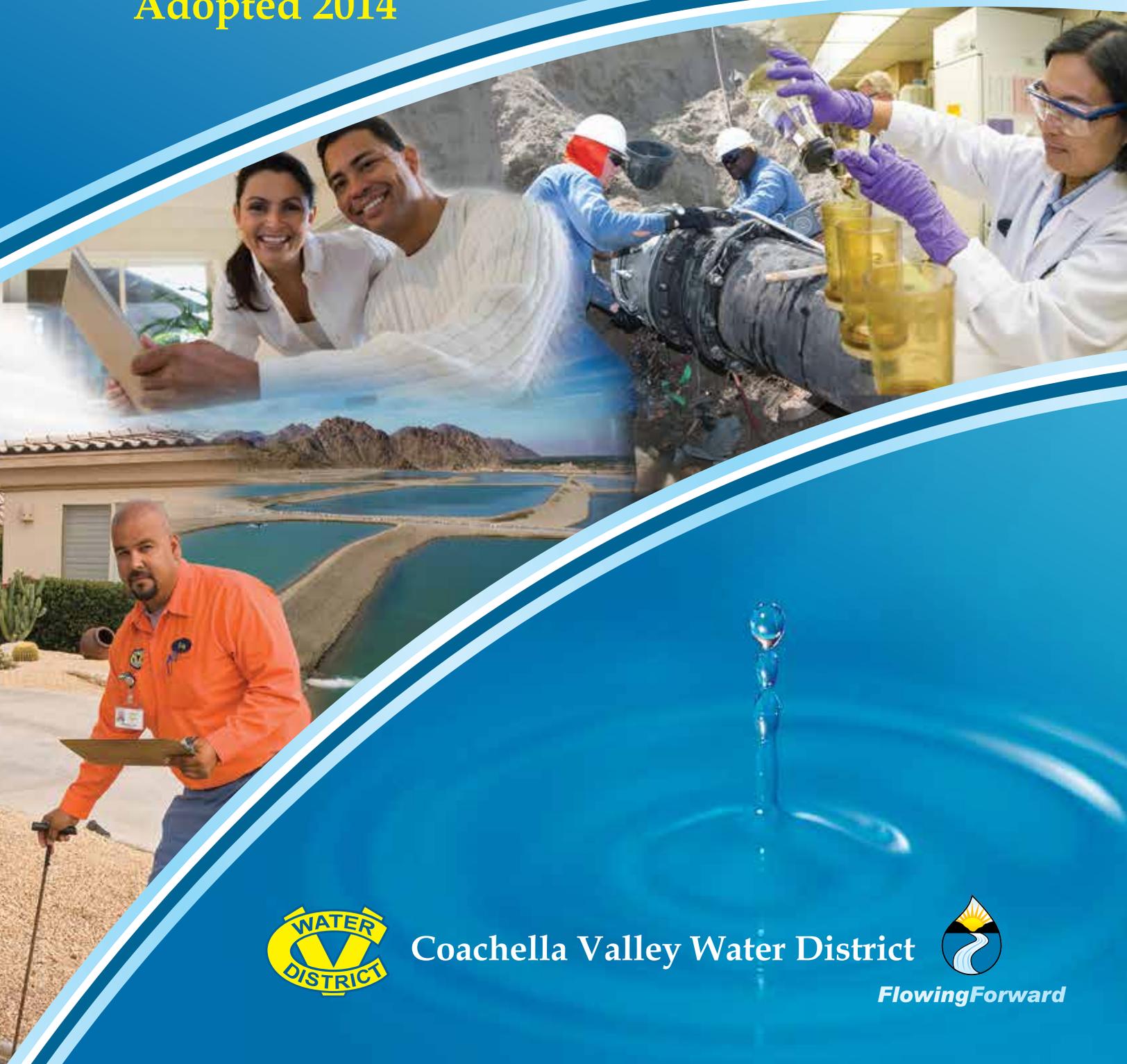


Strategic Plan

Adopted 2014



Coachella Valley Water District



FlowingForward

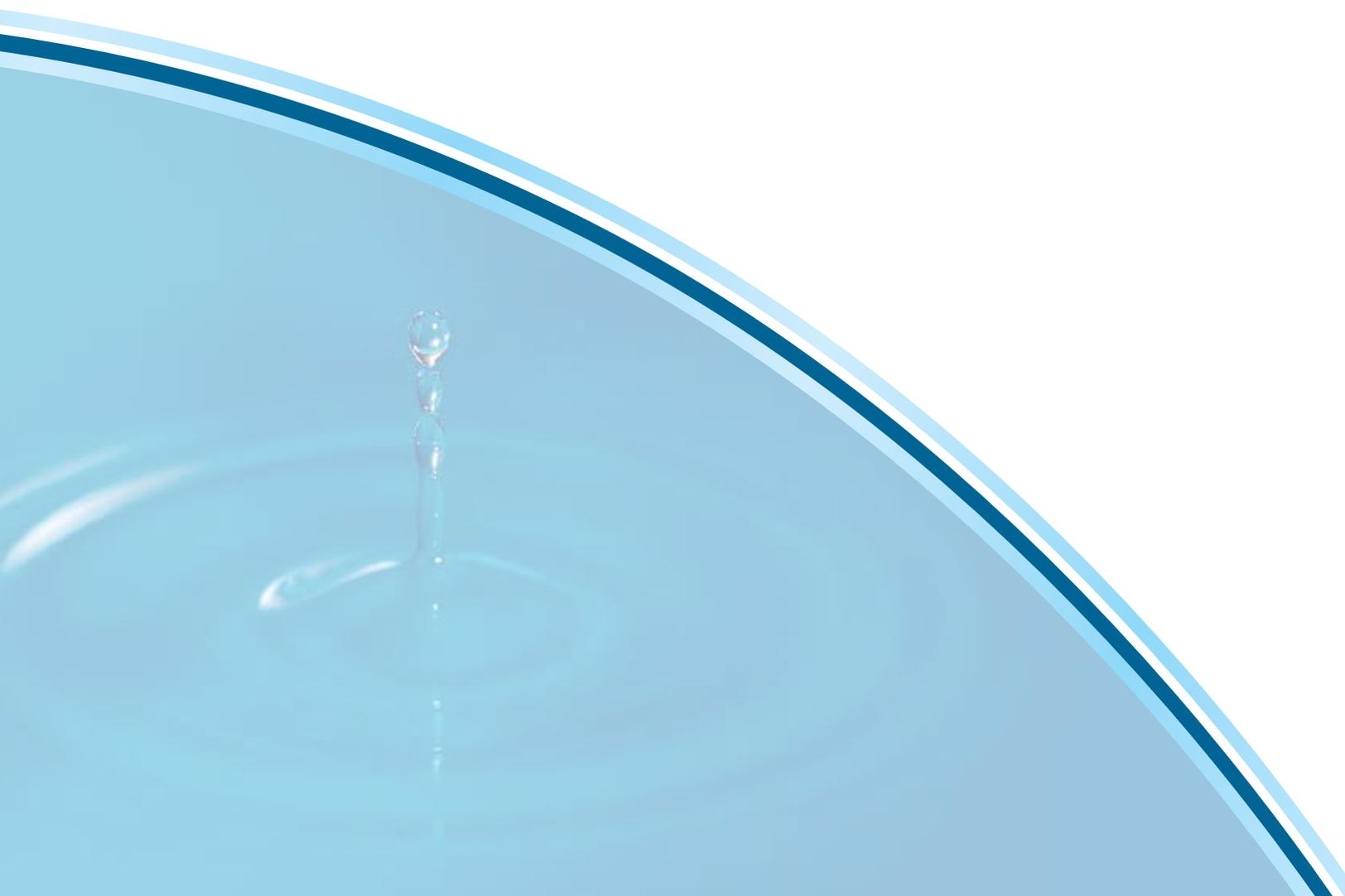


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Message from the General Manager



It is hard to accomplish anything without a plan. Whether you are coaching a football team, cooking Thanksgiving dinner, or running a water utility, you need a plan to guide your decisions.

