

Board of Directors Regular Meeting
Tuesday, May 11, 2021 at 1:00 PM
Valley Sanitary District
45-500 Van Buren Street, Indio, CA 92201

*****SPECIAL NOTICE - VIA VIDEOCONFERENCE****

Pursuant to the Governor's Executive Order N-25-20 issued on March 4, 2020 and N-29-20 issued on March 18, 2020; the Board of Directors regular meeting will be conducted remotely through Zoom. **Members of the public wanting to participate in the open session of the meeting may do so via the following Zoom registration link:** https://zoom.us/j/95590234164 Meeting ID: 955 9023 4164 or by calling 669-900-9128 or 253-215-8782. Members of the public wanting to address the Board, either during public comment or for a specific agenda item, or both, are requested to send an email notification no later than 12:30 p.m. on the day of the meeting to the Valley Sanitary District's Clerk of the Board at hgould@valley-sanitary.org.

Page

1. CALL TO ORDER

- 1.1. Roll Call
- 1.2. Pledge of Allegiance
- 1.3. May Employee Anniversaries
 - Tino Tijerina, Electrician/Instrumentation Supervisor 31 years
 - Anna Bell, Laboratory & Compliance Supervisor 8 years
 - Austin Lopanec, Wastewater Operator I 6 years
 - Cassidy Laughy, Wastewater Operator-in-Training 1 year
- 1.4. New Employee Introduction

- Andrew Sorensen, Wastewater Operator-in-Training

2. PUBLIC COMMENT

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

3. CONSENT CALENDAR

Consent calendar items are expected to be routine and noncontroversial, to be acted upon by the Board of Directors at one time, without discussion. If any Board member requests that an item be removed from the consent calendar, it will be removed so that it may be acted upon separately.

3.1. 5 - 7 Approve April 27, 2021 Regular Meeting Minutes 3.1 27 Apr 2021 Meeting Minutes.pdf 3.2. 8 - 9 Approve Warrants for April 22 through May 5, 2021 3.2 Warrants for April 22 to May 5, 2021.pdf 3.3. Authority Tuition Reimbursement for Beverli A. Marshall, 10 - 16 General Manager, Per District Policy in an Amount Not to Exceed \$1,000 3.3 Staff Report Marshall Tuition Reimbursement.pdf 3.3 Attachment A Tuition Reimbursement Form.pdf 3.3 Attachment B Unofficial Transcript.pdf 3.3 Attachment C Proof of Payment.pdf

4. PUBLIC HEARING

- 4.1. Public Hearing to Receive Input Regarding the Proposed

 Sewer Service Charge Increase and Consider Adopting

 Resolution No. 2021-1142
 - -General Notice and Call
 - -President Announces Public Hearing Procedures
 - -General Manager's Report
 - -President Declares Public Hearing Open
 - -Public Comments
 - -President Declares Public Hearing Closed

	4.1 Attachment B Prop 218 Card.pdf 🕏	
	4.1 Attachment C Public Hearing Notice.pdf	
	4.1 Attachment D Wastewater Rate Study Report_FINAL 05-04- 2021.pdf	
NON-HE	ARING ITEMS	
5.1	Discuss and Consider Adopting the Fixed Assets Accounting Policy	119 - 154
	5.1 Approval of Fixed Assets Accounting Policy.pdf	
	5.1 Attachment A Fixed Assets Accounting Policy.pdf	
	5.1 Attachment B VSD Equipment Disposition Form.pdf	
	5.1 Attachment C Lessee Inventory Schedule.pdf.pdf	
	5.1 Attachment D Lessee Journal Entries.pdf	
	5.1 Attachment E Lessor Inventory Schedule.pdf	
	5.1 Attachment F Lessor Journal Entries.pdf @	
	5.1 Attachment G Current Fixed Assets Accounting Policy.pdf	
5.2	Discuss and Consider Adopting the Bank Account and Check Policy	155 - 159
	5.2 Approval of Bank Account and Check Writing Policy.pdf	
	5.2 Attachment A Bank Account and Check Writing Policy.pdf	
GENERA	L MANAGER'S ITEMS	
	Manager's items not listed are for discussion only; no action will be taken on urgency vote pursuant to State law.	
6.1	Monthly Manager's Report - March 2021	160 - 172

-Board Discussion

5.

6.

-Adoption of Resolution

4.1 Staff Report Public Hearing Sewer Service Charge.pdf

4.1 Attachment A Resolution No. 2021-1142.pdf

- 6.1 Staff Report GM Report March.pdf
- 6.1 Attachment A Admin Services Report March.pdf
- 6.1 Attachment B NPDES Report for March.pdf
- 6.1 Attachment C Collection Services Report March.pdf
- 6.1 Attachment D Development Services Report April.pdf
- 6.1 Attachment E Capital Improvement Program Update for April.pdf

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7. COMMITTEE REPORTS

7.1. Budget & Finance Committee - Draft May 4, 2021 Regular Meeting Minutes

173 - 174

7.1 Draft 4 May 2021 Committee Meeting Minutes.pdf

8. DIRECTOR'S ITEMS

Director's items not listed are for discussion only; no action will be taken without an urgency vote pursuant to State law.

9. INFORMATIONAL ITEMS

10. PUBLIC COMMENT

This is the time set aside for public comment on any item to be discussed in Closed Session. Please notify the Secretary in advance of the meeting if you wish to speak on an item.

11. CONVENE IN CLOSED SESSION

Items discussed in Closed Session comply with the Ralph M. Brown Act.

11.1. Pursuant to Government Code Section 54954.5 Public Employee Performance Evaluation - General Manger

12. CONVENE IN OPEN SESSION

Report out on Closed Session items

13. ADJOURNMENT

Pursuant to the Brown Act, items may not be added to this agenda unless the Secretary to the Board has at least 72 hours advance notice prior to the time and date posted on this notice.

UNOFFICIAL UNTIL APPROVED

VALLEY SANITARY DISTRICT MINUTES OF REGULAR BOARD MEETING

April 27, 2021

Valley Sanitary District conducted this meeting in accordance with California Governor Newsom's Executive Orders N-29-20 and COVID-19 protocols.

A regular Board Meeting of the Governing Board of Valley Sanitary District (VSD) was held via videoconference, on Tuesday, April 27, 2021.

1. CALL TO ORDER

President Sear called the meeting to order at 1:02 p.m.

1.1 Roll Call

Directors Present:

Debra Canero, Dennis Coleman, Mike Duran, Scott Sear, William Teague

Staff Present:

Beverli Marshall, General Manager, Holly Gould, Jeanette Juarez, Ron Buchwald, Anna Bell, and Robert Hargreaves, Best Best & Krieger

1.2 Pledge of Allegiance

2. PUBLIC COMMENT

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

None.

3. CONSENT CALENDAR

- 3.1 Approve April 13, 2021 Regular Meeting and April 20, 2021 Special Meeting Minutes
- 3.2 Approve Warrants for April 8 through April 21, 2021
- 3.3 Accept Monthly Financial Report for Period Ending March 31, 2021

ACTION TAKEN:

MOTION: Director Duran a motion to approve the consent calendar items as

presented. Director Teague seconded the motion. Motion carried unanimously.

MINUTE ORDER NO. 2021-3095

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4. NON-HEARING ITEMS

4.1 The NELAC Institute (TNI) Laboratory Compliance Presentation by Anna Bell, Laboratory & Compliance Supervisor

Anna Bell, Laboratory & Compliance Supervisor, gave a presentation to the Board about The NELAC Institute (TNI). The presentation included an explanation of the Environmental Laboratory Accreditation Program (ELAP), the program deficiencies that were identified and led to the TNI regulations that will improve the effectiveness of ELAP. She presented the timeline of when the District's lab must meet these new guidelines and the work that will go into it. The Board thanked Anna for her very informative presentation.

4.2 Adopt the Brand & Image Use Policy

Beverli Marshall, General Manager, reported that in April 2020 the Board asked staff to develop a plan to build a brand for the District and to ensure that the public knows it. The first step was to develop a new logo for the District, which was completed and adopted by the Board on March 24, 2020. Staff implemented the new logo and applied it to VSD vehicles, uniforms, hats, business cards, and other District items. The next step in the rebranding process is to ensure that the VSD brand is used appropriately and reflects positively on the District. With that in mind, staff drafted the Brand & Image Use Policy. The purpose of the Policy is to establish and strengthen the VSD brand through a unified message, repetition, and consistency. At the Board meeting on March 23, 2021, the Board requested that staff send out a survey to employees and their families to allow input into the selection of a tagline. After analyzing the responses to the survey, the consensus of the Board was to go with the most popular option "Giving Water Another Chance".

ACTION TAKEN:

MOTION:

Secretary Canero made a motion to adopt the Brand & Image Use Policy.

Director Duran seconded the motion. Motion carried by the following roll call vote:

AYES: Canero, Coleman, Duran, Sear, Teague

NOES: None

MINUTE ORDER NO. 2021-3096

5. GENERAL MANAGER'S ITEMS

Beverli Marshall, General Manager, requested direction from the Board on transitioning back to in person board meetings. The Board feels the best option for now, is to conduct a hybrid meeting, still utilizing Zoom for those that are not yet comfortable with attending in person.

6. COMMITTEE REPORTS

Vice President Coleman gave report of the East Valley Reclamation Authority Meeting that was held on April 26, 2021. At the meeting, the EVRA Board received the fiscal year 2019/20 audited financial statements and the fiscal year 2020/21 mid-year budget report. He also updated the Board on the presentation made by Reymundo Trejo, Assistant General Manager at Indio Water Authority, and Brian Villalobos, from Geoscience Support Services, Inc. The report stated that well injection appears to be feasible at the VSD site. It is recommended to postpone the bore drilling phase until staff can meet with

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the regulatory agencies that will impact the permits this project will require. The EVRA Board voted to approve staff to meet with the Regional Water Quality Control Board (RWQCB) and the State Water Resources Control Board (SWRCB) to discuss the Recycled Water Project.

7. <u>DIRECTOR'S ITEMS</u>

Director Teague inquired about setting up a tour for a group of residents from Indian Palms Country Club. The Board thanked Anna Bell for her expertise and report on the NELAC Institute.

8. INFORMATIONAL ITEMS

May 2-7, 2021 is National Public Service Recognition Week, which was created in 1985 to honor those who serve as federal, state, county, and local government employees. You can find more information about this event at https://psrw.ourpublicservice.org/.

9. PUBLIC COMMENT

This is the time set aside for public comment on any item to be discussed in Closed Session. Please notify the Secretary in advance of the meeting if you wish to speak on an item.

None.

10. CONVENE IN CLOSED SESSION

Items discussed in Closed Session comply with the Ralph M. Brown Act.

10.1 Pursuant to Government Code Section 54954.5
 Public Employee Performance Evaluation
 Title: General Manager

The Board adjourned to closed session at 2:15 p.m.

11. CONVENE IN OPEN SESSION

Report out on Closed Session items

The board reconvened to open session at 2:25 p.m. President Sear stated there was nothing to report.

12. <u>ADJOURNMENT</u>

There being no further business to discuss, the meeting was adjourned at 2:25 p.m. The next regular Board meeting will be held on May 11, 2021.

Respectfully submitted,

Holly Gould, Clerk of the Board Valley Sanitary District

DISBURSEMENTS Approved at the Board Meeting of May 11, 2021

39227 Indio Water Authority	Main Water Shutdown fee 04/30/2021	\$429.00
39228 ABS Facility Services, Inc	Addtional Punch List Items to be Completed	\$541.00
39229 Alliance Integration	Service Labor	\$562.50
39230 Calif. Water Environment Assn.	Membership - 06/01/2021-05/31/2022	\$192.00
39231 Caltest Analytical Laboratory	Quarterly Samples	\$196.65
39231 Caltest Analytical Laboratory	Monthly Samples - April 2021	\$223.25
39231 Caltest Analytical Laboratory	Additional Monthly Samples - April 2021	\$870.20
39232 City of Indio Alarm Program	Annual Alarm Permit Renewal Charge 5/27/2021-5/26/2022	\$20.00
39233 Clairemont Equipment	Rental of Boom Lift	\$1,210.61
39234 Consolidated Electrical Distributors, Inc.	Plant Lighting Repair	\$146.62
39235 Denali Water Solutions	Biosolids Hauling - March 2021	\$5,963.07
39236 DRT Transport	AC Repair 13 KW Vac Truck	\$2,470.72
39237 E.S. Babcock & Sons, Inc.	Plant Monitoring Testing	\$42.00
•		\$877.62
39238 Foster-Gardner, Inc.	Calcium Hypochlorite	·
39239 Grainger	Pleated Air Filters	\$138.46
39239 Grainger	Disposable Gloves	\$200.53
39240 Haaker Equipment Company	Repair of Autowind on Vactor 2112P	\$7,875.70
39240 Haaker Equipment Company	Finned Skid	\$295.80
39241 Hach Company	KS400 Cleaning Solution, Nitrogen Nitrate	\$602.05
39241 Hach Company	Nitrogen Nitrate	\$88.05
39242 Harrington Industrial Plastics, Inc.	CPVC Insulated Tee	\$404.42
39243 Harris & Associates	*PADM Coll Sys Infr Prog - Phase 2 - March 2021	\$5,266.15
39243 Harris & Associates	*Indio Blvd Trunk Sewer Rehab Proj - March 2021	\$11,579.98
39244 Kaman Industrial Technologies	DOD Element	\$199.97
39244 Kaman Industrial Technologies	Omega Element	\$671.06
39244 Kaman Industrial Technologies	Threadlocker	\$99.94
39245 McMaster-Carr Supply Co.	Gear Oil	\$183.50
39245 McMaster-Carr Supply Co.	CPVC Pipe for Hot Water	\$497.88
39245 McMaster-Carr Supply Co.	Connector for Drain	\$61.79
39246 National Business Furniture	Executive Chairs	\$3,563.69
39247 Polydyne, Inc.	Polymer Delivery - 04/30/2021	\$3,624.31
39248 Praxair Distribution, Inc.	Cylinder Rental - April 2021	\$140.90
39248 Praxair Distribution, Inc.	Tank Rental - March 2021	\$127.42
		\$737.95
39249 ReadyRefresh by Nestle	Water Delivery - 03/23/2021-04/22/2021	
39250 Rudy's Pest Control	Gopher Control on 04/07/2021	\$759.00
39251 South Coast A.Q.M.D	AQMD Fee July 2020- June 2021	\$137.63
39252 Specialty Testing Services, Inc	*Indio Blvd Trunk Sewer Rehab Proj Lab Testing	\$750.00
39253 Superior Protection Consultants	Security Patrol - April 2021	\$6,240.00
39254 The Sherwin-Williams Co.	Safety Tape	\$751.03
39255 Tops 'N Barricades Inc.	LED Lightbar Install on 2021 Ford	\$7,837.07
39255 Tops 'N Barricades Inc.	Reflective Shirts	\$1,419.32
39255 Tops 'N Barricades Inc.	Green Marking Paint	\$103.10
39256 Total Compensation Systems, Inc.	GASB 75 Full Valuation - 1st Installment	\$1,620.00
39257 Trimax Systems. Inc.	Influent Pump 4 Travel and Troubleshooting	\$1,400.00
39257 Trimax Systems. Inc.	Wireless Ammonia and Nitrate Probes	\$21,320.00
39258 United Way of the Desert	PR 04/02/2021 - 04/15/2021 PD 04/23/2021	\$25.00
39259 Univar Solutions	Sodium Hypoclorite Delivery - 04/21/2021	\$7,218.64
39259 Univar Solutions	Ferric Chloride Delivery - 04/26/2021	\$5,959.50
39259 Univar Solutions	Sodium Bisulfite Delivery - 04/26/2021	\$5,731.63
39260 USA Blue Book	Honeywell Chart Recorder	\$2,287.64
39260 USA Blue Book	Battery Charger, Y-Connector Cable	\$273.69
39260 USA Blue Book	Square Bottles	\$161.84
39261 Western Water Works	Plant Valve Repair	\$10,092.65
	·	\$16,167.77
202104251 Umpqua Bank	New Charges for March 2021	
202104271 Colonial Life	PR 03/19/2021 - 04/01/2021 PD 04/09/2021	\$751.37
202104271 Colonial Life	PR 04/02/2021 - 04/15/2021 PD 04/23/2021	\$9.74
202104271 Colonial Life	PR 04/02/2021 - 04/15/2021 PD 04/23/2021	\$741.63
202104272 Standard Insurance Company	Dental and Vision Insurance - May 2021	\$3,451.00
202104273 TASC	FSA - Plan Only Documents	\$184.20
202104281 CalPERS Health	Health Insurance - May 2021	\$31,226.25
202104301 Domino Solar LTD	Electricity for March 2021	\$11,092.16
202105011 Standard Insurance Company	Life and Disability Insurance for May 2021	\$1,332.83
202105031 Indio Water Authority	Hydrant Water - March 2021	\$526.26
202105041 Verizon Wireless	Cell Service for April 2021	\$789.86
202105042 Imperial Irrigation District	Elevtricvity - March 2021	\$35,465.13
202105052 Cintas Corp	Uniforms, Mats, Towels for Week of 04/01/2021	\$612.47
202105052 Cintas Corp	Uniforms, Mats, Towels for Week of 04/22/2021	\$746.41
202105052 Cintas Corp	Uniforms, Mats, Towels for Week of 04/15/2021	\$669.18
202105052 Cintas Corp	Uniforms, Mats, Towels for Week of 04/08/2021	\$612.47
202105052 Cintas Corp	Uniforms, Mats, Towels for Week of 04/29/2021	\$625.87
202105053 Cintas Corp	First Aid Replenishment - 04/05/2021	\$155.68
202105054 UPS	Shipping Charges - 04/24/2021	\$133.08
		ψ110.01

202105054 UPS	Shipping Charge - 04/26/2021	\$125.77
202105061 CalPERS Retirement	PR 04/16/2021 - 04/29/2021 PD 05/07/2021JM	\$338.76
202105061 CalPERS Retirement	PR 04/16/2021 - 04/29/2021 PD 05/07/2021	\$18,413.89
202105071 Paychex - Direct Deposit	PR 04/16/2021 - 04/29/2021 PD 05/07/2021	\$71,849.03
202105072 Paychex - Fee	PR 04/16/2021 - 04/29/2021 PD 05/07/2021	\$202.18
202105073 Paychex - Garnishment	PR 04/16/2021 - 04/29/2021 PD 05/07/2021	\$210.46
202105075 Paychex - Tax	PR 04/16/2021 - 04/29/2021 PD 05/07/2021	\$33,609.67
202105076 CalPERS 457	PR 04/16/2021 - 04/29/2021 PD 05/07/2021	\$1,025.00
202105077 Vantage Point Transfer Agents - ICMA	PR 04/16/2021 - 04/29/2021 PD 05/07/2021	\$1,520.00
202105078 MassMutual	PR 04/16/2021 - 04/29/2021 PD 05/07/2021	\$10.00
202105079 Nationwide Retirement Solution	PR 04/16/2021 - 04/29/2021 PD 05/07/2021	\$1,535.00
202105101 Burrtec Waste & Recycling Svcs	Trash Service - May 2021	\$241.21
202105103 SoCal Gas	Gas Service - April 2021	\$226.76
	Totals	\$358,779.61





Valley Sanitary District Board of Directors Meeting May 11, 2021

TO: Board of Directors

FROM: Beverli A. Marshall, General Manager

SUBJECT: Authorize Tuition Reimbursement for Beverli A. Marshall, General

Manager, Per District Policy in an Amount Not to Exceed \$1,000

⊠Board Action	□New Budget Approval	□Contract Award
□Board Information	⊠Existing FY Approved Budget	□Closed Session

Executive Summary

The purpose of this report is to present the request for reimbursement for the Board's approval.

Strategic Plan Compliance

This item complies with VSD Strategic Plan Objective 1: Fully staffed with a highly trained and motivated team.

Fiscal Impact

The total reimbursement request is \$1,000 and is included in the FY 2020/21 Budget.

Background

VSD's Education & Training policy authorizes the reimbursement of up to \$1,000 per quarter, semester, or course with a maximum tuition reimbursement of \$3,000 per employee in a single fiscal year. The attached request is the third request submitted for Fiscal Year 2020/21, for a total of \$3,000 FY to date.

To qualify for reimbursement, the employee must provide proof of payment and evidence that the employee received a passing grade ["C" or equivalent or better]. The attached transcript shows that the employee received a grade of "A" in all courses. Approval by the Board of Directors is necessary for the General Manager to receive the requested reimbursement.

Recommendation

Staff recommends that the Board authorize the reimbursement as submitted.

Attachments

Attachment A: Reimbursement Request Form,
Attachment B: Unofficial Transcript showing grades

Attachment C: Proof of Payment

VALLEY SANITARY DISTRICT TUITION AND TRAINING REIMBURSEMENT APPLICATION

FOR EMPLOYEE USE: Tuition and Training Expense Plan (Complete in advance of Enrollment)

Employee Name:	Beverli A. Marshall								
Department:	Administrative Service	administrative Services							
Date of Request:	5/3/2021 (Request #3	for FY 2020/21)							
School	Allian International Un	niversity							
Mailing Address	10455 Pomerado Rd								
City , State and Zip	San Diego, CA 92131								
Signature of Payee: Beverli A.									
By signing I affirm that the reimburser		he guidelines of the tuition	on and train	ing reimburs	eme	nt program			
		Course Date	S	Number		Costs			
Course Titles		(From - To)	of Units	(att	ach receipts)			
BUS70110 Foundations & Critical	Issues in Global Busir	January - March,	2021	3		\$2,850.00			
BUS80640 Competency Project I		January - March,	2021	3		\$2,850.00			
Service Fees					\$	65.00			
Founder's Grant					\$	(2,496.00)			
						\$3,269.00			
Are Books Eligible for Reimburser List Books Purchased (include Re	· · · · · · · · · · · · · · · · · · ·	YES	NO						
Text	Books Utilized		С	ost					
Grand Total to be Reimbursed						\$1,000.00			

Alliant International University

Unofficial Transcript

10455 Pomerado Rd. San Diego, CA 92131 (626) 284-2777

www.alliant.edu

Course Code	Course Title	Credits Attempted	Credits Earned	Grade	Quality Points	Course Code	Course Title		Credits Attempted	Credits Earned	Grade	Quality Points
Program:	Doctor of Business Administration					Term: 20_T_07	JUL	2020 July Term				
	CA School of Mgmt & Leadership					MGT80210	Contempo Strategy	orary Readings In	3.00	3.00	Α	12.00
Enrollment #: Start Date:		Status:	Active			MGT80220	Managen Leadersh	nent, Strategy And ip	3.00	3.00	Α	12.00
									6.00	6.00	_	24.00
Term: 19_T_10O0						Term GPA	4.00	Cum GPA: 4.00				
BUS7035	Advanced Statistics I	3.00	3.00	_	12.00	Term: 20_T_08	AUG	2020 August Term				
	4.00	3.00	3.00		12.00	BUS70360	Advanced	Statistics II	3.00	3.00	Α	12.00
Term GPA: 4	4.00 Cum GPA : 4.00					LDR87800	Creating	Change And Innovation	3.00	3.00	Α	12.00
Term: 20_T_01JA	N 2020 January Term								6.00	6.00	-	24.00
BUS8011	Organizational Behavior And Development	3.00	3.00	Α	12.00	Term GPA	4.00	Cum GPA: 4.00				
		3.00	3.00	-	12.00	Term: 20_T_10	ост	2020 October Term				
Term GPA: 4	4.00 Cum GPA : 4.00					BUS70540	Research	Scholars Community	3.00	3.00	Α	12.00
Term: 20_T_03M/	AR 2020 March Term					ELM88320	Law, Ethi	cs And Equity	3.00	3.00	Α	12.00
BUS7062	Cross Cultural Management And	3.00	3.00	Α	12.00				6.00	6.00	_	24.00
	Global Issues					Term GPA	4.00	Cum GPA: 4.00				
DAT7024	Qualitative And Survey Research	3.00	3.00	Α	12.00	Term: 21_T_01	JAN	2021 January Term				
Term GPA: 4	4.00 Cum GPA : 4.00	6.00	6.00	_	24.00	BUS70110		ons And Critical Issues In usiness	3.00	3.00	Α	12.00
Term: 20_T_05MA	ΔΥ 2020 May Term					BUS80640	Competer	ncy Project I	3.00	3.00	Α	12.00
	Foundations Of Research	3.00	3.00	Α	12.00				6.00	6.00	_	24.00
BUS70250		3.00	3.00	_	12.00	Term GPA	4.00	Cum GPA: 4.00				
Term GPA: 4	4.00 Cum GPA : 4.00	3.00	5.00		12.00							

Alliant International University

Unofficial Transcript

10455 Pomerado Rd. San Diego, CA 92131 (626) 284-2777

www.alliant.edu

Student: Beverli A Marshall			Student ID: 6459	978	DOI	B: 4/7					
Course Code	Course Title	Credits Attempted	Credits Grade Earned	Quality Points	Course Code	Course Title	Credits Attempted	Credits Grade Earned	Quality Points		
Term: 21_T_0	03MAR 2021 March Term										
BUS80650 In Progre	Competency Project II ess	0.00	0.00	0.00							
	usiness Administration GPA: 4.0 ion(s): Management	00 39.00	39.00								
	*** End of Tran	script ***									

Student Registration Bill Summary by Term

Student Name Beverli Marshall

Student ID 645978

Term(s) 2021 January Term

4/28/2021 12:39:47PM

Description		Amount	Date	Term Description
Charges:				
Tuition Institutional Services Fee	Total:	\$5,700.00 \$65.00 \$5765.00	01/20/2021 01/20/2021	2021 January Term 2021 January Term
Anticipated Financial Aid:				
	Total:	\$0.00		
Payments:				
Founder's Grant 2020-21 Web Payment on Account	Total:	\$2,496.00 \$3,269.00 \$5765.00	1/20/21 1/11/21	2021 January Term 2021 January Term

Student Registration Bill Summary by Term

4/28/2021 12:39:47PM

Student Name Beverli Marshall

Student ID 645978

Term(s) 2021 January Term

Description	Amount	Date	Term Description

Account Summary:

Charges: \$5765.00

Financial Aid: \$0.00

Payments: \$5765.00

Amount due or (due to Student) : \$0.00





Valley Sanitary District Board of Directors Meeting May 11, 2021

TO:	Board of D	Board of Directors								
THROUGH:	Beverli A.	i A. Marshall, General Manager								
FROM:	Jeanette J	Jeanette Juarez, Business Services Manager								
SUBJECT:	Regarding Consider	a Public Hearing to Receive Inpur g the Proposed Sewer Service Cl Adoption of Resolution 2021-114 harges for Fiscal Year 2021/22	narge Increase and							
Board Action Board Action	า	☐ New Budget Approval	☐ Contract Award							
☐ Board Inform	nation	☐ Existing FY Approved Budget	FY Approved Budget ☐ Closed Session							

Executive Summary

The purpose of this report is for the Board to conduct a public hearing, in accordance with Proposition 218, regarding the proposed sewer service charge increase.

Strategic Plan Compliance

This item complies with VSD Strategic Plan Objective 5.1: Align long-term financial planning with strategic priorities.

Fiscal Impact

The adoption of the proposed sewer rate will increase annual revenue in Fiscal Year 2021/22 by \$1,512,349.

Background

The District provides wastewater service to its customers, and continually strives to provide excellent service while maximizing cost reductions and better utilization of its assets. In addition, the District must be fiscally responsible to ensure financial stability in the years to come. To this end, the District engaged an independent consultant to perform a cost of service analysis and rate study for its sewer service charges.

Based upon the rate study, the District anticipates there will be future increases in the costs of operating and maintaining the wastewater systems. The proposed wastewater rate increases are necessary to enable the District to:

- maintain the operational and financial stability of the District, including keeping pace with inflation and other cost increases including wastewater treatment costs; and
- 2. comply with State and Federal regulations governing the treatment, disposal, and reuse of wastewater; and
- 3. fund capital infrastructure improvements needed to repair and update the District's aging wastewater system; and
- 4. Construction of the Recycled Water System

In compliance with California Proposition 218, a notice was sent to the record owners and/or tenants via U.S. Mail at least 45 days before the Public Hearing to consider an increase to the sewer service charges. Additionally, a notice of the Public Hearing was advertised in the Desert Sun, a newspaper of general circulation, on March 20, 2021 and March 21, 2021.

Recommendation

Staff recommends that the Board of Directors conduct a Public Hearing, in accordance with Proposition 218, regarding the proposed sewer rate increase, and adopt Resolution No. 2021-1142, setting the sewer service charges for Fiscal Year 2021/22 and repealing Resolution No. 2020-1129.

Attachments

Attachment A: Resolution 2021-1142

Attachment B: Copy of Proposition 218 Notice
Attachment C: Copy of Public Hearing Notice
Attachment D: Wastewater Rate Study by NBS

RESOLUTION NO. 2021-1142 A RESOLUTION OF THE BOARD OF DIRECTORS OF VALLEY SANITARY DISTRICT ADOPTING SEWER SERVICE CHARGES FOR FISCAL YEAR 2021/22

WHEREAS, the Valley Sanitary District (the "District") is authorized to provide sewer service to properties within its service area, and pursuant to Ordinance 94-115 the Board of Directors established the authority under State law to collect fees and charges for costs reasonably borne and charges levied by the District; and

WHEREAS, costs for providing sewer service and operating the sewer system have increased, and the District previously retained NBS, an independent rate consultant, to perform a cost of service analysis and rate study, entitled Wastewater Rate Study; and

WHEREAS, on March 9, 2021, the District held a Board meeting, where NBS presented the results and recommendations from the Wastewater Rate Study to the Board of Directors for review; and

WHEREAS, the Wastewater Rate Study found that increases and adjustments to the District's sewer service charges are necessary to meet increased costs of providing service and operating the system, and

WHEREAS, based on this analysis, the District is proposing to change the structure of the sewer rate to 70% fixed and 30% volumetric charge, and

WHEREAS, the proposed sewer service charges include an incremental increase over the next five (5) years, and

Annual Sewer Rate Schedule	Jul	y 1, 2021	Jul	y 1, 2022	Jul	y 1, 2023	Jul	y 1, 2024	Jul	y 1, 2025
70% Fixed Service Charge										
			Ra	tes Per Equ	uival	lent Dwelli	ng L	Jnit (EDU)		
Single Family	\$	342.72	\$	385.56	\$	433.76	\$	487.98	\$	497.74
Multi-Family	\$	150.00	\$	168.75	\$	189.84	\$	213.57	\$	217.84
Mobile Home	\$	181.28	\$	203.94	\$	229.43	\$	258.11	\$	263.27
RV Park	\$	141.25	\$	158.91	\$	178.77	\$	201.12	\$	205.14
Commercial-Low/Med Strength	\$	199.03	\$	223.91	\$	251.90	\$	283.39	\$	289.06
Commercial-High Strength	\$	607.00	\$	682.88	\$	768.24	\$	862.27	\$	881.56
30% Volumetric Rate										
	\$	per Hundr	ed C	Cubic Feet ((HCF) winter a	vera	ge water o	cons	umption
Single Family	\$	0.98	\$	1.10	\$	1.24	\$	1.40	\$	1.43
Multi-Family	\$	0.98	\$	1.10	\$	1.24	\$	1.40	\$	1.43
Mobile Home	\$	0.98	\$	1.10	\$	1.24	\$	1.40	\$	1.43
		\$ per Hun	dred	d Cubic Fee	t (H	CF) annua	lized	l water co	nsun	nption
RV Park	\$	1.10	\$	1.23	\$	1.38	\$	1.55	\$	1.58
Commercial-Low/Med Strength	\$	0.88	\$	0.99	\$	1.11	\$	1.25	\$	1.28
Commercial-High Strength	\$	2.00	\$	2.25	\$	2.53	\$	2.85	\$	2.91

WHEREAS, the revenues derived from the sewer service charges will not exceed the funds required to provide the services for which the sewer service charges are imposed, and will be used exclusively for the operation and maintenance of the District's sewer systems; and

WHEREAS, the sewer service charges are equitable to all customer classes; and

WHEREAS, the amount of the sewer service charges will not exceed the proportional cost of the service attributable to each parcel upon which they are proposed for imposition; and

WHEREAS, the sewer service charges will not be imposed on a parcel unless the service for which such charge is imposed, is actually used by, or immediately available to, the owner of the parcel; and

WHEREAS, article XIII D, section 6 of the California Constitution ("Article XIII D") requires that prior to imposing any increase to the charges, the District shall provide written notice (the "Notice") by mail of the new or increased sewer service charges to the record owner of each parcel upon which the Charges are proposed for imposition and any tenant directly liable for payment of the sewer service charges, the amount of the sewer service charges proposed to be imposed on each parcel, the basis upon which the sewer service charges were calculated, the reason for the sewer service charges, and the date time and location of a public hearing (the "Hearing") on the proposed sewer service charges; and

WHEREAS, pursuant to Article XIII D such Notice is required to be provided to the affected property owners and any tenant directly liable for the payment of the sewer service charges not less than 45 days prior to the Hearing on the proposed sewer service charges; and

WHEREAS, on May 11, 2021, the Board of Directors held a duly noticed Hearing on the proposed sewer service charges contained in this resolution, and at that time invited oral and written comments from the public; and

WHEREAS, at the time of this writing the District received twenty-four (24) written protests to the proposed annual increase to the various annual sewer service charges, and received no additional protests during the Hearing; and

WHEREAS, the Board of Directors now desires to establish sewer service charges for Fiscal Year 2021/22, effective July 1, 2021.

NOW, THEREFORE, the Board of Directors of Valley Sanitary District **HEREBY RESOLVES:**

1. The matters set forth in the recitals to this Resolution are true and correct statements.

- 2. Written protests against the proposed rates and charges were not presented by a majority of owners.
- 3. The sewer service charge set forth in the schedule is hereby approved and adopted.

Annual Sewer Rate Schedule	Jul	y 1, 2021	Ju	ly 1, 2022	Jul	ly 1, 2023	Jul	y 1, 2024	Jul	y 1, 2025
70% Fixed Service Charge										
			Ra	tes Per Equ	uiva	lent Dwelli	ng l	Jnit (EDU)		
Single Family	\$	342.72	\$	385.56	\$	433.76	\$	487.98	\$	497.74
Multi-Family	\$	150.00	\$	168.75	\$	189.84	\$	213.57	\$	217.84
Mobile Home	\$	181.28	\$	203.94	\$	229.43	\$	258.11	\$	263.27
RV Park	\$	141.25	\$	158.91	\$	178.77	\$	201.12	\$	205.14
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Commercial-High Strength	\$	607.00	\$	682.88	\$	768.24	\$	862.27	\$	881.56
30% Volumetric Rate										
	\$	per Hundr	ed C	Cubic Feet ((HCI	F) winter a	vera	ige water o	cons	umption
Single Family	\$	0.98	\$	1.10	\$	1.24	\$	1.40	\$	1.43
Multi-Family	\$	0.98	\$	1.10	\$	1.24	\$	1.40	\$	1.43
Mobile Home	\$	0.98	\$	1.10	\$	1.24	\$	1.40	\$	1.43
		\$ per Hun	dred	d Cubic Fee	t (H	ICF) annua	lized	d water co	nsun	nption
RV Park	\$	1.10	\$	1.23	\$	1.38	\$	1.55	\$	1.58
Commercial-Low/Med Strength	\$	0.88	\$	0.99	\$	1.11	\$	1.25	\$	1.28
Commercial-High Strength	\$	2.00	\$	2.25	\$	2.53	\$	2.85	\$	2.91

- 4. The sewer service charges shall take effect on July 1, 2021.
- 5. To the extent the sewer service charges set forth in this Resolution conflict with any fee or charge previously adopted by the District, it is the intent of the Board of Directors that these sewer service charges will prevail.
- 6. In accordance with the California Environmental Quality Act ("CEQA"), Public Resources Code §21000 et seq., and the regulations promulgated pursuant to CEQA ("The State Guidelines") the District Board finds that this Resolution establishes rates and charges for the purposes of meeting operating expenses of the District, meeting financial reserve needs and requirements of the District and obtaining funds for capital projects which are necessary to maintain sewer service within existing service areas in the District. (State Guidelines § 15273).

PASSED, APPROVED, and **ADOPTED** this <u>11th</u> day of <u>May</u> 2021, by the following roll call vote. A summary notice thereof has been published twice in a newspaper of general circulation in the Valley Sanitary District prior to said hearing as required by law. Resolution 2019-1115 is hereby repealed at the effective date of this resolution.

AYES:
NAYES:
ABSENT.

ABSTAIN:		
ATTEST:	Scott Sear, President	
Debra Canero, Secretary	-	

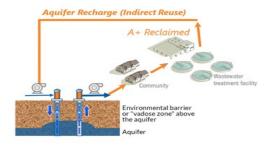
Annual Sewer Rate Schedule	Current	July 1, 2021	July 1, 2022	July 1, 2023	July 1, 2024	July 1, 2025
Programa Annual de Tarifas de Alcantarillado	Ahora					
Fixed Service Charge (Cargo Por Servicio F	ijo)		•		•	
	Per EDU		Rates pe	er EDU (Tarifas p	oor EDU)	
Single Family (Unifamiliar)	\$330.00	\$ 342.72	\$ 385.56	\$ 433.76	\$ 487.98	\$ 497.74
Multi-Family (Multifamilia)	\$330.00	\$ 150.00	\$ 168.75	\$ 189.84	\$ 213.57	\$ 217.84
Mobile Home (Casas Moviles)	\$330.00	\$ 181.28	\$ 203.94	\$ 229.43	\$ 258.11	\$ 263.27
RV Park (Parque RV)	\$330.00	\$ 141.25	\$ 158.91	\$ 178.77	\$ 201.12	\$ 205.14
	Per EDU	Rates per Account (Tarifas por Cuenta)				
Commercial-Low/Med Strength (Baja Resistencia)	\$330.00	\$ 199.03	\$ 223.91	\$ 251.90	\$ 283.39	\$ 289.06
Commercial-High Strength (Alta Resistencia)	\$330.00	\$ 607.00	\$ 682.88	\$ 768.24	\$ 864.27	\$ 881.56
Volumetric Rate (Tasa Volumetrica)						
		\$ per hcf average winter water consumption (\$ por hcf consumo medio de aqua en invierno)				
Single Family (Unifamiliar)	-	\$ 0.98	\$ 1.10	\$ 1.24	\$ 1.40	\$ 1.43
Multi-Family (Multifamilia)	-	\$ 0.98	\$ 1.10	\$ 1.24	\$ 1.40	\$ 1.43
Mobile Home (Casas Moviles)	-	\$ 0.98	\$ 1.10	\$ 1.24	\$ 1.40	\$ 1.43
		\$/hcf annualized water consumption (\$/hcf del consume de agua anualizado)				
RV Park (Parque RV) Commercial-Low/Med Strength	-	\$ 1.10	\$ 1.23	\$ 1.38	\$ 1.55	\$ 1.58
(Baja Resistencia)	-	\$ 0.88	\$ 0.99	\$ 1.11	\$ 1.25	\$ 1.28
Commercial-High Strength (Alta Resistencia)	-	\$ 2.00	\$ 2.25	\$ 2.53	\$ 2.85	\$ 2.91

1 Unit (1hcf) = 748 gallons of water

Why the rate increase? ~ ¿Por qué la tarifa aumenta?

Based on the results of an independent sewer rate study, the rates need to be increased to: (1) maintain operational and financial stability; (2) comply with State and Federal regulations; (3) fund capital improvement projects to repair and update the District's collection and treatment infrastructure and equipment; and (4) constructing a recycled water system for indirect reuse to replenish the Coachella Valley aquifer.

Basado en los resultados de un estudio de tarifas de alcantarillado independiente, las tarifas deben aumentarse para: (1) mantener la estabilidad operativa y financiera; (2) cumplir con las regulaciones estatales y federales; (3) financiar proyectos de mejora de capital para reparar y actualizar la infraestructura y el equipo de recolección y tratamiento del Distrito; y (4) la construcción de un sistema de agua reciclada para reutilización indirecta para reponer el acuífero del Valle de Coachella.







How are the rates determined? ~ Cómo se determinan las tarifas?

Wastewater rates include both fixed and volumetric charges. Approximately 70% of wastewater collection and treatment costs are fixed and include operation and maintenance of the collection system and treatment plant as well as the capital improvements needed to maintain these systems and meet permit requirements.

Single-Family, Multi-Family, and Time Share units are charged based on equivalent dwelling units, while Mobile Home and RV Parks are charged based on the number of lots.

The revenue requirement for each customer class is determined by multiplying the total revenue requirements by allocation factors specific to each customer class, including the estimated effluent volume, effluent strength, and the total number of accounts.

Effluent strength is measured by two factors: biochemical oxygen demand and total suspended solids. While residential customers are assumed to have "normal" strength effluent, commercial customers are assigned to either low/medium-strength or high-strength categories. High-strength commercial customers, who have higher treatment plant costs, have correspondingly higher charges.

Volumetric charges for Single-Family, Multi-Family, and Mobile Home customers are calculated based on each customer's *average* winter water consumption based on the lowest three months of water use. For RV parks and non-residential customers, the volumetric charge will be based on *annual water consumption*. That volume is then multiplied by the volumetric rate for each customer class.

A copy of the rate study is available at the District office and on the District's website at www.valley-sanitary.org.

Las tarifas de aguas residuales incluyen cargos fijos y volumétricos. Aproximadamente el 70% de los costos de recolección y tratamiento de aguas residuales son fijos e incluyen la operación y mantenimiento del sistema de recolección y la planta de tratamiento, así como las mejoras de capital necesarias para mantener el sistemas y cumplir con los requisitos de los permiso.

Las unidades unifamiliares, multifamiliares y de tiempo compartido se cobran en función de las unidades de vivienda equivalentes, mientras que los parques de casas móviles y parques RV se cobran según la cantidad de lotes.

El requisito de ingresos para cada clase de cliente se determina multiplicando los requisitos de ingresos totales por factores de asignación específicos para cada clase de cliente, incluido el volumen de efluente estimado, la fuerza del efluente y el número total de cuentas

La fuerza del efluente se mide por dos factores: la demanda bioquímica de oxígeno y el total de sólidos en suspensión. Si bien se supone que los clientes residenciales tienen efluentes de intensidad "normal", los clientes comerciales se asignan a categorías de intensidad baja / media o alta. Los clientes comerciales de gran fuerza, que tienen costos de planta de tratamiento más altos, tienen tarifas correspondientemente más altas.

Los cargos volumétricos para los clientes de casas unifamiliares, multifamiliares y casas móviles se calculan en función del consumo promedio de agua en invierno de cada cliente en función de los tres meses más bajos de uso de agua. Para los parques RV y los clientes no residenciales, el cargo volumétrico se basará en el consumo anual de agua. Luego, ese volumen se multiplica por la tasa volumétrica para cada clase de cliente.

Una copia del studio está disponible en la oficina del Distrito y en el sitio web del Distrito www.valley-sanitary.org.



Voice Your Opinion ~ Expresar tu Opinión

The property owner of record or tenant may submit to the District a written protest on the proposed rate increase, which must be received at or before the time set for the public hearing.

Protests should contain the following information: (1) a description of the property (assessor's parcel #); (2) if you are the property owner of record or tenant; and (3) the parcel owner's or tenant's signature. Only one written protest per parcel will be counted.

The Board will consider all protests. If the protests represent a majority of parcels, the Board will not impose the increase. If there is no majority protest, the Board may vote to adopt the proposed rates.

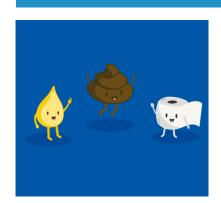
Mail or deliver written protests to: Board of Directors, Valley Sanitary District, 45-500 Van Buren Street, Indio, CA 92201.

El dueño de la propiedad registrado o el inquilino puede presentar al Distrito una protesta por escrito sobre el aumento de tarifa propuesta, que debe recibirse antes de la hora establecida para la audiencia pública.

Las protestas deben contener la siguiente información: (1) una descripción de la propiedad (número de parcela del tasador); (2) si usted es el propietario registrado o el inquilino; y (3) la firma del propietario o inquilino de la parcela. Solo se contará una protesta por escrito po paquete.

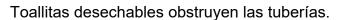
La Junta considererá todas las protestas. Si las protestas representan la mayoria de las parcelas, la Junta no impondrá el aumento. Si no hay una protesta mayoritaria, la Junta puede votar para adopter las tarifas propuestas.

Envíe por correo o entregue protestas por escrito a: Board of Directors, Valley Sanitary District, 45-500 Van Buren Street, Indio, CA 92201.



Flush only the three P's — pee, poop, and (toilet) paper.

Lave solo las tres P: pipí, popo y papel (higiénico).







Vierta grasa enfriada en una lata. Quite la grasa antes de lavar los platos. Ponga los restos de comida en la basura.

Valley Sanitary District 45-500 Van Buren Street Indio, CA 92201

Valley Sanitary District

45-500 Van Buren Indio, CA 92201

Visit our website: www.valley-sanitary.org

Follow us on Facebook: www.facebook.com/Valley-Sanitary-District-556532824874362



Notice of Public Hearing Proposed Changes to Sewer Use Rates

Date: May 11, 2021 **Time:** 1:00 P.M.

Location:

Valley Sanitary District 45-500 Van Buren St Indio, CA 92201

All members of the public are welcome to participate in the public hearing.

For more information, please call 760-238-5400.

Aviso de Audiencia Pública Cambios Propuestos a las Tarifas de Uso de Alcantarillado

Date: May 11, 2021 **Time:** 1:00 P.M.

Location:

Valley Sanitary District 45-500 Van Buren St Indio, CA 92201

Todos los miembros del público pueden participar en la audiencia pública.

Para obtener más información, llame al 760-238-5400.



PO Box 23430 Green Bay, WI 54305-3430 Tel: 760-778-4578 / Fax 760-778-4731 Email: legals@thedesertsun.com

PROOF OF **PUBLICATION**

STATE OF CALIFORNIA SS.

RECEIVED

MAR 2 6 2021

Valley Sanitary District

NOTICE OF PUBLIC HEARING VALLEY SANITARY DISTRICT PROPOSED NEW RATES FOR SEWER SERVICES

On Tuesday, May 11, 2021, the Valley Sanitary District Board of Directors will hold a public hearing to consider the proposed rate described in the Proposition 218 Notice mailed to property owners of record within the District's service area.

The hearing will begin at 1:00 p.m. in the Valley Sanitary District Boardroom located at 45-500 Van Buren Street, Indio, CA 92201.

How to protest the proposed new rate:

Under Proposition 218, the property owner of record or a tenant may submit a written protest against the proposed rate increase to the District at or before the time set for the public hearing.

Protests should contain the following information: (1) a description of the property, such as the assessor's parcel number; (2) whether you are the property owner of record or a tenant; and (3) the parcel owner's or tenant's signature. One written protest per parcel will be counted.

Please mail written protests to:

Board of Directors Valley Sanitary District 45-500 Van Buren Street Indio, CA 92201

Or you can deliver your protest to the Clerk of the Board at the same address, Monday – Friday between the hours of 8:00 a.m. and 5:00 p.m. Written protests must be received by Valley Sanitary District no later than 1:00 p.m. on Tuesday, May 11, 2020. Electronically submitted protests will not be accepted.

The Board of Directors will consider all protests against the proposed increase. If written protests against the proposed increase are presented by the majority of property owners, the Board of Directors will not impose the increase. If there is no majority protest, the District Board of Directors may vote to adopt the proposed rates for sewer service Published: 3/20, 3/21/2021 services, which will become effective as of July 1, 2021.

COUNTY OF RIVERSIDE

VALLEY SANITARY DISTRICT 45500 VAN BUREN ST

INDIO CA 92201

I am over the age of 18 years old, a citizen of the United States and not a party to, or have interest in this matter. I hereby certify that the attached advertisement appeared in said newspaper (set in type not smaller than non pariel) in each and entire issue of said newspaper and not in any supplement thereof on the following dates, to wit:

03/20/2021, 03/21/2021

I acknowledge that I am a principal clerk of the printer of The Desert Sun, printed and published weekly in the City of Palm Springs, County of Riverside, State of California. The Desert Sun was adjudicated a Newspaper of general circulation on March 24, 1988 by the Superior Court of the County of Riverside, State of California Case No. 191236.

I certify under penalty of perjury, under the laws of the State of California, that the foregoing is true and correct... Executed on this 22nd of March 2021 in Green Bay, WI, County of Brown.

