



Tuesday, December 12, 2023 at 1:00 PM
Valley Sanitary District Board Room
45500 Van Buren Street, Indio, CA 92201

**BOARD OF DIRECTORS
REGULAR SESSION
AGENDA**

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

Zoom link: <https://us06web.zoom.us/j/88914151177>

Meeting ID: 889 1415 1177

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

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

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

1. **CALL TO ORDER**
2. **ROLL CALL**
3. **PLEDGE OF ALLEGIANCE**
4. **DECEMBER EMPLOYEE ANNIVERSARIES**
James Mills, Operations Supervisor - 17 years
Jimmy Garcia, Maintenance Technician I - 17 years
Ron Buchwald, District Engineer - 11 years

Karen Hopper, Accounting Analyst - 10 years
Hector Guzman, Development Services Tech III - 9 years
Rebecca Salas, Laboratory Technician I - 1 year

5. PRESENTATIONS

5.1 [RECEIVE AND FILE GREAT PLACES TO WORK CERTIFICATION FOR NOVEMBER 2023 TO NOVEMBER 2024](#)

Recommendation: Review

6. PUBLIC COMMENT

7. 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.

7.1 [APPROVE THE MINUTES FOR THE BOARD OF DIRECTORS REGULAR MEETING HELD NOVEMBER 28, 2023](#)

Recommendation: Approve

7.2 [APPROVE WARRANTS FOR DECEMBER 12, 2023](#)

Recommendation: Approve

7.3 [APPROVE REGULAR MEETING SCHEDULE AND ADOPT DISTRICT-OBSERVED HOLIDAY SCHEDULE FOR 2024](#)

Recommendation: Approve

8. NON-HEARING ITEMS

8.1 [RECEIVE AND FILE THE ANNUAL COMPREHENSIVE FINANCIAL REPORT \(ACFR\) FOR THE VALLEY SANITARY DISTRICT FOR THE FISCAL YEAR ENDING JUNE 30, 2023](#)

Recommendation: Review

8.2 [RECEIVE UPDATE FROM ARDURRA ON PUBLIC OUTREACH](#)

Recommendation: Review

8.3 [AUTHORIZE THE PURCHASE OF BELT PRESS ROLLERS](#)

Recommendation: Approve

8.4 [AUTHORIZE THE GENERAL MANAGER TO APPROVE THE REHABILITATION OF THE PRIMARY CLARIFIERS](#)

Recommendation: Approve

8.5 [AWARD OF CONTRACT FOR SECURITY AND PROTECTIVE SERVICES TO SOUTHWEST PROTECTIVE SERVICES, INC. FOR A ONE-YEAR TERM PLUS TWO \(2\) OPTION YEARS WITH AN INITIAL COST FOR YEAR ONE IN AN AMOUNT NOT TO EXCEED \\$117,416](#)

Recommendation: Approve

8.6 [AWARD OF CONTRACT FOR BULK FUEL DELIVERY SERVICES FOR MERRIMAC ENERGY GROUP FOR](#)

A ONE-YEAR TERM WITH TWO (2) OPTION YEARS WITH AN INITIAL COST FOR YEAR ONE IN AN AMOUNT NOT TO EXCEED \$72,100

Recommendation: Approve

8.7 APPROVE THE ELECTION OF BOARD OFFICERS FOR THE CALENDAR YEAR 2024

Recommendation: Approve

8.8 APPOINT TWO (2) DIRECTORS AND ONE (1) ALTERNATE TO THE EAST VALLEY RECLAMATION AUTHORITY BOARD OF DIRECTORS FOR THE CALENDAR YEAR 2024

Recommendation: Approve

8.9 APPOINT TWO (2) DIRECTORS TO BUDGET & FINANCE, OPERATIONS, AND COMMUNITY ENGAGEMENT COMMITTEES FOR THE CALENDAR YEAR 2024

Recommendation: Approve

8.10 DISCUSS COMMUNITY ENGAGEMENT AND SPONSORSHIP

Recommendation: Discussion

9. GENERAL MANAGER'S REPORT

9.1 RECEIVE MONTHLY GENERAL MANAGERS REPORT FOR NOVEMBER 2023

Recommendation: Review

10. DIRECTOR'S ITEMS

11. INFORMATIONAL ITEMS

12. PUBLIC COMMENT

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

13. CONVENE IN CLOSED SESSION

12.1 CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION - Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9: One (1) Potential Case.

14. CONVENE IN OPEN SESSION

15. ADJOURNMENT

POSTED December 7, 2023

Holly Gould

Clerk of the Board

Valley Sanitary District

PUBLIC NOTICE

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



Valley Sanitary District

DATE: December 12, 2023
TO: Board of Directors
FROM: Jason Dafforn, General Manager
SUBJECT: RECEIVE AND FILE GREAT PLACES TO WORK CERTIFICATION FOR NOVEMBER 2023 TO NOVEMBER 2024

Suggested Action

Review

Strategic Plan Compliance

GOAL 1: Fully Staffed with a Highly Trained and Motivated Team

Fiscal Impact

There is no fiscal impact to this report.

Environmental Review

This item does not qualify as a project defined by the California Environmental Quality Act (CEQA).

Background

In October 2023, the District contracted with an independent third party called Great Place to Work to conduct an employee satisfaction survey. Great Place to Work is a recognized authority on workplace culture and has been in this business for 30 years. Their Certification™, lists, and global benchmarks are the industry standard, built on data from over 100 million employees surveyed worldwide.

Great Place to Work defines a positive work experience from the employee's perspective as one where you trust the people you work for, have pride in what you do, and enjoy the people you work with. Across industries, Great Place to Work has collected the data and research to demonstrate what practical leadership looks and acts like.

The survey measured employee experience across five (5) focus areas that included:

1. Credibility
2. Respect
3. Fairness
4. Pride

5. Camaraderie

Earning Great Place to Work Certification proves that the District has created an excellent employee experience. The Certification is good for 12 months.

The Certification™ is a designation the District can promote publicly to achieve other benefits, including efficiently recruiting top talent, building a strong employer brand, increasing employee retention and pride, and differentiating the District from competitors.

Recommendation

Receive and file this report as information.

Attachments

[5.1 Attachment A Great Places To Work Certificate.docx](#)

**Great
Place
To
Work[®]**

Certified

NOV 2023-NOV 2024

USA

TM



Valley Sanitary District

DATE: December 12, 2023
TO: Board of Directors
FROM: Holly Gould, Clerk of the Board
SUBJECT: APPROVE THE MINUTES FOR THE BOARD OF DIRECTORS REGULAR MEETING HELD NOVEMBER 28, 2023

Suggested Action

Approve

Strategic Plan Compliance

GOAL 6: Improve Planning, Administration and Governance

Fiscal Impact

None

Environmental Review

This item does not qualify as a project defined by the California Environmental Quality Act (CEQA).

Background

The meeting minutes for the Board of Directors Regular Meeting held November 28, 2023.

Recommendation

Approve

Attachments

[28 Nov 2023 Minutes.edited.docx](#)

**VALLEY SANITARY DISTRICT
MINUTES OF REGULAR BOARD MEETING
November 28, 2023**

A regular Board Meeting of the Governing Board of Valley Sanitary District (VSD) was held on Tuesday, November 28, 2023, at 45-500 Van Buren St., Indio, CA 92201.

1. CALL TO ORDER

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

2. ROLL CALL

Directors Present:

Debra Canero, Scott Sear, William Teague

Directors Absent:

Jacky Barnum, Mike Duran

Staff Present:

Jason Dafforn, General Manager; Ron Buchwald, District Engineer; Jeanette Juarez, Chief Financial Officer; Holly Gould, Clerk of the Board; and Craig Hayes, Best Best & Krieger

Guests:

Leticia White, Innovative Federal Strategies

Jean Denton, Innovative Federal Strategies

3. PLEDGE OF ALLEGIANCE

4. PUBLIC COMMENT - None

5. CONSENT CALENDAR

5.1 Approve the Minutes for the Board of Directors Regular Meeting held November 14, 2023

5.2 Approve Warrants for November 28, 2023

5.3 Monthly Financial Report for the Period Ending October 31, 2023

5.4 Monthly Investment Report for the Period Ending October 31, 2023

5.5 Credit Card Report for the Period Ending October 31, 2023

ACTION TAKEN:

MOTION: Director Teague motioned to approve the consent calendar as presented. Secretary/Treasurer Sear seconded the motion. Motion carried by the following roll call vote:
AYES: Canero, Sear, Teague
NOES: None
MINUTE ORDER NO. 2023-3348

6. NON-HEARING ITEMS

6.1 Receive Update from Innovative Federal Strategies

Leticia White and Jean Denton from Innovative Federal Strategies gave an update on federal legislative issues and appropriation bills and the upcoming CASA DC Forum conference.

6.2 Authorize Specific Directors to Attend the California Association of Sanitation Agencies (CASA) 2024 Winter Conference in Palm Springs, CA, and Reimburse Related Expenses

Staff recommends that the Board of Directors authorize President Debra Canero, Vice President Mike Duran, Secretary/Treasurer Scott Sear, and Director William Teague to attend the CASA 2024 Winter Conference on January 24-26, 2024, in Palm Springs, California, and the reimbursement of related expenses. The conference offers attendees access to excellent speakers and panel presentations focused on infrastructure finance, innovative permitting approaches, the circular water economy, and much more.

ACTION TAKEN:

MOTION: Secretary/Treasurer Sear motioned to authorize President Debra Canero, Vice President Mike Duran, Secretary/Treasurer Scott Sear, and Director William Teague to attend the CASA 2024 Winter Conference on January 24-26, 2024, in Palm Springs, California, and the reimbursement of related expenses. Director Teague seconded the motion. Motion carried by the following roll call vote:
AYES: Canero, Sear, Teague
NOES: None
MINUTE ORDER NO. 2023-3349

6.3 Authorize Specific Directors to Attend the California Association of Sanitation Agencies (CASA) 2024 Washington DC Policy Forum and Reimburse Related Expenses

Staff recommends that the Board of Directors authorize President Debra Canero, Vice President Mike Duran, and Secretary/Treasurer Scott Sear to attend the CASA Washington DC Policy Forum on February 26-27, 2024, and the reimbursement of related expenses. Each year, CASA holds a policy

forum in Washington, D.C., to discuss and advocate for wastewater-related issues. Due to a lack of quorum, the Board Meeting scheduled for February 27, 2023, will need to be canceled.

ACTION TAKEN:

MOTION: Secretary/Treasurer Sear motioned to authorize President Debra Canero, Vice President Mike Duran, and Secretary/Treasurer Scott Sear to attend the CASA Washington DC Policy Forum on February 26-27, 2024, and the reimbursement of related expenses and cancel the Board Meeting for February 27, 2024. Director Teague seconded the motion. Motion carried by the following roll call vote:

AYES: Canero, Sear, Teague

NOES: None

MINUTE ORDER NO. 2023-3350

6.4 Discuss the Annual Employee Performance Bonus, Approve the Amount, and Authorize the General Manager to Implement the Program for 2023

It has been a long-standing tradition of the District to award an annual employee performance bonus via gift cards to all employees in December of each year for \$200 each. The annual employee performance bonus aims to engage employees, increase collaboration, and motivate employees to increase overall productivity.

ACTION TAKEN:

MOTION: Director Teague motioned to approve the amount and authorize the General Manager to implement the Employee Performance Bonus Program for 2023. Secretary/ Treasurer Sear seconded the motion. Motion carried by the following roll call vote:

AYES: Canero, Sear, Teague

NOES: None

MINUTE ORDER NO. 2023-3351

7. **GENERAL MANAGER'S ITEMS** - None

8. **COMMITTEE REPORTS**

8.1 Draft Minutes of the Community Engagement Committee Meeting – November 21, 2023

Chairperson Scott Sear gave an update on the Community Engagement Committee meeting held on November 21, 2023. The Committee discussed the progress of Ardurra, the District's marketing team, and tentative dates for the 100 Year Celebration.

9. **DIRECTOR'S ITEMS**

Secretary/Treasurer Sear stated that the Speaker of the Assembly, Robert Rivas, appointed members to new committees. Assemblymember Eduardo Garcia was appointed to a new committee. Secretary/Treasurer Sear recommended that the District send congratulations. President Canero inquired about the date for the CV History Museum tour. Mr. Dafforn stated that he would get it scheduled.

10. INFORMATIONAL ITEMS - None

11. ADJOURNMENT

There being no further business to discuss, the meeting was adjourned at 1:34 p.m. The next regular Board meeting will be on December 12, 2023.

Respectfully submitted,

Holly Gould, Clerk of the Board
Valley Sanitary District



Valley Sanitary District

DATE: December 12, 2023
TO: Board of Directors
FROM: Jeanette Juarez, Chief Administrative Officer
SUBJECT: APPROVE WARRANTS FOR DECEMBER 12, 2023

Suggested Action

Approve

Strategic Plan Compliance

GOAL 5: Long-Term Financial Strength

Fiscal Impact

The total charges incurred for the warrants from November 21, 2023, through December 4, 2023, are \$2,594,995.06.

Environmental Review

This item does not qualify as a project as defined by the California Environmental Quality Act (CEQA).

Background

The attached warrants list shows all disbursements from November 21, 2023, through December 4, 2023.

Recommendation

Approve the warrants for December 12, 2023.

Attachments

[Warrants for December 12, 2023.pdf](#)

DISBURSEMENTS
Approved at the Board Meeting of
December 12, 2023

| | | |
|--|---|----------------|
| 42140 Ardurra Group, Inc | PR services - Oct 2023 | \$12,966.50 |
| 42141 Cintas Corp | Uniforms, mats, towels etc - 11/09/2023 | \$539.42 |
| 42142 Desert Arc | Landscaping services - Half of Nov 2023 (contract end) | \$420.00 |
| 42143 Townsend Public Affairs, Inc | State advocacy - July 2023 | \$5,000.00 |
| 42144 Air & Hose Source, Inc. | Discharge hose, hose barb, camlock | \$1,348.50 |
| 42145 Automation Pride | EMX photo eye on operator in the middle | \$665.63 |
| 42146 Charter Communications | Internet and phone services - 11/26/2023-12/25/2023 | \$1,163.76 |
| 42147 Cintas Corp | Uniforms, mats, towels, etc - 11/16/2023 | \$532.84 |
| 42147 Cintas Corp | Uniforms, mats, towels, etc - 11/24/2023 | \$560.96 |
| 42148 Davis Farr LLP | Annual Audit services - statement prep & statement audit | \$4,920.00 |
| 42149 Desert Hose & Supply | Stainless t bolt clamp | \$38.53 |
| 42150 Enthalpy Analytical, LLC | Quarterly EFF-001C samples | \$1,000.00 |
| 42151 EPIC IO Technologies, Inc | LTE POTS replacement lines - Dec 2023 | \$199.35 |
| 42152 Geotab USA, Inc | Vehicle telemetrics - Nov 2023 | \$583.25 |
| 42153 Linde Gas & Equipment Inc. | Cylinder rental - 10/20/2023-11/20/2023 | \$157.09 |
| 42154 Mario Luna | CWEA grand 1 exam fee | \$192.00 |
| 42155 Merchants Building Maintenance, LLC | Janitorial - Nov 2023 | \$1,798.61 |
| 42156 Motion Industries, Inc. | Closing cap | \$68.63 |
| 42156 Motion Industries, Inc. | Contact cleaner | \$1,311.60 |
| 42157 Soffa Electric Inc | SCADA and PLC support services talk linx gateway software | \$7,633.16 |
| 42158 Southwest Networks, Inc. | Labor charges - Nov 2023 | \$665.00 |
| 42159 Staples Advantage | New charges - Nov 2023 | \$591.19 |
| 42160 Superior Truck & Auto LLC | New abs modules kenworth | \$1,704.91 |
| 42161 Tops 'N Barricades Inc. | Decals | \$90.99 |
| 42162 United Way of the Desert | PR 11/10/2023 - 11/23/2023 PD 12/01/2023 | \$20.00 |
| 42163 Univar Solutions | Sodium bisulfite - 11/20/2023 | \$6,478.74 |
| 42164 Western Water Works | Victaulic style 741 | \$1,430.94 |
| 202311281 Grainger | Wedge setup | \$37.58 |
| 202311281 Grainger | Mini pleat air filters | \$426.09 |
| 202311281 Grainger | Pleated filter, cogged v belt | \$340.25 |
| 202311281 Grainger | Piston air comp | \$693.57 |
| 202311281 Grainger | Speaker | \$24.62 |
| 202311281 Grainger | Flashlight, wire stripper, plier | \$97.00 |
| 202311282 Colonial Life | Revise AL 10/2023 premium | \$16.26 |
| 202311282 Colonial Life | PR 10/13/2023 - 10/26/2023 PD 11/03/2023 | \$1,033.34 |
| 202311282 Colonial Life | PR 10/27/2023 - 11/09/2023 PD 11/17/2023 | \$1,049.60 |
| 202311283 Basic | Funds withdrawn - 11/28/2023 | \$108.77 |
| 202311284 IDT Payment Services | Gift card purchase - 2023 | \$7,345.00 |
| 202311291 Imperial Irrigation District | Electricity - October 2023 | \$270.20 |
| 202311301 Domino Solar LTD | Electricity - October 2023 | \$3,510.32 |
| 202312011 Banc of America Leasing | Interest payment BOA Loan | \$963,595.93 |
| 202312011 Standard Insurance Company | Life and disability insurance - December 2023 | \$1,914.14 |
| 202312012 LAIF | Transfer from LAIF to WF | \$1,300,000.00 |
| 202312012 Paychex - Direct Deposit | PR 11/10/2023 - 11/23/2023 PD 12/01/2023 | \$100,904.81 |
| 202312013 Paychex - Fee | PR 11/10/2023 - 11/23/2023 PD 12/01/2023 | \$248.61 |
| 202312014 Paychex - Garnishment | PR 11/10/2023 - 11/23/2023 PD 12/01/2023 | \$360.46 |
| 202312015 Paychex - Tax | PR 11/10/2023 - 11/23/2023 PD 12/01/2023 | \$46,887.50 |
| 202312016 Empower (formerly Mass Mutual) | PR 11/10/2023 - 11/23/2023 PD 12/01/2023 | \$10.00 |
| 202312017 Mission Square (formerly ICMARC / Vantage Point) | PR 11/10/2023 - 11/23/2023 PD 12/01/2023 | \$1,470.00 |
| 202312018 CalPERS 457 | PR 11/10/2023 - 11/23/2023 PD 12/01/2023 | \$920.00 |
| 202312019 CalPERS Retirement | PR 11/10/2023 - 11/23/2023 PD 12/01/2023 | \$27,388.83 |
| 202312041 Imperial Irrigation District | Electricity - October 2023 | \$78,964.31 |
| 202312042 Verizon Wireless | Cell service - November 2023 | \$1,216.38 |
| 202312043 Nationwide Retirement Solution | PR 11/10/2023 - 11/23/2023 PD 12/01/2023 | \$2,396.72 |
| 202312101 City of Coachella | Water - November 2023 | \$48.02 |
| 202312121 Indio Water Authority | Water - October 2023 | \$1,635.15 |
| | Total | \$2,594,995.06 |



Valley Sanitary District

DATE: December 12, 2023
TO: Board of Directors
FROM: Jeanette Juarez, Chief Administrative Officer
SUBJECT: APPROVE REGULAR MEETING SCHEDULE AND ADOPT DISTRICT-OBSERVED HOLIDAY SCHEDULE FOR 2024

Suggested Action

Approve

Strategic Plan Compliance

GOAL 6: Improve Planning, Administration and Governance

Fiscal Impact

The cost of the schedule is included in the adopted operating budget for the fiscal year 2023-24 and will also be included in the proposed operating budget for the fiscal year 2024-25.

Environmental Review

This item does not qualify as a project defined by the California Environmental Quality Act (CEQA).

Background

The purpose of this report is for the Board of Directors to review and approve the following two (2) schedules for the calendar year 2024:

- The regular meeting schedule for 2024 (Attachment A) includes all Regular Board of Directors Meetings and Committee Meetings.
- District-observed holidays schedule for 2024 (Attachment B).

Recommendation

Approve the regular meeting schedule and district-observed holiday schedule for 2024.

Attachments

[7.3 Attachment A Regular Meeting Schedule.docx](#)

[7.3 Attachment B Holiday List 2024.docx](#)



VSD

**REGULAR MEETING SCHEDULE
2024**

| <u>Day</u> | <u>Meeting Date</u> | <u>Meeting Time</u> | <u>Meeting Type</u> |
|-------------------|----------------------------|----------------------------|----------------------------|
| Tuesday | January 2 | 1:00 p.m. | Budget & Finance |
| Tuesday | January 9 | 1:00 p.m. | Board of Directors |
| Tuesday | January 16 | 1:00 p.m. | Community Engagement |
| Tuesday | January 23 | 1:00 p.m. | Board of Directors |
| Tuesday | February 6 | 1:00 p.m. | Operations |
| Tuesday | February 13 | 1:00 p.m. | Board of Directors |
| Tuesday | February 27 | 1:00 p.m. | Board of Directors |
| Tuesday | March 5 | 1:00 p.m. | Budget & Finance |
| Tuesday | March 12 | 1:00 p.m. | Board of Directors |
| Tuesday | March 19 | 1:00 p.m. | Community Engagement |
| Tuesday | March 26 | 1:00 p.m. | Board of Directors |
| Tuesday | April 2 | 1:00 p.m. | Operations |
| Tuesday | April 09 | 1:00 p.m. | Board of Directors |
| Tuesday | April 23 | 1:00 p.m. | Board of Directors |
| Tuesday | May 7 | 1:00 p.m. | Budget & Finance |
| Tuesday | May 14 | 1:00 p.m. | Board of Directors |
| Tuesday | May 21 | 1:00 p.m. | Community Engagement |
| Tuesday | May 28 | 1:00 p.m. | Board of Directors |
| Tuesday | June 4 | 1:00 p.m. | Operations |
| Tuesday | June 11 | 1:00 p.m. | Board of Directors |
| Tuesday | June 25 | 1:00 p.m. | Board of Directors |
| Tuesday | July 2 | 1:00 p.m. | Budget & Finance |
| Tuesday | July 9 | 1:00 p.m. | Board of Directors |
| Tuesday | July 16 | 1:00 p.m. | Community Engagement |
| Tuesday | July 23 | 1:00 p.m. | Board of Directors |
| Tuesday | August 6 | 1:00 p.m. | Operations |
| Tuesday | August 13 | 1:00 p.m. | Board of Directors |
| Tuesday | August 27 | 1:00 p.m. | Board of Directors |
| Tuesday | September 3 | 1:00 p.m. | Budget & Finance |
| Tuesday | September 10 | 1:00 p.m. | Board of Directors |

| | | | |
|--------------------|------------------------|----------------------|-------------------------------|
| Tuesday | September 17 | 1:00 p.m. | Community Engagement |
| Tuesday | September 24 | 1:00 p.m. | Board of Directors |
| Tuesday | October 1 | 1:00 p.m. | Operations |
| Tuesday | October 8 | 1:00 p.m. | Board of Directors |
| Tuesday | October 22 | 1:00 p.m. | Board of Directors |
| Tuesday | November 5 | 1:00 p.m. | Budget & Finance |
| Tuesday | November 12 | 1:00 p.m. | Board of Directors |
| Tuesday | November 19 | 1:00 p.m. | Community Engagement |
| Tuesday | November 26 | 1:00 p.m. | Board of Directors |
| Tuesday | December 3 | 1:00 p.m. | Operations |
| Tuesday | December 10 | 1:00 p.m. | Board of Directors |
| Tuesday | December 24 | 1:00 p.m. | Board of Directors |



**VSD
HOLIDAY LIST 2024**

JANUARY

| | | |
|--------|------------------|----------------------------|
| Monday | January 1, 2024 | New Year's Day |
| Monday | January 15, 2024 | Martin Luther King Jr. Day |

FEBRUARY

| | | |
|--------|-------------------|-----------------|
| Monday | February 19, 2024 | Presidents' Day |
|--------|-------------------|-----------------|

MARCH

| | | |
|--------|-----------------|-----------------------------|
| Monday | April 1, 2024 † | César Chávez Day (observed) |
|--------|-----------------|-----------------------------|

MAY

| | | |
|--------|--------------|--------------|
| Monday | May 27, 2024 | Memorial Day |
|--------|--------------|--------------|

JUNE

| | | |
|-----------|---------------|------------|
| Wednesday | June 19, 2024 | Juneteenth |
|-----------|---------------|------------|

JULY

| | | |
|----------|--------------|------------------|
| Thursday | July 4, 2024 | Independence Day |
|----------|--------------|------------------|

SEPTEMBER

| | | |
|--------|-------------------|-----------|
| Monday | September 2, 2024 | Labor Day |
|--------|-------------------|-----------|

NOVEMBER

| | | |
|----------|-------------------|------------------------------|
| Monday | November 11, 2024 | Veterans Day |
| Thursday | November 28, 2024 | Thanksgiving Day |
| Friday | November 29, 2024 | Native American Heritage Day |

DECEMBER

| | | |
|-----------|-------------------|----------------|
| Tuesday | December 24, 2024 | Christmas Eve |
| Wednesday | December 25, 2024 | Christmas Day |
| Tuesday | December 31, 2024 | New Year's Eve |

† When a holiday falls on a Saturday or a Sunday, the District will observe the holiday on the preceding Friday or following Monday, respectively.



Valley Sanitary District

DATE: December 12, 2023
TO: Board of Directors
FROM: Jeanette Juarez, Chief Administrative Officer
SUBJECT: RECEIVE AND FILE THE ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR) FOR THE VALLEY SANITARY DISTRICT FOR THE FISCAL YEAR ENDING JUNE 30, 2023

Suggested Action

Review

Strategic Plan Compliance

GOAL 6: Improve Planning, Administration and Governance

Fiscal Impact

The District's net position reflects an increase of \$8.0 million or 7.1% for the year ended June 30, 2023. The District's total revenues increased during the fiscal year 2022/23 by \$3.2 million or 16.3%. The variance is primarily due to increased sewer service revenue and connection fees for new developments. In the fiscal year 2021/22, after properly conducting a public noticed Proposition 218, the District adopted a rate increase schedule that will continue through the fiscal year 2025/26. The rate increase will fund capital improvement projects, repairs, and rehabilitation of the District's collection system infrastructure and equipment. It will also fund the Recycle Water Project Phase I for indirect reuse to replenish the Coachella Valley aquifer. Due to current market trends, the increase in nonoperating income is attributed to higher returns than projected for investment income.

Environmental Review

This item does not qualify as a project defined by the California Environmental Quality Act (CEQA).

Background

By the Generally Accepted Accounting Principles (GAAP) for State and Local governments, the Districts prepare an ACFR for the fiscal year.

The purpose of the ACFR is to provide accountability for financial and operational information and valuable information to the District's decision-makers.

The District's external financial auditors, Davis Farr LLP, completed the field audit work and submitted a Letter of Audit Findings (included in the ACFR). The auditors provided an unmodified opinion of the District's financial reports. Jonathan Foster, CPA, Davis Farr LLP, will provide the Board with an overview of the audit process and outcome.

Recommendation

Receive and file the ACFR for the Valley Sanitary District for the fiscal year ending June 30, 2023.

Attachments

[8.1 Attachment A Financial statements \(ACFR\) 2023.pdf](#)

VALLEY SANITARY DISTRICT

Indio, California



ANNUAL COMPREHENSIVE

FINANCIAL REPORT

Fiscal Year Ending June 30, 2023

Presented by: The Administration Department



VALLEY SANITARY DISTRICT
Annual Comprehensive Financial Report
Year ended June 30, 2023

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Our Core Values

Transparent – We provide information to the public in a complete, understandable, and timely form that is readily available.

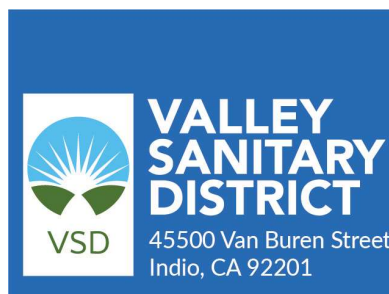
Responsible – We take into account our environment, community, customers, and ratepayers in everything we do.

Respectful – We value diverse viewpoints, teamwork, and active listening to our community and staff.

Integrity – We maintain high standards of conduct in all our actions and all circumstances.

**INTRODUCTORY SECTION
(UNAUDITED)**

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December 1, 2023

To: The Honorable Board of Directors and District Ratepayers

Subject: Annual Comprehensive Financial Report for the Years Ended June 30, 2023, and 2022

It is our pleasure to submit the Annual Comprehensive Financial Report (ACFR) for the Valley Sanitary District (District) for the Fiscal Years ending June 30, 2023, and 2022. This report was prepared by the District's Administration Department following guidelines recommended by the Governmental Accounting Standards Board (GASB) and in accordance with Generally Accepted Accounting Principles (GAAP). State law requires that all special-purpose local governments publish these basic financial statements within six months of the close of the agency's Fiscal Year. This report is published to fulfill that requirement and to provide the Board of Directors (Board), the public, and other interested parties, with these basic financial statements.

Management assumes full responsibility for both the accuracy of the data and the completeness and the fairness of the presentation, including all disclosures in this financial report. To ensure the completeness and reliability of the information contained in this report, management uses established internal controls that have been adopted for effectiveness, reliability, and compliance. These controls are designed to protect the District's assets from loss, theft, or misuse, and to ensure sufficiently reliable information for the preparation of the District's basic financial statements in conformity with GAAP. As management, we assert that this financial report is complete and reliable in all material respects.

The District's basic financial statements have been audited by Davis Farr, LLP, a firm of licensed certified public accountants. The independent firm audited the accompanying financial statements of the business-type activities and the fiduciary fund of the District, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents. The audit was conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. The independent auditor rendered an unmodified opinion that the District's basic financial statements for the Fiscal Year ended June 30, 2023, are fairly presented, in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

Generally Accepted Accounting Principles (GAAP) require that management provide a narrative introduction, overview, and analysis to accompany the financial statements in

the form of the Management’s Discussion and Analysis (MD&A) section. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with the MD&A. The District’s MD&A can be found immediately after the Independent Auditors’ Report and provides an overview and analysis of the basic financial statements.

District Structure and Leadership

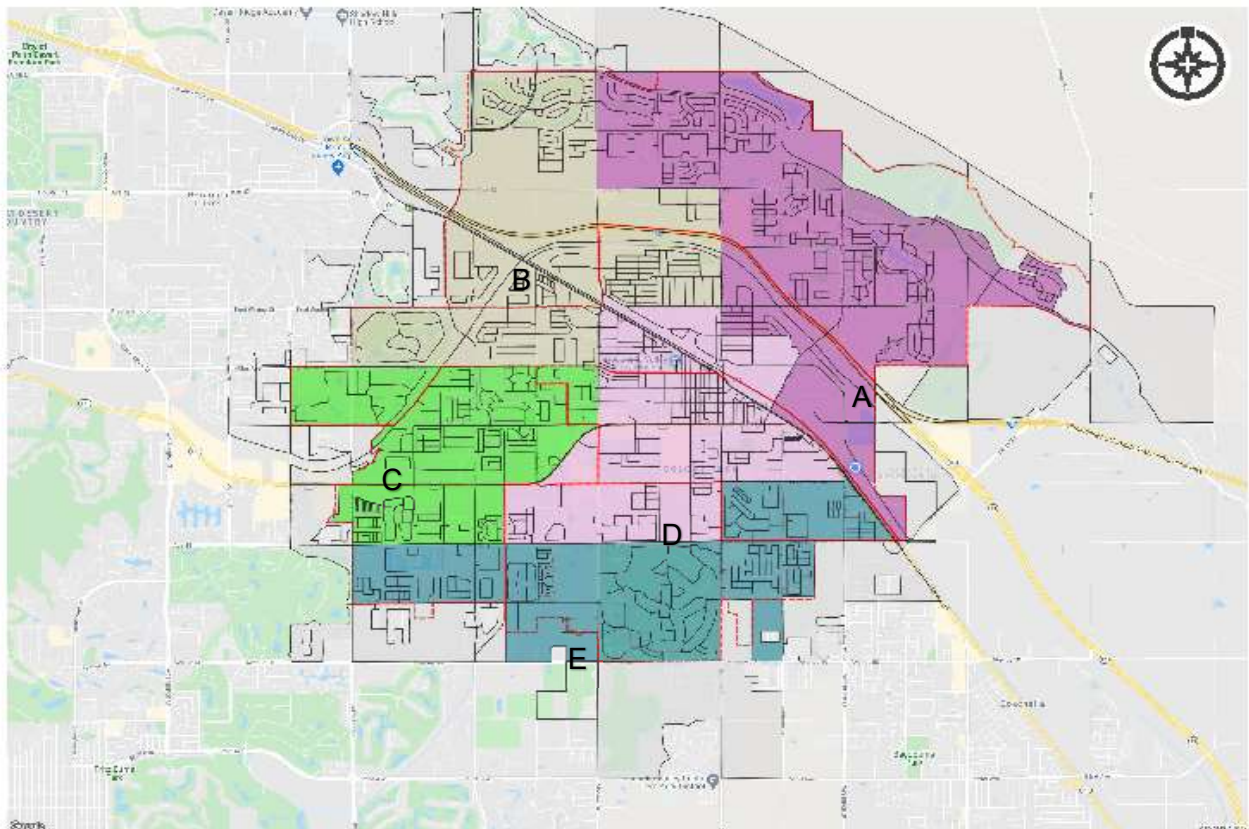
Mission Statement

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

District Governance

Valley Sanitary District is a California special district, that operates under the authority of the Health and Safety Code, Sanitary District Act of 1923, § 6400 et seq. The District was formed June 1, 1925, and is governed by a five-member Board of Directors. Each

Option 3



Under California law, the Board of Directors establishes and implements policies for the operation of the District. The Board of Directors establishes goals and objectives, manages sound fiscal policy and control, sets rates and fees, approves the annual operating and capital budget, approves capital improvement plans, maintains strong

communication between the Board of Directors and the General Manager, and advocates for the District. The Board of Directors makes decisions to serve the best interests of the community. The District's Board of Directors meets on the second and fourth Tuesday of each month. Meetings are publicly noticed, and citizens are encouraged to attend.

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

District Services

Valley Sanitary District is in Indio, California located in the eastern desert area of Riverside County. As the largest city in the Coachella Valley, Indio has a population of approximately 90,837. The District provides sanitary sewer services to approximately 28,028 connections within its 19.5 square mile service area. The District encompasses portions of the City of Indio, the City of Coachella, City of La Quinta, and adjacent unincorporated areas of Riverside County, California. Residential customers represent approximately 97% of the District's customer base and produce an estimated 81% of the sewage flow. The District operates and maintains approximately 254 miles of sanitary sewer line and delivers over 6 million gallons per day of wastewater to its water reclamation facility. The reclamation facility has the capacity to treat 12.5 million gallons per day. The treated wastewater is discharged into the Whitewater Storm Channel and becomes a source of freshwater replenishment to the Salton Sea.

Budget Process

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

- **Operating Fund:** This is the general operating fund of the District and the primary revenue source for this fund is derived from rates charged to customers for services provided. Other receipts that are not allocated by law or contractual agreement to some other funds are also accounted for in this fund. General operating expenditures, fixed charges, and maintenance costs not paid through other funds are paid from this fund.
- **Special Revenue Funds:** These funds receive support from various sources, mainly in the form of grants, loans, and other aid, and are restricted to expenditures for particular purposes. The District has three (3) special revenue funds:

- 2015 Wastewater Revenue Refunding Bonds
- State Water Resources Control Board Revolving Fund Loan
- Bank of America Loan
- Fiduciary Fund: The District reports an Agency Fund that is purely custodial in nature (assets equal liabilities), and thus does not involve measurement of results of operations. This fund is used to account for assets for the Assessment District No. 2004 (Shadow Hills Interceptor) for which the District acts as an agent for its debt service activities.
- Capital Improvement Fund: This fund is unrestricted and used to allocate capital expenditures for identified projects.
- Restricted CIP Fund: Indicates the current Fiscal Year resource allocation and the amount allocated for capital expenditures for increased capacity-related projects.

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

The budget process for the District is a collaborative effort among all departments that is based on sound financial management and longevity. The operating budget focuses on allocating and using resources within the framework of the strategic plan to ensure the long-term success and development of the District as a whole. The capital budget includes key projects to further advance the District's Capital Improvement Program (CIP) and for capital projects that are necessary to meet regulatory requirements, system reliability, repair, and replacement of District assets.

The District strives to maintain formal policies and procedures that reflect "best practices" for budget development and adjustments. The District uses established budgetary preparation procedures and guidelines, a calendar of events, planning models by fund, budget adjustment procedures, the establishment of rates and fees, indirect costs, and interest income. The budget process is scheduled to allow sufficient review and input by the Board of Directors and constituents. The budget document reflecting all final actions as adopted by the Board of Directors, on or before June 30th of each year, is made available within 30 days of such adoption in both hard copy at the District office and on the District's website.

Budgetary Control

The Board of Directors annually adopts an operating and capital budget prior to the new Fiscal Year. The budget authorizes and provides the basis for reporting and control of financial operations and accountability for the District's enterprise and capital projects. The budget and reporting guidelines applied to the District is consistent with the accrual basis of accounting and the financial statement basis.

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

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

Internal Control Structure

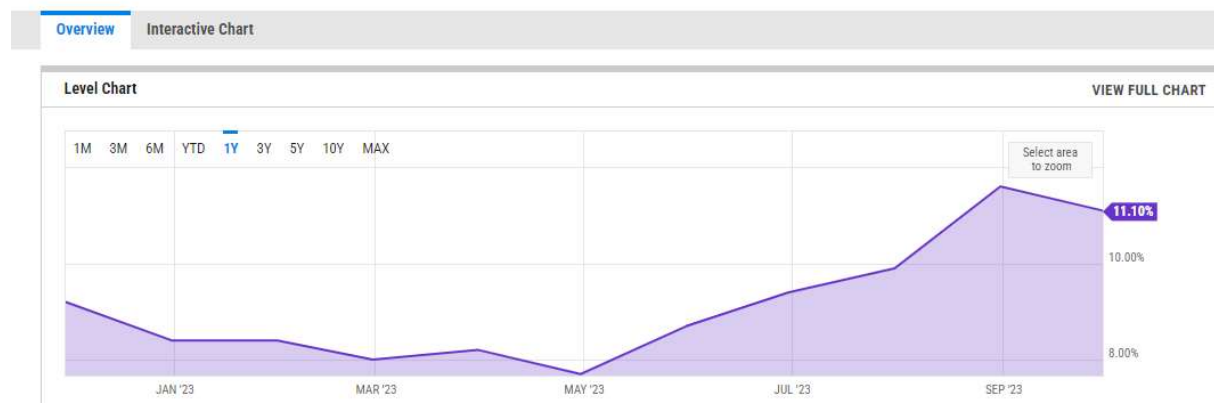
District management is responsible for the establishment and maintenance of the internal control structure that ensures the assets of the District are protected from loss, theft, or misuse. The internal control structure also ensures adequate accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP. The District's internal control structure is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of the control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management.

Economic Condition and Outlook

The Coachella Valley unemployment rate is 11.10% compared to 9.90% last year (YCharts.com). While private education, health services, and government jobs increased service, transportation, and manufacturing jobs decreased in Riverside County (Employment Development Department). For the District, this poses a challenge in balancing the need for rate increases to fund critical infrastructure while remaining sensitive to the economic situation of many of its residential ratepayers and businesses.

Coachella, CA Unemployment Rate (I:CCAU1KD5)

11.10% for Sep 2023



Home sales saw a decline over the previous year. According to the California Desert Association of Realtors and the Greater Palm Springs Realtors, the 12-month average of sales, which takes out seasonality, shows sales are averaging 599 units a month. This is 25% below last year. The median price of a detached home in the Coachella Valley ended October at \$642,450, up slightly for the month but down 2.7% year over year. The price decline over the last five months has been primarily seasonal.

In the City of Indio's Fiscal Year 2022/23 mid-year budget report the City reported \$5.9 million in additional general fund revenue than originally projected. \$2.5 million was attributed to sales tax revenue and \$3.5 million to transient occupancy tax. A surplus of \$1 million in Measure X revenue is projected in the next year.

In the past year, the City of Indio issued 4,600 building permits, representing \$238 million in new construction. That total includes 531 new single-family dwelling permits, 25 multi-family dwelling permits, and 15 new commercial permits. Single-family dwelling construction has decreased over the previous year. Commercial and multi-family development activity remains strong. Several previously approved projects adjusted their plans to current market forces. The adjusted developments signify the potential construction of thousands of new housing units in the City of Indio over the next several years.

Developments in the building and entitlement process include:

- Desert Retreat by Pulte Homes is a residential development spanning 378 acres. The community will add 1,500 single-family homes.
- Public Safety Campus
- New City Hall
- New Library
- Raising Canes
- EOS Fitness

In summary, the City of Indio is taking full advantage of the opportunities to build and implement strategic planning to actualize its goals. These initiatives benefit the District because they encourage residential and commercial development within the service area, which in turn leads to an increase in sewer connections. The District, like the City of Indio, will build on the current momentum to take full advantage of the opportunities and realize goals through strategic planning.

Major Initiatives

During Fiscal Year 2022-2023, the District completed or initiated several significant projects:

- **Collections System Rehabilitation & Replacement Program** – The District operates and maintains approximately 257 miles of sanitary sewer line and delivers over six million gallons per day of wastewater to its wastewater reclamation facility. To keep up with an aging and expanding infrastructure, the District is working with Harris & Associates to develop a \$60 million, 12-year rehabilitation and replacement program. The District has completed the construction of the first sewer main rehabilitation project consisting of Cured In Place Pipe (CIPP) lining and manhole rehabilitation along Indio Boulevard from Highway 111 to Dr. Carreon Boulevard. The District began construction work on

the Indio Downtown District Sewer Improvement Project in January 2023. Work will be completed by Fall of 2023. The estimated total construction cost is \$2,350,000.

- **Westward Ho Sewer Siphon Replacement Project** – An existing sewer siphon crossing the Coachella Stormwater Channel at Westward Ho Drive was damaged by flood waters that occurred on February 14, 2019. The District hired Carollo Engineers to complete the design and obtain the required permits. This work was completed in June of 2022. A significant portion of the estimated project cost of \$5.2 million will be reimbursed by the Federal Emergency Management Agency (FEMA) disaster recovery funds through the California Office of Emergency Management. This project is awaiting final approval from FEMA prior to proceeding with bidding and construction.
- **Reclaimed Water Project, Phase 1** – This \$82 million project will replace an aging and capacity-restricting infrastructure and provide redundancy by: adding a second digester and expanding the bar screens, replacing the main electrical switch board, and providing a sludge thickener for activated waste thickening. Schneider Electric and Stantec were selected as the design-build partners for this project. Construction began in January 2023 with the estimated completion date set for May 2025. All except approximately \$11 million of this project is funded through a 20-year loan through the Bank of America Public Capital Corporation.
- **Influent Pump Station Rehabilitation Project** – Stantec assisted the District as an Owner’s Representative for the rehabilitation of the influent pump station structure, which was showing significant signs of deterioration. DCI and Dudek were selected as the design-build team for this project. The project included installing a new gate in the forebay, replacing the interior discharge pipes, rehabilitating the wall liner throughout the pump station, replacing the above ground check and isolation valves, and adding additional valves to improve and upgrade the pump station. This project began in May 2022 and was completed in August of 2023. The project cost was \$3.6 million.
- **New Training & Office Building Project** – The District identified a need for new offices for District personnel as well as an area for training, meetings, and events. The District selected SGH Architects for the initial design of the new building which includes a schematic layout of the building and the estimated construction cost. Due to lack of funding (approximately \$10 million), the project has been deferred to Fiscal Year 2023-24.
- **New Laboratory Building Project** – The District has identified a need for a new laboratory to comply with new regulatory standards. The District selected SGH Architects for the initial design of the new building which includes a schematic layout of the building and the estimated construction cost. Due to lack of funding (approximately \$10 million), the project has been deferred to Fiscal Year 2023-24.

- **Activated Sludge Plant (ASP) Steel Water Line Replacement Project** (Phase 1 & 2) – The above ground, steel waterline adjacent to the aeration basins and the lines within the aeration basins were old and prone to leaks, especially at the grooved joints, and had exceeded their useful life. The design of both phases of this project was awarded to Dudek. The design of Phase 1 was completed in October 2021. The construction contract was awarded to Van Dyke Corporation with work being completed in June 2022. The design on Phase 2 was completed in December 2022. The construction contract was again awarded to Van Dyke Corporation with work being completed in September 2023. The total cost of the project was \$652,000.
- **Biosolids Conversion Project** – Valley Sanitary District is exploring ways to deal with the biosolids produced at the treatment plant instead of hauling away the biosolids to be processed as compost. Lystek is a company that developed a way to convert biosolids into a liquid fertilizer that is licensed by the State of California. In July 2022, Valley Sanitary District engaged Lystek to develop a feasibility study on what it would take to install this conversion process at our treatment plant facility. The feasibility study is complete. The next steps will be to discuss financing and to develop design plans and specifications for the project. This project is estimated to cost about \$10 to \$15 million.

Sewer Rates and District Revenues

The District receives revenue from limited sources, the Sewer Use Charge (SUC) being the primary source of both operating and capital improvement revenue. In Fiscal Year 2020-21 the District hired an independent consultant to complete a Comprehensive Wastewater Rate Study. The study addressed three key issues.

- Development of net revenue requirements from FY22 to FY41
- Establishing and maintaining reserve funds and targets
- Funding the Capital Improvement Program (CIP)

The findings of the completed study showed a significant funding shortfall in coming years if no adjustment to rates is implemented. Without the additional revenue, the District would not be able to maintain operating service levels, fund critical, high-risk projects identified in the 20-year District-Wide CIP Master Plan, and meet debt service requirements. In addition to using the additional SUC revenue, the District plans to finance major projects through various loan programs to bridge the gap.

The public had several opportunities to comment on the proposed rate increases, after which the Board approved the SUC effective July 1, 2021, through June 30, 2026.

| Proposed Annual Sewer Rate Schedule Starting July 1, 2021 through June 30, 2026 | | | | | | |
|---|----------|--|--------------|--------------|--------------|--------------|
| Annual Sewer Rate Schedule | Current | July 1, 2021 | July 1, 2022 | July 1, 2023 | July 1, 2024 | July 1, 2025 |
| Programa Annual de Tarifas de Alcantarillado | Ahora | | | | | |
| Fixed Service Charge (Cargo Por Servicio Fijo) | | | | | | |
| | Per EDU | Rates per EDU (Tarifas por EDU) | | | | |
| Single Family (Unifamiliar) | \$330.00 | \$ 342.72 | \$ 385.56 | \$ 433.76 | \$ 487.98 | \$ 497.74 |
| Multi-Family (Multifamilia) | \$330.00 | \$ 150.00 | \$ 168.75 | \$ 189.84 | \$ 213.57 | \$ 217.84 |
| Mobile Home (Casas Moviles) | \$330.00 | \$ 181.28 | \$ 203.94 | \$ 229.43 | \$ 258.11 | \$ 263.27 |
| RV Park (Parque RV) | \$330.00 | \$ 141.25 | \$ 158.91 | \$ 178.77 | \$ 201.12 | \$ 205.14 |
| | Per EDU | Rates per Account (Tarifas por Cuenta) | | | | |
| Commercial-Low/Med Strength (Baja Resistencia) | \$330.00 | \$ 199.03 | \$ 223.91 | \$ 251.90 | \$ 283.39 | \$ 289.06 |
| Commercial-High Strength (Alta Resistencia) | \$330.00 | \$ 607.00 | \$ 682.88 | \$ 768.24 | \$ 864.27 | \$ 881.56 |
| Volumetric Rate (Tasa Volumetrica) | | | | | | |
| | | \$ per hcf average winter water consumption (\$ por hcf consumo medio de agua en invierno) | | | | |
| Single Family (Unifamiliar) | - | \$ 0.98 | \$ 1.10 | \$ 1.24 | \$ 1.40 | \$ 1.43 |
| Multi-Family (Multifamilia) | - | \$ 0.98 | \$ 1.10 | \$ 1.24 | \$ 1.40 | \$ 1.43 |
| Mobile Home (Casas Moviles) | - | \$ 0.98 | \$ 1.10 | \$ 1.24 | \$ 1.40 | \$ 1.43 |
| | | \$/hcf annualized water consumption (\$/hcf del consume de agua anualizado) | | | | |
| RV Park (Parque RV) | - | \$ 1.10 | \$ 1.23 | \$ 1.38 | \$ 1.55 | \$ 1.58 |
| Commercial-Low/Med Strength (Baja Resistencia) | - | \$ 0.88 | \$ 0.99 | \$ 1.11 | \$ 1.25 | \$ 1.28 |
| Commercial-High Strength (Alta Resistencia) | - | \$ 2.00 | \$ 2.25 | \$ 2.53 | \$ 2.85 | \$ 2.91 |

Strategic Plan

The District with the support of the Board of Directors continues to focus its energy and resources towards realizing the goals and objectives identified in the Strategic Plan. The following six goals support the District's mission, vision, and values.

- Goal 1: Fully Staffed with a Highly Trained and Motivated Team
- Goal 2: Increase Recycling, Reuse, and Sustainability
- Goal 3: Excellent Facilities
- Goal 4: Increase Community Understanding and Support
- Goal 5: Long-Term Financial Strength
- Goal 6: Improve Planning, Administration and Governance

Challenges Facing the District

The District is not immune to increasing costs in key areas such as utility rates, aging infrastructure and replacement needs, mandatory retirement benefit contributions, health care premiums, post-employment benefits, and regulatory changes.

The Unfunded Accrued Liability (UAL) is the difference between the accrued pension liability (the amount of money that an agency needs to have in its pension plan at a certain date to be able to meet its future pension obligations) and the market value of assets (the amount of money the agency actually has in its pension plan as of that date) within a pension plan. In other words, it is the shortfall between what an agency should

have and what it actually has in its pension plan. In 2018 the District had a CalPERS Unfunded Accrued Liability (UAL) of \$2,820,718. The Board approved a 5-year fresh start making the 2018-19 contribution \$585,916, or more, if a lump sum was paid starting in July 2018, and continuing for each of the next 5 years. The goal was to pay off the UAL. The District was successful and completed the 2018 5-year fresh start plan. However, there was a large investment loss in CalPERS in 2021-22. As of June 30, 2023, the District's UAL projected balance is \$2,126,554. The interest rate is estimated at 7.389%. In September 2023 the Board approved a new 5-year fresh start making the 2023-24 contribution \$515,872, or more if a lump sum was paid starting in July 2024, and continuing for each of the next 5 years.

The District's biggest challenge is addressing its aging infrastructure and proactive preparation for changing regulatory requirements. After the 2021 rate study was completed and implemented, construction and inflation costs increased exponentially. One example is the Recycled Water Project Phase 1, coming in \$30.3 million over the original estimate. In 2023 a new rate study was completed, and a new proposed fee schedule was presented to the Board of Directors and the rate payers through a Proposition 218 Notice. This posed a challenge in balancing the need for rate increases to fund critical infrastructure while remaining sensitive to the economic situation of many of its residential ratepayers and businesses. After hearing the public input and further review the Board decided not to proceed with the proposed rate increase. Instead, the District will postpone and revise certain projects until a new CIP Master Plan is completed.

The District continues to look for other revenue sources, such as grants and partnerships with private companies, to offset the cost of both operations and capital improvements.

Financial Stability

The key to financial stability is the ability to successfully maintain services and functions, efficiently manage expenses, and withstand and adapt to external changes. The District has had long-term financial success through prudent budgets, sound fiscal policy, and both short and long-term strategic planning. In the fiscal year 2023-24, the District will revise its CIP Master Plan and forge a new pathway to accomplish its CIP needs all while maintaining its financial viability and solvency.

The District acknowledges that the current economic atmosphere has higher levels of uncertainty than in years past. However, it has a long history of sound financial management and planning. The financial stability of the District is solvent despite the external economic stressors. As previously mentioned, the District is not without challenges including increases in costs of supplies, services, premiums, and CIP rehabilitation, replacement, and expansion. Fiscal Year 2022-23 was a year of planning and strategy to ensure the continuity and success of the organization.

Awards and Recognition

During the past year, the District received the following awards:

- ❖ Government Finance Officers Association (GFOA) – Excellence in Financial Reporting
- ❖ GFOA – Distinguished Budget Presentation Award
- ❖ California Society of Municipal Finance Officers (CSMFO) – Operating Budget Excellence Award
- ❖ California Water Environment Association (CWEA) Colorado River Basin (CORBS) Operator of the Year
- ❖ CWEA CORBS Maintenance Person of the Year
- ❖ CWEA CORBS Collection System Person of the Year
- ❖ CWEA CORBS Electrical Instrumentation Person of the Year

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Valley Sanitary District for its Comprehensive Annual Financial Report for the Fiscal Year ended June 30, 2022. This was the 10th consecutive year that the District received this prestigious award. To receive a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both Generally Accepted Accounting Principles (GAAP) and applicable legal requirements.

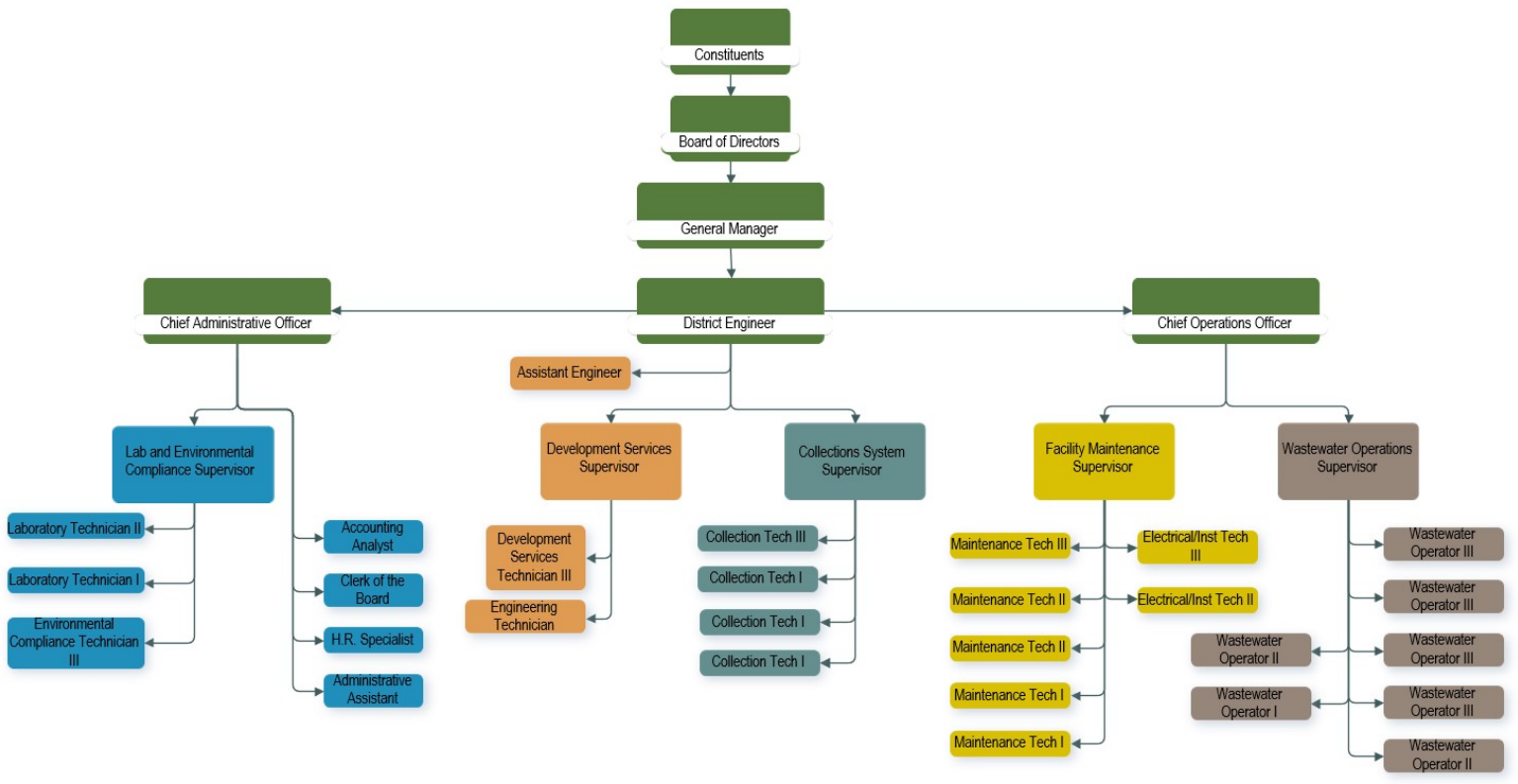
Acknowledgments

Preparation of this report was accomplished by the combined efforts of District administrative staff. We appreciate the dedicated efforts and professionalism that our staff members bring to the District. We would like to thank the members of the Board of Directors for their continued support in the planning and implementation of the District's fiscal policies.

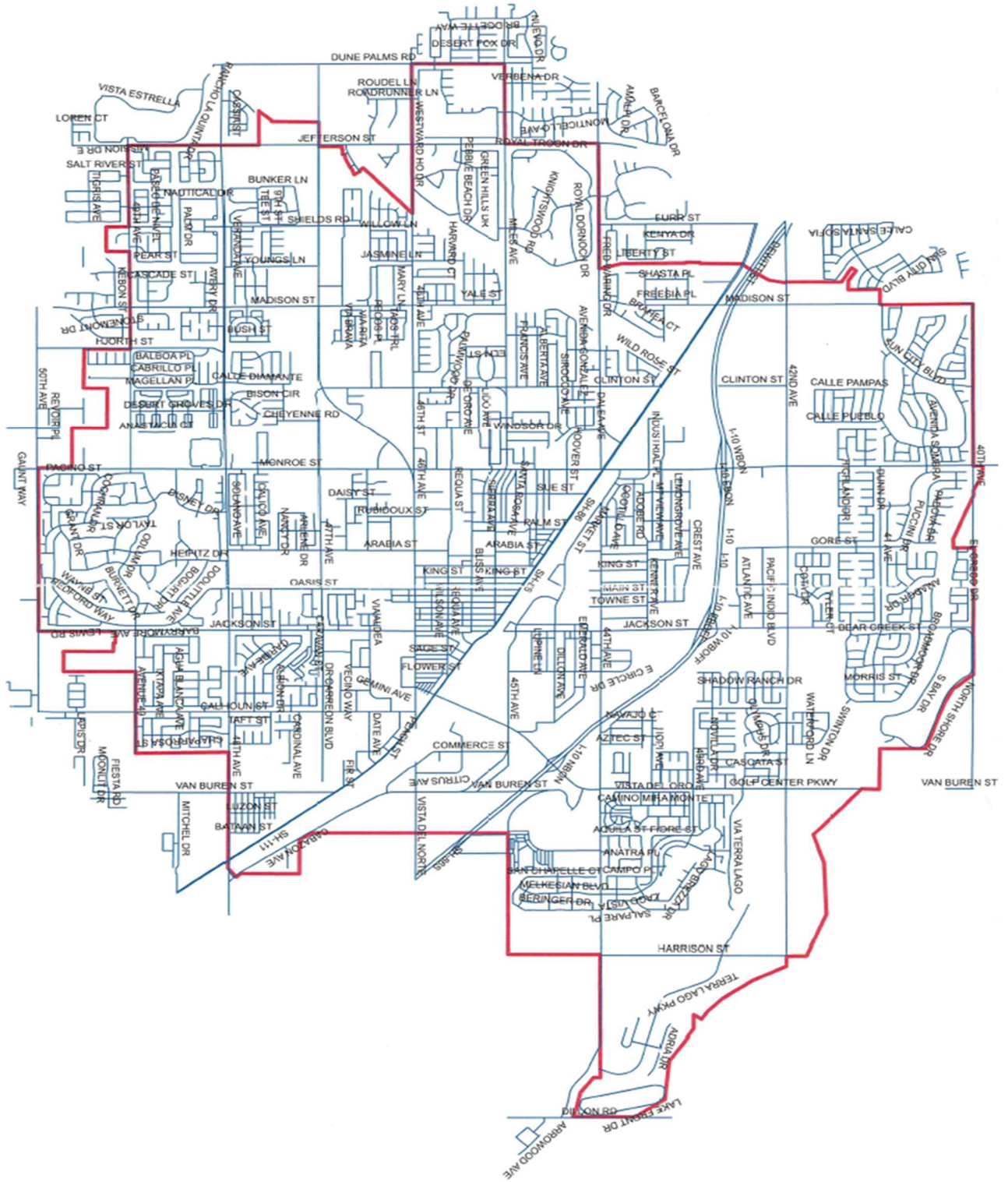
Respectfully submitted,



Jason Dafforn, PE
General Manager



District Service Area





VALLEY SANITARY DISTRICT

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDING JUNE 30, 2023

BOARD OF DIRECTORS

Debra Canero
Board President



Mike Duran
Board Vice President

Scott Sear
Secretary/Treasurer



Jacky Barnum
Director

William Teague
Director



Mission Statement

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



VALLEY SANITARY DISTRICT

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDING JUNE 30, 2023

SENIOR ADMINISTRATION

Jeanette Juarez
**Chief Administrative
Officer**



Jason Dafforn
General Manager

Dave Commons
**Chief Operating
Officer**



Ron Buchwald
District Engineer

Contact Us



45500 Van Buren St Indio, CA 92201



(760) 238-5400



www.valley-sanitary.org



Government Finance Officers Association

Certificate of
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**Valley Sanitary District
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO



**FINANCIAL
SECTION**

Highway 111, City of Indio

VALLEY SANITARY DISTRICT

Indio, California

Annual Comprehensive Financial Report

Year ended June 30, 2023

**Prepared by:
Administration and Finance Department**

Financial Section

Independent Auditor's Report

Board of Directors
Valley Sanitary District
Indio, California

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the business-type activities and the aggregate remaining fund information of Valley Sanitary District (the "District"), as of and for the year June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate remaining fund information of the District, as of June 30, 2023, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The District's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance

but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *Management's Discussion and Analysis* and *Pension and Other Post Employment Benefit Schedules* be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Report on Summarized Comparative Information

We have previously audited the District's June 30, 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 17, 2022. In our opinion, the summarized comparative information

presented herein as of and for the year ended June 30, 2023 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The *Schedule of Operating Expenses* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The *Schedule of Operating Expenses* is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the *Schedule of Operating Expenses* is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the Annual Comprehensive Financial Report. The other information comprises the *introductory section* and *statistical section* but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2023 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Davis Farr LLP

Irvine, California
December 1, 2023

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**Valley Sanitary District
Management's Discussion and Analysis
(Required Supplementary Information) (Unaudited)**

The management of the Valley Sanitary District (District) presents the District's financial statements with a narrative overview and analysis of the financial activities for the fiscal year ending June 30, 2023. Readers are encouraged to consider the information presented here in conjunction with the basic financial statements and notes to the basic financial statements.

Financial Highlights

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources by \$120.5 million for the year ended June 30, 2023. Of this amount, \$54.9 million is unrestricted and may be used to meet the District's ongoing obligations to citizens and creditors.
- The District's total net position increased \$8.0 million or 7.1% for the year ended June 30, 2023, from \$112.5 million to \$120.5 million. The variance is primarily due to an increase in sewer service revenue. In the fiscal year 2020/21, after properly conducting a noticed public and as allowed by Proposition 218 the District adopted a rate increase schedule that will continue through the fiscal year 2025/26. The rate increase will fund capital improvement projects, repairs, and rehabilitation of the District's collection and system infrastructure and equipment. It will also fund the Recycle Water Project Phase I for indirect reuse to replenish the Coachella Valley aquifer. Additionally, there has been an increase in investment income due to current market trends and increased interest rates compared to the last two (2) years.
- Current assets decreased by \$5.6 million or 4.3%. The variance for the year ended June 30, 2023, is due to a decrease in investment income. Investments in an escrow account for the Bank of America loan for the Recycled Water Project Phase decreased from \$71.0 million to \$55.7 million. The decrease is due to drawdowns of the account to pay for construction expenditures related to the project. In the fiscal year 2022/23 there was a decrease of \$1.1 million collected for new connection fees. The decrease is attributed to lower revenue collected for connection fees compared to the previous fiscal year. In the fiscal year 2021/22 there were two (2) new apartment developments that were added that attributed to the higher connection fees.
- Noncurrent assets increased by \$15.9 million or 21.7% as of June 30, 2023. The variance is attributed to the addition of capital assets such as six (6) pumps, procurement software, and an air conditioner. There are also new projects that are in construction in progress such as the Recycled Water Project Phase I and the Collection System Repairs / Rehab / Replace Program construction.
- The District's total liabilities increased \$3.9 million or 4.3%. The increase in liabilities is attributed to loans payable for the Recycled Water Project Phase I and an increase in net pension liabilities. The Reclaimed Water Project – Phase I will replace an aging and capacity-restricting grit chamber and provide redundancy by adding a second digester and expanding the bar screens. This project will also include adding a sludge thickener unit. This project is necessary to meet anticipated regulatory requirements, tertiary treatment, and recycled water production. The total amount of the loan funded was \$71,000,000 at an interest rate of 2.75%. The District will make installment payments commencing December 1, 2022, and scheduled to end June 1, 2042. In the fiscal year 2021/22 CalPERS experienced a large investment loss therefore increasing the net pension liability. As of June 30, 2023, the District's Unfunded Accrued Liability (UAL) has a balance of \$2.1 million, and the interest rate is estimated at 7.389%. In September 2023 the Board approved a new 5-year fresh start making the 2023-24 contribution \$515,872, or more if a lump sum was paid starting in July 2024, and continuing for each of the next 5 years.

Valley Sanitary District
Management's Discussion and Analysis (Continued)
(Required Supplementary Information) (Unaudited)

Overview of the Financial Statements

This discussion and analysis serve as an introduction to the District's financial statements. The District's financial statements comprise of two components: 1) fund financial statements and 2) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

The *statement of net position* presents information on all of the District's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in *net position* may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *statement of revenues, expenses, and changes in net position* presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

The business-type activity for the District is the provision of sanitary services to the community.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The various funds are presented in the accompanying financial statements as a proprietary fund category, enterprise fund type.

Fiduciary Funds. Fiduciary funds, which consist solely of trust and agency funds, are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are *not* reflected in the *statement of net position* or the *statement of revenue, expenses, and changes in net position* because the resources of the funds are *not* available to support the District's own programs. Fiduciary funds are custodial in nature and, therefore, the accounting used does not involve the measurement of the results of operations. The fiduciary fund financial statement can be found on page 24 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the fund financial statements. The notes to the financial statements can be found on pages 25-47 of this report.

Required Supplementary Information. The Schedule of the District's Proportionate Share of the Net Pension Liability and Related Ratios are presented as required supplementary information and can be found starting on page 49 of this report.

Supplementary Information. The Schedule of Operating Expenses presents the functional expenses by activity and is presented as supplementary information beginning on page 55 of this report.

Valley Sanitary District
Management's Discussion and Analysis (Continued)
(Required Supplementary Information) (Unaudited)

Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$120.5 million for the year ended June 30, 2023.

The largest portion of the District's net position during June 30, 2023, 49.6%, reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**Valley Sanitary District
Management's Discussion and Analysis (Continued)
(Required Supplementary Information) (Unaudited)**

DISTRICT'S NET POSITION

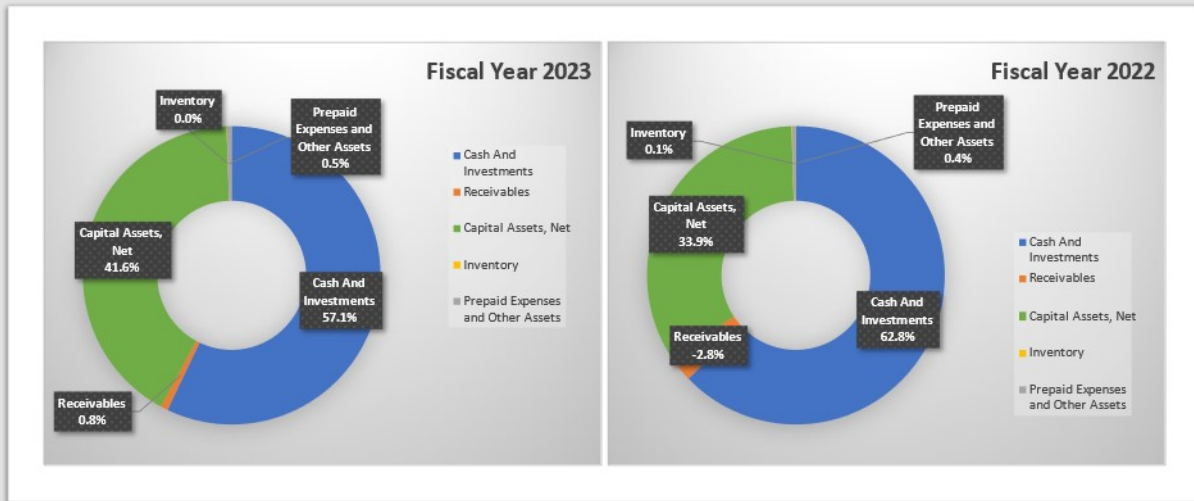
At the end of the year ending June 30, 2023, the District can report positive balances in all three (3) categories of net position. The same situation held true for the prior fiscal year.

**Table I
Valley Sanitary District
Condensed Statement of Net Position
As of June 30, 2023**

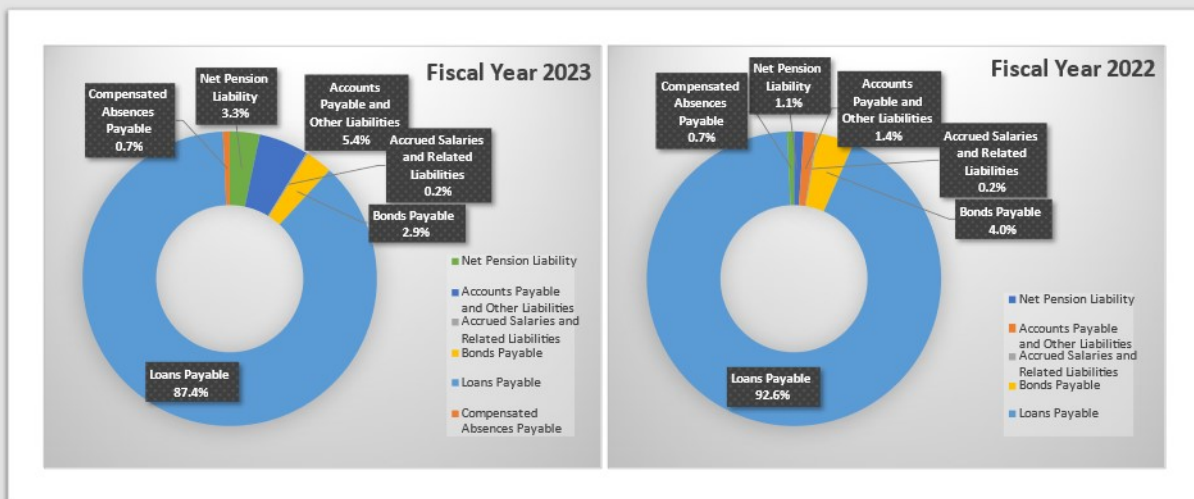
| | 2023 | 2022 |
|----------------------------------|---------------|---------------|
| Current Assets | \$123,011,291 | \$128,633,353 |
| Capital Assets | 87,925,671 | 72,268,413 |
| Noncurrent Assets | 611,928 | 411,928 |
| Total Assets | 211,548,890 | 201,313,694 |
| Deferred Outflows of Resources | 2,566,017 | 1,149,809 |
| Current Liabilities | 8,779,915 | 3,933,591 |
| Noncurrent Liabilities | 84,191,962 | 85,170,189 |
| Total Liabilities | 92,971,877 | 89,103,780 |
| Deferred Inflows of Resources | 670,486 | 884,243 |
| Net Position: | | |
| Net Investment in Capital Assets | 59,752,362 | 57,312,137 |
| Restricted | 5,821,219 | 4,963,830 |
| Unrestricted | 54,898,963 | 50,199,513 |
| Total Net Position | \$120,472,544 | \$112,475,480 |

**Valley Sanitary District
Management's Discussion and Analysis (Continued)
(Required Supplementary Information) (Unaudited)**

District Assets



District Liabilities



Valley Sanitary District
Management’s Discussion and Analysis (Continued)
(Required Supplementary Information) (Unaudited)

Changes in the District’s net position reflect an increase of \$7.9 million or 7.1% for the year ended June 30, 2023. The District’s total revenues increased during the fiscal year 2022/23 by \$3.2 million or 16.3%. The variance is primarily due to an increase in sewer service revenue and connection fees for new developments. As mentioned in the letter of transmittal, in the fiscal year 2021/22, after properly conducting a noticed public and as allowed by Proposition 218 the District adopted a rate increase schedule that will continue through the fiscal year 2025/26. The rate increase will fund capital improvement projects, repairs, and rehabilitation of the District’s collection and system infrastructure and equipment. It will also fund the Recycle Water Project Phase I for indirect reuse to replenish the Coachella Valley aquifer. The increase in nonoperating income is attributed to higher returns than projected in investment income due to current market trends.

