

# CAPITAL PROJECTS

replacements and upgrades

**DOMESTIC WATER: \$34.3 MILLION** 3 Booster Station Upgrades, 2 Reservoirs (large water tanks) under construction, 6 Water main improvements, 1 well upgrade and 2 treatment system improvements. These projects will ensure water delivery, improve reliability, and replace pipelines that are leaking.

**CANAL WATER: \$14.9 MILLION** 1 pump station relocation project, 3 irrigation lateral replacements, and design work for the Coachella Canal Lining Project (San Andreas Oasis Pipeline) and Mid-Canal Storage Projects. The storage projects will allow for additional storage of canal water for improved control for flow, and reliable delivery of water to farms and irrigated lands.

**SANITATION: \$37.9 MILLION** 10 treatment projects, 7 collection rehabilitation and upgrade projects, 22 nonpotable water connection projects, and 3 grant-funded projects for new sewer pipelines within disadvantaged communities. These projects will improve the efficiency of the treatment process, enable CVWD to meet increased demands for recycled water, eliminate the potential for sewer overflows, and allow several small communities in the East Valley to convert from septic to sewer using grant funding.

**STORMWATER: \$81.5 MILLION** 11 stormwater improvement projects, including 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: \$11.4 MILLION** Projects include the Oasis In-Lieu Recharge Project, Palm Desert Replenishment Project, and 2 connection projects. The Oasis project will allow the District to retain thousands of acre feet of water in the aquifer by using Colorado River water for irrigation instead of pumping, and the expansion of the current Palm Desert Replenishment Facility to allow the District to replenish additional water.



2022 Nonpotable Water Pipeline Expansion Project

## \$180.1 MILLION TOTAL

This fiscal year CVWD has \$180.1 million budgeted for capital projects that will improve conditions throughout the community. For the past five years the District has been gathering data on all assets, above ground and below ground. This data has helped prioritize the projects that are most critical to ensure continued service to customers. The District funds many projects through rates, but this year \$112.1 million worth of grants, restricted funds, and low-cost loans will be used to fund projects. In addition, the District will use \$33.4 million in reserves to ensure that infrastructure replacement needs are being met.



North Indio Regional Flood Control Project



YourWater  
is our promise.

## COACHELLA VALLEY WATER DISTRICT BUDGET IN BRIEF 2022-23

### MESSAGE FROM THE GENERAL MANAGER

The Fiscal Year 2023 (FY) budget builds on CVWD's continuing commitment to manage operating costs and invest in infrastructure to provide quality water at a reasonable cost. The operating budget, which reflects a 6.2% increase, includes assumptions related to cost increases but adds no additional personnel. The capital budget, which includes construction projects, reflects a \$37 million increase over the prior year. Such projects include construction of regional flood control channels to protect life and property and provide reliable water supply to existing customers in disadvantaged communities. Over \$112.1 million of the total capital budget will be paid for from grants, restricted funds, and low-cost loans.

The proposed budget was refined during board meetings and study sessions in May and June and was formally adopted by the board on June 28, 2022. Strong property tax and water sales revenues paired with expenditure savings in FY 2022 allowed the District to not increase rates for the Domestic Water and Replenishment Funds for FY 2023. Canal water rates were also not increased for FY 2023, with the exception of gate charges and surcharge fees, which were increased as part of a three-year process to bring the rates to full cost recovery of expenses. The District completed a comprehensive cost of service study for the Sanitation Fund in May, which resulted in rate increases adopted by the board for FY 2023. Notifications were sent to all impacted customers in accordance with California Proposition 218, and opportunities were given for customer feedback during the public hearing. This budget in brief provides information on District services and how rates support those efforts.

