



**Cucamonga Valley Water District  
Rancho Cucamonga, California**

# **Annual Operating & Capital Improvement Budget**

**For the Fiscal Year Ending June 30, 2017**



# **ANNUAL OPERATING & CAPITAL IMPROVEMENT BUDGET**

FOR THE FISCAL YEAR ENDING JUNE 30, 2017

**CUCAMONGA VALLEY WATER DISTRICT**

10440 ASHFORD STREET  
RANCHO CUCAMONGA, CALIFORNIA  
(909) 987-2591

*Service Beyond Expectation®*



# CUCAMONGA VALLEY WATER DISTRICT

## ANNUAL OPERATING AND CAPITAL IMPROVEMENT BUDGET

For the Fiscal Year Ending June 30, 2017

(Page numbers are hyperlinked)

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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
<b>Service</b> – 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"> <li>• Dependable</li> <li>• Responsive</li> <li>• High Expectation</li> <li>• Concierge</li> <li>• Value</li> </ul>
<b>Water</b> – We provide a sustainable water supply that is safe, cost effective and reliable for our customers.	<ul style="list-style-type: none"> <li>• Cost-Effective</li> <li>• High Quality</li> <li>• Sustainable</li> <li>• Reliable and diversified</li> <li>• Stewardship</li> </ul>
<b>People</b> – 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"> <li>• Innovative</li> <li>• Purposeful</li> <li>• Self-management</li> <li>• Well-informed</li> <li>• Invested</li> </ul>

### Values

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

Description	Characteristics
<b>Accountability</b> – 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"> <li>• Ownership</li> <li>• Solution based thinking</li> <li>• Think forward</li> <li>• Shared responsibility</li> </ul>
<b>Communication</b> – 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"> <li>• Timely fluid messaging</li> <li>• Two-way communication</li> <li>• Listening</li> <li>• Focused and personalized</li> <li>• Technology driven</li> </ul>
<b>Customer Service</b> – Our internal and external customer service is provided in a cooperative and collaborative approach, exceeding customer expectations.	<ul style="list-style-type: none"> <li>• Internal/External</li> <li>• Cooperative and collaborative</li> <li>• Responsive teamwork</li> <li>• Service Beyond Expectation</li> </ul>

# CUCAMONGA VALLEY WATER DISTRICT

## CERTIFICATES OF AWARD

Operating & Capital Improvement Budget for FY2017

The Government Finance Officers Association of the United States and Canada (GFOA) presented the award of Distinguished Budget Presentation Award to the Cucamonga Valley Water District for the annual budget for the fiscal year beginning July 1, 2015. In order to receive this award a governmental unit must publish a budget document of the very highest quality that adheres to program standards. The award is valid for a period of one year only. The District has received this award every year since the fiscal year beginning July 1, 2007. We believe the FY 2017 budget continues to meet the program requirements and will be submitted to the GFOA to determine its eligibility for another award.



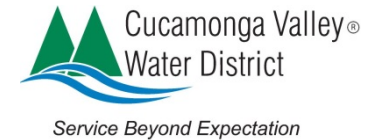
**CUCAMONGA VALLEY WATER DISTRICT**  
**CERTIFICATES OF AWARD (CONTINUED)**  
Operating & Capital Improvement Budget for FY2017

The California Society of Municipal Finance Officers (CSMFO) recognizes those entities with highly professional budget documents with two levels of certificates. The first level is the “Meritorious Budget Award”, which requires the entity to meet a very specific list of criteria defined by the CSMFO. The second level is the “Operating Budget Excellence Award”, which requires the entity to meet an even higher criterion which effectively enhances the usability of the budget document. The award is valid for a period of one year only. The District has received this award every year since fiscal year 2006-2007. We believe the FY 2017 budget continues to meet the program requirements and will be submitted to the CSMFO to determine its eligibility for another award.



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June 14, 2016



## FISCAL YEAR 2017 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 **2017 Fiscal Year Operating and Capital Improvement Budget**. Within this document you will learn about some of the new initiatives, projects and organizational priorities that will be the District's focus over the next fiscal year. These priorities will help ensure the District's ability to continue to meet our customer's water supply, water quality, wastewater, and service expectations. Our commitment to provide customers with a quality product and service at a reasonable price is the District's mission. Each year District staff makes careful consideration in its budget development to ensure that our mission, strategic goals and commitments are allocated with financial resources. This budget provides the financial plan to implement the District's commitment to our customers and stakeholders, as well as to provide the necessary resources to achieve our operational, water resource, and management goals for the next fiscal year and beyond.

The District's headquarters are located in the City of Rancho Cucamonga, which is considered to be the western boundary of the Inland Empire. The Inland Empire covers more than 27,000 square miles and includes the entirety of San Bernardino and Riverside Counties. Our region was particularly impacted during the economic downturn; however, the region has rebounded in 2013 continuing through the present date. The District continues to see an increase in construction development with a mixture of commercial, single family residential and multi-family development. According to Dr. John Husing, a local economist, new jobs have rebounded to eight percent (8.0%) above the pre-recession high in 2007 and unemployment is forecasted to drop to 5%. The Inland Empire's outlook continues to be positive.

### ***Impacts of the Statewide Drought***

The single-most important initiative for the District over the past two years has been our response to the statewide drought. On January 17, 2014 Governor Brown declared a drought state of emergency and directed state officials to take necessary actions to prepare for drought conditions. CVWD quickly responded by moving to a Stage 2 Water Alert and began communicating with customers about ways to reduce their water usage. On April 1, 2015 the Governor signed Executive Order B-29-15 that communicated a further need for conservation due to the severity of the drought. He directed the State Water Resources Control Board (SWRCB) to impose mandatory restrictions in order to achieve a statewide 25% reduction in potable urban water use through February 26, 2016. On May 5, 2015 the SWRCB issued mandates for water suppliers throughout the state to conserve between 8% and 36% of their water usage compared to usage in 2013. CVWD was directed to reduce overall consumption by 32% and the District's Board declared a Drought Stage 6 – Severe Water Emergency requiring customers to reduce water usage by 35%.

As of June 1, 2016 the District’s customers have saved 26.8% during the compliance period of June 1, 2015 to May 31, 2016. These results could not have been achieved without the concerted efforts by our customers. CVWD placed a large work effort towards communicating the drought mandates, as well as sharing the conservation results achieved by our customers. Our Communication and Outreach team sent direct mailers, inserted bill messages, rented portable traffic signs, and reserved space on a digital billboard to name a few of the outreach efforts. Staff met with large customers and provided information about rebates and other services to help them achieve their conservation goals. CVWD also sponsored a \$300 Parkway Turf Replacement Rebate to customers who removed grass in their parkways and replaced the grass with low water using materials. To date, 48 customers have completed their parkway projects with more customers in process.



As the District looks ahead to Fiscal Year 2017, the statewide drought mandates have recently changed. On May 18, 2016 the SWRCB has moved away from a state-issued conservation mandate to a locally-driven, supply based assessment process. The District and other water providers are in the process of a self-certification calculation that compares water supply against customer demands. If a shortfall exists, new conservation mandates will make-up the difference. Through strategic planning over the past twenty years, the District’s goal of improving and expanding local water supplies will now benefit the customers in our service area. Over the next two weeks, the District expects to self-certify that all customers’ demands can be met without drought restrictions. The District supports long-term policies that promote and emphasize local discretion in response to drought conditions.

***Strategic Goals and Priorities***

In 2012, the Cucamonga Valley Water District redefined its foundational principles emphasizing ***People, Water*** and ***Service***. Our commitment is to utilize these foundational principles as a guide in our decision-making process, both in the short-term and long-term. These guiding principles help us to secure a reliable water supply for our customers, provide ***Service Beyond Expectation***, and allow our agency to attract and retain a quality workforce that supports the vision and values.

During the first quarter of each calendar year staff conducts a study session with our Board of Directors to create our strategic goals and objectives for the near and long-term. Staff presents a number of items to the Board who validates their significance in future work plans. In addition, each of these goals are evaluated to ensure alignment with the foundational principles. These strategic goals and objectives are programmed into the appropriate year’s budget process to ensure that resources are allocated to achieve those goals.



The District’s response to the statewide drought is an excellent example of strategic leadership throughout the years. As mentioned previously the District has made efforts each year to expand and maximize local water resources. Almost twenty years ago the District purchased a significant amount of local groundwater rights. These rights have allowed the District to shift our production mix from expensive imported water to a more affordable local water supply. This shift in expenses has helped keep the District’s rates as low as possible, especially during last year’s drought response.

In addition to this annual process, the District incorporates the financial goals and objectives into the budget process. Over the past five years the District has made an effort to review existing financial policies and create new policies to better guide the District's actions and to improve financial management and stability. An example of this is the creation of the Reserve and Financial Benchmark Policy. This policy clearly defines minimum and maximum reserve amounts and provides target goals for the debt ratio, credit rating, number of day's cash and capital improvement funding levels (i.e. PayGo or borrowed funds). These goals are evaluated each year and the District has seen marked improvement in the benchmarks since the inception of this policy. On January 27, 2016, the District's senior debt obligations received a rating upgrade of AA<sup>+</sup> from Standard & Poor's. The District's subordinate debt also received an upgrade to AA. Lastly, on May 24, 2016 the Board of Directors approved an update to this policy and created a new reserve account, Local Water Resource Development, which will continue to support the District's strategic goal of reducing reliance on imported water.

Financial stability and certainty is important to the District, and like many other water agencies the majority of our costs are fixed in nature. In FY2016, the District's fixed costs represented 62% of all operating expenses, while only 22% of the District's operating revenues came from fixed sources (i.e. meter charges). This dichotomy has been a concern for the past several years and in 2015 the Board of Directors approved incremental and moderate rate increases that shift more revenue from variable sources to fixed sources. This strategic initiative has helped the District meet its financial benchmark goals, as well as providing for a more stable financial condition especially in times of drought or economic distress.

In FY2017 the District will embark on a study to determine if budget-based water rates are a viable alternative to the traditional tiered water rates that have been employed by the District since 2008. The District has received an Integrated Regional Water Management Grant funded by Proposition 84 through the Santa Ana Watershed Project Authority. This investigation and analysis of conservation-based rates also support the District strategic mission of providing a reliable water supply to our customers.

Also in FY2017, the District's Engineering staff will bring the Water and Wastewater Masterplans to the Board of Directors for review and approval. These Masterplan documents will provide the last piece of information to be incorporated into the Long-Term Financial Model that is underway. This financial modeling will provide the District with valuable information in order to make early changes to our course of action.

Workforce planning is another area that has received a substantial amount of attention during the past several years. The District worked with a consultant to formulate a Wage and Benefit Model that not only provides financial information into the future, but provides information on key outflows of the labor force due to the retirement of our Baby Boomer employees. This model has helped the District create succession plans for these positions. The District created the internal Employee Cross Training program, as well as a partnership with San Bernardino Valley College to employ non-paid interns. The District has permanently hired three of these interns.

Another facet of succession planning is the leadership development of our staff to fill supervisory and management-level positions. In 2015 the District embarked on a leadership training program to improve the knowledge, skills and abilities of our workforce that may fill these positions. The District has partnered with other local agencies to share in the cost of professional speakers that perform a high level of this very important training. This leadership development program directly supports our strategic vision goal of encouraging and developing an innovative and self-managed workforce.

### ***Key Factors Impacting the Budget***

The impact of the statewide drought is still a major driver of the FY2017 budget. Although the Board of Directors has not yet adopted a new drought stage, staff has anticipated and incorporated into this budget document that the District will be at a Stage 1 conservation level starting on July 1, 2016. Drought Stage 1 calls for zero conservation; however, several end-user requirements are still in place that emphasize the wise and efficient use of water. It is unknown what level of water conservation will persist throughout the year, so included in this budget is a factor of 12.5% conservation. These estimates were used for both water production expenses, as well as operating revenue projections.

Overall, the FY2017 budget is based on operating revenues of \$82,784,421 and operating expenses of \$59,523,922 for all funds, which reflect increase of 6.5% and 7.6% respectively over last year's budget submittal. New requests in Capital Improvement Project (CIP) budget include Water Capital funding of \$16,228,000, Sewer Capital funding of \$2,631,000, and Recycled Water Capital funding of \$150,000, for a total investment of \$19,009,000 in District-wide infrastructure. These projects represent a decrease of 13.1 %, 39.2 %, and 0 % in the Water, Sewer, and Recycled Water Funds respectively, for an overall decrease of 17.9%. The Capital Budget also includes \$3,164,100 for funding for the carryover of multi-year projects and a total of \$164,000 from outside funding sources. Total revenues and expenses of \$146,355,460 are budgeted, each representing a decrease of 5.8% compared to last year's submittal.

Capital projects are closely tied to the District's strategic plans. Key capital projects that support reliability of local water supplies include the Cucamonga Basin Management Plan (\$250,000), Reservoir 3A Nitrate Wellhead Treatment Plant (\$4,600,000), Well #48 in the Chino Basin (\$2,000,000), and Reservoir 3A (\$2,000,000). An important project that supports the wise and efficient use of water is the District's Fixed Network/Meter Exchange Project (\$8,407,587). These projects signify a considerable work effort towards CVWD's mission "***To Provide High Quality, Safe, and Reliable Water and Wastewater Services, While Practicing Good Stewardship of Natural and Financial Resources.***"

### ***Budget Process***

The District employs a non-traditional approach to its annual budget process. This process spreads the budget development over much of the fiscal year allowing the Board of Directors and staff to take a critical look at each component of the budget. Each aspect of the budget is thoroughly reviewed through the Board Committee process so that when staff presents the final budget, all areas have already been vetted. Please refer to pages 34 of the budget for a detailed timeline of the process and the budget calendar.

### ***Conclusion***

The Cucamonga Valley Water District believes that its vision of ***People, Water and Service*** provides a meaningful, deliberate and proactive approach to managing our District and the precious resources entrusted to it. The District maintains transparency, responsiveness, and stewardship to our customers, stakeholders and employees. The budget incorporates resources for the carefully-planned priorities established for FY2017.

*Special Thanks*

I would like to thank the Cucamonga Valley Water District Board Committees who worked diligently to develop this budget and to the CVWD staff who have contributed to its development. Special thanks to the Finance staff including Jennifer Fillinger, Senior Accountant; Agnes Boros, Accounting Supervisor; Chad Brantley, Finance Manager; and Carrie Corder, Assistant General Manager/CFO.

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. 2016-6-1**

#### **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, 2017**

**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, 2017 (“2017 Budget”); and

**WHEREAS**, on June 14, 2016, the Board of Directors received and considered all comments regarding the proposed 2017 Budget; and

**WHEREAS**, the proposed 2017 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:

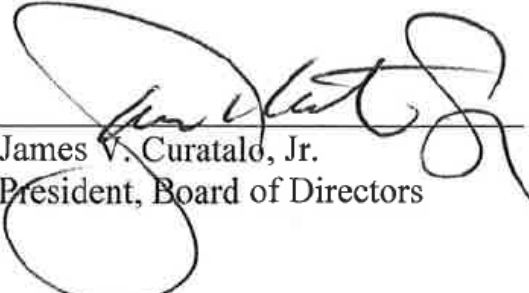
1. The 2017 Budget, as detailed in the budget document entitled “Annual Operating and Capital Improvement Budget for the Fiscal Year Ending June 30, 2017”, is hereby adopted. A copy of the 2017 Budget is attached hereto and incorporated herein by reference.
2. The expenditure amounts designated for the Fiscal Year 2016-2017, pursuant to the 2017 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 Chapter 4.08.020 shall be increased from \$0.00 per hcf to \$0.11 per hcf effective 07/01/2016.
4. The current amount of the Customer Assistance Program (CAP) shall be increased from \$4.00 per bimonthly billing period to \$15.00 per bimonthly period effective 07/01/2016.

5. The Recitals set forth above are incorporated herein and made an operative part of this Resolution.


6. 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.

7. This Resolution will be effective immediately upon adoption.

**Adopted** this 14<sup>th</sup> day of June, 2016.



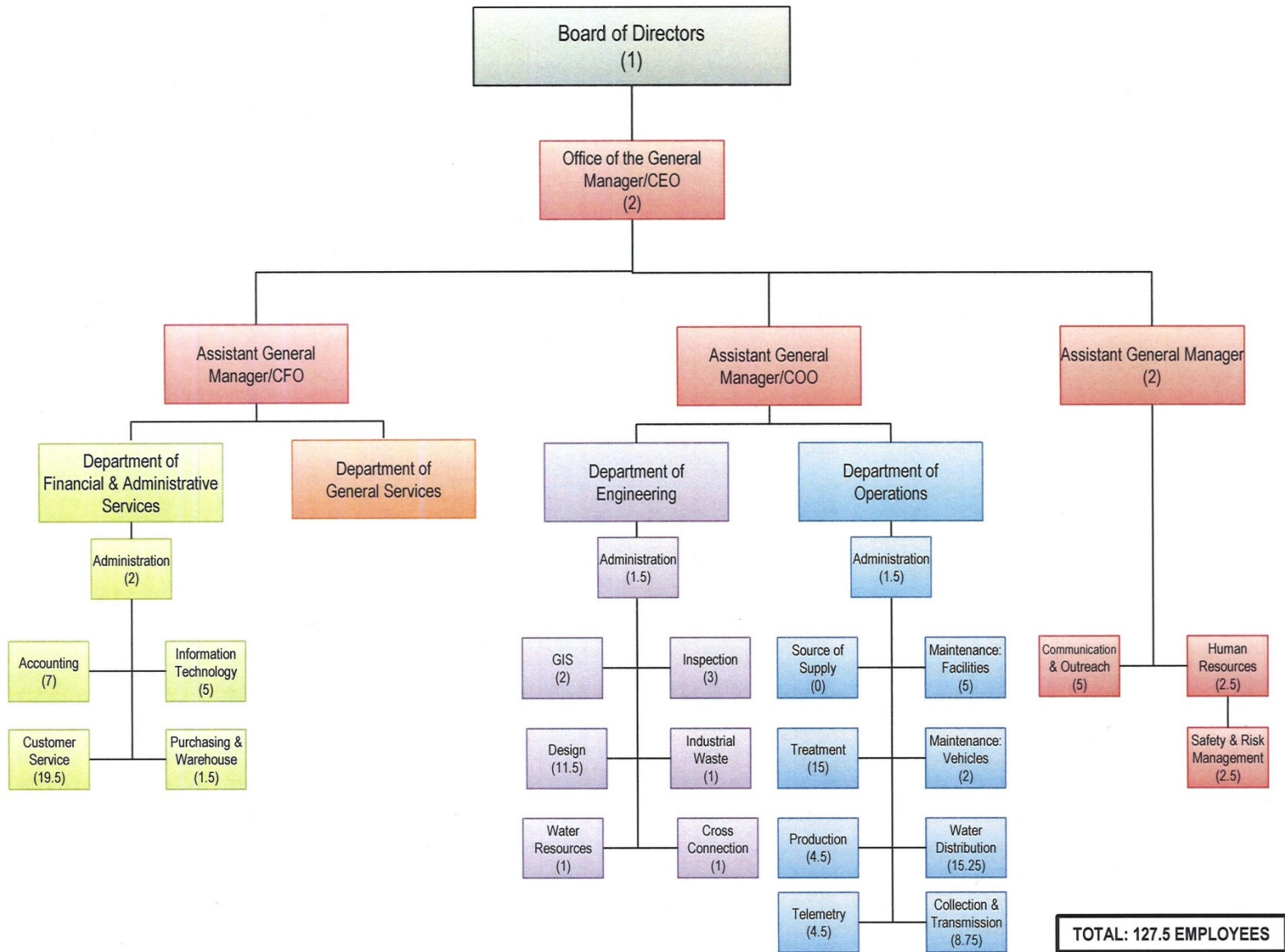
James V. Curatalo, Jr.  
President, Board of Directors

Attest:  
  
Martin E. Zvirbulis  
Secretary, Board of Directors

# CUCAMONGA VALLEY WATER DISTRICT

## ORGANIZATIONAL CHART

FYE 2017



# CUCAMONGA VALLEY WATER DISTRICT

## OFFICIALS

For the Fiscal Year Ending June 30, 2017

### BOARD OF DIRECTORS

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

### DISTRICT MANAGEMENT

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

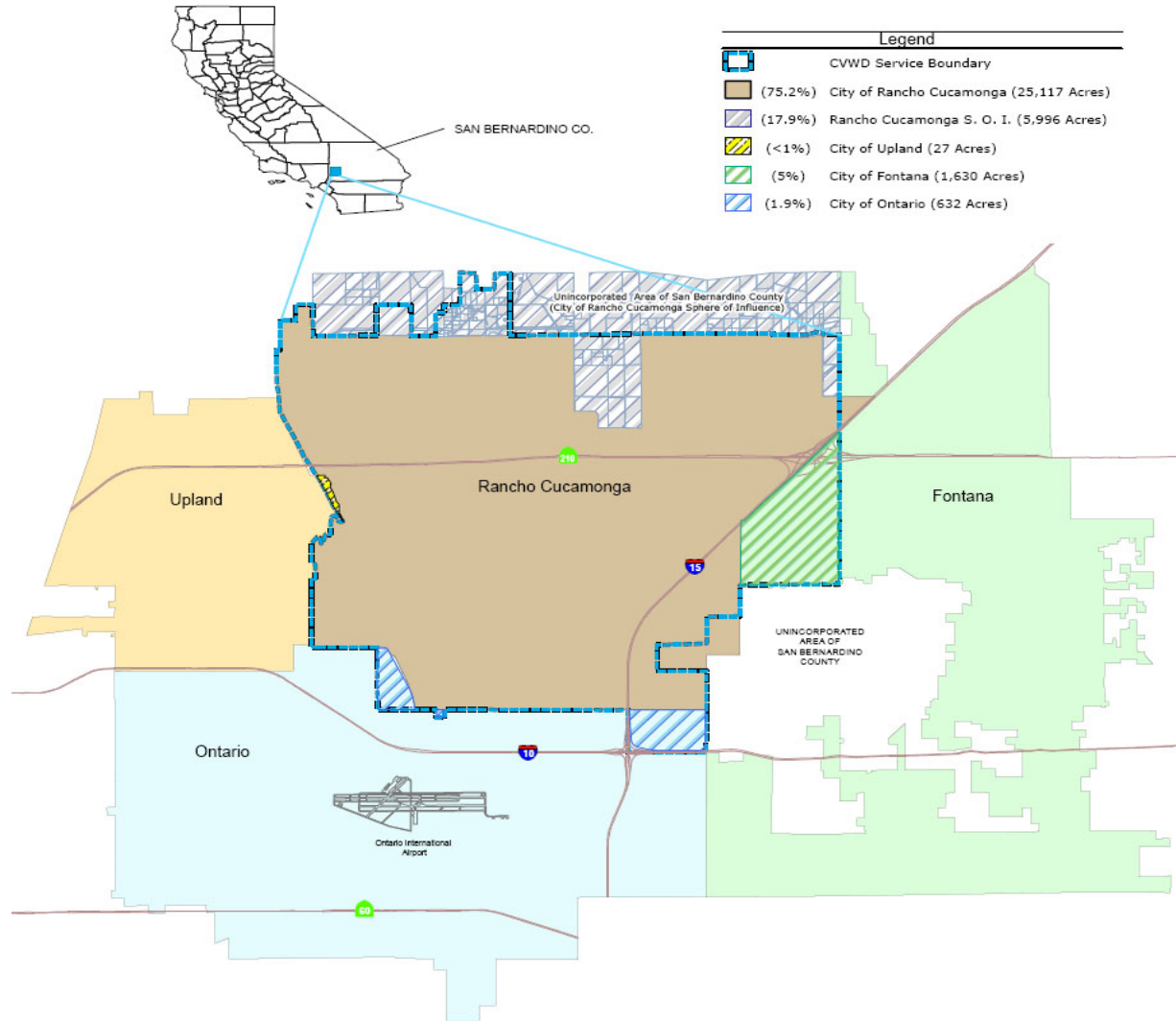
District Officials can be reached by calling (909) 987-2591



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, wastewater, and recycled water services to a population of approximately 188,000 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 57% of the water produced annually by the District. The District currently has a total of 29 groundwater wells, of which 21 are in service with an annual pumping right of 42,681 acre-feet. In addition, the District has surface and subsurface water rights in four local canyon watersheds with an annual production in FY2015 of 1,292 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 2015, the District purchased 21,306 acre-feet of imported water. The chart to the right illustrates the water production sources.

Uncertainty due to the drought may impact the 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 77,500 acre-feet and has maximized its use of recycled water.

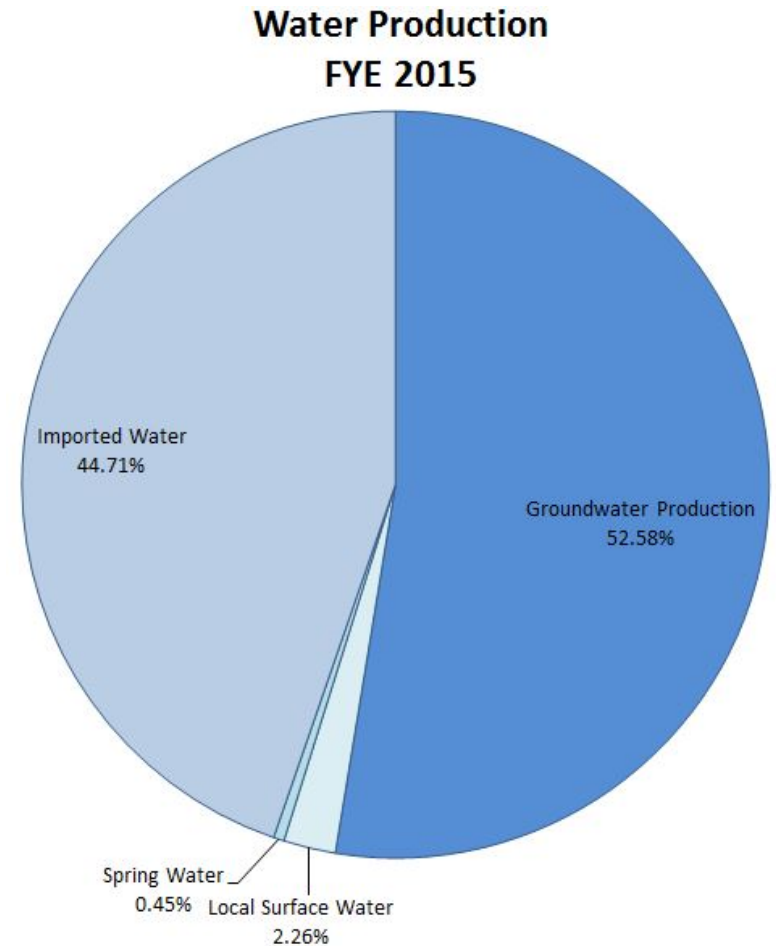
**Fiscal Management**

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.

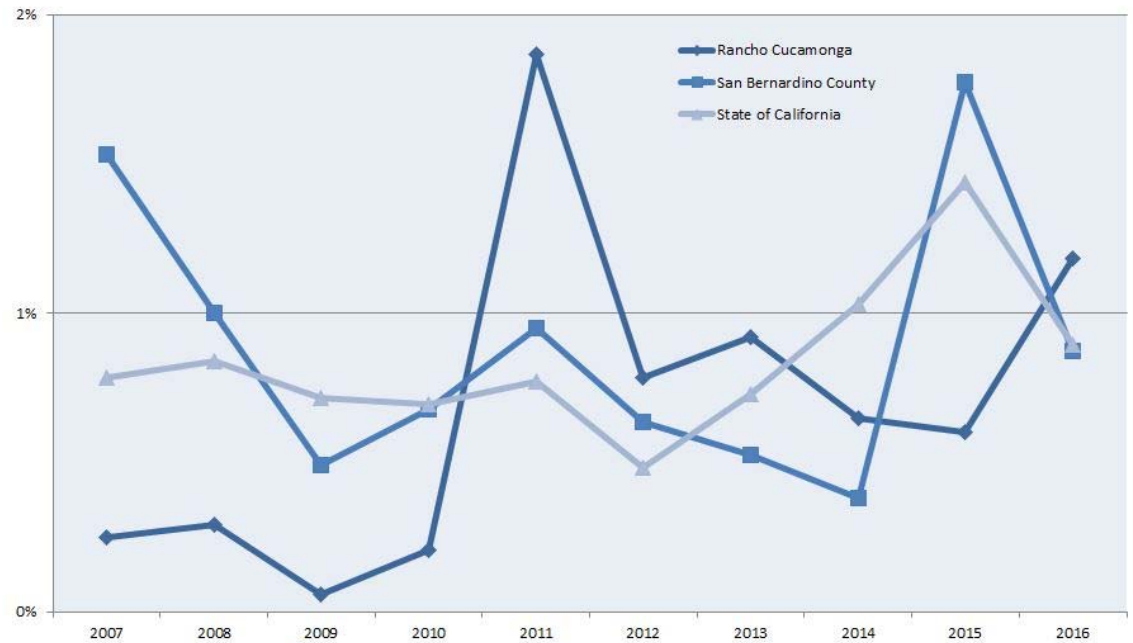
The economics of the communities served by the District are heavily influenced by a multitude of factors. Historically, the construction industry has led the job growth in the Inland Empire. Since the economic downturn, construction industry job growth has improved; however, it has still not fully recovered. On the other hand, growth in logistics has led to job creation in the land-rich Inland Empire. In addition, the health care and manufacturing industries have also demonstrated job growth in the Inland Empire.



The Inland Empire consists of 52 cities within the counties of Riverside and San Bernardino. As far as the number of customers served by the District the top two cities are Rancho Cucamonga and Fontana. In 2016, the Department of Finance released population data that indicates that the City of Fontana is second largest in the region followed by the City of Rancho Cucamonga as third. The San Bernardino Assessor's office reported that the City of Rancho Cucamonga has the second highest assessed valuation in the region followed by Fontana as the fifth highest. Clearly, these two cities served by CVWD are strong contributors to the economic engine of the Inland Empire.

According to the State of California Employment Development Department, in 2006 the unemployment rate in Rancho Cucamonga was at a ten-year low of 3.1%. However, unemployment rates increased to a high of 9.4% in 2010. Unemployment has since fallen to a rate of 4.2% in March of 2016, which is lower than the region as well as the state of California.

**10 Year Population Growth Rate  
Rancho Cucamonga vs County & State**



California's water supply continues to be a concern due to drought conditions and projected population increases. This concern has increased interest in recycled water for groundwater replenishment purposes. 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 fiscal years, the District's customer base has grown slowly at around 0.34% per year. Water production increased each year from 2011 through 2014 but fell significantly in 2015 and further still in 2016. Improvements in economic conditions and less rainfall in 2013 and 2014 contributed to the increased demand for water in those years causing annual usage per customer to rise as high as 1.09 acre-feet. However, in 2015 water production per customer fell to 0.97 acre-feet and is estimated to be 0.73 acre-feet for 2016. This decrease in water usage is consistent with the statewide drought messaging that began in August 2014 and culminated with the Governor's executive order on April 1, 2015.

During the fiscal years 2011 through 2014, water sales revenues increased by approximately 9.3% per year on average, then fell by 9.0% in 2015, and are estimated to increase by 11.3% in 2016. The estimated increase in 2016 was caused by customer conservation that was less than the requirements of Drought Stage 6. From 2011 to 2015 water rates increased about 5% per year. In FY2016 the District entered Drought Stage 6 which caused a 58%

increase due to the severe State-wide drought. For FY2017 staff are budgeting a reduction in rates of 27% to Drought Stage 1 prices. Meter charge revenue has increased by approximately 6.8% per year on average and water service revenue has increased 1.8% per year on average.

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 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 following chart 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
2006	3.1%	163,788	119,033	29,859
2007	3.6%	164,195	124,019	30,491
2008	5.1%	164,671	126,596	30,776
2009	8.5%	164,764	122,814	29,518
2010	10.2%	165,269	125,382	29,542
2011	9.7%	168,251	132,484	30,793
2012	8.6%	169,259	136,937	31,489
2013	7.3%	170,114	140,979	32,112
2014	6.0%	171,521	147,727	33,258
2015	4.8%	173,202	N/A	N/A
2016	4.2%*	175,251	N/A	N/A

\* Preliminary rate through March 2016 (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
Chaffey Community College	1,229	1.46%
Etiwanda School District	1,058	1.26%
Inland Empire Health Plan (IEHP)	1,000	1.19%
Amphastar Pharmaceutical	880	1.05%
City of Rancho Cucamonga	849	1.01%
Southern California Edison	800	0.95%
Alta Loma School District	623	0.74%
Big Lots Distribution Center	600	0.71%
Mercury Insurance Company	600	0.71%
Central School District	527	0.63%
<b>Total</b>	<b>8,166</b>	<b>9.71%</b>
Total Employment	84,111	100.00%

**Note:** Data is from June 2015 (latest available data).

**Source:** City of Rancho Cucamonga

# FINANCIAL POLICIES AND GOALS

## Strategic Objectives and Financial Planning

The District has placed a significant effort in the creation of strategic objectives that help guide our organization into the future. These objectives help lead us through challenging times while keeping our focus and attention on our organization's mission and foundational principles. This attention to our future began in 2001 and is integral to our vision and policy framework. This allows the Board of Directors to focus at the policy level, while delegating the details of achieving goals to staff.

The four key elements of our organization's purpose are Safety, Reliability, Quality and Stewardship. All work endeavors must be consistent with these elements. Each year the Board of Directors and Executive Staff review past accomplishments and discuss the upcoming year's goals, as well as longer-term strategic objectives. Once confirmed by the Board of Directors, these approved goals and objectives are included in the annual budget process, including the corresponding funding levels. The strategic goals are outlined below with some of the key FY2017 work plan items:

- ***Financial Planning and Oversight*** – Advanced funding of pension liabilities, budget-based rate feasibility study, future debt refunding opportunities, and cyclical review of financial policies
- ***Service to our Customers*** – Continue to expand the Water Watch Program, upgrades to the Interactive Voice Response system, and installation of the Fixed Network meter reading system
- ***Outreach to Customers and Stakeholders*** – Continuation of drought messaging and education
- ***Investment in our Employees*** – Conduct an employee engagement survey and continue leadership development
- ***Reliability in Water Supply*** – Finalize the Water Masterplan document, address storage management in the Chino Basin and assist in the development of the amended judgment in the Cucamonga Basin

## Long-term Financial Planning & Policy Development

The District is in the process of completing a three-phase long-term financial plan. The first phase of the plan, the long-term Wage and Benefit model, has been completed not only projects labor costs into the future, but also predicts generational outflows of the workforce. The second phase, which is almost complete, is the development of the Water Masterplan document. This plan outlines the water infrastructure needs until the District reaches buildout. The third and last phase of the long-term planning is the compilation of the long-term financial model. Many aspects of the model have been completed; however, the Water Masterplan and the Wage and Benefit model need to be incorporated. The goal of this model is to provide a roadmap into the future and help identify, in advance, years of financial challenges and difficulties.

During the last five years, the District has taken a concerted effort to improve and expand on financial policies. These policies are designed to clarify the intent for financial management, record and institutionalize good financial management practices, improve the District's bond ratings, support the District's strategic goals, improve internal controls, and define boundaries for staff actions. The development of these financial policies is conducted in

collaboration with the Board of Director's Committee process, as well as final review and adoption by the Board of Directors. The District has successfully improved many of the key financial goals included in our policy statements over the past few years, namely the improvement of the number of day's cash and credit rating goals.

### **Debt Administration**

The District's debt is divided into the Senior Obligations (issues prior to 2012) and the Subordinate Obligations (2012 and later issues). 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.

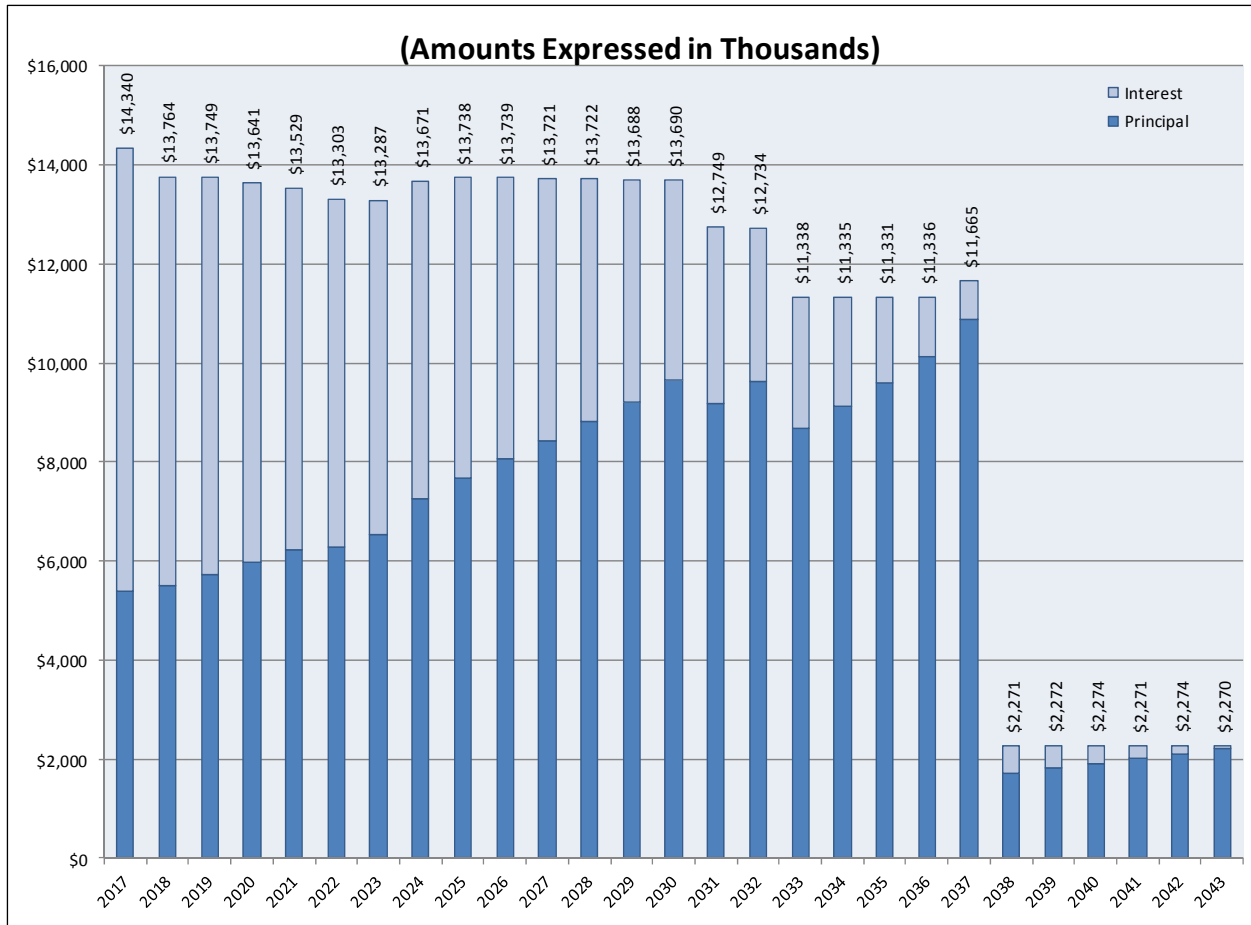
**Debt Capacity**

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 2.02 for Fiscal Year 2015. The District’s Fiscal Year 2017 projected total debt service obligation (\$13,398,304.00) is related to its three existing Certificates of Participation Issuances (COPs), one Clean Renewable Energy Bond, and three Revenue Bonds. The District is not intending to issue any new debt in the next fiscal year. Use of proceeds and the corresponding principal balance of each are as follows:

<b>Year of Issuance</b>	<b>Obligation Ranking</b>	<b>Use of Proceeds</b>	<b>Principle Balance as of June 30, 2016</b>
2006	Senior	Provided funds for the acquisition and construction of various capital improvements.	\$ 500,000
2009	Senior	Provided funds for the acquisition and construction of various capital improvements.	9,185,000
2009	Senior	Provided funds for the acquisition of a solar energy recovery system utilizing interest-free Clean Renewable Energy Bonds.	205,002
2011	Senior	Refunded bonds that originally provided funds for the acquisition and construction of various capital improvements.	102,725,000
2012	Subordinate	Provided funds for the acquisition and construction of various capital improvements.	35,755,000
2014	Subordinate	Provided funds for the acquisition and construction of various capital improvements and refunded bonds that originally provided funds for the acquisition and construction of various capital improvements.	11,510,000
2016	Subordinate	Refunded bonds that originally provided funds for the acquisition and construction of various capital improvements.	19,940,000
			\$ 179,820,002

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

<u>Year(s)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 5,404,286	\$ 8,935,473	\$ 14,339,759
2018	5,509,286	8,255,063	13,764,349
2019	5,734,286	8,014,475	13,748,761
2020-2024	32,292,144	35,139,750	67,431,894
2025-2029	42,215,000	26,392,663	68,607,663
2030-2034	46,270,000	15,574,881	61,844,881
2035-2039	34,155,000	4,719,981	38,874,981
2040-2043	8,240,000	849,500	9,089,500
<b>Total</b>	<b>\$ 179,820,002</b>	<b>\$ 107,881,786</b>	<b>\$ 287,701,788</b>



## Unfunded Pension Liabilities

The District provides employees with a benefit package that includes pension, healthcare, workers' compensation, and disability insurance. In addition, eligible District retirees receive healthcare benefits known as Other Post-Employment Benefits (OPEB). In 2010 the District made several structural changes to reduce the retiree pension and health care benefits for employees hired after January 1, 2011. The changes will result in future savings; however, the programs for the existing retirees and vested employees have a future significant liability that is computed through biennial actuarial valuations as follows:

<b>Benefit</b>	<b>Date of Actuarial Report</b>	<b>Market Value of Assets</b>	<b>Accrued Liability</b>	<b>Unfunded Liability</b>	<b>Funded Status</b>
CalPERS	06/30/2014	\$ 50,767,131	\$ 67,347,919	\$ 16,580,788	75.4%
OPEB	06/30/2013	2,812,983	14,955,341	12,142,358	18.8%
PARS	06/30/2013	4,774,775	6,846,908	2,072,133	69.7%

### *PARS*

The District has enacted a plan to address the PARS long-term liability. In FY2015, the District's Board of Directors authorized staff to make the annual required contribution, which amounted to \$229,000 in FY2015 and FY2016.

