



Tuesday, January 3, 2023 at 1:00 PM
Valley Sanitary District Board Room
45500 Van Buren St., Indio, CA 92201

**BUDGET & FINANCE
COMMITTEE MEETING
AGENDA**

Valley Sanitary District is open to the public and board meetings will be conducted in person. In addition to attending in person, members of the public may view and participate in meeting via the following:

Zoom link: <https://us06web.zoom.us/j/85982582544>

Meeting ID: 859 8258 2544

To address the Board of Directors during the virtual live session via zoom, please email the Clerk of the Board at hgould@valley-sanitary.org or, alternatively, during the specific agenda item or general comment period (i.e. non-agenda items), please use the "raise your hand" function in zoom in order to be recognized by the Clerk of the Board in order to provide comments in real time.

The Clerk of the Board will facilitate to the extent possible any email requests to provide oral testimony that are sent during the live meeting. Members of the public may provide Oral testimony in person or during the virtual live session and are limited to three minutes each. To address the Board in person please complete speaker request card located at in the Board Room and give it to the Clerk of the Board.

If you are unable to provide comments during the meeting, written public comments on agenda or non-agenda items may be submitted by email to the Clerk of the Board at hgould@valley-sanitary.org. Written comments must be received by the Clerk of the Board no later than 11:00 a.m. on the day of the meeting.

1. CALL TO ORDER
2. ROLL CALL
3. PLEDGE OF ALLEGIANCE
4. PUBLIC COMMENT
5. DISCUSSION / ACTION ITEMS
 - 5.1 [Select Committee Chairperson](#)

Recommendation: Approve

5.2 [Approve Minutes for the November 1, 2022, Budget & Finance Committee](#)

Recommendation: Approve

5.3 [Receive and File the Budget Timeline for the Fiscal Year 2023/24](#)

Recommendation: Receive and File

5.4 [Discussion and Direction for Recycled Water Project Financing Needs](#)

Recommendation: Discussion

6. ADJOURNMENT

POSTED December 29, 2022

Holly Gould

Clerk of the Board

Valley Sanitary District

PUBLIC NOTICE

In compliance with the Americans with Disabilities Act, access to the Board Room and Public Restrooms has been made. If you need special assistance to participate in this meeting, please contact Valley Sanitary District (760) 235-5400. Notification 48 hours prior to the meeting will enable the District to make reasonable arrangements to ensure accessibility to this meeting (28 CFR 35.102-35.104 ADA TITLE II). All public records related to open session items contained on this Agenda are available upon request at the Administrative Office of Valley Sanitary District located at 45-500 Van Buren Street, Indio, CA 92201. Copies of public records are subject to fees and charges for reproduction.



Valley Sanitary District

DATE: January 3, 2023
TO: Community Engagement Committee
FROM: Jeanette Juarez, Chief Administrative Officer
SUBJECT: Select Committee Chairperson

Suggested Action

Approve

Strategic Plan Compliance

GOAL 6: Improve Planning, Administration and Governance

Fiscal Impact

There is no fiscal impact.

Environmental Review

This item does not qualify as a project for the purposes of CEQA.

Background

Each year the Board President appoints directors to serve on the various committees. Each committee then selects which director shall serve as chairperson.

Recommendation

Staff recommends that the Committee members select a chairperson.



Valley Sanitary District

DATE: January 3, 2023
TO: Budget & Finance Committee
FROM: Jeanette Juarez, Chief Administrative Officer
SUBJECT: Approve Minutes for the November 1, 2022, Budget & Finance Committee

Suggested Action

Approve

Strategic Plan Compliance

GOAL 6: Improve Planning, Administration and Governance

Fiscal Impact

There is no fiscal impact from this item.

Environmental Review

This item does not qualify as a project for the purposes of CEQA.

Background

The minutes from the November 1, 2022, Budget & Finance Committee meeting are presented for review and approval.

Recommendation

Approve the minutes from the November 1, 2022, Budget & Finance Committee meeting.

Attachments

[01 Nov 2022 Meeting Minutes.pdf](#)

**VALLEY SANITARY DISTRICT
BUDGET & FINANCE COMMITTEE MEETING MINUTES
November 1, 2022**

A regular meeting of the Valley Sanitary District (VSD) Budget & Finance Committee was held at 45-500 Van Buren Street in Indio, California, on Tuesday, November 1, 2022.

