

A glass of water with a lake and hills in the background. The glass is on the left, and the water is splashing. The background shows a lake, hills, and a cloudy sky. The entire image has a blue tint and is framed by a circular graphic element on the right side.

Cucamonga Valley Water District

**Annual Operating &
Capital Improvement Budget
For the Fiscal Year Ending June 30, 2014**

ANNUAL OPERATING & CAPITAL IMPROVEMENT BUDGET

FOR THE FISCAL YEAR ENDING JUNE 30, 2014

CUCAMONGA VALLEY WATER DISTRICT

10440 ASHFORD STREET
RANCHO CUCAMONGA, CALIFORNIA

Service You Can Depend On®

CUCAMONGA VALLEY WATER DISTRICT

ANNUAL OPERATING AND CAPITAL IMPROVEMENT BUDGET

For the Fiscal Year Ending June 30, 2014

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EXECUTIVE SUMMARY

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CUCAMONGA VALLEY WATER DISTRICT

OUR MISSION STATEMENT



To provide high quality, safe and reliable drinking water and wastewater services while practicing good stewardship of natural and financial resources.

Vision

Our Vision is composed of three elements: Service, Water, and People.

Elements	Characteristics
Service – We are a servant-oriented organization and provide “ <i>Service Beyond Expectation</i> ” to our internal and external customers.	<ul style="list-style-type: none"> • Dependable • Responsive • High Expectation • Concierge • Value
Water – We provide a sustainable water supply that is safe, cost effective and reliable for our customers.	<ul style="list-style-type: none"> • Cost-Effective • High Quality • Sustainable • Reliable and diversified • Stewardship
People – We have a talented and engaged team that is self-managed and takes pride of ownership in their work product and service.	<ul style="list-style-type: none"> • Innovative • Purposeful • Self-management • Well-informed • Invested

Values

Our Values are rooted in three areas of conduct: Accountability, Communication, and Customer Service.

Description	Characteristics
Accountability – We take ownership of our actions and look for solution based ideas to improve our effectiveness and service to customers.	<ul style="list-style-type: none"> • Ownership • Solution based thinking • Think forward • Shared responsibility
Communication – We have efficient system of outreach that provides employees and customers with knowledge and information and cultivates a two-way system of communication.	<ul style="list-style-type: none"> • Timely fluid messaging • Two-way communication • Listening • Focused and personalized • Technology driven
Customer Service – Our internal and external customer service is provided in a cooperative and collaborative approach, exceeding customer expectations.	<ul style="list-style-type: none"> • Internal/External • Cooperative and collaborative • Responsive teamwork • Service Beyond Expectation

CUCAMONGA VALLEY WATER DISTRICT

CERTIFICATES OF AWARD

Operating & Capital Improvement Budget for FY2013



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Cucamonga Valley Water District
California**

For the Fiscal Year Beginning

July 1, 2012

Christopher P. Morill

President

Jeffrey R. Egan

Executive Director

California Society of Municipal Finance Officers

Certificate of Award

Operating Budget Excellence Award Fiscal Year 2012-2013

Presented to the

Cucamonga Valley Water District

For meeting the criteria established to achieve the Operating Budget Excellence Award.

February 6, 2013

Laura M. Nomura

***Laura Nomura
CSMFO President***

Scott Catlett

***Scott Catlett, Chair
Professional Standards and
Recognition Committee***



Dedicated Excellence in Municipal Financial Reporting

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June 25, 2013



FISCAL YEAR 2014 BUDGET MESSAGE

To the Board of Directors of the Cucamonga Valley Water District:

On behalf of the Cucamonga Valley Water District (CVWD/District), I am pleased to present, for your consideration, our **2014 Fiscal Year Operating and Capital Improvement Budget**. Within this document you will learn about some of the new initiatives and projects planned by the District to ensure our ability to continue meeting customer water supply and service expectations. Our commitment to provide customers with a quality product and service at a reasonable price is what we have fondly termed **Service Beyond Expectation**. This budget provides the financial plan required to implement the District's mission and commitment to our customers, and to provide the resources necessary to achieve our operations, water resource, and management goals for the next fiscal year.

This past year we have seen slight positive trends in the economic indicators that drive our business. In 2013, the CVWD customer population grew to nearly 190,000 people, including residential, commercial, landscape, and industrial user classes. New customers choose to locate in the Cucamonga Valley, finding comfort in a small town community with big town benefits. New homes, excellent school systems, well-maintained community centers and parks, and top-notch shopping provide ample opportunities for visitors and residents. None of this is possible without water.

The FY 2014 budget is based on operating revenues of \$80,204,024 and operating expenses of \$59,565,193 for all funds, which reflect increases of 7.5% and 8.8% respectively over last year's budget submittal. New requests in the Capital Improvement Project (CIP) budget include Water Capital Funding of \$30,954,450, Sewer Capital Funding of \$1,837,450, and Recycled Water Capital Funding of \$400,000, for a total investment of \$33,191,900 in District-wide infrastructure. These projections represent increases of 49.1%, 44.6%, and 0.6% in the Water, Sewer, and Recycled Water Funds respectively, for an overall increase of 48.0%. The Capital Budget also includes \$31,974,625 for funding carryover projects and a total of \$3,391,823 from outside funding sources. Total revenues of \$165,439,366 and total expenses of \$165,439,366 are budgeted, each representing an increase of 49% over last year's submittal.

Organizational Priorities

In 2012, the Cucamonga Valley Water District re-defined its foundational principles emphasizing **People**, **Water**, and **Service**. Our commitment is to utilize these foundational principles as a guide in our decision-making process to help secure a reliable water supply for our customers, provide service beyond customer expectations, and allow our agency to attract a quality workforce to carry out our mission. In this regard, one of our first organizational priorities this year has been a renewed focus on our **People**. Everything from taking phone calls, to maintaining water and sewer lines, and treating the water supply requires a highly effective, high-performance workforce – CVWD's **People**. The District has over 120 full-time employees, many of which are required to hold State certifications for maintenance of the District's distribution system and treatment of the public's water supply. Since 2009 the

total number of full-time employees has remained relatively constant; however unexpected salary savings during FY2013 made it possible for the District to add two new administrative positions, which are included in the FY2014 budget. One position had been previously filled using a temporary employment agency, and the other position is a new administrative position supporting the Finance and Engineering departments.

Additional salary savings associated with attrition and organizational restructuring also allowed the District to add a new supervisory classification to address the need for additional leadership at the core of our organization. Focused training and mentoring of employees will be critical over the next five to ten years, as we anticipate some loss of institutional knowledge associated with anticipated retirements. The new supervisor level provides future leaders with hands-on management and leadership experience by directly supervising and managing the people and the operations of their divisions. They also gain critical knowledge working alongside their senior level managers, increasing their understanding of administrative functions such as budgeting, planning and human resource management. These reclassifications were accomplished with minimal impact in FY 2013 and are included in the current budget request.

As an organization, we continue to maintain the philosophy that our employees are our most valuable resource and we compensate them in a responsible manner that is financially sustainable. Assessing future trends of employee compensation and benefits are critically linked; what drives and motivates the workforce of the future may not be what motivates our current workforce. Included in this year's budget is funding to complete an overall employee compensation study which will thoroughly examine and evaluate employee benefits and wages. Additionally, this will be the first year that employees begin contributing to the cost of their retirement benefit. Although the Public Employee Pension Reform Act primarily impacted employees new to the Public Employee Retirement System, the intent and the spirit of the legislation was to encourage public agencies to begin having employees share in the cost of retirement benefits. We believe it is fiscally prudent and consistent with current public sector trends for our organization to do the same.

Our next organizational priority focuses on our foundational principle of **Water**. Providing water to our customers is at the heart of our mission and the core of our existence. Our commitment is to ensure that we manage this resource responsibly and develop effective strategies to secure adequate water supplies to meet future needs and ensure long-term sustainability. Water supply planning and demand forecasting over the past few years have required adjustments and have been somewhat challenging. The decline in the local economy, the impact on the local housing market, as well as efforts to increase water use efficiency have all contributed to the slow but steady decrease in water consumption over the last few years. Through budget controls and effective financial management strategies, impacts to the District's rates have been minimized. In 2007, water demand peaked at over 62,000 acre-feet and over the next four subsequent years declined by nearly 14,000 acre-feet to just over 48,000 acre-feet. By the end of FY2012, demand began to increase slightly, finishing the production year at just over 51,000 acre-feet. In FY2014, based on improving economic indicators, we are projecting an increase in production to slightly below 52,000 acre-feet annually. Even with a somewhat positive outlook in the coming year, we remain cautiously optimistic and will continue our diligent monitoring and managing of operating costs to minimize budgetary impacts.

Service, as a foundational principle, means that regardless of the economic ups and downs that are experienced from time to time, the District's commitment to service remains a top priority. Through effective management, we have continued to maintain a high level and quality of service to our customers while maintaining a strong financial position, ensuring appropriate levels of revenue are available to fund necessary capital improvement projects insuring the integrity of the District's water and sewer system infrastructure. Two main components of CVWD's mission statement are water quality and reliability which are essential to the **Service** we provide our customers. Three of our primary capital improvement projects this year will focus

on the areas of water supply reliability and quality. The first is the upgrade of the Lloyd W. Michael Water Treatment Plant (LMWTP), which has the capacity to treat 60 million gallons of water per day (MGD) imported from northern California. In 2006, the U.S. Environmental Protection Agency amended regulatory standards specifically referred to as the Stage 2 Disinfectant/Disinfection By-Product Rule requiring compliance by CVWD and other water service providers by 2014. The new regulations resulted in the need for the District to upgrade the treatment plant with advance treatment technology and ultra-violet light disinfection. In addition to the regulatory compliance improvements at the treatment plant, the District is also adding a six million gallon reservoir at the site for additional storage of treated water. This is a multi-year project with a cost of \$42.2 million. Additionally, the District has applied for, and is anticipating, \$3.0 million in grant funding from the State Department of Public Health for costs associated with the ultra-violet disinfection portion of the project.

CVWD's Arthur H. Bridge Water Treatment Plant will also undergo a rehabilitation and upgrade. The plant was built in 1997 for the purpose of treating surface water from one of CVWD's most abundant local water sources in the Cucamonga Canyon. The facility has been offline due to severe damage caused by flooding and debris flows in 2010. The intake structure and filters will be redesigned, improved, and replaced with new technologies during 2014.

Another noteworthy project is associated with achieving the District's goal of maximizing our groundwater rights and improving the reliability of our Cucamonga Basin groundwater sources. A number of wells in the Basin have been out of service for a number of years due to groundwater contamination. This year's capital improvement budget includes funding to improve the District's treatment capabilities for this source of supply which includes on-site piping, pump station and reservoir modifications, rehabilitation of three water production wells, and construction of one new well.

Prudent fiscal management and accountability are essential to ensuring adequate levels of funding for the District's major capital projects. In 2012, the District made a deliberate effort to update its financial policies, further improving the District's financial position and credit rating. The District strengthened its existing reserve policy by including funding goals and by adding key financial objectives. This improved strategy identified key financial indicators used by rating agencies during a review of the District's credit profile. The new strategy lead to a reduction of debt service costs for ratepayers associated with improved credit ratings for new and outstanding debt. In conjunction with this effort, the District formally adopted a debt management policy providing staff and the Board of Directors with adopted procedures for debt issuance, guidelines for refunding debt, forms of debt issuance and limitations, and post-compliance procedures. Additionally, the District updated and improved its investment strategy within the parameters of the California Government Code to maximize yields without sacrificing security of its investments. In the second quarter of the FY2014, the District will complete work on its 20-Year Long Range Financial Plan which, in conjunction with the District's Water and Sewer Master Plans, is essential for forecasting long-term capital improvement funding needs, consumption and revenue projections, and operating expenses. This model will assist staff and Board members in the forecast of future rate impacts while ensuring adequate levels of funding for infrastructure replacement and improvements.

Revenue Assumptions

Just as we are cautiously optimistic about our annual consumption and production estimates, we approach our revenue projections with the same guarded confidence. Based on a number of economic indicators, our revenue assumptions show a slow but steady growth over the next few years. In addition to positive movement in our overall production levels and water sales, we have also noticed increased development activity through the end of the FY2013.

In FY2014, we have projected receiving approximately \$2.3 million in water development fees, an 81% increase over the prior year, while sewer development fees are anticipated to increase to \$598,009, or a 356% increase over prior year. In FY2014, total operating revenues are projected to increase by 7.5% or \$5,561,925. Of the total, increases to Water Operating Fund Revenues are estimated at \$3,817,605, a 6.3% increase compared with FY2013 and Sewer Operating Fund Revenues are projected to increase by 12.1% or \$1,617,399. In FY2014, it is projected that approximately 1,300 acre-feet of recycled water will be sold, generating Recycled Water Fund Revenues of \$928,814, an increase of 15.8% or \$126,921.

Budget Process

The District is beginning its eighth year utilizing its **Rolling Budget** process which was introduced in fiscal year 2007. The Rolling Budget process allows the Board of Directors and staff to take a critical look at each component of the budget and review real-time revenues and expenses on a quarterly basis. The **Rolling Budget** review schedule is as follows:

Component	Review Period
Wages and Benefits	July - September
Operating Expenses	October – December
Revenue, Source of Supply, and Electricity	January – March
Capital Improvement Budget	April – June

Each quarter the Finance Department prepares each component of the budget with the assistance of all District departments. Following the completion of *Operating Expenses* and *Revenues*, the budget is presented to the Board Finance Committee for review. The Board Engineering Committee reviews and provides input on the *Capital Improvement* portion of the budget, and the Board Human Resources/Risk Management Committee reviews and provides input during review of *Wages and Benefits*. After each component has been reviewed by the appropriate Board Committee, the entire budget is presented to the Finance Committee and the full Board of Directors for adoption in June of each year.

Conclusion

As CVWD remains on the forefront of our industry, innovation and the ability to adapt quickly to changing circumstances ensures that we look toward the future and properly position our organization to provide for the needs of our customers and stakeholders. Continuing our commitment to **Service Beyond Expectation** means maintaining transparency, being responsive to customer needs, maintaining open lines of communication, and being good stewards of our natural and financial resources while providing a high quality, safe, and reliable water supply for the communities we serve. The years ahead will reveal many challenges: sustaining and preparing for the inevitable ups and downs of the economy, environmental restrictions and regulations on water supply affecting availability and reliability, a continuing need to diversify our water supply, and the continuing workforce attrition and succession

planning. Rest assured, CVWD is planning for the future and the challenges that we face will be but milestones in a well-planned journey. With thoughtful foresight, strategic financial and water management planning and continued commitment to service to our customers, CVWD will continue to provide for our community now and for many years to come, because without water, there is no future.

Special Thanks

Many thanks to Cucamonga Valley Water District Board Committees who worked diligently to develop this budget and to the CVWD staff, especially Carrie Corder, Chief Financial Officer; Chad Brantley, Finance Officer; Agnes Boros, Accounting Supervisor; and Cathleen Trunnell, Senior Accountant.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Martin E. Zvirbulis", written over a horizontal line.

Martin E. Zvirbulis
General Manager/ CEO

RESOLUTION TO ADOPT

RESOLUTION NO. 2013-6-7

RESOLUTION OF THE BOARD OF DIRECTORS OF THE CUCAMONGA VALLEY WATER DISTRICT ADOPTING THE ANNUAL OPERATING AND CAPITAL IMPROVEMENT BUDGET FOR THE FISCAL YEAR ENDING JUNE 30, 2014

WHEREAS, the Cucamonga Valley Water District (“District”) is organized and operates pursuant to the County Water District Law commencing with Section 30000 of the California Water Code; and

WHEREAS, there has been presented to the Board of Directors a proposed Annual Operating and Capital Improvement Budget For The Fiscal Year Ending June 30, 2014 (“2014 Budget”); and

WHEREAS, on June 25, 2013, the Board of Directors received and considered all comments regarding the proposed 2014 Budget; and

WHEREAS, the proposed 2014 Budget has been reviewed and considered by the Board of Directors and it has been determined to be in the best interests of the District to adopt said budget for the sound financial operation of the District.

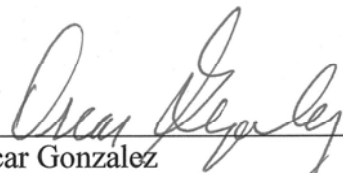
BE IT HEREBY RESOLVED by the Board of Directors of the Cucamonga Valley Water District as follows:

1. The 2014 Budget, as detailed in the budget document entitled “Annual Operating and Capital Improvement Budget For the Fiscal Year Ending June 30, 2014,” is hereby adopted. A copy of the 2014 Budget is attached hereto and incorporated herein by reference.
2. The expenditure amounts designated for the Fiscal Year 2013-2014, pursuant to the 2014 Budget, are hereby appropriated and may be expended by the departments or funds for which they are designated.
3. The current amount of the MWD Surcharge Rate pass-through, as established in Ordinance 30-G, Exhibit A shall be increased from \$0.16 per hcf to \$0.17 per hcf effective 07/01/2013.
4. The Recitals set forth above are incorporated herein and made an operative part of this Resolution.

5. If any section, subsection, sentence, clause or phrase in this Resolution or the application thereof to any person or circumstances is for any reason held invalid, the validity of the remainder of this Resolution or the application of such provisions to other persons or circumstances shall not be affected thereby. The Board of Directors hereby declares that it would have passed this Resolution and each section, subsection, sentence, clause or phrase thereof, irrespective of the fact that one or more sections, subsections, sentences, clauses, or phrases or the application thereof to any person or circumstance be held invalid.

6. This Resolution will be effective immediately upon adoption.

Adopted this 25th day of June, 2013.



Oscar Gonzalez
President, Board of Directors

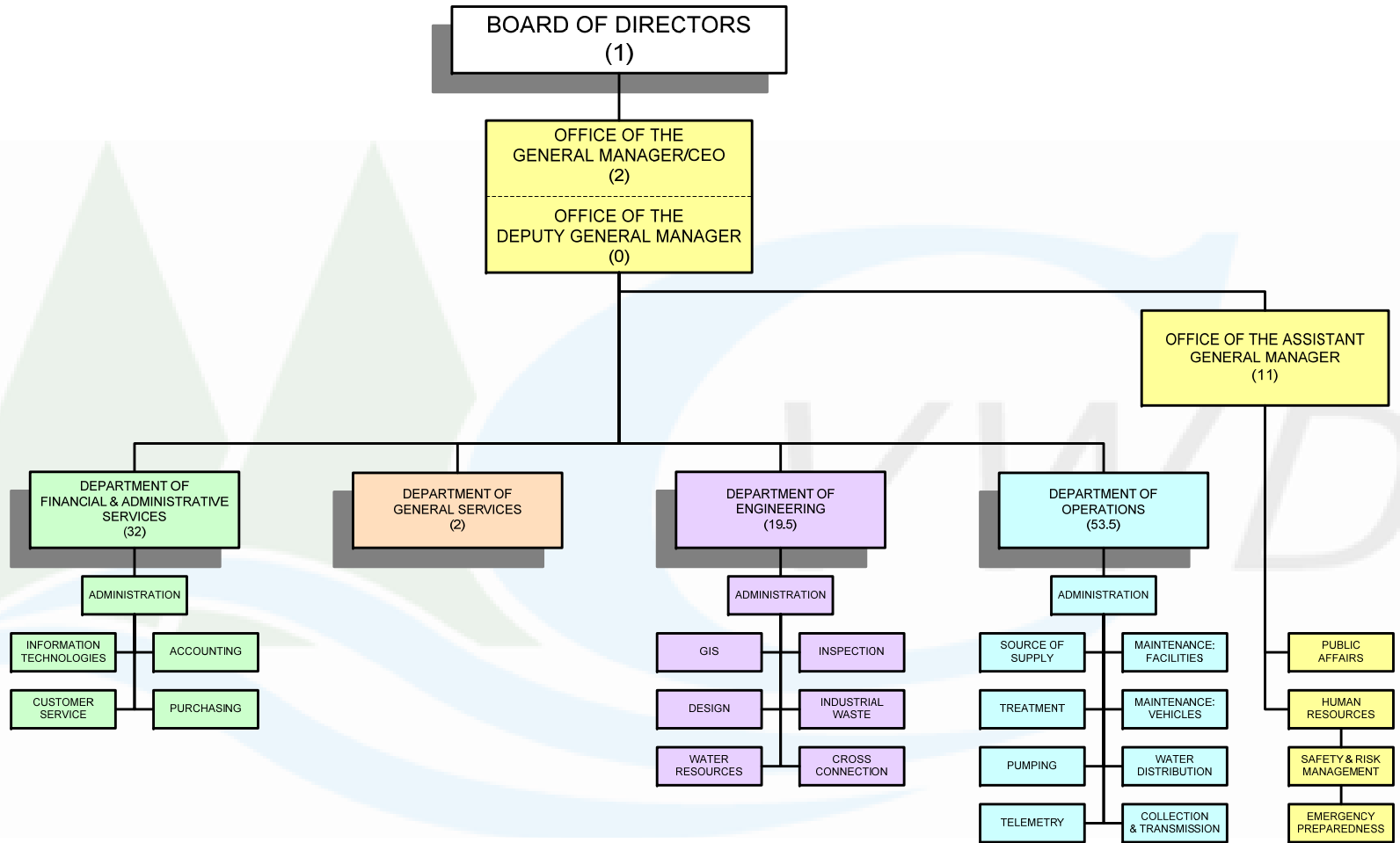
Attest:



Martin E. Zvirbulis
Secretary, Board of Directors

CUCAMONGA VALLEY WATER DISTRICT ORGANIZATIONAL CHART

FYE 2014



TOTAL: 121 EMPLOYEES

CUCAMONGA VALLEY WATER DISTRICT
OFFICIALS

For the Fiscal Year Ending June 30, 2014

BOARD OF DIRECTORS

OSCAR GONZALEZ	President
JAMES V. CURATALO, JR.	Vice President
KATHLEEN J. TIEGS	Director
RANDALL J. REED	Director
LUIS CETINA	Director

DISTRICT MANAGEMENT

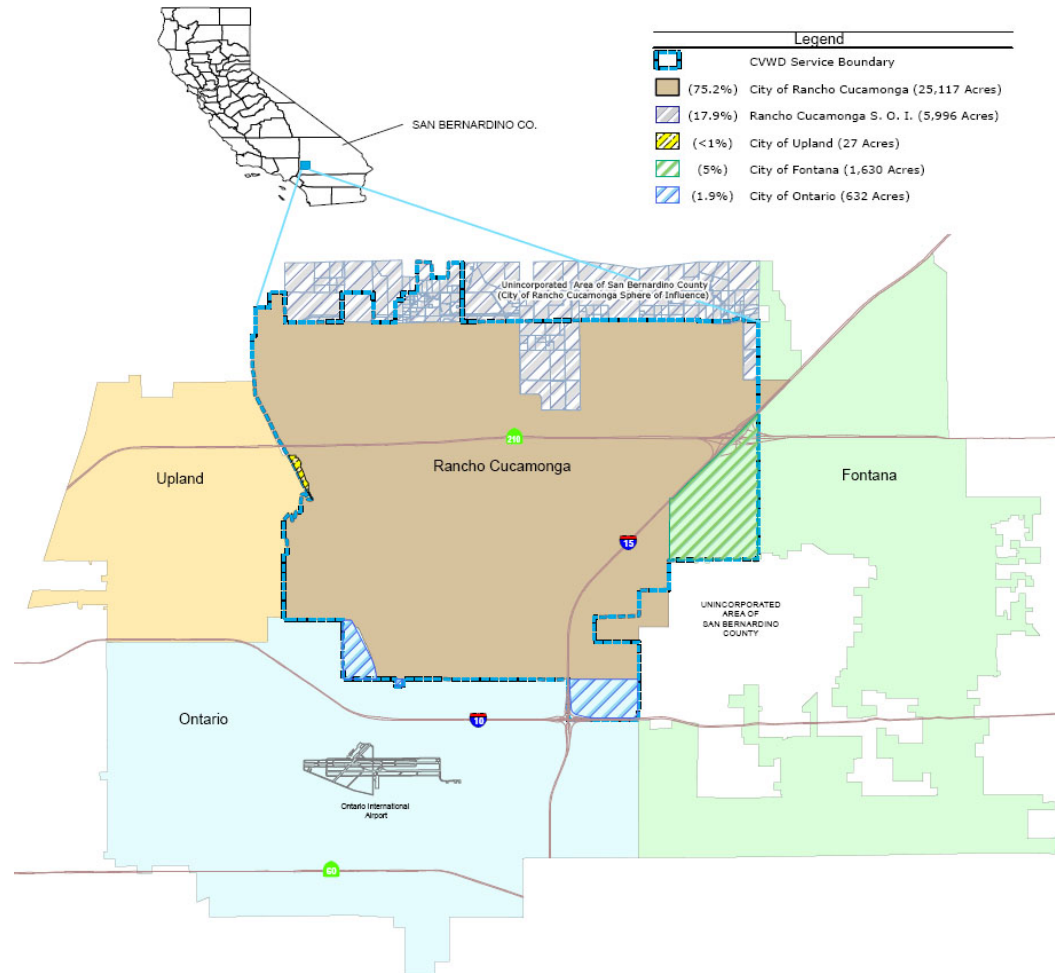
MARTIN E. ZVIRBULIS	General Manager/CEO
JO LYNNE RUSSO-PEREYRA	Assistant General Manager
CARRIE CORDER	Chief Financial Officer
JOHN BOSLER	Chief Operating Officer



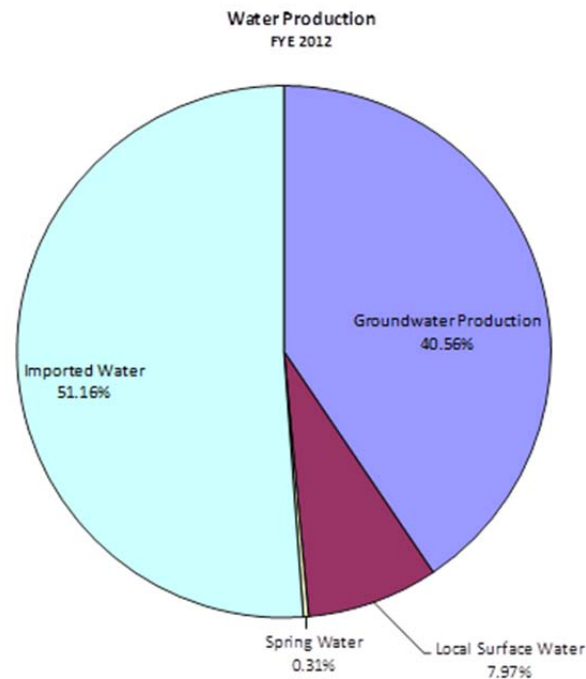
The Cucamonga Valley Water District Main Office at 10440 Ashford Street, Rancho Cucamonga, California

PROFILE OF THE CUCAMONGA VALLEY WATER DISTRICT

The Cucamonga Valley Water District (the “District” or “CVWD”) is an independent special district that operates under the authority of Division 12 of the California Water Code. The District was incorporated on March 25, 1955, and is governed by a five-member, elected Board of Directors. The District provides water and wastewater services to a population of approximately 187,800 within its 47 square mile service area, which is located in the western area of San Bernardino County, California. The District encompasses the majority of the community of Rancho Cucamonga and portions of the cities of Fontana, Ontario, Upland, and some of the unincorporated areas of San Bernardino County.



Residential customers make up approximately 89% of the District’s customer base and consume approximately 59% of the water produced annually by the District. The District currently has a total of 28 groundwater wells, of which 16 are in service with a maximum production capacity of approximately 28,000 gallons per minute (or an annual production equivalent of 45,164 acre-feet). In addition, the District has surface and subsurface water rights in four local canyon watersheds with an annual production in 2012 of 4,070 acre-feet. Lastly, untreated imported water from the Sacramento-San Joaquin River Delta through the State Water Project makes up the third source of water available to the District. In 2012, the District purchased 26,144 acre-feet of imported water. The following chart illustrates the water production sources.



Uncertainty due to dry conditions affecting Metropolitan Water District of Southern California (MWD or Metropolitan) service area and main supply sources, as well as the court order decisions affecting State Water Project operations has raised the possibility that Metropolitan may not have access to the supplies necessary to meet total demands at some point in the future and may have to allocate shortages in supplies to the member agencies. As a result, the District has secured local groundwater resources from other purveyors in the Chino Basin for future use and has increased its use of recycled water.

Fiscal Management

The District Board of Directors annually adopts an operating and capital budget prior to the new fiscal year. The budget authorizes and provides the basis for reporting and control of financial operations and accountability for the District’s enterprise functions, including the Water Utility Fund, Sewer Utility Fund, and Recycled Water Utility Fund. The budget and reporting treatment applied to a fund is consistent with the accrual basis of accounting and the financial statement basis. Each year the District adopts a balanced budget.

Local Economy

The District office is located in the City of Rancho Cucamonga in San Bernardino County. Rancho Cucamonga is considered a premiere city in the Inland Empire area of California. The District population is projected to increase to approximately 215,100 in 2035, when the District is expected to be fully built out. The community is located 37 miles east of downtown Los Angeles. The chart to the right highlights the growth of the City of Rancho Cucamonga, the County of San Bernardino, and the State of California.

The economics of the communities served by the District have been hit particularly hard by the recent economic downturn. New home starts/permits for the District's service area have slowed dramatically over the past three years. From 2003 to 2008, the District grew in terms of number of customers at an average rate of over 2.0% per year. However, since 2008, the District has grown at a rate of only 0.5% per year.

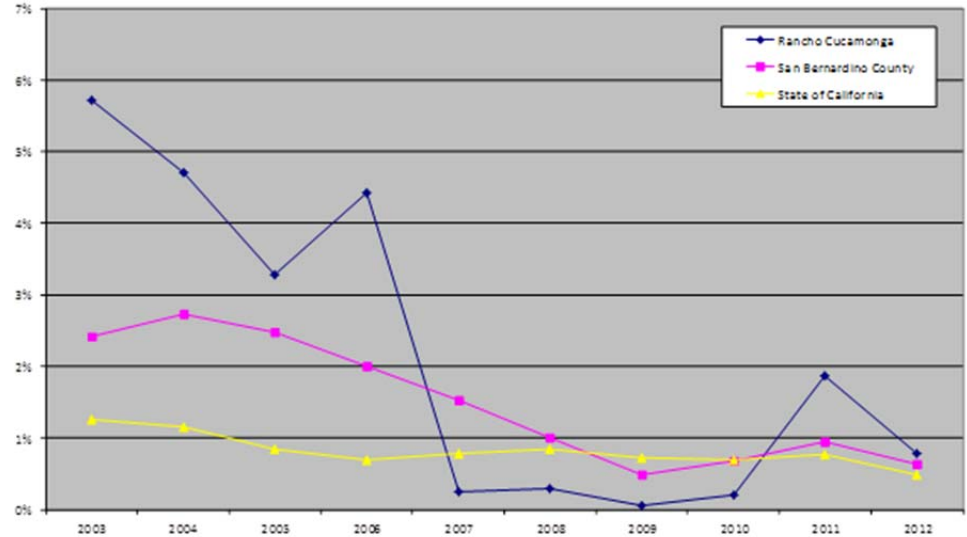
The decline in the housing market has had a negative effect on short-term growth in the region. Foreclosures in the Inland Empire were among the highest in the nation. Foreclosures in the District peaked in 2009 at 960 homes. Foreclosures have dramatically decreased since that time to a six month level in 2012 of 220 homes. During the past ten years, unemployment rates have varied in Rancho Cucamonga. In 2003, the unemployment rate was at 4.0%. Rates dropped each year after that until 2006 when the rate was at a ten-year low of 3.1%. However, rates have since increased to a rate of 7.8% in 2012, which is lower than the region and the state of California's rate and is on par with the national rate.

California's water supply continues to be a concern due to projected population increases and dwindling supplies from traditional sources. This concern has increased interest in recycled water for irrigation and industrial uses. The District has expanded and will continue to expand its conservation efforts and the use of local sources such as groundwater and canyon water. Such expansions will decrease the District's dependence on imported water and increase water source reliability. The District will also continue to work with local and regional water suppliers in planning and constructing other water delivery systems throughout its service area.

During the past five years, the District's expenses related to source of supply have remained stable averaging approximately 26% of the District's total operating expenses despite the fact that the District has grown 4% over the last 5 years. Production fell each year from 2008 through 2011 but increased in 2012. Improvements in economic conditions and less rainfall in 2012 contributed to the increased demand for water this year. In 2008, production per customer was 1.24 acre feet. In 2012, that number has dropped to 1.06 acre feet, a decrease of approximately 15%.

During this same five-year period, charges for services fluctuated based on demand. Water sales revenues have increased by approximately 5.9% per year on average. This increase is primarily due to an increase in water rates of 5% per year but can also be attributed to a small increase in total water service connections of .8% per year. Meter charge revenue has increased by approximately 7.0% per year on average and water service revenue has increased 8.9% per year on average.

10 Year Population Growth Rate
Rancho Cucamonga vs County & State



The District’s policy direction ensures that all revenues from user charges generated from District customers must support all District operations including capital project funding. The District does not receive state property tax subsidies. Water, recycled water, and sewer rates are user charges imposed on customers for services and are the primary component of the District’s revenue. Water and recycled water rates are composed of a fixed meter charge and a commodity (usage) charge. Sewer rates are billed based on a unit of measure called an equivalent dwelling unit (EDU), which is equivalent to the amount of wastewater flow from a single-family household. The District bills each residential customer a fixed charge for each EDU billed. The chart on page 76 illustrates the average bi-monthly utility bill.

Local demographic and economic statistics, including principal employers, are included below.

Year	Riverside-San Bernardino-Ontario MSA			
	Unemployment Rate - Rancho Cucamonga	Population - Rancho Cucamonga	Personal Income (thousands of dollars)	Personal Income per Capita
2003	4.0%	145,053	93,702	25,900
2004	3.7%	151,873	101,117	26,924
2005	3.3%	156,854	108,598	28,020
2006	3.1%	163,788	116,925	29,330
2007	3.6%	164,195	123,046	30,252
2008	5.1%	164,671	125,620	30,539
2009	8.6%	164,764	120,360	28,928
2010	9.4%	165,101	123,561	29,107
2011	8.7%	167,701	128,982	29,961
2012	7.8%	169,152	N/A	N/A
2013	7.1%*	171,058	N/A	N/A

* Preliminary rate through March 2013 (latest data available)

Sources: California State Employment Development Department, California State Department of Finance, and the United States Bureau of Economic Analysis

Employer	Principal Employers	
	Number of Employees	Percentage of Total
Etiwanda School District	1,312	1.86%
Chaffey Community College	1,300	1.85%
Amphastar Pharmaceuticals	999	1.42%
City of Rancho Cucamonga	880	1.25%
Alta Loma School District	783	1.11%
Macy's	750	1.07%
Central School District	680	0.97%
West Valley Detention Center	668	0.95%
Big Lots	521	0.74%
Mercury Insurance	509	0.72%
Total	8,402	11.94%
Total Employment	70,386	100.00%

Sources: City of Rancho Cucamonga

FINANCIAL POLICIES AND GOALS

Long-term Financial Planning

The District's financial plan includes the establishment of reserve funds in accordance with the District's Reserve Policy. Reserve funds are set to ensure the continued orderly operation of the District's water and wastewater systems, the provision of services to customers at established levels, and the continued stability of the District's rate structure. Details of this policy can be found on page 28.

The District is currently developing a formal long-term financial plan which it plans to implement in the next fiscal year.

Debt Administration

The District's debt is divided into the Senior Obligations (issues prior to 2012) and the Subordinate Obligations (2012 issue). The District's debt rating on the Senior Obligations is "AA" from Standard & Poor's and "Aa3" from Moody's Investor Services. The District's debt rating on the Subordinate Obligation is rated "AA-" from Standard & Poor's and "AA" from Fitch Ratings. The District adopted a debt management policy effective August 29, 2012, which documents the District's goals for the use of debt instruments and provides guidelines for the use of debt for financing District water, sewer and recycled water infrastructure and project needs. The District's overriding goal in issuing debt is to respond to and provide for its infrastructure, capital project and other financing needs while ensuring that debt is issued and managed prudently in order to maintain a sound fiscal position and protect credit quality. The District issues debt instruments, administers District held debt proceeds and makes debt service payments, acting with prudence, diligence and attention to prevailing economic conditions.

The purpose of this debt management policy is to:

- Establish parameters for issuing debt
- Provide guidance to decision makers:
 - With respect to all options available to finance infrastructure, capital projects, and other financing needs
 - So that the most prudent, equitable and cost effective method of financing can be chosen
- Document the objectives to be achieved both prior to issuance and subsequent to issuance
- Promote objectivity in the decision-making process
- Facilitate the financing process by establishing important policy decisions in advance

The District will adhere to the following legal requirements for the issuance of public debt:

- The state law which authorizes the issuance of the debt
- The federal and state laws which govern the eligibility of the debt for tax-exempt status
- The federal and state laws which govern the issuance of taxable debt
- The federal and state laws which govern disclosure, sale, and trading of the debt both before and subsequent to issuance

The following principles outline the District's approach to debt management:

- The District will issue debt only in the case where there is an identified source of repayment. Debt will be issued to the extent that (i) projected existing revenues are sufficient to pay for the proposed debt service together with all existing debt service covered by such existing revenues, or (ii) additional projected revenues have been identified as a source of repayment in an amount sufficient to pay for the proposed debt.
- The District will not issue debt to cover operating needs, unless specifically approved by the Board.
- Debt issuance for a capital project will not be considered unless such project has been incorporated into the District’s adopted Capital Improvement Budget or as otherwise approved by the Board.
- Each proposal to issue debt will be accompanied by an analysis that demonstrates conformity to this Policy. This analysis will address the purpose for which the debt is issued and the proposed debt structure.

Debt Capacity

There is no specific provision within the California Government Code that limits the amount of debt that may be issued by the District. The District’s future borrowing capability is limited by the debt coverage ratio and additional debt limitations required by the existing bond covenants. The covenants on the senior obligations require the ratio to exceed 1.1 and the subordinate obligations require it to exceed 1.25; the District’s ratio is 2.15 for Fiscal Year 2012. Approximately 84% (\$11,891,369) of the District’s Fiscal Year 2014 projected total debt service obligation (\$14,166,132) is related to its four existing Certificates of Participation Issuances (COPs), one Clean Renewable Energy Bond (CREB), and one Revenue Bond (RB). Use of proceeds and the corresponding principal balance of each are as follows:

Year of Issuance	Obligation Ranking	Use of Proceeds	Principle Balance as of June 30, 2013
2003	Senior	Provided funds to defease the 1994 COPs.	8,370,000
2006	Senior	Provided funds for the acquisition and construction of various capital improvements.	19,780,000
2009	Senior	Provided funds for the acquisition and construction of various capital improvements.	23,620,000
2009	Senior	Provided funds for the acquisition of a solar energy recovery system utilizing interest-free Clean Renewable Energy Bonds.	292,857
2011	Senior	Refunding bonds that originally provided funds for the acquisition and construction of various capital improvements.	107,820,000
2012	Subordinate	Provided funds for the acquisition and construction of various capital improvements.	37,885,000
			<u>\$ 197,767,857</u>

Debt service requirements for the District’s bonds are as follows:

<u>Year(s)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	4,954,286	9,211,846	14,166,132
2015	5,069,286	9,056,678	14,125,964
2016	5,269,286	8,854,603	14,123,889
2017-2021	29,746,430	40,782,189	70,528,619
2022-2026	36,658,569	33,571,201	70,229,773
2027-2031	45,200,000	23,760,398	68,960,398
2032-2036	47,880,000	12,129,006	60,009,006
2037-2041	18,665,000	2,503,125	21,168,125
2042-2046	4,325,000	218,875	4,543,875
Total	<u>\$ 197,767,857</u>	<u>\$ 140,087,921</u>	<u>\$ 337,855,781</u>

Relevant Financial Policies

Internal Control Structure

District management is responsible for the establishment and maintenance of the internal control structure that ensures that the assets of the District are protected from loss, theft, or misuse. The internal control structure also ensures that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The District’s internal control structure is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management.

Investment Policy

The Board of Directors annually adopts an investment policy that conforms to state law, District ordinances and resolutions, prudent money management, and the “prudent investor” standards. The objective of the Investment Policy is safety, liquidity, and yield. District funds are invested in the State Treasurer’s Local Agency Investment Fund, U.S. Agency and Treasury Securities, Money Market Funds, Negotiable Certificates of Deposit (CDs), Municipal Bonds, and Corporate Notes. On February 12, 2013, the Board of Directors adopted an enhanced investment policy that received a one-year certification from the California Municipal Treasurer’s Association (CMTA).

Risk Management

The District is a member of the Association of California Water Agencies / Joint Power Insurance Authority (Authority). The purpose of the Authority is to arrange and administer programs of insurance for the pooling of self-insured losses and to purchase excess insurance coverage. The District participates in Property Loss, General Liability, Automobile Liability, Workers’ Compensation, Public Officials’ and Employees’ Errors and Omissions, and Fidelity Coverage.

Other Post-Employment Benefits

In June 2004, the GASB issued Statement No. 45 (GASB 45), *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This statement establishes standards for the measurement, recognition and display of post-employment benefits (referred to as Other Post-Employment Benefits, or OPEB) and related assets and liabilities, note disclosures, and required supplementary information in the District's financial reports. Post-employment benefits include retiree healthcare and other non-pension benefits, which the District currently offers to eligible retirees. The District implemented GASB 45 for the year ending June 30, 2009. Funding for the year ending June 30, 2013 is included in this budget.

Employee Compensation and Benefits

Employee Compensation

In accordance with the Board's Strategic Vision, the District is committed to paying a fair and sustainable wage with the dual purpose of attracting and retaining a talented workforce.

Employee Benefits

Cafeteria Style Benefits – All new, full-time, regular employees of the District on initial probationary status are provided membership in an approved group health insurance plan at the earliest opportunity of inclusion.

For executive staff, the District pays the greater of \$480.00 or 80% of employee's medical premium. If the District pays 80%, the employee is responsible for the remaining 20%. For mid-management and hourly employees, the District pays the greater of \$480.00 or 85% of employee's medical premium. If the District pays 85%, the employee is responsible for the remaining 15%. For those full-time, regular employees of the District with proof of health insurance coverage other than that offered by the District, \$480.00 per month is allotted to participate in those health and insurance benefits.

Vacation Time – Employees are entitled to 10 days after one full year of District service, graduating to a maximum of 25 days after 20 years of service. Employees can accumulate a maximum of 200 hours.

Sick Leave – Employees are entitled to 12 days per year with unrestricted accumulation.

CalPERS – Regular District employees hired before January 1, 2011, are enrolled under the 2.5% @ 55 retirement program. Regular District employees hired between January 1, 2011 and December 31, 2012, are enrolled under the 2.0% @ 60 retirement program. The District pays the employees' portion for these two plans. Also, in accordance with the Public Employees Pension Reform Act (PEPRA), regular District employees hired on or after January 1, 2013, are enrolled under the 2.0% @ 62 retirement program with the employees paying their own portion of the plan.