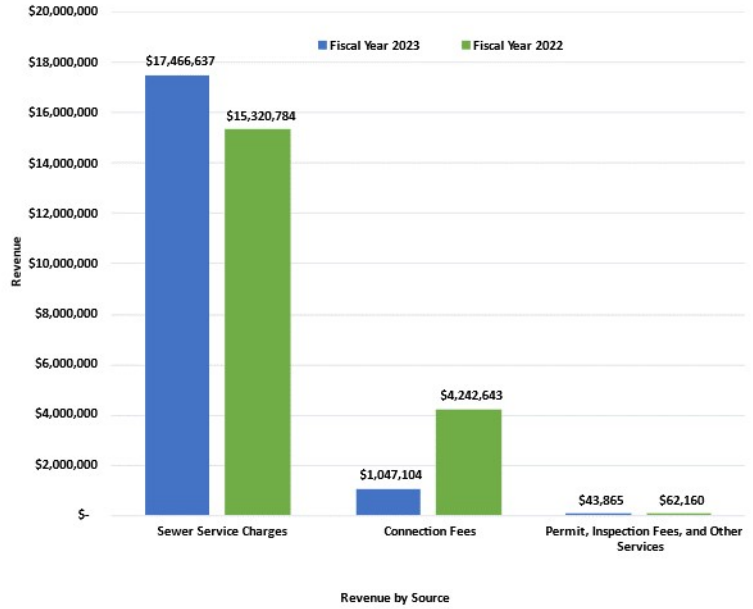
DISTRICT’S CHANGES IN FUND NET POSITION

Table II
Valley Sanitary District
Condensed Statement of Revenues, Expenses, and Changes in
Fund Net Position
As of June 30, 2023

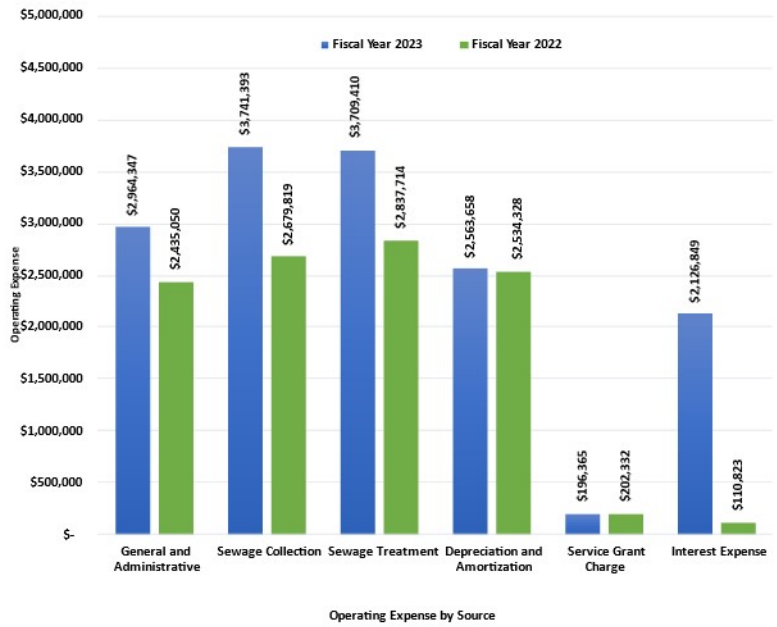
| | 2023 | 2022 |
|---|----------------|---------------|
| Revenues: | | |
| Sewer Service Charges | \$ 17,466,637 | \$ 15,320,784 |
| Connection Fees | 1,047,104 | 4,242,643 |
| Permits & Inspections | 26,975 | 44,130 |
| Other Operating | 16,890 | 18,030 |
| Nonoperating | 4,741,480 | 405,472 |
| Total Revenues | \$ 23,299,086 | \$ 20,031,059 |
| Expenses: | | |
| Depreciation & Nonoperating | \$ 4,886,872 | \$ 2,645,151 |
| Administrative | 2,964,347 | 2,435,050 |
| Sewage Collection | 3,741,393 | 2,679,819 |
| Sewage Treatment | 3,709,410 | 2,837,714 |
| Total Expenses | \$ 15,302,022 | \$ 10,597,734 |
| Increase In Net Position | \$ 7,997,064 | \$ 9,433,325 |
| Beginning Net Position, (As Restated) (Note 14) | 112,475,480 | 103,042,155 |
| Ending Net Position | \$ 120,472,544 | \$112,475,480 |

Valley Sanitary District Management's Discussion and Analysis (Continued) (Required Supplementary Information) (Unaudited)

Operating Revenues Fiscal Year 2023 vs 2022



Operating Expenses Fiscal Year 2023 vs 2022



**Valley Sanitary District
Management’s Discussion and Analysis (Continued)
(Required Supplementary Information) (Unaudited)**

Capital Asset Administration

The District’s capital assets (net of accumulated depreciation) as of June 30, 2023 were \$87.9 million. This includes land, buildings, system improvements, machinery, and equipment. The increase is attributed to the addition of capital assets such as the steel waterline replacement, sewer main rehabilitation, and a Backhoe loader. There are also new projects that are in construction in progress such as the Recycled Water Project Phase I and the Collection System Repairs / Rehab / Replace Program construction.

Major capital asset events during the current fiscal year included the following:

- **Collection System Repairs / Rehab / Replace Program Design/Construction**
- **Recycled Water Project Phase I**
- **Influent Pump Station Rehabilitation Project**
- **Steel Waterline Replacement Phase II**

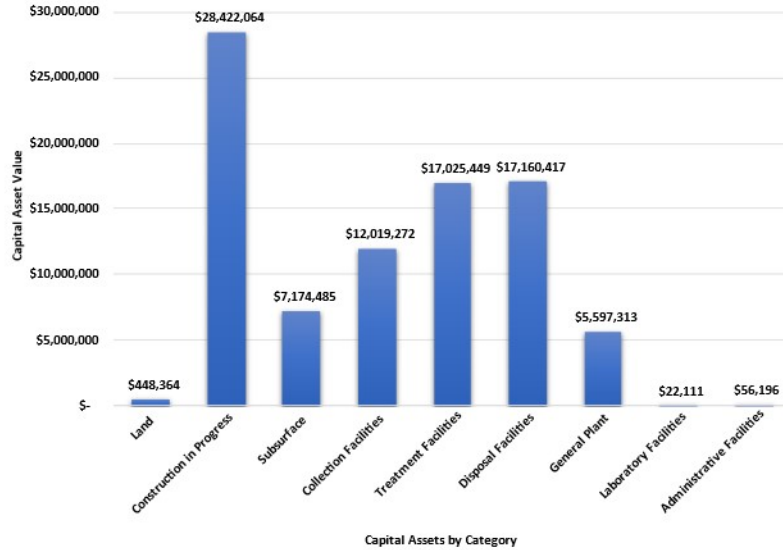
DISTRICT’S CAPITAL ASSETS

**Table III
Valley Sanitary District
Capital Assets Net of Accumulated Depreciation
As of June 30, 2023**

| | <u>June 30, 2023</u> | <u>June 30, 2022</u> |
|--------------------------|----------------------------|-----------------------------|
| Land | \$ 448,364 | \$ 448,364 |
| Construction in progress | 28,422,064 | 10,635,178 |
| Subsurface | 7,174,485 | 7,510,013 |
| Collection facilities | 12,019,272 | 12,409,186 |
| Treatment facilities | 17,025,449 | 17,723,136 |
| Disposal facilities | 17,160,417 | 17,751,176 |
| General plant | 5,597,313 | 5,726,405 |
| Laboratory facilities | 22,111 | 31,455 |
| Admin facilities | 56,196 | 33,500 |
| Total | <u><u>\$87,925,671</u></u> | <u><u>\$ 72,268,413</u></u> |

**Valley Sanitary District
Management’s Discussion and Analysis (Continued)
(Required Supplementary Information) (Unaudited)**

Capital
Assets Net of
Accumulated
Depreciation
Fiscal Year
2023



Additional information on the District’s capital assets can be found on page 33, Note 5, of this report.

Long-term Debt Administration

At the end of June 30, 2023, the District had total long-term debt of \$84.0 million.

The Certificates of Participation (COPs) was debt incurred to help fund Phase I of the District’s Treatment Plant Expansion and Renovation in 2006. On June 18, 2015, the District issued Wastewater Revenue Refunding Bonds, Series 2015 in the amount of \$7,540,000, refinancing the COPs and reducing payments by approximately \$1,596,780 over the term of the certificates which runs through 2026. Repayment of the debt is funded through sewer use fees of the District.

The District received a Clean Water State Revolving Fund (CWSRF) loan in May 2018 for \$12.9 million to construct the Requa Avenue Sewer Interceptor Project. The \$12.9 million loan for 30 years at 1.7% interest results in an estimated payment of \$553,360 annually. The first payment will be due one (1) year after the completion date of the Requa Avenue Sewer Interceptor Project, and payable thereafter on June 1st, per the 2015 Wastewater Refunding Revenue Bonds parity requirements. A restricted reserve fund has also been established, equal to one (1) year’s debt service, prior to the construction completion date of the project and shall be maintained for the full term of the Agreement.

The District executed the installment sale agreement in May of 2022 with Banc of America Capital Corp for the Recycled Water Project Phase I. The Reclaimed Water Project – Phase I will replace an aging and capacity-restricting grit chamber and provide redundancy by adding a second digester and

**Valley Sanitary District
Management's Discussion and Analysis (Continued)
(Required Supplementary Information) (Unaudited)**

expanding the bar screens. This project will also include adding a sludge thickener unit. This project is necessary to meet anticipated regulatory requirements, tertiary treatment, and recycled water production. The total amount of the loan funded was \$71,000,000 at an interest rate of 2.75%. The District will make installment payments commencing December 1, 2022, and scheduled to end June 1, 2042.

**Valley Sanitary District
Management’s Discussion and Analysis (Continued)
(Required Supplementary Information) (Unaudited)**

DISTRICT’S OUTSTANDING DEBT

**Table IV
Valley Sanitary District
Outstanding Debt
As of June 30, 2023**

| | 2023 | 2022 |
|------------------------|--------------|--------------|
| Revenue refunding bond | \$ 2,415,000 | \$3,165,000 |
| Bond premium | 293,161 | 393,673 |
| Banc of America Co | 70,079,704 | 71,000,000 |
| CWSRF loan | 11,193,860 | 11,550,856 |
| Total | \$83,981,725 | \$86,109,529 |

Additional information on the District’s long-term debt can be found on page 34, Note 8, of this report.

Economic Factors and Next Year’s Budget

The Indio City Council is very supportive of new enterprises and development. The City of Indio has endorsed the Downtown Specific Plan, the Highway 111 Plan, and the 2040 General Plan. The City is strategically attracting new businesses and developments, with many projects already in action, including the renovation and expansion of the Indio Grand Market Place and adding new eateries and retailers. Incoming enterprises include a four-story, 122-room Wood Spring Suites, Texas Roadhouse, Cork & Fork, Luna's Pizza Bar and Grill, and Keedy's Fountain and Grill: the JFK Memorial Hospital expansion, the Acadia Indio Behavioral Hospital, and upcoming Indio Medical Offices. The College of the Desert plans to expand its Indio campus to 80,000 square feet. According to Carl Morgan, Economic Development Director, "People are attracted to Indio because of the quality of life, schools, amenities, cool things you can do year-round...and Indio is still very affordable".

The City of Indio's investment and support of new development and enterprise leads to moderate growth, as seen in its annual permit growth year over year. The District benefits from this growth through the connection fees it collects for new development or changes in use for existing buildings. In the fiscal year 2023/24, the District is estimated to collect \$767,790 from new connection fees.

In the fiscal year 2021/22, a five-year Sewer Use Charge (SUC) was implemented on July 1, 2021, and will continue through June 30, 2026. In the fiscal year 2023/24, the District is projecting \$17.0 million in SUC revenue, an increase of \$1.3 million or 8.8% due to the third year of the rate increase. The additional revenues are needed to maintain operating service levels, fund critical high-risk projects identified in the 20-Year District-Wide Master Plan, and meet debt service requirements.

In the fiscal year 2022/23, the District received higher than projected nonoperating revenues by \$2.1 million. The additional revenue was mainly attributed to interest income earned. In May 2022, the District closed a loan through Bank of America for \$71 million to finance the Recycled Water Project.

Valley Sanitary District
Management's Discussion and Analysis (Continued)
(Required Supplementary Information) (Unaudited)

The loan is held in an interest-bearing escrow account. The higher revenue is due to higher than anticipated returns due to market rates. Also, the SUC income generated \$1.1 million more due to increased connections that paid for the entire year and a larger than projected volumetric water usage consumption. The SUC is based on a 70% fixed charge per Equivalent Dwelling Unit (EDU) plus a 30% volumetric water consumption charge by class.

The operating and capital budgets for the fiscal year 2023/24 are \$18,622,984 and \$58,232,000 respectively. The operating budget encompasses personnel, California Public Employees' Retirement System (CalPERS), Unfunded Accrued Liability (UAL), debt service, insurance premiums, and other overhead costs to run day-to-day operations. The capital budget incorporates key projects to advance the District's Capital Improvement Program (CIP). There are 22 capital projects requested in the fiscal year 2023/24. The fiscal year 2023/24 CIP includes the Recycled Water Project Phase I Design Build, the Collection System Sewer Main Rehabilitation and Replacement Program (completion of current projects), and the Westward Ho Sewer Siphon Replacement.

Requests for Information

This financial report is designed to provide our customers and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the General Manager, Valley Sanitary District, 45500 Van Buren Street, Indio, California, 92201, or by calling (760) 238-5400.



Influent Pump Station Rehabilitation Project

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VALLEY SANITARY DISTRICT
Statement of Net Position
June 30, 2023
(with comparative totals for June 30, 2022)

| | 2023 | 2022 |
|--|----------------|-------------|
| Assets | | |
| Current assets: | | |
| Cash and investments (note 3) | \$ 120,795,270 | 134,115,856 |
| Accounts receivable, net (note 4) | 965,208 | (6,169,710) |
| Interest receivable | 691,595 | 105,007 |
| Inventories of materials | 85,543 | 148,905 |
| Prepaid items | 473,675 | 433,295 |
| Total current assets | 123,011,291 | 128,633,353 |
| Noncurrent assets: | | |
| Capital assets, not being depreciated (note 5) | 28,870,427 | 11,083,542 |
| Capital assets, being depreciated (note 5) | 59,055,244 | 61,184,871 |
| Investment in joint venture (note 6) | 611,928 | 411,928 |
| Total noncurrent assets | 88,537,599 | 72,680,341 |
| Total assets | 211,548,890 | 201,313,694 |
| Deferred outflows of resources | | |
| Deferred loss on refunding, net | 122,138 | 164,015 |
| Deferred outflows of resources related to pensions (note 10) | 2,000,359 | 543,508 |
| Deferred outflows of resources related to OPEB (note 11) | 443,520 | 442,286 |
| Total deferred outflows of resources | 2,566,017 | 1,149,809 |
| Liabilities | | |
| Current liabilities: | | |
| Accounts payable | 3,808,490 | 842,914 |
| Accrued expenses | 1,241,151 | 384,398 |
| Accrued payroll and related liabilities | 181,984 | 158,989 |
| Interest payable | 10,063 | 11,391 |
| Compensated absences, due within one year (note 7) | 408,094 | 408,094 |
| Bonds payable, due within one year (note 8) | 865,512 | 850,512 |
| Loans payable, due within one year (note 8) | 2,264,621 | 1,277,293 |
| Total current liabilities | 8,779,915 | 3,933,591 |
| Noncurrent liabilities: | | |
| Compensated absences, due in more than one year (note 7) | 277,189 | 240,603 |
| Bonds payable, due in more than one year (note 8) | 1,842,649 | 2,708,161 |
| Loans payable, due in more than one year (note 8) | 79,008,943 | 81,273,563 |
| Net pension liabilities (note 10) | 2,550,589 | 444,605 |
| Net OPEB liabilities (note 11) | 512,592 | 503,257 |
| Total noncurrent liabilities | 84,191,962 | 85,170,189 |
| Total liabilities | 92,971,877 | 89,103,780 |
| Deferred Inflows of Resources | | |
| Deferred inflows of resources related to pensions (note 10) | 599,927 | 785,371 |
| Deferred inflows of resources related to OPEB (note 11) | 70,559 | 98,872 |
| Total deferred inflows of resources | 670,486 | 884,243 |
| Net Position | | |
| Net investment in capital assets | 59,752,362 | 57,312,137 |
| Restricted for debt service | 5,821,219 | 4,963,830 |
| Unrestricted | 54,898,963 | 50,199,513 |
| Total net position | \$ 120,472,544 | 112,475,480 |

VALLEY SANITARY DISTRICT
Statement of Revenues, Expenses, and Changes in Net Position
For the year ended June 30, 2023
(with comparative totals for the year ended June 30, 2022)

| | 2023 | 2022 |
|--|----------------|-------------|
| Operating Revenues: | | |
| Sewer service charges | \$ 17,466,637 | 15,320,784 |
| Connection fees | 1,047,104 | 4,242,643 |
| Permit and inspection fees | 26,975 | 44,130 |
| Other services | 16,890 | 18,030 |
| Total operating revenues | 18,557,606 | 19,625,587 |
| Operating Expenses: | | |
| General and administrative | 2,964,347 | 2,435,050 |
| Sewage collection | 3,741,393 | 2,679,819 |
| Sewage treatment | 3,709,410 | 2,837,714 |
| Depreciation | 2,563,658 | 2,534,328 |
| Total operating expenses | 12,978,808 | 10,486,911 |
| Operating Income | 5,578,798 | 9,138,676 |
| Nonoperating Revenues (Expenses): | | |
| Property taxes | 1,399,121 | 1,125,201 |
| Homeowners' tax relief | 7,023 | 6,668 |
| Investment income (loss) | 3,271,494 | (606,284) |
| Interest expenses | (2,323,214) | (313,155) |
| Other revenues | 42,810 | 64,311 |
| Gain on disposal of assets | 21,032 | 17,908 |
| Total nonoperating revenues (expenses) | 2,418,266 | 294,649 |
| Change in net position | 7,997,064 | 9,433,325 |
| Net Position: | | |
| Beginning of year | 112,475,480 | 103,042,155 |
| End of year | \$ 120,472,544 | 112,475,480 |

VALLEY SANITARY DISTRICT
Statement of Cash Flows
For the year ended June 30, 2023
(with comparative totals for the year ended June 30, 2022)

| | <u>2023</u> | <u>2022</u> |
|---|-----------------------|--------------------|
| Cash flows from operating activities: | | |
| Cash receipts from customers | \$ 18,462,688 | 19,135,645 |
| Cash payments to suppliers and vendors for goods and services | (14,192,910) | (3,319,817) |
| Cash payments to employees for services | <u>(5,858,055)</u> | <u>(5,289,113)</u> |
| Net cash provided by operating activities | <u>(1,588,277)</u> | <u>10,526,715</u> |
| Cash flows from noncapital financing activities: | | |
| Property taxes | 1,399,121 | 1,125,201 |
| Homeowners' tax relief | <u>7,023</u> | <u>6,668</u> |
| Net cash provided by noncapital financing activities | <u>1,406,144</u> | <u>1,131,869</u> |
| Cash flows from capital and related financing activities: | | |
| Acquisition of capital assets | (11,233,922) | (2,993,772) |
| Proceeds from sale of assets | 21,032 | 18,246 |
| Principal paid on bonds payable | (750,000) | (715,000) |
| Interest paid on bonds and loans payable | (2,383,177) | (374,769) |
| Principal paid on loans payable | (1,277,292) | (351,029) |
| Loan proceeds | <u>-</u> | <u>71,000,000</u> |
| Net cash (used in) capital and related financing activities | <u>(15,623,359)</u> | <u>66,583,676</u> |
| Cash flows from investing activities: | | |
| Interest received/loss | 2,684,906 | (669,753) |
| Cash payment to joint venture | <u>(200,000)</u> | <u>(225,000)</u> |
| Net cash provided by investing activities | <u>2,484,906</u> | <u>(894,753)</u> |
| Net increase in cash and cash equivalents | (13,320,586) | 77,347,507 |
| Cash and cash equivalents: | | |
| Beginning of year | <u>134,115,856</u> | <u>56,768,349</u> |
| End of year | <u>\$ 120,795,270</u> | <u>134,115,856</u> |

VALLEY SANITARY DISTRICT
Statement of Cash Flows (Continued)
For the year ended June 30, 2023
(with comparative totals for the year ended June 30, 2022)

| | 2023 | 2022 |
|---|----------------|-------------|
| Reconciliation of operating income to net cash provided by operating activities | | |
| Net operating income | \$ 5,578,798 | 9,138,676 |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | |
| Depreciation | 2,563,658 | 2,534,328 |
| Other nonoperating revenues | 42,810 | 64,311 |
| Changes in operating assets and liabilities: | | |
| Accounts receivable | (94,918) | (489,942) |
| Inventories of materials | 63,362 | 810 |
| Prepaid items | (40,380) | (67,111) |
| Pension related deferred outflows of resources | (1,456,851) | 347,969 |
| OPEB related deferred outflows of resources | (1,234) | 20,575 |
| Accounts payable | (11,061,418) | 258,127 |
| Accrued expenses | 856,753 | 384,398 |
| Accrued payroll and related liabilities | 22,995 | (96,343) |
| Compensated absences | 36,586 | 64,969 |
| Net pension liabilities | 2,105,984 | (2,129,641) |
| Net OPEB liabilities | 9,335 | (136,263) |
| Pension related deferred inflows of resources | (185,444) | 535,270 |
| OPEB related deferred inflows of resources | (28,313) | 96,582 |
| Net cash provided by operating activities | \$ (1,588,277) | 10,526,715 |
| Noncash items from capital and related financing activities: | | |
| Amortization of deferred loss on refunding | \$ 41,877 | 41,877 |
| Amortization of premium | \$ (100,512) | (100,512) |

VALLEY SANITARY DISTRICT
Statement of Fiduciary Net Position
June 30, 2023

| | Custodial Fund |
|---------------------------------|------------------|
| Assets: | |
| Cash and investments (note 3) | \$ 754,423 |
| Cash with fiscal agent (note 3) | 640,286 |
| Assessment receivable | 3,135 |
| Interest receivable | 5,848 |
| Total assets | 1,403,692 |
| Net Position | \$ 1,403,692 |

VALLEY SANITARY DISTRICT
Statement of Changes in Fiduciary Net Position
June 30, 2023

| | Custodial Fund |
|---------------------------------|----------------|
| Additions: | |
| Special tax assessments | \$ 13,080 |
| Administrative fees | 1,159 |
| Interest income | 57,050 |
| Total additions | 71,289 |
| Deductions: | |
| Principal Payments | 15,000 |
| Total deductions | 15,000 |
| Changes in net position | 56,289 |
| Net Position, beginning of year | 1,347,403 |
| Net Position, end of year | \$ 1,403,692 |

Valley Sanitary District
Notes to the Basic Financial Statements
Year ended June 30, 2023

Note 1 – Reporting Entity

Valley Sanitary District (the “District”) was formed on June 1, 1925, under the Health and Safety Code, Sanitary District Act of 1923, Section 6400 et. seq., for the purpose of operation and maintenance of sewer collection, transmission, and treatment facilities, and serving a population of approximately 89,000 in the City of Indio, portions of the City of Coachella, and adjacent unincorporated areas of the County of Riverside. The District is a municipal corporation governed by a five-member elected board of directors.

The accompanying financial statements present the District and its component unit, an entity for which the District is considered to be financially accountable. Blended component units are, in substance, part of the primary government’s operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government.

Blended Component Unit

Valley Sanitary District Wastewater Facilities Corporation (the “Corporation”) was activated in 2006 by the District. The Corporation was organized pursuant to the Nonprofit Public Benefit Corporation Law of the State of California, being Part 2 of Division 2 of Title 1 of the California Corporation Code. It was formed for the purpose of providing financial assistance to the District by acquiring, constructing, improving and developing certain real and personal property, together with appurtenances and appurtenant work for the use, benefit and enjoyment of the public. The District’s Board of Directors sits as the Corporation’s Board of Directors. The Corporation’s activities are blended with those of the District in these financial statements. There was no activity in the Corporation until the fiscal year 2007-2008. Separate financial statements of the Corporation are not issued.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

Financial statement presentation follows the recommendations promulgated by the Governmental Accounting Standards Board (“GASB”) commonly referred to as accounting principles generally accepted in the United States of America (“U.S. GAAP”). GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting standards.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Business-Type Activities

The Financial Statements (i.e., the statement of net position, the statement of revenues, expenses and changes in net position, and the statement of cash flows) report information on all the activities of the primary government and its component units. The District accounts for its operations (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Valley Sanitary District
Notes to the Basic Financial Statements (Continued)
Year ended June 30, 2023

Note 2 – Summary of Significant Accounting Policies (Continued)

The Financial Statements are reported using the “economic resources” measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as all eligibility requirements have been met. Interest associated with the current fiscal period is considered to be susceptible to accrual and so has been recognized as revenue of the current fiscal period.

Operating revenues are those revenues that are generated from the primary operations of the District. The District reports a measure of operations by presenting the change in net position from operations as "operating income" in the statement of revenues, expenses, and changes in net position. Operating activities are defined by the District as all activities other than financing and investing activities (interest expense and investment income), grants and subsidies, settlement receivable allowance, and other infrequently occurring transactions of a non-operating nature. Operating expenses are those expenses that are essential to the primary operations of the District. All other expenses are reported as non-operating expenses.

Fiduciary Fund Financial Statements

The District reports a custodial fund. The custodial fund is used to account for assets for the Assessment District No. 2004 (Shadow Hills Interceptor) for which the District acts as an agent for its debt service activities.

Cash, Cash Equivalents, and Investments

Cash and cash equivalents include all highly liquid investments with original maturities of 90 days or less and are carried at cost, which approximates fair value. Investments are reported at amortized cost, which approximates fair value. Changes in fair value that occur during the fiscal year are recognized as investment income for that fiscal year.

The District participates in an investment pool managed by the State of California titled Local Agency Investment Fund (“LAIF”), which has invested a portion of the pooled funds in structured notes and asset-backed securities. LAIF’s investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these structured notes and asset-backed securities are subject to market risk and to changes in interest rates. The reported value of the pool approximates the fair value of the pool shares. The District also participates in CalTrust Medium Term Fund.

Receivables and Allowance for Doubtful Accounts

Customer accounts receivable consist of amounts owed by private individuals and organizations for services rendered in the regular course of business operations. Receivables are shown net of allowances for doubtful accounts. Uncollectible accounts are based on prior experience and management’s assessment of the collectability of existing accounts. As of June 30, 2023, there is no allowance for doubtful accounts.

Inventory of Materials

Inventories consist of expendable supplies, spare parts and fittings and are valued at cost using first-in first-out basis.

**Valley Sanitary District
Notes to the Basic Financial Statements (Continued)
Year ended June 30, 2023**

Note 2 – Summary of Significant Accounting Policies (Continued)

Prepaid Items

Payments made to vendors for services that will benefit periods beyond the fiscal year ended are recorded as prepaid items.

Capital Assets

Capital assets are valued at historical cost, or estimated historical cost if actual historical cost was not available. Donated capital assets are valued at acquisition value on the date donated. The District policy has set the capitalization threshold for reporting capital assets at \$5,000, all of which must have an estimated useful life in excess of one year. Depreciation is recorded on a straight-line basis over estimated useful lives of the assets as follows:

| | |
|---|-------------|
| Subsurface Lines | 40 years |
| General Plant | 10-40 years |
| Machinery and Equipment | 5-10 years |
| Collection, Treatment and Disposal Facilities | 10-40 years |

Major outlays for capital assets are capitalized as projects are constructed, and repairs and maintenance costs are expensed.

Deferred Outflows of Resources and Deferred Inflows of Resources

The Statement of Net Position reports separate sections for deferred outflows of resources, and deferred inflows of resources.

Deferred Outflows of Resources represent outflows of resources (consumption of net assets) that apply to future periods and that, therefore, will not be recognized as an expense until that time. The District has three items that qualify for reporting this category: deferred loss on refunding, deferred outflows of resources related to pensions, and deferred outflows related to OPEB.

Deferred Inflows of Resources represent inflows of resources (acquisition of net assets) that apply to future periods and that, therefore, are not recognized as revenue until that time. The District has two items that qualify for reporting this category: deferred inflows of resources related to pensions and deferred inflows related to OPEB.

Compensated Absences

District policy permits its employees to accumulate not more than two (2) times their current annual vacation. Employees are compensated twelve (12) days of sick leave per year with a maximum accrual not to exceed 120 days. The combined unused vacation and sick pay will be paid to an employee or his/her beneficiary upon leaving the District's employment. The amount due will be determined using salary/wage rate in effect at the time of separation.

Valley Sanitary District
Notes to the Basic Financial Statements (Continued)
Year ended June 30, 2023

Note 2 – Summary of Significant Accounting Policies (Continued)

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the plans and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value. The following timeframes are used for pension reporting:

Valuation Date June 30, 2021
Measurement Date June 30, 2022
Measurement Period July 1, 2021 to June 30, 2022

Gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense. The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized using the straight-line method over five (5) years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

Other Postemployment Benefits

For purposes of measuring the net other postemployment benefits ("OPEB") liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the plans and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value. The following timeframes are used for OPEB reporting:

Valuation Date June 30, 2021
Measurement Date June 30, 2022
Measurement Period July 1, 2021 to June 30, 2022

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized using the straight-line method over five (5) years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

Valley Sanitary District
Notes to the Basic Financial Statements (Continued)
Year ended June 30, 2023

Note 2 – Summary of Significant Accounting Policies

Long-Term Debt

Debt premiums and discounts are deferred and amortized over the life of the debt using the effective interest method. Long-term debt is reported net of the applicable bond premium or discount. Debt issuance costs are expensed when incurred.

Arbitrage Rebate Requirement

The District is subject to the Internal Revenue Code ("IRC") Section 148(f), related to its tax-exempt revenue bonds. The IRC requires that investment earnings on gross proceeds of any revenue bonds that are in excess of the amount prescribed will be surrendered to the Internal Revenue Service. The District had no rebate liability for arbitrage as of June 30, 2023.

Net Position

Net position represents the difference between all other elements in the statement of net position and should be displayed in the following three components:

Net Investment in Capital Assets – This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of those assets, net of deferred outflows/inflows of resources related to the debt.

Restricted – This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

Unrestricted – This component of net position is the amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Property Taxes

Property taxes are levied on July 1 and are payable in two installments: November 1 and February 1 of each year. Property taxes become delinquent on December 10 and April 10, for the first and second installments, respectively. The lien date is January 1. The County of Riverside, California ("County") bills and collects property taxes and remits them to the District according to a payment schedule established by the County.

The County is permitted by State law to levy properties at 1% of full market value (at time of purchase) and can increase the property assessed values by no more than 2% per year. The District receives a share of this basic tax levy proportionate to what it received during the years 1976-1978.

Property taxes are recognized in the fiscal year for which the taxes have been levied. No allowance for doubtful accounts was considered necessary.

**Valley Sanitary District
Notes to the Basic Financial Statements (Continued)
Year ended June 30, 2023**

Note 2 – Summary of Significant Accounting Policies (Continued)

Use of Estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosure. Accordingly, actual results could differ from those estimates.

Comparative Data

Selected information regarding the prior year has been included in the accompanying financial statements. This information has been included for comparison purposes only and does not represent a complete presentation in accordance with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the government's prior year financial statements, from which this selected financial data was derived.

Note 3 – Cash and Investments

At June 30, 2023, cash and investments are classified in the accompanying statements of net position as follows:

| | Business-Type | | Total |
|--|-----------------------|------------------|--------------------|
| | Activities | Fiduciary Fund | |
| Cash and investments | \$ 120,795,270 | 754,423 | 121,549,693 |
| Cash and investments with fiscal agent | - | 640,286 | 640,286 |
| | <u>\$ 120,795,270</u> | <u>1,394,709</u> | <u>122,189,979</u> |

At June 30, 2023, cash and investments consisted of the following:

| | | |
|----------------------------|----|----------------------|
| Cash on hand | \$ | 500 |
| Demand deposits | | 2,692,132 |
| Investments | | <u>119,497,347</u> |
| Total cash and investments | | <u>\$122,189,979</u> |

Demand Deposits

At June 30, 2023, the carrying amount of cash deposit was \$2,692,132, which was fully insured and/or collateralized with securities held by the pledging financial institutions in the District's name as discussed below.

The California Government Code requires California banks and savings and loan associations to secure the District's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the District's name.

Valley Sanitary District
Notes to the Basic Financial Statements (Continued)
Year ended June 30, 2023

Note 3 – Cash and Investments (Continued)

The fair value of pledged securities must equal at least 110% of the District's cash deposits. California law also allows institutions to secure the District's deposits by pledging first trust deed mortgage notes having a value of 150% of the District's total cash deposits. The District may waive collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation. The District, however, has not waived the collateralization requirements.

Investments Authorized by the California Code and The District's Investment Policy

Under the provisions of the District's investment policy and in accordance with California Government Code, the District is authorized to invest or deposit in the following:

- Local Agency Investment Fund (LAIF) established by the State Treasurer
- Bonds issued by the District with a 5-year maximum maturity
- United States Treasury Bills, Notes and Bonds with a 5-year maximum maturity
- Federally Insured Certificates of Deposit with a 5-year maximum maturity
- Collateralized bank deposits with a 5-year maximum maturity
- Fixed income instruments with an average maturity of one (1) year or less including: Mortgage-backed securities; asset-backed securities; banker's acceptances; commercial paper; certificates of deposits; repurchase agreements backed by 102% U.S. agency securities and U.S. Treasury obligations; medium-term notes; and rated money-market funds. All securities must be rated A- or better at the time of purchase
- United States Government Agency Notes and Bonds with a 5-year maximum maturity
- Shares of Beneficial Interest issued by joint powers authority

Local Agency Investment Fund

The District's investments with Local Agency Investment Fund ("LAIF") include a portion of the pooled funds invested in Structured Notes and Asset-Backed Securities. These investments include the following:

Structured Notes - debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.

Asset-Backed Securities - the bulk of which are mortgage-backed securities, entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (such as CMO's) or credit card receivables.

LAIF is overseen by the Local Agency Investment Advisory Board, which consists of five members, in accordance with State statute. As of June 30, 2023, the District had \$62,105,327 invested in LAIF, which had invested 1.10% of the pooled investment funds in Structured Notes and Medium-term Asset-Backed Securities. LAIF is reported at amortized costs, which approximates fair value.

CalTrust Medium Term Fund

As of June 30, 2023, the District had \$1,065,731 invested in CalTrust Medium Term Fund. CalTrust Medium Term Fund is reported at amortized costs, which approximates fair value.

**Valley Sanitary District
Notes to the Basic Financial Statements (Continued)
Year ended June 30, 2023**

Note 3 – Cash and Investments (Continued)

Money Market Fund

As of June 30, 2023, the District had \$640,011 invested in a money market fund and held by the bond trustee. The District’s investments in money market funds are considered cash equivalents as they are short-term, highly liquid investments that are readily convertible to known amounts of cash, they present insignificant risk of changes in value because of changes in interest rates.

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment is, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways the District manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. However, the District does not have a formal policy regarding interest rate risk.

As of June 30, 2023, all of the District’s investments had maturity dates of twelve (12) months or less.

Disclosures Relating to Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District’s investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government’s indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

As of June 30, 2023, the District had the following investments with the following ratings:

| | Minimum Legal Rating | AAA | Not Rated | Total |
|------------------------------|-------------------------|-------------------|--------------------|--------------------|
| Local Agency Investment Fund | N/A | \$ - | 62,105,327 | 62,105,327 |
| CalTrust Medium Trust Fund | N/A | - | 1,065,731 | 1,065,731 |
| Money market fund | N/A | - | 55,686,278 | 55,686,278 |
| Held by bond trustee: | | | | |
| Money market fund | AAA | 640,011 | - | 640,011 |
| Total investments | | <u>\$ 640,011</u> | <u>118,857,336</u> | <u>119,497,347</u> |

Valley Sanitary District
Notes to the Basic Financial Statements (Continued)
Year ended June 30, 2023

Note 4 – Accounts Receivable

Accounts receivable primarily consists of sewer use fees - direct billings, connection fees, and reimbursements as well as the District's allocation of property taxes and sewer use charges collected but not remitted by the County of Riverside.

As of June 30, 2023, the accounts receivable were as follows:

| | | |
|--|----|----------------|
| Direct billing, connection fee and reimbursement receivables | \$ | 659,829 |
| Property taxes and sewer use receivable from County of Riverside | | 305,095 |
| Workers' comp receivable | | 5,134 |
| Basic employee receivable | | <u>(4,850)</u> |
| Total accounts receivables | \$ | <u>965,208</u> |

Note 5 – Capital Assets

Summary of changes in capital assets for the year ended June 30, 2023 is as follows:

| | Balance July 1, 2022 | Additions | Deletions | Balance June 30, 2023 |
|--|-------------------------|-------------|-----------|--------------------------|
| Capital assets, not depreciated | | | | |
| Land | \$ 448,364 | - | - | 448,364 |
| Construction in progress | 10,635,178 | 17,786,885 | - | 28,422,063 |
| Total capital assets, not depreciated | 11,083,542 | 17,786,885 | - | 28,870,427 |
| Capital assets, being depreciated | | | | |
| Subsurface | 20,878,424 | - | - | 20,878,424 |
| Sewage collection facilities | 16,609,872 | 34,456 | (55,655) | 16,588,673 |
| Wastewater treatment facilities | 36,275,362 | 40,146 | - | 36,315,508 |
| Sludge disposal facilities | 24,681,864 | - | - | 24,681,864 |
| General plant facilities | 9,258,661 | 320,985 | - | 9,579,646 |
| Laboratory facilities | 46,719 | - | - | 46,719 |
| Administrative facilities | 151,386 | 38,444 | - | 189,830 |
| Total capital assets, being depreciated | 107,902,288 | 434,031 | (55,655) | 108,280,664 |
| Less accumulated depreciation | | | | |
| Subsurface | (13,353,711) | (316,447) | - | (13,670,158) |
| Sewage collection facilities | (4,246,941) | (444,794) | 55,655 | (4,636,080) |
| Wastewater treatment facilities | (18,546,069) | (734,734) | - | (19,280,803) |
| Sludge disposal facilities | (6,930,666) | (593,023) | - | (7,523,689) |
| General plant facilities | (3,504,336) | (447,488) | - | (3,951,824) |
| Laboratory facilities | (15,263) | (9,344) | - | (24,607) |
| Administrative facilities | (120,431) | (17,828) | - | (138,259) |
| Total accumulated depreciation | (46,717,417) | (2,563,658) | 55,655 | (49,225,420) |
| Total capital assets, being depreciated, net | 61,184,871 | (2,129,627) | - | 59,055,244 |
| Total capital assets, net | \$ 72,268,413 | 15,657,258 | - | 87,925,671 |

Valley Sanitary District
Notes to the Basic Financial Statements (Continued)
Year ended June 30, 2023

Note 6 – Investment in Joint Venture

On December 18, 2013, the District entered into a Joint Powers Agreement with the City of Indio (the "City") to form the East Valley Reclamation Authority (the "JPA") to plan, program, finance, design and operate a reclaimed water facility to bring a sustainable water supply and manage the water resources for the customers of the Indio Water Authority (a blended component unit of the City) and the District. The costs and expenses of the JPA are generally shared equally by the City and the District unless otherwise determined by the JPA's Board of Directors, except that the District is responsible for 100% of the costs and expenses associated with the design and construction of facilities for the District's compliance with any permit terms. During the year ended June 30, 2023, the District made a contribution to the JPA in the amount of \$200,000. As of June 30, 2023, the District reported investments in joint venture in the amounts of \$611,928. Copies of the annual financial report for the JPA may be obtained from the finance department of the City of Indio.

Note 7 – Compensated Absences

Summary of changes in compensated absences for the year ended June 30, 2023 is as follows:

| Beginning Balance | Additions | Deletions | Ending Balance | Due within One Year | Due in More Than One Year |
|----------------------|-----------|-----------|-------------------|------------------------|------------------------------|
| \$ 648,696 | 554,760 | (518,173) | 685,283 | 408,094 | 277,189 |

Note 8 – Long-term Debt

Summary of changes in long-term debt for the year ended June 30, 2023 is as follows:

| | Beginning Balance | Additions | Deletions | Ending Balance | Due within One Year | Due in More Than One Year |
|--|----------------------|-----------|--------------------|-------------------|------------------------|------------------------------|
| 2015 Wastewater Revenue Refunding Bonds | \$ 3,165,000 | - | (750,000) | 2,415,000 | 765,000 | 1,650,000 |
| Bond Premium, net of amortization | 393,673 | - | (100,512) | 293,161 | 100,512 | 192,649 |
| State Water Resources Control Board Revolving Fund Loan | 11,550,856 | - | (356,996) | 11,193,860 | 363,065 | 10,830,795 |
| Banc of America loan | 71,000,000 | - | (920,296) | 70,079,704 | 1,901,556 | 68,178,148 |
| | <u>\$ 86,109,529</u> | <u>-</u> | <u>(2,127,804)</u> | <u>83,981,725</u> | <u>3,130,133</u> | <u>80,851,592</u> |

2015 Wastewater Revenue Refunding Bonds

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

On June 18, 2015, the District issued Wastewater Revenue Refunding Bonds, Series 2015 in the amount of \$7,540,000. The purpose of the bond issuance was to provide funds to defease and refund on current basis the District's outstanding 2006 Certificates of Participation (Treatment Plan Expansion) and pay the costs of issuing the bonds. The bonds are payable from and secured by a lien on net revenue of the wastewater system of the District. Interest rate of 5% (except for 2.125% in 2023) is payable semi-annually on each December 1 and June 1 beginning December 1, 2015. The bonds are not subject to redemption prior to maturity. The outstanding balance as of June 30, 2023 was \$2,415,000.

Valley Sanitary District
Notes to the Basic Financial Statements (Continued)
Year ended June 30, 2023

Note 8 – Long-term Debt (Continued)

Future debt service requirements are as follows:

| 2015 Wastewater Revenue Refunding Bonds | | | |
|---|--------------|----------|-----------|
| Year Ending June 30, | Principal | Interest | Total |
| 2024 | \$ 765,000 | 120,750 | 885,750 |
| 2025 | 805,000 | 82,500 | 887,500 |
| 2026 | 845,000 | 42,250 | 887,250 |
| | \$ 2,415,000 | 245,500 | 2,660,500 |

State Water Resources Control Board Revolving Fund Loan

The District executed the installment sale agreement with the State Water Resources Control Board (the "SWRCB") for the construction of the Requa Avenue Sewer Interceptor Project. As part of the Requa Avenue Sewer Interceptor Project, the District constructed 4.2 miles of new gravity flow sewer pipeline and related utility improvements designed to collect and convey sanitary sewer flow within an existing public right-of-way through central Indio, California, to the existing District's Water Reclamation Plant. The SWRCB provided financial assistance. The total amount of the loan funded was \$12,920,155 with no unused credit. There was no pledged asset as collateral. In event of default, the District upon demand by SWRCB, will immediately repay an amount equal to project funds disbursed, accrued interests, penalty assessments, and additional payments. Beginning June 2019, the District will repay the principal of the project funds, together with all interest accruing thereon, annually to the SWRCB. As of June 30, 2023, the outstanding balance of the SWRCB revolving fund loan was \$11,193,860.

Future debt service requirements are as follows:

| State Water Resources Control Board Revolving Fund Loan | | | |
|---|---------------|-----------|------------|
| Year Ending June 30, | Principal | Interest | Total |
| 2024 | \$ 363,065 | 190,296 | 553,361 |
| 2025 | 369,237 | 184,124 | 553,361 |
| 2026 | 375,514 | 177,846 | 553,360 |
| 2027 | 381,898 | 171,463 | 553,361 |
| 2028 | 388,390 | 164,970 | 553,360 |
| 2029-2033 | 2,043,265 | 723,540 | 2,766,805 |
| 2034-2038 | 2,222,948 | 543,855 | 2,766,803 |
| 2039-2043 | 2,418,433 | 348,369 | 2,766,802 |
| 2044-2048 | 2,631,110 | 135,694 | 2,766,804 |
| | \$ 11,193,860 | 2,640,157 | 13,834,017 |

A reserve account is required to be maintained equal to one (1) year of the SWRCB revolving fund loan debt service payments from unrestricted net revenues. The reserve requirement is \$553,360 for the duration of the loan. The balances held in the reserve at June 30, 2023 in the amount of \$1,106,722. Debt covenants of the SWRCB revolving fund loan require that the District have net revenues that are at least 125% of the total debt service payments (including

**Valley Sanitary District
Notes to the Basic Financial Statements (Continued)
Year ended June 30, 2023**

Note 8 – Long-term Debt (Continued)

2015 Wastewater Revenue Refunding Bonds). Net revenue and total debt service paid during the year ended June 30, 2023, were in the amount of \$7,543,242 and \$1,445,048 which resulted in ratio of 522%.

Bank of America Loan

On May 13, 2022, the District executed the installment sale agreement with Bank of America Public Capital Corp (Lender) to finance public capital improvements to the District's wastewater system. The total amount of the loan funded was \$71,000,000. The District will make installment payments to the Lender commencing December 1, 2022 and scheduled to end June 1, 2042. As of June 30, 2023, the outstanding balance of the Banc of America loan was \$70,079,704.

Future debt service requirements are as follows:

| Bank of America Loan | | | |
|-------------------------|---------------|------------|------------|
| Year Ending June 30, | Principal | Interest | Total |
| 2024 | \$ 1,901,556 | 976,250 | 2,877,806 |
| 2025 | 1,272,389 | 963,596 | 2,235,985 |
| 2026 | 2,366,972 | 937,450 | 3,304,422 |
| 2027 | 2,576,648 | 919,954 | 3,496,602 |
| 2028 | 3,686,912 | 887,408 | 4,574,320 |
| 2029-2033 | 20,214,296 | 3,729,179 | 23,943,475 |
| 2034-2038 | 21,009,791 | 2,327,118 | 23,336,909 |
| 2039-2043 | 17,051,140 | 887,086 | 17,938,226 |
| | \$ 70,079,704 | 11,628,041 | 81,707,745 |

Note 9 – Conduit Debt

Limited Obligation Improvement Bonds

On July 21, 2005, the District issued \$8,080,000 limited obligation improvement bonds, series 2005 for Assessment District No. 2004-VSD (Shadow Hills Interceptor). Interest ranging from 3.05% to 5.20% is payable semi-annually on March 2nd and September 2nd of each year commencing from March 2, 2006. The bonds mature September 2nd commencing September 2, 2007, and continuing through 2030 with optional call dates beginning September 2, 2014.

The bonds are limited obligations of the District payable, solely from the installments of assessments levied on the assessment parcels within the District and other funds pledged under the fiscal agent agreement. The District shall only be obligated to pay the principal of the bonds, or the interest thereon, from funds described in the Indenture and neither the faith and credit nor the taxing power of the District, the State of California or any of its political subdivisions is pledged to the payment of principal or interest on the bonds. Therefore, the limited obligation improvement bonds are not included in the accompanying financial statements. As of June 30, 2023, the outstanding balance of the bond was in the amount of \$3,473,297.

**Valley Sanitary District
Notes to the Basic Financial Statements (Continued)
Year ended June 30, 2023**

Note 10 – Pension Plans

General Information about the Pension Plan

Plan Description

The District contributes to the California Public Employees’ Retirement System (“CalPERS”), a cost-sharing multiple-employer defined benefit pension plan. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. A full description of the pension plan, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information are listed in the June 30, 2020 Annual Actuarial Valuation Report. This report and CalPERS’ audited financial statements are publicly available reports that can be obtained at CalPERS’ website under Forms and Publications.

Employees Covered by Benefit Terms

At June 30, 2021 valuation date, the following employees were covered by the benefit terms:

| | 2021 | |
|--------------------------------------|---------|-------|
| | Classic | PEPRA |
| Active employees | 12 | 18 |
| Transferred and terminated employees | 18 | 11 |
| Retired employees and beneficiaries | 18 | - |
| | 48 | 29 |

Benefit Provided

CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. A classic CalPERS member becomes eligible for Service Retirement upon attainment of age 55 with at least five (5) years of credited service. Public Employee Pension Reform Act (PEPRA) Miscellaneous Plan members become eligible for service retirement upon attainment of age 62 with at least five (5) years of service. The service retirement benefit is a monthly allowance equal to the product of the benefit factor, years of service, and final compensation. The final compensation is the highest average annual compensation during any consecutive 12 or 36-month period of employment. Retirement benefits for classic miscellaneous employees are calculated as 2.5% of the highest average annual compensation during any consecutive 12 or 36-month period of employment. Retirement benefits for PEPRA miscellaneous employees are calculated as 2% of the average final three (3) year compensation.

Participant is eligible for non-industrial disability retirement if they become disabled and have at least five (5) years of credited service. There is no special age requirement. The standard non-industrial disability retirement benefit is a monthly allowance equal to 1.8% of final compensation, multiplied by service. Industrial disability benefits are not offered to miscellaneous employees.

An employee's beneficiary may receive the basic death benefit if the employee dies while actively employed. The employee must be actively employed with the District to be eligible for this benefit. An employee's survivor who is eligible for any other pre-retirement death

**Valley Sanitary District
Notes to the Basic Financial Statements (Continued)
Year ended June 30, 2023**

Note 10 – Pension Plans (Continued)

benefit may choose to receive that death benefit instead of this basic death benefit. The basic death benefit is a lump sum in the amount of the employee's accumulated contributions, where interest is currently credited at 7.5% per year, plus a lump sum in the amount of one month salary for each completed year of current service, up to a maximum of six months' salary. For purposes of this benefit, one month salary is defined as the member's average monthly full-time rate of compensation during the 12 months preceding death. Upon the death of a retiree, a one-time lump sum payment of \$500 will be made to the retiree's designated survivor(s), or to the retiree's estate.

Benefit terms provide for annual cost-of-living adjustments to each employee's retirement allowance. Beginning the second calendar year after the year of retirement, retirement and survivor allowances will be annually adjusted on a compound basis by 2%.

Contributions

Section 20814(c) of the California Public Employees' Retirement Law ("PERL") requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The public agency cost-sharing plans covered by the miscellaneous risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the measurement period ended June 30, 2022, the active employee contribution rate for miscellaneous plan and PEPRA miscellaneous plan is 8.00% and 7.25% of annual pay, respectively, and the employer's contribution rate is 12.4% and 7.76% of annual payroll, respectively.

Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension

The June 30, 2021, valuations were rolled forward to determine the June 30, 2022 total pension liabilities, based on the following actuarial methods and assumptions:

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

| | |
|-----------------------------------|---|
| Actuarial Cost Method | Entry Age Normal in accordance with the requirement of GASB Statement No. 68 |
| Actuarial Assumptions: | |
| Discount Rate | 6.90% |
| Inflation | 2.30% |
| Salary Increases | Varies by Entry Age and Service |
| Mortality Rate Table ¹ | Derived using CalPERS' Membership Data for all Funds |
| Post Retirement Benefit Increase | The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter. |

¹The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from November 2021 that can be found on the CalPERS website.

**Valley Sanitary District
Notes to the Basic Financial Statements (Continued)
Year ended June 30, 2023**

Note 10 – Pension Plans (Continued)

Change of Assumption

Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building -block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points. The expected real rates of return by asset class are as follows:

| Asset Class ¹ | Assumed Asset Allocation | Real Return ^{1,2} |
|----------------------------------|-----------------------------|----------------------------|
| Global Equity - Cap-weighted | 30.00% | 4.54% |
| Global Equity - Non-Cap-weighted | 12.00% | 3.84% |
| Private Equity | 13.00% | 7.28% |
| Treasury | 5.00% | 0.27% |
| Mortgage-backed Securities | 5.00% | 0.50% |
| Investment Grade Corporates | 10.00% | 1.56% |
| High Yield | 5.00% | 2.27% |
| Emerging Market Debt | 5.00% | 2.48% |
| Private Debt | 5.00% | 3.57% |
| Real Assets | 15.00% | 3.21% |
| Leverage | -5.00% | -0.59% |

¹An expected inflation of 2.30% used for this period.

²Figures are based on the 2021 Asset Liability Management study.

Valley Sanitary District
Notes to the Basic Financial Statements (Continued)
Year ended June 30, 2023

Note 10 – Pension Plans (Continued)

Discount Rate

The discount rate used to measure the total pension liabilities was 6.90 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District’s proportionate share of the net pension liabilities of the Plan as of the measurement date at June 30, 2022, calculated using the discount rate of 6.90%, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (5.90%) or one percentage-point higher (7.90%) than the current rate:

| Measurement Date | Plan’s Aggregate Net Pension Liability/(Asset) | | |
|------------------|--|----------------------------------|-------------------------------|
| | Discount Rate -1% (5.90%) | Current Discount Rate (6.90%) | Discount Rate + 1% (7.90%) |
| June 30, 2022 | \$ 4,912,603 | 2,550,589 | 607,238 |

Pension Plan Fiduciary Net Position

Detail information about the plan’s fiduciary net position is available in the separately issued CalPERS financial report and can be obtained from CalPERS’ website under Forms and Publications.

Proportionate Share of Net Pension Liability and Pension Expense

The following table shows the plan’s proportionate share of the risk pool collective net pension liability over the measurement period:

| | Increase (Decrease) | | |
|--|----------------------------|---------------------------|----------------------------------|
| | Total Pension Liability | Fiduciary Net Position | Net Pension Liability/(Asset) |
| Balance at: 6/30/21 (Valuation date) | \$ 15,292,879 | 14,848,274 | 444,605 |
| Balance at: 6/30/22 (Measurement date) | 17,327,228 | 14,776,639 | 2,550,589 |
| Net changes during 2021-2022 | (2,034,349) | 71,635 | (2,105,984) |

Deferred outflows of resources, deferred inflows of resources, and pension expense are allocated based on the District’s share of risk pool actuarial accrued liability at the beginning of measurement period.

Valley Sanitary District
Notes to the Basic Financial Statements (Continued)
Year ended June 30, 2023

Note 10 – Pension Plans (Continued)

The District’s proportionate share of the net pension liability was as follows:

| | |
|---------------------------------|-----------------|
| Measurement Date | |
| June 30, 2021 | 0.00822% |
| June 30, 2022 | <u>0.02208%</u> |
| Change - Increase (Decrease) | <u>0.01386%</u> |

For the year ended June 30, 2023, the District recognized pension expense in the amount of \$1,486,888.

The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized over 5-years straight line. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive and retired) as of the beginning of the measurement period.

At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred outflows of resources | Deferred inflows of resources |
|--|--------------------------------------|-------------------------------------|
| Differences between Expected and Actual Experience | \$ 51,221 | (34,306) |
| Changes in Assumptions | 261,361 | - |
| Differences between Projected and Actual Investment Earnings | 467,200 | - |
| Differences between Employer's Contributions and Proportionate Share of Contributions | 41,060 | (479,753) |
| Change in Employer's Proportion | 156,318 | (85,868) |
| Pension Contributions Made Subsequent to Measurement Date | <u>1,023,199</u> | - |
| Total | <u>\$ 2,000,359</u> | <u>(599,927)</u> |

Deferred outflows of resources related to pension resulting from District’s contributions subsequent to the measurement date in the amount of \$1,023,199 will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2024.

**Valley Sanitary District
Notes to the Basic Financial Statements (Continued)
Year ended June 30, 2023**

Note 10 – Pension Plans (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Fiscal Year Ending June 30, | Deferred Outflows/(Inflows) of Resources |
|--------------------------------|--|
| 2024 | \$ 8,837 |
| 2025 | 35,891 |
| 2026 | 46,749 |
| 2027 | 285,756 |
| 2028 | - |
| Thereafter | - |
| Total | <u>\$ 377,233</u> |

Subsequent Events

On July 12, 2021, CalPERS reported a preliminary 21.3% net return on investments for fiscal year 2020-21. Based on the thresholds specified in CalPERS Funding Risk Mitigation policy, the excess return of 14.3% prescribes a reduction in investment volatility that corresponds to a reduction in the discount rate used for funding purposes of 0.20%, from 7.00% to 6.80%. Since CalPERS was in the final stages of the four-year Asset Liability Management (ALM) cycle, the board elected to defer any changes to the asset allocation until the ALM process concluded, and the board could make its final decision on the asset allocation in November 2021.

On November 17, 2021, the board adopted a new strategic asset allocation. The new asset allocation along with the new capital market assumptions, economic assumptions and administrative expense assumption support a discount rate of 6.90% (net of investment expense but without a reduction for administrative expense) for financial reporting purposes. This includes a reduction in the price inflation assumption from 2.50% to 2.30% as recommended in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study also recommended modifications to retirement rates, termination rates, mortality rates and rates of salary increases that were adopted by the board. These new assumptions will be reflected in the GASB 68 accounting valuation reports for the June 30, 2022, measurement date.

Deferred Compensation Plans

The District has made available to its employees four deferred compensation plans, whereby employees authorize the District to withhold funds from salary to be invested. Funds may be withdrawn by participants upon termination of employment or retirement. The District makes no contributions under the plans. Pursuant Internal Revenue Code ("IRC") Section 457, the plan assets are held in trust in which all assets and income of the 457 plans were placed. The assets, all property and rights purchased with such amount, and all income attributable to such amounts, property, or rights are held in trust for the exclusive benefit of the participants and their beneficiaries. These assets are not the property of the District and, as such, are not subject to the claims of the District's general creditors. As a result, the assets of the 457 plan are not reflected in the financial statements.

**Valley Sanitary District
Notes to the Basic Financial Statements (Continued)
Year ended June 30, 2023**

Note 11 – Other Postemployment Benefits (“OPEB”)

General Information about the OPEB Plan

Plan Description

The District contributes to a single employer defined benefit plan to provide post-employment medical benefits. Specifically, the District offers postretirement medical benefits to all employees who retire from the District after attaining age 50 with at least five years of service. The plan does not provide a publicly available financial report.

| | |
|-------------------------|--|
| Benefit Types Provided | Medical only |
| Duration of Benefits | Lifetime |
| Required Services | 5 years |
| Minimum Age | 50 |
| Dependent Coverage | Yes |
| District Contribution % | 100% |
| District Cap | \$151.00 per month* for measurement period 2021-2022 |

*This amount will increase as provided in California Government Code Section 22891

Employees Covered by Benefit Term

At June 30, 2021 valuation date, the following employees were covered by the benefit term:

| | |
|---|----|
| Active employees | 22 |
| Inactive employees receiving benefits | 8 |
| Inactive employees entitled to but not receiving benefits | - |
| Total | 30 |

Contribution

The obligation of the District to contribute to the plan is established and may be amended by the District’s Board of Directors. Employees are not required to contribute to the plan. The District made contributions on pay-as-you-go basis.

Valley Sanitary District
Notes to the Basic Financial Statements (Continued)
Year ended June 30, 2023

Note 11 – Other Postemployment Benefits (“OPEB”) (Continued)

Net OPEB Liability

The District’s 2022 net OPEB liability is measured as of June 30, 2022, and the total OPEB liabilities used to calculate the net OPEB liabilities were determined by an actuarial valuation as of June 30, 2021.

Actuarial Assumptions

Total OPEB liability in the June 30, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate

The discount rate of 6.75% was used in the valuation. The Actuary used historic 28-year real rates of return for each asset class along with the assumed long-term inflation assumption to set the discount rate. The Actuary offset the expected investment return by investment expenses of 25 basis points. The following is the assumed asset allocation and assumed rate of return:

| <u>Asset Class</u> | <u>Percentage of Portfolio</u> | <u>Assumed Gross Return</u> |
|---|------------------------------------|-------------------------------------|
| All Equities | 59.00% | 7.545% |
| All Fixed Income | 25.00% | 4.250% |
| Real Estate Investment Trusts | 8.00% | 7.250% |
| All Commodities | 3.00% | 7.545% |
| Treasury Inflation Protected Securities (TIPS) | 5.00% | 3.000% |
| | <u>100.00%</u> | |

Valley Sanitary District
Notes to the Basic Financial Statements (Continued)
Year ended June 30, 2023

Note 11 – Other Postemployment Benefits (“OPEB”) (Continued)

The District looked at rolling periods of time for all asset classes in combination to appropriately reflect correlation between asset classes. That means that the average returns for any asset class don’t necessarily reflect the averages over time individually but reflect the return for the asset class for the portfolio average. The District used geometric means.

| | Increase (Decrease) | | |
|---|-------------------------|-----------------------------------|-----------------------|
| | Total OPEB Liability | Plan Fiduciary Net Position | Net OPEB Liability |
| Balance at June 30, 2021 (measurement date) | \$ 757,657 | 254,400 | 503,257 |
| Changes recognized for the measurement period: | | | |
| Service Cost | 21,362 | - | 21,362 |
| Interest on total OPEB liability | 49,985 | (37,097) | 87,082 |
| Difference between expected and actual experience | - | - | - |
| Difference in benefit payment | (1,057) | - | (1,057) |
| Employer contributions | - | 98,117 | (98,117) |
| Employee contributions | - | - | - |
| Changes in assumptions | - | - | - |
| Administrative expenses | - | (65) | 65 |
| Benefit payments | (54,583) | (54,583) | - |
| Net change during measurement period 2020-2021 | 15,707 | 6,372 | 9,335 |
| Balance at June 30, 2022 (measurement date) | \$ 773,364 | 260,772 | 512,592 |

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75 percent) or 1-percentage-point higher (7.75 percent) than the current discount rate:

| Measurement Date | Net OPEB Liability | | |
|------------------|------------------------------|----------------------------------|------------------------------|
| | Discount Rate -1% (5.75%) | Current Discount Rate (6.75%) | Discount Rate +1% (7.75%) |
| June 30, 2022 | \$ 594,960 | 512,592 | 443,049 |

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rates that is 1-percentage-point lower (4.0 percent decreasing to 3.0 percent) or 1-percentage-point higher (4.0 percent increasing to 5.0 percent) than the current healthcare cost trend rates:

| Measurement Date | Net OPEB Liability | | |
|------------------|--|--|--|
| | Healthcare Cost Trend Rate -1% (3.00%) | Current Healthcare Cost Trend Rate (4.00%) | Healthcare Cost Trend Rate +1% (5.00%) |
| June 30, 2022 | \$ 423,111 | 512,592 | 622,048 |

Valley Sanitary District
Notes to the Basic Financial Statements (Continued)
Year ended June 30, 2023

Note 11 – Other Postemployment Benefits (“OPEB”) (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2023, the District recognized OPEB expense in the amount of \$89,359. At June 30, 2023 the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred outflows of resources | Deferred inflows of resources |
|--|--------------------------------------|-------------------------------------|
| OPEB contribution after measurement date | \$ 67,947 | - |
| Changes of assumptions | 324,193 | - |
| Difference between expected and actual experience | 24,465 | (70,559) |
| Projected earnings on pension plan investments under/(in excess of) actual earnings | 26,915 | - |
| Total | <u>\$ 443,520</u> | <u>(70,559)</u> |

Deferred outflows of resources related to OPEB resulting from District’s contributions subsequent to the measurement date in the amount of \$67,947 will be recognized as a reduction of the net OPEB liability in the fiscal year ended June 30, 2023.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| Fiscal Year Ending June 30, | Deferred Outflows/(Inflows) of Resources |
|--------------------------------|--|
| 2024 | \$ 36,598 |
| 2025 | 36,334 |
| 2026 | 35,314 |
| 2027 | 41,969 |
| 2028 | 30,825 |
| Thereafter | <u>123,974</u> |
| Total | <u>305,014</u> |

Note 12 – Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. Premiums are paid annually by the District. For the years ended June 30, 2023, the District had insurance expenses in the amounts of \$354,287 in premium payments.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. As of June 30, 2023, there were no liabilities to be reported. During the past three fiscal years there have been no settlements or judgments that exceeded insured coverage. There have been no significant reductions in insured liability coverage from coverage in the prior year.

Valley Sanitary District
Notes to the Basic Financial Statements (Continued)
Year ended June 30, 2023

Note 13 – Commitments and Contingencies

Shadow Hills Assessment District

In September 1994, the District authorized oversize credits of \$343,403 against capital impact fees for developments occurring within Assessment District 90-1 that are benefiting from the sewer trunk line improvements installed in 1993. As of June 30, 2023, credits of \$227,661 have been applied, leaving a balance of \$115,742 to be issued.

Pending Legal Actions

The District has not been named in any lawsuit. However, there could be pending litigation. While the outcome of these lawsuits is not presently determinable, in the opinion of management of the District, based in part on the advice of counsel, the resolution of these matters is not expected to have a material adverse effect on the financial position or results of operations of the District, or is adequately covered by insurance.

Construction Commitments

Outstanding construction commitments as of June 30, 2023:

Projects:

| | |
|--|----------------------|
| Steel Waterline Replacement Phase 2 | \$ 450,000 |
| Collection System Repairs / Rehab / Replace Program Design | 2,200,000 |
| Sewer Siphon Replacement at Westward Ho – Design | 9,285,000 |
| Sewer Siphon Replacement at Westward Ho – Construction | 1,436,000 |
| Recycled Water Project Phase 1 (Bank of America loan) | <u>39,900,000</u> |
| | <u>\$ 53,271,000</u> |



**REQUIRED
SUPPLEMENTARY
INFORMATION
(UNAUDITED)**

Sanitary Collections Crew Jetting Sewer Lines

Valley Sanitary District
 Required Supplementary Information
 Schedule of District's Proportionate Share of the Net Pension Liability and Related Ratios
 Year ended June 30, 2023

Last Ten Fiscal Years

California Public Employees' Retirement System ("CalPERS") Miscellaneous Plan

| Measurement date | June 30, 2014 | June 30, 2015 | June 30, 2016 | June 30, 2017 | June 30, 2018 |
|--|---------------------|------------------|------------------|------------------|------------------|
| District's proportion of the net pension liability | <u>0.02185%</u> | <u>0.02397%</u> | <u>0.02461%</u> | <u>0.02573%</u> | <u>0.02584%</u> |
| District's proportionate share of the net pension liability | <u>\$ 1,359,412</u> | <u>1,645,582</u> | <u>2,129,724</u> | <u>2,551,281</u> | <u>2,490,030</u> |
| District's covered payroll | <u>\$ 1,805,145</u> | <u>1,980,191</u> | <u>2,004,667</u> | <u>2,279,280</u> | <u>2,059,259</u> |
| District's proportionate share of the net pension liability as a percentage of covered payroll | <u>75.31%</u> | <u>83.10%</u> | <u>106.24%</u> | <u>111.93%</u> | <u>129.92%</u> |
| Plan's proportionate share of the fiduciary net position as a percentage of the total pension liability | <u>83.77%</u> | <u>81.08%</u> | <u>77.15%</u> | <u>77.13%</u> | <u>79.13%</u> |

¹ Historical information is presented only for measurement periods for which GASB 68 is available for periods after GASB 68 implementation in 2013-14.

Valley Sanitary District
 Required Supplementary Information
 Schedule of District's Proportionate Share of the Net Pension Liability and Related Ratios (Continued)
 Year ended June 30, 2023

Last Ten Fiscal Years

California Public Employees' Retirement System ("CalPERS") Miscellaneous Plan

| Measurement date | June 30, 2019 | June 30, 2020 | June 30, 2021 | June 30, 2022 |
|--|------------------|------------------|------------------|------------------|
| District's proportion of the net pension liability | <u>0.02706%</u> | <u>0.02366%</u> | <u>0.00822%</u> | <u>0.02208%</u> |
| District's proportionate share of the net pension liability | <u>2,772,698</u> | <u>2,574,246</u> | <u>444,605</u> | <u>2,550,589</u> |
| District's covered payroll | <u>2,362,608</u> | <u>2,427,580</u> | <u>2,768,913</u> | <u>3,010,687</u> |
| District's proportionate share of the net pension liability as a percentage of covered payroll | <u>117.36%</u> | <u>106.04%</u> | <u>16.06%</u> | <u>84.72%</u> |
| Plan's proportionate share of the fiduciary net position as a percentage of the total pension liability | <u>78.86%</u> | <u>81.92%</u> | <u>81.92%</u> | <u>97.09%</u> |

¹ Historical information is presented only for measurement periods for which GASB 68 is available for periods after GASB 68 implementation in 2013-14.

Valley Sanitary District
 Required Supplementary Information
 Schedule of Contributions - Pensions
 Year ended June 30, 2023

Last Ten Fiscal Years

California Public Employees' Retirement System ("CalPERS") Miscellaneous Plan

| Fiscal year end | 2013-14 ¹ | 2014-15 | 2015-16 | 2016-17 | 2017-18 |
|---|----------------------|------------------|------------------|------------------|------------------|
| Actuarially determined contribution ² | \$ 340,629 | 279,922 | 203,392 | 303,301 | 323,626 |
| Contribution in relation to the actuarially determined contribution ² | <u>(1,126,986)</u> | <u>(279,922)</u> | <u>(203,392)</u> | <u>(303,301)</u> | <u>(323,626)</u> |
| Contribution deficiency/(excess) | <u>\$ (786,357)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| | | | | | |
| District's covered payroll ³ | <u>\$ 1,805,145</u> | <u>1,980,191</u> | <u>2,004,667</u> | <u>2,279,280</u> | <u>2,059,259</u> |
| Contributions as a percentage of covered payroll | <u>62.43%</u> | <u>14.14%</u> | <u>10.15%</u> | <u>13.31%</u> | <u>15.72%</u> |

¹ Historical information is presented only for measurement periods for which GASB 68 is available for periods after GASB 68 implementation in 2013-14. Additional years of information will be displayed as it become available.

² Employers are assumed to make contributions equal to the actuarially determined contributions. However, some employers may choose to make additional contributions towards their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions.

³ Reportable earnings to CalPERS, closed

Notes to Schedule:

Benefit Changes: The figures above do not include any liability impact that may have resulted from voluntary benefit changes that occurred on or before the Measurement Date. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the Valuation Date are not included in the figures above, unless the liability is deemed to be material by the plan actuary.

Changes of Assumptions: Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. None in 2019 - 2021. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. In 2017, the accounting discount rate reduced from 7.65% to 7.15%. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5% (net of administrative expense) to 7.65% (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5% discount rate.

