

2026

Valley Sanitary District

OPERATING AND CAPITAL BUDGET

VALLEY SANITARY DISTRICT · EST · 1925 · 100 YEARS · 1925 · 2025

VALLEY SANITARY DISTRICT
OPERATING & CAPITAL IMPROVEMENT BUDGET
FISCAL YEAR 2025-26

BOARD OF DIRECTORS



Gerardo R. Jimenez
Director



Edgar Santana
Secretary/Treasurer



Debra Canero
President



Mike Duran
Vice President



Ruben Vasquez
Director

SENIOR STAFF

Jason Dafforn
General Manager

Jeanette Juarez
Chief Administrative Officer

Ron Buchwald
District Engineer

Ian Wilson
Wastewater Operations Manager

VALLEY SANITARY'S MISSION STATEMENT

Valley Sanitary District serves and benefits Indio and the surrounding communities by collecting, treating, and recycling wastewater to ensure a healthy environment and sustainable water supply.

Meet Our Board



DEBRA CANERO
BOARD PRESIDENT

First and foremost, I am a stakeholder of Valley Sanitary District. I am a lifelong resident of the Coachella Valley and reside in the beautiful City of Indio, CA, for the last 46 years. I retired in 2019 and have the experience and time to give to our community. I am serving as the first female President of Valley Sanitary District and it is the with great honor. My goal is to be the voice of those citizens who are busy working, raising their family, and/or going to school. I was there once upon a time and now it is my turn to be their voice.



MIKE DURAN
VICE PRESIDENT

Mike L. Duran has served on the Valley Sanitary District Board since 2002, bringing extensive business management experience as president and CEO of Duran's Termite & Pest Control, Inc. His leadership extends to various community roles, including serving on the Structural Pest Control Board appointed by Governor Edmund G. Brown, Jr., and as a Reserve Police Lieutenant. With certifications in business management and adult/vocational instruction, Mike demonstrates a commitment to professional growth and civic duty. A graduate of Leadership Coachella Valley and the Indio Leadership Academy, he remains dedicated to advancing Indio's prosperity. Mike's objective is clear: to contribute to a brighter future for Indio and its residents through his service on the board.

Meet Our Board



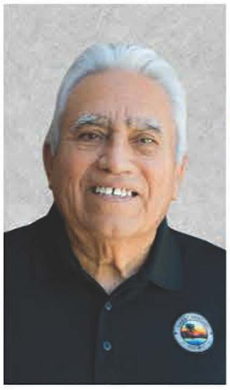
EDGAR SANTANA
SECRETARY/TREASURER

Director of Ward A, Edgar Santana has been a proud resident of Indio for the last 21 years. Originally from the Los Angeles area, Edgar moved out to the Coachella Valley for work in 1999. Edgar has a 25-year career in Law Enforcement working for the California Department of Corrections and Rehabilitation. Edgar has been married to Brenda Santana for 27 years who is an Educator in the Palm Spring Unified School District. They have 3 three grown children who were all raised in Indio. His passion is attending his kids sporting events and coaching wrestling. With over 18 years of experience, Edgar is currently an assistant wrestling coach at Palm Desert High School. He loves staying active and spending as much time as possible outdoors. His hobbies and interest include traveling, cooking and attending music concerts with friends and family. Director Santana prides himself in being an effective leader who understands that teamwork and collaboration leads to success in community building and service.



GERARDO JIMENEZ
BOARD DIRECTOR

Elected in 2024, Director Jimenez serves on the Valley Sanitary District Board representing Division E. He is a retired Grade 5 Wastewater Operator–the highest certification level in the field–with a long career at the City of Coachella. He remains active in the industry through his involvement with the CORBS, a branch of CWEA. His deep industry knowledge helps guide the District's efforts to maintain efficient, forward-thinking wastewater services.



RUBEN VASQUEZ
BOARD DIRECTOR

Born in Indio, California, and raised in Coachella, Ruben M. Vasquez is a proud graduate of Coachella Valley High School. After attending College of the Desert, he served in the U.S. Army and is a Vietnam veteran. Following his military service, he built a successful 38-year career as a roofer and contractor, including owning and operating his own roofing company for 20 years. A passionate fan of old cars and karaoke, he enjoys spending his free time restoring classics and singing with friends. He has been married to his high school sweetheart for 56 years. Valley Sanitary District marks the first board he has had the honor to serve on.

Meet Senior Staff



JASON DAFFORN
GENERAL MANAGER

Jason Dafforn is a licensed Professional Engineer in the State of California with over 27 years of experience in both private and public utility management and oversight. Jason is a graduate of Purdue University with a Bachelor of Science Degree in Engineering. He has been managing public utilities for the past 13 years with a passion for environmental stewardship and public transparency. Jason is a certified Design-Build Associate with significant wastewater construction experience including facility upgrades, pump stations, lift stations, reservoirs, wastewater collection and water distribution system upgrades, and renewable energy projects.



JEANETTE JUAREZ
CHIEF ADMINISTRATIVE OFFICER

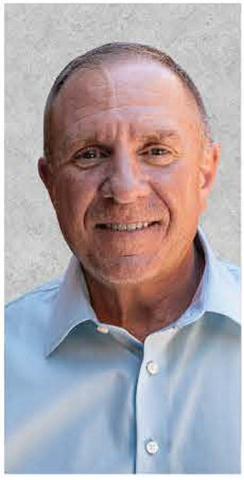
Jeanette Juarez serves as the Chief Administrative Officer at the Valley Sanitary District, overseeing all financial operations, including accounting, audit, budgeting, and investments, as well as managing human resources and environmental compliance. With 13 years of experience in accounting, financial management, and business leadership, including seven years in the public sector, Jeanette brings extensive expertise to her role. She began her professional journey at the Valley Sanitary District in 2020, following significant roles such as Budget Manager/Financial Analyst at Sunline Transit Agency. Jeanette holds a Master of Business Administration with a finance concentration from the University of Redlands School of Business and a Bachelor of Science in Business Administration with an accounting concentration from the University of Phoenix. Actively engaged in professional organizations like CSMFO, GFOA, and CALPELRA, she is currently pursuing certification in GFOA's Certified Public Finance Officer Program, showcasing her dedication to ongoing professional development.

Meet Senior Staff



RON BUCHWALD
DISTRICT ENGINEER

As the District Engineer at Valley Sanitary District, Ron Buchwald brings over 33 years of experience in the design and construction of complex water and wastewater systems, including 24 years in a supervisory capacity. Ron holds a bachelor's degree in civil engineering from California Polytechnic University Pomona and a master's degree in public administration from California State University San Bernardino. Ron maintains a certificate of registration as a Professional Engineer issued by the State of California. His leadership ensures the effective management and integration of various functions, programs, and staff engaged in engineering design, construction, and maintenance activities. Ron's commitment to excellence and his ability to analyze complex issues makes him an asset to the Valley Sanitary District team.



IAN WILSON
WASTEWATER OPERATIONS MANAGER

As the Wastewater Operations Manager at Valley Sanitary District, Ian Wilson brings more than 26 years of comprehensive experience in both industrial and domestic wastewater operations, spanning the private and public sectors. He holds a bachelor's degree from the University of California, Santa Barbara, and is a certified Grade IV wastewater operator in the state of California. A long-time resident of the Coachella Valley, Ian has dedicated much of his career to operations within the region, actively engaging in community outreach and education initiatives. With over a decade of supervisory experience, he is committed to mentoring and developing the next generation of wastewater professionals.



California Society of Municipal Finance Officers

Certificate of Award

Operating Budget Excellence Award
Fiscal Year 2024-2025

Presented to the

Valley Sanitary District

For meeting the criteria established to achieve a CSMFO Award in Budgeting.

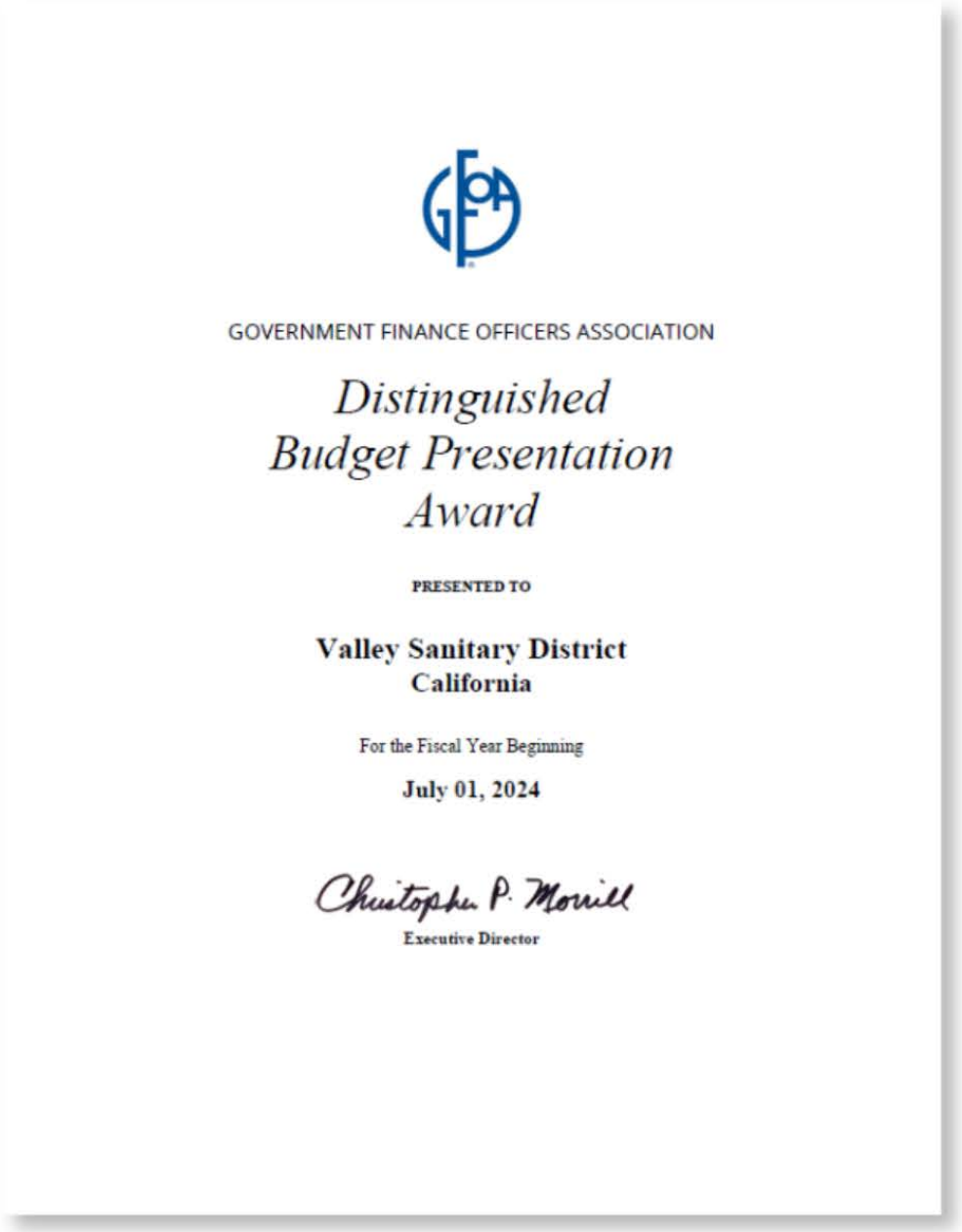
February 7, 2025

Ernie Reyna
2024 CSMFO President

James Russell-Field
James Russell-Field, Chair
Recognition Committee

Dedicated to Excellence in Municipal Financial Reporting

CSFMO's Operating Budget Excellence Award for FY 2024-2025



GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

Valley Sanitary District
California

For the Fiscal Year Beginning

July 01, 2024

Christopher P. Morrill

Executive Director

GFOA's Distinguished Budget Presentation Award for FY 2024-2025

To earn recognition, budget documents must meet program criteria and excel as a policy document, financial plan, operations guide, and communication tool.

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BUDGET MESSAGE





General Manager's Budget Message

July 1, 2025

Honorable Board of Directors,

It is my pleasure to present the Valley Sanitary District's (VSD) Operating and Capital Budget for FY 2025/26.

Guided by the invaluable leadership and support of the Board, this budget represents the collective effort of the entire Valley Sanitary District team. It reflects thoughtful resource prioritization, alignment with strategic goals, sound financial management, and a focus on long-term sustainability and growth.

We remain firmly committed to environmental stewardship, public health, operational excellence, and delivering exceptional service to the communities we serve. Our dedication to our core values—Transparency, Responsibility, Respect, and Integrity—continues to guide every decision and action we take.

MAJOR ORGANIZATIONAL PRIORITIES FY 2025/26

In April 2024, the Board approved a three-year Strategic Plan that sets a clear direction for the District, reaffirming our commitment to the community. The plan outlines key goals and objectives centered on maintaining reliable facilities, ensuring long-term financial sustainability, supporting and investing in staff, implementing an effective outreach strategy, and upholding transparent governance. This Strategic Plan serves as a roadmap for daily decision-making and is instrumental in turning the Board's vision for the District into reality.

We are excited to commemorate our organization's centennial anniversary with a series of events and activities designed to honor our history, celebrate our achievements, and engage with the community. This milestone will include special programs, exhibitions, and festivities throughout the year, culminating in the November celebration at the Coachella Valley History Museum.

Addressing the current vacancies within the organization is a top priority. We aim to attract and hire top talent to ensure we have the necessary workforce to meet our goals and maintain operational efficiency. Efforts will be made to improve our recruitment processes and enhance our employer brand.

Investing in our employees' professional development is essential for our success. This year, we will focus on comprehensive training programs to enhance skills, knowledge, and

competencies across all levels of the organization. This includes leadership development, technical training, and continuous learning opportunities.

We are committed to seeing through the completion of our current Capital Improvement Projects (CIP). These projects, critical to our infrastructure and service delivery, will be completed within the set timelines and budgets, ensuring they meet the community's needs and expectations.

Strengthening our presence within the local community remains a priority. We will work to build and nurture relationships with community members, organizations, and stakeholders. This includes increased participation in local events, partnerships with community groups, and proactive engagement initiatives.

We plan to leverage both existing and new relationships to support our organizational objectives. By fostering collaboration and partnerships, we aim to create synergies that enhance our service delivery and community impact. Networking, stakeholder engagement, and strategic alliances will be key focus areas.

Last year's priorities began the long process of establishing a firm foundation to build upon. We can now start building a framework for the future of Valley Sanitary District. We will take all that has been done and continue building. Our focus is to expand on the solid base laid out previously, integrating new strategies that align with our evolving goals and community needs. This approach ensures that we sustain progress while adapting to new challenges and opportunities.

Looking ahead, we will focus on several key areas:

- Innovation and Technology: Embracing cutting-edge technologies to improve efficiency and service delivery. This includes exploring smart infrastructure solutions and leveraging data analytics to make informed decisions.
- Environmental Sustainability: Committing to eco-friendly practices that reduce our carbon footprint and promote sustainable growth.
- Community Engagement: Strengthening our connection with the community through transparent communication, participatory planning, and collaborative projects.
- Financial Stability: Ensuring fiscal responsibility and long-term financial health. This involves strategic budgeting, prudent investment, and seeking diverse funding sources to support our initiatives.
- Employee Well-Being: Fostering a supportive work environment that prioritizes the well-being and growth of our employees. We will continue to offer professional development, mental health resources, and recognition programs to motivate and retain our talent.

By focusing on these areas, we aim to build a resilient and forward-thinking organization that is well-equipped to serve the community for years to come.

MAINTAINING SERVICE LEVELS

Through project reprioritization, the development of a new Recycled Water Master Plan, and the dedicated efforts of our staff, the District has produced a balanced budget that ensures the continuation of essential services. Service levels will remain unchanged for FY 2025/26, maintaining the high standards our community relies upon.

Looking ahead, the District is exploring the potential introduction of non-potable recycled water service to local golf courses. This would represent a new and innovative addition to VSD's current service offerings. To assess the viability of this initiative, we are conducting a comprehensive feasibility study and engaging in productive discussions with local stakeholders. Early progress has been encouraging, and we remain optimistic about the successful implementation of this new service in the near future.

ADDRESSING POLICY AND ECONOMIC ISSUES

Policy Issues

Updating the District Policies is a continuous effort. In addition to ensuring that our existing policies meet current legal, State, and Federal requirements, we will be introducing new policies such as an AI policy outlining the proper use of artificial intelligence for our organization. This new policy will guide the ethical and effective implementation of AI technologies to enhance our operational efficiencies, decision-making processes, and service delivery. The AI policy will include guidelines on data privacy, algorithmic transparency, and the mitigation of potential biases to ensure that our adoption of AI aligns with our district's values and regulatory standards.

Economic Factors

The District leverages both the State of California's economic forecast and the City of Indio's budget projections to better understand the broader financial landscape and guide strategic decision-making. Key indicators such as the unemployment rate, projected job growth, real personal income forecasts, future development trends, and departmental budget allocations are carefully analyzed to assess the overall economic outlook. This data drives the development of a comprehensive financial plan, including forecasted revenues, expenditures, and projected reserve balances.

Navigating the current economic volatility presents ongoing challenges. However, the District remains well-positioned to manage these uncertainties thanks to its strong financial foundation. This fiscal stability enables us to respond effectively to changing economic conditions while minimizing disruptions to operations and service delivery.

Our commitment to fiscal discipline and agile financial management remains unwavering. Through continuous monitoring of economic indicators, strategic forecasting, and prudent resource allocation, the District maintains the flexibility necessary to address emerging financial challenges and sustain long-term operational resilience.

Regulatory Issues

On April 19, 2024, the US Environmental Protection Agency (US EPA) announced its final rule designating two (2) per- and polyfluoroalkyl substances (PFAS), namely perfluorooctanoic acid (PFOA) and perfluorooctanesulfonic acid (PFOS), as 'hazardous substances' under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA). This rule will make PFOA and PFOS contaminates subject to reporting, investigation, remediation, and monitoring requirements under CERCLA. However, it appears that publicly owned treatment works, such as our treatment plant, would not be included in the enforcement of the regulations. We are at the very early stages of enforcement and will be monitoring and lobbying to ensure that costs associated with the treatment or removal of these substances will not impact our customers.

With the future uncertainty of bio-solids disposal for most southern California wastewater agencies, Valley Sanitary District recently completed a feasibility study to evaluate the potential for bio-solids reuse as fertilizer on local farmland. Having identified significant potential, VSD has executed a Memorandum of Understanding (MOU) with Lystek to further the development of this potential local reuse. We are strategically positioned to finalize the design of our Biosolids Management Project, which will enable VSD to assume control of biosolids reuse and establish a leadership role in Southern California with respect to this advanced technology.

In FY 2025/26, we continue the lengthy process of renewing our National Pollutant Discharge Elimination System (NPDES) permit. The permit will contain limits on what can be discharged, monitoring and reporting requirements, and other provisions to ensure that the discharge does not impact water quality or human health. In essence, the permit translates general requirements of the Clean Water Act into specific provisions tailored to the operations of discharging pollutants. We anticipate stricter regulations related to ammonia, ultimately impacting future capital programs and operating budgets. Collaboration with the Regional Water Quality Control Board during this upcoming year will be crucial in negotiating new regulations that may be imposed on the District.

Legislative Issues

We continue to engage in advocacy efforts at both the Federal and State levels, including trips to Washington D.C. and Sacramento. During these visits, we address issues affecting our District and the services we provide. Our primary concerns include PFAS regulations and biosolids management practices, wipes package messaging, NPDES permit terms, and

Zero-Emission Vehicle (ZEV) regulations. Many of these regulations may have financial implications for District operations, potentially impacting our customers financially.

Our advocacy efforts are aimed at influencing policy decisions that shape the operational and regulatory landscape within which our District functions. The regulation of per- and polyfluoroalkyl substances (PFAS), for instance, is crucial due to their persistence in the environment and potential health risks. Innovative biosolids management practices ensure the responsible handling and disposal of sewage sludge, reducing environmental contamination, and holding the manufacturer responsible for the cleanup costs.

Furthermore, we aim to enhance wipes packaging messaging to reduce the impact of non-flushable wipes on wastewater systems in general. Additionally, extending the terms of the National Pollutant Discharge Elimination System (NPDES) permits is important to allow wastewater agencies to plan and maintain compliance with water quality standards and protecting aquatic ecosystems.

Through continuous dialogue with policymakers and stakeholders, we aim to advocate for sensible regulations that support the effective operation of our District while minimizing the financial burden on our customers.

BUDGET IN BRIEF

This comprehensive, strategic, and balanced budget offers transparency while funding essential services, protecting the environment, and supporting the communities we serve. For FY 2025/26, the operating budget is $22,577,813, and the capital budget is $22,829,494.

The operating budget covers the costs necessary to sustain day-to-day operations, including personnel expenses, California Public Employees' Retirement System (CalPERS) contributions, Unfunded Accrued Liability (UAL) payments, debt service, insurance premiums, and other overhead costs.

The capital budget supports key initiatives within the District's Capital Improvement Program (CIP). A total of 29 capital projects have been requested for FY 2025/26. Major projects in this year's CIP include the Recycled Water Project Phase I, the design of Phase II of the Recycled Water Project, the design of the Laboratory and Operations Building, and the design of a biosolids conversion project.

	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget	Budget Variance	Budget Variance (%)
Operating Budget & Debt Service	$ 15,414,512	$ 19,587,854	$ 15,563,039	$ 22,577,813	$ 2,989,959	15.3%
Capital Budget	36,083,953	40,068,000	29,184,384	22,829,494	(17,238,506)	-43.0%
Grand Total	**$ 51,498,465**	**$ 59,655,854**	**$ 44,747,423**	**$ 45,407,307**	**$ (14,248,547)**	**-23.9%**

BUDGET CHALLENGES

The District continues to face rising costs in key areas such as utility rates, aging infrastructure replacement, mandatory retirement benefit contributions, health care premiums, post-employment benefits, and evolving regulatory requirements. Over the past two (2) years, these financial pressures—combined with escalating construction costs and inflation—have necessitated the reprioritization of major initiatives and capital projects.

Although revenue projections reflect moderate growth in the coming years, the District anticipates the need to draw approximately $9.7 million from reserves in FY 2025/26 to sustain operations and maintain the level of service our community expects.

Among the most pressing challenges are the demands of aging infrastructure and the need to comply with increasingly complex regulatory requirements—all while preserving rate affordability for our customers. To address long-term funding needs, the District has budgeted for a comprehensive wastewater rate study in FY 2025/26. This study will help identify the revenue required to support the District's 20-year master plan.

The Board remains committed to balancing affordability with service excellence. In alignment with this commitment, the District continues to pursue alternative revenue sources—such as grants and strategic partnerships with private entities—to help offset both operating and capital improvement expenditures.

REVENUE AND EXPENDITURE OVERVIEW

District staff prepares a five-year financial plan that includes detailed forecasts of revenues and expenditures. These projections account for anticipated changes in revenue streams, operating costs, staffing needs, reserve targets, debt ratio requirements, and capital improvement projects. The Board of Directors reviews the financial plan and is the foundational framework for developing the annual operating and capital budgets.

Revenue Sources – Where the Money Comes From

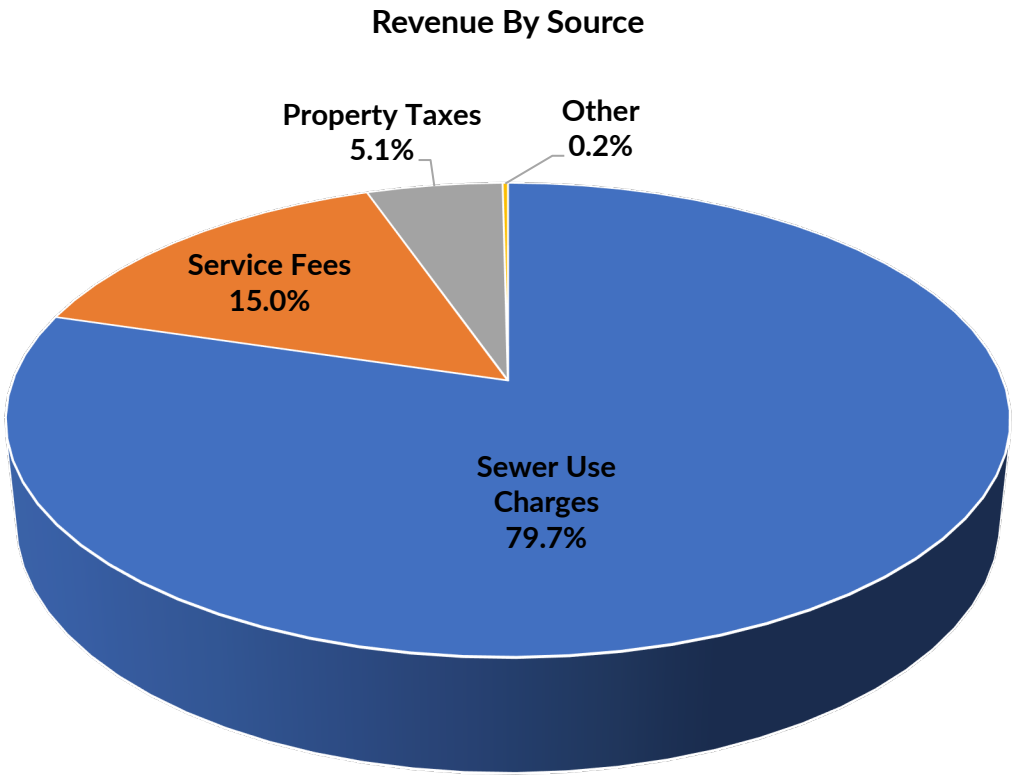
Total projected FY 2025/26 revenue is $27.2 million, representing an increase of $3.2 million, or 13.6%, over the FY 2024/25 budget. This increase is primarily attributed to scheduled sewer rate adjustments established in the District's adopted five-year Sewer Use Charge (SUC) rate plan, which is in effect from July 1, 2021, through June 30, 2025. Approximately 85% of the District's revenue comes from sewer use charges, which remain the primary funding source for ongoing operations.

In addition, connection fee revenue is expected to increase by $220,563, or 24.5%, due to projected development within the service area. Interest income is also forecasted to rise by $1.6 million, reflecting more favorable market interest rates. These combined revenue

enhancements support the District's ability to meet operational demands and invest in long-term infrastructure needs.

The table below provides a breakdown of projected revenue by source.

Revenue Source	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget	Budget Variance	Budget Variance (%)
Sewer Use Charges	$ 19,322,726	$ 20,362,242	$ 21,353,970	$ 21,695,832	$ 1,333,590	6.5%
Service Fees	4,976,269	3,160,077	5,336,078	4,733,227	1,573,150	49.8%
Property Taxes	137,052	156,257	152,979	171,969	15,712	10.1%
Other	610,839	291,264	502,884	635,303	344,039	118.1%
Total	**$ 25,046,886**	**$ 23,969,840**	**$ 27,345,911**	**$ 27,236,331**	**$ 3,266,491**	**13.6%**



Expenditures – What the Money is Spent on

The expenditures are broken down into four (4) major categories:

- Capital Improvement Program (CIP)
- Supplies, Services, Utilities, & Other Overhead Costs
- Salaries and Benefits
- Debt Service

Capital Improvement Program (CIP)

The Capital Improvement Program (CIP) for FY 2025/26 is budgeted at $22.8 million, representing a decrease of $17.2 million or 43.0% compared to the FY 2024/25 budget. This reduction is primarily attributed to the nearing completion of Recycled Water Project Phase I, which is expected to conclude by the end of calendar year 2025.

To support this project, $6.0 million in loan proceeds from the Bank of America loan fund is included in the FY 2025/26 budget. Additionally, the District will utilize $9.7 million from its capital replacement and improvement reserves to balance the budget.

Despite projected revenue growth, it remains insufficient to fully offset the continued rise in expenditures tied to existing construction commitments. This underscores the importance of prudent financial planning and strategic resource allocation as the District advances key infrastructure investments.

Supplies, Services, Utilities, & Other Overhead Costs

Operational costs for FY 2025/26 are projected to increase by $1.01 million, or 13.3%, largely due to inflationary pressures reflected in the Consumer Price Index (CPI) and increased usage of essential services and supplies. This includes higher costs for electricity, natural gas, water, chemicals, and trash removal.

Service-related expenses have increased by $650,000, driven by several key factors:

- Emergency supply replenishment
- Increased use of chemicals and reagents
- Sludge disposal

The Operations Department has also initiated a three-year project to decommission the treatment ponds, resulting in an annual increase of $525,000 in sludge disposal costs beginning in FY 2025/26.

In support of evolving regulatory standards, the Environmental Compliance Services Department expanded its contract for laboratory services by $130,000 to conduct a 12-

month PFAS (Per- and Polyfluoroalkyl Substances) sampling study, reinforcing the District's commitment to proactive environmental monitoring.

Additionally, comprehensive insurance premiums are projected to rise by $253,000, reflecting increased coverage costs for general liability and earthquake insurance. This increase is primarily tied to the anticipated completion of the Recycled Water Project Phase I, which will add approximately $81 million in assets to the District's portfolio.

Salaries and Benefits

Salaries and benefits have an increase of $846,991 or 12.4% compared to the FY 2024/25 budget. The salary change is attributed to a 6.0% Cost-of-Living Adjustment (COLA) based on the 2024 annual average Consumer Price Index (CPI) for the Riverside region, along with other cost-of-living considerations. Also, there are projected positions that will be promoted to the next classification level due to increased certification levels. In addition, the District is adding four (4) full time positions to assist in core functions, including workforce development, communication, and operations.

Fringe benefits increased due to projected adjustments in employee benefit costs that reflect prevailing market trends. Specifically, an 8% increase in health insurance contributions, a 2.7% increase in Public Employees' Medical & Hospital Care Act (PEMHCA) contributions, and an 8% increase in vision and dental insurance contributions.

Annual payment on the Unfunded Accrued Liability (UAL) is the amortized dollar amount needed to fund past service credit earned (or accrued) for members who are currently receiving benefits, active members, and for members entitled to deferred benefits, as of the valuation date. As of the most recent actuarial valuation, the District's UAL balance is $2.1 million.

In September 2023, the Board of Directors approved a Five-Year Fresh Start payoff option, committing to fully pay off the UAL balance over five (5) years.

Debt Service

Debt services increased $1.1 million or 23.1% due to an adjustment in the Bank of America loan repayment schedule.

The table below provides a detailed breakdown of expenditures by source for FY 2025/26.

	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget	Budget Variance	Budget Variance (%)
Capital Improvement Program	$ 36,083,953	$ 40,068,000	$ 29,184,384	$ 22,829,494	$ (17,238,506)	-43.0%
Supplies, Services, Utilities, & Other Overhead Costs	4,422,142	8,152,019	4,914,580	9,235,646	1,083,627	13.3%
Salaries and Benefits	5,722,011	6,845,185	6,057,809	7,692,176	846,991	12.4%
Debt Repayment	5,270,359	4,590,650	4,590,650	5,649,991	1,059,341	23.1%
Grand Total	**$ 51,498,465**	**$ 59,655,854**	**$ 44,747,423**	**$ 45,407,307**	**$ (14,248,547)**	**-23.9%**

Your Dollars at Work



Capital Improvement Program 50.3%

Supplies, Services, Utilities, & Other Overhead Costs 20.3%

Salaries & Benefits 16.9%

Debt Repayment 12.4%

The dollar image is divided into visual sections to illustrate how constituent funds are distributed across the District's various operations and services.

ACKNOWLEDGMENTS

Developing the FY 2025/26 budget has presented significant challenges, particularly in light of rising costs associated with maintaining the high level of service our community expects. Over the course of several months, staff from all departments engaged in a thorough and collaborative process to analyze, review, and justify the budget in full—carefully evaluating revenue trends, setting expenditure priorities, and identifying targeted reductions where appropriate.

While continued economic uncertainty may impact the proposed budget, the underlying assumptions and projections align with broader economic indicators that point to modest growth. These projections also reflect the District's long-standing commitment to fiscally conservative budgeting practices.

Though a comprehensive plan has been identified, the budget will be closely monitored throughout the year. Regular updates will be provided to the Board of Directors to ensure that the service is delivered responsibly and sustainably.

I would like to extend my sincere appreciation to the Board of Directors for their steadfast support and leadership, which are essential to our success. I also thank our community for their continued understanding as we navigate these complex financial dynamics. I am especially grateful to the Administration Department for their dedicated work in assembling this budget document, as well as to the managers and supervisors from all departments for their close collaboration throughout the process. Lastly, a heartfelt thank you goes to all of our employees for their commitment and hard work in keeping our daily operations running smoothly.

Respectfully submitted,



JASON DAFFORN, PE

General Manager

OVERVIEW



INDIO, CALIFORNIA "CITY OF FESTIVALS"

In 1876, the City of Indio was a railroad town with a rest area between Los Angeles, California, and Yuma, Arizona. Soon, the Southern Pacific Depot Station and Hotel were built to help retain workers in the area. The City began to grow and became an agricultural region producing dates, onions, citrus, and cotton (Indio City of Festivals, 2021). On May 16, 1930, Indio became the first incorporated City in the Coachella Valley. Today, Indio is home to over 90,000 residents, and an estimated 1.4 million people visit annually to attend the Coachella Valley Music and Arts Festival and Stagecoach Country Music Festival (Indio City of Festivals, 2021). Nicknamed the "City of Festivals," Indio has fast become a great community that offers a variety of exceptional dining, shopping, golfing, art, and entertainment experiences.

Indio is part of Riverside County, located 75 miles east of Riverside, 127 miles east of Los Angeles, and 148 miles northeast of San Diego. The City covers roughly 29 square miles and is 99.97% land and 0.03% water, (U.S. Department of Commerce, 2021). Indio lies just three (3) miles from the San Andreas Fault, one of the most prominent faults in the world. The high mountain ranges contribute to Indio's warm climate year-round.



Image borrowed from the Riverside County 2021 webpage[3]

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1. Indio City of Festivals. (2021). https://www.indio.org/about/history.htm
2. Food truck Fridays | Indio, CA. Indio.org. (n.d.). https://www.indio.org/our-city/food-truck-fridays
3. Riverside County. (2021). Riverside County. https://rivco4.org/Cities/Indio
4. U.S. Department of Commerce. QuickFacts Indio City, California. http://Indio City of Festivals. (2021). https://www.indio.org/about/history.htm

Points of Attraction

Adorned with a gorgeous desert backdrop, Indio has over 348 days of sunshine per year, perfect for outdoor activities. The City of Indio offers world-class golf courses, unique restaurants, a mix of retail stores, outdoor adventures, and renowned music festivals. The City of Indio has something for everyone.

Arts and Entertainment	Golfing	Festivals	Dining	Shopping
▪ Coachella Valley Art Center ▪ Coachella Valley History Museum ▪ Desert Cahuilla Village ▪ History of Date Industry in the Coachella Valley ▪ Indio Performing Arts ▪ Rebirth	▪ The Lights at Indio Golf Course ▪ Eagle Falls Golf Course ▪ Golf Club at Terra Lago ▪ Big Rock Golf Course ▪ Shadow Hills Golf Club	▪ Riverside County Fair and National Date Festival ▪ Coachella Valley Music & Arts Festival ▪ Stagecoach California's Country Music Festival ▪ Indio Tree Lighting Ceremony ▪ Indio International Tamale Festival	▪ TKB Bakery & Deli ▪ uniQue Bite Eatery ▪ El Mexicali Cafe II ▪ POM ▪ Heirloom Craft Kitchen ▪ Sloan's ▪ CV Barbeque ▪ Tack Room Tavern ▪ Mario's ▪ The Café at Shields	▪ Citrus Plaza ▪ Heritage Court ▪ Indio Grand Market Place ▪ Indio Town Center ▪ The Palms ▪ Showcase at Indio ▪ Indio Plaza ▪ Shadow Hills Plaza ▪ Jefferson Plaza

Food Truck Fridays is Indio's beloved weekly tradition, held every Friday from 5 p.m. to 10 p.m. The vendor lineup changes regularly, featuring returning favorites and introducing new ones. This event is family—and pet-friendly and is held at the corner of Towne Street and Bliss Avenue in Downtown Indio.



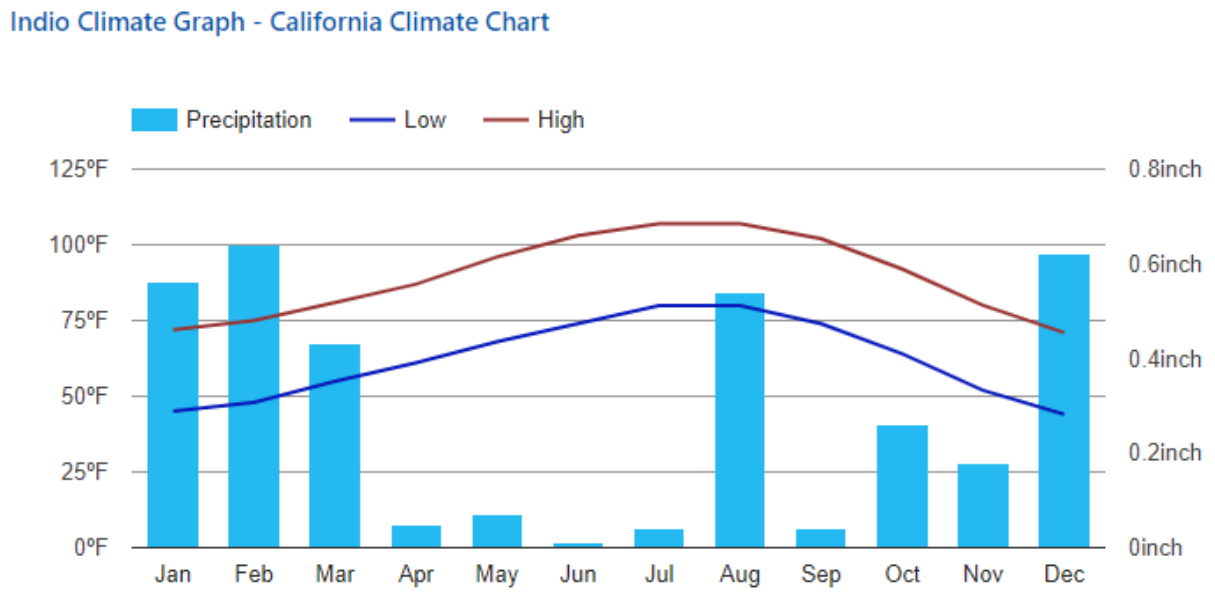
Image borrowed from the Indio.org webpage[2]

Climate

Due to its unique geographical location and high mountain ranges, Indio has some of the warmest winters on the West Coast. The City has a warm winter and hot summer climate primarily due to its desert climate. There is very little rainfall throughout the year. The average annual temperature in Indio is 75.5 °F, with an estimated 3.44 inches of yearly precipitation, (Indio City of Festivals, 2021).

Climate Indio - California	Jan	Feb	Mar	Apr	May	Jun
Average high in °F	72	75	81	87	96	103
Average low in °F	45	48	55	61	68	74
Average precipitation in inch	0.56	0.64	0.43	0.05	0.07	0.01

Climate Indio - California	Jul	Aug	Sep	Oct	Nov	Dec
Average high in °F	107	107	102	92	80	71
Average low in °F	80	80	74	64	52	44
Average precipitation in inch	0.04	0.54	0.04	0.26	0.18	0.62



5. U.S. Climate Data. (2021). U.S. Climate Data. https://www.usclimatedata.com/climate/indio/california/united-states/usca0512

City of Indio Statistical Information

The table below depicts a snapshot of the City of Indio's demographics that portray the characteristics of the population and the City.

Population		
Population as of July 1, 2024		94,275
Population growth since April 1, 2020		5.6%
Housing		
Owner-occupied housing unit rate, 2018-2022		68.3%
Median value of owner-occupied housing units, 2019-2023	$	424,700
Median selected monthly owner costs - with a mortgage, 2019-2023	$	2,229
Median selected monthly owner costs - without a mortgage, 2019-2023	$	743
Median gross rent, 2019-23	$	1,392
Gender (% of population)		
Female		50.7%
Male		49.3%
Age (% of population)		
Under 18 Years		24.2%
65 years and over		19.1%
Education (% of Population)		
Highschool graduate or higher		75.4%
Bachelor's Degree or Higher		21.1%
Income		
Median Household income	$	78,709
Employment (% of Population)		
Retail Trade		12.0%
Healthcare/Social Assistance		11.9%
Accommodation/Food Services		10.2%
Construction		10.8%
Admin/Support/Waste Management Services		7.7%
Educational Services		6.9%
Arts/Entertainment/Recreation		5.8%
Transportation/Warehousing		5.7%
Manufacturing		3.7%
Professional/Scientific/Tech Services		2.9%
Real Estate/Rental/Leasing		2.5%
Agriculture		1.6%
Finance/Insurance		2.3%

6. United States Census Bureau. (n.d.). U.S. Census Bureau quick facts: Indio City, California. Indio City, California. https://www.census.gov/quickfacts/fact/table/indiocitycalifornia/POP815221
7. Van Horn, C. (2023). Transforming Downtown Indio: A Vibrant Oasis in The Desert. VISION Greater Palm Springs, (2023–2024), 60–63.

ECONOMIC INDICATORS

State Economy

The District utilizes the state of California's economic forecasts to help understand the state's financial health and strategize business decisions. The District reviews the unemployment rate, projected job growth, the real personal income forecast, future development projections, and state departmental budgets to understand California's overall economic outlook.

On May 14, 2025, Governor Gavin Newsom released the May Revision to his proposed 2025–26 California state budget, outlining nearly $12 billion in actions to close a projected $7.5 billion deficit and strengthen the state's discretionary reserves by $4.5 billion. The revised plan responds to growing economic uncertainty fueled by federal policy shifts and broader destabilizing economic trends. Although the U.S. job outlook for 2025 has been slightly improved, forecasts for 2026 are weaker due to the expected full impact of tariffs. The national unemployment rate has also been revised upward by an average of 0.3 percentage points in both years, reaching 4.4 percent in 2025 and 4.9 percent in 2026.

Newsom's proposed $226.4 billion General Fund spending plan seeks to protect certain investments from previous years. Still, it includes $5 billion in cuts, primarily to Medi-Cal—the state's Medicaid program that serves over 14 million residents. To help stabilize future finances, the governor plans to draw down $7.1 billion in reserves while still projecting that total reserves will reach $15.7 billion by the end of FY 2025/26. This approach is designed to help safeguard the state against potential revenue declines and broader fiscal risks.

The District monitors and evaluates the State Water Resources Control Board's programs related to drinking water and wastewater projects. In the May 2025 budget revision, the state proposed allocating $1.2 billion to these efforts—a decrease of 8.04% compared to the FY 2024/25 budget, according to the California Department of Finance. The District uses this budget information to shape its advocacy strategy during Special Districts Legislative Days in Sacramento.

According to the UCLA Anderson Forecast 2025, the projected economic impact of the January 2025 L.A. wildfires includes several key estimates, though these figures are preliminary and subject to change. Property and capital losses are expected to fall between $76 billion and $131 billion, with insurance claims potentially reaching up to $45 billion. The wildfires are also projected to reduce GDP by $4.6 billion, or 0.48%, along with an

estimated $297 million in lost wages for local businesses and workers. Without strong wildfire mitigation efforts and investments, Californians will likely face rising insurance costs and worsening health risks. Housing in L.A.—primarily rental units—is expected to become even more unaffordable, and local governments will likely see an increase in post-disaster expenditures.

The ongoing shortage of affordable housing in Los Angeles may increase demand in the Coachella Valley housing market. In response, the District will track development projects and regional growth trends.

Local Economy

The City of Indio is undergoing exciting development, with significant enhancements to public spaces, including a new Civic Center Campus, a library, and a public plaza. The Lights at Indio Golf Course, the only night-lit course in the Coachella Valley, now features a new clubhouse offering dining and a pro shop. Housing options are expanding with the addition of Skyline, a 64-unit apartment complex with 5,000 square feet of ground-floor retail and office space in Downtown Indio, and Desert Retreat, a 55+ community in North Indio that will add 1,500 homes by 2026.

Indio's growing appeal has attracted both national chains and local businesses. New openings include Raising Cane's, EoS Fitness, In-N-Out Burger, and Dutch Bros. Local ventures are also thriving, with Indio Brewing setting up in north Indio and The Place launching as a 15,000-square-foot market featuring vendors, a food hall, a climbing wall, and a cannabis dispensary.

City officials are committed to long-term, sustainable growth. A new beautification grant program offers up to $50,000 to business owners along Highway 111 and Downtown Indio for exterior upgrades. Additionally, the City is acquiring properties to lease or sell in alignment with its workforce development strategy, supporting job creation and economic vitality.