### *CalPERS*

In FY2016, the Board approved an advance payment strategy to address the CalPERS liability. The District will make advanced payments of \$1 million for the next five years, subject to budget approval. This advance payment strategy will provide near-term operating expense savings. This strategy is estimated to save the District approximately \$12.5 million over the next 26 years.

### *OPEB*

Currently, the District funds 75% of the annual required contribution. District staff will monitor the near-term savings generated by the CalPERS advanced funding strategy and prepare an analysis to determine if those savings should be applied to the OPEB unfunded liability. This will be vetted through the District's Board Committee process and presented to the full Board of Directors for review and approval in FY2020.

## 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 objectives of the Investment Policy are 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, 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.

### *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.

## **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. Effective January 1, 2015 and January 1, 2016, employees contribute 2% and 3% respectively toward the employee portion of CalPERS. It is the District’s goal that employees will add an additional 1% each year until employees contributes their full portion. Also, in accordance with the Public Employees’ Pension Reform Act, 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 \$5,250 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 an employee-paid 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.

### **Customer Assistance Program**

In 2015 the District implemented a program that assists lower income customers with their bimonthly water bill. In the past, California's laws regulating the setting of utility rates restricted the District's ability to offer such a program. Recent legal opinions have provided a new alternative to offer a Customer Assistance Program. By pledging unrestricted revenue (e.g. rental income), the District may now implement the Customer Assistance Program (CAP). As a result, this program is not subsidized by other rate payers.

The CAP is limited to residential customers and is authorized each year through the annual budget adoption process. Customers must demonstrate a need for this financial assistance and follow the income thresholds established by the Public Utility Commission and the California Alternate Rates for Energy.

The CAP will result in fixed savings each month and will appear on the customer's next water bill following the application approval date. The CAP has limited funding and will be reviewed and approved annually by the District's Board of Directors. For Fiscal Year 2017, the District will pledge \$90,000 of unrestricted rental income to this program, thereby providing a bimonthly CAP of \$15.00.

# CUCAMONGA VALLEY WATER DISTRICT

## RESERVE POLICY

For the Fiscal Year Ending June 30, 2017

### 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 Fund:** This fund is established to provide flexibility to the Board with respect to the debt service coverage ratio in accordance with the terms of the Master Installment Purchase Agreement.
- 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.
- d. **Local Water Resource Development Account:** The Local Water Resource Development Account is used for the funding of the development, improvement, or acquisition of local water resource projects or efforts.

### 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, 2015 was 56.6% based on the Audited Financial Statements.
  - The Debt Ratio at June 30, 2016 is projected to be 55%.
- b. **Credit Rating:** The District’s debt is divided into the Senior Obligations (issues prior to 2012) and the Subordinate Obligations (2012 and later issues). 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, 2016 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, 2015 was 321 days based on the Audited Financial Statements.
  - The number of Days Cash at June 30, 2016 is projected to be 319 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, 2016 are projected to be 15% Debt, 56% Pay-Go, and 29% 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, 2015 was 2.02 times based on the Audited Financial Statements.
  - The Debt Service Coverage at June 30, 2016 is projected to be 1.6 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 through several Enterprise Funds, which are 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 operating 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 operating expenses are recognized in the accounting period incurred. The budget for non-operating expenses for Capital Improvement Projects are reported on a cash basis assuming completion of all carryover projects and current year projects in the budget year. The budget for non-operating expenses for debt service and covenants is also reported on a cash basis and the totals include all principal and interest payments. Therefore the Budget is a mix of accrual and cash basis accounting, which differs from the District's Comprehensive Annual Financial Report which is full accrual accounting in conformity with GAAP.

## **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.

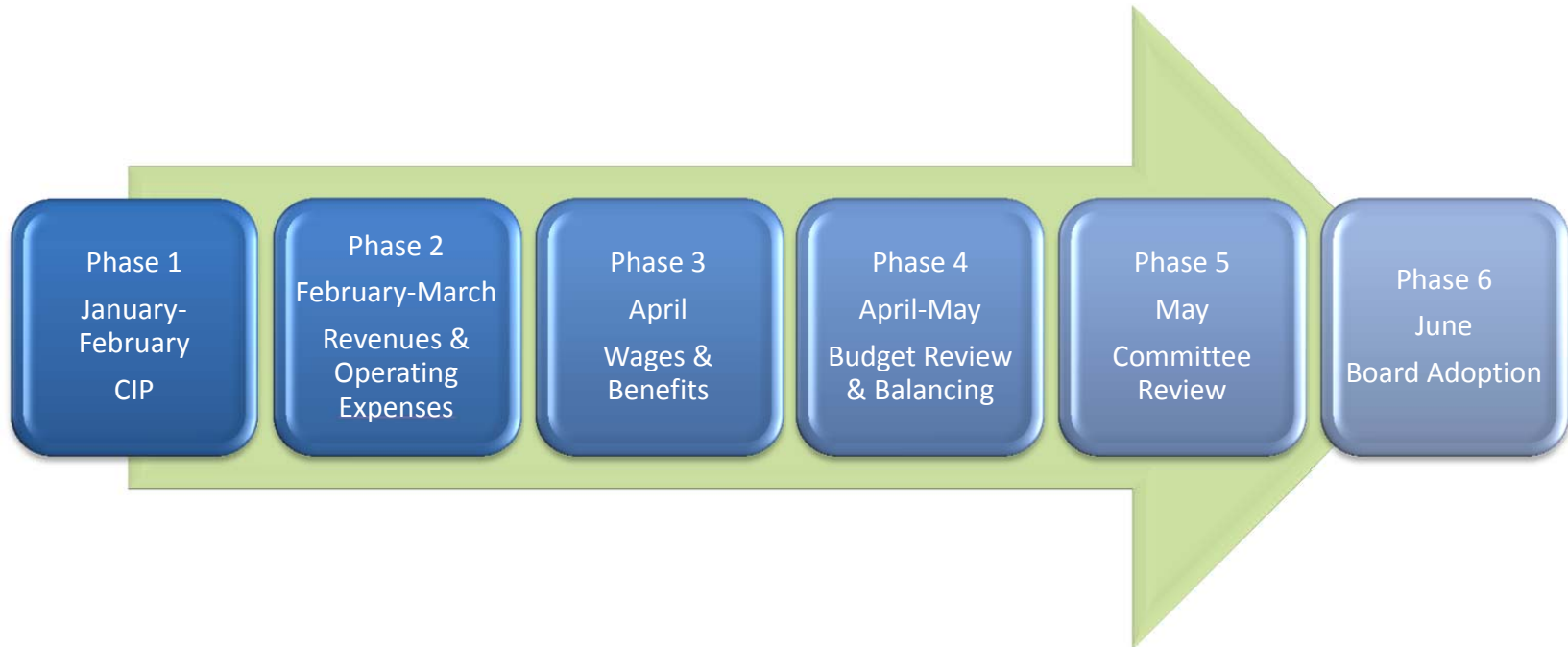
The General Manager/CEO may exercise discretion in the administration of the Budget to respond to changed circumstances, provided that any single modification in excess of \$50,000 shall require approval by the Board. All budget transfers are documented and tracked in the District's computerized financial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

During Phase 1 of the budget process (January - February), budget requirements for capital improvement projects are addressed. During Phase 2 (February - March), budget requests are submitted by department and division heads for operating expenses, while the Finance staff addresses rates and the revenue budget, and in Phase 3 (April), the budget requirements for the next fiscal year's wages and benefits are addressed, including division requests for new positions. Phase 4 (April - May) consists of reviewing and balancing the complete operating and capital budget. During Phase 5 (May), the Board Committees (Finance, Human Resource & Risk, and Engineering) review the budget before it is submitted to the full Board of Directors in Phase 6 (June) for final review and adoption.



## BUDGET CALENDAR

January 30, 2016	Deadline for submission of Capital Improvement Project requests from departments
February 29, 2016	Deadline for submission of Operating Expenses from departments
March 25, 2016	Deadline for submission of Wage & Benefit requests, including overtime, stand-by, submission of Personnel Requests, and Succession Planning from departments
April 21, 2016	Capital Improvement Project Budget submitted to Engineering Committee for review
May 9, 2016	Operating Expense and Revenue Budget submitted to Finance Committee for review
May 10, 2016	Wage and Benefit Budget submitted to Human Resources / Risk Committee for review
June 2, 2016	Annual Operating and Capital Improvement Budget for the Fiscal Year Ending June 30, 2017, submitted to Finance Committee for review
June 14, 2016	Annual Operating and Capital Improvement Budget for the Fiscal Year Ending June 30, 2017, submitted to Board of Directors for review and adoption

## CUCAMONGA VALLEY WATER DISTRICT REVENUE ASSUMPTIONS

For the Fiscal Year Ending June 30, 2017

### Water Operating Fund

Commodity water sales are the District's largest source of 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 uses a four year tiered water rate structure that 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. The District has also implemented seven stages of Drought Rates (see page 37). District staff anticipates that the Board of Directors will lift the Stage 6 water conservation emergency on June 14, 2016. Due to this anticipated Board action, the revenue assumptions for the fiscal year 2017 water sales include rates at the Stage 1 level.

Category	Assumptions at Drought Stage 1 (No Mandatory Conservation)	Rate Increase or Decrease Effective 7/1/2016
Potable – Tier 1	9,784 acre-feet sold (2.7% increase over prior year)	-31.62%
Potable – Tier 2	17,507 acre-feet sold (23.6% increase over prior year)	-16.47%
Potable – Tier 3	9,410 acre-feet sold (55.4% increase over prior year)	-13.92%
Potable – Tier 4	6,098 acre-feet sold (73.4% increase over prior year)	-46.65%
Construction	187 acre-feet sold (no increase over prior year)	-13.30%
Canyon Source	530 acre-feet sold (72.8% decrease over prior year)	9.36% Increase (eff. 1/1/17)
Recycled Water	1,176 acre-feet sold (27.0% decrease due to lower usage)	3.16%

The approved multi-year non-drought (drought stage 1) rate structure through 2018 is as follows:

Category	Effective 5/1/2010	Effective 5/1/2011	Effective 5/1/2012	Effective 5/1/2013	Effective 5/1/2014	Effective 7/1/2015	Effective 7/1/2016	Effective 7/1/2017	Effective 7/1/2018
Tier 1	\$ 1.40	\$ 1.43	\$ 1.46	\$ 1.49	\$ 1.52	\$ 1.59	\$ 1.60	\$ 1.61	\$ 1.62
Tier 2	1.60	1.66	1.72	1.78	1.84	2.11	2.13	2.14	2.16
Tier 3	1.80	1.92	2.05	2.19	2.34	2.62	2.66	2.68	2.71
Tier 4	2.00	2.17	2.35	2.54	2.75	2.99	3.03	3.05	3.07

**Drought Rates** are based on a series of seven stages of water conservation required of District customers. The Drought Rates have been set in conjunction with the rate study conducted for fiscal years 2016 through 2019. The District assumed that water consumption will be reduced in an amount consistent with the Drought Stage Conservation percentage.

<b>Drought Stage</b>	<b>Tier</b>	<b>Effective 7/1/2015</b>	<b>Effective 7/1/2016</b>	<b>Effective 7/1/2017</b>	<b>Effective 7/1/2018</b>
Stage 1 0% Conservation	1	\$1.59	\$1.60	\$1.61	\$1.62
	2	2.11	2.13	2.14	2.16
	3	2.62	2.66	2.68	2.71
	4	2.99	3.03	3.05	3.07
Stage 2 10% Conservation	1	1.69	1.70	1.71	1.72
	2	2.15	2.17	2.18	2.20
	3	2.77	2.81	2.83	2.86
	4	3.56	3.65	3.67	3.70
Stage 3 15% Conservation	1	1.79	1.80	1.81	1.82
	2	2.21	2.24	2.25	2.26
	3	2.83	2.87	2.88	2.91
	4	3.80	3.83	3.86	3.88
Stage 4 20% Conservation	1	1.90	1.92	1.93	1.94
	2	2.29	2.31	2.32	2.33
	3	2.89	2.93	2.94	2.96
	4	4.05	4.07	4.10	4.12
Stage 5 25% Conservation	1	2.03	2.05	2.06	2.07
	2	2.36	2.39	2.39	2.40
	3	2.95	2.99	3.00	3.01
	4	4.37	4.40	4.42	4.44
Stage 6 35% Conservation	1	2.34	2.35	2.37	2.38
	2	2.55	2.56	2.56	2.58
	3	3.09	3.13	3.11	3.11
	4	5.68	5.69	5.75	5.77
Stage 7 - 50% Conservation	1	2.86	2.88	2.88	2.90
	2	3.16	3.18	3.18	3.19

**IEUA Surcharge** is a pass-through adjustment based on charges imposed on the District that are set by MWD and IEUA. Rate increases enacted by MWD and IEUA result in a surcharge of \$0.11 per unit of water sold for the year July 1, 2016, through July 1, 2017.

**Meter Charge Revenues** are projected based upon an anticipated 0.20% growth in our customer base for Fiscal Year 2017, as well as an approved rate increase of 17% for the year July 1, 2016, through July 1, 2017.

**Customer Assistance Program** pledged revenue is projected using historical and estimated residential customer participation rates. This pledge will increase the savings on the fixed meter charge to \$15 per bimonthly bill for the year July 1, 2016, through July 1, 2017.

**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.

**Rental and Lease Revenues** are projected based upon contract agreements with various entities for use of the District’s repeater stations, as well as lease agreements with the Chino Basin Watermaster and American Water Works Association for use of District office buildings.

**Interest Income** for the water and sewer operating funds is projected based on an average yield of 0.69% for Local Agency Investment Fund (LAIF) investments and 1.37% 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 0.69% on the unspent portions of the 2014 Revenue Bonds issuances and a weighted average of 0.55% on the State and Local Government Series securities.

**Proceeds from Borrowing** are based on proceeds from the 2014 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 809,589 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 anticipated increase to the Inland Empire Utility Agency’s sewer treatment rate.

**Interest Income** for the water and sewer operating funds is projected based on an average yield of 0.69% for LAIF investments and 1.37% 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**

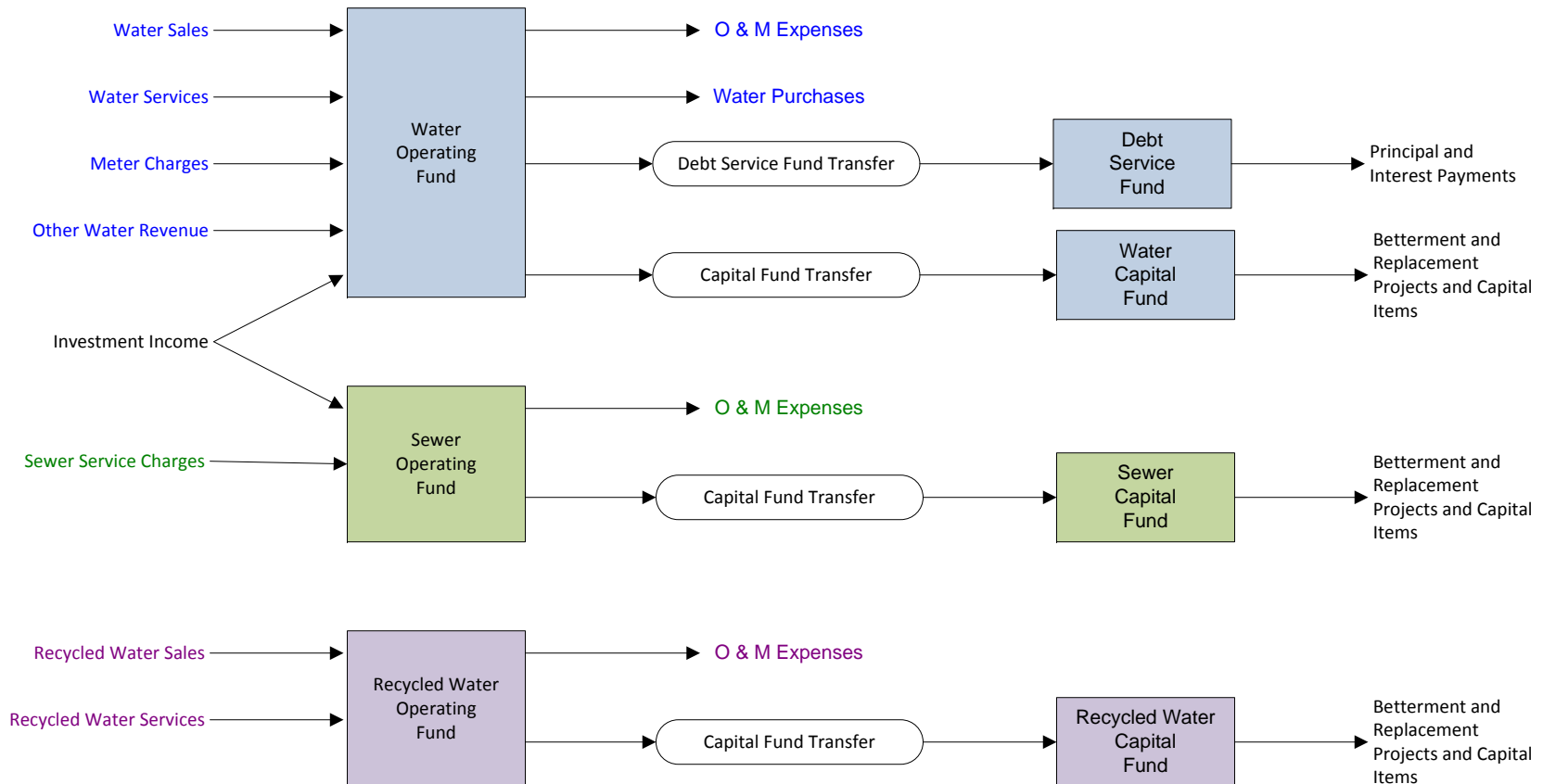
**Recycled Water Sales** are projected based upon an anticipated consumption of 1,176 acre-feet. This will be the District’s ninth year of providing recycled water.

The approved multi-year rate structure through 2018 is as follows:

Category	Effective 7/1/2014	Effective 7/1/2015	Effective 7/1/2016	Effective 7/1/2017	Effective 7/1/2018
Recycled Water	\$ 1.53	\$ 1.58	\$ 1.63	\$ 1.68	\$ 1.73

# CUCAMONGA VALLEY WATER DISTRICT SCHEMATIC OF FUND STRUCTURE

For the Fiscal Year Ending June 30, 2017



**Department/Fund Relationship -**

Expenses are allocated by fund and department based on the programmatic nature of the expense and how it fulfills the department's goals and objectives. Personnel and expenses may be allocated to several departments and funds to accurately reflect the costs to each fund and department while completing the District's programmatic efforts. Department managers directly oversee their department's expenses for all of the major funds.

# CUCAMONGA VALLEY WATER DISTRICT

## DESCRIPTION OF MAJOR FUNDS

For the Fiscal Year Ending June 30, 2017

- 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.

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

For the Fiscal Year Ending June 30, 2017

	General Funds				Capital Projects Funds			Debt Service Fund	Total
	Water Fund	Sewer Fund	Recycled Water	Subtotal	Water	Sewer	Recycled Water	Fund	
<b>Operating Revenues</b>									
Water Sales & Services	\$ 62,539,969	\$ -	\$ 978,230	\$ 63,518,199	\$ -	\$ -	\$ -	\$ -	\$ 63,518,199
Water Sales to Other Agencies	732,923	-	-	732,923	-	-	-	-	732,923
Sewer Services	-	18,533,299	-	18,533,299	-	-	-	-	18,533,299
<b>Total Operating Revenues</b>	<b>63,272,892</b>	<b>18,533,299</b>	<b>978,230</b>	<b>82,784,421</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>82,784,421</b>
<b>Operating Expenses</b>									
Executive Department	3,914,457	489,447	-	4,403,904	-	-	-	-	4,403,904
Financial & Administrative Services Dept	5,281,309	967,301	14,240	6,262,850	35,674	-	-	-	6,298,524
General Services Department	410,256	63,961	-	474,217	-	-	-	-	474,217
Engineering Department	981,777	431,170	310,441	1,723,388	1,279,902	326,902	-	-	3,330,192
Operations Department	29,087,068	15,432,857	497,160	45,017,085	-	-	-	-	45,017,085
<b>Total Operating Expenses</b>	<b>39,674,867</b>	<b>17,384,736</b>	<b>821,841</b>	<b>57,881,444</b>	<b>1,315,576</b>	<b>326,902</b>	<b>-</b>	<b>-</b>	<b>59,523,922</b>
<b>Net Operating Revenue (Expense)</b>	<b>23,598,025</b>	<b>1,148,563</b>	<b>156,389</b>	<b>24,902,977</b>	<b>(1,315,576)</b>	<b>(326,902)</b>	<b>-</b>	<b>-</b>	<b>23,260,499</b>
<b>Non-Operating Revenues</b>									
Interest Income	747,600	249,100	-	996,700	-	-	-	14,300	1,011,000
Development Fees	-	-	-	-	2,010,219	367,739	29,592	-	2,407,550
Inspection Fees	-	-	-	-	20,000	31,000	-	-	51,000
Meter Installations	-	-	-	-	40,000	-	-	-	40,000
Proceeds from Borrowing	-	-	-	-	11,818,587	-	-	-	11,818,587
Outside CIP Funding	-	-	-	-	164,000	-	-	-	164,000
Carry Over CIP Funding	-	-	-	-	2,140,100	874,000	150,000	-	3,164,100
Reserve Funding	-	-	-	-	4,737,000	3,463,500	-	-	8,200,500
Other Income	1,133,318	-	-	1,133,318	75,000	-	-	-	1,208,318
<b>Total Non-Operating Revenues</b>	<b>1,880,918</b>	<b>249,100</b>	<b>-</b>	<b>2,130,018</b>	<b>21,004,906</b>	<b>4,736,239</b>	<b>179,592</b>	<b>14,300</b>	<b>28,065,055</b>
<b>Non-Operating Expenses</b>									
Capital Improvement Projects	-	-	-	-	16,228,000	2,631,000	150,000	-	19,009,000
Carry Over Projects	-	-	-	-	11,802,687	3,176,000	150,000	-	15,128,687
Annual Debt Service	-	-	-	-	1,786,998	-	34,435	13,398,304	15,219,737
Debt Covenants	-	-	-	-	-	-	-	1,966,584	1,966,584
Reserves	-	-	-	-	-	-	1,546	-	1,546
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>29,817,685</b>	<b>5,807,000</b>	<b>335,981</b>	<b>15,364,888</b>	<b>51,325,554</b>
<b>Net Income Before Transfers</b>	<b>25,478,943</b>	<b>1,397,663</b>	<b>156,389</b>	<b>27,032,995</b>	<b>(10,128,355)</b>	<b>(1,397,663)</b>	<b>(156,389)</b>	<b>(15,350,588)</b>	<b>-</b>
<b>Transfers</b>									
Transfers Out	(25,478,943)	(1,397,663)	(156,389)	(27,032,995)	-	-	-	-	(27,032,995)
Transfers In	-	-	-	-	10,128,355	1,397,663	156,389	15,350,588	27,032,995
<b>Total Transfers</b>	<b>(25,478,943)</b>	<b>(1,397,663)</b>	<b>(156,389)</b>	<b>(27,032,995)</b>	<b>10,128,355</b>	<b>1,397,663</b>	<b>156,389</b>	<b>15,350,588</b>	<b>-</b>
<b>Net Income Before Depreciation</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Depreciation	-	-	-	-	7,000,000	1,000,000	150,000	-	8,150,000
<b>Net Income</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (7,000,000)</b>	<b>\$ (1,000,000)</b>	<b>\$ (150,000)</b>	<b>-</b>	<b>\$ (8,150,000)</b>

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## CUCAMONGA VALLEY WATER DISTRICT FUND BALANCE SUMMARY (ACCRUAL BASIS)

For the Fiscal Year Ending June 30, 2017

	Water Funds	Sewer Funds	Recycled Water Funds	Debt Service Fund	Total
<b>Estimated Fund Balance, June 30, 2016</b>	\$ 134,957,893	\$ 40,105,959	\$ 3,113,714	\$ -	\$ 178,177,566
<b>Operating Revenues</b>					
Water Sales & Services	62,539,969	-	978,230	-	63,518,199
Water Sales to Other Agencies	732,923	-	-	-	732,923
Sewer Services	-	18,533,299	-	-	18,533,299
<b>Total Operating Revenues</b>	<b>63,272,892</b>	<b>18,533,299</b>	<b>978,230</b>	<b>-</b>	<b>82,784,421</b>
<b>Operating Expenses</b>					
Executive Department	3,914,457	489,447	-	-	4,403,904
Financial & Administrative Services Department	5,316,983	967,301	14,240	-	6,298,524
General Services Department	410,256	63,961	-	-	474,217
Engineering Department	2,261,679	758,072	310,441	-	3,330,192
Operations Department	29,087,068	15,432,857	497,160	-	45,017,085
<b>Total Operating Expenses</b>	<b>40,990,443</b>	<b>17,711,638</b>	<b>821,841</b>	<b>-</b>	<b>59,523,922</b>
<b>Net Operating Revenue (Expense)</b>	<b>22,282,449</b>	<b>821,661</b>	<b>156,389</b>	<b>-</b>	<b>23,260,499</b>
<b>Non-Operating Revenues</b>					
Interest Income	747,600	249,100	-	14,300	1,011,000
Development Fees	2,010,219	367,739	29,592	-	2,407,550
Inspection Fees	20,000	31,000	-	-	51,000
Meter Installations	40,000	-	-	-	40,000
Other Income	1,208,318	-	-	-	1,208,318
<b>Total Non-Operating Revenues</b>	<b>4,026,137</b>	<b>647,839</b>	<b>29,592</b>	<b>14,300</b>	<b>4,717,868</b>
<b>Non-Operating Expenses</b>					
Interest Expense on Debt	1,786,998	-	34,435	13,398,304	15,219,737
<b>Total Non-Operating Expenses</b>	<b>1,786,998</b>	<b>-</b>	<b>34,435</b>	<b>13,398,304</b>	<b>15,219,737</b>
<b>Net Income Before Transfers</b>	<b>24,521,588</b>	<b>1,469,500</b>	<b>151,546</b>	<b>(13,384,004)</b>	<b>12,758,630</b>
<b>Transfers</b>					
Transfers Out	(13,384,004)	-	-	-	(13,384,004)
Transfers In	-	-	-	13,384,004	13,384,004
<b>Total Transfers</b>	<b>(13,384,004)</b>	<b>-</b>	<b>-</b>	<b>13,384,004</b>	<b>-</b>
<b>Net Income Before Depreciation</b>	<b>\$ 11,137,584</b>	<b>\$ 1,469,500</b>	<b>\$ 151,546</b>	<b>\$ -</b>	<b>\$ 12,758,630</b>
Depreciation	7,000,000	1,000,000	150,000	-	8,150,000
<b>Estimated Fund Balance, June 30, 2017</b>	<b>\$ 139,095,477</b>	<b>\$ 40,575,459</b>	<b>\$ 3,115,260</b>	<b>\$ -</b>	<b>\$ 182,786,196</b>

# CUCAMONGA VALLEY WATER DISTRICT

## FUND BALANCE HISTORY

For the Fiscal Year Ending June 30, 2001, through Fiscal Year Ending June 30, 2016

Fiscal Year Ending		Water Funds	Sewer Funds	Recycled Water Funds	Debt Service Fund	Total
<b>6/30/2001</b>	<b>Retained Earnings</b>	\$ 47,881,702	\$ 26,067,969	\$ -	\$ -	\$ 73,949,671
<b>6/30/2002</b>	Net Income Before Capital Contributions	(3,105,898)	716,580	-	-	(2,389,318)
	Development Fees	6,659,832	3,135,376	-	-	9,795,208
	<b>Equity @ 06/30/02</b>	<b>\$ 51,435,636</b>	<b>\$ 29,919,925</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 81,355,561</b>
<b>6/30/2003</b>	Net Income Before Capital Contributions	(2,409,744)	109,854	-	-	(2,299,890)
	Development Fees	5,421,713	2,718,651	-	-	8,140,364
	<b>Equity @ 06/30/03</b>	<b>\$ 54,447,605</b>	<b>\$ 32,748,430</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 87,196,035</b>
<b>6/30/2004</b>	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)
	<b>Equity @ 06/30/04</b>	<b>\$ 57,412,575</b>	<b>\$ 34,946,264</b>	<b>\$ 1,321,668</b>	<b>\$ -</b>	<b>\$ 93,680,507</b>
<b>6/30/2005</b>	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
	<b>Equity @ 06/30/05</b>	<b>\$ 64,773,038</b>	<b>\$ 37,122,227</b>	<b>\$ 1,319,803</b>	<b>\$ -</b>	<b>\$ 103,215,068</b>
<b>6/30/2006</b>	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)
	<b>Equity @ 06/30/06</b>	<b>\$ 68,111,624</b>	<b>\$ 37,865,429</b>	<b>\$ 1,176,943</b>	<b>\$ -</b>	<b>\$ 107,153,996</b>
<b>6/30/2007</b>	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
	<b>Equity @ 06/30/07</b>	<b>\$ 81,434,085</b>	<b>\$ 39,812,440</b>	<b>\$ 1,042,203</b>	<b>\$ -</b>	<b>\$ 122,288,728</b>
<b>6/30/2008</b>	Net Income Before Capital Contributions	682,854	(1,549,863)	(81,971)	-	(948,980)
	Development Fees	3,549,742	457,038	-	-	4,006,780
	<b>Equity @ 06/30/08</b>	<b>\$ 85,666,681</b>	<b>\$ 38,719,615</b>	<b>\$ 960,232</b>	<b>\$ -</b>	<b>\$ 125,346,528</b>
<b>6/30/2009</b>	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)
	<b>Equity @ 06/30/09</b>	<b>\$ 80,616,543</b>	<b>\$ 37,427,867</b>	<b>\$ 707,026</b>	<b>\$ -</b>	<b>\$ 118,751,436</b>
<b>6/30/2010</b>	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
	<b>Equity @ 06/30/10</b>	<b>\$ 80,104,012</b>	<b>\$ 37,337,709</b>	<b>\$ 751,676</b>	<b>\$ -</b>	<b>\$ 118,193,397</b>

# CUCAMONGA VALLEY WATER DISTRICT

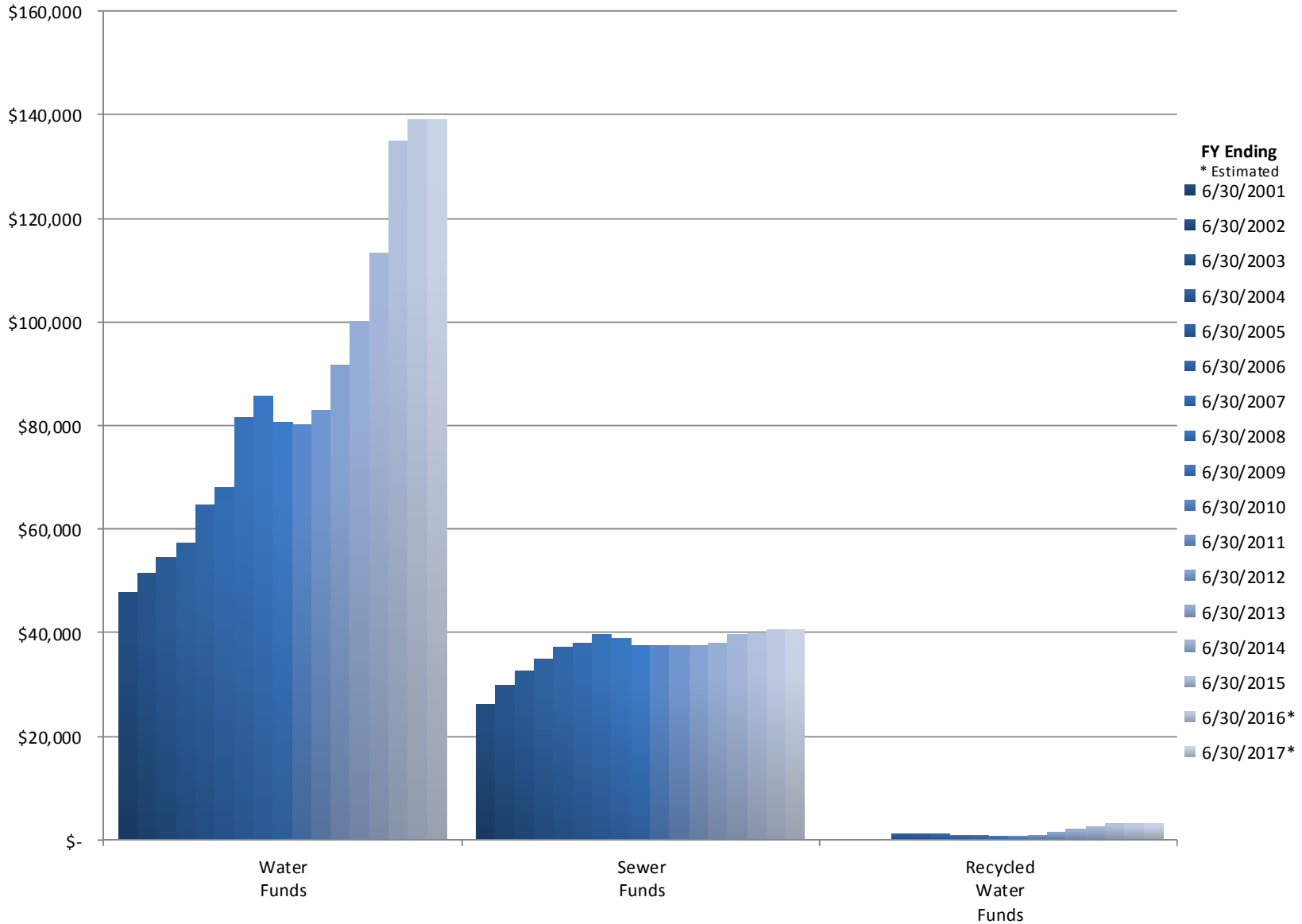
## FUND BALANCE HISTORY (CONTINUED)

For the Fiscal Year Ending June 30, 2001, through Fiscal Year Ending June 30, 2016

<b>6/30/2011</b>	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
	<b>Equity @ 06/30/11</b>	<b>\$ 82,871,833</b>	<b>\$ 37,407,086</b>	<b>\$ 854,275</b>	<b>\$ -</b>	<b>\$ 121,133,194</b>
<b>6/30/2012</b>	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
	<b>Equity @ 06/30/12</b>	<b>\$ 91,581,445</b>	<b>\$ 37,369,256</b>	<b>\$ 1,549,342</b>	<b>\$ -</b>	<b>\$ 130,500,043</b>
<b>6/30/2013</b>	Net Income Before Capital Contributions	6,134,233	(56,653)	497,140	-	6,574,720
	Development Fees	2,485,344	679,363	-	-	3,164,707
	<b>Equity @ 06/30/13</b>	<b>\$ 100,201,022</b>	<b>\$ 37,991,966</b>	<b>\$ 2,046,482</b>	<b>\$ -</b>	<b>\$ 140,239,470</b>
<b>6/30/2014</b>	Net Income Before Capital Contributions	8,997,205	473,808	524,768	-	9,995,781
	Development Fees	4,010,839	1,341,802	-	-	5,352,641
	<b>Equity @ 06/30/14</b>	<b>\$ 113,209,066</b>	<b>\$ 39,807,576</b>	<b>\$ 2,571,250</b>	<b>\$ -</b>	<b>\$ 155,587,892</b>
<b>6/30/2015</b>	Net Income Before Capital Contributions	9,563,189	(213,861)	396,054	-	9,745,382
	Development Fees	2,142,867	412,430	72,079	-	2,627,376
	<b>Equity @ 06/30/15</b>	<b>\$ 124,915,122</b>	<b>\$ 40,006,145</b>	<b>\$ 3,039,383</b>	<b>\$ -</b>	<b>\$ 167,960,650</b>
<b>6/30/2016</b>	<b>Revenues</b>					
	Water Sales	62,283,540	-	-	-	62,283,540
	Water Sales - Other Agencies	216,256	-	-	-	216,256
	Water Services	1,254,681	-	-	-	1,254,681
	Sewer Sales	-	17,788,053	-	-	17,788,053
	Sewer Services	-	19,664	-	-	19,664
	Recycled Water Sales	-	-	855,724	-	855,724
	Interest & Other Revenues	603,864	201,268	-	-	805,132
	Other Capital	2,272,497	31,099	-	-	2,303,596
	Developer Fees	2,840,928	261,593	-	-	3,102,521
	<b>Total Estimated Revenues FY2016</b>	<b>69,471,766</b>	<b>18,301,677</b>	<b>855,724</b>	<b>-</b>	<b>88,629,167</b>
	<b>Expenses</b>					
	Source of Supply	9,016,367	-	357,813	-	9,374,180
	Pumping Operations	6,988,060	-	-	-	6,988,060
	Water Treatment	4,829,725	-	-	-	4,829,725
	Transmission & Distribution	3,324,856	-	87	-	3,324,943
	Customer Accounts	2,294,730	376,975	3,627	-	2,675,332
	Administration & General	10,111,135	1,860,236	285,457	-	12,256,828
	Collection & Transmission	-	14,364,652	-	-	14,364,652
	Depreciation	8,000,000	1,600,000	100,000	-	9,700,000
	Interest Expense	14,864,123	-	34,409	-	14,898,532
	<b>Total Estimated Expenses FY2016</b>	<b>59,428,996</b>	<b>18,201,863</b>	<b>781,393</b>	<b>-</b>	<b>78,412,252</b>
	Net Income - FY2016	10,042,771	99,814	74,331	-	10,216,916
	<b>Estimated Fund Balance @ 06/30/16</b>	<b>\$ 134,957,893</b>	<b>\$ 40,105,959</b>	<b>\$ 3,113,714</b>	<b>\$ -</b>	<b>\$ 178,177,566</b>
	<b>Change in Fund Balance as Compared to Prior Year</b>	<b>8%</b>	<b>0%</b>	<b>2%</b>	<b>N/A</b>	<b>15%</b>

# CUCAMONGA VALLEY WATER DISTRICT FUND BALANCE HISTORY (CONTINUED)

(Amounts Expressed in Thousands)



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## CUCAMONGA VALLEY WATER DISTRICT RESERVE BALANCE HISTORY

For the Fiscal Year Ending June 30, 2014, through Fiscal Year Ending June 30, 2017

Fiscal Year Ending	Rate Stabilization Reserves	Water Banking Reserves	Operating Reserves	Capital Project Reserves	Emergency Reserves	Admin CIP Reserves	Developer Fee Reserves	Total
<b>Water Funds</b>								
<b>Balance @ 06/30/2013</b>	<b>\$ 3,677,666</b>	<b>\$ 3,632,500</b>	<b>\$ 10,905,751</b>	<b>\$ 13,000,000</b>	<b>\$ 6,429,538</b>	<b>\$ 1,535,883</b>	<b>\$ 3,599,880</b>	<b>\$ 42,781,218</b>
6/30/2014 Changes to Reserves	20,937	235,000	2,800,249	5,000,000	603,815	35,779	3,081,162	11,776,942
<b>Balance @ 06/30/2014</b>	<b>\$ 3,698,603</b>	<b>\$ 3,867,500</b>	<b>\$ 13,706,000</b>	<b>\$ 18,000,000</b>	<b>\$ 7,033,353</b>	<b>\$ 1,571,662</b>	<b>\$ 6,681,042</b>	<b>\$ 54,558,160</b>
6/30/2015 Changes to Reserves	(1,099,603)	(262,500)	4,900,000	4,200,000	189,647	37,338	1,775,867	9,740,749
<b>Balance @ 06/30/2015</b>	<b>\$ 2,599,000</b>	<b>\$ 3,605,000</b>	<b>\$ 18,606,000</b>	<b>\$ 22,200,000</b>	<b>\$ 7,223,000</b>	<b>\$ 1,609,000</b>	<b>\$ 8,456,909</b>	<b>\$ 64,298,909</b>
6/30/2016 Changes to Reserves	3,500,000	110,000	(1,936,991)	371,390	213,076	22,526	296,926	2,576,927
<b>Estimated Balance @ 06/30/2016</b>	<b>\$ 6,099,000</b>	<b>\$ 3,715,000</b>	<b>\$ 16,669,009</b>	<b>\$ 22,571,390</b>	<b>\$ 7,436,076</b>	<b>\$ 1,631,526</b>	<b>\$ 8,753,835</b>	<b>\$ 66,875,836</b>
6/30/2017 Changes to Reserves	(2,000,000)	85,000	3,674,182	-	184,560	22,841	(1,814,781)	151,803
<b>Estimated Balance @ 06/30/2017</b>	<b>\$ 4,099,000</b>	<b>\$ 3,800,000</b>	<b>\$ 20,343,191</b>	<b>\$ 22,571,390</b>	<b>\$ 7,620,636</b>	<b>\$ 1,654,368</b>	<b>\$ 6,939,054</b>	<b>\$ 67,027,639</b>
<b>Sewer Funds</b>								
<b>Balance @ 06/30/2013</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,821,031</b>	<b>\$ 20,000,000</b>	<b>\$ 880,063</b>	<b>\$ 76,794</b>	<b>\$ 969,777</b>	<b>\$ 28,747,665</b>
6/30/2014 Changes to Reserves	-	-	465,224	-	(9,090)	1,789	877,727	1,335,650
<b>Balance @ 06/30/2014</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,286,255</b>	<b>\$ 20,000,000</b>	<b>\$ 870,974</b>	<b>\$ 78,583</b>	<b>\$ 1,847,504</b>	<b>\$ 30,083,315</b>
6/30/2015 Changes to Reserves	-	-	101,745	-	(2,974)	1,417	107,430	207,618
<b>Balance @ 06/30/2015</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,388,000</b>	<b>\$ 20,000,000</b>	<b>\$ 868,000</b>	<b>\$ 80,000</b>	<b>\$ 1,954,934</b>	<b>\$ 30,290,933</b>
6/30/2016 Changes to Reserves	-	-	1,062,049	(2,302,000)	54,619	1,120	(578,855)	(1,763,068)
<b>Estimated Balance @ 06/30/2016</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,450,049</b>	<b>\$ 17,698,000</b>	<b>\$ 922,618</b>	<b>\$ 81,120</b>	<b>\$ 1,376,079</b>	<b>\$ 28,527,866</b>
6/30/2017 Changes to Reserves	-	-	242,320	-	32,270	1,136	(776,261)	(500,536)
<b>Estimated Balance @ 06/30/2017</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,692,368</b>	<b>\$ 17,698,000</b>	<b>\$ 954,888</b>	<b>\$ 82,256</b>	<b>\$ 599,818</b>	<b>\$ 28,027,330</b>