1. CALL TO ORDER

Chairman Dennis Coleman called the meeting to order at 1:05 p.m.

2. ROLL CALL

Directors Present:

Chairperson Dennis Coleman

Committee Member Debra Canero

Staff Present:

Jeanette Juarez, Chief Administrative Officer; and Holly Gould, Clerk of the Board

Guests:

Ben Duckett, Morgan Stanley Graystone

Sarah Montoya, Morgan Stanley Graystone

Erik K. Tappin, Morgan Stanley Graystone

3. PLEDGE OF ALLEGIANCE

4. PUBLIC COMMENT

The public comment on any item not appearing on the agenda. Please notify the Secretary in advance of the meeting if you wish to speak on a non-hearing item.

None.

5. DISCUSSION / ACTION ITEMS

5.1 Approve Minutes for September 6, 2022, Regular Committee Meeting

Chairperson Coleman motioned to approve the September 5, 2022, Budget & Finance Committee Meeting minutes. Committee member Canero seconded the motion. The motion carried unanimously.

5.2 Request Guidance and Direction Regarding the Valley Sanitary District Employee Retirement Plan Options

During the review of employee benefits, the District inquired about auditing the 457 retirement plans offered to employees to ensure optimum services. The District worked with Morgan Stanley Smith Barney LLC to conduct an internal audit of plans and make recommendations that align with the District's investment policy and retiree objectives. Ben Duckett of Morgan Stanley Graystone presented the four plans offered by the District and compared them in cost, service, and performance to mutual funds, exchange-traded funds, group annuity separate

accounts, or collective investments funds from the universe of Funds that have been profiled, reviewed and approved by MSSB Global Investment Manager Analysis. Mr. Duckett recommended four plans that would benefit the employees better in terms of cost, rate of return, and customer service. The Committee directed staff for two additional quotes for 321 Financial Advisor Services and to present all three quotes at the next Budget & Finance Committee meeting in January 2023.

5.3 Information Regarding Progress of the Fiscal Year 2021/22 Annual Audit

Jeanette Juarez, Chief Administrative Officer, gave an update on the Fiscal Year 2022 audit. Jeanette stated that the auditors are in the final stage of completing the audit. The visuals have been submitted by staff, and the audit is going through a final review. She stated that the audit took longer than usual due to additional bond disclosures. The final year-end audit will be submitted to the Board for review and acceptance by November 22, 2022.

Jeanette Juarez also gave an update on the Coachella Valley Economic Partnership Annual Summit that she attended.

6. ADJOURNMENT

There being no further business to discuss, the meeting adjourned at 2:34 p.m. The next regular committee meeting will be on January 3, 2022.

Respectfully submitted,
Holly Gould, Clerk of the Board
Valley Sanitary District



Valley Sanitary District

DATE: January 3, 2023
TO: Budget & Finance Committee
FROM: Jeanette Juarez, Chief Administrative Officer
SUBJECT: Receive and File the Budget Timeline for the Fiscal Year 2023/24

Suggested Action

Receive and File

Strategic Plan Compliance

GOAL 5: Long-Term Financial Strength

Fiscal Impact

None.

Environmental Review

Not applicable, this is not a project as defined by the California Environment Quality Act (CEQA).

Background

The action for approval and adoption of the annual budget is completed in June of each calendar year. In preparation for the fiscal year 2023/24 budget, staff has prepared a budget timeline, Attachment A, for the Budget and Finance Committee to review. The timeline includes deliverable due dates and meeting dates. The timeline will serve as a guide during the upcoming weeks to continue budget discussions and allow for any modifications if needed.

Recommendation

Recommend that the Budget and Finance Committee receive this report for information.

