



Board of Directors Regular Meeting
Tuesday, January 12, 2021 at 1:00 PM
Valley Sanitary District
45-500 Van Buren Street, Indio, CA

*******SPECIAL NOTICE – VIA VIDEOCONFERENCE*******

Pursuant to the Governor's Executive Order N-25-20 issued on March 4, 2020 and N-29-20 issued on March 18, 2020; the Board of Directors regular meeting will be conducted remotely through Zoom.

Members of the public wanting to participate in the open session of the meeting may do so vis the following Zoom registration link:

<https://zoom.us/j/95214593542?pwd=dGFVcExuRmJKZW1BeHAYVetHMDNxZz09> Meeting ID 952 1459 3542. Members of the public wanting to address the Board, either during public comment or for a specific agenda item, or both, are requested to send an email notification no later than 12:30 p.m. on the day of the meeting to the Valley Sanitary District's Clerk of the Board at hgould@valley-sanitary.org.

Page

1. CALL TO ORDER

1.1. Roll Call

1.2. Pledge of Allegiance



2. PUBLIC COMMENT

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











3. CONSENT CALENDAR

Consent calendar items are expected to be routine and noncontroversial, to be

acted upon by the Board of Directors at one time, without discussion. If any Board member requests that an item be removed from the consent calendar, it will be removed so that it may be acted upon separately.

- 3.1. Approve December 29, 2020 Special Meeting Minutes 5 - 7
[3.1 29 Dec 2020 Meeting Minutes.pdf](#) 
- 3.2. Approve Warrants for December 23, 2020 to January 6, 2021 8 - 9
[3.2 Warrants for December 23 to January 6.pdf](#) 

4. NON-HEARING ITEMS

- 4.1. Approve Purchase of a New Telephone System from Southwest Networks 10 - 11
[4.1 Authorize Phone System Upgrade.pdf](#) 
- 4.2. Cal-OSHA COVID-19 Prevention Standards Cubicle Rentals and Purchase of Computers 12 - 24
[4.2 Cal-OSHA Prevention Standards Cubicle Rental and Computers.pdf](#) 
[4.2 Attachment A Cal-Osha COVID-19 Prevention Standards.pdf](#) 
[4.2 Attachment B Photos of Workspaces.pdf](#) 
[4.2 Attachment C Cubicle Drawings.pdf](#) 
- 4.3. Wastewater Rate Study Update 25 - 57
[4.3 Wastewater Rate Study Update.pdf](#) 
[4.3 Attachment A Technical Memo NBS.pdf](#) 
[4.3 Attachment B Wastewater Rate Study Update Presentation.pdf](#) 
- 4.4. Board Laptop Quotes 58 - 63
[4.4 Board Laptop Quotes.pdf](#) 
[4.4 Attachment A Laptop Quotes.pdf](#) 

5. GENERAL MANAGER'S ITEMS

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

5.1. Monthly General Manager's Report - November 2020 64 - 76

[5.1 Staff Report GM Report November.pdf](#) 

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

[5.1 Attachment B Operations Report Nov.pdf](#) 

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

[5.1 Attachment D Development Services Report Nov.pdf](#) 

[5.1 Attachment E Capital Improvement Program Update for Nov.pdf](#)


5.2. Update on COVID-19 Regional Lockdown and Related Impacts on District Operations

6. COMMITTEE REPORTS

6.1. Budget & Finance Committee - Draft January 5, 2021 Regular meeting Minutes 77 - 78


[6.1 5 Jan 2021 Committee Meeting Minutes.pdf](#) 

7. DIRECTOR'S ITEMS

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

8. INFORMATIONAL ITEMS

8.1. Vacation Leave Balances and Cost for Payout for All Employees 79 - 81

[8.1 Vacation Leave Balances and Cost for Payout for All Employees.pdf](#) 

[8.1 Attachment A Vacation Accruals.pdf](#) 

9. PUBLIC COMMENT

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

10. CONVENE IN CLOSED SESSION

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

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

11. CONVENE IN OPEN SESSION

Report out on Closed Session items

12. ADJOURNMENT

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

UNOFFICIAL UNTIL APPROVED

**VALLEY SANITARY DISTRICT
MINUTES OF SPECIAL BOARD MEETING
December 29, 2020**

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

A special Board Meeting of the Governing Board of Valley Sanitary District (VSD) was held via teleconference, on Tuesday, December 29, 2020.

1. CALL TO ORDER

President Sear called the meeting to order at 1:01 p.m.

1.1 Roll Call

Directors Present:

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

Staff Present:

Beverli Marshall, General Manager, Holly Gould, Ron Buchwald, and Jeanette Juarez

1.2 Pledge of Allegiance

2. PUBLIC COMMENT

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

None.

3. CONSENT CALENDAR

3.1 Approve December 8, 2020 Regular Meeting Minutes

3.2 Approve Warrants for December 4 to December 17, 2020

3.3 Accept Grant Easement in a Private Street West of Spectrum Street and South of Avenue 42 and Authorize General Manger to Sign the Certificate of Acceptance

3.4 Authorize Tuition Reimbursement for Beverli A. Marshall, General Manager, in an Amount Not to Exceed \$1,000

ACTION TAKEN:

MOTION:

Director Teague a motion to approve the consent calendar items as presented. Vice President Coleman seconded the motion. Motion carried unanimously.

MINUTE ORDER NO. 2020-3071

UNOFFICIAL UNTIL APPROVED

4. NON-HEARING ITEMS

4.1 Authorize Cabazon Road Slope Protection Change Order No. 2

On September 8, the Board awarded a contract to Desert Concepts Construction, Inc. not to exceed \$40,425 with a 10% contingency for unforeseen circumstances. The contingency has not been used and will carry over for this Change Order work. On October 27, the Board approved Change Order No. 1 for \$54,560. The slope stabilization work for phase 2 has been completed. Staff continues to be satisfied with the results and would like to continue this work to the south. The City of Indio also has reviewed the work and agrees to allow the contractor to continue the work to the south. Staff requested a change order proposal to continue the work approximately 730 feet to the south which will end at the southerly end of the District's property. This will complete the project and provide slope protection along the entire fence line south of the Bird center entrance. The total cost of Change Order No. 2 is \$63,118. The total cost of the contract including Change Orders No. 1 and No. 2 is \$158,103. The current budget for the Cabazon Road Slope Stabilization project is \$250,000.

ACTION TAKEN:

MOTION: Director Duran made a motion to authorize the General Manager to approve Change Order No. 2 for \$63,118 for the slope restoration and stabilization project. Secretary Canero seconded the motion. Motion carried by the following roll call vote:

AYES: Canero, Coleman, Duran, Sear, Teague

NOES: None

MINUTE ORDER NO. 2020-3072

4.2 Authorize One-Time Administrative Leave Carryover for General Manager

Due to the COVID-19 pandemic, general stay-at-home orders, and the recent regional lockdown, the General Manager authorized a temporary increase in the maximum cap for vacation accrual for all employees. For the same reasons, the General Manager has been unable to utilize the annual allocation of Administrative Leave. Approximately 22 hours will remain at calendar year-end and requests a once-time carryover of those hours. Secretary Canero requested a report of all employees accrued vacation hours. A discussion took place regarding vacation time and administrative leave.

ACTION TAKEN:

MOTION: Vice President Coleman made a motion to authorize a one-time, non-precedent setting carryover of the General Manager's Administrative Leave balance to the new calendar year. Director Teague seconded the motion. Motion carried by the following roll call vote:

AYES: Canero, Coleman, Sear, Teague

NOES: Duran

MINUTE ORDER NO. 2020-3073

5. GENERAL MANAGER'S ITEMS

5.1 Update on COVID-19 Regional Lockdown

UNOFFICIAL UNTIL APPROVED

Ms. Marshall updated the board with the current COVID mandatory stay at home order that was put into place on December 9, 2020. As of December 29, Governor Newsome extended the order for three more weeks. The district will continue with the Team A/Team B schedule with half of the operations, maintenance and collections staff alternating working from home. The administration and development services departments will also continue a work from home schedule. Staff has sent a request to the state to reprioritize wastewater workers so they may be included in the next round of vaccinations. CASA and CWEA are both advocating at federal and state levels as well. At this time, the district will not be enforcing the vaccine but is highly encouraging employees to get it.

6. COMMITTEE REPORTS

The Budget & Finance Committee is scheduled for January 5, 2021 at 1:00 p.m.

7. DIRECTOR'S ITEMS

Director Duran informed the Board that he turned in his Wells Fargo token to staff. President Dear stated that token holders will remain the Board President and Board Treasurer. Vice President Coleman requested a closed session item be put on the agenda for the next meeting to discuss an interim review for the General Manager. It was suggested that dedication be made in Doug York's honor, such as a naming of a street or building at the district. Director Duran stated that the District's previous General Manager, Dr. Glowitz, extended his sympathies on the passing of Doug York. President Dear thanked past president Mike Duran for his dedication and support.

8. INFORMATIONAL ITEMS

The CASA Winter Conference will be held virtually on January 27-28, 2021.

9. ADJOURNMENT

There being no further business to discuss, the meeting was adjourned at 1:52 p.m. in memory of Douglas A. York, Director at Valley Sanitary District for 16 years. The next regular board meeting will be held January 12, 2021.

Respectfully submitted,

Holly Gould, Clerk of the Board
Valley Sanitary District

DISBURSEMENTS
Approved at the Board Meeting of
January 12, 2021

| | | |
|--|--|-------------|
| 38871 Analytical Technology, Inc. | Pump Drive and Replacement Kit | \$476.15 |
| 38872 Best, Best & Krieger | General Legal Consultations | \$1,772.62 |
| 38873 Birdseye Planning Group | Studies and Report from July 2020 to Dec 2020 | \$17,440.00 |
| 38874 Caltest Analytical Laboratory | Monthly Samples 12/11/2020 | \$995.00 |
| 38875 Cintas Corp | Uniforms, Mats, Towels, Etc for Week of 12/17/2020 | \$712.64 |
| 38875 Cintas Corp | First Aid Supplies Replenishment | \$129.49 |
| 38875 Cintas Corp | Uniforms, Mats, Towels, Etc for Week of 12/10/2020 | \$649.89 |
| 38876 Clairemont Equipment | Boom Lift Rental | \$2,386.20 |
| 38877 Core-Rosion Products | 8050 Gallon Storage Tank Sodium Hypochlorite | \$22,455.50 |
| 38878 D & H Water Systems | 6100 Gallon Tank Sodium Bisulfite | \$30,157.75 |
| 38879 Denali Water Solutions | Biosolids Hauling Nov 2020 | \$6,026.10 |
| 38880 Dept. of Motor Vehicles | Pull Notices as of 12/10/2020 | \$5.00 |
| 38881 Desert Hose & Supply | Pressure Wash Hose, Connectors | \$130.10 |
| 38881 Desert Hose & Supply | 6' Hose and Female Piping | \$294.08 |
| 38882 DRT Transport | (3) 90 day Inspections | \$285.00 |
| 38882 DRT Transport | International Vac Maint | \$975.72 |
| 38882 DRT Transport | HW T440 Vac Maint | \$812.05 |
| 38883 E.S. Babcock & Sons, Inc. | Biosolids Class B Testing | \$361.00 |
| 38884 Fulton Distributing Co. | Disinfectant Spray | \$305.11 |
| 38885 Hach Company | Nutrient Solution, Ammonium, Vial Test Kits | \$474.89 |
| 38886 Harris & Associates | Professional Services for Nov 2020 | \$21,694.00 |
| 38887 Indio Water Authority | EVRA Contribution FY 2020/2021 | \$31,927.50 |
| 38888 Kaman Industrial Technologies | Ball Bearing | \$181.31 |
| 38889 McMaster-Carr Supply Co. | Thick Wall PVC Piping | \$323.29 |
| 38890 NBS Government Finance Group | Sewer Service Admin Charges 1/1/2021-3/31/2021 | \$4,361.18 |
| 38891 NSI Solutions Inc. | GCA Concentrate Snips | \$149.00 |
| 38892 Polydyne, Inc. | Polymer Delivery 12/16/2020 | \$7,248.62 |
| 38893 Price's Nursery & Garden Supply | 17 Ton Crane Rental | \$330.00 |
| 38894 Quinn Company | Cooling System Maint Gen #2 | \$3,582.31 |
| 38894 Quinn Company | Load Bank Test Gen 2 | \$2,450.00 |
| 38895 Rudy's Pest Control | Gopher Control | \$1,926.25 |
| 38896 Uline Shipping Supply | Magnetic Labels | \$77.08 |
| 38897 Univar Solutions | Sodium Hypochlorite Del 12/15/2020 | \$7,101.58 |
| 38897 Univar Solutions | Ferric Chloride Del 12/11/2020 | \$1,076.63 |
| 38898 UPS | Charge on 11/14/2020 | \$7.91 |
| 38899 YSI Inc | Influent Pump Sensor Relays | \$3,061.50 |
| 38900 Zoom Video Communications Inc. | Zoom Monthly Fee Dec 2020 | \$42.40 |
| 38901 American Material Company | Tools and Cabinet | \$1,240.84 |
| 38901 American Material Company | Gloves | \$1,102.73 |
| 38902 Around The Clock Call Center | Call Center for January 2021 | \$141.00 |
| 38903 Beverli Marshall | Tuition Reimbursement Oct-Dec 2020 | \$1,000.00 |
| 38904 Birdseye Planning Group | Cultural and Biological Studies from Dec 2020 | \$10,450.00 |
| 38905 Calif. Assoc. of Sanitation Agencies | Winter Conference Jan 27-28 2021 | \$165.00 |
| 38906 Carollo Engineering, Inc | Professional Services from Nov 2020 | \$24,539.25 |
| 38907 Eberhard Equipment | Battery for Kubota Kart | \$137.87 |
| 38908 Hach Company | Nitrogen nitrate, Sample Cell | \$433.17 |
| 38908 Hach Company | Nitrate Ionic Strg Adj | \$203.87 |
| 38909 Harrington Industrial Plastics, Inc. | So2 Tank Heaters | \$5,448.27 |
| 38910 Kaman Industrial Technologies | Sure Flex Sleeve | \$19.04 |
| 38911 Mark Wiseman | CPR Training Reimbursement | \$218.73 |
| 38912 McMaster-Carr Supply Co. | Flexible Rubber Foam Pipe | \$188.60 |
| 38913 Praxair Distribution, Inc. | Tank Rental Dec 2020 | \$138.35 |
| 38914 Quinn Company | Water Hoses | \$73.48 |
| 38915 ReadyRefresh by Nestle | Water Delivery Dec 2020 | \$1,597.76 |

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|--|--|--------------|
| 38916 Staples Advantage | Staples Orders for Dec 2020 | \$1,201.21 |
| 38917 Superior Protection Consultants | Security Patrol Dec 2020 | \$6,552.00 |
| 38918 United Way of the Desert | PR 12/11/2020 - 12/24/2020 PD 12/31/2020 | \$25.00 |
| 38919 Univar Solutions | Ferric Chloride 12/29/2020 | \$7,233.62 |
| 38919 Univar Solutions | Sodium Hypochlorite 12/29/2020 | \$7,086.57 |
| 38919 Univar Solutions | Sodium Bisulfite 12/29/2020 | \$6,511.98 |
| 202012231 Umpqua Bank | New Charges for November 2020 | \$10,458.78 |
| 202012281 Basic | PR 11/27/2020 - 12/10/2020 PD 12/18/2020 | \$208.37 |
| 202012296 CalPERS Health | Health Insurance for January 2021 | \$31,226.25 |
| 202012301 Domino Solar LTD | Electricity for November 2020 | \$4,077.49 |
| 202012302 CalPERS 457 | PR 12/11/2020 - 12/24/2020 PD 12/31/2020 | \$1,000.00 |
| 202012303 CalPERS Retirement | PR 12/11/2020 - 12/24/2020 PD 12/31/2020 | \$18,483.60 |
| 202012304 Vantage Point Transfer Agents - ICMA | PR 12/11/2020 - 12/24/2020 PD 12/31/2020 | \$1,495.00 |
| 202012305 MassMutual | PR 12/11/2020 - 12/24/2020 PD 12/31/2020 | \$10.00 |
| 202012306 Nationwide Retirement Solution | PR 12/11/2020 - 12/24/2020 PD 12/31/2020 | \$785.00 |
| 202012307 CalPERS Retirement | 2021 Social Security Admin 218 - Annual Fee | \$400.00 |
| 202012308 Colonial Life | PR 11/13/2020 - 11/26/2020 PD 12/04/2020 | \$348.67 |
| 202012308 Colonial Life | PR 11/27/2020 - 12/10/2020 PD 12/18/2020 | \$348.67 |
| 202012311 Paychex - Direct Deposit | PR 12/11/2020 - 12/24/2020 PD 12/31/2020 | \$71,238.95 |
| 202012312 Paychex - Fee | PR 12/11/2020 - 12/24/2020 PD 12/31/2020 | \$161.08 |
| 202012313 Paychex - Garnishment | PR 12/11/2020 - 12/24/2020 PD 12/31/2020 | \$210.46 |
| 202012314 Paychex - Fee | 2020 1099 Processing Fee | \$113.54 |
| 202012318 Standard Insurance Company | Dental and Vision Insurance for January 2021 | \$3,451.00 |
| 202012319 Paychex - Tax | PR 12/11/2020 - 12/24/2020 PD 12/31/2020 | \$30,182.86 |
| 202101011 Standard Insurance Company | Life and Disability Insurance for January 2021 | \$1,271.46 |
| 202101041 Imperial Irrigation District | Electricity for November 2020 | \$50,442.78 |
| 202101051 Indio Water Authority | Water for November 2020 | \$1,275.75 |
| 202101061 Cintas Corp | Uniforms, Mats, Towels, Etc for Week of 12/24/2020 | \$628.20 |
| 202101061 Cintas Corp | Uniforms, Mats, Towels, Etc for Week of 12/31/2020 | \$652.88 |
| 202101062 SoCal Gas | Gas Service for December 2020 | \$616.41 |
| 202101065 Pitney Bowes, Inc. | Postage Rental Jan-Mar 2021 | \$127.24 |
| 202101102 Burrtec Waste & Recycling Svcs | Grit Removal for December 2020 | \$2,376.24 |
| 202101102 Burrtec Waste & Recycling Svcs | Trash Service for January 2021 | \$241.21 |
| 202101121 Frontier Communications | Telephone Service for January 2021 | \$303.50 |
| | | \$480,228.58 |



**Valley Sanitary District
Board of Directors Meeting
January 12, 2021**

TO: Board of Directors
THROUGH: Beverli A. Marshall, General Manager
FROM: Jeanette Juarez, Business Services Manager
SUBJECT: Telephone System Hardware and Software Upgrade

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

Executive Summary

The purpose of this report is for the Board of Directors to review and approve the telephone system hardware and software upgrade for the District.

Strategic Plan Compliance

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

Fiscal Impact

The \$25,000 for this contract will be funded using Board approved carryover operating funds from FY2019/20.

Background

The District’s current Cisco UG560 Voice over Internet Protocol (VOIP) telephone system, implemented in 2011, is outdated and no longer meets the District’s needs. The District is under contract with Spectrum for its voice service until 2022. To terminate the contract with Spectrum would cost the District approximately \$10,000. It was determined that it was best to fulfill the contract with Spectrum and replace the outdated hardware and upgrade the software.

