



VSD

Board of Directors Regular Meeting  
Tuesday, April 12, 2022 at 1:00 PM  
Valley Sanitary District Board Room  
45-500 Van Buren Street, Indio, CA 92201

Valley Sanitary District is open to the public and board meetings will be conducted in person and remotely through Zoom. Members of the public may view and participate in meeting via the following Zoom link: <https://us06web.zoom.us/j/85423424648> Meeting ID: 854 2342 4648

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

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

If you are unable to provide comments during the meeting (whether in person or the virtual Zoom session), written public comments on agenda and non-agenda items, or both, may be submitted by email to the Clerk of the Board at [hgould@valley-sanitary.org](mailto:hgould@valley-sanitary.org) . Email/Written comments must be received by the Clerk of the Board no later than 11:00 a.m. on the day of the meeting.

Page

## 1. CALL TO ORDER





- 1.1. Roll Call
- 1.2. Pledge of Allegiance
- 1.3. April Employee Anniversaries
  - Andrew Sorensen, Wastewater OIT 2 - 1 year

## 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. | Approve Minutes for March 22, 2022, Regular Meeting<br><a href="#">3.1 22 Mar 2022 Meeting Minutes.pdf</a>                                                                                                                                                                                                      | 6 - 10  |
| 3.2. | Approve Warrants for March 17, 2022, through April 6, 2022<br><a href="#">3.2 Warrants for March 17 to April 6, 2022.pdf</a>                                                                                                                                                                                   | 11 - 12 |
| 3.3. | Designate Identified Items as Surplus Equipment and Authorize Disposition as Appropriate<br><a href="#">3.3 Staff Report Authorize Surplus Equipment.pdf</a> <br><a href="#">3.3 Attachment A Surplus Equipment.pdf</a>  | 13 - 14 |

## 4. PUBLIC HEARING ITEMS

- |      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |         |
|------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|
| 4.1. | Continue Public Hearing from March 22, 2022, to Receive Input from the Community Regarding Boundaries and the Composition of Divisions to be Established for Division-Based Elections<br><a href="#">4.1 Staff Report Redistricting Public Hearing.pdf</a> <br><a href="#">4.1 Attachment A Resolution 2022-1157 District Election Divisions.pdf</a> <br><a href="#">4.1 Attachment B Redistricting Presentation March 22 2022.pdf</a>  | 15 - 50 |
| 4.2. | Public Hearing to Authorize Approving a Contract Amendment with Schneider Electric Buildings Americas, Inc. for the Design and Construction of Energy Related Projects to District Facilities and Adopting Necessary Findings in Accordance with California Government Code 4217.10 through 4217.18<br><a href="#">4.2 Staff Report Recycled Water Project - Phase 1 Contract</a>                                                                                                                                                                                                                                                                                                                    | 51 - 88 |

[Amendment 1.pdf](#) 

[4.2 Attachment A Recycled Water Project - Phase 1 Energy Savings Report.pdf](#) 

[4.2 Attachment B Resolution 2022-1158 Design Build Recycled Water Phase I GMP Schneider Electric.pdf](#) 

[4.2 Attachment C Amendment No 1 to Design Build Agreement SE-0406 2022.pdf](#) 

## 5. NON-HEARING ITEMS

- 5.1. Resolution No. 2022-1159 in Opposition to Initiative 21-0042A1, Titled "Limits Ability of Voters and State and Local Governments to Raise Revenues for Government Services. Initiative Constitutional Amendment." 89 - 104

[5.1 Staff Report Opposition to Initiative 21-0042A1.pdf](#) 

[5.1 Attachment A Resolution 2022-1159 Initiative 21-0042A1.pdf](#) 

[5.1 Attachment B CSDA Analysis of Initiative 21-0042A1.pdf](#) 

[5.1 Attachment C CSDA Ballot Measure Guidelines.pdf](#) 

[5.1 Attachment D Coalition Opposes CBRT Measure.pdf](#) 

- 5.2. Award Contract to Van Dyke Corporation for the Activated Sludge Plant Water Main Replacement Project and Authorize the General Manager to Execute the Contract in an Amount Not to Exceed \$127,000 105 - 145

[5.2 Staff Report ASP Waterline Replacement Project Award.pdf](#) 

[5.2 Attachment A Van Dyke Corp Bid Package.pdf](#) 

[5.2 Attachment B Dudek Recommendation of Award.pdf](#) 

[5.2 Attachment C Contractors License Detail.pdf](#) 

[5.2 Attachment D DIR Number Information.pdf](#) 

- 5.3. Discuss Impact of the Recycled Water Project - Phase 1 Cost Increase and Financing Terms and Receive Direction 146 - 241

[5.3 Staff Report Impact of Recycled Water Project Cost.pdf](#) 

[5.3 Attachment A Wastewater Rate Study Report FINAL 05-04-](#)

[2021.pdf](#) 

[5.3 Attachment B 2020 CIP Spreadsheet.pdf](#) 

[5.3 Attachment C 2022 CIP Spreadsheet.pdf](#) 

## 6. GENERAL MANAGER'S ITEMS

6.1. Monthly General Manager's Report - February 2022 242 - 255

[6.1 Staff Report GM Report February 2022.pdf](#) 

[6.1 Attachment A Admin Services Report.pdf](#) 

[6.1 Attachment B NPDES report for February 2022.pdf](#) 

[6.1 Attachment C Collection Services Report .pdf](#) 

[6.1 Attachment D Development Services Report March 2022.pdf](#) 

[6.1 Attachment E Capital Improvement Program Report April 2022.pdf](#)  


[6.1 Attachment F Laboratory & Compliance Summary.pdf](#) 

## 7. COMMITTEE REPORTS


7.1. Budget & Finance Committee - Special Meeting, March 29, 2022 256 - 274

[7.1 Budget & Finance Minutes 29 Mar 2022.pdf](#) 


[7.1 Attachment A Fiscal Year 2023 Budget Presentation.pdf](#) 

7.2. Operation's Committee - April 5, 2022 275 - 307

[7.2 Operations Minutes 05 Apr 2022.pdf](#) 

[7.2 Attachment A Recycled Water Project – Phase I Update April 5 2022.pdf](#) 

[7.2 Attachment B Design Build vs DBB comparison.pdf](#) 

[7.2 Attachment C Board Presentation v06 Collection System Rehab.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. 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.

**VALLEY SANITARY DISTRICT  
MINUTES OF REGULAR BOARD MEETING  
March 22, 2022**

A regular Board Meeting of the Governing Board of Valley Sanitary District (VSD) was held on Tuesday, March 22, 2022, at 45-500 Van Buren St., Indio, CA 92201.

**1. CALL TO ORDER**

President Sear called the meeting to order at 1:00 p.m.

1.1 Roll Call

Directors Present:

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

Staff Present:

Beverli Marshall, Holly Gould, Jeanette Juarez, Dave Commons, Adrian Contreras, and Robert Hargreaves, Best Best & Krieger

1.2 Pledge of Allegiance

**2. PUBLIC COMMENT**

*This is the time 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.*

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None.

**3. CONSENT CALENDAR**

3.1 Approve March 8, 2022, Regular Meeting Minutes

3.2 Approve Warrants for March 2, 2022, through March 16, 2022

3.3 Monthly Financial Report for February 28, 2022

3.4 Approve Credit Card Report for February 28, 2022

3.5 Approve Quarterly Investment Report as of December 31, 2021

3.6 Adopt Resolution No. 2022-1156 Authorizing an Application for Grant Funding by the Bureau of Reclamation's WaterSMART (Sustain and Manage America's Resources for Tomorrow)

Title XVI WIIN Act Water Reclamation and Reuse Project Grants for a Groundwater Replenishment Project

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**“A RESOLUTION OF THE BOARD OF DIRECTORS OF THE VALLEY SANITARY DISTRICT AUTHORIZING AN APPLICATION FOR GRANT FUNDING BY THE BUREAU OF RECLAMATION'S WATERSMART TITLE XVI WIIN ACT WATER RECLAMATION AND REUSE PROJECTS FOR A GROUNDWATER REPLENISHMENT PLANNING PROJECT”**

**ACTION TAKEN:**

**MOTION:**

Director Duran motioned to approve the consent calendar and Resolution No. 2022-1156 as presented. Secretary/Treasurer Coleman seconded the motion.

Motion carried by the following roll call vote:

AYES: Canero, Coleman, Duran, Sear, Teague

NOES: None

**MINUTE ORDER NO. 2022-3185 / RESOLUTION NO. 2022-1156**

**4. PUBLIC HEARING ITEMS**

- 4.1 Conduct a Public Hearing to Receive Input from the Community Regarding Boundaries and the Composition of Divisions to be Established for Division-Based Elections

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A notice of public hearing was published in the Desert Sun newspaper on December 16, 2021, and December 23, 2021. Beverli Marshall, General Manager, presented a PowerPoint presentation on the Valley Sanitary District Division-Based Elections and the Census 2020 Population Changes. Ms. Marshall's presentation included the District's current Elections Divisions Map and three (3) map options that would reflect the new census data. President Sear declared the public hearing open at 1:21 p.m. No members of the public were present. No written or verbal communication was received from the public. Due to an error in the posted agenda packet and the public hearing information not being made available to the public, President Sear declared a continuance of the public hearing until April 12, 2022. The Board discussed the three (3) map options. Map Option 1 is aligned north and south, anticipates growth mostly north of Interstate 10, avoids directors in the same Division, and requires election in Divisions A and C in 2022. Map Option 2 is aligned east and west and anticipates growth mostly north of Interstate 10; two (2) directors would fall in Division C and require an election in Divisions A and C in 2022. Map Option 3 is aligned north and south, anticipates growth mostly north of Interstate 10, avoids directors in the same Division, and would require election of Divisions A and C in 2022. The Board will adopt one of these map options at the April 12, 2022 board meeting.

**5. NON-HEARING ITEMS**

- 5.1 Accept Easement Agreement with Twenty-Nine Palms Bands of Mission Indians Across VSD Property and Authorize the General Manager to Sign the Agreement for Recording Purposes

The Twenty-Nine Palms Band of Mission Indians (Tribe) requested the Valley Sanitary District to grant a public utility easement across the District's property to install utility conduits. The Tribe plans to build a distribution warehouse on their property adjacent to the east of the District's reclamation plant facility. The warehouse will require water, fiber optic, and other potential future utilities that can be accessed from Cabazon Road. The requested easement will be within and adjacent to the roadway to the Wild Bird Center and extends from Cabazon Road to the Tribe's property. The Wild Bird Center staff is aware of the Tribe's easement request and the upcoming construction of the utilities.

**ACTION TAKEN:**

**MOTION:**

Director Teague made a motion to accept the Easement Agreement with Twenty-Nine Palms Band of Mission Indians and authorize the General Manager to sign the Easement Agreement for recording purposes. Secretary/Treasurer Coleman seconded the motion. Motion carried by the following roll call vote:

AYES: Canero, Coleman, Duran, Sear, Teague

NOES: None

**MINUTE ORDER NO. 2022-3186**

- 5.2 Discuss Proposals Submitted in Response to the District's Request for Proposals for State Legislative Advocacy Services, Select a Consulting Firm, and Authorize the General Manager to execute a Contract with Selected Firm

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On February 8, 2022, staff published the Request for Proposals for State Legislature Advocacy Services. Three proposals were received, ranging from \$60,000 to \$96,000. The Comprehensive Budget for Fiscal Year 2021/22 included \$30,000 as an estimate for these services. At its March 15, 2022, meeting, the Community Engagement Committee discussed the proposals and directed staff to provide all three proposals, without making a recommendation, to the full Board for discussion and possible action. After discussion it was suggested to bring this item back to the April 26 board meeting.

- 5.3 Discuss the 2022 Ballot for Special District Election (Western Riverside County Seat) of the Riverside County Local Agency Formation Commission and Authorize the Board President to Submit the Ballot Reflecting the Board's Selection

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After discussion, it was decided to rank the Local Agency Formation Commission Western Riverside County candidates as 1. Phil Williams, 2. John Skerbelis, 3. Steve Pastor, 4. Larry Smith, and 5. David Hoffman. President Scott Sear will submit the ballot to reflect this ranking.

- 5.4 Authorize General Manager to Execute a One (1) Year Contract with Southwest Networks, Inc., for Information Technology Services, in an Amount Not to Exceed \$41,196

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The District utilizes contractual services for the District's information systems support services. This agreement serves as a master agreement and applies to services rendered as well as licenses for software, hardware, support, maintenance services, and subscriptions. Staff requests approval to execute a one (1) year contract with Southwest Networks, Inc. in an amount not to exceed \$41,196.



**ACTION TAKEN:**

**MOTION:**

Director Duran made a motion to authorize the General Manager to execute a one (1) year contract with Southwest Networks, Inc. in an amount not to exceed \$41,196. Director Teague seconded the motion. Motion carried by the following roll call vote:

AYES: Canero, Coleman, Duran, Sear, Teague

NOES: None

**MINUTE ORDER NO. 2022-3187**

**6. GENERAL MANAGER'S ITEMS**

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Beverli Marshall, General Manager, requested feedback from the Board on how they would like to receive the information regarding the impact the 20-year loan term for the Recycled Water Project Phase 1 will have on the budget. They suggested having staff bring the conversation to the next regular board meeting on April 12, 2022.

**7. COMMITTEE REPORTS**

7.1 Community Engagement Committee – March 15, 2022

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Committee member Debra Canero reported to the Board on the March 15, 2022, Community Engagement Meeting. She stated the committee discussed the RFP and proposals received for the State Legislature Advocacy Services. They also received an update from CV Strategies on the Communications Plan. They informed the committee of the deliverables completed to date, such as the brand style sheet, presentation template, newsletter masthead, agency mascot, and customer survey. The metrics to date were also presented. They also gave an update on the video short series, which will consist of six (6) one-minute videos that will go into production in May.

**8. DIRECTOR'S ITEMS**

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None.

**9. INFORMATIONAL ITEMS**

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Dave Commons, Facility Operations Manager, updated the Board on the new vehicle deliveries. He stated that the six-seater golf has already arrived, three (3) utility golf carts will be delivered this week. The Ford Explorer is expected to be delivered by the end of April, and the backhoe will be delivered on Friday.

**10. PUBLIC COMMENT**

*This is the time set aside for public comment on any item discussed in Closed Session.*

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None.

**11. CONVENE IN CLOSED SESSION**

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

11.1 Pursuant to Government Code Section 54957, Labor Negotiations for General Manager

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The Board adjourned to Closed Session at 3:31 p.m.

**12. CONVENE IN OPEN SESSION**

*Report out on Closed Session items*

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The Board reconvened in open session at 4:21 p.m. President Sear stated that there was nothing to report. Mr. Hargreaves, District Counsel, said that the Board authorized a settlement agreement with Caselle at the previous closed session. The agreement has been signed and is available to the public.

**13. ADJOURNMENT**

There being no further business to discuss, the meeting adjourned at 4:25 p.m. The next regular Board meeting will be on April 12, 2022.

Respectfully submitted,

Holly Gould, Clerk of the Board  
Valley Sanitary District

**DISBURSEMENTS**  
**Approved at the Board Meeting of**  
**April 12, 2022**

40255 Andrew Sorensen	OIT II Certificate reimbursement	\$170.00
40256 Automation Pride	Programming of Doorking, cellgate CY 2022	\$995.40
40256 Automation Pride	Reprogram gate code	\$95.00
40256 Automation Pride	Upgrade Gate 2 Doorking cellular circuit board	\$1,055.65
40257 Beverli Marshall	DC Forum reimbursement - B. Marshall	\$512.79
40258 Blackbaud, Inc.	Remainder balance FE NXT Migration prep	\$2,003.75
40259 Bureau of Reclamation	Contract, license to construct, - 06-07-34-L1472	\$1,988.15
40260 Caltest Analytical Laboratory	Monthly samples	\$1,047.35
40261 Carollo Engineering, Inc	Sewer siphon replacement project - Feb 2022	\$4,068.75
40262 Cart Mart, Inc.	(3) Carryall 700 Electric Cub Carts	\$47,538.60
40263 Charlotte Spencer	Sewer service charge refund	\$156.80
40264 Chris Rahman	Boot reimbursement	\$250.00
40265 City of Indio Fire Services	Various Permits: Fire hydrants, flammable/hzrd liquid etc	\$1,255.00
40266 Coachella Valley Water District	1 unit of plan check fee - sewer siphon project	\$172.00
40266 Coachella Valley Water District	7 units of plan check fee - sewer siphon replacement	\$776.00
40267 Cole-Parmer	Max reg therm, digital thermometer, meter with probe	\$285.89
40267 Cole-Parmer	Weather temp barometer	\$299.22
40267 Cole-Parmer	Infrared instrument, IR gun	\$201.09
40267 Cole-Parmer	Timer, 3 channel timer	\$82.53
40268 Consolidated Electrical Distributors, Inc.	Sludge dredge pond 2 replacement wire	\$8,089.91
40268 Consolidated Electrical Distributors, Inc.	Gang switch box, flat cover	\$42.00
40269 County of Riverside, TLMA Administration	Carver tract project D0-0020 - relocate manhole	\$5,000.00
40270 CV Strategies	Strategic communication services - February 2022	\$8,950.00
40271 Debra Thayer	Refund of serwer service charges	\$995.68
40272 Denali Water Solutions	Biosolids hauling - February 2022	\$2,016.00
40273 Desert Arc	Landscaping services - March 2022	\$840.00
40274 Desert Hose & Supply	SS clamp, SS plug, garden hose washer with screen	\$62.94
40274 Desert Hose & Supply	Durometer neoprene sheet	\$45.83
40274 Desert Hose & Supply	Grey hose	\$148.10
40274 Desert Hose & Supply	Grease whip, pipe coupling	\$119.60
40275 E.S. Babcock & Sons, Inc.	Masters water testing - 03/18/2022	\$100.33
40276 Eduardo Luna	MT-2 cert fee reimbursement	\$195.00
40277 Enthalpy Analytical, LLC	1st qtr monitoring 2022	\$950.00
40278 Environmental Resource Associates	Total residual chlorine, coliform	\$409.11
40279 Ferguson Enterprises #1350	PVC piping, adapters	\$350.53
40280 Geotab USA, Inc	Device internet service - March 2022	\$247.19
40280 Geotab USA, Inc	Telemetrics and install for District vehicles	\$7,030.48
40281 Golden Bell Products, Inc.	Manhole roach control - year 2 contract services	\$47,544.48
40282 Grainger	Cooling fan	\$11.39
40282 Grainger	Exhaust port flow control	\$15.11
40282 Grainger	Reinforced tubing 70 PSI	\$344.37
40282 Grainger	Measuring cone, pick/hook set	\$222.82
40282 Grainger	Pipe cement	\$106.53
40283 Haaker Equipment Company	Vactor rental - March 2022	\$13,230.00
40283 Haaker Equipment Company	(6) truck inspections	\$1,170.84
40284 Hach Company	Alkalinity 500mg	\$44.64
40284 Hach Company	New composite sampler for lab	\$9,523.24
40285 Harris & Associates	PADM infrastructure phase 3 work - Feb 2022	\$119,846.50
40286 Heberto Moreno	Boot reimbursement	\$250.00
40287 Kaman Industrial Technologies	Radial ball bearings	\$122.47
40287 Kaman Industrial Technologies	V belts	\$16.21
40287 Kaman Industrial Technologies	Pillow block	\$270.87
40287 Kaman Industrial Technologies	Radial ball bearings, (4)	\$248.91
40288 Linde Gas & Equipment Inc.	Tank rental - 2/20/2022-3/20/2022	\$133.86
40289 McMaster-Carr Supply Co.	Thick wall plastic pipe, elbow connectors, pressure gauge	\$527.46
40289 McMaster-Carr Supply Co.	3"black adhesive number set	\$87.01
40290 Mobile Modular Management Corp	Office trailer rental - 3/13/2022-4/11/2022	\$655.15
40291 Municipal Resource Group, LLC	LXE professional development training	\$10,850.00
40292 NBS Government Finance Group	Qtrly admin fee sewer service - 4/1/2022-6/30/2022	\$4,259.00
40293 Plumbers Depot Inc.	Cues loaner camera, shipping	\$321.82
40293 Plumbers Depot Inc.	LED assy, mounts	\$703.38
40294 Ponton Industries, Inc.	Pressure sensor assembly	\$4,290.19
40295 Quinn Company	New Backhoe loader	\$148,423.76
40300 Southern California Boiler, Inc.	Boiler maintenance - March 2022	\$1,004.99
40300 Southern California Boiler, Inc.	Complete boiler retube, replace heater element	\$34,785.22
40301 Southwest Networks, Inc.	(3) Digium phones + support license	\$1,117.56
40301 Southwest Networks, Inc.	Qtrly Backup, support, cyber training, server support	\$10,449.00
40302 Taylor Scientific	centrifuge, accessories	\$6,000.00
40303 Tops 'N Barricades Inc.	Striping paint	\$25.45
40303 Tops 'N Barricades Inc.	Barricade, battery, signs	\$1,100.72
40303 Tops 'N Barricades Inc.	Caution falling signs	\$55.68

40303	Tops 'N Barricades Inc.	Warning triangle kit	\$43.39
40304	Trimax Systems. Inc.	Scada screen upgrade	\$12,000.00
40305	Underground Service Alert	Board fees - April 2022	\$58.07
40305	Underground Service Alert	Dig alerts - April 2022	\$171.70
40306	United Refrigeration Inc.	Foam coil cleaner, brush	\$285.89
40306	United Refrigeration Inc.	Bronze float valve, calcean 1 gallon	\$145.46
40307	United Way of the Desert	PR 03/04/2022 - 03/17/2022 PD 03/25/2022	\$20.00
40308	Univar Solutions	Sodium bisulfite delivery - 03/16/2022	\$6,261.32
40308	Univar Solutions	Sodium hypochlorite delivery - 03/14/2022	\$9,320.07
40309	USA Blue Book	Square bottles	\$472.19
40309	USA Blue Book	Pipet set, autoclave tape, solujet detergent	\$1,383.37
40309	USA Blue Book	TNT alkalinity, potassium iodide, nitrate tnt	\$940.72
40310	Valley Office Equipment, Inc	Sharp copier maintenance - 2/13/2022-3/12/2022	\$109.56
40311	Walters Wholesale Electric	Steel reducing bushing, grip connector	\$42.77
202203171	Basic	PR 06/25/2021 - 07/08/2021 PD 07/16/2021	\$20.83
202203174	Basic	PR 02/18/2022 - 03/03/2022 PD 03/11/2022	\$208.33
202203222	Basic	PR 03/04/2022 - 03/17/2022 PD 03/25/2022	\$83.33
202203231	FedEx	Shipping charges as of 03/10/2022	\$41.82
202203232	Purchase Power	Postage meter refill	\$215.48
202203233	UPS	Shipping charges as of 03/12/2022	\$13.53
202203241	MassMutual	PR 03/04/2022 - 03/17/2022 PD 03/25/2022	\$10.00
202203242	Standard Insurance Company	Dental and vision insurance - April 2022	\$4,219.24
202203243	CalPERS Health	Health insurance - April 2022	\$49,846.13
202203244	Paychex - Fee	Paychex fee - 2021 correction	\$29.95
202203251	Umpqua Bank	New charges - February 2022	\$8,393.65
202203252	Paychex - Direct Deposit	PR 03/04/2022 - 03/17/2022 PD 03/25/2022	\$91,642.23
202203253	Paychex - Garnishment	PR 03/04/2022 - 03/17/2022 PD 03/25/2022	\$795.09
202203254	Paychex - Fee	PR 03/04/2022 - 03/17/2022 PD 03/25/2022	\$188.74
202203256	Nationwide Retirement Solution	PR 03/04/2022 - 03/17/2022 PD 03/25/2022	\$1,725.00
202203257	Vantage Point Transfer Agents - ICMA	PR 03/04/2022 - 03/17/2022 PD 03/25/2022	\$1,470.00
202203258	CalPERS Retirement	PR 03/04/2022 - 03/17/2022 PD 03/25/2022	\$21,752.64
202203259	CalPERS 457	PR 03/04/2022 - 03/17/2022 PD 03/25/2022	\$1,179.22
202203265	Paychex - Tax	PR 03/04/2022 - 03/17/2022 PD 03/25/2022	\$43,336.52
202203281	Basic	PR 03/04/2022 - 03/17/2022 PD 03/25/2022	\$208.33
202203282	Basic	PR 02/18/2022 - 03/03/2022 PD 03/11/2022	\$208.33
202203283	Basic	PR 03/04/2022 - 03/17/2022 PD 03/25/2022	\$83.33
202203291	Paychex - Fee	Paychex fee - 2021 correction	\$99.63
202203301	Colonial Life	Payroll 02/18/2022 - 03/03/2022 PD 03/11/2022	\$985.40
202203301	Colonial Life	PR 03/04/2022 - 03/17/2022 PD 03/25/2022	\$985.40
202203301	Colonial Life	PR 03/04/2022 - 03/17/2022 PD 03/25/2022	\$118.12
202203311	Domino Solar LTD	Electricity - February 2022	\$8,081.89
202203312	FedEx	Shipping charges as of 03/17/2022	\$39.80
202204011	Standard Insurance Company	Life and Disability insurance - April 2022	\$1,586.38
202204041	Indio Water Authority	Water - February 2022	\$1,406.23
202204042	Imperial Irrigation District	Electricity - February 2022	\$45,027.04
202204043	Verizon Wireless	Cell phones - March 2022	\$991.69
202204051	Cintas Corp	First aid supplies replenishment	\$403.41
202204052	Cintas Corp	Uniforms, mats, towels and etc	\$630.67
202204052	Cintas Corp	Uniforms, mats, towels and etc	\$477.01
202204052	Cintas Corp	Uniforms, mats, towels and etc	\$448.96
202204052	Cintas Corp	Uniforms, mats, towels, and etc	\$446.64
202204052	Cintas Corp	Uniforms, mats towels, and etc	\$468.36
202204053	FedEx	Shipping charges as of 03/28/2022	\$188.08
202204053	FedEx	Shipping charges as of 03/16/2022	\$143.79
202204081	Vantage Point Transfer Agents - ICMA	PR 03/18/2022 - 03/31/2022 PD 04/08/2022	\$1,470.00
202204082	CalPERS 457	PR 03/18/2022 - 03/31/2022 PD 04/08/2022	\$970.00
202204082	MassMutual	PR 03/18/2022 - 03/31/2022 PD 04/08/2022	\$10.00
202204083	CalPERS Retirement	PR 03/18/2022 - 03/31/2022 PD 04/08/2022	\$21,080.50
202204084	Nationwide Retirement Solution	PR 03/18/2022 - 03/31/2022 PD 04/08/2022	\$1,775.00
202204085	Paychex - Direct Deposit	PR 03/18/2022 - 03/31/2022 PD 04/08/2022	\$83,180.12
202204086	Paychex - Garnishment	PR 03/18/2022 - 03/31/2022 PD 04/08/2022	\$210.46
202204087	Paychex - Tax	PR 03/18/2022 - 03/31/2022 PD 04/08/2022	\$39,635.94
202204088	Paychex - Fee	PR 03/18/2022 - 03/31/2022 PD 04/08/2022	\$184.46
202204101	Burrtec Waste & Recycling Svcs	Trash service - April 2022	\$239.34
202204102	Burrtec Waste & Recycling Svcs	Grit removal - March 2022	\$1,749.48
202204121	Indio Water Authority	Water - 12/17/2021 - 02/28/2022	\$572.88
202204122	Frontier Communications	Telephone service - April 2022	\$322.69
		TOTALS	\$987,160.90



**Valley Sanitary District  
Board of Directors Meeting  
April 12, 2022**

**TO:** Board of Directors  
**THROUGH:** Beverli A. Marshall, General Manager  
**FROM:** Jeanette Juarez, Business Services Manager  
**SUBJECT: Designate Identified Items as Surplus Equipment and Authorize Disposition as Appropriate**

<input checked="" type="checkbox"/> Board Action	<input type="checkbox"/> New Budget Approval	<input type="checkbox"/> Contract Award
<input type="checkbox"/> Board Information	<input type="checkbox"/> Existing FY Approved Budget	<input type="checkbox"/> Closed Session

**Executive Summary**

The purpose of this report is for the Board of Directors to review the list of surplus items.

**Strategic Plan Compliance**

This item complies with VSD Strategic Plan Objective 3.1: Facilities are managed using comprehensive long-range plans that are integrated with the financial plan

**Fiscal Impact**

None.

**Background**

Staff has identified obsolete equipment that is no longer useful in the operations of the District. There are 16 items all small office equipment that will be disposed of and recycled.

**Recommendation**

Staff recommends that the Board of Directors designate identified items as surplus equipment and authorize disposition as appropriate.

**Attachments**

Attachment A: VSD Equipment Disposition Form

## 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: 04/13/22	
Department: Administration	Location: VSD

Justification for Disposition: Obsolete / No longer required.
These items are for disposal/ scrap or to be sold through GovDeals

Item #	Asset Tag #	Quantity	Description	Current Location	Value \$	
1		1	Infogaurd Shredder	VSD	0	E-Waste
2		1	Logitech Cordless Keyboard	VSD	0	E-Waste
3		1	Canon Power Shot A480	VSD	0	E-Waste
4		1	Kodak CX7530 Camera	VSD	0	E-Waste
5		1	Lawepro Carrying Case	VSD	0	E-Waste
6		1	Radio Shack Corded Phone	VSD	0	E-Waste
7		1	Surface tablet 128 GB	VSD	0	E-Waste
8		1	Surface Keyboard	VSD	0	E-Waste
9		1	iPhone SE black	VSD	0	E-Waste
10		1	iPhone SE black	VSD	0	E-Waste
11		1	Samsung A03s phone	VSD	0	E-Waste
12		1	Sprint Kyocera phone	VSD	0	E-Waste
13		1	Behringer X 1204 UDB	VSD	0	E-Waste
14		1	Xerox Phaser 3610 printer	VSD	0	E-Waste
15		1	HP m451dn printer	VSD	0	E-Waste
16		1	HP P4014n printer	VSD	0	E-Waste

Check One:
<input type="checkbox"/> Sold (Please attach supporting documentation and sale value.)
<input type="checkbox"/> Lost (Please include complete description of circumstances surrounding loss.)
<input type="checkbox"/> Donated to outside organization (Please attach supporting documentation.)
<input type="checkbox"/> Traded In (Please attach supporting documentation.)
<input type="checkbox"/> Reassigned for use as source of parts
<input type="checkbox"/> Stolen (Please attach police report or complete description of circumstances.)
<input type="checkbox"/> Destroyed (Please include complete description of circumstances.)
<input checked="" type="checkbox"/> Declared Surplus (Please attach documentation of Board Action)
<input type="checkbox"/> Other, Please explain:

Department Supervisor:	General Manager:
District Board Action:	



**Valley Sanitary District  
Board of Directors Meeting  
April 12, 2022**

**TO:** Board of Directors  
**THROUGH:** Beverli A. Marshall, General Manager  
**SUBJECT:** Continue Public Hearing # 2 – VSD Redistricting and Adopt a New Official Map for the Valley Sanitary District Based on 2020 U.S. Census Population Data and

<input checked="" type="checkbox"/> Board Action	<input type="checkbox"/> New Budget Approval	<input type="checkbox"/> Contract Award
<input type="checkbox"/> Board Information	<input type="checkbox"/> Existing FY Approved Budget	<input type="checkbox"/> Closed Session

**Executive Summary**

The purpose of this report is to discuss the proposed maps for revising the election division boundaries based on the 2022 Federal Census data, as required by California law.

Due to a glitch in the agenda preparation software, the published agenda packet for the March 22, 2022, Board of Directors meeting did not identify and include Item 4.1, which was the public hearing on the redistricting process and consideration of the proposed maps. While the published agenda did include this item, the Board believed that the public did not have adequate information to consider and comment on the proposed maps. The Board took action to continue the hearing to the next possible meeting, April 12, 2022, regular meeting, publish a notice of the continued public hearing, and continue the discussion with the information available to the public.

**Strategic Plan Compliance**

This item complies with VSD Strategic Plan Objective 6.6: Improve Governance.

**Fiscal Impact**

There is no cost associated with changing the election division boundaries. The cost of obtaining the census data, matching it to District census tracts, and drawing the draft maps was \$1,350 and was included in the Adopted Comprehensive Budget for Fiscal Year 2021/22.

**Environmental Review**

This item is not a “project” as defined by CEQA and does not require any CEQA action.

## Background

The California Voting Rights Act (CVRA) was enacted in 2001 to address disparities between ethnic demographics and elected officials. The CVRA prohibits government agencies from using the “at-large” method of election that may impair the ability of a protected class from electing candidates of its choice or influencing the outcome of an election to their benefit. In other words, without district-based elections, their voice might be diluted by the combined total of all voters. In the case of special districts, such as Valley Sanitary District, these districts are referred to as divisions to avoid confusion.

In October 2019, the Board of Directors adopted a resolution indicating the District’s intent to move from At-Large to By-Division elections. In compliance with both Section 10301 of Title 52 of the United States Code and Section 22000 of the California Elections Code, to the extent practicable, election division boundaries should be created using the following criteria.

1. geographically contiguous divisions (sharing a common border with the next)
2. geographic integrity of local neighborhoods or communities
3. easily identifiable boundaries that follow natural or artificial barriers (rivers, streets, highways, rail lines, etc.)
4. encourage geographic compactness
5. balanced population between divisions +/-10% variance

Boundaries should not be drawn with the sole intent of guaranteeing that incumbents retain their positions (often referred to as gerrymandering), but it can be considered. Other issues that can be considered are future growth and changes in population and minimizing impact on voters, which means trying to avoid changes that would lengthen the time between the last time residents voted for a representative and the next time they will have the opportunity to vote for one.

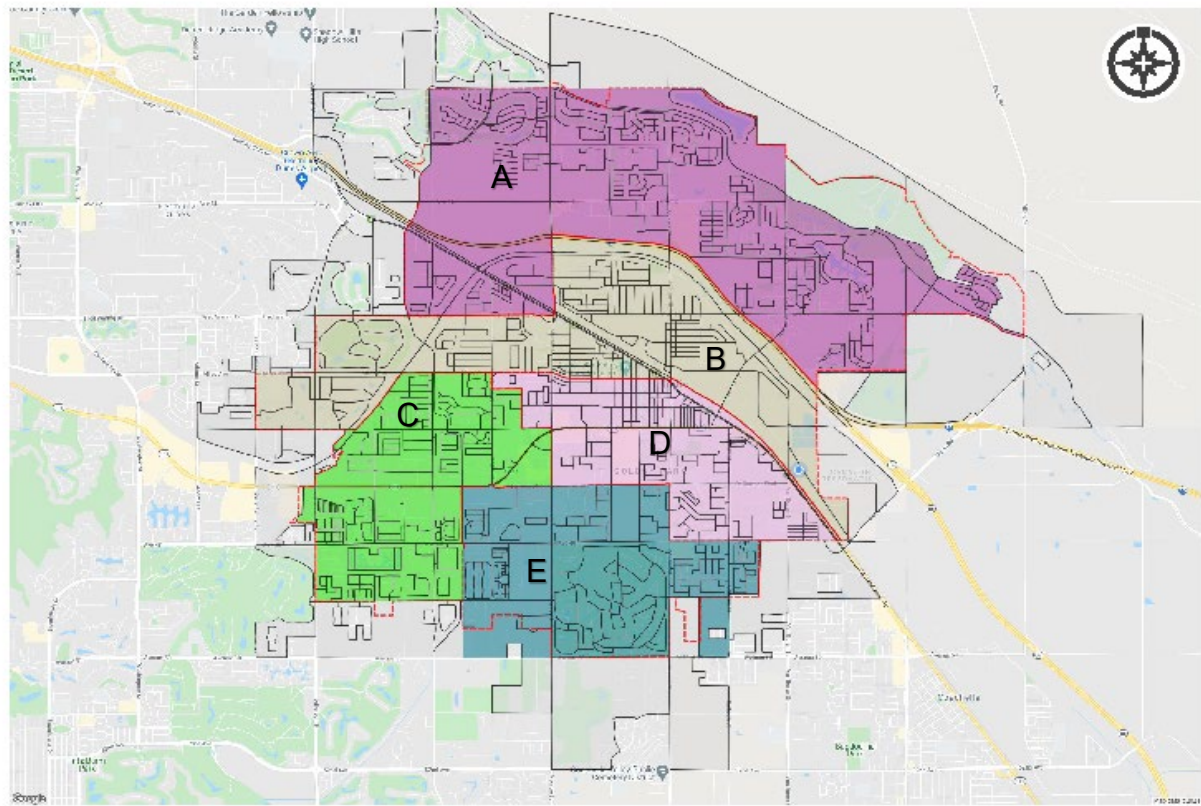
Using 2010 census population of 75,135, the District’s population was divided by 5 to establish the ideal division population (15,027). Three maps were presented, and in April 2020, the Board adopted a resolution establishing election division boundaries (Current Map) and election order of each division (B, D, E in 2020, A and C in 2022).

The least populated division (E) was under about -5%, the most populated division (D) was over about 4%, and the spread between them was 1,349 (9% of the ideal), all within the acceptable variance. Four (B, C, D, and E) of the five divisions were majority/ minority Latino voting divisions.

Div.	Pop	Dev.	Latino	White	Black	Native	Asian	P.I.	Other	Multi
A	15,109	0.6%	55%	38%	2%		4%			
B	15,357	2%	78%	20%	1%		1%			
C	14,856	-1%	73%	22%	2%		2%			
D	15,581	4%	87%	8%	3%		1%			
E	14,232	-5%	70%	26%	2%		2%			



**Current Map**



Once adopted, local governments are required every ten years to review new census data to determine if the division boundaries need to be adjusted to reflect changes in demographics and to ensure that each division is relatively equal in size.

With the new census data and an updated population of 83,792, staff determined that the new ideal division population is 16,760. Using the current map, the least populated division (E) is under the ideal about -7%, the most populated division (A) is over about 14%, and the spread between them is about 3,500 (21% of the ideal), all more than the acceptable variance.

Staff also analyzed the race and ethnicity of the current division populations to determine if there was an issue related to creating majority/minority voting divisions. Using the 2020 census data, all current divisions are majority/minority Latino.

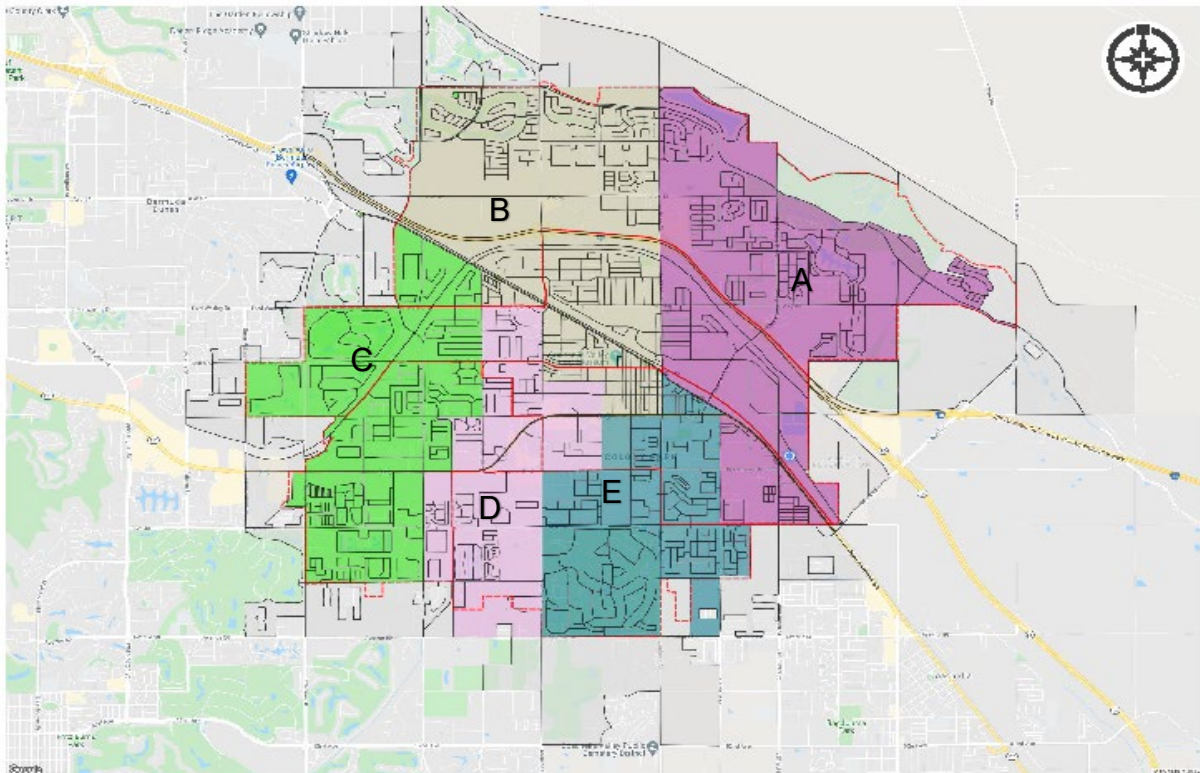
Div.	Pop	Dev.	Latino	White	Black	Native	Asian	P.I.	Other	Multi
A	19,136	14%	59%	32%	2%	0.4%	4%	0.1%	0.5%	3%
B	16,233	-3%	80%	16%	1%	0.2%	2%	0%	0.2%	1%
C	15,756	-6%	76%	18%	2%	0.2%	2%	0%	0.4%	2%
D	17,063	2%	87%	8%	2%	0.5%	1%	0%	0.5%	1%
E	15,604	-7%	73%	21%	2%	0.3%	2%	0%	0.6%	1%

**Public Hearing #1:** Staff prepared two maps (Option #1 and Option #2) for the VSD Board of Directors and the public to consider. These two options achieve the CVRA goals and consider growth in the areas north of I-10 over the next 10 years.

### Option #1

Approaching the first option as an opportunity to use the new population data as if it was the first time the District was considering using election divisions, this map aligns divisions generally in a north/south orientation, uses major roads and other easily identifiable barriers, and has slightly smaller populations in northern divisions where growth is most anticipated. No directors share a division.

#### **Option #1**



The least populated division (A) is under the ideal about -6%, the most populated division (D) is over about 4%, and the spread between them is about 1,681 (10% of the ideal), all within than the acceptable variance.

Staff also analyzed the race and ethnicity of the current division populations to determine if there was an issue related to creating majority/minority voting divisions. Using the 2020 census data, all divisions are majority/minority Latino.

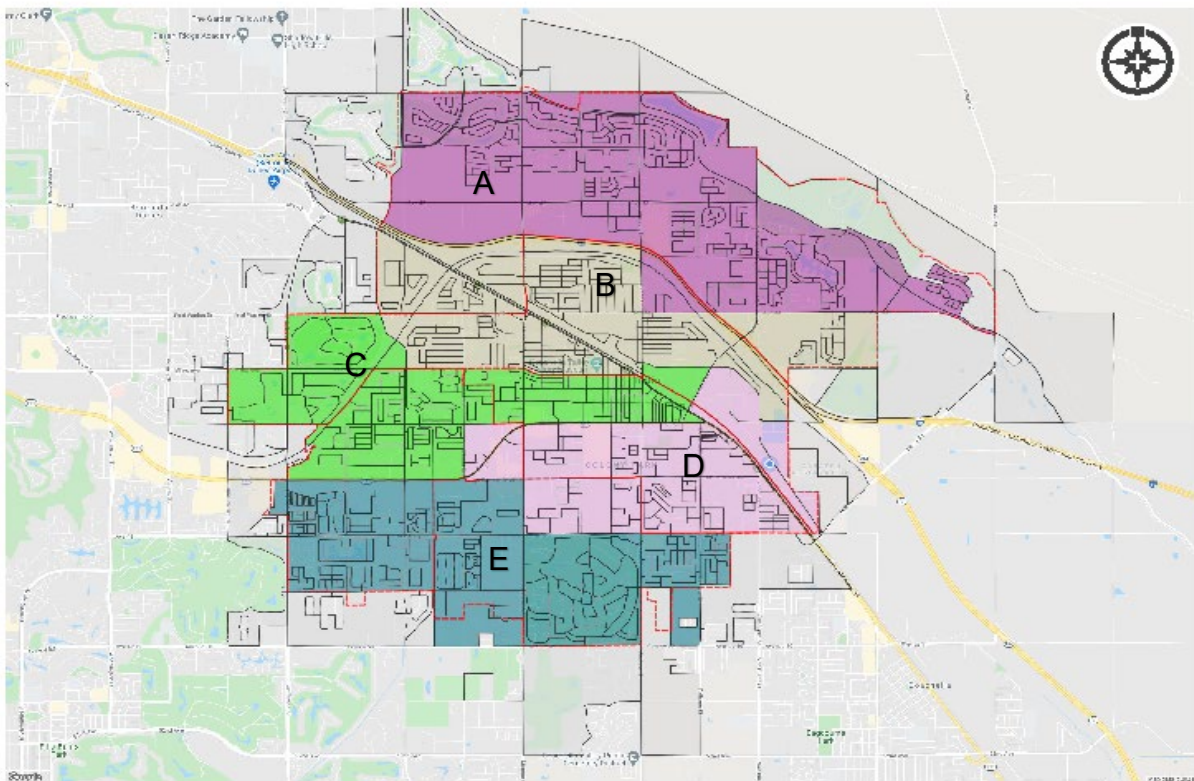
The last issue considered is how much of the population will be affected by shifting boundaries and moving them from the 2022 election to 2024. Using Option #1, 10,222 from current Division A are affected by the shift in boundaries.

Div.	Pop	Dev.	Latino	White	Black	Native	Asian	P. I.	Other	Multi
A	15,796	-6%	72%	20%	2%	0.5%	3%	0.1%	0.5%	2%
B	16,235	-3%	71%	23%	2%	0.4%	2%	0.1%	0.4%	2%
C	17,395	4%	68%	25%	1%	0.2%	3%	0%	0.4%	2%
D	17,477	4%	81%	14%	3%	0.2%	1%	0%	0.4%	1%
E	16,922	1%	80%	15%	2%	0.3%	1%	0%	0.5%	1%

### Option #2

This option starts from the current map, which has divisions aligned in an east/west orientation, uses major roads and other easily identifiable barriers, and relatively equal populations. Two current directors share a division (C).

### Option 2



The least populated division (D) is under the ideal about -5%, the most populated division (C) is over about 5%, and the spread between them is about 1,731 (10% of the ideal), all within than the acceptable variance.

Staff also analyzed the race and ethnicity of the current division populations to determine if there was an issue related to creating majority/minority voting divisions. Using the 2020 census data, all divisions are majority/minority Latino.

The last issue considered is how much of the population will be affected by shifting boundaries and moving them from the 2022 election to 2024. Using Option #2, 3,225 from current Division A are affected by the shift in boundaries.

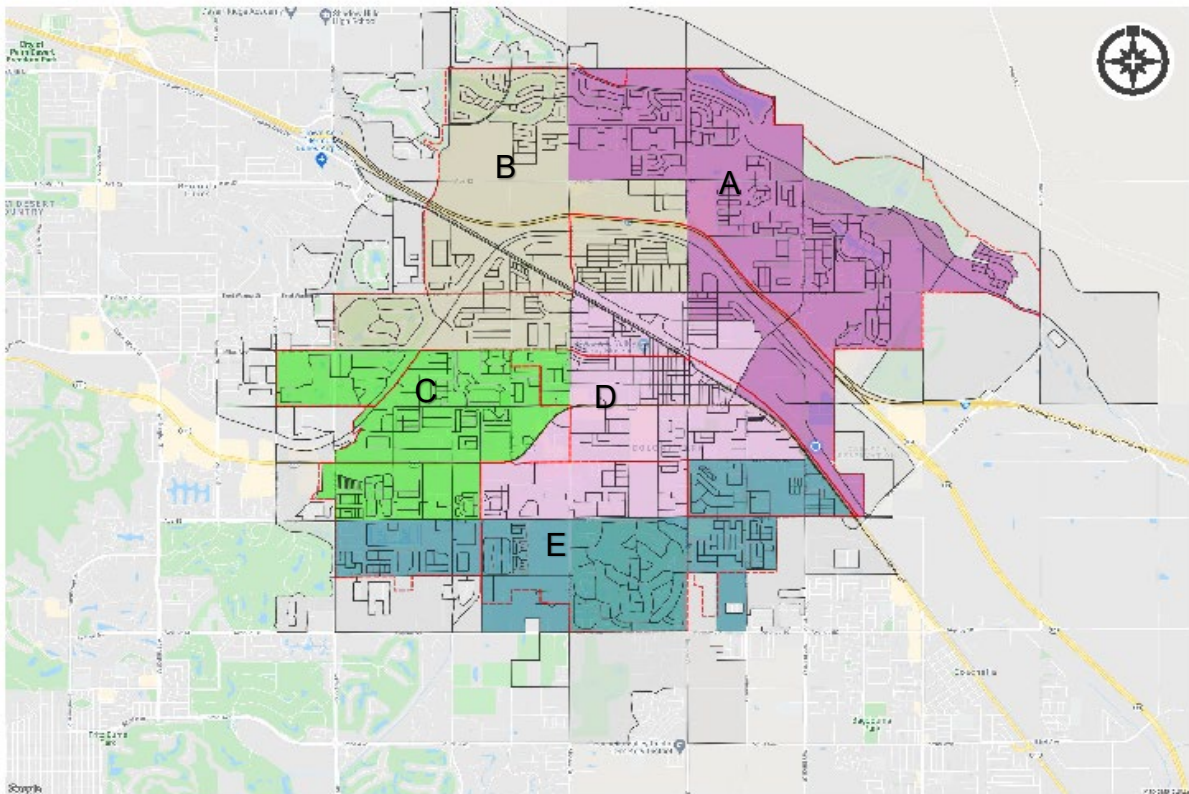
Div.	Pop	Dev.	Latino	White	Black	Native	Asian	P. I.	Other	Multi
A	16,366	-2%	55%	35%	2%	0.4%	4%	0.1%	0.5%	3%
B	16,901	1%	87%	8%	1%	0.2%	1%	0%	0.3%	1%
C	17,675	5%	76%	18%	2%	0.3%	2%	0.1%	0.4%	2%
D	15,944	-5%	87%	7%	2%	0.4%	1%	0%	0.4%	1%
E	16,906	1%	67%	27%	2%	0.3%	2%	0%	1.6%	1%

**Public Hearing #2:** Staff presented the two maps (Option #1 and Option #2) from the first public hearing and prepared a third map (Option #3) based on feedback received from the Board of Directors.

### Option #3

This option redraws all the divisions with two primary goals: anticipate growth mostly north of I-10 and no current directors share a division. When possible, the boundaries align with major roads and other easily identifiable barriers.

#### Option 3



The least populated division (B) is under the ideal about -8%, the most populated division (D) is over about 5%, and the spread between them is about 2,520 (15% of the ideal). The first two measurements are within than the acceptable variance, but the spread exceeds it.

Staff also analyzed the race and ethnicity of the current division populations to determine if there was an issue related to creating majority/minority voting divisions. Using the 2020 census data, all divisions are majority/minority Latino.

The last issue considered is how much of the population will be affected by shifting boundaries and moving them from the 2022 election to 2024. Using Option #3, 5,487 from current Division A are affected by the shift in boundaries.

Div.	Pop	Dev.	Latino	White	Black	Native	Asian	P. I.	Other	Multi
A	15,545	-7%	63%	27%	2%	0.4%	4%	0.1%	0.5%	3%
B	15,381	-8%	73%	22%	1%	0.2%	2%	0%	0.2%	1%
C	17,747	6%	78%	16%	2%	0.2%	2%	0.1%	0.4%	2%
D	17,901	7%	84%	10%	2%	0.5%	1%	0%	0.5%	1%
E	17,218	3%	73%	22%	2%	0.3%	2%	0%	0.5%	1%

### Process & Timeline

California law requires that special districts engage their communities in the redistricting process by holding public hearings workshops and doing public outreach. VSD reached out to local media to educate residents about the redistricting process, published notices to alert the public about redistricting hearings, and posted presentations with draft maps on its website.

At Public Hearing #1, held on January 11, 2022, the Valley Sanitary District Board of Directors discussed the census data and two draft maps (Option #1 and Option #2).

At Public Hearing #2, held on March 22, 2022, staff created a third map (Option #3) based on feedback received at Public Hearing #1. The Board of Directors continued Public Hearing #2 to give the public, and the directors, time to review and consider the three map options. All three maps are proposed at today's meeting (continuation of Public Hearing #2) for discussion and consideration.

Senate Bill 594, approved by Governor Newsom on September 27, 2021, requires that special districts that hold elections for directors as part of the November 2022 General Election complete their redistricting process, and adopt a resolution defining the revised boundaries of election divisions, no later than April 17, 2022. The timeline for the process, which complies with the above requirement, is as follows.

January 11, 2022	Public Hearing #1 – Consider Draft Maps of Revised Election Division Boundaries
March 22, 2022	Public Hearing #2 – Consider Proposed Maps of Revised Election Division Boundaries
April 12, 2022	Board of Directors Adopt Map Defining Boundaries for Revised Election Divisions
April 15, 2022	Deadline for Adopting Revised Election Division Boundaries and Divisions in Compliance with Senate Bill 594
June 1, 2022	District notifies Riverside County Registrar of Voters of Revised Election Division Boundaries and Divisions Participating in the November 2022 General Election

November 8, 2022      General Election for Divisions A and C (per adopted rotation)

The adjustment of division boundaries does not change the election divisions that will be voted on as part of the November 2022 election. If a director of a division that's boundaries have been adjusted does not live in the newly created division that has the same identifier, that director continues to be the director in the newly created division until that director's term expires or otherwise becomes vacant.

**Recommendation**

Staff recommends that the Board of Directors continue Public Hearing #2, which began on March 22, 2022, discuss the proposed maps of revised Election Division Boundaries, consider public comments, and adopt Resolution No. 2022-1157 adopting a new official map establishing the election divisions for Valley Sanitary District and directing staff to notify the Riverside County Registrar of Voters.

**Attachments**

Attachment A:    Resolution No. 2022-1157 Adopting Official Election Divisions Map

Attachment B:    Presentation from March 22, 2022, Public Hearing

**RESOLUTION NO. 2022-1157**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE VALLEY SANITARY DISTRICT ADJUSTING THE BOUNDARIES OF THE BOARD OF DIRECTORS ELECTION DIVISIONS AND ADOPTING A NEW OFFICIAL BOARD MAP FOR THE VALLEY SANITARY DISTRICT BASED ON THE RESULTS OF THE 2020 CENSUS**

The Board of Directors declares that the following statements are true and accurate.

On April 14, 2020, the Board adopted Resolution 2020-1128, in compliance with Elections Code § 10010, to change from an at-large-based election system to a division-based election system for the Board of Directors and to adopt the official Division Map.

The District is required to adjust the boundaries of the divisions following each decennial federal census and, using the census as a basis, the District must adjust the boundaries so that the divisions are as equal in population as practicable and in compliance with all applicable provisions of applicable laws.

The Board held public hearings on January 11, 2022, and March 22, 2022, and the public was invited to provide input regarding the composition of the District's divisions and the Board of Directors discussed and considered the same.

Throughout the process, the District reached out to the public for its input, and the Board of Directors has satisfied all legal requirements to the enactment of this Resolution.

After closing the public hearing on March 22, 2022, the Board of Directors selected the Option #\_\_ map, reflected in **Exhibit A** of this resolution, and incorporated by reference. The selected map was published on the District's website on March 23, 2022, notifying the public that the Board would be adopting the official map at its meeting on April 12, 2022. Divisions \_\_\_\_ and \_\_\_\_ will be placed on the ballot for the general election on November 8, 2022, with the remaining Divisions \_\_\_\_ and \_\_\_\_ placed on the ballot for the following biennial general election.

The Board of Directors of the Valley Sanitary District, assembled at a regular meeting this 12<sup>th</sup> day of April 2022, resolves that:

**Section 1**    Incorporation of Recitals.

All the foregoing recitals are true and correct, and the Board so finds and determines. The recitals set forth above are incorporated and part of this Resolution.

**Section 4**    Establishment of Divisions.

The boundaries and identifying name of each election division shall be as described on the Valley Sanitary District Division Map attached to this resolution as “**Exhibit A,**” a copy of which shall be on file in the District office.

**Section 5**    Election Process.

A. Members of the Board of Directors shall be elected in the electoral divisions established by this Resolution and subsequently reapportioned as provided for in State law. Elections shall take place “by division,” meaning that one Director shall be elected from each division, by the voters of that division alone.

B. No term of any member of the Board of Directors that commenced prior to the effective date of this Resolution shall be affected by the adoption of this Resolution.

C. A Director elected or appointed to represent a division must reside in, and be a registered voter in, that division, and any candidate for the Board must reside in, and be a registered voter in, the division in which the seek election at the time nomination papers are issued.

D. Regardless of any other provision of this Resolution, the Directors in office at the time this Resolution takes effect shall continue in office until the expiration of the term to which they were elected. In the event a vacancy occurs before the expiration of the term of a Director in office at the time this Resolution takes effect, a person who is appointed or elected by special election to fill such vacancy must reside in the division in which the vacancy exists.

E. The term of each Director elected to the Board of Directors shall remain four years.

**Section 6**    Implementation.

The by-division election system shall be implemented, beginning at the next regular election of the Board of Directors, as follows:

A. Members of the Board of Directors shall be elected in Divisions \_\_\_ and \_\_\_ beginning at the next regular election of the Board of Directors, and every four years thereafter; and

B. At the next regular election of the Board of Directors following the election of Members of the Board of Directors in Divisions \_\_\_ and \_\_\_, members of the Board of Directors shall be elected in Divisions \_\_\_ and \_\_\_, and every four years thereafter.

**Section 7**    Adjustment of Boundaries

Pursuant to Elections Code § 22000, as it may be amended from time to time, the Board of Directors shall adjust the boundaries of the divisions following each decennial federal census to ensure that the divisions comply with all applicable provisions of law.



**Section 8**

The Board of Directors finds that the Resolution is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Title 14 of the California Code of Regulations, Section 15061(b)(3) because it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

**Section 9**

The President of the Board of Directors shall sign this Resolution and the Secretary of the Board of Directors shall attest thereto, and this Resolution shall be in full force and effect immediately upon adoption. Within 15 days after adoption of this Resolution, a summary of the Resolution shall be published with the names of those directors voting for and against this Resolution and a certified copy of the full text of this Resolution, along with the names of those Directors voting for and against this Resolution, shall be posted in the District offices.

**Section 10**

If any section, subsection, clause, or phrase in this Resolution is for any reason held invalid, the validity of the remainder of this Resolution shall not be affected. The Board declares that it would have passed this Resolution and each section, subsection, sentence, clause, or phrase, regardless that one or more sections, subsections, sentences, clauses or phrases or the application are held invalid.

This resolution is passed, approved, and adopted this 12<sup>th</sup> day of April 2022, by the following roll call vote:

- AYE:
- NAY:
- ABSENT:
- ABSTAIN:

VALLEY SANITARY DISTRICT

\_\_\_\_\_  
Scott Sear, President

ATTEST

\_\_\_\_\_  
Dennis Coleman, Secretary/Treasurer

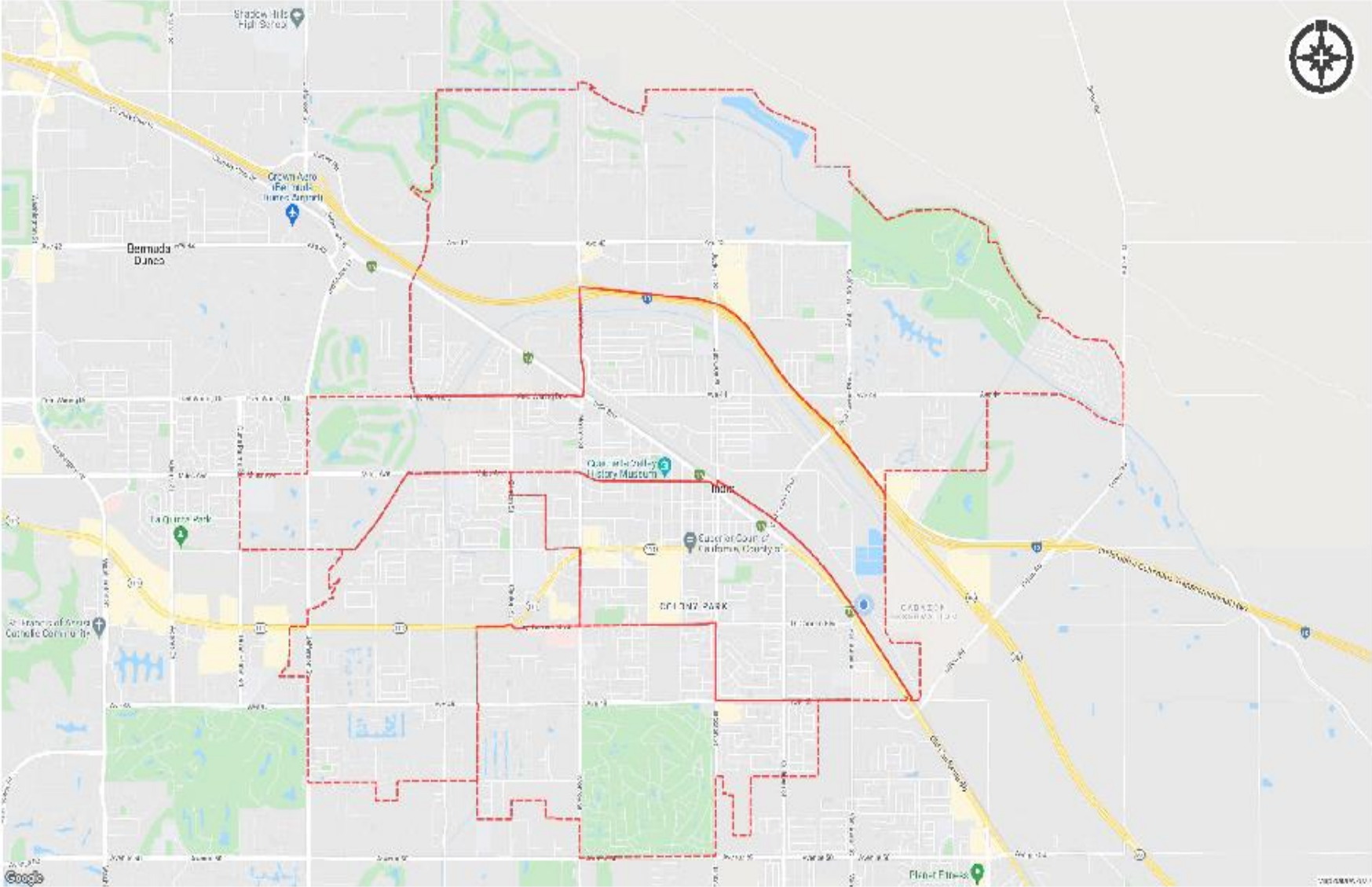


# Changes to Election Divisions

Census 2020  
Population Data  
March 22, 2022



# Valley Sanitary District Service Area



# Voting Rights Act

## Federal Requirements

- ✦ Applies to all counties, cities, school districts, special districts
- ✦ Based on census tract data
- ✦ Divisions must be equal in population (+/- 10% deviation)
- ✦ No racial gerrymandering
- ✦ Public involvement and input

# Voting Rights Act

## California Requirements

- ✦ Divisions must have contiguous (touching) boundaries
- ✦ Divisions should follow natural or logical topography, geography, or other identifiable boundaries
- ✦ Consider “communities of interest” as defined by residents and stakeholders

# Voting Rights Act

## Other Items to Consider

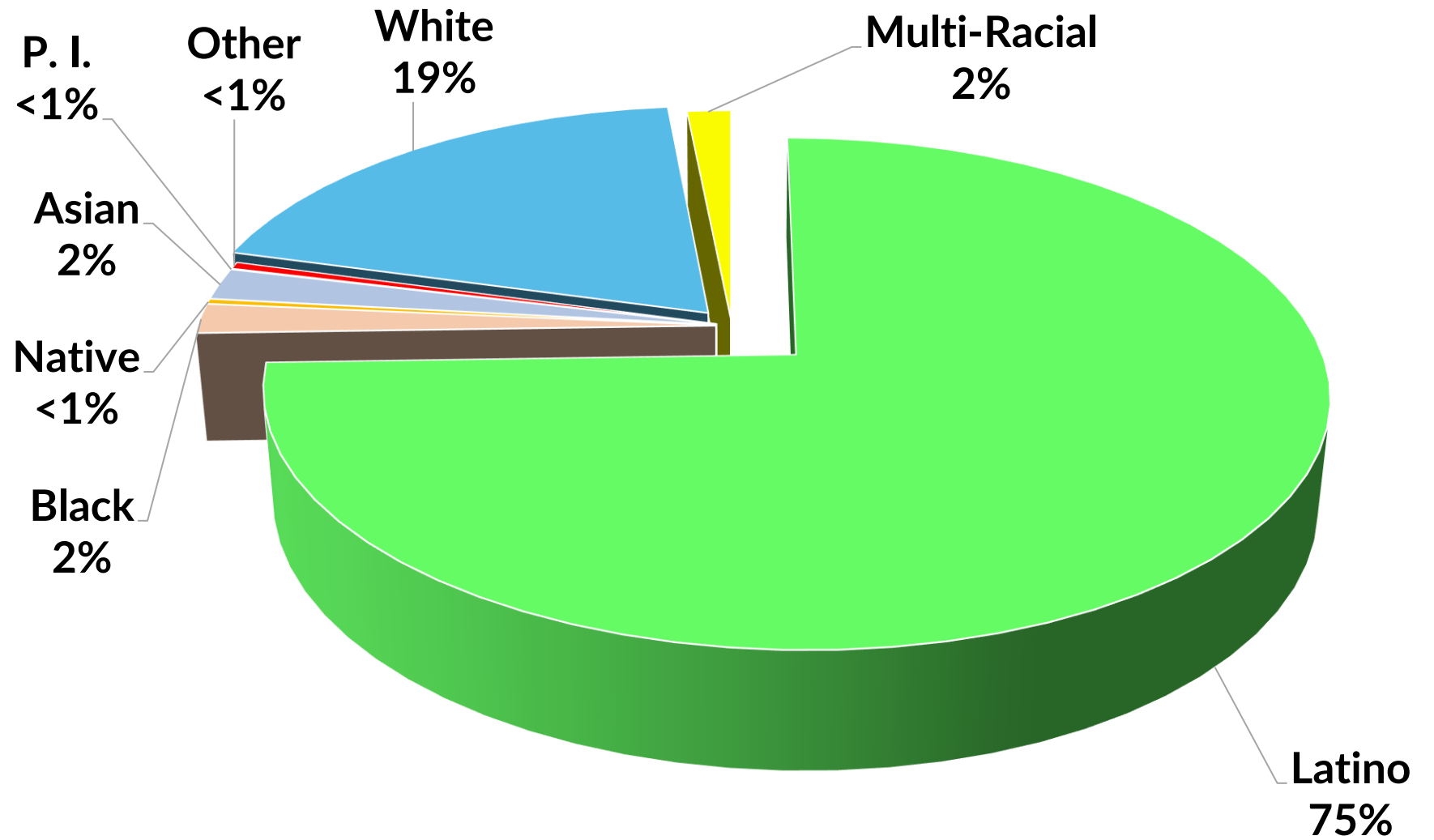
- ✦ Future population growth and changes
- ✦ Minimize impact on voters
- ✦ Avoiding head-to-head elections between current directors
- ✦ Other issues relevant to service delivery

# Census – Significant Data

## 2010 to 2020

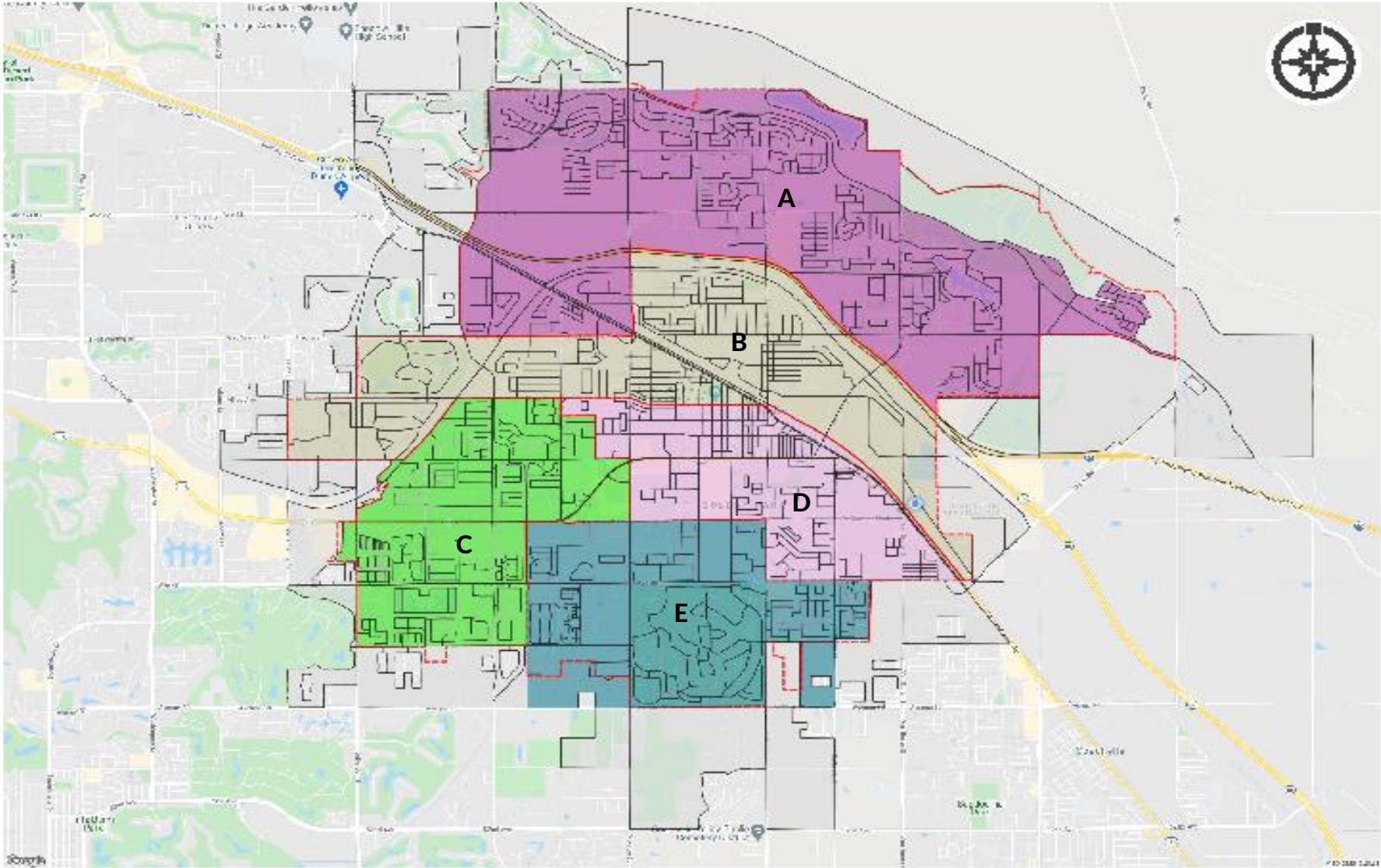
- ✦ Total population increased 75,135 to 83,792 (+12%)
- ✦ Most growth north of I-10 – likely trend for future
- ✦ Latinos still largest ethnic group (75%), followed by White (19%)

