SERVICES:

DOMESTIC | CANAL | STORMWATER | SANITATION | REPLENISHMENT | STATE WATER PROJECT

Each service operates as a separate business and must generate its own revenue stream.

For full budget details visit CVWD.org/budget

1 DOMESTIC WATER FUND

CVWD delivers domestic water to thousands of homes and businesses, ensuring it meets all drinking water standards. This includes maintaining 93 active wells, 68 reservoirs, and over 2,000 miles of pipelines. All of this infrastructure is aging and must be replaced or upgraded over time.

BUDGET
\$204.7 MILLION
including \$63.3 million for capital projects & \$2.4 million for internal services

2 CANAL/IRRIGATION & DRAINAGE FUND

Portions of the 123-mile Coachella Canal and distribution system are over 70 years old. This infrastructure delivers Colorado River water to over 1,000 farms and golf courses. The District is also challenged with maintaining 187 miles of drains that were built over 50 years ago.

BUDGET
\$60 MILLION
including \$16.5 million for capital projects & \$1.0 million for internal services

3 STORMWATER FUND

During heavy rain storms, Coachella Valley's 169 miles of stormwater channels direct flood water away from people, communities, businesses, and farms and send it into the Whitewater River Stormwater Channel. Several areas of the valley need improved flood control, which will cost \$400 million in the next five to ten years.

BUDGET
\$43.9 MILLION
including \$25.0 million for capital projects & \$0.3 million for internal services

4 SANITATION FUND

Employees work every day to maintain our five water reclamation plants, and 1,173 miles of sewer collection pipelines. Increasing regulations make it necessary for many water suppliers to invest in new treatment technologies, which adds to the cost of providing service.

BUDGET
\$95.1 MILLION
including \$45.1 million for capital projects & \$1.1 million for internal services

5 REPLENISHMENT FUNDS

CVWD continually works to maintain four replenishment facilities where 4.8 million acre-feet of imported water has been replenished into the aquifer since 1973. Replenishment helps to ensure a supply of drinking water for the Coachella Valley now and in the future. CVWD is also working to increase connections so that the use of Colorado River water replaces the pumping of drinking water from the aquifer.

COMBINED BUDGET
\$41.7 MILLION
including \$8.5 million for capital projects & \$0.6 million for internal services

6 STATE WATER PROJECT FUND

In 1963, CVWD entered into a water supply contract with the State of California Department of Water Resources, becoming one of the original 29 State Water Project (SWP) contractors. This action entitled CVWD to certain amounts of water from the SWP (currently at 138,350 acre feet per year) to replenish the Coachella Valley groundwater basin. The amount of water delivered annually varies based on the amount of rain and snowpack in the Sierra Nevada watersheds.

BUDGET
\$87.9 MILLION
including \$84.8 million for imported water & \$2.0 million for internal services

SERVICES