Ad#:0004651213

PO:

This is not an invoice

of Affidavits:: 1

NOTICE OF PUBLIC HEARING VALLEY SANITARY DISTRICT PROPOSED NEW RATES FOR SEWER SERVICES

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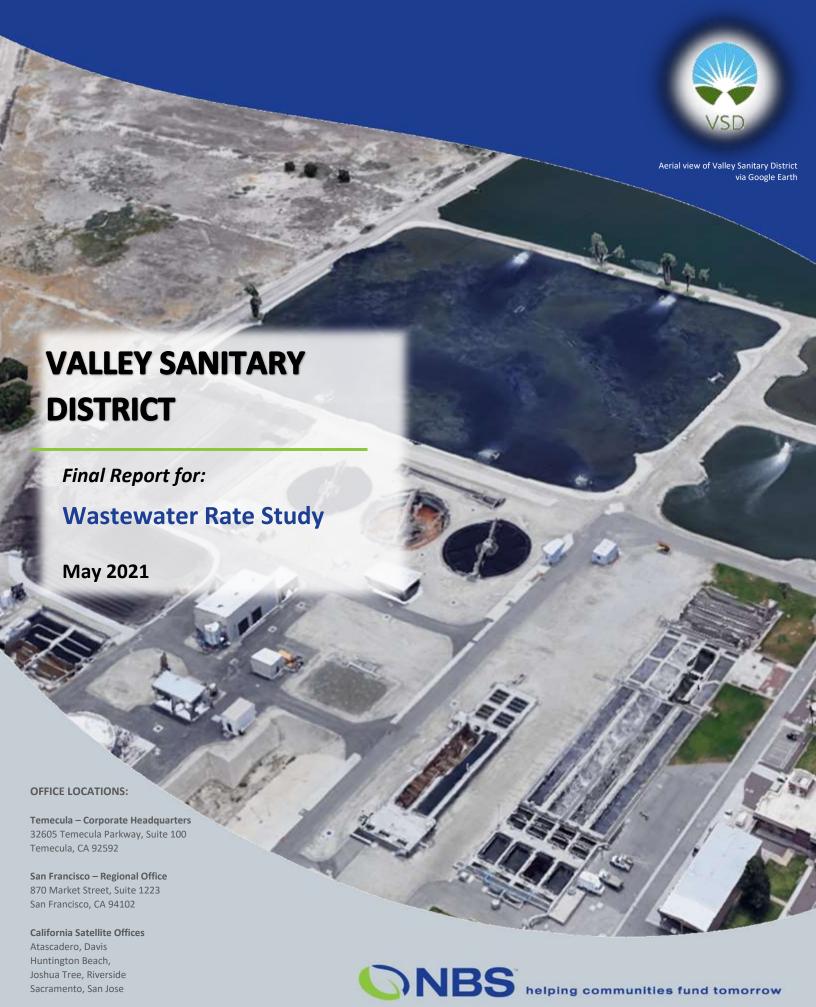
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The Board of Directors will consider all protests against the proposed increase. If written protests against the proposed increase are presented by the majority of property owners, the Board of Directors will not impose the increase. If there is no majority protest, the District Board of Directors may vote to adopt the proposed rates for sewer services, which will become effective as of July 1, 2021. Published: 3/20, 3/21/2021



www.nbsgov.com Page 28 of 174

TABLE OF CONTENTS

SECTION 1. PURPOSE AND OVERVIEW OF THE STUDY	1
A. Overview of the Study	1
B. Rate Study Methodology	2
SECTION 2. WASTEWATER RATE STUDY	6
A. Financial Plan	6
B. Cost-of-Service Analysis	9
C. Rate Design Analysis	12
D. Current and Proposed Rates	15
E. Comparison of Current and Proposed Customer Bills	16
SECTION 3. RECOMMENDATIONS AND NEXT STEPS	22
A. Consultant Recommendations	22
B. Next Steps	22
C. NBS' Principal Assumptions and Considerations	22
ABBREVIATIONS & ACRONYMS	23
ABBREVIATIONS & ACRONYMS	24
APPENDIX: DETAILED WASTEWATER STUDY TABLES AND FIGURES	25

TABLE OF FIGURES

Figure 1. Primary Components of a Rate Study	2
Figure 2. Capital Improvement Costs for FY 2021/22 through FY 2040/41	6
Figure 3. 30-Year Debt Issues	7
Figure 4. Summary of Revenue Requirements	8
Figure 5. Summary of Capital Improvement Plan	9
Figure 6. Summary of Reserve Funds	9
Figure 7. Allocation of Revenue Requirements by Customer Class	10
Figure 8. Annual Flow and Strength Characteristics by Customer Class	11
Figure 9. Number or Accounts and EDUs by Customer Class	12
Figure 10. Development of Fixed and Variable Charges	13
Figure 11. Calculation of Adjusted Sewage Volume	13
Figure 12. Final Rate Alternatives	14
Figure 13. Summary of Annual Sewer Bill Projections	15
Figure 14. Current vs. Proposed Rates	16
Figure 15. Annual Bill Comparison for Single Family Customers	17
Figure 16. Annual Bill Comparison for Multi-Family Customers	17
Figure 17. Annual Bill Comparison for Mobile Home Customers	18
Figure 18. Annual Bill Comparison for RV Park Customers	19
Figure 19. Annual Bill Comparison for Commercial Low/Medium Strength Customers	19
Figure 20. Annual Bill Comparison for Commercial High Strength Customers	20
Figure 21. Annual Regional Bill Comparisons	20
Figure 22. Calculation of Septage Charges	21

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SECTION 1. PURPOSE AND OVERVIEW OF THE STUDY

Valley Sanitary District (District) retained NBS to conduct a comprehensive wastewater rate study for a number of reasons, including meeting revenue requirements, providing greater financial stability for the wastewater enterprise, and complying with certain legal requirements (e.g., California Constitution Article XIII D, Section 6, which is commonly referred to as Proposition 218 [Prop 218]). The rates resulting from this Study were developed in a manner that is consistent with industry standards and cost-of-service principles. In addition to documenting the rate study methodology, this report is provided with the intent of assisting the District maintain transparent communications with the residents and community it serves.

In developing new wastewater rates, NBS worked cooperatively with District staff, the Budget and Finance Committee, and the Board of Directors (Board) in selecting appropriate rate alternatives. This report summarizes the input and direction received from these stakeholders.

A. Overview of the Study

Key Issues Addressed - In addition to ensuring that wastewater rates collect sufficient revenue to meet the annual operating costs and fund capital improvement plans, other key issues include:

- Financial Plans The long-term financial plan developed for the District incorporates all revenue sources, expenditures, reserves, capital improvement costs, and repair and replacement costs in determining the net revenue requirements that must be funded from rates. This financial plan fully funds operations and maintenance (O&M) and capital improvement costs in an effort to develop annual rate increases necessary to meet the District's financial obligations.
- Capital Improvement Funding The District's 2020 Capital Improvement Program was incorporated into the financial plan with the objective of funding all planned capital projects. Balancing these needs against the financial impact on customers was a critical aspect of this Study. Over the next twenty years, capital improvement costs are significant and approximately half of those projects are planned for the next five years. As a result, a significant percentage of these projects are being funded with debt financing. However, to minimize rate increases, the funding alternatives used the funds available from reserves and cash-funding from rates in addition to debt financing.
- Review of Equivalent Dwelling Units The District's records of the equivalent dwelling units (EDUs) assigned to various customers have been developed over the years using a largely undocumented process and data from several sources.¹ Because of this, updating and verifying the accuracy of these EDU calculations was not an easy process. NBS worked with District staff and the Budget and Finance Committee to improve the accuracy and the equity of this data. While we believe the proposed assignments represent a significant improvement, additional verification would be helpful, and the District is planning on making further improvements in the future.

¹ Sources include the Tax Roll submittal for FY 2020/21, the *Net Billed Water Consumption by Location (RAC)* data provided by the Indio Water Agency, and the District's ACTS Database.



• Rate Design — The alternative rate structures evaluated included several with a volumetric component based on the estimated volume and strength of wastewater discharged by each customer class, in addition to the improvements in the fairness and equity of the EDU assignments for each user classification. As a part of the volumetric rates, the amount of rate revenue collected from monthly fixed vs. variable charges was also closely examined. After carefully considering the customer bill impacts and the overall fairness and equity of each rate alternative, the Board decided on a rate alternative that collects 70 percent of the rate revenue from fixed charges and 30 percent from the volumetric charges.

B. Rate Study Methodology

Comprehensive rate studies, such as this one, typically include the three components outlined in Figure 1:

Figure 1. Primary Components of a Rate Study

1 FINANCIAL PLAN

Compares current sources and uses of funds and determines the revenue needed from rates and projects rate adjustments.

2 COST-OF-SERVICE ANALYSIS

Proportionally allocates revenue requirements to customer classes in compliance with industry standards and State Law.

3 RATE DESIGN ANALYSIS

Considers what type of rate structure should be used to collect rate revenue from various types of customers.

These steps are intended to follow industry standards and reflect the fundamental principles of cost-of-service rate making embodied in American Water Works Association's *Principles of Water Rates, Fees, and Charges*, also referred to as the M1 Manual. The rate study also addresses requirements under Proposition 218 that rates must not exceed the cost of providing the service and that rates be proportionate to the cost of providing service for all customers. In terms of the chronology of the Study, these three steps represent the order in which they were performed.

The District provided NBS with the data necessary to conduct the Study, including historical, current, and projected revenues and expenditures, number of customer accounts, and water consumption data along with other operational and capital cost information. Detailed tables and figures documenting the development of the proposed rates are provided in the *Appendix*.

As noted above, significant efforts were made to improve the calculation of the EDUs assigned to the various types of customers. These efforts are reflected in the proposed rates discussed below. The next sections provide more details on each of these three rate study components.

² Principles of Water Rates, Fees, and Charges, Manual of Water Supply Practices, M1 Manual, American Water Works Association (AWWA), Seventh Edition, 2017.



Valley Sanitary District – Wastewater Rate Study Prepared by NBS – May 2021

Financial Plan

As a part of the rate study, NBS projected revenues and expenditures on a cash-flow basis for the next twenty years, although the proposed rates are for a 5-year period (FY 2021/22 though FY 2025/26). The amount of rate revenue that will also maintain adequate reserves is known as the *net revenue requirement*. Recommended reserve levels are based on a combination of industry standards and the Utility's unique financial needs. More detail on recommended reserve levels is included in Section 2. When current rate revenue falls short of the net revenue requirement, rate adjustments - or more accurately, adjustments in the total revenue collected from rates - are recommended. This report presents an overview of the methodology, assumptions, and data used along with the financial plan and proposed rates developed in this Study.

Cost-of-Service Analysis

The basic purpose of the cost-of-service analysis (COSA) is to fairly and equitably allocate costs to customer classes. A key task in this effort is "classification" of the sewer revenue requirements into three basic categories:

- Flow (volume) related costs
- Strength costs related to Biochemical Oxygen Demand (BOD) and Total Suspended Solids (TSS)
- Customer service-related costs

These cost allocation factors represent the three primary types of cost allocations in the cost of service. For example, effluent with higher levels of BOD and TSS is more costly to treat and, therefore, should be allocated a greater proportion of the treatment costs. Likewise, customer classes that generate significantly more flow to the wastewater treatment plant should also be charged accordingly. Further details are discussed below and documented in the *Appendix*.

Rate Design Analysis

Rate Design is typically the stage in the study where NBS, District staff, and Committees work closely together to develop rate alternatives that will meet the District's objectives. It is important for the wastewater utility to send proper price signals to its customers about the actual cost of providing service. This objective is typically addressed through both the magnitude of the rate adjustments and the rate structure design. In other words, both the amount of revenue collected and the way in which the revenue is collected from customers are important.

Several criteria are typically considered in setting rates and developing sound rate structures. The fundamentals of this process have been well documented in various rate-setting manuals, such as AWWA's M1 Manual. The foundation for evaluating rate structures is generally credited to James C. Bonbright in *Principles of Public Utility Rates*³ which outlines pricing policies, theories, and economic concepts along with various rate designs. The following is a simplified list of the attributes of a sound rate structure:

³ James C. Bonbright, Albert L. Danielsen, and David R. Kamerschen, *Principles of Public Utility Rates*, Arlington, VA: Public Utilities Report, Inc., Second Edition, 1988, pp. 383-384.



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- Rates should be easy to understand from the customer's perspective.
- Rates should be easy to administer from the utility's perspective.
- Rates should promote the efficient allocation of the resource.
- Rates should be equitable and non-discriminating (that is, cost based).
- There should be continuity in the rate making philosophy over time.
- Rates should provide month-to-month and year-to-year revenue stability.

Rate Structure Terminology

Although the District's current rates are 100-percent fixed, the Board considered a volumetric rate to be an important rate design alternative because it is generally more equitable. Particularly in the last 10 years, many sewer utilities have incorporated a volumetric component into their sewer rates solely for the purpose of improving customer equity.

The relationship between fixed and variable costs can have a significant impact on customer bills. Fixed costs, such as debt service and personnel costs, typically do not vary with the amount of wastewater effluent, whereas variable costs, such as the cost of chemicals and electricity used in pumping effluent flows, tend to change with the quantity of wastewater effluent generated. Volumetric sewer charges are generally based on metered water use, with average winter water use being used for residential customers and monthly or annual water use often being used for non-residential customers.

Key Financial Assumptions

Following are the key assumptions used in the rate analysis:

- **Funding of Capital Projects** Without rate increases and additional long-term debt, the District would find it difficult to pay for the planned capital improvements. Therefore, both rate increases and new long-term debt are used to fund most of the planned capital improvements.
- **Reserve Fund Targets** Reserves for operations and capital needs are set based on NBS input, recommendations from District staff, and the District's Reserve Policy, which are generally consistent with industry standards for utility fund management:
 - > Operating Reserve Equal to 50%, or 6 months, of operating and maintenance expenses.
 - ➤ Capital Replacement Reserve Equal to 50%, or 6 months, of operating and maintenance expenses.
 - ➤ Emergency Reserve Equal to 5% of operating and maintenance expenses.

⁴ Valley Sanitary District, Resolution No. 2013-1040, Exhibit A – Valley Sanitary District Financial Reserve Policy. Source file: https://www.valley-sanitary.org/sites/g/files/vyhlif721/f/uploads/2013-1040_district_reserve_policy.pdf.



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Inflation and Growth Projections:

- ➤ General cost inflation is approximately 3% annually.
- > Labor cost inflation is 4% annually.
- > Customer growth is 1% annually.

The next section presents the wastewater rate study.



SECTION 2. WASTEWATER RATE STUDY

This section presents further details on the primary rate study components previously outlined in Figure 1.

A. Financial Plan

It is important for municipal utilities to maintain reasonable reserves in order to handle emergencies, fund working capital, maintain a good credit rating, and generally follow sound financial management practices. Rate increases are governed by the need to meet operating and capital costs, maintain adequate debt coverage, and build reasonable reserve funds. The current state of the District's wastewater utility regarding these objectives, is as follows:

- Meeting Net Revenue Requirements: For Fiscal Year 2021/22 through FY 2025/26, the projected net revenue requirement (that is, total annual expenses plus debt service and rate-funded capital costs less non-rate revenues) for the District averages \$11.5 to \$18.1 million annually. Without rate increases, the District is projected to run an annual deficit of approximately \$414,000 by FY 2023/24 which would continue to grow to \$5.6 million by FY 2025/26, thus requiring more significant increases in the future.
- **Funding Capital Improvement Projects:** The District must also be able to fund necessary capital improvements in order to maintain current service levels for its customers. As
- **Figure 2** below shows, District staff has identified roughly \$259.5 million in expected capital expenditures for FY 2021/22 through FY 2040/41 with approximately 53%, or \$138.8 million, of the total costs planned in the next five years.

Figure 2. Capital Improvement Costs for FY 2021/22 through FY 2040/41

Capital Project Costs 2022-2041	2022-2026	2027-2031	2032-2041	Total
Fund 12 - Capital Replacement Projects	\$ 96,753,803	\$ 47,995,610	\$ 13,666,946	\$ 158,416,359
Fund 13 - Capital Improvement Projects	41,496,341	34,534,738	21,830,151	97,861,230
Contingency	534,722	684,415	2,011,255	3,230,393
Total Costs	\$ 138,784,867	\$ 83,214,763	\$ 37,508,352	\$ 259,507,982
Average Annual Expenditure	53%	32%	14%	\$ 12,975,399

^{1.} Capital project costs include estimated cost inflation.

The recommended rate increases will allow the District to complete planned capital projects while building reserve levels to meet the minimum recommended targets.

To minimize the impacts on ratepayers, the District is also planning to issue new debt in the form of 30-year loans (e.g., State Revolving Fund Loans) beginning in FY 2021/22 and then in 3-year increments totaling \$165 million, as shown in **Figure 3** below.



Figure 3. 30-Year Debt Issues

Estimated Debt Financing	Loan Issues	Annual Debt Service Payment ¹
Issue #1, FY 2021/22	\$ 50,000,000	\$ 2,386,803
Issue #2, FY 2024/25	100,000,000	4,773,605
Issue #3, FY 2027/28	15,000,000	716,041
Total Debt Service in FY 2027/28 and Beyond	\$ 165,000,000	\$ 7,876,449

^{1.} Assumes 30-year repayment for each issue and 2% interest rate.

Building and Maintaining Reserve Funds: Reserve funds provide a basis for a utility to cope with
fiscal emergencies, such as revenue shortfalls, asset failure, and natural disasters, among other
events. Reserve policies provide guidelines for sound financial management, with an overall longrange perspective to maintain financial solvency and mitigate financial risks associated with revenue
instability, volatile capital costs, and unexpected emergencies.

NBS along with District staff have chosen to set the following reserve targets:

- ➤ Operating Reserves equal 6 months of operating and maintenance expenses, which will be approximately \$4.4 million in FY 2021/22 and increase to \$5.3 million by FY 2025/26. An operating reserve is intended to promote financial viability in the event of any short-term fluctuation in revenues and/or expenditures. Fluctuations in revenue can be caused by weather patterns, the natural inflow and outflow of cash during billing cycles, natural variability in demand-based revenue streams (such as, volumetric charges), and particularly in periods of economic distress changes or trends in the age of receivables.
- ➤ Capital Replacement Reserves equal to 50% of operating and maintenance expenses, which will be approximately \$4.4 million in FY 2021/22 and increase to \$5.3 million by FY 2025/26. This reserve is set aside to address long-term and routine capital system replacement and rehabilitation needs.
- ➤ Emergency Reserves equal to 5% of the operating and maintenance budget, which will be approximately \$444,000 in FY 2021/22 and increase to \$526,000 by FY 2025/26. This reserve is intended to provide additional financial security should any unforeseen revenue shortages or capital emergency occur.
- Maintaining Adequate Bond Coverage: The District is required by the rate covenants of the 2015 Wastewater Revenue Refunding Bonds to maintain a debt service coverage ratio of at least 1.25. The benefit of maintaining a higher coverage ratio is that it strengthens the District's credit rating which can help lower interest rates for debt-funded capital projects and, in turn, reduce annual debt service payments. It is projected that, without the recommended rate increases, the District will not be able to meet the debt coverage requirement beginning in FY 2021/22.
- Inflation and Growth Projections: Assumptions regarding cost inflation were made in order to project future revenues and expenses for the rate adoption period. According to District staff, customer growth is expected to be about 1% percent annually. This factor was used in the analysis



for certain revenues and expenses, while all other factors were based on averages made available by the U.S. Bureau of Labor Statistics for Riverside County.⁵

Rate revenue increases of 12.5 percent (12.5%) annually for the first four years of the rate adoption period from FY 2021/22 through 2024/25 and a 2 percent (2%) increase in FY 2025/26 will be needed in order to fully fund all operating and maintenance expenses, as well as planned capital projects, while still maintaining reserves at the recommended target levels. **Figure 4** summarizes the sources and uses of funds, net revenue requirements, and the recommended annual percent increases in total rate revenue recommended for the next five (5) years. These rates take into consideration the input and direction provided by District staff, the Budget and Finance Committee, and the Board.

Figure 4. Summary of Revenue Requirements

Summary of Sources and Uses of Funds and		Budget				Projected	Rat	tes for Adopti	on	Period	
Net Revenue Requirements	F	Y 2020/21	FY 2021/22		FY 2022/23		FY 2023/24		FY 2024/25		Y 2025/26
Sources of Sewer Funds											
Rate Revenue Under Prevailing Rates	\$	11,979,000	\$	12,098,790	\$	12,219,778	\$	12,341,976	\$	12,465,395	\$ 12,590,049
Additional Revenue from Rate Increases ¹		-		1,512,349		3,245,879		5,230,876		7,501,758	7,980,112
Non-Rate Revenues		1,072,300		1,222,360	_	1,107,706		924,761		915,793	 997,240
Total Sources of Funds	\$	13,051,300	\$	14,833,498	\$	16,573,363	\$	18,497,613	\$	20,882,946	\$ 21,567,401
Uses of Sewer Funds											
Operating Expenses	\$	8,092,960	\$	8,878,352	\$	9,470,994	\$	9,808,141	\$	10,157,538	\$ 10,519,638
Debt Service		1,445,048		3,827,601		3,826,851		3,825,913		8,601,269	8,601,019
Rate-Funded Capital Expenses				_	_	-		-		_	 _
Total Use of Funds	\$	9,538,008	\$	12,705,953	\$	13,297,845	\$	13,634,055	\$	18,758,807	\$ 19,120,657
Surplus (Deficiency) before Rate Increase	\$	3,513,292	\$	2,127,545	\$	3,275,518	\$	4,863,558	\$	2,124,139	\$ 2,446,744
Surplus (Deficiency) after Rate Increase	\$	3,513,292	\$	3,639,894	\$	6,521,396	\$	10,094,435	\$	9,625,897	\$ 10,426,856
Projected Annual Rate Increase		0.00%		12.50%		12.50%		12.50%		12.50%	2.00%
Cumulative Rate Increases		0.00%		12.50%		26.56%		42.38%		60.18%	63.38%
Net Revenue Requirement ²	\$	8,465,708	\$	11,483,594	\$	12,190,139	\$	12,709,294	\$	17,843,014	\$ 18,123,417
Debt Coverage After Rate Increase		3.43		1.56		1.86		2.27		1.25	1.28

^{1.} Assumes new rates are implemented July 1, 2021 and on July 1st each year thereafter.

Figure 5 summarizes the District's full Capital Improvement Program, providing the expected cost and timing of capital projects during the 5-year rate adoption period and beyond. It is notable to mention that \$165 million in new debt will be issued to help fund the District's planned capital projects to be paid back over the next 30 years.

⁵ Bureau of Labor Statistics. Website: https://data.bls.gov/cgi-bin/dsrv.



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 $^{2. \ \, \}text{Total Use of Funds less Non-Rate Revenues. This is the annual amount needed from was tewater rates.}$

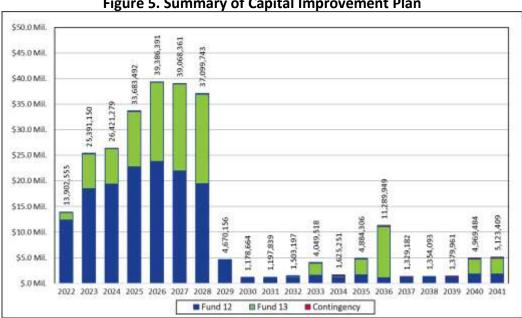


Figure 5. Summary of Capital Improvement Plan

Figure 6 summarizes the projected reserve fund balances and reserve targets for the Utility's unrestricted funds. A more detailed version of the District's proposed 5-year financial plan is included in the Appendix. The appendix tables include revenue requirements, reserve funds, revenue sources, proposed rate increases, and the capital improvement program.

Projected Rates for Adoption Period Beginning Reserve Fund Balances and Budget FY 2023/24 **Recommended Reserve Targets** FY 2020/21 FY 2021/22 FY 2022/23 FY 2024/25 FY 2025/26 **Un-Restricted Reserves Operating Reserve Ending Balance** 4,046,500 4,439,200 4,735,500 4,904,100 5,078,800 5,259,800 Recommended Minimum Target 4,046,500 4,439,200 4,735,500 4,904,100 5,078,800 5,259,800 **Capital Rehabilitation & Replacement Reserve** \$ 22,333,466 **Ending Balance** 12,001,689 4,735,497 4,904,071 5,078,769 5,259,819 Recommended Minimum Target 5,259,819 4,046,480 4,439,176 4.735.497 4.904.071 5.078.769 **Emergency Fund Balance Ending Balance** 481,000 481,000 481,000 490,407 507,877 525,982 Recommended Minimum Target 404,648 \$ 443.918 473,550 490.407 Ś 507,877 525,982 16,921,889 **Total Ending Balance** 26,860,966 \$ 10,298,578 10,665,446 11.045.601 9.951.997 \$ \$ \$ 8,497,628 **Recommended Minimum Target** 9,322,294 9,944,547 10,298,578 10,665,446 11,045,601

Figure 6. Summary of Reserve Funds

B. Cost-of-Service Analysis

Once the net revenue requirements are determined, the cost-of-service analysis (COSA) proportionately distributes the revenue requirements to each of the customer classes. The COSA consists of the classification of expenses and then the allocation of those expenses to customer classes based on allocation factors such as water consumption and number of equivalent dwelling units (EDUs), or accounts. Ultimately, a COSA is intended to result in rates that are proportional to the cost of providing service to each customer class.



Classification of Costs

As previously noted, costs are classified into three basic categories: (1) flow-related costs; (2) strength-related costs; and (3) customer-related costs. Most costs are typically allocated to more than one of these categories. The District's budgeted costs were reviewed and allocated to these basic categories which serve as the basis for calculating fixed and variable charges. Tables in the *Appendix* show how the District's expenses were classified and allocated to these cost-causation components.

Based on the District's projected costs, the COSA resulted in a distribution that is approximately 45.5 percent fixed and 54.5 percent variable. Currently, the District's rate structure collects 100-percent of the revenue from fixed charges based on EDUs. The Board, in considering revenue stability and customer bill impacts as important factors in this rate setting process, decided on a rate structure that collects 70 percent of revenue from fixed charges and 30 percent from variable charges.⁶ This adjustment moves the District closer to the cost-of-service analysis results and allocates revenue requirements to customers more equitably.

Figure 7 summarizes the allocation of the net revenue requirements to each cost-causation component for the proposed new rate structure. The rate design of 70 percent fixed and 30 percent volumetric was part of the rate design analysis performed after the COSA. More details on the development of the allocation factors are discussed in the following section.

Figure 7. Allocation of Revenue Requirements by Customer Class

Allocation of FY 2021/22 Revenue Requirements by Customer Class												
			Co	st Classification	Cost-of-Service		n/ of COS Not					
Customer Class		Volume		Treat	mer	nt		Customer	Net Revenue		% of COS Net Revenue Reg'ts.	
		Volume		BOD		TSS		Related ³		Req'ts.		
Net Revenue Requirements ¹	\$	7,422,331	\$	2,672,978	\$	2,672,978	\$	842,852	\$	13,611,139		
		54.5%		19.6%		19.6%		6.2%		100.0%		
Residential												
Single-Family Residential	\$	5,374,845	\$	1,873,015	\$	1,871,270	\$	663,048	\$	9,782,178	71.9%	
Multi-Family Residential		697,152		242,942		242,716		9,893		1,192,703	8.8%	
Mobile Home ²		203,337		70,858		70,792		50,728		395,715	2.9%	
RV Park ²		279,822		97,512		97,421		93,488		568,242	4.2%	
Residential Totals	\$	6,555,156	\$	2,284,327	\$	2,282,199	\$	817,157	\$	11,938,839	87.7%	
Non-Residential												
Commercial - Low/Med. Strength	\$	741,987	\$	221,628	\$	221,422	\$	23,339	\$	1,208,376	8.9%	
Commercial - High Strength		125,188		167,022		169,357		2,357		463,924	3.4%	
Non-Residential Totals	\$	867,175	\$	388,650	\$	390,779	\$	25,696	\$	1,672,300	12.3%	
Total	\$	7,422,331	\$	2,672,978	\$	2,672,978	\$	842,852	\$	13,611,139	100%	

^{1.} The revenue requirement for each customer class is determined by multiplying the revenue requirement from each cost classification by the allocation factors for each customer class.

⁶ The fixed and variable charges presented in this section are based on "Rate Alternative 3 – 70% Fixed / 30% Volumetric," approved by the Board on March 9, 2021.



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^{2.} Revenue requirements for Mobile Home and RV Park customers are based on the number of lots.

^{3.} Based on number of accounts, not EDUs.

Characteristics of Customers by Class

Customer classes are determined by combining customers with similar flow and strength characteristics into customer classes. The most recent water consumption data was used to estimate the amount of flow that goes to the treatment plant. Residential volumetric charges for Single Family, Multi-Family and Mobile Home customers were based on the average winter water consumption for the three lowest months of use,⁷ while annual water consumption was used for non-residential and RV Park customers. For non-residential customers that do not have typical (i.e., residential) effluent strengths, volumetric rates also reflect their estimated effluent strength.

Determining Customer Class Effluent Strengths – Effluent strength factors for each customer class were determined by using the State Water Resources Control Board's (SWRCB) *Revenue Program* Guidelines⁸ as described below:

- Residential customers, including single family, multi-family, and mobile homes, were assigned BOD and TSS strength factors of 175 mg/l which is within the normal range for residential users.
- Commercial low/medium strength customers (e.g., offices, shopping centers, churches, etc.) were
 assumed to have a strength that is consistent with normal sewage; therefore, a strength factor of 150
 mg/L was used.
- Commercial high strength customers (e.g., restaurants, groceries, hotels with dining, etc.) were assumed to have excessive strength; therefore, strength factors on the high-end of the range for commercial users were applied at 670 mg/L for BOD and 680 mg/L for TSS.

Figure 8 summarizes the development of the strength allocation factors by customer class, with the percentage allocations by customer class highlighted in the blue columns.

Figure 8. Annual Flow and Strength Characteristics by Customer Class

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	Adjusted	Bio	chemical Oxyg	en Demand (BC	OD)	Total Suspended Solids (TSS)					
Customer Class	Total Annual Volume (HCF) ¹	Avg. Strength Factor (mg/l) ²	Calculated BOD (lbs./yr.) ³	Adjusted BOD (lbs./yr.)	Percent of Total	Avg. Strength Factor (mg/l) ²	Calculated TSS (lbs./yr.) ³	Adjusted TSS (lbs./yr.)	Percent of Total		
Residential											
Single-Family Residential	2,986,744	175	3,260,646	1,501,866	70.1%	175	3,260,646	2,477,906	70.0%		
Multi-Family Residential	387,400	175	422,927	194,802	9.1%	175	422,927	321,400	9.1%		
Mobile Home ⁴	112,992	175	123,354	56,817	2.7%	175	123,354	93,742	2.6%		
RV Park ⁴	155,494	175	169,754	78,189	3.6%	175	169,754	129,003	3.6%		
Non-Residential Totals											
Commercial - Low/Med. Strength	412,315	150	385,822	177,711	8.3%	150	385,822	293,203	8.3%		
Commercial - High Strength	69,566	670	290,761	133,926	6.2%	680	295,101	224,260	6.3%		
Total:	4,124,510		4,653,265	2,143,311	100.0%		4,657,604	3,539,514	100.0%		
	Target, from	WWTP Data		2,143,311	BOD (lbs./yr.)			3,539,514	TSS (lbs./yr.)		
				0.461	BOD Adj. Facto	or		0.760	TSS Adj. Factor		

^{1.} RV Parks and Commercial customers are based on annual water consumption. The remaining residential accounts are based on annual average winter water use.

⁸ State Water Resources Control Board (SWRCB). *Revenue Program Guidelines, Appendix G*, page G-21 "Commercial User Strength Characteristics." Site: https://www.waterboards.ca.gov/publications_forms/publications/general/docs/srf_wastewater_facilities_b.pdf.



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^{2.} Source: CA State Water Resources Control Board, Revenue Program Guidelines (Appendix G), G-21.

^{3.} Calculated BOD and TSS are from source file: 16.ASP & Pond Effluent Data + loading (01.2017 - 08.2020).xlsx.

⁷ Lowest consecutive winter months - December 2019, January 2020, and February 2020.

Figure 9 summarizes the development of the customer allocation factors. The percentages of accounts were used to allocate customer-related costs while EDUs were used in calculating the annual fixed charges, except for Mobile Homes and RV Parks, which were calculated using the number of accounts.

Figure 9. Number or Accounts and EDUs by Customer Class

Sewer Customer Classes	Number of Accounts ¹	Percent of Total	Number of EDUs ¹	Percent of Total
Residential				
Single-Family Residential	19,972	78.67%	19,980	57.62%
Multi-Family Residential	298	1.17%	5,566	16.05%
Mobile Home ²	1,528	6.02%	1,528	4.41%
RV Park ²	2,816	11.09%	2,816	8.12%
Non-Residential				
Commercial - Low/Med. Strength	703	2.77%	4,250	12.26%
Commercial - High Strength	71	0.28%	535	1.54%
Total:	25,388	100.00%	34,675	100.00%

^{1.} Consumption, customer accounts, and EDUs are from source file: Net Join Tax Roll 07-30-2020 Final V8.xlsx .

C. Rate Design Analysis

The process of evaluating the wastewater rate structure provides the opportunity to incorporate and balance rate design objectives and policies, such as revenue stability, equity among customer classes, and customer bill impacts. NBS discussed several rate alternatives with District staff over the course of this Study, in addition to the percentage of revenue collected from fixed versus variable charges and how rates should be differentiated by customer class.

Fixed Charges

Three factors were used to develop the fixed charges: (1) the annual net revenue requirement; (2) the number of dwelling units for Single Family, Multi-Family, and non-residential customers; and (3) the number of accounts, or lots, for Mobile Home and RV Park customers. The proposed annual fixed charges are calculated by multiplying the annual revenue requirement by 70 percent, then dividing by the number of EDUs or accounts. The fixed charges for each customer class are shown in **Figure 10**.



^{2.} Number of accounts for Mobile Homes and RV Parks are based on the number of lots.

Figure 10. Development of Fixed and Variable Charges

					Fixed & Volun	netric Charges
Customer Class	lass No of FDU's 1		Estimated Sewer Flow ²	Total Revenue Requirement	Annual Fixed Charge	Vol. Rate \$/hcf
Residential					\$ Per EDU	
Single-Family Residential	19,972	19,980	2,986,744	\$ 9,782,178	\$342.72	\$0.98
Multi-Family Residential	298	5,566	387,400	1,192,703	\$150.00	\$0.98
Mobile Home ³	1,528	1,518	112,992	395,715	\$181.28	\$0.98
RV Park ³	2,816	1,576	155,494	568,242	\$141.25	\$1.10
Residential Totals	24,614	28,640	3,642,630	\$ 11,938,839		
Non-Residential					\$ Per EDU	
Commercial - Low/Med. Strength	703	4,250	412,315	\$ 1,208,376	\$199.03	\$0.88
Commercial - High Strength	71	535	69,566	463,924	\$607.00	\$2.00
Non-Residential Totals	774	4,785	481,880	\$ 1,672,300		
Total	25,388	33,425	4,124,510	\$ 13,611,139		

^{1.} EDU's are from the tax roll. Source file: 4. FY 21 Tax Roll for Rate Study.xlsx.

Variable Charges

Variable charges, on the other hand, are calculated by taking the remaining 30 percent of the revenue requirement for each customer class and dividing it by the estimated effluent volume produced. This effluent volume is the adjusted total annual volume shown in **Figure 11** below. The volumetric charges for each customer class are also summarized in the rate design table above.

Figure 11. Calculation of Adjusted Sewage Volume

Customer Class	Number of Accounts ¹	Number of EDU's ¹	Annual Volume (hcf) ¹	Winter Water Use (hcf) ^{1,2}	Est. Annual Sewer Flow (ccf/year) ⁴	Percentage of Adjusted Volume
Calculation Components			Α	В	C = B * 4	
Residential						
Single-Family Residential	19,972	19,980	4,090,849	746,686	2,986,744	72.4%
Multi-Family Residential	298	5,566	447,858	96,850	387,400	9.4%
Mobile Home ³	1,528	1,518	140,899	28,248	112,992	2.7%
RV Park ³	2,816	1,576	155,494	38,099	155,494	3.8%
Non-Residential						
Commercial - Low/Med. Strength	703	4,250	412,315	90,540	412,315	10.0%
Commercial - High Strength	71	535	69,566	15,974	69,566	1.7%
Total:	25,388	33,425	5,316,980	1,016,396	4,124,510	100.0%

^{1.} Consumption, customer accounts, and EDU's from source file: Net Join Tax Roll 07-30-2020 Final V8.xlsx.



^{2.} Estimated sewer flow based on average winter consumption for SFR, MFR and MH customers. RV Parks and Commercial customers are based on annual consumption. Source file: 14. IWA Net Billed Water Consumption by Location (RAC) Jan 2019 - Sept 2020.xlsx.

^{3.} Fixed charges for SFR and MFR customers are calculated based on EDU, while rates for MH and RV Park customers are based on the number of accounts, or lots.

^{2.} The three consecutive month period of lowest water usage overall during FY 2019/20.

^{3.} Number of accounts for Mobile Homes and RV Parks are based on the number of lots.

^{4.} RV Parks and Commercial customers are based on annual water consumption. The remaining residential accounts are based on annual average winter water use.

Rate Structure Alternatives

District staff directed NBS to develop new rates that would collect rate revenue from a combination of volumetric and fixed charges. Before deciding on the recommended rate design alternative, District staff, the Budget and Finance Committee, and NBS evaluated a number of fixed/variable rate design alternatives that would reduce fluctuations in annual rate revenue. By collecting a portion of the revenue from volumetric charges, rates are better aligned with the true cost of service and rate equity is improved among customer classes.

NBS developed several alternatives with different amounts of revenue coming from fixed charges ranging from 100 to 50 percent, with the remainder coming from volumetric charges. However, the final rate alternatives considered in the Study are those presented in **Figure 12**:

Figure 12. Final Rate Alternatives

Alternative 1 - 100% Fixed based on EDU - Varies by Class
Alternative 2 - 80% Fixed / 20% Volumetric
Alternative 3 - 70% Fixed / 30% Volumetric

Description of the Selected Rate Alternative

In the face of increasing operating and maintenance costs and significantly higher planned capital improvements, the selected rate alternative represents an update of the current rate structure. The basic criteria for evaluating rate structure alternatives and details of the selected alternative are described below.

Basic Criteria for Selecting a Rate Alternative: The main criteria used to compare and ultimately select a rate alternative included:

- Levels of Rate Increases The burden that higher rates place on customers is a key factor, including how annual customer bills are impacted.
- Reserve Fund Levels The District needs to maintain reasonable levels of reserves to manage the sewer utility's finances in a responsible manner.
- Coverage Ratios Debt Service Coverage Ratios are an obligation that comes with issuing debt that the District needs to make every attempt to meet, especially because it plans to issue future debt.

Selected Rate Alternative – Based on these criteria, the selected rate alternative includes:

- Annual rate increases of 12.5% over the next four years (FY 2021/22 through FY 2024/25) and 2% in the final year of the rate adoption period (FY 2025/26).
- Three separate debt issues totaling \$165 million within the next ten years to help fund planned capital improvement projects totaling approximately \$259.5 million.

Figure 13 shows the projected customer bills for the average single-family customer under the 100-percent fixed current rates versus the selected 70 percent fixed and 30 percent variable rate alternative. This comparison incorporates the differences in the billing basis for single family customers; current bills are based on the number of EDUs regardless of water usage, while proposed customer bills include a volumetric component based on average winter water use, which is 150 HCF per year.



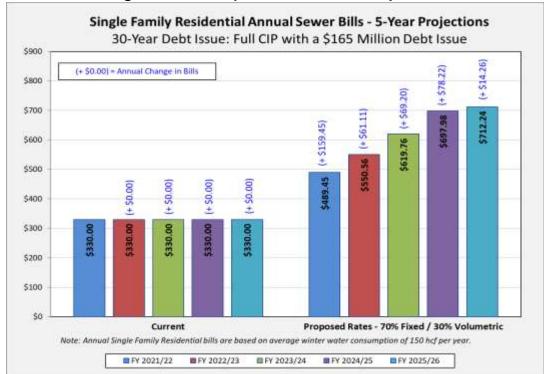


Figure 13. Summary of Annual Sewer Bill Projections

D. Current and Proposed Rates

The proposed wastewater rates in this Study were developed based on input provided by District staff, the Budget and Finance Committee, and the Board. One of the District's goals for this Study was to develop a new rate structure that consists of both a fixed and variable rate component based on EDUs (or accounts, as needed) and water consumption.

Figure 14 compares the current and proposed rates for FY 2021/22 through FY 2025/26 by customer class. Projected rates for each fiscal year⁹ reflect adjustments based on the cost-of-service analysis, the 70% Fixed and 30% Variable rate design structure, and the recommended annual percent increases in rate revenue. More detailed tables on the development of the proposed rates are documented in the *Appendix*.

⁹ The initial rate adjustment and all future rate adjustments are scheduled to be effective on July 1st of each year.



Figure 14. Current vs. Proposed Rates

			•	10 10		
	Current		Propose	ed Annual Sewer	Rates	
Sewer Rate Schedule	Rates	Year 1	Year 2	Year 3	Year 4	Year 5
	(\$/EDU)	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26
Projected Increase in Rate Revenue: 1	(3/200)	12.50%	12.50%	12.50%	12.50%	2.00%
Fixed Service Charges (Per EDU or Accounts)						
Residential			Rates	Per EDU or Acco	unt ²	
Single-Family Residential	\$330.00	\$342.72	\$385.56	\$433.76	\$487.98	\$497.74
Multi-Family Residential	\$330.00	\$150.00	\$168.75	\$189.84	\$213.57	\$217.84
Mobile Home	\$330.00	\$181.28	\$203.94	\$229.43	\$258.11	\$263.27
RV Park	\$330.00	\$141.25	\$158.91	\$178.77	\$201.12	\$205.14
Non-Residential				Rates Per EDU	•	
Commercial - Low Strength	\$330.00	\$199.03	\$223.91	\$251.90	\$283.39	\$289.06
Commercial - High Strength	\$330.00	\$607.00	\$682.88	\$768.24	\$864.27	\$881.56
Volumetric Rate (\$/hcf of annualized average	winter water co	onsumption) ³				
Residential				Rates Per HCF ⁴		
Single-Family Residential		\$0.98	\$1.10	\$1.24	\$1.40	\$1.43
Multi-Family Residential		\$0.98	\$1.10	\$1.24	\$1.40	\$1.43
Mobile Home		\$0.98	\$1.10	\$1.24	\$1.40	\$1.43
RV Park		\$1.10	\$1.23	\$1.38	\$1.55	\$1.58
Non-Residential						
Commercial - Low Strength		\$0.88	\$0.99	\$1.11	\$1.25	\$1.28
Commercial - High Strength		\$2.00	\$2.25	\$2.53	\$2.85	\$2.91

^{1.} This is the increase in annual rate revenue as shown in the Financial Plan, <u>not</u> an across-the-board adjustment to individual rate. Based on the cost-of-service adjustments, individual rates may be more or less than this amount in FY 2021/22.

E. Comparison of Current and Proposed Customer Bills

Residential Customers

The following figures compare annual sewer bills under current and proposed rates for residential customers in the first year of the new rate period. These annual bill comparisons are calculated at various levels of average winter water consumption and reflect adjustments to how EDUs are calculated. Here are the results:

- Single family customers are expected to see an increase in their annual bill. In addition to the \$14.72 increase in the fixed charge, they will also be charged \$0.98 per HCF. Figure 15 shows customer bills under various consumption levels, including the average winter, annual, and summer consumptions.
- Multi-family residential customers will see their annual bill decrease due to a \$180.00 reduction in the fixed charge even if average winter consumption of 70 HCF were to double. Figure 16 shows the customer bill impacts under various consumption levels.
- Mobile home customers will also see their annual bill decrease due to a \$148.72 reduction in their fixed rate. **Figure 17** shows the customer bill impacts under various consumption levels.



^{2.} Rates for SFR and MFR customers are calculated based on EDU, while rates for MH and RV Park customers are based on the number of accounts, or lots. Commercial rates are based on estimated EDUs.

^{3.} One Unit is equal to one HCF (Hundred Cubic Feet) or 748 gallons.

^{4.} HCF based on average winter consumption for SFR, MFR and MH customers and annual consumption for RV Parks and Commercial customers.

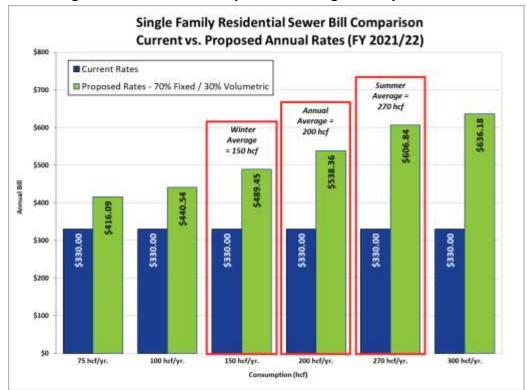
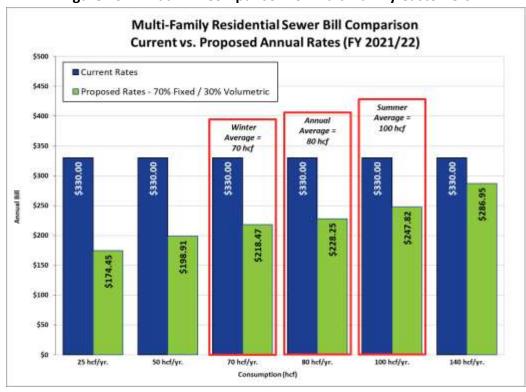


Figure 15. Annual Bill Comparison for Single Family Customers





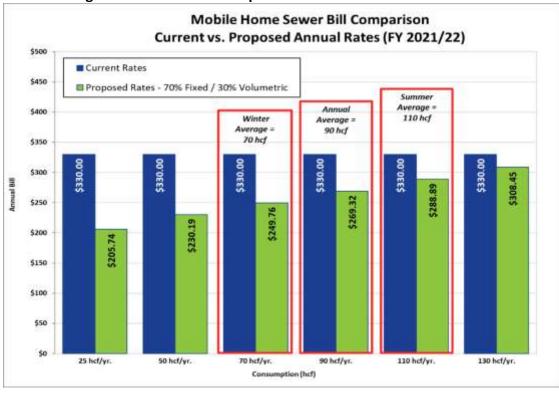


Figure 17. Annual Bill Comparison for Mobile Home Customers

RV Parks and Commercial Customers

If the proposed rates are adopted, RV Parks and Non-Residential customers will also be subject to a fixed rate as well as a volumetric charge. As a result, annual sewer bills for these customers will also vary based on their actual consumption. Here are the results:

- RV Park customers will see their annual bill decrease due to a \$188.75 reduction in the fixed charge even if average annual water consumption of 60 HCF were to double. Figure 18 shows the customer bill impacts.
- Commercial low/medium-strength customers will see an increase in their annual bill if they are using the average annual consumption of 590 HCF. These customers would only see a decrease in their bill if their annual water use were less than 150 HCF. **Figure 19** shows the customer bill impacts.
- Commercial high-strength customers will also see an increase in their annual bill if they are using the annual average amount of water of 980 HCF. **Figure 20** shows the customer bill impacts.

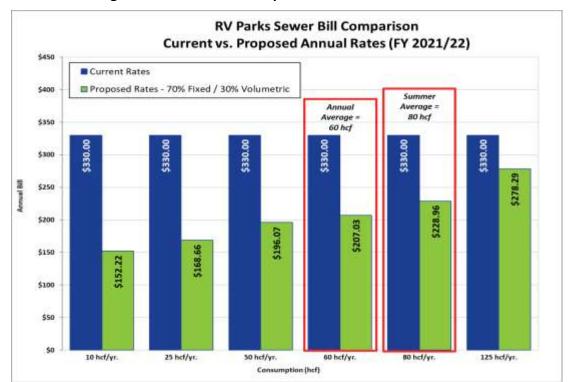
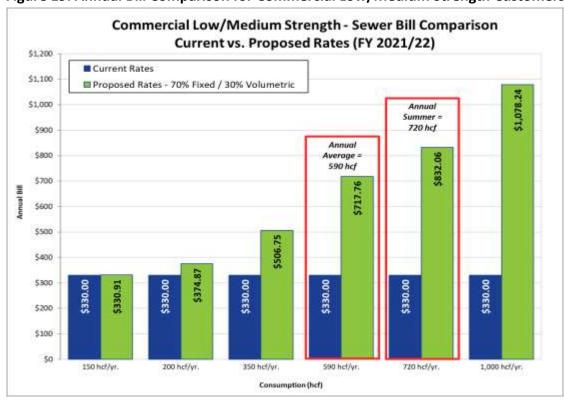


Figure 18. Annual Bill Comparison for RV Park Customers







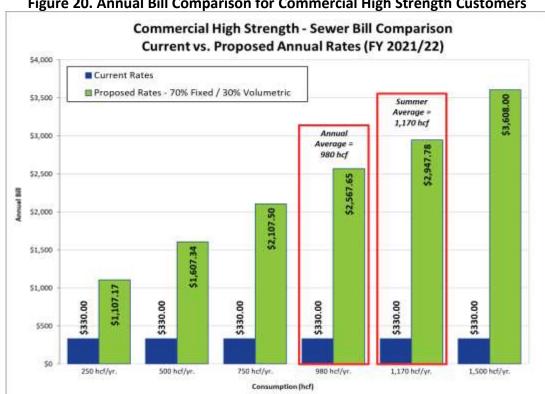


Figure 20. Annual Bill Comparison for Commercial High Strength Customers

Figure 21 compares the current and proposed annual sewer bills for the typical single-family residential customer to those of other surrounding communities.

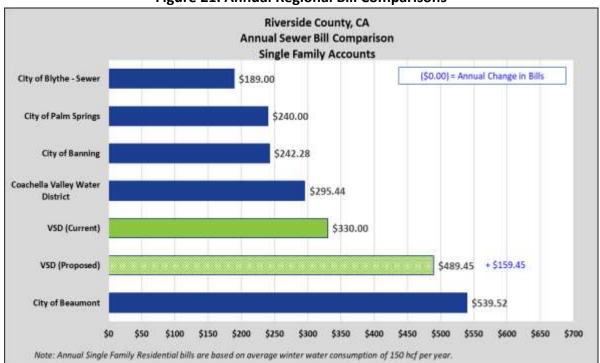


Figure 21. Annual Regional Bill Comparisons

Septage Charges

In addition to updating the wastewater rates, NBS also updated the RV Dump (i.e., Septage) Charge at the District's request. **Figure 22** summarizes the calculation of the septage charges, assuming an average RV tank capacity of 40 gallons. NBS recommends the District apply a minimum charge based on 40 gallons, although larger tanks should pay for the additional volume.

Figure 22. Calculation of Septage Charges

Calculation of RV-Dump Charges									
Customer Class		One-Time	Biochemical O	xygen	Demand	Total Suspended Solids (TSS)			
		Effluent	Avg. Strength	43		.bs. of BOD ³ Avg. Strength			
		lume (HCF) ¹	Factor (mg/l) ²	Lbs	S. OT BOD	Factor (mg/l) ²		bs. of TSS ³	
RV Dump Charge Components:									
1. Septage Vol. , Strength and lbs.		0.053476	5,400		1.80	12,000		4.00	
2. Unit costs (\$/HCF or /lbs.)4	\$	1.80		\$	1.25		\$	0.76	
3. Charge (1. x 2.)		\$0.10			\$2.25			\$3.02	
Total Flow & Strength Charges		\$5.37							
Admin. Charges (.25 hrs @ \$58/hr)		<u>\$14.50</u>							
RV Dump Charge (\$/ 40-Gal.)		\$19.87							

^{1.} Assumes a standard RV dump of 40 gallons.

 $^{2. \ \, {\}it Typical septage strength from Water Resource Control Board Guidelines (Appendix G)}. \\$

^{3.} Formula: Effluent Volume (HCF)*748 gal/HCF*Strength Factor (mg/L)*(8.34/10^6).

^{4.} From COSA results (Table 30: Flow, BOD and TSS Costs divided by system-wide units).

