

Directors:

Mike Duran, *President*

William Teague, *Secretary*

Dennis M. Coleman, *Director*

General Manager:

Joseph Glowitz, *MBA, PE, PMP*

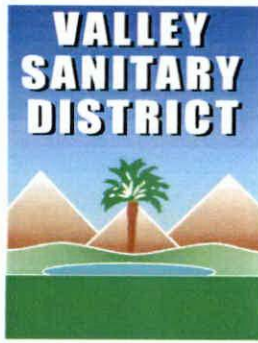
Regular Meeting of the Board of Directors

Tuesday

February 12, 2019

at

1:00 P.M.



Directors:

Mike Duran, President

William Teague, Secretary

Dennis Coleman, Director

General Manager:

Joseph Glowitz, MBA, PE, PMP

**REGULAR MEETING OF THE
BOARD OF DIRECTORS
Tuesday, February 12, 2019, 1:00 p.m.
AGENDA**

VALLEY SANITARY DISTRICT BOARD ROOM
45-500 VAN BUREN STREET
INDIO, CA 92201

RESOLUTION NO. 2019-1108
ORDINANCE NO. 2019-120
MINUTE ORDER NO. 2019-2856

CALL TO ORDER

1. Roll Call

PLEDGE OF ALLEGIANCE

CONSENT ITEMS

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.

- a. Consideration of the January 17, 2019 Special Board Meeting Minutes and the January 22, 2019 Regular Board Meeting Minutes
- b. Approval of Expenditures for January 17, 2019 to February 6, 2019

MINUTE ORDER NO.

PUBLIC COMMENTS

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.

OATH OF OFFICE

- A. Administer Oath of Office to Appointed Director – Clerk of the Board

Appointed Director: Scott Sear

- B. Election of Board Officers: President
Vice President
Secretary

NON-HEARING ITEMS

2. Study Session – Sewer Use Fee and Capacity Connection Fee Study

3. Set Public Hearing Date to Adopt Increase in the Sewer Use Fee

MINUTE ORDER NO.

4. Continuing Disclosure Annual Report for Fiscal Year 2017/2018 Assessment District No. 2004-VSD (Shadow Hills Interceptor)

INFORMATIONAL ITEM

5. Award of Contract – Audit Services, The Pun Group, LLC

MINUTE ORDER NO.

6. Secondary Security Fence Panels Project Pay Application Number 1

MINUTE ORDER NO.

7. Purchase Authorization – Ford F250 Super Cab from Fiesta Ford

MINUTE ORDER NO.

8. Consideration to Authorize Surplus of Equipment

MINUTE ORDER NO.

9. Consideration to Cancel the February 26, 2019 Board Meeting and Schedule a Special Board Meeting for March 5, 2019

MINUTE ORDER NO.

10. General Manager’s Report

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.

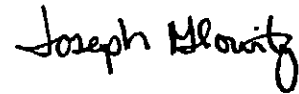
INFORMATIONAL ITEMS

Informational items are for information only; no action will be taken on these items.

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.

POSTED AND MAILED February 7, 2019

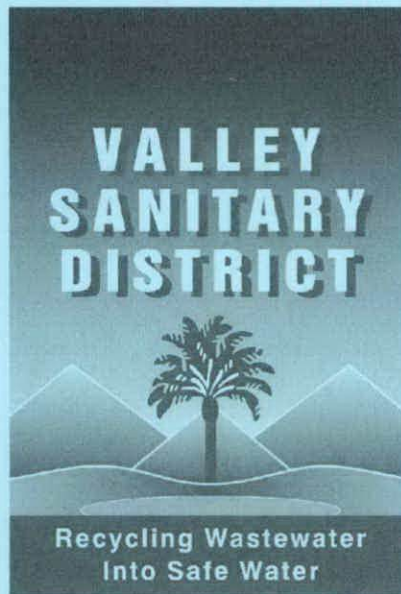


Joseph Glowitz, General Manager
Valley Sanitary District

PUBLIC NOTICE

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

Consent Items



a. Consideration of Board Meeting Minutes

b. Approval of Expenditures

**VALLEY SANITARY DISTRICT
MINUTES OF SPECIAL BOARD MEETING
January 17, 2019**

A Special 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 17, 2019.

CALL TO ORDER, ROLL CALL

1. PRESIDENT MIKE DURAN called the meeting to order at 12:30 p.m. Those in attendance were as follows:

DIRECTORS PRESENT: Mike Duran, William Teague, and Dennis Coleman

DIRECTORS ABSENT: Douglas A. York

STAFF PRESENT: Holly Gould

GUESTS: None

ADJOURN TO CLOSED SESSION

2. The Board shall adjourn to Closed Session for Labor Negotiations pursuant to Government Code Section 54957.6 for Unrepresented Employee – General Manager

The Board adjourned to closed session at 12:32 p.m. SECRETARY TEAGUE arrived at 12:34 p.m.

RECONVENE TO OPEN SESSION

The Board reconvened to open session at 1:02 p.m. PRESIDENT DURAN stated that there was nothing to report.

NON-HEARING ITEMS

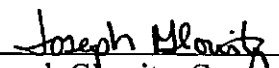
3. Board of Directors Application Interviews

The Members of the Board took this time to interview Carlos Pena and Scott Sear for potential appointment to the Valley Sanitary District Board of Directors to fill the vacancy left by the passing of Merritt Wiseman. The Board will make their official appointment at the January 22, 2019 Board Meeting.

ADJOURNMENT

There being no further business to discuss, the meeting was adjourned at 1:53 p.m., and the next Regular Board Meeting will be held January 22, 2019.

Respectfully submitted,



Joseph Glowitz, General Manager
Valley Sanitary District

**VALLEY SANITARY DISTRICT
MINUTES OF REGULAR BOARD MEETING
January 22, 2019**

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 22, 2019.

CALL TO ORDER, ROLL CALL

1. PRESIDENT MIKE DURAN called the meeting to order at 1:00 p.m. Those in attendance were as follows:

DIRECTORS PRESENT: Mike Duran, William Teague, and Dennis Coleman

DIRECTORS ABSENT: None

STAFF PRESENT: Joseph Glowitz, General Manager (via telephone), Holly Gould, and Ron Buchwald

GUESTS: None

CONSENT ITEMS

- a. Consideration of the January 8, 2019 Regular Board Meeting Minutes
- b. Consideration of Cash and Investments for December 2018
- c. Approval of Expenditures for January 3, 2019 to January 17, 2019

Check numbers 36815 to 36864 totaling \$114,731.26, and transfers of \$148,423.35 were issued.

ACTION TAKEN:

MOTION: SECRETARY TEAGUE made a motion to approve the minutes for the Regular Board Meeting held January 8, 2019, approve the Summary of Cash & Investments for December, 2018, and pay the disbursement items as presented. DIRECTOR COLEMAN seconded the motion. Motion carried by the following vote: 3 yes

MINUTE ORDER NO. 2019-2852

PUBLIC COMMENTS

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

NON-HEARING ITEMS

2. Continuing Disclosure Annual Report for Fiscal Year 2017/2018 \$7,540,000 Wastewater Revenue Refunding Bonds, Series 2015
-

Pursuant to the Continuing Disclosure Certificate, the Annual Report is due no later than February 15 each year. This Annual Report contains the audited Financial Statements of the District for the year ended June 30, 2018; customer base; largest customers; historical net revenues and debt service coverage; description of additional indebtedness incurred by the District; and material event notice filing summary.

ACTION TAKEN:

MOTION: DIRECTOR COLEMAN made a motion to receive and file the Continuing Disclosure Annual Report for \$7,540,000 Wastewater Revenue Refunding Bonds, Series 2015. SECRETARY TEAGUE seconded the motion. Motion carried by the following vote: 3 yes

MINUTE ORDER NO. 2019-2853

3. Award of Contracts – Secondary Clarifier Epoxy Coating Project to National Coating & Lining Company and Painting Inspection to AIC Coating Services

Staff put together bid specifications for the Secondary Clarifier Epoxy Coating Project. This is the last of the three (3) secondary clarifiers to be coated. The District advertised this improvement project in December 2018 and received one (1) bid at the bid opening on January 10, 2019. There is no expectation that a re-bid would solicit additional bids. Therefore, staff recommends moving forward with the single bid from National Coating and Lining Company for \$137,225 and to award a contract to AIC Coating Services to provide inspection services during the epoxy coating for \$15,000.

ACTION TAKEN:

MOTION: SECRETARY TEAGUE made a motion to award the Secondary Clarifier Epoxy Coating Project to National Coating & Lining Company and authorize the General Manager to execute a construction contract not to exceed \$137,225 and to authorize the General Manager to award a contract to AIC Coating Services, not to exceed \$15,000, to provide inspection services during the epoxy coating of the secondary clarifier. DIRECTOR COLEMAN seconded the motion. Motion carried by the following roll call vote:

MINUTE ORDER NO. 2019-2854

AYES: Director(s) Coleman, Duran, Teague
NOES: None
ABSENT: None
ABSTAIN: None

4. Vacancy Appointment for Valley Sanitary District Board of Directors

Due to a vacancy on the Valley Sanitary District Board of Directors, the Board voted to fill the vacancy by appointment. After consideration the Board has appointed Scott Sear to the Valley Sanitary District Board of Directors.

ACTION TAKEN:

MOTION: SECRETARY TEAGUE made a motion to appoint Scott Sear to the Valley Sanitary District Board of Directors. DIRECTOR COLEMAN seconded the motion. Motion carried by the following roll call vote:

AYES: Director(s) Coleman, Duran, Teague
NOES: None
ABSENT: None
ABSTAIN: None

MINUTE ORDER NO. 2019-2855

5. General Manager's Report

The Fiscal Year 2019/20 budget process continues, and a copy of the draft budget will be available January 24, 2019 for staff review. The Rate Study Workshop is scheduled for the February 12, 2019 Board Meeting.

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.

VICE PRESIDENT DOUGLAS A. YORK submitted his resignation from the Valley Sanitary District Board of Directors effective January 19, 2019. It is the consensus of the Board to fill the vacancy by appointment. The Notice of Vacancy will be posted January 22, 2019. PRESIDENT DURAN requested the District host a luncheon to honor VICE PRESIDENT YORK.

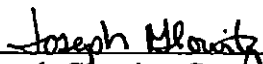
DIRECTOR COLEMAN wished PRESIDENT DURAN a happy birthday.

PRESIDENT DURAN and DIRECTOR COLEMAN requested to attend the CASA Conference in Washington D.C in February 2019.

ADJOURNMENT

There being no further business to discuss, the meeting was adjourned at 1:35 p.m., and the next Regular Board Meeting will be held February 12, 2019.

Respectfully submitted,



Joseph Glowitz, General Manager
Valley Sanitary District

DISBURSEMENTS
 Approved at the Board Meeting of
 February 12, 2019

36866 Smith & Loveless Inc.	Pump Station Repairs and Parts	\$3,020.29
36867 City of Indio Fire Services	Fire Services Permit	\$1,651.00
36868 Nautilus Environmental, LLC	Bioassay Testing	\$3,400.00
36869 Air & Hose Source, Inc.	Air Bubble Gauge Fitting	\$51.11
36869 Air & Hose Source, Inc.	Lift Cylinder for Flat Bed Truck	\$200.44
36869 Air & Hose Source, Inc.	Hose Clamp & Tubing	\$23.93
36869 Air & Hose Source, Inc.	Hose Coupling	\$54.32
36870 Alfa Laval Inc.	Upper & Lower Belts for Belt Press	\$10,762.73
36871 Analytical Technology, Inc.	Cooling Block	\$583.17
36872 Around The Clock Call Center	Call Center Service for January 2019	\$139.40
36873 Bentley Systems, Inc.	SewerGEMS GSA# GS35F0453L Renewal	\$4,128.24
36874 Borden Excavating, Inc.	* Water Main & Hydrant Installation	\$14,970.89
36874 Borden Excavating, Inc.	*Sewer Main Point Repair	\$36,755.00
36875 Calif. Assoc. of Sanitation Agencies	Registration for 2 Board Members	\$1,390.00
36876 Calif. Water Environment Assn.	Certificate & Membership Renewal	\$265.00
36876 Calif. Water Environment Assn.	Certificate Renewal	\$97.00
36876 Calif. Water Environment Assn.	Membership Renewal	\$188.00
36876 Calif. Water Environment Assn.	Membership Renewal	\$188.00
36877 Carollo Engineering, Inc	*Asset Management for December 2018	\$2,170.00
36877 Carollo Engineering, Inc	*Arc Flash Study December 2018	\$17,952.30
36878 Carquest Auto Parts	New Charges for January 2019	\$237.32
36879 Cart Mart, Inc.	Repair to Cart	\$34.54
36880 Cintas Corp	Uniforms for Week of 1/21/19	\$746.23
36880 Cintas Corp	Uniforms for Week of 1/28/19	\$746.23
36881 City of Indio	Enroachment Permit Fee	\$1,428.00
36882 Cole-Parmer	Digital Thermometer Calibration	\$299.44
36883 Core & Main LP	Cleanout Boxes and Lids	\$106.05
36884 CTE Systems, Inc	Attendance on Demand for January 2019	\$281.67
36885 D & H Water Systems	Ferric Chloride Tank	\$18,484.78
36886 Dennis Coleman	Dental & Vision Reimbursement	\$1,023.00
36886 Dennis Coleman	CASA Reimbursement	\$45.00
36887 Dept. of Environmental Health	Hazardous Waste Facilities Permit 2019	\$2,241.00
36888 Desert Fire Extinguisher Co., Inc.	Annual Fire Extinguisher Service	\$2,682.55
36889 Desert Resort Security	Plant Security 1/1/19-1/15/19	\$2,780.00
36890 E.S. Babcock & Sons, Inc.	NPDES Testing	\$486.00
36890 E.S. Babcock & Sons, Inc.	Weekly Lab Testing	\$212.00
36891 Equipment Direct	Plant Safety Equipment	\$449.65
36892 Ferguson Enterprises #1350	Bathroom Repair	\$23.95
36893 Franklin Truck Parts, Inc.	Marker Lamps for Vactor	\$63.72
36894 Fulton Distributing Co.	Restock Breakroom Supplies	\$1,547.27
36895 Grainger	Coupling	\$280.78
36895 Grainger	Relays and Sockets	\$134.39
36895 Grainger	Sample Pump	\$620.66
36895 Grainger	Sample Pump	\$1,241.32
36896 Hach Company	Glass Fiber Filters	\$284.20
36896 Hach Company	Field Probe	\$971.70
36896 Hach Company	COD Vials	\$328.02
36896 Hach Company	Composite Bottles	\$243.60
36897 Harrell & Company Advisors, LLC	Prep & File Continuing Disclosure Report	\$1,500.00
36898 Harris & Associates	*Collection System Design & Mgmt 11/25/18-12/29/18	\$10,501.50
36899 Indio Water Authority	EVRA Contribution	\$25,000.00
36900 Interstate All Battery Center	Batteries	\$77.58
36901 JWC Environmental Inc.	*Primary Gallery Macerator	\$61,730.32
36902 Kaman Industrial Technologies	Conveyor Coupling for Headworks	\$37.04
36903 MARCAB Company, Inc.	Gaskets for Iron Sponge Tank	\$784.14
36904 McMaster-Carr Supply Co.	Parts for Muffin Monster	\$723.05
36904 McMaster-Carr Supply Co.	Ferric Sign Posts	\$566.08
36904 McMaster-Carr Supply Co.	Hose & Tubing	\$93.87
36904 McMaster-Carr Supply Co.	Bubblers, Bolts and Gaskets	\$598.45
36904 McMaster-Carr Supply Co.	Strut Channel Connector	\$45.92
36905 Municipal Financial Services	Evaluation of Sewer Capacity Charges 10/1/18-1/6/19	\$1,820.00
36905 Municipal Financial Services	Evaluation of Sewer Use Fees 10/1/18-1/6/19	\$3,500.00
36905 Municipal Financial Services	Evaluation of Sewer Capacity Charges 1/7/19-2/3/19	\$2,800.00
36905 Municipal Financial Services	Evaluation of Sewer Use Fees 1/7/19-2/3/19	\$4,760.00
36906 National Notary Association	Errors & Omissions Insurance Renewal	\$78.00
36907 Northern Safety Co.	Latex Gloves	\$270.55
36908 Northwest Scientific, Inc.	Laboratory Supplies	\$593.24

36909 Polydyne, Inc.	Polymer for Belt Press	\$7,248.62
36910 Praxair Distribution, Inc.	Tank Rentals	\$73.24
36911 Pyro-Comm Systems	Fire Alarm Monitoring	\$135.00
36912 Quinn Company	Fuel Filter for Gen.#2	\$45.96
36912 Quinn Company	Parts for Gen. #2	\$25.26
36912 Quinn Company	Generator Rental	\$1,918.05
36912 Quinn Company	Transfer Switch Test #4	\$1,572.00
36912 Quinn Company	Transfer Switch Test #3	\$983.00
36912 Quinn Company	Transfer Switch Test #2	\$983.00
36913 ReadyRefresh by Nestle	Bottled Water for January 2019	\$679.20
36914 Safety-Kleen Systems, Inc.	Filter Cleaning	\$621.90
36915 SoCo Group, Inc.	Unleaded & Diesel Fuel	\$2,279.14
36916 Southern California Boiler, Inc.	Digester Fuel Servo Replacement	\$4,872.60
36917 Southwest Networks, Inc.	Quarterly Billing March -May 2019	\$6,267.00
36918 Stantec Consulting Services, Inc.	*Procurement for Prep & Engineering for Coating	\$2,864.00
36919 The Sherwin-Williams Co.	Paint	\$87.82
36920 Tops 'N Barricades Inc.	Marking Paint	\$100.49
36920 Tops 'N Barricades Inc.	Signage for Ferric Tank	\$610.52
36920 Tops 'N Barricades Inc.	Tank Caps	\$177.05
36920 Tops 'N Barricades Inc.	Sign Lights	\$52.53
36921 Total Compensation Systems, Inc.	GASB75F Valuation Services	\$810.00
36922 Tremblay Iron Works	*Security Fence Progress Pymt 1	\$54,583.20
36923 Trimax Systems. Inc.	UPS Grit PLC	\$3,415.84
36924 Underground Service Alert	Dig Alerts for January 2019	\$193.15
36925 United Way of the Desert	PR 01/11/2019 - 01/24/2019 PD 02/01/2019	\$50.00
36926 Univar USA Inc.	Ferric Chloride	\$6,675.08
36926 Univar USA Inc.	Sodium Bisulfite	\$5,736.56
36926 Univar USA Inc.	Sodium Hypochlorite	\$7,032.51
36927 USA Blue Book	Circular Charts	\$129.89
36928 Vantage Point Transfer Agents - ICMA	PR 01/11/2019 - 01/24/2019 PD 02/01/2019	\$1,345.00
36929 Walters Wholesale Electric	Ferric Tank Electrical Sensor	\$224.23
36930 Willdan Financial Services	AD 2004-VSD Administration Fees	\$4,500.00
36931 William Teague	Vision Reimbursement	\$194.98
36932 Xylem Water Solutions USA, Inc.	Repair RAS Pump #1	\$9,372.22
36932 Xylem Water Solutions USA, Inc.	RAS Pump Bolts	\$60.89
36933 Yellow Mart	Work Boots	\$206.61
36933 Yellow Mart	Work Boots	\$206.23
36933 Yellow Mart	Work Boots	\$188.67
36933 Yellow Mart	Work Boots	\$212.05
201902101 Humana Dental Insurance	Dental Insurance for February 2019	\$1,869.61
201901311 Domino Solar LTD	Electricity for December 2018	\$5,960.20
201901221 Sun Life Financial	Vision Insurance for February 2019	\$663.93
201901291 CalPERS 457	PR 12/28/2019 - 01/10/2019 PD 01/18/2019	\$1,405.00
201901292 CalPERS Retirement	PR 12/28/2019 - 01/11/2019 PD 01/18/2019	\$15,485.15
201901301 Home Depot Credit Services	New Charges for January 2019	\$238.57
201901311 Standard Insurance Company	Life and Disability Insurance for February 2019	\$1,635.55
201901312 Paychex - Fee	PR 01/11/2019 - 01/24/2019 PD 02/01/2019	\$190.47
201901313 Paychex - Garnishment	PR 01/11/2019 - 01/24/2019 PD 02/01/2019	\$75.00
201902011 Paychex - Direct Deposit	PR 01/11/2019 - 01/24/2019 PD 02/01/2019	\$61,764.32
201902012 Paychex - Tax	PR 01/11/2019 - 01/24/2019 PD 02/01/2019	\$29,051.48
201902013 MassMutual	PR 01/11/2019 - 01/24/2019 PD 02/01/2019	\$10.00
201902014 Nationwide Retirement Solution	PR 01/11/2019 - 01/24/2019 PD 02/01/2019	\$2,589.06
201902015 TASC	PR 01/11/2019 - 01/24/2019 PD 02/01/2019	\$362.54
201902031 Time Warner Cable	Telephone Service for January 2019	\$1,137.61
201902041 Imperial Irrigation District	Electricity for December 2018	\$44,320.79
201902042 Imperial Irrigation District	Electricity for January 2019	\$303.16
201902043 Verizon Wireless	Cell Service for January 2019	\$353.71
201902051 Indio Water Authority	VSD Hydrant Agreement for December 2018	\$463.44
201902051 Indio Water Authority	Water Service for December 2018	\$711.80
201902052 Frontier Communications	Telephone Service for January 2019	\$203.88
201902101 Burretec Waste & Recycling Svcs	Trash Service for February 2019	\$222.38
201902102 Burretec Waste & Recycling Svcs	Grit Removal for January 2019	\$2,292.97
201902103 Office Depot Credit Plan	Restock Office Supplies	\$159.47
201902111 Paychex - Fee	2018 State Tax Returns	\$30.00
201902121 Bank of New York Mellon	02/15/2019 2004-VSD SR 05 Interest Payment	\$123,176.19

*Capital Expenditures

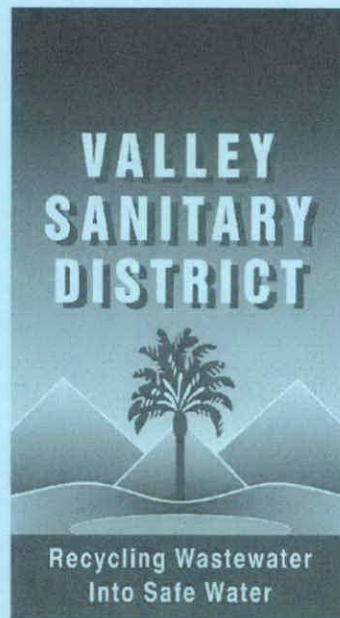
Approved:

\$672,903.40

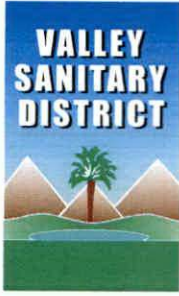
Joseph Blawie

Agenda Item

2



Study Session – Sewer Use Fee and
Capacity Connection Fee Study



Valley Sanitary District
Board of Directors Meeting
February 12, 2019

TO: Board of Directors
FROM: Joseph Glowitz
SUBJECT: Study Session – Sewer Use Fee and Capacity Connection Fee Study

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

Recommendation:

None. Study Session.