The City of Indio's ongoing investment in development and business support continues to drive moderate growth, reflected in the steady increase in annual permits. This growth directly benefits the District through the collection of connection fees from new developments or changes in the use of existing buildings. For Fiscal Year 2025/26, the District anticipates collecting $1.1 million in connection fees.

Additionally, a five-year Sewer Use Charge (SUC) implemented in FY 2021/22 will remain in effect through June 2026. In its final year, FY 2025/26, SUC revenue is projected at $21.7 million, a $1.3 million or 6.5% increase over the prior year, resulting from the final approved rate increase and added connections to the system. These funds are essential for maintaining service levels, supporting high-priority infrastructure projects identified in the District's 20-Year Master Plan, and meeting debt obligations.

In FY 2024/25, the District exceeded revenue projections by $3.3 million, primarily due to higher-than-expected SUC revenues, interest earnings, and connection fees driven by an increase in issued permits. The SUC is calculated using a 70% fixed charge per Equivalent Dwelling Unit (EDU) and a 30% volumetric charge based on water consumption by class. Additionally, the District secured a $71 million loan from Bank of America in May 2022 to fund Phase I of the Recycled Water Project, with funds held in an interest-bearing escrow account. The unexpectedly strong market returns contributed to the revenue surplus.

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8. *3940 State Water Resources Control Board*. California Department of Finance. (2025, May 14). https://ebudget.ca.gov/budget/2025-26/#/Department/3940
9. *First Look: Understanding the Governor's 2025-26 May Revision*. California Budget & Policy Center. (n.d.). https://calbudgetcenter.org/resources/first-look-understanding-the-governors-2025-26-may-revision/
10. Li, Z., & Yu, W. (2025, March 3). *Economic impact of the Los Angeles wildfires*. UCLA Anderson School of Management. https://www.anderson.ucla.edu/about/centers/ucla-anderson-forecast/economic-impact-los-angeles-wildfires

DISTRICT GOVERNANCE

Valley Sanitary District is a California special district that operates under the authority of the Health and Safety Code, Sanitary District Act of 1923, § 6400 et seq. The District was formed on June 1, 1925, and is governed by a five (5) member Board of Directors. Each Director is elected through a ward-based election system. Each Director represents a specific geographic area within the District known as a ward. Under California law, the Board of Directors establishes and implements policies for the operation of the District.

The Board of Directors establishes goals and objectives, manages sound fiscal policy and control, sets rates and fees, approves the annual operating and capital budget, approves capital improvement plans, maintains strong communication between the Board of Directors and General Manager, and advocates for the District. The Board of Directors makes decisions to serve the community's best interests. The District's Board of Directors meets on the second and fourth Tuesdays of each month. Meetings are publicly noticed, and citizens are encouraged to attend.

The U.S. Environmental Protection Agency, the California Regional Water Quality Control Board, the California Health Service Department, and other regulatory agencies provide the permits and standards the District must meet to collect, treat, recycle, reuse, and dispose of wastewater.

DISTRICT SERVICES

Mission

Valley Sanitary District serves and benefits Indio and the surrounding communities by collecting, treating, and recycling wastewater to ensure a healthy environment and sustainable water supply.

Vision

Valley Sanitary District will support the Coachella Valley as an environmental steward, a model employer, and a leader in the wastewater industry known for its excellence and exceptional service. We will:

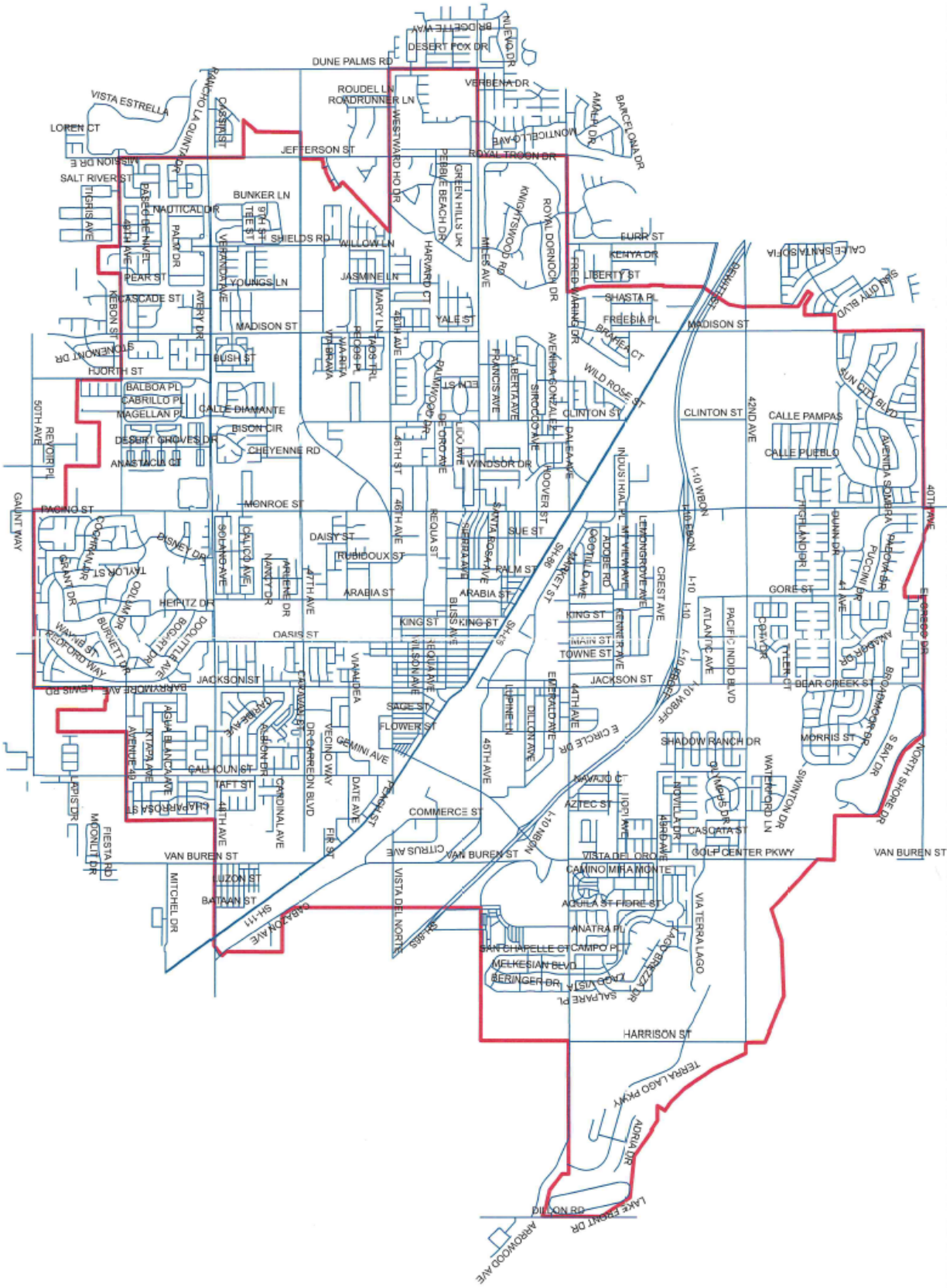
- Provide exceptional service to our customers.
- Provide a healthy work environment, cutting-edge equipment, and exceptional training opportunities for staff, our most important asset.
- Provide leadership in protecting our shared environment and safely reuse or recycle wastewater, energy, biosolids, and other valuable byproducts.
- Serve as a trusted participant in the community through our collaboration, open communication, and educational programs.

Values

- Transparent. We provide the public with information in a complete, understandable, and timely form that is readily available.
- Responsible. We consider our environment, community, customers, and ratepayers in everything we do.
- Respectful. We value diverse viewpoints, teamwork, and active listening to our community and staff.
- Integrity. We maintain high standards of conduct in all our actions and circumstances.

The District (located in the eastern desert area of Riverside County) provides sanitary sewer services to approximately 28,028 connections within its 19.5 square mile service area. The District encompasses portions of the City of Indio, Coachella, and adjacent unincorporated Riverside County, California areas. Residential customers represent approximately 97% of the District's customer base and produce an estimated 81% of the sewage flow. The District operates and maintains around 254 miles of sanitary sewer lines and delivers over 6 million gallons per day of wastewater to its wastewater reclamation facility. The reclamation facility can treat 12.5 million gallons per day. The treated wastewater is discharged into the Whitewater Storm Channel and becomes a source of freshwater replenishment to the Salton Sea.

District Service Area



STRATEGIC PLAN

In the calendar year 2023, the District retained the services of Rauch Communication Consultants, Inc., to facilitate and coordinate the development of the District's Strategic Plan.

Purpose of the Plan

This three-year Strategic Plan is Valley Sanitary District's (VSD's) highest-level planning document and represents the Board's and staff's direction for the future. The Plan identifies the District's mission, vision, and core values while providing a set of goals and objectives that serve as a framework for decision-making.

The Plan is also a practical working tool that provides clear direction to the staff regarding the Board's goals and objectives. It includes a Work Plan developed by the staff to meet those goals and objectives. The Board and staff will regularly refer to it as a guide to the District's actions during the period covered.

Plan Development

Background Research. The consultants began by holding discussions with the Board President and General Manager.

Confidential Interviews. The consultant conducted a series of confidential interviews. The goal was for the interviewees to candidly express their interests and perspectives on the District and its priorities. The interviewees included the Board of Directors and Management Team.

Strategic Planning Workshop. The interviewees also participated in a workshop. At the workshop, the group reviewed the interview results, undertook exercises to examine the District's current state, identified issues and opportunities expected to confront the District in the future, and discussed priorities.

Staff and Board Work. The consultant, General Manager, and Leadership Team developed a draft Strategic Plan based on the interviews, workshop, and other information.

Second Strategic Planning Workshop. The draft was distributed to the Board and leadership team, and at a second workshop, the participants reviewed, discussed, and refined the draft plan, including mission, vision, and values, and provided direction for additional changes.

Staff Work Plan. The Leadership Team and consultant developed a staff Work Plan to meet the District's mission, strategic goals, and objectives.

Adoption. The three-year strategic plan was adopted on April 23, 2024.

Summary of Strategic Goals and Objectives



GOAL 1: FACILITIES. Reliable, Sustainable Facilities that Meet Customer Needs



GOAL 2: FINANCE. Sustainable, Long-Term Funding Is in Place



GOAL 3: STAFF. The District Retains Its Motivated, Well-Trained, and Experienced Staff



GOAL 4: OUTREACH. A Well-Designed and Properly Resourced Outreach Plan is Sustained



GOAL 5: GOVERNANCE. An Ever-Improving Board Sets Clear and Thoughtful Direction for the District

GOAL 1: FACILITIES. Reliable, Sustainable Facilities that Meet Customer Needs

- OBJECTIVE 1.1: A Board-approved, up-to-date capital prioritization methodology is being implemented.
- OBJECTIVE 1.2: Comprehensive wastewater and facilities master plans are funded and implemented.

- OBJECTIVE 1.3: The District's use of technology lowers costs and improves quality and reliability.
- OBJECTIVE 1.4: The purposes, needs, urgency, costs, and other parameters of major projects are clearly described so that the Board has the information to make decisions that can be followed through without reconsideration.
- OBJECTIVE 1.5: Recognizing that the District provides a critical public service – the Board will confirm the essential nature of approved projects and prioritize completing them on schedule.
- OBJECTIVE 1.6: Work plans for large projects are phased for tracking, demonstration of progress, and reporting.
- OBJECTIVE 1.7: Opportunities to decrease energy and chemical use and be a good steward are evaluated for implementation.
- OBJECTIVE 1.8: The District is seeking to utilize its treated effluent for the highest practical use and is positioned to move quickly on reuse when funding becomes available.

Goal 2: FINANCE. Sustainable, Long-Term Funding is in Place

- OBJECTIVE 2.1: An up-to-date, long-term financial plan guides financial decisions.
- OBJECTIVE 2.2: Grants and other favorable public and private funding help keep customers' rates reasonable.
- OBJECTIVE 2.3: Long-term, sustainable revenue sources fully fund all identified District needs.
- OBJECTIVE 2.4: Reserve targets are reviewed and updated annually.

GOAL 3: STAFF. The District Retains Its Motivated, Well-Trained, and Experienced Staff

- OBJECTIVE 3.1: Key positions are identified, and there is at all times more than one person prepared to carry out each identified key role as an interim successor in a reasonably proficient manner.
- OBJECTIVE 3.2: A succession and knowledge retention plan is being implemented for each key position.
- OBJECTIVE 3.3: An effective retention plan is being actively implemented for all staff.
- OBJECTIVE 3.4: Adequate, qualified, trained, and experienced staff are in place to meet the District's approved needs.
- OBJECTIVE 3.5: Staff has the management, tools, and technology needed to excel.

GOAL 4: OUTREACH. A Well-Designed and Properly Resourced Outreach Plan is Sustained

- OBJECTIVE 4.1: The public understands the services the District provides, where to learn more, and have their questions answered.
- OBJECTIVE 4.2: The District's programs and funding needs are understood and supported by the public.
- OBJECTIVE 4.3: The District understands customer service-related wants, needs, and interests.

GOAL 5: GOVERNANCE. An Ever-Improving Board Sets Clear and Thoughtful Direction for the District

- OBJECTIVE 5.1: The Board self-evaluates and actively seeks to improve its performance over time.
    - 5.1.1 The Board, with the support of the Manager, will undertake an annual self-assessment and consider making improvements and changes in its policies, processes, and procedures.
    - 5.1.2: The Board will encourage its members to engage in relevant training at conferences and other appropriate venues.
- OBJECTIVE 5.2: The Board is engaged in relationship building in the community and among local, state, and national governments.
- OBJECTIVE 5.3: New directors receive a useful orientation that helps integrate them into the Board and become productive members more rapidly.
- OBJECTIVE 5.4: The General Manager's annual performance evaluation process is thorough and productive, benefiting both the Board's and Manager's performance and supporting the maintenance of proper roles and relationships, and is conducted annually at a fixed date.



BUDGET GUIDE

PURPOSE OF THE BUDGET

The District creates an annual budget as a financial plan and operating guide for the upcoming fiscal year. The budget document is a cooperative component amongst all departments that allocates resources aligned with departmental and strategic goals. The annual budget allows for greater transparency and accountability for the District.

The annual budget serves to accomplish the following:

- Align with the District's strategic goals and departmental goals
- Detail revenue projections and expense breakdown by department
- Provide sound financial management and transparency through the allocation of resources based on needs and requirements
- Present Key Performance Indicators (KPI) and establishes targets based on goals

Once approved, the budget provides legal authority for expenditures and controls expenditure levels throughout the fiscal year. The action for approval and adoption of the annual budget is completed in June of each calendar year.

The budget guides the District and establishes a path for staff to follow in making day-to-day decisions as the District strives to stay ahead of changing environmental requirements, maintain critical infrastructure, and meet the needs of the communities and citizens it serves.

The budget presentation to the Board of Directors in a publicly held meeting allows for in-depth review and alignment with District-approved strategic goals. Additionally, the Board of Directors and the public are given the opportunity for a detailed review of the financial plan for the year department by department. The budget workshop allows for greater distribution of information and an opportunity for the Board of Directors to ensure the adequacy of the allocation of resources, personnel staffing, and service requirements.

Operating Budget

The operating budget comprises revenues and expenditures from the services rendered by the wastewater treatment facility. The operating budget encompasses personnel, California Public Employees' Retirement System (CalPERS), Unfunded Accrued Liability (UAL), debt service, insurance premiums, supplies, materials, and other overhead costs to run day-to-day operations.

Capital Budget

The capital budget incorporates key projects to advance the District's Capital Improvement Program (CIP). These projects are intended to maintain, repair, and expand infrastructure.

Capital projects are categorized into two (2) categories depending on the system they impact.

1. Plant Facility
2. Sewage Collection

Capital Improvement Program

The Capital Improvement Program (CIP) is a separate twenty-year planning document that details planned capital expenditures. The capital projects include rehabilitation and replacement of infrastructure and equipment and large construction projects. The CIP aligns capital projects to various funding sources and the projected timeframe for the work. For some larger projects requiring financing, the financial impact can span over twenty years (20).

BUDGET PROCESS AND STRATEGY

The District operates on a fiscal year commencing July 1 and ending June 30. The budget process for the District is a collaborative effort amongst all departments based on sound financial management and longevity. The budget focuses on allocating and using resources within the strategic plan's framework to ensure the District's long-term success and development as a whole.

The budget is created through five (5) guiding principles.

Continue Building Momentum

Major priorities will be working towards the completion of ongoing capital projects, including the Recycled Water Project Phase I, currently in construction at the treatment facility. This project will be completed near the end of the calendar year 2025, setting the stage for future recycled water reuse.

Resource Prioritization

The District examines all resources and analyzes resource requests to ensure program/service effectiveness and alignment with short- and long-term goals. A financial plan is created that the Board of Directors can use to prioritize allocating limited financial resources.

Strategic Goal Alignment

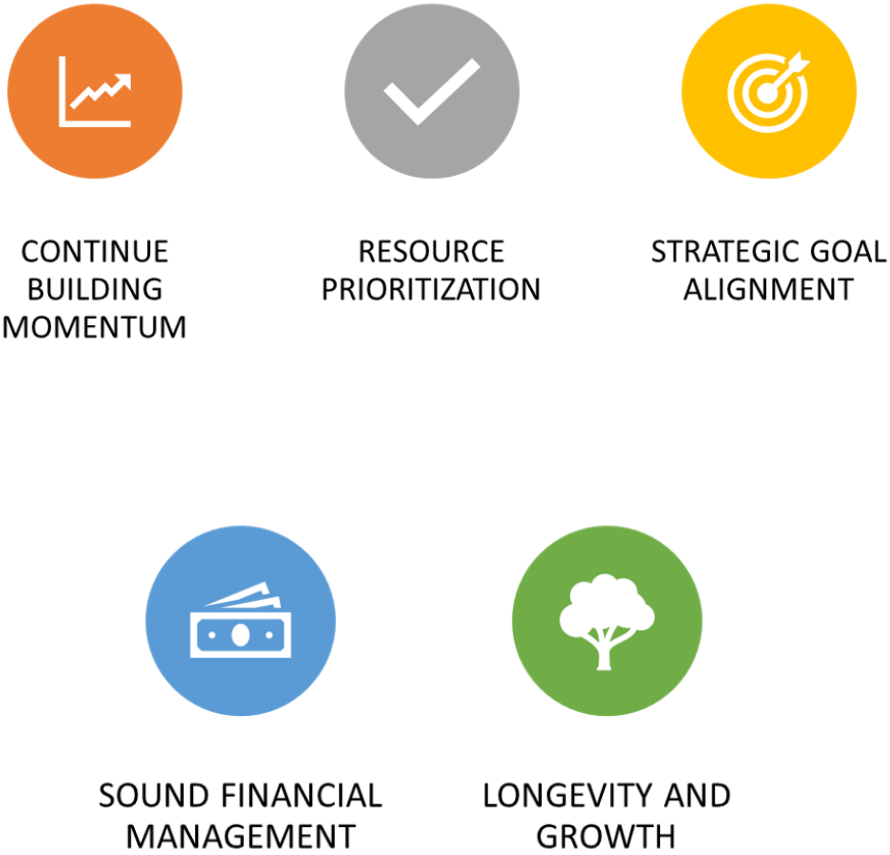
All departments must create annual goals that align with the Board-approved strategic plan. The departmental budgets are built on this premise, ensuring organizational strategic alignment.

Sound Financial Management

Financial accuracy and transparency are essential to sound financial management. The District achieves this objective by fully disclosing funding requirements and addressing projected economic challenges. The District maintains a structurally balanced budget with recurring revenues supporting recurring expenditures. The District is also required to provide financial reserves for unanticipated spending and revenue shortfalls and to respond to emergencies.

Longevity And Growth

A set vision, mission, and strategic plan ensure business continuity and growth. In the fiscal year 2025/26, the District will update its Master Plan to establish a framework for orderly growth and development of capital improvements on campus. A rate study will also be completed to address aging infrastructure and prepare to meet the changing regulatory requirements while maintaining its affordability for ratepayers.



BUDGET DEVELOPMENT

Strategic Plan Update

In April of 2024, the Board of Directors adopted the 2024 Strategic plan. This three-year Strategic Plan is Valley Sanitary District's (VSD's) highest-level planning document and represents the Board's and staff's direction for the future. The Plan identifies the District's mission, vision, and core values while providing a set of goals and objectives that serve as a framework for decision-making.

The Plan is also a practical working tool that provides clear direction to the staff regarding the Board's goals and objectives. It includes a work plan developed by the staff to meet those goals and objectives. The Board and Staff will regularly refer to it as a guide to the District's actions during the period covered.

Budget Kick-Off

In January, the Administration Department holds a budget kick-off meeting with all departments. Each department is presented with a technical memorandum of the strategic plan's budget processes, goals, and updates. At the budget kick-off for the new budget, the department heads are given budget request spreadsheets. The spreadsheets include all expenditures by category with the last two (2) fiscal year expenditures, the current fiscal year budget, and current fiscal year projections. All non-recurring expenditures from the previous year are deleted, and new requests are submitted for review and approval.

Budget Timeline

The department heads are provided with a budget timeline with important deliverable dates and meeting schedules.

Task	Day	Date
Phase 1 January		
Task 1.1 Budget Worksheets Distributed To All Departments	Thursday	2-Jan-25
Task 1.2 Budget Kickoff Meetings With All Departments	Thursday	2-Jan-25
Task 1.3 Budget Worksheets Due To Chief Administrative Officer (CAO)	Tuesday	21-Jan-25
Task 1.4 Review Of Budget Worksheets	Wednesday	22-Jan-25
Phase 2 February		
Task 2.1 Department Overview Meetings With CAO	Monday	3-Feb-25
Task 2.2 Operations Committee Reviews 10 Year Capital Improvement Plan	Tuesday	4-Feb-25
Task 2.3 Departmental Summaries And Goals Due To CAO	Tuesday	4-Feb-25
Task 2.4 Organizational Charts Due To CAO	Tuesday	4-Feb-25
Task 2.5 Strategic Planning Session	Thursday	6-Feb-25
Task 2.6 Departmental Performance Metrics Due To CAO	Tuesday	11-Feb-25
Task 2.7 Budget Worksheets Due To CAO	Tuesday	18-Feb-25
Task 2.8 Capital Improvement Project Worksheets Due	Tuesday	18-Feb-25
Phase 3 March		
Task 3.1 Review Capital Project Requests With CAO	Monday	3-Mar-25
Task 3.2 Budget Meetings With The General Manager And Department Heads	Thursday	13-Mar-25
Task 3.3 Develop Budget Presentation	Tuesday	18-Mar-25
Task 3.4 Budget And Finance Committee Review And Recommendations	Wednesday	26-Mar-25
Phase 4 April		
Task 4.1 Draft Budget Book	Thursday	10-Apr-25
Task 4.2 Board Study Session For The Fiscal Year 2025/26 Fees, Charges, 10 Year CIP, and Budget	Thursday	17-Apr-25
Task 4.3 Department Overview Meetings With CAO To Discuss Board Comments And Edit Requests	Thursday	14-Apr-25
Task 4.4 Final Worksheets Submitted To CAO	Thursday	24-Apr-25
Phase 5 May		
Task 5.1 Budget Meetings With The General Manager And Department Heads	Thursday	1-May-25
Task 5.2 Draft Budget And Budget Presentation Posted To Board Agenda	Thursday	22-May-25
Task 5.4 Board Adopts 10 Year Capital Improvement Plan	Tuesday	27-May-25
Task 5.5 Board Reviews Draft Budget And Makes Final Changes	Tuesday	27-May-25
Task 5.6 Department Overview Meetings With CAO To Discuss Final Changes	Wednesday	28-May-25
Task 5.7 Final Edits Due To CAO	Thursday	29-May-25
Phase 6 June		
Task 6.1 Final Budget Posted To Board Agenda	Thursday	5-Jun-25
Task 6.2 Board Adopts Fiscal Year 2025/26 Fees and Charges for District Services	Tuesday	10-Jun-25
Task 6.3 Board Adopts the Fiscal Year 2025/26 Budget	Tuesday	10-Jun-25
Task 6.4 Fiscal Year 2025/26 Final Budget Posted To District Website	Wednesday	25-Jun-25

Budget Adoption

The action for approval and adoption of the annual budget is completed in June of each calendar year. The final draft, including any changes requested in the May meeting of the operating and capital budget, is submitted to the Board of Directors for approval. The budget becomes effective July 1.



Continued Budget Monitoring

A budget variance report is submitted on the consent calendar to the Board of Directors for approval every month. The budget variance report compares revenues and expenses to the respective line-item budgets. The report identifies current monthly revenues, expenses, and fiscal year-to-date (FYTD) values by category.

Mid-Year Budget Review

In January, the Administration Department submits a mid-year budget report to the Board of Directors. The report provides details on revenue and expenditure trends, fund balance changes, and fiscal year-end projections. The Board of Directors receives a detailed summary by category explaining variances along with the monthly variance report.

Adjustments To the Adopted Budget

Budget transfers within the departments may be made administratively and are noted in the budget variance report. Appropriation of funds above the total operating budget requires a budget amendment and Board approval.

BASIS OF BUDGETING: ACCOUNTING VERSUS BUDGETARY BASIS

Accounting Basis

The District conforms to Generally Accepted Accounting Principles (GAAP) applicable to local governments. The financial statements are reported using the "economic resources" measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as all eligibility requirements have been met. Interest associated with the current fiscal period is accrued and recognized as revenue in the current fiscal period.

Budgetary Basis

The basis of budgeting refers to the conversions for recognizing costs and revenue in budget development and establishing and reporting appropriations, which is the legal authority to spend or collect revenues. The District budget conforms to GAAP as applicable to local governments. While it is an enterprise agency, the accounts of the District are organized and operated based on funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund balances, revenues, and expenditures. The District prepares its budget on a fund accounting basis, which segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with financial-related legal and contractual provisions. The District maintains a minimum number of funds consistent with legal and managerial requirements.

The District uses a modified accrual basis for budgeting. All operating and capital basis of budgeting and accounting expenditures and revenue are identified in the budgeting process because of the need for appropriation authority. The budget is fully reconciled to the accounting system at the beginning of the fiscal year and in preparing the Annual Comprehensive Financial Report (ACFR) at the end of the fiscal year. Several GAAP adjustments are made to reflect balance sheet requirements and their effect on the budget. These include changes in designations and recognition, via studies and analysis, of accrued liabilities. Amounts needed for such long-term liabilities as the future payoff of accumulated employee vacation are budgeted as projections and, once recognized, are adjusted for actual amounts.

The District's basis for budgeting is consistent with GAAP and the ACFR, except for the following items:

- Capital expenditures within the capital improvement fund are recorded as assets on an accounting basis but are shown as expenditures on a budgetary basis.

- Depreciation of capital assets and amortization of deferred charges are only recorded on an accounting basis. These charges are not reflected in the budget document.
- Principal payments on long-term debt within the general fund are applied to the outstanding liability on an accounting basis but are shown as expenditures on a budgetary basis.
- Carryover funds represent previously budgeted funds unexpended at the end of the applicable budget period. Carryover requests approved by the Board of Directors are added to the District's current budget period, however, they are not included in the budget document or original budget submission to the Board of Directors.

FISCAL POLICIES

Financial Management

The District's budget conforms to Generally Accepted Accounting Principles (GAAP) applicable to local governments. While it is an enterprise agency, the accounts of the District are organized and operated based on funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts that comprises its assets, liabilities, fund balances, revenues, and expenditures. The District prepares its budget on a fund accounting basis, which segregates funds according to their intended purpose, and it is used to aid management in demonstrating compliance with financial-related legal and contractual provisions. The District maintains a minimum number of funds consistent with legal and managerial requirements. The District reports the following funds in its annual budget:

- Operating Fund: This is the general operating fund of the District. The primary revenue source for this fund is derived from rates charged to customers for services provided, and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges, and maintenance costs not paid through other funds are paid from this fund.
- Special Revenue Funds: These funds receive support from various sources, mainly in the form of grants, loans, and other aid, and are restricted to expenditures for particular purposes. Currently, the District has three (3) special revenue funds:
    - 2015 Wastewater Revenue Refunding Bonds
    - State Water Resources Control Board Revolving Fund Loan
    - Bank of America Loan Recycled Water Project Phase I
- Fiduciary Fund: The District reports an Agency Fund. The Agency Fund is purely custodial in nature (assets equal liabilities) and thus does not involve measurement of results of operations. The Agency Fund accounts for assets for Assessment

District No. 2004 (Shadow Hills Interceptor), for which the District acts as an agent for its debt service activities.

- Capital Improvement Fund: Indicates the amount allocated for capital expenditures for identified projects.
- Restricted CIP Fund: Indicates the current fiscal year resource allocation and the amount allocated for capital expenditures for increased capacity-related projects.

Resources are allocated to and accounted for in individual funds based on the purposes for which they are spent and how activities are controlled. The overview of each fund provides a detailed explanation of its purpose and planned budget for each fiscal year.

Budgeting Structure

The following principles are applied in preparing the District's Annual Operating Budget:

1. Structurally Balanced Budget: The District maintains a balanced budget with recurring revenues supporting recurring expenditures. Recurring expenditures primarily consist of personnel and operating costs required to operate the District, but do not include one-time cost items such as new capital assets or replacement assets. Recurring revenues include charges and fees but do not include the use of fund balance. For this section, District-wide surplus for any fiscal year is defined as the increase in unreserved operating fund balance reflected in the District's audited financial statements. The District-wide deficit for any fiscal year is defined as the decrease in unreserved operating fund balance as reflected in the District's audited financial statements. The budget surplus of any department is defined as the excess of budgeted expenses over actual expenses in any fiscal year.
2. Budget Preparation and Presentation: The District prepares and presents its budget using current financial resources and a modified accrual basis of accounting.
    a. Inter-fund Borrowing: The District does not borrow or use operating transfers to obtain cash from one fund type or reserve to fund activities of another fund type or reserve unless such use is deemed lawful and unless the Board of Directors has determined that (a) the funds to be loaned will not be needed during the lending period, and (b) the funds for repayment will be available within a two (2) year period. Any actions taken to borrow funds under these conditions must be separately presented to and approved by the Board of Directors. The term of such borrowing shall not extend beyond the last day of the subsequent fiscal year.
    b. Prompt Reimbursement Submission: Recognizing that grants or other entities fund some programs on a reimbursement basis, the District applies for reimbursements on a timely basis to minimize the period that District funds are used as a float. Suppose requests for reimbursements extend beyond the end of a fiscal year. In that case, such reimbursements are reflected as receivables in the annual financial statements to the extent

allowed under accounting principles generally accepted in the United States of America GAAP.

c. Reserve Policy: The District shall retain an operating reserve of 40% of annual operating expenses. This reserve may fund emergency and unanticipated expenditures during a fiscal year. Fund balances over the 40% threshold may be used for capital improvements or one-time expenditures.
d. Capital Improvement Plan: The Board adopts a ten-year Capital Improvement Plan (CIP) each fiscal year. The CIP shall address cost estimates for all necessary infrastructure improvements. Funded, partially funded, and unfunded projects are delineated. The CIP is detailed for the current fiscal year and nine (9) additional years.
e. Financial Oversight and Reporting: The District provides regular financial reports on all funds, comparing budgeted revenue and expenditure information to actual on a monthly and year-to-date basis each month. The Administration Department is responsible for issuing the monthly reports to departments, the General Manager, and the Board of Directors and provides any information regarding potentially adverse trends or conditions. As soon after the closing of the fiscal year as is practicable, the annual audit reports of the District are prepared and reviewed by management. Financial reports, offering statements, and other financial-related documents issued to the public provide complete disclosure of all material financial matters. The final report is presented to the Board of Directors at a regularly scheduled meeting and is posted on the District's website.
f. Basic Financial Practices: The District strives to maintain formal policies and/or procedures that reflect "best practices" in:
    i. Budget Development and Adjustments: Establish proper budgetary preparation procedures and guidelines, calendar of events, planning models by the fund, budget adjustment procedures, the establishment of rates and fees, indirect costs, and interest income. The budget should be scheduled to allow sufficient review by the Board of Directors while allowing for sufficient citizen input. The budget document reflecting all final actions adopted by the Board of Directors on/or before June 30 of each year is made available within 30 days of such adoption in hard copies at the District office and on the District's website.
    ii. Cash Management and Investments: Comply with all related government codes.
    iii. Debt Management: Address affordability, capacity, debt issuance, and management.
    iv. Equipment and Vehicle Replacement: Established guidelines for determining the useful life and replacement of capitalized equipment

and vehicles and provided a basis for establishing a budget and funding methodology.

v. Procurement: Establish District-wide policies and procedures and provide appropriate checks and balances to ensure that departments adhere to the District's purchasing policies.

Reserve Policy

Purpose

Prudent financial planning and fiscal responsibility include anticipating and preparing for future funding requirements and unforeseen and unexpected emergencies, disasters, and other events. The District has established reserve funds for its long-term organizational and operational stability, and the reserve funds enable the District to minimize significant rate fluctuations due to unforeseen and expected cash flow requirements. This Reserve Fund Policy ensures that the District accumulates, manages, maintains, and uses certain financial resources only for specific purposes.

Types of Reserve Funds

The District maintains two (2) types of funds:

1. Restricted Reserves: Restricted reserves are restricted by an outside source, such as by statute, court, or contract.
2. Designated Reserves: Designated reserves are established and set aside to be used only for a specific, designated purpose.

Specific Reserve Funds

The District maintains the following six (6) reserve funds:

1. Capital Replacement Reserve Fund: The Capital Replacement Reserve Fund (Fund 12) is a designated reserve to fund the capital improvement program and for unforeseen capital projects necessary to meet regulatory requirements, system reliability, repair, and replacement of District Assets. The District's goal is to fund the Capital Replacement Reserve at 40% of the annual operating budget (Fund 11).
2. Capital Improvement Reserve Fund: The Capital Improvement Reserve Fund (Fund 13) is a designated reserve to fund the capital improvements required due to growth and new users in the system. Developer impact fees, special developer agreements, and capacity connection charges primarily fund it.
3. Debt Service Reserve Fund: The Debt Service Reserve Fund is a restricted reserve governed by legal bond covenants and is to be used if the District cannot meet the required debt service obligation. The bond

covenants require that the Debt Service Reserve be maintained at a level sufficient to fund the maximum annual debt service payments.

4. Emergency Reserve Fund: The Emergency Reserve Fund is to be used only to cover cash flow shortages caused by an unexpected event, such as a natural disaster, water shortage, or other unforeseen expense. The District's goal is to maintain the Emergency Reserve at 5% of the annual operating budget (Fund 11).
5. Operating Reserve Fund: The Operating Reserve Fund is a designated reserve used only to cover cash flow shortages caused by a short-term, unexpected disruption of anticipated revenue or when expenses become due before the anticipated revenue to pay those expenses is received. The District's goal is to maintain the Operating Reserve in excess of 50%, or six (6) months, of the annual operating budget.
6. Vehicle & Equipment Replacement Reserve Fund: The Vehicle & Equipment Replacement Reserve Fund is a designated reserve designated to adequately fund the District's replacement of major vehicles and equipment. This fund shall be funded annually and the by amount established annually in the District operating budget.

Management of Reserve Funds

The Board of Directors, in 0 with the General Manager, is responsible for managing the reserve funds. The Board of Directors must authorize the expenditure from the District's reserve funds. The Board annually will review the balance of the reserve funds, work collaboratively with General Manager to ensure the accuracy of the annual report, evaluate the goals and purpose of each reserve fund, and recommend adjustments as may be necessary or desirable.

Per the District's Investment Policy, financial reserves may be invested or otherwise held in District financial accounts as deemed appropriate by the Board of Directors in carrying out their fiduciary responsibilities.

Investment Management

The District operates within an established formal investment policy, which applies to all investments of public funds. The overall goal is to safeguard the available operating and capital funds and achieve a maximum return on investment. Investment portfolios are managed to meet anticipated cash flow requirements. The District participates in an investment pool managed by the State of California titled Local Agency Investment Fund (LAIF), which has invested a portion of the pooled funds in structured notes and asset-backed securities. LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these structured notes and asset-back securities are subject to market risk and changes in interest rates. The District also participates in the CalTrust Medium Term Fund.

CURRENT DEBT OBLIGATIONS

Debt Management

Debt premiums and discounts are deferred and amortized over the life of the debt using the effective interest method. Long-term debt is reported net of the applicable bond premium or discount. Debt issuance costs are expensed when incurred. The District currently has three (3) outstanding long-term loans.

Maximum Annual Debt Service

The net revenues of the wastewater system, calculated on sound accounting principles, as shown by the books of the District for the latest fiscal year or any more recent 12-month period selected by the District ending not more than 60 days before the adoption of the Parity Obligations Instrument under which such proposed Parity Obligations are issued, shall at least equal 125% of Maximum Annual Debt Service and debt service of any State Loans, with Maximum Annual Debt Service calculated on all Parity Obligations to be outstanding immediately after the issuance of such Parity Obligations which have a lien on Net Revenues of the Wastewater System.

Debt Ratio Calculation

Calculations as of May 10, 2025		
1.	Projected Net Revenues (as defined in 2015 Indenture) for Fiscal Year ending June 30, 2024	$ 15,895,829
2.	Maximum Annual Debt Service of the 2015 Bonds	$ 887,500
3.	Maximum Annual Debt Service of the 2016 ISA	$ 553,361
4.	Maximum Annual Debt Service of the 2022 ISA	$ 5,545,760
5.	Combined Maximum Annual Debt Service of the 2015 Bonds, the 2016 ISA and the 2022 ISA (Sum of Lines 2 + 3 + 4)	$ 6,986,621
6.	Ratio of Line 1 to Line 5	228%
8.	Line 3 must be not less than	125%
7.	In compliance	Yes

2015 Wastewater Revenue Refunding Bonds

On August 26, 2006, the District issued the 2006 Certificates of Participation for $12,915,000. The purpose of the Certificates was to fund Phase I of the District's treatment plant expansion. Interest ranging from 3.50% to 4.375% is payable semi-annually on February 1 and August 1, commencing February 1, 2007.

On June 18, 2015, the District issued Wastewater Revenue Refunding Bonds, Series 2015, for $7,540,000. The purpose of the bond issuance was to provide funds to decrease and refund on a current basis the District's outstanding 2006 Certificates of Participation (Treatment Plan Expansion) and pay the costs of issuing the bonds. The bonds are payable from and secured by a lien on the net revenue of the District's wastewater system. The aggregate difference in debt service because of the refinancing was in the amount of $1,596,780. The economic gain on the refinancing was $500,181. The interest rate of 5% (except for 2.125% in 2023) is payable semi-annually on December 1 and June 1, beginning December 1, 2015. The bonds are not subject to redemption before maturity. The unaudited outstanding balance as of June 30, 2025, is $845,000.

The table below depicts the Standard & Poor's (S&P) public rating as shown at www.standardsandpoors.com.

Summary:

Valley Sanitary District, California; Water/Sewer

Credit Profile		
US$9.1 mil wastewtr rev rfdg bnds ser 2015 due 06/01/2026		
Long Term Rating	AA+/Stable	New
Valley San Dist (Treatment Plant Expansion) ser 2006		
Unenhanced Rating	AA+(SPUR)/Stable	Upgraded

Many issues are enhanced by bond insurance.

The following table presents the debt through maturity:

Ref Num	Due Date	Principal Payment	Interest Payment	Annual Debt Service	Ending Balance
1	12/1/2015		$ 160,934.20		$ 7,540,000.00
2	6/1/2016	550,000.00	177,718.75	888,652.95	6,990,000.00
3	12/1/2016		163,968.75		6,990,000.00
4	6/1/2017	565,000.00	163,968.75	892,937.50	6,425,000.00
5	12/1/2017		149,843.75		6,425,000.00
6	6/1/2018	590,000.00	149,843.75	889,687.50	5,835,000.00
7	12/1/2018		135,093.75		5,835,000.00
8	6/1/2019	620,000.00	135,093.75	890,187.50	5,215,000.00
9	12/1/2019		119,593.75		5,215,000.00
10	6/1/2020	650,000.00	119,593.75	889,187.50	4,565,000.00
11	12/1/2020		103,343.75		4,565,000.00
12	6/1/2021	685,000.00	103,343.75	891,687.50	3,880,000.00
13	12/1/2021		86,218.75		3,880,000.00
14	6/1/2022	715,000.00	86,218.75	887,437.50	3,165,000.00
15	12/1/2022		68,343.75		3,165,000.00
16	6/1/2023	750,000.00	68,343.75	886,687.50	2,415,000.00
17	12/1/2023		60,375.00		2,415,000.00
18	6/1/2024	765,000.00	60,375.00	885,750.00	1,650,000.00
19	12/1/2024		41,250.00		1,650,000.00
20	6/1/2025	805,000.00	41,250.00	887,500.00	845,000.00
21	12/1/2025		21,125.00		845,000.00
22	6/1/2026	845,000.00	21,125.00	887,250.00	-
Total		**$ 7,540,000.00**	**$ 2,236,965.45**	**$ 9,776,965.45**	

State Water Resources Control Board Revolving Fund Loan

The District executed the installment sale agreement with the State Water Resources Control Board (SWRCB) to construct the Requa Avenue Sewer Interceptor Project. As part of the Requa Avenue Sewer Interceptor Project, the District constructed 4.2 miles of new gravity flow sewer pipeline and related utility improvements designed to collect and convey sanitary sewer flow within an existing public right-of-way through central Indio, California, to the existing District's Water Reclamation Plant. The SWRCB provided financial assistance. The total amount of the loan funded was $12,920,155 with no unused credit. There was no pledged asset as collateral. In the event of default, the District, upon demand by SWRCB, will immediately repay an amount equal to project funds disbursed, accrued interests, penalty assessments, and additional payments. Beginning June 2019, the District will repay the principal of the project funds, together with all interest accruing

thereon, annually to the SWRCB. As of June 30, 2025, the unaudited outstanding balance of the SWRCB revolving fund loan is $10,461,558.

A reserve account must be maintained equal to one (1) year of the SWRCB revolving fund loan debt service payment from unrestricted net revenues. The reserve requirement is $553,361 for the duration of the loan. Debt covenants of the SWRCB revolving fund loan require that the District have net revenues of at least 125% of the total debt service payments (including 2015 Wastewater Revenue Refunding Bonds).

The following table presents the debt through maturity:

Ref Num	Due Date	Principal Payment	Interest Rate	Interest Payment	Service Charge	Grant Charge	Total Payment	Ending Balance
1	6/1/2019	$ 333,718.08	1.700%	$ 219,642.63			$ 553,360.71	$ 12,586,436.86
2	6/1/2020	339,391.28	1.700%	213,969.43			553,360.71	12,247,045.58
3	6/1/2021	345,160.94	1.700%	208,199.77			553,360.71	11,901,884.64
4	6/1/2022	351,028.67	0.700%		119,018.85	83,313.19	553,360.71	11,550,855.97
5	6/1/2023	356,996.16	0.700%		115,508.56	80,855.99	553,360.71	11,193,859.81
6	6/1/2024	363,065.09	0.700%		111,938.60	78,357.02	553,360.71	10,830,794.72
7	6/1/2025	369,237.20	0.700%		108,307.95	75,815.56	553,360.71	10,461,557.52
8	6/1/2026	375,514.23	0.700%		104,615.58	73,230.90	553,360.71	10,086,043.29
9	6/1/2027	381,897.98	0.700%		100,860.43	70,602.30	553,360.71	9,704,145.31
10	6/1/2028	388,390.24	0.700%		97,041.45	67,929.02	553,360.71	9,315,755.07
11	6/1/2029	394,992.87	0.700%		93,157.55	65,210.29	553,360.71	8,920,762.20
12	6/1/2030	401,707.75	0.700%		89,207.62	62,445.34	553,360.71	8,519,054.45
13	6/1/2031	408,536.79	0.700%		85,190.54	59,633.38	553,360.71	8,110,517.66
14	6/1/2032	415,481.91	0.700%		81,105.18	56,773.62	553,360.71	7,695,035.75
15	6/1/2033	422,545.10	0.700%		76,950.36	53,865.25	553,360.71	7,272,490.65
16	6/1/2034	429,728.37	0.700%		72,724.91	50,907.43	553,360.71	6,842,762.28
17	6/1/2035	437,033.75	0.700%		68,427.62	47,899.34	553,360.71	6,405,728.53
18	6/1/2036	444,463.32	0.700%		64,057.29	44,840.10	553,360.71	5,961,265.21
19	6/1/2037	452,019.20	0.700%		59,612.65	41,728.86	553,360.71	5,509,246.01
20	6/1/2038	459,703.53	0.700%		55,092.46	38,564.72	553,360.71	5,049,542.48
21	6/1/2039	467,518.49	0.700%		50,495.42	35,346.80	553,360.71	4,582,023.99
22	6/1/2040	475,466.30	0.700%		45,820.24	32,074.17	553,360.71	4,106,557.69
23	6/1/2041	483,549.23	0.700%		41,065.58	28,745.90	553,360.71	3,623,008.46
24	6/1/2042	491,769.57	0.700%		36,230.08	25,361.06	553,360.71	3,131,238.89
25	6/1/2043	500,129.65	0.700%		31,312.39	21,918.67	553,360.71	2,631,109.24
26	6/1/2044	508,631.86	0.700%		26,311.09	18,417.76	553,360.71	2,122,477.38
27	6/1/2045	517,278.60	0.700%		21,224.77	14,857.34	553,360.71	1,605,198.78
28	6/1/2046	526,072.33	0.700%		16,051.99	11,236.39	553,360.71	1,079,126.45
29	6/1/2047	535,015.56	0.700%		10,791.26	7,553.89	553,360.71	544,110.89
30	6/1/2048	544,110.89	0.700%		5,441.11	3,808.78	553,360.78	-
Total		**$ 12,920,154.94**		**$ 641,811.83**	**$ 1,787,561.53**	**$ 1,251,293.07**	**$ 16,600,821.37**	

Debt Financing Bank of America Capital Corp

The District executed the installment sale agreement with Bank of America Capital Corp for the Recycled Water Project Phase I in May 2022. The Recycled Water Project Phase I will replace an aging and capacity-restricting grit chamber and provide redundancy by adding a second digester and expanding the bar screens. This project must meet anticipated regulatory requirements, tertiary treatment, and recycled water production. The total amount of the loan funded was $71,000,000 at an interest rate of 2.75%. The District will make installment payments commencing December 1, 2022, and scheduled to end June 1, 2042. As of June 30, 2025, the unaudited outstanding balance of the Bank of America Capital Corp revolving loan is $66,905,759.