SECTION 3. RECOMMENDATIONS AND NEXT STEPS

A. Consultant Recommendations

NBS recommends the District take the following actions:

Approve and Accept this Study: NBS recommends the Board formally approve and adopt this Study report, including the *Appendix*, and its recommendations as a first step to implementing the proposed rates. This Study provides documentation of the rate study and the basis for analyzing potential changes to future rates.

Implement Recommended Levels of Rate Adjustments and Proposed Rates: Based on successfully meeting the Proposition 218 procedural requirements, the Board should proceed with implementing the 5-year schedule of proposed rates previously shown in Figure 14. This will help ensure the continued financial health of District's wastewater utility.

B. Next Steps

Annually Review Rates and Revenue: Any time an agency adopts new utility rates or rate structures, those new rates should be closely monitored over the next several years to ensure the revenue generated is sufficient to meet the annual revenue requirements. Particularly in the District's case, where the basis of EDU calculations has been revised, this is a concern. Additionally, changing economic and water consumption patterns underscore the need for this ongoing review, as well as potential and unseen changing revenue requirements—particularly those related to environmental regulations that can significantly affect capital improvements and repair and replacement costs.

Note: The attached Appendix provides more detailed information on the analysis of the wastewater revenue requirements, cost-of-service analysis and cost allocations, and the rate design analyses that have been summarized in this report.

C. NBS' Principal Assumptions and Considerations

In preparing this report and the opinions and recommendations included herein, NBS has relied on a number of principal assumptions and considerations with regard to financial matters, conditions, data used in estimating EDUs, and events that may occur in the future. This information and these assumptions, including District's budgets, capital improvement costs, and information from District staff were provided by sources we believe to be reliable, although NBS has not independently verified this data.

While we believe NBS' use of such information and assumptions is reasonable for the purpose of this report and its recommendations, some assumptions will invariably not materialize as stated herein and may vary significantly due to unanticipated events and circumstances. Therefore, the actual results can be expected to vary from those projected to the extent that actual future conditions differ from those assumed by us or provided to us by others.

ABBREVIATIONS & ACRONYMS

AAF Average Annual Flow

AF Acre Foot, equal to 435.6 HCF/CCF or 325,851 gallons

Alt. Alternative Avg. Average

AWWA American Water Works Association

BMP Best Management Practice
BOD Biochemical Oxygen Demand

CA Customer CAP Capacity

CCF Hundred Cubic Feet (same as HCF); equal to 748 gallons

CCI Construction Cost Index

CIP Capital Improvement Program/Plan

COD Chemical Oxygen Demand

COM Commodity
Comm. Commercial
COS Cost-of-Service

COSA Cost-of-Service Analysis
CPI Consumer Price Index

DU Dwelling Unit

Excl. Exclude

ENR Engineering News Record EDU Equivalent Dwelling Unit

Exp. Expense FY Fiscal Year

FY 2019/20 July 1, 2019 through June 30, 2020

GPD Gallons Per Day
GPM Gallons Per Minute

HCF Hundred Cubic Feet; equal to 748 gallons or 1 CCF

Ind. Industrial Irr. Irrigation

LAIF Local Agency Investment Fund

Lbs. Pounds

MFR Multi-Family Residential
MGD Million Gallons Per Day
MG/L Milligrams Per Liter

Mo. Month

This appendix identifies abbreviations and acronyms that may be used in this report. This appendix has not been viewed, arranged, or edited by an attorney, nor should it be relied on as legal advice. The intent of this appendix is to support the recognition and analysis of this report. Any questions regarding clarification of this document should be directed to staff or an attorney specializing in this particular subject matter.



ABBREVIATIONS & ACRONYMS

Muni. Municipal NH3 Ammonia

NPV Net Present Value

N/A Not Available or Not Applicable
O&M Operating & Maintenance Expenses

Prop 13 Proposition 13 (1978) – Article XIII A of the California Constitution which limits taxes

on real property to 1% of the full cash value of such property.

Prop 218 Proposition 218 (1996) – State Constitutional amendment expanded restrictions of

local government revenue collections.

Req't. Requirement
Res. Residential
Rev. Revenue

RTS Readiness-to-Serve

R&R Rehabilitation & Replacement
SFR Single Family Residential
SRF Loan State Revolving Fund Loan

SWRCB State Water Resources Control Board

TSS / SS Total Suspended Solids

V. / Vs. /vs. Versus

WWTP Wastewater Treatment Plant

This appendix identifies abbreviations and acronyms that may be used in this report. This appendix has not been viewed, arranged, or edited by an attorney, nor should it be relied on as legal advice. The intent of this appendix is to support the recognition and analysis of this report. Any questions regarding clarification of this document should be directed to staff or an attorney specializing in this particular subject matter.



APPENDIX: DETAILED WASTEWATER STUDY TABLES AND FIGURES

VALLEY SANITARY DISTRICT SEWER RATE STUDY Financial Plan & Reserve Summary

Financial Plan and Reserve Projections Preliminary Draft Subject to Material Revision, Do Not Cite or Distribute

TABLE 1: FINANCIAL PLAN AND SUMMARY OF REVENUE REQUIREMENTS

* Control Mark to the Control Mark to	Budget		Projecte	Rates for Adopt	ion Period	Projected					
RATE REVENUE REQUIREMENTS SUMMARY ¹	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31
Sources of Sewer Funds											
Rate Revenue:						U.					
Sewer Service Charge	\$ 11,979,000	\$ 12,098,790	\$ 12,219,778	\$ 12,341,976	\$ 12,465,395	\$ 12,590,049	\$ 12,715,950	\$ 12,843,109	\$ 12,971,540	\$ 13,101,256	\$ 13,232,268
Revenue from Rate Increases ²	THE REAL PROPERTY.	1,512,349	3,245,879	5,230,876	7,501,758	7,980,112	8,475,430	8,988,250	9,078,133	9,168,914	9,260,603
Subtotal: Rate Revenue After Rate Increases	11,979,000	13,611,139	15,465,656	17,572,852	19,967,153	20,570,161	21,191,380	21,831,360	22,049,673	22,270,170	22,492,872
Non-Rate Revenue:	500000000000000000000000000000000000000	100100-010-000	DOMESTICAL CO.	NORTH PROPERTY	554000000000	Charles and a	Literatura de la constanta de	(P409) (P4090)	1656.00000000000000000000000000000000000	77305011116-CE	Section Decrees the Control
Plan Check & Inspection Fees (incl. Permits)	25,000	25,250	25,503	25,758	26,015	26,275	26,538	26,803	27,071	27,342	27,616
Other Services	1,800	1,818	1,836	1,855	1,873	1,892	1,911	1,930	1,949	1,969	1,988
Interest Income ³	300,000	442,337	319,883	129,060	112,134	185,545	187,343	189,118	216,510	270,516	322,466
Non-Operating Revenue	745,500	752,955	760,485	768,089	775,770	783,528	791,363	799,277	807,270	815,342	823,496
Subtotal: Non-Rate Revenue	1,072,300	1,222,360	1,107,706	924,761	915,793	997,240	1,007,155	1,017,128	1,052,800	1,115,170	1,175,566
Total Sources of Funds	\$ 13,051,300	\$ 14,833,498	\$ 16,573,363	\$ 18,497,613	\$ 20,882,946	\$ 21,567,401	\$ 22,198,535	\$ 22,848,488	\$ 23,102,474	\$ 23,385,340	\$ 23,668,438
Uses of Funds									iii lii		
Operating Expenses :											
Engineering	\$ 596,370	\$ 620,225		\$ 670,835	\$ 697,669			\$ 784,782	\$ 816,174	\$ 848,820	\$ 882,773
Collections	874,410	905,766	938,270	971,963	1,006,889	1,043,096	1,080,631	1,119,542	1,159,882	1,201,704	1,245,064
Operations	2,587,719	2,674,523	2,764,304	2,857,167	2,953,218	3,052,572	3,155,342	3,261,650	3,371,621	3,485,382	3,603,069
Maintenance	1,254,656	1,299,742	1,346,480	1,394,932	1,445,162	1,497,236	1,551,223	1,607,194	1,665,224	1,725,390	1,787,771
Lab	516,870	535,447	554,705	574,669	595,366	616,823	639,068	662,132	686,043	710,835	736,539
Administration/Board	1,935,935	2,001,569	2,069,478	2,139,743	2,212,448	2,287,679	2,365,526	2,446,081	2,529,442	2,615,708	2,704,982
Additional Staffing	327,000	841,080	1,152,723	1,198,832	1,246,785	1,296,657	1,348,523	1,402,464	1,458,563	1,516,905	1,577,581
Subtotal: Operating Expenses	\$ 8,092,960	\$ 8,878,352	\$ 9,470,994	\$ 9,808,141	\$ 10,157,538	\$ 10,519,638	\$ 10,894,911	\$ 11,283,846	\$ 11,686,949	\$ 12,104,745	\$ 12,537,780
Other Expenditures:	rai communication		4-7-7-7-7-7-7-7-7-7-7-7-7-7-7-7-7-7-7-7	ATT TO STANDARD CONTRACT	and the second	No. Constant to the	***************************************	ma morningon	140 00000-0000	n4	140 00000000000000000000000000000000000
Existing Debt Service	\$ 1,445,048	\$ 1,440,798	\$ 1,440,048	\$ 1,439,111	\$ 1,440,861	\$ 1,440,611	\$ 553,361	\$ 553,361	\$ 553,361	\$ 553,361	\$ 553,361
Future Debt Service	5.5	2,386,803	2,386,803	2,386,803	7,160,408	7,160,408	7,160,408	7,876,449	7,876,449	7,876,449	7,876,449
Subtotal: Other Expenditures	\$ 1,445,048	\$ 3,827,601	\$ 3,826,851	\$ 3,825,913	\$ 8,601,269	\$ 8,601,019	\$ 7,713,769	\$ 8,429,810	\$ 8,429,810	\$ 8,429,810	\$ 8,429,810
Total Uses of Water Funds	\$ 9,538,008	\$ 12,705,953	\$ 13,297,845	\$ 13,634,055	\$ 18,758,807	\$ 19,120,657	\$ 18,608,680	\$ 19,713,656	\$ 20,116,758	\$ 20,534,555	
Annual Surplus/(Deficit)	\$ 3,513,292	\$ 2,127,545	\$ 3,275,518	\$ 4,863,558	5 2,124,139	\$ 2,446,744	\$ 3,589,855	\$ 3,134,832	\$ 2,985,715	\$ 2,850,785	\$ 2,700,848
Net Revenue Req't. (Total Uses less Non-Rate Revenue)	\$ 8,465,708	\$ 11,483,594	\$ 12,190,139	\$ 12,709,294	\$ 17,843,014	\$ 18,123,417	\$ 17,601,525	\$ 18,696,528	\$ 19,063,958	\$ 19,419,385	\$ 19,792,023
Total Rate Revenue After Rate Increases	\$ 11,979,000	\$ 13,611,139	\$ 15,465,656	\$ 17,572,852	\$ 19,967,153	\$ 20,570,161	\$ 21,191,380	\$ 21,831,360	\$ 22,049,673	\$ 22,270,170	\$ 22,492,872
Projected Annual Rate Revenue Increase	0.00%	12.50%	12.50%	12.50%	12.50%	2.00%	2.00%	2.00%	0.00%	0.00%	0.00%
Cumulative Increase from Annual Revenue Increases	0.00%	12.50%	26.56%	42.38%	60.18%	63.38%	66.65%	69.99%	69.99%	69.99%	69.99%
Debt Coverage After Rate Increase	3.43	1.56	1.86	2.27	1.25	1.28	1.47	1.37	1.35	1.34	1.32

^{1.} Revenues and expenses for FY 2020/21 were provided by the District. Source file: 1. Budget 2020-2021 6-9-2020.xlsx.

2 <-- Select Debt Term

Financ	al Plan Alternatives											
1	20-Year Debt Issue											
2	30-Year Debt Issue											
	State of the second state							5.75 14.55				
3	< Select Financial Plan Scenario Here				AR DEBT RATE SC							
Financ	al Plan Alternatives	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31
1	Alternative 1 - Full CIP with no Debt Issue	0.00%	35.00%	35.00%	35.00%	30.00%	10.00%	0.00%	0.00%	-70.00%	0.00%	0.00%
2	Alternative 2 - Full CIP with a \$150 million Debt	0.00%	11.00%	12.00%	15.00%	15.00%	10.00%	3.00%	3.00%	-10.00%	0.00%	0.00%

Financial Plan, 1 of 63



^{2.} Revenue from rate increases assumes a July 1, 2021 implementation date. Each year thereafter, new rates will be implemented on July 1st.

^{3.} Interest income beginning in FY 2021/22 is calculated based on historical LAIF returns.

VALLEY SANITARY DISTRICT
SEWER RATE STUDY
Financial Plan and Reserve Projections
Preliminary Draft Subject to Material Revision, Do Not Cite or Distribute

TABLE 2: RESERVE FUND SUMMARY

SUMMARY OF CASH ACTIVITY	Budget		Projected	Rates for Adopt	tion Period	ľ			Projected		
SUMMART OF CASH ACTIVITY	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31
Total Beginning Cash ¹	\$ 29,954,610										
Un-Restricted Reserves:								•			
Operating Reserve											vers - response with
Beginning Reserve Balance	\$ 4,809,000	\$ 4,046,500	\$ 4,439,200	\$ 4,735,500	\$ 4,904,100	\$ 5,078,800	\$ 5,259,800	\$ 5,447,500	\$ 5,641,900	\$ 5,843,500	\$ 6,052,400
Plus: Net Cash Flow (After Rate Increases)	3,513,292	2,127,545	3,275,518	4,863,558	2,124,139	2,446,744	3,589,855	3,134,832	2,985,715	2,850,785	2,700,848
Plus: Transfer of Debt Reserve Surplus	158,993	44,634	83,756	87,913	92,834	170,543	177,762	107,406	118,147	118,147	118,147
Less: Transfer Out to Capital Replacement Reserve	(4,434,784)	(1,779,479)	(3,062,973)	(4,782,872)	(2,042,273)	(2,436,288)	(3,579,917)	(3,047,838)	(2,902,262)	(2,760,032)	(2,602,495)
Ending Operating Reserve Balance	\$ 4,046,500	\$ 4,439,200	\$ 4,735,500	5 4,904,100	\$ 5,078,800	\$ 5,259,800	\$ 5,447,500	\$ 5,641,900	5 5,843,500	\$ 6,052,400	5 6,268,900
Target Ending Balance (6 months of O&M Expenses)	\$ 4,046,500	5 4,439,200	\$ 4,735,500	\$ 4,904,100	\$ 5,078,800	\$ 5,259,800	\$ 5,447,500	5 5,641,900	\$ 5,843,500	5 6,052,400	\$ 6,268,900
Capital Replacement Reserve											Warran and the
Beginning Reserve Balance Plus: Grant Proceeds	\$ 25,145,610	\$ 22,333,466	\$ 12,001,689	\$ 4,735,497	5 4,904,071	\$ 5,078,769	\$ 5,259,819	\$ 5,447,456	\$ 6,557,559	\$ 8,612,979	\$ 10,302,652
Plus: Transfer of Operating Reserve Surplus	4.434.784	1,779,479	3,062,973	4,782,872	2,042,273	2,436,288	3,579,917	3,047,838	2,902,262	2,760,032	2,602,495
Plus: Interest Earnings	348,000	335.002	180,025	71,032	73,561	76,182	78,897	81,712	98,363	129,195	154,540
Less: Transfer Out to Emergency Fund	346,000	333,002	100,025	(9,407)	(17,470)	(18,105)		(19,447)	(20,155)	(20,890)	(21,652)
Less: Use of Reserves for Capital Projects	(7,594,928)	(12,446,259)	(10.509,190)	(4.675,924)	(1,923,666)	(2.313.315)		(2,000,000)	(925,050)	(1.178.664)	(1.197,839)
Ending Capital Rehab & Replacement Reserve Balance	5 22.333.466	5 12,001,689	5 4,735,497	5 4,904,071	\$ 5.078.769	\$ 5,259,819	\$ 5,447,456		5 8,612,979	5 10.302.652	5 11.840.196
Capital R&R Reserve (50% of O&M Expenses)	5 4.046.480	5 4,439,176	5 4.735.497	\$ 4,904,071	5 5.078.769	5 5,259,819	\$ 5,447,456	5 5,641,923	\$ 5,843,474	5 6.052.372	5 6,268,890
Emergency Reserve	9 4,040,400	9 4)499)270	4,100,401	N	20000000	3,233,023	51.00	3 3,042,023	No.	0,002,072	Was assessed
Beginning Reserve Balance	5 481,000	5 481,000	\$ 481,000	\$ 481,000	5 490,407	\$ 507,877	\$ 525,982	5 544,746	5 564,192	5 584,347	\$ 605,237
Plus: Transfer of Capital Reserve Surplus		-		9,407	17,470	18,105	18,764	19,447	20,155	20,890	21,652
Less: Use of Reserves			n	C 55000	55070000		P218039	September 1	0 555555	1000000	
Ending Operating Reserve Balance	5 481,000	\$ 481,000	\$ 481,000	\$ 490,407	\$ 507,877	\$ 525,982	\$ 544,746	\$ 564,192	\$ 584,347	\$ 605,237	\$ 626,889
Target Ending Balance (5% of O&M)	\$ 404,648	\$ 443,918	\$ 473,550	\$ 490,407	\$ 507,877	\$ 525,982	5 544,746	\$ 564,192	\$ 584,347	\$ 605,237	\$ 626,889
Ending Balance - Excl. Restricted Reserves	\$ 26,860,966	\$ 16,921,889	\$ 9,951,997	\$ 10,298,578	\$ 10,665,446	\$ 11,045,601	\$ 11,439,701	\$ 12,763,651	\$ 15,040,827	\$ 16,960,289	\$ 18,735,985
Min. Target Ending Balance -Excl. Restricted Reserves	\$ 8,497,628	\$ 9,322,294	\$ 9,944,547	\$ 10,298,578	\$ 10,665,446	\$ 11,045,601	\$ 11,439,701	\$ 11,848,015	\$ 12,271,322	\$ 12,710,010	\$ 13,164,679
Ending Surplus/(Deficit) Compared to Reserve Targets	\$ 18,363,338	\$ 7,599,595	\$ 7,450	5 -	\$ -	\$ -	\$ -	\$ 915,636	\$ 2,769,505	\$ 4,250,280	\$ 5,571,306

^{1.} The beginning cash balance is per source file: 6. FY20 trial balance (excel) for June 30, 2020 (unaudited).xlsx.

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VALLEY SANITARY DISTRICT SEWER RATE STUDY Financial Plan and Reserve Projections Preliminary Draft Subject to Material Revision, Do Not Cite or Distribute

TABLE 3: RESERVE FUND SUMMARY, cont.

SUMMARY OF CASH ACTIVITY	Budget	3	Projected	Rates for Adopt	ion Period				Projected		
SUMMART OF CASH ACTIVITY	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31
Restricted Reserves:	ele die	50 CO 1			d) 340 10	i de	a ta i	VII 196 10.		n 16 0	
Capital Improvement Reserve Fund											
Beginning Reserve Balance ¹ Plus: Interest Earnings Plus: Connection Fee Revenue Less: Use of Reserves for Capital Projects	\$ 6,340,607 100,000 748,000 (350,000)	\$ 6,838,607 102,579 1,175,000 (1,456,296)	\$ 6,659,890 99,898 1,250,000 (6,761,469)	\$ 1,248,319 18,725 1,300,000 (2,567,043)	1,340,000 (1,340,000)	1,380,000 (1,380,000)	1,422,500 (1,422,500)	\$ 1,450,000 (1,450,000)	1,545,000	\$ 1,545,000 23,175 1,750,485	\$ 3,318,660 49,780 1,803,000
Ending Impact Fee Fund Balance	5 6,838,607	\$ 6,659,890	\$ 1,248,319	5 -	\$ -	\$ -	5 -	5 -	\$ 1,545,000	\$ 3,318,660	5 5,171,44
Target Ending Balance	5 -	5	5	5 -	\$ -	5 -	5 -	\$	5 -	5	5
NEW Bond Project Funds	No.	Fig. 1	1) S		ă. ()		9.5	A		S	\$45
Beginning Reserve Balance Plus: SRF Loan Funding Proceeds Plus: Revenue Bond Proceeds Less: Use of Bond Funds for Capital Projects	5	5	8,120,491 (8,120,491)	19,178,312 (19,178,312)	30,419,826 (30,419,826)	35,693,076 (35,693,076)	34,193,446 (34,193,446)	33,649,743 (33,649,743)	3,745,106 (3,745,106)	5	5
Ending Bond Project Fund Balance	\$ -	5 -	5	\$ -	5 -	5 -	5 -	5	\$ -	5 -	\$
Target Ending Balance	5 -	5 -	5	5 -	5	5	5	5	5 -	5	5
Debt Reserve Fund	W	54-	F-1 - 3		ite di	To 1	78 C	W - 3		W - 3	1.1
Beginning Reserve Balance Plus: Reserve Funding from Future Debt Obligations Plus: Interest Earnings Less: Transfer of Surplus to Operating Reserve	\$ 469,000 7,035 (158,993)	\$ 317,042 2,386,803 4,756 (44,634)	\$ 2,663,967 39,960 (83,756)	\$ 2,620,170 - 39,303 (87,913)	\$ 2,571,560 4,773,605 38,573 (92,834)	\$ 7,290,904 - 109,364 (170,543)	\$ 7,229,725 - 108,446 (177,762)	\$ 7,160,408 716,041 107,406 (107,406)	\$ 7,876,449 - 118,147 (118,147)	\$ 7,876,449 - 118,147 (118,147)	\$ 7,876,445 118,147 (118,147
Ending Debt Reserve Balance	5 317.042	5 2,663,967	5 2,620,170	5 2.571.560	5 7,290,904	5 7,229,725	5 7,160,408	5 7,876,449	5 7,876,449	5 7,876,449	5 7,876,44
Target Ending Balance	5 317,042	5 2.663.967	5 2,620,170	5 2.571.560	\$ 7,290,904	\$ 7,229,725	5 7.160.408	5 7.876.449	5 7.876.449	5 7.876.449	5 7.876,445
CSWRCB Reserve Fund			A STATE OF THE PARTY OF THE PAR	A - Albandar day	a diction		and the state of		o althoughous	and the second	O WARRAN
Beginning Reserve Balance Plus: Interest Earnings Less: Transfer of Surplus to Operating Reserve	\$ 1,106,722 16,601	\$ 1,123,323 16,850	\$ 1,140,173 17,103	\$ 1,157,275 17,359	\$ 1,174,634 17,620	\$ 1,192,254 17,884	\$ 1,210,138 18,152	\$ 1,228,290 18,424	\$ 1,246,714 18,701	\$ 1,265,415 18,981	\$ 1,284,396 19,266
Ending Debt Reserve Balance	\$ 1,123,323	\$ 1,140,173	\$ 1,157,275	5 1,174,634	\$ 1,192,254	5 1,210,138	5 1,228,290	5 1,246,714	5 1,265,415	\$ 1,284,396	5 1,303,66.
Target Ending Balance	5 -	5 -	5	5 -	5 -	5 -	5	5	5 -	5 -	5
Ending Balance - Restricted Reserves	\$ 8,278,972	\$ 10,464,029	\$ 5,025,764	\$ 3,746,194	\$ 8,483,158	5 8,439,862	\$ 8,388,698	5 9,123,163	\$ 10,686,864	\$ 12,479,505	\$ 14,351,55.
Min. Target Ending Balance - Restricted Reserves	\$ 317,042	\$ 2,663,967	\$ 2,620,170	\$ 2,571,560	\$ 7,290,904	\$ 7,229,725	\$ 7,160,408	\$ 7,876,449	\$ 7,876,449	\$ 7,876,449	5 7,876,44
Ending Surplus/(Deficit) Compared to Reserve Targets	\$ 7,961,930	\$ 7,800,062	\$ 2,405,594	\$ 1,174,634	\$ 1,192,254	\$ 1,210,138	\$ 1,228,290	5 1,246,714	\$ 2,810,415	\$ 4,603,056	\$ 6,475,10.
nual Interest Earninas Rate 2	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.509

^{1.} The beginning cash balance is equal to the amount in Fund 12. Source file: FY 20-21 Capital Spreadsheet 06012020 2021 Plus 5 yr finance Final xisx.

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Financial Plan, 3 of 63

^{2.} Interest earnings rate is estimated at 1.5% per Valley Sanitary District's FY 2020/21 Budget (page 26).

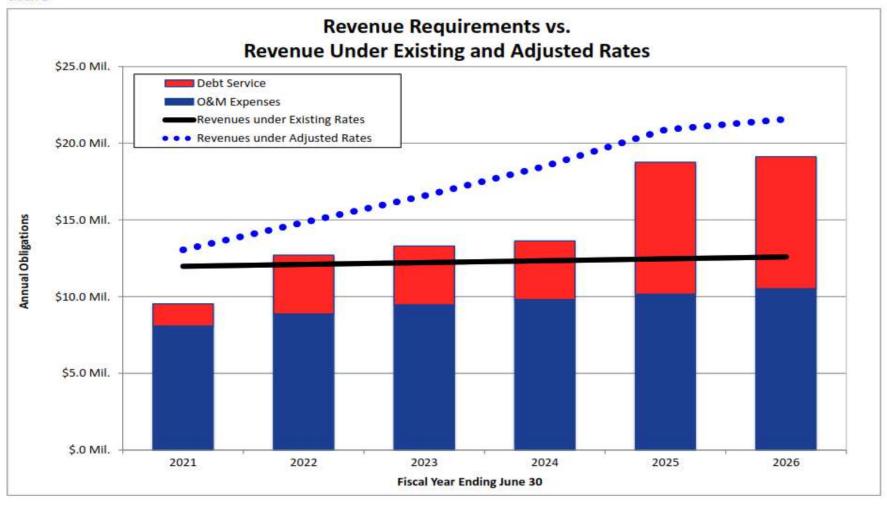
VALLEY SANITARY DISTRICT

Charts & Tables

SEWER RATE STUDY
Financial Plan Charts

Preliminary Draft Subject to Material Revision, Do Not Cite or Distribute

CHART 1



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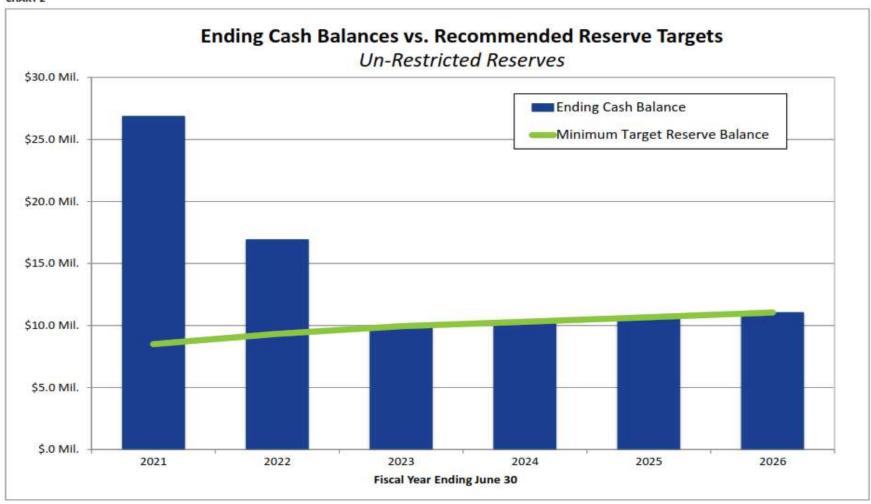
Charts and Tables, 4 of 63



VALLEY SANITARY DISTRICT
SEWER RATE STUDY
Financial Plan Charts
Preliminary Draft Subject to Material Revision, Do Not Cite or Distribute

Charts & Tables

CHART 2



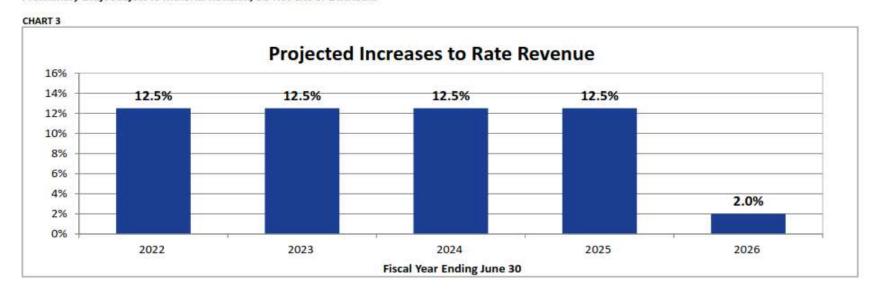
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Charts and Tables, 5 of 63



VALLEY SANITARY DISTRICT
SEWER RATE STUDY
Financial Plan Charts
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Charts & Tables



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VALLEY SANITARY DISTRICT SEWER RATE STUDY Operating Revenue and Expenses Preliminary Draft Subject to Material Revision, Do Not Cite or Distribute Exhibit 1

TABLE 4: REVENUE FORECAST¹

DEPT.	CODE	DESCRIPTION	Basis	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
EWER RE	VENUE		V		Contract of	Contract of the Contract of th							0 00000-0	
Operati	ng Reven	iue			CHARLEST CONTRACTOR OF THE CON			Later - respect to the control of	teración tambémentes		and a comment of the comment	rens and a company	The second secon	William Inches of the Company of the
11	4120	Sewer Service - Current	1	\$ 11,979,000	\$12,098,790	\$ 12,219,778	\$12,341,976	\$12,465,395	\$12,590,049	\$ 12,715,950	\$12,843,109	\$12,971,540	\$ 13,101,256	\$ 13,232,268
11	4140	Sewer Service - Penalties	1		-			-	*		3			5
11	4210	Permit/Inspection Fees	1	15,000	15,150	15,302	15,455	15,609	15,765	15,923	16,082	16,243	16,405	16,569
11	4270	Plan Check Fees	1	10,000	10,100	10,201	10,303	10,406	10,510	10,615	10,721	10,829	10,937	11,046
11	4285	Other Services	1	1,800	1,818	1,836	1,855	1,873	1,892	1,911	1,930	1,949	1,969	1,988
Non-Op	erating F	Revenue		- Academ	400,000	13800000		50.000.000	27.72.27.300	77.5500.00	5000000	0.000	5000-51	100000
11	4510	Interest Revenue	See FP	300,000	10000000	523000000000000000000000000000000000000	25030-05	101405047	- AND MODE:	50000000 0		7-2-03/19/20 7 -3	54000000000	5-10-20-
11	4430	Taxes - Current Secured	1	700,000	707,000	714,070	721,211	728,423	735,707	743,064	750,495	758,000	765,580	773,235
11	4440	Taxes - Current Unsecured	1	25,000	25,250	25,503	25,758	26,015	26,275	26,538	26,803	27,071	27,342	27,616
11	4450	Taxes - Prior Secured	1	6,000	6,060	6,121	6,182	6,244	6,306	6,369	6,433	6,497	6,562	6,628
11	4460	Taxes - Prior Unsecured	1	2		- 2	-		-			45	-	1 3
11	4465	Taxes - Penalties	1	*			-		-		5.7		1.0	25
11	4470	Taxes - Supplemental Current	1	6,000	6,060	6,121	6,182	6,244	6,306	6,369	6,433	6,497	6,562	6,628
11	4480	Taxes - Supplemental Prior	1	2,000	2,020	2,040	2,061	2,081	2,102	2,123	2,144	2,166	2,187	2,209
11	4500	Homeowner's Tax Relief	1	6,000	6,060	6,121	6,182	6,244	6,306	6,369	6,433	6,497	6,562	6,628
11	4574	Non-Operating Revenue	1	500	505	510	515	520	526	531	536	541	547	552
SUBT	OTAL: SE	WER REVENUE		\$ 13,051,300	\$12,878,813	\$13,007,601	\$13,137,677	\$13,269,054	\$13,401,744	\$13,535,762	\$13,671,120	\$13,807,831	\$13,945,909	\$ 14,085,368
CONNE	CTION FE	E REVENUE 2	8	×35	S .		8	- 2		8	11/11/2	6	8 8	
13		Connection Fees		748,000	1,175,000	1,250,000	1,300,000	1,340,000	1,380,000	1,422,500	1,450,000	1,545,000	1,750,485	1,803,000
13		Interest Revenue	See FP	100,000	STATE OF THE PARTY OF		S. C.	P. Carle May	Marianiana -	er landage	The second second		- consistent	19/2/2003
TOTA	L: REVEN			\$ 13,899,300	\$14,053,813	\$14,257,601	\$14,437,677	\$14,609,054	\$14,781,744	\$14,958,262	\$15,121,120	\$15,352,831	\$15,696,394	\$ 15,888,368

TABLE 5: REVENUE SUMMARY

DESCRIPTION	Basis	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
SEWER REVENUE	81				Acres and American	c. was a remove and		i enconcencia	THE SAME SHOWN		Same and the State of the State	100.000000000
Sewer Service Charge		\$ 11,979,000	\$ 12,098,790	\$ 12,219,778	\$ 12,341,976	\$ 12,465,395	\$ 12,590,049	\$12,715,950	\$12,843,109	\$12,971,540	\$ 13,101,256	\$ 13,232,268
Plan Check & Inspection Fees (incl. Permits)		25,000	25,250	25,503	25,758	26,015	26,275	26,538	26,803	27,071	27,342	27,616
Other Services		1,800	1,818	1,836	1,855	1,873	1,892	1,911	1,930	1,949	1,969	1,988
OTHER REVENUE		42440.2200.04.40.4										
Interest Revenue		300,000	-	1,000	-	59		3.6	5.5	340	1000	25
Non-Operating Revenue		745,500	752,955	760,485	768,089	775,770	783,528	791,363	799,277	807,270	815,342	823,496
SUBTOTAL: SEWER REVENUE	33	\$ 13,051,300	\$12,878,813	\$13,007,601	\$13,137,677	\$13,269,054	\$13,401,744	\$13,535,762	\$13,671,120	\$13,807,831	\$13,945,909	\$ 14,085,368

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Exhibit 1 (O&M), 7 of 63

VALLEY SANITARY DISTRICT Exhibit 1 SEWER RATE STUDY

Operating Revenue and Expenses Preliminary Draft Subject to Material Revision, Do Not Cite or Distribute

TABLE 6: OPERATING EXPENSE FORECAST¹

DEPT,	CODE	DESCRIPTION	Basis	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
NGINEER	ING			342	50		102 93	3		90 S			0 0	
Salary														
11		Salaries	3	\$ 457,250	\$ 475,540	\$ 494,562	\$ 514,344	\$ 534,918	\$ 556,315	\$ 578,567	\$ 601,710	\$ 625,778	\$ 650,809	\$ 676,842
11	5070	Overtime		SEC. SHOWN THAT			Dec Servicians (19)		**		8.5	SV MENNANN I	-110 20020000000000000000000000000000000	E5
11	5080	Callout	3	20	-	- 2	-	- 5	-	1.4		125	743	52
11		Standby	3	8			-				87		(e)	22
Benefits			-50	Viscouries to	10.1000m yz.	100000	Switzer-					100 (000)	200,1000	
11	5110	Longevity	3	6,000	6,240	6,490	6,749	7,019	7,300	7,592	7,896	8,211	8,540	8,881
11	5112	Retirement	3	54,300	56,472	58,731	61,080	63,523	66,064	68,707	71,455		77,286	80,377
11	5116	Payroll Taxes	3	35,000	36,400	37,856	39,370	40,945	42,583	44,286	46,058	47,900	49,816	51,809
11	5118	Unemployment Insurance	3	-	-	4	5000000	-	4	-	5.0		-	9
11	5122	Workers Compensation	3	6,700	6,968	7,247	7,537	7,838	8,152	8,478	8,817	9,169	9,536	9,918
11	5124	Group Life Insurance	3	1,200	1,248	1,298	1,350	1,404	1,460	1,518	1,579	1,642	1,708	1,776
11	5126	Group Health Insurance	3	32,595	33,899	35,255	36,665	38,132	39,657	41,243	42,893	44,609	46,393	48,249
11	5128	Dental/Vision Insurance	3	1,595	1,659	1,725	1,794	1,866	1,941	2,018	2,099	2,183	2,270	2,361
11	5132	Disability Insurance	3	1,730	1,799	1,871	1,946	2,024	2,105	2,189	2,277	2,368	2,462	2,561
11	5152	Clothing/Safety	3	1.24500				AMERICA	- California		1377.00	800000		20000
Services	& Suppli	ies .												
11	5150	Directors' Fees	2	-			-				5.5		0.00	29
11	5225	Election	2				_	192	-		- 2		+	53
11	5250	Gas/Oil	2	-					-		5.00		15.40	
11	5300	Comprehensive Insurance	2	2		- 2			4	1.2	. A		-	
11	5350	Memberships/Subscriptions	2	-					-				1.1	
11	5400	Office Expenses	2	2		2	2	1	- 2	1	1 1			2
11	5410	County/City Charges	2	_					-			_		
11	5420	Permits & Fees	2	1 2		1 2	2		2	- 2	§2			- 2
11	5430	Pretreatment	2	2		- 2	2	- 6		10.2	1 2		12	100
11	5450	Operating Supplies	2	200				100	-		122		2.50	
11	5470	Chemicals	2	2		- 2		- 9	1		1 3			1
11	5500	Contract Services	2						-					
11	5550	Professional/Legal	2	3				1	1					1
11	5600	Publications	2	_			_		-			_		
11	5700	Repairs/Maintenance	2	9		2		100			- S			- 5
11	5720	Small Tools	2	_					-			_		
11	5750	Research	2	3		2		- 62	2	12	1 2			1
11	5800	Travel/Mtgs/Education	2						_			_		
11	5801	Certifications/TCPS	2	2		2	3	E. E.	8	122		1 8		3
11	5901	Telephone	2	1 2			2	- 8		100	1 2			- 1
11	5902	Electricity	2	25				100	-		72		2.50	
11	5903	Natural Gas	2	1 3		3		- S	5	102	1 5	1 8		1
11	5904	Trash Collection	2											
11	5905	Utility Water	2	3	1 2	. 8		. I	8		1 12	1		氰
11	5950	Other Expenses	2											-
		NG Expenses	7	\$ 596,370	\$ 620,225	\$ 645,034	\$ 670,835	\$ 697,669	\$ 725,575	\$ 754,598	\$ 784,782	\$ 816,174	\$ 848,820	\$ 882,773

Exh(bit 1 (O&M), 8 of 63



VALLEY SANITARY DISTRICT Exhibit 1 SEWER RATE STUDY Operating Revenue and Expenses

Preliminary Draft Subject to Material Revision, Do Not Cite or Distribute

TABLE 7: OPERATING EXPENSE FORECAST¹

DEPT.	CODE	DESCRIPTION	Basis	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
OLLECTIO	ONS		- 52	142	30		Q S			R 8		ek:	0	
Salary												we commented		
11	5030	Salaries	3	\$ 325,700	\$ 338,728	\$ 352,277	\$ 366,368	\$ 381,023	\$ 396,264	\$ 412,114	\$ 428,599			
11	5070	Overtime	3	1,600	1,664	1,731	1,800	1,872	1,947	2,025	2,105	2,190	2,277	2,368
11	5080	Callout	3	4,000	4,160	4,326	4,499	4,679	4,867	5,061	5,264	5,474		5,921
11	5090	Standby	3	18,700	19,448	20,226	21,035	21,876	22,751	23,661	24,608	25,592	26,616	27,681
Benefit				1-1/2/2007 F	(9969735)	5000000	5-04000H	Magazin	10.000.000.000	purchase of	52404204	0.000000	20000000	t-rai-co
11	5110	Longevity	3	2,500	2,600	2,704	2,812	2,925	3,042	3,163	3,290	3,421	3,558	3,701
11	5112	Retirement	3	30,800	32,032	33,313	34,646	36,032	37,473	38,972	40,531	42,152	43,838	45,592
11	5116	Payroll Taxes	3	26,800	27,872	28,987	30,146	31,352	32,606	33,911	35,267	36,678	38,145	39,671
11	5118	Unemployment Insurance	3		-		-	-	9			-	-	
11	5122	Workers Compensation	3	9,000	9,360	9,734	10,124	10,529	10,950	11,388	11,843	12,317	12,810	13,322
11	5124	Group Life Insurance	3	950	988	1,028	1,069	1,111	1,156	1,202	1,250	1,300	1,352	1,406
11	5126	Group Health Insurance	3	91,300	94,952	98,750	102,700	106,808	111,080	115,524	120,145	124,950	129,948	135,146
11	5128	Dental/Vision Insurance	3	4,200	4,368	4,543	4,724	4,913	5,110	5,314	5,527	5,748	5,978	6,217
11	5132	Disability Insurance	3	1,100	1,144	1,190	1,237	1,287	1,338	1,392	1,448	1,505	1,566	1,628
11	5152	Clothing/Safety	3	8,000	8,320	8,653	8,999	9,359	9,733	10,123	10,527	10,949	11,386	11,847
Service:	& Suppli		-55											
11	5150	Directors' Fees	2	5	- 3			2.5						2
11	5225	Election	2	¥.	-		-	-		-	22	2		5
11	5250	Gas/Oil	2		2.5		-	2.5			<u></u>			9
11	5300	Comprehensive Insurance	2	7.					9	-				
11	5350	Memberships/Subscriptions	2	2,300	2,368	2,438	2,511	2,585	2,662	2,741	2,822	2,906	2,992	3,081
11	5400	Office Expenses	2	+		-	-	-		1	139	-		5
11	5410	County/City Charges	2	100000	100000000000000000000000000000000000000	55000	31007	5900007	000,000	5.000-2005	5-00 5.00 5	400000	1 200 000 1	564260000
11	5420	Permits & Fees	2	18,500	19,049	19,613	20,195	20,794	21,410	22,045	22,699	23,372	24,065	24,778
11	5430	Pretreatment	2	-	2007		4,444,44	-	· · · · · · · · · · ·	y	1 march 2	0.000		5000
11	5450	Operating Supplies	2	5,000	5,148	5,301	5,458	5,620	5,787	5,958	6,135	6,317	6,504	6,697
11	5470	Chemicals	2		seemal.	No. 200 (200 (200 (200 (200 (200 (200 (200	market and	200000000000000000000000000000000000000			22.230.00	(=327G/322)		7 x 0200000 \$
11	5500	Contract Services	2	140,850	145,026	149,326	153,754	158,313	163,007	167,840	172,816	177,940	183,216	188,648
11	5550	Professional/Legal	2	21	-	12	-	7.0				1	-	5.
11	5600	Publications	2		83			2.5						8
11	5700	Repairs/Maintenance	2	146,700	151,050	155,528	160,140	164,888	169,777	174,811	179,994	185,331	190,826	196,484
11	5720	Small Tools	2	2,000	2,059	2,120	2,183	2,248	2,315	2,383	2,454	2,527	2,602	2,679
11	5750	Research	2		-			1	9		3.5		-	
11	5800	Travel/Mtgs/Education	2	9,000	9,267	9,542	9,825	10,116	10,416	10,725	11,043	11,370	11,707	12,054
11	5801	Certifications/TCPS	2	4,910	5,056	5,205	5,360	5,519	5,682	5,851	6,024	6,203	6,387	6,576
11	5901	Telephone	2		150000	200	700000	2000	1000	20.00	102-34	2000000		0.00-2
11	5902	Electricity	2	4,000	4,119	4,241	4,366	4,496	4,629	4,766	4,908	5,053	5,203	5,357
11	5903	Natural Gas	2	20		-	-			0.23	92	1 2		5
11	5904	Trash Collection	2	-		-	-		1.0	7.0	8.5		(+	2
11	5905	Utility Water	2	6,500	6,693	6,891	7,095	7,306	7,522	7,746	7,975		8,455	8,706
11	5950	Other Expenses	2	10,000	10,297	10,602	10,916	11,240	11,573	11,916	12,270	12,633	13,008	13,394
OTAL: CO	DLLECTIO	NS Expenses		\$ 874,410	\$ 905,766	\$ 938,270	\$ 971,963	\$ 1,006,889	\$ 1,043,096	\$ 1,080,631	\$ 1,119,542	\$ 1,159,882	\$ 1,201,704	\$ 1,245,064

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Exhibit 1 (O&M), 9 of 63



Operating Revenue and Expenses Preliminary Draft Subject to Material Revision, Do Not Cite or Distribute

TABLE 8: OPERATING EXPENSE FORECAST, cont.1

DEPT.	CODE	DESCRIPTION	Basis	2021	3	2022	2023		2024	1 5	2025	8 -	2026		2027		2028	8	2029	2030	š.	2031
PERATIO	NS							1						l				l				
Salary														l				l				
11	5030	Salaries	3	\$ 661,700		688,168	\$ 715,695		744,323	5	774,095	5	805,059	5	837,262	5	870,752	\$	905,582	\$ 941,805	5	979,478
11	5070	Overtime		16,000		16,640	17,306		17,998	151 5	18,718		19,466	127	20,245	124	21,055		21,897	 22,773		23,684
11	5080	Callout	3	9,500		9,880	10,275	9	10,686		11,114		11,558	1	12,021		12,501		13,001	13,521		14,062
11	5090	Standby	3	12,400		12,896	13,412		13,948		14,506		15,086	1	15,690		16,318	l	16,970	17,649		18,355
Benefits						**************************************	1201410010							1			***********	l				
11	5110	Longevity	3	15,600	1	16,224	16,873		17,548		18,250		18,980	l	19,739		20,529	l	21,350	22,204		23,092
11	5112	Retirement	3	77,000		80,080	83,283	8	86,615		90,079		93,682	1	97,430		101,327	l	105,380	109,595		113,979
11	5116	Payroll Taxes	3	53,600		55,744	57,974		60,293		62,704		65,213	1	67,821		70,534	l	73,355	76,290		79,34
11	5118	Unemployment Insurance	3	- Sentente Vi		+	. 700-0410		10-74 PO 10-10-1		2000 min (1)				0m.00001000		01000000000000000000000000000000000000	l	-	1.20 WALL SE		
11	5122	Workers Compensation	3	18,600		19,344	20,118	3	20,922		21,759		22,630		23,535		24,476	l	25,455	26,474		27,533
11	5124	Group Life Insurance	3	1,579		1,638	1,704	3	1,772		1,843		1,916		1,993		2,073	l	2,155	2,242		2,331
11	5126	Group Health Insurance	3	93,709		97,457	101,356		105,410	- 5	109,626		114,011	l	118,572		123,315	l	128,247	133,377		138,712
11	5128	Dental/Vision Insurance	3	3,930		4,087	4,251		4,421		4,598		4,781		4,973		5,172	l	5,378	5,594		5,817
11	5132	Disability Insurance	3	2,340		2,434	2,531		2,632		2,737		2,847		2,961		3,079	l	3,202	3,331		3,46
11	5152	Clothing/Safety	3	7,800		8,112	8,436		8,774		9,125		9,490		9,869		10,264	l	10,675	11,102		11,546
Services	& Suppli	es		5750140		The Court Day	20000000	1			CONCLUSION			l	2600000		100000000000000000000000000000000000000	l		4-000000000		
11	5150	Directors' Fees	2						425						2.5		100	l		25		
11	5225	Election	2			-			- 2		- 2		-	l	92		123	l	-	32		
11	5250	Gas/Oil	2	52,000		53,542	55,129		56,764		58,447		60,180		61,964		63,801	l	65,693	67,641		69,647
11	5300	Comprehensive Insurance	2	=>//4			= 388MCG5				Transition of the second		11/201/2000		241000000			l		92M2KE		-500
11	5350	Memberships/Subscriptions	2	1,950		2,008	2.067		2,129		2,192		2,257		2,324		2,393	l	2,463	2.537		2,612
11	5400	Office Expenses	2	F1855-			(2.50.50)		1200				17.00		10,000		- Land	l	2 - 10 (S)			ATTEN
11	5410	County/City Charges	2										100	l	33			l	-			
11	5420	Permits & Fees	2	63,950		65,846	67,798	S	69,809		71,879		74,010	l	76,204		78,464	l	80,790	83,185		85,652
11	5430	Pretreatment	2	100000000000000000000000000000000000000		- mercen								1	5-		0.74.77.07	l	242400	00000000		
11	5450	Operating Supplies	2	130,600	1 3	134,472	138,459	Š.	142,565		145,792		151,144		155,626		160,240	l	164,991	169.883		174,920
11	5470	Chemicals	2	392,560		404,199	416,184		428,524		441,229		454,312	l	467,782		481,652	l	495,933	510,637		525,778
11	5500	Contract Services	2	180,189		185,527	191,028		196,692		202,524		208,529		214,712		221,078	l	227,633	234,383		241,332
11	5550	Professional/Legal	2	0.0000000000000000000000000000000000000	1 1				***************************************	- 8	-				CTATAL			l	2000	A PROPERTY.		12000000
11	5600	Publications	2			-		Ш			-		-				_	l	-			
11	5700	Repairs/Maintenance	2	107,770		110,965	114,256		117,643	- 8	121,131		124,723	l	128,421		132,229	l	136,149	140,186		144,342
11	5720	Small Tools	2	1,000		1,030	1,060		1,092		1,124		1,157		1,192		1,227	l	1,263	1,301		1,339
11	5750	Research	2	-		1,000	-	4	0.0000		*,***				77772		X-20-20-0	l	1	0.225		-1,
11	5800	Travel/Mtgs/Education	2	20,000		20,593	21,204	1	21,832		22,480		23,146		23,832		24,539	l	25,267	26,016		26,787
11	5801	Certifications/TCPS	2	3,700		3,810	3,923		4,039		4,159		4,282	1	4,409		4,540	l	4,674	4,813		4,956
11	5901	Telephone	2	3,700		3,010	دعداد		4,033		4/233		4,202		4,403		4,540	l	4,074	4,013		41220
11	5902	Electricity	2	603,750		621,651	640,083	3	659,062	3	678,603		698,723	l	719,441		740,772	l	762,736	785,351		808,637
11	5903	Natural Gas	2	6,000		6,178	6,361		6,550		6,744		6,944		7,150	l	7,362		7,580	7,805		8,036
11	5904	Trash Collection	2	25,500		26,256	27,035		27,836		28.661		29,511		30,386	l	31.287		32.215	33,170		34.154
11	5905	Utility Water	2	15,000		15,445	15,903		16,374		16,860		17,360	1	17,874	l	18,404		18,950	19,512		20,090
11	5950	Other Expenses	2	10,000		10,297	10,602		10,916		11,240		11,573		11,916		12,270		12,633	13,008		13,394
		NS Expenses	- F- 6	\$ 2,587,719		674,523		5	2.857,167		,953,218	\$ 3			3,155,342		3,261,650		3,371,621	3,485,382		3,603,069