Staff contacted three (3) telecom providers for quotes to replace/update the existing hardware. Only Southwest Networks was able to provide the District with a new system upgrade compatible with the current Spectrum voice service. The proposal from Southwest Networks includes warranty, support, initial training, new upgraded equipment, and user licenses (app and web-based app) for all employees. The new system is compatible with the District’s SCADA system. The time frame of implementing the new system is approximately 30 to 60 days. Implementation includes, ordering equipment, base configuration, and training.

Recommendation

Recommend that the Board of Directors delegate authority to the General Manager to negotiate and execute a contract with Southwest Networks to purchase new phones and software upgrades for a total cost not to exceed \$25,000 including tax and installation upon approval as to form by Valley Sanitary District's General Counsel.

Attachments

None.



**Valley Sanitary District
Board of Directors Meeting
January 12, 2021**

TO: Board of Directors

THROUGH: Beverli A. Marshall, General Manager

FROM: Jeanette Juarez, Business Services Manager

SUBJECT: Cal/Osha COVID-19 Prevention Standards Cubicle Rentals and Purchase of Computers

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

Executive Summary

The purpose of this report is to provide the Board of Directors information regarding Cal/OSHA COVID-19 Emergency Temporary Standards and to discuss the physical distancing required protocols as of December 20, 2020.

Strategic Plan Compliance

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

Fiscal Impact

The fiscal impact to implement the physical distancing standards would be \$35,781 for 12-month cubicle rentals and \$7,625 for six (6) new desktop computers. A budget adjustment would be required to include this expense in the current FY2020/21 budget. To help recover some of the costs a FEMA grant application would be submitted to cover the cost of the cubicle rentals.

Background

As of December 1, 2020 Cal/OSHA’s emergency regulations requiring employers to protect workers from hazards related to COVID-19 are in effect, following their approval by the Office of Administrative Law.

The standards were developed to protect workers and help prevent workplace exposure to COVID-19 and lower the possibilities of an outbreak in the workplace. The regulations require that employers implement a site-specific written COVID-19 Prevention Program (CPP) to address COVID-19 health hazards, correct unsafe or unhealthy conditions and provide face coverings. When there are multiple COVID-19 infections or outbreaks at the worksite, employers must provide COVID-19 testing and

notify public health departments. The regulations also require accurate recordkeeping and reporting of COVID-19 cases.

The Facility Maintenance Supervisor, The Human Resources Specialist, and the Business Services Manager have been working with a consultant to develop the CPP. One (1) of the compliance requirements in the CPP is the control of COVID-19 Hazards as it relates to physical distancing. The compliance requirement states that where possible to ensure at least six (6) feet of distancing at all times in the workplace.

The team has identified four (4) workspace areas that need to be modified to meet the physical distancing requirements.

- Operations Control Room
- Electrician's Office
- Collection Crew's Office
- Laboratory Office

To help remedy the current workspace situation the team has developed a plan to rent and install temporary cubicles to assist with the Cal/OSHA physical distancing requirement. Six (6) additional desktops would also need to be purchased to eliminate equipment sharing.

For the Boards review Attachment B Photos of Workspaces shows pictures of the current workspace configuration which do not meet the physical distancing requirement. Attachment C Cubicle Rental Drawings illustrate how the cubicle configuration would assist in meeting the physical distance requirement.

Recommendation

Recommend that the Board of Directors receive this report for information.

Attachments

| | |
|--------------|--|
| Attachment A | Cal/OSHA COVID-19 Prevention Standards |
| Attachment B | Photos of Workspaces |
| Attachment C | Cubicle Rental Drawings |

Cal/OSHA COVID-19 Emergency Temporary Standards – What Employers Need to Know

December 18, 2020

California approved emergency temporary Cal/OSHA standards on COVID-19 infection prevention on November 30, 2020. These new **temporary standards** apply to most workers in California not covered by Cal/OSHA's Aerosol Transmissible Diseases **standard**.

Requirements for employers covered by the COVID-19 Prevention standard

- Establish, implement, and maintain an effective written COVID-19 Prevention Program that includes:
 - Identifying and evaluating employee exposures to COVID-19 health hazards.
 - Implementing effective policies and procedures to correct unsafe and unhealthy conditions (such as safe physical distancing, modifying the workplace and staggering work schedules).
 - Providing and ensuring workers wear face coverings to prevent exposure in the workplace.
- Provide effective training and instruction to employees on how COVID-19 is spread, infection prevention techniques, and information regarding COVID-19-related benefits that affected employees may be entitled to under applicable federal, state, or local laws.

Cal/OSHA has developed a [COVID-19 Model Prevention Program](#) to assist employers with developing their own written program

When there are multiple COVID-19 infections and COVID-19 outbreaks

Employers must follow the requirements for testing and notifying public health departments of **workplace outbreaks** (three or more cases in a workplace in a 14-day period) and **major outbreaks** (20 or more cases within a 30-day period).

- **COVID-19 testing for employees who might have been exposed**

Requires employers to offer COVID-19 testing at no cost to their employees during their working hours who had potential COVID-19 exposure in the workplace and provide them with the information on benefits.

- **Notification requirements to the local health department**

A new requirement that obligates employers to contact the local health department immediately but no longer than 48 hours after learning of three or more COVID-19 cases to obtain guidance on preventing the further spread of COVID-19 within their workplace.

Recordkeeping and reporting COVID-19 cases

Employers must maintain a record of and track all COVID-19 cases, while ensuring medical information remains confidential. These records must be made available to employees, authorized employee representatives, or as otherwise required by law, with personal identifying information removed. When a COVID-19-related serious illness (e.g., COVID-19 illness requiring inpatient hospitalization) or death occurs, the employer must **report** this immediately to the nearest Cal/OSHA enforcement district office.

This guidance document is an overview. For the full requirements, see title 8 sections [3205](#), [3205.1](#), [3205.2](#), [3205.3](#), [3205.4](#)

ATTACHMENT B

PHOTOS OF WORKSPACES



OPERATIONS CONTROL ROOM



LABORATORY OFFICE



ELECTRICIAN'S OFFICE



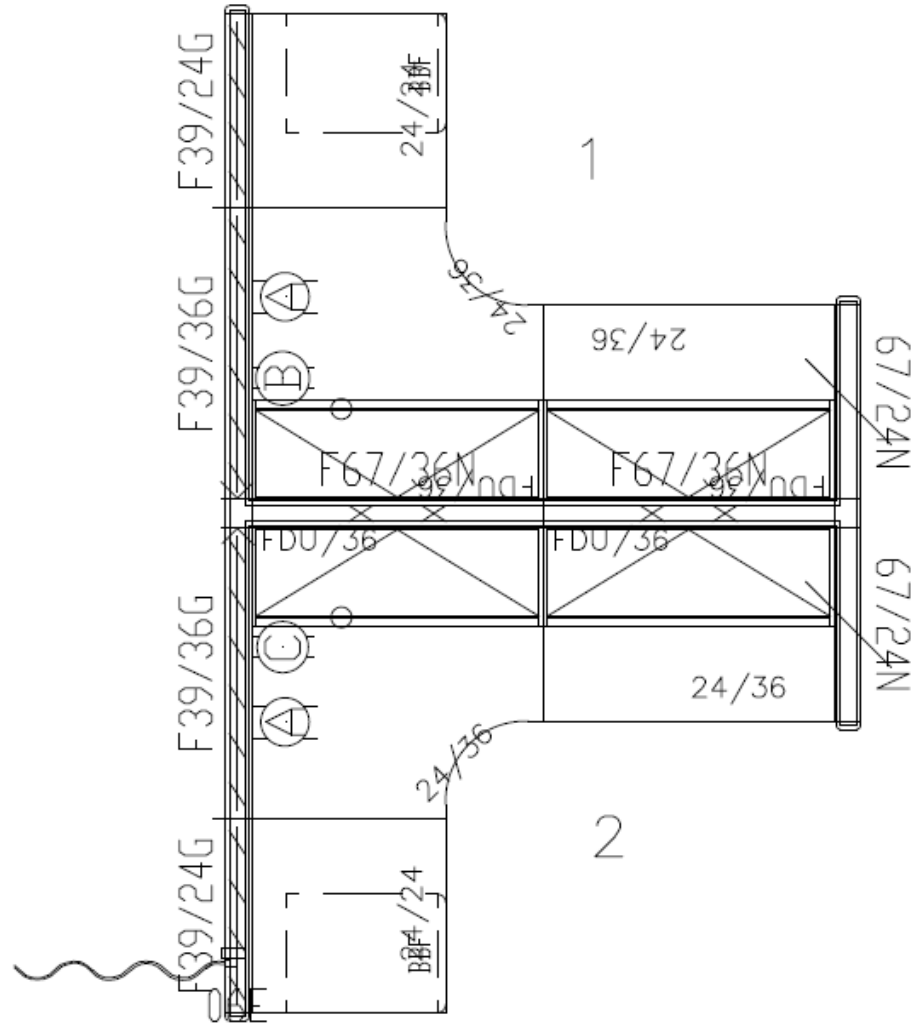
COLLECTION CREW'S OFFICE



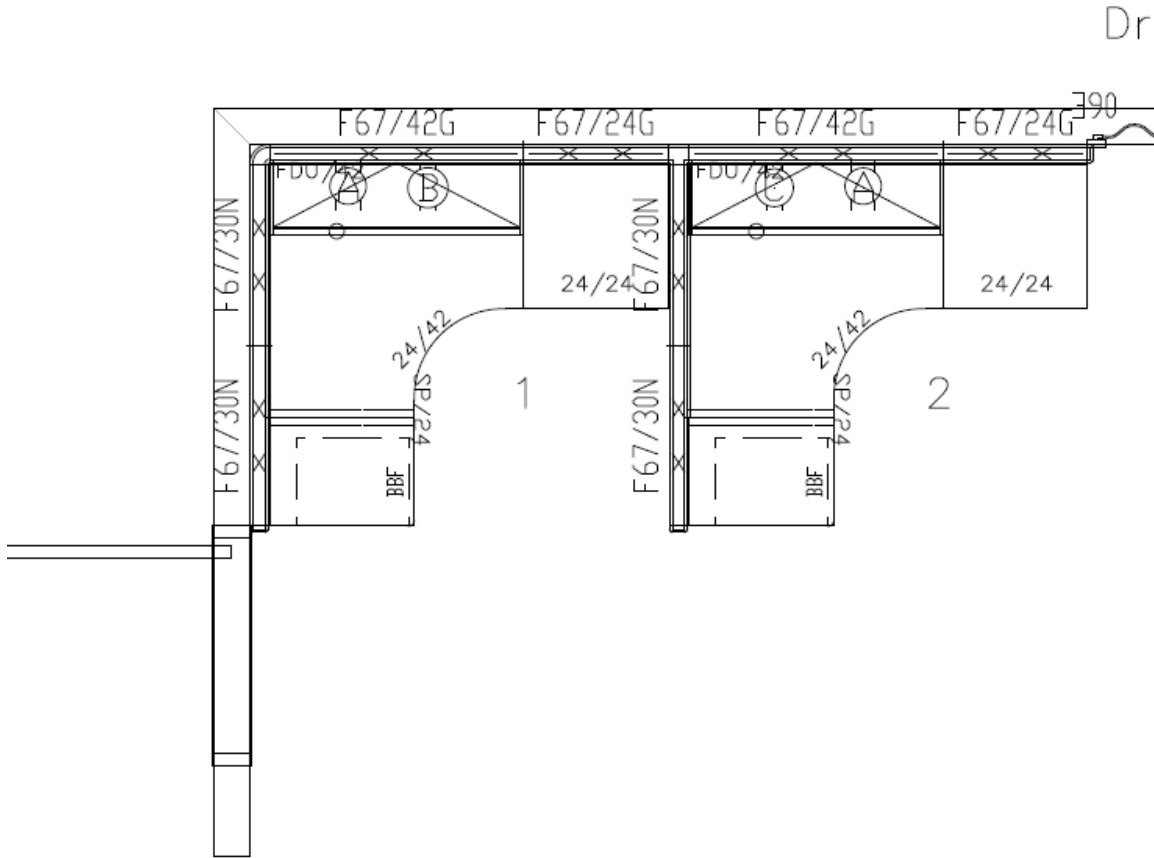
Attachment C

Cubicle Rental Drawings

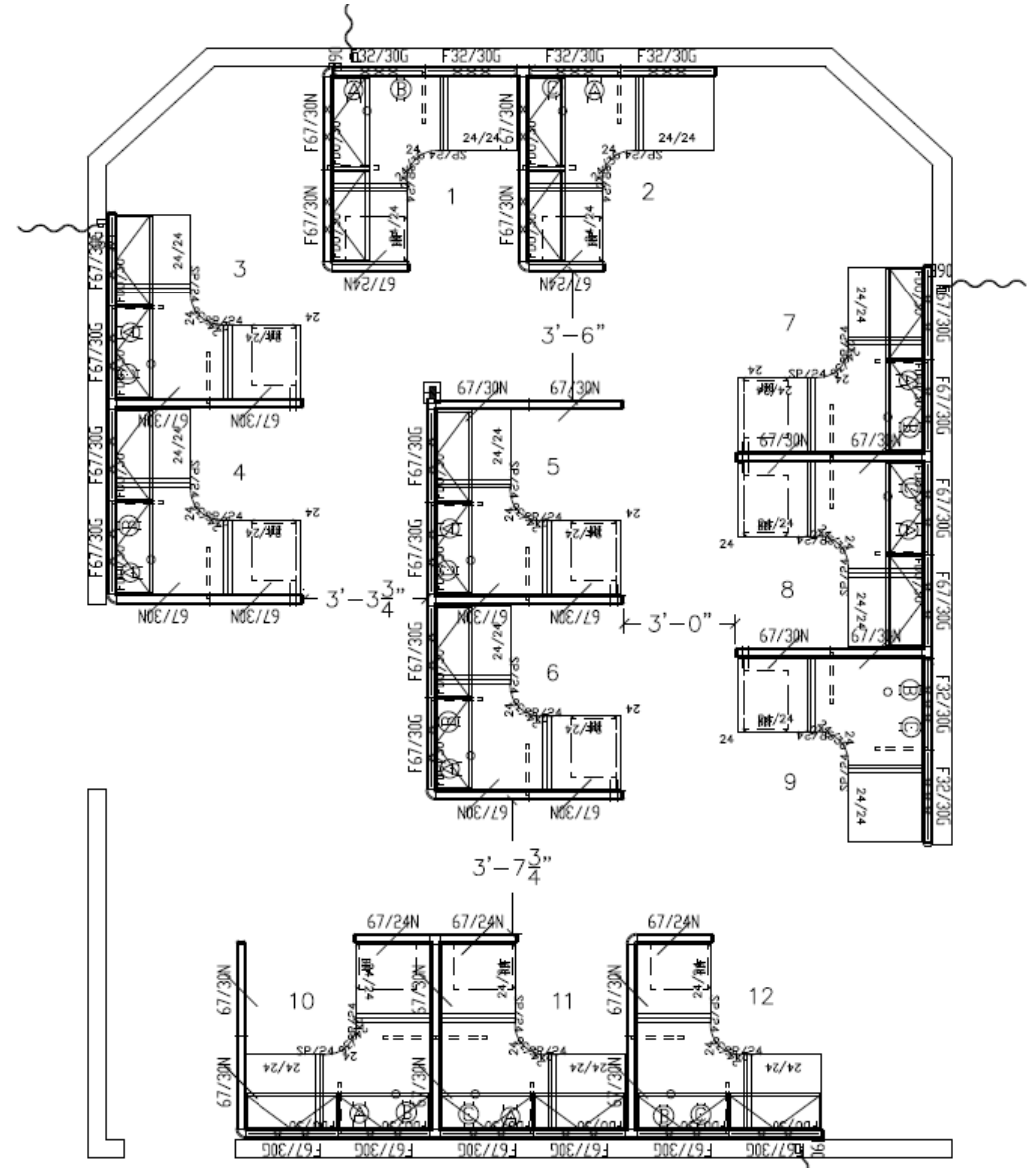
Laboratory Office



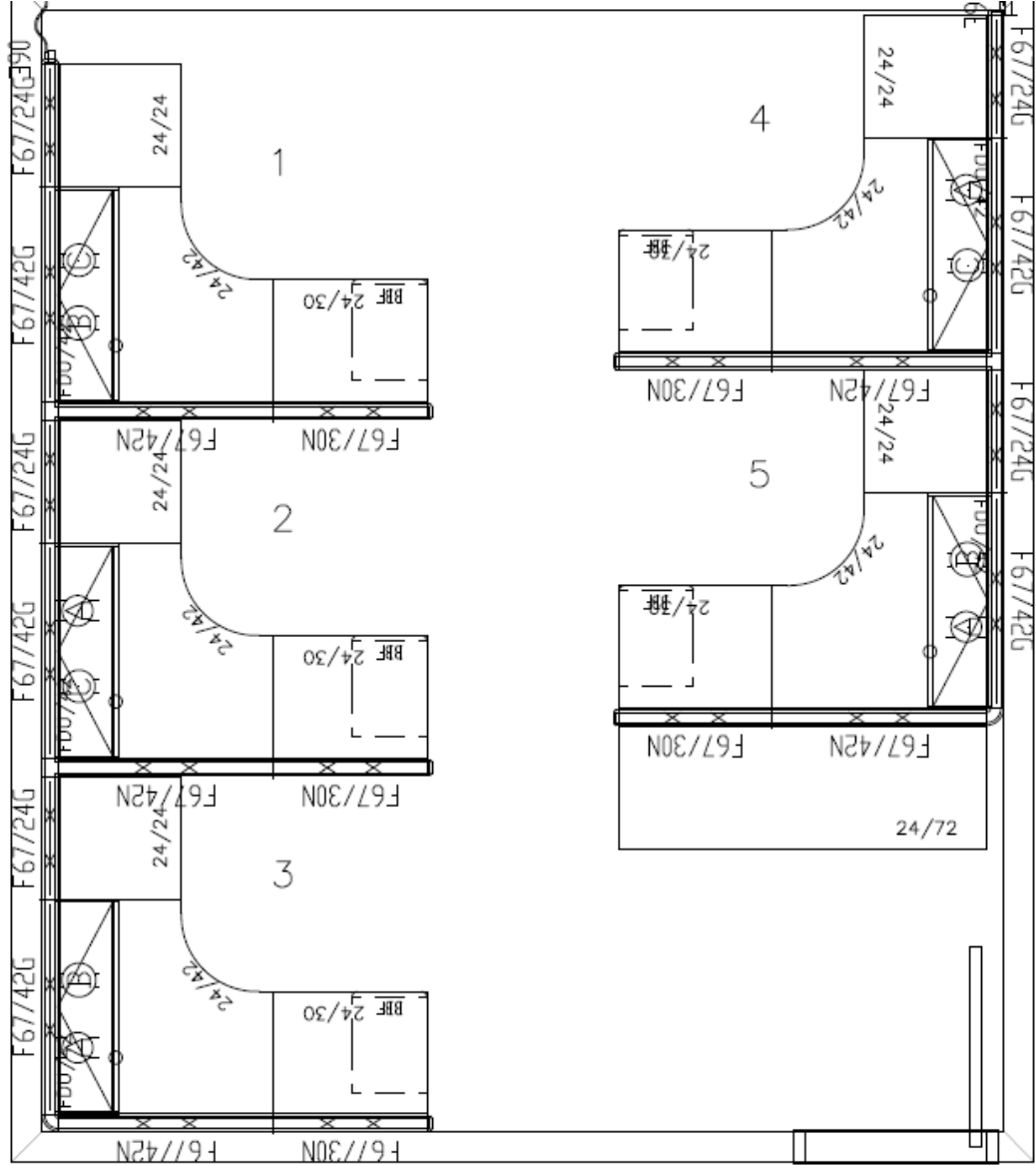
Electrician's Office



Operations Control Room



Collection Crew's Office





**Valley Sanitary District
Budget & Finance Committee
January 12, 2021**

TO: Board of Directors
Through: Beverli A. Marshall, General Manager
FROM: Jeanette Juarez, Business Services Manager
SUBJECT: Wastewater Rate Study Update

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

Executive Summary

The purpose of this report is to update the Board of Directors on the progress of the Sewer Rate Study.

