



Board of Directors Agenda Meeting
Tuesday, January 28, 2020 at 1:00 PM
Valley Sanitary District Board Room, 45-500 Van Buren Street

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 January 14, 2020 Regular Meeting Minutes 3 - 8
[3.1 Meeting Minutes of January 14, 2020.pdf](#)
- 3.2. Approve Warrants for January 9, 2020 to January 22, 2020 9 - 10
[3.2 Warrants for January 9, 2020 to January 22, 2020.pdf](#)
- 3.3. Approve Summary of Cash and Investments for December 2019 11
[3.3 Summary of Cash and Investments December 2019.pdf](#)
- 3.4. Approve Tuition Reimbursement for Beverli Marshall, General Manager 12 - 14

[3.4 Tuition Reimbursement for Beverli Marshall, General Manager.pdf](#)

- 3.5. Cancel Board Meeting of February 25, 2020 Due to Directors Attendance at the CASA D.C. Policy Forum

4. NON-HEARING ITEMS

- 4.1. Review Fiscal Year 2019/2020 Budget and Approve Mid-Year Amendments 15 - 22
[4.1 Staff Report Mid Year Budget Review.pdf](#)
[4.1 Attachment Mid-Year Budget 2019-2020 Formatted.pdf](#)
- 4.2. Adopt Valley Sanitary District Compensation Policy 23 - 37
[4.2 Staff Report Adopt Compensation Policy.pdf](#)
[4.2 VSD Compensation Policy.pdf](#)
[4.2 Attachment B Staffing Analysis.pdf](#)
- 4.3. Amend Contract with Healthy Futures, Inc. for Wellness Coaching Services to Include Scope of Services and Basis of Cost Consistent with Contract Language 38 - 46
[4.3 Staff Report Healthy Futures Amendment.pdf](#)
[4.3 Attachment A Contract dated 070119.pdf](#)
[4.3 Attachment B Contract Exhibits A and B.pdf](#)

5. 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.

6. INFORMATIONAL ITEMS

- 6.1. Combined Monthly Account Summary for December 2019 47 - 48
[6.1 Combined Monthly Account Summary December 2019.pdf](#)
- 6.2. Monthly Income Summary for December 2019 49
[6.2 Monthly Income Summary December 2019](#)

7. ADJOURNMENT

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

**VALLEY SANITARY DISTRICT
MINUTES OF REGULAR BOARD MEETING
January 14, 2020**

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, January 14, 2020.

1. CALL TO ORDER

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

1.1 Roll Call

Directors Present:

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

Staff Present:

Beverli A. Marshall, General Manager, Holly Gould, Joanne Padgham

Guests:

Robert Hargreaves, Best Best & Krieger

Chris Palmer, California Special Districts Association

1.2 Pledge of Allegiance

2. PUBLIC COMMENT

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

None.

5.2 Presentation of SDLF District Transparency Certificate of Excellence Award

President Duran requested that non-hearing item 5.2 be moved up on the agenda to accommodate Chris Palmer, Public Affairs Field Coordinator from California Special Districts Association. Mr. Palmer presented Valley Sanitary District with the District Transparency Certificate of Excellence Award. The award recognizes the outstanding efforts to promote transparency and good governance.

3. CONSENT CALENDAR

3.1 Approve December 10, 2019 Regular Meeting Minutes

3.2 Approve Warrants for December 4, 2019 to January 8, 2020

- 3.3 Approve Summary of Cash and Investments for November 2019
- 3.4 Approve Schedule of Regular Board meetings and District Observed Holidays for 2020

Director Sear requested item 3.4 be removed from the consent calendar for discussion.

ACTION TAKEN:

MOTION: Vice President Teague made a motion to approve the consent items 3.1, 3.2, and 3.3 as presented. Director Canero seconded the motion. Motion carried by the following vote: 5 ayes
MINUTE ORDER NO. 2020-2969

- 3.4 Approve Schedule of Regular Board meetings and District Observed Holidays for 2020

Item 3.4 was removed from the consent calendar for further discussion. Director Sear suggested removing the strikethroughs for the board meetings of November 24, 2020 and December 22, 2020 and cancel them as needed.

ACTION TAKEN:

MOTION: Director Canero made a motion to approve the schedule of regular meetings for 2020 with the strikethroughs removed and to approve the District observed holidays for 2020. Director Sear seconded the motion. Motion carried by the following vote: 5 ayes
MINUTE ORDER NO. 2020-2970

4. PUBLIC HEARING

- 4.1 Public Hearing to Receive Input from the Community Regarding the Boundaries and the Composition of Wards to be Established for Ward-Based Elections

- General Notice and Call
- President Announces Public Hearing Procedures
- General Manager’s Report
- President Declares Public Hearing Open
- Public Comments
- President Declares Public Hearing Closed
- Board Discussion

A notice of the hearing was published in the Desert Sun newspaper on November 20, 2019 and November 27, 2019. President Duran declared the public hearing open at 1:19 p.m. Ms. Marshall stated that this is the second of two public hearings to discuss establishing the boundaries and composition of the wards for future District elections. President Duran suggested a two-ward split. Ms. Marshall explained that may not fit our demographics but will suggest it to the consultant. No members of the public were present. President Duran declared the public hearing closed at 1:34 p.m.

ACTION TAKEN:

MOTION:

Director Canero made a motion for the General Manager to give direction to the consultant of the discussion of today's Public Hearing. Secretary Coleman seconded the motion. Motion carried by the following roll call vote:

AYES: Canero, Coleman, Duran, Sear, Teague

NOES: None

ABSENT: None

ABSTAIN: None

MINUTE ORDER NO. 2020-2071

5. NON-HEARING ITEMS

5.1 Election of Officers

Pursuant to Resolution 2018-1109 election of officers shall be held at the first (1st) Board of Director's meeting in December of each calendar year. Officers shall serve for a term of one (1) year. Nominations shall be made from the floor and votes shall be in order of President, Vice President, and Secretary.

Nomination of President – Vice President Teague made a motion to nominate Mike Duran for the office of President of the Valley Sanitary District Board of Directors. Director Canero seconded the motion. Motioned carried by the following roll call vote:

AYES: Director(s) Canero, Coleman, Duran, Sear, Teague

NOES: None

ABSENT: None

ABSTAIN: None

Nomination of Vice President – Vice President Teague made a motion to nominate Scott Sear for the office of Vice President of the Valley Sanitary District Board of Directors. Secretary Coleman seconded the motion. Motioned carried by the following roll call vote:

AYES: Director(s) Canero, Coleman, Duran, Sear, Teague

NOES: None

ABSENT: None

ABSTAIN: None

Nomination of Secretary – Secretary Coleman made a motion to nominate Debra Canero for the office of Secretary of the Valley Sanitary Board of Directors. Director Sear seconded the motion. Motioned carried by the following roll call vote:

AYES: Director(s) Canero, Coleman, Duran, Sear, Teague

NOES: None

ABSENT: None

ABSTAIN: None

MINUTE ORDER NO. 2020-2072

5.3 Appoint Directors and Alternate to the East Valley Reclamation Authority (EVRA) Joint Powers Authority Board of Directors

With the recent progress the EVRA JPA has been making, President Duran suggested that Director William Teague and Director Dennis Coleman continue to sit on the EVRA Board for calendar year 2020. Vice President Scott Sear was suggested as the alternate.

ACTION TAKEN:

MOTION: Secretary Canero made a motion to appoint Director William Teague and Director Dennis Coleman to the East Valley Reclamation Authority Joint Powers Authority for calendar year 2020. Vice President Scott Sear will serve as the alternate. Director Coleman seconded the motion. Motion carried by the following roll call vote:

AYES: Canero, Coleman, Duran, Sear, Teague

NOES: None

ABSENT: None

ABSTAIN: None

MINUTE ORDER NO. 2020-2073

5.4 Discuss Staffing Analysis and Wage & Benefits Comparison Report and Give Direction on Implementation Findings

A discussion took place regarding the General Manager's recommendation of adding eight (8) additional staff within the next fiscal year. President Duran was concerned how this would affect the budget. Director Teague stated the importance of having the proper amount of staff needed in terms of health and safety. Secretary Canero recommended to fill the Electrical/Instrumentation Supervisor position immediately and suggested adding the additional positions to the next fiscal year budget for review. A discussion of the compensation policy also took place. Ms. Marshall explained that many of the current positions at the district fall below the mean (average) of comparable agencies. It was the consensus of the board for Ms. Marshall to develop a compensation policy that is comparable with other agencies of similar size and function and bring it back to the next board meeting.

ACTION TAKEN:

MOTION: Secretary Canero made a motion to authorize the General Manager to fill the Electrical/Implementation Supervisor position immediately and add the additional staffing positions to the 2020/2021 Fiscal Year Budget for review. Secretary Coleman seconded the motion. Motion carried by the following roll call vote:

AYES: Canero, Coleman, Duran, Sear, Teague

NOES: None

ABSENT: None

ABSTAIN: None

MINUTE ORDER NO. 2020-2074

5.5 Adopt Valley Sanitary District Death Benefits Policy

Secretary Canero requested that staff research purchasing a death benefit on behalf of District employees. After researching various life insurance and pre-death benefits

programs, staff determined that it was cost prohibitive and provided little value to the employees directly. Rather than buying into a program, staff recommends that the Board establish a death benefits program, build funds into the budget each year, and pay the employee's family directly should the situation arise. District Counsel will check to see if Directors can be included in this benefit.

ACTION TAKEN:

MOTION: Director Teague made a motion to adopt the Valley Sanitary District Death Benefits Policy and contingent on the approval of the attorney will include Staff and Directors. Secretary Canero seconded the motion. Motion carried by the following roll call vote:
AYES: Canero, Coleman, Duran, Sear, Teague
NOES: None
ABSENT: None
ABSTAIN: None

MINUTE ORDER NO. 2020-2075

5.6 Discuss and Authorize Attendance at the California Association of Sanitation Agencies' (CASA) D.C. Policy Forum in Washington D.C., February 24-26, 2020

It was approved to send four (4) directors to attend the CASA D.C. Policy Forum, February 24-26, 2020.

ACTION TAKEN:

MOTION: Director Teague made a motion to approve the attendance of four (4) directors to attend the CASA D.C Policy Forum, February 24-26, 2020. Vice President Sear seconded the motion. Motion carried by the following roll call vote:
AYES: Canero, Coleman, Duran, Sear, Teague
NOES: None
ABSENT: None
ABSTAIN: None

MINUTE ORDER NO. 2020-2076

5.7 Staff Updates

The board thanked staff for their continued efforts working with FEMA on the reimbursement of the design and construction of the final repair of the damage caused to the sewer siphon during the February 14, 2019 storm event.

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.

The board thanked staff for their hard work putting together the Staffing Analysis and Wage & Benefits Comparison. They also stated they like the new agenda format. Director Teague asked for a moment of silence to reflect on Ginger. He offered his condolences to Ms. Marshall and thanked for her sharing Ginger with everyone.

7. **INFORMATIONAL ITEMS**

7.1 Combined Monthly Account Summary for November 2019

7.2 Monthly Income Summary for November 2019

8. **ADJOURNMENT**

There being no further business to discuss, the meeting was adjourned at 3:01 p.m. in memory of Ginger Marshall. The next regular board meeting will be held January 28, 2020.