### 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?

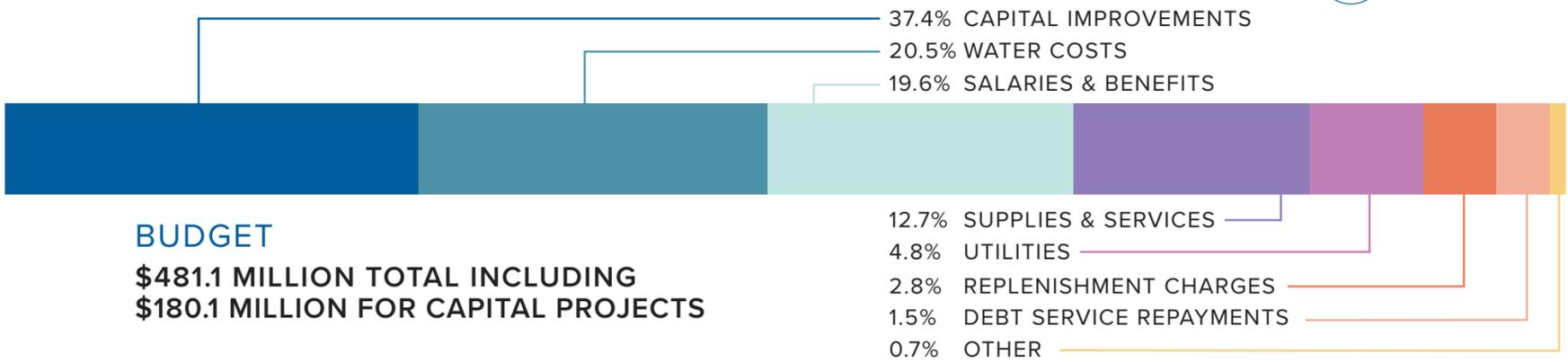
COMBINED OPERATING  
& CAPITAL IMPROVEMENT BUDGETS

FISCAL 2022-23 | \$481.1 MILLION

18.8%	WATER SALES
17.1%	PROPERTY TAXES – STATE WATER PROJECT
16.5%	DEBT FINANCING (LOANS/BONDS/NOTES)
10.4%	PROPERTY TAXES – GENERAL
8.8%	SANITATION SERVICES CHARGES
6.9%	USE OF RESERVES
5.6%	REPLENISHMENT CHARGES
4.2%	GRANTS
4.2%	DOMESTIC WATER SERVICE CHARGES
2.6%	USE OF RESTRICTED FUNDS
2.3%	GATE CHARGES, METER INSTALLATIONS, MOTORPOOL
1.6%	AVAILABILITY, SURCHARGES, OTHER CHARGES
1.0%	INTERGOVERNMENTAL & INVESTMENT REVENUES



# Where does the money go?



# BUDGET KEY POINTS

## SIX MAIN WATER-RELATED FUNDS:

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](http://CVWD.org/budget)

### 1 DOMESTIC WATER FUND

Delivers clean water on a consistent basis to customers, ensuring it meets all drinking water standards. This includes maintaining our 97 wells, 64 reservoirs, and over 2,000 miles of pipelines. All of this infrastructure is aging and must be replaced or upgraded over time.

**BUDGET**  
**\$134.4 MILLION**  
*including \$34.3 million for capital projects*

### 2 CANAL/IRRIGATION & DRAINAGE FUND

The 123-mile Coachella Canal and 485-mile distribution system is over 70 years old and in need of upgrades. 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**  
**\$49.4 MILLION**  
*including \$14.9 million for capital projects*

### 3 STORMWATER FUND

During heavy rain storms, Coachella Valley's 50 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**  
**\$94 MILLION**  
*including \$81.5 million for capital projects*

### 4 SANITATION FUND

Employees work every day to maintain our five water reclamation plants, and 1,160 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**  
**\$81.5 MILLION**  
*including \$37.9 million for capital projects*

### 5 REPLENISHMENT FUNDS

CVWD continually works to maintain our four replenishment facilities where we annually percolate over 165,000 acre feet of water into the aquifer. This 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**  
**\$52.5 MILLION**  
*including \$17.2 million for imported water and \$11.4 million for capital projects*

### 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**  
**\$74.9 MILLION**  
*including \$72.2 million for imported water*

*Motorpool and Internal Service Fund are included in the total for each Enterprise Fund.*

Coachella Canal



## 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.
- The debt service reserve is required by lenders - the requirement is that we must have the largest debt payment over the life of the loan on hand at all times.
- 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.

# SERVICES

# RESERVES