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Exhibit 1 (OSM), 10 of 63



VALLEY SANITARY DISTRICT SEWER RATE STUDY Operating Revenue and Expenses Preliminary Draft Subject to Material Revision, Do Not Cite or Distribute

Exhibit 1

TABLE 9: OPERATING EXPENSE FORECAST, cont.1

DEPT.	CODE	DESCRIPTION	Basis	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
IAINTEN	ANCE	a										1-10-1		
Salary			1000	U. Secretario	so econesisti	100 BBC-0560	the networkship	Dev envenance	0.000 0.000000	se servenue		at traccione	10 0-39000	en emmer
11	5030	Salaries	3	\$ 509,000	\$ 529,360	\$ 550,534	\$ 572,556	\$ 595,458	\$ 619,276	\$ 644,047	\$ 669,809		\$ 724,466	\$ 753,444
11	5070	Overtime	3	2,400	2,496	2,596	2,700	2,808	2,920	3,037	3,158	3,285	3,416	3,553
11	5080	Callout	3	600	624	649	675	702	730	759	790	821	854	888
11	5090	Standby	3	3,200	3,328	3,461	3,600	3,744	3,893	4,049	4,211	4,379	4,555	4,73
Benefits				19.55	1507551		Service Service	SECURE	50,000	YES E-	WARRY CO.	2,600,600	550000	200405
11	5110	Longevity	3	9,600	9,984	10,383	10,799	11,231	11,680	12,147	12,633	13,138	13,664	14,210
11	5112	Retirement	3	52,650	54,756	56,946	59,224	61,593	64,057	66,619	69,284	72,055	74,937	77,939
11	5116	Payroll Taxes	3	39,500	41,080	42,723	44,432	46,209	48,058	49,980	51,979	54,058	56,221	58,470
11	5118	Unemployment Insurance	3	-	-	4.5			45	5.6	9.5	17		
11	5122	Workers Compensation	3	14,250	14,820	15,413	16,029	16,670	17,337	18,031	18,752	19,502	20,282	21,093
11	5124	Group Life Insurance	3	1,390	1,446	1,503	1,564	1,626	1,691	1,759	1,829	1,902	1,978	2,058
11	5126	Group Health Insurance	3	113,630	118,175	122,902	127,818	132,931	138,248	143,778	149,529	155,511	161,731	168,200
11	5128	Dental/Vision Insurance	3	5,341	5,555	5,777	6,008	6,248	6,498	6,758	7,028	7,310	7,602	7,906
11	5132	Disability Insurance	3	1,920	1,997	2,077	2,160	2,246	2,336	2,429	2,527	2,628	2,733	2,847
11	5152	Clothing/Safety	3	8,400	8,736	9,085	9,449	9,827	10,220	10,629	11,054	11,496	11,956	12,434
Services	& Suppli			70-14	190000	250000	N. 52 CORNE	02000	1-575-270	**************************************	100000000000000000000000000000000000000	SCHOOL SCHOOL	No. of the last	Transcrut-
11	5150	Directors' Fees	2		-	59	-		99	¥3	+		20	
11	5225	Election	2			2.0	35	1.00	25		0.2	97		
11	5250	Gas/Oil	2	9		19	-		1 2	22	+	4		
11	5300	Comprehensive Insurance	2		-	4.5		-	45			17	- 51	
11	5350	Memberships/Subscriptions	2	1,875	1,931	1,988	2,047	2,107	2,170	2,234	2,301	2,369	2,439	2,51
11	5400	Office Expenses	2	1.7	-		- 70		12		9.5	150		
11	5410	County/City Charges	2	1 112	-	- 2	1		32	33	-	12	9	
11	5420	Permits & Fees	2	2,500	2,574	2,650	2,729	2,810	2,893	2,979	3,067	3,158	3,252	3,348
11	5430	Pretreatment	2	Series of	K-omig	A. A	n-72-magg		34444	A. D. W. S. D. S.	-	100	2-2-30	EC14612
11	5450	Operating Supplies	2	38,500	39,642	40,817	42,027	43,273	44,556	45,877	47,238	48,638	50,080	51,565
11	5470	Chemicals	2	10000 100	25173512-	100000016	ALERANA (N. Acres Co.	500000000000000000000000000000000000000	9430 ADQL)	*	1000-0032	Charles and	
11	5500	Contract Services	2	61,400	63,221	65,095	67,025	69,012	71,059	73,165	75,335	77,568	79,868	82,236
11	5550	Professional/Legal	2	believe -	200325	-				1000000	*	10000000	11770000	i careas
11	5600	Publications	2			9								Aron S
11	5700	Repairs/Maintenance	2	321,150	330,672	340,477	350,572	360,966	371,669	382,689	394,035	405,719	417,748	430,134
11	5720	Small Tools	2	22,500	23,167	23,854	24,561	25,290	26,039	26,811	27,606	28,425	29,268	30,136
11	5750	Research	2		27	2.0		(0)	10			127 pt	10 -	500
11	5800	Travel/Mtgs/Education	2	32,000	32,949	33,926	34,932	35,967	37,034	38,132	39,262	40,427	41,625	42,859
11	5801	Certifications/TCPS	2	2,850	2,935	3,022	3,111	3,203	3,298	3,396	3,497	3,600	3,707	3,817
11	5901	Telephone	2	200000	50.0000		0.0000000	**		5=7X1X15=25	1000	100000	520,530,000	0.000
11	5902	Electricity	2	2		- 2	12	0.2	52	22	12	12	23	S .
11	5903	Natural Gas	2	-		2.4	+		3-4	92	-		-	
11	5904	Trash Collection	2	2	-	2	1		32	\$	1	1 1	1	8
11	5905	Utility Water	2	-	-	7.6	14.0		S=	*:	12+		-	E-
11	5950	Other Expenses	2	10,000	10,297	10,602	10,916	11,240	11,573	11,916	12,270	12,633	13,008	13,39
		NCE Expenses	S 15 15 15	\$ 1,254,656		\$ 1,346,480		\$ 1,445,162		\$ 1,551,223	\$ 1,607,194		\$ 1,725,390	

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Exhibit 1 (O&M), 11 of 63

VALLEY SANITARY DISTRICT Exhibit 1 SEWER RATE STUDY

Operating Revenue and Expenses
Preliminary Draft Subject to Material Revision, Do Not Cite or Distribute

TABLE 10: OPERATING EXPENSE FORECAST, cont.1

DEPT.	CODE	DESCRIPTION	Basis	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
AB														
Salary						11.79								
11	5030	Salaries	3	\$ 223,875	\$ 232,830	\$ 242,143		\$ 261,902	\$ 272,378	\$ 283,273	\$ 294,604	\$ 306,388	\$ 318,644	\$ 331,390
11	5070	Overtime	3	3,300	3,432	3,569	3,712	3,861	4,015	4,176	4,343	4,516	4,697	4,889
11	5080	Callout	3	2,100	2,184	2,271	2,362	2,457	2,555	2,657	2,763	2,874	2,989	3,109
11	5090	Standby	3	3,200	3,328	3,461	3,600	3,744	3,893	4,049	4,211	4,379	4,555	4,737
Benefits		Section 1980		3,000	1=30000	Common	2000000	62-90-163	3032,3000	0.0000000000	3-00-00-	20000000	3-100000	1000000
11	5110	Longevity	3	1,200	1,248	1,298	1,350	1,404	1,460	1,518	1,579	1,642	1,708	1,776
11	5112	Retirement	3	17,750	18,460	19,198	19,966	20,765	21,596	22,459	23,358	24,292	25,264	26,274
11	5116	Payroll Taxes	3	17,800	18,512	19,252	20,023	20,823	21,656	22,523	23,424	24,361	25,335	26,348
11	5118	Unemployment Insurance	3	100	1112/4112	7950000	110000	E295100	186	-	10.54171	1000000	1000000	80000
11	5122	Workers Compensation	3	6,200	6,448	6,706	6,974	7,253	7,543	7,845	8,159	8,485	8,825	9,178
11	5124	Group Life Insurance	3	615	640	665	692	719	748	778	809	842	875	910
11	5126	Group Health Insurance	3	32,175	33,462	34,800	36,192	37,640	39,146	40.712	42,340	44,034	45,795	47,627
11	5128	Dental/Vision Insurance	3	1,580	1,643	1,709	1,777	1,848	1,922	1.999	2,079	2,162	2,249	2,339
11	5132	Disability Insurance	3	850	884	919	956	994	1,034	1,076	1,119	1,163	1,210	1,258
11	5152	Clothing/Safety	3	3,550	3,692	3,840	3,993	4,153	4,319	4,492	4,672	4,858	5,053	5,255
	& Suppli		10.00	200,000	327433476	6.000	556560	ENGACTORS.	1000000	ASSESSED	September 1	3752000	sedana.	0.000
11	5150	Directors' Fees	2	1 2	2		- 2	2	62		1.2	22	125	16
11	5225	Election	2	1.0	_		-		1.0	-	_	122	2.0	253
11	5250	Gas/Oil	2		§			9	B.	100	12	32	18	8
11	5300	Comprehensive Insurance	2		-	10			5.4	-			54.5	
11	5350	Memberships/Subscriptions	2	1,925	1,982	2,041	2,101	2,164	2,228	2,294	2,362	2,432	2,504	2,578
11	5400	Office Expenses	2	1000 0000	12,000	7777	7,000	(7)(7)	2500	1677775	07/47/2	2002	857755	3770
11	5410	County/City Charges	2		1 1	1 2	- 9	1	100	- 9			<u> </u>	1 8
11	5420	Permits & Fees	2	5,700	5,869	6,043	6,222	6,407	6,597	6,792	6,994	7,201	7,414	7,634
11	5430	Pretreatment	2	244,000	3,000	0,045			3,32.	0,7.22	0,000	1,202	1177-7	7,03
11	5450	Operating Supplies	2	30,100	30,992	31,911	32,858	33,832	34.835	35,868	36,931	38,026	39.154	40,319
11	5470	Chemicals	2	30,100	30,322	34,344	32,030	33,032	34,033	33,000	30,331	30,020	33,134	40,51
11	5500	Contract Services	2	17,850	18,379	18,924	19,485	20,063	20,658	21,270	21,901	22,550	23,219	23,908
11	5550	Professional/Legal	2	17,000	10,373	10,544	23,403	20,003	20,030	22,270	21,501	22,330	23,213	23,300
11	5600	Publications	2					1	8	- 3	- 2	1 2	13	1 2
11	5700	Repairs/Maintenance	2	25,000	25,741	26,504	27,290	28.099	28.933	29,790	30,674	31,583	32,520	33,484
11	5720	Small Tools	2	8,000	8,237	8,481	8,733	8,992	9,258	9,533	9,816	10,107	10,406	10,715
11	5750	Research	2	100,000	102,965	106,018	109,161	112,398	115,731	119,162	122,695	126,333	130,079	133,936
11	5800	Travel/Mtgs/Education	2	3,000	3,089	3,181	3,275	3,372	3,472	3,575	3,681	3,790	3,902	4,018
11	5801	Certifications/TCPS	2	1,100	1,133	1,166	1,201	1,236	1,273	1,311	1,350	1,390	1,431	1,473
11	5901	Telephone	2	1,100	1,133	1,100	1,201	1,230	1,273	1,311	1,330	1,550	1,431	1,47
11	5902	Electricity	2					1						
11	5903	Natural Gas	2	1 13	1 3	3	8	7	100				1 3	1 3
11	5903	Trash Collection	2		-	-	-		1.4	-			-	
11	5905	Utility Water	2	1 6	8	1	3	1	97	- 8	- 1	1 2	8	8
11	5950		2	10,000	10,297	10,602	10.015	11.740	11,573	11,916	13 220	12 (22	12 000	12.20
	B Expens	Other Expenses		\$ 516,870			10,916 \$ 574,669	11,240 \$ 595,366			12,270 \$ 662,132	12,633 \$ 686,043	13,008 \$ 710,835	13,394 \$ 736,539

Exhibit 1 (O&M), 12 of 63



VALLEY SANITARY DISTRICT Exhibit 1 SEWER RATE STUDY

Operating Revenue and Expenses
Preliminary Draft Subject to Material Revision, Do Not Cite or Distribute

TABLE 11: OPERATING EXPENSE FORECAST¹

DEPT.	CODE	DESCRIPTION	Basis	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
ADMINIST	RATION/	BOARD	26 (8	1 1		8		5	8 4		6	50 3		0 9
Salary														
11	5030	Salaries	3	\$ 569,100	5 591,864	\$ 615,539	\$ 640,160	\$ 665,767	5 692,397	5 720,093	5 748,897	5 778,853	\$ 810,007	\$ 842,407
11	5070	Overtime	3	500	520	541	562	585	608	633	658	684	712	740
11	5080	Callout	3	152	-	-	- 53						1	_
11	5090	Standby	3	574	941						-		1-1	
Benefits			. 50		150		= = =		-	-	-		2500	
11		Longevity	3	3,000	3.120	3,245	3,375	3,510	3,650	3.796	3,948	4,106	4,270	4,441
11	5112	Retirement	3	64,900	67,496	70,196	73,004	75,924	78,961	82,119	85,404	88,820	92,373	96,068
11	5116	Payroll Taxes	3	43,600	45,344	47,158	49,044	51,006	53,046	55,168	57,375	59,670	62,056	64,539
11	5118	Unemployment Insurance	3	F-1242-02	ALEXANDER OF THE PARTY OF THE P		9276743	22,222		10777725	20000		122222	. Jensen
11	5122	Workers Compensation	3	1,270	1,321	1,374	1,429	1,486	1,545	1,607	1,671	1,738	1,808	1,880
11	5124	Group Life Insurance	3	1,300	1,352	1,406	1,462	1,521	1,582	1,645	1,711	1,779	1,850	1,924
11	5126	Group Health Insurance	3	106,300	110.552	114,974	119,573	124,356	129,330	134,503	139,884	145,479	151,298	157,350
11	5128	Dental/Vision Insurance	3	3,820	3,973	4,132	4,297	4,469	4,648	4,834	5,027	5,228	5,437	5,655
11	5132	Disability Insurance	3	1,700	1,768	1,839	1,912	1,989	2.068	2.151	2,237	2,327	2,420	2,516
11		Clothing/Safety	3	1,700	1,700	1,033	1,512	1,505	2,000	2,131	2,231	2,327	2,420	2,510
Services			- 2	1,5	- 3		13				7.		100	
11	5150	Directors' Fees	2	46,500	47,879	49,298	50,760	52,265	53,815	55,410	57,053	58,745	60,487	62,280
11	5225	Election	2	70,000	72,076	74,213	76,413	78,679	81,011	83,413	85,887	88,433	91.055	93,755
		Gas/Oil		70,000	72,076	74,213	76,413	78,073	81,011	63,413	00,007	80,433	91,055	23,733
11	5250		2	200 200	217 441	225.052	336,544	245 522	255 707	367,376	270 200	200 400	401 022	412,924
	5300	Comprehensive Insurance		308,300	317,441	326,853		346,523	356,797		378,269	389,485	401,033	
11	5350	Memberships/Subscriptions	2	33,445	34,437	35,458	36,509	37,592	38,706	39,854	41,035	42,252	43,505	44,795
11	5400	Office Expenses	2	16,000	16,474	16,963	17,466	17,984	18,517	19,066	19,631	20,213	20,813	21,430
11	5410	County/City Charges	2	22,000	22,652	23,324	24,015	24,728	25,461	26,216	26,993	27,793	28,617	29,466
11	5420	Permits & Fees	2	3,000	3,089	3,181	3,275	3,372	3,472	3,575	3,681	3,790	3,902	4,018
11	5430	Pretreatment	2	-	20-2-2	8.7	X2000000	10005	Complete	1	7.000	0.000	10000	(0)
11	5450	Operating Supplies	2	11,000	11,326	11,662	12,008	12,364	12,730	13,108	13,496	13,897	14,309	14,733
11	5470	Chemicals	2	752455000		enves5	10000000	800000000	800000	- Carriera S	same a di	terres d	and the second	ESTAT SERVE
11	5500	Contract Services	2	201,200	207,166	213,308	219,633	226,145	232,850	239,754	246,863	254,182	261,719	269,479
11	5550	Professional/Legal	2	212,750	219,058	225,553	232,241	239,127	246,217	253,517	261,034	268,774	276,743	284,948
11	5600	Publications	2	2,000	2,059	2,120	2,183	2,248	2,315	2,383	2,454	2,527	2,602	2,679
11	5700	Repairs/Maintenance	2	3,500	3,604	3,711	3,821	3,934	4,051	4,171	4,294	4,422	4,553	4,688
11	5720	Small Tools	2		· ·		10 25	2.5	-				-	82
11	5750	Research	2	-	-	-		2	-				-	
11	5800	Travel/Mtgs/Education	2	40,000	41,186	42,407	43,665	44,959	46,292	47,665	49,078	50,533	52,032	53,574
11	5801	Certifications/TCPS	2	250	257	265	273	281	289	298	307	316	325	335
11	5901	Telephone/VOIP	2	20,500	21,108	21,734	22,378	23,042	23,725	24,428	25,153	25,898	26,666	27,457
11	5902	Electricity	2	Co Ship Shipper	C-100 (C-100 (C-	(11/2/2015	5500000	-	11-001-1-1-1-1		A2000	50000000	200000-0
11	5903	Natural Gas	2	100	1	-	7.2	2	-		2		- 2	2
11	5904	Trash Collection	2	2.5	16	7.4		*		96	*		(-1	_
11	5905	Utility Water	2	12	1									-
11	5950	Other Expenses	2	10.000	10.297	10,602	10.916	11.240	11,573	11.916	12,270	12,633	13,008	13,394
11	9160	Refunding Bonds	See Exh. 3			20,000				22,520	3777			
11	3650	CWSRF Loan Payment	See Exh. 3				-	_			_			
11	8660	General Facilities	2	140,000	144,151	148,425	152,826	157,357	162,023	166,827	171,773	176,866	182,110	187,510
		RATION/BOARD Expenses	1 3	\$ 1,935,935						\$ 2,365,526				\$ 2,704,982

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Valley Sanitary District – Wastewater Rate Study
Prepared by NBS – May 2021



Exhibit 1 (0&M), 13 of 63

VALLEY SANITARY DISTRICT SEWER RATE STUDY Operating Revenue and Expenses Preliminary Draft Subject to Material Revision, Do Not Cite or Distribute

Exhibit 1

TABLE 12: OPERATING EXPENSE FORECAST***

DEPT. CODE DESCRIPTION	Basis	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
ADDITIONAL STAFFING	A 11000.30		***************************************						551.072			
Engineering Technician	3	\$ 139,000	144,560	150,342	156,356	162,610	169,115	175,879	182,915	190,231	197,840	205,754
Maintenance Tech-in-Training	3	90,000	93,600	97,344	101,238	105,287	109,499	113,879	118,434	123,171	128,098	133,222
Operator-in-Training	3	98,000	101,920	105,997	110,237	114,646	119,232	124,001	128,961	134,120	139,485	145,064
Assistant to the Board	3	2000000	122,000	126,880	131,955	137,233	142,723	148,432	154,369	160,544	166,965	173,644
Associate Engineer	3	54	180,000	187,200	194,688	202,476	210,575	218,998	227,757	236,868	246,342	256,196
Electrician Tech-in-Training	3		101,000	105,040	109,242	113,611	118,156	122,882	127,797	132,909	138,225	143,754
Operator-in-Training	3	54	98,000	101,920	105,997	110,237	114,646	119,232	124,001	128,961	134,120	139,485
Collection Tech-in-Training	3	25	Carried State of the	90,000	93,600	97,344	101,238	105,287	109,499	113,879	118,434	123,171
Maintenance Tech-in-Training	3		-	90,000	93,600	97,344	101,238	105,287	109,499	113,879	118,434	123,171
Operator-in-Training	3		- t	98,000	101,920	105,997	110,237	114,646	119,232	124,001	128,961	134,120
TOTAL: ADDITIONAL STAFFING Expenses		\$ 327,000	\$ 841,080	\$ 1,152,723	\$ 1,198,832	\$ 1,246,785	\$ 1,296,657	\$ 1,348,523	\$ 1,402,464	\$ 1,458,563	\$ 1,516,905	\$ 1,577,581

GRAND TOTAL: SEWER EXPENSES \$ 8,092,960 | \$ 8,878,352 | \$ 9,470,994 | \$ 9,808,141 | \$10,157,538 | \$10,519,638 | \$10,894,911 | \$11,283,846 | \$11,686,949 | \$12,104,745 | \$12,537,780

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Exhibit 1 (O&M), 14 of 63

VALLEY SANITARY DISTRICT
SEWER RATE STUDY
Operating Revenue and Expenses
Preliminary Draft Subject to Material Revision, Do Not Cite or Distribute

Exhibit 1

TABLE 13: FORECASTING ASSUMPTIONS³

COST INFLATION FACTORS	Basis	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Customer Growth ⁴	1	22	1,00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
General Cost Inflation (prior 5-year average) ⁵	2	-	2.97%	2.97%	2.97%	2.97%	2.97%	2.97%	2.97%	2.97%	2.97%	2.97%
Labor Cost Inflation®	3		4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
No Cost Inflation	4	7.011	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0,00%	0.00%	0.00%

- 1. Revenues and expenses for FY 2020/21 were provided by District staff. Source file: 1. Budget 2020-2021 6-9-2020 xlsx.
- 2. Connection fee revenues for FY 2020/21 through FY 2038/39 provided by the District. Source file: FY 20-21 Capital Spreadsheet 08012020 2021 Plus 3 yr finance Final.xlsx .
- 3. Expenses are inflated each year by the following annual inflation factor categories. These factors are from the BLS website: https://data.bls.gov.
- 4. Based on the email provided by District staff on 10-28-2020.
- 5. General cost inflation is the annual change in CPI for all Urban Consumers in the Riverside-San Bernardino-Ontario areas per the BLS.
- 6. Labor cost inflation is the 5-year average change in the Riverside County Employment and Wage Inflation Index (all industries) per the BLS.

***Additional staffing expenses provided via email by VSD staff on 1/8/2021. This is fully-loaded cost for each position.

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Exhibit 1 (O&M), 15 of 63

VALLEY SANITARY DISTRICT Exhibit 2 SEWER RATE STUDY

Capital Improvement Plan Expenditures Preliminary Draft Subject to Material Revision, Do Not Cite or Distribute

TABLE 14: CAPITAL FUNDING SUMMARY

CAPITAL FUNDING FORECAST	Budget	<u> </u>	Projected	Rates for Adopt	ion Period	Projected										
Funding Sources:	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31					
Grants	5 -	5 -	5 -	5 -	5 -	5 -	5 -	\$ -	\$ -	\$ -	\$					
Use of Connection Fee Reserves SRF Loan Funding	350,000	1,456,296	0,701,409	2,567,043	1,340,000	1,380,000	1,422,500	1,450,000	*							
Loan Proceeds			8,120,491	19,178,312	30,419,820	35,693,076	34,193,440	33,649,743	3,745,106	-						
Use of Capital Rehabilitation and Replacement Reserve	7,594,928	12,440,259	10,509,190	4,075,924	1,923,000	2,313,315	3,452,414	2,000,000	925,050	1,178,004	1,197,839					
Rate Revenue	. 20 20 -	- XX	A A A	-	-		5		5 172		54 XYY					
Total Sources of Capital Funds	\$ 7,944,928	\$ 13,902,555	\$ 25,391,150	\$ 20,421,279	\$ 33,683,492	\$ 39,386,391	\$ 39,008,361	\$ 37,099,743	\$ 4,070,150	\$ 1,178,004	\$ 1,197,839					
Uses of Capital Funds:		V IDIJOCIDII	9 23,232,230		9 30,003,432	3.33,300,337	9 357000,502	9 41,000,140	3 4,030,130	2,270,004	2 4143734					
Total Project Costs	\$ 7,944,928	\$ 13,902,555	\$ 25,391,150	\$ 26,421,279	\$ 33,683,492	\$ 39,380,391	\$ 39,068,361	\$ 37,099,743	\$ 4,670,156	\$ 1,178,004	\$ 1,197,83					
Capital Funding Surplus (Deficiency)	5 -	5 -	5 -	\$ -	5 -	5 +	s -	5 -	\$ -	\$ -	\$					
STATE TO LOCAL CORP. LA CARRENTE				12.00						Dia .	100					
New SRF Loan Funding	5	\$ 50,000,000	5	5 -	\$ 100,000,000	5 -	5 -	\$ 15,000,000	5	5 -	S					

Selection of Financial Plan Alternative Insert policy choice in box to right, based on aptions listed above

				W								
Alternative	Bond Funding Options - to populate row 24	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2020/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31
1	Alternative 1 - Full CIP with no Debt Issue		· =:			**	+5	E.	F.5.	(+)	-	
2	Alternative 2 - Full CIP with a \$150 million Debt	(i) ==	50,000,000			100,000,000		- 13	- 3	1741	- 1	_
3 -	Alternative 3 - Full CIP with a \$165 million Debt	S \$2	50,000,000	8	8 98	100,000,000		-53	15,000,000		74.7	-

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VALLEY SANITARY DISTRICT SEWER RATE STUDY Capital Improvement Plan Expenditures Preliminary Draft Subject to Material Revision, Do Not Cite or Distribute

CAPITAL IMPROVEMENT PROGRAM¹

TABLE 15: CAPITAL IMPROVEMENT PROGRAM COSTS (In Current-Year Dollars) 2

raject De	escription		2021		2022		2023	100	024		2025		2026		2027		2028		2029		2030		2031
UND 12																							
PLAN	VT				- 12		10											-			-	4	
3	Reclaimed Water Project Phase 1 Design Build Reclaimed Water Project Phase 2 Design Build	s	1	5	1,320,000	s	9,560,000	\$ 9	500,000	5	9,560,000	\$	8,991,259	\$		5	15	\$	1	\$	- 5	\$	
4	Reclaimed Water Project Phase 3 Design	1			-		-		1.00				2,922,379		-				26		54		
4	Reclaimed Water Project Phase 3 Construction	1			-	1	-						-		9,498,292		9,498,292		- 52		-		
4	Future Plant Expansion 2040 & beyond	1	1.7	l	_		_						1.7		A Committee of the Comm		The state of the s		0.5				
	Influent Fump Station Rehabilitation Design Build	1	1,200,000		1,200,000				1		3.43		-		-		34		- 22		- 3		
0	Training & Office Building - Design (Carry Over)	1	1.0		-		-		1 -		1.4		-				3.4		12		72		
0	Training & Office Building - Construction	1	-		_		-						174				-				-		
7	Vehicle & Major Equipment Replacement Fund	1	638,000		038,000	1	038,000		638,000		638,000		038,000		638,000		638,000		038,000		038,000		038,00
7	Fence Extension & Fortification (Carry Over) plus	1	280,000		101	1	- C		(A)		92.4		100		1		15.5		55 75		21 :-		
7	Steel Water Line Replacement (Carry Over)	1							1		3.43		-		-		3-		- 62		- 2		
7	Van Buren Slope Protection	1	250,000		-		-		1 4		1.4		-				34		- 32		120		
0	Additional Parking & Landscaping	1	-		-	1					1.00		1740		-		5-4		7.0		-		
7	Recycled Water Main Extension (Carry Over)	1		l	-	1			-				-		-		-		100		-		
7	Switch Board Main Service Replacement		10.000		250,000							_				_			175				
	SUBTOTAL - PLANT	\$	2,368,000	\$	3,408,000	\$	10,198,000	\$ 10	198,000	\$	12,445,815	\$ 1	2,551,038	\$ 1	10,130,292	5	10,136,292	\$	638,000	\$	638,000	\$	638,00
con	LECTIONS	1	- 3		- 22		22		- 3		- 3		99		59		8	£	9	S	- 2	8	
7	Lateral Grant Program	s	54,000	s	54,000	\$	54,000	5	54,000	\$	54,000	s	54,000	\$	54,000	5	54,000	\$	54,000	S	54,000	\$	54,00
7	Sewer Main Rehabilitation or Replacement Design		834,074		1,293,148		1,330,598	1	385,517		1,432,071		1,480,188		1,529,923		1,054,219		544,820			-	
7	Sewer Main Rehabilitation or Replacement Const.	1	1,809,854		3,741,341		5,800,570	6.	012,871		6,214,904		5,423,724		6,639,501		4,575,105		2,364,407		2.7		
7	Manhole Rehabilitation	1	And State of the Land			1	-	-57					-		E CONTROL OF THE		-12-12-12-12-12-12-12-12-12-12-12-12-12-		the second		138,424		138,42
7	Sewer Main Emergency Repairs	1	112,000		112,000	1	112,000		112,000		112,000		112,000		112,000		112,000		112,000		112,000		112,00
5	Avenue 48 Sewer Main Upgrade Design	1				1	A STATE OF THE STA		The second second		Andrew Control		Sec. of the control		and the state of		ne and rely		and the state		medical force		
5	Avenue 48 Sewer Main Upgrade Construction	1			-		-						-		-		-		52		500		
5	Interim Collection System CIP Design	1	0.5	l	-	1	-						1.7				1.0		0.5				
	Interim Collection System CIP Construction	1			-	1	-		3 +3		3.43		-		-		34		22		- 2		
3	Build-out Collection System CIP projects	1			-		-		1 1		1.4		-				3.4		32		74		
. 5	Emergency Sewer Siphon Replacement Design	1	325,000		400,000	1	-				1.00		1340						2.0		-		
0	Emergency Sewer Siphon Replacement Const.		2,000,000		3,000,000		-						-										
	SUBTOTAL - COLLECTIONS	\$	5,134,928	5	8,000,489	5	7,303,168	5 7	564,388	\$	7,812,975	\$	8,069,912	\$	8,335,484	\$	5,795,324	\$	3,075,227	5	304,424	\$	304,42
Placeho	older for Future Year Capital Projects ³	5	-	s	-	S	-	5	-	s	-	s	-	s	-	S	-	5		5		5	
	TOTAL - FUND 12	4	7,502,928	-	The second second	-		-		-		-	ALL THE REAL PROPERTY.	-	and the second second	_	the state of the s	-			942,424	-	942,42

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Exhibit 2 (CIP), 17 of 63



SEWER RATE STUDY
Capital Improvement Plan Expenditures
Preliminary Draft Subject to Material Revision, Do Not Cite or Distribute

TABLE 14: CAPITAL IMPROVEMENT PROGRAM COSTS (In Current-Year Dollars), cont.²

roject De	scription		2021		2022		2023		2024		2025	2026		2027	2028		2029		2030		2031
UND 13 -	Connection Fees					W		V		9		0	77				- 33				
PLAN	π	3.				_		-				-	1								
4	Reclaimed Water Project Phase 1 Design Build Reclaimed Water Project Phase 2 Design Build Reclaimed Water Project Phase 3 Design Reclaimed Water Project Phase 3 Construction Future Plant Expansion 2040 & beyond	5		5	880,000	S	6,373,333	5	6,373,333	5	0,373,333 1,498,543	5,994,173 4,383,508	\$	14,247,438	14,247,438	5		5	*	S	
0 0 7	Influent Pump Station Rehabilitation Design Build Training & Office Building - Design (Carry Over) Training & Office Building - Construction Vehicle & Major Equipment Replacement Fund		100,000		533,880		64 690			:	1,768,241	2,961,835					1000				
7 7 0 7 7	Fence Extension & Fortification (Carry Over) plus Steel Water Line Replacement (Carry Over) Van Buren Slope Protection Additional Parking & Landscaping Recycled Water Main Extension (Carry Over) Switch Board Main Service Replacement	63.	250,000	C3.		63			1	63	-										
	SUBTOTAL - PLANT	5	350,000	5	1,413,880	5	0,373,333	5	6,373,333	5	9,040,118	\$ 13,339,570	5	14,247,438	\$ 14,247,438	5		s	-	5	
COLL	ECTIONS	0		AC	#PARTECULOUS	351.55		60-3		80-0					SV 11-10-10-10-10-10-10-10-10-10-10-10-10-1	-	- 33		38		
7 7 7 7 7 5 5 5 5 5 6	Lateral Grant Program Sewer Main Rehabilitation or Replacement Design Sewer Main Rehabilitation or Replacement Const. Manhole Rehabilitation Sewer Main Emergency Repairs. 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 Emergency Sewer Siphon Replacement Design Emergency Sewer Siphon Replacement Const.	s		5		s		s		5	909 - 604 -	5	si.		\$	s		\$		s	
Placeho	lder for Future Year Capital Projects ³		-						-			-		-				_	-		
	TOTAL - FUND 13	5	350,000	5	1,413,880	5	0,373,333	\$	6,373,333	5	9,640,118	\$ 13,339,576	5	14,247,438	\$ 14,247,438	\$	16	\$		\$	
ONTINGE	ENCY ⁵	\$	92,000	\$	93,840	\$	95,717	5	97,631	\$	99,584	\$ 101,576	15	103,008	\$ 105,680	\$	107,794	\$	109,950	5	112,1
	AL: CIP Program Costs (Current Year Dollars)		7,944,928			-		i carrie		-			-				- 19		1,052,374		1,054,57

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Exhibit 2 (CIP), 18 of 63



VALLEY SANITARY DISTRICT SEWER RATE STUDY Capital Improvement Plan Expenditures Preliminary Draft Subject to Material Revision, Do Not Cite or Distribute

TABLE 16: CAPITAL IMPROVEMENT PROGRAM COSTS (In Future-Year Dollars)

roject De	cription		2021		2022	III.	2023		2024		2025	2020		2027	1	2028		2029		2030		2031
IND 12									- 12		100		V.	22		7		2	į.	- 3		
PLAN	т			Т				1			"		Т									
3	Reclaimed Water Project Phase 1 Design Build	5		S	1,359,000	5 10	0,142,204	5 1	0,446,470	5 1	0,759,864	s -	s	0.23	S	-	5	-	s	100	5	
	Reclaimed Water Project Phase 2 Design Build	350		100		-5500					2,529,935	10,423,334			A30		0.00	100	1990	2.5		
4	Reclaimed Water Project Phase 3 Design	1		1	13		-		-		-	3,387,838	1				l	-	l	1.0		
4	Reclaimed Water Project Phase 3 Construction	1	-	1			+0		-		-			11,341,457	11	1,681,701	l	1.9	l	5.4		
4	Future Plant Expansion 2040 & beyond	1		1	2.3		+3		= =		-	-		5.00	1000		l	-	l	12		
	Influent Pump Station Rehabilitation Design Build	1	1,200,000		1,236,000	l	20		- 2					0.23		-	l	-	l	32		
0	Training & Office Building - Design (Carry Over)	1		1		1	90										l	100	l	2.5		
0	Training & Office Building - Construction				-				_													
7	Vehicle & Major Equipment Replacement Fund		638,000		638,000		638,000		638,000		638,000	638,000		638,000		638,000		638,000		638,000		638,0
7	Fence Extension & Fortification (Carry Over) plus		280,000				÷:		-		-	-				-		-		1000000000000		
7	Steel Water Line Replacement (Carry Over)	1	-	1	23	l	20		- 2					0.23		-	l		l	32		
7	Van Buren Slope Protection	1	250,000	1	**		90		-		- :						l	100	l	2.5		
0	Additional Parking & Landscaping	1	-	1	23	l	-		-		-						l		l			
7	Recycled Water Main Extension (Carry Over)	1	-	1	-:	l			-		-			0.00			1		l			
7	Switch Board Main Service Replacement	1		1	257,500		+3		-		-	-				-	l	-	l	12		
	SUBTOTAL - PLANT	5	2,308,000	5	3,491,100	\$ 10	0,780,204	5 1	1,084,470	5 1	3,927,800	\$ 14,449,172	5	11,979,457	5 17	2,319,701	\$	038,000	\$	638,000	5	638,00
COLL	CTIONS					-01-01-01	0,000		ALCOHOL: N			NI - I ASSOCIATION	-					Service Court of		Children Control	100	2000
7	Lateral Grant Program	5	54,000	5	55,020	5	57,289	s	59,007	5	60,777	5 02,001	5	64,479	S	00,413	s	08,406	5	70,458	5	72,5
7	Sewer Main Rehabilitation or Replacement Design		834,074		1,331,942	1	1,417,997		1,513,992		1,611,809	1,715,944		1,826,808	3	1,296,556		690,162		221000		
7	Sewer Main Rehabilitation or Replacement Const.	1	1,809,854		3,853,581		5,153,825		6,570,426		0,994,929	7,446,857		7,927,983	3	5,626,802	1	2,995,100	l	139		
7	Manhole Rehabilitation	1	-	1	23	l	20				- 6		1	02		-	l	-	l	180,612		185,0
7	Sewer Main Emergency Repairs	1	112,000	1	115,300		118,821		122,385		120,057	129,839	9	133,734		137,740		141,878	l	140,135		150,5
5	Avenue 48 Sewer Main Upgrade Design	1	-	1	=3		+		-		-	-				-	1	-	l	12		
3	Avenue 48 Sewer Main Upgrade Construction	1		1			+0		-		-			120			1		l	5.0		
3	Interim Collection System CIP Design	1	- 6	1			+3		= =		-	-				-	l	-	l	132		
5	Interim Collection System CIP Construction	1	-	1	- 20	l	50				-	-		0.25		-	l	-	l	32		
5	Build-out Collection System CIP projects	1	-	1	*		*:		-		- :	-					l		l	2.5		
5	Emergency Sewer Siphon Replacement Design	1	325,000	1	412,000		-		-		-					-	l		l			
0	Emergency Sewer Siphon Replacement Const.	1	2,000,000		3,090,000	-3			-		-	-				-		-		1 + 9		
	SUBTOTAL - COLLECTIONS	\$	5,134,928	\$	8,858,504	\$ 7	7,747,931	5	8,265,811	\$	8,793,572	\$ 9,355,240	\$	9,953,004	\$ 7	7,127,518	\$	3,895,000	\$	397,204	\$	409,1
Placehol	der for Future Year Capital Projects 2		2		-:	18	+	8	2		2	2						- 2		- +3		
																						1,047,1

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Exhibit 2 (CIP), 19 of 63



VALLEY SANITARY DISTRICT SEWER RATE STUDY Capital Improvement Plan Expenditures Preliminary Draft Subject to Material Revision, Do Not Cite or Distribute

Table 15: CAPITAL IMPROVEMENT PROGRAM COSTS (in Future-Year Dollars), cont.

roject De	escription		2021		2022		2023		2024		2025		2026		2027		2028		2029		2030		2031
UND 13 -	Connection Fees	0															-				-		
PLAN	VT.	100															- 17		173		- 20		
3	Reclaimed Water Project Phase 1 Design Build Reclaimed Water Project Phase 2 Design Build Reclaimed Water Project Phase 3 Design	s	9	\$	906,400	s	6,761,469	\$	6,964,313	\$	7,173,243 1,080,024	\$	6,948,889 5,081,757	\$	9	\$	Ī	\$	-	5		S	
4	Reclaimed Water Project Phase 3 Construction Future Plant Expansion 2040 & beyond Influent Pump Station Rehabilitation Design Build		3		0		2		0 0		3		-	1	7,012,180	1	7,322,552		-				
0	Training & Office Building - Design (Carry Over) Training & Office Building - Construction Vehicle & Major Equipment Replacement Fund		100,000		549,896		3		55		1,990,171	1	3,433,579				- 5						
7	Fence Extension & Fortification (Carry Over) plus Steel Water Line Replacement (Carry Over) Van Buren Slope Protection		3		0		3		Ů.		3				Ş		3		-				
6 7 7	Additional Parking & Landscaping Recycled Water Main Extension (Carry Over) Switch Board Main Service Replacement	6	250,000	83	-	G.	-	65	0.000	63	0.000	83		3		33							
	SUBTOTAL - PLANT	\$	350,000	\$	1,450,290	\$	0,701,469	5	0,964,313	\$	10,850,037	\$	15,404,225	5 1	7,012,186	\$ 1	7,522,552	\$	-	\$	+	\$	
COLL	ECTIONS	200		0.00		3773	95-383		-00-00-	S		0.00			-01-00-	0		200			(3)		
7 7 7 7 5 5 5 5 5 5	Lateral Grant Program Sewer Main Rehabilitation or Replacement Design Sewer Main Rehabilitation or Replacement Const. Manhole Rehabilitation Sewer Main Emergency Repairs 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	s	A 103 1030 1031 1030 1030 1030 1030 1030	4	1 101 10801 101 108	\$		\$	30 00 000 00 0	\$		4	0 00 0	5		S		\$		Ş		9	
3	Emergency Sewer Siphon Replacement Design		-		-		-		-		-		-		- 3				-		4.5		
0	Emergency Sewer Siphon Replacement Const.	000	8	00	2	500 D.C	- 2,	0000	2	0		0	21		20	33	- 5		-	10.	143		
	SUBTOTAL - COLLECTIONS	\$	3	5	-	\$	*	\$	+	\$	-	\$		\$	*	5	- 8	\$		\$	2.60	5	
Placeho	older for Future Year Capital Projects ³	200		00.00	- 2	00.00	- 2		- 2	D		0	- 2	2.5		-	- 5			ω.	743		
	TOTAL - FUND 13	\$	350,000	5	1,456,296	\$	0,761,469	\$	6,904,313	5	10,850,037	5	15,464,225	\$ 1	7,012,186	5 1	7,522,552	5	- 4	\$: €	\$	
ONTING	ENCY ⁴	\$	92,000	\$	90,055	\$	101,546	\$	106,684	\$	112,083	\$	117,754	5	123,713	\$	129,973	\$	136,550	5	143,460	\$	150,
	Program Costs (Future: Year Gollars)		7,944,928		13.902.555	100		-						-Carte			7,099,743	-	4,070,150		1.178,004	-	1,197.8

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Exhibit 2 (CIF), 20 of 63



SEWER RATE STUDY Capital Improvement Plan Expenditures Freliminary Draft Subject to Material Revision, Do Not Cite or Distribute

VALLEY SANITARY DISTRICT Exhibit 2

TABLE 17: FORECASTING ASSUMPTIONS

Economic Variables	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Annual Construction Cost Inflation, Per Engineering News Recor	0.00%	3.00%	3,00%	3.00%	3.00%	3.00M	3.00%	3.00%	3.00%	3.00%	3.00₩
Eumulative Construction Cost Multiplier	1.00	1.03	1.00	1.09	1.13	1.16	1.19	1.23	1.27	1.30	1.34

- 1. The capital improvement plan provided by the District. Source file: FY 20-21 Capital Spreadsheet 06012020 2021 Plus 3 yr finance Final.xlxx .
- 2. Planned capital improvements for Fund 12 provided by the District. Source file: FY 20-21 Capital Spreadsheet 08012020 2021 Plus 5 yr finance Final xlsx.
- 3. Calculated future capital expenditures beyond FY 2038/39 based on 5-year average (FY 2034/35 FY 2038/39).
- 4. The estimated contingency includes all departments per District.
- 5. For reference purposes, the annual Construction Cost inflation percentage is the 10-year average change in the Construction Cost index from August 2010 to August 2020 (2.63%). The District provided costs in future-year dollars, Source: Engineering News Record website (http://enr.construction.com).

Exhibit 2 (CIP), 21 of 63

VALLEY SANITARY DISTRICT SEWER RATE STUDY Debt Service Preliminary Draft Subject to Material Revision, Do Not Cite or Distribute

Exhibit 3

TABLE 18: EXISTING DEBT OBLIGATIONS

WASTEWATER UTILITY EXISTING DEBT OBLIGATIONS		Budget				Projected I	Rat	es for Adopt	ion	Period		or other control to the con-	J		and the same		F	Projected				Comments of the Comments of th
Annual Repayment Schedules:	F	Y 2020/21	F	Y 2021/22		FY 2022/23	-	FY 2023/24	F	Y 2024/25	F	Y 2025/26	F	Y 2026/27	F	2027/28	F	Y 2028/29	F	2029/30	F	Y 2030/31
2015 Wastewater Revenue Refunding Bonds, \$7,540,000 ¹ Principal Payment Interest Payment	\$	685,000 206,688	\$	715,000 172,438	\$	750,000 136,688	\$	765,000 120,750	\$	805,000 82,500	5	845,000 42,250	5	9.80	\$	8	5	(4)	\$		\$	-
Subtotal: Annual Debt Service	5	891,688	\$	887,438	\$	886,688	5	885,750	\$	887,500	\$	887,250	\$	Ţ.	\$	্	\$		\$	-	\$	্
Coverage Requirement (%-Amnt above annual payment)2	1135	125%	113	125%		125%		125%		125%		125%	100		100		1777		1777		250	
Reserve Requirement (total fund balance) ²	\$	317,042	\$	277,164	\$	233,368	\$	184,757	\$	130,496	5	69,316	5		\$		\$		\$		\$	-
CA CWSRF Revolving Fund Loan ³ Principal Payment Interest Payment	\$	345,161 208,200	\$	351,029 202,332	\$	356,996 196,365	\$	363,065 190,296	\$	369,237 184,124	5	375,514 177,846	5	381,898 171,463	\$.	388,390 164,970		394,993 158,368	\$	401,708 151,653	\$	408,537 144,824
Subtotal: Annual Debt Service	\$	553,361	\$	553,361	\$	553,361	\$	553,361	5	553,361	\$	553,361	\$	553,361	\$	553,361	\$	553,361	\$	553,361	5	553,361
Coverage Requirement (\$-Amnt above annual payment)*	255	0%	100	0%	15	0%	-	0%		0%		0%	100	0%	jW.	0%	100	096	, T	0%	12	0%
Reserve Requirement (total fund balance)4	5		\$	-	\$	-	\$	-	\$	+	\$	+ 1	\$	3	\$		\$	-	\$	+	\$	
Grand Total: Existing Annual Debt Service	\$	1,445,048	\$	1,440,798	\$	1,440,048	\$	1,439,111	5	1,440,861	\$	1,440,611	\$	553,361	\$	553,361	5	553,361	5	553,361	5	553,361
Grand Total: Existing Annual Coverage Requirement	\$	1,114,609	\$	1,109,297	\$	1,108,359	\$	1,107,188	\$	1,109,375	\$	1,109,063	\$	-	\$		\$		\$		5	
Grand Total: Existing Debt Reserve Target	\$	317,042	\$	277,164	\$	233,368	\$	184,757	5	130,496	\$	69,316	\$	*	\$		\$	-	\$		\$	*

^{1.} Debt service schedule was provided by the District. Source file: 7. Wastewater Revenue Refunding Bonds.xisx.

TABLE 19: EXISTING ANNUAL DEBT OBLIGATIONS TO BE SATISFIED BY WATER RATES

		1 5 2 2 2 2									
Existing Annual Debt Service	\$ 1,445,048 \$	1,440,798	\$ 1,440,048	\$ 1,439,111	\$ 1,440,861	\$ 1,440,611 \$	553,361 \$	553,361	553,361 \$	553,361 \$	553,361
Existing Annual Coverage Requirement	1,114,609	1,109,297	1,108,359	1,107,188	1,109,375	1,109,063	1333400	**************************************			
Existing Debt Reserve Target	317.042	277.164	233,368	184.757	130,496	69.316	2	-	-		2

Exhibit 3 (Debt), 22 of 63

^{2.} Coverage requirement and reserve requirement from Bond Statement. Source file: 7. Official Statement Series 2015 Refunding Bonds.pdf. Page 14.

^{3.} The State Water Resources Control Board Revolving Fund Loan for Project No. C-06-8116-110, Agreement No. D1601003-350-03. Source file: 7. Repayment schedule State Water Resources Control Board.pdf

^{4.} NBS assumes that there is no coverage requirement for this debt issue.

Debt Service

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TABLE 20: FUTURE DEBT FINANCING ASSUMPTIONS

Long-Term Debt Terms	Revenue Bonds	SRF Loan Proceeds
Issuance Cost	2.00%	2.00%
Annual Interest Cost (%)	4.00%	2.00%
Term	20	30
Debt Reserve Funded?	Yes	Yes
Loan Amount	5 -	\$ 165,000,000
Coverage Requirement (% above annual pmt)	125%	125%

TABLE 21: FUTURE DEBT OBLIGATIONS

Annual Repayment Schedules	202	1	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
SRF Loan Funding			0.000	1910/4/00 10	1914-0-14	1,000/117	1,000,000	2 4540504 25	CARRIED A	114.94.7. X	1,102,000,000,000,000	
Principal Payment	\$		5 1,317,684	\$ 1,344,038	\$ 1,370,919	\$ 4,033,706	\$ 4,114,380	\$ 4,196,667	\$ 4,675,906	\$ 4,769,424	\$ 4,864,813	\$ 4,962,109
Interest Payment	0.017	-	1,069,118	1,042,765	1,015,884	3,126,702	3,046,028	2,963,741	3,200,543	3,107,025	3,011,636	2,914,340
Subtotal: Annual Debt Service	\$		\$ 2,386,803	\$ 2,386,803	\$ 2,386,803	\$ 7,160,408	\$ 7,160,408	\$ 7,160,408	\$ 7,876,449	\$ 7,876,449	\$ 7,876,449	\$ 7,876,449
Grand Total: Future Annual Debt Service	\$	1 + 1	\$ 2,386,803	\$ 2,386,803	\$ 2,386,803	\$ 7,160,408	\$ 7,160,408	\$ 7,160,408	\$ 7,876,449	\$ 7,876,449	\$ 7,876,449	\$ 7,876,449
Grand Total: Future Annual Coverage Requirement	\$	-	\$ 2,983,503	\$ 2,983,503	\$ 2,983,503	\$ 8,950,510	\$ 8,950,510	\$ 8,950,510	\$ 9,845,561	\$ 9,845,561	\$ 9,845,561	\$ 9,845,561
Grand Total: Future Debt Reserve Target	\$	+	\$ 2,386,803	\$ 2,386,803	\$ 2,386,803	\$ 7,160,408	\$ 7,160,408	\$ 7,160,408	\$ 7,876,449	\$ 7,876,449	\$ 7,876,449	\$ 7,876,449

TABLE 22: TOTAL DEBT SERVICE

Tributation for the patential and the second											
Annual Obligations	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Annual Debt Service	\$ 1,445,048	\$ 3,827,601	\$ 3,826,851	\$ 3,825,913	\$ 8,601,269	\$ 8,601,019	\$ 7,713,769	\$ 8,429,810	\$ 8,429,810	\$ 8,429,810	\$ 8,429,810
Annual Coverage Requirement	1,114,609	4,092,800	4,091,863	4,090,691	10,059,885	10,059,573	8,950,510	9,845,561	9,845,561	9,845,561	9,845,561
Total Debt Reserve Target	317.042	2,663,967	2,620,170	2.571.560	7,290,904	7,229,725	7.160.408	7.876.449	7.876.449	7.876.449	7.876.449

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Eshibit 3 [Debt), 23 of 63

Exhibit 3

Exhibit 4

Projected Sewer Rates Under Existing Rate Schedule

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TABLE 23: Current Sewer Rates

Annual Sewer Rate	FY 2020/21
Equivalent Dwelling Unit (EDU) Fee ¹	\$330.00

 <u>Definition</u>: EDU shall mean the numerical value designation where 1 EDU represents an average sewer flow of 230 gallons per day from one single family household. For nonhousehold uses, the value of equivalency to a household is for purposes of computing uniform financial obligations.