Respectfully submitted,

Holly Gould, Clerk of the Board
Valley Sanitary District

DISBURSEMENTS
Approved at the Board Meeting of
January 28, 2020

8437 Paychex - Live Check	PR 12/27/2019 - 01/09/2020 PD 01/17/2020	\$995.16
8438 Paychex - Live Check	PR 12/27/2019 - 01/09/2020 PD 01/17/2020	\$1,629.20
37899 Calif. Assoc. of Sanitation Agencies	Conference Registration	\$595.00
37900 The Pun Group	Final Billing for FY End 6/30/19 Audit	\$15,000.00
37901 Alfa Laval Inc.	Sensor Kit	\$1,167.91
37902 American Material Company	Restock Maintenance Shop	\$570.61
37902 American Material Company	Wrenches	\$759.17
37902 American Material Company	Ball Valves	\$140.83
37903 Associated Time Instruments	Attendance on Demand November 2019	\$301.98
37904 Best, Best & Krieger	Legal Services for December 2019	\$6,147.75
37905 Calif. Assoc. of Sanitation Agencies	Registration for DC Policy Forum	\$2,780.00
37906 Calif. Water Environment Assn.	Membership Renewal	\$192.00
37906 Calif. Water Environment Assn.	Membership Renewal	\$192.00
37907 Carollo Engineering, Inc	*Sewer Siphon Replacement December 2019	\$19,774.00
37907 Carollo Engineering, Inc	*Environ Planning & Consulting December 2019	\$4,274.86
37908 Cintas Corp	Uniforms, Mats, Towels, Etc for Week of 01/09/2020	\$561.30
37908 Cintas Corp	Uniforms, Mats, Towels, Etc for Week of 01/16/2020	\$551.76
37908 Cintas Corp	Uniforms, Mats, Towels, Etc for Week of 01/23/2020	\$665.43
37909 Code Publishing Co.	*Codification of District Code	\$4,455.00
37910 Dept. of Environmental Health	Hazardous Waste Permit Fee 2020	\$2,241.00
37911 Desert Fire Extinguisher Co., Inc.	Fire Extinguisher Training	\$500.00
37912 FedEx	Shipping for January 2020	\$238.75
37913 Grant Fournier	Grade I Exam Reimbursement	\$175.00
37914 Hach Company	Glass Filters & Containers for Lab	\$365.20
37915 Harrell & Company Advisors, LLC	Prep & Filing of Continuing Disclosure Annual Report	\$1,500.00
37916 Innovative Document Solutions	Copier Maintenance for December 2019	\$196.15
37917 Innovative Federal Strategies LLC	Federal Advocacy for December 2019	\$6,000.00
37918 Kaman Industrial Technologies	Sludge Feed Pump Bearings	\$302.26
37919 McMaster-Carr Supply Co.	Pipe Fittings & Parts	\$299.79
37919 McMaster-Carr Supply Co.	Plastic Pipe Fittings	\$33.00
37920 Mike Duran	Dental Reimbursement	\$1,391.00
37921 NeoGov	Government Jobs Subscription Fee	\$7,466.29
37922 Paloma Air Conditioning	Check Blower Room AC Unit	\$135.00
37922 Paloma Air Conditioning	Replace Compressor & Filter Dryer	\$1,804.00
37923 Quinn Company	Valves	\$476.87
37924 SC Fuels	Unleaded & Diesel Fuel	\$2,819.73
37925 Siemens Industry, Inc.	Hydroranger Level Meter	\$1,351.08
37926 Southern California Boiler, Inc.	Boiler Maintenance February 2020.	\$1,004.99
37926 Southern California Boiler, Inc.	Boiler Maintenance Feb to June 2019	\$5,024.95
37926 Southern California Boiler, Inc.	Boiler Maintenance January 2020	\$1,004.99
37926 Southern California Boiler, Inc.	Boiler Maintenance July to Dec 2019	\$6,029.94
37927 Southwest Networks, Inc.	Technical Support for December 2019	\$1,140.00
37927 Southwest Networks, Inc.	BDR Storage for February 2020.	\$699.00
37927 Southwest Networks, Inc.	Visio for Office 365	\$45.00
37927 Southwest Networks, Inc.	Guardian AP55	\$538.32
37928 Superior Protection Consultants	Risk and Threat Assessment	\$3,500.00
37929 United Way of the Desert	PR 12/27/2019 - 01/09/2020 PD 01/17/2020	\$25.00
37930 Univar Solutions	Sodium Hypochlorite	\$7,242.62
37930 Univar Solutions	Sodium Bisulfite	\$5,245.92
37931 USA Blue Book	Suction Tubing	\$135.31
37931 USA Blue Book	Sample Bottles	\$101.05
37932 Vantage Point Transfer Agents - ICMA	PR 12/27/2019 - 01/09/2020 PD 01/17/2020	\$1,445.00
37933 Willdan Financial Services	*Shadow Hills & Indio Terrace Assessments	\$1,045.00
201701174 MassMutual	PR 12/27/2019 - 01/09/2020 PD 01/17/2020	\$10.00
201901171 Paychex - Direct Deposit	PR 12/27/2019 - 01/09/2020 PD 01/17/2020	\$65,189.56
201901175 CalPERS Retirement	PR 02/27/2019 - 01/09/2020 PD 01/17/2020	\$17,013.11

202001151 CalPERS Health	Health Insurance for February 2020	\$36,490.10
202001171 SoCal Gas	Gas Service for December 2019	\$829.32
202001172 Paychex - Fee	PR 12/27/2019 - 01/09/2020 PD 01/17/2020	\$159.87
202001173 Paychex - Tax	PR 12/27/2019 - 01/09/2020 PD 01/17/2020	\$31,799.31
202001174 CalPERS 457	PR 12/27/2019 - 01/09/2020 PD 01/17/2020	\$950.00
202001175 Nationwide Retirement Solution	PR 12/27/2019 - 01/09/2020 PD 01/17/2020	\$2,235.00
202001201 TASC	PR 12/27/2019 - 01/09/2020 PD 01/17/2020	\$296.14
202001213 Paychex - Fee	01/01/2019 - 12/31/2019 1099s/1096 Processing	\$111.92
202001221 Standard Insurance Company	Dental and Vision Insurance - January 2020	\$2,468.06
202001251 Umpqua Bank	New Charges for December 2019	\$6,882.45

*Capital Expenditures

TOTAL \$286,711.01

VALLEY SANITARY DISTRICT
SUMMARY OF CASH AND INVESTMENTS

FOR THE PERIOD: 12/01/2019 TO 12/31/2019 (UNAUDITED)

Agenda Item No. _____

INVESTMENTS

LAIF Fund 4 - Agency Fund

Beginning Balance (Fund 4)	200,062	
Net Transfer from (to) Fund 11	(1,045)	
Fair Value Factor for quarter ending 06/30/2019	0	
Interest (Pd quarterly - Int. Rate 2.45%)	0	
Fund 04 Ending Balance	199,017	

LAIF Fund 6 - Wastewater Revenue Refunding Bonds

Beginning Balance (Fund 6)	6,187	
Net Transfer from (to) Fund 11	0	
Fair Value Factor for quarter ending 06/30/2019	0	
Interest (Pd quarterly - Int. Rate 2.45%)	0	
Fund 06 Ending Balance	6,187	

LAIF Fund 11 - Operating Fund

Beginning Balance (Fund 11)	15,728,938	
Net Transfer from (to) Fund 04	1,045	
Net Transfer from (to) Fund 06	0	
Net Transfer from (to) Fund 12	32,593	
Net Transfer from (to) Fund 13	(24,200)	
Fund Transfer from (to) LAIF - WF	0	
Fair Value Factor for quarter ending 06/30/2019	0	
Interest (Pd quarterly - Int. Rate 2.45%)	0	
Fund 11 Ending Balance	15,738,376	

LAIF Fund 12 - Reserve Fund

Beginning Balance (Fund 12)	22,689,490	
Net Transfer from (to) Fund 11	(32,593)	
Fair Value Factor for quarter ending 06/30/2019	0	
Interest (Pd quarterly - Int. Rate 2.45%)	0	
Fund 12 Ending Balance	22,656,897	

LAIF Fund 13 - Capital Improvement Fund

Beginning Balance	5,955,206	
Connection Fees	24,200	
(Disbursements) or Reimbursements	0	
Net Transfer from (to) Fund 11	24,200	
Fair Value Factor for quarter ending 06/30/2019	0	
Interest (Pd quarterly - Int. Rate 2.45%)	0	
Fund 13 Ending Balance	5,979,406	

TOTAL LAIF INVESTMENTS: FUNDS 04, 06, 11, 12 AND 13

44,579,883

CASH IN CHECKING ACCOUNT

WELLS FARGO - FUND 11

Beginning Balance	2,083,988	
Deposits	241,043	
Fund Transfer from (to) LAIF (net)	0	
Disbursements and Payroll	(529,470)	
Wells Fargo Ending Balance	1,795,561	

CALTRUST - FUND 11

Beginning Balance	1,058,138	
Unrealized Gain / <Loss>	1,865	
Interest Income	0	
CalTRUST Ending Balance	1,060,003	

TOTAL WELLS FARGO AND CALTRUST CHECKING

2,855,564

TOTAL CASH AND INVESTMENTS

47,435,447

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
TUITION AND TRAINING REIMBURSEMENT APPLICATION
FOR EMPLOYEE USE: Tuition and Training Expense Plan (Complete in advance of Enrollment)**

Employee Name:	Beverli A. Marshall
Department:	Administrative Services
Date of Request:	12/30/2019

School	Allian International University
Mailing Address	
City , State and Zip	San Diego, CA

Signature of Payee: *Beverli A Marshall*

By signing I affirm that the reimbursement requested is within the guidelines of the tuition and training reimbursement program

Course Titles	Course Dates (From - To)	Number of Units	Costs (attach receipts)
Advanced Statistics I (BUS70350)	10/21/19 - 12/15/19	3	\$1,667.00

Are Books Eligible for Reimbursement ? (CIRCLE ONE) YES NO

List Books Purchased (include Receipts)

Text Books Utilized	Cost

RECEIVED

Grand Total to be Reimbursed

DEC 30 2019

\$1,667.00

Student Account Online

Receipt Number: 146371
Customer: MARSHALL, BEVERLI
Web payment location
Current Date: 10/17/2019

Description	Amount
Online payments - Tuition & Fees	\$1,667.00
Total	\$1,667.00

Payments Received	Amount
Alliant International Univ CC SmartPay Visa XXXXXXXXXXXXX8429 Authorization # 06399D	\$1,667.00
Total	\$1,667.00

Thank you for the payment.