# Census 2020 Data: Race/ Ethnicity

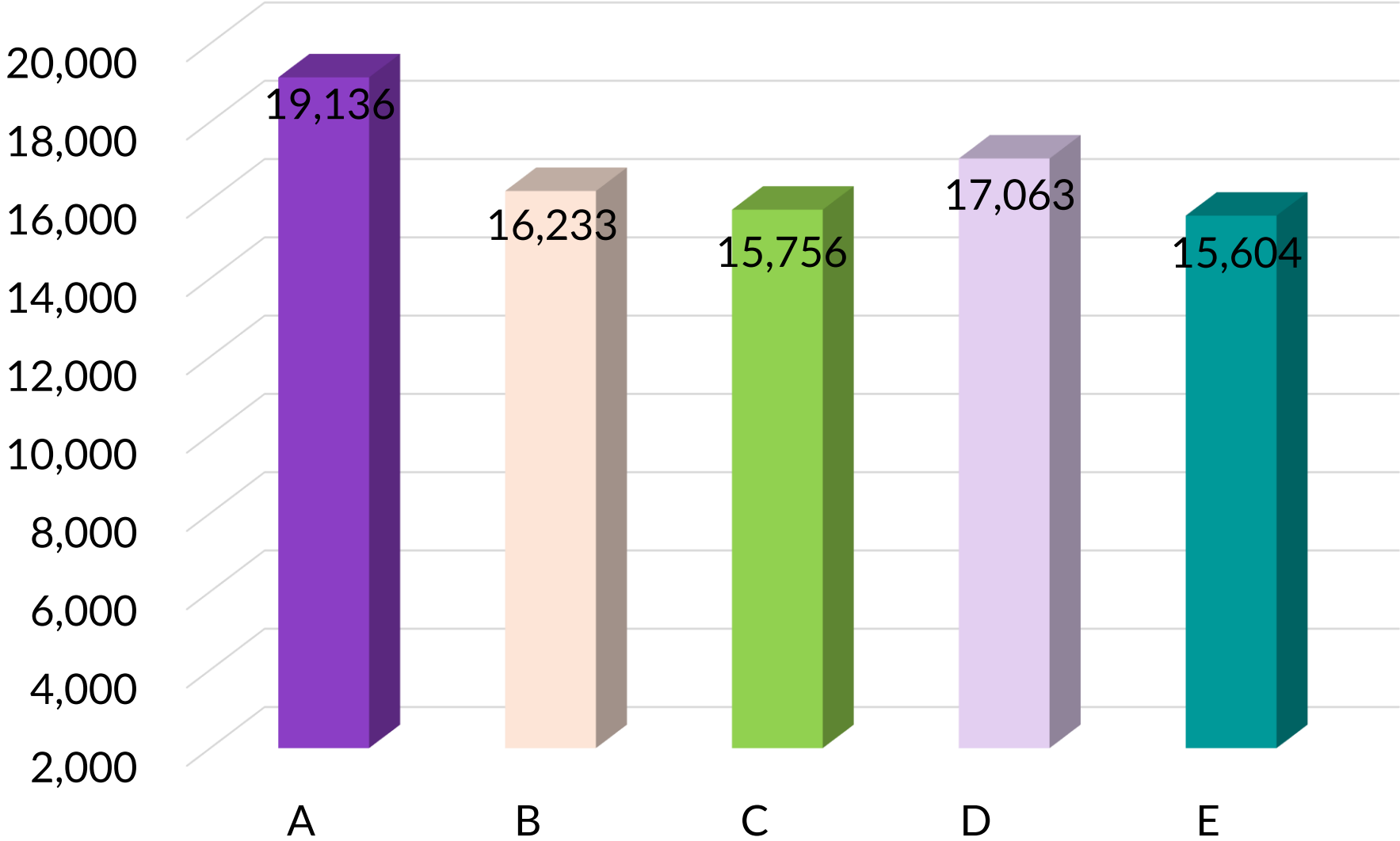




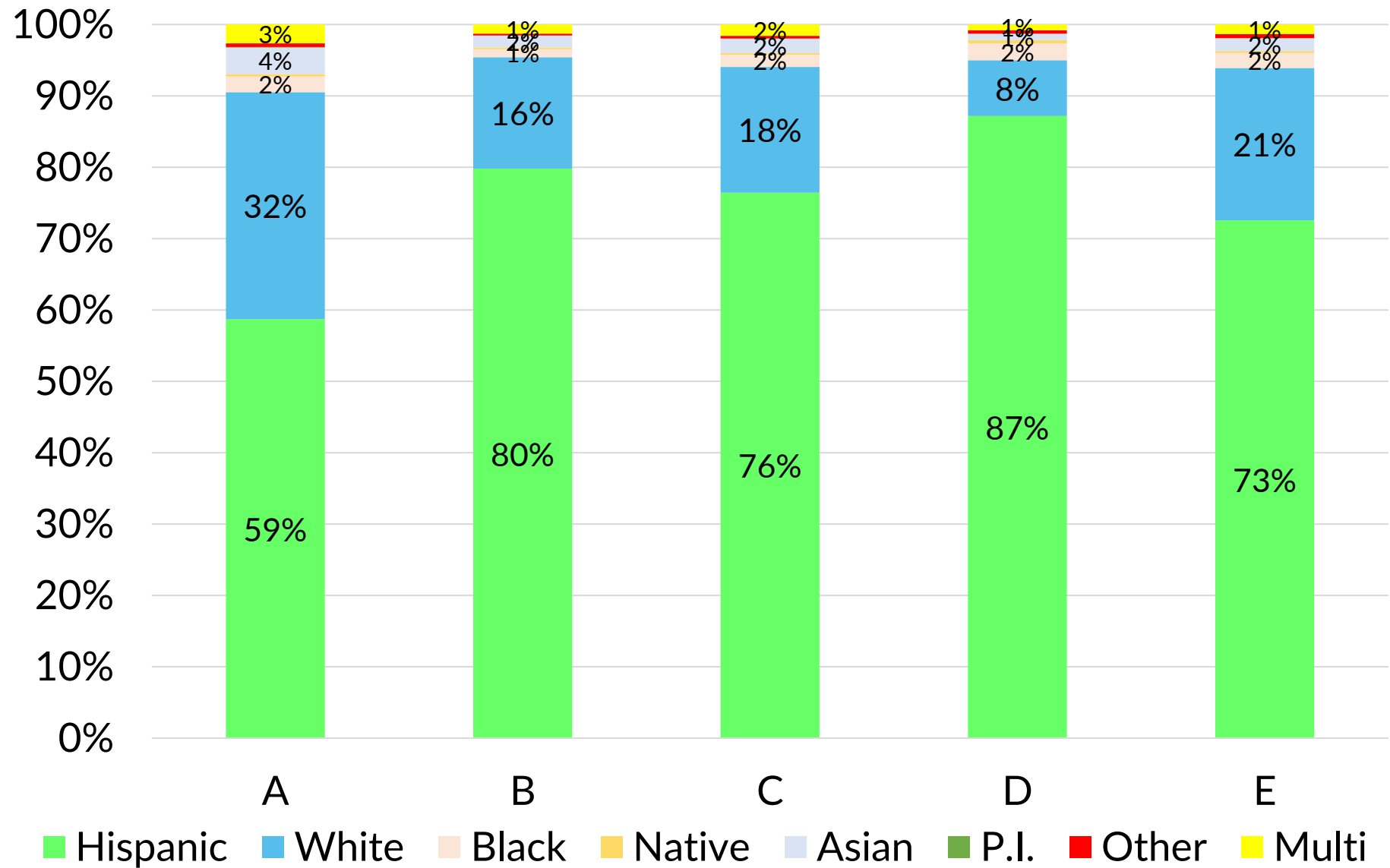
# Election Divisions Map: Current



# Current: Population



# Current: Race/ Ethnicity



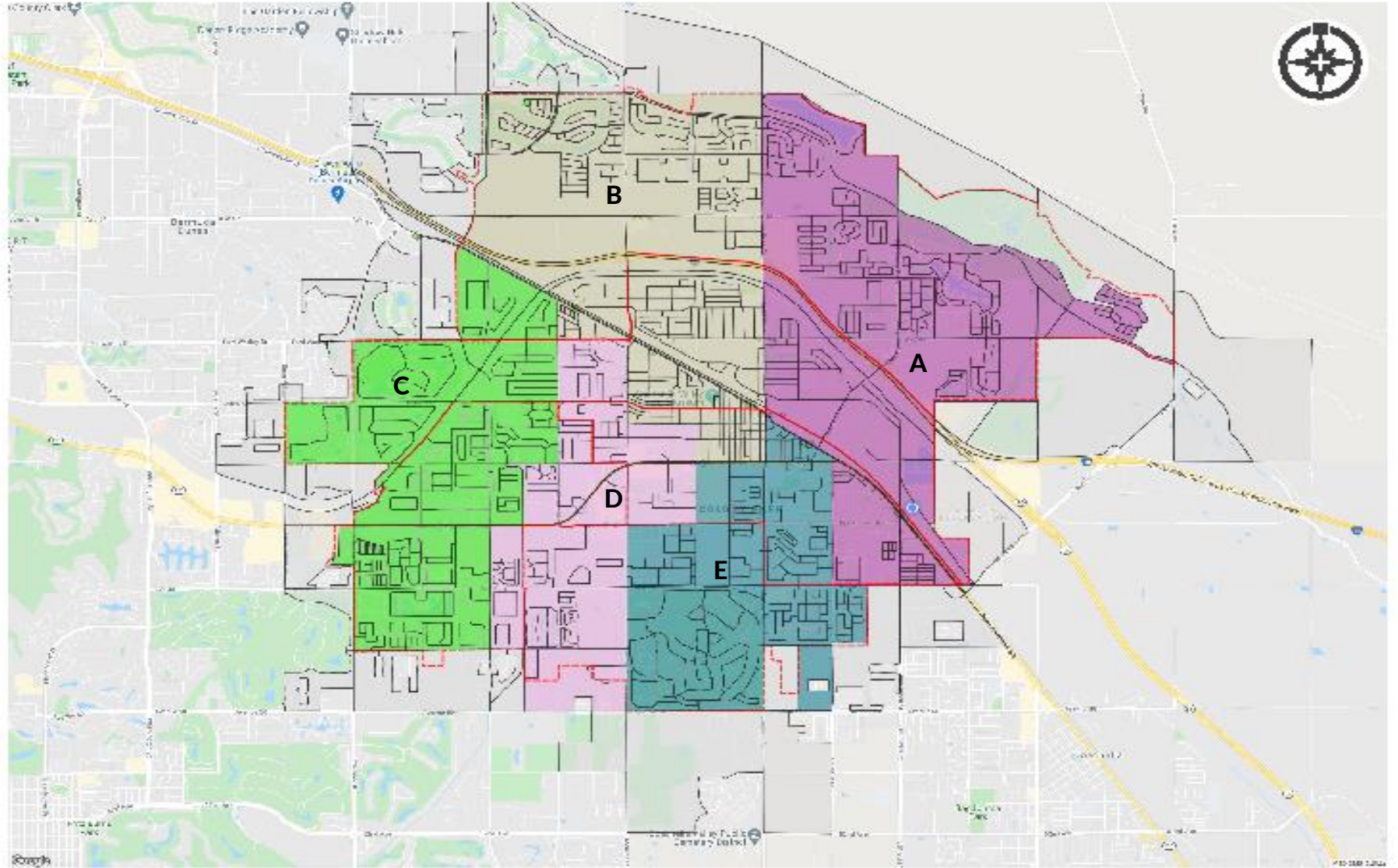
# Election Division Key Elements

## Current

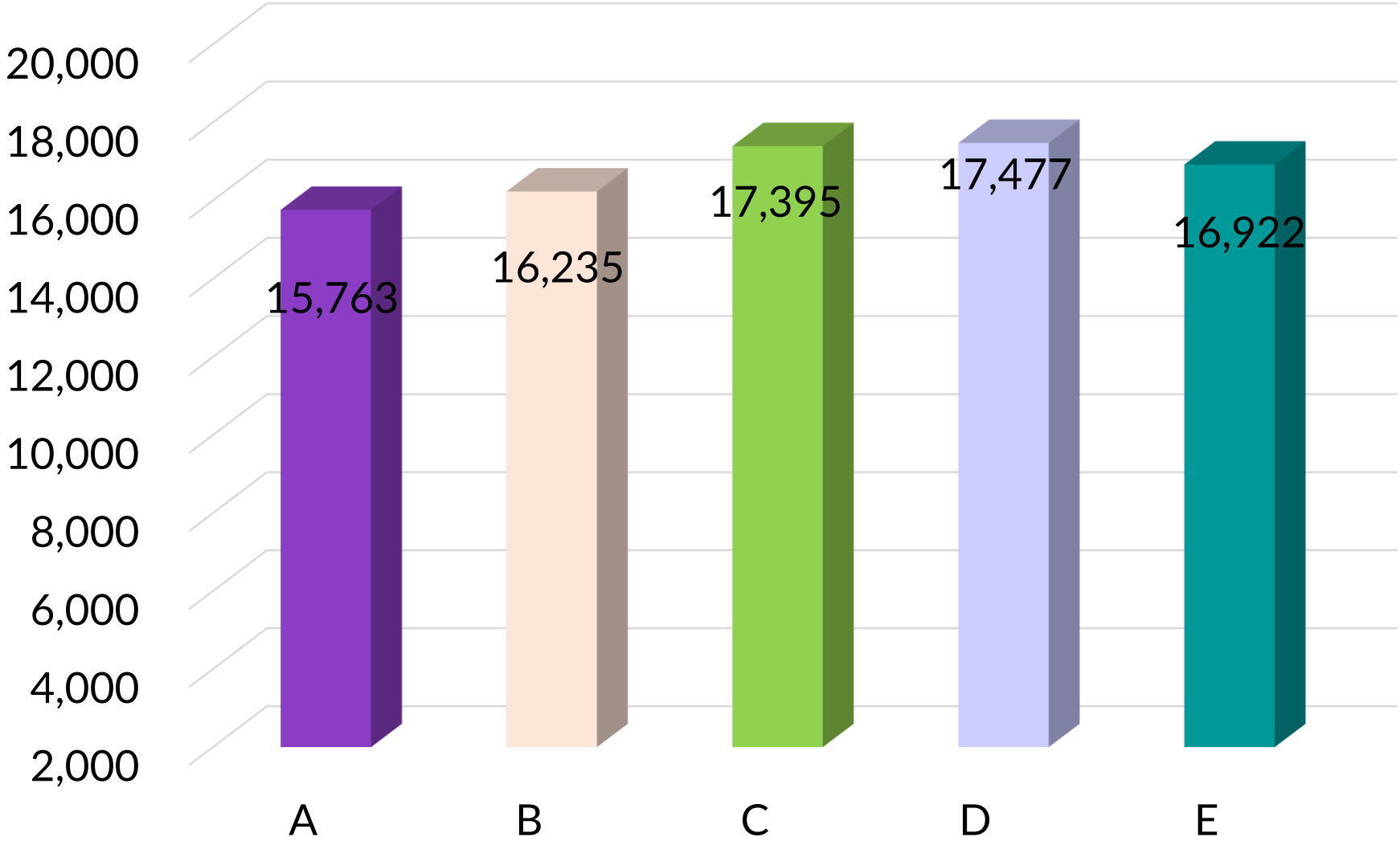
- ✦ 22.64% spread between most (A) and least (E) populated divisions
- ✦ Division A over ideal population by 14.2%, E under by 7.4%
- ✦ All divisions have majority/minority population
- ✦ No “communities of interest” identified by residents or stakeholders



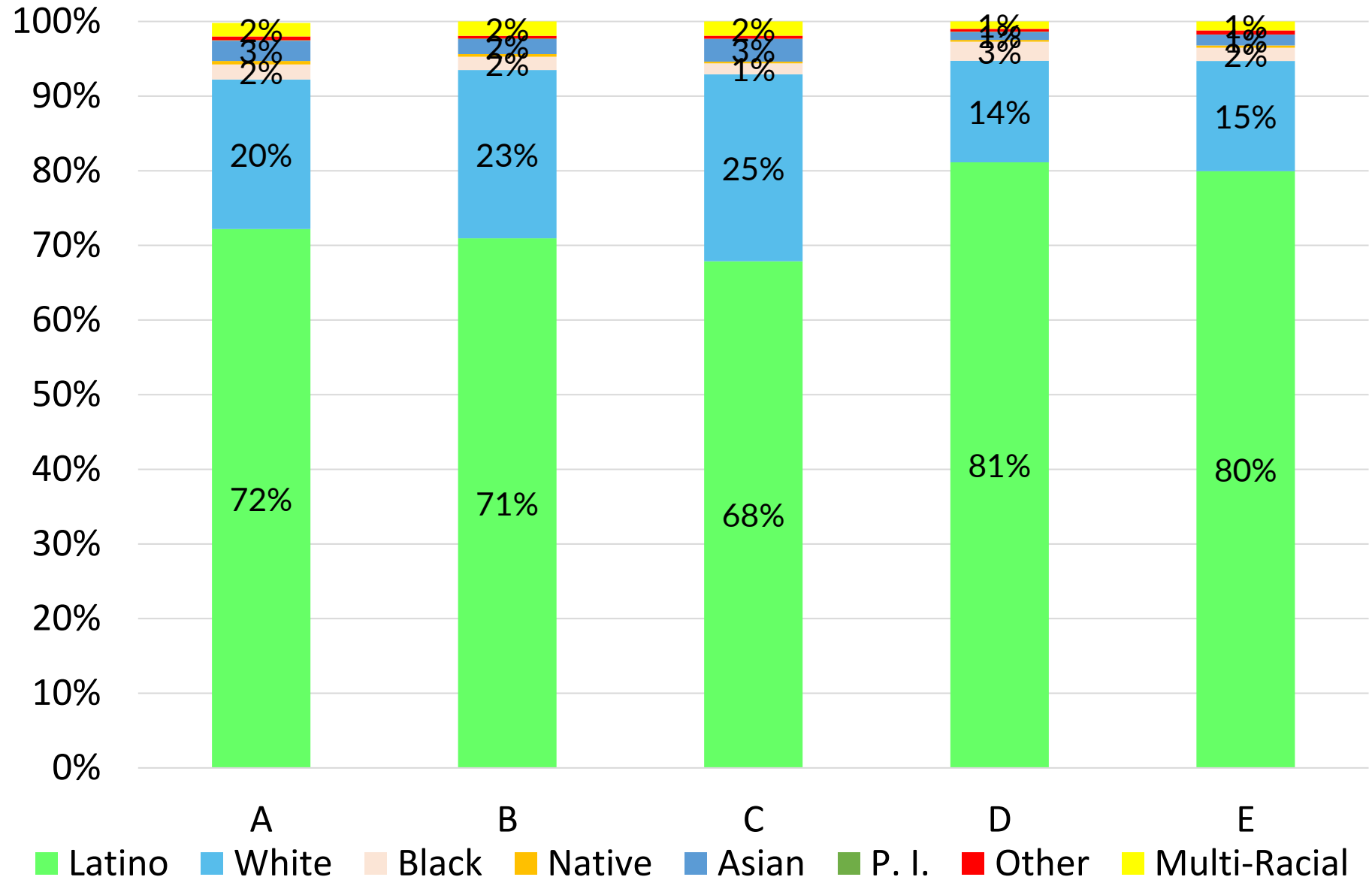
# Election Divisions Map: Option #1



# Option #1: Population



# Option #1: Race/ Ethnicity



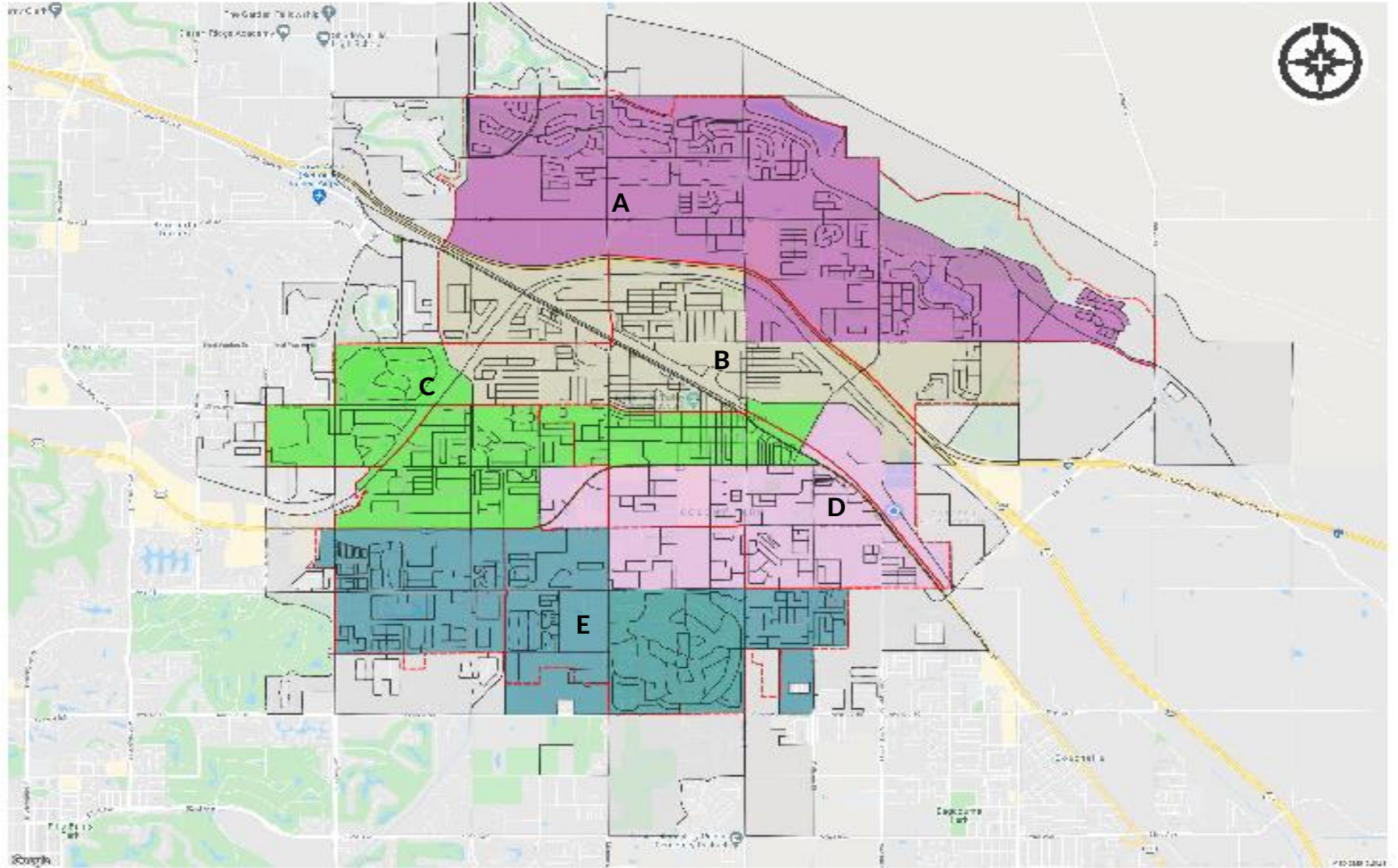
# Election Division Key Elements

## Option #1

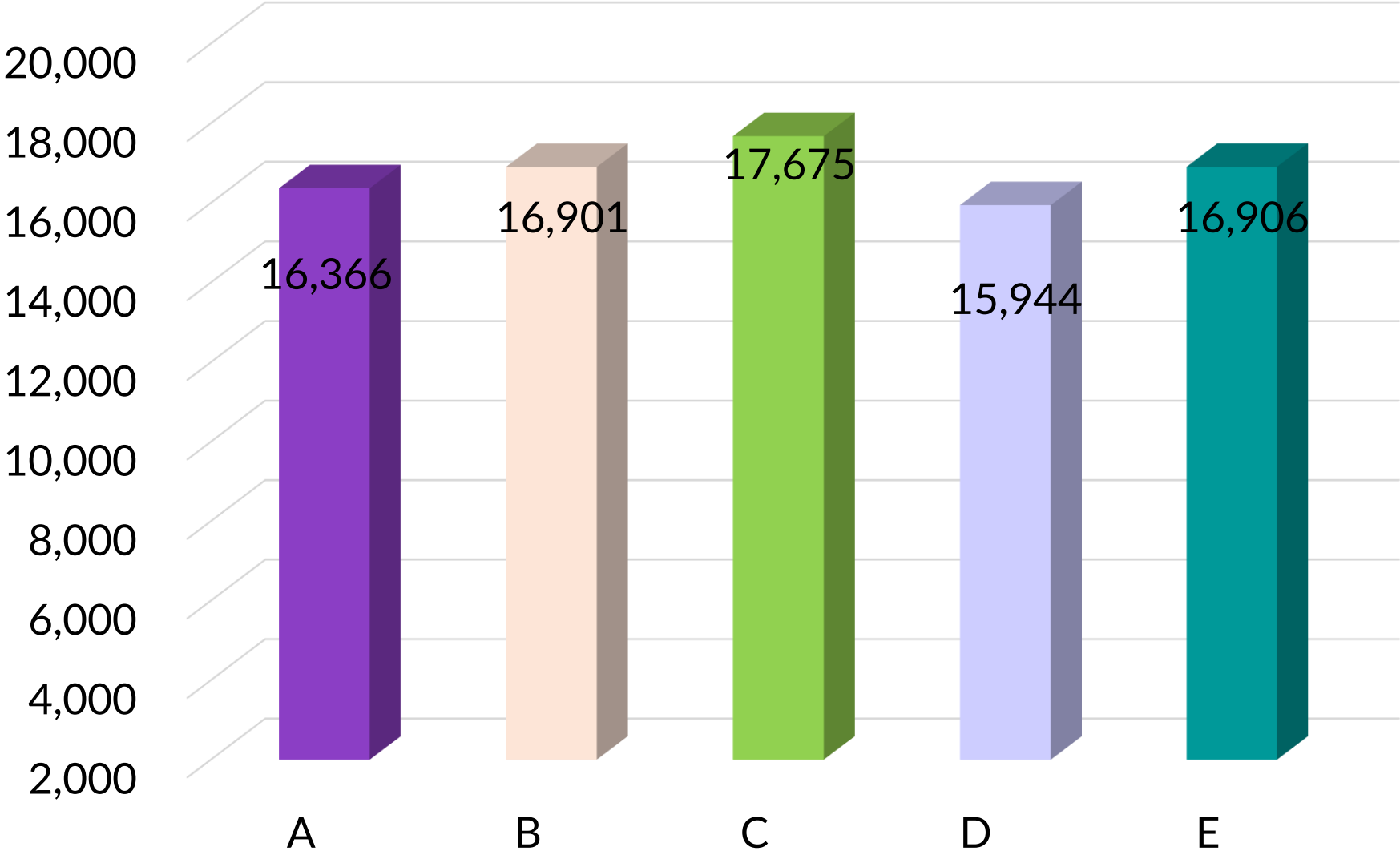
- ✦ Aligned North/South
- ✦ Anticipates growth mostly North of I-10
- ✦ Avoids directors in same Division
- ✦ 2022 Election in Divisions A and C



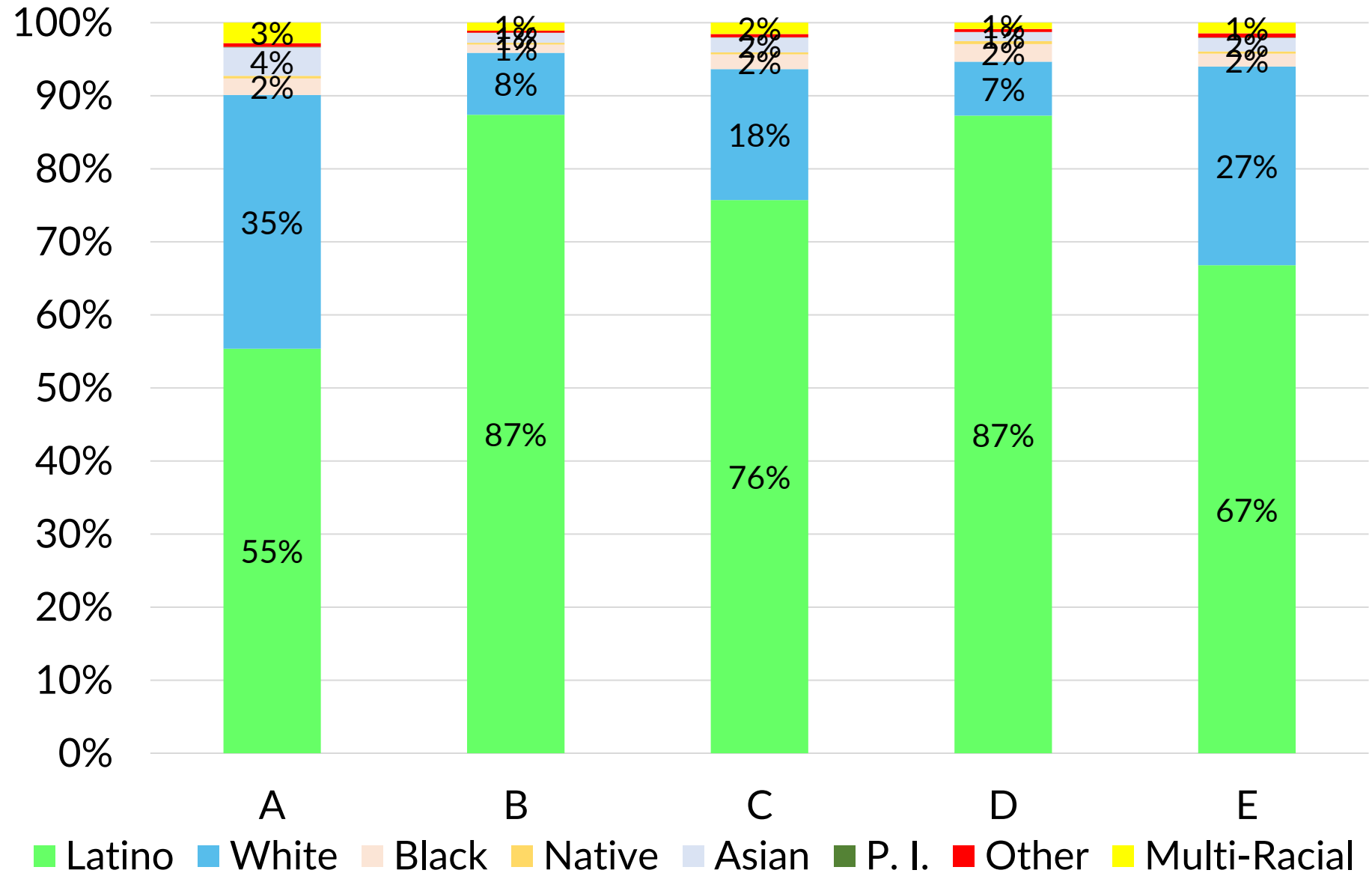
# Election Divisions Map: Option #2



# Option #2: Population



# Option #2: Race/ Ethnicity

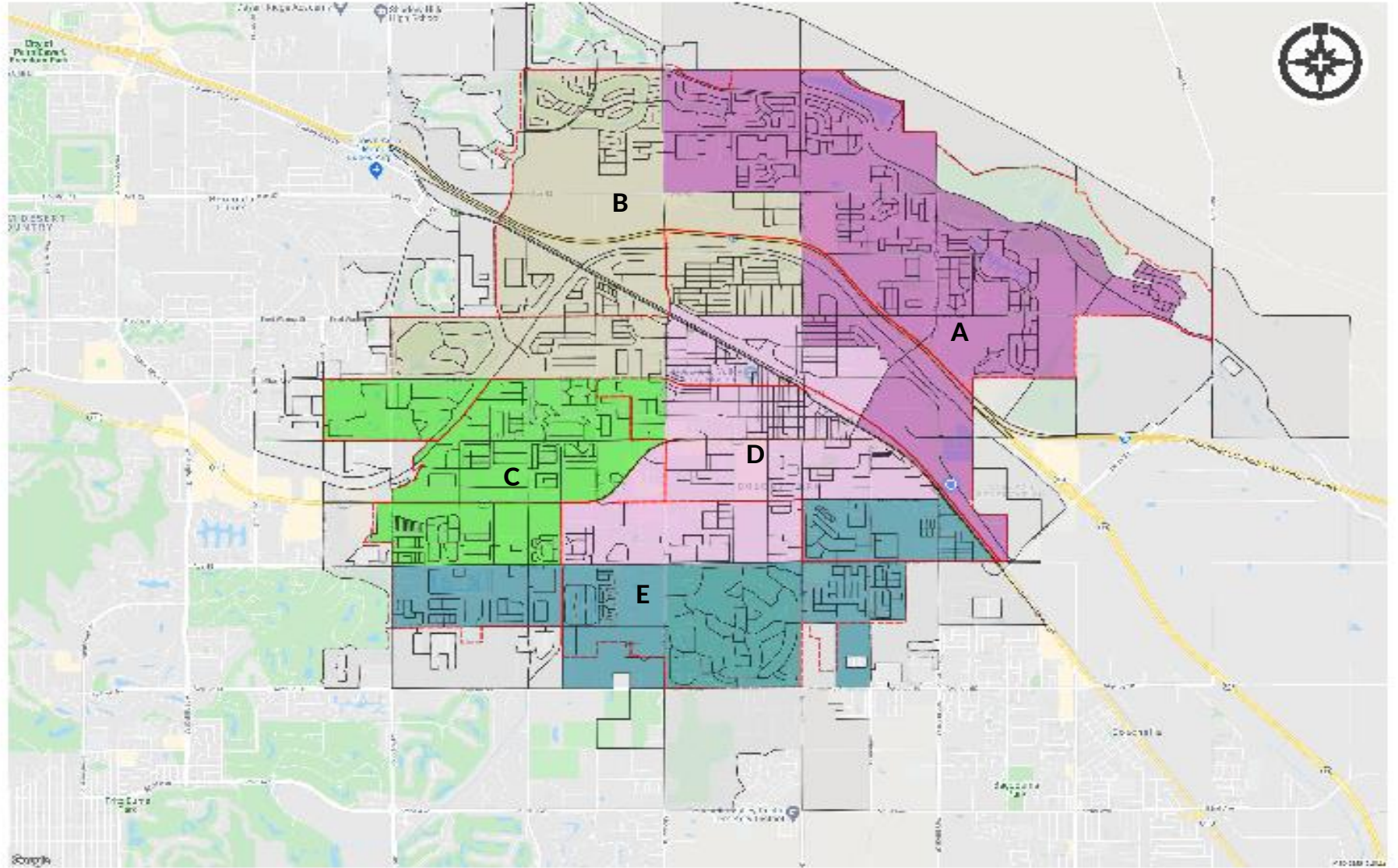


# Election Division Key Elements

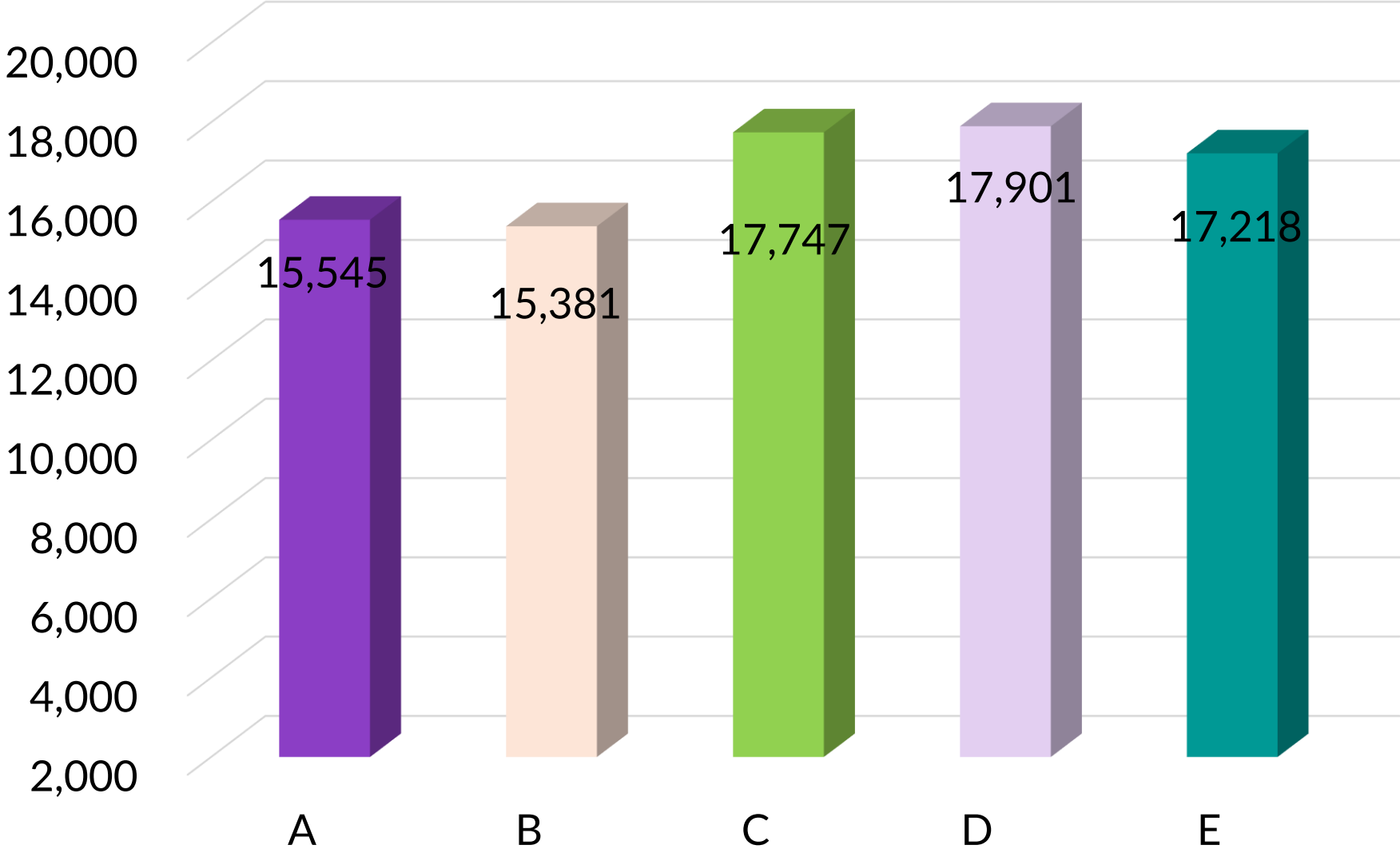
## Option #2

- ✦ Aligned East/West
- ✦ Anticipates growth mostly North of I-10
- ✦ Two directors in Division C
- ✦ 2022 Election in Divisions A and C

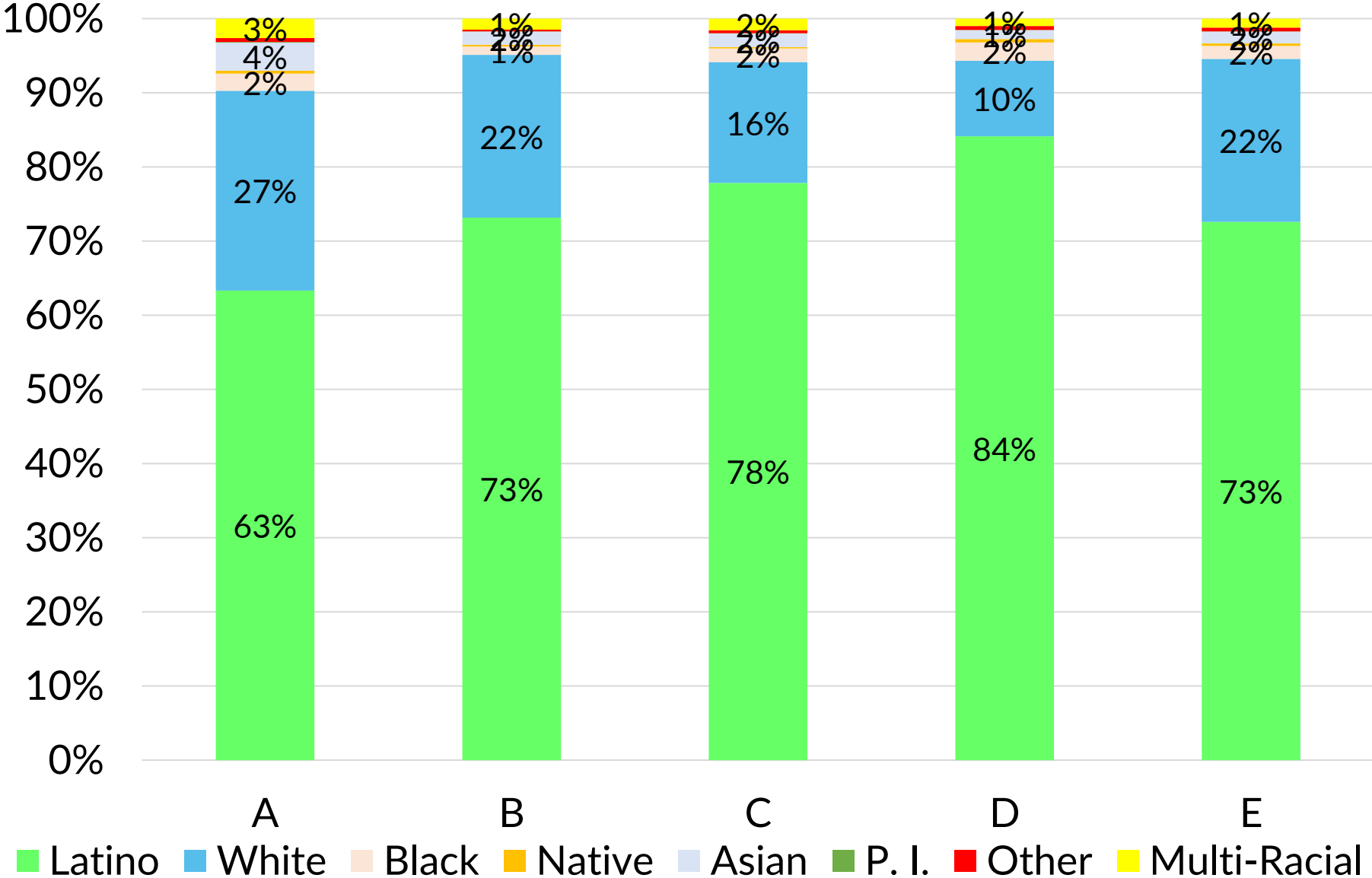
# Election Divisions Map: Option #3



# Option #3: Population



# Option #3: Race/ Ethnicity



# Election Division Key Elements

## Option #3

- ✦ Aligned North/South
- ✦ Anticipates growth mostly North of I-10
- ✦ Considers avoiding directors in head-to-head election
- ✦ 2022 Election in Divisions A and C



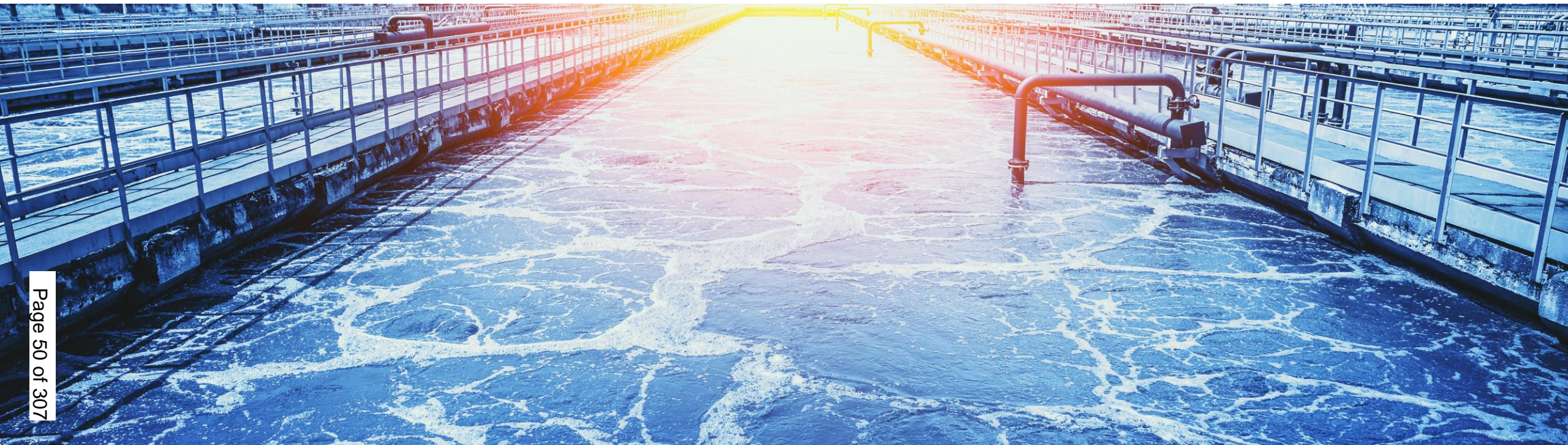
# PROCESS TIMELINE





**VALLEY  
SANITARY  
DISTRICT**  
INDIO, CALIFORNIA

# Changes to Election Divisions **Census 2020 Population Data**





**Valley Sanitary District  
Board of Directors Meeting  
April 12, 2022**

**TO:** Board of Directors

**THROUGH:** Beverli A. Marshall, General Manager

**FROM:** Ronald Buchwald, Engineering Services Manager

**SUBJECT:** **Public Hearing to Authorize a Contract Amendment with Schneider Electric Buildings Americas, Inc. for the Design and Construction of Energy Related Projects to District Facilities and Adopting Necessary Findings in Accordance with California Government Code 4217.10 through 4217.18**

<input checked="" type="checkbox"/> Board Action	<input type="checkbox"/> New expenditure request	<input checked="" type="checkbox"/> Contract Award
<input type="checkbox"/> Board Information	<input checked="" type="checkbox"/> Existing FY Approved Budget	<input type="checkbox"/> Closed Session

**Executive Summary**

The purpose of this report is for the Board of Directors to review and discuss the energy conservation measures for this project and conduct a public hearing.

**Strategic Plan Compliance**

This item complies with VSD Strategic Plan Objective 3: Excellent Facilities.

**Fiscal Impact**

The current fiscal impact of this project is \$71 million, which includes the guaranteed maximum price (GMP) of \$69,869,942 and a contingency of \$1,130,058. This project will be financed through a loan over a 20-year term, which will be discussed at the April 26, 2022, Board meeting.

**Environmental Review**

This project was reviewed as part of the California Environmental Quality Act (CEQA) as part of the 2015 Water Reclamation Facility Master Plan and the Notice of Determination was filed and recorded with the State Office of Planning and Research on January 28, 2016.

**Background**

The Recycled Water Project – Phase I (Project) is the first of three phases that will allow VSD to be able to produce recycled water. This project will replace and improve critical treatment structures and provide redundancy for other treatment structures. The key issues that need to be addressed are listed below.

- The treatment plant has only one digester, which requires maintenance on a 10-year cycle, and will reach that milestone in 2023.
- The grit chamber is undersized and does not filter out all the grit, which negatively affects operation functionality and quality.
- The bar screens are reaching the end of their life cycle and will need to be replaced soon.

This project addresses all these items by adding a new digester, a new grit chamber, and a new bar screen, which will allow for preventive maintenance and the removal of the outdated bar screens.

Findings from an Energy Audit Report produced by Schneider Electric for the Valley Sanitary District were reported to the District on February 15, 2022. Schneider Electric identified several energy conservation measures (ECMs) that will not only result in energy savings but will address needed improvements at the plant to replace equipment that is nearing the end of its useful life and to improve reliability, while maximizing the treatment capacity of the plant within its existing footprint. The ECMs identified include replacement of the following aging equipment with more energy-efficient equipment: bar screen, grit chamber, digester and secondary flare, switchboard MS and filtrate return.

The total price for Schneider Electric to complete design, construct, and implement these ECMs is \$69.87 million, a guaranteed maximum price, with project completion anticipated in 2025. In accordance with California Government Code 4217, the Board must hold a public hearing to adopt necessary findings and to approve the guaranteed energy savings performance contract with Schneider Electric. This item is consistent with the Districts' Strategic Plan to plan for both short-term and long-term needs, to minimize the need for significant rate increases, and commitment to operational excellence (protection of public health and the environment, regulatory compliance, and cost effectiveness).

The Design Build team has reached the 60% design milestone and determined the Guaranteed Maximum Price (GMP) of \$69.87 which has been reviewed by staff. Contract Amendment No. 1 has been reviewed and approved by BBK and staff and is included (Attachment C) with this staff report. The appendices will be available to the public by visiting the District office during normal business hours.

Signatures to the Amendment will be delayed until approval of the Bank of America financing for this project anticipated to occur on April 26, 2022.

### **Recommendation**

Staff recommends that the Board of Directors discuss the energy conservation measures, consider public comments, and adopt Resolution No. 2022-1158 accepting the energy conservation measures, approving Amendment No. 1 to Contract dated July 14, 2020, and authorize the Board President and General Manager to sign the Amendment.

**Attachments**

Attachment A: Recycled Water Project – Phase 1 Energy Savings Report

Attachment B: Resolution 2022-1158 Design Build Recycled Water Phase 1 GMP

Attachment C: Amendment No. 1 to Design-Build Agreement with Schneider Electric

# PROJECTED SAVINGS

The following tables outline the projected energy savings, operations & maintenance savings by doing this project. The District and Schneider Electric have agreed there will not be any tracked savings and that Schneider Electric will not be providing a savings guarantee for this project. However, quantifying the energy and operational savings for the measures in this project is an important element of the project.

## Energy Savings

Energy savings, in the form of electric savings, are expected to be achieved through upgrading equipment and adjusting waste sludge handling operations. These are escalated at 2.48% per year in alignment with standard assumptions from the Energy Escalation Rate Calculator (EERC) from the National Institute of Standards and Technology. “Calculated energy savings” is what is expected to be realized by implementing the energy conservation measures.

## Operations & Maintenance Savings

Operation & maintenance savings come from reduced material and labor required for repairs associated with old equipment. Valley Sanitary District’s records of maintenance and repairs for the equipment in this project were provided to Schneider Electric. Repairs and maintenance were estimated over the last two years and averaged to the bi-annual figure. We then evaluated these costs against expected cost after completion of the project. These savings estimates are shown in the following table. These savings are escalated at 3% per year as industry standard practice.

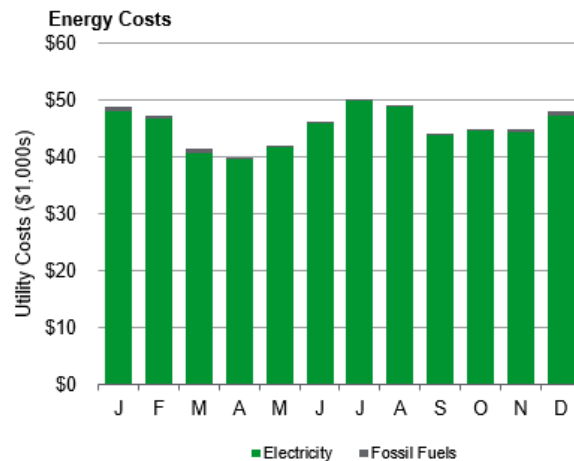
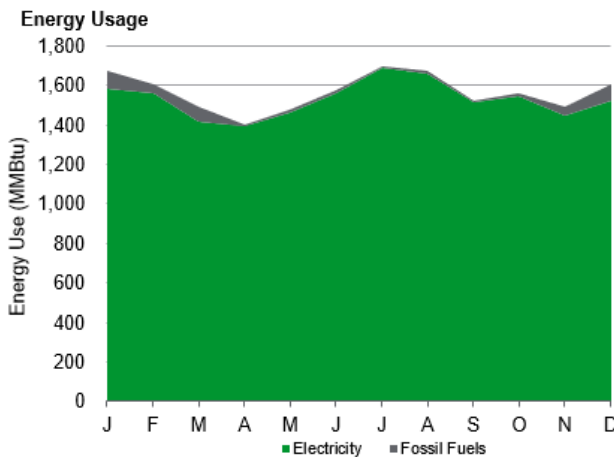
## Annual Savings by Energy Conservation Measure (ECM)

Scope	Calculated Energy Savings	O&M Savings	Total
ECM 1 – Mechanical Bar Screen	\$167	\$0	\$167
ECM 2 – Grit Chamber	\$10,381	\$0	\$10,381
ECM 3 – Waste Activated Sludge (WAS) Thickening	TBD	TBD	TBD
ECM 4 – 2 <sup>nd</sup> Digester, Related systems and Secondary Flare	\$13,020	\$20,000	\$42,165
ECM 5 – Switchboard-MS Replacement	\$0	\$0	\$0
ECM 6 – Returning Sludge Dewatering Filtrate	-\$14,789	\$0	-\$14,789
<b>Total</b>	<b>\$8,779</b>	<b>\$20,000</b>	<b>\$28,779</b>

## Baseline Energy Consumption

Establishing the baseline energy use is vital to developing an energy savings project as it allows Schneider Electric to identify the magnitude of the savings opportunity and identify patterns of energy use. The baseline energy use for the Valley Sanitary District wastewater plant is shown below. It was agreed upon to utilize the 2019-2020 baseline period as it more accurately represents how the plant will be operated in the future taking out any unforeseen changes during local COVID-19 response.

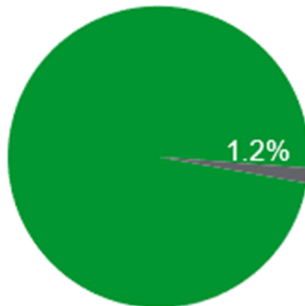
Month <i>mmm</i>	Electricity			Fossil Fuels		Energy Total		
	Energy Use <i>kWh</i>	Billed Demand <i>kW</i>	Cost <i>\$</i>	Energy Use <i>MMBtu</i>	Cost <i>\$</i>	Energy Use <i>MMBtu</i>	Billed Demand <i>kBtu/hr</i>	Cost <i>\$</i>
Jan	463,271	693	\$48,156	93	\$860	1,674	2,366	\$49,015
Feb	456,183	733	\$46,737	47	\$484	1,604	2,502	\$47,222
Mar	414,446	672	\$40,793	75	\$713	1,489	2,294	\$41,506
Apr	407,229	670	\$39,651	15	\$184	1,404	2,286	\$39,835
May	428,590	673	\$41,805	13	\$161	1,475	2,298	\$41,966
Jun	457,778	782	\$46,121	11	\$142	1,573	2,668	\$46,263
Jul	494,417	764	\$49,980	11	\$138	1,698	2,606	\$50,118
Aug	486,613	726	\$48,900	10	\$132	1,671	2,477	\$49,031
Sep	443,755	683	\$44,002	10	\$131	1,525	2,329	\$44,134
Oct	451,844	670	\$44,708	18	\$220	1,560	2,285	\$44,928
Nov	424,083	715	\$44,364	43	\$450	1,490	2,440	\$44,814
Dec	446,200	688	\$47,265	83	\$776	1,606	2,347	\$48,041
<b>Year</b>	<b>5,374,409</b>	<b>8,467</b>	<b>\$542,482</b>	<b>427</b>	<b>\$4,391</b>	<b>18,769</b>	<b>28,899</b>	<b>\$546,874</b>



## Post-Project Energy Performance (Energy Savings)

Schneider Electric estimates potential savings from these measures to be 1.3% of the plant's electric baseline and 1.6% of the plant's utility cost.

The following graph shows the energy savings for the Valley Sanitary District plant in terms of utility energy units and costs. The savings were determined from a detailed energy and utility analysis of the sites along with a survey of the type, operation, and condition of the plant's systems.



Energy Cost Savings

Energy Indices		
	Energy <i>kWh/MGD</i>	Cost <i>\$/MG</i>
Baseline	2,623	\$266.90
Post Project	2,589	\$262.61
<b>% Savings</b>	<b>1.3%</b>	<b>1.6%</b>

Project Summary				
Project	Electricity		Fossil Fuels	Energy
	Energy Use <i>kWh</i>	Actual Demand <i>kW</i>	Energy Use <i>MMBtu</i>	Total Cost <i>\$</i>
Baseline	5,374,409	8,467	427	\$546,874
Post Project	5,304,098	8,271	427	\$538,095
<b>Projected Savings, Units</b>	<b>70,311</b>	<b>196</b>	<b>0</b>	<b>\$8,779</b>
<b>Projected Savings, %</b>	<b>1.3%</b>	<b>2.3%</b>	<b>0.0%</b>	<b>1.6%</b>

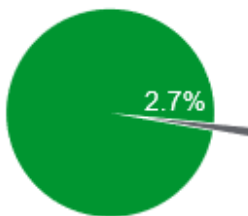


Annual Energy Savings - Per ECM				
ECM Name	Electricity		Fossil Fuels	Calculated Cost
	Energy Use kWh	Actual Demand kW	Energy Use MMBtu	
ECM-1 Mechanical Bar Screen	1,620	-	-	\$167
ECM-2 Grit Chamber	93,303	88	-	\$10,381
ECM-3 Waste Activated Sludge (WAS) Thickening – DAFT	-	-	-	-
ECM-4 2nd Digester and related systems, including secondary flare	107,933	239	-	\$13,020
ECM-5 Switchboard-MS Replacement	-	-	-	-
ECM-6 Returning Sludge Dewatering Filtrate	-132,547	-131	-	-\$14,788
<b>Total</b>	<b>70,310</b>	<b>196</b>	<b>-</b>	<b>\$8,779</b>

### Positive Environmental Impact

The results of the energy savings associated with the recommended scope of work is the equivalent of the following environmental benefits:

Environmental Benefits		
	Natural Gas	Electric
Total Energy (MMBtu)	427	18,343
Total Emission (Tons CO <sub>2</sub> e)	25	1,457
Total Savings (Tons CO <sub>2</sub> e)	0	19



Savings



19

eTons GHG



4

Cars Removed



2

Equivalent Houses

\* Emissions factors are derived from EPA eGrids database and represent the State of CA

## Operational Assumptions for Savings

Savings are based off an assumed operation of the new equipment and some base engineering assumptions the majority of which were taken from Wastewater Engineering: Treatment and Reuse 3<sup>rd</sup> Edition- Metcalf & Eddy. If the operation does not follow the assumptions stated below, the resulting energy savings may be less than is stated in this report.

### ECM 1: Mechanical Bar Screen

- Savings based on running the new bar screen and rake as the lead and not rotating screens. This new screen will be more efficient and help reduce the 3HP penalty for the new larger conveyor belt.
- Assuming existing motors are 12 years old. Reduced efficiency in current motors reflect age and savings assume new motors at a higher efficiency.

### ECM 2: Grit Chamber

- Assuming aeration blowers aerating the grit chamber currently set at a parasitic load of 100 SCFM.
- Assuming a .25' increase to the head for the influent pumps.
- Assuming post flow to have much less grit and to wear on motors at a lower rate decreasing efficiency loss over the twenty-year life of the contract.
- Assuming existing motors are 12 years old. Reduced efficiency in current motors reflect age and savings assume new motors at a higher efficiency.

### ECM 3: WAS Thickening

- Will be evaluated after 60% Design Phase for this scope item is complete.

### ECM 4: 2nd Digester

- Assuming current digester will be used as stand-by. Six digester mixers will continue to run.
- No natural gas savings or penalties assumed biogas used for digester heating assumed to be appropriate for pre and post heating.
- Assuming existing motors are 12 years old. Reduced efficiency in current motors reflect age and savings assume new motors at a higher efficiency.
- Not assuming improved solids reduction in VSS for new boiler.

### ECM 6: Filtrate Return

- Aeration values primarily tuned to meet HP of current blower motors.
- Filtrate Ammonia flow calculated from Final TM\_VSD ESDB\_Filtrate Return\_20210602.pdf flow rate and is based off Option 1 with an 8hr fill time and 24hr draw and 1x 10HP DPS3. Figures based on additional holding tank for filtrate with no additional energy use for mixing or pumping.

## Utility Meter & Rate Summary

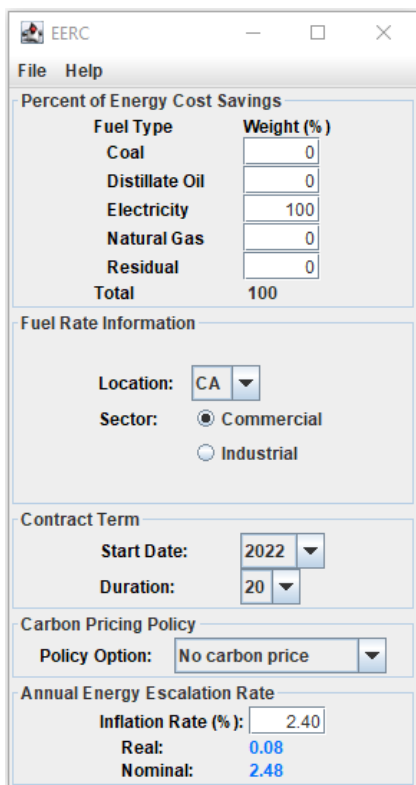
The table below summarizes the electric and gas meters at the Valley Sanitary District wastewater plant.

Site Name	Account Number	Meter Number	Utility Type	Utility Provider	Utility Rate
VSD	1	1	Electric	SCE	GL2
	2	2	Electric	Solar City	PPA
	077 624 1200 0	15424172	Gas	SCG	GN-10

The utility rates used to monetize energy savings are summarized in the following tables.

<b>Utility Provider:</b>	Imperial Irrigation District (IID)		
<b>Rate Schedule:</b>	Large General Service		
Component	Charge	Unit	Description
Customer Charge:	\$140	Per Month	Customer Charge
Demand Charges:	\$6.75	Per kW	Demand Rate
IID Energy Charges:	\$0.093	Per kWh	Energy Rate
	\$0.0024	Per kWh	Energy Cost Adjustment
	\$0.0285	Per kWh	Publics Benefits Charge
	\$0.0003	Per kWh	California Energy Surcharge
Other Charges	\$0.06	Per \$	City of Indio User Fee
Solar PPA Charge	\$0.061	Per kWh	Solar City Cost

<b>Utility Provider:</b>	Southern California Gas		
<b>Rate Schedule:</b>	GN-10		
<b>Component</b>	<b>Charge</b>	<b>Unit</b>	<b>Description</b>
Customer Charge:	\$0.49315	per day	Customer charge per day per meter
Consumption Charges:	\$1.06047	per therm	Tier I Usage (First 250 therms)
	\$0.60635	per therm	Tier II Usage (251-4167 therms)
	\$0.30186	per therm	Tier III Usage (>4167 therms)
	\$0.6513	per therm	Procurement Charge
Other Charges:	\$0.0032	per therm	State Regulatory Fee
	\$0.0772	per therm	Public Purpose Surcharge



**EERC**

File Help

**Percent of Energy Cost Savings**

Fuel Type	Weight (%)
Coal	0
Distillate Oil	0
Electricity	100
Natural Gas	0
Residual	0
<b>Total</b>	<b>100</b>

**Fuel Rate Information**

Location: CA

Sector:  Commercial  
 Industrial

**Contract Term**

Start Date: 2022

Duration: 20

**Carbon Pricing Policy**

Policy Option: No carbon price

**Annual Energy Escalation Rate**

Inflation Rate (%): 2.40

Real: 0.08

Nominal: 2.48

	<ul style="list-style-type: none"> <li>• Scope of work description and budgetary costs based on preliminary design and subcontractor input.</li> <li>• Budgetary energy, operational cost savings analysis demonstrating the effect of the Energy Conservation Measures (ECMs)</li> <li>• Key operating strategies and engineering assumptions</li> <li>• Preliminary financial analysis cash flow and sources of potential funding, including grants.</li> <li>• Preliminary construction and phasing schedule based on the scope of work included.</li> <li>• Drawings and P&amp;IDs as developed to date</li> </ul>
<b>NTP issued to Schneider to proceed with Phase 3 on July 19, 2021</b>	
<b>July 2021 to December 2021</b>	Schneider/Stantec finalizes 60% design, revises equipment and subcontracted trades. Conducts site visits with respective parties as necessary. Prepare GMP pricing and financing structure for Final Planning meeting deliverables.
<b>October 6, 2021</b>	Marketing Visioning Plan Workshop with VSD management
<b>December 6, 2021</b>	<b>Schneider and Stantec deliver the 60% design package to VSD</b>
<b>December 15, 2021</b>	<b>Schneider and Stantec lead an in-person 60% Design Review Kick-Off meeting with VSD staff</b>
<b>February 15, 2022</b>	<b>Phase 3- Final Planning Meeting (60% Design)</b> Meeting to review and discuss with VSD staff: <ul style="list-style-type: none"> <li>• Final scope of work with GMP pricing</li> <li>• Final savings</li> <li>• Draft construction schedule</li> <li>• Financing options</li> <li>• Marketing/PR plan</li> <li>• Drawings and P&amp;IDs as developed to date</li> </ul>
<b>Up to 30-day review period for VSD; notify SE to proceed with Phase 4- Construction amendment to contract and financing.</b>	
<b>March 2022</b>	Finalize contract amendment, Board packet write-up and finalize financing
<b>2-week notice of public hearing posted prior to the scheduled Board Meeting</b>	

<p><b>April 12, 2022</b> <b>(projected date)</b></p>	<p><b>Board Action: ESCO Construction Contract Amendment No. 1 Approval and Project Financing Approval</b></p> <p>CA Government Code 4217 public hearing and action item to approve Amendment #1 to the construction contract and approve project financing.</p>
<p><b>ECM 3- WAS Thickening – RDT 60% Design– expected duration</b></p>	
<p><b>February 2022 to</b> <b>December 2022</b></p>	<p><b>ECM 3- WAS Thickening Design to 60% - Rotary Drum Thickening (RDT)</b> including Technology Workshop, 30% Design and 60% Design resulting in a GMP for this scope item.</p>
<p><b>February 2023</b> <b>(tentative)</b></p>	<p><b>Board approval for Amendment No. 2 for Rotary Drum Thickening (RDT)</b></p>

**RESOLUTION NO. 2022-1158**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE VALLEY SANITARY DISTRICT APPROVING A CONTRACT WITH SCHNEIDER ELECTRIC BUILDINGS AMERICAS, INC. FOR CONSTRUCTION OF ENGERY-RELATED PROJECTS TO DISTRICT FACILITIES AND ADOPTING FINDINGS IN ACCORDANCE WITH THE CALIFORNIA GOVERNMENT CODE SECTIONS 4217.10 THROUGH 4217.18 AND AUTHORIZING THE GENERAL MANAGER TO EXECUTE THE CONTRACT WITH A GURANTEED MAXIMUM PRICE OF \$69,869,942**

The Board of Directors declares that the following statements are true and accurate.

Valley Sanitary District (District) is responsible for the collection, treatment, reuse, and discharge of wastewater within its boundaries.

The District may enter into contracts with private and public entities for the design, construction, and operation of wastewater facilities.

California Government Code §§4217.10 through 4217.18 allows public agencies, including the District, to enter into an energy service contract for energy conservation services that is in the best interests of the public agency if its governing body determines, at a regularly scheduled public hearing, public notice of which is given at least two weeks in advance, that the anticipated cost to the public agency for the energy conservation services will be less than the anticipated marginal cost to the public agency of electrical energy that would have been consumed by the public agency in the absence of the energy services contract.

The District identified potential energy conservation measures that could be undertaken at the District's Treatment Plant to increase the efficient use of electricity and other energy and to generate energy cost savings for the benefit of the District, including, but not necessarily limited to energy conservation measures ("Project").

In 2020, the Board of Directors selected Schneider Electric Buildings Americas, Inc. (Schneider) and Stantec, Inc. for the design phase of the Project, which is now 60% complete.

District staff and representatives from Schneider have agreed upon an updated scope of work along with a Guaranteed Maximum Price (GMP) for the Project (the "Amendment").

A notice of public hearing scheduled for April 12, 2022, was published on March 30, 2022, and April 6, 2022, as required by California Government Code §4217.12.

**The Board of Directors of the Valley Sanitary District, assembled at a regular meeting this 12<sup>th</sup> day of April 2022, resolves the following.**

1. The required public hearing was properly held in accordance with all applicable laws and regulations.

2. Pursuant to Government Code section 4217.12 and based on the Amendment, the anticipated cost to the District for energy, or conservation services, provided by the Project under the Amendment, will be less than the anticipated marginal cost to the District of energy that would have been consumed in the absence of the Project.

3. The General Manager is authorized to finalize and execute the Amendment with Schneider for the Project for a Guaranteed Maximum Price of \$69,869,942.

This resolution is passed, approved, and adopted this 12<sup>th</sup> day of April 2022, by the following roll call vote:

AYE:

NAY:

ABSENT:

ABSTAIN:

VALLEY SANITARY DISTRICT

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Scott Sear, President

ATTEST

---

Dennis Coleman, Secretary/Treasurer



***AMENDMENT NO. 1***  
**DESIGN/BUILD CONTRACT FOR**  
**ENERGY SERVICES - TREATMENT PLANT PROJECT**  
**Contract No. 2020-0106**

This Amendment No. 1 to Design/Build Contract for Energy Services – Treatment Plant Project is made effective as of \_\_\_\_\_, 2022 (“NTP Date”) by and between **Valley Sanitary District**, a public district organized under the laws of the State of California under the Sanitary District Act of 1923, with its principal place of business at 45500 Van Buren Street, Indio, California 92201 (hereinafter referred to as “District” or “VSD”) and **Schneider Electric Buildings Americas, Inc.**, with its principal place of business at 1660 Scenic Avenue, Costa Mesa, CA 92626 (hereinafter referred to as “Design-Build Entity” or “DBE”) for the purpose of designing and constructing the Energy Services Project (“Project”). District and Design-Build Entity are sometimes individually referred to as “Party” and collectively as “Parties.”

***RECITALS***

A. The Parties previously entered into that certain agreement on July 14, 2020 and entitled "Design/Build Contract for Energy Services -Treatment Plant Project ("Contract"). As described in more detail in the Contract, it provides for the development, construction, and installation of energy-cost savings projects (collectively, the "Project").

B. Thus, the Parties have entered into this Amendment No. 1 in order to set forth the terms and conditions for completion of the construction phase of the Project by the Design Build Entity.

Now, in consideration of the foregoing and of their respective rights and obligations pursuant to the amended Contract, the Parties hereby agree as follows:

***TERMS***

1. Project Completion Date Amendment. The following amendment shall be incorporated into the Agreement:

“DBE will achieve the Project Completion Date within [1,095] Days from the date fixed in the Notice to Proceed with Construction in which the DBE may proceed with the Construction Phase.”

2. Contract Price Amendment. The following amendment shall be incorporated into the Agreement:

“The Contract Price shall be [\$69,869,942], inclusive of all design fees incurred to date.”

3. Schedule of Values. Any reference to the term “Cost-Loaded CPM progress schedule” shall be deleted and replaced with “Schedule of Values.”

4. Initial Acceptance of Schedules. The following shall be inserted at the end of Section 2.7A of Attachment 2, General Conditions:

“Following the initial conference described above or any resubmittal of initial schedules by the Design-Build Entity, the District shall have ten (10) Days to review the schedules and provide Design-Build Entity with a written approval or request for adjustments and corrections.”

5. Order of Precedence. Section 3.3C of Attachment 2, General Conditions shall be deleted and replaced as follows:

“Notwithstanding the orders of precedence established above, in the event of conflicts, the parties shall meet and confer and agree on the applicable standard.”

5. Additional Terms and Conditions Amendment. Section 14 is hereby added to the Contract to read as follows:

a. Ethics. Each Party shall comply in all respects with all Applicable Laws governing the duties, obligations, and business practices of that Party. Neither Party shall take any action in violation of any Applicable Laws that could result in liability being imposed on the other Party. In the event District has concerns related to ethics, compliance or Design-Build Entity’s Principles of Responsibility, and/or any potential violations of these policies, District is welcome to make use of Design-Build Entity’s GreenLine. The GreenLine is Design-Build Entity’s global helpline for external stakeholders. It is a confidential channel through which public agencies can ask questions and raise concerns. Reports can be made using the following link: <https://secure.ethicspoint.eu/domain/media/en/gui/104677/index.html>

b. Export Control. The products, software, services, information, other deliverables and/or the technologies embedded therein (hereinafter referred to as “Deliverables”) provided by Design-Build Entity under this Contract contain or may contain components and/or technologies from the United States of America (“US”), the European Union (“EU”) and/or other nations. District acknowledges and agrees that the assignment and/or usage of Deliverables under this Contract shall fully comply with applicable US, EU and other national and international export control laws and/or regulations. Unless any applicable export licenses have been obtained from the relevant authority and the Design-Build Entity has approved, the Deliverables shall not (i) be exported and/or re-exported to any destination or party (including without limitation to any individual, group and/or legal entity) restricted by the applicable export control laws and/or regulations; or (ii) be used for those purposes and fields restricted by the applicable export control laws and/or regulations. District also agrees that the Deliverables will not be used either directly or indirectly in any rocket systems, unmanned air vehicles, and/or nuclear weapons delivery systems, nor will they be used in any design, development, production or use for any weapons (which may include, without limitation, chemical, biological or nuclear weapons). If any necessary or advisable licenses, authorizations or approvals are not obtained, whether arising from inaction by any relevant government authority or otherwise, or if any such licenses, authorizations or approvals are denied or revoked, or if the applicable export control laws and/or regulations would prohibit Design-Build Entity from fulfilling any order, or would in Design-Build Entity’s judgment otherwise expose Design-Build Entity to a risk of liability under the applicable export control laws and/or regulations if it fulfilled the order, Design-Build Entity shall be excused from all obligations under such order and/or this Contract.

c. Cybersecurity. For the avoidance of doubt, Design-Build Entity is not responsible for implementing or maintaining a security program to safeguard and protect District’s computer network, systems, machines, and/or data (collectively, “Systems”), including those Systems on which it runs the Deliverables provided by Design-Build Entity, against Cyber Threats (“Security Program”). “Cyber Threat” means any circumstance or event with the potential to adversely impact, compromise, damage, or disrupt District’s or the end user’s Systems or that may result in any unauthorized access, acquisition, loss, misuse, destruction, disclosure, and/or modification of District’s Systems, including through malware, hacking, or similar attacks. Failure by District to maintain an appropriate Security Program in accordance with industry standards may result in the Deliverables or Systems becoming vulnerable to certain Cyber

Threats or result in impaired functionality, and Design-Build Entity shall not be liable or responsible for any losses or damages that may result.

6. Materials and Equipment Amendment. Section 15 is hereby added to the Contract to read as follows:

“Design-Build Entity shall be entitled to an increase or decrease in the Contract Price where the cost to Design-Build Entity for materials or equipment from an Equipment Manufacturer or Supplier increases or decreases greater than five percent (5%) from the NTP Date (as defined in this Amendment No. 1) by no fault of the Design-Build Entity. Design-Build Entity shall be entitled to an equitable adjustment to the Contract Price for costs that it incurs directly arising out of or relate to changes in pricing by the Equipment Manufacturer or Supplier. In the event of a delay in acquiring said equipment or materials from an Equipment Manufacturer or Supplier and the Design-Build Entity can demonstrate conditions 1 through 7 of Section 10.3(A) in the General Conditions, it shall be considered as a Excusable Delay and the Project Completion Date will be extended. Design Build Entity shall not be held to contractual sanctions (including without limitation delay penalties, liquidated damages or other damages) or termination for default for such a Excusable Delay. In the case of the foregoing, the Parties shall negotiate in good faith to execute a Change Order. Design-Build Entity shall exercise all reasonable diligence, and District shall cooperate with Design-Build Entity, to ensure said equipment and materials are ordered in a timely manner to prevent an increase to the Contract Price or extend the Project Completion Date.”

7. Reverse Liquidated Damages. Section 3(d) is modified as follows:

The fourth complete sentence shall be deleted in its entirety and replaced with the following “The Daily Rate is One-Thousand Dollars (\$1,000) per calendar day.”

8. Scope of Work Construction Phase Amendment. Attachment 9 is hereby added to the Contract and it includes:

The final construction scope of work, delivery method, cost and savings as outlined in Schedule A attached to this Amendment No. 1 and as included in referenced documents entitled 60% Design Package included in Appendix A and attached to this Amendment No. 1.

9. Continuing Effect of Agreement. This Amendment No. 1 shall affect only the items specifically set forth herein, and all other terms and conditions of the Contract Documents shall remain unchanged and in full force and effect.

10. Defined Terms. All initially-capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Contract Documents.

11. Authority to Execute. The persons executing this Amendment No. 1 on behalf of their respective Party represent and warrant that they have the authority to do so under law and from their respective Party.

**SIGNATURE PAGE FOR AMENDMENT NO. 1 TO DESIGN/BUILD CONTRACT FOR  
ENERGY SERVICES - TREATMENT PLANT PROJECT**

IN WITNESS WHEREOF, the Parties have entered into as of the NTP Date first above written, the Parties hereby execute this Amendment No. 1 to the Design-Build Contract.

**ON BEHALF OF THE DESIGN-BUILD ENTITY:                      ON BEHALF OF THE DISTRICT:**

**Schneider Electric Buildings Americas, Inc.**

**Valley Sanitary District**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: Scott A. Sear

Title: \_\_\_\_\_

Title: Board President

Federal Tax ID No.:  
75-2066352

Attest:

\_\_\_\_\_  
Beverli A. Marshall  
General Manager

Approved as to Form:

\_\_\_\_\_  
Best Best & Krieger LLP  
Legal Counsel

**SCHEDULE A**  
**SCOPE OF WORK FOR CONSTRUCTION PHASE**

Detailed technical information for each ECM, along with specific assumptions, clarifications, and exclusions, are embedded within the accompanying Contract Documents, in the following Appendices A - H to this Schedule A, outlined below, in order of precedence:

**Contract Documents**

1. Appendix A – 60% Drawings (including Addendum 1, excluding ECM-3 WAS Thickening from this Design Package)
2. Appendix B – 60% Specifications (including Addendum 1, excluding ECM-3 WAS Thickening from this Design Package)
3. Appendix C – Equipment List and Equipment Data Sheets (Excluding all Equipment for ECM-3 WAS Thickening)
4. Appendix D – Construction Phasing Plan, including Network Diagram (Excluding Steps 3.11 through 3.39 for ECM-3 WAS Thickening)
5. Appendix E – Inspection, Testing, Commissioning, Acceptance, and Turnover (ITCAT) Plan, including Typical Requirements per ECM
6. Appendix F – Raw Sewage (RS) Pipeline Alternatives Technical Memorandum
7. Appendix G – Final Technical Memorandum for Dewatering Filtrate Return
8. Appendix H – Final Basis of Design Report (Excluding Sections 4.2.2, 5.4, 5.5, 5.8, 8.3.1, 8.4.2, and 9.2.4 for ECM-3 WAS Thickening)

VSD hereby acknowledges and agrees that the scope of work shall be limited to, and DBE shall only perform, the following:

**90% and 100% Design Phase**

The following tasks will take place during the Design Phase:

1. Issued for Design (IFD) and Approved for Construction (AFC) Design Sets:

DBE will review and document the comments from VSD’s review of the 60% design submittal. The number of design drawings and specifications are anticipated to remain the same as outlined in the 60% design. Minor changes to the specifications list, sheet layout and numbers may be needed as design progresses. See Assumptions.

The 90% design submittal (denoted as IFD set) will include all aspects of the Work to be implemented in the project scope. The purpose of the IFD set is to present the complete design, with all necessary details, to VSD and to collect their comments before finalizing the design documents. The 100% design submittal (denoted as AFC set) will incorporate the comments and final changes from the 90% design review and will generate the construction documents for the contractors’ use, upon approval of VSD. Cross referenced sections in the 90% and 100% specifications are not applicable if that section is not available and is not listed in the specifications table of contents.

## 2. Digester Process Modeling and Startup Plan Development:

To support planning Digester No.1 seeding and startup, DBE will perform process modeling calculations and prepare a technical memorandum (TM) to document the results and recommendations. A draft version of the TM will be submitted for initial review and comments, followed by a final version of the TM. DBE will also prepare a Digester Startup Plan that details the procedures, requirements, and responsibilities for the Project Team to test and start up Digester No.1 before turning it over to VSD operations. A draft version of this plan will be submitted for initial review and comments, followed by a final version of the plan.

## 3. Air Permits:

DBE will provide services to VSD to obtain the air permits and DBE will support the permitting process, including the following tasks.

- a. To enable faster processing of this project, DBE will provide VSD with an initial data/documentation request. DBE will review all provided data and documents to understand the applicability of SCAQMD Rules to the existing and new equipment. If additional data is necessary, DBE will make additional requests. DBE will conduct initial high-level emissions calculations and rule applicability assessment to develop a preliminary project approach for VSD.
- b. Upon completion of the data review, DBE will initiate a kickoff conference call with VSD staff to go over the results and discuss milestones, communications, Permit to Construct processing path, and administrative requirements for the project. Once the project approach is acceptable to VSD, any additional information that is needed as a result of this task will be requested following this call.
- c. Based on agreed-upon approach from the kickoff meeting, DBE will develop a permit package for the Permit to Construct application for the proposed new equipment. The application package will be developed in accordance with SCAQMD's Standard Evaluation for Permit to Construct requirements and will include – Equipment Description, History and Permit Background, Process Description, Data and Emission Factors, Emissions Calculations and SCAQMD Rules Evaluation. Up to 4 hours of correspondence with the SCAQMD (potential pre-application meeting) is also included.
- d. Following submittal to the SCAQMD, DBE will provide support to answer Agency questions and supply any required supplemental information.

DBE also assumed no site visits for this effort, and permit application fees are to be paid by VSD. Cost for source testing is not included. If it is determined that source testing is required, DBE can secure a subconsultant with a testing firm to perform these services, if requested.

## **Scope of Work - ECM Overview**

The goals and objectives, biological process performance changes, and comparison of existing and proposed process performance metrics for the following ECMs are included in the attached Final Basis of Design Report (Appendix H):

1. ECM-1 Mechanical Bar Screen and Conveyor
2. ECM-2 Grit Chamber and 54" RS Piping and Ferric Chloride Relocation
3. ECM-4 2nd Digester and Related Systems and Secondary Flare
4. ECM-5 Switchboard-MS Replacement

**Note:** ECM-3 WAS Thickening will be included as a future Amendment to the existing Design Build Agreement. All references to ECM-3 WAS Thickening in the above listed Contract Documents are not applicable to this Amendment.