Attachments

[Attachment A Budget Timeline.pdf](#)

Fiscal Year 2023/24 Budget

Company Name: Valley Sanitary District

Project Lead: Jeanette Juarez, Chief Administrative Officer

Task	Assigned To	Day	Date
Phase 1 January			
Task 1.1 Budget Worksheets Distributed To All Departments	Chief Administrative Officer	Tuesday	3-Jan-23
Task 1.2 Budget Kickoff Meetings With All Departments	Chief Administrative Officer	Tuesday	3-Jan-23
Task 1.3 Budget Worksheets Due	All Departments	Tuesday	24-Jan-23
Task 1.4 Review Of Budget Worksheets	Chief Administrative Officer	Wednesday	25-Jan-23
Phase 2 February			
Task 2.1 Department Overview Meetings	Chief Administrative Officer	Monday	6-Feb-23
Task 2.2 Operations Committee Reviews 10 Year Capital Improvement Plan	Operations Committee	Tuesday	7-Feb-23
Task 2.3 Departmental Summaries And Goals Due	All Departments	Tuesday	7-Feb-23
Task 2.4 Organizational Charts Due	All Departments	Tuesday	7-Feb-23
Task 2.5 Departmental Performance Metrics Due	All Departments	Tuesday	14-Feb-23
Task 2.6 Budget Worksheets Due	All Departments	Tuesday	21-Feb-23
Task 2.7 Capital Improvement Project Worksheets Due	All Departments	Tuesday	21-Feb-23
Phase 3 March			
Task 3.1 Review Capital Project Requests	Chief Administrative Officer	Monday	6-Mar-23
Task 3.2 Budget Meetings With The General Manager And Department Heads	Chief Administrative Officer	Thursday	16-Mar-23
Task 3.3 Develop Budget Presentation	Chief Administrative Officer	Tuesday	21-Mar-23
Task 3.4 Budget And Finance Committee Review And Recommendations	Budget and Finance Committee	Tuesday	28-Mar-23
Phase 4 April			
Task 4.1 Draft Budget Book	Administration Department	Thursday	13-Apr-23
Task 4.2 Board Study Session For The Fiscal Year 2023/24 Fees, Charges, 10 Year CIP, and Budget	Board of Directors	Tuesday	18-Apr-23
Task 4.3 Department Overview Meetings To Discuss Board Comments And Edit Requests	Chief Administrative Officer	Thursday	20-Apr-23
Task 4.4 Final Worksheets Submitted	All Departments	Thursday	27-Apr-23
Phase 5 May			
Task 5.1 Budget Meetings With The General Manager And Department Heads	Chief Administrative Officer	Thursday	4-May-23
Task 5.2 Draft Budget And Budget Presentation Posted To Board Agenda	Clerk of the Board	Thursday	18-May-23
Task 5.3 Board Adopts Fiscal Year 2023/24 Fees and Charges for District Services	Board of Directors	Tuesday	23-May-23
Task 5.4 Board Adopts 10 Year Capital Improvement Plan	Board of Directors	Tuesday	23-May-23
Task 5.5 Board Reviews Draft Budget And Makes Final Changes	Board of Directors	Tuesday	23-May-23
Task 5.6 Department Overview Meetings To Discuss Final Changes	Chief Administrative Officer	Wednesday	24-May-23
Phase 6 June			
Task 6.1 Final Edits Due	All Departments	Thursday	1-Jun-23
Task 6.2 Review Final Budget With General Manager And Department Heads	Chief Administrative Officer	Wednesday	7-Jun-23
Task 6.3 Final Budget Posted To Board Agenda	Clerk of the Board	Thursday	22-Jun-23
Task 6.4 Board Adopts the Fiscal Year 2023/24 Budget	Board of Directors	Tuesday	27-Jun-23
Task 6.5 Fiscal Year 2023/24 Final Budget Posted To District Website	Administration Department	Wednesday	28-Jun-23



Valley Sanitary District

DATE: January 3, 2023
TO: Budget & Finance Committee
FROM: Jeanette Juarez, Chief Administrative Officer
SUBJECT: Discussion and Direction for Recycled Water Project Financing Needs

Suggested Action

Discussion

Strategic Plan Compliance

GOAL 5: Long-Term Financial Strength

Fiscal Impact

None.

Environmental Review

Not applicable, this is not a project as defined by the California Environment Quality Act (CEQA).

Background

The Recycled Water Project is a Capital Improvement Project of high priority for the District. The Recycled Water Project will replace an aging and capacity-restricting grit chamber and provide redundancy by adding a second digester and expanding the bar screens. The project will also include adding a sludge thickener unit. This project is necessary to meet anticipated regulatory requirements, tertiary treatment, and recycled water production.