My Grades

Here you can view all grades that have been posted for courses you have completed

View By Enrollment

10/21/2019 Doctor of Business ▾

Filter Grades by Term

2019 October Term ▾

Grades

Show **ALL** ▾ entries

Search

Course Title	Course Start/End Date	Credits Attempted	Credits Earned	Numeric Grade	Letter Grade
Advanced Statistics I (Equivalent Course: BUS70350)	10/21/2019 to 12/15/2019	3.0	3.0		A

Showing 1 to 1 of 1 entries

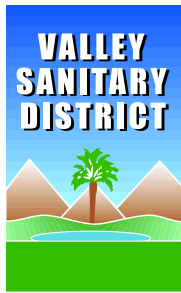
Previous

1

Next

Term GPA 4.00

Enrollment Cum. GPA 4.00



**Valley Sanitary District
Board of Directors Meeting
January 28, 2020**

TO: Board of Directors

THROUGH: Beverli A. Marshall, General Manager

FROM: Joanne Padgham, Administration & Finance Manager

SUBJECT: **Review Fiscal Year 2019/2020 Budget and Approve Mid-year Amendments**

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

Executive Summary

The purpose of this report is for the Board to review and discuss the 2019/2020 budget and approve mid-year amendments.

Fiscal Impact

The proposed amendments will cost approximately \$45,000.

Background

The Board of Directors indicated that it would be beneficial to review the 2019/2020 Budget mid-year to determine if any amendments are needed to complete the year ending June 30, 2020.

The report is a comparison by department of the 2019/2020 budget and the year to date balances as of 12/31/2019 (6 months). The percent variance per account is the amount remaining in the budget through 6/30/2020 (6 months).

Any account that is over or under by more than 20% is numbered with an explanation for that account.

The total remaining budget for 2019/2020 is \$3,243,145 or 53.67%.

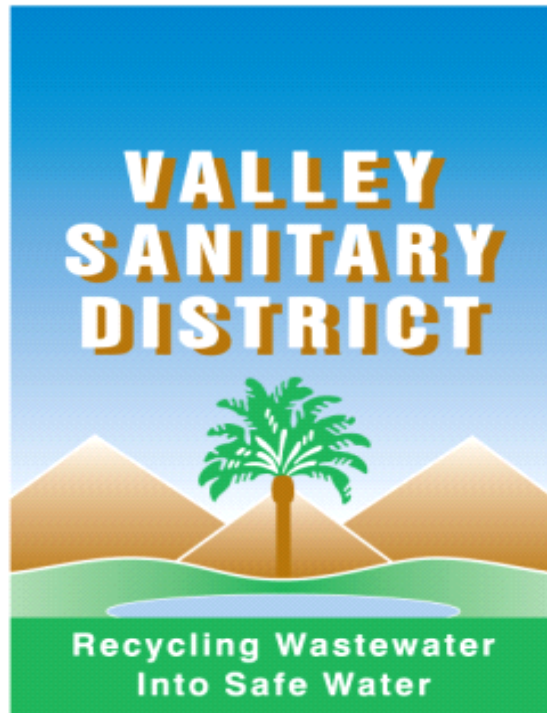
Total budget does not include depreciation expense.

Recommendation

Staff recommends that the Board of Directors approve an amendment to contract out the annual newsletter for an amount not to exceed \$20,000, increase Directors' fees budget by \$10,000 and increase Administration Travel/Mtgs/Education budget by \$15,000.

Attachments

Attachment A: Budget Worksheets



**Operations & Maintenance Budget
And
Capital Improvement Program
Fiscal Year 2019/2020
Mid Year Review**

Board of Directors

Mike Duran, President

Scott A. Sear, Vice-President

Debra A. Canero, Secretary

William R. Teague, Director

Dennis A. Coleman, Director

General Manager

Beverli A. Marshall

DEPARTMENT: COMBINED

2019/2020 BUDGET

ACCOUNT TITLE	2019/2020 CURRENT BUDGET	YTD ACTUAL 12/31/2019	BUDGET VARIANCE	PERCENT VARIANCE
SALARIES	2,615,000	1,206,940	(1,408,060)	-53.85%
OVERTIME	19,500	10,781	(8,719)	-44.71%
CALLOUT	9,000	7,683	(1,317)	-14.63%
STANDBY	38,000	16,432	(21,568)	-56.76%
TOTAL SALARIES	2,681,500	1,241,836	(1,439,664)	-53.69%
LONGEVITY	37,000	16,246	(20,754)	-56.09%
RETIREMENT	269,500	115,788	(153,712)	-57.04%
PAYROLL TAXES	205,200	95,285	(109,915)	-53.56%
UNEMPLOYMENT INSURANCE	-	162	162	-
WORKERS COMPENSATION	47,400	22,116	(25,284)	-53.34%
GROUP LIFE INSURANCE	6,650	3,016	(3,634)	-54.65%
GROUP HEALTH INSURANCE	440,700	198,575	(242,125)	-54.94%
DENTAL/VISION INSURANCE	30,500	13,946	(16,554)	-54.28%
DISABILITY INSURANCE	13,750	6,562	(7,188)	-52.28%
CLOTHING/SAFETY	39,625	10,182	(29,443)	-74.30%
TOTAL BENEFITS	1,090,325	481,878	(608,447)	-55.80%
	3,771,825	1,723,714	(2,048,111)	-54.30%
DIRECTORS' FEES	36,500	24,750	(11,750)	-32.19%
ELECTION	-	-	-	-
GAS/OIL	52,000	15,307	(36,693)	-70.56%
COMPREHENSIVE INSURANCE	296,500	141,728	(154,772)	-52.20%
MEMBERSHIPS/SUBSCRIPTIONS	32,860	38,820	5,960	18.14%
OFFICE EXPENSE	16,000	4,967	(11,033)	-68.96%
COUNTY/CITY CHARGES	22,000	566	(21,434)	-97.43%
PERMITS & FEES	88,450	75,588	(12,862)	-14.54%
PRETREATMENT	1,000	-	(1,000)	-100.00%
OPERATING SUPPLIES	160,500	70,404	(90,096)	-56.13%
CHEMICALS	383,770	191,507	(192,263)	-50.10%
CONTRACT SERVICES	417,110	132,081	(285,029)	-68.33%
PROFESSIONAL/LEGAL	269,230	145,446	(123,784)	-45.98%
PUBLICATIONS	4,500	1,070	(3,430)	-76.22%
REPAIRS/MAINTENANCE	592,200	252,605	(339,595)	-57.34%
SMALL TOOLS	31,500	15,567	(15,933)	-50.58%
RESEARCH	92,800	27,997	(64,803)	-69.83%
TRAVEL/MTGS/EDUCATION	81,250	52,055	(29,195)	-35.93%
CERTIFICATIONS/TCPS	8,794	2,904	(5,890)	-66.98%
TELEPHONE	19,500	8,894	(10,606)	-54.39%
ELECTRICITY	519,000	276,167	(242,833)	-46.79%
NATURAL GAS	5,000	1,759	(3,241)	-64.82%
TRASH COLLECTION	35,000	14,810	(20,190)	-57.69%
UTILITY WATER	28,500	9,594	(18,906)	-66.34%
OTHER EXPENSES	35,000	14,845	(20,155)	-57.59%
TOTAL SERVICES & SUPPLIES	3,228,964	1,519,431	(1,709,533)	-52.94%
TOTAL O & M BUDGET	7,000,789	3,243,145	(3,757,644)	-53.67%

DEPARTMENT: ENGINEERING & MAINTENANCE

2019/2020 BUDGET

ACCOUNT TITLE	2019/2020 CURRENT BUDGET <i>(16 Staff)</i>	YTD ACTUAL 12/31/2019	BUDGET VARIANCE	PERCENT VARIANCE
SALARIES	1,265,000	564,817	(700,183)	-55.35%
OVERTIME	4,000	2,343	(1,657)	-41.43% (1)
CALLOUT	5,000	1,100	(3,900)	-78.00% (2)
STANDBY	20,000	8,509	(11,491)	-57.46%
TOTAL SALARIES	1,294,000	576,769	(717,231)	-55.43%
LONGEVITY	18,000	7,892	(10,108)	-56.16%
RETIREMENT	126,000	53,389	(72,611)	-57.63%
PAYROLL TAXES	99,000	42,731	(56,269)	-56.84%
WORKERS COMPENSATION	27,000	11,895	(15,105)	-55.94%
GROUP LIFE INSURANCE	3,250	1,463	(1,787)	-54.98%
GROUP HEALTH INSURANCE	206,200	94,038	(112,162)	-54.39%
DENTAL/VISION INSURANCE	12,000	5,676	(6,324)	-52.70%
DISABILITY INSURANCE	7,000	3,199	(3,801)	-54.30%
CLOTHING/SAFETY	24,375	6,310	(18,065)	-74.11% (3)
TOTAL BENEFITS	522,825	226,593	(296,232)	-56.66%
	1,816,825	803,362	(1,013,463)	-55.78%
MEMBERSHIPS/SUBSCRIPTIONS	3,500	1,775	(1,725)	-49.29%
PERMITS & FEES	18,000	15,515	(2,485)	-13.81% (4)
PRETREATMENT	1,000	-	(1,000)	-100.00%
OPERATING SUPPLIES	42,900	20,520	(22,380)	-52.17%
CONTRACT SERVICES	187,500	37,067	(150,433)	-80.23% (5)
REPAIRS/MAINTENANCE	475,200	198,396	(276,804)	-58.25%
SMALL TOOLS	24,500	15,567	(8,933)	-36.46% (6)
TRAVEL/MTGS/EDUCATION	28,750	12,185	(16,565)	-57.62%
CERTIFICATIONS/TCPS	6,310	2,635	(3,675)	-58.24%
ELECTRICITY	4,000	1,770	(2,230)	-55.75%
UTILITY WATER	6,500	2,864	(3,636)	-55.94%
OTHER EXPENSES	10,000	4,069	(5,931)	-59.31%
TOTAL SERVICES & SUPPLIES	808,160	312,363	(495,797)	-61.35%
TOTAL OPERATING & MAINTENANCE BUD	2,624,985	1,115,725	(1,509,260)	-57.50%

- (1) OVERTIME** Staff from Engineering and Maintenance worked overtime covering for Operations staff vacation time, as well as staff putting in overtime for a broken water line.
- (2) CALLOUT** Callouts were minimal for the first half of FY 19/20.
- (3) CLOTHING/SAFETY** Staff negotiated a better price with Cintas for weekly service, through government pricing.
- (4) PERMITS & FEES** State General Waste Discharge annual permit fee, and City of Indio annual encroachment permits comprise over 80% of budget and were paid in November/December 2019.
- (5) CONTRACT SERVICES** Under budget because roach control, Rain for Rent, root control and tree trimming take place in 2nd half of FY.
- (6) SMALL TOOLS** Purchased Pipe Threader for \$12,000, which is almost 50% of budget.