In June 2014, the Coachella Valley Water District's Board of Directors adopted the Five-Year Strategic Plan. Strategic planning is a disciplined effort to produce fundamental decisions and actions that shape and guide an organization, what it does and why. It is a plan for today and for the future. The plan lays out the direction the District wants to go. The initiatives are what get the District there. This set of decisions defines the District's priorities and includes what needs to be done to accomplish them.

It is impossible to accomplish everything in one year. The focus of the District's first comprehensive Strategic Plan is on the current year, but looks to the future. Strategic planning implies that some organizational decisions and actions are more important than others are, and that much of the strategy lies in making the tough decisions about what is most important to achieving organizational success.

Development of the Strategic Plan was led by The Gavares Group. It was a collaborative and interactive process that included a District-wide employee survey. A core group of 48 employees representing every department within the District and two rotating Board members met for five separate workshops over five months to determine the top six Strategic Goals and prioritize initiatives and projects. Originally, 72 initiatives were proposed and evaluated based on importance and whether they were measurable, realistic and provided a high return on investment.

The final product will shape future decisions and help us meet the water-related needs of the community for generations to come.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim Barrett". The signature is stylized and written in cursive.

Jim Barrett
General Manager

Mission statement

To meet the water-related needs of the people through dedicated employees, providing high quality water at a reasonable cost



Coachella Valley Water District at a glance



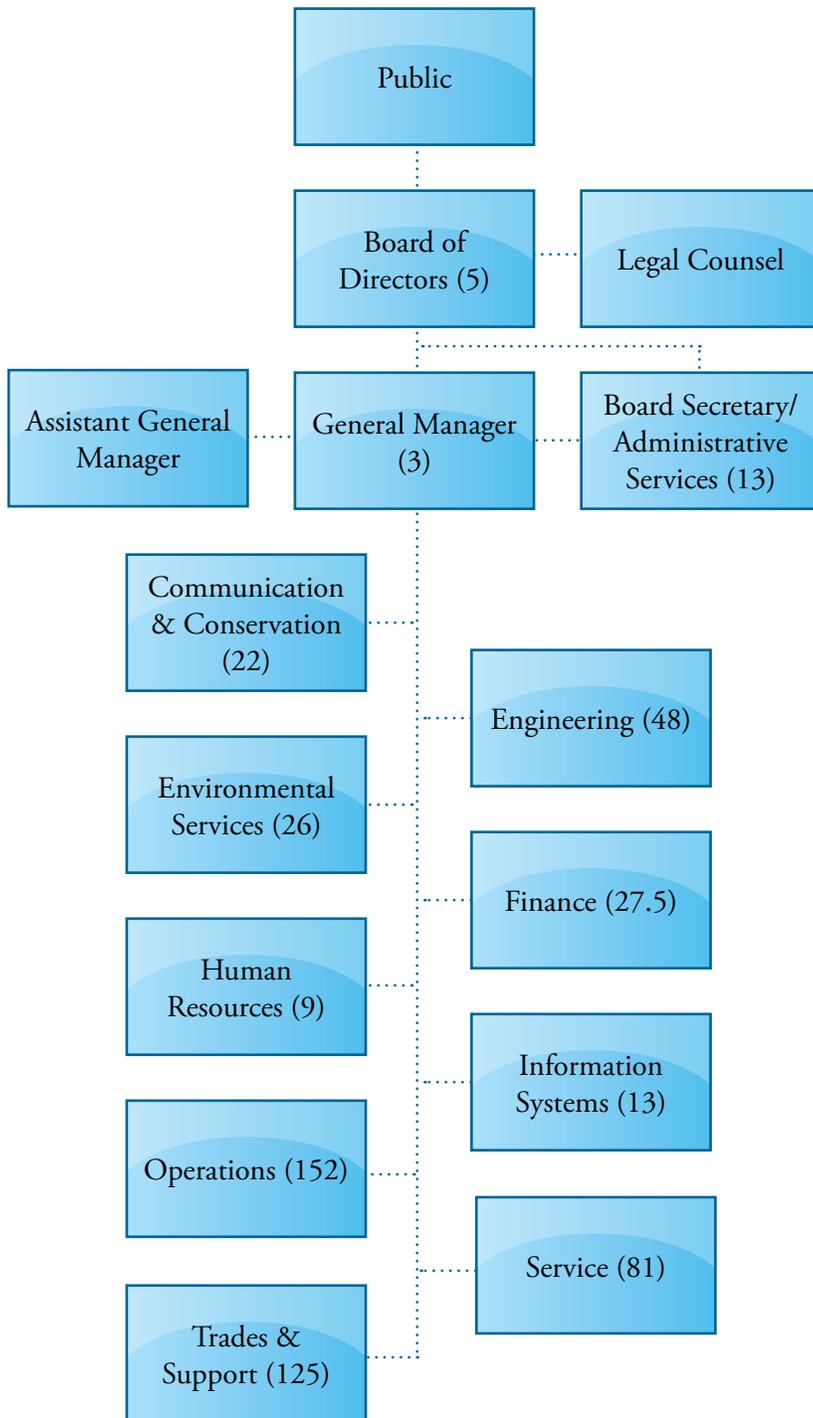
Coachella Valley Water District (CVWD, District) is a special district established in 1918 by the state legislature and governed by a five-member Board of Directors elected to four-year terms by District voters.