Valley Sanitary District
 Required Supplementary Information
 Schedule of Contributions - Pensions (Continued)
 Year ended June 30, 2023

Last Ten Fiscal Years

California Public Employees' Retirement System ("CalPERS") Miscellaneous Plan

| Fiscal year end | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 |
|---|---------------------|------------------|------------------|------------------|--------------------|
| Actuarially determined contribution ² | \$ 814,982 | 716,153 | 284,596 | 297,554 | 1,023,199 |
| Contribution in relation to the actuarially determined contribution ² | <u>(814,982)</u> | <u>(716,153)</u> | <u>(284,596)</u> | <u>(297,554)</u> | <u>(1,023,199)</u> |
| Contribution deficiency/(excess) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| | | | | | |
| District's covered payroll ³ | <u>\$ 2,362,608</u> | <u>2,427,580</u> | <u>2,768,913</u> | <u>3,010,687</u> | <u>3,377,894</u> |
| Contributions as a percentage of covered payroll | <u>34.50%</u> | <u>29.50%</u> | <u>10.28%</u> | <u>9.88%</u> | <u>30.29%</u> |

¹ Historical information is presented only for measurement periods for which GASB 68 is available for periods after GASB 68 implementation in 2013-14. Additional years of information will be displayed as it become available.

² Employers are assumed to make contributions equal to the actuarially determined contributions. However, some employers may choose to make additional contributions towards their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions.

³ Reportable earnings to CalPERS, closed

Notes to Schedule:

Benefit Changes: The figures above do not include any liability impact that may have resulted from voluntary benefit changes that occurred on or before the Measurement Date. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the Valuation Date are not included in the figures above, unless the liability is deemed to be material by the plan actuary.

Changes of Assumptions: Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. None in 2019 - 2021. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. In 2017, the accounting discount rate reduced from 7.65% to 7.15%. In 2016,

Valley Sanitary District
 Required Supplementary Information
 Schedule of Changes in Net Other Postemployment Benefits Liability and Related Ratios
 Year ended June 30, 2023

Last Ten Fiscal Years

Other Postemployment Benefits ("OPEB")

| Measurement period | June 30, 2017 | June 30, 2018 | June 30, 2019 | June 30, 2020 | June 30, 2021 | June 30, 2022 |
|---|---------------------|------------------|------------------|------------------|------------------|------------------|
| Total OPEB liability | | | | | | |
| Service cost | \$ 8,775 | 9,016 | 9,264 | 24,584 | 25,260 | 21,362 |
| Interest | 15,962 | 17,288 | 18,677 | 52,317 | 56,183 | 49,985 |
| Difference in benefit terms | - | - | 116 | (2,443) | (79,782) | (1,057) |
| Differences between expected and actual experience | - | - | 34,873 | - | - | - |
| Changes of assumption | - | - | 435,621 | - | 23,088 | - |
| Benefit payments | (5,921) | (6,158) | (7,126) | (41,586) | (57,074) | (54,583) |
| Net change in total OPEB liability | 18,816 | 20,146 | 491,425 | 32,872 | (32,325) | 15,707 |
| Total OPEB liability, beginning | 226,723 | 245,539 | 265,685 | 757,110 | 789,982 | 757,657 |
| Total OPEB liability, ending (a) | <u>245,539</u> | <u>265,685</u> | <u>757,110</u> | <u>789,982</u> | <u>757,657</u> | <u>773,364</u> |
| OPEB fiduciary net position | | | | | | |
| Contributions - employer | 21,565 | 27,960 | 14,136 | 41,586 | 115,209 | 98,117 |
| Net investment income | 9,580 | 8,919 | 8,063 | 5,055 | 45,868 | (37,097) |
| Benefit payments | (5,921) | (6,158) | (7,126) | (41,586) | (57,074) | (54,583) |
| Administrative expense | (80) | (193) | (28) | (71) | (65) | (65) |
| Other | - | (15,583) | - | - | - | - |
| Net change in plan fiduciary net position | 25,144 | 14,945 | 15,045 | 4,984 | 103,938 | 6,372 |
| Plan fiduciary net position, beginning | 90,344 | 115,488 | 130,433 | 145,478 | 150,462 | 254,400 |
| Plan fiduciary net position, ending (b) | <u>115,488</u> | <u>130,433</u> | <u>145,478</u> | <u>150,462</u> | <u>254,400</u> | <u>260,772</u> |
| Plan net OPEB liability - ending (a) - (b) | <u>\$ 130,051</u> | <u>135,252</u> | <u>611,632</u> | <u>639,520</u> | <u>503,257</u> | <u>512,592</u> |
| Plan's fiduciary net position as a percentage of the total OPEB liability | <u>47.03%</u> | <u>49.09%</u> | <u>19.21%</u> | <u>19.05%</u> | <u>33.58%</u> | <u>33.72%</u> |
| Covered payroll | <u>\$ 2,279,280</u> | <u>2,059,259</u> | <u>2,362,608</u> | <u>2,427,580</u> | <u>2,555,645</u> | <u>2,768,913</u> |
| Plan net OPEB liability as a percentage of covered payroll | <u>5.71%</u> | <u>6.57%</u> | <u>25.89%</u> | <u>26.34%</u> | <u>19.69%</u> | <u>18.51%</u> |

¹ Historical information is presented only for measurement periods for which GASB 75 is available for periods after GASB 75 implementation in 2016-17. Additional years of information will be displayed as it become available.

Valley Sanitary District
 Required Supplementary Information
 Schedule of Contributions - Other Postemployment Benefits
 For the year ended June 30, 2023

Last Ten Fiscal Years

Other Postemployment Benefits ("OPEB")

| Fiscal year end | 2016-17 ¹ | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 |
|--|----------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Actuarially determined contribution ² | \$ 15,225 | - | - | - | - | - | - |
| Contribution in relation to the actuarially determined contribution ² | (21,565) | (27,599) | (14,136) | (9,990) | (58,135) | (43,534) | (67,947) |
| Contribution deficiency/(excess) | <u>\$ (6,340)</u> | <u>(27,599)</u> | <u>(14,136)</u> | <u>(9,990)</u> | <u>(58,135)</u> | <u>(43,534)</u> | <u>(67,947)</u> |
| Covered payroll | <u>\$ 2,279,280</u> | <u>2,059,259</u> | <u>2,362,608</u> | <u>2,427,580</u> | <u>2,768,913</u> | <u>3,010,687</u> | <u>3,377,894</u> |
| Contributions as a percentage of covered payroll | <u>0.95%</u> | <u>1.34%</u> | <u>0.60%</u> | <u>0.41%</u> | <u>2.10%</u> | <u>1.45%</u> | <u>2.01%</u> |

¹ Historical information is presented only for measurement periods for which GASB 75 is available for periods after GASB 75 implementation in 2016-17. Additional years of information will be displayed as it become available.

² The June 30, 2015 actuarial valuation provided the actuarially determined contributions for fiscal year ended June 30, 2017. There is no actuarially determined contribution for the years ended June 30, 2018, 2019, 2020, and 2021.

Notes to Schedule:

| | |
|---|---|
| Valuation date: | June 30, 2021 |
| Methods and assumptions used to determine contribution rates: | |
| Actuarial cost method: | Entry age actuarial cost method |
| Inflation: | 2.75% per year |
| Investment return/discount rate: | 6.75% per year based on assumed long-term return on plan assets assuming 100% funding through CERBT. "Building Block Method" is used. |
| Healthcare cost trend: | 4.00% per year |
| Payroll increase: | 2.75% per year |
| Mortality: | 2017 CalPERS active mortality for miscellaneous employees |
| Retirement rates: | Hired < 1/1/2013: 2017 CalPERS 2.0%@62 rate for miscellaneous employee Hired > 12/31/12: 2017 CalPERS 2.5%@55 rate for miscellaneous employees adjusted to reflect minimum retirement age of 52 |



**SUPPLEMENTARY
INFORMATION**

Downtown Indio Sewer Rehabilitation Project

VALLEY SANITARY DISTRICT
Schedule of Operating Expenses
Year ended June 30, 2023
(with comparative totals for the year ended June 30, 2022)

| | General and Administrative | Sewage Collection | Sewage Treatment | Total | |
|---------------------------|-------------------------------|----------------------|---------------------|-------------------|------------------|
| | | | | 2023 | 2022 |
| Salaries and wages | \$ 787,919 | 1,773,132 | 1,238,798 | 3,799,849 | 3,450,575 |
| Employee benefits | 614,139 | 1,118,339 | 752,450 | 2,484,928 | 580,170 |
| Directors' fees | 73,336 | - | - | 73,336 | 61,068 |
| Insurance | 354,287 | - | - | 354,287 | 329,747 |
| Memberships | 47,905 | 4,292 | 2,412 | 54,609 | 55,854 |
| Office expenses | 15,272 | - | - | 15,272 | 21,121 |
| Permits | - | 24,661 | 28,195 | 52,856 | 35,183 |
| Operating supplies | 35,533 | 37,291 | 82,406 | 155,230 | 166,460 |
| Professional services | 3,982 | - | - | 3,982 | 2,050 |
| Repairs and maintenance | 14,018 | 550,436 | 3,846 | 568,300 | 529,560 |
| Travel and seminars | 58,579 | 18,950 | 12,921 | 90,450 | 104,027 |
| Utilities and telephone | 32,183 | 13,874 | 854,018 | 900,075 | 788,450 |
| Chemicals | - | - | 596,805 | 596,805 | 400,075 |
| Clothing | - | 11,947 | 12,956 | 24,903 | 29,014 |
| Certifications | 4,292 | 4,042 | 2,837 | 11,171 | 15,626 |
| Gas, oil and fuel | - | - | 55,479 | 55,479 | 44,267 |
| County charges | 23,439 | - | - | 23,439 | 22,537 |
| Contractual services | 778,182 | 171,834 | 62,252 | 1,012,268 | 1,193,573 |
| Publication/legal notices | 2,144 | - | - | 2,144 | 2,614 |
| Small tools | 80,911 | 12,113 | 2,549 | 95,573 | 98,285 |
| Other expenses | 38,226 | 482 | 1,486 | 40,194 | 22,327 |
| Total | \$ 2,964,347 | 3,741,393 | 3,709,410 | 10,415,150 | 7,952,583 |



STATISTICAL SECTION

Valley Sanitary District's Laboratory Testing Samples

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Valley Sanitary District
Statistical Section
(Unaudited)

This part of District's Comprehensive Annual Financial Report (CAFR) presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

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Financial Trends Information - These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

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Operating Information - These schedules contain service and infrastructure data to help the reader understanding how the information in the District's financial report relates to the services the District provides and the activities it performs.

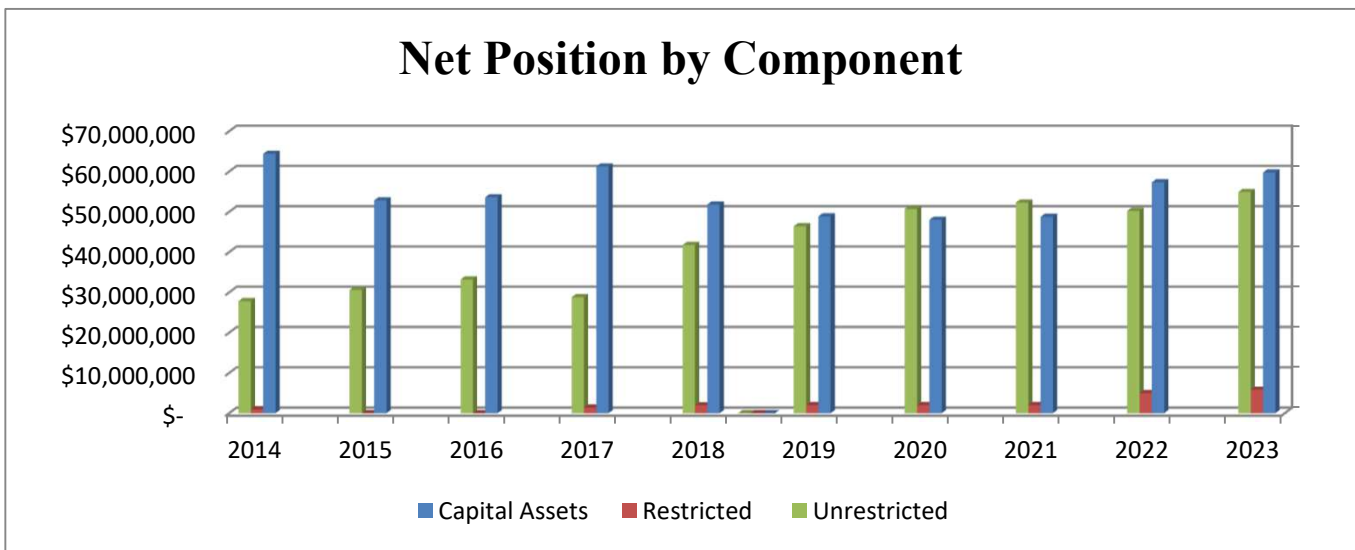
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Valley Sanitary District
Table of Net Position By Component
Last Ten Fiscal Years

| | Fiscal Year Ended June 30 | | | | 2019 |
|-----------------------------|------------------------------|------------------------------|------------------------------|------------------------------|-----------------------------|
| | 2023 | 2022 | 2021 | 2020 | |
| | | | | <u>As Restated</u> | |
| <u>NET POSITION:</u> | | | | | |
| Net investment in | | | | | |
| Capital Assets | \$ 59,752,362 | \$ 57,312,137 | \$ 48,752,135 | \$ 48,005,841 | \$ 48,843,501 |
| Restricted | 5,821,219 | 4,963,830 | 2,005,722 | 2,005,722 | 2,005,722 |
| Unrestricted | 54,898,963 | 50,199,513 | 52,284,298 | 50,689,404 | 46,401,215 |
| TOTAL NET POSITION | <u>\$ 120,472,544</u> | <u>\$ 112,475,480</u> | <u>\$ 103,042,155</u> | <u>\$ 100,700,967</u> | <u>\$ 97,250,438</u> |

Valley Sanitary District
Table of Net Position By Component (Continued)
Last Ten Fiscal Years

| | Fiscal Year Ended June 30 | | | | |
|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | 2018 | 2017 | 2016 | 2015 | 2014 |
| | | <u>As Restated</u> | | <u>As Restated</u> | <u>As Restated</u> |
| <u>NET POSITION:</u> | | | | | |
| Net investment in | | | | | |
| Capital Assets | \$ 51,797,220 | \$ 61,242,162 | \$ 53,603,070 | \$ 52,839,192 | \$ 64,388,904 |
| Restricted | 1,958,648 | 1,413,000 | - | - | 964,900 |
| Unrestricted | 41,754,432 | 28,777,592 | 33,187,943 | 30,548,647 | 27,817,622 |
| TOTAL NET POSITION | <u>\$ 95,510,300</u> | <u>\$ 91,432,754</u> | <u>\$ 86,791,013</u> | <u>\$ 83,387,839</u> | <u>\$ 93,171,426</u> |

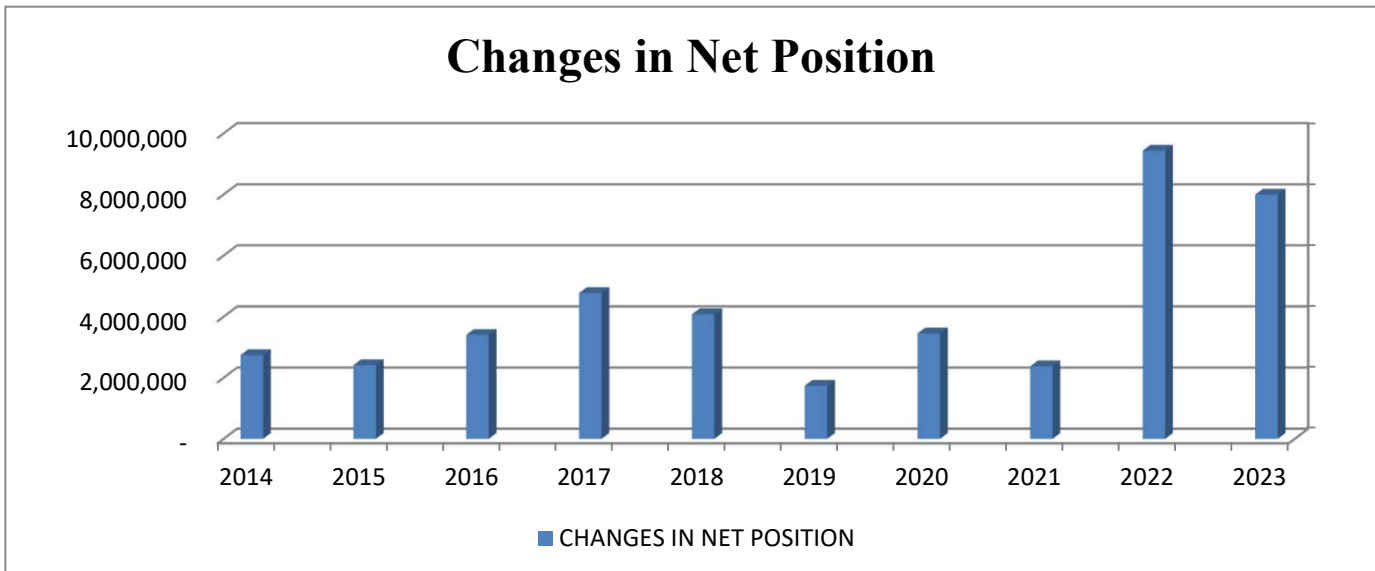


Valley Sanitary District
Statements of Revenues, Expenses, and Changes in Net Position
Last Ten Fiscal Years
Changes in Net Position

| | Fiscal Year Ended June 30 | | | | |
|--|---------------------------|-----------------------|-----------------------|-----------------------|----------------------|
| | 2023 | 2022 | 2021 | 2020 | 2019 |
| | | | | <u>As Restated</u> | |
| OPERATING REVENUES: | | | | | |
| Sewer service charges | \$ 17,466,637 | \$ 15,320,784 | \$ 11,872,945 | \$ 11,198,100 | \$ 11,139,580 |
| Connection fees | 1,047,104 | 4,242,643 | 831,978 | 832,348 | 1,010,031 |
| Permits and inspection fees | 26,975 | 44,130 | 37,270 | 21,225 | 25,390 |
| Other services | 16,890 | 18,030 | 13,275 | 13,640 | 10,950 |
| TOTAL OPERATING REVENUES | <u>18,557,606</u> | <u>19,625,587</u> | <u>12,755,468</u> | <u>12,065,313</u> | <u>12,185,951</u> |
| OPERATING EXPENSES: | | | | | |
| General and administrative | 2,964,347 | 2,435,050 | 2,276,350 | 2,270,072 | 2,089,490 |
| Sewage collection | 3,741,393 | 2,679,819 | 3,255,445 | 2,903,125 | 3,082,175 |
| Sewage treatment | 3,709,410 | 2,837,714 | 3,091,942 | 2,792,483 | 2,361,681 |
| Total administrative and plant | <u>10,415,150</u> | <u>7,952,583</u> | <u>8,623,737</u> | <u>7,965,680</u> | <u>7,533,346</u> |
| Other Operating Expenses | | | | | |
| Depreciation | 2,563,658 | 2,534,328 | 2,466,329 | 2,578,816 | 2,451,371 |
| TOTAL OPERATING EXPENSES | <u>12,978,808</u> | <u>10,486,911</u> | <u>11,090,066</u> | <u>10,544,496</u> | <u>9,984,717</u> |
| NET OPERATING INCOME | <u>5,578,798</u> | <u>9,138,676</u> | <u>1,665,402</u> | <u>1,520,817</u> | <u>2,201,234</u> |
| NON-OPERATING REVENUES (EXPENSES) | | | | | |
| Property taxes | 1,399,121 | 1,125,201 | 1,018,280 | 902,875 | 862,297 |
| Homeowner's tax relief | 7,023 | 6,668 | 5,669 | 6,203 | 5,873 |
| Investment income | 3,271,494 | (606,284) | 32,137 | 1,143,026 | 1,193,840 |
| Bond issue cost | - | - | - | - | - |
| Interest expense | (2,126,849) | (110,823) | (353,399) | (391,814) | (428,612) |
| Service Grant Charge | (196,365) | (202,332) | - | - | - |
| Gain (loss) on disposed assets | 21,032 | 17,908 | (12,139) | 30,170 | (2,120,122) |
| Other revenues | 42,810 | 64,311 | 18,017 | 239,253 | 25,628 |
| TOTAL NON-OPERATING REVENUES (EXPENSES) | <u>2,418,266</u> | <u>294,649</u> | <u>708,565</u> | <u>1,929,712</u> | <u>(461,096)</u> |
| CHANGES IN NET POSITION | 7,997,064 | 9,433,325 | 2,373,967 | 3,450,529 | 1,740,138 |
| NET POSITION, beginning of the year | 112,475,480 | 103,042,155 | 100,700,967 | 97,250,438 | 95,510,300 |
| Prior period adjustments | - | - | (32,779) | - | - |
| NET POSITION, end of the year | <u>\$ 120,472,544</u> | <u>\$ 112,475,480</u> | <u>\$ 103,042,155</u> | <u>\$ 100,700,967</u> | <u>\$ 97,250,438</u> |

Valley Sanitary District
Statements of Revenues, Expenses, and Changes in Net Position (Continued)
Last Ten Fiscal Years
Changes in Net Position

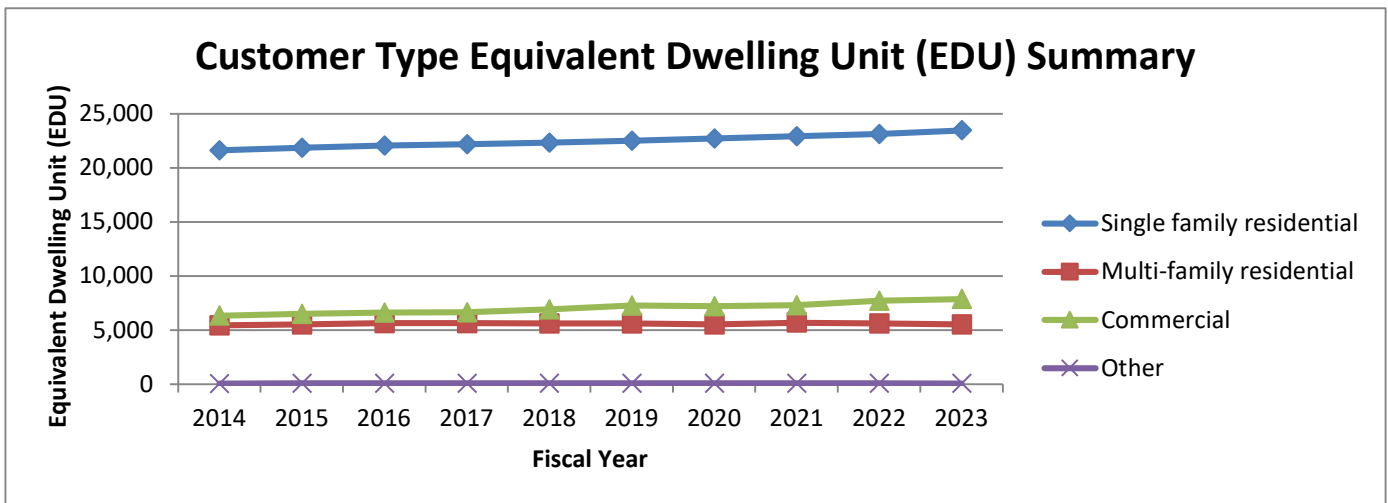
| | Fiscal Year Ended June 30 | | | | |
|--|---------------------------|----------------------|----------------------|----------------------|----------------------|
| | 2018 | 2017 | 2016 | 2015 | 2014 |
| | | <u>As Restated</u> | | <u>As Restated</u> | <u>As Restated</u> |
| OPERATING REVENUES: | | | | | |
| Sewer service charges | \$ 11,004,428 | \$ 10,846,682 | \$ 9,347,928 | \$ 9,218,538 | \$ 9,187,360 |
| Connection fees | 1,272,580 | 791,280 | 1,446,315 | 897,863 | 1,998,788 |
| Permits and inspection fees | 17,885 | 22,442 | 21,735 | 17,264 | 40,202 |
| Other services | 10,139 | 11,300 | 7,495 | 27,425 | 46,100 |
| TOTAL OPERATING REVENUES | <u>12,305,032</u> | <u>11,671,704</u> | <u>10,823,473</u> | <u>10,161,090</u> | <u>11,272,450</u> |
| OPERATING EXPENSES: | | | | | |
| General and administrative | 1,652,714 | 1,297,345 | 1,744,274 | 1,819,626 | 1,997,332 |
| Sewage collection | 2,604,267 | 2,091,041 | 856,871 | 866,622 | 855,884 |
| Sewage treatment | 2,413,567 | 2,048,207 | 3,104,860 | 3,140,480 | 3,631,992 |
| Total administrative and plant | <u>6,670,548</u> | <u>5,436,593</u> | <u>5,706,005</u> | <u>5,826,728</u> | <u>6,485,208</u> |
| Other Operating Expenses | | | | | |
| Depreciation | 2,444,764 | 1,980,043 | 2,309,350 | 2,334,398 | 2,335,264 |
| TOTAL OPERATING EXPENSES | <u>9,115,312</u> | <u>7,416,636</u> | <u>8,015,355</u> | <u>8,161,126</u> | <u>8,820,472</u> |
| NET OPERATING INCOME | <u>3,189,720</u> | <u>4,255,068</u> | <u>2,808,118</u> | <u>1,999,964</u> | <u>2,451,978</u> |
| NON-OPERATING REVENUES (EXPENSES) | | | | | |
| Property taxes | 794,367 | 761,756 | 709,233 | 745,800 | 605,711 |
| Homeowner's tax relief | 5,978 | 6,203 | 6,343 | 6,461 | 6,604 |
| Investment income | 479,862 | 170,869 | 142,649 | 75,611 | 52,007 |
| Bond issue cost | - | - | - | (193,516) | - |
| Interest expense | (412,602) | (267,220) | (279,125) | (175,454) | (402,257) |
| Service Grant Charge | - | - | - | - | - |
| Gain (loss) on disposed assets | 19,976 | (160,033) | 12,188 | (46,408) | 14,176 |
| Other revenues | 245 | 6,565 | 3,768 | 310 | 14,735 |
| TOTAL NON-OPERATING REVENUES (EXPENSES) | <u>887,826</u> | <u>518,140</u> | <u>595,056</u> | <u>412,804</u> | <u>290,976</u> |
| CHANGES IN NET POSITION | 4,077,546 | 4,773,208 | 3,403,174 | 2,412,768 | 2,742,954 |
| NET POSITION, beginning of the year | 91,564,221 | 86,791,013 | 83,387,839 | 94,251,725 | 92,945,089 |
| | (131,467) | - | - | (13,276,654) | (1,436,318) |
| NET POSITION, end of the year | <u>\$ 95,510,300</u> | <u>\$ 91,564,221</u> | <u>\$ 86,791,013</u> | <u>\$ 83,387,839</u> | <u>\$ 94,251,725</u> |



Valley Sanitary District Customer Type Equivalent Dwelling Unit (EDU) Summary Last Ten Fiscal Years

| Customer Type | Fiscal Year Ended June 30 | | | | | | | | | |
|---------------------------|---------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
| Single family residential | 23,473 | 23,142 | 22,908 | 22,704 | 22,516 | 22,321 | 22,180 | 22,061 | 21,863 | 21,623 |
| Multi-family residential | 5,532 | 5,612 | 5,685 | 5,521 | 5,613 | 5,623 | 5,635 | 5,643 | 5,513 | 5,431 |
| Commercial | 7,882 | 7,725 | 7,289 | 7,209 | 7,267 | 6,913 | 6,633 | 6,629 | 6,504 | 6,344 |
| Other | 70 | 67 | 67 | 67 | 67 | 66 | 63 | 62 | 62 | 59 |
| Total | 36,957 | 36,546 | 35,949 | 35,501 | 35,463 | 34,923 | 34,511 | 34,395 | 33,942 | 33,457 |

Source: Valley Sanitary District



Valley Sanitary District
Annual Sewer Use Fee
Last Ten Fiscal Years

Fixed Service Charge Per Equivalent

| Dwelling Unit (EDU) (1) | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Single Family Home | \$ 385.56 | \$ 342.72 | \$ 330.00 | \$ 313.00 | \$ 313.00 | \$ 313.00 | \$ 313.00 | \$ 270.00 | \$ 270.00 | \$ 270.00 |
| Multi Family Home | 168.75 | 150.00 | 330.00 | 313.00 | 313.00 | 313.00 | 313.00 | 270.00 | 270.00 | 270.00 |
| Mobile Home | 203.94 | 181.28 | 330.00 | 313.00 | 313.00 | 313.00 | 313.00 | 270.00 | 270.00 | 270.00 |
| RV Park | 158.91 | 141.25 | 330.00 | 313.00 | 313.00 | 313.00 | 313.00 | 270.00 | 270.00 | 270.00 |
| Commercial - Low/ Med Strength | 223.91 | 199.03 | 330.00 | 313.00 | 313.00 | 313.00 | 313.00 | 270.00 | 270.00 | 270.00 |
| Commercial - High Strength | 682.88 | 607.00 | 330.00 | 313.00 | 313.00 | 313.00 | 313.00 | 270.00 | 270.00 | 270.00 |

Volumetric Rate \$ per Hundred

| Cubic Feet (HCF) average winter water consumption (1) | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Single Family Home | \$ 1.10 | \$ 0.98 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Multi Family Home | 1.10 | 0.98 | - | - | - | - | - | - | - | - |
| Mobile Home | 1.10 | 0.98 | - | - | - | - | - | - | - | - |

Volumetric Rate \$ per Hundred

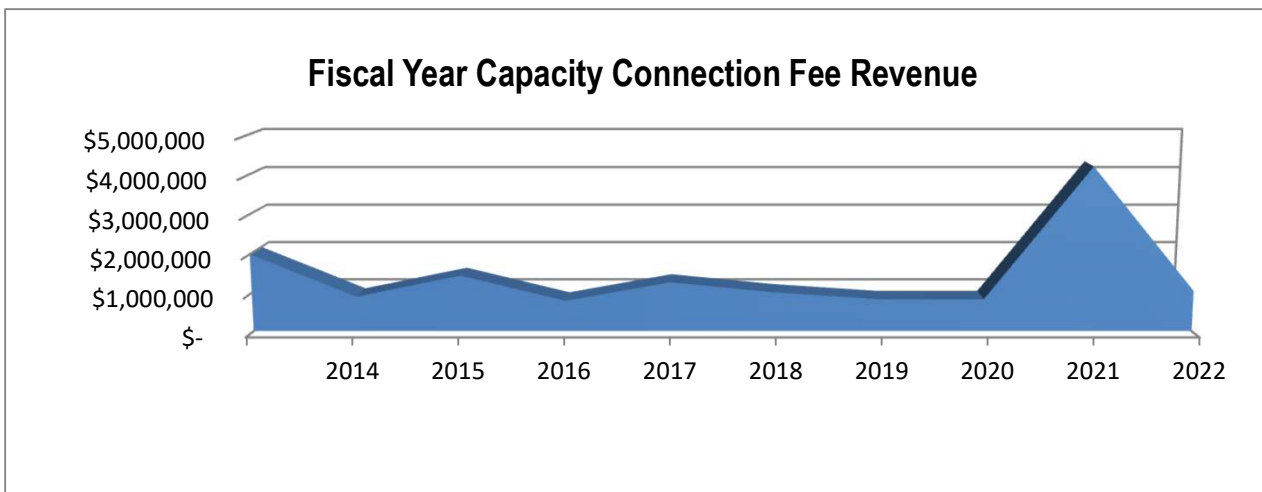
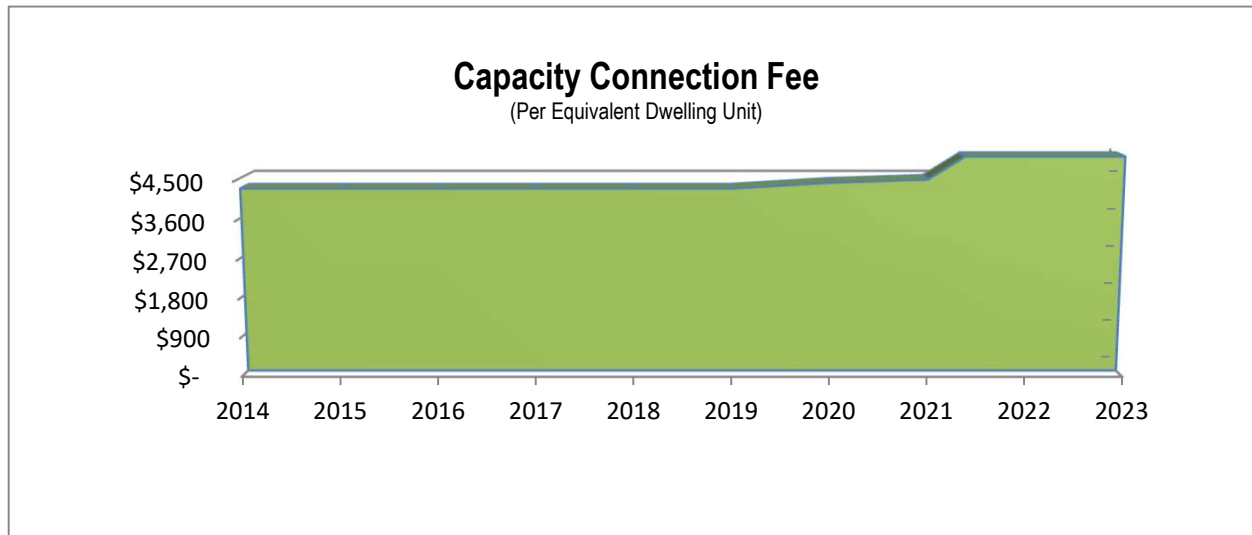
| Cubic Feet (HCF) annualized water consumption (1) | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| RV Park | \$ 1.23 | \$ 1.10 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Commercial - Low/ Med Strength | 0.99 | 0.88 | - | - | - | - | - | - | - | - |
| Commercial - High Strength | 2.25 | 2.00 | - | - | - | - | - | - | - | - |

(1) In the fiscal year 2020/21 the District completed a rate study and proposed a new rate schedule commencing fiscal year 2021/22 through 2025/26. The district published the required public hearing notices and Prop 218 notice 45 days in advance as required. The Board of Directors held a public hearing as mandated by Prop 218 requirements and implemented the new rates commencing July 1, 2021.

Valley Sanitary District Capacity Connection Fee and Fiscal Year Revenue Last Ten Fiscal Years

| Fiscal Year Ended June 30 | Fee / EDU | Revenue |
|---------------------------------|-----------|--------------|
| 2023 | \$ 6,353 | \$ 1,047,104 |
| 2022 | 5,883 | 4,242,643 |
| 2021 | 4,473 | 831,978 |
| 2020 | 4,400 | 832,348 |
| 2019 | 4,265 | 1,010,031 |
| 2018 | 4,265 | 1,272,500 |
| 2017 | 4,265 | 791,280 |
| 2016 | 4,265 | 1,446,315 |
| 2015 | 4,265 | 897,863 |
| 2014 | 4,265 | 1,998,788 |

Source: Valley Sanitary District



**Valley Sanitary District
Principal Users
Current Year and Nine Years Ago**

| Principal Users | Year Ended June 30 2023 | | | Year Ended June 30 2014 | | |
|--|----------------------------|------|---------------------------------|----------------------------|------|---------------------------------|
| | Amount Billed | Rank | Percent of District Total \$ | Amount Billed | Rank | Percent of District Total \$ |
| Forager Project Inc | \$ 603,154 | 1 | 3.45% | \$ - | | 0.00% |
| Desert Sands Unified School District | 267,806 | 2 | 1.53% | 220,050 | 1 | 2.40% |
| Fantasy Springs Casino | 185,877 | 3 | 1.06% | 76,680 | 4 | 0.83% |
| Smoketree Polo Club Apartments | 84,918 | 4 | 0.49% | 77,760 | 3 | 0.85% |
| The Wells Mobile Home Association | 72,028 | 5 | 0.41% | 81,000 | 2 | 0.88% |
| Sunrise Point Apartments | 67,772 | 6 | 0.39% | 73,440 | 5 | 0.80% |
| Del Mar Apartments | 66,437 | 7 | 0.38% | 50,760 | 9 | 0.55% |
| Arabian Gardens Mobile Estates | 60,962 | 8 | 0.35% | 50,220 | 10 | 0.55% |
| Pueblo Del Sol Mobile Home Park | 59,960 | 9 | 0.34% | - | - | 0.00% |
| City of Indio | 50,865 | 10 | 0.29% | - | - | 0.00% |
| Casa Monroe Apartments | - | - | 0.00% | 61,020 | 8 | 0.66% |
| Indio Palms Apartments | - | - | 0.00% | 62,910 | 7 | 0.68% |
| Fred Young Housing | - | - | 0.00% | 70,470 | 6 | 0.77% |
| Bermuda Palms Mobile Estates | - | - | 0.00% | | | |
| Total | \$ 1,519,779 | | 8.70% | \$ 824,310 | | 8.97% |
| District total customer charges | \$ 17,466,637 | | | \$ 9,187,360 | | |

Source: Valley Sanitary District

Valley Sanitary District
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

| Fiscal Year Ended June 30 | Business-Type Activities | | | | | Total | | | |
|---------------------------------|--|---|--|----------------------------------|---------------|--------|----------------|------------------------|-------------------------------------|
| | Certificates of Participation (1) (net of amortization) | Wastewater Revenue Refunding Bonds Series 2015 (2) (net of amortization) | State Water Resource Control Board Revolving Fund Loan | Bank of America Co Loan | | Debt | Population (3) | Personal Income (3) | Percentage of Personal Income |
| 2023 | \$ - | \$ 2,708,161 | \$ 11,193,860 | \$ 70,079,704 | \$ 83,981,725 | 90,974 | \$ 28,771 | 3.21% | 923 |
| 2022 | - | 3,558,673 | 11,550,856 | 71,000,000 | 86,109,529 | 89,498 | 28,763 | 3.35% | 962 |
| 2021 | - | 4,374,185 | 11,901,885 | | 16,276,070 | 89,551 | 24,604 | 0.74% | 182 |
| 2020 | - | 5,159,697 | 12,247,046 | | 17,406,743 | 90,387 | 25,143 | 0.77% | 193 |
| 2019 | - | 5,910,209 | 12,586,437 | | 18,496,646 | 89,863 | 24,398 | 0.84% | 206 |
| 2018 | - | 6,630,721 | 12,920,155 | | 19,550,876 | 89,127 | 24,994 | 0.88% | 219 |
| 2017 | - | 7,321,233 | 7,643,459 | | 14,964,692 | 88,485 | 23,103 | 0.73% | 169 |
| 2016 | - | 7,986,745 | - | | 7,986,745 | 86,544 | 22,336 | 0.41% | 92 |
| 2015 | - | 8,637,257 | - | | 8,637,257 | 84,201 | 20,607 | 0.50% | 103 |
| 2014 | 9,379,080 | - | - | | 9,379,080 | 82,398 | 21,702 | 0.52% | 114 |

Sources: (1) Valley Sanitary District
(2) Valley Sanitary District - Refinancing of Certificates of Participation
(3) U.S. Bureau of Labor Statistics

**Valley Sanitary District
Pledged Revenue Coverage
Last Ten Fiscal Years**

| Fiscal Year Ended June 30 | Revenue & Expenses | | | Debt Service | | | Coverage Ratio (3) |
|---------------------------------|--------------------|---------------------------|---------------------------|---------------|--------------|--------------|-----------------------|
| | Net Revenues | Operating Expenses (1) | Net Available Revenues | Principal (2) | Interest | Total | |
| 2023 | \$ 20,975,872 | \$ 10,415,150 | \$ 10,560,722 | \$ 2,027,292 | \$ 2,383,177 | \$ 4,410,469 | 2 |
| 2022 | 19,920,236 | 7,952,583 | 11,967,653 | 1,066,029 | 374,769 | 1,440,798 | 8 |
| 2021 | 13,464,033 | 8,623,737 | 4,840,296 | 1,030,161 | 414,888 | 1,445,049 | 3 |
| 2020 As Restated | 13,995,025 | 7,965,680 | 6,029,345 | 989,391 | 453,157 | 1,442,548 | 4 |
| 2019 | 14,273,589 | 7,533,346 | 6,740,243 | 953,718 | 489,831 | 1,443,549 | 5 |
| 2018 | 13,192,858 | 6,670,548 | 6,522,310 | 590,000 | 299,688 | 889,688 | 7 |
| 2017 As Restated | 12,189,844 | 5,436,593 | 6,753,251 | 565,000 | 327,938 | 892,938 | 8 |
| 2016 | 11,418,529 | 5,706,005 | 5,712,524 | 550,000 | 338,653 | 888,653 | 6 |
| 2015 As Restated | 10,573,894 | 5,826,728 | 4,747,166 | - | 415,378 | 415,378 | 11 |
| 2014 As Restated | 11,563,426 | 6,485,208 | 5,078,218 | 570,000 | 402,257 | 972,257 | 5 |

Notes:

(1) Excludes Depreciation

(2) Due to refinancing of the COPs, no principal payment was due in fiscal year 2014/2015. Costs to refinance are included in interest.

(3) The coverage ratio is a measure of the District's liquidity and how many times the District's revenues will cover their annual bond/loan expense.

Source: Valley Sanitary District

**Valley Sanitary District
Principal Employers
Current Year and Ten Years Ago**

| Employer (1) | Fiscal Year Ended June 30 2023 | | | Fiscal Year Ended June 30 2014 | | |
|--------------------------------------|---|-------------|--|---|-------------|--|
| | Number of Employees | Rank | Percent of Total Employment | Number of Employees | Rank | Percent of Total Employment |
| County of Riverside | 1,211 | 1 | 2.95% | 1,247 | 1 | 4.81% |
| Fantasy Springs Casino | 1,148 | 2 | 2.80% | 1,200 | 2 | 4.63% |
| Desert Sands Unified School District | 975 | 3 | 2.38% | 860 | 3 | 3.32% |
| John F. Kennedy Memorial Hospital | 728 | 4 | 1.78% | 577 | 4 | 2.23% |
| Walmart Supercenter | 404 | 5 | 0.99% | - | - | - |
| City of Indio | 245 | 6 | 0.60% | 225 | 5 | 0.87% |
| Granite Construction | - | - | - | 180 | 6 | 0.69% |
| Riverside Superior Court | 156 | 7 | 0.38% | 159 | 7 | 0.61% |
| Indio Nursing and Rehab Center | 146 | 8 | 0.36% | - | - | - |
| Fiesta Forn Lincoln | 140 | 10 | 0.34% | - | - | - |
| Mathis Brothers | - | - | - | 115 | 10 | 0.44% |
| Cardena's Market | - | - | - | - | - | - |
| Home Depot | - | - | - | 132 | 9 | 0.51% |
| Ralphs | 146 | 9 | 0.36% | - | - | - |
| Super Target | - | - | - | 150 | 8 | 0.58% |
| Total Employment Listed | 5,299 | | 12.92% | 4,845 | | 18.71% |
| Total City Employment (1) | 41,000 | | | 25,900 | | |

"Total Employment" as used above represents the total employment of all employers located within the District.

Sources: (1) City Indio 2022 ACFR

Valley Sanitary District
Total Customers and Number of Permits Issued
Last Ten Fiscal Years

| Fiscal Year Ended June 30 | Total Customers | Number of Permits Issued |
|--------------------------------------|------------------------|-------------------------------------|
| 2023 | 28,754 | 63 |
| 2022 | 28,478 | 84 |
| 2021 | 28,239 | 75 |
| 2020 | 28,028 | 67 |
| 2019 | 27,849 | 67 |
| 2018 | 27,668 | 71 |
| 2017 | 27,535 | 87 |
| 2016 | 27,417 | 86 |
| 2015 | 27,164 | 69 |
| 2014 | 26,908 | 83 |

Source: Valley Sanitary District

Valley Sanitary District
Demographic and Economic Statistics
Last Ten Fiscal Years

| Fiscal Year Ended June 30 | Population (1) | Median Age (2) | Average Household Size (1) | Median Household Income (1) | Per Capita Personal Income (1) | Unemployment Rate (3) |
|--|-----------------------|-----------------------|---|--|---|----------------------------------|
| 2023 | 90,974 | 42.90 | 3.04 | \$ 60,734 | \$ 28,771 | 5.40% |
| 2022 | 89,498 | 42.50 | 3.05 | 63,198 | 28,763 | 4.80% |
| 2021 | 89,551 | 42.50 | 3.16 | 58,132 | 246,040 | 8.70% |
| 2020 | 90,387 | 44.70 | 3.18 | 57,645 | 25,143 | 17.80% |
| 2019 | 89,863 | 43.50 | 3.19 | 56,961 | 24,398 | 5.40% |
| 2018 | 89,127 | 40.50 | 3.19 | 56,571 | 24,994 | 5.80% |
| 2017 | 88,485 | 35.90 | 3.30 | 54,179 | 23,103 | 5.10% |
| 2016 | 86,544 | 34.00 | 3.25 | 53,183 | 22,336 | 7.20% |
| 2015 | 84,201 | 32.70 | 3.25 | 50,068 | 20,607 | 6.50% |
| 2014 | 82,398 | 34.10 | 3.25 | 50,528 | 21,702 | 10.70% |

Sources: (1) Home Town Locator
(2) City of Indio 2022 ACFR
(3) U.S. Bureau of Labor Statistics

**Valley Sanitary District
Operating Indicators
Last Ten Fiscal Years**

| | Fiscal Year Ended June 30 | | | | |
|---|---------------------------|--------------|--------------|--------------|--------------|
| | 2023 | 2022 | 2021 | 2020 | 2019 |
| Equivalent Dwelling Units (EDU) | 36,957 | 36,546 | 35,949 | 35,501 | 35,463 |
| Rainfall (inches) (1) | 3.16 | 1.22 | 0.62 | 5.42 | 6.14 |
| Flow (MGD) (2) | 5.95 | 5.40 | 5.70 | 5.60 | 5.49 |
| CBOD (mg/L) | 270.00 | 281.10 | 280.10 | 256.50 | 280.00 |
| CBOD (PE) (3) | 78,792 | 74,468 | 78,326 | 70,468 | 75,413 |
| Suspended solids (mg/L) | 325.00 | 266.50 | 252.80 | 252.30 | 279.00 |
| Suspended solids (PE) (4) | 80,735 | 60,010 | 60,088 | 58,917 | 63,872 |
| Tonnage of biosolids produced | 1,109 | 1,181 | 1,278 | 853 | 805 |
| Tonnage of biosolids applied to land | 0 | 718 | 934 | 950 | 1,438 |
| Total waste treated (million gallons/year) | 2,204 | 2,113 | 2,210 | 2,211 | 2,169 |

Notes:

(1) Annual rainfall for the Coachella Valley from www.desertweather.com

(2) Million gallons per day

(3) Carbonaceous Biochemical Oxygen Demand (CBOD) Population Equivalent (PE) based on a conversion factor of 0.17

(4) Suspended solids population equivalent based on a conversion factor of 0.20

Source: Valley Sanitary District

**Valley Sanitary District
Operating Indicators (Continued)
Last Ten Fiscal Years**

| | Fiscal Year Ended June 30 | | | | |
|---|---------------------------|--------------|--------------|--------------|--------------|
| | 2018 | 2017 | 2016 | 2015 | 2014 |
| Equivalent Dwelling Units (EDU) | 34,923 | 34,511 | 34,395 | 33,942 | 33,457 |
| Rainfall (inches) (1) | 2.19 | 6.46 | 2.90 | 2.70 | 0.92 |
| Flow (MGD) (2) | 5.44 | 5.31 | 5.30 | 5.57 | 5.97 |
| CBOD (mg/L) | 281.00 | 289.00 | 257.40 | 246.92 | 219.75 |
| CBOD (PE) (3) | 74,993 | 75,285 | 66,928 | 68,446 | 63,706 |
| Suspended solids (mg/L) | 266.00 | 262.00 | 234.2 | 192.08 | 188.25 |
| Suspended solids (PE) (4) | 60,342 | 68,252 | 51,755 | 45,096 | 47,083 |
| Tonnage of biosolids produced | 1,411 | 1,362 | 468 | 1,440 | 1,505 |
| Tonnage of biosolids applied to land | 0 | 1,162 | 0 | 1,440 | 1,200 |
| Total waste treated (million gallons/year) | 2,081 | 2,080 | 2,022 | 2,034 | 2,254 |

Notes:

(1) Annual rainfall for the Coachella Valley from www.desertweather.com

(2) Million gallons per day

(3) Carbonaceous Biochemical Oxygen Demand (CBOD) Population Equivalent (PE) based on a conversion factor of 0.17

(4) Suspended solids population equivalent based on a conversion factor of 0.20

Source: Valley Sanitary District

Valley Sanitary District
Capital Assets and Operating Information
Last Ten Fiscal Years

| | Fiscal Year Ended June 30 | | | | |
|---|----------------------------------|-------------|-------------|-------------|-------------|
| | 2023 | 2022 | 2021 | 2020 | 2019 |
| Sanitary Sewer Service Operations | | | | | |
| Equivalent Dwelling Units (EDUs) | 36,957 | 36,546 | 35,949 | 35,501 | 35,463 |
| Treatment Plant Operations | | | | | |
| Plant flow (Units = Million Gallons Per Day (mgd)) | | | | | |
| Monthly average | 181 | 164.3 | 173 | 170 | 167 |
| Permit limitation (dry weather) | 13.50 | 12.50 | 12.50 | 12.50 | 12.50 |
| Annual rainfall (inches) (1) | 3.16 | 1.22 | 0.62 | 5.42 | 6.14 |
| Collection System Operations | | | | | |
| Sewer lines | | | | | |
| Length (ft) | 1,372,800 | 1,341,120 | 1,341,120 | 1,341,120 | 1,341,120 |
| Inspected (ft) | 142,991 | 159,128 | 245,652 | 167,913 | 158,940 |
| Cleaned (ft) | 660,377 | 596,717 | 697,896 | 610,629 | 741,600 |

Notes:

(1) Annual rainfall for the Coachella Valley from www.desertweather.com

Source: Valley Sanitary District

Valley Sanitary District
Capital Assets and Operating Information (Continued)
Last Ten Fiscal Years

| | Fiscal Year Ended June 30 | | | | |
|---|----------------------------------|-------------|-------------|-------------|-------------|
| | 2018 | 2017 | 2016 | 2015 | 2014 |
| Sanitary Sewer Service Operations | | | | | |
| Equivalent Dwelling Units (EDUs) | 34,923 | 34,511 | 34,395 | 33,942 | 33,457 |
| Treatment Plant Operations | | | | | |
| Plant flow (Units = Million Gallons Per Day (mgd)) | | | | | |
| Monthly average | 165 | 161 | 161 | 170 | 182 |
| Permit limitation (dry weather) | 12.50 | 12.50 | 12.50 | 13.50 | 13.50 |
| Annual rainfall (inches) (1) | 2.19 | 6.46 | 2.90 | 2.70 | 0.92 |
| Collection System Operations | | | | | |
| Sewer lines | | | | | |
| Length (ft) | 1,351,680 | 1,335,840 | 1,336,682 | 1,323,035 | 1,298,880 |
| Inspected (ft) | 174,030 | 135,472 | 175,178 | 136,838 | 106,350 |
| Cleaned (ft) | 728,314 | 731,159 | 796,840 | 708,071 | 562,472 |

Notes:

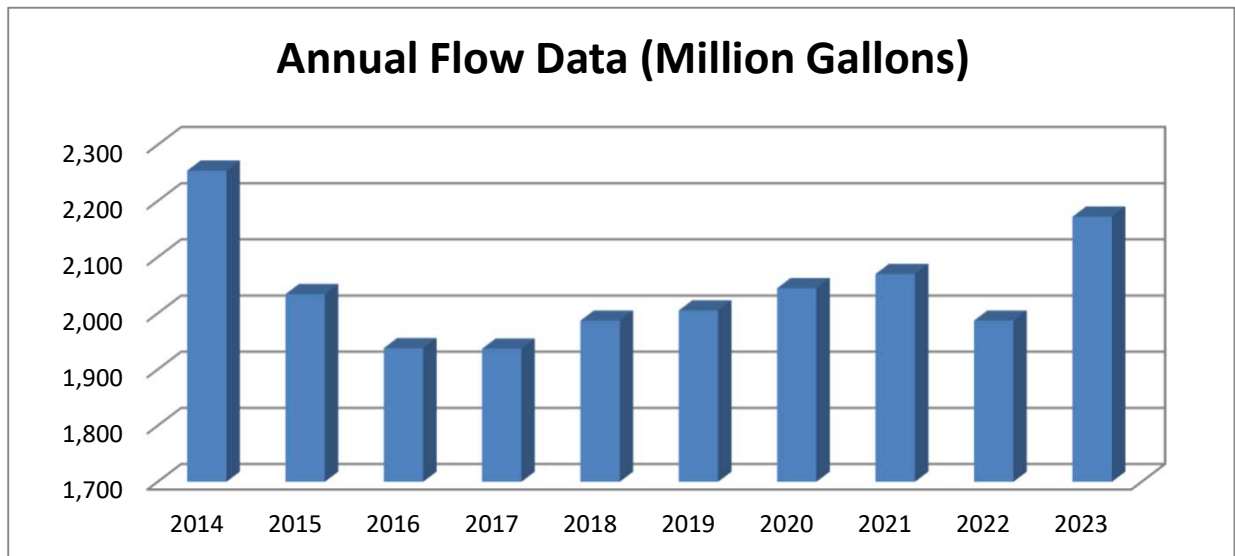
(1) Annual rainfall for the Coachella Valley from www.desertweather.com

Source: Valley Sanitary District

Valley Sanitary District
Annual Flow Data (Million Gallons)
Last Ten Fiscal Years

| <u>Fiscal Year</u> <u>Ended</u> <u>30-Jun</u> | <u>Annual Flow</u> |
|---|--------------------|
| 2023 | 2,172 |
| 2022 | 1,987 |
| 2021 | 2,070 |
| 2020 | 2,045 |
| 2019 | 2,005 |
| 2018 | 1,987 |
| 2017 | 1,937 |
| 2016 | 1,938 |
| 2015 | 2,034 |
| 2014 | 2,254 |

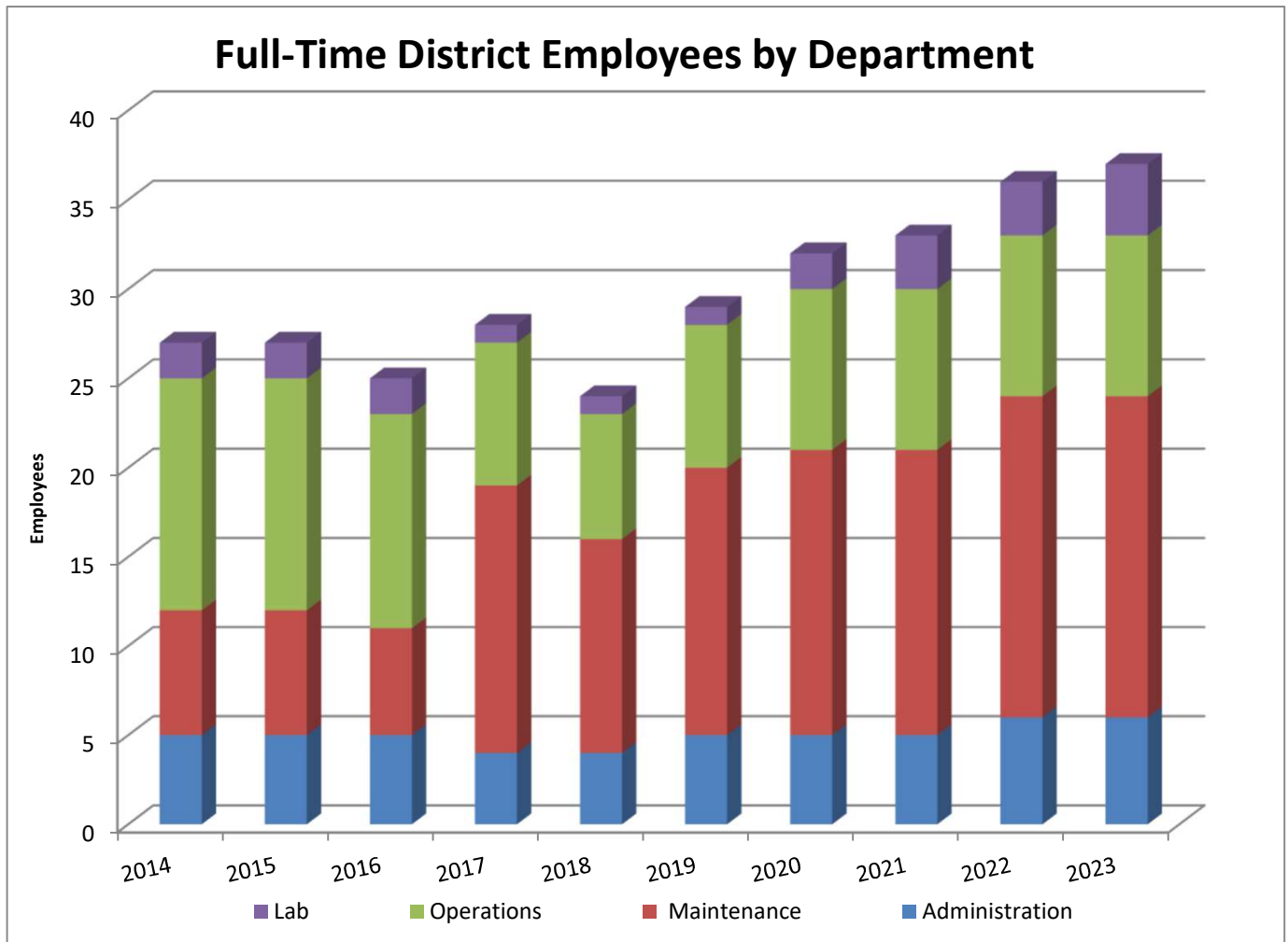
Source: Valley Sanitary District



Valley Sanitary District Full-Time District Employees by Department Last Ten Fiscal Years

| Fiscal Year Ended June 30 | Administration | Engineering & Maintenance | Operations | Lab | Total |
|---------------------------------|----------------|------------------------------|------------|-----|-------|
| 2023 | 6 | 18 | 9 | 4 | 37 |
| 2022 | 6 | 18 | 9 | 3 | 36 |
| 2021 | 5 | 16 | 9 | 3 | 33 |
| 2020 | 5 | 16 | 9 | 2 | 32 |
| 2019 | 5 | 15 | 8 | 1 | 29 |
| 2018 | 4 | 12 | 7 | 1 | 24 |
| 2017 | 4 | 15 | 8 | 1 | 28 |
| 2016 | 5 | 6 | 12 | 2 | 25 |
| 2015 | 5 | 7 | 13 | 2 | 27 |
| 2014 | 5 | 7 | 13 | 2 | 27 |

Source: Valley Sanitary District



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Valley Sanitary District

“Safeguarding community health and sustainability, as we have done for nearly 100 years.”



(760) 238-5400



45500 Van Buren Street Indio, CA 92201



www.valley-sanitary.org





Valley Sanitary District

DATE: December 12, 2023
TO: Board of Directors
FROM: Jason Dafforn, General Manager
SUBJECT: RECEIVE UPDATE FROM ARDURRA ON PUBLIC OUTREACH

Suggested Action

Review

Strategic Plan Compliance

GOAL 4: Increase Community Understanding and Support

Fiscal Impact

There is no fiscal impact associated with this report.

Environmental Review

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

Background

Members from the Ardurra team will be onsite to review and discuss current and future public engagement and outreach activities.

Recommendation

Discussion



Valley Sanitary District

DATE: December 12, 2023
TO: Board of Directors
FROM: Ray Marroquin, Mechanical Technologist 1
SUBJECT: AUTHORIZE THE PURCHASE OF BELT PRESS ROLLERS

Suggested Action

Approve

Strategic Plan Compliance

GOAL 3: Excellent Facilities

Fiscal Impact

The total costs for this project is \$166,439.51 This project is included in the FY 2022/23 Capitol Budget under the Vehicle and Equipment Replacement Fund.

Environmental Review

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

Background

The District utilizes two belt filter presses to extract liquid from the sludge prior to drying and ultimately transporting to Arizona. In the summer of 2022, several of the rollers were replaced on both of the belt filter presses. During the rehabilitation project, it was identified that additional rollers would soon need to be replaced and staff included costs for one of the belt filter presses in the FY 22/23 budget. In order to complete the rehabilitation project and to maintain the integrity and quality of the belt filter presses, staff recommends the replacement of the remaining roller assemblies, and necessary hardware for rehabilitation. This is a sole source procurement from Alfa Laval, the manufacturer and supplier of the belt filter press system.

Recommendation

Staff recommends that the Board of Directors authorize the purchase of all recommended, and necessary material for the rehabilitation of the Belt Filter Press not to exceed \$166,439.51.

Attachments

[North side Belt Press Roller replacement..pdf](#)

Quotation



Customer
Valley Sanitary District
45500 VAN BUREN ST

Indio, CA 92201-3435
UNITED STATES

Delivery address
Valley Sanitary District
Attn: Ray Marroquin
45500 VAN BUREN ST
Indio, CA 92201-3435
UNITED STATES

Page:
1(3)

Your reference

| | | | |
|--|--------------------------------------|-----------------------------------|---------------------|
| Invoice address Valley Sanitary District Attn: Accts Payable 45500 VAN BUREN ST Indio, CA 92201-3435 UNITED STATES | Your reference | Quote no O-231102-00875 | Version 2 |
| Our reference | Date of request 11/02/2023 | Your VAT reg no | Goodsmark |
| | Customer request no Quote | Delivery contact | |

| | | | |
|--|--|---------------------------|----------------------------------|
| Contact person Ryan Anderson | Our reference Jacqueline Nehring | Date 11/09/2023 | Expiry date 02/29/2024 |
|--|--|---------------------------|----------------------------------|

Delivery method
Truck Freight

Delivery terms (Incoterms 2020*)
DAP - Delivered At Place
Indio

Description
Winklepress Type 97 2.0
WP1696-3209

Payment terms
Net 30 Days

Cust no
E1809282

Delivery dates are best estimates. Where zero days are quoted, items are available ex-stock subject to prior sale.

Assignm. No 1

| Ln | Description | Cust Pos/Item | Lead time | Quantity | Net price | Amount |
|----|---|---------------|-----------|-----------|-----------|-----------|
| 1 | SDLP Separation Dally Rate | | | 10.00 PCE | 2,000.00 | 20,000.00 |
| 2 | L Est. Airfare if needed | | | 2.00 AMT | 1,000.00 | 2,000.00 |
| 3 | L Travel days | | | 4.00 AMT | 2,000.00 | 8,000.00 |
| 4 | AS0314294 VALVE 1-1/2" 316SS | | 22 | 1.00 PCE | 1,713.40 | 1,713.40 |
| 5 | AS0311895 RLR ASSY 31.5" WP97 2m 316 | | 40 | 1.00 PCE | 47,901.23 | 47,901.23 |

Alfa Laval Inc. (AL) will process personal data supplied by you for the purpose of enabling AL to perform any contractual obligations towards you and to fulfil AL's statutory obligations. An application by you for information of your personal data registered by us must be made in writing to AL.
The general conditions of sale are according to AL's General Conditions Of Sale if nothing else is stated. An extra copy of these conditions will be sent to you upon request. The goods to be delivered may be subject to export license requirement. AL reserves the right to cancel the order without any liability for damage or loss arising out of or relating to the cancellation in the event such an export license is not granted by competent export control authority.
Attention of the buyer is drawn to the following: Indirect, special and/or consequential damages are excluded from Supplier's liability and Supplier's total liability shall never exceed a maximum cumulative amount equal to 15 % of the contract price.
If the cost of raw materials, supplies and/or transport significantly increases, through no fault of AL, the contract price shall be equitably adjusted by an amount reasonably necessary to cover any such significant increase in such costs.
Should parts of the contract be held to be invalid or otherwise unenforceable in any jurisdiction, any other contract provisions shall not be affected.

Alfa Laval Inc.
5400 Int. Trade Drive
Richmond, VA 23231
United States
Fed. I.D. No.: 13-1681631

Please send remittance to:
P.O. BOX 123227
Dallas, TX 75312-3227

Local sales office
Alfa Laval Inc.
5400 Int. Trade Drive
Richmond, VA 23231
United States

Contact
Tel.: (804) 222-5300

customerservice.richmond@alfalaval.com
www.alfalaval.com

Quotation



Customer
Valley Sanitary District
Cust no
E1809282

Your reference

| | |
|-----------------------------------|---------------------|
| Quote no O-231102-00875 | Version 2 |
|-----------------------------------|---------------------|

Customer request no
Quote

Date
11/09/2023

Page:
2(3)

Assignm. No 1

| Ln | Description | Cust Pos/Item | Lead time | VAT | Quantity | Net price | Amount |
|----|--|---------------|-----------|-----|----------|-----------|-----------|
| 6 | AS038455 ROLLER, (16" WP97) ASSY 2.0M C | | 45 | | 1.00 PCE | 12,540.94 | 12,540.94 |
| 7 | AS039022 ROLLER ASSY, 12-3/4" WP97 200 | | 41 | | 2.00 PCE | 10,917.53 | 21,835.06 |
| 8 | AS037608 RLR ASSY, 8" STRG KP94/WP97 2m | | 8 | | 2.00 PCE | 6,489.37 | 12,978.74 |
| 9 | AS039021 ROLLER ASSY 8-5/8 TEN KP/WP 2m | | 35 | | 4.00 PCE | 6,731.03 | 26,924.12 |

Winklepress Type 97 2.0
WP1696-3209 & WP1697-3210
Replace Rollers on 2 WP97 2.0m

Contact person Ray Marroquin - Maintenance Technician
760-808-2247 Ext. 130 rmarroquin@valley-sanitary.org

This Estimate is Based on the Following:

Full time support from 1-2 of your staff equipped with common hand tools.

All Special tools sold with the machine are readily available

Daily Rate is defined as: This rate is applicable for any time travelling or spent on site up to a maximum of 8 hours, Monday through Friday. This price includes all expenses except airfare, plus a half hour of travel to and from a hotel per day. This price is portal to portal.

This quote is subject to Alfa Laval's attached Terms and Conditions

Access to your maintenance shop.

Access to hoisting equipment and operator if needed

Your staff will work with our technician for lock out / tag out and isolating systems

A safe clean work environment

To schedule this service please provide a formal purchase order to US.FieldService@alfalaval.com. The purchase order should include the following:

Clear statement of scope of service

Accurate bill to and ship to address

Contact information of site contact, including phone number, email or fax

Contact information of your accounts payable department

Contact information for the buyer associated with this

Alfa Laval Inc.
5400 Int. Trade Drive
Richmond, VA 23231
United States
Fed. I.D. No.: 13-1681631

Please send remittance to:
P.O. BOX 123227
Dallas, TX 75312-3227

Local sales office
Alfa Laval Inc.
5400 Int. Trade Drive
Richmond, VA 23231
United States

Contact
Tel.: (804) 222-5300
customerservice.richmond@alfalaval.com
www.alfalaval.com

Quotation



Customer
Valley Sanitary District
Cust no
E1809282

Your reference

| | |
|-----------------------------------|---------------------|
| Quote no O-231102-00875 | Version 2 |
|-----------------------------------|---------------------|

Customer request no
Quote

Date
11/09/2023

Page:
3(3)

Assignm. No 1

| Ln | Description | Cust Pos/Item | Lead time | VAT | Quantity | Net price | Amount |
|----|-------------|---------------|-----------|-----|----------|-----------|--------|
|----|-------------|---------------|-----------|-----|----------|-----------|--------|

project

This quote is subject to Alfa Laval's attached Terms and Conditions.

| | |
|-------------------|------------|
| Item value | 153,893.49 |
| Freight | 1,705.34 |
| Sales Tax | 10,840.68 |

| | |
|------------------------|-------------------|
| Order total USD | 166,439.51 |
|------------------------|-------------------|

These items are controlled by the U.S. Government and authorized for export only to the country of ultimate destination for use by the ultimate consignee or end-user(s) herein identified. They may not be resold, transferred, or otherwise disposed of, to any other country or to any person other than the authorized ultimate consignee or end-user(s), either in their original form or after being incorporated into other items, without first obtaining approval from the U.S. government or as otherwise authorized by U.S. law and regulations.

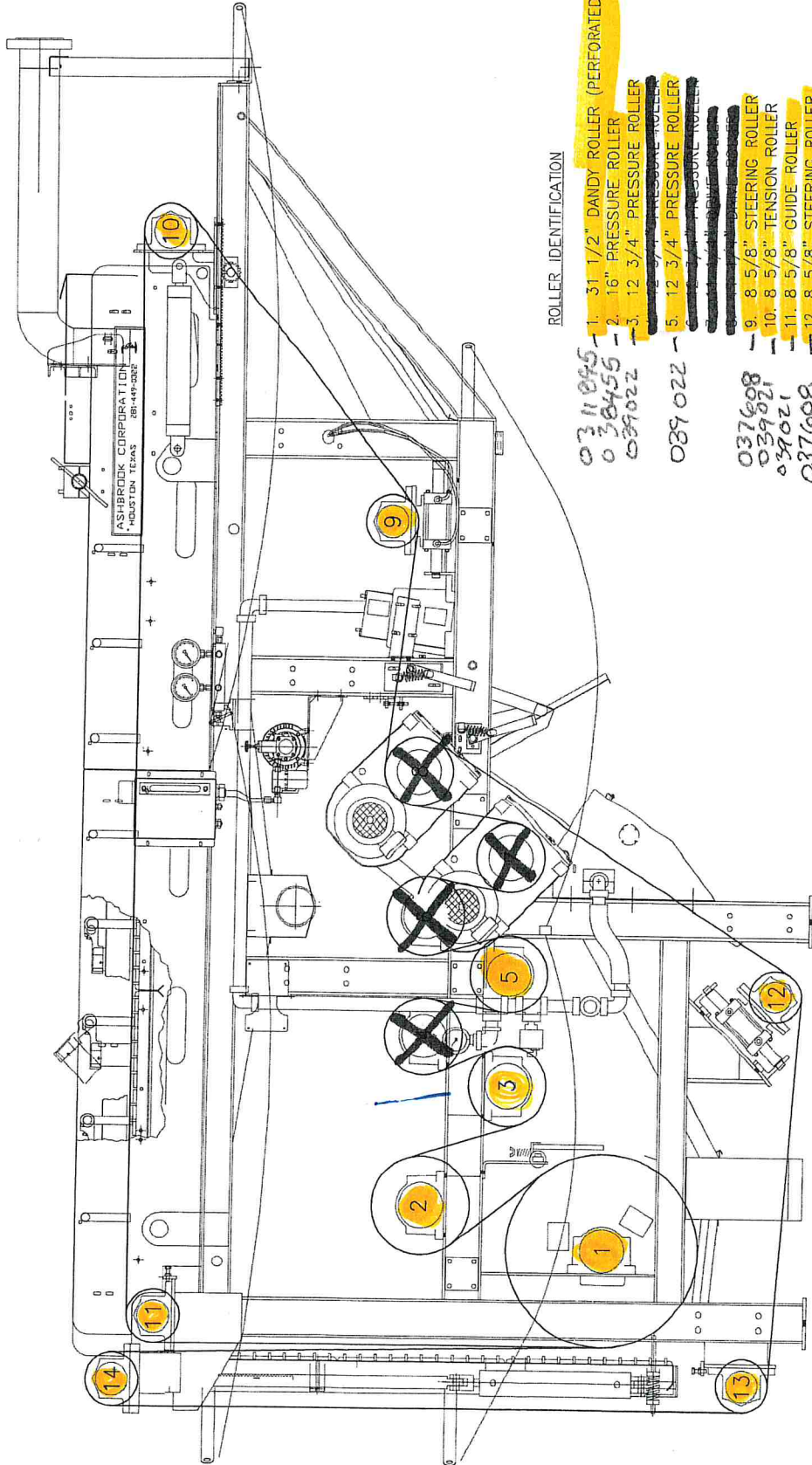
Alfa Laval Inc.
5400 Int. Trade Drive
Richmond, VA 23231
United States
Fed. I.D. No.: 13-1681631

Please send remittance to:
P.O. BOX 123227
Dallas, TX 75312-3227

Local sales office
Alfa Laval Inc.
5400 Int. Trade Drive
Richmond, VA 23231
United States

Contact
Tel.: (804) 222-5300
customerservice.richmond@alfalaval.com
www.alfalaval.com

NORTH BELT



ROLLER IDENTIFICATION

- 0311095 - 1. 31 1/2" DANDY ROLLER (PERFORATED)
- 030455 - 2. 16" PRESSURE ROLLER
- 039022 - 3. 12 3/4" PRESSURE ROLLER
- 039022 - 5. 12 3/4" PRESSURE ROLLER
- 037608 - 9. 8 5/8" STEERING ROLLER
- 039021 - 10. 8 5/8" TENSION ROLLER
- 039021 - 11. 8 5/8" GUIDE ROLLER
- 037608 - 12. 8 5/8" STEERING ROLLER
- 039021 - 13. 8 5/8" GUIDE ROLLER
- 039021 - 14. 8 5/8" TENSION ROLLER

NOT FOR MANUFACTURING USE

THIS DRAWING IS FOR REFERENCE ONLY AND MAY NOT REPRESENT THE CURRENT CONFIGURATION OF THE DEPICTED MACHINE. REFER TO THE APPLICABLE GENERAL ARRANGEMENT DRAWING FOR CURRENT LAYOUT.