DEPARTMENT: OPERATIONS

2019/2020 BUDGET

ACCOUNT TITLE	2019/2020 CURRENT BUDGET <i>(10 Staff)</i>	YTD ACTUAL 12/31/2019	BUDGET VARIANCE	PERCENT VARIANCE
SALARIES	810,000	379,509	(430,491)	-53.15%
OVERTIME	15,000	8,032	(6,968)	-46.45%
CALLOUT	4,000	6,583	2,583	64.58%
STANDBY	18,000	7,923	(10,077)	-55.98%
TOTAL SALARIES	847,000	402,047	(444,953)	-52.53%
LONGEVITY	17,000	7,754	(9,246)	-54.39%
RETIREMENT	87,000	36,377	(50,623)	-58.19%
PAYROLL TAXES	64,800	31,210	(33,590)	-51.84%
WORKERS COMPENSATION	19,000	9,631	(9,369)	-49.31%
GROUP LIFE INSURANCE	2,100	911	(1,189)	-56.62%
GROUP HEALTH INSURANCE	129,500	55,484	(74,016)	-57.16%
DENTAL/VISION INSURANCE	8,500	3,275	(5,225)	-61.47%
DISABILITY INSURANCE	4,100	2,067	(2,033)	-49.59%
CLOTHING/SAFETY	15,250	3,872	(11,378)	-74.61% (1)
TOTAL BENEFITS	347,250	150,581	(196,669)	-56.64%
	1,194,250	552,628	(641,622)	-53.73%
GAS/OIL	52,000	15,307	(36,693)	-70.56% (2)
MEMBERSHIPS/SUBSCRIPTIONS	2,225	1,344	(881)	-39.60%
PERMITS & FEES	67,450	57,024	(10,426)	-15.46% (3)
OPERATING SUPPLIES	106,600	44,714	(61,886)	-58.05%
CHEMICALS	383,770	191,507	(192,263)	-50.10%
CONTRACT SERVICES	100,150	34,746	(65,404)	-65.31%
REPAIRS/MAINTENANCE	93,500	42,451	(51,049)	-54.60%
SMALL TOOLS	7,000	-	(7,000)	-100.00% (4)
RESEARCH	92,800	27,997	(64,803)	-69.83%
TRAVEL/MTGS/EDUCATION	12,500	4,652	(7,848)	-62.78%
CERTIFICATIONS/TCPS	2,334	219	(2,115)	-90.62% (5)
ELECTRICITY	515,000	274,397	(240,603)	-46.72%
NATURAL GAS	5,000	1,759	(3,241)	-64.82%
TRASH COLLECTION	35,000	14,810	(20,190)	-57.69%
UTILITY WATER	22,000	6,730	(15,270)	-69.41% (6)
OTHER EXPENSES	15,000	5,809	(9,191)	-61.27%
TOTAL SERVICES & SUPPLIES	1,512,329	723,466	(788,863)	-52.16%
TOTAL OPERATING & MAINTENANCE BUDG	2,706,579	1,276,094	(1,430,485)	-52.85%

- (1) CLOTHING/SAFETY** Staff negotiated a better price with Cintas for weekly service, through government pricing.
- (2) GAS/OIL** Filled up diesel in June 2019, have not used as much this year.
- (3) PERMITS & FEES** The Annual NPDES permit and SCAQMD permit were paid in September 2019 and November 2019. These 2 permits make up about 79% of the budget.
- (4) SMALL TOOLS** No small tools have been purchased as of 12/31/19.
- (5) CERTIFICATIONS/TCPS** Most certifications are not due until 2020.
- (6) UTILITY WATER** Having a new staff has slowed down the process...not using as much water.

DEPARTMENT ADMINISTRATION/BOARD

2019/2020 BUDGET

ACCOUNT TITLE	2019/2020 CURRENT BUDGET <i>(5 Staff)</i>	ACTUAL 12/31/2019	BUDGET VARIANCE	PERCENT VARIANCE
SALARIES	540,000	262,614	(277,386)	-51.37%
OVERTIME	500	406	(94)	-18.80%
TOTAL SALARIES	540,500	263,020	(277,480)	-51.34%
LONGEVITY	2,000	600	(1,400)	-70.00%
RETIREMENT	56,500	26,022	(30,478)	-53.94%
PAYROLL TAXES	41,400	21,344	(20,056)	-48.44%
UNEMPLOYMENT INSURANCE	-	162	162	-
WORKERS COMPENSATION	1,400	590	(810)	-57.86%
GROUP LIFE INSURANCE	1,300	642	(658)	-50.62%
GROUP HEALTH INSURANCE	105,000	49,053	(55,947)	-53.28%
DENTAL/VISION INSURANCE	10,000	4,995	(5,005)	-50.05%
DISABILITY INSURANCE	2,650	1,296	(1,354)	-51.09%
TOTAL BENEFITS	220,250	104,704	(115,546)	-52.46%
	760,750	367,724	(393,026)	-51.66%
DIRECTORS' FEES	36,500	24,750	(11,750)	-32.19% (1)
COMPREHENSIVE INSURANCE	296,500	141,728	(154,772)	-52.20%
MEMBERSHIPS/SUBSCRIPTIONS	27,135	35,701	8,566	31.57% (2)
OFFICE EXPENSES	16,000	4,967	(11,033)	-68.96%
COUNTY/CITY CHARGES	22,000	566	(21,434)	-97.43% (3)
PERMITS & FEES	3,000	3,049	49	1.63% (4)
OPERATING SUPPLIES	11,000	5,170	(5,830)	-53.00%
CONTRACT SERVICES	129,460	60,268	(69,192)	-53.45% (5)
PROFESSIONAL/LEGAL	269,230	145,446	(123,784)	-45.98%
PUBLICATIONS	4,500	1,070	(3,430)	-76.22%
REPAIRS/MAINTENANCE	23,500	11,758	(11,742)	-49.97%
TRAVEL/MTGS/EDUCATION	40,000	35,218	(4,782)	-11.96% (6)
CERTIFICATIONS/TCPS	150	50	(100)	-66.67%
TELEPHONE/VOIP	19,500	8,894	(10,606)	-54.39%
OTHER EXPENSES	10,000	4,967	(5,033)	-50.33%
TOTAL SERVICES & SUPPLIES	908,475	483,602	(424,873)	-46.77%
TOTAL O & M BUDGET	1,669,225	851,326	(817,899)	-49.00%

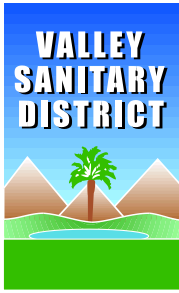
- (1) DIRECTORS' FEES** includes 4 days at CSDA conference for 3 directors (\$3,000) on 7/7/19 - 7/10/19.
includes 4 days at CSDA conference for 4 directors (\$4,000) on 9/25/19 - 9/28/19.
(this account will go over budget with CASA & Washington DC trip by \$10,000)
- (2) MEMBERSHIPS/SUBSCRIPTIONS** New items added: SCAP \$5,058, Liebert Cassidy Whitmore \$5,725.
- (3) COUNTY/CITY CHARGES** Charge will be included in January 2020 payment (1st half of tax payment).
- (4) PERMITS & FEES** County of Riverside, 7/1/2019 \$3,049 (no other charges included in this category).
- (5) CONTRACT SERVICES** New item: Strategic Planning \$25,000.
- (6) TRAVEL/MTGS/EDUCATION** New item: CalPELRA (HR conference) \$4,500.
(this account will go over budget with CASA & Washington DC trip by \$15,000)

COMBINED CAPITAL EXPENDITURES & O&M BUDGET	2019/2020 BUDGET			
DESCRIPTION	2019/2020 BUDGET	ACTUAL 12/31/2019	BUDGET VARIANCE	PERCENT VARIANCE

FUND 11/O&M				
E & M - FACILITIES	180,000	52,836	(127,164)	-70.65% (1)
ADMIN FACILITIES	55,000	53,874	(1,126)	-2.05%
TRANSFER - REFUNDING BONDS	466,425	63,336	(403,089)	-86.42% (2)
TRANSFER - SRF LOAN	553,361	-	(553,361)	-100.00% (3)
RESERVE ACCOUNT	3,940,800	-	(3,940,800)	-100.00% (4)
TOTAL FUND 11	5,195,586	170,046	(5,025,540)	-96.73%
FUND 13				
E & M - SEWER LINES	40,000	-	(40,000)	-100.00% (5)
TOTAL FUND 13	40,000	-	(40,000)	-100.00%
TOTAL CAPITAL OUTLAY BUDGET	5,235,586	170,046	(5,065,540)	-96.75%
TOTAL O & M BUDGET	7,000,789	3,243,145	(3,757,644)	-53.67%
TOTAL BUDGET	12,236,375	3,413,191	(8,823,184)	-72.11%

PROJECTED EXPENSES OUT OF RESERVES				
E & M - SEWER LINES	1,588,410	199,549	(1,388,861)	-87.44% (5)
OPERATIONS	121,000	351	(120,649)	-99.71% (5)
GENERAL FACILITIES	737,500	23,246	(714,254)	-96.85% (6)
ADMIN FACILITIES	22,500	-	(22,500)	-100.00% (7)
TRANSFER - REFUNDING BONDS	427,763	58,058	(369,705)	-86.43% (2)
TOTAL FROM RESERVES	2,897,173	281,204	(2,615,969)	-90.29%

- (1) E & M - FACILITIES Upgrade headworks PLC has been completed. Other items will be completed in first half of 2020.
- (2) TRANSFER - REFUNDING BONDS Interest only was due 12/1/19. Principal and interest payment are due 6/1/2020.
- (3) TRANSFER - SRF LOAN Payment will be transferred 6/1/2020.
- (4) RESERVE ACCOUNT Payment will be transferred 2/1/2020 (after 1st installment of payment from County for sewer fees).
- (5) E & M - SEWER LINES/OPERATIONS Payment for plant expansion design will be paid in first half of 2020. Working with Carollo on Sewer Siphon replacement and Harris on repairs/rehabilitation/replacement.
- (6) GENERAL FACILITIES Purchased Autoclave & influent pump. Other items will be purchased in 2020.
- (7) ADMIN FACILITIES Contingency funds not yet used.



**Valley Sanitary District
Board of Directors Meeting
January 28, 2020**

TO: Board of Directors

FROM: Beverli A. Marshall, General Manager

SUBJECT: **Adopt the Valley Sanitary District Compensation Policy**

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

Executive Summary

The purpose of this report is for the Board to discuss establishing an overall compensation policy.

Fiscal Impact

Depending upon the specifics of the policy, the cost is estimated to be \$200,000 and will be included in the proposed budget for FY 2020/21.

Background

The Board of Directors indicated that it would be beneficial to have an analysis of the District’s staffing level, workload, succession planning, and future needs based on anticipated changes in upcoming permit renewals, and implementation of a recycled water project. In addition, the Board wanted more data on wages and benefits from other agencies to further a discussion on addressing recruitment and retention issues.

The final report was presented to the Board on November 12, 2019. The wage and benefits comparison section of the report identified several issues with wage inconsistencies and benefits lag. Some of the issues can be resolved with little cost to the District (holidays), but others will have significant impact on the budget. The report recommended that the Board adopt and implement a compensation policy.

At the Board meeting on January 14, 2020, the Board provided direction to staff to craft the policy using the mean of the comparison agencies.

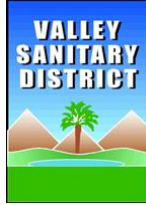
Recommendation

Staff recommends that the Board of Directors adopt the Valley Sanitary District Compensation Policy consistent with the report findings.

Attachments

Attachment A: Compensation Policy

Attachment B: Staffing Analysis and Wage & Benefits Comparison 2019



COMPENSATION POLICY

Adopted: __/__/2020

I. PURPOSE

In order to attract and retain qualified personnel at all levels of the organization it is necessary to be transparent in how the District compensates its employees.