Today, CVWD has grown into a multi-faceted agency with approximately 500 employees helping to provide a variety of water-related utility services to more than 350,000 people in the Coachella Valley.

The primary fields of service are:

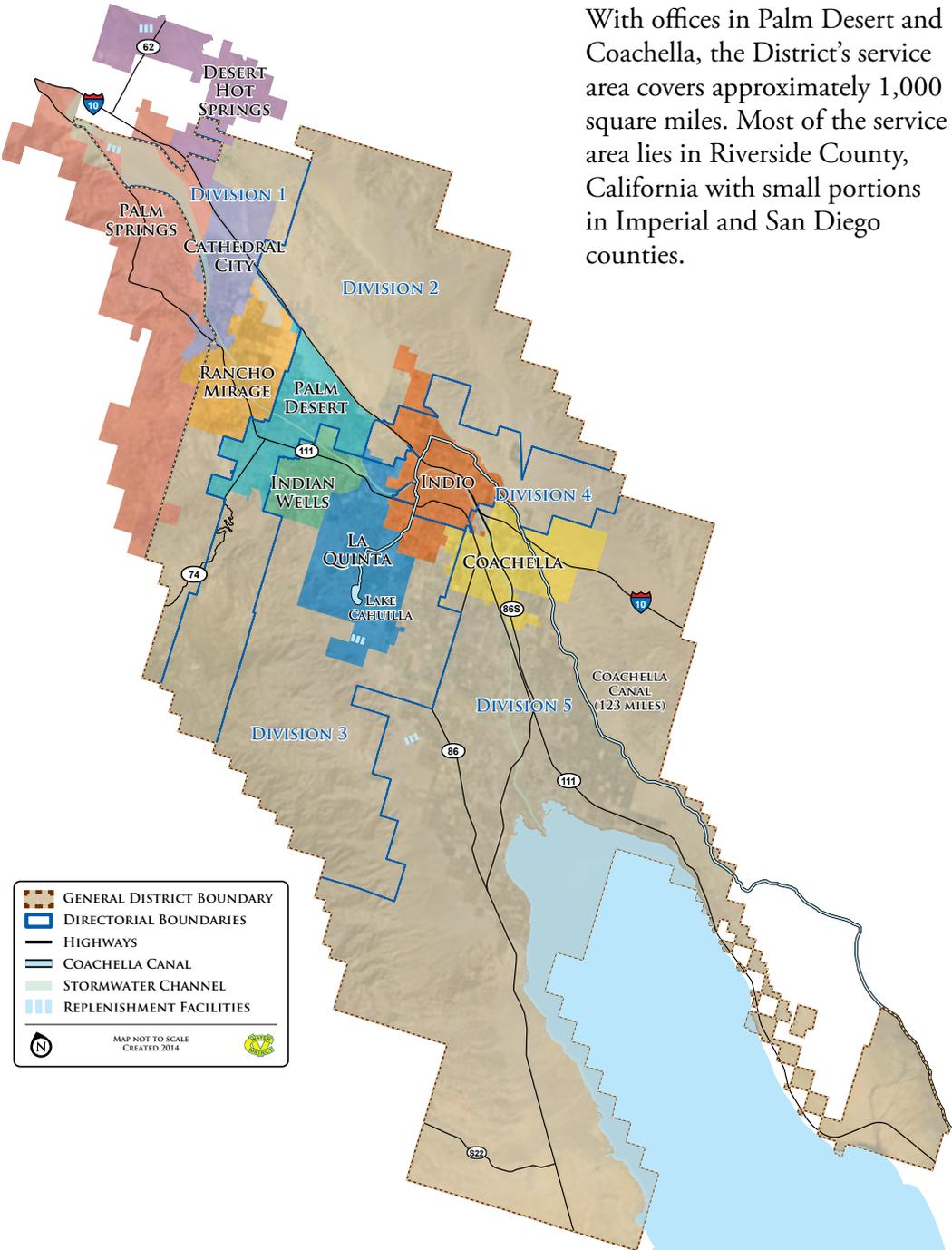
- Domestic/drinking water treatment and distribution to approximately 108,000 homes and businesses. All of the drinking water supplied by Coachella Valley Water District comes from the groundwater basin.
- Irrigation water importation and distribution. The 122-mile Coachella Canal provides Colorado River water to local farmers and golf courses in the eastern Coachella Valley.
- Wastewater collection and treatment. The District owns and operates six wastewater reclamation plants that receive a combined average of 17.5 million gallons of wastewater per day.
- Recycled water distribution. Treated wastewater is distributed to golf courses and other customers for landscape irrigation.