The following table presents the debt through maturity:

Ref Num	Due Date	Principal Payment	Interest Payment	Annual Debt Service	Ending Balance
1	5/13/2022				$ 71,000,000.00
2	12/1/2022	-	1,073,875.00	1,073,875.00	71,000,000.00
3	6/1/2023	920,296.26	976,250.00	1,896,546.26	70,079,703.74
4	12/1/2023	-	963,595.93	963,595.93	70,079,703.74
5	6/1/2024	1,901,555.70	963,595.93	2,865,151.63	68,178,148.04
6	12/1/2024	-	937,449.54	937,449.54	68,178,148.04
7	6/1/2025	1,272,389.43	937,449.54	2,209,838.97	66,905,758.61
8	12/1/2025	-	919,954.18	919,954.18	66,905,758.61
9	6/1/2026	2,366,971.50	919,954.18	3,286,925.68	64,538,787.11
10	12/1/2026	-	887,408.32	887,408.32	64,538,787.11
11	6/1/2027	2,576,648.36	887,408.32	3,464,056.68	61,962,138.75
12	12/1/2027	-	851,979.41	851,979.41	61,962,138.75
13	6/1/2028	3,686,911.69	851,979.41	4,538,891.10	58,275,227.06
14	12/1/2028	-	801,284.37	801,284.37	58,275,227.06
15	6/1/2029	3,943,191.04	801,284.37	4,744,475.41	54,332,036.02
16	12/1/2029	-	747,065.50	747,065.50	54,332,036.02
17	6/1/2030	3,990,681.62	747,065.50	4,737,747.12	50,341,354.40
18	12/1/2030	-	692,193.62	692,193.62	50,341,354.40
19	6/1/2031	4,039,081.41	692,193.62	4,731,275.03	46,302,272.99
20	12/1/2031	-	636,656.25	636,656.25	46,302,272.99
21	6/1/2032	4,095,284.68	636,656.25	4,731,940.93	42,206,988.31
22	12/1/2032	-	580,346.09	580,346.09	42,206,988.31
23	6/1/2033	4,146,056.98	580,346.09	4,726,403.07	38,060,931.33
24	12/1/2033	-	523,337.81	523,337.81	38,060,931.33
25	6/1/2034	4,188,588.09	523,337.81	4,711,925.90	33,872,343.24

Ref Num	Due Date	Principal Payment	Interest Payment	Annual Debt Service	Ending Balance
26	12/1/2034	-	465,744.72	465,744.72	33,872,343.24
27	6/1/2035	4,204,415.86	465,744.72	4,670,160.58	29,667,927.38
28	12/1/2035	-	407,934.00	407,934.00	29,667,927.38
29	6/1/2036	4,231,166.99	407,934.00	4,639,100.99	25,436,760.39
30	12/1/2036	-	349,755.46	349,755.46	25,436,760.39
31	6/1/2037	4,225,820.48	349,755.46	4,575,575.94	21,210,939.91
32	12/1/2037	-	291,650.42	291,650.42	21,210,939.91
33	6/1/2038	4,159,800.39	291,650.42	4,451,450.81	17,051,139.52
34	12/1/2038	-	234,453.17	234,453.17	17,051,139.52
35	6/1/2039	4,159,118.09	234,453.17	4,393,571.26	12,892,021.43
36	12/1/2039	-	177,265.29	177,265.29	12,892,021.43
37	6/1/2040	4,148,217.97	177,265.29	4,325,483.26	8,743,803.46
38	12/1/2040	-	120,227.30	120,227.30	8,743,803.46
39	6/1/2041	4,126,272.67	120,227.30	4,246,499.97	4,617,530.79
40	12/1/2041	-	63,491.05	63,491.05	4,617,530.79
41	6/1/2042	4,617,530.79	63,491.05	4,681,021.84	-
Total		**$ 71,000,000.00**	**$ 23,353,709.86**	**$ 94,353,709.86**	

The table below shows the unaudited debt beginning balances as of July 1, 2025.

District's Outstanding Debt

2015 Revenue Refunding Bond	$ 845,000
Bond Premium	92,137
SWRCB Loan	10,461,558
Bank of America Loan	66,905,759
Total	$ 78,304,454



A look back to VSD's vactor crew jetting sewer lines near Indio Boulevard in the mid 1990's. Vactor crews use high-pressure water jetting to clean and clear blockages from sewer lines, keeping the wastewater system flowing properly.

FUND SUMMARY



FINANCIAL MANAGEMENT

The District adheres to Generally Accepted Accounting Principles (GAAP) as applicable to local government entities. Although the District operates as an enterprise agency, it utilizes a fund accounting system, in which each fund is treated as a separate fiscal and accounting entity. This structure ensures transparency, accountability, and compliance with legal and contractual financial requirements.

Types of Funds Maintained

1. Operating Fund
    - The District's primary fund for general operations.
    - Funded mainly through customer service rates.
    - Covers day-to-day operating expenses, maintenance, and fixed charges not paid through other funds.
2. Special Revenue Funds
    - Used exclusively for specific purposes and supported by grants, loans, or other aid.
    - The District currently manages two such funds:
        - *2015 Wastewater Revenue Refunding Bonds*
        - *State Water Resources Control Board Revolving Fund Loan*
3. Fiduciary Fund (Agency Fund)
    - Custodial in nature; assets equal liabilities.
    - No operational revenue or expenditure tracking.
    - Used for Assessment District No. 2004 (Shadow Hills Interceptor), where the District manages debt service on behalf of others.
4. Capital Improvement Fund
    - Allocated for long-term facility maintenance and capital projects.
    - Supports planning and financing of capital improvements over multiple years.
5. Restricted Capital Improvement Fund
    - Allocated for capacity-related capital expenditures in the current fiscal year.

- Funds are restricted and must be used specifically for projects that expand system capacity.

Each fund is carefully managed and tracked according to its intended purpose, ensuring financial integrity and strategic allocation of resources.

FUND BALANCE

The fund balance represents the difference between a fund's assets and liabilities, as reported on the fund's balance sheet. It serves as a key indicator of the District's financial health and available resources.

Fund balances are categorized based on the level of constraints placed on how funds can be used. These classifications help ensure transparency in how financial resources are allocated and restricted.

The fund balance provides a financial cushion and is a critical tool for:

- Paying long-term debt obligations
- Sustaining ongoing programs
- Funding new initiatives or capital projects

The table below presents a summary of the District's fund balances, reflecting classifications and availability of resources for future use.

All Fund Summary	FY23 Actual	FY24 Actual	FY25 Budget	*FY25 Projected	FY26 Budget	Budget Change	Percent Change
Revenues							
Sewer Service Chgs-Current	$ 17,466,637	$ 19,322,726	$ 20,362,242	$ 21,034,168	$ 21,695,832	$ 1,333,590	6.5%
Sewer Service Penalties	-	1,103.00	-	-	1,457.00	1,457.00	0.0%
Permit & Inspection Fees	26,975	27,060	16,161	31,072	25,574	9,413	58.2%
Saddles/Disconnect Fees	320	320	-	120	272	272	0.0%
Plan Check Fees	10,200	12,630	6,935	14,910	13,715	6,780	97.8%
Other Services	6,370	2,910	4,455	1,650	2,176	(2,279)	-51.2%
Property Taxes General	1,406,142	1,517,807	1,405,934	1,247,781	1,399,019	(6,915)	-0.5%
Connection Fees	1,047,104	1,555,154	900,000	1,519,241	1,120,563	220,563	24.5%
Investment Income	1,423,768	2,545,316	1,239,475	2,342,660	2,924,525	1,685,050	135.9%
Total Revenues	**$ 21,387,516**	**$ 24,985,026**	**$ 23,935,202**	**$ 26,191,603**	**$ 27,183,133**	**$ 3,247,931**	**13.6%**
Expenses							
Wages	$ 3,574,886	$ 4,167,972	$ 4,524,528	$ 4,016,626	$ 5,069,354	$ 544,826	12.0%
Fringe Benefits	1,306,126	1,554,040	1,804,785	1,532,780	2,056,891	252,106	14.0%
Services	1,083,587	1,127,715	3,019,054	1,214,727	3,670,687	651,633	21.6%
Supplies and Materials	1,430,979	1,318,709	1,914,863	1,223,758	2,130,945	216,082	11.3%
Fuels and Lubricants	55,479	47,436	70,000	29,656	75,000	5,000	7.1%
Comprehensive Insurance	419,814	492,168	587,310	525,523	840,369	253,059	43.1%
Projects	32,400	29,456	398,000	250,000	310,792	(87,208)	-21.9%
Unfunded Accrued Liability (UAL)	736,606	-	515,872	515,872	565,931	50,059	9.7%
Utilities	867,892	1,091,250	1,532,000	947,527	1,545,500	13,500	0.9%
Permits and Fees	73,633	73,019	151,810	75,327	152,760	950	0.6%
Other	194,924	242,389	478,982	346,516	509,593	30,611	6.4%
Total Expenses	**$ 9,776,327**	**$ 10,144,153**	**$ 14,997,204**	**$ 10,678,312**	**$ 16,927,822**	**$ 1,930,618**	**12.9%**
Operating Income (Loss)	**$ 11,611,189**	**$ 14,840,873**	**$ 8,937,998**	**$ 15,513,291**	**$ 10,255,311**	**$ 1,317,313**	**14.7%**
Non Operating Revenues (Expenses)							
Sources							
Loan Proceeds	$ 13,364,334	$ 27,854,872	$ 20,100,000	$ 18,834,495	$ 6,000,000	$ (14,100,000)	-70.1%
Grant Revenue	-	-	5,368,750	3,265,275	2,407,820	(2,960,930)	0.0%
Non-Operating Revenues	40,558	32,610	7,530	411	3,813	(3,717)	-49.4%
Sale of Surplus Property	21,032	25,011	11,357	33,765	33,311	21,954	193.3%
Rebate Income	2,252	3,239	3,751	3,735	4,074	323	8.6%
Rental Income	-	1,000	12,000	12,000	12,000	-	0.0%
Uses							
Capital Improvement Budget	(18,459,416)	(36,083,953)	(40,068,000)	(29,184,384)	(22,829,494)	17,238,506	-43.0%
Debt Service	(4,412,971)	(5,270,359)	(4,590,650)	(4,590,650)	(5,649,991)	(1,059,341)	23.1%
Total Nonoperating Revenue (Expenses)	**(9,444,211)**	**(13,437,580)**	**(19,155,262)**	**(11,625,352)**	**(20,018,467)**	**(863,205)**	**4.5%**
Increase (Decrease) in Cashflow	$ 2,166,978	$ 1,403,293	$ (10,217,264)	$ 3,887,939	$ (9,763,156)	$ 454,108	-4.4%
Beginning Reserve	$ 65,907,087	$ 68,074,065	$ 69,477,358	$ 69,477,358	$ 73,365,297	$ 3,887,939	5.6%
Ending Reserve	**$ 68,074,065**	**$ 69,477,358**	**$ 59,260,094**	**$ 73,365,297**	**$ 63,602,141**	**$ 4,342,047**	**7.3%**
Assigned Reserve	$ 41,173,181	$ 41,289,313	$ 28,393,253	$ 42,498,456	$ 32,298,368	$ 3,905,115	13.8%
Unassigned Reserve	$ 26,900,884	$ 28,188,045	$ 30,866,841	$ 30,866,841	$ 31,303,773	$ 436,932	1.4%

*Unaudited

REVENUE BY SOURCE

Revenue Forecasting and Projections

The District's annual budgeted revenues are projected using analytical forecasting techniques and local economic intelligence. These methods include:

- Historical data analysis
- Moving averages
- Exponential smoothing
- Trend projections
- Market research

To ensure accuracy and relevance, the District incorporates local growth and development trends by:

- Monitoring City of Indio planning data
- Reviewing the annual economic forecast
- Analyzing reports from the Coachella Valley Economic Partnership (CVEP)
- Evaluating local real estate and development market data

Development Highlights from FY 2024/25 Indio Report

- 64 new apartment units are expected to be added in Downtown Indio.
- Desert Retreat, a new Del Webb community by Pulte Homes, is set to bring 1,500 new homes to North Indio.
- Major national chains expanding in the area include:
    - Raising Cane's Chicken Fingers
    - EOS Fitness
    - In-N-Out Burger
    - Dutch Bros Coffee

These development activities are expected to contribute to increased demand for services and, by extension, revenue growth.

Additionally, the District conducts a three-year historical review of all revenue sources to inform and validate its projections.

The tables below illustrate budgeted revenues by source, reflecting the District's commitment to data-driven financial planning.

Fund 11 (General Fund) Revenues by Source	FY23 Actual	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget	Budget Change	Percent Change
OPERATING REVENUES:							
SEWER SERVICE CHGS-CURRENT	$17,466,637	$19,322,726	$20,362,242	$21,353,970	$21,695,832	$ 1,333,590	6.5%
SEWER SERVICE PENALTIES	-	1,103.00	-	-	1,457.00	1,457.00	-
PERMIT & INSPECTION FEES	26,975	27,060	16,161	32,946	25,574	9,413	58.2%
SADDLES/DISCONNECT FEES	320	320	-	96	272	272	0.0%
PLAN CHECK FEES	10,200	12,630	6,935	16,368	13,715	6,780	97.8%
OTHER SERVICES	6,370	2,910	4,455	1,764	2,176	(2,279)	-51.2%
SALE OF SURPLUS PROPERTY	21,032	25,011	11,357	27,012	33,311	21,954	193.3%
Subtotal	**$17,531,535**	**$19,391,761**	**$20,401,150**	**$21,432,156**	**$21,772,337**	**$ 1,371,187**	**6.7%**
NON-OPERATING REVENUES:							
TAXES - CURRENT SECURED	$ 1,300,862	$ 1,414,553	$ 1,265,434	$ 1,016,726	$ 1,273,476	$ 8,042	0.6%
TAXES - CURRENT UNSECURED	38,230	42,893	60,712	55,728	64,878	4,166	6.9%
TAXES - PRIOR SECURED	11,987	12,571	18,571	13,502	13,640	(4,931)	-26.6%
TAXES - PRIOR UNSECURED	2,397.59	-	-	-	5,711.00	5,711.00	-
SUPPLE PROP. TAXES - CURRENT	36,147	27,029	36,075	16,810	24,155	(11,920)	-33.0%
SUPPLE PROP. TAXES - PRIOR	9,497	14,059	19,952	8,483	12,051	(7,901)	-39.6%
HOMEOWNERS TAX RELIEF	7,023	6,703	5,190	3,943	5,108	(82)	-1.6%
INTEREST INCOME (FUND 11)	639,901	772,942	460,327	1,193,566	1,144,622	684,295	148.7%
UNREALIZED GAINS (LOSSES)	(18,394)	6,684	4,972	25,032	22,302	17,330	348.6%
NON-OPERATING REVENUES	40,558	32,610	7,530	443	3,813	(3,717)	-49.4%
REBATE INCOME	2,252	3,239	3,751	2,988	4,074	323	8.6%
RENTAL INCOME	-	1,000	12,000	12,000	12,000	-	-
INTEREST INCOME (FUND 12)	567,596	1,232,517	534,316	1,172,057	1,193,109	658,793	123.3%
Subtotal	**$ 2,638,056**	**$ 3,566,799**	**$ 2,428,830**	**$ 3,521,279**	**$ 3,778,939**	**$ 1,350,109**	**55.6%**
Fund 11 Total Revenues by Source	**$20,169,590**	**$22,958,559**	**$22,829,980**	**$24,953,435**	**$25,551,276**	**$ 2,721,296**	**11.9%**

Fund 13 (Capital Improvement Fund) Revenues by Source	FY23 Actual	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget	Budget Change	Percent Change
OPERATING REVENUES:							
CONNECTION FEES	$ 1,047,104	$ 1,555,154	$ 900,000	$ 1,953,729	$ 1,120,563	$ 220,563	24.5%
Subtotal	**$ 1,047,104**	**$ 1,555,154**	**$ 900,000**	**$ 1,953,729**	**$ 1,120,563**	**$ 220,563**	**24.5%**
NON-OPERATING REVENUES:							
INTEREST INCOME	$ 234,664	$ 533,173	$ 239,860	$ 438,747	$ 564,492	$ 324,632	135.3%
Subtotal	**$ 234,664**	**$ 533,173**	**$ 239,860**	**$ 438,747**	**$ 564,492**	**$ 324,632**	**135.3%**
Fund 13 Total Revenues by Source	**$ 1,281,769**	**$ 2,088,327**	**$ 1,139,860**	**$ 2,392,476**	**$ 1,685,055**	**$ 545,195**	**47.8%**

Combined Total Revenues	**$21,451,359**	**$25,046,886**	**$23,969,840**	**$27,345,911**	**$27,236,331**	**$ 3,266,491**	**13.6%**

REVENUE SUMMARY

Sewer Service Charges

Sewer service charges are analyzed at least once every five (5) years. The most recent analysis was completed in 2021. Following all Prop 218 mandates, the District mailed out notices to its customers with the proposed rate increases from July 1, 2021, to July 1, 2025. The Board of Directors adopted a rate structure and Five-Year Rate Plan effective July 1, 2021. The sewer service revenue is projected at 36,300 Equivalent Dwelling Units (EDUs).

Permit & Inspection Fees

Fees are collected for lateral and mainline inspections. The projected decrease is attributed to a forecasted decrease in new developments.

Saddles/Disconnect Fees

If sewer service to any premises is disconnected pursuant to any provision of the District code, the owner shall be responsible and liable for payment of the fee established by the District to cover the District's costs to disconnect the sewer service.

Plan Check Fees

Anticipated revenue is based on a $150 per hour fee with a one-hour minimum fee for plan checking. The projected decrease is attributed to a forecasted decrease in new developments.

Other Services

Income from dump station fees. The District dump station is a place designated to dispose of RV wastewater, including the blackwater tank (containing toilet waste) and the graywater tank (containing wastewater from sinks, showers, and dishwashers). The dump station fee is set at a flat rate of $10.

Sale of Surplus Property

Revenue is generated from the sale of surplus property. Surplus Property is property a government entity no longer needs. Personal property includes assets ranging from office equipment and furniture to scientific equipment, heavy machinery, airplanes, vessels, and vehicles. If this property cannot be donated to a state or public agency or nonprofit organization, the public can buy it. The decrease in the sale of surplus property is due to the projected disposal of obsolete assets scheduled for disposal in the FY 2025/26.

Taxes - Current Secured

Secured property is generally non-movable property, such as houses, buildings, etc. Revenues are based on general valuation. The portion of revenue designated for special districts is 1%. VSD is estimated to receive 0.00028257% of the general-purpose funds county-wide. The increase in budgeted taxes current secured is due to an increase in the general-purpose funds county-wide.

Taxes - Current Unsecured

The unsecured property includes items such as motor homes, airplanes, boats, and other moveable personal property. The portion of revenue designated for special districts is 1%. Of this 1%, VSD is estimated to receive 0.00028257%. The increase in budgeted taxes current unsecured is due to an increase in the general-purpose funds county-wide.

Prior Secured

Prior secured payments are received for prior year taxes and are similar to secured taxes, and the revenue is based on the same formula. The increase in budgeted taxes previously secured is due to an increase in the general-purpose funds county-wide.

Supplemental Property Taxes - Current

Funds are derived from supplemental tax roll changes due to property sales or new construction. Since July 1983, state law requires the County Assessor to reappraise property as of the date of change in ownership or completion of new construction rather than at the next tax year. The current increase in supplemental property taxes is due to an estimated increase in the forecast.

Supplemental Property Taxes - Prior

Funds are derived from supplemental tax roll changes due to the sale of property or new construction. The increase in supplemental property taxes prior is due to an estimated increase in the forecast.

Homeowners Tax Relief

The portion of tax funds is replaced by state resources for tax relief for homeowners. For example, if a homeowner's exemption deducts $7,000 of the property's valuation for calculating the property owner's tax, the state replaces the taxes that the $7,000 valuation would have provided to the county. The increase in the budgeted homeowner's tax relief revenue is due to forecasted projections.

Non-Operating Revenues

The District is a participant in the Wastewater-based Epidemiology Surveillance Program for the monitoring of SARS-CoV-2, the virus causing COVID-19. The data is submitted to the U.S. Centers for Disease Control and Prevention (CDC) 's National Wastewater Surveillance System (NWSS). The District received an 18-month stipend for its participation.

Rebate Income

The District credit card has a benefit that refunds the account a small percentage of the sum spent on purchases.

Rental Income

Valley Sanitary District owns approximately 81 acres of land to be used for the District's sanitary treatment plant. Approximately 27 acres of land is available for temporary use until the treatment plant requires expansion. In 2024 the District and the Desert Wildlife Center (DCW) entered an agreement to lease a 7-acre bird center or rehabilitation center with several existing structures available for use. The DWC will serve as a safe refuge for sick, injured, and orphaned wildlife needing medical treatment and rehabilitation.

Interest Income

Return on invested funds that are held with the Local Agency Investment Fund (LAIF) and CalTrust. The interest rate was budgeted using current market trend analysis.

Connection and Capacity Fee

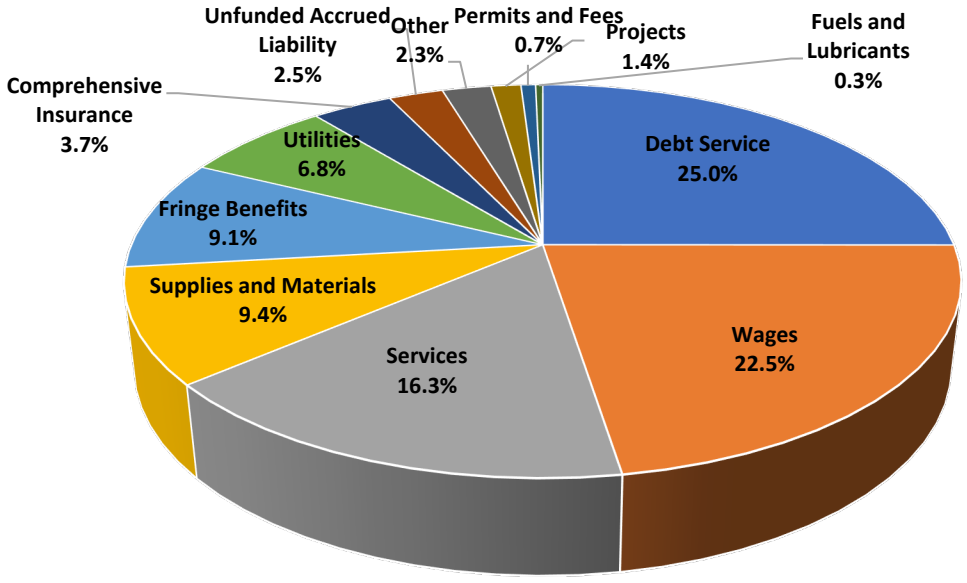
The connection and capacity fee reflects the cost of new development or changes in use for existing buildings that account for the attributable fair share of infrastructure expenses that have already been paid by ratepayers in previous years. The connection and capacity fee is adjusted each year by using the Engineering News-Record (ENR) 20-City Construction Cost Index from January to January. Connection Capacity Fee for the fiscal year 2025/26 is $6,622 per EDU. The connection fees were adjusted to match current projections.

EXPENSE BY CATEGORY

The operating budget includes the essential expenditures required to support the day-to-day operations of the District. These expenditures are structured to ensure organizational efficiency, employee support, and long-term financial sustainability. Key components of the operating budget include personnel costs, California Public Employees' Retirement System (CalPERS) contributions, Unfunded Accrued Liability (UAL), debt service, insurance premiums, and other overhead expenses.

The table and chart below illustrate the distribution of operating expenses by category

Expense	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget	Budget Change	Percentage Change
Debt Service	$ 5,270,359	$ 4,590,650	$ 4,590,650	$ 5,649,991	$ 1,059,341	23.1%
Wages	4,167,972	4,524,528	4,006,986	5,069,354	544,826	12.0%
Services	1,127,715	3,019,054	1,412,095	3,670,687	651,633	21.6%
Supplies and Materials	1,318,709	1,914,863	1,267,698	2,130,945	216,082	11.3%
Fringe Benefits	1,554,040	1,804,785	1,534,952	2,056,891	252,106	14.0%
Utilities	1,091,250	1,532,000	999,325	1,545,500	13,500	0.9%
Comprehensive Insurance	492,168	587,310	527,244	840,369	253,059	43.1%
Unfunded Accrued Liability	-	515,872	515,872	565,931	50,059	9.7%
Other	242,389	478,982	359,592	509,593	30,611	6.4%
Projects	29,456	398,000	250,000	310,792	(87,208)	-21.9%
Permits and Fees	73,019	151,810	70,539	152,760	950	0.6%
Fuels and Lubricants	47,436	70,000	28,087	75,000	5,000	7.1%
Total	**$ 15,414,512**	**$ 19,587,854**	**$ 15,563,039**	**$ 22,577,813**	**$ 2,989,959**	**15.3%**



EXPENSE SUMMARY

Debt Service

Debt service costs increased in FY 2025/26 due to an adjustment in the Bank of America loan repayment schedule.

Wages

The increase in wages for FY 2025/26 is primarily attributed to the following factors:

- A 6.0% Cost-of-Living Adjustment (COLA) based on the 2024 annual average Consumer Price Index (CPI) for the Riverside region, along with other cost-of-living considerations.
- Promotional advancements due to employee certification achievements. For example, a Wastewater Operator III may be promoted to Wastewater Operator IV upon obtaining the required higher-level certification.

In addition to COLA and promotions, staffing changes include:

- Four (4) part-time intern positions to support various departments.
- One (1) new Communication Specialist, responsible for managing the District's public outreach, branding, and marketing initiatives.
- One (1) new Wastewater Operations position to support the growing operational needs of the treatment facility.

These adjustments reflect the District's strategic investment in workforce development, operational capacity, and organizational communication.

Services

The Services category in the FY 2025/26 budget reflects an increase of $650,000, or 21.6%, compared to the prior year. District-wide additions and escalations in professional and technical support contract services primarily drive this increase. Key contributors to the increase include sewer rate and capacity fee study, Prop 218 notices, centennial planning, marketing and outreach, IT Upgrades, ArcGISPro licenses, new aerial photo for the GIS system, roach control program, and software support fees. Additionally, the Operations Department has begun a three-year project to decommission the treatment ponds, resulting in a $525,000 increase in annual sludge disposal costs for FY 2025/26.

Supplies and Materials

The Supplies and Materials budget for FY 2025/26 increased by $216,000, or 11.3%, over the prior year. This increase reflects rising costs and expanded needs related to operational supplies, repairs, and equipment replacement. Key drivers of the increase include

emergency supply replenishment, chemicals, reagents, equipment rentals, and tools. In addition, the Environmental Compliance Services Department expanded its contract for laboratory services by $130,000 to conduct a 12-month PFAS (Per- and Polyfluoroalkyl Substances) sampling study, aligning with emerging regulatory requirements and environmental monitoring priorities.

Fringe Benefits

The Fringe Benefits budget increased in FY 2025/26 due to projected adjustments in employee benefit costs that reflect prevailing market trends; specifically, 8% increase in health insurance contributions, 2.7% increase in Public Employees' Medical & Hospital Care Act (PEMHCA) contributions, and 8% increase in vision and dental insurance contributions.

Utilities

The Utilities budget includes a modest increase of $13,000 in electricity costs for FY 2025/26. This adjustment accounts for A projected increase in electricity usage associated with the ongoing construction and operation of the Recycled Water Project Phase I.

Unfunded Accrued Liability

The District participates in CalPERS, one of the nation's largest public pension funds. Annual payment on the Unfunded Accrued Liability (UAL) is the amortized dollar amount needed to fund past service credit earned (or accrued) for members who are currently receiving benefits, active members, and for members entitled to deferred benefits, as of the valuation date. As of the most recent actuarial valuation, the District's UAL balance stood at $2.1 million.

In September 2023, the Board of Directors approved a Five-Year Fresh Start payoff option, committing to fully pay off the UAL balance over five (5) years.

Comprehensive Insurance

The Comprehensive Insurance budget for FY 2025/26 reflects an increase of $253,000, or 43.1%, over the prior year. This rise is primarily driven by:

- Higher insurance premiums for general liability and earthquake coverage, tied to the anticipated asset increase associated with the acceptance of Recycled Water Project Phase I, valued at approximately $81 million.
- Market-driven increases in fire and earthquake insurance premiums, which have seen significant upward trends across the state and region.

These adjustments ensure that the District maintains appropriate coverage levels to protect its growing asset base and operational risks in a volatile insurance market.

Projects

Project costs decreased in FY 2025/26 primarily due to a reduction in projected contributions to the East Valley Reclamation Authority (EVRA).

Other

Other costs increased primarily due to higher expenditure on conference certifications, memberships, and subscriptions. Additionally, miscellaneous expenditures were increased to support the District's expanded participation in community events and outreach efforts.

Permits and Fees

Permits and fees have a slight increase over the previous year, attributed to projected increases for the alarm system permit.

Fuels and Lubricants

Fuels and Lubricants increased moderately due to current market projections for fuel.

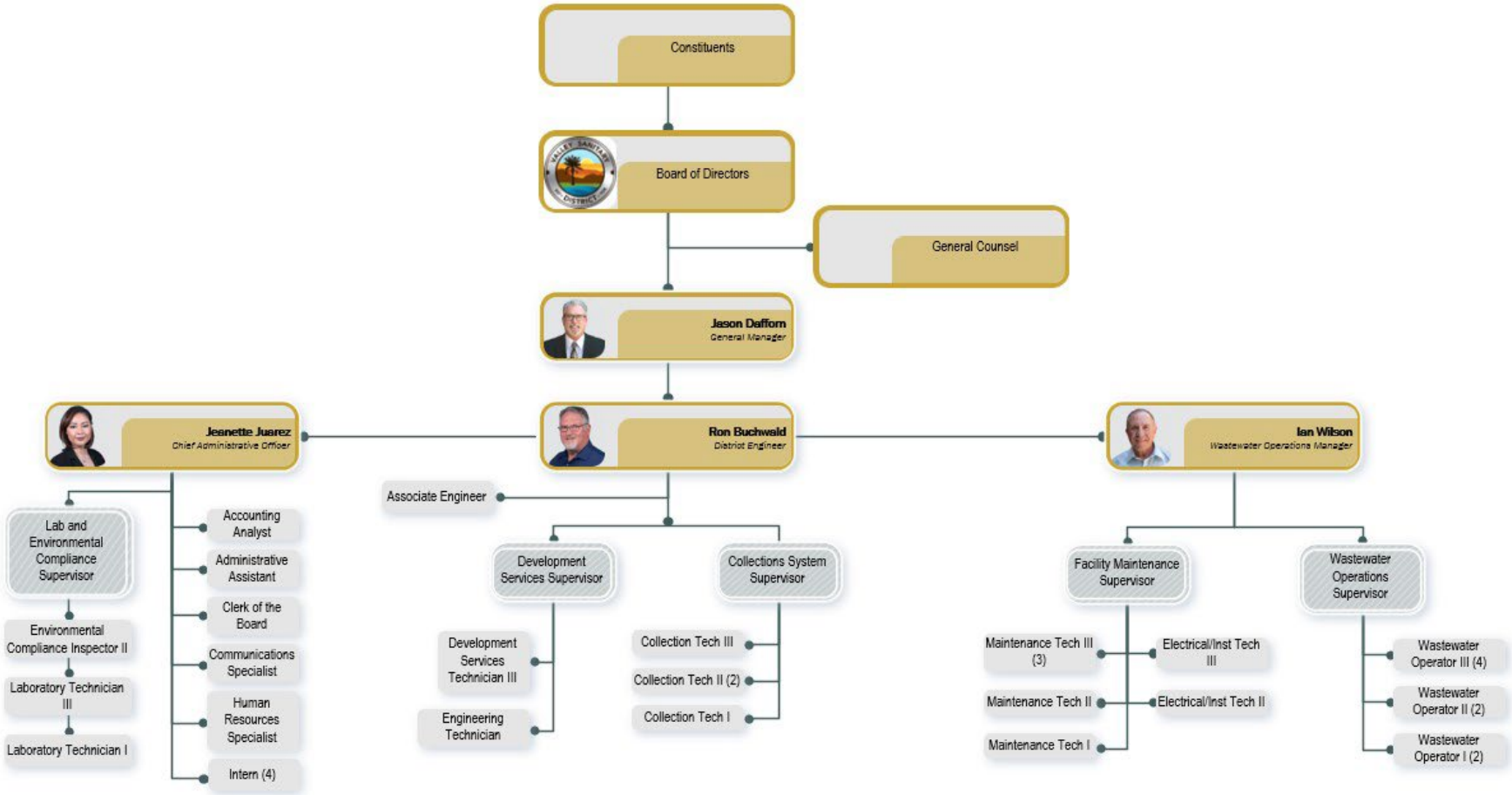


Here is a look back at VSD's ponds in the mid 1990's. Pond systems, or wastewater lagoons, use sunlight, algae, and natural microbial processes to treat wastewater over time in large, shallow basins.

PERSONNEL SUMMARY






Constituents
Board of Directors
General Counsel
Jason Dafforn
General Manager
Jeanette Juarez
Chief Administrative Officer
Ron Buchwald
District Engineer
Ian Wilson
Wastewater Operations Manager
Lab and Environmental Compliance Supervisor
Environmental Compliance Inspector II
Laboratory Technician III
Laboratory Technician I
Accounting Analyst
Administrative Assistant
Clerk of the Board
Communications Specialist
Human Resources Specialist
Intern (4)
Associate Engineer
Development Services Supervisor
Development Services Technician III
Engineering Technician
Collections System Supervisor
Collection Tech III
Collection Tech II (2)
Collection Tech I
Facility Maintenance Supervisor
Maintenance Tech III (3)
Maintenance Tech II
Maintenance Tech I
Electrical/Inst Tech III
Electrical/Inst Tech II
Wastewater Operations Supervisor
Wastewater Operator III (4)
Wastewater Operator II (2)
Wastewater Operator I (2)

STAFFING RANGE ASSIGNMENTS

Valley Sanitary District
Staffing Range Assignments

DEPARTMENT	CLASSIFICATION	AUTHORIZED POSITIONS
ADMINISTRATION	Accounting Analyst	1
	Administrative Assistant	1
	Chief Administrative Officer	1
	Clerk of the Board	1
	Communications Specialist	1
	General Manager	1
	Human Resources Specialist	1
	Intern	2
	Subtotal	**9**
SANITATION COLLECTIONS	Collection System Supervisor	1
	Collection System Technician I	1
	Collection System Technician II	2
	Collection System Technician III	1
	Subtotal	**5**
ENGINEERING	Associate Engineer	1
	Development Services Supervisor	1
	Development Services Technician III	1
	District Engineer	1
	Engineering Technician	1
	Subtotal	**5**
ENVIRONMENTAL COMPLIANCE SERVICES	Environmental Compliance Inspector II	1
	Laboratory and Environmental Compliance Supervisor	1
	Laboratory Technician I	1
	Laboratory Technician III	1
	Subtotal	**4**
MAINTENANCE	Electrician/Instrumentation Technician II	1
	Electrician/Instrumentation Technician III	1
	Facilities Maintenance Supervisor	1
	Maintenance Technician I	1
	Maintenance Technician II	1
	Maintenance Technician III	3
	Subtotal	**8**
OPERATIONS	Wastewater Operations Manager	1
	Wastewater Operations Supervisor	1
	Wastewater Operator I	2
	Wastewater Operator II	2
	Wastewater Operator III	4
	Subtotal	**10**
	TOTAL POSITIONS	**41**

WAGE SCHEDULE

Valley Sanitary District
Wage Schedule, Effective July 1, 2025
Bi-Weekly Rate

	Steps						
Job Title	A	B	C	D	E	F	G
Accounting Technician	2,767	2,905	3,049	3,203	3,364	3,530	3,707
Accounting Analyst	3,510	3,686	3,871	4,063	4,266	4,480	4,705
Administrative Assistant	2,642	2,773	2,911	3,058	3,210	3,370	3,539
Assistant Engineer	3,893	4,088	4,292	4,507	4,732	4,969	5,218
Associate Engineer	4,351	4,567	4,796	5,035	5,287	5,552	5,827
Clerk of the Board	3,036	3,189	3,348	3,514	3,690	3,876	4,069
Collection System Tech-in-Training	2,309	2,425	2,547	2,672	2,807	2,947	3,094
Collection System Tech I	2,567	2,694	2,828	2,970	3,117	3,275	3,437
Collection System Tech II	2,828	2,970	3,117	3,275	3,437	3,610	3,791
Collection System Tech III	3,117	3,275	3,437	3,610	3,791	3,979	4,178
Communications Specialist	3,962	4,160	4,368	4,586	4,815	5,056	5,309
Development Services Tech I	3,021	3,173	3,331	3,497	3,672	3,857	4,049
Development Services Tech II	3,331	3,497	3,672	3,857	4,049	4,250	4,464
Development Services Tech III	3,672	3,857	4,049	4,250	4,464	4,687	4,920
Electrician/Inst Tech-in-Training	2,547	2,672	2,807	2,947	3,094	3,248	3,412
Electrician/Inst Tech I	2,864	3,008	3,158	3,316	3,482	3,656	3,839
Electrician/Inst Tech II	3,158	3,316	3,482	3,656	3,839	4,032	4,232
Electrician/Inst Tech III	3,482	3,656	3,839	4,032	4,232	4,443	4,664
Engineering Technician	3,300	3,465	3,638	3,820	4,012	4,212	4,422
Environmental Comp Tech I	2,816	2,957	3,105	3,260	3,423	3,594	3,773
Environmental Comp Tech II	3,105	3,260	3,423	3,594	3,773	3,962	4,161
Environmental Comp Tech III	3,423	3,594	3,773	3,962	4,161	4,369	4,586
Human Resources Specialist	3,343	3,510	3,686	3,871	4,063	4,266	4,480
Intern	1,601	1,681	1,765	1,853	1,946	2,043	2,145
Lab Technician-in-Training	2,534	2,661	2,794	2,934	3,080	3,235	3,396
Lab Technician I	2,816	2,957	3,105	3,260	3,423	3,594	3,773
Lab Technician II	3,105	3,260	3,423	3,594	3,773	3,962	4,161
Lab Technician III	3,423	3,594	3,773	3,962	4,161	4,369	4,586

Valley Sanitary District
Wage Schedule, Effective July 1, 2025
Bi-Weekly Rate

	Steps						
Job Title	A	B	C	D	E	F	G
Maintenance Tech-in-Training	2,309	2,425	2,547	2,672	2,807	2,947	3,094
Maintenance Tech I	2,567	2,694	2,828	2,970	3,117	3,275	3,437
Maintenance Tech II	2,828	2,970	3,117	3,275	3,437	3,610	3,791
Maintenance Tech III	3,117	3,275	3,437	3,610	3,791	3,979	4,178
Management Analyst	3,789	3,979	4,178	4,386	4,605	4,836	5,078
Procurement Technician	2,807	2,947	3,094	3,249	3,412	3,581	3,761
Wastewater Operator-in-Training	2,392	2,511	2,637	2,768	2,907	3,052	3,205
Wastewater Operator I	2,658	2,790	2,930	3,077	3,230	3,390	3,560
Wastewater Operator II	2,930	3,077	3,230	3,390	3,560	3,738	3,926
Wastewater Operator III	3,230	3,390	3,560	3,738	3,926	4,122	4,327
Collection System Supervisor	3,775	3,963	4,161	4,370	4,586	4,817	5,058
Development Services Supervisor	4,039	4,242	4,452	4,675	4,910	5,155	5,413
Electrical/Instrumentation Supervisor	4,032	4,232	4,443	4,666	4,900	5,143	5,400
Facilities Maintenance Supervisor	4,032	4,232	4,443	4,666	4,900	5,143	5,400
Laboratory and Compliance Supervisor	4,093	4,297	4,513	4,738	4,975	5,223	5,485
Wastewater Operations Supervisor	4,134	4,341	4,558	4,786	5,025	5,276	5,540
Chief Administrative Officer	6,093	6,399	6,718	7,053	7,406	7,777	8,166
District Engineer	6,563	6,892	7,237	7,598	7,978	8,377	8,795
Wastewater Operations Manager	5,906	6,201	6,511	6,836	7,179	7,537	7,914
General Manager (Contract)							-

POSITION COUNT BY DEPARTMENT

Department	FY25 Base FTE's	Changes to Base	Proposed New Positions	FY26 Base FTE's	Variance
Administration					
Administration	6.00	-	3.00	9.00	3.00
Environmental Compliance Services	4.00	-	-	4.00	-
Engineering					
Sanitation Collections	5.00	-	-	5.00	-
Engineering	5.00	-	-	5.00	-
Operations					
Maintenance	8.00	-	-	8.00	-
Operations	9.00	-	1.00	10.00	1.00
Total FTEs	**37.00**	**-**	**4.00**	**41.00**	**4.00**

Notes: Full-Time Employees (FTEs)

- Changes to base Full-Time Employee (FTE) counts are the result of:
  - Inter-departmental transfers
  - Changes in employee status (e.g., from Part-Time to Full-Time)
  - Adjustments to grant-funded salaries
  - Reallocations of staffing to other departments
- FTE values may be less than one (1.0) due to:
  - Allocation of salaries to capital projects
  - Employment of part-time staff



Historical photo of aeration basins at Valley Sanitary District's Treatment Plant; Aeration basins are tanks where air is pumped into the wastewater to encourage the growth of beneficial microorganisms. These microbes break down organic matter and pollutants, playing a key role in the biological treatment process.

BUDGET BY DEPARTMENT



DEPARTMENT DESCRIPTION

Departmental Overview and Budget Management

The District is composed of seven (7) departments, each working collaboratively to fulfill the District's mission. This section provides a detailed profile of each department, including:

- Organizational Chart
- Department Description
- Key Accomplishments
- Strategic Goal Alignment
- Fiscal Year 2025/26 Goals
- Performance Metrics
- Personnel Summary
- Budget Summary
- Budget Detail

Operating Expense Oversight

Operating expenses are monitored at the department level to ensure fiscal accountability and operational efficiency. Key oversight practices include:

- Monthly Budget Variance Reports: Submitted to department managers for review and monitoring of expenditures relative to budget.
- Quarterly Review Meetings: Held with department managers to evaluate year-to-date actuals against year-to-date budget projections.

Budget Adjustment Procedures

- Intra-department budget transfers may be made administratively to accommodate operational needs.
- Expenditures exceeding the total approved operating budget require a budget amendment and formal approval by the Board of Directors.