Public Agency Retirement Services (PARS) – Regular District employees hired before January 1, 2011, are enrolled in a supplemental retirement benefit of 0.2% in addition to the CalPERS retirement benefit for eligible employees who complete at least 5 years of continuous full-time regular service with the District after July 1, 2003. The District pays the employee's portion.

Holidays – Full-time employees are entitled to 10 designated holidays and 3 personal days per year.

Life Insurance – Employees working 30 hours or more per week are covered by a District-paid life insurance policy of \$25,000. Additional insurance up to \$500,000 may be purchased at the employee's expense.

Tuition Loan Program – Full-time, regular employees are eligible to receive up to \$3,000 per year through the loan program, which may be used for registration, books, and other related school expenses.

Additional Benefits – Other benefits available to eligible District employees include a Deferred Compensation Program, Short Term & Long Term Disability, and a 9/80 work schedule.

Cost Allocation

The cost of operating expenses, including employee wages and benefits, are allocated to each department and division based on actual expenses as tracked by the District's work order/cost accounting system, with allocation to the Water, Sewer, or Recycled Water Funds based on percentages determined by historical trends. District-wide expenses which are general in nature and not attributable to a particular work category or division are allocated to the District's General Services Department.

Costs are also associated with individual work orders, thereby providing the District with the information necessary to analyze costs based on individual tasks or functions.

CUCAMONGA VALLEY WATER DISTRICT

RESERVE POLICY

For the Fiscal Year Ending June 30, 2014

Policy

A key element of prudent financial planning is to ensure that sufficient funding is available for current operating, capital, and debt service needs. Additionally, fiscal responsibility requires anticipating the likelihood of, and preparing for, unforeseen events. Cucamonga Valley Water District will at all times strive to have sufficient funding available to meet its operating, capital and debt service obligations. Reserve Funds (Funds) will be accumulated and maintained to allow the District to fund operating expenses and capital expenditures in a manner consistent with its Annual Operating and Capital Improvement Budget and avoid significant customer rate fluctuations due to changes in cash flow requirements.

General Provisions

The District will maintain its liquidity and capital funds in separate, designated sub-accounts in a manner that ensures its financial soundness and provides transparency to its ratepayers. The Fund balances are considered the minimum necessary to maintain the District's creditworthiness and adequately provide for:

- Compliance with applicable statutory requirements
- Financing of future capital facilities and repair and replacement of existing assets
- Financing of water purchases through the Water Banking Program
- Cash flow requirements
- Economic uncertainties, local disasters, and other financial hardships or downturns in the local or national economy
- Contingencies or unforeseen operating and/or capital needs

The District has established and will maintain the following primary Funds and their respective sub-accounts:

RESTRICTED FUNDS: Restrictions on the use of these funds are imposed by an outside source such as creditors, grantors, contributors, laws, or regulations governing use.

- a. **Bond Proceeds Fund(s):** Bond proceeds funds are monies derived from the proceeds of a bond issue.
- b. **Development Fees:** Monies collected from development fees shall be separately accounted for.

LIQUIDITY FUNDS: Established to safeguard the financial flexibility and stability of the District and to maintain stable customer charges and rates from year to year.

- a. **Rate Stabilization Account:** This fund is established to provide flexibility to the Board when setting Water rates to allow for absorbing fluctuations in water demand.

- b. **Water Banking:** The Water Banking Account is used for the purchase of available water supplies.
- c. **Operating Reserve Account:** The Operating Reserve Account is used for unanticipated operating expenses.

CAPITAL RESERVE FUNDS: These funds are utilized primarily to fund capital and asset costs, for both new and replacement projects.

- a. **Capital Project Account:** The Capital Project Account is used for the funding of new capital assets or the replacement of capital assets when they reach the end of their useful lives.
- b. **Emergency Account:** The Emergency Account may be used in the event of economic events that negatively impact either revenues or expenses, or causes a material decline in other reserve accounts; to purchase equipment and infrastructure at any time or to begin repair of the water system after a catastrophic event, such as a severe earthquake or fire, while long-term financing is being arranged, State or Federal Assistance is obtained, or insurance claims are being processed. The District may use funds herein for either capital or operating purposes.
- c. **Administrative Capital Improvement Account:** The Administrative Capital Improvement Account can be used to fund certain general, administration and overhead projects.

Financial Benchmarks

The District strives to maintain a strong credit profile in order to provide assurance to customers, bond holders, rating agencies and other stakeholders that the District proactively manages its financial resources and is financially sustainable. These benchmarks are evaluated on an annual basis and communicated to the Board of Directors. The District has set forth the following financial benchmark goals:

- a. **Debt Ratio:** The Debt Ratio is a financial ratio that indicates the percentage of the District's capital assets that are provided via debt financing. It is the District's goal to maintain a Debt Ratio between 30 to 40 percent.
 - The Debt Ratio at June 30, 2012 was 53.9% based on the Audited Financial Statements.
 - The Debt Ratio at June 30, 2013 is projected to be 64%.
- b. **Credit Rating:** The District's debt is divided into the Senior Obligations (issues prior to 2012) and the Subordinate Obligations (2012 issue). The District's debt rating on the Senior Obligations is "AA" from Standard & Poor's and "Aa3" from Moody's Investor Services. The District's debt rating on the Subordinate Obligation is rated "AA-" from Standard & Poor's and "AA" from Fitch Ratings.
 - The District's credit rating at June 30, 2013 is projected to remain the same as above.
- c. **Number of Day's Cash:** The District's liquidity position has a large impact on the District's credit rating. It is the District's goal to maintain a level of Days Cash between 365 and 400 days.
 - The number of Days Cash at June 30, 2012 was 305 days based on the Audited Financial Statements.
 - The number of Days Cash at June 30, 2013 is projected to be 311 days.

- d. **Capital Improvement Funding Levels:** In accordance with the District's Debt Management Policy 8.5, the District will evaluate the benefits of utilizing Pay-Go and/or debt financing to determine the optimal funding strategy of capital improvements. It is the District's goal to utilize a balanced approach to capital project funding at a level of 40% debt, 30% Pay-Go and 30% reserve funding.
- The Capital Improvement Funding Levels at June 30, 2013 are projected to be 80% Debt, 20% Pay-Go, and 0% reserve.
- e. **Debt Service Coverage:** The District is required to maintain a minimum debt service coverage ratio as set forth in the outstanding bond documents. It is the District's goal to exceed the minimum coverage ratio with a goal of 2.25 times the annual debt service payment.
- The Debt Service Coverage at June 30, 2012 was 2.15 times based on the Audited Financial Statements.
 - The Debt Service Coverage at June 30, 2013 is projected to be 2.3 times.

BASIS OF BUDGETING AND ACCOUNTING

The Cucamonga Valley Water District is a California Special District established in 1955 under the provisions of the County Water District Law, Division 12 of the California Water Code.

The District reports its activities as an Enterprise Fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise. It is the intention of the District to recover for the full-costs of providing goods and/or services through the collection of user charges.

Budgeted and actual revenues and expenses reported in this document are recognized on the accrual basis of accounting in conformity with Generally Accepted Accounting Principles (GAAP). Consequently, revenues are recognized in the accounting period in which they are earned and expenses are recognized in the accounting period incurred.

BUDGET CONTROL AND AMENDMENT

The General Manager/CEO is responsible for keeping the expenses within budget allocations and may adopt budget policies necessary to carry out that responsibility. No expenditure of funds shall be authorized unless sufficient funds have been appropriated by the Board or General Manager/CEO as described in this budget.

The General Manager/CEO may exercise discretion in the administration of the Budget to respond to changed circumstances, provided that any single modification in excess of \$50,000 shall require approval by the Board. All budget transfers are documented and tracked in the District's computerized financial system.

The General Manager/CEO may authorize the hiring of full-time staff as necessary, as long as the position or classification has been authorized by the Board. In addition, the General Manager/CEO may authorize the hiring of temporary or part-time staff as needed within the Operating and Capital Budget.

In the event that the General Manager/CEO determines that an emergency exists requiring immediate action, the General Manager/CEO shall have the power, without prior Board action, to enter into contracts and agreements and expend funds on behalf of the District. An emergency, as defined by Chapter 3.08 of the Cucamonga Valley Water Code, is a "situation which makes competitive bidding impractical, or not in the best interest of the District, as determined by the General Manager/CEO or his/her designee." If the emergency expense exceeds \$100,000, Board approval is required within 30 days.

THE ROLLING BUDGET PROCESS: A PROGRESSIVE APPROACH

On May 23, 2006, staff unveiled a new and progressive approach to our budgeting process called the Quarterly Rolling Budget Review. This approach divides the annual budget process into four major sections. During the first fiscal quarter of each year, the budget requirements for the next fiscal year's wages and benefits are addressed and submitted to the Board of Directors for their review. Budget requirements for operating expenses are addressed during the second fiscal quarter, revenues and rates during the third, and capital projects during the fourth. During each of the four quarters, the current year's budget for that phase of the budget process is reviewed and amendments may be made to adjust for unforeseen circumstances. This approach allows the Board of Directors and staff the opportunity to place a greater emphasis on each of the four phases.

Rolling Budget Process



Quarterly Analysis & Approval by the Board of Directors

BUDGET CALENDAR

August 10, 2012	Deadline for submission of Personnel Requests, Ladder of Success Requests, and Succession Planning from departments
August 10, 2012	Deadline for submission of overtime, stand-by, and Exec-U-Care forecasts from departments
September 14, 2012	1 st Quarter Rolling Budget: Wage and Benefit Budget submitted to Personnel Committee for review
November 9, 2012	Deadline for submission of Operating Expenses from departments
November 13, 2012	1 st Quarter Rolling Budget: Wage and Benefit Budget submitted to Board of Directors for review
March 7, 2013	2 nd Quarter Rolling Budget: Operating Expense Budget submitted to Finance Committee for review
March 12, 2013	2 nd Quarter Rolling Budget: Operating Expense Budget submitted to Board of Directors for review
March 29, 2013	Deadline for submission of Capital Improvement Project requests from departments
April 23, 2013	3 rd Quarter Rolling Budget: Revenue, Source of Supply, and Electricity Budgets submitted to Finance Committee for review
May 14, 2013	3 rd Quarter Rolling Budget: Revenue, Source of Supply, and Electricity Budgets submitted to Board of Directors for review
May 15, 2013	4 th Quarter Rolling Budget: Capital Improvement Project Budget submitted to Engineering Committee for review
May 28, 2013	Annual Operating and Capital Improvement Budget for the Fiscal Year Ending June 30, 2014, submitted to Finance Committee for review
June 25, 2013	4 th Quarter Rolling Budget: Capital Improvement Project Budget submitted to Board of Directors for review
June 25, 2013	Annual Operating and Capital Improvement Budget for the Fiscal Year Ending June 30, 2014, submitted to Board of Directors for review and adoption

CUCAMONGA VALLEY WATER DISTRICT REVENUE ASSUMPTIONS

For the Fiscal Year Ending June 30, 2014

Water Operating Fund

Commodity water sales are the largest source of District revenues, with the majority of sales to domestic and/or residential customers.

Water Sales Revenues are projected based upon the rates and consumption projections in each of the major water sales categories. The District implemented a phased-in four year tiered water rate structure that better reflects the range of costs for various water supplies, keeps consumption charges low for customers who conserve water, and provides a financial incentive for conservation.

Category	Assumptions	Rate Increase Effective 5/1/2013
Potable – Tier 1	9,625 acre feet sold (1.1% decrease over prior year)	2.05%
Potable – Tier 2	18,460 acre feet sold (2.5% increase over prior year)	3.49%
Potable – Tier 3	11,847 acre feet sold (9.0% increase over prior year)	5.29%
Potable – Tier 4	8,884 acre feet sold (5.3% increase over prior year)	8.09%
Construction	104 acre feet sold (26.8% increase over prior year)	5.00%
Canyon Source	7,780 acre feet sold (22.9% decrease over prior year)	5.00% (eff. 1/1/14)
Recycled Water	1,301 acre feet sold (12.5% increase due to expansion of R/W facilities)	5.19%

The approved multi-year rates structure through 2014 is as follows:

Category	FY2011	FY2012	FY2013	FY2014
Tier 1	\$ 1.43	\$ 1.46	\$ 1.49	\$ 1.52
Tier 2	1.66	1.72	1.78	1.84
Tier 3	1.92	2.05	2.19	2.34
Tier 4	2.17	2.35	2.54	2.75
Recycled Water	1.28	1.35	1.42	1.49

Water Services Revenues, including fireline fees, turn-on and reconnection fees, hydrant fees, plan check fees, and penalty fees, are projected based upon current fiscal year activity.

Meter Charge Revenues are projected based upon an anticipated 0.35% growth in our customer base for Fiscal Year 2014, as well as approved rate increases of 5% for each year May 1, 2011, through May 1, 2014.

Rental and Lease Revenues are projected based upon contract agreements with various entities for use of the District's repeater stations, as well as a lease agreement with the Chino Basin Watermaster for use of a District office building.

Interest Income for the water and sewer operating funds is projected based on an average yield of 0.30% for LAIF investments and 1.00% for the balance of our investment portfolio (75% of the District's interest income is designated as revenue to the Water Fund, 25% to the Sewer Fund). The COP fund interest is based on an estimated yield of 0.30% on the unspent portions of the 2009 COP issuance and the 2012 Revenue Bond issuance.

Proceeds from Borrowing are based on proceeds from the 2009 COP issuance as well as the 2012 revenue bond issuance.

Sewer Operating Fund

Sewer revenues are based on sewer collection and treatment services provided to our customers.

Sewer Service Revenues are projected based upon a total of 782,112 Equivalent Dwelling Units (EDUs), the standard measurement of water discharged into the sewer collection and treatment system equal to the average discharge from a detached single-family unit. Also included in projections in this category is an approved increase to the District's sewer service rate.

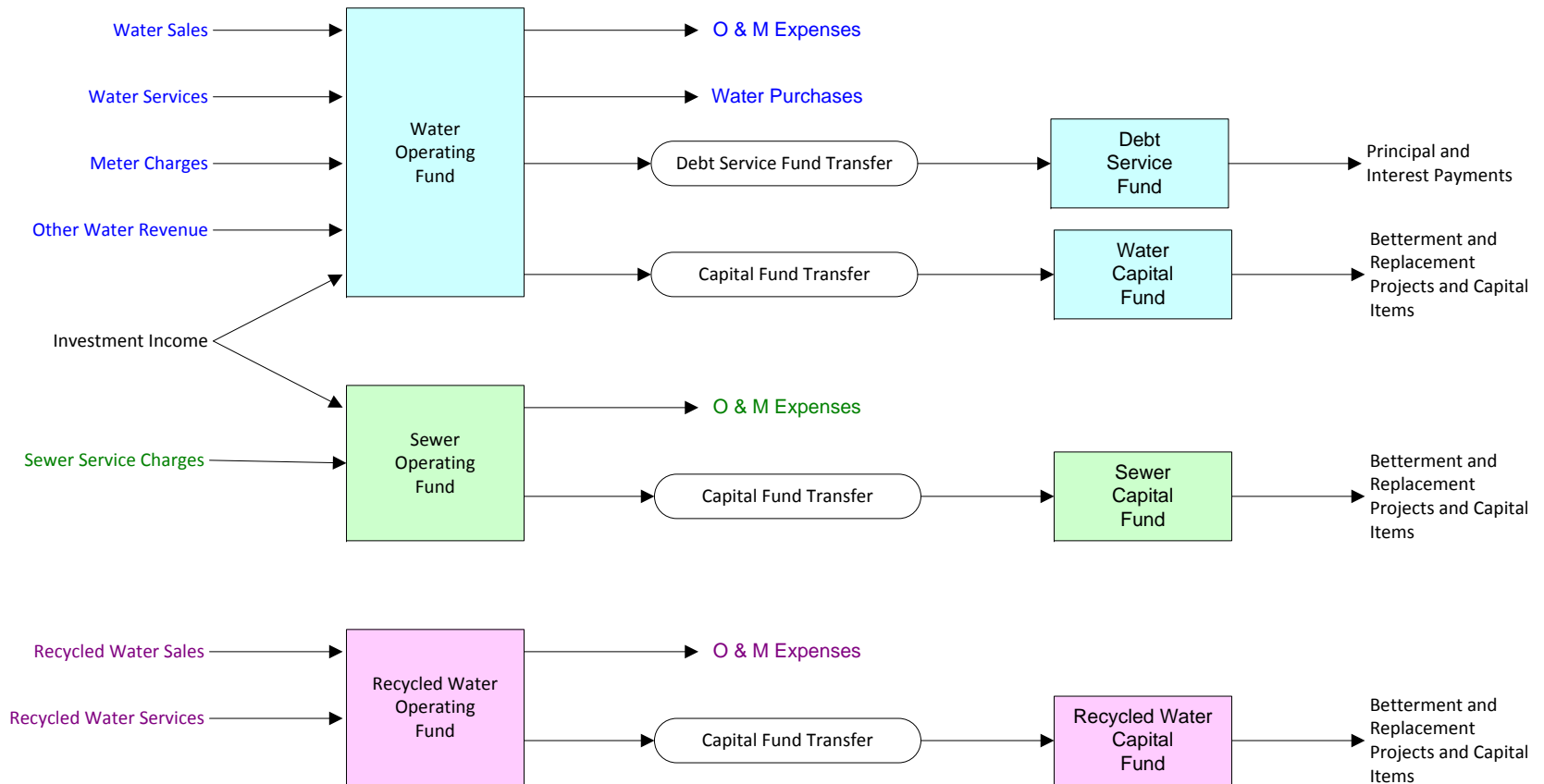
Interest Income for the water and sewer operating funds is projected based on an average yield of 0.30% for LAIF investments and 1.00% for the balance of our investment portfolio (75% of the District's interest income is designated as revenue to the Water Fund, 25% to the Sewer Fund).

Recycled Water Operating Fund

Recycled Water Sales are projected based upon an anticipated consumption of 1,301 acre feet. This will be the District's sixth year of providing recycled water, and therefore we will be closely monitoring actual consumption.

CUCAMONGA VALLEY WATER DISTRICT SCHEMATIC OF FUND STRUCTURE

For the Fiscal Year Ending June 30, 2014



CUCAMONGA VALLEY WATER DISTRICT

DESCRIPTION OF MAJOR FUNDS

For the Fiscal Year Ending June 30, 2014

- Water Operating Fund -** The purpose of this fund is to ensure cash resources are available to pay for day to day water-related operations, including water purchases, to pay annual debt service, and to provide funding in case of water-related operating emergencies and unforeseen circumstances.
- Water Capital Fund -** The purpose of this fund is to provide funding for the District's long-term water-related capital improvement projects. The District funds its capital needs for maintaining and replacing its potable water infrastructure by issuing debt or on a pay-as-you-go basis by transferring funds collected from water charges annually.
- Debt Service Fund -** The purpose of this fund is to provide debt issuance and repayment for the Water Funds. Debt issuances can take the form of Certificates of Participation or Revenue Bonds.
- Sewer Operating Fund -** The purpose of this fund is to ensure cash resources are available to pay for day to day sewer-related operations, including treatment expense, and to provide funding in case of sewer-related operating emergencies and unforeseen circumstances.
- Sewer Capital Fund -** The purpose of this fund is to provide funding for the District's long-term sewer-related capital improvement projects. The District funds its capital needs for maintaining and replacing its sewer infrastructure on a pay-as-you-go basis by transferring funds collected from sewer charges annually.
- Recycled Water Operating Fund -** The purpose of this fund is to ensure cash resources are available to pay for day to day recycled water-related operations, including recycled water purchases and to pay annual debt service.
- Recycled Water Capital Fund -** The purpose of this fund is to provide funding for the District's long-term recycled water-related capital improvement projects. The District funds its capital needs for maintaining and replacing its recycled water infrastructure on a pay-as-you-go basis by transferring funds collected from water and recycled water charges annually.

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CUCAMONGA VALLEY WATER DISTRICT
STATEMENT OF BUDGETED REVENUES AND EXPENSES (ALL FUNDS)

For the Fiscal Year Ending June 30, 2014

	General Funds				Capital Projects Funds			Debt Service Fund	Total
	Water Fund	Sewer Fund	Recycled Water	Subtotal	Water	Sewer	Recycled Water		
Operating Revenues									
Water Sales & Services	60,102,821	-	928,814	61,031,635	-	-	-	-	61,031,635
Water Sales to Other Agencies	4,198,396	-	-	4,198,396	-	-	-	-	4,198,396
Sewer Services	-	14,973,993	-	14,973,993	-	-	-	-	14,973,993
Total Operating Revenues	64,301,217	14,973,993	928,814	80,204,024	-	-	-	-	80,204,024
Operating Expenses									
Executive Department	3,613,512	469,287	-	4,082,799	-	-	-	-	4,082,799
Financial & Administrative Services Depart	5,276,241	675,885	11,471	5,963,597	44,701	-	-	-	6,008,298
General Services Department	464,826	39,605	-	504,431	-	-	-	-	504,431
Engineering Department	900,269	554,780	167,268	1,622,317	970,228	249,106	-	-	2,841,651
Operations Department	33,930,795	11,902,504	294,715	46,128,014	-	-	-	-	46,128,014
Total Operating Expenses	44,185,643	13,642,061	473,454	58,301,158	1,014,929	249,106	-	-	59,565,193
Net Operating Revenue (Expense)	20,115,574	1,331,932	455,360	21,902,866	(1,014,929)	(249,106)	-	-	20,638,831
Non-Operating Revenues									
Interest Income	409,594	136,531	-	546,125	-	-	-	13,263	559,388
Development Fees	-	-	-	-	2,349,070	598,009	158,985	-	3,106,064
Inspection Fees	-	-	-	-	7,000	27,000	-	-	34,000
Meter Installations	-	-	-	-	50,000	-	-	-	50,000
Proceeds from Borrowing	-	-	-	-	49,453,000	-	-	-	49,453,000
Outside CIP Funding	-	-	-	-	3,391,823	-	-	-	3,391,823
Carry Over CIP Funding	-	-	-	-	2,999,427	885,750	372,625	-	4,257,802
Other Income	929,637	-	-	929,637	75,000	-	-	-	1,004,637
Total Non-Operating Revenues	1,339,231	136,531	-	1,475,762	58,325,320	1,510,759	531,610	13,263	61,856,714
Non-Operating Expenses									
Capital Improvement Projects	-	-	-	-	30,954,450	1,837,450	400,000	-	33,191,900
Carry Over Projects	-	-	-	-	30,716,250	885,750	372,625	-	31,974,625
Annual Debt Service	-	-	-	-	895,293	-	213,769	14,166,132	15,275,194
Debt Covenants	-	-	-	-	-	-	-	1,757,828	1,757,828
Reserves	-	-	-	-	288,506	6,916	576	-	295,998
Total Non-Operating Expenses	-	-	-	-	62,854,499	2,730,116	986,970	15,923,960	82,495,545
Net Income Before Transfers	21,454,805	1,468,463	455,360	23,378,628	(5,544,108)	(1,468,463)	(455,360)	(15,910,697)	-
Transfers									
Transfers Out	(21,454,805)	(1,468,463)	(455,360)	(23,378,628)	-	-	-	-	(23,378,628)
Transfers In	-	-	-	-	5,544,108	1,468,463	455,360	15,910,697	23,378,628
Total Transfers	(21,454,805)	(1,468,463)	(455,360)	(23,378,628)	5,544,108	1,468,463	455,360	15,910,697	-
Net Income Before Depreciation	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	8,500,000	1,700,000	81,000	-	10,281,000
Net Income	-	-	-	-	(8,500,000)	(1,700,000)	(81,000)	-	(10,281,000)

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CUCAMONGA VALLEY WATER DISTRICT FUND BALANCE SUMMARY (ACCRUAL BASIS)

For the Fiscal Year Ending June 30, 2014

	Water Funds	Sewer Funds	Recycled Water Funds	Debt Service Fund	Total
Estimated Fund Balance, June 30, 2013	\$ 93,625,371	\$ 37,435,918	\$ 1,874,274	\$ -	\$ 132,935,563
Operating Revenues					
Water Sales & Services	60,102,821	-	928,814	-	61,031,635
Water Sales to Other Agencies	4,198,396	-	-	-	4,198,396
Sewer Services	-	14,973,993	-	-	14,973,993
Total Operating Revenues	<u>64,301,217</u>	<u>14,973,993</u>	<u>928,814</u>	<u>-</u>	<u>80,204,024</u>
Operating Expenses					
Executive Department	3,613,512	469,287	-	-	4,082,799
Financial & Administrative Services Department	5,320,942	675,885	11,471	-	6,008,298
General Services Department	464,826	39,605	-	-	504,431
Engineering Department	1,870,497	803,886	167,268	-	2,841,651
Operations Department	33,930,795	11,902,504	294,715	-	46,128,014
Total Operating Expenses	<u>45,200,572</u>	<u>13,891,167</u>	<u>473,454</u>	<u>-</u>	<u>59,565,193</u>
Net Operating Revenue (Expense)	19,100,645	1,082,826	455,360		20,638,831
Non-Operating Revenues					
Interest Income	409,594	136,531	-	13,263	559,388
Development Fees	2,349,070	598,009	158,985	-	3,106,064
Inspection Fees	7,000	27,000	-	-	34,000
Meter Installations	50,000	-	-	-	50,000
Other Income	1,004,637	-	-	-	1,004,637
Total Non-Operating Revenues	<u>3,820,301</u>	<u>761,540</u>	<u>158,985</u>	<u>13,263</u>	<u>4,754,089</u>
Non-Operating Expenses					
Interest Expense on Debt	895,293	-	213,769	14,166,132	15,275,194
Total Non-Operating Expenses	<u>895,293</u>	<u>-</u>	<u>213,769</u>	<u>14,166,132</u>	<u>15,275,194</u>
Net Income Before Transfers	22,025,653	1,844,366	400,576	(14,152,869)	10,117,726
Transfers					
Transfers Out	(14,152,869)	-	-	-	(14,152,869)
Transfers In	-	-	-	14,152,869	14,152,869
Total Transfers	<u>(14,152,869)</u>	<u>-</u>	<u>-</u>	<u>14,152,869</u>	<u>-</u>
Net Income Before Depreciation	\$ 7,872,784	\$ 1,844,366	\$ 400,576	\$ -	\$ 10,117,726
Depreciation	8,500,000	1,700,000	81,000		10,281,000
Estimated Fund Balance, June 30, 2014	\$ 92,998,155	\$ 37,580,284	\$ 2,193,850	\$ -	\$ 132,772,289

Note: The 17% increase in Recycled Water Fund balance is a result of the expansion of the District's recycled water program

CUCAMONGA VALLEY WATER DISTRICT

FUND BALANCE HISTORY

For the Fiscal Year Ending June 30, 2001, through Fiscal Year Ending June 30, 2012

Fiscal Year Ending		Water Funds	Sewer Funds	Recycled Water Funds	Debt Service Fund	Total
6/30/2001	Retained Earnings	\$ 47,881,702	\$ 26,067,969	\$ -	\$ -	\$ 73,949,671
6/30/2002	Net Income Before Capital Contributions	(3,105,898)	716,580	-	-	(2,389,318)
	Development Fees	6,659,832	3,135,376	-	-	9,795,208
	Equity @ 06/30/02	\$ 51,435,636	\$ 29,919,925	\$ -	\$ -	\$ 81,355,561
6/30/2003	Net Income Before Capital Contributions	(2,409,744)	109,854	-	-	(2,299,890)
	Development Fees	5,421,713	2,718,651	-	-	8,140,364
	Equity @ 06/30/03	\$ 54,447,605	\$ 32,748,430	\$ -	\$ -	\$ 87,196,035
6/30/2004	Net Income Before Capital Contributions	(3,374,324)	(1,912,364)	1,321,668	-	(3,965,020)
	Development Fees	8,198,218	4,504,930	-	-	12,703,148
	Special Item (PARS)	(1,746,620)	(373,341)	-	-	(2,119,961)
	Prior Period Adjustment (Allowance)	(112,304)	(21,391)	-	-	(133,695)
	Equity @ 06/30/04	\$ 57,412,575	\$ 34,946,264	\$ 1,321,668	\$ -	\$ 93,680,507
6/30/2005	Net Income Before Capital Contributions	1,500,141	(519,273)	(1,865)	-	979,003
	Development Fees	5,860,322	2,695,236	-	-	8,555,558
	Equity @ 06/30/05	\$ 64,773,038	\$ 37,122,227	\$ 1,319,803	\$ -	\$ 103,215,068
6/30/2006	Net Income Before Capital Contributions	1,847,742	(588,720)	(142,860)	-	1,116,162
	Development Fees	4,960,521	1,331,922	-	-	6,292,443
	Extraordinary Item (Settlement)	(3,469,677)	-	-	-	(3,469,677)
	Equity @ 06/30/06	\$ 68,111,624	\$ 37,865,429	\$ 1,176,943	\$ -	\$ 107,153,996
6/30/2007	Net Income Before Capital Contributions	4,473,889	(606,275)	(134,740)	-	3,732,874
	Development Fees	8,848,572	2,553,286	-	-	11,401,858
	Equity @ 06/30/07	\$ 81,434,085	\$ 39,812,440	\$ 1,042,203	\$ -	\$ 122,288,728
6/30/2008	Net Income Before Capital Contributions	682,854	(1,549,863)	(81,971)	-	(948,980)
	Development Fees	3,549,742	457,038	-	-	4,006,780
	Equity @ 06/30/08	\$ 85,666,681	\$ 38,719,615	\$ 960,232	\$ -	\$ 125,346,528
6/30/2009	Net Income Before Capital Contributions	(5,015,793)	(1,757,808)	(253,206)	-	(7,026,807)
	Development Fees	1,018,048	466,060	-	-	1,484,108
	Prior Period Adjustment	(1,052,393)	-	-	-	(1,052,393)
	Equity @ 06/30/09	\$ 80,616,543	\$ 37,427,867	\$ 707,026	\$ -	\$ 118,751,436
6/30/2010	Net Income Before Capital Contributions	(2,427,808)	(890,888)	(85,338)	-	(3,404,034)
	Development Fees	1,915,277	800,730	129,988	-	2,845,995
	Equity @ 06/30/10	\$ 80,104,012	\$ 37,337,709	\$ 751,676	\$ -	\$ 118,193,397

6/30/2011	Net Income Before Capital Contributions	1,359,427	(453,980)	102,599	-	1,008,046
	Development Fees	1,408,394	523,357	-	-	1,931,751
	Equity @ 06/30/11	\$ 82,871,833	\$ 37,407,086	\$ 854,275	\$ -	\$ 121,133,194
6/30/2012	Net Income Before Capital Contributions	7,595,076	(328,244)	695,067	-	7,961,899
	Development Fees	1,114,536	290,414	-	-	1,404,950
	Equity @ 06/30/12	\$ 91,581,445	\$ 37,369,256	\$ 1,549,342	\$ -	\$ 130,500,043
6/30/2013	Revenues					
	Water Sales	55,907,680	-	-	-	55,907,680
	Water Sales - Other Agencies	4,225,323	-	-	-	4,225,323
	Water Services	1,229,285	-	-	-	1,229,285
	Sewer Sales	-	14,217,866	-	-	14,217,866
	Sewer Services	-	27,864	-	-	27,864
	Recycled Water Sales	-	-	815,678	-	815,678
	Recycled Water Services	-	-	950	-	950
	Interest & Other Revenues	531,458	177,153	-	-	708,611
	Other Capital	1,201,292	19,944	-	-	1,221,236
	Developer Fees	694,581	131,348	-	-	825,929
	Total Estimated Revenues FY2013	63,789,618	14,574,174	816,627	-	79,180,419
	Expenses					
	Source of Supply	16,918,387	-	255,519	-	17,173,906
	Pumping Operations	4,981,879	-	-	-	4,981,879
	Water Treatment	3,021,371	-	-	-	3,021,371
	Transmission & Distribution	2,923,182	-	5,000	-	2,928,182
	Customer Accounts	2,146,681	341,689	334	-	2,488,704
	Administration & General	9,251,979	1,166,095	149,842	-	10,567,916
	Collection & Transmission	-	11,299,727	-	-	11,299,727
	Depreciation	8,500,000	1,700,000	81,000	-	10,281,000
	Interest Expense	14,002,215	-	-	-	14,002,215
	Total Estimated Expenses FY2013	61,745,693	14,507,511	491,695	-	76,744,900
	Net Income - FY2013	2,043,925	66,663	324,932	-	2,435,520
	Estimated Fund Balance @ 06/30/13	93,625,371	37,435,918	1,874,274	-	132,935,563
	Change in Fund Balance as Compared to Prior Year	2%	0%	21%	N/A	2%

Note: The 21% increase in Recycled Water Fund balance is a result of the expansion of the District's recycled water program

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CUCAMONGA VALLEY WATER DISTRICT RESERVE BALANCE HISTORY

For the Fiscal Year Ending June 30, 2013, through Fiscal Year Ending June 30, 2014

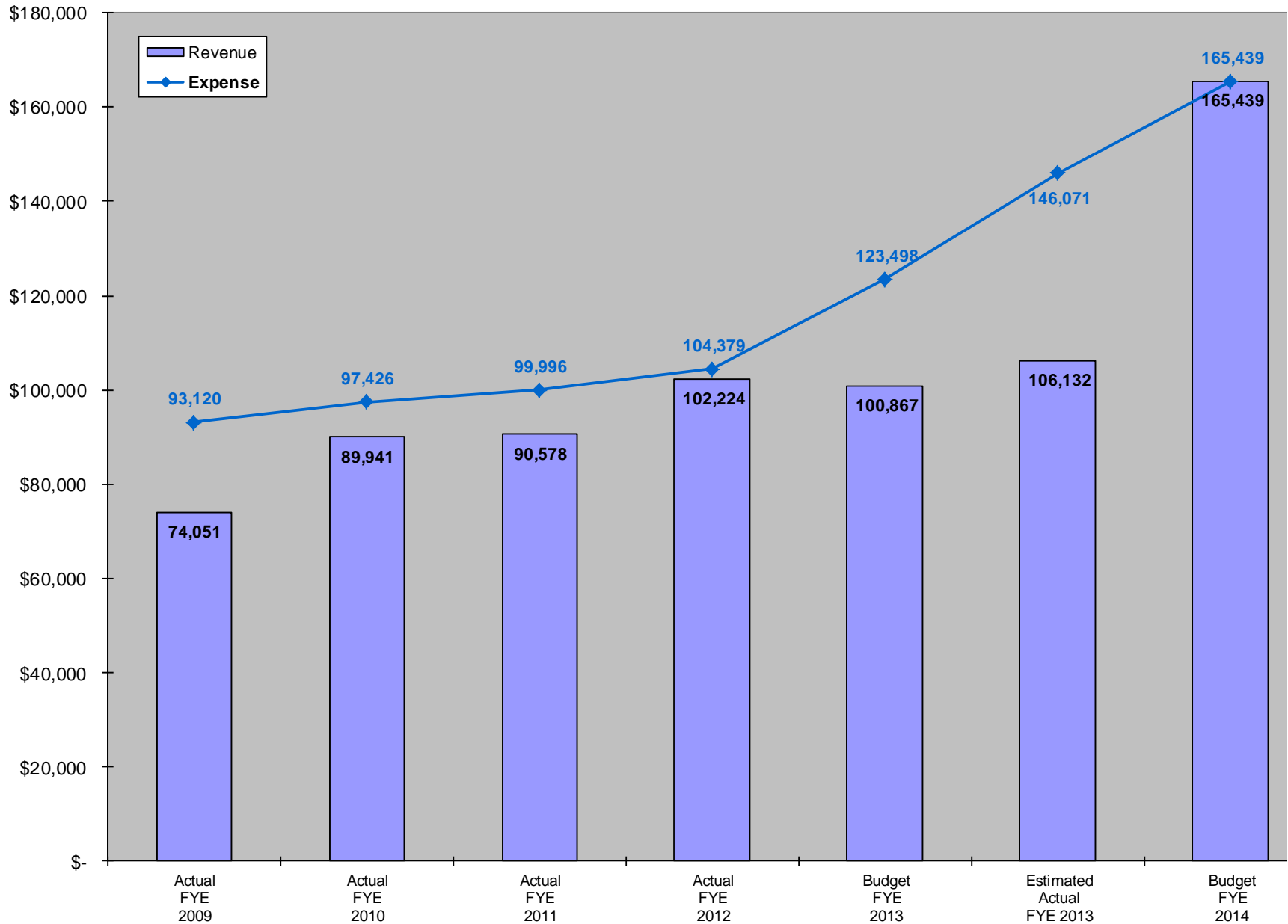
Fiscal Year Ending	Rate Stabilization Reserves	Water Banking Reserves	Operating Reserves	Capital Project Reserves	Emergency Reserves	Admin CIP Reserves	Developer Fee Reserves	Total	
Water Funds									
6/30/2013	Balance @ 07/01/2012	\$ 3,316,164	\$ 3,587,500	\$ 8,208,306	\$13,000,000	\$ 3,412,992	\$ 1,500,000	\$ 1,114,536	\$34,139,497
	Changes to Reserves	(1,116,164)	107,500	628,823	-	2,079	-	1,352,000	974,239
	Estimated Balance @ 06/30/2013	\$ 2,200,000	\$ 3,695,000	\$ 8,837,129	\$13,000,000	\$ 3,415,071	\$ 1,500,000	\$ 2,466,536	\$35,113,736
6/30/2014	Changes to Reserves	-	(20,000)	676,996	2,046,334	-	-	2,406,070	5,109,400
	Estimated Balance @ 06/30/2014	\$ 2,200,000	\$ 3,675,000	\$ 9,514,125	\$15,046,334	\$ 3,415,071	\$ 1,500,000	\$ 4,872,606	\$40,223,136
Sewer Funds									
6/30/2013	Balance @ 07/01/2012	\$ -	\$ -	\$ 6,087,087	\$20,000,000	\$ 971,427	\$ 75,000	\$ 290,414	\$27,423,928
	Changes to Reserves	-	-	733,944	-	62	-	158,000	892,005
	Estimated Balance @ 06/30/2013	\$ -	\$ -	\$ 6,821,031	\$20,000,000	\$ 971,489	\$ 75,000	\$ 448,414	\$28,315,933
6/30/2014	Changes to Reserves	-	-	822,438	6,916	-	-	625,009	1,454,363
	Estimated Balance @ 06/30/2014	\$ -	\$ -	\$ 7,643,468	\$20,006,916	\$ 971,489	\$ 75,000	\$ 1,073,423	\$29,770,296
Recycled Water Funds									
6/30/2013	Balance @ 07/01/2012	\$ -	\$ -	\$ 70,854	\$ -	\$ 48,535	\$ -	\$ -	\$ 119,389
	Changes to Reserves	-	-	23,837	-	-	-	-	23,837
	Estimated Balance @ 06/30/2013	\$ -	\$ -	\$ 94,691	\$ -	\$ 48,535	\$ -	\$ -	\$ 143,226
6/30/2014	Changes to Reserves	-	-	31,857	576	-	-	158,985	191,418
	Estimated Balance @ 06/30/2014	\$ -	\$ -	\$ 126,548	\$ 576	\$ 48,535	\$ -	\$ 158,985	\$ 334,644
	Estimated Total Balance @ 06/30/2014	\$ 2,200,000	\$ 3,675,000	\$17,284,140	\$35,053,826	\$ 4,435,096	\$ 1,575,000	\$ 6,105,014	\$70,328,076

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HISTORICAL TRENDS

TOTAL REVENUES AND EXPENSES (ALL FUNDS)

(Amounts Expressed in Thousands)



CUCAMONGA VALLEY WATER DISTRICT
TOTAL REVENUES AND EXPENSES (ALL FUNDS)

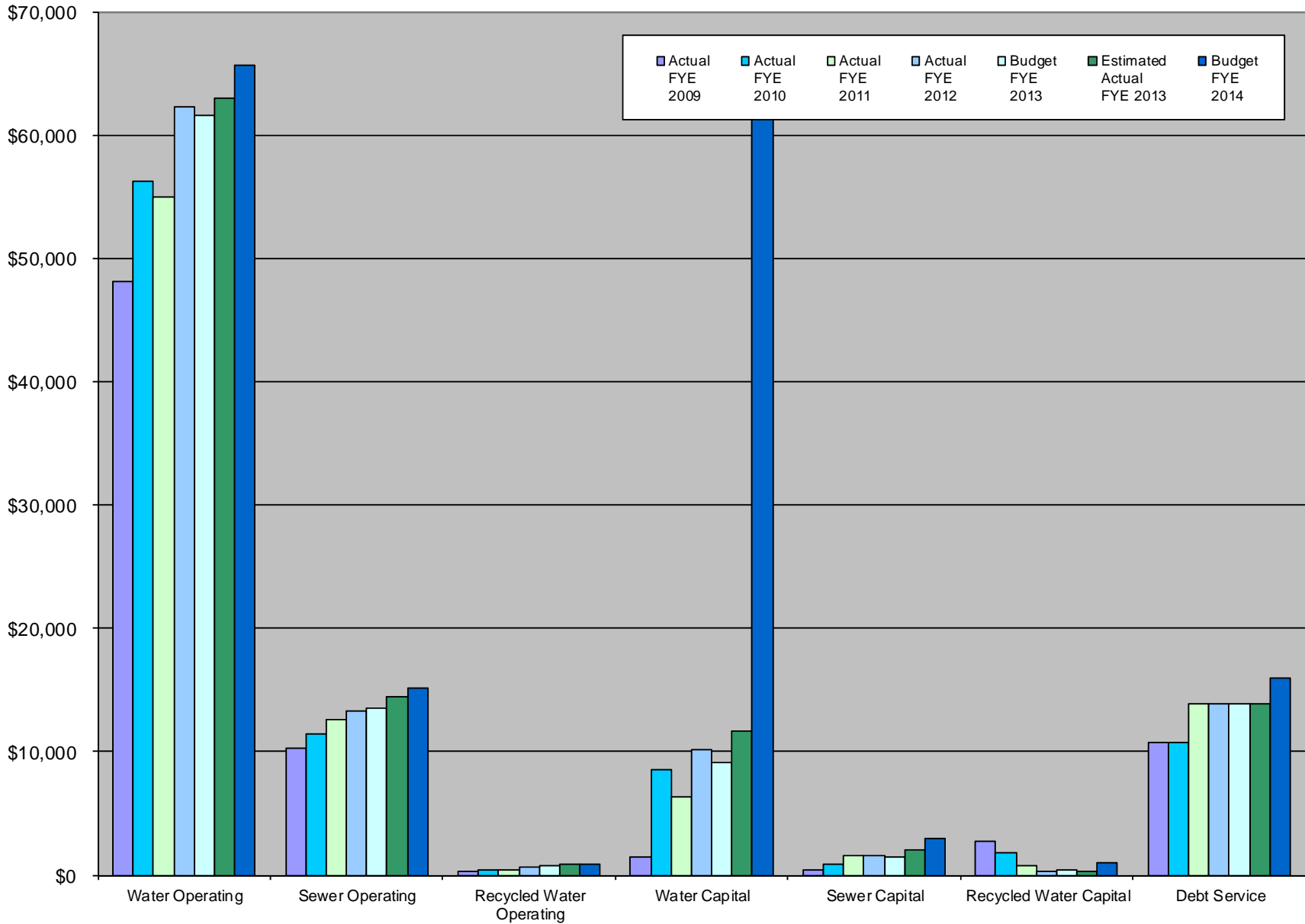
(Amounts Expressed in Thousands)

Activity	Actual FYE 2009	Actual FYE 2010	% Change	Actual FYE 2011	% Change	Actual FYE 2012	% Change	Budget FYE 2013	% Change	Estimated Actual FYE 2013	Budget FYE 2014	% Change
Total Revenues	\$ 74,051	\$ 89,941	21.5%	\$ 90,578	0.7%	\$ 102,224	12.9%	\$ 100,867	(1.3)%	\$ 106,132	\$ 165,439	55.9%
Total Expenses	93,120	97,426	4.6%	99,996	2.6%	104,379	4.4%	123,498	18.3%	146,071	165,439	13.3%
Net Income	\$ (19,069)	\$ (7,485)	(60.7)%	\$ (9,418)	25.8%	\$ (2,155)	(77.1)%	\$ (22,631)	950.2%	\$ (39,939)	\$ -	(100.0)%

Note: The disparity between revenues and expenses for historical totals are the result of non-cash accounting entries, including depreciation, as well as cash outlays for balance sheet items such as capital improvement projects and water inventory purchases.