**CUCAMONGA VALLEY WATER DISTRICT  
RESERVE BALANCE HISTORY (CONTINUED)**

For the Fiscal Year Ending June 30, 2014, through Fiscal Year Ending June 30, 2017

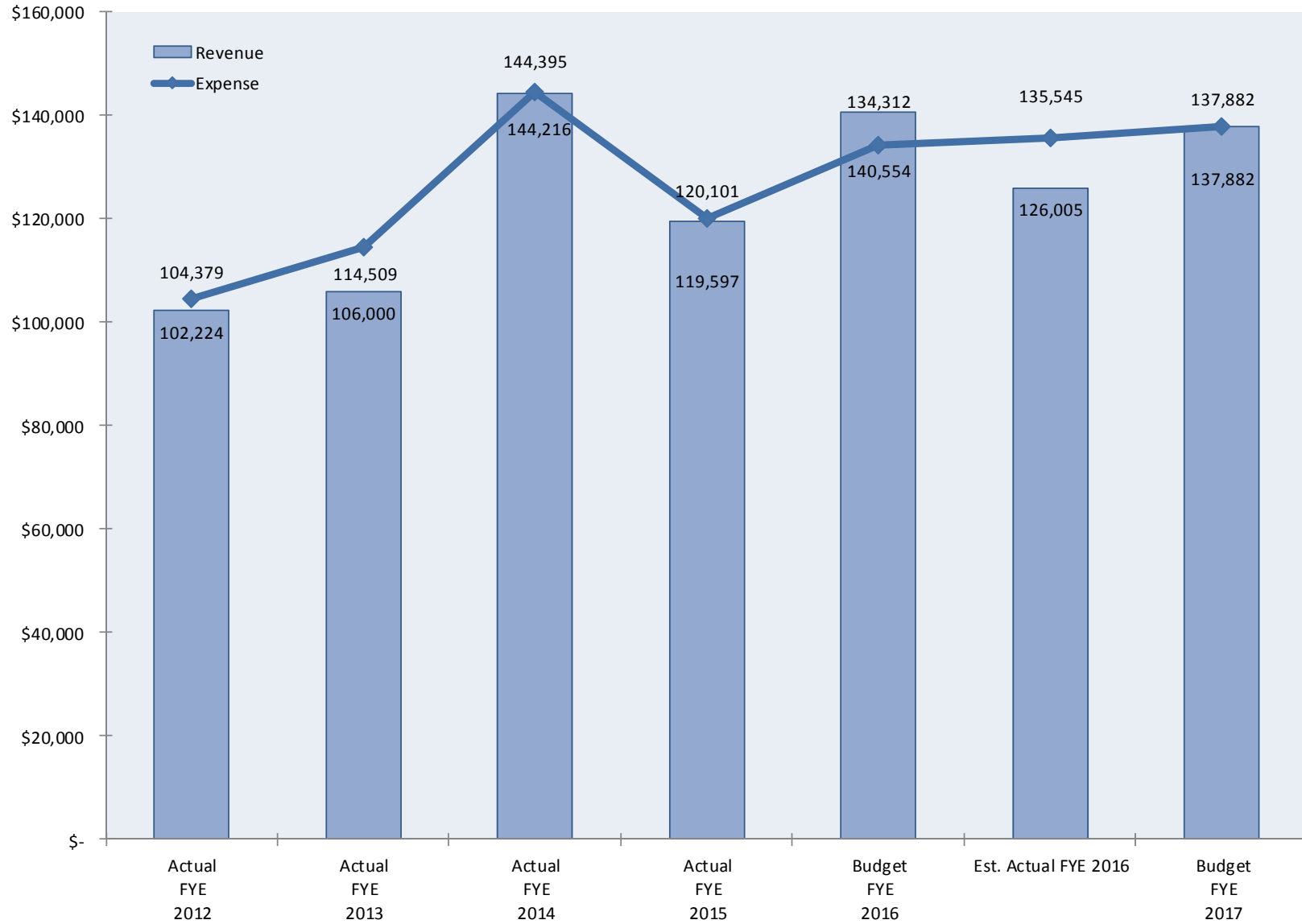
Fiscal Year Ending	Rate Stabilization Reserves	Water Banking Reserves	Operating Reserves	Capital Project Reserves	Emergency Reserves	Admin CIP Reserves	Developer Fee Reserves	Total
<b>Recycled Water Funds</b>								
<b>Balance @ 06/30/2013</b>	\$ -	\$ -	\$ 94,691	\$ -	\$ 50,611	\$ -	\$ -	\$ 145,302
<b>6/30/2014</b> Changes to Reserves	-	-	200,206	-	48,460	-	-	248,666
<b>Balance @ 06/30/2014</b>	\$ -	\$ -	\$ 294,897	\$ -	\$ 99,071	\$ -	\$ -	\$ 393,968
<b>6/30/2015</b> Changes to Reserves	-	-	151,103	-	(2,071)	-	72,079	221,111
<b>Balance @ 06/30/2015</b>	\$ -	\$ -	\$ 446,000	\$ -	\$ 97,000	\$ -	\$ 72,079	\$ 615,079
<b>6/30/2016</b> Changes to Reserves	-	-	161	-	1,346	-	-	1,507
<b>Estimated Balance @ 06/30/2016</b>	\$ -	\$ -	\$ 446,161	\$ -	\$ 98,346	\$ -	\$ 72,079	\$ 616,586
<b>6/30/2017</b> Changes to Reserves	-	-	(35,240)	-	1,000	-	29,592	(4,648)

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# HISTORICAL TRENDS

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

(Amounts Expressed in Thousands)



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

(Amounts Expressed in Thousands)

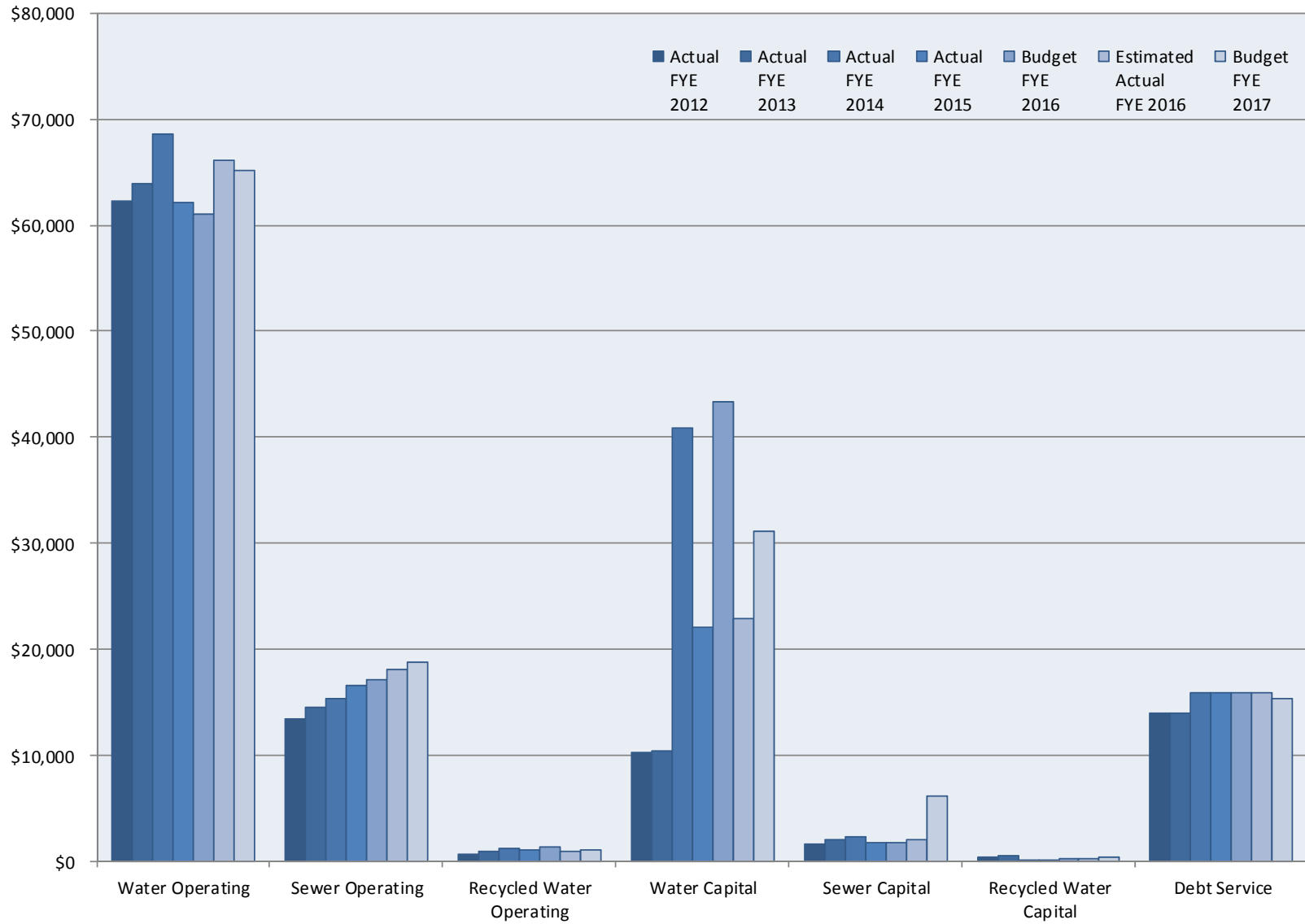
<b>Activity</b>	<b>Actual FYE 2012</b>	<b>Actual FYE 2013</b>	<b>% Change</b>	<b>Actual FYE 2014</b>	<b>% Change</b>	<b>Actual FYE 2015</b>	<b>% Change</b>	<b>Budget FYE 2016</b>	<b>% Change</b>	<b>Estimated Actual FYE 2016</b>	<b>Budget FYE 2017</b>	<b>% Change</b>
Total Revenues	\$ 102,224	\$ 106,000	3.7%	\$ 144,216	36.1%	\$ 119,597	(17.1)%	\$ 140,554	17.5%	\$ 126,005	\$ 137,865	9.4%
Total Expenses	104,379	114,509	9.7%	144,395	26.1%	120,101	(16.8)%	134,312	11.8%	135,545	137,865	1.7%
<b>Net Income</b>	<b>\$ (2,155)</b>	<b>\$ (8,509)</b>	<b>294.9%</b>	<b>\$ (179)</b>	<b>(97.9)%</b>	<b>\$ (504)</b>	<b>180.9%</b>	<b>\$ 6,242</b>	<b>(1339.3)%</b>	<b>\$ (9,540)</b>	<b>\$ -</b>	<b>(100.0)%</b>

**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.

# CUCAMONGA VALLEY WATER DISTRICT

## TOTAL REVENUES BY FUND

(Amounts Expressed in Thousands)



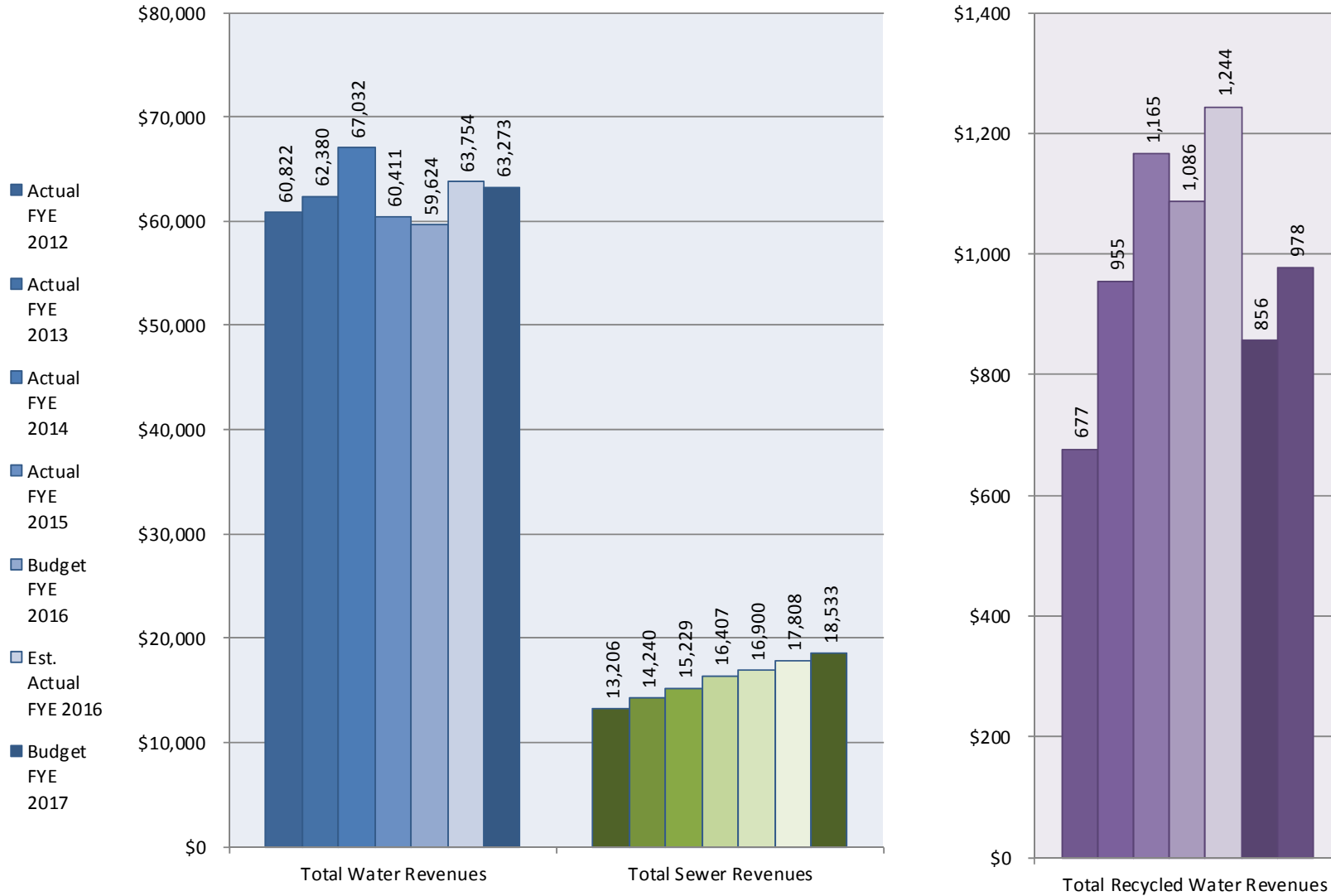
## CUCAMONGA VALLEY WATER DISTRICT TOTAL REVENUES BY FUND (CONTINUED)

(Amounts Expressed in Thousands)

Fund	Actual FYE 2012	Actual FYE 2013	%	Actual FYE 2014	%	Actual FYE 2015	%	Budget FYE 2016	%	Estimated Actual FYE 2016	Budget FYE 2017	%
			Change		Change		Change		Change			Change
<b>Water Operating</b>												
Operating Revenues	\$ 60,822	\$ 62,380	2.6%	\$ 67,032	7.5%	\$ 60,411	(9.9)%	\$ 59,624	(1.3)%	\$ 63,754	\$ 63,273	(0.8)%
Non-Operating Revenues	1,442	1,501	4.0%	1,512	0.7%	1,753	15.9%	1,468	(16.2)%	2,416	1,881	(22.2)%
Transfers In	-	-	-	-	-	-	-	-	-	-	-	-
Total Fund Revenues	<b>62,264</b>	<b>63,881</b>	<b>2.6%</b>	<b>68,544</b>	<b>7.3%</b>	<b>62,163</b>	<b>(9.3)%</b>	<b>61,092</b>	<b>(1.7)%</b>	<b>66,171</b>	<b>65,154</b>	<b>(1.5)%</b>
<b>Sewer Operating</b>												
Operating Revenues	13,206	14,240	7.8%	15,229	6.9%	16,407	7.7%	16,900	3.0%	17,808	18,533	4.1%
Non-Operating Revenues	148	179	20.6%	121	(32.5)%	185	53.2%	158	(14.6)%	201	249	23.8%
Transfers In	-	-	-	-	-	-	-	-	-	-	-	-
Total Fund Revenues	<b>13,355</b>	<b>14,418</b>	<b>8.0%</b>	<b>15,349</b>	<b>6.5%</b>	<b>16,592</b>	<b>8.1%</b>	<b>17,058</b>	<b>2.8%</b>	<b>18,009</b>	<b>18,782</b>	<b>4.3%</b>
<b>Recycled Water Operating</b>												
Operating Revenues	677	955	41.2%	1,165	22.0%	1,086	(6.8)%	1,244	14.5%	856	978	14.3%
Non-Operating Revenues	-	-	-	-	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-	-	-	-	-
Total Fund Revenues	<b>677</b>	<b>955</b>	<b>41.2%</b>	<b>1,165</b>	<b>22.0%</b>	<b>1,086</b>	<b>(6.8)%</b>	<b>1,244</b>	<b>14.5%</b>	<b>856</b>	<b>978</b>	<b>14.3%</b>
<b>Water Capital</b>												
Non-Operating Revenues	728	173	(76.3)%	32,465	18719.8%	17,234	(46.9)%	35,585	106.5%	8,006	21,005	162.4%
Transfers In	9,469	10,253	8.3%	8,404	(18.0)%	4,829	(42.5)%	7,790	61.3%	14,909	10,128	(32.1)%
Total Fund Revenues	<b>10,197</b>	<b>10,425</b>	<b>2.2%</b>	<b>40,869</b>	<b>292.0%</b>	<b>22,063</b>	<b>(46.0)%</b>	<b>43,375</b>	<b>96.6%</b>	<b>22,915</b>	<b>31,133</b>	<b>35.9%</b>
<b>Sewer Capital</b>												
Non-Operating Revenues	10	-	(100.0)%	(9)	N/A	26	(375.4)%	303	1088.8%	293	4,719	1512.2%
Transfers In	1,510	1,990	31.8%	2,256	13.4%	1,653	(26.7)%	1,383	(16.3)%	1,711	1,398	(18.3)%
Total Fund Revenues	<b>1,520</b>	<b>1,990</b>	<b>30.9%</b>	<b>2,246</b>	<b>12.9%</b>	<b>1,678</b>	<b>(25.3)%</b>	<b>1,686</b>	<b>0.4%</b>	<b>2,004</b>	<b>6,116</b>	<b>205.2%</b>
<b>Recycled Water Capital</b>												
Non-Operating Revenues	462	-	(100.0)%	-	-	-	-	77	N/A	-	180	N/A
Transfers In	(145)	435	(400.6)%	118	(72.8)%	136	15.2%	123	(9.7)%	150	156	4.3%
Total Fund Revenues	<b>317</b>	<b>435</b>	<b>37.0%</b>	<b>118</b>	<b>(72.8)%</b>	<b>136</b>	<b>15.2%</b>	<b>200</b>	<b>47.1%</b>	<b>150</b>	<b>336</b>	<b>124.0%</b>
<b>Debt Service</b>												
Non-Operating Revenues	-	-	-	-	-	11	N/A	13	13.7%	13	14	12.6%
Transfers In	13,895	13,895	0.0%	15,924	14.6%	15,868	(0.4)%	15,887	0.1%	15,887	15,351	(3.4)%
Total Fund Revenues	<b>13,895</b>	<b>13,895</b>	<b>0.0%</b>	<b>15,924</b>	<b>14.6%</b>	<b>15,879</b>	<b>(0.3)%</b>	<b>15,900</b>	<b>0.1%</b>	<b>15,900</b>	<b>15,365</b>	<b>(3.4)%</b>
<b>Total Revenues</b>	<b>\$ 102,224</b>	<b>\$ 106,000</b>	<b>3.7%</b>	<b>\$ 144,216</b>	<b>36.1%</b>	<b>\$ 119,597</b>	<b>(17.1)%</b>	<b>\$ 140,554</b>	<b>17.5%</b>	<b>\$ 126,005</b>	<b>\$ 137,865</b>	<b>9.4%</b>

## CUCAMONGA VALLEY WATER DISTRICT TOTAL OPERATING REVENUES BY ACTIVITY

(Amounts Expressed in Thousands)



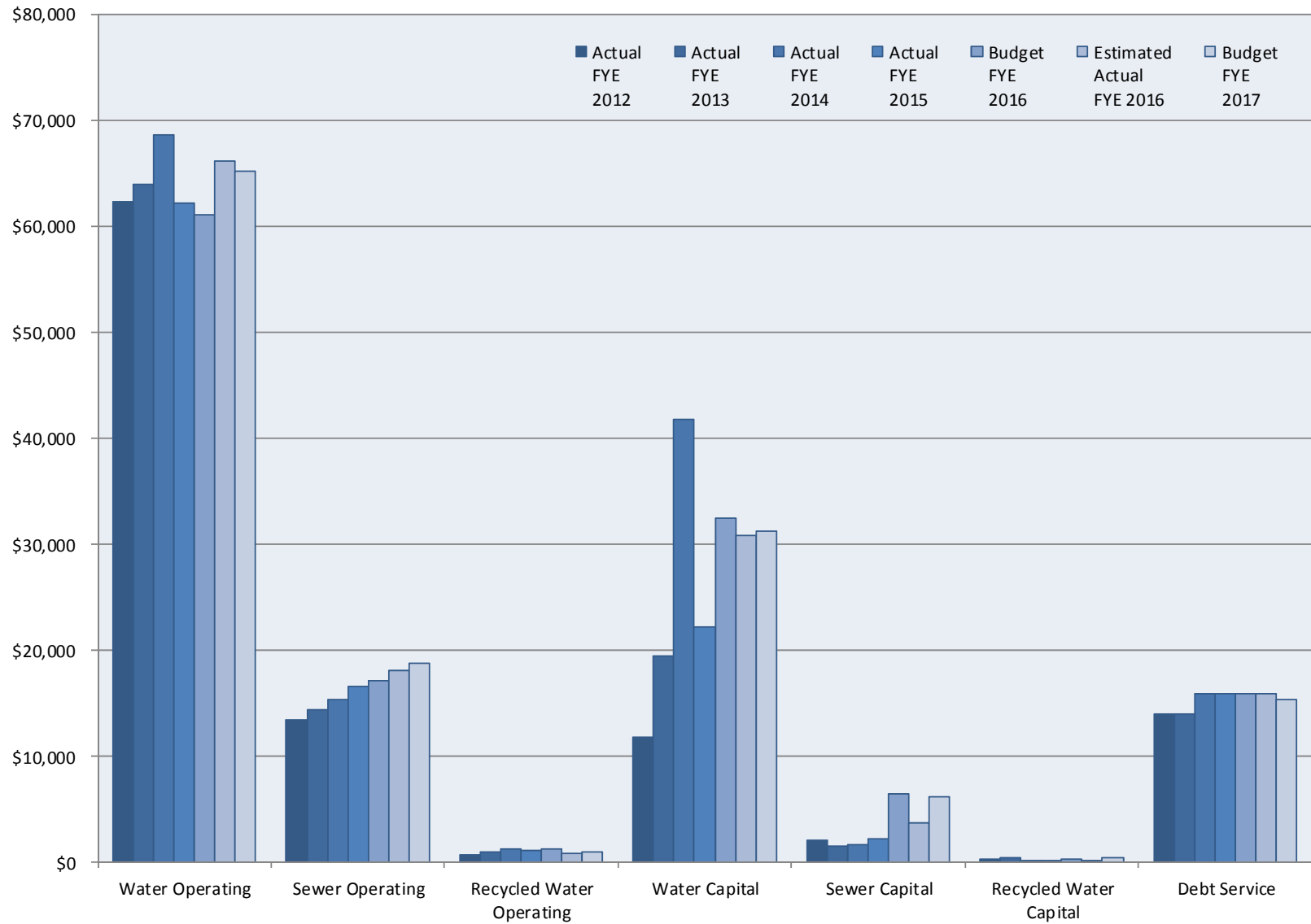
**CUCAMONGA VALLEY WATER DISTRICT**  
**TOTAL OPERATING REVENUES BY ACTIVITY (CONTINUED)**  
(Amounts Expressed in Thousands)

Activity	Actual FYE 2012	Actual FYE 2013	%	Actual FYE 2014	%	Actual FYE 2015	%	Budget FYE 2016	%	Estimated Actual FYE 2016	Budget FYE 2017	%
			Change		Change		Change		Change			Change
<b>Operating Revenues</b>												
Water Sales	\$ 53,429	\$ 57,340	7.3%	\$ 61,486	7.2%	\$ 55,957	(9.0)%	\$ 57,017	1.9%	\$ 62,284	\$ 61,293	(1.6)%
Water Sales-Other Agencies	6,102	3,811	(37.5)%	4,299	12.8%	3,211	(25.3)%	1,385	(56.9)%	216	733	238.9%
Water Services	1,291	1,229	(4.8)%	1,247	1.5%	1,243	(0.3)%	1,222	(1.7)%	1,255	1,247	(0.6)%
<b>Total Water Revenues</b>	<b>60,822</b>	<b>62,380</b>	<b>2.6%</b>	<b>67,032</b>	<b>7.5%</b>	<b>60,411</b>	<b>(9.9)%</b>	<b>59,624</b>	<b>(1.3)%</b>	<b>63,754</b>	<b>63,273</b>	<b>(0.8)%</b>
Sewer Sales	13,175	14,207	7.8%	15,191	6.9%	16,377	7.8%	16,872	3.0%	17,788	18,515	4.1%
Sewer Services	32	32	1.1%	37	15.4%	30	(19.0)%	28	(7.0)%	20	18	(8.5)%
<b>Total Sewer Revenues</b>	<b>13,206</b>	<b>14,240</b>	<b>7.8%</b>	<b>15,229</b>	<b>6.9%</b>	<b>16,407</b>	<b>7.7%</b>	<b>16,900</b>	<b>3.0%</b>	<b>17,808</b>	<b>18,533</b>	<b>4.1%</b>
Recycled Water Sales	677	955	41.2%	1,165	22.0%	1,086	(6.8)%	1,244	14.5%	856	978	14.3%
Recycled Water Services	-	-	-	-	-	-	-	-	-	0	0	(5.1)%
<b>Total Recycled Water Revenues</b>	<b>677</b>	<b>955</b>	<b>41.2%</b>	<b>1,165</b>	<b>22.0%</b>	<b>1,086</b>	<b>(6.8)%</b>	<b>1,244</b>	<b>14.5%</b>	<b>856</b>	<b>978</b>	<b>14.3%</b>
<b>Total Operating Revenues</b>	<b>\$ 74,705</b>	<b>\$ 77,575</b>	<b>3.8%</b>	<b>\$ 83,426</b>	<b>7.5%</b>	<b>\$ 77,904</b>	<b>(6.6)%</b>	<b>\$ 77,768</b>	<b>(0.2)%</b>	<b>\$ 82,418</b>	<b>\$ 82,784</b>	<b>0.4%</b>

# CUCAMONGA VALLEY WATER DISTRICT

## TOTAL EXPENSES BY FUND

(Amounts Expressed in Thousands)



# CUCAMONGA VALLEY WATER DISTRICT

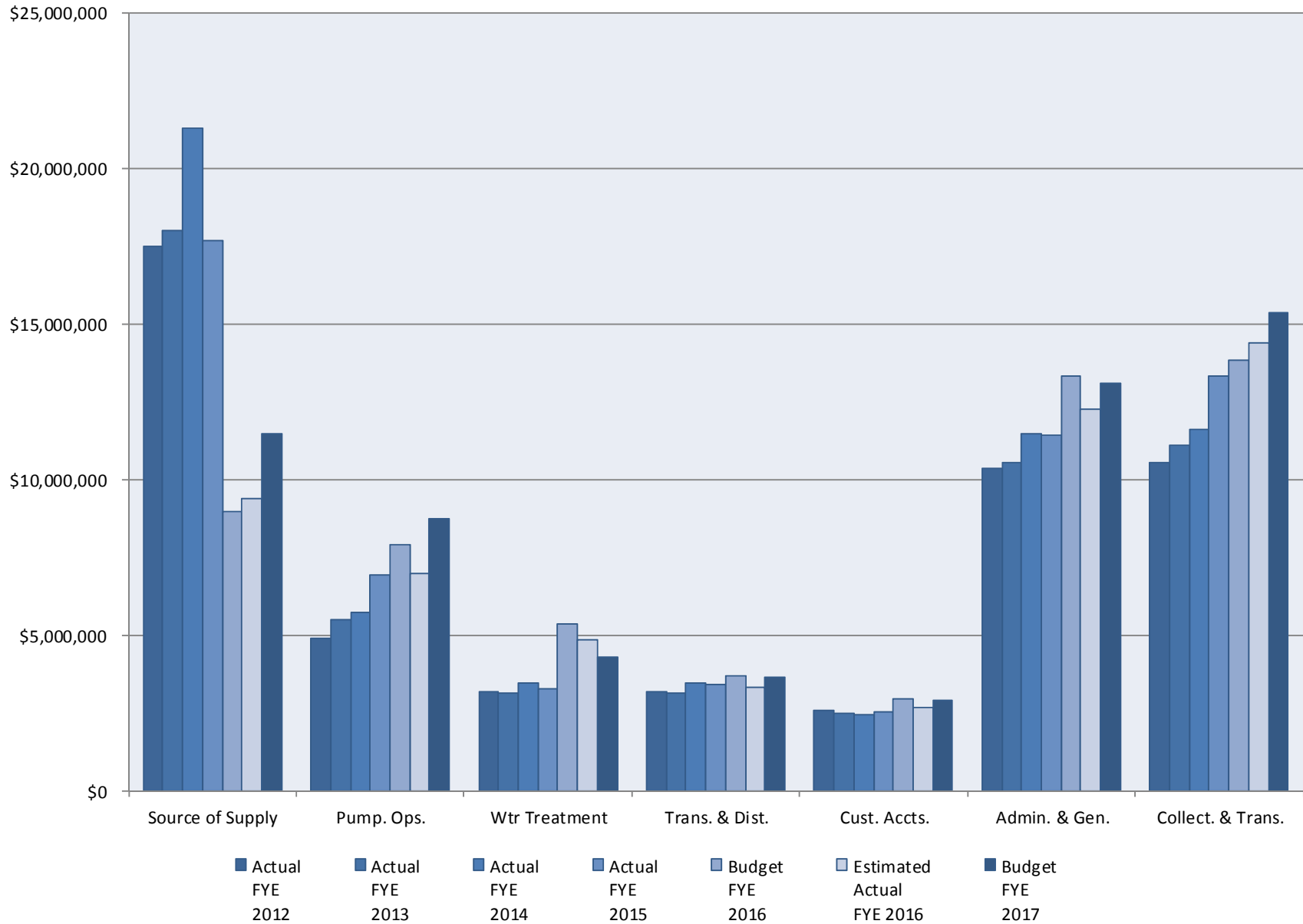
## TOTAL EXPENSES BY FUND (CONTINUED)

(Amounts Expressed in Thousands)

Fund	Actual FYE 2012	Actual FYE 2013	%	Actual FYE 2014	%	Actual FYE 2015	%	Budget FYE 2016	%	Estimated Actual FYE 2016	Budget FYE 2017	%
			Change		Change		Change		Change			Change
<b>Water Operating</b>												
Operating Expenses	\$ 39,092	\$ 39,876	2.0%	\$ 44,295	11.1%	\$ 41,553	(6.2)%	\$ 37,414	(10.0)%	\$ 35,374	\$ 39,675	12.2%
Non-Operating Expenses	(191)	(143)	(25.3)%	(79)	(44.8)%	(86)	8.7%	-	(100.0)%	-	-	-
Transfers Out	23,364	24,148	3.4%	24,328	0.7%	20,696	(14.9)%	23,678	14.4%	30,796	25,479	(17.3)%
<b>Total Fund Expenses</b>	<b>62,264</b>	<b>63,881</b>	<b>2.6%</b>	<b>68,544</b>	<b>7.3%</b>	<b>62,163</b>	<b>(9.3)%</b>	<b>61,092</b>	<b>(1.7)%</b>	<b>66,171</b>	<b>65,154</b>	<b>(1.5)%</b>
<b>Sewer Operating</b>												
Operating Expenses	11,853	12,445	5.0%	13,186	5.9%	15,033	14.0%	15,675	4.3%	16,298	17,385	6.7%
Non-Operating Expenses	(9)	(17)	94.4%	(92)	451.5%	(94)	1.8%	-	(100.0)%	-	-	-
Transfers Out	1,510	1,990	31.8%	2,256	13.4%	1,653	(26.7)%	1,383	(16.3)%	1,711	1,398	(18.3)%
<b>Total Fund Expenses</b>	<b>13,355</b>	<b>14,418</b>	<b>8.0%</b>	<b>15,349</b>	<b>6.5%</b>	<b>16,592</b>	<b>8.1%</b>	<b>17,058</b>	<b>2.8%</b>	<b>18,009</b>	<b>18,782</b>	<b>4.3%</b>
<b>Recycled Water Operating</b>												
Operating Expenses	262	367	40.1%	542	47.5%	604	11.4%	892	47.8%	647	822	27.0%
Non-Operating Expenses	(16)	(32)	102.4%	(20)	(37.9)%	(26)	31.5%	-	(100.0)%	-	-	-
Transfers Out	430	620	44.1%	643	3.8%	509	(20.9)%	352	(30.9)%	209	156	(25.2)%
<b>Total Fund Expenses</b>	<b>677</b>	<b>955</b>	<b>41.2%</b>	<b>1,165</b>	<b>22.0%</b>	<b>1,086</b>	<b>(6.8)%</b>	<b>1,244</b>	<b>14.5%</b>	<b>856</b>	<b>978</b>	<b>14.3%</b>
<b>Water Capital</b>												
Operating Expenses	822	967	17.7%	1,126	16.4%	1,096	(2.6)%	1,729	57.8%	1,190	1,316	10.5%
Non-Operating Expenses	11,553	18,629	61.3%	41,113	120.7%	21,386	(48.0)%	30,858	44.3%	29,648	29,818	0.6%
Transfers Out	(575)	(185)	(67.8)%	(525)	183.9%	(373)	(29.0)%	(229)	(38.6)%	(59)	-	(100.0)%
<b>Total Fund Expenses</b>	<b>11,799</b>	<b>19,411</b>	<b>64.5%</b>	<b>41,714</b>	<b>114.9%</b>	<b>22,109</b>	<b>(47.0)%</b>	<b>32,358</b>	<b>46.4%</b>	<b>30,779</b>	<b>31,133</b>	<b>1.1%</b>
<b>Sewer Capital</b>												
Operating Expenses	211	246	16.2%	287	16.8%	280	(2.5)%	308	9.9%	304	327	7.4%
Non-Operating Expenses	1,861	1,268	(31.9)%	1,294	2.1%	1,855	43.4%	6,153	231.6%	3,375	5,790	71.5%
Transfers Out	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Fund Expenses</b>	<b>2,072</b>	<b>1,513</b>	<b>(27.0)%</b>	<b>1,581</b>	<b>4.5%</b>	<b>2,135</b>	<b>35.1%</b>	<b>6,461</b>	<b>202.6%</b>	<b>3,679</b>	<b>6,116</b>	<b>66.2%</b>
<b>Recycled Water Capital</b>												
Operating Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Non-Operating Expenses	317	435	37.0%	118	(72.8)%	136	15.2%	200	47.1%	150	336	124.0%
Transfers Out	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Fund Expenses</b>	<b>317</b>	<b>435</b>	<b>37.0%</b>	<b>118</b>	<b>(72.8)%</b>	<b>136</b>	<b>15.2%</b>	<b>200</b>	<b>47.1%</b>	<b>150</b>	<b>336</b>	<b>124.0%</b>
<b>Debt Service</b>												
Non-Operating Expenses	13,895	13,895	0.0%	15,924	14.6%	15,879	(0.3)%	15,900	0.1%	15,900	15,365	(3.4)%
Transfers Out	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Fund Expenses</b>	<b>13,895</b>	<b>13,895</b>	<b>0.0%</b>	<b>15,924</b>	<b>14.6%</b>	<b>15,879</b>	<b>(0.3)%</b>	<b>15,900</b>	<b>0.1%</b>	<b>15,900</b>	<b>15,365</b>	<b>(3.4)%</b>
<b>Total Expenses</b>	<b>\$ 104,379</b>	<b>\$ 114,509</b>	<b>9.7%</b>	<b>\$ 144,395</b>	<b>26.1%</b>	<b>\$ 120,101</b>	<b>(16.8)%</b>	<b>\$ 134,312</b>	<b>11.8%</b>	<b>\$ 135,545</b>	<b>\$ 137,865</b>	<b>1.7%</b>

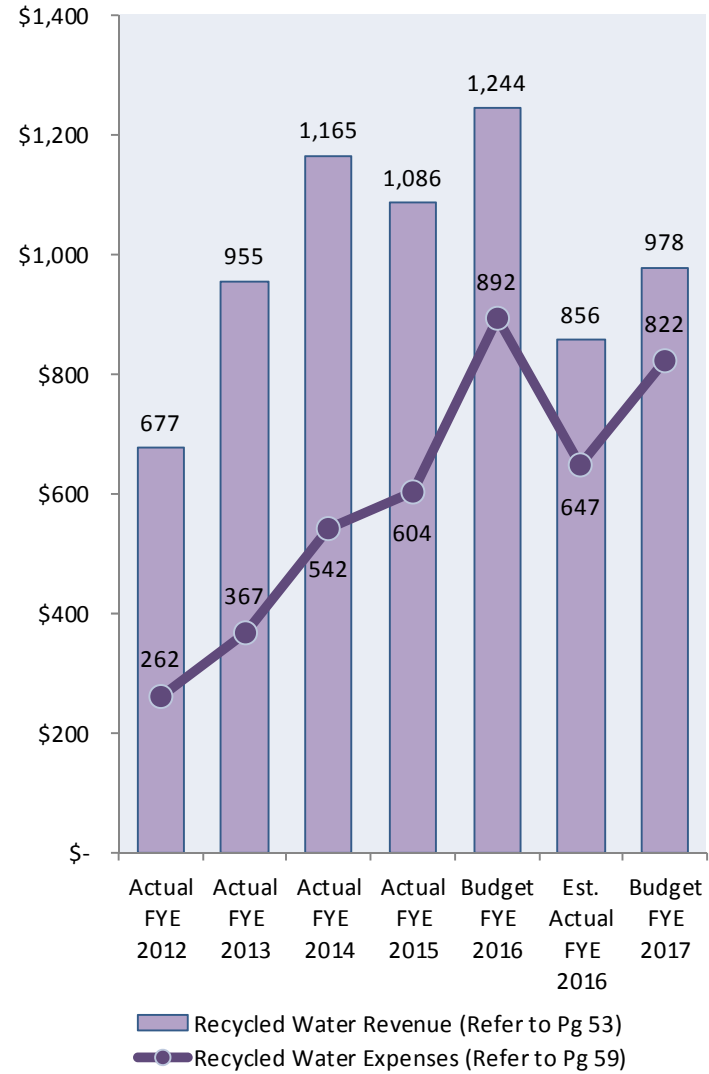
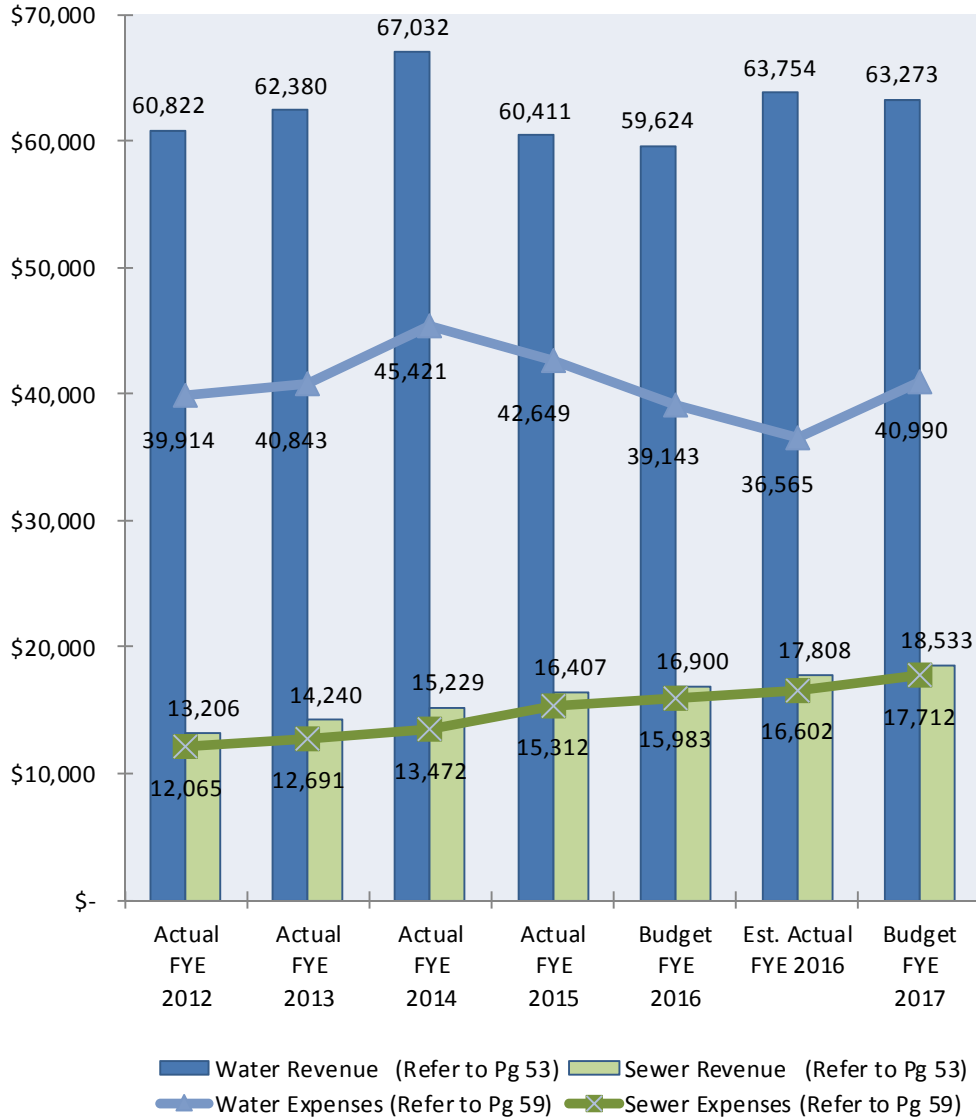
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## CUCAMONGA VALLEY WATER DISTRICT TOTAL OPERATING EXPENSES BY ACTIVITY