The goals and objectives, biological process performance changes, and comparison of existing and proposed process performance metrics for the following ECM are included in the Final Technical Memorandum for Dewatering Filtrate Return (Appendix G):

1. ECM-6 Sludge Dewatering Filtrate Return

## **Design Criteria**

Design Criteria analysis and justification based on process baseline & proposed performance data, as well as a comparison of baseline and proposed Design Criteria can be found in the following contract documents (in order of precedence):

1. 60% Drawings (Appendix A)
2. 60% Specifications (Appendix B)
3. Equipment List and Equipment Data Sheets (Appendix C)
4. Raw Sewage (RS) Pipeline Alternatives Technical Memorandum (Appendix F)
5. Final Technical Memorandum for Dewatering Filtrate Return (Appendix G)
6. Final Basis of Design Report (Appendix H)

## **Existing Equipment**

Existing Equipment summary, condition assessment, and status, as well as a tie-in point summary identifying each ECM's interface with existing infrastructure, is included in the following contract documents (in order of precedence):

1. 60% Drawings (Appendix A)
2. 60% Specifications (Appendix B)
3. Raw Sewage (RS) Pipeline Alternatives Technical Memorandum (Appendix F)
4. Final Technical Memorandum for Dewatering Filtrate Return (Appendix G)
5. Final Basis of Design Report (Appendix H)

## **Proposed Equipment**

Proposed Equipment technology selection analysis and justification, as well as a Proposed Equipment summary, is included in the following contract documents (in order of precedence):

1. 60% Drawings (Appendix A)
2. 60% Specifications (Appendix B)
3. Equipment List and Equipment Data Sheets (Appendix C)
4. Raw Sewage (RS) Pipeline Alternatives Technical Memorandum (Appendix F)
5. Final Technical Memorandum for Dewatering Filtrate Return (Appendix G)
6. Final Basis of Design Report (Appendix H)

## **Existing and Proposed SCADA & Instrumentation / Control**

A comparison of existing and proposed Input/Output (I/O) and Instrument Lists, Programmable Logic Controller (PLC) Configuration / Programming, Human Machine Interfaces (HMIs), SCADA Servers and Workstations, Process & Instrumentation Diagrams (P&IDs), Detailed Instrument Matrix and Data Sheets, and Platform & Network Drawings is included in the following contract documents (in order of precedence):

1. 60% Drawings (Appendix A)
2. 60% Specifications (Appendix B)
3. Final Technical Memorandum for Dewatering Filtrate Return (Appendix G)
4. Final Basis of Design Report (Appendix H)

## **Scope of Work and Implementation Approach**

Physical Changes including scope narrative for each Work Breakdown Structure (WBS) item from the Construction Phasing Plan, as well as Equipment & Systems Transition Plan including comparison of functionality for equipment and systems impacted by ECM at the start and conclusion of block of work, are included in the following contract documents, (in order of precedence):

1. Construction Phasing Plan and Network Diagram (Appendix D)
2. Raw Sewage (RS) Pipeline Alternatives Technical Memorandum (Appendix F)
3. Final Technical Memorandum for Dewatering Filtrate Return (Appendix G)
4. Final Basis of Design Report (Appendix H)

Factory Acceptance Testing including description, success criteria and VSD support for the Startup & Commissioning (Cx) activities required prior to release of equipment from manufacturing and delivery to the site, as well as Mechanical Completion including description, success criteria and VSD support for the Startup & Cx activities required to prepare equipment and systems for Performance Verification and/or Integrated Testing Cx Activities, and Substantial Completion including description, success criteria and VSD support for Performance Verification and/or Integrated Testing and Cx Activities that must be completed prior to equipment and systems being placed into continuous service for client's beneficial use, are included in the following contract documents, (in order of precedence):



1. 60% Specifications (Appendix B)
2. Inspection Testing Commissioning Acceptance and Turnover Plan (ITCAT) Plan and Typical Requirements per ECM (Appendix E)

### **Permits and Code Compliance Approach**

Comparison of existing and proposed plant operating permit(s) such Discharge, Air Quality, etc. and approach to modifying or obtaining operating permit(s) including VSD support is included in the following contract documents (in order of precedence):

1. 60% Drawings (Appendix A)
2. Construction Phasing Plan and Network Diagram (Appendix D)
3. Raw Sewage (RS) Pipeline Alternatives Technical Memorandum (Appendix F)
4. Final Technical Memorandum for Dewatering Filtrate Return (Appendix G)
5. Final Basis of Design Report (Appendix H)

The approach to code compliance describing how code requirements will be applied to arrive at minimum scope required to deliver performance at acceptable risk to VSD and/or DBE is included in the following contract documents (in order of precedence):

1. 60% Drawings (Appendix A)
2. 60% Specifications (Appendix B)
3. Raw Sewage (RS) Pipeline Alternatives Technical Memorandum (Appendix F)
4. Final Technical Memorandum for Dewatering Filtrate Return (Appendix G)
5. Final Basis of Design Report (Appendix H)

### **Clarifications & Exclusions**

1. All work will be performed during normal working hours except as required for cut overs.
2. For all ECMs other than ECM-5, VSD will be responsible for identifying, and connecting to, an alternative point of service for the electrical loads that are served and/or interrupted by DBE's work.
3. VSD will be responsible for providing power and/or fuel for the temporary systems.
4. DBE excludes the cost of obtaining building permits.
5. DBE excludes all unforeseen AHJ requirements & fees, if not included in scope of work.
6. DBE excludes the cost of all AHJ and third-party inspections.
7. All new materials at the point of interconnection provided by DBE to match existing in locations where installed.
8. DBE excludes the cost for temporary power usage for construction (meter cost).
9. DBE includes the cost to establish temporary construction power for construction trailers. DBE will coordinate the plan for temporary power with VSD plant staff.
10. DBE excludes the cost to obtain a SWPPP permit as the disturbed area will be less than an acre. DBE will maintain local Best Management Practices (BMPs) where the course of DBE's work disturbs soil.
11. DBE excludes all additional seismic and or structural support, engineering, and upgrades to systems or components outside of the scope of work outlined above.

12. Lightning Protection is excluded.
13. Fire protection equipment is excluded.
14. Equipment lubrication needs in the field (after startup) are excluded.
15. DBE excludes changes requested by VSD in design criteria and site layout during 90% and 100% design.
16. DBE assumes permit application fees are to be paid by VSD. Cost for source testing is not included. If it is determined that source testing is required, DBE can secure a subconsultant with a testing firm to perform these services, if requested.
17. DBE excludes the cost of special inspections as noted on sheets GS-2 and GS-3.
18. DBE excludes field sampling and analysis during Digester No.1 startup and commissioning. This work can be performed by the VSD lab, as it is not for reporting purposes.
19. DBE assumes spoils can be distributed on-site for electrical trenching work.
20. DBE has included temporary generators for circuit cutovers, as shown on sheet E-8.
21. DBE is not responsible for calibrating equipment or instrumentation provided by VSD or other vendors, even if mentioned in the specifications or addenda referenced.
22. The following are excluded:
  - Software Licenses
  - Antenna tower and/or mast
  - Stilling wells
  - Spare Parts
  - Salvage
  - Networking infrastructure or architecture modifications to existing facilities
  - Any 3rd party testing, harmonic testing/analysis, protective device coordination study, short-circuit analysis, or Arc-Flash Risk Assessment (AFRA) services.
  - Signal loop diagrams for equipment not furnished by DBE
23. Radar and X-Ray inspection and investigation is excluded.
24. The concrete liner at the existing pond is assumed to be around 8” thick. If the liner is actually thicker, additional cost may be required.
25. Labor cost is based upon an 8-hour day, Monday through Friday.
26. Additional cost for shift/overtime/weekend/acceleration of work will be applicable, if DBE is directed or required by VSD to do so. DBE may also include shift/overtime/weekend/acceleration of work, if necessary.
27. BIM modeling is excluded.
28. DBE assumes there will be allotted space for material storage, office facilities and parking for all staff, craft labor and subcontractors next to our office trailers.
29. DBE assumes electricity, sewer and potable water hookups will be available for the construction trailer area and workspace areas.
30. Buy American or AIS provisions are excluded.
31. Wage rates shall comply with CA Union and DIR prevailing wage requirements.
32. Disadvantaged Business Enterprises, such as Local Business Enterprise, Local Small Business Enterprise, Minority or Women Owned Business Enterprise, Disabled Veteran Business Enterprise, or any other similar programs are excluded.
33. DBE assumes VSD is the generator of any hazardous materials discovered on the existing site.
34. Hazardous materials abatement is excluded.
35. Demolition and Disposal of any hazardous material encountered on the project is excluded.

36. Construction schedule will not be cost/resource loaded. The schedule will be submitted in Primavera 6 per the specifications.
37. DBE will provide internet and cell phone service for all office personnel. Providing these services to other personnel on the project is excluded.
38. DBE will provide pest control for our temporary facilities but exclude other temporary facilities and permanent pest control with warranty.
39. The technical specifications determine limits of painting.
40. Building Permits are not applicable and excluded. DBE excludes all permits except South Coast Air Quality Management District (SCAQMD) permit amendment as required for new equipment provided by DBE. Any physical modifications to the existing equipment that may be required by SCAQMD are excluded by DBE.
41. As the digester specification is silent on an internal coating, based upon the recommendation of DN Tanks, for Digester No 1 DBE includes PVC Liner on the underside of the dome roof and for the top 16LF of walls only. It is assumed that the 16LF depth of the PVC Liner provided will extend to 2-feet below the minimum low water elevation, although this elevation is not currently specified. No other coating or lining system is included.
42. Digester No. 1 will not require any coatings or drainage board material on exterior shotcrete walls.
43. Secondary Effluent Water will be allowed for the hydrostatic testing of concrete structures and other testing needs, when required. VSD will make Secondary Effluent Water available for use and provide an area for disposal of the water once testing is completed. The water demand may be as much as 1.5MG to support testing of new Digester No. 1. To meet the anticipated scheduling requirements of 20 days for fill and testing, a minimum flow rate of 100 gpm will be required.
44. Grating and treads for all metal stair systems are quoted as aluminum to match the other adjacent grating and per the referenced specification on the sheet notes.
45. 2" foam roof urethane coating at Digester No. 1 is excluded.
46. It will be acceptable to abandon in place the required temporary soldier pile shoring and lagging or sheet piles at the Digester No. 1 excavation at 5FT below grade.
47. Digester No. 1 Outside Footing Dimension will be 93'-0" as engineered by DN Tanks, instead of the 95'-0" minimum dimension shown on Sheet 5S-2.
48. Digester No. 1 Wall Height will be 40'-0" instead of 36'-0" to comply with seismic code requirements, per DN Tanks' Professional Engineer.
49. On sheet C-15 of the 60% Design Addendum No. 1 drawing package, the added Storm Drain Manholes are assumed to be 8FT deep. If the manholes will actually need to be deeper than 8FT, additional cost may be required.
50. Dewatering is excluded.
51. DBE includes 4000 psi concrete for all structures, pads, and supports.
52. DBE includes use of super plasticizer in lieu of pea gravel concrete mix at bottom 6in lift of water bearing walls.
53. DBE includes black rebar, furnished, and installed by a subcontractor signatory to union ironworkers.
54. DBE includes haul-off of all excavation material and import of all backfill material for the structures, foundations, and pads. DBE assumes that excavated pipeline material can be re-used as backfill above the pipe bedding zones.
55. DBE includes imported sand, SE 30+, for the structures, foundations, and pads backfill.
56. For supports, all wet/submerged/chemical areas will be 316SS. All others will be HDG. All hardware will be 316SS.

57. For Pickle & Passivate activities, citric acid will be used by DBE as it is a more environmentally friendly, safer, and less toxic product to use than other acids.
58. DBE excludes insulation for the boiler system itself and the flue stack. Insulation is included on the following lines:
  - Hot Water Supply and Return
  - 6” CS Line from Heat Exchanger to Digester 1
  - Compressed Air
  - Seal Water and potable cold water
59. DBE is providing a standard pre-engineered metal building per MBMA standards using standard materials, practices, and design finishes. All work is in accordance with IAS AC472 Certification of Metal Buildings as well as AISC and AWS
60. Panel colors for pre-fab metal buildings and canopies are based on Manufacturers’ standard offerings. Custom panel colors will be an additional cost.
61. Primary structural PEMB primer is based on Manufacturer’s standard offerings for the pre-fab buildings and canopies. Custom primer can be added for an additional cost.
62. The existing Concrete basin floor to be demolished is assumed to be no thicker than 18”
63. Integration of local HVAC controls to any PLC or SCADA system is excluded.
64. All work associated with integrating HVAC equipment with any fire suppression system is excluded.
65. Temporary AC to all buildings is excluded.
66. Factory Mutual Design is excluded.
67. Centria roof, walls and soffit panels are excluded. Butler Pre-Engineered Metal Building (PEMB) roof and wall panels are included.
68. Butler PEMB VSR roof is excluded. Butler PEMB MR-24 roof is included, which will not require metal deck or substrate.
69. Inspection or testing for hazardous materials, universal waste, sampling of water, soil or other materials is excluded.
70. Removal of unknown or undocumented structures is excluded
71. Removal of “petro-mat” or similar (asphaltic fabric.) is excluded
72. Rerouting of any pipes or conduits shown to be demoed is excluded
73. Traffic Control is excluded
74. Asphalt is 5” in all areas as determined by potholing.
75. Equipment selection is based on the following:

<u>EQUIPMENT DESCRIPTION</u>	<u>MANUFACTURER</u>
Bar Screen	Vulcan
Conveyor	Vulcan
Digester Equipment	Varec
Digester Tank	DN Tanks
Heat Exchanger	Alfa Laval
Slide Gates & Stop Logs	HydroGate
Chopper Recirc. Pumps	Vaughan
Digester Mixing System	Vaughan
Self-Priming Pump Skid	Dakota Pump
Hot Water Subloop Pumps	Flowserve
Submersible Sump Pumps	Tsurumi

Flare  
Grit System  
Polymer  
Boiler  
Electrical switchgear  
Gas Flow Meter  
Gas Scrubber

John Zink  
Ovivo  
Velodyne  
Hurst Boiler  
Schneider Electric/Square D  
Thermal Instruments from John Zink  
Not In Scope; Existing Scrubber is Sized to  
Serve Both Existing and New Digesters

### **Assumptions**

1. The 90% & 100% design work will be a continuation of the submitted 60% design in Phase 3. No changes are expected in the design criteria, layouts, alignments, and materials. If changes from the 60% design do occur, they will be tracked and annotated on the drawings and specifications. The design submittals include the 90% design package, denoted as Issued for Design (or IFD) set, and the 100% design package, denoted as Approved for Construction (or AFC) set.
2. Any demolition and installation activities are assumed to be after the 100% design. Early procurement and application to the air permits may take place in parallel with Phase 4.
3. Applicable VSD Specifications:
  - a. VSD has no standards or specifications other than what has been prepared by the DBE to date.
4. Existing Equipment:
  - a. Existing equipment is potentially built to compliance with earlier versions of Project Specifications. As such, Project Specifications developed for the current project may potentially not apply to existing equipment.
  - b. Restoring/upgrading existing facilities interfacing with proposed facilities to compliance with current Project Specifications is not included in DBE scope.
5. Interface with Existing Equipment/Facilities:
  - a. At interfaces between existing and proposed facilities potential issues arising on account of mismatch due to specification variation and/or installation procedure will be resolved on a case-to-case basis. Potential impacts to schedule and/or cost will be communicated to VSD.
  - b. VSD shall be responsible for handover of existing facilities in a condition suitable for establishing interconnections, extensions, as applicable. This shall be in mutual agreement with all stakeholders, with evaluation of cost and schedule impacts in the event of any shortfall in the aforesaid condition.
6. Relocation of Existing Facilities
  - a. VSD shall be responsible for verifying condition, approving reuse of existing facilities proposed to be relocated and reused, prior to handover to DBE.

- b. DBE scope is limited to safely relocating and installing existing facilities “in-kind, as-is condition” in compliance with approved design documents. Remediation/repair/bringing to operable condition is not included in current scope of the project.
- c. Capacity/duty/efficiency shall be as determined by performance documents furnished by VSD. DBE shall not be responsible for mitigating shortfall(s) in performance.

7. Temporary Facilities

- a. VSD shall be responsible for verifying condition and approving reuse of existing facilities for temporary operation prior to handover to DBE.
- b. Testing and Inspection of temporary facilities shall be limited to verification of performance based on documents furnished by VSD supporting the same.
- c. Temporary supports/house-keeping pads etc. shall be installed per prevailing industry standards and shall be generally exempt from stringent compliance to current project specifications.
- d. DBE shall not be responsible for usage and performance of temporary facilities beyond the duration of current project.

**VSD Responsibilities**

VSD shall be responsible for all the equipment, shutdowns, startups, testing, and other assistance identified as “by VSD” or “by OWNER” in the following contract documents:

- 1. 60% Drawings (Appendix A)
- 2. 60% Specifications (Appendix B)
- 3. Construction Phasing Plan and Network Diagram (Appendix D)
- 4. ITCAT Plan and Typical Requirements per ECM (Appendix E)

VSD agrees to provide to DBE reasonable access to all VSD facilities and information necessary for DBE to perform its responsibilities. Access will include, but is not limited to, the following items:

- Valley Sanitary District – Water Reclamation Plant
- All mechanical equipment rooms in the Water Reclamation Plant
- All SCADA systems and/or vendor control panels which control part or all of any of the wastewater processes listed within this Contract
- Personnel with responsibility for operating and/or managing any of the facilities and wastewater processes listed within this Contract on a reasonable as-available basis
- Construction documents, equipment inventories, and other documents that may be helpful in evaluating any scope of work as listed within this Contract
- All SCADA and plant information as requested by DBE to be provided by VSD in a timely manner to ensure system performance.
- Remote access to SCADA or certain packages may be requested by DBE.
- Prior to Substantial Completion, VSD will perform daily facilities monitoring and promptly review any alarm summaries and share with DBE.

## **Contingency**

Contingency is used when there is a degree of certainty that unpredictable costs will arise in a construction Project. There are two distinct types of contingencies:

**Owner Contingency** is the amount above the DBE's price for the project that is carried by VSD to account for owner-initiated changes, 3rd party testing or unanticipated conditions by both the DBE and VSD. Costs for such changes are drawn from this contingency fund, via change orders or contract amendments, until it is exhausted. Any unused funds are retained by VSD.

Covered by Owner Contingency:

1. Unforeseen underground interferences or conditions associated with installation of duct banks, vaults, and piping, or during excavation.
2. Repairs of concrete spalling and cracks or coatings in existing structures, as well as repairs to existing piping, gates, and valves.
3. Repairs and/or replacement of existing instruments and devices associated with existing systems, that are discovered as a result of implementing the ECMs.
4. Cost for schedule delay of Amendment #1 execution. DBE has included escalation for 90 days from the submission of the Price Proposal (GMP), so if the contract is executed within 90 days, there will not be a cost impact. After 90 days, additional costs may be incurred by week/month.
5. Cost of VSD moving electrical loads prior to DBE's work.
6. Any issues identified during VSD's draining and cleaning of existing systems prior to DBE installation commencement, and VSD refilling and startup after DBE installation completion.
7. Contaminated soil or groundwater encountered during excavation.
8. Any extended/unforeseen delay during shutdowns or tie-ins, to coordinate with plant based on existing process/conditions.
9. Unforeseen AHJ requirements and fees, if not included in scope of work.
10. Delays based on schedule conflicts with other ongoing construction projects at the plant.
11. Additional temporary power and facilities not included in scope currently, to support any unforeseen shutdowns that may come up, outside of shutdowns identified in the Construction Phasing Plan in Appendix D.
12. The Project geotechnical engineer will be hired by VSD to provide field observation and testing as necessary for quality control of earthwork.

**Design Builder Contingency** is the amount built into the Contract Price to mitigate project-related risks for which the DBE is contractually responsible (i.e., finalizing design details, inaccurate assumptions, or calculations, etc.).

Covered by Design Builder Contingency:

1. Scope gaps and scope creep to get to 100% design.
2. Omissions from BDE pricing within current scope of work as shown on the 60% design.
3. Unanticipated costs for coordination and resequencing of DBE subcontractors within currently defined schedule.
4. DBE subcontractor(s) non-performance or underperformance.

5. Subcontractor labor disputes.
6. Changes in law.
7. Changes in taxes.
8. Design progression, assuming no new scope of work is added by VSD.
9. Exact routing of duct banks for PS3.
10. Exact routing of conduits for control wiring from new PLCs to new field instrumentation and devices.
11. Interpretation of design documents regarding selection of materials for conduits and/or piping.
12. Labor and/or other cost increases resulting from late delivery of equipment.
13. Labor and/or other cost increases resulting from delay in contract award up to 90 days from submission of pricing proposal.



## APPENDIX A

60% Drawings (including Addendum 1, excluding ECM-3 WAS Thickening)

## **APPENDIX B**

60% Specifications (including Addendum 1, excluding ECM-3 WAS Thickening)

## APPENDIX C

Equipment List and Equipment Data Sheets  
(including Addendum 1, excluding ECM-3 WAS Thickening)

## **APPENDIX D**

Construction Phasing Plan and Network Diagram (excluding ECM-3 WAS Thickening)

## **APPENDIX E**

### ITCAT Plan and Typical Requirements per ECM

## **APPENDIX F**

### Raw Sewage (RS) Pipeline Alternatives Technical Memorandum

## **APPENDIX G**

### **Final Technical Memorandum for Sludge Dewatering Filtrate Return**

## **APPENDIX H**

Final Basis of Design Report (excluding ECM-3 WAS Thickening)





**Valley Sanitary District  
Board of Directors Meeting  
April 12, 2022**

TO: Board of Directors  
THROUGH: Beverli A. Marshall, General Manager  
SUBJECT: **Adopting a Resolution in Opposition to Initiative 21-0042A1 Titled “Limits Ability Of Voters And State And Local Governments To Raise Revenues For Government Services. Initiative Constitutional Amendment”**

<input checked="" type="checkbox"/> Board Action	<input type="checkbox"/> New expenditure request	<input type="checkbox"/> Contract Award
<input type="checkbox"/> Board Information	<input type="checkbox"/> Existing FY Approved Budget	<input type="checkbox"/> Closed Session

**Executive Summary**

The purpose of this report is for the Board to discuss the ballot initiative.

**Strategic Plan Compliance**

This item complies with VSD Strategic Plan Goal 5: Long-term Financial Strength.

**Fiscal Impact**

There is no fiscal impact from the recommended action. If the ballot initiative passes, there would be the potential for a significant impact to the District and its ability to raise rates and fees in the future.

**Environmental Review**

This item is not a “project” as defined by CEQA and does not require any CEQA action.

**Background**

Initiative 21-0042A1 is a deceptive, developer-sponsored proposition aimed for the November 2022 statewide ballot that would undermine voter rights and significantly jeopardize local agencies’ ability to provide essential services and infrastructure for residents. The measure is being pushed by millions of dollars in contributions from developers and the California Business Roundtable, an association that represents developers, oil companies, pharmaceutical companies, and other wealthy corporations.

Unless defeated, Initiative 21-0042A1 is anticipated to create severe consequences for special districts and the communities they serve. Estimated impacts include the following.

- Prevent virtually any new fees or assessments to fund water, sewer, trash, fire protection, parks and recreation, and other essential services and infrastructure.
- Jeopardize the public health and safety of communities by cutting off new revenue intended to pay for essential local services and infrastructure.
- With billions of dollars in deferred maintenance and unmet needs for California’s infrastructure, exacerbate the neglect and deterioration of roads, dams, waterways, and other facilities.
- By limiting revenues to the “minimum amount necessary”, imposes a “race-to-the-bottom” in California that will halt investment in technological advancements that future generations will depend upon.
- Prevent critical investments in climate adaptation and community resilience to address drought, flooding, and wildfire as well as reduce emissions and harmful pollutants.
- Expose taxpayers to a new wave of costly litigation, limits the discretion and flexibility of locally elected boards to respond to the needs of their communities, and injects uncertainty into the financing and sustainability of critical infrastructure.
- Restrict local services and infrastructure to the lowest and minimum amount possible will disproportionately impact the most underserved communities the hardest.

The initiative also includes provisions that would retroactively void all state and local taxes or fees adopted after January 1, 2022, if they did not align with the provisions of this initiative. This may also affect indexed fees that adjust over time for inflation or other factors. Effectively, it would allow voters throughout California to invalidate the prior actions of local voters, undermining local control and voter-approved decisions about investments needed in their communities

**Recommendation**

Staff recommends that the Board of Directors adopt Resolution No. 2022-1159 in opposition to Initiative 21-0042A1.

**Attachments:**

- Attachment A: Resolution No. 2022-1159
- Attachment B: CSDA Analysis of Ballot Initiative #21-0042A1
- Attachment C: CSDA Guidelines for Special Districts Regarding Ballot Measures
- Attachment D: Coalition Opposition Press Release

**RESOLUTION NO. 2022-1159**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE VALLEY SANITARY DISTRICT IN OPPOSITION TO INITIATIVE 21-0042A1**

The Board of Directors finds that the following statements are true and accurate.

An association representing California's wealthiest corporations and developers is spending millions to push a deceptive proposition aimed for the November 2022 statewide ballot.

The proposed proposition, Initiative 21-0042A1, has received the official title: "LIMITS ABILITY OF VOTERS AND STATE AND LOCAL GOVERNMENTS TO RAISE REVENUES FOR GOVERNMENT SERVICES. INITIATIVE CONSTITUTIONAL AMENDMENT".

The measure includes provisions that would make it more difficult for local voters to pass measures needed to fund local services and infrastructure and would limit voter input by prohibiting local advisory measures where voters provide direction on how they want their local tax dollars spent.

The measure exposes taxpayers to a new wave of costly litigation, limits the discretion and flexibility of locally elected boards to respond to the needs of their communities, and injects uncertainty into the financing and sustainability of critical infrastructure; and

The measure severely restricts state and local officials' ability to protect our environment, public health and safety, and our neighborhoods against corporations and others who violate the law.

The measure creates new constitutional loopholes that would allow corporations to pay less than their fair share for the impacts they impose on our communities, including local infrastructure, our environment, water quality, air quality, and natural resources.

The measure threatens billions of dollars currently dedicated to state and local services, and could force cuts to the collection, treatment, discharge, and reuse of wastewater as well as public schools, fire and emergency response, law enforcement, public health, parks, libraries, affordable housing, services to address homelessness, mental health services, and more.

The measure would also reduce funding for critical infrastructure like streets and roads, public transportation, ports, drinking water, sanitation, utilities, and more.

**The Board of Directors of the Valley Sanitary District resolves** that the Valley Sanitary District opposes Initiative 21-0042A1 and that the Valley Sanitary District will

join the “No on Initiative 21-0042A1” coalition, a growing coalition of public safety, labor, local government, infrastructure advocates, and other organizations throughout the state.

The Board also directs staff to email a copy of this adopted resolution to the California Special Districts Association at [advocacy@csda.net](mailto:advocacy@csda.net).

This resolution is passed, approved, and adopted this 12<sup>th</sup> day of April 2022, by the following roll call vote:

AYE:  
NAY:  
ABSENT:  
ABSTAIN:

VALLEY SANITARY DISTRICT

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Scott Sear, President

ATTEST

---

Dennis Coleman, Secretary/Treasurer



**BALLOT INITIATIVE #21-0042A1  
LIMITS ABILITY OF VOTERS AND STATE AND LOCAL GOVERNMENTS TO RAISE  
REVENUES FOR GOVERNMENT SERVICES. INITIATIVE CONSTITUTIONAL  
AMENDMENT.**

November 8, 2022 General Election

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**BACKGROUND**

The purported “Taxpayer Protection and Government Accountability Act,” a statewide initiative measure to amend the California Constitution sponsored by the [California Business Roundtable](#) (“CBRT”), is the most consequential proposal to limit the ability of the state and local governments to enact, modify, or expand taxes, assessments, fees, and property-related charges since the passage of Proposition 218 (1996) and Proposition 26 (2010). If enacted, public agencies would face a drastic rise in litigation that could severely restrict their ability to meet essential services and infrastructure needs.

In order to qualify for the ballot, proponents must collect 997,139 valid signatures from California voters. The California Secretary of State’s recommended last day to submit signatures to counties to qualify for the November 8, 2022 statewide general election is April 29, 2022. The last day for measures to be certified for the ballot or withdrawn from the ballot is June 30, 2022.

**SUMMARY**

Ballot Initiative [21-0042A1](#) would result in the loss of billions of dollars annually in critical state and local funding, restricting the ability of local agencies and the State of California to fund services and infrastructure by:

- Adopting new and stricter rules for raising taxes, fees, assessments, and property-related fees.
- Amending the State Constitution, including portions of Propositions 13, 218, and 26 among other provisions, to the advantage of the initiative’s proponents and plaintiffs; creating new grounds to challenge these funding sources and disrupting fiscal certainty.
- Restricting the ability of local governments to issue fines and penalties to corporations and property owners that violate local environmental, water quality, public health, public safety, fair housing, nuisance and other laws and ordinances.

The initiative includes provisions that would retroactively void *all* state and local taxes or fees adopted after January 1, 2022 if they did not align with the provisions of this initiative. This may also affect indexed fees that adjust over time for inflation or other factors. Effectively, it would



allow voters throughout California to invalidate the prior actions of local voters, undermining local control and voter-approved decisions about investments needed in their communities.

Specifically, among other provisions effecting the state government, the initiative would impact local agencies through changes to the California Constitution as follows:

### **Restricting Local Tax and Fee Authority to Provide Local Services**

#### *Fees:*

- With few exceptions, fees and charges shall not exceed the “actual cost” of providing the product or service for which the fee is charged.
  - “Actual cost” is defined as the “...*minimum amount necessary...less other sources of revenue including, but not limited to taxes, other exempt charges, grants, and state or federal funds...*”
- The burden on the local government to prove the fee or charge does not exceed “actual cost” is heightened from a “*preponderance of the evidence*” to “*clear and convincing evidence*”.
- In addition to limiting fees and charges to the actual cost to the local government for providing the service, fees and charges must also be “reasonable” to the payor themselves; no definition is provided for this new subjective reasonableness test that is separate and apart from the test as to how closely the fee or charge is related to the cost of service.
- Defines *all* sources of revenue as either taxes or “exempt charges.”
- Includes Article XIID charges in Proposition 218 under the definition of “exempt” charges subjecting them to potential litigation.
- Exposes previously established fees indexed to inflation or other metrics to new standards and legal challenges.
- Adds to the Constitution a requirement for a board action to adopt, enact, create, establish, collect, increase, or extend any and all fees.

#### *Taxes:*

- Increases the threshold for voters to pass a local special tax initiative placed on the ballot by voters from a simple majority to a two-thirds majority, likely to address concerns over the 2017 California Supreme Court decision in *California Cannabis Coalition v. City of Upland*.
- Requires voter approval when an expansion of boundaries extends existing taxes or fees to new territory.
- New taxes can be imposed only for a specific duration.

#### *Fines and Levees:*

- Interferes with local enforcement efforts, by making it more difficult to impose fines and penalties for state and local law violations related to activities such as water discharge, waste recycling, weed abatement, fireworks, and housing code violations and unlawful commercial marijuana sales, just to name a few. The measure converts administratively



imposed fines and penalties into taxes unless a new, undefined, and ambiguous “adjudicatory due process” is followed.

## **Increasing Litigation Exposure**

- Significantly increases a public agency’s burden of proof from “preponderance of evidence” to “clear and convincing evidence” to prove compliance with the new fee requirements. By changing evidence standards to favor corporations suing public agencies, the initiative will promote costly litigation.
- The local government would bear the burden of proving by clear and convincing evidence that a levy, charge or exaction is an “exempt charge” and not a tax. Moreover, the local government would bear the burden of proving by clear and convincing evidence that the amount of the exempt charge is *both* “reasonable” to the payor and that the amount charged does not exceed the “actual cost” of providing the service or product to the payor.
- By enacting a new requirement that all fees must be “reasonable” to the payor but offering no definition as to what “reasonable” means, the initiative provides a new avenue to challenge fees by enabling a plaintiff to claim a fee is not reasonable even if the fee meets the actual costs of service.
- Prop. 218 currently requires fees cover the *reasonable* cost of service. This initiative amends Prop. 218 to require the near-impossible standard of predicting *actual* costs years into the future. To compound this challenge, the new standard also factors in the receipt of external revenues that are constantly shifting and typically outside the control of the local agency. It defines “actual costs” as:
  - “(i) the minimum amount necessary to reimburse the government for the cost of providing the service or product to the payor, and (ii) where the amount charged is not used by the government for any purpose other than reimbursing that cost. In computing “actual cost” the maximum amount that may be imposed is the actual cost less all other sources of revenue including, but not limited to taxes, other exempt charges, grants, and state or federal funds received to provide such service or product.”
- Fosters endless litigation challenging local fees claiming they are not the “minimum amount necessary”. For instance:
  - Do roads need to be paved every 10 years or 50 years?
  - Does infrastructure need to be upgraded or replaced or not improved at all?
  - What is the minimum emergency response time necessary?

## **IMPACTS**

- Could prevent virtually any new fees or assessments to fund water, sewer, trash, fire protection, parks and recreation, and other essential services and infrastructure.
  - Places over \$20 billion of local government fee and charge revenues over 10 years at heightened legal peril.



- Jeopardizes the public health and safety of communities by cutting off new revenue intended to pay for essential local services and infrastructure.
  - Substantially increases the legal and administrative cost of public infrastructure financing.
- With billions of dollars in deferred maintenance and unmet needs for California's infrastructure, exacerbates the neglect and deterioration of our roads, dams, waterways, and other facilities.
- By limiting revenues to the “minimum amount necessary”, imposes a “race-to-the-bottom” in California that will halt investment in technological advancements that future generations will depend upon.
- Prevents critical investments in climate adaptation and community resilience to address drought, flooding, and wildfire as well as reduce emissions and harmful pollutants.
- Exposes taxpayers to a new wave of costly litigation, limits the discretion and flexibility of locally elected boards to respond to the needs of their communities, and injects uncertainty into the financing and sustainability of critical infrastructure.
- Restricting local services and infrastructure to the lowest and minimum amount possible will disproportionately impact the most underserved communities the hardest.

## **SUPPORT**

- California Business Roundtable (CBRT) – Sponsor
  - The CBRT website lists the following individuals as Chair and Vice-Chair:
    - Chair, Brett Bittel (Enterprise Rental Car)
    - Vice-Chair, Maryam Brown (SoCal Gas)
  - To date, financial contributors to the initiative and CBRT Issues PAC include, but are not limited to:
    - Aera Energy
    - Albertsons Safeway
    - CJ Segerstrom & Sons
    - Cypress Management Company
    - Dart Container
    - Douglas Emmett Properties
    - Five Point Operating Company
    - Grimmway Enterprises
    - Howard Jarvis Taxpayers Association
    - Kilroy Realty
    - Majestic Realty
    - Michael K. Hayde
    - Pacific Ethanol
    - PEPSICO
    - Pharmaceutical Research and Manufacturers of America
    - Sempra Energy
    - State Farm Insurance





**California Special  
Districts Association**

*Districts Stronger Together*

- Sutter Health
- 7-Eleven

**OPPOSITION**

- AFSCME California
- California Alliance for Jobs
- California Professional Firefighters
- California Special Districts Association
- CalCities (League of California Cities)
- SEIU California



**GUIDELINES FOR SPECIAL DISTRICTS  
REGARDING BALLOT MEASURES**

I. General Rule-Information, Not Advocacy; Explanation Not Promotion

- Special districts may not spend money to support or oppose ballot measures placed before the electorate. It is permissible, however, for special districts to expend public funds for informational purposes to provide the public with a “fair presentation” of the facts relating to a ballot measure which directly concerns the special district. It is also permissible for special districts to formally adopt a position on a ballot measure and educate the public on the measure, its impacts on the district, and the basis for the district’s position.
- If public funds or special district equipment or facilities are used to provide information regarding a ballot measure, that information provided by the special district must be accurate and balanced and represent supporting as well as opposing views.
- However, if a special district has formally adopted a position on a ballot measure, and is **responding to a request** from the public, the media, or some other source to explain the district’s position, then the district may merely state and explain the district’s position without being obligated to present all possible views on the issue.
- Special district employees and directors retain their free speech guarantees to express their personal viewpoints on any ballot measure. The right of free speech is not forfeited because of any association with a special district. Therefore, special district employees and Board members may express their personal opinion on ballot measures and urge the support or opposition to a ballot measure in a public forum **so long as no public funds are expended**, including district reimbursement of a district employee or Board member’s expenses incurred making such a presentation. If a district’s funds or facilities are involved in any way in the activity of an employee or director with respect to a ballot measure, that individual will be deemed to be acting as a representative of the district and will be required to limit his or her comments to a balanced, factual presentation containing supporting as well as opposing views.

## II. Permissible Activities

The law allows special districts to expend public funds to take the following actions regarding a ballot measure:

- Expend public funds for the purpose of formulating and drafting a proposed initiative and securing appropriate initiative sponsors.
- Adopt a formal position in support of or in opposition to a ballot measure at an open meeting of the special district. Representatives may also respond to requests for explanation of the district's position by merely stating and explaining the district's position without being obligated to explain all sides of the issue.
- If a district is initiating a presentation or information piece regarding a ballot measure, a special district may notify the public, media and others of the district's position through news releases, bulletins or other vehicles at public expense that are informational and balanced but do not advocate a yes or no vote, or contain language which indicates that the district is "taking sides" with respect to the ballot measure.
- In addition to informing the public of the district's position with respect to a ballot measure, the district may expend public funds, without taking a formal position on the ballot measure, to initiate, prepare and distribute factual, balanced information on a ballot measure to the public and other organizations, which material should represent both pro and con viewpoints in a fair manner.
- Special district representatives may respond to inquiries from the media, the public, or other organizations about the impact of a measure on the district as long as such response is factual and does not advocate a position.
- Special district representatives may participate in forums or debates on a ballot measure at public expense if all views are represented.
- Special districts may sponsor forums or debates on a ballot measure at public expense if all views are represented. If only one side is able to attend, districts should be prepared to document the fact that opponents were actually invited.
- District staff and elected officials may meet with newspaper editors and other groups to objectively explain a ballot measure's impact on the district, as long as such explanations do not advocate a position on the ballot measure.
- Special district Board members and employees may participate in forums or debates and advocate a position if it is expressly stated that they are speaking in their personal capacity, and that no public agency funds, expense reimbursements or

**California Special Districts Association**  
1112 I Street, Suite 200, Sacramento, CA 95814  
877.924.CSDA; [www.csdanet.org](http://www.csdanet.org)

facilities are being utilized for such advocacy.

- Upon request, special district Board members and employees are free to explain their personal views of a ballot measure.

### III. Prohibited Activities

Pursuant to state law special districts may not engage in the following activities:

- Use public funds to purchase such items as bumper stickers, posters, advertising, or television or radio “spots” as well as the dissemination at public expense of campaign literature prepared by private proponents or opponents of a measure, or otherwise spend public money to clearly advocate a yes or no vote on a ballot measure.
- Use public funds to contribute to a campaign supporting or opposing a ballot measure.
- Expend public funds or utilize public facilities such as photocopy machines, facsimile machines, computer e-mail, etc., or office supplies or staff time in connection with any activity designed to support or oppose a ballot measure; expend public funds to attempt to influence voters to qualify a ballot measure, including utilizing public funds to gather signatures for the ballot measure. Utilizing public funds to secure signatures to qualify the ballot measure has been held to constitute “improper advocacy”.

### IV. Additional Guidelines to Avoid Advocacy

- Timing, Style and Tenor of the Publication

To avoid the appearance of advocacy, special districts need to analyze the timing, style and tenor of their publications with respect to ballot measures. Several court decisions and attorney general opinions have found publicly financed brochures or newspaper advertisements that contain only relevant factual information and which refrain from asking voters to vote in a particular way to constitute improper expenditure of public funds for ballot measure advocacy because the publication is sent within two weeks prior to the date of election. Any items mailed in the last two weeks before an election may be found to constitute improper expenditures because they appear to be primarily designed to influence voters, and not to convey information.

Regarding the style of the publication, if the explanation of impacts of a ballot measure on a district contains only the significant adverse impacts and fails to disclose other less serious impacts, it may be found that the purpose of the publication was to influence voters rather than to inform voters.

Hiring a public relations firm to promote a measure and prepare publications for the district may be considered evidence of an attempt to influence voters, rather than inform them.

A call for action urging the public simply to vote, without urging a particular vote, may, under certain circumstances, be found to be improper advocacy.

A high volume of mailed brochures may be found to go beyond responding to requests for information from the public and be considered an attempt to influence voters.

In order to avoid the impression that materials are being sent to influence the public, publications should contain information on opposing viewpoints.

- Full Disclosure

Special districts need to insure that any materials they produce provide a factual and complete presentation of the ballot measure and its positive as well as negative impacts on the district, as well as a full explanation of the pros and cons if the publication is initiated by the district, rather than formulated in response to a request for information.

- Choosing the Appropriate Vehicle for Publication

Special districts may produce special publications or materials regarding ballot measures, but the use of existing newsletters or other forms of communication to educate the public about a ballot measure is considered by the FPPC to be more indicative of an informational piece, as opposed to a promotional piece.

- Use of Disclaimers

Special districts may wish to include a disclaimer on any printed materials that states the materials being provided are for informational purposes only and are not meant to advocate a yes or no vote on the ballot measure.

- Consult Legal Counsel

Because the legal principles in this area of law change frequently, special districts should consult their legal counsel for guidance with respect to any activities relating to ballot measures, particularly printed materials distributed to the public, and the use of public funds to finance speakers with respect to the ballot measure. This fact sheet is meant only to be general guidance and is not legal advice.



LEAGUE OF  
**CALIFORNIA  
CITIES**



CALIFORNIA  
PROFESSIONAL  
FIREFIGHTERS



**California Special  
Districts Association**  
*Districts Stronger Together*

**For immediate release:**

Feb. 2, 2022

**Contact:** Kayla Sherwood, (530) 844-1744, [ksherwood@calcities.org](mailto:ksherwood@calcities.org)

Fera Dayani, (916) 921-9111, [fdayani@cpf.org](mailto:fdayani@cpf.org)

Mila Myles, (812) 240-3938, [MMyles@afscme.org](mailto:MMyles@afscme.org)

Kyle Packham, (916) 642-3808, [kylep@cstda.net](mailto:kylep@cstda.net)

## **Public safety, labor, local government and infrastructure advocates announce strong opposition to California Business Roundtable ballot measure that would benefit wealthy corporations while decimating vital local and state services**

*Deceptive proposition enables large corporations to avoid paying their fair share and evade enforcement when violating environmental, public health, and safety laws*

**SACRAMENTO** — Today, the League of California Cities, California Professional Firefighters, SEIU California, California Alliance for Jobs, AFSCME California and the California Special Districts Association announced their strong opposition to the deceptively named “[Taxpayer Protection and Government Accountability Act](#),” a ballot measure sponsored by the California Business Roundtable (CBRT), an organization that advocates on behalf of the largest and wealthiest corporations in California.

The coalition of public safety, labor, local government and infrastructure groups are vocalizing their opposition as the California Attorney General is set to issue an official Title and Summary for the measure tomorrow, February 3. Once Title and Summary is released, proponents can begin signature gathering. They must submit 997,139 valid signatures in order to qualify for the November 2022 ballot. The Secretary of State’s recommended date to turn in signatures is April 29, 2022.

“This far-reaching measure would significantly jeopardize cities’ ability to provide services and critical infrastructure to local residents,” said **Carolyn Coleman, Executive Director and CEO, League of California Cities**. “It would impose undemocratic restrictions on local voters and local governments that could force significant cuts to vital services like fire and emergency response, infrastructure, libraries, parks, sanitation, and more.”

“This irresponsible measure would significantly reduce state and local funding available for fire prevention and response, including emergency services,” said **Brian K. Rice, President, California Professional Firefighters**. “At a time when our state and local communities are reeling from the impacts of intense and prolonged wildfires, this proposition interferes with the ability of firefighters and first responders to do our jobs and keep the public safe.”

The CBRT measure would create major new loopholes that allow wealthy corporations to avoid paying their fair share for the impacts they have on our communities; while also allowing corporations to evade enforcement when they violate environmental, health, safety and other state and local laws. It would also significantly restrict the ability of local voters, local governments, and state elected officials to fund critical services like public schools, fire and emergency response, public health, parks, libraries, affordable housing, homeless and mental health services, and public infrastructure.

“This initiative is a deceptive scheme written and paid for by wealthy corporations for their sole benefit,” said **Tia Orr, Interim Executive Director, SEIU California**. “These rich corporations are trying to create constitutional loopholes to avoid paying their fair share, while shifting the burden onto hardworking Californians.”

“This measure would make it much more difficult to fund critical infrastructure that’s needed in California,” said **Michael Quigley, Executive Director, California Alliance for Jobs**. “It would undercut our ability to invest in virtually every form of infrastructure, including safe bridges, local streets and roads, public transportation, drinking water quality, new schools, and utilities.”

“This proposition would make it much more difficult for state and local regulators to issue fines and levies on corporations that violate laws intended to protect our environment, public health and safety, and our neighborhoods,” said **Alia Griffing, Political and Legislative Director, AFSCME California**. “It’s a get out of jail free card for wealthy corporations that will hurt our efforts to provide critical public services necessary to keep our communities healthy and safe.”

“This measure exposes taxpayers to a new wave of costly litigation, limits the discretion of locally elected officials to respond to the needs of their communities, and injects uncertainty into financing critical infrastructure,” said **Neil McCormick, CEO, California Special Districts Association**. “We are in strong opposition to this dangerous measure that jeopardizes the health and safety of communities and prevents critical investments in climate adaptation and community resilience to address drought, flooding, and wildfire as well as reduce emissions and harmful pollutants.”

#### **Background:**

A broad and growing coalition of local governments, labor and public safety leaders, infrastructure advocates, and businesses **opposes this measure**. The measure:

**Gives Wealthy Corporations a Major Loophole to Avoid Paying their Fair Share - Forcing Local Residents and Taxpayers to Pay More**

- The measure creates new constitutional loopholes that **allow corporations to pay far less than their fair share for the impacts they have on our communities**, including local infrastructure, our environment, water quality, air quality, and natural resources – shifting the burden and making individual taxpayers pay more.

#### **Allows Corporations to Dodge Enforcement When They Violate Environmental, Health, Public Safety and Other Laws**

- It creates new loopholes that makes it much more difficult for state and local regulators to issue fines and levies on corporations that violate laws intended to protect our environment, public health and safety, and our neighborhoods.

#### **Jeopardizes Vital Local and State Services**

- This far-reaching measure **puts at risk billions of dollars currently dedicated to critical state and local services**.
- It could **force cuts** to public schools, fire and emergency response, law enforcement, public health, parks, libraries, affordable housing, services to support homeless residents, mental health services and more.
- It would also **reduce funding for critical infrastructure** like streets and roads, public transportation, drinking water, new schools, sanitation, utilities and more.

#### **Opens the Door for Frivolous Lawsuits, Bureaucracy and Red Tape that Will Cost Taxpayers and Hurt Our Communities**

- The measure will encourage **frivolous lawsuits, bureaucracy and red tape that will cost local taxpayers millions** — while significantly **delaying and stopping investments in infrastructure and vital services**.

#### **Undermines Voter Rights, Transparency, and Accountability**

- It would **limit voter input** by prohibiting local advisory measures, where voters provide direction to politicians on how they want their local tax dollars spent.
- It would change our constitution to make it more difficult for local and state voters to pass measures needed to fund local services and local infrastructure.
- It also includes a hidden provision that **would retroactively cancel measures that were passed by local voters** — effectively undermining the rights of voters to decide for themselves what their communities need.





**Valley Sanitary District  
Board of Directors Meeting  
April 12, 2022**

TO: Board of Directors

THROUGH: Beverli A. Marshall, General Manager

FROM: Ronald Buchwald, Engineering Services Manager

**SUBJECT: Award Contract to The Van Dyke Corporation for the Activated Sludge Plant Water Pipeline Replacement Project**

<input checked="" type="checkbox"/> Board Action	<input type="checkbox"/> New expenditure request	<input checked="" type="checkbox"/> Contract Award
<input type="checkbox"/> Board Information	<input checked="" type="checkbox"/> Existing FY Approved Budget	<input type="checkbox"/> Closed Session

**Executive Summary**

The purpose of this report is for the Board of Directors to review and discuss the bid submittal from the Van Dyke Corporation.

**Strategic Plan Compliance**

This item complies with VSD Strategic Plan Objective 3: Excellent Facilities.

**Fiscal Impact**

The total cost of this bid is \$127,000. A 10% contingency is being added to the bid total to cover any unforeseen costs during the project for a total cost of \$139,700. The current budget for the Project is \$642,000 and is included in the FY 2021/22 Capital Improvement Budget.

**Environmental Review**

This item is not a “project” as defined by CEQA and does not require any CEQA action.

**Background**

The activated sludge plant, aeration basin, and associated piping were built in the early 1970s. There is an above-ground steel watermain that feeds plant water to the various basins that is reaching the end of its useful life. The main occasionally leaks, the fittings are becoming difficult to adjust, and there are valves that do not work properly. This watermain has been listed as a CIP project for several years but has now become a high priority. Dudek was awarded the contract for project design and bidding assistance.

VSD published a Request for Bids on February 7<sup>th</sup>, 2022, with a bid opening date of March 16<sup>th</sup>, 2022. The District received a total of six sealed bids with prices that ranged

from \$127,000 to \$271,700. The Van Dyke Corporation (Van Dyke) was the apparent lowest, responsible bidder (Attachment A). Staff from both Dudek and VSD reviewed the bids for conformance with Bidding requirements and determined that Van Dyke met all the requirements (Attachment B).

**Recommendation**

Staff recommends that the Board of Directors award a contract to Van Dyke Corporation in an amount not to exceed \$127,000 for the ASP Water Pipeline Replacement project.

**Attachments**

- Attachment A: Van Dyke Corporation bid submittal, dated March 16, 2022.
- Attachment B: Dudek recommendation, dated March 29, 2022.
- Attachment C: Contractor's license status and detail
- Attachment D: Contractor's DIR number information

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**BID PROPOSAL FORM**

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

**Bidders:**

The undersigned hereby proposes to perform all work for which a contract may be awarded him/her and to furnish any and all plant, labor, services, material, tools, equipment, supplies, transportation, utilities, water and all other items and facilities necessary therefor as provided in the Contract Documents, and to do everything required therein for the work as set forth in the documents entitled:

**A.S.P Plant Water Pipeline Replacement Project**

Together with appurtenances thereto, all as set forth in the Specifications and other Contract Documents; and he/she further proposes and agrees that, if this Bid is accepted, he/she will contract in the form and manner stipulated to perform all the work called for by Specifications, and other Contract Documents, and to complete all such work in strict conformity therewith within the time limits set forth therein, and that he/she will accept as full payment therefor the prices set forth in the Bid Sheet(s) forming a part hereof.

It is understood and agreed that:

1. The undersigned has carefully examined all the Contract Documents which will form a part of the Contract; and all additions, deletions, modifications, and appendices and all addenda as prepared prior to the date of bid opening setting forth any modifications or interpretations of any of said documents.
2. The undersigned has by investigation of the site of the Work and otherwise satisfied himself/herself as to the nature and location of the Work and has fully informed him/her as to all conditions and matters which can in any way affect the Work or the cost thereof.
3. The undersigned fully understands the scope of the Work and has checked carefully all words and figures inserted in this Bid and he/she further understands that the Owner will in no way be responsible for any errors or omissions in the preparation of this Bid.
4. The undersigned will execute the Contract Agreement and furnish the required proof of insurance coverage within ten (10) business days after the date of Notice of Award to him/her of acceptance of his/her Bid by the Owner.
5. The undersigned Bidder further agrees that if he/she shall fail to complete the Work within the Contract Time and any authorized extension thereof, he/she shall pay liquidated damages as defined in the Notice Inviting Bids to the Owner for each calendar day of unauthorized delay in completion of the Work until the Work is completed, unless another amount is agreed to and stated in the Contract Agreement.
6. The undersigned hereby certifies that this proposal is genuine and not a sham or collusive or made in the interest or in behalf of any persons not herein named, and the undersigned has not directly or indirectly induced or solicited any other Bidder to put in a sham Bid, or any other person, firm or corporation to refrain from bidding; the undersigned has not in any manner sought by collusion to secure for himself/herself an advantage over any other bidder.
7. In conformance with current statutory requirements of Section 1861, et seq., of the Labor Code of the State of California, the undersigned confirms the following as his/her certification: I am aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for workmen's compensation or to undertake self-insurance in accordance with the provisions before commencing the

performance of the Work of this Contract.

8. In compliance with the provisions of Sections 4100-4114 of the Public Contract Code of the State of California, and any amendments thereof, the undersigned Bidder has set forth below the name and the location of the place of business of each Subcontractor who will perform work or labor or render service to the Contractor in or about the Contract Work to be performed under the Contract Documents in which this Bid is responsive, and where the portion of the Work which will be done by each Subcontractor for each subcontract is in excess of one-half of one percent (0.5%) of the Total Base Bid. The undersigned Bidder understands that if he/she fails to specify a Subcontractor for any portion of the Work, or specifies more than one subcontractor for the same portion of work, he/she shall be deemed to have agreed to perform such portion himself/herself and that he/she shall not be permitted to sublet or subcontract that portion of the Work except in cases of public emergency or necessity, and then only after a finding is reduced to writing as a public record of the Owner setting forth the facts constituting the emergency or necessity. It is further understood and agreed that the aggregate total of all subcontracts shall not exceed forty-five percent (45%) of the total contract price in accordance with the provisions of Instructions to Bidders and or General Conditions.

9. The undersigned hereby states that he/she has \* previously performed work subject to the provisions of the President's Executive Order No. 11246 relative to nondiscrimination in employment.

\* The Bidder shall insert "has" or "has not", as applicable in the above statement.

10. Receipt is hereby acknowledged of addenda number(s) 1 through 1.

11. Contractors are required by law to be licensed and regulated by the Contractors' State License Board which has jurisdiction to investigate complaints against contractors if a complaint regarding a patent act or omission is filed within four years of the date of the alleged violation. A complaint regarding a latent act or omission pertaining to structural defects must be filed within 10 years of the date of the alleged violation. Any questions concerning a contractor may be referred to the Registrar, Contractors' State License Board, P.O. Box 26000, Sacramento, California 95826.

12. The undersigned is registered with the Department of Industrial Relations to perform public work and is licensed in accordance with the Laws of the State of California:

License Number: 965576 Class A, C36, C340; Registration Number 1000004163.

13. If the bidder is a corporation, partnership, or joint venture, the undersigned certifies that he/she is entitled to execute and submit this Bid Proposal on behalf of bidder.

(Signatures continued on next page)

NOW: In compliance with all the provisions hereinbefore stipulated, the undersigned, with full cognizance thereof, hereby proposes to perform the entire Work for the prices set forth in the attached Schedule(s) upon which Award of Contract is made. The undersigned also hereby certifies under the penalties of perjury that this Bid is in all respects bona fide, fair and made without collusion or fraud with any other person. As used in this section, the word "person" shall mean any natural person, joint venture, partnership, corporation, or other business or legal entity.

33-0000562

Social Security Number or Federal Identification Number

The Van Dyke Corporation

Signature of Individual or Corporate Name

BY:   
Corporate Officer (if applicable)  
California

Notice of acceptance should be mailed, faxed, or delivered to the following:

David Van Dyke  
(Name)

By: President  
(Title)

6797 Adobe Rd  
(Business Address)

29 Palms, CA  
(City and State)

Date: Mar 16, 2022

Note: If the Bidder is a corporation, indicate State of incorporation under signature, and affix corporate seal; if a partnership, give full names and residential addresses, if different from business address.

**BID PROPOSAL CERTIFICATE  
(Corporation)**

STATE OF CALIFORNIA )  
 )  
COUNTY OF San Bernardino )      SS:

I HEREBY CERTIFY that a meeting of the Board of Directors of the Van Dyke Corporation  
Corporation existing under the laws of the State of California, held on \_\_\_\_\_, 2022, the following resolution was duly passed and adopted:

"RESOLVED, that David Van Dyke as President of this Corporation, be and is hereby authorized to execute the Bid dated March 16, 2022, to the Valley Sanitary District by this Corporation and that his/her execution thereof, attested by the Secretary of this Corporation, and with the Corporate Seal affixed, shall be the official act and deed of this Corporation."

I further certify that said resolution is now in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the corporation this 16th day of March 2022.

  
Secretary

(SEAL)

**PROPOSAL BID SHEET**

**A.S.P PLANT WATER PIPELINE REPLACEMENT PROJECT**

**BASE BID**

No.	Quantity	Unit	Items of Work (Please Print Unit Prices Written in Words)	Unit Price	Total
1.	1	LS	General Requirements: Furnish contractor bonds, project insurance and project permits, not to exceed 2% of the Bid Schedule Total Price <i>Four thousand dollars</i> PER LS	\$ <i>4,000-</i>	\$ <i>4,000-</i>
2.	1	LS	Mobilization: including all labor, material, equipment and incidentals, preliminary construction schedule, shop drawings, and catalog submittals, not to exceed 5% of Bid Schedule Total Price <i>Three thousand dollars</i> PER LS	\$ <i>3,000-</i>	\$ <i>3,000-</i>
3.	1	LS	Demobilization: Including all labor, material, equipment, and incidentals, not to exceed 5% of Bid Schedule Total Price <i>Two thousand dollars</i> PER LS	\$ <i>2,000-</i>	\$ <i>2,000-</i>
4.	1	LS	Sitework including demolition and disposal of existing pipeline, valves, and appurtenances <i>Ten thousand dollars</i> PER LS	\$ <i>10,000-</i>	\$ <i>10,000-</i>
5.	1	LS	Construction of new Plant Water Pipeline and associated appurtenances <i>One hundred Eight thousand dollars</i> PER LS	\$ <i>108,000-</i>	\$ <i>108,000-</i>

\*\*The District reserves the right to not award, increase or decrease the quantity (by any percent change of the quantity) of any of the bid items without change to the bid unit price.

Total Bid Price (Enter Here)

*One Hundred Twenty seven thousand dollars and zero cents*  
Words

\$ *127,000-*

Figures

Signed

Bidder

**LIST OF SUBCONTRACTORS FORM**

The Bidder is required to furnish the following information in accordance with the provisions of the California Subletting and Subcontracting Fair Practices Act, contained in Sections 4100 to 4114, inclusive, of the Public Contract Code of the State of California and any amendments thereto, for each subcontractor performing more than one-half of one percent (0.5%) of the total base bid. Do not list alternative subcontractors for the same work. The Contractor shall list only one subcontractor for each such portion of Work as is defined by the Contractor in his/her Bid. Contractor shall not substitute any person as subcontractor in the place of a subcontractor listed below, except as provided in the General Conditions.

The Bidder understands that if he/she fails to specify a subcontractor for any portion of the Work to be performed under the Contract, or specifies more than one subcontractor for the same portion of the Work, he/she shall be deemed to have agreed that he/she is fully qualified to perform that portion himself/herself and that he/she shall not be permitted to sublet or subcontract that portion of the Work, except as provided in the General Conditions.

Name Under Which Subcontractor is Licensed	Which is	License Number and DIR Number*	Address and Telephone Number	Specific Description of Subcontract and Percent of Total Base Bid
<i>None</i>				

**\*DIR Number is the subcontractor's registration number with the Department of Industrial Relations to perform public work. Failure to include the DIR number may render the bid non-responsive.**



**CONTRACTOR'S LICENSING STATEMENT FORM**

The undersigned is licensed in accordance with the laws of the State of California  
providing for the registration of Contractors: License Number 565576  
Class A/C36, C34 Expiration Date 4/30/2023

DIR Registration Number 100004163

Name of Contractor's Firm The Van Dyke Corporation

Business Address and Telephone Number 6797 Adobe Rd  
29 Palms, CA 92277  
7603679151

Name of Individual Owner (Print or Type):

David Van Dyke  
Signature of Owner 

Said Owner swears under penalty of perjury under the laws of the State of California that the information provided is true and correct.

or

The following Partners swear under penalty of perjury under the laws of the State of California that the information is true and correct

Signature, title, and address of members signing on behalf of the partnership:

Name David Van Dyke Title President & Secretary

Address 77828 Indian Rd, 29 Palms CA 92277

Name \_\_\_\_\_ Title \_\_\_\_\_

Address \_\_\_\_\_

Name \_\_\_\_\_ Title \_\_\_\_\_

Address \_\_\_\_\_

or

The following Officers swear under penalty of perjury under the laws of the State of California that the information is true and correct.

Corporation organized under the laws of the State of California

(Place Seal Here)

  
Signature of President of Corporation

  
Signature of Secretary of Corporation

For Owner, Partner(s) or Corporation Officers:

This Contractor's Licensing Statement Form is executed at 29 Palms, California,  
Location

on Mar 16, 2022  
Date

**CONTRACTOR'S EXPERIENCE STATEMENT FORM**

The following outline is a record of the undersigned Bidder's experience in a type similar in magnitude and character to that contemplated under this Contract. The Bidder shall include in his/her outline a minimum level of five (5) years direct experience of similar work completed in the greater Coachella Valley, California. The Bidder shall also provide the name, work resume, and qualifications for the individual who will be the job superintendent during the performance of this Contract. The project superintendent shall have experience that includes the successful construction of process piping within a wastewater treatment plant demonstrating experience in similar projects to that contemplated under this contract. The project superintendent shall have at least 5 years' experience and continuously worked for the Contractor for the last two (2) years. The Bidder shall not reassign the designated superintendent without prior approval of the Owner. The Contractor shall also provide a brief approach to the demolition and construction work described herein and shown in the contract drawings. Additional numbered pages outlining this portion of the Bid may be attached to this Bid.

**Project Superintendent Name:** David Van Dyke  
 (Bidder shall attach superintendent's resume and qualifications along with this form)

Name of Project	Brief Project Description	Year Completed	Owner	Reference Contact (Name/Email)	Contract Value
• Sewer Pipeline Rehab Fairway Drive	Install sewer main, manholes, service laterals and asphalt	2021	Coachella Valley Water District	Jesse Aguilar	\$755,459.14
• Desert Willows Water Line Replacement	Install water main, services and asphalt	2021	Mission Springs Water District	Theresa Murphy	\$1,485,288.43
• Project Phoenix Sewer & Water	Install water main w/hydrants. Install sewer main w/manholes & laterals, septic tank & seepage pits	2021	City of 29 Palms	Ken Bailey	\$933,915.42

• water Reclamation Plant No. 4 process optimization	Install blower assemblies, aerators and appurtenances w/modifications	2021	Coachella valley water District	Donnell Wilcox	\$759,760.87
	to control center				
• Salton Sea Communities water main replacement	Install water main w/ appurtenances and pressure reducing	2020	Coachella valley water District	Glenn Lubbe	\$1,975,918.13
	Stations. Included boring under Hwy 86				

**BID BOND**

KNOW ALL MEN BY THESE PRESENTS,

That The Van Dyke Corporation as Principal, and Western Surety Company as Surety, are held and firmly bound unto Valley Sanitary District, hereinafter called "Owner," in the sum of Ten Percent Total Amount of Bid dollars, (not less than 10 percent of the total amount of bid) for the payment of which sum, well and truly to be made, we jointly and severally bind ourselves, our heirs, executors, administrators, successors, and assigns firmly by these presents.

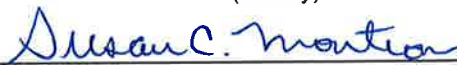
WHEREAS, said Principal has submitted a Bid to said Owner to perform the Work required under the bidding schedule(s) of the Owner's Contract Documents entitled "A.S.P Plant Water Pipeline Replacement Project".

NOW THEREFORE, if said Principal is awarded a contract by said Owner and, within the time and in the manner required in the "Notice Inviting Bids" and the "Instructions to Bidders" enters into a written Agreement on the form of agreement bound with said Contract Documents, furnishes the required certificates of insurance, and furnishes the required Performance Bond and Payment Bond, and performs in all other respects the agreement created by this bid, then this obligation shall be null and void, otherwise it shall remain in full force and effect. The Surety stipulates and agrees that the obligation of said Surety shall in no way be impaired or effected by an extension of the time within which the Owner may accept such bid and Surety further waives notice of any such extension. In the event suit is brought upon this bond by said Owner and Owner prevails, said Principal and Surety shall pay all costs incurred by said Owner in such suit, including reasonable attorney's fees and costs to be fixed by the court.

SIGNED AND SEALED, this day of March 10, of 2022

The Van Dyke Corporation  
(Principal)  
By:   
(Signature)

David Van Dyke, President

(SEAL) Western Surety Company  
(Surety)  
By:   
(Signature)

Susan C. Monteon, Attorney-in-Fact

(SEAL AND NOTARIAL ACKNOWLEDGEMENT OF SURETY)

# CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

County of Riverside }

On March 10, 2022 before me, Janelle L. Tuominen, Notary Public,  
Date Insert Name of Notary exactly as it appears on the official seal

personally appeared Susan C. Monteon  
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

Witness my hand and official seal.

Signature Janelle L. Tuominen  
Signature of Notary Public



Place Notary Seal Above

## OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of the form to another document.

### Description of Attached Document

Title or Type of Document: \_\_\_\_\_

Document Date: \_\_\_\_\_ Number of Pages: \_\_\_\_\_

Signer(s) Other Than Named Above: \_\_\_\_\_

### Capacity(ies) Claimed by Signer(s)

Signer's Name: \_\_\_\_\_

- Individual
- Corporate Officer — Title(s): \_\_\_\_\_
- Partner  Limited  General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: \_\_\_\_\_



Signer is Representing: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Signer's Name: \_\_\_\_\_

- Individual
- Corporate Officer — Title(s): \_\_\_\_\_
- Partner  Limited  General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: \_\_\_\_\_



Signer is Representing: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

# Western Surety Company

## POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

Know All Men By These Presents, That WESTERN SURETY COMPANY, a South Dakota corporation, is a duly organized and existing corporation having its principal office in the City of Sioux Falls, and State of South Dakota, and that it does by virtue of the signature and seal herein affixed hereby make, constitute and appoint

**Susan C Monteon, Janelle L Tuominen, Individually**

of Riverside, CA, its true and lawful Attorney(s)-in-Fact with full power and authority hereby conferred to sign, seal and execute for and on its behalf bonds, undertakings and other obligatory instruments of similar nature

**- In Unlimited Amounts -**

and to bind it thereby as fully and to the same extent as if such instruments were signed by a duly authorized officer of the corporation and all the acts of said Attorney, pursuant to the authority hereby given, are hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the By-Law printed on the reverse hereof, duly adopted, as indicated, by the shareholders of the corporation.

In Witness Whereof, WESTERN SURETY COMPANY has caused these presents to be signed by its Vice President and its corporate seal to be hereto affixed on this 24th day of June, 2021.



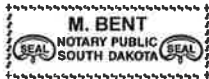
WESTERN SURETY COMPANY

Paul T. Bruflat  
Paul T. Bruflat, Vice President

State of South Dakota }  
County of Minnehaha } ss

On this 24th day of June, 2021, before me personally came Paul T. Bruflat, to me known, who, being by me duly sworn, did depose and say: that he resides in the City of Sioux Falls, State of South Dakota; that he is the Vice President of WESTERN SURETY COMPANY described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed pursuant to authority given by the Board of Directors of said corporation and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said corporation.

My commission expires  
March 2, 2026



M. Bent  
M. Bent, Notary Public

### CERTIFICATE

I, L. Nelson, Assistant Secretary of WESTERN SURETY COMPANY do hereby certify that the Power of Attorney hereinabove set forth is still in force, and further certify that the By-Law of the corporation printed on the reverse hereof is still in force. In testimony whereof I have hereunto subscribed my name and affixed the seal of the said corporation this 10th day of March, 2022.



WESTERN SURETY COMPANY

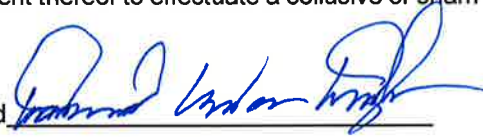
L. Nelson  
L. Nelson, Assistant Secretary

Form F4280-7-2012

NON-COLLUSION AFFIDAVIT

State of California )  
 ) ss.  
County of San Bernardino

David Van Dyke being first duly sworn, deposes and says that he or she is of the party making the foregoing bid that the bid is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization or corporation; that the bid is genuine and not collusive or sham; that the bidder has not directly or indirectly induced or solicited any other bidder to put in a false or sham bid, and has not directly or indirectly colluded, conspired, connived, or agreed with any bidder or anyone else to put in a sham bid, or that anyone shall refrain from bidding; that the bidder has not in any manner, directly or indirectly, sought by agreement, communication, or a conference with anyone to fix the bid price of the bidder or of any other bidder, or to fix any overhead, profit or cost element of the bid price, or of that of any other bidder, or to secure any advantage against the public body awarding the contract of anyone interested in the proposed contract; that all statements contained in the bid are true; and, further, that the bidder has not, directly or indirectly, submitted his or her bid price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, or paid, and will not pay, any fee to any corporation, partnership, company, association, organization, bid depository, or to any member or agent thereof to effectuate a collusive or sham bid.

Signed   
Title: President

Subscribed and sworn to before me this 14th day of March, 20 22

Seal of Notary \* See attached for California notary Jurat \*  
Notary Public



# JURAT

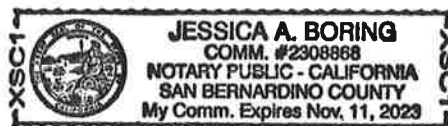
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of San Bernardino

Subscribed and sworn to (or affirmed) before me on this 14<sup>th</sup> day of March, 2022 by David Van Dyke

proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.



Jessica A Boring  
Signature (Seal)

## OPTIONAL INFORMATION

### DESCRIPTION OF THE ATTACHED DOCUMENT

Non Collusion

(Title or description of attached document)

Affidavit

(Title or description of attached document continued)

Number of Pages 1 Document Date 3/14/22

Additional information

## INSTRUCTIONS

The wording of all Jurats completed in California after January 1, 2015 must be in the form as set forth within this Jurat. There are no exceptions. If a Jurat to be completed does not follow this form, the notary must correct the verbiage by using a jurat stamp containing the correct wording or attaching a separate jurat form such as this one which does contain the proper wording. In addition, the notary must require an oath or affirmation from the document signer regarding the truthfulness of the contents of the document. The document must be signed AFTER the oath or affirmation. If the document was previously signed, it must be re-signed in front of the notary public during the jurat process.

- State and county information must be the state and county where the document signer(s) personally appeared before the notary public.
- Date of notarization must be the date the signer(s) personally appeared which must also be the same date the jurat process is completed.
- Print the name(s) of the document signer(s) who personally appear at the time of notarization.
- Signature of the notary public must match the signature on file with the office of the county clerk.
- The notary seal impression must be clear and photographically reproducible. Impression must not cover text or lines. If seal impression smudges, re-seal if a sufficient area permits, otherwise complete a different jurat form.
  - ❖ Additional information is not required but could help to ensure this jurat is not misused or attached to a different document.
  - ❖ Indicate title or type of attached document, number of pages and date.
- Securely attach this document to the signed document with a staple.



March 7, 2022

**Owner:** Valley Sanitary District  
45500 Van Buren Street  
Indio, CA 92201

**Prepared by:** Justin Scheidel  
Project Manager

**Project:** A.S.P Plant Water Pipeline Replacement Project

**Addendum No. 1: Addendum to Construction Documents**

The following changes are hereby officially incorporated into the Drawings and Specifications:

**Bidder Clarifications**

1. Progress payment retention shall be 5% for this project.
2. The engineer's opinion of probable cost for this project is \$86,000.

**Drawings**

1. N/A

**Specifications**

1. The VSD General Manager's signature has been added to the cover page of the contract documents.
2. The project title is incorrectly referred to as the 'Sanitary Sewer Pipe Cleaning and Inspection' on page 22, 24 and 30 of the specifications. The project title is 'A.S.P Plant Water Pipeline Replacement Project'. Please see revised contract document forms attached.

**Attachments**

1. Revised Contract Documents.
2. Pre-Bid Meeting Sign-in Sheet

**BIDDER ACKNOWLEDGEMENT**

*This form to be submitted by the bidder with his sealed bid.*

**Owner:** Valley Sanitary District  
45500 Van Buren Street  
Indio, CA 92201

**Project:** A.S.P Plant Water Pipeline Replacement Project

**ADDENDUM No. 1: Addendum to Construction Documents**

I David Van Dyke (print name), a legal representative of the undersigned company, hereby acknowledge receipt of the subject Addendum consisting of eight (8) pages inclusive of attachments.



Signature

Mar 16, 2022

Date

The Van Dyke Corporation

Company

**David Van Dyke**  
77828 Indian Trail  
29 Palms, CA 92277  
(760)275-5992

**PERSONAL DATA**

100% Owner of The Van Dyke Corporation, 29 Palms, CA 92277

**REFERENCES**

Mark Temple – JF Temple Dev.	707 East Taquitz Canyon Way, Suite 23, Palm Springs, CA 92262 (760) 323-5310
Chase Stallings – Core & Main	82-314 Market, Indio, CA 92201 (760) 347-0811 office (760) 889-7341 cell
Richard Cobalis	92033 29 Palms Hwy. 29 Palms, CA 92277 (760)367-6104
Bill Dunning – RQ Construction	3194 Lionshead Avenue, Carlsbad, CA 92010 (760) 631-7707 office (619) 415-6274 cell

**WORK EXPERIENCE**

From July 2002 to present I have supervised and been ultimately responsible for the completion of an average 10 projects per year, ranging from \$20,000.00 to \$5,000,000.00, a few are detailed below.

Apr 2020 - Current	Owner:	FEAD NAVFAC Southwest PO Box 6013, Building 1138T1 MCAGCC Twentynine Palms, CA 92278-8013
	Contractor:	Frawner Corporation 8123 Hartzell Road Anchorage, AK 99507
	Project:	Repair Zone I (3 <sup>rd</sup> Street) HTHW (\$1,116,629.24)
	Description:	Project includes demo and reconstruction of concrete tunnels, installation of HTHW anchor and piping. Also included cast in place concrete vaults.
Mar 2021 - Sept 2021	Owner:	Mission Springs Water District 66575 2 <sup>nd</sup> Street Desert Hot Springs, CA 92240
	Contractor:	The Van Dyke Corporation 6797 Adobe Road 29 Palms, CA 92277
	Project:	Desert Willows Water Line Replacement (\$1,485,288.43)
	Description:	Ultimately responsible for organization of the construction team to build project, including bidding, award, project manager, and safety personnel. Project includes installation of 8,223lf of 8” DIP water main with appurtenances, 153 service laterals, 19 fire hydrants and replacement of asphalt.
Jan 2020 - Aug 2021	Owner:	City of Twentynine Palms 6136 Adobe Road 29 Palms, CA 92277

	Contractor:	The Van Dyke Corporation 6797 Adobe Road 29 Palms, CA 92277
	Project:	Project Phoenix – Sewer and Water Improvements (\$930,157.78)
	Description:	Ultimately responsible for organization of the construction team to build project, including bidding, award, project manager, and safety personnel. Project includes 6", 8" and 10" water main installation with appurtenances, fire hydrants, backflow prevention and relocation of existing meters. Installation of 8" and 12" sewer main with manholes and laterals and connection of existing sewers laterals to new public system. Also, includes installation of 8000 gallon concrete septic tank with seepage pits and sewer main.
Apr 2021 - Jun 2021	Owner:	Coachella Valley Water District PO Box 1058 Coachella, CA 92236
	Contractor:	The Van Dyke Corporation 6797 Adobe Road 29 Palms, CA 92277
	Project:	Water Reclamation Plant No. 4 Process Optimization (\$748,880.67)
	Description:	Ultimately responsible for organization of the construction team to build project, including bidding, award, project manager, and safety personnel. Project includes installation of 12 new Reliant Water Technologies' Lagoon Master blower assemblies, aerators and all appurtenances along with conduit and modifications to the existing motor control center.
April 2019 - Jul 2020	Owner:	Coachella Valley Water District PO Box 1058 Coachella, CA 92236
	Contractor:	The Van Dyke Corporation 6797 Adobe Road 29 Palms, CA 92277
	Project:	Salton Sea Communities Water Main Replacement Project Phase 1 & Primrose Lane Water Main Replacement (\$1,975,918.13)
	Description:	Ultimately responsible for organization of the construction team to build project, including bidding, award, project manager, and safety personnel. Project includes 1,976 lf of 12" DIP with boring under Hwy 86 at 4 separate locations with 12" pressure regulating stations, 1,295 lf of 8" DIP and appurtenances. Also includes abandonment of existing concrete pipe.
Feb 2020 - Jun 2020	Owner:	CLK, Inc. 72295 Manufacturing Road Thousand Palms, CA 92276
	Contractor:	The Van Dyke Corporation 6797 Adobe Road 29 Palms, CA 92277
	Project:	Carl's Jr Parking Lot (\$178,010.00)
	Description:	Project includes demo of existing fence, tables, trash enclosure, asphalt, concrete flatwork and concrete curb. Installation of new asphalt, signage and striping. Also, includes installation of new concrete curbs, flatwork/sidewalks, drive thru lane with ADA parking section, dumpster pads and driveway approach with curbs.
Sept 2019 - May 2020	Owner:	Avalon 1150, LLC 500 Boylston Street, Suite 2010 Boston, MA 02116

	<b>Contractor:</b>	Orr Builders 39-301 Badger Street, Suite 300 Palm Desert, CA 92211
	<b>Project:</b>	Miralon Amenity Center (\$504,640.00)
	<b>Description:</b>	Installation of on site wet utilities including, sewer, fire water, domestic water and storm drain including concrete catch basins and Maxwell Plus Drywell Systems.
Oct 2018 - Jul 2020	<b>Owner:</b>	FEAD NAVFAC Southwest PO Box 6013, Building 1138T1 MCAGCC Twentynine Palms, CA 92278-8013
	<b>Contractor:</b>	The Haskell Company 111 Riverside Avenue Jacksonville, FL 32202
	<b>Project:</b>	Temporary Lodging Facility NAFBA1-12-D-006 (\$1,448,700.00)
	<b>Description:</b>	Project includes demo of misc concrete/footing and utilities at old bldg pad, clear/grub and grade for new bldg pad, compact and finish grading, install sewer main and manholes and connect to existing, install storm drain piping and catch basins and connect to existing, install water line to include meters, backflows and fire hydrants and connect to existing, finally install MDPE gas main with meter and connection to existing. Installation of concrete flatwork, sidewalks and curbs. Installation of Class II Base and asphalt. Also includes erosion control during project.
Oct 2018 - Sept 2019	<b>Owner:</b>	FEAD NAVFAC Southwest PO Box 6013, Building 1138T1 MCAGCC Twentynine Palms, CA 92278-8013
	<b>Contractor:</b>	Moss and Associates, LLC 100 Wonsan Drive Oceanside, CA 92058
	<b>Project:</b>	CPQH-CapEX FY18 Phase III – New Units (\$501,201.00)
	<b>Description:</b>	Project included demo of asphalt, concrete, sewer line, trees, etc., over excavate, compact and finish grade for 4 new housing pads including driveways. Installation of site water, sewer, gas, dry utility connections and asphalt. Also includes demo of shade structure and installation of shut off valves.
Oct 2018 - Oct 2018	<b>Owner:</b>	FEAD NAVFAC Southwest PO Box 6013, Building 1138T1 MCAGCC Twentynine Palms, CA 92278-8013
	<b>Contractor:</b>	DBR General Engineering 777 West Vista Way, Suite 202 Vista, CA 92083
	<b>Project:</b>	Bldg 1450 and Bldg 1602 Sidewalks, Stairs and Handrails (\$63,564.00)
	<b>Description:</b>	Project included removing and replacing concrete stairs at Bldg 1450. Install new railings at Bldg 1602.
Sept 2018 - Oct 2018	<b>Owner:</b>	FEAD NAVFAC Southwest PO Box 6013, Building 1138T1 MCAGCC

Twentynine Palms, CA 92278-8013

Contractor: DBR General Engineering  
777 West Vista Way, Suite 202  
Vista, CA 92083

Project: Construct Stairs and Handrails Bldg 1880 (\$69,000.00)

Description: Project included installation of new concrete stairs with railings.

Sept 2018 -  
Sept 2018

Owner: FEAD NAVFAC Southwest  
PO Box 6013, Building 1138T1  
MCAGCC  
Twentynine Palms, CA 92278-8013

Contractor: DBR General Engineering  
777 West Vista Way, Suite 202  
Vista, CA 92083

Project: Repair Sidewalks Bldg 1620, Bldg 1640 and Bldg 1642 (\$144,282.00)

Description: Project included removing existing sidewalk and replace with concrete stairs at Bldg 1620 and 1640. At Bldg 1642 installation of new 24" storm drain pipe, extend CMU wall with footing, install new CMU headwalls at end of pipe culvert and install new concrete stairs with railings.