At the February 8, 2022 Board of Directors Meeting Ron Buchwald, District Engineer, requested authorization to proceed with the design alternative for the Recycled Water Project – Phase I. The component was the sludge thickening of the primary waste prior to entering the digester, a rotary drum thickener. The estimated schedule to complete the 60% design of the rotary drum thickener was December 2022. A guaranteed maximum price would then be completed and brought to the Board for approval as amendment #2 to the contract. Valerie Houchin from Schneider Electric is here to

provide information regarding the waste-activated sludge thickening scope of work and estimated cost of \$10M.

The District will need to consider financing options to present to the Board of Directors for the rotary drum thickener as well as Phases II and III of the Recycled Water Project estimated at \$114.4M. On December 21, 2022, The District received an invitation to apply for funding through the Water Infrastructure Finance and Innovation Act (WIFIA). The invitation is to apply for \$44M for the Recycled Water Project Phases II and III.

Recommendation

1. The Budget and Finance Committee reviews the financing needs for the Recycled Water Project.
2. Provide guidance and direction to staff regarding financing options.

Attachments

[Budget and Finance Meeting_Jan 3rd.pptx](#)

[Valley Sanitary District - Notification Letter.pdf](#)



Budget and Finance Committee
ECM-3 Waste Activated Sludge Thickening

Recycled Water Project- Phase 1
January 3, 2023

Agenda

1

Quick Recap

2

ECM-3 Waste Activated Sludge
Thickening (60% design)

3

Financial Considerations

4

Timeline and What's Next

Quick Recap: Recycled Water Project – Phase 1 Improvements

There are 6 scopes of Work in the Phase 1 Project

ECM 1 – Mechanical Bar Screen

ECM 2 – Grit Chamber

ECM 3 – Waste Activated Sludge (WAS) Thickening

ECM 4 – 2nd Digester and related systems, including pumps including secondary flare

ECM 5 – SWBD MS Replacement (electrical switchgear)

ECM 6 – Subnatant and Filtrate Return

ECM= Energy Conservation Measure

Quick Recap: Recycled Water Project – Phase 1 Improvements

Amendment #1- Approved by VSD in
May 2022 ~\$71M

ECM 1 – Mechanical Bar Screen

VH2

ECM 2 – Grit Chamber

ECM 4 – 2nd Digester and related systems,
including pumps including secondary flare

ECM 5 – SWBD MS Replacement (electrical
switchgear)