II. POLICY

It is the policy of the Valley Sanitary District (District) to maintain fair and competitive wage ranges consistent with the economic constraint of the District and the labor market in which it competes. The District will:

- establish wage ranges that reflect the value of each classification, including the duties and level of responsibility;
- establish a total compensation package that is competitive within the labor market; and,
- encourage employees to continue to improve knowledge, skills, and abilities within the wastewater industry and compensate them accordingly.

A. Basis for Determination of Compensation

Wages and benefits will be based upon the following criteria.

1. Survey of labor market agencies and set the wages and benefits at the market mean. The District's wage schedule will be adjusted to address total compensation based on the "PEPRA" retirement tier.
2. Consider the internal District classification relationships.
3. Adjust wage ranges annually based on the local area's consumer price index year-over-year change as of December 31.

B. Compensation Survey

A survey will be conducted no less than once every three years to determine whether the District's "total compensation" for each classification is competitive within the established labor market.

C. Wage Range

A wage range is established for each job classification based upon labor market data. Each range will include a total of seven steps (A through G) with a

3% difference between each step. The top step of each range within a classification series (I/II/III) shall be separated by 10%.

D. Review of Classification and Wage Ranges

Specific situations which warrant review of classifications and wage ranges include the following.

1. Equity Adjustments

An equity adjustment will be made if the outcome of a compensation survey indicates that the wage range for a specific job classification is above or below the market mean.

If the survey identifies that the wage range should be adjusted upward, employees in the classification shall be placed at the step on the new wage range that is closest to, but not lower than, their previous wage.

If the survey identifies that the wage range should be adjusted downward, employees in the classification will be Y-rated if the existing wage is above the top step of the new wage range.

2. Reclassifications

Job duties may be reviewed periodically to ensure that the tasks assigned to an employee are appropriate to the job classification and that the workload is manageable.

One possible result of the review is that the tasks should be assigned to an existing employee in different classification. If so, then no change will be made to the original employee's classification and wage range.

Another possible result is that the tasks should be assigned to a new classification. This new assignment would result in an upward, lateral, or downward movement of an employee in the position studied. Affected employees will be placed at the appropriate step on the new classification's wage range. At no point will an employee be placed below or above the range for the new classification.

III. DEFINITIONS

As used in this policy, the following words and phrases shall have the following definitions.

Equity Adjustment: adjusting a wage range for a job classification to reflect changes in the marketplace, as determined by periodic wage surveys and review of internal alignment.

Labor Market Area: recruitment area that would generate a healthy applicant pool for a vacant position. The District recognizes one labor market for all positions, which encompasses a 90-mile commute to/from the District's office.

Labor Market Agencies: agencies included in the compensation survey that have similar classifications. No fewer than 10 agencies will be reviewed as part of the compensation survey. The District currently recognizes the following agencies in its labor market area.

Beaumont-Cherry Valley Water District
City of Coachella
Coachella Valley Water District
Desert Water Agency
City of Hemet (Water)
Hi-Desert Water District
City of Indio (IWA)
Missions Springs Water District
City of Redlands
Rubidoux Community Services District
West Valley Water District
Yucaipa Valley Water District

Mean: the average of the total figures for all the agencies surveyed.

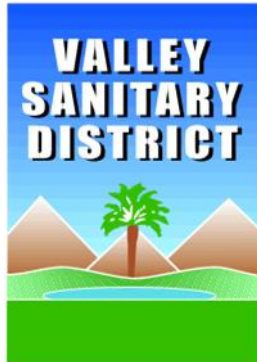
Reclassification: changing an employee from a job classification in one wage range to a job classification in another wage range based on an analysis of the position or employee's skill set.

Total Compensation: compensation paid for a position which includes the monetary value of pay and benefits paid by an agency. The calculation of total compensation, as used in wage surveys, is based upon the following variables:

- Wage – top step of the range
- Retirement contribution - percentage of employee wage paid for the employee's retirement contribution;
- Health Coverage - amount paid by the agency on the employee's behalf for medical, dental, and vision; and
- Specialty Pay - amount paid by the agency for special assignments.

Wage Range Compensation Adjustment: change in the District's wage structure at such time as that the Board determines that job classifications and/or wage ranges should be adjusted.

Y-Rate: position is downgraded to a lower job classification or the wage range is adjusted; however, the wage is frozen until such time the job classification wage range reaches the frozen wage.



**Staffing Analysis
and
Wages & Benefits Comparison
November 2019**

Prepared by:
Beverli A. Marshall, SDA
General Manager

Executive Summary

The Board of Directors indicated that it would be beneficial to have an analysis of the District's staffing level, workload, succession planning, and future needs based on anticipated changes in upcoming permit renewals, and implementation of a recycled water project. In addition, the Board wanted more data on wages and benefits from other agencies to further a discussion on addressing recruitment and retention issues.

This report utilizes various industry best management practices (BMP), published guidelines, and analysis of comparable agencies to analyze staffing levels, wages, and benefits that will allow VSD to operate at its full potential and be competitive in its recruiting and retention of staff. The findings in this report are intended to provide the District with opportunities to address both recruitment and retention as well as plan for future needs.

Introduction

Valley Sanitary District (VSD or District) is a special district that provides wastewater collection, treatment, and discharge for the citizens of Indio and a small portion of Coachella and La Quinta. The total population is approximately 90,000. VSD operates 254 miles of gravity sewer line, five pump stations, and a treatment plant that processes an average of 5.6 million gallons of wastewater each day. The District is governed by a five-member Board of Directors that are elected at-large every four years.

VSD has been leanly staffed and challenged to perform its day-to-day tasks in addition to the numerous special projects ever since the plant was upgraded and expanded in the mid-2000's. In general, I have observed that the District is understaffed in several functional areas and does not have the capacity to take on the second phase of the plant expansion and upgrades and the recycled water project.

Background

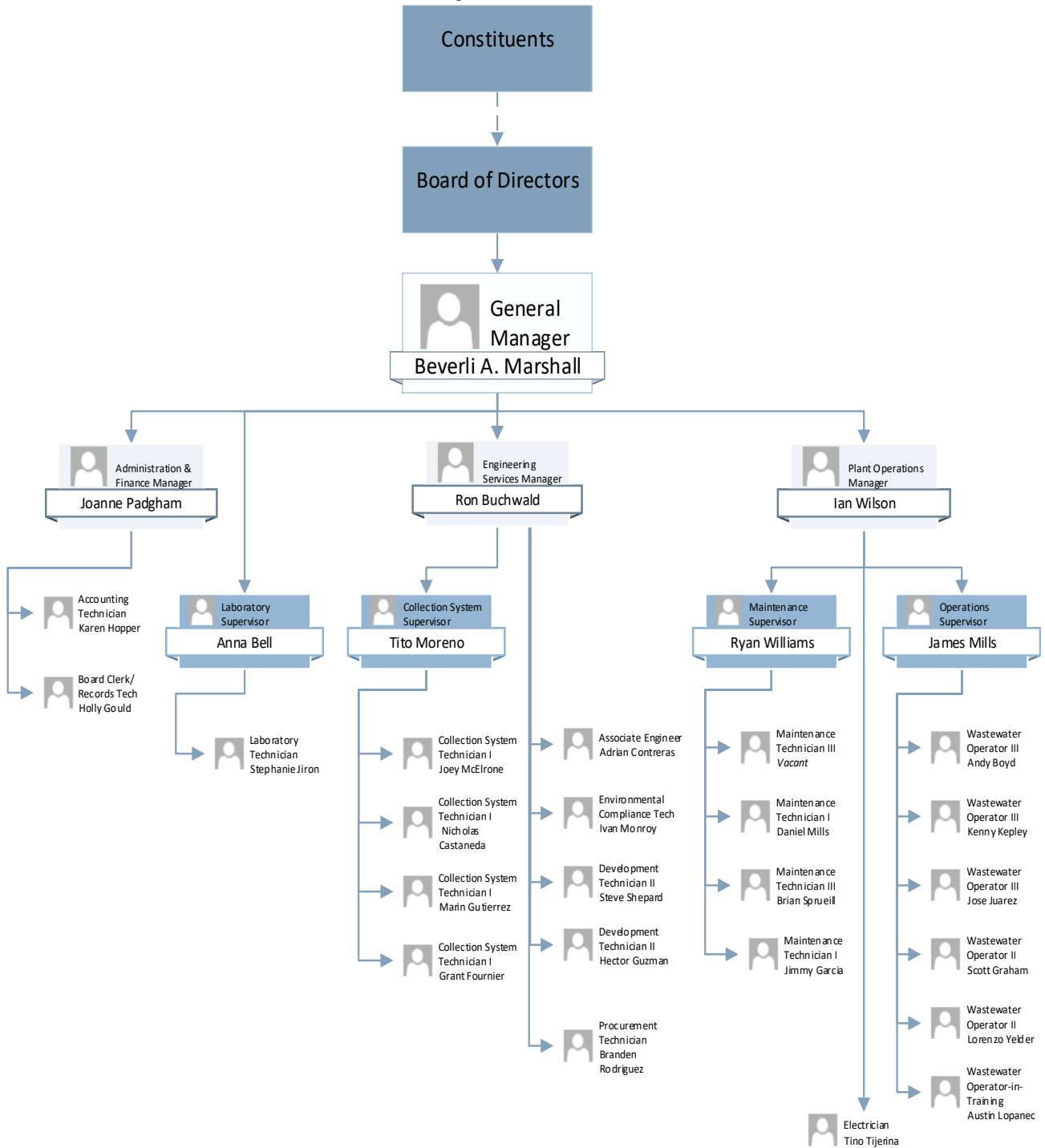
The General Manager oversees a total of 30 employees that are responsible for delivering services to the ratepayers and community served by Valley Sanitary District. There are three departments (Operations, Administration, and Field Services) that are managed by the District's management team. The following list reflects the positions approved in the FY 2019/20 Budget.

Authorized Positions FY 2019/20

<u>Classification</u>	<u>#</u>
Accounting Technician	1
Admin & Finance Manager	1
Assistant Engineer	1
Accounting Clerk	1
Chief Facility Operator	1
Collection System Supervisor	1
Collection System Technician I/II/III	4
Development Services Technician I/II/III	2
Electrical/Instrumentation Technician I/II/III	1
Environmental Compliance Technician I/II/III	1
General Manager	1
Director of Engineering	1

Laboratory Supervisor	1
Laboratory Technician I/II/III	1
Maintenance Supervisor	1
Maintenance Technician I/II/III	4
Procurement Technician	1
Wastewater Operator I/II/III	6
Wastewater Operator Supervisor	1

Organizational Chart



Methodology

As part of the analysis, I completed the following tasks to independently determine the number and type of staff needed to properly operate the treatment facility, meet permit requirements, perform field services, support the administrative functions, and plan for future needs.

1. Reviewed and evaluated history of staffing over the past 10 years
2. Reviewed organizational charts, classification specifications, budgets, and CAFRs.
3. Calculated the productive hours available with existing staff.
4. Calculated the work hours needed for current activities and services.
5. Compared staffing levels with comparable agencies.
6. Compared wages and benefits with comparable agencies.