Jan 2018 -  
Sept 2018

Owner: City of Victorville  
14343 Civic Center Drive  
Victorville, CA 92392

Contractor: The Van Dyke Corporation  
6797 Adobe Road  
29 Palms, CA 92277

Project: Small Diameter Pipeline Replacement SD-09 (\$2,374,088.00)

Description: Ultimately responsible for organization of the construction team to build project, including bidding, award, project manager, and safety personnel. Project includes installation of 32,046lf of 8" water main, 46 fire hydrants, 385 each of 1" service lines and connect to the existing water meter to include all appurtenances. Boring under the road required for services, subcontractor hired and supervised by The Van Dyke Corporation.

Dec 2017 -  
Jun 2018

Owner: United States Dept of the Interior / National Park Service  
PO Box 579  
Death Valley, CA 92328

Contractor: Copper Mountain Services  
2956 Bad Guys Lane  
29 Palms, CA 92277

Project: Rehab SPW Wastewater Collection System P17PC00592 (\$1,319,877.40)

Description: Ultimately responsible for organization of the construction team to build project, including bidding and project manager for all of The Van Dyke Corporation's portion of work. Project to rehab the sewer for Stovepipe Wells Community in Death Valley National Park. To include the install of sewer piping and manholes. Sewer bypass required during installation of pipeline and manholes. Also, included boring under Hwy 190 (boring completed by another contractor). This project required working closing with the prime contractor for all planning and project management.

Mar 2017 -  
Jun 2017

Owner: Coachella Valley Water District  
PO Box 1058  
Coachella, CA 92236

	Contractor:	The Van Dyke Corporation 6797 Adobe Road 29 Palms, CA 92277
	Project:	Avenue 60 – Harrison 0.5 Drain Replacement, Spec 2016-22 (\$1,324,396.00)
	Description:	Ultimately responsible for organization of the construction team to build project, including bidding, award, project manager, and safety personnel. Project included dewatering of entire project area, installing 2,586lf of 24” HDPE and 5,610lf of 18” HDPE drainage pipe, installation of manholes and abandonment of old concrete drain pipe.
Feb 2017 - Apr 2017	Owner:	City of Twentynine Palms 6136 Adobe Road 29 Palms, CA 92277
	Contractor:	The Van Dyke Corporation 6797 Adobe Road 29 Palms, CA 92277
	Project:	El Sol Curb & Gutter Phase 1 (\$109,302.75)
	Description:	Project included installation of curb and gutter at Knott Sky Park down the street of El Sol to include asphalt replacement.
Jan 2016 - Jun 2017	Owner:	FEAD NAVFAC Southwest PO Box 6013, Building 1138T1 MCAGCC Twentynine Palms, CA 92278-8013
	Contractor:	RQ Berg JV 3194 Lionshead Avenue Carlsbad, CA 92010
	Project:	P159 Camp Wilson Infrastructure Upgrades N62473-10-D-5482 D.O. 0009 (\$3,381,771.94)
	Description:	Ultimately responsible for organization of the construction team to build project, including bidding, award, project manager, and safety personnel. Project included 8,000 lf of 8” sewer main with manholes and laterals and connection to existing main. 9,000 lf of 8” and 12” water main with hydrants, services, vaults, pumping station and 1 million gal tank piping. 2,500 lf of gas pipe and installation of latrines and shower piping and appurtenances.
Dec 2015 - Aug 2016	Owner:	Twentynine Palms Water District 72401 Hatch Road 29 Palms, CA 92277
	Contractor:	The Van Dyke Corporation 6797 Adobe Road 29 Palms, CA 92277
	Project:	Fluoride Removal Water Treatment Plant Pond No. 3 (\$1,106,875.90)
	Description:	Ultimately responsible for organization of the construction team to build project, including bidding, award, project manager, and safety personnel. Project included grading and installation of HDPE lining for a 6 acre evaporation pond. Also included installation of manholes and piping.
Oct 2015 - Nov 2015	Owner:	FEAD NAVFAC Southwest PO Box 6013, Building 1138T1 MCAGCC



Twentynine Palms, CA 92278-8013

Contractor: DBR General Engineering  
777 West Vista Way, Suite 202  
Vista, CA 92083

Project: Renovate Bldg 1814 (\$11,050.00)

Description: Project included installing 2" MDPE gas pipe and tee into existing line. Also includes installing gas meter and regulator, with meter riser at pipe bollards.

Sept 2015 -  
Oct 2015

Owner: FEAD NAVFAC Southwest  
PO Box 6013, Building 1138T1  
MCAGCC  
Twentynine Palms, CA 92278-8013

Contractor: Command Performance Construction  
3346 Olive Ave  
Signal Hill, CA 90755

Project: Install 2" Copper Line @ Hospital (\$13,895.00)

Description: Project included installing 2" gas service line and connect to existing 4" line with gate valve, ball valve and riser.

Dec 2013 -  
Feb 2015

Owner: City of Holtville  
121 West 5th Street  
Holtville, CA 92250

Contractor: The Van Dyke Corporation  
6797 Adobe Road  
29 Palms, CA 92277

Project: Wastewater Outfall Pipeline & Residential Wastewater Collection System Pipelines (\$5,274,734.67)

Description: Ultimately responsible for organization of the construction team to build project, including bidding award, project manager and safety personnel. Project included 21,000lf of 18" sewer main replacement pipeline and laterals in addition to connecting to wastewater treatment plant, while keeping the current system in operation. Also included grading, asphalt and manholes.

Oct 2014

Owner: FEAD NAVFAC Southwest  
PO Box 6013, Building 1138T1  
MCAGCC  
Twentynine Palms, CA 92278-8013

Contractor: Menco Pacific  
336 State Place  
Escondido, CA 92029

Project: Install Gas Line at Bldg 5419 (\$12,914.30)

Description: Project included running new gas service line to building and connect to building and set meter.

Oct 2012 -  
Oct 2013

Owner: Joshua Basin Water District  
61750 Chollita Road  
Joshua Tree, CA 92252

Contractor: The Van Dyke Corporation  
6797 Adobe Road  
29 Palms, CA 92277

	<b>Project:</b>	Joshua Basin Treatment Plant No. 1 (\$2,191,448.50)
	<b>Description:</b>	Project included grading, over 2,200lf of 8" SDR sewer mainline, manholes and 6 service laterals, water mainline including fire hydrants, backflow preventers, point of connection to existing water mains. Also, includes structural concrete, mechanical piping and controls, and all phases of construction including site supervision and contract quality control.
Jan 2012 - Sept 2013	<b>Owner:</b>	ROICC NAVFAC Southwest PO Box 6013, Building 1138T1 MCAGCC Twentynine Palms, CA 92278-8013
	<b>Contractor:</b>	Straub Martin~Harris, a Joint Venture 202 W College Street, Ste 201 Fallbrook, CA 92028
	<b>Project:</b>	Quality of Life – Package 4 (\$931,628)
	<b>Description:</b>	Ultimately responsible for organization of the construction team to build project, including bidding award, project managers, quality control and safety personnel for installation of HTHW.
Feb 2011 - Mar 2013	<b>Owner:</b>	ROICC NAVFAC Southwest PO Box 6013, Building 1138T1 MCAGCC Twentynine Palms, CA 92278-8013
	<b>Contractor:</b>	Hensel Phelps PO Box 6055 Twentynine Palms, CA 92278
	<b>Project:</b>	North Mainside Infrastructure – Gas Main (\$1,953,863.00)
	<b>Description:</b>	Ultimately responsible for organization of the construction team to build project, including bidding award, project managers, quality control and safety personnel. Project included 3 phases of work. Phase 1 - Install new MDPE gas piping system throughout infrastructure project approximately 11,000 LF. Phase 2 - Install new 8" HDPE high pressure transmission main approximately 24,000 LF. Phase 3 - Install approximately 18,000 LF of MDPE piping at Camp Wilson including valves and pressure reducing station and grading/filling of 100,000cy pond.
Aug 2011 - Apr 2012	<b>Owner:</b>	ROICC NAVFAC Southwest PO Box 6013, Building 1138T1 MCAGCC Twentynine Palms, CA 92278-8013
	<b>Contractor:</b>	EPC Corporation 6615 W. State Avenue, Suite 2 Glendale, AZ 85301
	<b>Project:</b>	Repair Lift Station and Remove Federal Owned Treatment Waste Facility (\$860,991.77)
	<b>Description:</b>	Ultimately responsible for organization of the construction team to build project, including bidding award, project managers, quality control and safety personnel. Project included removed existing concrete slopes and structures from existing evaporation ponds. Filled existing evaporation ponds with native soils. Installed two (2) 80,000gal overflow tanks at sewer lift station, including new pumps, piping, flow meters, manholes, etc.

Dec 2009 - Dec 2011	Owner:	ROICC NAVFAC Southwest PO Box 6013, Building 1138T1 MCAGCC Twentynine Palms, CA 92278-8013
	Contractor:	Straub Martin Harris, a Joint Venture 202 West College Street, Suite 201 Fallbrook, CA 92028
	Project:	BEQ & Parking Structure (\$1,445,976.00)
	Description:	Ultimately responsible for organization of the construction team to build project, including bidding award, project managers, quality control and safety personnel. Project included installation of all sewer, water and storm drain on this project. Including manholes, concrete structures, fire hydrants and appurtenances.
Nov 2008 - Sept 2010	Owner:	ROICC NAVFAC Southwest PO Box 6013, Building 1138T1 MCAGCC Twentynine Palms, CA 92278-8013
	Contractor:	Straub Construction 202 West College Street, Suite 201 Fallbrook, CA 92028
	Project:	P710 Site Prep and Interim Facilities (\$1,402,691.93)
	Description:	Ultimately responsible for organization of the construction team to build project, including bidding award, project managers, quality control and safety personnel. Installed approximately 9,000 LF of 8" sewer and 6" & 8" 7,000 LF of water mains to 13 separate newly developed military unit facilities. This was a design and build project, all piping was done within existing roadways at main side marine base.
Jul 2009 - Mar 2010	Owner:	ROICC NAVFAC Southwest PO Box 6013, Building 1138T1 MCAGCC Twentynine Palms, CA 92278-8013
	Contractor:	EPC Corporation 6615 W. State Avenue, Suite 2 Glendale, AZ 85301
	Project:	Repair 20" Water Transmission Main (\$2,802,861.00)
	Description:	Ultimately responsible for organization of the construction team to build project. Includes bidding award, project managers, quality control and safety personnel. Also, accountable for the development of the construction crew to install approximately 32,000 lf of 20" water main with FHA, air vacs and asphalt placement. Project also included boring under taxiway and runway.
Feb 2009 - May 2010	Owner:	ROICC NAVFAC Southwest PO Box 6013, Building 1138T1 MCAGCC Twentynine Palms, CA 92278-8013
	Contractor:	EPC Corporation 6615 W. State Avenue, Suite 2 Glendale, AZ 85301
	Project:	Repair Oil Water Separator (\$1,856,486.00)

	Description:	Ultimately responsible for organization of the construction team to build project. Includes bidding award, project managers, quality control and safety personnel. Also, accountable for the development of the construction crew to rehab / remodel various Oil Water Separators (OWS) aboard the MCAGCC. Work included new concrete OWS structures, new concrete barrier walls, oil storage tank, oil skimmer units, oil separator coalescing packs, electrical and piping systems.
Dec 2008 - Jun 2011	Owner:	ROICC NAVFAC Southwest PO Box 6013, Building 1138T1 MCAGCC Twentynine Palms, CA 92278-8013
	Contractor:	Candelaria Corporation 6615 W. State Avenue, Suite 10B Glendale, AZ 85301
	Project:	Repair Wash Racks 10 <sup>th</sup> and 11 <sup>th</sup> Street (\$1,311,600.00)
	Description:	Ultimately responsible for organization of the construction team to build project. Includes bidding award, project managers, quality control and safety personnel. Also, accountable for the development of the construction crew to rehab existing tactical vehicle wash racks to include installation of trench drains with wash down piping, 8 new turbine pumping systems, hot water high pressure washing systems.
Mar 2007 - Nov 2007	Owner:	ROICC NAVFAC Southwest PO Box 6013, Building 1138T1 MCAGCC Twentynine Palms, CA 92278-8013
	Contractor:	EPC Corporation 6615 W. State Avenue, Suite 2 Glendale, AZ 85301
	Project:	Camp Wilson Wastewater Treatment Facility (\$1,448,234.00)
	Description:	Ultimately responsible for the construction and contract quality control supervision to install approximately 30,000 LF of 8" HDPE force sewer main, including sewer lift station, pump and controls.
Dec 2006 - Jul 2007	Owner:	Joshua Basin Water District 61750 Chollita Road Joshua Tree, CA 92252
	Project:	H-Zone Pipeline Replacement (\$1,694,803.62)
	Description:	Installed approximately 29,000 LF of water main including FHA, air vacs, house services and asphalt road replacement.
Oct 2006 - Mar 2008	Owner:	ROICC NAVFAC Southwest PO Box 6013, Building 1138T1 MCAGCC Twentynine Palms, CA 92278-8013
	Contractor:	EPC Corporation 6615 W. State Avenue, Suite 2 Glendale, AZ 85301
	Project:	Repair Sewer Mains between Adobe Flats and 2 <sup>nd</sup> Street (\$1,857,525.00)
	Description:	Ultimately responsible for the construction and contract quality control supervision to replace sewer mains in various locations at the 29 Palms MCAGCC. Job included temporary sewer lift stations.

2006	Owner:	Golf Center Business Park, LLC 74133 El Paseo, Suite 9 Palm Desert, CA 92260
	Contractor:	George Martinvoich Jr., dba Marvest 42-208 Washington Street, PMB 153 Bermuda Dunes, CA 92203 (760) 275-3278 / Jay
	Project:	Golf Center Business Park (\$503,000.00)
	Description:	Sewer, water and storm drain on an industrial park.
2005	Owner	Van Buren Partners II, LLC 50855 Washington St. #204 La Quinta, CA 92253 (760) 398-7702
	Contractor:	Harper Development/Forte Residential Inc. 77-682 Country Club Drive, Suite B Palm Desert, CA 92211 (760) 345-8777
	Project:	Valencia – Van Buren Tract # 31698 (\$680,909.00)
	Description:	Sewer, water and storm drain on a 108 unit housing tract.
2005	Owner:	54 <sup>th</sup> Street, LLC 610 S. Belardo Road, Suite 1200 Palm Springs, CA 92264 (760) 323-5310
	Contractor:	JVLM Investments Inc. 610 S. Belardo Road, Suite 1200 Palm Springs, CA 92264
	Project:	Bellissima Tract # 31978-2 (\$467,000.00)
	Description:	Sewer, water and storm drain on a 49 unit housing tract.

The following is a compilation of work performed under the leadership of David Van Dyke. Who has been in the construction field for 30 years, with most experience in the Plumbing, Pipeline and Air Conditioning fields? Licensed by the State of California to perform Plumbing, Sewage Disposal Systems, HVAC Pipeline and Engineering projects. Certificate U.S.A.C.E. of Construction Quality Control Management for Contractors. My duties in the below mentioned projects included bidding jobs, securing and equitable contract, ordering materials, setting up jobsite accounts, set in motion the paperwork mill for project submittals, oversee all phases of construction, billing and project closeout.

Sept - 04 March-05	Owner	Department of the Navy Marine Corps Air Ground Combat Center 29 Palms, CA 92278 (760) 830-7337 Eng. Tech /Rex Hughes (760)830-7434
	Contractor:	Bestek Engineering 12517 Crenshaw Blvd. Hawthorne, CA 90250 (310) 355-1995/ Kevin Jung
	Project:	Repair Sewer Lift Station 04-C-7705 (\$891,280.00)
	Description:	Remove and repair 9 sewer lift stations , install new pumps, replaced old generators with new natural gas generators.

May-04 July-04	Owner	Joshua Basin Water District 61750 Chollito Road Joshua Tree, CA 92252 District Eng./ Martha Ostrander (760)366-8438
	Contractor:	The Van Dyke Corporation 6797 Adobe Road 29 Palms, CA 92277
	Project:	Copper Mountain College Pipeline (\$496,149.08)
	Description:	Responsible for securing an equitable contract, submittals, construction schedules, ordering materials, over seeing all phases of construction of approximately 16,000 LF of 12" & 16" C-900 class 150 pipeline, fire hydrants assemblies, meter services, blow-off devices, pipeline abandonment's and asphalt replacement.
Nov-03 July-04	Owner	Department of the Navy Marine Corps Air Ground Combat Center 29 Palms, CA 92278 (760) 830-7337 Eng. Tech /Wil Hudgins (760)830-7407
	Contractor:	Young Construction 10160 Sonnet Street Stanton, CA 90680 (714) 827-5541
	Project:	Replace Potable Water Mainlines Housing (\$1,523,000.00)
	Description:	Subcontractor, provided Contract Quality Control & Project Management to install new water mains approximately 17,000 LF 6" through 12", supervised & managed all phases of construction & general requirements Responsible for submittals, job construction schedules, ordering of materials also for administration of change orders & close out submittals, final inspections & bring the project to closure.
Oct -.03 Jan . 05	Owner	Coury Enterprises Inc. 22011 Ventura Blvd. Woodland Hills, CA 91364 Emery Comford (818) 888-0730
	Contractor:	The Van Dyke Corporation 6797 Adobe Road 29 Palms, CA 92277
	Project:	Heritage Park in Cathedral City (\$ 414,875.09)
	Description:	Install water, sewer, and storm drain for senior apartments
April -03 June -03	Owner	J.F. Temple Development 707 E. Tahquitz Canyon Way Ste.#23 Palm Springs, CA 92262 Dennis Martin (760) 323-5310
	Contractor:	The Van Dyke Corporation 6797 Adobe Road 29 Palms, CA 92277
	Project:	Canyon Gate Tract #30454 635 S. Belardo Rd. Palm Springs (\$344,778.80)

Description: Install water, sewer & storm drain on 32 unit housing tract #30454

Jan -03  
March-03 Owner: Joshua Basin Water District  
61750 Chollito Road  
Joshua Tree, CA 92252 (760)366-8438 / Terry Lyons

Contractor: The Van Dyke Corporation  
6797 Adobe Road  
29 Palms, CA 92277

Project: Rockwood Pipeline Project (\$43,336.60)

Description: Install new 8" transmission water main

Dec.-02  
March-03 Owner: Tahiti Partners IV, LLC  
5305 E. Second St. Ste#204  
Long Beach, CA 90803  
Geoffrey Payne (562) 433-5975

Contractor: The Van Dyke Corporation  
6797 Adobe Road  
29 Palms, CA 92277

Project: Calico Glen Court Tract #29787 –Bermuda Dunes, CA (\$84,154.50)

Description: Install Water, Sewer and Storm Drain on 21 Unit Housing Tract #29787.

Oct-01-  
July 02 Owner: Department of the Navy  
Marine Corps Air Ground Combat Center  
29 Palms, CA 92278 (760) 830-7337  
Eng. Tech /Rex Hughes (760)830-7434

Contractor: Young Construction  
10160 Sonnet Street  
Stanton, CA 90680 (714) 827-5541

Project: Replace Potable Water Main Adobe to 2<sup>nd</sup> (\$1,185,045.00)

Description: Subcontractor, provided Contract Quality Control & Project Management to install new water mains approximately 17,000 LF 6" through 12", supervised & managed all phases of construction & general requirements Responsible for submittals, job construction schedules, ordering of materials also for administration of change orders & close out submittals, final inspections & bring the project to closure.

July 01-Sept. 01 Owner: Arrowbear Park County Water District  
P.O. Box 4045  
Arrowbear Lake, CA 92382  
General Mgr. Mike Scullin (909)867-2704

Contractor: The Van Dyke Corporation  
6797 Adobe Road  
29 Palms, CA 92277

Project: Arrowbear Park County Priority 1 Pipeline (\$142,474.80)

Description: Responsible for securing an equitable contract, submittals, construction schedules, ordering materials, over seeing all phases of construction of approximately 2000 LF of 8" C-900 class 200 pipeline, fire hydrants assemblies, meter services, pipeline abandonment's and asphalt replacement.

June 01–Aug. 01 Owner: Department of the Navy

Marine Corps Air Ground Combat Center  
29 Palms, CA 92278 (760) 830-7337  
Eng. Tech/Dave La Francesca (760)830-7409

Contractor: The Van Dyke Corporation  
6797 Adobe Road  
29 Palms, CA 92277

Project: Replace Rooftop Coolers, Bldg. #1825 (\$94,128.00)

Description: Ultimately responsible for the installation of new air conditioning systems, included submittals, construction schedule, ordering submittals, overseeing all phases of construction and project close-out.

Sept 00 – Feb. 01 Owner: Department of the Navy  
Marine Corps Air Ground Combat Center  
29 Palms, CA 92278 (760) 830-7337  
Eng. Tech/Dave La Francesca (760)830-7409

Contractor: The Van Dyke Corporation  
6797 Adobe Road  
29 Palms, CA 92277

Project: Repair Range Waterline (\$177,925.00)

Description: Job superintendent and contract quality control to remove existing pumping stations and install new pump stations including new water storage tanks, hydropneumatic tanks, controls electrical and piping.

Sept 00 -Dec 00 Owner: Department of the Navy  
Marine Corps Air Ground Combat Center  
29 Palms, CA 92278 (760) 830-7337  
Eng. Tech/Rex Hughes (760)830-7434

Contractor: The Van Dyke Corporation  
6797 Adobe Road  
29 Palms, CA 92277

Project: Electrical & Exhaust Upgrade Bldg.#2043 (\$72,370.00)

Description: Ultimately responsible for the installation of vehicle exhaust systems including tapping into existing 14k high voltage, installing pad mounted transformer. Responsible for submittals, job construction schedules, ordering of materials. Responsible for administration & closeout submittals.

Nov 99 - July 2000 Owner: Department of the Navy  
Marine Corps Air Ground Combat Center  
29 Palms, CA 92278 (760) 830-7337  
Eng. Tech/Rex Hughes (760)830-7434

Contractor: James A. Shirley Construction  
7565 Valley Vista  
Yucca Valley, CA 92284 (760)228-0447 /Jim Shirley

Project: Replace Potable Water Mainlines Between 4<sup>th</sup> & 7<sup>th</sup> #99-C-3126 (\$1,084,239.04)

Description: Subcontractor, provided Quality Control & Project Management to install new water mains approximately 17,000 LF 6" through 14", supervised & managed all phases of construction & general requirements. Responsible for submittals, job construction schedules, ordering of materials. Responsible for administration of close out submittals, final inspections & bring the project to closure.



June 99 – Nov 99	<p><b>Owner:</b> Joshua Basin Water District 61750 Chollito Road Joshua Tree, CA 92252 (760)366-8438 / Terry Lyons</p> <p><b>Contractor:</b> The Van Dyke Corporation 6797 Adobe Road 29 Palms, CA 92277</p> <p><b>Project:</b> 1999 Residential Pipeline Replacement, Job #98001(\$247,543.62)</p> <p><b>Description:</b> Responsible for securing an equitable contract, submittals, construction schedules, ordering materials, over seeing all phases of construction of approximately 16,000 LF of 6” through 12” pipeline, fire hydrants assemblies, meter services, pipeline abandonment’s &amp; asphalt replacement.</p>
June 99 – Aug 99	<p><b>Owner:</b> Department of the Navy Marine Corps Air Ground Combat Center 29 Palms, CA 92278 (760)830-7337 Eng.Tech/ Wil Hudgins (760)830-7407</p> <p><b>Contractor:</b> The Van Dyke Corporation 6797 Adobe Road 29 Palms, CA 92277</p> <p><b>Project:</b> Repair Forklift Damage to Cold Storage Bldg. #1103, 98-C-1188 (\$71,476.00)</p> <p><b>Description:</b> Ultimately responsible for the installation of new protective coating system on the exterior of ‘2’ cold storage building &amp; placement of new epoxy flooring pressure injection of epoxy into cracks in concrete tilt-up buildings</p>
Nov 98 - Jan 99	<p><b>Owner:</b> Joshua Tree National Park Service 74485 National Park Drive 29 Palms, CA 92277 (760) 367-5532</p> <p><b>Contractor:</b> The Van Dyke Corporation 6797 Adobe Road 29 Palms, CA 92277</p> <p><b>Project:</b> Replace/Construct Sewage Disposal System #1443-CX-8530-98-016 (\$58,870.00)</p> <p><b>Description:</b> Responsible for securing an equitable contract, submittal, construction schedule, ordering materials, overseeing all phases of construction of a 6000 gallon sewer system, including 6000 gallon concrete septic tank, D-boxes, 6-6’x40’ seepage pits, including all pipe &amp; appurtenances.</p>
Sept-98 - Jan 99	<p><b>Owner:</b> Department of the Navy Marine Corps Air Ground Combat Center 29 Palms, CA 92278 (760)830-7337 Eng. Tech /Kent Johnson (760)890-7411</p> <p><b>Contractor:</b> The Van Dyke Corporation 6797 Adobe Road 29 Palms, CA 92277</p> <p><b>Project:</b> Close Old Navy Well 1 &amp; 2, # 98-C-1122 (\$19,300.00)</p> <p><b>Description:</b> Superintendent, Quality Control &amp; Project Manager, to close ‘2’ existing water wells, included demo of existing well house, video of existing wells, removal of existing casing 20’ below existing grade fill wells with concrete &amp; cap according to San Bernardino County Health Department.</p>

July 98 – Sept 98  
Oct 97- July 98

Owner: Department of the Navy  
Marine Corps Air Ground Combat Center  
29 Palms, CA 92278 (760)830-7337  
Eng. Tech/Rex Hughes (760)830-7434

Contractor: The Van Dyke Corporation  
6797 Adobe Road  
29 Palms, CA 92277

Project: Replace Evaporated Coolers Bldg. #2020 & 2025, #95-C-5853  
(\$249,000.00)

Description: Superintendent, Quality Control and Project Manager, to install new Heating & Cooling Systems on 2 existing commercial buildings. Supervised and managed all phases of construction including demo of existing units, designing and fabricating ductwork and accessories, structural steel, electrical and controls.

OFF SHORE PROJECT

Mar 96 – Apr 97

Owner: Department of the Navy  
525 Laguna Bldg. #632  
NAWS Point Mugu, CA 93042-503 (805)989-8529

Contractor: Eco Air Control  
29 Palms, CA 92277 (760)367-0234 /Michael Shin

Project: Repair Electrical Distribution System Contract #N62474-95-C-4760

Description: Superintendent, Project Manager & Quality Control for construction of 20,000 LF underground conduit, concrete pull vaults, multiple on 4160 volt transformers, 4160 switch gear secondary power to existing buildings.

OFF SHORE PROJECT

Mar 96 – Apr 97

Owner: Department of the Navy  
525 Laguna Bldg. #632  
NAWS Point Mugu, CA 93042-503 (805)989-8529

Project: Construct Radar Site RSP-19 Contract #N62474-95-C-4772

Description: Superintendent, Project Manager & Quality Control for the construction of rough and finish grading concrete forms, installation of rebar & misc. concrete. 7000 LF underground conduit concrete encased, concrete pull vaults, supervision of communication cable installation.

Dec 95 – June 95

Owner: Department of the Navy  
Marine Corps Air Ground Combat Center  
29 Palms, CA 92278 (760)830-7337

Contractor: Commercial Diversified Inc.  
72033 29 Palms Hwy.  
29 Palms, CA 92277 (760)367-6104 / Richard Cobalis

Project: Replace Heating & Cooling Systems #92-C-0100  
Bldgs. #1552, 24, 26, & 30 (\$396,243.00)

Description: Superintendent, Quality Control & Project Manager to install new Heating & Cooling System for two existing chapels. Supervised & Managed all phases of general requirements, submittals, job construction, ordering of second tier contractors. Also responsible of administration of close out submittals, final inspections and bringing the project to closure.

Dec 95 – June 95

Owner: Department of the Navy  
Marine Corps Air Ground Combat Center

29 Palms, CA 92278 (760)830-7337

Contractor: Commercial Diversified Inc.  
72033 29 Palms Hwy.  
29 Palms, CA 92277 (760)367-6104 / Richard Cobalis

Project: Replace Heating & Cooling Systems Contract #N68711-94-C-1261  
Bldgs.#1541 & 42 (\$337,475.00)

Description: Superintendent, Quality Control & Project Manager to Install New Heating & Cooling Systems for two existing chapels. Supervised & Managed all phases of general requirements, submittals, job construction schedules, ordering of materials, manufacturing of duct work and accessories, schedule of second tier contractors. Also responsible of administration of close out submittals, final inspections and bringing the project to closure.

Jan 94 – Nov 95

Owner: Morongo Unified School District  
5715 Utah Trail  
29 Palms, CA 92277 (760)367-9191

Contractor: R.J. Lanthier Co. Inc.  
13053 Poway Road  
Poway, CA 92064 (619)566-9640

Project: Onaga Elementary School Job #8812  
Yucca Valley, CA (\$235,000.00)

Description: Install site drainage system, storm drain system, exterior sewer piping, septic tanks, grease traps & seepage pits. Exterior water distribution system including backflow preventor, fire hydrant assemblies, and fire pipe inlet services.

Aug 93 – Nov 93

Owner: Department of the Navy  
Navel Air Facility Bldg.#504  
El Centro, CA 92243 (619)339-2201

Contractor: Commercial Diversified Inc.  
72033 29 Palms Hwy.  
29 Palms, CA 92277 (760)367-6104 / Richard Cobalis

Project: Install Backflow Preventors Contract #N68711-92-C-1305 (\$90,174.00)

Description: Superintendent, Quality Control & Project Manager for the installation of backflow prevention devises at various Location and various sizes from ¾” to 6”. Approximately 70 backflow preventors installed. My duties included, supervise and manage all phases of construction including general requirements of the specifications, submittal requirements, job construction schedule, ordering of materials, installation of piping systems and accessories. Schedule final testing and inspection for project closeout.

Oct 91 – Apr 92

Owner: Department of the Navy  
Marine Corps Air Ground Combat Center  
29 Palms, CA 92278 (760)830-7337

Contractor: The Van Dyke Corporation  
6797 Adobe Road  
29 Palms, CA 92277

Project: Construct New Gatehouse Contract #N68711-88-B-3722

Description: Demolition and removal of old guard shack, capping off of utilities and piping. Construct New Gatehouse including all phases of construction

from underground utilities, grading concrete work, plumbing, electrical, framing, drywall, stucco, painting, cabinet work, roofing, Also bring job to a timely closure.

Jan 91 – Apr 93

Owner: Department OF the Navy  
Marine Corps Air Ground Combat Center  
29 Palms, CA 92278 (760)830-7337

Contractor: Commercial Diversified Inc.  
72033 29 Palms, Hwy.  
29 Palms, CA 92277 (760)367-6104 /Richard Cobalis

Project: Communication & Electronics Facility (\$235,000.00)  
10<sup>th</sup> Street (MCAGCC)

Description: Install as subcontractor all plumbing, heating ventilation and air conditioning, exterior water distribution, including fire hydrant assemblies, water mains and hot taps to existing utilities systems, installed high temperature hot water piping system.

Mar 89 –Sept 89  
Phase 1  
Apr 91 – Sept 91  
Phase 2

Owner: Twentynine Palms Water District  
72401 Hatch Road  
29 Palms, CA 92277 (760)367-7546 /Chuck Massey

Contractor: The Van Dyke Corporation  
6797 Adobe Road  
29 Palms, CA 92277

Project: Hansen Track Pipeline Replacement Job #833

Description: Install approximately 7 ½ miles of 6” & 8” water distribution mains including all phases of construction. Installing blow down valves, air vac valves, fire hydrant assemblies, house service and road repairs.

0Sept 88 – Dec 88

Owner: Twentynine Palms Water District  
72401 Hatch Road  
29 Palms, CA 92277 (760)367-7546 /Chuck Massey

Contractor: The Van Dyke Corporation  
6797 Adobe Road  
29 Palms, CA 92277

Project: Sullivan Road Pipeline Job #851 (\$104,000.00)

Description: Install 3 ½ miles of 8” water distribution mains including tying into existing and new storage tanks, hooking into existing utility systems, installing fire hydrants, valves ect.

## MEMORANDUM

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**To:** Ron Buchwald, PE – Valley Sanitary District  
**From:** Justin Scheidel, PE – Dudek  
**Subject:** Valley Sanitary District ASP Plant Water Pipeline Replacement Project  
**Date:** March 29<sup>th</sup>, 2022

---

As requested by the Valley Sanitary District (VSD), the following is a recommendation of award to Van Dyke Corporation for the construction of the VSD ASP (Activated Sludge Process) Plant Water Pipeline Replacement Project (Project).

### PROJECT BACKGROUND

To facilitate the approval process, the following is the general description of the project, and bid process. In general, the original project design consisted of:

- Demolition and removal of existing 6” and 8” welded steel ASP plant water piping and associated valves and appurtenances.
- Fabrication and installation of approximately 360-linear feet of 6” ductile iron piping and associated appurtenances.

The bid opening was held at 2:00 P.M. on March 16, 2022. Six (6) bids were received during the bid opening, and the names of the contractors and their total bids are listed below:

Van Dyke Corporation	\$127,000.00
Tharsos, Inc.	\$144,000.00
Cora Constructors, Inc.	\$171,500.00
Vicon Ent.	\$175,000.00
Advanced Construction	\$211,012.00
Genesis Construction	\$271,700.00

The Engineer’s estimate for the project was \$86,000.00. A full item breakdown of the bid results and the Engineer’s estimate is provided as an attachment to this memorandum. The apparent low bidder at bid opening was Van Dyke Corporation at a bid of \$127,000.00

*Memorandum*

*Subject: Valley Sanitary District ASP Plant Water Pipeline Replacement Project*

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## **CONTRACTOR BID PACKAGE CONTENTS**

The contractor submitted the following information as required by the bid documents:

- Signed copy of the single addendum
- General information including correct contractor's classification and license number
- Bidder's Certificate
- Bid Sheet
- Contractor's Experience Statement Form
- Bid Bond
- Non-collusion Declaration

## **CONCLUSION**

After reviewing and confirming the lowest apparent bidder, Van Dyke Corporation, submitted a complete bid package, I recommend them for award of this contract. If you have any questions regarding the information presented in this letter, please feel free to contact me at (760) 479-4102 or [jscheidel@dudek.com](mailto:jscheidel@dudek.com).

Thank you,



Justin Scheidel, PE  
Project Manager  
Dudek



## Contractor's License Detail for License # 565576

**DISCLAIMER: A license status check provides information taken from the CSLB license database. Before relying on this information, you should be aware of the following limitations.**

- ▶ CSLB complaint disclosure is restricted by law (B&P 7124.6) If this entity is subject to public complaint disclosure click on link that will appear below for more information. Click [here](#) for a definition of disclosable actions.
- ▶ Only construction related civil judgments reported to CSLB are disclosed (B&P 7071.17).
- ▶ Arbitrations are not listed unless the contractor fails to comply with the terms.
- ▶ Due to workload, there may be relevant information that has not yet been entered into the board's license database.

Data current as of 4/4/2022 2:03:07 PM

### Business Information

THE VAN DYKE CORPORATION  
6797 ADOBE RD  
29 PALMS, CA 92277  
Business Phone Number:(760) 367-9151

**Entity** Corporation  
**Issue Date** 04/20/1989  
**Expire Date** **04/30/2023**

### License Status

**This license is current and active.**

**All information below should be reviewed.**

### Classifications

- ▶ C20 - WARM-AIR HEATING, VENTILATING AND AIR-CONDITIONING
- ▶ C34 - PIPELINE
- ▶ C36 - PLUMBING
- ▶ A - GENERAL ENGINEERING

### Bonding Information

#### Contractor's Bond

This license filed a Contractor's Bond with [AMERICAN CONTRACTORS INDEMNITY COMPANY](#).

**Bond Number:** SC940880  
**Bond Amount:** \$15,000  
**Effective Date:** 01/01/2016

[Contractor's Bond History](#)

#### Bond of Qualifying Individual

The qualifying individual DAVID GORDON VAN DYKE certified that he/she owns 10 percent or more of the voting stock/membership interest of this company; therefore, the Bond of Qualifying Individual is not required.

**Effective Date:** 04/20/1989

### Workers' Compensation

This license has workers compensation insurance with the [TRAVELERS PROPERTY CASUALTY COMPANY OF AMERICA](#)

**Policy Number:**UB3K220889222SG  
**Effective Date:** 04/01/2022  
**Expire Date:** 04/01/2023

[Workers' Compensation History](#)

## Contractor Information

**Legal Entity Name**

THE VAN DYKE CORPORATION

**Legal Entity Type**

Corporation

**Status**

Expired

**Registration Number**

1000004163

**Registration effective date**

6/14/2018

**Registration expiration date**

6/30/2019

**Mailing Address**

6797 ADOBE ROAD TWENTYNINE PALMS 92277 CA United States ...

**Physical Address**

6797 ADOBE ROAD TWENTYNINE PALMS 92277 CA United States ...

**Email Address****Trade Name/DBA****License Number(s)**

CSLB:565576

## Registration History

Effective Date	Expiration Date
6/14/2018	6/30/2019
5/31/2017	6/30/2018
6/22/2016	6/30/2017
9/23/2015	6/30/2016
12/19/2014	6/30/2015
7/1/2019	6/30/2021
7/1/2021	6/30/2023



## Legal Entity Information

**Corporation Number:**

**Federal Employment Identification Number:**

**President Name:**

DAVID VAN DYKE

**Vice President Name:**

**Treasurer Name:**

PATRICIA VAN DYKE

**Secretary Name:**

DAVID VAN DYKE

**CEO Name:**

DAVID VAN DYKE

**Agent of Service Name:**

DAVID VAN DYKE

**Agent of Service Mailing Address:**

6797 ADOBE ROAD TWENTYNINE PALMS 92277 CA United States of America

## Workers Compensation

**Do you lease employees through  
Professional Employer**

**Organization (PEO)?:**

**Please provide your current  
workers compensation insurance  
information below:**

PEO InformationName	PEO Phone	PEO Email
---------------------	-----------	-----------

Insured by Carrier

**Policy Holder Name:**THE VAN DYKE CORPORATION**Insurance Carrier:**

TRAVELERS PROPERTY CASUALTY COMPANY OF AMERICAP**Policy Number:**DTJUB9324B41-9-18**Inception date:**4/1/2018

**Expiration Date:**4/1/2019



**Valley Sanitary District  
Board of Directors Meeting  
April 12, 2022**

**TO:** Budget & Finance Committee

**FROM:** Beverli A. Marshall, General Manager

**SUBJECT:** Discuss Impact of Recycled Water Project – Phase I Cost Increase and Financing Terms

<input type="checkbox"/> Board Action	<input type="checkbox"/> New Budget Approval	<input type="checkbox"/> Contract Award
<input checked="" type="checkbox"/> Board Information	<input type="checkbox"/> Existing FY Approved Budget	<input type="checkbox"/> Closed Session

**Executive Summary**

The purpose of this report is for the Board to discuss the fiscal impact of the changes to CIP assumptions and impact on the District’s financial position.

**Strategic Plan Compliance**

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

**Fiscal Impact**

There is no fiscal impact from this report.

**Background**

In Spring 2021, VSD completed a rate analysis for the calculation and collection of sewer charges (Attachment A). This analysis was conducted with specific assumptions built into the baseline figures.

1. Over a 20-year period, significant capital funding would be needed to meet the projects identified in the District’s 2020 Capital Improvement Plan (Attachment B). Phase I of the Recycled Water Project (Project) was estimated at \$55 million.
2. To avoid significant rate increases in the five-year rate plan, the District would seek to use debt financing to fund approximately \$165 million for projects.
3. To minimize the impact of debt service requirements on the rate plan, a 30-year term (available as an option through SRF and iBank) was chosen for the entire \$165 million.
4. The District’s debt coverage ratio would be no lower than 1.25%, which would allow for competitive financing opportunities.
5. Staffing levels would increase based on changing needs and succession planning.

The Board adopted the new rate structure with the first of the five-year increases effective July 1, 2021. Since then, circumstances have changed.

1. As discussed during Public Hearing item 4.2, the Guaranteed Maximum Price for the Project is \$69.9 million, which is \$15 million more than the rate analysis assumption.
2. The District was unsuccessful in securing a loan through the State Revolving Fund (SRF) for the Project.
3. The District was successful in securing a loan through Bank of America, which only offers the option of a 20-year term.
4. Staff has identified a separate loan opportunity with iBank for several of the projects for a maximum amount of \$20 million with a 30-year term. These projects have been delayed to future years due to concerns regarding the impact on the debt coverage ratio.
5. At this time, no other 30-year term debt financing opportunities have been identified that match District CIP needs.
6. The District's annual unfunded accrued liability (UAL) payment to CalPERS was inadvertently left out of the rate study assumptions. The payments were not included in the annual budget. Instead, they were posted directly to the balance sheet. Staff has correctly reflected the payments as of the Draft Budget for FY 2022/23. There is an increase in annual budgeted expenses of about \$750,000.

The following table shows the impact of the revised assumptions on the District's financial position.

RATE REVENUE REQUIREMENTS SUMMARY <sup>1</sup>	Actuals		Projected Rates for Adoption Period			
	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26
<b>Sources of Sewer Funds</b>						
<i>Rate Revenue:</i>						
Sewer Service Charge	\$ 11,872,945	\$ 14,575,652	\$ 14,721,409	\$ 14,868,623	\$ 15,017,309	\$ 15,167,482
Revenue from Rate Increases <sup>2</sup>	-	-	1,840,176	3,949,478	6,364,758	6,860,323
Subtotal: Rate Revenue After Rate Increases	11,872,945	14,575,652	16,561,585	18,818,101	21,382,067	22,027,806
<i>Non-Rate Revenue:</i>						
Plan Check & Inspection Fees (incl. Permits)	48,545	48,000	48,480	48,965	49,454	49,949
Other Services	18,213	20,854	21,063	21,273	21,486	21,701
Interest Income <sup>3</sup>	29,507	522,621	572,518	422,064	310,537	194,932
Non-Operating Revenue	1,025,747	558,585	564,171	569,812	575,511	581,266
Subtotal: Non-Rate Revenue	1,122,012	1,150,060	1,206,231	1,062,114	956,989	847,847
<b>Total Sources of Funds</b>	<b>\$ 12,994,958</b>	<b>\$ 15,725,713</b>	<b>\$ 17,767,816</b>	<b>\$ 19,880,215</b>	<b>\$ 22,339,056</b>	<b>\$ 22,875,653</b>
<b>Uses of Funds</b>						
<i>Operating Expenses:</i>						
Engineering	\$ 633,696	\$ 665,626	\$ 838,156	\$ 880,064	\$ 924,067	\$ 970,270
Collections	1,183,857	784,371	996,492	1,046,317	1,098,632	1,153,564
Operations	2,845,694	2,576,085	3,336,972	3,503,821	3,679,012	3,862,962
Maintenance	1,335,676	1,217,593	1,679,923	1,763,919	1,852,115	1,944,721
Lab	414,620	483,847	626,047	657,349	690,217	724,728
Administration/Board	2,178,993	2,880,292	3,564,412	3,741,208	3,852,589	4,121,632
CalPERS UAL	482,379	700,420	736,606	772,792	808,978	845,164
Subtotal: Operating Expenses	\$ 9,074,916	\$ 9,308,234	\$ 11,778,608	\$ 12,365,470	\$ 12,905,610	\$ 13,623,041
<i>Other Expenditures:</i>						
Existing Debt Service	\$ 1,445,048	\$ 1,440,798	\$ 1,440,048	\$ 1,439,111	\$ 1,440,861	\$ 1,440,611
Future Debt Service	-	-	2,970,421	3,828,748	3,656,335	4,685,282
Rate-Funded Capital Expenses	-	-	-	-	13,718,548	34,932,272
Subtotal: Other Expenditures	\$ 1,445,048	\$ 1,440,798	\$ 4,410,469	\$ 5,267,858	\$ 18,815,744	\$ 41,058,164
<b>Total Uses of Water Funds</b>	<b>\$ 10,519,964</b>	<b>\$ 10,749,033</b>	<b>\$ 16,189,077</b>	<b>\$ 17,633,328</b>	<b>\$ 31,721,354</b>	<b>\$ 54,681,205</b>
<b>Annual Surplus/(Deficit)</b>	<b>\$ 2,474,994</b>	<b>\$ 4,976,680</b>	<b>\$ 1,578,739</b>	<b>\$ 2,246,887</b>	<b>\$ (9,382,298)</b>	<b>\$ (31,805,552)</b>
<b>Net Revenue Req't. (Total Uses less Non-Rate Revenue)</b>	<b>\$ 9,397,952</b>	<b>\$ 9,598,972</b>	<b>\$ 14,982,846</b>	<b>\$ 16,571,214</b>	<b>\$ 30,764,365</b>	<b>\$ 53,833,357</b>
<b>Total Rate Revenue After Rate Increases</b>	<b>\$ 11,872,945</b>	<b>\$ 14,575,652</b>	<b>\$ 16,561,585</b>	<b>\$ 18,818,101</b>	<b>\$ 21,382,067</b>	<b>\$ 22,027,806</b>
<b>Projected Annual Rate Revenue Increase</b>	<b>0.00%</b>	<b>0.00%</b>	<b>12.50%</b>	<b>12.50%</b>	<b>12.50%</b>	<b>2.00%</b>
<i>Cumulative Increase from Annual Revenue Increases</i>	0.00%	0.00%	12.50%	26.56%	42.38%	45.23%
<i>Debt Coverage After Rate Increase</i>	2.71	4.45	1.36	1.43	1.85	1.51

To continue to meet the 1.25 debt coverage ratio, several projects originally planned for FY 2022/23 have been delayed to FY 2023/24 or beyond (Attachment C). The projects on this list that staff identified as most critical are as follows.

1. Recycled Water Project – Phase 2: \$24.9 million
2. Training & Office Building: \$10.1 million
3. Laboratory Building: \$8 million
4. Additional Parking & Landscaping: \$5 million

In addition to delaying projects to future years, the calculations in the above table anticipate no increase in positions above the FY 2021/22 level.

As Table 1 indicates, the District will have an annual deficit of \$9.38 million in FY 2024/25 and \$31.81 million in FY 2025/26 unless:

- some of the CIP projects identified for FY 2022/23 and 2023/24 are delayed,
- the District obtains other non-debt funding, or
- a new 5-year rate plan is implemented.

### **Recommendation**

Recommend that the Board discuss the change in circumstances and provide direction to staff.

### **Attachments**

- Attachment A: Wastewater Rate Study Report 2020
- Attachment B: 2020 CIP Spreadsheet
- Attachment C: 2022 CIP Spreadsheet



Aerial view of Valley Sanitary District  
via Google Earth

# VALLEY SANITARY DISTRICT

*Final Report for:*

**Wastewater Rate Study**

**May 2021**

#### OFFICE LOCATIONS:

Temecula – Corporate Headquarters  
32605 Temecula Parkway, Suite 100  
Temecula, CA 92592

San Francisco – Regional Office  
870 Market Street, Suite 1223  
San Francisco, CA 94102

California Satellite Offices  
Atascadero, Davis  
Huntington Beach,  
Joshua Tree, Riverside  
Sacramento, San Jose

[www.nbsgov.com](http://www.nbsgov.com)

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# SECTION 1. PURPOSE AND OVERVIEW OF THE STUDY

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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.<sup>1</sup> 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.

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<sup>1</sup> 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**



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*,<sup>2</sup> 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.

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

## 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 through 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*<sup>3</sup> 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:

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<sup>3</sup> 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.

- 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,<sup>4</sup> 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.

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<sup>4</sup>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/fj/uploads/2013-1040\\_district\\_reserve\\_policy.pdf](https://www.valley-sanitary.org/sites/g/files/vyhlif721/fj/uploads/2013-1040_district_reserve_policy.pdf).

- **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 <sup>1</sup>	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
<b>Total Costs</b>	<b>\$ 138,784,867</b>	<b>\$ 83,214,763</b>	<b>\$ 37,508,352</b>	<b>\$ 259,507,982</b>
<i>Average Annual Expenditure</i>	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 <sup>1</sup>
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
<b>Total Debt Service in FY 2027/28 and Beyond</b>	<b>\$ 165,000,000</b>	<b>\$ 7,876,449</b>

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 long-range 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.<sup>5</sup>

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 Net Revenue Requirements	Budget	Projected Rates for Adoption Period				
	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26
<b>Sources of Sewer Funds</b>						
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 <sup>1</sup>	-	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
<b>Total Sources of Funds</b>	<b>\$ 13,051,300</b>	<b>\$ 14,833,498</b>	<b>\$ 16,573,363</b>	<b>\$ 18,497,613</b>	<b>\$ 20,882,946</b>	<b>\$ 21,567,401</b>
<b>Uses of Sewer Funds</b>						
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	-	-	-	-	-	-
<b>Total Use of Funds</b>	<b>\$ 9,538,008</b>	<b>\$ 12,705,953</b>	<b>\$ 13,297,845</b>	<b>\$ 13,634,055</b>	<b>\$ 18,758,807</b>	<b>\$ 19,120,657</b>
<b>Surplus (Deficiency) before Rate Increase</b>	<b>\$ 3,513,292</b>	<b>\$ 2,127,545</b>	<b>\$ 3,275,518</b>	<b>\$ 4,863,558</b>	<b>\$ 2,124,139</b>	<b>\$ 2,446,744</b>
<b>Surplus (Deficiency) after Rate Increase</b>	<b>\$ 3,513,292</b>	<b>\$ 3,639,894</b>	<b>\$ 6,521,396</b>	<b>\$ 10,094,435</b>	<b>\$ 9,625,897</b>	<b>\$ 10,426,856</b>
<b>Projected Annual Rate Increase</b>	<b>0.00%</b>	<b>12.50%</b>	<b>12.50%</b>	<b>12.50%</b>	<b>12.50%</b>	<b>2.00%</b>
<i>Cumulative Rate Increases</i>	0.00%	12.50%	26.56%	42.38%	60.18%	63.38%
<b>Net Revenue Requirement <sup>2</sup></b>	<b>\$ 8,465,708</b>	<b>\$ 11,483,594</b>	<b>\$ 12,190,139</b>	<b>\$ 12,709,294</b>	<b>\$ 17,843,014</b>	<b>\$ 18,123,417</b>
<b>Debt Coverage After Rate Increase</b>	<b>3.43</b>	<b>1.56</b>	<b>1.86</b>	<b>2.27</b>	<b>1.25</b>	<b>1.28</b>

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

2. Total Use of Funds less Non-Rate Revenues. This is the annual amount needed from wastewater rates.

**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.

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



**Figure 5. Summary of Capital Improvement Plan**

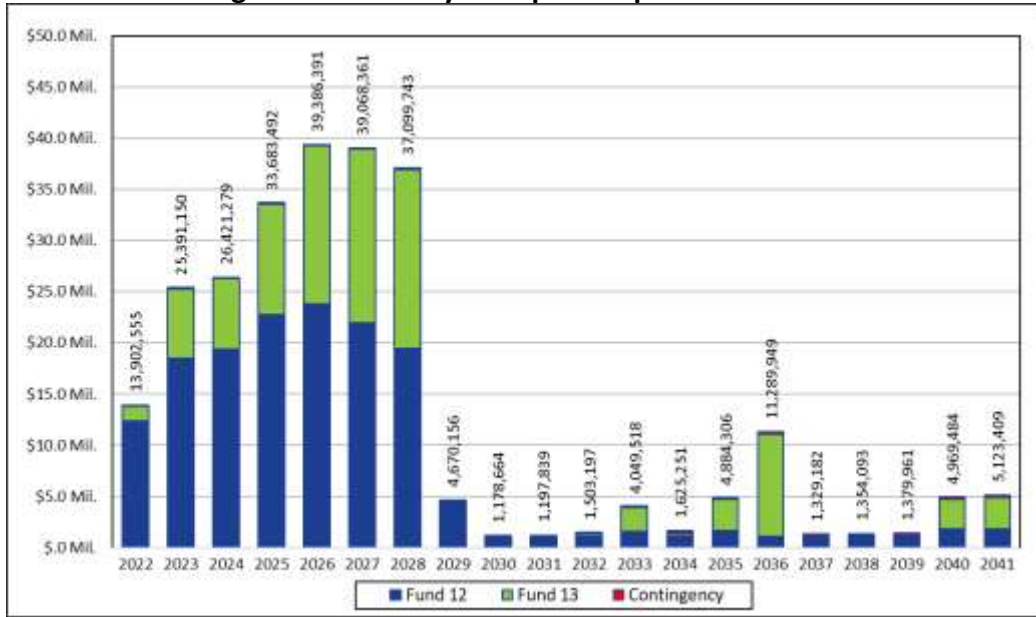


Figure 6 summarizes the projected reserve fund balances and reserve targets for the Utility’s unrestricted funds. A more detailed version of the District’s proposed 5-year financial plan is included in the Appendix. The appendix tables include revenue requirements, reserve funds, revenue sources, proposed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

**Figure 6. Summary of Reserve Funds**

Beginning Reserve Fund Balances and Recommended Reserve Targets	Budget		Projected Rates for Adoption Period			
	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26
<b>Un-Restricted Reserves</b>						
<b>Operating Reserve</b>						
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
<b>Capital Rehabilitation &amp; Replacement Reserve</b>						
Ending Balance	\$ 22,333,466	\$ 12,001,689	\$ 4,735,497	\$ 4,904,071	\$ 5,078,769	\$ 5,259,819
Recommended Minimum Target	\$ 4,046,480	\$ 4,439,176	\$ 4,735,497	\$ 4,904,071	\$ 5,078,769	\$ 5,259,819
<b>Emergency Fund Balance</b>						
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	\$ 507,877	\$ 525,982
<b>Total Ending Balance</b>	<b>\$ 26,860,966</b>	<b>\$ 16,921,889</b>	<b>\$ 9,951,997</b>	<b>\$ 10,298,578</b>	<b>\$ 10,665,446</b>	<b>\$ 11,045,601</b>
<b>Recommended Minimum Target</b>	<b>\$ 8,497,628</b>	<b>\$ 9,322,294</b>	<b>\$ 9,944,547</b>	<b>\$ 10,298,578</b>	<b>\$ 10,665,446</b>	<b>\$ 11,045,601</b>

**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.<sup>6</sup> 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						
Customer Class	Cost Classification Components				Cost-of-Service Net Revenue Req'ts.	% of COS Net Revenue Req'ts.
	Volume	Treatment		Customer Related <sup>3</sup>		
		BOD	TSS			
<b>Net Revenue Requirements<sup>1</sup></b>	<b>\$ 7,422,331</b>	<b>\$ 2,672,978</b>	<b>\$ 2,672,978</b>	<b>\$ 842,852</b>	<b>\$ 13,611,139</b>	<b>--</b>
	54.5%	19.6%	19.6%	6.2%	100.0%	
<b>Residential</b>						
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 <sup>2</sup>	203,337	70,858	70,792	50,728	395,715	2.9%
RV Park <sup>2</sup>	279,822	97,512	97,421	93,488	568,242	4.2%
<b>Residential Totals</b>	<b>\$ 6,555,156</b>	<b>\$ 2,284,327</b>	<b>\$ 2,282,199</b>	<b>\$ 817,157</b>	<b>\$ 11,938,839</b>	<b>87.7%</b>
<b>Non-Residential</b>						
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%
<b>Non-Residential Totals</b>	<b>\$ 867,175</b>	<b>\$ 388,650</b>	<b>\$ 390,779</b>	<b>\$ 25,696</b>	<b>\$ 1,672,300</b>	<b>12.3%</b>
<b>Total</b>	<b>\$ 7,422,331</b>	<b>\$ 2,672,978</b>	<b>\$ 2,672,978</b>	<b>\$ 842,852</b>	<b>\$ 13,611,139</b>	<b>100%</b>

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.
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.

<sup>6</sup> 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.

## 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,<sup>7</sup> 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 Guidelines*<sup>8</sup> 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**

Customer Class	Adjusted Total Annual Volume (HCF) <sup>1</sup>	Biochemical Oxygen Demand (BOD)				Total Suspended Solids (TSS)			
		Avg. Strength Factor (mg/l) <sup>2</sup>	Calculated BOD (lbs./yr.) <sup>3</sup>	Adjusted BOD (lbs./yr.)	Percent of Total	Avg. Strength Factor (mg/l) <sup>2</sup>	Calculated TSS (lbs./yr.) <sup>3</sup>	Adjusted TSS (lbs./yr.)	Percent of Total
<b>Residential</b>									
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 <sup>4</sup>	112,992	175	123,354	56,817	2.7%	175	123,354	93,742	2.6%
RV Park <sup>4</sup>	155,494	175	169,754	78,189	3.6%	175	169,754	129,003	3.6%
<b>Non-Residential Totals</b>									
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%
<b>Total:</b>	<b>4,124,510</b>		<b>4,653,265</b>	<b>2,143,311</b>	<b>100.0%</b>		<b>4,657,604</b>	<b>3,539,514</b>	<b>100.0%</b>
		<i>Target, from WWTP Data</i>		<i>2,143,311 BOD (lbs./yr.)</i>				<i>3,539,514 TSS (lbs./yr.)</i>	
				<i>0.461 BOD Adj. Factor</i>				<i>0.760 TSS Adj. Factor</i>	

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 BOD and TSS are from source file: *16.ASP & Pond Effluent Data + loading (01.2017 - 08.2020).xlsx*.

<sup>7</sup> Lowest consecutive winter months - December 2019, January 2020, and February 2020.

<sup>8</sup> 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](https://www.waterboards.ca.gov/publications_forms/publications/general/docs/srf_wastewater_facilities_b.pdf).

**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 of Accounts and EDUs by Customer Class**

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

1. Consumption, customer accounts, and EDUs are from source file: *Net Join Tax Roll 07-30-2020 Final V8.xlsx*.
2. Number of accounts for Mobile Homes and RV Parks are based on the number of lots.

### 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**.

**Figure 10. Development of Fixed and Variable Charges**

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

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

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

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.
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:

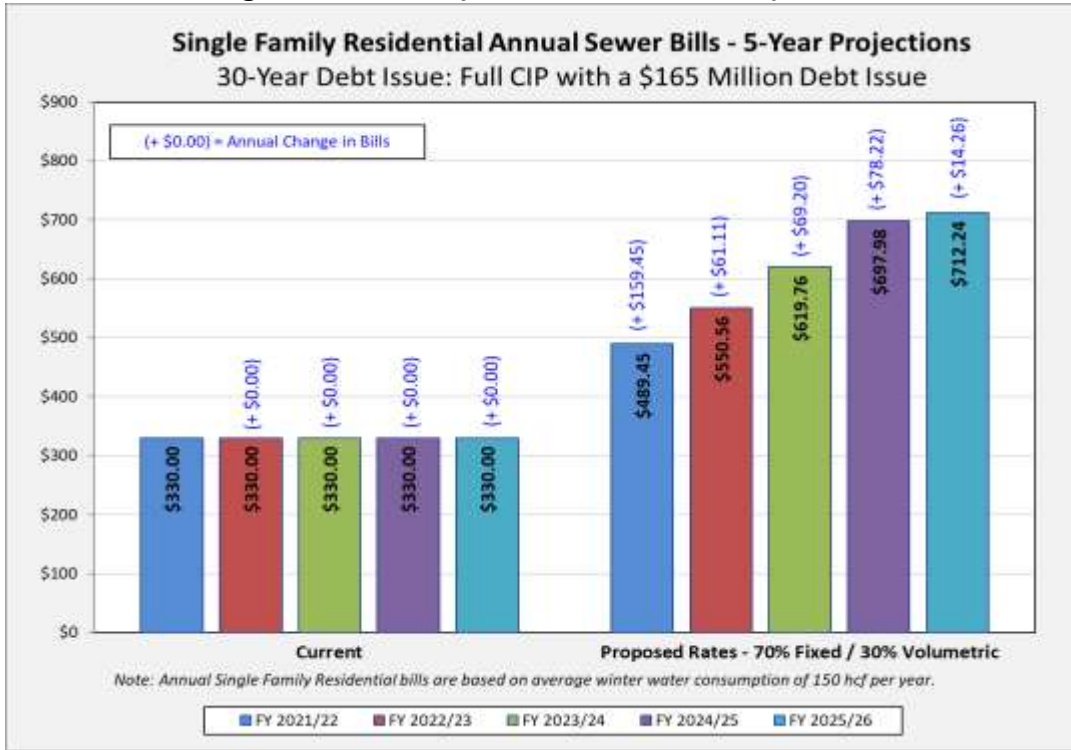
- Levels of Rate Increases – The burden that higher rates place on customers is a key factor, including how annual customer bills are impacted.
- Reserve Fund Levels – The District needs to maintain reasonable levels of reserves to manage the sewer utility’s finances in a responsible manner.
- Coverage 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 year<sup>9</sup> 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*.

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

**Figure 14. Current vs. Proposed Rates**

Sewer Rate Schedule	Current Rates (\$/EDU)	Proposed Annual Sewer 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
<i>Projected Increase in Rate Revenue:</i> <sup>1</sup>		12.50%	12.50%	12.50%	12.50%	2.00%
<b>Fixed Service Charges (Per EDU or Accounts)</b>						
<b>Residential</b>		<b>Rates Per EDU or Account<sup>2</sup></b>				
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
<b>Non-Residential</b>		<b>Rates Per EDU</b>				
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
<b>Volumetric Rate (\$/hcf of annualized average winter water consumption)<sup>3</sup></b>						
<b>Residential</b>		<b>Rates Per HCF<sup>4</sup></b>				
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
<b>Non-Residential</b>						
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, not 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.
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.

## 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.



Figure 15. Annual Bill Comparison for Single Family Customers

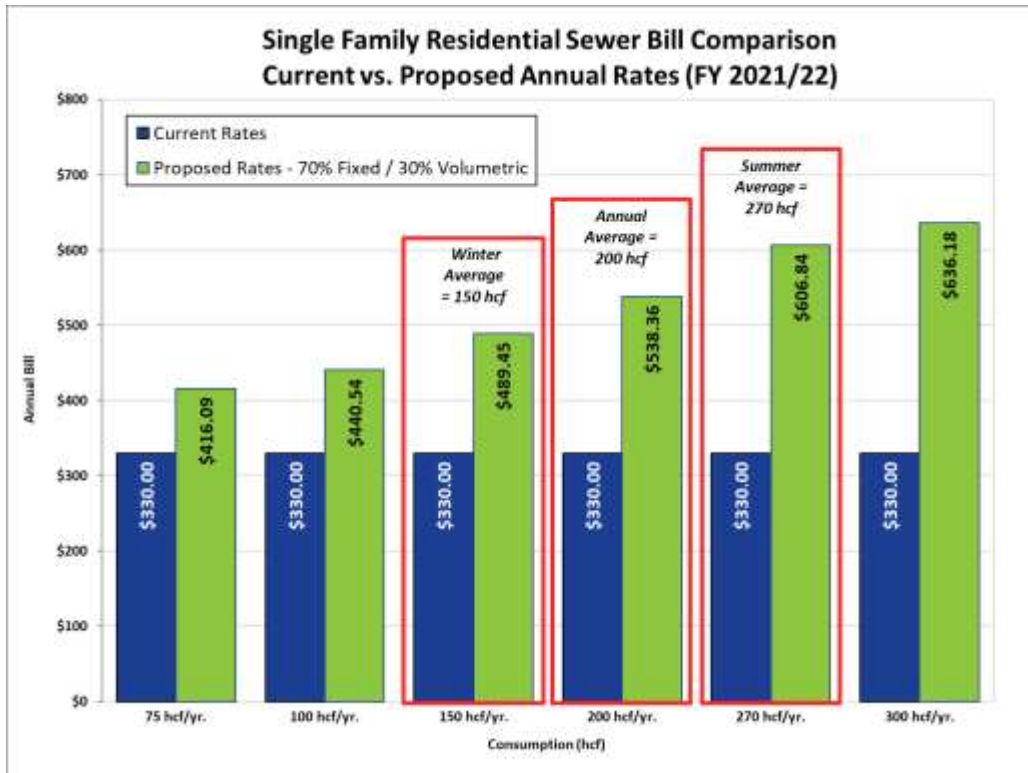


Figure 16. Annual Bill Comparison for Multi-Family Customers

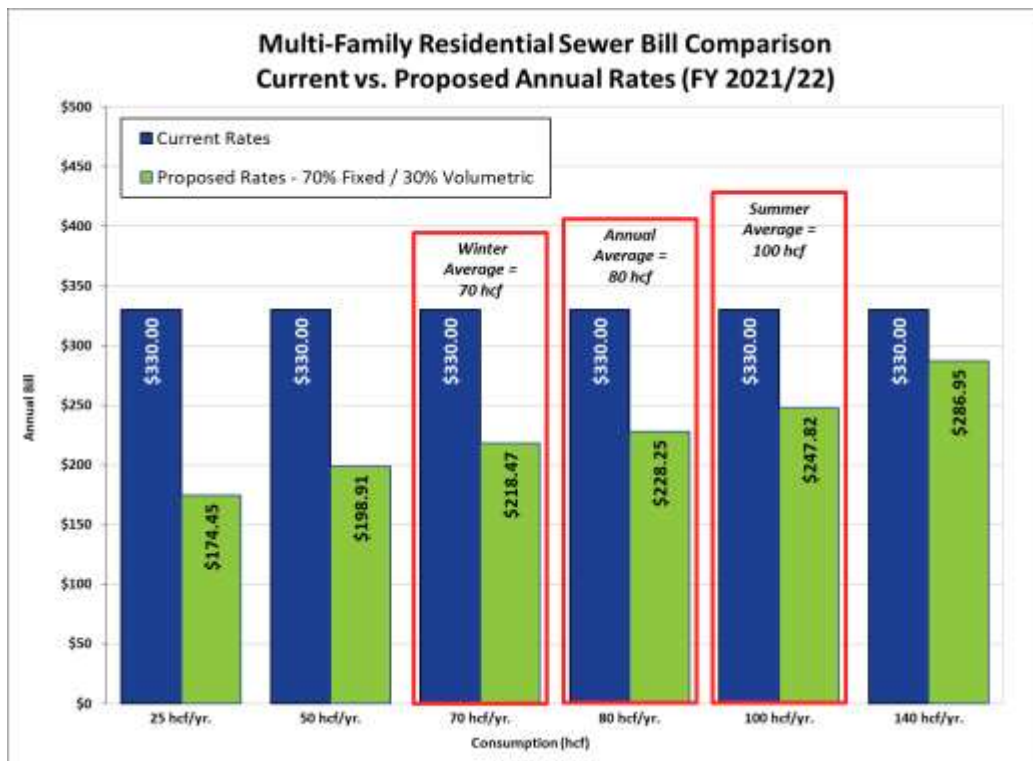
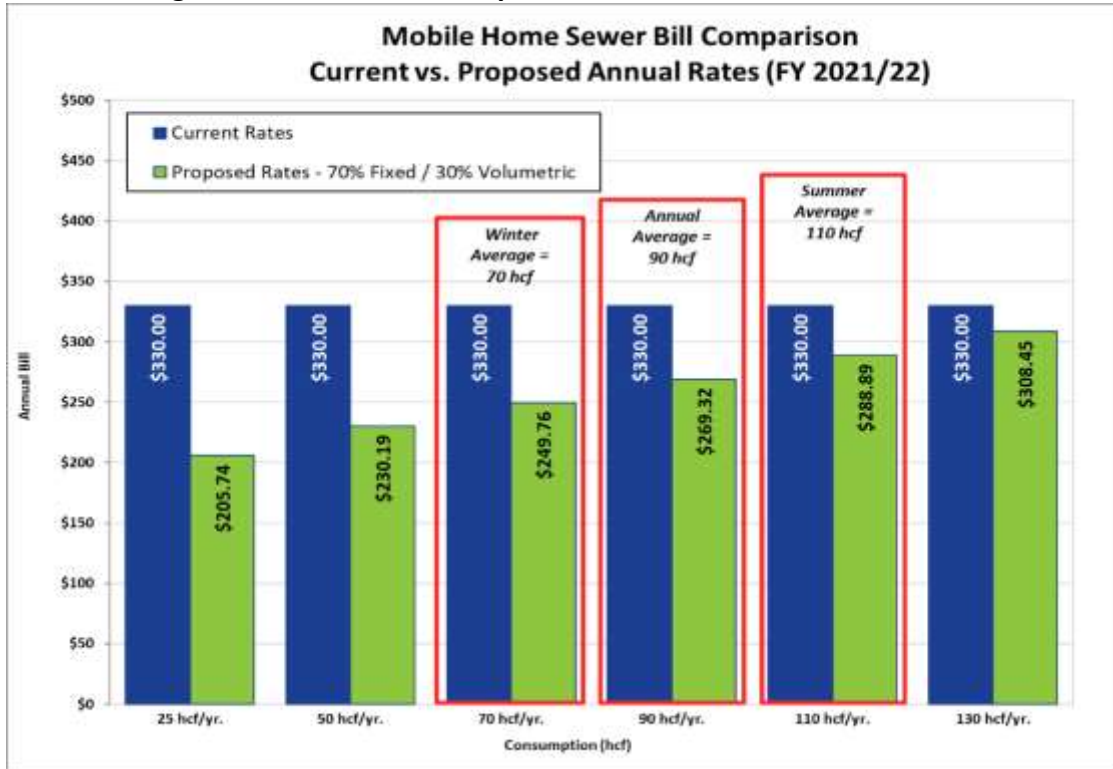


Figure 17. Annual Bill Comparison for Mobile Home Customers



### 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

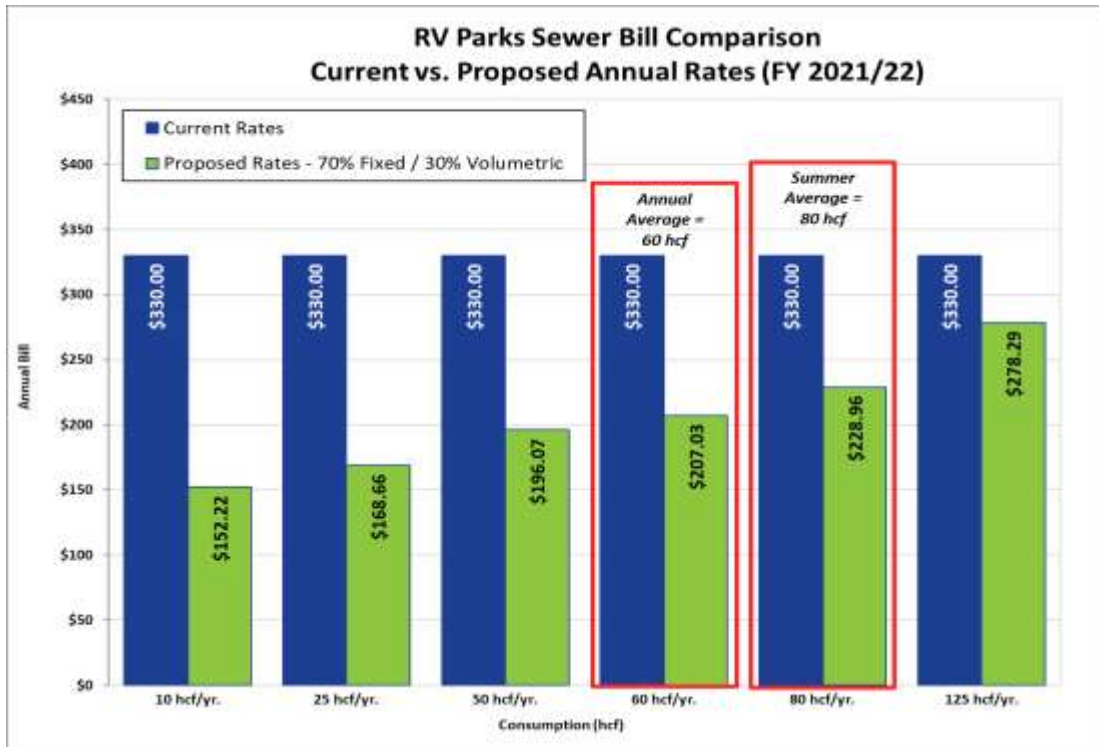


Figure 19. Annual Bill Comparison for Commercial Low/Medium Strength Customers

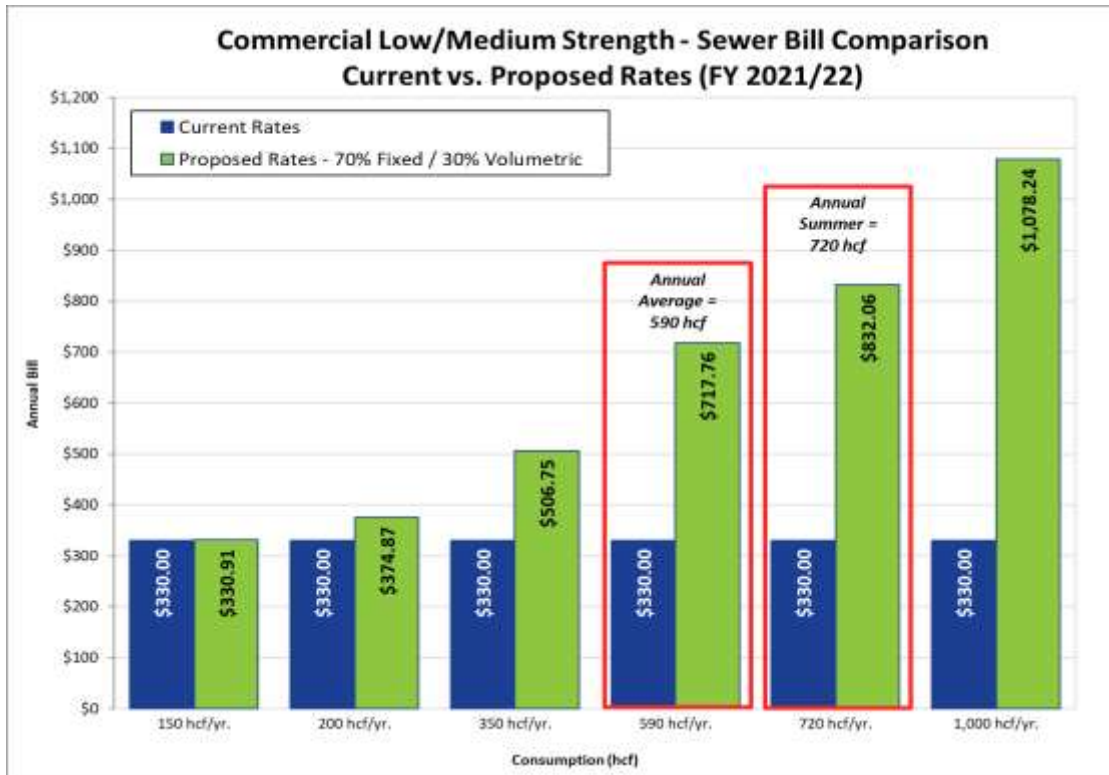


Figure 20. Annual Bill Comparison for Commercial High Strength Customers

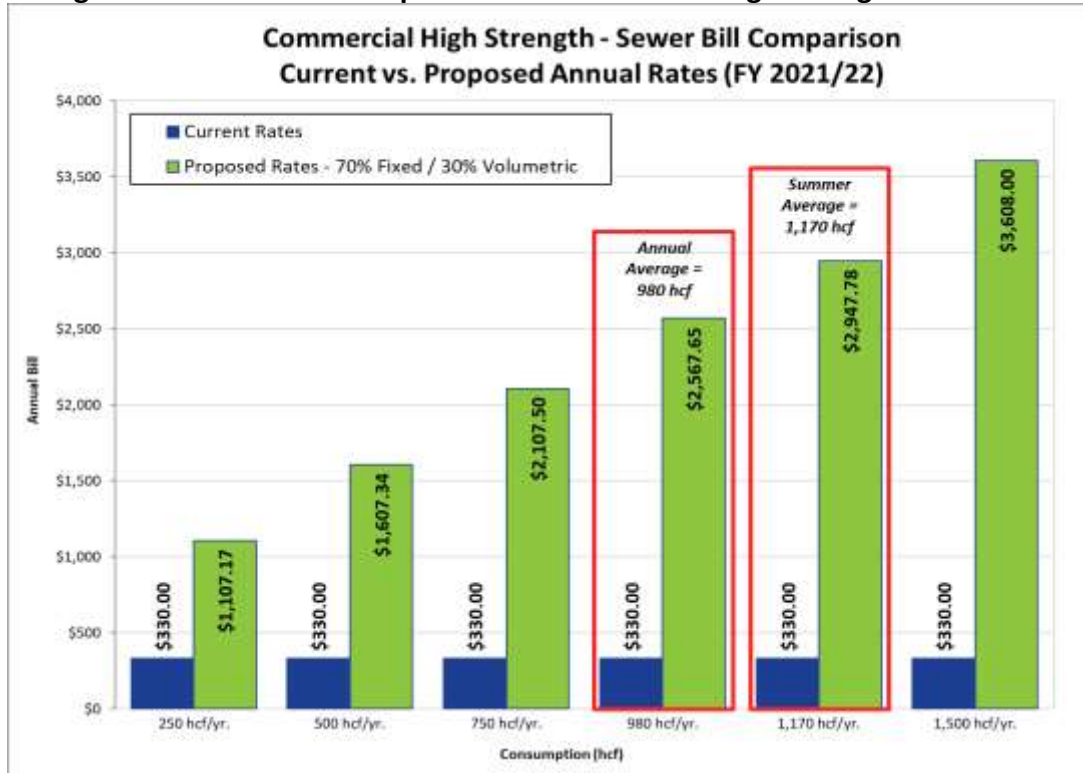
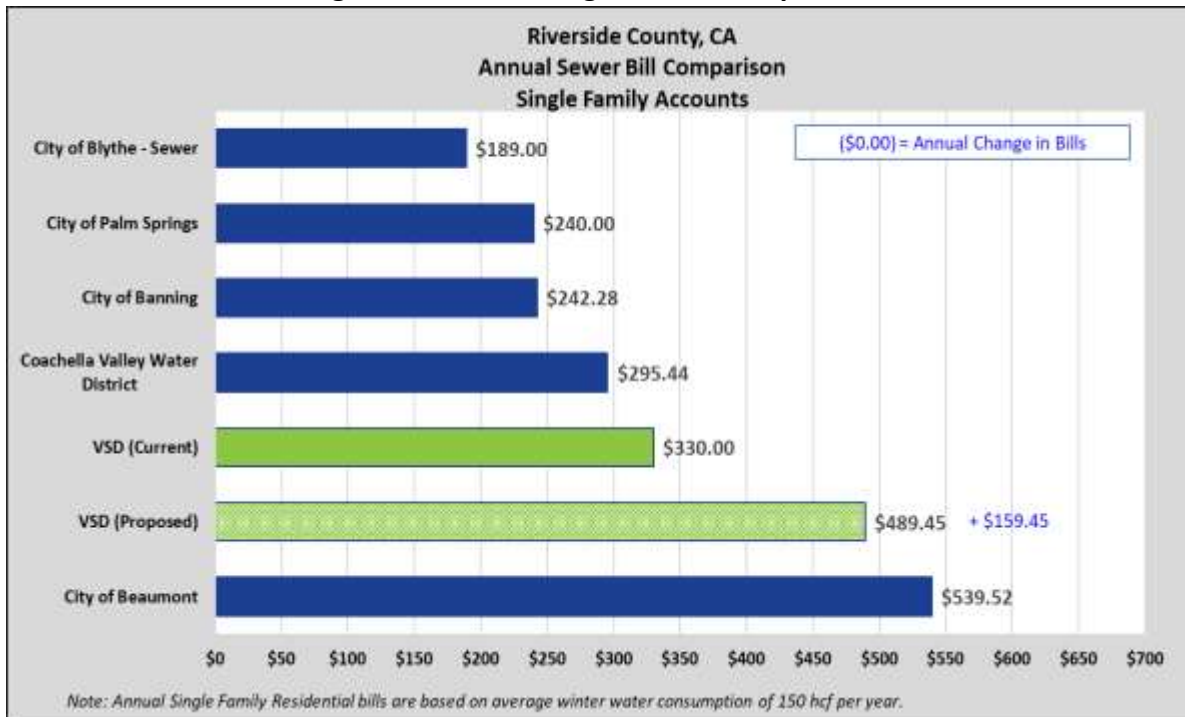


Figure 21 compares the current and proposed annual sewer bills for the typical single-family residential customer to those of other surrounding communities.