ECM 6 – Subnatant and Filtrate Return

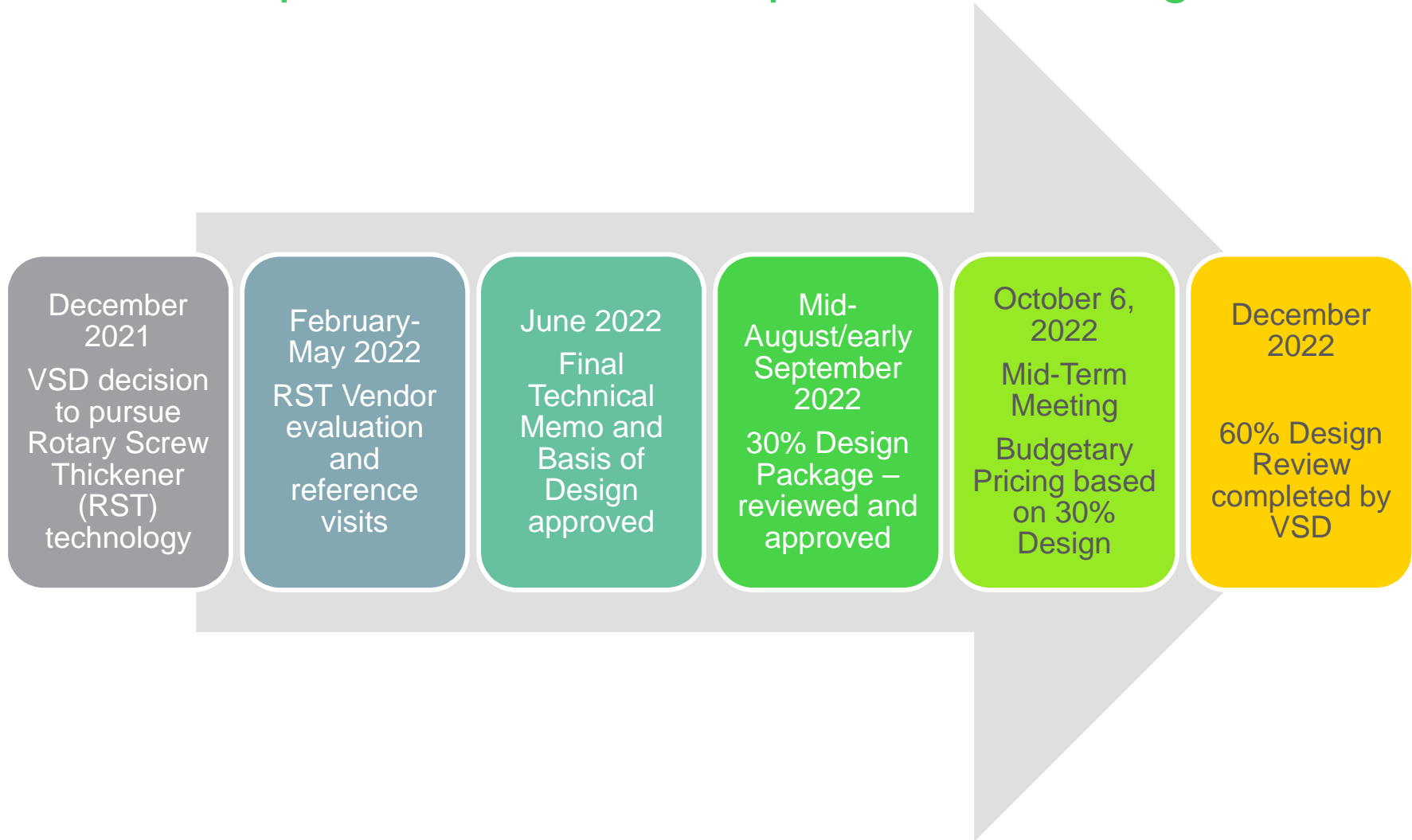
Amendment #2- Targeting Approval
in February 2023 ~\$10M

ECM 3 - Waste Activated Sludge
(WAS) Thickening

VH2

trying to show that these are really still 1 project. Happy to move these around but that's what I was trying to portray.
Valerie Houchin, 12/22/2022

Quick Recap: of ECM-3 Development and Design



ECM 3: Waste Activated Sludge Thickening

Installation proposed at VSD:

- Two (2) Huber rotary screw thickener units
- Each of the two installed thickener units will have a dedicated:
 - polymer blending and feed unit
 - flocculation tank
 - wash water pump
 - TWAS pump
 - WAS Pumps 2+1
 - Piping, valves and instrumentation
 - Control Panels
- The equipment will be mounted on a concrete pad under a canopy.