- Groundwater management. CVWD replenishes the groundwater supply at three different facilities in the Coachella Valley. At two of the locations, the effort is collaborative with Desert Water Agency.
- Regional stormwater/flood protection. The District protects nearly 600 square miles from flooding through a system that includes 16 stormwater protection channels.

Organizational structure



Boundary Map

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.



Community profile

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. 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.

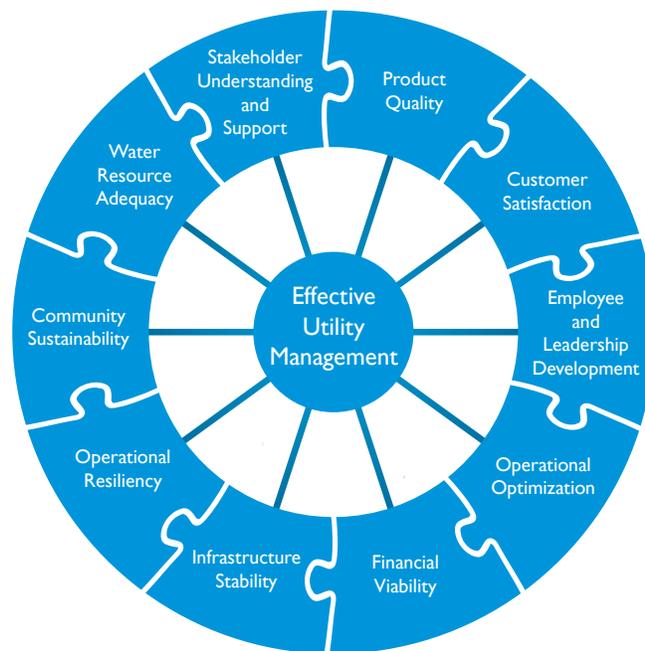
The Valley's year-round population is approximately 350,000, but this figure almost doubles during the months of November through May with the influx of "snowbirds" escaping the cold winters of Canada, the Pacific Northwest, and the Northeastern United States.