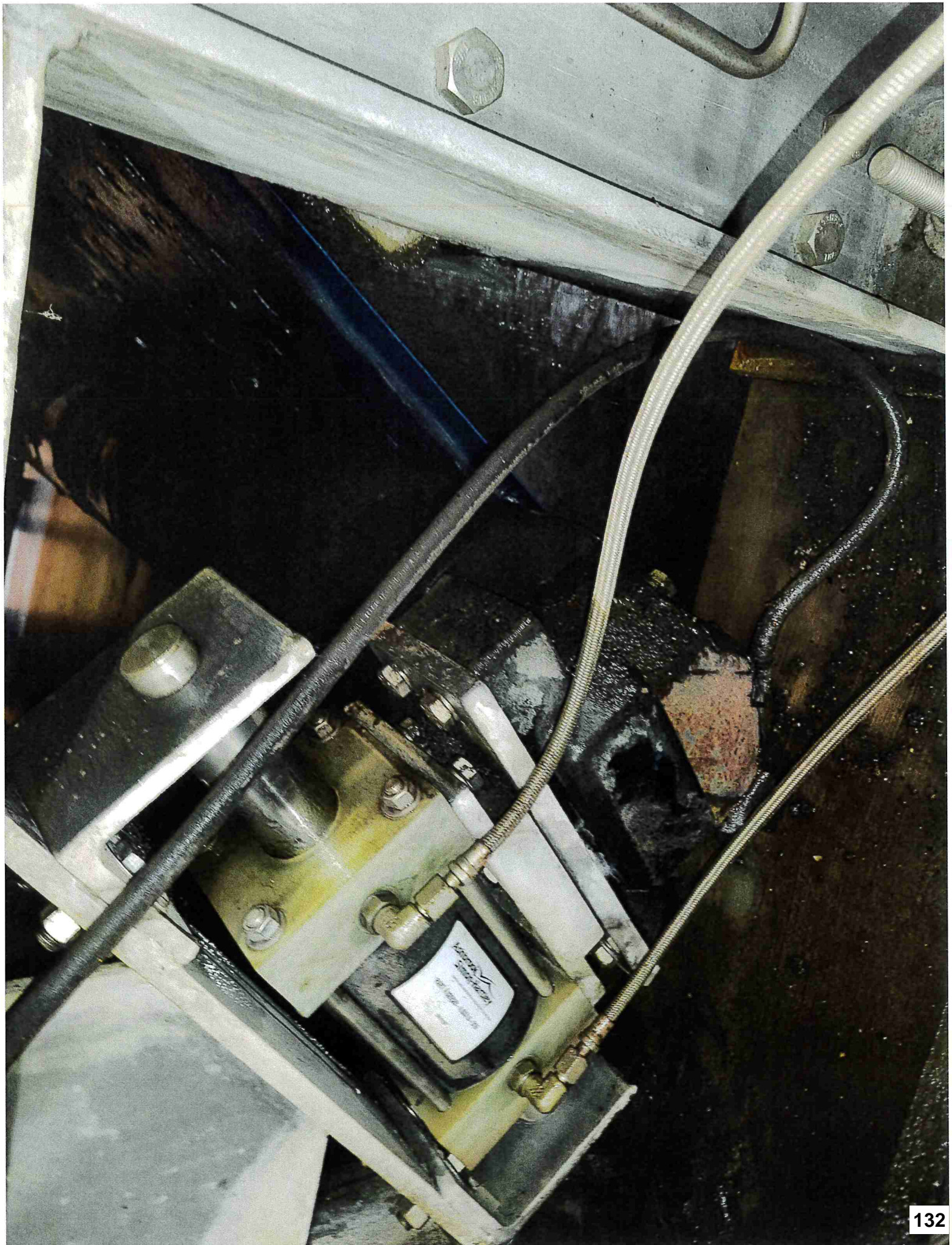
| TOLERANCE UNLESS NOTED | | REVISIONS | | REVISIONS | | REVISIONS | | REVISIONS | |
|------------------------|-------------|-----------|------|-----------|------|-----------|------|-----------|------|
| INCHES | MILLIMETERS | REV | DATE | BY | DATE | BY | DATE | BY | DATE |
| FRACTION | 1/32 | 1 | | | | | | | |
| X. | +/-0.100 | 2 | | | 5 | | | | |
| XX | +/-0.080 | 3 | | | 9 | | | | |
| XXX | +/-0.015 | 4 | | | 10 | | | | |
| XXXX | +/-0.005 | 5 | | | 11 | | | | |
| | | 6 | | | 12 | | | | |

| | | | |
|-------------|---|------|----------|
| DATE | 8/6/08 | BY | J. SHARP |
| DESCRIPTION | 1. DERIVER ALL SHARP MARK WITH PART NUMBER PER WORK OR PURCHASE ORDER | DATE | 8/2/08 |
| DATE | 8/2/08 | BY | J. SHARP |
| DESCRIPTION | 2. MARK WITH PART NUMBER PER WORK OR PURCHASE ORDER | DATE | 8/3/08 |
| DATE | N/A | BY | N/A |
| DESCRIPTION | | DATE | N/A |

| | |
|-------|---|
| NOTE: | Ashbrook Simon-Hartley Operations LP 11600 East Hardy Road Houston, Texas 77069 Phone: 281-448-0322 FAX: 281-448-1324 |
| SCALE | 1/18 |
| REV | 0 |

| | | |
|---------|----------|----------|
| ROLLERS | ASHBROOK | SK003472 |
|---------|----------|----------|

Ashbrook Simon-Hartley











Valley Sanitary District

DATE: December 12, 2023
TO: Board of Directors
FROM: Chris Rahman, Maintenance Technician
SUBJECT: AUTHORIZE THE GENERAL MANAGER TO APPROVE THE REHABILITATION OF THE PRIMARY CLARIFIERS

Suggested Action

Approve

Strategic Plan Compliance

GOAL 3: Excellent Facilities

Fiscal Impact

The rehabilitation of the two (2) Primary Clarifiers is included in the the fiscal year 2023/24 Capital Budget, project #24-0001.

Environmental Review

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

Background

The District operates primary clarifiers located in the early stages of the treatment process. The clarifiers begin the process of separating the solids from the liquids. The primary clarifiers have been operating for nearly 10 years without any major upgrade or rehabilitation. Staff contacted DC Frost Associates, Inc. to perform an inspection of the equipment and provide recommendations for replacement and upgrades. DC Frost Associates, Inc. provided the attached quote outlining the recommended components that need to be replaced in order to maintain proper operations for a cost of \$125,455.66.

Recommendation

Staff recommends that the Board of Directors authorize the approval for rehabilitation of two (2) Primary Clarifiers by DC Frost Associates, Inc. for a cost of \$125,455.66.

Attachments

[11282023_070219AM.pdf](#)

DC Frost Associates, Inc
 subsidiary of Coombs-Hopkins Company
 8706 South 700 East, Suite 201
 Sandy, UT 84070
 Phone: 800-964-9733 / Fax: 303-477-1981

Quotation

| Date | Quote # |
|----------|-----------|
| 11/20/23 | 105789-R1 |

Bill To

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

Ship To

Valley Sanitary District
 Attn: Ed Luna (760-238-5400 x. 119)
 45500 Van Buren St.
 Indio, CA 92201

E-mail: eluna@valley-sanitary.org
 Phone: 760-238-5417

| Model | Equipment | Project/Serial # | FOB |
|----------|-----------|------------------|-----------|
| Polychem | Brentwood | | Fact. PPA |

| Line | Qty | Description | Unit Price | Total |
|------|-----|---|------------|------------|
| a | 136 | Part 10000275-058, Chain NCS-720-S, 6" pitch, 9.5 ft. strand, AVG UTS >7500 lbs. | 209.98 | 28,557.28T |
| b | 4 | Part 10001032-001, Half Link, Chain, NCS-720-S, 3" Pitch | 17.73 | 70.92T |
| c | 68 | Part 10000150-010, Hardware Kit, C-Channel Flight, 10 Hole Set, English, 316 SS | 20.09 | 1,366.12T |
| d | 136 | Part 10000274-001, NCS-720S Chain Attachment Kit F22-8, NM | 31.78 | 4,322.08T |
| e | 136 | Part 10001039-001, Filler Block, For 3" x 8" C-Channel Flight, Polypropylene | 17.01 | 2,313.36T |
| f | 136 | Part 10000711-007, Carry Wear Shoe, Lub, Nylon 6/6, Black, 4 hole, 3" x 3" x 5.5" x 0.5" (old part # 678-01189) | 11.69 | 1,589.84T |
| g | 136 | Part 10000595-006, Return Wear Shoe, w/lug | 11.00 | 1,496.00T |
| h | 64 | Part, Flight, FRP, 3"x8" nominal x 229 in long, 10 Holes | 384.34 | 24,597.76T |
| i | 2 | Part 10010024-093, Bull End Tube Bearing | 537.42 | 1,074.84T |
| j | 4 | Part 10000301-037, Sprocket, 23T, 720, Split, KW&SS, 5.750" FRP Shaft, Eng. HDW, | 1,029.35 | 4,117.40T |
| k | 2 | Part 10010009-125, End Tube Bearing Only, w/ 1 Slot | 537.42 | 1,074.84T |
| l | 12 | Part 10000200-001, Sprocket, 17T, 720, Solid, PB, 5.340" Stub Shaft Bore, PA6 | 405.33 | 4,863.96T |
| m | 12 | Part 10000406-001, Idler Stub Shaft Replacement Bearing | 256.60 | 3,079.20T |
| n | 64 | Part 10000066-005, Hardware Kit, Wearstrip, Return Rail (1 Kit / Strip) | 11.75 | 752.00T |

Quote Prepared By: **Casey Rebmann**

Total:

PRICES QUOTED HEREIN ARE VALID FOR 30 DAYS.
 If prices quoted do not include sales or use tax, such taxes, if required, are to be paid by the Purchaser.
 DCF TERMS & CONDITIONS APPLY ON ALL ORDERS (copy available upon request).

PAYMENT TERMS: Net 30

CUSTOMER QUOTATION ACCEPTANCE:

Signature: _____
 Name: _____

PO No.: _____
 Title: _____
 Date: _____

DC Frost Associates, Inc

subsidiary of Coombs-Hopkins Company
 8706 South 700 East, Suite 201
 Sandy, UT 84070
 Phone: 800-964-9733 / Fax: 303-477-1981

Quotation

| Date | Quote # |
|----------|-----------|
| 11/20/23 | 105789-R1 |

Bill To

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

Ship To

Valley Sanitary District
 Attn: Ed Luna (760-238-5400 x. 119)
 45500 Van Buren St.
 Indio, CA 92201

E-mail: eluna@valley-sanitary.org
 Phone: 760-238-5417

| Model | Equipment | Project/Serial # | FOB |
|----------|-----------|------------------|-----------|
| Polychem | Brentwood | | Fact. PPA |

| Line | Qty | Description | Unit Price | Total |
|------|-----|--|------------|-----------|
| o | 128 | Part 10000286-002, Wear Strip, 1/2" x 2-5/8" x 120.00" Long, UHMW-PE, 1 Hole & 3 Slots | 64.51 | 8,257.28T |
| p | 64 | Part 10001040-001, Hardware Kit, Wearstrip, Concrete Floor (1 Kit / Strip) | 9.45 | 604.80T |
| q | 4 | Part 10001130-001, Breather Plug | 14.76 | 59.04T |
| r | 4 | Part 10001130-006, Breather Plug | 11.26 | 45.04T |
| s | 4 | Part, Flight, FRP, 3"X8" nominal x 19.08 ft long, 31 holes (squeegee flights) | 407.87 | 1,631.48T |
| t | 8 | Part 10001183-XXX, End Backer Plate, FRP, 1/4" Thick x 3" Wide x 10" Long | 34.21 | 273.68T |
| u | 8 | Part 10001182-XXX, End Squeegee, Neoprene Rubber, 3/16" Thick x 4" Wide x 12" Long | 59.90 | 479.20T |
| v | 4 | Part 10001183-XXX, Center Backer Plate, FRP 1/4" Thick x 3" Wide x 16.08 ft Long | 265.51 | 1,062.04T |
| w | 4 | Part 10001182-XXX, Center Squeegee, Neoprene Rubber, 3/16" Thick x 4" Wide x 15.83 ft Long | 902.81 | 3,611.24T |
| x | 84 | Part 10000070-037, Bolt Set, 3/8-16 x 1-1/4", 316 SS, (SET=1BLT-2FW-1LW-1HN) | 2.46 | 206.64T |
| y | 4 | Part 10040109-001, Helical Skimmer Wiper, .250 x 4.00" x 233.25" long, Neoprene 50-60 | 664.79 | 2,659.16T |
| z | 1 | Brentwood FIELD SERVICE, One (1) Trip, One (1) Day for Post-Refurb Final Inspection | 6,600.00 | 6,600.00 |

Quote Prepared By: **Casey Rebmann**

Total:

PRICES QUOTED HEREIN ARE VALID FOR 30 DAYS.
 If prices quoted do not include sales or use tax, such taxes, if required, are to be paid by the Purchaser.
 DCF TERMS & CONDITIONS APPLY ON ALL ORDERS (copy available upon request).

PAYMENT TERMS: Net 30

CUSTOMER QUOTATION ACCEPTANCE:

Signature: _____

Name: _____

PO No.: _____

Title: _____

Date: _____

DC Frost Associates, Inc

subsidiary of Coombs-Hopkins Company
 8706 South 700 East, Suite 201
 Sandy, UT 84070
 Phone: 800-964-9733 / Fax: 303-477-1981

Quotation

| Date | Quote # |
|----------|-----------|
| 11/20/23 | 105789-R1 |

Bill To

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

Ship To

Valley Sanitary District
 Attn: Ed Luna (760-238-5400 x. 119)
 45500 Van Buren St.
 Indio, CA 92201

E-mail: eluna@valley-sanitary.org
 Phone: 760-238-5417

| Model | Equipment | Project/Serial # | FOB |
|----------|-----------|------------------|-----------|
| Polychem | Brentwood | | Fact. PPA |

| Line | Qty | Description | Unit Price | Total |
|---|-----|---|---------------|---------------------|
| | | ESTIMATED LEAD TIME: 14-16 Weeks ARO | | |
| | | Sales Tax | 7,607.82 | 7,607.82 |
| | | ESTIMATED FREIGHT ONLY - ACTUAL FREIGHT CHARGES will apply and be added to all invoices. Manufacturer will not be able to provide exact shipment dates. | 13,082.64 | 13,082.64 |
| | | DAMAGES/SHORTAGES: All parts orders must be inspected within (5) business days after receipt with Buyer reporting any damages/shortages to DC Frost Associates, Inc. in writing, identifying parts damaged, quantity and must include pictures of the damage. | 0.00 | 0.00 |
| | | | | 0.00 |
| Quote Prepared By: Casey Rebmann | | | Total: | \$125,455.66 |

PRICES QUOTED HEREIN ARE VALID FOR 30 DAYS.
 If prices quoted do not include sales or use tax, such taxes, if required, are to be paid by the Purchaser.
 DCF TERMS & CONDITIONS APPLY ON ALL ORDERS (copy available upon request).

PAYMENT TERMS: Net 30

CUSTOMER QUOTATION ACCEPTANCE:

Signature: _____

Name: _____

PO No.: _____

Title: _____

Date: _____

DC Frost Associates, Inc. Standard Parts Quotation Terms & Conditions:

1. **DEFINITION:** "Seller" when used herein means **DC Frost Associates, Inc.** "Buyer" when used herein means the person, company or corporation to whom the Seller's quotation is addressed. "Parts" means those components, articles, or supplies described in Seller's quotation.
2. **ACCEPTANCE:** All quotations are for acceptance within the limits established therein and beyond which are subject to change without notice. If this quotation constitutes an acceptance of an offer, such acceptance is expressly made conditional on Buyer's assent solely to the terms of this quotation.

Any terms proposed in Buyers acceptance of this quotation which add to, vary from, or conflict with the terms hereof are hereby objected to and rejected and shall not constitute any part of any contract resulting from this quotation. Any such proposed terms shall have no force or effect and the terms herein shall constitute the complete and exclusive statement of the terms and conditions of any contract resulting from this quotation and may be modified only by written instrument executed by the authorized representative of both parties.
3. **PRICES:** Prices for parts included in Seller's quotations are subject to the specific outline herein. All freight charges for parts is extra and will be added to all invoices. All quotations provided by Seller are valid for 30-days. After 30-days all parts must be requested.
4. **TAXES:** Seller quotations will include all applicable taxes. If tax-exempt, Buyer shall supply to the Seller a valid exemption certificate. If not exempt, Buyer shall supply all other tax information required by Seller.
5. **PAYMENT:** Payment terms are Net-30 days.
6. **INDEMNIFICATION & CERTIFICATE OF INSURANCE:** Seller will not indemnify Buyer on any parts orders. Seller will not provide a Certificate of Insurance on any parts orders.
7. **SCHEDULE:** Delivery dates shall be interpreted as estimated and in no event shall dates be construed as falling within the meaning "time is of the essence." Seller shall not be liable for delays due to force majeure, strikes, labor difficulties, fires, acts of government or military forces, transportation, procurement or any other cause beyond the reasonable control of the Seller. No provision for liquidated damages for any cause shall apply to placing a parts order with Seller.
8. **TITLE/RISK OF LOSS:** Title and risk of loss shall pass to the Buyer upon tender of delivery F.O.B. manufacturing facility unless otherwise agreed upon by the parties.
9. **ASSIGNMENT:** Neither party shall assign or transfer this quotation without prior written consent of the other party. As a condition of any such written consent, such assignment shall be subject to the terms and conditions herein and no greater rights or remedies shall be available to the assignee.
10. **WARRANTY:** All parts warranties are through the Manufacturer. Seller does not warranty parts. Seller shall not be liable for any claims, losses, labor expenses or damages, direct or consequential, resulting directly or indirectly from the use of, or inability to use, parts purchased, or the other consequential loss of damage of any nature arising from any cause.
11. **CHANGES/CANCELLATION:** If the Buyer requests changes to the order, it must be done in writing, before the order has been sent to production or shipped. Once a parts order has been accepted and sent to production or parts have shipped, the order cannot be cancelled without penalty imposed by manufacturer which will be passed down to Buyer.
12. **RESTOCKING FEES/ SHORTAGES/DAMAGES:** No part(s) may be returned for credit without Manufacturer's written authorization. Buyer must notify Seller, in writing, the reason for returning part(s). Seller, in turn, will notify Manufacturer in order to receive a Return Authorization Form for the Buyer to return parts. All returned parts must be securely packaged in its original packing materials and adequately insured and protected to reach Manufacturer location without damage. All shipping and freight charges shall be prepaid by the Buyer. The returned parts may be subject to a restocking charge to be determined by the Manufacturer.
SHORTAGES/DAMAGES: All claims by the Buyer for shortages of parts must be made in writing to the Seller within five (5) business days after receipt by the Buyer. Any parts orders arriving at the site damaged must be reported to Seller, in writing and including pictures of the damage, within five (5) business days after receipt by the Buyer.

The below is authorized to agree to and sign the above Terms & Conditions on behalf of Buyer:

Authorized Signature: _____

Date: _____

Name/Title: _____

Company: _____

DC Frost Associates, Inc. Standard Parts Quotation Terms & Conditions:

1. **DEFINITION:** "Seller" when used herein means **DC Frost Associates, Inc.** "Buyer" when used herein means the person, company or corporation to whom the Seller's quotation is addressed. "Parts" means those components, articles, or supplies described in Seller's quotation.
2. **ACCEPTANCE:** All quotations are for acceptance within the limits established therein and beyond which are subject to change without notice. If this quotation constitutes an acceptance of an offer, such acceptance is expressly made conditional on Buyer's assent solely to the terms of this quotation.

Any terms proposed in Buyers acceptance of this quotation which add to, vary from, or conflict with the terms hereof are hereby objected to and rejected and shall not constitute any part of any contract resulting from this quotation. Any such proposed terms shall have no force or effect and the terms herein shall constitute the complete and exclusive statement of the terms and conditions of any contract resulting from this quotation and may be modified only by written instrument executed by the authorized representative of both parties.
3. **PRICES:** Prices for parts included in Seller's quotations are subject to the specific outline herein. All freight charges for parts is extra and will be added to all invoices. All quotations provided by Seller are valid for 30-days. After 30-days all parts must be requoted.
4. **TAXES:** Seller quotations will include all applicable taxes. If tax-exempt, Buyer shall supply to the Seller a valid exemption certificate. If not exempt, Buyer shall supply all other tax information required by Seller.
5. **PAYMENT:** Payment terms are Net-30 days.
6. **INDEMNIFICATION & CERTIFICATE OF INSURANCE:** Seller will not indemnify Buyer on any parts orders. Seller will not provide a Certificate of Insurance on any parts orders.
7. **SCHEDULE:** Delivery dates shall be interpreted as estimated and in no event shall dates be construed as falling within the meaning "time is of the essence." Seller shall not be liable for delays due to force majeure, strikes, labor difficulties, fires, acts of government or military forces, transportation, procurement or any other cause beyond the reasonable control of the Seller. No provision for liquidated damages for any cause shall apply to placing a parts order with Seller.
8. **TITLE/RISK OF LOSS:** Title and risk of loss shall pass to the Buyer upon tender of delivery F.O.B. manufacturing facility unless otherwise agreed upon by the parties.
9. **ASSIGNMENT:** Neither party shall assign or transfer this quotation without prior written consent of the other party. As a condition of any such written consent, such assignment shall be subject to the terms and conditions herein and no greater rights or remedies shall be available to the assignee.
10. **WARRANTY:** All parts warranties are through the Manufacturer. Seller does not warranty parts. Seller shall not be liable for any claims, losses, labor expenses or damages, direct or consequential, resulting directly or indirectly from the use of, or inability to use, parts purchased, or the other consequential loss of damage of any nature arising from any cause.
11. **CHANGES/CANCELLATION:** If the Buyer requests changes to the order, it must be done in writing, before the order has been sent to production or shipped. Once a parts order has been accepted and sent to production or parts have shipped, the order cannot be cancelled without penalty imposed by manufacturer which will be passed down to Buyer.
12. **RESTOCKING FEES/ SHORTAGES/DAMAGES:** No part(s) may be returned for credit without Manufacturer's written authorization. Buyer must notify Seller, in writing, the reason for returning part(s). Seller, in turn, will notify Manufacturer in order to receive a Return Authorization Form for the Buyer to return parts. All returned parts must be securely packaged in its original packing materials and adequately insured and protected to reach Manufacturer location without damage. All shipping and freight charges shall be prepaid by the Buyer. The returned parts may be subject to a restocking charge to be determined by the Manufacturer.
SHORTAGES/DAMAGES: All claims by the Buyer for shortages of parts must be made in writing to the Seller within five (5) business days after receipt by the Buyer. Any parts orders arriving at the site damaged must be reported to Seller, in writing and including pictures of the damage, within five (5) business days after receipt by the Buyer.

The below is authorized to agree to and sign the above Terms & Conditions on behalf of Buyer:

Authorized Signature: _____

Date: _____

Name/Title: _____

Company: _____



Valley Sanitary District

DATE: December 12, 2023

TO: Board of Directors

FROM: Tino Tijerina, Facility Maintenance Supervisor

SUBJECT: AWARD OF CONTRACT FOR SECURITY AND PROTECTIVE SERVICES TO SOUTHWEST PROTECTIVE SERVICES, INC. FOR A ONE-YEAR TERM PLUS TWO (2) OPTION YEARS WITH AN INITIAL COST FOR YEAR ONE IN AN AMOUNT NOT TO EXCEED \$117,416

Suggested Action

Approve

Strategic Plan Compliance

GOAL 6: Improve Planning, Administration and Governance

Fiscal Impact

The fiscal impact is the annual agreement amount of \$117,416 for security and protective services. Funding is appropriated in the fiscal year 2023/24 approved budget.

Environmental Review

This item does not qualify as a project defined by the California Environmental Quality Act (CEQA).

Background

A Request for Proposals (“RFP”) from qualified and interested firms for Security and Protective Services (“Services”) was posted on September 11, 2023, to the Valley Sanitary District (“District”) online bid management provider (“OpenGov Procurement”) available on the District’s website.

On October 09, 2023, at 4:00 p.m., the following firms submitted proposals by the stipulated deadline:

| FIRM | CORPORATE OFFICE |
|-------------------------------------|-------------------------|
| Allied Universal Security Services | Palm Desert, CA |
| Alltech Industries, Inc. | Monterey Park, CA |
| GSSi, Inc. | Riverside, CA |
| Southwest Protective Services, Inc. | Indio, CA |

Staff performed extensive due diligence on the four (4) proposals submitted. Four (4) individual District staff members evaluated the proposals independently, reviewing each firm's qualifications and whether their respective proposed services met the evaluation criteria outlined in the RFP.

Based on total scores, Southwest Protective Services, Inc. was deemed the most qualified. The evaluation panel recommends an award of contract to Southwest Protective Services, Inc. Below is a summary of the final scoring:

| FIRM | TOTAL SCORE |
|-------------------------------------|--------------------|
| Allied Universal Security Services | 66.25 |
| Alltech Industries, Inc. | 72.75 |
| GSSi, Inc. | 71.00 |
| Southwest Protective Services, Inc. | 80.25 |

Southwest Protective Services, Inc. Proposal:

Southwest Protective Services, Inc. has established its business in the Coachella Valley and has served as the contract company for such agencies as the County of Imperial, State of California Superior Courts, Imperial County Sheriff’s Department, U.S. Marshall’s Service, Coachella Valley Water District, PGA West Master Association, Mountain View Country Club, Rancho Las Palmas HOA, and the City of Coachella. Most of these clients maintain highly sensitive operations, necessitating the highest professionalism and knowledge of security and safety procedures. The project team assigned will work on the transition and the maintenance of client services.

The proposed Agreement with Southwest Protective Services, Inc. is for an initial one-year term with extension options, as noted in the agreement. The scope of services for this agreement consists of providing an unarmed roving security guard and patrolling the Valley Sanitary District (VSD) Treatment Facility property from 6:00 p.m. to 6:00 a.m., seven (7) days a week for vandalism and theft prevention.

Recommendation

1. Award of contract for security and protective services to Southwest Protective Services, Inc. for a one-year term plus two (2) option years with an initial cost for year one in an amount not to exceed \$117,416 with prescribed allowable increases for subsequent years as noted in the contract.
2. Authorize the General Manager to execute documents necessary to facilitate the contract award and implementation.

Attachments

- [8.5 Attachment A Request for Proposal, Dated September 11, 2023.docx](#)
- [8.5 Attachment B Southwest Security Proposal.pdf](#)
- [8.5 Attachment C Allied Universal Proposal.pdf](#)
- [8.5 Attachment D Alltech Industries Inc. Proposal.pdf](#)
- [8.5 Attachment E GSSi Proposal.docx](#)



REQUEST FOR PROPOSALS (RFP)

SECURITY AND PROTECTIVE

SERVICES

Release Date: Sept. 11,
2023

Deadline for Submission: October 9, 2023

Contact Persons: Holly Gould, Project contact
hgould@valley-sanitary.org
Branden Rodriguez Procurement contact, [brodriguez@valley-
sanitary.org](mailto:brodriguez@valley-sanitary.org)

45-500 Van Buren St
Indio, CA 92201

REQUEST FOR PROPOSALS (RFP)
INFORMATION TECHNOLOGY
SUPPORT SERVICES

RELEASE DATE: Monday, Sept. 11, 2023

CLOSING DATE: Proposals must be received no later than by Friday, Oct. 13, 2023 by 4:00 p.m. by the means listed in the RFP.

CONTACT PERSON: Holley Gould, Project Contact
E-mail:hgould@valley-sanitary.org
phone: 760-238-5400

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

Counter Hours: M-F 8:00 AM – 5:00 PM

PURPOSE

The Valley Sanitary District (VSD) is requesting proposals from experienced and qualified firms (“Proposers”) for the provision of Security and Protection Services at VSD facilities. It is VSD’s intent to award one contract for Security and Protection services at Administration, Treatment Plant property, Wild Bird Center and Wetlands in Indio, Riverside County.

ABOUT THE DISTRICT

VSD is in the Coachella Valley about 20 miles southwest of the Palm Springs airport. VSD is a wastewater district, founded in 1925, operating under the Sanitary District Act of 1923. The District has over 28,000 service connections in a 19.5 square mile service area serving a population of about 75,000 in the communities of Indio, Coachella, La Quinta, and unincorporated Riverside County. The District’s Adopted FY 2023/24 Operating Budget is \$8.3 million.

VSD is governed by a five-member Board of Directors and led by a senior management team comprised of a General Manager, District Engineer, Chief Plant Operator, and Administrative & Finance Manager. Staff includes a total of 32 full-time employees spread across three Departments: Administrative Services Department, Operations & Maintenance Department, and the Engineering Department.

Keeping infrastructure up to date and reliable is a significant part of the District’s commitment to provide quality service to its customers. Capital improvement and replacement projects are necessary to replace aging underground infrastructure and to ensure that the District offers superior treatment to meet environmental standards.

INTRODUCTION

The successful Proposer shall be required to provide the Security and Protection scope of services outlined in Exhibit A ("Basic Services & Enhanced Services Upon Request") for the above referenced properties.

The successful Proposer shall be required to furnish equipment, vehicles, transportation, and other implements necessary to execute the contract. The Proposer shall supply a plan as to how the Basic Services will be executed. The plan shall include the number of personnel which will be used to execute the services 7 days a week, 12 hours per day. The Security and Protection service will start at 6:00 pm and end at 6:00 am.

The successful Proposer shall maintain that all employees have been trained in appropriate security, protection, and safety measures to ensure Proposer's employees are performing their work in a safe manner. The Proposer shall state their qualifications as a professional Security and protection firm, which can include but not be limited to, previous Security and Protection services offered to businesses within Riverside County, current Security and Protection contracts being performed by Proposer, the length of time that this Proposer has been performing these types of services, and any special qualifications those employees might have.

TERM OF AGREEMENT

The agreement shall begin on November 1, 2023. The terms of the agreement for Security and Protection services will be negotiated with the selected proposer. VSD expects a minimum term of one year with two additional years at its sole discretion. The contract will be monitored for acceptable services rendered throughout the contract term. The District will have the option to cancel the contract in whole or in part during the contract term, for any reason, without penalty, upon notice. The Proposer will not be entitled to lost profits or any further compensation not earned prior to the time of cancellation.

PAYMENTS

For payment due for Basic and Enhanced Services the Proposer shall submit invoices at the end of each monthly billing period. Invoice amounts shall be based on the Proposer's services as rendered in a format acceptable to VSD.

The Proposer shall submit an invoice which provides detailed billing for services provided no later than 45 calendar days after the date the services have been rendered. Payments shall be paid to the Proposer within 30 days upon the receipt of the invoice.

RFP RESPONSE FORMAT

The RFP respondent shall submit one PDF Electronic copy of the RFP response with all the information requested. In order to simplify the proposal evaluation process, the District is seeking RFP responses in the following format:

1. Cover/Cover Letter

- Name of Business/Company:
- Business/Company Address:
- Telephone Number(s):
- E-mail Address:
- Website Address:
- Federal Tax ID Number:
- Name, title, telephone number and, if different, address of person(s) authorized to represent business entity:
- Name, title, telephone number and, if different, address of person(s) authorized to sign contracts for the business entity:

2. RFP Response

A. Information about the consulting firm including the following information.

- organization type (corp, llc, etc)
- organizational structure(s)
- location of principal office(s)
- years in business
- number of employees
- other pertinent information

B. Key personnel and roles

- Name of the principal point-of-contact in the firm/entity that will have direct and continued responsibility for the services provided to the District. This person will be the District staff's first point-of-contact on all matters at the contract administration level dealing with the services offered, and will either handle day-to-day activities or assign a point-of-contact and other firm staff as needed for that responsibility.
- Outline of responsibilities/roles of firm/entity personnel with respect to providing the services requested.
- Experience/resumes of assigned personnel including certifications.
- Location of resources assigned to project and availability for on-site work activities.

C. Qualifications of the Firm/Entity

- Description of at least five similar projects/assignments. Describe the roles of both parties, description and size of environments serviced, services performed, annual charges and resources utilized.

- Five References for similar assignments/work performed. If different from above project list, describe the nature of the project/assignment as described above.
- Business partner relationships and level of your firm (i.e. Microsoft Gold).
- Tenure with firm of key personnel to be assigned to project.
- Discuss your customer knowledge continuity process for maintaining customer environment knowledge as staff resources change.

D. Response to the Scope of Services requested and other key issues raised in RFP

The respondent should address how it will provide the services requested in the scope of services. Including the establishment of the processes and procedures for maintaining and supporting all of the District's network infrastructure, how the support desk will function, how documentation and change control will be implemented, how managed services are provided and discuss other key issues raised in this RFP or are anticipated during the course of performing the scope of services requested.

E. Cost Proposal – Separate Attachment

- The District desires an all-inclusive based fees proposal for the scope of services listed (required). In addition, firms may disclose a fixed fee schedule for specific managed service offerings provided.
- Include hourly billable rates of all personnel who could be assigned to the project.
- Include any other billable costs (and corresponding unit costs) associated with the proposal (e.g., direct charges such as copying costs, travel, etc.) as applicable.

GENERAL TERMS AND CONDITIONS

1. Consultant Questions during Proposal Process: Proposing firms are encouraged to ask questions to strengthen proposals to the District. Please direct your questions to: Holly Gould hgould@valley-sanitary.org. Please provide all inquiries in writing (e-mail). Questions will be accepted up to 3:00 pm Pacific Time on Friday, Sept. 29, 2023. All questions and answers will be e-mailed to all firms who indicate their intention to respond to the RFP. Please email your intention to respond to Holly Gould. You will receive confirmation of receipt of your email. Question sources will remain anonymous.
2. Limitation: The Request for Proposals (RFP) does not commit the District to award a contract, to pay any cost incurred in the preparation of the firm's RFP response or to procure or contract for services or supplies. The District reserves the right to accept or reject any or all RFP responses received as a result of this request, to negotiate with any/all

qualified sources or to cancel all or part of this RFP.

3. Award: The firm/entity chosen may be required to participate in negotiations and to submit such revisions of its proposals as may result from negotiations. The District reserves the right to award a contract/select a service provider without discussion based upon the initial proposals.
4. Signature: The consultant's RFP response shall provide the following information: name, title, address and telephone number of individuals with authority to bind the service provider and who may be contacted during the period of proposal evaluation. The consultant's RFP response shall be signed by an official authorized to bind the consultant.

PROPOSAL SUBMISSION

One PDF electronic copy of the proposal must be received no later than 4:00 p.m. on Friday, Oct. 09, 2023, by one of the following two methods. Late proposals will not be accepted.

1. Delivered to VSD Administrative Office
or
2. Emailed to hgould@valley-sanitary.org

SELECTION CRITERIA

In reviewing proposals, the District's proposal reviewers will use a standardized selection:

- Experience and qualifications of assigned staff (20 points)
- References (particularly public agencies) and relevant work performed (20 points)
- Firm/entity key personnel assigned to the project (10points)
- Demonstrated ability to competently implement the scope of services (20 points)
- Demonstrated understanding of issues raised by District in RFP and completeness in addressing the scope of work (30 points)

A review panel will rate the initial proposals based upon standardized selection criteria and will select up to 3 of the highest scoring consultants to attend interviews (see selection process and time frame below). All other consultants will be notified according to the schedule provided below.

SELECTION PROCESS AND TIME FRAME

| | |
|------------------------------|--|
| Monday, Sept. 11, 2023, | Release date of RFP |
| Friday, Sept. 29, 2023, | Questions due no later than 3:00 PMPDT |
| Monday, Oct. 09, 2023, | RFP responses due no later than 4:00 PMPDT |
| Tuesday, Oct. 23, 2023, | Board approval of contract |
| Wednesday, November 1, 2023, | Services begin |

Exhibit A
Scope of Services

| Basic Services |
|---|
| Nightly security patrol |
| Provide unarmed roving security guard including vehicle and fuel cost |
| Patrol VSD property 6:00 pm – 6:00 am 7 days a week |
| VSD Plant, Wild Bird Center and Wetlands for the purpose of vandalism and theft prevention. |
| Security personnel will be responsible for answering calls from the alarm company, responding to active alarms on property to determine the necessary course of action, and contacting the proper authority in response to break-ins or maintenance issues on property. |
| Provide Automated tracking system information |
| Random Supervisor checks at no charge |
| Record activities of guard |
| Overtime and Holidays |
| Overtime is only billed when requested by VSD |
| VSD pays 12 Holidays a year at time and a half |
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the number of personnel to execute the services h service. The contractor will have access to the work site only between the hours of 6:00 p.m. to 6:00 a.m., Monday through Sunday

.

Respectfully submitted,

Print Name: _____ Print Title: _____

Signature: _____ Date: _____

Exhibit B
Cost of Services

| | |
|--|--|
| | |
| | |

Respectfully submitted,

Print Name: _____ Print Title: _____

Signature: _____ Date: _____

PROPOSAL



Southwest Security
45-100 Golf Center Parkway, Suite E
Indio, California 92201
(760) 970-4500





VALLEY SANITATION DISTRICT

Proposal Request

2023-RFP-012

Security and Protective Services

Contact person:

Holly Gould
Clerk of the Board
VALLEY SANITATION DISTRICT
45500 Van Buren Street
Indio, California 92201
hevans@vally-sanitary.org - email

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1. LETTER OF TRANSMITTAL

REQUEST FOR PROPOSAL

TITLE: SECURITY SERVICES

Southwest Protective Services, Inc.
SOUTHWEST SECURITY
45-100 Golf Center Parkway, Suite E
Indio, California 92201
OFF: (760) 970-4500 FAX: (760) 970-4510

Date: October 13, 2023

VALLEY SANITATION DISTRICT
45500 VAN BUREN STREET
INDIO, CALIFORNIA 92201

Attention: **VSD Administration**

Subject: **Proposal Request – Security and Protective Services**

The enclosed Response is submitted in response to the above-referenced Proposal Request

The company submitting this proposal certifies that no officer of the company holds a position on the Board of Directors of the **VALLEY SANITATION DISTRICT**.

We have a clear understanding of the Proposal Request and have conducted such other investigations as were prudent and reasonable in preparing the response. I am authorized to submit this response on behalf of the Southwest Protective Services, Inc.

Yours truly,

Jason Jackson

Signature

Principal: **Jason Jackson** Title: **President & CEO** Phone: **(760) 996-1285**

E-Mail: **jjackson@SouthwestSecurity.net**

Website: **[Http://www.SouthwestSecurity.net](http://www.SouthwestSecurity.net)**

2. EXECUTIVE SUMMARY

Valley Sanitation District is a California Special District governed by a locally elected Board of Directors. The District was founded in 1925 and is governed by the California Sanitary Act of 1923. **Valley Sanitation District** collects and treats wastewater for the District service area.

The **Valley Sanitation District** currently maintains a district boundary of approximately 19.5 square miles, and maintains approximately 254 miles of sanitary sewer lines that delivers over 6 million gallons per day of wastewater to its wastewater reclamation facility. The **Valley Sanitation District** staff works tirelessly, focusing on “Attention to Details”, in order to provide the best service to its district residents and businesses.

Southwest Security (SWS) also believes in “Attention to detail”, and we believe it is what separates us from the rest of our industry. Large corporate security companies have long forgotten the bread and butter of our industry, “customer service”. We at **SWS** believe in treating ALL of our clients as though they are our ONLY CLIENT, not as a number on a client list. We strive to “provide the best quality security service to our customers”, ALWAYS!!! Although sometimes the processes may be complex in nature, the results should always be the same - the highest quality service. Our first and foremost concern is to always provide the best trained and most professional security force that will exceed all of your expectations in what you believe a private security service should be.

Our response to this proposal request by the **Valley Sanitation District** is based on “attention to detail,” customer service, technology and equipment, training, as well as assuring you that we not only will provide the best trained staff in the beginning, but will always maintain that standard throughout the duration of the contract.

Below are some items that we believe sets us apart from other security companies:

- Only locally owned and operated Security Company serving the Coachella / Imperial Valleys.
- Highest quality and most advanced security technology on the market today (SilverTrac® & LensLock®)
- Only Security company in Imperial/Riverside County, approved for the FirstNet® communication system
- Operates the only **24/7/365 LOCAL** dispatch center in the Coachella and Imperial Counties.
- Transition Team’s knowledge and experience (Over 60 years of Local experience in the security industry)
- Earned the respect of Local, County, State and Federal law enforcement agencies.

Southwest Security (SWS) looks forward to partnering with the **Valley Sanitation District** management to provide the highest quality security services for the **Valley Sanitation District**, its workers and its residents. We will work to make the transition a smooth and stress-free experience. We certainly understand the needs and unique challenges in the Coachella and Imperial Valleys, and we believe that that is why we have grown to be one of the most respected professional security company within Imperial and Riverside Counties.

3. IDENTIFICATION OF RESPONDENT

1. Southwest Protective Services, Inc. / dba: Southwest Security 404 West Heil Ave. El Centro, California.
2. Southwest Security is a California Corporation #3805311
3. Southwest Security is not a subsidiary of a “parent company”.
4. Proposal contact, Jason Jackson – President & CEO
404 West Heil Avenue El Centro, California 92243
Corporate Mailing Address: Post Office Box 2915, El Centro, California 92244
Coachella Branch Office: 45-100 Golf Center Parkway, Suite E Indio, California 92201
Office: (760) 970-4500 **FAX:** (760) 970-4510
Cell: (760) 996-1285 **Email:** jjackson@SouthwestSecurity.net

4. PERSONNEL

4.1 PROFILE OF THE FIRM

Southwest Security's (SWS) President & CEO, Jason Jackson is the most trusted private security operator in the Imperial County, and has established himself with the same level of recognition within the Coachella Valley, over the last few years. As such, Mr Jackson has served as the contract company for such agencies as the **County of Imperial**, State of California Superior Courts, **Imperial County Sheriff's Department**, U.S. Marshall's Service, **Coachella Valley Water District**, PGA West Master Association, Mountain View Country Club, Rancho Las Palmas HOA, **City of Coachella**, Four Seasons Terra Lago HOA, Indian Springs HOA, Mountain Cove HOA, Desert Dunes Country Club, Skyborne HOA, Lake Riverside **Estates HOA**, Speckles Sugar, **Cal Energy**, **Ormat Energy**, **Pattern Energy**, **Sukut Construction** and **Granite Construction** just to name a few. Most of these clients maintain highly sensitive operations which necessitates the highest levels of professionalism and knowledge of security & safety procedures. Mr Jackson and his "Project Team" are highly motivated and progressive in going above and beyond the expectations of each of our clients. He believes in working with our clients to form "partnerships" and assists our clients in exceeding their goals and expectations in the fields of safety and security.

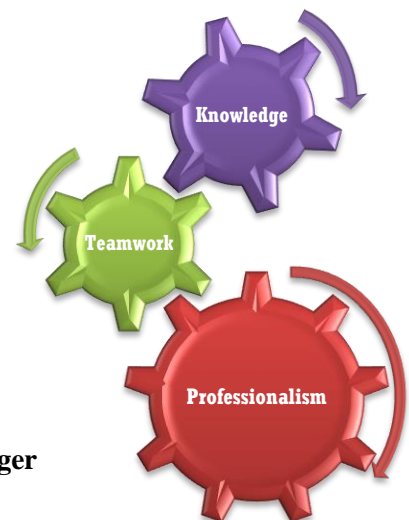
Southwest Security (SWS) "Project Team" has worked together for many years and on many projects, both in transition and in maintaining all client services. Having the luxury of an experienced "Project Team" that has been through most everything together greatly benefits our clientele. Our team members not only fully understand their roles but are comfortable and secure in performing them. This "teamwork" attitude allows our team to never be surprised or caught off guard when an issue or an emergency may arise.

4.2 CONTRACT COMPANY MANAGEMENT AND PERSONNEL COMMITMENT

Southwest Security (SWS) is fully committed to the implementation of our professional services to best meet the needs of the **Valley Sanitation District**. Upon notification of contract award **SWS** will immediately mobilize our **Transition Team**. Our Transition Team is led by our President & CEO and consists of our Operations Manager, HR Manager, Training Supervisor and two Senior Field Officers. We believe that the makeup of our Transition Team enables us to properly address any and all issues that may arise during the transition period, and creates a professional seamless, stress free environment for you, the client. Members of our Transition Team are current in all local, state and federal laws that govern the security industry.

4.3 TRANSITION TEAM

- **Jason Jackson – President & CEO**
CORPORATE OFFICES: 404 West Heil Avenue El Centro, Ca. 92243
Office: (760) 970-4500 Cell: (760) 996-1285 Fax: (760) 970-4510
jjackson@southwestsecurity.net
- **Vicki Corrales – Corporate Operations / H.R. Manager**
CORPORATE OFFICES: 404 West Heil Avenue, Ca. 92243
Office: (760) 970-4500 Cell: (760) 996-5721 Fax: (760) 970-4510
vcorrales@southwestsecurity.net
- **Lisa Ariaza – Imperial Valley Operations Manager**
CORPORATE OFFICES: 404 West Heil Avenue El Centro, Ca. 92243
Office: (760) 970-4500 Cell: (760) 996-5720 Fax: (760) 970-4510
lariaza@southwestsecurity.net
- **Robert "BOB" Pantanella – Coachella Valley Operations Manager**
INDIO OFFICE: 45-100 Golf Center Parkway Indio, Ca. 92201
Office: (760) 970-4500 Cell: (760) 844-5692 Fax: (760) 970-4510
rpantanella@southwestsecurity.net



- **Bob Musick – Senior Field Supervisor / Training Manager**
CORPORATE OFFICES: 404 West Heil Avenue, Ca. 92243
Office: (760) 970-4500 Cell: (760) 996-5719 Fax: (760) 970-4510
bmusick@southwestsecurity.net

4.4 RESUMES (TRANSITION TEAM)

JASON JACKSON, MPA – President & CEO

After 17 years as the General Manager of Desert Security Services (DSS), and following its acquisition by conglomerate U.S. Security Associates in June of 2015, Mr Jackson tendered his resignation and opened **SOUTHWEST SECURITY**. Prior to managing DSS Mr Jackson worked for the Imperial County Probation Department, as well as providing sensitive security related services for various banks and other financial institutions. Jason is a graduate of Imperial Valley College with an Associate of Arts Degree in Administration of Justice, and is a graduate of San Diego State University with both his B.A Degree in Criminal Justice Administration, as well as successfully completing his Master's Degree in Public Administration.

Jason's duties include the day to day operations of Southwest Security. Those duties include frequent contact and interaction with each of our valued clients. He maintains the responsibility of over-seeing and providing on-going training of all **SWS** security personnel; immediately responding to our client's requests; as well as assuring that each of our Field Supervisors and Site Supervisors are performing at the highest levels to insure the highest quality security services in the Coachella and Imperial Valleys. Jason's responsibilities further include the continued monitoring of our efforts, in assuring that each and every one of our customers is fully satisfied and happy with our services.

Jason is a dedicated volunteer that gives numerous hours of his time to our communities. Jason serves on many local boards and commissions such as the Immediate Past Chairman of the Imperial County Workforce Development Board, Past Director of the El Centro Chamber of Commerce, Past Commissioner of the El Centro Planning Commission, and Board Member of the Salton Sea Action Committee. Jason's "Commitment to Community" led him to be elected to the El Centro City Council in 2011, and again in 2015 where he served as the Mayor. Jason is also active in community service organizations, serving as a member, and Past President of the Indio Sunrise Rotary and Past President, and current Board member for the El Centro Kiwanis Club. Jason's strong belief in community service and his ability to lead by example will lead the way for Southwest Security to be the highest regarded, professional security firm in the Imperial County and the surrounding Southwest Desert Region.

VICTORIA CORRALES – CORPORATE OPERATIONS / Human Resource Manager

Ms. Corrales joined Southwest Security after serving as the assistant Operations and Human Resource Manager with Desert Security Services from 2011 – 2015. Her duties include managing the selection and hiring of all of our employees, maintaining current and up to date personnel files, managing and scheduling all employees for all necessary training to ensure that all of our employees are compliant with all state requirements that govern the security industry. Ms. Corrales works with local, state and federal agencies such as CalWorks, Vet Serve and the Workforce Development office in job creation and recruitment.

Ms. Corrales has a firm grasp on current labor laws that affect the security industry. Her knowledge and experience help us not only hire the most qualified individuals, but also helps to manage their training requirements and permits. Her leadership in the field of Human Resources is a key component to our success as a security company.

LISA ARIAZA – Imperial County Operations Manager

Ms. Ariaza joined Southwest Security after spending 6 years as a dispatcher and assistant Operations Manager of Desert Security Services. Ms. Ariaza's knowledge, experience and understanding of the internal workings of the security industry make her an excellent choice for the operations of our company. Ms. Ariaza has demonstrated her ability to work with community associations and grow professional relationships within HOA Management Organizations, and beyond. Her ability to motivate staff to perform at their highest level and to match the right individuals with the right clients also increases the overall success of our company.

Ms. Ariaza has exhibited the capabilities to hire, train and supervise an excellent **SWS** field staff. Additionally, due to starting her career in the security industry as a dispatcher, she has a more intimate understanding regarding the needs of our staff and clients from a perspective other than strictly Management.

ROBERT PANTANELLA – Coachella Valley Operations Manager

Mr. Robert "Bob" Pantanella joined Southwest Security after completing a long and distinguished law enforcement career that took him through the ranks, culminating in and retiring as Police Chief of the Rollinsford, New Hampshire Police Department in 1991. After his retirement from law enforcement, he and his family moved to Southern California where he became the Director of Security for the Santa Anita Fashion Park. The Santa Anita Fashion Park was a super-regional shopping mall located in Arcadia, California adjacent to the Santa Anita Race Track. During his five years serving in this role, he developed and implemented protocols that addressed and greatly reduced auto theft within the property. In 1996, he was recruited by the Westfield Corporation to become the Director of Security and Assistant General Manager of the Palm Desert Mall, which was the largest regional shopping center in the Coachella Valley.

In 2001, Mr. Pantanella was again recruited, this time by Securitas Security. At that time, Securitas Security was the both the largest supplier of private security officers in the Coachella Valley and North America. Mr. Pantanella served as a Branch Manager for the Coachella Valley, and supervised hundreds of security officers and tens of high-end clients. After serving in this role for four years, one of his clients that he oversaw; PGA West, asked him if he would consider leaving his current position and become an employee of the property management team. He did, and served as PGA West's Director of Community Services for fourteen years.

Mr. Pantanella has exhibited the capabilities to hire, train and supervise an excellent **SWS** field staff. Additionally, due to part of his career serving in the retail industry as a Security Director, and General Manager, he has a more intimate understanding regarding the needs of customer service, and staffing from a perspective other than strictly from the security management industry.


BOB MUSICK - Senior Field Manager / Training Supervisor

Mr. Musick came to Southwest Security after serving more than 14 years with Desert Security Services as their Senior Field Manager and Training Supervisor. Mr. Musick brings a vast knowledge of field operations that uniquely qualifies him to bring "real life experiences" into the classroom. Mr. Musick is charged with maintaining all state mandated training as it relates to California AB2880.

Mr. Musick is also responsible for the development and implementation of all site-specific trainings, keeping abreast on any regulatory changes in our industry, maintaining an up to date training library as well as the necessary equipment utilized in those trainings, and constantly reviewing our training requirements with our clients to ensure that we are providing the best trained staff in the industry.

Mr. Musick is also responsible for Patrol Operations for Southwest Security. He directly oversees our Patrol Supervisory Staff and works with our 24/7/365 dispatching staff in bringing the best prepared and highest trained field supervisory staff in the Region.

4.5 TRANSITION SCHEDULE

|  | <h1>Transition Schedule</h1> | | Property: Valley Sanitation District Service Start Date: TBD | | |
|---|------------------------------|---|---|---------------|--|
| Task Assigned | Day Number | Transition Member(s) Responsible | Due Date | Day Completed | |
| Meet with Client Representative to establish Transition Guidelines | 1 | Jason Jackson Lisa Araiza Robert Pantanella | | | |
| Establish and assign Transition Team | 1 | Jason Jackson | | | |
| Conduct Risk Management Safety Inspection | 1 - 5 | Bob Musick | | | |
| Complete Post Order Survey | 1 - 5 | Bob Musick | | | |
| Prepare Hiring Profile | 1 - 5 | Vicki Corrales | | | |
| Prepare Post Orders | 2 - 20 | Bob Musick | | | |
| Prepare Master Schedule | 5 | Vicky Corrales | | | |
| Order Supplies and Equipment | 5 - 10 | Vicky Corrales | | | |
| Order Uniforms | 5 - 10 | Lisa Araiza | | | |
| Review and Prepare wage and benefit package | 5 - 10 | Jason Jackson Vicky Corrales | | | |
| Prepare Site-Specific Training materials | 5 - 15 | Bob Musick | | | |
| Recruit and Select Security Officers based on Client requirements. Begin Background reviews. Select Site Supervisor. | 5 - 20 | Vicky Corrales Lisa Araiza Robert Pantanella | | | |
| Meet with Client to review Post Orders | 7 - 10 | Jason Jackson | | | |
| Meet with Client to confirm Post Orders, and brief on the progress of our transition schedule | 21 | Jason Jackson | | | |
| Conduct Security Officer Introduction Program to new and incumbent Officers | 22 - 28 | Lisa Araiza Robert Pantanella | | | |
| Confirm all personnel files | 22 - 25 | Vicky Corrales | | | |
| Conduct on-site specific training of Security Staff | 22 - 28 | Bob Musick | | | |
| Establish specific service start procedures: <ul style="list-style-type: none"> • Arrival of Supervision • Arrival of Officers • Placement of equipment and supplies • Actual transfer of facility responsibilities • Working Schedule | 22 - 28 | Jason Jackson Vicky Corrales Lisa Araiza Robert Pantanella | | | |
| BEGIN CONTRACT | 30 | Jason Jackson Vicky Corrales Lisa Araiza Robert Pantanella Bob Musick | TBD | | |

4.6 Customer Service/Staff Support

Customer service is what separates us **Southwest Security (SWS)** from the corporate giants of our industry. The large corporate security companies have long forgotten how to **“Take Care”** of the client. You simple become an id number on a spread sheet with little or no interaction from company administration once the ink is dry on your contract. **Southwest Security** puts customer service at the top of our list...**ALWAYS!!!** SWS administrative staff are available 24/7/365 to our clientele. Simply put, if you need us on property at 2am, we’ll be there...**PERIOD!!!** Anything less should be unacceptable by your own standards. You are paying for a service, and service is what you’ll get with us.

In regards to additional staffing, **SWS** is usually able to provide additional staffing within the hour. **SWS** maintains a 24/7/365 mobile Supervisory staff that is cross-trained at all of our client locations, and can respond once dispatched. Additionally, **SWS** is always able to staff any number of scenarios when given at least a 24-hour notice.

4.7 Communication System – FirstNet ®

Southwest Security (SWS) is the **ONLY** Private Security Company, serving the Imperial and Riverside Counties that has been approved to utilize **FirstNet®**, a nationwide, high-speed wireless broadband network and set of specialized, innovative tools, technologies and features specifically built for public safety. The advanced digital networking system provides wide area dispatch coverage with GPS Location Services and Data Applications.

The graphic features a blue header with the word "FIRSTNET" in white, followed by three circular icons: a Star of Life, a shield, and a caduceus. Below this is a central photograph of three emergency responders: a woman in a dark uniform, a firefighter in full gear, and a police officer. To the left of the photo is a yellow box with the word "WHAT" in large white letters, followed by "The First Responder Network Authority" and a description: "Build, operate and maintain the first high-speed, nationwide wireless broadband network dedicated to public safety". To the right of the photo is a blue box with the word "WHY" in large white letters, followed by "Born from recommendations by the 9/11 Commission" and a description: "End the history of public safety communications challenges to help keep our communities and emergency responders safer".



FirstNet™

FirstNet® 101

The most important wireless network in the country

FirstNet is a nationwide, high-speed wireless broadband network and set of specialized, innovative tools, technologies and features specifically built for public safety.

FirstNet is designed for every first responder in the country – career or volunteer; city, state, tribal or federal; and urban, suburban or rural. Think firefighters, EMS personnel, law enforcement, 9-1-1 communicators and emergency managers. FirstNet is also available to a community of users who are critical to supporting an emergency response – including nurses and physicians or utility companies that clear downed power lines and manage gas leaks.

Why was it created?

Public safety is called upon to handle emergencies every single day. They must be ready for the worst with the best tools to help them respond as quickly and safely as possible. But first responders have repeatedly struggled to reliably communicate and coordinate across agencies and jurisdictions.

The tragic events of 9/11 underscored this, making it clear that public safety needed a better way to communicate. So, FirstNet was born to improve public safety communications nationwide.

Making public safety communications a national priority



How does it work?

FirstNet uses AT&T commercial spectrum bands and a special lane of connectivity called Band 14 – nationwide, high-quality spectrum specifically set aside for FirstNet. During an emergency, this band – or lane – can be cleared and locked just for FirstNet subscribers.

Whatever the mission – responding to a routine call, supporting a large event or managing an emergency or disaster – FirstNet gives priority to public safety, so they can connect where and when they need to, to keep us all safer.

Creating a specialized communications highway just for public safety



Why is it unique?

FirstNet is the only communications platform specifically designed with and for public safety based on their direct feedback and needs.

FirstNet is interoperable across agencies. Robust tools and features only found on FirstNet include:

- Always-on, 24-hours-a-day priority and preemption across voice and data for first responders
- Dedicated access to Band 14 spectrum where and when it's needed
- Mission Ready tools – like apps and devices – tested for public safety, plus FirstNet Ready® smartphones for first responder agencies
- Access to a dedicated fleet of 150+ portable network assets
- Unparalleled support for public safety's mission
- Government oversight and accountability from the FirstNet Authority

Giving public safety a diverse set of communications capabilities



Why does it matter?

No connection matters more than one that could help save a life. That's why our work to give first responders access to the leading tools that will help them do their important jobs is something we can all feel good about.

Equipping first responders with 24/7 reliable, unthrottled connectivity and an ecosystem of cutting-edge apps, devices and solutions means they can connect to the critical information they need – every day and in every emergency – without worrying about connectivity challenges.

FirstNet is also bringing more reliable communications to rural communities across the country – covering over 2.81M+ square miles nationwide and growing.

Helping public safety achieve their mission as they work to keep us safe



4.7 Staff Hiring, Training & Supervision

Hiring Practices

Southwest Security believes that our reputation begins and ends with the quality of officers that we employ. It is this philosophy that drives us to hire only the best officers, and also identify where that officer is best suited for placement, so as to be able to be successful in the security industry. Below is a brief overview of our hiring process.

Applicants considered for employment with **Southwest Security** must meet the following minimum standards:

- Be at least 18 years of age.
- Possess a High School Diploma or GED.
- Have the legal right to work in the United States (I-9).
- Ability to speak, read, and write in English.
- A reliable means of transportation.
- A reliable means of communication.
- And his/her willingness to participate in our pre-employment screening process.

Pre-Employment Screen

Southwest Security screening process is in place to insure that:

- Officers that are hired are **DRUG FREE**.
- Officers that are hired have demonstrated a stable and responsible work history.
- Officers that are hired have a clear understanding of what is expected of he/she.
- Officers hired have a clean criminal record.
- And finally, officers hired poses the level of professionalism that is required to work for SWS

Background Verification

Southwest Security (SWS) conducts our own pre-employment background verification. Our background verification includes, but is not limited to the following:

- Employment verification (Past 15 years)
- Criminal records check of both misdemeanours and felonies.
- Department of Motor Vehicles driver's license review (Required for all drivers).
- Military service (DD 214) – verify nature of separation (Where applies).
- Credit check (When required by assignment).
- Higher education degree verification.
- Reference checks.

Drug Testing

Southwest Security (SWS) maintains a drug free workplace. **SWS** has partnered with Valley Testing to administer and record our six panel drug screen to our officers.

The six panel test detects:

- Marijuana (THC)
- Cocaine
- Opiates
- Methamphetamine
- Amphetamine
- Phencyclidine



Training

Southwest Security (SWS) follows strict guidelines in regards to training set forth by the **BUREAU OF SECURITY AND INVESTIGATIVE SERVICES**, as noted in **Division 7 of Title 16 of the California Code of Regulations**. Below are the stringent requirements that ***Southwest Security follows:***

1. **ARTICLE 9. SKILLS TRAINING COURSE FOR SECURITY GUARDS**
2. **§ 643. SKILLS TRAINING COURSE FOR SECURITY GUARDS**

(a) The course of skills training for registered security guards shall follow the standards prescribed by section 7583.6(b) of the Business and Professions Code. The attached Appendix sets forth the subjects that shall be taught and the maximum number of hours that shall be allowed towards meeting required training.

(b) For each course, or series of courses, the institution or company providing the training shall issue a Certificate of Completion to the individual completing the course.

The certificate shall identify the course(s) taken, the number of hours of training provided, identification of the issuing entity, name of the individual and instructor and a date, and state that the course(s) comply with the Department of Consumer Affairs' Skills Training Course for Security Guards. The certificate shall be serially numbered for tracking.

Note: Authority cited: Section 7581, Business and Professions Code. Reference: Sections 7583.6 and 7583.7, Business and Professions Code.

3. I. POWER TO ARREST COURSE OUTLINE

The Power to Arrest Course consists of four (4) hours of training in both of the following two (2) subjects:

A. Powers to Arrest - 4 hours

Objective: To familiarize and instruct the individual on the training topics delineated at Business and Professions Code section 7583.7, including, without limitation, legal aspects, techniques, liability, and company requirements relating to the arrest of an individual. The training will utilize the Department of Consumer Affairs' Power to Arrest Training Manual and may include lecture, discussion, exercises and role-playing.

1. Overview of Power to Arrest Manual and subject matter.
2. Definition of arrest and discussion on the implications to the subject, the guard and the company.
3. Lecture/discussion on escalation and de-escalation techniques in the use of force.
4. Lecture/discussion in the use of restraint techniques and their implications.
5. Discussion of trespass laws and implications of enforcement.
6. Completion of the Power to Arrest Training Manual Test with 100% score in accordance with the Manual's Administering Instructions.

B. Weapons of Mass Destruction (WMD) & Terrorism Awareness - 4 hours

Objective: To familiarize and instruct the individual on the subject matter and observation skills required to identify and report precursor activities to a terrorist event, react appropriately, report the occurrence of a terrorist event, and remain safe while helping control the scene after a terrorist event. The training will utilize the Department of Consumer Affairs' Weapons of Mass Destruction & Terrorism Awareness for Security Professionals course consisting of a Digital Video Disk (DVD), Student Workbook and Facilitator Manual.

1. Introduction and overview of the training.
2. The Role of a Security Officer.
3. The Nature of Terrorism.
4. Weapons of Mass Destruction.
5. Coordinating and Sharing of Critical Information.

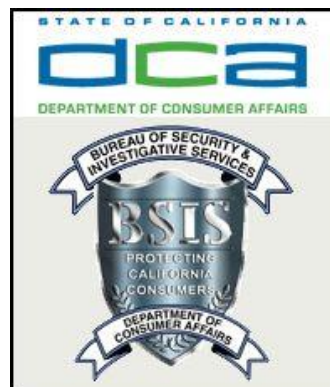
4. II. MANDATORY COURSES OUTLINE OF COURSES

Objective: To familiarize and instruct the individual in basic skills and provide a common body of knowledge in the performance of security guard work. All courses shall include information and subject matter pertaining to the outline provided. Additionally, all courses shall include written material, lecture or exercises to assure that the individual comprehends the subject matter presented. Every newly licensed or employed security guard shall complete two of the mandatory courses within thirty (30) days from the day the guard's registration card is issued (8 hours) or the day the guard begins employment. The remaining two mandatory courses each consisting of four (4) hours of instruction, shall be completed within the first six (6) months from the day the guard registration card is issued or the day the guard

begins employment as a security guard. Pursuant to Business and Professions Code Section 7583.6 (b) the following outline includes subjects that shall be taught and the maximum number of hours that will be allowed for completion of the Mandatory Courses.

A. Public Relations (Community & Customer) - 4 hours

1. Recognizing Gender & Racial Harassment & Discrimination
2. Respect:
 - Stereotyping
 - Attitude
3. Verbal Skills / Crisis Intervention
4. Introduction to Diversity
5. Substance Abuse & Mental Illness
6. Ethics & Professionalism
 - Appearance
 - Command Presence
 - Proper Conduct



CERTIFIED

B. Observation & Documentation - 4 hours

1. Report Writing
2. English as a Second Language
3. Observation and Patrol Techniques
4. Asking Appropriate Questions
5. Observing Suspects / Suspicious Activity

C. Communication and its Significance - 4 hours

1. Internal
 - Protocols Pursuant to Contract (Who to Contact & When)
 - Radio / Monitors
 - Other Technology
2. External
 - Emergency / First Responders
 - Medical Personnel
 - Police / Sheriff / Other Enforcement
 - City Services / Government Services

D. Liability / Legal Aspects - 4 hours

1. Personal / Contractor / Employer
2. Criminal, Civil, Administrative
3. BSIS Code & Regulations
4. Role of a Security Guard

5. III. ELECTIVE COURSE OUTLINES

Objective: To familiarize and instruct the individual in basic employer requirements relating to the performance of guard duties. Additionally, to provide the employer and the individual with the opportunity to select additional course work to improve the skills and knowledge of the individual. The listed courses should include a mixture of written materials, lecture and exercises. The hours listed are the maximum number of hours that will be accepted as part of the 16 hours of elective training mandated by the Business and Professions Code section 7583.6. Every newly licensed security guard shall complete a minimum of eight (8) hours of elective courses within thirty (30) days from the day the security guard's registration card is issued or the day the guard begins employment. An additional eight (8) hours of elective courses shall be completed within the first six (6) months from the day the security guard's registration card is issued or the day the guard begins employment. Pursuant to Business and Professions Code Section 7583.6 (b), the following outline includes subjects that shall be taught and the maximum number of hours that will be allowed for completion of the elective courses.

A. Post Orders & Assignments - 4 Hrs. Maximum

1. Site Specific Training
2. Equipment
 - Monitoring
 - Communication
 - Alarms
 - Elevators, Etc.
3. Emergency Response Issues
4. Liability Implications
5. Lost / Found Articles



B. Employer Policies / Orientation - 4 Hrs. Maximum

1. Employer Reports / Paperwork
2. Reporting Processes / Procedures
3. Tax Forms, Health Forms, Etc.
4. Uniforms
5. Work Schedules
6. Other Internal Policies, Processes or Procedures
7. Employer Use of Force Policy

C. Evacuation Procedures - 2 Hrs. Maximum

1. Emergency Procedures Related to Life / Safety and Acts of Nature
2. Working Knowledge of Evacuation Routes
 - Stairs
 - Elevators
 - Doors
3. Power Outage
4. Specific Points of Contact

D. Officer Safety - 4 Hrs. Maximum

1. Threat Assessment
2. Subject Contact
3. Safety Awareness
4. Blood Borne Pathogens
5. Environmental / Hazardous Materials

E. Arrests, Search & Seizure (more advanced than PTA course)- 4 Hrs. Maximum

1. PC 836, 837 & the Differences
2. US Constitution & Amendments Impacting Guard Responsibilities
3. Loss Prevention
4. Merchant Law
5. Use of Force

F. Access Control - 2 Hrs. Maximum

1. Identification Procedures
2. Electronic Use / CCTV
3. Non-electronic procedures

G. Trespass - 4 Hrs. Maximum

1. Open Land
2. Private Property
3. Private Building
4. Public Property
5. Places of Public Accommodation/Public Access

H. Laws, Codes, Regulations and Ordinances - 2 Hrs. Maximum

1. Specific to Post Assignment

I. First Aid / CPR - 4 Hrs. Maximum

1. American Red Cross Courses
2. American Heart Association Courses
3. Automatic Defibrillator Devices (AED's)



J. Handling Difficult People - 4 Hrs. Maximum

1. Communications
2. Conflict Management
3. Speaking Constructively
4. Valuing Diversity
5. Negotiating
6. Verbal Diffusion

K. Work Place Violence - 4 Hrs. Maximum

1. Detecting Unusual Behavior / Warning Signs
 - Worker to Worker
 - Client to Customer
 - Supervisor to Subordinate
2. Anger Management
3. Valuing Diversity
4. Personal Security
5. Reporting

L. Chemical Agents - 4 Hrs. Maximum

1. Tear Gas Use and Effects
2. Pepper Spray Use and Effects
3. Air Borne Chemical Agents
4. Water Borne Chemical Agents

M. Preserving the Incident Scene - 4 Hrs. Maximum

1. Identifying Evidence
2. Care and Handling of Evidence
3. Securing the Immediate Area
4. Legal Issues to Evidence Tampering and/or Removal
5. Witness/Participant Identification

N. Crowd Control - 4 Hrs. Maximum

1. Controlling Boisterous Celebrations
2. Handling Disputes
3. Confronting Conflicts Constructively
4. Planning for Civil Disobedience / Disturbances
5. Labor Actions, Disputes, Workplace Stoppages

O. Driver Safety - 4 Hrs. Maximum

1. Cars
2. Bicycles
3. Golf Carts

P. Supervision - 4 Hrs. Maximum

- Roles and Responsibilities
- Legal Liability

Q. Courtroom Demeanor - 4 Hrs. Maximum

R. Parking / Traffic Control - 2 Hrs. Maximum

**TRAINING
FOR SUCCESS**

S. Radio Procedures - 2 Hrs. Maximum

T. BSIS's Certified Course in Firearms Training - 8 Hrs. Maximum

U. BSIS's Certified Course in Baton Training - 4 Hrs. Maximum

V. School Security Guard Training - 8 Hrs. Maximum

(In compliance with Bureau developed Training Syllabus)

W. Introduction to Executive Protection - 4 Hrs. Maximum

X. Annual Firearms Requalification - 4 Hrs. Maximum

Y. Fire Safety Course - 4 Hrs. Maximum

Z. Course in the Use of a Stun Gun or Air Taser - 4 Hrs. Maximum

6. IV. CONTINUING EDUCATION

Objective: To provide additional or remedial instruction in private security subject matter. The continuing education requirement, of an additional 8 hours annually pursuant to Business and Professions Code Section 7583.6(f) (1), commenced on January 5, 2005. The annual training may be provided by an independent training entity or may be provided by the employer. Employer provided training should be supported by evaluation of the licensed guards' skills. The annual training may repeat previous course(s), or may provide additional course(s) on topics applicable to private security work.

