



Board of Directors Regular Meeting
Tuesday, August 25, 2020 at 1:00 PM
Valley Sanitary District Board Room
45-500 Van Buren Street, Indio, CA 92201

*******SPECIAL NOTICE – Telephonic Accessibility*******

Pursuant to Paragraph 11 of Executive Order N-25-20, executed by the Governor of California on March 12, 2020, as a response to mitigating the spread of coronavirus known as COVID-19, during the August 25, 2020, regular meeting of Valley Sanitary District Board of Directors members of the public will be allowed to attend and address the Board of Directors during the open session of the meeting telephonically.

Members of the public wanting to listen to the open session of the meeting may do so by calling (425) 436-6376 and when prompted, enter access code 166514. 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 August 11, 2020 Regular Meeting Minutes
3.1 August 11, 2020 Meeting Minutes.pdf  | 4 - 6 |
| 3.2. | Approve Warrants for August 6, to August 19, 2020
3.2 Warrants for Aug 6 to Aug 19, 2020.pdf  | 7 - 8 |
| 3.3. | Accept Monthly Financial Report for Period Ending July 31, 2020
3.3 Staff Report Monthly Financial Report for July 2020.pdf 
3.3 Attachment A Combined Monthly Account Summary July 2020.pdf 
3.3 Attachment B Monthly Income Summary July 2020.pdf 
3.3 Attachment C Summary of Cash and Investments July 2020.pdf  | 9 - 13 |
| 3.4. | Accept Quarterly Investment Report for Period Ending June 30, 2020
3.4 Staff Report Qtrly Investment Report for June 30 2020.pdf 
3.4 Attachment A Qtly LAIF Report.pdf  | 14 - 15 |

4. NON-HEARING ITEMS

- | | | |
|------|---|---------|
| 4.1. | Authorize the Purchase of q 25hp Floating Brush Aerator from ECS House Industries in an Amount Not to Exceed \$40,425
4.1 Staff Report Purchase New House Aerator.pdf 
4.1 Attachment A Aerator Proposal Valley Sanitation August 2020 Handrails.pdf  | 16 - 21 |
| 4.2. | Authorize the General Manager to Execute a Contract with NBS for Services Related to a Sewer Rate Study in an Amount Not to Exceed \$49,000 | 22 - 72 |

[4.2 Staff Report Sewer Rate Study NBS.pdf](#) 

[4.2 Attachment A VSD Wastewater Rate Study August 2020.pdf](#) 

[4.2 Attachment B Rate Study RFP July 1 2020.pdf](#) 

- 4.3. Establish a Standing Budget & Finance Committee, Set Time and Place for the Meetings, and Appoint Directors to the Committee 73

[4.3 Staff Report Budget and Finance Committee.pdf](#) 

- 4.4. Adopt a Resolution Amending Bylaws to Reinstate and Appoint Member of the Board of Directors as Treasurer to Perform the Duties Required by California Health and Safety Code Section 6801 74 - 85

[4.4 Staff Report District Treasurer.pdf](#) 

[4.4 Attachment A Resolution No 2020 1136.pdf](#) 

[4.4 Attachment B Reso 2018-1109 Board Bylaws.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.

6. 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.

7. INFORMATIONAL ITEMS

- 7.1. August 26, 2020, is recognized as National Toilet Paper Day. The first toilet paper sold on a roll was August 26, 1871. The average person in the US household flushes 80,000 sheets each year.

8. ADJOURNMENT

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

UNOFFICIAL UNTIL APPROVED

VALLEY SANITARY DISTRICT MINUTES OF REGULAR BOARD MEETING August 11, 2020

*****SPECIAL NOTICE – Telephonic Accessibility*****

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Members of the public wanting to listen to the open session of the meeting were able to do so by calling (425) 436-6376 and when prompted, enter access code 166514. Members of the public wanting to address the Board, either during public comment or for a specific agenda item, or both, were 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.

A regular Board Meeting of the Governing Board of Valley Sanitary District (VSD) was held at the District offices, 45-500 Van Buren Street, Indio, California, on Tuesday, August 11, 2020.

1. CALL TO ORDER

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

1.1 Roll Call

Directors Present:

Debra Canero (via telephone), Dennis Coleman (via telephone), Mike Duran, Scott Sear, William Teague

Staff Present:

Beverli Marshall, General Manager, Holly Gould, Branden Rodriguez
Via Telephone: Ron Buchwald, Jeanette Juarez, Robert Hargreaves, Best Best & Krieger

1.2 Pledge of Allegiance

1.3 August Employee Anniversaries

- Joey McElrone, Collection Systems Tech II – 2 years
- Branden Rodriguez, Administrative Assistant – 2 years

The Board congratulated Branden on his hard work and dedication to the district.

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 July 28, 2020 Regular Meeting Minutes
- 3.2 Approve Warrants for July 23 to August 5, 2020
- 3.3 Authorize Tuition Reimbursement for Beverli A. Marshall, General Manger, in an Amount Not to Exceed \$1,000
- 3.4 Declare Surplus Equipment and Authorize Disposition of Surplus Items

ACTION TAKEN:

MOTION: Director Teague a motion to approve the consent calendar as presented. Vice President Sear seconded the motion. Motion carried unanimously.

MINUTE ORDER NO. 2020-3031

4. NON-HEARING ITEMS

- 4.1 Receive CalPERS Health Insurance Rates Effective January 1, 2021, and Give Direction

Ms. Marshall presented the new health insurance rates for 2021. There is no fiscal impact to the District based on the new medical plan premiums. On May 26, 2020, the VSD Board of Directors adopted Resolution No. 2020-1130. This resolution established the District's contributions toward employees' health premiums (medical, dental, vision) each month. For calendar year 2021, the total District contribution will be up to \$1,943 per month. If an employee chooses a plan that is more than the District's total contributions, the additional amount will be deducted from the employee's paycheck each month. It was discussed about opening up the health benefits to the board of directors. This item will be brought back before the board in September. This is an information only item.

- 4.2 Nominate Alternate Member of the Riverside Local Agency Formation Commission (LAFCO) for a Term Ending May 6, 2024

It was the consensus of the board to nominate Secretary Canero as a nominee for the position of Alternate Special District Member of the Riverside Local Agency Formation Commission.

- 4.3 Review and Reaffirm VSD Investment Policy per California Government Code 53646

The board requested that the VSD Investment Policy be sent to legal for review and that the item be brought back before the board.

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.

Jeanette Juarez, Business Services Manager, gave an update regarding the audit. Ron Buchwald, District Engineer, gave an update on the Downtown Rehabilitation Project and the Arc Flash Study. It was decided to form a standing Budget and Finance Committee. Ms. Marshall will work with legal and bring the item back to the Board.

6. 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

None.

7. INFORMATIONAL ITEMS

None.

8. ADJOURNMENT

There being no further business to discuss, the meeting was adjourned at 2:03 p.m. The next regular board meeting will be held August 25, 2020.

Respectfully submitted,

Holly Gould, Clerk of the Board
Valley Sanitary District

DISBURSEMENTS
Approved at the Board Meeting of
August 25, 2020

38493 E.S. Babcock & Sons, Inc.	Biosolids Class B Testing	\$1,474.00
38493 E.S. Babcock & Sons, Inc.	Pre Treatment SIU Yearly - Culligan	\$1,419.00
38493 E.S. Babcock & Sons, Inc.	Pre Treatment SIU Yearly - Forager Project	\$1,525.00
38494 Analytical Technology, Inc.	Sulfite Sensor	\$338.94
38495 Associated Time Instruments	AOD for July 2020	\$299.84
38496 Bank of New York Mellon Corporate Trust Dept.	Fiscal Agent Fee 8/1/2020-7/1/2021	\$1,982.20
38497 Bearcom	Antennas	\$175.95
38498 Best, Best & Krieger	Legal Services for July 2020	\$477.50
38498 Best, Best & Krieger	Legal Services for July 2020	\$5,267.49
38499 Calif. Water Environment Assn.	Membership Renewal	\$192.00
38499 Calif. Water Environment Assn.	Certificate Renewal	\$101.00
38499 Calif. Water Environment Assn.	Membership Renewal	\$192.00
38500 Caltest Analytical Laboratory	Monthly Lab Samples	\$1,071.00
38501 Carquest Auto Parts	New Charges for July 2020	\$130.00
38502 Cintas Corp	Uniforms, Mats, Towels, Etc for Week of 08/06/2020	\$602.89
38502 Cintas Corp	Uniforms, Mats, Towels, Etc for Week of 08/13/2020	\$601.36
38502 Cintas Corp	First Aid Supplies as of 08/07/2020	\$185.97
38503 Clairemont Equipment	Rental of Boom Lift	\$505.38
38504 Consolidated Electrical Distributors, Inc.	* Starter	\$575.61
38504 Consolidated Electrical Distributors, Inc.	* Circuit Breaker	\$563.23
38504 Consolidated Electrical Distributors, Inc.	* Breaker, Starters & Overload Heaters	\$3,897.05
38504 Consolidated Electrical Distributors, Inc.	* Circuit Breakers	\$358.22
38505 E.S. Babcock & Sons, Inc.	Finance Charge	\$40.66
38506 Eberhard Equipment	Replacement Fuel Pump in Tractor	\$194.38
38507 Employment Development Department	Unemployment Benefit Charge	\$283.00
38508 Equipment Direct	N95 Masks	\$342.76
38509 Facilities Protection Systems	Maintenance Agreement for 7/1/20-6/30/21	\$4,000.00
38510 FedEx	Shipping Fees for July 2020	\$752.05
38511 Grainger	Merv 13 Air Filters	\$254.73
38511 Grainger	Pleated Air Filters	\$145.64
38511 Grainger	Pleated Air Filters	\$116.79
38511 Grainger	Pleated Air Filters	\$1,040.89
38512 Healthy Futures, Inc.	Wellness Program for July 2020	\$1,500.00
38513 Innovative Document Solutions	Copier Maintenance July 2020	\$622.09
38514 J.G. Tucker & Sons, Inc.	Calibration of Cylinder	\$342.90
38515 Konecranes, Inc.	May 2020 Annual Inspection	\$465.00
38516 MARCAB Company, Inc.	Iron Sponge	\$4,373.61
38517 McMaster-Carr Supply Co.	U Channels for Admin Bldg Splash Guard	\$68.57
38517 McMaster-Carr Supply Co.	Parts for Pond Exit Building	\$1,075.56
38517 McMaster-Carr Supply Co.	Ratchet Puller	\$336.69
38517 McMaster-Carr Supply Co.	Rope Clamp Kit & Ratchet Puller	\$967.22
38517 McMaster-Carr Supply Co.	Poly Wheel, & Sockets	\$205.14
38517 McMaster-Carr Supply Co.	Restock Maintenance Supplies	\$352.79
38517 McMaster-Carr Supply Co.	Steel Tubing	\$475.28
38517 McMaster-Carr Supply Co.	Shop Supplies	\$79.50
38517 McMaster-Carr Supply Co.	Valves & Rivets	\$180.21
38518 MidAmerica	Admin/ Platform Fee 4/1/20 to 6/30/20	\$120.00
38519 Northern Safety Co.	Electrolite Powder	\$39.48
38520 Northwest Scientific, Inc.	Sulfuric Acid	\$585.30
38520 Northwest Scientific, Inc.	Tube Brush and Pipet	\$67.56
38521 Polydyne, Inc.	Polymer for Belt Press	\$3,624.31
38522 Powerstride Battery Co.	Replacement of Batteries in Cart and Telehandler	\$1,019.11
38523 Pyro-Comm Systems	Fire Alarm Monitoring 08/01/2020-10/31/2020	\$135.00
38524 Quinn Company	Motor	\$627.25
38525 Rudy's Pest Control	Pest Control on 8/3/2020	\$185.00
38526 SC Fuels	Uneladed & Diesel Fuel	\$2,836.05
38527 Southwest Networks, Inc.	Home Computer Agreement for September 2020	\$120.00
38527 Southwest Networks, Inc.	Quartely Billing Sept-Nov 2020	\$8,205.00
38527 Southwest Networks, Inc.	Technical Support for July 2020	\$1,021.25
38527 Southwest Networks, Inc.	BDR Storage for September 2020	\$699.00
38528 Swains Electric Motor Service	Primary Scum Pump	\$3,665.03
38529 Thomas Scientific	GGA Concentrate Snips	\$42.45
38529 Thomas Scientific	Solujet Cleaner for Lab	\$116.54
38529 Thomas Scientific	Tubes & Buffer Water	\$134.65
38530 United Refrigeration Inc.	Tie Down Straps & Ratchet Wrench Set	\$165.82
38530 United Refrigeration Inc.	Thermostat & Sensor for Board Room	\$223.07

38531 United Way of the Desert	PR 07/24/2020 - 08/06/2020 PD 08/14/2020	\$25.00
38532 Univar Solutions	Sodium Hypochlorite	\$7,083.57
38532 Univar Solutions	Sodium Hypochlorite	\$4,405.06
38533 UPS	Shipping Charges as of 8/8/2020	\$13.53
38534 USA Blue Book	Sludge Judge	\$137.95
38535 Willdan Financial Services	AD2004-VSD Administration Fee	\$5,100.00
38536 Yellow Mart	Work Boots	\$191.39
38536 Yellow Mart	Work Boots	\$250.00
38536 Yellow Mart	Work Boots	\$187.58
202008121 Time Warner Cable	Telephone Service for August 2020	\$1,148.39
202008122 Frontier Communications	Telephone Service for August 2020	\$301.13
202008141 SoCal Gas	Gas Service for July 2020	\$131.47
202008142 Paychex - Direct Deposit	PR 07/24/2020 - 08/06/2020 PD 08/14/2020	\$73,159.52
202008143 Paychex - Garnishment	PR 07/24/2020 - 08/06/2020 PD 08/14/2020	\$210.46
202008144 Paychex - Tax	PR 07/24/2020 - 08/06/2020 PD 08/14/2020	\$32,141.65
202008145 MassMutual	PR 07/24/2020 - 08/06/2020 PD 08/14/2020	\$10.00
202008171 Vantage Point Transfer Agents - ICMA	PR 07/24/2020 - 08/06/2020 PD 08/14/2020	\$1,495.00
202008172 CalPERS 457	PR 07/24/2020 - 08/06/2020 PD 08/14/2020	\$1,000.00
202008173 CalPERS Retirement	PR 07/24/2020 - 08/06/2020 PD 08/14/2020	\$18,860.52
202008174 Nationwide Retirement Solution	PR 07/24/2020 - 08/06/2020 PD 08/14/2020	\$1,535.00
202008201 Domino Solar LTD	Electricity for July 2020	\$10,273.73
202008251 Umpqua Bank	* New Charges for July 2020	\$20,437.58
* Capital Expenditures		\$241,881.49



**Valley Sanitary District
Board of Directors Meeting
August 25, 2020**

TO: Board of Directors

THROUGH: Beverli A. Marshall, General Manager

FROM: Jeanette Juarez, Business Services Manager

SUBJECT: Monthly Revenue & Expense Report for the Period Ending July 31, 2020

<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 to present the monthly revenue and expenses to the Board and the public for the District for the month of July 2020.

Strategic Plan Compliance

This item complies with VSD Strategic Plan Objective 5: Long-Term Financial Strength.

Fiscal Impact

There is no fiscal impact from this report.

Background

The adopted Comprehensive Budget for Fiscal Year 2020/21 includes \$13.9 million in revenues, \$8.8 million in Operating & Maintenance expenditures, and \$10.32 million in CIP expenditures. Attached please find the expenditures (Attachment A) and revenue (Attachment B) for the period ending July 31, 2020, which represents 8% of the fiscal year. To date, the District has received \$10,947,021 in revenue and expended \$595,319. The cash balances in the various accounts are presented in the attached Summary of Cash and Investments report (Attachment C).

Recommendation

Staff recommends that the Board accept the Revenue and Expense report for the period ending July 31, 2020.