Page 79 **07**174

VALLEY SANITARY DISTRICT SEWER RATE STUDY **Customer Data**

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TABLE 33: CUSTOMER BILLING DATA

			Annual	Winter		Water Consum	ption Statistic	5		Average	
Summary of by Class	Number of Accounts	EDU's	Water Consumption (HCF)	Water Consumption	Consumption	Average Monthly Winter Consumption	Average Annual Volume per Account	Annualized Winter Volume per Account	Average EDU's Per Account	Winter ÷ Average Annual Volume	Total Consumption Check
Residential	January English	3836	350-00-000	400000	S2-53	(Burk)	100000000	120000	Your God		CONTRACTOR OF THE PARTY OF THE
Single-Family Residential	19,972	19,980	4,090,849	746,686	17.1	12.5	204.8	149.5	1.00	73%	4,090,849
Multi-Family Residential	298	5,566	447,858	96,850	125.2	5.8	80.5	69.6	18.68	87%	23,978
Mobile Home ³	1,528	1,518	140,899	28,248	7.7	6.2	92.2	73.9	0.99	80%	140,899
RV Park ³	2,816	1,576	155,494	38,099	4.6	4.5	55.2	54.1	0.56	98%	155,494
Non-Residential	100000			500000000		114.14		**			
Commercial - Low/Med. Strength	703	4,250	412,315	90,540	49	43	587	515	6.05	88%	412,315
Commercial - High Strength	71	535	69,566	15,974	82	75	980	900	7.54	92%	69,566
Total	25,388	33,425	5,316,980	1,016,396	17	13	209	160	1.32	76%	4,893,100

Consumption, customer accounts, and EDU's from source file: Net Join Tax Roll 07-30-2020 Final VB.xlsx.

TABLE 34: SUMMARY OF CUSTOMER DATA

Number of Sewer Accounts, EDU's,	and nevenue u	mieu	Annual Sewer	5		Ava ccf/
Customer Class	Accounts	EDUs	Charges	S/Acct./mo.	S/EDU/mp.	EDU/ma
Summary of by Class Residential				PACTURE AND REPORT		
Single-Family Residential	19,972	19.980	\$ 6,593,400	5330.13	5330.00	17.06
Multi-Family Residential	298	5,566	1,836,798	\$6,163.75	\$330.00	6.71
Mobile Home	1,528	1,518	500,775	\$327,73	\$330.00	7.74
RV Park	2,816	1,576	520,235	5184.74	\$330.00	8.22
Non-Residential	50000		2012025-0266	and a second	100000000000000000000000000000000000000	
Commercial - Low/Med. Strength	703	4,250	1,402,500	\$1,995.02	\$330.00	8.08
Commercial - High Strength	71	535	176,550	52,486.62	5330.00	10.84
Total	25,388	33,425	\$ 11,030,259	\$434.47	\$330.00	

^{2.} Winter water consumption based on the lowest consecutive 3 months of water use.

^{3.} Number of accounts for Mobile Homes and RV Parks are based on the number of lots.

VALLEY SANITARY DISTRICT SEWER RATE STUDY Customer Data

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Sum of Water Consumption (HCF)													
Customer Class	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Grand Total
Residential													
Single-Family Residential	419,957	440,079	464,939	330,598	388,380	257,003	246,744	242,939	256,916	278,337	351,956	413,001	4,090,84
Multi-Family Residential	43,758	45,301	48,983	37,137	41,548	32,712	32,993	31,145	31,486	32,136	32,870	37,789	447,85
Mobile Home	15,032	13,500	14,710	10,499	12,161	8,694	10,148	9,406	9,310	10,961	12,707	13,771	140,89
RV Park	12,368	12,301	12,777	13,288	18,380	11,482	13,007	13,610	14,317	12,177	10,168	11,619	155,49
Non-Residential			A.Fretholio		2007-2004							10.00000000	
Commercial - Low/Med. Strength	40,230	41.562	45,100	36,703	39,093	29,594	31,240	29,706	30,794	27,053	27,224	34,018	412,31
Commercial - High Strength	6,763	6,732	7.233	5.880	6.725	4.999	5.618	5,357	5,357	4.546	4.723	5,635	69,566
Total	538,108	559,475	593,742	434,105	506,286	344,484	339,750	332,162	348,179	365,209	439,648	515,832	5,316,98
Rolling Winter Consumption (3 month			1,691,325	1,587,322	1,534,133	1,284,875	1,190,520	1,016,396	1,020,091	1,045,550	1,153,036	1,320,689	2 30 3
Residential													
Single-Family Residential			1,324,975	1,235,616	1,183,917	975,981	892,127	746,686	746,599	778,192	887,209	1,043,294	
Multi-Family Residential			138,042	131,421	127,668	111,397	107,253	96,850	95,624	94,767	96,492	102,795	
Mobile Home			43,242	38,709	37,370	31.354	31.003	28,248	28,864	29,677	32,978	37,439	
RV Park			37,446	38,366	44,445	43,150	42,869	38,099	40,934	40,104	36,662	33,964	
Non-Residential			20,000	200200	200000000000000000000000000000000000000	43,230		20,000			Sojour	20000	
Commercial - Low/Med. Strength			126,892	123,365	120,896	105,390	99,927	90,540	91,739	87,552	85,070	88.294	
Commercial - High Strength			20,728	19,845	19,838	17,604	17,342	15,974	16,331	15,259	14,625	14,903	
Sum of Sewage Volume			20,720	10,040	25,050	27,004	17,542	43,374	10,001	45,433	14,023	24,505	
Customer Class	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Grand Tota
Residential		ring as	30 45°		1101 25	000.00	July 40	12020		Trape and	may an	Serie Re	Grand Ford
Single-Family Residential	266,974	356,632	315,185	428,661	346.595	381.155	348,657	268,205	405,702	508,058	388,613	357,892	4,372,32
Multi-Family Residential	29,228	39,043	34,506	46,929	37.945	41,728	38.170	29,363	44,415	55,621	42,545	39.181	478.674
Mobile Home	9,195	12,283	10.856	14,764	11,938	13.128	12,009	9,238	13,973	17,499	13,385	12,327	150,594
RV Park	10,148	13,556	11,980	16,293	13,174	14,488	13,253	10,195	15,421	19,311	14,771	13,604	166,19
Non-Residential	10,140	13,330	11,300	10,233	13,174	14,400	13,233	10,133	13,421	13,311	14,771	13,004	100,13
Commercial - Low/Med. Strength	26,908	35,945	31,767	43,205	34,933	38,416	35,141	27,032	40,891	51.207	39,168	36,072	440,685
Commercial - High Strength	4,540	6,065	5,360	7,289	5,894	6,482	5,929	4,561	6,899	8,640	6,608	6.086	74,352
Total	346,992	463,523	409,654	557,142	450,478	495,396	453,158	348,592	527,302	660,336	505,090	465,161	5,682,825
Sum of Sewer Charges	340,332	463,323	403,034	337,142	430,470	473,370	433,130	340,332	327,302	600,336	303,030	403,101	3,002,02
Customer Class	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Grand Tota
Residential	Jul-13	work-13	3ch-13	- UCC-13	IADA-T3	Der-13	380-20	FED-20	Mill-20	Apr-20	may-20	JUN-20	Granu rota
Single-Family Residential													\$ 6,593,400
Multi-Family Residential													1,836,79
Mobile Home													
RV Park													500,775
													520,23
Non-Residential													
Commercial - Low/Med. Strength													\$ 1,402,500
													176,550
Commercial - High Strength Total	s -	\$ -	s -	s -	5 -	s -	s -	5 -	s -	5 -	\$ -	,	\$11,030,25

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TABLE 24: CLASSIFICATION OF EXPENSES FOR COST OF SERVICE ANALYSIS

Budget Categories	Total Revenue Requirements	Flow	Stre	ngth	Customer		Basis of CI	assification	
	FY 2021/22	(VOL)	(BOD)	(TSS)	(CA)	(VOL)	(BOD)	(TSS)	(CA)
ENGINEERING									
Salary				0.1				21	
Salaries	\$ 475,540	\$ 275,813	\$ 95,108	\$ 95,108	\$ 9,511	58.0%	20.0%	20.0%	2,0%
Overtime	THE POINT NOTE OF	The Interest of				58.0%	20.0%	20.0%	2.0%
Callout	2	23	20	23	29	58.0%	20.0%	20.0%	2.0%
Standby	£	36			+3	58.0%	20.0%	20.0%	2.0%
Benefits									
Longevity	6,240	3,619	1,248	1,248	125	58.0%	20.0%	20.0%	2.0%
Retirement	56,472	32,754	11,294	11,294	1,129	58.0%	20.0%	20.0%	2.0%
Payroll Taxes	36,400	21,112	7,280	7,280	728	58.0%	20.0%	20.0%	2.0%
Unemployment Insurance	W =	- 27	50	00	+1	58.0%	20.0%	20.0%	2.0%
Workers Compensation	6,968	4,041	1,394	1,394	139	58.0%	20.096	20.0%	2.0%
Group Life Insurance	1,248	724	250	250	25	58.0%	20.0%	20.0%	2.0%
Group Health Insurance	33,899	19,661	6,780	6,780	678	58.0%	20.0%	20.0%	2.0%
Dental/Vision Insurance	1,659	962	332	332	33	58.0%	20.0%	20.0%	2.0%
Disability Insurance	1,799	1,044	360	360	36	58.0%	20.0%	20.0%	2.0%
Clothing/Safety		100	300	2700	# T	58.0%	20.0%	20.0%	2.0%
Services & Supplies		-	_		- 1	30.070	20.070	20.030	2.0%
Directors' Fees		83	90	20	29	58.0%	20.0%	20.0%	2.0%
Election					-	58.0%	20.0%	20.0%	2.0%
Gas/Oil		[]	3			58.0%	20.0%	20.0%	2.0%
					-	58.0%	20.0%	20.0%	2.0%
Comprehensive Insurance	5	<u> </u>	<u> </u>	<u> </u>	3	58.0%	20.0%	20.0%	2.0%
Memberships/Subscriptions					-	58.0%	20.0%	20.0%	2.0%
Office Expenses				70		58.0%	20.0%	20.0%	2.0%
County/City Charges	9	3		8		58.0%	20.0%	20.0%	
Permits & Fees	-				1	58.0%	20.0%	20.0%	2.0%
Pretreatment			8	8	58	200	100000000000000000000000000000000000000		
Operating Supplies	-				25	58.0%	20.0%	20.0%	2.0%
Chemicals		1	5		59	58.0%	20.0%	20.0%	2.0%
Contract Services		-	-		25	58.0%	20.0%	20.0%	2.0%
Professional/Legal	5	33	75	35	1 1	58.0%	20.0%	20.0%	2.0%
Publications	-		-	2.0	20	58.0%	20,0%	20.0%	2.0%
Repairs/Maintenance	SE.		20	70	+3	58.0%	20.0%	20.0%	2.0%
Small Tools	53	- 3	100	52	[]	58.0%	20,0%	20.0%	2,0%
Research		\$23				58.0%	20.0%	20.0%	2.0%
Travel/Mtgs/Education	8	53	2	**	53	58.0%	20.0%	20.0%	2.0%
Certifications/TCPS	2	20	-	-3	- 23	58.0%	20.0%	20.0%	2.0%
Telephone	8	*:	-	55	- 3	58.0%	20.0%	20.0%	2.0%
Electricity	2	23	- 2	20	23	58.0%	20,0%	20.0%	2.0%
Natural Gas	8	99	*	*	±1	58.0%	20.0%	20.0%	2.0%
Trash Collection	-	7.5	7.0	20	7.0	58.0%	20,0%	20.0%	2.0%
Utility Water	₹.		25	29	*	58.0%	20.0%	20.0%	2.0%
Other Expenses	20 -			s •	s • • • •	58.0%	20.0%	20.0%	2.0%
SUB-TOTAL	\$ 620,225	\$ 359,730	\$ 124,045	\$ 124,045	\$ 12,404	58.0%	20.0%	20.0%	2.0%

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Cost of Service Analysis

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TABLE 25: CLASSIFICATION OF EXPENSES FOR COST OF SERVICE ANALYSIS, cont.

lassification of Expenses	Total Revenue	Flow	Strei	ngth	Customer		Basis of Cl	assification	
Budget Categories	Requirements FY 2021/22	(VOL)	(BOD)	(TSS)	(CA)	(VOL)	(BOD)	(TSS)	(CA)
COLLECTIONS						1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1		A Marie Pi	
Salary	T.		1						11
Salaries	\$ 338,728	\$ 118,555	\$ 84,682	\$ 84,682	\$ 50,809	35.0%	25.0%	25.0%	15.0%
Overtime	1,664	582	416	416	250	35.0%	25.0%	25.0%	15.0%
Callout	4,160	1,456	1,040	1,040	624	35.0%	25.0%	25.0%	15.0%
Standby	19,448	6,807	4,862	4,862	2,917	35.0%	25.0%	25.0%	15.09
Benefits									
Longevity	2,600	910	650	650	390	35.0%	25.0%	25.0%	15.09
Retirement	32,032	11,211	8,008	8,008	4,805	35.0%	25.0%	25.0%	15.09
Payroll Taxes	27,872	9,755	6,968	6,968	4,181	35.0%	25.096	25.0%	15.09
Unemployment Insurance		0.00				35.0%	25,0%	25.0%	15.09
Workers Compensation	9,360	3,276	2,340	2,340	1,404	35.0%	25.0%	25.0%	15.09
Group Life Insurance	988	346	247	247	148	35.0%	25.0%	25.0%	15.09
Group Health Insurance	94,952	33,233	23,738	23,738	14,243	35.0%	25.0%	25.0%	15.09
Dental/Vision Insurance	4,368	1,529	1,092	1,092	655	35.0%	25.0%	25.0%	15.09
Disability Insurance	1,144	400	286	286	172	35.0%	25.0%	25.0%	15.09
Clothing/Safety	8,320	2,912	2,080	2,080	1,248	35.0%	25.0%	25.0%	15.09
Services & Supplies		25	22		571				
Directors' Fees	92	-	-	-		35.0%	25.096	25.0%	15.09
Election	-				54	35.0%	25,0%	25.0%	15.09
Gas/Oil	-	-	-	-		35.0%	25.0%	25.0%	15.09
Comprehensive Insurance	-					35.0%	25.0%	25.0%	15.09
Memberships/Subscriptions	2,368	829	592	592	355	35.0%	25.0%	25.0%	15.09
Office Expenses	=	-	-			35.0%	25.0%	25.0%	15.09
County/City Charges	5 ±	1 15±3	2.5		27	35.0%	25.0%	25.0%	15.09
Permits & Fees	19,049	6,667	4,762	4,762	2,857	35.0%	25.0%	25.0%	15.09
Pretreatment	=	***	2000	30.000		35.0%	25.0%	25.0%	15.09
Operating Supplies	5,148	1,802	1,287	1,287	772	35.0%	25.0%	25.0%	15.09
Chemicals		-		7.000	5-1	35.0%	25.0%	25.0%	15.09
Contract Services	145,026	50,759	36,257	36,257	21,754	35.0%	25.0%	25.0%	15.09
Professional/Legal		-	=	-		35.0%	25.0%	25.0%	15.09
Publications		0.00	250		21	35.0%	25.0%	25.0%	15.09
Repairs/Maintenance	151,050	52,867	37,762	37,762	22,657	35.0%	25.0%	25.0%	15.09
Small Tools	2,059	721	515	515	309	35.0%	25.0%	25.0%	15.09
Research	= =====================================				12.5	35.0%	25.096	25.0%	15.09
Travel/Mtgs/Education	9,267	3,243	2,317	2,317	1,390	35.0%	25.0%	25.0%	15.09
Certifications/TCPS	5,056	1,769	1,264	1,264	758	35.0%	25.0%	25.0%	15.09
Telephone		-	-	-	100	35.0%	25.0%	25.0%	15.09
Electricity	4,119	1,442	1,030	1,030	618	35.0%	25.0%	25.0%	15.09
Natural Gas	-		-		-	35.0%	25.0%	25.0%	15.09
Trash Collection	5.5				521	35.0%	25.0%	25.0%	15.09
Utility Water	6,693	2,342	1,673	1,673	1,004	35.0%	25.0%	25.0%	15.09
Other Expenses	10,297	3,604	2,574	2,574	1,544	35.0%	25.0%	25.0%	15.09
SUB-TOTAL	\$ 905,766	5 317,018	\$ 226,442	\$ 226,442	\$ 135,865	35.0%	25.0%	25.0%	15.09

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TABLE 26: CLASSIFICATION OF EXPENSES FOR COST OF SERVICE ANALYSIS, cont.

assification of Expenses	The second second	100							
Budget Categories	Total Revenue Requirements	Flow		ngth	Customer			assification	4
1.02 NO.	FY 2021/22	(VOL)	(BOD)	(TSS)	(CA)	(VOL)	(BOD)	(TSS)	(CA)
OPERATIONS	78	60 00	9	9	- 33		e		
Salary	41 200 200	toka pantaseta	espon augustass	over variously	-an research	PM:07200	diameter.	144-97-200	Variable.
Salaries	\$ 688,168	\$ 433,546	\$ 120,429	\$ 120,429	\$ 13,763	63.0%	17.5%	17.5%	2.0%
Overtime	16,640	10,483	2,912	2,912	333	63.0%	17.5%	17.5%	2.0%
Callout	9,880	6,224	1,729	1,729	198	63.0%	17.5%	17.5%	2.0%
Standby	12,896	8,124	2,257	2,257	258	63.0%	17.5%	17.5%	2.0%
Benefits							and the last		
Longevity	16,224	10,221	2,839	2,839	324	63.0%	17.5%	17,5%	2.09
Retirement	80,080	50,450	14,014	14,014	1,602	63.0%	17.5%	17.5%	2.0%
Payroll Taxes	55,744	35,119	9,755	9,755	1,115	63.0%	17.5%	17.5%	2.0%
Unemployment Insurance						63.0%	17.5%	17.5%	2.0%
Workers Compensation	19,344	12,187	3,385	3,385	387	63.0%	17.5%	17,5%	2.09
Group Life Insurance	1,638	1,032	287	287	33	63.0%	17.5%	17.5%	2.0%
Group Health Insurance	97,457	61,398	17,055	17,055	1,949	63.0%	17.5%	17.5%	2.09
Dental/Vision Insurance	4,087	2,575	715	715	82	63.0%	17.5%	17.5%	2.09
Disability Insurance	2,434	1,533	426	426	49	63.0%	17.5%	17.5%	2.0%
Clothing/Safety	8,112	5,111	1,420	1,420	162	63.0%	17.5%	17.5%	2.0%
Services & Supplies		12.72	20.1727	65666	2500		090000	2020/000	C-Carlo
Directors' Fees		651	174	14		63.0%	17.5%	17.5%	2.09
Election		104	-		-	63.0%	17.5%	17.5%	2.0%
Gas/Oil	53,542	33,731	9,370	9,370	1,071	63.0%	17.5%	17.5%	2.09
Comprehensive Insurance	5500005				+	63.0%	17.5%	17.5%	2.09
Memberships/Subscriptions	2,008	1,265	351	351	40	63.0%	17.5%	17.5%	2.0%
Office Expenses				-	-	63.0%	17.5%	17,5%	2.09
County/City Charges	-			· ·	2+3	63.0%	17.5%	17.5%	2.09
Permits & Fees	65,846	41,483	11,523	11,523	1,317	63.0%	17.5%	17.5%	2.09
Pretreatment	25000000	100000000000000000000000000000000000000		23/15/15	137.00	63.0%	17.5%	17.5%	2.09
Operating Supplies	134,472	84,718	23,533	23,533	2,689	63.0%	17.5%	17.5%	2.09
Chemicals	404,199	254,646	70,735	70,735	8,084	63.0%	17.5%	17.5%	2.09
Contract Services	185,527	116,882	32,467	32,467	3,711	63.0%	17.5%	17.5%	2.09
Professional/Legal	Total and a	5.500	700	CO THE STATE OF	-	63.0%	17.5%	17.5%	2.09
Publications				7.4	2+2	63.0%	17.5%	17.5%	2.09
Repairs/Maintenance	110.965	69,908	19,419	19,419	2,219	63.0%	17.5%	17,5%	2.09
Small Tools	1.030	649	180	180	21	63.0%	17.5%	17.5%	2.09
Research		1800	-			63.0%	17.5%	17.5%	2.09
Travel/Mtgs/Education	20,593	12,974	3,604	3,604	412	63.0%	17.5%	17.5%	2.09
Certifications/TCPS	3,810	2,400	667	667	76	63.0%	17.5%	17.5%	2.09
Telephone	7.44		-			63.0%	17.5%	17.5%	2.09
Electricity	621,651	391,640	108,789	108,789	12,433	63.0%	17.5%	17.5%	2.09
Natural Gas	6,178	3,892	1.081	1,081	12,433	63.0%	17.5%	17.5%	2.09
Trash Collection	26,256	16,541	4,595	4,595	525	63.0%	17.5%	17.5%	2.09
	15,445	9,730	2,703	2,703	309	63.0%	17.5%	17.5%	2.09
Utility Water	10,297	6,487	1.802	1.802	206	63.0%	17.5%	17.5%	2.09
Other Expenses	\$ 2,674,523	\$ 1,684,950	\$ 468,042	\$ 468,042		63.0%	17.5%	17.5%	2.0

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Cost of Service Analysis

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TABLE 27: CLASSIFICATION OF EXPENSES FOR COST OF SERVICE ANALYSIS, cont.

- Control of the Cont	Total Revenue	- 1	.,						
Budget Categories	Requirements	Flow	Stre	ngth	Customer		Basis of Cl	assification	
	FY 2021/22	(VOL)	(BOD)	(TSS)	(CA)	(VOL)	(BOD)	(TSS)	(CA)
MAINTENANCE									
Salary	11								
Salaries	\$ 529,360	\$ 317,616	\$ 105,872	\$ 105,872	\$ -	60.0%	20.0%	20.0%	0.09
Overtime	2,496	1,498	499	499	ST .	60.0%	20.0%	20.0%	0.09
Callout	624	374	125	125		60.0%	20.0%	20.0%	0.09
Standby	3,328	1,997	666	666	54	60.0%	20.0%	20.0%	0.09
Benefits					1 1				
Longevity	9,984	5,990	1,997	1,997	34	60.0%	20.0%	20.0%	0.09
Retirement	54,756	32,854	10,951	10,951	£5	60.0%	20.0%	20.0%	0.09
Payroll Taxes	41,080	24,648	8,216	8,216	-	60.0%	20.0%	20.0%	0.09
Unemployment Insurance	-		-		-	60.0%	20.0%	20.0%	0.09
Workers Compensation	14,820	8,892	2,964	2,964	54	60.0%	20.0%	20.0%	0.09
Group Life Insurance	1,446	867	289	289	54	60.0%	20.0%	20.0%	0.09
Group Health Insurance	118,175	70,905	23,635	23,635		60.0%	20.0%	20.0%	0.09
Dental/Vision Insurance	5,555	3,333	1,111	1,111	54	60.0%	20.0%	20.0%	0.09
Disability Insurance	1,997	1,198	399	399		60.0%	20.0%	20.0%	0.09
Clothing/Safety	8,736	5,242	1,747	1,747	34	60.0%	20.0%	20.0%	0.09
Services & Supplies					1 1				
Directors' Fees	-	-	-	-	-	60.0%	20.0%	20.0%	0.09
Election			-			60.0%	20.0%	20.0%	0.09
Gas/Oil	1	-		-	- 54	60.0%	20.0%	20.0%	0.09
Comprehensive Insurance	-	-		-	54	60.0%	20.0%	20.0%	0.09
Memberships/Subscriptions	1,931	1,158	386	386		60.0%	20.0%	20.0%	0.09
Office Expenses		-	-	-	34	60.0%	20.0%	20.0%	0.09
County/City Charges	9.5		- 25			60.0%	20.0%	20.0%	0.09
Permits & Fees	2,574	1,544	515	515	-	60.0%	20.0%	20.0%	0.09
Pretreatment					===	60.0%	20.0%	20.0%	0.09
Operating Supplies	39,642	23,785	7,928	7,928	- 4	60.0%	20.0%	20.0%	0.09
Chemicals	-	50-A-10-0-0-0-0-0-0-0-0-0-0-0-0-0-0-0-0-0		0.000		60.0%	20.0%	20.0%	0.09
Contract Services	63,221	37,932	12,644	12,644	3	60.0%	20.0%	20.0%	0.09
Professional/Legal		2007-2007	A 100		54	60.0%	20.0%	20.0%	0.09
Publications			-	-		60.0%	20.0%	20.0%	0.09
Repairs/Maintenance	330,672	198,403	66,134	66,134	34	60.0%	20.0%	20.0%	0.09
Small Tools	23,167	13,900	4,633	4,633	21	60.0%	20.0%	20.0%	0.09
Research	=					60.0%	20.0%	20.0%	0.09
Travel/Mtgs/Education	32,949	19,769	6,590	6,590	5.00	60.0%	20.0%	20.0%	0.09
Certifications/TCPS	2,935	1,761	587	587	1	60.0%	20.0%	20.0%	0.09
Telephone	-	S-10	-	300	54	60.0%	20.0%	20.0%	0.09
Electricity	-	-			S.	60.0%	20.0%	20.0%	0.09
Natural Gas	-	-		-	34	60.0%	20.0%	20.0%	0.09
Trash Collection		-				60.0%	20.0%	20.0%	0.09
Utility Water	-	-				60.0%	20.0%	20.0%	0.09
Other Expenses	10,297	6,178	2,059	2,059	-	60.0%	20.0%	20.0%	0.09
SUB-TOTAL	\$ 1,299,742	\$ 779,845	\$ 259,948	\$ 259,948	S -	29.2%	9.7%	9.7%	0.09

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TABLE 28: CLASSIFICATION OF EXPENSES FOR COST OF SERVICE ANALYSIS, cont.

20.2	Total Revenue	Flow	Stre	ngth	Customer		Basis of Cl	assification	
Budget Categories	Requirements FY 2021/22	(VOL)	(BOD)	(TSS)	(CA)	(VOL)	(BOD)	(TSS)	(CA)
LAB		A Control of		THE RESIDENCE	5400				
Salary	10	100			0			0. 111	
Salaries	\$ 232,830	\$ 128,057	\$ 46,566	\$ 46,566	5 11,642	55.0%	20.0%	20.0%	5.0%
Overtime	3,432	1,888	686	686	172	55.0%	20.0%	20.0%	5.0%
Callout	2,184	1,201	437	437	109	55.0%	20.0%	20.0%	5.0%
Standby	3,328	1,830	666	666	166	55.0%	20.0%	20.0%	5.0%
Benefits									
Longevity	1,248	686	250	250	62	55.0%	20.0%	20.0%	5.0%
Retirement	18.460	10,153	3,692	3,692	923	55.0%	20.0%	20.0%	5.0%
Payroll Taxes	18,512	10,182	3,702	3,702	926	55.0%	20.0%	20.0%	5.0%
Unemployment Insurance	-	2.5	-	2.	_	55.0%	20.0%	20.0%	5.0%
Workers Compensation	6,448	3,546	1,290	1,290	322	55.0%	20.0%	20.0%	5.0%
Group Life Insurance	640	352	128	128	32	55.0%	20.0%	20.0%	5.0%
Group Health Insurance	33,462	18,404	6,692	6,692	1,673	55.0%	20.0%	20.0%	5.0%
Dental/Vision Insurance	1,643	904	329	329	82	55.0%	20.0%	20.0%	5.0%
Disability Insurance	884	486	177	177	44	55.0%	20.0%	20.0%	5.0%
Clothing/Safety	3,692	2.031	738	738	185	55.0%	20.0%	20.0%	5.0%
Services & Supplies		,			1				
Directors' Fees	22	23	20	20		55.0%	20.0%	20.0%	5.0%
Election		-			-	55.0%	20.0%	20.0%	5.0%
Gas/Oil	1		- 2	2		55.0%	20.0%	20.0%	5.0%
Comprehensive Insurance	2-	20	2.0	2.0		55.0%	20.0%	20.0%	5.0%
Memberships/Subscriptions	1.982	1,090	396	396	99	55.0%	20.0%	20.0%	5.0%
Office Expenses	1755	27/27/22	170020	-552	327	55.0%	20.0%	20.0%	5.0%
County/City Charges					1	55.0%	20.0%	20.0%	5.0%
Permits & Fees	5,869	3,228	1,174	1,174	293	55.0%	20.0%	20.0%	5.0%
Pretreatment	3,003	5,225	2,2.4	-,	233	55.0%	20.0%	20.0%	5.0%
Operating Supplies	30,992	17,046	6,198	6,198	1,550	55.0%	20.0%	20.0%	5.0%
Chemicals	30,332	11,040	0,250	0,150	1,550	55.0%	20.0%	20.0%	5.0%
Contract Services	18,379	10,109	3,676	3,676	919	55.0%	20.0%	20.0%	5.0%
Professional/Legal		10,103	3,010	2,0,0	3.0	55.0%	20.0%	20.0%	5.0%
Publications						55.0%	20.0%	20.0%	5.0%
Repairs/Maintenance	25,741	14,158	5,148	5,148	1,287	55.0%	20.0%	20.0%	5.0%
Small Tools	8,237	4,530	1,647	1,647	412	55.0%	20.0%	20.0%	5.0%
Research	102,965	56,631	20,593	20,593	5,148	55.0%	20.0%	20.0%	5.0%
Travel/Mtgs/Education	3.089	1,699	618	618	154	55.0%	20.0%	20.0%	5.0%
Certifications/TCPS	1,133	623	227	227	57	55.0%	20.0%	20.0%	5.0%
Telephone	1,133	023	-21		= = = = = = = = = = = = = = = = = = = =	55.0%	20.0%	20.0%	5.0%
Electricity	[]	33				55.0%	20.0%	20.0%	5.0%
Natural Gas	-					55.0%	20.0%	20.0%	5.0%
Trash Collection						55.0%	20.0%	20.0%	5.0%
Utility Water		3	1 3	11 33		55.0%	20.0%	20.0%	5.0%
Other Expenses	10,297	5,663	2,059	2,059	515	55.0%	20.0%	20.0%	5.0%
SUB-TOTAL	\$ 535,447	\$ 294,496	\$ 107,089	\$ 107,089	5 26,772	14.7%	5.4%	5.4%	1.3%

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TABLE 29: CLASSIFICATION OF EXPENSES FOR COST OF SERVICE ANALYSIS, cont.

SINCE N	Total Revenue	Flow	Strei	neth	Customer		Rasis of Cl	assification	
Budget Categories	Requirements FY 2021/22	(VOL)	(BOD)	(TSS)	(CA)	(VOL)	(BOD)	(TSS)	(CA)
ADMINISTRATION/BOARD	FT 2021/22	(VOC)	(800)	(122)	(CA)	(VOL)	(800)	(133)	(CA)
Salary	18							F	
Salaries	\$ 591,864	\$ 236,746	\$ 118,373	5 118.373	\$ 118,373	40.0%	20.0%	20.0%	20.09
Overtime	520	208	104	104	104	40.0%	20.0%	20.0%	20.09
Callout	2	27	20	20	24	40.0%	20.0%	20.0%	20.09
Standby		40	90	93	+1	40.0%	20.0%	20.0%	20.09
Benefits									
Longevity	3.120	1,248	624	624	624	40.0%	20.0%	20.0%	20.09
Retirement	67,496	26,998	13,499	13,499	13,499	40.0%	20.0%	20.0%	20.09
Payroll Taxes	45,344	18,138	9,069	9,069	9,069	40.0%	20.0%	20.0%	20.09
Unemployment Insurance	- W -	27		***	- 100 m	40.0%	20.0%	20.0%	20.09
Workers Compensation	1,321	528	264	264	264	40.0%	20.0%	20.0%	20.09
Group Life Insurance	1.352	541	270	270	270	40.0%	20.0%	20.0%	20.09
Group Health Insurance	110,552	44,221	22,110	22,110	22,110	40.0%	20.0%	20.0%	20.0
Dental/Vision Insurance	3.973	1,589	795	795	795	40.0%	20.0%	20.0%	20.09
Disability Insurance	1,768	707	354	354	354	40.0%	20.0%	20.0%	20.09
Clothing/Safety	1,700	15.00				40.0%	20.0%	20.0%	20.09
Services & Supplies						421010	20.070	2010/0	20.0
Directors' Fees	47,879	19,151	9,576	9,576	9,576	40.0%	20.0%	20.0%	20.09
Election	72,076	28,830	14,415	14,415	14,415	40.0%	20.0%	20.0%	20.09
Gas/Oil	72,070	20,030	44,443	24,423	24,423	40.0%	20.0%	20.0%	20.09
Comprehensive Insurance	317.441	126,976	63,488	63,488	63,488	40.0%	20.0%	20.0%	20.0
Memberships/Subscriptions	34,437	13,775	6,887	6,887	6,887	40.0%	20.0%	20.0%	20.0
Office Expenses	16,474	6,590	3,295	3,295	3,295	40.0%	20.0%	20.0%	20.09
County/City Charges	22,652	9,061	4,530	4,530	4,530	40.0%	20.0%	20.0%	20.09
Permits & Fees	3,089	1,236	618	618	618	40.0%	20.0%	20.0%	20.09
Pretreatment	3,065	1,230	010	010	010	40.0%	20.0%	20.0%	20.09
	11,326	4,530	2,265	2,265	2,265	40.0%	20.0%	20.0%	20.09
Operating Supplies	11,326	4,550	2,203	2,203	2,205	40.0%	20.0%	20.0%	20.09
Chemicals	207,166	82,866	41,433	41,433	41,433	40.0%	20.0%	20.0%	20.09
Contract Services	219,058	87,623	43,812	43,812	43,812	40.0%	20.0%	20.0%	20.09
Professional/Legal	2.059	824	43,612	43,812	43,812	40.0%	20.0%	20.0%	20.09
Publications	3,604	1,442	721	721	721	40.0%	20.0%	20.0%	20.09
Repairs/Maintenance	3,604	1,442	721	/21	-721		and the same of th	the transfer of the same of th	
Small Tools	£	1	3	3	5	40.0%	20.0%	20.0%	20.09
Research		45 471	0.255			40.0%	20.0%	20.0%	
Travel/Mtgs/Education	41,186	16,474	8,237	8,237	8,237	40.0%	20.0%	20.0%	20.09
Certifications/TCPS	257	103	51	51	51	40.0%	20.0%	20.0%	20.09
Telephone/VOIP	21,108	8,443	4,222	4,222	4,222	40.0%	20.0%	20.0%	20.09
Other Expenses	10,297	4,119	2,059	2,059	2,059	40.096	20.0%	20.0%	20.09
Refunding Bonds	E.			**	*:	40.0%	20.0%	20.0%	20.09
CWSRF Loan Payment	5	33	59	- 53	79	40.0%	20.0%	20.0%	20.09
General Facilities	144,151	57,660	28,830	28,830	28,830	40.0%	20.0%	20.0%	20.09
SUB-TOTAL	\$ 2,001,569	\$ 800,628	\$ 400,314	\$ 400,314	\$ 400,314	40.0%	20.0%	20.0%	20.0

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TABLE 30: CLASSIFICATION OF EXPENSES FOR COST OF SERVICE ANALYSIS, cont.

Budget Categories	10.00	tal Revenue quirements	Flow	Str	ength	Customer	4	Basis of Cl	assification	
	F)	Y 2021/22	(VOL)	(BOD)	(TSS)	(CA)	(VOL)	(BOD)	(TSS)	(CA)
ADDITIONAL STAFFING	10. 77		20 72 10 1	2 0 0	3 37 77	2000	100	N 21 20 0	711 70	20 10 10
Engineering Technician	\$	144,560	\$ 79,508	\$ 28,912	\$ 28,912	\$ 7,22	8 55.0%	20.0%	20.0%	5.0%
Maintenance Tech-in-Training		93,600	51,480	18,720	18,720	4,68	0 55.0%	20.0%	20.0%	5.0%
Operator-in-Training		101,920	56,056	20,384	20,384	5,09	6 55.0%	20.0%	20.0%	5.0%
Assistant to the Board		122,000	-	A-0.00	1.000.000	122,00	0.0%	0.0%	0.0%	100.09
Associate Engineer		180,000	99,000	36,000	36,000	9,00	0 55.0%	20.0%	20.0%	5,0%
Electrician Tech-in-Training		101,000	55,550	20,200	20,200	5,05	0 55.0%	20.0%	20.0%	5.0%
Operator-in-Training		98,000	53,900	19,600	19,600	4,90	0 55.0%	20.0%	20.0%	5.0%
Collection Tech-in-Training				1		1	- 55.0%	20.0%	20.0%	5.0%
Maintenance Tech-in-Training			105	9 93	5.0		- 55.0%	20.0%	20.0%	5.0%
Operator-in-Training	200						- 55.0%	20.0%	20.0%	5.0%
SUB-TOTAL	5	841,080	\$ 395,494	\$ 143,816	\$ 143,816	\$ 157,95	4 47.0%	17.1%	17.1%	18.8%
GRAND TOTAL	\$	8,878,352	5 4,632,161	\$ 1,729,696	\$ 1,729,696	5 786,80	0 52.2%	19.5%	19.5%	8.9%

Funct. & Classification, 33 of 63

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TABLE 31: CLASSIFICATION OF EXPENSES FOR COST OF SERVICE ANALYSIS, cont.

Budget Categories	Total Reve Requirem	Flow	Stre	ength	Customer		Basis of CI	assification	
	FY 2021	22 (VOL)	(BOD)	(TSS)	(CA)	(VOL)	(BOD)	(TSS)	(CA)
Debt Service Payments	11 20000000	100 m 10 m	20 10 0	20 1000 10	20 00-00 15	2001 10	W W W	20 10 10 0	100000
Existing Annual Debt Service	\$ 1,440),798 \$ 864,47	9 \$ 288,160	\$ 288,160	\$ -	60.0%	20.0%	20.0%	0.0%
Future Annual Debt Service	2,386	,803 1,432,08	2 477,361	477,361	19	60.0%	20.0%	20.0%	0.0%
Total Debt Service Payments	\$ 3,827	,601 \$ 2,296,56	1 \$ 765,520	\$ 765,520	\$ -	60.0%	20.0%	20.0%	0.0%
Capital Expenditures	*****								
Rate Funded Capital Expenses	\$	- \$	- \$ -	\$ -	\$ -	60.0%	20.0%	20.0%	0.0%
TOTAL REVENUE REQUIREMENTS	\$ 12,709	,953 \$ 6,928,72	1 \$ 2,495,216	\$ 2,495,216	\$ 786,800	54.5%	19.6%	19.6%	6.2%
Less: Non-Rate Revenues	1000	77 - P		70000				S S	
Permit/Inspection Fees	\$ (15	(8,26	1) \$ (2,975)	\$ (2,975)	\$ (938)	54.5%	19.6%	19.6%	6.2%
Plan Check Fees	(10),100) (5,50	8) (1,983)	(1,983)	(625)	54.5%	19.6%	19.6%	6.2%
Other Services	(1	(99	1) (357)	(357)	(113)	54.5%	19.6%	19.6%	6.2%
Interest Revenue	(44)	(241,21	2) (86,867)	(86,867)	(27,391)	54.5%	19.6%	19.6%	6.2%
Taxes - Current Secured	(70)	7,000) (385,53	6) (138,842)	(138,842)	(43,780)	54.5%	19.6%	19.6%	6.2%
Taxes - Current Unsecured	(25	(13,76	9) (4,959)	(4,959)	(1,564)	54.5%	19.6%	19.6%	6.2%
Taxes - Prior Secured	(6	(3,30	5) (1,190)	(1,190)	(375)	54.5%	19.6%	19.6%	6.2%
Taxes - Prior Unsecured		-	1	19	-	54.5%	19.6%	19.6%	6.2%
Taxes - Penalties		251	5.5	2.0	- 22	54.5%	19.6%	19.6%	6.2%
Taxes - Supplemental Current	(6	(3,30	5) (1,190)	(1,190)	(375)	54.5%	19.6%	19.6%	6.2%
Taxes - Supplemental Prior	(2	(1,10	2) (397)	(397)	(125)	54,5%	19.6%	19.6%	6.2%
Homeowner's Tax Relief	(6	(3,30	5) (1,190)	(1,190)	(375)	54.5%	19.6%	19.6%	6.2%
Non-Operating Revenue		(505) (27	5) (99)	(99)	(31)	54.5%	19.6%	19.6%	6.2%
NET REVENUE REQUIREMENTS	\$ 11,48	,594 \$ 6,262,15	3 \$ 2,255,167	\$ 2,255,167	\$ 711,107	-	55)	55	
Allocation of Revenue Requirements	1	00.0% 54.5	% 19.6%	19.6%	6.2%				

Net Revenue Req't. Check from Financial Plan \$

TABLE 32: ADJUSTMENT TO CLASSIFICATION OF EXPENSES FOR COST OF SERVICE ANALYSIS

Adjustments to Classification of Expenses			Flow	Strength			ustomer
Adjustment to Current Rate Level:	Same	Total	(VOL)	(BOD)	(TSS)	4	(CA)
Test Year (FY 2021/22) Target Rate Rev. After Rate Increas	\$	13,611,139					
Projected Rate Revenue at Current Rates	30	12,098,790					
Test Year (FY 2021/22) Projected Rate Adjustment		12.5%					
Adjusted Net Revenue Reg'ts	\$	13,611,139	\$ 7,422,331	\$ 2,672,978	\$ 2,672,978	5	842,852
Percent of Revenue		100.0%	54.5%	19.6%	19.6%	1	6.2%

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Sewer Cost of Service Analysis

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TABLE 35: DEVELOPMENT OF THE VOLUME ALLOCATION FACTOR

Customer Class	Number of Accounts ¹	Number of EDU's ¹	Annual Volume (hcf) ¹	Winter Water Use (hcf) ^{1,3}	Est. Annual Sewer Flow (ccf/year)*	Percentage of Adjusted Volume	ccf/ma./EDU based on Winter
Calculation Components			A	В	C=B *4		143333333
Residential	7				Y		88
Single-Family Residential	19,972	19,980	4,090,849	746,686	2,986,744	72.4%	12.
Multi-Family Residential	298	5,566	447,858	96,850	387,400	9.4%	5.
Mobile Home ³	1,528	1,518	140,899	28,248	112,992	2.7%	6
RV Park ³	2,816	1,576	155,494	38,099	155,494	3.8%	8
Non-Residential			- HOTH MANY	SAME OF	ii Roesettes		122
Commercial - Low/Med. Strength	703	4,250	412,315	90,540	412,315	10.0%	8
Commercial - High Strength	71	535	69,566	15,974	69,566	1.7%	10.
Total:	25,388	33,425	5,316,980	1,016,396	4,124,510	100.0%	

- 1. Consumption, customer accounts, and EDU's from source file: Net Join Tax Roll 07-30-2020 Final V8.xlsx.
- 2. The three consecutive month period of lowest water usage overall during FY 2019/20.
- 3. Number of accounts for Mobile Homes and RV Parks are based on the number of lots.
- RV Parks and Commercial customers are based on annual water consumption. The remaining residential accounts are based on annual average winter water use.

TABLE 36: DEVELOPMENT OF THE STRENGTH ALLOCATION FACTOR

	Adjusted	Bio	chemical Oxy	gen Demand (BC	ID)	Total Suspended Solids (TSS)					
Customer Class	Total Annual Volume (HCF) ¹	Avg. Strength Factor (mg/l) ²	Calculated BOD (lbs./yr.) ³	Adjusted BOD (lbs./yr.)	Percent of Total	Avg. Strength Factor (mg/l) ²	Calculated TSS (lbs./yr.) ³	Adjusted TSS (lbs./yr.)	Percent of Total		
Residential		- Carlotte									
Single-Family Residential	2,986,744	175	3,260,646	1,501,866	70.1%	175	3,260,646	2,477,906	70.0%		
Multi-Family Residential	387,400	175	422,927	194,802	9.1%	175	422,927	321,400	9.1%		
Mobile Home*	112,992	175	123,354	56,817	2.7%	175	123,354	93,742	2.6%		
RV Park ⁴	155,494	175	169,754	78,189	3.6%	175	169,754	129,003	3.6%		
Non-Residential Totals	939083896	C. C		1000000 NOA			40000000000000000000000000000000000000		10.000		
Commercial - Low/Med. Strength	412,315	150	385,822	177,711	8.3%	150	385,822	293,203	8.3%		
Commercial - High Strength	69,566	670	290,761	133,926	6.2%	680	295,101	224,260	6.3%		
Total:	4,124,510		4,653,265	2,143,311	100.0%		4,657,604	3,539,514	100.0%		
Control of the Contro	Target, fron	WWTP Data			BOD (lbs./yr.)		1,000,000,000	3,539,514	TS5 (lbs./yr.)		
				0.461	BOD Adj. Facto	r		0.760	TSS Adj. Factor		

- 1. RV Parks and Commercial customers are based on annual water consumption. The remaining residential accounts are based on annual average winter water use.
- 2. Source: CA State Water Resources Control Board, Revenue Program Guidelines (Appendix G), G-21.
- 3. Calculated BDD and TSS are from source file: 16.ASP & Pond Effluent Data + loading (01.2017 08.2020).xisx .
- 4. Number of accounts for Mobile Homes and RV Parks are based on the number of lots.



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Allocation Factors, 35 of 63

Sewer Cost of Service Analysis

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TABLE 37: DEVELOPMENT OF THE CUSTOMER ALLOCATION FACTOR

Sewer Customer Classes	Number of Accounts ¹	Percent of Total	Number of EDUs ¹	Percent of Total	
Residential	2000000000		200,500,000,000	POR 256476	
Single-Family Residential	19,972	78.67%	19,980	57.62%	
Multi-Family Residential	298	1.17%	5,566	16.05%	The state of the second
Mobile Home ¹	1,528	6.02%	1,528	4.41%	Based on # of lot
RV Park ²	2,816	11.09%	2,816	8.12%	Based on # of lot
Non-Residential	A30000				A MARKON CONTRACTOR AND A PROPERTY
Commercial - Low/Med. Strength	703	2.77%	4,250	12.26%	
Commercial - High Strength	71	0.28%	535	1.54%	
Total:	25,388	100.00%	34,675	100.00%	

^{1.} Consumption, customer accounts, and EDUs are from source file: Net Join Tax Roll 07-30-2020 Final V8.xlsx.

TABLE 38 : TOTAL REVENUE BY CUSTOMER CLASS

Customer Class	FY 2019/20 Rate Revenue ¹	Percentage of Accounts
Residential		
Single-Family Residential	\$ 6,593,400	59.78%
Multi-Family Residential	1,836,798	16.65%
Mobile Home	500,775	4.54%
RV Park	520,235	4.72%
Non-Residential	10100 00000 00000	DESCRIPTION OF THE PARTY OF THE
Commercial - Low/Med. Strength	\$ 1,402,500	12.72%
Commercial - High Strength	176,550	1.60%
Total	\$11,030,259	100%

^{1.} Source file: Net Join Tax Roll 07-30-2020 Final V8.xlsx.

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Allocation Factors, 36 of 63

^{2.} Number of accounts for Mobile Homes and RV Parks are based on the number of lots.

Sewer Cost of Service Analysis

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TABLE 39: ALLOCATION OF REVENUE REQUIREMENTS

Customer Class	1		Co	st Classificati	on	Components				Cost-of- iervice Net	% of COS Net
		Volume		Treat	tme	nt	C	ustomer	Revenue		Revenue
	4			BOD		TSS		Related		Rea'ts.	Req'ts.
Net Revenue Requirements 3	5	7,422,331	\$	2,672,978	\$	2,672,978	\$	842,852	\$	13,611,139	
Same was		54.5%		19.6%		19.6%		6.2%		100.0%	
Residential										.00:00:02	
Single-Family Residential	\$	5,374,845	\$	1,873,015	\$	1,871,270	5	663,048	\$	9,782,178	71.9%
Multi-Family Residential	10.25	697,152	978	242,942		242,716	200	9,893	100	1,192,703	8.8%
Mobile Home ²		203,337		70,858		70,792		50,728		395,715	2.9%
RV Park ²	-	279,822		97,512		97,421		93,488		568,242	4.2%
Residential Totals	5	6,555,156	5	2,284,327	5	2,282,199	5	817,157	5	11,938,839	87.7%
Non-Residential								- W-11-154V.		APPROXIMEN	V
Commercial - Low/Med. Strength	5	741,987	\$	221,628	5	221,422	5	23,339	\$	1,208,376	8.9%
Commercial - High Strength	5.5	125,188	975	167,022		169,357	256	2,357	125	463,924	3.4%
Non-Residential Totals	5	867,175	5	388,650	5	390,779	5	25,696	5	1,672,300	12.3%
Total	5	7,422,331	S	2,672,978	5	2,672,978	S	842.852	5	13.611.139	100%

The revenue requirement for each customer class is determined by multiplying the revenue requirement from each cost classification by the allocation factors for each customer class.

- 2. Revenue requirements for Mobile Home and RV Park customers are based on the number of lots.
- 3. Based on number of accounts, not EDUs.