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 Effluent Volume (HCF) <sup>1</sup>	Biochemical Oxygen Demand		Total Suspended Solids (TSS)	
		Avg. Strength Factor (mg/l) <sup>2</sup>	Lbs. of BOD <sup>3</sup>	Avg. Strength Factor (mg/l) <sup>2</sup>	Lbs. of TSS <sup>3</sup>
<b>RV Dump Charge Components:</b>					
1. Septage Vol. , Strength and lbs.	0.053476	5,400	1.80	12,000	4.00
2. Unit costs (\$/HCF or /lbs.) <sup>4</sup>	\$ 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)	\$14.50				
<b>RV Dump Charge (\$/ 40-Gal.)</b>	<b>\$19.87</b>				

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<sup>6</sup>).
4. From COSA results (Table 30: Flow, BOD and TSS Costs divided by system-wide units).

## SECTION 3. RECOMMENDATIONS AND NEXT STEPS

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### 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

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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

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Muni.	Municipal
NH <sub>3</sub>	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

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# APPENDIX: DETAILED WASTEWATER STUDY TABLES AND FIGURES

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

Financial Plan & Reserve Summary

TABLE 1: FINANCIAL PLAN AND SUMMARY OF REVENUE REQUIREMENTS

RATE REVENUE REQUIREMENTS SUMMARY*	Budget	Projected Rates for Adoption Period					Projected				
	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
<b>Sources of Sewer Funds</b>											
<i>Rate Revenue:</i>											
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 <sup>2</sup>	-	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
<i>Non-Rate Revenue:</i>											
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 <sup>3</sup>	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
<b>Total Sources of Funds</b>	<b>\$ 13,051,300</b>	<b>\$ 14,833,498</b>	<b>\$ 16,573,363</b>	<b>\$ 18,497,613</b>	<b>\$ 20,882,946</b>	<b>\$ 21,567,401</b>	<b>\$ 22,198,535</b>	<b>\$ 22,848,488</b>	<b>\$ 23,102,474</b>	<b>\$ 23,385,340</b>	<b>\$ 23,668,438</b>
<b>Uses of Funds</b>											
<i>Operating Expenses:</i>											
Engineering	\$ 596,370	\$ 620,225	\$ 645,034	\$ 670,835	\$ 697,669	\$ 725,575	\$ 754,598	\$ 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
<i>Other Expenditures:</i>											
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	-	2,386,803	2,386,803	2,386,803	2,386,803	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
<b>Total Uses of Water Funds</b>	<b>\$ 9,538,008</b>	<b>\$ 12,705,953</b>	<b>\$ 13,297,845</b>	<b>\$ 13,634,055</b>	<b>\$ 18,758,807</b>	<b>\$ 19,120,657</b>	<b>\$ 18,608,680</b>	<b>\$ 19,713,656</b>	<b>\$ 20,116,758</b>	<b>\$ 20,534,555</b>	<b>\$ 20,967,589</b>
<b>Annual Surplus/(Deficit)</b>	<b>\$ 3,513,292</b>	<b>\$ 2,127,545</b>	<b>\$ 3,275,518</b>	<b>\$ 4,863,558</b>	<b>\$ 2,124,139</b>	<b>\$ 2,446,744</b>	<b>\$ 3,589,855</b>	<b>\$ 3,134,832</b>	<b>\$ 2,985,715</b>	<b>\$ 2,850,785</b>	<b>\$ 2,700,848</b>
<b>Net Revenue Req't. (Total Uses less Non-Rate Revenue)</b>	<b>\$ 8,465,708</b>	<b>\$ 11,483,594</b>	<b>\$ 12,190,139</b>	<b>\$ 12,709,294</b>	<b>\$ 17,843,014</b>	<b>\$ 18,123,417</b>	<b>\$ 17,601,525</b>	<b>\$ 18,696,528</b>	<b>\$ 19,063,958</b>	<b>\$ 19,419,385</b>	<b>\$ 19,792,023</b>
<b>Total Rate Revenue After Rate Increases</b>	<b>\$ 11,979,000</b>	<b>\$ 13,611,139</b>	<b>\$ 15,465,656</b>	<b>\$ 17,572,852</b>	<b>\$ 19,967,153</b>	<b>\$ 20,570,161</b>	<b>\$ 21,191,380</b>	<b>\$ 21,831,360</b>	<b>\$ 22,049,673</b>	<b>\$ 22,270,170</b>	<b>\$ 22,492,872</b>
<b>Projected Annual Rate Revenue Increase</b>	<b>0.00%</b>	<b>12.50%</b>	<b>12.50%</b>	<b>12.50%</b>	<b>12.50%</b>	<b>2.00%</b>	<b>2.00%</b>	<b>2.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Cumulative Increase from Annual Revenue Increases</b>	<b>0.00%</b>	<b>12.50%</b>	<b>26.56%</b>	<b>42.38%</b>	<b>60.18%</b>	<b>63.38%</b>	<b>66.65%</b>	<b>69.99%</b>	<b>69.99%</b>	<b>69.99%</b>	<b>69.99%</b>
<b>Debt Coverage After Rate Increase</b>	<b>3.43</b>	<b>1.56</b>	<b>1.86</b>	<b>2.27</b>	<b>1.25</b>	<b>1.28</b>	<b>1.47</b>	<b>1.37</b>	<b>1.35</b>	<b>1.34</b>	<b>1.32</b>

1. Revenues and expenses for FY 2020/21 were provided by the District. Source file: 1. Budget 2020-2021 0-9-2020.xlsx.  
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.

2	<b>&lt;-- Select Debt Term</b>
<b>Financial Plan Alternatives</b>	
1	20-Year Debt Issue
2	30-Year Debt Issue

		30 YEAR DEBT RATE SCHEDULE										
		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
3	<b>&lt;-- Select Financial Plan Scenario Here</b>											
<b>Financial Plan Alternatives</b>												
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%
3	Alternative 3 - Full CIP with a \$165 million Debt	0.00%	12.50%	12.50%	12.50%	12.50%	2.00%	2.00%	2.00%	0.00%	0.00%	0.00%

TABLE 2: RESERVE FUND SUMMARY

SUMMARY OF CASH ACTIVITY	Budget	Projected Rates for Adoption Period					Projected				
	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
<b>Total Beginning Cash<sup>1</sup></b>	\$ 29,954,610										
<b>Un-Restricted Reserves:</b>											
<b>Operating Reserve</b>											
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)
<b>Ending Operating Reserve Balance</b>	\$ 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	\$ 6,268,900
<i>Target Ending Balance (6 months of O&amp;M Expenses)</i>	\$ 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	\$ 6,268,900
<b>Capital Replacement Reserve</b>											
Beginning Reserve Balance	\$ 25,145,610	\$ 22,333,466	\$ 12,001,689	\$ 4,735,497	\$ 4,904,071	\$ 5,078,769	\$ 5,259,819	\$ 5,447,456	\$ 6,557,559	\$ 8,612,979	\$ 10,302,652
Plus: Grant Proceeds	-	-	-	-	-	-	-	-	-	-	-
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	-	-	-	(9,407)	(17,470)	(18,105)	(18,764)	(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)	(3,452,414)	(2,000,000)	(925,050)	(1,178,664)	(1,197,839)
<b>Ending Capital Rehab &amp; Replacement Reserve Balance</b>	\$ 22,333,466	\$ 12,001,689	\$ 4,735,497	\$ 4,904,071	\$ 5,078,769	\$ 5,259,819	\$ 5,447,456	\$ 6,557,559	\$ 8,612,979	\$ 10,302,652	\$ 11,840,196
<i>Capital R&amp;R Reserve (50% of O&amp;M Expenses)</i>	\$ 4,046,480	\$ 4,439,176	\$ 4,735,497	\$ 4,904,071	\$ 5,078,769	\$ 5,259,819	\$ 5,447,456	\$ 5,641,923	\$ 5,843,474	\$ 6,052,372	\$ 6,268,890
<b>Emergency Reserve</b>											
Beginning Reserve Balance	\$ 481,000	\$ 481,000	\$ 481,000	\$ 481,000	\$ 490,407	\$ 507,877	\$ 525,982	\$ 544,746	\$ 564,192	\$ 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	-	-	-	-	-	-	-	-	-	-	-
<b>Ending Operating Reserve Balance</b>	\$ 481,000	\$ 481,000	\$ 481,000	\$ 490,407	\$ 507,877	\$ 525,982	\$ 544,746	\$ 564,192	\$ 584,347	\$ 605,237	\$ 626,889
<i>Target Ending Balance (5% of O&amp;M)</i>	\$ 404,648	\$ 443,918	\$ 473,550	\$ 490,407	\$ 507,877	\$ 525,982	\$ 544,746	\$ 564,192	\$ 584,347	\$ 605,237	\$ 626,889
<b>Ending Balance - Excl. Restricted Reserves</b>	\$ 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
<b>Min. Target Ending Balance - Excl. Restricted Reserves</b>	\$ 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
<b>Ending Surplus/(Deficit) Compared to Reserve Targets</b>	\$ 18,363,338	\$ 7,599,595	\$ 7,450	\$ -	\$ -	\$ -	\$ -	\$ 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 .

TABLE 3: RESERVE FUND SUMMARY, cont.

SUMMARY OF CASH ACTIVITY	Budget	Projected Rates for Adoption Period					Projected				
	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
<b>Restricted Reserves:</b>											
<b>Capital Improvement Reserve Fund</b>											
Beginning Reserve Balance <sup>1</sup>	\$ 6,340,607	\$ 6,838,607	\$ 6,659,890	\$ 1,248,319	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,545,000	\$ 3,318,660
Plus: Interest Earnings	100,000	102,579	99,898	18,725	-	-	-	-	-	23,175	49,780
Plus: Connection Fee Revenue	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
Less: Use of Reserves for Capital Projects	(350,000)	(1,456,296)	(6,761,469)	(2,567,043)	(1,340,000)	(1,380,000)	(1,422,500)	(1,450,000)	-	-	-
<b>Ending Impact Fee Fund Balance</b>	<b>\$ 6,838,607</b>	<b>\$ 6,659,890</b>	<b>\$ 1,248,319</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,545,000</b>	<b>\$ 3,318,660</b>	<b>\$ 5,171,440</b>
<b>Target Ending Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>NEW Bond Project Funds</b>											
Beginning Reserve Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plus: SRF Loan Funding Proceeds	-	-	-	-	-	-	-	-	-	-	-
Plus: Revenue Bond Proceeds	-	-	8,120,491	19,178,312	30,419,826	35,693,076	34,193,446	33,649,743	3,745,106	-	-
Less: Use of Bond Funds for Capital Projects	-	-	(8,120,491)	(19,178,312)	(30,419,826)	(35,693,076)	(34,193,446)	(33,649,743)	(3,745,106)	-	-
<b>Ending Bond Project Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Target Ending Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Debt Reserve Fund</b>											
Beginning Reserve Balance	\$ 469,000	\$ 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
Plus: Reserve Funding from Future Debt Obligations	-	2,386,803	-	-	4,773,605	-	-	716,041	-	-	-
Plus: Interest Earnings	7,035	4,756	39,960	39,303	38,573	109,364	108,446	107,406	118,147	118,147	118,147
Less: Transfer of Surplus to Operating Reserve	(158,993)	(44,634)	(83,756)	(87,913)	(92,834)	(170,543)	(177,762)	(107,406)	(118,147)	(118,147)	(118,147)
<b>Ending Debt Reserve Balance</b>	<b>\$ 317,042</b>	<b>\$ 2,663,967</b>	<b>\$ 2,620,170</b>	<b>\$ 2,571,560</b>	<b>\$ 7,290,904</b>	<b>\$ 7,229,725</b>	<b>\$ 7,160,408</b>	<b>\$ 7,876,449</b>	<b>\$ 7,876,449</b>	<b>\$ 7,876,449</b>	<b>\$ 7,876,449</b>
<b>Target Ending Balance</b>	<b>\$ 317,042</b>	<b>\$ 2,663,967</b>	<b>\$ 2,620,170</b>	<b>\$ 2,571,560</b>	<b>\$ 7,290,904</b>	<b>\$ 7,229,725</b>	<b>\$ 7,160,408</b>	<b>\$ 7,876,449</b>	<b>\$ 7,876,449</b>	<b>\$ 7,876,449</b>	<b>\$ 7,876,449</b>
<b>CSWRCB Reserve Fund</b>											
Beginning Reserve Balance	\$ 1,106,722	\$ 1,123,323	\$ 1,140,173	\$ 1,157,275	\$ 1,174,634	\$ 1,192,254	\$ 1,210,138	\$ 1,228,290	\$ 1,246,714	\$ 1,265,415	\$ 1,284,396
Plus: Interest Earnings	16,601	16,850	17,103	17,359	17,620	17,884	18,152	18,424	18,701	18,981	19,266
Less: Transfer of Surplus to Operating Reserve	-	-	-	-	-	-	-	-	-	-	-
<b>Ending Debt Reserve Balance</b>	<b>\$ 1,123,323</b>	<b>\$ 1,140,173</b>	<b>\$ 1,157,275</b>	<b>\$ 1,174,634</b>	<b>\$ 1,192,254</b>	<b>\$ 1,210,138</b>	<b>\$ 1,228,290</b>	<b>\$ 1,246,714</b>	<b>\$ 1,265,415</b>	<b>\$ 1,284,396</b>	<b>\$ 1,303,662</b>
<b>Target Ending Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Ending Balance - Restricted Reserves</b>	<b>\$ 8,278,972</b>	<b>\$ 10,464,029</b>	<b>\$ 5,025,764</b>	<b>\$ 3,746,194</b>	<b>\$ 8,483,158</b>	<b>\$ 8,439,862</b>	<b>\$ 8,388,698</b>	<b>\$ 9,123,163</b>	<b>\$ 10,686,864</b>	<b>\$ 12,479,505</b>	<b>\$ 14,351,551</b>
<b>Min. Target Ending Balance - Restricted Reserves</b>	<b>\$ 317,042</b>	<b>\$ 2,663,967</b>	<b>\$ 2,620,170</b>	<b>\$ 2,571,560</b>	<b>\$ 7,290,904</b>	<b>\$ 7,229,725</b>	<b>\$ 7,160,408</b>	<b>\$ 7,876,449</b>	<b>\$ 7,876,449</b>	<b>\$ 7,876,449</b>	<b>\$ 7,876,449</b>
<b>Ending Surplus/(Deficit) Compared to Reserve Targets</b>	<b>\$ 7,961,930</b>	<b>\$ 7,800,062</b>	<b>\$ 2,405,594</b>	<b>\$ 1,174,634</b>	<b>\$ 1,192,254</b>	<b>\$ 1,210,138</b>	<b>\$ 1,228,290</b>	<b>\$ 1,246,714</b>	<b>\$ 2,810,415</b>	<b>\$ 4,603,056</b>	<b>\$ 6,475,102</b>
<b>Annual Interest Earnings Rate<sup>2</sup></b>	<b>1.50%</b>	<b>1.50%</b>	<b>1.50%</b>	<b>1.50%</b>	<b>1.50%</b>	<b>1.50%</b>	<b>1.50%</b>	<b>1.50%</b>	<b>1.50%</b>	<b>1.50%</b>	<b>1.50%</b>

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

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

CHART 1

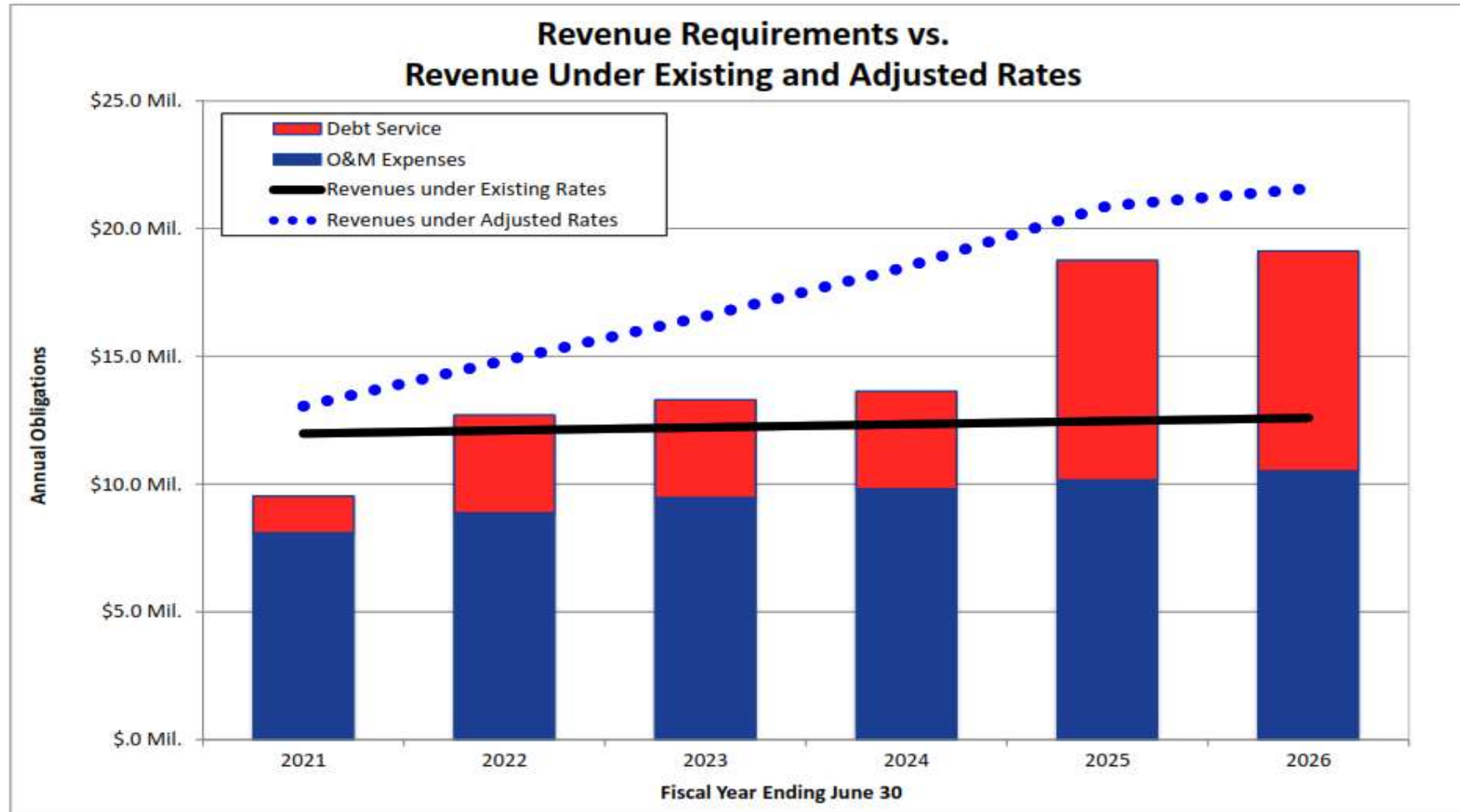


CHART 2

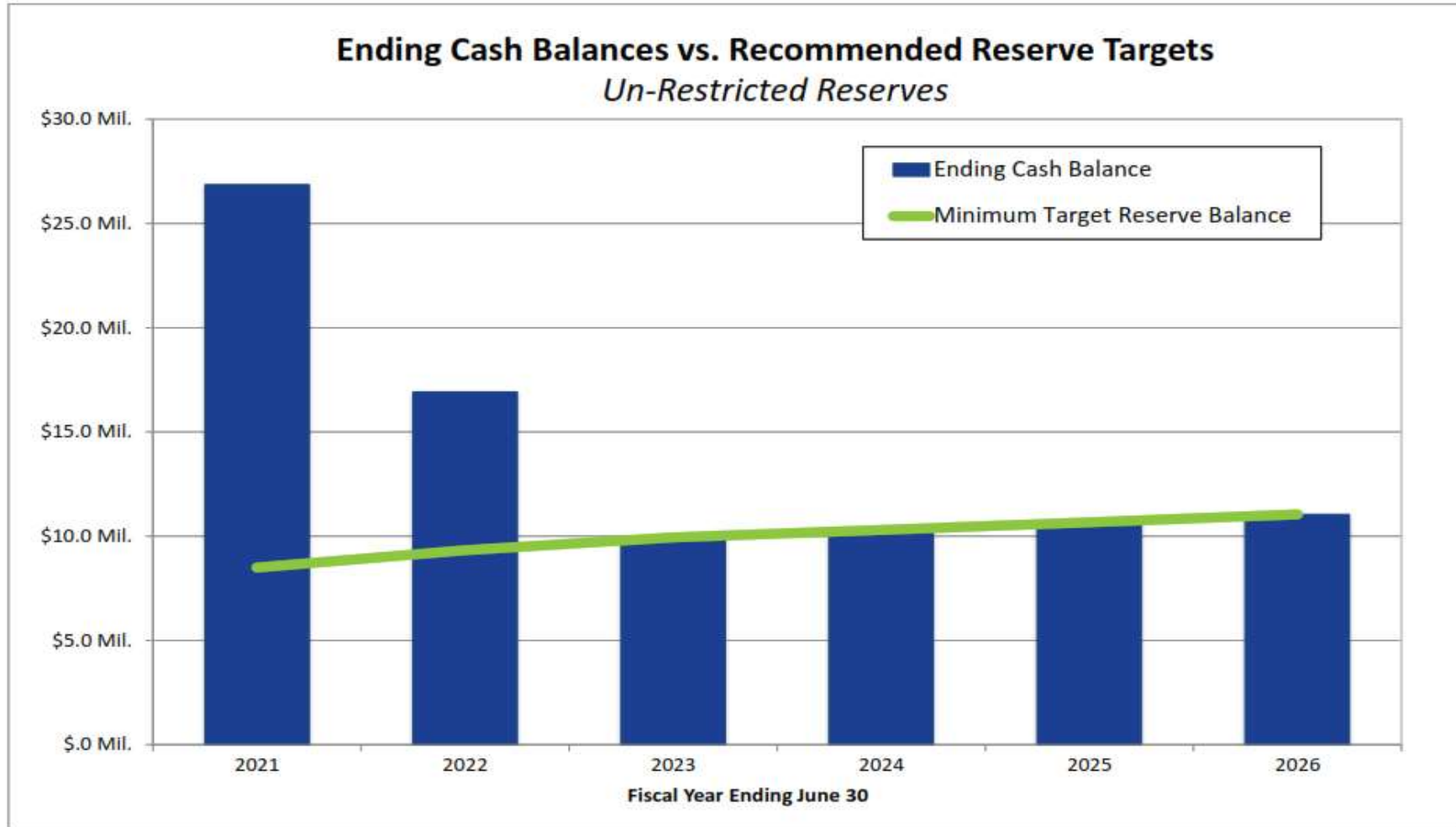
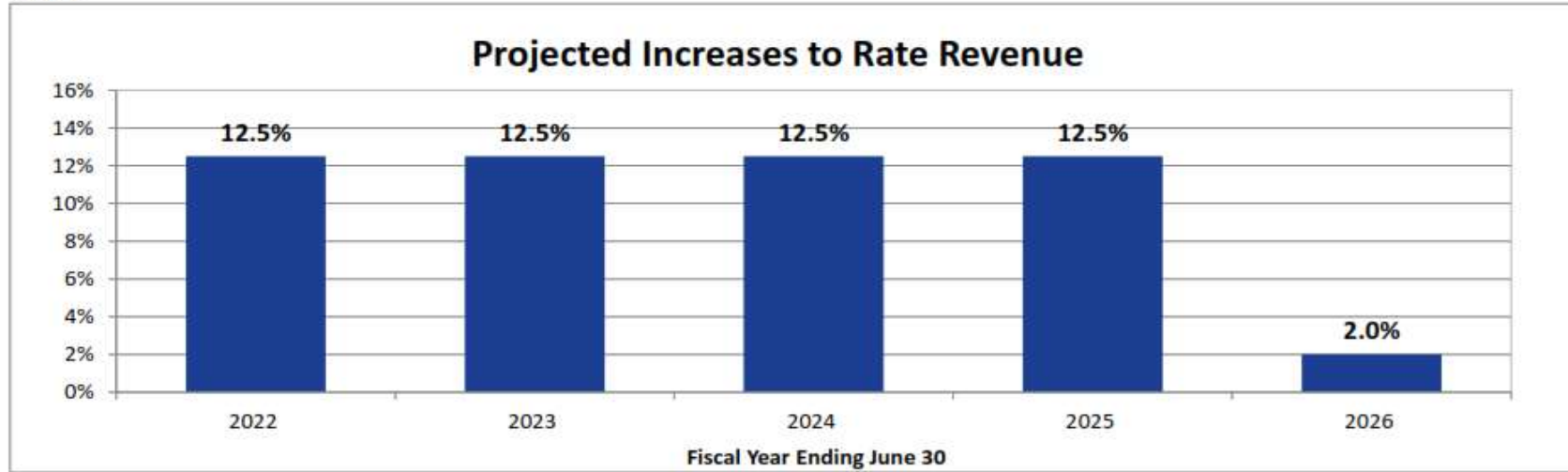


CHART 3



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 FORECAST<sup>1</sup>

DEPT.	CODE	DESCRIPTION	Basis	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
<b>SEWER REVENUE</b>														
<i>Operating Revenue</i>														
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	-	-	-	-	-	-	-	-	-	-	-
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
<i>Non-Operating Revenue</i>														
11	4510	Interest Revenue	See FP	300,000	-	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-	-	-
11	4465	Taxes - Penalties	1	-	-	-	-	-	-	-	-	-	-	-
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
<b>SUBTOTAL: SEWER REVENUE</b>				<b>\$ 13,051,300</b>	<b>\$ 12,878,813</b>	<b>\$ 13,007,601</b>	<b>\$ 13,137,677</b>	<b>\$ 13,269,054</b>	<b>\$ 13,401,744</b>	<b>\$ 13,535,762</b>	<b>\$ 13,671,120</b>	<b>\$ 13,807,831</b>	<b>\$ 13,945,909</b>	<b>\$ 14,085,368</b>
<b>CONNECTION FEE REVENUE<sup>2</sup></b>														
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	-	-	-	-	-	-	-	-	-	-
<b>TOTAL: REVENUE</b>				<b>\$ 13,899,300</b>	<b>\$ 14,053,813</b>	<b>\$ 14,257,601</b>	<b>\$ 14,437,677</b>	<b>\$ 14,609,054</b>	<b>\$ 14,781,744</b>	<b>\$ 14,958,262</b>	<b>\$ 15,121,120</b>	<b>\$ 15,352,831</b>	<b>\$ 15,696,394</b>	<b>\$ 15,888,368</b>

TABLE 5: REVENUE SUMMARY

DESCRIPTION	Basis	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
<b>SEWER REVENUE</b>												
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
<b>OTHER REVENUE</b>												
Interest Revenue		300,000	-	-	-	-	-	-	-	-	-	-
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
<b>SUBTOTAL: SEWER REVENUE</b>		<b>\$ 13,051,300</b>	<b>\$ 12,878,813</b>	<b>\$ 13,007,601</b>	<b>\$ 13,137,677</b>	<b>\$ 13,269,054</b>	<b>\$ 13,401,744</b>	<b>\$ 13,535,762</b>	<b>\$ 13,671,120</b>	<b>\$ 13,807,831</b>	<b>\$ 13,945,909</b>	<b>\$ 14,085,368</b>



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

Exhibit 1

TABLE 6: OPERATING EXPENSE FORECAST<sup>1</sup>

DEPT.	CODE	DESCRIPTION	Basis	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
<b>ENGINEERING</b>														
<i>Salary</i>														
11	5030	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	3	-	-	-	-	-	-	-	-	-	-	-
11	5080	Callout	3	-	-	-	-	-	-	-	-	-	-	-
11	5090	Standby	3	-	-	-	-	-	-	-	-	-	-	-
<i>Benefits</i>														
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	74,313	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	-	-	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-	-	-
<i>Services &amp; Supplies</i>														
11	5150	Directors' Fees	2	-	-	-	-	-	-	-	-	-	-	-
11	5225	Election	2	-	-	-	-	-	-	-	-	-	-	-
11	5250	Gas/Oil	2	-	-	-	-	-	-	-	-	-	-	-
11	5300	Comprehensive Insurance	2	-	-	-	-	-	-	-	-	-	-	-
11	5350	Memberships/Subscriptions	2	-	-	-	-	-	-	-	-	-	-	-
11	5400	Office Expenses	2	-	-	-	-	-	-	-	-	-	-	-
11	5410	County/City Charges	2	-	-	-	-	-	-	-	-	-	-	-
11	5420	Permits & Fees	2	-	-	-	-	-	-	-	-	-	-	-
11	5430	Pretreatment	2	-	-	-	-	-	-	-	-	-	-	-
11	5450	Operating Supplies	2	-	-	-	-	-	-	-	-	-	-	-
11	5470	Chemicals	2	-	-	-	-	-	-	-	-	-	-	-
11	5500	Contract Services	2	-	-	-	-	-	-	-	-	-	-	-
11	5550	Professional/Legal	2	-	-	-	-	-	-	-	-	-	-	-
11	5600	Publications	2	-	-	-	-	-	-	-	-	-	-	-
11	5700	Repairs/Maintenance	2	-	-	-	-	-	-	-	-	-	-	-
11	5720	Small Tools	2	-	-	-	-	-	-	-	-	-	-	-
11	5750	Research	2	-	-	-	-	-	-	-	-	-	-	-
11	5800	Travel/Mtgs/Education	2	-	-	-	-	-	-	-	-	-	-	-
11	5801	Certifications/TCPS	2	-	-	-	-	-	-	-	-	-	-	-
11	5901	Telephone	2	-	-	-	-	-	-	-	-	-	-	-
11	5902	Electricity	2	-	-	-	-	-	-	-	-	-	-	-
11	5903	Natural Gas	2	-	-	-	-	-	-	-	-	-	-	-
11	5904	Trash Collection	2	-	-	-	-	-	-	-	-	-	-	-
11	5905	Utility Water	2	-	-	-	-	-	-	-	-	-	-	-
11	5950	Other Expenses	2	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL: ENGINEERING Expenses</b>				<b>\$ 596,370</b>	<b>\$ 620,225</b>	<b>\$ 645,034</b>	<b>\$ 670,835</b>	<b>\$ 697,669</b>	<b>\$ 725,575</b>	<b>\$ 754,598</b>	<b>\$ 784,782</b>	<b>\$ 816,174</b>	<b>\$ 848,820</b>	<b>\$ 882,773</b>





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

Exhibit 1

TABLE 7: OPERATING EXPENSE FORECAST<sup>1</sup>

DEPT.	CODE	DESCRIPTION	Basis	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
<b>COLLECTIONS</b>														
<i>Salary</i>														
11	5030	Salaries	3	\$ 325,700	\$ 338,728	\$ 352,277	\$ 366,368	\$ 381,023	\$ 396,264	\$ 412,114	\$ 428,599	\$ 445,743	\$ 463,573	\$ 482,116
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	5,693	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
<i>Benefits</i>														
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	-	-	-	-	-	-	-	-	-	-	-
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	11,842
<i>Services &amp; Supplies</i>														
11	5150	Directors' Fees	2	-	-	-	-	-	-	-	-	-	-	-
11	5225	Election	2	-	-	-	-	-	-	-	-	-	-	-
11	5250	Gas/Oil	2	-	-	-	-	-	-	-	-	-	-	-
11	5300	Comprehensive Insurance	2	-	-	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-	-	-
11	5410	County/City Charges	2	-	-	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-	-	-
11	5600	Publications	2	-	-	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-	-	-
11	5904	Trash Collection	2	-	-	-	-	-	-	-	-	-	-	-
11	5905	Utility Water	2	6,500	6,693	6,891	7,095	7,306	7,523	7,746	7,975	8,212	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
<b>TOTAL: COLLECTIONS Expenses</b>				<b>\$ 874,410</b>	<b>\$ 905,766</b>	<b>\$ 938,270</b>	<b>\$ 971,963</b>	<b>\$ 1,006,889</b>	<b>\$ 1,043,096</b>	<b>\$ 1,080,631</b>	<b>\$ 1,119,542</b>	<b>\$ 1,159,882</b>	<b>\$ 1,201,704</b>	<b>\$ 1,245,064</b>



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

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TABLE 8: OPERATING EXPENSE FORECAST, cont.<sup>1</sup>

DEPT.	CODE	DESCRIPTION	Basis	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
<b>OPERATIONS</b>														
<i>Salary</i>														
11	5030	Salaries	3	\$ 661,700	\$ 688,168	\$ 715,695	\$ 744,323	\$ 774,095	\$ 805,059	\$ 837,262	\$ 870,752	\$ 905,582	\$ 941,805	\$ 979,478
11	5070	Overtime	3	16,000	16,640	17,306	17,998	18,718	19,466	20,245	21,055	21,897	22,773	23,684
11	5080	Callout	3	9,500	9,880	10,275	10,686	11,114	11,558	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	15,690	16,318	16,970	17,649	18,355
<i>Benefits</i>														
11	5110	Longevity	3	15,600	16,224	16,873	17,548	18,250	18,980	19,739	20,529	21,350	22,204	23,092
11	5112	Retirement	3	77,000	80,080	83,283	86,615	90,079	93,682	97,430	101,327	105,380	109,595	113,979
11	5116	Payroll Taxes	3	53,600	55,744	57,974	60,293	62,704	65,213	67,821	70,534	73,355	76,290	79,341
11	5118	Unemployment Insurance	3	-	-	-	-	-	-	-	-	-	-	-
11	5122	Workers Compensation	3	18,600	19,344	20,118	20,922	21,759	22,630	23,535	24,476	25,455	26,474	27,533
11	5124	Group Life Insurance	3	1,575	1,638	1,704	1,772	1,843	1,916	1,993	2,073	2,155	2,242	2,331
11	5126	Group Health Insurance	3	93,709	97,457	101,356	105,410	109,626	114,011	118,572	123,315	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	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	3,202	3,331	3,464
11	5152	Clothing/Safety	3	7,800	8,112	8,436	8,774	9,125	9,490	9,869	10,264	10,675	11,102	11,546
<i>Services &amp; Supplies</i>														
11	5150	Directors' Fees	2	-	-	-	-	-	-	-	-	-	-	-
11	5225	Election	2	-	-	-	-	-	-	-	-	-	-	-
11	5250	Gas/Oil	2	52,000	53,542	55,129	56,764	58,447	60,180	61,964	63,801	65,693	67,641	69,647
11	5300	Comprehensive Insurance	2	-	-	-	-	-	-	-	-	-	-	-
11	5350	Memberships/Subscriptions	2	1,950	2,008	2,067	2,129	2,192	2,257	2,324	2,393	2,463	2,537	2,612
11	5400	Office Expenses	2	-	-	-	-	-	-	-	-	-	-	-
11	5410	County/City Charges	2	-	-	-	-	-	-	-	-	-	-	-
11	5420	Permits & Fees	2	63,950	65,846	67,798	69,809	71,879	74,010	76,204	78,464	80,790	83,185	85,652
11	5430	Pretreatment	2	-	-	-	-	-	-	-	-	-	-	-
11	5450	Operating Supplies	2	130,600	134,472	138,459	142,565	146,792	151,144	155,626	160,240	164,991	169,883	174,920
11	5470	Chemicals	2	392,560	404,199	416,184	428,524	441,229	454,312	467,782	481,652	495,933	510,637	525,778
11	5500	Contract Services	2	180,185	185,527	191,028	196,692	202,524	208,529	214,712	221,078	227,633	234,383	241,332
11	5550	Professional/Legal	2	-	-	-	-	-	-	-	-	-	-	-
11	5600	Publications	2	-	-	-	-	-	-	-	-	-	-	-
11	5700	Repairs/Maintenance	2	107,770	110,965	114,256	117,643	121,131	124,723	128,421	132,229	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	1,263	1,301	1,339
11	5750	Research	2	-	-	-	-	-	-	-	-	-	-	-
11	5800	Travel/Mtgs/Education	2	20,000	20,593	21,204	21,832	22,480	23,146	23,832	24,539	25,267	26,016	26,787
11	5801	Certifications/TCPS	2	3,700	3,810	3,923	4,039	4,159	4,282	4,409	4,540	4,674	4,813	4,956
11	5901	Telephone	2	-	-	-	-	-	-	-	-	-	-	-
11	5902	Electricity	2	603,750	621,651	640,083	659,062	678,603	698,723	719,441	740,772	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	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	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	17,874	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
<b>TOTAL: OPERATIONS Expenses</b>				<b>\$ 2,587,719</b>	<b>\$ 2,674,523</b>	<b>\$ 2,764,304</b>	<b>\$ 2,857,167</b>	<b>\$ 2,953,218</b>	<b>\$ 3,052,572</b>	<b>\$ 3,155,342</b>	<b>\$ 3,261,650</b>	<b>\$ 3,371,621</b>	<b>\$ 3,485,382</b>	<b>\$ 3,603,069</b>



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

TABLE 9: OPERATING EXPENSE FORECAST, cont.<sup>1</sup>

DEPT.	CODE	DESCRIPTION	Basis	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
<b>MAINTENANCE</b>														
<i>Salary</i>														
11	5030	Salaries	3	\$ 509,000	\$ 529,360	\$ 550,534	\$ 572,556	\$ 595,458	\$ 619,276	\$ 644,047	\$ 669,809	\$ 696,602	\$ 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	4,737
<i>Benefits</i>														
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	77,935
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	-	-	-	-	-	-	-	-	-	-	-
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	2,842
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
<i>Services &amp; Supplies</i>														
11	5150	Directors' Fees	2	-	-	-	-	-	-	-	-	-	-	-
11	5225	Election	2	-	-	-	-	-	-	-	-	-	-	-
11	5250	Gas/Oil	2	-	-	-	-	-	-	-	-	-	-	-
11	5300	Comprehensive Insurance	2	-	-	-	-	-	-	-	-	-	-	-
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	2,511
11	5400	Office Expenses	2	-	-	-	-	-	-	-	-	-	-	-
11	5410	County/City Charges	2	-	-	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-	-	-
11	5600	Publications	2	-	-	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-	-	-
11	5902	Electricity	2	-	-	-	-	-	-	-	-	-	-	-
11	5903	Natural Gas	2	-	-	-	-	-	-	-	-	-	-	-
11	5904	Trash Collection	2	-	-	-	-	-	-	-	-	-	-	-
11	5905	Utility Water	2	-	-	-	-	-	-	-	-	-	-	-
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
<b>TOTAL: MAINTENANCE Expenses</b>				<b>\$ 1,254,656</b>	<b>\$ 1,299,742</b>	<b>\$ 1,346,480</b>	<b>\$ 1,394,932</b>	<b>\$ 1,445,162</b>	<b>\$ 1,497,236</b>	<b>\$ 1,551,223</b>	<b>\$ 1,607,194</b>	<b>\$ 1,665,224</b>	<b>\$ 1,725,390</b>	<b>\$ 1,787,771</b>

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

Exhibit 1

TABLE 10: OPERATING EXPENSE FORECAST, cont.<sup>1</sup>

DEPT.	CODE	DESCRIPTION	Basis	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
<b>LAB</b>														
<i>Salary</i>														
11	5030	Salaries	3	\$ 223,875	\$ 232,830	\$ 242,143	\$ 251,829	\$ 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	4,885
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
<i>Benefits</i>														
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	-	-	-	-	-	-	-	-	-	-	-
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
<i>Services &amp; Supplies</i>														
11	5150	Directors' Fees	2	-	-	-	-	-	-	-	-	-	-	-
11	5225	Election	2	-	-	-	-	-	-	-	-	-	-	-
11	5250	Gas/Oil	2	-	-	-	-	-	-	-	-	-	-	-
11	5300	Comprehensive Insurance	2	-	-	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-	-	-
11	5410	County/City Charges	2	-	-	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-	-	-
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	40,315
11	5470	Chemicals	2	-	-	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-	-	-
11	5600	Publications	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	-	-	-	-	-	-	-	-	-	-	-
11	5902	Electricity	2	-	-	-	-	-	-	-	-	-	-	-
11	5903	Natural Gas	2	-	-	-	-	-	-	-	-	-	-	-
11	5904	Trash Collection	2	-	-	-	-	-	-	-	-	-	-	-
11	5905	Utility Water	2	-	-	-	-	-	-	-	-	-	-	-
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
<b>TOTAL: LAB Expenses</b>				<b>\$ 516,870</b>	<b>\$ 535,447</b>	<b>\$ 554,705</b>	<b>\$ 574,669</b>	<b>\$ 595,366</b>	<b>\$ 616,823</b>	<b>\$ 639,068</b>	<b>\$ 662,132</b>	<b>\$ 686,043</b>	<b>\$ 710,835</b>	<b>\$ 736,539</b>

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

Exhibit 1

TABLE 11: OPERATING EXPENSE FORECAST<sup>1</sup>

DEPT.	CODE	DESCRIPTION	Basis	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
<b>ADMINISTRATION/BOARD</b>														
<i>Salary</i>														
11	5030	Salaries	3	\$ 569,100	\$ 591,864	\$ 615,539	\$ 640,160	\$ 665,767	\$ 692,397	\$ 720,093	\$ 748,897	\$ 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	-	-	-	-	-	-	-	-	-	-	-
11	5090	Standby	3	-	-	-	-	-	-	-	-	-	-	-
<i>Benefits</i>														
11	5110	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	-	-	-	-	-	-	-	-	-	-	-
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	5152	Clothing/Safety	3	-	-	-	-	-	-	-	-	-	-	-
<i>Services &amp; Supplies</i>														
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
11	5250	Gas/Oil	2	-	-	-	-	-	-	-	-	-	-	-
11	5300	Comprehensive Insurance	2	308,300	317,441	326,853	336,544	346,523	356,797	367,376	378,269	389,485	401,033	412,924
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	-	-	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-	-	-
11	5750	Research	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	-	-	-	-	-	-	-	-	-	-	-
11	5903	Natural Gas	2	-	-	-	-	-	-	-	-	-	-	-
11	5904	Trash Collection	2	-	-	-	-	-	-	-	-	-	-	-
11	5905	Utility Water	2	-	-	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-	-	-
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
<b>TOTAL: ADMINISTRATION/BOARD Expenses</b>				<b>\$ 1,935,935</b>	<b>\$ 2,001,569</b>	<b>\$ 2,069,478</b>	<b>\$ 2,139,743</b>	<b>\$ 2,212,448</b>	<b>\$ 2,287,679</b>	<b>\$ 2,365,526</b>	<b>\$ 2,446,081</b>	<b>\$ 2,529,442</b>	<b>\$ 2,615,708</b>	<b>\$ 2,704,982</b>

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
<b>ADDITIONAL STAFFING</b>														
		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	-	122,000	126,880	131,955	137,233	142,723	148,432	154,369	160,544	166,965	173,644
		Associate Engineer	3	-	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	-	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	-	-	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	-	-	98,000	101,920	105,997	110,237	114,646	119,232	124,001	128,961	134,120
<b>TOTAL: ADDITIONAL STAFFING Expenses</b>				<b>\$ 327,000</b>	<b>\$ 841,080</b>	<b>\$ 1,152,723</b>	<b>\$ 1,198,832</b>	<b>\$ 1,246,785</b>	<b>\$ 1,296,657</b>	<b>\$ 1,348,523</b>	<b>\$ 1,402,464</b>	<b>\$ 1,458,563</b>	<b>\$ 1,516,905</b>	<b>\$ 1,577,581</b>
<b>GRAND TOTAL: SEWER EXPENSES</b>				<b>\$ 8,092,960</b>	<b>\$ 8,878,352</b>	<b>\$ 9,470,994</b>	<b>\$ 9,808,141</b>	<b>\$ 10,157,538</b>	<b>\$ 10,519,638</b>	<b>\$ 10,894,911</b>	<b>\$ 11,283,846</b>	<b>\$ 11,686,949</b>	<b>\$ 12,104,745</b>	<b>\$ 12,537,780</b>

TABLE 13: FORECASTING ASSUMPTIONS<sup>2</sup>

COST INFLATION FACTORS	Basis	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Customer Growth <sup>1</sup>	1	--	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) <sup>2</sup>	2	--	2.97%	2.97%	2.97%	2.97%	2.97%	2.97%	2.97%	2.97%	2.97%	2.97%
Labor Cost Inflation <sup>3</sup>	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	--	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 8-9-2020.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 5 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.

TABLE 14: CAPITAL FUNDING SUMMARY

CAPITAL FUNDING FORECAST	Budget	Projected Rates for Adoption Period					Projected				
	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
<b>Funding Sources:</b>											
Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Use of Connection Fee Reserves	350,000	1,456,296	6,761,469	2,567,043	1,340,000	1,380,000	1,422,500	1,450,000	-	-	-
SRF Loan Funding	-	-	-	-	-	-	-	-	-	-	-
Loan Proceeds	-	-	8,120,491	19,178,312	30,419,826	35,693,076	34,193,446	33,649,743	3,743,106	-	-
Use of Capital Rehabilitation and Replacement Reserve	7,594,928	12,446,259	10,509,190	4,675,924	1,923,666	2,313,315	3,452,414	2,000,000	925,050	1,178,064	1,197,839
Rate Revenue	-	-	-	-	-	-	-	-	-	-	-
<b>Total Sources of Capital Funds</b>	<b>\$ 7,944,928</b>	<b>\$ 13,902,555</b>	<b>\$ 25,391,150</b>	<b>\$ 26,421,279</b>	<b>\$ 33,083,492</b>	<b>\$ 39,386,391</b>	<b>\$ 39,068,361</b>	<b>\$ 37,099,743</b>	<b>\$ 4,670,156</b>	<b>\$ 1,178,064</b>	<b>\$ 1,197,839</b>
<b>Uses of Capital Funds:</b>											
Total Project Costs	\$ 7,944,928	\$ 13,902,555	\$ 25,391,150	\$ 26,421,279	\$ 33,083,492	\$ 39,386,391	\$ 39,068,361	\$ 37,099,743	\$ 4,670,156	\$ 1,178,064	\$ 1,197,839
<b>Capital Funding Surplus (Deficiency)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>New SRF Loan Funding</b>	<b>\$ -</b>	<b>\$ 50,000,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 100,000,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 15,000,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Selection of Financial Plan Alternative

Insert policy choice in box to right, based on options listed above

3

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 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31
1	Alternative 1 - Full CIP with no Debt Issue	-	-	-	-	-	-	-	-	-	-	-
2	Alternative 2 - Full CIP with a \$150 million Debt	-	50,000,000	-	-	100,000,000	-	-	-	-	-	-
3	Alternative 3 - Full CIP with a \$165 million Debt	-	50,000,000	-	-	100,000,000	-	-	15,000,000	-	-	-



CAPITAL IMPROVEMENT PROGRAM<sup>1</sup>

TABLE 15: CAPITAL IMPROVEMENT PROGRAM COSTS (in Current-Year Dollars)<sup>2</sup>

Project Description	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
<b>FUND 12</b>											
<b>PLANT</b>											
3 Reclaimed Water Project Phase 1 Design Build	\$ -	\$ 1,320,000	\$ 9,500,000	\$ 9,500,000	\$ 9,500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reclaimed Water Project Phase 2 Design Build	-	-	-	-	2,247,813	8,991,259	-	-	-	-	-
4 Reclaimed Water Project Phase 3 Design	-	-	-	-	-	2,922,379	-	-	-	-	-
4 Reclaimed Water Project Phase 3 Construction	-	-	-	-	-	-	9,498,292	9,498,292	-	-	-
4 Future Plant Expansion 2040 & beyond	-	-	-	-	-	-	-	-	-	-	-
Influent Pump Station Rehabilitation Design Build	1,200,000	1,200,000	-	-	-	-	-	-	-	-	-
6 Training & Office Building - Design (Carry Over)	-	-	-	-	-	-	-	-	-	-	-
6 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	638,000
7 Fence Extension & Fortification (Carry Over) plus	280,000	-	-	-	-	-	-	-	-	-	-
7 Steel Water Line Replacement (Carry Over)	-	-	-	-	-	-	-	-	-	-	-
7 Van Buren Slope Protection	250,000	-	-	-	-	-	-	-	-	-	-
6 Additional Parking & Landscaping	-	-	-	-	-	-	-	-	-	-	-
7 Recycled Water Main Extension (Carry Over)	-	-	-	-	-	-	-	-	-	-	-
7 Switch Board Main Service Replacement	-	250,000	-	-	-	-	-	-	-	-	-
<b>SUBTOTAL - PLANT</b>	<b>\$ 2,368,000</b>	<b>\$ 3,408,000</b>	<b>\$ 10,198,000</b>	<b>\$ 10,198,000</b>	<b>\$ 12,445,815</b>	<b>\$ 12,551,638</b>	<b>\$ 10,136,292</b>	<b>\$ 10,136,292</b>	<b>\$ 638,000</b>	<b>\$ 638,000</b>	<b>\$ 638,000</b>
<b>COLLECTIONS</b>											
7 Lateral Grant Program	\$ 34,000	\$ 34,000	\$ 34,000	\$ 34,000	\$ 34,000	\$ 34,000	\$ 34,000	\$ 34,000	\$ 34,000	\$ 34,000	\$ 34,000
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.	1,809,854	3,741,341	5,800,570	6,012,871	6,214,904	6,423,724	6,639,561	4,575,105	2,304,407	-	-
7 Manhole Rehabilitation	-	-	-	-	-	-	-	-	-	138,424	138,424
7 Sewer Main Emergency Repairs	112,000	112,000	112,000	112,000	112,000	112,000	112,000	112,000	112,000	112,000	112,000
3 Avenue 48 Sewer Main Upgrade Design	-	-	-	-	-	-	-	-	-	-	-
3 Avenue 48 Sewer Main Upgrade Construction	-	-	-	-	-	-	-	-	-	-	-
3 Interim Collection System CIP Design	-	-	-	-	-	-	-	-	-	-	-
3 Interim Collection System CIP Construction	-	-	-	-	-	-	-	-	-	-	-
3 Build-out Collection System CIP projects	-	-	-	-	-	-	-	-	-	-	-
3 Emergency Sewer Siphon Replacement Design	325,000	400,000	-	-	-	-	-	-	-	-	-
6 Emergency Sewer Siphon Replacement Const.	2,000,000	3,000,000	-	-	-	-	-	-	-	-	-
<b>SUBTOTAL - COLLECTIONS</b>	<b>\$ 5,134,928</b>	<b>\$ 8,000,489</b>	<b>\$ 7,303,168</b>	<b>\$ 7,564,388</b>	<b>\$ 7,812,975</b>	<b>\$ 8,009,912</b>	<b>\$ 8,335,484</b>	<b>\$ 5,795,324</b>	<b>\$ 3,075,227</b>	<b>\$ 304,424</b>	<b>\$ 304,424</b>
Placeholder for Future Year Capital Projects <sup>3</sup>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL - FUND 12</b>	<b>\$ 7,502,928</b>	<b>\$ 12,008,489</b>	<b>\$ 17,501,168</b>	<b>\$ 17,762,388</b>	<b>\$ 20,258,790</b>	<b>\$ 20,621,550</b>	<b>\$ 18,471,776</b>	<b>\$ 15,931,616</b>	<b>\$ 3,713,227</b>	<b>\$ 942,424</b>	<b>\$ 942,424</b>

TABLE 14: CAPITAL IMPROVEMENT PROGRAM COSTS (in Current-Year Dollars), cont.<sup>2</sup>

Project Description	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
<b>FUND 13 - Connection Fees</b>											
<b>PLANT</b>											
3 Reclaimed Water Project Phase 1 Design Build	\$ -	\$ 880,000	\$ 6,373,333	\$ 6,373,333	\$ 6,373,333	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reclaimed Water Project Phase 2 Design Build	-	-	-	-	1,498,543	5,994,173	-	-	-	-	-
4 Reclaimed Water Project Phase 3 Design	-	-	-	-	-	4,383,568	-	-	-	-	-
4 Reclaimed Water Project Phase 3 Construction	-	-	-	-	-	-	14,247,438	14,247,438	-	-	-
4 Future Plant Expansion 2040 & beyond	-	-	-	-	-	-	-	-	-	-	-
Influent Pump Station Rehabilitation Design Build	-	-	-	-	-	-	-	-	-	-	-
6 Training & Office Building - Design (Carry Over)	100,000	533,880	-	-	-	-	-	-	-	-	-
6 Training & Office Building - Construction	-	-	-	-	1,768,241	2,901,835	-	-	-	-	-
7 Vehicle & Major Equipment Replacement Fund	-	-	-	-	-	-	-	-	-	-	-
7 Fence Extension & Fortification (Carry Over) plus	-	-	-	-	-	-	-	-	-	-	-
7 Steel Water Line Replacement (Carry Over)	-	-	-	-	-	-	-	-	-	-	-
7 Van Buren Slope Protection	-	-	-	-	-	-	-	-	-	-	-
6 Additional Parking & Landscaping	250,000	-	-	-	-	-	-	-	-	-	-
7 Recycled Water Main Extension (Carry Over)	-	-	-	-	-	-	-	-	-	-	-
7 Switch Board Main Service Replacement	-	-	-	-	-	-	-	-	-	-	-
<b>SUBTOTAL - PLANT</b>	<b>\$ 350,000</b>	<b>\$ 1,413,880</b>	<b>\$ 6,373,333</b>	<b>\$ 6,373,333</b>	<b>\$ 9,040,118</b>	<b>\$ 13,339,576</b>	<b>\$ 14,247,438</b>	<b>\$ 14,247,438</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>COLLECTIONS</b>											
7 Lateral Grant Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7 Sewer Main Rehabilitation or Replacement Design	-	-	-	-	-	-	-	-	-	-	-
7 Sewer Main Rehabilitation or Replacement Const.	-	-	-	-	-	-	-	-	-	-	-
7 Manhole Rehabilitation	-	-	-	-	-	-	-	-	-	-	-
7 Sewer Main Emergency Repairs	-	-	-	-	-	-	-	-	-	-	-
5 Avenue 48 Sewer Main Upgrade Design	-	-	-	-	-	-	-	-	-	-	-
5 Avenue 48 Sewer Main Upgrade Construction	-	-	-	-	-	-	-	-	-	-	-
5 Interim Collection System CIP Design	-	-	-	-	-	-	-	-	-	-	-
5 Interim Collection System CIP Construction	-	-	-	-	-	-	-	-	-	-	-
5 Build-out Collection System CIP projects	-	-	-	-	-	-	-	-	-	-	-
5 Emergency Sewer Siphon Replacement Design	-	-	-	-	-	-	-	-	-	-	-
6 Emergency Sewer Siphon Replacement Const.	-	-	-	-	-	-	-	-	-	-	-
<b>SUBTOTAL - COLLECTIONS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<i>Placeholder for Future Year Capital Projects<sup>2</sup></i>											
<b>TOTAL - FUND 13</b>	<b>\$ 350,000</b>	<b>\$ 1,413,880</b>	<b>\$ 6,373,333</b>	<b>\$ 6,373,333</b>	<b>\$ 9,040,118</b>	<b>\$ 13,339,576</b>	<b>\$ 14,247,438</b>	<b>\$ 14,247,438</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>CONTINGENCY<sup>3</sup></b>											
	\$ 92,000	\$ 93,840	\$ 95,717	\$ 97,031	\$ 99,584	\$ 101,576	\$ 103,608	\$ 105,080	\$ 107,794	\$ 109,950	\$ 112,149
<b>TOTAL: CIP Program Costs (Current Year Dollars)</b>	<b>\$ 7,944,928</b>	<b>\$ 13,516,209</b>	<b>\$ 23,970,218</b>	<b>\$ 24,233,352</b>	<b>\$ 29,998,491</b>	<b>\$ 34,062,702</b>	<b>\$ 32,822,822</b>	<b>\$ 30,264,734</b>	<b>\$ 3,821,021</b>	<b>\$ 1,052,374</b>	<b>\$ 1,054,573</b>

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

Project Description	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
<b>FUND 12</b>											
<b>PLANT</b>											
3 Reclaimed Water Project Phase 1 Design Build	\$ -	\$ 1,359,000	\$ 10,142,204	\$ 10,446,470	\$ 10,759,864	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reclaimed Water Project Phase 2 Design Build	-	-	-	-	2,529,935	10,423,334	-	-	-	-	-
4 Reclaimed Water Project Phase 3 Design	-	-	-	-	-	3,387,838	-	-	-	-	-
4 Reclaimed Water Project Phase 3 Construction	-	-	-	-	-	-	11,341,457	11,081,701	-	-	-
4 Future Plant Expansion 2040 & beyond	-	-	-	-	-	-	-	-	-	-	-
Influent Pump Station Rehabilitation Design Build	1,200,000	1,236,000	-	-	-	-	-	-	-	-	-
6 Training & Office Building - Design (Carry Over)	-	-	-	-	-	-	-	-	-	-	-
6 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	638,000
7 Fence Extension & Fortification (Carry Over) plus	280,000	-	-	-	-	-	-	-	-	-	-
7 Steel Water Line Replacement (Carry Over)	-	-	-	-	-	-	-	-	-	-	-
7 Van Buren Slope Protection	250,000	-	-	-	-	-	-	-	-	-	-
6 Additional Parking & Landscaping	-	-	-	-	-	-	-	-	-	-	-
7 Recycled Water Main Extension (Carry Over)	-	-	-	-	-	-	-	-	-	-	-
7 Switch Board Main Service Replacement	-	257,500	-	-	-	-	-	-	-	-	-
<b>SUBTOTAL - PLANT</b>	<b>\$ 2,308,000</b>	<b>\$ 3,491,100</b>	<b>\$ 10,780,204</b>	<b>\$ 11,084,470</b>	<b>\$ 13,927,800</b>	<b>\$ 14,449,172</b>	<b>\$ 11,979,457</b>	<b>\$ 12,319,701</b>	<b>\$ 638,000</b>	<b>\$ 638,000</b>	<b>\$ 638,000</b>
<b>COLLECTIONS</b>											
7 Lateral Grant Program	\$ 34,000	\$ 55,020	\$ 57,289	\$ 59,007	\$ 60,777	\$ 62,001	\$ 64,479	\$ 66,413	\$ 68,406	\$ 70,458	\$ 72,571
7 Sewer Main Rehabilitation or Replacement Design	834,074	1,331,942	1,417,997	1,513,992	1,611,809	1,715,944	1,826,808	1,290,550	690,162	-	-
7 Sewer Main Rehabilitation or Replacement Const.	1,809,854	3,833,581	6,153,825	6,570,426	6,994,929	7,446,857	7,927,983	5,026,802	2,995,100	-	-
7 Manhole Rehabilitation	-	-	-	-	-	-	-	-	-	180,012	180,030
7 Sewer Main Emergency Repairs	112,000	115,360	118,821	122,385	126,057	129,839	133,734	137,746	141,878	146,135	150,519
3 Avenue 48 Sewer Main Upgrade Design	-	-	-	-	-	-	-	-	-	-	-
3 Avenue 48 Sewer Main Upgrade Construction	-	-	-	-	-	-	-	-	-	-	-
3 Interim Collection System CIP Design	-	-	-	-	-	-	-	-	-	-	-
3 Interim Collection System CIP Construction	-	-	-	-	-	-	-	-	-	-	-
3 Build-out Collection System CIP projects	-	-	-	-	-	-	-	-	-	-	-
3 Emergency Sewer Siphon Replacement Design	325,000	412,000	-	-	-	-	-	-	-	-	-
6 Emergency Sewer Siphon Replacement Const.	2,000,000	3,090,000	-	-	-	-	-	-	-	-	-
<b>SUBTOTAL - COLLECTIONS</b>	<b>\$ 5,134,928</b>	<b>\$ 8,858,504</b>	<b>\$ 7,747,931</b>	<b>\$ 8,205,811</b>	<b>\$ 8,793,572</b>	<b>\$ 9,355,240</b>	<b>\$ 9,953,004</b>	<b>\$ 7,127,518</b>	<b>\$ 3,895,006</b>	<b>\$ 397,204</b>	<b>\$ 409,120</b>
Placeholder for Future Year Capital Projects <sup>2</sup>	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL - FUND 12</b>	<b>\$ 7,502,928</b>	<b>\$ 12,349,604</b>	<b>\$ 18,528,135</b>	<b>\$ 19,350,281</b>	<b>\$ 22,721,372</b>	<b>\$ 23,804,411</b>	<b>\$ 21,932,461</b>	<b>\$ 19,447,219</b>	<b>\$ 4,533,006</b>	<b>\$ 1,035,204</b>	<b>\$ 1,047,120</b>

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

Project Description	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
<b>FUND 13 - Connection Fees</b>											
<b>PLANT</b>											
3 Reclaimed Water Project Phase 1 Design Build	\$ -	\$ 908,400	\$ 6,761,469	\$ 8,904,313	\$ 7,173,243	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reclaimed Water Project Phase 2 Design Build	-	-	-	-	1,088,024	6,948,889	-	-	-	-	-
4 Reclaimed Water Project Phase 3 Design	-	-	-	-	-	5,081,757	-	-	-	-	-
4 Reclaimed Water Project Phase 3 Construction	-	-	-	-	-	-	17,012,180	17,522,552	-	-	-
4 Future Plant Expansion 2040 & beyond	-	-	-	-	-	-	-	-	-	-	-
Influent Pump Station Rehabilitation Design Build	-	-	-	-	-	-	-	-	-	-	-
6 Training & Office Building - Design (Carry Over)	100,000	549,898	-	-	-	-	-	-	-	-	-
6 Training & Office Building - Construction	-	-	-	-	1,990,171	3,433,579	-	-	-	-	-
7 Vehicle & Major Equipment Replacement Fund	-	-	-	-	-	-	-	-	-	-	-
7 Fence Extension & Fortification (Carry Over) plus	-	-	-	-	-	-	-	-	-	-	-
7 Steel Water Line Replacement (Carry Over)	-	-	-	-	-	-	-	-	-	-	-
7 Van Buren Slope Protection	-	-	-	-	-	-	-	-	-	-	-
6 Additional Parking & Landscaping	250,000	-	-	-	-	-	-	-	-	-	-
7 Recycled Water Main Extension (Carry Over)	-	-	-	-	-	-	-	-	-	-	-
7 Switch Board Main Service Replacement	-	-	-	-	-	-	-	-	-	-	-
<b>SUBTOTAL - PLANT</b>	<b>\$ 350,000</b>	<b>\$ 1,450,298</b>	<b>\$ 6,761,469</b>	<b>\$ 8,904,313</b>	<b>\$ 10,850,037</b>	<b>\$ 15,404,225</b>	<b>\$ 17,012,180</b>	<b>\$ 17,522,552</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>COLLECTIONS</b>											
7 Lateral Grant Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7 Sewer Main Rehabilitation or Replacement Design	-	-	-	-	-	-	-	-	-	-	-
7 Sewer Main Rehabilitation or Replacement Const.	-	-	-	-	-	-	-	-	-	-	-
7 Manhole Rehabilitation	-	-	-	-	-	-	-	-	-	-	-
7 Sewer Main Emergency Repairs	-	-	-	-	-	-	-	-	-	-	-
3 Avenue 48 Sewer Main Upgrade Design	-	-	-	-	-	-	-	-	-	-	-
3 Avenue 48 Sewer Main Upgrade Construction	-	-	-	-	-	-	-	-	-	-	-
3 Interim Collection System CIP Design	-	-	-	-	-	-	-	-	-	-	-
3 Interim Collection System CIP Construction	-	-	-	-	-	-	-	-	-	-	-
3 Build-out Collection System CIP projects	-	-	-	-	-	-	-	-	-	-	-
3 Emergency Sewer Siphon Replacement Design	-	-	-	-	-	-	-	-	-	-	-
6 Emergency Sewer Siphon Replacement Const.	-	-	-	-	-	-	-	-	-	-	-
<b>SUBTOTAL - COLLECTIONS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Placeholder for Future Year Capital Projects <sup>2</sup>	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL - FUND 13</b>	<b>\$ 350,000</b>	<b>\$ 1,450,298</b>	<b>\$ 6,761,469</b>	<b>\$ 8,904,313</b>	<b>\$ 10,850,037</b>	<b>\$ 15,404,225</b>	<b>\$ 17,012,180</b>	<b>\$ 17,522,552</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>CONTINGENCY<sup>4</sup></b>	<b>\$ 92,000</b>	<b>\$ 96,655</b>	<b>\$ 101,546</b>	<b>\$ 106,684</b>	<b>\$ 112,083</b>	<b>\$ 117,754</b>	<b>\$ 123,713</b>	<b>\$ 129,973</b>	<b>\$ 136,550</b>	<b>\$ 143,400</b>	<b>\$ 150,719</b>
<b>Total: CIP Program Costs (Future-Year Dollars)</b>	<b>\$ 7,944,928</b>	<b>\$ 13,902,555</b>	<b>\$ 25,391,150</b>	<b>\$ 20,421,279</b>	<b>\$ 33,683,492</b>	<b>\$ 39,380,391</b>	<b>\$ 39,008,301</b>	<b>\$ 37,099,743</b>	<b>\$ 4,070,150</b>	<b>\$ 1,178,604</b>	<b>\$ 1,197,839</b>

TABLE 17: FORECASTING ASSUMPTIONS

Economic Variables	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Annual Construction Cost Inflation, Per Engineering News Record	0.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Cumulative Construction Cost Multiplier	1.00	1.03	1.06	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 00012020 2021 Plus 5 yr finance Final.xlsx .
2. Planned capital improvements for Fund 12 provided by the District. Source file: FY 20-21 Capital Spreadsheet 00012020 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>).

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 Rates for Adoption Period					Projected				
	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
<b>Annual Repayment Schedules:</b>											
<b>2015 Wastewater Revenue Refunding Bonds, \$7,540,000<sup>1</sup></b>											
Principal Payment	\$ 685,000	\$ 715,000	\$ 750,000	\$ 765,000	\$ 805,000	\$ 845,000	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Payment	206,688	172,438	136,688	120,750	82,500	42,250	-	-	-	-	-
<b>Subtotal: Annual Debt Service</b>	<b>\$ 891,688</b>	<b>\$ 887,438</b>	<b>\$ 886,688</b>	<b>\$ 885,750</b>	<b>\$ 887,500</b>	<b>\$ 887,250</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Coverage Requirement (%-Amnt above annual payment) <sup>2</sup>	125%	125%	125%	125%	125%	125%	-	-	-	-	-
Reserve Requirement (total fund balance) <sup>2</sup>	\$ 317,042	\$ 277,164	\$ 233,368	\$ 184,757	\$ 130,496	\$ 69,316	\$ -	\$ -	\$ -	\$ -	\$ -
<b>CA CWSRF Revolving Fund Loan<sup>3</sup></b>											
Principal Payment	\$ 345,161	\$ 351,029	\$ 356,996	\$ 363,065	\$ 369,237	\$ 375,514	\$ 381,898	\$ 388,390	\$ 394,993	\$ 401,708	\$ 408,537
Interest Payment	208,200	202,332	196,365	190,296	184,124	177,846	171,463	164,970	158,368	151,653	144,824
<b>Subtotal: Annual Debt Service</b>	<b>\$ 553,361</b>	<b>\$ 553,361</b>	<b>\$ 553,361</b>	<b>\$ 553,361</b>	<b>\$ 553,361</b>	<b>\$ 553,361</b>	<b>\$ 553,361</b>	<b>\$ 553,361</b>	<b>\$ 553,361</b>	<b>\$ 553,361</b>	<b>\$ 553,361</b>
Coverage Requirement (\$-Amnt above annual payment) <sup>4</sup>	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Reserve Requirement (total fund balance) <sup>4</sup>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Grand Total: Existing Annual Debt Service</b>	<b>\$ 1,445,048</b>	<b>\$ 1,440,798</b>	<b>\$ 1,440,048</b>	<b>\$ 1,439,111</b>	<b>\$ 1,440,861</b>	<b>\$ 1,440,611</b>	<b>\$ 553,361</b>	<b>\$ 553,361</b>	<b>\$ 553,361</b>	<b>\$ 553,361</b>	<b>\$ 553,361</b>
<b>Grand Total: Existing Annual Coverage Requirement</b>	<b>\$ 1,114,609</b>	<b>\$ 1,109,297</b>	<b>\$ 1,108,359</b>	<b>\$ 1,107,188</b>	<b>\$ 1,109,375</b>	<b>\$ 1,109,063</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Grand Total: Existing Debt Reserve Target</b>	<b>\$ 317,042</b>	<b>\$ 277,164</b>	<b>\$ 233,368</b>	<b>\$ 184,757</b>	<b>\$ 130,496</b>	<b>\$ 69,316</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

1. Debt service schedule was provided by the District. Source file: 7. Wastewater Revenue Refunding Bonds.xlsx.

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-00-8116-110, Agreement No. D1801003-550-03. Source file: 7. Repayment schedule State Water Resources Control Board.pdf.

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

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

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	-	-	-	-	-
Existing Debt Reserve Target	317,042	277,164	233,368	184,757	130,496	69,316	-	-	-	-	-

VALLEY SANITARY DISTRICT  
SEWER RATE STUDY

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

Exhibit 3

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	\$ -	\$ 165,000,000
Coverage Requirement (% above annual pmt)	125%	125%

TABLE 21: FUTURE DEBT OBLIGATIONS

Annual Repayment Schedules	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
<b>SRF Loan Funding</b>											
Principal Payment	\$ -	\$ 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	-	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
<b>Subtotal: Annual Debt Service</b>	\$ -	\$ 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
<b>Grand Total: Future Annual Debt Service</b>	\$ -	\$ 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
<b>Grand Total: Future Annual Coverage Requirement</b>	\$ -	\$ 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
<b>Grand Total: Future Debt Reserve Target</b>	\$ -	\$ 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

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
<b>Total Debt Reserve Target</b>	<b>317,042</b>	<b>2,663,967</b>	<b>2,620,170</b>	<b>2,571,560</b>	<b>7,290,904</b>	<b>7,229,725</b>	<b>7,160,408</b>	<b>7,876,449</b>	<b>7,876,449</b>	<b>7,876,449</b>	<b>7,876,449</b>



**VALLEY SANITARY DISTRICT  
SEWER RATE STUDY**

**Projected Sewer Rates Under Existing Rate Schedule**

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

Exhibit 4

**TABLE 23: Current Sewer Rates**

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

1. Definition: 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 non-household uses, the value of equivalency to a household is for purposes of computing uniform financial obligations.



VALLEY SANITARY DISTRICT

SEWER RATE STUDY

Customer Data

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

TABLE 33 : CUSTOMER BILLING DATA

Water Consumption Data used for District Rates <sup>1</sup>											
Summary of by Class	Number of Accounts	EDU's	Annual Water Consumption (HCF)	Winter Water Consumption (HCF) <sup>2</sup>	Water Consumption Statistics				Average EDU's Per Account	Average Winter + Average Annual Volume	Total Consumption Check
					Average Monthly Consumption per Account	Average Monthly Winter Consumption	Average Annual Volume per Account	Annualized Winter Volume per Account			
<b>Residential</b>											
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 <sup>3</sup>	1,528	1,518	140,899	28,248	7.7	6.2	92.2	73.9	0.99	80%	140,899
RV Park <sup>3</sup>	2,816	1,576	155,494	38,099	4.6	4.5	55.2	54.1	0.56	98%	155,494
<b>Non-Residential</b>											
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
<b>Total</b>	<b>25,388</b>	<b>33,425</b>	<b>5,316,980</b>	<b>1,016,396</b>	<b>17</b>	<b>13</b>	<b>209</b>	<b>160</b>	<b>1.32</b>	<b>76%</b>	<b>4,893,100</b>

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

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.

TABLE 34 : SUMMARY OF CUSTOMER DATA

Number of Sewer Accounts, EDU's, and Revenue Billed						
Customer Class	Accounts	EDUs	Annual Sewer Charges	\$/Acct./mo.	\$/EDU/mo.	Avg ccff/EDU/mo.
<b>Summary of by Class</b>						
<b>Residential</b>						
Single-Family Residential	19,972	19,980	\$ 6,593,400	\$330.13	\$330.00	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	\$184.74	\$330.00	8.22
<b>Non-Residential</b>						
Commercial - Low/Med. Strength	703	4,250	1,402,500	\$1,995.02	\$330.00	8.08
Commercial - High Strength	71	535	176,550	\$2,486.62	\$330.00	10.84
<b>Total</b>	<b>25,388</b>	<b>33,425</b>	<b>\$ 11,030,259</b>	<b>\$434.47</b>	<b>\$330.00</b>	

VALLEY SANITARY DISTRICT  
SEWER RATE STUDY  
Customer Data

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

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
<b>Residential</b>													
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	4,090,849
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	447,858
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	140,899
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	155,494
<b>Non-Residential</b>													
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	412,315
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
<b>Total</b>	<b>538,108</b>	<b>559,475</b>	<b>593,742</b>	<b>434,105</b>	<b>506,286</b>	<b>344,484</b>	<b>339,750</b>	<b>332,162</b>	<b>348,179</b>	<b>365,209</b>	<b>439,648</b>	<b>515,832</b>	<b>5,316,980</b>
<b>Rolling Winter Consumption (3 months)</b>			<b>1,691,325</b>	<b>1,587,322</b>	<b>1,534,133</b>	<b>1,284,875</b>	<b>1,190,520</b>	<b>1,016,396</b>	<b>1,020,091</b>	<b>1,045,550</b>	<b>1,153,036</b>	<b>1,320,689</b>	
<b>Residential</b>													
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	
<b>Non-Residential</b>													
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	
<b>Sum of Sewage Volume</b>													
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
<b>Residential</b>													
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	4,372,327
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	166,193
<b>Non-Residential</b>													
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
<b>Total</b>	<b>346,992</b>	<b>463,523</b>	<b>409,654</b>	<b>557,142</b>	<b>450,478</b>	<b>495,396</b>	<b>453,158</b>	<b>348,592</b>	<b>527,302</b>	<b>660,336</b>	<b>505,090</b>	<b>465,161</b>	<b>5,682,825</b>
<b>Sum of Sewer Charges</b>													
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
<b>Residential</b>													
Single-Family Residential													\$ 6,593,400
Multi-Family Residential													1,836,798
Mobile Home													500,775
RV Park													520,235
<b>Non-Residential</b>													
Commercial - Low/Med. Strength													\$ 1,402,500
Commercial - High Strength													176,550
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 11,030,259</b>

VALLEY SANITARY DISTRICT  
SEWER RATE STUDY

Cost of Service Analysis

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

TABLE 24: CLASSIFICATION OF EXPENSES FOR COST OF SERVICE ANALYSIS

Classification of Expenses									
Budget Categories	Total Revenue Requirements	Flow	Strength		Customer	Basis of Classification			
	FY 2021/22	(VOL)	(BOD)	(TSS)	(CA)	(VOL)	(BOD)	(TSS)	(CA)
<b>ENGINEERING</b>									
<i>Salary</i>									
Salaries	\$ 475,540	\$ 275,813	\$ 95,108	\$ 95,108	\$ 9,511	58.0%	20.0%	20.0%	2.0%
Overtime	-	-	-	-	-	58.0%	20.0%	20.0%	2.0%
Callout	-	-	-	-	-	58.0%	20.0%	20.0%	2.0%
Standby	-	-	-	-	-	58.0%	20.0%	20.0%	2.0%
<i>Benefits</i>									
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	-	-	-	-	-	58.0%	20.0%	20.0%	2.0%
Workers Compensation	6,968	4,041	1,394	1,394	139	58.0%	20.0%	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	-	-	-	-	-	58.0%	20.0%	20.0%	2.0%
<i>Services &amp; Supplies</i>									
Directors' Fees	-	-	-	-	-	58.0%	20.0%	20.0%	2.0%
Election	-	-	-	-	-	58.0%	20.0%	20.0%	2.0%
Gas/Oil	-	-	-	-	-	58.0%	20.0%	20.0%	2.0%
Comprehensive Insurance	-	-	-	-	-	58.0%	20.0%	20.0%	2.0%
Memberships/Subscriptions	-	-	-	-	-	58.0%	20.0%	20.0%	2.0%
Office Expenses	-	-	-	-	-	58.0%	20.0%	20.0%	2.0%
County/City Charges	-	-	-	-	-	58.0%	20.0%	20.0%	2.0%
Permits & Fees	-	-	-	-	-	58.0%	20.0%	20.0%	2.0%
Pretreatment	-	-	-	-	-	58.0%	20.0%	20.0%	2.0%
Operating Supplies	-	-	-	-	-	58.0%	20.0%	20.0%	2.0%
Chemicals	-	-	-	-	-	58.0%	20.0%	20.0%	2.0%
Contract Services	-	-	-	-	-	58.0%	20.0%	20.0%	2.0%
Professional/Legal	-	-	-	-	-	58.0%	20.0%	20.0%	2.0%
Publications	-	-	-	-	-	58.0%	20.0%	20.0%	2.0%
Repairs/Maintenance	-	-	-	-	-	58.0%	20.0%	20.0%	2.0%
Small Tools	-	-	-	-	-	58.0%	20.0%	20.0%	2.0%
Research	-	-	-	-	-	58.0%	20.0%	20.0%	2.0%
Travel/Mtgs/Education	-	-	-	-	-	58.0%	20.0%	20.0%	2.0%
Certifications/TCPS	-	-	-	-	-	58.0%	20.0%	20.0%	2.0%
Telephone	-	-	-	-	-	58.0%	20.0%	20.0%	2.0%
Electricity	-	-	-	-	-	58.0%	20.0%	20.0%	2.0%
Natural Gas	-	-	-	-	-	58.0%	20.0%	20.0%	2.0%
Trash Collection	-	-	-	-	-	58.0%	20.0%	20.0%	2.0%
Utility Water	-	-	-	-	-	58.0%	20.0%	20.0%	2.0%
Other Expenses	-	-	-	-	-	58.0%	20.0%	20.0%	2.0%
<b>SUB-TOTAL</b>	<b>\$ 620,225</b>	<b>\$ 359,730</b>	<b>\$ 124,045</b>	<b>\$ 124,045</b>	<b>\$ 12,404</b>	<b>58.0%</b>	<b>20.0%</b>	<b>20.0%</b>	<b>2.0%</b>



VALLEY SANITARY DISTRICT  
 SEWER RATE STUDY  
 Cost of Service Analysis  
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TABLE 25: CLASSIFICATION OF EXPENSES FOR COST OF SERVICE ANALYSIS, cont.