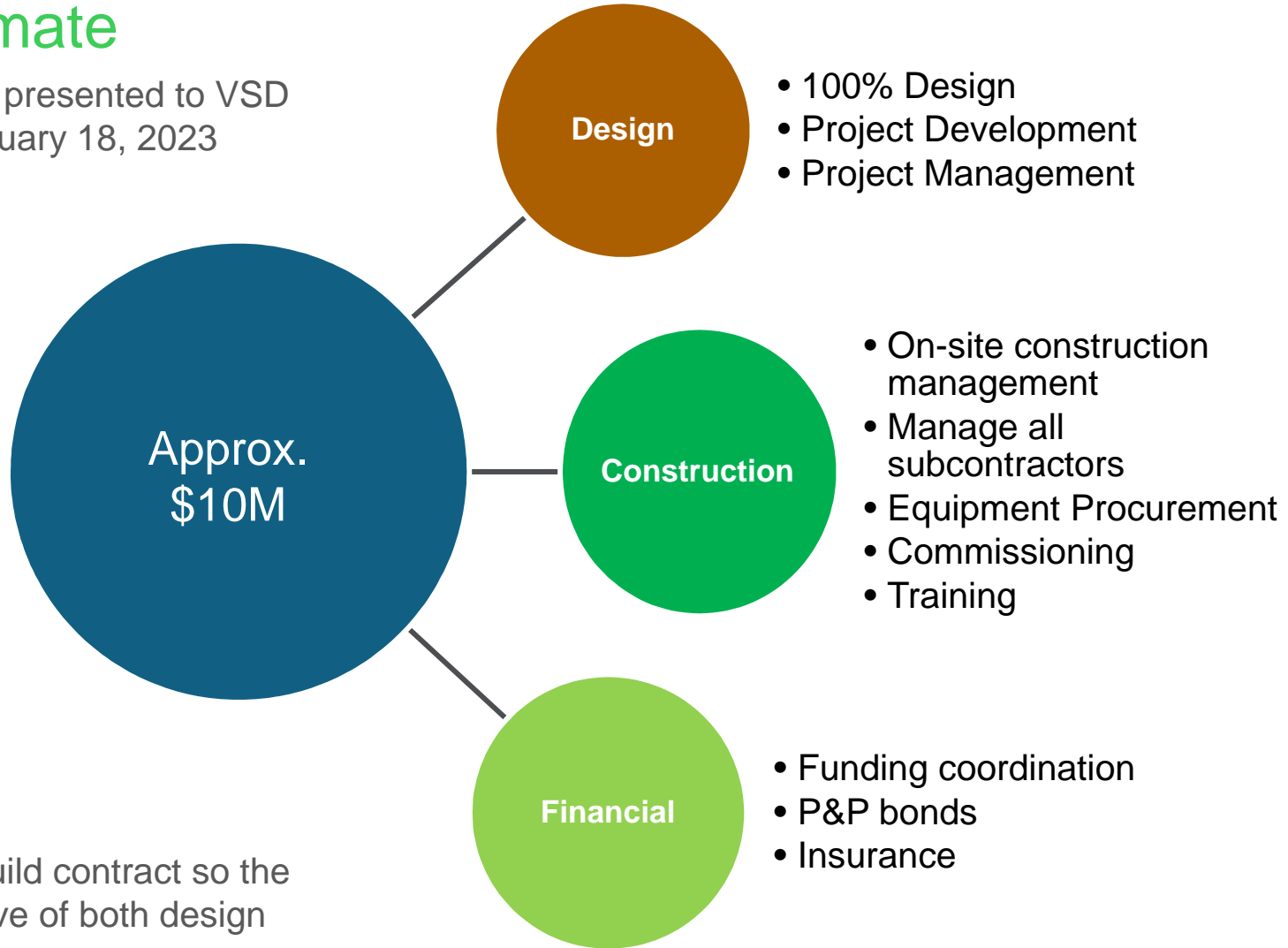
Photos of similar RST- Goleta Sanitary District