TABLE 40: PROPOSED SEWER RATES

Alternative 1 - 100% Fixed based on EDU - Varies by Class

Customer Class	Number of Accounts	No. of EDU's ¹	Estimated Sewer Flow ²	Annual Revenue Requirement	Annual Charge (\$ Per EDU)	
Residential			92	11 7		-
Single-Family Residential	19,972	19,980	2,986,744	\$ 9,782,178	\$489.60	Based on # of EDUs
Multi-Family Residential	298	5,566	387,400	1,192,703	\$214.28	Based on # of EDUs
Mobile Home	1,528	1,518	112,992	395,715	\$258.98	Based on # of accounts/lo
RV Park	2,816	1,576	155,494	568,242	\$201.79	Based on # of accounts/lo
Residential Totals	24,614	28,640	3,642,630	\$ 11,938,839		A CONTRACT OF THE PROPERTY OF
Non-Residential	9			20:		100
Commercial - Low/Med. Strength	703	4,250	412,315	\$ 1,208,376	\$284.32	Based on # of EDUs
Commercial - High Strength	71	535	69,566	463,924	\$867.15	Based on # of EDUs
Non-Residential Totals	774	4,785	481,880	\$ 1,672,300		
Total	25,388	33,425	4,124,510	\$ 13,611,139		1

^{1.} EDU's are from the tax roll. Source file: 4. FY 21 Tax Roll for Rate Study.xisx .

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COSA - Sewer Rates, 37 of 63



Estimated sewer flow is based on average winter consumption for SFR, MFR and MH customers. RV Parks and Commercial customers are based on annual consumption. Source file: 14. IWA Net Billed Water Consumption by Location (RAC) Jan 2019 - Sept 2020.xisx.

Sewer Cost of Service Analysis

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TABLE 41: PROPOSED SEWER RATES

Alternative 2 - 80% Fixed / 20% Volumetric

	WALL STREET, STREET			Page 1911 Committee of the committee of	Fixed & Volu	metric Charges			
Customer Class	Number of Accounts	No. of EDU's ¹	Estimated Sewer Flow ²	Total Revenue Requirement	Annual Fixed Charge	Vol. Rate \$/hcf	Fixed Revenue	Variable Revenue	Tatal Revenue
Residential	50 (SERENCER)	St. Salaria (Salaria)	S STATE OF THE STA	NO. NORTH REPORTERS	\$ Per EDU	VS-84479-E-1			
Single-Family Residential	19,972	19,980	2,986,744	\$ 9,782,178	\$391.68	\$0.65	\$ 7,825,742	\$ 2,947,791	\$ (8,545)
Multi-Family Residential	298	5,566	387,400	1,192,703	\$171.43	\$0.65	\$ 954,103	5 232,042	\$ 14,100
Mobile Home ¹	1,528	1,518	112,992	395,715	\$207.18	\$0.65	\$ 310,372	\$ 73,087	\$ (3,430)
RV Park ³	2,816	1,576	155,494	568,242	\$161.43	\$0.73	\$ 434,394	5 113,648	5 -
Residential Totals	24,614	28,640	3,642,630	\$ 11,938,839	DE PERMIT MILE DE		\$ 9,551,071	\$ 2,387,768	5 0
Non-Residential	200	C 100000000	 Discussion 		S Per EDU	1	The second second		
Commercial - Low Strength	703	4,250	412,315	\$ 1,208,376	\$227.46	\$0.59	\$ 900,701	\$ 241,875	3 -
Commercial - High Strength	71	535	69,566	463,924	\$693.72	\$1.33	\$ 371,139	\$ 92,783	5 -
Non-Residential Totals	774	4,785	481,880	\$ 1,672,300			5 1,337,840	5 334,460	3 -
Total	25,388	33,425	4,124,510	\$ 13,611,139	ê		5 10,888,911	5 2,722,228	5 -
1. EDU's are from the tax roll. Source fil	e: 4. FY 21 Tax Roll for	Rate Study.xisx .		CHARLES IN LANG.			80%	20%	

TABLE 42: PROPOSED SEWER RATES

Alternative 3 - 70% Fixed / 30% Volumetric

	Number of		Estimated	Total Revenue	Fixed & Volu	metric Charges			
Customer Class Accounts	No. of EDU's ¹	Sewer Flow ²	Requirement	Annual Fixed Charge	Vol. Rate \$/hcf	Fixed Revenue	Variable Revenue	Total Revenue check	
Residential	E 2000 C 31 A 10		47.1475.60.00.00		\$ Per EDU	MAYOU TA			
Single-Family Residential	19,972	19,980	2,986,744	\$ 9,782,178	\$342.72	\$0.98	\$ 0,847,524	\$ 2,931,686	\$ (12,957)
Multi-Family Residential	298	5,566	387,400	1,192,703	\$150.00	\$0.98	5 #34,892	\$ 378,962	\$ 21,151
Mobile Home ³	1,528	1,518	112,992	395,715	\$181.28	\$0.98	\$ 277,001	5 110,533	5 (8,184)
RV Park ³	2,816	1,576	155,494	568,242	\$141.25	\$1.10	\$ 397,270	\$ 170,473	3 -
Residential Totals	24,614	28,640	3,642,630	\$ 11,938,839			\$ 8,357,187	5 3,581,052	5 (0)
Non-Residential	3	3 3	2 2	195	\$ Per EDU	100			
Commercial - Low/Med. Strength	703	4,250	412,315	\$ 1,208,376	\$199.03	\$0.88	\$ 845,803	\$ 302,513	3 E
Commercial - High Strength	71	535	69,566	463,924	\$607.00	\$2.00	\$ 324,747	\$ 139,177	3 -
Non-Residential Totals	774	4,785	481,880	\$ 1,672,300			\$ 1,170,010	\$ 501,090	4 -
Total	25,388	33,425	4,124,510	\$ 13,611,139	8	3	\$ 9,527,797	5 4,083,342	\$ -
1. EDU's are from the tax roll. Source file:	4. FY 21 Tax Roll for	Rate Study. xísx .			12	-7-	70%	30%	

COSA - Sewer Rates, 38 of 63



^{2.} Estimated sewer flow based on average winter consumption for SFR, MFR and MH customers. RV Parks and Commercial customers are based on annual consumption. Source file: 14. IWA Net Billed Water Consumption by Location (RAC) Ian 2019 - Sept 2020.xisx.

^{3.} Fixed charges for SFR and MFR customers are calculated based on EDU, while rates for MH and RV Park customers are based on the number of accounts, or lots.

^{2.} Estimated sewer flow based on average winter consumption for SFR, MFR and MH customers. RV Parks and Commercial customers are based on annual consumption. Source file: 14. IWA Net Billed Water Consumption by Location (RAC) Jan 2019 - Sept 2020 xisx.

^{3.} Fixed charges for SFR and MFR customers are calculated based on EDU, while rates for MH and RV Park customers are based on the number of accounts, or lots.

Sewer Cost of Service Analysis

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TABLE 43: RV DUMP CHARGE CALCULATION

and the same of th	One-Time	Biochemical O	xygen Demand	Total Suspended Solids (TSS)			
Customer Class	Effluent Volume (HCF) ¹	Avg. Strength Factor (mg/l) ²	Lbs. of BOD ³	Avg. Strength Factor (mg/l) ²	Lbs. of TSS ³		
RV Dump Charge Components: 1. Septage Vol., Strength and lbs. 2. Unit costs (\$/HCF or /lbs.)4 3. Charge (1. x 2.)	0.053476 \$ 1.80 \$0.10	5,400	1.80 \$ 1.25 \$2.25	12,000	4.00 \$ 0.76 \$3.02		
Total Flow & Strength Charges Admin. Charges (.25 hrs @ \$58/hr) RV Dump Charge (\$/ 40-Gal.)	\$5,37 \$14,50 \$19,87	,	02 020 0	(a)			

- 1. Assumes a standard RV dump of 40 gallons.
- 2. Typical septage strength from Water Resource Control Board Guidelines (Appendix G).
- 3. Formula: Effluent Volume (HCF)*748 gal/HCF*Strength Factor (mg/L)*(8.34/10^6).
- 4. From COSA results (Table 30: Flow, BOD and TSS Costs divided by system-wide units).

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CDSA - Sewer Rates, 39 of 63

VALLEY SANITARY DISTRICT SEWER RATE STUDY Sewer Cost of Service Analysis/Rate Design Preliminary Draft Subject to Material Revision, Do Not Cite or Distribute

TABLE 44: CURRENT VS. PROPOSED SEWER RATES (ANNUAL)

Alternative 1 - 100% Fixed based on EDU - Varies by Class

the same and the s	Current	Proposed Annual Sewer Rates							
Sewer Rate Schedule	Rates	Year 1	Year 2	Year 3	Year 4	Year 5			
		FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26			
Projected Increase in Rate Revenue per Financial Plan: *	(\$/EDU)	12.50%	12.50%	12.50%	12.50%	2.00%			
Fixed Service Charges (Per EDU or Accounts)		A		- Callesian III					
Residential			Rates	Per EDU or Acc	ount ²				
Single-Family Residential	\$330.00	\$489.60	\$550.80	\$619.65	\$697.11	\$711.05			
Multi-Family Residential	\$330.00	\$214.28	\$241.07	\$271.20	\$305.10	\$311.20			
Mobile Home	\$330.00	\$258.98	\$291.35	\$327.77	\$368.74	\$376.11			
RV Park	\$330.00	\$201.79	\$227.01	\$255.39	\$287.31	\$293.06			
Non-Residential	- 2		9	Rates Per EDU		3			
Commercial - Low/Med. Strength	\$330.00	\$284.32	\$319.86	\$359.84	\$404.82	\$412.92			
Commercial - High Strength	\$330.00	\$867.15	\$975.54	\$1,097.48	\$1,234.67	\$1,259.36			

^{1.} This is the increase in annual rate revenue as shown in the Financial Plan. Under the current plan, property owners are charged on a per EDU basis regardless of customer class. In this updated rate structure, property owners are charged on a per EDU basis that varies by customer class.

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Current & Proposed Rates, 40 of 63

^{2.} Rates for SFR and MFR customers are calculated based on EDU, while rates for MH and RV Park customers are based on the number of accounts, or lots. Commercial rates are based on estimated EDUs.

VALLEY SANITARY DISTRICT SEWER RATE STUDY Sewer Cost of Service Analysis/Rate Design Preliminary Draft Subject to Material Revision, Do Not Cite or Distribute

TABLE 45: CURRENT VS. PROPOSED SEWER RATES (ANNUAL) Alternative 2 - 80% Fixed / 20% Volumetric **Proposed Annual Sewer Rates** Current Sewer Rate Schedule Year 2 Year 3 Year 4 Year 1 Year 5 Rates FY 2021/22 FY 2022/23 FY 2023/24 FY 2024/25 FY 2025/26 (\$/EDU) Projected Increase in Rate Revenue per Financial Plan: 12.50% 12.50% 12.50% 12,50% 2.00% Fixed Service Charges (Per EDU) Rates Per EDU or Account² Residential \$440.64 Single-Family Residential \$330.00 \$391.68 \$495.72 \$557.69 \$568.84 Multi-Family Residential \$330.00 \$171,43 \$192.85 \$216.96 \$244.08 \$248.96 Mobile Home \$330.00 \$207.18 \$233.08 \$262.22 \$295.00 \$300.90 RV Park \$330.00 \$161.43 \$181.61 \$204.31 \$229.85 \$234.45 Non-Residential Rates Per EDU Commercial - Low Strength \$330,00 \$227.46 \$255.89 \$287.88 \$330.35 \$323.87 \$693.72 \$1,007.48 Commercial - High Strength \$330.00 \$780,43 \$877.98 \$987.73 Volumetric Rate (\$/hcf of annualized average winter water consumption) Rates Per HCF* Single-Family Residential \$0.65 \$0.73 50.82 \$0.92 \$0.94 Multi-Family Residential \$0.65 \$0.73 \$0.82 \$0.92 \$0.94 Mobile Home \$0.65 \$0.73 \$0.82 \$0.92 \$0.94 **RV Park** \$0.73 \$0.82 \$0.92 \$1.04 \$1.06 Non-Residential

\$0.59

\$1.33

\$0.66

\$1.50

\$0.74

\$1.69

\$0.83

\$1.90

\$0.85

\$1.94

Commercial - Low Strength

Commercial - High Strength

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Current & Proposed Rates, 41 of 63

This is the increase in annual rate revenue as shown in the Financial Plan, not an across-the-board adjustment to each individual rate. Based on the
cost-of-service adjustments, individual rates may be more or less than this amount in FY 2021/22.

Rates for SFR and MFR customers are calculated based on EDU, while rates for MH and RV Park customers are based on the number of accounts, or lots. Commercial rates are based on estimated EDUs.

^{3.} One Unit is equal to one HCF (Hundred Cubic Feet) or 748 gallons.

^{4.} Estimated sewer flow based on average winter consumption for SFR, MFR and MH customers and annual consumption for RV Parks and Commercial customers.

VALLEY SANITARY DISTRICT

SEWER RATE STUDY

Sewer Cost of Service Analysis/Rate Design

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TABLE 46: CURRENT VS. PROPOSED SEWER RATES (ANNUAL)

Alternative	2 7/10/	Claud / 20	M Markey	and the last

	Current	Proposed Annual Sewer Rates						
Sewer Rate Schedule	Rates	Year 1	Year 2	Year 3	Year 4	Year 5		
S20 S20 MA S S S S S S S S S S S S S S S S S S	V.0108-0715	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26		
rojected Increase in Rate Revenue per Financial Plan:	(\$/EDU)	12.50%	12.50%	12.50%	12.50%	2.00%		
Fixed Service Charges (Per EDU or Accounts)								
Residential			Rates	Per EDU or Acc	count ²			
Single-Family Residential	\$330.00	\$342.72	\$385.56	\$433.76	\$487.98	\$497.74		
Multi-Family Residential	\$330.00	\$150.00	\$168.75	\$189.84	\$213.57	\$217.84		
Mobile Home	\$330.00	\$181.28	\$203.94	\$229.43	\$258.11	\$263.27		
RV Park	\$330.00	\$141.25	\$158.91	\$178.77	\$201.12	\$205.14		
Non-Residential	Different Control			Rates Per EDU		200000000		
Commercial - Low Strength	\$330.00	\$199.03	\$223.91	\$251.90	\$283.39	\$289.06		
Commercial - High Strength	\$330.00	\$607.00	\$682.88	\$768.24	\$864.27	\$881.56		
Volumetric Rate (\$/hcf of annualized average winter w	ater consumpt	tion) "	85 10		: (U) :::	: MI		
Residential				Rates Per HCF4				
Single-Family Residential	**	\$0.98	\$1.10	\$1.24	\$1.40	\$1.43		
Multi-Family Residential		\$0.98	\$1.10	\$1.24	\$1.40	\$1.43		
Mobile Home		\$0.98	\$1.10	\$1.24	\$1.40	\$1.43		
RV Park		\$1.10	\$1.23	\$1.38	\$1.55	\$1.58		
Non-Residential		1917910475	named in the	Vonda-Est.		A-10-10-10-10-10-10-10-10-10-10-10-10-10-		
Commercial - Low Strength		\$0.88	\$0.99	\$1.11	\$1.25	\$1.28		
Commercial - High Strength		\$2.00	\$2.25	\$2.53	\$2.85	\$2.91		

This is the increase in annual rate revenue as shown in the Financial Plan, not an across-the-board adjustment to each individual rate. Based on the
cost-of-service adjustments, individual rates may be more or less than this amount in FY 2021/22.

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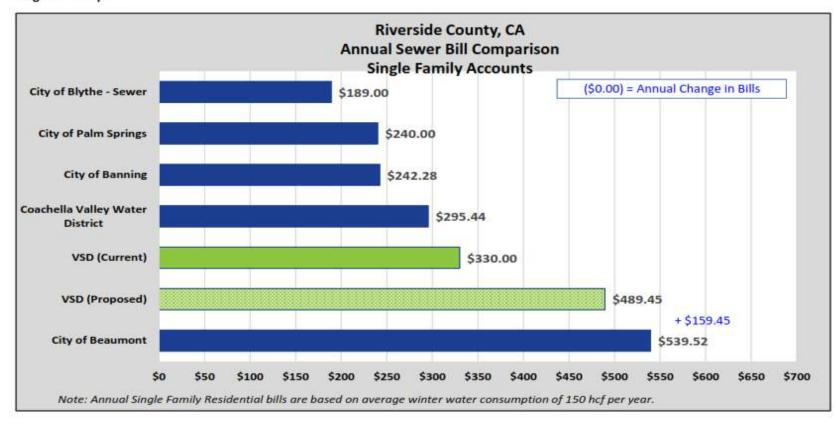
Current & Proposed Rates, 42 of 63

Rates for SFR and MFR customers are calculated based on EDU, while rates for MH and RV Park customers are based on the number of accounts, or lots. Commercial rates are based on estimated EDUs.

^{3.} One Unit is equal to one HCF (Hundred Cubic Feet) or 748 gallons.

^{4.} Estimated sewer flow based on average winter consumption for SFR, MFR and MH customers and annual consumption for RV Parks and Commercial customers.

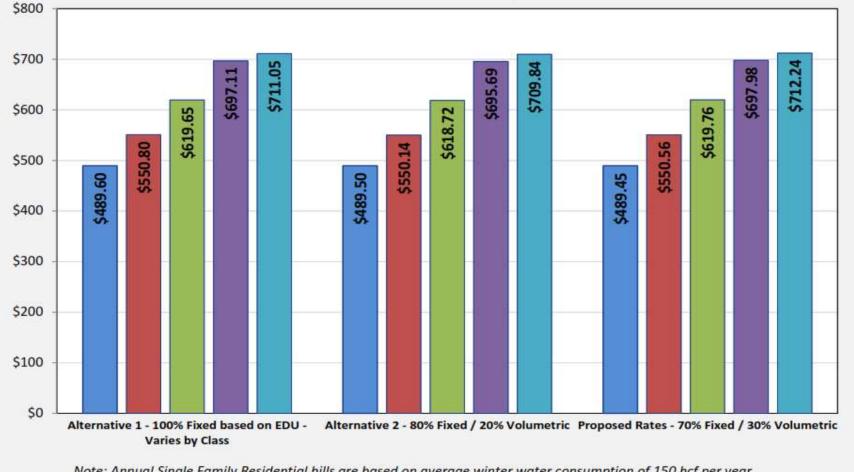
VALLEY SANITARY DISTRICT SEWER RATE STUDY Regional Comps



Page 99 of 174

Single Family Residential Annual Sewer Bills - 5-Year Projections

30-Year Debt Issue: Full CIP with a \$165 Million Debt Issue



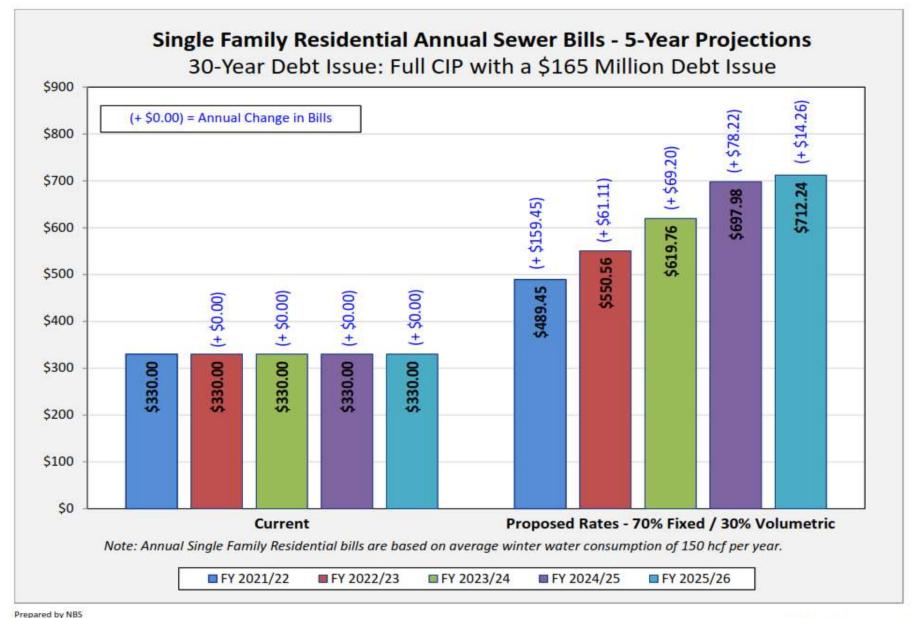
Note: Annual Single Family Residential bills are based on average winter water consumption of 150 hcf per year.

FY 2021/22 FY 2022/23 FY 2023/24 FY 2024/25 FY 2025/26

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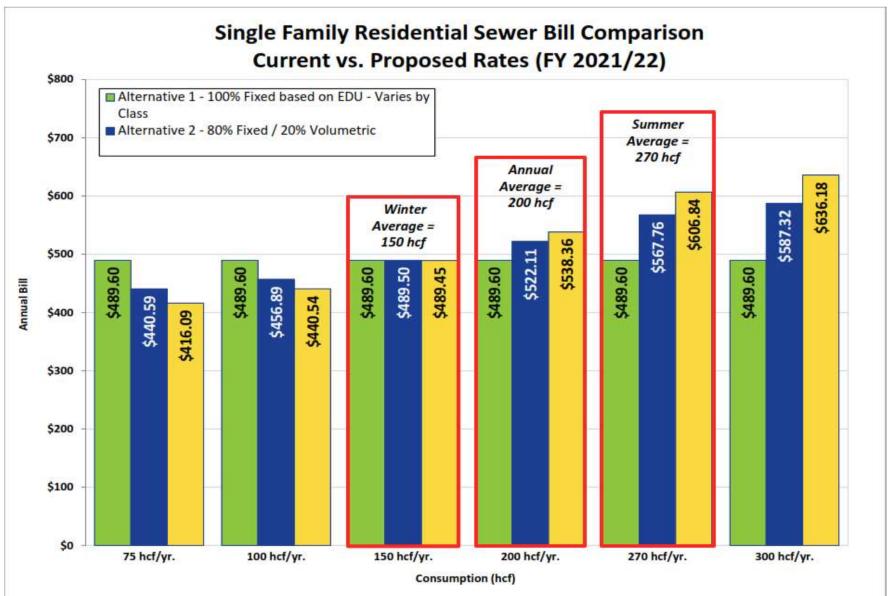
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SFR Bill Comp #1, Page 44 of 63



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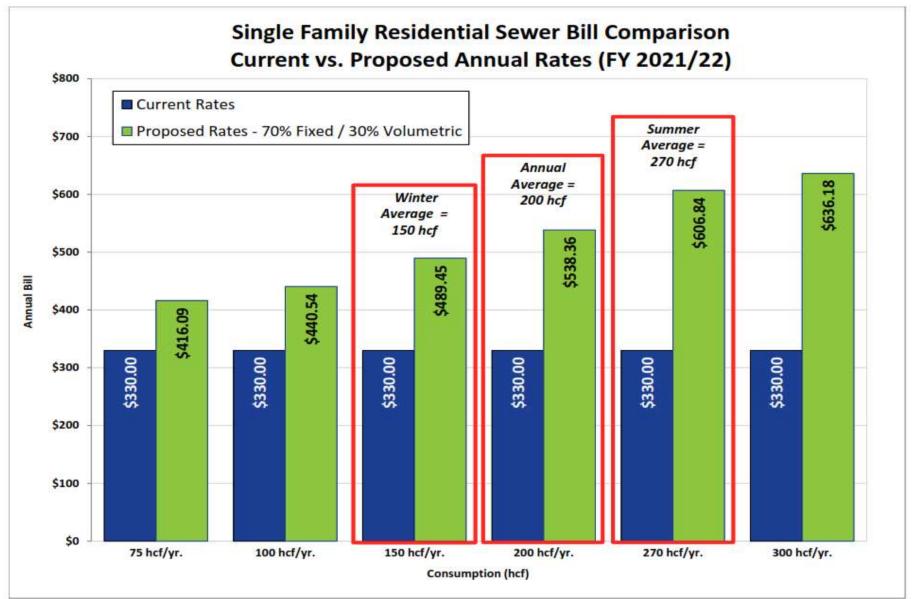
SFR Bill Comp #1a, Page 45 of 63



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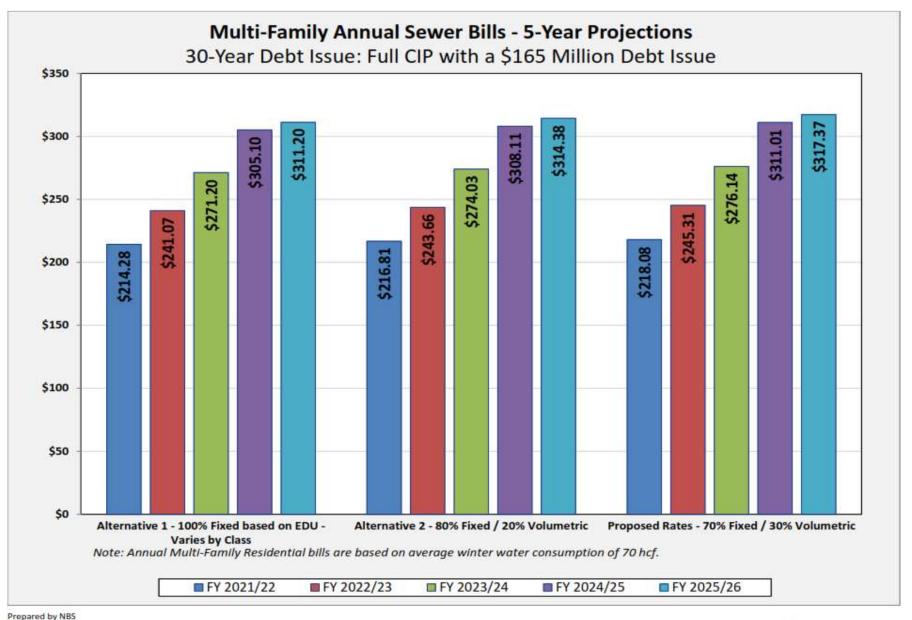
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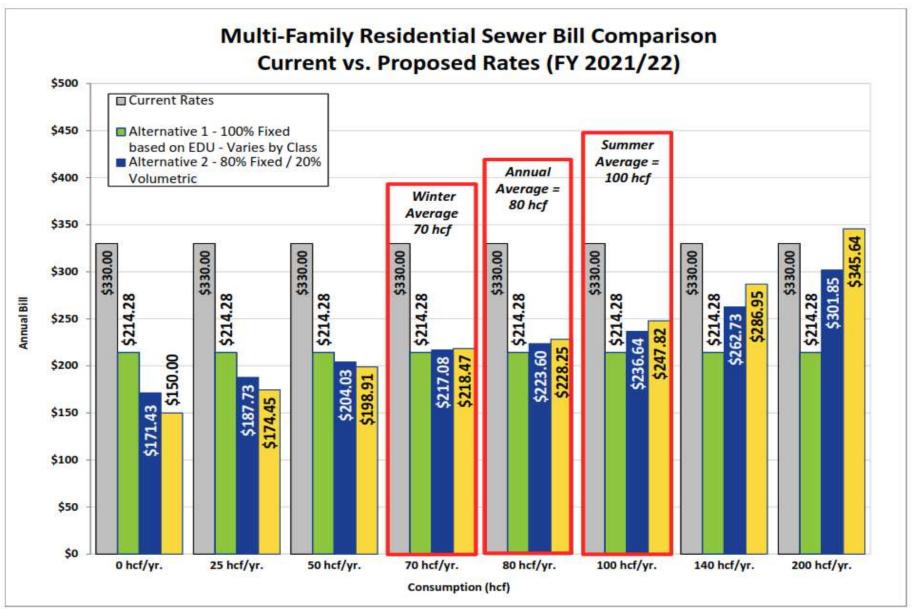
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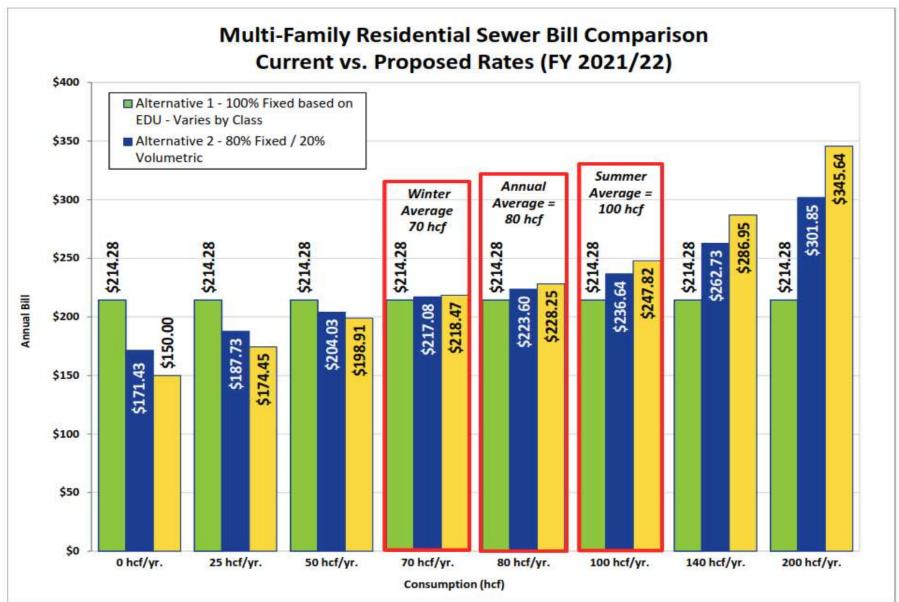
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MFR Bill Comp #2A (2), Page 49 of 63

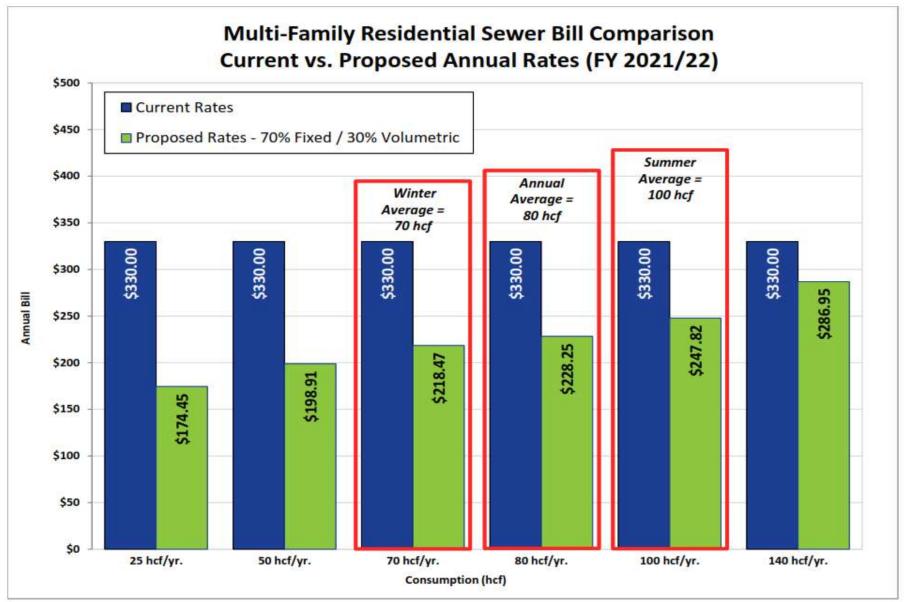


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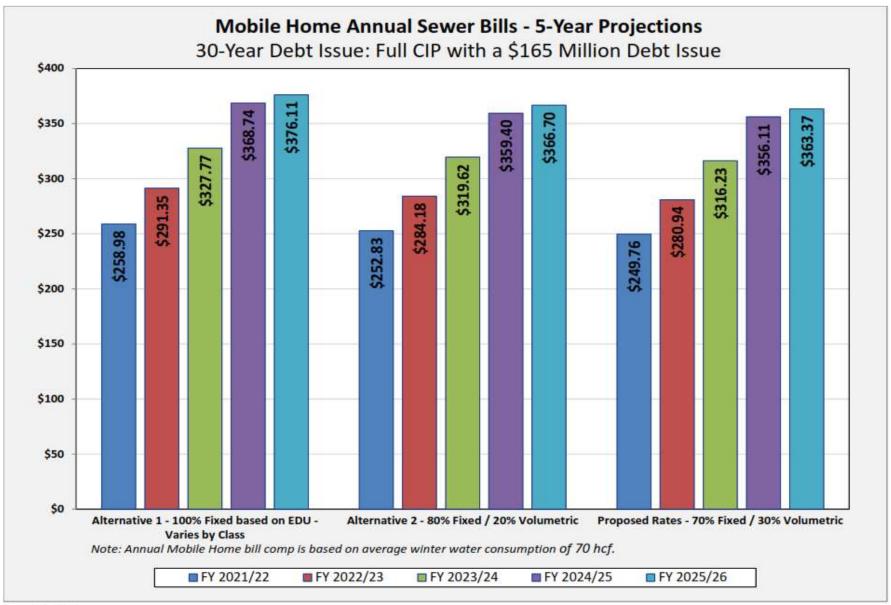
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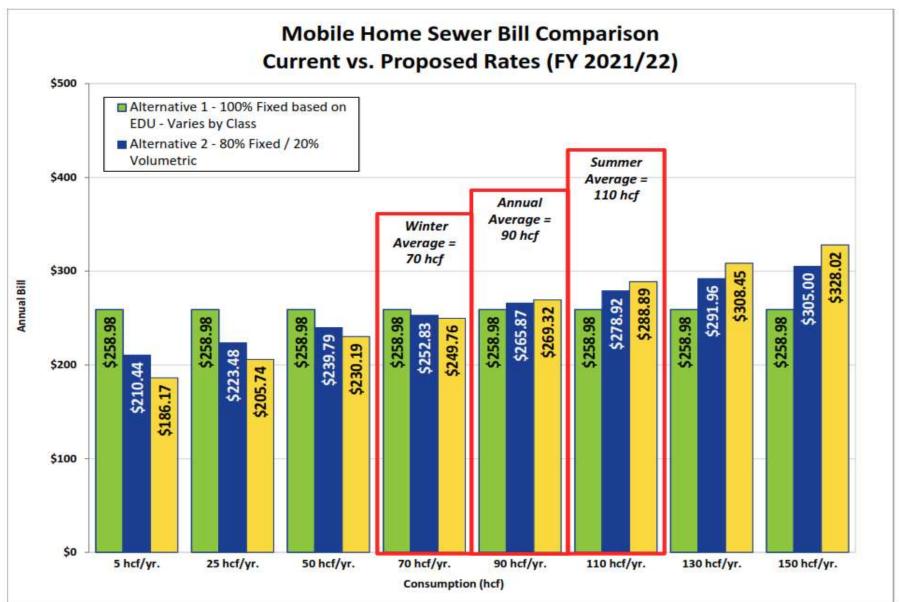


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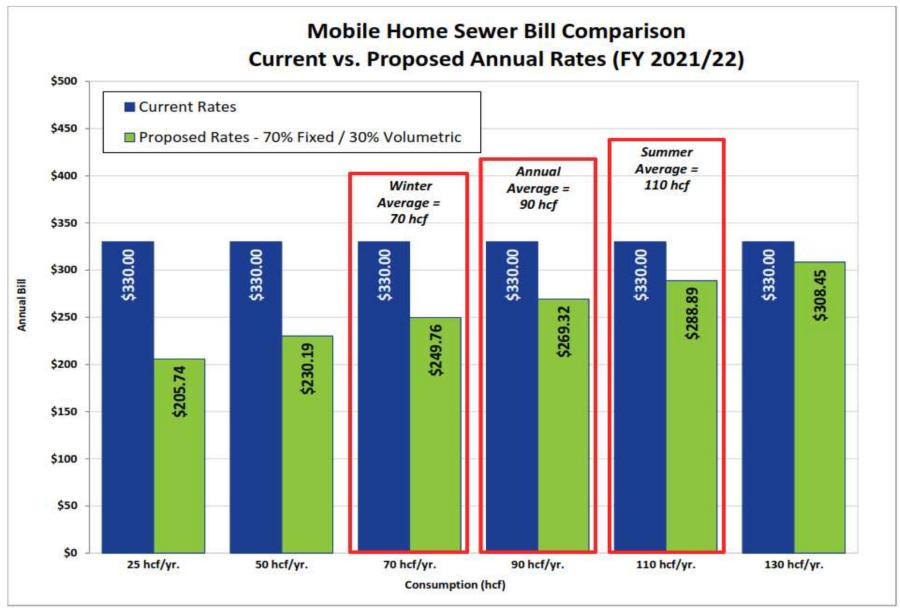
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Mobile Home Bill Comp #1, Page 52 of 63



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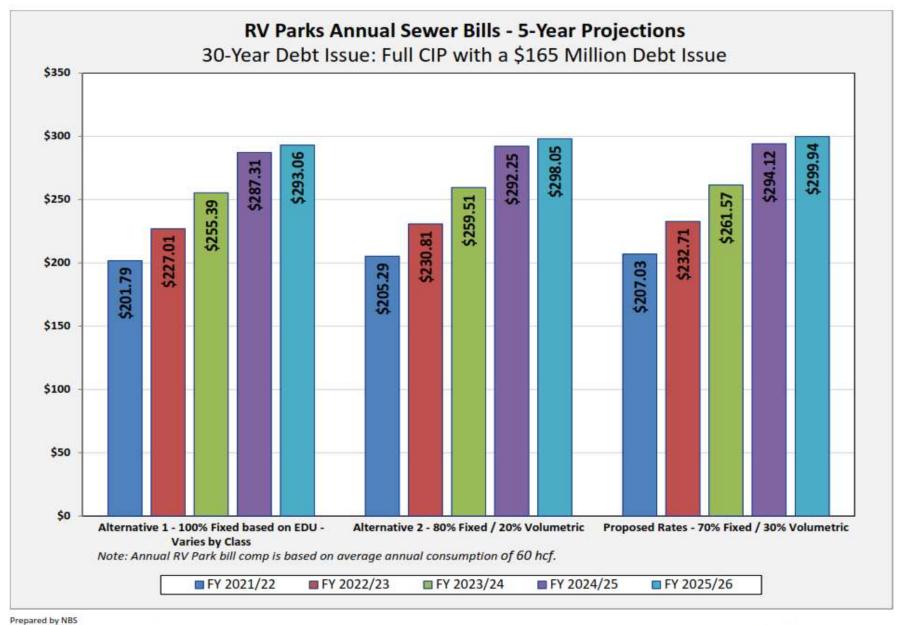
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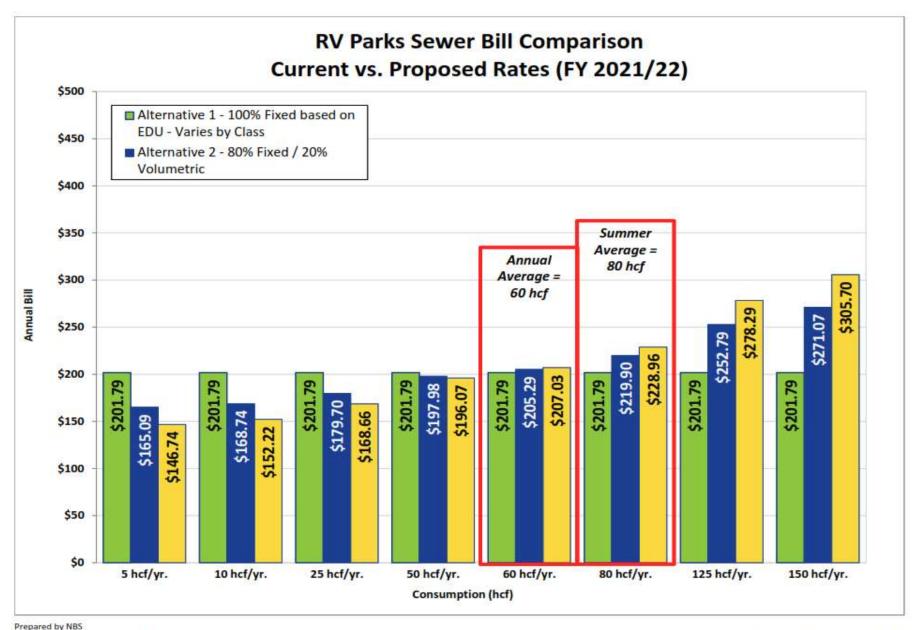
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Mobile Home Bill Comp #2A, Page 54 of 63



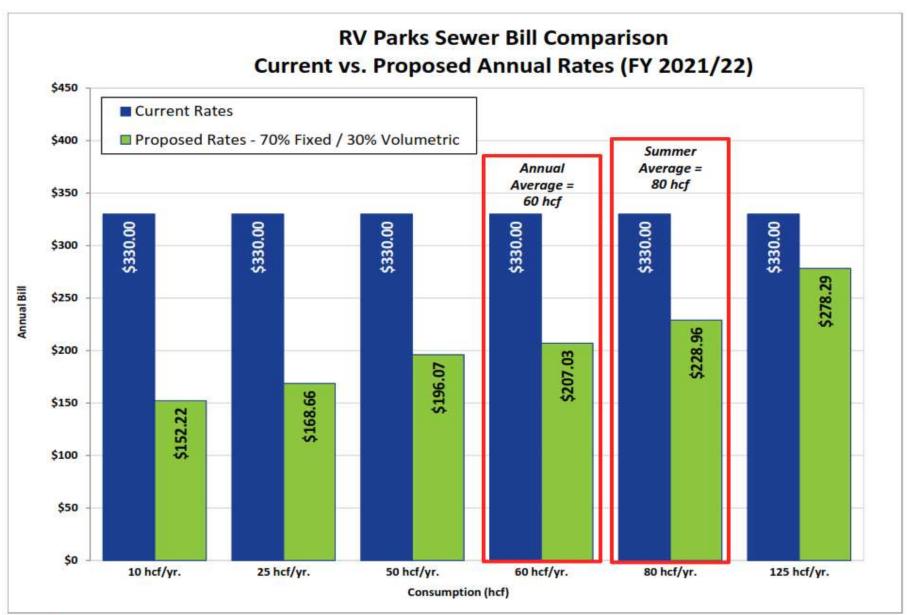
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RV Parks Bill Comp #1, Page 55 of 63

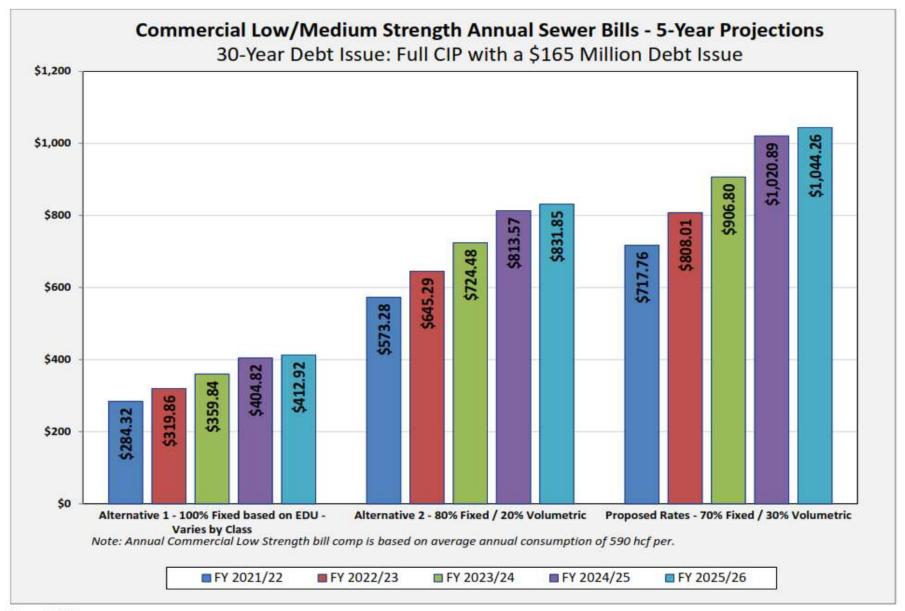


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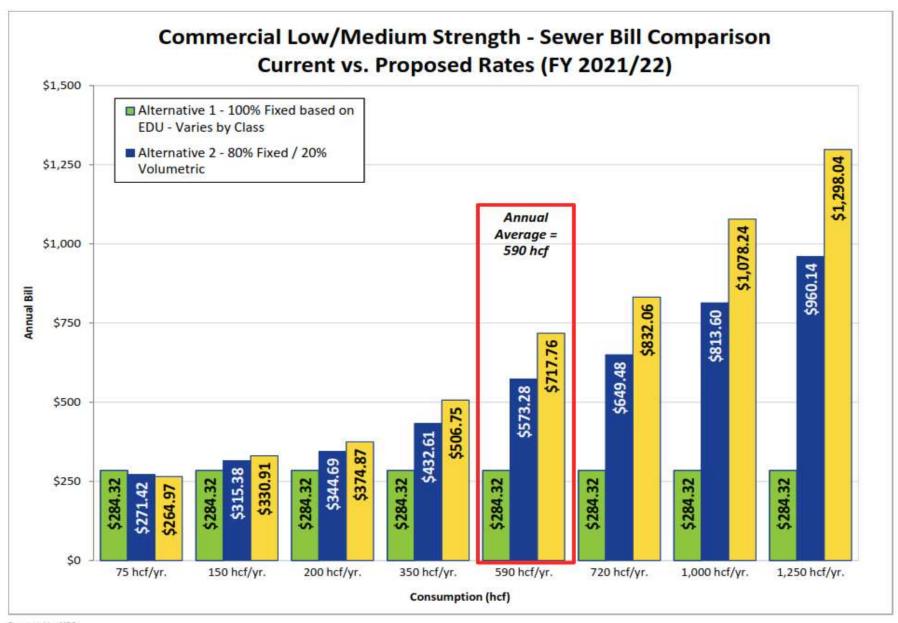
RV Parks Bill Comp #2, Page 56 of 63



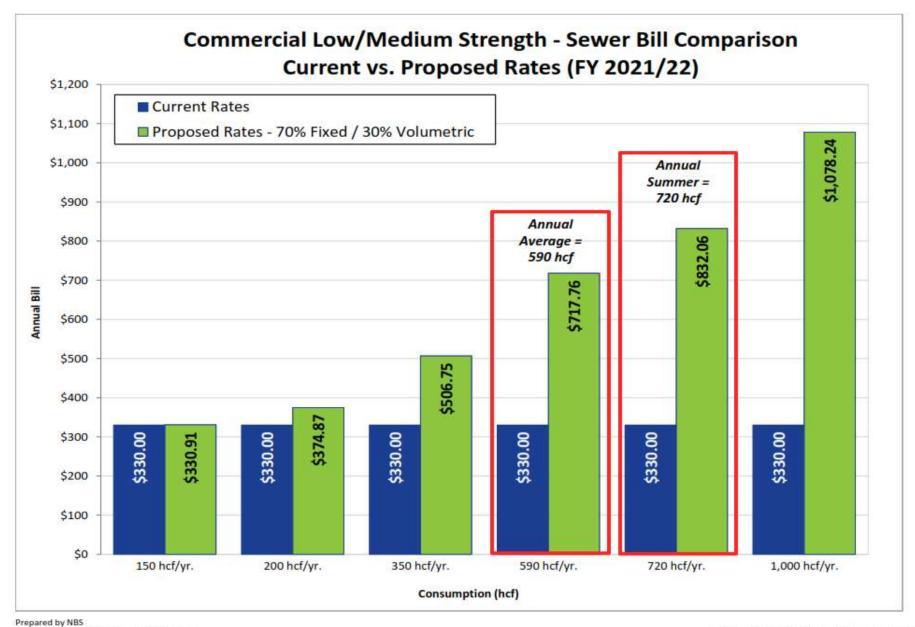
RV Parks Bill Comp #2A, Page 57 of 63



Comm Low Strength Bill Comp #1, Page 58 of 63

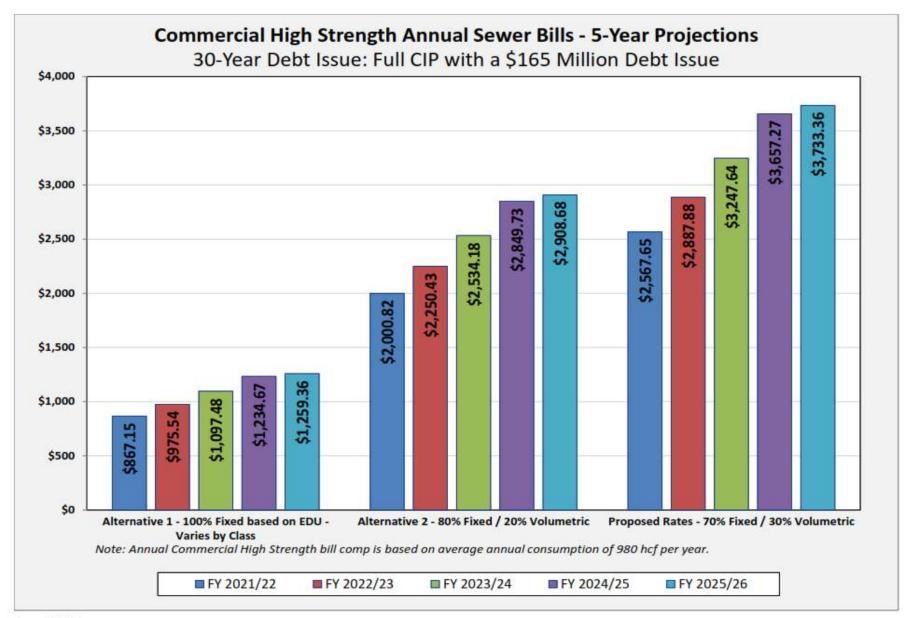


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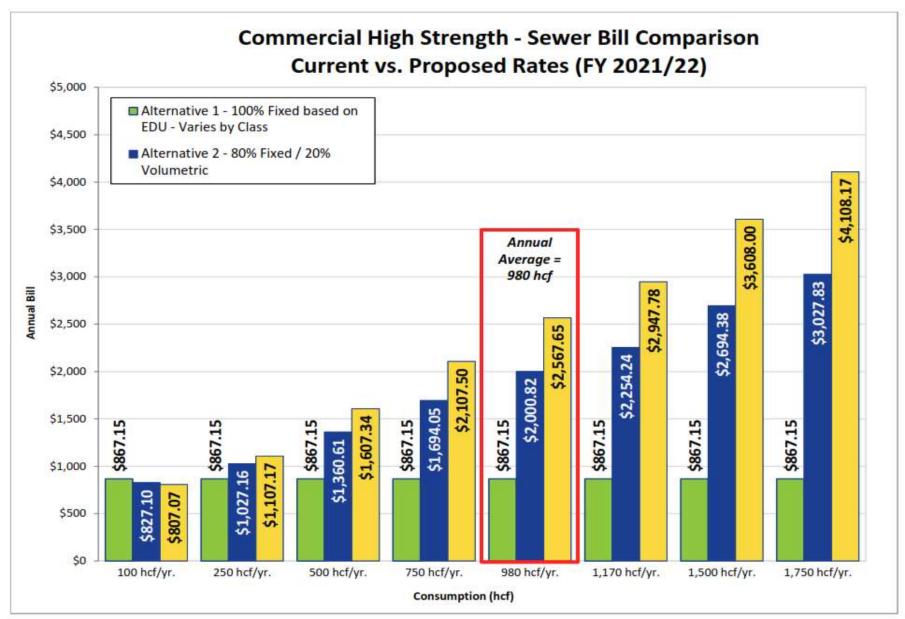


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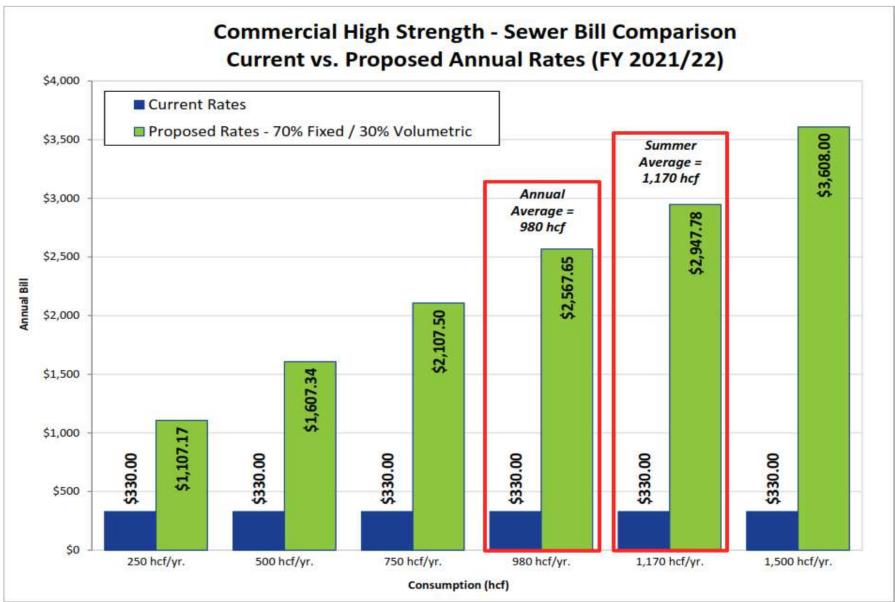
Comm Low Strength Bill Comp #2A, Page 60 of 63



Comm High Strength Bill Comp #1, Page 61 of 63



Comm Hig Strength Bill Comp #2, Page 62 of 63



Comm Hig Strength Bill Comp #2A, Page 63 of 63





Valley Sanitary District Board of Directors Meeting May 11, 2021

TO: Board of Directors

FROM: Jeanette Juarez, Business Services Manager

SUBJECT: Approval of the Valley Sanitary District Fixed Assets Accounting

Policy

⊠Board Action	□New Budget Approval	□Contract Award
□Board Information	□Existing FY Approved Budget	□Closed Session

Executive Summary

The purpose of this report is for the Board of Directors to review and approve the Fixed Assets Accounting Policy.