To gather the necessary data, I had informal discussions with staff, supervisors, and managers to identify areas of concern, tasks and functions that have lagged due to insufficient resources (staff or contractors), training and cross-training needs, and succession concerns. The employees that I talked with were open, frank, and friendly. They were honest and supportive of having the “right” number of staff without going to any extremes. In fact, I would say that they were very conservative in their suggestions. I believe that this is the outcome of a history of being thinly staffed and a lack of willingness to raise rates.

I also utilized “*The Northeast Guide for Estimating Staffing at Publicly and Privately-Owned Wastewater Treatment Plants*” (*Northeast Guide*) to determine the baseline staffing needs for the VSD plant operations, maintenance, and laboratory functions. I used the “*Core Attributes of Effectively Managed Wastewater Collection Systems*” (*Core Attributes*), a product of a joint effort including the Water Environment Federation (WEF) and the National Association of Clean Water Agencies (NACWA), to determine baseline staffing needs for the Collection System.

To provide context, I also looked for public agencies within the geographical area that provide similar services. I looked at population, plant flow, number of employees, type of agency, and location in, or proximity to, Coachella Valley to identify those that most closely matched VSD. I was able to identify 11 agencies within, or near, the Coachella Valley. These agencies were:

City of Coachella (Wastewater Division)
Coachella Valley Water District
Desert Water Agency
Hi-Desert Water District
Indio Water Authority
Mission Springs Water District
Rancho California Water District
Rincon del Diablo Municipal Water
Victor Valley Water Reclamation Authority
West Valley Water District
Yucaipa Valley Water District

The only outlier in the group was Coachella Valley Water District, which is considerably larger in both flow and population served. It is the primary competition for recruitment and retention in the Coachella Valley and needs to be included for that reason. CVWD data was not used to calculate Mean to avoid skewing comparison. Table 1 reflects the comparable agencies data.

Table 1. Comparable Agencies

Agency	# of EEs	Avg. Flow	Ratio EEs to Flow	Population	Ratio EEs to Population
City of Coachella (Wastewater Division)	16	1.5	10.5	45,839	0.000344
Coachella Valley Water District					
Desert Water Agency	85		-	106,000	0.000802
Hi-Desert Water District	46		-	24,000	0.001917
Indio Water Authority	49		-	100,000	0.000490
Mission Springs Water District	45	2.0	22.5	40,000	0.001125
Rancho California Water District	150	5.0	30.0	150,000	0.001000
Rincon del Diablo Municipal Water	21		-	30,000	0.000700
Victor Valley Water Reclamation Authority	41	10.7	3.8	293,000	0.000140
West Valley Water District	79		-	103,562	0.000763
Yucaipa Valley Water District	63	4.0	15.8	59,000	0.001068
# of Comparisons	10	5		10	
Mean	59	4.6	12.8	95,140	0.000625
Valley Sanitary District	31	5.5	5.6	89,863	0.000345
% Above /-Below Mean	-92%	16%	-127%	-6%	-81%

Staffing Analysis

Reviewing the data from the identified agencies, VSD’s staffing level is below the mean. Based on flows, VSD’s ratio is significantly lower (-127%) than the average of the five comparable agencies. Based on population, VSD’s ratio is approximately half of the mean. While these are not sole indicators of a need for additional staff, it does provide context for the other data and analyses. To determine how many hours were available for each employee to perform the necessary tasks I used the standard of 1,500 annual hours for each full-time equivalent (FTE) of available work time, calculated as:

- 2,080 gross hours
- 104 training hours (13 days)
- 96 sick leave hours (12 days)
- 160 vacation hours (20 days)
- 104 holiday hours (13 days)
- 110 break hours (30 minutes/day)
- 1,506 total available hours*

I looked at the calculations for both the 1.0-5.0 mgd and 5.0-10.0 mgd flow categories based on VSD’s average flow of 5 to 6 mgd. Table 2 shows the number of VSD employees in each functional area, the work hours needed to complete the related tasks based on the *Northeast Guide*, and the related staffing levels to meet the workload.

Table 2. Work Hours by Functional Area

Functional Area	VSD	1.0-5.0 mgd	Guide	5.0-10.0 mgd	Guide
Basic and Advanced Operations	4.5	6,752	4.5	8,848	5.9
Maintenance	6.0	17,972	12.0	34,008	22.7
Laboratory	2.5	3,698	2.5	3,698	2.5
Biosolids/Sludge Handling	2.0	3,840	2.6	5,120	3.4
Yardwork	1.0	530	.4	530	.4
Estimated O & M Hours	22,500	32,742		52,204	
Estimated O & M Staff	16.0	21.8	22	34.8	35
Estimated Additional Staff (Chart 7)		1.0	1.0	1.0	1.0
Total Staffing	16		23		36

Erring on the conservative side, this report focuses on the 1.0-5.0 mgd category. Looking at staffing in each functional area, VSD is understaffed in Maintenance by approximately 7.0 positions. This is partially offset by contracting out highly specialized or infrequent tasks to contractors and consultants. Taking that into account, it is still clear that the *Northeast Guide* indicates that VSD is significantly understaffed based on a plant that processes approximately 5.0 mgd flow. This does not include the planned upgrades and implementing recycled water in the next three to five years.

The *Northeast Guide* does not calculate the staffing needed to perform collection service tasks. I used the *Core Attributes* to identify staffing levels for the Collection System division functions. Industry best management practices (BMP) indicate that a crew of 2.5 employees can clean 95 miles (500,000 feet) of gravity line per year. VSD owns 254 miles of gravity line and cleans an average of 134 miles (705,000 feet) each year. This would indicate a need for at least 3.5 employees. For safety in some locations, such as high traffic areas, a crew of 3 is needed, which reduces the availability for that employee to work on a second crew. In addition to the line cleaning, staff also assists the Plant Operations department when needed. Two crews of 2 employees each, for a total of 4, would allow for more efficiency in completing the annual cleaning function.

CCTV work is also a function of the Collection System division. The BMP indicates that a collection system should be reviewed via CCTV no less than once every 10 years for system assessment - 134,000 feet each year for VSD. Approximately 2% (14,000 feet) of lines cleaned each year should be reviewed by CCTV for quality control. A CCTV crew, usually two employees, can survey 2,000 feet per day. VSD should survey at least 150,000 feet per year, which is approximately 1,200 hours of staff time dedicated to CCTV tasks. VSD averages 148,000 feet per year. This equates to almost 1 full-time employee for just CCTV tasks. For safety, the CCTV crew should consist of 2 employees.

General planning, supervising, marking gravity lines and force mains in response to USA requests, and monthly and annual reporting requires a full-time position. Therefore, based on BMP, the Collection System division staffing level should be at least 6 positions. The Collection System division is approved currently for 5 positions.

The Development Services division consists of 4 employees and is the only O & M division that does not have a supervisor. The District Engineer oversees this division, the Collection System division, and the capital improvement program. This typically results in little day-to-day interaction with the Development Services division staff. It would be more effective and efficient to assign a

supervisor to this division and allow the District Engineer to focus on the capital improvement program. This would result in an increase of one position in the Development Services division.

The Administrative Services department has 5 employees, including the General Manager. There is no redundancy in the positions and in the past when an employee has left, there has been both a workload impact and knowledge vacuum with the vacancy. Aside from the Administration & Finance Manager, there is no confidential employee to perform human resources tasks. No other position has the classification or capacity to perform these tasks.

Wage & Benefit Analysis

In addition to the staffing levels at the identified agencies, I looked at the wages payed and benefits provided by the comparable agencies to the classifications most like those at VSD. Based on the geographical proximity to VSD, I did not adjust for cost of living variances. Rather than listing the data for each classification for agency, Table 3 lists the VSD classifications and monthly wages, the mean based on comparable agency data, and the percent above or below the mean.

Table 3. Monthly Wages

VSD Classification	VSD Wage	Comparable Mean	% Above/ (Below) Mean
Accounting Technician	\$6,316	\$6,590	(4.3%)
Accounting Clerk	\$5,728	\$5,764	(0.6%)
Administration & Finance Manager	\$9,331	\$13,683	(46.6%)
Assistant Engineer	\$7,677	\$8,458	(10.2%)
Associate Engineer	\$8,463	\$10,131	(19.7%)
Chief Plant Operator	\$9,331	\$11,679	(25.2%)
Collection System Supervisor	\$8,463	\$8,720	(3.0%)
<i>Collection System Tech-in-Training</i>	<i>\$4,948</i>	<i>\$4894</i>	<i>1.1%</i>
Collection System Technician I	\$5,728	\$4,997	12.8%
Collection System Technician II	\$6,316	\$5,646	10.6%
Collection System Technician III	\$6,963	\$6,529	6.2%
Development Services Technician I	\$6,693	\$6,006	13.7%
Development Services Technician II	\$8,463	\$6,951	17.9%
District Engineer	\$13,129	\$15,528	(18.3%)
Electrician/Instrumentation Tech III	\$7,677	\$7,422	3.3%
Environmental Compliance Tech I	\$6,963	\$6,063	12.9%
<i>Environmental Compliance Tech II</i>	<i>\$8,463</i>	<i>\$6772</i>	<i>20.0%</i>
General Manager	\$18,750	\$19,907	(6.2%)
Laboratory Supervisor	\$8,463	\$9,332	(10.3%)
Laboratory Technician I	\$6,316	\$6,260	0.9%
Laboratory Technician II	\$6,963	\$7,351	(5.6%)
Maintenance Supervisor	\$8,463	\$9,012	(6.5%)
Maintenance Technician I	\$5,456	\$5,307	2.7%
Maintenance Technician II	\$6,015	\$5861	2.6%
Maintenance Technician III	\$6,631	\$6778	(2.2%)
Management Analyst	\$6,963	\$7,400	(6.3%)
Procurement Technician	\$6,316	\$5,965	5.6%
Wastewater Operations Supervisor	\$8,463	\$9,212	(8.9%)

Wastewater Operator-in-Training	\$4,948	\$4,719	4.6%
Wastewater Operator I	\$5,728	\$5,620	1.9%
Wastewater Operator II	\$6,316	\$6,268	0.8%
Wastewater Operator III	\$6,963	\$7,100	(2.0%)

Two of the classifications (Collection System Tech-in-Training, Environmental Compliance Technician II) had fewer than the four comparable data points. At minimum, at least four are needed for an accurate comparison. The mean was recorded for these classifications, but there was a low confidence level regarding the comparison. The remaining classifications met the minimum of four data points.

Most notable in this analysis was that VSD has a wage schedule that was not based on market comparisons. The variances were all over the place with the greatest above the mean 17.9% and below the mean (46.6%). The other notable issue was that the past practice of internal parity among the supervisors created a significant variance from the market for these classifications. This creates a potential recruitment and retention problem if it is not corrected so that VSD is more competitive with its wages.

In addition to reviewing the wages offered by the comparable agencies, I also reviewed the benefits provided by the agencies. Table 4 lists the benefits offered by VSD, the mean based on comparable agency data, and the percent above or below the mean.