Attachments

- Attachment A: Combined Monthly Account Summary for July 2020
- Attachment B: Monthly Income Summary for July 2020
- Attachment C: Summary of Cash and Investments for July 2020

Valley Sanitary District
Combined Monthly Account Summary
 July 2020 (UNAUDITED)

Account Description	Current Month	Fiscal YTD	Annual Budget	% Expended	Balance
Operating Expenses					
Salaries	219,724	219,724	2,746,625	8 %	2,526,901
Callout	983	983	16,200	6 %	15,217
Group dental/vision	2,666	2,666	20,466	13 %	17,800
Group disability	711	711	9,640	7 %	8,929
Group health	35,073	35,073	469,709	7 %	434,636
Group life	513	513	7,030	7 %	6,517
Longevity	4,131	4,131	37,900	11 %	33,769
Overtime	1,466	1,466	23,800	6 %	22,334
Payroll taxes	17,812	17,812	216,300	8 %	198,488
Retirement	22,031	22,031	297,400	7 %	275,369
Standby	2,924	2,924	37,500	8 %	34,576
Workers comp	5,570	5,570	56,020	10 %	50,450
Certifications	90	90	12,810	1 %	12,720
Chemicals	33,573	33,573	392,560	9 %	358,987
Clothing/Safety	1,819	1,819	27,750	7 %	25,931
Comprehensive insurance	25,678	25,678	308,300	8 %	282,622
Contract services	58,862	58,862	601,485	10 %	542,623
County charges	(250)	(250)	22,000	(1)%	22,250
Directors' fees	1,250	1,250	46,500	3 %	45,250
Election	0	0	70,000	0 %	70,000
Electricity	48,042	48,042	607,750	8 %	559,708
Gas/Oil	2,103	2,103	52,000	4 %	49,897
Memberships/Subscriptions	6,562	6,562	41,495	16 %	34,933
Natural gas	131	131	6,000	2 %	5,869
Office expense	1,911	1,911	16,000	12 %	14,089
Operating supplies	14,912	14,912	215,200	7 %	200,288
Other expenses	4,037	4,037	50,000	8 %	45,963
Permits & fees	7,229	7,229	93,650	8 %	86,421
Professional/Legal	14,511	14,511	212,750	7 %	198,239
Publications	23	23	2,000	1 %	1,977
Repairs/Maintenance	43,058	43,058	604,120	7 %	561,062
Research & monitoring	4,697	4,697	100,000	5 %	95,303
Small tools	2,033	2,033	33,500	6 %	31,467
Telephone	1,741	1,741	20,500	8 %	18,759
Trash collection	2,672	2,672	25,500	10 %	22,828
Travel/Mtgs/Ed	5,162	5,162	104,000	5 %	98,838
Water	1,869	1,869	21,500	9 %	19,631
Total Expenses	595,319	595,319	7,625,960	8 %	7,030,641

Valley Sanitary District
Combined Monthly Account Summary
 July 2020 (UNAUDITED)

<u>Account Description</u>	<u>Current Month</u>	<u>Fiscal YTD</u>	<u>Annual Budget</u>	<u>% Expended</u>	<u>Balance</u>
Capital Expenses					
Capital O & M Fund 11	8,631	8,631	140,000	6 %	131,369
Capital Replacement Fund 12	45,537	45,537	9,894,743	0 %	9,849,206
Capital Improvement Fund 13	0	0	2,549,877	0 %	2,549,877
Total Capital Expenses	54,169	54,169	12,584,620	0 %	12,530,451

Valley Sanitary District
Monthly Income Summary
 July 2020 (UNAUDITED)

	<u>Current Month</u>	<u>Fiscal YTD</u>	<u>Annual Projection</u>	<u>% Received</u>	<u>Balance</u>
Revenues					
Sewer Service Chgs-Current	\$11,028,609	\$11,028,609	\$11,979,000	92 %	\$950,391
Permit & Inspection Fees	\$2,520	\$6,355	\$15,000	42 %	\$8,645
Plan Check Fees	\$600	\$900	\$10,000	9 %	\$9,100
Other Services	\$0	\$0	\$1,800	0 %	\$1,800
Sale of Surplus Property	\$0	\$300	\$0	0 %	(\$300)
Taxes - Current Secured	\$0	\$0	\$700,000	0 %	\$700,000
Taxes - Current Unsecured	\$0	\$0	\$25,000	0 %	\$25,000
Taxes - Prior Secured	\$0	\$0	\$6,000	0 %	\$6,000
Supple Prop. Taxes - Current	\$0	\$0	\$6,000	0 %	\$6,000
Supple Prop. Taxes - Prior	\$0	\$0	\$2,000	0 %	\$2,000
Homeowners Tax Relief	\$0	\$0	\$6,000	0 %	\$6,000
Interest Income	(\$90,274)	(\$90,274)	\$300,000	(30)%	\$390,274
Unrealized gains (losses)	\$1,060	\$1,060	\$0	0 %	(\$1,060)
Non-Operating Revenues - Fnd 11	\$71	\$71	\$500	14 %	\$429
Interest Income	(\$127,210)	(\$127,210)	\$0	0 %	\$127,210
Connection Fees	\$2,237	\$51,440	\$748,000	7 %	\$696,561
Interest Income	(\$31,390)	(\$31,390)	\$100,000	(31)%	\$131,390
Total Revenues	\$10,786,223	\$10,839,861	\$13,899,300	78 %	\$3,059,439

VALLEY SANITARY DISTRICT
SUMMARY OF CASH AND INVESTMENTS

FOR THE PERIOD: 07/01/2020 TO 07/31/2020 (UNAUDITED)

Agenda Item No. _____

INVESTMENTS

LAIF Fund 4 - Agency Fund		
Beginning Balance (Fund 4)	687,742	
Net Transfer from (to) Fund 11	(472,218)	
Fair Value Factor for quarter ending 06/30/2020	0	
Interest (Pd quarterly - Int. Rate 1.47%)	2,401	
Fund 04 Ending Balance		<u>217,925</u>
LAIF Fund 6 - Wastewater Revenue Refunding Bonds		
Beginning Balance (Fund 6)	4,746	
Net Transfer from (to) Fund 11	0	
Fair Value Factor for quarter ending 06/30/2020	0	
Interest (Pd quarterly - Int. Rate 1.47%)	17	
Fund 06 Ending Balance		<u>4,763</u>
LAIF Fund 11 - Operating Fund		
Beginning Balance (Fund 11)	18,600,948	
Net Transfer from (to) Fund 04	472,218	
Net Transfer from (to) Fund 06	0	
Net Transfer from (to) Fund 12	46,398	
Net Transfer from (to) Fund 13	(2,237)	
Fund Transfer from (to) LAIF - WF	(1,500,000)	
Fair Value Factor for quarter ending 06/30/2020	0	
Interest (Pd quarterly - Int. Rate 1.47%)	64,939	
Fund 11 Ending Balance		<u>17,682,266</u>
LAIF Fund 12 - Reserve Fund		
Beginning Balance (Fund 12)	25,893,579	
Net Transfer from (to) Fund 11	(46,398)	
Fair Value Factor for quarter ending 06/30/2020	0	
Interest (Pd quarterly - Int. Rate 1.47%)	90,398	
Fund 12 Ending Balance		<u>25,937,579</u>
LAIF Fund 13 - Capital Improvement Fund		
Beginning Balance	6,389,340	
Connection Fees	2,237	
(Disbursements) or Reimbursements	<u>0</u>	
Net Transfer from (to) Fund 11	2,237	
Fair Value Factor for quarter ending 06/30/2020	0	
Interest (Pd quarterly - Int. Rate 1.47%)	22,306	
Fund 13 Ending Balance		<u>6,413,883</u>
TOTAL LAIF INVESTMENTS: FUNDS 04, 06, 11, 12 AND 13		<u>50,256,416</u>

CASH IN CHECKING ACCOUNT

WELLS FARGO - FUND 11

Beginning Balance	1,920,002	
Deposits	25,713	
Fund Transfer from (to) LAIF (net)	1,500,000	
Disbursements and Payroll	(1,847,969)	
Wells Fargo Ending Balance		<u>1,597,746</u>

CALTRUST - FUND 11

Beginning Balance	1,091,335	
Unrealized Gain / <Loss>	1,108	
Interest Income	1,060	
CalTRUST Ending Balance		<u>1,093,503</u>

TOTAL WELLS FARGO AND CALTRUST CHECKING
TOTAL CASH AND INVESTMENTS

2,691,249
52,947,665

The Board certifies the ability of the District to meet its expenditure requirements for the next six (6) months, as per Government Code 53646(b)(3).

This report is in compliance with the District's Investment Policy under Government Code 53646(b)(2).



**Valley Sanitary District
Board of Directors Meeting
August 25, 2020**

TO: Board of Directors
THROUGH: Beverli A. Marshall, General Manager
FROM: Jeanette Juarez, Business Services Manager
SUBJECT: Quarterly Investment Report for the Period Ending June 30, 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 provide information regarding the District’s investments to the Board and the public.

Strategic Plan Compliance

This item complies with VSD Strategic Plan Objective 5: Long-Term Financial Strength.

Fiscal Impact

There is no fiscal impact from this report.

Background

The State of California Government Code section 53646(b) requires agencies to present to the Board of Directors a report of its investments on at least a quarterly basis. As of June 30, 2020, VSD had \$51.58 million invested in LAIF and \$1.09 million invested in CalTRUST.

Recommendation

Staff recommends that the Board review and accept the Quarterly Investments Report for the period ending June 30, 2020.

Attachments

- Attachment A: Quarterly LAIF Report for Period Ending June 30, 2020
- Attachment B: Quarterly CalTRUST Report for Period Ending June 30, 2020



BETTY T. YEE

California State Controller

LOCAL AGENCY INVESTMENT FUND
REMITTANCE ADVICE

Agency Name VALLEY SANITARY DISTRICT
Account Number 70-33-003

As of 07/15/2020, your Local Agency Investment Fund account has been directly credited with the interest earned on your deposits for the quarter ending 06/30/2020.

Earnings Ratio		.00004012766505335
Interest Rate		1.47%
Dollar Day Total	\$	4,487,205,934.64
Quarter End Principal Balance	\$	51,576,354.84
Quarterly Interest Earned	\$	180,061.10



**Valley Sanitary District
Board of Directors Meeting
August 25, 2020**

TO: Board of Directors

THROUGH: Beverli A. Marshall, General Manager

FROM: Ryan Williams, Facilities Maintenance Supervisor

SUBJECT: Authorize the Purchase of a 25HP Floating Brush Aerator from ECS House Industries in an Amount Not to Exceed \$40,425

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

Executive Summary

The purpose of this report is for the Board to discuss the need to purchase one aerator in the Fiscal Year 2020/21.

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

Two replacement aerators for Pond II are in the adopted FY2020/21 budget. Ancillary cost may include concrete and rental cost for installation of tie down posts.

Background

Staff requests that the Board authorize the purchase of one aerator to the current fiscal year budget. This is a sole source procurement of aerators from ECS House Industries due to the severity of breakdowns of S&N Airoflo in the aeration ponds. In the future, the District will purchase similar aerators from the same manufacturer, which will allow for the exchange and salvage of spare parts.

Recommendation

Staff recommends that the Board of Directors authorize the General Manager to purchase one 25 horsepower Floating Brush Aerator Model #SDB162TA5253250 from ECS House Industries for a total cost of \$40,425.00 (including tax and delivery).

Attachments

Attachment A: 25 HP Floating Brush Aerator Proposal – ECS House Industries



ECS
**House
Industries**
INCORPORATED

www.houseindustriesinc.com Cherry Valley, Arkansas

25HP, MODEL SDB162TA5253250
FLOATING BRUSH AERATOR QUOTATION





ECS
House
Industries
INCORPORATED

www.houseindustriesinc.com Cherry Valley, Arkansas

To: Jonathan Sanchez
26602 Estanciero Dr.
Mission Viejo, California 92691

From: Chad House
ECS House Industries, Inc.
3720 Highway 1 South
Cherry Valley, Arkansas 72324

For: Valley Sanitation District
45500 Van Buren Street
Indio, California 92201

REF: JCH-017-08102020

Date: August 10, 2020

ECS House Industries, Inc., represented by JBI Water & Wastewater, would like to offer the following Floating Brush Aeration Equipment.

ECS House Industries' Floating Brush Aerators provide effective and efficient wastewater treatment through superior oxygen transfer and mixing rates. The ECS House Industries' Floating Brush Aerators have a Standard Aeration Efficiency of 3.0 lbs.O₂/hp/hr and mixing rates over 3,500 gpm/hp. The oxygen transfer and mixing rates described above are 25% to 40% better than other styles of surface aeration systems.

The House Brush Rotor design has been utilized in wastewater treatment plants for over 30 years, and has proven to be the industry leader in Floating Brush Aerator Technology. We appreciate the opportunity to bid our equipment for this project. Below is our scope of equipment for this project:

One (1) 25HP ECS House Industries Floating Brush Aerators:

25hp, TGIC Powder Coated & 304L Stainless Steel, Floating Brush Aerator include:

Aerator Rotor Assembly, Aerator Main Frame, Drive Enclosure, and *Mooring System are made out of TGIC Powder Coated, ASTM A36 Steel.

Splash Shield Protection System, Stainless Steel Walkways, Grip Strut & Handrails, Foam Filled Floats, Floatation Band Attachments, Non-Drive End Bearing Cover, Electric Motor Cover are made out of 304L Stainless Steel.

Drive End and Non Drive End Shafts will be made out of 316L stainless steel.

*Further detailed build characteristics and materials details are in the aerator specifications.

*Mooring system will include two (2) 18' parallel mooring arms, one (1) cross-brace assembly, and two (2) shore mount anchors.

*Further detailed build characteristics and materials details are in the aerator specifications and specification review. ECS House Industries, Inc. Floating Brush Aerators meet specifications detailed by Valley Sanitation District.

Process Performance & Aerator Operations:

- Each ECS House Industries, Inc. Floating Brush Aerator shall produce 67.5 lbs.02/hr (based on clean water transfer rates)
- ECS House Industries, Inc. Floating Brush Aerators shall produce a minimum pumping rate of 3,500 gpm/hp

Delivery:

- ECS House Industries, Inc. can guarantee delivery 30-50 days after receipt of approved purchase order agreement

Start-Up & Training Procedures:

ECS House Industries, Inc Representative will complete a startup/warranty certification that will help train plant personnel how to properly maintain the Floating Brush Aerators. The startup will include the following:

- Proper oil changing procedure & oil change frequency
- Proper grease lubrication procedures & lubrication frequencies
- Raptor Coupler alignment & replacement
- Drive & Non-Drive End Bearing replacement
- Review Aerator set-up & trouble shooting guide
- Visual aerator inspection: seal surfaces, bearings, & shafts
- Rotor & blade depth adjustment

- After aerator start-up, the Contractor/Representative/or Owner will check the Floating Brush Aerators for proper rotor assembly rotation, and the amperage draw of each electric motor. Each electric motor shall operate at a 90% load based on the nameplate data.
- If any rotor assembly adjustments are necessary to improve the amperage draw and aerator performance, then this adjustment shall be performed in strict accordance to “Aerator Set-Up & Trouble Shooting Guide” provided by ECS House Industries, Inc.
- After Floating Brush Aerators are operating properly, ECS House Industries shall provide documentation reports to the Contractor and Operator certifying the Floating Brush Aerators are operating properly.
- Online Webinars are available to further assist in any start-up and/or training.

Warranty:

ECS House Industries, Inc. will provide a two-year warranty on defects in materials and workmanship. This warranty will cover aerators parts, components, and assemblies manufactured by ECS House Industries, Inc.

Project Total:

One (1) 25hp, ECS House Industries, Inc. Floating Brush Aerators, Model #SDB162TA5253250

\$40,425.00

*Freight to Indio, California

Included

*Start-up & Warranty Certification

Included

Final Project Total: \$40,425.00

***Pricing DOES include state and/or local taxes**

If you have any further questions and/or comments, then please contact me for assistance.
Thank you for the opportunity to become your Wastewater Treatment partner.

Prepared By:

Chad House
CEO, ECS House Industries, Inc.

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(870) 588-4669 Fax
(870) 945-0880 Cell

chad@houseindustriesinc.com
www.houseindustriesinc.com



**Valley Sanitary District
Board of Directors Meeting
August 25, 2020**

TO: Board of Directors

FROM: Beverli A. Marshall, General Manager

SUBJECT: **Discuss and Authorize the General Manager to Execute a Contract with NBS to Perform a Sewer Rate Study and Provide Assistance with the Public Hearing Process in an Amount Not to Exceed \$48,345**

<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 to executing a contract with a consultant to perform tasks associated with a sewer rate analysis.

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

The fiscal impact is \$48,345, which is included in the adopted Comprehensive Budget for Fiscal Year 2020/21.

Background

In the past, the District worked with Municipal Financial Services to perform an independent rate review of the operating sewer use fee, which was the basis for the Fiscal Year 2020/21 sewer use rates.

As part of the strategic planning process, the Board expressed a desire for an updated analysis that takes into consideration the Reclaimed Water project as well as operations and maintenance needs. The Board included \$50,000 in the adopted budget to complete this task.

Staff published Request for Proposals (Attachment B) on July 1, 2020 and sent it out to eight firms, with a deadline for submission of August 3. The District received a total of seven proposals from firms that have experience in performing rate analysis. A review committee was established consisting of the General Manager, Engineering Services

Manager, Business Services Manager, and the Assistant Engineer. The committee concluded that NBS was the firm best suited to perform the tasks identified in the RFP.

NBS has conducted a wide variety of services for over 350 public agencies including cities, counties, and special districts. The firm is a Business Affiliate member of the California Special District Association and frequently conducts trainings on a variety of financial topics as part of its NBS University program.

Their proposal (Attachment A) includes a scope of services with 11 tasks to be completed during the project timeline starting in September and ending in February, with additional assistance to be provided during the Proposition 218 process.

Recommendation

Staff recommends that the Board of Directors authorize the General Manager to execute a contract for with NBS to perform a rate study and assist with the public hearing process in an amount not to exceed \$48,435.

Attachments

Attachment A: Proposal from NBS

Attachment B: Request for Proposals for Sewer Rate Study



VALLEY SANITARY DISTRICT

Response to RFP - Wastewater Rate Study Proposal

August 3, 2020

Prepared by:



nbsgov.com



32605 Temecula Parkway, Suite 100
Temecula, CA 92592
Toll free: 800.676.7516

nbsgov.com

August 3, 2020

Ron Buchwald
Engineering Services Manager
Valley Sanitary District
45-500 Van Buren Street
Indio, CA 92201

RE: Proposal for Wastewater Rate Study

Dear Mr. Buchwald,

Thank you for providing us with the opportunity to submit this proposal regarding the Wastewater Rate Study for Valley Sanitary District (District). We understand that the District needs a comprehensive review and update of the Wastewater Rates and a review of its Capacity Charges. We are excited about the possibility of working with you and your team, and see the following objectives as key to the success of the study:

- **Sustainable Financial Plan** – NBS will develop a long-range financial plan that thoroughly evaluates the financial needs of the District to ensure sufficient funding in the long-run to meet its operations, maintenance and capital rehabilitation and improvement needs.
- **Develop Alternative Rate Structures** – NBS will develop rate structure alternatives for the District’s consideration that include a volumetric component based on estimated volume and strength of wastewater discharged by each customer class to improve the proportionality of the District’s sewer rates.
- **Proposition 218 Support** – NBS will provide support throughout the process to ensure rate alternatives and recommendations developed in the study comply with Proposition 218 requirements. Our ultimate goal is to ensure that the study recommendations are legally defensible, comply with industry standards, founded on reasonable assumptions, and designed to meet the broader objectives of the District and its ratepayers. In addition, we will support the District in public meetings and prepare the appropriate notice to support the new rate adoption process.

As requested in the RFP, NBS agrees to be bound by this proposal for a period of 90 days commencing on August 3, 2020. Please contact me at 800.676.7516 or via email at kboehler@nbsgov.com if you have any questions or concerns. We would genuinely like to work on this project and help the District move forward successfully.