Strategic Plan Compliance

This item complies with VSD Strategic Plan Objective 5.3: Update rate structure to ensure it is up-to-date and fair to all classes of customers.

Fiscal Impact

There is no fiscal impact from this report.

Background

At the August 25, 2020 Board Meeting, the Board authorized the General Manager to execute a contract with NBS to perform a Comprehensive Wastewater Rate Study. As part of the study NBS was tasked to create a financial plan that includes all revenue sources, expenditures, reserves, capital improvement costs, repair and replacement costs, and net revenue requirements.

NBS has prepared a draft technical memo, attached to this board report, that addresses three (3) key issues.

- The development of net revenue requirements from FY2021/22 to FY2040/41
- The establishment and maintenance of reserve funds and targets
- The funding of the Districts’s Capital Improvement Program

To meet all three (3) targets NBS developed three (3) Financial Plan Alternatives for District staff and the Board of Director to consider.

- Alternative 1 Full funding of CIP, no debt
- Alternative 2 Full funding of CIP with \$150 million in debt

- Alternative 3 Full funding of CIP with \$185 million in debt

The draft technical memo examines the Districts targets and establishes a baseline for each of the financial plan alternatives.

Recommendation

Recommend that the Board of Directors receive this report for information.

Attachments

- Attachment A Draft Technical Memo NBS
- Attachment B Presentation of Technical Memo

VALLEY SANITARY DISTRICT – FINANCIAL PLAN

DRAFT TECHNICAL MEMORANDUM

TO: Beverli Marshall, General Manager

FROM: Kim Boehler, Director
Alice Bou, Consultant

SUBJECT: Comprehensive Wastewater Rate Study – Financial Plan

DATE: December 23, 2020

PURPOSE

As part of the Comprehensive Wastewater Rate Study, Valley Sanitary District (District) retained NBS to prepare a Financial Plan that includes all revenue sources, expenditures, reserves, capital improvement costs, repair and replacement costs, and net revenue requirements. This Memorandum addresses the following issues:

1. The development of net revenue requirements from FY 2021/22 to FY 2040/41.
2. The establishment and maintenance of reserve funds and targets.
3. The funding of the District's Capital Improvement Program (CIP).

This memorandum presents the analysis of several financial plan alternatives that fully fund the District's CIP program with and without the issuance of debt. NBS has proposed the following three funding alternatives: (1) Alternative 1 - Full CIP with no Debt Issue; (2) Alternative 2 – Full CIP with a \$150 million Debt Issue; and (3) Alternative 3 - Full CIP with a \$185 million Debt Issue.

NBS prepared long-term financial plans together with preliminary modeling of the additional revenue requirements under each of the proposed financial plan alternatives.

Funding Shortfall: Based on the data provided by the District, a significant funding shortfall is expected in coming years, if no adjustment to rates is implemented. In other words, the District will not be able to fund both operating and maintenance costs as well as the planned capital improvements if it does not implement rate increases to generate the additional revenue needed to fund these obligations. The financial plans project revenues and expenses through FY 2040/41 and, based on the assumptions used in the analysis, the total shortfall over the next twenty years would be approximately \$155 million if there were no increase to rates over the projection period. However, focusing on the initial five-year rate adoption period, the District will be faced with a total deficit during this period of approximately \$87 million, which is primarily due to the Reclaimed Water Project which is scheduled to begin Fiscal Year

2021/22 and the ongoing Sewer Main Rehabilitation and Replacement Project which will continue through FY 2028/29.

Reserve Funds: Reserve funds provide a basis for a utility to cope with fiscal emergencies, such as revenue shortfalls, asset failure, and natural disasters among other events. Reserve policies provide sound financial management with an overall long-range perspective to maintain financial solvency and mitigate financial risks associated with revenue instability, volatile capital costs, and emergencies. The proposed rate increases will help maintain reserve levels at the minimum target requirements.

According to the District’s Financial Reserve Policy,¹ the District has set the following reserve targets:

- **Operating Reserve Fund (O&M)** equal to or greater than fifty (50) percent, or six months, of the annual Operations and Maintenance budget. An Operating Reserve is intended to promote financial viability in the event of any short-term fluctuation in revenues and/or expenditures. Fluctuations might be caused by weather patterns, the natural inflow and outflow of cash during billing cycles, and - particularly in periods of economic distress - changes or trends in the age of receivables.
- **Capital Replacement Reserve Fund² (Fund 12)** equal to forty (40) percent of the annual Operations and Maintenance budget to cover the cost of planned capital improvements including repair and replacement of existing infrastructure. The District’s capital reserve balance will be completely exhausted if it decides to fully fund the CIP without adopting the proposed rate increases. In order to fund the necessary planned capital improvements and the rehabilitation and replacement of capital assets, while minimizing the impact on its customers, the District should also consider other revenue sources, such as grants and outside financing such as loans or revenue bonds in addition to rate increases. The total CIP costs are estimated at \$267.5 million for the next twenty years, or \$13.4 million annually, as shown in Table 1.

Table 1. Total Project Costs

| Capital Project Costs 2021-2041 ¹ | Total |
|--|-----------------------|
| Fund 12 - Capital Replacement Projects | \$ 165,919,287 |
| Fund 13 - Capital Improvement Projects | \$ 98,211,230 |
| Contingency | \$ 3,322,393 |
| Total Costs | \$ 267,452,910 |
| <i>Average Annual Expenditure</i> | <i>\$ 13,372,645</i> |

1. Capital project costs include estimated cost inflation.

- **Capital Improvement Reserve Fund (Fund 13)** is a restricted reserve that is primarily funded by developer impact fees, special developer agreements, and capacity connection charges. There is not a set reserve target for this fund and the balance is determined based on collection of capacity connection charges, which are used to fund capital projects that are needed to serve new development.

¹ Source file: 10. 2013-1040 District Reserve Policy.pdf.

² The District maintains a separate Vehicle & Equipment Replacement Reserve Fund that is funded on an annual basis to cover the replacement of major vehicles and equipment.

- **Debt Service Reserve Fund** equal to the reserve requirement for the outstanding 2015 Wastewater Revenue Refunding Bonds, which is approximately \$317,000.
- **Emergency Reserve Fund** equal to five (5) percent of the annual Operations and Maintenance Budget. It is the intent of the District that this fund provides a basis to cope with fiscal emergencies, such as revenue shortfalls, asset failure, and natural disasters among other events.
- **CSWRCB Reserve Fund** is a reserve that the District maintains for the State Revolving Fund loan issued in 2016. Although there is no reserve or coverage requirement, the District has chosen to maintain the reserve to cover approximately two times the annual payment of \$553,361. The current balance of this reserve is \$1.1 million.³
- **Bond Coverage:** The District is required by the rate covenant of the 2015 Wastewater Revenue Refunding Bonds to maintain a debt service coverage ratio of at least 1.25. The benefit of maintaining a higher coverage ratio is that it strengthens the District's credit rating which can help lower the interest rates for debt-funded capital projects and, in turn, reduce annual debt service payments.

NBS has developed three (3) Financial Plan Alternatives for District staff and the Board of Directors (Board) to consider. The amount of additional revenue required from the annual rate increases has been adjusted based on the whether or not the District decides to finance (e.g., revenue bonds, loans, or grants) a portion of the capital expenditures. Table 2 and Figures 1 through 3 show the various alternatives and the proposed increases in revenue needed to meet all funding requirements, including the CIP program and reserve targets noted previously.

³ The State Water Resources Control Board Revolving Fund Loan for Project No. C-06-8116-110, Agreement No. D1601003-550-03. Source file: *Repayment schedule State Water Resources Control Board.pdf*.

Table 2. Financial Plan Alternatives

| Fiscal Year Ending June 30 | Percentage Change in Revenue Needed to Meet Funding Requirements | | |
|----------------------------------|---|----------------|----------------|
| | Alternative #1 | Alternative #2 | Alternative #3 |
| 2022 | 35% | 10% | 5% |
| 2023 | 35% | 10% | 5% |
| 2024 | 35% | 10% | 5% |
| 2025 | 30% | 10% | 5% |
| 2026 | 10% | 10% | 5% |
| 2027 | 0% | 0% | 5% |
| 2028 | 0% | 0% | 5% |
| 2029 | -70% | 0% | 5% |
| 2030 | 0% | 0% | 1% |
| 2031 | 0% | 0% | 1% |
| 2032 | 0% | 0% | 1% |
| 2033 | 0% | 0% | 1% |
| 2034 | 0% | 0% | 1% |
| 2035 | 0% | 0% | 1% |
| 2036 | 0% | 0% | 1% |
| 2037 | 0% | 0% | 1% |
| 2038 | 0% | 0% | 1% |
| 2039 | 0% | 0% | 1% |
| 2040 | 0% | 0% | 1% |
| 2041 | 0% | 0% | 0% |

Figure 1. 20-Year Reserve Targets with no Debt Issue

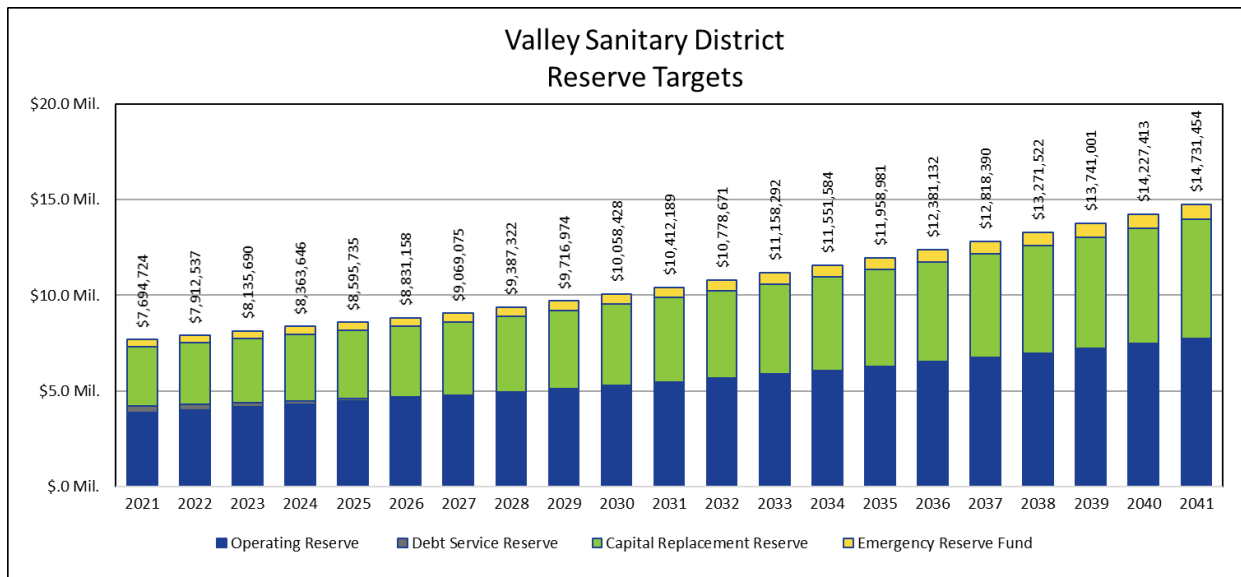


Figure 2. 20-Year Reserve Targets with a \$150 Million Debt Issue

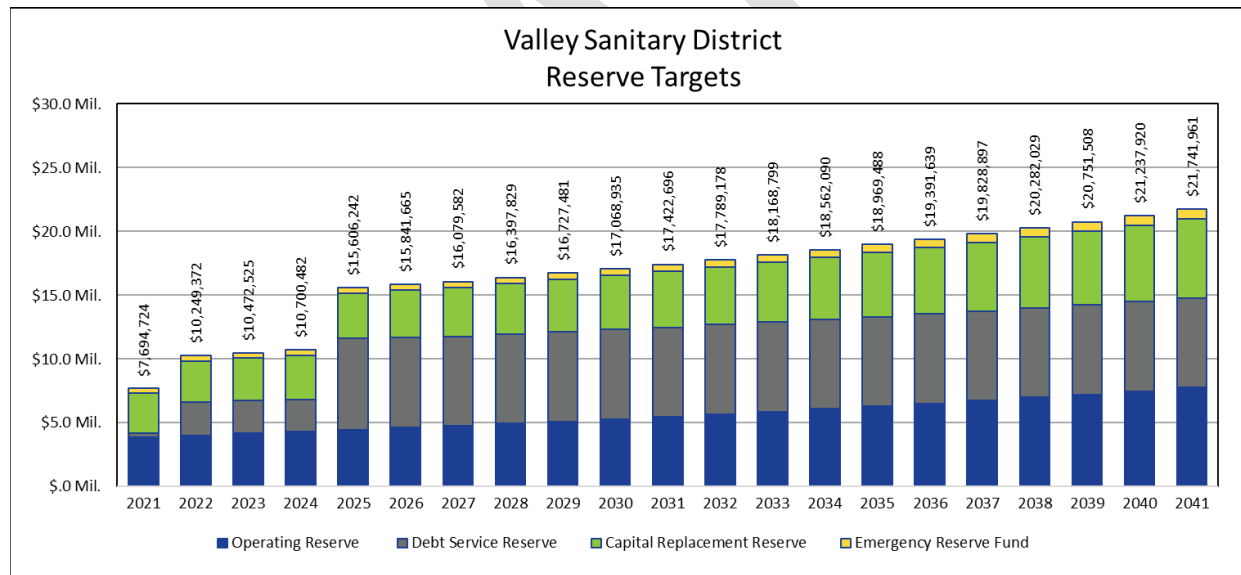
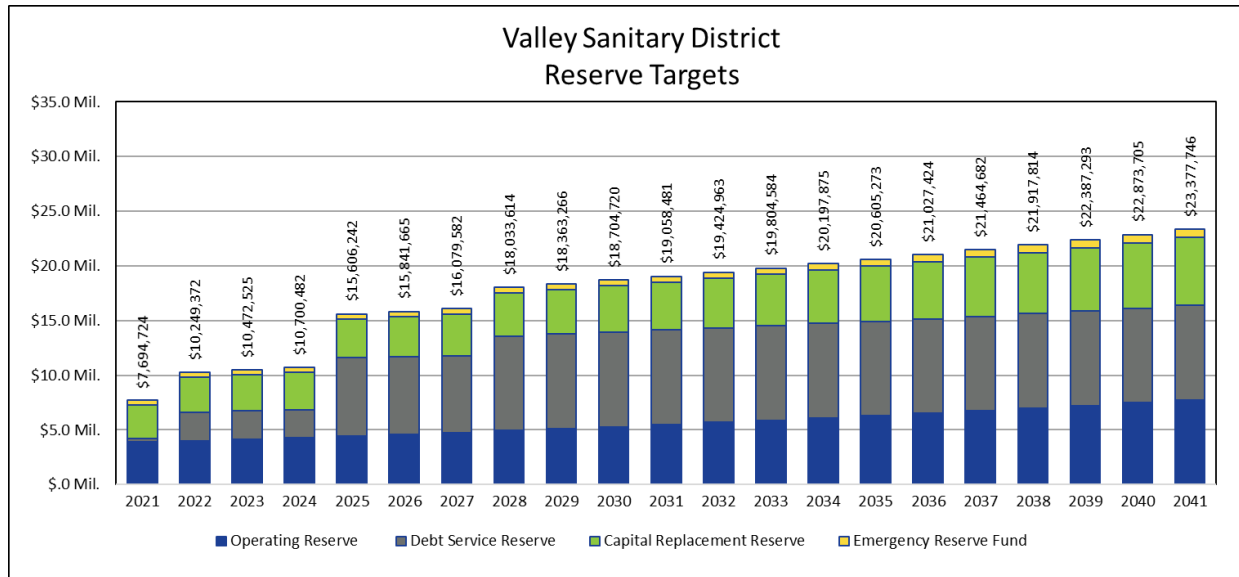


Figure 3. 20-Year Reserve Targets with a \$185 Million Debt Issue



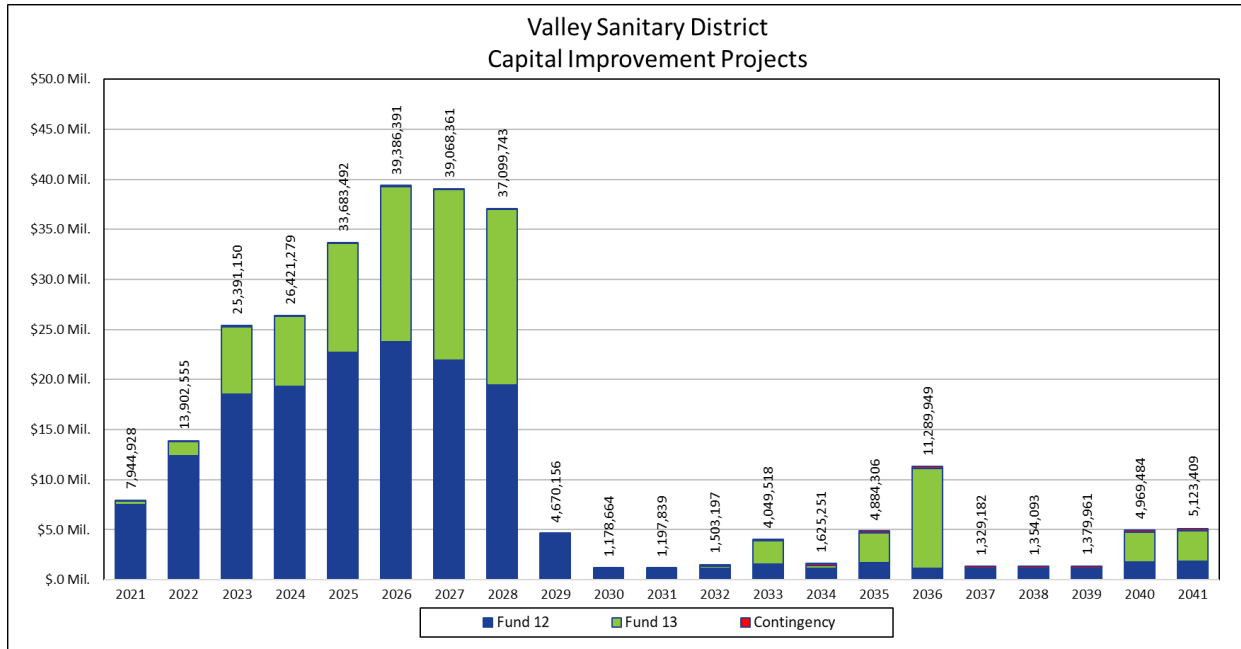
CIP Program: NBS has incorporated the District' 2020 Capital Improvement Plan into the financial plans. Table 3 provides additional detail regarding the District's planned capital projects by Fund and by project type for the 5-year rate adoption period:

Table 3. Five-Year CIP Costs

| Project Description | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| FUND 12 | | | | | | |
| PLANT | | | | | | |
| Reclaimed Water Project Phase 1 Design Build | \$ - | \$ 1,359,600 | \$10,142,204 | \$10,446,470 | \$13,289,800 | \$13,811,172 |
| Influent Pump Station Rehabilitation Design Build | 1,200,000 | 1,236,000 | - | - | - | - |
| Vehicle & Major Equipment Replacement Fund | 638,000 | 638,000 | 638,000 | 638,000 | 638,000 | 638,000 |
| Fence Extension & Fortification (Carry Over) plus | 280,000 | - | - | - | - | - |
| Van Buren Slope Protection | 250,000 | - | - | - | - | - |
| Switch Board Main Service Replacement | - | 257,500 | - | - | - | - |
| COLLECTIONS | | | | | | |
| Lateral Grant Program | \$ 54,000 | \$ 55,620 | \$ 57,289 | \$ 59,007 | \$ 60,777 | \$ 62,601 |
| Sewer Main Rehabilitation or Replacement | 2,643,928 | 5,185,524 | 7,571,822 | 8,084,418 | 8,606,738 | 9,162,800 |
| Manhole Rehabilitation | - | - | - | - | - | - |
| Sewer Main Emergency Repairs | 112,000 | 115,360 | 118,821 | 122,385 | 126,057 | 129,839 |
| Emergency Sewer Siphon Replacement Design | 325,000 | 412,000 | - | - | - | - |
| Emergency Sewer Siphon Replacement Const. | 2,000,000 | 3,090,000 | - | - | - | - |
| TOTAL - FUND 12 | \$ 7,502,928 | \$12,349,604 | \$18,528,135 | \$19,350,281 | \$22,721,372 | \$23,804,411 |
| FUND 13 - Connection Fees | | | | | | |
| PLANT | | | | | | |
| Reclaimed Water Project Phase 1 Design Build | \$ - | \$ 906,400 | \$ 6,761,469 | \$ 6,964,313 | \$ 8,859,866 | \$12,030,646 |
| Training & Office Building - Design (Carry Over) | 100,000 | 549,896 | - | - | - | - |
| Training & Office Building - Construction | - | - | - | - | 1,990,171 | 3,433,579 |
| Additional Parking & Landscaping | 250,000 | - | - | - | - | - |
| TOTAL - FUND 13 | \$ 350,000 | \$ 1,456,296 | \$ 6,761,469 | \$ 6,964,313 | \$10,850,037 | \$15,464,225 |
| CONTINGENCY | \$ 92,000 | \$ 96,655 | \$ 101,546 | \$ 106,684 | \$ 112,083 | \$ 117,754 |
| TOTAL - 5-Year CIP Program Costs | \$ 7,944,928 | \$13,902,555 | \$25,391,150 | \$26,421,279 | \$33,683,492 | \$39,386,391 |

Figure 4 shows the total Capital Improvement Plan through Fiscal Year 2040/41 by Fund and implementation date which will remain the same for all three (3) financial plan alternatives.