What is a 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. Strategic planning is a disciplined effort to produce fundamental decisions and actions that shape and guide an organization, what it does and why.

The strategic goals were developed within the framework of Effective Utility Management (EUM), which 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 10 attributes of an effectively managed water utility, as developed by leading industry associations.

External Issues

There are several significant issues currently facing the District that influenced the development of the Strategic Goals. The District paired these issues with the EUM attributes as a reference point for determining priorities. Among the key external issues are:

- Through the foresight of our predecessors in the Valley, CVWD is only one of two California water agencies that hold rights to both the Colorado River and the State Water Project. However, the recent droughts within California and on the Colorado River basin is a stark reminder how vulnerable our imported water supplies are to the forces of nature, and that these supplies need to be protected and optimally used. (Water Resources Adequacy)
- Because we live in a desert, we're essentially always in a drought and require effective groundwater management planning to ensure future water supplies. The Coachella Valley Water Management Plan details several strategies and projects to eliminate overdraft of the aquifer, including increased conservation, utilization of recycled and imported water for golf and farm irrigation and continued groundwater replenishment. (Water Resources Adequacy)
- The California Department of Public Health in 2013 announced a new Maximum Contaminant Level for chromium-6 at 10 parts per billion (ppb). Complying with the new MCL will have wide-ranging impacts on District operations and infrastructure. A comprehensive study is underway to determine the most cost-effective approach. (Product Quality and Water Resources Adequacy)
- Although the bulk of the domestic water system is relatively new, ongoing repairs and replacement projects are required. The canal irrigation system is 65 years old, with many of the 485 miles of irrigation laterals in need of repair or replacement. The District is the main agency that provides stormwater protection for the Coachella Valley and several areas remain unprotected. (Infrastructure Stability)
- In 2013, the Agua Caliente Band of Cahuilla Indians (Agua Caliente) filed suit against Desert Water Agency (DWA) and the District. The suit claims senior reserved groundwater rights and seeks to permanently stop DWA and the District from (1) withdrawing groundwater from the aquifer in the western Coachella Valley, and (2) replenishing the aquifer without treating the water first. (Water Resources Adequacy)



CVWD's Strategic Goals

The District considered all external issues and internal challenges before identifying and committing to the broad goals below, which are designed to move the District forward in executing its mission. 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 and Environmental Leadership
- 6) Infrastructure Investment and Management



Budgeting

Although the District continues to enjoy a healthy financial condition in 2014 -15 (total annual budget of \$306.3 million, divided into \$227.6 million for operating budget and \$78.8 million for capital projects), budgetary constraints were still considered during the Strategic Plan development.

The Strategic Planning process was very successful, generating 72 distinct projects. Realizing the timing and budgetary constraints for fiscal year 2014 - 15, a total of 32 projects were identified as ones rising to the top of the priority list, and are presented in the following pages. The other 40 projects have been retained, and will be revisited in the future after the completion of the first year of this process.

Action Plan

Strategic Goal 1: Employee Workforce Development			
Objectives	Program Initiatives/Highlights	Responsible Department(s)	Target Completion Date
Objective 1: Maintain Competitive Salaries and Benefits	Initiative 1: Perform Salary & Benefits Survey, and update all job descriptions	Human Resources	June 2015
Objective 2: Succession Planning and Knowledge Management	Initiative 1: Increase outreach to local colleges and high Schools about job opportunities	Human Resources	June 2015
	Initiative 2: Develop Succession Planning Project	Human Resources	June 2015
	Initiative 3: Assess internal training needs and create an Internal Education/Training Program	Human Resources and Engineering	June 2015
	Initiative 4: Restore internal suggestion box	Operations and Trades & Support	June 2015