Table 4. Benefits

Benefits	VSD	Comparable Mean	% Above/ (Below) Mean
PERS Tier 1 Plan	2.5%	2.6%	(2.7%)
PERS Tier 1 EPMC	-	4%	(100%)
Social Security	6.2%	-	(100%)
Medical (Family)	\$1,851	\$1,565	15%
Dental (Family)	50%	94%	(89%)
Vision (Family)	100%	94%	6%
Cash-in-Lieu of Medical	\$450	\$492	(9%)
Retiree Health	\$136	\$1,303	(858%)
Safety Shoe Reimbursement	\$225	\$220	2%
Holidays (set + floating)	10	13	(29%)
Sick Leave	12	12	-
Sick Leave Accrual Cap	960	Unlimited	-
Vacation (Start)	15	12	22%
Vacation (Top)	25	24	4%
Administrative Leave (Management)	10	7	27%
Bereavement Leave	4	4	-
Standby Pay (weekday)	\$35	\$57	(62%)
Standby Pay (weekend day)	\$75	\$83	(11%)
Callback Minimum	2	2	-
Bilingual Pay	-	\$33	(100%)
Deferred Comp Match	-	\$1,380	(100%)
Life Insurance	\$150,000	\$183,750	(23%)

Life Insurance (Management)	\$200,000	\$202,500	(1%)
Tuition Reimbursement	\$3,000	\$4,600	(53%)
Tuition Reimbursement (Management)	\$3,000	\$4,200	(40%)
Long-Term Disability	100%	100%	-
Longevity	Yes	Yes	-

In reviewing the benefits provided by all the agencies, the most notable issue was that VSD participates in Social Security while only two of the comparable agencies do. Since contributions are made by the employees, this has an impact on their take-home compensation. Three of the comparable agencies continue to pay a portion of the EPMC. These two issues exacerbate the wage variances for those classifications that are below the mean.

While VSD pays a significant portion of the cost of medical coverage, it lags in paying for other benefits, such as dental and retiree medical costs. VSD is below the mean for holidays, standby pay, and life insurance coverage for its non-management staff. This creates a potential recruitment and retention problem if not corrected to be more competitive.

Findings

Leanly staffed agencies risk neglecting preventive and BMP activities that eventually affect the overall operations of the system. This is due to resources (staff) being redeployed to address emergencies, unanticipated projects, and covering for staff that are on extended leaves. This needs to be addressed to avoid significant impacts on equipment and staff burnout.

Finding #1: The various functional areas need to be reviewed and the quantity of staff and necessary classifications need to be identified to resolve the deficit. Based on the Northeast Guide and the Core Attributes, the plant Operations, Maintenance, and Collection System divisions are understaffed by 8 FTE. However, some of the workload could be offset by contracting out the more complex or infrequent tasks.

Finding #2: Staffing recommendations included in the engineering analysis for the upcoming plant upgrades and recycled water projects need to be reviewed. Any additional staff will need to be added to the increases already identified so as not to perpetuate the staffing shortage.

Finding #3: Regular work tasks need regular reviews to ensure that efforts are necessary, not being duplicated, and are carried out in the most efficient manner while adhering to BMP.

Finding #4: Supervisors are the backup for day-to-day operations, which takes them away from their own work and responsibilities. When supervisors are relied upon to fill in for staff that are in training, out on leave, or reassigned to other tasks, the District risks key responsibilities not being performed and burning out the supervisors. The Operations, Maintenance, and Collection System divisions need to resolve this ongoing issue.

Finding #5: Staff should have regular, quality interaction with supervisors. If there is no direct supervisor over the staff, or if the supervisor is already tasked with too great a workload, staff are not receiving proper oversight and training. The Development Services division does not have a supervisor to provide the day-to-day oversight.

Finding #6: Other than the Administration & Finance Services Manager, there is no confidential position in Administrative Services to focus on sensitive human resources tasks. The backup for this function should not be the General Manager.

Finding #7: Job descriptions within a series of classifications (Maintenance Technician I, II, III) should be flexibly staffed and the full range of the series should be developed for all applicable classifications. The wage schedule should have a consistent variance between the top step of each classification in the series. This should be consistent for all series-based classifications.

Finding #8: The Board has not adopted a policy on wage comparability (mean, 75th percentile, etc.). Once adopted, the VSD Wage Schedule should be developed based on this policy.

Finding #9: The Board has not adopted a policy on internal parity or market comparability as the determining factor in setting supervisory classification wage schedules. The VSD Wage Schedule should be developed based on this policy.

Finding #10: The Wage Schedule does not address the impact of the District's participation in Social Security on take-home pay.

Finding #11: The Board has not adopted a policy on benefits and where the District should be in comparison to other local agencies (see Finding #8).

Based on the analysis and findings, VSD's total staffing level should be between 40 and 50 FTEs, which is an additional 10 to 20 positions. Some of the FTEs could be offset by contracting out highly specialized or infrequent tasks. In addition to increasing the number of staff, the wage schedule needs significant changes and the benefits package, in conjunction with wages, needs to be more competitive. The classifications, number, and timing of implementation should be discussed as part of the mid-year budget review and FY 2020-21 budget development.

Conclusion

Valley Sanitary District is staffed by dedicated employees who are committed to their profession as well as to the District. VSD has operated in the margins as far as its capacity to perform the day-to-day tasks necessary to collect, treat, and discharge wastewater for its service area. The staffing level does not allow for meeting the day-to-day needs as well as special projects, increasing regulatory requirements, and unanticipated breakdowns in the system. It also does not allow for succession planning and implementing recycled water.

This report includes findings to assist VSD in addressing the issues highlighted by the data. The timing of implementing changes to address these will be governed by the cost and how each change fits into the short- and long-term financial projections of the District. Implementing the changes will reap long-term benefits for the District and create a stable and reliable workforce.



**Valley Sanitary District
Board of Directors Meeting
January 28, 2020**

TO: Board of Directors

FROM: Beverli A. Marshall, General Manager

SUBJECT: **Amend Contract with Health Futures, Inc. for Wellness Coach Services to Include a Scope of Services and Basis of Cost as Required by the Contract Language**

<input checked="" type="checkbox"/> Board Action	<input type="checkbox"/> New expenditure request	<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 discuss proposed amendment to the current contract with Healthy Futures, Inc.

Fiscal Impact

There is no impact from the amendment and the cost of the contract is included in the adopted FY 2019/20 Budget.

Background

Dr. Bruce Underwood started his personalized and customized approach to health-related matters for VSD in July 2007, at an annual cost of \$15,000. He has been meeting with employees on a monthly basis since that time to help improve employee’s health through behavior change, fitness, and nutrition. Employee participation in the program is optional. On May 28, 2019, the Board approved a three-year contract to continue the program and increase the annual amount of the contract to \$18,000.

As discussed at previous Board meetings, the contract with Healthy Futures, Inc. does not include a scope of services and basis of cost as it should for full transparency. The Scope of Services and Basis of Cost are based on the existing services, service level, and authorized contract amount. Based on an anonymous survey, approximately eight employees use the services on a regular basis.

District legal counsel has reviewed and approved the proposed language. The amendment was sent to the contractor for approval.

Recommendation

Staff recommends that the Board of Directors authorize the General Manager to amend the contract with Healthy Futures, Inc. to include the scope of services and basis of cost, which are required by the contract, for greater transparency and audit purposes.

Attachments

Attachment A: Contract with Healthy Futures, Inc. July 1, 2019

Attachment B: Scope of Services and Basis of Cost

**PROFESSIONAL SERVICES AGREEMENT
BETWEEN
VALLEY SANITARY DISTRICT
AND
HEALTHY FUTURES, INC.**

This Agreement is made and entered into as of July 1, 2019, by and between the Valley Sanitary District (District) and Healthy Futures, Inc.

I. RECITALS

A. The District has engaged Healthy Futures as it's Health Consultant since 2007. The most current Agreement is dated July 2007. The District and the consultant desire to update the current agreement for a three (3) year term as set forth in this Agreement.

B. The Consultant agrees he has satisfied himself by his own investigation and research regarding the conditions affecting the work to be done and labor and materials needed, and that its decision to execute this Agreement is based on such independent investigation and research.

II. AGREEMENT

1. Scope of Services.

1.1 General Scope of Services. The Consultant promises and agrees to furnish all labor, materials, tools, equipment, services and incidental and customary work necessary to fully and adequately supply the necessary professional Health consultant services. The services include meeting with individual employees to help improve health through behavior change, fitness, and nutrition. Employee participation is optional.

2. Schedule of Services.

2.1 Schedule of Services. The services of the Consultant are to commence upon execution of this Agreement on July 1, 2019 and shall be undertaken and completed on a monthly basis, usually the second Wednesday of the month, or as agreed upon by the District.

3. Fees and Payments.

3.1 Compensation. The Consultant shall receive compensation, for services rendered under this Agreement, at the rate of \$1,500 per month.

3.2 Payment of Compensation. The Consultant shall submit to the District a monthly statement which indicates work completed and hours of services rendered by the Consultant. The District shall review the statement and pay all approved charges thereon.

4. Changes.

4.1 The parties may, from time to time, request changes in the scope of the services of the Consultant to be performed hereunder. Such changes, including any increase or decrease in the amount of the Consultant's compensation and/or changes in the schedule must be authorized in advance by the District in writing. Mutually agreed changes shall be incorporated in written amendments to the Agreement.

5. Responsibilities of the Consultant.

5.1 Independent Contractor; Control and Payment of Subordinates. The Consultant enters into this Agreement as an independent contractor and not as an employee of the District. The Consultant shall have no power or authority by this Agreement to bind the District in any respect. Nothing in this Agreement shall be construed to be inconsistent with this relationship or status. All employees, agents, contractors or subcontractors hired or retained by the Consultant are employees, agents, contractors or subcontractors of the Consultant and not of the District. The District shall not be obligated in any way to pay any wage claims or other claims made against the Consultant by any such employees, agents, contractors or subcontractors, or any other person resulting from performance of this Agreement.

6. Insurance.

6.1 Professional Liability. Profession Liability Insurance for errors and omissions with minimum limits of \$1,000,000 shall be carried by the Consultant. Covered Professional Services shall specifically include all work to be performed under the Agreement.

If coverage is written on a claims-made basis, the retroactive date shall precede the effective date of the initial Agreement and continuous coverage will be maintained or an extended reporting period will be exercised for a period of at least three (3) years from termination or expiration of this Agreement.

7. Confidentiality.

7.1 Confidentiality. All Documents & Data are confidential, and the Consultant agrees that they shall not be made available to any individual or organization without the prior written approval of the District, except by court order.

8. Subcontracting.

8.1 Prior Approval Required. The Consultant shall not subcontract any portion of the work required by this Agreement, except as expressly stated herein, without prior written approval of the District. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement.

9. Termination of Agreement.

9.1 Grounds for Termination. This Agreement and the Services rendered under it may be terminated at any time upon thirty (30) days' prior written notice from either party, with

or without cause. In the event of such termination, Healthy Futures, Inc. shall be paid for all Services authorized by the District and performed up through and including the effective date of termination.

9.2 Additional Services. In the event this Agreement is terminated in whole or in part as provided herein, the District may procure, upon such terms and in such manner as it may determine appropriate, services similar to those terminated.

10. General Provisions.

10.1 Delivery of Notices. All notices permitted or required under this Agreement shall be given to the respective parties at the following address, or at such other address as the respective parties may provide in writing for this purpose.