TOTAL REVENUES BY FUND

(Amounts Expressed in Thousands)

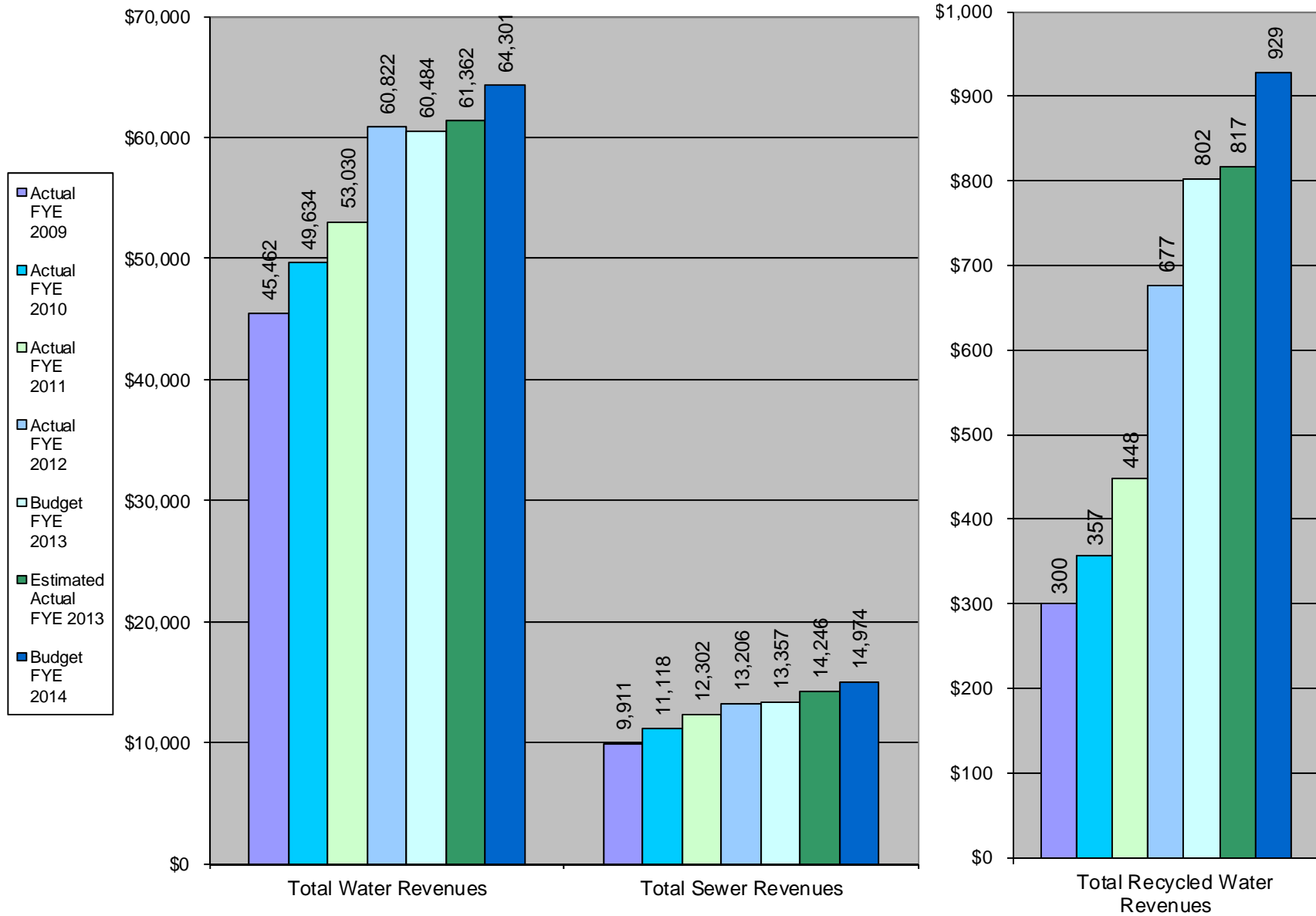


CUCAMONGA VALLEY WATER DISTRICT
TOTAL REVENUES BY FUND
(Amounts Expressed in Thousands)

Fund	Actual FYE 2009	Actual FYE 2010	% Change	Actual FYE 2011	% Change	Actual FYE 2012	% Change	Budget FYE 2013	% Change	Estimated Actual FYE 2013	Budget FYE 2014	% Change
Water Operating												
Operating Revenues	\$ 45,462	\$ 49,634	9.2%	\$ 53,030	6.8%	\$ 60,822	14.7%	\$ 60,484	(0.6)%	\$ 61,362	\$ 64,301	4.8%
Non-Operating Revenues	2,731	6,645	143.3%	2,016	(69.7)%	1,442	(28.5)%	1,167	(19.1)%	1,597	1,339	(16.2)%
Transfers In	-	-	-	-	-	-	-	-	-	-	-	-
Total Fund Revenues	48,193	56,280	16.8%	55,046	(2.2)%	62,264	13.1%	61,650	(1.0)%	62,960	65,640	4.3%
Sewer Operating												
Operating Revenues	9,911	11,118	12.2%	12,302	10.7%	13,206	7.3%	13,357	1.1%	14,246	14,974	5.1%
Non-Operating Revenues	388	299	(22.9)%	260	(13.1)%	148	(43.0)%	157	5.9%	177	137	(22.9)%
Transfers In	-	-	-	-	-	-	-	-	-	-	-	-
Total Fund Revenues	10,300	11,417	10.8%	12,562	10.0%	13,355	6.3%	13,513	1.2%	14,423	15,111	4.8%
Recycled Water Operating												
Operating Revenues	300	357	19.2%	448	25.5%	677	51.0%	802	18.5%	817	929	13.7%
Non-Operating Revenues	-	-	-	-	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-	-	-	-	-
Total Fund Revenues	300	357	19.2%	448	25.5%	677	51.0%	802	18.5%	817	929	13.7%
Water Capital												
Non-Operating Revenues	686	602	(12.2)%	280	(53.4)%	728	159.8%	1,447	98.7%	830	58,325	6927.7%
Transfers In	817	7,883	865.4%	6,050	(23.2)%	9,469	56.5%	7,621	(19.5)%	10,891	5,544	(49.1)%
Total Fund Revenues	1,502	8,485	464.7%	6,330	(25.4)%	10,197	61.1%	9,068	(11.1)%	11,721	63,869	444.9%
Sewer Capital												
Non-Operating Revenues	12	2	(85.7)%	-	(100.0)%	10	N/A	158	1535.3%	151	1,511	898.6%
Transfers In	340	903	165.4%	1,529	69.3%	1,510	(1.2)%	1,333	(11.7)%	1,847	1,468	(20.5)%
Total Fund Revenues	352	905	156.9%	1,529	69.0%	1,520	(0.6)%	1,491	(1.9)%	1,999	2,979	49.1%
Recycled Water Capital												
Non-Operating Revenues	-	114	N/A	-	(100.0)%	462	N/A	-	(100.0)%	-	532	N/A
Transfers In	2,691	1,671	(37.9)%	746	(55.3)%	(145)	(119.4)%	448	(409.5)%	318	455	43.0%
Total Fund Revenues	2,691	1,785	(33.7)%	746	(58.2)%	317	(57.5)%	448	41.1%	318	987	209.9%
Debt Service												
Non-Operating Revenues	-	-	-	-	-	-	-	895	N/A	150	13	(91.2)%
Transfers In	10,713	10,713	0.0%	13,915	29.9%	13,895	(0.1)%	13,000	(6.4)%	13,745	15,911	15.8%
Total Fund Revenues	10,713	10,713	0.0%	13,915	29.9%	13,895	(0.1)%	13,895	0.0%	13,895	15,924	14.6%
Total Revenues	\$ 74,051	\$ 89,941	21.5%	\$ 90,578	0.7%	\$ 102,224	12.9%	\$ 100,867	(1.3)%	\$ 106,132	\$ 165,439	55.9%

TOTAL OPERATING REVENUES BY ACTIVITY

(Amounts Expressed in Thousands)

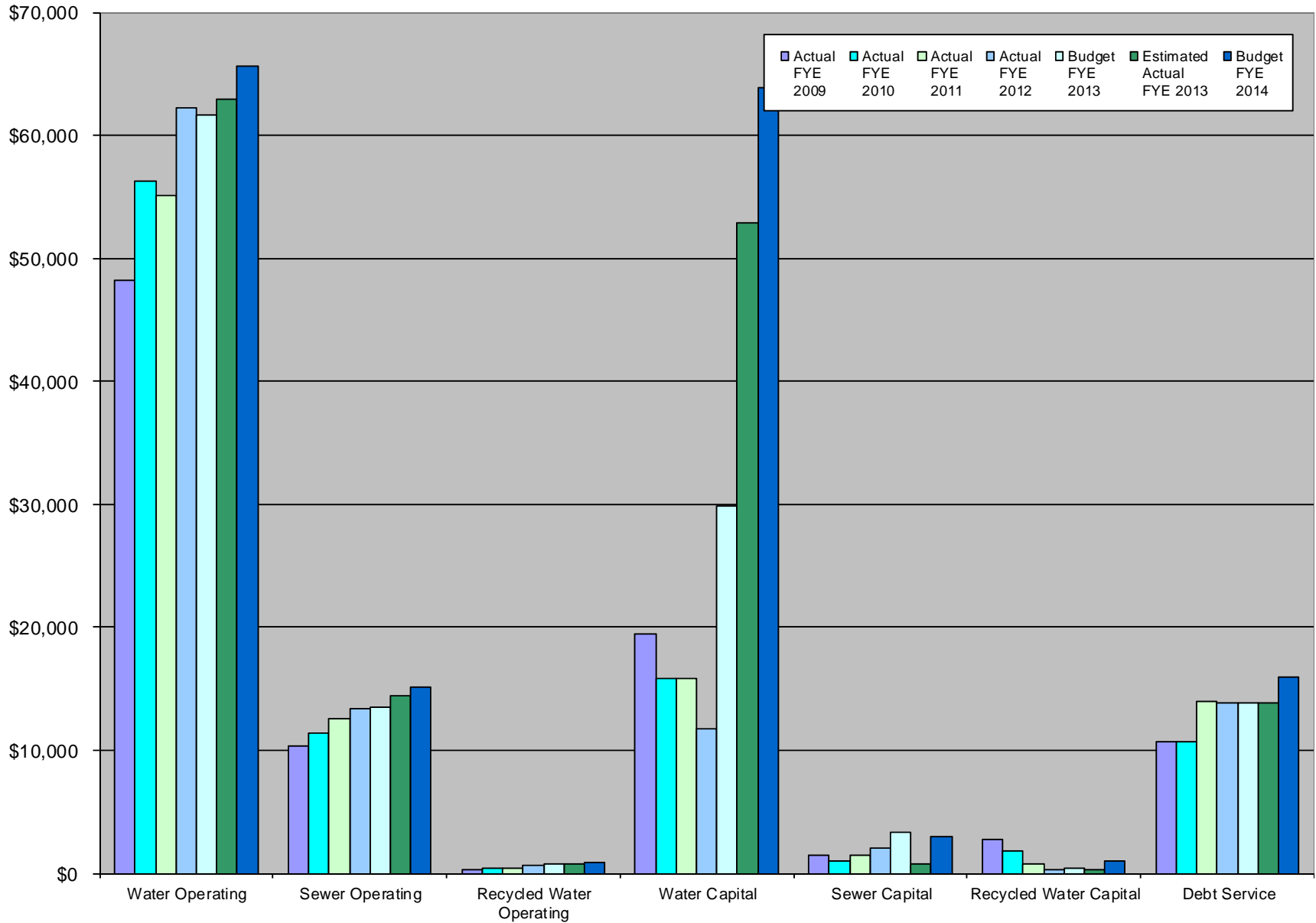


CUCAMONGA VALLEY WATER DISTRICT
TOTAL OPERATING REVENUES BY ACTIVITY
(Amounts Expressed in Thousands)

Activity	Actual FYE 2009	Actual FYE 2010	% Change	Actual FYE 2011	% Change	Actual FYE 2012	% Change	Budget FYE 2013	% Change	Estimated Actual FYE 2013	Budget FYE 2014	% Change
Operating Revenues												
Water Sales	\$ 41,385	\$ 42,800	3.4%	\$ 47,118	10.1%	\$ 53,429	13.4%	\$ 54,141	1.3%	\$ 55,908	\$ 58,887	5.3%
Water Sales-Other Agencies	3,050	5,789	89.8%	4,759	(17.8)%	6,102	28.2%	5,132	(15.9)%	4,225	4,198	(0.6)%
Water Services	1,027	1,046	1.9%	1,154	10.3%	1,291	11.9%	1,211	(6.2)%	1,229	1,216	(1.1)%
Total Water Revenues	45,462	49,634	9.2%	53,030	6.8%	60,822	14.7%	60,484	(0.6)%	61,362	64,301	4.8%
Sewer Sales	9,894	11,086	12.0%	12,276	10.7%	13,175	7.3%	13,336	1.2%	14,218	14,954	5.2%
Sewer Services	17	32	82.4%	27	(16.5)%	32	19.8%	21	(34.0)%	28	20	(28.2)%
Total Sewer Revenues	9,911	11,118	12.2%	12,302	10.7%	13,206	7.3%	13,357	1.1%	14,246	14,974	5.1%
Recycled Water Sales	300	357	19.2%	448	25.5%	677	51.0%	802	18.5%	816	929	13.8%
Recycled Water Services	-	-	-	-	-	-	-	-	-	1	0	(68.4)%
Total Recycled Water Revenues	300	357	19.2%	448	25.5%	677	51.0%	802	18.5%	817	929	13.7%
Total Operating Revenues	\$ 55,673	\$ 61,109	9.8%	\$ 65,781	7.6%	\$ 74,705	13.6%	\$ 74,642	(0.1)%	\$ 76,425	\$ 80,204	4.9%

TOTAL EXPENSES BY FUND

(Amounts Expressed in Thousands)

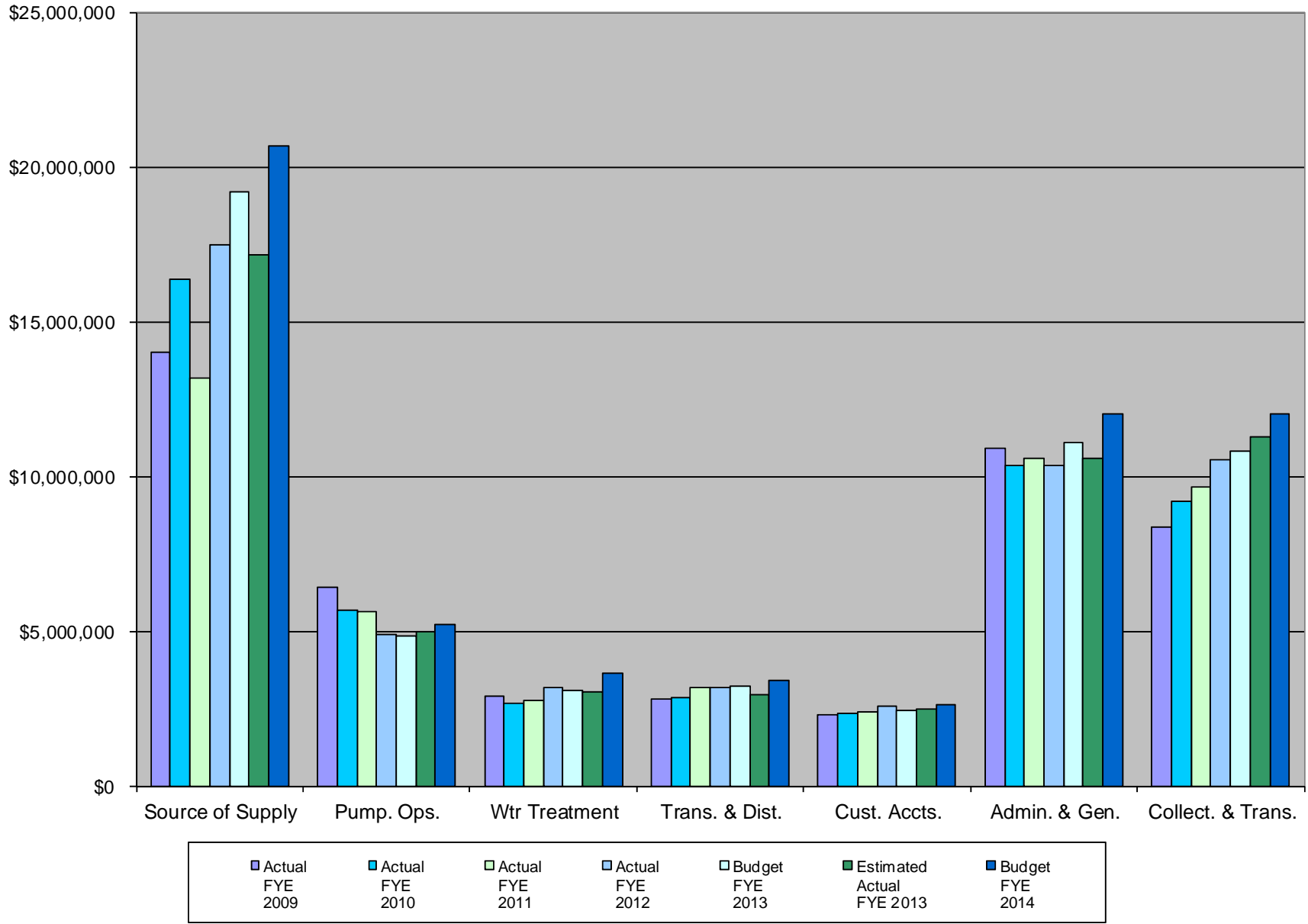


CUCAMONGA VALLEY WATER DISTRICT
TOTAL EXPENSES BY FUND
(Amounts Expressed in Thousands)

Fund	Actual FYE 2009	Actual FYE 2010	% Change	Actual FYE 2011	% Change	Actual FYE 2012	% Change	Budget FYE 2013	% Change	Estimated Actual FYE 2013	Budget FYE 2014	% Change
Water Operating												
Operating Expenses	\$ 36,664	\$ 37,684	2.8%	\$ 35,081	(6.9)%	\$ 39,092	11.4%	\$ 41,030	5.0%	\$ 38,324	\$ 44,186	15.3%
Non-Operating Expenses	-	-	-	-	-	(191)	N/A	-	(100.0)%	-	-	-
Transfers Out	11,530	18,596	61.3%	19,965	7.4%	23,364	17.0%	20,621	(11.7)%	24,636	21,455	(12.9)%
Total Fund Expenses	48,193	56,280	16.8%	55,046	(2.2)%	62,264	13.1%	61,650	(1.0)%	62,960	65,640	4.3%
Sewer Operating												
Operating Expenses	9,959	10,514	5.6%	11,034	4.9%	11,853	7.4%	12,181	2.8%	12,576	13,642	8.5%
Non-Operating Expenses	-	-	-	-	-	(9)	N/A	-	(100.0)%	-	-	-
Transfers Out	340	903	165.4%	1,529	69.3%	1,510	(1.2)%	1,333	(11.7)%	1,847	1,468	(20.5)%
Total Fund Expenses	10,300	11,417	10.8%	12,562	10.0%	13,355	6.3%	13,513	1.2%	14,423	15,111	4.8%
Recycled Water Operating												
Operating Expenses	244	280	14.6%	253	(9.7)%	262	3.7%	354	35.1%	411	473	15.3%
Non-Operating Expenses	-	0	N/A	-	(100.0)%	(16)	N/A	-	(100.0)%	-	-	-
Transfers Out	55	77	39.1%	195	154.3%	430	120.1%	448	4.0%	406	455	12.2%
Total Fund Expenses	300	357	19.2%	448	25.5%	677	51.0%	802	18.5%	817	929	13.7%
Water Capital												
Operating Expenses	481	791	64.4%	788	(0.4)%	822	4.3%	927	12.8%	920	1,015	10.3%
Non-Operating Expenses	16,364	13,445	(17.8)%	14,522	8.0%	11,553	(20.4)%	28,955	150.6%	52,013	62,854	20.8%
Transfers Out	2,636	1,594	(39.5)%	551	(65.4)%	(575)	(204.4)%	0	(100.0)%	(87)	-	(100.0)%
Total Fund Expenses	19,481	15,829	(18.7)%	15,860	0.2%	11,799	(25.6)%	29,882	153.3%	52,845	63,869	20.9%
Sewer Capital												
Operating Expenses	306	207	(32.5)%	203	(1.8)%	211	4.1%	227	7.3%	232	249	7.4%
Non-Operating Expenses	1,136	838	(26.2)%	1,214	44.9%	1,861	53.2%	3,080	65.6%	581	2,730	369.8%
Transfers Out	-	-	-	-	-	-	-	-	-	-	-	-
Total Fund Expenses	1,442	1,045	(27.6)%	1,417	35.6%	2,072	46.2%	3,307	59.6%	813	2,979	266.4%
Recycled Water Capital												
Operating Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Non-Operating Expenses	2,691	1,785	(33.7)%	746	(58.2)%	317	(57.5)%	448	41.1%	318	987	209.9%
Transfers Out	-	-	-	-	-	-	-	-	-	-	-	-
Total Fund Expenses	2,691	1,785	(33.7)%	746	(58.2)%	317	(57.5)%	448	41.1%	318	987	209.9%
Debt Service												
Non-Operating Expenses	10,713	10,713	0.0%	13,915	29.9%	13,895	(0.1)%	13,895	0.0%	13,895	15,924	14.6%
Transfers Out	-	-	-	-	-	-	-	-	-	-	-	-
Total Fund Expenses	10,713	10,713	0.0%	13,915	29.9%	13,895	(0.1)%	13,895	0.0%	13,895	15,924	14.6%
Total Expenses	\$ 93,120	\$ 97,426	4.6%	\$ 99,996	2.6%	\$ 104,379	4.4%	\$ 123,498	18.3%	\$ 146,071	\$ 165,439	13.3%

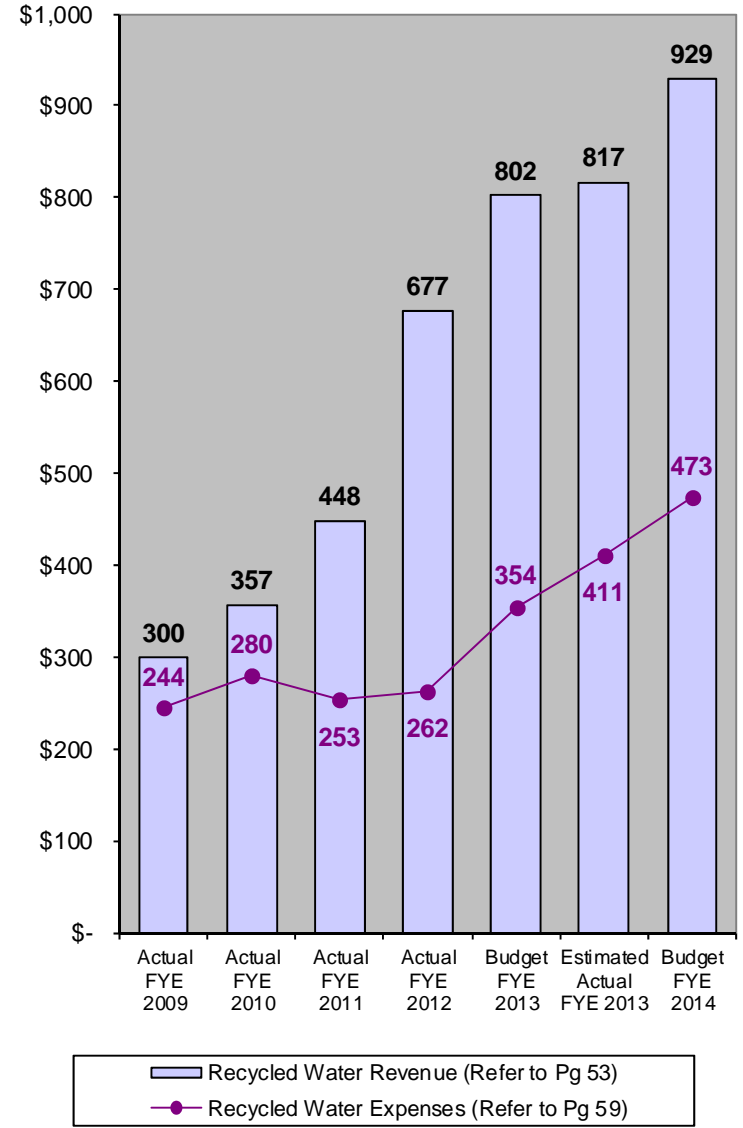
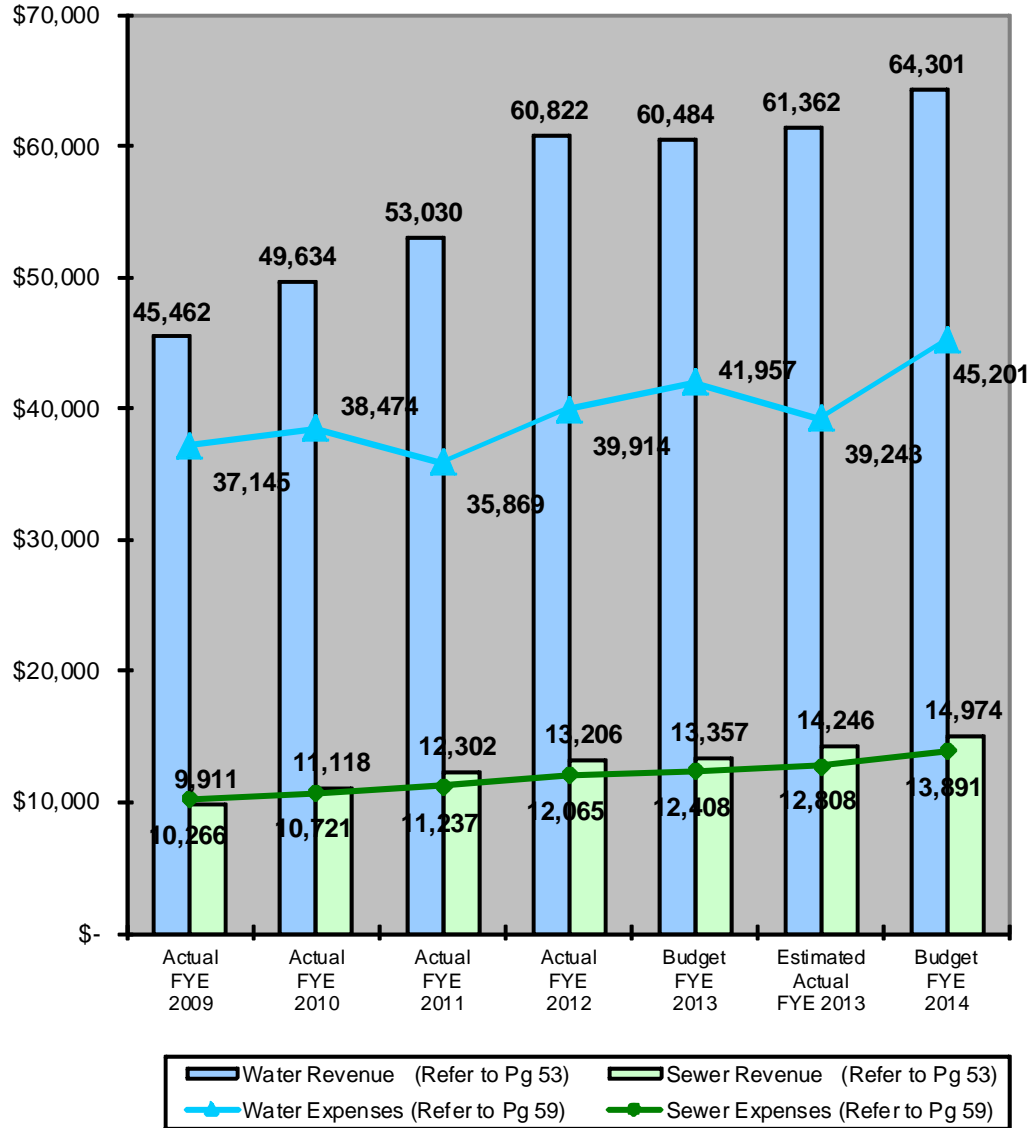
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TOTAL OPERATING EXPENSES BY ACTIVITY



TOTAL OPERATING REVENUES AND EXPENSES BY ACTIVITY

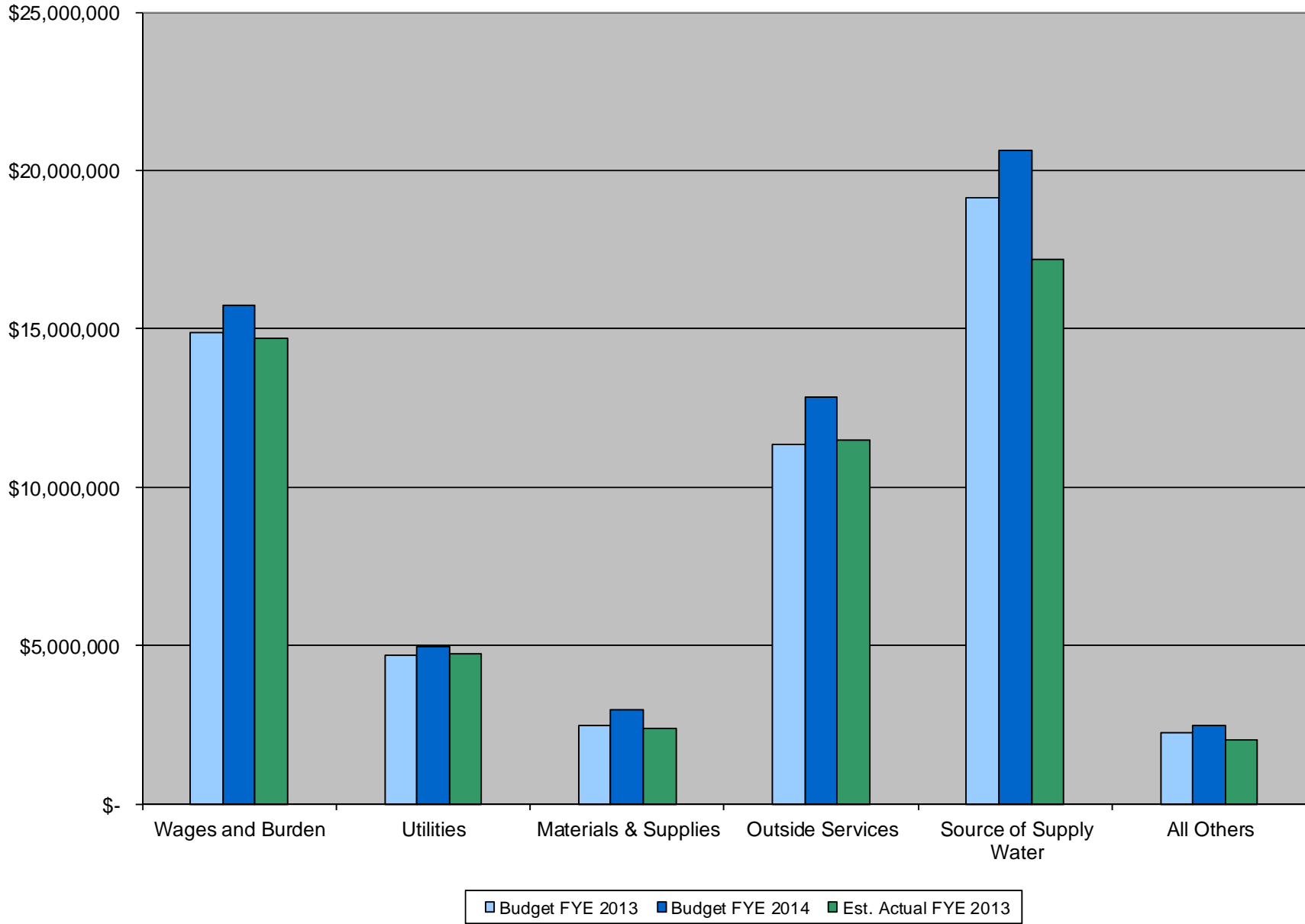
(Amounts Expressed in Thousands)



CUCAMONGA VALLEY WATER DISTRICT
TOTAL OPERATING REVENUES AND EXPENSES BY ACTIVITY
(Amounts Expressed in Thousands)

Activity	Actual FYE 2009	Actual FYE 2010	%	Actual FYE 2011	%	Actual FYE 2012	%	Budget FYE 2013	%	Estimated Actual FYE 2013	Budget FYE 2014	%
			Change		Change		Change		Change			Change
Total Revenues	\$ 55,673	\$ 61,109	9.8%	\$ 65,781	7.6%	\$ 74,705	13.6%	\$ 74,642	(0.1)%	\$ 76,425	\$ 80,204	4.9%
Operating Expenses												
Source of Supply	13,941	16,345	17.2%	13,127	(19.7)%	17,406	32.6%	19,004	9.2%	16,918	20,384	20.5%
Pumping Operations	6,426	5,659	(11.9)%	5,625	(0.6)%	4,908	(12.7)%	4,857	(1.0)%	4,982	5,206	4.5%
Water Treatment	2,901	2,674	(7.8)%	2,733	2.2%	3,162	15.7%	3,103	(1.9)%	3,021	3,619	19.8%
Transmission and Distribution	2,791	2,855	2.3%	3,145	10.2%	3,154	0.3%	3,195	1.3%	2,923	3,386	15.8%
Customer Accounts	1,977	2,026	2.5%	2,038	0.6%	2,250	10.4%	2,087	(7.2)%	2,147	2,233	4.0%
Administration and General	9,109	8,916	(2.1)%	9,200	3.2%	9,034	(1.8)%	9,711	7.5%	9,252	10,373	12.1%
Total Water Expenses	37,145	38,474	3.6%	35,869	(6.8)%	39,914	11.3%	41,957	5.1%	39,243	45,201	15.2%
Collection and Transmission	8,344	9,174	9.9%	9,680	5.5%	10,547	9.0%	10,836	2.7%	11,300	12,038	6.5%
Customer Accounts	308	325	5.4%	331	2.1%	332	0.1%	339	2.3%	342	367	7.4%
Administrative and General	1,613	1,222	(24.3)%	1,225	0.3%	1,186	(3.2)%	1,232	3.9%	1,166	1,487	27.5%
Total Sewer Expenses	10,266	10,721	4.4%	11,237	4.8%	12,065	7.4%	12,408	2.8%	12,808	13,891	8.5%
Source of Supply	58	43	(27.0)%	62	46.3%	100	61.4%	179	78.7%	256	280	9.5%
Transmission and Distribution	0	1	361.1%	7	617.1%	11	41.4%	15	42.0%	5	15	200.0%
Customer Accounts	17	3	(83.0)%	4	53.6%	(1)	(113.6)%	11	(2027.9)%	0	11	3334.4%
Administrative and General	169	234	38.2%	179	(23.4)%	152	(15.1)%	149	(2.2)%	150	167	11.6%
Total Recycled Water Expenses	244	280	14.6%	253	(9.7)%	262	3.7%	354	35.1%	411	473	15.3%
Total Operating Expenses	\$ 47,655	\$ 49,475	3.8%	\$ 47,358	(4.3)%	\$ 52,241	10.3%	\$ 54,719	4.7%	\$ 52,462	\$ 59,565	13.5%
Net Operating Revenue (Expense)	\$ 8,018	\$ 11,634	45.1%	\$ 18,423	58.4%	\$ 22,465	21.9%	\$ 19,923	(11.3)%	\$ 23,963	\$ 20,639	(13.9)%

TOTAL OPERATING EXPENSES BY ACCOUNT



CUCAMONGA VALLEY WATER DISTRICT TOTAL OPERATING EXPENSES BY ACCOUNT

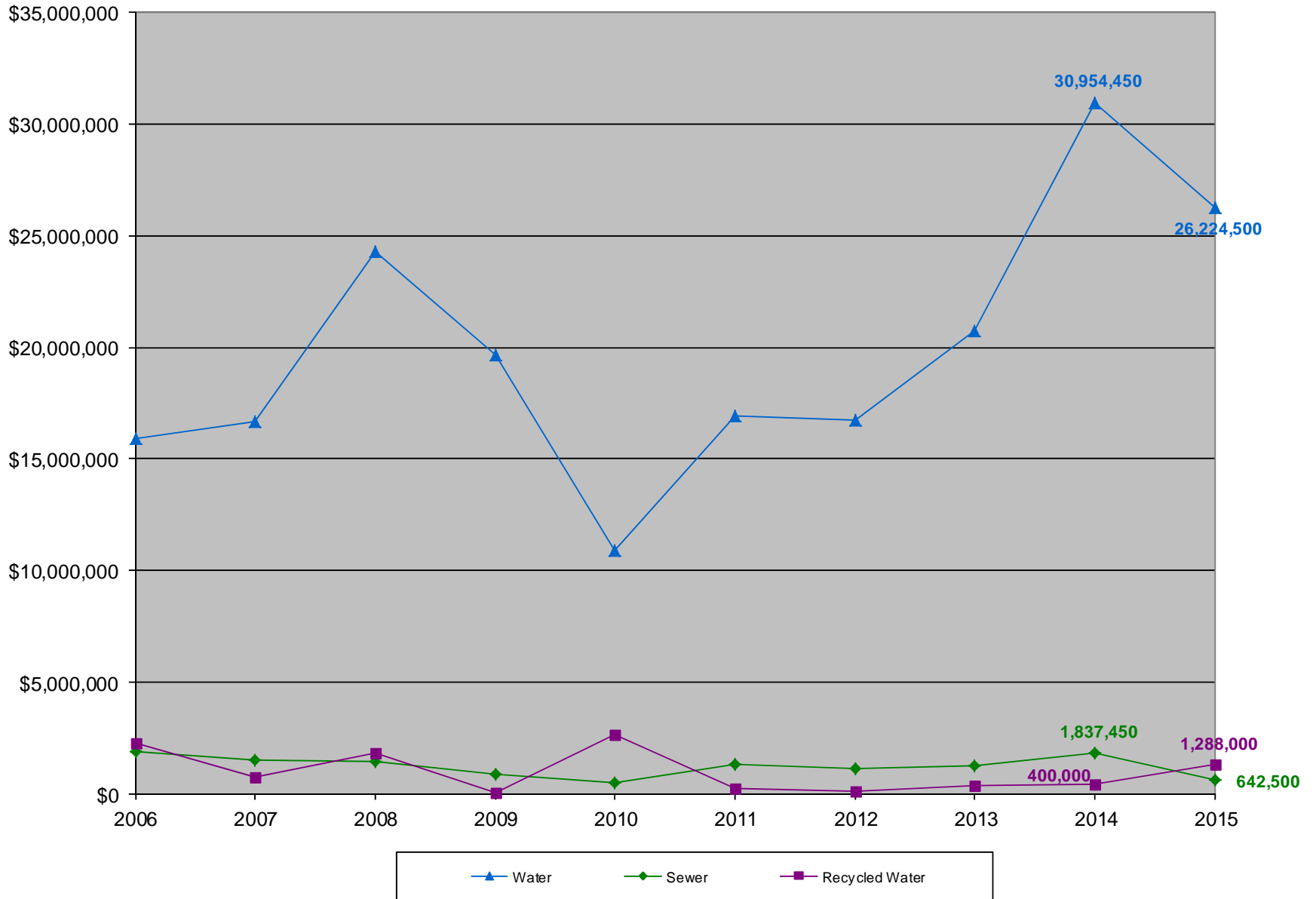
Account	Budget FYE 2013	Estimated Actual FYE 2013	Budget FYE 2014	% Change Budget '13 vs. Budget '14	% Change Est. Actual '13 vs. Budget '14
Wages and Burden	\$ 14,859,522	\$ 14,689,972	\$ 15,723,158	5.8%	7.0%
Professional Development	397,051	269,748	419,123	5.6%	55.4%
Professional Services	502,964	431,744	580,440	15.4%	34.4%
Advertisements	33,425	29,666	35,075	4.9%	18.2%
Elections	60,000	60,000	-	(100.0)%	(100.0)%
Personnel	141,330	140,526	148,990	5.4%	6.0%
Insurance	404,000	448,566	489,750	21.2%	9.2%
Collections	167,000	144,398	167,000	0.0%	15.7%
Utilities	4,697,468	4,729,826	4,947,791	5.3%	4.6%
Materials & Supplies	2,469,459	2,363,183	2,973,909	20.4%	25.8%
Equipment	-	-	-	-	-
Outside Services	11,326,456	11,488,704	12,841,202	13.4%	11.8%
Safety	66,674	61,066	75,324	13.0%	23.3%
Source of Supply Water	19,142,799	17,173,906	20,623,511	7.7%	20.1%
Miscellaneous	289,350	394,120	425,670	47.1%	8.0%
Other - Capital Equipment	161,400	36,260	114,250	(29.2)%	215.1%
Totals	\$ 54,718,898	\$ 52,461,685	\$ 59,565,193	8.9%	13.5%

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CUCAMONGA VALLEY WATER DISTRICT
TOTAL BUDGETED OPERATING EXPENSES BY ACCOUNT AND DEPARTMENT
For the Fiscal Year Ending 2013 and 2014
(Amounts Expressed in Thousands)