The Mandatory and Elective courses with 4-hour maximum time limitations for the initial Skills Training Course for Security Guards may be expanded in depth to 8 hour courses, with the exception of the WMD and Terrorism Awareness, to meet the annual training hours.

Additionally, training in use of specific types of batons or a four (4) hour refresher course every other year may also be utilized to meet the continuing education requirements.

For each course completed, the training entity or company providing the training shall issue a Certificate of Completion to the individual completing the course in compliance with the appearance requirements stated in Title 16, California Code of Regulations, section 643 (b).

In addition to the above classroom training that is conducted by our **State Certified Trainers**, we conduct **site specific (On-Site) training** with each individual assigned, either permanently or as a standby officer. This training is performed by either our Training Supervisors or his designee. Typical on-site training is **16-40 hours** depending on the complexity of the individual site. This training is performed at **NO COST** to you, the client.

Wages

Southwest Security agrees to honor the existing wages of qualified officers working at the **Valley Sanitation District** in hopes to retain **ANY** officers that the **Valley Sanitation District** desires. Wages of those individuals will be absorbed by **Southwest Security (SWS)**

Southwest Security (SWS) believes that the keys to **high morale** and **low attrition** are simple; reward your staff for seniority and merit. We typically model our seniority increases every twelve (12) months after the officer has completed his/her probationary period. In regards to merit increases, those are evaluated on a case by case bases, and are usually tied to performance above and beyond the call of duty.

Transition

Southwest Security (SWS) is fully committed to the implementation of our services to best meet the needs of the **Valley Sanitation District**. Upon notification of award **SWS** will immediately initiate our **Mobilization Team**. Our Mobilization Team is led by our President & CEO, and consists of our Operations Manager, HR Manager, Training Supervisor and a Field Supervisor. We believe that the makeup of our Mobilization Team enables us to properly address any and all issues that may arise during the start-up period, and creates a professional, seamless, and stress free environment for you the client. Members of

our Mobilization Team are current in all local, state and federal laws that govern the security industry, and bring more than **60** years of security experience to your transition.

5. REFERENCES

5.1 CLIENT REFERENCES

- 1. Coachella Valley Water District**
Coachella/Palm Desert, California 92236/92211
Mike Rios, Facilities Manager - (760) 832-2894
mrrios@cvwd.org
332 weekly hours (Armed and Unarmed Officers) + Armed Patrol
- 2. County of Imperial**
El Centro, California 92243
Andrea L. Gonzales- Administrative Analyst III, County Executive Office - (760) 469-4315
andrea.gonzales@co.imperial.ca.us
2250+ weekly hours (Unarmed & Armed Officers and Patrol Officers)
- 3. City of Coachella**
Coachella, California 92236
Maritza Martinez - Public Works Director (760) 398-3502 ext. 201
mmartinez@coachella.org
230 weekly hours (Unarmed Officers and Patrol Officers)
- 4. Four Seasons at Terra Lago**
Indio, California 92201
Channel Jordan, General Manager - (760) 863-2399
channel.jordan@managementtrust.com
155 weekly hours (Unarmed Officers and Patrol Officers)

5.2 INDIVIDUAL REFERENCES

- 1. Ben Guitron -Office of Community Safety (OCS) / Police Administrative Officer, City of Indio**
46800 Jackson Street
Indio, California 92201
(760) 559-1621
- 2. Glenn Miller - Councilmember, City of Indio**
80557 Hoylake Drive
Indio, California 92201
(760) 275-6000
- 3. Fred Bell - COO, Noble & Company LLC**
34360 Gateway Drive
Palm Desert, California 92211
(760) 578-1600
- 4. Linda Evans - Chief Development Officer, JFK Hospital**
47111 Monroe Street
Indio, California 92201
(760) 775-8478

6. APPROACH TO SERVICES

6.1 Customer Service/Staff Support

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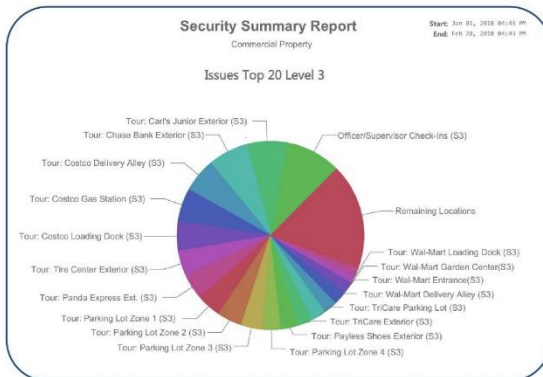
6.2 Guard Tour Management System (SilverTrac)

Our Reporting Process

How We Report

We use smartphones and tablets with quick and simple drop down reporting menus to streamline the reporting, maximize on site visibility, and reduce your risk and liability.

Instead of traditional hand written DARs our officers are provided varied reporting options that enable them to report easily throughout their shift.



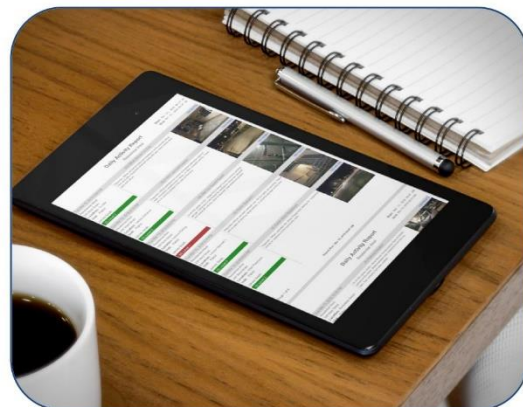
Customized For You

Our daily and monthly reports can be *completely* customized and worded for your industry and specific property.

All issues are prioritized based on the scope of service at each property and according to your needs.

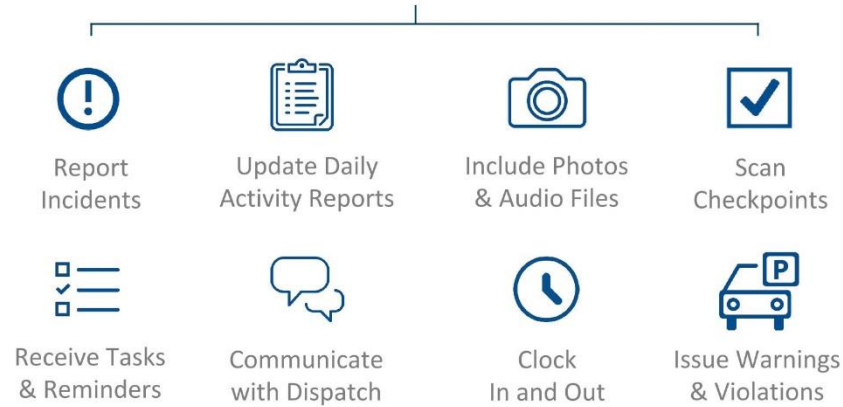
Real-Time Incident Notifications

At your choosing any issues or incidents reported can trigger a notification to the necessary parties (i.e. managers, maintenance supervisors or teams, and issue specific vendors).



Feature Overview

While using any Android or Apple device,
Officers in the field can:



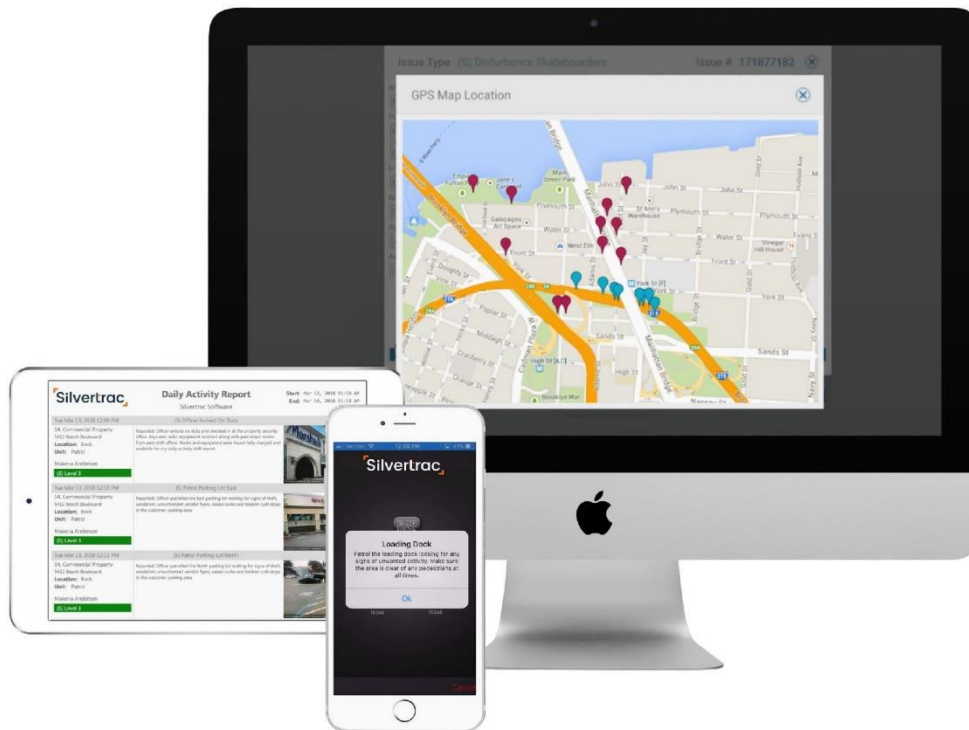
All of this information is GPS tracked and available in real time in the Issue Monitor



Guard Tour Checkpoints

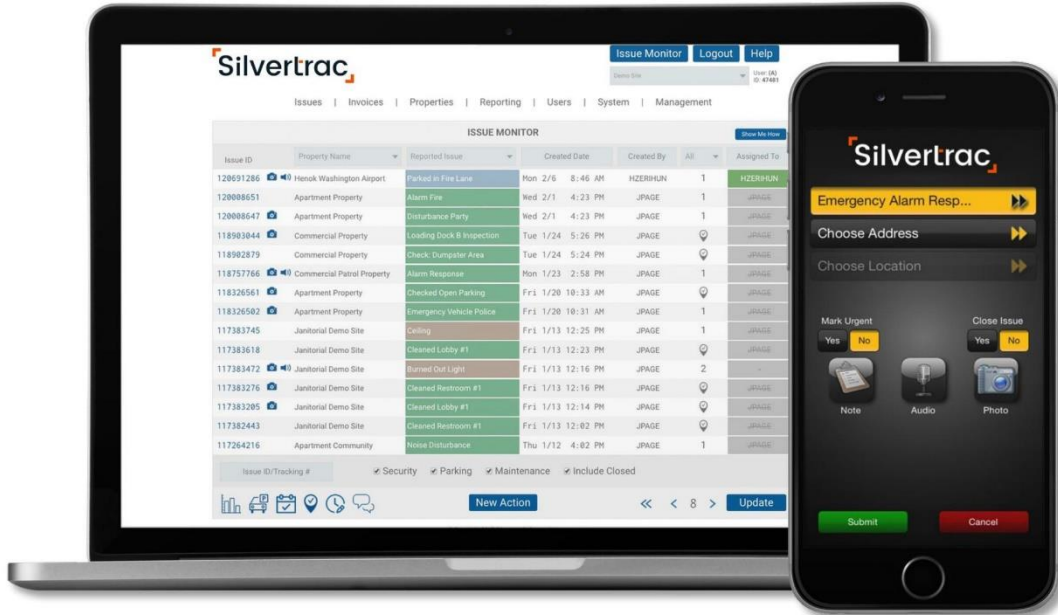
When a checkpoint is scanned 4 things happen

- 1) Instructions are shown to the officer specific to that location
- 2) A pre-written note in risk and liability terms is entered into all reports including the Daily Activity Report (DAR).
- 3) A GPS pinpoint is taken to track the officers location at the time of the scan
- 4) The officer is required to include a photo with the checkpoint to verify their location (*optional*)



Your Live Dashboard

First off, the issue monitor is the hub of all the activity reported through our software. Everything that is reported including incidents, checkpoints, tasks, and dispatched issues will all be tracked right here in the issue monitor.



6.3 Sample Reports








Daily Activity Report

Silvertrac Software

Start: Mar 13, 2018 08:47 AM

End: Mar 15, 2018 08:47 AM






| | | | |
|---|---|---|---|
| Tue Mar 13, 2018 12:08 PM | | (S) Officer Arrived On Duty | 193742753 |
| Commercial Property 5412 Beach Boulevard Location: On Site Unit: Patrol Makena Anderson (S) Level 3 | Reported: Officer arrived on duty and checked in at the property security office. Keys and radio equipment received along with past down orders from past shift officer. Radio and equipment were found fully charged and available for my daily activity shift report. |  | <small>03/13/2018 12:08:54 PM PST - Watermark TR:mako2041C58</small> |
| Tue Mar 13, 2018 12:10 PM | | (S) Patrol Parking Lot East | 193742865 |
| Commercial Property 5412 Beach Boulevard Location: East Parking Lot Unit: Patrol Makena Anderson (S) Level 3 | Reported: Officer patrolled the East parking lot looking for signs of theft, vandalism, unauthorized vendor flyers, raised curbs and broken curb stops in the customer parking area. |  | <small>03/13/2018 12:10:32 PM PST - Watermark TR:mako27418EAB</small> |
| Tue Mar 13, 2018 12:11 PM | | (M) Slip/Trip Hazard Report | 193742962 |
| Commercial Property 5412 Beach Boulevard Location: Parking Garage Unit: Patrol Makena Anderson (M) Level 1 | 12:40 PM Makena Anderson - Water 5 ft in length found in Center of parking garage. Contacted maintenance team Frank Brown for assistance. Area was secured and coned off for safety and liability. See Attached Photo. |  | <small>03/13/2018 12:37:48 PM PST - Watermark TR:mako746C3FE</small> |
| Tue Mar 13, 2018 12:11 PM | | (S) Patrol Parking Lot South | 193743041 |
| Commercial Property 5412 Beach Boulevard Location: South Parking Lot Unit: Patrol Makena Anderson (S) Level 3 | Reported: Officer patrolled the South parking lot looking for signs of theft, vandalism, unauthorized vendor flyers, raised curbs and broken curb stops in the customer parking area. |  | <small>03/13/2018 12:11:59 PM PST - Watermark TR:mako7502C14</small> |
| Tue Mar 13, 2018 12:13 PM | | (S) Patrol Parking Lot West | 193743158 |
| Commercial Property 5412 Beach Boulevard Location: West Parking Lot Unit: Patrol Makena Anderson (S) Level 3 | Reported: Officer patrolled the West parking lot looking for signs of theft, vandalism, unauthorized vendor flyers, raised curbs and broken curb stops in the customer parking area. |  | <small>03/13/2018 12:13:10 PM PST - Watermark TR:mako95A4188</small> |



Daily Activity Report

Silvertrac Software

Start: Mar 13, 2018 08:47 AM
End: Mar 15, 2018 08:47 AM

| | | | |
|---|---|---|-----------|
| Tue Mar 13, 2018 12:14 PM | | (S) Patrol Loading Dock Area | 193743275 |
| Commercial Property 5412 Beach Boulevard Location: Loading Dock Unit: Patrol Makena Anderson (S) Level 3 | Reported: Officer patrolled the loading dock and checked the commercial vehicles parked at the ramp location. No safety or storage items found at the loading dock area. No vehicles obstructing truck access, or unauthorized trespassing. |  | |
| Tue Mar 13, 2018 12:15 PM | | (S) Patrol Disposal Area | 193743391 |
| Commercial Property 5412 Beach Boulevard Location: Disposal Area Unit: Patrol Makena Anderson (S) Level 3 | Reported: Checked disposal areas and loading dock area for any signs of illegal dumping or overflow concerns. Illegal dumping or overflow concerns will be reported to security supervisor immediately. |  | |
| Tue Mar 13, 2018 12:17 PM | | (S) Property Damage Report | 193743569 |
| Commercial Property 5412 Beach Boulevard Location: Perimeter Unit: Patrol Makena Anderson (S) Level 2 | 1:47 PM Makena Anderson - Southern counties driver MH - 52 Salvador Santos License Plate 9F09542. Large Ford Semi Truck (White) trailer caused property damage to median and landscape. Located at main entrance off of Carson St. Contacted property maintenance team for clean up and evaluation of damage. Property manager notified at 1:50 PM. |  | |
| Tue Mar 13, 2018 12:17 PM | | (S) Patrol Merchant Store | 193743644 |
| Commercial Property 5412 Beach Boulevard Location: Five Below Unit: Patrol Makena Anderson (S) Level 3 | Reported: Officer conducted a walk through the front area of the tenant spaces and merchant stores. No obstructions or persons loitering during the inspection tour. No visible signs of property damage or vandalism. |  | |
| Tue Mar 13, 2018 12:19 PM | | (S) Lighting Inspection | 193743802 |
| Commercial Property 5412 Beach Boulevard Location: On Site Unit: Patrol Makena Anderson (S) Level 2 | Reported: Officer conducted a lighting inspection at the storefronts and the parking lot area to make sure lighting is in good condition and working properly. No visible signs of light damage or vandalism during this inspection. |  | |



Security Report

#193752048

Silvertrac Software

Issue Type

Property Damage Report

Status

Closed

Property

Commercial Property
5412 Beach Boulevard
Long Beach, CA 90808

Location

Curb

Reported By

Officer Jake Smith
(623) 452-2323

Issue Timeline

| | | |
|--------------|-----------------------|--------------|
| Created | Tue 03/13/18 01:39 PM | JAKE SMITH |
| Assigned To | Tue 03/13/18 01:39 PM | JAKE SMITH |
| Acknowledged | Tue 03/13/18 01:39 PM | JAKE SMITH |
| Arrived At | Tue 03/13/18 01:39 PM | JAKE SMITH |
| Closed | Tue 03/13/18 02:17 PM | SUP. ERIKSON |

Additional Details

| | |
|------------------|----------------------|
| Assigned By | JAKE SMITH |
| Reported Address | 5412 Beach Boulevard |

Notes

Tue 3/13/2018 1:47 PM - JAKE SMITH

Southern counties driver MH - 52 Salvador Santos License Plate 9F09542. Large White Ford Semi Truck caused property damage to median and landscape. Located at main entrance off of Carson St. Contacted property maintenance team for clean up and evaluation of damage. Property manager notified at 1:50 PM.

Tue 3/13/2018 1:42 PM - JAKE SMITH



03/13/2018 13:42:20 PM PST - Watermark TR:make4E85C492



Mar 9, 2018 4:29:23 PM Pacific Standard Time - GMTR: PENBFCEBFCC

Report Run 3/14/2018 11:52:24 AM Page 1 of 1

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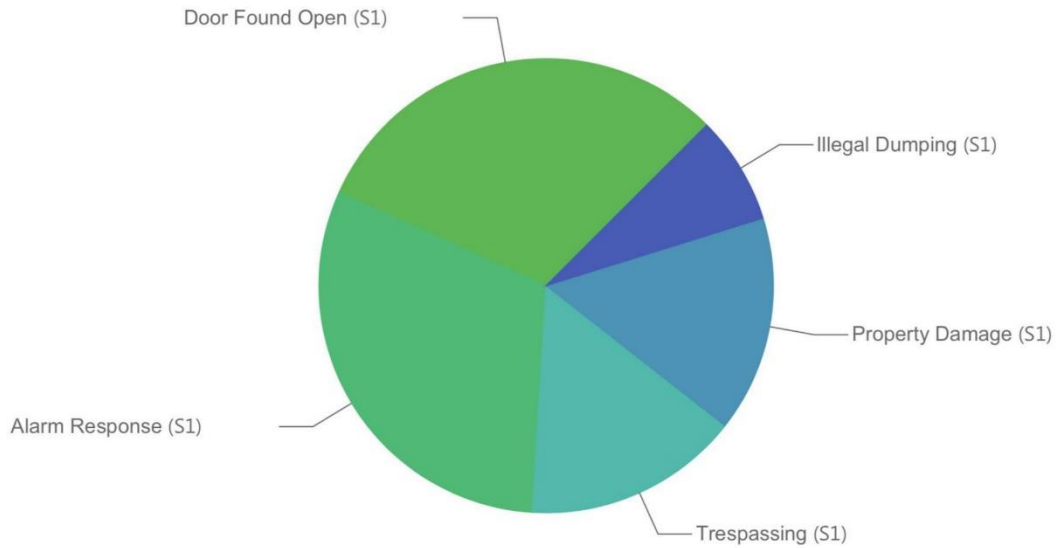
Security Summary Report

Commercial Property

Start: Jan 01, 2018 04:43 PM

End: Feb 28, 2018 04:43 PM

| Issue Type | Total | Comp | Pend | Issue Type | Total | Comp | Pend | Issue Type | Total | Comp |
|----------------------------------|-------|------|------|------------------------------------|-------|------|------|-------------------------|-------|------|
| Alarm Response (S1) | 4 | 4 | 0 | Tour: Carl's Junior Exterior (S3) | 560 | 560 | 0 | Officer On Site (S3) | 18 | 18 |
| Alarm Malfunction (S1) | 3 | 3 | 0 | Tour: Chase Bank Exterior (S3) | 439 | 439 | 0 | Officer Off Site (S3) | 16 | 16 |
| Disturbance (S1) | 8 | 8 | 0 | Tour: Costco Entrance (S3) | 417 | 417 | 0 | Officer On Break (S3) | 15 | 15 |
| Door Found Open (S1) | 9 | 9 | 0 | Tour: Costco Gas Station (S3) | 403 | 403 | 0 | Supervisor on Site (S3) | 10 | 10 |
| Door/Window Damage (S2) | 5 | 5 | 0 | Tour: Costco Loading Dock (S3) | 395 | 395 | 0 | Pass Down Received (S3) | 8 | 8 |
| Fire Extinguisher Issue (S1) | 2 | 2 | 0 | Tour: Tire Center Exterior (S3) | 347 | 347 | 0 | | | |
| Graffiti (S1) | 5 | 5 | 0 | Tour: Nail Salon Exterior (S3) | 561 | 561 | 0 | | | |
| Illegal Dumping (S1) | 10 | 10 | 0 | Tour: Panda Express Exterior (S3) | 479 | 479 | 0 | | | |
| Lighting Inspection (S2) | 12 | 12 | 0 | Tour: Parking Lot Zone 1 (S3) | 477 | 477 | 0 | | | |
| Lighting Issue (S2) | 7 | 7 | 0 | Tour: Parking Lot Zone 2 (S3) | 403 | 403 | 0 | | | |
| Positive Contact (Merchant) (S2) | 23 | 23 | 0 | Tour: Parking Lot Zone 3 (S3) | 395 | 395 | 0 | | | |
| Positive Contact (Customer) (S2) | 36 | 36 | 0 | Tour: Parking Lot Zone 4 (S3) | 347 | 347 | 0 | | | |
| Property Damage (S1) | 13 | 13 | 0 | Tour: Pay Less Shoes Exterior (S3) | 303 | 303 | 0 | | | |
| Skateboarding On Site (S2) | 4 | 4 | 0 | Tour: TriCare Exterior (S3) | 297 | 297 | 0 | | | |
| Solicitors/Flyers Warned (S2) | 6 | 6 | 0 | Tour: TriCare Parking Lot (S3) | 295 | 295 | 0 | | | |
| Slip/Trip/Fall Hazard (S2) | 1 | 1 | 0 | Tour: Wal-Mart Delivery Alley (S3) | 291 | 291 | 0 | | | |
| Stray Animals (S2) | 4 | 4 | 0 | Tour: Wal-Mart Entrance (S3) | 250 | 250 | 0 | | | |
| Theft (S1) | 9 | 9 | 0 | Tour: Wal-Mart Garden Center (S3) | 224 | 224 | 0 | | | |
| Trespassing (S2) | 3 | 3 | 0 | Tour: Wal-Mart Loading Dock (S3) | 206 | 206 | 0 | | | |



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Report Run: Feb 28, 2018 04:44 PM

6.4 Body Camera



PROVIDING BODY WORN CAMERAS,
SOFTWARE, AND SECURE CLOUD
SERVICES FOR NEXT GENERATION
DIGITAL VIDEO MANAGEMENT

LensLock™ is a turn-key body worn camera, software, and secure cloud services provider focused on ensuring that digital video & data captured by end customers is safely maintained in our Microsoft Azure Government Cloud solution. LensLock's secure video management platform helps bring peace of mind to law enforcement officers, while also maintaining an end-to-end chain of custody to ensure that digital evidence has not been compromised. LensLock also utilizes a digital fingerprint at the time of capture combined with other meta-data attributes so customers can manage their critical data evidence 24/7.

DATA STORAGE

Secure Data Storage is at the core of everything we do at LensLock. We have developed an enriched Software-as-a-Service (SaaS) platform for the management of mission critical video data. The primary focus is to provide a method of gathering, maintaining, and storing digital evidence with a secure chain of custody. In addition, LensLock created a seamless cloud architecture to assist law enforcement agencies in accessing the data at any time or place for complete scene reconstruction.



DATAMANAGEMENT

LensLock customer data is managed by strict policies compliant with the established FBI CJIS (Criminal Justice Information Services) Security requirements regarding digital evidence management. LensLock assists agencies during every step of the way in training, quality assurance, and recreation of any and all digital data that has been collected. End-to-end digital evidence management is provided by LensLock through a suite of products and services that have been developed and tailored to meet end customer needs.



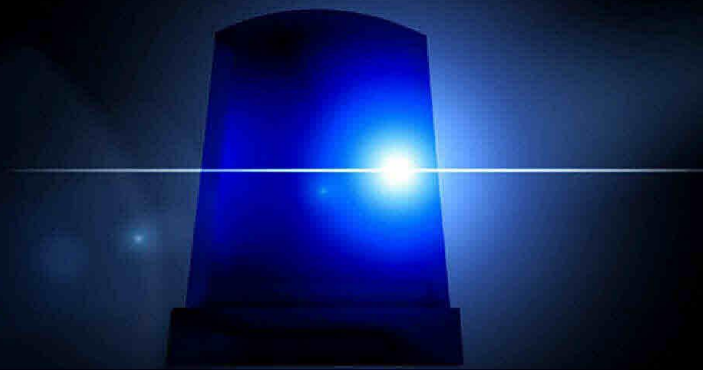
BODYCAMS

LensLock is a technology company that offers the latest innovations in body worn cameras. LensLock is proud to partner with the top camera manufacturers in the industry to deliver the highest quality, advanced features, and world class technical support & customer service. LensLock's body worn cameras offer automatic video offload, 8 hours of continuous record, one-button record, wide-angle lens, 480P up to 1296P super HD video, secure encryption for unauthorized access, and are waterproof & 2M shockproof. In addition, LensLock is committed to working with your current camera supplier to secure your digital evidence moving forward.





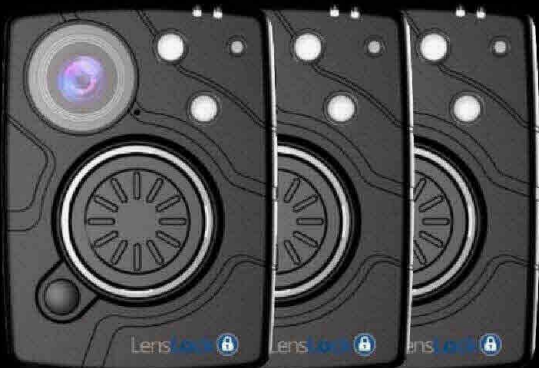
LensLock Genesis 10



BODY WORN CAMERA SPECIFICATIONS

Sensor.....4MP CMOS
 Chipset.....Ambarella A7LA55
 Video Resolution.....2304x1296p (30FPS)
 1920x1080p (30FPS)
 1280x720p (60FPS)
 848x480(30FPS)
 Video Format.....H.264 .MPEG4
 Watermark.....User ID, Date, Timestamp
 Camera.....21 Megapixels
 Image Format.....JPEG
 Recording Time.....Continuous: Up to 12 hrs
 (battery fully charged, IR off,
 WiFi off, 848x480 @ 30fps)
 Storage Capacity.....64GB
 IR Lights.....2 IR Lights

Video Recording.....Support WiFi control
 GPS.....Track speed, latitude/longitude
 direction, and map location
 Lens Angle.....Wide angle 140°
 Night Vision.....Up to 10 meters with visible
 face detection
 Waterproof Level.....IP66
 Clip.....360° rotatable
 Battery Type.....Built-in 3200mAH Lithium
 Charging Time.....3.5 hours
 Dimensions.....77mm x 56mm x 22mm
 Accessories.....USB cable, drop-in dock charger,
 direct charger, clip,
 external camera (optional),
 windshield mount (optional)



“LensLock lets us put the citizen behind the badge.”

– Cpl. Rey Pagarigan
Broadmoor PD

LENSLOCK, INC. | 10815 RANCHO BERNARDO ROAD, SUITE 101 | SAN DIEGO, CA 92127 | 888.538.0589 | WWW.LENSLOCK.COM



LAW ENFORCEMENT

dash & body cams | interrogations rooms |

FIRE SAFETY

facility cameras |

TRANSPORTATION

bus cameras | city & private transportation |

EDUCATION

building cameras

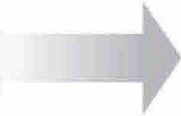


LensLock™ is proud to offer state-of-the-art body worn cameras and software technology solutions for all your video, data management, storage, and digital file transfer needs. Security is central to the LensLock system architecture, ensuring that data captured by our body worn cameras is safely managed in Microsoft's Azure Government cloud. Each video is stored with a chain of custody report to verify its authenticity. By ensuring that your video is housed in a FBI CJIS compliant environment, you can feel comfort in knowing that your evidence will be admissible in court.

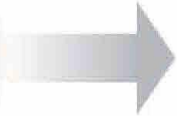
The LensLock platform offers an end-to-end solution that supports our family of technologies from the cloud down to the end point camera devices.



Video captured in the field



Video uploads when camera is docked



LensLock encrypts video & creates digital fingerprint



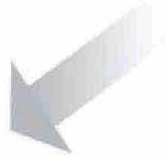
Video review & annotation



Video download for trial



Encrypted video securely stored in CJIS-compliant Government Cloud



Geo-redundant Storage: sensitive data is backed up in another location.



Audit reports provide end-to-end chain of custody

7. PROJECTED SECURITY SERVICES COSTS

Southwest Security proposes the below pricing for all services indicated within the proposal request.

7.1(Requested Level of Service)

| Security Position | Weekly Hours | Hourly Pay Rate | Hourly Bill Rate | Monthly Billed | Annual Total |
|--|--------------|-----------------|------------------|-------------------|---------------------|
| Unarmed Security Officer | 84 | \$17.00 | \$23.50 | \$8,965.25 | \$107,583.00 |
| ANNUAL LABOR COSTS | 84 | | | \$8,965.25 | \$107,583.00 |
| Equipment | | | | Monthly Billed | Annual Total |
| (1) Gas Powered Golf Cart <small>(Includes Vehicle, Fuel, Maintenance, and Insurance)</small> | | | | \$750.00 | \$9,000.00 |
| SilverTrac Guard Touring Software | | | | Included | Included |
| 1 - FirstNET® Radio | | | | Included | Included |
| 1 – FirstNET® Cellular Phone | | | | Included | Included |
| TOTAL EQUIPMENT COSTS | | | | \$750.00 | \$9,000.00 |
| TOTAL ANNUAL COST | | | | | 116,583.00 |

The above quote is ***ALL INCLUSIVE*** and includes the following:

- Unarmed Security Officers
- SWS Custom Uniforms and Badge
- FirstNET Repeater Radio System with 24/7/365 live local dispatch service
- Direct Deposit Option for All Employees
- Holiday Pay (If Worked)
- Medical/Dental/Vision Insurance - **Southwest Security Pays 60% of Premium**
- 401k Retirement Plan – Unified Trust
- Aflac® Business Partner Plans
- Three (3) Days of Paid Sick Leave for all Full-Time Officers

Annual Calculations based on 50 weeks, 14 National Holidays

7.2 Proposal Considerations

Southwest Security hereby certifies that we take **no exceptions** to the presented RFP including, but not limited to, the Agreement attached hereto as Exhibit “B”.

Southwest also certifies that our proposal is genuine, and not a sham or collusive or made in the interest of or on behalf of any person not named therein.

7.3 Five (5) Year Compensation Plan

Should State or Federal regulations mandate a minimum wage increase, the above per hour costs will be automatically increased by the amount of the mandated per hour wage increase plus relative taxes, insurance, administrative & payroll costs. The current calculated total burden is \$.38 per \$1.00.

7.4 Employee Benefits

Southwest Security (SWS) offers the following benefits to our employees:

- Healthcare Insurance (Kaiser HMO **SILVER** Plan) Southwest pays **60%** of Monthly Premium
- AFLAC Business Coverage Options
 - Cancer Insurance
 - Critical Illness Insurance
 - Hospital Insurance
 - Dental Insurance
 - Vision Insurance
- 401K Employee Account
- Flexible Savings Account (FSA) – Up to \$2,500 for Medical & \$5,000 for Dependent Care (**Pre-Tax**)
- Three (3) Days of Annual Paid Sick Leave
- Accrued Vacation – One (1) Week (40 Hours) after One (1) year of Service

7.5 Employee recognition and incentives

Southwest Security (SWS) believes that individual recognition for service and dedication beyond the call of duty is essential in maintaining a strong work ethic and high morale.

Our monthly recognition includes:

1. An individual “Officer of the Month” Plaque and Certificate.
2. A \$25.00 Gift card.
3. Their name engraved on the Office Plaque for their designated month.
4. Their picture on the “Wall of Service” for their designated month.
5. Entry into the “Officer of the Year”

Our yearly recognition includes:

1. An individual “Officer of the Year” Plaque and Certificate.
2. A \$250.00 Gift card.
3. Their name engraved on the Office Plaque for their designated year.
4. Their picture on the “Wall of Service” for their designated year.

8. ADDITIONAL INFORMATION

8.1 Our Patrol Vehicles

All of our Patrol Vehicles are highly visible, and utilize the top of the line 3M material in the vehicles logo's and stripping. Apart from its high visibility, all of our vehicles are outfitted with low profile LED light bars with directional lighting, front takedown and side alley lights. In Addition to the LED light bars, all vehicles are equipped with driver side spotlights, UHF Repeater Radio's, first aid kits, and fire extinguishers. Our entire fleet of vehicles is made up of 2020 or newer Toyota Tacoma trucks and Toyota Rav4's, and are rigorously maintained both mechanically and in their overall appearance. We are proud of our vehicles, and we want you to be too.



8.2 Patrol Vehicle Dash Cameras

All of our Patrol Vehicles are outfitted with the highest technology, Samsara CM32 Dash Cameras.



CM32 Dash Camera

Internet-Connected Dual-Facing HD Camera Module



OVERVIEW

The CM32 is a high-definition, Internet-connected dash camera designed to prevent accidents, exonerate drivers, and lower fleet costs. Dual-facing cameras simultaneously capture driver- and outward-facing video and automatically upload and analyze footage of accidents, harsh driving, and other events of interest. Samsara's intuitive cloud-based software provides reporting tools that enable fleet operators to implement safety coaching programs, prevent accidents, and lower costs.

HIGHLIGHTS

- HD dual-facing camera with HDR and infrared LED for night recording
- Automatic uploads of incident footage, plus on-demand video retrieval
- Edge processing to enable real-time event and object detection
- Built-in audio speaker for hands-free, voice-based coaching
- Cloud-based dashboard with reports and trend analysis

SOFTWARE FEATURES

- HD video playback (inward and outward) from any Internet-connected device
- Safety incident reports
- Driver safety rankings with scorecards
- On-demand retrieval (over the air) based on time or location
- Configurable audio coaching plays spoken alerts during unsafe driving behavior (e.g. excessive speeding, unbuckled seatbelts, etc.)




9. AFFILIATIONS



10. APPENDICES

Appendix A – Certificate of Liability Insurance


CERTIFICATE OF LIABILITY INSURANCE
DATE (MM/DD/YYYY)
09/21/2023

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).


| PRODUCER AssuredPartners of California Ins Services, LLC 5001 California Ave. Suite 150 Bakersfield CA 93309 | CONTACT NAME: Bec March PHONE (A/C No, Ext): (805) 585-6737 FAX (A/C No): (805) 585-6737 E-MAIL ADDRESS: bec.march@assuredpartners.com | | | | | | | | | | | | | | | | | | | | | |
|---|---|-------------------------------|--|--------|------------|----------------|--|------------|-----------------------------|-------|------------|------------------------|-------|------------|----------------------|-------|------------|--|--|------------|--|--|
| INSURED Southwest Protective Services, Inc. DBA: Southwest Security PO Box 2915 El Centro CA 92244 | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th colspan="2">INSURER(S) AFFORDING COVERAGE</th> <th>NAIC #</th> </tr> <tr> <td>INSURER A:</td> <td>Crum & Forster</td> <td></td> </tr> <tr> <td>INSURER B:</td> <td>United States Fire Ins. Co.</td> <td>31348</td> </tr> <tr> <td>INSURER C:</td> <td>The North River Ins Co</td> <td>21105</td> </tr> <tr> <td>INSURER D:</td> <td>Hartford Fire Ins Co</td> <td>19682</td> </tr> <tr> <td>INSURER E:</td> <td></td> <td></td> </tr> <tr> <td>INSURER F:</td> <td></td> <td></td> </tr> </table> | INSURER(S) AFFORDING COVERAGE | | NAIC # | INSURER A: | Crum & Forster | | INSURER B: | United States Fire Ins. Co. | 31348 | INSURER C: | The North River Ins Co | 21105 | INSURER D: | Hartford Fire Ins Co | 19682 | INSURER E: | | | INSURER F: | | |
| INSURER(S) AFFORDING COVERAGE | | NAIC # | | | | | | | | | | | | | | | | | | | | |
| INSURER A: | Crum & Forster | | | | | | | | | | | | | | | | | | | | | |
| INSURER B: | United States Fire Ins. Co. | 31348 | | | | | | | | | | | | | | | | | | | | |
| INSURER C: | The North River Ins Co | 21105 | | | | | | | | | | | | | | | | | | | | |
| INSURER D: | Hartford Fire Ins Co | 19682 | | | | | | | | | | | | | | | | | | | | |
| INSURER E: | | | | | | | | | | | | | | | | | | | | | | |
| INSURER F: | | | | | | | | | | | | | | | | | | | | | | |

COVERAGES **CERTIFICATE NUMBER:** 23/24 GL/AU/WC/CRIME **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.


| INSURER | TYPE OF INSURANCE | ADDITIONAL INSURER (INSO) (Y/N/C) | POLICY NUMBER | POLICY EFF (MM/DD/YYYY) | POLICY EXP (MM/DD/YYYY) | LIMITS |
|---------|--|-----------------------------------|---------------|-------------------------|-------------------------|---|
| A | <input type="checkbox"/> CLAIMSMADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> ERRORS & OMISSIONS <input checked="" type="checkbox"/> DEDUCTIBLE: \$2,500 <small>GEN'L AGGREGATE LIMIT APPLIES PER: POLICY <input checked="" type="checkbox"/> PER OCC <input type="checkbox"/> LOC <input type="checkbox"/> OTHER</small> | | GLO099985 | 09/24/2023 | 09/24/2024 | EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PROPERTIES (Per occurrence) \$ 50,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 3,000,000 PRODUCTS - COMMON AGG \$ 1,000,000 |
| | <input type="checkbox"/> ANY AUTO <input checked="" type="checkbox"/> OWNED AUTOS ONLY <input checked="" type="checkbox"/> RENTED AUTOS ONLY <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY <input type="checkbox"/> OTHER | | 1337555574 | 09/24/2023 | 09/24/2024 | COMBINED SINGLE LIMIT (Per person) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per occurrence) \$ \$ \$ |
| | <input type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMSMADE <small>DED RETENTION \$</small> | | | | | EACH OCCURRENCE \$ AGGREGATE \$ \$ |
| C | WORKERS COMPENSATION AND EMPLOYERS' LIABILITY (See Summary of Exclusions (Worksheet in M)) ANY PROPRIETOR/PARTNER/EXECUTIVE (Worksheet in M) | Y/N | 4087457712 | 09/24/2023 | 09/24/2024 | <input checked="" type="checkbox"/> PER OCCURRENCE <input type="checkbox"/> POL-L-IP EL EACH ACCIDENT \$ 1,000,000 EL DISEASE - EA EMPLOYEE \$ 1,000,000 EL DISEASE - POLICY LIMIT \$ 1,000,000 |
| D | EMPLOYEE DISHONESTY | | 51BDDHM1346 | 07/01/2023 | 07/01/2024 | LIMIT \$500,000 DEDUCTIBLE \$5,000 |


DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

| | |
|---------------------------|---|
| CERTIFICATE HOLDER | CANCELLATION |
| | SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE  |

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Appendix B – PPO LICENSE





Bureau of Security and Investigative Services
 P.O. Box 989002
 West Sacramento, CA 95798-9002
 (916) 322-4000

PRIVATE PATROL OPERATOR

License No. PPO18035 Valid Until: 09/30/2023

Receipt No. 8530

SOUTHWEST SECURITY
PO BOX 2915
EL CENTRO, CA 92244-2915

In accordance with the provisions of Division 3, Chapter 11.5 of the Business and Professions Code, the company named hereon is issued a Private Patrol Operator License Renewal.

----- NON-TRANSFERABLE ----- POST IN PUBLIC VIEW -----

09/13/20200913-171

October 13, 2023

Holly Gould
Clerk of the Board
Valley Sanitary District
45500 Van Buren St. | Indio, CA 92201

Dear Ms. Gould,

Thank you for inviting Allied Universal® Security Services to participate in your search for a new security provider. As your trusted safety partner, we will deliver a tailored, customer focused security program to the **Valley Sanitary District**.

With Allied Universal® on your team, you'll benefit from expertise developed from the security programs of thousands of customers globally. Our experience partnering with Cities, Counties, Airports, Chemical Plants, Hospitals across the country, has produced best practices and the seamless delivery of customized security programs with a scope of work like yours.

As the largest provider of contract security services to government entities in the Country, we understand the complexity of maintaining compliance with rules and regulations while providing the required security services, considering the need for qualified, licensed, and highly trained officers. Nationwide, AUS provides security services to over **460** governmental clients, many which are considered critical infrastructure sites.

An evolving security program is enhanced through our involvement with associations as we identify trends and best practices and implement proactive solutions. On a local and national level, we participate in and hold leadership positions on a number of safety and emergency preparedness committees.

Together, **Allied Universal® and the Valley Sanitary District** can develop a safety and security culture that provides peace of mind.

Sincerely,

Britain L. Rome

Britain L. Rome
Allied Universal® Security Services
Business Development Manager
77-725 Enfield Lane | Suite 150 | Palm Desert, CA 92211
M: 714.453.7450 britain.rome@aus.com



A Security Partner You Can Trust

A Security Program for the Valley Sanitary District

October 13, 2022



Presented to:
Holly Gould
Clerk of the Board
Valley Sanitary District

Presented by:
Britain L. Rome
Business Development Manager
Allied Universal® Security Services
Southwest Division





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This security services data, furnished in connection with a request for information, shall not be disclosed in whole or in part to any third party. This restriction does not limit the right of Valley Sanitary District to use information contained in the data if it is obtained from another source without restriction.

Our Strength, Capabilities and Expertise

Allied Universal® Overview

For more than 60 years, Allied Universal® has been keeping people safe, protecting our clients' brands, and providing peace of mind through our dedication to quality leadership, industry expertise, and our commitment to building unparalleled employee and client relationships. As a leading provider of security and facility services in North America, with more than 8000 officers in Southern California, Allied Universal® is There for you®.

We take a personalized, integrated approach to your needs, becoming fully immersed in your culture, mission, and values, to provide proactive security services and cutting-edge smart technology tailored to your unique requirements. The result is top-notch security solutions that give you the freedom to create, produce and innovate with your core business.

Our world-class customer service and track record of success starts with our local leadership, equipped with the know-how to serve you with service-oriented professionalism supported by the most advanced systems and integrated technology in the industry. As your trusted security partner, Allied Universal® stands ready to secure and care for the people and businesses in our communities.

Valley Sanitary District can come to us with any safety and security need including:

| Physical Security | | Professional Services | |
|---|--|--|---|
|  |  | RISK ADVISORY & CONSULTING SERVICES Security Risk Mgmt. Consulting Threat & Violence Risk Mgmt. Off-Duty Officers (ODOs) Executive Protection Security Risk Investigations Asset Protection & Disaster Response Corp. Security as a Service (CSaaS) Fire & Life Safety Services Security Operations Center (SOC) Specialized Services | EXECUTIVE PROTECTION & INTELLIGENCE SERVICES Executive Protection Protective Intelligence Mail Screening Secure Travel Services Technical Surveillance Counter-Measures (TSCM) Residential Security Protection Intelligence Operation Centers (PIOCs) |
| SECURITY SERVICES Armed/Unarmed/Cleared Security Professionals Vehicle Patrol Visitor Management/Concierge K-9 Security Services Joint Security Programs Vertical Market Expertise | TECHNOLOGY SERVICES Access Control Video Surveillance Autonomous Robots & Drones Fire & Intrusion Alarm Monitoring GSOC Services Monitoring & Response Center (MaRC) Hosted & Managed Access Control | EVENT SERVICES Crowd/Audience Mgmt. Screening Access Control Ushers/Ticket Takers ID Checkers Alcohol Control Security Management/ Consulting VIP/Talent Escort Red Carpet Staff | SECURITY/SAFETY TRAINING Fire Life Safety Training Floor Warden/Fire Drill Assistance Emergency Preparedness Specialized Industry Training Plus much more |
| INTERNATIONAL SECURITY SERVICES | | | |
| | | | |
| JANITORIAL SERVICES | | | |
| | | | |
| Green Cleaning Janitorial Software Solutions | | | |

Unmatched Service, Systems, and Solutions

At Allied Universal®, we partner with you, leveraging our highly trained security professionals supported by industry-leading technology and systems to provide comprehensive, customized security solutions that not only help protect against threats, but enable organizations to make better, more informed decisions about their security operations.

Company Profile

Company Profile Company Legal Name: Allied Universal: Universal Protection Service, LP d/b/a Allied Universal Security Services, for itself and on behalf of its wholly-owned subsidiaries and affiliates which may provide service hereunder within certain states

Company Legal Status:

California, we operate as a Limited Partnership - Universal Protection Service, LP

Active licenses issued by the California State Contractor's License Board:

PPO #14417 | California Bureau of Security and Investigative Services (BSIS)

Business Address:

Local Branch - 77-725 Enfield Lane | Suite 150 | Palm Desert, CA 92211
Headquarters - 450 Exchange | Irvine, CA 92602

Website Address, Phone Numbers & Email:

<https://www.aus.com>

Headquarters Irvine, CA 866.877.1965

Desert Cities Local Branch 760.200.2865

- Client Manager kim.bragdon@aus.com
- General Manager suzie.salazar@aus.com
- Regional Vice President jack.renshaw@aus.com

Length of time the firm has been in business: Over 65 years of security service

Length of time at current location: Serving the Inland Empire for over 33 years

Is your firm a sole proprietorship doing business under a different name: No

Is your firm incorporated: Yes

If yes, State of Incorporation & Federal Taxpayer ID Number: Delaware & EIN #33-0973846

Regular business hours:

Local Branch: Monday - Friday 8 am to 5 pm

Coverage, Communication & Security Team access is available 24/7

Regular holidays and hours when business is closed:

24/7 - Upon award of the business we will provide names, phone numbers, emails, create a call log for the AUS team that is assigned & dedicated to the Valley Sanitary District.

- Allied Universal recognizes the following Holidays: New Year's Day, President's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day & Christmas Day

Contact person in reference to this RFP:

Britain L. Rome | C: 714.453.7450 | britain.rome@aus.com

Contact person for accounts payable:

Allison Orozco | W: 714.619.9805 | allison.orozco@aus.com

Name of Local Client Manager:

Kim Bragdon | W: 760-200-2865 | C: 760-851-5518 | kim.bragdon@aus.com

Government Services Experience & Expertise

Allied Universal Security Services

- 25,000,000 man-hours of armed and unarmed security services to Federal, state, and local governmental facilities nationwide annually
- Near \$1 billion in revenue
- 15,000 specially-trained Government Services contract security professionals
- 850 Federal, state, and municipal clients
- 3,000 government client sites; up to 200 locations under a single contract
- Vertical Subject Matter Experts

From this experience, Allied Universal fully understands the complexity of maintaining compliance with District rules and regulations while providing the required security services and the need for qualified and trained Security Professionals. While each client contract is unique in scope and size, typical facilities Allied Universal secures include Water/Sewer facilities among many other facilities:

- | | |
|--|---|
| • City Halls, Courthouses, State Capitols | • Utility Districts and Agencies |
| • Federal Facilities | • Data Centers |
| • Various Agencies | • Critical Infrastructure Sites |
| • Health Facilities & Hospitals | • Motor Vehicle & other Licensing Facilities |
| • County Juvenile Assessment Centers | • Social Security & Human Service Centers |
| • Parking Facilities | |

Government Services Memberships

- International Association of Chiefs of Police (IACP)
- National Sheriff's Association (NSA)
- National Institute of Government Procurement (NIGP)



Vendor Questionnaire

6.1. Have you read and agreed to all Terms and Conditions?

X Yes – Allied Universal has read the terms, conditions and attached the Exceptions for your consideration. (pages 9-11)

6.2. Submit Proposal Document Here

PDF Attachment | *Response required

- **Proposal has been submitted with VSD requirements**

SCOPE OF WORK

4.1. Security and Protective Services

Provide an unarmed roving security guard including vehicle and fuel cost.

Patrol Valley Sanitary District (VSD) Treatment Facility property from 6:00 p.m. to 6:00 a.m., 7 days a week, for the purpose of vandalism and theft prevention.

Security personnel will be responsible for:

- Answering calls from the alarm company.
- Responding to active alarms on property to determine the necessary course of action.
- Contacting the proper authority in response to break-ins or maintenance issues on property.
- Provide Automated Tracking System information.
- Random Supervisor checks at no charge
- Record activities of guard.
- Overtime is only billed when requested by VSD.
- VSD pays 14 holidays per year, at time and a half.

A. Cover Letter. Provide a cover letter and introduction, including the name and address of the organization and individual submitting the proposal, together with the name, address, telephone and fax numbers, and e-mail address of the contact person who will be authorized to represent the organization, and an expression of the Proposer's ability and desire to meet the requirements of this RFP. The letter must be signed by an individual authorized to bind the firm contractually.

B. Proposer Statement Of Qualifications. Describe the Proposer's resources, experience, and capabilities as they relate to providing the Services. Submit in the order identified below:

- Executive Summary. An executive summary should briefly describe the Proposer's qualifications and ability to perform the Services.
- Qualifications and Experience. The proposal should: a. Provide a description of how the Proposer's experience, technical and professional skills will meet the goals and fulfill the general functions identified in this RFP. b. Any key staff members who would be involved in the performance of the scope of work. Provide their resumes, describe their experience, and identify their proposed role for the Project. c. State the number of years the firm has conducted business. d. Provide a description of the three most relevant contracts held within the last five years.

- Evidence Of California Licensing. The proposal should include appropriate documentation showing the Proposer is properly licensed in the State of California to perform the Services requested in the scope of work.
- References. The Proposer shall provide a minimum of four (4) client references, preferably city, county, or special district governments for whom the Proposer has previously performed services of similar type and scope within the last 5 years.
- Subcontractors. The Proposer shall identify functions that are likely to be subcontracted and identify the subcontractor that is anticipated to perform each function, if known at this time.
 - **Allied Universal will not use subcontractors for the security services**

C. Proposed Method to Accomplish the Work. Describe the technical and management approach to providing the Services to VSD. Proposer should take into account the scope of the Project, goals of VSD, and general functions required. Include a draft schedule of tasks, milestones, and deliverables that will provide for timely provision of the Project. In reviewing the scope of work, the Proposer may identify additional necessary tasks and is invited to bring these to VSD's attention within the discussion of its proposed method to accomplish the Project.

D. Certification of Proposal. This section shall state: "The undersigned hereby submits its proposal and, by doing so, agrees to furnish services to VSD in accordance with the Request for Proposal (RFP), and to be bound by the terms and conditions of the RFP."

E. Sealed Fee Proposal. Please provide a lump sum, not-to-exceed fee proposal for the Project. The fee proposal shall be broken down by task and further broken down by staff, subconsultant costs, and expenses for each task. The fee proposal shall include hourly rates for all personnel.

EXCEPTIONS

Universal Protection Service, LP (“Allied Universal”) appreciates the opportunity to explore the provision of security officer services for the Valley Sanitary District (“District”). pursuant to Request for Proposal 2023-RFP-012 Security and Protective Services (“RFP”). In accordance with the instructions in Section 2.6.A on page 6 of the RFP, we have identified a few areas for discussion relating to limited provisions of the Professional Services Agreement (“Agreement”) attached to the RFP.

We respectfully request that Agreement Section 2 be revised to add the following as new Section 2(d) to confirm the District’s obligation to pay sales taxes and other similar taxes on the Consultant’s services or amounts paid with respect to the services, if applicable and implemented where the District is not exempt:

- “d. Taxes - Anything to the contrary notwithstanding, Consultant’s fees and charges do not include any sales, use, excise or similar taxes, levies or duties (“Sales Taxes”). District is responsible for paying for all such Sales Taxes in respect of Consultant’s services or in respect of amounts payable by District hereunder. If Consultant has the legal obligation to pay or collect Sales Taxes for which District is responsible under this section, the appropriate amount shall be promptly paid by District to Consultant unless District provides Consultant with either a valid and current tax exemption certificate or direct pay certificate, authorized by the appropriate taxing authority.”

We respectfully request that Agreement Section 2 be revised to add the following as new Section 2(e) to permit the Consultant to raise billing rates when and as needed to recoup increases in certain costs that are outside of the Consultant’s control:

- “e. Rate Adjustments - Notwithstanding anything to the contrary, in the event that Consultant experiences an increase in its costs resulting from any increase, whether or not anticipated, in or resulting from: (1) Federal, state or local taxes, levies, or required withholdings imposed or assessed on amounts payable to and/or by Consultant hereunder or by or in respect of Consultant to its personnel; (2) Federal, state or local minimum wage rates, mandated paid time off and/or sick leave, changes in overtime wage regulations, uniform maintenance expenses or other required employee allowances, licensing fees, or wage, medical, welfare and other benefit costs under collective bargaining agreements; and/or (3) costs related to medical and/or welfare benefits and other requirements, including without limitation costs incurred by Consultant pursuant to applicable federal, state and/or local law, the Charges set forth in Exhibit “A” shall be increased by a percentage equal to the percentage increase in Consultant’s costs resulting from the items set forth in this paragraph. Consultant will provide the District notice of such change in the Charges. Notwithstanding anything to the contrary, Consultant may pass through the costs set forth in this paragraph to the District as incurred or accrued and the District shall pay Consultant for such costs.”

Since our services are provided by location, our CGL policy is structured to provide dedicated limits on a “per Location,” rather than a “per Project” basis. Accordingly, we respectfully request that Agreement Section 13(a)(ii)(5) on page 4 be revised to replace the phrase “per Project” with the phrase “per Project or per Location.”

Allied Universal routinely adds clients as additional insureds on our insurance policies, so long as our obligations are aligned with our indemnification obligations and limited to the specified insurance limits we have agreed to provide. The foregoing parameters are stated in our contracts, and the additional insured endorsements to all of our insurance policies cover each additional insured to the extent of those contractual requirements. Our additional insured endorsements are broadly written to cover each additional insured “where required by written contract.” Furthermore, because our additional insured endorsements are blanket endorsements, additional insureds need not be expressly named in order to be covered. Our CGL additional insured endorsement is written in manuscript form but maintains equivalency with forms CG 20 10 12 19 and CG 20 37 12 19. Accordingly, we respectfully request that:

- Agreement Section 13(a)(v) on page 4 be replaced with the following:
 - “The District, its officers, employees, agents and District designated volunteers shall be included as additional insureds, to the extent of Consultant obligations under Section 14 and up to the required insurance coverage amount, using forms CG 20 10 12 19 and 20 37 12 19, or endorsements providing equivalent coverage. Coverage for additional insureds may be provided by a blanket endorsement that covers additional insureds where required by written contract.”

- Agreement Section 13(b)(iii) on page 5 shall be replaced with the following:
 - “The District, its officers, employees, agents and District designated volunteers shall be included as additional insureds, to the extent of Consultant obligations under Section 14 and up to the required insurance coverage amount. Coverage for additional insureds may be provided by a blanket endorsement that covers additional insureds where required by written contract.”

We note the provisions addressing self-insured retentions and deductibles in Agreement Section 13(a)(vi) on page 4 and Agreement Section 13(b)(iv) on page 5. Allied Universal maintains insurance deductibles and retentions that have been determined as optimal for a company of our size and financial strength after careful review with our insurance advisors, and they cannot be eliminated or reduced with respect to a specific client. We have demonstrated to our insurers the financial ability to fund those deductibles and retentions over an extended period of time. Accordingly, we respectfully request that both of the cited sections be revised as follows:

- Agreement Section 13(a)(vi) on page 4:
 - Delete the phrase “and provided that such deductibles shall not apply to the District as an additional insured,” and replace it with the phrase: “Approval of self-insured retentions and deductibles shall not be unreasonably withheld upon Consultant’s demonstration of financial capacity to carry said deductibles and self-insured retentions.”

- Agreement Section 13(b)(iv) on page 5:
 - Delete the phrase “and provided that such deductibles shall not apply to the District as an additional insured, but not a self-insured retention” and replace it with the phrase: “Approval of deductibles shall not be unreasonably withheld upon Consultant’s demonstration of financial capacity to carry said deductibles.”

We note that the District requires that the District's rights as an additional insured extend to the Consultant's entire tower of insurance. See Agreement Section 13(e)(iii) on page 6. Allied Universal maintains insurance limits that are commensurate with our size and scope of operations. This requirement may appear facially fair, but in effect it compels big firms to provide much larger amounts of insurance. Although each bidder may offer the specified insurance coverage, in the case of a large bidder, the District would be getting access to tens of millions more insurance than it would from other smaller bidders. Such a result is unfair. That requirement also effectively precludes us from accessing any portion of our insurance to satisfy other claims from time to time. However, we appreciate the District's desire for additional coverage, and, therefore, we propose a compromise whereby all insurance limits, except Employer's Liability, will be increased to and fixed at \$5,000,000, in exchange for the following revisions to Section 13(e):

- Delete the word "Minimum" from the caption of Section 13(e)
- Delete Section 13(e)(iii) in its entirety.

Is the proposed compromise acceptable?

Allied Universal treats our insurance policies as proprietary, but we can provide clients with copies of selected endorsements. Therefore, we respectfully request that:

- Agreement Section 13(f) on page 6 be revised to replace the phrase "original copies of the ISO CG 00 01 (or insurer's equivalent)" with the phrase "copies of additional insured and waiver of subrogation endorsements."
- Agreement Section 13(i)(iii) on page 7 be deleted in its entirety.

Allied Universal stands behind our security services and regularly accepts the obligation to indemnify clients for the comparative portion of any losses, costs or damages that are caused by the negligence or willful misconduct of our personnel in the performance of security services under client agreements. We respectfully request that Agreement Section 14(a) on page 8 be revised as follows to reflect that standard:

- On line 5, replace the phrase "in any manner arising out of, pertaining to, or incident to any alleged" with the phrase "to the extent caused by any alleged negligent."



Allied Universal respectfully requests that Agreement Section 18(b) on pages 9-10 be revised to give the Consultant the reciprocal right to terminate the Agreement for convenience on 90 days' prior written notice to the District.

We would be pleased to facilitate a productive dialog with the goal of reaching mutually acceptable contract provisions. We look forward to the next stage in the process and to serving as the Valley Sanitary District's security services partner.


SUBMITTED BY UNIVERSAL PROTECTION SERVICE, LP

By: *Britain L. Rome*

Certificate of Liability Insurance

|  | | CERTIFICATE OF LIABILITY INSURANCE | | DATE (MM/DD/YYYY) 01/12/2023 | | |
|---|--|---|---|---------------------------------|--------------------------|--|
| THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER. | | | | | | |
| IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s). | | | | | | |
| PRODUCER MARSH USA INC 1717 Arch Street Philadelphia, PA 19103 Attn: Philadelphia.certs@marsh.com / Fax: (212) 948-0360 | | | CONTACT NAME: Marsh U.S. Operations PHONE (A/C, No, Ext): 856-966-4664 FAX (A/C, No): E-MAIL ADDRESS: Philadelphia.Certs@marsh.com | | | |
| CN118025105-ALL-STAND-23-24 | | | INSURER(S) AFFORDING COVERAGE | | NAIC # | |
| INSURED Allied Universal Topco, LLC (See Attached for Additional Named Insureds) 161 Washington Street, Suite 600 Conshohocken, PA 19428 | | | INSURER A: Indian Harbor Insurance Company | | 36940 | |
| | | | INSURER B: Greenwich Insurance Company | | 22322 | |
| | | | INSURER C: XL Insurance America | | 24554 | |
| | | | INSURER D: Indemnity Insurance Company of North America | | 43575 | |
| | | | INSURER E: | | | |
| | | | INSURER F: | | | |
| COVERAGES | | CERTIFICATE NUMBER: CLE-005452846-53 | | REVISION NUMBER: 23 | | |
| THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS. | | | | | | |
| INSTR LTR | TYPE OF INSURANCE | ADDITIONAL INSURER INFO | POLICY NUMBER | POLICY EFF (MM/DD/YYYY) | POLICY EXP (MM/DD/YYYY) | LIMITS |
| A | <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> CONTRACTUAL LIABILITY <input checked="" type="checkbox"/> SIR \$1,750,000 GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input checked="" type="checkbox"/> LOC <input type="checkbox"/> OTHER: | | RES943799403 | 01/01/2023 | 01/01/2024 | EACH OCCURRENCE \$ 30,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 30,000,000 MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ 30,000,000 GENERAL AGGREGATE \$ 55,000,000 PRODUCTS - COM/OP AGG \$ 55,000,000 \$ |
| B | <input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY | | RAD943781806 | 01/01/2023 | 01/01/2024 | COMBINED SINGLE LIMIT (Ea accident) \$ 5,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$ |
| D | <input type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input type="checkbox"/> RETENTION \$ | | XSM G72500027 003 Excess of General Liability, Auto Liability, and Workers' Comp | 01/01/2023 | 01/01/2024 | EACH OCCURRENCE \$ 10,000,000 AGGREGATE \$ 10,000,000 \$ |
| C | <input checked="" type="checkbox"/> WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? <input type="checkbox"/> Y <input checked="" type="checkbox"/> N If yes, describe under DESCRIPTION OF OPERATIONS below | | RWD300120307 (AOS) RWR300120407 (WI) | 01/01/2023 01/01/2023 | 01/01/2024 01/01/2024 | <input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH+R E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000 |
| A | Professional Liability | | RES943799403 | 01/01/2023 | 01/01/2024 | Limit 2,000,000 SIR 1,750,000 |
| DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required) Re: Evidence of insurance. | | | | | | |
| CERTIFICATE HOLDER Allied Universal Topco, LLC 161 Washington Street, Suite 600 Conshohocken, PA 19428 | | | CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE  | | | |
| © 1988-2016 ACORD CORPORATION. All rights reserved. | | | | | | |
| ACORD 25 (2016/03) | | The ACORD name and logo are registered marks of ACORD | | | | |

Operators License

| | | |
|---|---|---|
|  |  | Bureau of Security and Investigative Services P.O. Box 989002 West Sacramento, CA 95798-9002 (916) 322-4000 |
| License No. PPO14417 | PRIVATE PATROL OPERATOR | Valid Until: 10/31/2023 |
| Receipt No. 8933 | UNIVERSAL PROTECTION SERVICE, LP 1551 N TUSTIN AVE STE 650 SANTA ANA, CA 92705-8664 | In accordance with the provisions of Division 3, Chapter 11.5 of the Business and Professions Code, the company named hereon is issued a Private Patrol Operator License Renewal. |
| ----- NON-TRANSFERABLE ----- POST IN PUBLIC VIEW ----- | | |
| WPIPO 10/2015 | | |

References

Our clients can best speak to our commitment to quality security services. We have a reputation for becoming an integral part of our clients' security programs and building long-term relationships. Because they value the importance of a strong partnership with a contract security company, and because they appreciate all of our efforts, our clients are willing to speak with you about their experiences with us.

Redlands Police Department

Commander Stephen Crane
scrane@redlandspolice.org | 909-798-7681
Service started in 2010
168 HPW

City of Palm Springs

Diana Shay, Director of Development
diana.shay@palmspringsca.gov | 760-323-8260
Service started in 2018
800 HPW

Rialto Police Department

SGT. Johnathan Palmer
jpalm@rialtopd.com | 909-820-2550
Service started in 2010
224 HPW

Upland Police Department

Sgt. Marci Williams |
mwilliams@uplandpd.org | 909-946-7624
Service started in 2018
112 HPW

Ontario Police Department

Lt Michael Weischedel
mweischedel@ontariopolice.org | 909-395-2001
Service started in 2018
360 HPW

Fontana Police Department

SGT. Edward Stewart
estewart@fontanaca.gov | 909-350-7740
Service started in 2018
280 HPW



Method to Accomplish the Work

Allied Universal® will continue to bring a wealth of new resources and services to the VSD, including advanced comprehensive account management services that allow you to focus entirely on your business. Our operations managers provide expert administration of all aspects of your security services account, including staffing and scheduling, training and compliance, and ongoing Quality Assurance. We also conduct weekly meetings throughout the transition process to offer status updates for any changes and to set expectations.

With Allied Universal, you can expect a smooth, swift transition to a new contract that presents no disruption to current security operations.

Typical transition plans typically include:

- Thorough review of facilities to determine specific and ongoing security needs
- Preparation of a written timetable with measurable goals
- A transition management team specifically assigned to your business
- Development of detailed training programs and post orders
- Selective security professional recruiting and stringent screening
- Orientation and on-site training
- Testing and review of security professional knowledge
- Transition assessment and surveys

Our transition plan will be tailored to incorporate Districts recommendations and requirements for each location, and we will take this time to review our current service and make improvements where needed to post orders, training, and scheduling.

The following transition plan, recruitment, and start-up phases of the security program addresses all of the various items involved and required in a transition. Allied Universal® has tailored our plan to suit the known needs and requirements of the VSD. Our organizational structure will continue include a combination of management, supervisory, and hourly staff personnel. Upon contract award and subsequent meetings with the Districts, we will revise and update our plan to reflect the specifics of the transition and any necessary adjustments that need to be made.

Team Approach / Identification of Personnel

Upon contract award, Allied Universal® will immediately implement the administrative preparation necessary and required to ensure that our operation begins smoothly and on schedule. The basic design of our phase-in plan has already been developed and will be adjusted as necessary to meet the requirements of the contract.

The transition team will function under the direction of Senior Regional Vice President Jack Renshaw, who will continue to work closely with District representatives to meet all plan objectives including making our team ready for Day One.

Phase-In Objective

Allied Universal's main objective of our phase-in plan will be to continue to establish the foundation for a smooth and orderly start-up, meeting all contractual timelines in the process. Our transition team will pursue the following secondary goals in order to accomplish our contractual responsibilities by job start:

- Continue to establish and maintain all administrative procedures and documentation systems specified within the terms of the agreement to ensure the delivery of quality service from the date of contract start-up.
- Continue to have in place training programs that will enhance individual skills and promote the development of a team approach.
- Continue to provide instruction and guidance to each security officer in their respective job assignments.
- Continue to maintain a cooperative and solid working relationship between Allied Universal[®] and VSD.

Phase-In Task Definition

To achieve our phase-in objectives, Allied Universal's transition team will begin immediately upon award notification to implement specific policies, procedures, and programs. Specific tasks are described below.

Task One: Employee Identification

The first goal is to have the Branch Managers identify and recruit any qualified Security Professionals to fill open positions based on new contract requirements.

Task Two: New Employee Hiring Function

Our local Palm Desert branch office are staffed by professional Allied Universal[®] Recruiters. This is vastly different from a "Human Resource Clerk." Our Recruiters do not merely oversee the application and process functions. They proactively go out into the community to identify and attract qualified individuals before they find their way into online career search engines. We also run ads to supplement our supply of applicants and eventual qualified employees.

Task Three: Employee Orientation and Training

Allied Universal's training program addresses three categories of employees: On-site Management, Supervisory, and Hourly Labor. The program includes general topics, such as introduction and orientation, duties and responsibilities, emergency situations, customer service and interactions with the client community and locations. Management and supervisory topics include report writing, account management standards and time management.

Task Four: Administrative Support Systems and Technology

Allied Universal[®] will incorporate into its operation the use of its Virtual Private Network that is accessible to all our locations via personal computers. This architecture permits easy access to all of our systems and enhances communication via e-mail, both internally and with our clients. Allied Universal's IT department provides support and training as well as software applications and deploys Microsoft Office products on all personal computers.

Task Five: Support Meeting

From the outset of phase-in, our Branch Managers and staff will continue to be in frequent contact with the Districts to keep you apprised of our progress. Company management will continue to be available to attend meetings that are pertinent to the effective delivery of security services under contract. Also, the Districts will be invited to attend our planning and training sessions. The sessions serve as a forum for review and dissemination of new directives and policies relating specifically to this contract.

Task Six: Joint Property/Equipment Inventory

A complete inventory of property and equipment to be placed under Allied Universal's control will be completed as soon as possible following contract start. Included in this inventory will be any District-furnished property, materials and equipment. Each item will be examined for condition and operation with deficiencies/malfunctions being noted and documented

Task Seven: Staff Meetings

To establish complete administration and management control, the Branch Managers will conduct a series of meetings to review the following:

- Personnel and Staffing Plans
- Operational Support
- Status of Reports and Schedules
- Safety and Security Requirements
- Status of Orientation and Training Programs

These critical reviews will identify existing or potential problems that will be delegated for resolution by the transition team and/or the program management staff. Subsequent meetings will result in the establishment of new directives and policies by the Senior Regional Vice President and Branch Manager to properly coordinate the total contract support effort. Meetings will be scheduled commencing the first week of the phase-in period.

Task Eight: Contingency Planning

By utilizing the transition team, the number and frequency of unexpected problems encountered is minimized. However, if problems do arise, Allied Universal[®] will be able to draw additional key management and technical personnel as well as resources from our other locations in the area.

Task Nine: Operational Procedures and Instructions

New and/or revised operational policies, procedures and instructions will be developed during the completion of Task One through Task Eight. Coordination and control will be provided by the operations managers, Branch Managers and Training Managers under the direction of the Senior Regional Vice President of Operations, to ensure a successful transition.

Phase-In Schedule

To ensure the effective and timely transition of the services required under the contract, we have prepared a phase-in schedule for the project. Included are certain operational actions that are critical in meeting all contract requirements during the start-up operation. The schedule shown below summarizes the major activities during the phase-in period.

| Day 1-7 | Day 8-14 | Day 15-20 | Day 21-30 | Day 45-60 |
|--|---|--|--|----------------------------|
| Award Announcement | Incumbent Staff Recruiting & Onboarding | External Recruiting | Complete Training | Transition Survey Deployed |
| Kick-off Calls/ Management Orientation | Begin Incumbent Staff Training | New Hire Onboarding & Training | Receive Equipment/ Vehicles/Arms/ Uniforms | |
| On-Site Open House/Site Review | Begin Procurement & Technology Setup | Distribute Benefit Packets to Incumbents | Policy & Procedures Update & Meeting | |
| Begin Recruiting Efforts | Review Security Procedures/Create Post Orders | Begin Issuing Uniforms | Contract Start | |
| Weekly Client Updates/Communication | | | | |

Certification of Proposal

This section shall state: "The undersigned hereby submits its proposal and, by doing so, agrees to furnish services to VSD in accordance with the Request for Proposal (RFP), and to be bound by the terms and conditions of the RFP."