Classification of Expenses									
Budget Categories	Total Revenue Requirements	Flow	Strength		Customer	Basis of Classification			
	FY 2021/22	(VOL)	(BOD)	(TSS)	(CA)	(VOL)	(BOD)	(TSS)	(CA)
<b>COLLECTIONS</b>									
<i>Salary</i>									
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%	15.0%
<i>Benefits</i>									
Longevity	2,600	910	650	650	390	35.0%	25.0%	25.0%	15.0%
Retirement	32,032	11,211	8,008	8,008	4,805	35.0%	25.0%	25.0%	15.0%
Payroll Taxes	27,872	9,755	6,968	6,968	4,181	35.0%	25.0%	25.0%	15.0%
Unemployment Insurance	-	-	-	-	-	35.0%	25.0%	25.0%	15.0%
Workers Compensation	9,360	3,276	2,340	2,340	1,404	35.0%	25.0%	25.0%	15.0%
Group Life Insurance	988	346	247	247	148	35.0%	25.0%	25.0%	15.0%
Group Health Insurance	94,952	33,233	23,738	23,738	14,243	35.0%	25.0%	25.0%	15.0%
Dental/Vision Insurance	4,368	1,529	1,092	1,092	655	35.0%	25.0%	25.0%	15.0%
Disability Insurance	1,144	400	286	286	172	35.0%	25.0%	25.0%	15.0%
Clothing/Safety	8,320	2,912	2,080	2,080	1,248	35.0%	25.0%	25.0%	15.0%
<i>Services &amp; Supplies</i>									
Directors' Fees	-	-	-	-	-	35.0%	25.0%	25.0%	15.0%
Election	-	-	-	-	-	35.0%	25.0%	25.0%	15.0%
Gas/Oil	-	-	-	-	-	35.0%	25.0%	25.0%	15.0%
Comprehensive Insurance	-	-	-	-	-	35.0%	25.0%	25.0%	15.0%
Memberships/Subscriptions	2,368	829	592	592	355	35.0%	25.0%	25.0%	15.0%
Office Expenses	-	-	-	-	-	35.0%	25.0%	25.0%	15.0%
County/City Charges	-	-	-	-	-	35.0%	25.0%	25.0%	15.0%
Permits & Fees	19,049	6,667	4,762	4,762	2,857	35.0%	25.0%	25.0%	15.0%
Pretreatment	-	-	-	-	-	35.0%	25.0%	25.0%	15.0%
Operating Supplies	5,148	1,802	1,287	1,287	772	35.0%	25.0%	25.0%	15.0%
Chemicals	-	-	-	-	-	35.0%	25.0%	25.0%	15.0%
Contract Services	145,026	50,759	36,257	36,257	21,754	35.0%	25.0%	25.0%	15.0%
Professional/Legal	-	-	-	-	-	35.0%	25.0%	25.0%	15.0%
Publications	-	-	-	-	-	35.0%	25.0%	25.0%	15.0%
Repairs/Maintenance	151,050	52,867	37,762	37,762	22,657	35.0%	25.0%	25.0%	15.0%
Small Tools	2,059	721	515	515	309	35.0%	25.0%	25.0%	15.0%
Research	-	-	-	-	-	35.0%	25.0%	25.0%	15.0%
Travel/Mtgs/Education	9,267	3,243	2,317	2,317	1,390	35.0%	25.0%	25.0%	15.0%
Certifications/TCPs	5,056	1,769	1,264	1,264	758	35.0%	25.0%	25.0%	15.0%
Telephone	-	-	-	-	-	35.0%	25.0%	25.0%	15.0%
Electricity	4,119	1,442	1,030	1,030	618	35.0%	25.0%	25.0%	15.0%
Natural Gas	-	-	-	-	-	35.0%	25.0%	25.0%	15.0%
Trash Collection	-	-	-	-	-	35.0%	25.0%	25.0%	15.0%
Utility Water	6,693	2,342	1,673	1,673	1,004	35.0%	25.0%	25.0%	15.0%
Other Expenses	10,297	3,604	2,574	2,574	1,544	35.0%	25.0%	25.0%	15.0%
<b>SUB-TOTAL</b>	<b>\$ 905,766</b>	<b>\$ 317,018</b>	<b>\$ 226,442</b>	<b>\$ 226,442</b>	<b>\$ 135,865</b>	<b>35.0%</b>	<b>25.0%</b>	<b>25.0%</b>	<b>15.0%</b>



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

Classification of Expenses									
Budget Categories	Total Revenue Requirements	Flow	Strength		Customer	Basis of Classification			
	FY 2021/22	(VOL)	(BOD)	(TSS)	(CA)	(VOL)	(BOD)	(TSS)	(CA)
<b>OPERATIONS</b>									
<i>Salary</i>									
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%
<i>Benefits</i>									
Longevity	16,224	10,221	2,839	2,839	324	63.0%	17.5%	17.5%	2.0%
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%	2.0%
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%	2.0%
Dental/Vision Insurance	4,087	2,575	715	715	82	63.0%	17.5%	17.5%	2.0%
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%
<i>Services &amp; Supplies</i>									
Directors' Fees	-	-	-	-	-	63.0%	17.5%	17.5%	2.0%
Election	-	-	-	-	-	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%	2.0%
Comprehensive Insurance	-	-	-	-	-	63.0%	17.5%	17.5%	2.0%
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%	2.0%
County/City Charges	-	-	-	-	-	63.0%	17.5%	17.5%	2.0%
Permits & Fees	65,846	41,483	11,523	11,523	1,317	63.0%	17.5%	17.5%	2.0%
Pretreatment	-	-	-	-	-	63.0%	17.5%	17.5%	2.0%
Operating Supplies	134,472	84,718	23,533	23,533	2,689	63.0%	17.5%	17.5%	2.0%
Chemicals	404,199	254,646	70,735	70,735	8,084	63.0%	17.5%	17.5%	2.0%
Contract Services	185,527	116,882	32,467	32,467	3,711	63.0%	17.5%	17.5%	2.0%
Professional/Legal	-	-	-	-	-	63.0%	17.5%	17.5%	2.0%
Publications	-	-	-	-	-	63.0%	17.5%	17.5%	2.0%
Repairs/Maintenance	110,965	69,908	19,419	19,419	2,219	63.0%	17.5%	17.5%	2.0%
Small Tools	1,030	649	180	180	21	63.0%	17.5%	17.5%	2.0%
Research	-	-	-	-	-	63.0%	17.5%	17.5%	2.0%
Travel/Mtgs/Education	20,593	12,974	3,604	3,604	412	63.0%	17.5%	17.5%	2.0%
Certifications/TCPS	3,810	2,400	667	667	76	63.0%	17.5%	17.5%	2.0%
Telephone	-	-	-	-	-	63.0%	17.5%	17.5%	2.0%
Electricity	621,651	391,640	108,789	108,789	12,433	63.0%	17.5%	17.5%	2.0%
Natural Gas	6,178	3,892	1,081	1,081	124	63.0%	17.5%	17.5%	2.0%
Trash Collection	26,256	16,541	4,595	4,595	525	63.0%	17.5%	17.5%	2.0%
Utility Water	15,445	9,730	2,703	2,703	309	63.0%	17.5%	17.5%	2.0%
Other Expenses	10,297	6,487	1,802	1,802	206	63.0%	17.5%	17.5%	2.0%
<b>SUB-TOTAL</b>	<b>\$ 2,674,523</b>	<b>\$ 1,684,950</b>	<b>\$ 468,042</b>	<b>\$ 468,042</b>	<b>\$ 53,490</b>	<b>63.0%</b>	<b>17.5%</b>	<b>17.5%</b>	<b>2.0%</b>

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

Classification of Expenses									
Budget Categories	Total Revenue	Flow	Strength		Customer	Basis of Classification			
	Requirements	(VOL)	(BOD)	(TSS)	(CA)	(VOL)	(BOD)	(TSS)	(CA)
<b>MAINTENANCE</b>									
<i>Salary</i>									
Salaries	\$ 529,360	\$ 317,616	\$ 105,872	\$ 105,872	\$ -	60.0%	20.0%	20.0%	0.0%
Overtime	2,496	1,498	499	499	-	60.0%	20.0%	20.0%	0.0%
Callout	624	374	125	125	-	60.0%	20.0%	20.0%	0.0%
Standby	3,328	1,997	666	666	-	60.0%	20.0%	20.0%	0.0%
<i>Benefits</i>									
Longevity	9,984	5,990	1,997	1,997	-	60.0%	20.0%	20.0%	0.0%
Retirement	54,756	32,854	10,951	10,951	-	60.0%	20.0%	20.0%	0.0%
Payroll Taxes	41,080	24,648	8,216	8,216	-	60.0%	20.0%	20.0%	0.0%
Unemployment Insurance	-	-	-	-	-	60.0%	20.0%	20.0%	0.0%
Workers Compensation	14,820	8,892	2,964	2,964	-	60.0%	20.0%	20.0%	0.0%
Group Life Insurance	1,446	867	289	289	-	60.0%	20.0%	20.0%	0.0%
Group Health Insurance	118,175	70,905	23,635	23,635	-	60.0%	20.0%	20.0%	0.0%
Dental/Vision Insurance	5,555	3,333	1,111	1,111	-	60.0%	20.0%	20.0%	0.0%
Disability Insurance	1,997	1,198	399	399	-	60.0%	20.0%	20.0%	0.0%
Clothing/Safety	8,736	5,242	1,747	1,747	-	60.0%	20.0%	20.0%	0.0%
<i>Services &amp; Supplies</i>									
Directors' Fees	-	-	-	-	-	60.0%	20.0%	20.0%	0.0%
Election	-	-	-	-	-	60.0%	20.0%	20.0%	0.0%
Gas/Oil	-	-	-	-	-	60.0%	20.0%	20.0%	0.0%
Comprehensive Insurance	-	-	-	-	-	60.0%	20.0%	20.0%	0.0%
Memberships/Subscriptions	1,931	1,158	386	386	-	60.0%	20.0%	20.0%	0.0%
Office Expenses	-	-	-	-	-	60.0%	20.0%	20.0%	0.0%
County/City Charges	-	-	-	-	-	60.0%	20.0%	20.0%	0.0%
Permits & Fees	2,574	1,544	515	515	-	60.0%	20.0%	20.0%	0.0%
Pretreatment	-	-	-	-	-	60.0%	20.0%	20.0%	0.0%
Operating Supplies	39,642	23,785	7,928	7,928	-	60.0%	20.0%	20.0%	0.0%
Chemicals	-	-	-	-	-	60.0%	20.0%	20.0%	0.0%
Contract Services	63,221	37,932	12,644	12,644	-	60.0%	20.0%	20.0%	0.0%
Professional/Legal	-	-	-	-	-	60.0%	20.0%	20.0%	0.0%
Publications	-	-	-	-	-	60.0%	20.0%	20.0%	0.0%
Repairs/Maintenance	330,672	198,403	66,134	66,134	-	60.0%	20.0%	20.0%	0.0%
Small Tools	23,167	13,900	4,633	4,633	-	60.0%	20.0%	20.0%	0.0%
Research	-	-	-	-	-	60.0%	20.0%	20.0%	0.0%
Travel/Mtgs/Education	32,949	19,769	6,590	6,590	-	60.0%	20.0%	20.0%	0.0%
Certifications/TCPs	2,935	1,761	587	587	-	60.0%	20.0%	20.0%	0.0%
Telephone	-	-	-	-	-	60.0%	20.0%	20.0%	0.0%
Electricity	-	-	-	-	-	60.0%	20.0%	20.0%	0.0%
Natural Gas	-	-	-	-	-	60.0%	20.0%	20.0%	0.0%
Trash Collection	-	-	-	-	-	60.0%	20.0%	20.0%	0.0%
Utility Water	-	-	-	-	-	60.0%	20.0%	20.0%	0.0%
Other Expenses	10,297	6,178	2,059	2,059	-	60.0%	20.0%	20.0%	0.0%
<b>SUB-TOTAL</b>	<b>\$ 1,299,742</b>	<b>\$ 779,845</b>	<b>\$ 259,948</b>	<b>\$ 259,948</b>	<b>\$ -</b>	<b>29.2%</b>	<b>9.7%</b>	<b>9.7%</b>	<b>0.0%</b>

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

Classification of Expenses									
Budget Categories	Total Revenue Requirements	Flow	Strength		Customer	Basis of Classification			
	FY 2021/22	(VOL)	(BOD)	(TSS)	(CA)	(VOL)	(BOD)	(TSS)	(CA)
<b>LAB</b>									
<i>Salary</i>									
Salaries	\$ 232,830	\$ 128,057	\$ 46,566	\$ 46,566	\$ 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%
<i>Benefits</i>									
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	-	-	-	-	-	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%
<i>Services &amp; Supplies</i>									
Directors' Fees	-	-	-	-	-	55.0%	20.0%	20.0%	5.0%
Election	-	-	-	-	-	55.0%	20.0%	20.0%	5.0%
Gas/Oil	-	-	-	-	-	55.0%	20.0%	20.0%	5.0%
Comprehensive Insurance	-	-	-	-	-	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	-	-	-	-	-	55.0%	20.0%	20.0%	5.0%
County/City Charges	-	-	-	-	-	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	-	-	-	-	-	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	-	-	-	-	-	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	-	-	-	-	-	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	-	-	-	-	-	55.0%	20.0%	20.0%	5.0%
Electricity	-	-	-	-	-	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	-	-	-	-	-	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%
<b>SUB-TOTAL</b>	<b>\$ 535,447</b>	<b>\$ 294,496</b>	<b>\$ 107,089</b>	<b>\$ 107,089</b>	<b>\$ 26,772</b>	<b>14.7%</b>	<b>5.4%</b>	<b>5.4%</b>	<b>1.3%</b>



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

Classification of Expenses	Budget Categories	Total Revenue	Flow	Strength		Customer	Basis of Classification			
		Requirements								
		FY 2021/22	(VOL)	(BOD)	(TSS)	(CA)	(VOL)	(BOD)	(TSS)	(CA)
<b>ADMINISTRATION/BOARD</b>										
<i>Salary</i>										
	Salaries	\$ 591,864	\$ 236,746	\$ 118,373	\$ 118,373	\$ 118,373	40.0%	20.0%	20.0%	20.0%
	Overtime	520	208	104	104	104	40.0%	20.0%	20.0%	20.0%
	Callout	-	-	-	-	-	40.0%	20.0%	20.0%	20.0%
	Standby	-	-	-	-	-	40.0%	20.0%	20.0%	20.0%
<i>Benefits</i>										
	Longevity	3,120	1,248	624	624	624	40.0%	20.0%	20.0%	20.0%
	Retirement	67,496	26,998	13,499	13,499	13,499	40.0%	20.0%	20.0%	20.0%
	Payroll Taxes	45,344	18,138	9,069	9,069	9,069	40.0%	20.0%	20.0%	20.0%
	Unemployment Insurance	-	-	-	-	-	40.0%	20.0%	20.0%	20.0%
	Workers Compensation	1,321	528	264	264	264	40.0%	20.0%	20.0%	20.0%
	Group Life Insurance	1,352	541	270	270	270	40.0%	20.0%	20.0%	20.0%
	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%	20.0%
	Disability Insurance	1,768	707	354	354	354	40.0%	20.0%	20.0%	20.0%
	Clothing/Safety	-	-	-	-	-	40.0%	20.0%	20.0%	20.0%
<i>Services &amp; Supplies</i>										
	Directors' Fees	47,879	19,151	9,576	9,576	9,576	40.0%	20.0%	20.0%	20.0%
	Election	72,076	28,830	14,415	14,415	14,415	40.0%	20.0%	20.0%	20.0%
	Gas/Oil	-	-	-	-	-	40.0%	20.0%	20.0%	20.0%
	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%	20.0%
	County/City Charges	22,652	9,061	4,530	4,530	4,530	40.0%	20.0%	20.0%	20.0%
	Permits & Fees	3,089	1,236	618	618	618	40.0%	20.0%	20.0%	20.0%
	Pretreatment	-	-	-	-	-	40.0%	20.0%	20.0%	20.0%
	Operating Supplies	11,326	4,530	2,265	2,265	2,265	40.0%	20.0%	20.0%	20.0%
	Chemicals	-	-	-	-	-	40.0%	20.0%	20.0%	20.0%
	Contract Services	207,166	82,866	41,433	41,433	41,433	40.0%	20.0%	20.0%	20.0%
	Professional/Legal	219,058	87,623	43,812	43,812	43,812	40.0%	20.0%	20.0%	20.0%
	Publications	2,059	824	412	412	412	40.0%	20.0%	20.0%	20.0%
	Repairs/Maintenance	3,604	1,442	721	721	721	40.0%	20.0%	20.0%	20.0%
	Small Tools	-	-	-	-	-	40.0%	20.0%	20.0%	20.0%
	Research	-	-	-	-	-	40.0%	20.0%	20.0%	20.0%
	Travel/Mtgs/Education	41,186	16,474	8,237	8,237	8,237	40.0%	20.0%	20.0%	20.0%
	Certifications/TCPS	257	103	51	51	51	40.0%	20.0%	20.0%	20.0%
	Telephone/VOIP	21,108	8,443	4,222	4,222	4,222	40.0%	20.0%	20.0%	20.0%
	Other Expenses	10,297	4,119	2,059	2,059	2,059	40.0%	20.0%	20.0%	20.0%
	Refunding Bonds	-	-	-	-	-	40.0%	20.0%	20.0%	20.0%
	CWSRF Loan Payment	-	-	-	-	-	40.0%	20.0%	20.0%	20.0%
	General Facilities	144,151	57,660	28,830	28,830	28,830	40.0%	20.0%	20.0%	20.0%
<b>SUB-TOTAL</b>		<b>\$ 2,001,569</b>	<b>\$ 800,628</b>	<b>\$ 400,314</b>	<b>\$ 400,314</b>	<b>\$ 400,314</b>	<b>40.0%</b>	<b>20.0%</b>	<b>20.0%</b>	<b>20.0%</b>



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

Classification of Expenses									
Budget Categories	Total Revenue Requirements	Flow	Strength		Customer	Basis of Classification			
	FY 2021/22	(VOL)	(BOD)	(TSS)	(CA)	(VOL)	(BOD)	(TSS)	(CA)
<b>ADDITIONAL STAFFING</b>									
Engineering Technician	\$ 144,560	\$ 79,508	\$ 28,912	\$ 28,912	\$ 7,228	55.0%	20.0%	20.0%	5.0%
Maintenance Tech-in-Training	93,600	51,480	18,720	18,720	4,680	55.0%	20.0%	20.0%	5.0%
Operator-in-Training	101,920	56,056	20,384	20,384	5,096	55.0%	20.0%	20.0%	5.0%
Assistant to the Board	122,000	-	-	-	122,000	0.0%	0.0%	0.0%	100.0%
Associate Engineer	180,000	99,000	36,000	36,000	9,000	55.0%	20.0%	20.0%	5.0%
Electrician Tech-in-Training	101,000	55,550	20,200	20,200	5,050	55.0%	20.0%	20.0%	5.0%
Operator-in-Training	98,000	53,900	19,600	19,600	4,900	55.0%	20.0%	20.0%	5.0%
Collection Tech-in-Training	-	-	-	-	-	55.0%	20.0%	20.0%	5.0%
Maintenance Tech-in-Training	-	-	-	-	-	55.0%	20.0%	20.0%	5.0%
Operator-in-Training	-	-	-	-	-	55.0%	20.0%	20.0%	5.0%
<b>SUB-TOTAL</b>	<b>\$ 841,080</b>	<b>\$ 395,494</b>	<b>\$ 143,816</b>	<b>\$ 143,816</b>	<b>\$ 157,954</b>	<b>47.0%</b>	<b>17.1%</b>	<b>17.1%</b>	<b>18.8%</b>
<b>GRAND TOTAL</b>	<b>\$ 8,878,352</b>	<b>\$ 4,632,161</b>	<b>\$ 1,729,696</b>	<b>\$ 1,729,696</b>	<b>\$ 786,800</b>	<b>52.2%</b>	<b>19.5%</b>	<b>19.5%</b>	<b>8.9%</b>



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

Classification of Expenses Budget Categories	Total Revenue Requirements	Flow	Strength		Customer	Basis of Classification				
	FY 2021/22	(VOL)	(BOD)	(TSS)	(CA)	(VOL)	(BOD)	(TSS)	(CA)	
<b>Debt Service Payments</b>										
Existing Annual Debt Service	\$ 1,440,798	\$ 864,479	\$ 288,160	\$ 288,160	\$ -	60.0%	20.0%	20.0%	0.0%	
Future Annual Debt Service	2,386,803	1,432,082	477,361	477,361	-	60.0%	20.0%	20.0%	0.0%	
<b>Total Debt Service Payments</b>	<b>\$ 3,827,601</b>	<b>\$ 2,296,561</b>	<b>\$ 765,520</b>	<b>\$ 765,520</b>	<b>\$ -</b>	<b>60.0%</b>	<b>20.0%</b>	<b>20.0%</b>	<b>0.0%</b>	
<b>Capital Expenditures</b>										
Rate Funded Capital Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	60.0%	20.0%	20.0%	0.0%	
<b>TOTAL REVENUE REQUIREMENTS</b>	<b>\$ 12,705,953</b>	<b>\$ 6,928,721</b>	<b>\$ 2,495,216</b>	<b>\$ 2,495,216</b>	<b>\$ 786,800</b>	<b>54.5%</b>	<b>19.6%</b>	<b>19.6%</b>	<b>6.2%</b>	
<b>Less: Non-Rate Revenues</b>										
Permit/Inspection Fees	\$ (15,150)	\$ (8,261)	\$ (2,975)	\$ (2,975)	\$ (938)	54.5%	19.6%	19.6%	6.2%	
Plan Check Fees	(10,100)	(5,508)	(1,983)	(1,983)	(625)	54.5%	19.6%	19.6%	6.2%	
Other Services	(1,818)	(991)	(357)	(357)	(113)	54.5%	19.6%	19.6%	6.2%	
Interest Revenue	(442,337)	(241,212)	(86,867)	(86,867)	(27,391)	54.5%	19.6%	19.6%	6.2%	
Taxes - Current Secured	(707,000)	(385,536)	(138,842)	(138,842)	(43,780)	54.5%	19.6%	19.6%	6.2%	
Taxes - Current Unsecured	(25,250)	(13,769)	(4,959)	(4,959)	(1,564)	54.5%	19.6%	19.6%	6.2%	
Taxes - Prior Secured	(6,060)	(3,305)	(1,190)	(1,190)	(375)	54.5%	19.6%	19.6%	6.2%	
Taxes - Prior Unsecured	-	-	-	-	-	54.5%	19.6%	19.6%	6.2%	
Taxes - Penalties	-	-	-	-	-	54.5%	19.6%	19.6%	6.2%	
Taxes - Supplemental Current	(6,060)	(3,305)	(1,190)	(1,190)	(375)	54.5%	19.6%	19.6%	6.2%	
Taxes - Supplemental Prior	(2,020)	(1,102)	(397)	(397)	(125)	54.5%	19.6%	19.6%	6.2%	
Homeowner's Tax Relief	(6,060)	(3,305)	(1,190)	(1,190)	(375)	54.5%	19.6%	19.6%	6.2%	
Non-Operating Revenue	(505)	(275)	(99)	(99)	(31)	54.5%	19.6%	19.6%	6.2%	
<b>NET REVENUE REQUIREMENTS</b>	<b>\$ 11,483,594</b>	<b>\$ 6,262,153</b>	<b>\$ 2,255,167</b>	<b>\$ 2,255,167</b>	<b>\$ 711,107</b>					
<i>Allocation of Revenue Requirements</i>	<i>100.0%</i>	<i>54.5%</i>	<i>19.6%</i>	<i>19.6%</i>	<i>6.2%</i>					

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	Total	Flow (VOL)	Strength (BOD)	Strength (TSS)	Customer (CA)
<b>Adjustment to Current Rate Level:</b>					
Test Year (FY 2021/22) Target Rate Rev. After Rate Increases	\$ 13,611,139				
Projected Rate Revenue at Current Rates	12,098,790				
Test Year (FY 2021/22) Projected Rate Adjustment	12.5%				
<b>Adjusted Net Revenue Req'ts</b>	<b>\$ 13,611,139</b>	<b>\$ 7,422,331</b>	<b>\$ 2,672,978</b>	<b>\$ 2,672,978</b>	<b>\$ 842,852</b>
<i>Percent of Revenue</i>	<i>100.0%</i>	<i>54.5%</i>	<i>19.6%</i>	<i>19.6%</i>	<i>6.2%</i>

TABLE 35: DEVELOPMENT OF THE VOLUME ALLOCATION FACTOR

Development of the VOLUME Allocation Factor <sup>1</sup>							ccf/mo./EDU based on Winter
Customer Class	Number of Accounts <sup>1</sup>	Number of EDU's <sup>1</sup>	Annual Volume (hcf) <sup>1</sup>	Winter Water Use (hcf) <sup>1,2</sup>	Est. Annual Sewer Flow (ccf/year) <sup>4</sup>	Percentage of Adjusted Volume	
Calculation Components			A	B	C = B * 4		
<b>Residential</b>							
Single-Family Residential	19,972	19,980	4,090,849	746,686	2,986,744	72.4%	12.5
Multi-Family Residential	298	5,566	447,858	96,850	387,400	9.4%	5.8
Mobile Home <sup>3</sup>	1,528	1,518	140,899	28,248	112,992	2.7%	6.2
RV Park <sup>3</sup>	2,816	1,576	155,494	38,099	155,494	3.8%	8.2
<b>Non-Residential</b>							
Commercial - Low/Med. Strength	703	4,250	412,315	90,540	412,315	10.0%	8.1
Commercial - High Strength	71	535	69,566	15,974	69,566	1.7%	10.8
<b>Total:</b>	<b>25,388</b>	<b>33,425</b>	<b>5,316,980</b>	<b>1,016,396</b>	<b>4,124,510</b>	<b>100.0%</b>	

1. Consumption, customer accounts, and EDU's from source file: *Net Joint Tax Roll 07-30-2020 Final VS.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.
4. 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

Development of the STRENGTH Allocation Factor									
Customer Class	Adjusted Total Annual Volume (HCF) <sup>1</sup>	Biochemical Oxygen Demand (BOD)				Total Suspended Solids (TSS)			
		Avg. Strength Factor (mg/l) <sup>2</sup>	Calculated BOD (lbs./yr.) <sup>3</sup>	Adjusted BOD (lbs./yr.)	Percent of Total	Avg. Strength Factor (mg/l) <sup>2</sup>	Calculated TSS (lbs./yr.) <sup>3</sup>	Adjusted TSS (lbs./yr.)	Percent of Total
<b>Residential</b>									
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 <sup>4</sup>	112,992	175	123,354	56,817	2.7%	175	123,354	93,742	2.6%
RV Park <sup>4</sup>	155,494	175	169,754	78,189	3.6%	175	169,754	129,003	3.6%
<b>Non-Residential Totals</b>									
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%
<b>Total:</b>	<b>4,124,510</b>		<b>4,653,265</b>	<b>2,143,311</b>	<b>100.0%</b>		<b>4,657,604</b>	<b>3,539,514</b>	<b>100.0%</b>
				Target, from WWTP Data					
				2,143,311 BOD (lbs./yr.)				3,539,514 TSS (lbs./yr.)	
				0.461 BOD Adj. Factor				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 BOD and TSS are from source file: *16.ASP & Pond Effluent Data + loading (01.2017 - 08.2020).xlsx*.
4. Number of accounts for Mobile Homes and RV Parks are based on the number of lots.



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TABLE 37: DEVELOPMENT OF THE CUSTOMER ALLOCATION FACTOR

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

Based on # of lots  
 Based on # of lots

1. Consumption, customer accounts, and EDUs are from source file: *Net Join Tax Roll 07-30-2020 Final V8.xlsx*.
2. Number of accounts for Mobile Homes and RV Parks are based on the number of lots.

TABLE 38 : TOTAL REVENUE BY CUSTOMER CLASS

Customer Class	FY 2019/20 Rate Revenue <sup>1</sup>	Percentage of Accounts
<b>Residential</b>		
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%
<b>Non-Residential</b>		
Commercial - Low/Med. Strength	\$ 1,402,500	12.72%
Commercial - High Strength	176,550	1.60%
<b>Total</b>	<b>\$11,030,259</b>	<b>100%</b>

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

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TABLE 39: ALLOCATION OF REVENUE REQUIREMENTS

Allocation of FY 2021/22 Revenue Requirements by Customer Class						
Customer Class	Cost Classification Components				Cost-of-Service Net Revenue Req'ts.	% of COS Net Revenue Req'ts.
	Volume	Treatment		Customer Related <sup>1</sup>		
		BOD	TSS			
<b>Net Revenue Requirements<sup>2</sup></b>	<b>\$ 7,422,331</b>	<b>\$ 2,672,978</b>	<b>\$ 2,672,978</b>	<b>\$ 842,852</b>	<b>\$ 13,611,139</b>	<b>--</b>
	54.5%	19.6%	19.6%	6.2%	100.0%	
<b>Residential</b>						
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 <sup>2</sup>	203,337	70,858	70,792	50,728	395,715	2.9%
RV Park <sup>3</sup>	279,822	97,512	97,421	93,488	568,242	4.2%
<b>Residential Totals</b>	<b>\$ 6,555,156</b>	<b>\$ 2,284,327</b>	<b>\$ 2,282,199</b>	<b>\$ 817,157</b>	<b>\$ 11,938,839</b>	<b>87.7%</b>
<b>Non-Residential</b>						
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%
<b>Non-Residential Totals</b>	<b>\$ 867,175</b>	<b>\$ 388,650</b>	<b>\$ 390,779</b>	<b>\$ 25,696</b>	<b>\$ 1,672,300</b>	<b>12.3%</b>
<b>Total</b>	<b>\$ 7,422,331</b>	<b>\$ 2,672,978</b>	<b>\$ 2,672,978</b>	<b>\$ 842,852</b>	<b>\$ 13,611,139</b>	<b>100%</b>

- 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.
- Revenue requirements for Mobile Home and RV Park customers are based on the number of lots.
- 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 <sup>1</sup>	Estimated Sewer Flow <sup>2</sup>	Annual Revenue Requirement	Annual Charge (\$ Per EDU)	
<b>Residential</b>						
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/lots
RV Park	2,816	1,576	155,494	568,242	\$201.79	Based on # of accounts/lots
<b>Residential Totals</b>	<b>24,614</b>	<b>28,640</b>	<b>3,642,630</b>	<b>\$ 11,938,839</b>		
<b>Non-Residential</b>						
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
<b>Non-Residential Totals</b>	<b>774</b>	<b>4,785</b>	<b>481,880</b>	<b>\$ 1,672,300</b>		
<b>Total</b>	<b>25,388</b>	<b>33,425</b>	<b>4,124,510</b>	<b>\$ 13,611,139</b>	<b>--</b>	

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



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TABLE 41: PROPOSED SEWER RATES

							Alternative 2 - 80% Fixed / 20% Volumetric		
Customer Class	Number of Accounts	No. of EDU's <sup>1</sup>	Estimated Sewer Flow <sup>2</sup>	Total Revenue Requirement	Fixed & Volumetric Charges		Fixed Revenue	Variable Revenue	Total Revenue check
					Annual Fixed Charge	Vol. Rate \$/hcf			
<b>Residential</b>					\$ Per EDU				
Single-Family Residential	19,972	19,980	2,986,744	\$ 9,782,178	\$391.68	\$0.65	\$ 7,825,742	\$ 1,947,791	\$ (8,645)
Multi-Family Residential	298	5,566	387,400	1,192,703	\$171.43	\$0.65	\$ 354,163	\$ 252,641	\$ 14,100
Mobile Home <sup>3</sup>	1,528	1,518	112,992	395,715	\$207.18	\$0.65	\$ 310,372	\$ 73,687	\$ (3,430)
RV Park <sup>3</sup>	2,816	1,576	155,494	568,242	\$161.43	\$0.73	\$ 434,394	\$ 113,648	\$ -
<b>Residential Totals</b>	<b>24,614</b>	<b>28,640</b>	<b>3,642,630</b>	<b>\$ 11,938,839</b>			<b>\$ 9,551,071</b>	<b>\$ 2,387,768</b>	<b>\$ 0</b>
<b>Non-Residential</b>					\$ Per EDU				
Commercial - Low Strength	703	4,250	412,315	\$ 1,208,376	\$227.46	\$0.59	\$ 900,701	\$ 241,673	\$ -
Commercial - High Strength	71	535	69,566	463,924	\$693.72	\$1.33	\$ 371,139	\$ 92,783	\$ -
<b>Non-Residential Totals</b>	<b>774</b>	<b>4,785</b>	<b>481,880</b>	<b>\$ 1,672,300</b>			<b>\$ 1,337,840</b>	<b>\$ 334,400</b>	<b>\$ -</b>
<b>Total</b>	<b>25,388</b>	<b>33,425</b>	<b>4,124,510</b>	<b>\$ 13,611,139</b>			<b>\$ 10,888,911</b>	<b>\$ 2,722,228</b>	<b>\$ -</b>

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

TABLE 42: PROPOSED SEWER RATES

							Alternative 3 - 70% Fixed / 30% Volumetric		
Customer Class	Number of Accounts	No. of EDU's <sup>1</sup>	Estimated Sewer Flow <sup>2</sup>	Total Revenue Requirement	Fixed & Volumetric Charges		Fixed Revenue	Variable Revenue	Total Revenue check
					Annual Fixed Charge	Vol. Rate \$/hcf			
<b>Residential</b>					\$ Per EDU				
Single-Family Residential	19,972	19,980	2,986,744	\$ 9,782,178	\$342.72	\$0.98	\$ 8,847,524	\$ 2,921,680	\$ (12,967)
Multi-Family Residential	298	5,566	387,400	1,192,703	\$150.00	\$0.98	\$ 834,892	\$ 378,902	\$ 21,151
Mobile Home <sup>3</sup>	1,528	1,518	112,992	395,715	\$181.28	\$0.98	\$ 277,001	\$ 110,531	\$ (8,184)
RV Park <sup>3</sup>	2,816	1,576	155,494	568,242	\$141.25	\$1.10	\$ 397,770	\$ 170,473	\$ -
<b>Residential Totals</b>	<b>24,614</b>	<b>28,640</b>	<b>3,642,630</b>	<b>\$ 11,938,839</b>			<b>\$ 8,357,187</b>	<b>\$ 3,581,652</b>	<b>\$ (0)</b>
<b>Non-Residential</b>					\$ Per EDU				
Commercial - Low/Med. Strength	703	4,250	412,315	\$ 1,208,376	\$199.03	\$0.88	\$ 845,803	\$ 302,513	\$ -
Commercial - High Strength	71	535	69,566	463,924	\$607.00	\$2.00	\$ 324,747	\$ 139,177	\$ -
<b>Non-Residential Totals</b>	<b>774</b>	<b>4,785</b>	<b>481,880</b>	<b>\$ 1,672,300</b>			<b>\$ 1,170,610</b>	<b>\$ 501,890</b>	<b>\$ -</b>
<b>Total</b>	<b>25,388</b>	<b>33,425</b>	<b>4,124,510</b>	<b>\$ 13,611,139</b>			<b>\$ 9,527,797</b>	<b>\$ 4,083,342</b>	<b>\$ -</b>

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

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 SEWER RATE STUDY  
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TABLE 43: RV DUMP CHARGE CALCULATION

Calculation of RV-Dump Charges					
Customer Class	One-Time Effluent Volume (HCF) <sup>1</sup>	Biochemical Oxygen Demand		Total Suspended Solids (TSS)	
		Avg. Strength Factor (mg/l) <sup>2</sup>	Lbs. of BOD <sup>3</sup>	Avg. Strength Factor (mg/l) <sup>2</sup>	Lbs. of TSS <sup>3</sup>
<b>RV Dump Charge Components:</b>					
1. Septage Vol., Strength and lbs.	0.053476	5,400	1.80	12,000	4.00
2. Unit costs (\$/HCF or /lbs.) <sup>4</sup>	\$ 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)	\$14.50				
<b>RV Dump Charge (\$/40-Gal.)</b>	<b>\$19.87</b>				

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<sup>6</sup>).
4. From COSA results (Table 30: Flow, BOD and TSS Costs divided by system-wide units).

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 SEWER RATE STUDY  
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TABLE 44: CURRENT VS. PROPOSED SEWER RATES (ANNUAL) **Alternative 1 - 100% Fixed based on EDU - Varies by Class**

Sewer Rate Schedule	Current Rates (\$/EDU)	Proposed Annual Sewer 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: <sup>1</sup>		12.50%	12.50%	12.50%	12.50%	2.00%
<b>Fixed Service Charges (Per EDU or Accounts)</b>						
<b>Residential</b>		<b>Rates Per EDU or Account<sup>2</sup></b>				
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
<b>Non-Residential</b>		<b>Rates Per EDU</b>				
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.
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.



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 SEWER RATE STUDY  
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TABLE 45: CURRENT VS. PROPOSED SEWER RATES (ANNUAL)

		Alternative 2 - 80% Fixed / 20% Volumetric				
Sewer Rate Schedule	Current Rates (\$/EDU)	Proposed Annual Sewer Rates				
		Year 1 FY 2021/22	Year 2 FY 2022/23	Year 3 FY 2023/24	Year 4 FY 2024/25	Year 5 FY 2025/26
Projected Increase in Rate Revenue per Financial Plan: <sup>1</sup>		12.50%	12.50%	12.50%	12.50%	2.00%
<b>Fixed Service Charges (Per EDU)</b>						
<b>Residential</b>		<b>Rates Per EDU or Account<sup>2</sup></b>				
Single-Family Residential	\$330.00	\$391.68	\$440.64	\$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
<b>Non-Residential</b>		<b>Rates Per EDU</b>				
Commercial - Low Strength	\$330.00	\$227.46	\$255.89	\$287.88	\$323.87	\$330.35
Commercial - High Strength	\$330.00	\$693.72	\$780.43	\$877.98	\$987.73	\$1,007.48
<b>Volumetric Rate (\$/hcf of annualized average winter water consumption)<sup>3</sup></b>						
<b>Residential</b>		<b>Rates Per HCF<sup>4</sup></b>				
Single-Family Residential	--	\$0.65	\$0.73	\$0.82	\$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
<b>Non-Residential</b>						
Commercial - Low Strength	--	\$0.59	\$0.66	\$0.74	\$0.83	\$0.85
Commercial - High Strength	--	\$1.33	\$1.50	\$1.69	\$1.90	\$1.94

1. 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.
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. Estimated sewer flow based on **average winter consumption** for SFR, MFR and MH customers and **annual consumption** for RV Parks and Commercial customers.

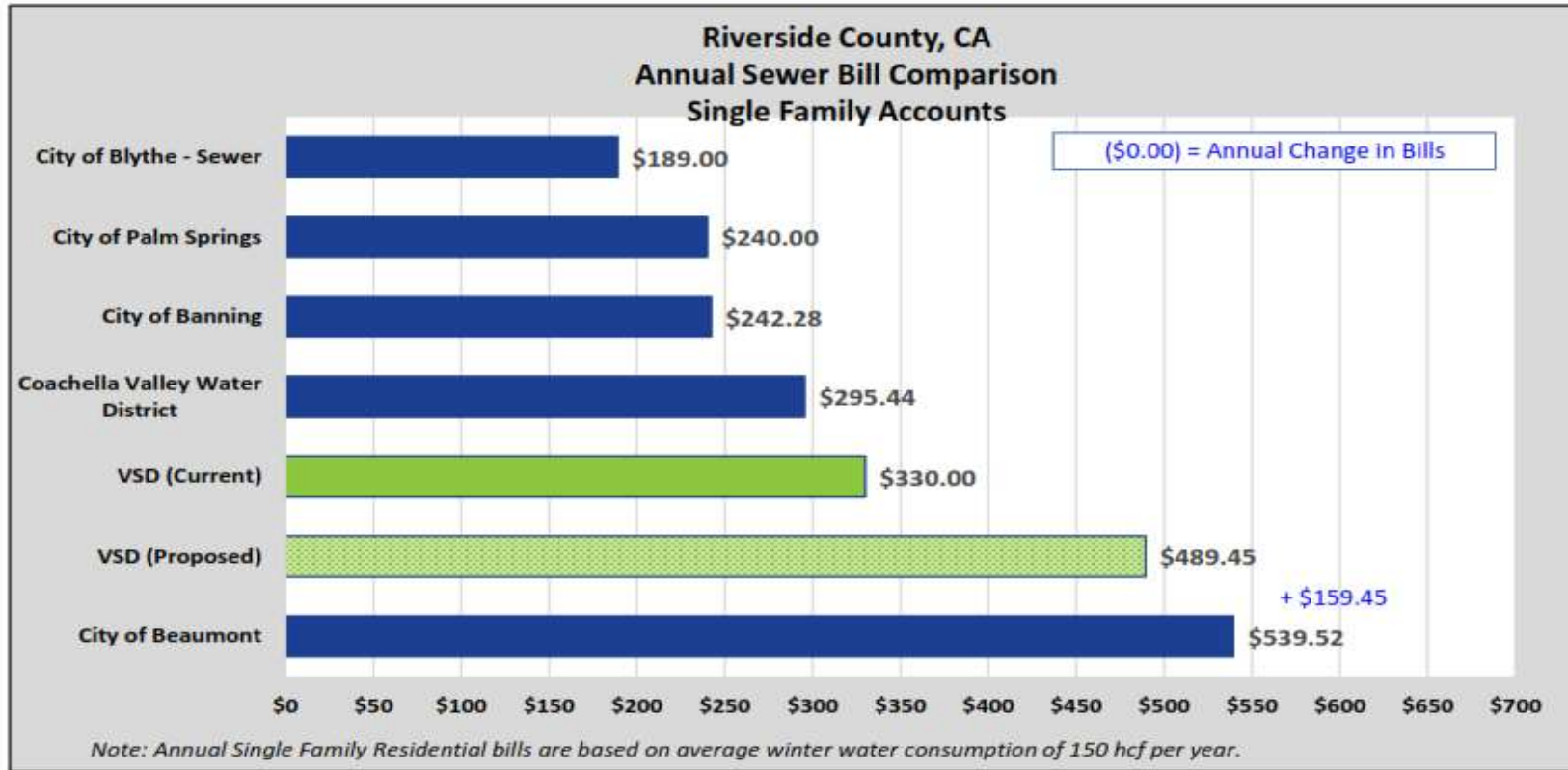
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 Sewer Cost of Service Analysis/Rate Design  
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TABLE 46: CURRENT VS. PROPOSED SEWER RATES (ANNUAL) Alternative 3 - 70% Fixed / 30% Volumetric

Sewer Rate Schedule	Current Rates (\$/EDU)	Proposed Annual Sewer 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
<i>Projected Increase in Rate Revenue per Financial Plan:<sup>1</sup></i>		12.50%	12.50%	12.50%	12.50%	2.00%
<b>Fixed Service Charges (Per EDU or Accounts)</b>						
<i>Residential</i>		<b>Rates Per EDU or Account<sup>2</sup></b>				
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
<i>Non-Residential</i>		<b>Rates Per EDU</b>				
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
<b>Volumetric Rate (\$/hcf of annualized average winter water consumption)<sup>3</sup></b>						
<i>Residential</i>		<b>Rates Per HCF<sup>4</sup></b>				
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
<i>Non-Residential</i>						
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

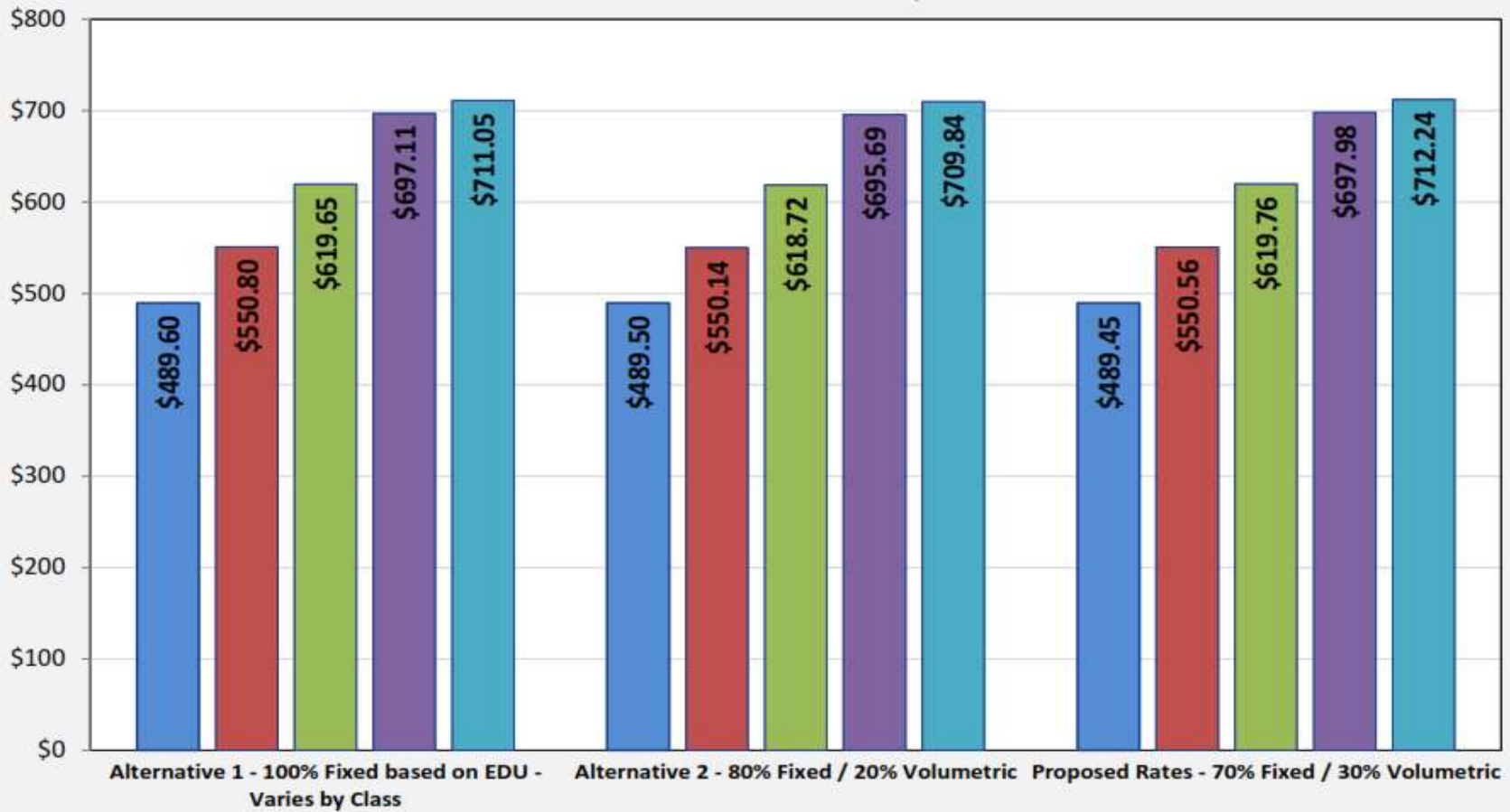
1. This is the increase in annual rate revenue as shown in the Financial Plan, not an across-the-board adjustment to each individual rate. Based on the cost-of-service adjustments, individual rates may be more or less than this amount in FY 2021/22.
2. Rates for SFR and MFR customers are calculated based 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. 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**



## Single Family Residential Annual Sewer Bills - 5-Year Projections

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

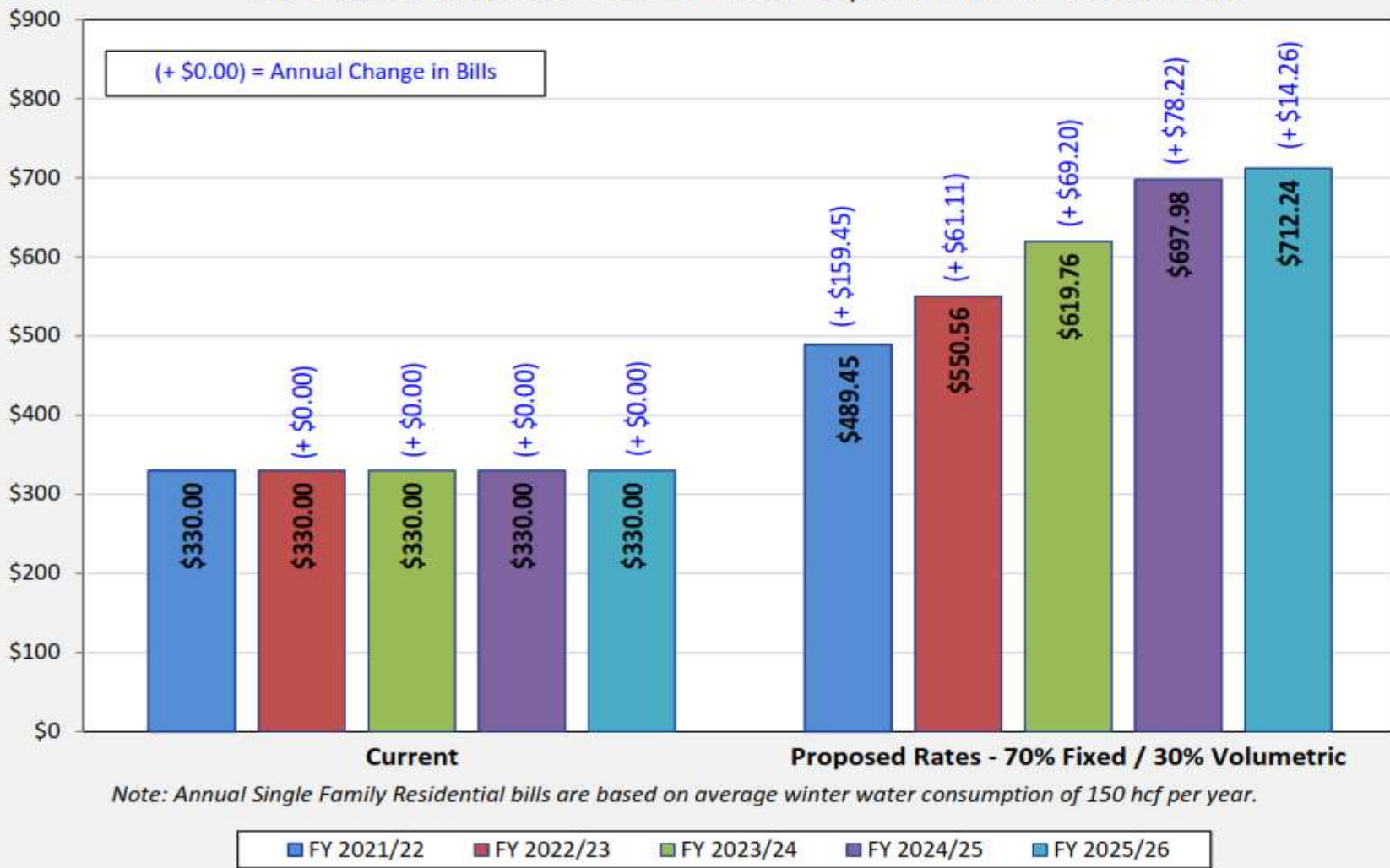


Note: Annual Single Family Residential bills are based on average winter water consumption of 150 hcf per year.

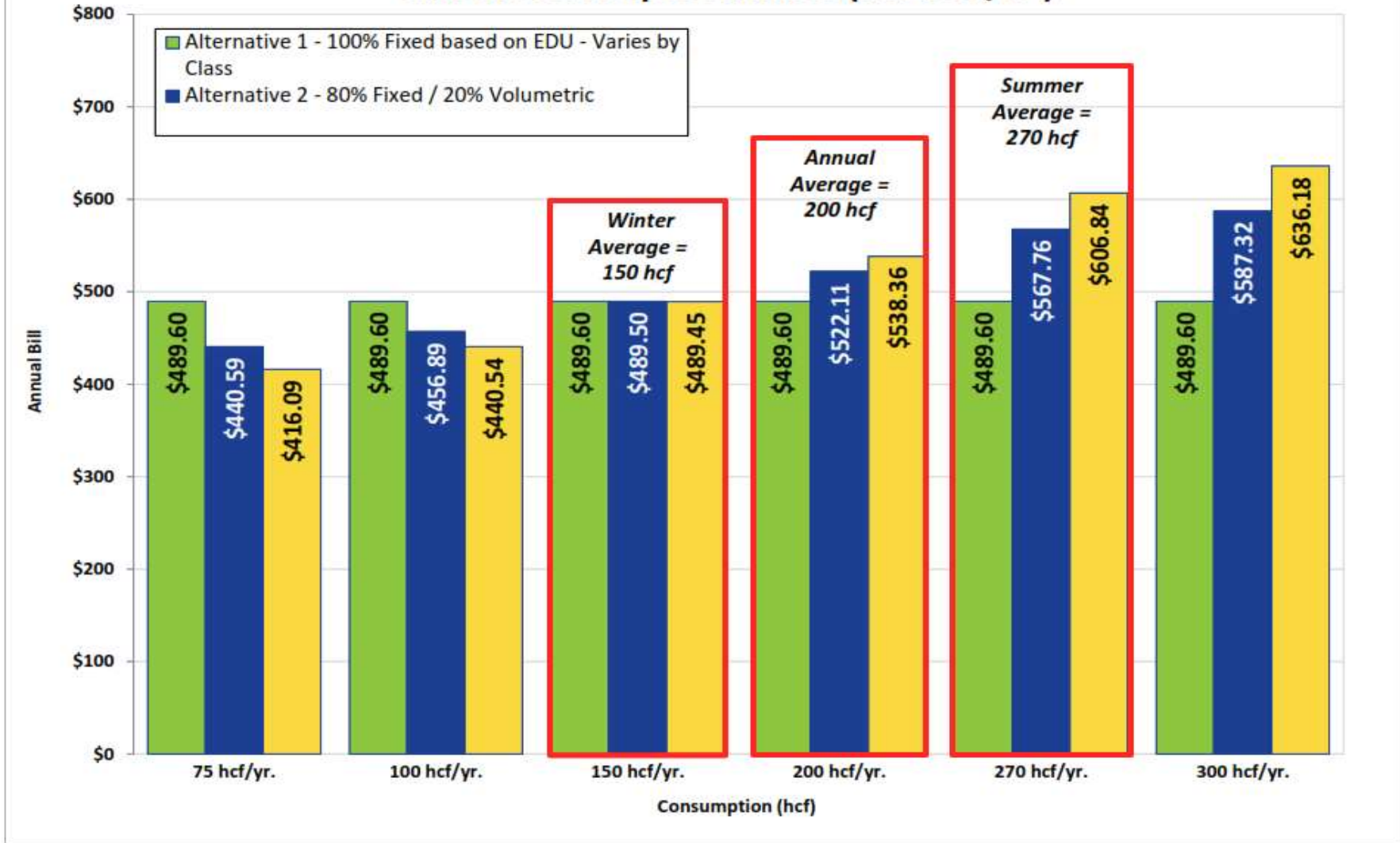
■ FY 2021/22   
 ■ FY 2022/23   
 ■ FY 2023/24   
 ■ FY 2024/25   
 ■ FY 2025/26

## Single Family Residential Annual Sewer Bills - 5-Year Projections

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



## Single Family Residential Sewer Bill Comparison Current vs. Proposed Rates (FY 2021/22)



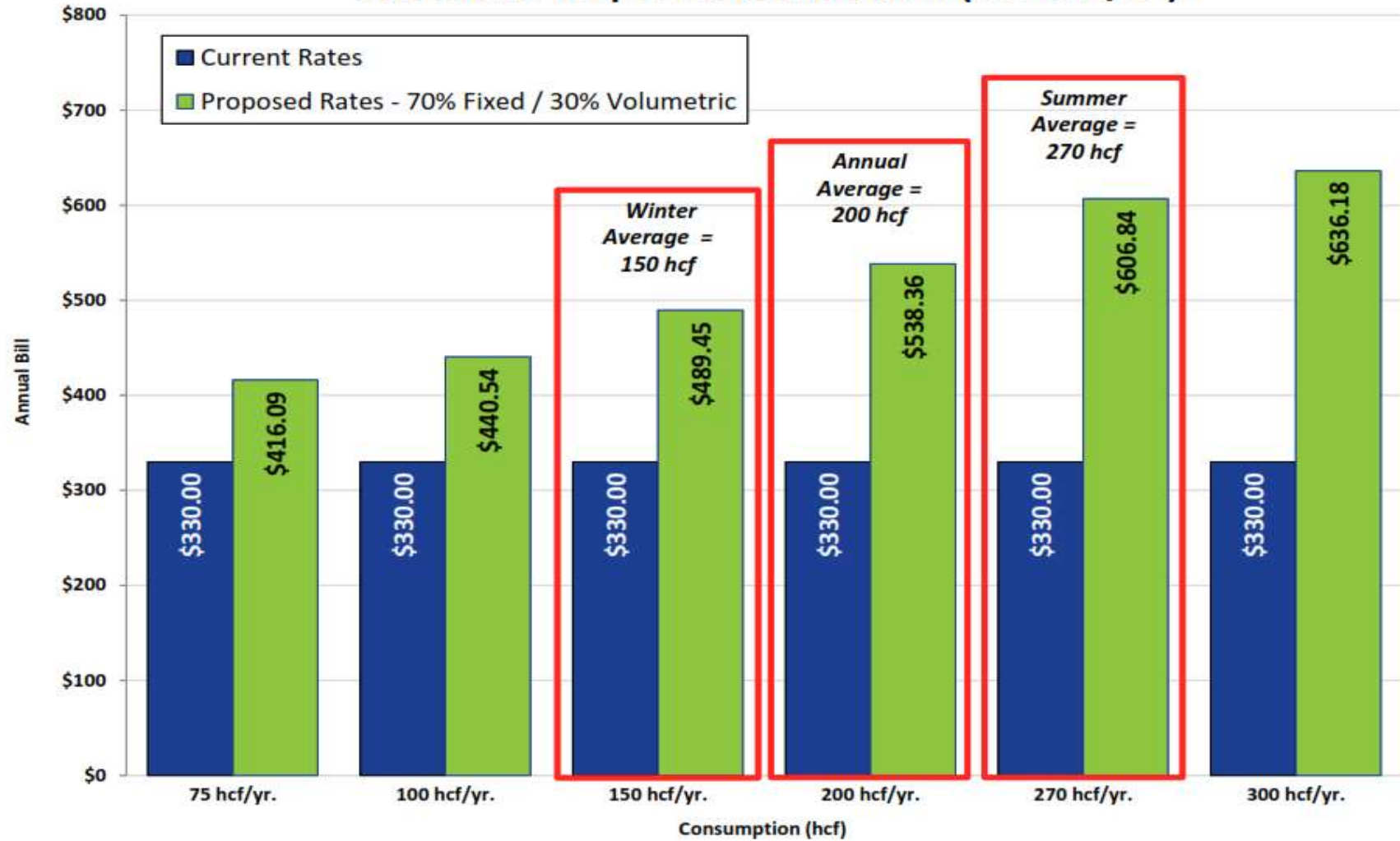
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## Single Family Residential Sewer Bill Comparison Current vs. Proposed Annual Rates (FY 2021/22)



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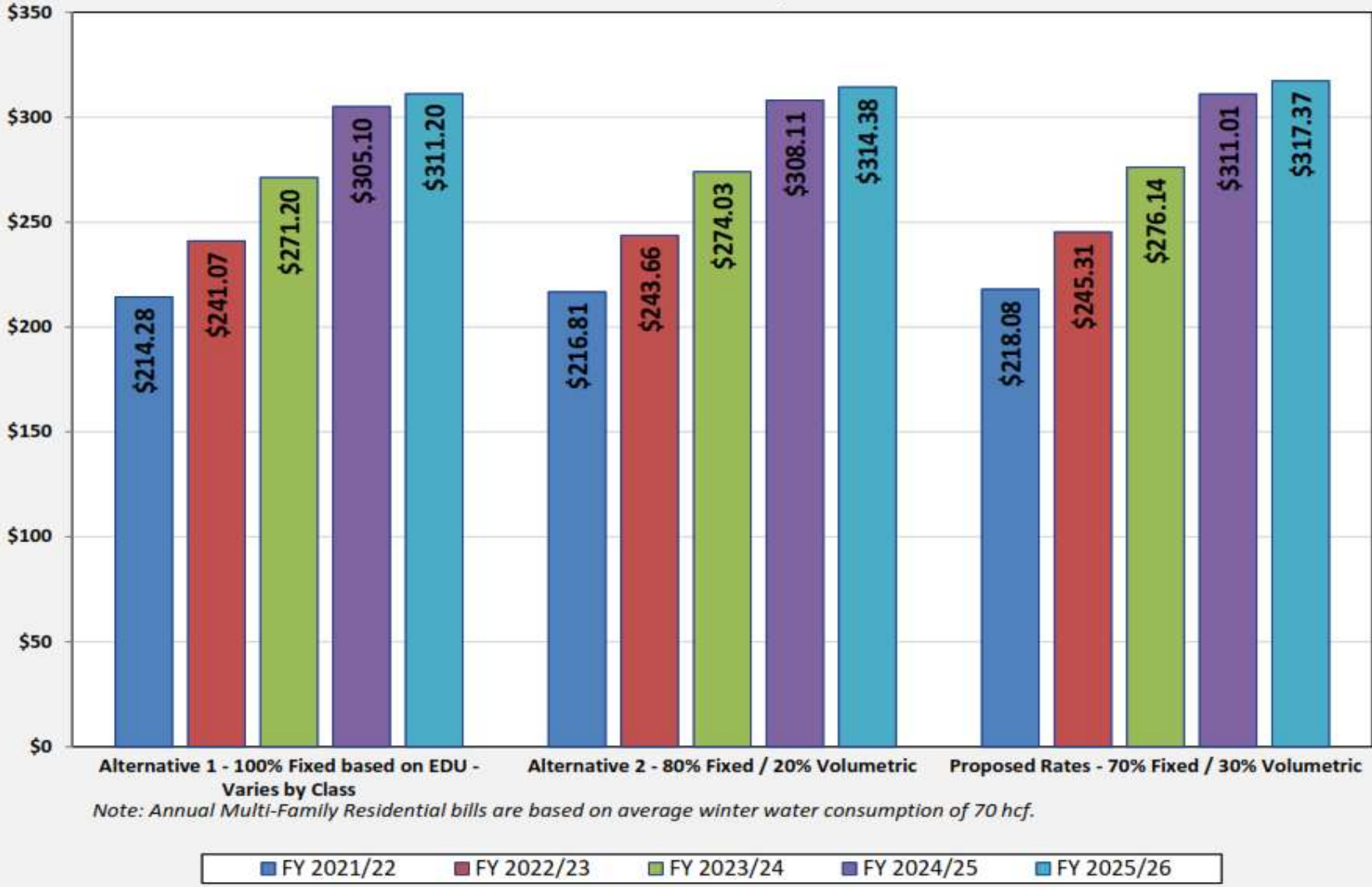
SFR Bill Comp #2A, Page 47 of 63



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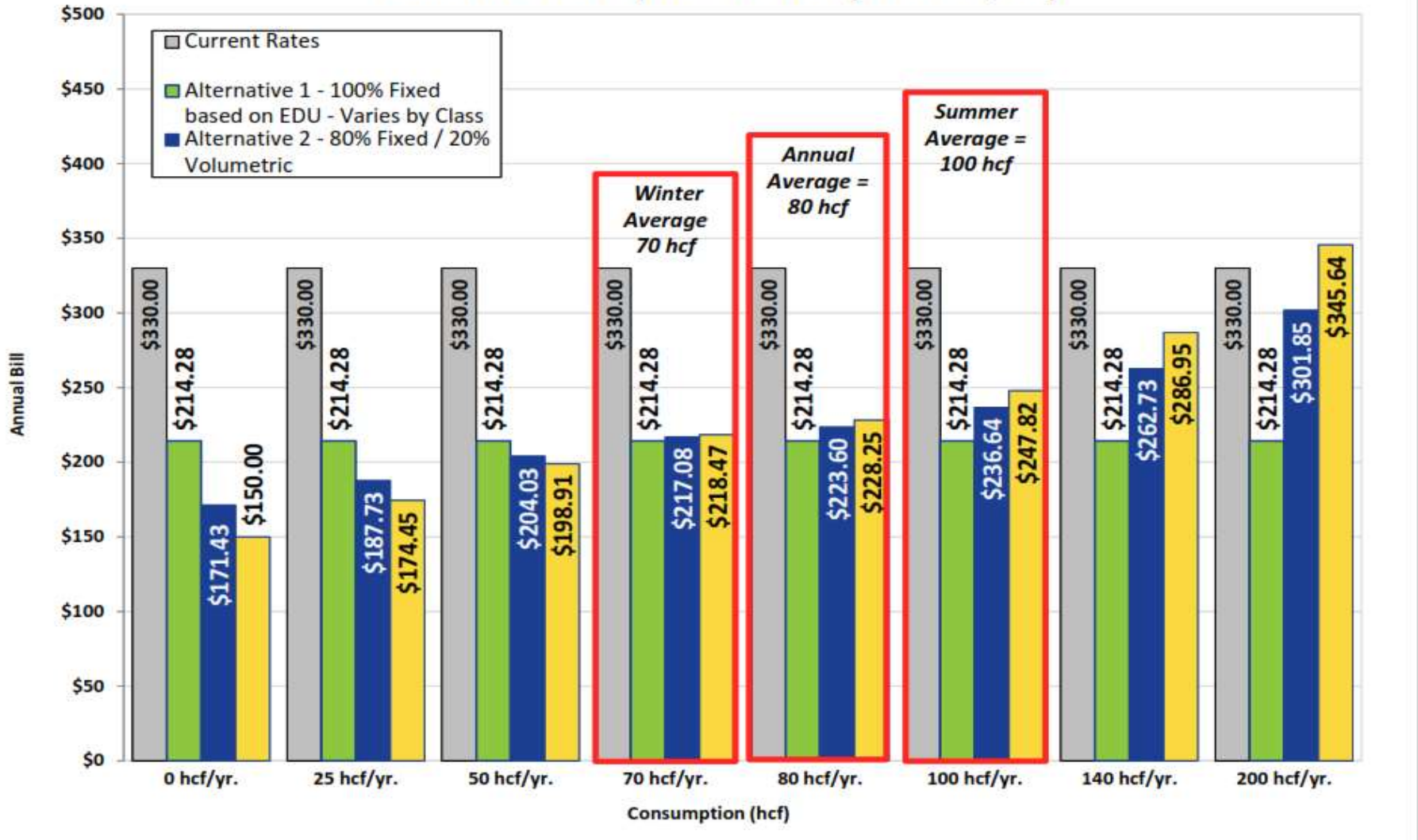
## Multi-Family Annual Sewer Bills - 5-Year Projections

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





## Multi-Family Residential Sewer Bill Comparison Current vs. Proposed Rates (FY 2021/22)



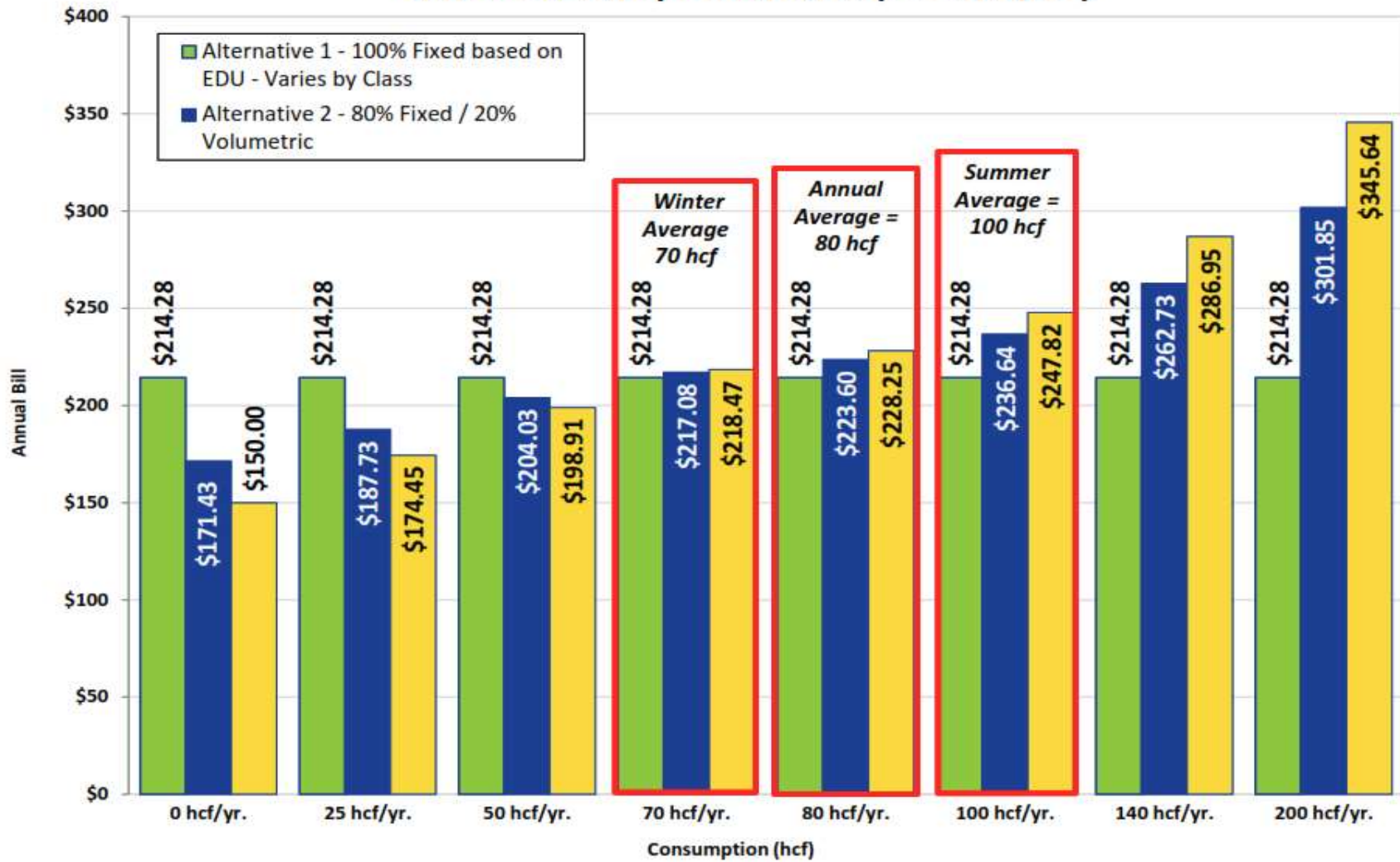
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## Multi-Family Residential Sewer Bill Comparison Current vs. Proposed Rates (FY 2021/22)



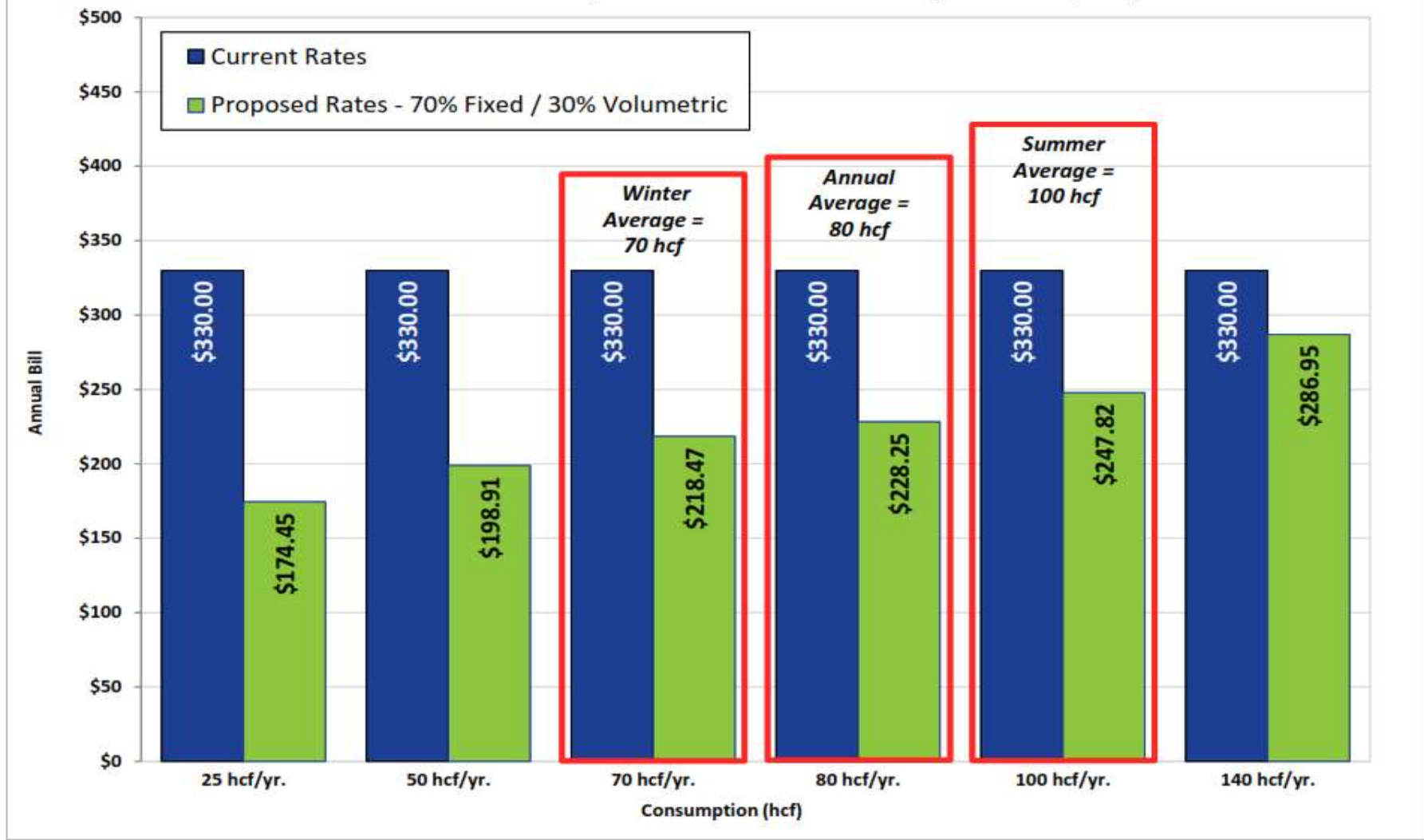
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## Multi-Family Residential Sewer Bill Comparison Current vs. Proposed Annual Rates (FY 2021/22)