Account Title	Executive		Fin & Admin Services		General Services		Engineering		Operations		Totals	
	FY 2013	FY 2014	FY 2013	FY 2014	FY 2013	FY 2014	FY 2013	FY 2014	FY 2013	FY 2014	FY 2013	FY 2014
Water												
Wages and Burden	\$ 2,202	\$ 2,339	\$ 3,224	\$ 3,186	\$ 132	\$ 99	\$ 1,496	\$ 1,711	\$ 5,067	\$ 5,462	\$ 12,121	\$ 12,797
Professional Development	173	189	83	79	41	45	45	48	38	41	380	403
Professional Services	332	338	110	162	30	30	20	22	3	3	494	555
Advertisements	29	28	1	1	-	-	-	-	-	-	31	30
Elections	60	-	-	-	-	-	-	-	-	-	60	-
Personnel Costs	100	108	1	1	39	39	2	2	-	-	141	149
Insurance	278	350	-	-	-	-	-	-	-	-	278	350
Collections	-	-	137	137	-	-	-	-	-	-	137	137
Utilities	24	24	64	66	229	213	9	11	4,315	4,588	4,640	4,902
Materials & Supplies	66	66	331	358	28	28	58	58	1,832	2,286	2,316	2,795
Equipment Expense	-	-	-	-	-	-	-	-	-	-	-	-
Outside Services	146	154	1,012	1,022	1	1	10	10	853	1,079	2,023	2,266
Safety	2	2	10	10	-	-	3	5	43	50	58	67
Source of Supply Water	-	-	-	-	-	-	-	-	18,964	20,344	18,964	20,344
Miscellaneous	14	14	191	294	6	6	1	2	35	50	247	365
Other - Capital Equipment	1	1	4	4	-	3	3	3	60	30	68	41
Totals - Water	\$ 3,428	\$ 3,614	\$ 5,168	\$ 5,321	\$ 506	\$ 465	\$ 1,645	\$ 1,870	\$ 31,210	\$ 33,931	\$ 41,957	\$ 45,201
Sewer												
Wages and Burden	\$ 275	\$ 329	\$ 406	\$ 512	\$ 16	\$ -	\$ 746	\$ 752	\$ 1,148	\$ 1,165	\$ 2,590	\$ 2,759
Professional Development	-	-	-	-	-	-	7	6	10	10	17	16
Professional Services	-	-	5	21	-	-	5	5	-	-	9	26
Advertisements	-	-	3	6	-	-	-	-	-	-	3	6
Insurance	126	140	-	-	-	-	-	-	-	-	126	140
Collections	-	-	30	30	-	-	-	-	-	-	30	30
Utilities	-	-	7	7	36	21	7	9	8	9	57	46
Materials & Supplies	-	-	31	31	4	19	15	15	77	87	127	152
Equipment Expense	-	-	-	-	-	-	-	-	-	-	-	-
Outside Services	-	-	3	12	-	-	12	12	9,289	10,551	9,304	10,575
Safety	-	-	-	-	-	-	2	2	6	6	8	8
Miscellaneous	-	-	40	58	-	-	0	0	3	3	43	60
Other - Capital Equipment	-	-	-	-	-	-	2	2	91	72	93	74
Totals - Sewer	\$ 401	\$ 469	\$ 525	\$ 676	\$ 56	\$ 40	\$ 795	\$ 804	\$ 10,631	\$ 11,903	\$ 12,408	\$ 13,891
Recycled Water												
Wages and Burden	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 149	\$ 167	\$ -	\$ -	\$ 149	\$ 167
Materials & Supplies	-	-	11	11	-	-	-	-	15	15	26	26
Source of Supply Water	-	-	-	-	-	-	-	-	179	280	179	280
Totals - Recycled Water	\$ -	\$ -	\$ 11	\$ 11	\$ -	\$ -	\$ 149	\$ 167	\$ 194	\$ 295	\$ 354	\$ 473
Totals	\$ 3,828	\$ 4,083	\$ 5,704	\$ 6,008	\$ 562	\$ 504	\$ 2,589	\$ 2,842	\$ 42,036	\$ 46,128	\$ 54,719	\$ 59,565

CAPITAL PROJECT TREND BY FUND

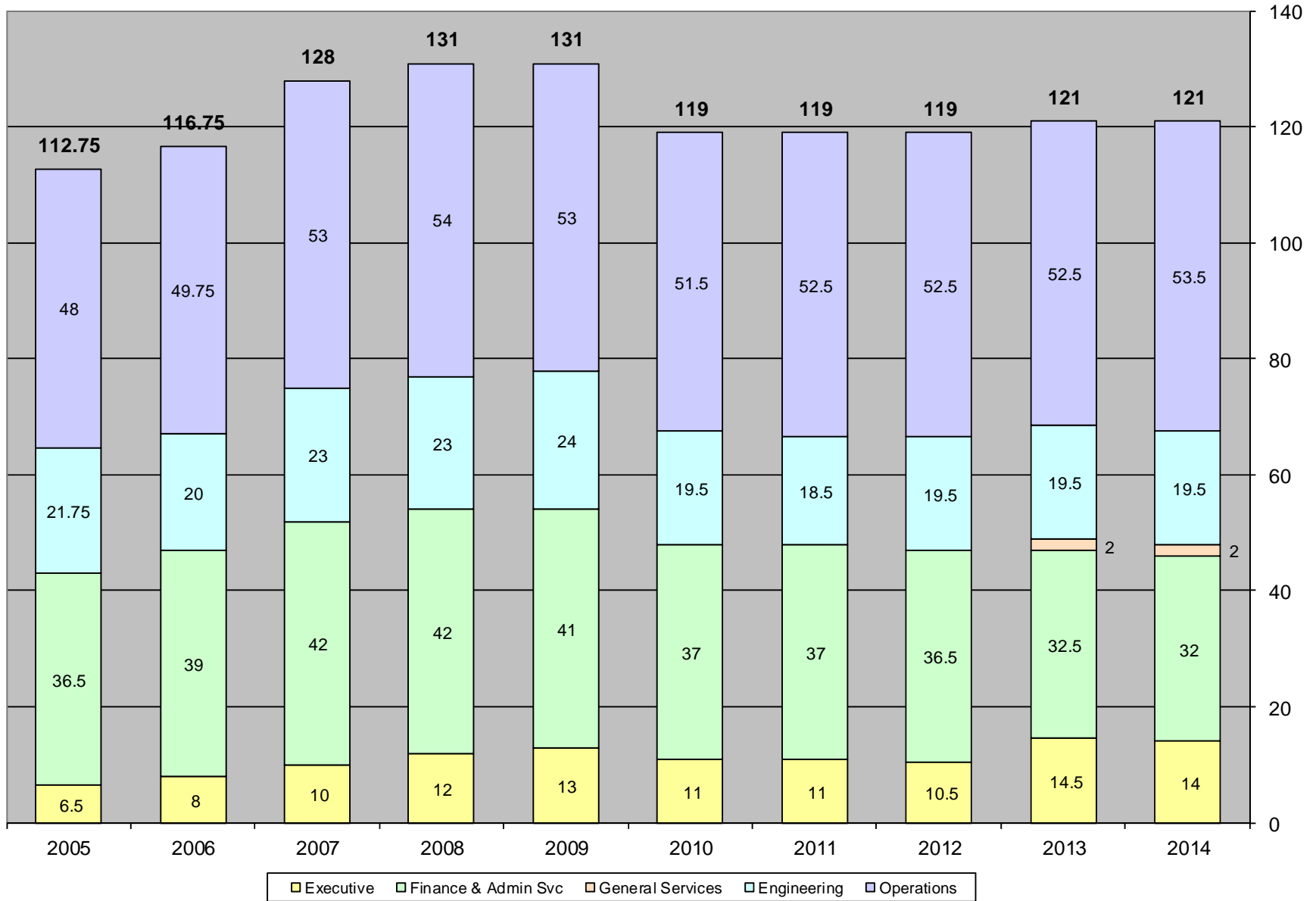


CUCAMONGA VALLEY WATER DISTRICT CAPITAL PROJECT TREND BY FUND

Fiscal Year Ending	Water	% Change	Sewer	% Change	Recycled Water	% Change	Total
2006	15,886,813	12.9%	1,860,139	(19.7)%	2,244,244	897.4%	19,991,196
2007	16,681,669	5.0%	1,522,621	(18.1)%	774,756	(65.5)%	18,979,046
2008	24,259,861	45.4%	1,430,043	(6.1)%	1,832,118	136.5%	27,522,022
2009	19,643,245	(19.0)%	885,640	(38.1)%	65,000	(96.5)%	20,593,885
2010	10,894,445	(44.5)%	469,565	(47.0)%	2,650,000	3976.9%	14,014,010
2011	16,935,550	55.5%	1,289,992	174.7%	265,314	(90.0)%	18,490,856
2012	16,752,485	(1.1)%	1,159,091	(10.1)%	121,600	(54.2)%	18,033,176
2013	20,757,938	23.9%	1,270,644	9.6%	397,625	227.0%	22,426,207
2014	30,954,450	49.1%	1,837,450	44.6%	400,000	0.6%	33,191,900
2015	26,224,500	(15.3)%	642,500	(65.0)%	1,288,000	222.0%	28,155,000
Average	\$ 19,899,096	11.2%	\$ 1,236,769	2.5%	\$ 1,003,866	515.4%	\$ 22,139,730

Note: All amounts presented above represent the annual budget request approved for the fiscal year, with the exception of FYE 2015 which is an estimate of the future capital projects budget.

PERSONNEL TRENDS BY DEPARTMENT



**CUCAMONGA VALLEY WATER DISTRICT
PERSONNEL TRENDS BY DEPARTMENT**

Department	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Executive	6.5	8	10	12	13	11	11	10.5	14.5	14
Finance & Admin Svc	36.5	39	42	42	41	37	37	36.5	32.5	32
General Services	0	0	0	0	0	0	0	0	2	2
Engineering	21.75	20	23	23	24	19.5	18.5	19.5	19.5	19.5
Operations	48	49.75	53	54	53	51.5	52.5	52.5	52.5	53.5
District Total	112.75	116.75	128	131	131	119	119	119	121	121

CUCAMONGA VALLEY WATER DISTRICT PERSONNEL TRENDS BY POSITION

Position/Title	2012	2013	2014
General Manager / CEO	1	1	1
Assistant General Manager	1	1	1
Asst Gen Mgr / Ext Affairs	1	1	-
Chief Financial Officer	-	-	1
Chief Operating Officer	-	-	1
Director of Financial & Administrative Services	1	1	-
Director of Operations & Engineering Services	1	1	-
Executive Assistant	2	2	2
Management Analyst III	1	1	1
Public Affairs Officer	1	1	1
Public Affairs Rep III	2	2	2
Human Resources Administrator	1	1	1
Human Resources Assistant II	1	1	1
Risk Management Analyst	1	1	1
Safety Analyst	1	1	1
Finance Officer	1	1	1
Accounting Supervisor	-	-	1
Senior Accountant	2	2	1
Account Clerk II	3	3	3
Customer Service Officer	1	1	1
Senior Customer Service Rep	2	2	2
Customer Service Rep III	1	1	1
Customer Service Rep II	4	5	5
Customer Service Rep I	1	-	-
Field Service Supervisor	-	-	1
Field Service Foreman	1	1	-
Field Serv Representative III	1	1	1
Field Serv Representative II	6	7	7
Field Serv Representative I	1	-	-

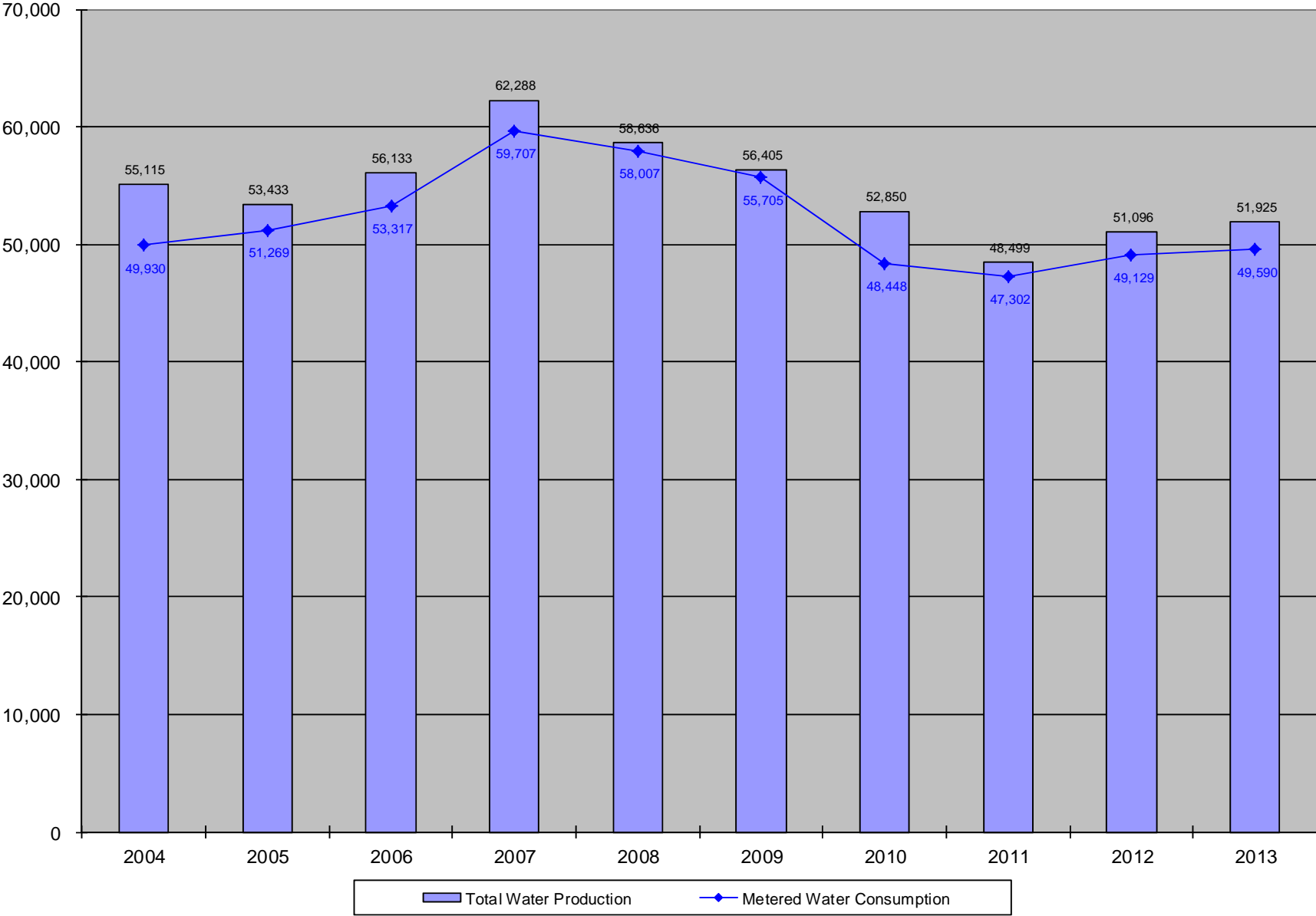
Information Technology Officer	1	1	1
Information Technology Spec III	2	2	2
Information Technology Spec II	1	1	1
Information Technology Spec I	1	-	-
Information Technology Helpdesk Specialist	-	1	1
Purch & Warehouse Specialist II	1	1	1
GIS Technician III	-	1	1
GIS Technician II	1	-	1
GIS Technician I	1	1	-
Senior Engineer	2	2	2
Capital Projects Coordinator	1	1	1
Assistant Engineer	3	3	3
CAD Technician III	1	1	1
Engineering Technician III	1	1	1
Engineering Technician II	1	1	1
Recycled Water Coordinator	1	1	1
Construction Inspector III	2	1	1
Construction Inspector I	-	1	1
Development Services Supervisor	-	-	1
Industrial Waste Inspector III	1	1	-
Industrial Waste Inspector II	2	2	2
Cross-Connection Coordinator	1	1	1
Wtr Trtmnt Plnt Superintendent	1	1	1
Water Quality Coordinator	1	1	1
Water Treatment Plant Supervisor	-	-	1
Wtr Treatmt Pl Foreman	1	1	
Wtr Treatmt Plant Operator III	2	2	2
Wtr Treatmt Plant Operator II	7	6	6
Wtr Treatmt Plant Operator I	1	2	2
Wtr Production Superintendent	1	1	1

Pump Operator III	1	1	1
Pump Operator II	3	3	3
Controls Analyst	1	1	1
Instrumentation Technician III	1	1	1
Facilities Maint Specialist III	2	2	2
Facilities Maint Specialist II	1	1	1
Facilities Maint Worker I	2	2	2
Fleet & Equip Mechanic III	-	-	1
Fleet & Equip Mechanic II	2	2	1
Const & Maint Superintendent	1	1	1
Utility Service Representative III	-	1	1
Utility Service Representative II	1	-	-
Water Maintenance Supervisor	-	-	1
Water Maintenance Foreman	1	1	
Water Maintenance Worker III	5	5	4
Water Maintenance Worker II	3	4	5
Water Maintenance Worker I	5	4	4
Sewer Maintenance Supervisor	-	-	1
Sewer Maintenance Foreman	1	1	-
Sewer Maintenance Worker III	1	3	2
Sewer Maintenance Worker II	4	4	4
Sewer Maintenance Worker I	2	-	1
Administrative Assistant II	3	3	5
Administrative Assistant I	2	2	-
Administrative Aide	-	1	1
Receptionist	-	1	1
District Total	119	121	121

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WATER PRODUCTION VS METERED CONSUMPTION

(Amounts Expressed in Acre Feet)

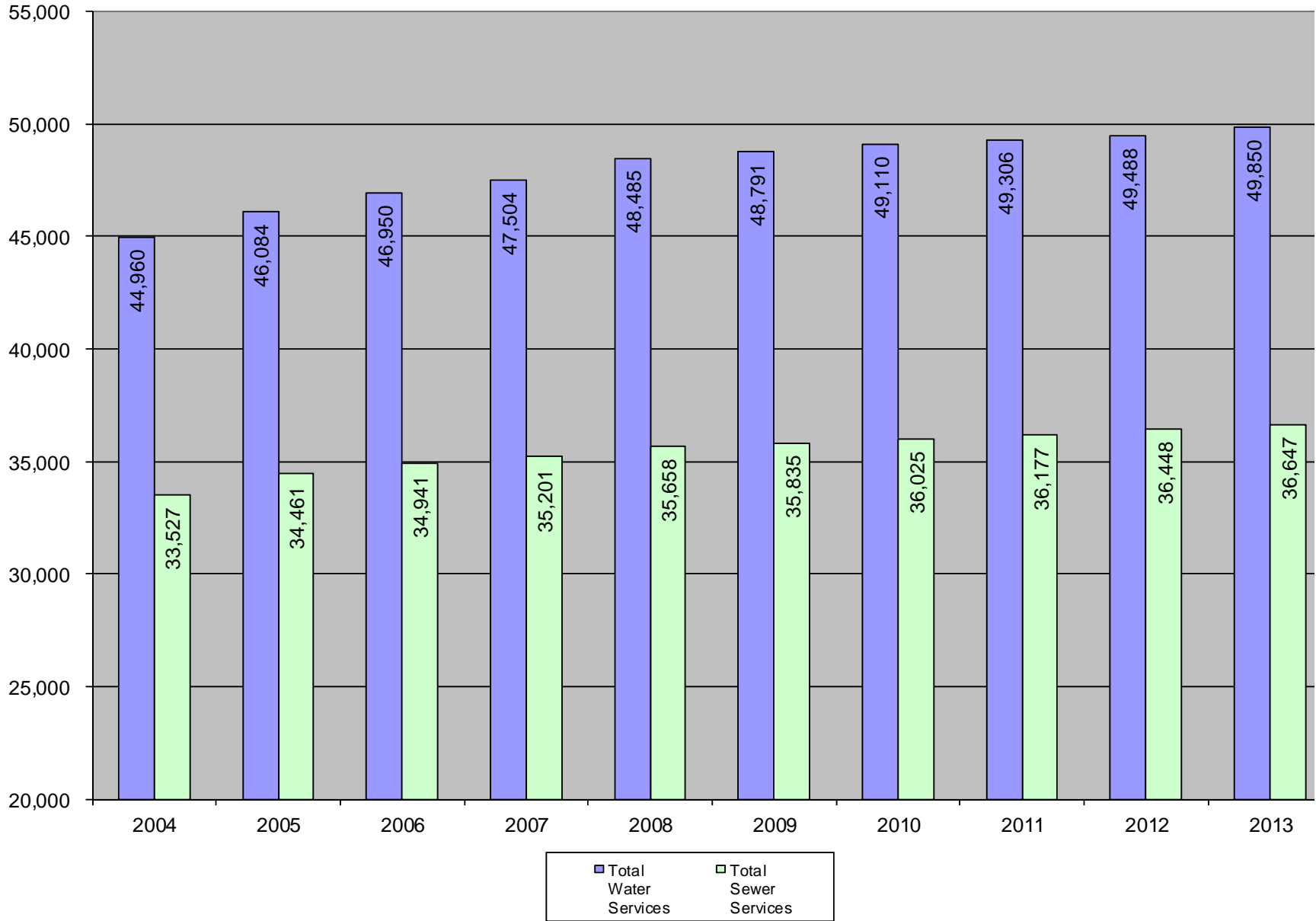


CUCAMONGA VALLEY WATER DISTRICT
WATER PRODUCTION VS METERED CONSUMPTION
(Amounts Expressed in Acre Feet (AF) and Hundred Cubic Feet (HCF))

Fiscal Year Ending	Total Water Production			Metered Water Consumption		
	AF	HCF	% Change vs Prior Year	AF	HCF	% Change vs Prior Year
2004	55,115	24,008,094	9%	49,930	21,749,464	3%
2005	53,433	23,275,415	(3%)	51,269	22,332,776	3%
2006	56,133	24,451,535	5%	53,317	23,224,878	4%
2007	62,288	27,132,653	11%	59,707	26,008,414	12%
2008	58,636	25,541,842	(6%)	58,007	25,267,849	(3%)
2009	56,405	24,570,018	(4%)	55,705	24,265,098	(4%)
2010	52,850	23,021,460	(6%)	48,448	21,103,949	(13%)
2011	48,499	21,126,164	(8%)	47,302	20,604,751	(2%)
2012	51,096	22,257,418	5%	49,129	21,400,592	4%
2013*	51,925	22,618,530	2%	49,590	21,601,404	1%
Average	54,638	23,800,313	0%	52,240	22,755,918	0%

* Amounts for Fiscal Year 2013 are estimated actuals.

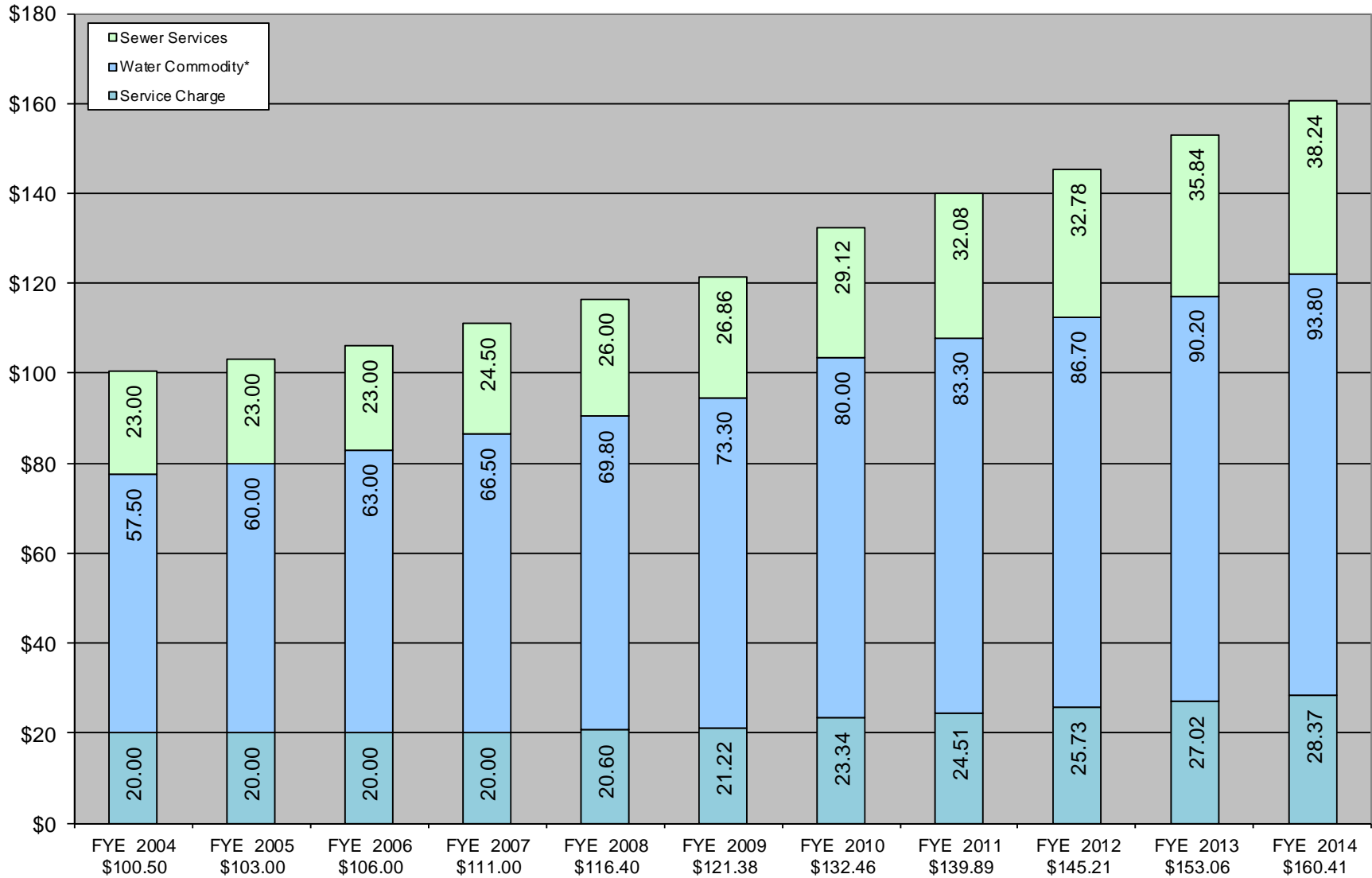
TOTAL WATER AND SEWER SERVICES BY YEAR



**CUCAMONGA VALLEY WATER DISTRICT
TOTAL WATER AND SEWER SERVICES BY YEAR**

Fiscal Year Ending	Total Water Services	% Change	Total Sewer Services	% Change
2004	44,960	3%	33,527	3%
2005	46,084	3%	34,461	3%
2006	46,950	2%	34,941	1%
2007	47,504	1%	35,201	1%
2008	48,485	2%	35,658	1%
2009	48,791	1%	35,835	0%
2010	49,110	1%	36,025	1%
2011	49,306	0%	36,177	0%
2012	49,488	0%	36,448	1%
2013	49,850	1%	36,647	1%
Average	48,053	1%	35,492	1%

AVERAGE RESIDENTIAL BI-MONTHLY WATER BILL BY YEAR



* Based on water service supplied by a 3/4" water meter and using 50 hcf per billing period (1 hcf = 748.10 gallons)

CUCAMONGA VALLEY WATER DISTRICT RATE HISTORY

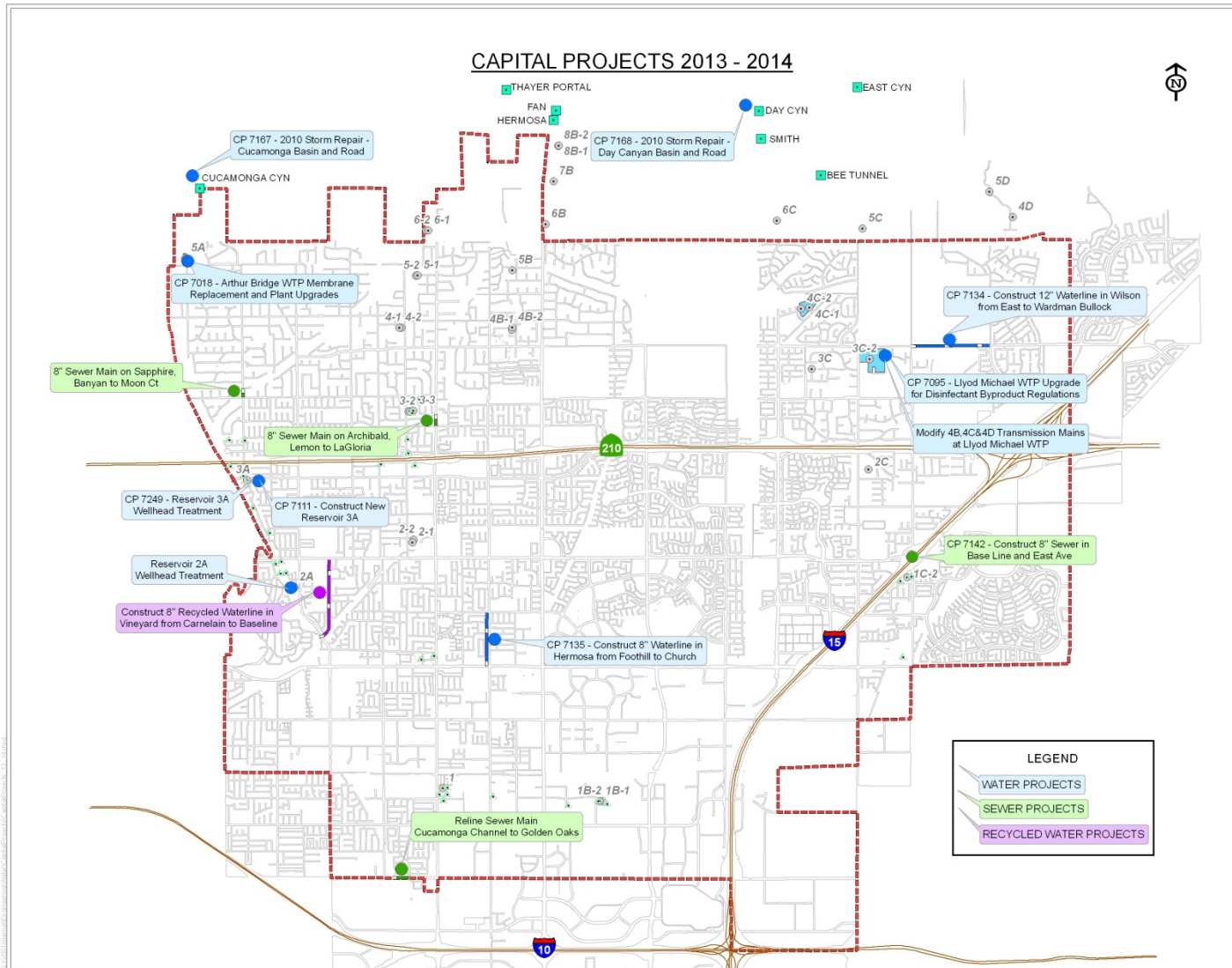
Water							Sewer					Recycled Water	
Fiscal Year Ending	Water Service Charge (3/4" Meter)	Water Commodity Rate *				Interruptible Government Rate †	Fiscal Year Ending	Sewer Service Charge	Treatment Charge IEUA	Regulatory Surcharge IEUA	Total	Fiscal Year Ending	Commodity Rate
		Non-Tiered/ Tier 1 (0-10 hcf) **	Tier 2 (11-40 hcf) **	Tier 3 (41-100 hcf) **	Tier 4 (>100 hcf) **								
2004	20.00	1.15				1.035	2004	7.62	13.62	1.76	23.00	-	-
2005	20.00	1.20				1.080	2005	7.62	13.62	1.76	23.00	2005	0.90
2006	20.00	1.26				1.135	2006	7.62	13.62	1.76	23.00	2006	0.95
2007	20.00	1.33				1.197	2007	7.62	15.12	1.76	24.50	2007	1.00
2008	20.60	1.33	1.40	1.45	1.50	1.269	2008	7.62	16.62	1.76	26.00	2008	1.06
2009	21.22	1.35	1.47	1.57	1.67	1.269	2009	7.62	17.48	1.76	26.86	2009	1.12
2010	23.34	1.40	1.60	1.80	2.00	-	2010	7.62	19.74	1.76	29.12	2010	1.12
2011	24.51	1.43	1.66	1.92	2.17	-	2011	9.80	20.52	1.76	32.08	2011	1.28
2012	25.73	1.46	1.72	2.05	2.35	-	2012	10.50	20.52	1.76	32.78	2012	1.35
2013	27.02	1.49	1.78	2.19	2.54	-	2013	11.06	23.02	1.76	35.84	2013	1.42
2014	28.37	1.52	1.84	2.34	2.75	-	2014	11.46	25.02	1.76	38.24	2014	1.49

* The District adopted a tiered water rate program effective May 1, 2008.

** Commodity allocations for a 3/4" meter.

† The District discontinued the Interruptible Government Rate effective May 1, 2010.

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CAPITAL PROJECTS

CUCAMONGA VALLEY WATER DISTRICT FIVE-YEAR CAPITAL IMPROVEMENT PLAN

Goals & Objectives

Overview

A Capital Improvement Project (CIP) consists of an addition of a new pipeline or facility, a renovation or major maintenance to existing facilities, a major landscape improvement, land, or one-time major equipment purchase.

Capital expenses result in the acquisition of (or addition to) fixed assets, including land, buildings, improvements, machinery and equipment.

Employee wages and burden expenses related to implementing capital projects are tracked and then used to budget a portion of wages and burden for future capital projects, as presented in the Statement of Budgeted Revenues and Expenses on page 28.

Strategic Planning

Staff has assimilated the Board of Directors' Strategic Vision by evaluating and changing our planning and project life cycle structure which has resulted in creative action through Continuous Improvement Programs. The Vision Workshops have assisted the Departments' approach in completing the approved budget, and implementing the District's planning strategies to ensure a reliable infrastructure and actively manage our water resources. Staff continuously seeks out innovative ways of working with private developers to construct new facilities, procure new site properties, and upgrade existing facilities that help create our future. Staff is focused on revising and developing District Master Plans to prepare for more stringent water quality parameters, to identify projects to offset the increasing demands placed on our system, and to incorporate new conservation methods and implement the recycled water program. We look forward to improving methods of data capture and dissemination of information to other departments using cutting- edge GIS technology interfacing.

Reliable Water Supply

- Continue implementation of District's Water Supply Plan.
- Develop opportunities for more efficient use of groundwater rights within the Chino and Cucamonga Basins.
- Continued construction of recycled water facilities for future conversions from the District's potable water system.
- Improve our treatment plant for optimizing our canyon source of supply.
- Implement our surface water treatment plant Master Plan for future water quality requirements.
- Improving well production and pump facility capability.

Operating Performance

- We have developed a Water Supply Plan and are implementing it in coordination with our Board of Directors.
- We have enhanced our Technical Support capabilities through Geographical Information System (GIS) and Computer Aided Design (CAD) to provide accurate maps, capture as-built drawings, and provide facility information to all departments of the District.
- We continue constant communication and project planning with the District's Operations Department and have improved utility coordination meetings with the various cities and utility agencies in our service area.
- Projects have been constructed that will enhance the District's distribution and collection systems in an effort to meet the needs of our Customers and prepare for future growth.
- We continue developing new operating procedures to reduce maintenance costs and ensure dependable service to our customers.

**CUCAMONGA VALLEY WATER DISTRICT
SIGNIFICANT CAPITAL PROJECTS**

SIGNIFICANT CAPITAL PROJECTS	ESTIMATED PRIOR YEAR CARRY-OVER	NEW FY 2014 BUDGET REQUESTS
LMWTP Upgrade for Disinfectant Byproduct Regulations	\$ 18,200,000	\$ 24,000,000
AHBWTP Rehabilitation & Upgrades	3,500,000	100,000
Meter Exchange / Fixed Network Project	2,000,000	0
Construct New Reservoir 3A	1,660,000	0
Construct 12" Water Line in Wilson from East to Wardman Bullock	819,000	0
2010 Storm Repair - Cucamonga Basin and Road	860,000	0
Reservoir 3 Wells – Blending Improvements	0	1,200,000
Reservoir 3A Wells – Wellhead Treatment	0	1,090,000
Reservoir 2A Wells – Wellhead Treatment	0	300,000
Total	\$ 27,039,000	\$ 26,690,000

SIGNIFICANT FUTURE CAPITAL PROJECTS

Current capital projects that will take the District into future fiscal years are the Lloyd Michael Water Treatment Plant Regulatory Compliance Upgrade project, the Arthur Bridge Water Treatment Plant Upgrade project, multiple wellhead treatment projects, and construction of Reservoir 3A. These projects are planned for completion over the next several years and their purposes are to assure the latest water quality standards are met and water supplies are available to meet current and future demands.

Other significant future capital projects will consist of optimizing the Cucamonga and Chino Basins management plans and developing short and long term plans and strategies for meeting expected demands. Staff is focused on revising and developing District Master Plans to prepare for more stringent water quality parameters, identifying projects to offset the increasing demands placed on our system, and incorporating new conservation methods and implement the recycled water program.