Sincerely,

Kim Boehler
Director

Michael Rentner
President

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1 | APPROACH / METHODOLOGY

Project Approach

Valley Sanitary District requires a comprehensive review and update of its wastewater rates. Currently, the District maintains a flat, Equivalent Dwelling Unit (EDU) based rate structure which has not undergone a thorough review or update of the proportionality of rates or the EDU assignments for each user classification in recent years. In addition, the District must devise a plan to address the unfunded, deferred maintenance of infrastructure and determine how to best fund capital improvements. Meeting these challenges requires an experienced consultant with a proven record of success on similar studies. The following are key components that will be critical for the success of this study:

- **Developing an Infrastructure Funding Plan** – The first important task in this study will be developing a long-term financial plan for the District. This includes a financial plan that will fully fund operations, maintenance and capital improvement needs. As needed, NBS will prepare various funding alternatives that will reflect the capital project costs identified in the District’s asset management and capital improvement plans. The goal of this analysis will be to develop a plan of gradual rate increases that will maintain necessary funding levels for the next five years and beyond.
- **Ensuring Equity in Wastewater Rates** - We understand the District would like to evaluate rate structures with a volumetric component based on estimated volume and strength of wastewater discharged by each customer class in order to provide greater equity than the current rate structure. Therefore, we will work with the District to develop alternative rate structures that will improve equity in the rates between the various customer classes and within each class. NBS will conduct a thorough analysis of the user classifications, EDU assignments, and historical usage data to determine the cost of providing service, which will serve as the basis for the rate design analysis.
- **Successfully Communicating Results** – NBS will work cooperatively with District staff and the Board of Directors to help facilitate the ultimate acceptance of study recommendations. We will thoroughly explain any recommended changes to wastewater rates, the reasons for these adjustments, and the customer bill impacts. We plan to present the outcomes and recommendations of the study in public meetings/workshops to support the new rate adoption process.
- **Defensibility and Meeting Proposition 218 Requirements** – The rate setting “landscape” has changed substantially in recent years. Understanding the implications of these changes—particularly the need for rates to reflect the proportionate cost of service for each customer class—will be another important aspect of this study.
- **Quality Project Delivery** – Our team not only offers our personal commitment to the successful completion of this study, but can also provide client references that back up this commitment. We believe having a consultant with sound judgment and trustworthy quality control is essential for the success of any rate study. NBS has a proven track record of tailoring each rate study to the agency’s needs rather than using a boiler-plate approach.

NBS’ experience and understanding of the Proposition 218 process spans many years and many utilities, including water, wastewater, storm water, and solid waste. NBS has specialized in developing funding mechanisms for municipalities for the last 20-years and has successfully completed more than a dozen

Proposition 218 utility rate proceedings in the last six months. Our proposal provides NBS’ demonstrated ability to present flexible options to help the District achieve its financial goals. We welcome any further discussion of our ideas and approach to this important project.

Please note, NBS’ corporate office and staff assigned to this project are within 75 miles of the District’s office. While we have the tools to accomplish all aspects of the project’s work plan remotely from NBS offices, we will remain flexible throughout the project to provide meetings and presentations either on-site or remotely based on the District’s preference. We utilize video conferencing, email, and telephone to coordinate project and review deliverables in an effective manner.

Scope of Services

NBS maintains established industry standards in rate and fee setting by utilizing the cost-of-service principles embodied in the Water Environment Federation Financing and Charges for Wastewater Systems (Manual of Practice No. 27) and the American Water Works Association (AWWA) Principles of Water Rates, Fees, and Charges¹, also referred to as Manual M1. NBS will address the Proposition 218 requirement that rates not exceed the proportionate cost of providing the service. We will provide guidance and advice throughout the rate study to ensure rate alternatives developed in this study comply with Proposition 218. The figure below shows our process we use to develop wastewater rates.



NBS will work cooperatively with District staff, management, and stakeholders to develop a financial plan and rate recommendations that are well suited to the District’s needs. Based on this input, we expect to make adjustments that yield practical and implementable rates. NBS will provide the leadership necessary to guide the District through the various issues and will explain the key concerns and the strengths and weaknesses of the various options. The following sections explain our detailed approach to this project.

TASK 1. KICKOFF MEETING AND DATA COLLECTION

NBS will hold an on-site kick-off meeting with District staff at the beginning of the study to review and discuss the general data requirements and the data available from the District’s billing/accounting system. At this time, we will also review the study objectives, tasks, and schedule, as well as a preliminary plan for public presentations. The data required to conduct the study includes information, such as:

- Financial data typically reported in financial statements.

¹ *Principles of Water Rates, Fees, and Charges, Manual of Water Supply Practices, M1, AWWA, seventh edition, 2017.*

- Asset records, including a depreciation schedule for assets.
- Capital Improvement and/or Master Plans.
- Customer billing information (e.g., water meter sizes, customer class, property type, and monthly water consumption for each customer).
- Water consumption data that includes monthly water consumption for all customers in the District.

TASK 2. FINANCIAL PLAN

NBS will prepare a financial plan for the District that details revenue, expenditures, reserves, debt coverage ratios, capital improvement costs, repair and replacement costs, and net revenue requirements. Task deliverables will include:

- A 20-year financial projection model that will serve as a financial “roadmap” for the District.
- Summary of current and projected net revenue requirements.
- Updated reserve fund policies and targets potentially including reserves for operations, rate stabilization, repair and replacement, debt service, and capital projects.
- Projected year-end reserve fund levels.
- Calculated debt service coverage ratios.

This financial plan will lay the groundwork for the cost-of-service and rate design analyses addressed in Tasks 3 and 4. The following subtasks are anticipated:

1. **Projected Revenues and Expenditures** – NBS will prepare a 20-year rate model that projects revenues, expenses, and increases in rate revenue needed to meet all obligations. The analysis will use a cash-basis approach when addressing the District’s system of accounts. The work will provide the District with a financial tool that is able to model rate adjustments, varying operating and maintenance costs, infrastructure improvements, debt issuance, asset replacement, and appropriate reserve fund levels. The District’s projected customer growth rates from master plan documents and planned cost inflation factors will be incorporated into the analysis.
2. **Evaluate Reserve Fund Sufficiency** – NBS will evaluate the sufficiency of existing reserve funds, target reserves, reserve fund policies, and related issues, such as meeting debt service coverage ratios and other rate covenants. We will consider costs for operations, maintenance, capital, and equipment rehabilitation/replacement while balancing the need for rate stabilization. NBS will provide recommendations for reserve fund targets that are tailored to the District’s specific needs. If it is determined a deficit in reserve levels exists, we will consider a phased approach to funding reserves to minimize the impact to ratepayers.
3. **Review Capital Improvement Program Funding** – NBS will incorporate the District’s plans for new facilities, infrastructure improvements, and asset replacement into the financial plan. We will evaluate the timing, costs, and available reserves needed to fund all projects. NBS will collaborate with District staff to refine a well-conceived approach to funding these capital needs. The solution will include an appropriate balance between rate and capacity charge funded projects and, if necessary, the use of outside financing. NBS will develop up to three scenarios to fund the capital improvement program for modeling and comparison purposes.

TASK 3. ANALYZE CUSTOMER DATA

NBS will analyze the District’s customer data and monthly water consumption data² for non-residential customers in order to develop estimated sewer flows contributed by these customers to the District’s wastewater system. This task will require the District to obtain water consumption data from the water providers in its service area. NBS will take the lead in matching the water provider account data to its parcels so that we can develop the sewer flow estimates for non-residential customers that can be used in developing volumetric sewer rate alternatives. An overall class average will be used to develop estimated sewer flows for residential customers.

TASK 4. COST OF SERVICE ANALYSIS

The revenue requirements will be equitably allocated to individual customer classes based on industry standard methodologies. NBS will review the District’s existing customer classifications and analyze the historical usage characteristics to determine if any changes should be made in order to provide more equity among user classes or comply with industry standards. The main components of the cost-of-service analysis are as follows:

Classification of Expenses – NBS will rely on the District’s budget to classify all expenses into their various cost components, such as flow (volume), strength (BOD or COD and TSS), and/or customer related costs.

Development of Customer Usage Statistics – NBS will develop the customer usage statistics, or allocation factors, that will be used to assign costs to each customer class. The allocation will consider the water consumption data compiled in Task 3, the District wastewater treatment plant flow and loading data, and industry standard customer classification data. The factors that will be developed include:

- Volume Allocation Factor – Develop estimates of the total volume of wastewater treated for each customer class.
- Strength Allocation Factors – Develop estimates of the pounds of BOD/COD and TSS treated for each customer class.
- Customer Allocation Factors – Calculate the number of customers by customer class in the District’s service area.

Allocation of Costs to Customer Classes – NBS will apportion the costs to individual customer classes based on the allocation factors specific to each cost classification, producing fixed and variable revenue requirements for each customer class. These allocations will be used in the actual rate calculations for each customer class.

TASK 5. RATE DESIGN ANALYSIS

NBS will provide up to three wastewater rate structure alternatives for the District’s consideration. NBS and District staff will then review the current rate structure and the new rate alternatives to ensure that the new proposed rates meet the District’s broader rate design goals and objectives, including the evaluation of rates with a volumetric component based on water usage. The following subtasks are anticipated:

Develop Rate Design Recommendations – Proposed wastewater rates will be developed based on the cost-of-service analysis and will include a discussion of the relative merits (pros and cons) of the current rate structure and the new rate alternatives. This discussion and analysis will also include issues, such as:

² Water consumption data will be provided by Indio Water Authority.

- Amount of revenue collected from fixed vs. volumetric charges.
- Compatibility with the District’s exiting billing procedures.
- Simplicity and ease for the public to understand and the District to administer efficiently.
- Availability of the data necessary to adopt another rate design (e.g., a residential and/or commercial rate design that relies on winter-average or monthly water consumption).
- Relative merits in promoting fairness, equity, and defensibility of each alternative.
- Defensibility in terms of complying with Proposition 218 proportionality requirements.

The rate structure alternatives selected will ultimately provide the basis for comparing customer bills under both the current and proposed rate structures. However, all proposed rate structures will be “revenue neutral,” because they will all collect the same amount of revenue both in total and within each customer class.

Develop Rate Schedules and Bill Comparisons – NBS will develop a 5-year wastewater rate schedule for the rate alternatives developed in this task and prepare an analysis of typical bills for each customer class under existing and proposed rates.

TASK 6. REVIEW CAPACITY CHARGES

NBS will review the District’s capacity charges³ developed in the *May 2019 Evaluation of Sewer Capacity Charges* study and prepared by Municipal Financial Services. The focus of this review will be to evaluate how the existing fees were developed in light of industry standard methodologies, and if they should be updated to reflect current asset values and planned capital expansion or improvements. NBS will complete the following subtasks:

1. Hold a conference call with District staff to discuss the findings of our review of the fees.
2. Write a technical memo summarizing the results of the review and suggest an appropriate methodology for developing updated fees. NBS will outline in the memo what data is required to conduct the analysis to establish new fees.

TASK 7. REGIONAL RATE COMPARISON

NBS will review the Districts’ recent regional rate comparisons and update as needed. The comparison will include the District’s current and proposed wastewater rates to those rates at up to ten wastewater service providers. The results of this comparison will be presented in the study report and in public presentations. The comparisons will provide District staff and the Board with a snapshot of the cost of providing wastewater service to customers in the region.

TASK 8. PREPARE STUDY REPORT

We will prepare a study report that includes proposed rates for the next 5 years. An executive summary and introduction will present the purpose of the report and the results of the study. Tables, graphs, and charts will be used as appropriate, but the emphasis will be on providing a clear, concise, and understandable report that will provide the District with a thorough administrative record that addresses:

- Findings and recommendations.
- Overall study methodology, with reference to industry standards as needed.

³ Also referred to as “connection fees” in the District’s RFP.

- A 5-year financial plan, including a revenue and expense projection.
- Description of the capital improvement program, as provided by the District.
- Supporting justification in the form of calculation tables that a judge and the general public could easily understand.
- Appropriate figures and tables summarizing key aspects and results of the study.
- Proposed wastewater rates for a 5-year period.
- Customer bill comparisons, including current vs. proposed rates.

We will provide an electronic file in Microsoft Word format of the draft report for the District’s review and comment. Once we have received the District’s comments,⁴ we will incorporate those comments into a final report.

TASK 9. MEETINGS AND PRESENTATIONS

NBS will meet with District staff to review study results and recommendations throughout the project. We will also support the District in public meetings promoting the new rates and capacity charges. The following meetings and presentations are anticipated for this study:

1. **Meetings with District Staff** – NBS proposes to hold progress meetings with District staff via conference call or web meeting format. These meetings will be used to review initial work products and gain input on the direction of the study. We also expect to have regular phone conversations with District staff to discuss how the study is proceeding and solicit input.
2. **Public Workshops Presentations** – NBS will provide up to two (2) meetings with the Board of Directors. In these meetings, NBS will present study results, recommendations, receive input and guidance on the direction of the study, and answer questions. We will prepare a PowerPoint presentation for these meetings, which will include visual aids, graphics, charts, and additional worksheets or handouts.

Please note: we have the tools to accomplish all aspects of the project’s work plan remotely from NBS offices. We utilize video conferencing, email and telephone to coordinate on the project and review deliverables in an effective manner.

Given public health circumstances, we will remain flexible throughout the project to provide meetings and presentations either on-site or remotely. For purposes of developing a project budget, we have assumed all progress meetings and presentations will be conducted remotely (with the exception of the on-site kickoff meeting); however, should the District request or require attendance of NBS staff at on-site meetings or presentation of results, we have included a per meeting cost option for the District’s consideration.

TASK 10. PREPARE PROPOSITION 218 NOTICE

NBS will prepare a Proposition 218 notice to be mailed to each record owner/customer to notify them of the proceedings regarding the adoption of new rates. *Please note: the notice must be reviewed and approved by the District’s attorney prior to being mailed.*

⁴ We assume District staff’s comments will be in an electronic Microsoft Word file using track-changes mode.

TASK 11. PROVIDE ELECTRONIC RATE MODEL

We will develop an MS Excel-based financial plan and rate model that District Staff can use once the study is complete. In the financial planning component of the rate model, the revenue requirements and financial plan will cover a 20-year period, while the cost-of-service and rate design components will establish rates for a test year and include proposed rates for five years. The model will then be used to update and track performance annually.

Throughout the course of the study, we will review components of the model in progress meetings with the goal that Staff become very familiar with the model and how it works at the conclusion of the project. The model will not require any licensing fees and/or setup/updates from NBS.

As this model contains NBS' approach to rate analysis, the following restriction and disclaimer also apply:

- ✓ Delivery of this model to the District is provided for the District's internal use only by District staff and is not to be distributed to any third parties, including outside consultants or contractors. Though the model will be delivered in an editable format, certain restrictions will apply to prevent redistribution of the model and its contents without NBS' prior consent.
- ✓ Delivery of this model does not automatically guarantee that the District will be able to manipulate and update the model "error free" on an on-going basis. NBS also delivers this model as "complete" at the time of the Final Report, and does not take responsibility for subsequent edits made by District staff to the model, or decisions made by the District based on future versions of the model where edits were not performed by NBS professional staff.

2 | PROFESSIONAL QUALIFICATIONS AND EXPERIENCE

Statement of Qualifications for NBS' Utility Rate Group

NBS' Utility Rate Group (URG) focuses on utility rates in California, including rates for water, sewer, storm water, and solid waste agencies. We also prepare utility capacity charge studies, economic and financial feasibility studies, and other various management consulting services. The URG is comprised of recognized leaders in the field of utility rates who often teach continuing education courses, present technical topics at industry conferences, and participate in Prop 218 public workshops to help adopt new utility rates and fees.

Demonstrated Expertise – NBS' expertise in wastewater rate analyses is demonstrated by several unique and recent engagements this team has performed:

- In a recent Wastewater Rate Study for the City of Santa Monica, NBS assisted the City with the following improvements to its rate structure: (1) updated the outdated discharge factors used in estimating wastewater produced by each customer class and used to calculate bills; (2) implemented a modest fixed charge to improve revenue stability for the City that historically had rates that were 100% volumetric, and; (3) developed a financial plan that would fund over \$73 million in capital improvement costs over a five-year period with a combination of cash reserves and new debt financing to help the City achieve its water sustainability goals.
- Similar to Valley Sanitary District, the City of Beaumont had a flat EDU based rate structure and had not reviewed or updated the EDU assignments for each customer class in over 10 years. A key objective of this wastewater rate study was to evaluate the proportionality in commercial and industrial vs. residential sewer rates. Using water consumption data from the City's outside water provider, NBS conducted an analysis to develop an updated rate structure for non-residential customers that consisted of a fixed charge per account and a volumetric charge based on water usage and strength characteristics of wastewater. Residential customers maintained a flat charge per dwelling unit.
- Also similar to Valley Sanitary District, NBS updated Ironhouse Sanitary District's sewer rates which consisted of a flat EDU based rate structure and had not been reviewed or updated in over 10 years. Using water consumption data from three outside water providers, NBS updated the EDU assignments for the non-residential customers and developed rates that are proportional to the cost of providing service. The resulting rates consisted of flat charges for residential customers that vary for each type of dwelling unit, and a flat charge per EDU for each non-residential class.

Proposition 218 Adoption – In addition to our high-level of participation in Prop 218 hearings, we also have working relationships with some of the State's top attorneys specializing in Prop 218 law. We are confident that we can successfully guide the District through the challenges that Prop 218 presents for its wastewater rates.

Project Management Team – NBS' project management team (project manager and senior reviewer) offer a combined 45+ years of experience in setting rates for water and wastewater utilities. Kim Boehler and Greg Clumpner have worked closely over the last nine years to successfully complete more than 100 similar rate studies and can ensure your rate study will be efficiently and successfully managed.

The Ultimate Proof of NBS' Qualifications – We believe that the best proof of our qualifications and our success is what our clients say about our consulting services. We have included a number of client references to demonstrate this point, and we encourage you to contact these references.

Relevant Experience

Below is a sample of projects for California municipal agencies that our proposed team has completed (or is now completing) which are similar to the District's study.