## CUCAMONGA VALLEY WATER DISTRICT TOTAL OPERATING REVENUES AND EXPENSES BY ACTIVITY

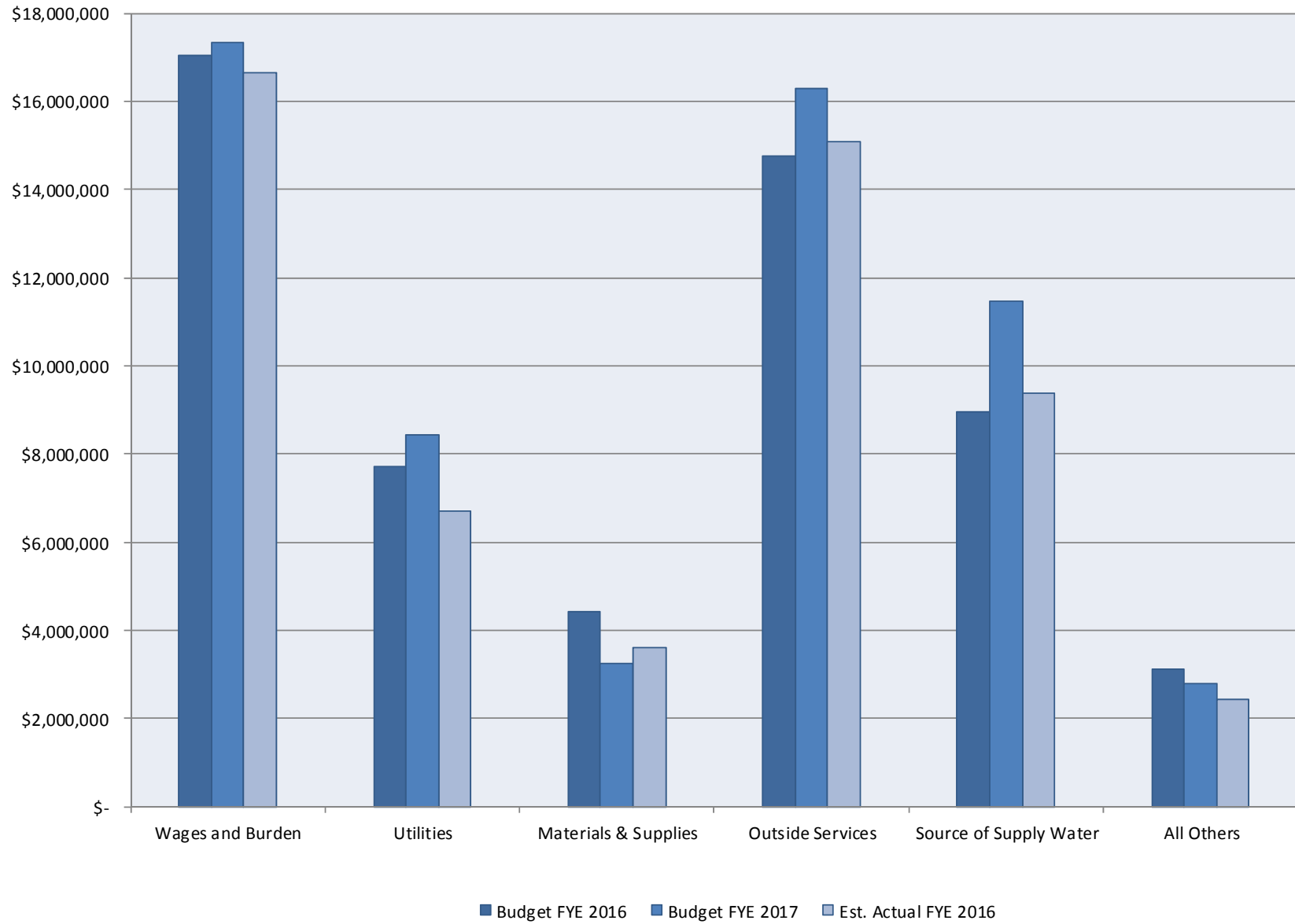
(Amounts Expressed in Thousands)



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

Activity	Actual FYE 2012	Actual FYE 2013	%	Actual FYE 2014	%	Actual FYE 2015	%	Budget FYE 2016	%	Estimated Actual FYE 2016	Budget FYE 2017	%
			Change		Change		Change		Change			Change
<b>Total Revenues</b>	\$ 74,705	\$ 77,575	3.8%	\$ 83,426	7.5%	\$ 77,904	(6.6)%	\$ 77,768	(0.2)%	\$ 82,418	\$ 82,784	0.4%
<b>Operating Expenses</b>												
<b>Water</b>												
Source of Supply	17,406	17,798	2.3%	20,932	17.6%	17,263	(17.5)%	8,419	(51.2)%	9,016	11,005	22.1%
Pumping Operations	4,908	5,492	11.9%	5,708	3.9%	6,933	21.5%	7,877	13.6%	6,988	8,755	25.3%
Water Treatment	3,162	3,135	(0.8)%	3,431	9.5%	3,270	(4.7)%	5,365	64.1%	4,830	4,291	(11.2)%
Transmission and Distribution	3,154	3,131	(0.7)%	3,465	10.7%	3,419	(1.3)%	3,683	7.7%	3,325	3,603	8.4%
Customer Accounts	2,250	2,149	(4.5)%	2,098	(2.4)%	2,141	2.1%	2,522	17.8%	2,295	2,480	8.1%
Administration and General	9,034	9,138	1.1%	9,787	7.1%	9,623	(1.7)%	11,278	17.2%	10,111	10,857	7.4%
<b>Total Water Expenses</b>	<b>39,914</b>	<b>40,843</b>	<b>2.3%</b>	<b>45,421</b>	<b>11.2%</b>	<b>42,649</b>	<b>(6.1)%</b>	<b>39,143</b>	<b>(8.2)%</b>	<b>36,565</b>	<b>40,990</b>	<b>12.1%</b>
<b>Sewer</b>												
Collection and Transmission	10,547	11,117	5.4%	11,623	4.5%	13,327	14.7%	13,833	3.8%	14,365	15,375	7.0%
Customer Accounts	332	341	2.9%	354	3.7%	359	1.3%	432	20.3%	377	418	11.0%
Administrative and General	1,186	1,232	3.9%	1,496	21.4%	1,627	8.8%	1,718	5.6%	1,860	1,919	3.1%
<b>Total Sewer Expenses</b>	<b>12,065</b>	<b>12,691</b>	<b>5.2%</b>	<b>13,472</b>	<b>6.2%</b>	<b>15,312</b>	<b>13.7%</b>	<b>15,983</b>	<b>4.4%</b>	<b>16,602</b>	<b>17,712</b>	<b>6.7%</b>
<b>Recycled Water</b>												
Source of Supply	100	208	107.0%	355	71.0%	408	15.0%	564	38.2%	358	482	34.8%
Transmission and Distribution	11	3	(74.0)%	4	47.8%	3	(31.1)%	15	437.4%	0	15	17207.7%
Customer Accounts	(1)	1	(244.5)%	2	92.0%	5	187.0%	11	130.4%	4	11	206.6%
Administrative and General	152	156	2.8%	181	16.1%	188	3.7%	302	61.0%	285	314	9.8%
<b>Total Recycled Water Expenses</b>	<b>262</b>	<b>367</b>	<b>40.1%</b>	<b>542</b>	<b>47.5%</b>	<b>604</b>	<b>11.4%</b>	<b>892</b>	<b>47.8%</b>	<b>647</b>	<b>822</b>	<b>27.0%</b>
<b>Total Operating Expenses</b>	<b>\$ 52,241</b>	<b>\$ 53,901</b>	<b>3.2%</b>	<b>\$ 59,435</b>	<b>10.3%</b>	<b>\$ 58,565</b>	<b>(1.5)%</b>	<b>\$ 56,018</b>	<b>(4.3)%</b>	<b>\$ 53,814</b>	<b>\$ 59,524</b>	<b>10.6%</b>

## CUCAMONGA VALLEY WATER DISTRICT TOTAL OPERATING EXPENSES BY ACCOUNT



**CUCAMONGA VALLEY WATER DISTRICT  
TOTAL OPERATING EXPENSES BY ACCOUNT (CONTINUED)**

<b>Account</b>	<b>Budget FYE 2016</b>	<b>Estimated Actual FYE 2016</b>	<b>Budget FYE 2017</b>	<b>% Change Budget '16 vs. Budget '17</b>	<b>% Change Est. Actual '16 vs. Budget '17</b>
Wages and Burden	\$ 17,046,382	\$ 16,633,980	\$ 17,332,172	1.7%	4.2%
Professional Development	464,845	322,115	506,239	8.9%	57.2%
Professional Services	643,785	776,229	684,963	6.4%	(11.8)%
Advertisements	43,639	29,915	67,925	55.7%	127.1%
Elections	-	-	-	-	-
Personnel	164,995	132,124	175,800	6.5%	33.1%
Insurance	478,750	441,384	459,100	(4.1)%	4.0%
Collections	155,000	94,861	100,000	(35.5)%	5.4%
Utilities	7,722,873	6,695,502	8,427,541	9.1%	25.9%
Materials & Supplies	4,414,042	3,601,658	3,252,634	(26.3)%	(9.7)%
Outside Services	14,767,515	15,093,016	16,287,318	10.3%	7.9%
Safety	91,810	109,181	99,040	7.9%	(9.3)%
Source of Supply Water	8,942,484	9,370,041	11,446,895	28.0%	22.2%
Miscellaneous	931,570	423,303	507,220	(45.6)%	19.8%
Other - Capital Equipment	150,775	90,411	177,075	17.4%	95.9%
<b>Totals</b>	<b>\$ 56,018,465</b>	<b>\$ 53,813,720</b>	<b>\$ 59,523,922</b>	<b>6.3%</b>	<b>10.6%</b>

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# CUCAMONGA VALLEY WATER DISTRICT

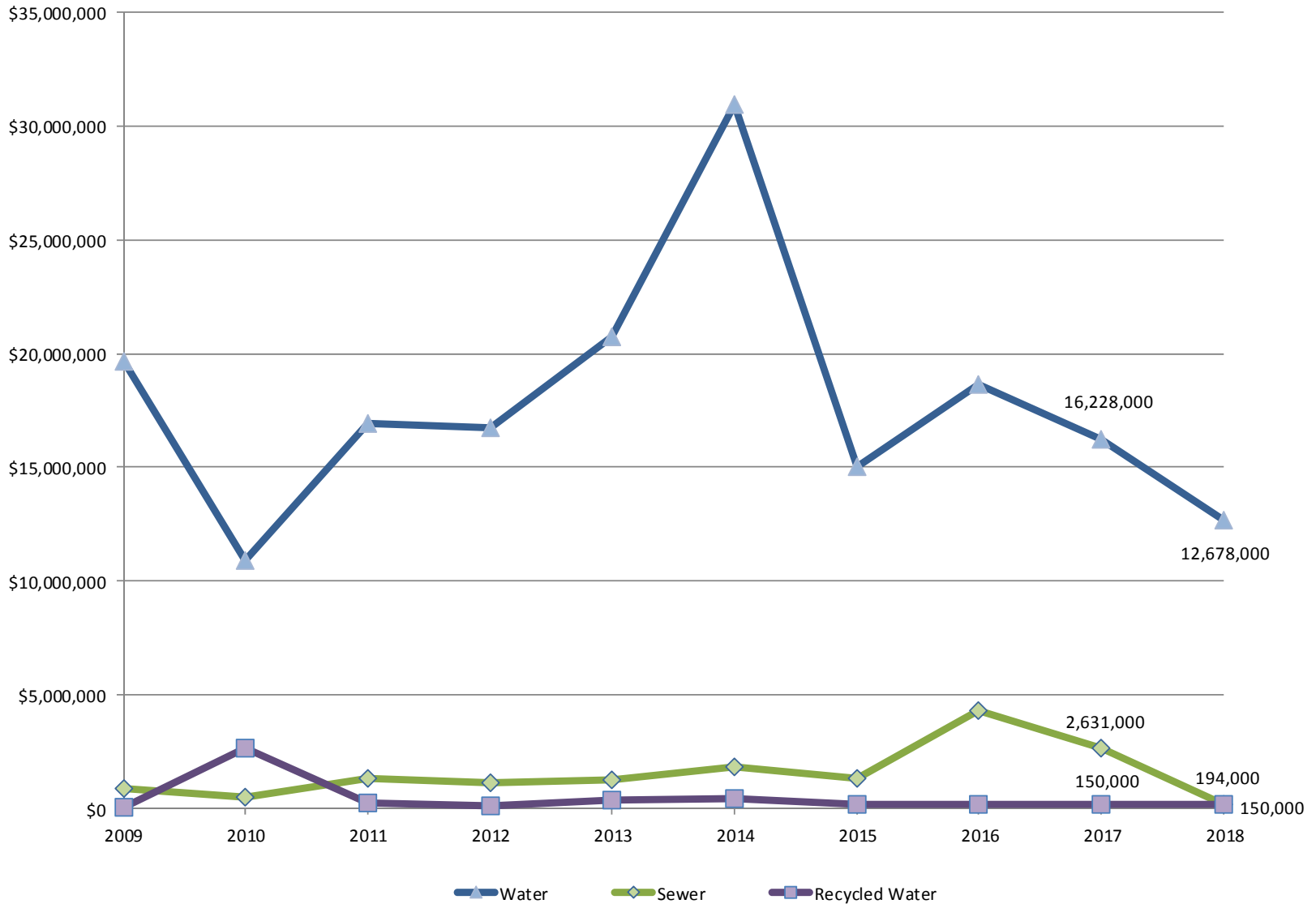
## TOTAL BUDGETED OPERATING EXPENSES BY ACCOUNT AND DEPARTMENT

For the Fiscal Year Ending 2016 and 2017

(Amounts Expressed in Thousands)

Account Title	Executive		Fin & Admin Services		General Services		Engineering		Operations		Totals	
	FY 2016	FY 2017	FY 2016	FY 2017	FY 2016	FY 2017	FY 2016	FY 2017	FY 2016	FY 2017	FY 2016	FY 2017
<b>Water</b>												
Wages and Burden	\$ 2,444	\$ 2,516	\$ 3,523	\$ 3,558	\$ 31	\$ 3	\$ 1,942	\$ 2,092	\$ 5,912	\$ 5,964	\$ 13,852	\$ 14,134
Professional Development	216	232	80	73	52	40	40	50	52	67	440	462
Professional Services	423	390	144	136	30	23	18	44	3	23	617	615
Advertisements	42	64	1	3	-	-	-	-	-	-	44	66
Elections	-	-	-	-	-	-	-	-	-	-	-	-
Personnel Costs	122	133	2	2	39	30	2	2	-	-	164	166
Insurance	343	324	-	-	-	-	-	-	-	-	343	324
Collections	-	-	124	80	-	-	-	-	-	-	124	80
Utilities	20	26	81	38	217	227	11	10	7,343	8,089	7,671	8,390
Materials & Supplies	114	57	318	323	57	51	39	39	3,689	2,568	4,217	3,038
Outside Services	229	146	772	745	14	14	14	14	1,251	1,222	2,279	2,141
Safety	3	5	11	12	-	-	5	5	61	66	81	88
Source of Supply Water	-	-	-	-	-	-	-	-	8,379	10,965	8,379	10,965
Miscellaneous	483	21	306	323	5	20	2	2	52	55	849	421
Other - Capital Equipment	1	1	8	25	1	3	3	4	71	69	84	103
<b>Totals - Water</b>	<b>\$ 4,441</b>	<b>\$ 3,914</b>	<b>\$ 5,370</b>	<b>\$ 5,317</b>	<b>\$ 447</b>	<b>\$ 410</b>	<b>\$ 2,074</b>	<b>\$ 2,262</b>	<b>\$ 26,812</b>	<b>\$ 29,087</b>	<b>\$ 39,143</b>	<b>\$ 40,990</b>
<b>Sewer</b>												
Wages and Burden	\$ 348	\$ 353	\$ 566	\$ 579	\$ 2	\$ -	\$ 710	\$ 706	\$ 1,287	\$ 1,269	\$ 2,913	\$ 2,907
Professional Development	-	-	-	8	-	13	10	11	10	9	21	40
Professional Services	-	-	23	59	-	8	3	3	-	-	26	70
Advertisements	-	-	-	2	-	-	-	-	-	-	-	2
Personnel Costs	-	-	-	-	1	10	-	-	-	-	1	10
Insurance	136	135	-	-	-	-	-	-	-	-	136	135
Collections	-	-	31	20	-	-	-	-	-	-	31	20
Utilities	-	1	11	-	22	10	8	8	10	17	51	37
Materials & Supplies	-	-	54	53	4	22	11	11	101	101	170	187
Outside Services	-	-	65	170	-	-	15	15	12,402	13,955	12,482	14,140
Safety	-	-	-	-	-	-	3	3	8	8	11	11
Miscellaneous	-	-	73	76	-	-	-	-	3	3	75	79
Other - Capital Equipment	-	-	-	-	1	1	2	2	64	72	67	75
<b>Totals - Sewer</b>	<b>\$ 483</b>	<b>\$ 489</b>	<b>\$ 823</b>	<b>\$ 967</b>	<b>\$ 29</b>	<b>\$ 64</b>	<b>\$ 761</b>	<b>\$ 758</b>	<b>\$ 13,885</b>	<b>\$ 15,433</b>	<b>\$ 15,982</b>	<b>\$ 17,711</b>
<b>Recycled Water</b>												
Wages and Burden	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 281	\$ 292	\$ -	\$ -	\$ 281	\$ 292
Professional Development	-	-	-	-	-	-	5	5	-	-	5	5
Utilities	-	-	-	-	-	-	1	1	-	-	1	1
Materials & Supplies	-	-	8	8	-	-	4	4	15	15	27	27
Outside Services	-	-	2	2	-	-	4	4	-	-	6	6
Safety	-	-	-	-	-	-	1	1	-	-	1	1
Source of Supply Water	-	-	-	-	-	-	-	-	564	482	564	482
Miscellaneous	-	-	4	4	-	-	4	4	-	-	7	8
<b>Totals - Recycled Water</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 14</b>	<b>\$ 14</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 299</b>	<b>\$ 310</b>	<b>\$ 579</b>	<b>\$ 497</b>	<b>\$ 892</b>	<b>\$ 822</b>
<b>Totals</b>	<b>\$ 4,924</b>	<b>\$ 4,404</b>	<b>\$ 6,206</b>	<b>\$ 6,298</b>	<b>\$ 476</b>	<b>\$ 474</b>	<b>\$ 3,135</b>	<b>\$ 3,330</b>	<b>\$ 41,276</b>	<b>\$ 45,017</b>	<b>\$ 56,018</b>	<b>\$ 59,523</b>

## CUCAMONGA VALLEY WATER DISTRICT CAPITAL PROJECT TREND BY FUND

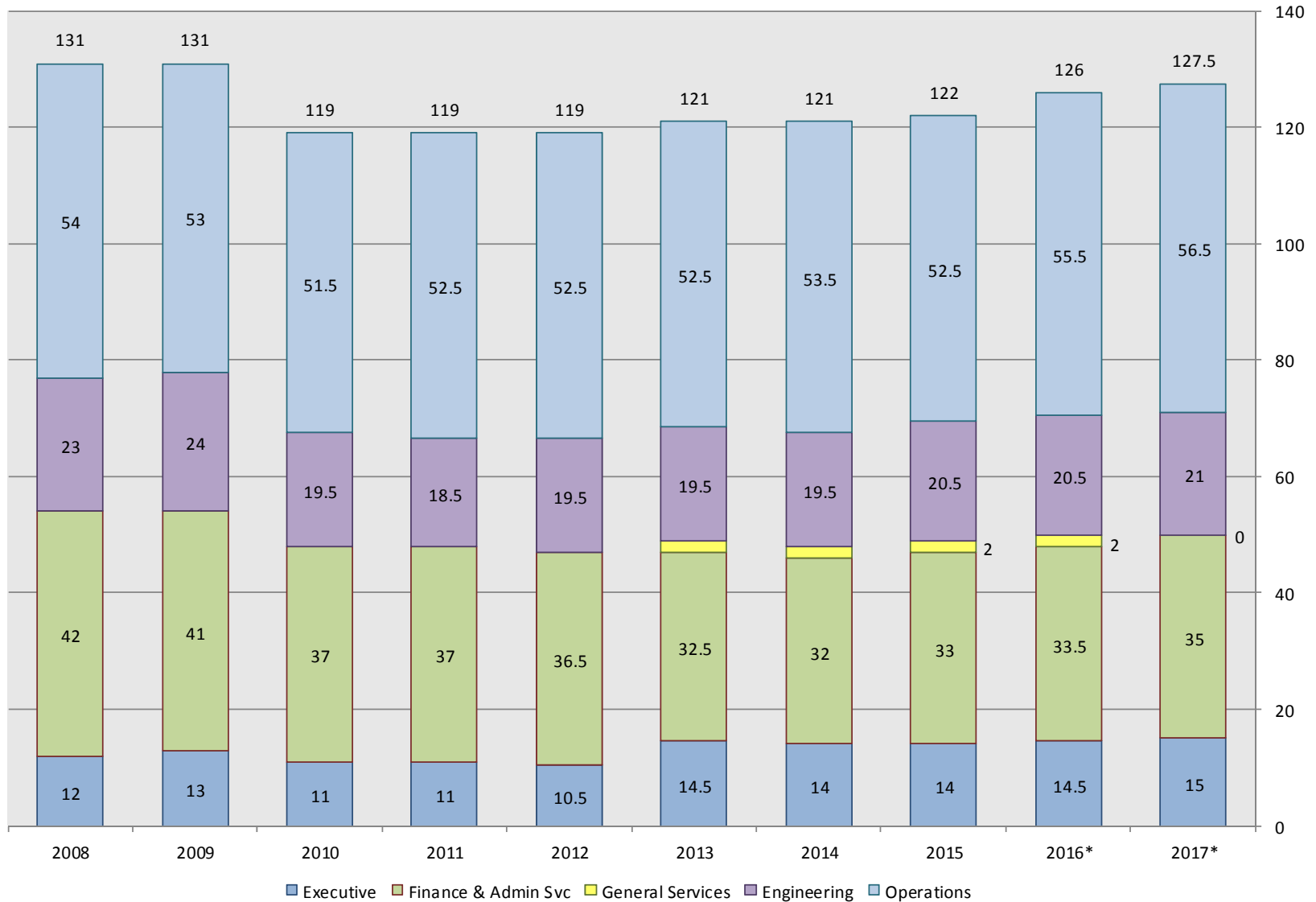


**CUCAMONGA VALLEY WATER DISTRICT  
CAPITAL PROJECT TREND BY FUND (CONTINUED)**

<b>Fiscal Year Ending</b>	<b>Water</b>	<b>% Change</b>	<b>Sewer</b>	<b>% Change</b>	<b>Recycled Water</b>	<b>% Change</b>	<b>Total</b>
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	15,041,000	(51.4)%	1,307,500	(28.8)%	150,000	(62.5)%	16,498,500
2016	18,664,000	24.1%	4,327,625	231.0%	150,000	0.0%	23,141,625
<b>2017</b>	<b>16,228,000</b>	<b>(13.1)%</b>	<b>2,631,000</b>	<b>(39.2)%</b>	<b>150,000</b>	<b>0.0%</b>	<b>19,009,000</b>
2018	12,678,000	(21.9)%	194,000	(92.6)%	150,000	0.0%	13,022,000
<b>Average</b>	<b>\$ 17,854,911</b>	<b>0.2%</b>	<b>\$ 1,537,251</b>	<b>20.4%</b>	<b>\$ 449,954</b>	<b>390.1%</b>	<b>\$ 19,842,116</b>

*Note: All amounts presented above represent the annual budget request approved for the fiscal year, with the exception of FYE 2018 which is an estimate of the future capital projects budget.*

## CUCAMONGA VALLEY WATER DISTRICT PERSONNEL TRENDS BY DEPARTMENT



*\*Note: Totals include part-time employees*

**CUCAMONGA VALLEY WATER DISTRICT  
PERSONNEL TRENDS BY DEPARTMENT (CONTINUED)**

**Full-Time Permanent**

<b>Department</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Executive	12	13	11	11	10.5	14.5	14	14	14	14
Finance & Admin Svc	42	41	37	37	36.5	32.5	32	33	33	34
General Services	0	0	0	0	0	2	2	2	2	0
Engineering	23	24	19.5	18.5	19.5	19.5	19.5	20.5	20.5	20.5
Operations	54	53	51.5	52.5	52.5	52.5	53.5	52.5	55.5	56.5
<b>Full-Time Permanent Total</b>	<b>131</b>	<b>131</b>	<b>119</b>	<b>119</b>	<b>119</b>	<b>121</b>	<b>121</b>	<b>122</b>	<b>125</b>	<b>125</b>

**Part-Time**

Executive									0.5	1
Finance & Admin Svc									0.5	1
Engineering									0	0.5

**Part-Time Total\***

									<b>1</b>	<b>2.5</b>
<b>District Total</b>	<b>131</b>	<b>131</b>	<b>119</b>	<b>119</b>	<b>119</b>	<b>121</b>	<b>121</b>	<b>122</b>	<b>126</b>	<b>127.5</b>

\* Does not include temporary labor

**Changes in Staffing**

For fiscal year 2017 the District is budgeting an increase in 1.5 full-time equivalent employees. The increase consists of a three part-time positions: a Community Outreach Representative I, a Customer Service Representative I, and an Engineering Design Intern.

## CUCAMONGA VALLEY WATER DISTRICT PERSONNEL TRENDS BY POSITION

Position/Title	2015	2016	2017
General Manager / CEO	1	1	1
Assistant General Manager	1	1	1
Assistant General Manager/Chief Financial Officer	1	1	1
Assistant General Manager/Chief Operating Officer	1	1	1
Executive Assistant	2	2	2
Principal Management Analyst	1	1	1
Communication & Outreach Manager	1	1	1
Lead Community Outreach Representative	2	2	1
Community Outreach Representative I	-	-	1.5
Community Outreach Intern		0.5	0.5
Human Resources Manager	1	1	1
Human Resources Analyst	1	1	1
Risk Management Analyst	1	1	1
Safety Analyst	1	1	1
Finance Manager	1	1	1
Accounting Supervisor	1	1	1
Senior Accountant	1	-	-
Accountant	-	1	1
Account Clerk II	3	4	4
Finance Intern		0.5	0.5
Customer Service Manager	1	1	1
Customer Service Supervisor	1	1	1
Lead Customer Service Representative	2	1	1
Customer Service Representative II	5	4	5
Customer Service Representative I	-	1	1.5
Field Service Supervisor	1	1	1
Field Service Representative III	1	-	-
Field Service Technician II	-	-	1
Field Service Representative II	7	7	6
Field Service Representative I	1	2	2

**CUCAMONGA VALLEY WATER DISTRICT  
PERSONNEL TRENDS BY POSITION (CONTINUED)**

<b>Position/Title</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Information Technology Manager	1	1	1
Network Administrator	1	1	1
Information Technology Specialist II	1	1	1
Information Technology Specialist I	1	1	1
Information Helpdesk Specialist	1	1	1
Warehouse & Supply Coordinator	-	-	1
Purchasing & Warehouse Specialist II	1	1	-
GIS Analyst	1	1	1
GIS Technician II	1	1	1
Planning & Development Manager	1	1	1
Design & Construction Manager	1	1	1
Capital Projects Coordinator	1	1	1
Associate Engineer	-	1	2
Assistant Engineer	3	2	2
CAD Analyst	1	1	1
Lead Engineering Technician	1	2	2
Engineering Analyst	-	1	-
Engineering Technician II	1	-	-
Engineering Technician I	1	1	1
Engineering Intern	-	-	0.5
Recycled Water Coordinator	1	1	1
Lead Engineering Inspector	1	1	1
Engineering Inspector II	-	2	2
Construction Inspector I	1	-	-
Development Services Supervisor	1	-	-
Industrial Waste Inspector II	2	1	1
Cross-Connection Coordinator	1	1	1
Water Treatment Plant Manager	1	1	1
Water Quality Coordinator	1	1	1
Water Treatment Plant Supervisor	1	1	1
Lead Water Treatment Operator	2	3	2
Water Treatment Operator II	6	6	6
Water Treatment Operator I	1	2	3
Plant Mechanic	-	1	1

**CUCAMONGA VALLEY WATER DISTRICT  
PERSONNEL TRENDS BY POSITION (CONTINUED)**

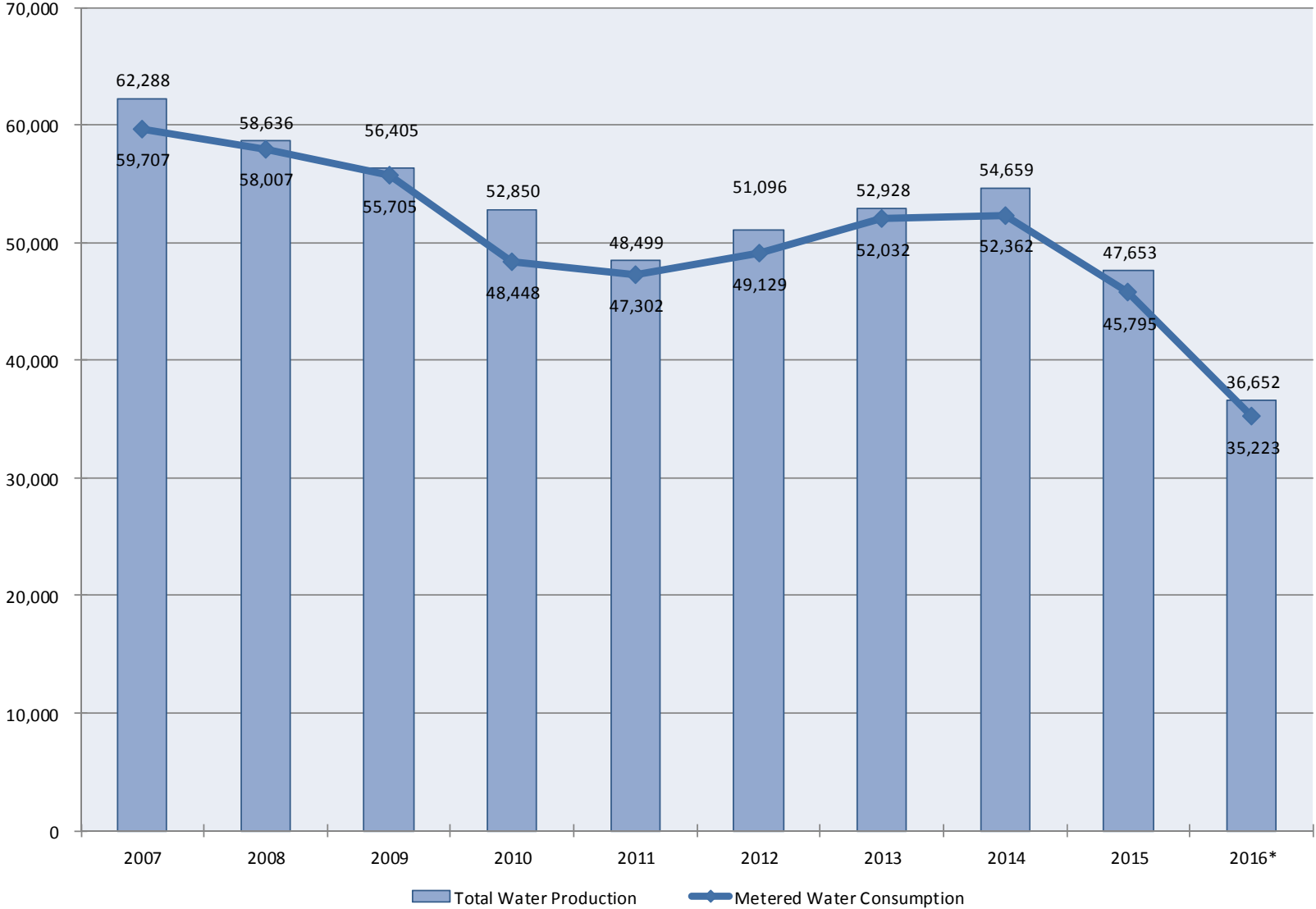
<b>Position/Title</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Water Production Manager	1	1	1
Water Production & Controls Supervisor	1	1	1
Lead Water System Operator	1	1	1
Water System Operator II	3	2	3
Water System Operator I	-	1	-
Controls Analyst	1	1	1
Lead Instrumentation Technician	1	1	-
Instrumentation/Electrical Technician II	-	-	2
Facilities Supervisor	1	1	1
Lead Facilities Maintenance Specialist	1	1	1
Facilities Maintenance Specialist II	1	1	1
Facilities Maintenance Worker	2	2	2
Lead Fleet & Equipment Mechanic	1	1	1
Fleet & Equipment Mechanic II	1	1	1
Construction & Maintenance Manager	1	1	1
Water Utility Supervisor	1	1	1
Lead Utility Service Representative	1	1	1
Lead Water Utility Worker	4	4	4
Water Utility Worker II	8	7	3
Water Utility Worker I	1	2	6
Wastewater Utility Supervisor	1	1	1
Lead Wastewater Utility Worker	2	2	3
Wastewater Utility Worker II	2	2	1
Wastewater Utility Worker I	3	3	3
Administrative Assistant II	4	3	4
Administrative Assistant I	1	2	1
Administrative Aide	1	1	-
Receptionist	1	1	-
<b>District Total</b>	<b>122</b>	<b>126</b>	<b>127.5</b>

*Note: Totals include part-time employees*

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# CUCAMONGA VALLEY WATER DISTRICT WATER PRODUCTION VS METERED CONSUMPTION

(Amounts Expressed in Acre-Feet)



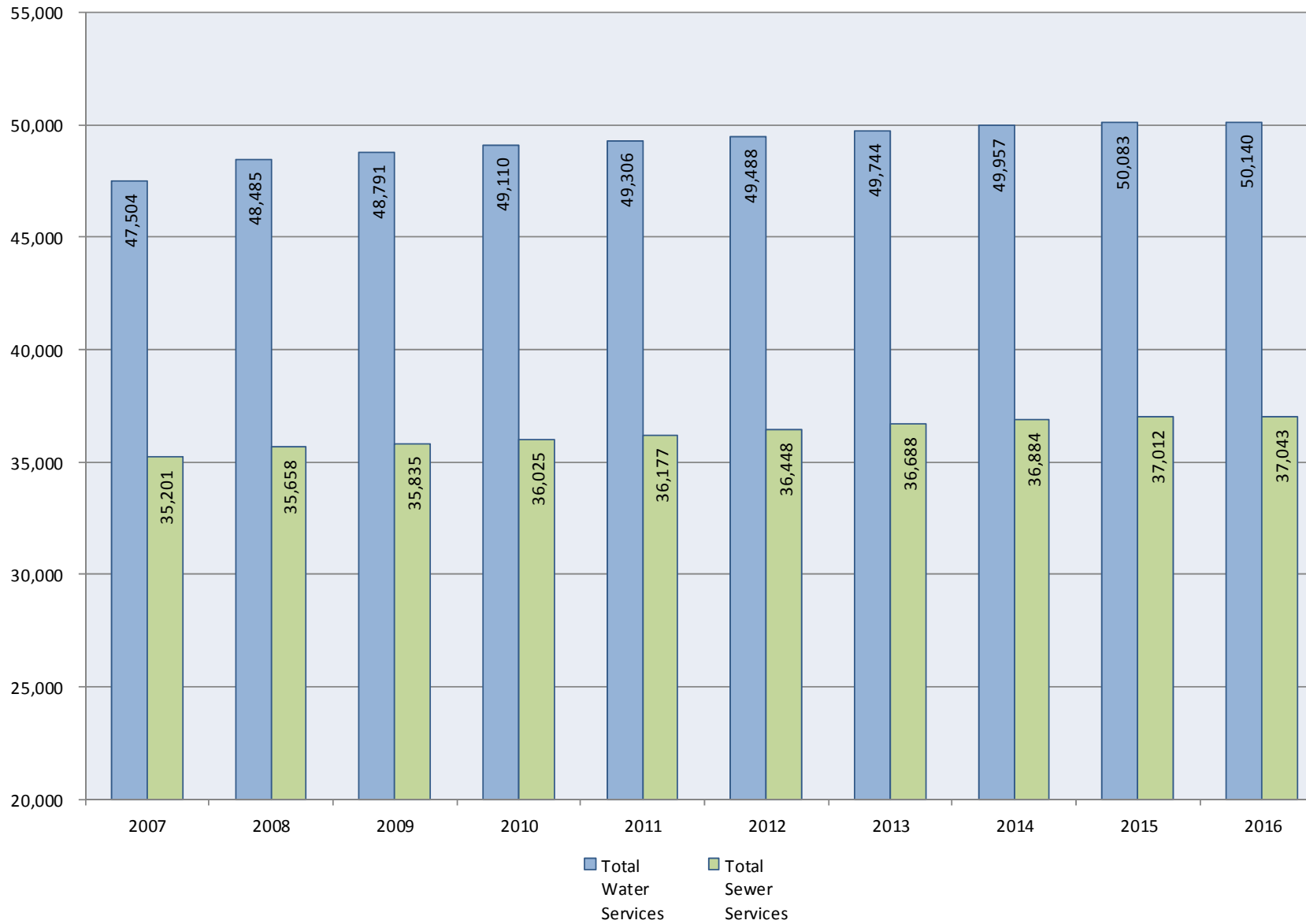
**CUCAMONGA VALLEY WATER DISTRICT**  
**WATER PRODUCTION VS METERED CONSUMPTION (CONTINUED)**

(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
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	21,400,470	4%
2013	52,928	23,055,437	4%	52,032	22,665,120	6%
2014	54,659	23,809,460	3%	52,362	22,809,066	1%
2015	47,653	20,757,647	(13%)	45,795	19,948,099	(13%)
2016*	36,652	15,965,611	(23%)	35,223	15,342,952	(23%)
<b>Average</b>	<b>52,167</b>	<b>22,723,771</b>	<b>-4%</b>	<b>50,371</b>	<b>21,941,577</b>	<b>-4%</b>

\* Amounts for Fiscal Year 2016 are estimated actuals.