Background:

Staff and the consultant, Municipal Financial Services, will lead a Study Session with the Board of Directors regarding the Sewer Use Fee and Capacity Connection Fee Study.

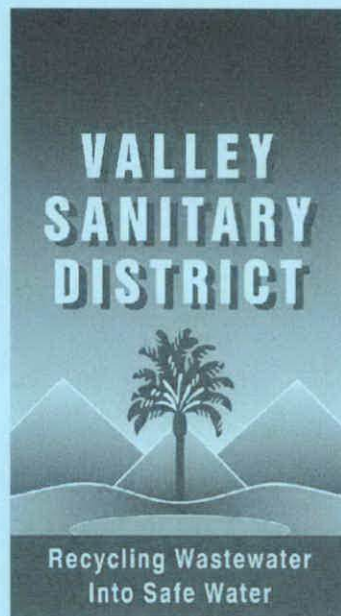
Fiscal Impact (Dollars):

None at this time.

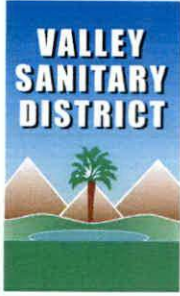
Submitted By: Joseph Glowitz
Joseph Glowitz
General Manager

Approved By: Joseph Glowitz
Joseph Glowitz
General Manager

Agenda Item
3



Set Public Hearing Date to Adopt Increase
in the Sewer Use Fee



Valley Sanitary District
Board of Directors Meeting
February 12, 2019

TO: Board of Directors
FROM: Joseph Glowitz, General Manager
SUBJECT: Set Public Hearing Date to Adopt Increase in the Sewer Use Fee

<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

Recommendation:

It is recommended that the Board set a public hearing date of May 14, 2019 to consider the increase in the Sewer Use Fee for Fiscal Year 2019/2020 and approve the Public Hearing Notice for publishing in the Desert Sun.

Background:

In accordance with California Proposition 218, notice is to be sent to the record owners and/or tenants via U.S. Mail at least 45 days before the Public Hearing in order to consider an increase to the Sewer Use rate. Additionally, notice of the Public Hearing will be advertised in the Desert Sun, a newspaper of general circulation, on March 24 and March 31, 2019.

Fiscal Impact:

None at this time.

Submitted by: Joanne Padgham
Joanne Padgham
Administration & Finance Manager

Approved by: Joseph Glowitz
Joseph Glowitz
General Manager

Attachment: Public Hearing Notice

**NOTICE OF PUBLIC HEARING ON PROPOSED
NEW RATE FOR VALLEY SANITARY DISTRICT
SEWER SERVICES**

On Tuesday, May 14, 2019, the Valley Sanitary District Board of Directors will hold a public hearing to consider the proposed rate described in the Proposition 218 Notice mailed to property owners of record within the District's service area.

The hearing will begin at 1:00 p.m. in the Valley Sanitary District Boardroom located at 45-500 Van Buren Street, Indio, CA 92201.

How to protest the proposed new rate:

Under Proposition 218, the property owner of record or a tenant may submit a written protest against the proposed rate increase to the District at or before the time set for the public hearing.

Protests should contain the following information: (1) a description of the property, such as the assessors parcel number; (2) whether you are the property owner of record or a tenant; and (3) the parcel owner's or tenant's signature. One written protest per parcel will be counted.

Please mail written protests to:

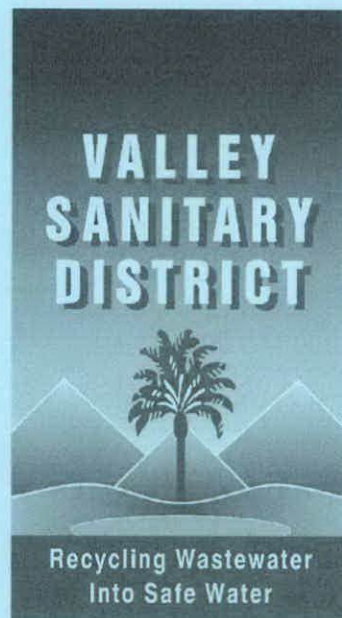
Board of Directors
Valley Sanitary District
45-500 Van Buren Street
Indio, CA 92201

Or you can deliver your protest to the Clerk of the Board at the same address, Monday – Friday between the hours of 8:00 a.m. and 5:00 p.m. Written protests **must be received** by Valley Sanitary District no later than 1:00 p.m. on Tuesday, May 14, 2019.

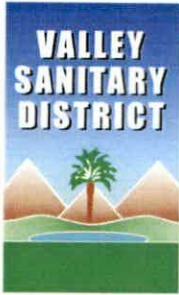
The Board of Directors will consider all protests against the proposed increase. If written protests against the proposed increase are presented by the majority of property owners, the Board of Directors will not impose the increase. If there is no majority protest, the District Board of Directors may vote to adopt the proposed rate for sewer services, which will become effective as of July 1, 2019.

Agenda Item

4



Continuing Disclosure Annual Report for
Fiscal Year 2017/2018 Assessment District
No. 2004-VSD (Shadow Hills Interceptor)



Valley Sanitary District
Board of Directors Meeting
February 12, 2019

TO: Board of Directors
FROM: Joanne Padgham
SUBJECT: Annual Continuing Disclosure Information Statement for Fiscal Year 2017/2018
Assessment District No. 2004-VSD (Shadow Hills Interceptor)

<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

Recommendation:

Receive and file.

Background:

Pursuant to the Continuing Disclosure Certificate, the Annual Report is due no later than February 15 each year. This Annual Report contains:

- I. Introduction
- II. Bond Information
- III. Financial Information
- IV. Operating Information

Fiscal Impact (Dollars):

None.

Submitted By: Joanne Padgham Approved By: Joseph Glowitz
 Joanne Padgham Administration & Finance Manager Joseph Glowitz General Manager

Attachments: Annual Continuing Disclosure Report for Fiscal Year 2017/2018

**VALLEY
SANITARY
DISTRICT**



VALLEY SANITARY DISTRICT

\$8,848,000
Assessment District No. 2004-VSD
(Shadow Hills Interceptor)
Limited Obligation Improvement
Bonds, Series 2005

Riverside County, California

Dated: August 4, 2005

Base CUSIP+: 920068

2017/2018
ANNUAL CONTINUING DISCLOSURE
INFORMATION STATEMENT
AS OF JANUARY 30, 2019

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LIST OF PARTICIPANTS

VALLEY SANITARY DISTRICT

Joanne Padgham
Administration & Finance Manager
45500 Van Buren Street
Indio, California 92201
(760) 238-5400
www.valley-sanitary.org

DISTRICT ADMINISTRATOR AND DISCLOSURE CONSULTANT*

Willdan Financial Services*
27368 Via Industria, Suite 200
Temecula, California 92590
Phone (951) 587-3500
www.willdan.com/financial

UNDERWRITERS

Kinsell, Newcomb & De Dios, Inc.

Stinson Securities, LLC

BOND COUNSEL AND DISCLOSURE COUNSEL

Best Best & Krieger LLP
Riverside, California

FISCAL AGENT AND DISSEMINATION AGENT

The Bank of New York Mellon Trust Company, N.A.
Los Angeles, California

* In its role as Disclosure Consultant Willdan Financial Services has not passed upon the accuracy, completeness or fairness of the statements contained herein.

I. INTRODUCTION

Pursuant to an Official Statement dated July 21, 2005, the Valley Sanitary District (the "Sanitary District") issued \$8,848,000 Assessment District No. 2004-VSD (Shadow Hills Interceptor) Limited Obligation Improvement Bonds, Series 2005 (the "Bonds"). The Bonds were issued to (i) finance the costs of certain public improvements serving property within Assessment District No. 2004-VSD (Shadow Hills Interceptor) (the "District") of the Sanitary District, (ii) fund capitalized interest on the Bonds through September 2, 2006, (iii) pay costs related to the issuance of the Bonds, and (iv) make a deposit to a Reserve Fund.

The District is comprised of approximately 2,389 residential lots in ten separate developments throughout the City of Indio. Building permits have been issued in eight of the ten developments. All building permits have been issued in three of the developments, with the percent issued in the remaining five developments ranging from 69% to 100%.

This Annual Continuing Disclosure Information Statement is being provided pursuant to a covenant made by the Sanitary District for the benefit of the holders of the Bonds and includes the information specified in a Continuing Disclosure Agreement, dated as of July 1, 2015 (the "Continuing Disclosure Agreement"). For further information and a more complete description of the Sanitary District, City of Indio, the District, and the Bonds, reference is made to the Official Statement.

The information set forth herein has been furnished by the Sanitary District and by other sources, which is believed to be accurate and reliable, but is not guaranteed as to accuracy or completeness. Statements contained in this Annual Continuing Disclosure Information Statement that involve estimates, forecasts, or other matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact. Further, the information and expressions of opinion contained herein are subject to change without notice and the delivery of this Annual Continuing Disclosure Information Statement will not, under any circumstances, create any implication that there has been no change in the affairs of the Sanitary District or any other parties described herein.

THIS ANNUAL CONTINUING DISCLOSURE INFORMATION STATEMENT IS OF A FACTUAL NATURE WITHOUT SUBJECTIVE ASSUMPTIONS, OPINIONS, OR VIEWS AND MAY NOT BE RELIED UPON AS ADVICE OR RECOMMENDATION TO PURCHASE OR SELL ANY PRODUCT OR UTILIZE ANY PARTICULAR STRATEGY RELATING TO THE ISSUANCE OF MUNICIPAL SECURITIES OR PURCHASE OF FINANCIAL PRODUCTS. WILLDAN FINANCIAL SERVICES AND ITS EMPLOYEES (COLLECTIVELY "WILLDAN") DO NOT RECOMMEND ANY ACTIONS AND ARE NOT ACTING AS AN ADVISOR TO ANY MUNICIPAL ENTITY, BOARD, OFFICER, AGENT, EMPLOYEE OR OBLIGATED PERSON PURSUANT TO SECTION 15B OF THE EXCHANGE ACT. PRIOR TO ACTING ON ANY INFORMATION OR MATERIAL CONTAINED IN THIS COMMUNICATION, YOU SHOULD DISCUSS IT WITH APPROPRIATE INTERNAL OR EXTERNAL ADVISORS AND EXPERTS AND ONLY RELY UPON THEIR ADVICE.

II. BOND INFORMATION

A. PRINCIPAL OUTSTANDING

Issue	As of September 30, 2018
Limited Obligation Improvement Bonds, Series 2005	\$5,365,000.00

B. FUND BALANCES

Fund	As of June 30, 2018	As of September 30, 2018
Reserve Fund	\$623,930.56	\$626,312.56
Redemption Fund	\$111.76	\$330.38

Source: The Bank of New York Mellon Trust Company, N.A.

There have not been any funds withdrawn from the Reserve Fund to pay interest or principal payments on the Bonds since the date of the last Annual Continuing Disclosure Information Statement.

C. DEBT SERVICE PAYMENTS

There have not been any failures to pay interest or principal payments on the Bonds since the date of the last Annual Continuing Disclosure Information Statement.

III. FINANCIAL INFORMATION

THE SANITARY DISTRICT'S AUDITED FINANCIAL STATEMENTS ARE PROVIDED SOLELY TO COMPLY WITH THE SECURITIES EXCHANGE COMMISSION STAFF'S INTERPRETATION OF RULE 15C2-12. NO FUNDS OR ASSETS OF THE SANITARY DISTRICT ARE REQUIRED TO BE USED TO PAY DEBT SERVICE ON THE BONDS AND THE SANITARY DISTRICT IS NOT OBLIGATED TO ADVANCE AVAILABLE FUNDS FROM THE SANITARY DISTRICT TREASURY TO COVER ANY DELINQUENCIES. INVESTORS SHOULD NOT RELY ON THE FINANCIAL CONDITION OF THE SANITARY DISTRICT IN EVALUATING WHETHER TO BUY, HOLD OR SELL THE BONDS.

The audited financial statements for the Sanitary District for the fiscal year ending June 30, 2018 are attached to this report as Appendix A.

IV. OPERATING INFORMATION

A. TOTAL DELINQUENCIES

The following tables set forth delinquency information for all Fiscal Years.

Fiscal Year 2006/07 Tax Roll			
As of	Total Levy	Unpaid Amount	Percent Unpaid
	\$656,706.74		
June 30, 2007		\$56,243.10	8.56%
September 30, 2007		47,656.46	7.26%
June 30, 2008		19,427.27	2.96%
September 30, 2008		9,674.77	1.47%
June 30, 2009		3,379.14	0.51%
September 30, 2009		2,956.09	0.45%
June 30, 2010		1,411.82	0.21%
September 30, 2010		1,270.26	0.19%
June 30, 2011		707.80	0.11%
September 30, 2011		847.43	0.13%
June 30, 2012		0.00	0.00%

Fiscal Year 2007/08 Tax Roll			
As of	Total Levy	Unpaid Amount	Percent Unpaid
	\$653,272.68		
June 30, 2008		\$84,345.33	12.91%
September 30, 2008		44,986.17	6.89%
June 30, 2009		12,463.38	1.91%
September 30, 2009		9,465.91	1.45%
June 30, 2010		3,841.50	0.59%
September 30, 2010		3,018.01	0.46%
June 30, 2011		1,650.86	0.25%
September 30, 2011		1,650.86	0.25%
June 30, 2012		275.32	0.04%
September 30, 2012		275.32	0.04%
June 30, 2013		0.00	0.00%

Fiscal Year 2008/09 Tax Roll			
As of	Total Levy	Unpaid Amount	Percent Unpaid
	\$659,716.54		
June 30, 2009		\$42,201.68	6.40%
September 30, 2009		31,915.50	4.84%
June 30, 2010		15,922.83	2.41%
September 30, 2010		13,980.72	2.12%
June 30, 2011		1,801.20	0.27%
September 30, 2011		2,082.24	0.32%
June 30, 2012		832.55	0.13%
September 30, 2012		832.55	0.13%
June 30, 2013		277.06	0.04%
September 30, 2013		277.06	0.04%
June 30, 2014		277.06	0.04%
September 30, 2014		0.00	0.00%

Fiscal Year 2009/10 Tax Roll			
As of	Total Levy	Unpaid Amount	Percent Unpaid
	\$652,845.46		
June 30, 2010		\$75,030.55	11.49%
September 30, 2010		71,210.04	10.91%
June 30, 2011		54,085.86	8.28%
September 30, 2011		32,435.78	4.97%
June 30, 2012		23,568.26	3.61%
September 30, 2012		23,568.26	3.61%
June 30, 2013		270.28	0.04%
September 30, 2013		270.28	0.04%
June 30, 2014		135.14	0.02%
September 30, 2014		135.14	0.02%
June 30, 2015		0.00	0.00%

Fiscal Year 2010/11 Tax Roll			
As of	Total Levy	Unpaid Amount	Percent Unpaid
	\$650,179.10		
June 30, 2011		\$85,951.54	13.22%
September 30, 2011		28,099.71	4.32%
June 30, 2012		23,881.31	3.67%
September 30, 2012		23,746.70	3.65%
June 30, 2013		134.61	0.02%
September 30, 2013		0.00	0.00%

Fiscal Year 2011/12 Tax Roll			
As of	Total Levy	Unpaid Amount	Percent Unpaid
	\$646,964.44		
June 30, 2012		\$33,422.23	5.17%
September 30, 2012		24,849.93	3.84%
June 30, 2013		1,360.33	0.21%
September 30, 2013		821.11	0.13%
June 30, 2014		0.00	0.00%

Fiscal Year 2012/13 Tax Roll			
As of	Total Levy	Unpaid Amount	Percent Unpaid
	\$646,832.20		
June 30, 2013		\$3,252.51	0.50%
September 30, 2013		2,441.89	0.38%
June 30, 2014		542.47	0.08%
September 30, 2014		542.47	0.08%
June 30, 2015		137.69	0.02%
September 30, 2015		137.69	0.02%
June 30, 2016		0.00	0.00%

Fiscal Year 2013/14 Tax Roll			
As of	Total Levy	Unpaid Amount	Percent Unpaid
	\$645,039.38		
June 30, 2014		\$3,800.04	0.59%
September 30, 2014		1,904.93	0.29%
June 30, 2015		815.38	0.13%
September 30, 2015		407.65	0.06%
June 30, 2016		407.65	0.06%
September 30, 2016		136.77	0.02%
June 30, 2017		136.77	0.02%
September 30, 2017		136.77	0.02%
June 30, 2018		136.77	0.02%
September 30, 2018		136.77	0.02%

Fiscal Year 2014/15 Tax Roll			
As of	Total Levy	Unpaid Amount	Percent Unpaid
	\$648,398.90		
June 30, 2015		\$2,997.19	0.46%
September 30, 2015		955.29	0.15%
June 30, 2016		412.47	0.06%
September 30, 2016		412.47	0.06%
June 30, 2017		274.98	0.04%
September 30, 2017		274.98	0.04%
June 30, 2018		274.98	0.04%
September 30, 2018		274.98	0.04%

Fiscal Year 2015/16 Tax Roll			
As of	Total Levy	Unpaid Amount	Percent Unpaid
	\$638,499.02		
June 30, 2016		\$2,687.63	0.42%
September 30, 2016		1,084.99	0.17%
June 30, 2017		272.70	0.04%
September 30, 2017		272.70	0.04%
June 30, 2018		272.70	0.04%
September 30, 2018		272.70	0.04%

Fiscal Year 2016/17 Tax Roll			
As of	Total Levy	Unpaid Amount	Percent Unpaid
	\$638,341.82		
June 30, 2017		\$3,538.81	0.55%
September 30, 2017		1,634.62	0.26%
June 30, 2018		956.68	0.15%
September 30, 2018		956.68	0.15%

Fiscal Year 2017/18 Tax Roll			
As of	Total Levy	Unpaid Amount	Percent Unpaid
	\$627,605.32		
June 30, 2018		\$13,023.62	2.08%
September 30, 2018		3,424.34	0.55%

Source: Fiscal Years 2006/07 through 2016/17 – Riverside County Tax Collector, as compiled by Shepherd and Staats, Inc.

Source: Fiscal Year 2017/18 – Riverside County Tax Collector, as compiled by Willdan Financial Services.

B. STATUS OF FORECLOSURE PROCEEDINGS

The Assessment Bond Law provides that in the event any Assessment installment or any interest thereon is not paid when due, the Sanitary District may order the institution of a court action to foreclose the lien of the unpaid assessment. In such an action, the real property subject to the unpaid assessment may be sold at judicial foreclosure sale. This foreclosure sale procedure is not mandatory under the Assessment Bond Law. However, the Sanitary District has covenanted in the Fiscal Agent Agreement that it will order, and cause to be commenced, judicial foreclosure proceedings against properties with delinquent Assessment installments in excess of \$750 by the October 1 following the close of the Fiscal Year in which such installments were due, and will commence judicial foreclosure proceedings against all properties with delinquent Assessment installments by the October 1 following the close of each Fiscal Year in which it receives Assessment Revenues in an amount which is less than ninety-five percent (95%) of the total Assessment Revenues which were to be received in the Fiscal Year and diligently pursue to completion such foreclosure proceedings.

Currently, there is one parcel that meets the criteria to commence foreclosure proceedings, which has been forwarded to the District's Foreclosure Attorney. The following table summarizes the total amount delinquent for this parcel.

Assessor's Parcel Number	Delinquent Amount Per Fiscal Year				Total Delinquent Amount
	2013/14	2014/15	2016/17	2017/18	
692-570-070	\$136.77	\$274.98	\$136.88	\$273.92	\$822.55

Source: Riverside County Tax Collector, as compiled by Willdan Financial Services.

C. BUILDING PERMITS

There were 31 building permits issued during Fiscal Year 2017/18 for the construction of single family homes within the boundaries of the District. Between July 1, 2018 and November 30, 2018, there were no building permits issued. As summarized in the table below, there have been a total of 1,787 building permits issued within the boundaries of the District as of November 30, 2018.

Year	Building Permits Issued	
	As of June 30 th	As of November 30 th
2005	124	637
2006	1,330	1,357
2007	1,381	1,388
2008	1,450	1,454
2009	1,461	1,461
2010	1,466	1,471
2011	1,471	1,483
2012	1,483	1,483
2013	1,498	1,523
2014	1,561	1,578
2015	1,601	1,616
2016	1,686	1,692
2017	1,756	1,756
2018	1,787	1,787

D. CHANGE IN OWNERSHIP

The following table sets forth the total number of parcels in the District that changed ownership from a home builder to a homeowner for the current Fiscal Year as well as the total number of parcels owned by persons other than a home builder.

Ownership ⁽¹⁾	Fiscal Year 2017/18	Fiscal Year 2018/19	Difference
Home Builders			
DR Horton	67	48	(19)
Woodside Homes	3	1	(2)
Subtotal	70	49	(21)
Other Persons			
Homeowners	1,476	1,532	56
Other ⁽²⁾	595	560	(35)
Subtotal	2,071	2,092	21
Grand Total	2,141	2,141	-

⁽¹⁾ Home builders compiled pursuant to the "Property Ownership and Development" section on page 15 of the Official Statement.

⁽²⁾ Category includes Banks, Mortgage Companies and similar entities.

E. TOTAL ASSESSED VALUE

The following table summarizes the total assessed value of all parcels within the District.

Fiscal Year	Assessed Land	Assessed Structure	Total Assessed Value
2006/07	\$136,498,203	\$96,379,193	\$232,877,396
2007/08	197,465,993	281,986,605	479,452,598
2008/09	221,889,102	266,739,130	488,628,232
2009/10	119,395,592	219,293,713	338,689,305
2010/11	96,192,295	225,173,060	321,365,355
2011/12	86,282,581	215,290,545	301,573,126
2012/13	78,505,620	209,226,145	287,731,765
2013/14	81,311,249	226,283,067	307,594,316
2014/15	91,083,260	260,662,329	351,745,589
2015/16	110,691,191	293,479,924	404,171,115
2016/17	118,401,831	311,034,602	429,436,433
2017/18	124,800,261	329,980,700	454,780,961
2018/19	134,030,130	356,540,099	490,570,229

Source: Riverside County Assessor's Office.

F. OVERLAPPING DEBT

In July 2014, the City of Indio issued \$8,499,000 in Special Tax Refunding Bonds (Series 2014), under Community Facilities District (CFD) 2006-1. CFD 2006-1 includes all parcels within the District's Tract 32402.