- Arvin Community Services District, *Water Rate Study*
- City of Arvin, *Sewer Rate Study*
- Avila Beach Community Services District, *Water and Sewer Rate and Connection Fee Study*
- Azusa Light and Water, *Water Rate Study*
- Bellflower Mutual Water Company, *Water Rate Study*
- Calaveras County Water District, *Water and Sewer Rate Study*
- Citrus Heights Water District, *Water Rate Study*
- City of Colton, *Water Rate and Connection Fee Study*
- City of Colton and Grand Terrace, *Sewer Rate Study*
- Cucamonga Valley Water District, *Water and Recycled Water Connection Fee Study*
- Cucamonga Valley Water District, *Water Rate Study*
- Culver City, *Sewer Rate Study*
- Culver City, *Stormwater Parcel Tax Formation*
- Desert Water Agency, *Water, Sewer and Recycled Water Rate Study*
- City of El Cerrito, *Storm Drain Master Plan Funding Analysis*
- City of Fort Bragg, *Water, Sewer and Storm Drain Rate Study*
- City of Greenfield, *Water and Sewer Utility Revenue Requirement Analysis*
- Hidden Valley Lakes Community Services District, *Water and Sewer Rate Study*
- City of Livermore, *Water Rate and Connection Fee Study*
- City of Long Beach, *Stormwater Funding Analysis*
- City of Los Altos, *Storm Drain Master Plan Financing Analysis*
- City of Morgan Hill, *Water and Sewer Rate Study*
- City of Pasadena, *Water Rate Study*
- City of Redding, *Water, Sewer and Solid Waste Rate Study and Connection Fee Analysis*
- Rural North Vacaville Water District, *Water Rate Study*
- City of San Carlos, *Sewer Revenue Requirement Analysis*
- City of Santa Paula, *Water and Sewer Rate Study*
- San Mateo County, *Sewer Rate Study*
- City of Sausalito, *Sewer Rate Study*
- City of Solvang, *Water and Sewer Rate and Connection Fee Study*
- City of Stanton, *Sewer Rate Study*
- Suisun-Solano Water Authority, *Water Rate Study*
- Sussex County, Delaware, *Water, Sewer Rate and Capacity Fee Study and Oversizing Credit Analysis*
- City of Taft, *Sewer and Solid Waste Rate Study*
- Twenty-nine Palms Water District, *Water Rate Study*
- City of Victorville, *Storm Drain Funding Feasibility Analysis and Storm Drain Rate Study*



Green Initiatives



NBS is committed to being part of the solution to the overuse of resources in our economy today, as we strive to be good business partners with our local government clients. Being “green” is good for our planet, our people and our bottom line.

NBS uses these five primary methods to reduce our impact on the environment:

- Minimizing usage of materials: We minimize hard copy printouts and use reusable dishware in the office instead of paper and plastic, as examples.
- Recycling programs: We recycle paper and most food and beverage containers.
- Purchasing “good” paper and printing services: We only buy recycled paper and paper that meets the Forest Stewardship Council (FSC) standards. Our printer uses less-toxic soy inks.
- Minimizing travel via technology: We use online conferencing tools, for example, for many meetings and presentations in lieu of travel.
- Purchasing carbon credits: We offset carbon dioxide production that occurs for all business travel and office energy usage, via the well-respected Carbonfund.org. Our support of Carbonfund.org helps us fight global warming through innovative projects such as The Tensas River reforestation in Louisiana to absorb carbon dioxide as well as truck stop electrification that has enabled truckers to reduce tailpipe emissions, saving a gallon of diesel per hour.

The NBS San Francisco office has been certified since October 2007 by the City and County of San Francisco as part of the Association of Bay Area Governments' (ABAG) “Green Business Program.”



Client References

Below is a sampling of projects and references similar in scope and magnitude to the District’s study.

CITY OF SANTA MONICA

WATER AND WASTEWATER RATE AND CAPITAL FACILITY FEE STUDIES

Project Dates: September 2018 to May 2020



Contact Information

Sunny Wang
Water Resources Manager
1212 5th Street, 3rd Floor
Santa Monica, CA 90401
P: 310.458.8230
E: Sunny.Wang@SMGOV.NET

NBS Project Team: Kim Boehler,
Jordan Taylor and Greg Ghironzi

In 2020, NBS completed a comprehensive Water and Wastewater Rate and Capacity Fee Study for the City of Santa Monica. Key objectives addressed in the study included developing long-term financial plans that ensure the City’s operating and capital needs are met, along with maintaining adequate reserve funds. The City has adopted Water Self Sufficiency goals, and key capital projects that are needed to meet these goals. We worked with City staff throughout the study to identify funding and develop options to fund the Sustainable Water Infrastructure project that is estimated to cost over \$200 million. The project will be funded with a combination of outside debt financing, interfund loans, use of existing reserve fund balances, and rate increases.

The City also had several rate structure objectives that were addressed in the study such as providing greater revenue stability for the utilities by collecting a greater percentage of revenue from fixed water meter charges and incorporating a modest fixed charge in the wastewater rate structure. Additionally, the tiered volumetric water rates were updated to apply to all customer classes and were designed to reflect the City’s various sources of water supply. NBS also conducted a thorough analysis of water usage patterns and updated the wastewater discharge factors to reflect low water usage periods (and estimated wastewater flow).

All study recommendations were reviewed in several meetings with the Task Force on the Environment, which was made up of 10-12 residents of the City. In these meetings, we presented study data, outcomes, and recommendations and worked with the Task Force to develop final recommendations to City Council that were agreeable for all parties. Other services provided in the study included preparing the Proposition 218 Notice that was mailed to all property owners and utility customers as notification of potential rate adjustments and updating the City’s capital facility fees to reflect infrastructure costs needed to serve new development.

CITY OF VICTORVILLE
WATER RATE STUDY, SEWER RATE & CAPACITY FEE STUDY,
AND INDUSTRIAL PRETREATMENT PROGRAM FEE STUDY
Service Dates: January 2015 – June 2018



Contact Information

Doug Mathews
 Director of Public Works
 and Water
 14343 Civic Center Drive
 Victorville, CA 92393
 P: 760.243.6332
 E: dmathews@ci.victorville.ca.us

NBS Staff:

Kim Boehler, Greg Clumpner,
 Greg Ghironzi and Alice Bou

NBS completed a Sewer Rate and Capacity Fee Study for the City of Victorville. The main concerns addressed in the study were developing a long-term financial plan to ensure sufficient funding for all operating expenses and \$23 million in capital needs. A key part of this study was developing sewer rates and capacity fees that reflect operating and capital infrastructure costs for the City-owned and operated collection system, industrial wastewater treatment plant, and costs for regional wastewater treatment. As part of this study, NBS also developed the Industrial Pretreatment Program Fees for four significant industrial users that utilize the City’s Industrial Wastewater Treatment Plant.

In 2017, NBS completed a Water Rate Study for the City. Key issues addressed included developing a capital funding plan that would fund over \$55 million in rehabilitation and replacement projects and updating the water rate structure to one based on industry standard methodologies, and developing drought surcharges that can be implemented in increased drought stages. A key part of both rate studies was working with the City Council in several workshops to develop rate alternatives that all Council members could agree on, and support for the public approval process.

“I just wanted to take the opportunity to thank you and Greg for the exceptional work on our Sewer Rate Study. It was always reassuring to know that the numbers provided would stand up to any challenges due to the fact that the financial analyses you provided were thorough, defensible, and based on logical and generally accepted practices within the industry.

We certainly appreciated your diligence, patience, professionalism, and ability to keep a sense of humor, and look forward to working with you and your team in the future.”



DOUG MATHEWS
*director of public
 works & water*

Sewer Rate Study | June 2018

IRONHOUSE SANITARY DISTRICT
WASTEWATER RATE AND CAPACITY CHARGE STUDY

Project Dates: November 2018 – March 2020



Contact Information

Tyson Zimmerman
Assistant General Manager
450 Walnut Meadows Drive
Oakley, CA 94561
P: 925.809.3011
E: zimmerman@isd.us.com

NBS Staff:

Kim Boehler, Jordan Taylor, Alice
Bou and Greg Ghironzi

NBS recently completed a Wastewater Rate and Capacity Fee Study for Ironhouse Sanitary District. The main objectives addressed in the study included: developing a long-term financial plan that provides sufficient funding to meet annual operating and capital improvement costs, ensuring the District maintains adequate reserve funds while balancing capital outlays, and developing cost of service based rates that are proportional to the cost of service. When the study was initiated, the District had not completed a full cost of service review in over a decade and had a flat EDU based rate structure. A key component of this study was obtaining water consumption data for the District’s customers and conducting an analysis to determine updated EDU assignments for non-residential customers based on water usage and strength characteristics of wastewater discharged. The new rate structure is similar to the prior rates with a flat charge per EDU, however it varies by customer class to reflect the proportional cost of service.

NBS also conducted a capacity charge study to simplify and consolidate the District’s new development fees. The study established the cost for infrastructure needed to serve new development, on a per EDU basis. The District’s Board of Directors accepted the proposed rates and capacity fees in April 2020 for implementation in July 2020.

CITY OF BEAUMONT
SEWER RATE AND CAPACITY CHARGE STUDY

Project Dates: 2016 – June 2018



Contact Information

Amer Jakher
Public Works Director
13220 Central Avenue
Chino, CA 91710
P: 909.497.4499
E: AJakher@cityofchino.org
*Formerly at City of Beaumont,
now at City of Chino*

NBS Staff:

Kim Boehler and Greg Clumpner


In 2018, NBS performed a Sewer Rate Study after previously completing a Sewer Capacity Charge Study for the City of Beaumont. The need for these studies arose in 2016, because the City exceeded the capacity limit in their wastewater treatment plant and needed to explore several options to resolve this problem and to accommodate growth. Options included connecting to another local sewer treatment provider, or expanding the City’s wastewater treatment plant. NBS worked with the City on these studies to evaluate the financial impact these solutions would have on sewer rates and capacity charges for current and future residents of the City. NBS has presented the results of our analysis to the City Council in several meetings to support the decision-making process. New capacity charges were adopted in 2017.

Following the Council’s decision to expand the City’s wastewater treatment plant, NBS continued to work with staff to develop sewer rate alternatives for the Council’s consideration. The wastewater treatment plant expansion requires significant amount of debt financing which will be repaid with a mix of rate revenue and capacity charges. NBS worked with staff to ensure that this balance was accurate but conservative, as expected use of capacity charge revenue reduces rate revenue needs but is a less reliable revenue source.

Another key objective of the study was to evaluate the proportionality in commercial and industrial vs. residential sewer rates. A key component of this study was obtaining water consumption data for the City’s sewer customers and conducting an analysis to determine updated EDU assignments for non-residential customers based on water usage and strength characteristics of wastewater discharged.

The City previously had a flat EDU based rate structure for all customers and the study updated the commercial and industrial rate structure to one that had a fixed charge per account and volumetric charge based on water consumption, that varied by customer class. The City adopted new sewer rates in June 2018.

3 | FIRM ORGANIZATION AND PROJECT TEAM



AT-A-GLANCE: HELPING COMMUNITIES FUND TOMORROW

24
YEARS

In
Business

100%
ESOP

NBS is a 100%
employee-owned
S-Corporation

NBS HEADQUARTERS
32605 Temecula Pkwy | Suite 100
Temecula, CA 92592

SAN FRANCISCO REGIONAL OFFICE
870 Market Street | Suite 1223
San Francisco, CA 94102

CONTACT
Kim Boehler | 800.676.7516
kboehler@nbsgov.com

LEGAL NAME	DBA
NBS Government Finance Group	NBS

INDIVIDUAL AUTHORIZED TO NEGOTIATE AGREEMENT
Michael Rentner, President

Since 1996, NBS has supported California municipalities with the implementation and ongoing administration of local funding tools.

While the firm originally focused on Special Financing Districts (SFDs), specifically the formation and administration of special assessments and taxes, we have evolved with our clients' needs and now provide a full range of revenue consulting services. We focus on sustainable water and wastewater utility rate programs, cost allocation plans, cost recovery, and legally-justified fee design. Across all practice areas, we have worked with more than **400 public agencies** to date, including cities, counties, school districts, utilities, and special districts.

Utility Rate Group

The NBS Utility Rate Group ensures your utility rates, system capacity fees, and financial plans provide an appropriate level of funding and are also justifiable in a fluid legal and regulatory environment.

500
STUDIES
PERFORMED

We act as strong advocates for our many utility clients to ensure that rates and fees address the multitude of challenges facing each community. Just ask the municipalities where we have performed more than 500 studies!

**PROP
218**
COMPLIANT

Once study results are in, we support you through the Proposition 218 approval process. Working within legal and industry standards, we partner with you to implement solutions for the most challenging financial issues.



Throughout the process, we strive to educate the public, manage community expectations, and work within the often confusing legal framework to develop the best solutions for your utility. Our analytical support and expert consultants help agency staff and legal counsel navigate the practical and legal challenges.

Firm Organization

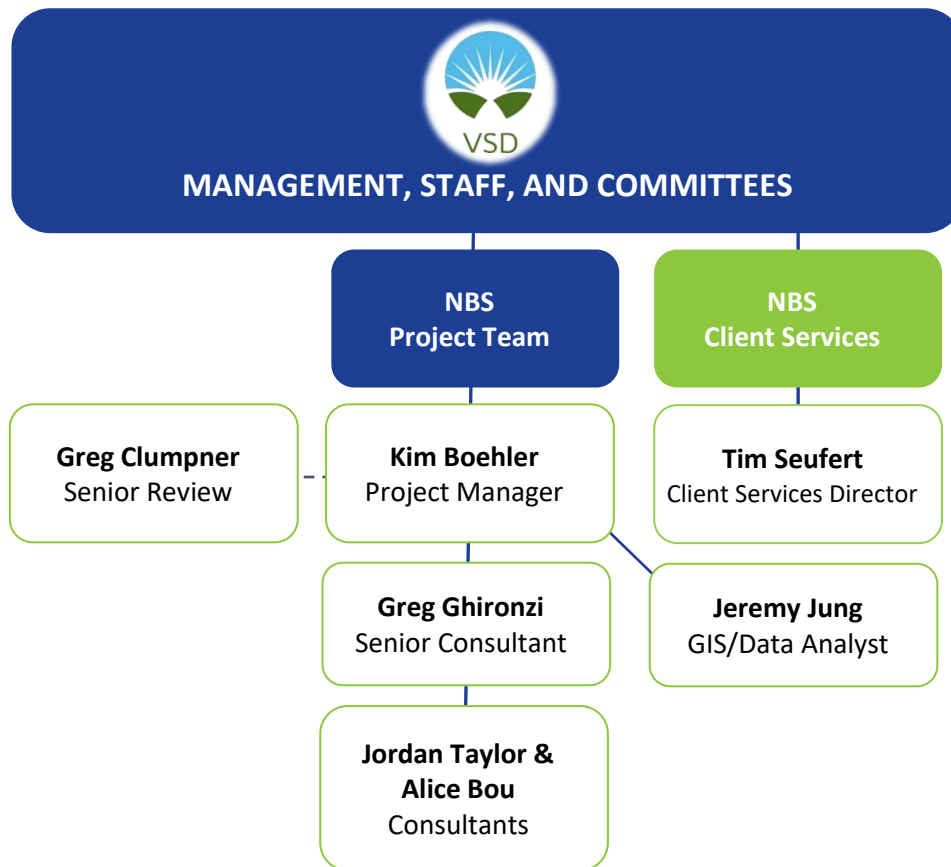
NBS' type of ownership, years in business, and listing of primary services are included in the blue At-A-Glance box above.

Size of firm: NBS provides a staff of 47 professionals with extensive experience in the fields of finance, management, engineering, and local governance. This combined knowledge produces a synergy that results in maximum success and minimum risk. We work with our clients as partners by developing an intricate knowledge of their needs and responding with strategic and timely solutions. While our team members are engaged in a variety of ongoing projects, we are able to provide the services requested within the required timeline. In order to preserve our on-going commitment to excellent client service, we do not propose or contract for more work than we are reasonably accomplished to complete. We are actively, *but prudently*, growing our firm recruiting top talent to ensure our clients' expectations are always met – if not, exceeded.

Key Personnel

The staff selected for Valley Sanitary District's Wastewater Rate Study are those most qualified based on their experience and backgrounds. The following is a brief overview of NBS' proposed consulting team. Our team members work together seamlessly allowing your staff to focus on other priorities.

NBS Project Team Organization



Full resumes are included in the Appendix, which include specific project experience for each team member.

KIM BOEHLER, PROJECT MANAGER

Role and Responsibilities: Kim Boehler will direct the work efforts of the project team and will work closely with the District's project manager to discuss and review the overall approach, development of rate alternatives, and creative solutions to consider. She will be the District's main point of contact throughout the study and will design and direct analytical efforts of the project team, provide senior-level technical analysis and review, and monitor the schedule and delivery of work products to the District's satisfaction. Kim will be fully conversant in all findings and will be present for progress meetings with District staff and all public presentations for this project.

Work Experience: Kim Boehler is a project manager who brings more than 14 years of experience at NBS, in all three of our major consulting practice areas. She has a comprehensive understanding of agency funding needs through her work in utility financial management, special financing district administration, overhead cost allocation analysis, and user fee studies. For the past ten years, Kim's work has focused exclusively on financial planning, cost-of-service analyses and rate design for water and wastewater utilities in California. She leads project teams on water and wastewater rate and capacity charge studies for our public agency clients. Kim has completed 150+ utility rate and fee studies, and often speaks at public workshops, industry conferences and educational seminars on related issues.

GREG CLUMPNER, SENIOR REVIEW

Role and Responsibilities: Greg Clumpner will provide technical review, including the evaluation of study alternatives and results, as needed throughout the project. He will assist the project team in developing the best solutions that will fit the District's unique characteristics and issues.

Work Experience: As a director in NBS' Utility Rate Study Practice, Greg Clumpner's 35-year professional career has focused on cost-of-service rate studies for municipal water, sewer, recycled water and solid waste agencies. He regularly makes technical presentations at industry conferences and client workshops. Greg's practice includes management-consulting assignments related to utility operations, system valuations, and feasibility studies. He also created and managed Foresight Consulting where, for six years, his practice focused on water and sewer rate analyses. He has completed 400+ similar studies during his career.

Additionally, since Greg works with Prop 218 legal counsel on an on-going basis, he knows the general legal constraints as well as when to solicit critical legal input to ensure alternatives will meet specific legal requirements.

GREG GHIRONZI, SENIOR CONSULTANT

Roles and Responsibilities: Under the direction of the project manager, Greg Ghironzi will oversee the development of the financial plan and rate alternatives, and assist as needed on the study with peer review. Greg will be fully conversant in all findings and will be present for all progress meetings and onsite for presentations to the Board of Directors, if the project manager is unavailable. Greg's affiliations with the municipal finance community enable him to bring a high level of Proposition 218 experience and expertise to this engagement.

Work Experience: Greg Ghironzi is a senior consultant with NBS. He has more than 25 years of experience working with various funding mechanisms and possesses a broad background in public finance and management. Greg is an acknowledged expert in the formation, annexation, and ongoing administration of

land-based special tax and special assessment districts and various financing tools. Greg is now fully focused in utility financial management, including cost of service and rate design analyses for public water and wastewater utilities. Greg is a Registered Municipal Advisor.

JORDAN TAYLOR AND ALICE BOU, UTILITY RATE CONSULTANTS

Role and Responsibilities: Jordan Taylor and Alice Bou will support the project team in performing large-scale data analysis and validation, data input and will also help develop the financial plan, cost of service analysis and rate alternatives for the District’s consideration.