Britain L. Rome

Britain L. Rome
Allied Universal[®] Security Services
Business Development Manager
77-725 Enfield Lane | Suite 150 | Palm Desert, CA 92211
M: 714.453.7450 britain.rome@aus.com

Suzie Salazar

Suzie Salazar Britain L. Rome
Allied Universal[®] Security Services
General Manager
77-725 Enfield Lane | Suite 150 | Palm Desert, CA 92211
M: 760.427.2957 suzie.salazar@aus.com

Andrew M. Coleman

Andrew M. Coleman
Allied Universal[®] Security Services
Vice President
450 Exchange | Irvine, CA 92602
M: 714.305.1060 andy.coleman@aus.com

Security Solutions Pricing

Grand Total - Labor & Equipment

(Equipment included in grand total)

| STAFF POSITION | WEEKLY HOURS | BILL RATE | HOLIDAY & OT RATE | MONTHLY | ANNUALLY | WAGE RATE |
|---|--------------|-----------|-------------------|--------------------|---------------------|-----------|
| Security Professionals | 84 | \$29.20 | \$43.80 | \$10,759.62 | \$129,115.39 | \$20.00 |
| Sub Total (Labor) | 84 | | | \$10,759.62 | \$129,115.39 | |
| Grand Total Includes Labor & Equipment | | | | \$12,896.62 | \$154,759.39 | |

***Security professionals to follow California meal & rest break laws*

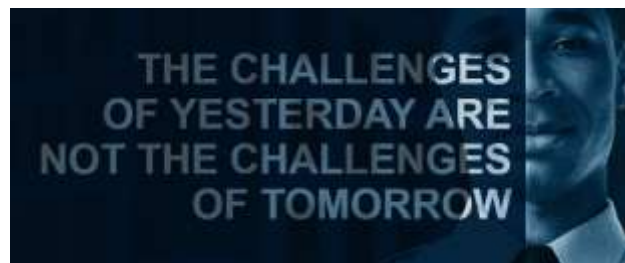
Equipment

| EQUIPMENT | UNIT PRICE | QUANTITY | MONTHLY | ANNUALLY |
|--------------------------------------|------------|----------|-------------------|--------------------|
| HELIAUS® Workforce Management System | \$199.00 | 1 | \$199.00 | \$2,388.00 |
| Allied Universal Marked Vehicle | \$1,938.00 | 1 | \$1,938.00 | \$23,256.00 |
| Total | | | \$2,137.00 | \$25,644.00 |

***Vehicle cost includes lease, insurance, maintenance & fuel (page 33)*

***HeliaUS® Capabilities (page 32)*

A fair wage equates to better quality, better engagement and better retention.



When it comes to security services, only high-quality personnel can help you maintain a safe and secure environment, build confidence in your stakeholders and protect your brand.

Local Experienced Management & Structure

**77-725 Enfield Lane | Suite 150 | Palm Desert, CA 92211
PPO #14417**

Proactive Local Management

Allied Universal® local managers are empowered decision makers who understand the unique needs of your business and set high standards for service—standards that are maintained through effective supervision and continuous performance monitoring.

Quality Inspections

To help ensure we are meeting our contracted obligations to you, and that security professionals are consistently meeting your expectations, we perform routine and random security service inspections at client sites. Our inspections:

- Offer management the opportunity to provide hands-on training, mentoring, and supervisory support to security professionals, providing hands-on training, mentoring and supervisory support.
- Allow security professionals to demonstrate proficiency at their duties under close, expert observation.
- Provide positive reinforcement, solicit feedback, and promote communication among supervisors and field personnel.
- Identify areas of improvement or recommend service-enhancing post orders changes.
- Show our security professionals that we care about their professional development and gives them the opportunity to provide us with direct feedback to ensure we are meeting their needs.

Dedicated Operations Team for Valley Sanitary District

- **Client Manager** Leadership Point of Contact / Training
- **Operations Manager** Training, Scheduling, Compliance, Payroll, HR
- **Field Supervisors** Spot Checks, Training
- **General Manager** Leadership Support, Overview of Operations, Business Reviews
- **Sr. Regional Vice President** Escalated Issues



STEVE CLATON
Southwest Regional President, Allied Universal®

Steve Claton has proven leadership experience in both the security and commercial real estate industries. At Allied Universal®, he leads one of the company's largest regions and directs many of the company's procedural best practices and technology advancements on a national scale.

Prior to joining Allied Universal® in 2008, Steve served as Vice President for the Irvine Company, where he oversaw various functions, such as property operations, acquisitions, development, security, engineering, and landscaping. Additionally, he held senior-level positions at Insignia/ESG and The Shorenstein Company.

Steve's industry affiliations include Building Owners and Managers Association (BOMA), Institute of Real Estate Managers, ASIS International, the ASIS Chief Security Officers Roundtable, and Touchstone—an exclusive think-tank of security industry executives. He serves on the Advisory Board for BOMA-Greater Los Angeles, and is a proud member of the Board of Directors for both Community Service Programs and Friends of Fragile X. He is also an avid supporter of Autism Speaks.



JACK RENSHAW
Sr. Regional Vice President - San Diego/Desert Cities, Allied Universal®

Jack Renshaw is a proven leader with a high degree of integrity, a commitment to excellence and a wealth of knowledge from his diverse management level experience. He currently serves as the Executive Leader for our San Diego and Desert Cities Operation - the largest private security contractor in San Diego and Riverside Counties with more than 5,900 local employees, and annualized revenues in excess of \$230M. He is accountable for fiscal management of the Operation and directs compliance of security management and staff with established company policies, procedures and standards, including managing to potential threats, deployment of resources, crime trending, mobility units, leveraged law enforcement and overall visibility in the marketplace.

Prior to joining Allied Universal® in 2011, Jack spent more than two decades as an executive in the airline industry and several years as the Executive Vice President for a local landscape service and painting contractor.

Jack holds a Bachelor of Science degree in Business Management from Slippery Rock University.












Our San Diego and Desert Cities Operation has more than doubled in size under Jack's leadership, and consistently achieves client retention rates that rank at the top of our company.

Innovative Recruiting & Stringent Screening

Screening

We consider background, experience, communication and interpersonal skills, and fit for the position. We can also customize our screening protocol to include any additional background checks that are required at California University of Science and Medicine's location. Qualified candidates are invited to formally interview with our branch recruiting team.

OUR SCREENING PROCESS

Application Review & Assessment
Careful analysis focuses on employment history and stability, and on experience/qualifications specific to the job opening.

Interviews
Initial interview assesses punctuality and appearance and clarifies points of the candidate's application. Multiple interviews may be conducted. Candidate progressing beyond this level attend our orientation program.

Electronic I-9 and E-Verify
Employment verification is completed to present proof of eligibility to work in the U.S. All potential employees are processed through E-Verify, the government's employment eligibility system.

Management Testing
May involve one or more behavioral assessment tools to help assess candidates' management abilities, drive, maturity and people skills, and evaluate whether they are a good fit for the position.

Social Security Trace
Social Security checks run on each candidate to verify identify and history of addresses. The latter is used to assure all associated addresses are considered when determining states and countries to be included in the criminal background check process.

Criminal Background Checks
Prior to being assigned to a post, each employee undergoes a criminal records background check (except where such is conducted as part of the state guard licensing agency). Where required, fingerprints are taken and submitted to the appropriate law enforcement agency for a detailed background investigation. Statewide criminal checks are also conducted when required.


National Sex Offender Registry (except CA and NV where such checks can only be done in accordance with state law)
This step searches the Federal Department of Justice database, which includes real time listings of registered sex offenders. By searching the DOJ, the most complete and current report is available.

Pre-employment Drug Testing
Oral ten-panel drug tests are completed prior to assignment for all applicants. Lab urinalysis testing is available at an additional charge.

Motor Vehicle Report
Security Professionals designated to drive a vehicle are subject to Motor Vehicle Report checks to verify driving eligibility and must complete on-site training before they can operate a vehicle.

Security Professional Integrity/Honesty Assessment
Behavioral Assessments are available on a pre-placement basis to help evaluate attitudes and behaviors linked to integrity, honesty, trustworthiness and customer service aptitude. Assessments are predictive (no guarantee of performance or behaviors); available for an additional charge.

Education & Employment Verification
In the event that the contact requires education and/or employment verifications, these services can be completed for a nominal fee.



Comprehensive Training

AU Institute™ is the umbrella under which all formal training and development are provided. Allied Institute is supported by more than 50 full- and part-time certified instructors, and provides both mandatory and voluntary courses, which are offered pre-assignment, on-the-job, and as continuing education.

Training is tailored for specific roles:

| SECURITY PROFESSIONAL TRAINING | | | |
|---|--|--|--|
| NEW EMPLOYEE ORIENTATION 80% or higher on final exam | <ul style="list-style-type: none"> 3- hour interactive training Topics: onboarding, policies/procedures, safety and emergency management, legal powers and limitation. | | |
| ON-THE-JOB TRAINING POST CERTIFICATION Site specific, customized training tracked via online database | SAMPLE TOPICS | | |
| | <ul style="list-style-type: none"> Access Control Active Shooter Bomb Threats CPR/First Aid/AED Electrical Emerg. Equipment Removal Fire Alarm Response ID Checks | <ul style="list-style-type: none"> Key Control Mechanical Emergencies Media Relations Medical Emergencies Opening/Closing Procedures Parking & Enforcement Parking Lot Security | <ul style="list-style-type: none"> Patrol Techniques Post Responsibilities Report Writing Terrorism Awareness Use of Telephones Vehicle Assistance Water Leaks Weather Emergencies |
| CORE TRAINING 80% or higher on each exam | <ul style="list-style-type: none"> Introduction to Contract Security Legal Aspects of Private Security Note Taking and Report Writing Importance of Documentation Patrol and Observation | <ul style="list-style-type: none"> Liability and Loss Prevention Appearance and Wellness Exceptional Customer Care Difficult People or Situations Introduction to Safety First Aid, CPR and AED Harassment Post Orders | <ul style="list-style-type: none"> Workplace Violence Emergency Management Indicators of Terrorist Surveillance Personal Safety Video Surveillance Bomb Threats Media Management |
| ONGOING & REFRESHER TRAINING/QUARTERLY SITE TRAINING | SAMPLE TOPICS | | |
| | <ul style="list-style-type: none"> Fire Alarms Access Control Bomb Threats Patrol | <ul style="list-style-type: none"> Medical Emergencies Suspicious Persons/ Disturbances Water Leaks | <ul style="list-style-type: none"> Customer Service Safety Elevator Entrapments Power Outages |
| CPR/FIRST AID/AED CERTIFICATIONS | Many of our full-time trainers are certified First Aid/CPR/AED instructors. Training can be completed via local office pre-assignment; certifying agency; via trainers at your site, etc. Trainees receive certificates and certification anniversary dates tracked online. | | |
| SUPERVISOR TRAINING | <ul style="list-style-type: none"> Role of the Supervisor Allied Universal's Training Process & Programs Employee Relations for Supervisors | <ul style="list-style-type: none"> Report Writing for Supervisors Coaching & Counseling Progressive & Attendance Discipline | |
| MANAGEMENT TRAINING | <ul style="list-style-type: none"> Training Programs & Processes Employee Benefits & HR Procedures Selecting Talent & Talent Management Security Management Essentials Payroll & Invoicing Best Practices | <ul style="list-style-type: none"> Recruiting & Retention Client Relationship Management Employee Relations, Coaching/Counseling & EEO Progressive & Attendance Discipline | |



Retention

Our strong retention program translates into one of the lowest turnover rates in the security services industry. As a result, our security professionals for **Valley Sanitary District** are on board for the long term and are a reliable presence at your site.

Many of our retention efforts, best illustrated through incentive and recognition programs, are designed keep employees energized and engaged. And thanks to our rigorous screening process, comprehensive training, and decentralized management and support system, you can be assured that our security professionals are highly skilled, motivated, and committed to delivering exceptional service.

[\(Page 26 for retention tools\)](#)

Employee Quotes Through Allied Universal Voice

"It has been a wonderful experience working at Allied Universal. They are the best security company I've worked for with excellent staff and good team leadership."

"The team at our site is great...we know what's expected of us. There is a lot of personal pride in what we do and it creates an atmosphere of going beyond our company's, client's and the public's expectations."

"I have worked extensively for three security companies over the past ten years. While the others were good, Allied Universal is a notch above. I enjoy coming to work. Thanks!"

Rewards and Recognition

Through our formal recognition programs, we strive to recognize and motivate security professionals for outstanding achievements, exceptional performance of everyday duties, and for serving as a true asset to the security team. Examples of our reward and recognition programs include:

Reward & Recognition Programs




- Hero Award & Hero of the Year Award**
- Annual Recognition Awards**
- "You're Phenomenal" On-the-Spot Reward**
- Community Service Award**
- Length of Service/ Tenure Awards**
- Partners in Growth**

Mercury & Daily Pay for Security Professionals

MERCURY

Mercury Enhances Safety for Security Professionals & Customers



Mercury® is Allied Universal's proprietary communication system that delivers important and timely information to security professionals while on-post. Mercury tasks are like short text messages or video clips take an average 30 seconds to read/view.

The corporate safety and risk team recently completed a few Mercury test campaigns. The tests assessed the impact of sending targeted safety and risk tasks to security professionals to increase engagement and empower them with actionable knowledge. The tests confirmed that negative safety and risk incidents decreased when Mercury participation increased.

This month, a 12-week safety and risk Mercury campaign launched. More than 65,000 security professionals are currently receiving tasks associated with Allied Universal's Use of Force Policy; de-escalation expectations and techniques; and eliminating slip, trip and fall injuries involving stairs, steps and curbs.

DAILY PAY

Never Wait for a Paycheck Again!

Access your earned pay when you need it.

Get started today!

or text **START** to **66867**

Benefits of DailyPay include the ability to:

- Track your daily income with updates after every shift you work.
- Transfer your earnings instantly or next-day.
- Automatically save a portion of your paycheck.



Resources to Support Your Business Needs

Emergency Preparedness

When you partner with Allied Universal[®], you benefit from our track record of collaborative emergency response planning and participation, extensive resources, and proven best practices designed to help you effectively respond to emergencies of every kind.

We will work closely with you to implement meaningful emergency response protocols tailored to your needs and location—ensuring that security professionals and managers at your site are ready to respond quickly and efficiently.

With over 8000 officers in the Southern California market, Allied Universal[®] can provide you with unmatched support when you need us most. As your liaison to local law enforcement and emergency management agencies, professional organizations, and others, we are on the forefront of emergency preparedness, sharing information and proactively addressing emerging threats.

Preparedness Planning Scenarios

- Active Shooter/Armed Attacker
- Workplace Violence
- Evacuations/Shelter-in-place
- Medical Emergencies
- Bomb Threats
- Utility Outages
- Flooding
- Severe Weather
- Fires
- Elevator Entrapment
- Explosions
- Demonstrations
- Criminal Activity
- Pandemic/Contagious Disease
- Hazmat Spills

Measures we implement and coordinate with you may include:

Inspections: Unannounced inspections help ensure security teams are continuously aware and critical plans and protocols are top of mind. Inspectors and managers evaluate and test security professionals on their knowledge of how to react to a range of scenarios. Results are reported through the client services portal.

Tabletop Exercises: Through scenario-based sessions, interactive exercises strengthen decisive thinking and reinforce protocols to prepare security, facilities and management teams for emergencies.

Drills: Realistic demonstrations of emergency response bring plans to life and probe for areas of improvement.

Information and Resources: Our online Security Resource Center provides valuable awareness information to share with your organization, including alignment with top emergency preparedness experts to help take your planning to the next level.



Emergency Response

From natural disasters to acts of domestic terrorism, **Valley Sanitary District** need for a well-planned emergency response is critical to ensuring the safety of your people and the security of your business assets. Drawing upon our vast resources and proven emergency response expertise, Allied Universal® can react quickly to emergency and disaster situations of every size, and assist you with:

- Coordinating and directing emergency responders
- Activating emergency response plans
- Initiating communication systems
- Contacting local authorities
- Leading evacuations
- Establishing a communication center
- Directing media to a designated location
- Preventing access to damaged areas
- Securing the property even if your employees cannot reach the site
- Providing additional staff when needed / 24/7 call center



Extra Coverage Requests | Bench Strength

Whether it's an emergency, natural disaster, or even a corporate outing, special event, or other well-attended function, sometimes you may require additional coverage right away to supplement your regular security team. With more than 8000 experienced officers in Southern California, Allied Universal® is **There for you**®. We have the people, resources, and localized expertise to provide the supplemental security support you need at a moment's notice.

We make it easy for you to request supplemental coverage when you need it. Simply contact your Allied Universal® manager directly. We'll work with you to assess the number of staff and the supervision needed and fulfill your requirements with cross-trained flex and part-time security professionals and managers who are ready when you need them.

Some of the extra coverage requests Allied Universal® responds to include:

| TYPES OF EXTRA COVERAGE | | | | | |
|---|---|---|--|---|---|
|  |  |  |  |  |  |
| Emergencies | VIP Events | Power Outages | Exhibits | | |
| Strike Coverage | Award Ceremonies | Protests | Dignitary/Celebrity Events | | |
| Retail/Mall Events | Corporate Outings | CEO Speeches | Constructions | | |

Whether your extra coverage needs are for an advanced long-term project or a small, short notice request, Allied Universal® has the resources and is ready to respond!

Our Safety Program

As part of our commitment to fostering a culture of safety, Allied Universal® has developed a robust safety program, with executive-level oversight, as well as a dedicated committee of safety experts and other professionals. Our safety program is committed to protecting employees from workplace injuries and elevating the level of service to our clients. Our partnership with **Valley Sanitary District**' safety programs, together with our comprehensive safety training process and dynamic employee and leadership engagement, will help you achieve your safety goals and avoid preventable accidents

Our Safety Program

| | |
|---|---|
| <div style="text-align: center;">  <p>Local Safety Management</p> <p>Our local managers play an active role in managing safety programs. They:</p> <ul style="list-style-type: none"> • Support our Security Professionals • Help ensure safety tools, resources and training are available at every site • Conduct random inspections • Work with clients to help ensure safety priorities are achieved </div> | <div style="margin-bottom: 10px;">  <p>Vehicle & Driver Safety Drivers and company vehicles carefully screened. Vehicles with back-up alarms to prevent accidents.</p> </div> <div style="margin-bottom: 10px;">  <p>Slip Resistant Shoes Slip resistant shoes available to employees at a highly discounted rate.</p> </div> <div style="margin-bottom: 10px;">  <p>Snow/Ice Traction Devices Ice traction devices attach to shoes; greater stability for walking in winter weather conditions.</p> </div> <p style="text-align: center; font-weight: bold; font-size: 1.2em;">15% reduction in slips & falls</p> |
|---|---|

Comprehensive Safety Training

Our comprehensive safety training program prepares Security Professionals to champion **Valley Sanitary District**' safety initiatives, helping to ensure a safety conscious work environment for your employees. We commit to being at the forefront of workplace safety by actively monitoring emerging safety trends and developments and incorporating them into our training programs to ensure Security Professionals are prepared to recognize potential safety issues quickly and respond effectively

Proactive and Ongoing Quality Assurance

Allied Universal® will review and monitor Valley Sanitary District' security program regularly to ensure maximum operational efficiency and satisfactory performance of contractual obligations at all times.

We use a number of quality assurance tools to measure client satisfaction and identify any opportunities for improvement. These include account audits, performance evaluations and inspections, on-site focus groups, and regular feedback through Allied Universal® Voice. We also solicit feedback from and share best practices for on-site safety and hazardous situations with our Security Professionals in order to enhance our level of service, add value to Valley Sanitary District' security program, and ensure compliance.

Our Quality Assurance Program



Quality Business Reviews
Regularly scheduled assessments

Quality Assurance Tools

- Account Audits
- Account Standards
- Performance Evaluations
- Management Inspections
- On-Site Focus Groups

Allied Universal Voice
Measuring your experience from day one to help ensure the consistent delivery of excellent service



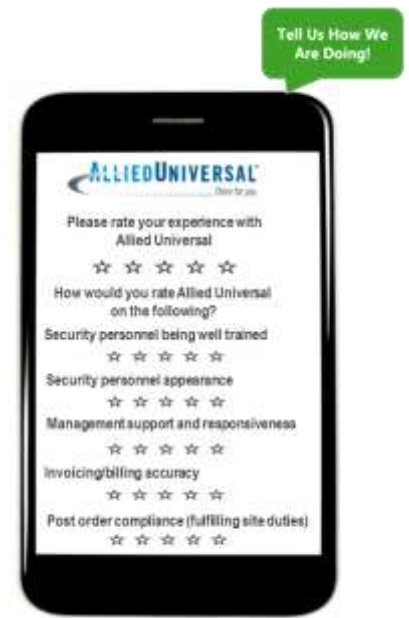
Continuous Improvement Through Allied Universal® Voice

Allied Universal® Voice makes it easy to track client and employee satisfaction and enhances communication by using intuitive real-time surveys to capture feedback, identify trends, and guide continuous improvement initiatives to enhance the value of Valley Sanitary District' security program.

Client Survey/Feedback Process

Tracking Valley Sanitary District' experience throughout our relationship and earning your loyalty are key objectives. By collecting and responding to your feedback, we continuously evolve our services to meet your needs.

- **Transition Assessment** - We assess your satisfaction with the transition to identify areas where we can better serve Valley Sanitary District and to improve our processes.
- **Client Loyalty Survey** - We ask that you rate your experience with us so we can identify our strengths and opportunities for improvement.
- **Real-Time Survey** - Our online client feedback tool allows Valley Sanitary District to rate your experience with Allied Universal® any day at any time.



Employee Survey/Feedback Process

We survey our employees on Day 3, 15, 30 and 60 of their onboarding processes. Different questions are asked based on how long the employee has been with the company. We also provide exit surveys for employees who resign from the company. We use these surveys to identify the reasons our employees resign, determine whether they would recommend working with Allied Universal® to others, and understand how they feel about our leadership teams, workload, communication and culture.

Closing the Loop Survey Feedback

A low survey score triggers a Red Alert in our system, prompting management to follow up within 48 hours and take action, as needed. We will work with Valley Sanitary District to create an action plan that meets your needs.

HELIAUS® - The Power of Insight into Action

HELIAUS®, our proprietary platform, is the smart technology of tomorrow that places insight into the hands of your security professionals to better protect your people, brand, and assets. Leveraging a sophisticated Artificial Intelligence (AI) engine that uses powerful algorithms to generate risk-adverse recommendations. It's not just a tour or incident management system, HELIAUS® is a comprehensive workforce management solution with AI technology at its core. **With HELIAUS® at the center of your security operations, your security professionals are always connected and engaged, situationally informed, and armed with the right recommendations to effectively create safer, more secure environments.** www.aus.com/service-terms

Powerful Insights

Valley Sanitary District and your security management team can quickly and easily access this data on the HELIAUS® portal through real-time reports via customizable widgets. Every bit of data that your security professionals capture is accompanied by time-stamps and GPS location tags. This constant communication gives you a real time analysis of the who, what, when, and where of everything that is going on at your site.

HELIAUS® Capabilities:

- **Officer Accountability & Officer Tracking**
- **Detailed Post Orders**
- **Communication**
- **Safety & Security Trends**
- **Training Compliance**
- **GPS Tracking**
- **Incident Reporting & Event Reporting**
- **Activity Heat Maps / Tasks and Messages**
- **Fire and Safety / SOS**
- **Lost and Found & Custom Forms**
- **Configurable Tours & Workflows**
- **Quantitative Value / ROI**

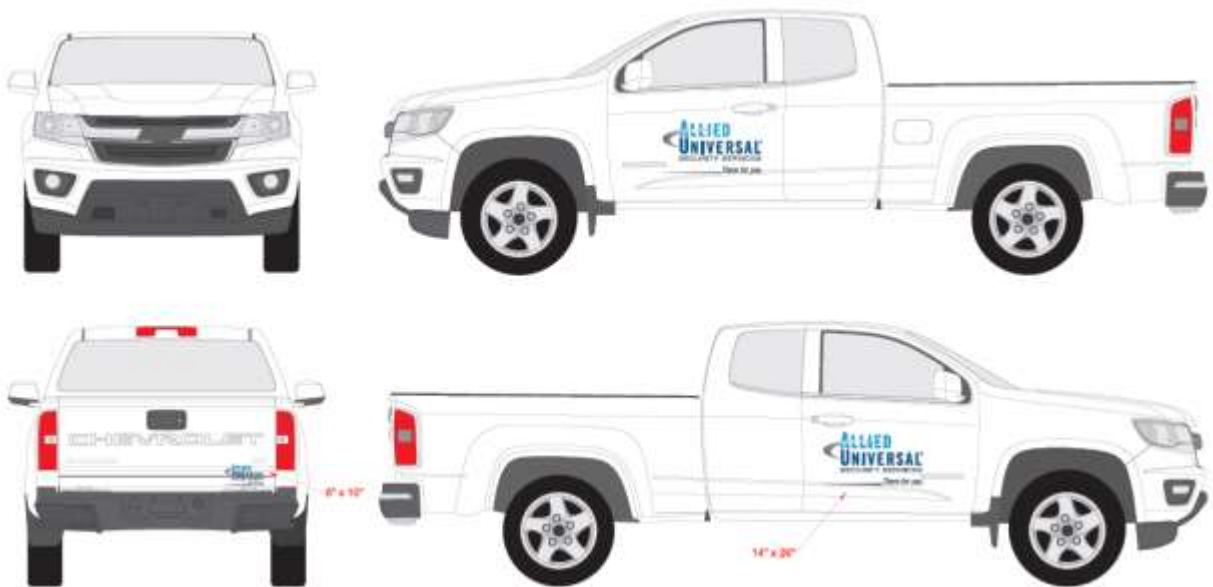
BENEFITS OF HELIAUS®

| | | |
|---|---|---|
| <div style="background-color: #0070C0; color: white; padding: 5px; text-align: center; margin-bottom: 5px;">Reduced Downtime</div> <ul style="list-style-type: none"> • Increased operations efficiency • Facility readiness | <div style="background-color: #0070C0; color: white; padding: 5px; text-align: center; margin-bottom: 5px;">Reduced Accidents</div> <ul style="list-style-type: none"> • Reduced workers compensations claims • Reduced compliance fines & insurance • Reduced risk factors | <div style="background-color: #0070C0; color: white; padding: 5px; text-align: center; margin-bottom: 5px;">Reduced Loss</div> <ul style="list-style-type: none"> • Reduced replacement costs • Reduced loss of service liability |
| <div style="background-color: #0070C0; color: white; padding: 5px; text-align: center; margin-bottom: 5px;">Reduced Crime</div> <ul style="list-style-type: none"> • Information & employee safety • Reduced lawsuit liability | | <div style="background-color: #0070C0; color: white; padding: 5px; text-align: center; margin-bottom: 5px;">Reduced Policy Violations</div> <ul style="list-style-type: none"> • Reduced code enforcement fines • Generate revenue |

Vehicle Diagram

- Allied Universal Security Services Marked Vehicle
- Chevrolet Colorado or Similar Vehicle
- Lightbar & Side lights (Will be installed before delivery)
- Emergency Equipment
- HELIAUS Workforce Management Phone Chargers
- Security Officer Accessories for Notes, Violations & Documentation
- Lease, Insurance, Maintenance & Fuel included in vehicle price

Chevrolet Colorado



Awards

Awards are viewed as validation that Allied Universal® is not only leading the security industry, but is also on par with innovative companies across many sectors.

A few examples include:

- **American Security Today ASTORS Homeland Security Platinum Award**
- **American Security Today ASTORS Homeland Security Silver Award**
- ASIS/Global Security Exchange (GSX) Outstanding Security Performance Awards
 - Outstanding Contract Security Manager & Outstanding Security Officer
 - Lifetime Achievement Award
- ASIS International Outstanding Security Performance Awards
 - Outstanding Customer Service & Outstanding Contract Security Officer
- Chief Executive Magazine - Patriots in Business Award
- E-Learning Magazine: Learning! 100 Top Learning Organizations
- Employer Support of the Guard and Reserve (ESGR) - Pro Patria Award
- Forbes Magazine's List of "America's Best Employers" and List of "Best Large Employers"
- Inc. 5000 Fastest Growing Private Companies
- Inc. Magazine's Top 10 Fastest-Growing Billion Dollar Companies
- **Leadership Excellence Magazine Leadership 500**
- SDM Magazine Top Systems Integrator & SDM 100 List
- Security Magazine - Top Guarding Firms Listing & Most Influential
- **Security Today Magazine - New Product of the Year Winner - HELIAUS®**



Benefits

Providing high-value employee benefits is strongly connected with attracting high-caliber personnel. When employees' needs are taken care of, they take better care of you. That's why Allied Universal® has been a long-time industry leader in providing meaningful, comprehensive employee benefits to our Security Professionals.



Allied Universal Benefits

Medical Insurance
Medical plans offered to benefit-eligible employees through payroll deduction and/or client contribution. Benefits offered pursuant to eligibility requirements/policy. Detail regarding coverage costs is available. Estimates in proposal based on proposed/evolving regulations; plan structure; estimated participation.

Dental & Vision Insurance
Quality dental insurance and Vision Service Plan offered to all benefit-eligible employees..

Disability, Life & Accident Insurance

- Benefit-eligible employees have the ability to participate in a Disability Insurance Plan.
- AD&D insurance and \$10,000 basic life insurance available to employees.
- Accident insurance through MetLife offered to benefit-eligible employees.

Paycard
Employees have option to receive their pay through direct deposit or a cash paycard (where permitted by law). Paycards allow immediate access to wages without incurring check cashing fees.

Educational Assistance, Tuition Discount & Scholarship Program
Educational assistance – eligible applicants selected are provided up to \$3,000 toward the cost of tuition and qualified related expenses. Tuition discount – we've partnered with over a dozen colleges/universities to offer tuition discounts (e.g., DeVry University, The George Washington University, Liberty University, Ashford University). Scholarship program – up to ten annual scholarships of up to \$1,000 are awarded to the children of our employees.

Commuter Benefits Program
Transit and parking funds deductible via payroll (pre-tax basis) offered to benefit-eligible employees..

Paid Time Off/Anniversary Bonus Program/Vacation Time
Different options available based on the contract and some state sick time laws.

401(k)
Employees eligible to enroll anytime following six months of full-time employment.

Holidays
Security personnel receive time-and-a-half pay when working these holidays: New Year's Day, President's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

Employee Assistance Program & Legal Services
An employee assistance program and legal service is available to employees.

PerkSpot
Fringe benefits available exclusively to our employees for personal use (e.g., discounts on fitness memberships, cellular phone plans, retail merchandise and credit union access).

NOTE Allied Universal reserves the right to change, amend or terminate the benefits programs and its options at any time.

Medical Insurance Allied Universal® offers medical plans to all benefit-eligible employees through payroll deduction and/or client contribution. Benefits will be offered pursuant to our eligibility requirements/policy. Detailed information regarding coverage and premium costs is available. The estimates provided in this proposal are based upon proposed and evolving regulations, plan structure and estimated participation.

Dental Insurance Allied Universal® offers quality dental insurance to all benefit-eligible employees through payroll deduction and/or client contribution. Detailed information regarding coverage and premium costs for all plans is available.

Life Insurance Allied Universal® offers Basic Life insurance in the amount of \$10,000 to benefit-eligible employees at no charge. Additional supplemental life insurance and AD&D is available to employees at competitive rates.

401(k) Retirement Plan Allied Universal® employees are eligible to enroll in our 401(k)-retirement savings program anytime following six months of employment.

Proposed Holidays Allied Universal® recognizes the following holidays: New Year's Day / President's Day / Memorial Day / Independence Day / Labor Day / Thanksgiving Day / Christmas Day All employees who work on a designated holiday will receive 1.5 times their wage rate for hours worked. Allied Universal® will invoice 1.5 times the hourly billing rate for hours worked on the designated holidays. Holiday billing may or may not be included in our annual budget estimate or standard billing rates.

Anniversary Bonus Program Allied Universal® recognizes continuous service of our employees through our Anniversary Bonus Program. The Anniversary Bonus is available to all employees who complete one year of continuous service. The amount is based on each full year of service completed and is paid on the employee's anniversary date. Security professionals can still arrange to take unpaid time off if desired, but our experience has shown that the majority of security professionals would rather have the money in hand than the time off. This Anniversary Bonus offers our valued employees greater flexibility, while also serving as an incentive for employees to stay with the company therefore improving overall employee retention.

Overtime of 1.5 times the hourly billing rate is only billed in the following circumstances and not for scheduling issues or vacation coverage.

Specific Requests With requests for a specific individual to work more than their 40 hours for a special reason, regardless of the notice provided, only the overtime impact for that individual will be billed. Example: "We need Security Professional Smith to stay two extra hours at the end of his shift to help with a special project." Only the additional two hours will be billed at the overtime rate if it will put him over 40 hours.

Additional Requests for Security Professionals Requests for coverage in excess of the agreed-upon amount of total security professionals' base hours on site may be billed as overtime until coverage is incorporated into the permanent base hours. We will work to meet needs for additional security professionals through the local offices.

Billing Frequency and Payment Terms Allied Universal® will invoice Valley Sanitary District on a weekly basis for all scheduled services for the preceding weekly period (starting on Friday and ending the following Thursday) based upon the rates listed above. All invoices are due Net 30 days.

Rate Increases The Dedicated Client Manager will meet with you on an annual basis to specifically discuss the budget and billing rates for each New Year. Our rates during the term will be subject to adjustment to reflect any increases in our costs related to medical, welfare and other benefits and related costs, which may include, without limitations, costs incurred by Allied Universal® pursuant to applicable federal, state and/or local law, including without limitation Health Care Reform Legislation Costs.

NOTE: Allied Universal® reserves the right to change, amend or terminate the benefits programs and its options at any time. **Proposal valid for 45 days.**

Wellness and Safety Pledge

Our product is our people - our most valuable asset. We consider no part of our operations more important than the wellness and safety of our employees. To that end, Allied Universal® is committed to providing all employees with a safe and healthy environment in all work areas and at all client sites, in compliance with all federal and California laws.

Meal Breaks

In general, non-exempt employees who work more than 5 hours per day must be provided with an **off-duty**¹ meal period of not less than 30 minutes. The meal period must begin before the end of the 5th hour of work.

- If employees work more than 10 hours, a second off-duty meal period of not less than 30 minutes must be provided. The meal period must begin before the end of the 10th hour of work.
- Employees must be **free from employer and client control** and **relieved of all duty**.
- Employees may not be required to remain "on call."
- Employees **must be free to leave the site**.
- Employees **may not be required to carry and/or monitor a communication device**.

Rest Breaks

Non-exempt employees are authorized and permitted **consecutive, uninterrupted, and duty-free** rest breaks of at least 10 minutes (or 15 minutes if specified by a CBA) for every 4 hours worked or major portion of 4 hours worked (more than 2 hours).

- Employees must be paid during rest breaks.
- Employees must be **free from employer and client control** and **relieved of all duty**.
- Employees may not be required to remain "on call."
- Employees must be **free to leave the site**.
- Employees **may not be required to carry and/or monitor a communication device**.

Drinking Water, Restroom Facilities, Shade, Sheltered Eating Area, & Suitable Seating

Employees must be provided with:

- access to **clean, fresh, potable drinking water**, at no cost to the employee
- access to **restroom facilities** with plumbing and adequate hand-washing facilities
- access to safe spaces for **shade**
- an area available for securing or heating food or drink, and a suitable sheltered place to consume food and drink
- **suitable seats** when the nature of the work reasonably permits the use of seats.

Allied Universal® proudly partners with clients who are equally committed to the wellness and safety of our employees and compliance with all federal and California laws. Under California Labor Code Section 2810.3, each client shares with Allied Universal® all liability for labor code violations pertaining to our employees. To that end, we wanted to set forth our mutual goals in this pledge. We thank our clients for their commitment and encourage them to contact Allied Universal® with any questions or concerns.

¹ On-duty meal periods are only permitted when:

- The **nature of the work** prevents the employee from being relieved of all duties;
- When there is a **written (and fully revocable) agreement** between Allied Universal® and the employee for an on-duty meal period; and
- When a suitable place to eat on premises is designated.

Additional Services Allied Universal Offers

Janitorial

Jesse Lewis

Business Development Manager

Allied Universal Janitorial Services

C: 951.990.4278 | jesse.lewis@aus.com | www.aus.com

Strategic Solutions

Brandon Butler

Director of Strategic Solutions SW

Allied Universal Technology Services

C: 858-525-3404 | brandon.t.butler@aus.com | www.aus.com

Risk Advisory and Consulting Services

John Bernal, MBA, PCI, PSP

Senior Director, Market Lead - Southwest Region

Allied Universal[®] Risk Advisory and Consulting Services

C: 661.332.5362 | john.bernal@aus.com | www.aus.com

K9 Services

Sandy Bauer

Director of Sales, West Coast

MSA Security[®], An Allied Universal[®] Company

C: 619.416.1113 | sbauer@msasecurity.net | www.msasecurity.net

Event Services

Dilshan Coorey

Senior Director of Business Development

Allied Universal Event Services

1400 N Harbor Blvd | 7th Floor | Fullerton, Ca 92835

C: 714.943.0813 | dilshan.coorey@aus.com | www.aus.com



VALLEY SANITARY DISTRICT



REQUEST FOR PROPOSAL
2023-RFP-012
SECURITY AND PROTECTIVE
SERVICES

Due Date: October 13, 2023, 4:00 pm

PROPOSAL BY

Alltech Industries, Inc.

301 E. Pomona Blvd
Monterey Park, CA 91755
Office: (323) 450-2168
Fax (323) 450-2169
ogamez@alltechguards.com

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A. COVER LETTER

October 13, 2023

Valley Sanitary District
45500 Van Buren Street
Indio, CA 92201

Dear Evaluation Committee,

Alltech Industries, Inc desires to become the provider of Security Services provider for the Valley Sanitary District. Alltech Industries, Inc, a California corporation, is a security guard service provider, serving the California area since 2002, with our primary focus on City contracts and School Districts. We are licensed through the California Consumer Affairs, Bureau of Security and Investigative Services, Private Patrol Operator license number 16674, with an expiration date of July 31, 2024, held by Qualified Manager and President Oscar Gamez.

We are able to offer a wide range of services such as emergency services, special events, vehicle patrols, crossing guard, fire watch, parking lot attendant and pass through patrols. We like to emphasize that Alltech Industries, Inc prides itself in being able to offer exceptional customer services and satisfy our clients, as well as our employees, which minimizes our turnover rate, and maintains the same officer at a given location. We are currently providing services to the following cities: Carson, Victorville, Hesperia, Oxnard and Thousand Oaks, as well as the Montebello Police Department. We also provide services to several school Districts, including Hesperia Unified School District, Anaheim Elementary School District, Victor Elementary School District, and Fullerton Joint High School District. We can assure the Valley Sanitary District that we can provide the services described in the scope of work and more..

Alltech Industries, Inc. would like to acknowledge that we have received and reviewed the Request For Proposals, Alltech Industries, Inc. agrees to all terms and conditions, and will comply with all requirements. Alltech Industries, Inc. stands firm by the prices we have quoted and proposal for the services required, and will hold the quote firm and valid for 180 days, we also, propose to be the prime and sole provider of Services.

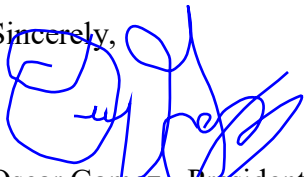
Upon reviewing the attached information we hope that you are able to get a sense of who we are and how we operate. It is very important to us to be able to complete the task that are assigned to us without any problems. Furthermore, it is very important that we are able to provide exceptional customer services not only to the staff of the Valley Sanitary District, but also, to the clients, visitors and neighbors of the Valley Sanitary District. All officers will receive training on Customer Service and de-escalation in order to be able to know how to handle all types of situations they may come across.

The following people can be contacted for clarification, with any further question, or to negotiate a contract:

Oscar Gamez, President
Cell: (714)604-7688
ogamez@alltechguards.com
Tel: (323)450-2168
Fax: (323)450-2169

Thank you for allowing Alltech Industries, Inc. to submit our Proposal to provide Security Guard Services to the Valley Sanitary District. Please know that we are here to serve you and meet your security needs. Any additional information or questions that you may have feel free to contact me, as we look forward to serving the Valley Sanitary District.

Sincerely,



Oscar Gamez - President
Alltech Industries, Inc.
PO Box 4042
Montebello, CA 90640
PPO 16674

B. PROPOSER STATEMENT OF QUALIFICATIONS

1. Executive Summary

Alltech Industries, Inc (AII) is a security company providing, armed and unarmed vehicle escort services and foot, bicycle and vehicle patrols, Crossing Guard Services and Parking Enforcement, covering Southern and Central California, with a corporate office located in Los Angeles and a satellite office in Victorville, AII employs approximately 95 full and part time employees. While our office is in Los Angeles, we are capable of serving all of Southern California, and have Officers throughout the area to handle any last minute request and emergencies. With a one hour response time our clients have been impressed with our response time to last minute coverage's and emergencies.

Our growth the first couple of years cannot be measured with percentages, but rather with the type of clients we have. Our company started out by providing services to small restaurants, and local markets. As we gained experience and our reputation of providing exceptional service grew our customers expanded to include national companies such as Schneider National, Aramark, Target, Citi Group and international bank chains from Central America. Our company also expanded to include high-rise buildings, apartments, management companies, shopping centers and Cities. Currently we provide services to several different Cities, such as Thousand Oaks, Carson, Hesperia and Victorville.

AII recognizes that today's business enterprises are comprised of varied and valuable assets, such as people, property, products, information, financial infrastructure, reputation and shareholders. We also believe that not every business and client has the same needs. Due to this, AII, tailors and customizes its services to suit the needs of its customers. We are not just a security guard company, but a partner committed to enhancing the safety, security and success of our clients. As a result our clients continue to choose AII as their service provider, we are pleased to have clients that continue to renew their contract with us and feel that we provide exceptional service. AII is confident that we can provide the County of San Bernardino with the exceptional Security Guard Services that it needs as well as provide any unexpected or as needed services that may arise at any moment's notice. AII plans to complete the job as a prime and sole contractor, we will not be utilizing subcontractors. Neither AII nor its officers have been convicted or indicted of fraud, bribery, collusion, conspiracy or violation of State or Federal antitrust law. AII and its officers have not been adjudicated or determined to be in violation of equal opportunity or fair employment. AII has not defaulted on a contract and has successfully completed all contracts. AII is financial stable enough to handle the expenses related to a new contract. We have enough funds to cover the purchase of any necessary equipment and payroll, furthermore AII, has an established emergency savings account, and a line of credit if needed.

Our Officers, Supervisors and Management do a great job in providing services to our clients and thanks to their hard work we have been able to expand and grow into different contracts. We feel that we are capable of providing great services to the Valley Sanitary District. This is due to the fact that our officers are well trained and constantly taking training courses. Our Officers are trained to look out for suspicious activity and maintain the people around them safe. While officers assigned to work at the Valley Sanitary District contract will be trained in procedures related to their duties, they will also be trained in other subjects in order to ensure that the officer is able to handle any and all situations and maintains the public and the client in a safe environment.

2. Qualifications and Experience

A. Provide A Description Of How The Proposer's Experience, Technical And Professional Skills Will Meet The Goals And Fulfill The General Functions Identified In This RFP

AII recognizes that today's business enterprises are comprised of varied and valuable assets, such as people, property, products, information, financial infrastructure, reputation and shareholders. We also believe that not every business and client has the same security needs. Due to this, AII, tailors and customizes its services to suit the needs of its customers. We are not just a security guard company, but a partner committed to enhancing the safety, security and success of our clients. As a result our clients continue to choose AII as their security service provider, we are pleased to have clients that continue to renew their contract with us and feel that we provide exceptional service. AII is confident that we can provide the Valley Sanitary District with the exceptional Security services that it needs as well as provide any unexpected or as needed services that may arise at any moment's notice. The task and work that our highly trained officers complete, vary from post and from client, some locations require more services than others while at other post our clients want us to conduct specific tasks. We pride ourselves in being able to satisfy our clients and give them the service that they want and meet their expectations, consistently. Our highly trained staff will execute the following tasks while on duty at the Valley Sanitary District:

- a. Peace and Order-** Officers will deter any disorderly conduct or breeches of peace, which can cause harm to visitors, personnel and the community, as well as damage/loss of property. As well as address and confront any disorderly conduct and notify the appropriate agency when further action is required or requested.
- b. Customer Service-** Officer will be courteous, friendly, attentive and helpful to the needs of the Valley Sanitary District, its visitors and employees. They will be trained to confront the public, especially when dealing with possible delinquents, violators, and transients in a courteous but assertive manner, as well as be trained in the daily operations of the parks. The staff will be trained in confrontations and how to behave and de-escalate situations where the public may be aggressive or angry towards our staff or city employees.
- c. Emergency Assistance-** In the case of an emergency our staff will summon for the appropriate assistance, as well as notify dispatch and the posts emergency contacts. Officers will be trained to handle any situation and assist the notified agency, as well as do crown control.
- d. Equipment-** All Officers will be trained and know how to properly operate all equipment that they will be responsible for using. Which includes, but is not limited to vehicles, flashlights, and vest. All equipment will be provided by AII to each Officer.
- e. Miscellaneous Duties-** Other duties will be conducted by the Security Officers on a site by site basis. Duties must be discussed with the management in order to ensure that tasks are being conducted, duties are added to the post orders, and that all Officers are trained properly.

f. Dispatch- All dispatch is available 24 hours a day 7 days a week, via telephone at (323) 796-0596. All Officers will have a cell phone to communicate with a dispatcher at any moment. Officers are to report on and off duty via and report when approaching a possibly dangerous situation. Clients will be able to contact a supervisor at the dispatch number at any time, as most dispatchers are supervisors. Dispatch is staffed by our officers only.

g. Post Orders- Post Orders will be prepared by the Operations Manager and verified by the General Manager and by the site management. Security Officers will be trained and know the post orders. Post Orders are to have a detailed description of the Officers job duties, as well as contain emergency numbers and emergency procedures.

h. Supervision and Operations- All contact person for the Valley Sanitary District contract will be Oscar Gamez, the President. Mr. Gamez will then be responsible for ensuring that all Field Supervisors (on site manager) are aware of any changes or problems with the performance aspect of the contract. An Operation Manager will also be assigned to the contract; The Operations Manager acts as the second person in command, and will be in constant communication with the President and be aware of anything occurring with the contract. The Operations Manager is responsible for ensuring compliance with the contract, hiring personnel, and oversees billing. Before an Officer is assigned permanently the security officer will have between 30-40 hours of on the job training, which will cover an overview of the site, post orders, and the execution of the post orders. The supervisor will make sure that Security Officers are in full and complete uniform and that all rules and regulations that have been placed at the post are enforced. If there are any discrepancies, the supervisor will take necessary measures to correct such discrepancies. These measures include but are not limited to removing a security guard from location for retraining on the post training or warning strike against the officer. Supervisor will also be in charge of making sure that all DAR's and Incident Reports are clear and filled out correctly. The supervisor will also be responsible for conducting unannounced inspections of the Officers daily, weekly, and reporting to the President/Operations Manager.

Alltech Industries, Inc assures that aside from the manager, the supervisors are aware of the duties conducted at all post. Supervisors and the Operations Manager will be constantly checking in with the Officers to ensure compliance with the post orders, the Operations Manager will also be reviewing the post orders, reports and dispatch activity to ensure that the employees and supervisors are providing the best quality of services. Employees, including Supervisors, are monitored by AII management to ensure that all Supervisors/Officers are conducting the best to their abilities and that the client is receiving quality service. A log of reviews is maintained and disciplinary action is taken when not complying with policy and or post orders.

i. Guard Tour System- AII uses a reporting system and monitoring system called Track Tik. Track Tik is an integrated guard management system for monitoring, reporting and managing security operation. Guards can do patrol tours, report incidents and activities in real-time. Managers and clients can monitor, review, respond instantly from their browsers or smart-phone. Track Tik improves efficiency, accountability and profitability. Get real-time updates for every checkpoint scanned on the guard tours, it stores reports, pictures and messages to checkpoints. Creates customizable and searchable activity and incident reports, downloads or email reports instantly from the TrackTik dashboard. View real-time GPS locations of all officers, you are also able to watch your entire operation traveling between locations. Post orders are accessible on mobile devices and relevant to the guard's location. Officers would be utilizing smart phones to conduct all necessary work, eliminating the need for paper files, of course, paper files are available if preferred.



b. Key Staff and Resumes

All employees whether they are Officers, Supervisors or Management have the necessary Licenses and Permits to work as a Security Officer. We feel that it is important for the management to also be familiar with a site and work a site if necessary, we expect our officers to be professional and be able to complete their duties. If a Manager shows up to inspect/supervise a site and is not pleased with what they find when they arrive on site the Officer can be sent home and the Manager take their place.

All Supervisors have all started out with the company as Officers and where promoted to Supervisors. AII feels strongly about promoting from within the company, and promoting on the basis of merit and performance. Operations Manager, Hilda Perez, came to AII in 2004 as Office Manager, with a Bachelors of Science in Criminal Justice and having previous experience managing and supervising juveniles in a dormitory setting. Since Ms. Perez joined the AII team she has been involved in all the operations related to new contracts and starting new contracts, the hiring process and ensuring that AII is in compliance with the contract requirements, as well as the office personnel.

Oscar Gamez – President- Mr. Gamez has a Bachelors of Science in Electrical Engineering and 26 years of experience in the Security Field. Mr. Gamez is involved in all the operations of the company focusing more on the Supervisor and Officers. Mr. Gamez is very involved with each and every contrlp.;'act that AII has provided services. Mr. Gamez will be in constant communication with the Valley Sanitary District.

Hilda Perez – Operations Manager- Mrs. Perez has a Bachelors from CSULA in Criminal Justice. She has 19 year of experience in the Security industry and has worked in all aspects of the industry. She is involved in the day to day operations of the company and focuses on hiring and contract compliance.

Oscar A. Gamez
President
Alltech Industries, Inc.
Office-(323) 450-2168 Cell (714) 604-7688
ogamez@alltechguards.com

Summary of Qualifications:

25 years of experience working in the security industry, 20 years of management experience.

Work Experience:

2010-Pres. President of Alltech Industries, Inc.
2002-2010 General Manager of Alltech Protective Services
1997-2002 Security Guard, Sales Consultant and Regional Manager of SSP Security Inc.

Special Skills:

- Recruited, hired, trained and scheduled Security Officers
- Developed and Implemented Security Officer and Supervisor Training Program
- Conducted Security Surveys
- Managed several locations in different counties
- Managed Security Officers
- Superior customer retention
- Conducted successful security investigations
- Experience with large complex operations
- Account development, employee forms, payroll, and invoicing
- Composing post orders for new clients
- Interacted with clients on a regular basis
- Inspected and interacted with personnel in the field
- Solicitation of potential clients
- Networking
- Emergency response
- Experience as a Security Officer and Supervisor
- Reduce the employee turnover rate

Licenses

Security Guard License and Firearms Permit, Baton and Maze Permit

Education

Bachelors of Science in Electrical Engineering with a specialization in Computer Engineering.

Hilda Perez
Operations Manager
Alltech Industries, Inc.
Office-(323) 450-2168 Cell (760) 786-0779
hperez@alltechguards.com

Summary of Qualifications:

18 years of experience working in the security industry.

Work Experience:

2010-Pres. Operations Manager of Alltech Industries, Inc.
2004-2010 Experience as Security Officer, Office Manager and Operations Manager with SSP Security
2004-2006 Counselor at Optimist Boys Youth Homes-Supervising Juvenile Delinquents
2003-2004 Claims Adjuster, investigating property loses at Farmers Ins.

Special Skills:

- Knowledge of Human Resources Procedures and related Legal Issues
- Developed training on report writing
- Managed Security Officers
- Developed sales plans and objectives
- First Aid and CPR trained
- Verbal de-escalation
- Handling emergency situations
- Managing Accounts
- Criminal Procedures
- Interacted with clients on a regular basis
- Experience as Security Officer
- Trained Security Officers
- Implementing/writing post orders
- Experience supervising juvenile delinquents in a detention like setting

Licenses

Security Guard Card and Firearms Permit issued by the Bureau of Security and Investigative Services.

Education

Bachelor of Science in Criminal Justice

c. State the Number of Years The Firm Has Conducted Business

Company Name: Alltech Industries Inc.

In Business Since: 10/07/2002

Incorporated in California in July of 2010

Private Patrol Operator Number: 16674, PPO License 2002-2010: 14700

License Expiration: 7/31/2024

Areas of Coverage: San Bernardino County, San Diego County, Los Angeles County, Orange County, Riverside County and Ventura County

Services Provided: Unarmed and Armed foot, bicycle, and vehicle patrols, armed vehicle escort services, pass through site patrols, lock-up services, alarm response, emergency services, Park Ranger, Parking Enforcement, alarm installation and monitoring.

Office Address:

301 E. Pomona Blvd. Suite B,
Monterey Park, CA 91755

Mailing Address:

P.O. Box 4042
Montebello, CA 90640

Office Phone Number/24 hour dispatch: (323) 796-0596

Office Number: (323) 450-2168

Fax Number: (323) 450-2169

Emergency Phone Cell phone Number: (760) 486-0779

Bid Contact: Oscar Gamez (714) 604-7688, Hilda Perez (760) 486-0779

d. Provide A Description Of The Three Most Relevant Contracts Held Within The Last Five Years

All has 20 years of experience providing our clients with security services, we have provided services to banks, retail establishments, and apartment complexes, City parks, City Hall, event facilities, special events, Metrolink/Transit facilities, and we also provide vehicle patrol services to several school Districts. All of our clients have one thing in common, they all want something/someone protected and secured. We are the specialist in security and protection. We are able to assess the location, and look at all possible dangers and prepare our staff for any and all situations that they may come across.

We currently provide services to five School Districts with similar scopes of work, Hesperia Unified School District, Fullerton Joint Union High School District, Anaheim Elementary Unified District, Victor Valley Elementary Unified School District, and Covina-Valley Unified School District. We provide vehicle patrols during after school hours, officers drive in a company vehicle from school to school/facility, inspecting the school/facilities and making sure there are no trespassers, vandalism or break-ins, as well as making sure that the sites are all properly locked up. Aside from the vehicle patrols, we also respond to alarm calls. The majority of which are normally false calls, but on occasion there have been break-ins, and our officers have conducted arrest.

For the City of Oxnard, Oxnard Housing Authority we provide nightly vehicle patrol services, to 6 apartment communities, approximately 200 apartments. These are low income apartment communities. Our officers patrol the facilities, and enforce the Oxnard Housing Authority rules and regulations, and ensure these communities are a safe environment.

All believes that our experience speaks for itself, and we hope that after speaking to our references you get a good idea of the quality of our work and determine that we are capable of providing exceptional services.

3. Evidence of California Licensing

BUREAU OF SECURITY AND INVESTIGATIVE SERVICES

LICENSING DETAILS FOR: 16674

NAME: ALLTECH INDUSTRIES INC

LICENSE TYPE: PRIVATE PATROL OPERATOR

PRIMARY STATUS: CURRENT

PREVIOUS NAMES: ALLTECH PROTECTIVE SERVICES 7/30/2010 AKA ♦ ALLTECH INDUSTRIES INC 7/30/2010 ♦ ALLTECH INDUSTRIES INC DBA ALLTECH PROTECTIVE SERVICES INC

ADDRESS OF RECORD

PO BOX 4042
MONTEBELLO CA 90640-9301
LOS ANGELES COUNTY

ISSUANCE DATE

JULY 30, 2010

EXPIRATION DATE

JULY 31, 2024

CURRENT DATE / TIME

AUGUST 11, 2022
11:15:6 AM

LICENSE RELATIONSHIPS

PPO TO QUALIFIED MANAGER

LICENSE/REGISTRATION ROLE: PRIVATE PATROL OPERATOR

RELATED PARTY ROLE: QUALIFIED MANAGER

NAME: GAMEZ ALAVEZ, OSCAR ARMANDO

[VIEW MORE DETAILS](#)

ADDRESS :
LOS ANGELES CA 90063
LOS ANGELES COUNTY

PRESIDENT

LICENSE/REGISTRATION ROLE: BUSINESS LICENSE

RELATED PARTY ROLE: PRINCIPAL

NAME: PEREZ, HILDA

[VIEW MORE DETAILS](#)

ADDRESS NOT DISCLOSED

VICE-PRESIDENT

LICENSE/REGISTRATION ROLE: BUSINESS LICENSE

RELATED PARTY ROLE: PRINCIPAL

NAME: GAMEZ ALAVEZ, OSCAR ARMANDO

[VIEW MORE DETAILS](#)

ADDRESS NOT DISCLOSED

4. References

Hesperia Unified School District

15576 Main Street
Hesperia, CA 92345
Virginia Gutierrez
Director - Purchasing, Facilities, Warehouse
(760) 244-4411 Ext. 7304
July 2014 - Present
virginia.gutierrez@hesperiausd.org
Provide 3 vehicle patrols of all the schools and alarm response. \$505,000 annually

Fullerton Joint Union High School District

Dale McCurry
1021 S Leslie St
La Habra, CA 90631
(714)680-5609
dmccurry@fjuhsd.org
2015-Present
\$220,000 annually
Afterhour vehicle patrol of all schools in the district, respond to alarm calls.

Anaheim Elementary School District

1001 S East St,
Anaheim, CA 92805
Lenny Damico, Director, Maintenance & Operations
(714) 517-7551 x4303 or (714) 863-2853,
ldamico@anaheimelementary.org
July 2018- Present, \$85,000/year
Provide 1 after hours vehicle patrol and alarm response of all the District schools and facilities.

Los Angeles Department of Water and Power

Loryn Lam
Security Services Division
(213) 367-2708
Loryn.Lam@ladwp.com
Amount Varies on sites
Provide Security services and vehicle patrol at various sites. Sites can last a couple weeks or months.

City Of Carson

Kenneth Mckay
Manager - Public Safety Services
701 E Carson Street
Carson, CA 90745
(310) 952-1700, x 1605
kmckay@carson.ca.us
Provide officers at a City facility.

City of Thousand Oaks

Joel Diaz Facilities
Division Supervisor Finance Department
Office : (805) 449-2238
jdiaz@toaks.org
Afterhours patrol and lock up of city facilities.

City of Oxnard

Fredi Contreras
Housing Maintenance and Operations
Superintendent
Maintenance and Capital Fund Division
Oxnard Housing Authority
805-385-7887
fredi.contreras@oxnard.org
Provide Security Services at Housing facilities.

5. Subcontractors

Alltech Industries, Inc. will not be using any subcontractors; all services will be performed by Alltech Industries, Inc employees.

C. Proposed Method To Accomplish The Work

. Alltech Industries, Inc's, goals are to provide exceptional Security services to the Valley Sanitary District and to meet all contract requirements. In order to accomplish these objectives, AII will assemble a start-up team that will involve the Operations Manager, General Manager, Lead-Supervisor, Supervisors and office staff. This team will develop a comprehensive Pre Start-up plan that will define goals to be achieved before the start date. A Post Start-up plan will also be developed to make sure that our preliminary work has been completed and that every aspect of our services is correct and complies with contract requirements. Normally two (2) to four (4) weeks are required for a smooth, logical and orderly start-up, of course four (4) weeks is preferred. AII has prepared the following security Pre Start-Up schedule that sets forth a chronological order of events to be undertaken before the start date, the plan can and would be adjusted if the start-up time is shorter.

Sequential Activities to Complete the Scope of Work

- a. Coordination
 1. Appoint a Start-Up Team
 2. Joint Meeting with the Valley Sanitary District
 3. Start-Up Team review meeting
- b. Human Resources
 1. Recruitment
 2. Interviewing/Screening/Review of Qualifications
 3. Back Ground Checks, Employment Physicals, Drug Test
 4. Processing of New Hires
- c. Training (conducted by supervisors or Training Academy)
 1. Classroom training
 2. Missing Certifications Training
 3. On-Site Training
- d. Scheduling (Supervisors)
 1. Meet with the Valley Sanitary District for final schedules/Changes
 2. Assign approved schedules to trained personnel
- e. Uniforms/Equipment (Office Staff)
 1. Issue uniforms
 2. Order Equipment
 3. Order Forms
 4. Post Orders

Schedule for Completing Tasks

| <u>Pre Start-Up Plan</u> | Week 1 | Week 2 | Week 3 | Week 4 |
|--|--------|--------|--------|--------|
| Coordination | | | | |
| Appoint a Transition Team | C | | | |
| Joint Meeting with Client | C | | C | |
| Transition Team Review Meetings | C | C | C | C |
| Human Resources | | | | |
| Recruitment, Flyers, Job Fair, Ads | C | | | |
| Interviewing/Screening/Review of Qualifications | W | C | | |
| Background Checks, Drug Testing, Employment Physical | W | W | C | |
| Processing New Hires | W | W | C | |
| Training | | | | |
| Classroom Training | | W | W | C |
| Missing Certifications | | W | W | C |
| On-Site Training | | | W | C |
| Scheduling | | | | |
| Finalize Schedules with Client | | | W | C |
| Assigned Schedules to trained personnel | | | W | C |
| | | | | |
| Uniform/Equipment | | | | |
| Issue Uniforms | | | W | C |
| Order Equipment | | W | | C |
| Order Forms | | W | | C |

C = Completion

W = Working toward Completion

All constantly is receiving employment applications from officers seeking to work as security guards. Once a contract is assigned to AII, we begin searching through our pool of potential candidates. To obtain an extensive group of candidates, AII turns to local vocational centers and training academies, there we are able to view list of potential job seekers and post openings. Announcements are also placed in local papers and Internet search engines such as Caljobs. Once we have obtained an adequate pool of candidates we begin the hiring/screening process.

All security officers will be 21 years of age or older. They will have a high school diploma or GED. Security officers will speak, understand and write English proficiently. They will have at least two year of security officer experience, approximately 2,000 to 4,000 hours. They will have a current guard card and updated licenses for equipment used while on duty. They would have completed the new 40-hour training requirement mandated by The Department of Consumer Affairs before they commence employment. An extensive work history, background check and credit check will be conducted. Drug testing will be given before a security officer is hired and random drug testing will continue throughout employment.

Equal Opportunity Employer-All does not discriminate against women, minorities or people with disabilities; we are an equal opportunity employer.

Criminal/Credit Background Check- Before employment the security officer has to pass a credit check and a criminal background check done through the California Department of Justice. Background check is conducted by running a LiveScan. Residence and past employer verifications are conducted. Employment is not granted if there is a conviction of any of the following: felony, violent misdemeanor, sex crime, military discharge (unless honorable), or if there is a pattern of irresponsible behavior.

Department of Motor Vehicles Check- Security officers must submit a Department of Motor Vehicles record before the first day of work. Any discrepancies will affect the hiring the individuals hiring. Officers will also have to pass our Driver Test which consist of a written test and a behind the wheels test.

Physical Exam- Officers are to get a physical before the start of contract. Officers must be in good condition to stand for a long period of time, and carry 25lbs.

Licenses and Permits- Each officer must have on file a current guard card and permits to carry and use mace, handcuffs, baton and/or a gun, if needed. Officers will be certified in Basic First Aid and Cardio Pulmonary Resuscitation (CPR). As well as certified in Powers of Arrest and have a valid class "C" driver's license. An onsite driving test and written test will be given to officer required to drive while on duty. Officer must carry licenses and permits when on duty, and shall present them when asked by post management or authorized officer. Once employed status of Licenses is randomly checked through the Bureau of Security and Investigation Services, if at any time licenses are suspended or placed on hold the officer is terminated.

Bilingual Skills- Our officers must have the ability to read, write, understand and speak English. Some of our clients do require that the officer be bilingual, and we are able to provide guards that are able to read, write, understand and speak Spanish.

Alcohol and Controlled Substances- All has a NO tolerance policy on Alcohol and controlled substances. Employees will be subjected to random drug/alcohol screenings; failure to pass such screening will be grounds for immediate termination. Reporting to work under the influence of alcohol or illegal drugs will result in the immediate termination of employment and removal from post.

Training

Before an officer is sent to any location an officer receives hours of training at our facility as well as outside facilities. Every location and client is different; therefore when an officer gets assigned to a specific location, the officer is trained on the everyday operation of the location for 30-40 hours, and post orders. A supervisor will accompany the officer to the site and conduct hours of on the job training to ensure that the officer understand the tasks that need to be completed and that they are being fulfilled adequately. While on site the supervisor will monitor the officer's work to ensure that it is done correctly. The officer will also be quizzed on possible scenarios to ensure proper response. Once the officer understand the post orders, a supervisor will conduct random inspections to ensure that the officer understand the tasks, officer will be re-trained if needed. The state of California requires each officer to receive 40 hours of training when becoming a security officer and an additional 8 hours every year. In addition to the requirements AII provides more hours of training. The amount of hours an officer is trained depends on the post orders of the location and the task that need to be completed. If AII feels that an officer needs more training it will be provided. AII will conduct intensive training courses to keep the security officers updated on changes in the security field. These sessions consist of viewing videotapes, lectures and on the job training. Courses are also taken at the local ROP program, Community Colleges and Guard Training academies. AII sends its guard to different locations for training as each location varies in classes and techniques. The following subjects, amongst other, will be covered:

Report Writing- The course covers Security terminology, details to include and the type of important information that is needed in a report

Public Speaking- Officers take a customer interaction course, covering public and client interaction and customer service.

Customer Focus- Officer recognizes gender and racial harassment and discrimination. Stereotyping. Introduction to Diversity, ethics and professionalism

Parking and Traffic Control- This course covers access control procedures, maintain safety awareness, safety signs, proper use of traffic control equipment. Handling traffic flow and large gatherings. Emergency evacuation procedures.

Powers of Arrest- Officers must have a California BSIS issued guard card, which covers Powers of Arrest.

Legal Powers and Limitations- Roles of a security officer. Introduction to criminal, civil and administrative procedure, and BSIS codes & Regulations

CPR & First Aid- Class given by the American Red Cross, covering techniques and laws.

Driver Safety Training- This course includes laws and proper ways to drive and maintain yourself safe, followed by a written test and a behind the wheel test.

Accident- Officers will receive training on what to do in case of an accident, who must be contacted and where information is located.

Fire Protection and Prevention- Officers take two course, one course covers Hazardous material and how to prevent fire or damage. The second course covers Fire protection and fire watch conduct and procedures.

Appearance and Grooming- How to take care of the uniform and use of company equipment.

Crisis Management- Gives the security officer direction and a template to use for response to a crises. Bad weather, terrorist attack, hazardous materials.

Officer Safety- Discusses threat assessment, blood borne pathogens, environmental and hazardous materials.

Handling Difficult People- Covers the following topics; communications, conflict management, speaking constructively, valuing diversity, negotiating and verbal diffusion.

Workplace Violence- Detecting unusual behavior. Warning signs (Worker to Worker) Client to Customer and supervisor to subordinate.

Crowd Control- How to properly and safely participate in crowd control or riot situations.

Interview Techniques- This course prepares officers to conduct an interview and explain the difference in the various levels of interviews. The officers learns how to dialogue with a witness, victim and suspect. Course topics include interviewers responsibility, documentation, confidentiality, types of interviews, locations for interviews, note taking and demeanor of the officer

Crime scenes- Officer learns the importance of preserving a crime scene. How to protect it, documenting evidence, recording the scene, preventing crime scene contamination, controlling access and assisting law enforcement.

Weapons of mass destruction- Prevention and deterrence of the use of chemical agents, biological agents, radiological materials and explosive devices.

Principles of safeguarding information- Covers all policy matter and procedures concerning access and restriction of client information.

Labor Relations- The study and practice of managing unionized employment situations. This course covers labor history, labor law, Union Organizing, contract bargaining and the modified response to different scenarios.

Heat Illness prevention- The human body response during heat stress and hydrations procedures to treat heat exhaustion.

D. Certification of Proposal

The undersigned, Alltech Industries, Inc., hereby submits its proposal and, by doing so, agrees to furnish services to VSD in accordance with the Request for Proposal (RFP), and to be bound by the terms and conditions of the RFP.

E. Sealed Fee Proposal

Annual Cost: \$137,000.16

5. Pricing Proposal

| Line Item | Description | Quantity | Unit of Measure | Unit Cost | Total |
|--------------|--|----------|-----------------|-----------|--------------|
| 1 | Regular Rate for One Unarmed Security Guard | 1 | Hourly | \$30.69 | \$129,266.28 |
| 2 | Overtime Rate for One Unarmed Security Guard | 1.5 | Hourly | \$46.04 | \$7,733.88 |
| TOTAL | | | | | \$137,000.16 |



General Security Service
79 Years of Excellence

Security Proposal for

VALLEY SANITARY DISTRICT



October 13, 2023

By Gary M. Moore, CPP



Cover Letter

Since 1944 General Security Service (GSSI) has provided clients with consistently high-quality professional services with a strong employee commitment and a customer centric approach. We are proud to be able to offer our services to the Valley Sanitary District.

Why should you choose GSSI? We maintain the very highest standards in Communication, Technology, and Staffing providing you with peace of mind and confidence in your Security Team. It is important that your property at the Valley Sanitary District be a place where employees, visitors and vendors feel safe. GSSI is an expert and the very best at fostering positive outcomes. GSSI currently provides like services for the County of Riverside, The City of Long Beach and the South Coast Air Quality Management District and has a long history of providing quality security service to Cities and Counties throughout Southern California. GSSI has the desire and the ability to meet the requirements of this RFP.

How does GSSI deliver security solutions? We believe in a Pro-Active Management approach that communicates effectively and responds immediately with 24/7 Dispatch and Supervision. We have 79 years in the business with a track record of success; leadership that is credentialed as Certified Protection Professionals; and a Law Enforcement background. These values allow GSSI to anticipate customer needs and provide a Security Program that brings consistent quality service.

Thank you for allowing GSSI this opportunity to submit the following presentation of our company. As the contact person, submitter of the proposal and authorized signatory for the contract I am available at the numbers listed below should you have any questions.

Cordially,

Gary M Moore

Gary M. Moore, CPP
Director
GSSI, Inc.
1465 Spruce Street, Suite F
Riverside, CA 92507
T 909-270-1187
F 951-686-0949
gmoore@gss1944.com

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Statement of Qualifications

Executive Summary

In 1944 Edward Hanhart started what was then known as General Detectives. In 1951, Edward's son, Donald Hanhart takes the helm of the company. Through four generations of family ownership the company, now headquartered in Wilmington, California has grown to a full-service security firm, recognized in the industry as being a leader in producing innovative solutions for its clients. Current Qualified Manager Brian Hanhart and leader of this family-owned business continues the 79-year commitment to ensure customer satisfaction through exemplary service delivery, cost control, time management of the security program and an approach to employee care that ensures respect, dignity, and fairness. Developing service programs, employing subject matter experts, and supporting specific customer programs, GSSi provides a seldom found package of answers.

In 2016, Brian's daughter Samantha Hanhart joined GSSi, continuing the tradition of a family oriented, service minded, and employee centric security provider. In this way, GSSi becomes a fourth generation privately owned and operated security leader.

GSSi is a privately held security company established in 1944. We are a fourth generation privately owned and operated corporation headquartered in Wilmington, California. GSSi is a longtime leader in the security services industry, providing highly trained security forces and delivering expert business services to a constantly growing list of commercial, industrial and government organizations. Our diverse client base is a testament to our reputation for providing an excellent level of quality service and professionalism.