In August 2017, the City of Indio issued \$3,910,000 in Assessment Revenue Refunding Bonds (Series 2017), under Assessment District (AD) No. 2004-3 (Desert Trace). AD 2004-3 includes all parcels within the District's Tract 30643.

A summary of the current liens outstanding, by Tract Map, along with the percentage of the 2018/19 tax roll levy and the resulting 2018/19 value-to-lien ratios, is below-listed.

Tract	Active Parcels	Percent of 2018-19 Levy	Valley Sanitary AD 2004-1 VSD Remaining Lien	Secured Bonded Debt ⁽¹⁾	City of Indio AD No. 2004-3 ⁽¹⁾	City of Indio CFD No. 2006-1 ⁽¹⁾	Total Liens	Total Assessed Value	Value To Lien
30643	421	18.16%	\$990,174	\$1,154,026	\$3,656,295	-	\$5,800,495	\$106,498,269	18.36
31815	328	17.95%	978,581	914,574	-	-	1,893,155	84,068,940	44.41
32402	363	15.82%	862,482	1,089,630	-	\$7,474,000	9,426,112	101,064,580	10.72
31562	300	13.04%	711,261	100,784	-	-	812,045	9,241,900	11.38
32149	263	11.18%	609,811	701,237	-	-	1,311,048	64,303,776	49.05
31686	147	6.26%	341,519	449,286	-	-	790,805	41,334,422	52.27
31975	137	6.00%	326,989	301,580	-	-	628,569	27,857,065	44.32
32304	123	5.22%	284,619	444,616	-	-	729,235	41,108,228	56.37
31974	3	4.07%	222,018	17,329	-	-	239,348	1,589,114	6.64
30605	56	2.30%	125,314	147,261	-	-	272,575	13,503,935	49.54
Total	2,141	100.00%	\$5,452,770	\$5,320,323	\$3,656,295	\$7,474,000	\$21,903,387	\$490,570,229	22.40

⁽¹⁾ California Municipal Statistics, Inc., as compiled by Willdan Financial Services.

Note: Variance between Remaining Lien and Outstanding Principal amounts is due to historical bond calls and prepayments.

G. LISTED EVENTS

There have not been any notices of any Listed Events filed pursuant to Section 5 of the Continuing Disclosure Agreement since the date of the last Annual Continuing Disclosure Information Statement.

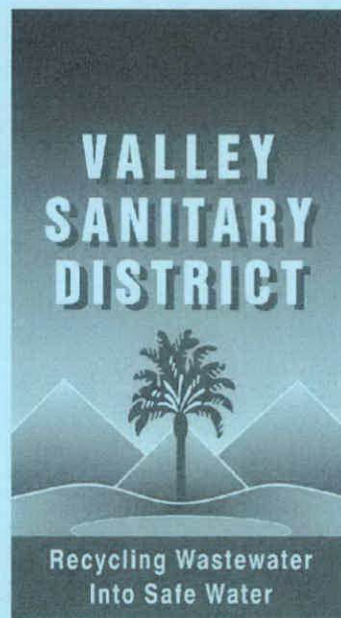
The Listed Events identified in the above-referenced Section 5 are as follows:

1. Principal and interest payment delinquencies on the Bonds.
2. Occurrence of any default under the Fiscal Agent Agreement dated July 1, 2005 (the "Fiscal Agent Agreement") other than as described in clause (1) above.
3. Amendment to or modification of the Fiscal Agent Agreement or the Continuing Disclosure Agreement modifying the rights of the Owners of the Bonds.
4. Giving of a notice of optional or unscheduled redemption of any of the Bonds.
5. Defeasance of the Bonds or any portion thereof.
6. Any change in any rating on the Bonds.
7. Adverse tax opinions or events affecting the tax-exempt status of the Bonds.
8. Any unscheduled draw on the Reserve Fund or any account therein reflecting financial difficulties.
9. Unscheduled draws on credit enhancements reflecting financial difficulties.
10. Substitution of credit or liquidity providers, or their failure to perform.
11. The release, substitution, or sale of property securing repayment of the Bonds (including property leased, mortgaged or pledged as such security).

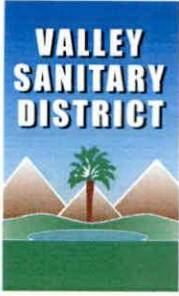
H. CALIFORNIA DEBT AND INVESTMENT ADVISORY COMMISSION (CDIAC) REPORT FILINGS

There are no reports required to be filed with the California Debt and Investment Advisory Commission for the Bonds pursuant to the Fiscal Agent Agreement.

Agenda Item 5



Award of Contract –
Audit Services, The Pun Group, LLC



Valley Sanitary District
Board of Directors Meeting
February 12, 2019

TO: Board of Directors
FROM: Joseph Glowitz
SUBJECT: Award of Contract – Audit Services
The Pun Group, LLC

<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

Recommendation:

It is recommended that the Board of Directors award the Audit Services Contract to The Pun Group, LLP of Santa Ana, California and authorize the General Manager to execute a three (3) year professional services contract in the amount of \$15,000 for 2018-19, \$15,500 for 2019-20, and \$16,000 for 2020-21.

Background:

The District received proposals from nine (9) audit firms:

- The Pun Group, LLP
- Eadie and Payne, LLP
- Charles Z. Fedak & Company
- Harshwal & Company, LLP
- Van Lant & Fankhanel, LLP
- Nigro & Nigro, PC
- Sotamayor & Associates, LLP
- Jacob K. Farsakh MBA, CPA & Company
- Rogers, Anderson, Malody & Scott, LLP

The Pun Group, LLP has done an outstanding job in the past five (5) years, including being thorough in their testing and methodology, changing their sampling and strategies each year, changing staff and/or supervisors each year for a fresh pair of eyes, and quality of work. They also do a great presentation of the CAFR each year and presentation at the Board meetings.

This procurement is a qualifications-based selection (QBS). Desired qualifications include the range of experience with similar entities, quality control, planning, services provided and fee proposals. Based on QBS, Staff recommends The Pun Group, LLP for this engagement.

Fiscal Impact (Dollars):

11-5550-414-3	Professional/Legal	\$15,000
Total		\$15,000

Submitted By: Joanne Padgham Approved By: Joseph Glowitz
Joanne Padgham Joseph Glowitz
Administration & Finance Manager General Manager

Attachments: The Pun Group Proposal to Perform Professional Auditing Services



PROPOSAL

VALLEY SANITARY DISTRICT INDIO, CALIFORNIA

Proposal to Perform Financial Audit Services

For three (3) years contract term beginning with the fiscal year ending June 30, 2019

JANUARY 11, 2019

Frances Kuo, CPA, CGMA
Partner
200 East Sandpointe Avenue, Suite 600, Santa Ana California 92707
Phone: (949) 777-8805 | Fax: (949) 777-8850 | Email:
frances.kuo@pungroup.com

California CPA License Number: PAR 7601
Federal Identification Number: 46-4016990



VALLEY SANITARY DISTRICT

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VALLEY SANITARY DISTRICT

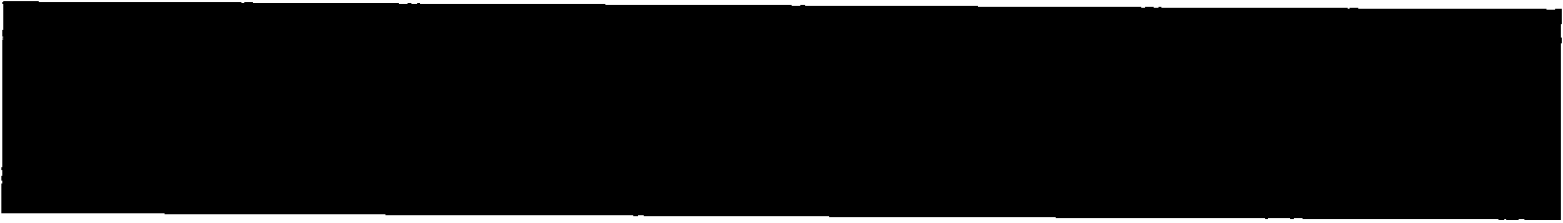
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WHO WE ARE

“Combining decades of experience, integrity, technical expertise, a commitment to hard work, and continual learning and understanding, associates at The Pun Group are leaders in their field. We work with your team to lay out clear methodology and concrete objectives, then work with you and guide you through every engagement, keeping the goals squarely in front.”







Valley Sanitary District
Ms. Joanne Padgham | Administration & Finance Manager
45-500 Van Buren St.,
Indio, CA 92201

Dear Ms. Padgham:

We would like to take this opportunity to *thank you for the confidence and support* the Valley Sanitary District has provided to us over the past years. We have developed an understanding of the District's operations which has aided us in delivering quality audit services.

With the knowledge we gathered since we started providing services to the Valley Sanitary District, we have been able to expand our audit efforts and offer observations that have assisted the District's staff. We have also demonstrated our ability to respond to the District's requests, and our ability to deliver quality services. It's our further understanding the District has been satisfied with our efforts.

Please find enclosed qualifications and proposed audit plan for the Valley Sanitary District (the "District") pursuant to your Request for Proposal for Financial Audit Services for three (3) years contract term beginning with the fiscal year ending June 30, 2019. The Pun Group, LLP (the "Firm"), has the knowledge and experience necessary to continue as the District's next public accounting firm, and the work plan to ensure a smooth audit process.

This letter is an acknowledgment of the Firm's understanding of the work to be performed. We hereby offer our commitment to deliver all of the required work, complete the audit, and issue the necessary auditor's reports within the time periods outlined by the District. We are secure in affirming our commitment because we have a long legacy and prodigious experience serving governmental entities, and an efficient, cost-effective approach to auditing that focuses on high-risk areas.

The Pun Group is the right choice for the District because:

Strong Presence in California. The Pun Group is reputable for its government and nonprofit practice in California. Currently, we are the principal auditors for several special districts and cities such as City of Coachella, City of Desert Hot Springs, Alameda County Water District, Arbutle Public Utility District, Casitas Municipal Water District, Central Basin Municipal Water District, Las Virgenes Municipal Water District, Marina Coast Water District, Twenty-Nine Palms Water District, Valley Sanitary District, and several others. Accordingly, we have a deep understanding of the current demographic and the economic environment, and the local laws and regulations.

Recognized Leader in the Governmental Industry. The Pun Group is a proven leader in professional services to the government sector. Currently, The Pun Group is the firm of choice for 35 cities, 40 special districts, 5 transportation agencies, and 10 medical centers throughout California. Since 2012, both bankrupted cities, Stockton and San Bernardino, selected The Pun Group as their primary auditor because we had the capacity, knowledge, and experience to assist them in auditing their complicated transactions. As a result, our engagement team was able to catch up and complete their long overdue audits within a short timeframe. We would credit part of our success to our professional's participation with various professional organizations, bringing to our clients unparalleled knowledge of regulatory agencies and standard setters such as AICPA, FASB, GASB, GAO, ASCPA, CalCPA, GFOA, League of California Cities, among many others. Such experience is critical to address emerging accounting and auditing issues within the government environment.

Our Commitment to Quality. The Firm is committed to providing piece of mind to our clients by providing the highest quality of professional services. The Firm is a member of the AICPA Governmental Audit Quality Center and has demonstrated our commitment to audit quality, including those performed under *Government Auditing Standards* and the Uniform Guidance. In addition, we are a recipient of the Single Audit Resource Center's Award for Excellence for 2017. This award is based on the positive feedback results from our clients in an independent survey, demonstrating our Firm's highest commitment to quality and client satisfaction. To further enhance our performance and quality, the Firm continually invests substantial resources in human capital and technology, incorporating the use of *Artificial Intelligence* technology into our audit process.

VALLEY SANITARY DISTRICT

Transmittal Letter

We understand that changing audit firms after a long-term relationship is not without its challenges. We value those relationships as well and therefore understand that it's important to have frequent communication and get up to speed quickly and efficiently. Our goal is to complete the audit in a way where we do this while we minimize disruptions to the District's daily operations. To accomplish this, we will:

- Take advantage a solid familiarity with the District's activities and processes.
- Create a detailed audit plan during the initial stages of the audit.
- Maintain on-going open lines of communication between the Engagement Team and the District's Management.
- Assign duties to staff members that are qualified and experienced.

This method ensures that the audit process will be performed steadily, progress communicated clearly, and work completed efficiently.

The Firm and all key professional staff are licensed by the State of California to practice as Certified Public Accountants, and meet the Continuing Professional Education requirements under U.S. GAO's Government Auditing Standards to perform the proposed audits.

This proposal will remain valid for a period of not less than 90 days from the date of its submittal.

I will serve as your primary contact for contract negotiations and stand steadfast to serve as your engagement partner and have been authorized to legally bind the Firm. Should you have any questions or wish to discuss this proposal, please do not hesitate to contact me, as the assigned engagement partner at (949) 777-8805 or email me at frances.kuo@pungroup.com.

Thank you, and we look forward to the opportunity of gaining your trust and business.

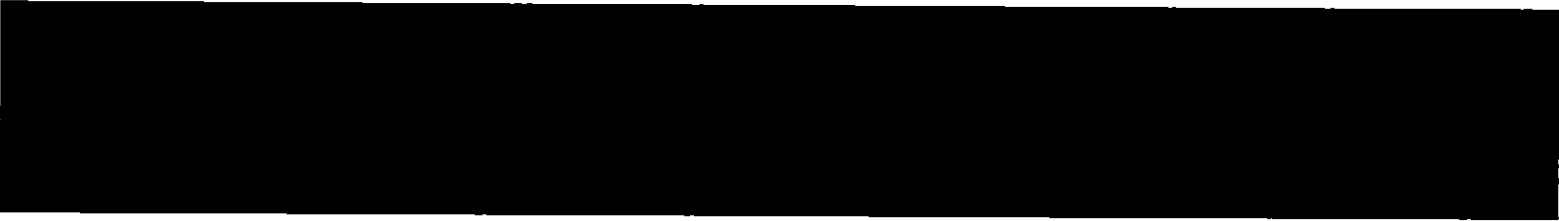
Sincerely,



Frances Kuo, CPA, CGMA
Partner
The Pun Group, LLP

EXECUTIVE SUMMARY

"With more than 100 years of combined experience in the government and public agency space, we have become a trusted partner for jurisdictions throughout the western United States. The Pun Group provides strategic audit, accounting and consulting solutions that facilitate more informed decision-making by elected officials and staff."

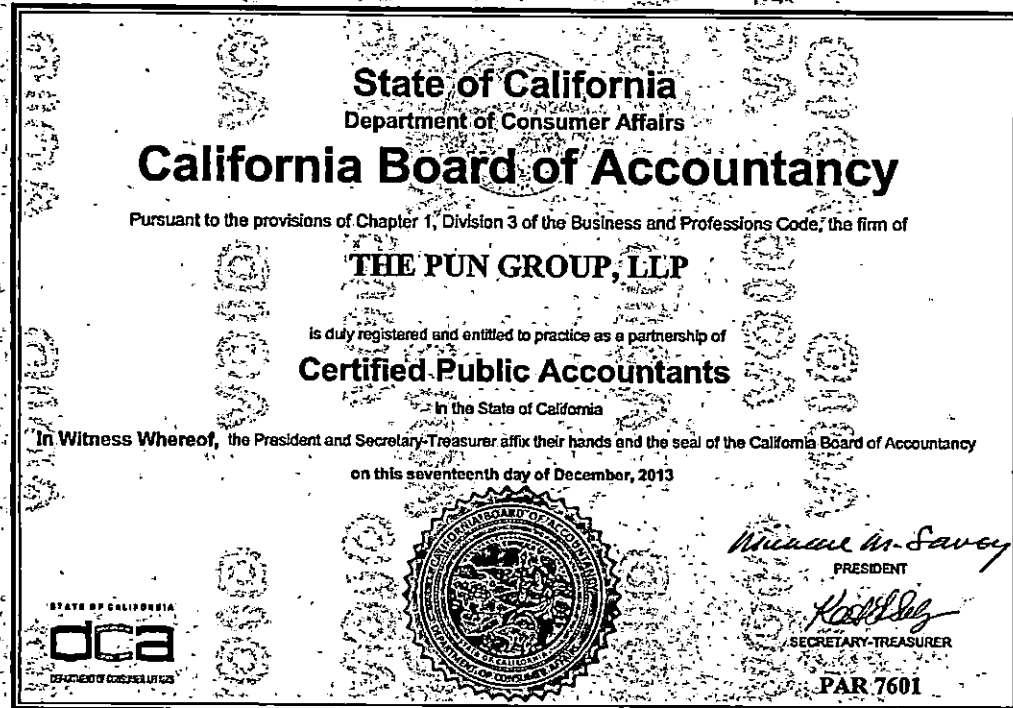


VALLEY SANITARY DISTRICT

Executive Summary

License to Practice in California

The Firm and all key professional staff are licensed by the State of California to practice as Certified Public Accountants, and meet the Continuing Professional Education requirements under U.S. GAO's Government Auditing Standards to perform the proposed audits.



Independence and Conflict of Interest

The Pun Group, LLP (the "Firm") requires all employees to adhere to strict independence standards in relation to the Firm's clients. These independence standards exceed, in many instances, the standards promulgated by the American Institute of Certified Public Accountants (AICPA).

The Pun Group, LLP certifies that it is independent of the Valley Sanitary District (the "District"). The Firm meets independence requirements defined by the United States Government Accountability Office's (U.S. GAO's) Government Auditing Standards, and the American Institute of Certified Public Accountants (AICPA).

The Firm has no business interests which will conflict in any way with maintaining independence in regards to the District.

The Firm will give the District written notice of any professional relationships entered into during the period of the agreement.

VALLEY SANITARY DISTRICT

Executive Summary

Identification and Qualifications of Respondent

The Pun Group, LLP, Certified Public Accountants and Business Advisors, founded in 2012, is a limited liability partnership. We are a full-service accounting firm comprised of forty (40) professionals providing auditing, accounting, and advisory services to our clients.

The Firm's headquarter is located in Orange County, California with four branches in San Diego (California), Walnut Creek (California), Las Vegas (Nevada), and Phoenix (Arizona).

Our *Santa Ana* office, located at 200 E. Sandpointe Ave, Suite 600, Santa Ana, CA 92707 will perform the requested services for the District. However, we may assign additional staff from our other offices to the engagement, at no additional cost to the District. Following is our contact info in regards to this engagement:

Firm's Legal Name: The Pun Group, LLP

Contact: Mr. Frances Kuo, CPA, CGMA – Partner

Corporate Office Address: 200 E. Sandpointe Ave, Suite 600, Santa Ana, CA 92707

Phone: (949) 777-8800 | Fax: (949) 777-8850 | Email: frances.kuo@pungroup.com | Website: www.pungroup.com

The combination of our hands-on experience and practical knowledge exercised by our audit professionals makes the Firm unique in our field. Our technical expertise and thorough understanding of current regulations and issues—along with the Firm's commitment to hard work, integrity, and teamwork on every engagement—enable us to help our clients succeed.

Our Partners' Group—which includes Kenneth H. Pun, Frances J. Kuo, John F. Georger, Jr., Gary M. Caporicci, Vanessa I. Burke, and Heidi K. Chow—provide auditing, accounting, and advisory services to numerous governmental entities throughout the United States. With more than one hundred (100) years of combined experience in the industry, we have become a trusted business partner, and are well-respected as leaders in the industry in one of the fastest growing firms. With nearly 100 government and not-for-profit audit clients and Partners who have a real passion for the industry, we believe we are unmatched regarding expertise.

"A team of experienced accountants and financial professionals, The Pun Group, LLP seeks to provide dependable, tailored service to businesses across a wide spectrum".

All of our partners actively participate in industry associations focused on state and local governments. By participating in industry associations and activities, we are always up to date on the latest industry changes and the impact they will have on your operations. We will keep you, and our colleagues in the Firm, fully informed of these developments. Our team is committed to bringing the full breadth and depth of our expertise to the audit of the District offering outstanding value to you and your stakeholders. Our Managing Partner has published several thought leadership articles in the California State Municipal Finance Office magazine on auditing and other relevant topics.

While many accounting Firms can perform an audit, not all can build an excellent working relationship with their clients. The Pun Group, LLP prides itself on developing lasting, personal relationships with our clients. Our hands-on partner involvement and low personnel turnover are crucial tools to our success and highly beneficial to the District.

Affiliation with Allinial Global (Global Capabilities)

A MEMBER OF
Allinial GLOBAL

The Pun Group, LLP is an independent member of Allinial Global, an association of over 100 independent accounting and consulting firms. Based in North America, Allinial Global offers international support by connecting its member firms to providers and global networks of accounting firms worldwide.

Memberships

The Pun Group, LLP is a member of the following professional organizations:

- America Institute of Certified Public Accountants (AICPA)
- AICPA Government Audit Quality Center (GAQC)
- AICPA Employee Benefit Plan Audit Quality Center (EBPAQC)
- AICPA Private Companies Practice Section (PCPS)
- California Society of Certified Public Accountants (CalCPA)

VALLEY SANITARY DISTRICT

Executive Summary

Our Services

Our partners and seasoned professionals are always available, guiding clients through their periods of rapid growth as well as the difficult times. And we're able to do that by offering a portfolio of accounting services that is as diverse as the jurisdictions and agencies themselves. The Pun Group, LLP has successfully provided professional auditing, accounting, financial reporting and management advisory/consulting services to a broad spectrum of governmental entities.



ASSURANCE

- Financial statement audits
- Compliance audits
- Performance audits
- Internal audits
- Service organization controls audits



ADVISORY

- Operational reviews/risk advisory services
- Forensic investigation
- Financial condition analysis
- Organizational structure review
- Cash flow analysis
- Debt restructuring consultation
- Litigation support and expert witness services



OTHER SERVICES

- Assistance with the preparation and review of the Comprehensive Annual Financial Report (CAFR)
- Government property lease excise tax compliance review
- Subrecipient monitoring
- Implementation of new GASB pronouncements
- Audit readiness services
- Contract Finance Director / Accountant services

VALLEY SANITARY DISTRICT

Executive Summary

Staff Consistency

The Firm is committed to maintaining staff continuity throughout audit engagements. While we cannot guarantee that our staff members will stay with the Firm, we encourage loyalty by paying competitive wages, offering opportunities for promotion, using state-of-the-art equipment, and providing excellent working conditions. We also offer benefits including retirement plans, medical plans, profit-sharing programs, and continuing education. The Firm is an equal-opportunity employer and complies with all federal and state hiring requirements. The Firm also supports affirmative-action philosophies and works hard to provide opportunities for self-enhancement to members of disadvantaged groups.