CUCAMONGA VALLEY WATER DISTRICT

CAPITAL PROJECTS SUMMARY

For the Fiscal Year Ending June 30, 2014

Category Number	Description	Amount	% of Total
Water Capital Projects			
9030	Source of Supply	\$ 50,000	0.2%
9045	Field Equipment	45,000	0.1%
9065	Water Treatment	27,281,100	90.5%
9070	Pumps & Pumping Equipment	602,000	2.0%
9071	Reservoirs	474,000	1.6%
9072	Telemetry	30,000	0.1%
9075	Building Improvements	248,750	0.8%
9077	Shop Equipment	-	0.0%
9085	Water Mains	1,424,000	4.7%
TOTAL WATER CAPITAL		\$ 30,154,850	100.0%

Sewer Capital Projects			
9045	Field Equipment	20,000	1.4%
9075	Building Improvements	31,250	2.1%
9077	Shop Equipment	-	0.0%
9095	Sewer Improvements	1,403,000	96.5%
TOTAL SEWER CAPITAL		\$ 1,454,250	100.0%

Recycled Water Capital Projects			
9096	Recycled Water Improvements	\$ 400,000	100.0%
TOTAL RECYCLED WATER CAPITAL		\$ 400,000	100.0%

Category Number	Description	Amount	% of Total
Office Equipment			
9055	Office Equipment - Water	\$ 357,600	75.0%
9055	Office Equipment - Sewer	119,200	25.0%
9055	Office Equipment - Recycled Water	-	0.0%
TOTAL OFFICE EQUIPMENT		\$ 476,800	100%

Vehicle Replacement			
9080	Vehicle Replacement - Water	\$ 442,000	62.6%
9080	Vehicle Replacement - Sewer	264,000	37.4%
9080	Vehicle Replacement - Recycled Water	-	0.0%
TOTAL VEHICLE REPLACEMENT		\$ 706,000	100%

FY 2014 Capital Projects:	\$ 33,191,900
Carryover:	31,974,625
Total:	<u>\$ 65,166,525</u>

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**CUCAMONGA VALLEY WATER DISTRICT
WATER CAPITAL PROJECTS
for the Fiscal Year Ending June 30, 2014**

Project Number	Work Order Number	Description	Estimated Carry Over 2013 Budget	Budget Request 2014	Outside Funding	Funding Source	Proposed 2015	Proposed 2016	Proposed 2017	Project Total
9030	Source of Supply									
CP6370	80883	Water Master Plan Update	150,000	50,000						200,000
CP6373	81079	Cucamonga Basin Rehabilitation	40,000							40,000
CP7002	196412	Cucamonga Basin Evaluation Study - Phase 3	330,000							330,000
Subtotal - 9030 Source of Supply (3 Projects)			520,000	50,000						570,000
9045	Field Equipment									
CP5334	0062677	Meter Exchange/Fixed Network Project	2,000,000		2,000,000	Fixed Network Lease	2,500,000			4,500,000
CP7279	267060	Laptop Vehicle Mounts and Replacements	8,000							8,000
		Aluminum Shoring Box		5,000						5,000
		Light Tower		5,000						5,000
		Trailer Mount 160 CFM Air Compressor		10,000						10,000
		Trenchless Boring Machine		25,000						25,000
Subtotal - 9045 Field Equipment (6 Projects)			2,008,000	45,000	2,000,000		2,500,000			4,553,000
9055	Office Equipment									
CP7090	220936	CMMS Citrix Software Implementation	68,250							68,250
CP7281	267062	Audio/Visual Improvements	7,500							7,500
CP7282	267063	Desktop and Laptop Computer Replacements	41,250	65,100			75,000	75,000	75,000	331,350
CP7290	267071	Virtual Server Security Protection Appliance	11,250	11,250						22,500
		Engineering Plotter Printer Replacement		18,000						18,000
		Fuel Access System Upgrade		41,250						41,250
		Microsoft Software Assurance (Year1 of the 3-Year agreement)		39,000			39,000	39,000		117,000
		Network Core Switch Replacement		66,000						66,000
		Redesign of CVWD and FP Websites		45,000						45,000
		Server Replacements		39,000			37,500	37,500	37,500	151,500
		Treatment Plant Phone System Upgrade		12,000						12,000
		Web Filter Upgrade		21,000						21,000
Subtotal - 9055 Office Equipment (12 Projects)			128,250	357,600			151,500	151,500	112,500	901,350
9065	Treatment									
CP7018	196434	AHBWTP Rehabilitation & Upgrades	3,500,000	100,000	3,600,000	2009 COP/2012 RB				3,600,000
CP7094	220940	Chlorine Generator Installation at Pump Station 5	254,000	137,100						391,100
CP7095	220941	LMWTP Upgrade for Disinfectant Byproduct Regulations	18,200,000	24,000,000	42,200,000	2012 RB / Grant				42,200,000
CP7185	243111	Chlorine Generator Installation at Pump Station 5B	168,000	25,000						193,000
CP7248	274340	Reservoir 3 Wells - Blending Improvements		1,200,000	1,028,000	2009 COP/2012 RB				1,200,000
CP7249	274345	Reservoir 3A Wells - Wellhead Treatment		1,090,000						1,090,000
CP7292	267073	Evaluation of Cucamonga Basin Well Wellhead Treatment	50,000	200,000						250,000
		4 Chlorine Generator Cells (NOVA)		17,000						17,000
		8B Hypo Unit Upgrade		94,000						94,000

**CUCAMONGA VALLEY WATER DISTRICT
WATER CAPITAL PROJECTS
for the Fiscal Year Ending June 30, 2014**

Project Number	Work Order Number	Description	Estimated Carry Over 2013 Budget	Budget Request 2014	Outside Funding	Funding Source	Proposed 2015	Proposed 2016	Proposed 2017	Project Total
		Distribution System Water Quality Sample Stations (7)		18,000						18,000
		LWMWTP Filter 6 Under-drain Repair		100,000						100,000
		Reservoir 2A Hypo Generation Upgrade					160,000			160,000
		Reservoir 2A Wells - Wellhead Treatment		300,000			14,700,000			15,000,000
Subtotal - 9065 Treatment (13 Projects)			22,172,000	27,281,100	46,828,000		14,860,000			64,313,100
9070 Pumps & Equipment										
CP7025	196447	New Well #48					2,960,000			2,960,000
CP7102	220948	New Well #49						200,000	2,800,000	3,000,000
CP7193	243119	Pump Station 5 Emergency Standby Generator	180,000	30,000						210,000
CP7194	243120	Pump Station 5B Emergency Standby Generator	190,000	25,000						215,000
CP7195	243121	Well 24 Emergency Standby Generator	225,000	30,000						255,000
CP7295	267076	Backup Booster Pumps	300,000							300,000
CP7299	267080	New Cucamonga Basin Well	50,000				200,000	2,750,000		3,000,000
		3 Replacement Motors for Well's 40, 41 & 42		135,000						135,000
		CLA-VAL Removal/POWER-TROL Replacement		58,000						58,000
		Emergency Standby Generator at PS 6B					180,000			180,000
		Emergency Standby Generator at PS 7B					180,000			180,000
		Emergency Standby Generator at Well 5					225,000			225,000
		General Booster Rehabilitation		110,000			110,000	110,000	110,000	440,000
		General Well Rehabilitation		150,000			150,000	150,000	150,000	600,000
		General Well Site Improvement		39,000			39,000	39,000	39,000	156,000
		Motor Cover Installation at Various Sites					55,000	52,000		107,000
		New Generator at Reservoir Sites					470,000	490,000	510,000	1,470,000
		New Generators at Well Sites					340,000	350,000	350,000	1,040,000
		Pump Station 5 Improvements		12,000						12,000
		Soft Starters: 1AB1 & 1AB2		13,000						13,000
Subtotal - 9070 Pumps & Equipment (20 Projects)			945,000	602,000			4,909,000	4,141,000	3,959,000	14,556,000
9071 Reservoirs										
CP7031	196457	Interior Tank Recoating	150,000				150,000	150,000	150,000	600,000
CP7111	220957	Construct New Reservoir 3A	1,660,000		1,660,000	2009 COP				1,660,000
CP7301	267082	Tank Shark at Reservoir 5B	50,000							50,000
		2C Anti-Cavitation CLA-VAL Upgrade		59,000						59,000
		Reservoir 4B Improvements		330,000						330,000
		Reservoir 8B Improvements		85,000						85,000
		Tank Sharks (3 per year)					200,000	200,000	200,000	600,000
Subtotal - 9071 Reservoirs (7 Projects)			1,860,000	474,000	1,660,000		350,000	350,000	350,000	3,384,000
9072 Telemetry										

**CUCAMONGA VALLEY WATER DISTRICT
WATER CAPITAL PROJECTS
for the Fiscal Year Ending June 30, 2014**

Project Number	Work Order Number	Description	Estimated Carry Over 2013 Budget	Budget Request 2014	Outside Funding	Funding Source	Proposed 2015	Proposed 2016	Proposed 2017	Project Total
CP7303	267084	Install PRV Meters and Telemetry	277,000				75,000	75,000	75,000	502,000
		Programming Software		18,000						18,000
		Replacement/Addition of Field UPS Systems		12,000			12,000	12,000		36,000
		Vehicle Mobile Radios					30,000			30,000
Subtotal - 9072 Telemetry (4 Projects)			277,000	30,000			117,000	87,000	75,000	586,000
9075 Building Improvement										
CP7203	243129	Security & CS Enhancement Project	72,000	39,750						111,750
		Base and Asphalt Roof		30,000						30,000
		Reservoir 1 North Fence		75,000						75,000
		Site Improvements at Ashford Campus		24,000						24,000
		Solar Powered Lighting		80,000						80,000
Subtotal - 9075 Building Improvement (5 Projects)			72,000	248,750						320,750
9080 Vehicle										
CP7309	267090	2-Ton 4x2 Crew Truck w/12-foot Service Body & Crane	130,000	20,000						150,000
		1/2 Ton Extended Cab Pickup 4x2 Unit # 292		32,000						32,000
		1/2 Ton Extended Cab Pickup 4x4 Unit # 294		32,000						32,000
		3/4 Ton Ext. Cab 4x4 Pickup w/8-foot Utility Body Unit #281		32,000						32,000
		3/4 Ton Ext. Cab Pickup 4x2 w/8-foot utility body Unit # 269		32,000						32,000
		3/4 Ton Pickup Ext. Cab 4x4 w/8-foot Utility Body Unit # 277		32,000						32,000
		4-Door SUV 4x2		32,000						32,000
		4-Door SUV Unit # 236		16,000						16,000
		7-9 Cu-Yard 4x2 Dump Truck Unit # 231		57,500						57,500
		Crew Vehicle Replacement					187,500	187,500	187,500	562,500
		Front End 4x4 Skip Loader					47,500	52,500		100,000
		Front End 4x4 Skip Loader Unit# 190		41,500						41,500
		Front Wheel Loader 4X4 Unit #147		85,000						85,000
		Off Road Skip Loader					90,000			90,000
		Replace Three 40-Foot Chassis Unit # 2024, 2025 & 2026		30,000						30,000
Subtotal - 9080 Vehicle (15 Projects)			130,000	442,000			325,000	240,000	187,500	1,324,500
9085 Water Mains										
CP7134	220981	Const Waterline in Wilson from East Ave to Wardman Bullock	819,000		819,000	2009 COP/2012 RB				819,000
CP7135	220982	Const Waterline in Hermosa from Foothill to Church	646,000		646,000	2009 COP				646,000
CP7167	235684	2010 Storm Repair - Cucamonga Canyon Intake and Road	860,000		827,823	Cal EMA/FEMA				860,000
CP7168	235685	2010 Storm Repair - Day Canyon Basin & Road	64,000		64,000	Cal EMA/FEMA				64,000
CP7169	235686	2010 Storm Repair - Snowdrop Road Repair		25,000						25,000
CP7313	267094	Const New Zone 6A Pressure Control Stations	140,000							140,000
CP7314	267095	Various Valves Improvement	75,000	25,000			100,000	100,000	100,000	400,000

**CUCAMONGA VALLEY WATER DISTRICT
WATER CAPITAL PROJECTS
for the Fiscal Year Ending June 30, 2014**

Project Number	Work Order Number	Description	Estimated Carry Over 2013 Budget	Budget Request 2014	Outside Funding	Funding Source	Proposed 2015	Proposed 2016	Proposed 2017	Project Total
CP7315	267096	Const Waterline in Beryl from Baseline to Cielito					883,000			883,000
CP7316	267098	Const Waterline in Chestnut Ave/Cornwall Ave						1,412,000		1,412,000
		Const Waterline in 7500 block of Camino Norte						31,000	494,000	525,000
		Const Waterline in Alpine St and Ramon Ave						36,000	347,000	383,000
		Const Waterline in Amethyst Ave from La Grande to Lomita					25,000	135,000		160,000
		Const Waterline in Arrow Rte from Hermosa Ave to Haven Ave		50,000			1,318,000			1,368,000
		Const Waterline in Baker Ave from 8th St to Princeton St						50,000	1,100,000	1,150,000
		Const Waterline in Candlewood St from Archibald to Ramona					50,000	1,300,000		1,350,000
		Const Waterline in Catalpa Street west of East Avenue					36,000	742,000		778,000
		Const Waterline in Foothill Blvd from 15 Fwy to Etiwanda Ave						50,000	731,000	781,000
		Const Waterline in Haven Ave from 210 Fwy to Banyan St					50,000	779,000		829,000
		Const Waterline in Pecan Ave from Victoria St to Carnesi Dr						50,000	1,215,000	1,265,000
		Const Waterline in Wardman Bullock from Wilson to Glendora					50,000	1,071,000		1,121,000
		Modify 4B, 4C & 4D Transmission Mains at LWMWTP		674,000						674,000
		Service Replacement Program		500,000			500,000	500,000	500,000	2,000,000
		Water Facilities Improvements for Fwy Imprvmnts at Baseline		150,000						150,000
Subtotal - 9085 Water Mains (23 Projects)			2,604,000	1,424,000	2,356,823		3,012,000	6,256,000	4,487,000	17,783,000
Total Water Capital Projects			30,716,250	30,954,450	52,844,823		26,224,500	11,225,500	9,171,000	108,291,700

**CUCAMONGA VALLEY WATER DISTRICT
SEWER CAPITAL PROJECTS
for the Fiscal Year Ending June 30, 2014**

Project Number	Work Order Number	Description	Estimated Carry Over 2013 Budget	Budget Request 2014	Outside Funding	Funding Source	Proposed 2015	Proposed 2016	Proposed 2017	Project Total
9045	Field Equipment									
CP7279	267060	Laptop Vehicle Mounts and Replacements	4,000							4,000
		Aluminum Shoring Box		5,000						5,000
		Light Tower		5,000						5,000
		Trailer Mount 160 CFM Air Compressor		10,000						10,000
		Subtotal - 9045 Field Equipment (4 Projects)	4,000	20,000						24,000
9055	Office Equipment									
CP7090	220936	CMMS Citrix Software Implementation	22,750							22,750
CP7281	267062	Audio/Visual Improvements	2,500							2,500
CP7282	267063	Desktop and Laptop Computer Replacements	13,750	21,700			25,000	25,000	25,000	110,450
CP7290	267071	Virtual Server Security Protection Appliance	3,750	3,750						7,500
		Engineering Plotter Printer Replacement		6,000						6,000
		Fuel Access System Upgrade		13,750						13,750
		Microsoft Software Assurance (Year1 of the 3-Year agreement)		13,000			13,000	13,000		39,000
		Network Core Switch Replacement		22,000						22,000
		Redesign of CVWD and FP Websites		15,000						15,000
		Server Replacements		13,000			12,500	12,500	12,500	50,500
		Treatment Plant Phone System Upgrade		4,000						4,000
		Web Filter Upgrade		7,000						7,000
		Subtotal - 9055 Office Equipment (12 Projects)	42,750	119,200			50,500	50,500	37,500	300,450
9075	Building Improvement									
CP7203	243129	Security & CS Enhancement Project	24,000	13,250						37,250
		Base and Asphalt Roof		10,000						10,000
		Site Improvements at Ashford Campus		8,000						8,000
		Subtotal - 9075 Building Improvement (3 Projects)	24,000	31,250						55,250
9080	Vehicle									
		1/2 Ton Pickup Extended Cab 4x4 Unit# 275		32,000						32,000
		4-Door SUV Unit # 236		16,000						16,000
		4-Door SUV/Van 4x2 Unit # 252		32,000						32,000
		7-9 Cu-Yard 4x2 Dump Truck Unit # 231		57,500						57,500
		CCTV Replacement					260,000			260,000
		Crew Vehicle Replacement					62,500	62,500	62,500	187,500
		Front End 4x4 Skip Loader					47,500	52,500		100,000
		Front End 4x4 Skip Loader Unit# 190		41,500						41,500
		Front Wheel Loader 4X4 Unit #147		85,000						85,000
		Subtotal - 9080 Vehicle (9 Projects)		264,000			370,000	115,000	62,500	811,500

**CUCAMONGA VALLEY WATER DISTRICT
SEWER CAPITAL PROJECTS
for the Fiscal Year Ending June 30, 2014**

Project Number	Work Order Number	Description	Estimated Carry Over 2013 Budget	Budget Request 2014	Outside Funding	Funding Source	Proposed 2015	Proposed 2016	Proposed 2017	Project Total
9095	Sewer Improvement									
CP7172	237510	Const Sewer in Baseline Road and East Ave	168,000	12,000						180,000
CP7318	267100	Const Sewer in 4th from Cucamonga Channel to Golden Oaks	85,000	813,000			72,000			970,000
CP7322	267104	Repair AC Sewer line in Archibald from Lemon to La Gloria	337,000							337,000
CP7323	267105	Repair Sewer line in Sapphire St from Banyan St to Moon Ct	225,000							225,000
		Const MH in Cottage Ave between Acacia St and 8th St		20,000						20,000
		Const Sewer lateral on SW Prop corner Archibald & Baseline		97,000						97,000
		Reline Sewer between Trenton Ct and Cortland St		65,000						65,000
		Reline Sewer East of Carnelian St north of Avalon St		154,000						154,000
		Reline Sewer South of Banyan St near East Etiwanda Creek		92,000						92,000
		Various Sewer Relining and Manhole Rehabilitation		150,000			150,000	150,000	150,000	600,000
		Subtotal - 9095 Sewer Improvement (10 Projects)	815,000	1,403,000			222,000	150,000	150,000	2,740,000
Total Sewer Capital Projects			885,750	1,837,450			642,500	315,500	250,000	3,931,200

**CUCAMONGA VALLEY WATER DISTRICT
RECYCLED WATER CAPITAL PROJECTS
for the Fiscal Year Ending June 30, 2014**

Project Number	Work Order Number	Description	Estimated Carry Over 2013 Budget	Budget Request 2014	Outside Funding	Funding Source	Proposed 2015	Proposed 2016	Proposed 2017	Project Total
9096	Recycled									
CP7325	267107	Const RW in Vineyard to Redhill Park	372,625							372,625
		Const RW in Alta Cuesta to Redhill Golf Course					652,000			652,000
		Const RW lines in Heritage Park neighborhood					500,000	500,000	500,000	1,500,000
		Const RW to Camelian School						40,000	400,000	440,000
		Const RW to Valley Vista Elementary School					36,000	526,000		562,000
		Recycled Water Master Plan		250,000						250,000
		Recycled Water Retrofits		150,000			100,000	100,000	100,000	450,000
		Subtotal - 9096 Recycled (7 Projects)	372,625	400,000			1,288,000	1,166,000	1,000,000	4,226,625
Total Recycled Water Capital Projects			372,625	400,000			1,288,000	1,166,000	1,000,000	4,226,625
GRAND TOTAL (Water, Sewer, and Recycled Water Funds)			31,974,625	33,191,900	52,844,823		28,155,000	12,707,000	10,421,000	116,449,525

ESTIMATED OPERATIONAL IMPACT

**CUCAMONGA VALLEY WATER DISTRICT
CAPITAL PROJECTS
Estimated Ongoing Operational Expenses
for the Fiscal Year Ending June 30, 2014**

								ESTIMATED ANNUAL COSTS			
ID#	Project Number	Work Order Number	Description	Personnel	Equipment/ Hardware Maint	Software Maint	Extended Warranty	Electricity/ Utility	Consultant/ Developer	Other Operating	Total Operational Impact
			9030 Source of Supply								
11	CP6370	80883	Water Master Plan Update								0
9	CP6373	81079	Cucamonga Basin Rehabilitation								0
8	CP7002	196412	Cucamonga Basin Evaluation Study - Phase 3								0
			Subtotal - 9030 Source of Supply (3 Projects)								0
			9045 Field Equipment								
149	CP5334	0062677	Meter Exchange/Fixed Network Project								0
1	CP7279	267060	Laptop Vehicle Mounts and Replacements								0
154			Aluminum Shoring Box								0
151			Light Tower								0
161			Trailer Mount 160 CFM Air Compressor								0
153			Trenchless Boring Machine								0
			Subtotal - 9045 Field Equipment (6 Projects)								0
			9055 Office Equipment								
2	CP7090	220936	CMMS Citrix Software Implementation		4,000	2,800					6,800
133	CP7281	267062	Audio/Visual Improvements		100						100
128	CP7282	267063	Desktop and Laptop Computer Replacements				0				0
132	CP7290	267071	Virtual Server Security Protection Appliance			1,000					1,000
86			Engineering Plotter Printer Replacement				0				0
4			Fuel Access System Upgrade			1,500					1,500
85			Microsoft Software Assurance (Year1 of the 3-Year agreement)								0
88			Network Core Switch Replacement				0				0
164			Redesign of CVWD and FP Websites								0
87			Server Replacements				0				0
127			Treatment Plant Phone System Upgrade		2,400						2,400
3			Web Filter Upgrade		2,000	2,400					4,400
			Subtotal - 9055 Office Equipment (12 Projects)								16,200
			9065 Treatment								
13	CP7018	196434	AHBWTP Rehabilitation & Upgrades								0
14	CP7094	220940	Chlorine Generator Installation at Pump Station 5								0
18	CP7095	220941	LMWTP Upgrade for Disinfectant Byproduct Regulations								0
15	CP7185	243111	Chlorine Generator Installation at Pump Station 5B								0
5	CP7248	274340	Reservoir 3 Wells - Blending Improvements								0
6	CP7249	274345	Reservoir 3A Wells - Wellhead Treatment								0

**CUCAMONGA VALLEY WATER DISTRICT
CAPITAL PROJECTS
Estimated Ongoing Operational Expenses
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ESTIMATED ANNUAL COSTS											
ID#	Project Number	Work Order Number	Description	Personnel	Equipment/ Hardware Maint	Software Maint	Extended Warranty	Electricity/ Utility	Consultant/ Developer	Other Operating	Total Operational Impact
17	CP7292	267073	Evaluation of Cucamonga Basin Well Wellhead Treatment								0
104			4 Chlorine Generator Cells (NOVA)								0
105			8B Hypo Unit Upgrade								0
136			Distribution System Water Quality Sample Stations (7)	0	0		0	0	0	0	0
134			LWMWTP Filter 6 Under-drain Repair	0	0		0	0	0	0	0
100			Reservoir 2A Hypo Generation Upgrade								0
129			Reservoir 2A Wells - Wellhead Treatment								0
Subtotal - 9065 Treatment (13 Projects)				0	0		0	0	0	0	0
9070 Pumps & Equipment											
35	CP7193	243119	Pump Station 5 Emergency Standby Generator								0
36	CP7194	243120	Pump Station 5B Emergency Standby Generator								0
38	CP7195	243121	Well 24 Emergency Standby Generator								0
21	CP7295	267076	Backup Booster Pumps								0
30	CP7299	267080	New Cucamonga Basin Well								0
102			3 Replacement Motors for Well's 40, 41 & 42								0
90			CLA-VAL Removal/POWER-TROL Replacement		-5,000						-5,000
23			Emergency Standby Generator at PS 6B								0
24			Emergency Standby Generator at PS 7B								0
25			Emergency Standby Generator at Well 5								0
26			General Booster Rehabilitation								0
27			General Well Rehabilitation								0
28			General Well Site Improvement								0
29			Motor Cover Installation at Various Sites								0
31			New Generator at Reservoir Sites								0
32			New Generators at Well Sites								0
96			Pump Station 5 Improvements								0
107			Soft Starters: 1AB1 & 1AB2								0
33	CP7025	196447	New Well #48								0
34	CP7102	220948	New Well #49								0
Subtotal - 9070 Pumps & Equipment (20 Projects)					-5,000						-5,000
9071 Reservoirs											
42	CP7031	196457	Interior Tank Recoating								0
39	CP7111	220957	Construct New Reservoir 3A								0
44	CP7301	267082	Tank Shark at Reservoir 5B								0
101			2C Anti-Cavitation CLA-VAL Upgrade		-2,500						-2,500

**CUCAMONGA VALLEY WATER DISTRICT
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ESTIMATED ANNUAL COSTS											
ID#	Project Number	Work Order Number	Description	Personnel	Equipment/ Hardware Maint	Software Maint	Extended Warranty	Electricity/ Utility	Consultant/ Developer	Other Operating	Total Operational Impact
95			Reservoir 4B Improvements								0
94			Reservoir 8B Improvements								0
45			Tank Sharks (3 per year)								0
Subtotal - 9071 Reservoirs (7 Projects)						-2,500					-2,500
		9072	Telemetry								
48	CP7303	267084	Install PRV Meters and Telemetry								0
93			Programming Software								0
91			Replacement/Addition of Field UPS Systems								0
49			Vehicle Mobile Radios								0
Subtotal - 9072 Telemetry (4 Projects)											0
		9075	Building Improvement								
55	CP7203	243129	Security & CS Enhancement Project								0
168			Base and Asphalt Roof								0
106			Reservoir 1 North Fence								0
160			Site Improvements at Ashford Campus								0
97			Solar Powered Lighting								0
Subtotal - 9075 Building Improvement (5 Projects)											0
		9080	Vehicle								
167	CP7309	267090	2-Ton 4x2 Crew Truck w/12-foot Service Body & Crane								0
146			1/2 Ton Extended Cab Pickup 4x2 Unit # 292								0
147			1/2 Ton Extended Cab Pickup 4x4 Unit # 294								0
142			1/2 Ton Pickup Extended Cab 4x4 Unit# 275								0
144			3/4 Ton Ext. Cab 4x4 Pickup w/8-foot Utility Body Unit #281								0
145			3/4 Ton Ext. Cab Pickup 4x2 w/8-foot utility body Unit # 269								0
143			3/4 Ton Pickup Ext. Cab 4x4 w/8-foot Utility Body Unit # 277								0
148			4-Door SUV 4x2								0
140			4-Door SUV Unit # 236								0
141			4-Door SUV/Van 4x2 Unit # 252								0
139			7-9 Cu-Yard 4x2 Dump Truck Unit # 231								0
158			CCTV Replacement								0
157			Crew Vehicle Replacement								0
166			Front End 4x4 Skip Loader								0
138			Front End 4x4 Skip Loader Unit# 190								0
137			Front Wheel Loader 4X4 Unit #147								0

**CUCAMONGA VALLEY WATER DISTRICT
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				ESTIMATED ANNUAL COSTS							
ID#	Project Number	Work Order Number	Description	Personnel	Equipment/ Hardware Maint	Software Maint	Extended Warranty	Electricity/ Utility	Consultant/ Developer	Other Operating	Total Operational Impact
159			Off Road Skip Loader								0
156			Replace Three 40-Foot Chassis Unit # 2024, 2025 & 2026								0
Subtotal - 9080 Vehicle (18 Projects)											0
9085 Water Mains											
59	CP7134	220981	Const Waterline in Wilson from East Ave to Wardman Bullock								0
68	CP7135	220982	Const Waterline in Hermosa from Foothill to Church								0
56	CP7167	235684	2010 Storm Repair - Cucamonga Canyon Intake and Road								0
57	CP7168	235685	2010 Storm Repair - Day Canyon Basin & Road								0
130	CP7169	235686	2010 Storm Repair - Snowdrop Road Repair								0
60	CP7313	267094	Const New Zone 6A Pressure Control Stations								0
61	CP7314	267095	Various Valves Improvement								0
64	CP7315	267096	Const Waterline in Beryl from Baseline to Cielito								0
66	CP7316	267098	Const Waterline in Chestnut Ave/Cornwall Ave								0
63			Const Waterline in 7500 block of Camino Norte								0
122			Const Waterline in Alpine St and Ramon Ave								0
123			Const Waterline in Amethyst Ave from La Grande to Lomita								0
120			Const Waterline in Arrow Rte from Hermosa Ave to Haven Ave								0
119			Const Waterline in Baker Ave from 8th St to Princeton St								0
121			Const Waterline in Candlewood St from Archibald to Ramona								0
65			Const Waterline in Catalpa Street west of East Avenue								0
124			Const Waterline in Foothill Blvd from 15 Fwy to Etiwanda Ave								0
131			Const Waterline in Haven Ave from 210 Fwy to Banyan St								0
69			Const Waterline in Pecan Ave from Victoria St to Camesi Dr								0
169			Const Waterline in Wardman Bullock from Wilson to Glendora								0
170			Modify 4B, 4C & 4D Transmission Mains at LWMWTP								0
70			Service Replacement Program								0
111			Water Facilities Improvements for Fwy Imprvmnts at Baseline								0
Subtotal - 9085 Water Mains (23 Projects)											0
9095 Sewer Improvement											
71	CP7172	237510	Const Sewer in Baseline Road and East Ave								0
72	CP7318	267100	Const Sewer in 4th from Cucamonga Channel to Golden Oaks								0
76	CP7322	267104	Repair AC Sewer line in Archibald from Lemon to La Gloria								0
77	CP7323	267105	Repair Sewer line in Sapphire St from Banyan St to Moon Ct								0
112			Const MH in Cottage Ave between Acacia St and 8th St								0
113			Const Sewer lateral on SW Prop corner Archibald & Baseline								0

**CUCAMONGA VALLEY WATER DISTRICT
CAPITAL PROJECTS
Estimated Ongoing Operational Expenses
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								ESTIMATED ANNUAL COSTS						
ID#	Project Number	Work Order Number	Description	Personnel	Equipment/ Hardware Maint	Software Maint	Extended Warranty	Electricity/ Utility	Consultant/ Developer	Other Operating	Total Operational Impact			
114			Reline Sewer between Trenton Ct and Cortland St								0			
116			Reline Sewer East of Carnelian St north of Avalon St								0			
115			Reline Sewer South of Banyan St near East Etiwanda Creek								0			
78			Various Sewer Relining and Manhole Rehabilitation								0			
			Subtotal - 9095 Sewer Improvement (10 Projects)								0			
			9096 Recycled											
79	CP7325	267107	Const RW in Vineyard to Redhill Park								0			
103			Const RW in Alta Cuesta to Redhill Golf Course								0			
80			Const RW lines in Heritage Park neighborhood								0			
118			Const RW to Carnelian School								0			
117			Const RW to Valley Vista Elementary School								0			
155			Recycled Water Master Plan								0			
81			Recycled Water Retrofits								0			
			Subtotal - 9096 Recycled (7 Projects)								0			
Total Capital Projects				0	1,000	7,700	0	0	0	0	8,700			

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CAPITAL PROJECT DESCRIPTIONS

**CUCAMONGA VALLEY WATER DISTRICT
CAPITAL PROJECT DESCRIPTIONS
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Project Number	Work Order Number	Description	Need Analysis	Estimated Carry Over 2013 Budget	Budget Request 2014
9030	Source of Supply				
CP6370	80883	Water Master Plan Update	<p>This project will review and update the 2003 Master Plan, including performing an update to the Water Model and updating the Water System Master Plan. The Water Model has been completed and Water Master Plan has been split into two Master Plan documents: Water Supply and Water System. The Water Supply Master Plan was prepared in-house, and an outside consultant has been hired to review and finalize the document for quality assurance and control purposes. The Water Supply Master Plan will be finalized this fiscal year.</p> <p>This phase of the project will prepare the Water System Master Plan.</p>	150,000	50,000
CP6373	81079	Cucamonga Basin Rehabilitation	<p>In 2003, severe forest fires upstream of the District's Cucamonga Canyon diversion ponds destroyed vegetation that would otherwise retain eroded sediments on the hillsides. In addition, the 2004 winter storm caused severe damage to the District's Cucamonga Diversion Basin. This project restored the Cucamonga diversion basin to its original condition prior to the 2003 fires and 2004 floods. The scope of work includes restoration of the maintenance road and the intake basins.</p> <p>As required by the Army Corp, California Department of Fish and Game, Regional Water Quality Board, and CEQA permits, CVWD is required to mitigate the damage to the area by restoring planting within the construction area. In addition, CVWD must perform monitoring of the mitigated area for five years to ensure the establishment of the planting.</p> <p>Recently the 2010 storm destroyed some of the mitigation site and the District must restore the mitigation area and continue monitoring within the area. Staff is looking into the possibility of purchasing off-site mitigation land as a one-time solution to address this issue.</p>	40,000	0
CP7002	196412	Cucamonga Basin Evaluation Study - Phase 3	<p>The District and San Antonio Water Company (SAWCO) entered into an agreement in February 2010 and jointly hired Wildermuth Environmental Inc. (WEI) to perform a detailed Basin Hydrologic Study. WEI's scope of work was divided into three major phases: Phase 1: Development of a State of the District to assess the Cucamonga Basin Report. Phase 2: Development of a Basin Management Goal and Impediments Study. Phase 3: Development of a Cucamonga Basin Groundwater Model. The cost sharing agreement between CVWD and SAWCO was only for phases 1 and 2 which have both been completed. Phase 3, the development of a groundwater model for the Cucamonga Basin (Basin), was not part of the original agreement and SAWCO does not wish to participate in this phase. Nevertheless, performing the work in Phase 3 has several benefits to the District. The groundwater model will assist the District in the development of Basin management plans; it will enable the District to assess the yield and groundwater response to future groundwater management alternatives; it will assist in the selection of new well sites and prioritize work at existing wells; and it will assess the water quality impacts and trends at wells from future groundwater management activities. On January 8, 2012, the Board of the Directors approved the contract with Wildermuth Environmental for Phase 3 - the preparation of the Cucamonga Basin Groundwater Model and this project should be completed next fiscal year.</p>	330,000	0
Subtotal - 9030 Source of Supply (3 Projects)				520,000	50,000

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Project Number	Work Order Number	Description	Need Analysis	Estimated Carry Over 2013 Budget	Budget Request 2014
9045		Field Equipment			
CP5334	0062677	Meter Exchange/Fixed Network Project	Since 2006, the District has purchased and installed approximately 37,300 new meters that have been equipped with electronic Fixed Network (FN) devices. The installed system covers approximately 80% of the District and was phased over several years. The final 10,000+ meters and FN devices are yet to be installed pending a full RFP and proof of operability study. Staff is formulating a procurement strategy that will give the District more leverage to hold the vendor accountable for performance of the system, including consideration of several other vendors who provide these services. During 2012 and into 2013, staff conducted due diligence activities such as meetings with multiple vendors to learn about their technologies, site visits to other agencies to see those vendors' technologies, conducting a pilot project of proposed technologies, and working with the City of Rancho Cucamonga to obtain more radio collector sites. Staff is awaiting results of the pilot and City of Rancho Cucamonga's agreement to locate radio collection devices on their light poles before releasing an RFP to complete the project. Anticipated award date for the project is Fall 2013.	2,000,000	0
CP7279	267060	Laptop Vehicle Mounts and Replacements	Good safety practices require laptop mounts, or secured storage, for all vehicles using laptop computers. Over the course of the coming year, we will install laptop mounts in several vehicles in the Production Division. In addition, a number of Operations laptops are being replaced which will require modification to several mounts to fit the new laptops. This project provides for the purchase of four new mounts and modification of seven mounts.	12,000	0
		Aluminum Shoring Box	The water and sewer division perform excavations that exceed 4-feet in depth. Depending on soil conditions, OSHA requires that excavations that exceed 4-feet in depth must be secured with hydraulic jacks or a shoring box. The maintenance division is requesting funds to purchase an additional aluminum shoring box stackable up to 8-foot in depth in order to perform routine and/or emergency work without limitations.	0	10,000
		Light Tower	The sewer and water field staff currently have one (1) 15-foot 40,000 watt light tower to perform emergency and or planned night work activities. The maintenance division is requesting to purchase an additional light tower where multiple and/or simultaneous tasks are being performed. The requested light tower will meet noise and elimination requirements as to not awaken nearby residents and/or blind oncoming traffic.	0	10,000
		Trailer Mount 160 CFM Air Compressor	To replace (3) air compressors and replace it with one (1) 160 CFM trailer mounted air compressor. The original units were purchased in 1986 and have approximately 1,000 working hours each.	0	20,000
		Trenchless Boring Machine	The Maintenance Division is requesting funds to purchase one (1) 2-inch hydraulic directional boring machine for horizontal drilling of water lateral service installations.	0	25,000
Subtotal - 9045 Field Equipment (6 Projects)				2,012,000	65,000
9055		Office Equipment			
CP7090	220936	CMMS Citrix Software Implementation	This project will improve the maintenance of the District-wide Computerized Maintenance Management System (CMMS). CMMS is critical to the daily operations of several divisions within the District. This upgrade will give field staff a direct wireless link to the main database for instant access to work orders, thereby eliminating the data-pump and syncing processes. The Citrix software will provide the desired connectivity and allow for just one copy of the software programs that make up the CMMS system, reducing the complexity of the upgrade process.	91,000	0
CP7281	267062	Audio/Visual Improvements	This project will provide funding for the replacements of the existing projector in the Technology Gallery at the Frontier Project. Changes in technology and reduced pricing in the LED TV product lines now makes this a viable option instead of purchasing a portable screen, as was requested in last year's CIP budget.	10,000	0

**CUCAMONGA VALLEY WATER DISTRICT
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Project Number	Work Order Number	Description	Need Analysis	Estimated Carry Over 2013 Budget	Budget Request 2014
CP7282	267063	Desktop and Laptop Computer Replacements	Funding for this project includes the replacement of 15 Desktop PC's, 5 standard laptop computers, 24 Tough Book computers (ruggedized laptop for Field Service and Water/Sewer crews) and the purchase of (1) 55-inch monitor for the Production office. The District's Technology replacement plan calls for the replacement of desktops after 4-years and laptops after 3-years. The computers in this request all meet and/or exceed their estimated useful life.	55,000	86,800
CP7290	267071	Virtual Server Security Protection Appliance	This project will provide funding for the purchase of and training for a virtual network security appliance that protects exposure to sensitive data in a virtual machine (VM) environment. We are requesting additional funds to combine PCI compliance with our network security. The PCI compliance requires that we monitor certain network devices and servers for access and audit logs. It also provides additional protection and efficiencies from viruses and malware within the virtual machine. In addition, it will also monitor our network for possible intrusions. The District has now shifted 19 of its servers to the Virtual Server environment, including several critical machines such as the file server used by all employees. This project would provide efficiencies and audit trails for sensitive data.	15,000	15,000
		Engineering Plotter Printer Replacement	This project will provide funding to replace the current Engineering 55" Plotter Printer that was purchased in 2002. The existing eleven (11) year-old plotter has reached the end of its useful life and is no longer supported. This plotter handles large format printings such as CAD, service maps, and banners.	0	24,000
		Fuel Access System Upgrade	This project will provide funding for the replacement of the existing fuel access system, which is in need of replacement. The new system will simplify employee access to gas pumps by allowing employees to swipe their employee badge to access the fuel pumps. The system will automatically transmit all vehicle information to the fuel management system and will even allow for referral to a mechanic if the check-engine light is activated.	0	55,000
		Microsoft Software Assurance (Year1 of the 3-Year agreement)	This project will provide for a new 3-Year Microsoft Software Assurance Agreement until 2017. The agreement is purchased in three-year increments with the total cost paid in three annual payments of \$52,000. This agreement allows the District to install Microsoft Windows, Microsoft Office, Microsoft Exchange, Microsoft Windows Server, Microsoft SQL Server, and Microsoft MapPoint Server on District computers, as needed, through an enterprise management tool. The agreement also offers nine days of advanced Microsoft Training and Microsoft Concierge Helpline for technical support at no additional cost. The total cost of this program is considerably less expensive than it would cost through our normal procurement processes.	0	52,000
		Network Core Switch Replacement	This project will provide funding for the replacement of the Cisco core switch that was installed in 2004. This nine (9) year-old core switch has reached the end of its useful life and is no longer supported. This switch feeds District's facilities and handles all network traffic in District offices.	0	88,000
		Redesign of CVWD and FP Websites	The District uses our website as one of our key forms of communicating with customers. The CVWD and Frontier Project websites were redesigned in 2007. As technology changes, customer needs change, and the way customers receive information changes. The District has recognized it is time to update and upgrade our existing websites to be more user friendly, fresh and current, and be able to tie in more two-way communication opportunities and social media features.	0	60,000
		Server Replacements	This project will provide funding for the replacement of four servers and a tape backup library. Our existing servers have reached the end of their useful life.	0	52,000
		Treatment Plant Phone System Upgrade	This project will provide funding for the upgrade of the LMWTP phone system that was installed in year 2000. This 13 year-old phone system has reached the end of its useful life and will be no longer supported by the vendor next year. The new phone system will not only upgrade the current phone system but will also provide phone services for the new Treatment Plant facilities. This upgrade will replace 16 analog telephone sets to the new digital telephone sets.	0	16,000

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Project Number	Work Order Number	Description	Need Analysis	Estimated Carry Over 2013 Budget	Budget Request 2014
		Web Filter Upgrade	This project will provide funding for an update to our current web filter. The project will provide for more data flow for such programs as the real-time access to the District-wide CMMS system.	0	28,000
Subtotal - 9055 Office Equipment (12 Projects)				171,000	476,800
9065 Treatment					
CP7018	196434	AHBWTP Rehabilitation & Upgrades	In 1997 the District completed construction of the Arthur H. Bridge Water Treatment Plant (AHBWTP). The plant was constructed for the purpose of treating the surface water supply from Cucamonga Canyon with membrane technology. Since then the membranes have reached the end of their useful life. In 2011 the District began the process to upgrade the plant and once again treat high quality surface water from Cucamonga Canyon. In February 2013, the District awarded a design-build contract for the upgrade of the ABWTP and Cucamonga Canyon Intake to HDR Constructors. This project will upgrade the treatment process to a pressure filtration system, including all ancillary systems, the baffling of Reservoir 5A, and will upgrade the intakes in Cucamonga Canyon. The funding will continue to provide for the design-build services, including engineering, materials, construction, startup, and materials testing.	3,500,000	100,000
CP7094	220940	Chlorine Generator Installation at Pump Station 5	<p>In order to comply with the Stage II Disinfection Byproduct Rule (DBR), it is necessary to maintain a consistent chlorine residual in the distribution system without dosing high levels of chlorine at any one location. Currently, there are no chlorine injection stations located in the center of the District above Zone 3. By adding a chlorine station at Reservoir 5, there will be sufficient chlorine residuals to carry through the upper zones helping the District comply with the DBR without overdosing in Zone 3.</p> <p>This project will construct a new addition to the existing pump house that will house a new chlorine generator at Pump Station 5.</p> <p>In order to maintain flexibility in the fiscal year 2012-2013 capital budget and due to long lead times on materials, this project is being rolled over to the 2013-2014 capital budget.</p>	254,000	137,100
CP7095	220941	LMWTP Upgrade for Disinfectant Byproduct Regulations	The purpose of this project is to upgrade and improve the treatment process at the Lloyd W Michael Water Treatment Plant to ensure compliance with the USEPA Stage 2 Disinfectants / Disinfection Byproduct Rule. In October 2010 the Surface Water Treatment Master Plan recommended several improvements and subsequent engineering confirmed that granular-activated carbon (GAC), UV disinfection, and other upgrades would accomplish compliance. Engineering and design for the project was completed in July 2012. In November 2010 the District awarded the construction contract for the upgrades at the LMWTP. The construction is expected to last two years with anticipated construction completion date of January 2015. The budget and funding requests will cover remaining construction, construction management, materials testing, and specialty deputy inspections for the successful completion of the project.	18,200,000	24,000,000
CP7185	243111	Chlorine Generator Installation at Pump Station 5B	<p>In order to comply with the Stage II Disinfection Byproduct Rule (DBR), it is necessary to maintain a consistent chlorine residual in the distribution system without dosing high levels of chlorine at any one location. Currently, there are no chlorine injection stations located in the center of the District above Zone 3. By adding a chlorine station at Reservoir 5B, there will be sufficient chlorine residuals to carry through the upper zones helping the District comply with the DBR without overdosing in Zone 3.</p> <p>This project will construct a new building that will house a new chlorine generator at Pump Station 5B.</p> <p>In order to maintain flexibility in the fiscal year 2012-2013 capital budget and long lead times on materials, this project is being rolled over to the 2013-2014 capital budget.</p>	168,000	25,000

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Project Number	Work Order Number	Description	Need Analysis	Estimated Carry Over 2013 Budget	Budget Request 2014
CP7248	274340	Reservoir 3 Wells - Blending Improvements	<p>Of the seven (7) production wells (13, 15, 17, 23, 26, 31, and 33) that pump from the Cucamonga Basin Aquifer to Reservoir 3, only two wells (13 & 26) currently pump to the reservoir due to high nitrate and DBCP concentrations. In order to maximize groundwater pumping at Reservoir 3, the District will need to improve the water quality to less than 75% of the applicable MCLs. This can be achieved through blending of groundwater with State Water Project (SWP) water. It is estimated that well production could increase from 810 AF (in 2011) to 5,300 AFY.</p> <p>This project will fund the design and construction of improvements that will allow proper blending of SWP and well water from the Cucamonga Basin Aquifer at Reservoir 3. This work will include on-site piping and tank modifications at Reservoir 3, rehabilitation of wells 17, 31, & 33 , modification at Reservoir 2 for distribution, and pump modification to inter-zone pump at Reservoir 2C.</p>	0	1,200,000
CP7249	274345	Reservoir 3A Wells - Wellhead Treatment	<p>Of the five (5) production wells (16, 19, 21, 24, and 32) that pump from the Cucamonga Basin Aquifer to Reservoir 3A, only three wells (16, 19, & 24) currently pump to the reservoir due to high nitrate and DBCP concentrations. Recent spikes in DBCP concentration has started to appear from water from well 19 and has limited production. Cucamonga Basin Production in 2009 was 5,400 AF vs. 2,800 AF in 2011. If wellhead treatment at well 19 is constructed to treat DBCP, it is possible to restore production to 5,400 AF.</p> <p>This project will fund the design and construction of wellhead improvements at well 19.</p>	0	1,090,000
CP7292	267073	Evaluation of Cucamonga Basin Well Wellhead Treatment	<p>The District's Cucamonga Basin production wells have the ability to pump 24,100 gpm or 29,150 AFY. Unfortunately, due to high nitrate, DBCP, and perchlorate concentrations, Cucamonga Basin groundwater production has been limited from 4,450 to 7,511 acre-feet of annual production through limited blending. To achieve the District's full production allocation from the Cucamonga Basin, the District will need to improve the water quality by either groundwater blending or well head treatment.</p> <p>This Project will analyze, design, and construct a pilot project for a future wellhead treatment facility to maximize the use of well water. Maximizing well water can be achieved by treating the lower quality well water from the Cucamonga Basin Wells 13, 17, 23, 26, 31, and 33 through the construction of a wellhead treatment facility.</p> <p>The first phase of work is to perform a study to the most cost-effective wellhead technology and to locate an appropriate site for the construction of the wellhead facility. Phase 2 is to design, construct and, if necessary, acquire the property necessary to construct a pilot project for a future wellhead facility.</p>	50,000	200,000
		4 Chlorine Generator Cells (NOVA)	<p>Most of the chlorine generators that the District operates can have their life extended considerably by replacing the cells. The purchase of these cells will provide additional years of service to existing District assets.</p>	0	17,000
		8B Hypo Unit Upgrade	<p>This project is to replace the existing sodium hypo chloride generator located at Reservoir 8B. The existing generator has been in operation for over 10 years and has reached the end of its life expectancy. The replacement unit not only provides a more efficient method of chlorine generation with lower O&M costs but can also be retrofit with new cells at a future date to provide an extended life cycle. This chlorine generator operates daily and provides disinfection to the water originating in Deer Canyon.</p>	0	94,000
		Distribution System Water Quality Sample Stations (7)	<p>As required by water quality regulations, the District has revised its distribution system water quality monitoring plan to account for service area development over the past decade. The District's updated CDPH-approved monitoring plan includes several new monitoring locations. New water quality monitoring stations are required for the new locations. In addition, three existing monitoring stations are in need of replacement. This project includes the labor, materials, asphalt repair, etc., necessary to install a total of seven sample stations (four new and three replacement).</p>	0	18,000