Strategic Goal 2: Financial Stability

Objectives	Initiatives	Responsible Department(s)	Target Completion Date
Objective 1: Follow industry-recognized rate making practice	Initiative 1: Complete Cost of Service Study (COSS) for Irrigation Rates	Finance	June 2015
	Initiative 2: Complete Cost of Service Study (COSS) for Domestic Water and Sanitation Rates	Finance	June 2015
Objective 2: Maintain organizational fiscal health	Initiative 1: Pre-fund Other Post-Employment Benefits (OPEB) by \$10 million	Finance	June 2015
	Initiative 2: Obtain Bond Rating	Finance	December 2015
Objective 3: Ensure integrity and transparency of financial process	Initiative 1: Develop financial policies	Finance	September 2015
	Initiative 2: Develop internal control policies	Finance	December 2015

Strategic Goal 3: Water Supply Sustainability

Objectives	Initiatives	Responsible Department(s)	Target Completion Date
Objective 1: Enact more aggressive conservation	Initiative 1: Plan and implement golf course rebate program that includes a tiered rate analysis and establishes water budgets	Communication & Conservation	June 2015
Objective 2: Expand non-potable water program	Initiative 1: Continue current golf course conversion to non-potable use and implement the Board-approved plan.	Operations and Engineering	October 2014
	Initiative 2: Produce a Nonpotable Water Master Plan	Engineering	June 2015
Objective 3: Update and comply with Water Master Plan	Initiative 1: Develop imported water usage strategy to identify groundwater source substitution projects	Engineering	June 2015
Objective 4: Protect water supply and optimize usage	Initiative 1: Complete Water Supply Implementation Strategies Study to consider alternative source of domestic water	Engineering	June 2015

Strategic Goal 4: Exceptional Customer Service

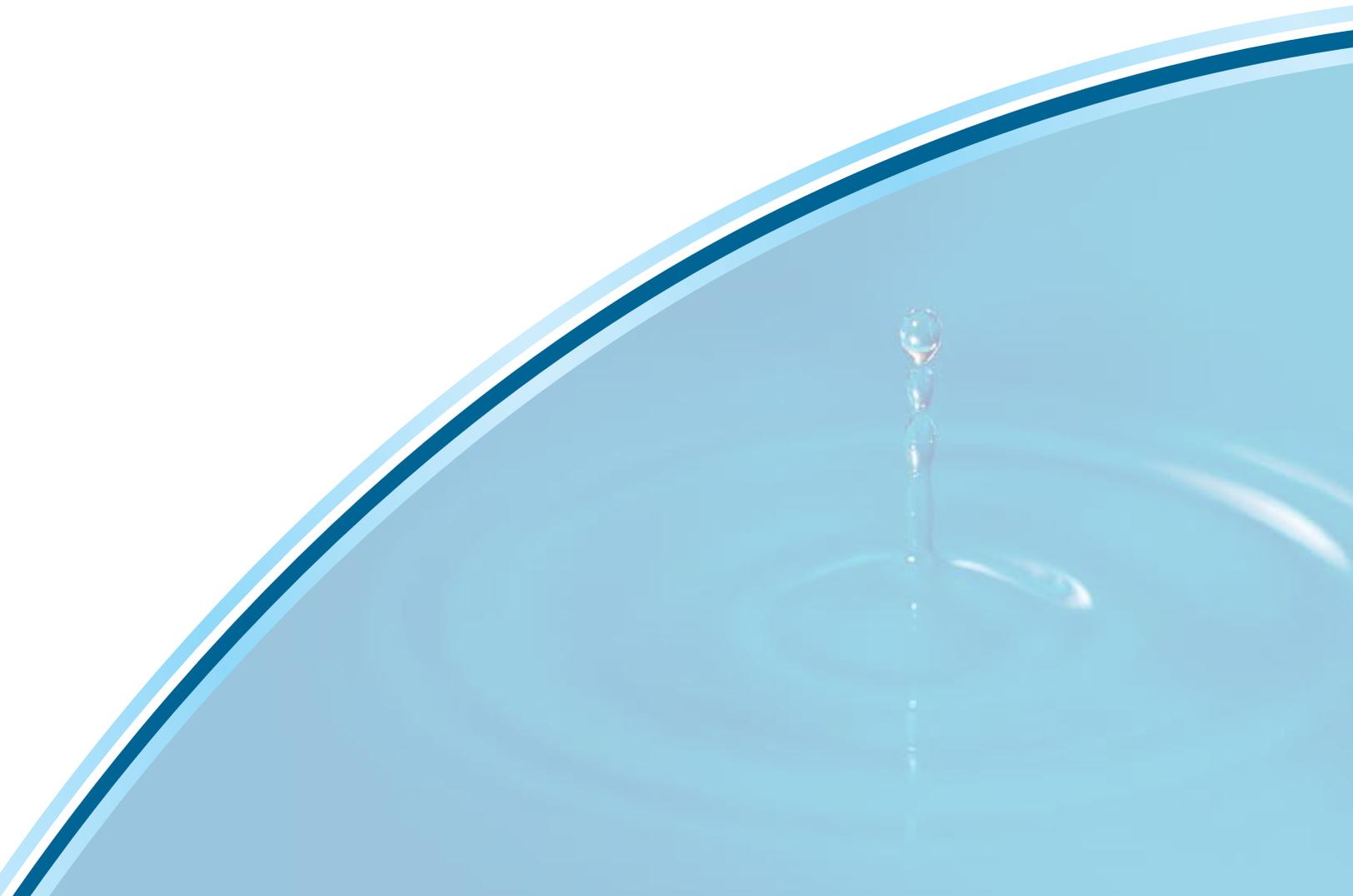
Objectives	Initiatives	Responsible Department(s)	Target Completion Date
Objective 1: Optimize customer experience	Initiative 1: Streamline website for improved navigation	Communication & Conservation	June 2015
	Initiative 2: Implement Call Recording Software	Service and Information Systems	June 2015
	Initiative 3: Improve customer support through co-browsing system	Service and Information Systems	June 2015
Objective 2: Improve Internal Communication	Initiative 1: Hold interdepartmental meetings with employees/directors/general manager	Service	June 2015
Objective 3: Obtain Customer Feedback & Input	Initiative 1: Engage customers through customer satisfaction surveys to explore opportunities for enhanced service and programs	Service and Communication & Conservation	June 2015