We guarantee that the partners assigned to this audit will be involved throughout the entire engagement term, and that assigned staff members will return to the District in future years if they are still with the firm. One of our primary audit concerns is staff continuity, and our hands-on partner involvement ensures that qualified and experienced professionals will perform audits efficiently and effectively every year of the engagement.

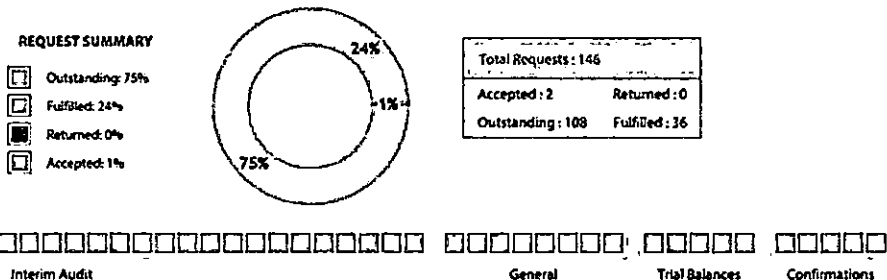
Local Office's Information Technology (IT) Audit Capabilities

The Pun Group, LLP continues our efforts in investing in our IT system to further enhance our security and promote audit efficiency.

Top security for your data is the key to our success. When we have your data virtualized, our Firm take all the preventive steps to avoid putting your information at risk. Our In-House IT administrator maintains our server to ensure our IT environment is being constantly updated with the latest security fixes. Through VPN and Microsoft Remote Desktop, our In-House network administrator can lockdown files and system access from a single point, limiting the ability for remote sites to take data from our server.

Access to systems from anywhere and anytime. With more mobility being the norm rather than the exception, our engagement team needs robust access to the engagement files when they are working in your office. Accounting and Auditing Software applications are installed in our "Private" server and can be securely accessed through VPN and Microsoft Remote Desktop. The Firm uses CCH ProSystem fx® Engagement for audit documentation, which allows real-time synchronization of the work papers and instant collaboration quality control review.

Secure Data File Transfer System. In order to improve audit efficiency, workflow management software plays an essential role between your organization and our engagement team. We employ a secure data file transfer system called Suralink. Suralink's dynamic request list is integrated with our secure file hosting system for seamless document-request coordination. It means all our requests are in one place, updated in real-time, and accessible by everyone working on the engagement. You, as a client, no longer have to manually maintain a spreadsheet amongst several people only to repeat the process in a day or two. Not only makes the operation more cost-efficient, it enables you and your team to spend your time getting the job done, not reconciling a messy list of outstanding items. The Suralink dashboard, as shown below, allows you to visualize the process of the document-request fulfilment.



VALLEY SANITARY DISTRICT

Executive Summary

External Peer Review

The Firm participates in the AICPA Peer Review Program, which is designed to identify weaknesses in accounting-service policies, practices, and procedures.

In 2015, an independent reviewer assessed the Firm's quality-control policies, reviewed administrative records, interviewed professional personnel, and inspected the Firm's working papers and reports from a representative sample of accounting and auditing engagements, including governmental audits. The reviewer concluded that the Firm fully complies with the AICPA's stringent standards for quality control.

A quality-control reviewer considers, among other things, a firm's policies regarding hiring, training, supervision, delegation of responsibilities, and access to technical resources.

The reviewer determined that the Firm's accounting and auditing work and internal quality-control system meet the AICPA's guidelines for professional standards.

The Firm's participation in the Peer Review Program demonstrates our commitment to quality. We also affirm our dedication to excellent client service through our voluntary memberships in the AICPA—including the AICPA's Governmental Audit Quality Center—and CalCPA.



JAMES LEBAS, CPA
STEPHEN C. WILLIAMS, CPA
JENNIFER O. REBER, CPA

System Review Report

The Pun Group, LLP
Santa Ana, California;
and the Peer Review Committee of the California Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of The Pun Group, LLP (the firm) in effect for the year ended December 31, 2014. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included an engagement performed under *Government Auditing Standards*.

In our opinion, the system of quality control for the accounting and auditing practice of The Pun Group, LLP in effect for the year ended December 31, 2014, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. The Pun Group, LLP has received a peer review rating of *pass*.

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FAX 909.948.9633

23144 gyldec.com
www.gyldec.com

GYL Decauwer LLP
Ontario, California
October 13, 2015

your
Success
is our
DESTINATION

CPA MERICA
INTERNATIONAL
— A COUNCIL WITH INTERNATIONAL

VALLEY SANITARY DISTRICT

Executive Summary



California Society of CPAs
1800 Gateway Dr., Ste. 200
San Mateo, CA 94404

February 4, 2016

Kenneth Hing-Kwong Pun
The Pun Group LLP
200 E Sandpointe Ave
Suite 600
Santa Ana, CA 92707

Dear Mr. Pun:

It is my pleasure to notify you that on January 27, 2016 the California Peer Review Committee accepted the report on the most recent system peer review of your firm. The due date for your next review is June 30, 2018. This is the date by which all review documents should be completed and submitted to the administering entity.

As you know, the report had a peer review rating of pass. The Committee asked me to convey its congratulations to the firm.

Sincerely,

Linda McCrone, CPA
Director, Peer Review Program

cc: John Lerias

Firm Number: 8192426 Review Number 372240



T: (650) 522-3094 | F: (650) 522-3080 | peerreview@calcpa.org

Federal or State Desk Review

No federal or state desk reviews or field reviews have been undertaken of any audits performed by the Firm or any of its partners, managers, or professionals during the past three (3) years.

Disciplinary Action

No disciplinary action has been taken by state regulatory bodies or professional organizations against the Firm or any of its partners, managers, or professionals during the past three (3) years.

The Firm has no conditions such as bankruptcy, pending litigations, planned office closures, mergers or any organizational conflict of interest that may affect the ability of the Firm to perform the required duties requested by the District.

OUR PROFESSIONALS

"Our team of partners and professional personnel provide stability for our clients. Working with the same team year after year provides significant strategic benefit, and allows for the growth of our relationship. All of our partners draw on years of experience, and practice our corporate philosophy in all interactions."

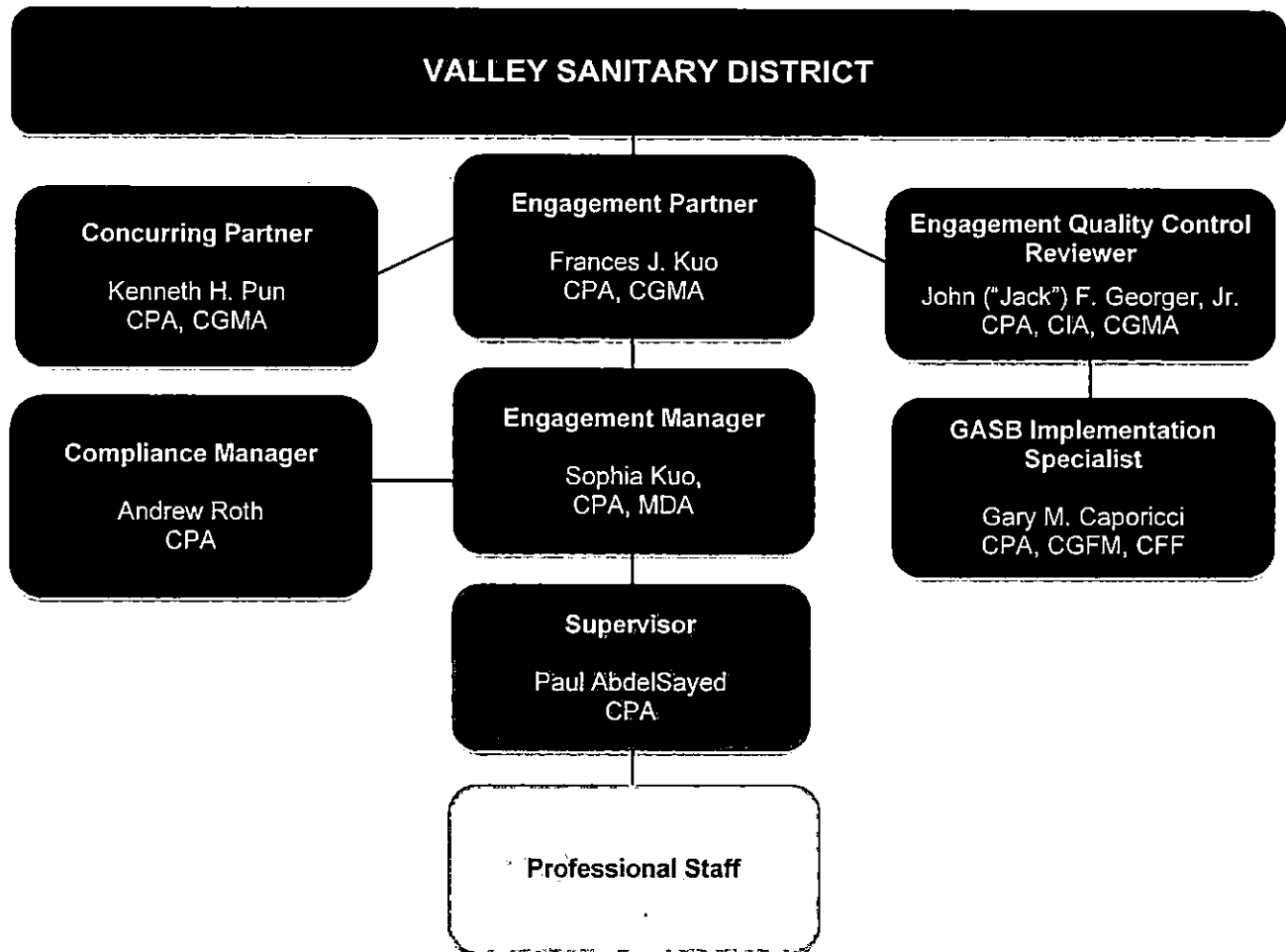


VALLEY SANITARY DISTRICT

Our Professionals

Partner, Supervisory and Staff Qualifications and Experience

The Engagement Team is carefully chosen to provide the District with all the services needed to successfully complete the audit. The Engagement and Concurring Partners are personally involved in the audit, and the Engagement Team has significant experience in auditing special water district and enterprise funds. Our broad experience and technical capabilities allow us to provide technical support, interpret findings, and offer effective solutions to any issues that may arise.



The personnel assigned to this engagement are fully qualified to perform an efficient audit of the District, and their extensive experience will be critical to the audit process. Our professionals are familiar with the complexities of governmental accounting, auditing, and financial reporting, including but not limited to, all GASB pronouncements, the Single Audit Act, Uniform Guidance (formerly known as OMB Circular A-133), and fund operations.

All staff assigned to this engagement has at least three years of experience with auditing special water districts and enterprise funds. If the Firm changes key personnel, we will provide the District with a written notification. Engagement personnel will only be changed with the express prior written permission from the District. Audit personnel may be replaced only by those with similar or better qualifications and experience.

If the District wishes to extend the annual contract beyond the proposed years, the Firm will accommodate requests by the District to rotate partners, managers and or supervisors assigned to the District's audit with personnel with similar or higher qualifications and experience.

VALLEY SANITARY DISTRICT

Our Professionals

Frances J. Kuo, CGMA | Engagement Partner

Frances Kuo is an Assurance Services Partner who has extensive experience in providing audit and advisory services to not-for-profit organizations, federal, state and local government agencies including public pension plans, state departments, cities, community colleges, special districts, and joint powers authorities. Ms. Kuo brings a wealth of experience from her background in audits and advisory services in areas such as internal controls, policy development, and accounting system implementation.

Frances will actively act as the Engagement Partner with the assigned task of directly overseeing the Engagement Team, engagement planning and fieldwork, review for quality, and approve work papers and reports. She will be responsible for the timely delivery of all services for the District.

Kenneth H. Pun, CPA, CGMA | Concurrent Partner

With over eighteen years of public accounting experience in the State and Local Government sector, Mr. Pun is the Managing Partner and an Assurance Partner at the Firm. Mr. Pun specializes in audits and management consulting for governmental organizations and has served as the Contract Deputy Finance Director for the City of San Marino in 2017. Mr. Pun also serves as the Chair of the California Society of CPAs Governmental Auditing Accounting Committee. Ken will act as the Concurring Partner and provide second partner review of significant high risk areas, audit reports, and in resolution of significant accounting, auditing, and reporting matters.

John ("Jack") F. Georger, Jr., CPA, CIA, CGMA | Engagement Quality Control Reviewer

Throughout his forty years of experience, Jack has worked diligently alongside numerous governmental municipalities, including cities, counties, and transportation agencies, as well as not-for-profit entities, providing clients with financial and compliance auditing as well as consultation services. As an Assurance Partner in our Firm, he advises clients with their complex accounting questions, and supports the engagement team with audit issues. Jack is responsible for the review of all reports issued by the Firm to ensure the utmost quality and compliance with professional standards. He is responsible for the final quality-control review within the engagement.

Gary M. Caporicci, CPA, CGFM, CFF | GASB Implementation Specialist

Gary Caporicci is an appointed member of the State Controller's Retirement Advisory Committee. Mr. Caporicci will utilize his expertise in providing advice and consultation during the implementation of the new GASB standards. As an assurance partner with over forty years of experience, Gary has provided financial and compliance audit and consultation services to governmental clients including cities, counties, transportation agencies, and school districts, as well as various not-for-profit entities. He will be responsible in providing advice and consultation for the implementation of these new standards.

Sophia Kuo, CPA, MBA | Engagement Manager

Sophia Kuo is an Assurance Services Manager in the Firm whose extensive auditing experience includes cities, counties, special districts, and not-for-profit entities. She will work closely with the Assurance partners directing and supervising the audit team in its daily activities and tasks. Sophia will serve as the primary point of contact for your team and will work to ensure the audit is conducted within the deadlines and will provide updates on our team's progress to the partners' and to you.

Andrew Roth, CPA | Compliance Manager

Andrew Roth holds his Advanced Certification in Single Audits through the AICPA. Mr. Roth will serve as the Compliance Manager, directing the audit team in all compliance-related matters including the Uniform Guidance and Single Audit, and reports issued under specific laws and regulations.

Supervisor and Professional Staff

All governmental-audit members are qualified to perform financial and compliance audits of governmental agencies. This ensures that the staff quality will be consistent throughout the engagement term. Because we support both staff development and engagement continuity, we encourage senior and staff accountants to take increased responsibilities on their previous engagements as they advance professionally.

VALLEY SANITARY DISTRICT

Our Professionals

Quality-Control System

Our Firm meticulously monitors the quality and contents of our reports. The Pun Group LLP is 100% committed to providing only the highest grade of work possible for our clients and for those who rely on our audits. The Firm strives to exceed professional industry standards because of the continuing respect for our clients and our emphasis on creating long-lasting relationships. The Pun Group LLP works exclusively with those who share the same moral integrity and values.

Our quality-control system was crafted with excellence in mind. It not only meets AICPA standards, but also matches our own elevated standards, which includes the following professional-development activities.

Professional Development

Each Engagement Team member is up-to-date with continuing professional education requirements. The Firm encourages staff members to participate in the continuing education programs offered by the AICPA and the CalCPA Education Foundation in order to always keep our staff well versed in the changing field and any new regulations. These classes include, among others:

- Basic Concepts of Governmental Accounting, Financial Reporting and Auditing
- Government Auditing Standards
- GASB Basic Financial Statements for State and Local Governments
- Single Audits: Uniform Guidance (formerly known as OMB Circular A-133)
- Governmental and Nonprofit Annual Update
- Governmental Accounting and Auditing: The Annual Update
- Auditing Standards: A Comprehensive Review

In addition, the Firm provides comprehensive in-house training for all levels of staff. The program includes seminars developed by the Firm, educational programs developed by the AICPA and CalCPA, and on-the-job training.

Every year, all professional and administrative staff members receive an annual overview and review of topics such as these:

- Principles of accounting and financial reporting for state and local governments
- Governmental fund types
- Newly issued U.S. generally accepted auditing standards and government auditing standards
- Internal control evaluation approaches, including COSO Internal Control Framework
- Updates on recent governmental accounting and reporting guidelines and pronouncements
- Single Audit requirements and approaches
- Risk based audit approaches
- Working paper techniques
- Current issues facing the governmental community

These ongoing continuing education activities and training programs ensure that the Engagement Team is always receiving the most current and pertinent information; we believe that an educated staff is a necessity when providing the most efficient and effective audit of the District.

Engagement Team Resumes

The District deserves experienced professionals who work as a team. The Pun Group, LLP will provide qualified employees to perform the audit; no subcontractors will be used. Resumes for key Engagement Team members follow.

VALLEY SANITARY DISTRICT

Our Professionals

Frances J. Kuo, CPA*, CGMA
Engagement Partner



EXPERIENCE

Frances J. Kuo is a Partner within The Pun Group, LLP's Assurance division. In her fourteen (14) years of accounting and auditing experience, Frances has worked with governmental agencies, not-for-profit entities and employee benefit plans. She specializes in conducting financial audits under GAO Yellow Book standards and compliance audits in accordance with Uniform Guidance (formerly OMB Circular A-133).

Frances has performed audits and other attestation services for several governmental agencies throughout California including cities, counties, redevelopment agencies, public financing authorities, housing authorities, transportation agencies, and special districts, and she has helped them publish their Comprehensive Annual Financial Reports in compliance with GASB Statement No. 34.

Ms. Kuo is the in-house instructor who provides training, both theoretical and on-the-job training, to lower level staff. She has developed training materials on the risk based audit approach, GASB Statement No. 34 reporting, Single Audits, and employee benefit plan audits.

EDUCATION

- BS Degree in Business Administration, Emphasis in Accounting, from the **University of California, Riverside**
- BA Degree in Economics from the **University of California, Riverside**

LEADERSHIP & AFFILIATIONS

- Member, American Institute of Certified Public Accountants (AICPA)
- Member, California Society of Certified Public Accountants (CalCPA)
- Member, California Society of Municipal Finance Officers (CSMFO)

RELEVANT EXPERIENCE

- City of Coachella
- Central Basin Water District
- Las Virgenes Municipal Water District
- South Orange County Wastewater Authority
- City of Desert Hot Springs
- Menlo Park Fire Protection District
- Marina Coast Water District
- Valley Sanitary District

CONTINUING PROFESSIONAL EDUCATION

Various municipal accounting courses offered by the AICPA, CalCPA Education Foundation and local universities including:

- Governmental and Nonprofit Annual Update
- Government Auditing Standards
- GASB Basic Financial Statements for State and Local Governments
- Single Audits: Uniform Guidance (formerly OMB Circular A-133)
- Financial Accounting Standards Board Annual Updates
- Statement on Standards for Accounting and Review Services Updates
- Preparation of Form 990

Has met the current CPE educational requirements to perform audits of governmental agencies.



ADDRESS

200 E. Sandpointe Ave,
Suite 600
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PHONE

949-777-8805



EMAIL

frances.kuo@pungroup.com



WEBSITE

www.pungroup.com

* Licensed by the State of California,
Arizona and Virginia.

VALLEY SANITARY DISTRICT

Our Professionals

Kenneth H. Pun, CPA*, CGMA
Concurring Partner



ADDRESS

2121 N. California Boulevard
Suite 290
Walnut Creek, CA 94596



PHONE

949-777-8801



EMAIL

ken.pun@pungroup.com



WEBSITE

www.pungroup.com

* Licensed by the State of California

EXPERIENCE

Kenneth H. Pun is the Managing Partner and the Director of the Governmental and Not-for-Profit Practice within The Pun Group, LLP's Assurance division. Prior to founding his own practice, Ken was employed by Caporicci & Larson, a specialty CPA firm recognized as one of California's foremost experts in governmental and not-for-profit accounting, auditing, and advisory service. He started with the firm in 2001 and was promoted to Partner in 2008. Mr. Pun has performed numerous audits for cities, counties, transportation agencies, community college districts, other special districts, and not-for-profit healthcare entities of various sizes.

By leveraging more than seventeen years of public accounting experience with a high level of expertise, Ken is often engaged by clients as a result of premier level of service he provides, his commitment, and his innovative methods of increasing operational efficiencies and reducing costs. Mr. Pun is a trusted advisor and a leader of accounting services to governmental and not-for-profit organizations.

In addition to working with clients, Ken provides the audit teams with direction and technical guidance to ensure adherence to The Pun Group's quality controls, and he assists with the development of the Assurance Services practice. Mr. Pun also speaks on topics related to audits and quality control and shares his expertise with clients through annual educational seminars.

EDUCATION

BS Degree in Business Administration, Emphasis in Accounting from the University of California, Riverside

LEADERSHIP & AFFILIATIONS

- Member, American Institute of Certified Public Accountants (AICPA)
- Member, California Society of Certified Public Accountants (CalCPA)
- Member, CalCPA Governmental Accounting and Auditing Committee
- Member, CalCPA Governmental Accounting and Auditing Conference Planning Committee
- Member, Government Finance Officers Association (GFOA)
- Member, California Society of Municipal Finance Officers (CSMFO)
- Speaker, CSMFO Conference (2014)
- Instructor, CalCPA Fall Series (2014) – Long Beach and Orange County Chapter

RELEVANT EXPERIENCE

- Las Virgenes Municipal Water District
- Riverside County Flood Control and Water
- San Dieguito Water District
- Los Angeles Waterkeeper
- Orange County Coastkeeper
- Marina Coast Water District
- South Orange County Wastewater Authority
- Valley Sanitary District
- San Diego Coastkeeper
- San Elijo Joint Powers Authority

CONTINUING PROFESSIONAL EDUCATION

Various municipal accounting courses offered by the AICPA, CalCPA Education Foundation and local universities including:

- Governmental and Nonprofit Annual Update
- Government Auditing Standards
- GASB Basic Financial Statements for State and Local Governments
- Single Audits: Uniform Guidance (formerly OMB Circular A-133)
- Financial Accounting Standards Board Annual Updates
- Statement on Standards for Accounting and Review Services Updates

Has met the current CPE educational requirements to perform audits of governmental agencies.

VALLEY SANITARY DISTRICT

Our Professionals

Kenneth H. Pun, CPA*, CGMA
Concurring Partner

OTHER RELEVANT EXPERIENCE

City of Desert Hot Springs | During the year ended June 30, 2013, the City entered into a very complicated financial arrangement, New Market Tax Credit financing, for the construction of the Desert Hot Springs Health and Wellness Center. Our firm has guided the City in addressing complex accounting issues and helped to draft the stand-alone financial statements to fulfill the additional reporting requirements under the New Market Tax Credit financing.

City of Stockton | The City of Stockton filed a petition for Chapter 9 bankruptcy protection with the United States Bankruptcy Court on June 28, 2012, the largest municipal bankruptcy at the time. The Firm was engaged as audit liaison and advisor in 2012 for the City's 2011 audit. The City also hired the Firm to help to draft the Comprehensive Annual Financial Report following U.S. GAAP and in compliance with GFOA guidelines for the certificate of achievement for excellence in financial reporting program.