Figure 4. 20-Year Capital Improvement Plan



In summary, NBS modeled long-term financial plans for the proposed capital improvements that also address the O&M shortfall, funding reserves as stated above, and funding the CIP using a combination of debt financing and annual revenue collection through the proposed rate increases.

LONG-TERM FINANCIAL PLAN

The following 20-year long-term financial plans were built using the following criteria:

1. Additional Revenue Funding was set at an initial amount in the Fiscal Year 2021/22 and then to escalate each year based on the proposed annual rate increases. This allows for a constant, stable escalation that most property owners are familiar with and will track with all potential revenue tools.

2. The additional rate revenue needed to Meet Funding Requirements:

| Fiscal Year Ending June 30 | Revenue from Current Funding Sources | Total Revenue Needed to Meet Funding Requirements | | |
|----------------------------------|--|--|----------------|----------------|
| | | Alternative #1 | Alternative #2 | Alternative #3 |
| 2022 | \$ 12,098,790 | \$ 16,333,367 | \$ 13,308,669 | \$ 12,703,730 |
| 2023 | 12,219,778 | 22,270,545 | 14,785,931 | 13,472,305 |
| 2024 | 12,341,976 | 30,365,888 | 16,427,170 | 14,287,380 |
| 2025 | 12,465,395 | 39,870,411 | 18,250,585 | 15,151,766 |
| 2026 | 12,590,049 | 44,296,027 | 20,276,400 | 16,068,448 |
| 2027 | 12,715,950 | 44,738,987 | 20,479,164 | 17,040,589 |
| 2028 | 12,843,109 | 45,186,377 | 20,683,956 | 18,071,545 |
| 2029 | 12,971,540 | 13,691,472 | 20,890,796 | 19,164,873 |
| 2030 | 13,101,256 | 13,828,387 | 21,099,704 | 19,550,087 |
| 2031 | 13,232,268 | 13,966,671 | 21,310,701 | 19,943,044 |
| 2032 | 13,364,591 | 14,106,338 | 21,523,808 | 20,343,899 |
| 2033 | 13,498,237 | 14,247,401 | 21,739,046 | 20,752,811 |
| 2034 | 13,633,219 | 14,389,875 | 21,956,436 | 21,169,943 |
| 2035 | 13,769,552 | 14,533,774 | 22,176,001 | 21,595,459 |
| 2036 | 13,907,247 | 14,679,112 | 22,397,761 | 22,029,527 |
| 2037 | 14,046,320 | 14,825,903 | 22,621,738 | 22,472,321 |
| 2038 | 14,186,783 | 14,974,162 | 22,847,956 | 22,924,015 |
| 2039 | 14,328,651 | 15,123,903 | 23,076,435 | 23,384,787 |
| 2040 | 14,471,937 | 15,275,142 | 23,307,199 | 23,854,821 |
| 2041 | 14,616,656 | 15,427,894 | 23,540,271 | 24,093,370 |

3. The total Reserve Fund Balances were designed to closely approximate the total Reserve Fund target balances at the conclusion of the study period (FY 2040/41).

4. SRF loan issuance assumptions for Alternatives 2 and 3 are as follows:

- a. 30-Year Term
- b. 0.00% Cost of Issuance
- c. 2.00% Annual Interest Cost

5. Debt was assumed to be issued in 3-year increments for Alternatives 2 and 3 in the following amounts:

| Alternative 2 - Estimated Debt Financing | SRF Loan Issue | Annual Debt Service Payment ¹ |
|---|----------------|--|
| Issue #1, FY 2021/22 | \$ 50,000,000 | \$ 2,336,836 |
| Issue #2, FY 2024/25 | 100,000,000 | 4,673,671 |
| Total Debt Service in FY 2024/25 and Beyond | -- | \$ 7,010,507 |

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

| Alternative 3 - Estimated Debt Financing | SRF Loan Issue | Annual Debt Service Payment ¹ |
|---|----------------|--|
| Issue #1, FY 2021/22 | \$ 50,000,000 | \$ 2,336,836 |
| Issue #2, FY 2024/25 | 100,000,000 | 4,673,671 |
| Issue #3, FY 2027/28 | 35,000,000 | 1,635,785 |
| Total Debt Service in FY 2027/28 and Beyond | -- | \$ 8,646,292 |

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

It is assumed in the analysis that the debt financing will be used to fund a majority of the proposed Reclaimed Water Project and other improvements such as the Sewer Main Rehabilitation project. The alternatives were designed considering all of the Districts' financial obligations in mind, including operating and maintenance costs, capital improvement needs, contributions to reserves and annual debt service obligations (including meeting debt coverage requirements) for current outstanding and proposed debt. The alternatives consider what funds are available in reserves now, what funds can be contributed over the planning period from rates to cash-fund capital improvement program costs and what level of debt financing can be used to keep rate increases as low as possible.

The following pages show the long-term financial plans and projected fund balances together with associated charts for each of the financial plan alternatives.

Alternative 1 - Full CIP with no Bond Issue:

Table 4. Financial Plan & Summary of Revenue Requirements

| Summary of Sources and Uses of Funds and Net Revenue Requirements | Budget | Projected Rates for Adoption Period | | | | |
|---|----------------------|-------------------------------------|----------------------|----------------------|----------------------|----------------------|
| | FY 2020/21 | FY 2021/22 | FY 2022/23 | FY 2023/24 | FY 2024/25 | FY 2025/26 |
| Sources of Sewer Funds | | | | | | |
| Rate Revenue Under Prevailing Rates | \$ 11,979,000 | \$ 12,098,790 | \$ 12,219,778 | \$ 12,341,976 | \$ 12,465,395 | \$ 12,590,049 |
| Additional Revenue from Rate Increases ¹ | - | 4,234,577 | 10,050,767 | 18,023,913 | 27,405,016 | 31,705,978 |
| Non-Rate Revenues | 1,072,300 | 1,231,108 | 1,173,820 | 1,028,343 | 980,755 | 961,303 |
| Total Sources of Funds | \$ 13,051,300 | \$ 17,564,474 | \$ 23,444,365 | \$ 31,394,231 | \$ 40,851,167 | \$ 45,257,330 |
| Uses of Sewer Funds | | | | | | |
| Operating Expenses | \$ 7,765,960 | \$ 8,037,272 | \$ 8,318,271 | \$ 8,609,309 | \$ 8,910,753 | \$ 9,222,981 |
| Debt Service | 1,445,048 | 1,440,798 | 1,440,048 | 1,439,111 | 1,440,861 | 1,440,611 |
| Rate-Funded Capital Expenses | 350,000 | 1,456,296 | 6,761,469 | 13,270,219 | 24,286,101 | 31,852,245 |
| Total Use of Funds | \$ 9,561,008 | \$ 10,934,367 | \$ 16,519,789 | \$ 23,318,639 | \$ 34,637,715 | \$ 42,515,837 |
| Surplus (Deficiency) before Rate Increase | \$ 3,490,292 | \$ 6,630,107 | \$ 6,924,576 | \$ 8,075,593 | \$ 6,213,452 | \$ 2,741,493 |
| Surplus (Deficiency) after Rate Increase | \$ 3,490,292 | \$ 10,864,684 | \$ 16,975,343 | \$ 26,099,505 | \$ 33,618,468 | \$ 34,447,471 |
| Projected Annual Rate Increase | 0.00% | 35.00% | 35.00% | 35.00% | 30.00% | 10.00% |
| Cumulative Rate Increases | 0.00% | 35.00% | 82.25% | 146.04% | 219.85% | 251.83% |
| Net Revenue Requirement ² | \$ 8,488,708 | \$ 9,703,259 | \$ 15,345,969 | \$ 22,290,296 | \$ 33,656,959 | \$ 41,554,534 |
| Debt Coverage After Rate Increase | 3.66 | 6.61 | 10.50 | 15.83 | 22.17 | 25.01 |

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

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

Table 5. Reserve Fund Summary

| Beginning Reserve Fund Balances and Recommended Reserve Targets | Budget | Projected Rates for Adoption Period | | | | |
|---|----------------------|-------------------------------------|----------------------|----------------------|----------------------|----------------------|
| | FY 2020/21 | FY 2021/22 | FY 2022/23 | FY 2023/24 | FY 2024/25 | FY 2025/26 |
| Un-Restricted Reserves | | | | | | |
| Operating Reserve | | | | | | |
| Ending Balance | \$ 3,883,000 | \$ 4,018,600 | \$ 4,159,100 | \$ 4,304,700 | \$ 4,455,400 | \$ 4,611,500 |
| Recommended Minimum Target | \$ 3,883,000 | \$ 4,018,600 | \$ 4,159,100 | \$ 4,304,700 | \$ 4,455,400 | \$ 4,611,500 |
| Capital Rehabilitation & Replacement Reserve | | | | | | |
| Ending Balance | \$ 22,916,668 | \$ 18,796,031 | \$ 14,027,740 | \$ 11,621,692 | \$ 9,843,338 | \$ 6,469,762 |
| Recommended Minimum Target | \$ 3,106,384 | \$ 3,214,909 | \$ 3,327,308 | \$ 3,443,724 | \$ 3,564,301 | \$ 3,689,192 |
| Emergency Fund Balance | | | | | | |
| Ending Balance | \$ 388,298 | \$ 401,864 | \$ 415,914 | \$ 430,465 | \$ 445,538 | \$ 461,149 |
| Recommended Minimum Target | \$ 388,298 | \$ 401,864 | \$ 415,914 | \$ 430,465 | \$ 445,538 | \$ 461,149 |
| Total Ending Balance | \$ 27,187,966 | \$ 23,216,495 | \$ 18,602,754 | \$ 16,356,857 | \$ 14,744,276 | \$ 11,542,411 |
| Recommended Minimum Target | \$ 7,377,682 | \$ 7,635,373 | \$ 7,902,322 | \$ 8,178,889 | \$ 8,465,239 | \$ 8,761,842 |
| Restricted Reserves | | | | | | |
| Connection Fee Reserve | | | | | | |
| Ending Balance | \$ 6,838,607 | \$ 388,298 | \$ 401,864 | \$ 415,914 | \$ 430,465 | \$ 445,538 |
| Recommended Minimum Target | \$ - | \$ 13,566 | \$ 14,050 | \$ 14,552 | \$ 15,072 | \$ 15,611 |
| NEW Bond Project Funds | | | | | | |
| Ending Balance | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Recommended Minimum Target | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Debt Reserve Fund | | | | | | |
| Ending Balance | \$ 317,042 | \$ 277,164 | \$ 233,368 | \$ 184,757 | \$ 130,496 | \$ 69,316 |
| Recommended Minimum Target | \$ 317,042 | \$ 277,164 | \$ 233,368 | \$ 184,757 | \$ 130,496 | \$ 69,316 |
| CSWRCB Reserve Fund | | | | | | |
| Ending Balance | \$ 1,123,323 | \$ 1,140,173 | \$ 1,157,275 | \$ 1,174,634 | \$ 1,192,254 | \$ 1,210,138 |
| Recommended Minimum Target | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Ending Balance | \$ 8,278,972 | \$ 1,805,635 | \$ 1,792,506 | \$ 1,775,305 | \$ 1,753,216 | \$ 1,724,992 |
| Recommended Minimum Target | \$ 317,042 | \$ 290,730 | \$ 247,418 | \$ 199,309 | \$ 145,568 | \$ 84,928 |

Alternative 1 - Full CIP with no Bond Financing, cont.:

Figure 5. Revenue Requirements Under Existing & Increased Rates

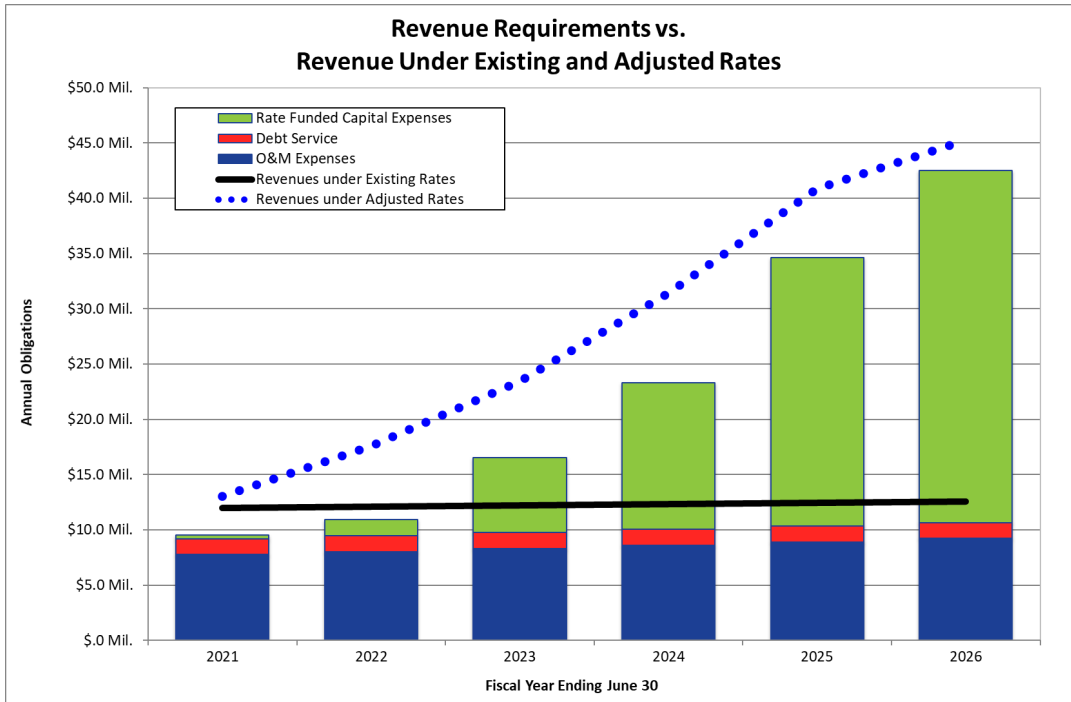
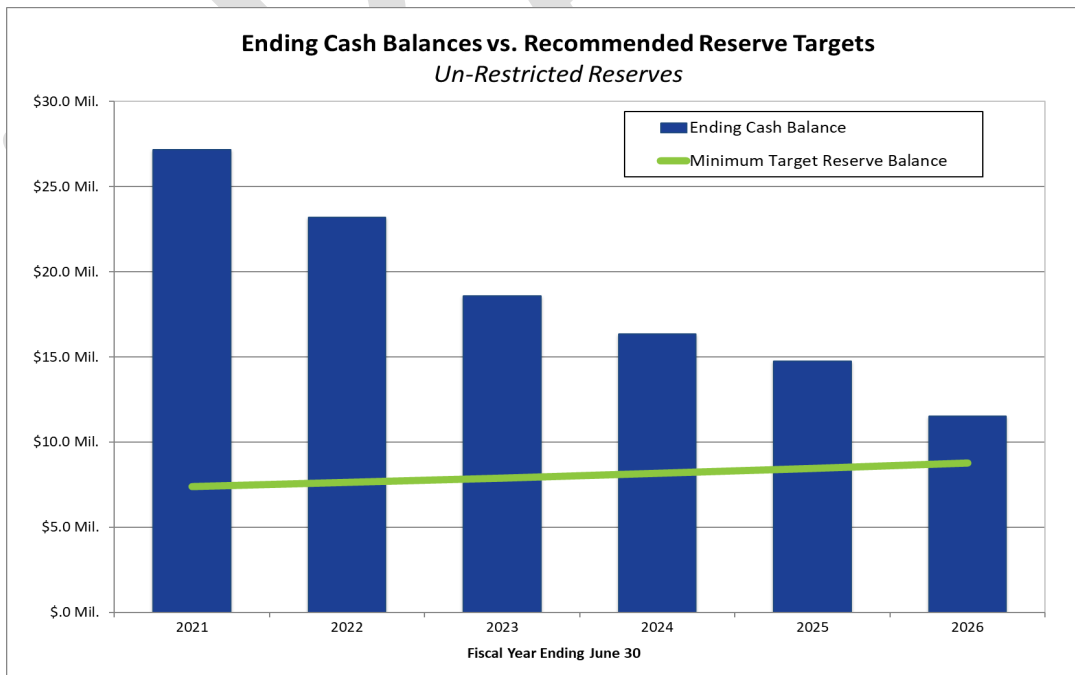


Figure 6. Ending Cash Balance vs. Recommended Reserve Targets



Alternative 2 – Full CIP with \$150 Million Debt Issue:

Table 6. Financial Plan & Summary of Revenue Requirements

| Summary of Sources and Uses of Funds and Net Revenue Requirements | Budget | Projected Rates for Adoption Period | | | | |
|---|----------------------|-------------------------------------|----------------------|----------------------|----------------------|----------------------|
| | FY 2020/21 | FY 2021/22 | FY 2022/23 | FY 2023/24 | FY 2024/25 | FY 2025/26 |
| Sources of Sewer Funds | | | | | | |
| Rate Revenue Under Prevailing Rates | \$ 11,979,000 | \$ 12,098,790 | \$ 12,219,778 | \$ 12,341,976 | \$ 12,465,395 | \$ 12,590,049 |
| Additional Revenue from Rate Increases ¹ | - | 1,209,879 | 2,566,153 | 4,085,194 | 5,785,190 | 7,686,351 |
| Non-Rate Revenues | 1,072,300 | 1,231,108 | 1,278,449 | 1,259,000 | 1,304,417 | 1,415,551 |
| Total Sources of Funds | \$ 13,051,300 | \$ 14,539,777 | \$ 16,064,380 | \$ 17,686,170 | \$ 19,555,003 | \$ 21,691,951 |
| Uses of Sewer Funds | | | | | | |
| Operating Expenses | \$ 7,765,960 | \$ 8,037,272 | \$ 8,318,271 | \$ 8,609,309 | \$ 8,910,753 | \$ 9,222,981 |
| Debt Service | 1,445,048 | 3,777,634 | 3,776,884 | 3,775,946 | 8,451,368 | 8,451,118 |
| Rate-Funded Capital Expenses | 350,000 | 1,456,296 | 629,681 | 1,854,235 | 343,492 | 1,006,391 |
| Total Use of Funds | \$ 9,561,008 | \$ 13,271,203 | \$ 12,724,836 | \$ 14,239,491 | \$ 17,705,612 | \$ 18,680,490 |
| Surplus (Deficiency) before Rate Increase | \$ 3,490,292 | \$ 1,268,574 | \$ 3,339,544 | \$ 3,446,679 | \$ 1,849,391 | \$ 3,011,462 |
| Surplus (Deficiency) after Rate Increase | \$ 3,490,292 | \$ 2,478,453 | \$ 5,905,698 | \$ 7,531,873 | \$ 7,634,581 | \$ 10,697,813 |
| Projected Annual Rate Increase | 0.00% | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% |
| Cumulative Rate Increases | 0.00% | 10.00% | 21.00% | 33.10% | 46.41% | 61.05% |
| Net Revenue Requirement ² | \$ 8,488,708 | \$ 12,040,095 | \$ 11,446,387 | \$ 12,980,490 | \$ 16,401,195 | \$ 17,264,939 |
| Debt Coverage After Rate Increase | 3.66 | 1.72 | 2.05 | 2.40 | 1.26 | 1.48 |

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

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

Table 7. Reserve Fund Summary

| Beginning Reserve Fund Balances and Recommended Reserve Targets | Budget | Projected Rates for Adoption Period | | | | |
|---|----------------------|-------------------------------------|----------------------|----------------------|----------------------|----------------------|
| | FY 2020/21 | FY 2021/22 | FY 2022/23 | FY 2023/24 | FY 2024/25 | FY 2025/26 |
| Un-Restricted Reserves | | | | | | |
| Operating Reserve | | | | | | |
| Ending Balance | \$ 3,883,000 | \$ 4,018,600 | \$ 4,159,100 | \$ 4,304,700 | \$ 4,455,400 | \$ 4,611,500 |
| Recommended Minimum Target | \$ 3,883,000 | \$ 4,018,600 | \$ 4,159,100 | \$ 4,304,700 | \$ 4,455,400 | \$ 4,611,500 |
| Capital Rehabilitation & Replacement Reserve | | | | | | |
| Ending Balance | \$ 22,916,668 | \$ 23,434,498 | \$ 27,068,066 | \$ 30,862,330 | \$ 33,116,040 | \$ 36,636,438 |
| Recommended Minimum Target | \$ 3,106,384 | \$ 3,214,909 | \$ 3,327,308 | \$ 3,443,724 | \$ 3,564,301 | \$ 3,689,192 |
| Emergency Fund Balance | | | | | | |
| Ending Balance | \$ 388,298 | \$ 401,864 | \$ 401,864 | \$ 401,864 | \$ 401,864 | \$ 401,864 |
| Recommended Minimum Target | \$ 388,298 | \$ 401,864 | \$ 415,914 | \$ 430,465 | \$ 445,538 | \$ 461,149 |
| Total Ending Balance | \$ 27,187,966 | \$ 27,854,962 | \$ 31,629,030 | \$ 35,568,894 | \$ 37,973,304 | \$ 41,649,801 |
| Recommended Minimum Target | \$ 7,377,682 | \$ 7,635,373 | \$ 7,902,322 | \$ 8,178,889 | \$ 8,465,239 | \$ 8,761,842 |
| Restricted Reserves | | | | | | |
| Connection Fee Reserve | | | | | | |
| Ending Balance | \$ 6,838,607 | \$ 388,298 | \$ 401,864 | \$ 401,864 | \$ 401,864 | \$ 401,864 |
| Recommended Minimum Target | \$ - | \$ 13,566 | \$ - | \$ - | \$ - | \$ - |
| NEW Bond Project Funds | | | | | | |
| Ending Balance | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Recommended Minimum Target | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Debt Reserve Fund | | | | | | |
| Ending Balance | \$ 317,042 | \$ 2,614,000 | \$ 2,570,203 | \$ 2,521,593 | \$ 7,141,003 | \$ 7,079,823 |
| Recommended Minimum Target | \$ 317,042 | \$ 2,614,000 | \$ 2,570,203 | \$ 2,521,593 | \$ 7,141,003 | \$ 7,079,823 |
| CSWRCB Reserve Fund | | | | | | |
| Ending Balance | \$ 1,123,323 | \$ 1,140,173 | \$ 1,157,275 | \$ 1,174,634 | \$ 1,192,254 | \$ 1,210,138 |
| Recommended Minimum Target | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Ending Balance | \$ 8,278,972 | \$ 4,142,470 | \$ 4,129,342 | \$ 4,098,091 | \$ 8,735,121 | \$ 8,691,825 |
| Recommended Minimum Target | \$ 317,042 | \$ 2,627,565 | \$ 2,570,203 | \$ 2,521,593 | \$ 7,141,003 | \$ 7,079,823 |

Alternative 2 – Full CIP with \$150 Million Debt Issue, cont.:

Figure 7. Revenue Requirements Under Existing & Increased Rates

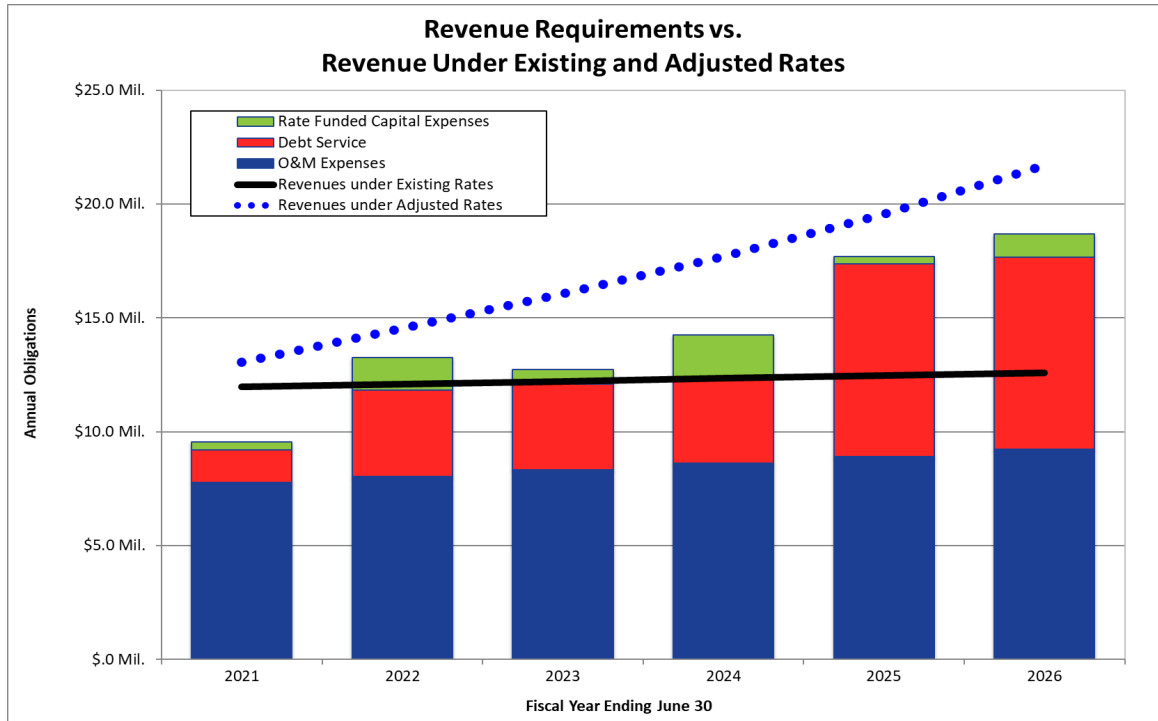
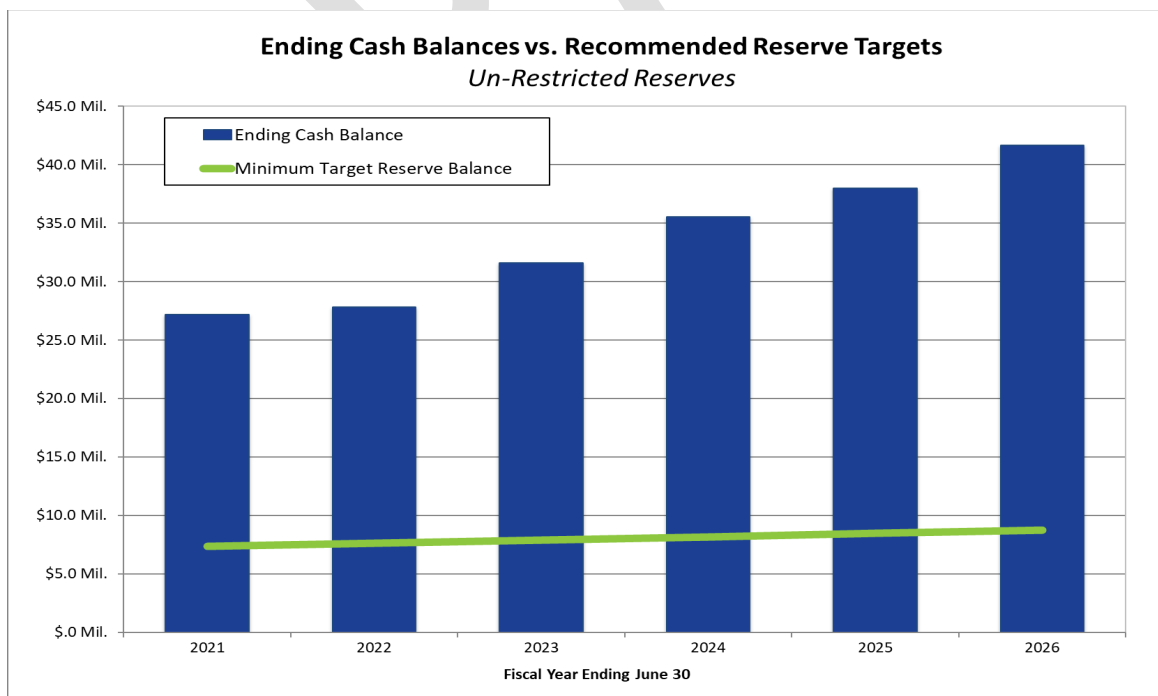


Figure 8. Ending Cash Balance vs. Recommended Reserve Targets



Alternative 3 – Full CIP with \$185 Million Debt Issue:

Table 8. Financial Plan & Summary of Revenue Requirements

| Summary of Sources and Uses of Funds and Net Revenue Requirements | Budget | Projected Rates for Adoption Period | | | | |
|---|----------------------|-------------------------------------|----------------------|----------------------|-----------------------|-----------------------|
| | FY 2020/21 | FY 2021/22 | FY 2022/23 | FY 2023/24 | FY 2024/25 | FY 2025/26 |
| Sources of Sewer Funds | | | | | | |
| Rate Revenue Under Prevailing Rates | \$ 11,979,000 | \$ 12,098,790 | \$ 12,219,778 | \$ 12,341,976 | \$ 12,465,395 | \$ 12,590,049 |
| Additional Revenue from Rate Increases ¹ | - | 604,940 | 1,252,527 | 1,945,404 | 2,686,371 | 3,478,399 |
| Non-Rate Revenues | 1,072,300 | 1,231,108 | 1,269,375 | 1,229,950 | 1,242,398 | 1,325,740 |
| Total Sources of Funds | \$ 13,051,300 | \$ 13,934,837 | \$ 14,741,680 | \$ 15,517,329 | \$ 16,394,164 | \$ 17,394,188 |
| Uses of Sewer Funds | | | | | | |
| Operating Expenses | \$ 7,765,960 | \$ 8,037,272 | \$ 8,318,271 | \$ 8,609,309 | \$ 8,910,753 | \$ 9,222,981 |
| Debt Service | 1,445,048 | 3,777,634 | 3,776,884 | 3,775,946 | 8,451,368 | 8,451,118 |
| Rate-Funded Capital Expenses | 350,000 | 1,456,296 | 629,681 | 1,854,235 | 343,492 | 1,006,391 |
| Total Use of Funds | \$ 9,561,008 | \$ 13,271,203 | \$ 12,724,836 | \$ 14,239,491 | \$ 17,705,612 | \$ 18,680,490 |
| Surplus (Deficiency) before Rate Increase | \$ 3,490,292 | \$ 663,635 | \$ 2,016,844 | \$ 1,277,838 | \$ (1,311,448) | \$ (1,286,302) |
| Surplus (Deficiency) after Rate Increase | \$ 3,490,292 | \$ 1,268,574 | \$ 3,269,371 | \$ 3,223,242 | \$ 1,374,923 | \$ 2,192,097 |
| Projected Annual Rate Increase | 0.00% | 5.00% | 5.00% | 5.00% | 5.00% | 5.00% |
| Cumulative Rate Increases | 0.00% | 5.00% | 10.25% | 15.76% | 21.55% | 27.63% |
| Net Revenue Requirement ² | \$ 8,488,708 | \$ 12,040,095 | \$ 11,455,461 | \$ 13,009,541 | \$ 16,463,214 | \$ 17,354,750 |
| Debt Coverage After Rate Increase | 3.66 | 1.56 | 1.70 | 1.83 | 0.89 | 0.97 |

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

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

Table 9. Reserve Fund Summary

| Beginning Reserve Fund Balances and Recommended Reserve Targets | Budget | Projected Rates for Adoption Period | | | | |
|---|----------------------|-------------------------------------|----------------------|----------------------|----------------------|----------------------|
| | FY 2020/21 | FY 2021/22 | FY 2022/23 | FY 2023/24 | FY 2024/25 | FY 2025/26 |
| Un-Restricted Reserves | | | | | | |
| Operating Reserve | | | | | | |
| Ending Balance | \$ 3,883,000 | \$ 4,018,600 | \$ 4,159,100 | \$ 4,304,700 | \$ 3,085,337 | \$ 1,967,330 |
| Recommended Minimum Target | \$ 3,883,000 | \$ 4,018,600 | \$ 4,159,100 | \$ 4,304,700 | \$ 4,455,400 | \$ 4,611,500 |
| Capital Rehabilitation & Replacement Reserve | | | | | | |
| Ending Balance | \$ 22,916,668 | \$ 22,829,559 | \$ 25,131,353 | \$ 26,727,725 | \$ 27,128,641 | \$ 27,535,571 |
| Recommended Minimum Target | \$ 3,106,384 | \$ 3,214,909 | \$ 3,327,308 | \$ 3,443,724 | \$ 3,564,301 | \$ 3,689,192 |
| Emergency Fund Balance | | | | | | |
| Ending Balance | \$ 388,298 | \$ 401,864 | \$ 401,864 | \$ 401,864 | \$ 401,864 | \$ 401,864 |
| Recommended Minimum Target | \$ 388,298 | \$ 401,864 | \$ 415,914 | \$ 430,465 | \$ 445,538 | \$ 461,149 |
| Total Ending Balance | \$ 27,187,966 | \$ 27,250,022 | \$ 29,692,316 | \$ 31,434,289 | \$ 30,615,841 | \$ 29,904,764 |
| Recommended Minimum Target | \$ 7,377,682 | \$ 7,635,373 | \$ 7,902,322 | \$ 8,178,889 | \$ 8,465,239 | \$ 8,761,842 |
| Restricted Reserves | | | | | | |
| Connection Fee Reserve | | | | | | |
| Ending Balance | \$ 6,838,607 | \$ 388,298 | \$ 401,864 | \$ 401,864 | \$ 401,864 | \$ 401,864 |
| Recommended Minimum Target | \$ - | \$ 13,566 | \$ - | \$ - | \$ - | \$ - |
| NEW Bond Project Funds | | | | | | |
| Ending Balance | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Recommended Minimum Target | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Debt Reserve Fund | | | | | | |
| Ending Balance | \$ 317,042 | \$ 2,614,000 | \$ 2,570,203 | \$ 2,521,593 | \$ 7,141,003 | \$ 7,079,823 |
| Recommended Minimum Target | \$ 317,042 | \$ 2,614,000 | \$ 2,570,203 | \$ 2,521,593 | \$ 7,141,003 | \$ 7,079,823 |
| CSWRCB Reserve Fund | | | | | | |
| Ending Balance | \$ 1,123,323 | \$ 1,140,173 | \$ 1,157,275 | \$ 1,174,634 | \$ 1,192,254 | \$ 1,210,138 |
| Recommended Minimum Target | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Ending Balance | \$ 8,278,972 | \$ 4,142,470 | \$ 4,129,342 | \$ 4,098,091 | \$ 8,735,121 | \$ 8,691,825 |
| Recommended Minimum Target | \$ 317,042 | \$ 2,627,565 | \$ 2,570,203 | \$ 2,521,593 | \$ 7,141,003 | \$ 7,079,823 |

Alternative 3 – Full CIP with \$185 Million Debt Issue, cont.:

Figure 9. Revenue Requirements Under Existing & Increased Rates

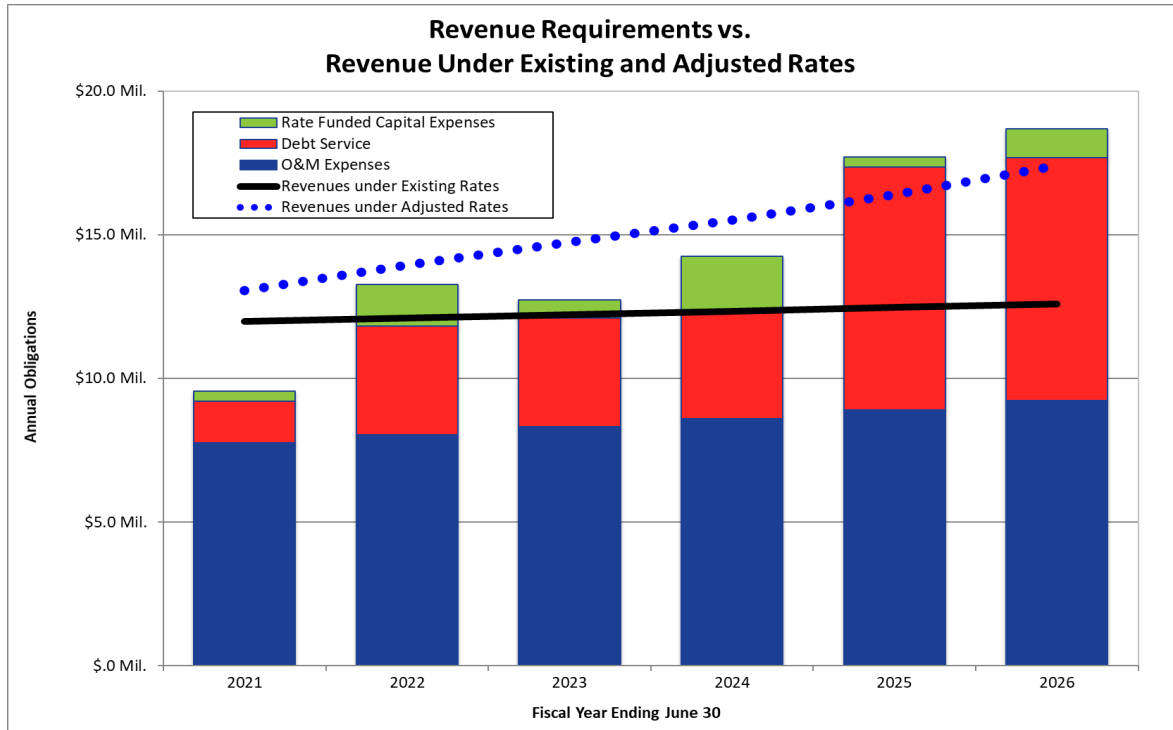
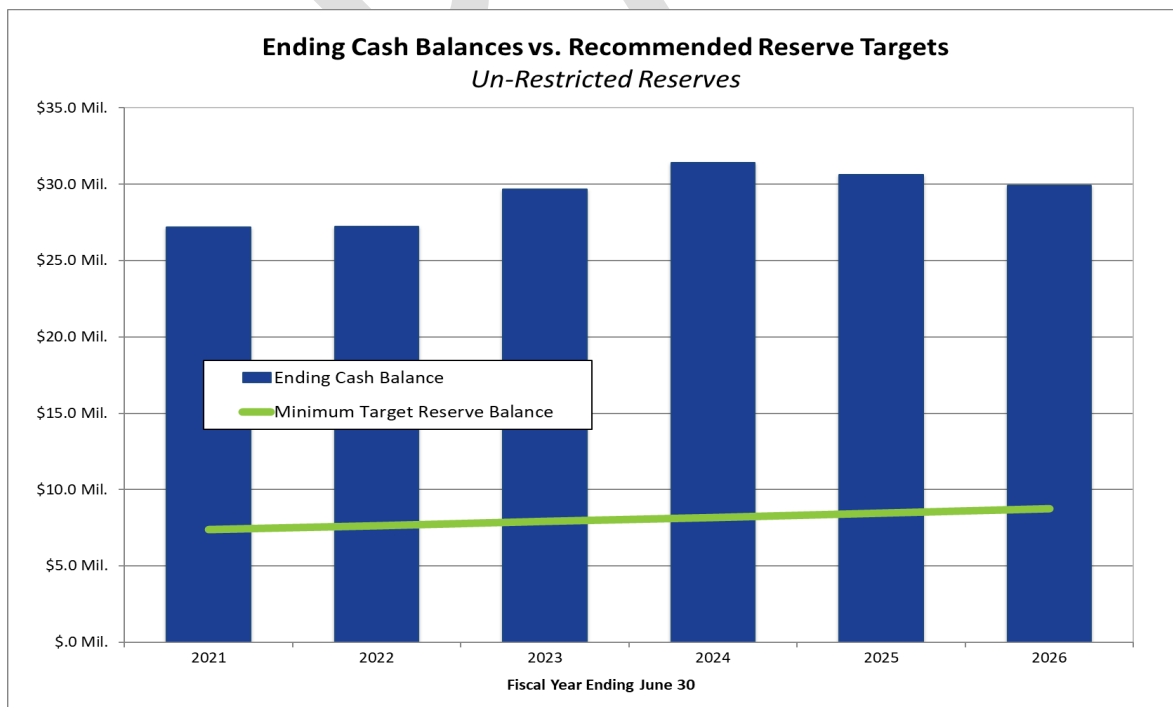


Figure 10. Ending Cash Balance vs. Recommended Reserve Targets



RECOMMENDATION

NBS recommends that the Board of Directors provide District staff and consultants with direction on the financial plan alternatives presented in this memo, which include various assumptions for increase to rate revenue and potential debt financing. The Board should provide input on what alternatives may be acceptable and what further refinements to the financial plan analysis the Board would like to evaluate in future meetings or workshops.

NEXT STEPS

1. NBS will make modifications to the financial plan alternatives based on input provided by the Board of Directors.
2. NBS will continue working on the rate study tasks and complete the cost of service and rate design analyses and provide to District staff for review and input.
3. The results of the Draft Rate Study will be presented to the Board of Directors for input and consideration.
4. NBS will finalize the Rate Study based on input provided by the Board of Directors and will present the results of the final study to the Board.
5. If the Board approves a rate plan, the District will proceed with Proposition 218 notification process to adopt new wastewater rates and hold a public hearing to receive comments and written protests from the public. NBS will prepare the Proposition 218 Notice that will be mailed to property owners/ratepayers.
6. Assuming no majority protest (50% +1 of ratepayers), the District can implement updated wastewater rates for Fiscal Years 2021/22 through 2025/26.

NBS' ASSUMPTIONS AND CONSIDERATIONS

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

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

Wastewater Rate Study Update

Overview of NBS Draft Technical Memorandum

Agenda

- ▶ Finding a Solution
- ▶ Reserve Funds
- ▶ Capital Improvement Program Requirements
- ▶ Five-Year CIP Costs
- ▶ Rate Revenue Requirements
- ▶ Potential Changes to Sewer Rates
- ▶ Pros and Cons
- ▶ Next Steps
- ▶ Questions

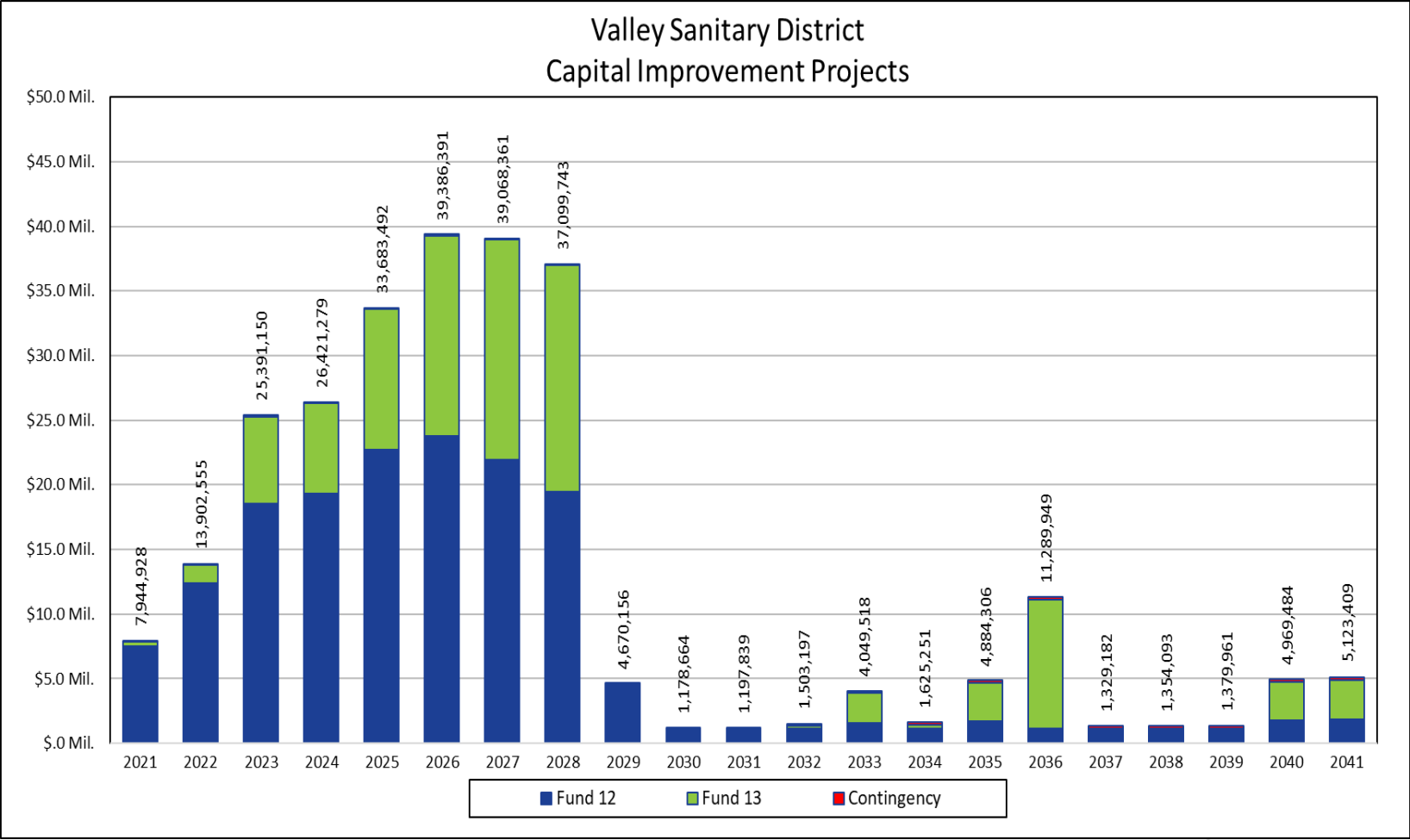
Finding a Solution

- ▶ Issue: The District will not be able to fund both operating and maintenance cost as well as planned capital improvements if it does not implement rate increases.
- ▶ Why: The District's mission is clear, to serve the City of Indio and the surrounding communities by collecting, treating, and recycling wastewater to ensure a healthy environment and sustainable water supply.
- ▶ Solution: Select a financial plan alternative to meet funding requirements.
 - ▶ Alternative 1 Full funding of CIP no debt
 - ▶ Alternative 2 Full funding of CIP with \$150 million in debt
 - ▶ Alternative 3 Full Funding of CIP with \$185 million in debt

Reserve Funds



Capital Improvement Program Requirements



Five-Year CIP Costs

| Project Description | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| FUND 12 | | | | | | |
| PLANT | | | | | | |
| Reclaimed Water Project Phase 1 Design Build | \$ - | \$ 1,359,600 | \$10,142,204 | \$10,446,470 | \$13,289,800 | \$13,811,172 |
| Influent Pump Station Rehabilitation Design Build | 1,200,000 | 1,236,000 | - | - | - | - |
| Vehicle & Major Equipment Replacement Fund | 638,000 | 638,000 | 638,000 | 638,000 | 638,000 | 638,000 |
| Fence Extension & Fortification (Carry Over) plus | 280,000 | - | - | - | - | - |
| Van Buren Slope Protection | 250,000 | - | - | - | - | - |
| Switch Board Main Service Replacement | - | 257,500 | - | - | - | - |
| COLLECTIONS | | | | | | |
| Lateral Grant Program | \$ 54,000 | \$ 55,620 | \$ 57,289 | \$ 59,007 | \$ 60,777 | \$ 62,601 |
| Sewer Main Rehabilitation or Replacement | 2,643,928 | 5,185,524 | 7,571,822 | 8,084,418 | 8,606,738 | 9,162,800 |
| Manhole Rehabilitation | - | - | - | - | - | - |
| Sewer Main Emergency Repairs | 112,000 | 115,360 | 118,821 | 122,385 | 126,057 | 129,839 |
| Emergency Sewer Siphon Replacement Design | 325,000 | 412,000 | - | - | - | - |
| Emergency Sewer Siphon Replacement Const. | 2,000,000 | 3,090,000 | - | - | - | - |
| TOTAL - FUND 12 | \$ 7,502,928 | \$12,349,604 | \$18,528,135 | \$19,350,281 | \$22,721,372 | \$23,804,411 |
| FUND 13 - Connection Fees | | | | | | |
| PLANT | | | | | | |
| Reclaimed Water Project Phase 1 Design Build | \$ - | \$ 906,400 | \$ 6,761,469 | \$ 6,964,313 | \$ 8,859,866 | \$12,030,646 |
| Training & Office Building - Design (Carry Over) | 100,000 | 549,896 | - | - | - | - |
| Training & Office Building - Construction | - | - | - | - | 1,990,171 | 3,433,579 |
| Additional Parking & Landscaping | 250,000 | - | - | - | - | - |
| TOTAL - FUND 13 | \$ 350,000 | \$ 1,456,296 | \$ 6,761,469 | \$ 6,964,313 | \$10,850,037 | \$15,464,225 |
| CONTINGENCY | \$ 92,000 | \$ 96,655 | \$ 101,546 | \$ 106,684 | \$ 112,083 | \$ 117,754 |
| TOTAL - 5-Year CIP Program Costs | \$ 7,944,928 | \$13,902,555 | \$25,391,150 | \$26,421,279 | \$33,683,492 | \$39,386,391 |

Rate Revenue Requirements

| Fiscal Year Ending June 30 | Revenue from Current Funding Sources | Total Revenue Needed to Meet Funding Requirements | | |
|----------------------------------|--|--|----------------|----------------|
| | | Alternative #1 | Alternative #2 | Alternative #3 |
| 2022 | \$ 12,098,790 | \$ 16,333,367 | \$ 13,308,669 | \$ 12,703,730 |
| 2023 | 12,219,778 | 22,270,545 | 14,785,931 | 13,472,305 |
| 2024 | 12,341,976 | 30,365,888 | 16,427,170 | 14,287,380 |
| 2025 | 12,465,395 | 39,870,411 | 18,250,585 | 15,151,766 |
| 2026 | 12,590,049 | 44,296,027 | 20,276,400 | 16,068,448 |
| 2027 | 12,715,950 | 44,738,987 | 20,479,164 | 17,040,589 |
| 2028 | 12,843,109 | 45,186,377 | 20,683,956 | 18,071,545 |
| 2029 | 12,971,540 | 13,691,472 | 20,890,796 | 19,164,873 |
| 2030 | 13,101,256 | 13,828,387 | 21,099,704 | 19,550,087 |
| 2031 | 13,232,268 | 13,966,671 | 21,310,701 | 19,943,044 |
| 2032 | 13,364,591 | 14,106,338 | 21,523,808 | 20,343,899 |
| 2033 | 13,498,237 | 14,247,401 | 21,739,046 | 20,752,811 |
| 2034 | 13,633,219 | 14,389,875 | 21,956,436 | 21,169,943 |
| 2035 | 13,769,552 | 14,533,774 | 22,176,001 | 21,595,459 |
| 2036 | 13,907,247 | 14,679,112 | 22,397,761 | 22,029,527 |
| 2037 | 14,046,320 | 14,825,903 | 22,621,738 | 22,472,321 |
| 2038 | 14,186,783 | 14,974,162 | 22,847,956 | 22,924,015 |
| 2039 | 14,328,651 | 15,123,903 | 23,076,435 | 23,384,787 |
| 2040 | 14,471,937 | 15,275,142 | 23,307,199 | 23,854,821 |
| 2041 | 14,616,656 | 15,427,894 | 23,540,271 | 24,093,370 |

Percentage Change in Revenue Needed

| Fiscal Year Ending June 30 | Percentage Change in Revenue Needed to Meet Funding Requirements | | |
|----------------------------------|---|----------------|----------------|
| | Alternative #1 | Alternative #2 | Alternative #3 |
| 2022 | 35% | 10% | 5% |
| 2023 | 35% | 10% | 5% |
| 2024 | 35% | 10% | 5% |
| 2025 | 30% | 10% | 5% |
| 2026 | 10% | 10% | 5% |
| 2027 | 0% | 0% | 5% |
| 2028 | 0% | 0% | 5% |
| 2029 | -70% | 0% | 5% |
| 2030 | 0% | 0% | 1% |
| 2031 | 0% | 0% | 1% |
| 2032 | 0% | 0% | 1% |
| 2033 | 0% | 0% | 1% |
| 2034 | 0% | 0% | 1% |
| 2035 | 0% | 0% | 1% |
| 2036 | 0% | 0% | 1% |
| 2037 | 0% | 0% | 1% |
| 2038 | 0% | 0% | 1% |
| 2039 | 0% | 0% | 1% |
| 2040 | 0% | 0% | 1% |
| 2041 | 0% | 0% | 0% |

Potential Service Sewer Charge

| Fiscal Year Ending June 30 | Potential Service Sewer Charge to Meet Funding Requirements | | |
|----------------------------|---|----------------|----------------|
| | Alternative #1 | Alternative #2 | Alternative #3 |
| 2022 | \$ 446 | \$ 363 | \$ 347 |
| 2023 | 601 | 399 | 364 |
| 2024 | 812 | 439 | 382 |
| 2025 | 1,055 | 483 | 401 |
| 2026 | 1,161 | 531 | 421 |
| 2027 | 1,161 | 531 | 442 |
| 2028 | 1,161 | 531 | 464 |
| 2029 | 348 | 531 | 488 |
| 2030 | 348 | 531 | 492 |
| 2031 | 348 | 531 | 497 |
| 2032 | 348 | 531 | 502 |
| 2033 | 348 | 531 | 507 |
| 2034 | 348 | 531 | 512 |
| 2035 | 348 | 531 | 518 |
| 2036 | 348 | 531 | 523 |
| 2037 | 348 | 531 | 528 |
| 2038 | 348 | 531 | 533 |
| 2039 | 348 | 531 | 539 |
| 2040 | 348 | 531 | 544 |
| 2041 | 348 | 531 | 544 |

Alternative 1

Pros

- ▶ No additional Debt
- ▶ Would be able to reduce rates near FY2021 amounts in FY2029
- ▶ No need to wait for loan processing and approvals
- ▶ Projects can commence as scheduled

Cons

- ▶ Rapid increase in first five (5) years
- ▶ High rates for five years while projects are completed

Alternative 2

Pros

- ▶ Moderate rate increases
- ▶ Rate increases are only in the first five (5) years then remain constant

Cons

- ▶ \$150M in debt
- ▶ Assumes 30-year term loans, 0% cost of issuance, and 2.0% annual interest
- ▶ Loans are timely to acquire might delay projects and increase costs
- ▶ Taking on debt lowers debt coverage ratio

Alternative 3

Pros

- ▶ Low rate of increases

Cons

- ▶ \$185M in debt
- ▶ Assumes 30-year term loans, 0% cost of issuance, and 2.0% annual interest
- ▶ Loans are timely to acquire might delay projects and increase costs
- ▶ Taking on debt lowers debt coverage ratio
- ▶ Increases continue through FY40

Next Steps

- ▶ Relay questions from Budget and Finance Committee to NBS for further clarification
 - ❑ Clarify if the staffing requirements have been included in the O&M budget projections. If so, remove them to see the financial impact.
 - ❑ Add a new scenario showing 20-year loan with the cost of issuance included
 - ❑ Provide hard deadlines for:
 - New Rate
 - Classifications
 - Prop 218 Notices
 - Tax roll submission
- ▶ Special Committee Meeting with NBS is scheduled for January 19, 2021



Questions?



**Valley Sanitary District
Budget & Finance Committee
January 12, 2021**

TO: Board of Directors

Through: Beverli A. Marshall, General Manager

FROM: Jeanette Juarez, Business Services Manager

SUBJECT: Board Laptop Quotes

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

Executive Summary

The purpose of this report is to provide the Board of Directors with requested quotes for new laptops.

Strategic Plan Compliance

This item complies with VSD Strategic Plan Objective 3.2: Increase use of technology to lower costs and improve reliability

Fiscal Impact

There are three (3) quotes provided for different models of laptops. Should the Board wish to proceed a budget adjustment would need to be executed to include the expense in the FY2020/21 budget. The budget adjustment could range from \$5,120 to \$7,128.