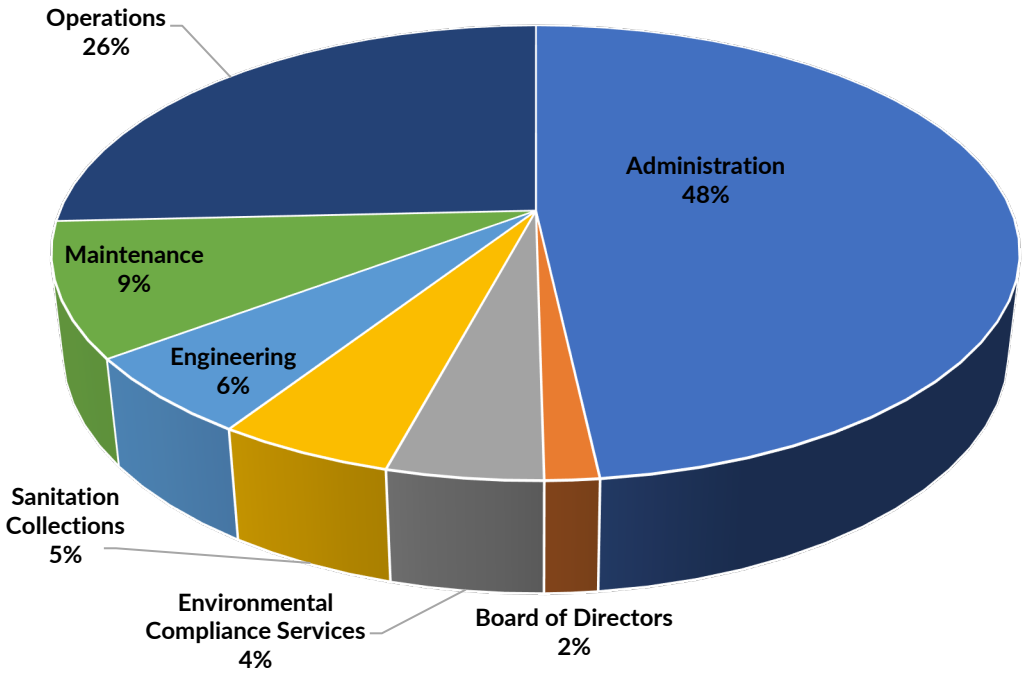
EXPENSE SUMMARY BY DEPARTMENT

The table below presents the expense summary by department for fiscal year 2025/26.

Department	FY25 Budget	FY26 Budget	Variance	% of Budget
ADMINISTRATION				
Administration	$ 9,153,147	$ 10,893,698	$ 1,740,551	48.2%
Board of Directors	344,446	344,446	-	1.5%
Environmental Compliance Services	841,491	990,147	148,656	4.4%
ENGINEERING				
Collection System	1,134,420	1,126,858	(7,562)	5.0%
Engineering	1,140,276	1,263,689	123,413	5.6%
OPERATIONS				
Maintenance	1,990,928	2,145,550	154,622	9.5%
Operations	4,983,119	5,813,425	830,306	25.7%
Total	**$ 19,587,827**	**$ 22,577,813**	**$ 2,989,986**	**100.0%**

The pie chart below depicts the percentage of the total operating budget by department.

PERCENTAGE OF BUDGET BY DEPARTMENT



BUDGET ALLOCATION

The District's budgeting process is a collaborative, organization-wide effort, grounded in principles of sound financial management and long-term sustainability. For the fiscal year 2025/26, the operating budget emphasizes the strategic allocation of resources in alignment with the District's Strategic Plan, ensuring continued success and growth across all departments.

Budget Development Process

At the onset of the budgeting cycle, a budget kick-off meeting is held with all department heads. During this phase:

- Budget request spreadsheets are distributed, detailing:
  - Actual expenditures from the previous two (2) fiscal years
  - The current fiscal year budget
  - Current year-end projections
- Non-recurring expenditures from the prior year are removed to ensure a clean slate for one-time items.
- Departments submit new budget requests, which are then subject to review and approval as part of the consolidated operating budget process.

This structured approach allows for informed decision-making and reinforces the District's commitment to operational efficiency and fiscal discipline.

WAGES AND BENEFITS

In support of Valley Sanitary District's Goal 3: STAFF — *"The District retains its motivated, well-trained, and experienced staff"* — the fiscal year 2025/26 budget reflects a continued investment in the District's workforce. Key personnel-related budget components include:

- Merit increases based on performance evaluations
- Promotional advancements for employees projected to complete higher-level certifications
- A 6.0% Cost of Living Adjustment (COLA)
- An 8% increase in healthcare premium contributions

The District's workforce is composed of skilled, dedicated professionals, whose expertise is critical to operational success. However, the District faces ongoing challenges in recruitment and retention, particularly for roles requiring state certification, due to:

- Competitive compensation packages offered by larger agencies
- A statewide shortage of qualified, certified personnel

- The loss of institutional knowledge when experienced staff depart
- Limited advancement opportunities in a smaller organization

By proactively addressing these challenges through competitive compensation and benefits, the District seeks to:

- Enhance employee morale and engagement
- Improve retention and reduce turnover
- Support succession planning
- Maintain a high-performing, knowledgeable workforce

The table below presents the total Full-Time Equivalent (FTE) personnel by department for fiscal years 2021/22 through 2025/26, illustrating staffing trends and strategic personnel investments.

Department	FY22	FY23	FY24	FY25	FY26
Administration					
Administration	6.00	6.00	6.00	6.00	9.00
Environmental Compliance Services	3.00	4.00	4.00	4.00	4.00
Engineering					
Sanitation Collections	5.00	5.00	5.00	5.00	5.00
Engineering	5.00	5.00	5.00	5.00	5.00
Operations					
Maintenance	8.00	8.00	8.00	8.00	8.00
Operations	9.00	9.00	9.00	9.00	10.00
Total FTEs	**36.00**	**37.00**	**37.00**	**37.00**	**41.00**

California Public Employees' Retirement System (CalPERS)

Valley Sanitary District participates in the California Public Employees' Retirement System (CalPERS), one of the largest public pension funds in the United States, serving approximately two million members statewide. CalPERS provides a defined benefit retirement plan, meaning that retirement benefits are calculated based on a fixed formula rather than individual contributions or investment returns.

Retirement benefits are determined using the following factors:

- Years of service credit
- Age at retirement
- Final compensation (typically the average salary over a defined period)

Two-Tiered Pension System

Effective January 1, 2013, the California Public Employees' Pension Reform Act (PEPRA) established a two-tiered CalPERS system:

- Tier 1: Classic Members
  - Applies to employees hired before January 1, 2013
  - Retirement formula: 2.5% @ 55
- Tier 2: PEPRA Members
  - Applies to employees hired on or after January 1, 2013, who were not previously classified as Classic Members
  - Retirement formula: 2.0% @ 62

Employer Contribution Components

Employer contributions are determined through periodic actuarial valuations conducted by CalPERS. These evaluations ensure sufficient funding of future obligations and are based on the District's selected benefit formulas and the demographics of the covered employee groups. The required contribution includes two components:

1. Normal Cost (NC) Rate
   - Represents the annual cost of service accrual for active employees for the upcoming fiscal year
   - Expressed as a percentage of payroll
   - Paid as part of the regular payroll reporting process
2. Unfunded Accrued Liability (UAL)
   - The dollar amount required to fund past service credit for current retirees, active members, and deferred benefit holders as of the valuation date
   - Invoiced at the beginning of the fiscal year
   - May be paid either monthly or in advance at a discounted rate

This structured approach helps ensure the long-term sustainability of retirement benefits for District employees and provides transparency in public pension obligations.

Tier	Member Type	Hire Date	Retirement Formula	Employer Normal Contribution	Employer Amortization of Unfunded Accrued Liability	Employee Contribution
1	Classic	Before 01/01/2013	2.5% @ 55	14.330%	$ 497,243	8.000%
2	PEPRA	After 12/31/2012	2.0% @ 62	8.270%	$ 68,688	8.250%

California Public Employees' Retirement System (CalPERS). (2021). Public Agency Required Employer Contributions. https://www.calpers.ca.gov/page/employers/actuarial-resources/employer-contributions/public-agency-contributions

Other Post-Employment Benefits (OPEB)

The District provides post-employment medical benefits through a single-employer defined benefit plan. Eligible employees must retire from the District at age 50 or older with a minimum of five (5) years of service. These benefits are designed to support retired employees with continued medical coverage.

To fund these obligations, the District participates in the California Employers' Retiree Benefit Trust (CERBT) Fund, a Section 115 trust established for the pre-funding of OPEB liabilities.

Annual OPEB costs are based on the Annual Required Contribution (ARC), an amount determined through actuarial calculations in accordance with GASB Statement 45. For fiscal year 2025/26, the District has budgeted $86,950 toward this commitment, reflecting its ongoing responsibility to sustain retiree health benefits in a fiscally sound manner.

The benefits provided by the plan are as follows:

Benefits Provided by Plan	
Benefit Types Provided	Medical Only
Duration of Benefits	Lifetime
Required Service	5 Years
Minimum Age	50
Dependent Coverage	Yes
District Contribution Percentage	1
District Cap	$162.00 per month*

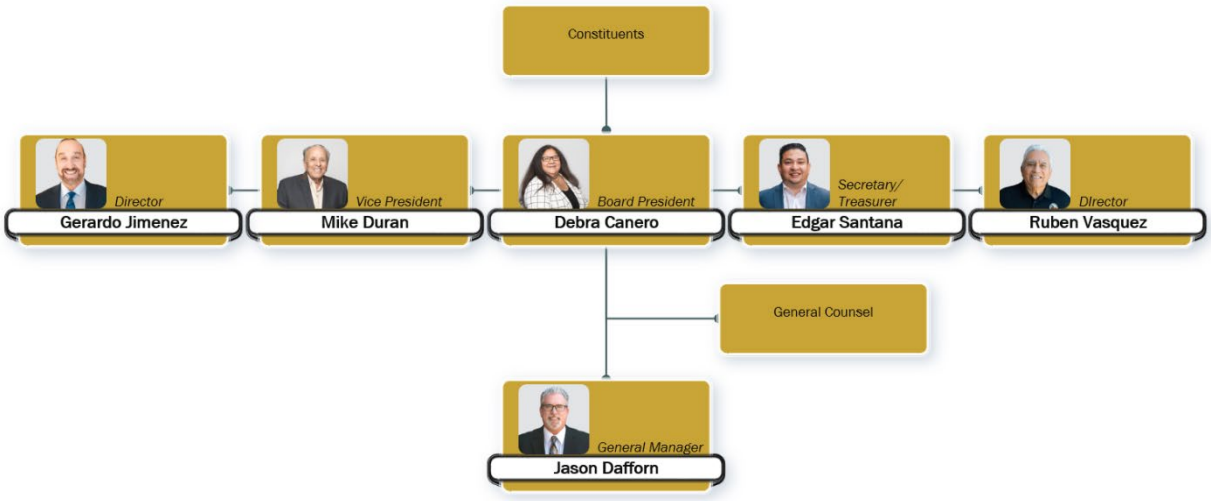
*This amount will increase as provided in California Government Code Section 22892.



Flashback to September of 1994; construction crew assembling 10 inch piping under All American Canal at Hjorth Street.

BOARD OF DIRECTORS





THE VALLEY SANITARY DISTRICT BOARD OF DIRECTORS



DESCRIPTION

The Valley Sanitary District is governed by a five-member Board of Directors, each elected from one of five (5) geographic wards within the District's service area. In accordance with California law, the Board is responsible for establishing and implementing policies that guide the District's operations.

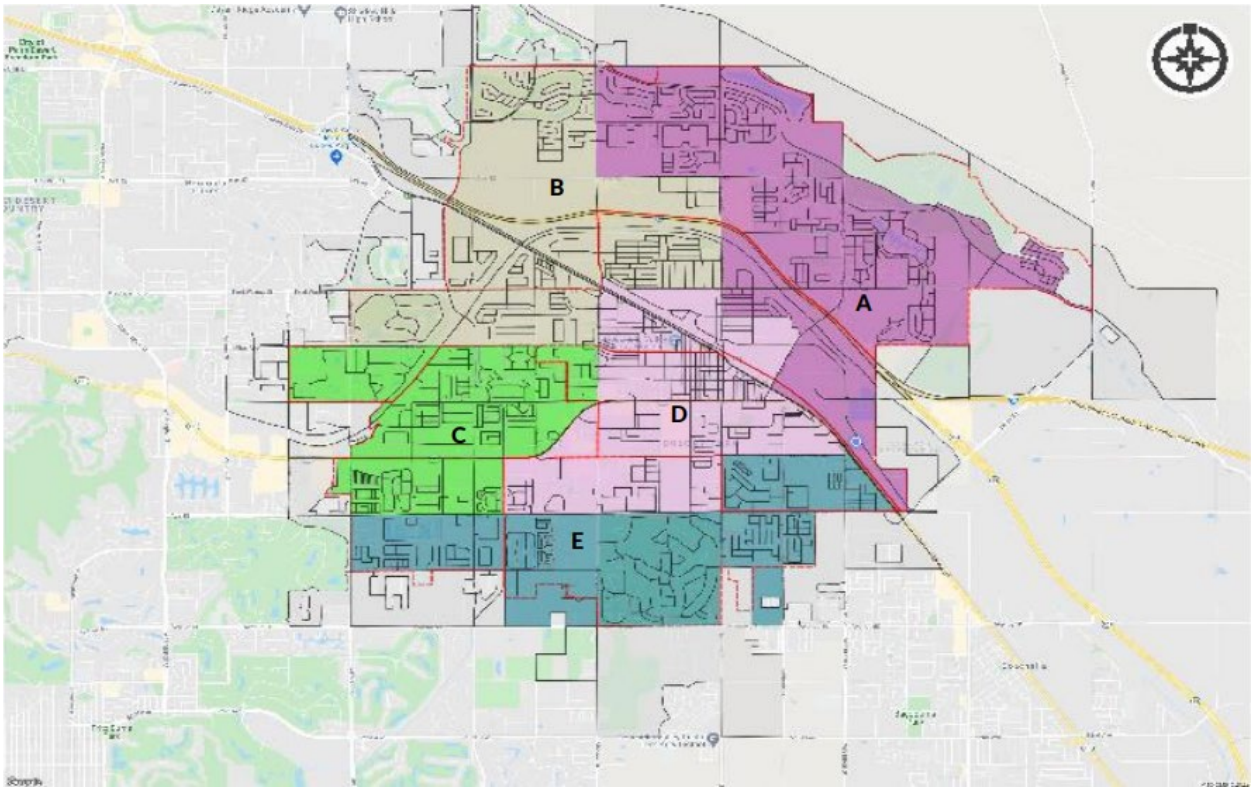
Key responsibilities of the Board include:

- Setting goals and strategic direction
- Managing fiscal policy and financial oversight
- Establishing rates and fees
- Approving the annual operating and capital budgets
- Overseeing capital improvement plans
- Maintaining communication with the General Manager
- Advocating for the District’s interests

The Board is committed to serving the best interests of the community.

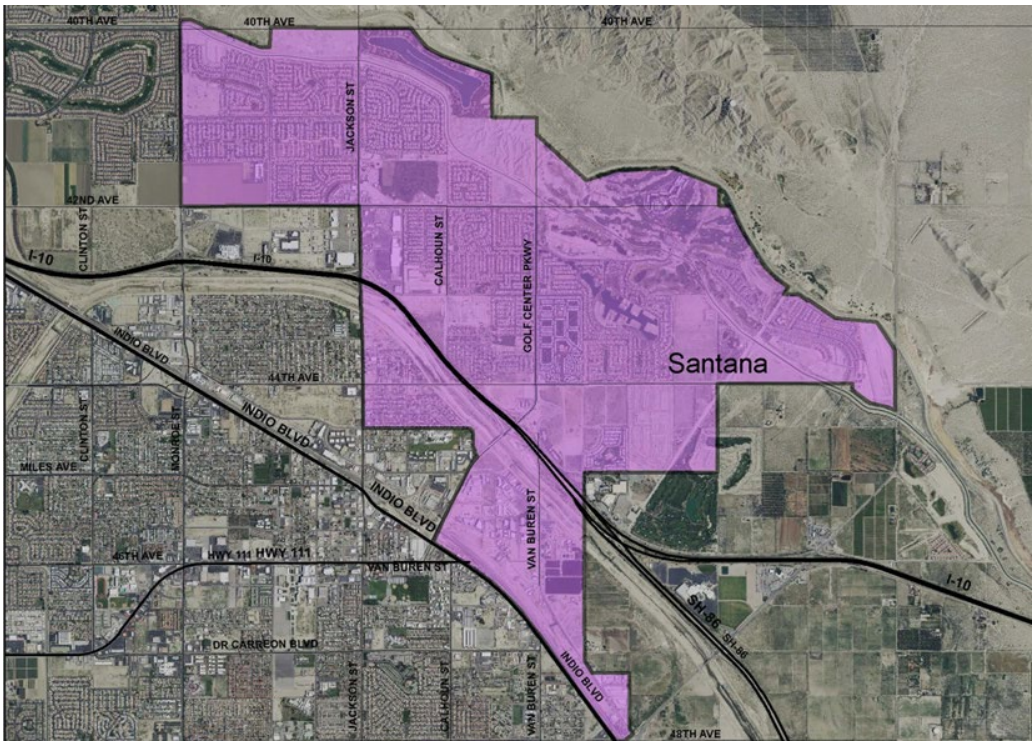
Meetings:
The Board of Directors meets on the second and fourth Tuesday of each month. Meetings are publicly noticed, and community members are encouraged to attend and participate.

DISTRICT DIVISIONS MAP

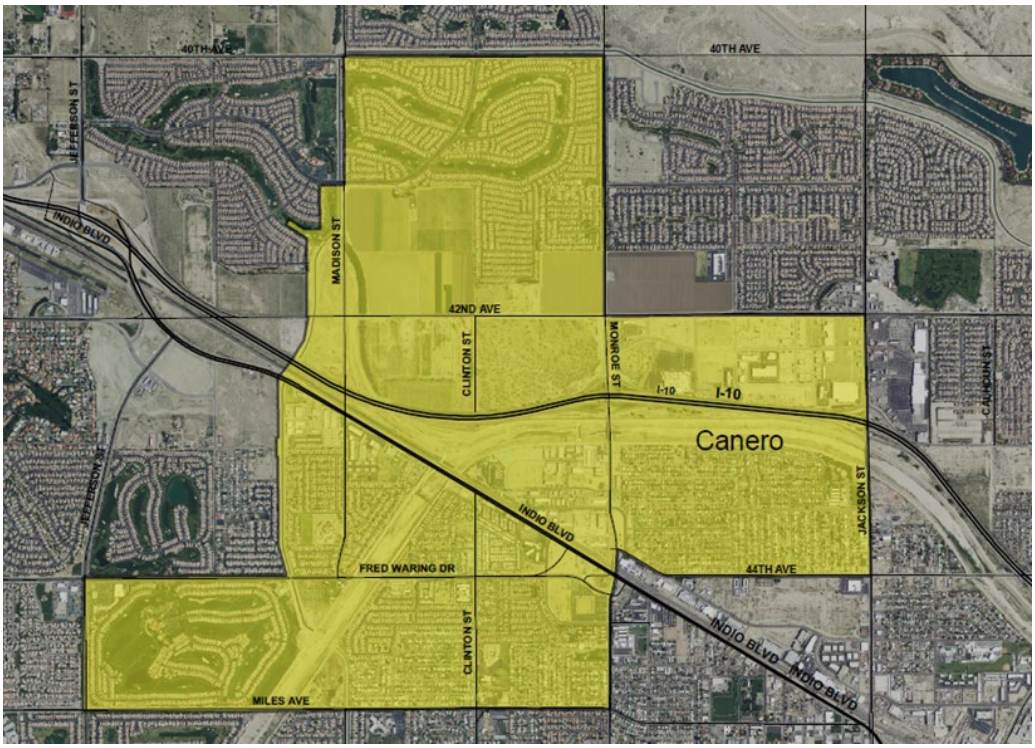


DIVISION MAPS PER BOARD MEMBER

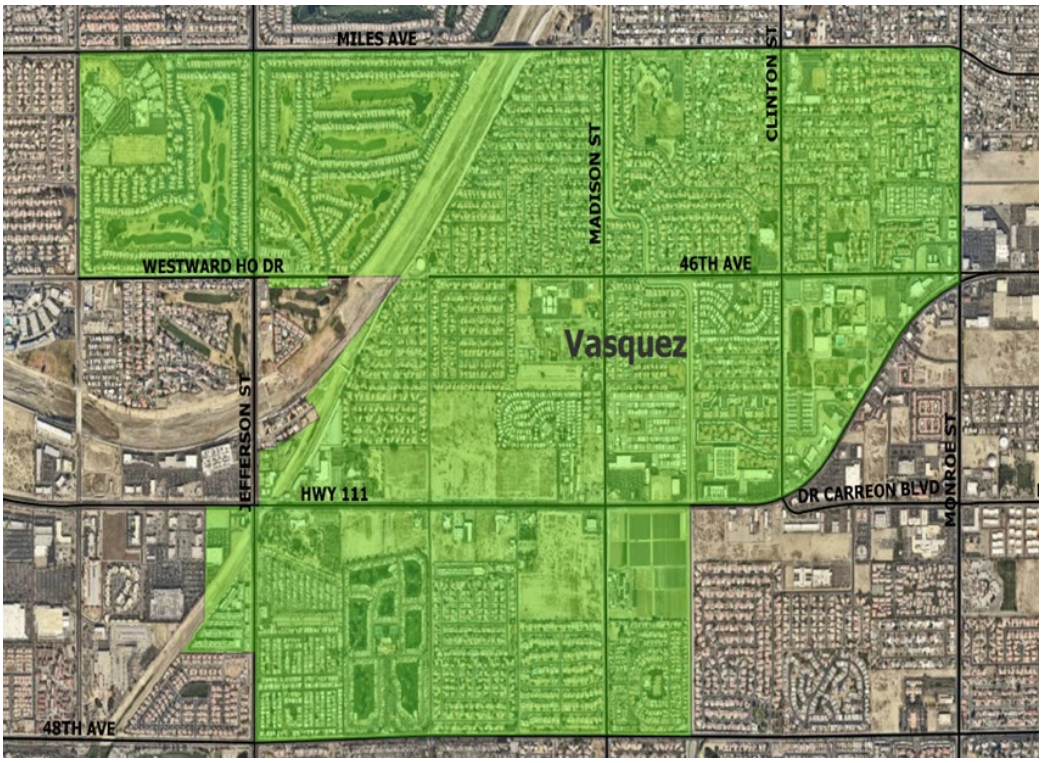
Ward A – Secretary/Treasurer Edgar Santana



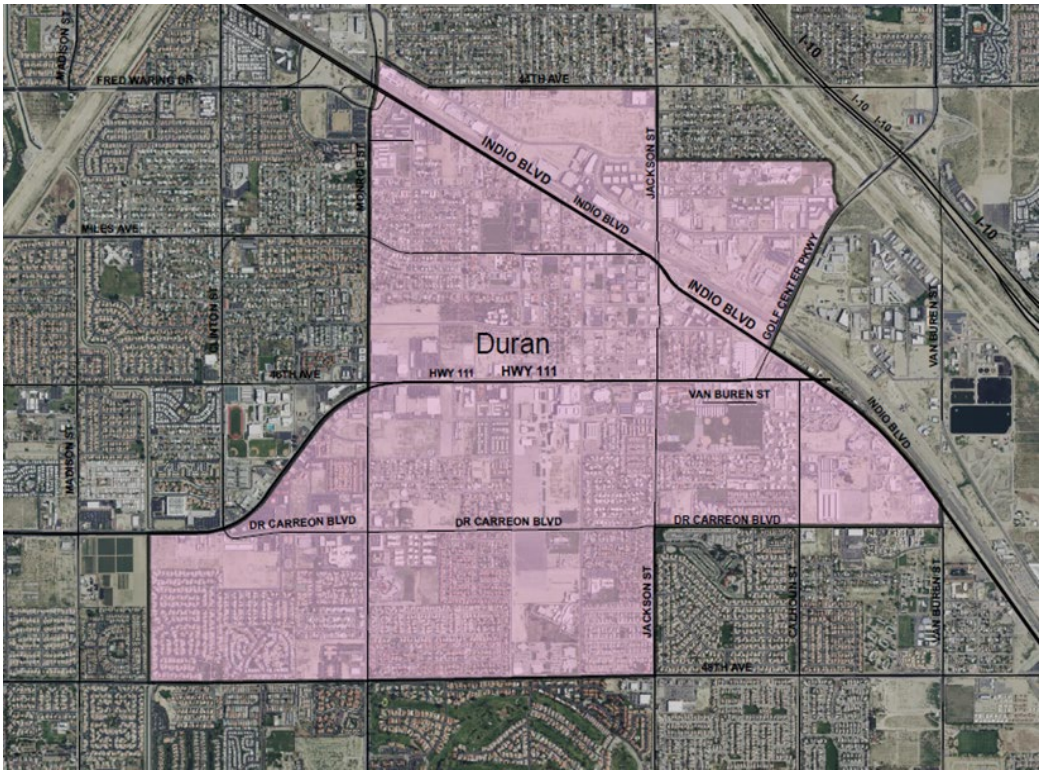
Ward B – President Debra Canero



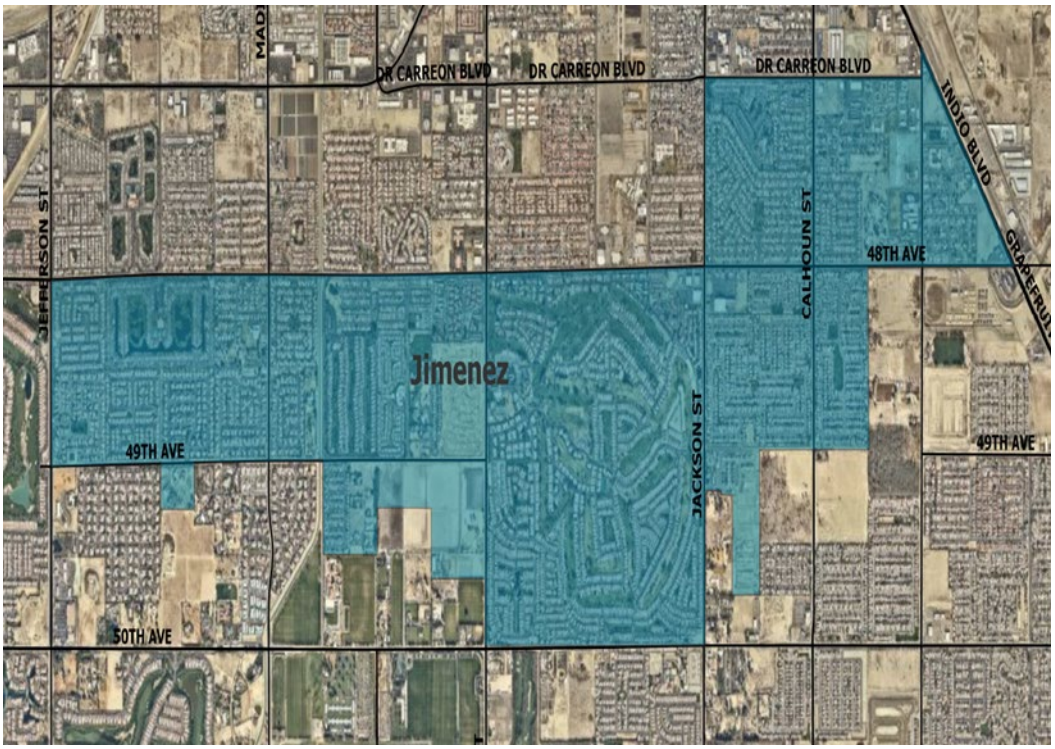
Ward C – Director Ruben Vasquez



Ward D – Vice President Mike Duran



Ward E – Director Gerardo Jimenez



METRICS

MEETINGS AND RECORDS

Board Items	FY22	FY23	FY24	YTD-March FY25
Regular Board Meetings	22	20	20	5
Special Board Meetings	3	10	3	1
East Valley Reclamation Authority Meetings	3	2	2	1
Budget & Finance Committee Meetings	5	4	4	1
Operations Committee Meetings	6	4	4	1
Community Engagement Committee Meetings	4	6	4	2
Board/Committee Minutes Compiled	43	46	37	11
General Manager's Reports	12	12	12	3
Documents Notarized	5	13	11	5
Public Records Requests	4	11	13	2

CONFERENCES ATTENDED

Conference	YTD-April FY25
California Association of Sanitation Agencies (CASA) Annual Conference	X
California Special District Association (CSDA) Annual Conference	X
CASA Winter Conference	X
CSDA Leadership Conference	X
CASA DC Forum	X
CSDA Legislative Days	

FISCAL YEAR 2024/25 ACCOMPLISHMENTS

Accomplishments

- February DC lobbying trip, met with staff representing the offices of Calvery, Padilla, and Ruiz
- April Sacramento lobbying trip, met with the offices of Blakespear, Limon, Padilla, Wilson, Gonzalez, Petrie-Norris, Soria, and the Joint Legislative Committee on Climate Change.
- Awarded $500,000 planning grant from the State Water Board.
- Received the California Association of Public Information Officials (CAPIO) EPIC Award for the Centennial Logo Rebrand and Rollout.

FISCAL YEAR 2025/26 GOALS

Strategic Plan

- GOAL 2: FINANCE. Sustainable, Long-Term Funding is in Place.
- GOAL 4: OUTREACH. A well-designed and Properly Resourced Outreach Plan is Sustained.
- GOAL 5: GOVERNANCE. An Ever-Improving Board Sets Clear and Thoughtful Direction for the District.

Goals

- Long-Term Wastewater System Planning:
  - Adopt a new Wastewater Master Plan, a comprehensive long-term plan for the wastewater treatment system, encompassing upgrades, expansions, and infrastructure replacements to ensure long-term sustainability and regulatory compliance.
- Rate Structure Review
  - Conduct a review of the wastewater rate structure to ensure rates are fair, equitable, and sufficient to cover operational and capital costs while complying with all applicable regulations.
- Community Engagement
  - Foster strong community relationships by addressing public concerns, increasing transparency, and ensuring the wastewater treatment plant meets the community's evolving needs.
- Annual Strategic Plan Review
  - Conduct an annual review of the organization's strategic plan to ensure alignment with mission objectives and to guide future planning efforts effectively.
- Capital Improvement Planning
  - Review the twenty-year Capital Improvement Plan (CIP) and provide guidance on project prioritization to ensure efficient and forward-thinking investment into critical infrastructure.
- Pursuit of External Funding
  - Continue active lobbying efforts at the state and federal levels to secure grant funding for key initiatives, including the Recycled Water Project and the Biosolids Conversion Project.

PERSONNEL SUMMARY

FY26 Physical Count	Classification	FY25 Base	FY26 Base	Variance
5	Director	5.00	5.00	0.00
5	**Total**	**5.00**	**5.00**	**0.00**

EXPENSE BUDGET SUMMARY

General Ledger Code	FY23 Actual	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget	Budget Change	Percent Change
11-5030414-4 SALARIES AND WAGES	$ 70,336	$ 46,414	$113,400	$ 48,600	$113,400	$ -	0.0%
11-5116414-4 FICA AND MEDICARE	5,377	3,532	10,206	3,687	10,206	-	0.0%
11-5126414-4 HEALTH INSURANCE	4,450	11,014	9,600	11,655	9,600	-	0.0%
11-5225414-4 ELECTION	1,683	-	70,000	44,803	70,000	-	0.0%
11-5500414-4 CONTRACTS	14,905	-	35,000		35,000	-	0.0%
11-5552414-4 LEGAL SERVICES	37,830	24,458	40,000	16,109	40,000	-	0.0%
11-5400414-4 OFFICE SUPPLIES	759	312	3,000	47	3,000	-	0.0%
11-5950414-4 OTHER EXPENSES	6,643	13,544	10,000	8,105	10,000	-	0.0%
11-5901414-4 TELEPHONE AND INTERNET	1,274	2,444	3,600	1,497	3,600	-	0.0%
11-5800414-4 CONFERENCES AND MEETINGS	31,170	31,763	49,640	32,740	49,640	-	0.0%
Total Expenses	**$174,427**	**$133,482**	**$344,446**	**$167,244**	**$344,446**	**$ -**	**0.0%**

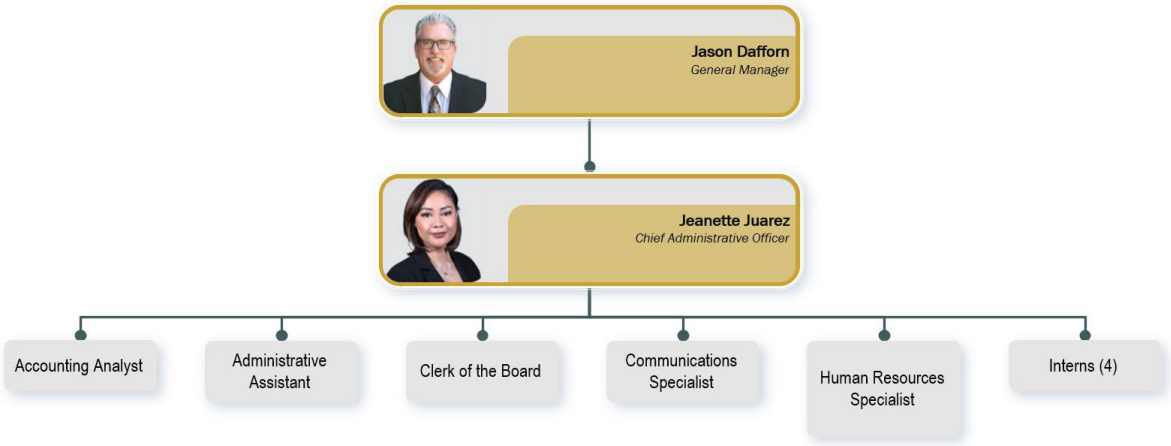
BOARD OF DIRECTOR'S BUDGET DETAIL

General Ledger Code		FY25 Budget	FY26 Budget	Variance
11-5030414-4 SALARIES AND WAGES		$ 113,400	$ 113,400	$ -
11-5116414-4 FICA AND MEDICARE		10,206	10,206	-
11-5126414-4 HEALTH INSURANCE		9,600	9,600	-
	Subtotal	**$ 133,206**	**$ 133,206**	**$ -**
11-5225-414-4 ELECTION				
	A governing board member election shall be held biennially on the first Tuesday after the first Monday in November of each succeeding odd-numbered year to fill the offices of members whose terms expire on the first Friday in December next succeeding the election.	$ 70,000	$ 70,000	$ -
	Subtotal	**$ 70,000**	**$ 70,000**	**$ -**
11-5500414-4 CONTRACTS				
	Professional and Technical Services	$ 35,000	$ 35,000	$ -
	Subtotal	**$ 35,000**	**$ 35,000**	**$ -**
11-5552414-4 LEGAL SERVICES				
	Costs Associated with General Legal Counsel	$ 40,000	$ 40,000	$ -
	Subtotal	**$ 40,000**	**$ 40,000**	**$ -**
11-5400414-4 OFFICE SUPPLIES				
	Cost of Office Supplies and Services such as Postage, Courier, Letterhead, Envelopes, Business Cards, Copy Paper, Binders, Calendars, File Folders, Pens, Pencils, Pads, Mailing Labels, Etc.	$ 3,000	$ 3,000	$ -
	Subtotal	**$ 3,000**	**$ 3,000**	**$ -**
11-5950414-4 OTHER EXPENSES				
	Miscellaneous Expense Contingency Fund	$ 10,000	$ 10,000	$ -
	Subtotal	**$ 10,000**	**$ 10,000**	**$ -**

General Ledger Code		FY25 Budget	FY26 Budget	Variance
11-5901414-4 TELEPHONE AND INTERNET				
	Cell Phones-4 Board Members	$ 3,600	$ 3,600	$ -
	Subtotal	**$ 3,600**	**$ 3,600**	**$ -**
11-5800414-4 CONFERENCES AND MEETINGS				
	Expenses Incurred for Attending the California Association of Sanitation Agencies (CASA) and or California Special Districts Association (CSDA) Conferences Held Three (3) Times a Year, Including Hotel and Travel Expenses Incurred While Attending Meetings, Conferences, and Various Educational Seminars.	$ 49,640	$ 49,640	$ -
	Subtotal	**$ 49,640**	**$ 49,640**	**$ -**
	Total Expenses	**$ 344,446**	**$ 344,446**	**$ -**

ADMINISTRATION





DESCRIPTION

The Administration Department provides centralized leadership and support for the District by managing and implementing policies, goals, and strategic plans. It encompasses four (4) Divisions, including Human Resources, Finance, Clerk of the Board, and Communication and Outreach.

Through collaboration and oversight, the department ensures operational efficiency, regulatory compliance, and alignment with the District's mission. By supporting both internal functions and public-facing initiatives, the Administration Department plays a vital role in maintaining organizational integrity, fiscal responsibility, employee success, and effective community engagement.

Human Resources

The Human Resources Division advances the District's mission by attracting, developing, and retaining a highly qualified and engaged workforce. Core responsibilities include recruitment and hiring, onboarding, training, benefits administration, and maintenance of comprehensive employee records.

Human Resources fosters employee success by offering programs that support career growth, continuing education, and professional development. The division also oversees key areas such as workplace safety, drug and alcohol program compliance, and regulatory adherence, ensuring a positive, productive, and compliant work environment where employees can thrive.

Finance

The Finance Division safeguards the District's financial integrity through comprehensive oversight of accounting, reporting, and fiscal planning. Key responsibilities include

financial accounting and reporting, cash management, payroll, investment portfolio oversight, and debt financing.

The division also manages contracts, procurement, and materials to ensure fiscal efficiency and regulatory compliance. It prepares all financial statements, coordinates external audits, and oversees grant funding. Additionally, Finance develops and maintains both the operating and capital budgets and prepares short- and long-term financial plans that support the District's strategic goals and long-term sustainability.

Clerk of the Board

The Clerk of the Board ensures transparency, accountability, and effective governance by supporting the Board of Directors and maintaining official District records. Responsibilities include preparing and publishing meeting agendas and public notices, recording and preserving Board actions, and processing public records requests in accordance with applicable laws.

The Clerk also provides administrative support to the Board and coordinates necessary legal filings to maintain compliance. These efforts play a critical role in facilitating open government and reinforcing public trust in District operations.

Communication and Outreach

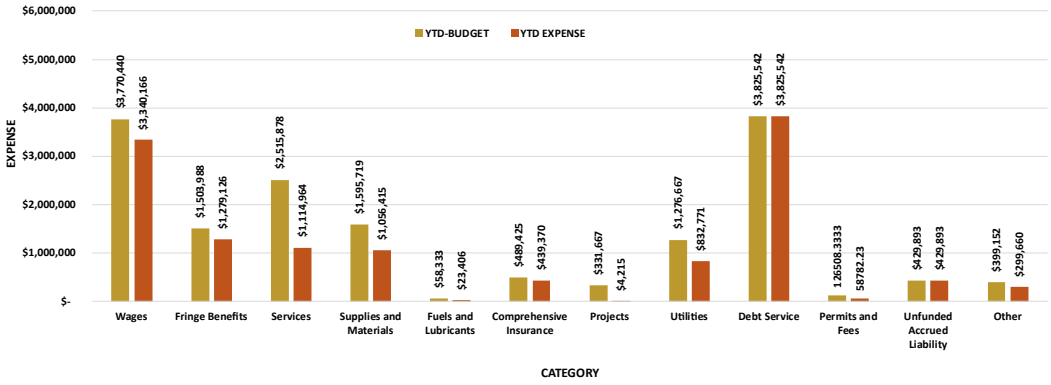
The Communication and Outreach Division serves as the District's bridge to the public, fostering meaningful connections through customer service, education, media relations, community events, social media, and government affairs.

The team enhances the customer experience by developing effective communication tools, programs, and engagement strategies. Responsibilities span graphic design, branding, photography, and digital content. The division also plays an educational role, informing students and residents about District operations through presentations, activities, tours, and field trips. These efforts promote awareness, build trust, and strengthen the District's public image and commitment to service, transparency, and community involvement.