Work Experience: Jordan Taylor has a Bachelor of Science degree in Chemistry and a Master’s Degree in Business Administration with an emphasis in Finance. She offers more than 10 years of accounting experience along with extensive knowledge of financial analysis and budget planning.

Alice Bou has a Bachelor of Arts degree and offers more than two decades of experience working in accounting and financial management performing data analysis, variance analysis, budgeting and forecasting, financial modeling and managerial reporting.

JEREMY JUNG, GIS DATA ANALYST

Role and Responsibilities: Jeremy Jung will provide GIS support services to develop customer database and match assessor’s parcel database to Indio Water Authority water consumption data.

Work Experience: Jeremy has extensive experience as a GIS technician. He creates and analyzes maps and data associated with County Assessor’s Parcels, District Boundaries, and custom images utilizing the latest GIS technology. In addition, Jeremy is able to display GIS maps over satellite imagery in order to view properties and maps with a high degree of detail as well as extract GIS parcel data to compare to other data sources, such as county-secured property tax rolls.

TIM SEUFERT, CLIENT SERVICES DIRECTOR

Roles and Responsibilities: As Client Services Director, Tim Seufert will ensure that the District’s fundamental objectives are being met at all times and that the project is proceeding on a timely basis. He is included on the team as an active representative of our company’s commitment to the highest level of service.

Work Experience: Tim Seufert has two decades of local government experience with a wide variety of revenue tools. He also has a decade of corporate financial experience. Tim has been involved with many projects from their inception and feasibility stage to their completion. He has been a presenter at dozens of training seminars, and he is an author on local government finance issues for the California League of Cities, the California Special Districts Association, California Society of Municipal Finance Officers, and other forums.

4 | PROPOSED PROJECT SCHEDULE

The following is an overview of our proposed project schedule. We will discuss a detailed schedule at the kick-off meeting, along with the expected timing for individual tasks.

PROJECT SCHEDULE FOR THE VALLEY SANITARY DISTRICT

WASTEWATER RATE STUDY PROJECT SCHEDULE	September		October				November				December				January				February				March				April				May						
	<i>Weeks from Start</i>																																				
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	
Task 1 - Kick-off Meeting & Data Collection			■																																		
Task 2 - Financial Plan																																					
Task 3 – Analyze Customer Data																																					
Task 4 - Cost of Service Analysis																																					
Task 5 - Rate Design Analysis																																					
Task 6 - Review Capacity Charges																																					
Task 7 - Regional Rate Comparison																																					
Task 8 - Prepare Rate Study Report																																					
Task 9 - Meetings and Public Presentations ¹																																					
Task 10 - Prepare Proposition 218 Notice																																					
Task 11 – Provide Electronic Rate Model																																					

**Rate Study
Proposition 218
Process²**

- 1. Meetings and Presentations are estimated and will be scheduled as needed.
- 2. Timing of the Proposition 218 process is estimated, and will be discussed w/ City staff during the kickoff meeting.

- Active task work
- Work Review Meeting w/ District staff (estimated, to be scheduled as needed)
- Board Presentation (estimated, to be scheduled as needed)
- Study Report (preliminary, administrative draft and final) and Rate Model Delivery.

5 | PROPOSED COSTS

Our professional fees are based on our understanding of the District’s needs and the effort we believe is necessary to complete the scope of services described in our proposal. Work will be performed on a time and materials basis, at the hourly labor rates show in the tables below, with a fee of **\$48,345**. Should the District need to have NBS staff on-site for meetings or presentations (after the kick-off meeting), an additional \$630 in professional fees, plus up to \$100 in travel expenses per meeting would apply. All tasks would be mutually agreed upon by NBS and the District prior to proceeding.

Wastewater Rate Study Tasks	Consultant Labor (Hours)				Grand Totals	
	Senior Review (Clumpner)	Project Manager (Boehler)	Senior Consultant/ GIS Support (Ghironzi, Jung)	Rate Consultants (Bou, Taylor)	Consultant Labor (Hrs.)	Consultant Costs (\$)
<i>Hourly Rate</i>	\$225	\$210	\$175	\$155		
Task 1 – Kick-off Meeting & Data Collection	-	6.0	6.0	12.0	24.0	\$4,170
Task 2 – Financial Plan	-	16.0	4.0	28.0	48.0	\$8,400
Task 3 – Analyze Customer Data	-	6.0	16.0	12.0	34.0	\$5,920
Task 4 – Cost-of-Service Analysis	1.0	12.0	4.0	16.0	33.0	\$5,925
Task 5 – Rate Design Analysis	2.0	10.0	4.0	18.0	34.0	\$6,040
Task 6 – Review Capacity Charges	-	12.0	-	4.0	16.0	\$3,140
Task 7 – Regional Rate Comparison	-	1.0	-	6.0	7.0	\$1,140
Task 8 – Prepare Study Report	2.0	8.0	-	12.0	22.0	\$3,990
Task 9 – Meetings and Presentations						
9.1 – Meetings with District Staff	-	8.0	-	8.0	16.0	\$2,920
9.2 – Public Presentations (two)	-	12.0	-	6.0	18.0	\$3,450
Task 10 – Prepare Proposition 218 Notice	-	4.0	12.0	2.0	18.0	\$3,250
Task 11 – Provide Electronic Rate Model	-	-	-	-	-	<i>Included</i>
GRAND TOTAL NOT TO EXCEED	5.0	95.0	46.0	124.0	270.0	\$ 48,345
Additional Costs for Optional Site Visits and Presentations:						
Labor Costs Per Visit/Presentation	-	3.0	-	-	3.0	\$630
Travel Expenses (not to exceed)						\$100
Subtotal, Per Visit/Presentation	-	12.0	-	4.0	16.0	\$730

Additional services authorized by the District, but not included in the scope of services above, such as additional analysis, public meetings or rate alternatives will be billed at the labor rates shown below, or the then applicable hourly rates. All additional tasks would be mutually agreed upon by NBS and the District prior to proceeding.

Title	Hourly Rate
Senior Reviewer	\$225
Project Manager/Director	\$210
Senior Consultant/GIS Support	\$175
Consultant	\$155

6 | ADDITIONS OR EXCEPTIONS

NBS accepts the terms, conditions and general form of the Valley Sanitary District standard Consultant Services Agreement with the following modification(s):

Attachment A – Page 8

14. Indemnification.

a. To the fullest extent permitted by law, Consultant shall defend (with counsel **approved by agency of District's choosing**), indemnify and hold the District, its officials, officers, employees, volunteers and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury of any kind, in law or equity, to property or persons, including wrongful death, in any manner arising out of, pertaining to, or incident to any alleged acts, errors or omissions, or willful misconduct of Consultant, its officials, officers, employees, subcontractors, consultants or agents in connection with the performance of the Consultant's services, the Project or this Agreement, including without limitation the payment of all expert witness fees, attorneys' fees and other related costs and expenses. Consultant's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by the Consultant or the District, its officials, officers, employees, agents or volunteers.

APPENDIX | RESUMES

This appendix contains full resumes for our proposed project team.

EDUCATION

- Bachelor of Science, Business Administration, Finance, California State University, San Bernardino

AFFILIATIONS

- Registered Municipal Advisor
- American Water Works Association (AWWA), Member

SPEAKING / MEDIA

(LAST 5 YEARS)

- “Embedded Social Justice: Are Utility Rates Really Fair and Equitable?” – California League of Cities, Municipal Finance Institute, December 2017
- “How Conservation, the Drought and Legal Issues Are Changing the Landscape for Rate Setting in California” – American Water Works Association Water Education Seminar, August 2016
- “Conservation, the Drought and Social Justice” – California Water Environment Association Annual Conference, April 2016
- “Brown Lawns and the Changing Landscape of California Water Rates: Next Steps?” – AWWA CA-NV Section Spring Conference, March 2016
- “Water and Sewer Rates: From Defensibility to Tailor Made Rate Design” – CSDA Annual Conference, September 2015
- “Basic Rate Making Principles and Key Issues Affecting Rates in California” – American Water Works Association Water Education Seminar, August 2015

HIGHLIGHTS

Kim Boehler is a Director in our Utility Rate Group and brings more than 13 years of experience at NBS in all three of our major consulting practice areas. She has a comprehensive understanding of agency funding needs through her work in special financing district administration, overhead cost allocation analysis, user fee studies, and utility financial management.

For the past ten years, her work has focused exclusively on financial planning, cost-of-service analyses and rate design for water and wastewater utilities in California.

Kim leads project teams on water and wastewater rate and capacity fee studies for our public agency clients.

She has completed 150+ utility rate and fee studies, and often speaks at public workshops, industry conferences, and educational seminars on related issues.

RELEVANT PROJECT EXPERIENCE

- **City of Sausalito – Sewer Rate Study:** Developed a comprehensive financial plan to address the City’s increasing operating and maintenance costs as well as the need to finance \$8.6 million in planned capital improvements over the 5-year rate period. Due to the deteriorating condition of the City’s sewer system, the overall goal was to identify equitable sewer charges that addressed sewer upgrades and services and develop rates that balanced the use of outstanding bond proceeds, cash reserves, and additional revenue generated from rate increases.
- **Indio Water Authority – Long Range Financial Plan Study:** Created a long-range Financial Plan with multiple overlapping capital improvement program funding plans and water treatment options. Restructured reserve funds, recommended reserve targets and prepared cash flow projections to maximize the Authority’s cash position, utilize debt financing, and minimize rate increases.
- **Suisun-Solano Water Authority – Water Rate Study:** Conducted a comprehensive water rate study for the Authority which consisted of a long-term financial plan that includes the projection of revenues and expenditures on a cash-flow basis to help determine the amount of rate revenue required to maintain reserves at the recommended levels. Worked with Authority staff to develop a plan to fund over \$20 million in necessary capital improvement projects, with a combination of new debt issuances, existing cash reserves, and rate adjustments.
- **City of Morgan Hill – Wastewater Rate Study:** Prepared a financial plan for the 2018 wastewater rate study update, which included budget analysis, cash flow projections, and a detailed evaluation of capital funding options. The study evaluated debt financing alternatives to fund \$87 million in capital improvements for pipeline replacement and a treatment plant expansion.

- Idyllwild Water District – Water and Sewer Rate Study:** Prepared water and sewer rate studies, which included developing long-term financial plans that allowed the District to begin funding capital improvement programs for both utilities, and maintain adequate reserves to meet established reserve fund policies. Updated the water rate structure to provide more revenue stability for the District, and implement a cost-based tiered volumetric rate.
- Ironhouse Sanitary District – Sewer Rate/Capacity Fee Study:** Developed a long-term financial plan that provides sufficient funding to meet annual operating and capital improvement costs, ensuring the District maintains adequate reserve funds while balancing capital outlays. Developed cost of service based rates that are proportional to the cost of service. A key component was obtaining water consumption data for customers and conducting an analysis to determine updated EDU assignments for non-residential customers based on water usage and strength characteristics of wastewater discharged.
- County of San Luis Obispo – Wastewater Capacity Charge Study:** Calculated wastewater system buy-in amounts for a small community in the County’s Service Area with a failing package treatment plant which needed to connect to the County’s Los Osos treatment plant. Created a unique funding solution enabling the buy-in amount to be financed over time and collected upon the County secured property tax rolls.
- City of Yuba City – Water and Sewer Rate Study Updates:** Perform annual updates of the City’s most recent comprehensive Water and Sewer Financial Plan and Rate Study. Key objectives of the annual updates are to evaluate annual financial status and determine if the City needs to implement the previously approved rate increases, or if a lower increase is possible.
- City of McFarland – Water and Sewer Rate Study:** Developed long-term financial plans for the City’s water and sewer utilities that would adequately fund operating, maintenance, and high-priority capital improvement needs, which included expanding the wastewater treatment plant and constructing a new water well. Worked with the project team to update the rate structures to reflect the cost of providing service to each customer class and current industry standards.



“You hit a grand slam for us. Your expertise, professionalism, insight and thoroughness places you and NBS in the highest regard with the Board of Directors and Management Staff.”

Martin Krieger, Former Finance Director, Desert Water Agency



- **City of Santa Monica – Water and Wastewater Rate and Capital Facility Fee Study:** Developed long-term financial plans for the City’s water and wastewater utilities that balanced meeting operating, maintenance, and capital needs along with maintaining adequate reserve funds. Worked with the project team to develop capital funding options for the City’s \$200 million Sustainable Water Infrastructure project by balancing outside debt financing, interfund loans, use of existing reserve fund balances, and rate increases. Developed updated rate structures which included collecting a greater percentage of revenue from fixed water meter charges, incorporating a modest fixed charge in the wastewater rate structure and developing tiered volumetric water rates based on the City’s sources of water supply. Conducted a thorough analysis of water usage patterns and updated the wastewater discharge factors to reflect low water usage periods.
- **Desert Water Agency, Palm Springs – Water, Recycled Water and Sewer Rate Study:** In 2016, completed a Water, Recycled Water and Sewer Rate Study for the Agency, and has been working with the Agency since 2010 on its utility rate program. The main concerns addressed in the 2016 study were providing more revenue stability for the potable water utility (rates were previously over 80% volumetric), ensuring rates are sufficient to support the \$45 million capital improvement program over the next five years, maintaining sufficient reserve funds, and retaining the Agency’s uniform volumetric water rate. To address recent conservation requirements, we developed drought rates for the Agency that can be implemented, if more severe drought stages occur. For the Reclaimed Water and Wastewater utilities, the key issues addressed were developing rates that fully fund utility operations, maintenance, capital replacement costs, and establishing reserve targets for these enterprises that are separate from the Agency’s main potable water operation.
- **El Cerrito – Citywide Storm Drainage Master Plan Funding Analysis:** Evaluated the City’s storm drainage revenue from an existing parcel tax and developed a long-term financial plan to fund all future obligations including operating, maintenance, and capital improvement program (CIP) costs. Modeled various levels CIP funding options depending on the priority of improvements and available revenue. Various revenue mechanisms were evaluated to determine potential costs to various property types, congruent with the applicable statutory authority to levy a tax, assessment, or fee.
- **Victorville – Water Rate Study, Sewer Rate & Capacity Fee Study, Storm Drainage Fee Study:** In 2016 completed a Water Rate Study, and subsequently completed Sewer and Solid Waste Rate Studies for the City of Victorville in 2018. The main concerns addressed in the sewer rate study were developing a long-term financial plan to ensure sufficient funding for all operating expenses and \$23 million in capital needs. A key part of this study was developing sewer rates and Industrial Pretreatment Program Fees for four significant industrial users that utilize the City’s Industrial Wastewater Treatment Plant (IWWTP) and collection system, and rates for all residential and commercial customers that utilize a combination of City-owned and operated collection system, the IWWTP and a regional wastewater treatment provider. Evaluated the City’s storm drain program revenue requirements, developed a long-term financial plan and recommended funding solutions to replace or supplement the existing storm drain fee.

EDUCATION

- Master of Science, Agricultural/Managerial Economics, U.C. Davis
- Bachelor of Science, Environmental Planning, U.C. Davis

AFFILIATIONS

- Former Vice-Chair, City of Davis Utility Rate Advisory Committee
- Former Chairman, City of Davis Planning Commission

SPEAKING / MEDIA

- “Tiered Water Rates – Understanding Their Equity and Impact on Customer Bills” – Journal of AWWA, September 2019, Volume 111, Number 9
- “Avoiding Billing Debacles Around New Water or Sewer Rates” – Journal of AWWA, March 2019, Vol. 111, No. 3
- “Changing Perspectives on Outside Surcharges: Understanding New Criteria” – Journal of AWWA, January 2019, Vol. 111, No. 1
- “Social Justice and Water Rates: Impacts of Rate Design on Low-Income Customers” – Journal of AWWA, July 2018, Vol. 110, No 7
- “Rates, Fees and Charges in the Post-Proposition 13, 218 and 26 ERA in California” – NBS Publication, Contributing Author, 2014
- “Setting the Stage for Water Rates: Policy Direction Should Be A Priority”, CSMFO Magazine, November 2016
- “Fiscal Health vs. Pricing for Conservation” – ACWA Fall Conf., Indian Wells, CA, December 2015

HIGHLIGHTS

Greg Clumpner has 35 years of experience in financial, economic, and cost-of-service rate analyses for municipal water, sewer and solid waste agencies, including broader management consulting:

- **Utility Cost-of-Service Rate Studies:** 400+ cost-of-service analyses and rate design studies; conservation-oriented water rates, capital improvement funding strategies for water, sewer and solid waste utilities
- **Management Consulting and Strategic Planning:** Feasibility analyses of municipal vs. private system operations, system valuations and acquisitions, and bond feasibility studies.

RELEVANT PROJECT EXPERIENCE

- **City of Redding – Water, Sewer, and Solid Waste Rate and Impact Fee Studies:** Cost-of-service study of water, sewer, and solid waste rate and system capacity charges. Addressed everything from policies objectives to structure alternatives. Worked with a City Council-appointed Citizens Advisory Group that reviewed rate alternatives and provided recommendations to the Council.
- **Mountain House CSD, Tracy, CA – Water and Sewer Cost-of-Service Rate Study:** Study redesigning rates from 1990s-era rate structures that subsidized utilities from the general fund. New rates were phased in over five years and restructured rates, evaluated customer bill impacts, provided public workshops and Prop 218 notices.
- **El Dorado Irrigation District, Placerville, CA – Water, Sewer, and Recycled Water Cost-of-Service and Rate Design Study:** Worked with the district board and a dedicated committee to review/recommend policy changes; alternative rate designs; and recommended water, sewer, and recycled water rates.
- **Los Angeles Department of Water & Power (LADWP) – Specialized Studies:** As a part of the 2018-19 interim rate review for LADWP under contract with Navigant Consultants (now Guidehouse), prepared evaluations of: (1) Analysis of how demand forecasting methodologies are used for financial planning and rate-setting purposes; (2) Review of temperature zones and water rate impacts to determine whether climate-change adjustments to temperature zone boundaries would change customer water budgets, and; (3) stormwater benefit cost analysis reviewed the feasibility of specific projects.
- **City of Lincoln – Sewer and Solid Waste Rate Studies:** Prepared full cost-of-service rate studies that evaluated rate design alternatives, capital project funding strategies, and changing customer characteristics. The sewer rates provided the basis for issuing new revenue bonds to fund capital improvements.