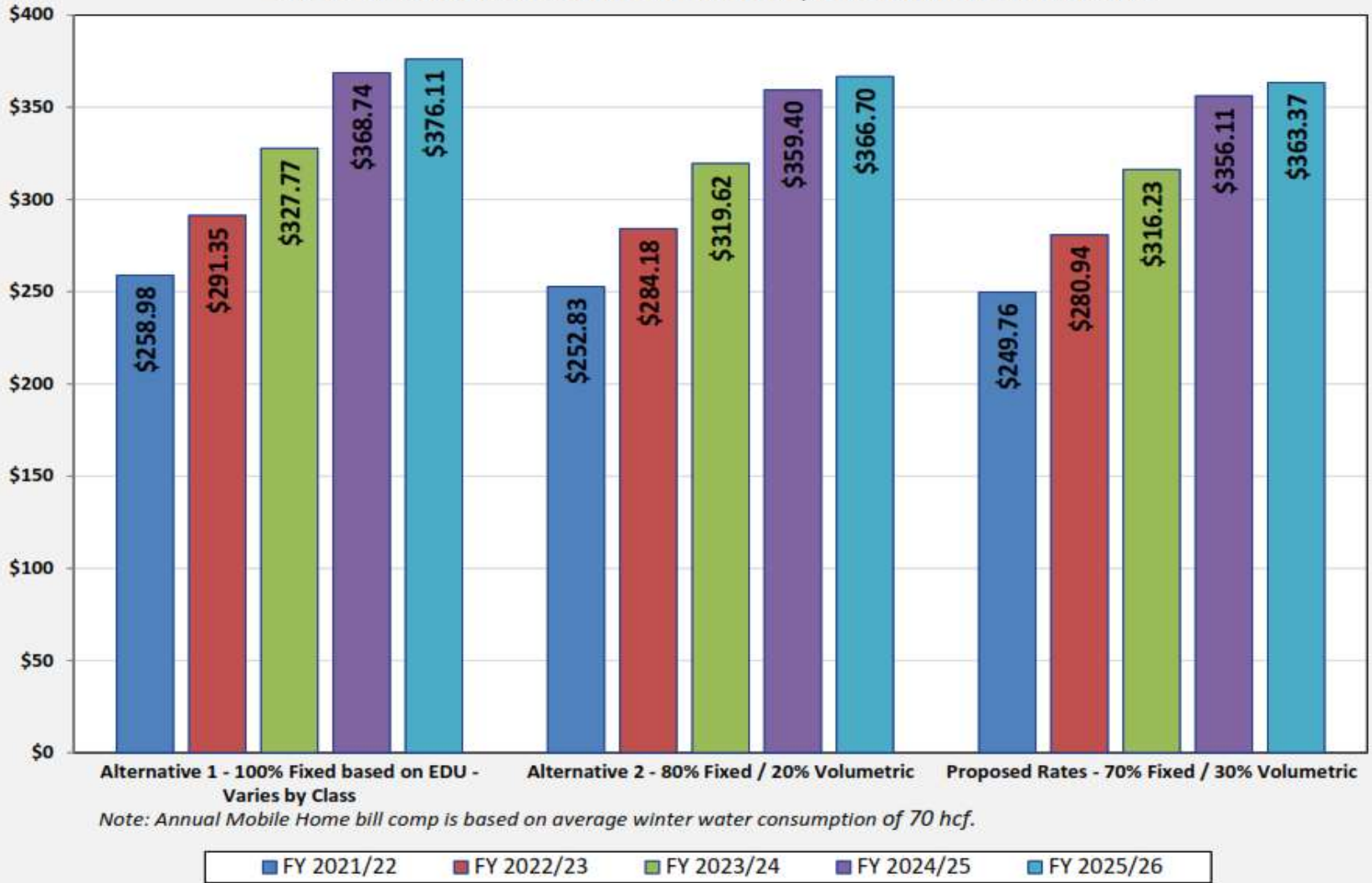


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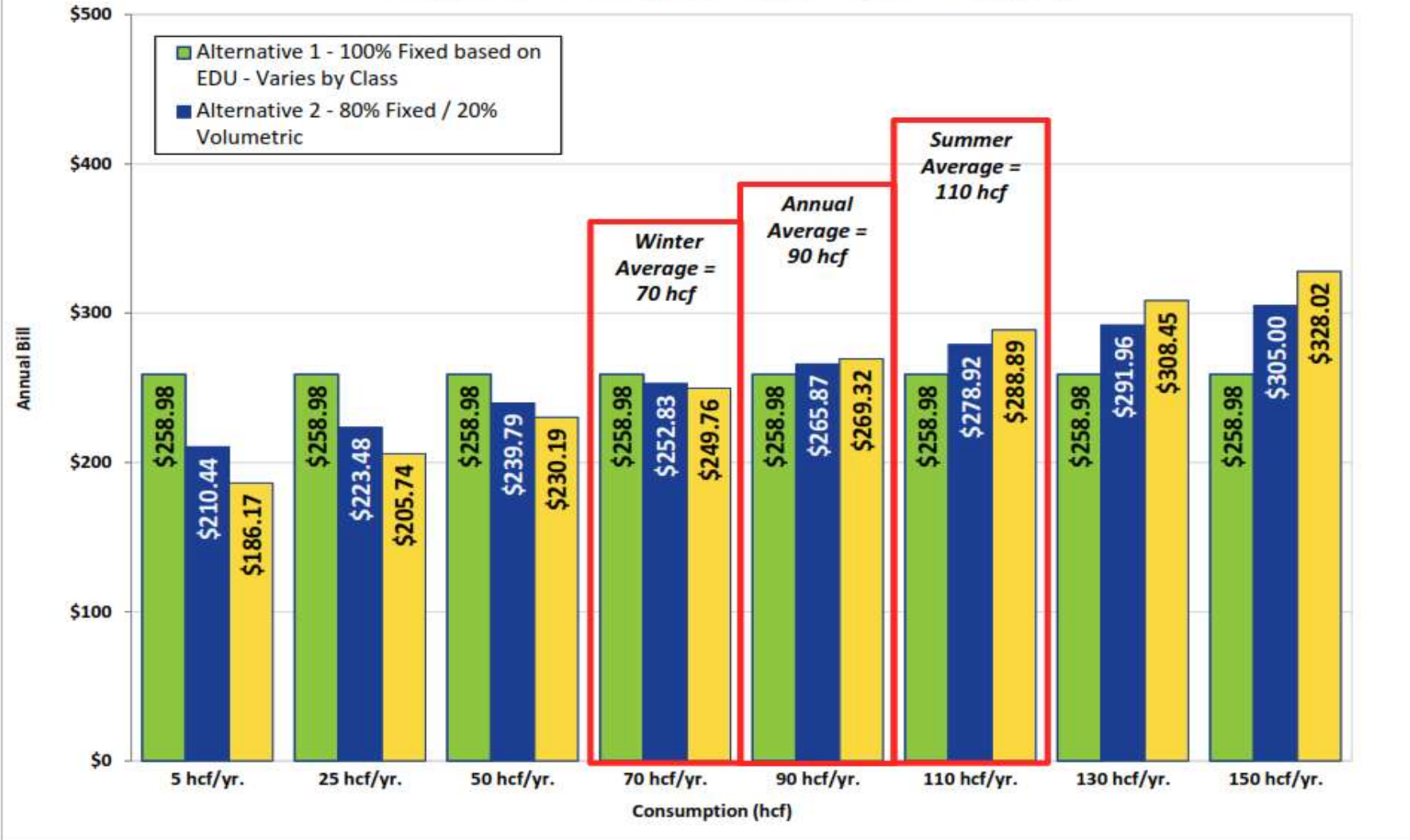
MFR Bill Comp #2A, Page 51 of 63

## Mobile Home Annual Sewer Bills - 5-Year Projections

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



## Mobile Home Sewer Bill Comparison Current vs. Proposed Rates (FY 2021/22)

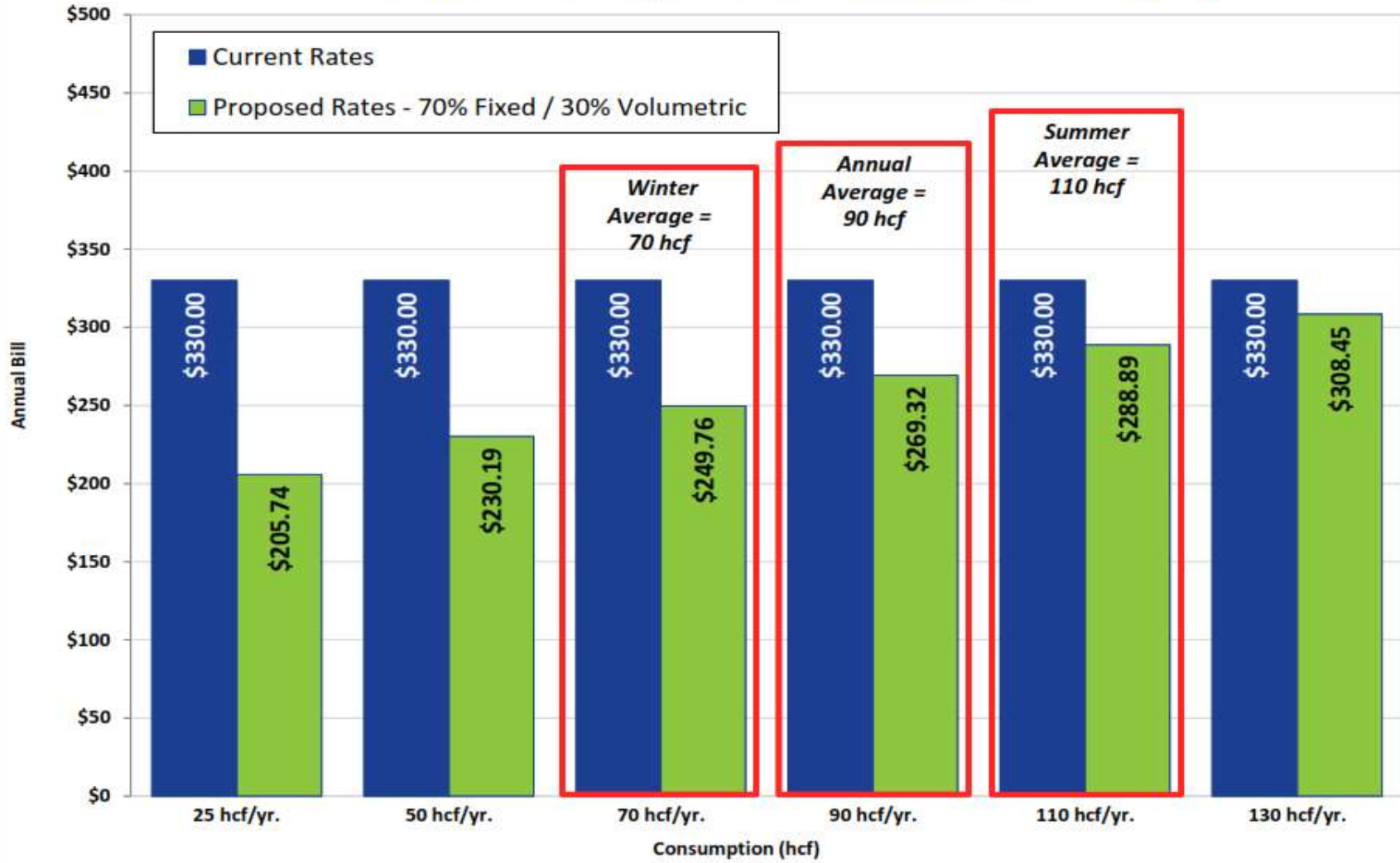


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## Mobile Home Sewer Bill Comparison Current vs. Proposed Annual Rates (FY 2021/22)



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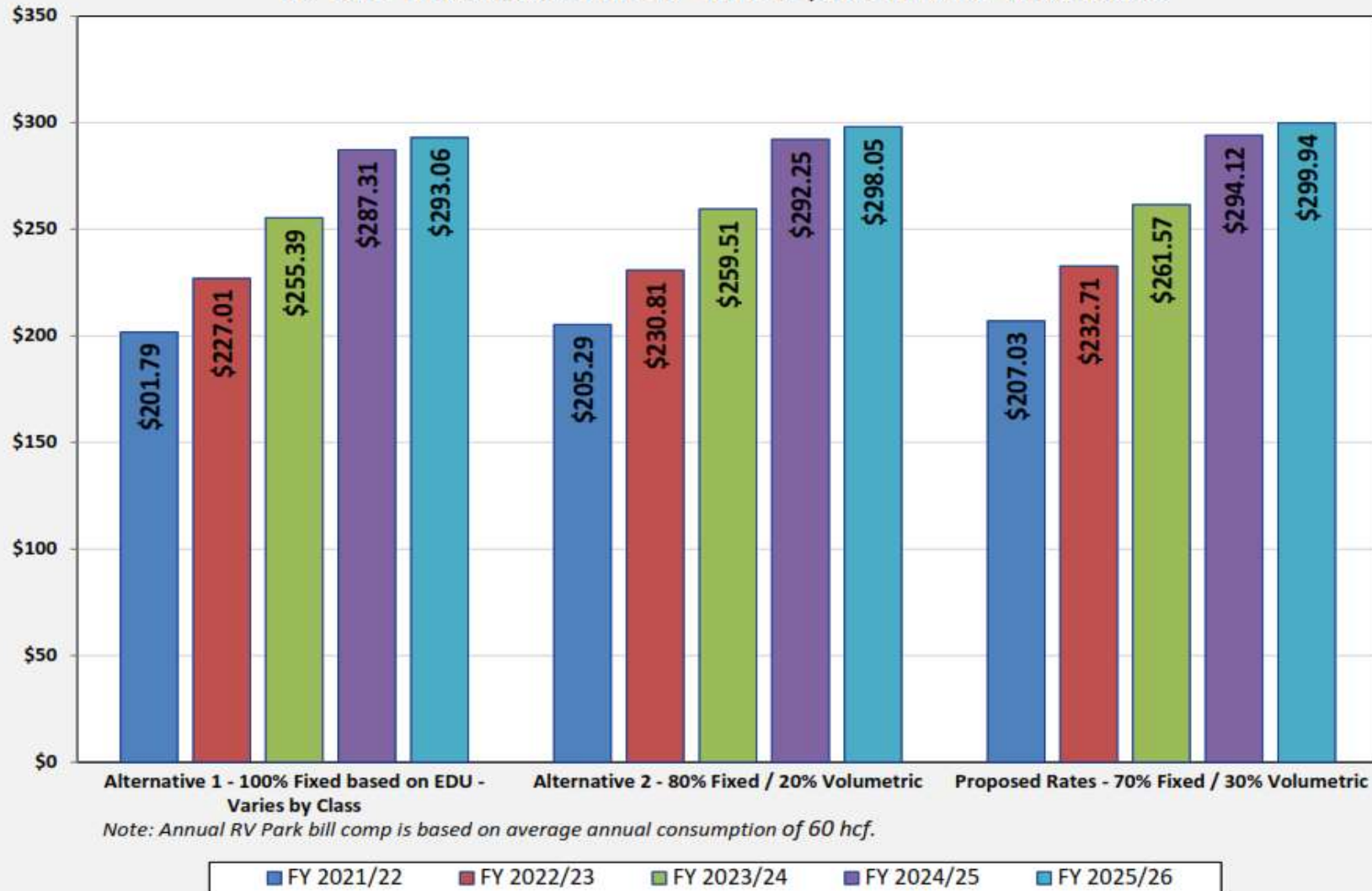
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### RV Parks Annual Sewer Bills - 5-Year Projections

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



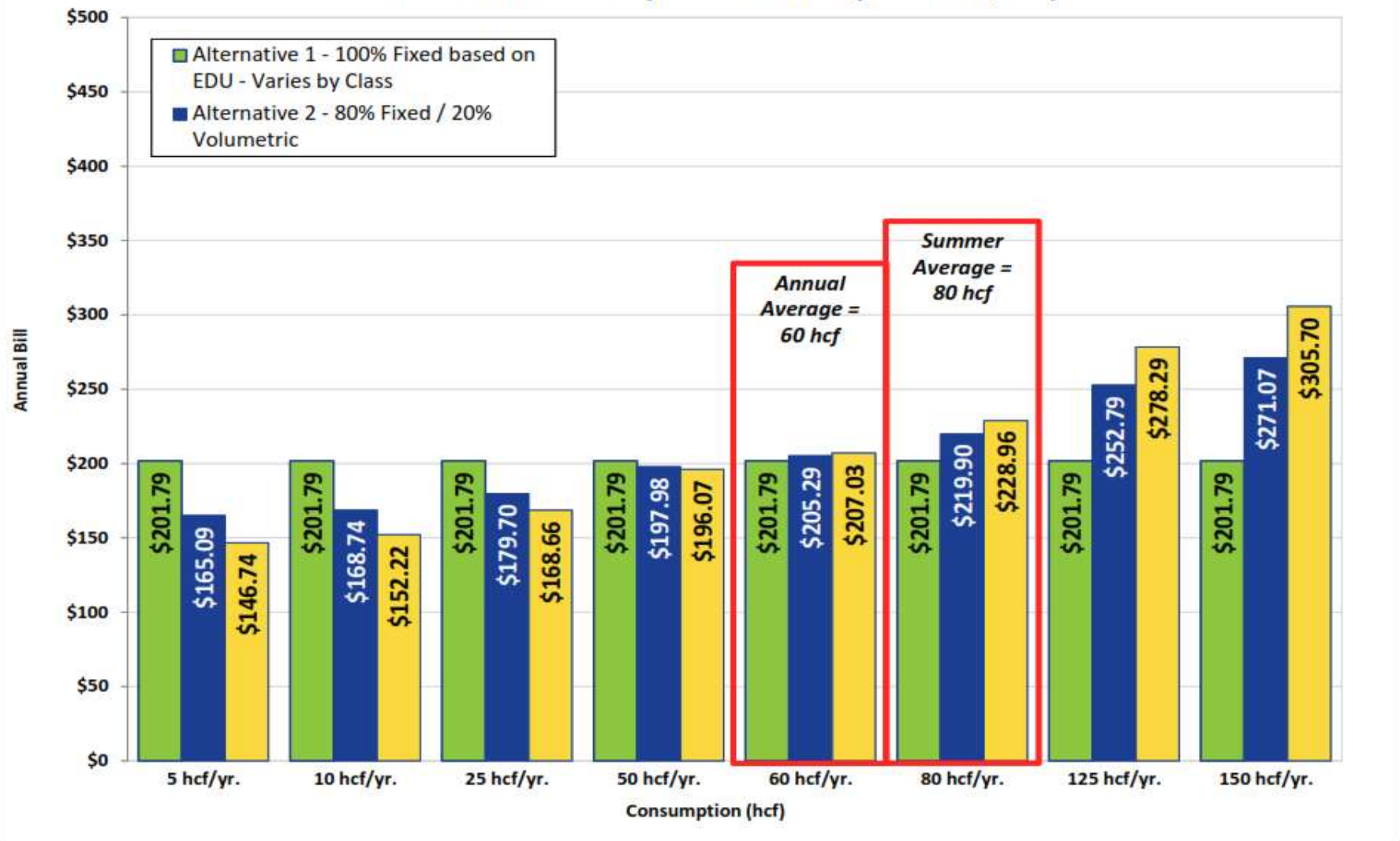
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## RV Parks Sewer Bill Comparison Current vs. Proposed Rates (FY 2021/22)



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## RV Parks Sewer Bill Comparison Current vs. Proposed Annual Rates (FY 2021/22)



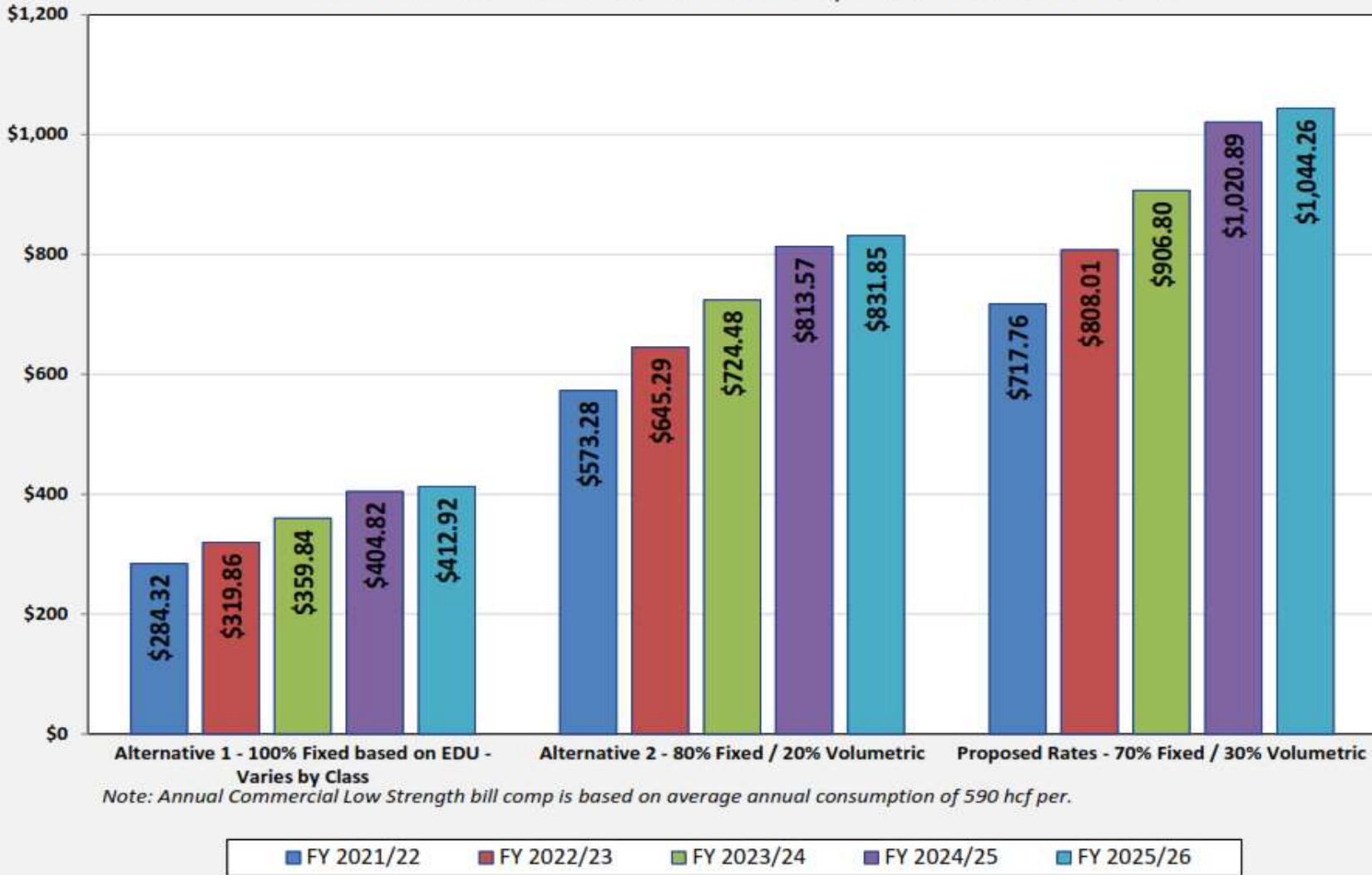
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RV Parks Bill Comp #2A, Page 57 of 63



## Commercial Low/Medium Strength Annual Sewer Bills - 5-Year Projections

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

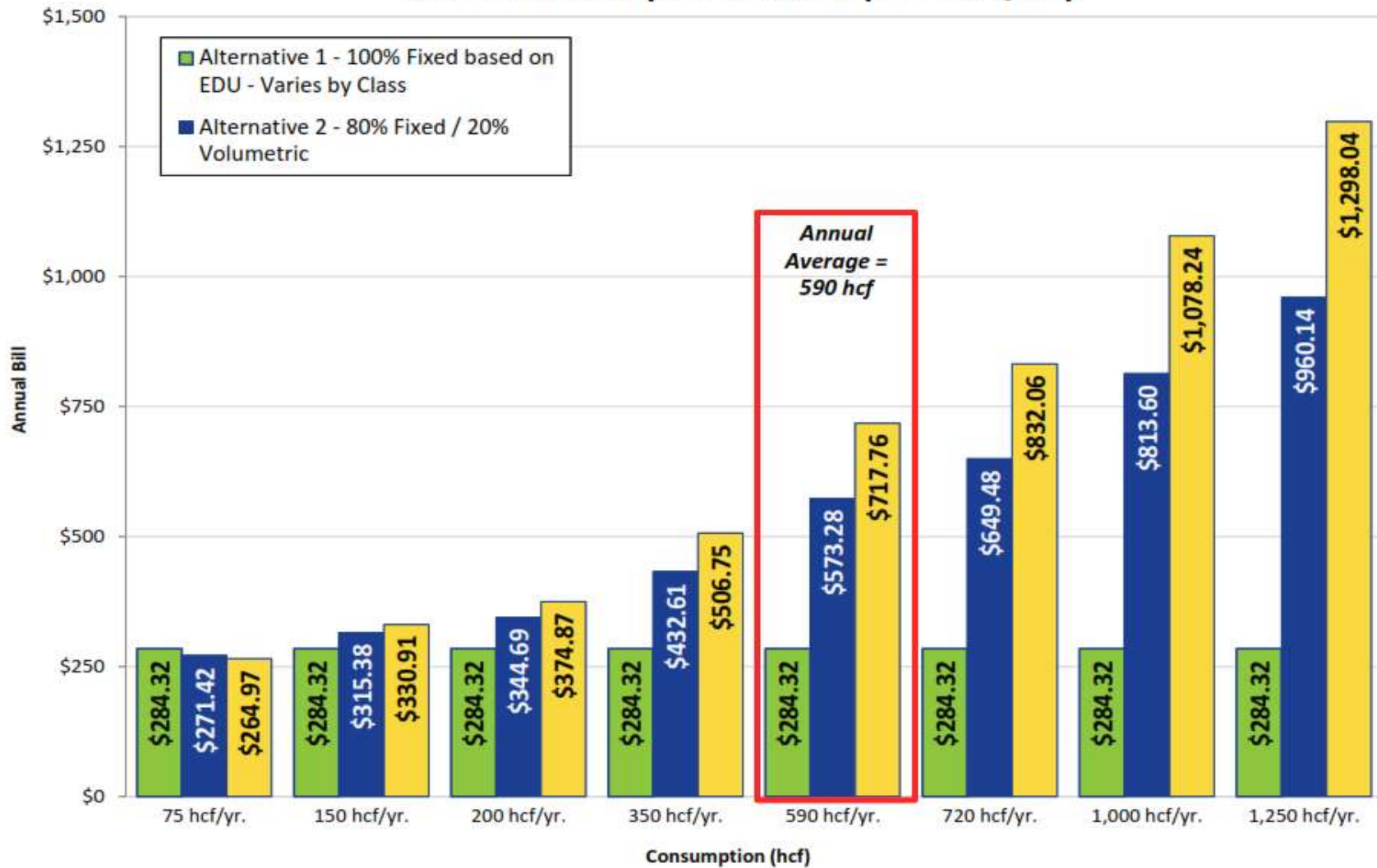


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## Commercial Low/Medium Strength - Sewer Bill Comparison Current vs. Proposed Rates (FY 2021/22)

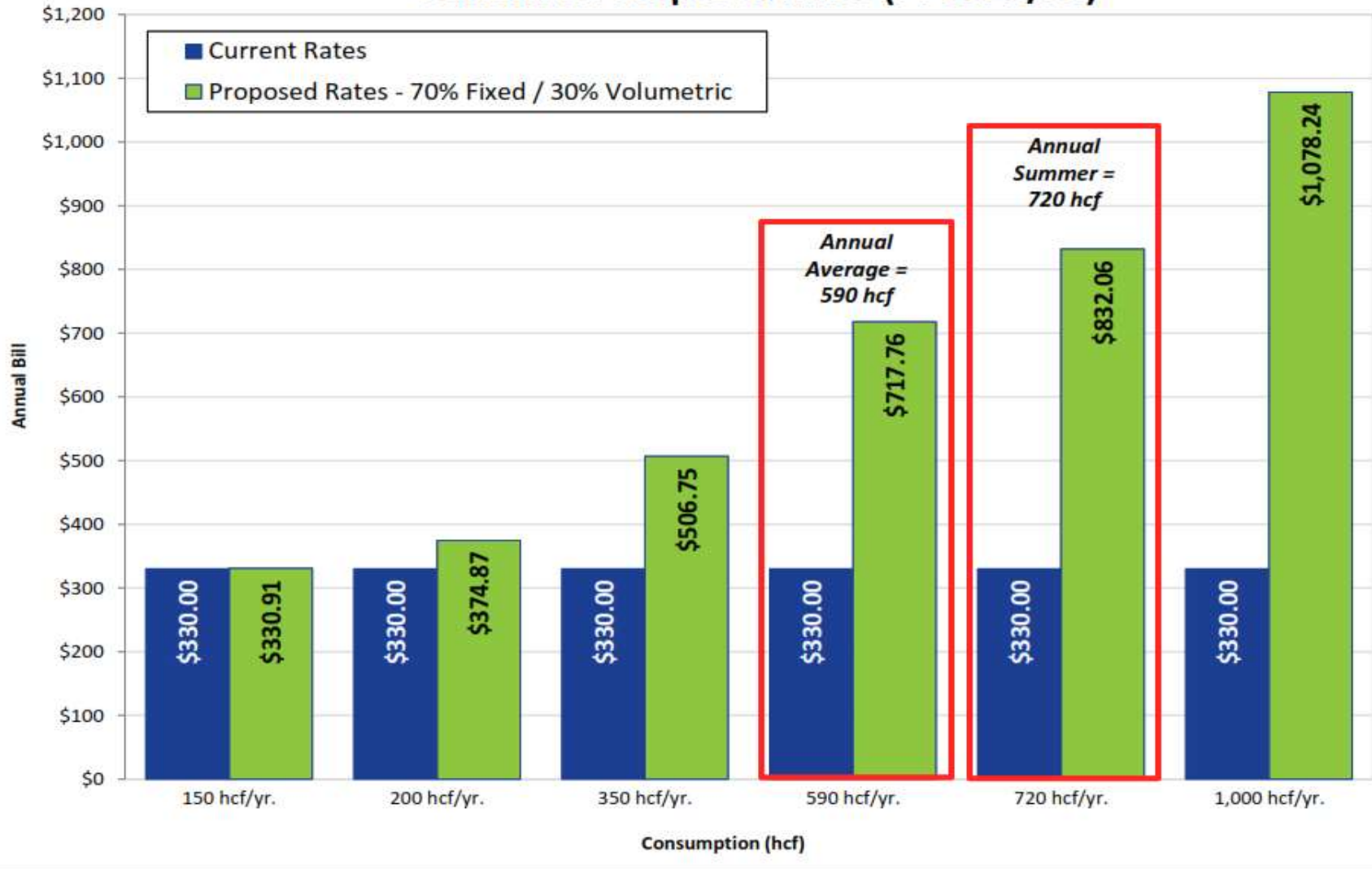


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Comm Low Strength Bill Comp #2, Page 59 of 63



## Commercial Low/Medium Strength - Sewer Bill Comparison Current vs. Proposed Rates (FY 2021/22)



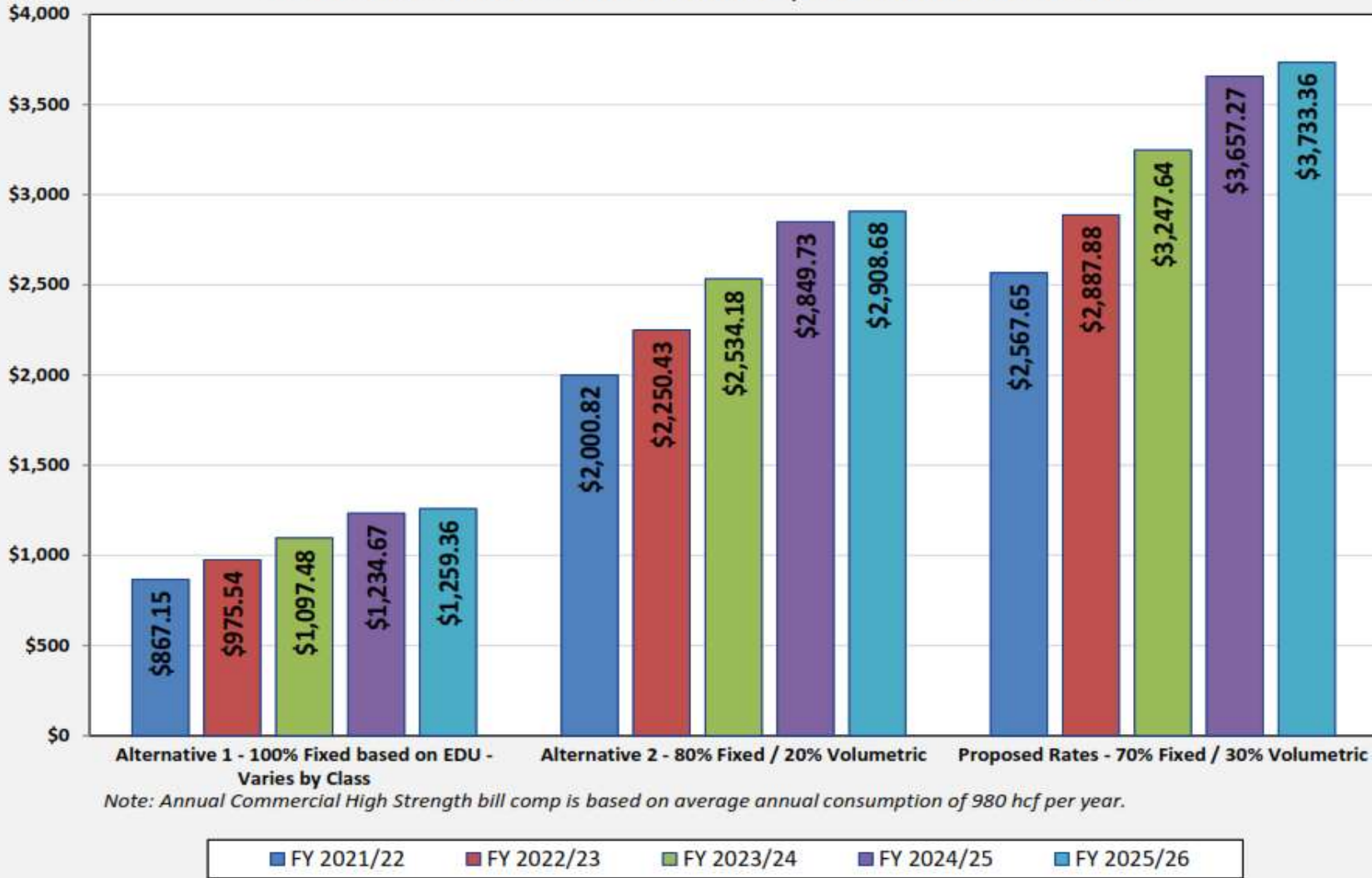
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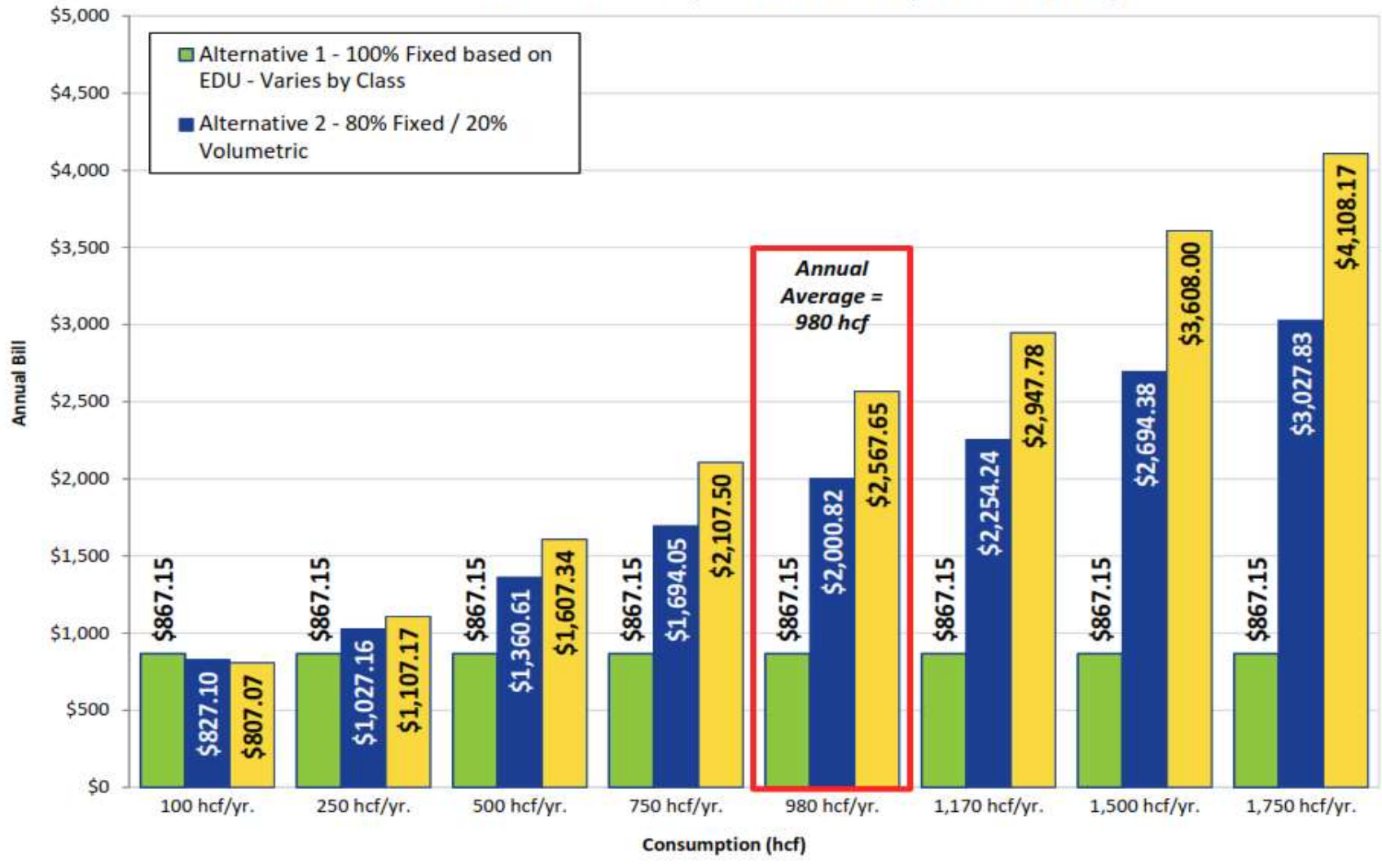


## Commercial High Strength Annual Sewer Bills - 5-Year Projections

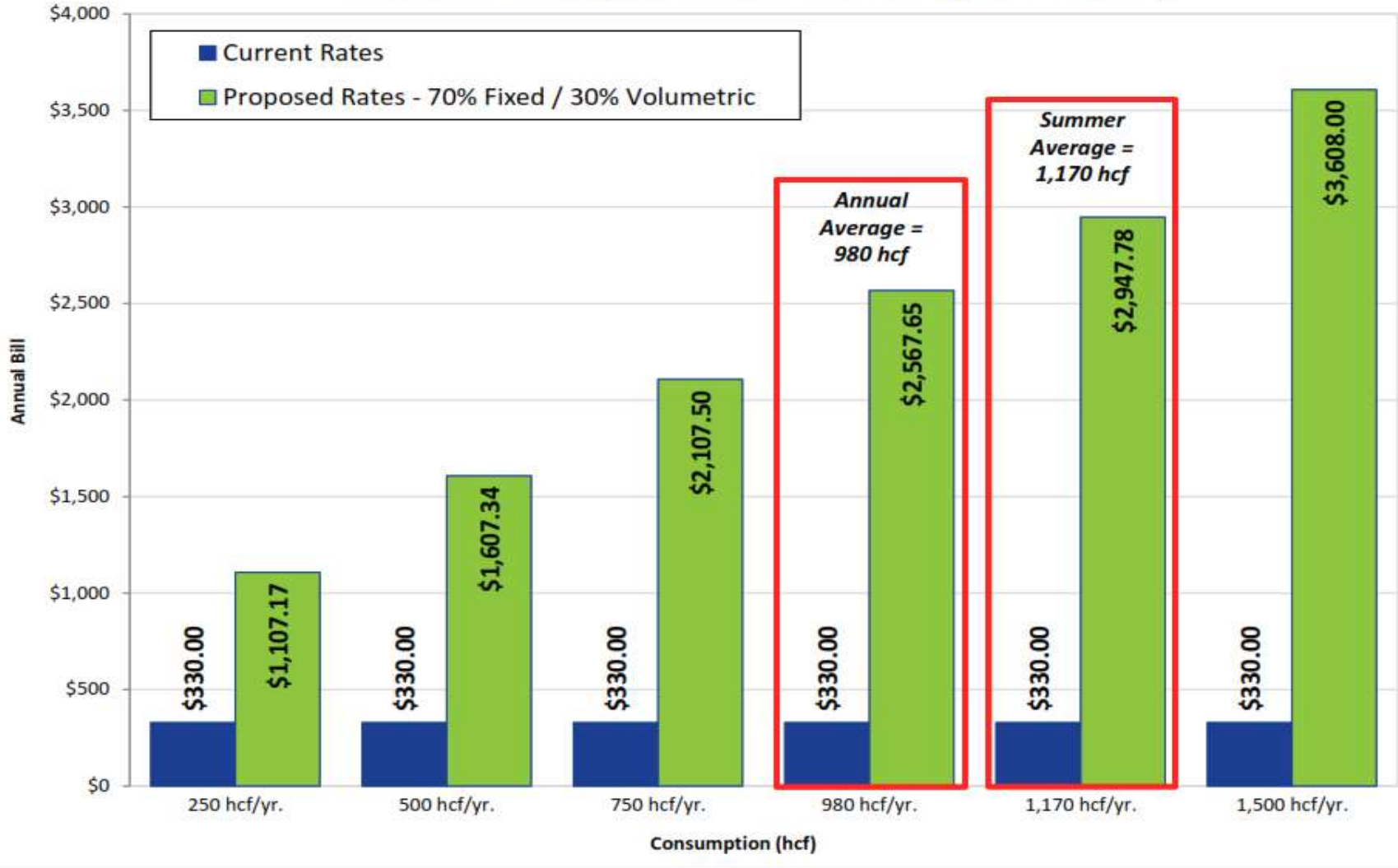
### 30-Year Debt Issue: Full CIP with a \$165 Million Debt Issue



## Commercial High Strength - Sewer Bill Comparison Current vs. Proposed Rates (FY 2021/22)



## Commercial High Strength - Sewer Bill Comparison Current vs. Proposed Annual Rates (FY 2021/22)



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**VALLEY SANITARY DISTRICT - CAPITAL IMPROVEMENT AND CAPITAL REPLACEMENT PLAN - 2021 PLUS 5 YEAR INCREASE**

NOTES	PROJECT	2020-2021		2021-2022		2022-2023		2023-2024		2024-2025		2025-2026		2026-2027		2027-2028		2028-2029		2029-2030		Total for Future Years		
		Fund 12 Costs	Fund 13 Costs	Fund 12 Costs	Fund 13 Costs	Fund 12 Costs	Fund 13 Costs	Fund 12 Costs	Fund 13 Costs	Fund 12 Costs	Fund 13 Costs	Fund 12 Costs	Fund 13 Costs	Fund 12 Costs	Fund 13 Costs	Fund 12 Costs	Fund 13 Costs	Fund 12 Costs	Fund 13 Costs	Fund 12 Costs	Fund 13 Costs	Fund 12 Costs	Fund 13 Costs	
<b>Capital Projects - Plant</b>																								
	Revenue Bonds 2015 - (11 year term)	\$428,959		\$426,926		\$426,567		\$426,119		\$426,956		\$426,836												
	Financing Payment Schedule 2022 - (20 year term)					\$1,680,400	\$1,680,400	\$1,680,400	\$1,680,400	\$1,680,400	\$1,680,400	\$1,680,400	\$1,680,400	\$1,680,400	\$1,680,400	\$1,680,400	\$1,680,400	\$1,680,400	\$1,680,400	\$1,680,400	\$1,680,400	\$1,680,400	\$35,288,400	
	Reclaimed Water Project Phase 1 Design Build	\$3,449,815	\$2,299,877	\$7,998,563	\$5,332,375	\$8,238,519	\$5,492,346																	
	Reclaimed Water Project Phase 2 Design Build			\$2,605,833	\$1,737,222	\$10,423,334	\$6,948,889																	
	Reclaimed Water Project Phase 3 Design					\$3,489,473	\$5,234,210																	
	Reclaimed Water Project Phase 3 Construction							\$11,681,701	\$17,522,552	\$12,032,152	\$18,048,228													
	Future Plant Expansion 2040 & beyond																					\$108,979,876	\$163,469,814	
	Influent Pump Station Rehabilitation Design Build	\$1,200,000		\$1,391,129																				
	Training & Office Building - Design (Carry Over)		\$100,000		\$533,880																			
	Training & Office Building - Construction									\$1,768,241	\$2,961,835													
	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				
	Fence Extension & Fortification (Carry Over) plus	\$280,000																						
	Steel Water Line Replacement (Carry Over)																							
	Van Buren Slope Protection	\$250,000																						
	Additional Parking & Landscaping		\$250,000																					
	Recycled Water Main Extension (Carry Over)																							
	Switch Board Main Sevice Replacement			\$250,000																				
<b>Capital Projects - Collections</b>																								
	Lateral Grant Program	\$54,000		\$55,080		\$56,182		\$57,306		\$58,452		\$59,621		\$60,813		\$62,029		\$63,270		\$64,535				
	Sewer Main Rehabilitation or Replacement Design	\$834,074		\$1,293,148		\$1,336,598		\$1,385,517		\$1,432,071		\$1,480,188		\$1,529,923		\$1,054,219		\$544,820						
	Sewer Main Rehabilitation or Replacement Const.	\$1,809,854		\$3,741,341		\$5,800,570		\$6,012,871		\$6,214,904		\$6,423,724		\$6,639,561		\$4,575,105		\$2,364,407						
	Manhole Rehabilitation																					\$138,424		
	Sewer Main Emergency Repairs	\$112,000		\$115,360		\$118,821		\$122,386		\$126,058		\$129,840		\$133,735		\$137,747		\$141,879		\$146,135				
	Avenue 48 Sewer Main Upgrade Design																					\$56,625	\$169,875	
	Avenue 48 Sewer Main Upgrade Construction																					\$544,183	\$1,632,549	
	Interim Collection System CIP Design																					\$69,024	\$207,071	
	Interim Collection System CIP Construction																					\$663,850	\$1,991,549	
	Build-out Collection System CIP projects																						\$6,399,835	
	Emergency Sewer Siphon Replacement Design	\$325,000		\$318,800																				
	Emergency Sewer Siphon Replacement Const.	\$1,000,000		\$3,429,133																				
<b>CONTINGENCY - All Departments Combined</b>																								
		\$92,000		\$93,840		\$95,717		\$97,631		\$99,584		\$101,576		\$103,608		\$105,680		\$107,794		\$109,950			\$1,093,973	
<b>TOTAL</b>		\$10,473,702	\$2,649,877	\$22,357,153	\$7,603,478	\$32,304,181	\$19,355,845	\$22,101,931	\$19,202,952	\$22,708,577	\$21,496,869	\$10,940,185	\$4,642,235	\$10,786,040	\$1,680,400	\$8,253,180	\$1,680,400	\$5,540,570	\$1,680,400	\$2,777,444	\$1,680,400	\$146,695,931	\$209,159,094	
Cumulative total		\$10,473,702	\$2,649,877	\$32,830,855	\$10,253,355	\$65,135,036	\$29,609,200	\$87,236,967	\$48,812,151	\$109,945,545	\$70,309,021	\$120,885,730	\$74,951,256	\$131,671,770	\$76,631,656	\$139,924,950	\$78,312,056	\$145,465,520	\$79,992,456	\$148,242,964	\$81,672,856	\$197,452,981	\$258,807,073	
<b>Fund 13 CIP Expansion</b>																								
	Fund 13 Capital Expenses		\$2,649,877	\$7,603,478		\$19,355,845		\$19,202,952		\$21,496,869		\$4,642,235		\$1,680,400		\$1,680,400		\$1,680,400		\$1,680,400		\$1,680,400		
	Projected Fund 13 Revenue		\$848,000	\$1,275,000		\$1,350,000		\$1,380,000		\$1,380,000		\$1,380,000		\$1,422,500		\$1,450,000		\$1,545,000		\$1,750,485				
	Financing Revenue 2022			\$25,000,000																				
	Projected Fund 13 Reserve beginning of year		\$6,340,607	\$4,538,730		\$23,210,252		\$5,204,407		(\$12,618,544)		(\$32,735,414)		(\$35,997,649)		(\$36,255,549)		(\$36,485,949)		(\$36,621,349)		(\$36,621,349)		
	Projected Fund 13 Reserve end of year		\$4,538,730	\$23,210,252		\$5,204,407		(\$12,618,544)		(\$32,735,414)		(\$35,997,649)		(\$36,255,549)		(\$36,485,949)		(\$36,621,349)		(\$36,551,264)				
<b>Fund 12 CIP Replacement</b>																								
	Fund 12 Capital Expenses	\$10,473,702		\$22,357,153		\$32,304,181		\$22,101,931		\$22,708,577		\$10,940,185		\$10,786,040		\$8,253,180		\$5,540,570		\$2,777,444				
	Projected Fund 12 Revenue	\$5,149,104		\$5,767,056		\$6,423,752		\$7,115,692		\$7,890,376		\$8,791,304		\$8,793,304		\$8,844,304		\$8,904,044		\$8,965,576				
	Financing Revenue 2022			\$25,000,000																				
	Projected Fund 12 Reserve beginning of year	23,496,061		18,171,463		26,581,366		700,937		(14,285,302)		(29,103,503)		(31,252,384)		(33,245,120)		(32,653,996)		(29,290,522)		(23,102,390)		
	Projected Fund 12 Reserve end of year	\$18,171,463		\$26,581,366		\$700,937		(\$14,285,302)		(\$29,103,503)		(\$31,252,384)		(\$33,245,120)		(\$32,653,996)		(\$29,290,522)		(\$23,102,390)				

1 Cost allocation of 52% to expansion is based on \$6M of the \$11.5M bond funds having been applied to project costs that increased capacity.  
 2 Cost allocation of 30% to expansion is based on engineer's cost estimate and evaluation  
 3 Cost allocation of 40% to expansion is based on engineer's cost estimate and evaluation  
 4 Cost allocation of 50% to expansion is based on engineer's cost estimate and evaluation  
 5 Cost allocation of 75% to expansion is based on engineer's cost estimate and evaluation  
 6 Cost allocation of 100% to expansion as the total need for project is due to future development.  
 7 Cost allocation of 0% to expansion as this is replacement or rehabilitation of existing facilities or due to Fund 11 debt service



# 20 Year Capital Improvement Program

Project Description	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	Total
Recycled Water Project Phase 3 Construction	\$ -	\$ -	\$ -			\$ -	\$ 35,005,414	\$ 36,055,577	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 71,060,991
Recycled Water Project Phase 1 Design Build	-	8,007,676	17,763,656	32,214,017	11,954,246	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	69,939,595
Sewer Main Rehabilitation or Replacement Const.	201,110	2,200,000	4,297,853	5,539,703	6,860,142	7,090,643	6,117,078	5,070,071	3,945,813	2,740,266	1,449,267	-	-	-	-	-	-	-	-	-	-	45,511,946
Recycled Water Project Phase 2 Design Build	-	-		500,000	4,952,347	20,403,670	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	25,856,017
Vehicle & Major Equipment Replacement Fund	-	740,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	15,940,000
Sewer Main Rehabilitation or Replacement Design	274,046	700,000	1,601,798	1,681,665	1,738,169	1,504,607	1,253,388	983,574	694,228	717,554	397,241	-	-	-	-	-	-	-	-	-	-	11,546,270
Recycled Water Project Phase 3 Design	-	-	-	-	-	10,456,564	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10,456,564
Training & Office Building - Construction	123,046	-	-	-	9,000,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9,123,046
Build-out Collection System CIP projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,020,147	-	-	-	-	-	7,020,147
Laboratory Building - Construction	-	-	-	-	4,000,000	3,000,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,000,000
Emergency Sewer Siphon Replacement Const.	-	-	4,464,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,464,000
Influent Pump Station Rehabilitation Design Build	281,137	1,000,000	3,000,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,281,137
Sewer Main Emergency Repairs	-	115,000	115,000	118,450	122,004	125,664	129,434	133,317	137,317	141,437	145,680	150,050	154,552	159,189	163,965	168,884	173,951	179,170	184,545	190,081	195,783	3,003,473
Contingency	-	100,000	100,000	102,000	104,040	106,121	108,243	110,408	112,616	114,868	117,165	119,508	121,898	124,336	126,823	129,359	131,946	134,585	137,277	140,023	142,823	2,384,039
Interim Collection System CIP Construction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,184,582	-	-	-	-	-	-	2,184,582
Avenue 48 Sewer Main Upgrade Construction	-	-	-	-	-	-	-	-	-	-	-	-	1,790,786	-	-	-	-	-	-	-	-	1,790,786
Manhole Rehabilitation	-	-	-	-	-	-	-	-	-	-	150,000	154,500	159,135	163,909	168,826	173,891	179,108	184,481	190,015	195,715	195,715	1,719,580
Lateral Grant Program	-	50,000	50,000	51,000	52,020	53,060	54,121	55,203	56,307	57,433	58,582	59,754	60,949	62,168	63,411	64,679	65,973	67,292	68,638	70,011	71,411	1,192,012
Emergency Sewer Siphon Replacement Design	164,700	320,258	638,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,122,958
Training & Office Building - Design (Carry Over)	-	-	-	1,000,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,000,000
Laboratory Building - Final Design	-	-	-	1,000,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,000,000
Interim Collection System CIP Construction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	728,194	-	-	-	-	-	-	728,194
Master Plan	-	-	600,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	600,000
Avenue 48 Sewer Main Upgrade Construction	-	-	-	-	-	-	-	-	-	-	-	-	596,929	-	-	-	-	-	-	-	-	596,929
Additional Parking & Landscaping	-	-	-	500,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	500,000
Interim Collection System CIP Design	-	-	-	-	-	-	-	-	-	-	-	-	-	227,142	-	-	-	-	-	-	-	227,142
Avenue 48 Sewer Main Upgrade Design	-	-	-	-	-	-	-	-	-	-	-	186,341	-	-	-	-	-	-	-	-	-	186,341
Electrical Control Panel Replacements Blower Building	-	-	120,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	120,000
SCADA	-	-	120,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	120,000
Interim Collection System CIP Design	-	-	-	-	-	-	-	-	-	-	-	-	-	75,714	-	-	-	-	-	-	-	75,714
Laboratory Information Management System (LIMS)	-	-	70,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	70,000
Avenue 48 Sewer Main Upgrade Design	-	-	-	-	-	-	-	-	-	-	-	62,114	-	-	-	-	-	-	-	-	-	62,114
Plant Asphalt Repair	-	-	50,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	50,000
Concrete Repair	-	-	50,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	50,000
Replacement of Calhoun Lift Station Pumps (2)	-	-	50,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	50,000
1 Air conditioner, Blower Building	-	-	30,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	30,000
Office Building for Belt Filter Press	-	-	20,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	20,000
Plant Expansion 2040 & beyond	10,450	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10,450
	\$ 1,054,488	\$ 13,232,934	\$ 33,940,307	\$ 43,506,835	\$ 39,582,968	\$ 43,540,329	\$ 43,467,678	\$ 43,208,150	\$ 5,746,281	\$ 4,571,558	\$ 2,967,935	\$ 1,527,766	\$ 3,679,613	\$ 1,607,684	\$ 4,230,884	\$ 8,351,895	\$ 1,345,761	\$ 1,360,155	\$ 1,374,941	\$ 1,390,130	\$ 1,405,732	301,094,026



**Valley Sanitary District  
Board of Directors Meeting  
April 12, 2022**

**TO:** Board of Directors

**THROUGH:** Beverli A. Marshall, General Manager

**SUBJECT:** **Monthly General Managers Report – February 2022**

<input type="checkbox"/> Board Action	<input type="checkbox"/> New Budget Approval	<input type="checkbox"/> Contract Award
<input checked="" type="checkbox"/> Board Information	<input type="checkbox"/> Existing FY Approved Budget	<input type="checkbox"/> 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 February 2022.

*Administrative Services*

- Hired a Temporary Laboratory Technician
- Processed one employee Separation
- Prepared and Published a Request for Proposal (RFP) for the District’s Health and Wellness Program
- Submitted the ballot for the 2022 Special District Selection Committee for the Riverside Local Agency Formation Commission (LAFCO)
- Posted a Public Notice for the Composition of Wards for Ward Based Elections
- Posted a Public Notice Recycled Water Project Contract
- Held two Budget & Finance Committee Meetings
- Held two Board Meetings
- Held one Community Engagement Meeting
- Completed the prorated sewer service billing for the quarter
- Update Standby schedules
- Completed CSRMA worker’s compensation payroll projections for the fiscal year 2022/23

- Completed the US Department of Commerce Census

### *Operations & Maintenance*

- Two Operators (Austin Lopanec and Mark Wiseman) passed the Grade II Operator certification exams and have been issued their OIT Certifications from the SWRCB. Two Maintenance Technicians (Daniel Mills and Edward Luna) passed the Grade 2 Maintenance Mechanic certification tests through CWEA. One Electrical/Instrumentation Technician (Nick Dean) passed the Grade 2 Electronic Maintenance certification through CWEA.
- Operations has ceased feeding ferric chloride in the headwork for sedimentation in the primary clarifiers and for odor control in the anaerobic digester. Staff found that it had been affecting both the operations of the H<sub>2</sub>S Scrubbers at the anaerobic digester and was carrying over into the aeration system affecting ammonia control. Staff saw improvement in the reduction of ammonia in the aeration basin since reducing the ferric chloride feed and better H<sub>2</sub>S removal in the digester scrubbers.
- Both Operations and Maintenance continue to work with Engineering to set up the Lucity Maintenance Management Software to be a functional computerized maintenance management system and develop a functioning work order system for maintenance and housecleaning activities.
- The Facility Operations Manager completed one-on-one interviews with the Operations and Maintenance divisions and is working on a report on what needs to be implemented to improve training and staff preparation for supervisory functions and organizational improvements.
- Staff is developing phone meetings, Zoom meetings, and site trips to local facilities that investigate the types of Rotary Drum Thickeners that are be considered for the VSD plant upgrade. Two of the types of RDTs have local facilities and two do not. Hopefully, these meetings and site trips should take place within the next couple of weeks.

### *Development Services*

- Construction has begun on the Sunburst RV storage near the intersection of Monroe Street and Oleander Ave.
- Construction has begun on the Arroyo Crossing I project, a 184-unit low-income apartment complex located on the west side of Jefferson St south of Hwy 111.
- Construction has begun on a new Juvenile Court building to Replace the existing Juvenile Court Building next the existing Juvenile Hall on Oasis Street just North of Avenue 48.
- The tenant improvement has begun on the StorQuest inside self-storage within the former Target building on the southwest of Ave 42 and Jackson St.
- Construction has begun on the El Polo Loco near the southwest corner of Jackson St and Ave. 42 in Shadow Hills.
- Construction has begun on the Ono Hawaiian BBQ Restaurant in the Indio Town Center shopping center near the corner of Jackson St. and Avenue 42.

### Collection Services

- The District experienced no reportable spills for March. The appropriate report will be submitted to the California Integrated Water Quality System, as required in the Waste Discharge Requirements Monitoring and Reporting Program.
- The Vector crew is currently jetting Trouble Spot areas.
- CCTV Inspection work is being conducted in Indian Palms Country Club.
- One Collection System Technician (Grant Fournier) passed the Grade 2 Collection System Maintenance exam through CWEA.

### Capital Improvement Program

- The Reclaimed Water Project - Phase 1 was awarded to Schneider Electric / Stantec in June 2020. Construction costs will be determined during the design phase and will be awarded to Schneider Electric / Stantec upon approval of the Board. This project will replace an aging and capacity restricting grit chamber and provide redundancy by adding a second digester and expanding the bar screens. It will also include replacement of the Main Switch Control Panel and the addition of a sludge thickener unit. Schneider has completed the 60% design submittal and has prepared the guaranteed maximum price based on the latest design plans. *Update: Amendment #1 to the contract is on the April 12<sup>th</sup> Board meeting agenda. Financing for the project with Bank of America will be discussed at the April 26<sup>th</sup> Board meeting.*
- The Preliminary Design Report for the replacement of the sewer siphon at Westward Ho Drive is complete. This project will replace the sewer siphon damaged in the February 2019 storm and qualifies for FEMA funding. Staff and the consultant had a preliminary meeting with CVWD regarding requirements for crossing the channel. Staff reviewed the 50% design plans and the updated project cost schedule. *Update: VSD staff reviewed the 90% design plans and specifications and submitted comments for correction.*

Staff is finishing their review of the submitted 95% set of plans and specifications and has met with both the City of Indio and City of La Quinta, and both have no revisions or concerns. Staff sent plans to CVWD and IWA for review and received comments back from both agencies for incorporation. Carollo performed potholing that revealed that an IWA water line is closer to the Project alignment than indicated on record drawings. The water line must be rerouted around the proposed siphon manhole. *Update: Revised plans have been approved by IWA and CVWD and are waiting for CVWD signature. Carollo's proposal for engineering services during bidding and construction will be discussed at a future Board meeting.*

- Staff is continuing to work with Harris and Associates on the Collections System Rehabilitation and Maintenance project. The first rehabilitation project on Indio Blvd. is complete. This was a good first project and lessons were learned on how to improve the process for future projects. The CCTV inspection project is complete. Harris is currently developing plans for the downtown Indio rehabilitation and repair project, which is needed to rehabilitate and replace deficient sewer mains in the streets and allies of the

downtown area. The 100% design plans have been reviewed by IWA and the City of Indio and both agencies returned comments for revision. *Update: Harris has submitted a package to the Department of Drinking Water to get approval for the project. Inspection of all lift stations has been completed and Harris is preparing the assessment report and program recommendations which should be complete by June 2022.*

- VSD is currently working with Stantec, acting as an Owner's Representative, on the repair and rehabilitation of the Influent Pump Station. The Request for Proposal (RFP) was released and, after all proposals were reviewed, the Board awarded the project to the DCI / Dudek team. A pre-construction meeting was held on December 4th, 2020. The DCI / Dudek developed a preliminary bypass plan for the initial inspection and shutdown of the influent pump station structure, which were conducted from February 22<sup>nd</sup> to February 26<sup>th</sup>. VSD staff identified the valves and gates to be used for this project based on Dudek / DCI and Stantec's recommendations. Dudek and VSD have coordinated the purchase of the equipment that is experiencing long lead times. Dudek has submitted the Basis of Design Report, which have been reviewed by Stantec and VSD staff. *Update: Dudek is revising the 60% design plans per VSD and Stantec comments. The contractor is working on developing the guaranteed maximum price, which will be discussed at the April 12<sup>th</sup> Board meeting.*
- 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. The project design was awarded to Dudek, which has completed the project design and specifications. The construction portion of the project was put out to bid on February 7<sup>th</sup>, 2022. *Update: The project bid opening took place on March 16<sup>th</sup> and six sealed bids were received. Van Dyke Corporation was determined to be the lowest responsible bidder. This item is on the April 12<sup>th</sup> Board meeting for review and contract award.*
- VSD has chosen SGH Architects as the architectural firm for the preliminary design of a new single-story training/office building and new laboratory building. Staff selected a new location for the training/office building that will allow the single-story building with minimal demolition. The architect has completed the schematic design and cost estimate for both the training/office building and laboratory building. An onsite survey was conducted on July 7<sup>th</sup>. SGH Architects is continuing with final design of both the Office & Training and Laboratory Buildings. *Update: SGH has submitted 50% design plans which include both buildings for staff review and comment in December 2021. This project has been delayed due to funding limitations.*

### **Recommendation**

Staff recommends that the Board receive the Manager's Report for activities during the month of February 2022.

**Attachments**

Attachment A: Administrative Services Report

Attachment B: Monthly NPDES Report

Attachment C: Collection System Report

Attachment D: Development Services Report

Attachment E: Capital Improvement Program Update

Attachment F: Laboratory & Compliance Report

## Administrative Services - Task Summary 2022

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

February 2022

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	Plant Influent		ASP Effluent			Pond Effluent			VSD WWTP	
	CBOD (mg/L)	TSS (mg/L)	Monthly Average Flow (MGD)	CBOD (mg/L)	TSS (mg/L)	Monthly Average Pond Effluent Flow	CBOD	TSS	EColi (MPN/100ml)	Oil and Grease (mg/L)
									25.4	< 1.4
	319	218		5.6	5					
									10.4	
	242	210		13	4.6					
									10.5	
	320	324		9.3	5.4					
									14.2	
	350	282		< 5.0	2.9					
			6.63						5.1	
<b>Average</b>	308	259	6.63	8.2	4.5				11.5*	1.4
<b>Minimum</b>	242	210	6.63	< 5.0	2.9				5.1	< 1.4
<b>Maximum</b>	350	324	6.63	13	5.4				25.4	< 1.4
<b>Excesses</b>	0	0	0	0	0	0	0	0	0	0

Perr	MITS	25	30	40.0	49.0	126	<0.01
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Total Plant Discharge (Outfall)						
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)
3	< 0.5		7.3	2.9	2.8	16
		0.9				
3	0.5	0.9	7.3	2.9	2.8	16
	< 0.5	0.9	7.3	2.9	2.8	16
	< 0.5	0.9	7.3	2.9	2.8	16
	0	0	0	0	0	0

		5.9	9.0	4.3		
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## Collection Services Task Summary Report for 2022

Task	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total To Date
Customer Service Calls	-	2	2										-
F.O.G. Inspection - Completed													-
F.O.G. Inspection - Fail													-
F.O.G. Inspection - Pass													-
Hot spot cleaning (total)*	26	-	-										-
Lift station inspection	19	19	20										-
Manhole inspection	47	65	172										-
Sewer line CCTV (feet)	8,412	7,016	9,477										-
Sewer line cleaning (feet)	28,012	25,782	59,902										-
SSO Response - Cat 1	0	0	0										0
SSO Response - Cat 2	0	0	0										0
SSO Response - Cat 3	0	0	0										0
USA Markings	40	39	45										-
*Note: Hot spot cleaning is performed quarterly													



## VALLEY SANITARY DISTRICT DEVELOPMENT SERVICES REPORT

**12-Apr-22**

Plan Check in Progress	
Inspection in Progress	
New Project	

PROJECT NAME	STREET ADDRESS / CROSS STREET	CURRENT PROJECT STATUS	NEXT ACTION ITEM
7-Eleven Golf Center	44925 Golf Center/Avenue 45	Civil plans submitted for new 7-Eleven store approved. Arch. plans approved and returned to the applicant 10/26/20. Issued permit 3915 on 10/26/20.	Inspect work improvements as scheduled.
82490 Highway 111-Former Imperial Furniture	82490 Highway 111/Arabia Street	Plans submitted for remodeled suites. Plans approved and notified applicant 4/28/21. Permitted 2/28/2022 4007. Finaled	No further action required
Add'l Dwelling Unit - Cebreros Residence	83181 Blue Mountain Court	Plans submitted for additional dwelling unit. Plans approved and notified applicant 3/3/21. Permit 3967 7/26/2021	Inspect work improvements as scheduled.
Anytime Fitness	81801 Indio Blvd/Hoover Street	Plans submitted for gym in existing building. Completed 1st plan check and returned to the applicant 3/8/22.	Perform 2nd plan check upon plan resubmittal.
Arroyo Crossing Phase 1 architectural plans	47555 Jefferson Steet/Highway 111	Architectural plans submitted for new apartment complex. Plans approved and notified applicant 12/22/21. Permit 3998 issued 1/6/22.	Inspect work improvements as scheduled.
Arroyo Crossing Phase 1 civil plans	47555 Jefferson Steet/Highway 111	Civil plans submitted for new apartment complex. Plan review completed. Plans approved and returned to applicant 12/22/21. Permit 3998	Inspect work improvements as scheduled.
Arroyo Crossing Phase 2 architectural plans	47777 Jefferson Steet/Highway 111	Architectural plans submitted for new apartment complex. Plans approved and notified applicant 1/21/22 Permit 4005 on 2/7/22.	Inspect work improvements as scheduled.
Arroyo Crossing Phase 2 civil plans	47777 Jefferson Steet/Highway 111	Civil plans submitted for new apartment complex. Plans approved and notified applicant 1/21/22. Permit 1005	Inspect work improvements as scheduled.
Autozone Jackson Street	41850 Jackson Street/aAvenue 42	Plans submitted for plan check. Sewer main relocation. Plans approved 1/21/21. Waiting for engineer to finalize easements docs. Permit 3954 issued 5/13/21.	10% warrenty bond in place Reinspect and notice of acceptance Due 1/1/2023
Best in Show Grooming	80150 Hwy 111, Unit C4/Jefferson St.	Plans submitted for pet grooming business. Plan approved and notified applicant 1/13/22. Permit 4003 1/18/22 Finaled 3/16/22	No further action required
Buzzbox	42625 Jackson Street #112	Plans submitted existng building TI. Completed 1st plan check and returned to the City 2/22/19.	Perform 2nd plan check upon plan resubmittal.
Chandi Plaza	SW Corner of Indio Blvd/Avenue 44	Civil plans submitted for plan check. Plans approved and notified applicant 1/8/21. Permit 3948 issued 4/2/21. Finaled 3/9/22	No further action required
Chandi Plaza Building "B" Shell	81-971 Indio Blvd/Avenue 44	Plans submitted for plan check. Completed 1st check and returned to the applicant 10/13/20. Issued permit 3963 on 6/29/21.	Inspect work improvements as scheduled.
Chandi Plaza Building Restaurant Shell	81-977 Indio Blvd/Avenue 44	Plans submitted for plan check. Completed 1st plan check and returned to applicant 10/22/20. Issued permit 3964 on 6/29/21. Finaled 3/9/22	No further action required
Chandi Plaza Car Wash	81-983 Indio Blvd/Avenue 44	Plans submitted for plan check. Completed 1st plan check and returned to applicant 9/16/20. Permit 3965 on 6/29/21. Finaled 3/9/22	No further action required
Citadel RV Storage-Phase 1	83667 Dr. Carreon Blvd/Calhoun Street	Plans submitted for construction of new RV storage facility. Plans approved and returned to the applicant 3/17/2020.	Waiting for owner to process permit paperwork.
COD Child Development Center	45742 Oasis Street	Plans submitted for child development center. Plans approved and notified applicant 1/25/22.	Waiting for owner to process permit paperwork.
College of the Desert	45524 Oasis Street	Plans submitted for campus expansion. Plan review completed, plan approved and notified applicant 1/25/22.	Waiting for owner to process permit paperwork.
Corso Residence	49491 Braley Court	Plans submitted for single family residence. Plans approved and notified applicant 9/2/20. Permit 3931 issued 1/5/21	Inspect work improvements as scheduled.
Destiny Church	80250 Highway 111/Jefferson Street	Plans submitted for plan check. Plans approved and notified applicant 7/12/21. Issued permit 3974 on 9/14/21.	Inspect work improvements as scheduled.
y Queen	81977 Indio Blvd, Unit 100	Plans submitted for new restaurant 10/5/21. Plans approved and notified applicant 11/4/21. Issued Permit 11/12/21 # 3984 Finaled 3/9/22	No further action required
Oscar Arias	46100 Rubidoux Street Ste C-4/Hwy 111	Plans submitted for dental office TI. Completed 1st plan check and notified applicant 2/9/22.	Perform 2nd plan check upon plan resubmittal.

**Monthly Capital Improvement Project Update - April 2022**

<b>Project Title</b>	<b>Project Description</b>	<b>Current Status</b>	<b>Fiscal Year Budget</b>	<b>Total Spent to Date</b>
Westward Ho 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.	Revised plans have been approved by IWA and CVWD. Plans have been sent to CVWD for signature. Carollo is currently preparing a proposal for services during bidding and construction.	\$2,562,063.00	\$56,717.37
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.	Harris has submitted a package to the Department of Drinking Water in order to get approval for the project. Inspection of all lift stations has been completed and Harris is preparing the assessment report and program recommendations.	\$2,900,000.00	\$300,028.00
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, and a sludge thickener unit.	Schneider has completed the 60% design submittal and made corrections based on VSD comments. Schenider is preparing the guaranteed maximum price based on the latest design plans.	\$2,200,000.00	\$0.00. Per the contract, no payment is due until the project reaches the 60% design phase. This project will be financed.
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.	Dudek is revising the 60% design plans per VSD and Stantec comments. The contractor is working on developing the guaranteed maximum price by April 6th, 2022.	\$3,634,476.00	\$164,834.74
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.	SGH has submitted 50% design plans which include both buildings for staff review and comment in December 2021. This project has been delayed until staff gets consultant help with performing plan review.	\$1,922,000.00	\$267,228.00

**Monthly Capital Improvement Project Update - April 2022**

<b>Project Title</b>	<b>Project Description</b>	<b>Current Status</b>	<b>Fiscal Year Budget</b>	<b>Total Spent to Date</b>
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. The project was awarded to Dudek who has begun the development of the project design and specifications.	Dudek has completed the plans and specification. The project was advertised for bids on February 7th and bids were opened on March 16. Board to award the contract to the lowest responsible bidder on April 12.	\$642,000.00	\$30,882.50
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. In que for the next steps.	\$500,000.00	\$0.00

## Lab & Compliance Services Summary Report for 2022

Task	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>Pretreatment</b>												
Customer Service Calls	5	6	11									
Commercial Approval Letters		1	1									
Change of Ownership Inspection	1	1	0									
SIU Permit Compliance	3	3	3									
FOG-FSE Inspections Completed	23	24										
Commercial Inspections Completed	4	6										
Environmental & Collections investigations	3	1	1									
Failed Inspections or NOV												
<b>Total # of Inspections</b>	<b>33</b>	<b>34</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Laboratory</b>												
# of Collected Samples	478	233										
# of Tests (Analyses)	692	449										
# of Samples sent to Contract Labs	41	21										
# of Contracted Tests (Analyses)	79	46										
% of Samples performed In-House	91.4%	91.0%										

<b>Total YTD</b>
22
9
47
10
5
0
71
<b>Total YTD</b>
711
1141
62
125
91.2%

**VALLEY SANITARY DISTRICT  
BUDGET & FINANCE COMMITTEE MEETING MINUTES  
March 29, 2022**

A special meeting of the Valley Sanitary District (VSD) Budget & Finance Committee was held at 45-500 Van Buren Street in Indio, California, on Tuesday, March 29, 2022.

**1. CALL TO ORDER**

Chairman Dennis Coleman called the meeting to order at 1:00 p.m.

**1.1 Roll Call**

Directors Present:  
Chairperson Dennis Coleman  
Committee Member Debra Canero

Staff Present:  
Beverli Marshall, General Manager; Jeanette Juarez, Business Services Manager; Ron Buchwald, Engineering Services Manager; Dave Commons, Facility Operations Manager; and Holly Gould, Clerk of the Board

**1.2 Pledge of Allegiance**

**2. PUBLIC COMMENT**

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

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None.

**3. DISCUSSION / ACTION ITEMS**

**3.1 Review and Discussion of Valley Sanitary District Draft Fiscal Year 2023 (FY23) Operating and Capital Budget Presentation**

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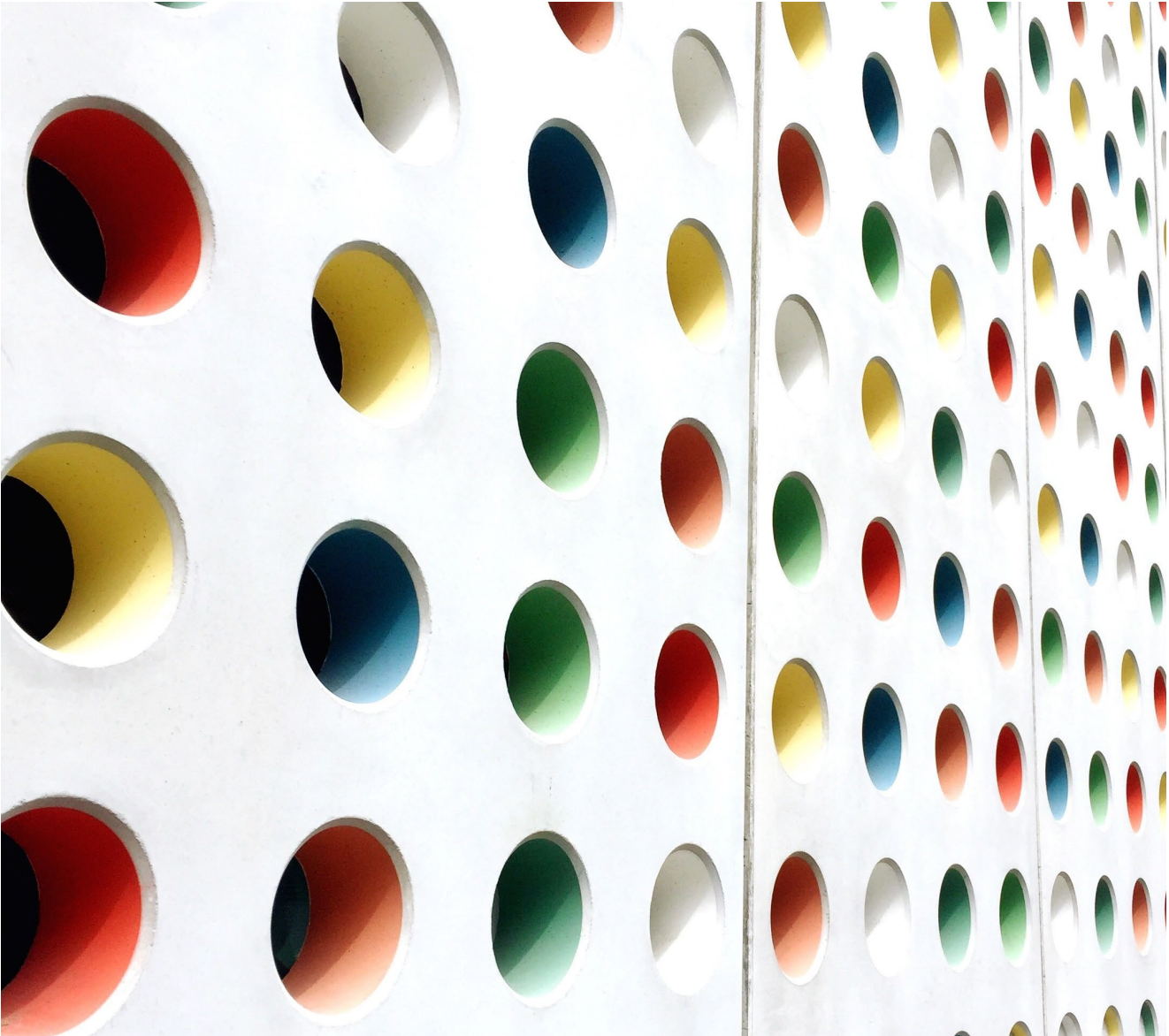
Jeanette Juarez, Business Services Manager, presented a PowerPoint presentation on the proposed FY23 Operating and Capital Budget to the committee. The presentation included changes to the financial plan, debt terms, projected revenues, the Capital Improvement Program schedule, operating expenditures, proposed operating budget, and proposed capital budget. Discussion took place about updating the Master Plan, adding a slide into the presentation on the prioritization of the CIP projects, and adding notes to the capital budget like in the operations budget. There was also a discussion on conducting a rate study and re-evaluating rates.