Background

Pursuant to the Governor’s Executive Order N-25-20 issued on March 4, 2020 and N-29-20 issued on March 18, 2020; the Board of Directors regular meeting and committee meetings are now held via Zoom to comply with physical distancing protocols.

The remote work arrangements are just one-way Valley Sanitary District is assisting in the control of COVID-19 hazards. However, the use of new technology also means that new resources and upgrades must be made to ensure that the organization runs efficiently. For this reason, the Board of Directors requested quotes for new laptops for the Directors to use for official District business. The new laptops will make it faster and more efficient for the Directors to conduct official business and attend Board and Committee meetings. Currently the directors rely on District issued iPads with more limited capabilities.

Attached are three (3) quotes for new laptops for the Board to review.

Recommendation

Recommend that the Board of Directors receive this report for information.

Attachments

Attachment A Laptop Quotes

Attachment A

Laptop Quotes

HP HP ProBook 450

- Windows 10 Pro 64
- 11th Generation Intel® Core™ i5 processor
- 8 GB memory; 256 GB SSD storage
- 15.6" diagonal FHD display
- Intel® Iris® Xe Graphics
- Bluetooth
- 3-year warranty
- Five (5) Laptops \$7,128



HP 250 G7 Notebook PC

- Windows 10 Pro 64
- 10th Generation Intel® Core™ i5 processor
- 8 GB memory; 256 GB SSD storage
- 15.6" diagonal FHD display
- Intel® UHD Graphics
- Bluetooth
- 3-year warranty
- Five (5) Laptops \$5,437



DELL Latitude 3510 Business Laptop

- 10th Generation Intel® Core™ i5-10210U (4 Core, 6M cache, base 1.6GHz, up to 4.2GHz)
- Windows 10 Pro 64bit English, French, Spanish
- Integrated Intel UHD for 10th Generation Intel Core i5-10210U
- M.2 256GB PCIe NVMe Class 35 Solid State Drive
- 8GB, 1x8GB, DDR4 Non-ECC
- 3-year warranty
- Five (5) Laptops \$5,120





**Valley Sanitary District
Board of Directors Meeting
January 12, 2021**

TO: Board of Directors

THROUGH: Beverli A. Marshall, General Manager

SUBJECT: **Monthly General Managers Report – November 2020**

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

Executive Summary

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

Strategic Plan Compliance

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

Fiscal Impact

There is no fiscal impact from this report.

Background

The following data represents the activities and metrics for the month of November 2020.

Administrative Services

- The Special Districts Financial Transactions Report for 2020 was submitted to the California State Controller on December 28, 2020. The report is due on or before January 31, 2021.
- The District office will be closed on January 18, 2021, for Martin Luther King Jr. Day.
- Continuing to work with Caselle to upgrade permitting and accounting software.

Operations & Maintenance

- Staff completed the installation of the new Sodium Hypochlorite bulk storage tank.
- Staff exposed and plugged a damaged irrigation line connected to the main pond effluent pipe. The pipe was damaged during the removal of an asbestos concrete ring that surrounded one of the irrigation valves. Pond effluent spilled onto the Twenty-Nine Palms Band of Mission Indians tribal land. The regional

water board, the office of emergency services, and the environmental manager for the tribe were all notified of the event. A written report summarizing the event was sent to the regional water board and no further actions were needed.

- A mechanical seal was replaced on one of the hot water pumps for the digester heating system.
- Secondary clarifier #1 was taken out of service and cleaned. Secondary clarifier #3 was put into service.
- Staff was asked to research and provide input on waste thickening technology for the upcoming plant upgrade project.

Development Services

- TKB Deli & Bakery has started construction on a new building at a new location on the southeast corner of Golf Center Parkway and Avenue 45, Across the intersection from their existing location.
- Quick Quack Carwash has begun construction on a new car wash location near the corner of Monroe St. and Ave. 42 in the Walmart shopping center.
- Villa Hermosa Phase III has started construction of 100 apartment units at the Fred Young Farm Labor Camp near the intersection of Van Buren St. and Dr. Carreon Blvd.

Collection Services

- No-Spill report for December 2020 will be submitted to the California Integrated Water Quality System, as required by the Waste Discharge Requirements Monitoring and Reporting Program. The report is due on or before January 31, 2021.
- Pump#2 from Carver Lift Station was sent in for repairs due to the pump ragging up causing it to overheat. This makes it the second time that this pump has been sent in for repairs due to wipes causing pumps to rag up. The pump has since been repaired, returned, and installed.
- The Field Vector Crew is currently jetting Trouble Spot areas.

Capital Improvement Program

- The Preliminary Design Report for the replacement of the sewer siphon at Westward Ho Drive is complete. This is a FEMA funded project to replace the damaged sewer siphon from the February 2019 storm. The design is in progress. Staff and the consultant had a preliminary meeting with CVWD regarding requirements for crossing the channel. 50% of design plans and an updated project cost schedule have been submitted by Carollo. Staff reviewed the plans and sent comments back to Carollo for revision. Update: 90% of design plans and specifications are scheduled to be ready by January 2021.
- Staff is continuing to work with Harris and Associates on the Collections System Rehabilitation and Maintenance project. Harris has put together bid documents for the CCTV inspection of sewer mains that need special requirements or technology which have been approved by VSD and the City of Indio. This project was put out to bid and advertised to potential bidders on November 23rd, 2020. and sealed bids will be opened on January 14th,

2021. The first rehabilitation project was put out to bid and advertised to potential bidders on August 3, 2020, and the bid was closed on September 10, 2020, with 5 companies submitting bids. The lowest responsible bidder was Insituform with a bid of \$240,483. Harris is also developing plans for the first sewer construction project near Salton Street. This is being done to replace deficient sewer mains in the allies and alleviate service from businesses and residences with old laterals between Sage and Flower Street. Update: Preliminary plans for the Salton Street improvement are expected by end of January 2021. Lining for the first rehabilitation project is scheduled to occur from January 22 to January 29, 2021.

- VSD has chosen SGH Architects as the architectural firm for the preliminary design of a new single-story training/office building. Staff had a second meeting with the architect to discuss ideas for a functional and adequate building. Staff has selected a new location for the building that will allow the single-story building with minimal demolition. Staff comments and revisions based on the single-story design have been submitted to the architect who is currently preparing a revised floor plan, conceptual cost estimate, and new proposal for the construction of a new laboratory building. Update: The architect is currently developing an engineer's estimate for the training/office building. The proposed laboratory building kick-off meeting is scheduled for Monday, January 11th.
- VSD is currently working with Stantec, who is acting as an Owner's Representative, on the repair and rehabilitation of the Influent Pump Station. Stantec and staff have received five (5) Statement of Qualifications as part of the Request for Qualification (RFQ) solicitation. Staff and Stantec shortlisted three (3) of the firms to move on to the next step of submitting a proposal for the work to be completed. The Request for Proposal (RFP) was released on August 28, 2020, and was closed on September 28, 2020. The Board awarded the project to the DCI / Dudek team and a pre-construction meeting was held on December 4th, 2020. Update: The DCI / Dudek is currently developing a preliminary bypass plan for the initial inspection and shutdown of the influent pump station structure.
- VSD has received one bid for a landscape contractor to install gravel and rock material along the existing fence line alongside Cabazon Road to prevent washout during heavy rain events. The project was awarded to Desert Concepts who completed the first phase of the project. The Board has approved the first project change order which extends the work to the north of the original project site up to the corner of the Bird Rescue Center gate. This work was completed in the middle of December 2020. The Board has approved the second project change order for the remaining length of VSD fence line along Cabazon Road. Update: VSD is waiting for the contractor to sign Change Order No. 2 and set a date for when they will begin construction.
- Staff is working on implementing an asset management system for the treatment plant using Lucity web software. VSD is currently working on building out the Lucity Web system with the help of a Lucity implementor. The latest session of virtual training from the implementor was completed on August 25, 2020. The next session will be scheduled once the Operations and Maintenance staff has had a chance to practice using the system. Staff

has finished the installation of Lucity Mobile and is pursuing the implementation of plant-wide WiFi which will allow access to the asset management system from a mobile device anywhere in the plant facility. Update: Staff is currently working on populating the system with scheduled work orders and system configuration.

Recommendation

Staff recommends that the Board receive the Manager’s Report for activities during the month of October.

Attachments

- Attachment A: Administrative Services Report for November
- Attachment B: Monthly NPDES Report for November
- Attachment C: Collection Services Report for November
- Attachment D: Development Services Report for November
- Attachment E: Capital Improvement Program Update for November

Administrative Services - Task Summary 2020

| Task | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Total To Date |
|----------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|---------------|
| Active litigation filed | 1 | - | - | - | - | - | - | - | - | - | - | - | 1 |
| Board meeting | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 3 | 2 | 2 | | 23 |
| Budget/Finance Committee meeting | - | - | - | - | - | - | - | - | 1 | - | 1 | | 2 |
| Operations Committee meeting | - | - | - | - | - | - | - | - | - | - | - | | - |
| Employee anniversaries | - | 3 | 2 | - | 3 | 4 | 4 | 3 | 2 | 2 | - | | 23 |
| Employee promotions | 1 | 1 | - | - | 1 | 1 | 2 | 1 | 1 | 1 | - | | 9 |
| Facebook postings | 1 | 9 | 9 | 6 | 7 | 7 | 2 | 2 | 10 | 8 | 5 | | 66 |
| Insurance claims initiated | - | - | - | - | - | - | - | - | 1 | - | - | | 1 |
| Lost time work incidents | - | - | - | - | - | - | - | - | - | - | - | | - |
| Media coverage items | - | - | - | 1 | - | - | - | - | - | - | - | | 1 |
| New hires | - | 2 | - | - | 2 | 1 | 1 | - | - | - | 1 | | 7 |
| Press release | - | - | 3 | 1 | 1 | - | - | - | - | - | - | | 5 |
| Public records request | - | - | - | - | - | - | - | - | 1 | - | - | | 1 |
| Resignations | 1 | 1 | 1 | - | - | - | - | - | - | 1 | - | | 4 |
| Retirements | - | - | - | - | - | - | 1 | - | - | - | - | | 1 |

Report Name: Monthly

| November 2020 | Plant Influent | | ASP Effluent | | | Pond Effluent | | |
|----------------|----------------|-------------|----------------------------|------------|-------------|--|-------------|------------|
| | TSS (mg/L) | CBOD (mg/L) | Monthly Average Flow (MGD) | TSS (mg/L) | CBOD (mg/L) | Monthly Average Pond Effluent Flow (MGD) | CBOD (mg/L) | TSS (mg/L) |
| 1 | | | | | | | | |
| 2 | | | | | | | | |
| 3 | | | | | | | | |
| 4 | | | | | | | | |
| 5 | 240 | 290 | | 4.1 | 8.2 | | 11.1 | 29.2 |
| 6 | | | | | | | | |
| 7 | | | | | | | | |
| 8 | | | | | | | | |
| 9 | | | | | | | | |
| 10 | | | | | | | | |
| 11 | | | | | | | | |
| 12 | 240 | 297 | | 4.9 | 11.3 | | 14.4 | 34 |
| 13 | | | | | | | | |
| 14 | | | | | | | | |
| 15 | | | | | | | | |
| 16 | | | | | | | | |
| 17 | | | | | | | | |
| 18 | | | | | | | | |
| 19 | 228 | 305 | | 7.24 | 11.9 | | 21.3 | 31.7 |
| 20 | | | | | | | | |
| 21 | | | | | | | | |
| 22 | | | | | | | | |
| 23 | | | | | | | | |
| 24 | | | | | | | | |
| 25 | 274 | 293 | | 4.5 | 8.71 | | 17.5 | 30.7 |
| 26 | | | | | | | | |
| 27 | | | | | | | | |
| 28 | | | | | | | | |
| 29 | | | | | | | | |
| 30 | | | 5.16 | | | 1.237 | | |
| Average | 246 | 296 | 5.16 | 5.19 | 10.03 | 1.237 | 16.1 | 31.4 |
| Minimum | 228 | 290 | 5.16 | 4.1 | 8.2 | 1.237 | 11.1 | 29.2 |
| Maximum | 274 | 305 | 5.16 | 7.24 | 11.9 | 1.237 | 21.3 | 34 |

| | | | | | | | |
|----------------------|--|--|----|----|--|------|------|
| Permit LIMITS | | | 25 | 30 | | 40.0 | 49.0 |
|----------------------|--|--|----|----|--|------|------|

| | | |
|-------------------|--------------------------|-----|
| Laboratory | Collected (# of Samples) | 312 |
| | Analyzed (# of Tests) | 675 |

| Total Plant Discharge (Outfall) | | | | | | | | |
|---------------------------------|-----------------------|---------------|----------------------------------|------------------------|------------------------------|-----------------------|-----------------------|-----------------------|
| 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) |
| 5.2 | | | | | | | | |
| | < 1.4 | 1.8 | < 0.5 | < 0.9 | 4.0** | 11 | 1.2 | 18 |
| 12.1 | | | | | | | | |
| 8.6 | | | | | | | | |
| 5.2 | | | | | | | | |
| 7.3 | | | | | | | | |
| 7.3* | 1.4 | 1.8 | 0.5 | 0.9 | 4.0 | 11 | 1.2 | 18 |
| 5.2 | < 1.4 | 1.8 | < 0.5 | < 0.9 | 3.5 | 11 | 1.2 | 18 |
| 12.1 | < 1.4 | 1.8 | < 0.5 | < 0.9 | 4.4 | 11 | 1.2 | 18 |
| 126 | <0.01 | 25 | 9.0 | 5.9 | 4.3 | | | |

Collection Services Task Summary Report for 2020

| Task | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Total To Date |
|---|-----|-----|-----|-----|-----|--------|--------|--------|--------|--------|--------|--------|---------------|
| Customer Service Calls | | | | | | 3 | 2 | 3 | 3 | 6 | - | 2 | 19 |
| F.O.G. Inspection - Completed | 27 | 30 | 47 | 37 | 20 | 27 | 14 | | | | | | 41 |
| F.O.G. Inspection - Fail | - | - | - | - | - | - | - | | | | | | - |
| F.O.G. Inspection - Pass | 27 | 30 | 47 | 37 | 20 | 27 | 14 | | | | | | 41 |
| Hot spot cleaning (total)* | | | | | | - | 26 | - | - | 36 | - | | 62 |
| Lift station inspection | | | | | | 19 | 23 | 19 | 19 | 24 | 19 | 19 | 142 |
| Manhole inspection | | | | | | 120 | 104 | 147 | 169 | 100 | 191 | 159 | 990 |
| Sewer line CCTV (feet) | | | | | | 21,192 | 23,248 | 32,459 | 36,459 | 36,440 | 27,337 | 8,800 | 185,935 |
| Sewer line cleaning (feet) | | | | | | 42,853 | 43,908 | 62,101 | 66,082 | 45,343 | 58,325 | 62,479 | 381,091 |
| SSO Response - Cat 1 | | | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| SSO Response - Cat 2 | | | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| SSO Response - Cat 3 | | | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| USA Markings | | | | | | 44 | 67 | 52 | 40 | 53 | 44 | 41 | 341 |
| *Note: Hot spot cleaning is performed quarterly | | | | | | | | | | | | | |



VALLEY SANITARY DISTRICT DEVELOPMENT SERVICES REPORT

12-Jan-21

Plan Check in Progress
Inspection in Progress
New Project

| PROJECT NAME | STREET ADDRESS / CROSS STREET | CURRENT PROJECT STATUS | NEXT ACTION ITEM |
|--|---------------------------------------|--|---|
| 7-Eleven Golf Center | 44925 Golf Center/Avenue 45 | Civil plans submitted for new 7-Eleven store approved. Arch. plans approved and returned to the applicant 10/26/20. Issued permit 3915 on 10/26/20. | Inspect work improvements as scheduled. |
| 82490 Highway 111-Former Imperial Furniture | 82490 Highway 111/Arabia Street | Plans submitted for remodeled suites. | In Queue |
| Abel Lupian Commercial Bldg. | 45105 Commerce Street | Plans submitted for new commercial building. Completed 1st plan check and returned to the applicant 4/3/20. | Perform 2nd plan check upon plan resubmittal. |
| Albert Luna SFR Sewer Connection | 46-161 Madison St/Mary Lane | Plans submitted for plan check. Completed 1st plan check and returned to applicant 10/19/20. Permit 3928 12/8/20. Finaled 12/16/20. | No further action required |
| Animal Samaritans - TI | 42150 Jackson Street, Ste's 104-106 | Plans submitted for building TI. Plans approved and returned to the applicant 2/4/2020. Issued permit 3874 on 2/28/2020. | Inspect work improvements as scheduled. |
| Autozone Jackson Street | 41850 Jackson Street/aAvenue 42 | Plans submitted for plan check. Sewer main relocation. | Perform 3rd plan check upon plan resubmittal. |
| Bel Cielo - Tr 32425 | West of Clinton South of Ave 44 | Model homes. No plan check is required. Permit and Inspection fees need to be paid. Issued permit 3840 on 9/13/19. | Inspect work improvements as scheduled. |
| Buzzbox | 42625 Jackson Street #112 | Plans submitted existig building TI. Completed 1st plan check and returned to the City 2/22/19. | Perform 2nd plan check upon plan resubmittal. |
| Cardenas Single Family Dwelling (SFD) | 82266 Stallone Drive | Plans submitted for new SFD. Plans approved, notified the applicant 6/16/20. | Waiting for owner to process permit paperwork. |
| Carranza Residence -Additional Dwelling Unit | 81-450 Palmyra Avenue | Plans submitted for additional dwelling unit. Plans approved and notified applicant 10/2/20. Issued permit 3907 on 10/5/20. | Inspect work improvements as scheduled. |
| Chandi Plaza | SW Corner of Indio Blvd/Avenue 44 | Civil plans submitted for plan check. Completed 2nd plan check and notified applicant 9/30/20. | Perform 3rd plan check upon plan resubmittal. |
| 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. | Perform 2nd plan check upon plan resubmittal. |
| Chandi Plaza Building Restaurant Shell | 81-977 Indio Blvd/Avenue 44 | Plans submitted for plan check. Completed 1st plan check and returned to applicant 10/22/20. | Perform 2nd plan check upon plan resubmittal. |
| Chandi Plaza Car Wash | 81-983 Indio Blvd/Avenue 44 | Plans submitted for plan check. Completed 1st plan check and returned to applicant 9/16/20. | Perform 2nd plan check upon plan resubmittal. |
| Chandi Plaza Convenience Store | 81-965 Indio Blvd/Avenue 44 | Plans submitted for plan check. Completed 1st plan check and returned to applicant 9/16/20. | Perform 2nd plan check upon plan resubmittal. |
| Chavez Tenant Improvement | 45330 Jackson St/Civic Center | Plans submitted for TI of existing building. Demolition of interior walls and facilities. Completed 4th plan check and returned to the City 6/25/18. Issued permit 3755 on 7/9/18. | Inspect work improvements as scheduled. |
| Chipotle Mexican Grill TI | 42213 Jackson Street, Suite 106 | Plans submitted for TI of existing shell building. Plans approved and returned to applicant 7/16/20. Issued permit 3917 on 10/29/20. Finaled 11/16/20. | No further action required |
| Citadel RV Storage-Phase 1 | 83667 Dr. Carreon Blvd/Calhoun Street | Plans submitted for construction of new RV storage facility. Plans approved and returned to the applicant 3/17/2020. | Waiting for owner to process permit paperwork. |
| Corso Residence | 49491 Braley Court | Plans submitted for single family residence. Completed 1st plan check and notified applicant 8/25/20. | Perform 2nd plan check upon plan resubmittal. |
| Couthouse Bar & Grill | 82910 Highway 111/Jackson Street | Plans submitted for new restaurant. | Perform 2nd plan check upon plan resubmittal. |
| Dave's Hot Chicken | 42213 Jackson Street/Avenue 42 | Plans submitted for new restaurant. | In Queue |
| Demo Unlimited Storage Yard | 83-845 Ave 45/Vam Buren St | Plans submitted for plan check. Completed 2nd plan check and returned to applicant 9/25/20. Plans approved and returned 10/13/2020 | Waiting for owner to submit Bonds before drafting agreement |
| Destiny Church | 80250 Highway 111/Jefferson Street | Plans submitted for plan check. | Perform 2nd plan check upon plan resubmittal. |
| Donuts Bistro | 82151 Avenue 42, Ste 104 | Plans submitted for construction of new restaurant. Plans approved and returned to the City 8/28/19. | Waiting for owner to process permit paperwork. |
| Dunn Edwards Paint Store | 81921 Hwy 111/Las Palmas | Plans submitted for new retail building. Plans approved and returned to applicant 4/13/20. Issued permit 3884 on 5/12/2020. | Inspect work improvements as scheduled. |
| Dutch Bros. Coffee | 81776 Highway 111/Las Palmas Street | Plans submitted new coffee shop. | Perform 2nd plan check upon plan resubmittal. |
| EOS Fitness Ave 42 Gym | SWC of Spectrum Street & Avenue 42 | Plans submitted for construction of new gym facility. Completed 2nd plan check and returned to the City 11/13/19. | Perform 3rd plan check upon plan resubmittal. |