Strategic Goal 5: Water Quality & Environmental Leadership

Objectives	Initiatives	Responsible Department	Target Completion Date
Objective 1: Comply with Water Quality Regulations	Initiative 1: Develop and implement compliance plan for agriculture discharges	Environmental Services	June 2015
	Initiative 2: Obtain revised water quality permit provisions for Water Reclamation Plant No. 10	Environmental Services	June 2015
Objective 2: Perform Effective Environmental Resource Management	Initiative 1: Complete Salt and Nutrient Management Plan	Environmental Services and Engineering	June 2015
	Initiative 2: Implement operation and maintenance procedures to protect biological resources on CVWD conservation lands	Environmental Services	June 2015
Objective 3: Optimize Energy Usage	Initiative 1: Complete an Alternative Energy Feasibility Study	Environmental Services and Trades & Support	June 2015

Strategic Goal 6: Infrastructure Investment and Management

Objectives	Initiatives	Responsible Department	Target Completion Date
Objective 1: Develop an Asset Management/ Capital Improvement Program/ Preventive Maintenance Program	Initiative 1: Implement Asset Management Program	Engineering	December 2014
	Initiative 2: Develop Asset Management Policy and recommend CMMS software	Engineering	June 2015
	Initiative 3: Implement Preventative Maintenance Management Program	Trades & Support	June 2015
	Initiative 4: Develop hydraulic model for irrigation distribution system - requests for proposals to engage hydraulic model consultant	Engineering	June 2015
Objective 2: Irrigation Infrastructure Repair and Replacement	Initiative 1: Perform comprehensive irrigation and drainage inspection	Engineering and Trades & Support	June 2015
Objective 3: Other Physical Assets	Initiative 1: Implement corrosion protection system evaluation recommendations	Trades & Support	June 2015



Coachella Valley Water District

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