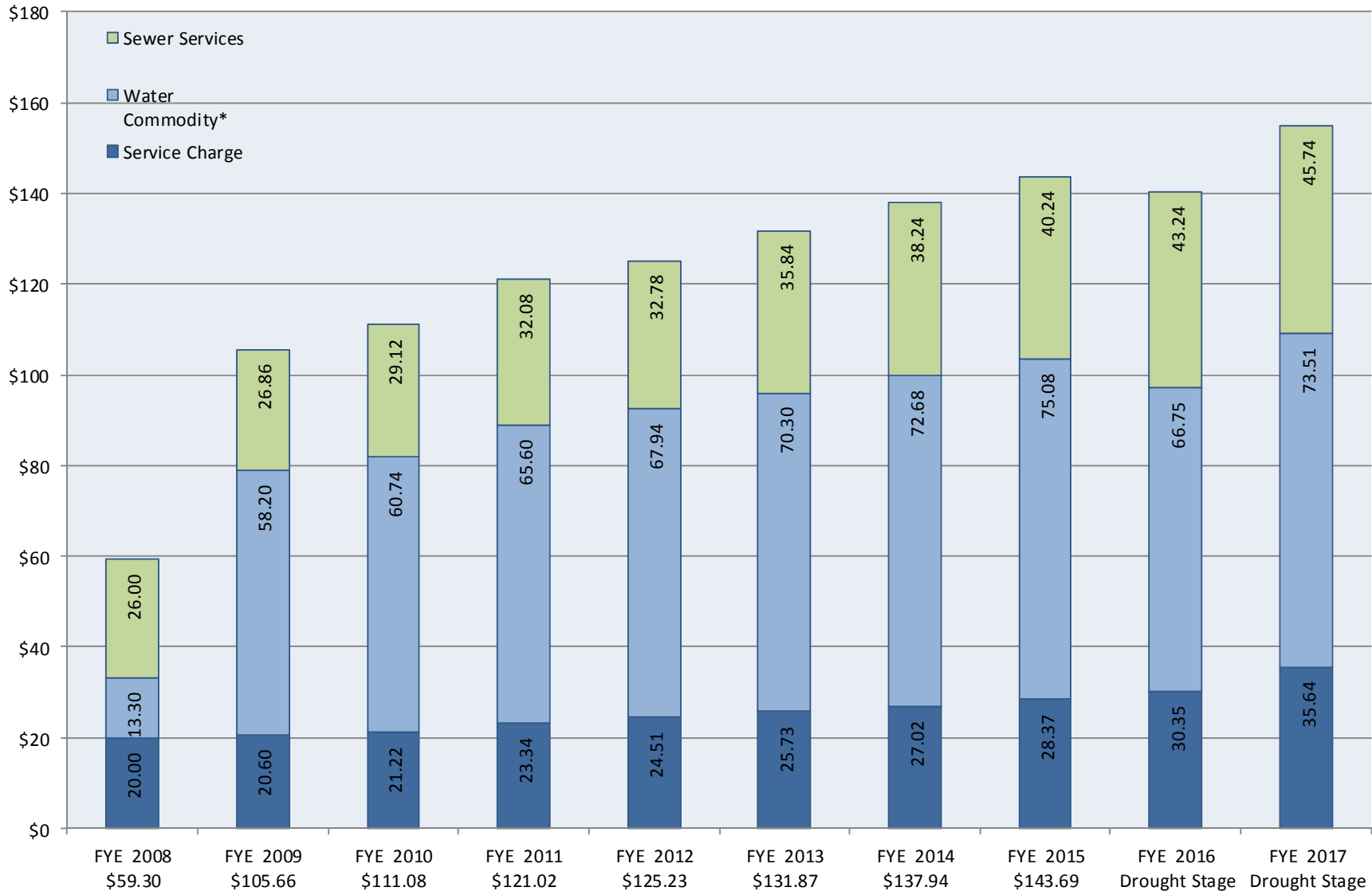
## CUCAMONGA VALLEY WATER DISTRICT TOTAL WATER AND SEWER SERVICES BY YEAR



**CUCAMONGA VALLEY WATER DISTRICT  
TOTAL WATER AND SEWER SERVICES BY YEAR (CONTINUED)**

Fiscal Year Ending	Total Water Services	% Change	Total Sewer Services	% Change
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	49,744	1%	36,688	1%
2014	49,957	0%	36,884	1%
2015	50,083	0%	37,012	0%
2016	50,140	0%	37,043	0%
<b>Average</b>	<b>49,261</b>	<b>1%</b>	<b>36,297</b>	<b>1%</b>

## CUCAMONGA VALLEY WATER DISTRICT AVERAGE RESIDENTIAL BI-MONTHLY WATER & SEWER BILL BY YEAR



\* Based on water service supplied by a 3/4" water meter and using 42 hcf per billing period (1 hcf = 748.10 gallons)

\*\* FY 2016 CVWD was in Drought Stage 6 with a goal of 35% conservation (average usage at 27 hcf).

\*\*\* FY 2017 staff is budgeting Drought Stage 1 with estimated conservation at 12.5% (average usage at 37 hcf).

## CUCAMONGA VALLEY WATER DISTRICT RATE HISTORY

Water								Sewer					Recycled Water	
Fiscal Year Ending	Drought Stage***	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) **								
2005	N/A	20.00	1.15				1.035	2005	7.62	13.62	1.76	23.00	2005	0.86
2006	N/A	20.00	1.20				1.080	2006	7.62	13.62	1.76	23.00	2006	0.90
2007	N/A	20.00	1.26				1.135	2007	7.62	15.12	1.76	24.50	2007	0.95
2008	N/A	20.00	1.33				1.197	2008	7.62	16.62	1.76	26.00	2008	1.06
2009	N/A	20.60	1.33	1.40	1.45	1.50	1.269	2009	7.62	17.48	1.76	26.86	2009	1.12
2010	N/A	21.22	1.35	1.47	1.57	1.67	1.269	2010	7.62	19.74	1.76	29.12	2010	1.12
2011	N/A	23.34	1.40	1.60	1.80	2.00	-	2011	9.80	20.52	1.76	32.08	2011	1.28
2012	N/A	24.51	1.43	1.66	1.92	2.17	-	2012	10.50	20.52	1.76	32.78	2012	1.35
2013	N/A	25.73	1.46	1.72	2.05	2.35	-	2013	11.06	23.02	1.76	35.84	2013	1.42
2014	N/A	27.02	1.49	1.78	2.19	2.54	-	2014	11.46	25.02	1.76	38.24	2014	1.49
2015	N/A	28.37	1.52	1.84	2.34	2.75	-	2015	11.46	27.02	1.76	40.24	2015	1.53
2016	6	30.35	2.34	2.55	3.09	5.68	-	2016	11.46	30.02	1.76	43.24	2016	1.58
2017	1	35.64	1.60	2.13	2.66	3.03	-	2017	11.46	32.52	1.76	45.74	2017	1.63
2017	2	35.64	1.70	2.17	2.81	3.65	-	2017	11.46	32.52	1.76	45.74	2017	1.63
2017	3	35.64	1.80	2.24	2.87	3.83	-	2017	11.46	32.52	1.76	45.74	2017	1.63
2017	4	35.64	1.92	2.31	2.93	4.07	-	2017	11.46	32.52	1.76	45.74	2017	1.63
2017	5	35.64	2.05	2.39	2.99	4.40	-	2017	11.46	32.52	1.76	45.74	2017	1.63
2017	6	35.64	2.35	2.56	3.13	5.69	-	2017	11.46	32.52	1.76	45.74	2017	1.63
2017	7	35.64	2.88	3.18	N/A	N/A	-	2017	11.46	32.52	1.76	45.74	2017	1.63

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

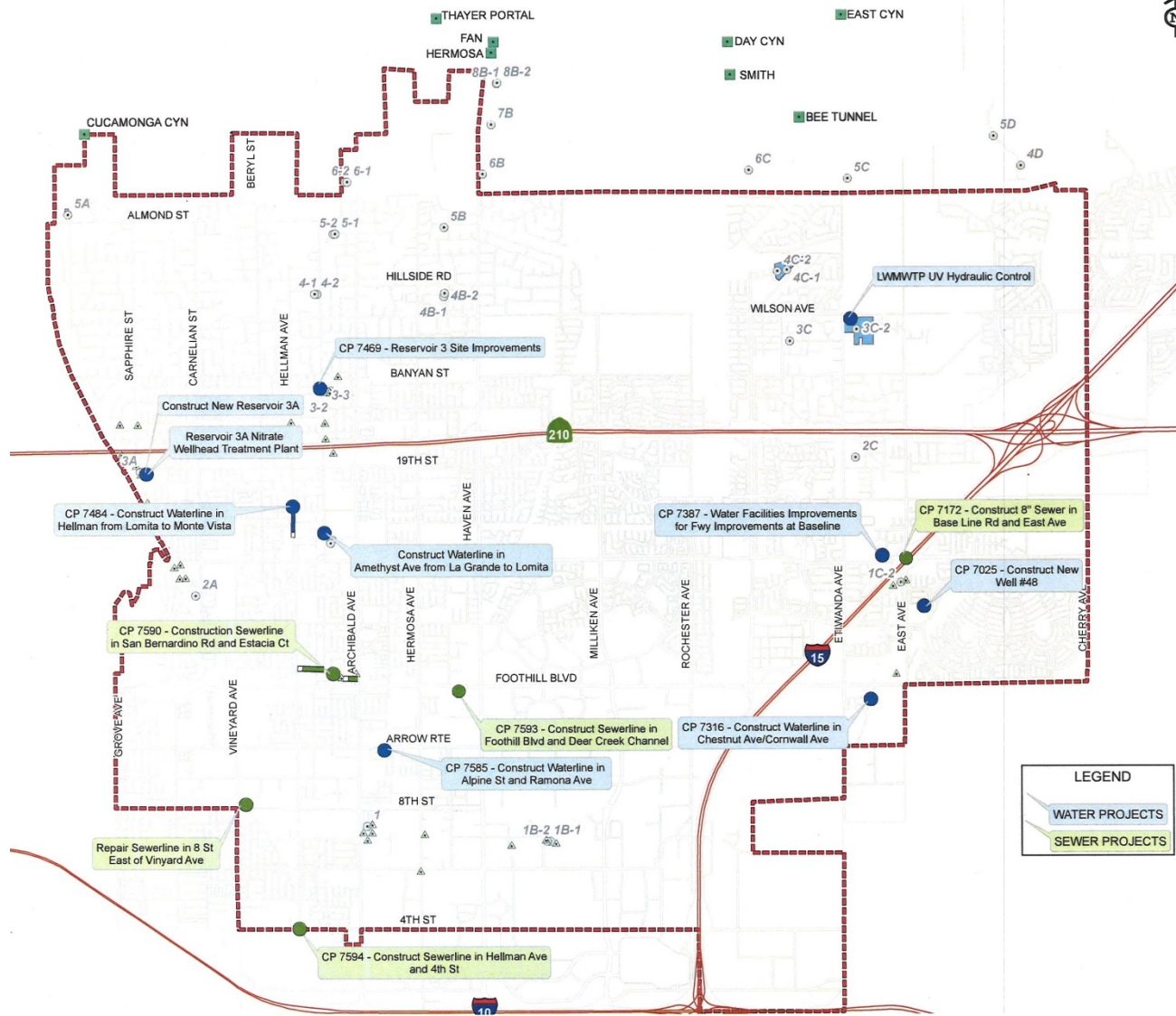
\*\* Commodity allocations for a 3/4" meter.

\*\*\* Drought rates began FY2016 with drought stage 6 on May 12, 2015. For FY2017 staff are budgeting Drought Stage 1.

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

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## CAPITAL PROJECTS 2016 - 2017



# 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 30.

### Strategic Planning

Staff has assimilated the Board of Directors' Strategic Vision by evaluating and changing our planning and project life cycle structure. This process has 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 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 emphasis on recycled water recharge.
- Improve our treatment plant for optimizing our canyon source of supply.
- Implement our water treatment plant improvements for 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

<b>SIGNIFICANT CAPITAL PROJECTS</b>	<b>ESTIMATED PRIOR YEAR CARRY-OVER</b>	<b>NEW FY 2017 BUDGET REQUESTS</b>
Fixed Network Project/Meter Exchange	\$ 7,897,587	\$ 0
Reservoir 3A Nitrate Wellhead Treatment Plant	0	4,600,000
Construct Sewer Line in Hellman Ave and 4 <sup>th</sup> St	2,302,000	0
New Well #48 Chino Basin	1,500,000	500,000
Construct New Reservoir 3A	0	2,000,000
Construct Waterline in Chestnut Ave/Cornwall Ave	0	1,614,000
Construct Sewer Line in Foothill Blvd and Deer Creek	50,000	1,144,000
LWMWTP UV Hydraulic Control	0	1,000,000
LWMWTP Wilson Ave Frontage Roadway Improvements	0	800,000

### SIGNIFICANT FUTURE CAPITAL PROJECTS

Current capital projects that will take the District into future fiscal years are the Fixed Network Project/Meter Exchange, Reservoir 3A Nitrate Wellhead Treatment Plant, construction of sewer line in Hellman Avenue and 4<sup>th</sup> Street, New Well #48, and construction of Reservoir 3A and various water and sewer line projects. 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 developing and updating several master plans, management plans, and studies. Staff is developing a management plan to optimize production in the Cucamonga and Chino Basins. Staff is also developing short and long term plans and strategies to meet future water demands. Staff is continuously developing and updating the District's master plans that address future more stringent water quality regulations; identify projects that offset the increasing demands placed on our system; incorporate new conservation methods; and implement the recycled water program.

# CUCAMONGA VALLEY WATER DISTRICT

## CAPITAL PROJECTS SUMMARY

For the Fiscal Year Ending June 30, 2017

Category Number	Description	Amount	% of Total
<b>Water Capital Projects</b>			
9030	Source of Supply	\$ 415,000	2.6%
9045	Field Equipment	48,000	0.3%
9065	Water Treatment	5,950,000	37.8%
9070	Pumps & Pumping Equipment	1,708,000	10.9%
9071	Reservoirs	2,650,000	16.8%
9072	Telemetry	697,000	4.4%
9075	Building Improvements	957,500	6.1%
9085	Water Mains	3,308,000	21.0%
<b>TOTAL WATER CAPITAL</b>		<b>\$ 15,733,500</b>	<b>100.0%</b>
<b>Sewer Capital Projects</b>			
9045	Field Equipment	12,000	0.5%
9075	Building Improvements	117,500	4.7%
9095	Sewer Improvements	2,369,000	94.8%
<b>TOTAL SEWER CAPITAL</b>		<b>\$ 2,498,500</b>	<b>100.0%</b>
<b>Recycled Water Capital Projects</b>			
9096	Recycled Water Improvements	\$ 150,000	100.0%
<b>TOTAL RECYCLED WATER CAPITAL</b>		<b>\$ 150,000</b>	<b>100.0%</b>

Category Number	Description	Amount	% of Total
<b>Office Equipment</b>			
9055	Office Equipment - Water	\$ 270,000	75.0%
9055	Office Equipment - Sewer	90,000	25.0%
9055	Office Equipment - Recycled Water	-	0.0%
<b>TOTAL OFFICE EQUIPMENT</b>		<b>\$ 360,000</b>	<b>100%</b>
<b>Vehicle Replacement</b>			
9080	Vehicle Replacement - Water	\$ 224,500	84.1%
9080	Vehicle Replacement - Sewer	42,500	15.9%
9080	Vehicle Replacement - Recycled Water	-	0.0%
<b>TOTAL VEHICLE REPLACEMENT</b>		<b>\$ 267,000</b>	<b>100%</b>

<b>FY 2017 Capital Projects:</b>	<b>\$ 19,009,000</b>
<b>Carryover:</b>	<b>15,128,687</b>
<b>Total:</b>	<b><u>\$ 34,137,687</u></b>

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**CUCAMONGA VALLEY WATER DISTRICT  
WATER CAPITAL PROJECTS  
for the Fiscal Year Ending June 30, 2017**

Project Number	Work Order Number	Description	Estimated Carry Over 2016 Budget	Budget Request 2017	Outside Funding	Funding Source	Proposed 2018	Proposed 2019	Proposed 2020	Project Total
<b>9030 Source of Supply</b>										
CP6370	80883	Water Master Plan Update	25,000							25,000
CP7437	313811	Cucamonga Basin Management Plan	150,000	100,000						250,000
CP7636	366939	2016 Watershed Sanitary Survey		25,000						25,000
CP7637	366938	Canyon Mitigation		170,000						170,000
CP7638	366934	Cucamonga Basin 6 Desilting Project		60,000						60,000
CP7639	366942	Cucamonga Basin Crosswall Improvements		60,000						60,000
<b>Subtotal - 9030 Source of Supply (6 Projects)</b>			<b>175,000</b>	<b>415,000</b>						<b>590,000</b>
<b>9045 Field Equipment</b>										
CP5334	0062677	Fixed Network Project/Meter Exchange	7,897,587		7,897,587	Fixed Network Lease	510,000			8,407,587
CP7640	366943	Boardroom AV Equipment Upgrade - TV Wall		48,000						48,000
<b>Subtotal - 9045 Field Equipment (2 Projects)</b>			<b>7,897,587</b>	<b>48,000</b>	<b>7,897,587</b>		<b>510,000</b>			<b>8,455,587</b>
<b>9055 Office Equipment</b>										
CP7533	338369	Enterprise Software Upgrade Research	42,000							42,000
CP7641	366946	Desktop, Laptop, and Tablet Computer Replacements		45,000			45,000	45,000	45,000	180,000
CP7642	366945	IVR VoiceUtility - Account Lookup via Phone Number		12,000						12,000
CP7643	366949	Main Campus Security Improvements		75,000						75,000
CP7644	366950	Microsoft Software Assurance (Year 1 of 3-Year agreement)		45,000			45,000	45,000		135,000
CP7645	366951	Network Equipment Replacement		21,000			21,000	21,000	21,000	84,000
CP7646	366952	Network Server Replacements		72,000			21,000	27,000	30,000	150,000
<b>Subtotal - 9055 Office Equipment (7 Projects)</b>			<b>42,000</b>	<b>270,000</b>			<b>132,000</b>	<b>138,000</b>	<b>96,000</b>	<b>678,000</b>
<b>9065 Treatment</b>										
CP7094	220940	Chlorine Generator Installation at Pump Station 5	40,000							40,000
CP7454	313842	LWMWTP Equipment Replacement and Repair	151,000							151,000
CP7541	338434	LWMWTP Access Control & CCTV for New Facilities	180,000							180,000
CP7647	366953	LWMWTP UV Hydraulic Control		1,000,000						1,000,000
CP7648	366954	New Chlorine System at Site 4D		350,000						350,000
CP7649	366958	Reservoir 3A Nitrate Wellhead Treatment Plant		4,600,000	2,840,000	2014 RB and Capital				4,600,000
		New Chlorine System at Site 3					350,000			350,000
<b>Subtotal - 9065 Treatment (7 Projects)</b>			<b>371,000</b>	<b>5,950,000</b>	<b>2,840,000</b>		<b>350,000</b>			<b>6,671,000</b>
<b>9070 Pumps &amp; Equipment</b>										
CP7025	196447	New Well #48 Chino Basin	1,500,000	500,000	1,500,000	2014 RB				2,000,000
CP7102	220948	New Well #49 Chino Basin		200,000				2,000,000	800,000	3,000,000
CP7193	243119	Pump Station 5 Emergency Standby Generator	180,000							180,000
CP7299	267080	New Cucamonga Basin Well		200,000			2,000,000	750,000		2,950,000
CP7466	313856	Pump Station 5 Switchgear Replacement	220,000							220,000

**CUCAMONGA VALLEY WATER DISTRICT  
WATER CAPITAL PROJECTS  
for the Fiscal Year Ending June 30, 2017**

Project Number	Work Order Number	Description	Estimated Carry Over 2016 Budget	Budget Request 2017	Outside Funding	Funding Source	Proposed 2018	Proposed 2019	Proposed 2020	Project Total
CP7467	313857	Pump Station 5B Switchgear Replacement	210,000							210,000
CP7650	367057	General Booster Rehabilitation		150,000			110,000	110,000	110,000	480,000
CP7651	367058	General Production Site Improvement		100,000			100,000	100,000	100,000	400,000
CP7652	367060	General Well Rehabilitation		300,000			300,000	300,000	300,000	1,200,000
CP7653	367061	Motor Cover Installation at Various Sites		60,000						60,000
CP7654	367064	Pressure Regulating Valve Vault Lids		50,000			50,000	50,000	50,000	200,000
CP7655	367066	Pump Station 4C - VFD		74,000						74,000
CP7656	367067	Pump Station 5C - VFD		74,000						74,000
		New Generators at Reservoir Sites					500,000	515,000	530,000	1,545,000
		New Generators at Well Sites					360,000	370,000	385,000	1,115,000
<b>Subtotal - 9070 Pumps &amp; Equipment (15 Projects)</b>			<b>2,110,000</b>	<b>1,708,000</b>	<b>1,500,000</b>		<b>3,420,000</b>	<b>4,195,000</b>	<b>2,275,000</b>	<b>13,708,000</b>
<b>9071 Reservoirs</b>										
CP7469	313861	Reservoir 3 Site Improvements	373,000							373,000
CP7657	366964	Construct New Reservoir 3A		2,000,000	878,000	Capital Reserve				2,000,000
CP7658	366967	Construct New Reservoir 8B-3		100,000			1,000,000			1,100,000
CP7659	366969	Reservoir 3C2 Rehabilitation		200,000						200,000
CP7660	366970	Tank Rehabilitation		350,000			300,000	300,000	300,000	1,250,000
		Construct New Reservoir 5B-2						4,750,000		4,750,000
		Reservoir Mixing Systems (3 per year)					200,000	200,000	200,000	600,000
<b>Subtotal - 9071 Reservoirs (7 Projects)</b>			<b>373,000</b>	<b>2,650,000</b>	<b>878,000</b>		<b>1,500,000</b>	<b>5,250,000</b>	<b>500,000</b>	<b>10,273,000</b>
<b>9072 Telemetry</b>										
CP7556	338695	Power Monitoring for Each Online Booster and Well	164,000		164,000	Grant				164,000
CP7661	366972	Replacement/Addition of Field UPS Systems		12,000			12,000	12,000	12,000	48,000
CP7662	366973	Booster Sequencing		550,000						550,000
CP7663	366974	Install 3 Infrastructure Communication Towers		80,000			80,000	80,000		240,000
CP7664	366976	Radio Upgrade to MIMO		55,000			55,000	55,000		165,000
		Vehicle Mobile Radios					50,000			50,000
<b>Subtotal - 9072 Telemetry (6 Projects)</b>			<b>164,000</b>	<b>697,000</b>	<b>164,000</b>		<b>197,000</b>	<b>147,000</b>	<b>12,000</b>	<b>1,217,000</b>
<b>9075 Building Improvement</b>										
CP7665	367032	Admin and Ops Parking Improvements for Additional Spaces		15,000						15,000
CP7666	367034	CVWD drought tolerant landscape administration parking lot		20,000						20,000
CP7667	367035	Edson Property Demo/Rehab-13054 23rd Street		40,000						40,000
CP7668	367036	LWMWTP Wilson Ave Frontage Roadway Improvements		800,000						800,000
CP7669	367039	Outside Public Facility Accessibility Improvements		7,500						7,500
CP7670	367041	San Bernardino Lot Improvements		50,000						50,000
CP7671	367043	Server and Network room A/C upgrade		10,000						10,000
CP7672	367044	Slurry Seal Administration/ Operations Parking Lot		15,000						15,000

**CUCAMONGA VALLEY WATER DISTRICT  
WATER CAPITAL PROJECTS  
for the Fiscal Year Ending June 30, 2017**

Project Number	Work Order Number	Description	Estimated Carry Over 2016 Budget	Budget Request 2017	Outside Funding	Funding Source	Proposed 2018	Proposed 2019	Proposed 2020	Project Total
<b>Subtotal - 9075 Building Improvement (8 Projects)</b>										<b>957,500</b>
<b>9080</b>	<b>Vehicle</b>									
CP7477	313900	1.5 ton service truck w/12 ft. service body, crane, welder	75,300							75,300
CP7574	338763	1 Ton Dump Low Bed Dump Truck	22,500							22,500
CP7673	367045	1/2 Ton Ext Cab 4x4 to replace Unit 274		36,000						36,000
CP7674	367047	1/2 ton Ext. Cab 4x4 to replace Unit 273		36,000						36,000
CP7675	367051	1/2 Ton Pickup Extra Cab 4x2 Unit 285		17,500						17,500
CP7676	367068	3/4 Ton Ext. Cab 4x4 replace unit 312		40,000						40,000
CP7677	367069	Generator Trailer replacement for 600Kw Portable Generator		25,000						25,000
CP7678	367074	Heavy Equipment Trailer replacement for trailer unit 2016		25,000						25,000
CP7679	367075	Treatment Plant Forklift Replacement		45,000						45,000
<b>Subtotal - 9080 Vehicle (9 Projects)</b>			<b>97,800</b>	<b>224,500</b>						<b>322,300</b>
<b>9085</b>	<b>Water Mains</b>									
CP7316	267098	Const Waterline in Chestnut Ave/Cornwall Ave		1,614,000	1,614,000	Capital Reserves				1,614,000
CP7384	290300	Const Waterline in Arrow Rte from Hermosa Ave to Haven Ave	35,800				1,370,000			1,405,800
CP7387	290310	Water Facilities Improvements for Fwy Imprvmnts at Baseline	150,000							150,000
CP7484	313909	Construct Waterline in Hellman from Lomita to Monte Vista	13,500	600,000	600,000	Capital Reserve				613,500
CP7585	338778	Const Waterline in Alpine St and Ramon Ave	373,000		101,000	2012 RB				373,000
CP7680	367076	Const Waterline in 7500 block of Camino Norte		31,000			494,000			525,000
CP7681	367077	Const Waterline in Amethyst Ave from La Grande to Lomita		213,000	213,000	Capital Reserves				213,000
CP7682	367078	Const Waterline in Baker Ave from 8th St to Princeton St		50,000			1,100,000			1,150,000
CP7683	367086	Const Waterline in Candlewood St from Archibald to Ramona		50,000			1,300,000			1,350,000
CP7684	367087	Const Waterline in Foothill Blvd from 15 Fwy to Etiwanda Ave		50,000			826,000			876,000
CP7685	367088	Const Waterline in Haven Ave from 210 Fwy to Banyan St		50,000			829,000			879,000
CP7686	367089	Service Replacement Program		500,000			500,000	500,000	500,000	2,000,000
CP7687	367090	Various Valve and Main Improvements		150,000			150,000	150,000	150,000	600,000
		Const Waterline in Catalpa Street West of East Avenue							1,015,000	1,015,000
		Const Waterline in Pecan Ave from Victoria St to Carnesi Dr							1,265,000	1,265,000
<b>Subtotal - 9085 Water Mains (15 Projects)</b>			<b>572,300</b>	<b>3,308,000</b>	<b>2,528,000</b>		<b>6,569,000</b>	<b>650,000</b>	<b>2,930,000</b>	<b>14,029,300</b>
<b>Total Water Capital Projects</b>			<b>11,802,687</b>	<b>16,228,000</b>	<b>15,807,587</b>		<b>12,678,000</b>	<b>10,380,000</b>	<b>5,813,000</b>	<b>56,901,687</b>

**CUCAMONGA VALLEY WATER DISTRICT  
SEWER CAPITAL PROJECTS  
for the Fiscal Year Ending June 30, 2017**

Project Number	Work Order Number	Description	Estimated Carry Over 2016 Budget	Budget Request 2017	Outside Funding	Funding Source	Proposed 2018	Proposed 2019	Proposed 2020	Project Total
<b>9045</b>	<b>Field Equipment</b>									
CP7640	366943	Boardroom AV Equipment Upgrade - TV Wall		12,000						12,000
<b>Subtotal - 9045 Field Equipment (1 Project)</b>				<b>12,000</b>						<b>12,000</b>
<b>9055</b>	<b>Office Equipment</b>									
CP7533	338369	Enterprise Software Upgrade Research	14,000							14,000
CP7641	366946	Desktop, Laptop, and Tablet Computer Replacements		15,000			15,000	15,000	15,000	60,000
CP7642	366945	IVR VoiceUtility - Account Lookup via Phone Number		4,000						4,000
CP7643	366949	Main Campus Security Improvements		25,000						25,000
CP7644	366950	Microsoft Software Assurance (Year 1 of 3-Year agreement)		15,000			15,000	15,000		45,000
CP7645	366951	Network Equipment Replacement		7,000			7,000	7,000	7,000	28,000
CP7646	366952	Network Server Replacements		24,000			7,000	9,000	10,000	50,000
<b>Subtotal - 9055 Office Equipment (7 Projects)</b>			<b>14,000</b>	<b>90,000</b>			<b>44,000</b>	<b>46,000</b>	<b>32,000</b>	<b>226,000</b>
<b>9075</b>	<b>Building Improvement</b>									
CP7665	367032	Admin and Ops Parking Improvements for Additional Spaces		15,000						15,000
CP7666	367034	CVWD drought tolerant landscape administration parking lot		20,000						20,000
CP7669	367039	Outside Public Facility Accessibility Improvements		7,500						7,500
CP7670	367041	San Bernardino Lot Improvements		50,000						50,000
CP7671	367043	Server and Network room A/C upgrade		10,000						10,000
CP7672	367044	Slurry Seal Administration/ Operations Parking Lot		15,000						15,000
<b>Subtotal - 9075 Building Improvement (6 Projects)</b>				<b>117,500</b>						<b>117,500</b>
<b>9080</b>	<b>Vehicle</b>									
CP7490	313915	3/4 Ton Box Van 4x2 with CCTV equipment Unit # 240	300,000							300,000
CP7574	338763	1 Ton Dump Low Bed Dump Truck	30,000							30,000
CP7675	367051	1/2 Ton Pickup Extra Cab 4x2 Unit 285		17,500						17,500
CP7678	367074	Heavy Equipment Trailer replacement for trailer unit 2016		25,000						25,000
<b>Subtotal - 9080 Vehicle (4 Projects)</b>			<b>330,000</b>	<b>42,500</b>						<b>372,500</b>
<b>9095</b>	<b>Sewer Improvement</b>									
CP7172	237510	Const Sewer in Baseline Rd and East Ave	380,000							380,000
CP7589	338783	Const Sewerline in Archibald Ave from Main St to Acacia St	50,000						811,000	861,000
CP7590	338784	Const Sewerline in San Bernardino Rd and Estacia Ct	50,000	745,000	745,000	Capital Reserve				795,000
CP7593	338788	Construct Sewerline in Foothill Blvd and Deer Creek	50,000	1,144,000	1,144,000	Capital Reserve				1,194,000
CP7594	338789	Construct Sewerline in Hellman Ave and 4th St	2,302,000		2,302,000	Capital Reserve				2,302,000
CP7688	367094	Repair sewer line in 8th St. east of Vineyard		230,000						230,000
CP7689	367096	Various Sewer line Repairs Red Hill, 8th St. Hellman, Beryl		100,000						100,000
CP7690	367097	Various Sewer Relining and Manhole Rehabilitation		150,000			150,000	150,000	150,000	600,000

**CUCAMONGA VALLEY WATER DISTRICT  
SEWER CAPITAL PROJECTS  
for the Fiscal Year Ending June 30, 2017**

<b>Project Number</b>	<b>Work Order Number</b>	<b>Description</b>	<b>Estimated Carry Over 2016 Budget</b>	<b>Budget Request 2017</b>	<b>Outside Funding</b>	<b>Funding Source</b>	<b>Proposed 2018</b>	<b>Proposed 2019</b>	<b>Proposed 2020</b>	<b>Project Total</b>
		Subtotal - 9095 Sewer Improvement (8 Projects)	2,832,000	2,369,000	4,191,000		150,000	150,000	961,000	6,462,000
<b>Total Sewer Capital Projects</b>			<b>3,176,000</b>	<b>2,631,000</b>	<b>4,191,000</b>		<b>194,000</b>	<b>196,000</b>	<b>993,000</b>	<b>7,190,000</b>

**CUCAMONGA VALLEY WATER DISTRICT  
RECYCLED WATER CAPITAL PROJECTS  
for the Fiscal Year Ending June 30, 2017**

Project Number	Work Order Number	Description	Estimated Carry Over 2016 Budget	Budget Request 2017	Outside Funding	Funding Source	Proposed 2018	Proposed 2019	Proposed 2020	Project Total
<b>9096</b>	<b>Recycled</b>									
CP7396	290326	Recycled Water Master Plan	150,000							150,000
CP7691	367100	Construct Various Recycled Water Valves at Various Locations		50,000			50,000	50,000	50,000	200,000
CP7692	367102	Recycled Water Retrofits		100,000			100,000	100,000	100,000	400,000
<b>Subtotal - 9096 Recycled (3 Projects)</b>			<b>150,000</b>	<b>150,000</b>			<b>150,000</b>	<b>150,000</b>	<b>150,000</b>	<b>750,000</b>
<b>Total Recycled Water Capital Projects</b>			<b>150,000</b>	<b>150,000</b>			<b>150,000</b>	<b>150,000</b>	<b>150,000</b>	<b>750,000</b>
<b>GRAND TOTAL (Water, Sewer, and Recycled Water Funds)</b>			<b>15,128,687</b>	<b>19,009,000</b>	<b>19,998,587</b>		<b>13,022,000</b>	<b>10,726,000</b>	<b>6,956,000</b>	<b>64,841,687</b>

# **ESTIMATED OPERATIONAL IMPACT**

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**CUCAMONGA VALLEY WATER DISTRICT  
CAPITAL PROJECTS  
Estimated Ongoing Operational Expenses  
for the Fiscal Year Ending June 30, 2017**

				ESTIMATED ANNUAL COSTS							
Project ID#	Project Number	Work Order Number	Description	Personnel	Equipment/ Hardware Maint	Software Maint	Extended Warranty	Electricity/ Utility	Consultant/ Developer	Other Operating	Total Operational Impact
<b>9030 Source of Supply</b>											
25	CP6370	80883	Water Master Plan Update								0
165	CP7437	313811	Cucamonga Basin Management Plan								0
300	CP7636	366939	2016 Watershed Sanitary Survey								0
280	CP7637	366938	Canyon Mitigation								0
284	CP7638	366934	Cucamonga Basin 6 Desilting Project								0
283	CP7639	366942	Cucamonga Basin Crosswall Improvements								0
<b>Subtotal - 9030 Source of Supply (6 Projects)</b>											<b>0</b>
<b>9045 Field Equipment</b>											
29	CP5334	0062677	Fixed Network Project/Meter Exchange								0
170	CP7640	366943	Boardroom AV Equipment Upgrade - TV Wall								0
<b>Subtotal - 9045 Field Equipment (2 Projects)</b>											<b>0</b>
<b>9055 Office Equipment</b>											
193	CP7533	338369	Enterprise Software Upgrade Research								0
134	CP7641	366946	Desktop, Laptop, and Tablet Computer Replacements								0
189	CP7642	366945	IVR VoiceUtility - Account Lookup via Phone Number				2,000				2,000
171	CP7643	366949	Main Campus Security Improvements				1,000				1,000
135	CP7644	366950	Microsoft Software Assurance (Year 1 of 3-Year agreement)								0
192	CP7645	366951	Network Equipment Replacement								0
137	CP7646	366952	Network Server Replacements								0
<b>Subtotal - 9055 Office Equipment (7 Projects)</b>							<b>3,000</b>				<b>3,000</b>
<b>9065 Treatment</b>											
36	CP7094	220940	Chlorine Generator Installation at Pump Station 5								0
298	CP7454	313842	LWMWTP Equipment Replacement and Repair								0
182	CP7541	338434	LWMWTP Access Control & CCTV for New Facilities				2,500				2,500
259			New Chlorine System at Site 3								0
304	CP7647	366953	LWMWTP UV Hydraulic Control								0
260	CP7648	366954	New Chlorine System at Site 4D								0
281	CP7649	366958	Reservoir 3A Nitrate Wellhead Treatment Plant								0
<b>Subtotal - 9065 Treatment (7 Projects)</b>							<b>2,500</b>				<b>2,500</b>
<b>9070 Pumps &amp; Equipment</b>											
61	CP7025	196447	New Well #48 Chino Basin								0
62	CP7102	220948	New Well #49 Chino Basin								0

**CUCAMONGA VALLEY WATER DISTRICT  
CAPITAL PROJECTS  
Estimated Ongoing Operational Expenses  
for the Fiscal Year Ending June 30, 2017**

**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
303	CP7193	243119	Pump Station 5 Emergency Standby Generator								0
59	CP7299	267080	New Cucamonga Basin Well								0
275	CP7466	313856	Pump Station 5 Switchgear Replacement								0
145	CP7467	313857	Pump Station 5B Switchgear Replacement								0
60			New Generators at Reservoir Sites								0
67			New Generators at Well Sites								0
55	CP7650	367057	General Booster Rehabilitation								0
57	CP7651	367058	General Production Site Improvement								0
56	CP7652	367060	General Well Rehabilitation								0
58	CP7653	367061	Motor Cover Installation at Various Sites								0
216	CP7654	367064	Pressure Regulating Valve Vault Lids								0
273	CP7655	367066	Pump Station 4C - VFD								0
274	CP7656	367067	Pump Station 5C - VFD								0
<b>Subtotal - 9070 Pumps &amp; Equipment (15 Projects)</b>											0
<hr/>											
			<b>9071 Reservoirs</b>								
146	CP7469	313861	Reservoir 3 Site Improvements								0
75			Construct New Reservoir 5B-2								0
70			Reservoir Mixing Systems (3 per year)								0
282	CP7657	366964	Construct New Reservoir 3A								0
261	CP7658	366967	Construct New Reservoir 8B-3								0
299	CP7659	366969	Reservoir 3C2 Rehabilitation								0
68	CP7660	366970	Tank Rehabilitation								0
<b>Subtotal - 9071 Reservoirs (7 Projects)</b>											0
<hr/>											
			<b>9072 Telemetry</b>								
211	CP7556	338695	Power Monitoring for Each Online Booster and Well								0
78			Vehicle Mobile Radios								0
212	CP7661	366972	Replacement/Addition of Field UPS Systems								0
270	CP7662	366973	Booster Sequencing								0
210	CP7663	366974	Install 3 Infrastructure Communication Towers								0
213	CP7664	366976	Radio Upgrade to MIMO								0
<b>Subtotal - 9072 Telemetry (6 Projects)</b>											0
<hr/>											
			<b>9075 Building Improvement</b>								
265	CP7665	367032	Admin and Ops Parking Improvements for Additional Spaces								0
252	CP7666	367034	CVWD drought tolerant landscape administration parking lot								0

**CUCAMONGA VALLEY WATER DISTRICT  
CAPITAL PROJECTS  
Estimated Ongoing Operational Expenses  
for the Fiscal Year Ending June 30, 2017**

			ESTIMATED ANNUAL COSTS								
Project ID#	Project Number	Work Order Number	Description	Personnel	Equipment/ Hardware Maint	Software Maint	Extended Warranty	Electricity/ Utility	Consultant/ Developer	Other Operating	Total Operational Impact
297	CP7667	367035	Edson Property Demo/Rehab-13054 23rd Street								0
271	CP7668	367036	LWMWTP Wilson Ave Frontage Roadway Improvements								0
266	CP7669	367039	Outside Public Facility Accessibility Improvements								0
286	CP7670	367041	San Bernardino Lot Improvements								0
251	CP7671	367043	Server and Network room A/C upgrade								0
264	CP7672	367044	Slurry Seal Administration/ Operations Parking Lot								0
<b>Subtotal - 9075 Building Improvement (8 Projects)</b>											0
<hr/>											
			<b>9080 Vehicle</b>								
236	CP7477	313900	1.5 ton service truck w/12 ft. service body, crane, welder								0
237	CP7490	313915	3/4 Ton Box Van 4x2 with CCTV equipment Unit # 240								0
222	CP7574	338763	1 Ton Dump Low Bed Dump Truck								0
241	CP7673	367045	1/2 Ton Ext Cab 4x4 to replace Unit 274								0
240	CP7674	367047	1/2 ton Ext. Cab 4x4 to replace Unit 273								0
279	CP7675	367051	1/2 Ton Pickup Extra Cab 4x2 Unit 285								0
239	CP7676	367068	3/4 Ton Ext. Cab 4x4 replace unit 312								0
242	CP7677	367069	Generator Trailer replacement for 600Kw Portable Generator								0
243	CP7678	367074	Heavy Equipment Trailer replacement for trailer unit 2016								0
301	CP7679	367075	Treatment Plant Forklift Replacement								0
<b>Subtotal - 9080 Vehicle (10 Projects)</b>											0
<hr/>											
			<b>9085 Water Mains</b>								
100	CP7316	267098	Const Waterline in Chestnut Ave/Cornwall Ave								0
87	CP7384	290300	Const Waterline in Arrow Rte from Hermosa Ave to Haven Ave								0
272	CP7387	290310	Water Facilities Improvements for Fwy Imprvmnts at Baseline								0
162	CP7484	313909	Construct Waterline in Hellman from Lomita to Monte Vista								0
106	CP7585	338778	Const Waterline in Alpine St and Ramon Ave								0
108			Const Waterline in Catalpa Street West of East Avenue								0
88			Const Waterline in Pecan Ave from Victoria St to Carnesi Dr								0
97	CP7680	367076	Const Waterline in 7500 block of Camino Norte								0
107	CP7681	367077	Const Waterline in Amethyst Ave from La Grande to Lomita								0
90	CP7682	367078	Const Waterline in Baker Ave from 8th St to Princeton St								0
101	CP7683	367086	Const Waterline in Candlewood St from Archibald to Ramona								0
105	CP7684	367087	Const Waterline in Foothill Blvd from 15 Fwy to Etiwanda Ave								0
109	CP7685	367088	Const Waterline in Haven Ave from 210 Fwy to Banyan St								0
104	CP7686	367089	Service Replacement Program								0
96	CP7687	367090	Various Valve and Main Improvements								0

**CUCAMONGA VALLEY WATER DISTRICT  
CAPITAL PROJECTS  
Estimated Ongoing Operational Expenses  
for the Fiscal Year Ending June 30, 2017**