With the superb services provided, the City of Stockton also engaged the Firm to provide audit service for the years ending June 30, 2012, through 2015 due to the early termination of the contract from its predecessor firm. Mr. Kenneth H. Pun has been assigned as the engagement partner who facilitated the audit process since then. The engagement team completed the audit and issued the audit reports for the year ended June 30, 2012, and 2013 within the one-year timeframe.

San Diego Metropolitan Transit System ("MTS") | On January 1, 2003, California Senate Bill 1703 (SB 1703) became effective. SB 1703 required the consolidation of the planning and programming functions of MTS and the North County Transit District (NCTD) into the San Diego Association of Governments (SANDAG) in an initial transfer to take place before July 1, 2003. SB 1703 also required the consolidation of specific project development and construction functions of MTS and NCTD into SANDAG in a subsequent transfer to take place before January 30, 2004. The initial transfer occurred on July 1, 2003, and the subsequent transfer occurred on October 13, 2003. With these actions, employees were transferred from MTS and NCTD to SANDAG, as well as specific planning, development, and construction functions.

After the enactment of SB 1703, Mr. Kenneth H. Pun was able to convert the MTS financial model from the general-purpose government to stand-alone business-type activities government under GASB Statement No. 34 in 2007. By doing so, MTS has significantly improved their financial reporting.

VALLEY SANITARY DISTRICT

Our Professionals

John F. Georger, Jr., CPA*, CIA, CGMA Engagement Quality Control Reviewer



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jack.georger@pungroup.com



WEBSITE

www.pungroup.com

* Licensed by the State of California, New York, Virginia, Maryland, District of Columbia, Georgia (inactive), South Carolina (inactive), Missouri (inactive), Connecticut (inactive), and Wyoming (inactive)

EXPERIENCE

Jack Georger is a Partner within The Pun Group, LLP's Assurance division. By leveraging more than forty (40) years of public accounting and auditing experience in the government, agribusiness, financial services, manufacturing and non-profit sectors, Mr. Georger brings an in-depth knowledge and practical expertise to each client engagement.

Jack coordinates, plans, and manages financial audit activities, consulting activities, federal and state compliance audit activities, performance audits and numerous quality control and internal control reviews for a broad mix of governmental agencies and programs throughout the United States.

Mr. Georger leads our Peer Review department providing peer review services to other firms under the practice monitoring program of the AICPA.

Mr. Georger is a continuing professional education course instructor for the AICPA. Annually, he instructs over 300 hours in accounting and auditing subjects. He has authored training material in governmental accounting and auditing for the AICPA and is the technical reviewer of the CCH Knowledge-Based Audits™ of State and Local Governments with Single Audits, GAAP Guide (FASB) and Governmental GAAP Guide (GASB).

Jack is licensed to practice as a certified public accountant in the states of California, New York, Virginia, Maryland, District of Columbia, Georgia, South Carolina, Missouri, Connecticut (inactive), and Wyoming (inactive), and is a Certified Internal Auditor (CIA).

EDUCATION

Bachelor of Science, George Mason University Fairfax, Virginia

LEADERSHIP & AFFILIATIONS

- Member and Instructor, American Institute of Certified Public Accountants (AICPA)
- Member, Institute of Internal Auditors
- Member, California Society of Certified Public Accountants (CalCPA)
- Member, New York Society of Certified Public Accountants (NYSSCPA)
- Chairman, NYSSCPA Government Accounting and Auditing Committee
- Member, NYSSCPA Auditing Standards Committee
- Member, NYSSCPA Sustainability Committee
- Member, NYSSCPA Not-for-Profit Committee
- Nevada Society of Certified Public Accountants (NSCPA)
- Member, Government Finance Officers Association (GFOA) – CAFR Reviewer
- Member, Institute of Internal Auditors

CONTINUING PROFESSIONAL EDUCATION

Instructor of over 300 hours of municipal accounting courses offered by the AICPA. Has met the current CPE educational requirements to perform audits of governmental agencies.

VALLEY SANITARY DISTRICT

Our Professionals

Gary M. Caporicci, CPA*, CGFM, CFF GASB Implementation Specialist



EXPERIENCE

Gary M. Caporicci has more than forty years of diversified business experience, including a specialization in audit and management consulting for government organizations. Gary's clients include public and private universities and colleges, city and county governments, state agencies, joint power authorities, healthcare agencies, transportation agencies, and special districts. Known for his expertise in the areas of construction and government, Gary wrote the AICPA audit guides on these topics, and he has authored many audit and accounting courses for professional groups, as well as academic institutions. He frequently speaks and lectures at many professional organizations, governmental seminars, and conferences held by industry associations, other accounting firms, and universities. In addition, he authors white papers for the California Committee on Municipal Accounting.

Prior to working with the Firm, Gary founded his own accounting practice. He also spent eleven years with a "Big Eight" professional services firm, where he was an Audit Manager and gained broad experience in a wide range of industries such as government, construction, manufacturing, mutual funds, and insurance. Prior to that, Gary held a consultant position with a "Big Four" practice and was Vice President of a national insurance and financial services company.

In 2015 Gary Caporicci was appointed to the State Retirement Advisory Committee by the State Controller.

EDUCATION

BS Degree in Accounting and Finance from the **Armstrong University**

LEADERSHIP & AFFILIATIONS

- Member and Instructor, American Institute of Certified Public Accountants (AICPA)
- Member, Author and Instructor, California Society of Certified Public Accountants (CalCPA)
- Past Chair, CalCPA Governmental Accounting and Auditing Committee
- Chair and Speaker, CalCPA Governmental Accounting and Auditing State Conferences
- Member, CalCPA Council
- Chair, California Committee on Municipal Accounting (CCMA)
- Member, Government Finance Officers Association (GFOA)
- Member, California Society of Municipal Finance Officers (CSMFO)
- Member, Governmental Accounting Standards Board (GASB),
- Member, Deposit and Investment Risks Disclosure Task Force (GASB No. 40)
- National Reviewer and Speaker, Government Finance Officers Association
- Adjunct Professor, National University
- Past Member, Texas Governmental Accounting and Auditing Committee
- GFOA Certificate for Excellence in Financial Reporting – Reviewer

CONTINUING PROFESSIONAL EDUCATION

Author and instructor of various municipal accounting courses offered by the AICPA, CalCPA Education Foundation and local universities including:

- Governmental and Nonprofit Annual Update
- Government Auditing Standards
- GASB Basic Financial Statements for State and Local Governments
- Single Audits: Uniform Guidance (formerly OMB Circular A-133)
- Financial Accounting Standards Board Annual Updates
- Statement on Standards for Accounting and Review Services Updates

Has met the current CPE educational requirements to perform audits of governmental agencies.



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VALLEY SANITARY DISTRICT

Our Professionals

Sophia Kuo, CPA*, MBA
Engagement Manager



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EXPERIENCE

Sophia Kuo is a Manager within The Pun Group, LLP's Assurance division. In her six years of accounting and auditing experience, Sophia has worked with governmental agencies, not-for-profit entities and private for-profit entities. She possesses governmental experience that ranges from GASB audit/reporting, Internal Controls/COSO Framework, Single Audit, Corporate Financial Reporting, Data Analysis and Taxation.

Ms. Kuo has performed audits and other attestation services for several governmental agencies throughout California including cities, counties, redevelopment agencies, public financing authorities, housing authorities, transportation agencies, and special districts, and she has helped them publish their Comprehensive Annual Financial Reports in compliance with GASB Statement No. 34.

EDUCATION

- MAcc from Idaho State University
- MBA from Idaho State University
- BA Degree in International Trade and Finance, Emphasis in Finance from Fu Jen Catholic University

LEADERSHIP & AFFILIATIONS

- Member, American Institute of Certified Public Accountants (AICPA)
- Member, California Society of Certified Public Accountants (CalCPA)

RELEVANT EXPERIENCE

- City of Coachella
- Central Basin Water District
- Las Virgenes Municipal Water District
- South Orange County Wastewater Authority
- City of Desert Hot Springs
- Menlo Park Fire Protection District
- Marina Coast Water District
- Valley Sanitary District

CONTINUING PROFESSIONAL EDUCATION

Various municipal accounting courses offered by the AICPA, CalCPA Education Foundation and local universities including:

- Governmental and Nonprofit Annual Update
- Government Auditing Standards
- GASB Basic Financial Statements for State and Local Governments
- Single Audits: Uniform Guidance (formerly OMB Circular A-133)
- Financial Accounting Standards Board Annual Updates
- Statement on Standards for Accounting and Review Services Updates

Has met the current CPE educational requirements to perform audits of governmental agencies.

VALLEY SANITARY DISTRICT

Our Professionals

Andrew Roth, CPA* Compliance Manager



EXPERIENCE

Andrew Roth is a Senior Manager within The Pun Group, LLP. He has more than eight years of governmental experience that ranges from GASB audit/reporting, Internal Controls/COSO Framework, Single Audit, Corporate Financial Reporting, Data Analysis and Taxation.

In various engagements, Mr. Roth has been involved in providing significant services to various governmental entities and actively contributed and participated in the planning process, implementation of the audit work plan, supervision of staff, compliance testing for the Single Audit Concept and preparation of the Comprehensive Annual Financial Reports.

EDUCATION

BA Degree in Accounting from the San Diego State University, California.



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LEADERSHIP & AFFILIATIONS

- Member, American Institute of Certified Public Accountants (AICPA)
- Member, California Society of Certified Public Accountants (CalCPA)

RELEVANT EXPERIENCE

- Menlo Park Fire Protection District
- Rancho Santa Fe Fire Protection District
- City of Lakewood
- City of National City
- City of Calexico
- City of Cerritos
- City of Chula Vista
- City of Clovis
- City of Encinitas
- City of Escondido

CONTINUING PROFESSIONAL EDUCATION

Various municipal accounting courses offered by the AICPA, CalCPA Education Foundation and local universities including:

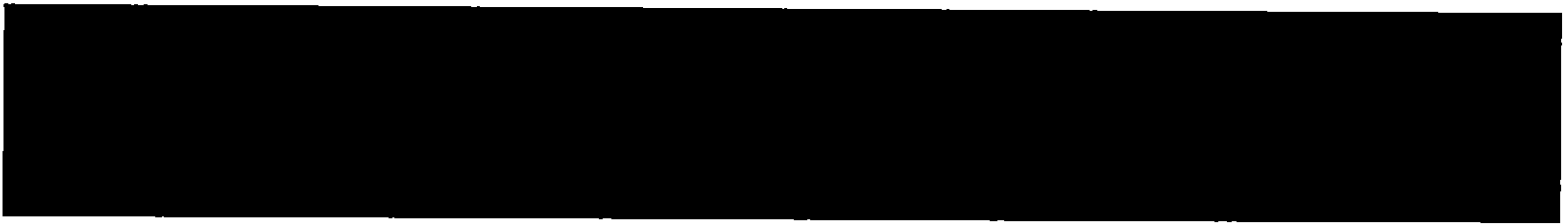
- Governmental and Nonprofit Annual Update
- Government Auditing Standards
- GASB Basic Financial Statements for State and Local Governments
- Single Audits: Uniform Guidance (formerly OMB Circular A-133)
- Financial Accounting Standards Board Annual Updates
- Statement on Standards for Accounting and Review Services Updates

Has met the current CPE educational requirements to perform audits of governmental agencies.

* Licensed by the State of California

EXPERIENCE AND APPROACH

“Our audits provide an objective view of each organization's financial situation. Our professionals will provide evidence-based advice for improved operating efficiency and strengthen internal control.”



VALLEY SANITARY DISTRICT

Experience and Approach

References – Similar Engagements with Other Government Entities

The following five clients are examples of some of the engagements that are similar to the requirements in the Valley Sanitary District's proposal. Additional references are available upon request. Please feel free to contact these agencies to learn more about their experiences working with us.

Reference 1:

Name of Client: **Las Virgenes Municipal Water District**
Service Period: June 30, 2013 to Present
Scope of Work: The Firm has provided professional auditing services to the Las Virgenes Municipal Water District which includes the audit of the District's CAFR and Las Virgenes-Triunfo Joint Powers Authority.

GFOA Award: Yes
Total Hours: Average 300 hours per year
Principal Client Contact: Mr. Donald Patterson, Director
dpatterson@lvmwd.com
4232 Las Virgenes Road
Calabasas, CA 91302
(818) 251-2133

Reference 2:

Name of Client: **Marina Coast Water District**
Service Period: June 30, 2012 to Present
Scope of Work: The Firm has provided professional auditing services to the Marina Coast Water District which includes the audit of the District's CAFR.

GFOA Award: Yes
Total Hours: Average 240 hours per year
Principal Client Contact: Ms. Kelly Cadiente, Director of Administrative Services
kcadiente@mcwd.org
11 Reservation Road
Marina, CA 93933
(831) 384-6131

Reference 3:

Name of Client: **Casitas Municipal Water District**
Service Period: June 30, 2015 to Present
Scope of Work: Audit and preparation of the Basic Financial Statements and CAFR presentation.

GFOA Award: Yes
Total Hours: Average 230 hours per year
Principal Client Contact: Ms. Denise Collin
1055 Ventura Avenue
Oak View, CA 93022
(805) 649-2251 x 103

VALLEY SANITARY DISTRICT

Experience and Approach

Reference 4:

Name of Client: **Trabuco Canyon Water District**
Service Period: June 30, 2015 to Present
Scope of Work: Audit and preparation of the Basic Financial Statements.

GFOA Award: N/A
Total Hours: Average 200 hours per year
Principal Client Contact: Ms. Cindy Byerrum, Treasurer
32003 Dove Canyon Drive
Trabuco Canyon, CA 92679
(909) 204-8858

Reference 5:

Name of Client: **El Toro Water District**
Service Period: June 30, 2014 to Present
Scope of Work: Audit and preparation of the Basic Financial Statements and CAFR presentation.

GFOA Award: N/A
Total Hours: Average 270 hours per year
Principal Client Contact: Ms. Neely Shahbakht
24251 Los Alisos Blvd.
Lake Forest, CA 92630
(949) 837-7050 x 240

VALLEY SANITARY DISTRICT

Experience and Approach

List of Representative Projects

The Pun Group, LLP has performed numerous audits of governmental organizations, including several special districts, subject to financial and compliance audits. These audits were performed in accordance with auditing standards generally accepted in the United States, Government Auditing Standards, Uniform Guidance (formerly known as OMB Circular A-133) and its Compliance Supplement (when applicable), Office of the State Controller's Minimum Audit Requirements and Reporting Guidelines for California Special Districts. A list of current engagements is as follows:

Municipalities	Dates	Financial Audit	Single Audit	GFOA Certificate	Total Hours
City of Arvin	2013 – Present	Yes	Yes	N/A	400
City of Bradbury	2012 – Present	Yes	N/A	N/A	150
City of Calexico	2007 – Present	Yes	Yes	N/A	750
City of Cerritos	2009 – Present	Yes	Yes	Yes	400
City of Clovis	2006 – Present	Yes	Yes	Yes	400
City of Coachella	2018 – Present	Yes	Yes	Yes	500
City of Culver City	2016 – Present	Yes	Yes	Yes	535
Town of Danville	1999 – Present	Yes	Yes	Yes	300
City of Desert Hot Springs	2013 – Present	Yes	N/A	N/A	500
City of Encinitas	2014 – Present	Yes	Yes	Yes	350
City of Escondido	2016 – Present	Yes	Yes	Yes	400
City of Gardena	2007 – Present	Yes	Yes	Yes	700
City of Glendora	2017 – Present	Yes	Yes	Yes	430
City of Gustine	2017 – Present	Yes	N/A	N/A	400
City of Hemet	2015 – Present	Yes	Yes	N/A	380
City of Hermosa Beach	2004 – Present	Yes	N/A	Yes	200
City of Huntington Park	2015 – Present	Yes	Yes	N/A	650
City of Industry	2015 – Present	Yes	Yes	Yes	600
City of Laguna Niguel	2016 – Present	Yes	Yes	Yes	390
City of Lakewood	2013 – Present	Yes	Yes	Yes	380
City of Lynwood	2016 – Present	Yes	Yes	Yes	585
City of Monterey	2016 – Present	Yes	Yes	Yes	620
City of Morro Bay	2015 – Present	Yes	Yes	N/A	400

VALLEY SANITARY DISTRICT

Experience and Approach

Municipalities	Dates	Financial Audit	Single Audit	GFOA Certificate	Total Hours
City of National City	2013 – Present	Yes	Yes	Yes	600
City of Patterson	2017 – Present	Yes	Yes	Yes	450
City of Placentia	2016 – Present	Yes	Yes	Yes	620
City of Placerville	2008 – Present	Yes	Yes	N/A	350
City of Pomona	2016 – Present	Yes	Yes	Yes	650
City of Redding	2016 – Present	Yes	Yes	Yes	500
City of Ridgecrest	2009 – Present	Yes	Yes	Yes	300
City of San Bernardino	2015 – Present	Yes	Yes	N/A	3,000
City of Seal Beach	2017 – Present	Yes	Yes	Yes	410
City of Shafter	2017 – Present	Yes	Yes	Yes	400
City of South Gate	2016 – Present	Yes	Yes	Yes	480
City of Stockton	2012 – Present	Yes	Yes	N/A	2,500
Imperial County Local Transportation Authority	2018 – Present	Yes	Yes	Yes	750
San Diego Metropolitan Transit System	2005 – Present	Yes	Yes	Yes	1,850
Shasta Regional Transportation Agency	2015 – Present	Yes	N/A	N/A	200
Ventura County Transportation Commission	2015 – Present	Yes	Yes	Yes	400
Altadena Library District	2015 – Present	Yes	N/A	N/A	90
Antelope Valley State Water Contractors Association	2015 – Present	Yes	N/A	N/A	40
Barstow Heights Community Services District	2015 – Present	Yes	N/A	N/A	40
Big Bear City Airport District	2015 – Present	Yes	N/A	N/A	120
Big Bear City Community Services District	2015 – Present	Yes	N/A	N/A	200
Bodega Bay Fire Protection District	2015 – Present	Yes	N/A	N/A	140
Casitas Municipal Water District	2015 – Present	Yes	N/A	N/A	230
Coachella Valley Resource Conservation District	2016 – Present	Yes	N/A	N/A	50
Desert Recreation District	2015 – Present	Yes	N/A	N/A	150
Desert Recreation Foundation	2015 – Present	Yes	N/A	N/A	40
Diablo Water District	2015 – Present	Yes	N/A	N/A	350
East Orange County Water District	2015 – Present	Yes	N/A	N/A	130

VALLEY SANITARY DISTRICT

Experience and Approach

Municipalities	Dates	Financial Audit	Single Audit	GFOA Certificate	Total Hours
El Toro Water District	2015 – Present	Yes	N/A	N/A	270
Encinitas Ranch Golf Authority	2015 – Present	Yes	N/A	N/A	100
Fallbrook Healthcare District	2008 – Present	Yes	N/A	N/A	75
Golden Hills Community Services District	2016 – Present	Yes	N/A	N/A	180
Las Virgenes Municipal Water District	2014 – Present	Yes	N/A	N/A	300
Los Angeles Waterkeeper	2016 – Present	Yes	N/A	N/A	100
Marina Coast Water District	2012 – Present	Yes	N/A	Yes	240
Menlo Park Fire Protection District	2015 – Present	Yes	Yes	Yes	240
Newport Coast Elementary School Foundation	2010 – Present	Yes	N/A	N/A	20
North County Fire Protection District	2015 – Present	Yes	N/A	N/A	120
North County Dispatch JPA	2015 – Present	Yes	N/A	N/A	60
Orange County Coastkeeper	2015 – Present	Yes	N/A	N/A	60
Palmdale Water District	2015 – Present	Yes	N/A	N/A	180
Palos Verdes Library District	2015 – Present	Yes	N/A	N/A	110
Port of Hueneme - Oxnard Harbor District	2015 – Present	Yes	N/A	Yes	250
Rancho Santa Fe Fire Protection District	2015 – Present	Yes	N/A	N/A	120
Riverside County Flood Control and Water Conservation District	2015 – Present	Yes	N/A	Yes	250
San Bernardino County Fire Protection District	2016 – Present	Yes	N/A	N/A	200
San Diego Coastkeeper	2015 – Present	Yes	N/A	N/A	75
San Dieguito Water District	2014 – Present	Yes	N/A	N/A	75
San Elijo Joint Powers Authority	2016 – Present	Yes	N/A	N/A	146
San Mateo Mosquito and Vector Control District	2015 – Present	Yes	N/A	N/A	130
South Orange County Water Authority	2017 – Present	Yes	Yes	Yes	240
South Bay Regional Public Communications Authority	2015 – Present	Yes	N/A	N/A	100
Southwestern Community College District	2009 – Present	Yes	Yes	N/A	720
Stallion Springs Community Services District	2015 – Present	Yes	N/A	N/A	220
Tehacapi Valley Recreation & Park District	2016 – Present	Yes	N/A	N/A	50
The Farm Mutual Water Company	2015 – Present	Yes	N/A	N/A	170

VALLEY SANITARY DISTRICT

Experience and Approach

Municipalities	Dates	Financial Audit	Single Audit	GFOA Certificate	Total Hours
Trabuco Canyon Water District	2015 – Present	Yes	N/A	N/A	200
Twentynine Palms Water District	2016 – Present	Yes	N/A	N/A	160
Valley Sanitary District	2015 – Present	Yes	N/A	Yes	140
West County Agency	2015 – Present	Yes	N/A	N/A	55
West County Wastewater District	2015 – Present	Yes	N/A	N/A	240
West Valley Mosquito And Vector Control District	2016 – Present	Yes	N/A	N/A	100
Wilmington Cemetery District	2015 – Present	Yes	N/A	N/A	65
Alliance Medical Center	2013 – Present	Yes	N/A	N/A	300
Anderson Valley Health Clinic	2012 – Present	Yes	N/A	N/A	200
Desert Hot Springs Health and Wellness Foundation	2013 – Present	Yes	N/A	N/A	100
Family Health Centers of San Diego	2009 – Present	Yes	Yes	Yes	600
Industry Convalescent Hospital	2015 – Present	Yes	N/A	N/A	230
Marin City Health and Wellness Center	2010 – Present	Yes	Yes	N/A	110
McCloud Healthcare Clinic	2013 – Present	Yes	Yes	N/A	200
Mountain Valleys Health Centers	2015 – Present	Yes	Yes	N/A	200
Redwood Coast Medical Services	2008 – Present	Yes	Yes	N/A	200
Shingletown Medical Center	2013 – Present	Yes	Yes	N/A	190
Tulare Community Health Clinic / Altura Centers	2008 – Present	Yes	Yes	N/A	200
United Health Centers of San Joaquin Valley	2010 – 2016	Yes	Yes	N/A	300

VALLEY SANITARY DISTRICT

Experience and Approach

Understanding of Project

The Valley Sanitary District is requesting the Firm to perform annual auditing services. These audits are to be performed in accordance with all applicable and generally accepted auditing standards, including, but not limited to, the following:

- Generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants.
- The standards applicable to financial audits contained in the most current version of the *Generally Accepted Government Auditing Standards* (Yellow Book), issued by the Comptroller General of the United States.
- The provisions of the Single Audit Act as amended in 1996.
- The provisions of U.S. Office of Management and Budget (OMB) Uniform Guidance (formerly known as Circular A-133), Audits of State and Local Governments and Non-Profit Organizations and the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

The Firm will perform the following services:

- ✓ **Financial Statement Audits** and issuance of an opinion statement on the District's Comprehensive Annual Financial Report ("CAFR"). The audit will be conducted in accordance with Generally Accepted Government Auditing Standards. The CAFR will be in full compliance with all current GASB pronouncements.
- ✓ Provide assistance in meeting the requirements for the Government Finance Officers Association (GFOA) "**Certificate of Achievement for Excellence in Financial Reporting**".
- ✓ Prepare a **Single Audit Report** which will include the following:
 - Report on compliance and on internal control over financial reporting based on audit of financial statements performed in accordance with *Government Auditing Standards*.
 - Report on compliance with requirements applicable to each major program, internal control over compliance, and on the schedule of expenditures of federal awards in accordance with Uniform Guidance, "Audits of State and Local Governments", and the Single Audit Act of 1984 (Public Law 98-502).
 - Schedule of Expenditures of Federal Awards.
 - Notes to Schedule of Expenditures of Federal Awards.
 - Schedule of Findings and Questioned Costs.
 - Any other required schedules or reports.
 - Prepare the Data Collection Form for Reporting on Audits of States, Local Governments, and Non-Profit Organizations.
- ✓ Issue a separate "**management letter**" that includes recommendations for improvements on internal control, accounting procedures and other significant observations that are considered to be no reportable conditions. Management letters will be addressed to the Board of Directors, including follow-up on the prior year's recommendations.
- ✓ Provide assistance in the **implementation of applicable GASB pronouncements** not yet in effect.
- ✓ If needed, prepare and submit the annual **Special District Financial Transaction Report** and US Bureau of the Census survey form to the State of California Controller in accordance with Government Code section 53891.