RELEVANT PROJECT EXPERIENCE | CONTINUED



“Greg’s knowledge and expertise helped the process immensely. He met with the committees and presented his findings in clear, understandable graphs and tables. He worked with staff to fine tune the information for presentation to the Board and community.”

*Brian Lee, General Manager,
San Lorenzo Valley
Water District*

- **City of Sacramento – Water, Sewer and Stormwater Impact Fees:** Updated citywide impact fees for each utility, including the City’s downtown area combined storm-sewer system as well as the separated systems.
- **Pajaro Sunny Mesa CSD, Monterey – Water Rate Study:** The CSD has nine separate water systems, each with separate rates. This study developed a uniform and combined rate structure for the CSD that met CSD policy objectives and Prop 218 requirements for fairness and equity.
- **City of Santa Paula – Water and Sewer Rate Study:** This study included meeting future funding requirements, evaluating issues surrounding the City’s purchase of its wastewater treatment plant, drought impacts, and generally improving rate design to be fairer and more equitable. Residential sewer rates were restructured to create volumetric charges based on average winter water use on a customer-by-customer basis.
- **City of Sausalito – Sewer Rate Study:** This study restructured sewer rates from a fixed charge to a combination of fixed and volumetric rates based on average winter water use. At that time, the Marin County Grand Jury was investigating sewer rates countywide and commended the City for the actions it took to restructure these rates and recommended other agencies follow suit.
- **San Francisco PUC – Solid Waste Electric Utility Rate Studies:** As the prime contractor, NBS teamed with Navigant and R3 Consulting to complete rate studies for the PUC that updated solid waste and electric utility rates.
- **San Lorenzo Valley Water District – Water and Sewer Cost of Service and Rate Design Studies:** Two separate studies addressed the cost of service and then rate design issues, including a long-term funding plan for capital projects. Rate design included restructuring tiered rates combined with a set of rate stabilization (drought) rates that would automatically be implemented if rate revenue in any month fell 10 percent or more below projected revenues
- **City of Yuba City – Water and Sewer Rate Study:** Comprehensive update addressing long-term revenue goals, water conservation, and adequate funding for capital improvements. Prepared financial plan alternatives, projected net revenues, developed reserve policies, cost-of-service analyses, and alternative rate designs including water conservation rates.

HIGHLIGHTS

- Registered Municipal Advisor with the SEC/MSRB
- More than 25 years of experience
- Proposition 218 procedure expertise
- Special Financing District (SFD) expertise including special assessments and special districts
- Financial analyses for Water Rate Studies and Wastewater Capacity Charges
- Groundwater Sustainability Agency (GSA) Funding and Formation
- Feasibility and evaluation of a broad range of revenue tools

BIOGRAPHY

Greg Ghironzi is a Senior Consultant with NBS in our Utility Rate Group. With more than 25 years of experience in public finance, he possesses a broad background with public revenue tools and local government management. In combination with his utility experience, he is also an acknowledged expert in the formation, annexation, and ongoing administration of land-based special tax and special assessment districts. In addition, he has experience with parcel and property tax audits.

Greg's affiliations and network with the municipal finance community enable him to bring additional experience to each engagement. He has worked with every type of local agency: This includes cities, counties, school districts, and a broad range of special districts such as utility (water, wastewater, etc.), fire, library, hospital, conservation, cemetery, and parks/recreation.

Greg is actively involved on a day-to-day basis with public agencies throughout the state. He assists the Utility Rate team in preparing analysis and rate design studies, capital improvement funding strategies for water, sewer, and stormwater.

RELEVANT PROJECT EXPERIENCE

- **Indio Water Authority – Long Range Financial Plan Study:** Created a long-range Financial Plan with multiple overlapping capital improvement program funding plans and water treatment options. Restructured reserve funds, recommended reserve targets and prepared cash flow projections to maximize the Authority's cash position, utilize debt financing, and minimize rate increases.
- **County of San Luis Obispo – Wastewater Capacity Charge Study:** Calculated wastewater system buy-in amounts for a small community in the County's Service Area with a failing package treatment plant which needed to connect to the County's Los Osos treatment plant. Created a unique funding solution enabling the buy-in amount to be financed over time and collected upon the County secured property tax rolls.
- **County of San Luis Obispo/Paso Robles Basin Water District – GSA Funding and Formation:** Evaluated and recommended funding solutions for the formation of a Groundwater Sustainability Agency (GSA) in light of special legislation for the Agency. Funding solutions addressed the formation of the GSA, funding of the Groundwater Sustainability Plan and ongoing management activities.

RELEVANT PROJECT EXPERIENCE | CONTINUED

- **City of Santa Monica – Water and Wastewater Rate and Capital Facility Fee Study:** Developed long-term financial plans for the City’s water and wastewater utilities that balanced meeting operating, maintenance, and capital needs along with maintaining adequate reserve funds. Worked with the project team to develop capital funding options for the City’s \$200 million Sustainable Water Infrastructure project by balancing outside debt financing, interfund loans, use of existing reserve fund balances, and rate increases. Developed updated rate structures which included collecting a greater percentage of revenue from fixed water meter charges, incorporating a modest fixed charge in the wastewater rate structure and developing tiered volumetric water rates based on the City’s sources of water supply. Conducted a thorough analysis of water usage patterns and updated the wastewater discharge factors to reflect low water usage periods.
- **Rosamond Community Services District – Agency-wide Revenue Evaluation for Funding Options and Capacity Fee Study:** Evaluated the District’s revenues and expenses, including special assessment district audits, recommended replacement of certain revenue streams and prepared Water and Sewer Capacity and Connection Fee Studies.
- **Victorville – Citywide Storm Drainage Fee Study:** Evaluated the City’s storm drain program revenue requirements, developed a long-term financial plan and recommended funding solutions to replace or supplement the existing storm drain fee.
- **El Cerrito – Citywide Storm Drainage Master Plan Funding Analysis:** Evaluated the City’s storm drainage revenue from an existing parcel tax and developed a long-term financial plan to fund all future obligations including operating, maintenance, and capital improvement program (CIP) costs. Modeled various levels CIP funding options depending on the priority of improvements and available revenue. Various revenue mechanisms were evaluated to determine potential costs to various property types, congruent with the applicable statutory authority to levy a tax, assessment, or fee.
- **City of Sacramento – Citywide Storm Drainage Funding Option Analysis:** Evaluating the City’s options to fund Storm Drainage costs. Recommending the most viable options, including the calculation of sample rates, testing the rates and creating the revenue mechanism (i.e. assessment, property-related fee or tax) selected by the City.
- **East Palo Alto – Water Rate Surcharge Analysis for Capital Replacement Needs:** Performing a cost of service analysis to update water service surcharges. Developing an updated meter surcharge for the purpose of replacing water meters throughout the City’s service area, and a capital surcharge to address capital improvement, rehabilitation and replacement projects. Capital projects that will be funded include: approximately 70% of the City’s water pipelines, improving water storage facilities, increased reliability/interties to various water suppliers and increasing system capacity to meet current and future water demand.

EDUCATION

- Master of Business Administration, Finance, University of Redlands
- Bachelor of Science, Chemistry, University of Utah, Salt Lake City

HIGHLIGHTS

- Extensive experience in large-scale data analysis
- Advanced Excel user with the essential skills for complex data analysis and alternative scenario analysis
- More than ten years of accounting experience for large and small businesses
- Experienced consultant with water, sewer and solid waste rate structures
- Experienced consultant with budget management, financial planning and reserve fund analysis

BIOGRAPHY

Jordan Taylor is a Consultant at NBS in our Utility Rate group. She brings more than ten years of experience in finance, accounting, budget planning and system auditing. Jordan graduated with high honors in her Master's program and spent most of her studies focusing on large-scale financial analysis and data management.

Jordan provides analysis and support on water and sewer utility rate studies for cities and special districts in California. She performs various financial analyses, data management, and utility customer data analysis for utility rate and capacity fee studies. Jordan's diverse knowledge of managerial accounting is essential to the work performed by NBS.

RELEVANT PROJECT EXPERIENCE

- **Costa Mesa Sanitary District – Solid Waste Rate Study:** This comprehensive rate study included development of a long-term financial plan that evaluated funding options to reduce the annual operating deficit over a five-year period. An evaluation of the District's solid waste rates, and updated rates were calculated for the three cart sizes that are used by customers in the District and a five-year rate schedule was adopted.
- **Hidden Valley Lakes Community Services District – Water/Sewer Rates & Capacity Fee Study:** Completed an updated water and sewer cost of service study, based on a previous 2015 study conducted by NBS. A key part of this study was addressing significant capital improvement projects and drought-related changes in water consumption patterns. Major tasks included reviewing financial/rate setting policies, preparing financial plans, updating the cost of service analysis, and evaluating alternative rate designs.
- **Idyllwild Water District – Water and Sewer Rate Study:** Prepared water and sewer rate studies, which included developing long-term financial plans that allowed the District to begin funding capital improvement programs for both utilities, and maintain adequate reserves to meet established reserve fund policies. Updated the water rate structure to provide more revenue stability for the District, and implement a cost-based tiered volumetric rate.
- **Ironhouse Sanitary District – Sewer Rate/Capacity Fee Study:** Developed a long-term financial plan that provides sufficient funding to meet annual operating and capital improvement costs, ensuring the District maintains adequate reserve funds while balancing capital outlays. Developed cost of service based rates that are proportional to the cost of service. A key component was obtaining water consumption data for customers and conducting an analysis to determine updated EDU assignments for non-residential customers based on water usage and strength characteristics of wastewater discharged.

RELEVANT PROJECT EXPERIENCE | CONTINUED

- **City of Yuba City – Water and Sewer Rate Study Updates:** Perform annual updates of the City’s most recent comprehensive Water and Sewer Financial Plan and Rate Study. Key objectives of the annual updates are to evaluate annual financial status and determine if the City needs to implement the previously approved rate increases, or if a lower increase is possible.
- **City of Lincoln – Sewer and Solid Waste Rate Study:** Prepared long-term financial plans for the City’s Sewer and Solid Waste utilities, which included evaluating debt financing alternatives for sewer collection system and wastewater treatment plant improvements. Since this was the City’s first full cost-of-service analysis for solid waste, Jordan and the project team developed all relevant data necessary to complete the study, including allocating collection, disposal, organics collection, and general and administrative costs.
- **City of McFarland – Water and Sewer Rate Study:** Developed long-term financial plans for the City’s water and sewer utilities that would adequately fund operating, maintenance, and high-priority capital improvement needs, which included expanding the wastewater treatment plant and constructing a new water well. Worked with the project team to update the rate structures to reflect the cost of providing service to each customer class and current industry standards.
- **City of Morgan Hill – Wastewater Rate Study:** Prepared a financial plan for the 2018 wastewater rate study update, which included budget analysis, cash flow projections, and a detailed evaluation of capital funding options. The study evaluated debt financing alternatives to fund \$87 million in capital improvements for pipeline replacement and a treatment plant expansion.
- **City of Sacramento – Development Impact Fee Study:** Conducted an extensive update of water, sewer, and storm drainage system capacity charges. This study addressed City policies and overall objectives in developing connection fee alternatives for the City to consider. Key tasks included preparing financial/rate setting policies, financial plans, projecting capital revenue requirements, cost-of-service analyses, and alternative fee methodologies.
- **City of Seal Beach – Water and Sewer Rate Study:** Prepared financial plans for the City’s water and sewer utilities to ensure sufficient funding was available for operating, maintenance, capital improvement needs and to maintain appropriate reserve funds. Developed cash flow analyses and capital improvement program funding options that balanced the use of rate increases with potential debt financing to minimize the impact to ratepayers.
- **City of Santa Monica – Water and Wastewater Rate and Capital Facility Fee Study:** Developed long-term financial plans for the City’s water and wastewater utilities that balanced meeting operating, maintenance, and capital needs along with maintaining adequate reserve funds. Worked with the project team to develop capital funding options for the City’s \$200 million Sustainable Water Infrastructure project by balancing outside debt financing, interfund loans, use of existing reserve fund balances, and rate increases. Developed updated rate structures which included collecting a greater percentage of revenue from fixed water meter charges, incorporating a modest fixed charge in the wastewater rate structure and developing tiered volumetric water rates based on the City’s sources of water supply. Conducted a thorough analysis of water usage patterns and updated the wastewater discharge factors to reflect low water usage periods.

EDUCATION

- Bachelor of Arts, University of California San Diego, La Jolla

HIGHLIGHTS

- Two decades of financial, accounting and risk management experience
- Extensive experience in financial reporting, risk management analysis, budget management and development of accounting policies and procedures
- In-depth experience as a finance manager, consultant and controller in private industry
- Supports project teams completing public utility rate and fee studies in performing large-scale data analysis, financial modeling and rate analysis

BIOGRAPHY

Alice Bou is a Consultant in our Utility Rate and Fee group. She is an accomplished finance professional with proven success in the oversight of management accounting and business analysis. Alice has two decades of experience working in accounting and financial management, performing data analysis, variance analysis, budgeting and forecasting, financial modeling, and managerial reporting. She has also developed detailed procedures and systems documentation with a focus on productivity, data integrity and functionality to promote transparency of all finance and accounting functions across all departments of the entire organization. Alice’s diverse experience is essential to the work performed by NBS.

As a member of the NBS team, Alice assists in the preparation of financial plans, cost of service, rate, and fee design analysis for our public utility clients. She reviews financial statements, budgets, capital improvement plans, operational data, and customer billing information for use in public utility rate and fee studies. Alice adds value to our team with her exceptional strategic financial planning and analytical skills.

RELEVANT PROJECT EXPERIENCE

- **City of Sausalito – Sewer Rate Study:** Developed a comprehensive financial plan to address the City’s increasing operating and maintenance costs as well as the need to finance \$8.6 million in planned capital improvements over the 5-year rate period. Due to the deteriorating condition of the City’s sewer system, the overall goal was to identify equitable sewer charges that addressed sewer upgrades and services and develop rates that balanced the use of outstanding bond proceeds, cash reserves, and additional revenue generated from rate increases.
- **City of Davis – Sewer Rate and System Capacity Fee Study:** Established sewer capacity fees for the City that reflect the cost of sewer system infrastructure that is available to serve new development. Many factors were considered in the study, including the allocation of the \$268 million in existing system assets, the cost of planned capital improvements, and adjustments for outstanding debt and cash reserves. The assigned EDU’s per residential type of use were calculated based on the City’s most recent sewer rate study and average winter water use.



“Working with Alice was nothing short of extraordinary. Her expertise and responsiveness enabled city staff to express with confidence before the Council on the recent utility study.”

*Tai Chau
Assistant Public Works Director
City of Santa Paula*



RELEVANT PROJECT EXPERIENCE | CONTINUED

- City of Redding – Water, Sewer, and Solid Waste Rate Study:** Performed an update of the City’s rate studies for its water, sewer, and solid waste utilities, which included updating long-term financial plans to incorporate funding capital improvements estimated at \$97.2 million and reviewing alternative rate structures. Although all three utilities were financially sound, rate increases were necessary to ensure the continued financial health of the City’s utilities by generating sufficient revenue needed to meet projected capital funding requirements, providing revenue stability, and providing equity in rates among customer classes. In addition, the cost-of-service analysis for the solid waste utility examined specific allocation factors for each customer class and determined how costs are divided into various types of service (e.g., collection, disposal, and transfer station).
- City of Santa Paula – Water and Sewer Rate Study:** Completed water and sewer rate studies that included development of sustainable financial plans that focused on balancing the capital improvement needs of the utilities against the financial impact on customers. Worked with the City to develop several capital funding alternatives that balanced the use of cash reserves and rate increases to fund all obligations. The financial plans were then incorporated into the cost-of-service and rate design analyses to develop several rate alternatives for the City’s consideration.
- Suisun-Solano Water Authority – Water Rate Study:** Conducted a comprehensive water rate study for the Authority which consisted of a long-term financial plan that includes the projection of revenues and expenditures on a cash-flow basis to help determine the amount of rate revenue required to maintain reserves at the recommended levels. Worked with Authority staff to develop a plan to fund over \$20 million in necessary capital improvement projects, with a combination of new debt issuances, existing cash reserves, and rate adjustments.
- City of El Cerrito – Storm Drainage Fee Study:** Worked together with the engineering firm of Schaaf & Wheeler to perform a feasibility analysis for the City. This review addressed the shortfall of the Storm Drain Utility to sufficiently fund increasing operational costs, the establishment and maintenance of reserve funds, and the funding of the City’s capital improvement projects. Conducted an extensive analysis of the Contra Costa County secured property data by land use type in order to develop the per parcel cost estimates for the various funding mechanisms presented to the City for consideration based on available revenue sources.
- LADWP – Water Temperature Zone Analysis:** LADWP currently has a four-tiered water-budget based volumetric rate structure that assigns water budgets to each customer based on lot size and temperature zone. As part of LADWP’s Interim Rate Review, evaluated the findings of previous temperature zone assignments to determine potential customer bill impacts of modifying the existing temperature zones. Prepared an analysis of temperature zone impacts on water customers, including a thorough review of the temperature data as well as recent trends related to the number of customers, water use, and water bills by zone, tier, and lot size over the last five years. The primary focus of this study was to see if recent changes in temperature data as defined by LADWP’s current temperature zones warranted changing the customers assigned to each temperature zone, or the criteria used to define each zone.