				ESTIMATED ANNUAL COSTS							
Project ID#	Project Number	Work Order Number	Description	Personnel	Equipment/ Hardware Maint	Software Maint	Extended Warranty	Electricity/ Utility	Consultant/ Developer	Other Operating	Total Operational Impact
<b>Subtotal - 9085 Water Mains (15 Projects)</b>											0
<b>9095 Sewer Improvement</b>											
278	CP7172	237510	Const Sewer in Baseline Rd and East Ave								0
229	CP7589	338783	Const Sewerline in Archibald Ave from Main St to Acacia St								0
228	CP7590	338784	Const Sewerline in San Bernardino Rd and Estacia Ct								0
227	CP7593	338788	Construct Sewerline in Foothill Blvd and Deer Creek								0
223	CP7594	338789	Construct Sewerline in Hellman Ave and 4th St								0
244	CP7688	367094	Repair sewer line in 8th St. east of Vineyard								0
245	CP7689	367096	Various Sewer line Repairs Red Hill, 8th St. Hellman, Beryl								0
111	CP7690	367097	Various Sewer Relining and Manhole Rehabilitation								0
<b>Subtotal - 9095 Sewer Improvement (8 Projects)</b>											0
<b>9096 Recycled</b>											
122	CP7396	290326	Recycled Water Master Plan								0
151	CP7691	367100	Construct Various Recycled Water Valves at Various Locations								0
125	CP7692	367102	Recycled Water Retrofits								0
<b>Subtotal - 9096 Recycled (3 Projects)</b>											0
<b>Total Capital Projects</b>					<b>2,500</b>	<b>3,000</b>					<b>5,500</b>

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# CAPITAL PROJECT DESCRIPTIONS

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**CUCAMONGA VALLEY WATER DISTRICT  
CAPITAL PROJECT DESCRIPTIONS  
for the Fiscal Year Ending June 30, 2017**

Project Number	Work Order Number	Description	Need Analysis	Estimated Carry Over 2016 Budget	Budget Request 2017
<b>9030 Source of Supply</b>					
CP6370	80883	Water Master Plan Update	This project will update the 2003 Water Master Plan, it includes an update to the water model and the water system master plan. A draft of the water system master plan was prepared in-house. An outside consultant was hired to enhance, validate, and finalize the document. The project is expected to be completed summer 2016.	25,000	0
CP7437	313811	Cucamonga Basin Management Plan	<p>Currently the Cucamonga Basin does not have a Management Plan. The purpose of the Basin Management Program is to develop a groundwater management program that enhances the safe yield and the water quality of the basin, enabling all groundwater users to produce water from the basin in a cost-effective and responsible manner.</p> <p>In addition, the Sustainable Groundwater Management Act (SGMA), signed into law in September 2014, requires all groundwater basins designated as “medium-” or “high-priority” basins to create local Groundwater Sustainability Agencies (GSAs) to develop and implement Groundwater Sustainability Plans (GSPs), and the guidelines and schedule for complying with the Act. The Department of Water Resources (DWR) is the implementing agency. Provisions in the SGMA exempts adjudicated basins and local agencies, specifically naming the Cucamonga Basin, from forming a GSA and developing a GSP. However, CVWD is required to submit a copy of the final judgment, any amendments to the judgment and annual reporting.</p> <p>This project will hire consultants to prepare the "2016 SGMA Annual Report" and to develop a water management plan for Cucamonga Basin, respectively. A consultant has already been hired to prepare the annual report and submit to DWR by April 1, 2016. Next year a consultant will be hired to develop a water management plan for Cucamonga Basin.</p>	150,000	100,000
CP7636	366939	2016 Watershed Sanitary Survey	California's Code of Regulations Title 22, Division 4, Chapter 17, Article 7, Section 64665 requires all water suppliers to complete a watershed sanitary survey every five (5) years (minimum). The District's last survey was completed in fiscal year 2012. The process needs to begin this FY for completion by 2017.	0	25,000
CP7637	366938	Canyon Mitigation	As part of obtaining permits for the Cucamonga Canyon intake repairs, the District has committed to granting a conservation easement to the Inland Empire Resources Conservation District. This includes funding an endowment that will meet the needs of the easement agreement. The project is pending coordination between several public and governmental agencies. The canyon repairs have been completed and were key to regaining access to this valuable canyon water source.	0	170,000
CP7638	366934	Cucamonga Basin 6 Desilting Project	<p>A consultant developed the “2008 Recharge Feasibility on the Cucamonga Creek Debris Cone Investigation” report. It was determined that the configuration of the basins in the Cucamonga Channel has significantly reduced storm water recharge due to limited storage capacity and much lower percolation rates. This reduced the yield of the Cucamonga Basin. The report recommended several improvements to improve groundwater supply reliability.</p> <p>This project will remove silt deposits in Basin A at 19th St. that are reducing natural percolation. This project is necessary every several years to reestablish groundwater recharge rates and enhance groundwater supply reliability. Although this project is considered routine maintenance, under CEQA it is not categorically exempt and will require an environmental initial study. The project will improve groundwater recharge for the Cucamonga Basin. It is estimated to cost \$120,000 and will be split between CVWD and SAWCO.</p>	0	60,000

**CUCAMONGA VALLEY WATER DISTRICT  
CAPITAL PROJECT DESCRIPTIONS  
for the Fiscal Year Ending June 30, 2017**

Project Number	Work Order Number	Description	Need Analysis	Estimated Carry Over 2016 Budget	Budget Request 2017
CP7639	366942	Cucamonga Basin Crosswall Improvements	<p>A consultant developed the "2008 Recharge Feasibility on the Cucamonga Creek Debris Cone Investigation" report. It was determined that the configuration of the basins in the Cucamonga Channel has significantly reduced storm water recharge due to limited storage capacity and much lower percolation rates. This reduced the yield of the Cucamonga Basin. The report recommended several improvements to improve groundwater supply reliability.</p> <p>This project will rehabilitate the existing Cucamonga Channel cross-walls by constructing new gabions, where required; repairing sections of the partially deteriorated gabion cross-walls; and structurally reinforcing weakened sections of the gabion cross-walls. This project will help with the capture and recharge of the Cucamonga Channel and improve the yield in the Cucamonga Basin. The project is estimated to cost \$120,000 and will be split between CVWD and SAWCO.</p>	0	60,000
<b>Subtotal - 9030 Source of Supply (6 Projects)</b>				<b>175,000</b>	<b>415,000</b>
<b>9045 Field Equipment</b>					
CP5334	0062677	Fixed Network Project/Meter Exchange	<p>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 in over several years. The final 10,000+ meters and FN devices are yet to be installed pending a due diligence study, a proof of operability study and best value analysis. In FY 2015-2016 CVWD staff negotiated a contract with Itron for the replacement and completion of the District's Fixed Network. Itron is the general contractor for the entire project, including the replacement of meters that have reached the end of their useful life. Under a separate procurement CVWD staff competitively bid new meters that would be supplied to Itron for the completion of the Fixed Network project. The meter contract was awarded to National Meter (distributor for Badger Meter). Both contracts to Itron and National Meter are funded from this capital project. This is a multi-year project with estimated completion in Summer 2017.</p>	7,897,587	0
CP7640	366943	Boardroom AV Equipment Upgrade - TV Wall	<p>This upgrade project is to eliminate the existing Boardroom projector and screen. Vendor will install a 2x2 high resolutions video wall with a small bezel of 11mm total and an overall screen size of 110". This project will also replace the 10 years old projector in the Training room.</p>	0	60,000
<b>Subtotal - 9045 Field Equipment (2 Projects)</b>				<b>7,897,587</b>	<b>60,000</b>
<b>9055 Office Equipment</b>					
CP7533	338369	Enterprise Software Upgrade Research	<p>The District has utilized SunGard H.T.E. since 1991 (24 years). This software runs on the IBM AS400 and its technology is not as current as other open platforms. This project will provide funding for staff to explore the opportunity to replace the existing enterprise-wide software. This is the first phase of the project that will span multiple years. Once staff have conducted the research, a budgetary request will be placed in upcoming CIP budget years.</p>	56,000	0
CP7641	366946	Desktop, Laptop, and Tablet Computer Replacements	<p>This project will provide funding for the replacement of 20 Desktop computers, 5 field ToughPad tablet computers, 10 tablets devices and two replacement TV monitors for the Operations Water and Wastewater crews Room. The District's Technology Replacement Plan calls for the replacement of desktops after 4 years and tablets after 3 years. The IT equipment in this request all meet and/or exceed their estimated useful life.</p>	0	60,000
CP7642	366945	IVR VoiceUtility - Account Lookup via Phone Number	<p>This project will allow our customers utilizing the complete IVR automated phone system (for Payments, Extensions, and Account History) without needing the account number. This will eliminate a need for customers to call and wait on hold to speak to a CSR for their account numbers. The additional "Update Phone Number" feature will allow customers to update their phone numbers via the IVR and allow them to lookup their account information.</p>	0	16,000

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CP7643	366949	Main Campus Security Improvements	The HR/Risk Management division is responsible for employee safety and facility security and is requesting funding for security improvements on the main campus. The security cameras in the Frontier Project were installed in 2009 and have exceeded their lifespan and warranty. The quality of the existing video cameras are poor and two cameras have been dead for almost one year. The project consists of adding one video server to replace the original because it is near the end of its lifespan. An additional server will be purchased to increase video storage for more than 30 days and to accommodate continuous (24-hour) recording for the existing cameras. In light of the District's recent and local threats the project includes the installation of four additional cameras in critical public-accessible areas that have no existing video or security coverage (Engineering parking, Administration front entrance, Administration gate and Operations Exterior). While the additional cameras provide no immediate protection, they will be placed in visible locations that would deter such actions or capture footage for liability incidents.	0	100,000
CP7644	366950	Microsoft Software Assurance (Year 1 of 3-Year agreement)	This project will provide the first year of the 3-Year Microsoft Software Assurance Agreement. This agreement allows the District to install Microsoft Windows Enterprise, Microsoft Office Professional, Microsoft Exchange Email Server, Microsoft Windows Server, Microsoft SQL Database Server, and Microsoft Project 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	60,000
CP7645	366951	Network Equipment Replacement	This project will provide funding for the replacement of the 4 Cisco network switches and 8 Cisco wireless Access Points that were installed in 2009. These 6-year-old switches and access points will reach the end of its useful life and will be no longer supported by the end of 2016. These switches and access points are located at District's facilities and handles network traffic in District office buildings.	0	28,000
CP7646	366952	Network Server Replacements	This project will provide funding for the replacement of one blade servers enclosure with five blade servers and one network storage unit that were installed in 2010. Our existing enclosure servers will reach the end of their useful life by the end of 2016. The new Dell blade enclosure with five new blade servers will not just replace our old server equipment, but also enhance our VM environment. The cost for replacement is higher than our regular budget because of the cost from the main enclosure; however, the server replacement project cost will be lower in the next 3 years. The total project cost for the next 4 years will be equal to our regular budget (\$50,000 x 4 years = \$200,000).	0	96,000
<b>Subtotal - 9055 Office Equipment (7 Projects)</b>				<b>56,000</b>	<b>360,000</b>
<b>9065 Treatment</b>					
CP7094	220940	Chlorine Generator Installation at Pump Station 5	In order to comply with the Stage II Disinfection Byproduct Rule (DBR), it is necessary to maintain consistent chlorine residuals 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. Sufficient chlorine residuals to carry through to the upper zones can be met by adding a chlorine station at Reservoir 5, thus helping the District comply with the DBR. This project will construct a new addition to the existing pump house that will house a new chlorine generator at Pump Station 5. During FY2016 staff designed and awarded the project winter 2015. The project is in construction and will be completed by summer 2016 requiring it to carry over into FY2017.	40,000	0
CP7454	313842	LWMWTP Equipment Replacement and Repair	This project was created to fund the replacement of critical process instrumentation, replace the structural expansion seal between the operations building and process basins, and replace the isolation valves (two 36-inch, four 24-inch) at the LWMWTP Influent Flow Control Structure. All work except the Influent Control Structure has been completed. This work had been coordinated with MWD's planned April 2016 Rialto Feeder shutdown. MWD has since postponed the Rialto Feeder shutdown to FY2017; therefore the remaining work must be carried over to FY2017.	151,000	0

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CP7541	338434	LWMWTP Access Control & CCTV for New Facilities	This project will design and construct electronic access control, CCTV, and other security enhancements for the new facilities at LWMWTP, including the GAC structure, UV building, and the new 6 MG reservoir. This project will maintain the high level of security at the District's largest water production facility. The project was originally part of the larger LWMWTP upgrades project, but it was pulled out due to coordination difficulties between the general contractor and the District's security vendor. Staff chose to procure this project separately and is currently being developed with the District's security vendor. The project will be carried over and completed in FY2017.	180,000	0
CP7647	366953	LWMWTP UV Hydraulic Control	The LWMWTP UV facility is vulnerable to severe damage in the event of hydraulic imbalance through the UV reactors. The vulnerability can cause severe damage to the reactors and shut down the plant for at least several weeks for repairs. Staff has developed operational procedures to manage the issue; however the vulnerability can be exposed in the event of equipment failure, instrumentation failure, or other operational abnormalities. A hydraulic control facility will be constructed to eliminate this vulnerability and ensure reliability of the treatment plant.	0	1,000,000
CP7648	366954	New Chlorine System at Site 4D	In order to maintain chlorine residuals and manage TTHMs in Reservoir 4D, staff has been manually dosing sodium hypochlorite in the reservoir. This dosing has proven to be effective in managing residuals and TTHMs; however, the manual process is not efficient. This project will construct an automated chlorine dosing system, chlorine building, and associated systems. The District has several of these systems at other sites, and this system will be designed and constructed to a similar standard.	0	350,000
CP7649	366958	Reservoir 3A Nitrate Wellhead Treatment Plant	<p>The District's 3A well field is a key groundwater supply source. It consists of five production wells (Wells 16, 19, 21, 24, and 32) that pump from the Cucamonga Basin. Of the five wells, only three (16, 19, &amp; 24) currently pump to the distribution system while the others remain offline due to high nitrate and DBCP concentrations. The three active wells have varying levels of contamination and must be blended in order to be utilized.</p> <p>Over the years, spikes in DBCP and nitrate concentrations have limited production from the well field. Cucamonga Basin production dropped from 5,400 AF in 2009 to 2,800 AF in 2011. With the construction of a GAC treatment to address DBCP contamination and installation of a variable frequency drive on Well 16 for better blending, the District has been able to increase production to 5,700 AF in 2014.</p> <p>In order to improve supply reliability and further maximize production in the well field, nitrate wellhead treatment is required. This project will design and construct a nitrate treatment plant for well field 3A. The project will be delivered by design-build and is scheduled for completion summer/fall 2017. This is a multi-year project. This project will add a water supply source to the system and diversify the District's water supply portfolio.</p>	0	4,600,000
<b>Subtotal - 9065 Treatment (6 Projects)</b>				<b>371,000</b>	<b>5,950,000</b>
<b>9070 Pumps &amp; Equipment</b>					
CP7025	196447	New Well #48 Chino Basin	<p>This project will improve water supply reliability by constructing a new groundwater production well. Consistent with the District's water supply planning strategy, this will be a Chino Basin well. The new well will further reduce the District's reliance on imported water.</p> <p>This is a multi-year project. The well siting has been completed and easements have been secured. The exploratory drilling is currently under way and will be completed by June 2016. The final phase of the project includes equipping the well with a pump and motor and designing and constructing a pipeline to Reservoir 1C. This final phase will be completed over FY2017 and FY2018.</p>	1,500,000	500,000

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CP7102	220948	New Well #49 Chino Basin	<p>Consistent with CVWD's water supply planning strategy, this project will develop a reliable groundwater source in the Chino Basin. The new well will further reduce the District's reliance on imported water.</p> <p>This is a multi-year project. Previous requests funded consulting work to identify a site for the well. This year's request is to secure easements or property for the well. Future requests will provide funding for drilling, equipping of the well, and construction of a pipeline.</p>	0	200,000
CP7193	243119	Pump Station 5 Emergency Standby Generator	<p>This project will improve distribution reliability by installing a permanent emergency backup generator and an automatic transfer switch at Pump Station 5. The generator was procured August 2015 and has already been built. However, during the permitting process, South Coast Air Quality Management District (SCAQMD) cited a rule that required additional mitigation due to the proximity of the new generator to sensitive receptors, in this case residential homes. Staff processed a change order in April 2016 to purchase the additional equipment to satisfy the rule. Lead time for the new equipment and to retrofit the generator is 10 to 12 weeks. The generator will be delivered July 2016. Therefore, the project will carry over.</p>	180,000	0
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. However, Cucamonga Basin groundwater production has been limited due to high nitrate, DBCP, and perchlorate contamination,. This has resulted in CVWD's production from the Cucamonga Basin being as low as 3,600 AF in 2011. Recent improvement in blending and treatment allowed CVWD's production from the Cucamonga Basin to increase to 10,700 AF in 2014, but with many of the well in the basin over 75 years old (7 of the 17 wells) new well production sites with better water quality are need to provide redundancy and reliability. This project will improve water supply reliability by studying the development of a new well in Cucamonga Basin and (if needed) acquiring an easement or property and construction of a new Cucamonga Basin well.</p> <p>This is a multi-year project. Phase 1 of the work, which is underway (FY2016), 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 (scheduled in FY2017) will design, develop CEQA documents, and (if needed) acquire an easement or property on which to construct the new well facility. Phase 3 is well drilling, equipping, and construction of a pipeline. Phase 3 is scheduled for FY2018 and FY2019.</p>	0	200,000
CP7466	313856	Pump Station 5 Switchgear Replacement	<p>This project will improve distribution reliability by upgrading electrical capacity at Pump Station 5. The switchgear at this location is operating at its maximum capacity and will not accommodate any additional electrical load. It may be necessary to temporarily install a larger motor if a failure occurs in the summer. The existing switchgear does not have enough capacity to allow this. This site is critical to maintaining water in the upper zones and as such, needs to be replaced.</p> <p>The project consists of purchasing new switchgear, installation and design by a consulting electrical engineer. Construction work consists of removing existing switchgear, site work, concrete slab, electrical conduits, cabling, startup, and commissioning. During FY2016, staff designed and awarded the project in the winter 2015. The project is in construction and will be completed by summer of 2016 requiring it to carry over into FY2017.</p>	220,000	0

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CP7467	313857	Pump Station 5B Switchgear Replacement	<p>This project will improve distribution reliability by upgrading electrical capacity at Pump Station 5B. The switchgear at this location is operating at its maximum capacity and will not accommodate any additional electrical load. . It may be necessary to temporarily install a larger motor if a failure occurs in the summer. The existing switchgear does not have enough capacity to allow this. This site is critical to maintaining water in the upper zones and as such, needs to be replaced.</p> <p>Design of the project has been completed between staff and a consulting electrical engineer. The switchgear has been competitively bid, awarded, and it will be supplied to a general contractor for installation. The construction contract was awarded March 2016. The construction is expected to be completed summer 2016; the project will carry over into FY2017.</p>	210,000	0
CP7650	367057	General Booster Rehabilitation	This project will improve distribution reliability by rehabilitating booster pumps. 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 will apply for all available SCE grants on pump and motor improvements.	0	150,000
CP7651	367058	General Production Site Improvement	This project is intended to provide emergency funds for major improvements to fencing, buildings, and other structures on production sites. Repairs may include painting, chemical treatment, cleaning, and other maintenance.	0	100,000
CP7652	367060	General Well Rehabilitation	This project will improve supply reliability by replacing equipment during unscheduled or emergency 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.	0	300,000
CP7653	367061	Motor Cover Installation at Various Sites	The production department installed steel motor covers over the existing outdoor wells and boosters protect against the effects of sunlight and rain. With nearly all wells and boosters now covered in previous years, this will be the last year for motor cover installations. This project will increase the service life of equipment and reduce long term maintenance costs.	0	60,000
CP7654	367064	Pressure Regulating Valve Vault Lids	Vault lids at several PRV stations have become damaged over time. The technology upgrade from a flat lid to an assisted lid is necessary to minimize damage to equipment and improve staff safety. This 5-year project will improve distribution system security, reliability, and operational safety by repairing and upgrading 25 vault lids. Work was completed on five vault lids last year and four more years remain to complete this project.	0	50,000
CP7655	367066	Pump Station 4C - VFD	Reservoir 5C does not have a second tank for operational redundancy. If Reservoir 5C were to be taken out of service, a variable frequency drive (VFD) at Booster Station 4C would allow the District to boost water supply Zone 5. This project will improve distribution reliability and operational flexibility by installing a VFD on a booster pump located at Pump Station 4C.	0	74,000
CP7656	367067	Pump Station 5C - VFD	Reservoir 6C does not have a second tank for operational redundancy. If Reservoir 6C was to be taken out of service, a variable frequency drive (VFD) at Booster Station 5C would allow the District to boost water supply Zone 6. This project will improve distribution reliability and operational flexibility by installing a VFD on a booster pump located at Pump Station 5C.	0	74,000
<b>Subtotal - 9070 Pumps &amp; Equipment (13 Projects)</b>				<b>2,110,000</b>	<b>1,708,000</b>

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<b>9071 Reservoirs</b>					
CP7469	313861	Reservoir 3 Site Improvements	The Reservoir 3 site has gone through several improvements over the past few years, including the construction of a communication tower, chlorine lines, electrical conduits and pipeline improvements. This has left the site with several different paving patches in various conditions. Therefore, it is recommended that the site be repaved. This project will fund the design and construction to remove the existing asphalt pavement and replace it with 4-in of asphalt on 4-in of crushed aggregate base at the Reservoir 3 site. The work will also include landscaping, hardscape, and irrigation. The project has been designed and awarded for construction in late FY2016. The project will carry over and be completed in early FY2017.	373,000	0
CP7657	366964	Construct New Reservoir 3A	This project will improve water supply and distribution reliability in Zone 3A by replacing the existing reservoir that is nearing the end of its useful life. Reservoir 3A was built in the 1920s and has a capacity of less than 1MG. In 2011, the reservoir was temporarily out of service due to a partial failure of the roof. A membrane floating roof was installed and the tank was placed back in service. It continues to operate as normal. A new project will construct up to 1.25 MG of reliable water storage. The cost includes construction of two new tanks, demolition of the existing tank, and provisions to maintain continuous service of 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. This request will fund the design of the project, which requires a consulting firm specializing in the structural engineering of reinforced concrete tanks, and a CEQA investigation. Future requests will construct the project.	0	2,000,000
CP7658	366967	Construct New Reservoir 8B-3	The reservoirs at 8B serve a hillside community and a third reservoir (1 MG) is required to meet future demands and for proper fire flow storage. In addition, the additional storage will improve operational flexibility and distribution reliability in zones 8 and 7.  This is a multi-year project. The first phase will be to design and prepare CEQA document necessary to construct the new reservoir in FY2017. The second phase will construct the new reservoir in FY2018.	0	100,000
CP7659	366969	Reservoir 3C2 Rehabilitation	During the course of inspection and asset condition assessment of Reservoir 3C2, several issues were identified for corrective action including 1) installation of cathodic protection on roof structural support columns, 2) replacement of 36" inlet riser, 3) replacement of the interior ladder, and 4) clean and disinfect the reservoir. These issues must be addressed prior to returning the tank back into service. This project will bring Reservoir 3C2 back in service and improve the system reliability.	0	200,000
CP7660	366970	Tank Rehabilitation	Every year this project funds the repairs and recoating of various reservoirs due to aging, damage due to corrosion and outdated materials. The AWWA recommends the recoating of reservoirs every 15 years. In keeping with this practice, each year staff evaluates and identifies several reservoirs for recoating. This project improves the system reliability by extending the useful life of existing reservoirs.	0	350,000
<b>Subtotal - 9071 Reservoirs (5 Projects)</b>				<b>373,000</b>	<b>2,650,000</b>

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<b>9072 Telemetry</b>					
CP7556	338695	Power Monitoring for Each Online Booster and Well	<p>The power monitoring project is part of a UCR grant program approved for the District in 2015. The power monitoring project will give the District the ability to measure power (KWh), flow, upstream pressure, and downstream pressure from each piece of equipment. This will allow staff to calculate the efficiency of each pump and operate the system most efficiently while maintaining water quality and supply. As electrical rates increase, significant savings opportunities will arise with greater knowledge of the operating efficiencies.</p> <p>In 2016, UCR was preparing analysis to identify sites to focus resources. Booster station 3A has been identified as a starting point, which will be developed in FY 2017. After 3A has been implemented and tested the project will be deployed to full scale at other key production sites.</p>	164,000	0
CP7661	366972	Replacement/Addition of Field UPS Systems	Current field uninterruptible power supplies (UPS) equipment has reached the end of its useful life. This project will replace the existing field UPS equipment and provide new equipment to those sites without UPS. With new UPS systems in place, we will receive power fail and intrusion alarms from field locations when Edison power service might be down. The new UPS come equipped with alarms which can be integrated into telemetry to give the status of each unit.	0	12,000
CP7662	366973	Booster Sequencing	The existing pump operational sequence is using more energy than necessary to meet customer water demand. The sequencing can be optimized by adjusting the annual water production such that pumps with lower energy intensities are used to meet a greater portion of the system demand. Electric power meters are proposed to be installed at the sites so the pump efficiencies are calculated and sequencing adjusted accordingly. Real time calculation of pump efficiencies and their monitoring will also enable the District to detect early pump failures. This will allow staff to better proactively maintain pumps and motors.	0	550,000
CP7663	366974	Install 3 Infrastructure Communication Towers	This project will improve radio communication between water system telemetry by phasing in three radio towers per year over the next three years. This project provides staff with real-time distribution system monitoring, which improves reliability and operational efficiencies.	0	80,000
CP7664	366976	Radio Upgrade to MIMO	This project will upgrade the existing radio network to higher throughput capabilities. The existing network was originally designed to provide performance for the existing SCADA network while having the ability to upgrade. This upgrade will increase the network's ability to handle higher data throughputs to sustain a security system for remote locations. This will be the first year of a three year project at \$55,000 per year.	0	55,000
<b>Subtotal - 9072 Telemetry (5 Projects)</b>				<b>164,000</b>	<b>697,000</b>
<b>9075 Building Improvement</b>					
CP7665	367032	Admin and Ops Parking Improvements for Additional Spaces	The purpose of this project is to remove three existing concrete medians located in the administration and operations parking areas. Once removed, these areas will be replaced with asphalt adding ten additional parking spaces.	0	30,000
CP7666	367034	CVWD drought tolerant landscape administration parking lot	In 2015 landscape improvements were made to the front entrance of the administration building and customer parking lot. The administration parking lot landscaping needs considerable improvements to complete the drought tolerant landscape project. This will emulate the previous improvements to include decomposed granite, irrigation drip systems and drought tolerant plants.	0	40,000
CP7667	367035	Edson Property Demo/Rehab-13054 23rd Street	The District-owned residential property located at 13054 23rd Street (contiguous with LWMWTP property) will be demolished and cleared.	0	40,000

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CP7668	367036	LWMWTP Wilson Ave Frontage Roadway Improvements	With the extension of Wilson Ave from Etiwanda Ave. to East Ave., the District is committed to construct half of the road that is adjacent to the District's LWMWTP. The project schedule is contingent on the City of Rancho Cucamonga and a third party developer of the vacant land north of the treatment plant. The City has indicated that the improvements would begin construction in calendar year 2017. As part of the project the District has secured two much needed driveways from Wilson Ave onto the treatment plant.	0	800,000
CP7669	367039	Outside Public Facility Accessibility Improvements	The concept of accessibility relates to the diverse needs and abilities of a diverse section of the user population. Accessibility is expressed in degrees which range from "fully accessible", to "partially accessible" to "completely inaccessible". This project will fund necessary improvements to the Districts public accessible locations such as restrooms, parking and buildings.	0	15,000
CP7670	367041	San Bernardino Lot Improvements	The District is committed in protecting the public's safety at all of our facilities. Due to concerns from the City with the structural stability of the District facility located at 9591 San Bernardino Rd., the District has already placed a tall fence to protect public from the potential of any failure.  In addition to this, the City has recently given an order that the District shore the building. The District has performed a preliminary structural analysis and cost estimate for this effort but the construction costs. This project will design and construct shoring for the structure at 9591 San Bernardino Rd.	0	100,000
CP7671	367043	Server and Network room A/C upgrade	Facilities Maintenance and I.T. division are requesting funds to upgrade the air conditioning unit for the administration server room. The equipment requires a consistent temperature of 70 degrees to operate safely. Currently, the air conditioning system is unable to maintain the required temperature. Without the proper cooling the network servers will heat up and cause failures.	0	20,000
CP7672	367044	Slurry Seal Administration/ Operations Parking Lot	Facilities department is requesting funds to slurry seal the administration and operations parking lots. The pavement is showing signs of breakdown and in poor condition requiring a re-seal treatment. The parking lot was last sealed in June of 2011. It is recommended that the asphalt be sealed every three years, to protect the structural integrity.	0	30,000
<b>Subtotal - 9075 Building Improvement (8 Projects)</b>				<b>0</b>	<b>1,075,000</b>
<b>9080</b>	<b>Vehicle</b>				
CP7477	313900	1.5 ton service truck w/12 ft. service body, crane, welder	The Fleet division is requesting funds to replace Treatment Plant service truck Unit 250, a 2002 GMC extra cab with utility bed. This truck will be equipped with a crane, welder and air compressor; allowing the division to maximize efficiency for maintenance and repairs of three treatment plants. This vehicle has approximately 50,000 miles and meets the fleet replacement criteria of 8-9 years by exceeding its life expectancy. The utility body for this vehicle is currently being manufactured. The current status is at one-third completion with expected delivery date in July 2016. A carry over is requested to fund the purchase of the vehicle ordered.	75,300	0
CP7490	313915	3/4 Ton Box Van 4x2 with CCTV equipment Unit # 240	The fleet department is requesting funds to replace unit # 240, a 2000 Ford E-350 box van (CCTV Sewer Van) with approximately 65,000 miles. This vehicle is assigned to the Sewer Maintenance Division and meets the vehicle replacement criteria of 9 years. This vehicle is currently on the production list and will not be delivered until August 2016. The manufacturer made a change in the chassis and has rescheduled the build date. A carry over is requested to fund the purchase of the vehicle ordered.	300,000	0

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CP7574	338763	1 Ton Dump Low Bed Dump Truck	The Operations Division is requesting funds to purchase a 1-Ton Low Bed Dump Truck. This smaller vehicle would be used in the maintenance and repairs of water and sewer mains/services currently located in hard to access areas such as canyons, horse trails, and backyard easements where heavy equipment sized dump truck cannot. Currently the District relies on the availability of rental equipment and contractors to perform repairs located in these areas. This vehicle is currently on the production list and will not be delivered until August 2016. The manufacturer made a change in the chassis and has rescheduled the build date. A carry over is requested to fund the purchase of the vehicle ordered.	52,500	0
CP7673	367045	1/2 Ton Ext Cab 4x4 to replace Unit 274	The Fleet Division is requesting funds to replace Unit 274, 2005 Ford F-150 Ext. Cab standard bed with approximately 75,000 miles. This vehicle is assigned to the Engineering-Inspection Division and has exceeded the vehicle replacement criteria. This vehicle is in less than fair condition.	0	36,000
CP7674	367047	1/2 ton Ext. Cab 4x4 to replace Unit 273	The Fleet Division is requesting funds to replace Unit 273, 2005 Ford F-150 ext. Cab standard bed with approximately 72,000 miles. This vehicle is assigned to Engineering-Inspection Division and meets the vehicle replacement criteria. This vehicle is well used and is in less than fair condition	0	36,000
CP7675	367051	1/2 Ton Pickup Extra Cab 4x2 Unit 285	The Fleet division is requesting funds to replace Unit 285, a 2006 Ford Ranger Ext. Cab pick up with approximately 90,000 miles This vehicle is assigned to the Field Service Division and meets the vehicle replacement criteria of 8-9 years of service. This vehicle is well used and in very poor mechanical condition.	0	35,000
CP7676	367068	3/4 Ton Ext. Cab 4x4 replace unit 312	The Fleet Maintenance Division is requesting funds to replace Unit 312, 2008 Ford Explorer with approximately 82,000 miles. This vehicle is assigned to the Production Division and meets the vehicle replacement criteria.	0	40,000
CP7677	367069	Generator Trailer replacement for 600Kw Portable Generator	Fleet Division is requesting funds to replace one (1) 1974 chassis trailer (600KW Emergency Generator) with newer model chassis equipped with current approved DOT dual-chamber air brake systems. The existing chassis has a single-stage chamber braking system and is in need of tires and frame repair. The total cost of repairs exceed the purchase of a newer chassis that includes brake upgrade and new tires.	0	25,000
CP7678	367074	Heavy Equipment Trailer replacement for trailer unit 2016	The Fleet Division is requesting funds to replace Heavy Equipment Trailer Unit 2016. This unit is assigned to the Operations Division and is not designed to safely transport the heavy equipment we currently have in our fleet. Condition is less than fair.	0	50,000
CP7679	367075	Treatment Plant Forklift Replacement	The Fleet Division is requesting funds to replace the forklift assigned to the LWMTP. This battery powered forklift has been in service for over twenty years and requires frequent maintenance/repairs to keep it operational. This piece of equipment has exceeded its life expectancy and necessary repairs would cost more than its worth.	0	45,000
<b>Subtotal - 9080 Vehicle (10 Projects)</b>				<b>427,800</b>	<b>267,000</b>
<b>9085 Water Mains</b>					
CP7316	267098	Const Waterline in Chestnut Ave/Cornwall Ave	The waterline in the Chestnut Ave. /Cornwall Ave. neighborhood was built in 1955 and has reached the end of its service. It requires frequent maintenance to repair leaks. In addition, the existing waterline was constructed using asbestos-cement (AC) pipe. Although this material is safe when in service, this material poses a potential health risk to the District staff when the pipe is disturbed during maintenance. The new pipeline will install a cement mortar line and coated steel pipe, which is the current District standard. In addition, the waterline was installed behind the curb and requires maintenance crews to disrupt property owners' landscaping when maintaining the pipeline. The new line will be installed in the street to help minimize customer disturbance. This request will fund the design and construction of approximately 3,200 linear feet of new waterline.	0	1,614,000

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Project Number	Work Order Number	Description	Need Analysis	Estimated Carry Over 2016 Budget	Budget Request 2017
CP7384	290300	Const Waterline in Arrow Rte from Hermosa Ave to Haven Ave	The waterline in Arrow Rte. from Hermosa Ave. to Haven Ave. was built in 1968 and has reached the end of its service life. It requires frequent maintenance to repair leaks. The portion of Arrow Rte. west of Hermosa Ave. was replaced in 2012 and this project will extend the replacement to Haven Ave. This project will fund the design and construction of approximately 2,660 linear feet of new 16-in waterline. A portion of this line will have to cross the Deer Creek Channel, which will require an extensive permitting process with San Bernardino Flood Control District and Army Corps of Engineers.	35,800	0
CP7387	290310	Water Facilities Improvements for Fwy Imprvmnts at Baseline	<p>The State of California in conjunction with the City are constructing interchange improvements at Baseline Rd. and the I-15 fwy. These improvements include the installation of new on- and off- ramps and widening the portions of Baseline Rd.</p> <p>As a result, the District will extend approximately 12 water meters, relocate backflows and adjust several water valves to grade. This project was included in the City bid package to 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 freeway improvements are in construction and estimated to be completed at the end of FY2017.</p>	150,000	0
CP7484	313909	Construct Waterline in Hellman from Lomita to Monte Vista	The waterline in Hellman Ave. from Lomita to Monte Vista was built in 1974 and has reached the end of its service life. It currently requires frequent maintenance due to leaks. In addition, it is located in the sidewalk. This project will fund the design and construction of approximately 1300 linear feet of new waterline to be constructed in the street. The project was surveyed and designed in FY2016. This request will fund construction in FY2017.	13,500	600,000
CP7585	338778	Const Waterline in Alpine St and Ramon Ave	The waterline in Alpine St. west of Ramona Ave. was built in 1969 and has reached the end of its service life. It requires frequent maintenance to repair leaks. This project will upsize the existing 6-in waterline to 8-in main. It includes design and construction of approximately 750 linear feet of new 8-in waterline. The project has been designed and awarded. It will begin construction in April 2016 and will carry over into FY2017.	373,000	0
CP7680	367076	Const Waterline in 7500 block of Camino Norte	The waterline in Camino Norte from Alta Cuesta to Calle Del Prado was built in 1973 and has reached the end of its service life. It requires frequent maintenance to repair leaks. The waterline was installed behind the curb and requires maintenance crews to disrupt property owners' landscaping when maintaining the pipeline. The new line will be installed in the street to help minimize customer disturbance. This request will fund the survey and design in FY2017 and future requests will fund the construction of approximately 1,300 linear feet of new waterline.	0	31,000
CP7681	367077	Const Waterline in Amethyst Ave from La Grande to Lomita	The waterline in Amethyst Ave. from Lomita Dr. to La Grande St. was built in 1975 and has reached the end of its service life. It requires frequent maintenance to repair leaks. The existing 2-in line is located in an easement that is behind the properties it serves. This makes it difficult to maintain the line, read the meters and is an inconvenience to the customer. This project will relocate the line and connections to Amethyst St. This request will fund the design and construction of approximately 390 linear feet of new 6-in waterline. The project will be completed in FY2017.	0	213,000
CP7682	367078	Const Waterline in Baker Ave from 8th St to Princeton St	The waterline on Baker Ave. from 8th St to Princeton St. was built in 1975 and has reached the end of its useful life. Over the years it has had several leaks and has been abandoned. This line is used to complete the loop that provided service to a small area west of Vineyard Ave from 8th St. and the 10 Fwy. Reconstructing this line will give the District operational flexibility, and redundancy for this part of the distribution system. This request will fund the survey and design in FY2017 and future requests will fund the construction of approximately 4,700 linear feet of new waterline.	0	50,000

**CUCAMONGA VALLEY WATER DISTRICT  
CAPITAL PROJECT DESCRIPTIONS  
for the Fiscal Year Ending June 30, 2017**

Project Number	Work Order Number	Description	Need Analysis	Estimated Carry Over 2016 Budget	Budget Request 2017
CP7683	367086	Const Waterline in Candlewood St from Archibald to Ramona	<p>The waterline in the neighborhood of Candlewood St. from Archibald Ave. to Ramona Ave. was built in 1964 and has reached the end of its service life. It requires frequent maintenance to repair leaks. This request will fund the survey and design in FY2017 and future requests will fund the construction of approximately 1,860 linear feet of new 8-in and 1,350 linear feet of 12-in waterline.</p> <p>This request will fund the survey and design in FY2017 and future requests will fund the construction of approximately 1,860 linear feet of new 8-in and 1,350 linear feet of 12-in waterline, reconnecting 74 services to the new line and abandoning in place the existing waterline.</p>	0	50,000
CP7684	367087	Const Waterline in Foothill Blvd from 15 Fwy to Etiwanda Ave	<p>The waterline in Foothill Blvd. from the I-15 Fwy. to Etiwanda Ave. was built in 1988. It was constructed using asbestos-cement (AC) pipe. Although this material is safe when in service, this material poses a potential health risk to District staff when the pipe is disturbed during maintenance. The new pipeline will install a cement mortar lined and coated steel pipe which is the current District standard. Staff has analyzed this pipeline and plan to upsize the 8-in line to 12-in in order to meet future demands and build transmission flexibility. This request will fund the survey and design in FY2017 and future requests will fund construction of approximately 1,500 linear feet of new waterline.</p>	0	50,000
CP7685	367088	Const Waterline in Haven Ave from 210 Fwy to Banyan St	<p>The waterline in Haven Ave. from the 210 Fwy. to Banyan St. has reached the end of its service life. It was built in 1970 and requires frequent maintenance to repair leaks. The waterline was installed behind the curb and requires maintenance crews to disrupt property owner's landscaping when maintaining the pipeline. The new line will be installed in the street. This request will fund the survey and design in FY2017 and future requests will fund the construction of approximately 2,200 linear feet of new steel pipeline.</p>	0	50,000
CP7686	367089	Service Replacement Program	<p>This project will fund the District's service replacement program. There are approximately 5,100 polyethylene (or poly) and 19,000 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. Since implementing this program in 2004, the District has replaced 3,600 polyethylene and 700 galvanized services. All attention is on replacing the remaining 1,500 poly services in five years. Once completed, water maintenance will continue the program with replacing approximately 18,000 galvanized services.</p>	0	500,000
CP7687	367090	Various Valve and Main Improvements	<p>This project will adjust valves to grade and the replacement of valves and water mains at various locations throughout the CVWD service area. Roadway improvements throughout the service area 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 and water main repairs are part of ongoing operations and maintenance.</p>	0	150,000
<b>Subtotal - 9085 Water Mains (13 Projects)</b>				<b>572,300</b>	<b>3,308,000</b>

**CUCAMONGA VALLEY WATER DISTRICT  
CAPITAL PROJECT DESCRIPTIONS  
for the Fiscal Year Ending June 30, 2017**

Project Number	Work Order Number	Description	Need Analysis	Estimated Carry Over 2016 Budget	Budget Request 2017
<b>9095 Sewer Improvement</b>					
CP7172	237510	Const Sewer in Baseline Rd 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/ 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 sewer line in Baseline Rd. and will also relocate approximately 132 linear feet of sewer line in East Ave. This project must coordinate the design of the relocation with the design of the new roadway improvements. This project was included in the City package to 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 freeway improvements are in construction and estimated to be completed at the end of FY2017.</p>	380,000	0
CP7589	338783	Const Sewerline in Archibald Ave from Main St to Acacia St	<p>The 15-in sewerline in Archibald Ave. from Main St. to Acacia St. was built in 1963 and is flowing near its capacity. This project will upsize the existing sewerline to 18-in in order to provide capacity for future growth and proactively reduce the possibility to overflow. The City of Rancho Cucamonga recently paved Archibald Ave. There is a moratorium for two years. Construction of the sewer can begin January 2018. Prior requests funded survey and design. A future request in will fund construction.</p>	50,000	0
CP7590	338784	Const Sewerline in San Bernardino Rd and Estacia Ct	<p>The sewerline in San Bernardino Rd. and Estacia Ct. neighborhood was built in 1965 using asbestos-cement (AC) pipe. This project is part of the District's program to replace AC pipe. The project will install a vitrified clay pipe (VCP), which is the current District standard. Prior requests have funded survey, design, and permitting. The current request will construct the project.</p>	50,000	745,000
CP7593	338788	Construct Sewerline in Foothill Blvd and Deer Creek	<p>Siphons require extensive maintenance and have added risk of overflow. In order to provide more reliable and cost effective maintenance, the District has identified several siphons that can be reasonably replaced with a gravity system. The sewer siphon in Foothill Blvd and Deer Creek was built in 1971 to pass the Deer Creek Channel. This project will construct a gravity sewerline to eliminate the existing siphon. Prior requests have funded survey, design, and permitting. The current request will construct the project.</p>	50,000	1,144,000
CP7594	338789	Construct Sewerline in Hellman Ave and 4th St	<p>Siphons require extensive maintenance and have added risk of overflow. In order to provide more reliable and cost effective maintenance, the District has identified several siphons that can be reasonably replaced with a gravity system. The sewer siphon in Hellman Ave. and 4th St. was built in 1970 to cross the Cucamonga Channel. This project will construct a gravity sewerline across the channel to eliminate the existing siphon. The project was designed in FY2016. However, because the project is crossing the channel there is a lengthy and cumbersome permitting process with SB County Flood Control District and Army Corps of Engineers that has delayed the project. The project will carry over into FY2017.</p>	2,302,000	0
CP7688	367094	Repair sewer line in 8th St. east of Vineyard	<p>The purpose of this project is to construct approximately 330 linear feet of sewer in an easement north of 8th St. and east of Vineyard Ave. to replace a section of sewer that is damaged and sagging. This condition has required additional cleaning to assure the pipeline does not clog. This pipeline is 12-feet deep and nearly runs underneath of power poles.</p>	0	230,000

**CUCAMONGA VALLEY WATER DISTRICT  
CAPITAL PROJECT DESCRIPTIONS  
for the Fiscal Year Ending June 30, 2017**

Project Number	Work Order Number	Description	Need Analysis	Estimated Carry Over 2016 Budget	Budget Request 2017
CP7689	367096	Various Sewer line Repairs Red Hill, 8th St. Hellman, Beryl	Sewer maintenance crews have identified multiple sewer lines needing repairs to include replacing approximately 24-feet of pipeline at each location. The locations are Beryl St. south of Alta Loma Rd. (gravity main 1648), Hellman south of Baseline (gravity main 5061), Red Hill Country Club at Calle Quebrada (gravity main 5489), Santa Anita south of 6th St. (gravity main 10742) and 8th St. west of Vineyard (gravity mains 7855 & 7856). These pipelines have major offsets and sagging that require additional video inspection and cleaning to assure no blockages occur.	0	100,000
CP7690	367097	Various Sewer Relining and Manhole Rehabilitation	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 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.  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 three manholes a year.  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 sewer lines and repairing sewer laterals at various locations that will develop sags, offset joints, or cracks.	0	150,000
<b>Subtotal - 9095 Sewer Improvement (8 Projects)</b>				<b>2,832,000</b>	<b>2,369,000</b>
<b>9096 Recycled</b>					
CP7396	290326	Recycled Water Master Plan	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.	150,000	0
CP7691	367100	Construct Various Recycled Water Valves at Various Locations	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, recycled 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.	0	50,000
CP7692	367102	Recycled Water Retrofits	This multi-year project will fund the conversion of customers to recycled water. 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.	0	100,000
<b>Subtotal - 9096 Recycled (3 Projects)</b>				<b>150,000</b>	<b>150,000</b>
<b>Total Capital Projects (86 Projects)</b>				<b>15,128,687</b>	<b>19,009,000</b>

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# 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. The 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 Board of Directors also serve on the boards of the Cucamonga Valley Water District Financing Authority and the Cucamonga Public Facilities Corporation. 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 Assistant General Manager:** The Assistant General Manager provides leadership and coordination to the Communications & Legislative Outreach and Human Resources/Risk Management divisions. The position works in conjunction with other members of the Executive team to facilitate the implementation of the District's Foundational Principles, focusing on *Water, Service* and *People*. The Assistant General Manager monitors state and federal legislation that may impact District operations and engages in policy dialogues on issues with the intention of influencing outcomes for the benefit of the ratepayers. The Assistant General Manager oversees the organization's human capital initiatives with the goal of recruiting and retaining talent, succession planning, and minimizing financial exposure related to risk. The Assistant General Manager oversees the development of strategic communications with customers, stakeholders, and regional partners promoting the District's vision, mission and values.