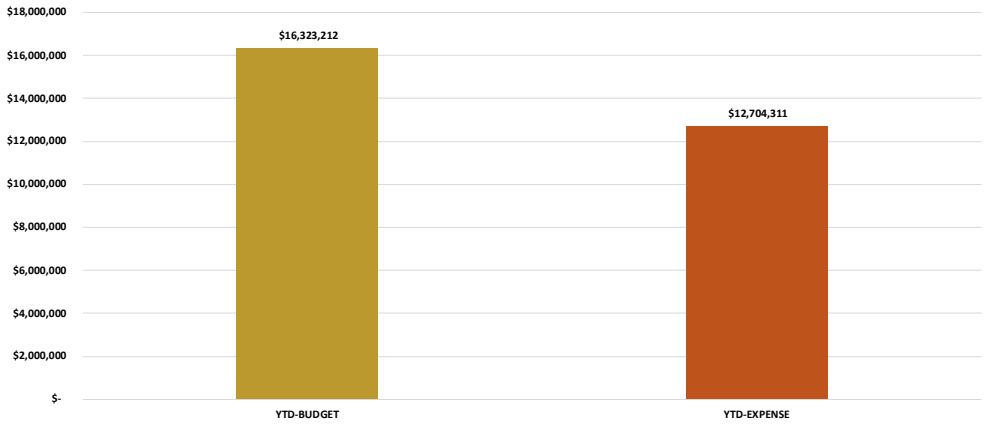
METRICS

Finance

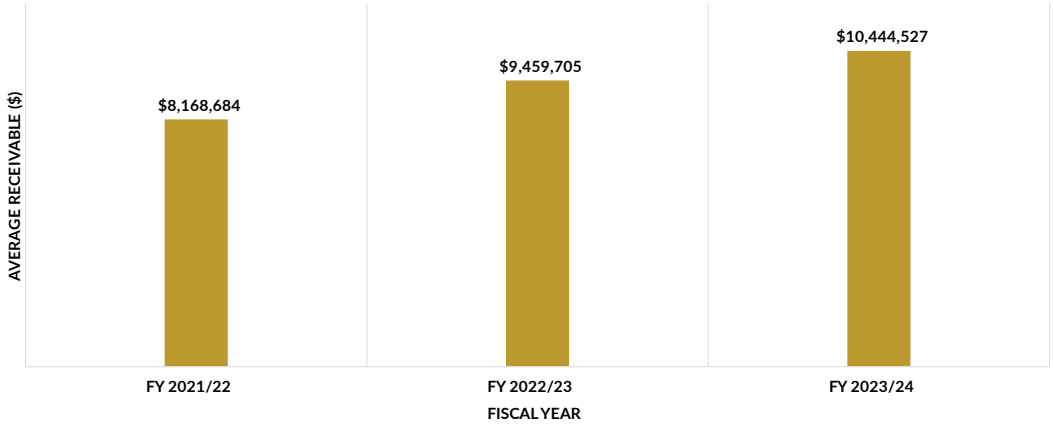
YEAR-TO-DATE BUDGET VS. YEAR-TO-DATE EXPENSE (APRIL 2025)



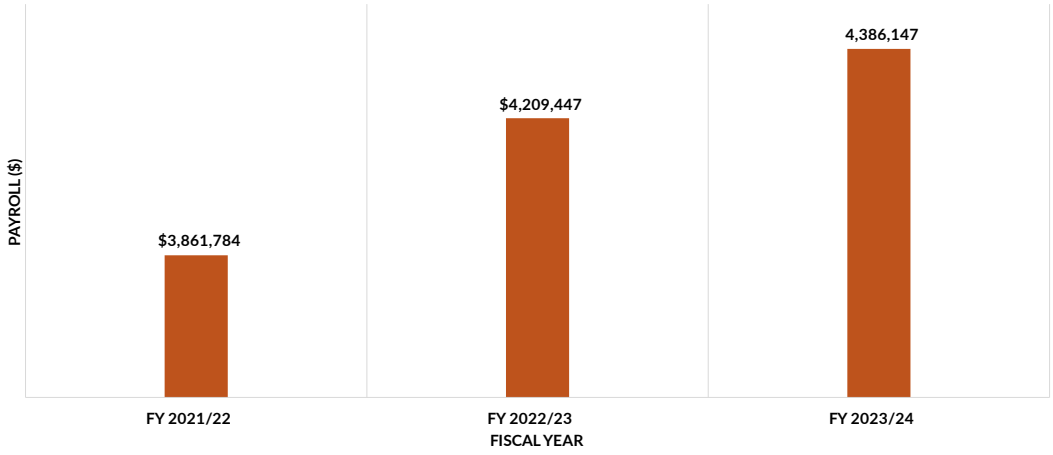
YEAR-TO-DATE BUDGET VS. YEAR-TO-DATE EXPENSE (APRIL 2025)



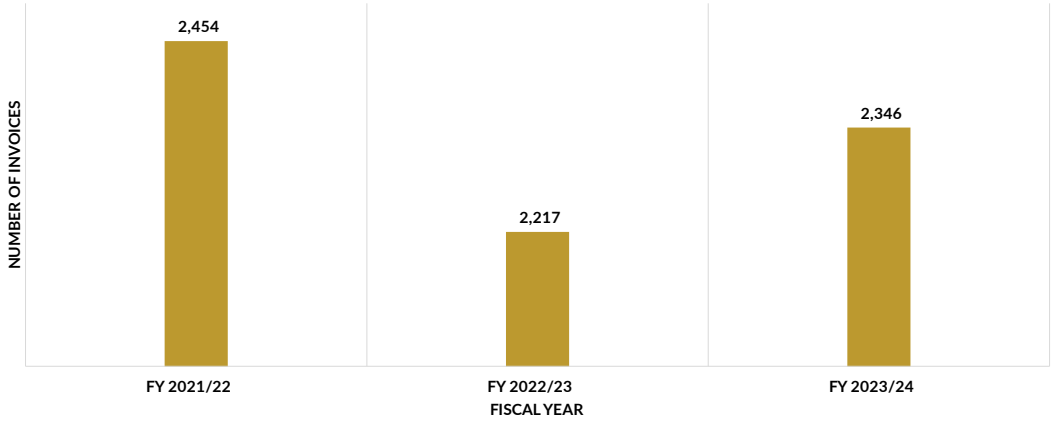
AVERAGE ACCOUNTS RECEIVABLE



PAYROLL



NUMBER OF INVOICES PROCESSED



TOTAL PAYMENTS



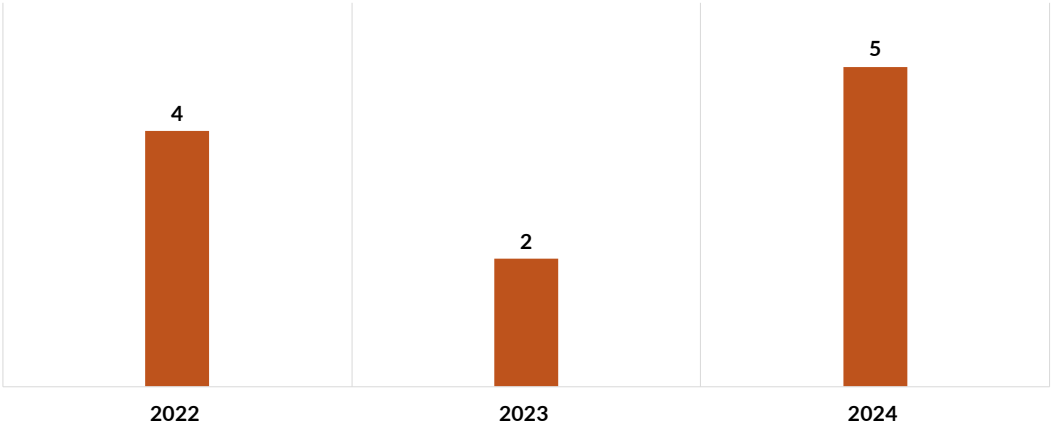
Clerk of the Board

MEETINGS AND RECORDS

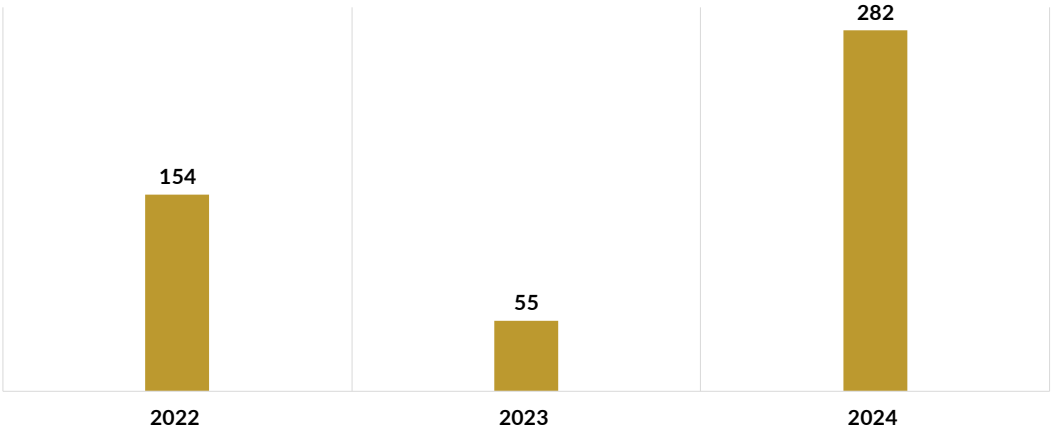
Board Items	FY22	FY23	FY24	YTD-March FY25
Regular Board Meetings	22	20	20	5
Special Board Meetings	3	10	3	1
East Valley Reclamation Authority Meetings	3	2	2	1
Budget & Finance Committee Meetings	5	4	4	1
Operations Committee Meetings	6	4	4	1
Community Engagement Committee Meetings	4	6	4	2
Board/Committee Minutes Compiled	43	46	37	11
General Manager's Reports	12	12	12	3
Documents Notarized	5	13	11	5
Public Records Requests	4	11	13	2

Human Resources

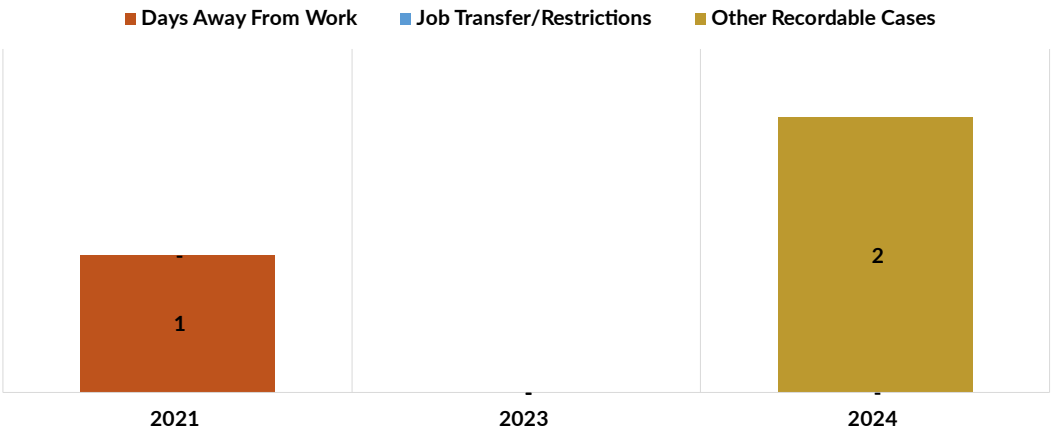
RECRUITMENTS



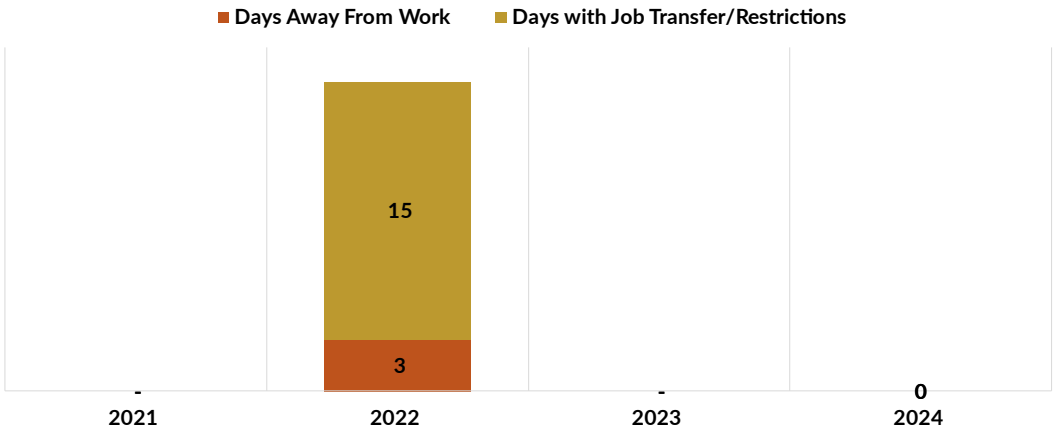
APPLICANTS



WORK-RELATED INJURIES NUMBER OF CASES



WORK-RELATED INJURIES – DAYS AWAY FROM WORK



Communication and Outreach

COMMUNICATIONS AND PUBLIC OUTREACH

Communications and Public Outreach	FY22	FY23	FY24	YTD-March FY25
Social Media Posts	0	0	42	67
GM Newsletters	0	0	4	3
Community Events Attended	0	0	6	12
Tours	0	0	3	4

FISCAL YEAR 2024/25 ACCOMPLISHMENTS

Finance

- Received the California Society of Municipal Finance Officers (CSMFO) Budget Excellence Award
- Received the Government Finance Officers Association (GFOA) Distinguished Budget Award
- Received the GFOA Certificate of Achievement for Excellence in Financial Reporting (COA)
- Published and regularly updated the Monthly Budget Variance Report
- Issued six (6) Request for Proposals (RFPs) and awarded corresponding contracts

Clerk of the Board

- Attended the California Special District Association (CSDA) Clerk of the Board Conference
- Successfully onboarded a new Director for Ward C
- Updated and revised the Board Policies Handbook

Communication and Outreach

- Hosted the District's First Open House Community Event
- Distributed the Quarterly GM Newsletter to 6,757 customers
- Published 67 social media posts throughout the year

Human Resources

- Achieved renewal of the Great Place to Work Certification
- Reintroduced the Employee of the Year Award
- Developed and implemented the Cal/OSHA-mandated Workplace Violence and Prevention Program
- Ensured annual inspection of all District portable fire extinguishers
- Conducted in person trainings for numerous employees and divisions including, Forklift/Telehandler Operation, Fire Extinguisher Safety, Confined Space Rescue, and First Aid/CPR.

FISCAL YEAR 2025/26 GOALS

Strategic Plan

- GOAL 2: FINANCE. Sustainable, Long-Term Funding is in Place.
- GOAL 3: STAFF. The District Retains Its Motivated, Well-trained, and Experienced Staff.
- GOAL 4: OUTREACH. A Well-designed and Properly Resourced Outreach Plan is Sustained.
- GOAL 5: GOVERNANCE. An Ever-Improving Board Sets Clear and Thoughtful Direction for the District.

Finance Goals

- Financial Oversight & Compliance
    - Review and update financial policies, including Budget, Debt, and Grant policies, to reflect current regulations and organizational priorities.
    - Ensure compliance monitoring and the timely filing of all reports and disclosures related to District debt obligations.
- Capital Projects & Funding Oversight
    - Conduct monthly meetings with department heads and selected staff to review the status of capital project funding and advance the Capital Improvement Program.
    - Analyze and diversify revenue streams to enhance financial sustainability, with increased focus on identifying and submitting competitive grant funding opportunities.
    - Prepare and submit required grant reports on a quarterly and semi-annual basis.
    - Develop enhanced tools for proactive grant tracking, forecasting, and expense monitoring to support departmental planning and execution.
- Procurement & Policy Improvements
    - Revise the Procurement Policy to align with current best practices and implement streamlined administrative procedures.
    - Develop a new Standard Operating Procedure (SOP) for purchasing, detailing the acquisition process for materials, services, equipment, and public works construction.
    - Conduct annual procurement training for managers, supervisors, and key staff to reinforce policy compliance and operational efficiency.
- Technology & System Upgrades
    - Issue a Request for Proposal (RFP) to replace or upgrade the District's Financial Enterprise Resource Planning (ERP) and Utility Billing (UB) systems.
    - Procure a new timekeeping system to improve payroll accuracy and efficiency.

- Automate the accounts payable invoice processing workflow to increase productivity and reduce manual entry errors.

Clerk of the Board Goals

- Enhance Public Engagement
  - Continue to promote the "Send Agenda" feature within Peak Agenda Software, allowing constituents to subscribe and receive meeting agendas via email upon posting.
- Support Informed Decision-Making
  - Provide comprehensive and timely support to Board Members to ensure access to the information and resources necessary for effective decision-making.
- Improve Internal Coordination
  - Strengthen communication and collaboration between the Clerk of the Board and all departments to ensure a seamless and efficient agenda preparation process.
- Policy Development
  - Develop a formal policy outlining approval levels and clear guidelines for the adoption, modification, and deletion of administrative policies and procedures.
- Records Management and Compliance
  - Destroy archived documents in accordance with the District's Records Retention Schedule.
  - Complete the review and verification of archived documents to ensure alignment with the District's retention standards.
- Staff Training and Program Compliance
  - Develop and implement a records management training program for District office staff to promote understanding and adherence to the District Records Management Program.
- Preservation of Historical Records
  - Continue the review, identification, and digital scanning of the District's historical records for improved accessibility and long-term preservation.

Communication and Outreach

- 100-Year Celebration Event
  - Successfully plan and host the District's Centennial Celebration at the Coachella Valley History Museum in November 2025, honoring 100 years of service to the community.

- Educational Video Campaigns
  Develop and distribute engaging social media video content to educate the public on the following:
  - Fats, Oils, and Grease (F.O.G.) awareness and prevention
  - Progress updates on capital improvement projects
- Strengthen Social Media Presence
  Enhance the District's presence on Facebook and Instagram to:
  - Increase customer, employee, and community engagement
  - Boost brand awareness
  - Drive traffic to the District website: valley-sanitary.org
- Website Modernization and Accessibility
  - Update the District's website to ensure ADA compliance
  - Improve user experience and maintain content relevance
  - Optimize for search engines to increase online visibility
- Expanded Educational Programs
  - Revamp the Wastewater Treatment Plant community tour and student field trip program
  - Integrate interactive visuals and hands-on activities to enhance learning and engagement
- Bilingual Outreach
  - Increase availability of Spanish-language educational materials, videos, and web content to better serve the diverse community

Human Resources Goals

- Implement Web-Based DOT Driver/Testing Compliance System
  - Launch and integrate the DOT compliance platform through Simplex to streamline driver testing and regulatory compliance tracking.
- Deploy Web-Based Performance Evaluation System (Carryover from Previous Year)
  - Complete the implementation of NeoGov PERFORM to enhance the performance evaluation process and support data-driven personnel decisions.
- Finalize Employee Classification & Compensation Plan Study
  - Conduct and complete a comprehensive study to ensure equitable, competitive, and consistent employee classification and compensation structures.
- Develop and Refine Job Assessments for New VSD Classifications
  - Create or update job assessments aligned with the newly adopted job classifications within the VSD framework to ensure appropriate role alignment and recruitment practices.

- Update and Revise the VSD Employee Handbook
    - Review and revise the employee handbook to reflect current policies, legal compliance, and organizational best practices.
- Review and Update Cal/OSHA Safety Programs
    - Evaluate at least three written safety programs in accordance with Cal/OSHA standards and update them as necessary to maintain workplace safety compliance.

PERSONNEL SUMMARY

FY26 Physical Count	Classification	FY25 Base FTEs	FY26 Base FTEs	Variance
1	General Manager	1.00	1.00	0.00
1	Chief Administrative Officer	1.00	1.00	0.00
1	Accounting Analyst	1.00	1.00	0.00
1	Administrative Assistant	1.00	1.00	0.00
1	Clerk of the Board	1.00	1.00	0.00
1	Communications Specialist	0.00	1.00	1.00
1	Human Resources Specialist	1.00	1.00	0.00
4	Intern	0.00	2.00	2.00
11	**Total FTEs**	**6.00**	**9.00**	**3.00**

Notes:

Added Four (4) Part-time Interns

Added One (1) Communications Specialist

EXPENSE BUDGET SUMMARY

General Ledger Code	FY23 Actual	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget	Budget Change	Percent Change
11-3650000-0 CSWRCB RESERVE FUND	$ 553,361	$ 553,361	$ 553,361	$ 553,361	$ 553,361	$ -	0.0%
11-9160000-0 TRANSFER TO FUND 6	889,188	888,250	890,000	890,000	889,750	(250)	0.0%
11-5030414-3 SALARIES AND WAGES	706,517	870,318	852,655	845,216	1,127,889	275,234	32.3%
11-5060414-3 BONUS, AWARDS, AND RECERTIFICATIONS	2,568	12,156	9,750	19,809	19,850	10,100	103.6%
11-5110414-3 LONGEVITY	3,471	3,620	3,600	3,268	4,200	600	16.7%
11-5070414-3 OVERTIME	191	576	1,000	2,795	1,500	500	50.0%
11-5116414-3 FICA AND MEDICARE	46,819	67,252	78,026	56,465	103,810	25,784	33.0%
11-5112414-3 RETIREMENT CONTRIBUTIONS	68,089	95,279	98,706	92,629	118,369	19,663	19.9%
11-5128414-3 VISION INSURANCE	1,421	1,450	1,332	1,532	1,704	372	27.9%
11-5122414-3 WORKERS' COMPENSATION	67,080	87,328	98,861	77,395	98,861	-	0.0%
11-5124414-3 LIFE INSURANCE	1,475	1,686	3,000	1,810	2,184	(816)	-27.2%
11-5126414-3 HEALTH INSURANCE	117,899	133,763	148,488	144,828	186,892	38,404	25.9%
11-5129414-3 DENTAL INSURANCE	9,044	9,442	9,456	9,298	10,632	1,176	12.4%
11-5132414-3 LONG TERM DISABILITY INS.	2,105	2,343	2,412	2,485	3,048	636	26.4%
11-5554414-3 ACCOUNTING SERVICES	54,464	72,939	89,425	75,219	89,425	-	0.0%
11-5300414-3 COMPREHENSIVE INSURANCE	352,734	404,839	488,433	449,849	741,508	253,075	51.8%
11-5500414-3 CONTRACTS	499,343	401,151	1,092,386	622,475	1,115,386	23,000	2.1%
11-5410414-3 COUNTY EXPENSE	23,439	18,766	25,000	20,286	25,000	-	0.0%
11-5552414-3 LEGAL SERVICES	30,720	56,996	52,000	108,232	85,000	33,000	63.5%
11-5555414-3 MEDICAL SERVICES	10,024	5,303	47,443	8,318	47,443	-	0.0%
11-5350414-3 MEMBERSHIPS	46,405	57,662	59,358	72,310	65,573	6,215	10.5%
11-5553414-3 MISC. PROFESSIONAL SERVICES	63,643	80,306	113,837	105,446	132,437	18,600	16.3%
11-5400414-3 OFFICE SUPPLIES	13,027	15,408	24,123	23,379	28,000	3,877	16.1%
11-5450414-3 SUPPLIES	4,491	1,444	41,000	29,422	51,000	10,000	24.4%
11-5545414-3 OPEB HEALTH INSURANCE	83,967	84,966	105,840	88,200	104,079	(1,761)	-1.7%
11-5950414-3 OTHER EXPENSES	29,900	24,561	20,000	33,276	30,000	10,000	50.0%
11-5420414-3 PERMITS AND FEES	-	3,228	3,500	197	3,500	-	0.0%
11-5600414-3 PUBLICATIONS	2,144	1,062	3,500	1,337	3,500	-	0.0%
11-5700414-3 REPAIRS AND MAINTENANCE	14,018	17,049	32,375	26,105	15,375	(17,000)	-52.5%
11-5810414-3 TUITION REIMBURSEMENT	4,292	3,000	12,000	-	12,000	-	0.0%
11-5901414-3 TELEPHONE AND INTERNET	30,909	31,957	32,930	33,473	35,630	2,700	8.2%
11-5800414-3 CONFERENCES AND MEETINGS	27,409	59,169	98,189	79,198	103,189	5,000	5.1%
11-8680000-0 ADMINISTRATIVE FACILITIES	5,650	29,456	25,000	-	40,000	15,000	60.0%
11-8660000-0 GENERAL PLANT FACILITIES	26,751	-	373,000	250,000	270,792	(102,208)	-27.4%
11-22820000-0 UNFUNDED ACCRUED LIABILITY CALPERS	736,606	-	515,872	515,872	565,931	50,059	9.7%
11-9190000-0 BANK OF AMERICA LOAN	2,970,422	3,828,748	3,147,289	3,147,289	4,206,880	1,059,591	33.7%
Total Expenses	**$ 7,499,586**	**$ 7,924,837**	**$ 9,153,147**	**$ 8,390,775**	**$ 10,893,698**	**$ 1,740,551**	**19.0%**

ADMINISTRATION BUDGET DETAIL

General Ledger Code		FY25 Budget	FY26 Budget	Variance
11-5030414-3 SALARIES AND WAGES		$ 852,655	$ 1,127,889	$ 275,234
11-5060414-3 BONUS, AWARDS, AND RECERTIFICATIONS		9,750	19,850	10,100
11-5070414-3 OVERTIME		1,000	1,500	500
11-0000414-3 TOTAL FRINGE BENEFITS		345,020	430,839	85,819
	Subtotal	**$ 1,208,425**	**$ 1,580,078**	**$ 371,653**
11-3650000-0 CSWRCB RESERVE FUND				
	Principal and Interest Payment for State Revolving Fund (SRF)	$ 553,361	$ 553,361	$ -
	Subtotal	**$ 553,361**	**$ 553,361**	**$ -**
11-9160000-0 TRANSFER TO FUND 6				
	Principal and Interest Payment for Revenue Refunding Bonds, 2015	$ 887,500	$ 887,250	$ (250)
	Annual Administrative Expenses for Revenue Refunding Bonds, 2015	2,500	2,500	-
	Subtotal	**$ 890,000**	**$ 889,750**	**$ (250)**
10-2650000-0 BANK OF AMERICA LOAN				
	Principal and Interest Payment for Recycled Water Project Phase 1	$ 3,147,289	$ 4,206,880	$ 1,059,591
	Subtotal	**$ 3,147,289**	**$ 4,206,880**	**$ 1,059,591**
11-5122414-3 WORKERS' COMPENSATION				
	Workers' Compensation Insurance Premiums	$ 98,861	$ 98,861	$ -
	Subtotal	**$ 98,861**	**$ 98,861**	**$ -**
11-5554414-3 ACCOUNTING SERVICES				
	Annual Audit	$ 33,191	$ 33,191	$ -
	Annual Software Support (Blackbaud)	24,604	24,604	-
	Annual Sewer Service Charge Administration Services (NBS)	19,800	19,800	-
	Payroll Processing (Paychex)	6,000	6,000	-
	Timekeeping System (CTE)	3,710	3,710	-
	Annual Report Submittal To GFOA/CSMFO	1,120	1,120	-
	Budget Report Submittal To GFOA/CSMFO	1,000	1,000	-
	Subtotal	**$ 89,425**	**$ 89,425**	**$ -**

General Ledger Code		FY25 Budget	FY26 Budget	Variance
11-5300414-3 COMPREHENSIVE INSURANCE				
	Earthquake Insurance	$ 230,000	$ 355,000	$ 125,000
	Umbrella Business Insurance (e.g., Liability, Auto, and General)	220,000	345,000	125,000
	Environmental Pollution	25,433	27,468	2,035
	Cyber Insurance	13,000	14,040	1,040
	Subtotal	**$ 488,433**	**$ 741,508**	**$ 253,075**
11-5500414-3 CONTRACTS				
	Public Relations (e.g., Outreach, Social Media, and Advertising)	$ 200,000	$ 200,000	$ -
	Onsite Security Services	130,000	130,000	-
	Centennial Planning	100,000	100,000	-
	Rebranding Services	100,000	100,000	-
	Federal Advocacy	90,000	90,000	-
	State Advocacy	90,000	90,000	-
	Sewer Rate and Capacity Fee Study	90,000	90,000	-
	Grant Assistance	80,000	80,000	-
	Computer Maintenance	42,987	42,987	-
	Other IT Support	36,256	36,256	-
	Coachella Valley History Museum	30,000	31,500	1,500
	Mailing Services Prop 218	30,000	31,500	1,500
	Temporary Help Services	10,000	30,000	20,000
	Outreach Newsletter	24,000	24,000	-
	General Consulting for Human Resource Training and Development, Benefits, and Legal Compliance	22,278	22,278	-
	Services Related to the Shadow Hills and Indio Terrace Assessment Districts (Willdan)	10,000	10,000	-
	CalPERS Actuarial Study for GASB 68 Requirements	2,500	2,500	-
	Section 125 Plan	1,604	1,604	-
	CalPERS Health Plan Annual Fee	1,247	1,247	-
	Paper Shredding (Desert Arc)	891	891	-
	CalPERS 218 Fee (Social Security Agreement)	623	623	-
	Subtotal	**$ 1,092,386**	**$ 1,115,386**	**$ 23,000**
11-5410414-3 COUNTY EXPENSE				
	County Auditor Fees Special Assessments to the Tax Roll	$ 12,500	$ 12,500	$ -
	County Treasurer Fees for Collection of Special Assessments	12,500	12,500	-
	Subtotal	**$ 25,000**	**$ 25,000**	**$ -**

General Ledger Code		FY25 Budget	FY26 Budget	Variance
11-5552414-3 LEGAL SERVICES				
	Costs Associated with General Legal Counsel	$ 52,000	$ 85,000	$ 33,000
	Subtotal	**$ 52,000**	**$ 85,000**	**$ 33,000**
11-5555414-3 MEDICAL SERVICES				
	Wellness Program	$ 40,000	$ 40,000	$ -
	Gym Reimbursement	2,600	2,600	-
	Medical Exams-DMV & Pre-Employment	2,243	2,243	-
	Background Checks	1,200	1,200	-
	First Aid Medical	700	700	-
	Drug/Alcohol Testing Five (5) Employees	700	700	-
	Subtotal	**$ 47,443**	**$ 47,443**	**$ -**
11-5350414-3 MEMBERSHIPS				
	California Association of Sanitation Agencies (CASA)	$ 18,540	$ 19,467	$ 927
	California Special Districts Association (CSDA)	9,175	9,634	459
	National Association Clean Water Agency (NACWA)	8,846	9,289	443
	Liebert Cassidy Whitmore (LCW)	6,110	6,416	306
	Southern California Allowance of Publicly Owned Treatment Works (SCAP)	5,100	5,100	-
	WateReuse Membership	4,347	4,347	-
	Adobe PDF	-	4,080	4,080
	Great Places to Work	2,700	2,700	-
	California Society of Municipal Finance Officers (CSMFO)	800	800	-
	Greater Coachella Valley Chamber of Commerce	760	760	-
	California Public Employer Labor Relations Association (CalPERLA)	740	740	-
	Government Finance Officers Association (GFOA)	480	480	-
	American Water Works Association (AWWA)	300	300	-
	California Clerk of The Board of Supervisors Association (CCBSA)	300	300	-
	California Association of Public Procurement Officials (CAPPO)	225	225	-
	Society for Human Resource Management (SHRM)	219	219	-
	California Water Environment Association (CWEA)	200	200	-
	International Public Management Association for Human Resources (IPMA-HR)	156	156	
	Professionals In Human Resources Association (PIHRA)	150	150	-
	Palm Springs Desert Sun Subscription	120	120	-
	Municipal Management Association of Southern California (MMASC)	90	90	-
	Subtotal	**$ 59,358**	**$ 65,573**	**$ 6,215**

General Ledger Code		FY25 Budget	FY26 Budget	Variance
11-5553414-3 MISC. PROFESSIONAL SERVICES				
	Computer Consulting	$ 55,000	$ 70,000	$ 15,000
	OpenGov Procurement	16,367	16,367	-
	Government Job Listing Service (NeoGov)	11,000	11,000	-
	Website Annual Service (CivicPlus)	11,000	11,000	-
	Peak Agenda Management (Granicus)	6,200	6,200	-
	Office 365 Annual Billing	5,670	5,670	-
	CART Captioning Services for Board Meeting Live Stream	4,800	4,800	-
	Video Conferencing	3,000	3,000	-
	AP Automation Software	-	3,000	3,000
	Civic Plus (Website)	-	600	600
	e skill	450	450	-
	Canva Pro	200	200	-
	Grammarly Pro	150	150	-
	Subtotal	**$ 113,837**	**$ 132,437**	**$ 18,600**
11-5400414-3 OFFICE SUPPLIES				
	General Office Supplies (e.g., Letterhead, Envelopes, Business Cards, Copy Paper, Binders, Calendars, File Folders, Pens, Pencils)	$ 17,500	$ 20,000	$ 2,500
	Printed Budget Book	$ 2,000	$ 3,000	
	Printed Employee Handbook	2,000	2,000	-
	Postage	2,000	2,000	-
	Postage Meter Lease (Pitney Bowes)	623	1,000	377
	Subtotal	**$ 24,123**	**$ 28,000**	**$ 3,877**
11-5450414-3 SUPPLIES				
	Marketing and Outreach Supplies	$ 30,000	$ 40,000	$ 10,000
	Office Software Upgrades	7,000	7,000	-
	Computer Supplies-Printer Cartridges and Toner	4,000	4,000	-
	Subtotal	**$ 41,000**	**$ 51,000**	**$ 10,000**
11-5545414-3 OPEB HEALTH INSURANCE				
	OPEB Annual Required Contribution (ARC)	$ 88,711	$ 86,950	$ (1,761)
	CalPERS OPEB Health Insurance fees	13,129	13,129	-
	Biennial OPEB Actuarial Study	4,000	4,000	-
	Subtotal	**$ 105,840**	**$ 104,079**	**$ (1,761)**
11-5950414-3 OTHER EXPENSES				
	Miscellaneous Expense Contingency Fund	$ 20,000	$ 30,000	$ 10,000
	Subtotal	**$ 20,000**	**$ 30,000**	**$ 10,000**

General Ledger Code		FY25 Budget	FY26 Budget	Variance
11-22820000-0 UNFUNDED ACCRUED LIABILITY CALPERS				
	Annual payment on the Unfunded Accrued Liability (UAL) is the amortized dollar amount needed to fund past service credit earned (or accrued) for members who are currently receiving benefits, active members, and for members entitled to deferred benefits, as of the valuation date.	$ 515,872	$ 565,931	$ 50,059
	Subtotal	**$ 515,872**	**$ 565,931**	**$ 50,059**
11-5420414-3 PERMITS AND FEES				
	The Cortese Knox-Hertzberg Local Government Reorganization Act Of 2000 States that Special Districts are Responsible for Paying One-Third of the Cost of LAFCO.	$ 3,500	$ 3,500	$ -
	Subtotal	**$ 3,500**	**$ 3,500**	**$ -**
11-5600414-3 PUBLICATIONS				
	Costs For Publication of Official Notices and Bid Requests in Online Platforms	$ 3,500	$ 3,500	$ -
	Subtotal	**$ 3,500**	**$ 3,500**	**$ -**
11-5700414-3 REPAIRS AND MAINTENANCE				
	IT Supplies	$ -	$ 7,000	$ 7,000
	Copier II Lease & Maintenance	3,875	3,875	-
	Innovative Document Solutions - Monthly Maintenance Costs For Copier	2,000	3,000	1,000
	Miscellaneous	1,500	1,500	-
	Computer Replacement	25,000	-	(25,000)
	Subtotal	**$ 32,375**	**$ 15,375**	**$ (17,000)**
11-5810414-3 TUITION REIMBURSEMENT				
	Tuition Assistance Program	$ 12,000	$ 12,000	$ -
	Subtotal	**$ 12,000**	**$ 12,000**	**$ -**
11-5901414-3 TELEPHONE AND INTERNET				
	Cell Phones Employee (Verizon Wireless)	$ 15,000	$ 17,000	$ 2,000
	VOIP Main Telephone System (Spectrum)	14,000	14,700	700
	EPIC IPO (SCADA Wireless)	2,500	2,500	-
	Fire Control Alarms (Frontier)	1,200	1,200	-
	Fax Services	230	230	-
	Subtotal	**$ 32,930**	**$ 35,630**	**$ 2,700**

General Ledger Code		FY25 Budget	FY26 Budget	Variance
11-5800414-3 CONFERENCES AND MEETINGS				
	Leadership Academy	$ 25,000	$ 30,000	$ 5,000
	ARC Flash Training (Electrical Safety)	25,000	25,000	-
	Costs Associated with Employee Travel and Training	14,302	14,302	-
	Harassment Training	5,000	5,000	-
	Confined Space & Temporary Traffic Control	5,000	5,000	-
	DFK Solutions Group	4,740	4,740	-
	Association of California Water Agencies (ACWA)	4,709	4,709	-
	California Association of Sanitation Agencies (CASA)	4,709	4,709	-
	Government Finance Officers Association (GFOA) Conference	2,500	2,500	-
	CPR Training	2,500	2,500	-
	CalPERLA	2,130	2,130	-
	CSDA Clerk of the Board Training	1,000	1,000	-
	Fire Extinguisher Training	500	500	-
	Procurement Uniform Guidance Training	500	500	-
	California Society of Municipal Finance Offices (CSMFO)	400	400	-
	Pryor Learning	199	199	-
	Subtotal	**$ 98,189**	**$ 103,189**	**$ 5,000**
11-8680000-0 ADMINISTRATIVE FACILITIES				
	Server Replacement	$ 25,000	$ 25,000	$ -
	New Time Keeping System	-	15,000	15,000
	Subtotal	**$ 25,000**	**$ 40,000**	**$ 15,000**
11-8660000-0 GENERAL PLANT FACILITIES				
	Water Reuse Project (EVRA JPA)	$ 200,000	$ 161,792	$ (38,208)
	Coachella Valley Integrated Regional Water Management Plan (IRWMP)	50,000	50,000	-
	Salt and Nutrient Management Plan (SNMP)	50,000	50,000	-
	Phase 1 Gap Monitoring Well Plan	9,000	9,000	-
	Collection System Upgrade - Cloud Based Asset Management System	64,000	-	(64,000)
	Subtotal	**$ 373,000**	**$ 270,792**	**$ (102,208)**
	Total Expense	**$ 9,153,147**	**$ 10,893,698**	**$ 1,740,551**

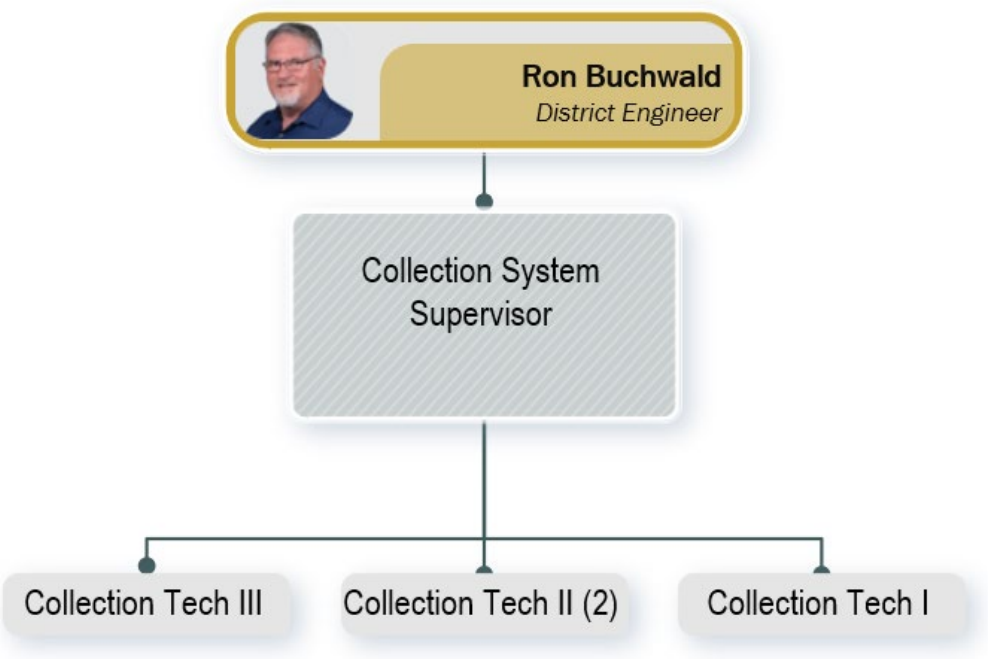




Flashback to February of 1995; construction crew installing laterals and sewer mains at the Wells Mobile Home Park in Indio, CA.

SANITATION COLLECTIONS





DESCRIPTION

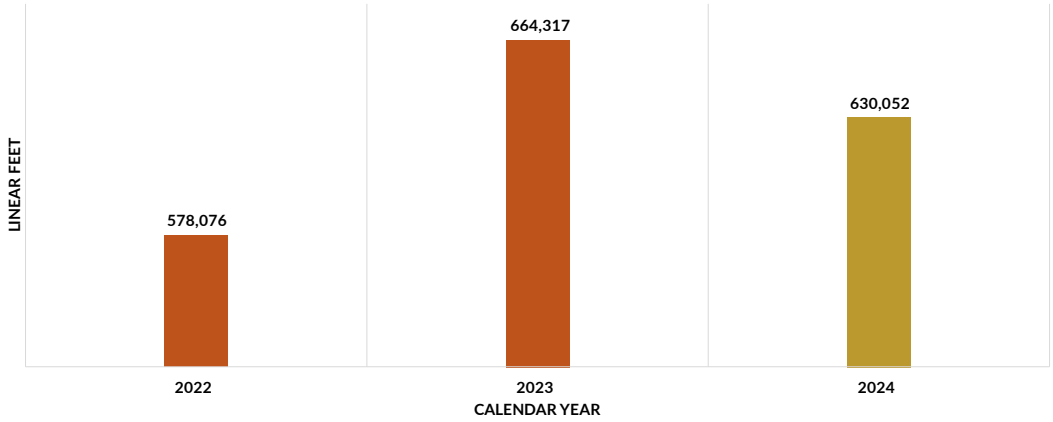
The Sanitation Collections System Department is responsible for operating, maintaining, and inspecting 260 miles of sewer mains with pipe diameters ranging from 6 to 54 inches. The Department conducts routine Closed-Circuit Television (CCTV) inspections to assess the condition and functionality of the infrastructure.

The system includes four (4) lift stations, comprising eight (8) pumps and a combination of four (4) wet wells and four (4) dry wells. These components require regular maintenance and inspection to ensure efficient operation and minimize service disruptions.

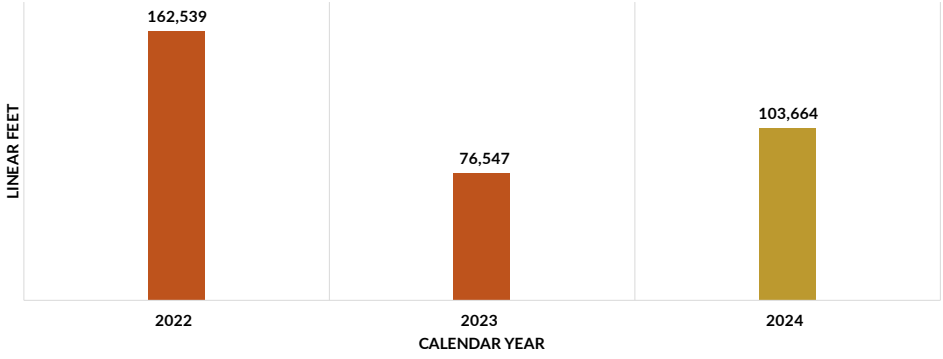
Additionally, the collection system contains approximately 4,500 manholes. These structures are routinely maintained and inspected to detect and prevent deterioration, thereby preserving the integrity and reliability of the entire wastewater collection network.

METRICS

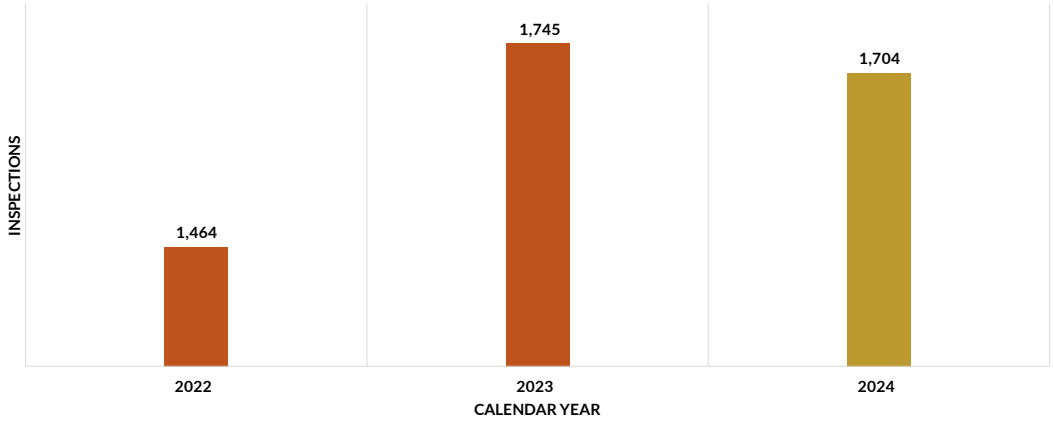
VACTOR/ JETTING OF LINES



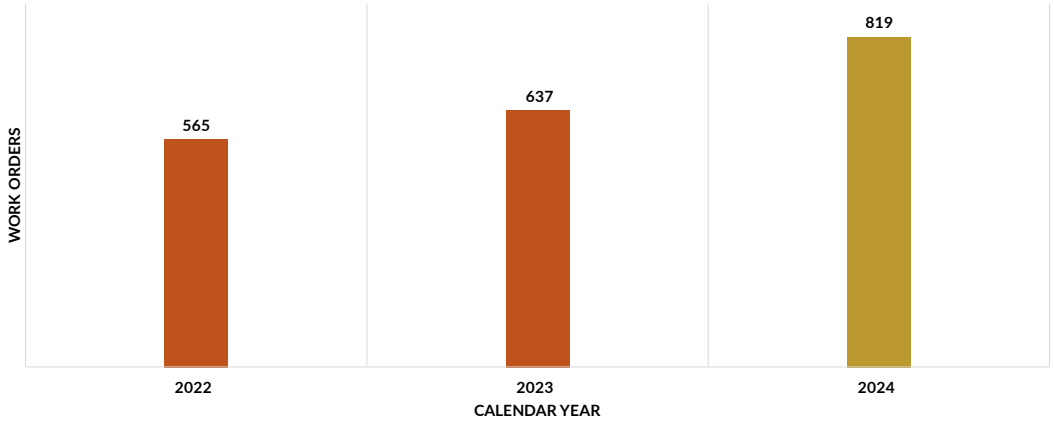
PIPE ASSESSMENT INSPECTION



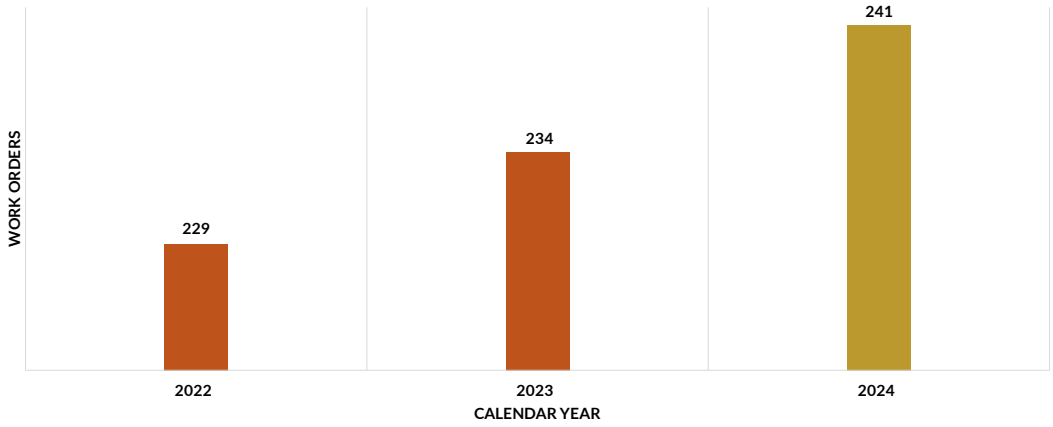
MANHOLES INSPECTED



UNDERGROUND SERVICE ALERT MARKINGS



LIFT STATION MAINTENANCE



FISCAL YEAR 2024/25 ACCOMPLISHMENTS

- Successfully completed 20 miles of collection system pipeline assessment inspections.
- Cleaned 119 miles of sewer main pipeline, enhancing flow efficiency and reducing potential blockages.
- Provided support for the design and plan review of the Collection System Rehabilitation Program.
- Executed a comprehensive sewer main rehabilitation project, including over 14,000 linear feet of point repairs, cured-in-place pipe lining, and pipe removal and replacement.
- Completed rehabilitation of 52 manholes, improving structural integrity and extending service life.
- Procured a replacement Vactor truck, enhancing operational capacity and reliability.
- Attended workshops in preparation for the revisions and adoption of new statewide General Waste Discharge Requirements.
- Completed and submitted the Sewer System Management Plan (SSMP) Audit Report, in compliance with the Statewide Waste Discharge Requirements General Order (2022).
- Achieved in-vocation certifications for multiple staff members, supporting professional development and technical expertise.
- Participated in numerous training workshops, both in-person and online, to maintain and advance skill sets.