RELEVANT PROJECT EXPERIENCE | CONTINUED

- **Rosamond Community Services District – Water and Sewer Capacity Fee Study:** Developed updated water and sewer capacity charges and connection fees for the District to ensure these fees reflect the cost of infrastructure needed to serve new development and meet industry standard methodologies. Updated the District’s capacity charges utilizing the replacement-cost-less-depreciation approach to estimate the value of the District’s existing assets and incorporating the costs of planned capital improvements from the water and sewer master plans. In addition, updated the connection fees for installing connections to the water and sewer systems by using key data such as staff labor time, cost of equipment, and the cost of infrastructure installed.
- **Mill Valley – Sewer Rate Study:** In the process of preparing a long-term financial plan reflecting the City’s growing concerns about shortfalls due to increased capital improvement costs and its current sewer rate structure, specifically the equitable assignment of costs to commercial customers (i.e., restaurants). Sewer rates will be evaluated to improve revenue stability in the light of current economic conditions as well as recent drought and continuing water conservation efforts. Water consumption data will be used to update commercial rates to assess how consumption has changed in the last few years and how projected water conservation might impact future consumption.
- **Ironhouse Sanitary District – Wastewater Rate and Capacity Fee Study:** Assisted the project team in the analysis of the District’s customer data to confirm the proportionality of current sewer rates to the cost of providing service. This process involved an in-depth examination of the water consumption data for customers from multiple water agencies to complete a cost-of-service analysis and determine updated EDU assignments for non-residential customers based on water usage and strength characteristics of wastewater discharged.
- **Pajaro/Sunny Mesa Community Services District – Water Rate Study:** In the process of completing a comprehensive water rate study for the District. The study will update the critical components of the water rate analysis last updated in 2015, which includes a review of the District’s underlying policies and assumptions. The study update will include cost-of-service and rate design analyses as well as the following: (1) Projecting the District’s revenues and expenses using a cash-basis method to identify future rate increases and help maintain appropriate reserve fund levels in light of updated budget projections; (2) Evaluating reserve fund sufficiency by reviewing existing reserve funds, target reserves, reserve fund policies, and other related issues such as debt service coverage ratios; (3) Verifying that capital improvement funding aligns with District-provided capital project plans; and, (4) Evaluating the timing, costs, and available reserves used to fund the various improvement projects.

EDUCATION

- Bachelor of Science, Political Science, California Polytechnic State University, Pomona
- Certificate, Geospatial Technician, Victor Valley College
- Certificate, Geographic Information Systems, San Bernardino Valley College

HIGHLIGHTS / TECHNICAL

- Configure and maintain ESRI ArcGIS applications (web maps, Dashboards, StoryMaps, Survey123, Collector, QuickCapture)
- Prepare numerous boundary maps, diagrams, and 1915 Act lien apportionments
- ArcDesktop, ArcSDE, ArcGIS Server, ArcGIS Online, Survey 123, Collector
- Python Software experience
- SQL for data manipulation and analysis
- Autodesk AutoCAD



Our staff appreciates the expertise, guidance and experience that the NBS teams bring to our special assessments."

Mike Gow, General Manager / Chief Engineer, Lake Hemet Municipal Water District



BIOGRAPHY

Jeremy Jung is a Geographic Information Systems (GIS) Data Analyst for NBS. He has more than five years of experience in the design and maintenance of GIS Geodatabases in a SDE environment, including reconciling/posting and QA/QC. He has developed new workflows and utilized Model Builder for processing parcel data that removed the need to purchase the data on a quarterly basis. Jeremy has performed spatial analysis to identify restricted areas for Cannabis Delivery Services, and utilized basic Python scripts to edit and automate GIS workflows. He has updated and maintained numerous map services for GIS applications (Cityworks, CRW Trakit, Granite XP, Internal Geoviewer, Public Viewer).

As a GIS Data Analyst, Jeremy creates maps and analyzes data associated with county assessor’s parcels, district boundaries, public facilities and improvements as well as captures custom images utilizing the latest in GIS technology. In addition, he is able to create custom web-based GIS applications for internal and external use by NBS clients.

RELEVANT PROJECT EXPERIENCES

- **CivicMic** – Successfully completed a variety of projects for CivicMic including the creation of surveys, web maps, web apps, and testing ESRI Hubs. The web applications assist with facilitating community outreach and public engagement opportunities to determine the level of public support.
- **Los Angeles County Metropolitan Transportation Authority** – Accomplished creating a quarter mile and half mile buffers around approximately 60 stations to help identify assessed values for each parcel within the buffer zones.
- **East Contra Costa Fire Protection District** – Calculated fire stations distance drive times and half mile buffer distances within ECCFPD boundary to determine best response times for each parcel. Utilizing network analysis was instrumental in determining the calculation of special general benefit and proportionality for ECCFPD.



REQUEST FOR PROPOSALS (RFP)
WASTEWATER RATE STUDY

Release Date: July 1, 2020

Deadline for Submission: August 3, 2020

Contact Person: Ron Buchwald, Engineering Services Manager

VSD
45-500 Van Buren St
Indio, CA 92201

1 INTRODUCTION

VSD is a small, public agency organized under the Health and Safety Code of the State of California. As a California Special District, VSD has responsibility for the operation and maintenance of the sanitary sewer collection system and wastewater treatment within the City of Indio and portions of Coachella, La Quinta, and unincorporated Riverside County.

A. General Information

VSD is in the Coachella Valley about 20 miles southwest of the Palm Springs airport. VSD is a wastewater district, founded in 1925, operating under the Sanitary District Act of 1923. The District has over 28,000 service connections in a 19.5 square mile service area serving a population of about 75,000 in the communities of Indio, Coachella, La Quinta, and unincorporated Riverside County. The District's Adopted FY 2019/20 Operating Budget is \$8.3 million.

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

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

VSD is seeking proposals for requesting proposals from qualified consultants to conduct a comprehensive wastewater rate study. The intent of the study is to independently assess and evaluate the District's existing wastewater rates and provide a fair and reasonable rate structure that will adequately fund the District's operating, capital improvement, and facility rehabilitation needs. The results of this study and the proposed rate design will provide the District's Sewer Service Charge rates for the next five years. The study will be based on a comprehensive review of the District's enterprise fund historical statements of revenue and expense, current year budgets, customer counts and classes, historical usage data, Infrastructure Asset Management Plans, capital improvement plans, future planned growth of the District, and any other information deemed necessary

All proposals must be received at Valley Sanitary District, 45-500 Van Buren Street, Indio, CA 92201 by **4:00 p.m. on Monday, August 3, 2020**. Please refer to Section 3, Proposal Format and Section 5, Proposal Due Date and Delivery for details.

Proposals received after the deadline will not be considered. Each proposal must be sealed, and the envelope must be clearly marked with the name of the proposer and the words “**Response to RFP – Wastewater Rate Study Proposal**”. This RFP and the successful Proposer’s response will be included in any contract awarded from this RFP; modifications will be determined by and between VSD and the successful Proposer. VSD reserves the right to accept or reject any or all proposals.

B. Background

VSD’s Sewer Service Charges (SSC) funds the costs of the maintenance, operation, and replacement of the facilities necessary to collect, treat, and dispose of the wastewater generated from home or business in Indio and surrounding areas. VSD uses the Riverside County Tax Rolls as the primary method of collection of the SSC on an annual basis. This line item shows up on the property owner’s property tax bill under the Special Assessments section. To determine the rate in which each property should be charged at, VSD uses third- party consultants to evaluate and perform comprehensive studies on its SSC. This comprehensive study provides support when establishing possible SSC rate increases over the next five years. The last rate study was completed and finalized in April 2019.

2 SCOPE OF SERVICES

VSD anticipates a project scope that includes activities outlined below; however, proposers should develop a plan of work they believe will most effectively meet VSD’s objectives. The Wastewater Rate Study will require the selected consultant (Consultant) to perform all necessary analyses and documentation to perform the study of the District’s utility rates and recommendation of a five-year rate schedule.

In general, the scope of work shall involve a comprehensive review of the District’s wastewater enterprise fund’s historical and projected revenues, usage, expenses, reserve policies, billing and collection procedures, rates and charges, current budgets, Infrastructure Asset Management Plans, capital improvement plans, future planned growth of the District, and any other information deemed pertinent.

3 PROPOSAL FORMAT

A. Approach / Methodology

Provide a brief description, in a fashion that shows your understanding and ability, of how you intend to approach and/or accomplish each item listed in the scope of services. You may include suggested alternatives or additions to tasks and expectations listed in scope of services. If your firm is not within a 100-mile radius of the Coachella Valley, please specify what work will be done in-person at VSD’s offices.

B. Professional Qualifications and Experience

Provide a description of professional qualifications including relevant background experience working with public agencies. Notate any environmentally friendly and/or green practices that the proposing firm implements.

Provide three client references with phone numbers for similar services of similar scope provided by the Proposer within the past five years. A minimum of three references must be from a public agency. Specify the client, location, Proposer's project team, scope of work, and an example of similar work performed.

C. Firm Organization and Project Team

The proposal should include information about the Proposer's organization, including but not limited to the following.

- type of ownership (sole proprietor, partnership, corporation, etc.)
- number of years in business
- listing of primary services provided
- size of firm

The proposal should identify key personnel proposed and roles for this project. Include biographies and experience on similar projects.

D. Proposed Project Schedule

The proposal will include a projected schedule for items listed in scope of work. The project is anticipated to start on **Monday, August 3, 2020** and be completed no later than Friday, October 9, 2020. The consultant is expected to present the final report to the Board of Directors and at a public hearing.

E. Proposed Costs

Indicate costs, hourly and/or if project specific, and expected hours required for completing each task listed in the RFP. Include any additional costs for projects or tasks you may feel will be helpful that are not listed in the RFP.

4. SELECTION PROCESS

A. Qualifications

All proposals received by the deadline will be evaluated by VSD. Only information which is received in response to the RFP or any subsequent interview will be evaluated. VSD will judge the responses of each proposing firm in the several critical areas. Selected Proposers will be invited to an oral interview.

B. Selection Criteria

VSD will select the most qualified proposal based on the following factors.

Responses to the RFP should address the qualities and criteria that are listed below at a minimum:

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

While VSD desires to achieve the most cost-effective services, the emphasis is on the ability to best meet the needs stated in this RFP, and not necessarily the lowest cost proposal.

C. Proposed Selection Process and Project Schedule

1. Selection Process

Staff will recommend to the Board of Directors the firm who achieved the most points during the evaluations of proposals by the evaluation team.

2. Project Schedule

RFP Solicitation Package Released	July 1, 2020
Written Inquiry Submissions Due	July 17, 2020
VSD Response to Written Inquiries	July 24, 2020
Proposals Due	August 3, 2020
Proposal Evaluations	Week of August 3, 2020
Consultant Interviews (if necessary)	Week of August 10, 2020
Board Approval	August 25, 2020
Execution of Contract	September 1, 2020
Services begin & Kick-off Meeting	September 14, 2020
Completion of Wastewater Rate Study	December 18, 2020
Presentation to Board of Directors	January 12, 2021
Proposition 218 Public Hearing	May 11, 2021

3. Required Documents

The proposal must include all required documents, including evidence of the required insurance coverage. Failure of the successful Proposer to make a timely submission to VSD may result in a rescission of acceptance of the proposal by VSD and award of contract to another proposer.

4. Disclaimer

This RFP does not commit VSD to award a contract or to pay any costs incurred in the preparation of a proposal in response to this Request. VSD reserves the right to accept or reject any or all proposals received, to negotiate with qualified proposers or to cancel the Request.

VSD may require the Proposer to submit additional data or information the District deems necessary to substantiate the costs presented by the proposer. VSD may also require the proposer to revise one or more elements of its proposal in accordance with contract negotiations. VSD reserves the right to evaluate proposals for a period of 90 days before deciding which proposal, if any, to accept.

D. Award of Agreement

It is expected that notice of an approved agreement for services will be made by VSD's General Manager no later than August 26, 2020.

PLEASE NOTE: VSD does not pay for services before it receives them. Therefore, do not propose contract terms that call for up-front payments or deposits. Monthly invoices may be submitted to VSD for work completed and at the satisfaction of VSD. VSD reimburses direct expenses only at actual cost – not cost plus some percentage or markup.

5. **PROPOSAL DUE DATE AND DELIVERY**

Proposals must be submitted in the format described below and are to be prepared in such a way as to provide a straightforward, concise description of capabilities to satisfy the requirements of this RFP. The Proposer shall submit 5 printed, double-sided proposal(s); expensive bindings, colored displays or promotional materials, are neither necessary nor desired. Emphasis should be concentrated on conformance to the RFP instructions, responsiveness to the RFP requirements, and on completeness and clarity of content. An electronic PDF version should be directed to Ron Buchwald, Engineering Services Manager, at rbuchwald@valley-sanitary.org.

Proposals should be delivered to VSD at 45-500 Van Buren Street, Indio, CA 92201. All copies of the proposal are to be clearly marked with the words "**Response to RFP – Wastewater Rate Study Proposal**," and should be submitted no later than **4:00 p.m. on Friday, August 3, 2020**. Faxed proposals will not be accepted. All copies received by the deadline will be date and time stamped. Postmarks will not count toward meeting the deadline. Proposals will not be accepted after the deadline.

6. **CONDITIONS OF REQUEST**

A. General Conditions

VSD reserves the right to cancel or reject all or a portion or portions of the

request for proposals without notice. Further, VSD makes no representations that any agreement will be awarded to any professional submitting a proposal. VSD reserves the right to reject any and all proposals submitted in response to this request or any addenda thereto. VSD also reserves the right to reject any sub-Consultant or individual working on a Consultant team and to replace the sub- Consultant or individual with a mutually acceptable replacement. Any changes to the proposal requirements will be made by written addendum.

B. Liability of Costs and Responsibility

VSD shall not be liable for any costs incurred in response to this request for proposals. All costs shall be borne by the person or professional responding to the request. The person or professional responding to the request shall hold VSD harmless from any and all liability, claim or expense whatsoever incurred by or on behalf of that person or professional. All submitted material becomes the property of Valley Sanitary District.

The selected lead Consultant will be required to assume responsibility for all services offered in the proposal even if they do not possess them within their professional abilities. The selected lead Consultant will be the sole point of contact regarding contractual matters, including payment of any and all charges resulting from the contract.

C. Validity

The proposing firm agrees to be bound by its proposal for a period of 90 days commencing on **August 3, 2020**, during which time VSD may request clarification or correction of the proposal for the purpose of evaluation. Amendments or clarifications shall not affect the remainder of the proposal, but only that portion so amended or clarified.

D. Professional Services Agreement

Any exceptions to terms, conditions, or other requirements must be clearly stated no later than 10 days following the Consultant's receipt of the contract document. Otherwise, VSD will consider that the successful proposing firm will be responsible for compliance. The Professional Service Agreement will not be executed by VSD without first being signed by the proposing firm.

E. Oral and Written Explanations

VSD will not be bound by oral explanations or instructions given at any time during the review process or after the award. Written inquiries regarding the details of the RFP must be submitted on or before July 17, 2020. VSD will post written questions and responses on VSD's website on July 24, 2020, at: www.valley-sanitary.org.

F. Proposer's Representative

The person signing the proposal must be a legal representative of the firm

authorized to bind the firm to an agreement in the event of the award.

G. Insurance

All proposing firms should meet and maintain the minimum insurance requirements for the length of the agreement.

7. Scope of Services

The following Scope of Services describes the specific tasks to be performed by the Consultant. If the Consultant believes that the project can be enhanced in any way by the addition of other tasks or the deletion of any specified tasks, such information should be included in the proposal.

A. Objectives

The rate study is intended to establish five-year wastewater utility rates that will achieve the following objectives:

1. Ensure that the revenues generated by the utility rates are adequate to maintain operations at current service levels and account for anticipated expense increases.
2. Ensure that revenues are adequate to meet any future debt that may be needed to finance capital improvements.
3. Address the unfunded deferred maintenance of infrastructure by incorporating reasonable projections for facility replacement within the revenue requirements and rate calculations.
4. Review District financial policies and make recommendations regarding adequate reserves for operations, rate stabilization, and capital improvements.
5. Affirm the appropriateness of existing user categories and/or develop new or combine categories to simplify District rates and ensure equity among users.
6. Ensure that the proposed rates are in conformance with all applicable laws, including the provisions of Proposition 218.

B. Scope of Work

The scope of work involves all necessary analysis and documentation needed to perform the wastewater rate study. Specifically, the scope of work shall include the following:

1. Review background information, including but not limited to:
 - a. Regulatory requirements, bond covenants, and other contractual

- commitments.
 - b. Operational and capital improvement requirements.
 - c. Historical and projected revenues, usage, expenses, debt service. requirements, reserve policies, billing and collection procedures, rates and charges, and customer information.
 - d. District Five-Year Strategic Plan, Capital Improvement Plan, Comprehensive Annual Financial Report, 2019 Sewer Service Rate Study and Connection Fee Study.
 - e. Other pertinent data, as necessary.
2. Prepare a rate model with projected expenses, revenue requirements, and the resulting need for changes in utility rates for a period of at least five years and should include planned adjustments for the five-year period beginning FY 2021/22.
 3. The rate model shall be prepared and provided to the District in Excel spreadsheet format. The model's construction shall be documented in a manner that allows the District to understand the formulas which are utilized, and how variables affect rate calculations. The District should be able to use the model in the future to evaluate actual performance against projections and to adjustment as necessary. The model will be the property of the District and may be used by the District for any purpose.
 4. Rate calculations should consider the impacts of:
 - a. Level of service for capital and operating expenditures
 - b. Necessary improvements to the wastewater collection and conveyance systems as described in the Infrastructure Asset Management Plan.
 - c. Increased costs due to new wastewater regulations, including NPDES and WDR permit requirements.
 7. Propose a methodology for annual inflationary adjustments in compliance with Proposition 218.
 8. Perform an analysis of the various reserves and fund balances and make recommendations for appropriate levels.
 9. Evaluate the existing District connection fee and provide recommendations.

10. Attend meetings and conference calls with staff as needed. An initial in-person meeting is assumed. After that, meetings can take place via conference call or in-person.
11. Present results to District Board of Directors in person. Assume two Board meetings. The intent is to allow the District Board of Directors an opportunity to provide feedback on the alternatives being considered before a final recommendation is made. The District Board of Directors meets the second and fourth Tuesdays of every month at 1:00 p.m.
12. The consultant shall prepare a preliminary report for staff, an administrative draft for the final Board of Directors meeting (which shall incorporate Board and staff comments up to that point), and a final report (incorporating any final Board and staff changes). The reports should include the following:
 - a. a brief physical description of the District's wastewater system,
 - b. service area description, including development (use code) characteristics,
 - c. overview of financial operations for the last five years,
 - d. a description of the necessary capital improvement program over time (ten years), including potential State and Federal regulatory requirements,
 - e. the comprehensive revenue & expense model described above, and
 - f. local rate comparisons (recently completed by District staff, to be updated by consultant as necessary) and statewide comparisons as appropriate.
13. The consultant will provide guidance and advice to District staff to assure compliance with the Proposition 218 process as it applies to wastewater services. The consultant will include the preparation and completion of the Proposition 218 notification as a service to the District, as necessary. It is the intent of the District to adopt wastewater rates proposed at the conclusion of any Proposition 218 public hearing. Consultant shall present at that hearing, which will most likely take place on May 11, 2021.



