

**VALLEY SANITARY DISTRICT
BUDGET & FINANCE COMMITTEE MEETING MINUTES**

January 4, 2022

A regular meeting of the Valley Sanitary District (VSD) Budget & Finance Committee was held at 45-500 Van Buren Street in Indio, California, on Tuesday, January 4, 2022.

1. CALL TO ORDER

Chairman Dennis Coleman called the meeting to order at 1:03 p.m.

1.1 Roll Call

Directors Present:

Chairperson Dennis Coleman

Committee Member Debra Canero

Staff Present:

Beverli Marshall, General Manager; Jeanette Juarez, Business Services Manager; and Holly Gould, Clerk of the Board

Guest Present:

Valerie Houchin, Schneider Electric

Brian Pottenger, Schneider Electric

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 Recycled Water Project – Phase 1 Financing Options

Valerie Houchin from Schneider Electric presented a project update on the Recycled Water Project Phase 1. The project just reached 60% design, and in February, Schneider Electric will give the maximum guaranteed price. It is now time to start identifying different financing options. Due to the project's scope and size, financing options are limited. Staff is considering financing opportunities through Bank of America. Bank of America has a corporate environmental sustainability strategy and initiative to deploy and mobilize \$1 trillion by 2030. The initiative focuses on low-carbon energy, energy efficiency, and sustainable transportation and addresses other important areas like water conservation, land use, and waste. The Recycled Water Project Phase 1 scope meets the initiative criteria to qualify for this special financing. The estimated cost of the project is \$60 million. Bank of America is a good financing

option due to their experience funding similar projects, the common goals in the initiatives, and the strength of their financial capital. The only other option would be a bond issuance with many constraints. The committee instructed staff to bring this item to the Board of Directors as an information item. Schneider Electric and Bank of America will attend the meeting to answer questions.

3.2 Fiscal Year 2022/23 Budget Timeline

Jeanette Juarez, Business Services Manager, presented the fiscal year 2022/23 budget timeline. The timeline includes deliverable due dates and meeting dates. The timeline will guide the upcoming weeks to continue budget discussions and allow for any modifications if needed.

3.3 Capital Expenditure Allocation

Jeanette Juarez, Business Services Manager, presented this item. The committee discussed the District's policy and processes for capital allocations. The last update made to the District's Reserve policy was 2013. It was the recommendation of the committee for staff to review the Reserve Policy, redline any recommended changes, and bring it back before the Board for review.

4. **FUTURE MEETING ITEMS**

Staff plans to bring a Request for Proposal for an Investment Advisor. Staff will also contact the Board of Directors for their fiscal year 2022/23 budget goals.

5. **ADJOURNMENT**

There being no further business to discuss, the meeting adjourned at 2:39 p.m. The next regular committee meeting will be held on March 1, 2022.

Respectfully submitted,

Holly Gould, Clerk of the Board
Valley Sanitary District