- Engaged in community outreach events, providing valuable information to the public about the Valley Sanitary District's mission and operations.
- Maintained a zero sanitary sewer overflow (SSO) record for the fiscal year — a significant achievement in system reliability and environmental stewardship.

FISCAL YEAR 2025/26 GOALS

Strategic Plan

- GOAL 1: FACILITIES. Reliable, Sustainable Facilities that Meet Customer Needs.
- GOAL 3: STAFF. The District Retains Its Motivated, Well-trained, and Experienced Staff.
- GOAL 4: OUTREACH. A Well-Designed and Properly Resourced Outreach Plan is Sustained.
- GOAL 5: GOVERNANCE. An Ever-Improving Board Sets Clear and Thoughtful Direction for the District.

Goals

- Meet or exceed the annual sewer main cleaning target of 130 miles to ensure optimal system performance.
- Achieve the two-year benchmark for cleaning the entire sewer system.
- Meet or exceed the annual CCTV inspection goal of 30 miles, supporting proactive maintenance and planning.
- Reach the ten-year benchmark for full-system inspection through comprehensive CCTV assessments.
- Prevent Sanitary Sewer Overflows (SSOs) by surpassing the requirements of the Statewide General Waste Discharge Requirements (WDR) and the Sewer System Management Plan (SSMP).
- Update the SSMP to be in compliance with the newly adopted Statewide General WDR, ensuring alignment with current regulatory standards.
- Foster staff development through ongoing training and professional certification programs to enhance operational expertise and efficiency.
- Maintain and expand staff involvement in community outreach to promote public understanding and support of the VSD's mission.
- Purchase an emergency response trailer and supplies to bolster readiness and improve response capabilities in critical situations.

PERSONNEL SUMMARY

FY26 Phyical Count	Classification	FY25 Base FTEs	FY26 Base FTEs	Variance
1	Collection System Supervisor	1.00	1.00	0.00
1	Collection System Technician I	1.00	1.00	0.00
2	Collection System Technician II	2.00	2.00	0.00
1	Collection System Technician III	1.00	1.00	0.00
5	**Total FTEs**	**5.00**	**5.00**	**0.00**

EXPENSE BUDGET SUMMARY

General Ledger Code	FY23 Actual	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget	Budget Change	Percent Change
11-5030410-1 SALARIES AND WAGES	$ 349,781	$ 383,199	$ 450,263	$ 382,193	$ 460,203	$ 9,940	2.2%
11-5060410-1 BONUS, AWARDS, AND RECERTIFICATIONS	800	800	1,100	979	1,200	100	9.1%
11-5080410-1 CALLOUT	4,324	6,650	6,000	2,125	1,500	(4,500)	-75.0%
11-5110410-1 LONGEVITY	4,629	4,826	4,800	4,652	4,800	-	0.0%
11-5070410-1 OVERTIME	205	1,861	2,700	2,228	6,000	3,300	122.2%
11-5090410-1 STANDBY PAY	39,691	44,577	46,531	45,154	49,317	2,786	6.0%
11-5116410-1 FICA AND MEDICARE	30,227	33,806	46,026	33,531	47,072	1,046	2.3%
11-5112410-1 RETIREMENT CONTRIBUTIONS	31,623	38,182	45,272	38,626	47,183	1,911	4.2%
11-5128410-1 VISION INSURANCE	1,117	1,122	1,404	1,081	1,272	(132)	-9.4%
11-5124410-1 LIFE INSURANCE	792	869	1,236	917	1,080	(156)	-12.6%
11-5126410-1 HEALTH INSURANCE	95,053	93,973	129,552	102,020	123,377	(6,175)	-4.8%
11-5129410-1 DENTAL INSURANCE	6,915	7,584	9,504	8,459	8,916	(588)	-6.2%
11-5132410-1 LONG TERM DISABILITY INS.	1,118	1,207	1,512	1,281	1,548	36	2.4%
11-5801410-1 CERTIFICATIONS	1,925	632	5,120	4,833	5,120	-	0.0%
11-5500410-1 CONTRACTS	59,005	79,841	141,040	79,703	128,360	(12,680)	-9.0%
11-5350410-1 MEMBERSHIPS	1,492	1,456	2,050	2,351	2,100	50	2.4%
11-5450410-1 SUPPLIES	4,385	4,206	8,500	1,954	5,000	(3,500)	-41.2%
11-5950410-1 OTHER EXPENSES	-	-	10,000	-	10,000	-	0.0%
11-5420410-1 PERMITS AND FEES	19,139	22,317	27,400	24,190	27,900	500	1.8%
11-5700410-1 REPAIRS AND MAINTENANCE	115,291	75,584	161,000	66,160	161,000	-	0.0%
11-5720410-1 TOOLS AND EQUIPMENT	829	1,235	2,000	388	2,000	-	0.0%
11-5152410-1 UNIFORM SERVICES	3,825	4,629	7,410	4,197	7,410	-	0.0%
11-5902410-1 ELECTRICITY	6,684	8,582	7,500	7,031	7,500	-	0.0%
11-5905410-1 WATER	7,190	5,825	6,500	6,850	7,000	500	7.7%
11-5800410-1 CONFERENCES AND MEETINGS	2,616	3,565	10,000	8,244	10,000	-	0.0%
Total Expenses	**$ 788,656**	**$ 826,527**	**$ 1,134,420**	**$ 829,148**	**$ 1,126,858**	**$ (7,562)**	**-0.7%**

SANITATION COLLECTIONS BUDGET DETAIL

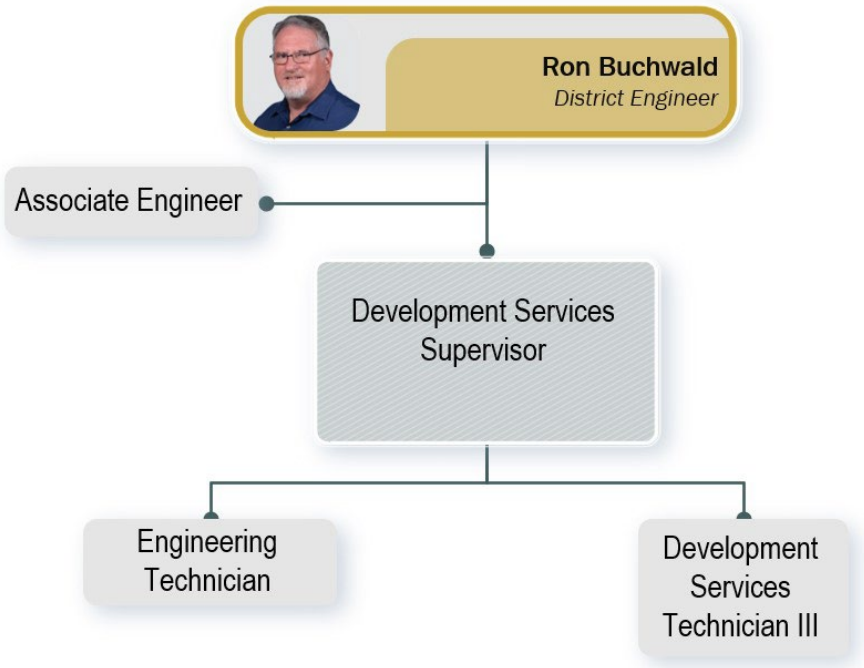
General Ledger Code		FY25 Budget	FY26 Budget	Variance
11-5030410-1 SALARIES AND WAGES		$ 450,263	$ 460,203	$ 9,940
11-5060410-1 BONUS, AWARDS, AND RECERTIFICATIONS		1,100	1,200	100
11-5080410-1 CALLOUT		6,000	1,500	(4,500)
11-5070410-1 OVERTIME		2,700	6,000	3,300
11-5090410-1 STANDBY PAY		46,531	49,317	2,786
11-0000410-1 TOTAL FRINGE BENEFITS		239,306	235,248	(4,058)
	Subtotal	**$ 745,900**	**$ 753,468**	**$ 7,568**
11-5801410-1 CERTIFICATIONS				
	Pipe Assessment Certification Program (PACP) for Two (2) Employees	$ 3,000	$ 3,000	$ -
	California Water Environment Association (CWEA) Allowance for Advancement (Certification Testing)	1,400	1,400	-
	CWEA Technical Certification Programs Collection System Technician I and III (5)	600	600	-
	CWEA Technical Certification Programs Collection System Supervisor	120	120	-
	Subtotal	**$ 5,120**	**$ 5,120**	**$ -**
11-5500410-1 CONTRACTS				
	Roach Control Program (Golden Bell) Final Year	$ 55,440	$ 57,660	$ 2,220
	Emergency Contingency Service (Rain for Rent)	30,000	20,500	(9,500)
	Root Control Program (Duke's Root Control)	15,000	15,000	-
	Software Support Fee (Pipelogix)/ Software Upgrade	12,000	12,000	-
	Emergency Response Consultant	10,000	10,000	-
	Annual Monitoring Fee/Pump Stations (2 yr Service Discount Rate)	4,200	4,800	600
	Dig Alerts and Board Fees (Underground Dig Alert)	4,500	4,500	-
	After Hours Answering Service (Around the Clock)	2,500	2,500	-
	Miscellaneous Contractual Services	1,000	1,000	-
	Wireless Beepers (SPOK)	400	400	-
	ERICA Radio Member Fee (City of Indio)	6,000	-	(6,000)
	Subtotal	**$ 141,040**	**$ 128,360**	**$ (12,680)**

General Ledger Code		FY25 Budget	FY26 Budget	Variance
11-5350410-1 MEMBERSHIPS				
	CWEA Membership Renewal	$ 1,650	$ 1,700	$ 50
	Updates New Criteria Related to PACP Inspection Standards	400	400	-
	Subtotal	**$ 2,050**	**$ 2,100**	**$ 50**
11-5450410-1 SUPPLIES				
	Traffic Control Signs/Cones/Safety Equipment	$ 3,000	$ 3,000	$ -
	Miscellaneous Supplies	2,000	2,000	-
	Emergency Response Supplies/Water/Food Rations	3,500	-	(3,500)
	Subtotal	**$ 8,500**	**$ 5,000**	**$ (3,500)**
11-5950410-1 OTHER EXPENSES				
	Miscellaneous Expense Contingency Fund	$ 10,000	$ 10,000	$ -
	Subtotal	**$ 10,000**	**$ 10,000**	**$ -**
11-5420410-1 PERMITS AND FEES				
	State General Waste Discharge Annual Permit Fee (SWRCB)	$ 24,000	$ 24,000	$ -
	Annual Encroachment Permit (City Of Indio)	2,200	2,200	-
	Miscellaneous Permits and/or Fees	1,000	1,000	-
	CARB Annual Fees	200	700	500
	Subtotal	**$ 27,400**	**$ 27,900**	**$ 500**
11-5700410-1 REPAIRS AND MAINTENANCE				
	Vactor Parts/Repairs/Planned Expenditures	$ 80,500	$ 80,500	$ -
	Mainline Repair	20,000	20,000	-
	TV Van Parts and Repair	16,500	16,500	-
	Manhole Covers	15,000	15,000	-
	Pump Station Repairs And Parts	14,000	14,000	-
	Equipment Rentals	13,000	13,000	-
	Equipment Repairs	2,000	2,000	-
	Subtotal	**$ 161,000**	**$ 161,000**	**$ -**

General Ledger Code		FY25 Budget	FY26 Budget	Variance
11-5720410-1 TOOLS AND EQUIPMENT				
	Miscellaneous Small Tool Acquisition and Replacement	$ 2,000	$ 2,000	$ -
	Subtotal	**$ 2,000**	**$ 2,000**	**$ -**
11-5152410-1 UNIFORM SERVICES				
	Uniforms-Five (5) Employees (Cintas)	$ 4,410	$ 4,410	$ -
	PPE Gloves/Clothing/Gear	1,500	1,500	-
	Boots-Five (5) Employees	1,500	1,500	-
	Subtotal	**$ 7,410**	**$ 7,410**	**$ -**
11-5902410-1 ELECTRICITY				
	Imperial Irrigation District (IID)	$ 7,500	$ 7,500	$ -
	Subtotal	**$ 7,500**	**$ 7,500**	**$ -**
11-5905410-1 WATER				
	Hydrant Water (Indio Water Authority)	$ 6,500	$ 7,000	$ 500
	Subtotal	**$ 6,500**	**$ 7,000**	**$ 500**
11-5800410-1 CONFERENCES AND MEETINGS				
	Travel Expenses for Conferences and Training Seminars, Registration Fees, Meals, Lodging and Related Expenses	$ 10,000	$ 10,000	$ -
	Subtotal	**$ 10,000**	**$ 10,000**	**$ -**
	Total Expenses	**$ 1,134,420**	**$ 1,126,858**	**$ (7,562)**

ENGINEERING





DESCRIPTION

The Engineering Department oversees Development Services and the Capital Improvement Program.

Development Services manages and monitors new development within the District's service area to ensure compliance with District standards. Responsibilities include plan checks, permitting, and inspection services for new construction and remodeling/tenant improvement projects across commercial, industrial, and residential properties.

The District also administers a robust Capital Improvement Program, which includes major initiatives such as:

- Recycled Water Project Phase 1 Design-Build
- Sewer Siphon Replacement Project
- Biosolid Conversion Project
- Numerous Smaller Infrastructure Projects

METRICS

DEVELOPMENT SERVICES TASKS

	FY22	FY23	FY24	FY25
New Projects	56	42	36	37
Projects Permitted	28	35	18	36
Projects Finaled	28	40	28	25
Single Family Finaled Permits	160	285	240	159
Development Review Comments	16	20	22	12
Request for Sewer Location	15	50	55	41

FISCAL YEAR 2024/25 ACCOMPLISHMENTS

Accomplishments

- Delivered a high-quality, customer-focused plan check process to support efficient project approvals.
- Provided developer-friendly inspection services with a strong emphasis on quality and responsiveness.
- Consistently returned plan check comments within 30 days, ensuring timely project progress.
- Continued construction of Phase 1 of the Recycled Water Project, advancing sustainability initiatives.
- Successfully updated and modernized the Lucity Asset Management Program and ArcPro GIS Mapping System, transitioning both to a secure, cloud-based platform.

FISCAL YEAR 2025/26 GOALS

Strategic Plan

- GOAL 1: FACILITIES. Reliable, Sustainable Facilities that Meet Customer Needs.
- GOAL 3: STAFF. The District Retains Its Motivated, Well-trained, and Experienced Staff.
- GOAL 4: OUTREACH. A well-designed and Properly Resourced Outreach Plan Is Sustained.
- GOAL 5: GOVERNANCE. An Ever-Improving Board Sets Clear and Thoughtful Direction for the District.

Goals

- Deliver a High-Quality, Customer-Friendly Plan Check Process
  - Ensure the plan check process is efficient, accurate, and responsive to customer needs.
- Provide High-Quality Inspection Services
  - Maintain a professional inspection process that supports development while upholding safety and code standards.
- Return Plan Check Comments Within 30 Days
  - Commit to timely feedback by consistently delivering plan check comments within a 30-day timeframe.
- Foster Cross-Training Among Employees
  - Coach and train department staff to become fully proficient in their roles and capable of supporting one another.
- Continue Leadership Development Within the Department
  - Promote growth through structured coaching and leadership development programs.
- Modernize the Plan Submission and Inspection Record-Keeping System
  - Upgrade internal systems to align with the record-keeping platform used by the City of Indio for improved efficiency and consistency.

PERSONNEL SUMMARY

FY26 Physical Count	Classification	FY25 Base FTEs	FY26 Base FTEs	Variance
1	District Engineer	1.00	1.00	0.00
0	Assistant Engineer	1.00	0.00	(1.00)
1	Associate Engineer	0.00	1.00	1.00
1	Development Services Supervisor	1.00	1.00	0.00
1	Development Services Technician III	1.00	1.00	0.00
1	Engineering Technician	1.00	1.00	0.00
5	**Total FTEs**	**5.00**	**5.00**	**0.00**

Notes:

Deleted One (1) Assistant Engineer

Added One (1) Associate Engineer

EXPENSE BUDGET SUMMARY

General Ledger Code	FY23 Actual	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget	Budget Change	Percent Change
11-5030414-1 SALARIES AND WAGES	$641,156	$699,452	$ 720,802	$729,756	$ 783,189	$ 62,387	8.7%
11-5060414-1 BONUS, AWARDS, AND RECERTIFICATIONS	1,000	1,311	1,100	979	1,000	(100)	-9.1%
11-5070414-1 OVERTIME	185	16	1,000	1,634	1,000	-	0.0%
11-5110414-1 LONGEVITY	7,203	9,514	10,200	9,803	10,800	600	5.9%
11-5116414-1 FICA AND MEDICARE	47,817	51,774	65,980	52,923	71,639	5,659	8.6%
11-5112414-1 RETIREMENT CONTRIBUTIONS	69,496	84,543	90,410	87,479	97,828	7,418	8.2%
11-5128414-1 VISION INSURANCE	896	923	981	950	969	(12)	-1.2%
11-5124414-1 LIFE INSURANCE	1,346	1,459	1,740	1,536	1,596	(144)	-8.3%
11-5126414-1 HEALTH INSURANCE	52,487	57,652	62,712	62,658	67,764	5,052	8.1%
11-5129414-1 DENTAL INSURANCE	5,172	5,789	6,132	6,118	6,156	24	0.4%
11-5132414-1 LONG TERM DISABILITY INS.	1,912	2,056	2,124	2,188	2,268	144	6.8%
11-5801414-1 CERTIFICATIONS	706	1,097	4,285	962	4,670	385	9.0%
11-5500414-1 CONTRACTS	3,900	3,892	152,000	7,692	191,000	39,000	25.7%
11-5350414-1 MEMBERSHIPS	706	1,226	1,200	311	3,700	2,500	208.3%
11-5950414-1 OTHER EXPENSES	12	-	-	-	-	-	0.0%
11-5420414-1 PERMITS AND FEES	-	-	1,000	-	1,000	-	0.0%
11-5720414-1 TOOLS AND EQUIPMENT	-	235	1,000	645	1,000	-	0.0%
11-5152414-1 UNIFORM SERVICES	1,797	2,148	6,110	2,471	6,110	-	0.0%
11-5800414-1 CONFERENCES AND MEETINGS	6,132	3,767	11,500	17,848	12,000	500	4.3%
Total Expenses	**$841,922**	**$926,854**	**$ 1,140,276**	**$985,952**	**$ 1,263,689**	**$123,413**	**10.8%**

ENGINEERING BUDGET DETAIL

General Ledger Code		FY25 Budget	FY26 Budget	Variance
11-5030414-1 SALARIES AND WAGES		$ 720,802	$ 783,189	$ 62,387
11-5060414-1 BONUS, AWARDS, AND RECERTIFICATIONS		1,100	1,000	(100)
11-5070414-1 OVERTIME		1,000	1,000	-
11-0000414-1 TOTAL FRINGE BENEFITS		240,279	259,020	18,741
	Subtotal	**$ 963,181**	**$ 1,044,209**	**$ 81,028**
11-5801414-1 CERTIFICATIONS				
	Pipe Assessment Certification Program (PACP) for Two (2) Employees	$ 2,400	$ 2,400	$ -
	California Water Environment Association (CWEA) Allowance for Advancement (Certification Testing)	450	500	50
	Professional Engineer (PE) (District Engineer and Associate Engineer)	225	500	275
	American Water Works Association (AWWA) Grade D4/T3 (District Engineer)	350	350	-
	CWEA Technical Certification Programs Development Service Technician III (CST II& ECI)	200	225	25
	CWEA Technical Certification Programs Engineering Tech (CST I, E&IT I)	200	225	25
	State Water Resource Control Board (SWRCB) Operator Certification Programs Operator TI	170	170	-
	SWRCB Board Operator Certification Programs Operator DI	170	170	-
	CWEA Technical Certification Programs Development Services Supervisor (CST IV)	120	130	10
	Subtotal	**$ 4,285**	**$ 4,670**	**$ 385**
11-5500414-1 CONTRACTS				
	Engineering Services	$ 125,000	$ 125,000	$ -
	Central Square Lucity Collections	-	30,000	30,000
	ESRI ArcGISPro	11,000	20,000	9,000
	Aerial Photo for GIS System	15,000	15,000	-
	Autocad Annual Maintenance and Helpdesk	1,000	1,000	-
	Subtotal	**$ 152,000**	**$ 191,000**	**$ 39,000**

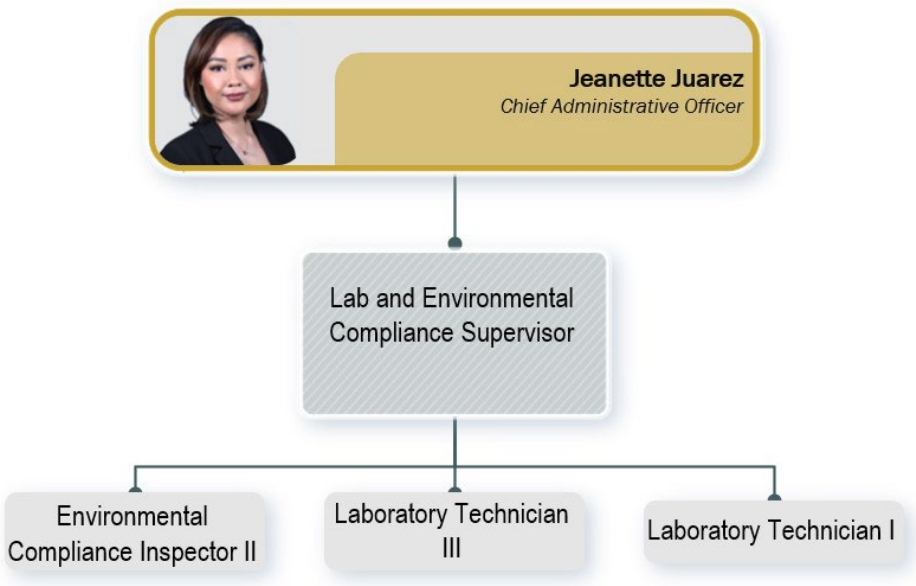
General Ledger Code		FY25 Budget	FY26 Budget	Variance
11-5350414-1 MEMBERSHIPS				
	Blue Beam Plan Check Services	$ -	$ 2,500	$ 2,500
	California Water Environment Association (CWEA) Membership Renewal	$ 1,200	$ 1,200	-
	Subtotal	**$ 1,200**	**$ 3,700**	**$ 2,500**
11-5420414-1 PERMITS AND FEES				
	Miscellaneous Permits and/or Fees	$ 1,000	$ 1,000	$ -
	Subtotal	**$ 1,000**	**$ 1,000**	**$ -**
11-5720414-1 TOOLS AND EQUIPMENT				
	Small Tool Acquisition and Replacement	$ 1,000	$ 1,000	$ -
	Subtotal	**$ 1,000**	**$ 1,000**	**$ -**
11-5152414-1 UNIFORM SERVICES				
	Uniforms-Four (4) Employees (Cintas)	$ 4,110	$ 4,110	$ -
	Boots-Four (4) Employees	1,000	1,000	-
	Gloves	1,000	1,000	-
	Subtotal	**$ 6,110**	**$ 6,110**	**$ -**
11-5800414-1 CONFERENCES AND MEETINGS				
	Travel Expenses for Conferences and Training Seminars, Registration Fees, Meals, Lodging and Related Expenses	$ 11,500	$ 12,000	$ 500
	Subtotal	**$ 11,500**	**$ 12,000**	**$ 500**
	Total Expenses	**$ 1,140,276**	**$ 1,263,689**	**$ 123,413**



Old VSD Wetlands; Wetlands in wastewater treatment are natural or manmade systems that use vegetation, soil, and microbial activity to filter and clean water. They help remove pollutants, nutrients, and pathogens before the water reenters the environment.

ENVIRONMENTAL COMPLIANCE SERVICES





DESCRIPTION

The Environmental Compliance Services Department is comprised of the Laboratory Division and the Pretreatment Division. The focus of the department is to develop and implement programs to comply with local, state, and federal regulations protecting water quality and environmental resources.

Laboratory

Schedules, collects, and conducts sampling, analyses, interpretation of results, and follow-up testing of physical, chemical, biological, and bacteriological tests of raw and treated wastewater related to treatment and quality in accordance with Water Quality Laboratory processes and state and federal mandates.

Implements a Laboratory Information Management System (LIMS) needed to meet state and federal electronic reporting requirements and prove an effective data storage system for performing water quality evaluations.

Collaborates with Operations to ensure successful permit monitoring, compliance and reporting activities related to National Pollutant Discharge Elimination System (NPDES), Waste Discharge Requirements (WDR), etc.

Plans, manages, and maintains the daily functions and activities of the District's state-certified Laboratory, Source Control, and Regulatory Compliance Programs.

Pretreatment (Source Control)

Inspects industrial and commercial facilities for compliance with federal, state, and local regulations and permit conditions related to pretreatment, pollution prevention, and sanitary sewer system requirements.

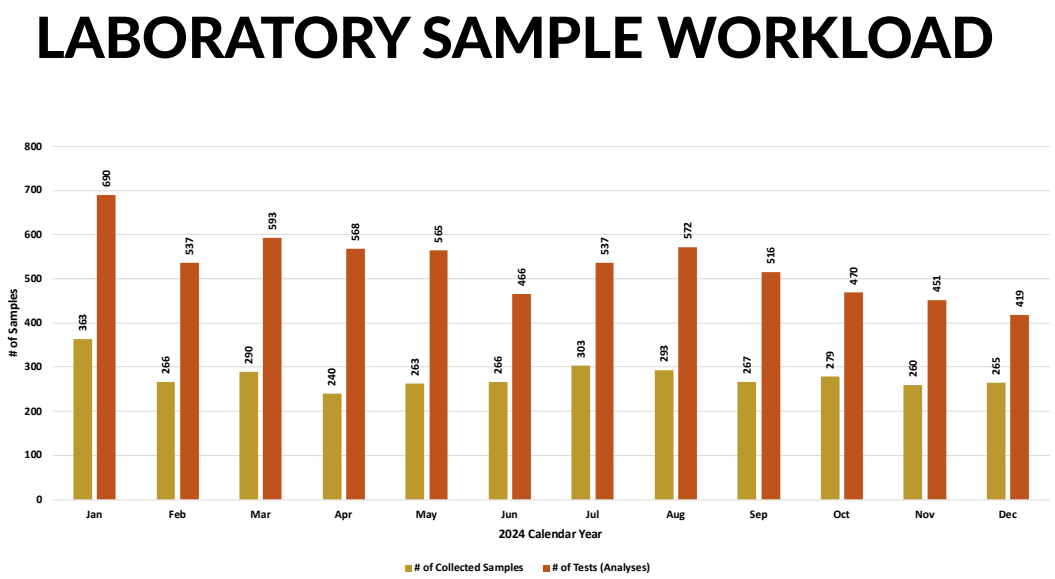
Inspects manufacturing processes as sources of industrial waste and their effects on wastewater treatment processes by monitoring sample handling and preservation, field testing equipment and procedures, and documentation of the sample chain-of-custody (COC).

Provides education and outreach to the permitted and general business community.

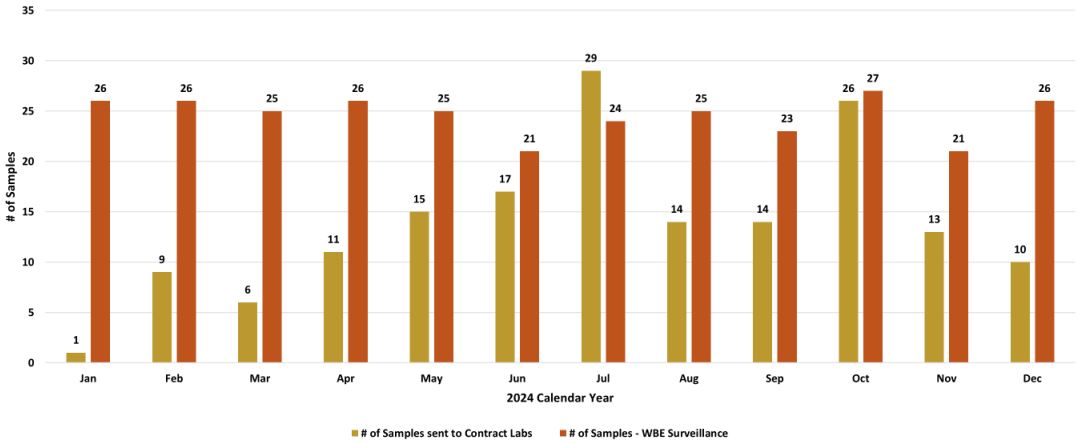
Reviews and evaluates permit applications, issues permits, calculates fees, performs sampling activities, prepares a variety of reports, and interacts with industries, other agencies, commercial establishments, residential customers, and other regulators.

METRICS

Laboratory



LABORATORY WORKLOAD

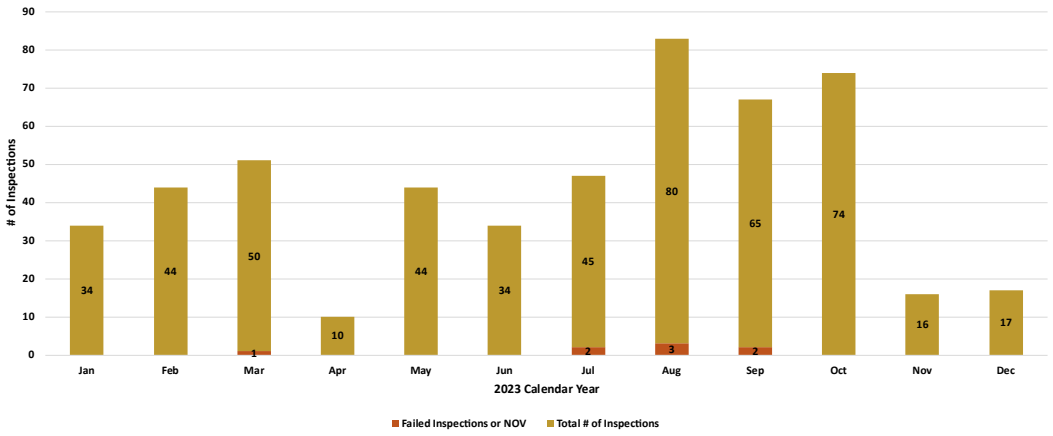


LABORATORY TASKS

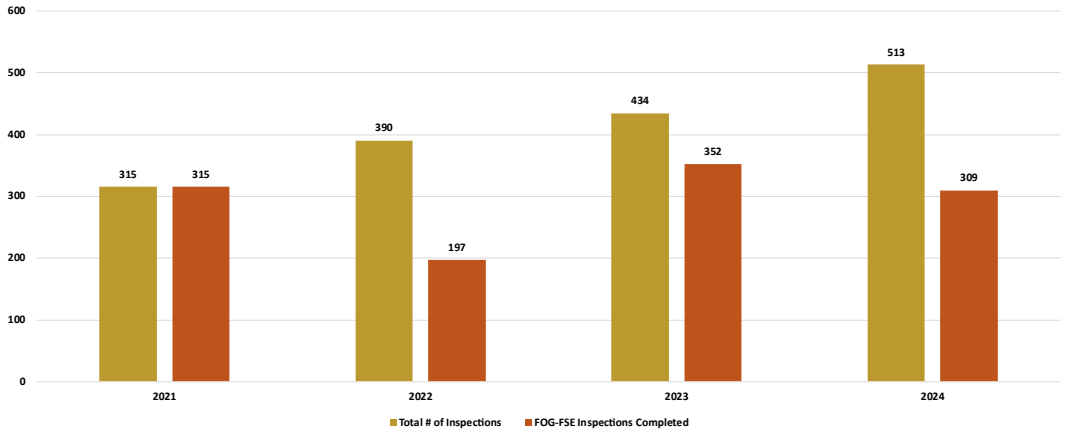
Laboratory	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total YTD
# of Collected Samples	363	266	290	240	263	266	303	293	267	279	260	265	3,355
# of Tests (Analyses)	690	537	593	568	565	466	537	572	516	470	451	419	6,384
# of Samples sent to Contract Labs	1	9	6	11	15	17	29	14	14	26	13	10	165
# of Contracted Tests (Analyses)	47	62	51	69	68	66	85	64	68	91	62	63	796
# of Samples - WBE Surveillance	26	26	25	26	25	21	24	25	23	27	21	26	295
% of Samples performed In-House	99.7%	96.6%	97.9%	95.4%	94.3%	93.6%	90.4%	95.2%	94.8%	90.7%	95.0%	96.2%	95.0%

Pretreatment

PRETREATMENT INSPECTIONS



PRETREATMENT WORKLOAD



PRETREATMENT TASKS

Task	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total YTD
Customer Service Calls	6	8	1	0	2	2	3	18	18	12	6	11	87
Commercial Approval Letters	2	3	1	0	0	1	0	2	1	1	0	1	12
Change of Ownership Inspection	2	3	1	0	0	0	0	0	0	0	0	1	7
SIU Permit Compliance	3	3	5	3	3	3	3	3	3	3	3	3	38
FOG-FSE Inspections Completed	27	34	42	4	25	23	17	40	31	46	11	9	309
Commercial Inspections Completed	4	5	2	2	15	8	24	33	26	15	2	4	140
Environmental & Collections investigations		2	1	1	1	0	1	4	5	10	0	1	26
Non-compliance follow-up								1	16	29	13	19	78
Failed Inspections or NOV			1				2	3	2				8
Total # of Inspections	34	44	50	10	44	34	45	80	65	74	16	17	513

FISCAL YEAR 2024/25 ACCOMPLISHMENTS

Laboratory

- Participated in multiple wastewater-based epidemiology (WBE) programs with CDC-National Wastewater Surveillance Survey (NWSS), Biobot, and WastewaterScan of 13 pathogens of concern.
- Participated in wastewater-based epidemiology (WBE) program with Biobot-National Institute on Drug Abuse (NIDA) for five high-risk substances and their metabolites.
- Staff obtained multiple CWEA Laboratory certifications to improve cross-training and succession planning activities.
- Staff attended training opportunities: Tri-State Seminar, and the virtual ELAP annual conference.
- Panelist speaker representing public utilities at the WEF-California Wastewater Surveillance Workshop held at Stanford University.
- Staff obtained CWEA Lab Person of the Year award for 2024 for local chapter.
- Staff obtained Laboratory Crystal Crucible Award for 2024.

Pretreatment

- A new environmental compliance inspector (ECI) was hired and trained to maintain the pretreatment source control programs to ensure state and federal regulatory compliance.

- Program improvements include, reviewing standard operating procedures, policies, and documents providing training opportunities for cross-training and succession planning events.
- Staff attended training opportunities: Pretreatment Conference (P3S) and NACWA national pre-treatment conference.
- Transitioning to a cloud-based database for tracking facilities and work-orders have started.
- Reviewed & updated the application of connection fees and sewer rates to industrial facilities.

FISCAL YEAR 2025/26 GOALS

Strategic Plan

- GOAL 2: FINANCE. Sustainable, Long-Term Funding is in Place.
- GOAL 3: STAFF. The District Retains its Motivated, Well-trained, and Experienced Staff.
- GOAL 5: GOVERNANCE. An Ever-Improving Board Sets Clear and Thoughtful Direction for the District.

Laboratory Goals

- Complete onsite assessment per the State Board Environmental Laboratory Accreditation Program (ELAP) 2016-TNI-2 requirements, effective January 2024.
- Train interdepartmental personnel to prepare for unexpected events, timely completion of tasks, projects, and succession planning.
- Hire and train a new laboratory technician to ensure fully trained staff in the laboratory.
- Review 10% of operating procedures, policies, and documents and update as needed.

Pretreatment Goals

- Train interdepartmental personnel to prepare for unexpected events, timely completion of tasks, projects, and succession planning.
- Review 10% of operating procedures, policies, and documents and update as needed.
- Complete site surveys to better monitor and characterize the potential impacts of discharge from facilities to the Publicly Owned Treatment Works (POTW).

PERSONNEL SUMMARY

1		0.00	1.00	1.00
0		1.00	0.00	
1		1.00	1.00	0.00
1		0.00	1.00	1.00
0		1.00	0.00	(1.00)
1		1.00	1.00	0.00
				(1.00)

Notes:

Deleted One (1) Environmental Compliance Inspector III

Added One (1) Environmental Compliance Inspector II

Deleted One (1) Laboratory Technician II

Added One (1) Laboratory Technician I

EXPENSE BUDGET SUMMARY

General Ledger Code	FY23 Actual	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget	Budget Change	Percent Change
11-5030414-2 SALARIES AND WAGES	$283,435	$391,757	$445,150	$353,698	$427,235	$ (17,915)	-4.0%
11-5060414-2 BONUS, AWARDS, AND RECERTIFICATIONS	800	1,005	800	783	800	-	0.0%
11-5110414-2 LONGEVITY	1,243	1,324	1,300	1,163	2,400	1,100	84.6%
11-5070414-2 OVERTIME	909	677	1,000	2,338	1,000	-	0.0%
11-5116414-2 FICA AND MEDICARE	21,765	30,254	40,343	27,115	38,830	(1,513)	-3.8%
11-5112414-2 RETIREMENT CONTRIBUTIONS	20,749	35,312	43,087	27,892	35,531	(7,556)	-17.5%
11-5128414-2 VISION INSURANCE	627	790	864	561	780	(84)	-9.7%
11-5124414-2 LIFE INSURANCE	694	797	876	691	876	-	0.0%
11-5126414-2 HEALTH INSURANCE	49,020	70,888	76,692	54,629	87,384	10,692	13.9%
11-5129414-2 DENTAL INSURANCE	3,801	5,073	5,568	3,405	4,512	(1,056)	-19.0%
11-5132414-2 LONG TERM DISABILITY INS.	916	1,239	1,344	1,109	1,356	12	0.9%
11-5801414-2 CERTIFICATIONS	531	1,015	1,445	629	1,516	71	4.9%
11-5500414-2 CONTRACTS	44,049	25,025	38,000	33,119	40,100	2,100	5.5%
11-5350414-2 MEMBERSHIPS	1,213	1,256	1,200	858	1,305	105	8.8%
11-5450414-2 SUPPLIES	31,042	23,819	28,600	29,523	30,800	2,200	7.7%
11-5950414-2 OTHER EXPENSES	691	-	10,000	-	10,000	-	0.0%
11-5420414-2 PERMITS AND FEES	6,475	5,581	7,700	6,843	7,700	-	0.0%
11-5700414-2 REPAIRS AND MAINTENANCE	3,846	13,307	15,500	11,554	16,000	500	3.2%
11-5750414-2 RESEARCH AND MONITORING	80,911	44,991	99,000	68,465	255,000	156,000	157.6%
11-5720414-2 TOOLS AND EQUIPMENT	1,722	5,299	10,000	4,743	10,000	-	0.0%
11-5152414-2 UNIFORM SERVICES	2,529	2,698	5,022	2,916	5,022	-	0.0%
11-5800414-2 CONFERENCES AND MEETINGS	3,139	5,023	8,000	8,586	12,000	4,000	50.0%
Total Expenses	**$560,107**	**$667,128**	**$841,491**	**$640,621**	**$990,147**	**$ 148,656**	**17.7%**

ENVIRONMENTAL COMPLIANCE BUDGET DETAIL

General Ledger Code		FY25 Budget	FY26 Budget	Variance
11-5030414-2 SALARIES AND WAGES		$ 445,150	$ 427,235	$ (17,915)
11-5060414-2 BONUS, AWARDS, AND RECERTIFICATIONS		800	800	-
11-5070414-2 OVERTIME		1,000	1,000	-
11-0000414-2 TOTAL FRINGE BENEFITS		170,074	171,669	1,595
	Subtotal	**$ 617,024**	**$ 600,704**	**$ (16,320)**
11-5801414-2 CERTIFICATIONS				
	California Water Environment Association (CWEA) Allowance for Advancement (Certification Testing)	$ 720	$ 911	$ 191
	State Water Resources Control Board (SWRCB) Wastewater Operator V	150	-	(150)
	CWEA Lab Analyst (Supervisor)	115	121	6
	CWEA Lab Analyst (Lab)	115	121	6
	CWEA Lab Analyst (Lab)	115	121	6
	Environmental Compliance Inspector	115	121	6
	Environmental Compliance Inspector (Lab)	115	121	6
	Subtotal	**$ 1,445**	**$ 1,516**	**$ 71**
11-5500414-2 CONTRACTS				
	Laboratory Information Management System (LIMS) Annual Support	$ 15,000	$ 15,000	$ -
	ELAP (2016 - TNI) On-Site Assessment (OSA)	7,000	7,000	-
	Information Management System (IMS) Annual Support	6,200	6,700	500
	Hazardous Waste Disposal	5,000	6,000	1,000
	Calibration/Replacement of Class I Scale Weights	1,300	1,500	200
	Scale Calibration Service (2 Balances)	1,300	1,400	100
	Calibration of NIST Certified Equipmeent	1,000	1,300	300
	Calibration/Certification of Fume Hood	1,200	1,200	-
	Subtotal	**$ 38,000**	**$ 40,100**	**$ 2,100**

General Ledger Code		FY25 Budget	FY26 Budget	Variance
11-5350414-2 MEMBERSHIPS				
	California Water Environment Association (CWEA) Membership Renewal	$ 800	$ 975	$ 175
	Water Environment Federation (WEF)	400	240	(160)
	TNI (NELAC) Association	-	90	90
	Subtotal	**$ 1,200**	**$ 1,305**	**$ 105**
11-5450414-2 SUPPLIES				
	Laboratory Chemicals, Reagents, Detergents, Filters, Glassware, Instrument Batteries, Dissolved Oxygen (DO) Probe Modules, Buffers, Storage Solutions, Medias, Quality Controls and Miscellaneous Supplies	$ 18,800	$ 21,000	$ 2,200
	Distilled Water for Laboratory	5,300	5,300	-
	Outreach Materials for Distribution for Public Relations Efforts	2,000	2,000	-
	Miscellaneous Small Tools, Torches, Pliers, Small Air Pumps, etc.	1,500	1,500	-
	Office supplies (e.g. Computer, Printer, etc.)	1,000	1,000	-
	Subtotal	**$ 28,600**	**$ 30,800**	**$ 2,200**
11-5950414-2 OTHER EXPENSES				
	Miscellaneous Expense Contingency Fund	$ 10,000	$ 10,000	$ -
	Subtotal	**$ 10,000**	**$ 10,000**	**$ -**
11-5420414-2 PERMITS AND FEES				
	Environmental Laboratory Certification Program (ELAP)	$ 6,000	$ 6,000	$ -
	Quality Assurance Proficiency Testing Required by the Health and Safety Code §100870	1,500	1,500	-
	Contingency	200	200	-
	Subtotal	**$ 7,700**	**$ 7,700**	**$ -**

General Ledger Code		FY25 Budget	FY26 Budget	Variance
11-5700414-2 REPAIRS AND MAINTENANCE				
	Laboratory Instrument Replacement	$ 10,000	$ 10,000	$ -
	Meter and Probe Replacement	5,000	5,000	-
	Contingency for Instrument Repairs and Maintenance	500	1,000	500
	Subtotal	**$ 15,500**	**$ 16,000**	**$ 500**
11-5750414-2 RESEARCH AND MONITORING				
	PFAS Testing (VSD & IUs)	$ -	$ 130,000	$ 130,000
	Contingency for Two (2) Toxicity Identification Evaluation Ph. I, Ph. II and III Base Line, Estimated Ten (10) Accelerated Monitoring of Bioassays, and Grit/Screening Samples	35,000	35,000	-
	Additional Testing - Laboratory Reserve	20,000	35,000	15,000
	Monthly EFF-001C Plant Effluent Testing	15,000	19,000	4,000
	Delivery for Lab Samples (Courier Service)	10,000	15,000	5,000
	Bioassay Monitoring	6,000	8,000	2,000
	Biosolids Testing for Sludge Samples	4,000	4,000	-
	California Toxics Rule (CTR) Annually	3,500	3,500	-
	Pretreatment IU Sampling Requirements	3,500	3,500	-
	Quarterly Testing (RSW-002, EFF-001C, INF)	2,000	2,000	-
	Subtotal	**$ 99,000**	**$ 255,000**	**$ 156,000**
11-5720414-2 TOOLS AND EQUIPMENT				
	Composite Sampler Supplies	$ 5,000	$ 5,000	$ -
	Sampling Bottles	4,000	4,000	-
	Sampling Equipment Acquisition and Replacement	1,000	1,000	-
	Subtotal	**$ 10,000**	**$ 10,000**	**$ -**
11-5152414-2 UNIFORM SERVICES				
	Uniforms-Four (4) Employees	$ 3,622	$ 3,622	$ -
	Boots-Four (4) Employees	1,000	1,000	-
	Gloves, Ear Plugs, Safety Items-Four (4) Employees	400	400	-
	Subtotal	**$ 5,022**	**$ 5,022**	**$ -**
11-5800414-2 CONFERENCES AND MEETINGS				
	Travel Expenses for Conferences and Training Seminars, Registration Fees, Meals, Lodging and Related Expenses	$ 8,000	$ 12,000	$ 4,000
	Subtotal	**$ 8,000**	**$ 12,000**	**$ 4,000**
	Total Expenses	**$ 841,491**	**$ 990,147**	**$ 148,656**

MAINTENANCE





DESCRIPTION

The Maintenance Department is responsible for all mechanical, electrical, and instrumentation equipment at the District's main plant, and also provides support to the four (4) lift stations located throughout the District's service area. The team conducts preventative maintenance on all facility equipment, including systems within both office and plant buildings. Additionally, the department maintains the District's fleet and construction equipment—such as trucks, tractors, and heavy-duty machinery—and installs new equipment, including pumps, meters, and electrical switchgear.