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Project Number	Work Order Number	Description	Need Analysis	Estimated Carry Over 2013 Budget	Budget Request 2014
		LWMWTP Filter 6 Under-drain Repair	Preventative maintenance and inspection has revealed a problem with the underdrain system in Filter #6 at the LWMWTP. Repair is necessary to prevent additional damage and to ensure reliable performance of the filter. Work will include the removal of all filter media (Filter #6 only), assessment and repair of the underdrain, and installation of the extracted media.	0	100,000
		Reservoir 2A Wells - Wellhead Treatment	<p>Currently there are five wells (8, 10, 12, 20, and 22) that could send Cucamonga Basin Aquifer production to Reservoir 2A. 4 of the 5 wells are over 75-years old and Reservoir 2A, built in 1961, is over 52 years old. If all the wells were active, they would have the potential of producing approximately 7,900 gpm or 9,600 AFY. Unfortunately, all five are inactive due to high nitrate and DBCP. Wells 8 and 10 also have high perchlorate.</p> <p>Conventional nitrate treatment technologies like ion exchange (IX) and reverse osmosis (RO) are not feasible, as they create a high strength brine waste for which the District does not have an easy treatment/handling option. The District has been investigating biological treatment and has received a quote of \$13,000,000 for the construction of a full biological treatment plant. In the quote, it is estimated that it could increase production from zero to 6,500 AFY, at an estimated cost of \$310 /AF to treat.</p> <p>This process has not been approved by the Department of Health Services (DHS). The first phase of work is to perform pilot testing for this process which is being address in another project (CP7292 Cucamonga Basin Wellhead Treatment). If the pilot treatment plant is successful, this project will fund the design and construction of a full biological treatment plant at Reservoir 2A.</p>	0	300,000
Subtotal - 9065 Treatment (12 Projects)				22,172,000	27,281,100
9070 Pumps & Equipment					
CP7193	243119	Pump Station 5 Emergency Standby Generator	<p>This project will install a permanent emergency backup generator and an automatic transfer switch at Pump Station 5.</p> <p>Pump Station 5 boosts water from Reservoir 5 to Zone 6 and Reservoir 6. This is especially important during the summer months when water demands at the pump station are high and reservoir water levels in Zone 6 are critical. To ensure uninterrupted operation during an electrical power failure at the site, a permanent emergency backup generator and an automatic transfer switch are required. The project is needed to improve operational reliability at Pump Station 5.</p> <p>This project will begin in the 2011-2012 fiscal year and be completed in the 2012-2013 fiscal year, due to long lead times on the purchase of the generator. An additional \$30,000 is being requested to cover additional earthwork and site modification.</p> <p>In order to maintain flexibility in the fiscal year 2012-2013 capital budget and due to long lead times on materials this project is being rolled over to the 2013-2014 capital budget.</p>	180,000	30,000

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CP7194	243120	Pump Station 5B Emergency Standby Generator	<p>This project will install a permanent emergency backup generator and an automatic transfer switch at Pump Station 5B.</p> <p>Pump Station 5B boosts water from Reservoir 5B to Zone 6 and Reservoir 6B. This is especially important during the summer months when water demands at the pump station are high and reservoir water levels in Zone 6 are critical. To ensure uninterrupted operation during an electrical power failure at the site, a permanent emergency backup generator and an automatic transfer switch are required. The project is needed to improve operational reliability at Pump Station 5B.</p> <p>An additional \$25,000 is being requested to cover generator price increases to meet SCAQMD requirements for Internal Combustion Engines (ICE).</p>	190,000	25,000
CP7195	243121	Well 24 Emergency Standby Generator	<p>This project will install a permanent emergency backup generator and an automatic transfer switch at Well 24.</p> <p>Well 24 is a Cucamonga Basin well that supplies water to Reservoir 3A which distribute water to the District 3A zone and boosts water to zone 4 and Reservoir 4. Well 24 is a key well used for blending with other wells that have high nitrate and DBCP issues which maintains overall water quality from this well field below the maximum contaminant level. To ensure uninterrupted operation during an electrical power failure at the site, a permanent emergency backup generator and an automatic transfer switch are required. The project is needed to improve operational reliability at Well 24 and ensure water for Reservoir 3A.</p> <p>In order to maintain flexibility in the fiscal year 2012-2013 capital budget and due to long lead times on materials this project is being rolled over to the 2013-2014 capital budget.</p> <p>An additional \$30,000 is being requested to cover generator price increases to meet SCAQMD requirements for Internal Combustion Engines (ICE).</p>	225,000	30,000
CP7295	267076	Backup Booster Pumps	<p>The purpose of this project is to purchase backup booster pumps for various pump stations to improve operational reliability in the distribution system during critical demand periods (Pump Stations 1, 2C, 3, 3CII, 3A, 4, 4B, 5, 5B, 6B, & 7B). Repairs of failed pumps often take days, and it can take several weeks to obtain lead times for new pumps and materials.</p> <p>During the summer peak, many of the District booster pump stations are required to run 24 hours a day in order to meet demands, placing us at risk for reduced reliability in the event of a failure. The intent of this project is to have spare pumps at the warehouse or respective sites for immediate replacement of failed pumps, allowing staff to quickly restore full capacity to pump stations.</p> <p>Due to long lead times on materials this project is being rolled over to the 2013-2014 capital budget.</p>	300,000	0

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CP7299	267080	New Cucamonga Basin Well	<p>The District's Cucamonga Basin production wells have the ability to pump 24,100 gpm or 29,150 AFY. Unfortunately, due to high nitrate, DBCP, and perchlorate concentrations, Cucamonga Basin groundwater production has been limited to between 4,450 and 7,511 acre-feet of annual production through limited blending. In addition, 7 of the 17 wells are over 75 years old.</p> <p>This Project is intended analyze, design, and construct a new Cucamonga Basin Well. The first phase of work is to perform a study to locate a site that has a likelihood of good production and water quality based on the existing wells within the basin. Phase 2 is to design and, if necessary, acquire the property on which to construct the new well facility. The final phase is construction.</p> <p>The District has hired Wildermuth Environmental to prepare a study identifying the best location for the future well site. The study should be completed in the summer of 2013.</p>	50,000	0
		3 Replacement Motors for Well's 40, 41 & 42	<p>Currently Well's 40, 41, and 42 have high horsepower pumps with faulty rotors that are no longer under warranty. These three wells are in the Chino Basin and contribute approximately 6,000 gallons per minute (GPM) to the system. The loss of one of these wells during the summer could have a significant negative affect on operations.</p> <p>This project will fund the replacement of the well motors for wells 40, 41 and 42 with the existing motors to be kept in storage as backup replacement motors.</p>	0	135,000
		CLA-VAL Removal/POWER-TROL Replacement	<p>This project will provide funds to replace the existing POWER-TROL valves for booster control with check valves. The purpose of the POWER-TROL valves are to reduce the flow being discharged by individual boosters in order to prevent water hammers during startup and shutdown of the booster. Each of the boosters in this project is equipped with soft starters and by design are capable of ramping the starting and stopping of the booster electronically. The later method is more efficient and electrically economical. The POWER-TROL valves require regular maintenance, typically requiring a crew and several hours of work. All the boosters in the District have electronic soft-starters, thereby making the POWER-TROL valves obsolete.</p>	0	58,000
		General Booster Rehabilitation	<p>This project will provide funding for the replacement of equipment in the case of unscheduled booster pump repairs. The necessity for repairs can occur with minimal notice. During all repairs older motors are evaluated and, if needed, cost-effective premium-efficiency motors are purchased as a replacement. To assist with funding, staff applies for all available SCE grants on pump and motor improvements.</p>	0	110,000
		General Well Rehabilitation	<p>This project will provide funding for the replacement of equipment in the case of unscheduled well repairs. The necessity for repairs can occur with minimal notice. During all repairs older motors are evaluated and, if needed, cost-effective premium-efficiency motors are purchased as a replacement. To assist with funding, staff applies for all available SCE grants on pump and motor improvements.</p>	0	150,000
		General Well Site Improvement	<p>This project is intended to provide emergency funds for major improvements to fencing, buildings, and other structures on well sites. Repairs may include painting, chemical treatment, cleaning, and other maintenance.</p>	0	39,000
		Pump Station 5 Improvements	<p>Install a service valve at the booster pump discharge and repair leaking surge control valve. With the current valve configuration, CVWD is unable to make a repair on the surge line without leaving a portion of zone 5 out of water. This valve installation will allow isolation of pump station 5 without future adverse effects on customer service in zone 5.</p>	0	12,000

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		Soft Starters: 1AB1 & 1AB2	These are the final 2 boosters that have to be converted to soft starters. By starting any large motor and pump with a soft starter, there is a reduction in electrical current in-rush and a water hammer. Electrical current in-rush is measured by SCE and shows up as the demand charge on our monthly SCE bill. During summer operations at some locations, the demand charge is greater than the commodity charge. In general soft starters help to reduce the O&M costs associated with a particular piece of equipment.	0	13,000
Subtotal - 9070 Pumps & Equipment (12 Projects)				945,000	602,000
9071	Reservoirs				
CP7031	196457	Interior Tank Recoating	This project will provide multi-year funding for the coating repair and recoating of the interiors of various reservoirs due to aging and outdated materials. The AWWA recommends the recoating of reservoir interiors every 15 years and, in keeping with this practice, staff evaluates the status of interior reservoir coatings and makes repairs where possible in lieu of complete recoating.	150,000	0
CP7111	220957	Construct New Reservoir 3A	Reservoir 3A was built in the 1920s and has a capacity of less than 1MG. It is still operable but has met its useful life. The reservoir was temporarily out of service in Spring 2011 due to a partial failure of the roof. The water-bearing structure was not affected by the roof failure. A membrane floating roof was installed and the tank was placed back in service by July 2011. It continues to operate as normal. A new project will construct up to 1.4 MG of reliable water storage between two new reservoirs at the existing site. The cost includes construction of two new tanks, demolition of the existing tank, and provisions to maintain continuous service of Booster Pump Station 3A, which is needed throughout the year to meet demands and maintain pressure in Zone 4. Because of these site constraints, a smaller reservoir will be constructed first, while the existing tank remains in service. Once the new smaller reservoir is in service, the existing reservoir will be demolished, and a new larger reservoir will be constructed. A geotechnical investigation of the site has been performed to support design of the new tank. Design of the new reservoir is currently under way.	1,660,000	0
CP7301	267082	Tank Shark at Reservoir 5B	In prior years, the production department has engaged in a tank mixer program for the reservoirs located at the distribution system disinfection stations. The selected tank mixer has been the Tank Shark model tank mixer. Subsequent to the installation of the Tank Sharks, improved water quality and more consistent chlorine disinfection residuals have been noted. This project will purchase a Tank Shark to provide the needed mixing at this location with the addition of chlorine injection.	50,000	0
		2C Anti-Cavitation CLA-VAL Upgrade	By providing anti-cavitation strainers this pressure station can be reduced from 4 to 2 CLA-VALs, thereby reducing annual maintenance and operator intervention. The existing CLA-VALs have been in use for over 15 years and are in need of extensive maintenance. When the original CLA-VALs were installed, anti-cavitation strainers were not available. However, anti-cavitation technology has improved so that, instead of operating 2 sets of tandem CLA-VALs (4 CLA-VALs), 2 single valve with strainers will be used.	0	59,000
		Reservoir 4B Improvements	After annual inspections, it was determined that tank 4B-1 requires a ladder cage to be installed as a protective measure as required by OSHA. The work will also include the recoating of the interior the tank.	0	330,000
		Reservoir 8B Improvements	After annual inspections, it was determined that reservoir at 8B requires the addition of an inlet to the north side of the tank. The addition of a second inlet will allow both reservoirs to operate in series. The ability to operate in series gives an opportunity to provide better water quality and an increase in serviceability to each tank. With the current plumbing scenario, the northernmost reservoir acts as a stand pipe. The work will also require that the interior of the tank be recoated.	0	85,000
Subtotal - 9071 Reservoirs (6 Projects)				1,860,000	474,000

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9072 Telemetry					
CP7303	267084	Install PRV Meters and Telemetry	As a Best Management practice, the District continues to refine water loss and usage accounting and accurately calibrate the water model. In an effort to reduce water loss and to account for zone usage, it is important to meter the many pressure regulating stations that are located between zones and in isolated areas. In addition to metering the water transfer between zones, the regulating stations are an ideal location to monitor current water pressure in the various zones. By installing this type of metering device, zone pressures and flows are instantaneously transmitted to the SCADA system where they can be displayed and recorded for further analysis.	277,000	0
			This project's carryover funding is composed of \$53,000 carried over from the 2013 Capital Budget. In addition, staff is requesting a budget transfer of \$224,000 from CP7277 in association with the 2014 Capital Budget.		
		Programming Software	Software is needed to allow for both field and office programming ability. This software includes RSLogix 500 and RSLogix5000. This software will equip the Controls Analyst to program all CVWD Allen Bradley programmable logic controllers locally and/or remotely.	0	18,000
		Replacement/Addition of Field UPS Systems	Current field UPS equipment has outlasted its usable life in an environment outside of its specification. This project will replace the existing field UPS equipment and provide new equipment to those sites without uninterruptable power supplies. With new UPS systems in place, we will receive power fail and intrusion alarms from field locations when Edison power may not be present. The new uninterruptable power supplies come equipped with alarms which can be integrated into telemetry to give the status of each unit. This project will be spread over three years for maintenance practices.	0	12,000
Subtotal - 9072 Telemetry (3 Projects)				277,000	30,000
9075 Building Improvement					
CP7203	243129	Security & CS Enhancement Project	This project will enhance the Customer Service counter, which will provide an improved customer service experience, while also addressing security vulnerabilities identified at the Customer Service counter, Engineering counters, and reception area. This project will also reconfigure the Customer Service and Public Affairs work areas in the Administration Building to ensure a Customer-focused experience. The first phase of the project, which has been completed, converted the finance conference room and another office into two equally sized offices for the Public Affairs Officer and Management Analyst as part of the Public Affairs relocation to the Administration Building. The next phases of the project include reconfiguration of cubicles for the Public Affairs relocation, reconfiguration of the Customer Service Representatives work area, and the Customer Service Counter enhancements. The project is being coordinated with the carpet replacement project.	96,000	53,000
		Base and Asphalt Roof	When it rains, the base and asphalt material that is stored at the District yard get saturated because it is uncovered. This causes the oil in the asphalt to runoff and renders the material too wet to utilize. This project will construct a roof over the bins that house the base and asphalt material that is stored at the District yard.	0	40,000
		Reservoir 1 North Fence	This project is the final phase in replacing the chain-link fence surrounding Reservoir and Pump Station 1. This is a timely project that also provides for a recessed access to the site for the moving of the spoils and materials yard for the water maintenance division.	0	75,000

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Project Number	Work Order Number	Description	Need Analysis	Estimated Carry Over 2013 Budget	Budget Request 2014
		Site Improvements at Ashford Campus	The terrazzo flooring for the outdoor stairway at the FP Building is cracking and need of improvement/replacement. The scope of work includes replacing the mid-landing with a new landing, constructing expansion joints and replacing the terrazzo flooring. In addition, the sponsor plaques located in walkway leading to the main entry of the FP Building are uplifting needs to be repaired. It is proposed to remove the plaques from the entry and relocate them to a new sponsor wall. The area where the sponsor plaques were will be repaired and filled in with an paving material to match the site.	0	32,000
		Solar Powered Lighting	Add solar powered lighting to the following reservoir sites: 1b, 1c, 4b, 4d, 5c, 5d, and 6c. Light fixtures are present at each location; however wiring has not been installed or has been damaged. Solar powered light fixtures provide sustainable lighting with little/no impact on the existing electrical circuits.	0	80,000
Subtotal - 9075 Building Improvement (5 Projects)				96,000	280,000
9080	Vehicle				
CP7309	267090	2-Ton 4x2 Crew Truck w/12-foot Service Body & Crane	This project will fund the replacement of Unit # 223, a 1999 International regular cab 2-ton 4X2 truck w/12-foot service body. This vehicle has approximately 50,000 miles and 10,000 hours of service.	130,000	20,000
		1/2 Ton Extended Cab Pickup 4x2 Unit # 292	The fleet division is requesting funds to replace Unit # 292, a 2006 Ford Ranger Extended Pickup with approximately 91,000 miles. This vehicle is assigned to the Operations Water Maintenance Division and meets the vehicle replacement criteria of 8-9 years of service and/or 100,000 miles.	0	32,000
		1/2 Ton Extended Cab Pickup 4x4 Unit # 294	The fleet division is requesting funds to replace Unit # 294, a 2007 Ford Extended Cab Pickup 4x4 with approximately 81,000 miles. This vehicle is assigned to the Operations Water Maintenance Supervisor and meets the vehicle replacement criteria of 8-9 years of service and/or 100,000 miles.	0	32,000
		1/2 Ton Pickup Extended Cab 4x4 Unit# 275	The fleet division is requesting funds to replace Unit # 275, a 2005 Ford F-150 Regular Cab 4x2 Pickup with approximately 79,000 miles. This vehicle is assigned to the Operations Sewer/Fleet Maintenance Supervisor and meets the vehicle replacement criteria of 8-9 years of service.	0	32,000
		3/4 Ton Ext. Cab 4x4 Pickup w/8-foot Utility Body Unit #281	The fleet division is requesting funds to replace Unit # 281, a 2006 Ford F-250 Regular Cab 4x4 with an 8-foot Utility Body and approximately 57,000 miles. This vehicle is assigned to the Operations Production Division and meets the vehicle replacement criteria of 8-9 years of service.	0	32,000
		3/4 Ton Ext. Cab Pickup 4x2 w/8-foot utility body Unit # 269	The fleet division is requesting funds to replace Unit # 269, a 2004 Ford F-250 Regular Cab 4x2 with an 8-foot Utility Body and approximately 80,000 miles. This vehicle is assigned to the Operations Water Maintenance Division and meets the vehicle replacement criteria of 8-9 years of service.	0	32,000
		3/4 Ton Pickup Ext. Cab 4x4 w/8-foot Utility Body Unit # 277	The fleet division is requesting funds to replace Unit # 277, a 2005 Ford F-250 Regular Cab 4x4 with an 8-foot Utility Body and approximately 75,000 miles. This vehicle is assigned to the Operations Production Division and meets the vehicle replacement criteria of 8-9 years of service.	0	32,000
		4-Door SUV 4x2	The Operations Production Division made personnel changes by promoting the Control Analyst to Production Supervisor and filling the vacant Control Analyst position, requiring the acquisition of a new vehicle.	0	32,000
		4-Door SUV Unit # 236	The fleet division is requesting funds to replace Unit # 236, a 2000 Ford Windstar with approximately 40,000 miles. This vehicle meets the fleet replacement criteria of 9 years of service.	0	32,000

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		4-Door SUV/Van 4x2 Unit # 252	The fleet division is requesting funds to replace Unit # 252, a 2003 GMC Savanna Cargo Van with approximately 81,000 miles. This vehicle is assigned to the Engineering/Industrial Waste Division and meets the vehicle replacement criteria of 9 years of service.	0	32,000
		7-9 Cu-Yard 4x2 Dump Truck Unit # 231	The fleet division is requesting funds to replace Unit # 231, a 1999 International 7-9 cu-yard dump truck with approximately 40,000 miles. This medium-duty vehicle is aged and has exceeded its life expectancy vehicle replacement criteria of 13 years. .	0	115,000
		Front End 4x4 Skip Loader Unit# 190	The Fleet division is requesting funds to replace Unit # 190, a 1989 John Deere 210C 4x2 skip loader with approximately 1000 hrs. This vehicle is label by CARB as a Tier (0) emission vehicle (no re-power and/or emission retrofit is available for this model year). The current emission rules as set forth by CARB requires this vehicle to be turned over (scrapped) beginning March 1, 2015 through 2025. The District will be required to report every year from 2014 to 2026 in detail the status of replacement of this vehicle. Please note: this vehicle has met and exceeded the vehicle replacement criteria of 16 years of service.	0	83,000
		Front Wheel Loader 4X4 Unit #147	The Fleet Division is requesting funds to replace Unit #147, a 1988 John Deere 544-E front-end wheel loader with approximately 5000 hrs. This vehicle is label by CARB as a Tier (0) emission vehicle (no-repower and/or emission retrofit is available for this model year). The current emission rules as set forth by CARB requires this vehicle to be turned over (scrapped) beginning March 1, 2015 through 2025. The District will be required to report every year from 2014 to 2026 in detail the status of replacement of this vehicle. Please note: this vehicle has met and exceeded the vehicle replacement criteria of 16-year of service.	0	170,000
		Replace Three 40-Foot Chassis Unit # 2024, 2025 & 2026	Requesting funds to replace three 1974 chassis trailers (500 KW Emergency Generators) with newer model chassis equipped with current approved DOT dual-chamber air brake systems. The existing chassis have a single-stage chamber braking system and are in need of tires and frame repairs. The total cost of repairs far exceed the purchase of a newer chassis that includes brake upgrade and fresh tires.	0	30,000
Subtotal - 9080 Vehicle (14 Projects)				130,000	706,000
9085	Water Mains				
CP7134	220981	Const Waterline in Wilson from East Ave to Wardman Bullock	<p>The City of Rancho Cucamonga plans to construct a new segment of Wilson Ave from East Ave to Wardman Bullock Rd. This improvement will lower the existing finished surface by as much as 17-ft at various locations. The District has an existing 12-in waterline (built 1991) within the proposed road alignment that will be required to be lowered. Staff has analyzed this pipeline and plans to upsize the 12-in line to 24-in in order to meet future demands and built transmission flexibility.</p> <p>This project will fund the design and construction of approximately 4,600 linear feet of new waterline and abandon in place the existing waterline in Wilson Ave from East Ave to Wardman Bullock Rd.</p> <p>This project must be constructed in conjunction with the City road work and is pending their construction schedule. The waterline was included in the City's bid package and a reimbursement agreement will be made between both agencies for the work done. Including this work into the City's contract will reduce coordination conflicts during construction and allow the District to take advantage of cost savings during construction (paving, excavation, traffic control, etc.).</p> <p>The City has awarded the contract to construct the roadway improvements in 2012 but must wait for the end of nesting season before they can begin construction which is anticipated to be in October 2013.</p>	819,000	0

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CP7135	220982	Const Waterline in Hermosa from Foothill to Church	<p>The waterline in Hermosa Ave from Foothill Blvd to Church St has reached the end of its service life (built in 1966) and requires frequent maintenance to repair leaks. The waterline is currently located behind the curb and new alignment will make it easier to maintain.</p> <p>This project will fund the design and construction of approximately 2,900 linear feet of new waterline and abandon in place the existing waterline.</p> <p>The project is under construction but it is anticipated to completed by August 2013.</p>	646,000	0
CP7167	235684	2010 Storm Repair - Cucamonga Canyon Intake and Road	<p>The winter storms of 2010 caused significant damage to the Cucamonga Canyon Intake and road. The storm filled the intake structures with debris and washed away portions of the maintenance road. This canyon intake is an important source of water and provides as much as 1,700 AF of water per year. This project will repair the damage caused by the storm and restore an important supply of water to the District.</p> <p>The District was awarded a \$827,822.55 FEMA/Cal EMA Hazard Mitigation Grant for repair of the damage caused by the 2010 winter storms. Since this project requires that the ABWTP is functioning, the work was bid with the ABWTP Rehabilitation and Upgrade project. HDR was award the design/build of these improvements in February 2013, and the work is anticipated to be completed by Spring of 2014.</p>	860,000	0
CP7168	235685	2010 Storm Repair - Day Canyon Basin & Road	<p>The winter storms of 2010 caused significant damage to the Day Canyon Intake Basin facilities. The storm filled the basin's intake structures with debris and washed away portions of the maintenance road. This basin is an important source of water and provides as much as 6,000 AF of water per year. This Project will repair the damage caused by the storm.</p> <p>The District was awarded a \$67,746.05 FEMA/Cal EMA Hazard Mitigation Grant for repair of the damage caused by the 2010 winter storms. Work must be done during time that is off the nesting season which has cause the delay with this project.</p>	64,000	0
CP7169	235686	2010 Storm Repair - Snowdrop Road Repair	<p>The winter storms of 2010 caused significant damage to Snowdrop Road. The storm washed away portions of the road, exposing a portion of the District's waterline. This is the only source of water for the homes in the Snowdrop Road area. This project will repair the damage caused by the storm, as well as provide other grading improvements that will protect our facilities in future storms. Since Snowdrop Road is a private road, for which the District has an easement for our facilities, it did not qualify for Hazard Mitigation Assistance from FEMA/Cal EMA.</p>	0	25,000
CP7313	267094	Const New Zone 6A Pressure Control Stations	<p>Currently, Zone 6A is hydraulically supplied by two pressure-reducing valves. In the event that either of the existing pressure-reducing valves supplying Zone 6A were to fail in the "open" position, the result would be a substantial increase in hydraulic pressure within Zone 6A with no way to exhaust the additional pressure.</p> <p>This project will fund the design and construction of two pressure-sustaining and relief valves. These valves will allow adequate pressure to be present within Zone 6A and also relieve any surge in pressure.</p> <p>The design of this project will be completed by June 2013.</p>	140,000	0
CP7314	267095	Various Valves Improvement	<p>This project will provide funding to adjust valves to grade and the replacement of valves at various locations throughout the CVWD service area. Roadway improvements are made throughout the year and will require that the valves be adjusted to grade. In addition, water valves have an expected service life. Once the service life has been reached, valves begin to malfunction in various ways. In order to minimize service disruptions and to facilitate maintenance procedures, valve replacements are part of ongoing O&M.</p>	75,000	25,000

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		Const Waterline in Arrow Rte from Hermosa Ave to Haven Ave	<p>The waterline in Arrow Rte from Hermosa Ave to Haven Ave has reached the end of its service life (built in 1968) and requires frequent maintenance to repair leaks. The portion of Arrow Rte west of Hermosa Ave has been replaced in 2012 and this project will extend the replacement to Haven Ave.</p> <p>This project will fund the design and construction of approximately 2,660 linear feet of new 16-in waterline, reconnecting 10 services to the new line and abandon in place the existing waterline. A portion of this line will have to cross the Deer Creek Channel.</p>	0	50,000
		Modify 4B, 4C & 4D Transmission Mains at LWMWTP	<p>During peak summer months, the reservoirs in zone 4 do not float well together. The booster station at the LWMWTP is capable to boost water to refill the reservoirs at 4B, 4C and 4D but it is difficult to direct flow to any one reservoir thus the District is not able to maximize our water storage during these months. Through modifications to the transmission line that the LWMWTP discharges to and the addition of modernized operated valves (MOVs), the District will have more operational flexibility, and will be able to maximize the water storage in zone 4.</p> <p>This project will fund the design and construction of approximately 950 linear feet of waterline modifications, two modernized operated valves, and two flow meters.</p>	0	674,000
		Service Replacement Program	<p>This project will fund the District's service replacement program. There are approximately 4,000 polyethylene (or poly) and 18,000 galvanized services throughout the District. The District has observed that these services have a short service life and can leak over a short period of time. In addition to the water loss, these leaks can cause potholes and irregularities in the roadway pavement. The District has developed a proactive program that replaces poly and galvanized services throughout the District with copper services which is the District's current standard.</p>	0	500,000
		Water Facilities Improvements for Fwy Imprvmnts at Baseline	<p>The State of California in conjunction with the City will be performing interchange improvements at Baseline Rd and the I-15 Fwy. These improvements include the installation of new on- and off-ramps and widening portions of Baseline Rd.</p> <p>As a result, the District will be required to extend approximately 12 water meters and adjust several water valves to grade. This project must coordinate the design of the relocation with the design of the new road way improvements. Once the design has been completed, it is the District's intention to include the water facilities work in the Caltrans ramp construction. This will reduce coordination conflicts during construction and allow the District to take advantage of cost savings during construction (paving, excavation, traffic control, etc.).</p> <p>The Roadway/Freeway Improvements design is being finalized. In the meantime, Caltrans and the City is currently investigating the feasibility of the project. If this project is not canceled, it is proposed to be constructed in the next fiscal year.</p>	0	150,000
Subtotal - 9085 Water Mains (11 Projects)				2,604,000	1,424,000

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Project Number	Work Order Number	Description	Need Analysis	Estimated Carry Over 2013 Budget	Budget Request 2014
9095	Sewer Improvement				
CP7172	237510	Const Sewer in Baseline Road and East Ave	<p>The State of California in conjunction with the City will be performing interchange improvements at Baseline Rd and the I-15 Fwy. These improvements include the installation of new on- and off-ramps and widening portions of Baseline Rd. The ramps will require bridge columns that will be located in the existing alignment of the District's sewer mains in Baseline Rd and East Ave. As a result, the District will be required to relocate the sewer mains. The work consists of abandoning and relocating existing sewer lines under East Ave and Baseline Rd which will interfere with the future bridge support columns for the proposed I-15 Fwy/ Baseline Rd Interchange Improvement.</p> <p>This project will fund the design and construction of relocating approximately 215 linear feet of sewerline in Baseline Rd and will also relocate approximately 132 linear feet of sewerline in East Ave. This project must coordinate the design of the relocation with the design of the new road way improvements. Once the design has been completed, it is the District's intention to include the sewerline work in the Caltrans ramp construction. This will reduce coordination conflicts during construction and allow the District to take advantage of cost savings during construction (paving, excavation, traffic control, etc.).</p> <p>The Roadway/Freeway Improvements design is being finalized. In the meantime, Caltrans and the City is currently investigating the feasibility of the project. If this project is not canceled, it is proposed to be constructed in the next fiscal year.</p>	168,000	12,000
CP7318	267100	Const Sewer in 4th from Cucamonga Channel to Golden Oaks	<p>The existing sewerline in 4th St from the Cucamonga Channel to Golden Oak Rd (built in 1970) was constructed using reinforced plastic pipe. Repairs to reinforced plastic pipe require specialized equipment and thus is not cost effective. In addition, reinforced plastic pipe is a material known to become out-of-round over time and can have sudden structural failure. The new pipeline will install a vitrified clay pipe (VCP) which is the current District standard.</p> <p>This project will fund the design and construction of approximately 1,300 linear feet of sewerline and abandon in place the existing sewerline.</p> <p>This project has been divided into three phases. The first, to perform a survey and design the sewerline to 90 percent completion, will be completed this fiscal year. The second phase (scheduled for this upcoming fiscal year) is to construct the portion of sewerline that is in the street. The final phase is to construct the portion of the sewer located in the flood control easement.</p>	85,000	813,000
CP7322	267104	Repair AC Sewer line in Archibald from Lemon to La Gloria	<p>The purpose of this project is to construct approximately 500 linear feet of sewer line in Archibald Avenue from Lemon Avenue to La Gloria Drive. A section of this pipeline has settled, creating two major offset joints. This condition requires additional cleaning in order to ensure that the pipeline does not clog. This project will replace the damaged area.</p>	337,000	0
CP7323	267105	Repair Sewer line in Sapphire St from Banyan St to Moon Ct	<p>The purpose of this project is to construct approximately 350 linear feet of sewer in Sapphire Street from Banyan Street to Moon Court. A section of this pipeline has three offset joints. This condition requires additional cleaning in order to ensure that the pipeline does not clog.</p>	225,000	0
		Const MH in Cottage Ave between Acacia St and 8th St	<p>The sewerline manholes located in Cottage Ave between Acacia St and 8th St are over 500 feet apart, making it difficult to perform routine cleaning and video inspection. The ideal length between manholes to perform sewerline cleaning and video inspection is 300-ft.</p> <p>This project will design and construct a new manhole between the existing manholes resulting in approximately 270 feet between each manhole.</p>	0	20,000

**CUCAMONGA VALLEY WATER DISTRICT
CAPITAL PROJECT DESCRIPTIONS
for the Fiscal Year Ending June 30, 2014**

Project Number	Work Order Number	Description	Need Analysis	Estimated Carry Over 2013 Budget	Budget Request 2014
		Const Sewer lateral on SW Prop corner Archibald & Baseline	<p>The sewerline lateral located on the southwest corner of Baseline Rd and Archibald Ave has a belly on the District side of the lateral. In addition, there is a significant offset joint on the private side. Combined, this has a potential to cause a sewer backup.</p> <p>A reconfiguration of the lateral would have minimal effect to the customers' operation and affect a small portion of the property while eliminating the belly and offset.</p> <p>This project will fund the design and construction of approximately 95 linear feet sewer lateral.</p>	0	97,000
		Reline Sewer between Trenton Ct and Cortland St	<p>The sewerline located between Trenton Ct and Cortland St is in a heavily landscaped area. This has caused a root intrusion issue with the pipeline, which requires frequent maintenance. The relining of the sewer will resolve the root intrusion problem by sealing all joints and will reduce the maintenance time.</p> <p>This project will fund the design, cleaning, and relining of approximately 242 feet of sewerline.</p>	0	65,000
		Reline Sewer East of Carnelian St north of Avalon St	<p>The sewerline located in the backyards of 9 homes on Carnelian St north of Avalon St, requires frequent maintenance due to constant root intrusion. Since the pipeline is located in an easement in the back of 11 residential properties, access is difficult for the sewer maintenance crews and an inconvenience to the property owners. The relining of the sewer will resolve the root intrusion problem by sealing all joints and will minimize the disturbance to property owners by reducing the time needed for maintenance.</p> <p>This project will fund the design, cleaning and relining of approximately 810 linear feet of sewerline. The work will include installation of cleanout and top hatting the laterals.</p>	0	154,000
		Reline Sewer South of Banyan St near East Etiwanda Creek	<p>Sewer maintenance crews have detected multiple cracks in the sewerline located south of Banyan St, near the East Etiwanda Creek (built in 1991). Relining the pipeline is a cost-effective method to repair the damage and extend the existing sewerline service life.</p> <p>This project will fund the design, cleaning, and relining of approximately 720 linear feet of sewerline.</p>	0	92,000
		Various Sewer Relining and Manhole Rehabilitation	<p>Over time the normal wear and tear of traffic rolling over manhole lids can cause the deterioration of the manhole concrete collar that supports the manhole lid. Every year repairs must be made to reconstruct the manhole concrete collar. This project proposes to fix approximately 10 to 15 manhole concrete collars a year.</p> <p>In addition, there are some manholes in the District that experience corrosion of the concrete wall. This can be caused by hydrogen sulfide (H₂S) gas which can form in wastewater collection systems when there is a lack of good ventilation and slow flowing sewage. These manholes can be fixed with the application of a protective coating such as epoxy resins. This project also proposes to epoxy coat approximately 3 manholes a year.</p> <p>This project will also fund the relining, repair, and rehabilitation of various sewer manholes and pipelines throughout the CVWD sewer service area. In addition, this work will include relining sewerlines and repairing sewer laterals at various locations that will develop sags, offset joints, or cracks.</p>	0	150,000
Subtotal - 9095 Sewer Improvement (10 Projects)				815,000	1,403,000

**CUCAMONGA VALLEY WATER DISTRICT
CAPITAL PROJECT DESCRIPTIONS
for the Fiscal Year Ending June 30, 2014**

Project Number	Work Order Number	Description	Need Analysis	Estimated Carry Over 2013 Budget	Budget Request 2014
9096	Recycled				
CP7325	267107	Const RW in Vineyard to Redhill Park	<p>With the construction of IEUA's northwest regional recycled waterline, the District is able to bring recycled water to the west side of the District service area. This allows the District to convert Redhill Park, which consumes approximately 120 AF of water for landscaping a year, to recycled water. The conversion of Redhill Park will help the District meet the State's requirement to reduce water usage by 20% by 2020 through conversion of a significant user from potable water to recycled water. The conversion will also benefit the City through lower operational costs, since recycled water costs less than potable water.</p> <p>This project will fund the design and construction of approximately 1,300 linear feet of recycled waterline to serve the Redhill Park.</p> <p>Since this project went to bid in late March 2013 and will be awarded in late April 2013, it is estimated that the construction will take approximately two months. Therefore, this project should be completed close to the end of the fiscal year but the project may rollover into the first month of the new fiscal year, therefore staff is requesting to carry over this project.</p>	372,625	0
		Recycled Water Master Plan	<p>This project will provide funding for the preparation of a Recycled Water System Master Plan, including a Recycled Water System Model. The plan will summarize the components of the existing recycled water distribution system, analyze existing and future demands, and identify the improvements necessary for future growth. Based on this analysis, the study will recommend projects for inclusion in the Capital Improvement Program.</p>	0	250,000
		Recycled Water Retrofits	<p>This multi-year project will fund the conversion of customers to recycled water.</p> <p>Agreements will be made to receive reimbursement for the cost in the future. These funds will also be used to provide matching funds for future grant opportunities.</p>	0	150,000
Subtotal - 9096 Recycled (3 Projects)				372,625	400,000
Total Capital Projects (97 Projects)				31,974,625	33,191,900

DEPARTMENT SUMMARIES

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EXECUTIVE DEPARTMENT

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EXECUTIVE DEPARTMENT

Department Mission Statement: Provide high quality, safe, and reliable water and wastewater services through leadership and management of staff and resources of the Cucamonga Valley Water District in an efficient and cost-effective manner.

Department Goals & Objectives

Overview

The Executive Department is responsible for development and implementation of District strategic policy objectives.

Office of the Board of Directors: The Board of Directors provide direction and leadership for the District. The Office prepares Board and Committee agenda packets and ancillary correspondence and is responsible for the creation and maintenance of all public records as a result of the business conducted by the Board of Directors. Directors also serve as Trustees of the Frontier Project Foundation, a non-profit foundation established by the Cucamonga Valley Water District with a mission of demonstrating environmental sustainability. The Fontana Union Water Company is a mutual water company for which the District is a majority shareholder. Currently, three Directors serve as regular Board Members, and one Director serves as an alternate.

Office of the General Manager/Chief Executive Officer: The General Manager/CEO is the liaison to the Board of Directors and oversees the day to day operations of the District. The General Manager/CEO provides leadership and initiates strategic planning to implement the goals and the vision of the Board of Directors. The Foundational Principles help guide the organization, and the General Manager/CEO utilizes the talent and skills of the entire staff to fulfill the organizational objectives. The General Manager/CEO also serves as President of the Fontana Union Water Company, a mutual water company managed by the District, and is the President of the Frontier Project Foundation, a non-profit corporation that seeks grant funding to conduct educational outreach programs.

Office of the Deputy General Manager: The position of the Deputy General Manager remains open; however, the funding and responsibilities are currently distributed to other cost centers within the District.

Office of the Assistant General Manager: The Assistant General Manager provides leadership and coordination to the Public Affairs, Legislation and Human Resources/Risk Management divisions. The position works closely with the Chief Financial Officer and the Chief Operating Officer to facilitate the implementation of the District's Foundational Principles, specifically our *Water, Service and People*. The Assistant General Manager monitors state and federal legislation that may impact District operations and engages in policy dialogue on these issues in order to influence the political process for the benefit of our ratepayers. The Assistant General Manager also serves as Vice-President of the Frontier Project Foundation.

Human Resources: This division is responsible for ensuring that the District initiates and facilitates strategies for building a workforce which supports and enhances organizational objectives and values. In addition to workforce development, the position is responsible for overseeing

employee benefits, classification and compensation, policies and procedures, employee relations, administrative support, and employee development.

Risk Management: This division administers the District’s risk management program, which promotes and provides a safe and secure work environment for employees. The risk management program includes employee safety and training programs, workers compensation, emergency management and disaster preparedness, loss prevention and general auto and property liability insurance for the District.

Public Affairs: The Public Affairs division is responsible for the development of communication and educational tools in a variety of formats that inform customers and stakeholders about the issues critical to the District. The division is also responsible for an extensive school education and outreach program that familiarizes youth as well as adults with the value of using natural resources wisely.

Strategic Objectives

This year the strategic objectives for the Executive Department focused on a wide variety of projects to improve the overall health and performance of our organization. One of the first objectives undertaken last year and continuing through this year is the development of a “Long Range Financial Plan” to reinforce our commitment to the continued financial integrity of the District. Last fiscal year our staff worked diligently on putting into place a number of policies addressing debt issuances, appropriate reserve levels, and financial benchmarks. This plan looks forward 20-30 years to identify financial issues that may arise and to forecast rates into the future as well as cash flow needs.

Last year a state pension reform initiative was passed by the state legislature and signed by the Governor with certain provisions taking effect in January 2013, with the remaining requirements being phased in over the next five years. The reform legislation mainly impacts newly hired employees with only a few elements impacting existing employees. Staff will be focusing over the next year to ensure that all aspects of the legislation have been implemented in accordance with the law, as well as monitor other methods to ensure our overall labor costs are sustainable for the future.

As a result of the November 2012 General Election, new legislative district boundaries were drawn and the District gained additional representation for both our federal and state representatives. One of our strategic objectives this year is to develop relationships with our new representatives, as well as further strengthen the ties of our existing representatives. The District will be doing this through visits to their field, Sacramento, and Washington, D.C. offices, as well as inviting members to tour CVWD facilities.

For the first time in several years, the District had a Board Member retire, which brought a new Board Member to the District. District staff has provided orientation sessions to familiarize the new member and introduce him to the organization. The Board of Directors and Executive staff will participate in a number of planning sessions and workshops to increase communication and determine policy direction for the organization.

In 2012, structural changes were made in our management staff to facilitate succession planning as well as to consolidate duties and functions of our top executive staff. The most recent change added a new supervisory level providing for the development of internal staff for future leadership roles. The Human Resources division has developed a training program that seeks to support the professional growth of our new and existing managers and supervisors. Budgeting, communication, performance appraisals, and time management, are just some of the many workshop topics that will be provided over the next year to better equip our developing management staff.

Fiscal and Budgetary Impacts

The Executive Department budget is \$4.1 million and comprises approximately 7% of the District's overall operating expense budget.