Strategic Plan Compliance

This item complies with VSD Strategic Plan Objective 6.3.1: Review 10% of policies annually and update as needed.

Fiscal Impact

There is no fiscal impact from this report.

Background

The purpose of this policy is to ensure the District's fixed assets are acquired, safeguarded, controlled, disposed of, and accounted for in accordance with state and federal regulations, auditor requirements, applicable accounting pronouncements, and in a manner that adequately supports the maximum recovery of Facilities and Administrative (indirect) costs associated with these assets. This policy applies to all fixed Assets (land, buildings, infrastructure, and equipment) regardless of source of funds used to acquire these assets (including donated assets) and applies to all departments that use, have custody of, or have been assigned responsibility for such fixed assets. In addition to land, buildings, improvements and equipment, the District will maintain an inventory of all controllable property.

Recommendation

Staff recommends that the Board of Directors approve the Fixed Assets Accounting Policy effective July 1, 2021.

Attachments

New Fixed Assets Accounting Policy Attachment A:

Attachment B: **Equipment Disposition Form** Lessee Inventory Template Attachment C: Lessee Journal Entries Attachment D: Lessor Inventory Template Attachment E:

Attachment F: Lessor Journal Entries

Attachment G: Current Fixed Assets Accounting Policy



Fixed Assets Accounting Policy

Ado	pted:	/2021

I. PURPOSE

The District has a significant investment in fixed assets that include land, buildings, fixed equipment, infrastructure, and moveable equipment. This policy addresses the basic requirements and procedures that must be followed to meet all state and federal regulations related to fixed assets. In addition to land, buildings, improvements and equipment, the District will maintain an inventory of all controllable items as defined below.

This policy is an overview of various components as they relate to fixed assets:

Table of Contents

Management of Fixed Assets	2
Capitalization Threshold	4
Asset Categorization and Capitalization	5
Jseful Life	9
eases	9
Disposal of Equipment and Other Fixed Assets	11
Deprecation	12
Non-Capital Expenditures	12
Physical Inventory	13
Budgeting	13
funding Sources	14
Accounting	15
iorms	10

Definitions

<u>Capitalizable Assets:</u> A fixed asset with an expected useful life of greater than one (1) year and the asset individually has a value or cost of \$5,000 or greater at the date of acquisition.

<u>Controllable Assets:</u> Tangible property that has an expected life of greater than one (1) year and value or cost less than \$5,000 at the date of acquisition.

<u>Depreciation:</u> The process of allocating the cost of an asset over a period of time, usually its estimated useful life.

<u>Depreciation Method:</u> Straight-line method with half-month convention.

<u>Intangible Assets:</u> An asset that lacks physical substance, is nonfinancial in nature, and has an initial useful life extending beyond a single reporting period. Examples of intangible assets include easements, computer software, water rights, timber rights, patents, and trademarks.

<u>Tangible Assets:</u> Assets are physical and measurable assets that are used in a company's operations. Assets like property, plant, and equipment, are tangible assets.

<u>Useful Life:</u> The amount of time that an asset is expected to provide benefit to the District.

II. POLICY

The purpose of this policy is to ensure the District's fixed assets are acquired, safeguarded, controlled, disposed of, and accounted for in accordance with state and federal regulations, auditor requirements, applicable accounting pronouncements, and in a manner that adequately supports the maximum recovery of Facilities and Administrative (indirect) costs associated with these assets. This policy applies to all fixed Assets (land, buildings, infrastructure, and equipment) regardless of source of funds used to acquire these assets (including donated assets) and applies to all departments that use, have custody of, or have been assigned responsibility for such fixed assets.

Management of Fixed Assets

Departmental Responsibilities

All District employees are responsible for protecting District property and are ultimately responsible for, and are held accountable for, assuming proprietary control of all equipment and other fixed assets in their custody or assigned to their department.

- 1. This responsibility includes establishing business practices and procedures for such equipment and other fixed assets that provide for the following:
- 2. The proper care, maintenance, control, and reasonable safeguards to prevent loss, damage or theft of such equipment and other fixed assets.
- 3. The proper usage of such equipment and other fixed assets. Such items should be used for District business purposes and in accordance with District policies and state and federal regulations.
- 4. The creation of procedures related to the acquisition of equipment and other fixed assets requiring initial screening to avoid the purchase of duplicative equipment is

- performed before requisitioning such equipment; verification steps are performed to ensure all items ordered are actually received and are in good operating condition; and assistance is provided to the Business Services Manager to complete the initial inventory of items acquired within 30 days of receipt for those items delivered directly to the ordering department, gather complete demographic information (location, serial number, etc.), and attach a barcode tag to the item whenever possible. Once the barcode tags are put on the equipment they should not be removed.
- 5. The proper disposal of obsolete, unneeded, or inoperable fixed assets and other property in accordance with the asset disposal policy. Department Heads may act to transfer property to another department but cannot sell or donate property to an individual or commercial firm. The departmental procedures for all disposals or transfers to other departments should ensure that the transfer or disposal forms for all such items are forwarded to the Business Services Manager for recording in Fixed Asset Module on a timely basis.
- The reporting of thefts of equipment and other fixed assets to the Business Services Manager. In addition, equipment that is lost or has been destroyed because of a casualty (fire, flood, etc.) should be immediately reported to the Business Services Manager.
- 7. Ensuring that a Loan of District Property Form is completed, with an electronic copy forwarded to the Business Services Manager, for any equipment loaned to employees so that they may work on District business onsite or at home. Ensure that the form is properly authorized by the department head with a signed consent by the employee to return the equipment upon request or upon termination of employment. Include specific details about the equipment (barcode number, serial number, manufacturer, model number, cost, etc.), and have a department process to track all such equipment. Ensure that all loaned equipment is returned from any employee prior to termination of employment.
- 8. The designation of an equipment coordinator(s) for the department who will assist in the management and control of the equipment and other fixed assets assigned to the department, document and forward all inventory information to include location changes, surplus and disposal documents, and new equipment acquisition documents to the Business Services Manager within 30 days of the change. This individual will also act as the primary point of contact for the department during the District's annual physical inventory process. The department head is responsible for communicating to the Business Services Manager any change of the equipment coordinator duty within the department.

Business Services Manager

The responsibilities of the Business Services Manager are to:

- 1. Initiate and control the collection of detailed demographic information (location, serial number, etc.) of all equipment acquired by purchase, donation, fabrication, transfer, or other method of acquisition.
- 2. Coordinate the taking of annual physical inventories of equipment and certain other fixed assets. Reconcile and update the fixed asset module for the results of these inventories and report the results to management.
- 3. Record disposals (and related sales proceeds, gains or losses, and reduction of accumulated depreciation) through sales, write-offs, trade-ins, and all other means for all fixed assets in the fixed asset module.

- 4. Provide guidance to Department Heads and other Valley Sanitary District Staff related to fixed assets policies and procedures.
- 5. Maintain and record changes or updates as appropriate to the land, building, infrastructure, fixed equipment and moveable equipment records in the fixed asset module.
- 6. Reconcile the fixed asset module to the general ledger for all capital asset categories.
- 7. Provide Department Heads with accurate and timely information about equipment and other such assets under their control or assigned to their departments.
- 8. Prepare data on depreciation for the District's financial statements.
- 9. Assist in the preparation and completion of property information reports, as required by governmental entities, or state or federal auditors, etc.
- 10. Enter all leases for buildings or equipment into the accounting system for determination of proper reporting category for financial statement purposes (i.e., operating or capital).
- 11. Prepare calculation for future minimum lease payments for the District's financial
- 12. statements.

Capitalization Threshold

All fixed assets, including buildings, equipment, furniture, improvements, infrastructure, land, software, and vehicles with an original cost of \$5,000 or more, will be subject to capitalization. All costs associated with the purchase or construction should be considered, including ancillary costs such as freight and transportation charges, site-preparation expenditures, installation charges, professional fees, and legal costs directly attributable to asset acquisition. The purchase of these fixed assets shall be included on the District's statement of net assets and depreciated over the asset's estimated useful life. The purchase of fixed assets for less than \$5,000 shall be expensed.

Specific capitalization requirements are described below.

- The capitalization threshold is applied to individual units of fixed assets. For example, ten desks purchased through a single purchase order each costing \$1,000 will not qualify for capitalization even though the total cost of \$10,000 exceeds the threshold of \$5,000.
- The capitalization threshold will generally not be applied to components of fixed assets. For example, a keyboard, monitor, and central processing unit purchased as components of a computer system will not be evaluated individually against the capitalization threshold. The entire computer system will be treated as a single fixed asset
- Repairs to fixed assets will generally not be subject to capitalization unless the repair extends the useful life of the asset. In this case, it represents an improvement and is subject to the capitalization policy and should be evaluated separately.
- Improvements to existing fixed assets will be presumed (by definition) to extend the useful life of the related fixed asset and, therefore, will be subject to capitalization only if the cost of the improvement meets the \$5,000 threshold. In theory, an improvement to a fixed asset that had an original cost of less than \$5,000, but now exceeds the threshold because of the improvement, should be combined as a single asset at the total cost (original cost plus the cost of the improvement) and capitalized.

Asset Categorization and Capitalization

Two (2) different categories fixed assets are tracked in the fixed asset module capitalizable and controllable.

- 1. Capitalizable assets are all fixed assets that meets the District's capitalization criteria as stated in the Threshold Policy. Statement No. 34 Basic Financial Statements and Management's Discussion and Analysis (MD&A) for State and Local Governments of the Governmental Accounting Standards Board (GASB) defines Capital Assets as:
 - "land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, works of art and historical treasures, infrastructure, and all other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period. Infrastructure assets are long-lived capital assets that normally are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets. Examples of infrastructure assets include roads, bridges, tunnels, drainage systems, water and sewer systems, dams, and lighting systems" (GASB, Para 19).
- 2. Controllable property is all property that does not meet the District's capitalization criteria, but which the District is obligated to physically control (e.g., laptops, computers, cell phones, lab chemicals, tools). These assets are in the fixed asset module but have no depreciation to distinguish them from capitalized assets. For accounting purposes, controllable property is not included in the fixed assets general ledger control accounts, nor is it included in the calculation of depreciation expense.

Buildings

- 1. Buildings acquired by purchase are recorded at cost and include all permanent structures and all integral fixtures, machinery, and other appurtenances that cannot be readily removed without disrupting the basic building structure or services to the building. The cost should also include professional fees for attorneys, appraisers or financial advisors, and any other expenditure necessary to put a building or structure within its intended state of operations.
- 2. Buildings acquired by gift or bequest are recorded at the fair market value at the date of acquisition. Donations from related entities require the asset be recorded at the book value of the donating entity.
- 3. When buildings are constructed, all identifiable costs are included, such as (but not limited to) contract costs, insurance and interest costs incurred during the period of construction in excess of interest revenue on any borrowed funds. Costs are accumulated in Construction in Progress until the date of beneficial occupancy.
- 4. Structural remodeling/renovation and additions are capitalized when they enhance the use of, extend the life of the building beyond its original estimated useful life, or significantly increase the efficiency of the building.

Construction-in-Progress

- Construction in progress includes all expenditures directly related to building construction, renovations, or additions. These costs include contract cost (materials, labor, and overhead) as well as professional fees and interest incurred during the construction period.
- 2. Upon completion, construction- in- progress costs are transferred to buildings, Improvements, or infrastructure.

Equipment - Capitalized

- Moveable equipment and separately acquired fixed equipment that has an original unit cost of \$5,000 or more and an expected useful life of greater than one (1) year. The amount capitalized is the purchase price of the asset plus any cost necessary to prepare the asset for use, including shipping and installation. Vendor discounts are deducted, but trade-in allowances are not.
- 2. Fixed equipment is generally of a configuration requiring contractor installation. Installation often includes charges for various permanent service connections, assembly, site preparations and other miscellaneous types of labor. These associated installation costs, when properly documented, are included in the capitalized cost of newly acquired fixed equipment.

Equipment - Controllable

Controllable equipment carried on the District's inventory is generally defined as moveable, non-consumable items that are not permanently fixed or installed and that have a useful life of at least one-year. Microcomputers, laser printers, LCD projectors, digital cameras, camcorders, and laptop computers with an initial purchase price between \$500 and \$4,999 will be included in the inventory as a controllable asset. It is essential that all controllable assets for the District are always accounted for. Any equipment meeting the definition of controllable equipment will be tagged with a unique bar code label identifying the asset as property of the District. The tagging is generally done at the time the new item is delivered. It is the department's responsibility to notify the Business Services Manager of the receipt and location of the items within 30 days of delivery.

Furniture and Fixtures

Examples of furniture and fixtures are tables, chairs, file cabinets, cubicle walls, etc. used to furnish an office. This category does not include computers or laptops which are classified as equipment.

Improvements

Significant costs incurred after an asset is acquired that increase the future economic benefits of the asset are capital expenditures. Future economic benefits are increased by extending the life of the asset, improving productivity, or improving the quality of service. If the cost incurred was to maintain the asset, it is a current period expense.

Infrastructure

Infrastructure assets are long-lived and can be preserved for a significantly greater number of years than most capital assets and are normally stationary in nature. Examples include paving, roads, bridges, tunnels, utility distribution systems, water and sewer systems, parking lots, fencing and outdoor lighting.

Infrastructure assets with an estimated life greater than one year will be capitalized.

Land

- 1. Land acquired by purchase is recorded at cost and includes the amount paid for the land itself and all related acquisition costs. Land is considered to be an inexhaustible asset (with infinite life) and therefore is not depreciated. In addition to the costs of acquisition, the cost of land should include ancillary costs such as:
 - Legal and title fees,
 - Unpaid taxes assumed,
 - Surveying and recording fees,
 - Appraisal and negotiation fees,
 - Easements,
 - Damage payments,
 - Site preparation costs (clearing, filling, and leveling) and
 - Demolition of unwanted structures.
- Land acquired by gift or bequest is recorded at the fair market value at the date of acquisition. Donations from related entities require the asset be recorded at the book value of the donating entity.
- 3. When land is acquired with buildings erected thereon, total cost is allocated between land and building in reasonable proportion at the date of acquisition. If the transfer document does not show the allocation, other sources may be used, such as an expert appraisal or real estate tax assessment records.
- 4. Land improvements with an estimated life greater than one year will be capitalized. Examples of such improvements include (but are not limited to) landscaping, athletic fields, and tennis courts.

Those improvements that produce permanent benefits to the land, such as costs for fill and grading that ready the land for erection of a structure, or landscaping are considered inexhaustible and are therefore capitalizable. However, they are not depreciable.

The cost of land does not include those expenditures made in connection with land improvements that are exhaustible (i.e., that deteriorate with use or the passage of time) or are part of an infrastructure asset such as paving, parking lots, and fencing. These fall in the category of infrastructure.

Software

GASB Statement No. 51 Accounting and Financial Reporting for Intangible Assets establishes financial reporting requirements for intangible assets including easements, water rights, timber rights, patents, trademarks, and computer software.

Software intangible assets include computer "programming" or "coding language" that provide the necessary instructions for the computer hardware to perform a desired task or series of tasks. Software intangible assets include purchased "off the shelf" software,

including all necessary modifications, software specifically developed by an outside contractor, and software developed internally by agency personnel, or acquired through any combination of the above.

- 1. Computer software developed or obtained for internal use should be capitalized if the cost of the license is \$5,000 or more and the software license has a useful life of greater than one (1) year and meets the following condition:
 - Software or licenses purchased and placed into operation without modifications
 exceeding ten percent of the software purchase price should be considered an
 intangible asset. This type of computer software is not considered to be internally
 generated, and therefore, the entire purchase price of the software is capitalized.
- 2. State agencies often acquire software systems from a vendor that may be customized or developed for their internal use. While the licensing agreement and fee itself would not generally be capitalizable, any significant costs incurred to customize the software to meet the needs of the District should be capitalized. Software is considered to be developed or obtained for internal use if both of the following tests are met:
 - The software is purchased, internally developed, or modified solely to meet the entity's internal needs; and
 - During the software's development or modification, no substantive plan exists or is being developed to market the software externally.

Commercially available software purchased or licensed by an agency that requires modification by agency personnel or a third party and the cost incurred for the modification equals or exceeds ten percent of the total software acquisition cost before being placed into operation should be considered internally generated for purposes of GASB No. 51. For example, licensed financial accounting software that

the agency modifies to provide special reporting capabilities and the cost of the modification equals or exceeds ten percent of the software purchase price would be considered internally generated.

Vehicles

Can include company cars, trucks, trailers, and more specialized moving equipment, such as forklifts, Vactors, and TV Vans.

Useful Life

The following durations will be used to determine the useful life and term of depreciation.

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	Life in	Life in
Type of Fixed Asset	<u>Years</u>	<u>Miles</u>
Buildings – General Structures	30	N/A
Buildings – Lift Stations, Pump Stations, Out Buildings	20	N/A
Buildings – Modular	10	N/A
Buildings – Office Buildings	50	N/A
Equipment – PCs, Laptops, and Printers	3	N/A
Equipment – Office Equipment (copiers, servers, etc.)	5	N/A
Equipment – Light Duty	5	N/A
Equipment – Medium Duty	10	N/A
Equipment – Heavy Duty	15	N/A
Furniture – Office	5	N/A
Furniture – Office Fixtures	10	N/A
Improvements – General	15	N/A
Infrastructure – Manholes	50	N/A
Infrastructure – Outfall	70	N/A
Infrastructure – Sewer Lines	50	N/A
Infrastructure – Treatment Plant	40	N/A
Land	Indefir	nite
Software	5	N/A
Vehicle – Autos & Vans	7	80,000
Vehicle – Trailer	15	N/A
Vehicle – Truck, Light Duty (Inspector, TV, Ops, etc.)	5	60,000
Vehicle – Truck, Heavy Duty (Hydro, Vactor, Dump, etc.)	10	100,000

Leases

GASB Statement No 87 defines a lease as a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment.

Exceptions

- Lessee
 - Short-term lease (maximum possible term of 12 months or less)
 - Lease payments recognized as expense by the lessee and recognized as revenue by the lessor.
 - Contracts that transfer ownership
 - The transaction should be reported as a financed purchase of the underlying asset by the lessee and sale of the asset by the lessor.
 - Leases for \$1 (Exchange/Exchange like Transaction)
- Lessor
 - Investments
 - If the underlying assets meets the requirements of GASB72 then it should be reported as an investment measured at fair value.

Exclusions

- Intangible assets, such as mineral rights, patents, software and copyrights
- Short term leases
- Biological assets, including timber, living plants, and living animals
- Inventory
- Contracts that meet the definition of a service concession agreement (GASB 60)
- Assets financed with outstanding conduit debt, unless both the underlying asset and the conduit dent are reported by the lessor.
- Leases that transfer ownership
- Supply contracts, such as power purchase agreements

Lessee Accounting

A lessee should recognize a lease liability and a lease asset at the commencement of the lease term, unless the lease is a short-term lease or it transfers ownership of the underlying asset. The lease liability should be measured at the present value of payments expected to be made during the lease term (less any lease incentives). The lease asset should be measured at the amount of the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs.

A lessee should reduce the lease liability as payments are made and recognize an outflow of resources (for example, expense) for interest on the liability. The lessee should amortize the lease asset in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset. The notes to financial statements should include a description of leasing arrangements, the amount of lease assets recognized, and a schedule of future lease payments to be made.

Entries for Lessee

- Lease Liability
 - Present value of payments expected to be made during the lease term
- Intangible right-to-use (capital asset)
 - o Lease Liability
 - o Payments made on the lease prior to commencement of the lease term
 - o Direct costs necessary to place the lease asset into service
- If interest rate cannot be determined, use the lessee's incremental borrowing rate
- Lease asset should be amortized over the shorter of the life of the lease or the useful life of the assets
- Debt issuance costs are expensed in the period incurred
- Exclude maintenance type costs when calculating the lease liability

Lessor Accounting

A lessor should recognize a lease receivable and a deferred inflow of resources at the commencement of the lease term, with certain exceptions for leases of assets held as investments, certain regulated leases, short-term leases, and leases that transfer ownership of the underlying asset. A lessor should not derecognize the asset underlying the lease. The lease receivable should be measured at the present value of lease payments expected to

be received during the lease term. The deferred inflow of resources should be measured at the value of the lease receivable plus any payments received at or before the commencement of the lease term that relate to future periods.

A lessor should recognize interest revenue on the lease receivable and an inflow of resources (for example, revenue) from the deferred inflows of resources in a systematic and rational manner over the term of the lease. The notes to financial statements should include a description of leasing arrangements and the total amount of inflows of resources recognized from leases.

Entries for Lessor

- Lease receivable
 - Present value of lease payments, including fixed, certain variable, residual value guarantee, and lease incentives
 - Not including portion of variable payment that is based on performance
 - Discounted using interest rate in the lease (implicit or explicit)
 - Should be remeasured if changes occur to the contract or an event occurs resulting in a variable component becoming fixed
- Deferred inflow of resources
- · Other Items:
- Initial direct costs current period expense
- Recognition of both lease revenue and interest revenue
- Continue to account to the underlying asset (depreciation and impairment)

Disposal of Equipment and Other Fixed Assets

Sale of Surplus Equipment

Obsolete equipment or items worn beyond repair can be classified as surplus. The Department Head or designee must complete the "Equipment Disposition Form" and Board action is required to declare any equipment surplus. Once the Board has declared an item surplus, it is advertised for sale with an indication of the location/hours/days it can be seen and the deadline date for submission of bids. (The advertisement will also stipulate that the District reserves the right to reject any or all bids and that the equipment is sold AS IS.) The District uses GOVDEALS to advertise and sell surplus items.

Value of Property

It is the responsibility of each department to appraise items designated as surplus. If it is determined that the property sold as a unit has a market value of more than \$5,000, the property must be disposed of by a bid process in accordance with District purchasing guidelines. The bid process will be coordinated in conjunction with each respective department and the General Manager. The General Manager is authorized to advertise such surplus property for sale to the public. If it is determined that the property sold as a unit has a value less than \$5,000, the property may be disposed of in a manner approved by the Board.

Disposal Process

Prior to the disposal of any surplus property, each department is required to complete an

"Equipment Disposition Form" (see Exhibit D) and return it to the General Manager for approval and to Administration for processing. Upon retirement/disposal of the asset, Business Services Manager will remove the item from the Fixed Asset Module.

Sale of Real Estate

Board action is required to declare any property surplus. The Board will authorize and grant authority to District staff to obtain an appraisal of surplus property.

In accordance with State law, surplus property is first offered to public agencies at the appraised price. If the property is not purchased by a public agency, it is then advertised in the newspaper with a request that sealed bids be submitted to the District. The Board will review the bids at the next regular Board Meeting and decide to accept or reject the highest bid. Bidders are then notified of the Board's action.

Proceeds from the disposal of surplus property will be allocated to the District's General Fund unless the property was originally purchased with monies from a specific District Fund, in which case, the proceeds will be returned to that specific fund.

Deprecation

Depreciable capital assets include all capital assets except land and construction-in-progress. Depreciation is calculated using the straight-line method over the applicable useful life.

Depreciation is computed from the beginning of the month it is placed in service if it was acquired by the 15th of the month. If the Capital Asset is acquired after the 15th of the month, it is depreciated from the beginning of the next month. Similarly, depreciation for the month of disposition is computed for that month if it is disposed of after the 15th.

Non-Capital Expenditures

Expenditures for repairs, maintenance or replacement of components parts or accessories, which do not extend the unit's original estimated useful life, significantly enhance its net value, or significantly improve its efficiency are noncapital expenditures.

- For example, assume an automobile has a useful life of five years. In the third year
 the engine is rebuilt so that the original life expectancy can be realized. The
 rebuilding of the engine is not a capital even if the total cost exceeds the \$5,000
 threshold, because the expected useful life of the automobile has not been extended
 beyond the original life expectancy.
- Expenditures incurred in demolishing or dismantling equipment including those expenditures related to the replacement of units or systems are non-capital expenditures.
- Expenditures incurred in connection with the rearrangement, transfer, or moving
 capitalized items from one location to another, including expenditures incurred in
 dismantling, transporting, reassembling and reinstalling such items in a new location
 are non-capital expenditures.

Physical Inventory

The District will conduct a physical inventory of capital assets equipment annually. The inventory team will be comprised of staff from the Administration Department and Department Supervisors. All movable fixed assets such as machinery, equipment, and office furniture (not land, buildings, or other immovable fixed assets) will be inventoried.

Moveable fixed assets will be subject to inventory control if they meet at least one (1) of the following criteria:

- 1. The original cost of the fixed asset is equal to or greater than \$5,000.
- 2. Any asset that cost less than \$5,000 that a department requests to be subject to inventory control. This may include certain machinery and equipment that, due to portability, value outside of the office, or character, are susceptible to theft or loss. It may also include an asset that has been requested by a department to be controlled to satisfy an internal (operational) or external requirement. For example, Information Systems may wish to inventory all computer hardware and software to establish replacement and upgrade requirements for both hardware and software.
- 3. Any asset required to be controlled and separately reported pursuant to grant conditions or other externally imposed reporting requirement. For example, a grant program that has funded the acquisition of a fixed asset may impose a requirement that the fixed asset be tracked and identified as a grant-funded asset.

Inventory Process

- The inventory team will use the fixed asset inventory log by department to verify the asset's location. Assets are tagged with property control numbers and these numbers must check back to the fixed asset inventory log by department.
- 2. Inventory teams will tag all fixed asset items and enter the property control number and other available information on fixed asset inventory log if items were not previously tagged and/or identified.
- 3. Any information necessary for the fixed asset inventory log that is not available on site will be investigated by the Business Services Manager.
- 4. Updated information will be entered into the fixed assets log and fixed assets module.
- 5. Assets not found during the inventory process will be evaluated by the Business Services Manager and Department Supervisor for actual or pending disposal. Assets pending disposal are assets not found during the current inventory. Disposal of these assets will occur only within a one-year period in an effort to confirm nonexistence.

Budgeting

The General Manager is responsible for the oversight of the Capital Improvement Program (CIP) and the development of the Budget. The General Manager may delegate responsibility to various Department Heads to identify what capital assets are needed and requested in the budget process.

Asset purchases are authorized through the budget process (except for emergency projects) which involves the following steps:

- 1. Need is identified either a new asset is needed, or an asset needs replacement or major repair.
- Manager who is responsible for operating the asset submits a Budget Request or Capital Project Request form during the budget process.
- 3. Funding source for the project is identified.
- 4. Projects are reviewed by the General Manager & Department Heads.
- 5. Project funding is granted through approval of the Annual Operating and Capital Budget by the Board of Directors.
- 6. Each department should budget for the repair and renewal needs of its assets consistent with best practices.

The various requests submitted in the budget process will be compiled by the Administration Department. Funding sources must be identified for each Budget Request and Capital Project Request.

The budgets will be reviewed, in detail, by the General Manager & Department Heads. The Board of Directors will subsequently review and approve the Operating and Capital Budgets.

The procurement process will be handled primarily by the manager who submitted the request. The acquisition of Capital Assets must follow the steps and rules stated in the District's Procurement Policy.

If actual costs are expected to be higher than what was budgeted, these options are available within the requirements of existing policies:

- 1. Cancel the project or reduce the scope of the project.
- 2. Transfer funds from another project with lower priority or excess funds available.
- 3. Appropriate funds from reserves, with Board approval.
- 4. Re-budget the project, with additional funding, in the following fiscal year.
- 5. Board approval is required for any new projects added during the fiscal year.

Funding Sources

All expenses included in the Capital Budget must not exceed estimated funding sources available for capital spending. The source of funding for each project must be identified as part of the Capital Budgeting Process.

Possible sources of funding include:

- Pay-As-You-Go "Pay-Go" this source means that the Asset will be purchased with resources provided by the current year Operating Activities of the District.
- Debt this source can be used to fund large projects, with useful lives of 20 years or more, with Board Approval.
- Reserves this source may only be used with Board approval.
- Grant or other outside source this source may be used only if there is preliminary or guaranteed approval of the project.

Due to the significant size and cost of some assets, staff may wish to fund only preliminary engineering/planning activities before committing to funding the whole project. This policy permits funding preliminary activities.

Accounting

A permanent fixed asset inventory log or database is to be maintained by the Business Services Manager for all fixed assets purchased by Valley Sanitary District. The log should contain the following information:

- Date of purchase.
- Description of item purchased.
- Received by donation or purchased.
- Cost or fair market value on the date of receipt.
- Donor or funding source, if applicable.
- Funding-source restrictions on use or disposition.
- Identification/serial number (if appropriate).
- Depreciation period.
- Vendor name and address.
- Warranty period.
- Number of the Valley Sanitary District check used to pay for the equipment.

Project numbers will be utilized to facilitate tracking of purchases, budgets, and assets in the computerized accounting system.

The Business Services Manager is to be informed, in writing, via an interoffice memorandum of any material changes in the status of property and equipment. This includes changes in location, sale of, scrapping of, and/or obsolescence of items and any purchase or sale of real estate.

At least annually, a physical inspection and inventory should be taken of all Valley Sanitary District fixed assets and reconciled to the general ledger balances. Adjustments for dispositions should be made.

Forms

- 1. Equipment Disposition Form
- 2. Lessee Inventory Template
- 3. Lessee Journal Entries
- 4. Lessor Inventory Template
- Lessor Journal Entries

VALLEY SANITARY DISTRICT EQUIPMENT DISPOSITION FORM

(This form is to be completed upon the disposition of fixed assets, including equipment for surplus)

Date of	Disposition:				
Departn	nent: Adminis	tration	Location: VS	D	
r					
		osition: Obsolete / No	longer required.		
The iter	ns will be disp	osed and recycled.			
Item	Asset Tag	Quantity	Description	Current	Value
#	#			Location	\$
1					0
2					0
3					0
4					0
5					
6					
7 8					
9					
10					
10					
Check (One:				
		ach supporting docur	nentation and sale value.)		
			ption of circumstances sur	rounding loss.)	
	_	•	ase attach supporting docu	<u> </u>	
		se attach supporting of		,	
R	eassigned for	use as source of parts	}		
S	tolen (Please a	ttach police report or	complete description of c	ircumstances.)	
D	estroyed (Plea	se include complete	description of circumstanc	es.)	
D	eclared Surplu	ıs (Please attach docu	mentation of Board Action	n)	
O	ther, Please ex	xplain:			
Denartn	nent Superviso	or:	General Manager	••	

GASB 87 Lease Inventory Template Lessee Information

									Do Payments		
							Payments due		Include a	Stated Interest Rate	Was Lease Reported as a
	Department	Entity Leasing the Asset	General Description of	Date of Lease	Lease		Monthly, Quarterly	Total Amount	Nonlease	per Agreement, if	Capital Lease at June 30,
Accet Boing Loscod	Leacing the Accet	to the Organization	Loren	Agrooment	Incention	Loaco End	or Annual	Daid Annually	Component	200	20212

General Approach

- a. Take a complete inventory of all lease agreements, both as lessor and lessee
- b. Communicate requirements to other departments to ensure compliance
- c. Review existing policies to establish proper thresholds to limit scope and evaluate materiality
- d. Look for existing agreements not currently being recognized or disclosed as leases to ensure completeness
- e. Evaluate all current leases and contracts to determine if they meet the GASB 87 definition of a lease
- f. Assess all leases greater then twelve months
- g. Review the details of each lease contract, looking for nonlease components and determining the interest rate charged
- Leases should be recognized and measured using the facts and circumstances that exist at the beginning of the period of GASB 87 implementation
- i. Calculate the present value of the leases to be reported
- Seek input from external auditors

Decision Tree

The following questions are worded so that any "No" response would result in the contract not meeting the requirements of GASB Statement No. 87.

Lease Definition (GASB 87, par.4)

For purposes of applying this Statement, a lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction.

Does the contract:

Convey control? (GASB 87, par.5)

Use another entity's nonfinancial asset? (GASB 87, par.7)

Cover a period of time? (GASB 87, par.12)

Involve an exchange or exchange-like transaction? (GASB 87, note 1)

(\$1 per month rent would be a nonexchange transaction)

Yes	No

The GASB 87 Statement does not apply to the following: (GASB 87, par.8)

a.

Leases of intangible assets, including rights to explore for or to exploit natural resources such as oil, gas, and minerals.

- b. Leases of biological assets, including timber, living plants, and living animals.
- c. Leases of inventory.
- d. Contracts that meet the definition of a service concession arrangement in paragraph 4 of Statement No. 60.
- Leases in which the underlying asset is financed with outstanding conduit debt, unless both the underlying asset and the
 conduit debt are reported by the lessor.
- f. Supply contracts, such as power purchase agreements.

The contract does NOT apply to the following:

Lease of an intangible asset?

Lease of a biological asset?

Lease of inventory?

Service concession arrangement?

Leases with underlying asset financed with conduit debt?

Supply contracts?

Yes	No

The GASB 87 Statement does not apply to Short-Term Leases (GASB 87, par.16)

A short-term lease is a lease that, at the commencement of the lease term, has a maximum possible term under the lease contract of 12 months (or less), including any options to extend, regardless of their probability of being exercised. For a lease that is cancelable by either the lessee or the lessor, such as a rolling month-to-month lease or a year-to-year lease, the maximum possible term is the noncancelable period, including any notice periods.

The noncancelable lease term as defined above is greater than 12 months?

Yes	No

The GASB 87 Statement does not apply to Contracts that Transfer Ownership (GASB 87, par.19)

A contract that (a) transfers ownership of the underlying asset to the lessee by the end of the contract and (b) does not contain termination options (see GASB 87 paragraph 12), but that may contain a fiscal funding or cancellation clause that is not reasonably certain of being exercised (see GASB 87 paragraph 13), should be reported as a financed purchase of the underlying asset by the lessee or sale of the asset by the lessor.

The contract does not transfer ownership at the end of the contract?

Yes	No		

Additional Lessor Questions:

Two additional questions that apply only to the Lessor in determining whether the GASB 87 Statement applies

The GASB 87 Statement does not apply for Lessors that have Leases for assets that are investments (GASB 87, par.41)

If the underlying asset in a lease meets the requirements in GASB Statement 72 to be reported as an investment measured at fair value, the lessor should not apply the recognition and measurement provisions of this Statement. The lessor should disclose the information in accordance with paragraph 57d of the GASB 87 Statement but is not required to make the other disclosures in paragraph 57.

If the Organization is the Lessor, the lease is not for assets that qualify as investments under GASB Statement 72?

Yes	No
X	

The GASB 87 Statement does not apply for Lessors for certain regulated Leases (GASB 87, par.42)

Certain leases are subject to external laws, regulations, or legal rulings. For example, the U.S. Department of Transportation and the Federal Aviation Administration regulate aviation leases between airports and air carriers and other aeronautical users. Lessors should not apply the provisions in paragraphs 44–59 of this Statement to leases that meet the provisions of paragraph 43.

If the Organization is the Lessor, the lease does not involve regulated leases?

Yes	No
Χ	

all numbers rounded to zero decimals

Assumptions

Government lessee has a June 30 fiscal year end.

Government lessee enters into 5 year non-cancellable lease for capital equipment (50 months) with no options to extend, on February 1, 2020, which will commence on April 1, 2020.

Monthly payments due at beginning of each month for \$1,000. Total due \$60,000. First payment due on April 1, 2020.
 The government lessee estimates that the useful life of the capital equipment will be 7 years (84 months).

		PV	of Lease		PV of	purchase
		Pa	syments			ption
				PV calc term		
Α	monthly payments	\$	1,000	Pmt	\$	-
В	number of periods		60	Nper		5
c	Annual interest rate		3.00%			3.00%
D	Monthly interest rate (C / 12 months)		0.250%	Rate		
E	Future Value			Fv	\$	-
	Type: "1" if payments are made at					
	beginning of period,					
	"0" if payments are made at end of					
F	period		1	Type		1
G	First payment date		4/1/2020			
	Increments between payments (if					
н	monthly "1", if bi-monthly "2")		1			
	Present value of lease payments	_	\$55,791			
	Present value of purchase option		\$0			
	Total PV of lease liability		\$55,791			
	Monthly payment calculation	\$	1,000			

		tization of lease payme	iiics					
Payment Number		Month, Year		Payment	Interest	Principal		Balance
							s	55.791
1		April, 2020	\$	1,000	\$ -	\$ 1,000		54,791
2		May, 2020		1,000	137	863		53,928
3		June, 2020		1,000	135	865		53,063
4		July, 2020		1,000	133	867		52,196
5		August, 2020		1,000	130	870		51,326
6		September, 2020		1,000	128	872		50,454
7		October, 2020		1,000	126	874		49,580
8		November, 2020		1,000	124	876		48,704
9		December, 2020		1,000	122	878		47,826
10		January, 2021		1,000	120	880		46,946
11		February, 2021		1,000	117	883		46,063
12		March, 2021		1,000	115	885		45,178
13		April, 2021		1,000	113	887		44,291
14		May, 2021		1,000	111	889		43,402
15		June, 2021		1,000	109	891		42,511
16		July, 2021		1,000	106	894		41,617
17		August, 2021		1,000	104	896		40,721
18		September, 2021		1,000	102	898		39,823
19		October, 2021		1,000	100	900		38,923
20		November, 2021		1,000	97	903		38,020
21		December, 2021		1,000	95	905		37,115
22		January, 2022		1,000	93	907		36,208
23		February, 2022		1,000	91	909		35,299
24		March, 2022		1,000	88	912		34,387
25		April, 2022		1,000	86	914		33,473
26		May, 2022		1,000	84	916		32,557
27		June, 2022		1,000	81	919		31,638
28		July, 2022		1,000	79	921		30,717
29		August, 2022		1,000	77	923		29,794
30 31		September, 2022		1,000	74	926 928		28,868
31		October, 2022 November, 2022		1,000 1,000	72 70	928		27,940 27,010
32		December, 2022		1,000	70 68	930		26,078
34					65	932		
35		January, 2023 February, 2023		1,000	63	935		25,143 24,206
36		March, 2023		1,000	61	937		23,267
37		April, 2023		1,000	58	947		22,325
38		May, 2023		1,000	56	944		21,323
39		June. 2023		1,000	53	947		20,434
40		July, 2023		1,000	51	949		19,485
40		August, 2023		1,000	49	949		18,534
47		September, 2023		1,000	46	954		17,580
43		October, 2023		1,000	44	956		16,624
44		November, 2023		1,000	47	958		15,666
45		December, 2023		1,000	39	961		14,705
46		January, 2024		1,000	37	963		13,742
47		February, 2024		1,000	34	966		12,776
48		March, 2024		1,000	32	968		11,808
49		April. 2024		1.000	30	970		10,838
50		May, 2024		1,000	27	973		9,865
51		June, 2024		1,000	25	975		8,890
52		July, 2024		1,000	22	978		7,912
53		August, 2024		1,000	20	980		6,932
54		September, 2024		1,000	17	983		5,949
55		October, 2024		1,000	15	985		4,964
56	\neg	November, 2024		1,000	12	988		3,976
57	.0	December, 2024		1,000	10	990		2,986
58	а	January, 2025		1,000	7	993		1,993
59	Ô	February, 2025		1,000	5	995		998
60	*	March, 2025		1,000	2	998		
	Ü			/				
		Totals			\$ 4,209	\$ 55,791	\$	60,000

nterest adjusted for rounding

140 of 174

GASB 87 Lease Inventory Template Lessor Information

General Approach

- a. Take a complete inventory of all lease agreements, both as lessor and lessee
- b. Communicate requirements to other departments to ensure compliance
- c. Review existing policies to establish proper thresholds to limit scope and evaluate materiality
- d. Look for existing agreements not currently being recognized or disclosed as leases to ensure completeness
- e. Evaluate all current leases and contracts to determine if they meet the GASB 87 definition of a lease
- f. Assess all leases greater then twelve months
- g. Leases should be recognized and measured using the facts and circumstances that exist at the beginning of the period of GASB 87 implementation
- h. Review the details of each lease contract, looking for nonlease components and determining the interest rate charged
- Calculate the present value of the leases to be reported
- Seek input from external auditors

Decision Tree

The following questions are worded so that any "No" response would result in the contract not meeting the requirements of GASB Statement No. 87.

Lease Definition (GASB 87, par.4)

For purposes of applying this Statement, a lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction

Does the contract:

Convey control? (GASB 87, par.5)

Use another entity's nonfinancial asset? (GASB 87, par.7)

Cover a period of time? (GASB 87, par.12)

Involve an exchange or exchange-like transaction? (GASB 87, note 1)

(A \$1 per month rent would be a nonexchange transaction)

Yes No

The GASB 87 Statement does not apply to: (GASB 87, par.8)

a.

Leases of intangible assets, including rights to explore for or to exploit natural resources such as oil, gas, and minerals.

- b. Leases of biological assets, including timber, living plants, and living animals.
- c. Leases of inventory.
- d. Contracts that meet the definition of a service concession arrangement in paragraph 4 of Statement No. 60.
- Leases in which the underlying asset is financed with outstanding conduit debt, unless both the underlying asset and the conduit debt are reported by the lessor.
- f. Supply contracts, such as power purchase agreements.

The contract does NOT apply to the following:

Lease of an intangible assets?

Lease of a biological asset?

Lease of inventory?

Service concession arrangement?

Lease with underlying asset financed with conduit debt?

Supply contracts?

Yes	No

The GASB 87 Statement does not apply to Short-Term Leases (GASB 87, par.16)

A short-term lease is a lease that, at the commencement of the lease term, has a maximum possible term under the lease contract of 12 months (or less), including any options to extend, regardless of their probability of being exercised. For a lease that is cancelable by either the lessee or the lessor, such as a rolling month-to-month lease or a year-to-year lease, the maximum possible term is the noncancelable period, including any notice periods.

The noncancelable lease term as defined above is greater than 12 months?

Yes	No			

The GASB 87 Statement does not apply to Contracts that Transfer Ownership (GASB 87, par.19)

A contract that (a) transfers ownership of the underlying asset to the lessee by the end of the contract and (b) does not contain termination options (see GASB 87 paragraph 12), but that may contain a fiscal funding or cancellation clause that is not reasonably certain of being exercised (see GASB 87 paragraph 13), should be reported as a financed purchase of the underlying asset by the lessee or sale of the asset by the lessor.

The contract does not transfer ownership at the end of the contract?

Yes	No

Additional Lessor Questions:

Two additional questions that apply only to the Lessor in determining whether the GASB 87 Statement applies

The GASB 87 Statement does not apply for Lessors that have Leases for assets that are investments (GASB 87, par.41)

If the underlying asset in a lease meets the requirements in GASB Statement 72 to be reported as an investment measured at fair value, the lessor should not apply the recognition and measurement provisions of this Statement. The lessor should disclose the information in accordance with paragraph 57d of the GASB 87 Statement but is not required to make the other disclosures in paragraph 57.

If the Organization is the Lessor, the lease is not for assets that qualify as investments under GASB Statement 72?

Yes	No			

The GASB 87 Statement does not apply for Lessors for certain regulated Leases (GASB 87, par.42)

Certain leases are subject to external laws, regulations, or legal rulings. For example, the U.S. Department of Transportation and the Federal Aviation Administration regulate aviation leases between airports and air carriers and other aeronautical users. Lessors should not apply the provisions in paragraphs 44–59 of this Statement to leases that meet the provisions of paragraph 43.

If the Organization is the Lessor, the lease does not involve regulated leases?

Yes	No

Lease Resource GASB 87 Lease Adjustment Lease Receivable Receipt Calculations

Assumptions

- Government lessor has a June 30 fiscal year end.
- Government enters into a 10 year non-cancellable lease with a third party (not part of the lessor government's financial reporting entity) and leases two floors of one of its buildings to the third party. The lease begins on July 1, 2020.
- · Monthly payments are due at beginning of the month for \$3,000. Government lessor receives the last month's rent upon inception of lease. First payment due July 1, 2020.
- Total due from lessee at inception is \$357,000 (\$360,000 less \$3,000 the last month's payment received at inception).
- The interest rate assumed to be charged by the government is 2.5%, its estimated return on its investments.
- The government continues to report the entire building as a capital asset and continues to depreciate the building on a straight-line basis.

Building cost \$ 10,000,000
Useful life (years) 75
Annual depreciation expense (straight-line) \$ 133,333

			PV calc term
Α	monthly payments	\$ 3,000	Pmt
В	number of periods	119	Nper
С	Annual interest rate	2.5%	
D	Monthly interest rate (C / 12 months)	0.2083333%	Rate
E	Future Value	0	Fv
	Type: "1" if payments are made at beginning of period,		
F	"0" if payments are made at end of period.	1	Type
G	First payment date	7/1/2020	
	Increments between payments (if monthly "1", if bi-		
Н	monthly "2")	1	
	Present value of lease payments	\$ 316,556	
	Monthly payment calc	\$ 3,000	

all numbers rounded to zero decimals

	Amortization of lease receipts				
Payment					
<u>Number</u>	Month, Year	<u>Payment</u>	<u>Interest</u>	<u>Principal</u>	Balance
					\$ 316,556
1	July, 2020	\$ 3,000	\$ -	\$ 3,000	313,556
2	August, 2020	3,000	653	2,347	311,209
3	September, 2020	3,000	648	2,352	308,857
4	October, 2020	3,000	643	2,357	306,500
5	November, 2020	3,000	639	2,361	304,139
6	December, 2020	3,000	634	2,366	301,773
7	January, 2021	3,000	629	2,371	299,402
8	February, 2021	3,000	624	2,376	297,026
9	March, 2021	3,000	619	2,381	294,645
10	April, 2021	3,000	614	2,386	292,259
11	May, 2021	3,000	609	2,391	289,868
12	June, 2021	3,000	604	2,396	287,472
13	July, 2021	3,000	599	2,401	285,071
14	August, 2021	3,000	594	2,406	282,665
15	September, 2021	3,000	589	2,411	280,254
16	October, 2021	3,000	584	2,416	277,838
17	November, 2021	3,000	579	2,421	275,417
18	December, 2021	3,000	574	2,426	272,991
19	January, 2022	3,000	569	2,431	270,560
20	February, 2022	3,000	564	2,436	268,124
21	March, 2022	3,000	559	2,441	265,683
22	April, 2022	3,000	554	2,446	263,237
23	May, 2022	3,000	548	2,452	260,785
24	June, 2022	3,000	543	2,457	258,328
25	July, 2022	3,000	538	2,462	255,866
108	June, 2029	3,000	74	2,926	32,592
109	July, 2029	3,000	68	2,932	29,660
110	August, 2029	3,000	62	2,938	26,722
111	September, 2029	3,000	56	2,944	23,778
112	October, 2029	3,000	50	2,950	20,828
113	November, 2029	3,000	43	2,957	17,871
114	December, 2029	3,000	37	2,963	14,908
115	January, 2030	3,000	31	2,969	11,939
116	February, 2030	3,000	25	2,975	8,964
117	March, 2030	3,000	19	2,981	5,983
118	April, 2030	3,000	11	2,989	2,994
119	May, 2030	3,000	6	2,994	2,994
11)	May, 2030	3,000	U	2,334	U
	Totals		\$ 40,444	\$ 316,556	\$ 357,000

Interest adjusted for rounding Prepaid at lease inception

G:\ADMINISTRATION DEPARTMENT\BOARD OF DIRECTORS\BOARD REPORTS\2021\Budget Finance Committee\5 4 2021\3.1 Attachment F Lessor Journal Entri

Manager once per fiscal year for review and approval, after which the General Manager will submit the write-off recommendation for Board approval.

Finance staff will remove the corresponding amounts/charges from the District's general ledger and subsidiary ledgers upon receipt of the documentation granting Board approval to the General Manager for the submitted write-offs. The Board's minute order number is documented as part of the adjusting entry.