The Maintenance Department collaborates closely with all internal departments and external contractors to ensure the safety of operations and compliance with federal, state, and local regulatory requirements.

Over the past year, the department has continued to support the Plant Upgrade and Water Recycle Phase 1 Project in coordination with Schneider Electric, Walsh Construction, and Southern Electric. Planning for upcoming projects has also involved partnerships with Lystek, Dudek, Stantec, and Hoch/Trussell.

METRICS

MAINTENANCE TASKS

		FY22	FY23	FY24	FY25 March
Maintained	Fleet Vehicles	40	41	42	42
Replaced	Vehicles	2	-	1	2
Replaced	Skid Steer	1	-	1	-
New	EV Carts	4	-	-	-
New	Flow Meters	3	4	3	7
Replaced/ Repair	Pumps	4	10	9	12
Replaced/Repair	Motors	5	10	10	8
Completed	Projects	42	37	36	40
Maintained	Buildings	20	21	21	21
Maintained	Assets	1,356	1,470	1,465	1,558
Completed	Work orders	520	1,187	2,921	1,900

FISCAL YEAR 2024/25 ACCOMPLISHMENTS

- Training & Commissioning
  - Completed training on the new Headworks Bar Screen #1.
  - Commissioned the new Vortex Grit Chamber and associated equipment.
- Equipment Upgrades & Maintenance
  - Replaced PLC 460 in the Aerator MCC Building with staff assistance.
  - Ordered, assembled, and installed two new house aerators in Pond #2.
  - Purchased two (2) new Ford Lightning trucks and installed corresponding chargers.
  - Procured an 800-kilowatt generator to replace a unit over twenty years old.
  - Replaced PLC 600, Blower MCP, and three LCP PLC controllers.
  - Overhauled Primary Clarifier #3 and #4.
  - Completed motor replacements for secondary water pumps.
  - Replaced soft starter on Turblex Blower #2.
  - Alfa Laval replaced the remaining rollers on Belt Press #2.
  - Updated Primary Scum Pump Station with a new Mag Meter.
- Certifications & Training
  - Two staff members achieved Grade 2 Mechanical Technologist certification.
  - Maintenance team skills and training were tested during an emergency Generator #2 failure during a power outage. A small generator was procured

and installed to restore service to the Influent Pump Station and blower system promptly and safely.

- Projects & Inspections
  - Participated in the Recycle Water Project Phase 1 by locating city water, wastewater, natural gas, and electrical utilities.
  - Conducted inspection and four-year load test of Influent Pump Station overhead crane.
  - Removed and sent out two Return Activated Sludge pumps for servicing.
  - Electrical installation of Replacement Generator #1 for June 2025.
- Routine Maintenance
  - Conducted annual flow meter calibrations.
  - Serviced boiler and flame arrestor.
  - Repaired two 85 Hp Influent Pumps (#4 and #5).

FISCAL YEAR 2025/26 GOALS

Strategic Plan

- GOAL 1: FACILITIES. Reliable, Sustainable Facilities that Meet Customer Needs.
- GOAL 3: STAFF. The District Retains Its Motivated, Well-trained, and Experienced Staff.
- GOAL 5: GOVERNANCE. An Ever-Improving Board Sets Clear and Thoughtful Direction for the District.

Goals

- Provide training to the Maintenance and Electrical staff on emergency preparedness, focusing on the operation and installation of temporary backup generators to support critical equipment across the plant. Continue to enhance proficiency in Excel to support related tasks.
- Continue improving asset management by updating and inputting data into Lucity and GeoTab systems.
- Collaborate with the Engineering Department on Capital Improvement Projects (CIP) and vehicle replacement funding. Aim to complete all Maintenance Department CIP projects by June 30, 2025.

PERSONNEL SUMMARY

FY26 Physical Count	Classification	FY25 Base FTEs	FY26 Base FTEs	Variance
1	Electrician/Instrumentation Technician II	1.00	1.00	0.00
1	Electrician/Instrumentation Technician III	1.00	1.00	0.00
1	Facilities Maintenance Supervisor	1.00	1.00	0.00
1	Maintenance Technician I	0.00	1.00	1.00
1	Maintenance Technician II	2.00	1.00	(1.00)
3	Maintenance Technician III	3.00	3.00	0.00
8	**Total FTEs**	**8.00**	**8.00**	**0.00**

Notes:

Deleted One (1) Maintenance Technician II

Added One (1) Maintenance Technician

EXPENSE BUDGET SUMMARY

General Ledger Code	FY23 Actual	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget	Budget Change	Percent Change
11-5030412-1 SALARIES AND WAGES	$ 591,996	$ 712,388	$ 790,218	$ 714,765	$ 838,546	$ 48,328	6.1%
11-5060412-1 BONUS, AWARDS, AND RECERTIFICATIONS	1,475	1,600	1,600	1,566	2,050	450	28.1%
11-5080412-1 CALLOUT	3,034	7,040	6,000	6,727	10,000	4,000	66.7%
11-5110412-1 LONGEVITY	9,257	10,284	10,800	10,468	10,800	-	0.0%
11-5070412-1 OVERTIME	4,352	2,604	5,000	2,722	5,000	-	0.0%
11-5090412-1 STANDBY PAY	3,376	2,249	3,956	10,654	24,658	20,702	523.3%
11-5116412-1 FICA AND MEDICARE	46,356	55,225	73,582	56,702	80,195	6,613	9.0%
11-5112412-1 RETIREMENT CONTRIBUTIONS	49,524	61,883	70,957	63,769	76,354	5,397	7.6%
11-5128412-1 VISION INSURANCE	2,031	2,277	2,424	2,124	2,424	-	0.0%
11-5124412-1 LIFE INSURANCE	1,448	1,648	2,592	1,649	1,896	(696)	-26.9%
11-5126412-1 HEALTH INSURANCE	147,866	174,865	200,916	170,354	204,852	3,936	2.0%
11-5129412-1 DENTAL INSURANCE	12,078	14,858	15,744	13,770	15,816	72	0.5%
11-5132412-1 LONG TERM DISABILITY INS.	1,944	2,297	2,388	2,345	2,664	276	11.6%
11-5801412-1 CERTIFICATIONS	1,411	1,243	4,270	1,050	4,500	230	5.4%
11-5500412-1 CONTRACTS	105,128	118,578	194,740	150,057	213,685	18,945	9.7%
11-5350412-1 MEMBERSHIPS	2,094	2,316	3,190	3,004	3,300	110	3.4%
11-5450412-1 SUPPLIES	32,906	47,746	63,895	47,404	67,000	3,105	4.9%
11-5950412-1 OTHER EXPENSES	270	-	12,200	141	13,420	1,220	10.0%
11-5420412-1 PERMITS AND FEES	3,979	-	2,600	17	2,860	260	10.0%
11-5700412-1 REPAIRS AND MAINTENANCE	416,973	367,289	428,970	358,150	478,330	49,360	11.5%
11-5720412-1 TOOLS AND EQUIPMENT	11,284	3,018	42,400	4,091	44,140	1,740	4.1%
11-5152412-1 UNIFORM SERVICES	6,325	7,615	22,126	6,611	23,700	1,574	7.1%
11-5650412-1 COVID-19 SUPPLIES	1,486	493	11,000	-	-	(11,000)	-100.0%
11-5800412-1 CONFERENCES AND MEETINGS	10,202	13,245	19,360	16,219	19,360	-	0.0%
Total Expenses	**$ 1,466,793**	**$ 1,610,761**	**$ 1,990,928**	**$ 1,644,360**	**$ 2,145,550**	**$ 154,622**	**7.8%**

MAINTENANCE BUDGET DETAIL

General Ledger Code		FY25 Budget	FY26 Budget	Variance
11-5030412-1 SALARIES AND WAGES		$ 790,218	$ 838,546	$ 48,328
11-5060412-1 BONUS, AWARDS, AND RECERTIFICATIONS		1,600	2,050	450
11-5080412-1 CALLOUT		6,000	10,000	4,000
11-5070412-1 OVERTIME		5,000	5,000	-
11-5090412-1 STANDBY PAY		3,956	24,658	20,702
11-0000412-1 TOTAL FRINGE BENEFITS		379,403	395,001	15,598
	Subtotal	**$ 1,186,177**	**$ 1,275,255**	**$ 89,078**
11-5801412-1 CERTIFICATIONS				
	California Water Environment Association (CWEA) Allowance For Advancement (Certification Testing)	$ 2,100	$ 2,100	$ -
	CWEA Maintenance Technician III (3)	170	510	340
	CWEA Maintenance Technician I (4)	700	500	(200)
	CWEA Electrical/Instrumentation Technician (4)	452	500	48
	AWWA/CA AWWA	358	400	42
	CWEA Electrical Instrumentation Supervisor	170	170	-
	CWEA Elect/Inst. Technician III (1)	170	170	-
	State Water Resource Control Board (SWRCB) Operator III	150	150	-
	Subtotal	**$ 4,270**	**$ 4,500**	**$ 230**

General Ledger Code		FY25 Budget	FY26 Budget	Variance
11-5500412-1 CONTRACTS				
	Janitorial and Landscaping Services (Mariposa & Merchant)	$ 63,630	$ 70,377	$ 6,747
	Trailer Rental	8,000	46,208	38,208
	Central Square EAM Asset Management Lucity	40,000	20,000	(20,000)
	Boiler Maintenance Service Contract	14,000	14,000	-
	Annual Fire Suppression Service for Sodium Hypochlorite Facility	9,600	9,800	200
	Geotab Electronic Logs Vehicles	8,800	9,000	200
	Vehicle Washing	11,000	8,600	(2,400)
	Offsite Restroom Rental (Diamond Environmental)	7,200	7,200	-
	Parts, Washer Service, Light Bulb Disposal and Batteries (Safety Kleen)	5,775	5,800	25
	Annual Fire Extinguisher Service	3,900	4,000	100
	Annual AQMD Test (Western Pump)	3,800	3,900	100
	Pest Control Service for Building and Facilities (Rudy's Pest Control)	2,600	2,600	-
	Gantry Crane Service (Kono Crane)	3,000	2,500	(500)
	Fire Alarm Monitoring (Pyro Comm)	2,400	2,500	100
	Fuel Station Monitoring	2,500	2,500	-
	Used Oil Filter Disposal (Safety Kleen)	2,310	2,350	40
	Miscellaneous Contractual Services	1,210	1,300	90
	Recycling (Desert Arc)	515	550	35
	Building Alarm Monitoring (Alliance)	4,500	500	(4,000)
	Subtotal	**$ 194,740**	**$ 213,685**	**$ 18,945**
11-5350412-1 MEMBERSHIPS				
	California Water Environment Association (CWEA) Membership Renewal	$ 2,130	$ 2,200	$ 70
	National Fire Protection Association (NFPA)	575	600	25
	Water Environmental Federation (WEF)	485	500	15
	Subtotal	**$ 3,190**	**$ 3,300**	**$ 110**
11-5450412-1 SUPPLIES				
	Mats, Shop Towels, Etc. (Cintas)	$ 22,725	$ 25,000	$ 2,275
	Drinking Water Service	13,320	14,000	680
	Landscaping Supplies	10,000	10,000	-
	55-Gallon Cleaning Concentrates, Cleaning Supplies, Paper Towels, Toilet Paper, Cups, Soap, and Cleaners	9,350	9,500	150
	First Aid	6,000	6,000	-
	Miscellaneous Supplies	2,500	2,500	-
	Subtotal	**$ 63,895**	**$ 67,000**	**$ 3,105**

General Ledger Code		FY25 Budget	FY26 Budget	Variance
11-5950412-1 OTHER EXPENSES				
	Miscellaneous Expense Contingency Fund	$ 12,200	$ 13,420	$ 1,220
	Subtotal	**$ 12,200**	**$ 13,420**	**$ 1,220**
11-5420412-1 PERMITS AND FEES				
	Fire Department (Fuel Tank Permit)	$ 2,600	$ 2,860	$ 260
	Subtotal	**$ 2,600**	**$ 2,860**	**$ 260**
11-5700412-1 REPAIRS AND MAINTENANCE				
	Routine Miscellaneous Repairs and Maintenance Contingency	$ 113,300	$ 124,600	$ 11,300
	Boiler Maintenance	33,000	35,000	2,000
	Plant Structure Painting	35,000	35,000	-
	Service Generators 2, 3 & 4 Including Transfer Switches	30,000	33,000	3,000
	General Facility Maintenance	30,000	30,000	-
	Equipment Rentals	25,250	26,000	750
	Rebuild Sludge Pumps	25,000	25,000	-
	Flare Parts	24,000	24,000	-
	Belt Press Building Maintenance Parts	18,150	20,000	1,850
	Aerator Maintenance	15,500	20,000	4,500
	Dredge Panel and Spare Parts	14,000	15,000	1,000
	Turblex Blower Parts	8,470	9,330	860
	Clean District Flooring	-	9,000	9,000
	Golf Cart Battery Replacement	-	8,000	8,000
	90 Day Bit Inspections	5,000	7,200	2,200
	Gas Detectors for Confined Space Entry	6,000	6,600	600
	CAT Tractor and Dump Truck Repairs	6,000	6,000	-
	Fleet Vehicle Operating Supplies	6,000	6,000	-
	Replacement of Facilities Equipment/ Back Flow Device	3,000	5,500	2,500
	Vehicle Repairs and Smog Checks	5,000	5,000	-
	District Camera Replacement	5,000	5,000	-
	Safety Equipment for Confined Space Entry	4,500	4,500	-
	Arc Flash Safety Equipment	3,650	4,000	350
	Road Base for All Dirt Roads Around Treatment Plant	3,500	4,000	500
	Irrigation Repairs and Maintenance	3,300	3,500	200
	Hose Replacement	2,550	2,600	50
	Replace Hose Reel Swivels	2,300	2,500	200
	Gallery Sump Pump Replacements	1,500	2,000	500
	Subtotal	**$ 428,970**	**$ 478,330**	**$ 49,360**

General Ledger Code		FY25 Budget	FY26 Budget	Variance
11-5720412-1 TOOLS AND EQUIPMENT				
	25 Ton Press	$ 25,000	$ 25,000	$ -
	Miscellaneous Small Tool Acquisition and Replacement	17,400	19,140	1,740
	Subtotal	**$ 42,400**	**$ 44,140**	**$ 1,740**
11-5152412-1 UNIFORM SERVICES				
	Uniforms Eight (8) Employees (Cintas)	$ 14,566	$ 16,000	$ 1,434
	VSD Uniform UV Exposure PPE	4,400	4,500	100
	Boots Eight (8) Employees	2,200	2,200	-
	Gloves Eight (8) Employees	960	1,000	40
	Subtotal	**$ 22,126**	**$ 23,700**	**$ 1,574**
11-5650412-1 COVID-19 SUPPLIES				
	Personal Protective Equipment (PPE)	$ 11,000	$ -	$ (11,000)
	Subtotal	**$ 11,000**	**$ -**	**$ (11,000)**
11-5800412-1 CONFERENCES AND MEETINGS				
	Allowance for Eight (8) Employees	$ 19,360	$ 19,360	$ -
	Subtotal	**$ 19,360**	**$ 19,360**	**$ -**
	Total Expenses	**$ 1,990,928**	**$ 2,145,550**	**$ 154,622**

OPERATIONS





DESCRIPTION

Valley Sanitary District operates the Water Reclamation Facility (WRF) to treat wastewater within its 19.5-square-mile service area. The District adheres to all local, state, and federal regulations and is committed to maintaining a sustainable environmental process that safeguards public health and safety.

The facility treats approximately 5.5 to 6.5 million gallons of wastewater per day (MGD) through two (2) secondary treatment processes:

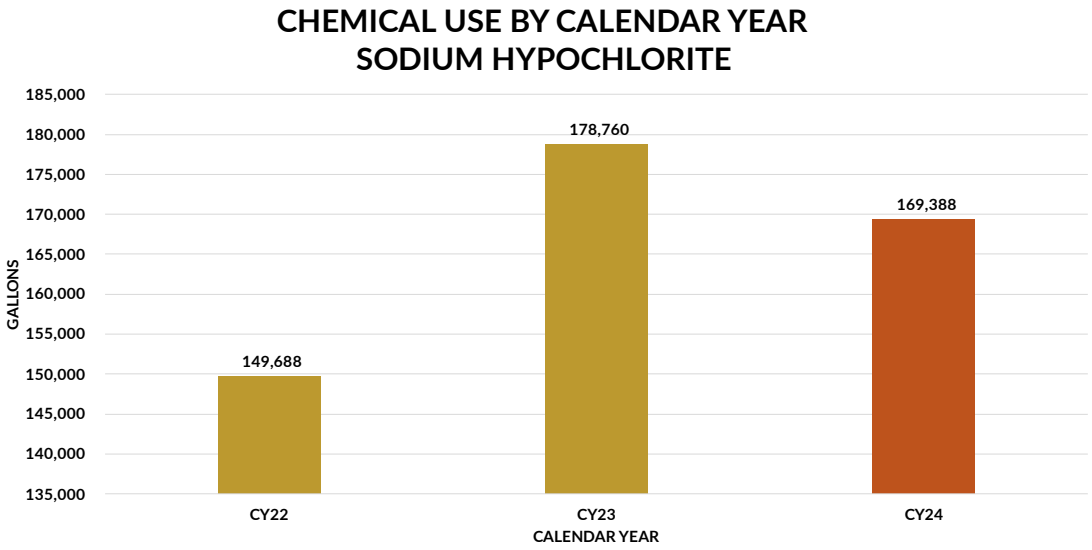
- Activated Sludge Process
  - This is the facility's primary method of treatment, handling the majority of incoming wastewater—currently between 5.5 and 6.5 MGD. The activated sludge system has a maximum treatment capacity of 10 MGD.
- Oxidation Ponds
  - The oxidation ponds receive approximately 0.5 MGD and all waste solids. These ponds have a maximum treatment capacity of 2.5 MGD.

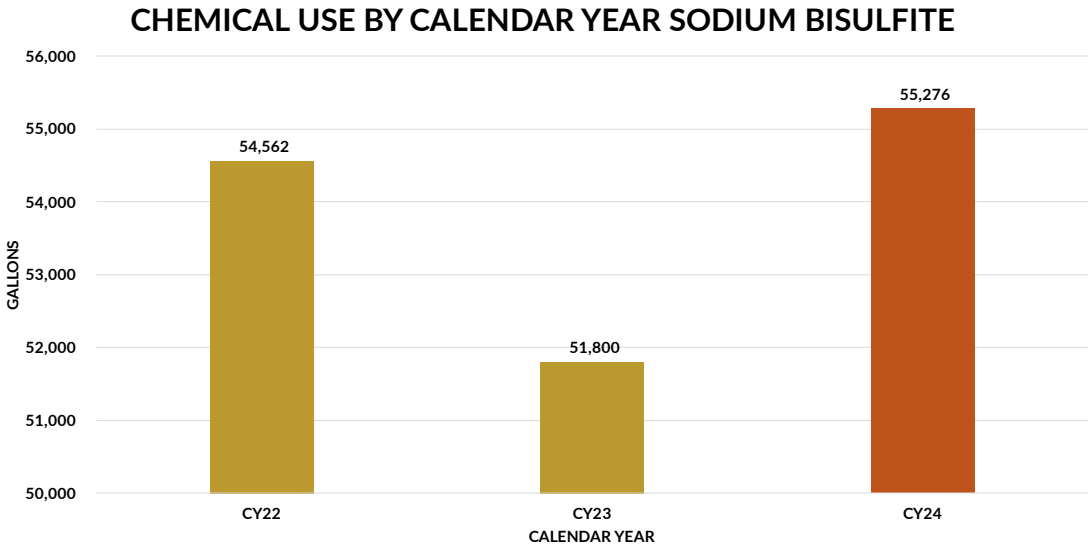
Together, these processes give the WRF a total treatment capacity of 12.5 MGD. Treated effluent is discharged into the Whitewater Storm Channel, contributing to freshwater replenishment of the Salton Sea.

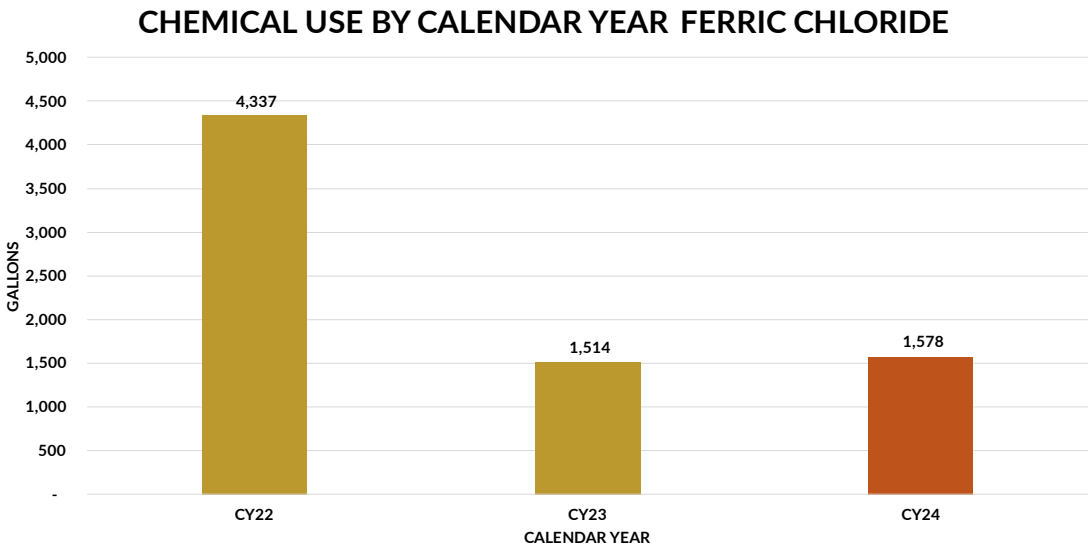
Biosolids Management
The biosolids generated during wastewater treatment are classified as Class B organics.

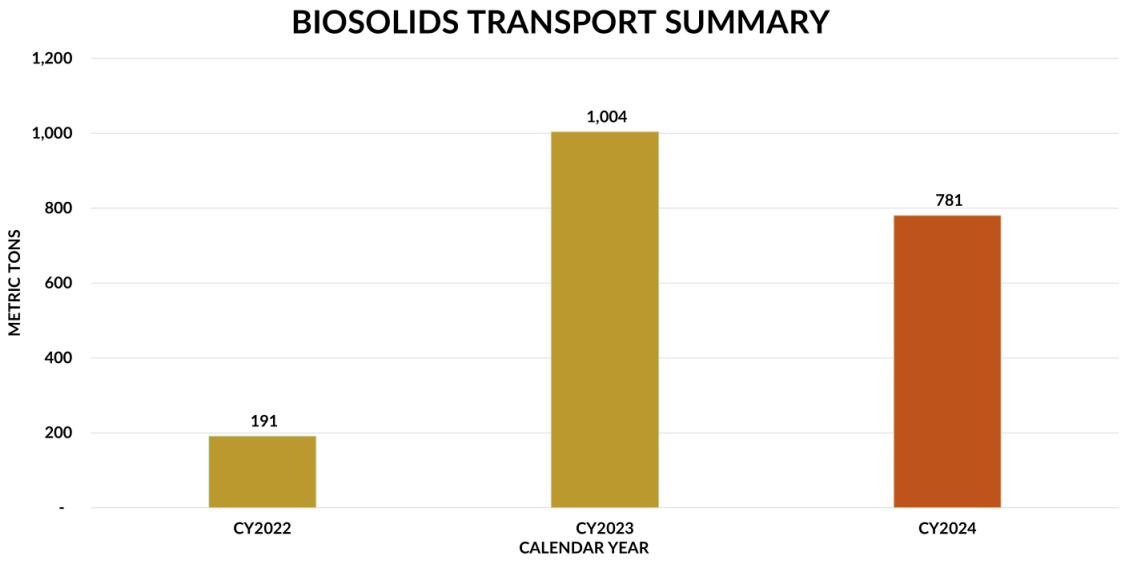
These materials are transported to a composting facility in Arizona, where they are further processed to meet Class A standards and subsequently land applied.

METRICS






CHEMICAL USE BY CALENDAR YEAR FERRIC CHLORIDE
GALLONS
5,000
4,500
4,000
3,500
3,000
2,500
2,000
1,500
1,000
500
-
4,337
1,514
1,578
CY22
CY23
CY24
CALENDAR YEAR


BIOSOLIDS TRANSPORT SUMMARY
METRIC TONS
1,200
1,000
800
600
400
200
-
191
1,004
781
CY2022
CY2023
CY2024
CALENDAR YEAR

FISCAL YEAR 2024/25 ACCOMPLISHMENTS

- One Wastewater Operator attended the national wastewater conference, WEFTEC, gaining exposure to the latest industry technologies and best practices.
- The District was honored with the CWEA State Award: Safety Plant of the Year (Small Plant Division), recognizing outstanding safety performance.
- Successfully completed pressure washing of diffusers in all four (4) aeration basins, enhancing system efficiency and maintenance.
- One (1) Wastewater Operator earned the Grade IV Wastewater Operator Certification, demonstrating advanced expertise and commitment to professional growth.
- The District actively participated in the design-build phase of Phase I of the Recycled Water Project, contributing valuable operational insights to the development process.

FISCAL YEAR 2025/26 GOALS

Strategic Plan

- GOAL 1: FACILITIES. Reliable, Sustainable Facilities that Meet Customer Needs.
- GOAL 3: STAFF. The District Retains Its Motivated, Well-trained, and Experienced Staff.

Goals

- Achieve 100% Compliance with NPDES Permit Effluent Requirements
    - Ensure all wastewater discharge meets or exceeds the standards set by the National Pollutant Discharge Elimination System (NPDES) permits, maintaining strict adherence to environmental regulations and protecting water quality.
- Enhance Wastewater Operator Skills and Knowledge
    - Promote continuous professional development for wastewater operators through targeted education programs, hands-on training, practical experience, and advancement of certifications to improve operational efficiency and safety.
- Maintain Active Staff Participation in Water Reclamation Facility Upgrades
    - Encourage and support staff involvement in planning, implementing, and monitoring upgrades to the Water Reclamation Facility, fostering ownership, knowledge transfer, and smooth transition during modernization efforts.
- Strengthen Communication and Collaboration Across Departments and External Agencies

- Improve interdepartmental coordination and build stronger partnerships with external agencies to streamline processes, share information effectively, and enhance overall operational performance.

PERSONNEL SUMMARY

FY26 Physical Count	Classification	FY25 Base FTEs	FY26 Base FTEs	Variance
0	Chief Operating Officer	1.00	0.00	(1.00)
1	Wastewater Operations Manager	0.00	1.00	1.00
1	Wastewater Operator I	0.00	2.00	2.00
2	Wastewater Operator II	2.00	2.00	0.00
4	Wastewater Operator III	5.00	4.00	(1.00)
1	Wastewater Operations Supervisor	1.00	1.00	0.00
9	**Total FTEs**	**9.00**	**10.00**	**1.00**

Notes:

Deleted One (1) Wastewater Operator III

Added One (1) Wastewater Operator I

Deleted One (1) Chief Operating Officer

Added One (1) Wastewater Operations Manager

EXPENSE BUDGET SUMMARY

General Ledger Code	FY23 Actual	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget	Budget Change	Percent Change
11-5030411-1 SALARIES AND WAGES	$ 815,720	$ 930,073	$ 1,007,942	$ 774,763	$ 1,131,859	$ 123,917	12.3%
11-5060411-1 BONUS, AWARDS, AND RECERTIFICATIONS	1,600	1,800	1,950	1,761	2,000	50	2.6%
11-5080411-1 CALLOUT	12,269	5,473	11,000	8,197	8,000	(3,000)	-27.3%
11-5110411-1 LONGEVITY	15,091	17,478	18,000	16,561	16,800	(1,200)	-6.7%
11-5070411-1 OVERTIME	21,245	23,478	24,300	24,996	27,500	3,200	13.2%
11-5090411-1 STANDBY PAY	17,920	20,497	19,311	22,548	24,658	5,347	27.7%
11-5116411-1 FICA AND MEDICARE	67,965	76,569	97,412	64,554	108,938	11,526	11.8%
11-5112411-1 RETIREMENT CONTRIBUTIONS	81,922	97,370	112,457	90,706	138,170	25,713	22.9%
11-5128411-1 VISION INSURANCE	1,496	1,496	1,584	1,667	2,556	972	61.4%
11-5124411-1 LIFE INSURANCE	1,663	1,878	2,076	1,798	2,532	456	22.0%
11-5126411-1 HEALTH INSURANCE	140,133	153,886	166,620	168,265	256,776	90,156	54.1%
11-5129411-1 DENTAL INSURANCE	7,954	8,820	9,624	9,155	15,816	6,192	64.3%
11-5132411-1 LONG TERM DISABILITY INS.	2,633	2,869	3,113	2,618	3,720	607	19.5%
11-5801411-1 CERTIFICATIONS	2,306	1,215	8,275	2,741	8,100	(175)	-2.1%
11-5470411-1 CHEMICALS	596,805	602,643	700,000	503,673	716,000	16,000	2.3%
11-5500411-1 CONTRACTS	17,380	111,575	815,000	57,970	1,341,000	526,000	64.5%
11-5250411-1 GAS OIL AND FUEL	55,479	47,436	70,000	28,087	75,000	5,000	7.1%
11-5350411-1 MEMBERSHIPS	1,199	1,304	3,400	1,765	3,600	200	5.9%
11-5450411-1 SUPPLIES	82,406	77,259	157,500	62,504	160,800	3,300	2.1%
11-5950411-1 OTHER EXPENSES	795	543	22,000	1,431	22,000	-	0.0%
11-5420411-1 PERMITS AND FEES	20,600	23,127	84,610	19,006	84,800	190	0.2%
11-5700411-1 REPAIRS AND MAINTENANCE	18,172	16,767	83,000	28,845	84,000	1,000	1.2%
11-5720411-1 TOOLS AND EQUIPMENT	827	806	2,000	647	2,500	500	25.0%
11-5152411-1 UNIFORM SERVICES	10,426	10,132	21,645	7,053	22,800	1,155	5.3%
11-5902411-1 ELECTRICITY	808,823	1,029,826	1,444,000	935,404	1,454,000	10,000	0.7%
11-5903411-1 NATURAL GAS	6,650	2,900	8,000	4,547	8,000	-	0.0%
11-5904411-1 GRIT AND SCREENING REMOVAL	22,908	29,255	44,000	29,809	46,000	2,000	4.5%
11-5905411-1 WATER	15,637	14,862	22,000	15,684	23,000	1,000	4.5%
11-5800411-1 CONFERENCES AND MEETINGS	9,782	13,787	22,300	18,188	22,500	200	0.9%
Total Expenses	**$ 2,857,808**	**$ 3,325,124**	**$ 4,983,119**	**$ 2,904,941**	**$ 5,813,425**	**$ 830,306**	**16.7%**

OPERATIONS BUDGET DETAIL

General Ledger Code		FY25 Budget	FY26 Budget	Variance
11-5030411-1 SALARIES AND WAGES		$ 1,007,942	$ 1,131,859	$ 123,917
11-5060411-1 BONUS, AWARDS, AND RECERTIFICATIONS		1,950	2,000	50
11-5080411-1 CALLOUT		11,000	8,000	(3,000)
11-5070411-1 OVERTIME		24,300	27,500	3,200
11-5090411-1 STANDBY PAY		19,311	24,658	5,347
11-0000411-1 TOTAL FRINGE BENEFITS		410,886	545,308	134,422
	Subtotal	**$ 1,475,389**	**$ 1,739,325**	**$ 263,936**
11-5801411-1 CERTIFICATIONS				
	Allowance for Advancement (Certification Testing)	$ 2,800	$ 3,000	$ 200
	State Water Resource Control Board (SWRCB) Certification Application	2,200	2,500	300
	California Water Environment Association (CWEA) Technical Certification (Test)	2,000	2,000	-
	SWRCB Operator III (Renewal)	450	300	(150)
	SWRCB Operator II (Renewal)	170	300	130
	SWRCB Operator IV	255	-	(255)
	CWEA Technical Certification (Renewal)	400	-	(400)
	Subtotal	**$ 8,275**	**$ 8,100**	**$ (175)**
11-5470411-1 CHEMICALS				
	Sodium Hypochlorite (Univar)	$ 504,000	$ 510,000	$ 6,000
	Sodium Bisulfite (Univar)	140,000	150,000	10,000
	Ferric Chloride (Univar)	50,000	50,000	-
	Calcium Hypochlorite (Foster Gardner)	6,000	6,000	-
	Subtotal	**$ 700,000**	**$ 716,000**	**$ 16,000**

General Ledger Code		FY25 Budget	FY26 Budget	Variance
11-5500411-1 CONTRACTS				
	Sludge Disposal And Transportation	$ 475,000	$ 1,000,000	$ 525,000
	Consulting Interim Services	150,000	150,000	-
	Soffa/Trimax Treatment Plant Upgrades for SCADA System	50,000	50,000	-
	Piping and Instrumentation Diagram Drawing Updates	40,000	40,000	-
	Temporary Help Service	36,000	36,000	-
	Contractor Contingency	25,000	25,000	-
	IT Upgrades	19,000	19,000	-
	Switchboard "S" Cleaning and Testing	12,000	12,000	-
	MCR Technologies - Annual Flow Meter Calibrations	8,000	9,000	1,000
	Subtotal	**$ 815,000**	**$ 1,341,000**	**$ 526,000**
11-5250411-1 GAS OIL AND FUEL				
	Gas and Oil for District Vehicles (SC Fuels)	$ 70,000	$ 75,000	$ 5,000
	Subtotal	**$ 70,000**	**$ 75,000**	**$ 5,000**
11-5350411-1 MEMBERSHIPS				
	California Water Environment Association (CWEA) Membership Renewals	$ 2,400	$ 2,400	$ -
	Water Environment Federation (WEF)	1,000	1,200	200
	Subtotal	**$ 3,400**	**$ 3,600**	**$ 200**
11-5450411-1 SUPPLIES				
	Polymer for Belt Press 18 Totes (Polydyne)	$ 85,000	$ 85,000	$ -
	Miscellaneous Operating Supplies Including Reagents for Chlorination and Dichlorination Analyzers	22,000	24,000	2,000
	Four (4) Belts for Belt Press	20,000	20,000	-
	D.O. Probes and Ammonia Probes Caps	17,000	18,000	1,000
	Miscellaneous Small Tools, Torches, Pliers, Small Air Pumps, Etc.	8,000	8,000	-
	Lock Out/Tag Out Supplies	3,300	3,300	-
	Student Materials for Distribution for Public Relations Efforts	2,200	2,500	300
	Subtotal	**$ 157,500**	**$ 160,800**	**$ 3,300**

General Ledger Code		FY25 Budget	FY26 Budget	Variance
11-5950411-1 OTHER EXPENSES				
	Miscellaneous Expense Contingency Fund	$ 22,000	$ 22,000	$ -
	Subtotal	**$ 22,000**	**$ 22,000**	**$ -**
11-5420411-1 PERMITS AND FEES				
	Annual NPDES Permit Fee (SWRCB)	$ 57,500	$ 57,500	$ -
	South Coast Air Quality Management District (SCAQMD) Facility Permits	18,700	18,700	-
	Dept of Environmental Health	4,300	4,300	-
	Fire Service Permit (City of Indio)	2,500	2,500	-
	Alarm System Permit (City of Indio)	650	700	50
	Miscellaneous	650	700	50
	Hot Spot Program (SCAQMD)	310	400	90
	Subtotal	**$ 84,610**	**$ 84,800**	**$ 190**
11-5700411-1 REPAIRS AND MAINTENANCE				
	Contingency	$ 40,000	$ 40,000	$ -
	Iron Sponge Media and Nets	24,000	25,000	1,000
	Plant Paint Rehabilitation	10,000	10,000	-
	Analyzer Parts	9,000	9,000	-
	Subtotal	**$ 83,000**	**$ 84,000**	**$ 1,000**
11-5720411-1 TOOLS AND EQUIPMENT				
	Miscellaneous Small Tool Acquisition and Replacement	$ 2,000	$ 2,500	$ 500
	Subtotal	**$ 2,000**	**$ 2,500**	**$ 500**
11-5152411-1 UNIFORM SERVICES				
	Uniforms Nine (9) Employees	$ 11,995	$ 13,000	$ 1,005
	Hats	4,950	5,000	50
	Boots Nine (9) Employees	3,500	3,500	-
	Gloves, Ear Plugs, Safety Items Nine (9) Employees	1,200	1,300	100
	Subtotal	**$ 21,645**	**$ 22,800**	**$ 1,155**
11-5902411-1 ELECTRICITY				
	Imperial Irrigation District (IID)	$ 1,290,000	$ 1,300,000	$ 10,000
	Tesla PPA	154,000	154,000	-
	Subtotal	**$ 1,444,000**	**$ 1,454,000**	**$ 10,000**

General Ledger Code		FY25 Budget	FY26 Budget	Variance
11-5903411-1 NATURAL GAS				
	Natural Gas Usage for the Administration, Laboratory, Operations Buildings and Digester Boiler (SoCalGas)	$ 8,000	$ 8,000	$ -
	Subtotal	**$ 8,000**	**$ 8,000**	**$ -**
11-5904411-1 GRIT AND SCREENING REMOVAL				
	Screenings and Grit Hauling to Lambs Canyon, California (Burrtec)	$ 44,000	$ 46,000	$ 2,000
	Subtotal	**$ 44,000**	**$ 46,000**	**$ 2,000**
11-5905411-1 WATER				
	Potable Water (Indio Water Authority)	$ 22,000	$ 23,000	$ 1,000
	Subtotal	**$ 22,000**	**$ 23,000**	**$ 1,000**
11-5800411-1 CONFERENCES AND MEETINGS				
	Conferences, Training Seminars, Lodging and Related Expenses	$ 18,000	$ 18,000	$ -
	National Fire Protection Agency (NFPA) and NEC Training	4,300	4,500	200
	Subtotal	**$ 22,300**	**$ 22,500**	**$ 200**
	Total Expenses	**$ 4,983,119**	**$ 5,813,425**	**$ 830,306**



Old Primary Clarifier system at VSD ; Primary clarifiers are large settling tanks in wastewater treatment where solids sink to the bottom and oils float to the top. This process removes most of the suspended solids and reduces the organic load before the water moves on to secondary treatment.

CAPITAL BUDGET



CAPITAL IMPROVEMENT PROGRAM

The Capital Improvement Program (CIP) is a distinct, twenty-year planning document that outlines scheduled capital expenditures. These expenditures encompass both the rehabilitation and replacement of existing infrastructure and equipment, as well as significant construction initiatives. Key projects include:

- Recycled Water Project – Phase I
- Recycled Water Project – Phase II Design
- Laboratory and Training Building Design
- Biosolids Conversion Project Design

The CIP strategically aligns each capital project with appropriate funding sources and defines the projected timeline for implementation. For major initiatives requiring external financing, the financial implications can extend across the full twenty-year horizon of the plan.

PRIORITIZATION OF CAPITAL IMPROVEMENT PROJECTS

The District employs a structured capital planning process to ensure optimal use of available resources across projects that may compete for funding from single or multiple sources. This process begins with department heads or their designees compiling a Needs List, which includes the scope of work for each proposed project. These proposals are submitted to the District Engineer who then develops formal capital projects based on the identified needs.

The District Management Team reviews each proposed project using a standardized Capital Project Ranking Scorecard, which evaluates and prioritizes projects according to specific criteria and weighted scores:

Evaluation Criteria and Weights:

- 25% – Risk to Health, Safety, and Environment; Regulatory or Mandated Requirements
- 20% – Asset Condition, Annual Recurring Costs, and Asset Longevity
- 20% – Community Investment and Economic Prosperity
- 10% – Level and Quality of Service
- 10% – Sustainability and Conservation
- 10% – Project Readiness
- 5% – Funding Availability

After scoring, the District Engineer incorporates the prioritized projects into the Twenty-Year Capital Improvement Program (CIP). The finalized CIP is then submitted to the Board of Directors for review and approval.

CIP BUDGET OVERVIEW

The Capital Budget supports the advancement of the District's Capital Improvement Program (CIP) by allocating funding to key infrastructure projects and capital assets. For the fiscal year 2025/26, a total of 29 capital projects were proposed. Major initiatives included in this year's CIP are:

- Recycled Water Project – Phase I
- Recycled Water Project – Phase II Design
- Laboratory and Training Building Design
- Biosolids Conversion Project Design

These projects aim to maintain, repair, and expand the District's infrastructure to meet current and future service demands.

In addition to project-specific funding, the CIP Budget also covers expenditures for capital assets, which may include:

- Land and improvements
- Easements
- Buildings and building improvements
- Vehicles, machinery, and equipment
- Infrastructure
- Other tangible or intangible assets used in operations

According to the District's Fixed Assets Accounting Policy, capitalizable assets are defined as fixed assets that:

- Have an expected useful life of more than one (1) year, and
- Have an individual acquisition cost of $10,000 or more

This policy ensures consistency and accountability in the management of long-term capital investments.

Fiscal Year 2025/26 Capital Budget

System	Recurring Project	Project Number	Project	Total
Plant Facility	✓	21-0001	Vehicle & Major Equipment Replacement Fund	$ 1,700,000
Sewage Collection	✓	21-0002	Lateral Grant Program	50,000
Sewage Collection	✓	21-0003	Sewer Repairs and/or Rehabilitation	225,000
Sewage Collection	✓	21-0004	Contingency	200,000
Plant Facility		21-0007	Recycled Water Project Phase I (Amend #1 & #2)	7,000,000
Sewage Collection		21-0008	Emergency Sewer Siphon Replacement Design	329,941
Sewage Collection		21-0009	Emergency Sewer Siphon Replacement Const.	1,914,553
Plant Facility		21-0011	Training & Office Building - Design	1,000,000
Plant Facility		21-0012	Laboratory Building - Final Design	1,000,000
Plant Facility		23-0002	Concrete Repairs to ASP Plant	150,000
Plant Facility		23-0006	Water Reclamation Facility Master Plan	400,000
Plant Facility		24-0003	Ammonia / Nitrification Process Upgrade	200,000
Plant Facility		24-0005	Upgrade District Security Cameras	200,000
Plant Facility		24-0006	Biosolids Conversion Project - Design	500,000
Plant Facility		24-0008	1 MGD Tertiary Water Treatment Project	1,500,000
Sewage Collection		25-0005	Emergency Response Trailer	75,000
Plant Facility		26-0001	Digester #2 Cleaning and Equipment Maintenance	600,000
Plant Facility		26-0002	Staff Computer Replacement - Phase 2	30,000
Plant Facility		26-0003	New Enterprise Resource Planning Software	120,000
Plant Facility		26-0004	New AC System for Laboratory	250,000
Plant Facility		26-0005	Replace PLC switches for SCADA	120,000
Plant Facility		26-0006	SCADA Evaluation and Upgrade	150,000
Plant Facility		26-0007	Replace Fire Alarm Panel at Hypo Building	15,000
Plant Facility		26-0008	Belt Press Grinder Panel Replacement	20,000
Plant Facility		26-0009	Polymer Pump Electric Panel Retrofit	30,000
Plant Facility		26-0010	Install Large Vehicle Shade Structure near Drying Bed	250,000
Plant Facility		26-0011	Additional Parking for Customers and Staff	500,000
Sewage Collection		26-0012	Replace 18-inch cast iron pipe under railroad design	300,000
Plant Facility		26-0013	Biosolids Conversion Project - Construction	4,000,000
			Total	**$ 22,829,494**

RECURRING/NON-RECURRING CAPITAL PROJECTS

The District's Capital Improvement Program (CIP) budget includes both recurring and non-recurring capital projects, each with distinct financial characteristics and impacts.