For 79 years GSSi has provided quality services to local, county and state agencies such as the County of Riverside, the County of Los Angeles, the City of Long Beach, the City of Los Angeles, the City of Menifee, the City of Perris and the City of Rialto. With the City of Rialto the duties included patrolling the City Wastewater Treatment Plant and Water Services. Within the City of Indio GSSi provides security for the Riverside County District Attorney's Office, the Behavioral Health Facility, the Community Health Center, WIC and a County Building for the Economic Development Agency.

Qualifications and Experience

Gary Moore will oversee the project, assisted by Edward Shapiro and both Branch level and Field Supervisory staff. Other executive staff will assist, utilizing their particular skill sets to augment the operations division's duties.

Our management team will attend Regular Meetings with your management team to ensure that daily service delivery items are maintained at the highest levels. Service items will be addressed by the GSSi management team and Special Coverage requests will be planned and executed by our operations personnel. Field Inspections will be performed on a regular but random schedule by our Field Supervisors.

GSSi has a zero tolerance towards attendance and disciplinary problems. To this end, we will use the following procedures to ensure contracted service expectations are met.

Account Staffing

Edward will coordinate the placement of new officers for assignment to Valley Sanitary District Properties.

1. New officers will be pre-screened and pass pre-assignment training requirements prior to assignment to Valley Sanitary District.
2. Gary and Ed will schedule the Officers' On-The-Job training.
3. New officers will complete and pass all training requirements prior to permanent assignment to a location.
4. Additional applicants will be screened to ensure an ample supply of candidates.

GSSi will not use any subcontractors for the contract.

Security Staff

Security Officers are responsible for deterring theft and vandalism at Valley Sanitary District facilities including providing reports, surveillance, access control, notification of security and safety concerns, and the overall security plan.

Key Management Personnel

Brian Hanhart, Chief Executive Officer



Mr. Hanhart has over 46 years of combined security and law enforcement experience. Mr. Hanhart has received a degree in Criminal Justice and has had the benefit of hands-on training and the passing of knowledge from his father Donald Hanhart. Brian maintains an up-to-date attitude with the latest developments in the security/law enforcement, personnel selection, and modern operational areas. Brian is a Southern California resident and enjoys supporting the goals and objectives of our customers. Brian understands that earning the contract for Valley Sanitary District is an important step in the continued growth of General Security Service. Brian is available to assist the branch

operations and looks forward to being a part of the success of the security program.

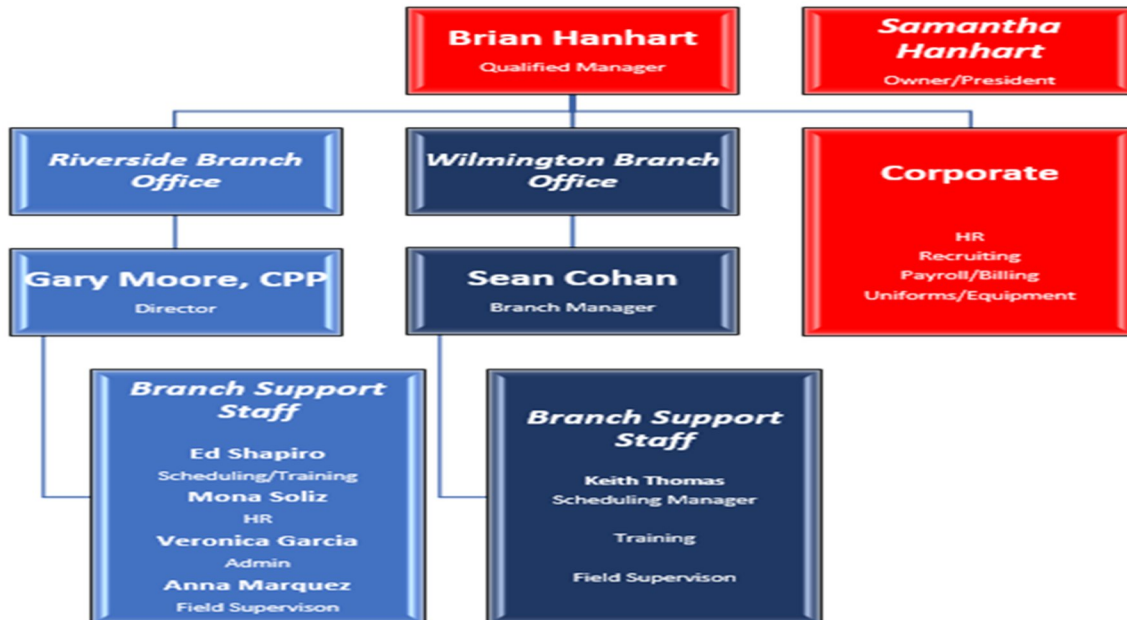
Gary Moore, CPP, Director of Inland Empire and Orange County Operations



Gary joined GSSi in July of 2014 to run the operations for the Inland Empire and Orange County business group. Gary is a Certified Protection Professionals (CPP) and brings over 44 years of security industry experience in Account and Operational Management.

As a Certified Protection Professional (CPP).

Gary is a graduate of Clear Lake High School, General Education, Fullerton College, majoring in Criminal Justice and California State University at Fullerton, majoring in Administration of Justice; Technician Class (or better) Amateur Radio License (ham radio); Federal Emergency Management Agency National Incident Management System (NIMS) – ICS-100 and IS 700; Introduction to the Standardized Emergency Management System (SEMS); ICS for Single Resources (IS-200) Gary has experience overseeing large Government contracts such as County of Riverside, County of Los Angeles, City of Long Beach, City of Rialto, MTA, RTA, OCTA, Omnitrans and the South Coast Air Quality Management District.



The three most relevant contracts within the last five years would be the City of Rialto where GSSI provided patrol services for the City Parks, Facilities, Water Department and Wastewater Treatment Facility, The County of Riverside with numerous departments and the County of Los Angeles for several departments.

GSSI Business License

dca
DEPARTMENT OF CONSUMER AFFAIRS

STATE OF CALIFORNIA
BUREAU OF SECURITY AND INVESTIGATIVE SERVICES
P.O. Box 989002
West Sacramento, CA 95798-9002
(916) 322-4000

PRIVATE PATROL OPERATOR

License No. PPO119932
Receipt No. 10567

GENERAL SECURITY SERVICE
639 N MARINE AVE
WILMINGTON, CA 90744-5419

Valid Until: 12/31/2024

In accordance with the provisions of Division 3, Chapter 11.5 of the Business and Professions Code, the company named hereon is issued a Private Patrol Operator License Renewal.

----- NON-TRANSFERABLE ----- POST IN PUBLIC VIEW -----

3013-S0000101-1/1

GSSI, Inc. / 951-686-0916 / PPO 119932 / www.gss1944.com
Submitted to The Valley Sanitary District on October 13, 2023
Private and Confidential

Client References

Riverside University Health System

Autum Johnson, Administrative – Facilities RUHS-Behavioral Health Material Management
4095 County Circle, Riverside, CA 92503
T/951-358-4590; F/951-358-4792

Au.johnson@ruhealth.org

- 2600 Hours Per Week
- May 2016 to Present
- \$3,500,000.00 billing per year

Unarmed, Uniformed Security and Patrol Officers – Access Control, Public Safety, Foot Patrols, Monitor Lobbies, Greet the Public, Monitor Parking Lots. This project required emergency and on-call deployment of security staff; work at multiple sites throughout Riverside County; and protection of critical infrastructure.

GSSi provided various services for this customer including unarmed uniformed security officers. GSSi staffs guard post to control access for both vehicular and pedestrian traffic; provided security staff during Special Events; supervisors that perform; provide workplace violence training; and consulted and advised for special events.

County of Riverside Office of the District Attorney

Levi Bailey, Commander
3960 Orange Street, Riverside, CA 92501
T/951-955-5400 LeviBailey@RivCoDA.org

- 240 Hours Per Week
- August 2011 to Present
- \$380,000.00 billing per year

Armed, Uniformed Security Officers – Provide armed access control and foot patrols for the Riverside and Banning Offices. Scan and screen all visitors to ensure no weapons or other banned dangerous items are not brought into the building. Monitor the lobbies, provide information, and respond to emergency situations.

City of Rialto

Jonathan Palmer, Sergeant
128 N. Willow Avenue, Rialto, CA 92376
T/909-820-2634

JPalmer@rialtopd.com

- 391 Hours Per Week
- September 2016 to March 2022
- \$750,000.00 billing per year

Armed and Unarmed, Uniformed Security and Patrol Officers – Access Control, Public Safety, Fixed Posts, Foot Patrol, Mobile Patrols, Greet the Public, Monitor Parking Lots. This project requires frequent on-call security deployment; multiple work sites throughout Rialto; and protection of critical infrastructure.

GSSi provides armed and unarmed uniformed security officers to perform crowd and access control in multiple sites throughout the City of Rialto including the Community Center, City

Buildings, Fitness and Senior Centers, and the Metrolink and Downtown areas. GSSi provides mobile patrol services to inspect after-hours activity in the Parks, Water Wells and Pumping Stations, City Buildings and Downtown and report unlawful activity to law enforcement and respond to alarms. GSSi provides locking and unlocking of public restrooms in the parks and direction for the public activity.

South Coast Air Quality Management District

Scott Gallegos, Human Resources Manager
21865 Copley Drive, Diamond Bar, CA 91765
T/909-396-2929

sgallegos@aqmd.gov

- 473 Hours Per Week
- July 2022 to Present
- \$625,000.00 annual billing

Armed and Unarmed, Uniformed Security and Patrol Officers – Access Control, Public Safety, Fixed Posts, Foot Patrol, Mobile Parking Lot Patrols, Greet the Public, Monitor Parking Lots. This project requires frequent on-call security deployment, and protection of critical infrastructure.

GSSi provides armed and unarmed uniformed security officers to perform access control throughout the SCAQMD Facility and respond to emergencies. The Officers also provide security during Board Meetings and Special Events.

Subcontractors

GSSi will not utilize subcontractors for the Valley Sanitary District contract.

Proposed Method to Accomplish the Work

Officers assigned to the Valley Sanitary District will have the following core duties and will be licensed as Security Officers by the California Bureau of Security and Investigative Services (BSIS). Post Orders with specific site instructions are developed upon mutual agreement between GSSi and Valley Sanitary District.

- Maintain a Secure Facility, Enforce Trespass
- Provide Onsite surveillance and reporting
- Perform Fire/Life Safety Systems Responsibilities
- Remain Attentive to Assigned Duties, Safety, and Facility Security
- Liaison with Client Supervision and Management
- Work with and Assist Law Enforcement / Fire and Rescue Personnel
- Exhibit Professional Demeanor at all times

One uniformed security officer will be scheduled from 6:00 PM to 6:00 AM, seven days a week. will monitor the Valley Sanitary District property, perimeter and building exteriors. The security officer will make hourly rounds of the perimeter and building exteriors while scanning stations that can be tracked in real time to ensure the rounds are being made. In addition to the scans, the officer will make hourly Daily Activity Report entries and as needed Incident and Maintenance Report entries in his smartphone. Reports are automatically sent to the Valley Sanitary District Representative daily at a predetermined time. The security officer will respond to alarms to determine the appropriate parties to notify.

GSSi, Inc. / 951-686-0916 / PPO 119932 / www.gss1944.com
Submitted to The Valley Sanitary District on October 13, 2023
Private and Confidential

Corporate Culture

GSSi understands the culture of Valley Sanitary District: to provide safe and courteous services to the tenants, employees, visitors, and vendors of Valley Sanitary District; to provide consistent and professional security services; to maintain the highest levels of contract deliverables; to submit timely and accurate invoicing; and to build a culture of innovation and continuous improvement.

GSSi will meet these goals and objectives by maintaining a focus on the most critical aspect of this project: the security officer.

First, our organization thrives with a full effort in supporting the company's product. In the Security Guard Industry that product is the Security Officer. Our customers expect service delivery that meets all the contracted needs. Our Officer's expect treatment that is respectful and professional. Identifying the Security Officer as the primary producer of the organization requires a move to creating a position of respect within the hierarchy of the company to highlight the Security Officer.

Second, our organizational chart is modified to reflect the new position. Instead of a top-down approach a bottom-up method of support is established. The organizational chart is flipped upside down to put the Security Officer at the top and everyone underneath becomes the support mechanism for the success of the Security Officer.

Finally, everyone within the organization is focused on the success of the Security Officer, therefore the Security Officer has the proper respect and motivation to perform their duties and take care of the Customer. If the Customer is happy, they will refer new business. The resulting cycle of corporate prosperity becomes a byproduct of superior service to both our employees and customers.

GSSi believes this bottom-up approach contributes to our overall success and directly affects the relationship with have with our customers. Our culture of building teams, supporting front line performance, and a commitment to meeting the highest standard in providing service deliverables aligns GSSi with the culture and commitments prevalent to Valley Sanitary District.



GSSi Mission Statement

Our goal is to deliver measurable results and provide our customers with performance-based improvements in key metrics such as cost, quality, value, and satisfaction. We will accomplish this by providing superior training, experienced on-site leadership, and a dedication to providing outstanding security capabilities.

GSSi Vision Statement

- Customers... To gauge our customer satisfaction, GSSi looks for unsolicited feedback in the field from the employees and visitors to our customers. We also look for feedback from our security guard force in the areas of payroll, uniforms, training, and supervision.
- Integrity... It is important to maintain the integrity of the company. To gauge our effectiveness, we track those opportunities to provide exceptional service even when faced with extraordinary obstacles. When the customer is satisfied, and we were able to meet a request even though the method used was stricter than preferred by the customer, we consider the effort to be worth our time. Cutting corners is just not acceptable.
- People... Our security officers represent the product purchased by our customers. As such we must invest in our officers. Our goal is to empower our officers to perform at a level that meets and exceeds the expectations of the customer. This creates a positive work environment and job satisfaction for our employees as well as providing a valuable security program to our customers. Our retention rates reflect a loyal and satisfied workforce.
- Teamwork... To build a strong and loyal team, the security workforce must have a voice in the overall security program. Soliciting suggestions for improvement and involving the officer in problem resolution is an important part of the supervisory and management roles with GSSi. Our field reports allow the officer to speak freely with all levels of the branch team. Implementing suggestions and providing open communications with the officers builds the team.
- Speed... If we are to maintain our competitive edge as an organization, we must act quickly to support the operations unit to service both the internal and external customer. Having local decision makers speeds the process. Having a mentor in place to guide the process increases the speed at which future decisions are made.
- Innovation... Why wait until it's broken to fix it? GSSi supports and encourages the Team to provide solutions to problems before they occur. We are building strategies that will allow us to grow as a company and provide an ever-improving product for our customers and employees.
- Performance... We track errors with an expectation to achieve a zero return. Areas such as payroll have an expectation of delivering the correct hours at the correct rate on time, every time. It requires the entire team, including the officers, to focus on accurate data collection. This effort also results in accurate and timely invoicing for our customers as our payroll drives our billing. Because our payroll and billing are timely and accurate, our officers are satisfied, our customers can process invoices quickly, and our receivables are cleared quickly enabling the company to continue to grow. This is a performance win-win example.

Key Performance Indicators (KPI)

- I. KPI – Payroll.
Quality Standard – Accurate and Timely.
Quality Assurance Measure – We will reconcile daily input and compare with weekly time sheets signed by the officers. We will review payroll reports to make corrections prior to submittal for processing. We will monitor feedback from our officers regarding accuracy.
- II. KPI – Uniforms.
Quality Standard – In Good Condition and Complete.
Quality Assurance Measure – We will replace uniforms as requested by the officers. We will inspect the officers’ uniforms during Field Inspections.
- III. KPI – Training.
Quality Standard – Complete and Effective.
Quality Assurance Measure – We will test the officers’ comprehension with each training module. We will provide additional instruction where needed. We will review instructions in the field during inspections.
- IV. KPI – Supervision.
Quality Standard – Frequent and Helpful.
Quality Assurance Measure – We will perform weekly field inspections. We will solicit feedback from the security officers as to the interaction with supervisors to gauge effectiveness of the supervision program.
- V. KPI – Invoicing.
Quality Standard – Complete, Accurate, and Timely.
Quality Assurance Measure – We will monitor payroll closely to ensure proper input as payroll drives our billing. We will review billing reports to make corrections prior to submittal for processing.
- VI. KPI – Vehicle and Equipment Maintenance.
Quality Standard – Regularly Scheduled.
Quality Assurance Measure – We will inspect all vehicles and equipment on every shift to ensure proper working conditions. We will track scheduled service to ensure proper maintenance.
- VII. KPI – Reporting of Service Deliverables.
Quality Standard – Accurate and Timely Submittals.
Quality Assurance Measure – GSSi agrees that all reports generated by the security officers must be clear, complete, and usable. We will monitor the quality and timely submittal of these documents and provide assistance to gather and/or complete the process.
- VIII. KPI – Opportunities to Exceed Expectations.
Quality Standard – Anything above and beyond the contract requirements and the Scope of Work.
Quality Assurance Measure – We will seek to identify solutions that will improve your security program.

Building Loyalty

GSSi believes that providing a safe and professional work environment contributes to employee longevity. We provide our employees with accurate and timely pay checks at above standard wage rates; issue a full set of professional uniforms; provide frequent and helpful supervision; conduct quality training; and impart loyalty and respect that quite often is forgotten in our

industry. We know that the security officer is our most valuable asset, and we design our bottom-up organizational culture in support of our officers in service to our customers. Our officers recognize this support and respond with exceptional effort and loyalty.

Officer Retention

GSSi has an industry low approximate turnover rate of 25%. We typically hire 6-8 new officers throughout the Southern California region during any 30-day period. GSSi is proud to have high employee retention rates with 5% of our workforce tenured over 15 years; 32% over two years; 21% over five years; and 12% over 10 years.

Employee Incentives and Recognition

GSSi recognizes the importance of retaining loyal staff and has a strong track record of promoting employee retention by providing staff with incentives to exceed performance targets. GSSi recognizes and rewards quality achievement and praises positive efforts.

- Security Officer of the Quarter
- Security Officer of the Year
- Outstanding Achievement

Our clients are never required to participate financially; however, we encourage our clients to take a moment to acknowledge the exceptional service provided by one of its own officers. For each award GSSi will commit to a letter of appreciation and a \$100 gift card from Visa.

Employee Benefits Program

GSSi offers the following benefits to increase the retention of qualified and motivated security officers for our customers. The GSSi Benefits program is subject to change based on insurance offerings, State and Federal laws.

Medical/Health Insurance – GSSi, in compliance with the Affordable Care Act (ACA) offers basic medical insurance through Kaiser. This plan meets all Federal regulations including those for value and affordability.

The officers' contribution into the basic medical plan will never be more than 9.5% of their wage and the difference for this plan is covered by GSSi. The officer can upgrade the plan and/or add family members and any additional cost beyond the employer contribution would be the responsibility of the officer. There is no maximum lifetime benefit, thus no annual limit and there is a 60-day waiting period.

Paid Sick Leave – All GSSi employees who work more than 30 days per year are qualified to earn one (1) hour of Sick Leave Pay for every 30 hours worked. The accruals are shown on their pay stub. There is a 90-day waiting period.

Additional GSSi Benefits

Direct Deposit - GSSi offers direct deposit of paychecks to all employees at no cost.

Holiday Pay - GSSi will pay the officers 1.5 times their regular pay for those employees who work the holidays: New Year's Day; Memorial Day; Independence Day; Labor Day; Thanksgiving Day; Christmas Day; Martine Luther King Jr. Birthday.

Educational Assistance - GSSi recognizes that the skills and knowledge of its employees are critical to the success of the organization. The educational assistance program encourages

personal development through formal education so that employees can maintain and improve job-related skills or enhance their ability to compete for reasonably attainable jobs within GSSi.

GSSi will provide educational assistance to all eligible employees who have completed 90 calendar days of service in an eligible employment classification. To maintain eligibility employees must remain on the active payroll and perform their job satisfactorily through completion of each course.

Individual courses or courses that are part of a licensing, or certification program must be related to the employee's current job duties or a foreseeable-future position in the organization to be eligible for educational assistance. GSSi has the sole discretion to determine whether a course relates to an employee's current job duties or a foreseeable future position. Employees should contact the Personnel Department for more information or questions about educational assistance.

While educational assistance is expected to enhance employee's performance and professional abilities, GSSi cannot guarantee that participation in formal education will entitle the employee to automatic advancement, a different job assignment, or pay increases.

GSSi invests in educational assistance to employees with the expectation that the investment be returned through enhanced job performance. However, if an employee voluntarily separates from General Security's employment before the repayment of the last educational assistance loan, the amount of the payments due will be deducted from the employee's last check.

Jury Duty - GSSi encourages employees to fulfill their civic responsibilities by serving jury duty when required. Employees may request unpaid jury duty leave for the length of absence. Employees must show the jury duty summons to the Operations Department as soon as possible so that the supervisor may plan to accommodate their absence. Employees are expected to report for work whenever the court schedule permits.

Court Appearance - GSSi encourages employees to appear in court as a witness when subpoenaed to do so. If employees have been subpoenaed or otherwise requested to testify as witnesses by GSSi, they will receive pay for the entire period of their court appearance. Employees will be granted unpaid time off to appear in court as a witness when requested by a party other than GSSi. The subpoena should be shown to the Operations Department immediately after it is received so that operating requirements can be adjusted, where necessary, to accommodate the employee's absence. The employee is expected to report for work whenever the court schedule permits.

Funeral Leave - Employees who wish to take time off due to the death of an immediate family member (as defined as a blood, adoptive or through marriage / domestic relationship - same & different sex couples; mother, father, son, daughter, brother, sister, spouse, domestic partner - same & different sex couples) should notify their supervisor immediately. Unpaid time off will be granted to allow the employee to attend the funeral and make any necessary arrangements associated with the death.

GSSi Policy on State/Federal Benefits

GSSi believes it is important to support State and Federal benefits and our policy allows all employees to take time off as needed in compliance with mandated programs.

Security Staff Qualifications and Requirements

Hiring Criteria - For either solicited or unsolicited applicants to advance to the applicant source pool, they will have to possess the basic attributes listed below, plus the requisite skills and traits identified for the Valley Sanitary District.

- a. Positive identification
- b. Valid high school diploma or GED
- c. U.S. citizenship or valid registered alien status
- d. Valid social security number and card
- e. Valid State of California BSIS security officer license
- f. Valid training certificates verifying completion of 40 hours of training
- g. Clean criminal record via national criminal background check
- h. Good health and personal hygiene
- i. Favorable appearance
- j. Ability to carry out security tasks as well as multiple tasks as assigned
- k. Good references from previous employers
- l. Reliable transportation and working telephone
- m. Ability to work various hours and days of the week and occasional overtime

Officer Selection

Job Requirements – Key duties and tasks along with job specific skill sets are identified for each customer position and location. GSSi uses these requirements to recruit individuals who demonstrate a background and experience to suit specific customer needs.

Recruiting - Our human resources specialists are experienced in meeting the differing recruitment needs of a wide variety of clients. Our external recruiting process includes active recruitment at colleges and technical schools and involvement in civic organizations. We also advertise in sources such as newspapers and publications, and religious organizations. In addition, we work with organizations seeking work placements for individuals, such as workforce divisions within specific cities, community economic development agencies, veteran's administration, and the mayor's office. Our current client list also provides us with a large number of qualified employees that have experience in similar environments.

Retention of Incumbent Officers - All incumbent security officers will be provided an opportunity to apply for employment with GSSi. Each applicant is required to complete and pass the entire screening package as specified in the contract. Any officer who fails to pass or complete the pre-employment screening will be interviewed to determine the cause and given the opportunity to clarify any discrepancies or re-test as appropriate. Any allowances for incumbent officers must be upon mutual written agreement between the customer and the GSSi representative with binding authority.

Interviews - After an interview that tests key competences (including experience and interpersonal and customer service skills) our candidates undergo thorough background testing, inclusive of, but not limited to criminal history records checks, social security checks, employment verification, and drug testing. General Security is a drug-free company, and we expect the highest standards of our employees. Company policy is that employment requirements meet federal, state and client stipulations.

Testing – Viable candidates are further tested for job specific duties and general security

base knowledge. Successful candidates are then eligible for further consideration.

Background Investigations - GSSi will use internal investigators to complete and certify the background screening for all security officers. GSSi will produce verification reports certifying that the officer has completed each step of the background screening process.

A nationwide database search including information from Multistate Sex Offender Databases, the FBI Terrorist List, County Criminal Records Court Search, the Department of Corrections, Administrative Offices of the Courts (dated back 7 years), the Department of Public Safety, and Traffic Courts are searched during the background investigation.

As an equal opportunity employer, GSSi offers employment to people of all ages, races, religions, and national origins, gender.

Evaluation – Candidates who pass all criteria for a job requisition are further evaluated for the position with additional testing and reviews based on contract agreements.

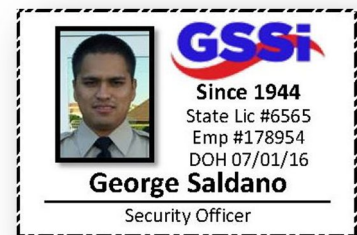
Selection – Once an officer is approved for assignment, they undergo a specialized New Hire Orientation. The training is aside from the state required training, CALSAGA training and then custom training for the customer site and Security officer duties. Upon successful completion the officer is ready for On-the-Job training at the job site.

Uniforms and Grooming - First impressions matter, and you can be sure that the professional appearance of GSSi security officers while on post will be a positive reflection on the Valley Sanitary District and will convey an image of confidence and command.

Our officers are required to dress and groom in accordance with accepted social, professional, and business standards. They will keep their uniforms and equipment clean, serviceable, and ready at all times for immediate use. Replacement uniforms are provided at no cost and officers are encouraged to request replacements at the first sign of wear.

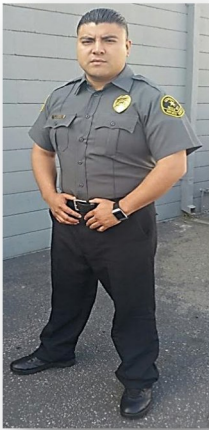
GSSi will provide the following issue of uniforms to each officer:

- ✓ Two Trousers
- ✓ Three Shirts
- ✓ One Cap
- ✓ One Nameplate
- ✓ One GSSi ID Badge
- ✓ One Bomber Style Jacket
- ✓ BSIS Approved GSSi Badge
- ✓ Foul weather gear is provided to wear during inclement weather.



Variations to our Standard Uniform

GSSi uses our tan uniform shirt as our company standard; however, we can offer upgrades or alternatives to our standard. A change in uniform color or a move to a blazer for executive look can provide a distinct new look for your security program. GSSi also has high-visibility polos for special events making the officers easy to spot.



Company Training

All GSSi employees are required to complete a pre-assignment training program which will be focused on the site-specific requirements integrated into the GSSi program. Our in-house training team has extensive experience training security officers and supervisors and prides itself on providing individually tailored training curriculum that meets the demands of each client. GSSi orientation training is the result of research and benchmarking efforts to capture the best practices in the security and other service industries. The delivery and subsequent testing of critical content also serves as part of the applicant screening.

Pre-Assignment Training

All GSSi officers assigned to Valley Sanitary District contract will complete the BSIS required training found in our GSSi Core Curriculum Training Program. A certificate of completion will be issued and a copy kept in the employees' compliance file.

GSSi will provide at a minimum:

- Eight (8) hours of pre-assignments training
- Eight (8) hours of On-The-Job training
- 30-day follow-up review with the officer
- Additional training as needed

Officers will be trained on telephone etiquette at levels appropriate for their job description; customer service skills; courtesy and professionalism; personal hygiene; work ethics; and maintaining a positive attitude while on duty.

Continuous and Annual Refresher Training

GSSi will use training modules that satisfy the following criteria:

- Training required to maintain licensure or certifications
- Training determined to improve the officers job performance
- Training newly required by state mandate for security officers
- Training at the request of the customer
- Training which satisfies a need within the Contract or GSSi

Using field inspections, management review, and officer and customer feedback, GSSi will determine which modules are most appropriate.

State Mandated Licensing and Training

GSSi has established our training program to coincide with the State of California requirements and to meet contract and GSSi standards. We have attached herein our complete training schedule known as our Core Curriculum.

The course modules are part of the CALSAGA Security Officer Training Program. They comply with the requirements of AB 2880 and Bureau of Security & Investigative Services (BSIS) training directives as in compliance with Business and Professions Code Sections 7583.6 and 7583.7 and Title 16, Division 7, Article 9, Section 643 of the California Code of Regulations. These courses include mandatory and elective subjects of the BSIS Course Outline.

Core Curriculum Training Program

Orientation

- | | | |
|-----------------------------|---------------------------|----------------------------|
| 1. Company Overview / | 2. Contact information | 3. Employee Manual |
| 4. Required Permits | 5. Required Training | 6. Work Assignments |
| 7. Attendance Policy | 8. Post Orders | 9. Work Forms |
| 10. Meal and Rest Breaks | 11. Uniform Standards | 12. Personal Hygiene / |
| 13. Tools and Equipment | 14. Payroll and Paydays | 15. Benefits |
| 16. Professional | 17. Electronic Use Policy | 18. Customer Service |
| 19. Drug Free Workplace | 20. Sexual Harassment | 21. Equal Employment |
| 22. Confidentiality | 23. Report Writing | 24. Incidents |
| 25. Workers | 26. Field Supervision | 27. Field Inspections |
| 28. Field Training | 29. Safety Training | 30. Injury and Illness |
| 31. Heat Illness Prevention | 32. Work Place Violence | 33. Incident De-Escalation |

BSIS Initial Licensing Training

- | | | |
|--------------------|-----------------|-----------------------|
| 1. Power To Arrest | 2. Use of Force | 3. State Requirements |
|--------------------|-----------------|-----------------------|

BSIS Mandatory Courses

- | | |
|---------------------|--------------------------------|
| 1. Public Relations | 2. Observation & Documentation |
| 3. Communications | 4. Liability / Legal Aspects |

BSIS Elective Courses

- | | |
|--------------------------------|------------------------------------|
| 1. Weapons of Mass Destruction | 2. Employer Policies / Orientation |
| 3. Work Place Violence | 4. Handling Difficult People |

Customer Standards Training

- | | |
|------------------------------|-------------------|
| 1. Computers / Software | 2. Access Control |
| 3. Post Orders & Assignments | 4. Driver Safety |

BSIS Continuing Education

1. Laws, Codes, Regulations, and
2. Trespass
3. Report Writing
4. Post Orders

Safety Training Bulletins

1. Topic C036: Drugs & Alcohol
2. Topic C284: Common Cold
3. Topic C042: Violence
4. Topic C343: Driving Company Vehicles
5. Topic C044: Bloodborne
6. Topic C371: Protecting the Public
7. Topic C045: Stress
8. Topic C407: Theft
9. Topic C052: Ergonomics
10. Topic C438: Courtesy & Professionalism
11. Topic C053: Fire Extinguisher
12. Topic C470: Hydration (A)
13. Topic C062: Flu
14. Topic C487: Maintaining a Positive Attitude
15. Topic C074: Fire & Safety
16. Topic C539: Video Display Terminals
17. Topic C127: Lifting & Carrying
18. Topic C651: Extension Cords
19. Topic C165: Distractions on
20. Topic C700: Work Ethics
21. Topic C178: Personal Hygiene
22. Topic C769: Dealing with Personal Issues on
23. Topic C191: Slips, Trips, &
24. Topic C803: Parking Area Security
25. Topic C192: Slips, Trips, &
26. Topic C845: Active Shooting Event

Customer Retention

During the past five years GSSi has a customer retention rate of 87%. During the 78-year history of GSSi we have high-retention rates with some customer loyalty lasting 38 years.

In addition, 92% of our government contracts have multiple renewals and 81% of our government contracts have multiple awards. This reflects our ability to meet the expectations and terms of the contract and satisfy our financial obligations.

Recent economic burdens have forced some of our clients to reduce guard rates and services below which GSSi has determined to be appropriate for our commitment to quality and service. While we regret the loss of a customer, we will not compromise the integrity of our reputation and the welfare of our workforce and the security industry.

Customer Targeted Training

GSSi is committed to providing above standard training specifically engineered to meet the requirements of Valley Sanitary District. The following subjects are part of our training capabilities and will be discussed with your management team.

- Facilities Security
- Fire Life Safety
- Vehicle Operations
- Security Control Center
- Emergency Response
- Key Control
- Customer Service
- Writing Skills
- Customer Service
- Handling Difficult People
- Use of Force
- Safety

Above Standard Wages

GSSi understands that minimum wage standards are rising. This rise impacts our strategy to keep ahead of the minimum wage guard syndrome. As your partner we will keep you up to date on current wage determinations that affect your safety program. We want to keep good officers working on your facility while helping you control your budget. To this end, GSSi will recommend wages appropriate for your safety program and your budget.

A wage analysis has been conducted to determine the best wages for security officers based on your job duties, skill set requirements; and the current labor market. Market analysis and historical trends have shown that wages appropriate for Valley Sanitary District as indicated in the Introduction require a starting wage of \$18.00 for uniformed security officers with incremental increases annually to ensure a high candidate standard and retention of high performing officers.

Technology

GuardTek – Guard Tour Device with Cellular Phone, Digital Camera, and Incident Reporting Capabilities.

Valiant Systems - GSSi uses the Valiant suite of technology applications (Vision and Vantage) software that work together to ensure that data is easily collected from the customer job site, routed to management personnel for approval, and then sent to the appropriate department (e.g., payroll or billing) for action.

- Valiant: Manage employee data and generate paychecks.
- Vision: Set schedules and track hours. Track finances and generate invoices.
- Vantage: Automated Check-in/out. Logs the officer in / out of assigned shifts.

Using the Valiant software suite, the hours worked for each officer are recorded into the schedules using the Vision and Vantage packages. From these schedules, each hour worked generates one hour of payroll and one hour of billing. Each invoice therefore is created from the hours worked. The invoice is in a format that lists all hours worked by the employee as line-item shifts. This allows our customer to quickly audit and verify the monthly invoice.

Schedules

Scheduling of officers will be performed at our branch office by Edward Shapiro.

Daily communications will ensure that all shifts are covered, and only trained personnel are assigned duties at Valley Sanitary District Property.

Officers are required to use the Vantage Automated Check-in System to verify On-Duty status. Missed Check-Ins are sent to the Dispatchers and Supervisors via email through the automated system. A Supervisor must then verify live with the officer and/or send a replacement officer to fill an unscheduled opening.

Stand-By Staff

Officers will be trained in all areas of the Security Program and be “On-Call” to cover any call-offs, attendance, or extra coverage needs.

Field Supervisors – Branch assigned Field Supervisors are the first line of Stand-By Staff. Field Supervisors are cross trained at all accounts and are dispatched to cover an unscheduled post. The Field Supervisor will stand post until a replacement officer arrives.

Rovers – Branch assigned officers are the second in line to fill a post. Rovers are in addition to the permanent staff assigned to your account. Rovers will have job-specific training for Valley Sanitary District.

On-Call Staff – Officers assigned to your account who are part time or would be interested in overtime are listed for the Field Supervisors and Dispatchers to contact should a scheduling need arise.

Local Supervision

Our program consists of several roving supervisors 24/7. Assignments are geographical; however, should an emergency occur supervisors will be called from other areas. In this way Valley Sanitary District can be assured that adequate numbers of officers will be available for any need that may appear at short notice. Supervisors carry smart phones and can be contacted direct or through our 24 hours dispatch center.

The need to recruit and hire highly qualified officers for Valley Sanitary District is a priority. To find the best people, we will tap into multiple sources including employee referrals, military veterans' groups, targeted advertising, on-line recruiting, incumbent officers, and job fairs. We look for professionals with proven talents from a variety of customer service industries.

- Applicants are screened to meet the qualifications set out in the scope of work agreed upon by both Valley Sanitary District and GSSi.
- The candidate is then processed and required to complete the training curriculum for the account.
- The Officer is then ready to begin the OJT and assume duties.

Certificate of General Liability Insurance



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
07/28/2023

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

| | | | |
|---|--|--|--|
| PRODUCER AssuredPartners of California Ins Services, LLC 5001 California Ave. Suite 150 Bakersfield CA 93309 | | CONTACT NAME: Bec March PHONE (A/C, No, Ext): (805) 585-6737 FAX (A/C, No): (805) 585-6737 E-MAIL ADDRESS: bec.march@assuredpartners.com | |
| INSURED GSSI, Inc., DBA: General Security Services 639 N. Marine Ave Wilmington CA 90744 | | INSURER(S) AFFORDING COVERAGE INSURER A: United Specialty Ins Co 12537 INSURER B: United Financial Casualty Co. 11770 INSURER C: Endurance American Specialty 41718 INSURER D: Insurance Company of the West 27847 INSURER E: Hartford Fire Ins Co 19682 INSURER F: | |

COVERAGES CERTIFICATE NUMBER: 23/24 GL/AU/UMB/WC/ REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

| INSR LTR | TYPE OF INSURANCE | ADDL INSD | SUBR WVD | POLICY NUMBER | POLICY EFF (MM/DD/YYYY) | POLICY EXP (MM/DD/YYYY) | LIMITS |
|----------|---|-----------|----------|----------------|-------------------------|-------------------------|--|
| A | <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> DEDUCTIBLE: \$25,000 GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER: | | | ATN2316437 | 06/01/2023 | 06/01/2024 | EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 50,000 MED EXP (Any one person) \$ EXCLUDED PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMPIOP AGG \$ 2,000,000 \$ |
| B | <input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY | | | 006644980 | 06/01/2023 | 12/01/2023 | COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$ |
| C | <input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$ | | | ELD30038904000 | 06/01/2023 | 06/01/2024 | EACH OCCURRENCE \$ 1,000,000 AGGREGATE \$ 1,000,000 \$ |
| D | <input checked="" type="checkbox"/> WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input type="checkbox"/> Y/N If yes, describe under DESCRIPTION OF OPERATIONS below | | N/A | WL507159100 | 06/01/2023 | 06/01/2024 | <input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000 |
| E | EMPLOYEE DISHONESTY | | | 51BDDJB1504 | 06/01/2023 | 06/01/2024 | LIMIT \$50,000 DEDUCTIBLE \$1,000 |

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
 Verification of Coverage

| | |
|---|--|
| CERTIFICATE HOLDER Cannon Corporate Office 6349 Riverside Avenue Riverside CA 92506 | CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE |
|---|--|

ACORD 25 (2016/03)

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GSSI, Inc. / 951-686-0916 / PPO 119932 / www.gss1944.com
 Submitted to The Valley Sanitary District on October 13, 2023
 Private and Confidential

Certification of Proposal

The undersigned hereby submits its proposal and, by doing so, agrees to furnish services to VSD in accordance with the Request for Proposal (RFP), and to be bound by the terms and conditions of the RFP.



Valley Sanitary District

DATE: December 12, 2023

TO: Board of Directors

FROM: Dave Commons, Chief Operating Officer

SUBJECT: **AWARD OF CONTRACT FOR BULK FUEL DELIVERY SERVICES FOR MERRIMAC ENERGY GROUP FOR A ONE-YEAR TERM WITH TWO (2) OPTION YEARS WITH AN INITIAL COST FOR YEAR ONE IN AN AMOUNT NOT TO EXCEED \$72,100**

Suggested Action

Approve

Strategic Plan Compliance

GOAL 3: Excellent Facilities

Fiscal Impact

The fiscal impact is the annual agreement amount of \$72,100 for bulk fuel delivery services. Funding for this service is appropriated in the approved fiscal year 2023/24 budget.

Environmental Review

This item does not qualify as a project as defined by the California Environmental Quality Act (CEQA).

Background

A Request for Proposals (“RFP) from qualified and interested firms for Bulk Fuel Delivery Services (“Services”) was posted on October 16, 2023, to the Valley Sanitary District (“District”) online bid management provider (“OpenGov Procurement”) available on the District’s website.

On October 27, 2023, at 4:00 p.m., the following firm(s) submitted proposals by the stipulated deadline:

| FIRM | CORPORATE OFFICE |
|-----------------------|-------------------------|
| Merrimac Energy Group | Long Beach, CA |

Staff reviewed the firm's qualifications and whether their proposal met the criteria set forth in the RFP. Staff also reviewed the proposed cost per gallon and found it less than what the District is currently paying for fuel.

| DELIVERY SIZE | COST |
|----------------------|---|
| 0-99 gallons | Colton OPIS Contract Rack Average + \$0.40 on the day of delivery + \$85 for deliveries under 400 gallons |
| 400-749 gallons | Colton OPIS Contract Rack Average + \$0.40 on day of delivery |
| 750-1499 gallons | Colton OPIS Contract Rack Average + \$0.38 on day of delivery |
| Each Delivery | \$19.95 Environmental Compliance and Bobtail Fee |

Merrimac Energy Group Proposal:

As one of the largest energy companies in California, Merrimac Energy Group prides itself on delivering quality products, competitive pricing, and guaranteed service. Merrimac Energy Group has extensive experience working with local and federal government entities across 14 states to provide the best service in the fuel industry. Southern California, however, is their home and specialty. Merrimac Energy Group has partnered with one of its longtime carriers, Beck Oil, to perform the deliveries. Beck is very familiar with VSD, as they are currently one of the District's suppliers, which would make for a seamless supply of fuel, as their drivers are already acquainted with the District's facilities, safety standards, and safety protocols.

The proposed Agreement with Merrimac Energy Group is for an initial one-year term with extension options, as noted in the agreement. The scope of services for this agreement consists of a reliable and consistent supply of bulk fuel, including Octane 87 unleaded, clear diesel, and red diesel, while maintaining safety standards and safety protocols set forth by the Valley Sanitary District.

Recommendation

1. Award of contract for fuel delivery services to Merrimac Energy Group for a one-year term plus two (2) option years with an initial cost for year one in an amount not to exceed \$72,100 with prescribed allowable increases for subsequent years as noted in the contract.
2. Authorize the General Manager to execute documents necessary to facilitate the contract award and implementation.

Attachments

- [8.6 Attachment A Request For Proposal Dated October 16 2023.pdf](#)
- [8.6 Attachment B Merrimac Energy Group Proposal.pdf](#)

REQUEST FOR PROPOSAL

2023-RFP-013

BULK FUEL DELIVERY

Valley Sanitary District
45500 Van Buren Street
Indio, CA 92201



RELEASE DATE: October 16, 2023

DEADLINE FOR QUESTIONS: October 27, 2023

RESPONSE DEADLINE: November 10, 2023, 4:00 pm

RESPONSES MUST BE SUBMITTED ELECTRONICALLY TO:

<https://procurement.opengov.com/portal/valley-sanitary>

Valley Sanitary District
REQUEST FOR PROPOSAL
Bulk Fuel Delivery

I. INTRODUCTION.....

II. INSTRUCTIONS TO PROPOSERS

III. Evaluation Phases

IV. Scope of Work

V. Pricing Proposal

VI. Vendor Questionnaire.....

Attachments:

A - VSD SAMPLE CONTRACT

B - Bulk Fuel Delivery Scope of Work

1. INTRODUCTION

1.1. Summary

VSD has prepared this Request for Proposals (“RFP”) and is requesting proposals from qualified and interested firms (“Proposers”). VSD has prepared this Request for Proposals ("RFP") and is requesting proposals from qualified and interested firms ("Proposers"). The District seeks the safe and timely delivery of bulk quantities of fuel to Valley Sanitary District, Indio, Riverside County. (the “Project”), RFP NO. 2023-RFP-013 Title: Bulk Fuel Delivery

The primary objectives of this proposal are to ensure a reliable and consistent supply of bulk fuel. The District currently obtains a bulk delivery once a month but also may on occasion require additional deliveries on an “as needed” basis. The successful Proposer will be required to maintain safety standards and comply with safety protocols set forth by Valley Sanitary District. The successful Proposer shall comply with not only District regulations but also maintain compliance with all applicable State and Federal environmental, health, and safety regulations, and minimize disruptions to The District caused by fuel shortages

1.2. Background

The Valley Sanitary District (“VSD”) is in the Coachella Valley about 20 miles southwest of the Palm Springs airport. VSD is a wastewater district, founded in 1925, operating under the Sanitary District Act of 1923. VSD has over 28,000 service connections in a 19.5 square mile service area serving a population of about 89,000 in the communities of Indio, Coachella, La Quinta, and unincorporated Riverside County. VSD is governed by a five-member Board of Directors and led by a senior management team comprised of a General Manager, District Engineer, Chief Operations Officer, and Chief Administrative Officer.

1.3. Contact Information

Project Contact:

Holly Gould

Clerk of the Board

45500 Van Buren St.

Indio, CA 92201

Email: hevans@valley-sanitary.org

Phone: [\(760\) 238-5400 Ext: 135](tel:(760)238-5400)

Procurement Contact:

Branden Rodriguez

Administrative Assistant

45500 Van Buren St

Indio, CA 92201

Email: brodriguez@valley-sanitary.org

Phone: [\(760\) 238-5400](tel:(760)238-5400)

Department:
Operations

1.4. Timeline

| | |
|--|---------------------------|
| Release Project Date | October 16, 2023 |
| Question Submission Deadline | October 27, 2023, 4:00pm |
| Question Response Deadline | October 31, 2023, 4:00pm |
| Proposal Submission Deadline | November 10, 2023, 4:00pm |
| Authorization to Negotiate Contract | November 28, 2023 |

2. INSTRUCTIONS TO PROPOSERS

2.1. SCOPE OF SERVICES; PROFESSIONAL SERVICES AGREEMENT

The scope of services (“Services”) sought under this RFP are set forth in more detail in Exhibit “A”, attached hereto and incorporated herein by this reference.

Notwithstanding the inclusion of such Services in the RFP, the final scope of Services negotiated between VSD and the successful Proposer shall be set forth in the Professional Services Agreement (“Agreement”) executed by and between VSD and the successful Proposer. A copy of the Agreement is attached hereto as Exhibit “B” and incorporated herein by this reference.

2.2. VSD CONTACT

The principal contact for VSD will be Holly Gould, Clerk of the Board, (760) 238-5400 Ext: 135, hevans@valley-sanitary.org or a designated representative, who will coordinate the assistance to be provided by VSD to the Proposer. No other members of VSD’s staff or VSD’s Board should be contacted about this procurement during the RFP process. Any and all inquiries and comments regarding this RFP must be communicated in writing, unless otherwise instructed by VSD. VSD may, in its sole discretion, disqualify any Proposer who engages in any prohibited communications.

2.3. REQUESTS FOR CLARIFICATION

All questions, requests for interpretations or clarifications, either administrative or technical must be requested in writing and directed to VSD via the District's [eProcurement Portal](#) Q&A feature. All written questions, if answered, will be answered in writing, conveyed to all interested firms, and posted on VSD’s eProcurement Portal. Oral statements by any persons should be considered unverified information unless confirmed in writing. To ensure a response, questions must be received in writing by 4:00 pm local time on Friday, October 27, 2023.

2.4. PROPOSAL REQUIREMENTS

Proposal responses must adhere to the requirements set forth in this section, both for content and sequence. Failure to adhere to these requirements or the inclusion of conditions, limitations or misrepresentations may be cause for rejection of the submittal. Utilize font size large enough to be easily legible, but not smaller than 10 point. The proposal must be submitted via VSD's [eProcurement Portal](#).

A. Cover Letter. Provide a cover letter and introduction, including the name and address of the organization and individual submitting the proposal, together with the name, address, telephone and fax numbers, and e-mail address of the contact person who will be authorized to represent the organization, and an expression of the Proposer’s ability and desire to meet the requirements of this RFP. The letter must be signed by an individual authorized to bind the firm contractually.

B. Proposer Statement Of Qualifications. Describe the Proposer’s resources, experience, and capabilities as they relate to providing the Services. Submit in the order identified below:

1. Executive Summary. An executive summary should briefly describe the Proposer’s qualifications

and ability to perform the Services.

2. Qualifications and Experience. The proposal should:

a. Provide a description of how the Proposer's experience, technical and professional skills will meet the goals and fulfill the general functions identified in this RFP.

b. Any key staff members who would be involved in the performance of the scope of work. Provide their resumes, describe their experience, and identify their proposed role for the Project.

c. State the number of years the firm has conducted business.

d. Provide a description of the three most relevant contracts held within the last five years.

3. Evidence Of California Licensing. The proposal should include appropriate documentation showing the Proposer is properly licensed in the State of California to perform the Services requested in the scope of work.

4. References. The Proposer shall provide a minimum of four (4) client references, preferably city, county, or special district governments for whom the Proposer has previously performed services of similar type and scope within the last 5 years.

5. Subcontractors. The Proposer shall identify functions that are likely to be subcontracted and identify the subcontractor that is anticipated to perform each function, if known at this time.

C. Proposed Method to Accomplish the Work. Describe the technical and management approach to providing the Services to VSD. Proposer should take into account the scope of the Project, goals of VSD, and general functions required. Include a draft schedule of tasks, milestones, and deliverables that will provide for timely provision of the Project. In reviewing the scope of work, the Proposer may identify additional necessary tasks and is invited to bring these to VSD's attention within the discussion of its proposed method to accomplish the Project.

D. Certification of Proposal. This section shall state: "The undersigned hereby submits its proposal and, by doing so, agrees to furnish services to VSD in accordance with the Request for Proposal (RFP), and to be bound by the terms and conditions of the RFP."

E. Sealed Fee Proposal. Please provide a lump sum, not-to-exceed fee proposal for the Project. The fee proposal shall be broken down by task and further broken down by staff, subconsultant costs, and expenses for each task. The fee proposal shall include hourly rates for all personnel.

2.5. PROPOSAL CONSIDERATIONS

A. No Deviations from the RFP. In submitting a proposal in response to this RFP, Proposer is certifying that it takes no exceptions to this RFP including, but not limited to, the Agreement attached hereto as Exhibit "B". If any exceptions are taken, such exceptions must be clearly noted in the proposal and may be reason for rejection of the proposal. As such, Proposer is directed to carefully review the proposed Agreement and, in particular, the insurance and indemnification provisions therein.

B. Collusion. By submitting a Proposal, each Proposer represents and warrants that its Proposal is genuine and not a sham or collusive or made in the interest of or on behalf of any person not named therein; that the Proposer has not directly or indirectly induced or solicited any other person to submit a sham Proposal, or any other person to refrain from submitting a Proposal; and that the Proposer has not, in any manner, sought collusion to secure any improper advantage over any other person submitting a Proposal.

C. Conflicts of Interest. Proposers shall comply with all regulations and laws dealing with conflict of interest disclosure and reporting. Proposers shall not be engaged if a conflict of interest exists.

D. Withdrawal of Proposals. A Proposer may withdraw its proposal before the expiration of the time for submission of proposals by notifying and requesting VSD’s representative remove the Proposer’s submission.

E. Financial Health and Reputation. VSD reserves the right to consider the financial responsibility and general complexity of each Proposer, as well as its reputation within the industry to determine if the Proposer has the apparent ability to meet and complete successfully the requirements of the work. Upon request, the Proposer shall provide a financial statement, audited if necessary, in addition to any other information requested by VSD.

F. Confidentiality of Proposal. Proposals submitted in response to this RFP shall be held confidential by VSD and shall not be subject to disclosure under the California Public Records Act (Cal. Government Code section 6250 et seq.) until after either VSD and the successful Proposer have completed negotiations and entered into an Agreement or VSD has rejected all proposals. All correspondence with VSD including responses to this RFP will become the exclusive property of VSD and will become public records under the California Public Records Act. VSD will have no liability to the Proposer or other party as a result of any public disclosure of any proposal or the Agreement. If a Proposer desires to exclude a portion of its proposal from disclosure under the California Public Records Act, the Proposer must mark it as such and state the specific provision in the California Public Records Act which provides the exemption as well as the factual basis for claiming the exemption. For example, if a Proposer submits trade secret information, the Proposer must plainly mark the information as “Trade Secret” and refer to the appropriate section of the California Public Records Act which provides the exemption as well as the factual basis for claiming the exemption. If a request is made for information marked “Confidential”, “Trade Secret” or “Proprietary” (“Proprietary Information”), VSD will provide Proposers who submitted the information with reasonable notice to seek protection from disclosure by a court of competent jurisdiction. Proposer shall have five (5) working days after receipt of such notice to give VSD written notice of Proposer’s objection to VSD’s release of Proprietary Information. Proposer shall indemnify, defend and hold harmless VSD, and its officers, directors, employees, and agents from and against all liability, loss, cost or expense (including attorney’s fees) arising out of a legal action brought to compel the release of Proprietary Information. Proposals which indiscriminately identify all or most of the proposal as exempt from disclosure without justification may be deemed unresponsive and disqualified from further participation in this RFP.

2.6. EVALUATION CRITERIA

The proposal evaluation criteria include:

- Understanding of project and project approach
- Scope of work and schedule
- Relevant qualifications/experience
- Overall quality of proposal
- Cost evaluation

During the evaluation process, VSD reserves the right, where it may serve VSD's best interest, to request additional information or clarifications from Proposers, or to allow corrections of errors or omissions. Proposers may be invited to make an oral presentation.

The contract, if awarded, shall be to the most qualified Proposer, which submits the proposal that, in the sole judgment of VSD, is in the best interest of VSD.

Upon selection of a Proposer, VSD will endeavor to negotiate a mutually agreeable agreement with the

selected Proposer. In the event that VSD is unable to reach agreement, VSD will proceed, at its sole discretion, to negotiate with the next Proposer selected by VSD. VSD reserves the right to contract for services in the manner that most benefits VSD including awarding more than one (1) contract if desired. After negotiating a proposed Agreement that is fair and reasonable, VSD staff will make the final recommendation to VSD Board concerning the proposed Agreement. VSD Board has the final authority to approve or reject the Agreement.

2.7. SUBMITTAL INSTRUCTIONS

The proposal must be received no later than 4:00 pm local time, on or before Friday, November 10, 2023 via VSD's [eProcurement Portal](#).

VSD will not be responsible for proposals that are delinquent, incorrectly submitted, or physically submitted to VSD. Proposals submitted after the stipulated deadline will not be accepted by VSD's eProcurement Portal. Please note that mailed, hand-delivered, faxed, or emailed proposals will not be accepted.

2.8. PROTESTS

A. Protest Contents. Protests based on the content of the RFP shall be submitted to VSD no later than ten (10) calendar days prior to the scheduled proposal submittal deadline. If necessary, the proposal submittal deadline may be extended pending a resolution of the protest. Proposer may protest a contract award if the Proposer believes that the award was inconsistent with VSD policy or this RFP is not in compliance with law. A protest must be filed in writing with VSD (email is not acceptable) within five (5) business days after receipt of notification of the intended contract award. Any protest submitted after 5 p.m. of the fifth business day after notification of the intended contract award will be rejected by VSD as invalid and the Proposer's failure to timely file a protest will waive the Proposer's right to protest the contract award. The Proposer's protest must include supporting documentation, legal authorities in support of the grounds for the protest and the name, address and telephone number of the person representing the Proposer for purposes of the protest. Any matters not set forth in the protest shall be deemed waived.

B. VSD Review. VSD will review and evaluate the basis of the protest provided the protest is filed in strict conformity with the foregoing. VSD shall provide the Proposer submitting the protest with a written statement concurring with or denying the protest. Action by VSD relative to the protest will be final and not subject to appeal or reconsideration. The procedure and time limits set forth in this section are mandatory and are the Proposer's sole and exclusive remedy in the event of protest. Failure to comply with these procedures will constitute a waiver of any right to further pursue the protest, including filing a Government Code claim or legal proceedings.

2.9. ADDENDA

VSD reserves the right to revise the RFP prior to the time set to receive proposals. Revisions, if any, shall be made by written addenda via VSD's [eProcurement Portal](#). All addenda issued by VSD shall be included in the proposal and made part of the RFP. Each Proposer shall leave with VSD its name, and e-mail address for the purpose of receiving Addenda. Notices of addenda will be sent to all subscribed bidders following this project, and posted via VSD's eProcurement Portal. Proposers are responsible for ensuring that they have received any and all addenda. Each Proposer should monitor the project via the

eProcurement Portal to verify that it has received all addenda issued, if any, prior to the bid opening. Failure to acknowledge receipt of all addenda via VSD's eProcurement Portal may result in bid rejection.

2.10. GENERAL CONDITIONS

A. Amendments to Proposals. Unless specifically requested by VSD, no amendment, addendum or modification will be accepted after a proposal has been submitted to VSD. If a change to a proposal that has been submitted is desired, the submitted proposal must be withdrawn and the replacement proposal submitted via VSD's [eProcurement Portal](#) prior to the deadline stated herein for receiving proposals.

B. Non-Responsive Proposals. A proposal may be considered non-responsive if conditional, incomplete, or if it contains alterations of form, additions not called for, or other irregularities that may constitute a material change to the proposal.

C. Costs for Preparing. VSD will not compensate any Proposer for the cost of preparing any proposal, and all materials submitted with a proposal shall become the property of VSD. VSD will retain all proposals submitted and may use any idea in a proposal regardless of whether that proposal is selected.

D. Cancellation. VSD reserves the right to cancel this request for proposals at any time prior to contract award without obligation in any manner for proposal preparation, interview, fee negotiation or other associated marketing costs.

E. Price Validity. Prices provided by Proposers are valid for 90 days from the proposal due date. VSD intends to award the contract within this time but may request an extension from the Proposers to hold pricing, until negotiations are complete and the contract is awarded.

F. No Commitment to Award. Issuance of request for proposals and receipt of proposals does not commit VSD to award a contract. VSD expressly reserves the right to postpone the proposal for its own convenience, to accept or reject any or all proposals received, to negotiate with more than one Proposer concurrently, or to cancel all or part of this request for proposals.

G. Right to Negotiate and/or Reject Proposals. VSD reserves the right to negotiate any price or provision, task order or service, accept any part or all of any proposals, waive any irregularities, and to reject any and all, or parts of any and all proposals, whenever, in the sole opinion of VSD, such action shall serve its best interests and those of the tax-paying public. The Agreement, if any is awarded, will go to the Proposer whose proposal best meets VSD's requirements.

3. Evaluation Phases

During the evaluation process, VSD reserves the right, where it may serve VSD's best interest, to request additional information or clarifications from Proposers, or to allow corrections of errors or omissions. Proposers may be invited to make an oral presentation.

The contract, if awarded, shall be to the most qualified Proposer, which submits the proposal that, in the sole judgment of VSD, is in the best interest of VSD.

Upon selection of a Proposer, VSD will endeavor to negotiate a mutually agreeable agreement with the selected Proposer. In the event that VSD is unable to reach agreement, VSD will proceed, at its sole discretion, to negotiate with the next Proposer selected by VSD. VSD reserves the right to contract for services in the manner that most benefits VSD including awarding more than one (1) contract if desired.

After negotiating a proposed Agreement that is fair and reasonable, VSD staff will make the final recommendation to VSD Board concerning the proposed Agreement. VSD Board has the final authority to approve or reject the Agreement.

| No. | Evaluation Criteria | Scoring Method | Weight (Points) |
|-----|--|----------------|-----------------|
| 1. | Understanding of Project and Project Approach | N/A | N/A |
| 2. | Scope of Work and Schedule | N/A | N/A |
| 3. | Relevant Qualifications/Experience | N/A | N/A |
| 4. | Overall Quality of Proposal | N/A | N/A |
| 5. | Cost Evaluation | N/A | N/A |

4. Scope of Work

4.1. Bulk Fuel Delivery Scope of Work

This Scope of Work (SOW) will outline the requirements for bulk fuel delivery to Valley Sanitary District. The project involves the safe and timely delivery of bulk quantities of fuel to Valley Sanitary District (Indio, CA) as per the terms and conditions outlined herein.

Project Objectives: The primary objectives of this project are as follows:

- A) To ensure a reliable and consistent supply of bulk fuel. The District currently obtains a bulk delivery once a month but also may on occasion require additional deliveries on an “as needed” basis
- B) Vendor will be required to maintain safety standards and comply with safety protocols set forth by Valley Sanitary District
- C) Vendor shall comply with not only District regulations but also maintain compliance with all applicable State and Federal environmental, health, and safety regulations.
- D) Minimize disruptions to The District caused by fuel shortages

Deliverables: Timely and accurate delivery of the following types of fuel utilized by The District.

- A) Octane 87 unleaded (1000 gallon tank)
- B) Clear Diesel (1000 gallon tank)
- C) Red Diesel (Caterpillar Generators)

Vendor is to have an established emergency response plan in place in the event of a spill or other incident

Equipment and Personnel:

- A) Supply a physical description of delivery vehicle and equipment to be used during the offloading of fuel
- B) Supply the qualifications and or certifications of delivery personnel
- C) Supply contact information of the individual that is responsible for scheduling and dispatching fuel delivery
- D) Have an open method of communicating any changes or deviations of the delivery schedule

Quality Assurance:

- A) Vendor should have testing procedures in place to in place to ensure the quality of products being delivered
- B) Vendor should have procedures in place for mitigating and documenting fuel quality issues

This Scope of Work is intended to serve as a comprehensive guide for the delivery of bulk fuels to Valley Sanitary District. It will be used to ensure that the project proceeds smoothly, safely, and in compliance with all relevant regulations and standards.

5. Pricing Proposal

| Line Item | Description | Quantity | Unit of Measure | Unit Cost | Total |
|--------------|--------------------|----------|-----------------|-----------|-------|
| 1 | Octane 87 Unleaded | 1 | gallon | | |
| 2 | Clear Diesel | 1 | gallon | | |
| 3 | Red Diesel | 1 | gallon | | |
| TOTAL | | | | | |

6. Vendor Questionnaire

6.1. [Submit Proposal Document Here*](#)

PDF Attachment

*Response required

6.2. [Have you read and agreed to all Terms and Conditions?*](#)

Yes

No

*Response required



Ms. Holly Gould
Clerk of the Board
Valley Sanitary District
45500 Van Buren Street
Indio, CA 92201

Re: Bulk Fuel Delivery RFP #2023-RFP-013
Due: November 10, 2023, 4:00 PM

Dear Ms. Gould,

Merrimac Petroleum, Inc. dba Merrimac Energy Group is eager to present its proposal for RFP 2023-RFP-013 for Valley Sanitary District's Bulk Fuel Delivery. In 1988 Mary Hazelrigg founded Merrimac on the principles of excellence in customer service and reliable and cost-effective fuel supply. With thirty-six years of petroleum industry experience, we believe we have the capabilities necessary to fulfill the fuel and service requirements of the Valley Sanitary District.

Merrimac was established to bring expert solutions to your greatest fuel supply and management challenges. As one of the largest energy companies in California, Merrimac prides itself on delivering quality products, competitive pricing, and guaranteed service. Merrimac has extensive experience working with local and federal government entities across 14 different states to provide the best service in the fuel industry. Southern California, however, is our home and our specialty. You will find our company data here:

| | |
|-------------------------|--|
| Name of firm | Merrimac Petroleum, Inc. DBA Merrimac Energy Group |
| Point of contact | Katie Bark |
| Phone number | 800-900-4081 |
| Address | 3738 Bayer Ave Suite 204 Long Beach CA 90808 |
| Email | kbark@merrimacenergy.net |
| Tax ID | 77-0189045 |
| DUNS | 199077819 |
| CAGE code | 1BYK1 |
| SAM ID | KNYFTL68DM54 |
| Website | www.merrimacenergy.net |
| Business type | S-Corp |

We have read this bid in its entirety and are excited about the prospect of supporting Valley Sanitation District's work. We have partnered with one of our longtime carriers, Beck Oil, to perform the deliveries. Beck is very familiar with VSD, as they are currently one of the District's suppliers. We believe this would make for a seamless supply of your fuel, as their drivers are already acquainted with the District's



facilities, safety standards, and safety protocols. Merrimac understands the importance of safe and timely deliveries and an open line of communication. Whether placing monthly deliveries or deliveries as needed, Merrimac is available to work with your needs and deliver your fuel accordingly.

Should Merrimac be awarded this contract, it would be our goal to work alongside Valley Sanitary District with white glove service to keep its fleet and generators running. We know that trust is at the center of any successful partnership, and we seek to earn and maintain your confidence in us. We believe that the combination of our team's decades of experience, our roots in Southern California, and our relationships with current suppliers to your District will make us an excellent supplier and partner to Valley Sanitary District.

We are submitting a very competitive bid that we hope is your lowest. As a woman-owned business, it would be an honor to work with Valley Sanitary District on this contract. Please let us know if you have any questions or if any of our points can be clarified. We thank you for your consideration.

Very Respectfully,

A handwritten signature in black ink, appearing to read "Katie Bark", with a long horizontal flourish extending to the right.

Katie Bark
Marketing and Business Development
Merrimac Energy Group
kbark@merrimacenergy.net
562-420-6000



B. Proposer Statement of Qualifications

Merrimac would like to respond to the request for a statement of qualifications as outlined in the bid documents under Line 2.4.

1. Executive Summary

Merrimac Energy Group was founded in 1988 on the principles of excellence in customer service and reliable and cost-effective fuel supply. With thirty-six years of petroleum industry experience, we believe we have the skills and understanding necessary to fulfill the fuel and service requirements of the Valley Sanitary District. Merrimac provides solutions to your greatest fuel supply challenges, and we would love to work with your team to provide you with great service and products. The products that we distribute primarily are all octane levels of gasoline, diesel fuel, renewable diesel, and propane.

2. Qualifications and Experience

- a. Merrimac Energy was founded and incorporated in the State of California in June 1988 as an S-Corporation. Our corporate number is C-1439443. Prior to starting Merrimac, Mary worked at a competitive petroleum firm for ten years. Among our staff, there are over 100 years of combined energy experience from all aspects of the industry, including sales, product expertise, dispatch, and accounting. Merrimac has decades of experience with all petroleum products, including oils and lubricants, renewable petroleum, propane, and fleet cards, making us a one-stop petroleum products supplier for all your District's needs.
- b. There are two people that your District will primarily interact with here at Merrimac. They are as follows:
 - a. Katie Bark will be your account manager. Katie has officially been with Merrimac since March 2023. Before Merrimac, Katie was sales representative for Stryker Orthopaedics as a medical implant rep for six years, working in and around surgical operating rooms. Since beginning at Merrimac, Katie manages her own book of business, which allows her to learn about every aspect of the business, from dispatching orders and buying fuel to invoicing and customer service.
 - b. Bruce Mainor started at Merrimac in 1998 focusing on dispatch, fuel supply, and spot business. Prior to Merrimac Bruce sold aviation gasoline, and has become an expert in all fuel products specifications, supply management, and dispatching. Bruce has been a mainstay of Merrimac for almost three decades and has built a multitude of relationships with our carriers and suppliers throughout Southern California.
 - c. Merrimac was established and incorporated in June 1988, a total of over 35 years in business.
 - d. We have been fortunate to serve a multitude of customers and contracts in the past five years. The three most relevant to this scope of work are as follows:
 - i. Coachella Valley Water District Bulk Fuel Supply, May 2023-March 2028. We supply 200,000 gallons of gasoline and 80,000 gallons per year of diesel. The main point of contact is David Roberts. His number is 760-578-4766 and email is droboterts@cvwd.org.
 - ii. LA County Sanitation District Bulk Fuel Supply, 2021-2025. We supply over 80,000 gallons per year to various locations throughout Southern California. The main point of contact is Edward Gomez, 562-908-4288 x6053. His email is edwardgomez@lacsdsd.org.



- iii. City of Rancho Cucamonga Fuel Supply, September 2022-August 2027. We supply roughly 150,000 gallons of gasoline and diesel per year to their city yard and various generators and fire stations throughout the city. The main point of contact is Lucy Castillo, 909-774-4113 and lucy.castillo@cityofrc.us.

3. Evidence of California Licensing

Merrimac is certified to do business within the State of California and maintains common licenses. Merrimac was incorporated in June of 1988, a certificate we maintain. Our corporate number is C-1439443. We also hold our CARB certification, general liability insurance, and Worker’s Compensation. Additionally, Merrimac is recognized by Women’s Business Enterprise National Council as a Woman Owned Business and is an Elite Corporate Associate of the American Public Power Association.

4. References

| | | | | | |
|----------------------------------|--|--------------|--|------------------|--------------|
| City of Long Beach | 2600 Temple Ave Long Beach CA 90806 | 562-570-5730 | Oliver.Cruz@longbeach.gov | Oliver Cruz | 1998-Present |
| City of Los Angeles | City Hall South 11 East First Street Los Angeles CA 90012 | 213-978-3790 | Jeffrey.McKimson@lacity.org | Jeffrey McKimson | 1997-Present |
| Long Beach Transit | 1963 E Anaheim Street Long Beach CA 90803 | 562-591-8753 | VGarcia@lbtransit.com | Vivian Garcia | 2016-Present |
| Defense Logistics Agency | 6412 Beulah Street Suite 108 Alexandria VA 22310 | 571-767-9543 | Matthew.Womer@dla.mil | Matt Womer | 2020-Present |
| LA Department of Water and Power | LADWP General Correspondence PO Box 51111 Los Angeles, CA 90051-0100 | 213-367-3869 | Robert.Pfefferle@ladwp.com | Robert Pfefferle | 2023-Present |

5. Subcontractors

We have read this bid in its entirety and are excited about the prospect of supporting Valley Sanitation District’s work. We have partnered with one of our longtime carriers, Beck Oil, to perform the deliveries. Beck is very familiar with VSD, as they are currently one of the District’s suppliers. We believe this would make for a seamless supply of your fuel, as their drivers are already acquainted with the District’s facilities. Merrimac understands the importance of timely deliveries and an open line of communication.



C. Proposed Method to Accomplish the Work

Altogether, our staff of in-house employees has over one hundred years of petroleum and customer service experience. We offer a turnkey fuel management system to guarantee you the best pricing, efficiency in delivery and expert solutions to all petroleum-related needs. When you place an order, we request that an email be sent to our sales staff of three people, and one of us will Reply All to confirm that your order is seen and being taken care of. Additionally, we possess the experience and the initiative to anticipate delivery scheduling, noting fuel ordering patterns and paying attention to the needs of Valley Sanitary, and helping to prevent any out of fuel emergencies. While VSD will have its own account manager, each of our highly trained staff will be well-versed in the details of your account. Each of us can be reached 24/7/365 with an after-hours answering service available for emergency requests.

Our staff is highly trained to advise the District on pricing trends. For example, if we notice that fuel prices are decreasing, we will contact fleet staff to alert them that it would be an optimal time to place an order. Before long holiday weekends, we would contact staff to see if they could take a load. This would aid staff in preventing any out of fuel situations. Our holistic approach to the service of your District will provide you with a dependable source of fuel for the duration of the contract, as well as an account manager on whom you can rely to help advise you of the best practices to save the District money on each load. Proof of OPIS pricing will be provided, along with the Bill of Lading and delivery ticket, with each invoice within 48 business hours of delivery. We hope this will streamline all necessary documentation for your accounting team to make the processing of invoices as smooth as possible.

Our pricing is based on the Colton Contract Rack Average OPIS. Our reason for this is manifold, but the primary reason is due to the volatility of the fuel market. If we were to quote a fixed price per gallon for the entirety of this contract, it is likely that your District would be paying above market value for your fuel. However, the use of an index allows Merrimac to demonstrate that we will charge a lower cost for your fuel when prices decrease, saving you money whenever possible. As previously mentioned, we will let you know when prices decrease dramatically, which will offer your District the most savings. Using a pricing standard based on the date of delivery also gives us proof of pricing, which we will include with each invoice, demonstrating that we are offering our best price. Whatever the market value for fuel is on the date of delivery plus the cost to us to make the delivery is our cost to Valley Sanitary. Our pricing structure is the same for each of the three fuels. These prices are exclusive of all applicable taxes and fees:

| Delivery Size | Cost |
|------------------|--|
| 0-399 gallons | Colton OPIS Contract Rack Average +\$0.40 on day of delivery +\$85.00 for deliveries under 400 gallons |
| 400-749 gallons | Colton OPIS Contract Rack Average +\$0.40 on day of delivery |
| 750-1499 gallons | Colton OPIS Contract Rack Average +\$0.38 on day of delivery |
| Each Delivery | \$19.95 Environmental Compliance and Bobtail Fee |

After almost four decades in business, Merrimac has built relationships with the State’s largest refineries and carriers throughout California. We can load fuel out of any fuel terminal in Southern California, which gives us the flexibility to pull fuel from wherever there is the lowest price and most consistent source of supply. For this contract, we are proposing to use the fuel terminal in Colton, which is the most



efficient route to VSD's facilities. If fuel testing is required at any time, we can perform these tests, though we stand behind our sources of supply as the highest quality of fuel on the market.