| PROJECT NAME | STREET ADDRESS / CROSS STREET | CURRENT PROJECT STATUS | NEXT ACTION ITEM |
|---|---|---|--|
| EOS Fitness Hwy 111 | Highway/Jefferson Street | Plans submitted for construction of new gym facility. Plans approved and notified applicant 4/27/20. | Waiting for Development Agreement and Bonds before owner can process permit paperwork. |
| EOS Fitness Public Sewer Extension | SWC of Spectrum Street & Avenue 42 | Plans approved and returned to the engineer 6/3/19. Bond and Development agreement in place. Waiting to receive recorded agreement. | Inspect work improvements as scheduled. |
| Fred Young (Villa Hermosa Apts Phase III) | 83801 Dr. Carreon Blvd / West of Van Buren | Plans submitted for apts at Fred Young Farm Labor Dev. Plans approved and returned to the applicant 7/17/2019. Submitted revision to approved plans 9/16/20. Revised Plans approved 11/5/2020. | Waiting for owner to process permit paperwork. |
| Gallery at Indian Springs | Jefferson St/Westward Ho Drive | Civil plans submitted for plan check. Completed 1st plan check and returned to the Engineer 1/10/18. Completed 2nd plan check and returned to the Engineer 1/25/18. Plans approved 1/31/18. | Inspect work improvements as scheduled. |
| Gallery Homes Tract -Indian Palms | Monroe & Avenue 50 | Gallery Homes has recently purchased the 106 lots. Staff has inspected the site and prepared a list of improvements that need to be made prior to issuing connection permits. Plans submitted for home plans. Reviewed 1st plan check and returned back to the city on 6/4/2014. 2nd plan check returned to city 7/7/14. Model plans approved and returned to the City 8/22/14. New homes currently under construction. | Inspect work improvements as scheduled. |
| Gallery Links - 3 | Indian Palms Country Club - Monroe/Avenue 48 | Plans submitted for installation of 5 sewer laterals for new SFD. Plans approved and returned to the applicant 4/13/20. | Inspect work improvements as scheduled. |
| George Fregoso SFD | 46600 Padua Circle | Plans submitted for new SFD. Plans approved and notified the applicant 5/7/20. Permit 3924 issued 12/1/20. Finaled 12/7/20. | No further action required |
| Golden Corral Restaurant | Atlantic Ave/Caspian near Ave 42 and Jackson | Plans submitted for new restaurant building. Arch plans approved 6/12/20. Completed 1st plan check on civil plans and returned to the applicant 6/12/20. | Perform 2nd plan check upon plan resubmittal. |
| Habitat for Humanity SFD | 43655 Towne Street | Received plans for the construction of a new home on vacant lot. Plans approved and returned to the applicant 3/11/20. Permit 3926 issued 12/1/20. | Inspect work improvements as scheduled. |
| Habitat for Humanity SFD | 43689 Arabia Street | Received plans for the construction of a new home on vacant lot. Plans approved and returned to the applicant 3/11/20. Permit 3925 issued 12/1/20. | Inspect work improvements as scheduled. |
| Hampton Inn Sewer Main Extension | North West 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 engineer 8/27/18. Sewer Finaled 5/12/20. | Waiting for owner to submit Warranty Bond |
| Indian Water RV Community Bldg. | 47202 Jackson Street | Plans submitted for new community building. Completed 1st plan check and returned to applicant. 9/25/19. Issued permit 3873 on 2/26/2020. | Inspect work improvements as scheduled. |
| 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. Completed 1st plan check and returned to the City 2/23/16. Completed 2nd plan check and returned to the applicant 6/8/2020. | Perform 3rd plan check upon plan resubmittal. |
| Indio Palms Sewer Main Extension(Street A) | South East Corner of Avenue 42 and Monroe St | Plans submitted for the extension of a private sewer main for Indio Palms at Spectrum Street. Plan check fees paid 2/1/18. Plans approved and returned to engineer 5/10/18. Development agreement and Bonds in place. | Sewer Main Complete. Need recorded bond to release Bonds |
| Jackson Street Liquor Store | 44350 Jackson Street/Ruby Avenue | Plans submitted existng building TI. Plans approved and returned to the City 4/29/19. Issued permit 3829 on 7/26/19. | Inspect work improvements as scheduled. |
| Jacqueline & Oscar Lua Residence | 80-555 Ridgeback Court | Plans submitted for single family residence. Completed 1st plan check and notified applicant 8/25/20. | Perform 2nd plan check upon plan resubmittal. |
| John Nobles Apartments | TBD - Rubidoux Street/John Nobles Ave | Plans submitted new apartment complex. Completed 1st plan check and returned to the City 2/27/19. | Perform 2nd plan check upon plan resubmittal. |
| Kennedy School Bldg Additions | 45100 Clinton Street | Plans submitted for new building additions. Completed 1st plan check and returned to the applicant 11/6/19. Plans approved check and returned to the applicant 2/3/2020. Issued permit 3875 on 2/28/2020. | Inspect work improvements as scheduled. |
| Maya Cinemas | 82900 Avenue 42/Jackson Street | Plans submitted for construction of new building for theater. Completed 2nd plan check and returned to the City 10/16/19. | Perform 3rd plan check upon plan resubmittal. |

| PROJECT NAME | STREET ADDRESS / CROSS STREET | CURRENT PROJECT STATUS | NEXT ACTION ITEM |
|---------------------------------|--------------------------------------|---|---|
| Mex-American Tax Services | 44250 Monroe St./South of Indio Blvd | Plans submitted for an office addition, Returned 1st plan check back to City on 1/21/2014. Received 2nd submittal 3/13/2014. 2nd plan check completed and returned to the city on 3/31/2014. Received 3rd submittal 4/21/14. Reviewed, approved and returned plans back to the city on 5/15/2014. Issued permit 3518 on 8/4/15. Permit expired with the City. | Inspect work improvements as scheduled. |
| Motorcoach CC - Casita Addition | 80501 Avenue 48, Lot 225 | Plans submitted for casita addition and storage building. Plans approved and returned to the City 5/8/19. Issued permit 3814 on 5/8/19. | Inspect work improvements as scheduled. |
| Motorcoach CC - Casita Addition | 80501 Avenue 48, Lot 145 | Plans submitted for casita addition and storage building. Plans approved and returned to the City 5/9/19. Issued permit 3849 on 10/29/19. | Inspect work improvements as scheduled. |
| Motorcoach CC - Casita Addition | 80501 Avenue 48, Lot 321 | Plans submitted for casita addition and storage building. Plans approved and returned to the applicant 12/17/19. Issued permit 3863 on 12/30/19. | Inspect work improvements as scheduled. |
| Motorcoach CC - Casita Addition | 80501 Avenue 48, Lot 328 | Plans submitted for casita addition and storage building. Plans approved and returned to the applicant 5/5/20. Issued permit 3882 on 5/5/2020. | Inspect work improvements as scheduled. |

Monthly Capital Improvement Project Update - January 2021

| Project Title | Project Description | Current Status | Fiscal Year Budget | Total Spent to Date |
|--|--|--|--------------------|---------------------|
| Westward Ho Sewer Siphon Replacement Design and Construction | Due to the February 2019 rain event, the existing VSD sewer siphon that crosses the CVWD storm channel at Westward Ho Drive became exposed and was damaged. In order to prevent this from happening again in the future, Carollo Engineers is currently working with VSD on the final design of a new sewer that is to be constructed well below the new channel scour depth. The design being proposed would utilize horizontal directional drilling to create a new sewer siphon alignment under the channel and adjacent to the original siphon. Permit processing with at least CVWD and possibly other regulatory agencies may extend the design/permit period. Some or possibly all the project costs will be reimbursed by FEMA / CalOES. | Carollo Engineers is revising the 50% design plans and specifications based on VSD comments. 90% plans and specifications are expected by the end of January. | \$1,325,000.00 | \$355,577.25 |
| Collections System Rehabilitation Projects | Harris & Associates is assisting the District in creating a 10-year rehabilitation and replacement program for the collections system. The purpose of this project is to repair, rehabilitate, replace and/or realign aging or defective pipelines and/or segments projected to reach capacity within the foreseeable future. Harris and the District have assigned a rating and priority to all of the pipes in the collection system and are splitting them up into projects for each fiscal year. The first project for this fiscal year will consist of the rehabilitation of approximately 2,300 feet of sewer located in Indio Boulevard and underneath the railroad near Cabazon Avenue using cured in place lining. The second project will consist of hiring a contractor to perform CCTV inspections of all pipes within the District that cannot be surveyed by collections staff due to high flows or pipe diameter. The third project will consist of the construction a new sewer main within the alley between Salton and Flower Street and replace existing sewer within the alley between Salton and Sage Street. This is being done replace deficient sewer mains in the allies and alleviate service from businesses and residences with old laterals between Sage and Flower Street. | The Rehab Project #1 lining is set to start on January 21st. VSD is currently out to bid for the CCTV Services project. Harris is currently preparing a preliminary design for the new sewer near Salton Street. | \$2,643,928.00 | \$91,239.00 |
| Reclaimed Water Project Phase 1 | The contract for this project was awarded to Schneider Electric / Stantec. The project design cost is \$2,200,000 and project schedule is approximately 460 days. Construction costs will be determined during the design phase and will be awarded to Schneider Electric / Stantec upon approval of the Board. The Reclaimed Water Project – Phase 1 will replace an aging and capacity restricting grit chamber and provide redundancy by adding a second digester and expanding the bar screens. This project will also include adding a biofilter, a sludge holding tank, and a sludge thickener building. | Schneider is currently drafting a Basis of Design Report which is expected by the end of January 2021. | \$5,749,692.00 | \$0.00 |
| Influent Pump Station Rehabilitation | Stantec is assisting the District as an Owner's Representative and DCI / Dudek are acting as the design-build team for this project. The influent pump station structure is showing significant signs of deterioration. Proposed improvements to the pump station include: bypass of the pump station for inspection and repair, repair/replacement of leaking and broken gates, repair of interior concrete coating, installation of new valves for proper isolation/drainage, installation of a new jockey pump in the empty pump bay. | The DCI / Dudek team is preparing a preliminary bypass plan for the initial inspection of the influent pump station. | \$1,200,000.00 | \$16,965.50 |
| New Training and Office Building | The District and SGH Architects are developing the initial design for a new office / training building that will be located to the west of the existing Operations building. The purpose of this new building is to provide space for new offices for collections and maintenance personnel as well as a training area for company events and meetings. Also as part of this project, VSD has contracted SGH to develop designs for a new laboratory building to replace the existing lab due to the current issues lab staff are experiencing with the layout and air filtering system. | The kickoff meeting for the design of the new laboratory building will take place on January 11th, 2021. | \$100,000.00 | \$60,918.50 |
| Van Buren Slope Protection | The slope along the south end of the District's property is being eroded during flooding events which is causing the posts of the chain link fence to become exposed and weakened. VSD has coordinated with the City of Indio to design a gravel and rip-rap slope reinforcement that will prevent washout during heavy rain events. This project is split into three phases which will encompass the entire length of fence line along Cabazon Road. | VSD is waiting for the contractor to sign Change Order No.2 and set the date to start the last phase of construction. | \$250,000.00 | \$90,235.75 |

Monthly Capital Improvement Project Update - January 2021

| Project Title | Project Description | Current Status | Fiscal Year Budget | Total Spent to Date |
|---------------------------------------|--|---|---------------------------|----------------------------|
| Completion of Perimeter Fence Project | This project has been postponed due to the need for a design of the fence before construction. The location and terrain of the proposed fence is such that it will need design. Staff is limited with the number of projects already in process that have a higher priority than this project. Current night security patrol has limited the theft and damage of District property. | Project has not started. | \$280,000.00 | \$0.00 |
| 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. | Project is in preliminary design process. | \$250,000.00 | \$0.00 |
| Steel WaterLine Replacement | The above ground, steel waterline adjacent to the aeration basins is old and prone to leaks, especially at the grooved joints, and has exceeded its useful life. The new steel waterline will have traditional joints that will provide a longer life. This project has been on the books for several years and has been a lower priority due to lack of leaks in recent years and the difficult nature of replacement. | Project has not started. | \$142,000.00 | \$0.00 |
| Recycled Water Main Extension | Staff would like to extend the secondary effluent pipeline system about 250 feet to the pond chlorine contact chamber to save significant potable water when cleaning the pond chlorine contact chamber. This will allow the use of secondary effluent water to be used to clean the chamber instead of potable water. This project has been in the budget for the second year. It has been on hold waiting for staff to have time to install the water main themselves. | Project has not started. | \$60,000.00 | \$0.00 |
| | | | | |

**VALLEY SANITARY DISTRICT
BUDGET & FINANCE COMMITTEE MEETING MINUTES**

January 5, 2021

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

A regular Meeting of the Valley Sanitary District (VSD) Budget & Finance Committee was held via videoconference on Tuesday, January 5, 2021.

1. CALL TO ORDER

Committee Member Sear called the meeting to order at 1:05 p.m.

1.1 Roll Call

Directors Present:
Chairman Dennis Coleman
Committee Member Scott Sear

Staff Present:
Beverli Marshall, General Manager, Jeanette Juarez, Business Services Manager, Holly Gould

1.2 Pledge of Allegiance

2. PUBLIC COMMENT

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

None.

3. DISCUSSION / ACTION ITEMS

3.1 RFP Audit Services Review

Jeanette Juarez gave the committee an update on the RFP for Auditing Services. The District received eight (8) proposals. All proposals were reviewed by a staff evaluation committee consisting of the General Manager, Business Services Manager, Accounting Analyst, and Assistant Engineer. They were rated based on various factors including staff experience, references, and ability to understand and implement the scope of work. Davis Farr LLP received the highest overall score. Their proposal was clear, concise, and demonstrated a strong understanding of the scope of work. Chairman Coleman was pleased with the references Davis Farr provided and the credentials the David Farr team

held. Committee Member Sear also liked the proposal. This item is scheduled to go before the full board for approval on February 9, 2021.

3.2 Sewer Rate Study Update

Jeanette Juarez presented the committee with the draft technical memo prepared by NBS for the Comprehensive Wastewater Rate Study. It addresses three (3) key issues; the development of net revenue requirements from FY2021/22 to FY2040/41, the establishment and maintenance or reserve funds and targets, and the funding of the districts' Capital Improvement Program. NBS developed three (3) financial plan alternatives for district staff and the board of directors to consider; alternative 1 full funding of CIP, no debt, alternative 2 full funding of CIP with \$150 million in debt, and alternative 3 full funding with \$185 million in debt. Ms. Juarez informed the committee that NBS will meeting with the full board to go over the study at a special board meeting on January 19. The committee requested staff bring the technical memo to the board at the next meeting on January 12, 2021.

4. **FUTURE MEETING ITEMS**

Chairman Coleman would like staff to check into the district's CalTrust account and develop a pros and cons list.

5. **ADJOURNMENT**

There being no further business to discuss, the meeting adjourned at 2:11 p.m. The next regular committee meeting will be held March 2, 2021.

Respectfully submitted,

Holly Gould, Clerk of the Board
Valley Sanitary District



**Valley Sanitary District
Board of Directors Meeting
January 12, 2021**

TO: Board of Directors
THROUGH: Beverli A. Marshall, General Manager
FROM: Jeanette Juarez, Business Services Manager
SUBJECT: Vacation Leave Balances and Cost for Payout for All Employees

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

Executive Summary

The purpose of this report is to provide the Board of Directors information regarding the balance of compensated absences as of December 31, 2020 as they relate to earned but unused vacation time for all employees.

Strategic Plan Compliance

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

Fiscal Impact

The liability for earned but unused vacation leaves as of December 31, 2020 is \$254,827.

Background

At the December 29, 2020 Board meeting, the Board of Directors requested that staff bring back an information item depicting the most current earned but unused vacation accrual liability of all employees.

As of December 31, 2020, Valley Sanitary District has an accrued liability of \$254,827 for earned but unused vacation. The liability equates to 6,005 hours. Attachment A illustrates a table with all employees and their earned vacation balance hours as of December 31, 2020. Employee 1 has the highest accrued hours at 426. The current policy permits employees a maximum accrual not to exceed 1,000 hours.

Recommendation

Recommend that the Board of Directors receive this report for information.

Attachments

Attachment A Accrued Vacation for All Employees

Vacation Balance as of 12/31/20

| Employee | Hours | Days |
|-----------------|--------------|-------------|
| Employee 1 | 426 | 53 |
| Employee 2 | 379 | 47 |
| Employee 3 | 310 | 39 |
| Employee 4 | 298 | 37 |
| Employee 5 | 297 | 37 |
| Employee 6 | 297 | 37 |
| Employee 7 | 296 | 37 |
| Employee 8 | 288 | 36 |
| Employee 9 | 276 | 34 |
| Employee 10 | 274 | 34 |
| Employee 11 | 248 | 31 |
| Employee 12 | 217 | 27 |
| Employee 13 | 217 | 27 |
| Employee 14 | 214 | 27 |
| Employee 15 | 199 | 25 |
| Employee 16 | 188 | 24 |
| Employee 17 | 169 | 21 |
| Employee 18 | 159 | 20 |
| Employee 19 | 158 | 20 |
| Employee 20 | 152 | 19 |
| Employee 21 | 143 | 18 |
| Employee 22 | 126 | 16 |
| Employee 23 | 104 | 13 |
| Employee 24 | 99 | 12 |
| Employee 25 | 91 | 11 |
| Employee 26 | 90 | 11 |
| Employee 27 | 90 | 11 |
| Employee 28 | 69 | 9 |
| Employee 29 | 50 | 6 |
| Employee 30 | 46 | 6 |
| Employee 31 | 25 | 3 |
| Employee 32 | 9 | 1 |
| Total | 6,005 | 751 |