The Firm will be available for consultation by phone on accounting and financial issues during the year at no extra cost.

The Firm will make an immediate written report of all irregularities and illegal acts or indications of illegal acts of which they become aware to the Board of Directors, President, Valley Sanitary District, General Manager.

The partner in charge of the audit will be available to attend at least one board meeting per year generally scheduled in November or December of each year to discuss the results of the audit and the audit report.

Supplemental reports, audits, or agreed-upon procedures must be added in a written agreement prior to commencing audit work. The Firm and the Valley Sanitary District will discuss and approve the scope and associated costs of these tasks.

VALLEY SANITARY DISTRICT

Experience and Approach

Working Paper Retention and Access to Working Papers

The Firm will retain, at its own expense, all working papers and reports for a minimum of (7) seven years, unless the District notifies the Firm in writing of the need to extend the retention period. Upon request, the Firm will make working papers available to the District and its designees.

The Firm will comply with reasonable requests from successor auditors and allow them to review working papers that relate to matters of continuing accounting significance.

Objectives of Our Services

Our primary objective for the proposed audit is to examine the District's financial statements and express our opinion on their fairness of presentation, in accordance with generally accepted accounting principles. Other objectives that will benefit the District include the following:

- To offer beneficial observations and recommendations about policies and procedures for accounting and operating controls
- To identify opportunities to make District operations more efficient and reduce costs
- To perform the audit efficiently and effectively, so disruption to office operations is minimized
- To provide continuing advisory services so the District can implement recommendations
- To meet these objectives at no additional cost to the District

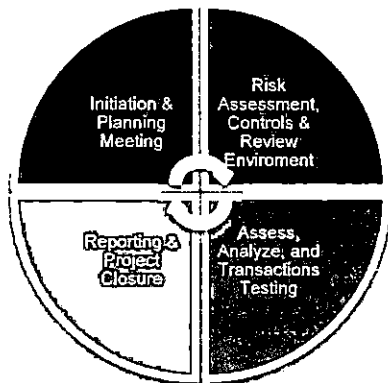
The Engagement Team will perform the audit in accordance with the Firm's quality-control procedures, which include following standard audit programs, careful planning, using industry-standardized software for auditing and internal control documentation, and welcoming an objective review of audit work.

The Firm will supply portable computers to the onsite staff members.

Our audit approach emphasizes careful planning, open communication, and proper assignment of responsibilities. This method ensures that audit requirements will be met with minimal disruption of the District's daily operations, and that the audit will proceed efficiently with full understanding between the Engagement Team and the District.

Project Management

The Firm's project approach to project management consists of four phases of project initiation & planning meeting, risk assessment, controls, and environment, assess and analyze, and reporting and project closure.



Throughout the project we monitor the progress of the project, project milestones and deliverables through communication of our task plan with your designated liaison for the project. This reporting can be formal or informal depending on the needs of the project and the client. In the case of this short term comprehensive analysis, we will likely use a less formal approach to include a standing weekly progress meeting with a review of open tasks, next tasks and any issues we have encountered during the project. You can expect that the Engagement Partner/Engagement Manager or Engagement Supervisor will be onsite for these meetings to ensure we successfully conclude the project on the proposed schedule.

VALLEY SANITARY DISTRICT

Experience and Approach

Proposed Segmentation of the Engagement and Proposed Schedule

The audit will be performed in four phases:



Initial Planning Meeting: The Engagement Partner and Manager will meet with District's Management to get up to speed with District policies and procedures, establish any specific requirements Management may have, identification of unique transactions, implementation of new GASB pronouncements, and develop the audit work plan for the engagement. *Proposed Timeline:* May of each fiscal year.

Interim: The Engagement Team—including the Engagement Partner—will assess accounting policies adopted by the District, obtain an understanding of the District and its operating environment, review internal controls on all significant transaction classes, perform walkthroughs and/or tests of internal control, perform preliminary analytical procedures, develop initial risk assessment, evaluate Single Audit compliance (if needed), identify any audit issues, and prepare confirmation correspondence. The Engagement Team and District Management will establish expectations including responsibilities and assignments for the year-end audit, and will hold a progress status meeting at the end of the Interim phase. *Proposed Timeline:* End of May of each fiscal year.

Year-End: The Engagement Team—including the Engagement Partner—will conduct audit procedures on account balances in the general ledger, finish confirmation procedures, perform preliminary analytical procedures, search for unrecorded liabilities, perform substantive analytical review procedures, complete work on compliance with Federal Assistance, and conclude fieldwork. The Engagement Team and District Management will hold an exit conference at the end of the Year-End phase. Periodic update meetings will be held to communicate audit progress to management. *Proposed Timeline:* First week of October of each fiscal year.

Reporting: The Firm will review and prepare audit reports and perform quality control procedures following the Quality Control Standards issued by the AICPA. We will also examine reports for compliance with GFOA reporting guidelines at no additional cost. Any comments will be issued in a letter to Management. At the District's request, the Engagement Partner and Manager will present the audit to the District's governing body. *Proposed Timeline:* Draft Reports: First week of November of each year. Final Reports: By November 15th of each year.

The Firm will complete the audit fieldwork and issue all reports within the established timeframe, assuming no internal District circumstances causes delays in the audit.

VALLEY SANITARY DISTRICT

Experience and Approach

Level of Staff and Number of Hours to be Assigned to Each Segment of the Engagement

The Pun Group, LLP understands that the District is not only looking to employ our auditing services but is also seeking to receive value within that professional relationship. We believe that our value is derived from our in-depth knowledge, experience, and commitment that our auditing firm employs. We stress and emphasize “employ” because all of the knowledge and expertise listed on paper will not benefit you unless it is applied. That is why we have developed a plan that we feel will accomplish the objectives of the District and your particular needs. Our Firm will utilize the information that you have shared with us and our experience from our previous audits of this nature, from various government entities and cities to develop a practical plan for all major areas.

Example of Major Areas (not limited to):

- Audit of the District’s financial statements and the related notes to financial statements
- Single Audit procedures and required reporting
- Communication with those charged with governance
- Internal Control and Management Letters

Total Hours:

Staff Classification Performing Work	Estimated Hours Annually
Partners	15
Managers	23
Supervisory	26
Senior Accountants	30
Staff Accountants	56
Clerical	2
Total Annual Hours:	150

Hours by Audit Phase	Hours
Phase I - Planning	15
Phase II - Interim	45
Phase III - Year End	53
Phase IV- Reporting	38
Total Annual Hours:	150

Sample Size and the Extent to Which Statistical Sampling is to be Used in this Engagement

In our audit approach, statistical sampling will be used in conjunction with our skilled judgment and knowledge of each situation. When designing an audit sample, our auditors consider the purpose of the audit procedure and the characteristics of the population from which the sample will be drawn. We determine a sample size sufficient to reduce sampling risk to an acceptably low level and select items for such task in a way that we can reasonably expect it to be representative of the relevant population and likely to provide the auditor with a reasonable basis for conclusions about the population.

VALLEY SANITARY DISTRICT

Experience and Approach

Enhancing Auditing Quality with Artificial Intelligence

There are plenty of challenges with established audit practices. Outdated CAAT tools, sampling practices, and the explosive growth of big data are some of the examples, and they all present significant barriers to detecting anomalies, intentional or otherwise, in financial data. The Pun Group, LLP deploys a comprehensive, risk-based approach, complimented by using MindBridge Artificial Intelligence Platform, to conduct our audit. Through this tool we are able to seamlessly analyze thousands and thousands of financial and operating data and records, **identifying and cataloging significant risks, in mere seconds.**

The “*Ai Auditor*” platform works by our side, augmenting our capacity to detect errors or fraud in the data—not only by analyzing the entire data set, but by cross-correlating dozens of testing criteria against pre-established data points and presenting us with a view of every user, vendor and transaction, by risk, all within moments of ingesting analyzed data. Something standard audit procedures cannot accomplish.

We utilize these tools to allow our audit teams to increase efficiency in the audit process, to enhance the existing quality of our work, to provide directed testing in areas subject to the highest risk, and to quickly assimilate large amounts of data your staff would typically be asked to gather. The tools also help us to meet our professional requirements regarding fraud and internal control, allowing us to:

- ✓ Run Benford’s analysis to check for fraud in transactions.
- ✓ Increase the value of audit findings with complete, 100% data coverage.
- ✓ Isolate risk and control issues before they impact your operations.
- ✓ Improve productivity by automating procedures and eliminating manual tasks.
- ✓ Conduct more direct, efficient and effective audits, to improve overall audit quality.

Our engagement team easily imports data in a secure environment from the District’s financial software and extracts useful data for testing and analytical procedures particular to the following areas:

- Successful Fraud Test
- Questionable Invoices
- Phantom Vendor Schemes
- Kickback or Conflict-of-Interest Schemes
- Dormant Account Schemes
- Money Laundering Schemes

Type and Extent of Analytical Procedures to be Used in the Engagement

Analytical procedures are one of many financial audit processes which help an auditor understand the client’s operation and changes in the environment, and to identify potential risk areas to plan other audit procedures. Analytical Procedures includes comparison of financial information on prior periods, budget, forecast, and industry benchmark. We use trend and ratio analysis to identify any uncertain or unusual events. In order to perform these analyses, our firm conducts a survey of cities and counties and develops benchmarks on specific vital financial indicators, such as the cost of services to tax revenues ratios, average general fund balance, capital assets, debt per capital, general fund unassigned fund balance to total general fund expenditures, etc. Our staff members have previous experience in successfully implanting analytical procedures to the District’s benefit.

Analytical procedures are performed at three stages of audit: at the start, in the middle, and at the end of the audit. These three stages are risk assessment procedures, substantive analytical procedures, and final analytical procedures:

- Risk assessment procedures are used to assist the auditor to better understand the business and to plan the nature, timing, and extent of audit procedures.
- Substantive analytical procedures are used to obtain evidential matter about particular assertions related to the account balances or classes of transactions. During the interim phase, our engagement team will set up expectations for the year-to-date results and balances and compare them with budgeted and prior-year amounts. This process allows us to forecast year-end amounts, reducing the workload during the year-end phase and allowing us to focus on areas of concern.

VALLEY SANITARY DISTRICT

Experience and Approach

- Final analytical procedures are used as an overall review of the financial information in the last review stage of the audit. The Engagement Partner and Manager will perform a high-level analytical analysis of the financial information comparing its data for both quantitatively and qualitatively, to ensure the amount presented in the financial statements are fairly presented in all material respect.

Approach to be Taken to Gain and Document an Understanding of the Internal Control Structure

Audit risk assessment is established by an internal control review, combined with the Engagement Team's understanding of the District's operations and accounting software. Using the Committee of Sponsoring Organizations (COSO) Framework, staff members will evaluate the District's processes and identify any control deficiencies. These diagnostic review procedures allow the Engagement Team to assess the District's systems and controls and to provide constructive feedback to management.

During our initial planning phase of the audit, our engagement team, including the Engagement Partner and Manager will obtain an understanding of the entity and its environment. It is an essential aspect of performing an audit under generally accepted auditing standards. In particular, that understanding establishes a frame of reference within which the auditor plans the audit and exercises professional judgment about assessing risks of material misstatement of the financial statements and responding to those risks throughout the examination.

During the interim phase of the audit, our Engagement Team will perform a walkthrough of all significant accounting systems, including processes for financial reporting, revenue recognition and cash receipts, purchasing/contract management and cash disbursements, and payroll and related liabilities, and others. Our auditors will obtain the written policies and procedures, inquiring accounting personnel, and document the process in either a flowchart or narrative summary format. After gaining an understanding of the accounting and internal control systems, our auditor will make a preliminary assessment of control risk, at the assertion level, for each material account balance or class of transactions.

The form and extent this documentation is influenced by the size and complexity of the entity, and the nature of the entity's accounting and internal control systems. Generally, the more complex the entity's accounting and internal control systems and the more extensive the auditor's procedures, the broader our documentation will need to be.

Approach to be Taken in Determining Laws and Regulations that Will be Subject to Audit Test Work

The Firm stays continually up to date with audit requirements—including new regulations, compliance supplements, state guidelines, and related contracts—to ensure that we conduct audits under applicable laws and regulations. We test transactions for compliance with the Single Audit Act, California Government Code, provisions of applicable grant guidelines, requirements of local measures, and others.

For example, the Single Audit Act requires that we determine which grants to include in our audit and select transactions from those grants for detailed testing. While most items will be tested as part of the Interim phase, we cannot determine which grants will be tested for the Single Audit until the Year-End phase of the audit.

Our compliance audits of cash, investments, debt covenants, and other areas will be performed in accordance with the California Government Code, which has many provisions and regulations covering investments.

Approach to be Taken in Drawing Audit Samples for Purposes of Tests of Compliance

To test compliance, we will follow the AICPA's Audit Sampling Considerations of Uniform Guidance Compliance Audits. We will select an appropriate sample size based on our professional judgment and knowledge. Any deviations from control and compliance requirements will be documented.

VALLEY SANITARY DISTRICT

Experience and Approach

Client Training Seminar

Constant changing in accounting and auditing standards, laws and regulations, and compliance provisions has created an unprecedented complexity in public accounting for state and local governments.

The Pun Group Governmental Accounting Conference is designed to not only provide you updates on these new accounting and auditing standards. We also bring in expertise to provide you practical insights on certain pressing issues, such as:

1. Structural Financial Issues – Reduction in tax revenues and the growing cost of services
2. Labor Issues – Escalation of Pension and Healthcare Cost and Other Employee Benefits issues
3. Infrastructures Issues – Maintenance and Repair of Aging Infrastructure

Every year, the Firm hosts a conference to update governmental clients on new technical accounting and financial issues. This year's day-long session—held in Orange County (08/06/2019), Danville (08/20/2019) and Clovis (08/29/2019)—qualifies for eight hours of CPE.

Participants of last year's training seminar received a high-level examination of numerous technical issues, including the following:

- GASB Updates
- Auditing Standards and Single Audit Updates
- Survey of Cities and Counties
- Implementation of the New OPEB Standards
- Public Sector Employee Benefits 2018: Big Ticket Items That Finance Directors and Staff Need to Plan for

Importantly, all of our clients are invited to attend The Pun Group, LLP client training seminar **FREE OF CHARGE**.

VALLEY SANITARY DISTRICT

Experience and Approach

Identification of Anticipated Potential Audit Problems

While we do not expect any problems with the audit, we will carefully investigate and monitor the following relevant accounting issues:

Investments:

- Compliance with GASB 31 and GASB 34
- Authorization and approval process for District investments
- Controls to assure District's compliance with investment limitations and types of specific investments
- Monitoring by the District of its investments

Financial Reporting:

- CAFR compliance with current reporting and disclosure requirements issued by GASB
- CAFR eligibility for financial reporting conformance awards issued by GFOA
- Compliance with the various GASBs in effect
- Perform valuations of OPEB benefits to determine the liability for all benefits promised to active, retired, and inactive plan members as of each valuation date, when applicable
- Compliance with Governmental Accounting Standards Board (GASB) Statements 74 and 75
- Compliance with infrastructure obligations and regulatory provisions

Internal Control Structure:

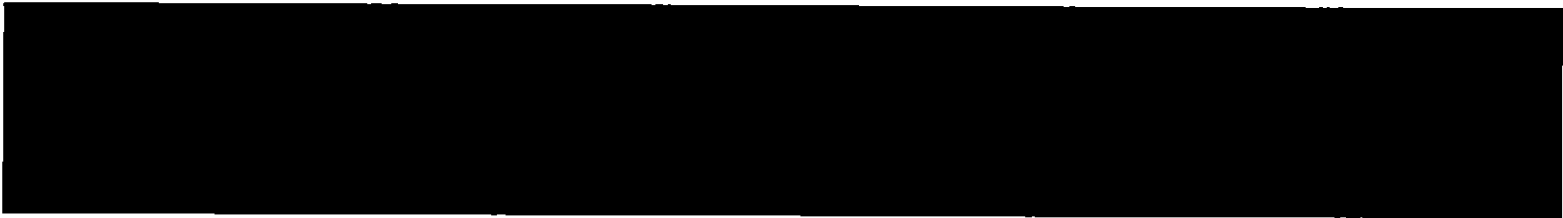
- District's internal control functions and compliance with proper internal control philosophies
- Computer-system processes and controls, and adequacy of the control environment

Over the period of the engagement, several new GASB pronouncements will become effective. The Engagement Team will pay specific attention to the following new and upcoming pronouncements, and any others that become effective during the proposal period, in order to determine proper implementation procedures:

- GASB 72 – *Fair Value Measurement and Application*
- GASB 73 – *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*
- GASB 74 – *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*
- GASB 75 – *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*
- GASB 76 – *The Hierarchy of Generally Accepted Account Principles for State and Local Governments*
- GASB 77 – *Tax Abatement Disclosures*
- GASB 78 – *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*
- GASB 79 – *Certain External Investment Pools and Pool Participants*
- GASB 80 – *Blending Requirements for Certain Component Units—an amendment of GASB Statement 14*
- GASB 81 – *Irrevocable Split-Interest Agreements*
- GASB 82 – *Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73*
- GASB 83 – *Certain Asset Retirement Obligations*
- GASB 84 – *Fiduciary Activities*
- GASB 85 – *Omnibus 2017*
- GASB 86 – *Certain Debt Extinguishment Issues*
- GASB 87 – *Leases*
- GASB 88 – *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*
- GASB 89 – *Accounting for Interest Cost Incurred before the End of a Construction Period*
- GASB 90 – *Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61*

COST OF SERVICES

“Offering a full range of financial services, The Pun Group helps clients address all aspects of their financial condition, while providing solutions and directions in a cost-effective and efficient manner.”



VALLEY SANITARY DISTRICT

Cost of Services

Certification

We are committed to the performance of a high quality audit at the most reasonable fee level possible, both initially and throughout the engagement. Also, our partners will provide advice and consultation as needed, at no additional cost to the District.

Name of Firm: The Pun Group, LLP
 Certified Public Accountants and Business Advisors
Contact Name: Frances J. Kuo, CPA, CGMA
Contact Telephone Number: (949) 777-8805
Contact Email Address: frances.kuo@pungroup.com

I, the undersigned, certify I am duly authorized to represent the above named firm and am empowered to submit this bid. In addition, I certify I am authorized to contract with the District on behalf of the above named firm.



January 11, 2018

 Frances J. Kuo, CPA, CGMA | Partner
 The Pun Group, LLP

 Date

Total All-Inclusive Maximum Price – Cost Proposal Form

Following are our total fixed fees for three (3) years contract term beginning with the fiscal year ending June 30, 2019.

Services Provided:	2018-19	2019-20	2020-21
Financial Audit of the District	\$ 15,000	\$ 15,500	\$ 16,000
Single Audit - up to 1 Major Program	\$ 3,000	\$ 3,000	\$ 3,000
Grand Total:	\$ 18,000	\$ 18,500	\$ 19,000

⁽¹⁾ Fees related to Single Audit are based on one (1) major program per fiscal year. The fee to audit additional major programs will be \$4,000 each. The number of programs determined to be "major" will be based on OMB Uniform Guidance. The Engagement Team will discuss this with the District's Management before starting Single Audit work.

⁽²⁾ Supplemental reports, audits, or agreed-upon procedures must be added in a written agreement prior to commencing audit work. The Firm and the District will discuss and approve the scope and associated costs of these tasks.

VALLEY SANITARY DISTRICT

Cost of Services

Out of Pocket Expenses in the Total Maximum Price and Reimbursement Rates

The Firm's policy is to maintain flexible billing rates to meet the needs of clients and help them control costs. In the interest of continuing our long-term relationship, we will absorb all expenses required to familiarize ourselves with the operations and accounting systems, as well as, travel and printing costs. Additionally, our Partners will be available to provide advice and consultation as necessary to the District. The Firm will also absorb these costs.

Rates for Additional Professional Services

Below are the Firm's standard hourly billing rates, delineated by staffing levels:

Auditor's Standard Hourly Billing Rates	
Position	FY 2018-19
Partner(s)	\$ 250
Senior Manager(s)	\$ 225
Manager(s)	\$ 200
Supervisor(s)	\$ 175
Senior Accountant(s)	\$ 150
Staff Accountant(s)	\$ 125
Clerical	\$ 100

Any supplemental reports, audits, or agreed-upon procedures not covered by this proposal may be added in a written agreement prior to commencing audit work. The Firm and the District will discuss and approve the scope and associated costs of these tasks. Any additional work will be performed at the above quoted hourly rates.