**Human Resources:** The 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:** The 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.

**Communications & Outreach:** The division oversees the strategic communications, community outreach, and school education programs. A number of communication vehicles are used to disseminate information to internal and external customers and strengthen the CVWD brand. These vehicles include customer newsletters, website management, social media outreach, student education, landscape workshops and training, community and stakeholder tours, community events, and media relations. Each of these elements plays a critical role in promoting the District’s strategic vision, mission, and values.

### Strategic Objectives

- **Drought:** This year the strategic objectives for the Executive Department focused on a wide variety of projects and programs to address the statewide drought and improve the overall health of our organization. With California being in the fifth year of a historic drought, the State Water Resources Control Board has mandated that water providers certify their water supply available during a prolonged drought. The District will continue to work on developing our local water supply. The District has invested significantly in the development of our local resources such as groundwater development and recycled water, increasing our operational flexibility and decreasing our reliance on imported water supplies. Water in one of our local groundwater basins (Cucamonga Basin) was unusable due to high nitrate and DBCP levels. Through an improved blending program and groundwater treatment the District has increased local production by nearly 7,000 AF. The District has also been piloting different technologies to determine the most effective treatment for mitigation of poor groundwater quality. In the future, the District will invest \$4.6 million to construct a groundwater treatment facility to consistently utilize the water from this basin. On an annual basis the District invests nearly \$1.5 million in a groundwater banking program in the Chino Basin. To date, the District has secured over 70,000 AF of groundwater storage. CVWD has invested in a direct use recycled water system and annually distributes 1,500 AF to industrial, commercial and landscape users. An additional 3,500 AF is recharged into local groundwater basins. To better utilize local canyon sources \$4.0 million was invested in the refurbishment of one of our surface water treatment plants. Canyon flows make up between 5-10% of our water supply depending on climate conditions.
- **Rates:** On June 9, 2015 the Board of Directors approved a four-year rate structure utilizing tiered rates for all rate classes which captures the true cost of water. CVWD retained the services of a rate consultant to assist with the preparation of a Cost of Service study to ensure compliance with Proposition 218 requirements. In addition, as a result of the drought, the District’s Board adopted drought rates. The Drought rates correspond to the District’s Water Supply Shortage Contingency Plan. More than half of the District’s expenses are fixed and do not vary based upon the

quantity of water used by our customers. The drought rates help the District continue to generate sufficient revenues to operate, manage, and maintain its facilities and level of services, even during times of severe drought and mandatory conservation. When water use reduction is necessary, drought rates may be imposed to adjust water tiers based on the severity of the shortage. On May 12, 2015 the Board of Directors declared a Stage 6 Severe Drought Emergency based on the State Water Resources Control Board’s emergency rule directing the District to conserve 32%. This action automatically implemented the Stage 6 (35% conservation) drought rates effective July 1, 2015.

- **Leadership Development:** A strategic initiative is under way focusing on leadership development skills for supervisors/managers. CVWD has experienced significant turn-over as a portion of the workforce begins to retire and/or separate from the District for opportunities at other agencies. This has caused a ripple effect and has led to 18 of our supervisors/managers having less than five years of experience in their current role. This past year the entire leadership team participated in the “*The Work of Leaders*” program focusing on crafting a vision, building alignment and championing execution. The program distills leadership best practices into a simple process that helps leaders at all levels of the organization. In the coming year, we will continue to assess the growth and development of the leadership team ensuring they are prepared for future challenges. The District has also initiated a Leadership Development series with other municipal agencies in the region addressing topics critical to young and upcoming leaders. Past topics included leadership excellence and emotional intelligence, while future sessions will focus on time management and making the leadership transition.
- **Employee Engagement:** In the coming year the District will partner with the International Public Management Association for Human Resources to conduct an employee engagement survey. Employee engagement is the measurement of an employee’s emotional commitment to an organization and the amount of discretionary effort an employee expends on behalf of the organization. Research shows that employee engagement is critical to the performance of an organization. The survey will focus on topics such as management style, working environment, communications, and how working relationships impact employee engagement. The survey will compare the level of employee engagement with other governmental organizations and establish a baseline to determine areas for the organization to improve upon with regard to employee engagement.
- **Water Supply Reliability Investments:** Drought communications and monitoring of regulatory compliance with the emergency conservation regulations took precedent over continued implementation of the Communications Master Plan. The Plan continues to provide strategic guidance for the District’s communication efforts, identifying key opportunities, methodologies to build on existing outreach successes, and outlines a comprehensive and proactive approach for outreach. This year a campaign will be launched focusing on the capital project improvements, long-term water supply planning, and local resource development projects. The goal of the campaign is to raise the awareness of the value and investment the District makes in the community’s water system. This same messaging will also be used in the continued development of our relationships with our existing local, state and federal representatives.

### **Fiscal and Budgetary Impacts**

The Executive Department budget is \$4.4 million and comprises approximately 7% of the District’s overall operating expense budget.

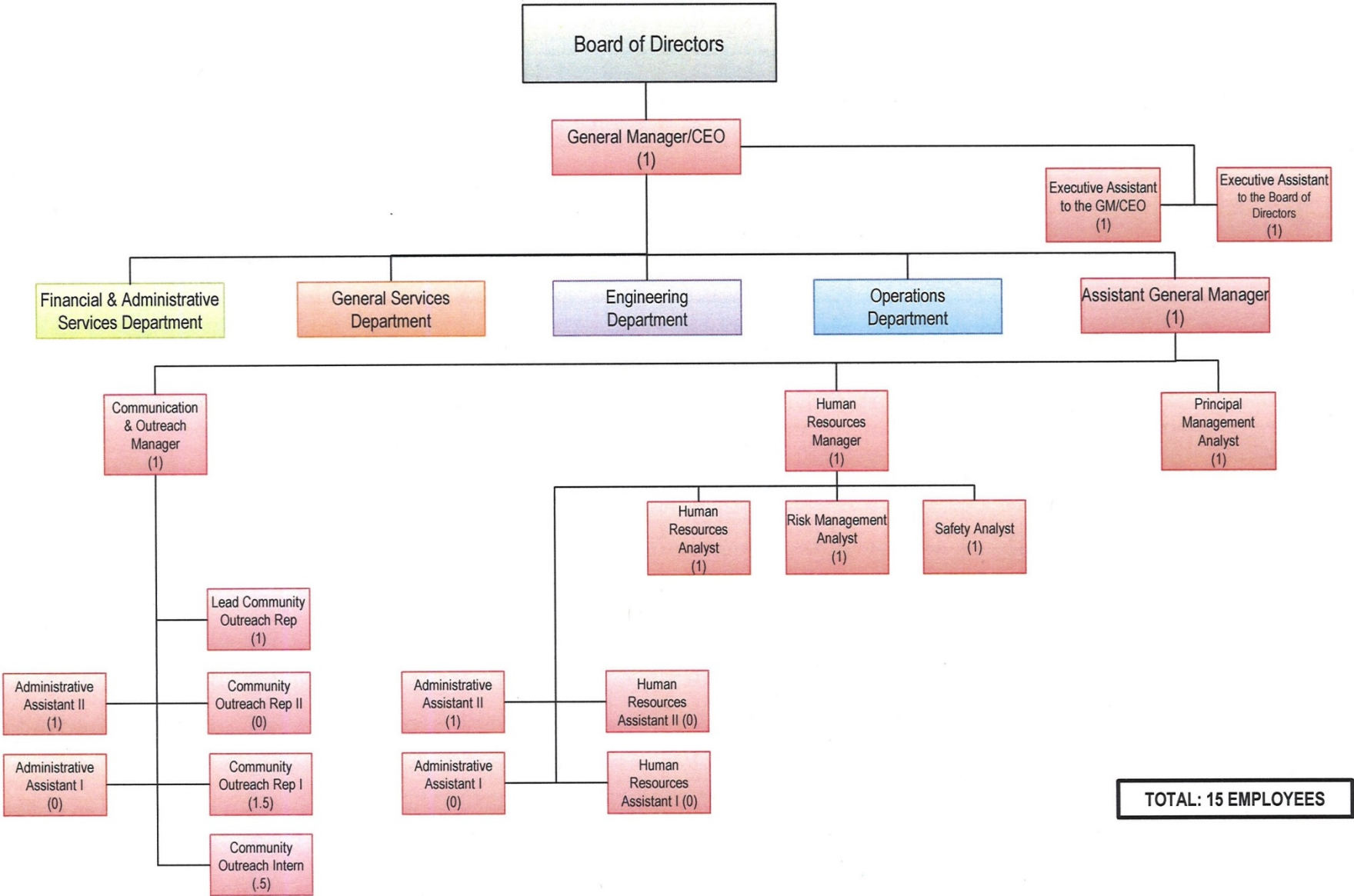
**Performance Measurements:**

	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>Est. Current FY 2016</b>	<b>Est. Next FY 2017</b>	<b>Strategic Goal</b>
<b>EXECUTIVE DEPARTMENT PERFORMANCE MEASURES</b>							
<b>Division Measures - Board of Directors</b>							
Board tracking sheet items	60	32	25	30	10	15	Service
Number of public records request	5	2	8	17	26	30	Service
Number of Board Meetings/Study Sessions/Workshops/Committee Meetings	45	64	77	85	76	75	Service
<b>Division Measures - General Manager</b>							
Watermaster Related Meetings	N/A	73	93	185	80	75	Service
Employee & Leadership Development meetings	N/A	26	21	20	29	30	Service
<b>Division Measures – Assistant General Manager</b>							
Revenue generated through Frontier Project rentals	\$110,528	\$24,080	\$4,433	\$10,000	\$41,000	\$4,000	Service
Revenue generated through Frontier Project lease agreement	N/A	\$71,500	\$80,340	\$82,752	\$85,234	\$87,791	Service
<b>Division Measures – Legislative and Public Affairs</b>							
Grants/sponsorships received to offset District programs	\$30,000	\$110,000	\$110,000	\$130,000	\$130,000	\$90,000	Service
Value of conservation rebates from regional programs	\$138,713	\$238,830	\$240,000	\$1,500,000	\$5,000,000	\$800,000	People
Attendees at District events and programs	1,655	1,760	1,945	2,000	1,450	1,500	People
Participants in school education programs	12,003	12,000	17,325	17,500	11,000	11,000	Service
CVWD Social Media followers	85	200	416	800	1,300	1,500	People
Community events and presentations attended	9	13	8	6	20	20	People
Contact made with legislators	60	65	65	60	70	65	People
<b>Division Measures – Human Resources/Risk Management</b>							
Estimated number of participating compensation/benefits surveys completed by staff	20	22	22	35	46	50	People
Percentage of employees receiving annual performance evaluations	73%	77%	84%	86%	96%	100%	People & Service
Average number of work days lost per workers compensation claim	120	1	2	0	0	0	People Service

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# EXECUTIVE DEPARTMENT ORGANIZATIONAL CHART

For the Fiscal Year Ending June 30, 2017

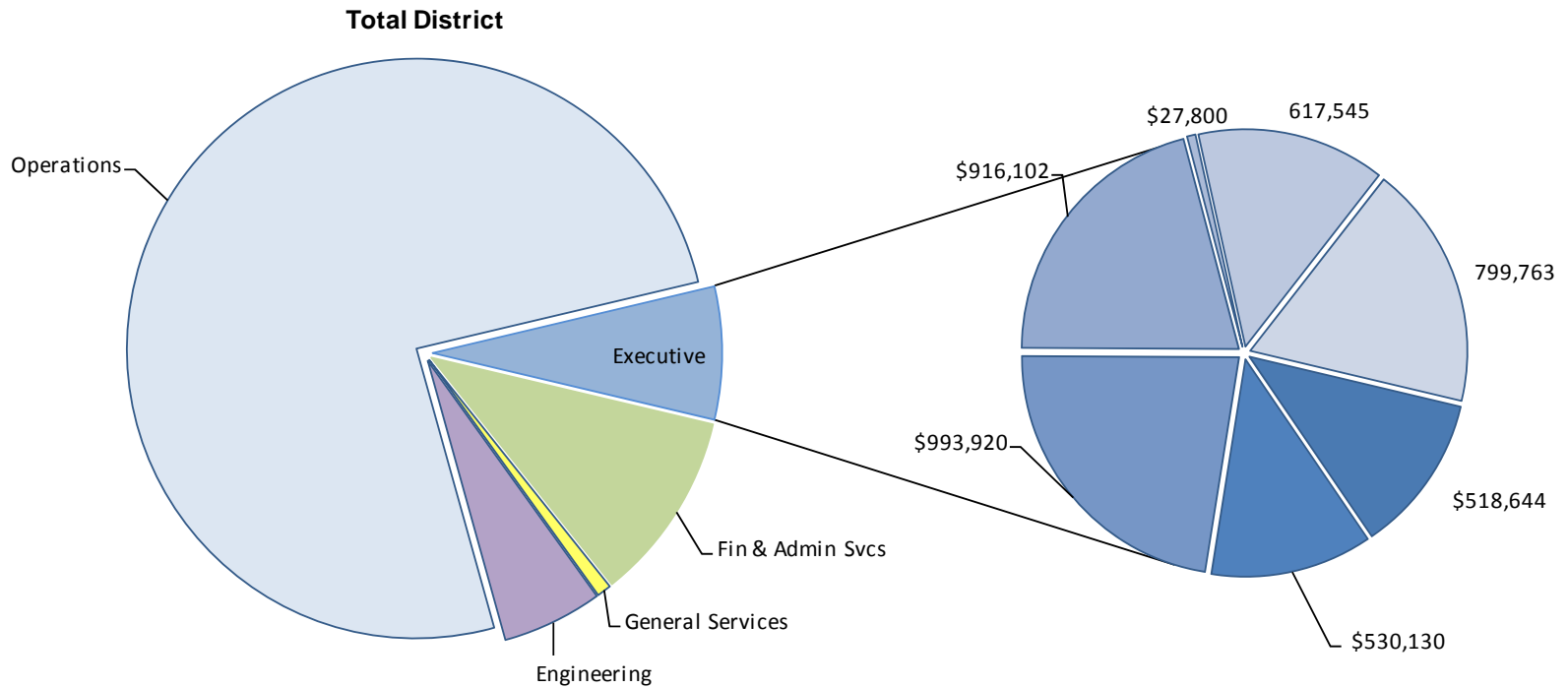


**CUCAMONGA VALLEY WATER DISTRICT  
EXECUTIVE DEPARTMENT  
PERSONNEL DISTRIBUTION**

<b>Water Fund</b>	<b>Sewer Fund</b>	<b>Recycled Water Fund</b>	<b>Capital Fund</b>	<b>16-17</b>	<b>Division</b>	<b>15-16</b>	<b>14-15</b>	<b>13-14</b>	<b>12-13</b>	<b>11-12</b>	<b>10-11</b>
0.9	0.1	0.0	0.0	1.0	Board of Directors	1	1	1	1	1	1
2.3	0.3	0.0	0.0	2.5	Human Resources	2.5	2.5	2.5	2	0	0
1.8	0.2	0.0	0.0	2.0	Office of the General Manager	2	2	2	2	2	2
1.8	0.8	0.0	0.0	2.5	Risk Management	2.5	2.5	2.5	2	0	0
1.8	0.2	0.0	0.0	2.0	Office of the AGM	2	2	2	1	1	1
0.0	0.0	0.0	0.0	0.0	Office of the DGM	0	0	0	0	0	2
4.5	0.5	0.0	0.0	5.0 *	Outreach	4.5 *	4	4	6.5	6.5	5
<b>13.0</b>	<b>2.0</b>	<b>0.0</b>	<b>0.0</b>	<b>15.0</b>	<b>Executive Total</b>	<b>14.5</b>	<b>14</b>	<b>14</b>	<b>14.5</b>	<b>10.5</b>	<b>11</b>

\* Totals include part-time employees

# Executive Department FYE 2017



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

**CUCAMONGA VALLEY WATER DISTRICT**  
**EXECUTIVE DEPARTMENT**  
For the Fiscal Year Ending June 30, 2017

<b>Department</b>	<b>Budget</b>	<b>% of Total</b>
<b>Executive</b>	<b>\$ 4,403,904</b>	<b>7.4%</b>
Financial & Administrative Services	6,298,524	10.6%
General Services	474,217	0.8%
Engineering	3,330,192	5.6%
Operations	45,017,085	75.6%
<b>Total Operating Budget</b>	<b>\$ 59,523,922</b>	<b>100.0%</b>

<b>Budget by Division</b>	<b>Water Funds</b>		<b>Sewer Funds</b>		<b>Recycled Water Funds</b>		<b>Total All Funds</b>	
	<b>Budget</b>	<b>% of Total</b>	<b>Budget</b>	<b>% of Total</b>	<b>Budget</b>	<b>% of Total</b>	<b>Budget</b>	<b>% of Total</b>
<b>Operating Fund</b>								
Board of Directors	\$ 479,411	10.9%	\$ 39,233	0.9%	\$ -	-	\$ 518,644	11.8%
Human Resources	490,289	11.1%	39,841	-	-	-	530,130	12.0%
Office of the General Manager	925,265	21.0%	68,655	1.6%	-	-	993,920	22.6%
Risk Management	680,829	15.5%	235,273	-	-	-	916,102	20.8%
Emergency Preparedness	27,800	0.6%	-	-	-	-	27,800	0.6%
Office of the AGM	567,304	12.9%	50,241	1.1%	-	-	617,545	14.0%
Communication & Outreach	743,559	16.9%	56,204	1.3%	-	-	799,763	18.2%
<i>Sub-Total</i>	<u>3,914,457</u>	<u>88.9%</u>	<u>489,447</u>	<u>11.1%</u>	<u>-</u>	<u>-</u>	<u>4,403,904</u>	<u>100.0%</u>
<b>Capital Fund</b>								
Board of Directors	-	-	-	-	-	-	-	-
Human Resources	-	-	-	-	-	-	-	-
Office of the General Manager	-	-	-	-	-	-	-	-
Risk Management	-	-	-	-	-	-	-	-
Emergency Preparedness	-	-	-	-	-	-	-	-
Office of the AGM	-	-	-	-	-	-	-	-
Communication & Outreach	-	-	-	-	-	-	-	-
<i>Sub-Total</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total</b>	<b>\$ 3,914,457</b>	<b>88.9%</b>	<b>\$ 489,447</b>	<b>11.1%</b>	<b>\$ -</b>	<b>-</b>	<b>\$ 4,403,904</b>	<b>100.0%</b>

**CUCAMONGA VALLEY WATER DISTRICT**  
**EXECUTIVE DEPARTMENT**  
**SUMMARY BY ACCOUNT**

For the Fiscal Year Ending June 30, 2017

Account Number	Account Title	Water	Sewer	Recycled Water	Total
10-XX	Wages and Directors' Fees	\$ 1,600,738	\$ 222,765	\$ -	\$ 1,823,503
12-XX	District Burden	915,689	130,097	-	1,045,786
18-XX	Outside Labor	-	-	-	-
20-XX	Professional Development	232,205	-	-	232,205
25-XX	Professional Services	390,000	-	-	390,000
27-XX	Advertisements	63,625	-	-	63,625
28-XX	Election Expense	-	-	-	-
30-XX	Personnel Costs	132,800	-	-	132,800
32-XX	Insurance	323,620	135,480	-	459,100
35-XX	Collections	-	-	-	-
40-XX	Utilities	25,680	1,105	-	26,785
45-XX	Materials & Supplies	57,100	-	-	57,100
50-XX	Equipment Depreciation	-	-	-	-
55-XX	Outside Services	145,800	-	-	145,800
60-XX	Safety	5,150	-	-	5,150
79-XX	Miscellaneous	20,900	-	-	20,900
80-XX	Other - Capital Equipment	1,150	-	-	1,150
<b>Totals</b>		<b>\$ 3,914,457</b>	<b>\$ 489,447</b>	<b>\$ -</b>	<b>\$ 4,403,904</b>

# **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 five divisions:

**Administration:** This division coordinates the activities for the department. The Assistant General Manager/CFO oversees investment activities, debt administration, rate-setting, as well as overall financial and budgetary oversight of the District. Other administrative duties of this division include employee relations and performance, strategic visioning, and goal setting. This division also provides administrative support to all department members.

**Accounting:** This division performs all financial related services for the District, which include general ledger functions, investment tracking, debt management, payroll and benefit processing, accounts payable, accounts receivable, customer billing, collection processing/referral, customer payment remittance processing, investment and cash management, monthly financial reporting, 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 50,140 customers. We provide call center support for (approximately 300 calls per day), walk-up counter payment service, Interactive Voice Response/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. Utilizing our Fixed Network system, we provide leak notification through a program called Water Watch developed by our Field Service staff. With this program we are able to assist our customer in locating leaks before they have a chance to impact their bill. This allows us to be proactive and better assist our customers and help identifying customers in violation of our drought ordinances.

**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. The division's 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, printers, scanners, WIFI, digital cameras, projectors, and mobile devices. The division is also responsible for network

design, server virtualization, software support, and network intrusion prevention. IT Help Desk received approximately 185 tickets per month in the past year.

**Purchasing:** This division administers the decentralized purchasing system for the District, including the operation of a full-service warehouse. The division is responsible for oversight of the procurement and purchase order process 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**). On June 9, 2015, the District’s Board of Directors approved a four-year rate structure. Staff worked closely with an independent rate consultant and legal counsel to create a defensible Cost of Service Study. The adopted rates also included drought rates. The State Water Resources Control Board directed the District to conserve 32%. The drought rates have assisted the District in maintaining financial stability in an environment of reduced sales.

The District is in the process of implementing Meter Exchange/Fixed Network (FN) project that will retrofit our entire District with new smart 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*. The Data generated from the Fixed Network supports the District’s Water Watch Program (WWP), which was implemented in August 2013. The goal of the WWP is to identify and eliminate water leaks on the customers’ side of the meter. Staff assigned to this program proactively contact customers of continuous flow that exceeds fifteen (15) gallons per hour, which may indicate that a leak is present. Since the program’s inception, over 1,000 leaks have been identified and customer contact made. The WWP is an integral part of our response to the drought.

### **Fiscal and Budgetary Impacts:**

The Financial and Administrative Services Department budget is approximately \$6.3 million, which comprises approximately 11% 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 continually look for ways to save money by refunding outstanding bonds, advance payment of pension liabilities, renegotiating vendor contracts and restructuring employee benefits.

### **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. Implement the advance funding program for long-term retirement liabilities.
2. Work with a rate consultant to analyze the benefits of a budget-based rate structure utilizing grant funding that was awarded in April 2016.
3. Expand the Water Watch Program to assist with the statewide drought restrictions placed upon the District.
4. Expand the automated phone system to allow for self-directed payment extensions within certain pre-established system rules.
5. Perform a needs assessment in FY2016 to evaluate the replacement of the District’s enterprise-wide software solution.
6. Complete the last phase of the installation and retrofit of all District meters to Fixed Network technology by June 30, 2016.
7. Administer the District’s investment program to meet the District’s goal of Safety, Liquidity, and Yield; while minimizing idle cash.
8. Administer the District’s debt portfolio and ensure compliance with continuing disclosure requirements
9. Ensure a financially stable environment to meet the current and future capital improvement funding needs of the District.
10. Continue the virtualization of computer servers, increasing efficiencies and reducing costs for electricity and maintenance.

**Performance Measurements:**

	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>Est. Current FY 2016</b>	<b>Est. Next FY 2017</b>	<b>Strategic Goal</b>
<b>FINANCIAL &amp; ADMINISTRATIVE SERVICES DEPARTMENT MEASURES</b>							
Meet or exceed the 2-Year Treasury index	0.73%	0.64%	0.63%	0.84%	1.05%	1.15%	
District’s Yield							
2-Year Treasury Index	0.27%	0.27%	0.32%	0.47%	0.65%	.75%	People
Maintain/Improve the District’s Debt Coverage Ratio <sup>1</sup>	2.14	2.17	2.12	2.02	1.60	1.60	Service
Reduce the District’s Debt to Assets Ratio	53.9%	63.2%	56.2%	56.6%	55.1%	53.5%	Service
Maintain/Improve the District’s Days Cash <sup>1</sup>	305	351	334	321	319	316	Service
Increase the District’s Credit Rating <sup>2</sup>	AA-	AA-	AA	AA	AA+	AA+	Service
<b>Division Measures – Customer Service</b>							
Total number of calls	Not available	69,757	69,407	67,720	60,389	59,800	Service

Average hold times	Not available	71 seconds	57 seconds	55 seconds	67 seconds	52 seconds	Service
<b>Division Measures – Field Service</b>							
Water consultations	40	82	89	158	23	50	Service
Water Watch assistance	N/A	N/A	259	908	996	1,236	Service
<b>Division Measures – Information Technology</b>							
Replace 25% of desktop/laptop/tablet computers annually to maintain technical advantage	33%	42%	25%	28%	22%	25%	Service
Virtualize 62% of servers by 2016 to increase data center efficiency & resilience	39%	50%	54%	58%	62%	65%	People
Keep Helpdesk costs below \$50/call through efficient staffing and procedures	\$35.00	\$36.67	\$35.65	\$36.00	\$34.53	\$38.50	People & Service
<b>Division Measures – Accounting</b>							
Increase percentage of EFT Payments to Vendors	15.7%	17.3%	20.0%	19.2%	16.3%	20.0%	Service
<b>Division Measures - Purchasing</b>							
Increase inventory turnover to maximize inventory space	0.72	0.69	0.62	0.62	0.73	0.70	People

<sup>1</sup> Water Fund

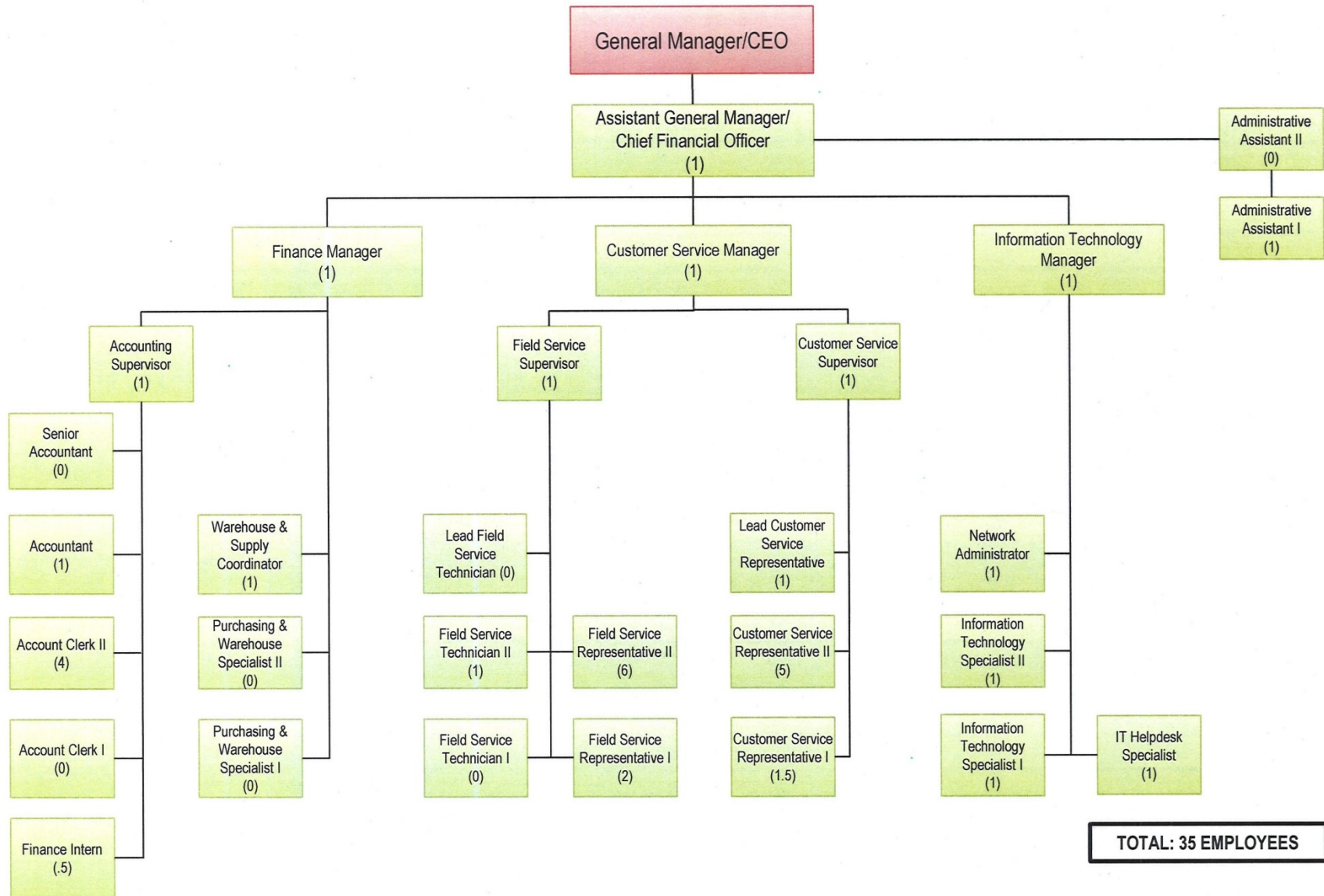
<sup>2</sup> Standard & Poor’s Rating for Senior Obligations. See page 31 for a breakdown by rating agency.

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# FINANCIAL & ADMINISTRATIVE SERVICES DEPARTMENT

## ORGANIZATIONAL CHART

For the Fiscal Year Ending June 30, 2017

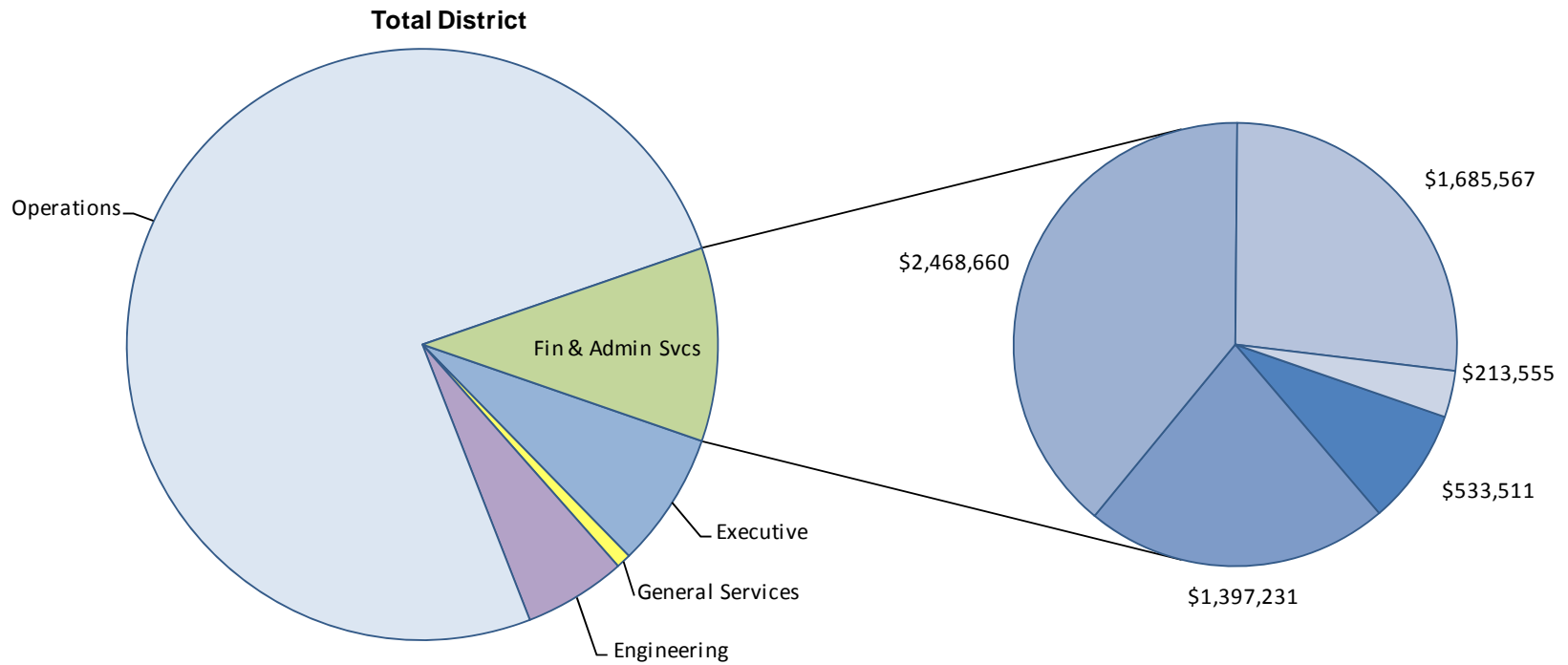


**CUCAMONGA VALLEY WATER DISTRICT  
FINANCIAL & ADMINISTRATIVE SERVICES DEPARTMENT  
PERSONNEL DISTRIBUTION**

<b>Water Fund</b>	<b>Sewer Fund</b>	<b>Recycled Water Fund</b>	<b>Capital Fund</b>	<b>16-17</b>	<b>Division</b>	<b>15-16</b>	<b>14-15</b>	<b>13-14</b>	<b>12-13</b>	<b>11-12</b>	<b>10-11</b>
1.8	0.2	0.0	0.0	2.0	Administration	2	2	2	2.5	2.5	3
0.0	0.0	0.0	0.0	0.0	Human Resources	0	0	0	0	2	2
0.0	0.0	0.0	0.0	0.0	Risk Management	0	0	0	0	2	2
6.0	1.1	0.0	0.0	7.0 *	Accounting	7 *	6.5	6.5	6.5	6.5	5.5
14.0	2.5	0.0	3.0	19.5	Customer Service	18	18	17	17	17	18
4.5	0.5	0.0	0.0	5.0	Information Technology	5	5	5	5	5	5
1.1	0.5	0.0	0.0	1.5	Purchasing	1.5	1.5	1.5	1.5	1.5	1.5
<b>27.3</b>	<b>4.7</b>	<b>0.0</b>	<b>3.0</b>	<b>35.0</b>	<b>Finance &amp; Admin Services Total</b>	<b>33.5</b>	<b>33</b>	<b>32</b>	<b>32.5</b>	<b>36.5</b>	<b>37</b>

\* Totals include part-time employees

# Financial & Administrative Services Department FYE 2017



Administration
  Accounting
  Customer Service
  Information Technology
  Purchasing

# CUCAMONGA VALLEY WATER DISTRICT

## FINANCIAL & ADMINISTRATIVE SERVICES DEPARTMENT

For the Fiscal Year Ending June 30, 2017

Department	Budget	% of Total
Executive	\$ 4,403,904	7.4%
<b>Financial &amp; Administrative Services</b>	<b>6,298,524</b>	<b>10.6%</b>
General Services	474,217	0.8%
Engineering	3,330,192	5.6%
Operations	45,017,085	75.6%
<b>Total Operating Budget</b>	<b>\$ 59,523,922</b>	<b>100.0%</b>

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
<b>Operating Fund</b>								
Administration	\$ 447,983	7.1%	\$ 85,528	1.4%	\$ -	-	\$ 533,511	8.5%
Accounting	1,159,900	18.4%	232,791	3.7%	4,540	0.1%	1,397,231	22.2%
Customer Service	2,095,894	33.3%	329,592	5.2%	7,500	0.1%	2,432,986	38.6%
Information Technology	1,424,719	22.6%	258,648	4.1%	2,200	0.0%	1,685,567	26.8%
Purchasing	152,813	2.4%	60,742	1.0%	-	-	213,555	3.4%
<i>Sub-Total</i>	<u>5,281,309</u>	<u>83.8%</u>	<u>967,301</u>	<u>15.4%</u>	<u>14,240</u>	<u>0.2%</u>	<u>6,262,850</u>	<u>99.4%</u>
<b>Capital Fund</b>								
Administration	-	-	-	-	-	-	-	-
Accounting	-	-	-	-	-	-	-	-
Customer Service	35,674	0.6%	-	-	-	-	35,674	0.6%
Information Technology	-	-	-	-	-	-	-	-
Purchasing	-	-	-	-	-	-	-	-
<i>Sub-Total</i>	<u>35,674</u>	<u>0.6%</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,674</u>	<u>0.6%</u>
<b>Total</b>	<u>\$ 5,316,983</u>	<u>84.4%</u>	<u>\$ 967,301</u>	<u>15.4%</u>	<u>\$ 14,240</u>	<u>0.2%</u>	<u>\$ 6,298,524</u>	<u>100.0%</u>

**CUCAMONGA VALLEY WATER DISTRICT**  
**FINANCIAL & ADMINISTRATIVE SERVICES DEPARTMENT**  
**SUMMARY BY ACCOUNT**  
For the Fiscal Year Ending June 30, 2017