Denial of Requests

Accounts receivable write-off requests may be denied based on the criteria below. If the request is denied, it will be returned to the Accounting Department, and it will become the responsibility of the Accounting Department to take the necessary corrective actions.

Criteria for Denial of Requests:

- Insufficient collection efforts have been made or demonstrated.
- Lack of proper approval.
- Knowledge that the debt will be collected in the future.

4.8.8. Refunds and Statute of Limitations

Per the State of California Revenue and Taxation Code, Section 5096, the statute of limitations on any assessment adjustments and/or refunds is four (4) years from when the claim is made.

4.9. Fixed Assets Accounting

The purpose of this policy is to ensure proper control and appropriate use of the District's fixed assets. The procedures are intended to define fixed assets and to establish guidelines for budgeting, purchasing, using, financial reporting, logging, inventorying, transferring, depreciating, and disposing of fixed assets. This policy does

not apply to infrastructure assets.

It is the policy of Valley Sanitary District that fixed assets be used for appropriate District purposes and be properly accounted for and secured. It is the responsibility of District Department Heads to ensure that:

- purchasing guidelines are followed.
- fixed assets are adequately controlled and used appropriately.
- the Admin/Finance Department is notified when fixed assets are acquired, transferred, or otherwise subject to disposal.
- It is the responsibility of the Admin/Finance Department to ensure that.
- fixed-asset information is maintained in accordance with generally accepted accounting principles.
- equipment replacement records and schedules are maintained so that funding will be available to replace obsolete, outdated, and worn-out pieces of equipment.

The General Manager is authorized to grant exceptions to specific provisions on a caseby-case basis within the intent of the overall policy.

All District Departments are subject to the provisions of this policy.

The Valley Sanitary District's fixed asset policy has two (2) objectives.

- Accounting and Financial Reporting: to accurately account for and report fixed assets in financial reports issued to the Board of Directors, external reporting agencies, granting agencies, and the public.
- Safeguarding: to protect its (fixed) assets from loss or theft.

In meeting the two objectives, the District has established a Capitalization Policy and an Inventory Control Policy, providing specific guidance to determine which fixed assets are subject to separate accounting and reporting (i.e., Capitalization) and safeguarding (i.e., Inventory Control), respectively.

The Admin/Finance Department is responsible for, and has established, systems and procedures through which both objectives are met. These systems and procedures are

used to identify, process, control, track, and report District fixed assets.

4.9.1. Capitalization Policy (Accounting and Financial Reporting)

In general, all fixed assets, including land, buildings, machinery, and equipment, with an original cost of \$5,000 or more, will be subject to accounting and reporting (capitalization). All costs associated with the purchase or construction should be considered, including ancillary costs such as freight and transportation charges, site-preparation expenditures, installation charges, professional fees, and legal costs directly attributable to asset acquisition. The purchase of these fixed assets shall be included on the District's statement of net assets and depreciated over the asset's estimated useful life. The purchase of fixed assets for less than \$5,000 shall be expensed. Specific capitalization requirements are described below.

- The capitalization threshold is applied to individual units of fixed assets. For example, ten desks purchased through a single purchase order each costing \$1,000 will not qualify for capitalization even though the total cost of \$10,000 exceeds the threshold of \$5,000.
- The capitalization threshold will generally not be applied to components of fixed assets. For example, a keyboard, monitor, and central processing unit purchased as components of a computer system will not be evaluated individually against the capitalization threshold. The entire computer system will be treated as a single fixed asset.
- Repairs to fixed assets will generally not be subject to capitalization unless the repair
 extends the useful life of the asset. In this case, it represents an improvement and is
 subject to the capitalization policy and should be evaluated separately.
- Improvements to existing fixed assets will be presumed (by definition) to extend the useful life of the related fixed asset and, therefore, will be subject to capitalization only if the cost of the improvement meets the \$5,000 threshold. In theory, an improvement to a fixed asset that had an original cost of less than \$5,000, but now exceeds the threshold as a result of the improvement, should be combined as a single

- asset at the total cost (original cost plus the cost of the improvement) and capitalized.
- Capital projects will be capitalized as "construction in progress" until completed.
 Costs to be capitalized include direct costs, such as labor, materials, and transportation, indirect costs such as engineering and construction management, and ancillary costs such as construction period interest.
- A permanent property log or database is to be maintained by the Administration & Finance Manager for all fixed assets purchased by Valley Sanitary District. The log should contain the following information:
 - o date of purchase.
 - o description of item purchased.
 - o received by donation or purchased.
 - o cost or fair market value on the date of receipt.
 - o donor or funding source, if applicable.
 - o funding-source restrictions on use or disposition.
 - o identification/serial number (if appropriate).
 - o depreciation period.
 - o vendor name and address.
 - warranty period.
 - o number of the Valley Sanitary District check used to pay for the equipment.
- The Administration & Finance Manager is to be informed, in writing, via an interoffice
 memorandum of any material changes in the status of property and equipment. This
 includes changes in location, sale of, scrapping of, and/or obsolescence of items and
 any purchase or sale of real estate.
- At least annually, a physical inspection and inventory should be taken of all Valley Sanitary District fixed assets and reconciled to the general ledger balances.
 Adjustments for dispositions should be made.

4.9.2. Inventory Control Policy (Safeguarding)

All Department Supervisors are responsible for safeguarding fixed assets under their control from theft or loss. However, the General Manager and the

Admin/Finance Department are responsible for establishing and maintaining systems and procedures that enable Department Supervisors and program managers to properly safeguard assets.

In general, Inventory Control is applied only to movable fixed assets such as machinery, equipment, and office furniture and not to land, buildings, or other immovable fixed assets. Fixed assets subject to inventory control will be accounted for and controlled through the same systems and procedures used to account for and control fixed assets subject to capitalization.

Fixed assets will be subject to inventory control if they meet at least one of the following criteria:

- The original cost of the fixed asset is equal to or greater than \$5,000.
- Any asset that cost less than \$5,000 that a department requests to be subject to inventory control. This may include certain machinery and equipment that, due to portability, value outside of the office, or character, are susceptible to theft or loss. It may also include an asset that has been requested by a department to be controlled in order to satisfy an internal (operational) or external requirement. For example, Information Systems may wish to inventory all computer hardware and software to establish replacement and upgrade requirements for both hardware and software.
- Any asset required to be controlled and separately reported pursuant to grant
 conditions or other externally imposed reporting requirement. For example, a
 grant program that has funded the acquisition of a fixed asset may impose a
 requirement that the fixed asset be tracked and identified as a grant-funded asset.

4.9.3. Depreciation

Fixed assets will be depreciated using the following guidelines.

4.9.3.1. Fixed-Asset Categories

Each fixed asset will be added to one of the following categories:

Category Description	Examples							
Land	Land is any real property such as land, easements, land lease, etc.							
Buildings	Buildings are structures permanently affixed to land							
Improvements (other than buildings)	Improvements other than buildings are land improvements such as parking lot pavement and improvements, fencing, etc.							
Machinery and Equipment	Machinery and Equipment items are in the nature of tools such as saws, lathes, and items used in construction, repair, or manufacturing, and special purpose equipment such as items in an audiovisual or television studio. This category may include special purpose vehicles such as dump trucks and delivery vans.							
Vehicles	Vehicles are generally automobiles and small trucks.							
Furniture and Fixtures	Furniture and fixtures are office furniture, file cabinets, etc. used to furnish an office.							
Office Equipment	Office equipment includes computers, fax machines, calculators, etc.							
Equipment under Lease Purchase	Equipment under lease purchase includes items that are being acquired using lease financing.							
Capital Improvement Project (GIP) in Progress	Capital Improvement Project in Progress is a holding account for expenditures that will be categorized upon their completion and placement in service							

Computer software is not capitalized because of its short useful life and the high annual maintenance and upgrade costs.

4.9.3.2. Depreciable Lives

The categories above are assigned the following depreciable lives.

Category Description	Depreciable Life
Land	N/A
Buildings	50

Improvements other than Buildings	40
Machinery and Equipment	10
Vehicles	5
Furniture and Fixtures	7
Office Equipment	3
Equipment under Lease Purchase	3
Capital Improvement Project (CIP)	N/A
in progress	

4.9.3.3. Depreciation Convention

Depreciation is computed using the half-month convention. Depreciation is computed from the beginning of the month it is placed in service if it was acquired by the 15th of the month. if not, it is depreciated from the beginning of the next month. Similarly, depreciation for the month of disposition is computed for that month if it is disposed of after the 15th.

4.9.4. Disposal of Equipment and Other Fixed Assets

Equipment for purposes of the policy includes furniture, fixtures, and machinery. Obsolete computers are an example.

4.9.4.1. Sale of Surplus Equipment

Board of Directors action is required to declare any equipment surplus.

Once the Board has declared an item surplus, it is advertised for sale with an indication of the location/hours/days it can be seen and the deadline date for submission of bids. (The advertisement will also stipulate that the District reserves the right to reject any or all bids and that the equipment is sold AS IS.) The District uses GOVDEALS to advertise and sell surplus items.

4.9.4.2. Value of Property

It is the responsibility of each department to appraise items designated as surplus. If it is determined that the property sold as a unit has a market value of more than \$5,000, the property must be disposed of by a bid process in accordance with District purchasing guidelines. The bid process will be coordinated in conjunction with each respective department and the General Manager. The General Manager is authorized to advertise such surplus property for sale to the general public. If it is determined that the property sold as a unit has a value less than \$5,000, the property may be disposed of in a manner approved by the Board.

4.9.4.3. Disposal Process

Prior to the disposal of any surplus property, each department is required to complete an "Equipment Disposition Form" (see Exhibit D) and return it to the General Manager for approval and to Finance for processing. Upon retirement/disposal of the asset, Administration/Finance will remove it from the Fixed Asset database.

4.9.4.4. Sale of Real Estate

Board of Directors action is required to declare any property surplus. The Board will authorize District staff to obtain an appraisal of surplus property.

In accordance with State law, surplus property is first offered to public agencies at the appraised price. If the property is not purchased by a public agency, it is then advertised in the newspaper with a request that sealed bids be submitted to the District. The Board will review the bids at the next regular Board Meeting and decide to accept or reject the highest bid. Bidders are then notified of the Board's action.

Proceeds from the disposal of surplus property will be allocated to the District's General Fund unless the property was originally purchased with monies from a specific District Fund, in which case, the proceeds will be returned to that specific fund.

4.10. Procurement

This policy establishes the procedures for purchasing supplies, equipment and services by the Valley Sanitary District. The purpose of this policy is to establish clear and concise procurement guidelines that comply with best purchasing practices and state law while meeting the demands for operational effectiveness and fiscal accountability.

4.10.1. Definitions

- Shall, must, and will mean that the procedure is mandatory.
- Should means that the procedure is recommended.
- May means that the procedure is optional.
- 1. **Agreement**. A contractual arrangement between the District and a vendor.
- 2. **Best Value.** The Best Value method of procurement incorporates cost, quality, and other specified requirements to achieve a resulting award that is fair, efficient, and competitive and meets all of the procurement objectives.
- 3. **Bid.** A vendor's formal price offered for goods or services requested on a quotation request.
- 4. **Blanket Purchase Order**. A purchase order issued to a vendor for items or services for a specified period of time, but not exceeding the end of the current fiscal year, when it is determined to be in the best interest of the District. After its acceptance by the vendor, purchases may be made against it periodically as required without calling for new purchase orders up to the dollar amount of the blanket purchase order.

- 5. **Change Order.** A written modification to a purchase order or blanket purchase order by the District directing the vendor to change the contract amount, requirements, or time.
- 6. **Contractual Services.** Labor, material, or specialized services contracted for a department, except for professional services and advertising.
- 7. **Contracting Officer's Technical Representative (COTR)** The Federal designation of the liaison between the agency and the vendor, and is responsible for the oversight of the contractual obligations between the agency and vendor.
- 8. **Design/Build/Finance (DBF)** An alternate delivery mechanism combining the Design, Construction, and Financing of a project.
- 9. **Design/Build/Finance/Operate (DBFO).** An alternate delivery mechanism combining the Design, Construction, Financing, and Operation of a project.
- 10. **District Credit Card.** A credit card issued in the District's name and for which the District is responsible for payment.
- 11. **Fixed Asset.** Any single item costing \$5,000 or more, including tax and shipping. These items must have a fixed asset account established with the District Administrative Office before submitting a requisition.
- 12. **General Services.** Services shall refer to all services other than public works or professional services. Examples of this type of service are auto repair, office equipment repair, pest control, printing, and towing.
- 13. **Government Pricing Schedule.** A pre-negotiated and pre-authorized Pricing Schedule established by the U.S. General Services Administration (GSA), the California Multiple Awards Schedule (CMAS), Riverside County, U.S. Communities, or other public entity through which the District is able to participate in government pricing.
- 14. **Indefinite Quantity / Indefinite Delivery (IDIQ).** A procurement mechanism to obtain services based on qualifications-based selection for a series of tasks from a specified vendor.
- 15. **Miscellaneous Property.** Items such as supplies, material, furnishings, equipment, vehicles, and material objects other than real estate or buildings.





Valley Sanitary District Board of Directors Meeting May 11, 2021

TO: Board of Directors

FROM: Jeanette Juarez, Business Services Manager

SUBJECT: Approval of the Valley Sanitary District Bank Account and Check

Writing Policy

⊠Board Action	□New Budget Approval	□Contract Award
□Board Information	□Existing FY Approved Budget	□Closed Session

Executive Summary

The purpose of this report is for the Board of Directors to review and approve the draft Bank Account and Check Writing Policy.

Strategic Plan Compliance

This item complies with VSD Strategic Plan Objective 6.3.1: Review 10% of policies annually and update as needed.

Fiscal Impact

There is no fiscal impact from this report.

Background

The purpose of this policy is to provide operational procedures to increase efficiency, cost savings and protection from illegal acts with regards to the District's daily financial activities. It is the policy of the Valley Sanitary District that employees and elected officials of the District exercise sound judgement and follow best practices in the management and oversight of the District's day-to-day financial activities and transactions including bank account management and check writing.

This policy details protocols for the following activities:

- Bonding
- Account Establishment
- Account Balances
- Signatures
- Fraud Prevention
- Reporting
- Check Status

Recommendation

Staff recommends that the Board of Directors approve the Bank Account and Check Writing Policy effective July 1, 2021.

Attachments

Attachment A: Bank Account and Check Writing Policy



Adopted:	/2021

I. PURPOSE

The purpose of this policy is to provide operational procedures to increase efficiency, cost savings and protection from illegal acts with regards to the District's daily financial activities.

II. POLICY

It is the policy of the Valley Sanitary District that employees and elected officials of the District exercise sound judgement and follow best practices in the management and oversight of the District's day-to-day financial activities and transactions including bank account management and check writing.

A. Bonding

Board Members and employees with signature authority on the bank accounts shall be bonded for the value of the accounts.

B. Account Establishment

The Board of Directors must approve the selection of the District's commercial bank. The General Manager must authorize the establishment of any new bank account at an approved bank. Signature cards for any approved and established account must have no less than five signatures on file and include the following: Board President, Vice President, Board Secretary/Treasurer, General Manager, and Engineering Services Manager.

C. Account Balances

In compliance with California Government Code 53646(b)(3), the District will always maintain no less than an amount equal to six months of budgeted expenses in its operating and savings accounts.

D. Signatures

Individuals that have signature authority on the account will not have access to the blank checks, including keys or the combination to the locked repository of the checks.

The General Manager is authorized by the Board of Directors to sign all checks for any amounts up to the adopted spending authority and for items that exceed the spending authority that have been approved by the Board of

Directors. In addition to the General Manager, the Board President shall sign all checks requiring a second signature. If the General Manager or the Board President is unable to sign checks, the Board Secretary/Treasurer or Vice President, in that order, are authorized to provide the second signature.

Accounts payable checks shall require two signatures. Checks in an amount up to \$2,500 may be signed via two digital signatures. Checks in an amount between \$2,500 and \$5,000 must have one original "wet" signature and one digital signature. Checks in an amount greater than \$5,000 will require two original "wet" signatures.

Payroll checks can be processed with digital signatures, no matter the amount. All "wet" signatures must be in blue ink. Under <u>no</u> circumstances shall signature stamps be substituted for "wet" signatures.

E. Fraud Prevention

The person with physical control of the check stock will be accountable for all check numbers and will not have signature authority on the account. Should a check be found to be unaccounted for, the person having control of the checks will notify the Business Services Manager, the General Manager, and the Bank of the lost check so that proper action can be taken.

To reduce the risk of fraud, the District will implement positive pay as an antifraud measure. The bank will be notified of all checks issued including date, check number, payee, and amount verification. Any exception will be brought to the District's attention for approval.

F. Reporting

In accordance with the Government Code, the Business Services Manager will prepare and submit to the Board of Directors a monthly report of revenue and expenditures and a list of all checks issued for the previous month.

The Accounting Analyst shall reconcile the account statements each month. The reconciliation shall be approved and signed by the Business Services Manager and kept on file for inspection by the auditor when performing the annual audit of the District's finances.

The audit firm performing the annual audit will investigate until they are satisfied that these procedures and safeguards are being properly maintained by the Board and staff and shall comment in the management letter if these procedures are not being adhered to as part of each annual audit report performed for the District.

G. Check Status

Outstanding Checks – The District checks shall have imprinted upon the face "VOID six (6) months from date of issue". The Accounting Analyst shall maintain and monitor the number and age of the outstanding checks as part of the monthly

Valley Sanitary District
Bank Account & Check Writing Policy
Page 3

bank reconciliation. Stale dated checks will remain outstanding on the books for a period of 180 days, at which time they will be deleted from the accounting system.

Replacement Checks – The District may reissue a check upon satisfactory proof of nonpayment or because a check has been lost or destroyed. Replacement checks are eligible to be reissued for up to 180 days from original date of issue. Individuals or vendors must complete a "Request for Replacement Check" form prior to processing a replacement. The "Request for Replacement Check" will be available at the District's front counter.

Non-Sufficient Funds Checks – The District will impose any bank fees charged in connection with any check presented for deposit that does not clear the bank for any reason.





Valley Sanitary District Board of Directors Meeting May 11, 2021

TO: Board of Directors

THROUGH: Beverli A. Marshall, General Manager

SUBJECT: Monthly General Managers Report – March 2021

□Board Action	on	□New Budget Approval	□Contract Award
⊠ Board Info	rmation	□Existing FY Approved Budget	□Closed Session

Executive Summary

The purpose of this report is to keep the Board and the public informed on VSD's day-to-day operations.

Strategic Plan Compliance

The recommendation complies with the VSD Strategic Plan Goal 6: Improve Planning, Administration, and Governance.

Fiscal Impact

There is no fiscal impact from this report.

Background

The following data represents the activities and metrics for the month of March 2021.

Administrative Services

- Principal & interest payment of \$769,593.75 for Wastewater Revenue Refunding Bonds, Series 2015 is due May 15, 2020.
- Principal & interest payment of \$553,360.71 to the Clean Water State Revolving Fund is due by June 1, 2020. This payment is for the Requa Interceptor Project.
- The submission of the 2020 Government Compensation in California (GCC) report to the State Controller's Office (SCO) has been submitted.
- Preparing deliverables from the Provided by Client (PBC) list requested by the auditors. The interim audit will be conducted onsite June 23-25, 2021.
- Continue to work on the final draft of the Fiscal Year 2021/22 Budget Book.
- Live application of Caselle is still in progress. Staff has encountered some issues and is actively working with the developers and programmers to

resolve the issues as they arise. Staff is logging all matters and will have a technical memo to review with the General Manager in June.

Operations & Maintenance

- Operations, maintenance, and collections staff attended a two-day forklift operator certification training course instructed by Austin Lopanec.
- Operations staff put both primary clarifiers, and the entire activated sludge plant aeration system into service. Staff is experimenting with different dissolved oxygen (D.O.) control locations to optimize treatment and aeration.
- Maintenance staff replumbed the vent and fill port for the north sodium hypochlorite tank.
- Maintenance staff levelled v-notch weirs in primary clarifiers to equalize overflow rates between the two clarifiers.
- Operations staff continues to dry the biosolids from the north cell within the basin. Some of the material is already being removed from the cell for testing and disposal.
- The backflow preventer associated with the district fire suppression system has failed. A new backflow device has been purchased and is scheduled for replacement on May 3, 2021.
- Operations staff is working on the minimization of sodium hypochlorite consumption, while still meeting the disinfection requirements of the NPDES permit.
- Maintenance staff performed routine maintenance on the chemical dosing pumps for the disinfection and de-chlorination system.
- Electrical staff have been working on cleaning out electrical buckets at various motor control centers.
- The new member of the operations staff started on April 19, 2021.

Development Services

- The tenant improvement work has begun for the Dave's Hot Chicken restaurant in the suite next to the Chipotle on the south west corner of Jackson St and Avenue 42.
- Construction has begun on the Dutch Bros. Coffee near the intersection of Hwy 111 and Las Palmas Rd. This location will have a drive thru and walkup service only.
- Construction has begun on the Chandi Plaza at the southwest corner of Indio Blvd. and Avenue 44. This project will include a convenience store with fueling station, carwash, restaurants, and retail suites.
- Villa Hermosa Phase III has started construction of 100 apartment units.
 The new units will be constructed at the Fred Young Farm Labor Camp, near the intersection of Van Buren St. and Dr. Carreon Blvd.

Collection Services

- No-Spill report for the month of April will be submitted to the California Integrated Water Quality System, as required in the Waste Discharge Requirements Monitoring and Reporting Program. Due by the end of the month.
- Field Vactor crew is currently working in the area of Avenue 42 and Calhoun St
- CCTV Inspection work is currently being conducted in the area of Shields Rd and Avenue 46.

Capital Improvement Program

- The Preliminary Design Report for the replacement of the sewer siphon at Westward Ho Drive is complete. This is a FEMA funded project to replace the damaged sewer siphon from the February 2019 storm. The design is in progress. Staff and the consultant had a preliminary meeting with CVWD regarding requirements for crossing the channel. 50% of design plans and an updated project cost schedule have been submitted by Carollo. Staff reviewed the plans and sent comments back to Carollo for revision. 90% design plans and specifications have been submitted by Carollo and staff has reviewed them and submitted comments for correction. Update: Staff is finishing their review of the submitted 95% set of plans and specifications. Staff has met with both the City of Indio and La Quinta and both have no requested revisions or concerns.
- Staff is continuing to work with Harris and Associates on the Collections System Rehabilitation and Maintenance project. Harris has put together bid documents for the CCTV inspection of sewer mains that need special requirements or technology which have been approved by VSD and the City of Indio. This project was put out to bid and advertised to potential bidders on November 23rd, 2020. and sealed bids will be opened on January 14th, 2021. The first rehabilitation project was put out to bid and advertised to potential bidders on August 3, 2020, and the bid was closed on September 10, 2020, with 5 companies submitting bids. The lowest responsible bidder was Insituform with a bid of \$240,483. Harris is also developing plans for the downtown Indio rehabilitation and repair project. This is being done to rehabilitate and replace deficient sewer mains in the streets and allies of the downtown area. 50% design plans for the downtown Indio sewer improvement project have been submitted and staff is currently reviewing them. Update: All work for the first rehabilitation project has been completed; VSD is waiting on final invoicing to close out the project. The 50% plans for the Downtown Indio Rehabilitation project have been reviewed and comments have been returned to Harris for revision. The CCTV inspection project will begin cleaning and televising on May 4th and will complete all work by July 2nd.
- VSD has chosen SGH Architects as the architectural firm for the preliminary design of a new single-story training/office building. Staff had a second meeting with the architect to discuss ideas for a functional and adequate building. Staff has selected a new location for the building that will allow the

single-story building with minimal demolition. Staff comments and revisions based on the single-story design have been submitted to the architect who is currently preparing a revised floor plan, conceptual cost estimate, and new proposal for the construction of a new laboratory building. The architect has completed the schematic design cost estimate for the training/office building. The architect has developed a preliminary floor plan for the proposed new laboratory building. Staff have reviewed the floor plan and returned comments to be addressed. *Update: The architect has completed the schematic design and cost estimate for the proposed laboratory.*

- VSD is currently working with Stantec, who is acting as an Owner's Representative, on the repair and rehabilitation of the Influent Pump Station. Stantec and staff have received five (5) Statement of Qualifications as part of the Request for Qualification (RFQ) solicitation. Staff and Stantec shortlisted three (3) of the firms to move on to the next step of submitting a proposal for the work to be completed. The Request for Proposal (RFP) was released on August 28, 2020 and was closed on September 28, 2020. The Board awarded the project to the DCI / Dudek team and a preconstruction meeting was held on December 4th, 2020. The DCI / Dudek has developed a preliminary bypass plan for the initial inspection and shutdown of the influent pump station structure. The preliminary bypass and inspection was completed from February 22nd to February 26th. Update: VSD has chosen the valves and gates that will be used for this project based on Dudek / DCI and Stantec's recommendations. Dudek is currently preparing the Basis of Design Report which is expected by mid-May 2021.
- Staff is working on implementing an asset management system for the treatment plant using Lucity web software. VSD is currently working on building out the Lucity Web system with the help of a Lucity implementor. The latest session of virtual training from the implementor was completed on August 25, 2020. Staff has finished the installation of Lucity Mobile and is pursuing the implementation of plant wide Wi-Fi that will allow access to the asset management system from a mobile device anywhere in the plant facility. Training videos for VSD staff training have been recorded. Update: Operations and maintenance staff will begin to review the training videos and once they have been trained, use the system to create and complete work orders. Staff is also working on populating the system with scheduled work orders.

Recommendation

Staff recommends that the Board receive the Manager's Report for activities during the month of March.

Attachments

Attachment A: Administrative Services Report for February

Attachment B: Monthly NPDES Report for February
Attachment C: Collection System Report for February
Attachment D: Development Services Report for February

Attachment E: Capital Improvement Program Update for February

Administrative Services - Task Summary 2021

													Total To
Task	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Date
Active litigation filed	-	-	-										-
Board meeting	3	2	2										7
Budget/Finance Committee													
meeting	1	1	2										4
Operations Committee													
meeting	-	1	1										-
Employee anniversaries	-	5	1										6
Employee promotions	1	-	-										1
Facebook postings	1	-	4										5
Insurance claims initiated	-	-	1										1
Lost time work incidents	-	-	1										1
Media coverage items	-	-	-										-
New hires	-	-	-										-
Press release	-	-	-										-
Public records request	-	-	-										-
Resignations	-	-	-										-
Retirements	-	-	-										-

Report Name: Monthly

	Plant Influent			ASP Effluent			Pond Effluent	
March 2021	CBOD (mg/L)	TSS (mg/L)	Monthly Average Flow (MGD)	CBOD (mg/L)	TSS (mg/L)	Monthly Average Pond Effluent Flow (MGD)	CBOD (mg/L)	TSS (mg/L)
1 2 3 4 5 6 7	323	280		12.1	6.73		22.3	42.7
8 9 10 11 12 13 14 15	306	266		10.5	6.44			
16 17 18 19 20 21 22	327	254		11.8	5.88		18.4	34
23 24 25 26 27 28 29 30	286	292		16.6	6.4		17.4	29.6
31 Average	311	273	5.98 5.98	12.8	6.36	0.524	19.4	35.4
Minimum Maximum	286 327	254 292	5.98 5.98	10.5 16.6	5.88 6.73	0.524 0.524	17.4 22.3	29.6 42.7
Permit LIMITS				25	30		40.0	49.0

Laboratory	Collected (# of Samples)	453
	Analyzed (# of Tests)	831

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166	
6 of	
172	
	

	Total Plant Discharge (Outfall) Grab												
EColi (MPN/100ml)	Oil and Grease (mg/L)	Copper (ug/L)	Di(2-ethylhexyl)phthalate (ug/L)	Cyanide (total) (ug/L)	Ammonia (total, as N) (mg/L)	Nitrate (as N) (mg/L)	Nitrite (as N) (mg/L)	Total Nitrogen (mg/L)					
21.0	< 1.4	2	< 0.5	3.8	0.72	12	0.049	14					
71.7													
3.1													
6.3													
19.9													
14.2* 3.1 71.7	1.4 < 1.4 < 1.4	2 2 2	0.5 < 0.5 < 0.5	3.8 3.8 3.8	0.72 0.72 0.72	12 12 12	0.049 0.049 0.049	14 14 14					
126	<0.01	25		5.9	9.0	4.3							

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VSD WWTP

	Collection Services Task Summary Report for 2021												
Took	lan	- Cob	Mor	Anu	Mov	lun	Lul	Λ	San	Oot	Nev	Doo	Total To
Task Customer Service Calls	Jan 2	Feb 2	Mar 4	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Date 8
F.O.G. Inspection - Completed	27	26	47										100
F.O.G. Inspection - Fail	1	-											1
F.O.G. Inspection - Pass	26	26	47										99
F.O.G. Inspection - Ownership													
Change	1	-	-										1
Hot spot cleaning (total)*	26	-	-										26
Lift station inspection	19	19	19										57
Manhole inspection	157	125	216										498
Sewer line CCTV (feet)	0	0	32,428										32,428
Sewer line cleaning (feet)	58,522	50,400	70,368										179,290
SSO Response - Cat 1	0	0	0										0
SSO Response - Cat 2	0	0	0										0
SSO Response - Cat 3	0	0	1										1
USA Markings	37	33	55										125
*Note: Hot spot cleaning is perfo	rmed quar	terly											

Page 169 of 174

VSD

VALLEY SANITARY DISTRICT DEVELOPMENT SERVICES REPORT

11-May-21

Plan Check in Progress Inspection in Progress New Project

PROJECT NAME	STREET ADDRESS / CROSS STREET	CURRENT PROJECT STATUS	NEXT ACTION ITEM
		Civil plans submitted for new 7-Eleven store approved. Arch. plans approved and	
7-Eleven Golf Center	44925 Golf Center/Avenue 45	returned to the applicant 10/26/20. Issued permit 3915 on 10/26/20.	Inspect work improvements as scheduled.
	·	Plans submitted for remodeled suites. Completed 2nd plan check and returned to	
82490 Highway 111-Former Imperial Furniture	82490 Highway 111/Arabia Street	applicant 3/25/21.	Perform 3rd plan check upon plan resubmittal.
		Plans submitted for new commercial building. Completed 1st plan check and	
Abel Lupian Commercial Bldg.	45105 Commerce Street	returned to the applicant 4/3/20.	Perform 2nd plan check upon plan resubmittal.
		Plans submitted for additional dwelling unit. Plans approved and notified applicant	
Add'nl Dwelling Unit - Cebreros Residence	83181 Blue Mountain Court	3/3/21.	Waiting for owner to process permit paperwork.
		Plans submitted for building TI. Plans approved and returned to the applicant	
Animal Samaritans - TI	42150 Jackson Street, Ste's 104-106	2/4/2020. Issued permit 3874 on 2/28/2020.	Inspect work improvements as scheduled.
		Plans submitted for plan check. Sewer main relocation. Plans approved 1/21/21.	
Autozone Jackson Street	41850 Jackson Street/aAvenue 42	Waiting for engineer to finalize easements docs.	Waiting for owner to process permit paperwork.
		Model homes. No plan check is required. Permit and Inspection fees need to be paid.	
Bel Cielo - Tr 32425	West of Clinton South of Ave 44	Issued permit 3840 on 9/13/19.	Inspect work improvements as scheduled.
		Plans submitted exisitng building TI. Completed 1st plan check and returned to the	
Buzzbox	42625 Jackson Street #112	City 2/22/19.	Perform 2nd plan check upon plan resubmittal.
Cardenas Single Family Dwelling (SFD)	82266 Stallone Drive	Plans submitted for new SFD. Plans approved, notified the applicant 6/16/20.	Waiting for owner to process permit paperwork.
		Plans submitted for additional dwelling unit. Plans approved and notified applicant	
Carranza Residence -Additional Dwelling Unit	81-450 Palmyra Avenue	10/2/20. Issued permit 3907 on 10/5/20.	Inspect work improvements as scheduled.
		Civil plans submitted for plan check. Plans approved and notified applicant 1/8/21.	
Chandi Plaza	SW Corner of Indio Blvd/Avenue 44	Permit 3948 issued 4/2/21.	Inspect work improvements as scheduled.
		Plans submitted for plan check. Completed 1st check and returned to the applicant	
Chandi Plaza Building "B" Shell	81-971 Indio Blvd/Avenue 44	10/13/20.	Perform 2nd plan check upon plan resubmittal.
		Plans submitted for plan check. Completed 1st plan check and returned to applicant	
Chandi Plaza Building Restaurant Shell	81-977 Indio Blvd/Avenue 44	10/22/20.	Perform 2nd plan check upon plan resubmittal.
		Plans submitted for plan check. Completed 1st plan check and returned to applicant	
Chandi Plaza Car Wash	81-983 Indio Blvd/Avenue 44	9/16/20.	Perform 2nd plan check upon plan resubmittal.
	24.225 11. 21. 14.	Plans submitted for plan check. Completed 1st plan check and returned to applicant	
Chandi Plaza Convenience Store	81-965 Indio Blvd/Avenue 44	9/16/20.	Perform 2nd plan check upon plan resubmittal.
		Plans submitted for TI of existing building. Demolition of interior walls and facilities.	
	45000	Completed 4th plan check and returned to the City 6/25/18. Issued permit 3755 on	
Chavez Tenant Improvement	45330 Jackson St/Civic Center	7/9/18.	Inspect work improvements as scheduled.
Citadal DV Charana Dhasa 1	02CC7 De Como en Divid/Colleges Starte	Plans submitted for construction of new RV storage facility. Plans approved and	W-table - f-
Citadel RV Storage-Phase 1	83667 Dr. Carreon Blvd/Calhoun Street	returned to the applicant 3/17/2020.	Waiting for owner to process permit paperwork.
Carsa Basidanas	40.401 Prolon Court	Plans submitted for single family residence. Plans approved and notified applicant	Inspect work improvements as schooluled
Corso Residence	49491 Braley Court	9/2/20. Permit 3931 issued 1/5/21	Inspect work improvements as scheduled.
Courthouse Day 9 Crill	22040 Highway 444/ Jackson Street	Plans submitted for new restaurant. Completed 1st plan check and returned to	Dayform 2nd plan shock upon plan requipmittel
Couthouse Bar & Grill	82910 Highway 111/Jackson Street	applicant 12/14/20. Plans submitted for new restaurant. Plans approved and notified applicant 2/24/21.	Perform 2nd plan check upon plan resubmittal.
Dave's Hot Chicken	42213 Jackson Street/Avenue 42	Issued permit 3942 on 3/8/21.	Inspect work improvements as scheduled.
Dave 3 HOL CHICKEH	TALE TO DECENSION ON CONTROL 42	Plans submitted for plan check. Completed 2nd plan check and returned to applicant	
Demo Unlimited Storage Yard	83-845 Ave 45/Vam Buren St	9/25/20. Plansapproved and returned 10/13/2020	drafting agreement
Demo omminica storage raru	00-040 AVE 40/ Valli Duleli Ot	Plans submitted for plan check. Completed 1st check and returned to the applicant	ururung agreement
Destiny Church	80250 Highway 111/Jefferson Street	11/9/20.	Perform 2nd plan check upon plan resubmittal.
Descriny charen	00200 riigilway 11 Menerson Street	Plans submitted for construction of new restaurant. Plans approved and returned to	Terrorm Zha pian check apon pian resubilittal.
Donuts Bistro	82151 Avenue 42, Ste 104	the City 8/28/19.	Waiting for owner to process permit paperwork.
DOTIGES DISCIO	OZIJI AVCITUC 42, JIC 104	Plans submitted for new retail building. Plans approved and returned to applicant	waiting for owner to process permit paperwork.
Dunn Edwards Paint Store	81921 Hwy 111/Las Palmas	4/13/20. Issued permit 3884 on 5/12/2020.	Inspect work improvements as scheduled.
Dumi Luwarus Famit Stofe	OTOZI HWY III/Las Fallilas	7/ 13/ 20. ISSUEU PETITIK 3004 OH 3/ 12/ 2020.	inspect work improvements as scheduled.

PROJECT NAME	STREET ADDRESS / CROSS STREET	CURRENT PROJECT STATUS	NEXT ACTION ITEM
Dutah Brass Coffee	04770 Highway 4444 as Deleves Obset	Plans submitted new coffee shop. Plans approved and notified applicant 1/21/21. Permit 3945 issued 3/30/21.	Inconcet work incorporate on calculate
Dutch Bros. Coffee	81776 Highway 111/Las Palmas Street	Plans submitted for construction of new gym facility. Completed 2nd plan check and	Inspect work improvements as scheduled.
EOS Fitness Ave 42 Gym	SWC of Spectrum Street & Avenue 42	returned to the City 11/13/19.	Perform 3rd plan check upon plan resubmittal.
500 511 11 444	W. L	Plans submitted for construction of new gym facility. Plans approved and notified	Waiting for Develoment Agreement and Bonds
EOS Fitness Hwy 111	Highway/Jefferson Street	applicant 4/27/20. Plans approved and returned to the engineer 6/3/19. Bond and Develoment	before owner can process permit paperwork.
EOS Fitness Public Sewer Extension	SWC of Spectrum Street & Avenue 42	agreement in place. Waiting to recieve recorded agreement.	Inspect work improvements as scheduled.
EGS TICHESS TUBIC SEWEI EXCENSION	Swe of spectrum street & Avenue 42	agreement in place. Waiting to redeve recorded agreement.	mispect work improvements as serieutica.
		Plans submitted for apts at Fred Young Farm Labor Dev. Plans approved and returned	
		to the applicant 7/17/2019. Submitted revision to approved plans 9/16/20 Revised	
Fred Young (Villa Hermosa Apts Phase III)	83801 Dr. Carreon Blvd / West of Van Buren	Plans approved 11/5/2020. Permit 3944 issued 3/23/21.	Inspect work improvements as scheduled.
	·	Civil plans submitted for plan check. Completed 1st plan check and returned to the	
		Engineer 1/10/18. Completed 2nd plan check and returned to the Engineer 1/25/18.	
Gallery at Indian Springs	Jefferson St/Westward Ho Drive	Plans approved 1/31/18.	Inspect work improvements as scheduled.
		Gallery Homes has recently purchased the 106 lots. Staff has inspected the site and	
		prepared a list of improvements that need to be made prior to issuing connection	
		permits. Plans submitted for home plans. Reviewed 1st plan check and returned	
		back to the city on 6/4/2014. 2nd plan check returned to city 7/7/14. Model plans	
		approved and retuned to the City 8/22/14. New homes currently under	
Gallery Homes Tract -Indian Palms	Monroe & Avenue 50	construction.	Inspect work improvements as scheduled.
		Plans sumbitted for installation of 5 sewer laterals for new SFD. Plans approved and	
Gallery Links - 3	Indian Palms Country Club - Monroe/Avenue 48	returned to the applicant 4/13/20.	Inspect work improvements as scheduled.
		Discount of the difference of the state of t	
Caldan Canal Bastonnast	Attackie A / O	Plans submitted for new restaurant building. Arch plans approved 6/12/20. Completed 1st plan check on civil plans and returned to the applicant 6/12/20.	Perform 2nd plan check upon plan resubmittal.
Golden Corral Restaurant	Atlantic Ave/Caspian near Ave 42 and Jackson	Completed 1st plan check on civil plans and returned to the applicant 6/12/20.	reflorifizing plan check upon plan resubflittal.
		Received plans for the construction of a new home on vacant lot. Plans approved and	
Habitat for Humanity SFD	43655 Towne Street	returned to the applicant 3/11/20. Permit 3926 issued 12/1/20.	No further action required
Traditation Trainantly St D	43033 Towne Street	Tetarried to the applicant 3/11/20.1 errint 3320 133ded 12/1/20.	140 further detroit required
		Received plans for the construction of a new home on vacant lot. Plans approved and	
Habitat for Humanity SFD	43689 Arabia Street	returned to the applicant 3/11/20. Permit 3925 issued 12/1/20.	No further action required
		Plans submitted for the extension of a public sewer main for Hampton Inn at Atlantic	
		Ave. Plan check fees paid 7/11/18. Completed 2nd plan check and returned plans to	
		the engineer 8/9/18. Plans approved and returned to enginner 8/27/18. Sewer	
Hampton Inn Sewer Main Extension	North Wast Corner of Spectrum St and Atlantic Ave	Finaled 5/12/20.	Waiting for owner to submit Warranty Bond
	·	Plans submitted for new community building. Completed 1st plan check and	,
Indian Water RV Community Bldg.	47202 Jackson Street	returned to applicant. 9/25/19. Issued permit 3873 on 2/26/2020.	Inspect work improvements as scheduled.
· · ·		Civil plans submitted for new mental health facility. Completed 1st plan check and	
		returned to the engineer 12/2/19. Plans approved 6/24/20. Issued permit 3900 on	
Indio Behavioral Health Hospital	81655 JFK Court	8/29/20.	Inspect work improvements as scheduled.
		Plans submitted to demo existing juvinile court building and construct new building	
		on the same site. Completed 1st plan check and returned to the City 2/23/16.	
Indio Juvenile Court	47671 Oasis St/ Ave 48	Completed 2nd plan check and returned to the applicant 6/8/2020.	Perform 3rd plan check upon plan resubmittal.
		Plans submitted for the extension of a private sewer main for Indio Palms at	
		Spectrum Street. Plan check fees paid 2/1/18. Plans approved and returned to	Sewer Main Complete. Need recorded Easement
Indio Palms Sewer Main Extension(Street A)	South East Corner of Avenue 42 and Monroe St	engineer 5/10/18. Development agreement and Bonds in place.	to release Bonds
		Plans submitted exisitng building TI. Plans approved and returned to the City	
Jackson Street Liquor Store	44350 Jackson Street/Ruby Avenue	4/29/19. Issued permit 3829 on 7/26/19. Finaled 4/14/21	No further action required
		Plans submitted for single family residence. Completed 1st plan check and notified	
Jacqueline & Oscar Lua Residence	80-555 Ridgeback Court	applicant 8/25/20.	Perform 2nd plan check upon plan resubmittal.
		Plans submitted new apartment complex. Completed 1st plan check and returned to	
John Nobles Apartments	TBD - Rubidoux Street/John Nobles Ave	the City 2/27/19.	Perform 2nd plan check upon plan resubmittal.

	Monthly Capital Improvement Project Upda			
Project Title	Project Description	Current Status	Fiscal Year Budget	Total Spent to Date
Westward Ho Sewer Sewer Siphon Replacement Design and Construction	Due to the February 2019 rain event, the existing VSD sewer siphon that crosses the CVWD storm channel at Westward Ho Drive became exposed and was damaged. In order to prevent this from happening again in the future, Carollo Engineers is currently working with VSD on the final design of a new sewer that is to be constructed well below the new channel scour depth. The design being proposed would utilize horizontal directional drilling to create a new sewer siphon alignment under the channel and adjacent to the original siphon. Permit processing with at least CVWD and possibly other regulatory agencies may extend the design/permit period. Some or possibly all the project costs will be reimbursed by FEMA / CalOES.	Staff is finishing the review of the submitted 95% set of plans and specifications.	\$1,325,000.00	\$432,128.00
Collections System Rehabilitation Projects	Harris & Associates is assisting the District in creating a 10-year rehabilitation and replacement program for the collections system. The purpose of this project is to repair, rehabilitate, replace and/or realign aging or defective pipelines and/or segments projected to reach capacity within the foreseeable future. Harris and the District have assigned a rating and priority to all of the pipes in the collection system and are splitting them up into projects for each fiscal year. The first project for this fiscal year will consist of the rehabilitation of approximately 2,300 feet of sewer located in Indio Boulevard and underneath the railroad near Cabazon Avenue using cured in place lining. The second project will consist of hiring a contractor to perform CCTV inspections of all pipes within the District that cannot be surveyed by collections staff due to high flows or pipe diameter. The third project is the downtown Indio rehabilitation and repair project. This project is being done to rehabilitate and replace deficient sewer mains in the streets and allies of the downtown area.	All work for the first rehabilitation project has been completed; VSD is waiting on final invoicing to close out the project. The 50% plans for the Downtown Indio Rehabilitation project have been reviewed and comments have been returned for revision. The CCTV inspection project will begin cleaning and televising on May 4th and will complete all work by July 2nd.		\$246,246.28
Reclaimed Water Project Phase 1	The contract for this project was awarded to Schneider Electric / Stantec. The project design cost is \$2,200,000 and project schedule is approximately 460 days. Construction costs will be determined during the design phase and will be awarded to Schneider Electric / Stantec upon approval of the Board. The Reclaimed Water Project – Phase 1 will replace an aging and capacity restricting grit chamber and provide redundancy by adding a second digester and expanding the bar screens. This project will also include adding a biofilter, a sludge holding tank, and a sludge thickener building.	Schneider Electric has completed the Basis of Design Report. The project will now progress to the 30% design estimated to be completed by June 2021.	\$5,749,692.00	\$0.00
Influent Pump Station Rehabilitation	Stantec is assisting the District as an Owner's Representative and DCI / Dudek are acting as the design-build team for this project. The influent pump station structure is showing significant signs of deterioration. Proposed improvements to the pump station include: bypass of the pump station for inspection and repair, repair/replacement of leaking and broken gates, repair of interior concrete coating, installation of new valves for proper isolation/drainage, installation of a new jockey pump in the empty pump bay.		\$1,200,000.00	\$202,577.20
New Training and Office Building and Laboratory Building	The District and SGH Architects are developing the intital design for a new office / training building that will be located to the west of the existing Operations building. The purpose of this new building is to provide space for new offices for collections and maintenance personnel as well as a training area for company events and meetings. Also as part of this project, VSD has contracted SGH to develop designs for a new laboratory building to replace the existing lab due to the current issues lab staff are experiencing with the layout and air filtering system.	The architect has completed the schematic design and cost estimate for the proposed laboratory building.	\$149,610.00	\$114,589.75
Additional Parking and Landscaping	The District is need of additional parking for employees and customers. Staff proposes to remove the lawn at the front of the property and replace it with parking and drought tolerant landscaping.	A preliminary design of the Project has been completed. On hold for next steps.	\$250,000.00	\$0.00

Monthly Capital Improvement Project Update - May 2021						
Project Title	Project Description	Current Status	Fiscal Year Budget	Total Spent to Date		
Steel WaterLine Replacement	The above ground, steel waterline adjacent to the aeration basins is old and prone to leaks, especially at the grooved joints, and has exceeded its useful life. The new steel waterline will have traditional joints that will provide a longer life. This project has been on the books for several years and has been a lower priority due to lack of leaks in recent years and the difficult nature of replacement.	Project has not started.	\$142,000.00	\$0.00		
Recycled Water Main Extension	Staff would like to extend the secondary effluent pipeline system about 250 feet to the pond chlorine contact chamber to save significant potable water when cleaning the pond chlorine contact chamber. This will allow the use of secondary effluent water to be used to clean the chamber instead of potable water. This project has been in the budget for the second year. It has been on hold waiting for staff to have time to install the water main themselves.	Project has not started.	\$60,000.00	\$0.00		
Completion of Perimeter Fence Project	This project has been postponed due to the need for a design of the fence before construction. The location and terrain of the proposed fence is such that it will need design. Staff is limited with the number of projects already in process that have a higher priority than this project. Current night security patrol has limited the theft and damage of District property.	Project has not started.	\$280,000.00	\$0.00		
Van Buren Slope Protection	The slope along the south end of the District's property is being eroded during flooding events which is causing the posts of the chain link fence to become exposed and weakened. VSD has coordinated with the City of Indio to design a gravel and rip-rap slope reinforcement that will prevent washout during heavy rain events. This project is split into three phases which will encompass the entire length of fence line along Cabazon Road.	Project complete.	\$250,000.00	\$154,947.10		

UNOFFICIAL UNTIL APPROVED

VALLEY SANITARY DISTRICT BUDGET & FINANCE COMMITTEE MEETING MINUTES

May 4, 2021

Valley Sanitary District conducted this meeting in accordance with California Governor Newsom's Executive Orders N-29-20 and COVID-19 protocols.

A regular meeting of the Valley Sanitary District (VSD) Budget & Finance Committee was held via videoconference on Tuesday, May 4, 2021.

1. CALL TO ORDER

Chairman Dennis Coleman called the meeting to order at 1:04 p.m.

1.1 Roll Call

Directors Present: Chairman Dennis Coleman Committee Member Scott Sear

Staff Present:

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

1.2 Pledge of Allegiance

2. PUBLIC COMMENT

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

None.

3. <u>DISCUSSION / ACTION ITEMS</u>

3.1 Discussion of Fixed Assets Accounting Policy

Jeanette Juarez, Business Services Manager, presented the draft Fixed Assets Accounting Policy. The purpose of the policy is to ensure the District's fixed assets are acquired, safeguarded, controlled, disposed of, and accounted for in accordance with state and federal regulations, auditor requirements, applicable accounting pronouncements, and in a manner that adequately supports the maximum recovery of Facilities and Administrative (indirect) costs associated with these assets. Ms. Juarez explained the major changes to the updated policy which includes a modification to the useful life threshold, updated language, and asset tagging. The policy will come before the full Board on May 11, 2021.

3.2 Discussion of Draft Bank Account and Check Writing Policy

Jeanette Juarez, Business Services Manager, presented the draft Bank Account and Check Writing Policy. The purpose of this policy is to provide operational procedures to increase efficiency, cost savings and protection from illegal acts with regards to the District's daily financial activities. She explains that the current policy requires updates. The updated policy will detail protocols for bonding, account establishment, account balances, signatures, fraud prevention, reporting, and check status. This policy will come before the full Board on May 11, 2021.

3.3 Information Item Inquiry About Allowability of Staff to Chair Budget & Finance Committee

It was requested of staff to investigate if a staff member can serve as Chair of the Budget and Finance Committee. Staff reviewed the matter with General Council. It was General Council's determinant that the only true appointed members to the Budget and Finance Committee are the two (2) Directors. Technically speaking Staff members are not appointed to the committee, and therefore cannot Chair the committee.

4. **FUTURE MEETING ITEMS**

The next Budget & Finance meeting is scheduled for July 6, 2021. Jeanette Juarez will be bringing an update on the interim audit and possible resolutions for review.

5. <u>ADJOURNMENT</u>

There being no further business to discuss, the meeting adjourned at 1:58 p.m. The next regular committee meeting will be held on July 6, 2021.

Respectfully submitted,

Holly Gould, Clerk of the Board Valley Sanitary District