Recurring Capital Projects

Recurring capital projects involve expenditures related to maintenance and replacement of existing infrastructure and equipment due to ordinary wear and tear. These projects typically include:

- Replacement or maintenance of materials
- Mechanical and electrical systems
- Structural systems
- Operational equipment

These projects are routine in nature, do not significantly impact the operating budget, and are funded through the restricted CIP fund.

Non-Recurring Capital Projects

Non-recurring capital projects represent one-time investments in new infrastructure or facilities. These projects are not expected to recur and frequently result in long-term operational and financial impacts.

For the fiscal year 2025/26, the CIP budget includes 25 non-recurring capital projects. Notable examples include:

- Recycled Water Project – Phase I
  - Total Cost: $81.3 million
  - Funding: Debt issuance through Bank of America and the Capital Improvement Reserve Fund
  - Financial Impact: Loan repayments will impact the operating budget over the next twenty years
- Emergency Sewer Siphon Replacement Project
  - Cost: $5.2 million
  - Funding: Federal Emergency Management Agency (FEMA) grant with a 25% local match from the Capital Replacement Reserve Fund (Fund 12)
- Water Recycling Funding Program Planning Grant
  - Grant Award: $500,000 from the State Water Resources Control Board
  - Funding Source: Proposition 13 (Water Quality, Supply, and Infrastructure Improvement Act of 2014) and Proposition 68, through agreement with the State Water Resources Control Board

All remaining non-recurring capital projects will be financed through:

- Capital Replacement Reserve Fund (Fund 12)
- Capital Improvement Reserve Fund (Fund 13)

Annually, 40% of the District's operating budget is allocated to Fund 12 to support the long-term sustainability of infrastructure assets.

FUNDING SUMMARY

Funding for the planned Capital Improvement Projects (CIP) for Fiscal Year 2025/26 is sourced from five primary funding streams, supporting a range of critical infrastructure initiatives. The total funding strategy reflects a balance of internal reserves, grants, and external financing:

Primary Funding Sources:

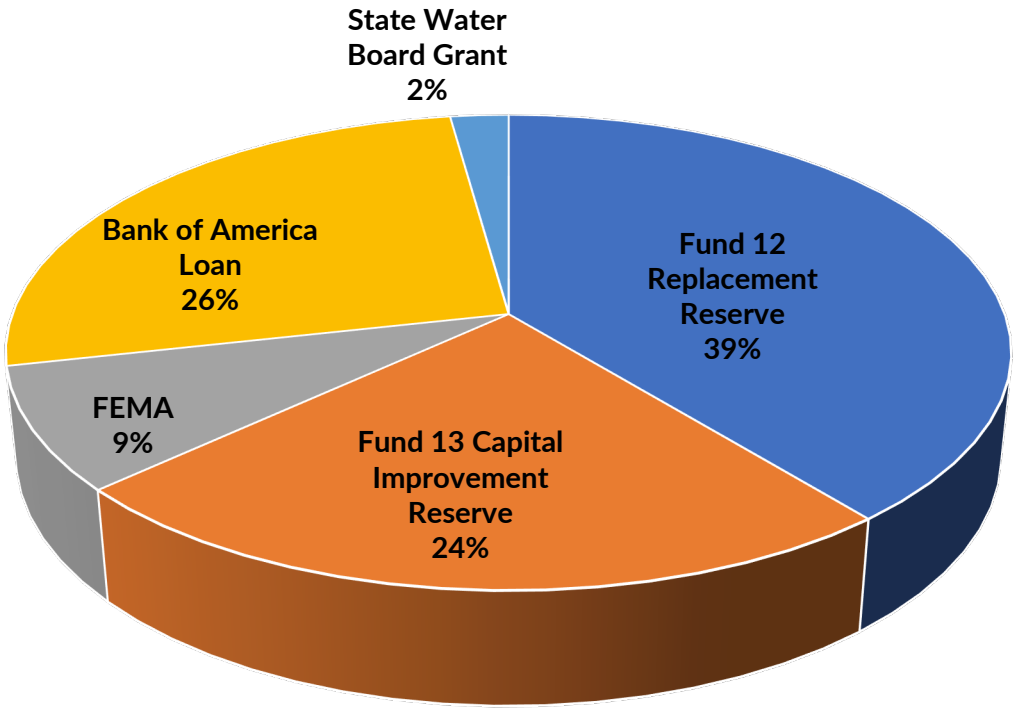
1. Capital Replacement Reserve Fund (Fund 12)
    - Amount: $8.9 million
    - Purpose: Supports approximately 26 projects, primarily recurring capital improvements such as maintenance and infrastructure replacement
2. Federal Emergency Management Agency (FEMA)
    - Amount: $1.9 million
    - Purpose: Design and construction of the Emergency Sewer Siphon Replacement project
    - Note: Requires a 25% local match, funded through Fund 12
3. State Water Resources Control Board – Discretionary Grant
    - Amount: $500,000
    - Purpose: Feasibility study for Recycled Water Project – Phase II
    - Funding Source: Proposition 13 and Proposition 68
4. Bank of America – Debt Issuance
    - Amount: $6 million
    - Purpose: Financing the Recycled Water Project – Phase I
    - Impact: Long-term loan repayment obligations over a 20-year period
5. Capital Improvement Reserve Fund (Fund 13)
    - Amount: $4.5 million
    - Purpose: Design and construction of the Biosolids Conversion Project

This diversified funding strategy enables the District to implement a well-balanced Capital Improvement Program, effectively leveraging external grants and financing alongside internal reserves to maintain, modernize, and expand critical infrastructure in a fiscally responsible and sustainable manner.

The table and graph below illustrate the distribution of funding sources for the fiscal year 2025/26 Capital Improvement Program (CIP) budget.

Funding Source	FY26 Budget
Fund 12 Replacement Reserve	$ 8,921,674
Fund 13 Capital Improvement Reserve	5,500,000
FEMA	1,907,820
Bank of America Loan	6,000,000
State Water Board Grant	500,000
Total Funds Requested	**$ 22,829,494**

Capital Funding Summary By Source



TWENTY-YEAR CAPITAL IMPROVEMENT PROGRAM

The following tables list all capital projects included in the fiscal year 2026-2045 CIP by the system type.

Project Description	2025/26	2026/27	2027/28	2028/29	2029/30
PLANT FACILITY					
Recycled Water Project Phase I Design Build	$ 7,000,000	$ -	$ -	$ -	$ -
Biosolids Conversion Project - Design	500,000		-	-	-
Biosolids Conversion Project - Construction	4,000,000	5,000,000			
1 MGD Tertiary Water Treatment Project	1,500,000	3,000,000	3,000,000	-	-
WRF Master Plan Phase II Pond Decommissioning DB	-	-	4,952,347	20,403,670	-
WRF Master Plan Phase III Design	-	-	-	-	11,293,090
WRF Master Plan Phase III Construction	-	-	-	-	-
WRF Master Plan Future Expansion 2040 & beyond	-	-	-	-	-
Laboratory Building - Design	1,000,000	-	-	-	-
Laboratory Building - Construction	-	4,000,000	4,000,000	-	-
Training & Office Building - Design	1,000,000	-	-	-	-
Training & Office Building - Construction	-	5,000,000	5,000,000	-	-
Water Reclamation Facility Master Plan	400,000	-	-	-	-
Vehicle & Major Equipment Replacement Fund	1,700,000	850,000	850,000	850,000	850,000
Concrete Repairs to ASP Plant	150,000	-	-	-	-
Upgrade District Security Cameras	200,000	-	-	-	-
Ammonia / Nitrification Process Upgrade	200,000	-	-	-	-
Digester #2 Cleaning and Equipment Maintenance	600,000	-	-	-	-
Staff Computer Replacement - Phase 2	30,000	-	-	-	-
New Enterprise Resource Planning Software	120,000	-	-	-	-
New AC System for Laboratory	250,000				
Replace PLC Switches for SCADA	120,000	-	-	-	-
SCADA Evaluation and Upgrade	150,000	-	-	-	-
Replace Fire Alarm Panel at Hypo Building	15,000				
Belt Press Grinder Panel Replacement	20,000				
Polymer Pump Electric Panel Retrofit	30,000	-	-	-	-
Additional Parking for Customers & Staff	500,000	-	-	-	-
Construct Large Vehicle Shade Structure near Drying Bed	250,000	-	-	-	-
Future Operation Projects	-	600,000	600,000	600,000	600,000
SUBTOTAL - PLANT	**$ 19,735,000**	**$ 18,450,000**	**$ 18,402,347**	**$ 21,853,670**	**$ 12,743,090**
SEWAGE COLLECTION					
Lateral Grant Program	$ 50,000	$ 50,000	$ 55,000	$ 56,307	$ 57,433
Sewer Main Rehabilitation or Replacement Design	-	-	782,280	537,130	537,130
Sewer Main Rehabilitation or Replacement Construction	-	-	4,005,080	3,020,670	2,036,260
Manhole Rehabilitation	-	-	-	-	-
Sewer Repairs and/or Rehabilitation	225,000	130,000	133,317	137,317	141,437
Emergency Sewer Siphon Replacement Design	329,941	-	-	-	-
Emergency Sewer Siphon Replacement Construction	1,914,553	-	-	-	-
Emergency Response Trailer	75,000	-	-	-	-
Evaluate 18-inch Cast Iron Pipe Under Railroad	300,000	-	-	-	-
Avenue 48 Sewer Main Upgrade Design	-	-	-	-	-
Avenue 48 Sewer Main Upgrade Construction	-	-	-	-	-
Interim Collection System CIP Design		-	-	-	-
Interim Collection System CIP Construction	-	-	-	-	-
Build-out Collection System CIP projects	-	-	-	-	-
Future Collection Projects	-	150,000	150,000	200,000	200,000
SUBTOTAL - COLLECTIONS	**$ 2,894,494**	**$ 330,000**	**$ 5,125,677**	**$ 3,951,424**	**$ 2,972,260**
CONTINGENCY	$ 200,000	$ 205,000	$ 205,000	$ 210,000	$ 210,000
TOTAL	**$ 22,829,494**	**$ 18,985,000**	**$ 23,733,024**	**$ 26,015,094**	**$ 15,925,350**

TWENTY-YEAR CAPITAL IMPROVEMENT PROGRAM (CONTINUED)

Project Description	2030/31	2031/32	2032/33	2033/34	2034/35
PLANT FACILITY					
Recycled Water Project Phase I Design Build	$ -	$ -	$ -	$ -	$ -
Biosolids Conversion Project - Design	-	-	-	-	-
Biosolids Conversion Project - Construction					
1 MGD Tertiary Water Treatment Project	-	-	-	-	-
WRF Master Plan Phase II Pond Decommissioning DB	-	-	-	-	-
WRF Master Plan Phase III Design	-	-	-	-	-
WRF Master Plan Phase III Construction	35,005,414	36,055,577	10,995,823	-	-
WRF Master Plan Future Expansion 2040 & beyond	-	-	-	-	-
Laboratory Building - Design	-	-	-	-	-
Laboratory Building - Construction	-	-	-	-	-
Training & Office Building - Design	-	-	-	-	-
Training & Office Building - Construction	-	-	-	-	-
Water Reclamation Facility Master Plan	-	-	-	-	-
Vehicle & Major Equipment Replacement Fund	850,000	850,000	850,000	850,000	850,000
Concrete Repairs to ASP Plant	-	-	-	-	-
Upgrade District Security Cameras	-	-	-	-	-
Ammonia / Nitrification Process Upgrade	-	-	-	-	-
Digester #2 Cleaning and Equipment Maintenance	-	-	-	-	-
Staff Computer Replacement - Phase 2	-	-	-	-	-
New Enterprise Resource Planning Software	-	-	-	-	-
New AC System for Laboratory					
Replace PLC Switches for SCADA	-	-	-	-	-
SCADA Evaluation and Upgrade	-	-	-	-	-
Replace Fire Alarm Panel at Hypo Building					
Belt Press Grinder Panel Replacement					
Polymer Pump Electric Panel Retrofit	-	-	-	-	-
Additional Parking for Customers & Staff	-	-	-	-	-
Construct Large Vehicle Shade Structure near Drying Bed	-	-	-	-	-
Future Operation Projects	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
SUBTOTAL - PLANT	**$ 37,855,414**	**$ 38,905,577**	**$ 13,845,823**	**$ 2,850,000**	**$ 2,850,000**
SEWAGE COLLECTION					
Lateral Grant Program	$ 58,582	$ 59,754	$ 60,949	$ 62,168	$ 63,411
Sewer Main Rehabilitation or Replacement Design	291,990	-	-	-	-
Sewer Main Rehabilitation or Replacement Construction	1,051,850	-	-	-	-
Manhole Rehabilitation	-	150,000	154,500	159,135	163,909
Sewer Repairs and/or Rehabilitation	145,680	150,050	154,552	159,189	163,965
Emergency Sewer Siphon Replacement Design	-	-	-	-	-
Emergency Sewer Siphon Replacement Construction	-	-	-	-	-
Emergency Response Trailer	-	-	-	-	-
Evaluate 18-inch Cast Iron Pipe Under Railroad	-	-	-	-	-
Avenue 48 Sewer Main Upgrade Design	-	248,455	-	-	-
Avenue 48 Sewer Main Upgrade Construction	-	-	2,387,715	-	-
Interim Collection System CIP Design	-	-	-	302,856	-
Interim Collection System CIP Construction	-	-	-	-	2,912,776
Build-out Collection System CIP projects	-	-	-	-	-
Future Collection Projects	250,000	250,000	300,000	300,000	400,000
SUBTOTAL - COLLECTIONS	**$ 1,798,102**	**$ 858,259**	**$ 3,057,716**	**$ 983,348**	**$ 3,704,061**
CONTINGENCY	$ 215,000	$ 215,000	$ 220,000	$ 220,000	$ 225,000
TOTAL	**$ 39,868,516**	**$ 39,978,836**	**$ 17,123,539**	**$ 4,053,348**	**$ 6,779,061**

TWENTY-YEAR CAPITAL IMPROVEMENT PROGRAM (CONTINUED)

Project Description	2035/36	2036/37	2037/38	2038/39	2039/40
PLANT FACILITY					
Recycled Water Project Phase I Design Build	$ -	$ -	$ -	$ -	$ -
Biosolids Conversion Project - Design	-	-	-	-	-
Biosolids Conversion Project - Construction					
1 MGD Tertiary Water Treatment Project	-	-	-	-	-
WRF Master Plan Phase II Pond Decommissioning DB	-	-	-	-	-
WRF Master Plan Phase III Design	-	-	-	-	-
WRF Master Plan Phase III Construction	-	-	-	-	-
WRF Master Plan Future Expansion 2040 & beyond	-	-	-	-	-
Laboratory Building - Design	-	-	-	-	-
Laboratory Building - Construction	-	-	-	-	-
Training & Office Building - Design	-	-	-	-	-
Training & Office Building - Construction	-	-	-	-	-
Water Reclamation Facility Master Plan	-	-	-	-	-
Vehicle & Major Equipment Replacement Fund	850,000	850,000	850,000	850,000	850,000
Concrete Repairs to ASP Plant	-	-	-	-	-
Upgrade District Security Cameras	-	-	-	-	-
Ammonia / Nitrification Process Upgrade	-	-	-	-	-
Digester #2 Cleaning and Equipment Maintenance	-	-	-	-	-
Staff Computer Replacement - Phase 2	-	-	-	-	-
New Enterprise Resource Planning Software	-	-	-	-	-
New AC System for Laboratory					
Replace PLC Switches for SCADA	-	-	-	-	-
SCADA Evaluation and Upgrade	-	-	-	-	-
Replace Fire Alarm Panel at Hypo Building					
Belt Press Grinder Panel Replacement					
Polymer Pump Electric Panel Retrofit	-	-	-	-	-
Additional Parking for Customers & Staff	-	-	-	-	-
Construct Large Vehicle Shade Structure near Drying Bed	-	-	-	-	-
Future Operation Projects	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
SUBTOTAL - PLANT	**$ 2,850,000**	**$ 2,850,000**	**$ 2,850,000**	**$ 2,850,000**	**$ 2,850,000**
SEWAGE COLLECTION					
Lateral Grant Program	$ 64,679	$ 65,973	$ 67,292	$ 68,638	$ 70,011
Sewer Main Rehabilitation or Replacement Design	-	-	-	-	-
Sewer Main Rehabilitation or Replacement Construction	-	-	-	-	-
Manhole Rehabilitation	168,826	173,891	179,108	184,481	190,015
Sewer Repairs and/or Rehabilitation	168,884	173,951	179,170	184,545	190,081
Emergency Sewer Siphon Replacement Design	-	-	-	-	-
Emergency Sewer Siphon Replacement Construction	-	-	-	-	-
Emergency Response Trailer	-	-	-	-	-
Evaluate 18-inch Cast Iron Pipe Under Railroad	-	-	-	-	-
Avenue 48 Sewer Main Upgrade Design	-	-	-	-	-
Avenue 48 Sewer Main Upgrade Construction	-	-	-	-	-
Interim Collection System CIP Design	-	-	-	-	-
Interim Collection System CIP Construction	-	-	-	-	-
Build-out Collection System CIP projects	7,020,147		-	-	-
Future Collection Projects	400,000	500,000	500,000	500,000	500,000
SUBTOTAL - COLLECTIONS	**$ 7,822,536**	**$ 913,815**	**$ 925,570**	**$ 937,664**	**$ 950,107**
CONTINGENCY	$ 225,000	$ 230,000	$ 230,000	$ 235,000	$ 235,000
TOTAL	**$ 10,897,536**	**$ 3,993,815**	**$ 4,005,570**	**$ 4,022,664**	**$ 4,035,107**

TWENTY-YEAR CAPITAL IMPROVEMENT PROGRAM (CONTINUED)

Project Description	2040/41	2041/42	2042/43	2043/44	2044/45
PLANT FACILITY					
Recycled Water Project Phase I Design Build	$ -	$ -	$ -	$ -	$ -
Biosolids Conversion Project - Design	-	-	-	-	-
Biosolids Conversion Project - Construction					
1 MGD Tertiary Water Treatment Project	-	-	-	-	-
WRF Master Plan Phase II Pond Decommissioning DB	-	-	-	-	-
WRF Master Plan Phase III Design	-	-	-	-	-
WRF Master Plan Phase III Construction	-	-	-	-	-
WRF Master Plan Future Expansion 2040 & beyond	-	146,981,233	-	-	-
Laboratory Building - Design	-	-	-	-	-
Laboratory Building - Construction	-	-	-	-	-
Training & Office Building - Design	-	-	-	-	-
Training & Office Building - Construction	-	-	-	-	-
Water Reclamation Facility Master Plan	-	-	-	-	-
Vehicle & Major Equipment Replacement Fund	850,000	850,000	850,000	850,000	850,000
Concrete Repairs to ASP Plant	-	-	-	-	-
Upgrade District Security Cameras	-	-	-	-	-
Ammonia / Nitrification Process Upgrade	-	-	-	-	-
Digester #2 Cleaning and Equipment Maintenance	-	-	-	-	-
Staff Computer Replacement - Phase 2	-	-	-	-	-
New Enterprise Resource Planning Software	-	-	-	-	-
New AC System for Laboratory					
Replace PLC Switches for SCADA	-	-	-	-	-
SCADA Evaluation and Upgrade	-	-	-	-	-
Replace Fire Alarm Panel at Hypo Building					
Belt Press Grinder Panel Replacement					
Polymer Pump Electric Panel Retrofit	-	-	-	-	-
Additional Parking for Customers & Staff	-	-	-	-	-
Construct Large Vehicle Shade Structure near Drying Bed	-	-	-	-	-
Future Operation Projects	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
SUBTOTAL - PLANT	**$ 2,850,000**	**$ 149,831,233**	**$ 2,850,000**	**$ 2,850,000**	**$ 2,850,000**
SEWAGE COLLECTION					
Lateral Grant Program	$ 71,411	$ 72,000	$ 75,000	$ 75,000	$ 75,000
Sewer Main Rehabilitation or Replacement Design	-	-	-	-	-
Sewer Main Rehabilitation or Replacement Const.	-	-	-	-	-
Manhole Rehabilitation	195,715	200,000	220,000	220,000	220,000
Sewer Repairs and/or Rehabilitation	195,783	200,000	220,000	220,000	220,000
Emergency Sewer Siphon Replacement Design	-	-	-	-	-
Emergency Sewer Siphon Replacement Const.	-	-	-	-	-
Emergency Response Trailer	-	-	-	-	-
Evaluate 18-inch Cast Iron Pipe Under Railroad	-	-	-	-	-
Avenue 48 Sewer Main Upgrade Design	-	-	-	-	-
Avenue 48 Sewer Main Upgrade Construction	-	-	-	-	-
Interim Collection System CIP Design	-	-	-	-	-
Interim Collection System CIP Construction	-	-	-	-	-
Build-out Collection System CIP projects	-	-	-	-	-
Future Collection Projects	500,000	500,000	500,000	500,000	500,000
SUBTOTAL - COLLECTIONS	**$ 962,909**	**$ 972,000**	**$ 1,015,000**	**$ 1,015,000**	**$ 1,015,000**
CONTINGENCY	$ 240,000	$ 240,000	$ 245,000	$ 245,000	$ 245,000
TOTAL	**$ 4,052,909**	**$ 151,043,233**	**$ 4,110,000**	**$ 4,110,000**	**$ 4,110,000**

FY 2025/26 Capital Expenditures
Valley Sanitary District
Capital Project Justification

Project Number: 21-0001 Recurring Project

Project Name: Vehicle and Equipment Replacement Fund

Category: Equipment – Heavy Duty
Vehicle – Truck, Heavy Duty (Hydro, Vactor, Dump, etc.)

Sub-Category: Replacement

Project Description: This fund is used to replace District vehicles and significant, higher-cost equipment. The annual contribution is based on data collected on all vehicles and equipment using a 10 to twenty 20-year replacement schedule. The total cost is calculated over a 20-year window using an estimated inflation percentage. List purchases for each year.

Project Justification: This fund is necessary in order to maintain an efficient vehicle fleet and equipment to proper specifications.

Project Schedule:

Start Date	Completion Date
Jul-25	Jun-26

Project Funding Sources (Requested):

Fund Type	GL No.	Fiscal Year	Amount
12 Replacement Fund	12-8660000-0	2025/26	$ 1,700,000
Total			$ 1,700,000

FY 2025/26 Capital Expenditures
Valley Sanitary District
Capital Project Justification

Project Number: 21-0002 Recurring Project

Project Name: Lateral Grant Program

Category: Infrastructure – Sewer Lines

Sub-Category: Replacement - Private Lateral

Project Description: The Private Lateral Replacement Grant Program is designed to help the property owner defray a portion of the costs required to replace or repair their lateral. The maximum amount of assistance for any one (1) private sewer lateral replacement or repair is 50% of the approved cost up to a maximum reimbursement of $4,000.

Project Justification: This grant program is offered to customers to help offset the major cost of repairing or replacing a sewer lateral.

Project Schedule:

Start Date	Completion Date
Jul-25	Jun-26

Project Funding Sources (Requested):

Fund Type	GL No.	Fiscal Year	Amount
12 Replacement Fund	12-8632000-0	2025/26	$ 50,000
Total			$ 50,000

FY 2025/26 Capital Expenditures
Valley Sanitary District
Capital Project Justification

Project Number: 21-0003 Recurring Project

Project Name: Sewer Repairs and/or Rehabilitation

Category: Infrastructure – Sewer Lines

Sub-Category: Emergency Repairs

Project Description: This fund is to repair sewer mains that are in need of emergency repair such as those with holes or severe cracks which could lead to sink holes or cause other damage.

Project Justification: Video inspection of sewer pipelines may reveal deficiencies that include severe cracks or holes that require immediate attention or may create further damage to the sewer main or street above.

Project Schedule:

Start Date	Completion Date
Jul-25	Jun-26

Project Funding Sources (Requested):

Fund Type	GL No.	Fiscal Year	Amount
12 Replacement Fund	12-8632000-0	2025/26	$ 225,000
Total			$ 225,000

FY 2025/26 Capital Expenditures
Valley Sanitary District
Capital Project Justification

Project Number: 21-0004 Recurring Project

Project Name: Contingency for Emergency Repairs

Category: Improvements – General

Sub-Category: Emergency Repairs

Project Description: There are no anticipated expenditures to be funded from this category; however, this account provides a contingency amount in the Capital Improvement Program for replacement of critical equipment or systems which could unexpectedly fail during the fiscal year.

Project Justification: Contingency fund needed to pay for the repair or replacement of critical equipment or systems.

Project Schedule:

Start Date	Completion Date
Jul-25	Jun-26

Project Funding Sources (Requested):

Fund Type	GL No.	Fiscal Year	Amount
12 Replacement Fund	12-8632000-0	2025/26	$ 50,000
12 Replacement Fund	12-8660000-0	2025/26	$ 100,000
12 Replacement Fund	12-8680000-0	2025/26	$ 50,000
Total			$ 200,000

FY 2025/26 Capital Expenditures
Valley Sanitary District
Capital Project Justification

Project Number: 21-0007

Project Name: Recycled Water Project Phase 1

Category: Infrastructure – Treatment Plant

Sub-Category: Upgrade

Project Description: Reclaimed Water Project Phase 1 will replace an aging and capacity restricting Grit Chamber, and provide redundancy by adding a second digester, expanding the bar screens, adding a biofilter, a sludge holding tank and a sludge thickener.

Project Justification: These improvements are necessary in order to meet future regulations and produce reclaimed water.

Project Schedule:

Start Date	Completion Date
Jul-20	Jun-26

Project Funding Sources (Requested):

Fund Type	GL No.	Fiscal Year	Amount
13 Capital Improvement	13-8660000-0	2025/26	$ 1,000,000
Bank of America Loan	10-8600000-0	2025/26	$ 6,000,000
Total			$ 7,000,000

FY 2025/26 Capital Expenditures
Valley Sanitary District
Capital Project Justification

Project Number: 21-0008

Project Name: Emergency Sewer Siphon Replacement Design/CM

Category: Infrastructure – Sewer Lines

Sub-Category: Replacement

Project Description: Replace the sewer siphon crossing the Coachella Stormwater channel at Westward Ho Drive damaged and exposed by the flooding event on February 14, 2019.

Project Justification: The existing siphon is only slightly buried and would be damaged beyond repair during the next flood event. The new siphon will be constructed below the new scour depth of the channel to avoid the sewer main becoming exposed during future storm events.

Project Schedule:

Start Date	Completion Date
Feb-19	Jun-26

Project Funding Sources (Requested):

Fund Type	GL No.	Fiscal Year	Amount
12 Replacement Fund	12-8632000-0	2025/26	$ 43,768
FEMA	12-8635003-1	2025/26	$ 286,173
Total			$ 329,941

FY 2025/26 Capital Expenditures
Valley Sanitary District
Capital Project Justification

Project Number: 21-0009

Project Name: Emergency Sewer Siphon Replacement Construction

Category: Infrastructure – Sewer Lines

Sub-Category: Replacement

Project Description: Replace the sewer siphon crossing the Coachella Stormwater channel at Westward Ho Drive damaged and exposed by the flooding event on February 14, 2019.

Project Justification: The existing siphon is only slightly buried and would be damaged beyond repair during the next flood event. The new siphon will be constructed below the new scour depth of the channel to avoid the sewer main becoming exposed during future storm events.

Project Schedule:

Start Date	Completion Date
Feb-19	Jun-26

Project Funding Sources (Requested):

Fund Type	GL No.	Fiscal Year	Amount
12 Replacement Fund	12-8632000-0	2025/26	$ 292,906
FEMA	12-8635003-1	2025/26	$ 1,621,647
Total			$ 1,914,553

FY 2025/26 Capital Expenditures
Valley Sanitary District
Capital Project Justification

Project Number: 21-0011

Project Name: Office and Training Building - Final Design

Category: Buildings – Office Buildings

Sub-Category: Expansion

Project Description: SGH Architects are developing the initial design for a new office & training building to be located southeast of the existing operations building.

Project Justification: VSD is need of additional office space to meet staffing needs. The existing training room is also used as a desk area for a number of employees. This creates challenges when employees need to use their desk when training is in session.

Project Schedule:

Start Date	Completion Date
Jul -24	Jun-26

Project Funding Sources (Requested):

Fund Type	GL No.	Fiscal Year	Amount
12 Replacement Fund	12-8680000-0	2025/26	$ 1,000,000
Total			$ 1,000,000

FY 2025/26 Capital Expenditures
Valley Sanitary District
Capital Project Justification

Project Number: 21-0012

Project Name: Laboratory Building - Final Design

Category: Buildings – Office Buildings

Sub-Category: Expansion

Project Description: building to be located south of the existing laboratory building and next to operations.

Project Justification: The current laboratory is disfunctional and cannot maintain proper temperature and humidity as required by lab standards. It will cost more to repair the current lab than to replace it.

Project Schedule:

Start Date	Completion Date
Jul -24	Jun-26

Project Funding Sources (Requested):

Fund Type	GL No.	Fiscal Year	Amount
12 Replacement Fund	12-8670000-0	2025/26	$ 1,000,000
Total			$ 1,000,000

FY 2025/26 Capital Expenditures
Valley Sanitary District
Capital Project Justification

Project Number: 23-0002

Project Name: Concrete Repairs to ASP Plant

Category: Improvements-General

Sub-Category: Rehabilitation/Improvement

Project Description: Repair broken and damaged concrete on ASP plant basins and related tanks.

Project Justification: Concrete repair is the process of fixing a hardened concrete surface that over time has lost the ability to hold the binding concrete materials together due to damage or environmental exposure.

Project Schedule:

Start Date	Completion Date
Jul-24	Jun-26

Project Funding Sources (Requested):

Fund Type	GL No.	Fiscal Year	Amount
12 Replacement Fund	12-866000-00	2025/26	$ 150,000
Total			$ 150,000

FY 2025/26 Capital Expenditures
Valley Sanitary District
Capital Project Justification

Project Number: 23-0006

Project Name: Water Reclamation Facility Master Plan

Category: Improvements General

Sub-Category: Study

Project Description: Prepare a new water reclamation facility master plan.

Project Justification: A facilities master plan establishes a framework for orderly growth and development of capital improvements on campus. This is a two (2) year project.

Project Schedule:

Start Date	Completion Date
Jul-23	Jun-26

Project Funding Sources (Requested):

Fund Type	GL No.	Fiscal Year	Amount
12 Reserve Fund	12-8660000-0	2025/26	$ 400,000
Total			$ 400,000

FY 2025/26 Capital Expenditures
Valley Sanitary District
Capital Project Justification

Project Number: 24-0003

Project Name: Ammonia / Nitrification Process upgrade

Category: Improvement/General

Sub-Category: Rehabilitation/Improvement

Project Description: Install pipes and pumps for recirculation of waste activated sludge to the front of the Activated Sludge Plant (ASP).

Project Justification: The pipes and pumps will allow the ASP to more effectively reduce nitrogen and ammonia to acceptable limits. The Regional Water Quality Control Board has stated that ammonia limits will be set by the next Permit renewal.

Project Schedule:

Start Date	Completion Date
Jul-24	Jun-26

Project Funding Sources (Requested):

Fund Type	GL No.	Fiscal Year	Amount
12 Replacement Fund	12-8660000-0	2025/26	$ 200,000
Total			$ 200,000

FY 2025/26 Capital Expenditures
Valley Sanitary District
Capital Project Justification

Project Number: 24-0005

Project Name: Upgrade District Security Cameras

Category: Improvement/General

Sub-Category: Rehabilitation/Improvement

Project Description: Upgrade District Security Cameras.

Project Justification: Several District Security Cameras are old and in need of replacement. Some are of low producing video quality. Staff will work with Southwest IT company to replace and upgrade several cameras.

Project Schedule:

Start Date	Completion Date
Jul-24	Jun-26

Project Funding Sources (Requested):

Fund Type	GL No.	Fiscal Year	Amount
12 Replacement Fund	12-8660000-0	2025/26	$ 200,000
Total			$ 200,000

FY 2025/26 Capital Expenditures
Valley Sanitary District
Capital Project Justification

Project Number: 24-0006

Project Name: Biosolids Conversion Project - Design

Category: Improvement/General

Sub-Category: Rehabilitation/Improvement

Project Description: Convert biosolids to a fertilizer for use in agriculture.

Project Justification: Lystek is company who specializes in converting biosolids to a fertilizer to be used on agriculture. Biosolids are increasingly becoming more difficult to use as a land use component. Staff would like to work with Lystek to see if converting the biosolids to a fertilizer will be profitable.

Project Schedule:

Start Date	Completion Date
Jul-24	Jun-26

Project Funding Sources (Requested):

Fund Type	GL No.	Fiscal Year	Amount
13 Capital Improvement	13-86430000-0	2025/26	$ 500,000
Total			$ 500,000

FY 2025/26 Capital Expenditures
Valley Sanitary District
Capital Project Justification

Project Number: 24-0008

Project Name: 1 MGD Tertiary Water Treatment Plant Feasibility

Category: Infrastructure - Treatment Plant

Sub-Category: Feasibility Study

Project Description: Development of a Recycled Water Use Plan for Valley Sanitary District (VSD) that will evaluate the feasibility and efficiency of developing a 1 MGD Tertiary Water Treatment Project for the purposes of delivering recycled water to Eagle Falls Golf Course.

Project Justification: This Project intends to evaluate the feasibility and efficiency of producing recycled water by Valley Sanitary District's treatment operation to reduce reliance on imported water supplies from the Colorado River and help to alleviate the overdraft condition of the Coachella Valley Groundwater Basin (CVGB) and improve its water quality.

Project Schedule:

Start Date	Completion Date
Jun-22	Nov-25

Project Funding Sources (Requested):

Fund Type	GL No.	Fiscal Year	Amount
12 Replacement Fund	12-8660000-0	2025/26	$ 1,000,000
Grant Expenditures SWB D2205007	12-8635001-1	2025/26	$ 250,000
Federal Grant Expense BOR R24AP00189	12-8635002-1	2025/26	$ 250,000
Total			$ 1,500,000

FY 2025/26 Capital Expenditures
Valley Sanitary District
Capital Project Justification

Project Number: 25-0005

Project Name: Emergency Response Trailer

Category: Vehicle- Trailer

Sub-Category: Expansion

Project Description: The purchase of an Emergency Response Trailer for storage of essential equipment and parts for use during an emergency.

Project Justification: This is a regulatory requirement under the Waste Discharge Requirements General Order of the State of California.

Project Schedule:

Start Date	Completion Date
Jul-24	Jun-26

Project Funding Sources (Requested):

Fund Type	GL No.	Fiscal Year	Amount
12 Replacement Fund	12-8632000-0	2025/26	$ 75,000
Total			$ 75,000

FY 2025/26 Capital Expenditures
Valley Sanitary District
Capital Project Justification

Project Number: 26-0001

Project Name: Digester #2 Cleaning and Equipment Maintenance

Category: Improvement- General

Sub-Category: Rehabilitation/Improvement

Project Description: Cleaning Digester #2 and maintenance of pumps & valves

Project Justification: Digester #2 has been in service for over 10 years. Digesters should be cleaned every 10 years. Several valves and pumps associated with Digester #2 need maintenace and/or replacement.

Project Schedule:

Start Date	Completion Date
Jul-25	Jun-26

Project Funding Sources (Requested):

Fund Type	GL No.	Fiscal Year	Amount
12 Replacement Fund	12-8660000-0	2025/26	$ 600,000
Total			$ 600,000

FY 2025/26 Capital Expenditures
Valley Sanitary District
Capital Project Justification

Project Number: 26-0002

Project Name: Staff Computer Replacement - Phase 2

Category: Equipment – PCs, Laptops, and Printers

Sub-Category: Replacement

Project Description: Replace staff computers

Project Justification: The District's current computer systems are outdated and no longer under warranty, resulting in frequent technical issues, decreased performance, and diminished staff productivity. Upgrading to modern, reliable computer systems will significantly improve operational efficiency and enhance staff's ability to perform their duties effectively.

Project Schedule:

Start Date	Completion Date
Jul-25	Jun-26

Project Funding Sources (Requested):

Fund Type	GL No.	Fiscal Year	Amount
12 Replacement Fund	12-8680000-0	2025/26	$ 30,000
Total			$ 30,000

FY 2025/26 Capital Expenditures
Valley Sanitary District
Capital Project Justification

Project Number: 26-0003

Project Name: New Enterprise Resource Planning Software

Category: Software

Sub-Category: Replacement

Project Description: New Enterprise Resource Planning Software

Project Justification: The District's Enterprise Resource Planning (ERP) system requires an upgrade to address current functionality gaps and optimize core operations, including financials, procurement, human resources, payroll, and utility billing. To initiate this process, the District will develop a comprehensive business (project) plan and scope of work to support the publication of a Request for Proposal (RFP) for a new ERP system. This effort demands careful and strategic planning to ensure a successful system migration. Selecting and implementing a new ERP system is a major, multi-phase initiative that may span several years. Given the ERP system's critical role in daily operations, thoughtful execution and phased implementation will be essential to mitigate risks and maintain continuity of service throughout the transition.

Project Schedule:

Start Date	Completion Date
Jul-25	Jun-27

Project Funding Sources (Requested):

Fund Type	GL No.	Fiscal Year	Amount
12 Replacement Fund	12-8680000-0	2025/26	$ 120,000
Total			$ 120,000

FY 2025/26 Capital Expenditures
Valley Sanitary District
Capital Project Justification

Project Number: 26-0004

Project Name: New AC System for Laboratory

Category: Improvements - General

Sub-Category: Replacement

Project Description: Replace the AC

Project Justification: The Lab air conditioner is 14 years old and is in need of replacement. The AC unit was never design correctly for Laboratory use.

Project Schedule:

Start Date	Completion Date
Jul-25	Jun-26

Project Funding Sources (Requested):

Fund Type	GL No.	Fiscal Year	Amount
12 Replacement Fund	12-8670000-0	2025/26	$ 250,000
Total			$ 250,000

FY 2025/26 Capital Expenditures
Valley Sanitary District
Capital Project Justification

Project Number: 26-0005

Project Name: Replace PLC switches for SCADA

Category: Improvements- General

Sub-Category: Replacement

Project Description: Replace SCADA

Project Justification: SCADA data traffic due to high use causes lagging in system. Replacement switches will keep data moving more freely.

Project Schedule:

Start Date	Completion Date
Jul-25	Jun-26

Project Funding Sources (Requested):

Fund Type	GL No.	Fiscal Year	Amount
12 Replacement Fund	12-86600000-0	25/26	$ 120,000
Total			$ 120,000

FY 2025/26 Capital Expenditures
Valley Sanitary District
Capital Project Justification

Project Number: 26-0006

Project Name: SCADA Evaluation and Upgrade

Category: Improvements - General

Sub-Category: Upgrade

Project Description: SCADA Evaluation

Project Justification: Evaluate the SCADA System to see if there are better versions available. Investigate the use of Apps to allow on-call staff to access SCADA from remote locations. Logging on to SCADA from the Tablet is difficult.

Project Schedule:

Start Date	Completion Date
Jul-25	Jun-26

Project Funding Sources (Requested):

Fund Type	GL No.	Fiscal Year	Amount
12 Replacement Fund	12-86600000-0	2025/26	$ 150,000
Total			$ 150,000

FY 2025/26 Capital Expenditures
Valley Sanitary District
Capital Project Justification

Project Number: 26-0007

Project Name: Replace Fire Alarm Phone Panel at Hypochlorite Building

Category: Improvements-General

Sub-Category: Replacement

Project Description: The fire alarm panel needs an upgrade to the callout system

Project Justification: Currently the phone line come from the server room in the Admistration Office. Installing a celluar unit at the Hypochlorite building will improve communications.

Project Schedule:

Start Date	Completion Date
Jul-25	Jun-26

Project Funding Sources (Requested):

Fund Type	GL No.	Fiscal Year	Amount
12 Replacement Fund	12-8660000-0	2025/26	$ 15,000
Total			$ 15,000

FY 2025/26 Capital Expenditures
Valley Sanitary District
Capital Project Justification

Project Number: 26-0008

Project Name: Belt Press Grinder Panel Replacement

Category: Improvement- General

Sub-Category: Replacement

Project Description: Belt Press Grinder Panel Replacement

Project Justification: The grinder panel was put into service in 2006. The grinder panel parts are no longer available. A new panel is needed to keep the grinder operating.

Project Schedule:

Start Date	Completion Date
Jul-25	Jun-26

Project Funding Sources (Requested):

Fund Type	GL No.	Fiscal Year	Amount
12 Replacement Fund	12-8660000-0	2025/26	$ 50,000
Total			$ 50,000

FY 2025/26 Capital Expenditures
Valley Sanitary District
Capital Project Justification

Project Number: 26-0009

Project Name: Polymer Pump Electric Panel Retrofit

Category: Improvement- General

Sub-Category: Rehabiliation/Improvement

Project Description: Polymer Pump

Project Justification: When the electric panel was broken it was replaced with a refurbished part and it has now become obsolete. We are retrofitting the electric panel to be comparable to the new Rotary Screw Thickeners.

Project Schedule:

Start Date	Completion Date
Jul-25	Jun-26

Project Funding Sources (Requested):

Fund Type	GL No.	Fiscal Year	Amount
12 Replacement Fund	12-8660000-0	2025/26	$ 30,000
Total			$ 30,000

FY 2025/26 Capital Expenditures
Valley Sanitary District
Capital Project Justification

Project Number: 26-0010

Project Name: Install Large Vehicle Shade Structure near Drying Bed

Category: Buildings - General Structures

Sub-Category: Expansion

Project Description: Install Large Vehicle Shade Structure near Drying Bed

Project Justification: Shade structure is needed to protect heavy equipment from sun exposure. Tires, seats, joysticks, etc. sitting in the sun without cover will lead to earlier replacement costs.

Project Schedule:

Start Date	Completion Date
Jul-25	Jun-26

Project Funding Sources (Requested):

Fund Type	GL No.	Fiscal Year	Amount
12 Replacement Fund	12-8660000-0	2025/26	$ 250,000
Total			$ 250,000

FY 2025/26 Capital Expenditures
Valley Sanitary District
Capital Project Justification

Project Number: 26-0011

Project Name: Additional Parking for Customers and Staff

Category: Buildings - General Structures

Sub-Category: Expansion

Project Description: Additional Parking for Customers and Staff

Project Justification: Additional parking is needed to accommodate the growing number of customers, staff, vendors and visitors. The current lot is reaching capacity when all staff is present.

Project Schedule:

Start Date	Completion Date
Jul-25	Jun-26

Project Funding Sources (Requested):

Fund Type	GL No.	Fiscal Year	Amount
12 Replacement Fund	12-8660000-0	2025/26	$ 500,000
Total			$ 500,000

FY 2025/26 Capital Expenditures
Valley Sanitary District
Capital Project Justification

Project Number: 26-0012

Project Name: Evaluate 18-inch cast iron pipe under railroad

Category: Infrastructure – Sewer Lines

Sub-Category: Rehabilitation/Improvement

Project Description: Evaluate the 18-inch cast iron under railroad

Project Justification: The 18-inch cast iron pipe under the UP Railroad is 75 years old. The pipe is such that cannot be inspected with our CCTV equipment. The pipe needs to be evaulated in order to determine if it needs to be replaced or rerouted.

Project Schedule:

Start Date	Completion Date
Jul-25	Jun-26

Project Funding Sources (Requested):

Fund Type	GL No.	Fiscal Year	Amount
12 Replacement Fund	12-8632000-0	2025/26	$ 300,000
Total			$ 300,000

FY 2025/26 Capital Expenditures
Valley Sanitary District
Capital Project Justification

Project Number: 26-0013

Project Name: Biosolids Conversion Project - Construction

Category: Improvement/General

Sub-Category: Rehabilitation/Improvement

Project Description: Convert biosolids to a fertilizer for use in agriculture.

Project Justification: Lystek is company who specializes in converting biosolids to a fertilizer to be used on agriculture. Biosolids are increasingly becoming more difficult to use as a land use component. Staff would like to work with Lystek to see if converting the biosolids to a fertilizer will be profitable.

Project Schedule:

Start Date	Completion Date
Jul-24	Jun-26

Project Funding Sources (Requested):

Fund Type	GL No.	Fiscal Year	Amount
13 Capital Improvement	13-86430000-0	2025/26	$ 4,000,000
Total			$ 4,000,000



Here is a flashback to what the District's treatment plant looked like in the 1970's from an aerial view.

Valley Sanitary District

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