Manner of Payment

Engagement Team members are required to maintain timesheets detailing the date, number of hours, and work performed for every audit task. The Firm will collect these timesheets and bill the, at the rates outlined in the Total All-Inclusive Maximum Price section, in four stages: (1) at the conclusion of the planning phase, (2) at the conclusion of the interim phase, (3) at the conclusion of the Year-End phase, (4) and after presentation and acceptance of the final audit reports. Interim billings will cover a period not less than a calendar month. The billing amounts generally break down as follows:

Work Performed	% of Proposal Amount
For Planning	10%
For Interim work	40%
For Year-End work	40%
At Presentation and Acceptance of Final Reports	10%
Total	100%

LET'S START A DIALOGUE

"It is our commitment to only practice with the highest professional ethics and standards. We believe we owe that to the profession, our clients, and ourselves."





VALLEY SANITARY DISTRICT

Let's Start a Dialogue

Benefits of Choosing The Pun Group, LLP

The Pun Group, LLP is recognized for its professionalism, integrity, and providing clients with practical solutions unique to their circumstances and issues. Our Firm prides itself on being able to provide personalized client services, and with that sentiment in mind, we have carefully chosen our engagement teams. The Pun Group's primary objective is always to give the Valley Sanitary District solutions and directions, led by highly experienced and capable partners who can successfully implement the work and produce the results you expect. This philosophy and mindset allow us to provide a superior level of service, and a quality audit.

We trust that this proposal has given you the information you need about the Firm, the Engagement Team members, overall audit approach, cost-saving measures, and audit fees. We are committed to exceeding your expectations, and we look forward to bringing our experience and expertise to the Valley Sanitary District and providing you with the excellent level of service that you expect and deserve.

Thank You

Thank you for giving us the opportunity to submit our qualifications to provide you with audit services. Please direct inquiries to:

Ms. Frances J. Kuo, CPA, CGMA
Managing Partner
200 East Sandpointe Avenue, Suite 600
Santa Ana, California 92707
frances.kuo@pungroup.com
(949) 777-8805

Sincerely,

The Pun Group, LLP

The Pun Group, LLP
Certified Public Accountants and Business Advisors

VALLEY SANITARY DISTRICT

Let's Start a Dialogue

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APPENDICES



VALLEY SANITARY DISTRICT

Appendices

Proof of Insurance



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
3/12/2018

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

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

PRODUCER Wood Gutmann & Bogart 15901 Red Hill Ave., Suite 100 Tustin CA 92780	CONTACT NAME Connie Jones PHONE (A/C No, Ext): 714-505-7000 FAX (A/C No): 714-573-1770 E-MAIL ADDRESS: connie@wgbib.com
INSURED PUN&M-1 The Pun Group, LLP 200 East Sandpointe Avenue, Suite 600 Santa Ana CA 92707	INSURER(S) AFFORDING COVERAGE INSURER A: TRAVELERS CAS INS CO OF AMER NAIC # 19046 INSURER B: Travelers Property Casualty Co of Amer 25874 INSURER C: Argonaut Insurance Company INSURER D: INSURER E: INSURER F:

COVERAGES CERTIFICATE NUMBER: 1154300804 REVISION NUMBER:

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

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSD WYD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:		6807GS92120-18	3/1/2018	3/1/2019	EACH OCCURRENCE \$ 2,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 2,000,000 GENERAL AGGREGATE \$ 4,000,000 PRODUCTS - COMPOP AGG \$ 4,000,000 \$
A	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS		BA-8G97670318	3/1/2018	3/1/2019	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
B	UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input type="checkbox"/> RETENTION \$		CUP-004H25314818	3/1/2018	3/1/2019	EACH OCCURRENCE \$ 1,000,000 AGGREGATE \$ 1,000,000 \$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N <input type="checkbox"/> N/A	UB3K65340118	3/1/2018	3/1/2019	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER EL EACH ACCIDENT \$ 1,000,000 EL DISEASE - EA EMPLOYEE \$ 1,000,000 EL DISEASE - POLICY LIMIT \$ 1,000,000
C	E&O Retro 12/28/11		IAC4207440	3/1/2018	3/1/2019	3,000,000 agg 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER Proof of Coverage	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE <i>DB, III</i>



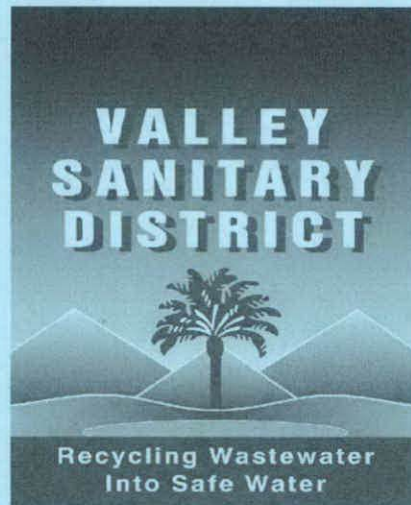


200 E. Sandpointe Ave., Suite 600, Santa Ana, California 92707
Phone: (949) 777-8800 | Fax: (949) 777-8850 | www.pungroup.com

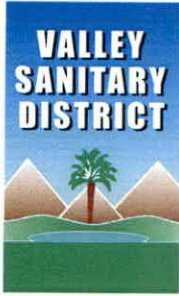

THE
PUN GROUP
ACCOUNTANTS & ADVISORS

Agenda Item

6



Secondary Security Fence Panels Project
Pay Application Number 1



Valley Sanitary District
Board of Directors Meeting
February 12, 2019

TO: Board of Directors
FROM: Joseph Glowitz
SUBJECT: Secondary Security Fence Panels Project Pay Application Number 1

<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

Recommendation:

It is recommended that the Board of Directors:

- Approve Pay Application No. 1 to Tremblay Iron Works.

Background:

Change Order Requests

VSD is currently in discussions with Tremblay Iron Works on two (2) potential project change orders. The first potential change order concerns changes required to the design of two (2) of the security panels which will be mounted adjacent to the large rolling gate located near the outfall building. These panels will not be able to be bolted onto the existing fence posts adjacent to the sliding gate because they do not have predrilled holes to attach the panels. These panels will require a different method of mounting which has yet to be determined. The second potential change order concerns extra painting required on the rolling gate reinforcement that was installed previously by Tremblay Iron Works. The metal is beginning to show signs of rust and requires additional coats of paint to seal and protect the metal properly.

Request for Information

The total number of Requests for Information to date is 0.

Contractor Progress Payment Request

Here is the summary of the pay application; the Tremblay Iron Works invoice is attached.

Total Complete	\$ 57,456.00
Less Previously Paid	\$ 0.00
Less 5% retention	\$ 2,872.80
Tremblay Iron Works	\$ 54,583.20

Project Update

Approximately 80% of all panels have been constructed and are currently being housed at the Tremblay Iron Works shop. Painting of the panels still remains to be completed. All remaining fence material has also been purchased and is being stored at the shop. All material and assembled panels have been verified by VSD staff to be at Tremblay Iron Works on February 1, 2019.

Construction and painting of the panels should be complete by February 22, 2019. Once all of the panels have been constructed and painted, the mounting process will begin and is anticipated to be complete by the beginning of May 2019.

Delete from Project Contract (A Change Order will be generated)


None.


Project Contingency Fund (New Expense)

None.

Fiscal Impact (Dollars):

Total Invoice	\$ 57,456.00
Less Retention	\$ 2,872.80
Due Tremblay Iron Works	\$ 54,583.20

Submitted By: 
Ron Buchwald
District Engineer

Approved By: 
Joseph Glowitz
General Manager

Attachments: Tremblay Iron Works Project Invoice, dated January 22, 2019

Tremblay Iron Works

Invoice

83-764 Ave. 45
 Indio, CA 92201
 PH. # 760-347-8403 Fax # 760-347-8461
 LIC. # 844515

Date	Invoice #
1/22/2019	17686

Bill To
VALLEY SANITARY DISTRICT Ronald Buchwald District Eng. 45500 Van Buren Indio, Ca C:760 238 5408, F: 760 238 5460 rbuchwald@valley-sanitary.org
SENT VIA

Job Location		
<i>Terms</i>	<i>EST. #</i>	<i>P.O #</i>
40% DRAW		

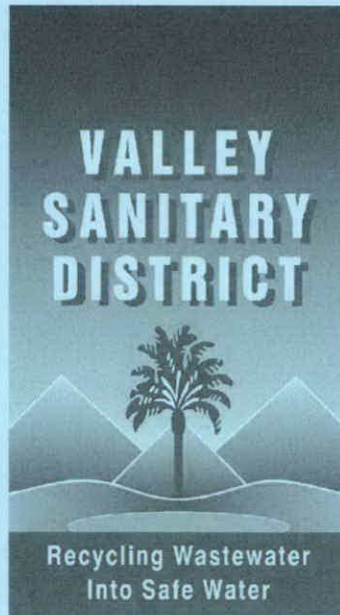
Qty	Description	Rate	Est Amt	Prior Amt	Amount
94.5	<p>40% DRAW: *5% RETENTION WITH HELD</p> <p>- 80% OF FABRICATION IS COMPLETE. - ALL MATERIAL PURCHASED AND IS STORED AT OUR SHOP.</p> <p>Custom Fixed Fence Panels - 8' x 8' - Fabricated with 2" x 1" x .065 Rect Tube Top/middle/bottom Rail - Note: Horizontal rectangular tube styles will be open at each end, They will but into the horizontal style on the panel next to it with approx 1/8" gap. - 1" x 1" x .065 Vertical Pickets. - Note: Vertical Pickets to be open at bottom, top to have 1" sq. polymer plug. - See sample for details</p> <p>Application: - The new panels are designed to fit directly over existing "I" beam posts. - We will align the new panel in (6) locations with the current I beam post holes. - Each Horizontal style to have holes drilled in the field at each end, done to line up the holes in existing posts. - Each of (6) Holes will get a carriage style bolt with washer set between the old fence and new. On the face you will see an eccentric anti theft nut. (Not impossible to take off but you need special tools, grinder, or torch.</p> <p>Finish: - Primer: 1 Coat Pro Industrial Pro-Cryl Primer - Finish: 2 Coats Pro Industrial Water Based Alkyd Urethane, Low Sheen - Color: Black</p> <p>Notes: - Bid assumes existing posts are not all completely square, plumb or true to each other, or exactly 8' on center. There is a probability that some of the horizontals will need to be trimmed in the field. There is also a probability that the horizontals styles, may have a small gap or not line up perfectly with the horizontal style of the panel next to it. - Bid Requires a material deposit. As done prior we will get the material in our shop. Have VSD come by our shop and inspect for correct quantity etc. Then request only the amount equal to or less than material cost.</p> <p>-5% RETENTION WITH HELD</p>	608.00	143,640.00		57,456.00
		-2,872.80			-2,872.80

Tremblay Iron Works, the installation company for Aladdin manufacturing, will complete the installation and any service work required. Please see terms & conditions on the Estimate. NOTE: A deposit is required for any custom order parts, fabrication or installation. Remaining balance is due C.O.D. upon completion of the installation. Any changes in design, paint, fabrication or installation may result in additional charges. Insufficient backing during any installation may result in an upcharge. If there is insufficient backing, any damage during that process; i.e. drilling holes in the drywall in order to find the backing or having to add backing in order to properly install our product, we will not be liable for any repairs beyond our trade. Please make ALL checks payable to Tremblay Iron Works. Thank You!

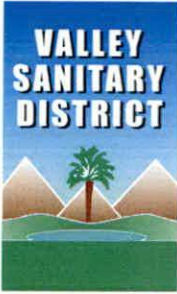
Total	\$54,583.20
Payments/Credits	\$0.00
Balance Due	\$54,583.20

Agenda Item

7



Purchase Authorization –
Ford F250 Super Cab from Fiesta Ford



Valley Sanitary District
Board of Directors Meeting
February 12, 2019

TO: Board of Directors
FROM: Joseph Glowitz
SUBJECT: Purchase Authorization – Ford F250 Super Cab from Fiesta Ford

<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

Recommendation:

It is recommended that the Board of Directors authorize the General Manager to purchase one (1) F250 Super Cab utility truck from Fiesta Ford for the purchase price of \$ \$40,027.74. This price includes the arrow board, utility lift-gate and taxes.

Background:


The District currently owns a 1999 F250 utility truck that needs to be replaced due to age, mileage and overall service cost. This utility truck is equipped to provide traffic control lighting, and for transporting and towing necessary equipment to and from job sites. The utility truck’s arrow board satisfies the City of Indio traffic control requirements. Procurement is with Government concession pricing.

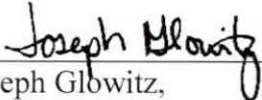
The 1999 Ford F250 will be sold through GovDeals. The estimated surplus value is \$5,000 to \$8,000.

Fiscal Impact (Dollars):

The Vehicle and Equipment Replacement reserve fund will be used to pay for the one (1) F250 utility truck. The fiscal impact is:

Account: 12-8660-000-0	Vehicle and Equipment Replacement Fund	\$40,027.74
Total		\$40,027.74

Submitted by: 
Ryan Williams,
Maintenance Supervisor

Approved by: 
Joseph Glowitz,
General Manager

Attachment: Quotes from Fiesta Ford
Quotes from Tops and Barricades
Quotes from Signature Truck



VALLEY SAN
19 F-250 SUPER
SALESPERSON: RON O
02/04/2019 10:

This presentation is designed to provide an example of various finance options that may be available. Incentive programs, Rebates, Rates, Term payments are estimates, subject to change and are impacted by individual credit history and subject to credit approval and program verification. Details will be provided when an alternative or alternatives are selected.

Cash Deal Structure

Market Value	38,490.00
Discount Savings	-11,523.76
Vehicle Price	26,966.24
Document Prep Fee	85.00
Tire/Battery/VTR Fee	8.75
Sales Tax	2,367.75
Due On Delivery	29,427.74
Tax: INDIO 8.75 %	8.75 %

On Approved Credit - APR and Payment may vary based upon Credit History, Down Payment and Lender Approval. Vehicle Price is before Taxes and/or applicable fees. Tax Profile: Indio 8.75 %



(800) 852-TOPS
 topsnbarricade@aol.com
 topsnbarricades.com
 Contractors Lic.
 #787664

PLEASE REMIT TO:
TOPS N BARRICADES
 44-503 JACKSON ST., INDIO, CA 92201

44503 Jackson Street
 Indio, CA 92201
 Ph.(760) 347-2111
 Fx.(760) 347-3680

CONTRACT: 109785

BILL TO:
 VALLEY SANITARY DISTRICT
 45-500 VAN BUREN
 INDIO CA 92201

SHIP TO:
 TOPS YARD
 INDIO

CUSTOMER #: 175
BILLING TEL: 760-347-2356
DIVISION: HEAD OFFICE
CUSTOMER PO: QUOTE AT THIS TIME

CONTRACT PERIOD FROM: JAN 10/19 TO: JAN 11/19 **PICKUP**

CONTRACT NOTES:

INSTALL 180 DEGREE ARROW BOARD AND LED SURFACE MT LIGHTS
 ON NEW PICK-UP WITH LIFT GATE
 CUSTOMER RESPONSIBLE FOR ANY DAMAGE & OR LOSS
 MINIMUM RENTAL \$15.00

TERMS: NET 30
REF: RYAN

SALES#	QTY	DESCRIPTION	UNIT PRICE	EXTENDED AMT
ABWFBP6-LSAC	1.00	ARROW BOARD 3'X6" LED 25LT RM	\$3250.00	\$3,250.00
L/EMP52SMS2A	2.00	FASCIA 4" SCREW BLK AMB	\$89.00	\$178.00
S/LEDENFSG2A	2.00	NFORCE GRILLE 9LED AMB	\$110.00	\$220.00
L/ELUC2S010A	4.00	LED HIDEAWAY AMBER	\$70.85	\$283.40
GSWLE92006	2.00	ECCO LED WORK LIGHT 1365 LUM	\$55.69	\$111.38

SUBTOTAL SALES: \$4,042.78

SERVICES#	QTY	DESCRIPTION	UNIT PRICE	AMOUNT
6	1.00	INSTALLATION	\$665.00	\$665.00

FABRICATE ARROWBOARD SUPPORT AND INSTALL LED

SUBTOTAL SERVICES: \$665.00

TAXES	TAXABLE	AMOUNT
INDIO	\$4,042.78	\$353.74

SUBTOTAL TAXES: \$353.74

GRAND TOTAL: \$5,061.52

RENTAL AGREEMENT AND CONDITIONS

LESSEE ACKNOWLEDGES:-Receipt of said equipment in good working condition and repair and upon expiration of Lessees use thereof, Lessee shall return same to Lessor in as good condition and repair as when delivered, subject to reasonable wear and tear. Customer responsible for lost or stolen equipment.

LESSEE AGREES:-To pay the specified rent for use of said equipment.-To not release this equipment from Lessees control without prior authorization from Lessor.-To not move said equipment to any other job without prior consent of Lessor.-To assume sole responsibility of proper placing of said rented equipment on the job location.To indemnify Lessor against all loss, damage, expense and penalty arising from any action or claim on account of any injury to person or property of any character, whatsoever occasioned by the operation, handling, transportation and/or use of any of the barricades and/or warning lights during the rental period, and while said barricades are in the possession or under custody of Lessee.To pay to Lessor reasonable attorney fees and collection costs incurred by Lessor in enforcing the terms of this agreement, in the event Lessee breaches any of the terms of this agreement, of Lessee fails to pay rent of to pay for damages to said equipment while in Lessees possession.

LESSOR AGREES:-Assumes no responsibility from any cause whatsoever.

CUSTOMER'S SIGNATURE _____ DATE _____ TRUCK # _____ DRIVER _____ DATE _____ TIME _____

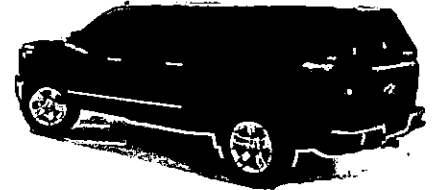
Signature Truck Tops, Vehicles & Accessories, Auto

82573 Indio Blvd
Indio, CA 92201
760-863-1991

Estimate

Date	Estimate #
11/5/2018	717

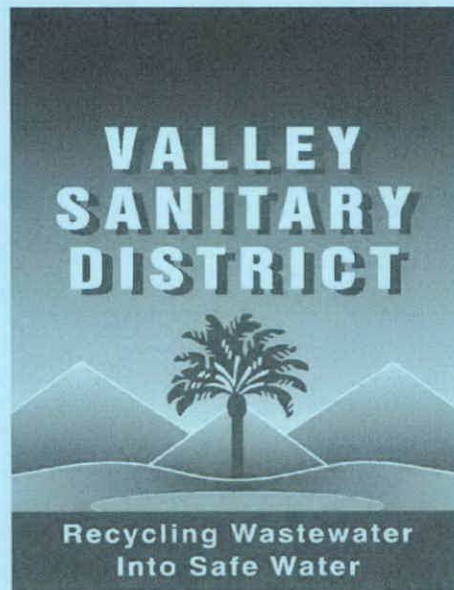
Name / Address
Valley Sanitary District 45500 Van buren Indio Ca 92201



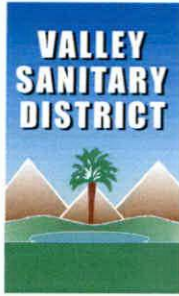
P.O. No.	Serial #	www.signaturetrucktops.com IG: @signaturetrucktops FB: signaturetrucktops (work load)		
Description	Qty	Rate	Total	
Tommy Gate: G2-60-1542-TP42, 55x42, 1500Lbs For 2019 Ford F250		2,599.00	2,599.00T	
Freight		300.00	300.00T	
Labor	8	100.00	800.00	
Part: Rear Air Bags (Air Lift)	1	499.00	499.00T	
Part: Single Path Controls With Standard Duty Compressor		329.00	329.00T	
Labor:	6	100.00	600.00	
Notes: Ryan 760-238-5406				
Sales Tax Indio, Ca		8.75%	326.11	
ALL ORDERS ARE NON REFUNDABLE- NO CASH REFUNDS- PLEASE ALLOW 3-5 WEEKS FOR SPECIAL DELIVERY		Total	\$5,453.11	

X

Agenda Item
8



Consideration to Authorize Surplus
of Equipment



Valley Sanitary District
Board of Directors Meeting
February 12, 2019

TO: Board of Directors
FROM: Joseph Glowitz
SUBJECT: Consideration to Authorize Surplus of Equipment

<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

Recommendation:

It is recommended that the Board of Directors authorize surplus of the items listed on the attached Valley Sanitary District Equipment Disposition Form in accordance with VSD Policy 3030: Fixed-Asset Accounting Control.

Background:

Staff has identified obsolete equipment that is no longer usable by the District. These items have been replaced by newer items and are no longer needed.

Fiscal Impact:

None.

Submitted by: Joanne Padgham
Joanne Padgham,
Administration & Finance Manager

Approved by: Joseph Glowitz
Joseph Glowitz,
General Manager

Attachment: Valley Sanitary District Equipment Disposition Form

VALLEY SANITARY DISTRICT EQUIPMENT DISPOSITION FORM

(This form is to be completed upon the disposition of fixed assets, including equipment for surplus)

Date of Disposition:	
Department: Administration/ Operations	Location: VSD

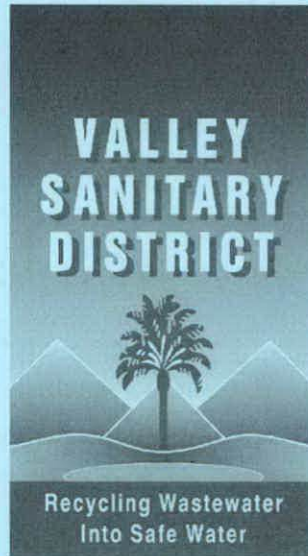
Justification for Disposition: Obsolete/No longer usable by the District
These items are for disposal/scrap or to be sold through GovDeals

Item #	Asset Tag #	Quantity	Description	Current Location	Value \$	
1		1	Shel Lab Incubator	VSD	0	<i>E - Waste</i>
2		1	Vulcan D-550 Furnace	VSD	0	<i>E - Waste</i>
3		8	APC Battery UPS	VSD	0	<i>E - Waste</i>
4		1	Gorman Rupp Control Board	VSD	0	<i>E - Waste</i>
5		1	D. O. Probe	VSD	0	<i>E - Waste</i>
6		3	Vogelsang Macerator	VSD	0	GovDeals
7		1	Ford F250 Arrowboard Utility Truck	VSD	\$5000 - \$8000	GovDeals
8		1	Apple laptop computer	VSD	\$100-\$200	
9		1	Apple Monitor	VSD	\$50-\$100	
10						

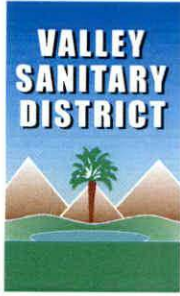
Check One:
<input type="checkbox"/> Sold (Please attach supporting documentation and sale value.)
<input type="checkbox"/> Lost (Please include complete description of circumstances surrounding loss.)
<input type="checkbox"/> Donated to outside organization (Please attach supporting documentation.)
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

Department Supervisor:	General Manager:
District Board Action:	

Agenda Item 9



Consideration to Cancel the
February 26, 2019 Board Meeting and
Schedule a Special Board Meeting for
March 5, 2019



Valley Sanitary District
Board of Directors Meeting
February 12, 2019

TO: Board of Directors
FROM: Joseph Glowitz, General Manager
SUBJECT: Consideration to Cancel the February 26, 2019 Board Meeting and Schedule a Special Board meeting for March 5, 2019

<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

Recommendation:

It is recommended that the Board of Directors cancel the Board Meeting of February 26, 2019 and schedule a Special Board Meeting for Tuesday, March 5, 2019.