Performance Measurements:

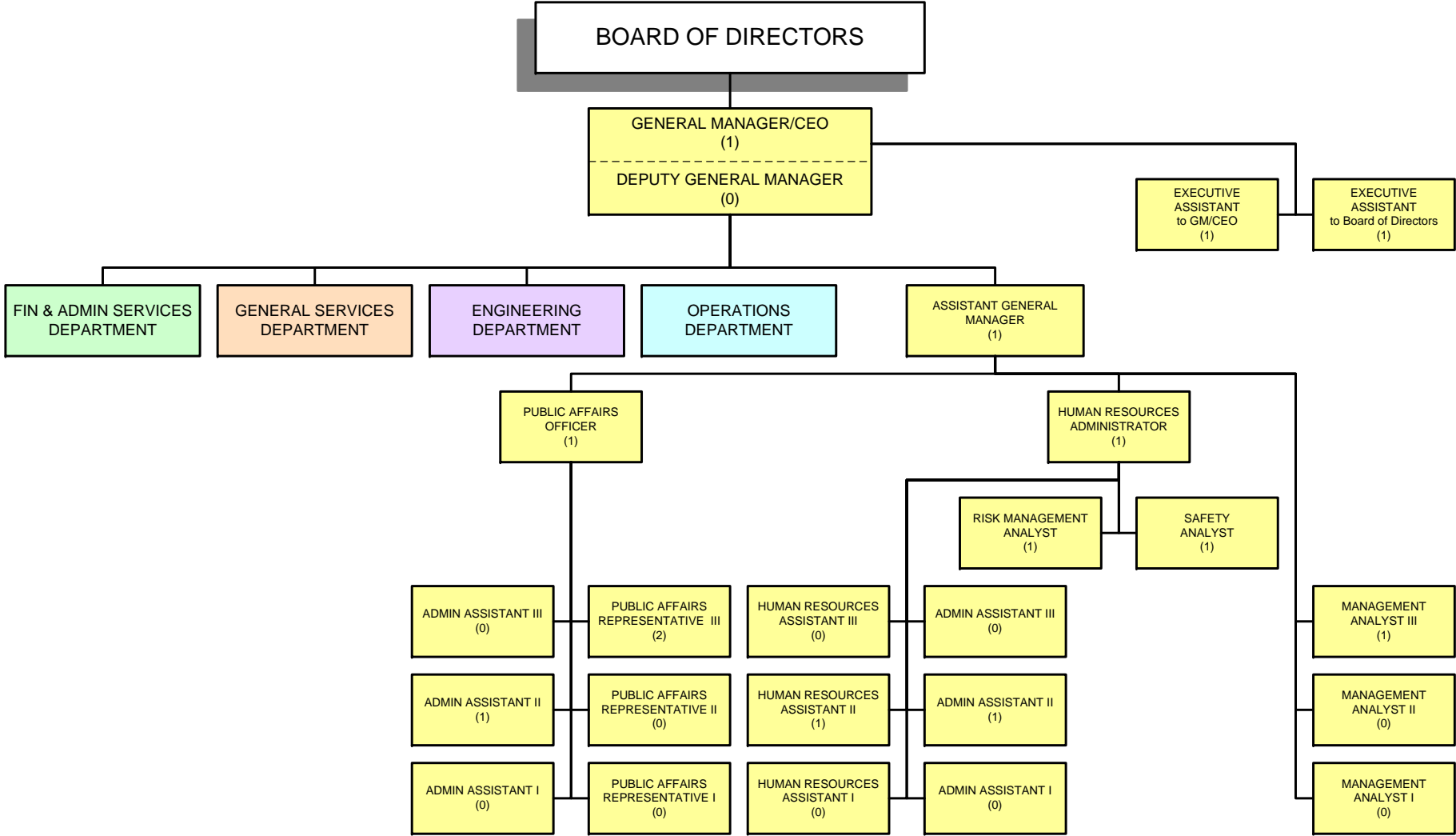
	FY 2009	FY 2010	FY 2011	FY 2012	Est. Current FY 2013	Est. Next FY 2014	Strategic Goal
EXECUTIVE DEPARTMENT PERFORMANCE MEASURES							
Division Measures - Board of Directors							
Board tracking sheet items	N/A	N/A	N/A	60	75	80	Service
Number of public records request	N/A	N/A	N/A	5	8	6	Service
Number of Board Meetings/Study Sessions/Workshops	N/A	N/A	N/A	45	50	50	Service
Division Measures - General Manager							
Watermaster Related Meetings	N/A	N/A	N/A	N/A	77	77	Service
Employee & Leadership Development meetings	N/A	N/A	N/A	N/A	21	22	Service
Division Measures – Assistant General Manager							
Revenue generated through Frontier Project rentals		\$156,914	\$47,780	\$110,528	\$60,000	\$100,000	Service
Division Measures – Legislative and Public Affairs							
Grants/sponsorships received to offset District programs	\$0	\$10,000	\$28,000	\$30,000	\$85,000	\$85,000	Service
Value of conservation rebates from regional programs	\$600,185	\$210,450	\$187,945	\$138,713	\$125,000	\$125,000	People
Attendees at District events and programs	860	2,455	2,730	1,655	1,900	2,300	People
Participants in school education programs	11,419	10,240	10,749	12,003	11,250	11,500	Service
CVWD Social Media followers	N/A	N/A	N/A	85	200	500	People
Community events and presentations attended	N/A	8	11	9	11	12	People
Contact made with legislators	N/A	N/A	N/A	60	75	100	People

Division Measures – Human Resources/Risk Management							
Estimated number of participating compensation/benefits surveys completed by staff	N/A	N/A	12	20	25	25	People
Percentage of employees receiving annual performance evaluations	N/A	N/A	67%	73%	80%	100%	People & Service
Average number of work days lost per workers compensation claim	0	12	7	120	3.9	7	People Service

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EXECUTIVE DEPARTMENT ORGANIZATIONAL CHART

For the Fiscal Year Ending June 30, 2014

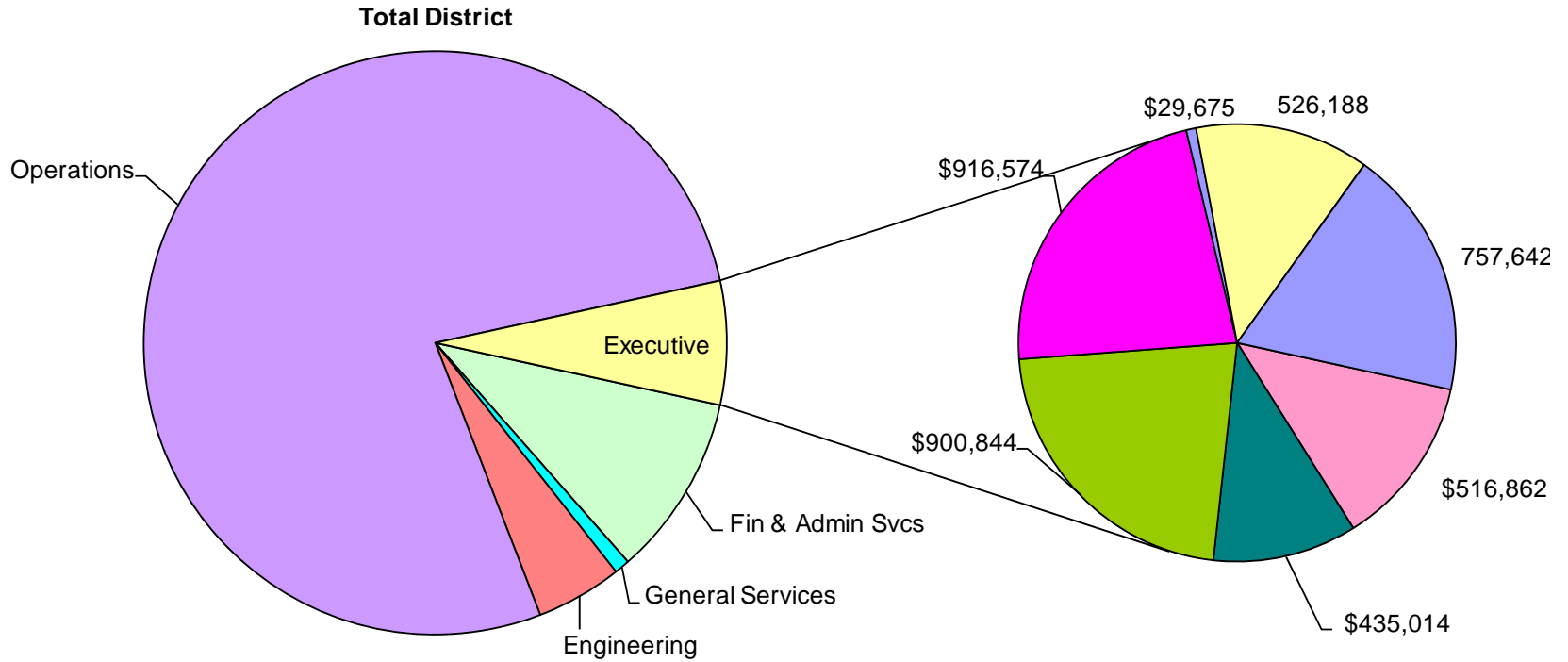


TOTAL: 14 EMPLOYEES

**CUCAMONGA VALLEY WATER DISTRICT
EXECUTIVE DEPARTMENT
PERSONNEL DISTRIBUTION**

Water Fund	Sewer Fund	Recycled Water Fund	Capital Fund	13-14	Division	12-13	11-12	10-11	09-10	08-09	07-08
0.9	0.1	0	0	1	Board of Directors	1	1	1	1	1.5	1
2.25	0.25	0	0	2.5	Human Resources	2	0	0	0	0	0
1.8	0.2	0	0	2	Office of the General Manager	2	2	2	2	2.5	2
1.75	0.75	0	0	2.5	Risk Management	2	0	0	0	0	0
1.8	0.2	0	0	2	Office of the AGM	1	1	1	1	1	1
0	0	0	0	0	Office of the DGM	0	0	2	2	2.5	2.5
3.6	0.4	0	0	4	Office of the AGMEA	6.5	6.5	5	5	5.5	5.5
12.1	1.9	0	0	14	Executive Total	14.5	10.5	11	11	13	12

Executive Department FYE 2014



Board of Directors	Human Resources	Office of the General Manager
Risk Management	Emergency Preparedness	Office of the AGM
Office of the AGMEA		

CUCAMONGA VALLEY WATER DISTRICT
EXECUTIVE DEPARTMENT
For the Fiscal Year Ending June 30, 2014

Department	Budget	% of Total
Executive	\$ 4,082,799	6.9%
Financial & Administrative Services	6,008,298	10.1%
General Services	504,431	0.8%
Engineering	2,841,651	4.8%
Operations	46,128,014	77.4%
Total Operating Budget	\$ 59,565,193	100.0%

Budget by Division	Water Funds		Sewer Funds		Recycled Water Funds		Total All Funds	
	Budget	% of Total	Budget	% of Total	Budget	% of Total	Budget	% of Total
Operating Fund								
Board of Directors	\$ 476,098	11.7%	\$ 40,764	1.0%	\$ -	-	\$ 516,862	12.7%
Human Resources	400,704	9.8%	34,310		-	-	435,014	10.7%
Office of the General Manager	841,587	20.6%	59,257	1.5%	-	-	900,844	22.1%
Risk Management	677,354	16.6%	239,220		-	-	916,574	22.4%
Emergency Preparedness	29,675	0.7%	-		-	-	29,675	0.7%
Office of the AGM	484,528	11.9%	41,660	1.0%	-	-	526,188	12.9%
Office of the AGMEA	703,566	17.2%	54,076	1.3%	-	-	757,642	18.6%
<i>Sub-Total</i>	<u>3,613,512</u>	<u>88.5%</u>	<u>469,287</u>	<u>11.5%</u>	<u>-</u>	<u>-</u>	<u>4,082,799</u>	<u>100.0%</u>
Capital Fund								
Board of Directors	\$ -	-	\$ -	-	\$ -	-	\$ -	-
Human Resources	-	-	-	-	-	-	-	-
Office of the General Manager	-	-	-	-	-	-	-	-
Risk Management	-	-	-	-	-	-	-	-
Emergency Preparedness	-	-	-	-	-	-	-	-
Office of the AGM	-	-	-	-	-	-	-	-
Office of the AGMEA	-	-	-	-	-	-	-	-
<i>Sub-Total</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>3,613,512</u>	<u>88.5%</u>	<u>469,287</u>	<u>11.5%</u>	<u>-</u>	<u>-</u>	<u>4,082,799</u>	<u>100.0%</u>

CUCAMONGA VALLEY WATER DISTRICT
EXECUTIVE DEPARTMENT
SUMMARY BY ACCOUNT

For the Fiscal Year Ending June 30, 2014

Account Number	Account Title	Water	Sewer	Recycled Water	Total
10-XX	Wages and Directors' Fees \$	1,436,023	\$ 204,518	\$ -	\$ 1,640,541
12-XX	District Burden	903,297	124,769	-	1,028,066
18-XX	Outside Labor	-	-	-	-
20-XX	Professional Development	188,588	-	-	188,588
25-XX	Professional Services	338,000	-	-	338,000
27-XX	Advertisements	28,325	-	-	28,325
28-XX	Election Expense	-	-	-	-
30-XX	Personnel Costs	107,740	-	-	107,740
32-XX	Insurance	349,750	140,000	-	489,750
35-XX	Collections	-	-	-	-
40-XX	Utilities	24,365	-	-	24,365
45-XX	Materials & Supplies	65,970	-	-	65,970
50-XX	Equipment Depreciation	-	-	-	-
55-XX	Outside Services	154,350	-	-	154,350
60-XX	Safety	2,204	-	-	2,204
79-XX	Miscellaneous	13,800	-	-	13,800
80-XX	Other - Capital Equipment	1,100	-	-	1,100
Totals		\$ 3,613,512	\$ 469,287	\$ -	\$ 4,082,799

FINANCIAL & ADMINISTRATIVE SERVICES DEPARTMENT

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FINANCIAL AND ADMINISTRATIVE SERVICES DEPARTMENT

Department Mission Statement: Deliver effective and dependable services to our external customers and provide accountability to our internal customers.

Department Goals & Objectives

Overview

The Department of Financial and Administrative Services provides a wide variety of external and internal services. We provide centralized services to our customers, as well as our fellow team members. Because we are focused on providing services, we continually seek to implement solutions that utilize the most current technology and tools that help us accomplish a high level of service. We listen earnestly to our customers and empower team members to make a positive difference. The department provides a wide level of services in the following four divisions:

Accounting: This division performs all financial related services for the District, which include general ledger functions, investment processing, debt management, payroll and benefit processing, accounts payable, accounts receivable, customer billing, collection processing/referral, customer payment remittance processing, investment and cash management, monthly and annual budget preparation, rate analysis, Comprehensive Annual Financial Report (CAFR) preparation, and Capital Improvement Program (CIP) reporting.

Customer Service: This division is the first point of contact for our 49,850 customers. The division provides reception services, all call center activity (approximately 300 calls per day), walk-up counter payment service, Interactive Voice Response (IVR)/Internet payment service, new account processing, and work order generation. The division also handles all field service requests that include turning on/off accounts, meter repairs, water consumption investigations and consultations, new meter installation, meter calibrations, and meter reading, which includes traditional and Fixed Network (FN) reading.

Information Technology: This division provides technical development strategies and information technology support for the District and the Frontier Project Building's computer networks, including the operation, maintenance, and repair of network hardware and employee workstations. Its primary responsibilities include day-to-day network center operation, including the provision of a safe and secure environment for centralized data libraries and equipment. Extended responsibilities include support for phone systems, office machines, access control systems, audio-visual systems, the radio network, cellular communications, and mobile devices. The division is also responsible for network design and programming, and server virtualization.

Purchasing: This division operates the centralized purchasing system for the District, including the operation of a full-service warehouse. The division is responsible for the location and negotiation of services and supplies for all departments. This division provides enhanced supply management, a high level of accountability, and added value and cost savings to the District.

Strategic Objectives

The Financial and Administrative Services Department is committed to achieving the *Vision* the Board of Directors set for the Cucamonga Valley Water District. A key component of the *Vision* statement is our customers (**Service**). In May 2008, the District implemented a tiered water rate structure for residential customers that better reflects the range of costs for various water supplies. This new rate structure was extended to all non-residential customers in May 2010 and this increases our ability to educate and inform our customers, promote water conservation, and ensure a reliable water supply.

Fiscal Year 2014 represents the second to last year of our Meter Exchange and Fixed Network (FN) project that will retrofit our entire District with new meters and/or registers. A cross-department team has intensely focused on this project which provides on-demand communication for meter reads, leak reports, and will have the ability to create custom water budgets for our customers. This project will also fulfill two components of the Board's *Vision*: **Water** and **Service**. This project has been further enhanced by the implementation of in-field computing and a new work order management system that has made the process of developing and completing work orders paperless.

Fiscal and Budgetary Impacts:

The Financial and Administrative Services Department budget is approximately \$6.0 million, which comprises approximately 10% of the District's overall operating expense budget. The Department's growth and budget is directly impacted by customer growth and the growth of the other departments of the District. As the District faces challenges to provide a high level of service with limited resources, staff puts into place the programs necessary, both legally and ethically, to create a safe, positive, and productive workplace where all are respected, valued, and empowered to deliver excellent service to the customers of the Cucamonga Valley Water District.

Departmental Work Plans:

All district staff participated in the development of departmental work plans that were aligned with the District's Strategic Vision. The work plans were created and supports our belief that "what gets measured gets done." The wide participation in the development of these plans was designed to demonstrate that all employees have a role in the accomplishment of the district, departmental, and division work plans. The following work plans have been established for the Financial and Administrative Services Department.

1. Establish Finance Disaster Preparedness Policy for officially declared emergencies by December 31, 2013.
2. Complete the 2nd to last phase of the installation and retrofit of all District meters to Fixed Network technology by June 30, 2014.
3. Streamline the payroll and accounts payable functions by reducing the number of paper checks generated and distributed.
4. Monitor the implementation of the newly designed utility statement. Continue the branding alignment on the reminder and shut-off notices by June 2014.
5. Administer the District's investment program to meet the District's goal of Safety, Liquidity, and Yield; while minimizing idle cash.

6. Ensure a financially stable environment to meet the current and future capital improvement funding needs of the District. By September 30, 2013, the District will utilize a financial model to assist with the prediction of rates, capital improvement needs, and debt coverage ratios.
7. Continue the virtualization of computer servers, increasing efficiencies and reducing costs for electricity and maintenance.

Performance Measurements:

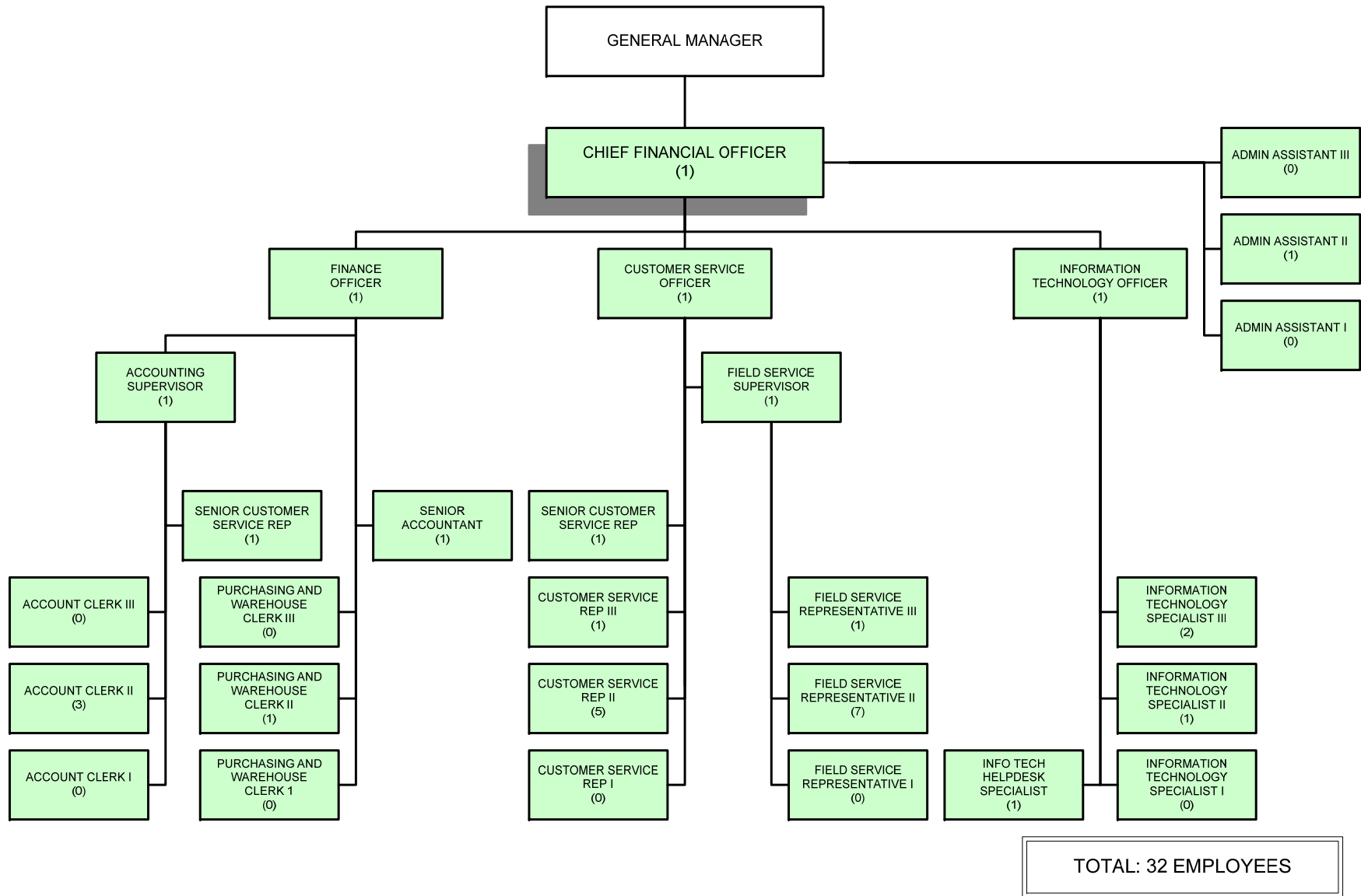
	FY 2009	FY 2010	FY 2011	FY 2012	Est. Current FY 2013	Est. Next FY 2014	Strategic Goal
FINANCIAL & ADMINISTRATIVE SERVICES DEPARTMENT MEASURES							
Meet or exceed the 2-Year Treasury index District's Yield	2.42%	1.67%	1.28%	0.73%	0.95%	.85%	People
2-Year Treasury Index	1.12%	0.63%	0.49%	0.27%	0.35%	.25%	
Increase the District's Debt Coverage Ratio	1.15	1.79	1.63	2.15	2.30	2.00	Service
Reduce the District's Debt to Assets Ratio	61.0%	57.6%	57.4%	53.9%	64.1%	59.5%	Service
Increase the District's Days Cash	183	220	266	305	311	336	Service
Increase the District's Credit Rating*	AA-	AA-	AA-	AA-	AA-	AA	Service
Division Measures – Information Technology							
Replace 25% of desktop computers annually to maintain technical advantage	54%	51%	52%	80%	100%	100%	Service
Virtualize 50% of servers by 2013 to increase data center efficiency & resilience	12%	24%	52%	80%	92%	100%	People
Keep Helpdesk costs below \$50/call through efficient staffing and procedures	\$45.60	\$47.29	\$44.49	\$35.00	\$30.00	\$28.00	People & Service
Division Measures – Accounting							
Increase percentage of EFT Payments to Vendors	9.1%	-18.8%	-1.4%	2.7%	5%	5%	Service
Division Measures - Purchasing							
Increase inventory turnover to maximize inventory space	3.13	0.58	0.59	0.72	0.75	.75	People

* See page 29 for a breakdown by rating agency.

FINANCIAL & ADMINISTRATIVE SERVICES DEPARTMENT

ORGANIZATIONAL CHART

For the Fiscal Year Ending June 30, 2014

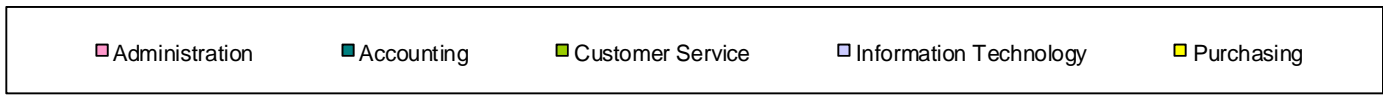
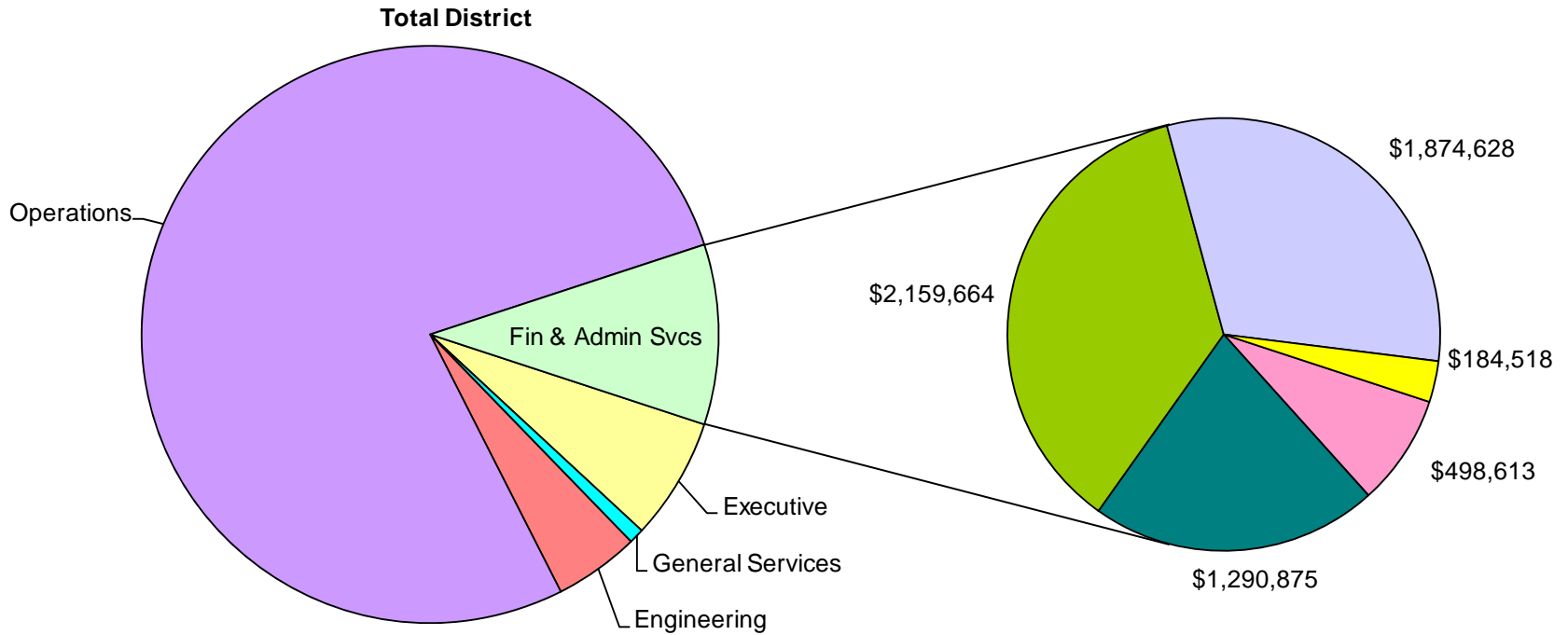


TOTAL: 32 EMPLOYEES

**CUCAMONGA VALLEY WATER DISTRICT
FINANCIAL & ADMINISTRATIVE SERVICES DEPARTMENT
PERSONNEL DISTRIBUTION**

Water Fund	Sewer Fund	Recycled Water Fund	Capital Fund	13-14	Division	12-13	11-12	10-11	09-10	08-09	07-08
1.8	0.2	0	0	2	Administration	2.5	2.5	3	3	4	3.3
0	0	0	0	0	Human Resources	0	2	2	2	2	1.7
0	0	0	0	0	Risk Management	0	2	2	2	2	2
5.525	0.975	0	0	6.5	Accounting	6.5	6.5	5.5	5.5	6	6.65
11.9	2.1	0	3	17	Customer Service	17	17	18	18	20	20
4.5	0.5	0	0	5	Information Technology	5	5	5	5	5	5
1.050	0.450	0	0	1.5	Purchasing	1.5	1.5	1.5	1.5	2	3.35
24.775	4.225	0	3	32	Finance & Admin Services Total	32.5	36.5	37	37	41	42

**Financial & Administrative Services Department
FYE 2014**



CUCAMONGA VALLEY WATER DISTRICT

FINANCIAL & ADMINISTRATIVE SERVICES DEPARTMENT

For the Fiscal Year Ending June 30, 2014

Department	Budget	% of Total
Executive	\$ 4,082,799	6.9%
Financial & Administrative Services	6,008,298	10.1%
General Services	504,431	0.8%
Engineering	2,841,651	4.8%
Operations	46,128,014	77.4%
Total Operating Budget	\$ 59,565,193	100.0%

Budget by Division	Water Funds		Sewer Funds		Recycled Water Funds		Total All Funds	
	Budget	% of Total	Budget	% of Total	Budget	% of Total	Budget	% of Total
Operating Fund								
Administration	\$ 438,221	7.3%	\$ 60,392	1.0%	\$ -	-	\$ 498,613	8.3%
Accounting	1,092,782	18.2%	198,093	3.3%	-	-	1,290,875	21.5%
Customer Service	1,811,471	30.1%	292,021	4.9%	11,471	0.2%	2,114,963	35.2%
Information Technology	1,799,729	30.0%	74,899	1.2%	-	-	1,874,628	31.2%
Purchasing	134,038	2.2%	50,480	0.8%	-	-	184,518	3.1%
Sub-Total	<u>5,276,241</u>	<u>87.8%</u>	<u>675,885</u>	<u>11.2%</u>	<u>11,471</u>	<u>0.2%</u>	<u>5,963,597</u>	<u>99.3%</u>
Capital Fund								
Administration	\$ -	-	\$ -	-	\$ -	-	\$ -	-
Accounting	-	-	-	-	-	-	-	-
Customer Service	44,701	0.7%	-	-	-	-	44,701	0.7%
Information Technology	-	-	-	-	-	-	-	-
Purchasing	-	-	-	-	-	-	-	-
Sub-Total	<u>44,701</u>	<u>0.7%</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>44,701</u>	<u>0.7%</u>
Total	<u>5,320,942</u>	<u>88.6%</u>	<u>675,885</u>	<u>11.2%</u>	<u>11,471</u>	<u>0.2%</u>	<u>6,008,298</u>	<u>100.0%</u>

CUCAMONGA VALLEY WATER DISTRICT
FINANCIAL & ADMINISTRATIVE SERVICES DEPARTMENT
SUMMARY BY ACCOUNT
For the Fiscal Year Ending June 30, 2014

Account Number	Account Title	Water	Sewer	Recycled Water	Total
10-XX	Wages and Salaries	\$ 2,016,770	\$ 330,480	\$ -	\$ 2,347,250
12-XX	District Burden	1,116,598	181,835	-	1,298,433
18-XX	Outside Labor	53,000	-	-	53,000
20-XX	Professional Development	79,040	-	-	79,040
25-XX	Professional Services	162,400	20,700	-	183,100
27-XX	Advertisements	1,250	5,500	-	6,750
28-XX	Election Expense	-	-	-	-
30-XX	Personnel Costs	850	-	-	850
32-XX	Insurance	-	-	-	-
35-XX	Collections	137,000	30,000	-	167,000
40-XX	Utilities	66,035	7,150	-	73,185
45-XX	Materials & Supplies	357,805	30,970	11,471	400,246
50-XX	Equipment Depreciation	-	-	-	-
55-XX	Outside Services	1,022,394	11,750	-	1,034,144
60-XX	Safety	10,050	-	-	10,050
79-XX	Miscellaneous	293,750	57,500	-	351,250
80-XX	Other - Capital Equipment	4,000	-	-	4,000
	Totals	\$ 5,320,942	\$ 675,885	\$ 11,471	\$ 6,008,298

GENERAL SERVICES DEPARTMENT

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GENERAL SERVICES DEPARTMENT

Department Mission Statement: Provide an improved system to account for and monitor general services and expenses that support the entire District.

Department Goals & Objectives

Overview

The General Services Department accounts for district-wide expenses that are general in nature and not attributed to a particular work category. General expenses are accumulated in this department to provide improved means of accounting and monitoring of certain utility expenses, general office supplies, District-sponsored employee events, District membership for industry organizations, and non-utility billing postage costs. There are two employees in this department that provide receptionist and administrative functions to all departments .

Strategic Objectives

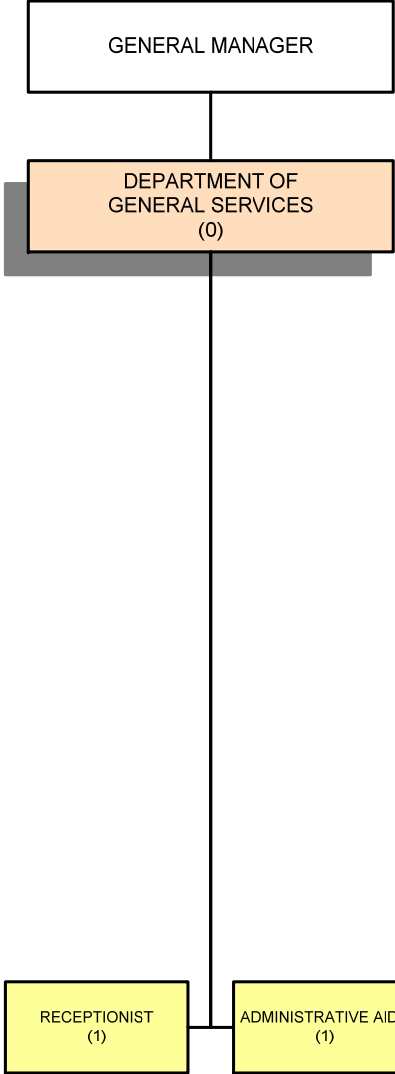
District-wide utility costs continue to be one of the top expenses of the District. District staff dedicates resources to enhance the monitoring and proactive management of utility expenses.

Fiscal and Budgetary Impacts

The General Services Department budget is approximately \$500 thousand and represents approximately 1% of the District's overall operating expense budget. Expenses are allocated between the Water and Sewer Funds.

GENERAL SERVICES DEPARTMENT ORGANIZATIONAL CHART

For the Fiscal Year Ending June 30, 2014

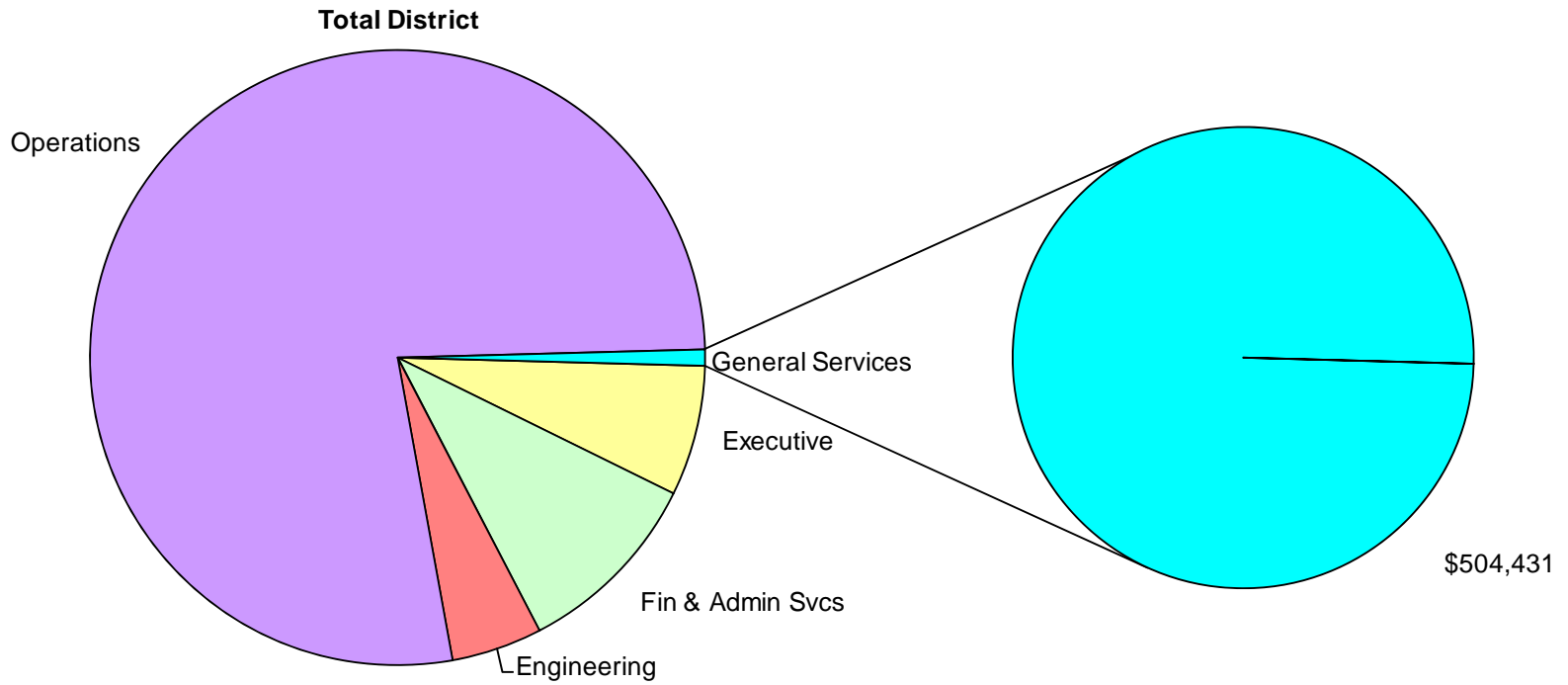


TOTAL: 2 EMPLOYEES

**CUCAMONGA VALLEY WATER DISTRICT
GENERAL SERVICES DEPARTMENT
PERSONNEL DISTRIBUTION**

Water Fund	Sewer Fund	Recycled Water Fund	Capital Fund	13-14	Division	12-13	11-12	10-11	09-10	08-09	07-08
2	0	0	0	2	Administration	2	0	0	0	0	0
2	0	0	0	2	General Services Total	2	0	0	0	0	0

**General Services Department
FYE 2014**



CUCAMONGA VALLEY WATER DISTRICT GENERAL SERVICES DEPARTMENT

For the Fiscal Year Ending June 30, 2014

Department	Budget	% of Total
Executive	\$ 4,082,799	6.9%
Financial & Administrative Services	6,008,298	10.1%
General Services	504,431	0.8%
Engineering	2,841,651	4.8%
Operations	46,128,014	77.4%
Total Operating Budget	\$ 59,565,193	100.0%

Budget by Division	Water Funds		Sewer Funds		Recycled Water Funds		Total All Funds	
	Budget	% of Total	Budget	% of Total	Budget	% of Total	Budget	% of Total
Operating Fund								
Administration	\$ 464,826	92.1%	\$ 39,605	7.9%	\$ -	-	\$ 504,431	100.0%
<i>Sub-Total</i>	<u>464,826</u>	<u>92.1%</u>	<u>39,605</u>	<u>7.9%</u>	<u>-</u>	<u>-</u>	<u>504,431</u>	<u>100.0%</u>
Capital Fund								
Administration	\$ -	-	\$ -	-	\$ -	-	\$ -	-
<i>Sub-Total</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u><u>464,826</u></u>	<u><u>92.1%</u></u>	<u><u>39,605</u></u>	<u><u>7.9%</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>504,431</u></u>	<u><u>100.0%</u></u>

CUCAMONGA VALLEY WATER DISTRICT
GENERAL SERVICES DEPARTMENT
SUMMARY BY ACCOUNT

For the Fiscal Year Ending June 30, 2014

Account Number	Account Title	Water	Sewer	Recycled Water	Total
10-XX	Salaries and Wages	\$ 60,837	\$ -	\$ -	\$ 60,837
12-XX	District Burden	38,444	-	-	38,444
18-XX	Outside Labor	-	-	-	-
20-XX	Professional Development	45,200	-	-	45,200
25-XX	Professional Services	30,000	-	-	30,000
30-XX	Personnel Costs	38,800	-	-	38,800
35-XX	Collections	-	-	-	-
40-XX	Utilities	213,405	20,755	-	234,160
45-XX	Materials & Supplies	28,140	18,850	-	46,990
50-XX	Equipment Depreciation	-	-	-	-
55-XX	Outside Services	1,000	-	-	1,000
60-XX	Safety	-	-	-	-
79-XX	Miscellaneous	6,000	-	-	6,000
80-XX	Other - Capital Equipment	3,000	-	-	3,000
	Totals	\$ 464,826	\$ 39,605	\$ -	\$ 504,431

ENGINEERING DEPARTMENT

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ENGINEERING DEPARTMENT

Department Mission Statement: We have a successful and integrated department that fulfills our commitments to ensuring a reliable infrastructure and meeting the objectives of the District's Water Supply Plan and Master Plan, while providing the highest level of professional and ethical management in order to meet the needs of our customers. Through our ambition and collective efficacy, we have influenced our future.

Department Goals & Objectives

Overview

The Engineering Department has the overall responsibility for the planning, mapping, design, inspection, and construction of all new capital and private development potable water, recycled water, and sewer projects including major repairs and rehabilitation of all existing facilities as necessary. The Department successfully manages the District's Geographical Information Systems (GIS) Network and also ensures compliance with the District's pretreatment/source control program. The Engineering Department is comprised of six divisions as follows:

Planning and Design: Prioritizes and establishes schedules and methods for the design and construction of District projects. Monitors and oversees engineering design activities, including those prepared by consultants; prepares or reviews engineering plans, cost estimates, labor proposals, agreements, and project specifications. Maintains and runs the District's water and sewer hydraulic models in H2OMap for the purposes of planning and design.

Water Resource Management: Conducts water supply analysis and makes projections of future water supply needs based on estimates of development activities and other factors; develops and recommends short and long term plans and strategies for meeting expected demand. Helps develop and coordinate a variety of water conservation programs and activities, including but not limited to, use of recycled water, groundwater basin management, maximizing the efficiency of groundwater recharge facilities and similar efforts, and planning and conducting research projects associated with water resources and water conservation.

Technical Support: Responsible for coordinating and participating in database management for both the Geographic Information System (GIS) and AutoCAD applications. Updates and maintains GIS and AutoCAD databases for water, recycled water, and wastewater facilities from construction drawings to as-built information; performs data capturing and conversion, data entry, and graphic editing activities; develops user friendly file management systems and completes geographic data analyses. Utilizes professional Global Positioning System (GPS) equipment to collect geographical information in the field; locates District assets, resolves accuracy issues using GPS and integrates GPS data into GIS database.

Construction Inspection: Conducts construction inspections of water, recycled water, and sewer systems for a variety of District or developer-sponsored projects.

Industrial Waste Inspection: Inspects commercial and industrial users and ensures compliance with the District’s pretreatment/source control program, and issues and renews permits for discharge of non-domestic wastewater into the sanitary sewer.

Cross Connection Inspection: Ensures compliance by commercial and industrial customers of the District’s Cross-Connection Ordinance which requires testing of all backflow prevention devices on an annual basis. Installs, tests, and inspects backflow prevention assemblies; assists with the District’s construction water meter program.

