

Frequently Asked Questions

1. Why are rates increasing?

Rates are increasing because the cost of operating and maintaining the wastewater system continues to rise. Electricity, fuel, chemicals, insurance, healthcare, construction materials, and regulatory mandates have all increased significantly.

At the same time, our infrastructure is aging — some pipes date back to 1935 in Downtown Indio. To maintain reliability, meet state and federal regulations, and prepare for future growth, we must reinvest in the system and complete major construction projects.

Gradual increases now prevent large, unscheduled increases later.

2. What exactly do wastewater rates pay for?

Wastewater rates fund:

- Collection and treatment operations and maintenance
- Maintenance and repair of 261 miles of sewer pipeline
- Pump stations and lift stations
- Regulatory compliance
- Debt service
- Capital improvement projects and infrastructure upgrades

Every dollar collected is reinvested back into the District to provide service to the community.

3. What are the current rates vs. proposed rates?

Current Average Residential Bill: \$62.79 per month

Proposed Average Residential Bill: \$70.30 per month

Proposed Average Increases:

	Total Ave. Bill	Average Monthly	Increase Monthly
FY 2026	\$753.49	\$62.79	(Current)
FY 2027	\$843.63	\$70.30	\$7.51
FY 2028	\$944.51	\$78.71	\$8.41
FY 2029	\$982.00	\$81.83	\$3.12
FY 2030	\$1020.49	\$85.04	\$3.21
FY 2031	\$1061.81	\$88.48	\$3.44

The increases are structured to be phased and predictable over five years.

4. Why not wait and ask for more money from the State and Federal Government?

The District aggressively pursues grant funding and has secured over **\$8 million** in State and Federal grants.

However:

- Grants are competitive and not guaranteed.
- Grants typically cover only portions of projects.
- Grants cannot fund routine operations or maintenance.
- Delaying projects increases total cost due to inflation.

Waiting could increase overall costs and create risk to compliance and reliability.

5. Why not just finance or borrow more instead of raising rates?

Responsible financial planning balances grants, reserves, pay-as-you-go funding, and limited borrowing, not over-reliance on debt.

Excessive borrowing shifts the cost to future ratepayers and increases total project cost due to interest.

Debt must still be repaid through rates.

If rates are not adjusted gradually, larger increases may be required later to repay debt and restore reserves.

6. Why are VSD rates higher than some neighboring agencies?

No two agencies are the same.

Factors that affect rates (which differ between agencies):

- Age of infrastructure (VSD is the oldest wastewater district in the Valley)
- System size and complexity
- Treatment processes
- Capital needs
- Growth potential
- Regulatory requirements

All agencies cycle through periods of higher rates when making major infrastructure investments, then recognize lower rates during subsequent years.

7. What happens if the District does not approve the increase?

If rates are not adjusted:

- Infrastructure repairs may be deferred
 - Emergency repair costs increase
 - Risk of state and federal non-compliance increases
 - Financial strength and reserves may weaken
 - Future rate increases would likely be larger and sudden
- Inaction now creates greater financial and operational risk later.

8. What major projects are being constructed?

Recycled Water Project

Innovative Biosolids Project

Lift Station Rehabilitation

Sewer Main Rehabilitation

Lab, Training, Office, Maintenance, and Administration building

9. How do these projects affect rates? Can the District delay the projects?

Some projects are rehabilitations and must be completed to maintain compliance.

Some projects are needed to prepare for the future; help control future costs by including new efficiencies and better controls.

Some projects offset and control costs by reducing risks and creating potential revenue streams (Recycled Water and Biosolids Projects).

Delaying projects increases risk and defers the financial responsibility to future generations creating higher and unpredictable rate increase.

10. Will we just keep seeing rate increases after this five-year plan?

The goal is steady, manageable adjustments, not sudden unexpected increases.

The five-year rate plan is designed to:

- Address known capital projects
- Stabilize reserves
- Account for projected cost increases

Future rate adjustments will depend on:

- Inflation
- Regulatory changes
- Infrastructure needs
- Economic conditions

11. What is the District doing to control costs internally?

- Actively seeking state and federal assistance through low interest loans and grants for major projects.
- Developed a strategically planned Capital Improvement Program
- Implements energy efficient upgrades such as solar.
- Proposes an innovative project to manage long-term costs.
- Investing in reuse.

Nearly 50% of all revenue supports capital improvements that protect long-term reliability.

12. What can residents do if they are on a fixed income?

**Reducing winter water usage can lower the variable portion of the sewer bill.

Residents can explore rebate and conservation programs available through:

- Valley Sanitary District – Shower Head Rebate Program
- Indio Water Authority
- Coachella Valley Water District
- IID
- SoCalGas

Residents may contact VSD administration for guidance.