Financial Considerations

Internal

Cost Estimate

Final GMP to be presented to VSD on or before January 18, 2023

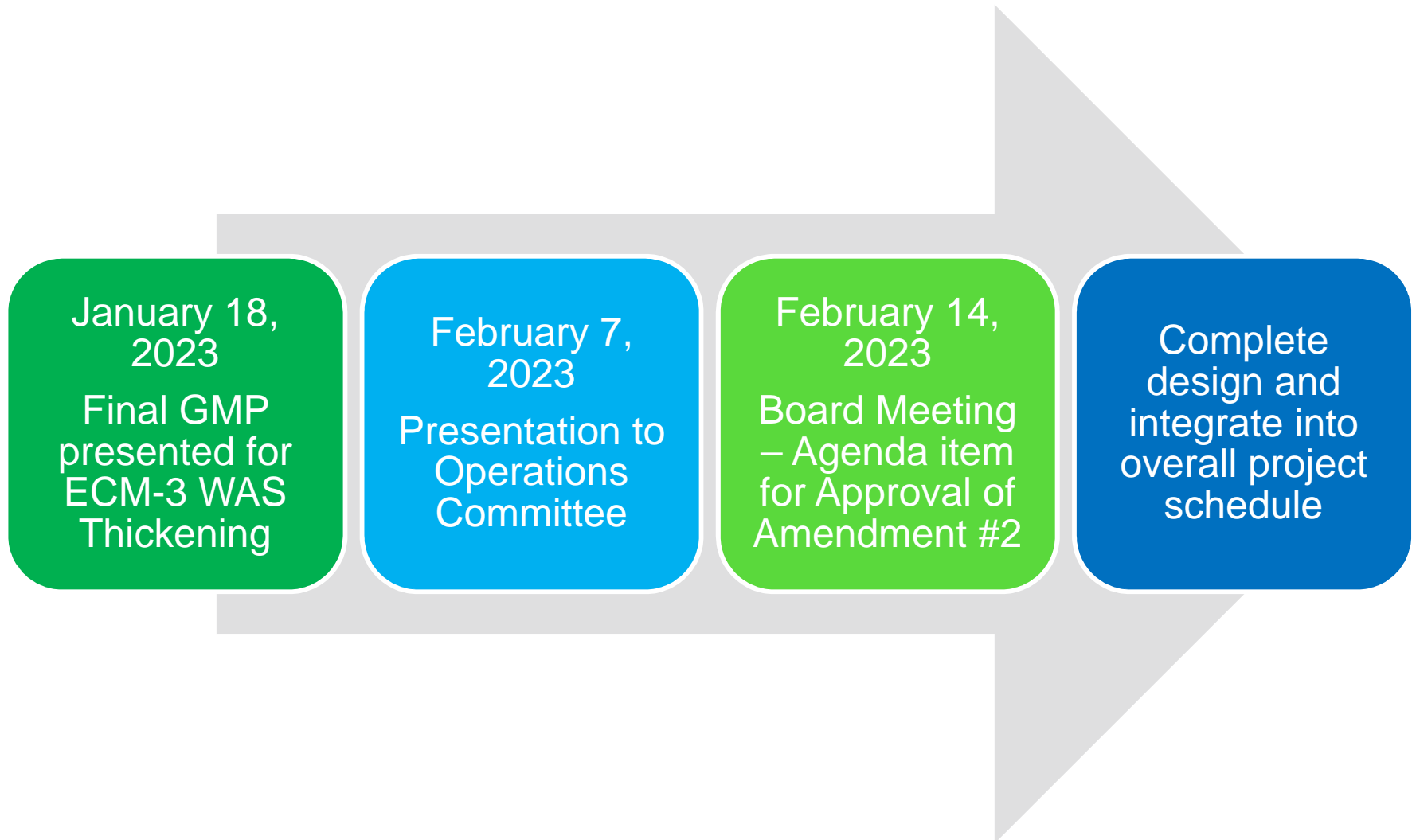


This is design-build contract so the costs are inclusive of both design and construction.

Timeline and What's Next

Internal

Timeline and What's Next



Thank you!



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

WASHINGTON, D.C. 20460

12/21/2022

Dr. Beverli Marshall
General Manager
Valley Sanitary District
45500 Van Buren Street
Indio, CA 92201

Subject: Valley Sanitary District Selection Notification

Dear Dr. Marshall,

Thank you for submitting your Water Infrastructure Finance and Innovation Act (WIFIA) letter of interest for the FY 2022 Selection Round. We have reviewed these materials and are very pleased to inform you that the Valley Sanitary District Water Reclamation Facility Expansion Project has been selected to submit an application.

You are being invited to apply for a loan for up to \$44,062,000 or not to exceed 49 percent of total eligible project costs. We have administratively reserved funding for your project and will hold this funding as long as we receive your application by December 31, 2023. You may request an increase in your loan amount during the application process. Loan increase requests will be reviewed on a case-by-case basis and are subject to the availability of funding.

We will soon be reaching out to you to schedule an initial pre-application meeting to discuss the WIFIA process in greater detail. Amelia Letnes will be your point of contact and is available by e-mail at letnes.amelia@epa.gov or by phone at (202) 564-5627 to answer any immediate questions you may have.

Once we receive your complete application, the WIFIA team will commence underwriting your transaction. Receipt of a WIFIA loan remains subject to negotiation of an agreement on terms and conditions satisfactory to the Agency as well as the project's compliance with Federal requirements, including the National Environmental Protection Act (NEPA) and domestic preference laws.

EPA will be announcing selections on a rolling basis through the year. If you have questions regarding communicating your selection or would like to coordinate your announcement with EPA, please contact Dan Consigli at Consigli.daniel@epa.gov.

We look forward to working with you on this project.

Sincerely,

A handwritten signature in black ink that reads "Joranne Jernberg".

Joranne Jernberg
Director, WIFIA Program