Strategic Objectives

The Engineering Department has been implementing the District’s *Vision* by continuously seeking innovative and cost-effective ways to execute projects that deliver to our customers high-quality and reliable water and sewer collection services. Staff collaborates with private developers to construct new facilities, procure new site properties, and upgrade existing facilities that help sustain our future. Staff is focused on revising and developing District Master Plans to prepare for more stringent water quality standards, identify projects to meet customer water supply needs, and to incorporate new conservation methods and implement the recycled water program. We use cutting-edge GIS technology to improve methods of data capture and dissemination of information to other departments.

Fiscal and Budgetary Impacts

The Engineering Department budget is approximately \$2.8 million, which comprises approximately 5% of the District’s overall operating expense budget.

Departmental Work Plans:

District staff participated in the development of departmental work plans that were aligned with the District’s Vision. The wide participation in the development of these plans was designed to demonstrate that all employees have a role in the accomplishment of the District, departmental, and division work plans. The following goals have been established for the Engineering Department.

1. Manage the construction of improvements to the Lloyd Michael Water Treatment Plant necessary to meet the USEPA Stage 2 Disinfectants / Disinfection Byproduct Rule.
2. Manage a Design-Build project to upgrade the Arthur Bridge Water Treatment Plant to a more reliable and cost effective alternative.
3. Preparation and finalization of Master Plan updates.
4. Manage the design and construction for the replacement of Reservoir 3A.
5. Plan, manage, and construct various wellhead treatment plants at various Cucamonga Basin wells that will allow increased production in the basin
6. Monitor water supply situation in State and local areas. Continue to review environmental regulations and assess the impact on the District.
7. Update the Engineering Standard Operating Procedures (SOP) to match new ordinances. Develop and train staff on the Department ordinances.

Performance Indicators

Major projects started and/or completed FY 2013:

- Construction of Lloyd M Michael Water Treatment Plant Regulatory Compliance Upgrade Project (this multi-year project has been started and will continue into FY 2014 and FY 2015)
- Design-Build of Arthur Bridge Water Treatment Plant Upgrades and Cucamonga Canyon Intake Repairs (this project has been started and will continue into FY 2014)
- Construction of Canyon Raw Water Pipeline in Etiwanda Avenue to the Lloyd Michael WTP (completed)
- Construction of sewer relining in various locations, in total 2,100 linear feet (completed)
- Construction of Six Radio Towers project (completed)

Activity/Criteria	FY 2013 Actual	FY 2014 Estimated Actual	FY 2015 Projection	5 Year Target
Track Capital Projects Budgeted vs. Completed	60%	80%	90%	90%
Budget vs. Expenses	75%	75%	90%	90%

Performance Measurements

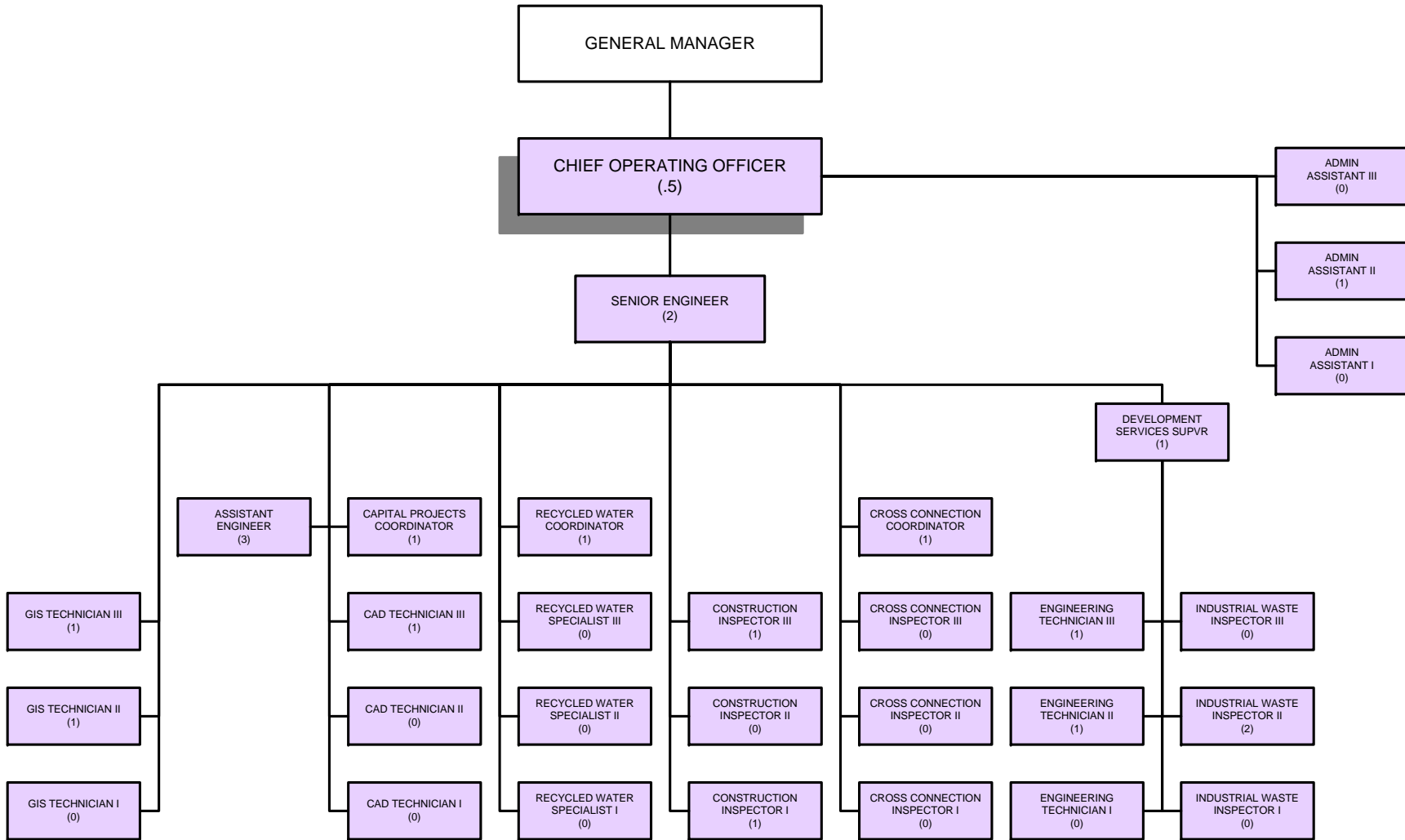
	FY 2008	FY 2009	FY 2010	FY 2011	Est. Current FY 2012	Est. Next FY 2013	Strategic Goal
ENGINEERING DEPARTMENT MEASURES							
Division Measures - Planning and Design							
Design and construct water distribution pipeline in linear feet	-	1,870	2,820	5,860	3,200	6,600	Water
Design and construct sewer collection pipeline in linear feet	-	-	115	2,740	2,100	1,400	Water
Design and construct recycled water distribution pipeline in linear feet	12,900	0	4,920	-	1,200	-	Water
Recycled Water Connections	8	9	38	10	21	12	Water
Division Measures - Industrial Waste Inspection							
Food Service Establishment (FSE) Inspections	264	383	395	410	530	660	Water & Service
Division Measures - Cross Connections							
Backflow assembly installed and inspected	34	31	19	15	15*	15*	Water & Service

*Based on development, which is out of District's control.

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ENGINEERING DEPARTMENT ORGANIZATIONAL CHART

For the Fiscal Year Ending June 30, 2014

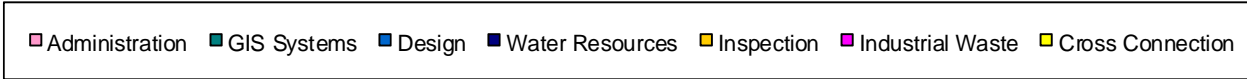
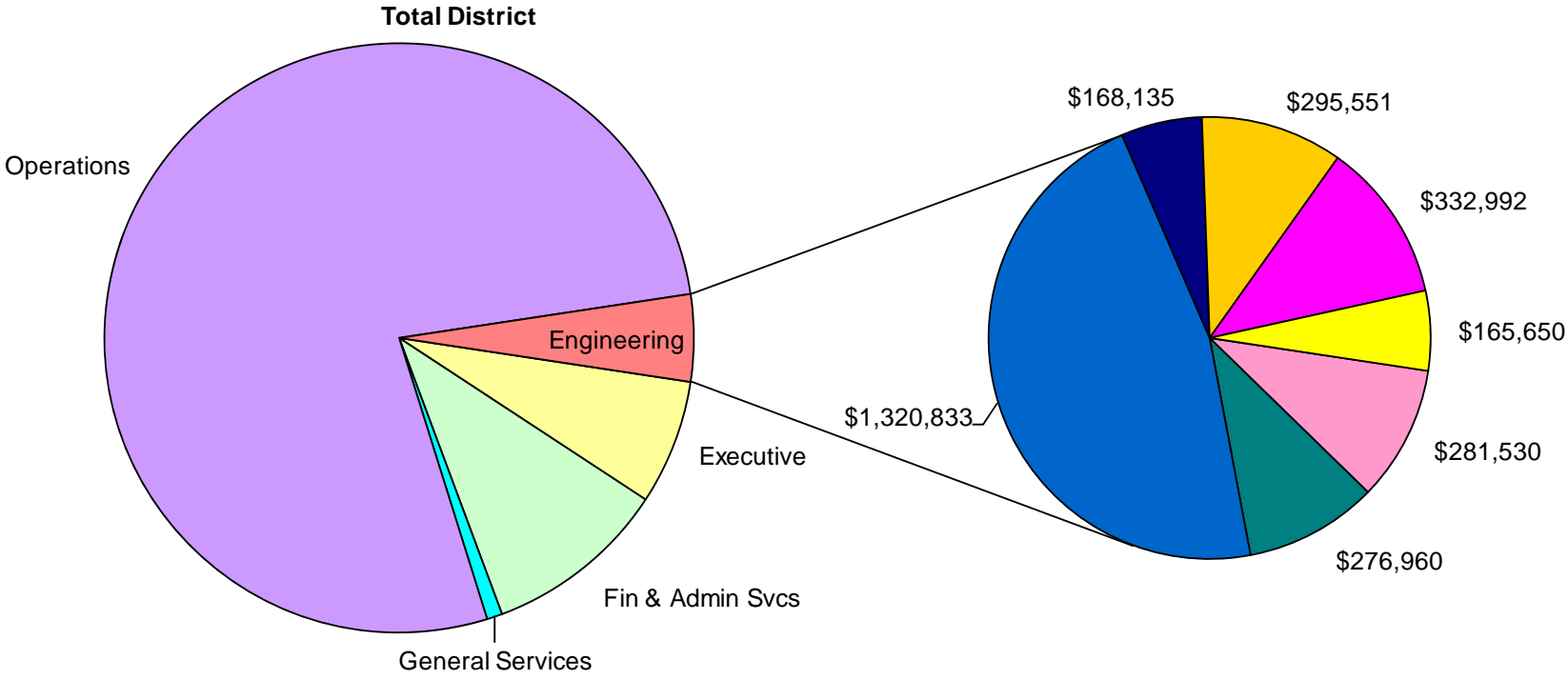


TOTAL: 19.5 EMPLOYEES

**CUCAMONGA VALLEY WATER DISTRICT
ENGINEERING DEPARTMENT
PERSONNEL DISTRIBUTION**

Water Fund	Sewer Fund	Recycled Water Fund	Capital Fund	13-14	Division	12-13	11-12	10-11	09-10	08-09	07-08
0.825	0.6	0.075	0	1.5	Administration	1.5	1.5	1.5	1.5	2	2
1.5	0.4	0.1	0	2	GIS Systems	2	2	2	2	3	3
1.575	0.42	0.105	7.5	9.6	Design	9	9	8	9	10	9
0.55	0	0.45	0	1	Water Resources	1	1	1	1	2	2
0.15	0.04	0.01	1.8	2	Inspection	2	2	2	2	3	3
0	2.4	0	0	2.4	Industrial Waste	3	3	3	3	3	3
0.75	0	0	0.25	1	Cross-Connection	1	1	1	1	1	1
5.35	3.86	0.74	9.55	19.5	Engineering Total	19.5	19.5	18.5	19.5	24	23

Engineering Department FYE 2014



CUCAMONGA VALLEY WATER DISTRICT
ENGINEERING DEPARTMENT
For the Fiscal Year Ending June 30, 2014

Department	Budget	% of Total
Executive	\$ 4,082,799	6.9%
Financial & Administrative Services	6,008,298	10.1%
General Services	504,431	0.8%
Engineering	2,841,651	4.8%
Operations	46,128,014	77.4%
Total Operating Budget	\$ 59,565,193	100.0%

Budget by Division	Water Funds		Sewer Funds		Recycled Water Funds		Total All Funds	
	Budget	% of Total	Budget	% of Total	Budget	% of Total	Budget	% of Total
Operating Fund								
Administration	\$ 167,764	5.9%	\$ 102,050	3.6%	\$ 11,716	0.4%	\$ 281,530	9.9%
GIS Systems	217,887	7.7%	47,260	1.7%	11,813	0.4%	276,960	9.7%
Design	248,654	8.8%	63,277	2.2%	63,896	2.2%	375,827	13.2%
Water Resources	102,643	3.6%	-	-	65,492	2.3%	168,135	5.9%
Inspection	33,760	1.2%	9,201	0.3%	14,351	0.5%	57,312	2.0%
Industrial Waste	-	-	332,992	11.7%	-	-	332,992	11.7%
Cross Connection	129,561	4.6%	-	-	-	-	129,561	4.6%
<i>Sub-Total</i>	<u>900,269</u>	<u>31.7%</u>	<u>554,780</u>	<u>19.5%</u>	<u>167,268</u>	<u>5.9%</u>	<u>1,622,317</u>	<u>57.1%</u>
Capital Fund								
Administration	\$ -	-	\$ -	-	\$ -	-	\$ -	-
GIS Systems	-	-	-	-	-	-	-	-
Design	746,057	26.3%	198,949	7.0%	-	-	945,006	33.3%
Water Resources	-	-	-	-	-	-	-	-
Inspection	188,082	6.6%	50,157	1.8%	-	-	238,239	8.4%
Industrial Waste	-	-	-	-	-	-	-	-
Cross Connection	36,089	1.3%	-	-	-	-	36,089	1.3%
<i>Sub-Total</i>	<u>970,228</u>	<u>34.1%</u>	<u>249,106</u>	<u>8.8%</u>	<u>-</u>	<u>-</u>	<u>1,219,334</u>	<u>42.9%</u>
Total	<u>1,870,497</u>	<u>65.8%</u>	<u>803,886</u>	<u>28.3%</u>	<u>167,268</u>	<u>5.9%</u>	<u>2,841,651</u>	<u>100.0%</u>

CUCAMONGA VALLEY WATER DISTRICT
ENGINEERING DEPARTMENT
SUMMARY BY ACCOUNT

For the Fiscal Year Ending June 30, 2014

Account Number	Account Title	Water	Sewer	Recycled Water	Total
10-XX	Salaries and Wages	\$ 1,104,235	\$ 481,692	\$ 104,033	\$ 1,689,960
12-XX	District Burden	606,438	270,139	63,235	939,812
18-XX	Outside Labor	-	-	-	-
20-XX	Professional Development	48,465	6,325	-	54,790
25-XX	Professional Services	21,840	5,000	-	26,840
27-XX	Advertisements	-	-	-	-
30-XX	Personnel Costs	1,600	-	-	1,600
40-XX	Utilities	10,660	9,230	-	19,890
45-XX	Materials & Supplies	57,609	15,100	-	72,709
50-XX	Equipment Depreciation	-	-	-	-
55-XX	Outside Services	10,000	12,000	-	22,000
60-XX	Safety	4,950	2,450	-	7,400
79-XX	Miscellaneous	1,700	200	-	1,900
80-XX	Other - Capital Equipment	3,000	1,750	-	4,750
Totals		\$ 1,870,497	\$ 803,886	\$ 167,268	\$ 2,841,651

OPERATIONS DEPARTMENT

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OPERATIONS DEPARTMENT

Department Mission Statement: To operate and maintain the District's water treatment, water transmission, water distribution, wastewater collection, and recycled water distribution systems effectively and efficiently, while also providing fleet and building maintenance services internally.

Department Goals & Objectives

Overview

The Operations Department has the overall responsibility to deliver a safe and reliable source of drinking water and provide reliable wastewater collection services to its customers while meeting the current and future demands of a growing community. The Operations Department is comprised of six Divisions as follows:

Water Treatment: Division responsibilities include District-wide water quality monitoring, state and federal drinking water regulatory compliance, and the operation and maintenance of three (3) surface water treatment facilities: the Lloyd W. Michael Treatment Plant, a 60-Million Gallon per Day (MGD) conventional treatment facility, the Royer-Nesbit Treatment Plant, an 11-MGD conventional treatment facility, and the Arthur H. Bridge Treatment Plant, a 4-MGD filtration treatment facility. Water sources include local ground water, local surface water, and imported surface water.

Water Maintenance: Division responsibilities include the maintenance and repair of the District's water system infrastructure that includes mainlines, hydrants, valves, services, and implementation of preventative maintenance programs.

Sewer Maintenance: Division responsibilities include the maintenance and repair of the District's sewer collection system infrastructure that includes sewer mains, sewer laterals, lift stations, and implementation of preventative maintenance programs to monitor flows and clean the system.

Production: Division responsibilities include the operation, maintenance, and repair of the District's groundwater wells, pumping facilities, reservoirs, chlorination stations and telemetry (instrumentation & controls).

Facilities Maintenance: Division responsibilities include the maintenance, repair, and general upkeep of the District's buildings and equipment.

Vehicle Maintenance: Division responsibilities include the maintenance and repair of the District's vehicles and construction equipment.

Strategic Objectives

The Operations Department has a critical role in implementation of the District's Vision. The Operations Department endeavors to identify and implement strategic plans to enhance our local water supplies and energy conservation while utilizing innovative operational strategies. District staff has developed and implemented an annual Water Supply Plan that enables the District to effectively manage and forecast water supply needs throughout the year. As a result, staff has met the challenge to maximize our groundwater, local canyon, and tunnel sources in lieu of additional

imported water deliveries. In addition, staff is implementing the Water Treatment Master Plan that will address current and future state and federal regulatory requirements as they relate to the operation of the District's treatment facilities. Staff is also working closely with Southern California Edison (SCE) to identify new energy cost-saving measures, electrical rates, and energy management practices to minimize our power consumption during peak demands.

Fiscal and Budgetary Impacts

The Operations Department budget is approximately \$46.1 million, which accounts for approximately 77% of the District's overall operating expenses. Imported water deliveries from the Metropolitan Water District (MWD) are estimated at approximately \$18.7 million for Fiscal Year 2014 and our electrical expense is estimated at approximately \$4.5 million. Our goal is to provide a safe and reliable source of drinking water while minimizing the costs associated with continuing to provide a high level of service.

Staff's Water Supply Plan considers annual growth and increased water and sewer demands in our community while identifying an operational plan to strategically meet those demands through the enhancement of our local water supplies and by reducing the more costly imported deliveries from MWD. The challenge is to reduce deliveries of costly imported water supplies by strategically operating our system taking full advantage of our local water supplies and identifying potential projects/programs that will support our water supply goals.

The District is allotted 28,368 acre feet (AF) of water annually (1 AF is equal to 325,851 gallons) at the current MWD Tier 1 rate of \$593 per AF through December 31, 2013. While the District is not limited to only Tier 1 deliveries, deliveries exceeding this amount will be charged at the current Tier 2 rate of \$743 per AF. Effective January 1, 2014 these rates change to \$593/AF for Tier 1 and \$735/AF for Tier 2. In addition to the rates paid to MWD, IEUA collects an additional \$12/AF for administrative fees and services.

Departmental Work Plans:

District staff participated in the development of departmental work plans that were aligned with the District's Strategic Vision. The wide participation in the development of these plans was designed to demonstrate that all employees have a role in the accomplishment of the district, departmental and division work plans. The following goals are an established part of the Operations Department work plans.

1. The Operations Department maintains current and relevant documentation outlining standard operational procedures and related information to facilitate efficient and repeatable performance in all disciplines throughout the Division (SOP's, schematics and manuals).
2. The Operations Department integrates sustainable materials, methods and principles into all realms of its responsibility. We actively review our processes to ensure responsible stewardship of our natural resources and it is a key consideration throughout our daily activities.
3. The Operations Department constantly seeks to enhance internal and external communication to ensure that the dissemination of information is accurate, relevant, and timely. We support and collaborate with other divisions to continually develop and contribute to the progression of the organization.

4. The Water Treatment & Production Divisions continue to ensure that the District’s water treatment and production facilities provide a reliable, high quality water supply. The facilities are operated and maintained utilizing the most effective and efficient methods and practices available while meeting or exceeding all state and federal regulatory requirements. The Divisions operate in accordance with the District’s water supply strategy to ensure that relevant production allocation and budget goals are realized.
5. The Water Quality Division continues to ensure that all District drinking water sources and facilities meet or exceed all state and federal regulatory requirements. It monitors and reports all required operational data and prepares and submits requisite information as defined by existing and newly promulgated regulations.

Performance Measurements:

	FY 2009	FY 2010	FY 2011	FY 2012	Est. Current FY 2013	Est. Next FY 2014	Strategic Goal
OPERATIONS DEPARTMENT MEASURES							
Division Measures - Production							
Read or Verify all Production Meters in number of meters (102 per day)	26,520	26,520	26,520	26,520	26,520	26,520	Water
Preventative Maintenance on rotating equipment in number of equipment (e.g. wells and boosters)	327	519	362	0	408	606	Water
Division Measures - Facilities Maintenance							
HVAC Preventative Maintenance in number of buildings	32	32	32	32	32	32	Service
Division Measures - Water Maintenance							
1-inch poly services replacement program	400	401	450	276	253*	400	Water
Valve exercising program	3,150	3,500	3,801	1,389	2,780*	6,000	Water
Division Measures - Sewer Maintenance							
Total miles of sewer cleaned	413	413	400	189	413*	413	Service
Total miles of sewer video inspection	76	76	76	37	48*	85	Service
Number of sanitary sewer overflows	1	0	0	0	0	0	Service

Division Measures - Fleet Maintenance							
Scheduled preventative maintenance work orders for fleet and equipment	276	276	375	168	300*	300	Service
Repair (unscheduled) work orders for fleet and equipment	360	368	332	245	265*	0	Service
Division Measures – Treatment/Water Quality							
Monthly Total Coliform Detections**	0.8%	0.8%	0.8%	0%	0%	0%	Water
Treated Groundwater Nitrate Concentration	28 mg/L	30 mg/L	27 mg/L	34 mg/L	<=36 mg/L	<=36mg/L	Water
Treated Groundwater DBCP Concentration	0.13 ug/L	0.15 ug/L	0.15 ug/L	0.13 ug/L	<=0.16 ug/L	<=.16ug/L	Water
Treated Groundwater Perchlorate Concentration	0 ug/L	0 ug/L	0 ug/L	0 ug/L	<=4.8 ug/L	<=4.8ug/L	Water
Surface Water Treatment Turbidity < 0.3 NTU**	100%	100%	100%	100%	100%	100%	Water
Title 22 Primary Standard Violations**	0	0	0	0	0	0	Water
Title 22 Secondary Standard Violations**	0	0	0	0	0	0	Water

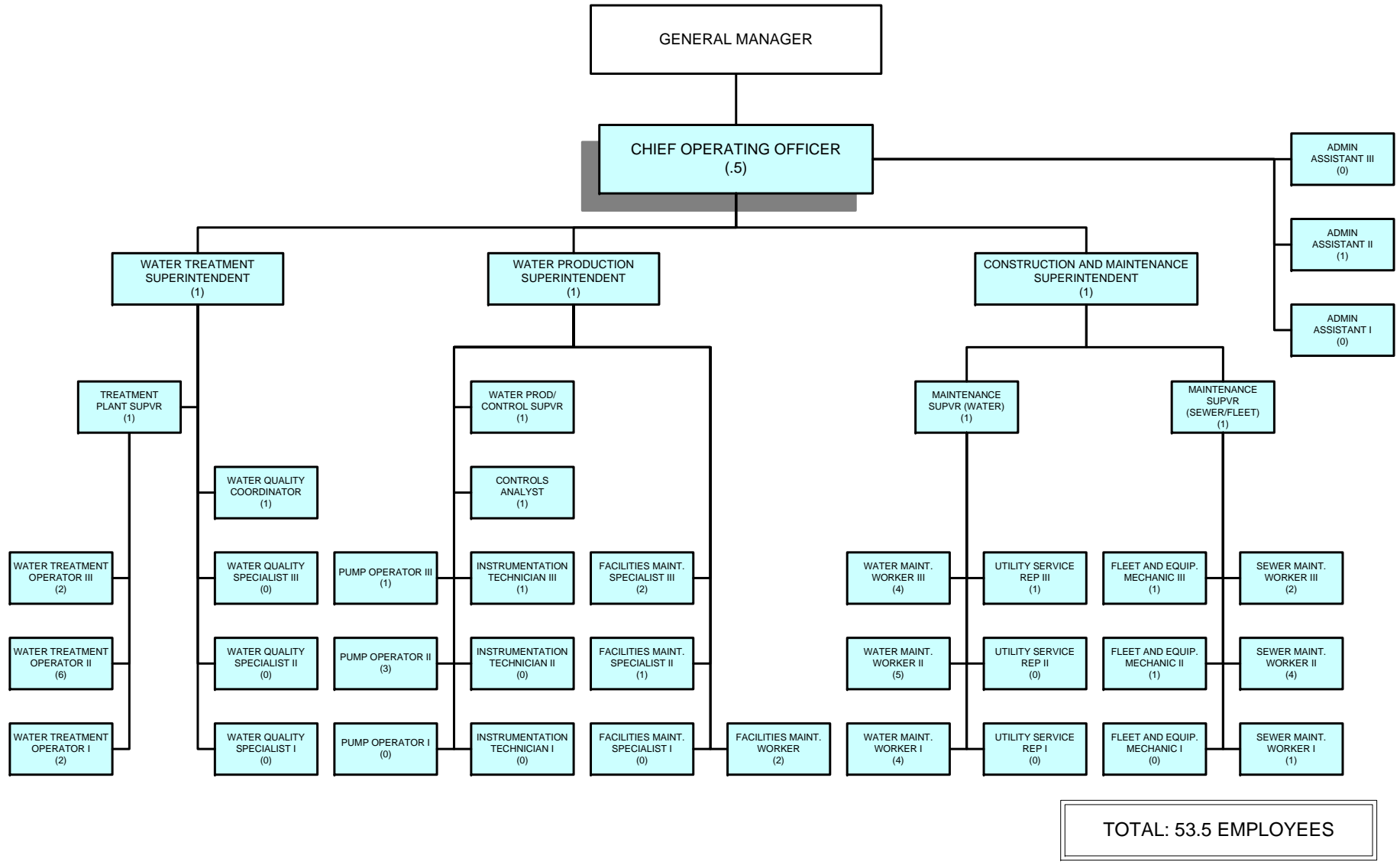
*Through first half of fiscal year (6 months)

** Calendar year

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OPERATIONS DEPARTMENT ORGANIZATIONAL CHART

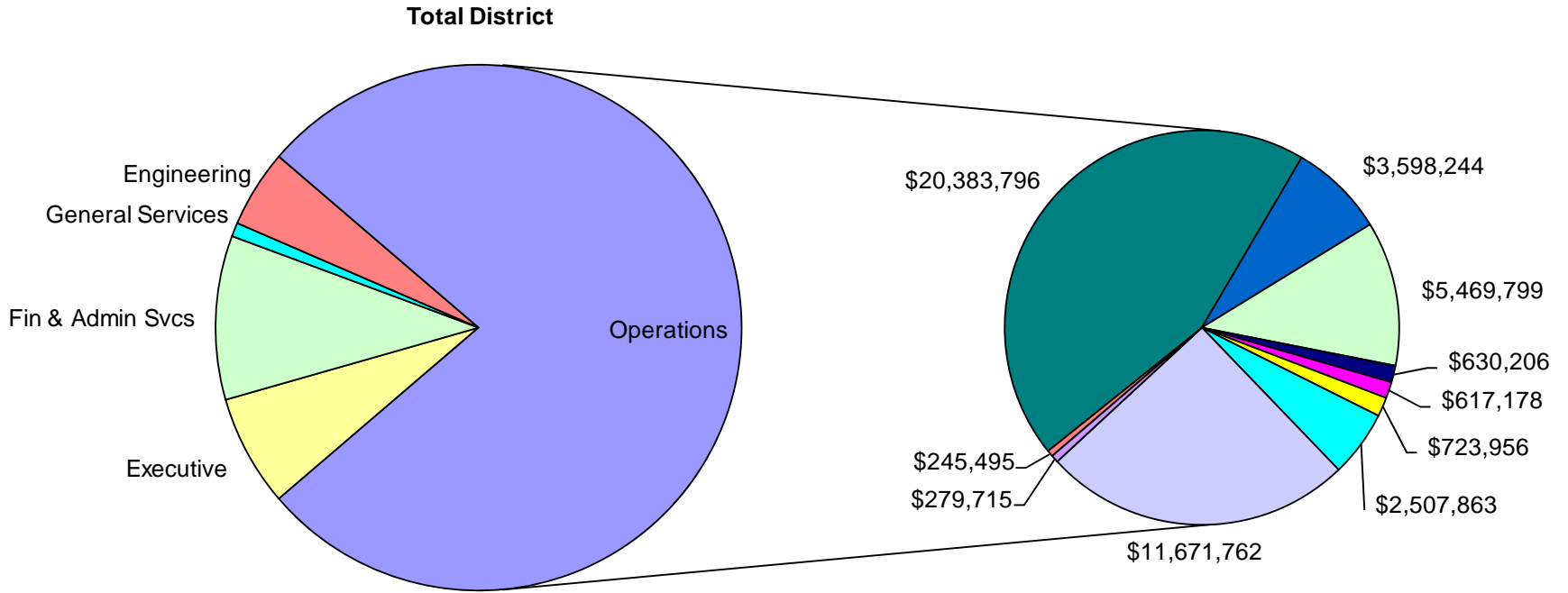
For the Fiscal Year Ending June 30, 2014



**CUCAMONGA VALLEY WATER DISTRICT
OPERATIONS DEPARTMENT
PERSONNEL DISTRIBUTION**

Water Fund	Sewer Fund	Recycled Water Fund	Capital Fund	13-14	Division	12-13	11-12	10-11	09-10	08-09	07-08
0.9	0.6	0	0	1.5	Administration	1.5	1.5	1.5	1.5	1	2
13	0	0	0	13	Water Treatment	13	13	12	12	14	14
4.5	0	0	0	4.5	Pumping	4.5	4.5	4.5	5.5	5.5	5.5
3.5	0	0	0	3.5	Technical Support (Telemetry)	2.5	2.5	2.5	2.5	2.5	2.5
5	0	0	0	5	Facilities	5	5	5	3	3	3
1.54	0.51	0	0	2.05	Vehicle & Equip. Maintenance	2	2	2	2	2	2
15.25	0	0	0	15.25	Water Distribution	15.25	15.25	16.25	16.25	16.25	16.25
0	8.7	0	0	8.7	Sewer Collection & Transmission	8.75	8.75	8.75	8.75	8.75	8.75
43.6875	9.8125	0	0	53.5	Operations Total	52.5	52.5	52.5	51.5	53	54

Operations Department FYE 2014



Administration	Source of Supply	Water Treatment	Pumping
Telemetry	Facilities	Vehicle & Equip Maint	Water Distribution
Collection & Trans	Recycled Water		

CUCAMONGA VALLEY WATER DISTRICT
OPERATIONS DEPARTMENT
For the Fiscal Year Ending June 30, 2014

Department	Budget	% of Total
Executive	\$ 4,082,799	6.9%
Financial & Administrative Services	6,008,298	10.1%
General Services	504,431	0.8%
Engineering	2,841,651	4.8%
Operations	46,128,014	77.4%
Total Operating Budget	\$ 59,565,193	100.0%

Budget by Division	Water Funds		Sewer Funds		Recycled Water Funds		Total All Funds	
	Budget	% of Total	Budget	% of Total	Budget	% of Total	Budget	% of Total
Operating Fund								
Administration	\$ 151,034	0.3%	\$ 94,461	0.2%	\$ -	-	\$ 245,495	0.5%
Source of Supply	20,383,796	44.2%	-	-	-	-	20,383,796	44.2%
Water Treatment	3,598,244	7.8%	-	-	-	-	3,598,244	7.8%
Pumping	5,469,799	11.9%	-	-	-	-	5,469,799	11.9%
Telemetry	630,206	1.4%	-	-	-	-	630,206	1.4%
Facilities	617,178	1.3%	-	-	-	-	617,178	1.3%
Vehicle & Equipment Maintenance	587,675	1.3%	136,281	0.3%	-	-	723,956	1.6%
Water Distribution	2,492,863	5.4%	-	-	15,000	0.0%	2,507,863	5.4%
Collection & Transmission	-	-	11,671,762	25.3%	-	-	11,671,762	25.3%
Recycled Water	-	-	-	-	279,715	0.6%	279,715	0.6%
<i>Sub-Total</i>	33,930,795	73.6%	11,902,504	25.8%	294,715	0.6%	46,128,014	100.0%
Capital Fund								
Administration	\$ -	-	\$ -	-	\$ -	-	\$ -	-
Source of Supply	-	-	-	-	-	-	-	-
Water Treatment	-	-	-	-	-	-	-	-
Pumping	-	-	-	-	-	-	-	-
Telemetry	-	-	-	-	-	-	-	-
Facilities	-	-	-	-	-	-	-	-
Vehicle & Equipment Maintenance	-	-	-	-	-	-	-	-
Water Distribution	-	-	-	-	-	-	-	-
Collection & Transmission	-	-	-	-	-	-	-	-
Recycled Water	-	-	-	-	-	-	-	-
<i>Sub-Total</i>	-	-	-	-	-	-	-	-
Total	33,930,795	73.6%	11,902,504	25.8%	294,715	0.6%	46,128,014	100.0%

CUCAMONGA VALLEY WATER DISTRICT
OPERATIONS DEPARTMENT
SUMMARY BY ACCOUNT

For the Fiscal Year Ending June 30, 2014

Account Number	Account Title	Water	Sewer	Recycled Water	Total
10-XX	Salaries and Wages	\$ 3,407,505	\$ 721,871	\$ -	\$ 4,129,376
12-XX	District Burden	2,054,095	443,344	-	2,497,439
18-XX	Outside Labor	-	-	-	-
20-XX	Professional Development	41,405	10,100	-	51,505
25-XX	Professional Services	2,500	-	-	2,500
35-XX	Collections	-	-	-	-
40-XX	Utilities	4,587,691	8,500	-	4,596,191
45-XX	Materials & Supplies	2,285,594	87,400	15,000	2,387,994
50-XX	Equipment Depreciation	-	-	-	-
55-XX	Outside Services	1,078,719	10,550,989	-	11,629,708
60-XX	Safety	49,670	6,000	-	55,670
70-XX	Purchased Water	20,343,796	-	279,715	20,623,511
79-XX	Miscellaneous	50,220	2,500	-	52,720
80-XX	Other - Capital Equipment	29,600	71,800	-	101,400
Totals		\$ 33,930,795	\$ 11,902,504	\$ 294,715	\$ 46,128,014

APPENDIX

CUCAMONGA VALLEY WATER DISTRICT

GLOSSARY OF TERMS & ACRONYMS

For the Fiscal Year Ending June 30, 2014

Account – A systematic arrangement showing the effect of a business transaction. A separate account exists for each asset, liability, equity, revenue, and expense.

Accrual Basis of Accounting – The method of recording financial transactions in the accounting period in which revenues are earned and expenses are incurred, rather than only after cash is received or paid.

Acre-Foot (AF) – The volume of water that would cover one acre to a depth of one foot. Equal to 325,949 gallons or 435.6 hundred cubic feet of water.

Adoption – Formal action by the Board of Directors which sets the spending limits for the fiscal year.

AF – See acre-foot.

AGM – Assistant General Manager.

AGMEA – Assistant General Manager for External Affairs.

AHBWTP – Arthur H. Bridge Water Treatment Plant

Amortization – The paying off of debt in regular installments over a period of time.

AMR – See Automated Meter Reading.

Appropriation – The act of setting aside money for a specific purpose

Assets – Resources owned or held by an entity which have monetary value.

Automated Meter Reading (AMR) – The technology of automatically collecting data from water meter devices.

Balanced Budget – A budget for which expenses are equal to income.

Budget – The District's financial plan balancing proposed expenses for a certain period of time to the expected revenue for that same period.

CAD – See computer-aided design.

CalPERS – California Public Employees Retirement System

Capital Expenses – Expenses which result in the acquisition of, or addition to, fixed assets, including land, buildings, improvements, machinery and equipment.

Capital Improvement Project (CIP) – An addition of a new pipeline or facility, a renovation or major maintenance to existing facilities, a major landscape improvement, land, or one-time major equipment purchase.

CIP – See Capital Improvement Project.

Computer Aided design (CAD) – The use of a wide range of computer-based tools that assist engineers, engineering technicians, and other design professionals in their design activities.

CAFR – See Comprehensive Annual Financial Report.

Comprehensive Annual Financial Report (CAFR) – The official annual report, including financial statements, statistical information, and extensive narration, which goes beyond the minimum financial reporting.

Certificates of Participation (COP) – A form of lease-purchase financing used to construct or acquire capital facilities and equipment.

Computerized Maintenance Management System (CMMS) – A software application which maintains a database of information about the District’s maintenance operations. This information is intended to help maintenance workers do their jobs more effectively and to help management make informed decisions.

COP – See Certificates of Participation.

CMMS – See Computerized Maintenance Management System

CVWD – Cucamonga Valley Water District.

Debt – The repayment cost, usually stated in annual terms and based on an amortization schedule, of the principal and interest on long-term debt.

Depreciation – A portion of the cost of a fixed asset which is charged as an expense during a year, representing an estimate of the value of the asset used up during that year as a result of wear, deterioration, obsolescence, or action of the physical elements.

DGM – Deputy General Manager.

EDU – See Equivalent Dwelling Unit.

EOC – See Emergency Operation Center.

Endpoint – A two-way radio communication device attached to a water meter for the collection of meter data in a fixed network.

Enterprise Fund – A fund which accounts for the financing of a self-supporting enterprise for which a fee is charged to external users for goods or services.

Emergency Operation Center (EOC) – A central command and control facility responsible for carrying out the principles of emergency preparedness and emergency management, or disaster management functions at a strategic level in an emergency situation, and ensuring the continuity of operation of the District.

Equivalent Dwelling Unit (EDU) – A standard unit of measurement of water discharged into the sewer collection and treatment system equal to the average discharge from a detached single-family unit.

Expenses – An outflow of assets, not necessarily in cash, in exchange for materials or services received for the ordinary course of business.

Federal Emergency Management Agency (FEMA) – an agency of the United States Government. Its purpose is to coordinate the response to a disaster which has occurred within the United States and which overwhelms the resources of local and state authorities.

FEMA – See Federal Emergency Management Agency.

Fiscal Year – A twelve-month period of time to which the annual budget applies and, at the end of which an entity determines its financial position and the results of its operations, in this case from July 1 to June 30.

Fixed Asset – A tangible item which provides benefit over more than one year, such as property, plant, and equipment.

Fixed Network (FN) – A wireless network technology which allows the remote collection of data from water meter devices.

FN – See Fixed Network.

Fund – A set of accounts used to account for a specific activity, such as a water system or sewer treatment plant.

Fund Balance – The difference between the assets and liabilities for a particular fund at any given point in time.

GAAP – See Generally Accepted Accounting Principles.

General Fund – Operating fund.

Generally Accepted Accounting Principles (GAAP) – The uniform accounting principles, standards, and procedures for the presentation of financial reports. For local governments, GAAP is set by the Government Accounting Standards Board.

Geographical Information System (GIS) – An information system integrating maps with electronic data.

GIS – See Geographical Information System.

GPS – Global Positioning System.

Hundred cubic feet (HCF) – Unit of measure of water volume equivalent to 748 gallons or 1/435.6 acre-feet.

HCF – See Hundred cubic feet.

IEUA – See Inland Empire Utilities Agency.

Inland Empire Utilities Agency (IEUA) – A supplemental water supplier and regional wastewater treatment agency with domestic and industrial disposal systems and energy recovery/production facilities

LEED® – Leadership in Energy and Environmental Design. LEED® is a third-party certification program and the nationally accepted benchmark for the design, construction, and operation of high-performance green buildings.

LWMWTP (or LMWTP) – Lloyd W. Michael Water Treatment Plant.

Metropolitan Water District of Southern California (MWD) – Imports water from the Colorado River and Northern California Bay Delta and sells it at wholesale to its member agencies.

MGD – Million gallons per day.

MICU – Mobile Incident Command Unit.

MWD – See Metropolitan Water District of Southern California.

Operating Expenses – All costs associated with doing the day-to-day business of the District which are not considered capital improvements or debt repayments.

PARS – Public Agency Retirement Service. A supplemental retirement plan.

Payment Card Industry (PCI) – More specifically, the Payment Card Industry Security Standards Council, an independent council originally formed with the goal of managing the ongoing evolution of the Payment Card Industry Data Security Standard.

PCI – See Payment Card Industry.

Projected – An estimate of revenues and/or expenses based on past trends, the present economic situation, and future financial forecasts.

Reserves – Assets that are set aside in an account for a specific future use.

Resolution – A special or temporary order of a legislative body; an order of a legislative body requiring less legal formality than an ordinance or statute.

Reserves – Assets that are set aside in an account for a specific future use.

Rolling Budget Process – A progressive approach to the budgeting process which divides the budget into four major sections: (1) wages and benefits, (2) operating expenses, (3) revenues and rates, and (4) capital projects. One section is addressed each quarter of the fiscal year, thereby allowing the Board of Directors and staff to place a greater emphasis on each of the four areas.

SCADA – See Supervisory Control And Data Acquisition.

SOPs – Standard Operating Procedures.

Supervisory Control And Data Acquisition (SCADA) – A large-scale, distributed measurement and control system.

Southern California Edison (SCE) – The primary electricity supply company for much of Southern California.

SoS – Source of Supply.

SCE – See Southern California Edison.

SMP – Sustainability Master Plan.

Strategic Vision Goals – A broad set of policy objectives or strategies set forth by the Board of Directors for the future direction of the District.

SWATER Team – Saving Water and Teaching Environmental Responsibility Team. A team is comprised of CVWD staff from customer service, conservation, engineering, water resources and public affairs. The SWATER team works with customers and their landscape contractors to completed extensive audits of the outdoor premises, identifying water leaks, inefficiencies in irrigation, landscape modifications improvements, and opportunities for future recycled water use.

SWOT Analysis – A strategic planning method used to evaluate the Strengths, Weaknesses, Opportunities, and Threats involved in a project or plan. It involves specifying the objective of the project and identifying the internal and external factors that are favorable and unfavorable to achieving that objective.

Vulnerability Assessment – The examination of a system to identify critical infrastructure or related components that may be at risk of attack and the procedures that can be implemented to reduce that risk.