

**VALLEY SANITARY DISTRICT
BUDGET & FINANCE COMMITTEE MEETING MINUTES
November 3, 2020**

*******SPECIAL NOTICE – Telephonic Accessibility*******

Pursuant to Paragraph 11 of Executive Order N-25-20, executed by the Governor of California on March 12, 2020, as a response to mitigating the spread of coronavirus known as COVID-19, during the November 3, 2020 regular meeting of the Budget & Finance Committee, members of the public will be allowed to attend and address the Board of Directors during the open session of the meeting telephonically.

Members of the public wanting to listen to the open session of the meeting were able to do so by calling (425) 436-6376 and when prompted, enter access code 166514. Members of the public wanting to address the Board, either during public comment or for a specific agenda item, or both, were requested to send an email notification no later than 12:30 p.m. on the day of the meeting to the Valley Sanitary District's Clerk of the Board at hgould@valley-sanitary.org.

A regular Meeting of the Valley Sanitary District (VSD) Budget & Finance Committee was held at the District offices, 45-500 Van Buren Street, Indio, California, on Tuesday, November 3, 2020.

1. CALL TO ORDER

Director Coleman called the meeting to order at 1:00 p.m.

1.1 Roll Call

Directors Present:

Dennis Coleman (via telephone), Scott Sear

Staff Present:

Beverli Marshall, General Manager, Jeanette Juarez, Business Services Manager, Holly Gould

1.2 Pledge of Allegiance

2. PUBLIC COMMENT

This is the time set aside for public comment on any item not appearing on the agenda. Please notify the Secretary in advance of the meeting if you wish to speak on a non-hearing item.

None.

3. DISCUSSION / ACTION ITEMS

3.1 Audit Update and Involvement

Jeanette Juarez gave the committee an audit update before the audit report is presented at the November 10, 2020 board meeting. The District's external financial auditors, The Pun Group, completed the field work and have submitted a draft opinion letter included in the CAFR. Overall, the auditors provided an unmodified opinion of the District's financial reports. Frances Kuo, CPA, The Pun Group will be providing the

Board with a presentation at the next board meeting. Total assets and total net position increased by \$3.45 million, from \$97.25 million to \$100.70 million. In accordance to Generally Accepted Accounting Principles (GAAP) for State and local governments, the District prepares a Comprehensive Annual Financial Report (CAFR) for the fiscal year. Ms. Juarez explained the differences in the different funds. A discussion took place regarding OPEB and how it has increased liability.

3.2 Sewer Rate Study Update

Jeanette Juarez updated the committee on the progress of the Sewer Rate Study. At the August 25, 2020 Board Meeting, the Board authorized the General Manager to execute a contract with NBS to perform a Sewer Rate Study and aid with the public hearing process. On October 1, 2020, the General Manager and the senior management team met with NBS via zoom to meet the project team, discuss goals, objectives, deliverables, and answer clarifying questions. NBS provided a list of project data requests. The requested information entails financial data, customer billing data, system operations, design, and planning information. All departments have been actively providing the requested information. A discussion took place regarding accessory dwelling units and what the rate structure is for those. NBS plans to present an update to the board by December 2020.

3.3 Discussion of COLA Increase for Employees

Beverli Marshall presented the item to the committee. It was decided that Jeanette Juarez will bring the item before the full board at a future meeting.

3.4 Discussion of Draft Request for Proposal (RFP) Auditing Services

Jeanette Juarez informed the committee that the District has a policy that it must change auditors every five (5) years. Ms. Juarez has brought the draft RFP to the committee for discussion. Valley Sanitary District is inviting RFP responses from highly qualified and experienced independent certified public accounting firms with proven records of accomplishments for a three-year agreement to perform the annual audit of the District's financial statements. The RFP will be released on November 10, 2020 and close December 1, 2020. The proposals will be brought before the committee at the January 5, 2021 meeting.

4. FUTURE MEETING ITEMS

5. ADJOURNMENT

There being no further business to discuss, the meeting adjourned at 2:38 p.m. The next regular committee meeting will be held January 5, 2021.

Respectfully submitted,

Holly Gould, Clerk of the Board
Valley Sanitary District