Background:

The regular board meetings are scheduled for the second and fourth Tuesday of every month at 1:00 P.M. Due to board members attending the CASA Conference in Washington D.C it is recommended to cancel the February 26, 2019 board meeting and schedule a special board meeting for Tuesday, March 5, 2019 at 1:00 P.M.

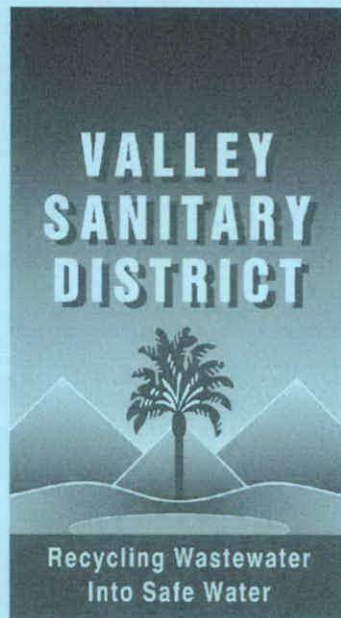
Fiscal Impact:

None

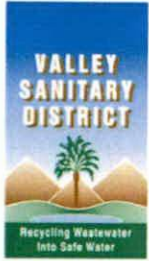
Submitted by: Holly Gould
Holly Gould, Clerk of the Board

Approved by: Joseph Glowitz
Joseph Glowitz, General Manager

Agenda Item 10



General Manager's Report



General Manager's Report February 5, 2019

ADMINISTRATION & FINANCE

- 2018 Cal/OSHA Form 300A, Summary of Work-Related Injuries and Illnesses, has been completed and posted. There were zero (0) reportable injuries for calendar year 2018.
- Form 700 is available for 2018. Submission of completed and signed forms is April 1, 2019 for board members and designated staff members.
- The District office will be closed on Monday, February 18, 2019 in observance of Presidents' Day.

ENGINEERING & MAINTENANCE

- The wrought iron secondary security fence project has been given the Notice to Proceed. Construction is under way.
- The secondary clarifier No. 3 coating project has been awarded to National Lining and Coating. Working on getting the signed contract, bonds and insurance before sending out the Notice to Proceed.
- Staff has received the draft Collection System Master Plan Update report. It will be reviewed and finalized in the next few weeks.
- Staff is continuing to work on the budget and rate study.
- Field Vector crew is currently jetting in the area of Highway 111 and Shields Road.
- CCTV Inspection work is currently being conducted in the area of Avenue 43 and Calhoun.

OPERATIONS

- Staff has replaced the macerator for the sludge pump on primary clarifier #3. Macerator replacement for the sludge pump on primary clarifier #4 and the primary scum collection system will be completed by February 15, 2019.
- Staff is installing a new chain and sprocket on primary clarifier #4 drive motor. Installation should be complete by February 5, 2019.
- Blower #3 is experiencing "high gear box vibration" alarms. Staff replaced the vibration sensor and cable for blower #3, but that did not resolve the alarm problem. A technician from Lone Star Blower is scheduled to be onsite to troubleshoot and resolve issues on Thursday, February 7, 2019.
- The new Ferric Chloride pump building will be delivered on Monday, February 11, 2019.



VALLEY SANITARY DISTRICT DEVELOPMENT SERVICES REPORT

5-Feb-19

Plan Check in Progress
Inspection in Progress
New Project

PROJECT NAME	STREET ADDRESS / CROSS STREET	CURRENT PROJECT STATUS	NEXT ACTION ITEM
Barber Shop TI	82900 Avenue42/Jackson Street	Plans submitted for TI of existing building. Plans approved and returned to the City 12/12/18.	Waiting for owner to process permit paperwork.
Best Western breakfast room Reno	81909 Indio Blvd	Plans submitted for tenant TI, renovation of breakfast room. Completed 1st plan check and returned to the City 7/11/17.	Perform 2nd plan check upon plan resubmittal.
Bravo Commercial Building	46331 Commerce Street/Van Buren Street	Plans submitted for new building. Plans approved and returned to the City 5/10/17.	Waiting for owner to process permit paperwork.
Burgerim Restaurant	44100 Jefferson Street, Ste 400/Fred Waring	Plans submitted for existing building TI. Plans approved and returned to the City 1/8/19.	Waiting for owner to process permit paperwork.
Burlington Building TI	42500 Jackson Street, Avenue 42	Plans submitted for TI of existing shell building. Plans approved and returned to the City 12/11/18. Issued permit 3798 on 1/4/19.	Inspect work improvements as scheduled.
Burlington Shell	42450 Jackson Street, Avenue 42	Plans submitted for TI of existing building. Plans approved and returned to the City 12/11/18.	Waiting for owner to process permit paperwork.
Chavez Tenant Improvement	45330 Jackson St / Civic Center	Plans submitted for TI of existing building. Demolition of interior walls and facilities. Completed 4th plan check and returned to the City 6/25/18. Issued permit 3755 on 7/9/18.	Inspect work improvements as scheduled.
Chevron/Circle K	42250 Jackson Street / Showcase Parkway	Plans submitted for new Valero gas station/Circle K. Plans approved and returned to the City 1/10/19.	Waiting for owner to process permit paperwork.
Circle K Store	79985 Hwy 111/Jefferson St	Plans submitted for TI. Plans approved and returned to the City 1/9/17.	Waiting for owner to process permit paperwork.
Clinica Medica Del Valle	45677 Oasis Street/Requa	Plans submitted for existing building TI. Plan approved and returned to the City 11/16/18.	Waiting for owner to process permit paperwork.
Coachella Valley Housing Coalition- TI	45701 Monroe Street/Highway 111	Plans submitted for tenant TI. Completed 1st plan check and returned to the City 8/21/17.	Perform 2nd plan check upon plan resubmittal.
DD's Discount Retail Store TI	82154 Hwy 111/Monroe Street	Plans submitted for TI of existing building. Plans approved and returned to the City 1/8/19. Issued permit 3801 on 1/30/19.	Inspect work improvements as scheduled.
Domino's Hwy 111 - TI	81942 Highway 111/Monroe Street	Plans submitted for tenant TI. Plans approved and returned to the City 11/6/17.	Waiting for owner to process permit paperwork.
East County Detention Center - Phase 1 Demolition. Phase 2 - Detention Center Design and Construction	Hwy 111 & Oasis	Received demolition plans on 9/16/13. Returned to consultant. Received conformed set of demolition plans on 12/5/13. Jail Expansion plans have been reviewed for 2nd plan check and returned on 10/1/14. Completed 4th plan check 11/07/2014, Art requested VSD not send 4th plan check back until he coordinates with the civil engineer. Plan Check is complete. Permit Fees paid 7/13/15. Issued permit 3510 on 7/23/15. Project scheduled to be complete February 2019.	Inspect work improvements as scheduled.
Eddie Leon Residence	82549 Bogart Dr - Indian Palms CC	Plans submitted for new single family residence. Plans approved and returned to the City 11/21/16. Issued permit 3632 on 1/26/17.	Inspect work improvements as scheduled.
El Destino Nightclub - TI	83085 Indio Boulevard/Civic Cnter Mall	Plans submitted for existing building TI 11/30/2015. Plans approved and returned to the City 3/22/16. Issued permit 3577 on 5/24/16. Issued permit 3596 on 8/3/16.	Inspect work improvements as scheduled.
Fiesta Delights TI	82900 Avenue42/Jackson Street	Plans submitted for TI of existing building. Plans approved and returned to the City 12/12/18.	Waiting for owner to process permit paperwork.
Fred Young (Villa Hermosa Apts)	83801 Dr. Carreon Blvd / West of Van Buren	Plans submitted for apts at Fred Young Farm Labor Dev. 6/11/15. 1st plan check returned to the City 12/30/15. Issued permit 3697 on 9/14/17.	Inspect work improvements as scheduled.
Gallery at Indian Springs	Jefferson St / Westward Ho Drive	Civil plans submitted for plan check. Completed 1st plan check and returned to the Engineer 1/10/18. Completed 2nd plan check and returned to the Engineer 1/25/18. Plans approved 1/31/18.	Inspect work improvements as scheduled.
Gallery at Whittier Ranch Tract 31473	NW Corner Jackson and Avenue 48	Old Tract coming back to life. Plans previously approved. Developer completing the remaining phases.	Inspect work improvements as scheduled.

PROJECT NAME	STREET ADDRESS / CROSS STREET	CURRENT PROJECT STATUS	NEXT ACTION ITEM
Gallery Homes Tract -Indian Palms	Monroe & Avenue 50	Gallery Homes has recently purchased the 106 lots. Staff has inspected the site and prepared a list of improvements that need to be made prior to issuing connection permits. Plans submitted for home plans. Reviewed 1st plan check and returned back to the city on 6/4/2014. 2nd plan check returned to city 7/7/14. Model plans approved and returned to the City 8/22/14. All permitted homes have been finalized. New homes currently under construction.	Inspect work improvements as scheduled.
Haciendas II Tract 31975 -137 Lot Subdivision	North of Avenue 43 & East of Golf Center	Provide info to the engineer performing due diligence for a developer. The subdivision was formerly owned by Beazer Homes. The subdivision is in AD 2004-VSD. Received Architectural plans 12/31/15 for 1st check. 1st check complete and returned to City 2/11/16. Mainline repairs complete. Maintenance Bond start date: 07/13/16.	Inspect laterals as requested by builder.
Hampton Inn	TBD - Spectrum St/Atlantic Ave	Plans submitted for new 93 room, 4 story hotel. Completed 1st plan check and returned to the City. Plans approved and returned to the City 8/30/18. Issued permit 3776 on 10/12/18.	Inspect work improvements as scheduled.
Hampton Inn Sewer Main Extension	Northwest Corner of Spectrum St and Atlantic Ave	Plans submitted for the extension of a public sewer main for Hampton Inn at Atlantic Ave. Plan check fees paid 7/11/18. Completed 2nd plan check and returned plans to the engineer 8/9/18. Plans approved and returned to engineer 8/27/18.	Waiting on developer bonds for sewer agreement.
Indio Mall Fire Rebuild	82011 Highway 111/ Monroe Street	Plans submitted for existing building TI. Plans approved and returned to the City 8/29/18. Issued permit 3769 on 9/18/18.	Inspect work improvements as scheduled.
Indio Palms Sewer Main Extension	Southeast Corner of Avenue 42 and Monroe St	Plans submitted for the extension of a private sewer main for Indio Palms at Spectrum Street. Plan check fees paid 2/1/18. Completed 1st plan check and returned plans to engineer 2/21/18. Completed 2nd plan check and returned plans to engineer 3/20/18. Plans approved and returned to engineer 5/10/18.	Waiting on developer bonds for sewer agreement.
Indio Village Square TI	44075 Jackson St	Plans submitted for TI of 2 single occupancy tenant restrooms. Plans approved and returned to the City 2/16/18. Issued permit 3784 on 12/11/18.	Inspect work improvements as scheduled.
Jesus Yvette Salon - TI	45785 Towne Street/Hwy 111	Plans submitted for tenant TI. Completed 1st plan check and returned to the City 9/22/17. Plans approved and returned to the City 10/10/17.	Waiting for owner to process permit paperwork.
Les Schwab Tires	82361 Avenue 42/Monroe Street	Plans submitted for new building. Plans approved and returned to the City 10/26/17.	Waiting for owner to process permit paperwork.
Marshalls TI	42400 Jackson Street, Avenue 42	Plans submitted for existing shell building TI. Plans approved and returned to the City 11/15/18. Issued permit 3797 on 1/2/19.	Inspect work improvements as scheduled.
Maya Cinemas	82900 Avenue42/Jackson Street	Plans submitted for construction of new building for theater.	In queue.
Mex-American Tax Services	44250 Monroe St. / South of Indio Blvd	Plans submitted for an office addition, Returned 1st plan check back to City on 1/21/2014. Received 2nd submittal 3/13/2014. 2nd plan check completed and returned to the city on 3/31/2014. Received 3rd submittal 4/21/14. Reviewed, approved and returned plans back to the city on 5/15/2014. Issued permit 3518 on 8/4/15. Permit expired with the City.	Inspect work improvements as scheduled.
Mobile Gas Station TI	43411 Monroe Street/I-10	Plans submitted for TI. Plans approved and returned to the City 1/11/18. Issued permit 3775 on 10/8/18.	Inspect work improvements as scheduled.
Motorcoach CC - Casita Addition	80501 Avenue 48, Lot 33	Plans submitted for casita addition and storage building. Plans approved and returned to the City 7/19/18. Issued permit 3764 on 8/23/18.	Inspect work improvements as scheduled.
Motorcoach CC - Casita Addition	80501 Avenue 48, Lot 121	Plans submitted for casita addition and storage building. Plans approved and returned to the City 6/7/18.	Waiting for owner to process permit paperwork.
Motorcoach CC - Casita Addition	80501 Avenue 48, Lot 149	Plans submitted for casita addition and storage building. Plans approved and returned to the City 8/6/18. Issued permit 3765 on 8/29/18.	Inspect work improvements as scheduled.
Motorcoach CC - Casita Addition	80501 Avenue 48, Lot 157	Plans submitted for casita addition and storage building. Plans approved and returned to the City 8/27/18. Issued permit 3771 on 10/1/18.	Inspect work improvements as scheduled.
Motorcoach CC - Casita Addition	80501 Avenue 48, Lot 168	Plans submitted for casita addition and storage building. Plans approved and returned to the City 8/22/18.	Waiting for owner to process permit paperwork.
Motorcoach CC - Casita Addition	80501 Avenue 48, Lot 170	Plans submitted for casita addition and storage building. Plans approved and returned to the City 6/7/18.	Waiting for owner to process permit paperwork.
Motorcoach CC - Casita Addition	80501 Avenue 48, Lot 198	Plans submitted for casita addition and storage building. Plans approved and returned to the City 4/27/18. Issued permit 3748 on 5/18/18.	Inspect work improvements as scheduled.

PROJECT NAME	STREET ADDRESS / CROSS STREET	CURRENT PROJECT STATUS	NEXT ACTION ITEM
Motorcoach CC - Casita Addition	80501 Avenue 48, Lot 317	Plans submitted for casita addition and storage building. Plans approved and returned to the City 6/27/18.	Waiting for owner to process permit paperwork.
Motorcoach CC - Casita Addition	80501 Avenue 48, Lot 354	Plans submitted for casita addition and storage building. Plans approved and returned to the City 5/2/18. Issued permit 3751 on 6/7/18.	Inspect work improvements as scheduled.
Motorcoach CC - Casita Addition	80501 Avenue 48, Lot 366	Plans submitted for casita addition and storage building. Plans approved and returned to the City 5/2/18. Issued permit 3752 on 6/7/18.	Inspect work improvements as scheduled.
North Outdoor Resorts - Casita Addition	80394 Avenue 48, Lot 308	Plans submitted for casita and shade structure with indoor kitchen and restroom. Plans approved and returned to the City 11/20/18. Issued permit 3796 on 1/2/19.	Inspect work improvements as scheduled.
North Outdoor Resorts - Casita Addition	80394 Avenue 48, Lot 370	Plans submitted for casita addition and shade structure with outdoor kitchen. Plans approved and returned to the City 8/27/18. Issued permit 3770 on 9/26/18.	Inspect work improvements as scheduled.
North Outdoor Resorts - Casita Addition	80394 Avenue 48, Lot 371	Plans submitted for casita addition and shade structure with outdoor kitchen. Plans approved and returned to the City 6/27/18. Issued permit 3757 on 7/30/18.	Inspect work improvements as scheduled.
Paradiso Tract 31815	East of Monroe North of Ave 41	Model homes. No plan check is required. Permit and Inspection fees need to be paid.	Perform inspection upon payment of required fees.
Parcel Map 36215	Dr. Carreon west of Van Buren	Civil plans submitted for 1st plan check. Plans approved and returned to the Engineer 1/18/18. Issued permit 3718 on 1/23/18.	Inspect work improvements as scheduled.
Regal Indio Metro 8 TI	81725 Highway 111	Plans submitted for TI of Metro 8 theater building. Completed 1st plan check and returned to the City 1/31/18.	Perform 2nd plan check upon plan resubmittal.
RPI (Royal Plaza Inn) Bar & Grill - TI (formerly Cactus Jacks)	82347 Highway 111	Plans submitted for tenant improvement and installation of a grease interceptor. Plans approved and returned to the City 10/12/17. Issued permit 3700 on 10/27/17.	Inspect work improvements as scheduled.
Sage Dental TI	82900 Avenue 42, Suite B-101	Plans submitted for existing building TI. Plans approved and returned to the City 9/20/18. Issued permit 3773 on 10/4/18.	Inspect work improvements as scheduled.
Sater's Apartment Complex / Avenue 44 Easement	Between Avenue 44 & Market St West of Jackson	VSD met with the Developer of an apartment complex and discussed sewer main connection options for the developer to tie into. Plans submitted for 6 building, 60 unit apartment complex. 3rd plan check returned to city 6/28/16. Plan approved and returned to the City 5/18/17. bonds and development agreement have been signed and recorded. Waiting for developer to finalize easement and permit project.	Waiting for owner to process permit paperwork.
Shadow Hills Plaza Ste F-102 TI	82900 Avenue 42/Jackson St	Plans submitted for existing building TI. Completed 1st plan check and returned to the City 6/15/18.	Perform 2nd plan check upon plan resubmittal.
Sun Community Credit Union TI	82195 Avenue 42/Monroe	Plans submitted for existing building TI. Plans approved and returned to the City 11/7/18. Issued permit 3788 on 11/16/18.	Inspect work improvements as scheduled.
Terra Lago Four Seasons Tract 32341-3	North of Avenue 44 & East of Harrison	Plans approved from previous developer. Working on getting the development agreement recorded. Bonds have been submitted. Construction work is in progress. Warranty Bond in place 3/28/18.	Inspect work improvements as scheduled.
Terra Lago Four Seasons Tract 32341-4	North of Avenue 44 & East of Harrison	37 Lot Residential Tract Development. Plans submitted for plan check #1. 1/6/14 received 2nd submittal. 01/21/14 received 3rd submittal. Plans approved and Fees paid. Warranty Bond in place 3/28/18.	Inspect work improvements as scheduled.
Terra Lago Four Seasons Tract 32341-5	North of Avenue 44 & East of Harrison	50 Lot Residential Tract Development. Plans submitted for 1st plan check. 1/6/14 received 2nd submittal. 01/21/14 received 3rd submittal. 3rd plan check returned 3/10/2014. Plans approved June 3, 2014. Warranty Bond Released 5/10/18.	Inspect work improvements as scheduled.
Terra Lago Four Seasons Tract 32341-6	North of Avenue 44 & East of Harrison	Plans submitted for plan check review on the next phase of development. 1st plan check ready to be picked up. Plans Approved 2/9/16. Performance Bond Released 3/20/2017. Warranty Bond in place.	Inspect work improvements as scheduled. Inspection and testing of sewer main after the one year warranty period.
Terra Lago Four Seasons Tract 32341-7	North of Avenue 44 & East of Harrison	Civil plans submitted plan check. Plans approved and returned to the Engineer 7/11/17. Issued permit 3715 on 1/29/18. Payment and Performance Bonds Released 1/10/2019. Maintenance Bond in place 1/3/19.	Inspect work improvements as scheduled.
Terra Lago Four Seasons Tract 32341-8	North of Avenue 44 & East of Harrison	Civil plans submitted for plan check. Plans approved and returned to the Engineer 12/4/17.	Inspect work improvements as scheduled.

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Terra Lago Four Seasons Tract 32341-9	North of Avenue 44 & East of Harrison	Civil plans submitted for plan check. Plans approved and returned to the Engineer 4/3/18. Payment and Performance Bonds Released 1/10/2019. Maintenance Bond in place 1/3/19.	Inspect work improvements as scheduled.
Terra Lago Four Seasons Tract 32341-10	North of Avenue 44 & East of Harrison	Civil plans submitted for plan check. Plans approved and returned to the Engineer 4/3/18.	Waiting for owner to process permit paperwork.
Terra Lago Four Seasons Tract 32341-11	North of Avenue 44 & East of Harrison	Civil plans submitted for plan check. Completed 1st plan check and returned to the Engineer 12/12/18.	Perform 2nd plan check upon plan resubmittal.
Terra Lago Four Seasons Tract 32462	North of Avenue 44 & East of Harrison	19 Lot Residential Tract Development. Plans submitted for 1st plan check. 1/6/14 received 2nd submittal. 01/21/14 received 3rd submittal. Plans revised and resubmitted due to field issues. Warranty Bond Released 5/10/18.	Inspect work improvements as scheduled.
Terra Lago Four Seasons Tract 32462-2	North of Avenue 44 & East of Harrison	Plans approved from previous developer. Development agreement has been recorded. Bonds have been submitted. Construction work is in progress.	Inspect work improvements as scheduled.
The Daily Grind Coffee - TI	45810 Fargo Street/Hwy 111	Plans submitted for tenant TI. Plans approved and returned to the City 1/24/18. Issued permit 3737 on 3/9/18.	Inspect work improvements as scheduled.
The Palms Building 10	Avenue 42/Monroe - Address TBD	Plans submitted for new buildings. Plans approved and returned to the City 6/8/17.	Waiting for owner to process permit paperwork.
Tower Market Gas Station	84417 Indio Blvd, Avenue 48	Plans submitted for gas station and convenience store. Plans approved and returned to the City 1/29/19.	Waiting for owner to process permit paperwork.
Tractor Supply TI	42625 Jackson Street #100	Plans submitted for TI of existing building. 2nd plan check completed and returned to the City 1/17/19.	Perform 3rd plan check upon plan resubmittal.
U Save Market TI	46527 Calhoun Street/Date Avenue	Plans submitted for existing building TI. Plan approved and returned to the City 12/12/18. Issued permit 3794 on 12/18/18.	Inspect work improvements as scheduled.