**Valley Sanitary District
Board of Directors Meeting
August 25, 2020**

TO: Board of Directors

THROUGH: Beverli A. Marshall, General Manager

SUBJECT: **Establish a Standing Budget & Finance Committee, Set Time and Place for Meetings, and Appoint Directors to the Committee**

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

Executive Summary

The purpose of this report is for the Board to discuss establishing a standing committee.

Strategic Plan Compliance

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

Fiscal Impact

Assuming the committee meets six times each year and that there are two directors on the committee, the annual cost will be \$3,000 to be offset by election cost savings.

Background

As part of the FY 2020/21 budget process, the Board created an ad hoc Budget Committee to work with the General Manager on specific budget-related issues. As a mechanism to enhance public and Board education on District finances, staff believes that a Budget & Finance Committee should be established and charged with discussing the O&M budget, CIP, audit, reserve policies, investments, and other financial issues.

As a standing committee, it would be subject to the Brown Act. Staff suggests that the committee meet every other month on the first Tuesday of January, March, May, July, September, and November at 1:00 p.m. If approved, the first meeting will be Tuesday, September 1 at 1:00 p.m.

Recommendation

Staff recommends that the Board establish the Budget & Finance Committee, set the meeting time as the first Tuesday of January, March, May, July, September, and November at 1:00 p.m., and appoint directors to the committee.

Attachments

None



**Valley Sanitary District
Board of Directors Meeting
August 25, 2020**

TO: Board of Directors

THROUGH: Beverli A. Marshall, General Manager

SUBJECT: **Amend Bylaws to Reinstate Treasurer Position and Appoint Member of the Board of Directors as District Treasurer to Perform the Duties Required by California Health & Safety Code § 6801**

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

Executive Summary

The purpose of this report is for the Board to discuss the requirement to appoint a director to serve as District treasurer.

Strategic Plan Compliance

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

Fiscal Impact

There is no cost associated with appointing the Treasurer position.

Background

At its meeting on December 11, 2018, the Board adopted Resolution 2018-1109 (Attachment B), updating the District’s bylaws and rules of procedures. As part of the updates, the position of Secretary/Treasurer was changed to be Secretary and the position of Treasurer was eliminated.

California Health & Safety Code, Section 6400, references the term treasurer as the treasurer of the county in which the District is located and who is responsible for disbursing District funds. Section 6801 allows the District to elect to disburse its own funds, in which case the Board must “appoint a treasurer who shall be responsible for the deposit and withdrawal of funds of the district.” To comply with this requirement, the Board needs to modify its bylaws to include the Treasurer position, which can be combined with the Secretary like before or separately.

CA Health & Safety Code, Section 6400, also requires that “the treasurer shall deposit with the district, prior to October 1st of each year, a surety bond in the annual amount fixed by the district board.” It is my understanding that the current professional liability coverage through CSRMA eliminates this requirement.

Recommendation

Staff recommends that the Board adopt Resolution No. 2020-1136 amending its Bylaws and Rules of Procedure to reinstate the Treasurer position and appoint a member of the Board of Directors as Treasurer to perform the duties required by California Health & Safety Code Section 6801.

Attachments

Attachment A: Resolution No. 2020-1136 Amending District Bylaws and Rules of Procedures

Attachment B: Resolution 2018-1109 Establishing Bylaws and Rules of Procedures

RESOLUTION NO. 2020-1136
A RESOLUTION OF THE BOARD OF DIRECTORS OF VALLEY SANITARY DISTRICT AMENDING BYLAWS AND RULES OF PROCEDURE FOR THE CONDUCT OF BOARD BUSINESS

WHEREAS, California Health & Safety Code, §6400, requires that the treasurer of the county where the district is located disburses the funds of the district; and,

WHEREAS, California Health & Safety Code, §6801, allows the District to elect to disburse its own funds and appoint a member of the Board of Directors to serve as Treasurer; and,

WHEREAS, on December 11, 2018, the Board adopted Resolution No. 2018-1109 establishing bylaws and rules of procedure for the conduct of Board business and eliminating the office of Treasurer.

NOW, the Board of Directors of Valley Sanitary District **RESOLVES** that its Bylaws are amended as follows.

1. The Board shall consist of four officers: President, Vice President, Secretary, and Treasurer.

2. The Treasurer is responsible for the deposit and withdrawal of funds of the District. The Treasurer will review the quarterly investment report prior to presenting to the Board of Directors. The Treasurer will meet with the independent auditor at the start of the annual audit.

All other sections of the bylaws and rules of procedure for the conduct of Board business established by Resolution 2018-1109 shall remain in full force and effect.

ADOPTED this 25th day of August 2020, by the following roll call vote.

AYES:
NAYES:
ABSENT:
ABSTAIN:

Mike Duran, President

ATTEST:

Debra Canero, Secretary

RESOLUTION NO. 2018-1109
A RESOLUTION OF THE BOARD OF DIRECTORS OF THE VALLEY SANITARY
DISTRICT ESTABLISHING BYLAWS AND RULES OF PROCEDURE FOR THE
CONDUCT OF BOARD BUSINESS

WHEREAS, IN ACCORDANCE WITH THE Government Code section 54954(a), the Board of Directors (Board) of the Valley Sanitary District (District) must specify the time and place for the holding of regular Board meeting; and

WHEREAS, the Board finds it desirable to enact rules for the orderly and efficient operation of Board business;

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors hereby establishes the following Board bylaws and Rules of Procedure:

GENERAL

The Board The Valley Sanitary District is organized and operates under California's Sanitary District Act of 1923 (California Health & Safety Code Division 6 Part 1). The Board is the District's legislative body and can only function as a unit.

Roles and Responsibilities The Board's primary responsibility is the formulation and evaluation of District policy and monitoring the work of the District to ensure compliance with established policy. The General Manager is responsible for running the District's business under the general guidance of the Board. Routine matters concerning operational aspects of the District are delegated to professional staff members by the General Manager. The Board establishes goals, objectives, expectations, and measurement criteria for the General Manager's performance. Directors are responsible for monitoring District progress in attaining its goals and objectives, while pursuing its mission.

Apart from their role as a part of this Board, individual Directors have no authority with regard to any aspect of District business. As individuals, Directors may not commit the District to any policy, act, or expenditure without prior Board approval nor give direction to the General Manager, staff, contract personnel, or consultants except as provided in this section / without prior Board approval. Further, the direction, evaluation, and oversight of the General Manager shall be a responsibility of the Board as a whole, not an individual Board member.

BOARD OPERATIONS

Governing Laws The Board of Directors shall comply with and shall be guided by applicable provisions of Federal laws; State laws, including the Sanitary Act of 1923, Government Code, Section 1090 of the Government Code, Elections Code, Ralph M. Brown Act, Public Contract Code, and Public Resources Code; this Policy Manual, and the rules and regulations of the District as established by the motions, resolutions and ordinances enacted by the Board of Directors.

Pursuant to the provision of the California Government Code section 1126, the Board of Directors of the Valley Sanitary District has determined that it would be inconsistent and incompatible for a Board member to be a paid employee of the District. Therefore, based on this decision, a member of the Board of Directors shall not be a paid District employee.

The Board shall practice modified Roberts Rules of Order.

Board Compensation Board compensation is set by Ordinance. Each Director is offered a medical, vision, and dental stipend, that is approved by the Board, each year, with the Fiscal Year budget. The stipend is based on a calendar year, due to Director's terms of office, benefit year, and potential IRS tax implications.

Election of Board Officers There shall be three (3) officers: a President, a Vice President, and a Secretary, who shall be members of the District Board of Directors. Election of officers shall be held at the first (1st) Board of Director's meeting in December of each calendar year. Officers will serve for a one (1) year term.

President The President will conduct all meetings of the Board of Directors, will carry out the resolution and orders of the Board of Directors and will exercise such other powers and perform such other duties as the Board of Directors will prescribe, including the following:

- Call the meeting to order at the appointed time
- Announce the business to come before the Board of Directors in its proper order
- Enforce the Board of Directors' policies and rules with respect to the order of business and the conduct of meetings

- Recognize persons who desire to speak and protect the speaker (who has the floor) from disturbance or interference
- Explain what the effect of a motion would be, if it is not clear, to every member of the Board of Directors
- Restrict discussion to the question when a motion is before the Board of Directors
- Rule on parliamentary procedure
- Put motions to a vote and state clearly the results of the vote
- The President is authorized to sign checks on behalf of the District
- The President shall have all the rights to discuss and vote on any issues before the Board of Directors
- Sign all instruments, acts, and carry out stated requirements and the will of the Board of Directors
- Consult with the General Manager on the preparation of the Board of Directors' agendas. In addition, any two Directors shall have the right to place any matter on the agenda for any meeting in accordance with the provisions of this policy
- Appoint and disband all committees, subject to Board of Directors' approval
- Call meetings of the Board of Directors as they may deem necessary, giving notice as prescribed by law
- Confer with the General Manager on matters which may occur between Board of Directors meetings
- Confer with the District Counsel, as needed, on matters which may involve the General Manager
- Be responsible for the orderly conduct of all Board of Directors meetings
- Act as spokesperson for the Board of Directors
- Coordinate and prepare the Board of Directors' annual evaluation of the General Manager, in coordination with the standing Administrative Committee
- Appoint external committees or investigators, as required.
- Other duties as authorized by the Board of Directors

Vice President When the President resigns, is absent, or unable to perform their duties, the Vice President shall perform the President's duties. When the President disqualifies themselves from participating in an agenda item, the Vice President shall perform the duties of the President.

The Vice President is authorized to sign checks on behalf of the District.

Secretary The Secretary certifies and signs official documents and works with the Clerk of the Board to facilitate official filing of documents.

The Secretary is authorized to sign checks on behalf of the District.

PUBLIC MEETING OF THE BOARD OF DIRECTORS

Regularly scheduled meetings of the Board of Directors shall be held on the second (2nd) and fourth (4th) Tuesday of each month at 1:00 pm; at the District Administration Building, Board Room, 45500 Van Buren Street, Indio, California, 92201, unless otherwise specified by action of the Board of Directors. Special meetings of the Board of Directors, as that term or its successor terms are defined within the meaning of the Ralph M. Brown Act (California Government Code section 54950 et seq.), may be duly authorized and held as deemed necessary by the President or a majority of the Board of Directors. Notice and location of special meetings shall be as prescribed by law. Emergency meetings of the Board of Directors, as that term or its successor terms are defined within the meaning of the Ralph M. Brown Act, may be duly authorized and held as deemed necessary only by a majority of the Board of Directors. Notice and location of emergency meetings shall be as prescribed by law.

All meetings of the Board of Directors shall be open to the public, except when the Board is convened in Closed Session as authorized under provisions of the Ralph M. Brown Act (California Government Code section 54950 et seq.). Except as provided by law, all proceedings in Closed Sessions shall remain confidential.

In compliance with the Americans with Disabilities Act, access to the Board Room and Public Restrooms has been made.

Board Member Rules and Code of Conduct In order to ensure the efficacy of the Board, the following are to be observed:

- The needs of the District's constituents are the priority of the Board of Directors.
- Directors are expected to attend all meetings of the Board, including committee, agency, and intergovernmental meetings to which they may be assigned, unless there is good cause for absence, and be properly prepared for participation and deliberation.
- Directors function as a part of the whole. Issues shall be brought to the attention of the Board as a whole, rather than to individual members selectively.
- The work of the District is a team effort. All individuals are expected to work together in a collaborative process, assisting each other in conducting the affairs of the District.
- The dignity, style, values, and opinions of each Director are to be respected.

- Responsiveness and attentive listening are encouraged.
- Directors should focus on the positive, avoiding negative forms of interaction.
- Differing viewpoints are healthy in the decision-making process. The airing of divergent opinions is encouraged.
- Individuals have the right to disagree with ideas and opinions, but without being disagreeable.
- Once the Board takes action, Directors shall commit to supporting said action and not create barriers to the implementation of said action.

Board Meetings Before proceeding with the business of the Board, the Clerk of the Board shall call the roll of the Directors. The Clerk shall enter the names of all Directors, Officers, staff members and visitors (if known) present in the Minutes of the meeting.

If a quorum is present, the Clerk shall so advise the President. If a quorum is not present, the Secretary may adjourn the meeting to a time certain for the purpose of obtaining a quorum. Any such reconvened regular meeting shall not constitute a special meeting. In the event a regular or special meeting of the Board is adjourned to a time and date certain, the Clerk shall post a notice of adjournment in a place that is freely accessible to members of the public within 24 hours of such adjournment.

Three of the five Directors elected or appointed to the Board shall constitute a quorum for any meeting of the Board. Irrespective of the number of Board members constituting a quorum for a particular meeting, a majority vote of the Board shall consist of at least three votes. No ordinance, resolution or motion shall be passed or become effective without the affirmative votes of at least a majority of the members of the Board.

Ordinances are an authoritative decree or municipal regulation of the District. Ordinances relate to no more than one subject, which is to be clearly expressed in the title of the ordinance. When applicable, ordinances are to be identified to the Board as replacements to existing ordinances or sections thereof. No ordinance, or section thereof, is to be amended or repealed unless the new ordinance contains the title of the ordinance or section amended or repealed.

Ordinances must be moved and seconded and are to be adopted only by a roll call vote. The Clerk of the Board will record the names of all Directors and identify them as voting Aye, No,

Abstain, or Absent on each adopted ordinance. All ordinances are to be signed by the President and attested by the Secretary.

Ordinances are in full force and effect upon adoption unless otherwise provided by law, and the Secretary shall be responsible for compliance with any and all legal requirements for publication of the ordinance.

Resolutions are a formal expression of opinion, will or intent of the Board. Resolutions must be moved and seconded and shall be adopted only by a roll call vote. The Clerk of the Board will record names of all Directors and identify them as voting Aye, No, Abstain, or Absent on each adopted resolution. All resolutions are to be signed by the President and attested by the Secretary.

Motions are proposals, made by a Director during a Board meeting, for action, inclination of the mind or will, or a formal proposal made in a deliberative manner by the Board.

Every motion considered by the Board must be moved by a Director, seconded by another Director and is subject to debate. Any Director moving the adoption or approval of a matter may call for the question.

True motions to reconsider any Board action must be made at the same meeting at which the original action was taken; however, any Director may make any other type of motion at any meeting.

All motions shall be adopted by voice vote unless otherwise required by law. The Clerk of the Board is to record in the Minutes any dissenting and abstaining votes, or disqualification from voting due to a conflict of interest.

Unless a Director declares a conflict of interest or abstains, silence is to be recorded in the Minutes as an affirmative vote.

A motion to adjourn must be moved by a Director and seconded by another Director and is subject to debate. No further business can be conducted after an affirmative vote to adjourn.

Record of Meetings The Clerk of the Board shall keep minutes of all Board meetings. Minutes are to record actions taken and meaningful discussion. Except where action is taken by the

unanimous vote of all Directors present and voting, the Clerk shall record the names of all Directors and identify them as voting Aye, No, Abstain, or Absent upon the passage of all ordinances, resolutions, or motions and enter them in the Minutes of the Board.

Minutes are not intended to be verbatim records. An audio recording is made of all regular Board meetings, including public hearings, and retained for thirty (30) days following the date the meeting minutes are approved by a majority vote of the Board. Members of the public requesting information about a meeting are encouraged to listen to the audio recording made of each meeting.

Draft minutes will be distributed to the Board for review and approval at the next regular meeting or as soon as possible thereafter. The official minutes of all Board meetings will be kept in a fire-proof vault or in fire-resistant locked cabinets at the District's Administration office and via electronic means.

Minutes may be approved as part of the Consent Calendar.

CALIFORNIA FAIR POLITICAL PRACTICES COMMISSION (FPPC)

Submission of Office Holder & Candidate Campaign Statement (FPPC Form 470) Form 470 must be filed by any candidate or officeholder who does not anticipate raising or spending \$2,000 or more in a calendar year. The Form 470 is filed once each calendar year and covers the entire calendar year. Payments from the candidate's personal funds used to pay filing or ballot statement fees do not count toward the \$2,000 committee qualification threshold.

Submission of Statement of Economic Interests (FPPC Form 700) Directors are required to file a Statement of Economic Interests (Form 700) with the County of Riverside when assuming office, on an annual basis thereafter, and when leaving office.

ETHICS AND CONFLICT OF INTEREST POLICY

It is the policy of the District to require the highest standards of ethics from its Board members. The operation of the District requires that decisions and policy be made within the proper channels of governmental structure, that the public office not be used for personal gain, and that all individuals associated with the District remain impartial and responsible towards the public.

Accordingly, it is the policy of the District that Board members shall maintain the highest standard of personal honesty and fairness in carrying out their duties.

REQUIRED BOARD OF DIRECTORS TRAINING

Governance Newly elected or appointed Directors are to participate in a minimum of six (6) hours of basic governance training within one (1) year from the first day of service with the District. Thereafter, all Directors are to participate in a minimum of six (6) hours of basic governance training every five (5) years.

Ethics Any new Director must receive ethics training as soon as practical, but not more than one (1) year, from the first day of service with the District. Thereafter, all Directors are required to receive ethics training at least once every two (2) years. A Director who serves on more than one (1) local agency board may satisfy this requirement by obtaining ethics training once every two (2) years without regard to the number of local agencies with which they serve. The District will provide information annually on where training is available. All Directors are to provide a copy of proof of participation in the required ethics training to the District. Copies of proofs of participation are considered public documents and are to be retained for a minimum of five (5) years.

Harassment Newly elected or appointed Directors are to participate in a minimum of two (2) hours of harassment prevention training within one (1) year from the first day of service with the District. Thereafter, all Directors are to participate in a minimum of two (2) hours of harassment prevention training every two (2) years.

VACANCIES ON THE BOARD OF DIRECTORS

The Board of Directors may fill vacancies on the Board, and this process is governed by California Government code section 1780. The District shall notify the Riverside County Registrar of Voters of the vacancy no later than 15 days after either the date on which the District board is notified of the vacancy or the effective date of the vacancy, whichever is later.

The remaining members of the District board may fill the vacancy either by appointment or by calling an election.

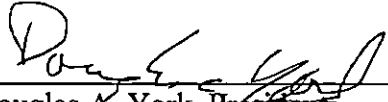
PASSED, APPROVED and ADOPTED this 11th day of December, 2018, by the following roll call vote.

AYES: Coleman, Duran, Teague, York

NAYES: None

ABSENT: None

ABSTAIN: None



Douglas A. York, President

ATTEST:



Mike Duran, Vice President