<b>Account Number</b>	<b>Account Title</b>	<b>Water</b>	<b>Sewer</b>	<b>Recycled Water</b>	<b>Total</b>
10-XX	Wages and Salaries	\$ 2,347,562	\$ 392,637	\$ -	\$ 2,740,199
12-XX	District Burden	1,129,758	186,639	-	1,316,397
18-XX	Outside Labor	81,000	-	-	81,000
20-XX	Professional Development	72,870	7,900	-	80,770
25-XX	Professional Services	135,835	59,128	320	195,283
27-XX	Advertisements	2,800	1,500	-	4,300
28-XX	Election Expense	-	-	-	-
30-XX	Personnel Costs	1,500	-	-	1,500
32-XX	Insurance	-	-	-	-
35-XX	Collections	80,000	20,000	-	100,000
40-XX	Utilities	37,830	10	-	37,840
45-XX	Materials & Supplies	322,759	53,007	7,500	383,266
50-XX	Equipment Depreciation	-	-	-	-
55-XX	Outside Services	744,774	170,100	2,400	917,274
60-XX	Safety	11,970	-	-	11,970
79-XX	Miscellaneous	322,950	76,380	4,020	403,350
80-XX	Other - Capital Equipment	25,375	-	-	25,375
	<b>Totals</b>	<b>\$ 5,316,983</b>	<b>\$ 967,301</b>	<b>\$ 14,240</b>	<b>\$ 6,298,524</b>

# **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.

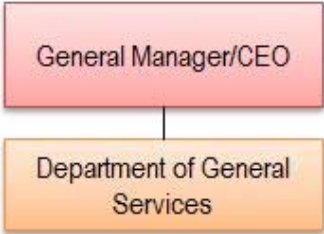
### **Strategic Objectives**

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 \$474 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, 2017

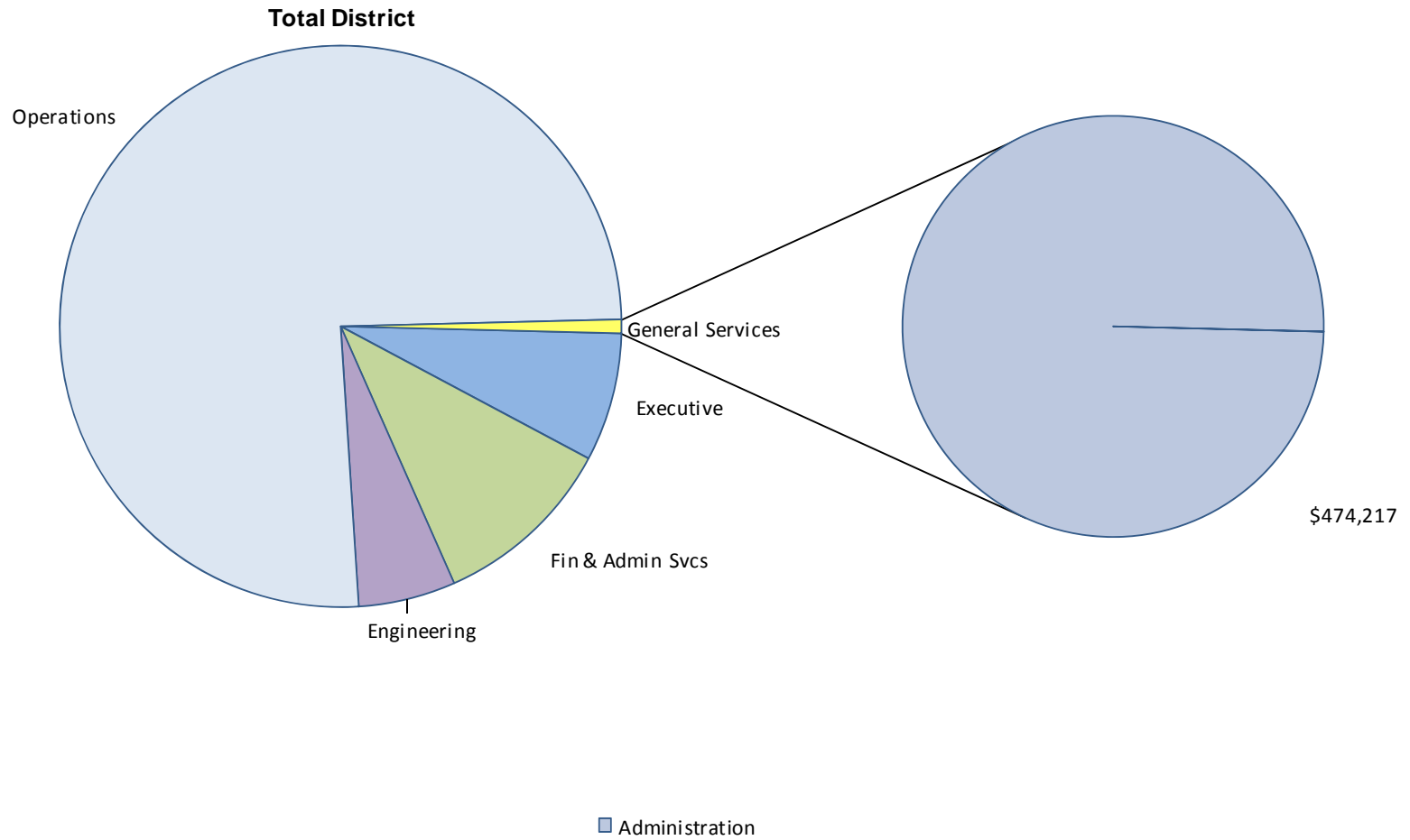


**TOTAL: 0 EMPLOYEES**

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

<b>Water Fund</b>	<b>Sewer Fund</b>	<b>Recycled Water Fund</b>	<b>Capital Fund</b>	<b>16-17</b>	<b>Division</b>	<b>15-16</b>	<b>14-15</b>	<b>13-14</b>	<b>12-13</b>	<b>11-12</b>	<b>10-11</b>
0	0	0	0	0	Administration	2	2	2	2	0	0
<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>General Services Total</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>0</b>

# General Services Department FYE 2017



# CUCAMONGA VALLEY WATER DISTRICT GENERAL SERVICES DEPARTMENT

For the Fiscal Year Ending June 30, 2017

Department	Budget	% of Total
Executive	\$ 4,403,904	7.4%
Financial & Administrative Services	6,298,524	10.6%
<b>General Services</b>	<b>474,217</b>	<b>0.8%</b>
Engineering	3,330,192	5.6%
Operations	45,017,085	75.6%
<b>Total Operating Budget</b>	<b>\$ 59,523,922</b>	<b>100.0%</b>

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
<b>Operating Fund</b>								
Administration	\$ 410,256	86.5%	\$ 63,961	13.5%	\$ -	-	\$ 474,217	100.0%
<i>Sub-Total</i>	<u>410,256</u>	<u>86.5%</u>	<u>63,961</u>	<u>13.5%</u>	<u>-</u>	<u>-</u>	<u>474,217</u>	<u>100.0%</u>
<b>Capital Fund</b>								
Administration	-	-	-	-	-	-	-	-
<i>Sub-Total</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total</b>	<u><u>\$ 410,256</u></u>	<u><u>86.5%</u></u>	<u><u>\$ 63,961</u></u>	<u><u>13.5%</u></u>	<u><u>\$ -</u></u>	<u><u>-</u></u>	<u><u>\$ 474,217</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, 2017

Account Number	Account Title	Water	Sewer	Recycled Water	Total
10-XX	Salaries and Wages	\$ -	\$ -	\$ -	-
12-XX	District Burden	-	-	-	-
18-XX	Outside Labor	2,500	-	-	2,500
20-XX	Professional Development	39,895	13,019	-	52,914
25-XX	Professional Services	22,500	7,500	-	30,000
30-XX	Personnel Costs	29,925	9,975	-	39,900
35-XX	Collections	-	-	-	-
40-XX	Utilities	227,121	10,382	-	237,503
45-XX	Materials & Supplies	51,165	22,085	-	73,250
50-XX	Equipment Depreciation	-	-	-	-
55-XX	Outside Services	14,000	-	-	14,000
60-XX	Safety	-	-	-	-
79-XX	Miscellaneous	20,150	-	-	20,150
80-XX	Other - Capital Equipment	3,000	1,000	-	4,000
	<b>Totals</b>	<b>\$ 410,256</b>	<b>\$ 63,961</b>	<b>\$ -</b>	<b>\$ 474,217</b>

# 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

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:

**Administration:** This division coordinates the activities for the department. The Assistant General Manager/Chief Operations Officer ("AGM/COO") oversees the management of capital improvement projects, water resource management, the District's Master Plans for water, sewer, recycled water, and water supplies. The AGM/COO actively participates in regional water and wastewater planning committees. The AGM/COO allocates his efforts evenly between the Engineering Department and the Operations Department.

**Design and Construction:** Prioritizes and establishes schedules and methods for the design and construction of District capital improvement projects. Monitors and oversees engineering design activities, including those prepared by consultants; prepares or reviews engineering plans, cost estimates, labor proposals, agreements, public works contracts, and project specifications. Implements construction management methods to manage contractors that are building the District's capital improvements projects in the field.

**Planning and Development:** 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. Maintains and runs the District's water and sewer hydraulic models in H2OMap for the purposes of planning and design. Enforces and gains compliance of applicable District, local, regional, state and federal rules and best practices related to water, sewer and recycled water from residential, commercial and industrial developers. This is done by an application and plan check process for all new development projects and tenant improvements of existing developments.

**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 high-quality and reliable water and sewer collection services to our customers. 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 latest in 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 \$3.3 million, which comprises approximately 5.6% 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. Assess the impacts of the State regulations and the drought to the District. Plan and develop actions to meet State conservation goals. Implement the District’s water supply contingency plan. Investigate, plan and develop projects that improve the District’s water supply and water quality including: imported water, groundwater, surface water and recycled water. Plan and develop projects that improve redundancy and reliability in the water distribution system and so that the District is not reliant on any one source of supply.
2. Develop and deliver Wellhead Treatment Project at Well Field 3A by design build to improve groundwater quality and production.
3. Continue to review environmental regulations and assess the impact on the District.
4. Manage the design and construction for the replacement of Reservoir 3A.

5. Manage the design and construction of the construction of a new Well 48.
6. Plan and develop a new Chino Basin well, including property acquisition.
7. Plan and develop a new Cucamonga Basin well, including property acquisition.
8. Prepare, update and finalize several master plans, including the Water Master Plan, 2015 Urban Water Master Plan, Recycled Water Master Plan, and Sewer Master Plan.
9. 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 in FY 2016:

- Construction of a Chlorine Generator, Tank Shark and Emergency Standby Generator at Reservoir 5 (Completed)
- Construction of a water line in Archibald from Devon to Foothill (Completed)
- Construction of a water line in Hellman (Completed)
- Construction of several pressure reducing valve stations (Completed)
- Recoating of Reservoir 4C (Completed)
- Construction of a water line in Beryl north of Baseline (Completed)
- Construction of key distribution valves at Hermosa/Banyan

<b>Activity/Criteria</b>	<b>FY 2016 Budgeted</b>	<b>FY 2017 Projection</b>	<b>5 Year Average Target</b>
Number of Capital Projects Budgeted	73	64	93
Budgeted Expense	\$23 million	\$19 million	\$18 million

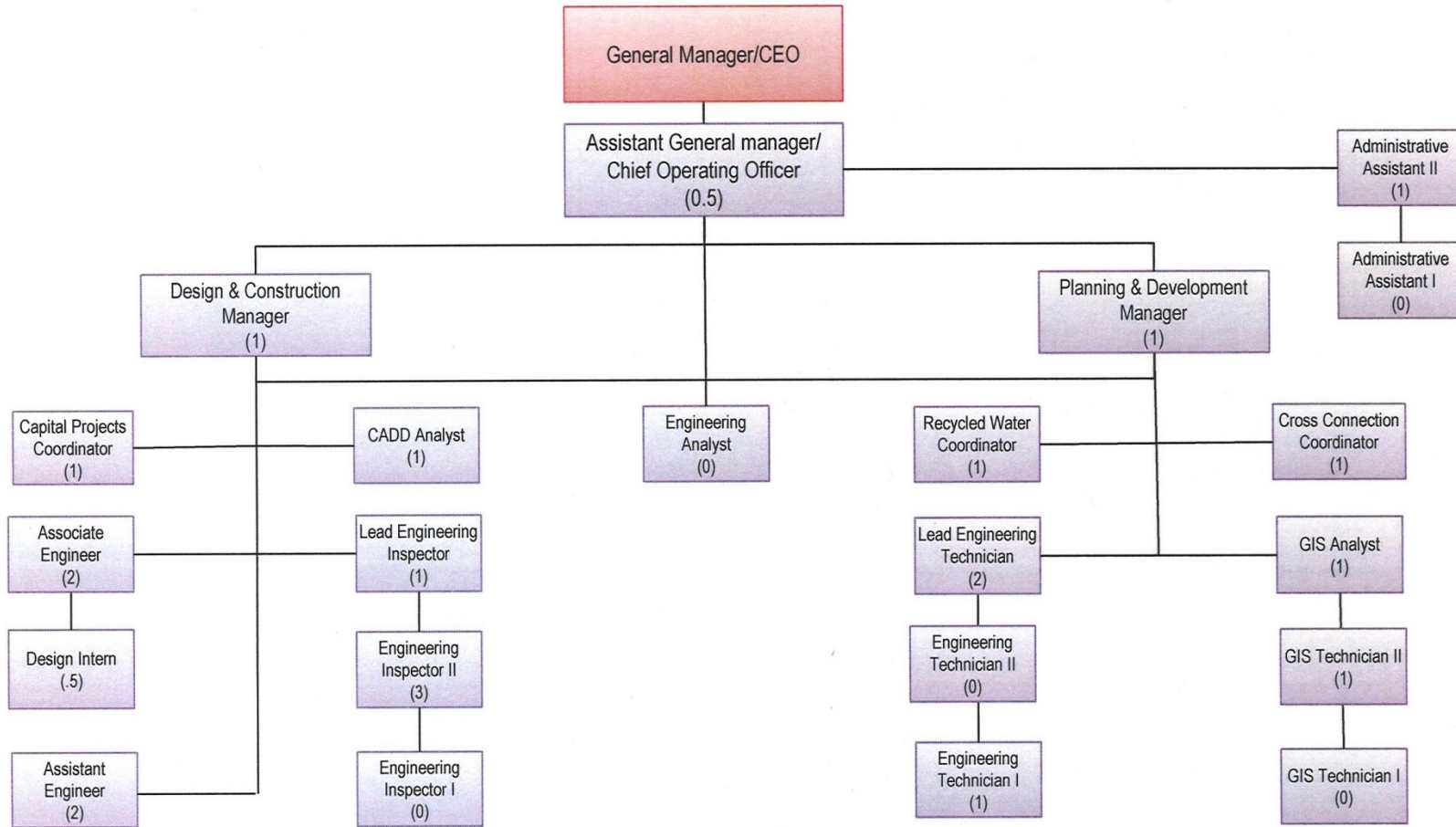
**Performance Measurements**

	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>Est. Current FY 2016</b>	<b>Est. Next FY 2017</b>	<b>Strategic Goal</b>
<b>ENGINEERING DEPARTMENT MEASURES</b>							
<b>Division Measures - Planning and Design</b>							
Design and construct water distribution pipeline in linear feet	5,860	3,635	3,551	4,272	4,663	6,745	Water
Design and construct sewer collection pipeline in linear feet	2,740	90	108	40	906	1,920	Sewer
Design and construct recycled water distribution pipeline in linear feet	0	1,192	0	0	0	0	Recycled Water
Recycled Water Connections	10	9	9	8	12	10	Water
<b>Division Measures - Industrial Waste Inspection</b>							
Food Service Establishment (FSE) Inspections	410	672	829	720	750	700	Water & Service
<b>Division Measures - Cross Connections</b>							
Backflow assembly installed and inspected	15	27	63	42	50	55	Water & Service

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# ENGINEERING DEPARTMENT ORGANIZATIONAL CHART

For the Fiscal Year Ending June 30, 2017



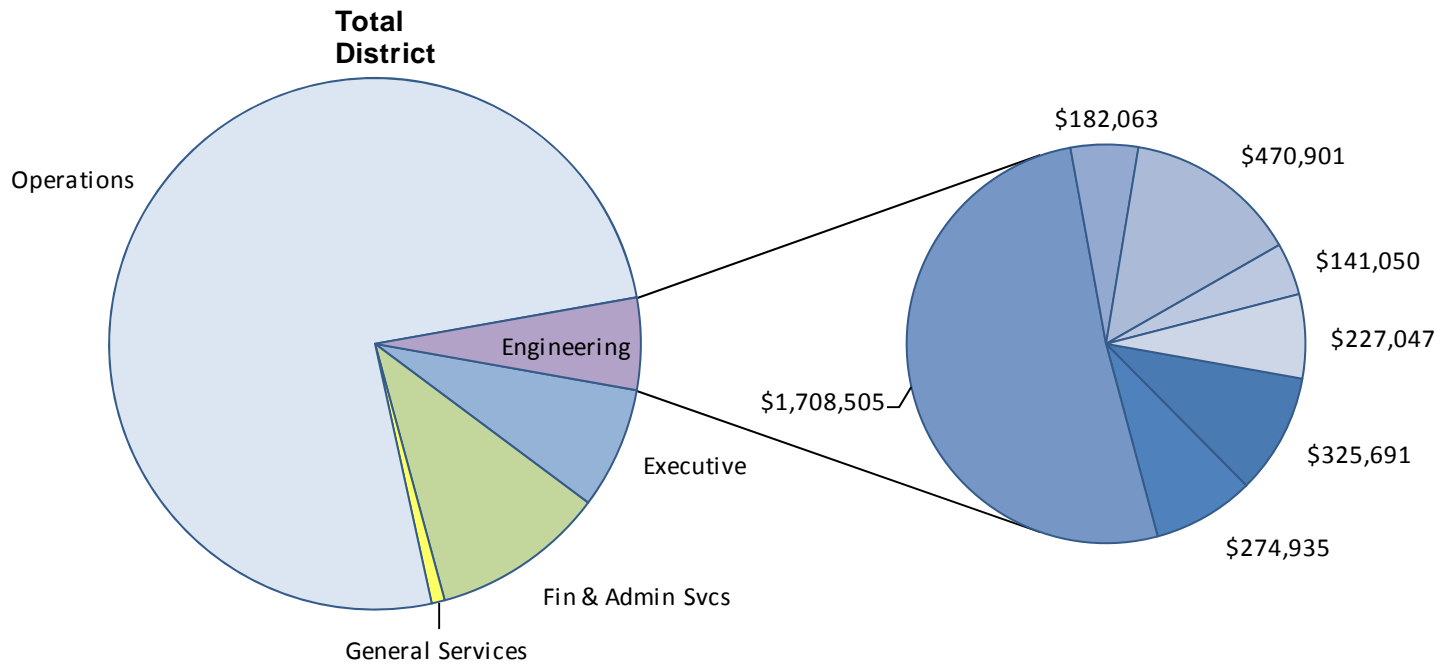
**TOTAL: 21 EMPLOYEES**

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

<b>Water Fund</b>	<b>Sewer Fund</b>	<b>Recycled Water Fund</b>	<b>Capital Fund</b>	<b>16-17</b>	<b>Division</b>	<b>15-16</b>	<b>14-15</b>	<b>13-14</b>	<b>12-13</b>	<b>11-12</b>	<b>10-11</b>
0.8	0.6	0.1	0.0	1.5	Administration	2.5	1.5	1.5	1.5	1.5	1.5
1.5	0.4	0.1	0.0	2.0	GIS Systems	2	2	2	2	2	2
2.4	0.7	0.2	8.3	11.5	Design	10 *	10.6	9.6	9	9	8
0.0	0.0	1.0	0.0	1.0	Water Resources	1	1	1	1	1	1
0.2	0.1	0.0	2.7	3.0	Inspection	3	2	2	2	2	2
0.8	0.2	0.1	0.0	1.0	Industrial Waste	1	2.4	2.4	3	3	3
0.8	0.0	0.0	0.3	1.0	Cross-Connection	1	1	1	1	1	1
<b>6.5</b>	<b>1.9</b>	<b>1.4</b>	<b>11.2</b>	<b>21.0</b>	<b>Engineering Total</b>	<b>20.5</b>	<b>20.5</b>	<b>19.5</b>	<b>19.5</b>	<b>19.5</b>	<b>18.5</b>

\* Totals include part-time employees

# Engineering Department FYE 2017



- Administration
- GIS Systems
- Design
- Water Resources
- Inspection
- Industrial Waste
- Cross Connection

**CUCAMONGA VALLEY WATER DISTRICT**  
**ENGINEERING DEPARTMENT**  
For the Fiscal Year Ending June 30, 2017

<b>Department</b>	<b>Budget</b>	<b>% of Total</b>
Executive	\$ 4,403,904	7.4%
Financial & Administrative Services	6,298,524	10.6%
General Services	474,217	0.8%
<b>Engineering</b>	<b>3,330,192</b>	<b>5.6%</b>
Operations	45,017,085	75.6%
<b>Total Operating Budget</b>	<b>\$ 59,523,922</b>	<b>100.0%</b>

<b>Budget by Division</b>	<b>Water Funds</b>		<b>Sewer Funds</b>		<b>Recycled Water Funds</b>		<b>Total All Funds</b>	
	<b>Budget</b>	<b>% of Total</b>	<b>Budget</b>	<b>% of Total</b>	<b>Budget</b>	<b>% of Total</b>	<b>Budget</b>	<b>% of Total</b>
<b>Operating Fund</b>								
Administration	\$ 199,511	6.0%	\$ 113,011	3.4%	\$ 13,169	0.4%	\$ 325,691	9.8%
GIS Systems	209,373	6.3%	54,448	1.6%	11,114	0.3%	274,935	8.3%
Design	352,122	10.6%	86,056	2.6%	81,883	2.5%	520,061	15.6%
Water Resources	-	-	-	-	182,063	5.5%	182,063	5.5%
Inspection	48,192	1.4%	36,605	1.1%	22,212	0.7%	107,009	3.2%
Industrial Waste	-	-	141,050	4.2%	-	-	141,050	4.2%
Cross Connection	172,579	5.2%	-	-	-	-	172,579	5.2%
<i>Sub-Total</i>	<u>981,777</u>	<u>29.5%</u>	<u>431,170</u>	<u>12.9%</u>	<u>310,441</u>	<u>9.3%</u>	<u>1,723,388</u>	<u>51.8%</u>
<b>Capital Fund</b>								
Administration	-	-	-	-	-	-	-	-
GIS Systems	-	-	-	-	-	-	-	-
Design	938,230	28.2%	250,214	7.5%	-	-	1,188,444	35.7%
Water Resources	-	-	-	-	-	-	-	-
Inspection	287,204	8.6%	76,688	2.3%	-	-	363,892	10.9%
Industrial Waste	-	-	-	-	-	-	-	-
Cross Connection	54,468	1.6%	-	-	-	-	54,468	1.6%
<i>Sub-Total</i>	<u>1,279,902</u>	<u>38.4%</u>	<u>326,902</u>	<u>9.8%</u>	<u>-</u>	<u>-</u>	<u>1,606,804</u>	<u>48.2%</u>
<b>Total</b>	<u>\$ 2,261,679</u>	<u>67.9%</u>	<u>\$ 758,072</u>	<u>22.8%</u>	<u>\$ 310,441</u>	<u>9.3%</u>	<u>\$ 3,330,192</u>	<u>100.0%</u>

**CUCAMONGA VALLEY WATER DISTRICT**  
**ENGINEERING DEPARTMENT**  
**SUMMARY BY ACCOUNT**

For the Fiscal Year Ending June 30, 2017

Account Number	Account Title	Water	Sewer	Recycled Water	Total
10-XX	Salaries and Wages	\$ 1,425,759	\$ 463,085	\$ 185,835	\$ 2,074,679
12-XX	District Burden	666,565	242,582	106,206	1,015,353
18-XX	Outside Labor	-	-	-	-
20-XX	Professional Development	49,995	10,625	4,500	65,120
25-XX	Professional Services	43,680	3,000	-	46,680
27-XX	Advertisements	-	-	-	-
30-XX	Personnel Costs	1,600	-	-	1,600
40-XX	Utilities	10,080	8,230	1,300	19,610
45-XX	Materials & Supplies	38,750	11,000	4,400	54,150
50-XX	Equipment Depreciation	-	-	-	-
55-XX	Outside Services	14,100	15,000	4,000	33,100
60-XX	Safety	5,050	2,600	700	8,350
79-XX	Miscellaneous	1,800	200	3,500	5,500
80-XX	Other - Capital Equipment	4,300	1,750	-	6,050
<b>Totals</b>		<b>\$ 2,261,679</b>	<b>\$ 758,072</b>	<b>\$ 310,441</b>	<b>\$ 3,330,192</b>

# 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:

**Administration:** This division coordinates the activities for the department. The AGM/COO oversees the management of day-to-day operations that provide drinking and recycled water, the collection of wastewater, and the maintenance of the District's fleet and facilities. The AGM/COO allocates his efforts evenly between the Engineering Department and the Operations Department.

**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) enhanced-conventional treatment facility, the Royer-Nesbit Treatment Plant, an 11-MGD conventional treatment facility, and the Arthur H. Bridge Treatment Plant, a 3-MGD dual-stage pressure 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 water supply, control system planning, and operations. In addition, the division is responsible for daily monitoring, maintenance, and repair of the District's 28 groundwater wells, 69 boosters, 35 reservoirs, 8 chlorination stations, 52 control valves, and related 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 has implemented the Water Treatment Master Plan to 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 \$45.0 million, which accounts for approximately 75.6% of the District's overall operating expenses. Imported water deliveries from the Metropolitan Water District (MWD) are estimated at approximately \$8.1 million for Fiscal Year 2017 and our electrical expense is estimated at approximately \$7.8 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 \$594 per AF through December 31, 2016. 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 \$728 per AF. Effective January 1, 2017 these rates change to \$666/AF for Tier 1 and \$760/AF for Tier 2. In addition to the rates paid to MWD, IEUA collects \$15/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 applicable regulations.

**Performance Measurements:**

	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>Est. Current FY 2016</b>	<b>Est. Next FY 2017</b>	<b>Strategic Goal</b>
<b>OPERATIONS DEPARTMENT MEASURES</b>							
<b>Division Measures - Production</b>							
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)	0	0	168	168	168	168	Water
Produce 12,000 Acre-Feet of Ground Water in the Cucamonga Basin	N/A	N/A	8,108	9,708	7,651	10,000	Water
<b>Division Measures - Facilities Maintenance</b>							
HVAC Preventative Maintenance in number of buildings	32	32	32	32	32	32	Service
<b>Division Measures - Water Maintenance</b>							
1-inch poly services replacement program	276	315	407	410	415	400	Water
Valve exercising program	1,389	3,253	2,690	2,534	2,053	4,000	Water
<b>Division Measures - Sewer Maintenance</b>							
Total miles of sewer cleaned	189	413	473	413	382	413	Service
Total miles of sewer video inspection	37	55	50	71	40	75	Service
Number of sanitary sewer overflows	0	0	1	1	0	0	Service

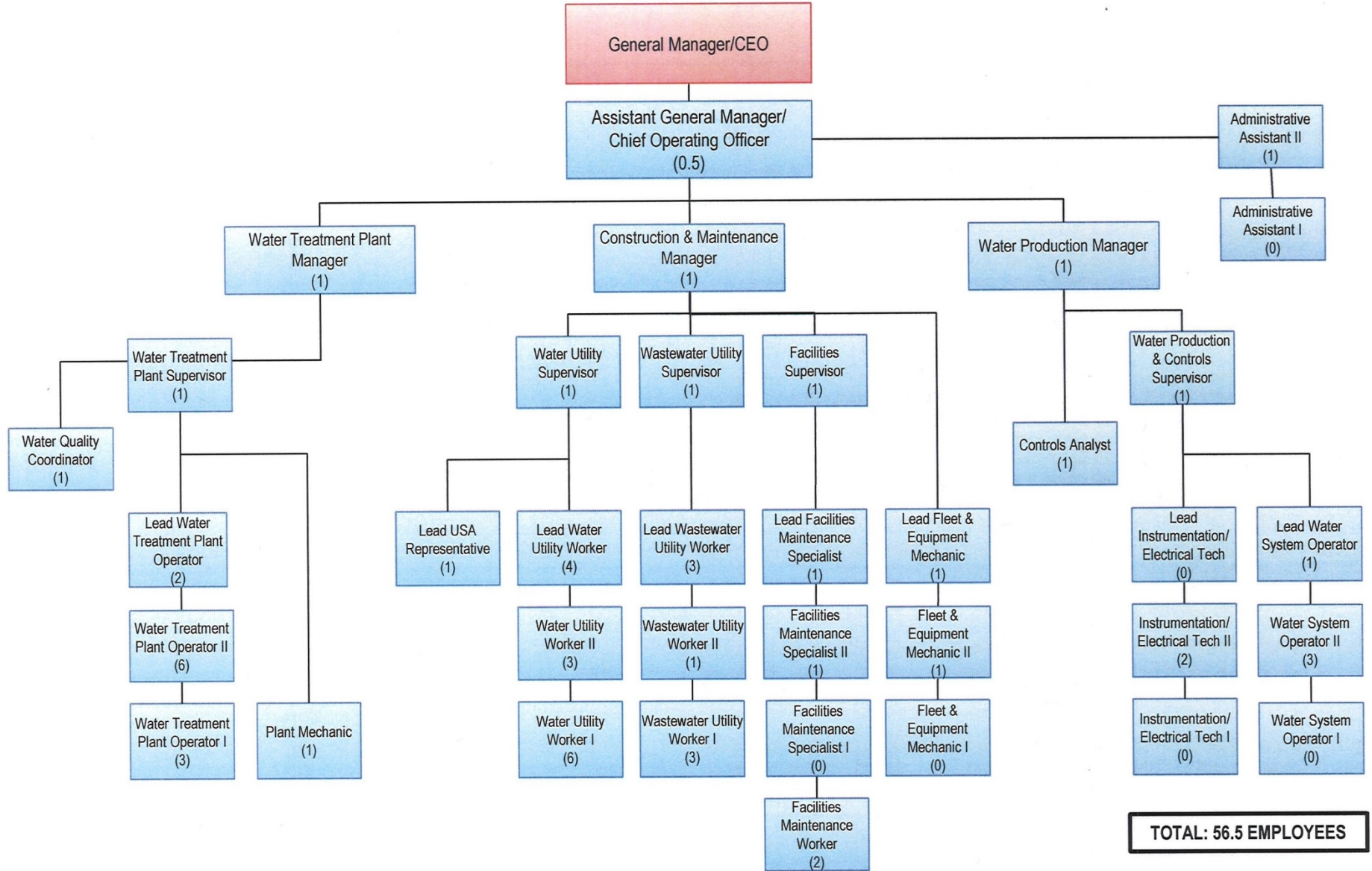
<b>Division Measures - Fleet Maintenance</b>							
Scheduled preventative maintenance work orders for fleet and equipment	168	307	310	320	315	325	Service
Repair (unscheduled) work orders for fleet and equipment	245	268	279	338	309	300	Service
<b>Division Measures – Treatment/Water Quality</b>							
Monthly Total Coliform Detections*	1.6%	0.8%	1.6%	0.8%	0.8%	<5%	Water
Treated Groundwater Nitrate Concentration	13 mg/L	16 mg/L	21 mg/L	22 mg/L	<45mg/L	<45mg/L	Water
Treated Groundwater DBCP Concentration	0.06 ug/L	0.07 ug/L	0.07 ug/L	0.07 ug/L	<0.20 ug/L	<0.20 ug/L	Water
Treated Groundwater Perchlorate Concentration	0 ug/L	0.1 ug/L	0.2 ug/L	0.4 ug/L	<6 ug/L	<6 ug/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

\* Calendar year

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# OPERATIONS DEPARTMENT ORGANIZATIONAL CHART

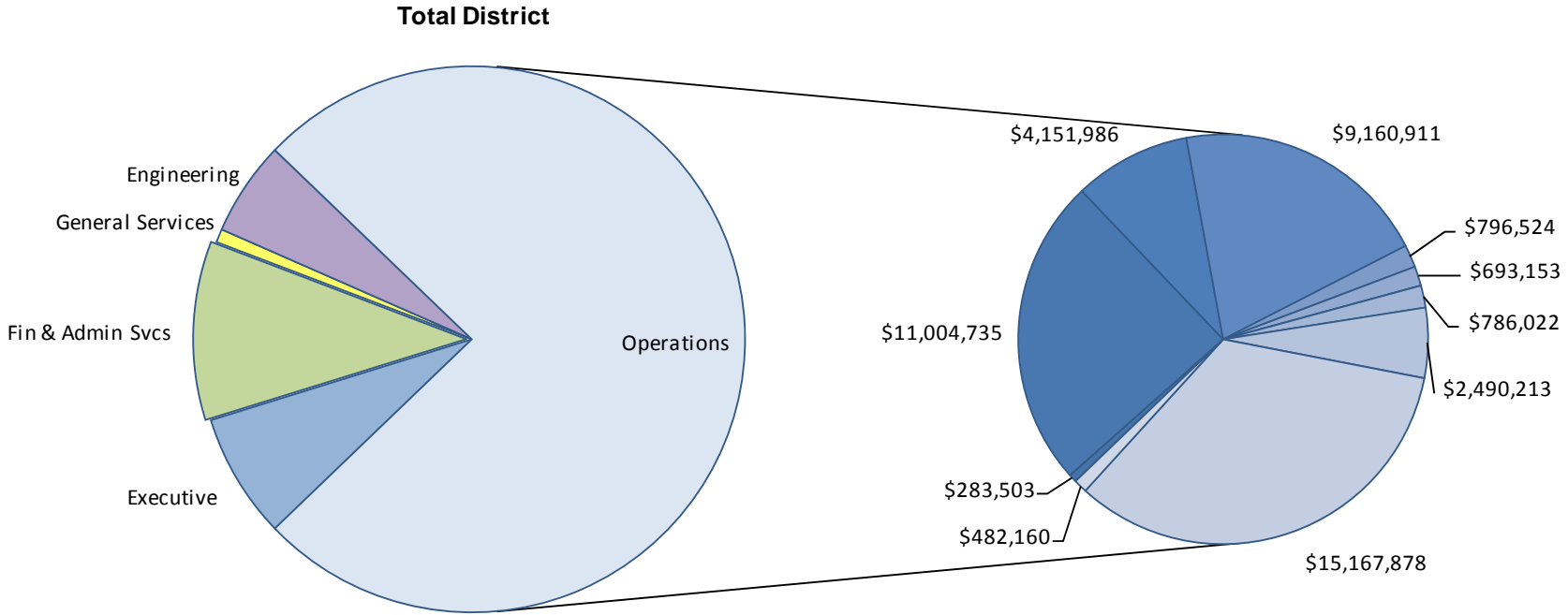
For the Fiscal Year Ending June 30, 2017



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

<b>Water Fund</b>	<b>Sewer Fund</b>	<b>Recycled Water Fund</b>	<b>Capital Fund</b>	<b>16-17</b>	<b>Division</b>	<b>15-16</b>	<b>14-15</b>	<b>13-14</b>	<b>12-13</b>	<b>11-12</b>	<b>10-11</b>
0.9	0.6	0.0	0.0	1.5	Administration	1.5	1.5	1.5	1.5	1.5	1.5
15.0	0.0	0.0	0.0	15.0	Water Treatment	15.0	12.0	13.0	13.0	13.0	12.0
4.5	0.0	0.0	0.0	4.5	Pumping	4.5	4.5	4.5	4.5	4.5	4.5
4.5	0.0	0.0	0.0	4.5	Technical Support (Telemetry)	3.5	3.5	3.5	2.5	2.5	2.5
5.0	0.0	0.0	0.0	5.0	Facilities	5.0	5.0	5.0	5.0	5.0	5.0
1.5	0.5	0.0	0.0	2.0	Vehicle & Equip. Maintenance	2.0	2.1	2.1	2.0	2.0	2.0
15.3	0.0	0.0	0.0	15.3	Water Distribution	15.3	15.3	15.3	15.3	15.3	16.3
0.0	8.8	0.0	0.0	8.8	Sewer Collection & Transmission	8.8	8.7	8.7	8.8	8.8	8.8
<b>46.7</b>	<b>9.9</b>	<b>0.0</b>	<b>0.0</b>	<b>56.5</b>	<b>Operations Total</b>	<b>55.5</b>	<b>52.5</b>	<b>53.5</b>	<b>52.5</b>	<b>52.5</b>	<b>52.5</b>

# Operations Department FYE 2017



- Administration
- Source of Supply
- Water Treatment
- Pumping
- Telemetry
- Facilities
- Vehicle & Equip Maint
- Water Distribution

**CUCAMONGA VALLEY WATER DISTRICT**  
**OPERATIONS DEPARTMENT**  
For the Fiscal Year Ending June 30, 2017

<b>Department</b>	<b>Budget</b>	<b>% of Total</b>
Executive	\$ 4,403,904	7.4%
Financial & Administrative Services	6,298,524	10.6%
General Services	474,217	0.8%
Engineering	3,330,192	5.6%
<b>Operations</b>	<b>45,017,085</b>	<b>75.6%</b>
<b>Total Operating Budget</b>	<b>\$ 59,523,922</b>	<b>100.0%</b>

<b>Budget by Division</b>	<b>Water Funds</b>		<b>Sewer Funds</b>		<b>Recycled Water Funds</b>		<b>Total All Funds</b>	
	<b>Budget</b>	<b>% of Total</b>	<b>Budget</b>	<b>% of Total</b>	<b>Budget</b>	<b>% of Total</b>	<b>Budget</b>	<b>% of Total</b>
<b>Operating Fund</b>								
Administration	\$ 177,121	0.4%	\$ 106,382	0.2%	\$ -	-	\$ 283,503	0.6%
Source of Supply	11,004,735	24.4%	-	-	-	-	11,004,735	24.4%
Water Treatment	4,151,986	9.2%	-	-	-	-	4,151,986	9.2%
Pumping	9,160,911	20.3%	-	-	-	-	9,160,911	20.3%
Telemetry	796,524	1.8%	-	-	-	-	796,524	1.8%
Facilities	687,739	1.5%	5,414	0.0%	-	-	693,153	1.5%
Vehicle & Equipment Maintenance	632,839	1.4%	153,183	0.3%	-	-	786,022	1.7%
Water Distribution	2,475,213	5.5%	-	-	15,000	0.0%	2,490,213	5.5%
Collection & Transmission	-	-	15,167,878	33.7%	-	-	15,167,878	33.7%
Recycled Water	-	-	-	-	482,160	1.1%	482,160	1.1%
<i>Sub-Total</i>	<u>29,087,068</u>	<u>64.6%</u>	<u>15,432,857</u>	<u>34.3%</u>	<u>497,160</u>	<u>1.1%</u>	<u>45,017,085</u>	<u>100.0%</u>
<b>Capital Fund</b>								
Administration	-	-	-	-	-	-	-	-
Source of Supply	-	-	-	-	-	-	-	-
Water Treatment	-	-	-	-	-	-	-	-
Pumping	-	-	-	-	-	-	-	-
Telemetry	-	-	-	-	-	-	-	-
Facilities	-	-	-	-	-	-	-	-
Vehicle & Equipment Maintenance	-	-	-	-	-	-	-	-
Water Distribution	-	-	-	-	-	-	-	-
Collection & Transmission	-	-	-	-	-	-	-	-
Recycled Water	-	-	-	-	-	-	-	-
<i>Sub-Total</i>	-	-	-	-	-	-	-	-
<b>Total</b>	<u>\$ 29,087,068</u>	<u>64.6%</u>	<u>\$ 15,432,857</u>	<u>34.3%</u>	<u>\$ 497,160</u>	<u>1.1%</u>	<u>\$ 45,017,085</u>	<u>100.0%</u>

**CUCAMONGA VALLEY WATER DISTRICT**  
**OPERATIONS DEPARTMENT**  
**SUMMARY BY ACCOUNT**

For the Fiscal Year Ending June 30, 2017

<b>Account Number</b>	<b>Account Title</b>	<b>Water</b>	<b>Sewer</b>	<b>Recycled Water</b>	<b>Total</b>
10-XX	Salaries and Wages	\$ 3,940,397	\$ 789,879	\$ -	\$ 4,730,276
12-XX	District Burden	1,990,659	445,820	-	2,436,479
18-XX	Outside Labor	33,000	33,000	-	66,000
20-XX	Professional Development	66,555	8,675	-	75,230
25-XX	Professional Services	23,000	-	-	23,000
35-XX	Collections	-	-	-	-
40-XX	Utilities	8,088,874	16,929	-	8,105,803
45-XX	Materials & Supplies	2,568,468	101,400	15,000	2,684,868
50-XX	Equipment Depreciation	-	-	-	-
55-XX	Outside Services	1,222,290	13,954,854	-	15,177,144
60-XX	Safety	65,570	8,000	-	73,570
70-XX	Purchased Water	10,964,735	-	482,160	11,446,895
79-XX	Miscellaneous	54,820	2,500	-	57,320
80-XX	Other - Capital Equipment	68,700	71,800	-	140,500
	<b>Totals</b>	<b>\$ 29,087,068</b>	<b>\$ 15,432,857</b>	<b>\$ 497,160</b>	<b>\$ 45,017,085</b>

# APPENDICES

# CUCAMONGA VALLEY WATER DISTRICT

## GLOSSARY OF TERMS & ACRONYMS

For the Fiscal Year Ending June 30, 2017

**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.

**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.

**CAP** – Customer Assistance Program

**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.

**COP** – See Certificates of Participation.

**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.

**EDU** – See Equivalent Dwelling Unit.

**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.

**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.

**Fiscal Year (FY) or Fiscal Year-End (FYE)**– 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.

**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

**LAIF** – Local Agency Investment Fund

**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.

**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.

**OPEB** – Other Post-Employment Benefits

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

**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.

**SCE** – See Southern California Edison.

**SOPs** – Standard Operating Procedures.

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

**State Water Resources Control Board (SWRCB)** – An oversight board for the California Environmental Protection Agency.

**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.

**SWRCB** – See State Water Resources Control Board