**4. ADJOURNMENT**

There being no further business to discuss, the meeting adjourned at 2:29 p.m. The next regular committee meeting will be on May 3, 2022.

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





# Fiscal Year 2022/23 Operating and Capital Budget Discussion

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JEANETTE JUAREZ

VALLEY SANITARY DISTRICT

# Agenda

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Financial Plan

Changes Made to Financial Plan

Main Cost Driver

Capital Improvement Program (CIP)  
Schedule

Operating Budget

Capital Budget

Questions



# Original Financial Plan

RATE REVENUE REQUIREMENTS SUMMARY <sup>1</sup>	Budget	Projected Rates for Adoption Period				
	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26
<b>Sources of Sewer Funds</b>						
<i>Rate Revenue:</i>						
Sewer Service Charge	\$ 11,979,000	\$ 12,098,790	\$ 12,219,778	\$ 12,341,976	\$ 12,465,395	\$ 12,590,049
Revenue from Rate Increases <sup>2</sup>	-	1,512,349	3,245,879	5,230,876	7,501,758	7,980,112
Subtotal: Rate Revenue After Rate Increases	11,979,000	13,611,139	15,465,656	17,572,852	19,967,153	20,570,161
<i>Non-Rate Revenue:</i>						
Plan Check & Inspection Fees (incl. Permits)	25,000	25,250	25,503	25,758	26,015	26,275
Other Services	1,800	1,818	1,836	1,855	1,873	1,892
Interest Income <sup>3</sup>	300,000	442,337	319,883	129,060	112,134	185,545
Non-Operating Revenue	745,500	752,955	760,485	768,089	775,770	783,528
Subtotal: Non-Rate Revenue	1,072,300	1,222,360	1,107,706	924,761	915,793	997,240
<b>Total Sources of Funds</b>	<b>\$ 13,051,300</b>	<b>\$ 14,833,498</b>	<b>\$ 16,573,363</b>	<b>\$ 18,497,613</b>	<b>\$ 20,882,946</b>	<b>\$ 21,567,401</b>
<b>Uses of Funds</b>						
<i>Operating Expenses:</i>						
Engineering	\$ 596,370	\$ 620,225	\$ 645,034	\$ 670,835	\$ 697,669	\$ 725,575
Collections	874,410	905,766	938,270	971,963	1,006,889	1,043,096
Operations	2,587,719	2,674,523	2,764,304	2,857,167	2,953,218	3,052,572
Maintenance	1,254,656	1,299,742	1,346,480	1,394,932	1,445,162	1,497,236
Lab	516,870	535,447	554,705	574,669	595,366	616,823
Administration/Board	1,935,935	2,001,569	2,069,478	2,139,743	2,212,448	2,287,679
Additional Staffing	327,000	841,080	1,152,723	1,198,832	1,246,785	1,296,657
Subtotal: Operating Expenses	\$ 8,092,960	\$ 8,878,352	\$ 9,470,994	\$ 9,808,141	\$ 10,157,538	\$ 10,519,638
<i>Other Expenditures:</i>						
Existing Debt Service	\$ 1,445,048	\$ 1,440,798	\$ 1,440,048	\$ 1,439,111	\$ 1,440,861	\$ 1,440,611
Future Debt Service	-	2,386,803	2,386,803	2,386,803	7,160,408	7,160,408
Rate-Funded Capital Expenses	-	-	-	-	-	-
Subtotal: Other Expenditures	\$ 1,445,048	\$ 3,827,601	\$ 3,826,851	\$ 3,825,913	\$ 8,601,269	\$ 8,601,019
<b>Total Uses of Water Funds</b>	<b>\$ 9,538,008</b>	<b>\$ 12,705,953</b>	<b>\$ 13,297,845</b>	<b>\$ 13,634,055</b>	<b>\$ 18,758,807</b>	<b>\$ 19,120,657</b>
<b>Annual Surplus/(Deficit)</b>	<b>\$ 3,513,292</b>	<b>\$ 2,127,545</b>	<b>\$ 3,275,518</b>	<b>\$ 4,863,558</b>	<b>\$ 2,124,139</b>	<b>\$ 2,446,744</b>
<b>Net Revenue Req<sup>t</sup>. (Total Uses less Non-Rate Revenue)</b>	<b>\$ 8,465,708</b>	<b>\$ 11,483,594</b>	<b>\$ 12,190,139</b>	<b>\$ 12,709,294</b>	<b>\$ 17,843,014</b>	<b>\$ 18,123,417</b>
<b>Total Rate Revenue After Rate Increases</b>	<b>\$ 11,979,000</b>	<b>\$ 13,611,139</b>	<b>\$ 15,465,656</b>	<b>\$ 17,572,852</b>	<b>\$ 19,967,153</b>	<b>\$ 20,570,161</b>
<b>Projected Annual Rate Revenue Increase</b>	<b>0.00%</b>	<b>12.50%</b>	<b>12.50%</b>	<b>12.50%</b>	<b>12.50%</b>	<b>2.00%</b>
<i>Cumulative Increase from Annual Revenue Increases</i>	0.00%	12.50%	26.56%	42.38%	60.18%	63.38%
<i>Debt Coverage After Rate Increase</i>	3.43	1.56	1.86	2.27	1.25	1.28

# Revised Financial Plan

RATE REVENUE REQUIREMENTS SUMMARY <sup>1</sup>	Actuals	Projected Rates for Adoption Period				
	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26
<b>Sources of Sewer Funds</b>						
<i>Rate Revenue:</i>						
Sewer Service Charge	\$ 11,872,945	\$ 14,575,652	\$ 14,721,409	\$ 14,868,623	\$ 15,017,309	\$ 15,167,482
Revenue from Rate Increases <sup>2</sup>	-	-	1,840,176	3,949,478	6,364,758	6,860,323
Subtotal: Rate Revenue After Rate Increases	11,872,945	14,575,652	16,561,585	18,818,101	21,382,067	22,027,806
<i>Non-Rate Revenue:</i>						
Plan Check & Inspection Fees (incl. Permits)	48,545	48,000	48,480	48,965	49,454	49,949
Other Services	18,213	20,854	21,063	21,273	21,486	21,701
Interest Income <sup>3</sup>	29,507	533,475	595,839	457,957	359,398	189,624
Non-Operating Revenue	1,025,747	558,585	564,171	569,812	575,511	581,266
Subtotal: Non-Rate Revenue	1,122,012	1,160,914	1,229,552	1,098,007	1,005,849	842,540
<b>Total Sources of Funds</b>	<b>\$ 12,994,958</b>	<b>\$ 15,736,566</b>	<b>\$ 17,791,137</b>	<b>\$ 19,916,108</b>	<b>\$ 22,387,916</b>	<b>\$ 22,870,346</b>
<b>Uses of Funds</b>						
<i>Operating Expenses:</i>						
Engineering	\$ 633,696	\$ 665,626	\$ 838,156	\$ 880,064	\$ 924,067	\$ 970,270
Collections	1,183,857	784,371	996,492	1,046,317	1,098,632	1,153,564
Operations	2,845,694	2,576,085	3,336,972	3,503,821	3,679,012	3,862,962
Maintenance	1,335,676	1,217,593	1,679,923	1,763,919	1,852,115	1,944,721
Lab	414,620	483,847	626,047	657,349	690,217	724,728
Administration/Board	2,178,993	2,880,292	3,564,412	3,741,208	3,852,589	4,121,632
Additional Staffing	-	-	-	-	-	-
Subtotal: Operating Expenses	\$ 8,592,537	\$ 8,607,814	\$ 11,042,002	\$ 11,592,678	\$ 12,096,632	\$ 12,777,877
<i>Other Expenditures:</i>						
Existing Debt Service	\$ 1,445,048	\$ 1,440,798	\$ 1,440,048	\$ 1,439,111	\$ 1,440,861	\$ 1,440,611
Future Debt Service	-	-	2,970,421	3,828,748	3,656,335	4,685,282
Rate-Funded Capital Expenses	-	-	-	-	10,056,687	34,932,272
Subtotal: Other Expenditures	\$ 1,445,048	\$ 1,440,798	\$ 4,410,469	\$ 5,267,858	\$ 15,153,883	\$ 41,058,164
<b>Total Uses of Water Funds</b>	<b>\$ 10,037,585</b>	<b>\$ 10,048,613</b>	<b>\$ 15,452,471</b>	<b>\$ 16,860,536</b>	<b>\$ 27,250,515</b>	<b>\$ 53,836,041</b>
<b>Annual Surplus/(Deficit)</b>	<b>\$ 2,957,373</b>	<b>\$ 5,687,954</b>	<b>\$ 2,338,665</b>	<b>\$ 3,055,572</b>	<b>\$ (4,862,599)</b>	<b>\$ (30,965,695)</b>
<b>Net Revenue Req't. (Total Uses less Non-Rate Revenue)</b>	<b>\$ 8,915,573</b>	<b>\$ 8,887,699</b>	<b>\$ 14,222,919</b>	<b>\$ 15,762,529</b>	<b>\$ 26,244,666</b>	<b>\$ 52,993,501</b>
<b>Total Rate Revenue After Rate Increases</b>	<b>\$ 11,872,945</b>	<b>\$ 14,575,652</b>	<b>\$ 16,561,585</b>	<b>\$ 18,818,101</b>	<b>\$ 21,382,067</b>	<b>\$ 22,027,806</b>
<b>Projected Annual Rate Revenue Increase</b>	<b>0.00%</b>	<b>0.00%</b>	<b>12.50%</b>	<b>12.50%</b>	<b>12.50%</b>	<b>2.00%</b>
<i>Cumulative Increase from Annual Revenue Increases</i>	0.00%	0.00%	12.50%	26.56%	42.38%	45.23%
<i>Debt Coverage After Rate Increase</i>	3.05	4.95	1.53	1.58	2.02	1.65

# Changes Made to Financial Plan

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Debt Terms

Projected Revenues

Operating Expenditures

Future Debt Service Payments

Rate-Funded Capital Expenditures



# Debt Terms

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<b>Long-Term Debt Terms</b>	<b>Revised</b>	<b>Original</b>	<b>Variance</b>
Issuance Cost	0.0%	2.0%	-2%
Annual Interest Cost (%)	2.5%	2.0%	0.5%
Term	20	30	(10)
Loan Amount	\$ 81,000,000	\$ 165,000,000	(84,000,000)
Coverage Requirement (% above annual pmt)	125%	125%	-

# Projected Revenues

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<b>Fiscal Year</b>	<b>Revised</b>	<b>Original</b>	<b>Variance</b>	<b>Variance Percentage</b>
FY 2020/21	12,994,958	13,051,300	(56,342)	-0.4%
FY 2021/22	15,736,566	14,833,498	903,068	6.1%
FY 2022/23	17,791,137	16,573,363	1,217,774	7.3%
FY 2023/24	19,916,108	18,497,613	1,418,495	7.7%
FY 2024/25	22,387,916	20,882,946	1,504,970	7.2%
FY 2025/26	22,870,346	21,567,401	1,302,944	6.0%
<b>Total</b>	<b>111,697,031</b>	<b>105,406,122</b>	<b>6,290,909</b>	<b>6.0%</b>

# Operating Expenditures

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<b>Fiscal Year</b>	<b>Revised</b>	<b>Original</b>	<b>Variance</b>	<b>Variance</b>
FY 2020/21	8,592,537	8,092,960	499,577	6.2%
FY 2021/22	8,607,814	8,878,352	(270,538)	-3.0%
FY 2022/23	11,042,002	9,470,994	1,571,008	16.6%
FY 2023/24	11,592,678	9,808,141	1,784,536	18.2%
FY 2024/25	12,096,632	10,157,538	1,939,094	19.1%
FY 2025/26	12,777,877	10,519,638	2,258,239	21.5%
<b>Total</b>	<b>64,709,540</b>	<b>56,927,624</b>	<b>7,781,915</b>	<b>13.7%</b>



# Other Expenditures (Future Debt & Rate Funded Capital Expenditures)

---

Fiscal Year	Revised	Original	Variance	Variance Percentage
FY 2020/21	1,445,048	1,445,048	-	0.0%
FY 2021/22	1,440,798	3,827,601	(2,386,803)	-62.4%
FY 2022/23	4,410,469	3,826,851	583,619	15.3%
FY 2023/24	5,267,858	3,825,913	1,441,945	37.7%
FY 2024/25	15,153,883	8,601,269	6,552,614	76.2%
FY 2025/26	41,058,164	8,601,019	32,457,145	377.4%
<b>Total</b>	<b>68,776,221</b>	<b>30,127,701</b>	<b>38,648,520</b>	<b>128.3%</b>

# Main Cost Driver Capital Improvement Program (CIP)

Projects	Original CIP	Revised CIP	Variance
Reclaimed Water Project Phase 3 Construction	\$ 47,491,460	\$ 71,060,991	\$ 23,569,531
Reclaimed Water Project Phase 1 Design Build	50,000,000	69,939,595	19,939,595
Reclaimed Water Project Phase 2 Design Build	18,731,790	25,856,017	7,124,228
Laboratory Building - Construction	-	7,000,000	7,000,000
Training & Office Building - Construction	4,730,076	9,123,046	4,392,970
Vehicle & Major Equipment Replacement Fund	12,122,000	15,940,000	3,818,000
Reclaimed Water Project Phase 3 Design	7,305,947	10,456,564	3,150,617
Sewer Main Rehabilitation or Replacement Const.	43,582,337	45,511,946	1,929,609
Influent Pump Station Rehabilitation Design Build	2,400,000	4,281,137	1,881,137
Laboratory Building - Final Design	-	1,000,000	1,000,000
Sewer Main Emergency Repairs	2,128,000	3,003,473	875,473
Sewer Main Rehabilitation or Replacement Design	10,890,558	11,546,270	655,712
Build-out Collection System CIP projects	6,399,835	7,020,147	620,312
Master Plan	-	600,000	600,000
Interim Collection System CIP Construction	2,381,491	2,912,776	531,286
Avenue 48 Sewer Main Upgrade Construction	1,971,666	2,387,714	416,049
Emergency Sewer Siphon Replacement Design	725,000	1,122,958	397,958
Training & Office Building - Design	633,880	1,000,000	366,120
Manhole Rehabilitation	1,384,240	1,719,580	335,340
Additional Parking & Landscaping	250,000	500,000	250,000
Lateral Grant Program	1,026,000	1,192,012	166,012
Electrical Control Panel Replacements Blower Building	-	120,000	120,000
SCADA	-	120,000	120,000
Laboratory Information Management System (LIMS)	-	70,000	70,000
Interim Collection System CIP Design	248,832	302,856	54,024
ASP Concrete Repair	-	50,000	50,000
Replacement of Calhoun Lift Station Pumps (2)	-	50,000	50,000
Treatment Plant Asphalt Repair	-	50,000	50,000
Avenue 48 Sewer Main Upgrade Design	206,221	248,454	42,233
12.5 Ton Air conditioner, Blower Building	-	30,000	30,000
New Office Building for Belt Filter Press	-	20,000	20,000
Future Plant Expansion 2040 & beyond	-	10,450	10,450
Contingency	2,381,088	2,384,039	2,951
Switch Board Main Service Replacement	250,000	-	(250,000)
Van Buren Slope Protection	250,000	-	(250,000)
Fence Extension & Fortification (Carry Over) plus	280,000	-	(280,000)
Emergency Sewer Siphon Replacement Const.	5,000,000	4,464,000	(536,000)
Placeholder for Future Year Capital Projects3	5,400,000	-	(5,400,000)
<b>Total</b>	<b>\$ 228,170,421</b>	<b>\$ 301,094,026</b>	<b>\$ 72,923,606</b>

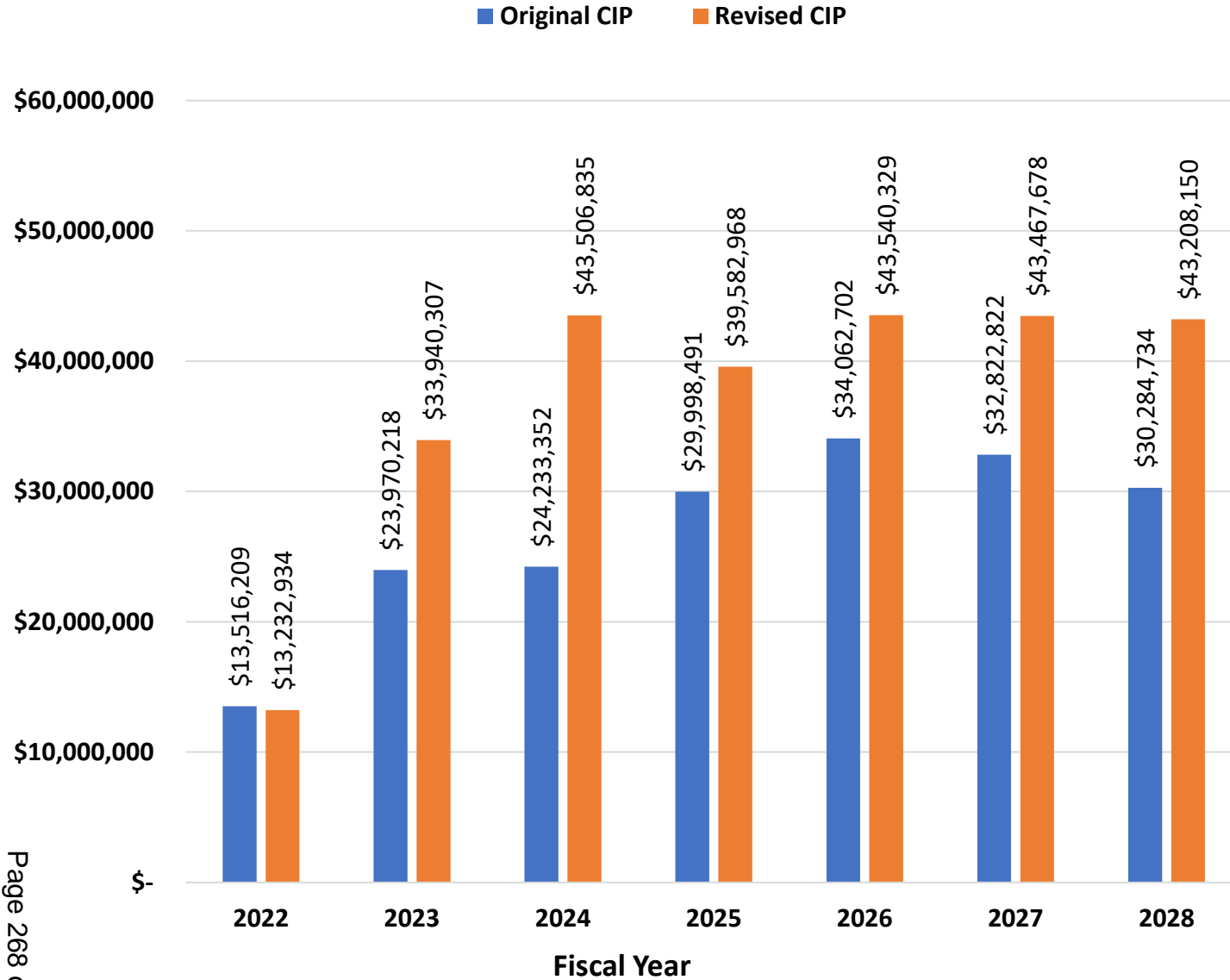
\*Highlighted items are projects that were added to the CIP

# Original vs Revised CIP Schedule

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	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Revised CIP	1,054,488.15	13,232,934.00	33,940,307.00	43,506,835.00	39,582,968.15	43,540,329.38	43,467,678.22	43,208,149.65	5,746,281.00	4,571,558.00
Original CIP	7,944,928.00	13,516,209.00	23,970,218.33	24,233,352.33	29,998,491.36	34,062,702.19	32,822,822.05	30,284,734.05	3,821,021.00	1,052,374.00
Variance	<b>(6,890,439.85)</b>	<b>(283,275.00)</b>	<b>9,970,088.67</b>	<b>19,273,482.67</b>	<b>9,584,476.79</b>	<b>9,477,627.20</b>	<b>10,644,856.17</b>	<b>12,923,415.60</b>	<b>1,925,260.00</b>	<b>3,519,184.00</b>

	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	Variance
Revised CIP	2,967,935.00	1,527,766.32	3,679,613.44	1,607,684.18	4,230,884.43	8,351,895.33	1,345,761.00	1,360,155.00	1,374,941.00	1,390,130.00	1,405,732.00	
Original CIP	1,054,573.00	1,263,036.86	3,030,769.75	1,310,270.01	3,445,308.56	7,475,081.03	1,068,722.00	1,071,248.00	1,073,824.00	2,834,027.51	2,836,707.56	
Variance	<b>1,913,362.00</b>	<b>264,729.46</b>	<b>648,843.69</b>	<b>297,414.17</b>	<b>785,575.87</b>	<b>876,814.30</b>	<b>277,039.00</b>	<b>288,907.00</b>	<b>301,117.00</b>	<b>(1,443,897.51)</b>	<b>(1,430,975.56)</b>	<b>72,923,605.67</b>



# Original vs Revised CIP Schedule (cont.)

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# Operating Budget

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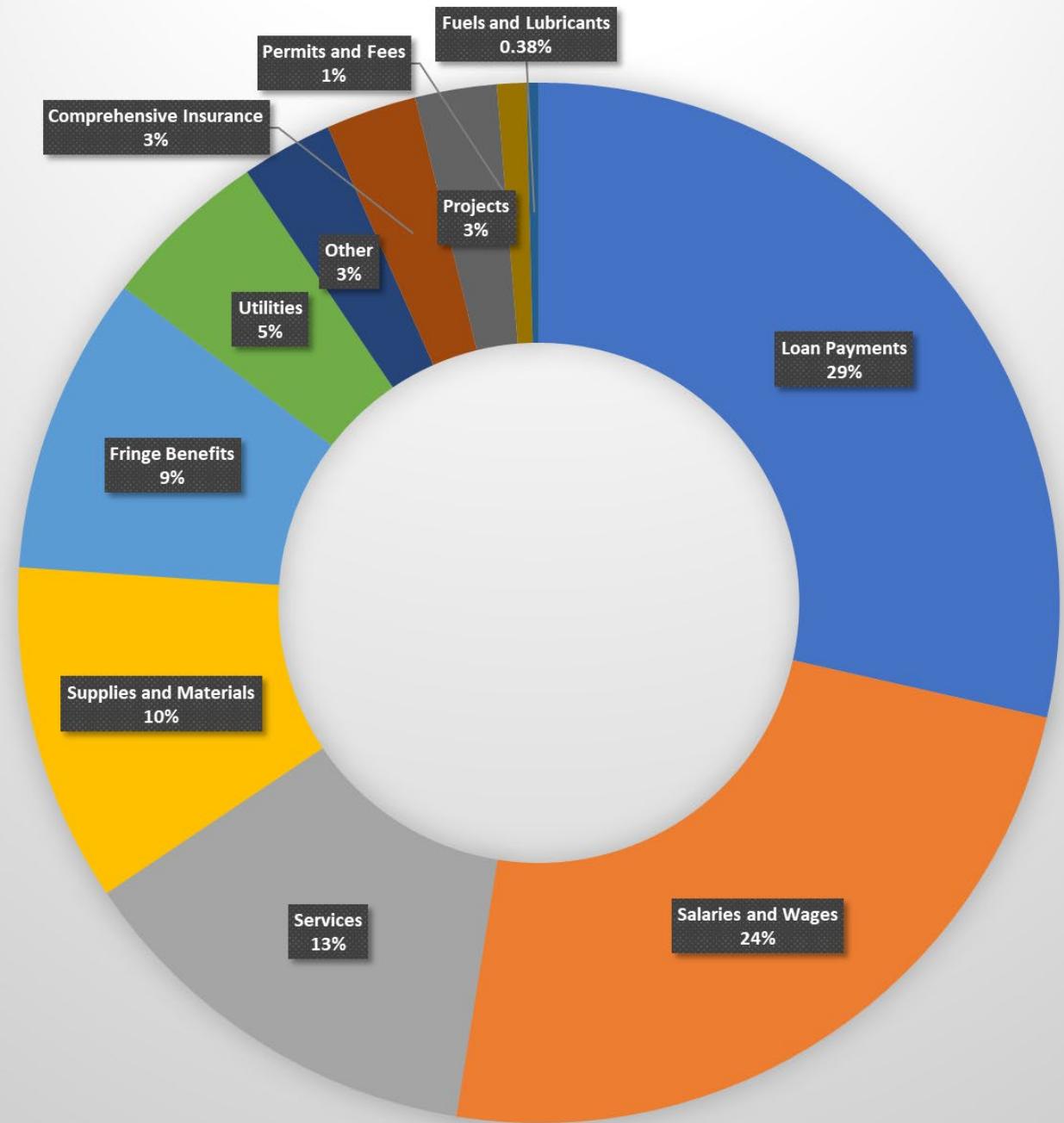


Total Expense by Category	FY22 Budget	FY22 Projected	FY23 Budget	Variance FY22 Budget vs FY23 Budget	Variance Percentage
Salaries and Wages	\$ 3,343,523	\$ 3,119,218	\$ 3,706,906	\$ 363,383	10.9%
Fringe Benefits	1,271,600	1,085,352	1,431,165	159,565	12.5%
Services	1,810,729	1,395,620	2,015,503	204,774	11.3%
Supplies and Materials	1,599,871	1,179,598	1,625,057	25,186	1.6%
Fuels and Lubricants	52,000	43,782	58,000	6,000	11.5%
Comprehensive Insurance	411,406	395,504	435,330	23,924	5.8%
Projects	303,550	303,550	390,985	87,435	28.8%
Utilities	699,353	805,113	800,500	101,147	14.5%
Permits and Fees	126,750	61,147	141,025	14,275	11.3%
Other	329,500	218,991	437,531	108,031	32.8%
<b>Subtotal:</b>	<b>\$ 9,948,282</b>	<b>\$ 8,607,875</b>	<b>\$ 11,042,002</b>	<b>\$ 1,093,720</b>	<b>11.0%</b>
<b>Add: Loan Payments</b>	<b>1,440,798</b>	<b>1,440,798</b>	<b>4,410,469</b>	<b>1,824,057</b>	<b>206.1%</b>
<b>Total</b>	<b>\$ 11,389,080</b>	<b>\$ 10,048,673</b>	<b>\$ 15,452,471</b>	<b>\$ 2,917,777</b>	<b>35.7%</b>

# Proposed FY23 Operating Budget

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# Operating Budget Break-down of Expenditures



# Capital Budget

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Department	Project	Total
Plant	Recycled Water Project Phase 1 Design-Build	\$ 17,763,656
Collections	Emergency Sewer Siphon Replacement Const.	4,464,000
Collections	Sewer Main Rehabilitation or Replacement Const.	4,297,853
Plant	Influent Pump Station Rehabilitation Design Build	3,000,000
Collections	Sewer Main Rehabilitation or Replacement Design	1,601,798
Plant	Vehicle & Major Equipment Replacement Fund	800,000
Collections	Emergency Sewer Siphon Replacement Design/CM	638,000
Plant	Master Plan	600,000
Plant	Electrical Control Panel Replacements Blower Building	120,000
Plant	Trimax PLC Upgrades SCADA	120,000
Collections	Sewer Main Emergency Repairs	115,000
Collections	Contingency	100,000
Plant	Laboratory Information Management System (LIMS)	70,000
Plant	Asphalt Repairs Treatment Plant	50,000
Plant	Concrete Repairs to ASP Plant	50,000
Collections	Lateral Grant Program	50,000
Collections	Replacement of Calhoun Lift Station Pumps (2)	50,000
Plant	12.5 Ton Air conditioner, Blower Building	30,000
Plant	New Office Building for Belt Filter Press	20,000
	<b>Total</b>	<b>\$ 33,940,307</b>

# Proposed FY23 Capital Budget

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# Questions

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**VALLEY SANITARY DISTRICT  
OPERATIONS COMMITTEE MEETING MINUTES**  
April 5, 2022

A regular meeting of the Valley Sanitary District (VSD) Operations Committee was held at Valley Sanitary District, 45-500 Van Buren St, Indio, CA, on Tuesday, April 5, 2022.

**1. CALL TO ORDER**

Chairperson William Teague called the meeting to order at 1:01 p.m.

**1.1 Roll Call**

Committee Members Present:

Chairperson William Teague

Committee Member Mike Duran

Staff Present:

Beverli Marshall, General Manager; Ron Buchwald, Engineering Services Manager;

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

Guests Present:

Valerie Houchin, Schneider Electric

Elizabeth Reyes, Harris & Associates

Mark Nassar, Harris & Associates

Ehab Gerges, Harris & Associates

**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.*

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None.

**3. DISCUSSION / ACTION ITEMS**

**3.1 Project Update: Recycled Water Project - Phase 1**

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Ron Buchwald, Engineering Services Manager, informed the committee that the Public Hearing to authorize contract amendment 1 with Schneider Electric Buildings Americas, Inc. for the design and construction of the Recycled Water Project Phase 1 will be held on April 12, 2022. Staff will bring the financial documents for this project before the board on April 26, 2022. Ron explained the need for this project, not only for recycled water but for everyday plant operations. Valerie Houchin, Schneider Electric, presented a project update which included a recap of progress, an overview of the scope of work, and project financials. Valerie also provided upcoming key dates for the project.

### 3.2 Comparison of Design-Build Versus Design Bid Build

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Valerie Houchin of Schneider Electric made a presentation to the committee on the difference between design-build and design-bid-build. She explained that design-build minimizes risks to the project owner, increases collaboration and input from project owners' staff, and gives the ability to fast track construction and delivery. Ron Buchwald, Engineering Services Manager, presented the history of the District's design-build project, Recycled Water Project Phase 1.

### 3.3 Project Update: Collection System Rehabilitation & Replacement Project

---

Mark Nassar and Elizabeth Reyes of Harris and Associates gave an update on the Collection System Rehabilitation & Replacement Project. The presentation included a 12-year forecast of expenses by year and a 3-year forecast for each project. They stated that CIP Project 1, the Indio Boulevard Sewer Improvement Project, was completed in March 2021, and the Sewer Cleaning and Inspection Project was completed in June 2021. CIP Project 2, Downtown District Sewer improvement Project and CIP Project 3, Southwest Central Indio Sewer Improvement Project, are in the design phase. These projects are projected to be ready for bid in May 2022 and February 2023, respectively. CIP Projects 4 and 5, Indio Southwest Region, and Indio Southeast Sewer Improvement Projects are in the planning stage. The Lift Station Assessment is in preliminary design.

### 3.4 Capital Improvement Budget Update

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Ron Buchwald, Engineering Services Manager, presented a proposed list of Capital Improvement Program (CIP) Projects for FY23 for the committee to review. The capital budget incorporates key projects to further advance the District's CIP. There are 19 new capital projects requested in FY23 at a total value of \$33,940,307. The CIP for the upcoming fiscal year includes the Recycled Water Project Phase 1, the Influent Pump Station Rehabilitation Project and the Collection System Sewer Main Rehabilitation and Replacement Program. Also discussed was the 20-year CIP showing the planned projects for the next 20 years. Ron also explained a ranking system that staff has developed to prioritize the top five (5) large CIP projects for staff to concentrate on the highest scoring projects. The top five (5) projects are Recycled Water Phase 1, Westward Ho Sewer Siphon, Influent Pump Station Rehabilitation Project, New Office & Lab Buildings, and Collection System Sewer Main Rehabilitation and Replacement Program. Ron explained the deficit attributed to an increase in the costs of the CIP projects in conjunction with acquiring financing with a 20-year term instead of a 30-year term as modeled in the revised financial plan. The committee discussed the possibility of rate increases.

## 4. **FUTURE MEETING ITEMS**

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Staff will bring an update on facility operations to the next meeting.

## 5. **ADJOURNMENT**

There being no further business to discuss, the meeting adjourned at 3:21 p.m. The next regular committee meeting is on June 7, 2022.

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



# Recycled Water Phase 1 – Project Update

Design/Build for Energy Services Treatment Plant Project

April 5, 2022

Presented by Valerie Houchin, Schneider Electric

# Agenda

- 1** **Recap of Progress**
- 2** **Scope of Work Overview**
- 3** **Project Financials**
- 4** **Schedule and What's Next**

# What we have accomplished thus far



VSD Board approved D-B contract in June 2020



## Phase 1

- **Conceptual Scoping Phase**
- July to September 2020



## Phase 2

- **Mid-term: BODR, 30% design and budgetary pricing**
- September 2020 through June 2021



## Phase 3

- **Final: Scope, savings, financing and GMP pricing (60% design)**
- July 2021- February 2022



## Phase 4

- **Construction contract and funding~ April 2022;**
- Followed by 100% design, equipment procurement
- 2022-2025

# Scope of Work Overview

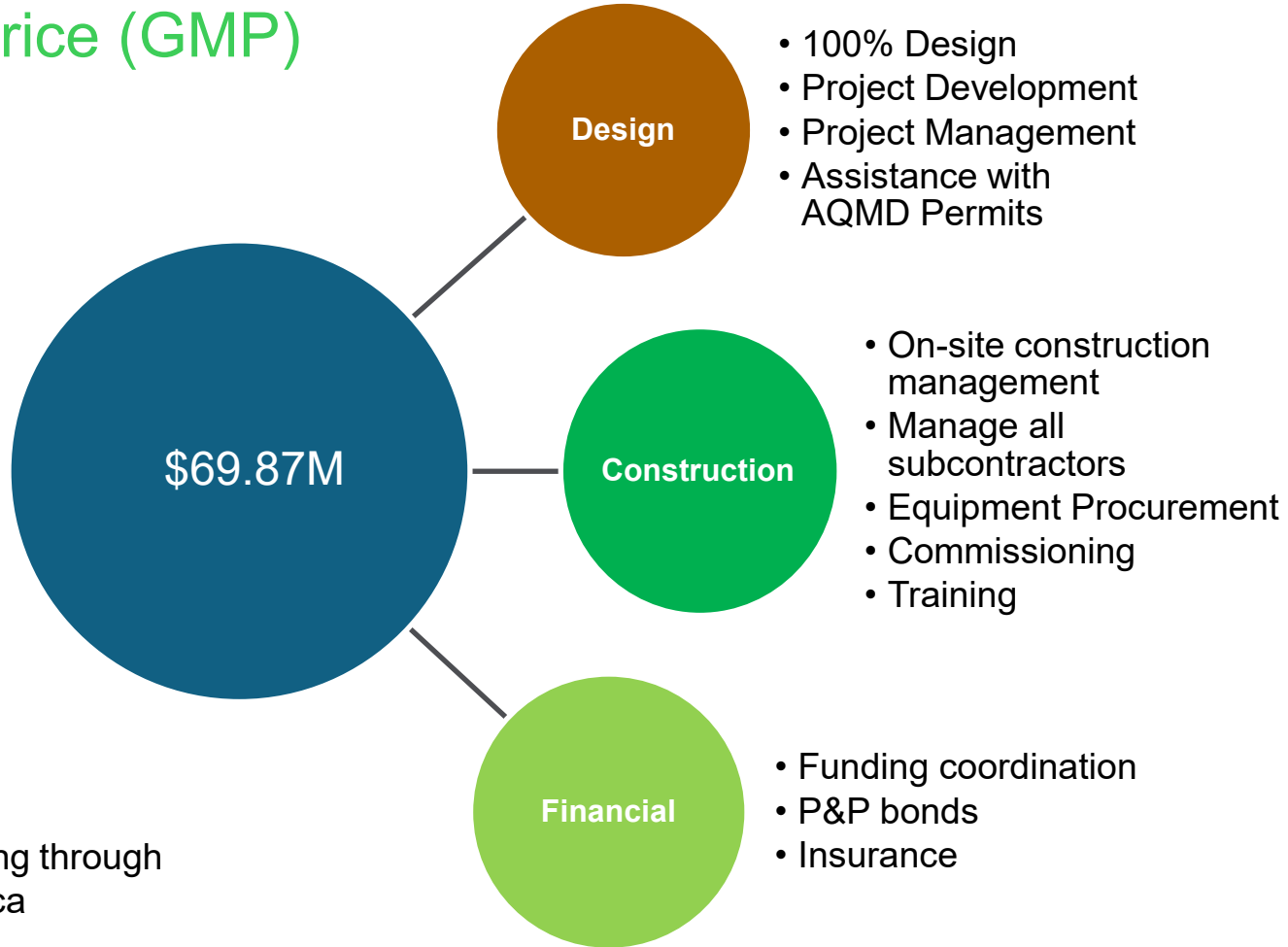


# Recycled Water Project – Phase 1 Improvements

- **ECM 1** – Mechanical Bar Screen
  - **ECM 2** – Grit Chamber
  - **ECM 4** – 2<sup>nd</sup> Digester and related systems, including pumps including secondary flare
  - **ECM 5** – SWBD MS Replacement (electrical switchgear)
  - **ECM 6** – Subnatant and Filtrate Return
- \***ECM 3** – Waste Activated Sludge (WAS) Thickening (currently in design)

# Project Financials

# Project Price (GMP)



# Schedule and What's Next

# Upcoming Key Dates for this Project

	OCT	NOV	DEC	JAN	FEB	MAR	APR
Technical/ Scope	Potholing at VSD	Potholing at VSD	VSD 8 week - 60% design Kick-Off Mtg. Dec. 15 <sup>th</sup>		Final Planning Mtg. (GMP) Feb. 15 <sup>th</sup>	VSD Review of Report complete Mar. 11 <sup>th</sup>	
Legal		reengage on contract	Draft structure of Amendment 1	Finalize Structure of Amendment 1	Draft Amendment 1 for review	Finalize Amendment 1	Post 4217 Public Hearing Notice – 2 weeks before BM
Financing	Connect Jeanette & Mike	Information exchange		Review funding scenarios	Review funding scenarios	VSD select funding option	Financing documents complete
Committee Meetings			Ron update Operations	Present: Budget & Finance	Present: Operations	Budget & Finance - Bank of A.	Present: Operations
Board of Directors			Work on 4217 findings		Finalize 4217 language	Present: Information Item	Board Approval-Amendment and financing

Blue = in person meetings

Thank you!



**VALLEY  
SANITARY  
DISTRICT**

RECYCLED WATER PROJECT - PHASE 1

**Give water a second chance**

Operations Committee Meeting

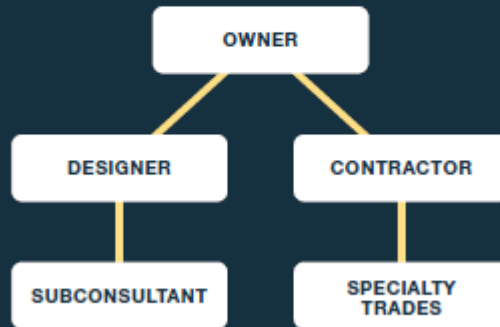
Presentation on Design Build

April 5, 2022

# Comparison of D-B-B vs. D-B



## Traditional Design-Bid-Build



## Design-Build Project Delivery





# Comparison of D-B-B vs. D-B

## Performance Measure

## DB vs. DBB

**Unit Cost**

0.3% less

**Cost Growth**

3.8% less

**Schedule Growth**

1.7% less

**Construction Speed**

36% faster

**Delivery Speed**

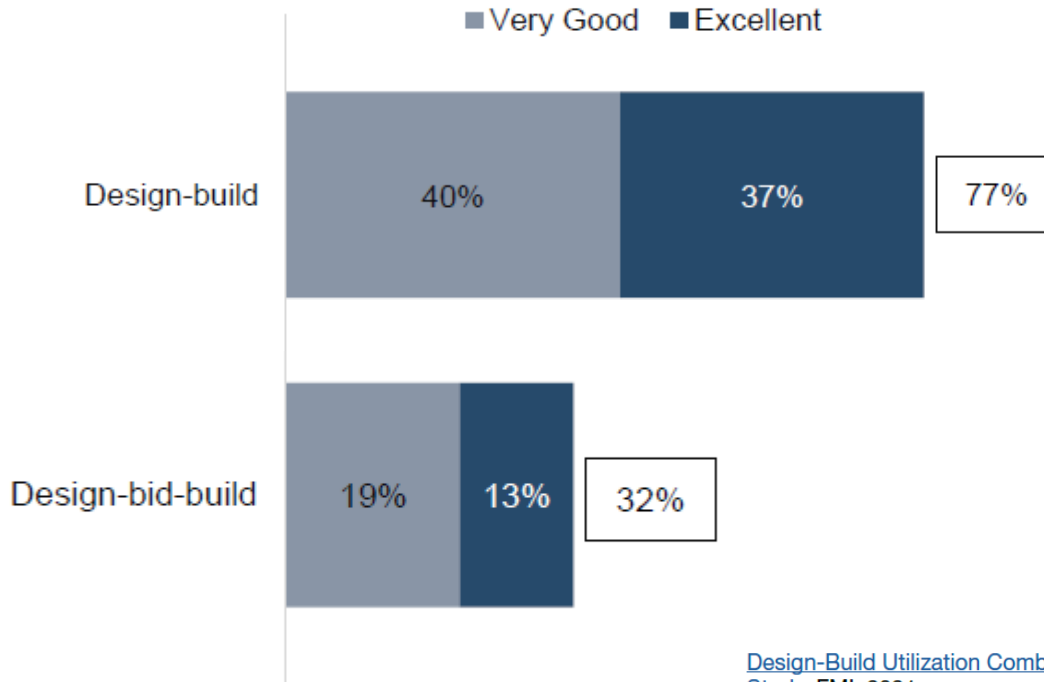
102% faster

# Comparison of D-B-B vs. D-B

## Delivery method experience

Percentage of respondents that selected very good or excellent

Source(s): FMI



[Design-Build Utilization Combined Market Study, FMI, 2021](#)

# How is Design-Build different?

**Single point** of responsibility to the owner

Used to **minimize risks** for the project owner

**Reduces the delivery schedule** by overlapping the design phase and construction phase of a project

Brings the entire team together early resulting in:

- more **collaboration**
- **input** from owner's operations and maintenance staff
- **constructability review** by subcontractors

# Design Build: By the Numbers

47%

Nearly half of America's construction dollars will be spent on design-build projects.

600%

The Transportation sector has seen a huge increase in the number of Design-Build projects since 2002.

11%

Market projections show the **water/wastewater** sector with the highest annual growth rate over the coming years. (2021-25)

1.7 Trillion

Projected Design-Build construction spending (2021-25)

# Owners Rank Top 3 Benefits of Design Build



Increase  
Collaboration



Opportunities  
to Innovate



Ability to  
Fast Track



# What factors influence a Design Build project?

(case study analysis)



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## Better

- The Owner placed a high emphasis on creating a relational project culture
- Familiarity with designer and/or builder

## Worse

- Lack of experience with Design Build or poor project management in general
- Poor communication between the Owner and the Builder
- Understaffing or turnover within the Owner, designer or builder's organization

[Revisiting Project Delivery Performance](#),  
CII/Pankow, 2018.

# What delivery method is best?



Design-Bid-Build and Design-Build both have their place in the construction market.

It depends on several factors.

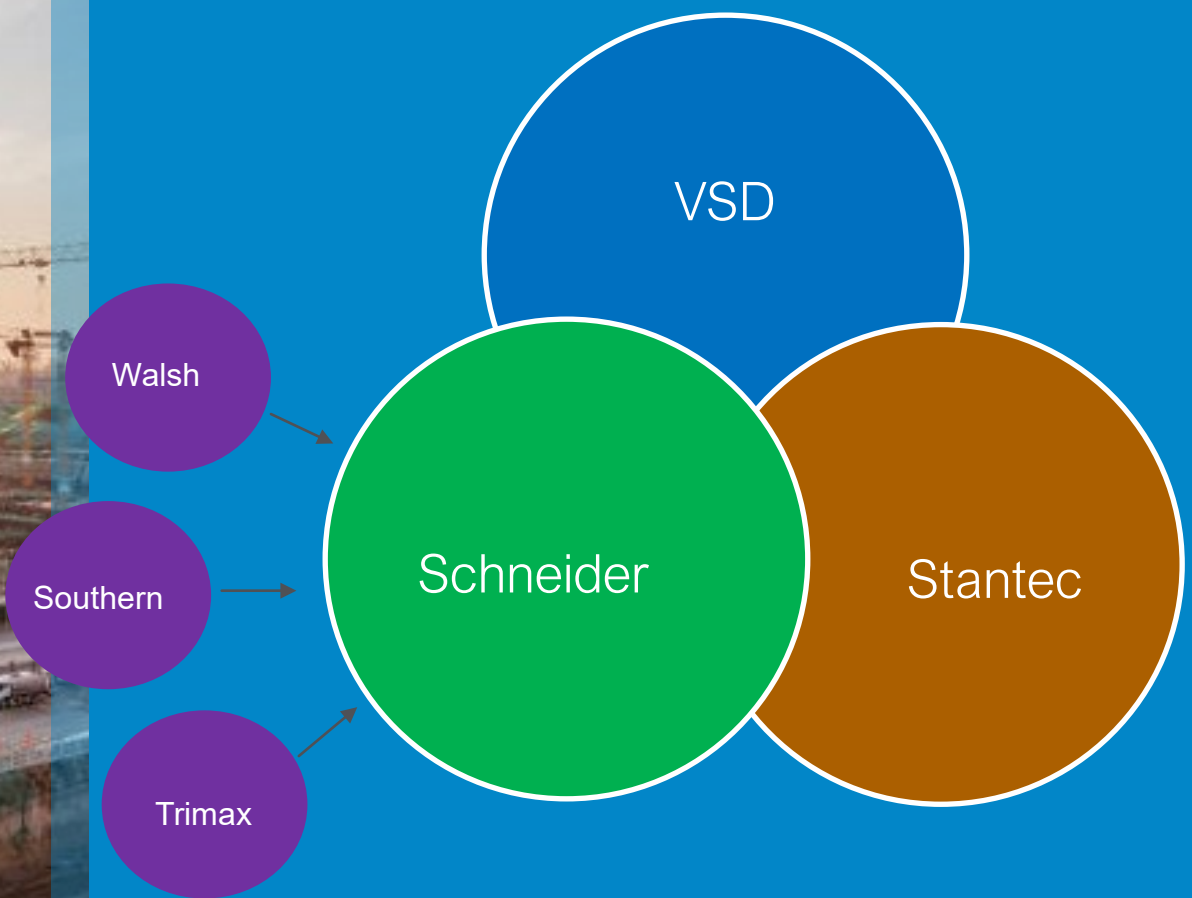
Some influencers may be:

- Owner goals and objectives
- Project complexity and innovation
- Project schedule

# VSD's Recycled Water Phase 1 D-B Team



Subcontractors





Thank you!



# **VALLEY SANITARY DISTRICT COLLECTION SYSTEM INFRASTRUCTURE PROJECT**

Board Operation Committee

April 5, 2022

# PROGRAM OBJECTIVE

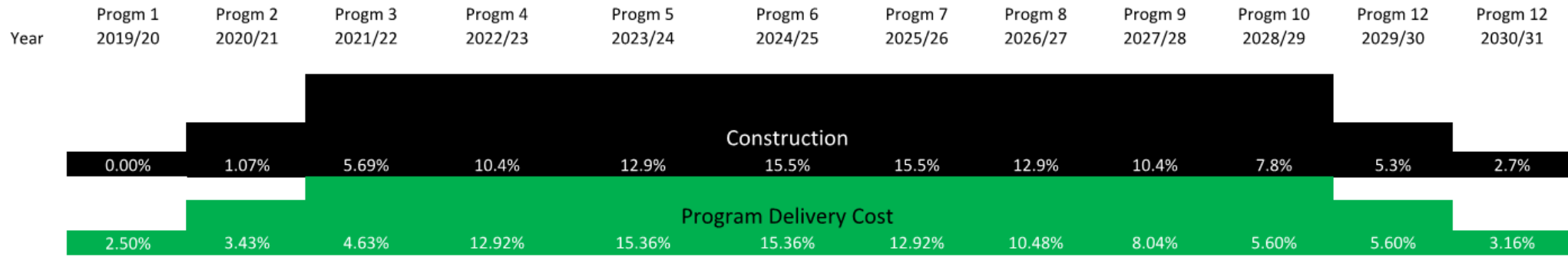
Evaluate, Prioritize, Cash Flow and Implement Systemwide Improvements that:

- Maintain excellence of VSD's service to rate payers
- Maintain VSD's high standard of operations and maintenance
- Apply best management practices in planning for facility & operational needs
- Optimize project sequencing and scheduling for lowest costs and least disruption to operations & the public
- Achieve overall program delivery cost efficiency and effectiveness



# EXPENDITURES BY YEAR

## VSD 12 Year Program - Forcasted Expenses By Year

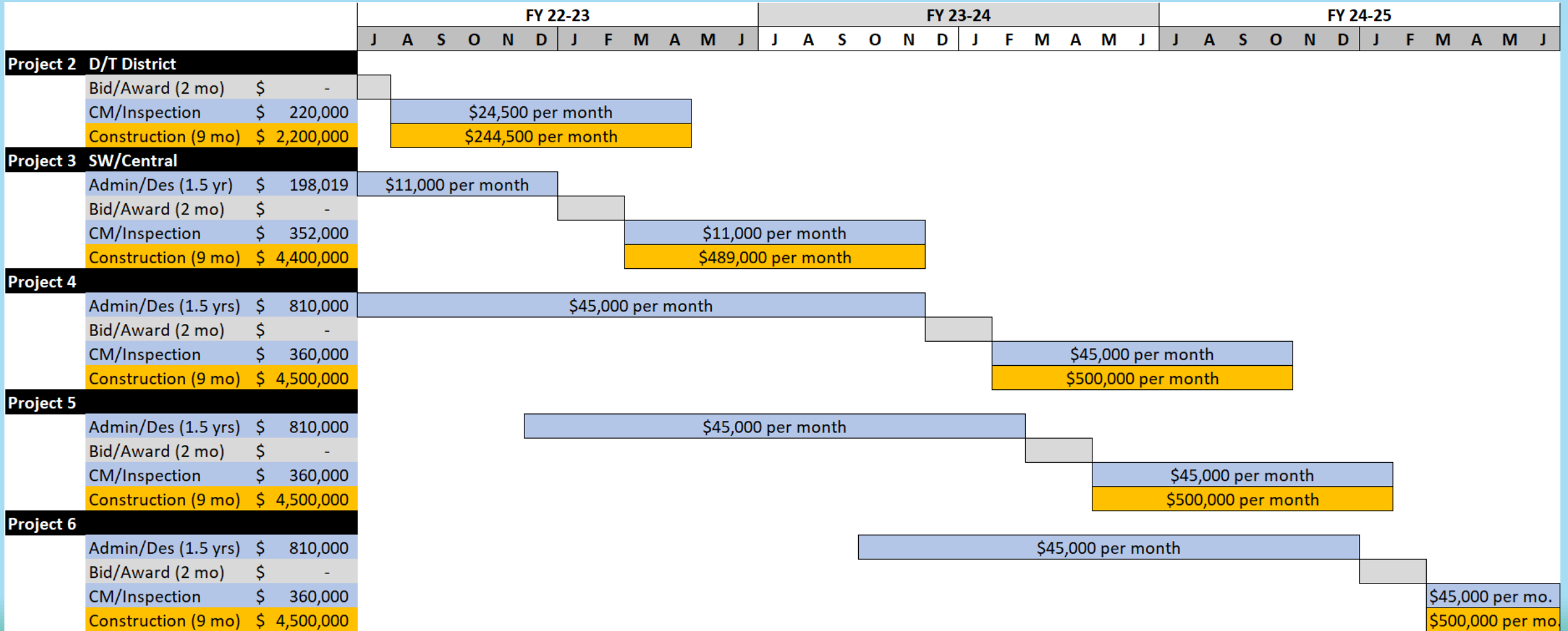


**Total**

<b>Budgeted Annual Construction Cost</b>	\$529,510	\$1,809,854	\$2,200,000	\$4,007,513	\$4,992,480	\$5,977,446	\$5,977,446	\$4,992,480	\$4,007,513	\$3,022,547	\$2,037,581	\$1,052,615	\$38,995,003
<b>Annual Escalation Construction Cost</b>				\$417,682	\$705,571	\$1,074,000	\$1,310,928	\$1,299,449	\$1,212,781	\$1,046,995	\$797,986	\$461,459	\$8,326,851
<b>Opinion of Probable Construction Cost</b>	\$0	\$727,382	\$2,200,000	\$4,155,556	\$5,944,444	\$7,500,000							
<b>Actual Construction Cost</b>	\$0	\$412,002											
<b>Budgeted Annual Program Soft Cost</b>	\$451,900	\$834,074	\$700,000	\$1,299,242	\$1,544,527	\$1,544,527	\$1,299,242	\$1,053,957	\$808,671	\$563,386	\$563,386	\$318,100	\$10,056,702
<b>Annual Escalation Program Soft Cost</b>	\$0			\$135,413	\$218,283	\$277,513	\$284,940	\$274,325	\$244,726	\$195,154	\$220,641	\$139,453	\$1,990,448
<b>Actual Program Soft Cost</b>	\$251,002	\$344,957	\$231,695										
<b>Projected Program Soft Cost</b>	\$0	\$0	\$465,705	\$1,185,010	\$1,540,005	\$1,575,000							
<b>Total Annual Budgeted Cost</b>	\$981,410	\$2,643,928	\$2,900,000	\$5,859,851	\$7,460,861	\$8,873,486	\$8,872,556	\$7,620,212	\$6,273,690	\$4,828,082	\$3,619,594	\$1,971,627	\$59,285,320
<b>Total Program Cost (Actual + Projected)</b>	\$251,002	\$756,959	\$2,897,400	\$5,340,566	\$7,484,450	\$9,075,000							
<b>Balance Forward</b>		\$1,886,969	\$2,600	\$519,285	(\$23,589)	(\$201,514)							

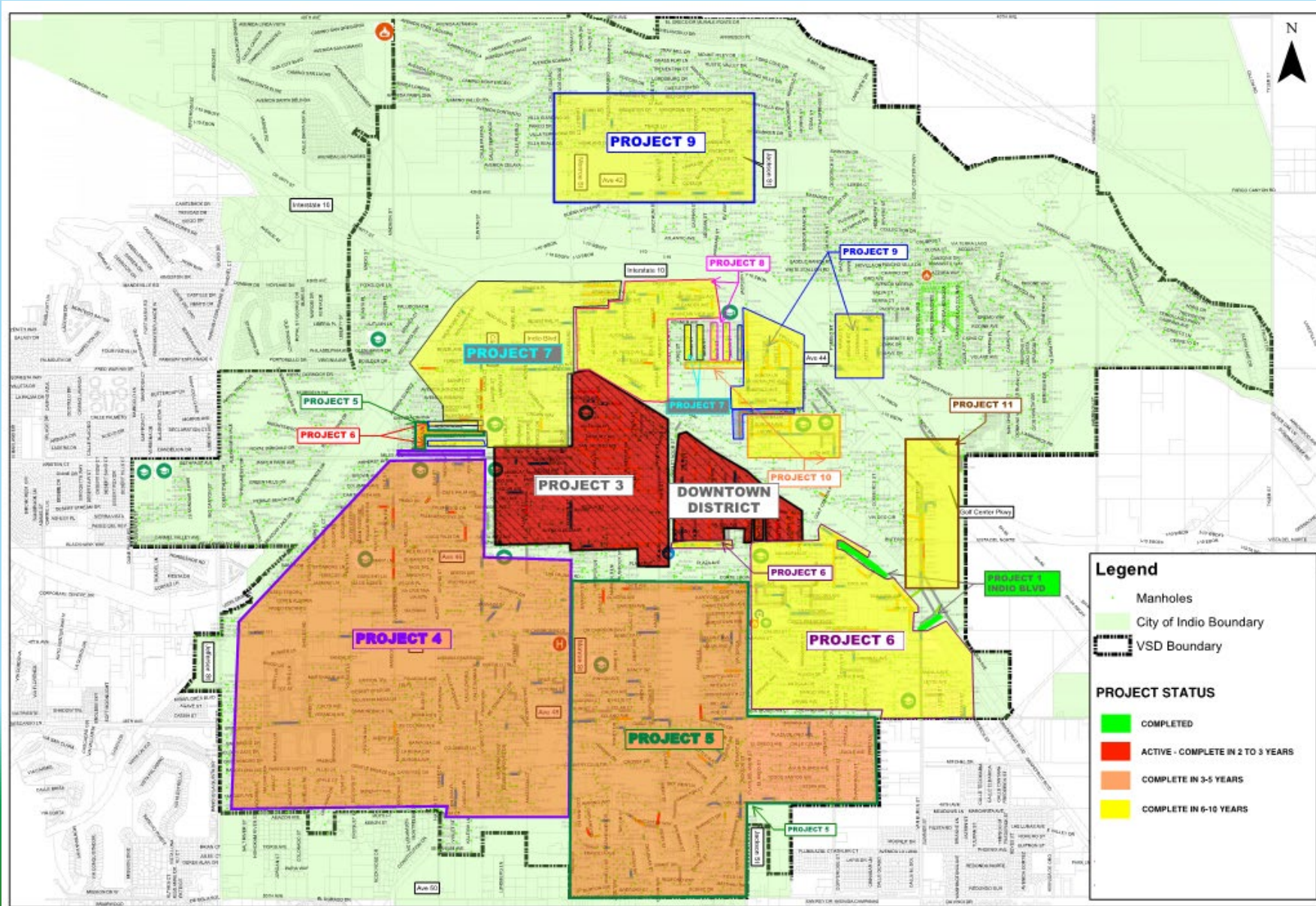
The Lift Station Project(s) will be added by next Fiscal Year, once the assessment/recommendations are completed.

# 3 YEAR FORECAST

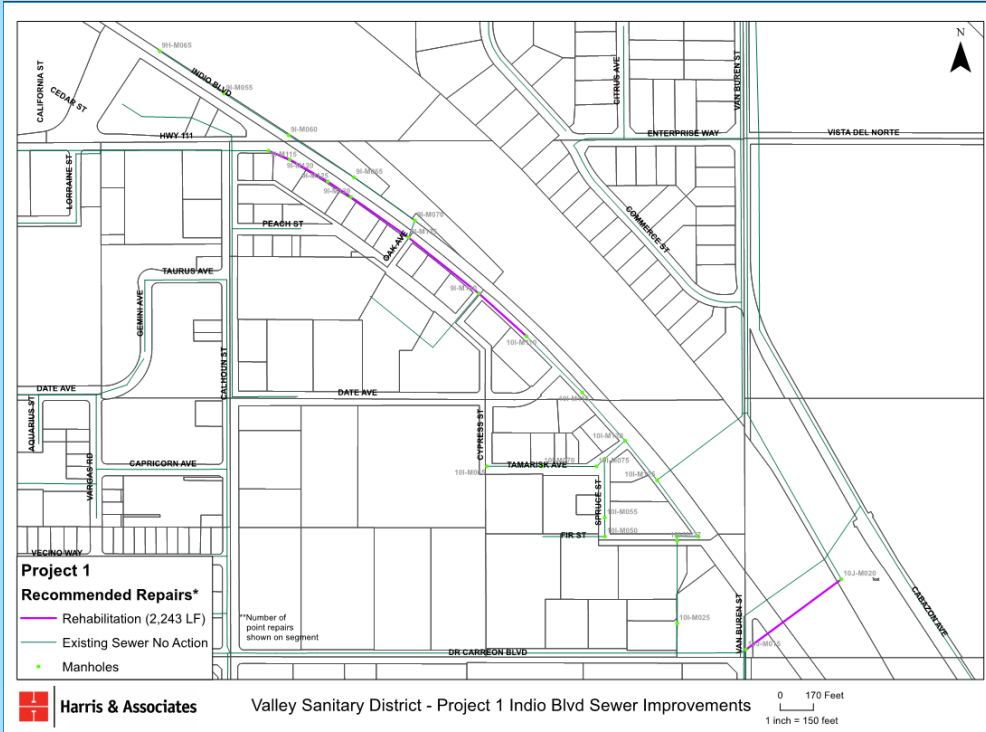


3 Year CF Forecast					
FY	Revenue	Soft Cost	Hard Cost	Total CF	Delta
22-23	\$ 7,137,168	\$ 1,185,010	\$ 4,155,556	\$ 5,340,566	\$ 1,796,602
23-24	\$ 7,398,388	\$ 1,630,005	\$ 5,944,444	\$ 7,574,450	\$ (176,062)
24-25	\$ 7,646,975	\$ 1,575,000	\$ 8,500,000	\$10,075,000	\$ (2,428,025)
	\$22,182,531	\$ 4,390,015	\$18,600,000	\$22,990,015	\$ (807,484)

# CAPITAL IMPROVEMENT PLANNING

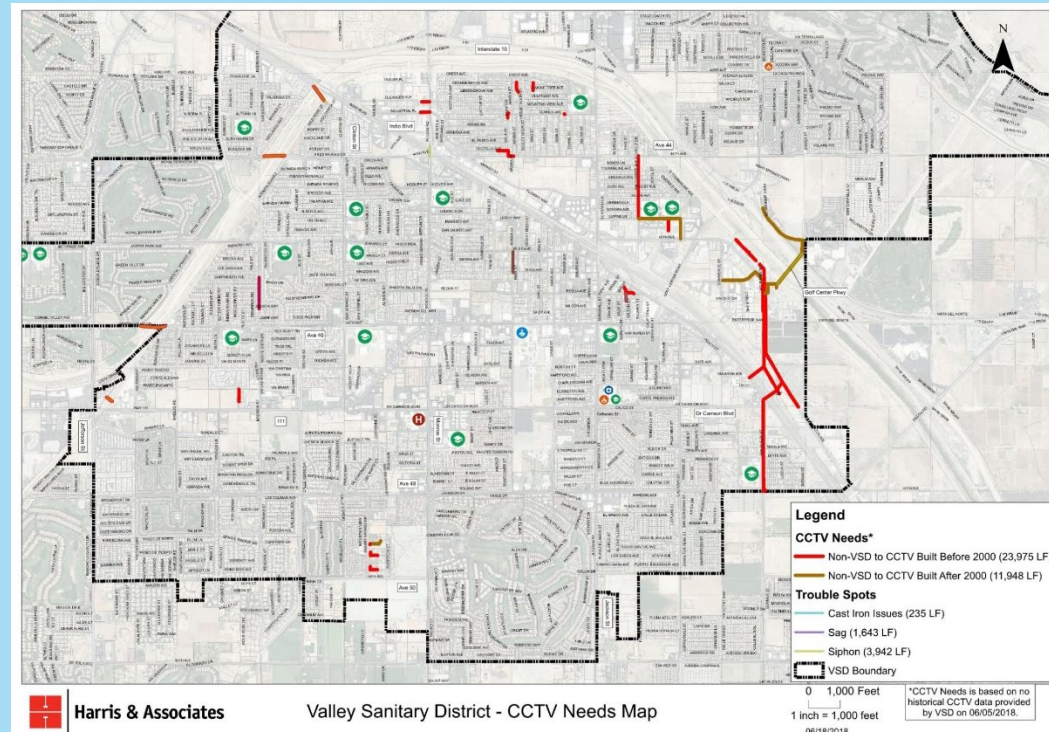


# COMPLETED PROJECTS:



## CIP PROJECT 1 – INDIO BLVD SEWER IMPROVEMENT PROJECT

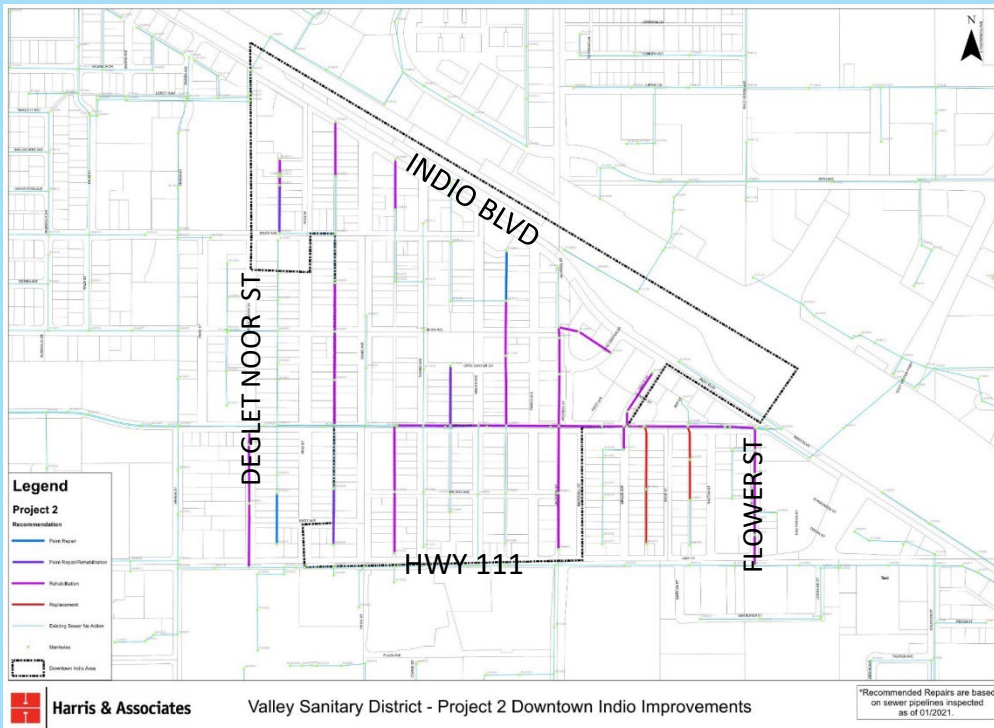
- COMPLETED MARCH 2021
- CONSTRUCTION COST: \$234,953
- SCOPE: 2,255 LF OF PIPE REHABILITATION



## SEWER CLEANING AND INSPECTION PROJECT

- COMPLETED JUNE 2021
- CONSTRUCTION COST: \$186,547
- SCOPE: 35,923 LF OF SEWER INSPECTION

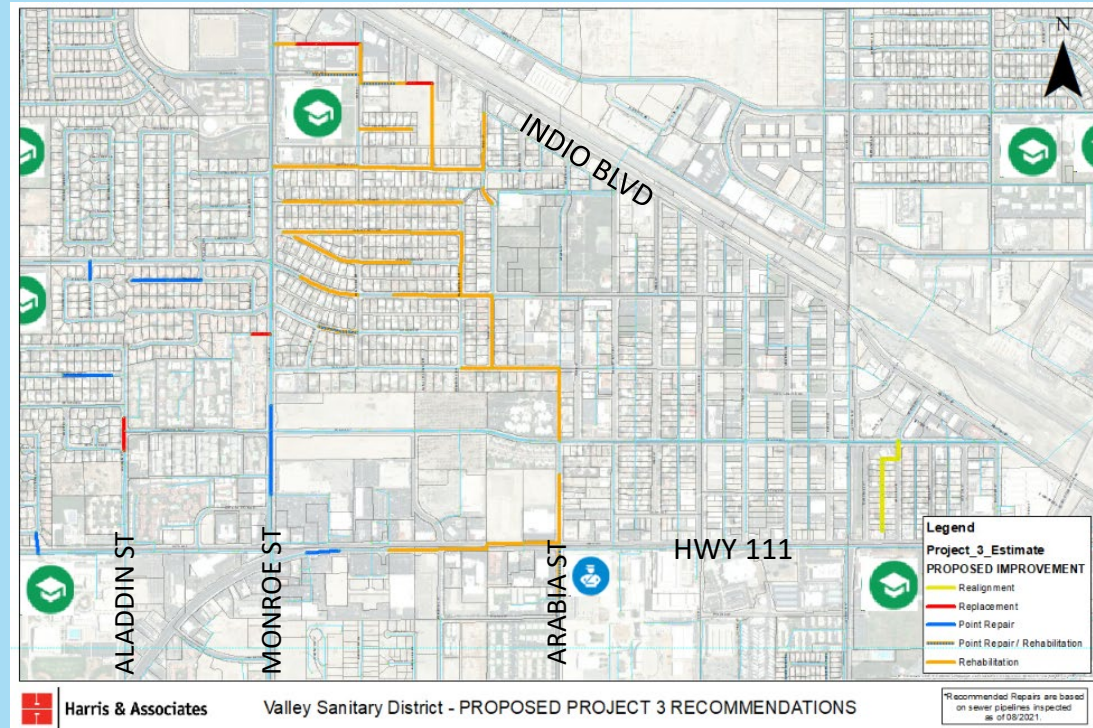
# ACTIVE PROJECTS (IN DESIGN):



## CIP PROJECT 2 – DOWNTOWN DISTRICT SEWER IMPROVEMENT PROJECT

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- \$2.2 M CONSTRUCTION BUDGET
- 100% DESIGN COMPLETE
- PENDING A DEPARTMENT OF DRINKING WATER PERMIT
- READY FOR BID MAY 2022



## CIP PROJECT 3 – SOUTHWEST CENTRAL INDIO SEWER IMPROVEMENT PROJECT

- \$4.4 M CONSTRUCTION BUDGET
- 30% DESIGN COMPLETE
- READY FOR BID FEBRUARY 2023



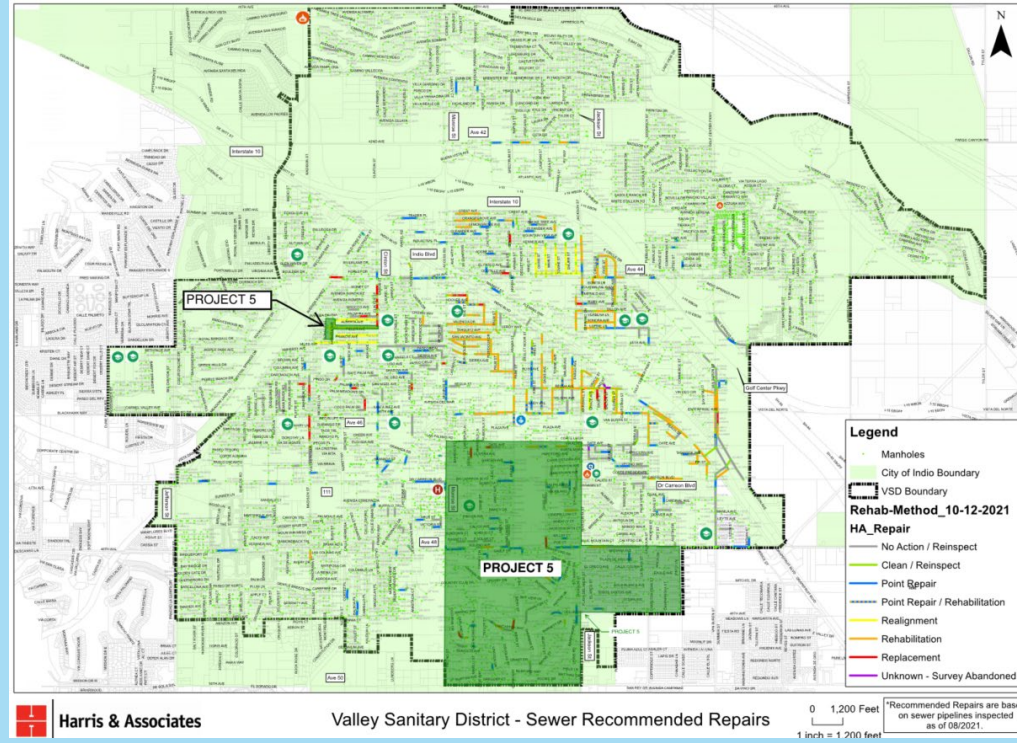
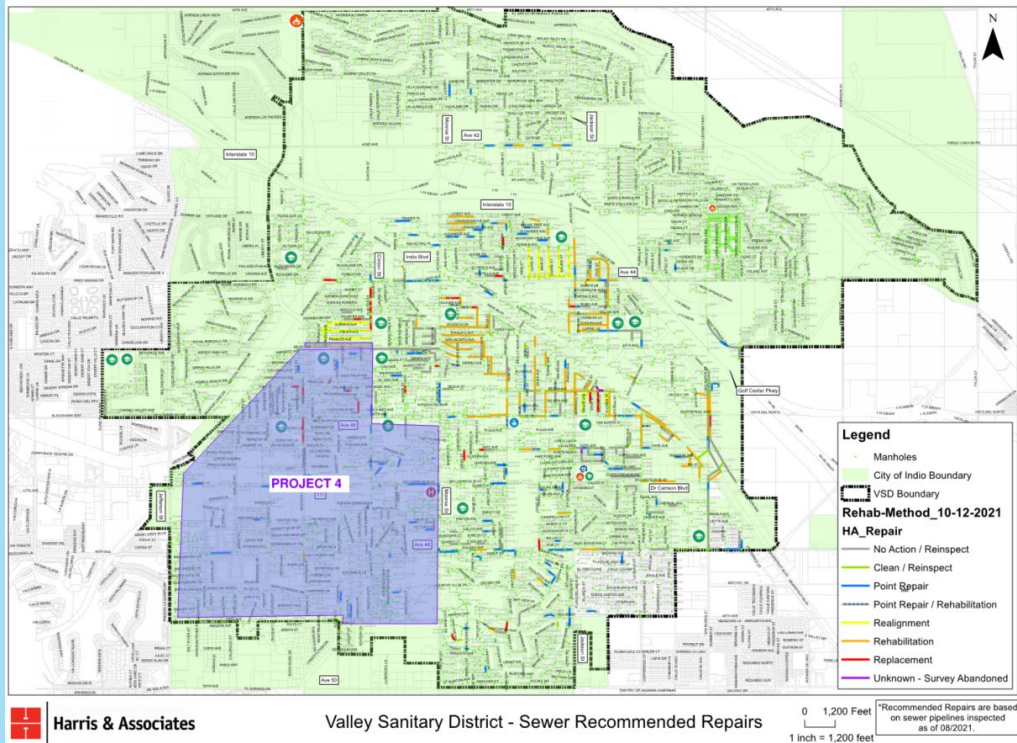
# ACTIVE PROJECTS (PRELIMINARY DESIGN):



## LIFT STATION ASSESSMENT

- SCOPE: ASSESS CONDITION OF 4 LIFT STATIONS
  - BARRYMORE,
  - CALHOUN,
  - CARVER AND
  - VANDENBURG
- 60% COMPLETE
- ASSESSMENT REPORT COMPLETE IN JUNE 2022

# NEXT PROJECTS (IN PLANNING):



## CIP PROJECT 4 – INDIO SOUTHWEST REGION SEWER IMPROVEMENT PROJECT

\$5.7 M CONSTRUCTION BUDGET

SCHEDULE:

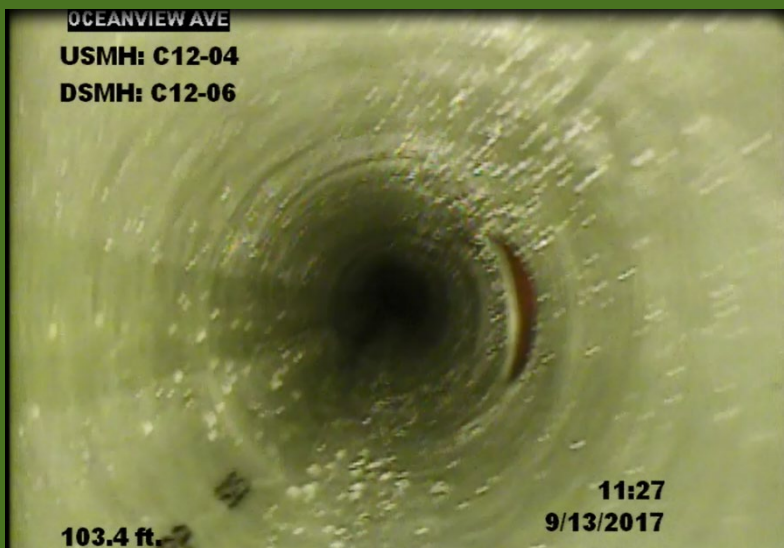
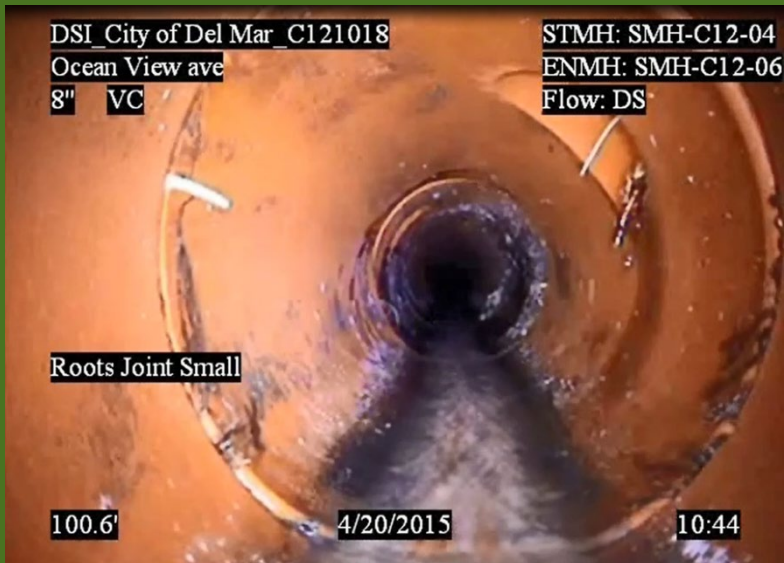
- START PRIORITIZING      JULY 2022
- END DESIGN              JAN 2024
- BIDDING                  MARCH 2024
- COMPLETED          NOV 2024

## CIP PROJECT 5 – INDIO SOUTHEAST SEWER IMPROVEMENT PROJECT

\$7.1 M CONSTRUCTION BUDGET

SCHEDULE:

- START PRIORITIZING      JULY 2023
- END DESIGN              FEB 2025
- BIDDING                  APRIL 2025
- COMPLETED          JAN 2026



# THANK YOU

Valley Sanitary District