District: Valley Sanitary District
Attn: General Manager
45-500 Van Buren Street
Indio, CA 92201

Consultant: Healthy Futures, Inc.
75-895 Alta Mira Drive
Indian Wells, CA 92210

Such notice shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

10.2 Indemnification. The Consultant shall defend, indemnify and hold the District, its elected 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, in law or equity, to property or persons, including wrongful death, in any manner arising out of or incident to any alleged acts, omissions, negligence or willful misconduct of the Consultant, its officials, officers, employees, agents, subcontractors and subconsultants arising out of or in connection with the performance of the services or this Agreement, including without limitation the payment of all consequential damages and attorneys' fees and other related costs and expenses except such loss or damage which was caused by the active negligence, sole negligence, or willful misconduct of the District.

The Consultant shall defend, at the Consultant's own cost, expense and risk, any and all such aforesaid suits, actions or other legal proceedings of every kind that may be brought or instituted against the District, its directors, officials, officers, employees, agents or volunteers. The Consultant shall pay and satisfy any judgment, award or decree that may be rendered against the District or its directors, officials, officers, employees, agents or volunteers, in any such suit, action or other legal proceeding. The Consultant shall reimburse the District and its directors, officials, officers, employees, agents and/or volunteers, for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided.

The Consultant's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by the District, its directors, officials, officers, employees, agents or volunteers.

10.3 Equal Opportunity Employment. The Consultant shall not engage in unlawful employment discrimination. Such unlawful employment discrimination includes, but is not limited to, employment discrimination based upon a person's race, religious creed, color, national origin, ancestry, physical handicap, medical condition, marital status, gender, citizenship or sexual orientation.

10.4 Attorneys' Fees. If either party commences an action against the other party, either legal, administrative or otherwise, arising out of or in connection with this Agreement, the prevailing party in such litigation shall be entitled to reasonable attorneys' fees and all other costs of such action.

10.5 Successors and Assigns. This Agreement shall be binding on the successors and assigns of the parties.

10.6 Amendment; Modification. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing and signed by both parties.

10.7 Waiver. No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege or service voluntarily given or performed by a party shall give the other party any contractual rights by custom, estoppel or otherwise.

10.8 Entire Agreement. This Agreement constitutes the entire agreement between the parties relative to the services specified herein. There are no understandings, agreements, conditions, representations, warranties or promises with respect to this Agreement, except those contained in or referred to in the writing.

10.9 Governing Law. This Agreement shall be governed by the laws of the State of California. Venue shall be in Riverside County.

10.10 Interpretation. Since the parties or their agents have participated fully in the preparation of this Agreement, the language of this Agreement shall be construed simply, according to its fair meaning, and not strictly for or against any party.

10.11 No Third Party Beneficiaries. There are no intended third party beneficiaries of any right or obligation assumed by the parties.


10.12 Authority to Enter Agreement. Each party warrants that the individuals who have signed this Agreement have the legal power, right and authority to make this Agreement and bind each respective Party.

10.13 Invalidity; Severability. If any portion of this Agreement is declared invalid, illegal or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

10.14 Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

HEALTHY FUTURES, INC.

By: 
Dr. Bruce Underwood, Consultant

Date: 4/19/2019

VALLEY SANITARY DISTRICT

By: 
Ron Buchwald, Interim General Manager

Date: 6/19/2019

EXHIBIT A SCOPE OF SERVICES

The Healthy Futures, Inc. Wellness Program (Program) is a disease management system as well as primary preventive care. Healthy Futures, Inc. focuses on healthy aging, health, lifestyle improvements, management of disease, nutritional counseling, marathon training, personal training, risk reduction and wellness for individuals and organizations. Evidence shows pursuing effectively designed wellness programs that encompass broad, even holistic, definitions of health, can greatly reduce costs, improve productivity, and increase patient satisfaction.

The Program lowers risk factors of disease as well as improving odds for healthy living, while reducing health care costs, improving morale, increasing productivity, decreasing absenteeism, decreasing workers compensation claims, improving health and the bottom line. Healthy Futures, Inc. can lower health care costs (direct and indirect costs of health insurance by reducing emergency room visits and hospitalizations of employees). The approach is one of personal health control by personalizing and customizing the care. The Program will compliment and collaborate with the employees' and directors' primary care physician health plan – it is not intended to replace it.

The Program is confidential and is a Health Insurance Portability and Accountability Act (HIPAA) compliant program. The information gathered in this program may include confidential health information also known as protected health information (PHI) that is privileged and legally protected from disclosure by HIPAA. This health data provided will be only for the use of Healthy Futures. We will maintain your PHI in a safe, secure and confidential manner. We will not use or disclose PHI about you without your written authorization.

Program services include onsite, “in person” visits and healthy lifestyle coaching services to VSD employees and directors on the 2nd Wednesday of the month. If the day of service needs to be changed, the Contractor must provide at least seven days' notice. The visits will be scheduled with participating employees and directors.

Contractor is not allowed to solicit participation from employees that have chosen not to participate in the program. The Contractor will be allowed to contact new employees once to explain the Program as part of VSD's new employee orientation process. Communications with employees shall be by their official VSD phone numbers and/or e-mail address unless they have specifically provided Contractor with personal phone numbers or e-mail addresses.

Contractor will be provided a designated space at the District office between the hours of 7:00 a.m. and 4:00 p.m. to provide the “in person” visits. For security and safety reasons, access to other buildings and areas of the Treatment Plant is not allowed.

Contractor is not permitted to sell, furnish, or represent equipment, supplements, services, or other items not provided as part of this Scope of Services.

Contractor is not a VSD employee and is not allowed to participate in VSD functions unless specifically requested by the General Manager or their designee.

**EXHIBIT B
BASIS OF COSTS**

The compensation for the scope of work described in Exhibit "A" of this document shall be based on a monthly basis of \$1,500. The services shall be provided for an amount not-to-exceed \$18,000 for a twelve-month duration.

On a monthly basis, Contractor shall submit to VSD accurate, detailed and complete invoices for the total work performed during the previous month. The invoices shall include the number of employees and directors that received services during the month being submitted. VSD shall make payment within 30 days of receipt of an undisputed invoice.

Valley Sanitary District
Combined Monthly Account Summary
December 2019 (UNAUDITED)

<u>Account Description</u>	<u>Current Month</u>	<u>Fiscal YTD</u>	<u>Annual Budget</u>	<u>% Expended</u>	<u>Balance</u>
Operating Expenses					
Salaries	211,998	1,206,940	2,615,000	46 %	1,408,060
Callout	715	7,683	9,000	85 %	1,317
Group dental/vision	3,555	13,946	30,500	46 %	16,554
Group disability	1,117	6,561	13,750	48 %	7,189
Group health	33,934	198,576	440,700	45 %	242,124
Group life	514	3,016	6,650	45 %	3,634
Longevity	2,723	16,246	37,000	44 %	20,754
Overtime	3,311	10,781	19,500	55 %	8,719
Payroll taxes	17,535	95,284	205,200	46 %	109,916
Retirement	19,441	115,788	269,500	43 %	153,712
Standby	2,836	16,432	38,000	43 %	21,568
Unemployment	0	162	0	0 %	(162)
Workers comp	3,800	22,117	47,400	47 %	25,283
Certifications	1,800	2,904	8,794	33 %	5,890
Chemicals	25,689	191,507	383,770	50 %	192,263
Clothing/Safety	1,094	10,182	39,625	26 %	29,443
Comprehensive insurance	23,621	141,728	296,500	48 %	154,772
Contract services	28,187	132,081	417,110	32 %	285,029
County charges	468	566	22,000	3 %	21,434
Directors' fees	2,500	24,750	36,500	68 %	11,750
Electricity	52,075	276,167	519,000	53 %	242,833
Gas/Oil	3,175	15,307	52,000	29 %	36,693
Memberships/Subscriptions	14,274	38,820	32,860	118 %	(5,960)
Natural gas	829	1,759	5,000	35 %	3,241
Office expense	551	4,967	16,000	31 %	11,033
Operating supplies	6,548	70,404	160,500	44 %	90,096
Other expenses	7,181	14,845	35,000	42 %	20,155
Permits & fees	1,428	75,589	88,450	85 %	12,861
Pretreatment	0	0	1,000	0 %	1,000
Professional/Legal	60,294	145,446	269,230	54 %	123,784
Publications	8	1,070	4,500	24 %	3,430
Repairs/Maintenance	20,458	252,604	592,200	43 %	339,596
Research & monitoring	416	27,997	92,800	30 %	64,803
Small tools	0	15,568	31,500	49 %	15,932
Telephone	1,541	8,894	19,500	46 %	10,606
Trash collection	2,612	14,810	35,000	42 %	20,190
Travel/Mtgs/Ed	7,046	52,055	81,250	64 %	29,195
Water	1,463	9,594	28,500	34 %	18,906
Total Expenses	564,739	3,243,144	7,000,789	46 %	3,757,645

Valley Sanitary District
Combined Monthly Account Summary
 December 2019 (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	13,146	106,711	235,000	45 %	128,289
Capital Replacement Fund 12	32,593	223,146	2,469,410	9 %	2,246,264
Capital Improvement Fund 13	0	0	40,000	0 %	40,000
Total Capital Expenses	45,739	329,857	2,744,410	12 %	2,414,553

Valley Sanitary District
Monthly Income Summary
December 2019 (UNAUDITED)

	<u>Current Month</u>	<u>Fiscal YTD</u>	<u>Annual Projection</u>	<u>% Received</u>	<u>Balance</u>
Revenues					
Sewer Service Chgs-Current	\$53,601	\$10,640,207	\$11,144,678	95 %	\$504,471
Sewer Service Chgs-Penalties	\$0	\$0	\$1,000	0 %	\$1,000
Permit & Inspection Fees	\$1,385	\$9,350	\$20,000	47 %	\$10,650
Plan Check Fees	\$1,500	\$6,050	\$10,000	61 %	\$3,950
Other Services	\$0	\$0	\$1,800	0 %	\$1,800
Sale of Surplus Property	\$0	\$6,944	\$0	0 %	(\$6,944)
Taxes - Current Secured	\$186,335	\$186,335	\$700,000	27 %	\$513,665
Taxes - Current Unsecured	\$0	\$22,054	\$25,000	88 %	\$2,946
Taxes - Prior Secured	\$0	\$0	\$6,000	0 %	\$6,000
Taxes - Penalties	\$0	\$0	\$1,500	0 %	\$1,500
Supple Prop. Taxes - Current	\$0	\$0	\$7,000	0 %	\$7,000
Supple Prop. Taxes - Prior	\$0	\$0	\$3,200	0 %	\$3,200
Homeowners Tax Relief	\$852	\$852	\$6,000	14 %	\$5,148
Interest Income	\$1,865	\$83,648	\$300,000	28 %	\$216,352
Unrealized gains (losses)	\$0	\$1,039	\$0	0 %	(\$1,039)
Non-Operating Revenues - Fnd 11	\$70	\$231,371	\$500	46,274 %	(\$230,871)
Interest Income	\$0	\$102,814	\$0	0 %	(\$102,814)
Connection Fees	\$24,200	\$482,548	\$1,100,000	44 %	\$617,452
Interest Income	\$0	\$26,251	\$120,000	22 %	\$93,749
Total Revenues	\$269,808	\$11,799,463	\$13,446,678	88 %	\$1,647,215