As previously mentioned, we will work with Beck Oil to deliver your fuel to keep your service familiar and consistent. We can make deliveries of any quantity 24/7. Beck has a location in Coachella, which will help us to make these deliveries quickly and efficiently within an area of work that all drivers are very familiar with. By outsourcing the transportation and delivery of fuel orders, Merrimac can focus directly on the needs of VSD while coordinating with the carrier, who is already very familiar with your facilities. Because Beck is a current supplier to your District, they are also very familiar with your safety standards and protocols, and, after being in business for fifty-six years, they are also very familiar with all State and Federal environmental, health, and safety regulations. We have enclosed our Emergency Spill Response plan with our bid.

We will use bobtail trucks, also known as tank wagons, to deliver these orders. Bobtails are ideal for these loads because they are smaller petroleum trucks, which makes them more versatile and economical to run for loads that are less than 1000 gallons. Bobtail trucks are the front end of a truck and trailer without the trailer attached. Their capacity is 4,000 gallons versus a larger truck which is 9,000 gallons. Bobtail trucks come standard with various attachments and nozzles, which makes them capable of delivering into above ground tanks, below ground tanks, and tanks with both standard and nonstandard fittings. The connections are usually on the back or side of the truck, which also allows them to get into smaller spaces. Beck has a team of 20 different drivers, and we will use the same small handful of drivers for each delivery to VSD. Bobtail drivers are highly capable and skilled drivers due to the expertise required to maneuver such a vehicle. To become certified as a bobtail driver, drivers are required to have their GED or high school diploma, a clean background check, and they are required to enroll in a commercial driver's license training program to obtain their commercial license. Bobtail driver duties include keeping their vehicle in good condition, adhering to safety protocols, and keeping a delivery schedule. Additionally, all are required to have hazardous material training.

Katie Bark will oversee dispatching all orders to Beck, and she will request that the same few drivers make deliveries to VSD to ensure a continuum of dedicated service to your facility. She can be reached 24/7/365 at 562-420-6000 with an after-hours answering service. Her email is kbark@merrimacenergy.net. All orders can be sent directly to her, and she will reply quickly, acknowledging the order, and confirming a delivery date. If there is any change to the delivery schedule, you will receive a call or email (whichever method your staff prefer) to alert you of the change. You will receive personal service for all your needs. In the event Katie is unavailable for whatever reason, the details of your account (points of contact, delivery addresses, pricing) will already have been shared among the staff so that each of the staff is familiar with your account. In this way, Merrimac can offer a white glove service that other companies are indifferent to or unable to provide.



D. Certification of Proposal

"The undersigned hereby submits its proposal and, by doing so, agrees to furnish services to VSD in accordance with the Request for Proposal (RFP), and to be bound by the terms and conditions of the RFP."

A handwritten signature in black ink, appearing to read "Katie Bark", written over a horizontal line.

Katie Bark, Marketing and Business Development

11/9/23

Date



Valley Sanitary District

DATE: December 12, 2023
TO: Board of Directors
FROM: Jason Dafforn, General Manager
SUBJECT: APPROVE THE ELECTION OF BOARD OFFICERS FOR THE CALENDAR YEAR 2024

Suggested Action

Approve

Strategic Plan Compliance

GOAL 6: Improve Planning, Administration and Governance

Fiscal Impact

There is no fiscal impact to this report.

Environmental Review

This item does not qualify as a project defined by the California Environmental Quality Act (CEQA).

Background

The Valley Sanitary District Board of Directors reviews the Board Officer assignments on an annual basis and implements the changes in January of the new calendar year. The purpose of this election is for the Board of Directors to elect the President, Vice President, and Secretary/Treasurer for the calendar year 2024.

Recommendation

Approve the election of Board Officers for the calendar year 2024.



Valley Sanitary District

DATE: December 12, 2023
TO: Board of Directors
FROM: Jason Dafforn, General Manager
SUBJECT: APPOINT TWO (2) DIRECTORS AND ONE (1) ALTERNATE TO THE EAST VALLEY RECLAMATION AUTHORITY BOARD OF DIRECTORS FOR THE CALENDAR YEAR 2024

Suggested Action

Approve

Strategic Plan Compliance

GOAL 6: Improve Planning, Administration and Governance

Fiscal Impact

There is no fiscal impact to this report.

Environmental Review

This item does not qualify as a project defined by the California Environmental Quality Act (CEQA).

Background

The Board President will appoint two Directors and one alternate to the East Valley Reclamation Authority for 2024. The term of each Director appointed, pursuant to Section 4.2 of the Joint Exercise of Powers Agreement, shall be for no more than one calendar year from January 1 through December 31.

Recommendation

It is recommended that the Board President appoint two (2) members and one (1) alternate to the East Valley Reclamation Authority for the calendar year 2024.



Valley Sanitary District

DATE: December 12, 2023
TO: Board of Directors
FROM: Jason Dafforn, General Manager
SUBJECT: APPOINT TWO (2) DIRECTORS TO BUDGET & FINANCE,
OPERATIONS, AND COMMUNITY ENGAGEMENT COMMITTEES FOR
THE CALENDAR YEAR 2024

Suggested Action

Approve

Strategic Plan Compliance

GOAL 6: Improve Planning, Administration and Governance

Fiscal Impact

There is no fiscal impact to this report.

Environmental Review

This item does not qualify as a project defined by the California Environmental Quality Act (CEQA).

Background

Each year in December the Board President appoints two (2) Directors to the Budget & Finance, Operations, and Community Engagement Committees for a term of one calendar year.

Recommendation

It is recommended that the Board President appoint two (2) Directors to the Budget & Finance, Operations, and Community Engagement Committees for the calendar year 2024.



Valley Sanitary District

DATE: December 12, 2023
TO: Board of Directors
FROM: Jason Dafforn, General Manager
SUBJECT: DISCUSS COMMUNITY ENGAGEMENT AND SPONSORSHIP

Suggested Action

Discussion

Strategic Plan Compliance

GOAL 4: Increase Community Understanding and Support

Fiscal Impact

There is no fiscal impact associated with this report.

Environmental Review

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

Background

The opportunity for Valley Sanitary District to both sponsor and participate in community activities exist within the Valley. These events provide excellent opportunities for the District to engage with the public and showcase the services provided by Valley Sanitary District. Staff will provide an overview of upcoming events that the District may want to support.

Recommendation

Review and discuss upcoming community engagement opportunities and receive feedback from the Board.



Valley Sanitary District

DATE: December 12, 2023
TO: Board of Directors
FROM: Jason Dafforn, General Manager
SUBJECT: RECEIVE MONTHLY GENERAL MANAGERS REPORT FOR NOVEMBER 2023

Suggested Action

Review

Strategic Plan Compliance

GOAL 6: Improve Planning, Administration and Governance

Fiscal Impact

There is no fiscal impact from this report.

Environmental Review

This is not a project as defined by the California Environmental Quality Act (CEQA).

Background

The following data represents the activities and metrics for the month of November 2023.

Administrative Services

- Held one (1) Budget & Finance Committee Meeting.
- Held one (1) Community Engagement Committee Meeting.
- Held two (2) Board Meetings.
- Participated in Dia De Los Muertos Event with the Coachella Valley History Museum.
- Attended Indio State of the City Event.
- Released one (1) Request for Proposals (RFP) Property Lease Agreement.
- Commenced preparation of employee compensation reporting that is due January 2022.
- Commenced preparation of 1099 reporting that is due January 2024.
- The District office will be closed on December 22 and 25, 2022 for Christmas Eve Observed and Christmas Day.

Environmental Compliance Services

- Reporting results from National Institute on Drug Abuse (NIDA) program for high-risk substances in partnership with Biobot Analytics; 1x every 2 weeks sampling & analysis.
- Mario Luna completed 1st year of service at VSD.
- Michael Placencia completed the 6-month probationary period.
- Mario Luna is on vacation from Nov 22nd through Dec 1st.
- Mario Luna obtained CWEA Environmental Compliance Inspector Grade 1 certification.

Operations & Maintenance

- 90 day bit inspections on District trucks complete
- New skid Steer delivered, and attachments installed
- Ras mufflers installed
- Fire alarm issues resolved
- Polymer pumps at Belt press repaired and parts ordered
- New Motor and starter installed on incline conveyor, BFP
- Boom Truck winch repaired
- New Waste Flow meter installed
- RAS Pump #1 rebuilt and reinstalled
- Ras Pump # 2 removed and sent in for repairs
- Influent Pump #5 rebuilt and reinstalled
- Aeration Basin #1 Flange replaced
- Gate #2 track repaired
- Motor for belt press rebuilt
- Drain Pump 152 alarming, issue repaired
- Barscreen and Muffin Monster control panels inspected and cleaned
- Annual rebuild of Hypochlorite and SO2 pumps completed
- Monyo pumps inspected
- A/C units and Exhaust fans plant wide maintained
- Exhaust Fan Primaries rebuilt
- Alarm System at Bird Center activated
- Quotes for Primary Clarifiers and Belt Presses received, and Board Reports generated
- Board report for Security and protection Generated
- Drained Extended Basin #4 for Froth Sprayer Repair
- Assisted with Design Build

Development Services

- Demolition has begun at the Indio Library to make room for the first phase of the new City of Indio civic center.
- Construction has begun on the new Pacific Indio Retail Center on the Southeast corner of Monroe Street and Avenue 42. The project will include multiple retain lots. Raising Cane's Chicken and In-N-Out Burger are planned to build at this project.
- Construction has begun on Gabino's Creperie near the corner of Miles Avenue and Towne Street.
- Construction has begun on the Tower Market convenience store and gas station on the northwest corner of Dr. Carreon and Monroe Street.

- Construction has begun on the Indio Taphouse on the southwest corner of Miles Avenue and Towne Street.
- Gallery Homes is starting the development of 82 homes in the Indian Palms Country Club on the corner of Odlum Drive and Barrymore Street.

Collection Services

- The No-Spill report for the month of November will be submitted to the California Integrated Water Quality System, as required in the Waste Discharge Requirements Monitoring and Reporting Program. Due by the end of the month.
- Monthly preventative maintenance service of lift stations is scheduled for the month.
- CCTV inspections are currently being conducted in the area Requa and Jackson.
- Field Vactor crew is currently working in the area of Avenue 44 and Jackson.

Capital Improvement Program

- The Reclaimed Water Project - Phase 1 was awarded to Schneider Electric / Stantec in June 2020. This project 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 replacement of the Main Switch Control Panel and the addition of a sludge thickener unit. Update: Walsh is currently working on installing piping for the new grit chamber, finishing up the last of the digester walls, and beginning the digester dome.
- The Westward Ho Drive Sewer Siphon Replacement Project is a FEMA funded project to replace the damaged sewer siphon from the February 2019 storm. Permitted plans have been signed by CVWD and have been approved by the City of Indio and La Quinta. CEQA documentation for this project has been completed. Update: This project is currently being held up by FEMA. VSD needs FEMA approval before proceeding with bidding and construction which was expected by February 2023.
- The Downtown Indio Rehabilitation Project is currently under construction and covers the rehabilitation of existing sewer mains and manholes in a portion of the downtown area, the upsizing of two existing sewer mains between Grace and Salton Street, several point repairs, and the installation of new public sewer in the Indio Motor Machine property. The project was awarded to GRBCON Inc. Update: The contractor has completed all the rehabilitation and the sewer construction. Only punch list items and final asphalt paving remain.
- The Calhoun Lift Station Improvement Project is currently in design and will address issues with the Calhoun Lift Station observed during the lift station evaluation project from last fiscal year. They will address the bubbling wet well lining, aging discharge piping, and deficient electrical equipment. Update: Harris has completed and provided 95% plans and specifications. VSD is currently reviewing the plans and specifications for any final revisions.
- The Southeast Indio Sewer Improvement Project is currently in design and will include the rehabilitation of existing sewer mains and manholes in a portion of the downtown area and the realignment of a sewer main located in the backyards of residences between Marshall and Grace Street. Update: VSD staff are continuing their review of the 65% plans.

Recommendation

Staff recommends that the Board receive the General Manager's Report for activities during the month of November 2023.

Attachments

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

[Attachment B NPDES Report for Dec.pdf](#)

[Attachment C Collection Services Report 2023.pdf](#)

[Attachment D Development Services Report November 2023.pdf](#)

[Attachment E Capital Improvement Program Report December 2023.pdf](#)

[Attachment F Environmental Compliance Summary.pdf](#)

[Attachment G Wastewater Surveillance Newsletter_Nov 2023.pdf](#)

Administrative Services - Task Summary 2023

| Task | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Total To Date |
|---------------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|---------------|
| Active Litigation Filed | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Board Meeting | 3 | 2 | 3 | 4 | 3 | 3 | 2 | 1 | 2 | 1 | 2 | | 26 |
| Budget/Finance Committee Meeting | 1 | - | - | - | 1 | - | - | - | 1 | - | 1 | | 4 |
| Operations Committee Meeting | - | 1 | - | 1 | - | 1 | - | 1 | - | 1 | - | | 5 |
| Commuity Engagement Committee Meeting | 1 | - | 1 | - | 1 | - | 1 | - | 1 | - | 1 | | 6 |
| Employee Anniversaries | 1 | 4 | 1 | 1 | 3 | 2 | 5 | 1 | 2 | 1 | 3 | | 24 |
| Employee Promotions | - | - | - | - | - | - | - | - | - | - | - | | - |
| Facebook Postings | 1 | 3 | - | - | - | 1 | - | - | - | 1 | 2 | | 8 |
| Instagram Postings | - | - | - | - | - | - | - | - | - | - | 8 | | 8 |
| Insurance Claims Initiated | - | - | - | - | - | - | - | - | - | - | - | | - |
| Lost Time Work Incidents | - | - | - | - | - | - | - | - | - | - | - | | - |
| Media Coverage Items | - | - | - | 1 | - | - | - | - | - | - | - | | 1 |
| New Hires | - | - | 2 | - | 1 | 1 | - | - | - | - | - | | 4 |
| Press Release | - | - | - | 1 | - | 1 | - | - | - | - | - | | 2 |
| Public Records Request | 2 | 1 | - | 1 | - | - | 1 | 2 | 1 | 1 | 1 | | 10 |
| Resignations | - | - | 1 | - | - | - | - | - | - | - | - | | 1 |
| Retirements | - | - | - | - | - | - | - | - | - | - | - | | - |

| October 2023 | Plant Influent | | ASP Effluent | | | Pond Effluent | | |
|----------------------|----------------|------------|----------------------------|-------------|------------|--|------|------|
| | CBOD (mg/L) | TSS (mg/L) | Monthly Average Flow (MGD) | CBOD (mg/L) | TSS (mg/L) | Monthly Average Pond Effluent Flow (MGD) | CBOD | TSS |
| 1 | | | | | | | | |
| 2 | | | | | | | | |
| 3 | | | | | | | | |
| 4 | | | | | | | | |
| 5 | 264 | 274 | | 6.00 | < 2.50 | | | |
| 6 | | | | | | | | |
| 7 | | | | | | | | |
| 8 | | | | | | | | |
| 9 | | | | | | | | |
| 10 | | | | | | | | |
| 11 | | | | | | | | |
| 12 | 297 | 232 | | 7.60 | 3.20 | | | |
| 13 | | | | | | | | |
| 14 | | | | | | | | |
| 15 | | | | | | | | |
| 16 | | | | | | | | |
| 17 | | | | | | | | |
| 18 | | | | | | | | |
| 19 | 248 | 210 | | 7.90 | 3.50 | | | |
| 20 | | | | | | | | |
| 21 | | | | | | | | |
| 22 | | | | | | | | |
| 23 | | | | | | | | |
| 24 | | | | | | | | |
| 25 | | | | | | | | |
| 26 | 361 | 252 | | 6.90 | < 2.50 | | | |
| 27 | | | | | | | | |
| 28 | | | | | | | | |
| 29 | | | | | | | | |
| 30 | | | | | | | | |
| 31 | | | 5.86 | | | 0.000 | | |
| Average | 293 | 242 | 5.86 | 7.10 | 2.93 | 0.000 | | |
| Minimum | 248 | 210 | 5.86 | 6.00 | < 2.50 | 0.000 | | |
| Maximum | 361 | 274 | 5.86 | 7.90 | 3.50 | 0.000 | | |
| Exceedences | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Permit LIMITS | | | | 25 | 30 | | 40.0 | 49.0 |

| Total Plant Discharge (Outfall) Grab | | | | | | | | | | |
|--------------------------------------|--------------------------|------------------|-------------------------------------|---------------------------|---------------------------------|--------------------------|--------------------------|--------------------------|--|--|
| EColi (MPN/100ml) | Oil and Grease (mg/L) | Copper (ug/L) | Di(2-ethylhexyl)phthalate (ug/L) | Cyanide (total) (ug/L) | Ammonia (total, as N) (mg/L) | Nitrate (as N) (mg/L) | Nitrite (as N) (mg/L) | Total Nitrogen (mg/L) | | |
| | < 1.40 | 3.00 | < 0.500 | | 1.50 | 6.00 | 0.0750 | 7.90 | | |
| 38.4 | | | | < 0.00430 | | | | | | |
| 9.60 | | | | | | | | | | |
| 11.0 | | | | | | | | | | |
| 49.5 | | | | | | | | | | |
| 22.8 | | | | | | | | | | |
| 21.48* | 1.40 | 3.00 | 0.500 | 0.00430 | 1.50 | 6.00 | 0.0750 | 7.90 | | |
| 9.60 | < 1.40 | 3.00 | < 0.500 | < 0.00430 | 1.50 | 6.00 | 0.0750 | 7.90 | | |
| 49.5 | < 1.40 | 3.00 | < 0.500 | < 0.00430 | 1.50 | 6.00 | 0.0750 | 7.90 | | |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | |
| 126(mo) / 400 (max) | 25 | 9.0 | 5.9 | 4.3 | | | | | | |

Collection Services Task Summary Report for 2023

| Task | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Total To Date |
|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-----|---------------|
| Customer Service Calls | 6 | 1 | 3 | 1 | 3 | N/A | 2 | - | - | - | 2 | | 18 |
| F.O.G. Inspection - Completed | | | | | | | | | | | | | - |
| F.O.G. Inspection - Fail | | | | | | | | | | | | | - |
| F.O.G. Inspection - Pass | | | | | | | | | | | | | - |
| Hot spot cleaning (total)* | 26 | - | - | 34 | - | - | 24 | - | - | 34 | - | - | 118 |
| Lift station inspection | 19 | 16 | 23 | 18 | 19 | 23 | 19 | 16 | 19 | 19 | 19 | | 210 |
| Manhole inspection | 179 | 159 | 136 | 178 | 251 | 129 | 113 | 161 | 147 | 73 | 119 | | 1,645 |
| Sewer line CCTV (feet) | 8,060 | 7,295 | N/A | N/A | 1,733 | 14,994 | 15,111 | 11,222 | 6,916 | 4,233 | 4,701 | | 74,265 |
| Sewer line cleaning (feet) | 52,372 | 53,787 | 58,466 | 67,147 | 86,073 | 69,050 | 46,911 | 54,601 | 48,574 | 43,804 | 40,454 | | 621,239 |
| SSO Response - Cat 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 0 |
| SSO Response - Cat 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 0 |
| SSO Response - Cat 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 0 |
| USA Markings | 160 | 46 | 45 | 28 | 30 | 44 | 42 | 48 | 55 | 42 | 48 | | 588 |
| *Note: Hot spot cleaning is performed quarterly | | | | | | | | | | | | | |



VALLEY SANITARY DISTRICT DEVELOPMENT SERVICES REPORT

12-Dec-23

Plan Check in Progress
Inspection in Progress
New Project

| PROJECT NAME | STREET ADDRESS / CROSS STREET | CURRENT PROJECT STATUS | NEXT ACTION ITEM |
|---|---|---|---|
| 83041 Indio Blvd Brown Jug G.I. | 83041 Indio Blvd | Plans submitted and deposit paid for G.I. installation for future tenant use | Plans In Queue |
| 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. |
| Arroyo Crossing Phase 1 architectural plans | 47555 Jefferson Steet/Highway 111 | Architctural 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 | Architctural 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 |
| Ave 42 Self Storage | 82815 Ave 42/Showcase Blvd | Plans submitted, fee paid. Plans approved and notified applicant 3/2/23. Permit 4110 5/24/2023 | Inspect work improvements as scheduled. |
| Bliss & Oasis Apts Sewer Improv. Plan | NW Corner of Bliss Ave and Oasis St | Plans submitted for Civil Plans, fee paid with check. Completed 1st plan check and returned to the applicant 12/15/22. | Perform 2nd plan check upon plan resubmittal. |
| 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. |
| Castro 80501 lot 50 | Motorcoach CC 80501 Ave 48 Lot 50 | Plans submitted, Permit 4056 | Inspect work improvements as scheduled. |
| 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. |
| City Hall and Public Library Project | 100/200 Civic Center Drive | Plans submitted and plan fee paid. Completed 1st plan check and notified applicant 9/29/23. | Perform 2nd plan check upon plan resubmittal. |
| Coco Palms Tract 38072-2 | South East Corner of Avenue 49 and Jackson St | Plans submitted and plan check fee paid for phase 2 of housing tract. Pending signatures for phase 1 before proceeding | Waiting for owner to submit Bonds and Development agreement paperwork. |
| Coco Palms Tract 38072-3 | South East Corner of Avenue 49 and Jackson St | Plans submitted for phase 3 of Coco Palms. Plan Check Fee Paid. Plans were resubmitted for 2nd Plan Check | Plans In Queue |
| COD Child Development Center | 45742 Oasis Street | Plans submitted for child development center. Plans approved and notified applicant 1/25/22. Permit 4025 4/21/22 | Inspect work improvements as scheduled. |
| College of the Desert | 45524 Oasis Street | Plans submitted for campus expansion. Plan review completed, plan approved and notified applicant 1/25/22. Permit 4026 4/22/22 | Inspect work improvements as scheduled. |
| Community Valley Bank | 81701 Hwy 111 | Plans Submitted and fee paid for TI Improvement. Emailed Matt Seto for plan pick-up 4/11/23. Permit 4099 Finaled 11/7/23 | No further action required. |
| EOS Fitness Hwy 111 | Highway/Jefferson Street | Plans submitted for construction of new gym facility. Plans approved and notified applicant 4/27/20. Permit 4049 | Waiting for Develoment Agreement and Bonds before owner can process permit paperwork. |
| Gabino's Creperie | 82862 Miles Ave | Plans submitted, fee paid with credit card. Completed 2nd plan check and returned to the applicant 6/28/23. Permit #4120 on 08/09/23 | Inspect work improvements as scheduled. |
| Gallery at Indian Springs | Jefferson St/Westward Ho Drive | Tract is Complete. Warranty Bond received 8/25/2021. | Notice of acceptance after 12 month warranty bond release. |
| Hampton Inn Sewer Main Extension | North Wast Corner of Spectrum St and Atlantic Ave | Plans submitted for the extension of a public sewer main for Hampton Inn at Atlantic Ave. Plan check fees paid 7/11/18. Completed 2nd plan check and returned plans to the engineer 8/9/18. Plans approved and returned to enginner 8/27/18. Sewer Finaled 5/12/20. | Waiting for owner to submit Warranty Bond |
| Homes 2 Suites Architectural Plans | 80653 Hwy 111 | Plans submitted for Hotel Homes2Suites. 2nd Plan Check In queue 10/30/23 | Plans In Queue |
| Homes 2 Suites Sewer Improvement Plan | 80653 Hwy 111 | Plans submitted for Sewer Improvement Plans, plan check fee paid. Plans ready for pick up. MSA Consultants was emailed 10/04/23 | Perform 3rd plan check upon plan resubmittal. |
| I-10 Monroe Conceptual Site Plans | SE Corner of Monroe and Ave 42 | The Palms at Indio Sewer Plans submitted (Fee paid 8/19/22) Approved 6/8/23 | Waiting for owner to submit Bonds and Development agreement paperwork. |

| PROJECT NAME | STREET ADDRESS / CROSS STREET | CURRENT PROJECT STATUS | NEXT ACTION ITEM |
|---|---|---|---|
| I-10 Monroe Conceptual Site Plans Pt. 2 | SE Corner of Monroe and Ave 42 | Plans Submitted and fee paid for Sewer Development. Approved 6/8/23 | Waiting for owner to submit Bonds and Development agreement paperwork. |
| Indian Palms 32 | Cochran Drive & Garland Road | Civil plans submitted for public sewer for 32 unit condo complex. 2nd plan check complete. 9/1/21. Plans approved 9/17/21. | 10% warranty bond in place Reinspect and notice of acceptance Due 10/1/2024 |
| Indio Behavioral Health Hospital | 81655 JFK Court | Civil plans submitted for new mental health facility. Completed 1st plan check and returned to the engineer 12/2/19. Plans approved 6/24/20. Issued permit 3900 on 8/29/20. | Inspect work improvements as scheduled. |
| Indio Juvenile Court | 47671 Oasis St/ Ave 48 | Plans submitted to demo existing juvenile court building and construct new building on the same site. Plans approved, notified applicant project ready to permit 9/30/21. Permit # 4004 1/25/22 | Inspect work improvements as scheduled. |
| Indio Marketplace Architectural | 82227 Highway 111/Rubidoux | Plans submitted for mall TI. Completed 2nd check and notified applicant 8/2/22. | Waiting for owner to process permit paperwork. |
| Indio Marketplace Civil | 82227 Highway 111/Rubidoux | Plans submitted for mall TI, Completed second plan check and returned to the applicant 11/12/21. | Waiting for owner to process permit paperwork. |
| Indio Plaza Sewer Relocation | 82126 Hwy 111/Monroe St. | Plans submitted for sewer line and manhole relocation. Plans approved and notified applicant 7/28/22. | Waiting for owner to process permit paperwork. |
| Indio Public Safety Center | 46867 Bristol Street/Dr Carreon | Plans submitted for public safety center. Plans approved and returned to applicant 4/12/22. Permit 4052 | Inspect work improvements as scheduled. |
| Indio Self Storage | 81161 Indio Blvd | Plans submitted and fee paid for sewer improvement plans. Completed 3rd plan check and returned to the applicant 8/24/23. | Perform 4th plan check upon plan resubmittal. |
| Indio Sports Park | 82600 Market St | Plans submitted for a sports park with concession stand. Plans are ready for pickup, emailed Deborah at Webb and Associates 10/18/23 | Perform 2nd plan check upon plan resubmittal. |
| Indio Taphouse TI | 82851 & 82867 Miles Ave | Plans submitted for Taproom in Oldtown Indio, fee paid with check. Plans approved and notified applicant 1/26/23. Permit 4083 | Inspect work improvements as scheduled. |
| Indio Towne Center Sewer Improvement Plan | 42270 & 42290 Jackson St | Plans Submitted for Indio Towne Center sewer improvement plan | Plans In Queue |
| Jersey Mike's | 42211 Jackson St Ste. 102 / Corner of Ave 42 | Plans Submitted and fee paid for Sandwich Restaurant. Plans approved and notified applicant 2/17/23. Permit 4088 | Inspect work improvements as scheduled. |
| JFM Senior Villas | 83801 / 83285 Dr Carreon | Plans Submitted for Senior Villa Apts, plan check deposit paid. Emailed MSA for plans to be picked up 11/17/2023 | Perform 2nd plan check upon plan resubmittal. |
| John Nobles Apts civil plans | John Nobles Avenue/Rubidoux Street | Plans submitted for on-site private sewer. Completed 1st plan check and returned to applicant 7/12/22. | Perform 2nd plan check upon plan resubmittal. |
| Kings Castle Taco Architectural | 82991 Bliss Avenue | Plans submitted for building TI for taco shop. Completed 2nd plan check. Civil plans submitted for review 7/21/22. | Waiting for owner to process permit paperwork. |
| Kings Castle Taco Civil Plans | 82991 Bliss Avenue | Plans submitted for building TI for taco shop 7/21/22. Plans approved and notified the applicant 9/7/22. | Waiting for owner to process permit paperwork. |
| Las Plumas/Coco Palm Tract 38072-1 | South East Corner of Avenue 49 and Jackson St | Plans submitted for 173 lot housing tract. Completed first plan check 4/27/21. | Waiting for owner to submit Bonds and Development agreement paperwork. |
| Lifestyle Center New Pool Toilet Rooms | 48630 Monroe St - Indian Palms CC | Plans Submitted for restrooms at Indian Palms CC Pool. Plans approved 8/17/23. Permit #4122 08/24/23 | Inspect work improvements as scheduled. |
| Magical Estates Tenant Spaces | 82490 Highway 111/Arabia Street | Plans submitted for tenant suite TI's. Completed 1st plan check and returned to applicant 4/28/22. | Perform 2nd plan check upon plan resubmittal. |
| Motorcoach CC Lot 119 | Motorcoach CC 80501 Ave 48 Lot 119 | Plans submitted for casita/shade structure. Plans approved. Permit 4115 7/20/23 | Inspect work improvements as scheduled. |
| Nelson Chavez Accessory Dwelling Unit | 43163 Deglet Noor | Plan submitted for new accessory dwelling unit, Plan approved and notified applicant 8/30/22 Permit 4113 7/5/23 | Inspect work improvements as scheduled. |
| Octavio Rosales SFD | 43645 Saguaro Street/Avenue 44 | Plans submitted for new SFD. Completed 2nd plan check and returned to the City 8/26/19. Permit 4014 issued 3/18/22. Final 11/7/2023 | No further action required |
| Outdoor Resorts CC - Casita Addition | 80394 Avenue 48, Lot 182 | Plans submitted for casita addition and storage building. Plans approved and notified applicant 9/30/21 | Waiting for owner to process permit paperwork. |
| Outdoor Resorts Lot 307 | 80394 Ave 48 Lot 307 | Plans submitted for casita addition and outdoor BBQ. Permit 4112 | Inspect work improvements as scheduled. |
| Palmera Apartments Civil | NE Corner of Monroe and Requa | Plans submitted for Sewer Development, fee paid. Completed 2nd plan check and returned to the applicant 3/9/23 | Perform 3rd plan check upon plan resubmittal. |
| Palmera Project Arc | Requa Ave West of Monroe PM 38493 | Plans Submitted for Apt Homes with Clubhouse. Completed 1st plan check and returned to the applicant 9/11/23. | Perform 2nd plan check upon plan resubmittal. |
| Paradiso Tract 31815 | East of Monroe North of Ave 41 | New model homes under construction. Warranty Bond received 3/2/2023. | Notice of acceptance after 12 month warranty bond release. |

| PROJECT NAME | STREET ADDRESS / CROSS STREET | CURRENT PROJECT STATUS | NEXT ACTION ITEM |
|---------------------------------------|--|---|---|
| Paradiso Tract 31815 & 31815-3 | East of Monroe North of Ave 41 | Plans submitted for new housing tract phases. Completed first plan check 2/25/21. Plans Approved 3/25/21. | 10% warrenty bond in place Reinspect and notice of acceptance Due 3/1/2024 |
| Parcel Map 36215 | Dr. Carreon west of Van Buren | Civil plans submitted for 1st plan check. Plans approved and returned to the Engineer 1/18/18. Issued permit 3718 on 1/23/18. | Inspect work improvements as scheduled. |
| Pawley Pool Aquatic Facility | 46350 Jackson Street/Date Ave. | Plans submitted for new Aquatic Center on existing public pool site. Project Expired in 2020. Resubmitted 10/25/21. Plans approved and notified applicant 10/12/23. Permit #4131 11/06/23 | Inspect work improvements as scheduled. |
| Private residence for Cristina Ayon | 49115 Ridgeback Ct | Plans submitted, fee paid. Plans approved and notified applicant project ready to permit 12/22/22. Permit 4071 1/12/23 | Inspect work improvements as scheduled. |
| Raising Canes Restaurant | Monroe Street/Showcase Parkway | Plans submitted for new restaurant building. Plans approved and notified the applicant 12/6/22. | Waiting for owner to process permit paperwork. |
| Ramon Chavez Accessory Dwelling Unit | 43737 Oasis St / Ave 44 | Plans submitted for plan check. Plans approved and notified applicant 10/13/20. Issued permit 3908 on 10/13/20. | Inspect work improvements as scheduled. |
| Ranch RV & self Storage | 83734 Dr Carreon | Plans submitted, fee paid with check. Completed 2nd plan check and notified applicant 12/14/22. Permit 4090 2/28/2023 | Inspect work improvements as scheduled. |
| Residence for Mr and Mrs Job Lopez | 49-134 Ridgeback Ct | Plans Submitted and fee paid for private residence. Plans approved and notified applicant 3/16/23. Permit 4093 | Inspect work improvements as scheduled. |
| Ridgeback Ct Family Residence | 49128 Ridgeback Ct | Plans submitted for single family residence, plan check fee paid. Plans aproved. Permit 4114 7/20/23 | Inspect work improvements as scheduled. |
| Robert Henry Bootsma Casita | 80469 Jasper Park Ave | Plans submmited for a detached Casita, Plan Check Deposit paid. Permit paid #4132 | Inspect work improvements as scheduled. |
| Rosa Rebollar Accessory Dwelling Unit | 81179 Helen Ave/Swingle Ave | Plan submitted for new accessory dwelling unit. Project built, notified applicant project ready to permit 6/22/23. | Waiting for owner to process permit paperwork. |
| Salad and Go | 82051 Ave 42 | Plans submitted for a Restaurant. Completed 1st plan check and notified applicant 10/27/22 | Perform 2nd plan check upon plan resubmittal. |
| Saphire Apartments | 45733 Oasis St | Plans submmited for 30 unit Mixed-Use Apartment Complex, Plan Check Deposit paid | Perform 2nd plan check upon plan resubmittal. |
| Tarra Lago 32341-12 | North of Avenue 44 & East of Harrison | First Plan Complete 12/16/20. Plans Approved 2/19/21.Maintenance Bond in place 8/16/22. | 10% warrenty bond in place Reinspect and notice of acceptance Due 8/16/2023 |
| Terra Lago Four Seasons Tract 32287 | North of Avenue 44 & East of Harrison | Civil plans submitted for plan check. Plans Approved 4/26/21. | 10% warrenty bond in place Reinspect and notice of acceptance Due 8/1/2024 |
| Terra Lago Four Seasons Tract 32288-1 | North of Via Terra Lago and East of Golf Cente | Civil plans submitted for Public Sewer. 1st plan check complete and returned redlines 11/24/21 2nd plan check complete 1/18/22. | Inspect work improvements as scheduled. |
| Terra Lago Four Seasons Tract 32288-F | North of Via Terra Lago and East of Golf Cente | Civil plans submitted for Public Sewer. 1st plan check complete and returned redlines 3/29/22 Approved 7/1/23 | Inspect work improvements as scheduled. |
| Terra Lago Four Seasons Tract 32288-F | North of Via Terra Lago and East of Golf Cente | Civil plans submitted for Public Sewer. Plans Approved 7/1/22 | Inspect work improvements as scheduled. |
| Terra Lago Four Seasons Tract 32341-F | North of Avenue 44 & East of Harrison | Civil plans submitted for plan check. Completed 1st plan check and notified applicant 5/1/20. Plans Approved 8/15/20.Maintenance Bond in place 8/16/22 | Inspect work improvements as scheduled. |
| Terra Lago Four Seasons Tract 32462-2 | North of Avenue 44 & East of Harrison | Plans approved from previous developer. Development agreement has been recorded. Bonds have been submitted. Construction work is in progress. | Inspect work improvements as scheduled. |
| Tim & Lois Eklund Site 105 | Motorcoach CC 80501 Ave 48 Lot 105 | Plans submitted, Permit 4068 | Inspect work improvements as scheduled. |
| Tower Market #965 | Intersection Monroe Street/Dr Carreon | Plans submitted for Convienient Store/Gas Station, fee paid with check. Plans approved nd notified applicant project ready to permit 6/5/23. Permit 4111 6/9/2023 | Inspect work improvements as scheduled. |
| Tower Market #965 Architectural | Intersection Monroe Street/Dr Carreon | Plans Submitted and fee paid for architectural plans for a gas station. Plans approved and notified applicant project ready to permit 6/5/23. Permit 4111 6/9/2023 | Inspect work improvements as scheduled. |
| West Coast Self Storage | NE Corner of Van Buren and Dr Carreon | Plans submitted for Self Storage, plan check deposit paid | Plans In Queue |
| Woodsprings Suites Ext Stay Hotel | 42-425 Jackson St. | Civil plans submitted for Public Sewer & Plan Fee Paid. Plans approved 2/14/23 and notified applicant | Waiting for owner to process permit paperwork. |

| | November | Fiscal Year |
|--------------------|----------|-------------|
| New Projects | 2 | 11 |
| Projects Permitted | 1 | 4 |
| Projects Finaled | 2 | 13 |

Monthly Capital Improvement Project Update - December 2023

| Project Title | Project Description | Current Status | Fiscal Year Budget | Total Spent to Date |
|--|---|---|---------------------------|----------------------------|
| Reclaimed Water Project Phase 1 | The contract for this project was awarded to Schneider Electric / Stantec. The project design cost was \$2,200,000 and the project schedule was approximately 460 days. 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. The Guaranteed Maximum Price (GMP) has been approved by the Board. 100% design plans have been approved by staff. | Walsh is currently working on installing piping for the new grit chamber, finishing up the last of the digester walls, and beginning the digester dome. | \$39,900,000.00 | \$12,055,470.28 |
| Collections System Rehabilitation Design Projects | There are currently two projects in the design phase for the Collections System Rehabilitation program. The first is the Calhoun Lift Station Improvement Project which will address issues with the Calhoun Lift Station observed during the lift station evaluation project from last fiscal year. They will address the bubbling wet well lining, aging discharge piping, and deficient electrical equipment. The second project is the Southeast Indio Sewer Improvement Project which will include the rehabilitation of existing sewer mains and manholes in another portion of the downtown area and the realignment of a sewer main located in the backyards of residences between Marshall and Grace Street. | Harris has completed and provided 95% plans and specifications for the Calhoun Lift Station rehabilitation project. VSD is currently reviewing the plans and specification for any final revisions. VSD staff are continuing their review of the 65% plans for the next downtown rehab project. | \$400,000.00 | \$275,965.48 |
| Downtown Indio Rehabilitation Project | The Downtown Indio Rehabilitation Project is currently under construction and covers the rehabilitation of existing sewer mains and manholes in a portion of the downtown area, the upsizing of two existing sewer mains between Grace and Salton Street, several point repairs, and the installation of new public sewer in the Indio Motor Machine property. The project was awarded to GRBCON Inc. | The contractor has completed all the rehabilitation and the sewer construction. Only punch list items and final asphalt paving remain. | \$2,200,000.00 | \$1,869,735.22 |
| Westward Ho Sewer Siphon Replacement Design and Construction | Westward Ho Drive Sewer Siphon Replacement project. This is a FEMA funded project to replace the damaged sewer siphon from the February 2019 storm. Permitted Plans have been signed by CVWD and have been approved by the City of Indio and La Quinta. Staff is waiting for a contractor to be awarded the project to finish filing an encroachment permit application as required by CVWD for the permanent pipeline crossing of the channel. 95% Plans and specifications have been sent to FEMA for their review and approval. | This project is currently being held up by FEMA. VSD needs FEMA approval before proceeding with bidding and construction which was expected by February 2023. | \$10,721,000.00 | \$0.00 |
| New Training and Office Building and Laboratory Building | 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 have 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 7th. SGH Architects is continuing with the final design of both the Office & Training and Laboratory Buildings. SGH has submitted 50% design plans which include both buildings for staff review and comment in December 2021. | This project is being delayed for a year or two to allow other priority projects to proceed and maintain our debt coverage. | \$0.00 | \$0.00 |
| 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. | \$0.00 | \$0.00 |
| | | | | |

Environmental Compliance Summary Report for 2023

| Task | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Total YTD |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----|----------|------------|
| Pretreatment | | | | | | | | | | | | | |
| Customer Service Calls | 11 | 10 | 2 | | | 5 | 6 | 9 | 6 | 4 | | | 53 |
| Commercial Approval Letters | 4 | 3 | 1 | | | 7 | 1 | 2 | 4 | 5 | | | 27 |
| Change of Ownership Inspection | 3 | | | | | 4 | 3 | 5 | 3 | 4 | | | 22 |
| SIU Permit Compliance | 3 | 3 | 3 | 3 | | | 2 | 1 | 2 | 4 | | | 21 |
| FOG-FSE Inspections Completed | 22 | 14 | 12 | 6 | 14 | 31 | 23 | 56 | 43 | 49 | | | 270 |
| Commercial Inspections Completed | 4 | 5 | 1 | 1 | | 9 | 3 | 4 | 3 | 4 | | | 34 |
| Environmental & Collections investigations | 3 | 4 | | | | | 1 | | 3 | | | | 11 |
| Failed Inspections or NOV | | | | | | | | | 1 | | | | 1 |
| Total # of Inspections | 32 | 26 | 16 | 10 | 14 | 40 | 29 | 61 | 51 | 57 | | 0 | 336 |
| Laboratory | | | | | | | | | | | | | |
| # of Collected Samples | 266 | 266 | 327 | 255 | 296 | 258 | 277 | 260 | 240 | 262 | | | 2,707 |
| # of Tests (Analyses) | 548 | 537 | 618 | 514 | 574 | 534 | 591 | 628 | 591 | 610 | | | 5,745 |
| # of Samples sent to Contract Labs | 40 | 41 | 36 | 32 | 55 | 31 | 28 | 29 | 23 | 28 | | | 343 |
| # of Contracted Tests (Analyses) | 73 | 142 | 62 | 63 | 149 | 46 | 38 | 41 | 35 | 58 | | | 707 |
| % of Samples performed In-House | 85.0% | 84.6% | 89.0% | 87.5% | 81.4% | 88.0% | 89.9% | 88.8% | 90.4% | 89.3% | | | 87.4% |

November 2023



Wastewater Surveillance

Your Guide to VSD & Pathogens



VSD Program

Wastewater surveillance is used to monitor the presence of pathogens within VSD's service community by tracking trends in virus rates.

Public health officials can utilize the data to prevent and control disease within our service area.

Websites VSD Program data shared with:

- [COVIDPoops19](#)
- [Cal-SuWers Network](#)
- [WastewaterScan](#)
- [CDC Covid Tracker](#)
- [Biobot Covid Tracker](#)

PodCast: [WEF "Sewer Signals"](#)

IN THIS ISSUE

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Program Updates

National Institute on Drug Abuse (NIDA) Program

VSD is now a participant in the Biobot Analytics Phase III contract from the National Institute on Drug Abuse (NIDA) of the National Institutes of Health (NIH). The NIDA funded wastewater-based monitoring program is a collective effort to address substance use, misuse, and related impacts on public health and safety. More information can be found [here](#).

The 12-month NIDA grant funds the collection and analysis of population level substance data by providing wastewater analysis of methamphetamine, cocaine, fentanyl, xylazine, naloxone, and metabolites to help inform future research endeavors, improve public health responses, and allow policymakers to make data-driven decisions.

VSD Sampling began late October - early November and results data will be released as received.

CDC - NWSS

CDC executed a new 12-month Wastewater-based epidemiology (WBE) contract with Verily Life Sciences in September 2023. October 2023, Biobot protested the Verily commercial testing contract.

The CDC-NWSS will be on hold until the protest is resolved. The protest is under review by the Government Accountability Office (GAO) with a decision date of late January 2024.

VSD progress will not be impacted with a coverage gap until the resolution, as we participate in other programs that provide similar data. More information can be found [here](#).

Biobot

VSD in partnership with Biobot Analytics for pathogen surveillance for one (1) Influent composite sample weekly for 12-month duration. Starting the 1st week of November, data will include Flu & RSV in addition to the Covid-19 data. More information can be found [here](#).

WastewaterScan

In early Fall, WastewaterScan increased their Infections Disease Targets to monitor a suite of Respiratory, Gastrointestinal and Outbreak Pathogens of Concern (13 pathogens total). More information can be found [here](#).

WastewaterScan data now uses a Wastewater Categorization system to communicate insights from recent results. Categorization will assist in understanding if the pathogen falls into a low, medium, or high category based on Trends, levels (concentrations) and frequency of detection.

Pathogen Information

Click on the Pathogen name for more information on the CDC website.

Respiratory Pathogens

| | |
|---|--|
| SARS-CoV-2 +Variants | Severe Acute Respiratory Syndrome; spread through droplets from coughs, sneezes, or talking. |
| Influenza A & B | Seasonal respiratory viruses can cause flu pandemics. |
| Respiratory Syncytial Virus (RSV) | Common respiratory virus causing mild, cold-like symptoms. RSV can be serious for infants and older adults. Cause Bronchiolitis (infection of small airways) and pneumonia (infection of lungs). |
| Metapneumovirus (hMPV) | Seasonal respiratory virus related to RSV. |
| Parainfluenza | Cause different types of upper and lower respiratory illnesses most common in infants and young children, and in adults. |
| Enterovirus (EVD68) | Causes common cold, asthma-like symptoms, wheezing, difficulty breathing and in rare cases the polio-like disorder, acute flaccid myelitis (AFM). |

Gastrointestinal Pathogens

| | |
|-------------------------------------|--|
| Adenovirus Group | Targets the GI tract to cause gastroenteritis with symptoms like rotavirus and norovirus. Identified mostly in small children with hepatitis symptoms. |
| Rotavirus | Major cause of GI illness (diarrheal disease) among infants and young children, vaccine preventable. |
| Human Norovirus GII | Leading cause of GI illness |

Other Pathogens of Concern

| | |
|-------------------------------|---|
| Candida auris | Global health threat, emerging fungus resistant to all 3 major antifungal medicines. Infection can vary from superficial (skin) infections to more severe, life-threatening infections. |
| Hepatitis A | Contaminated food or water or contact with infected; symptoms include fatigue, nausea, abdominal pain, loss of appetite and low-grade fever. Inflames the liver to cause mild to severe illness. Vaccine preventable. |
| Mpox | Symptoms like smallpox but milder, rarely fatal. |

Program Timeline

| | |
|---------------------|--|
| Jun - Oct 2021 | US Dept. Health & Human Services (HHS) partnered with Biobot Analytics (12-week fully Funded Program) |
| Oct - Dec 2021 | GTmolecular Labs (VSD sponsored) |
| Jan - Apr 2022 | CDC NWSS partnership with LuminUltra (12-week fully Funded Program) |
| Jan - Jul 2022 | Biobot Network (6-month fully Funded Program) |
| Apr 2022 - Sep 2023 | CDC NWSS Partnership with Biobot Analytics (fully Funded Program) |
| Aug 2022 - ongoing | WastewaterScan: Stanford Initiative partnered with Verily Life Sciences (18-month Stipend funded program) |
| Oct 2023 - ON HOLD | CDC NWSS Partnership with Verily Life Sciences (fully Funded Program) |
| Oct 2023 - ongoing | NIDA partnership with BioBot Network (12-month fully Funded Program) |

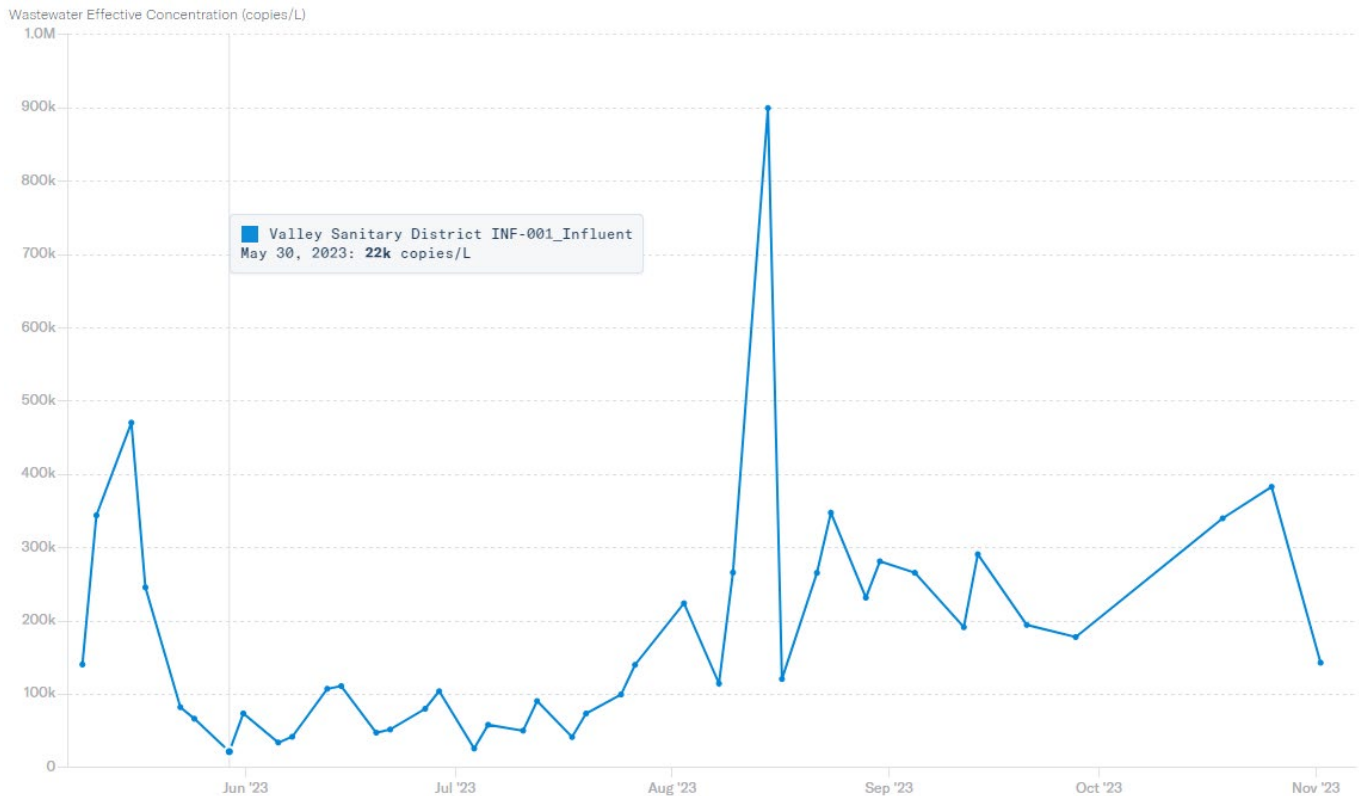
Data Trends

NIDA Substances

Reported units: mg / 1000 people / day

| Date | Cocaine | Benzoylcegonine | Fentanyl | Norfentanyl | Methamphetamine | Amphetamine |
|----------|---------|-----------------|----------|-------------|-----------------|-------------|
| 10/19/23 | 391 | 811 | 17.01 | 24.51 | 2612 | 191 |

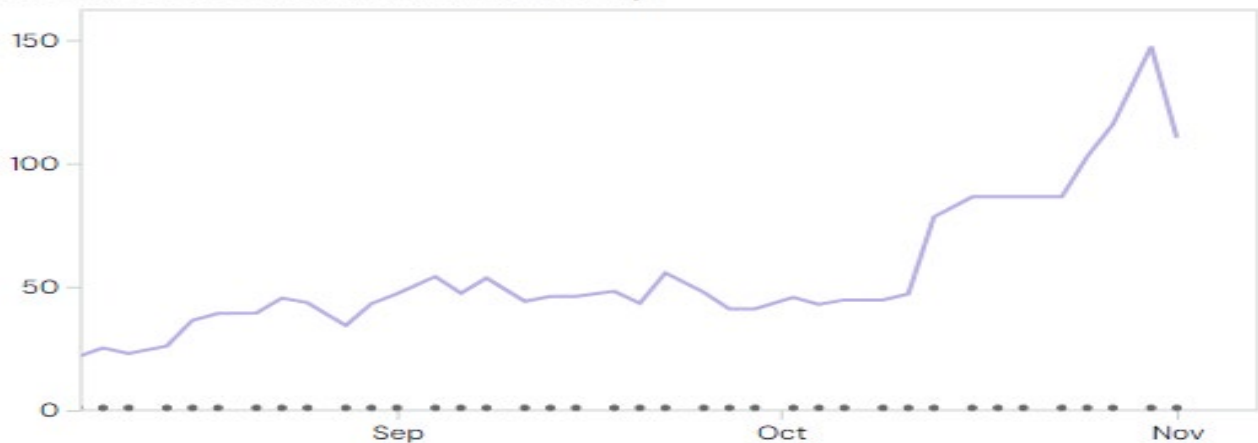
BioBot - SARS-CoV-2 Trends



WastewaterScan Trends

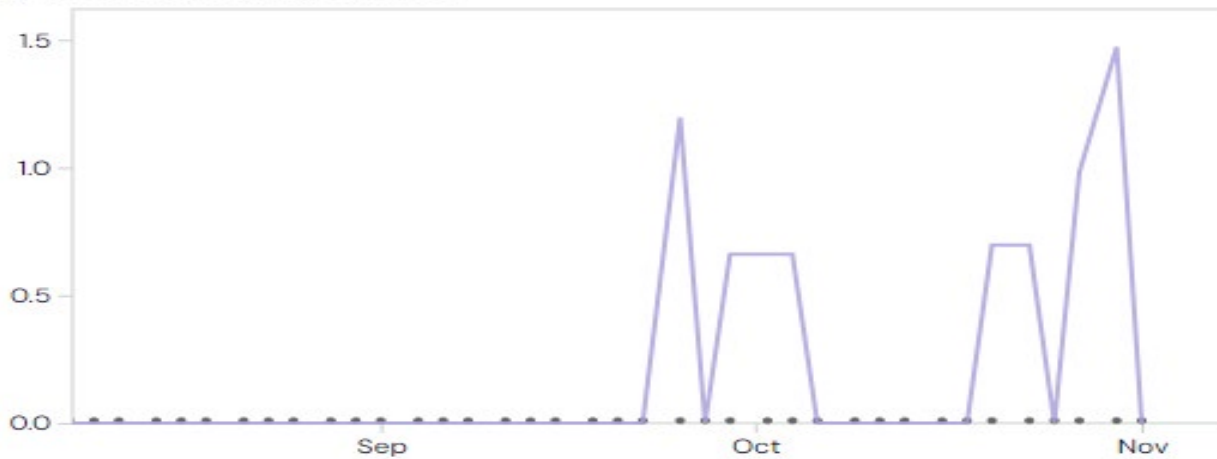
SARS-CoV-2 **Low**

No trend and low concentration in the last 21 days



Influenza Low

Pathogen is seasonal and not in onset

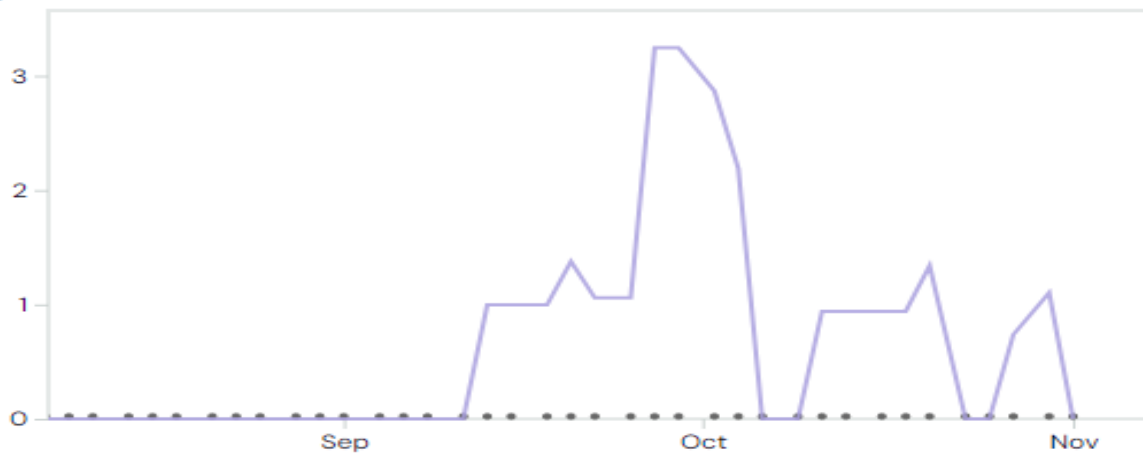


• Sample collected — Influenza A

[See details >](#)

Respiratory syncytial virus (RSV) Low

Pathogen is seasonal and not in onset

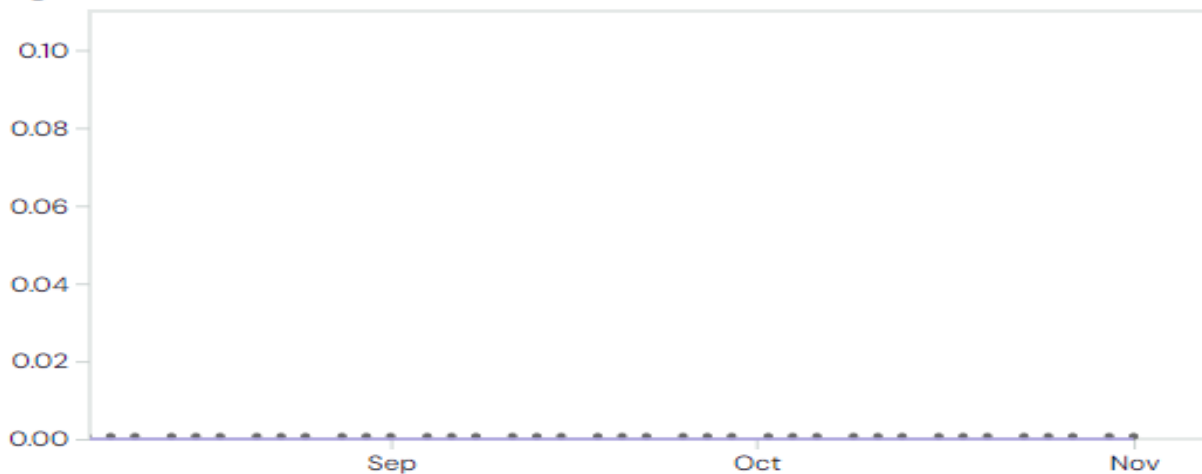


• Sample collected — RSV

[See details >](#)

Human Metapneumovirus Low

Pathogen is seasonal and not in onset

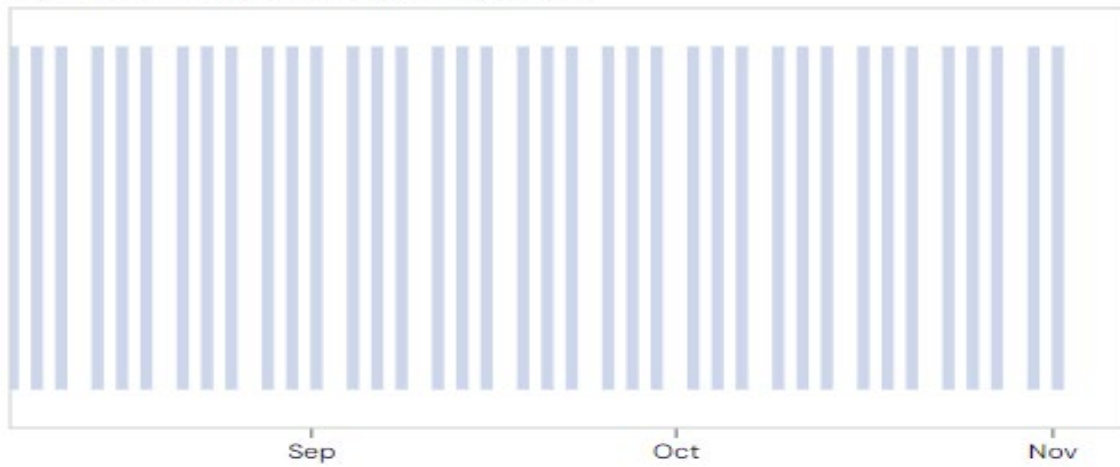


• Sample collected — Human Metapneumovirus

[See details >](#)

Mpox Low

0 out of 5 samples in the past 10 days were positive



Level: ■ Not detected ■ Detected

[See details >](#)

EVD68 Not Calculated

A category was not calculated for this pathogen

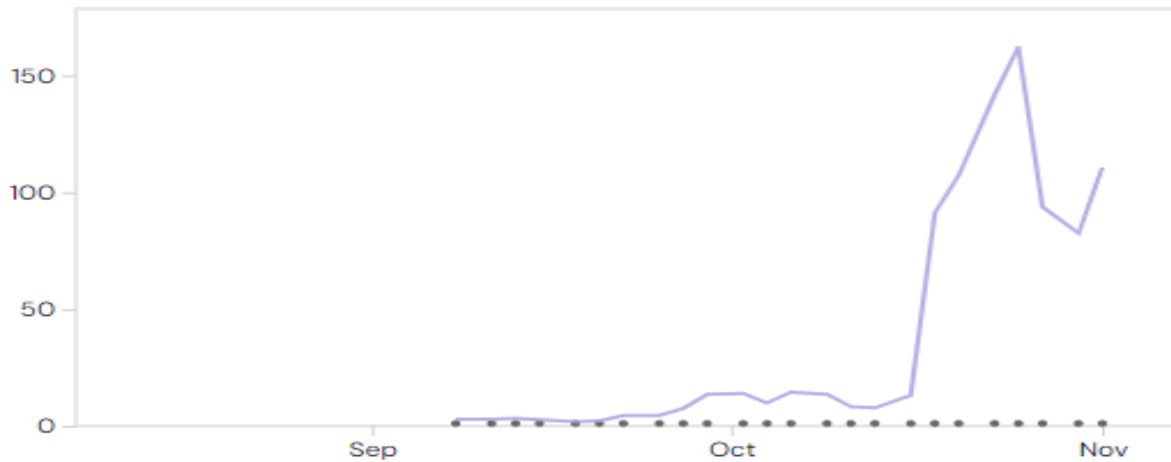


• Sample collected — EVD68

[See details >](#)

Rotavirus Not Calculated

A category was not calculated for this pathogen

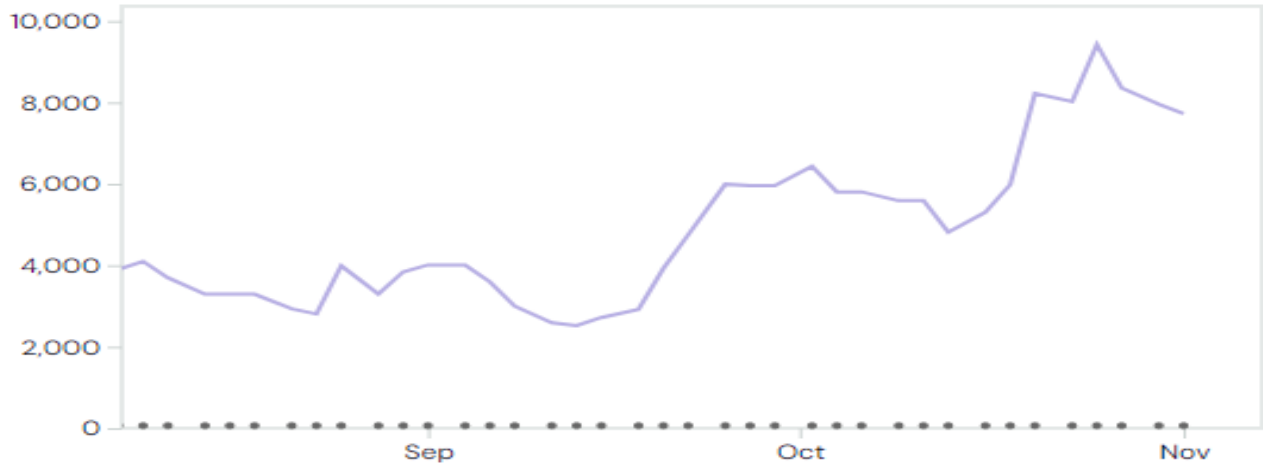


• Sample collected — Rotavirus

[See details >](#)

Norovirus Low

No trend and low concentration in the last 21 days

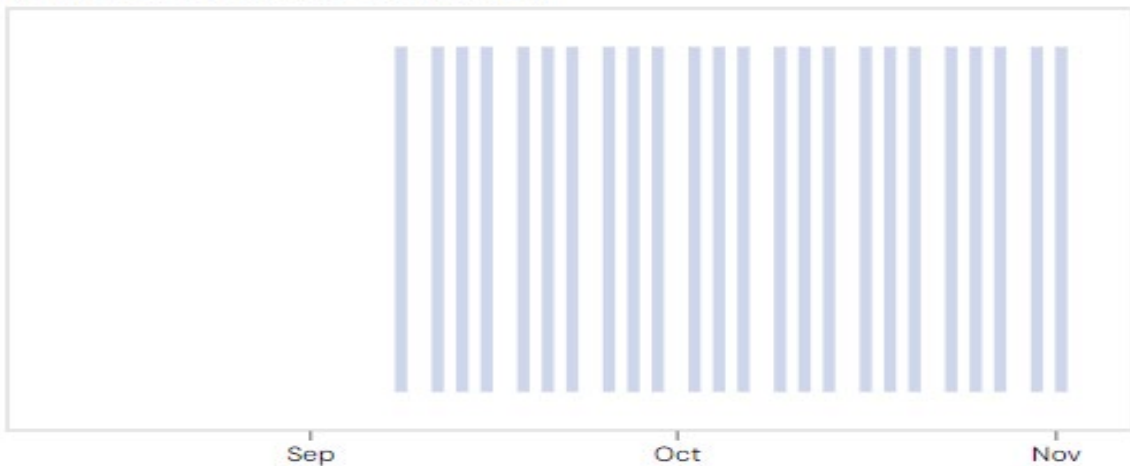


• Sample collected — Norovirus

[See details >](#)

Candida auris Not Calculated

A category was not calculated for this pathogen

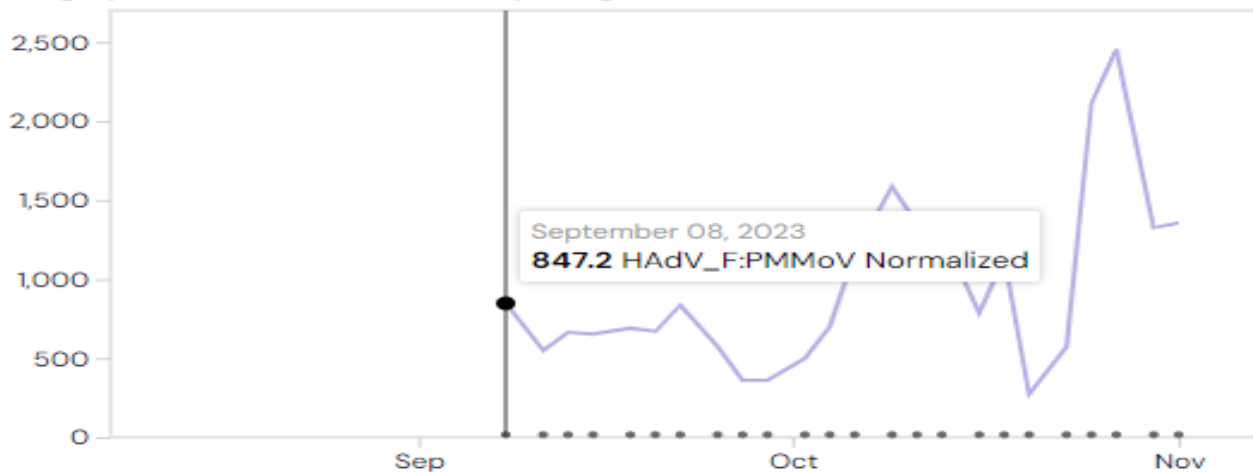


Level: ■ Not detected ■ Detected

[See details >](#)

Human Adenovirus Group F Not Calculated

A category was not calculated for this pathogen

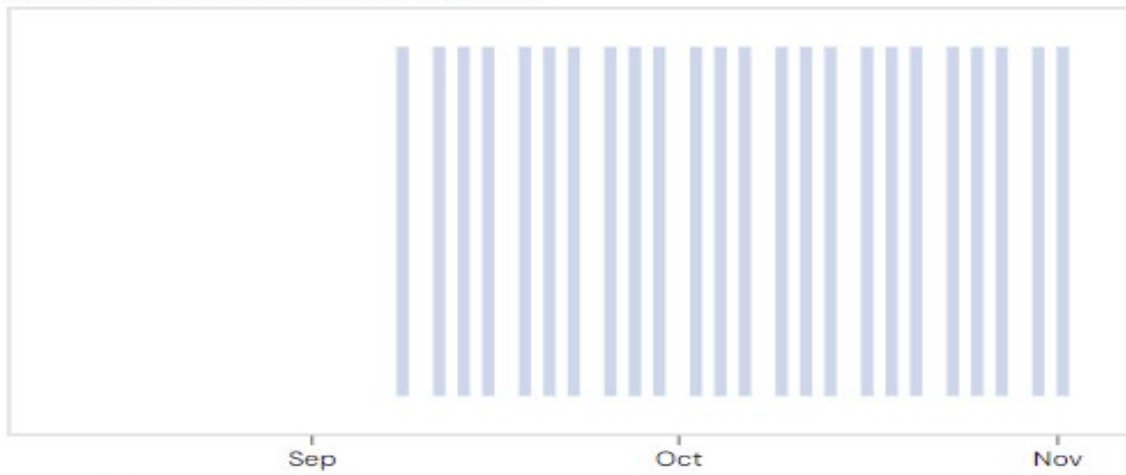


• Sample collected — Human Adenovirus Group F

[See details >](#)

Hepatitis A Not Calculated

A category was not calculated for this pathogen

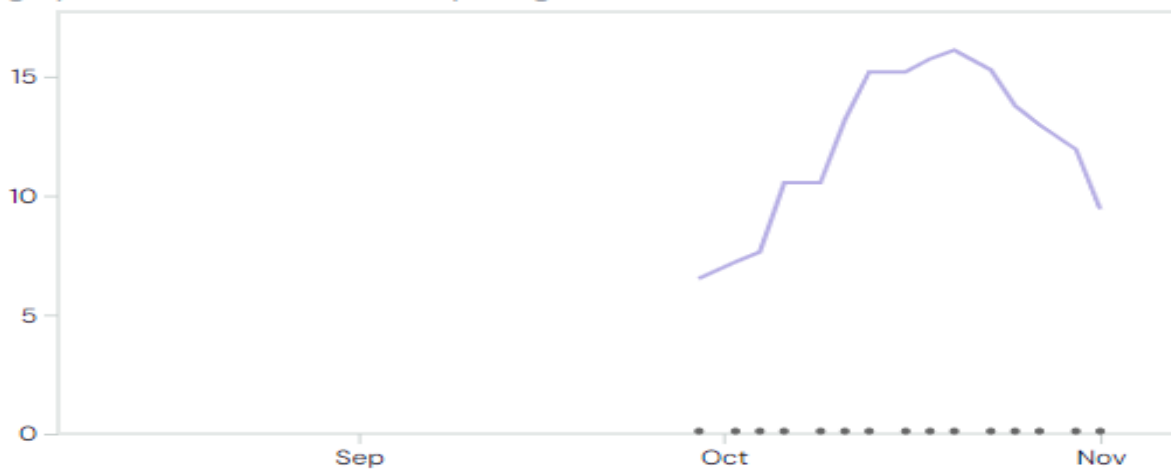


Level: ■ Not detected ■ Detected

[See details >](#)

Parainfluenza Not Calculated

A category was not calculated for this pathogen



• Sample collected — Parainfluenza

[See details >](#)